

Fiskars Corporation
 Inside Information
 December 4, 2019 at 8:30 a.m. EET

Fiskars Group plans to renew the organizational structure and increase efficiencies

- Positioning the company for increased consumer focus in alignment with our strategic priorities
- Simplifying the organization and completing the integration into one company
- Targeting EUR 20 million in annual net cost savings by the end of 2021
- Changes in the Fiskars Group Leadership Team

Fiskars Group plans to change its organizational structure and simplify the organization to continue to build one company with a common purpose, strategy and values.

“We have made good progress in many of our strategic priority areas. As our business environment continues to evolve, we are shaping our future and developing the way Fiskars Group operates. The planned organizational structure allows us to strengthen our competitiveness and focus on the consumer by removing overlaps and simplifying the organization. With the planned structure, we can better turn consumer insight into our offering and speed up decision-making, enabling us to deliver sustainable growth,” said Jaana Tuominen, President and CEO, Fiskars Group.

By the end of Q1 2020, we plan to complete the integration into one company that would be organized around three Business Areas, global Sales and Consumer Experience & Growth functions, as well as Supply Chain and other Global Functions.

Each Business Area would have a clear focus and accountability of the global offering, enabling us to leverage the full potential of our strong brands and fueling our ability to make the everyday extraordinary to people who love our products and services.

- BA Vita would consist of tableware, drinkware and interior design categories. Based on net sales in 2018, this Business Area would represent appr. 47% of Group net sales. **Christian Bachler**, Executive Vice President, will assume the position to lead the planning of the BA Vita. Christian was previously SVP, English & Crystal Living business.
- BA Terra would consist of garden, watering, and outdoor categories. Based on net sales in 2018, this Business Area would represent appr. 40% of Group net sales. **Sari Pohjonen**, CFO, will lead the planning of the BA Terra.
- BA Crea would consist of cooking, crafting and scissors categories. Based on net sales in 2018, this Business Area would represent appr. 13% of Group net sales. **Tuomas Hyryläinen**, Executive Vice President, will assume the position to lead the planning of the BA Crea. He was previously the Chief Growth Officer for the Group.

We plan to integrate our sales teams into one global function to accelerate growth and serve our customers better, while streamlining the organization, developing common ways of working and continuing to build long-term strategic relationships with our customers. Chief Sales Officer **Johan Hedberg** will assume the position to lead the planning of the global Sales function. Johan was previously SVP, Sales, Living business.

We plan to form one Consumer Experience & Growth function that is responsible for developing and providing expertise in consumer insights, brand portfolio management, marketing and growth initiatives. President and CEO Jaana Tuominen will lead the planning of this function. Fiskars Group has appointed **Tina Andersson** as Chief Consumer Officer from May 2020, at the latest. She joins us from Paulig Group where she has worked as SVP, Strategy, Marketing & Innovation.

Supply Chain and other Global functions will support our sustainable growth ambition by driving global processes, developing capabilities and bringing our strategic priorities alive across the company. The respective leaders will lead the planning of their functions.

New Group Leadership team

Effective immediately, Fiskars Group Leadership Team consists of the following members:

- Jaana Tuominen, President & CEO
- Sari Pohjonen, Chief Financial Officer and Deputy to the President & CEO
- Tina Andersson, Chief Consumer Officer (starting in May 2020, at the latest)
- Christian Bachler, Executive Vice President
- Risto Gaggl, Chief Supply Chain Officer
- Johan Hedberg, Chief Sales Officer
- Tuomas Hyryläinen, Executive Vice President
- Niklas Lindholm, Chief People Officer
- Maija Taimi, Chief Communications Officer
- Päivi Timonen, Chief Legal Officer

Michael Halak, previously President, SBU Functional, and a member of the Group Leadership Team has decided to leave the company due to personal reasons.

Restructuring Program

Fiskars Group today launches a company-wide Restructuring Program, aimed at reducing costs. The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization, simplified processes and ways of working, and reduction of workforce.

- As part of the program, we will look for synergies and efficiencies in our selling and administrative spending
- In addition, we will evaluate our entire supply and distribution network for efficiency improvements

The program will target annual net cost savings of approximately EUR 20 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results during the program, which is estimated to be completed by the end of 2021. The total costs of the program are expected to be approximately EUR 30 million by the end of 2021. They will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues the investments in growth initiatives that are expected to add sustainable value in the long-term, e.g. in e-commerce and new business opportunities.

These planned changes are expected to result in a net reduction of employees globally. As the planning progresses, we will engage and work closely with our employees and employee representatives to ensure that people are fully informed and consulted about our proposals. Processes and timelines will vary from one country to another.

The Transformation Program in the Living segment, announced in October 2018, is progressing and will continue as planned. The Program aims to increase efficiency, reduce complexity and accelerate long-term strategic development. The total costs of the program are approximately EUR 40 million in 2018–2021, of which EUR 17.0 million had been recorded by the end of the third quarter of 2019. The costs are recorded as items affecting comparability (IAC). The Transformation Program will target annual cost savings of approximately EUR 17 million, subject to the full implementation of the program.

New reporting structure

Following the planned changes in the organizational structure, Fiskars plans to revise its financial reporting structure. As of Q1 2020, Fiskars' four primary reporting segments would be: **Vita**, **Terra**, **Crea** and **Other**. In addition, Fiskars would report group-level net sales for three secondary reporting segments: Americas, Europe and Asia-Pacific.

Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

To provide a basis for comparison, Fiskars will present restated, unaudited financial figures before the Q1 2020 interim report is published.

CVs and photos of the appointed new leadership team members are attached to this release.

Webcast and conference call

A webcast regarding the announcement will be held today at 12:30 p.m. (EET). The event will be held in English and can be followed at <https://fiskars.videosync.fi/info-04122019>

It is also possible to participate by phone:

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Questions can be asked in English after the presentation. Presentation materials will also be available at www.fiskarsgroup.com. An on-demand version of the webcast will be available on the company website later the same day. Personal details gathered during the event will not be used for any other purpose.

FISKARS CORPORATION

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President and CEO

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Making the everyday extraordinary

Fiskars Group's purpose is to make the everyday extraordinary. With our family of lifestyle brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood, we want to create a positive, lasting impact on our quality of life. Our products are available in more than 100 countries and we employ around 7,600 people in 30 countries. Please visit us at www.fiskarsgroup.com for more information.