



# Fiskars Group Interim Report Q1 2023

JANUARY-MARCH 2023



# Interim Report January-March 2023

## FOCUS ON CASH FLOW AND PROFIT PROTECTION DELIVERED RESULTS IN A CHALLENGING OPERATING ENVIRONMENT

### JANUARY-MARCH 2023 IN BRIEF

- Comparable net sales<sup>1</sup> decreased by 13.4% to EUR 274.9 million (Q1 2022: 317.5). Reported net sales decreased by 17.4% to EUR 274.9 million (332.6)
- Comparable EBIT<sup>2</sup> decreased to EUR 31.2 million (51.8), or 11.4% (15.6%) of net sales. EBIT decreased to EUR 28.9 million (41.4)
- Cash flow from operating activities before financial items and taxes increased to EUR 22.1 million (-55.9)
- Free cash flow increased to EUR 12.9 million (-69.9)
- Earnings per share (EPS) were EUR 0.25 (0.38)

### GUIDANCE FOR 2023 (UNCHANGED)

Fiskars expects comparable EBIT to be slightly below the 2022 level (2022: EUR 151.0 million).

### ASSUMPTIONS BEHIND THE GUIDANCE

The company expects that the key negative factors impacting its performance in 2023 will be the continued volatility of the market environment and weaker demand especially in the first half of the year.

Fiskars has announced targeted organizational changes, which are expected to result in savings supporting the company's EBIT from the second half onwards.

Whilst the company remains focused on prudent cost management, it also continues to invest in key strategic building blocks.

1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments

2) Items affecting comparability in EBIT include items such as restructuring costs, impairment or provisions charges and releases, integration-related costs, and gains and losses from the sale of businesses



# CEO's review



**Nathalie Ahlström**  
**President and CEO**

*“With softer demand, our focus has been on securing profit and cash flow, and I am very pleased with how we succeeded in this respect.”*

The market environment in the first quarter was challenging, as we had anticipated. With softer demand, our focus has been on securing profit and cash flow, and I am very pleased with how we succeeded in this respect. A comparable EBIT of EUR 31 million is a good accomplishment considering the significant drop in sales volumes. Our free cash flow was at a clearly better level than in the comparison period, driven in particular by our determined actions to adjust supply volumes since the end of last year.

The difficult operating environment was, however, reflected in net sales. The trends we saw already in the latter part of 2022, namely low consumer confidence and retailers' high inventory levels, continued, resulting in a 13% decline in comparable net sales. Especially our Terra business in the U.S. declined, as shipments at the start of the gardening season were clearly below the comparison period. At the same time, our e-commerce continued to grow, achieving a growth rate of 12% in the quarter. This both demonstrates the power of our brands and shows that our strategic focus on direct-to-consumer (DTC) is delivering results.

Our strategy and its four transformation levers - commercial excellence, DTC, the U.S., and China - set the framework for the choices we make. These levers are the building blocks which we believe will transform the company in the long term and thus we continue to invest in them. During the first quarter, we were able to maintain a stable like-for-like gross margin, which is our key performance indicator for commercial excellence. DTC grew by 4%, amounting to 20% of the Group's sales driven by e-commerce. In the U.S., our net sales declined by 21% as retailers' high inventory levels continued to impact demand. In China, the start to the year was challenging due to the spread of Covid-19 pandemic and the timing of the Chinese New Year, but demand picked up in the latter part of the quarter resulting in sales growth of 14%

The sustainability highlight of the quarter was our Fiskars brand's recognition as one of the most sustainable brands in Finland by the Sustainable Brand Index™, an annual ranking which shows how brands are perceived on sustainability by their stakeholders. Another important sustainability milestone was the inclusion of the first sustainability related KPI - advancing circular products and services - in our share-based long-term incentive plan for our key employees. Sustainability is a key enabler in our strategy, and it is essential that it is reflected in remuneration.

In terms of innovation and design, another key enabler for our strategy, we were honored to receive two Red Dot awards, as the All Steel cookware range and the Fiskars 5<sup>th</sup>-generation axes were awarded in the “Best of the best” category. This is the highest distinction in the competition and is awarded to pioneering designs.

I am also excited to introduce Fiskars Group's first employee share savings plan, "MyFiskars", which was launched in March. The aim of MyFiskars is to offer employees the opportunity to acquire and own Fiskars shares thereby creating a stronger culture of ownership and entrepreneurship, as well as to further strengthen our employees' long-term commitment to Fiskars.

During the quarter, we announced a change in the Fiskars Group Leadership Team, when Aamir Shaukat was appointed Chief Supply Chain Officer. Aamir will start in his position on August 1, 2023, at the latest. Bengt Erlandsson, who has been our interim Chief Supply Chain Officer since the beginning of this year, will continue in his role until Aamir joins us. I am convinced that Aamir's extensive global experience in leading transformation and diverse teams will further enhance our strategic sourcing and agility in the supply chain. I would also like to thank Bengt for his commercial, efficient and results-driven leadership of our Supply Chain function in the past few months.

With one quarter of the year now behind us, we reiterate our guidance for the year and expect comparable EBIT to be slightly below last year's EUR 151 million. The market environment continues to be challenging, especially in the first half of the year. We continue to safeguard our profit and cash flow with several ongoing actions. Furthermore, the targeted organizational changes we announced in January are progressing according to our plan, and the savings related to these changes are expected to start supporting EBIT from the second half of the year onwards. The actions we are taking to secure our performance both in the short and long term give me confidence going forward.

**Nathalie Ahlström**  
President & CEO

# Group key figures

EUR million (unless otherwise noted)	Q1 2023	Q1 2022	Change	2022
Net sales	274.9	332.6	-17.4%	1,248.4
Comparable net sales <sup>1)</sup>	274.9	317.5	-13.4%	1,237.2
EBIT	28.9	41.4	-30.2%	134.7
Items affecting comparability in EBIT <sup>2)</sup>	2.3	10.3		16.3
Comparable EBIT <sup>3)</sup>	31.2	51.8	-39.6%	151.0
Comparable EBIT margin	11.4%	15.6%		12.1%
Profit before taxes	26.3	42.6	-38.1%	124.1
Profit for the period	20.5	31.4	-34.6%	99.1
Earnings per share, EUR	0.25	0.38	-34.6%	1.21
Equity per share, EUR	9.71	9.61	0.9%	10.32
Cash flow from operating activities before financial items and taxes	22.1	-55.9		-24.9
Free cash flow	12.9	-69.9		-100.7
Net debt	369.8	207.1	78.5%	325.3
Net Debt/EBITDA (LTM), ratio	2.04	1.04		1.66
Equity ratio, %	50%	54%		53%
Net gearing, %	47%	26%		39%
Capital expenditure	10.1	9.4	10.6%	48.1
Personnel (FTE), average	6,026	6,164	-2.2%	6,273

1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

2) In Q1 2023, items affecting comparability were mainly related to organizational changes.

3) EBIT excluding items affecting comparability. Comparable EBIT is not adjusted to exclude the full impact of acquisitions/divestments/disposals.

## Performance by reporting segments

EUR million	Q1 2023	Q1 2022	Change	Comparable change*	2022
<b>Net sales</b>					
Group	274.9	332.6	-17.4%	-13.4%	1,248.4
Vita	107.7	120.8	-10.8%	-8.9%	563.7
Terra	129.5	173.1	-25.2%	-19.2%	507.4
Crea	37.3	38.1	-2.1%	-2.8%	173.4
Other	0.5	0.7			3.9
<b>Comparable EBIT</b>					
Group	31.2	51.8	-39.6%		151.0
Vita	7.8	10.7	-27.1%		85.6
Terra	22.8	35.5	-35.7%		48.4
Crea	7.8	8.1	-3.0%		34.3
Other	-7.2	-2.4			-17.2

\* Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

\*\* EBIT excluding items affecting comparability. In Q1 2023, items affecting comparability were mainly related to organizational changes. Comparable EBIT is not adjusted to exclude the full impact of acquisitions/divestments/disposals.



# Group performance

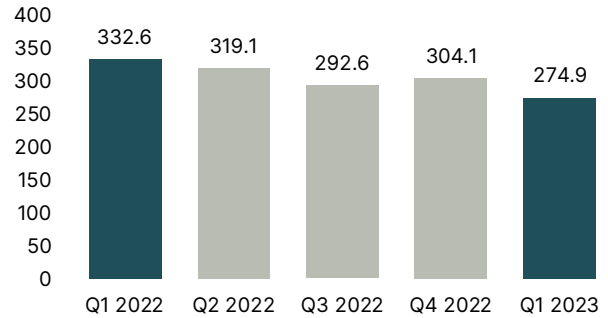
## FISKARS GROUP NET SALES IN JANUARY-MARCH 2023

Fiskars Group's comparable consolidated net sales decreased by 13.4% to EUR 274.9 million (Q1 2022: 317.5). Reported net sales decreased by 17.4%.

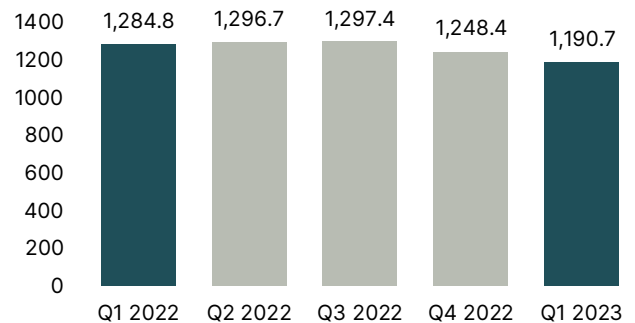
Sales decreased in all business areas and geographical segments, as low consumer confidence and retailers' high inventory levels continued to have an impact. Especially Terra sales in the U.S. decreased, with clearly lower shipments at the start of the gardening season than in the comparison period.

Fiskars Group's own e-commerce continued to develop positively, with sales growth of 12% in the quarter.

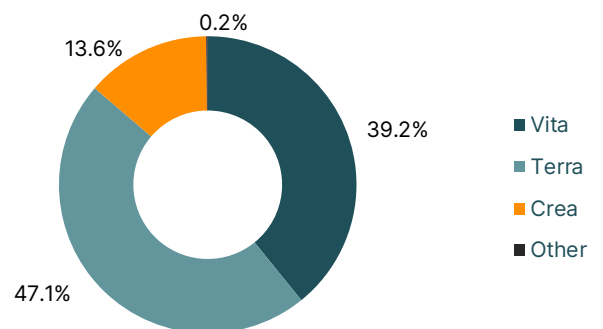
## FISKARS GROUP NET SALES, EUR MILLION



## FISKARS GROUP NET SALES LAST 12 MONTHS, EUR MILLION



## FISKARS GROUP NET SALES SPLIT BY SEGMENT IN JANUARY-MARCH 2023



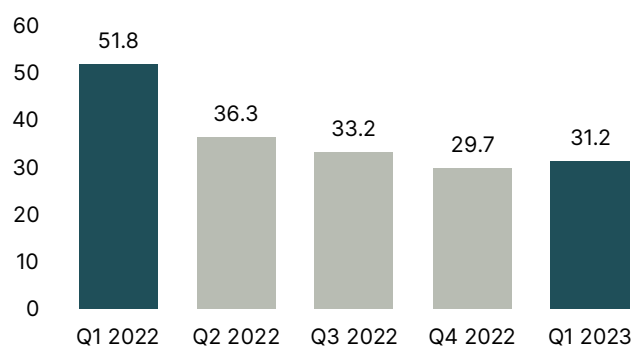
## FISKARS GROUP COMPARABLE EBIT IN JANUARY-MARCH 2023

Fiskars Group's comparable EBIT was EUR 31.2 million (Q1 2022: 51.8), or 11.4% (15.6%) of net sales.

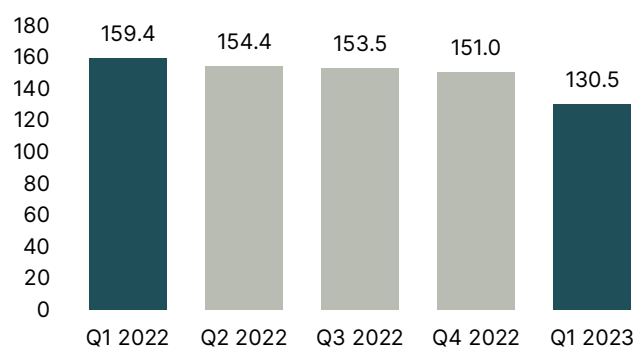
Comparable EBIT declined in Vita and Terra and was relatively stable in Crea.

Comparable EBIT declined due to significantly lower volumes. At the same time, Fiskars Group was able to mitigate inflation and maintain a stable like-for-like gross margin. Additionally, the company effectively managed costs by keeping SG&A spend slightly lower than in the comparison period.

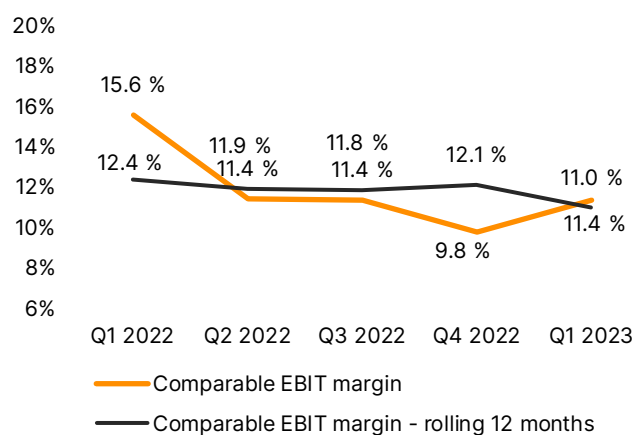
## FISKARS GROUP COMPARABLE EBIT, EUR MILLION



## FISKARS GROUP COMPARABLE EBIT LAST 12 MONTHS, EUR MILLION



## FISKARS GROUP COMPARABLE EBIT MARGIN



## FINANCIAL ITEMS, CASH FLOW AND FINANCIAL POSITION

### FINANCIAL ITEMS

EUR million	Q1	Q1	2022
	2023	2022	
Financial income and expenses	-3.6	0.7	-11.7
Foreign exchange difference	0.2	0.1	-1.1
Net interest expenses from funding, currency hedging and leasing liabilities	-4.5	-0.9	-7.4

During the first quarter, financial income and expenses amounted to EUR -3.6 million (Q1 2022: 0.7). Foreign exchange differences accounted for EUR 0.2 million (0.1) of financial items. Net interest expenses from funding, currency hedging and leasing liabilities amounted to EUR -4.5 million (-0.9) and were impacted by the higher net debt level and higher interest rates.

### CASH FLOW AND FINANCIAL POSITION

EUR million (unless otherwise noted)	Q1	Q1	2022
	2023	2022	
Free cash flow	12.9	-69.9	-100.7
Cash flow from operating activities before financial items and taxes	22.1	-55.9	-24.9
Cash flow from investing activities	-9.8	34.8	-7.8
Cash flow from financing activities	-50.6	42.3	149.8
Change in cash and cash equivalents	-39.1	16.3	80.5
Net working capital	318.6	205.5	337.2
Capital expenditure	10.1	9.4	48.1
Net debt	369.8	207.1	325.3
Net debt/EBITDA LTM, ratio	2.04	1.04	1.66
Net gearing, %	47%	26%	39%
Equity ratio, %	50%	54%	53%

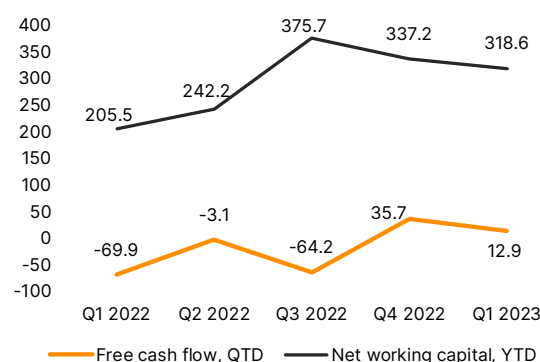
Cash flow from operating activities before financial items and taxes in Q1 2023 increased to EUR 22.1 million (Q1 2022: -55.9). The cash flow was positively impacted by the decrease of inventories of EUR 18.4 million (6.0).

Capital expenditure totaled EUR 10.1 million (9.4) and was mainly related to IT and the supply chain.

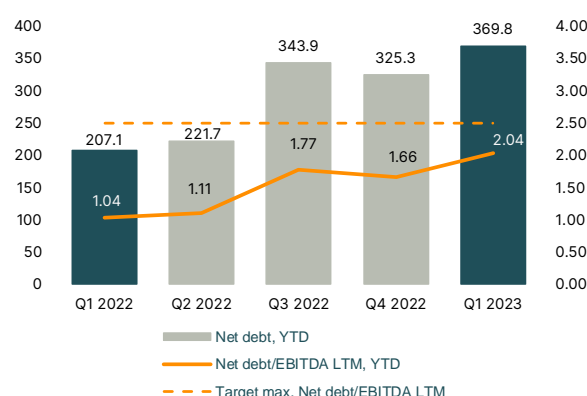
Excluding lease liabilities, short-term borrowing totaled EUR 182.1 million (147.9), and long-term borrowing EUR 130.3 million (0.6). Short-term borrowing consisted mainly of commercial paper and of a revolving facility loan maturing in 2023. Long-term borrowing included bilateral loans from financial institutions.

Fiskars Group had EUR 250.0 (250.0) million of long-term committed credit facilities and uncommitted overdraft facilities of EUR 46.9 (47.5) million. A commercial paper program of 400 million was available with Nordic banks. Of the long-term committed credit facilities, EUR 30.0 million was in use (0.0), and of the commercial paper program, EUR 150.0 (85.0) million was in use.

### FISKARS GROUP NET WORKING CAPITAL AND FREE CASH FLOW



### FISKARS GROUP NET DEBT AND NET DEBT/EBITDA





## **OPERATING ENVIRONMENT IN JANUARY-MARCH 2023**

In the first quarter, high costs of living impacted consumer sentiment and demand in many regions. Consumer confidence remained low in Europe and the U.S., although it continued to improve slightly in both areas during the quarter.

In the U.S., retailers' inventories continued to be at a high level, affecting trade customers' demand.

In terms of weather, early spring was cold and thus did not boost demand for gardening products.

Demand was again strongest in China. However, the spread of the Covid-19 pandemic, as well as the timing of the Chinese New Year, negatively affected demand at the beginning of the quarter.

## Reporting segments

This interim report reflects Fiskars Group's organizational structure, which features three Business Areas (BA): Vita, Terra and Crea. Fiskars Group's four primary reporting segments are Vita, Terra, Crea and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

BA Vita offers premium and luxury products for the tableware, drinkware and interior categories. It consists of brands such as Iittala, Royal Copenhagen, Waterford and Wedgwood.

BA Terra consists of the gardening, watering and outdoor categories. The brands include Fiskars and Gerber.

BA Crea consists of the scissors and creating, as well as the cooking categories, mainly with the Fiskars brand.

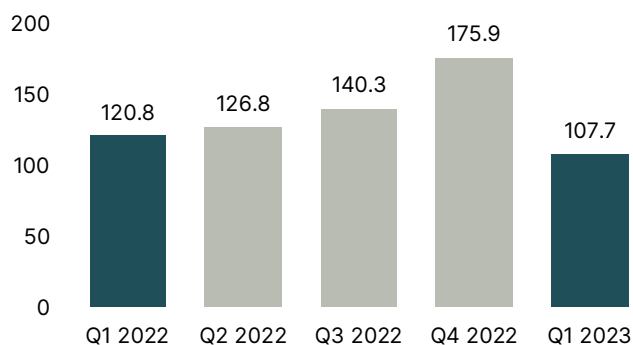
The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

# Vita segment

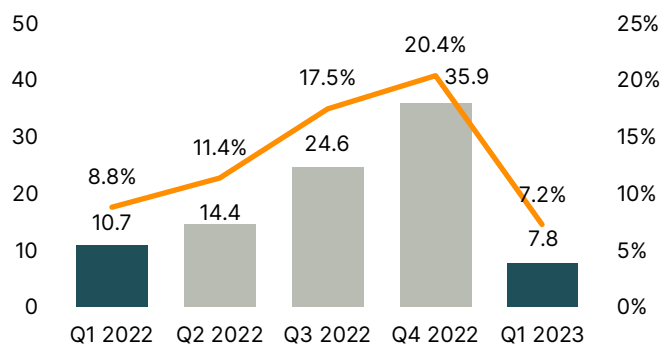
EUR million	Q1 2023	Q1 2022	Change	2022
Net sales*	107.7	120.8	-10.8%	563.7
Comparable EBIT	7.8	10.7	-27.1%	85.6
Capital expenditure	4.6	2.6	77.6%	20.9

\*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 8.9% in Q1 2023.

## VITA SEGMENT'S NET SALES, EUR MILLION



## VITA SEGMENT'S COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



## VITA SEGMENT IN JANUARY-MARCH 2023

Net sales in the Vita segment decreased by 10.8% to EUR 107.7 million (Q1 2022: 120.8). Comparable net sales decreased by 8.9% due to the decline in the retailer customer segment. Vita's own e-commerce continued to develop positively, driven by several key markets. In terms of brands, Moomin by Arabia was the best performing brand, supported by new launches during the quarter.

Net sales in DTC channels were 47% (41%) of total Vita net sales.

Comparable EBIT in the Vita segment declined to EUR 7.8 million (10.7), or 7.2% of net sales (8.8%) due to lower sales volumes. Improved gross margin and prudent cost management partially offset the negative impact of the decline in sales volumes.

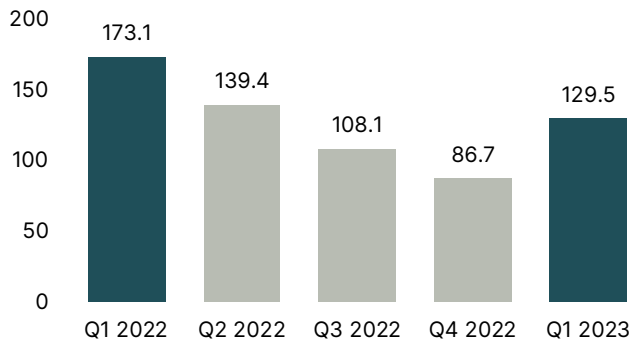


# Terra segment

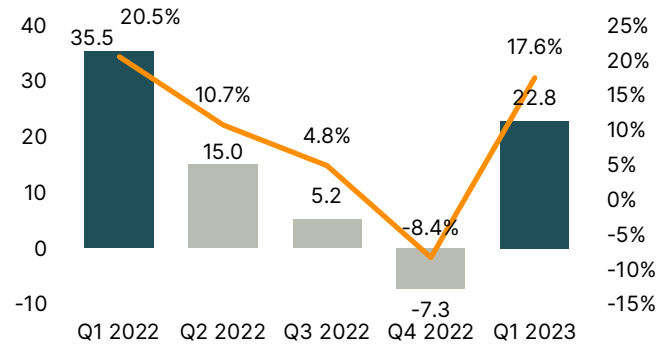
EUR million	Q1 2023	Q1 2022	Change	2022
Net sales*	129.5	173.1	-25.2%	507.4
Comparable EBIT	22.8	35.5	-35.7%	48.4
Capital expenditure	3.7	3.1	18.4%	17.5

\*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 19.2% in Q1 2023.

## TERRA SEGMENT'S NET SALES, EUR MILLION



## TERRA SEGMENT'S COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



## TERRA SEGMENT IN JANUARY-MARCH 2023

Net sales in the Terra segment decreased by 25.2% to EUR 129.5 million (Q1 2022: 173.1). The figures from the comparison period include the North American Watering business in January 2022, as it was divested on February 1, 2022. Comparable net sales decreased by 19.2%.

Net sales decreased especially in the U.S., with clearly lower shipments at the start of the gardening season than in the comparison period, primarily due to retailers' high inventories. In addition, both the U.S. and Europe had a cold start to the spring, which had a negative impact on the sale of gardening products.

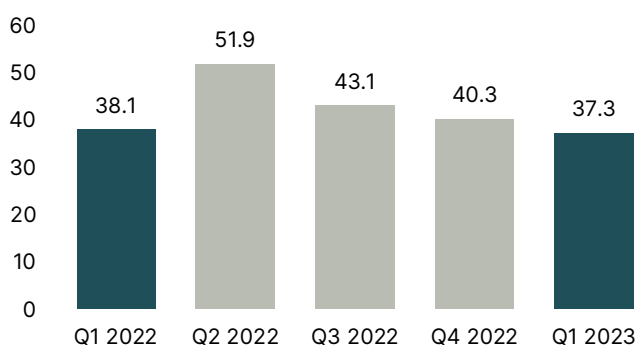
Comparable EBIT in the Terra segment declined to EUR 22.8 million (35.5), or 17.6% of net sales (20.5%). Significantly lower volumes were the main reason for the decline in EBIT. The decline in sales volumes was partially mitigated by prudent cost management.

# Crea segment

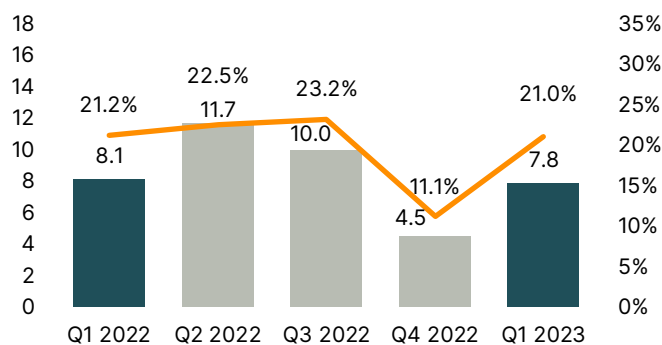
EUR million	Q1 2023	Q1 2022	Change	2022
Net sales*	37.3	38.1	-2.1%	173.4
Comparable EBIT	7.8	8.1	-3.0%	34.3
Capital expenditure	0.9	0.6	54.9%	4.0

\*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 2.8% in Q1 2023.

## CREA SEGMENT'S NET SALES, EUR MILLION



## CREA SEGMENT'S COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



## CREA SEGMENT IN JANUARY-MARCH 2023

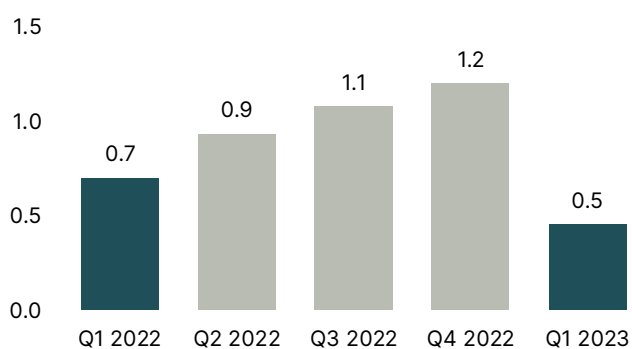
Net sales in the Crea segment decreased by 2.1% to EUR 37.3 million (Q1 2022: 38.1). Comparable net sales decreased by 2.8%. In Europe, performance varied country by country, but overall sales decreased. In the U.S., the Creating category was supported by timing of shipments.

Comparable EBIT in the Crea segment was relatively stable at EUR 7.8 million (8.1), or 21.0% of net sales (21.2%), with prudent cost management offsetting slightly lower volumes.

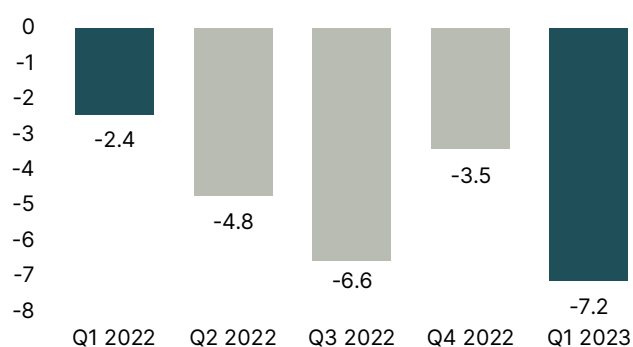
# Other segment

EUR million	Q1 2023	Q1 2022	2022
Net sales	0.5	0.7	3.9
Comparable EBIT	-7.2	-2.4	-17.2
Capital expenditure	0.7	3.1	5.9

## OTHER SEGMENT'S NET SALES, EUR MILLION



## OTHER SEGMENT'S COMPARABLE EBIT, EUR MILLION



## OTHER SEGMENT IN JANUARY-MARCH 2023

Net sales in the Other segment amounted to EUR 0.5 million (Q1 2022: 0.7), consisting of timber sales and rental income. The comparable EBIT for the Other segment declined to EUR -7.2 million (-2.4) due to some unallocated development expenses related to the strategic programs.



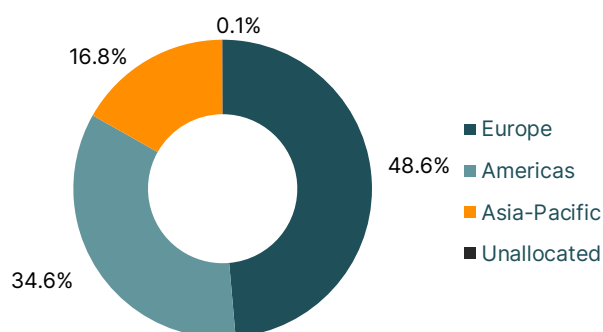
# Net sales by geography

EUR million	Q1 2023	Q1 2022	Change	Comparable change*	2022
Europe	133.6	155.0	-13.8%	-9.9%	596.0
Americas	95.0	124.6	-23.7%	-20.2%	432.0
Asia-Pacific	46.1	51.2	-10.0%	-6.2%	209.4
Unallocated**	0.1	1.8			11.1

\*Comparable net sales exclude the impact of exchange rates, acquisitions and divestments.

\*\*Geographically unallocated exchange rate differences.

## FISKARS GROUP'S NET SALES SPLIT BY GEOGRAPHY, JANUARY-MARCH 2023



## NET SALES BY GEOGRAPHY IN JANUARY-MARCH 2023

Net sales in Europe decreased by 13.8%, amounting to EUR 133.6 million (Q1 2022: 155.0). Comparable net sales decreased by 9.9%. Sales in Europe decreased across the board, apart from the important home market Finland, where sales increased.

Net sales in the Americas decreased by 23.7% to EUR 95.0 million (124.6) especially due to clearly lower shipments in the Terra segment at the start of the gardening season. Comparable net sales decreased by 20.2%.

Net sales in Asia-Pacific decreased by 10.0% to EUR 46.1 million (51.2). Comparable net sales decreased by 6.2%. In China, where the start of the quarter was negatively impacted by the spread of the Covid-19 pandemic, as well as the timing of the Chinese New Year, sales grew by 14%.



# Consumer everyday

**The Fiskars brand** received two Red Dot awards, when the All Steel cookware range and the Fiskars 5th-generation axes were awarded in the 'Best of the best' category. The Red Dot Award: Product Design is an international design competition that sets out to find each year's best products. The Red Dot: Best of the Best is the highest distinction in the competition and is awarded to pioneering designs.

During the quarter, the Fiskars brand also launched various new products within the Norden concept by extending it into new consumer activities and enhancing the core offering in the cooking category. The launch introduced a new high-quality outdoor cooking collection, including grilling cookware and utensils, expanding Fiskars cooking to backyards and gardens. The Norden stainless steel cookware collection was also renewed, with new and improved PFAS-free ceramic coatings for frying products and the introduction of new uncoated pans with superior durability. In addition, Norden's offering was expanded, with new durable stainless steel and birch wood tools for all food preparing tasks in the kitchen. The new Norden collections were launched across Europe and in the U.S., in DTC and selected premium retail channels.

**Gerber** launched a campaign called More Than Ready, which offers a curated collection of 12 must-have items for consumers who want to be More Than Ready for outdoor adventures. The campaign kicked off as a DTC exclusive, driving consumers to gerbergear.com.

**Moomin by Arabia** launched the new Alphabet collection with the letters L, O, V, E, H and M widely in resellers' channels globally. The first letters L, O, V and E had been sold only in Fiskars Group's own channels since they were pre-launched at the end of 2022. The alphabets are based on Tove Jansson's hand-drawn initials and lettering –each featuring a different Moomin character and other illustrations based on the Moomin stories. In the first quarter, Moomin by Arabia also launched new Classics: Moominpappa and Hemulen.

**Iittala** continued the launch of ultramarine blue, copper and Seville orange glass colors with line extensions. For example, ultramarine blue can now be found in the mouthblown Flora vase by Oiva Toikka, and copper in the handmade and mouthblown Raami serving bowl by Iittala master glassblowers. With over a thousand secret color recipes and an extensive color palette, Iittala's mastery of pigments and colors is unique in the world. All products are manufactured at the Iittala Glass Factory in Finland.

## RED DOT AWARDS FOR FISKARS AXES AND ALL STEEL COOKWARE



reddot winner 2023  
best of the best

## FISKARS: NORDEN CONCEPT OUTDOOR COOKING COLLECTION



## IITTALA: LINE EXTENSIONS FOR GLASS COLOURS



## STRATEGY AND FINANCIAL TARGETS

Fiskars Group's Growth Strategy, launched in November 2021, outlines the fewer, bigger, and bolder strategic choices that will put Fiskars Group on a healthy path of organic growth and profitability improvement.

Fiskars Group focuses on winning brands, winning channels, and winning countries.

- **Winning brands:** We concentrate our efforts into driving our winning brands. This is enabled through clear portfolio roles where each brand occupies a clearly defined position based on current need and potential.
- **Winning channels:** We continue to build momentum in our direct-to-consumer channel, while also investing in the relationships with key wholesale partners.
- **Winning countries:** We focus on countries with high growth potential and strong existing presence.

The strategy has four transformation levers, which are **commercial excellence, direct to consumer (DTC), the U.S. and China**. These levers are expected to transform Fiskars Group across brands, channels and countries. The four growth enablers for the strategy are people, digital, innovation & design, and sustainability. These enablers are at the core of Fiskars Group, and all are critical for executing the Growth Strategy.

Strategy execution is discussed quarterly in Fiskars Group's interim reports through progress in the transformation levers. During the first quarter, the company was able to maintain a stable like-for-like gross margin, which is a key performance indicator for commercial excellence. DTC grew by 4% in a challenging operating environment, amounting to 20% of the Group's sales. The growth was driven by e-commerce. In the U.S., net sales declined by 21% as retailers' high inventory levels continued to impact demand. In China, the start to the year was challenging due to the spread of Covid-19 pandemic and the timing of the Chinese New Year, but demand picked up in the latter part of the quarter resulting in sales growth of 14%

Sustainability highlights are included in the interim report in their own section.

Fiskars Group has four financial targets, which were updated in connection to the 2021 strategy launch. These targets and the Group's progress in them during the reporting period can be found in the following table.

## Progress in financial targets:

KPI	Target	Last 12 months
Net sales	Annual, FX neutral organic Mid-Single-Digit Growth	-4.7%
EBIT	Mid-teen EBIT margin (excl. IAC) by the end of 2025	11.0%
Cash flow	Free Cash Flow / Net Profit $\geq$ 80%	Negat.
Balance sheet	Net Debt / LTM EBITDA $\leq$ 2.5X	2.04X

## SUSTAINABILITY

Fiskars Group's ESG strategy has two commitments that guide all its actions: Pioneering design against throwaway culture and Making the everyday extraordinary. These commitments and five key ESG targets, described below, guide the company's path to sustainable growth.

### Sustainability target: the majority of Fiskars Group's net sales comes from circular products and services by 2030

Fiskars Group fights throwaway culture with pioneering design. Circularity is integrated into innovation processes, new business development, and material choices, and the company is looking for new opportunities to keep the products and materials in circulation instead of discarding them.

In Q1 2023, approximately 9% of the Group's net sales were generated from circular products and services. Since the last financial report, the company has developed its calculation method regarding recycled materials and is able to collect data more comprehensively. The figure now also includes circular services such as the Vintage service and Fiskars Pan Care.

During the first quarter of the year, Fiskars Group also announced that advancing circular products and services will be one of the KPIs in the company's Performance Share Plan for its key employees in the Plan's 2023-2025 performance period.

### Sustainability target: greenhouse gas emissions from own operations (Scope 1 and 2) reduced by 60% from a 2017 base year by 2030

Fiskars Group's target is to reduce its climate emissions by increasing operational efficiency and investing in renewable energy. During the first quarter, Scope 1 and 2 greenhouse gas emissions decreased by 11% compared to the first quarter of 2022 and by 47% compared to the base year 2017.

In January 2023, Fiskars Group's factory in Portland, Oregon, USA, switched to renewable electricity. The factory manufactures Gerber products. By switching to





renewable electricity, the factory's annual emissions will decrease by 270 tons. Renewable electricity is now used at most of the company's manufacturing units and distribution centers, and the company is actively looking for opportunities to expand the use of renewable energy.

**Sustainability target: 60% of Fiskars Group's suppliers by spend covering purchased goods and services will have science-based targets by 2024**

Fiskars Group is committed to reducing emissions along its value chain and support its suppliers in setting science-based targets. The target is that 60% of its suppliers by spend providing purchased goods and services will have science-based targets by 2024. During the first quarter, 30% (31.12.2022: 25%) of the company's raw material, component and finished goods suppliers by spend had set science-based targets its value chain and support its suppliers in setting science-based targets.

**Sustainability target: Zero Lost Time Accident Frequency (LTAF) by 2030**

For Fiskars Group, health and safety is an integral part of the workplace culture. In February 2023, the company introduced a Safety365 initiative. With this initiative, the company is raising awareness of safety issues throughout the year and embedding safety even more strongly in the company culture.

The target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), including contractors. During the first quarter, LTAF (the number of accidents causing injury resulting in an absence of at least one workday per million hours worked) increased by 50% to 7.2 (1-12/2022: 4.8). The number of accidents has remained the same compared to Q1 2022. The LTAF figure increased, as furloughs reduced working hours during the quarter. All accidents are investigated and analyzed, and corrective actions will be implemented.

**Sustainability target: Enhancing diversity, equity, and inclusion**

Fiskars Group is committed to creating a diverse, equal, and inclusive work culture in which employees can do their best. In March 2023, the company's Women in Business network arranged International Women's Day celebrations worldwide and raised awareness of gender equality in business. In the U.S., the network hosted a recognition event and encouraged colleagues to recognize women making a meaningful impact and leading according to the company values.

During the first quarter of 2023, Fiskars Group also started to update its DEI strategy and further developed the DEI target setting, which will be one of the key ESG targets.

**Recognitions**

In March 2023, Fiskars Group achieved a Gold-level sustainability rating from EcoVadis. EcoVadis is a

trusted provider of business sustainability ratings, assessing companies based on their performance in environmental issues, labor & human rights, ethics, and sustainable procurement. The methodology utilizes international sustainability standards, and it is supervised by a scientific committee of sustainability and supply chain experts to ensure reliable third-party sustainability assessments.

The Fiskars brand was also recognized as one of the most sustainable brands in Finland by consumers in the Sustainable Brand Index™ brand study. The Sustainable Brand Index™ is an annual ranking which shows how brands are perceived on sustainability by their stakeholders. This year, Fiskars was considered by consumers the most sustainable brand within the hobby and leisure category and as the 7th most sustainable brand overall in Finland.

**RESEARCH AND DEVELOPMENT**

The Group's research and development expenditure was EUR 5.6 million (Q1 2022: 5.0) in the first quarter of 2023, equivalent to 2.0% (1.5%) of net sales.

**PERSONNEL**

The average number of full-time equivalent employees (FTE) was 6,026 (Q1 2022: 6,164) in the first quarter. At the end of the quarter, the Group employed 6,358 (6,515) employees.

**CHANGES IN MANAGEMENT**

On March 27, 2023 Fiskars Group appointed Aamir Shaukat Chief Supply Chain Officer and a member of the Fiskars Group Leadership Team. Aamir will start in his position at the latest on August 1, 2023 and will report to President and CEO Nathalie Ahlström. Bengt Erlandsson, who has served as the company's interim Chief Supply Chain Officer since January 1, 2023, will continue in his role until Aamir joins Fiskars Group and will support Aamir to ensure a smooth transition thereafter.

**ORGANIZATIONAL CHANGES AND FACTORY FURLOUGHES**

On January 23, 2023, Fiskars Group announced that it was planning targeted organizational changes to accelerate strategy execution. The planned changes were mainly related to the organizational structure of its three Business Areas – Vita, Terra and Crea. The targeted organizational changes were expected to lead to a net reduction of approximately 100 roles globally.

During the quarter, the company started the implementation of organizational changes in its three business areas, having concluded the employee consultation processes. The goal of these changes was



to further drive end-to-end accountability in the business areas and to enhance their focus on brands and consumers. The company also made changes in its sales organizations in the Americas and in Europe to reflect the renewed structures in the business areas and to ensure it has the right set-up to drive the continued transformation of the company. These changes together resulted in a reduction of approximately 100 roles globally.

The organizational changes and efficiency improvements are estimated to result in total annual cost savings of approximately EUR 30 million, of which approximately half are expected to be realized in the second half of 2023. One-off costs related to the planned organizational changes amount to a total of approximately EUR 5 million. These costs are recorded as items affecting comparability (IAC) in the first and second quarter of 2023.

In addition to the above organizational changes, Fiskars Group is temporarily adjusting capacity in some of its factories due to the high level of inventories. The company is implementing furloughs of a maximum of 90 calendar days during 2023 in its factories in Billnäs, Sorsakoski and Iittala in Finland.

Furthermore, the company is planning to reorganize and optimize its retail network and initiated employee consultations concerning four stores in Finland in March. The planned measures are expected to lead to the possible closures of three stores. These employee negotiations are ongoing at the date of this interim report.

## **RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2023**

The Annual General Meeting of shareholders of Fiskars Corporation was held at the Helsinki Exhibition & Convention Centre, the Conference Center Siipi (visiting address: Rautatieäisenkatu 3, Helsinki, Finland), on March 15, 2023.

The Annual General Meeting approved the financial statements for 2022 and discharged the members of the Board and the President and CEO from the liability.

### **The use of profit shown on the balance sheet and the payment of dividend**

The Annual General Meeting decided in accordance with the proposal of the Board of Directors to pay dividend of EUR 0.80 per share for the financial period that ended on December 31, 2022. The dividend will be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.40 per share was on March 16, 2023. The first instalment was paid to a shareholder who was registered in the shareholders' register of the company maintained by Euroclear Finland Ltd. on the dividend record date March 17, 2023. The payment date for this instalment was March 24, 2023.

The second instalment of EUR 0.40 per share will be paid in September 2023. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Oy on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 7, 2023. The dividend is intended to be paid during the week commencing on September 18, 2023.

### **Remuneration report for governing bodies**

The Annual General Meeting decided to adopt the Remuneration Report for the governing bodies.

### **Election and remuneration of the Board of Directors**

The Annual General Meeting decided that the Board of Directors shall consist of eight (8) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Julia Goldin, Carl-Martin Lindahl, Volker Lixfeld, Jyri Luomakoski, and Ritva Sotamaa were re-elected to the Board of Directors. The term of the Board members will expire at the end of the Annual General Meeting in 2024.

The Annual General Meeting decided that the annual fees of the members of the Board of Directors shall be EUR 70,000, the annual fees of the Vice Chair EUR 105,000 and the annual fees of the Chair EUR 140,000.

In addition, for the Board and Committee meetings other than the meetings of the Audit Committee, the Board/Committee members shall be paid EUR 750 for meetings requiring travel within one (1) country and EUR 2,000 for meetings requiring international travel. The Chairs of the Board of Directors and said Committees shall be paid a fee of EUR 1,500 per meeting requiring travel within one (1) country and EUR 2,000 for meetings requiring international travel.

For the meetings of the Audit Committee, the Committee members shall be paid a fee of EUR 1,000 for meetings requiring travel within one (1) country and EUR 2,250 for meetings requiring international travel. The Chair of the Audit Committee shall be paid a fee of EUR 2,500 per meeting.

For Board/Committee meetings held per capsulam or as teleconference, it was decided that the Chairs of the Board of Directors as well as said Committees be paid a fee per meeting that does not differ from meeting fees otherwise payable to them and the Board/Committee members be paid a fee of EUR 750 per meeting.

Further the members of the Board of Directors are reimbursed for their travel and other expenses incurred due to their activities in the interest of the company.

### **Election and remunerations of the auditor**

Ernst & Young, Authorized Public Accountants firm, was re-elected as auditor for the term that will expire at the



end of the Annual General Meeting in 2024. Ernst & Young has announced that the responsible auditor will be Kristina Sandin, APA. The Annual General Meeting decided that the auditors' fees shall be paid according to a reasonable invoice approved by the Board of Directors.

#### **Board authorizations**

##### ***Authorizing the Board of Directors to decide on the repurchase and/or the acceptance as pledge of the company's own shares***

The Annual General Meeting decided to authorize the Board of Directors to decide on the repurchase of the company's own shares and/or the acceptance as pledge of the company's own shares. The maximum number of shares to be repurchased and/or accepted as pledge is 4,000,000. Acquisitions of own shares may be made in one or several instalments and by using the unrestricted shareholders' equity of the company.

The company's own shares may be acquired in public trading on Nasdaq Helsinki Ltd at a price formed in public trading on the time of the acquisition.

The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system as well as otherwise for further transfer, retention or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition and/or pledge of the company's own shares. Based on the authorization, the acquisition of the company's own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition).

The authorization is effective until June 30, 2024 and it canceled the authorization to decide on the repurchase of the company's own shares granted to the Board of Directors by the Annual General Meeting on March 16, 2022.

##### ***Authorizing the Board of Directors to decide on the transfer of the company's own shares held as treasury shares (share issue)***

The Annual General Meeting decided to authorize the Board of Directors to decide on the transfer of a total maximum of 4,000,000 own shares held as treasury shares (share issue), in one or several instalments, either against or without consideration.

The company's own shares held as treasury shares may be transferred for example as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system.

The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of own shares held as treasury shares. The transfer of

own shares may also be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue).

The authorization is effective until June 30, 2024, and it canceled the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 16, 2022.

#### **Amendment of the Articles of Association**

The Annual General Meeting Decided in accordance with the proposal of the Board of Directors to amend the Article 7 of the Articles of Association such that, if the Board of Directors so decide, shareholders may exercise their full decision-making power during a General Meeting using a remote connection and technical means as a so-called hybrid meeting.

Furthermore, the amendments permit the convening of a General Meeting in Espoo or completely without a physical venue, as a so-called remote meeting.

In its amended form, said provision of the Articles of Association reads as follows:

*"7 § Shareholders' Meetings (General Meetings) can be held in Raasepori, Helsinki or Espoo.*

*The Board of Directors may decide that participation in the General Meeting is also permitted such that a shareholder exercises their full decision-making power during the General Meeting using a remote connection and technical means.*

*The Board of Directors may also decide to convene a General Meeting without a physical venue such that the shareholders exercise their full decision-making power in real time using a remote connection and technical means during the General Meeting.*

*Notices to Shareholders' Meetings shall be published on the company's website and in another manner possibly decided by the Board of Directors."*

It was decided that the Articles of Association remain unchanged in other respects.

The decision is based on the changes to Chapter 5 of the Finnish Companies Act, including the possibility to arrange remote general meetings. The legislative changes are based on the premise that shareholder rights shall not be compromised, and that all participating shareholders are able to exercise their full shareholder rights, including the right to present questions and to vote, in real time during the general meeting, irrespective of the chosen general meeting format. The possibility to organise remote general meetings enables the company to be prepared for rapidly changing conditions in the company's operating environment and society in general, due to for example pandemics. It is important for the company to have means to offer its shareholders the possibility to exercise their shareholder rights and resolve on any matters presented to a general meeting under any



circumstances. In addition, Espoo is added as an alternative host city for General Meetings due to the company headquarters moving to Keilaniemi, Espoo, in early 2022.

## CONSTITUTIVE MEETING OF THE BOARD AND BOARD COMMITTEES

Convening after the Annual General Meeting held on March 15, 2023, the Board of Directors elected Paul Ehrnrooth as its Chair and Jyri Luomakoski as the Vice Chair. The Board decided to establish a Nomination Committee and appointed Paul Ehrnrooth (Chair) and Louise Fromond as the members and Alexander Ehrnrooth as an external member to the Nomination Committee and further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chair), Albert Ehrnrooth, Louise Fromond and Ritva Sotamaa as the members of the Audit Committee and a Human Resources and Compensation Committee and appointed Paul Ehrnrooth (Chair), Jyri Luomakoski, Carl-Martin Lindahl and Volker Lixfeld, as the members of the committee.

## SHARES AND SHAREHOLDERS

### Share capital and shares

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,000,000. Fiskars Corporation held 175,722 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

### Market capitalization and trading

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki.

### Trading on Nasdaq Helsinki

	1-3/2023	1-3/2022	1-12/2022
Trading volume, shares	1,639,263	2,805,443	8,498,168
Turnover, EUR	27,568,414	60,687,573	158,088,300
Highest price, EUR	18.44	24.45	24.45
Lowest price, EUR	15.20	18.98	14.04
Closing price, EUR	15.70	21.50	15.38
Volume-weighted average price, EUR	16.82	21.63	18.61

Fiskars shares are also traded in alternative marketplaces. The number of shares traded on Nasdaq Helsinki and in alternative marketplaces together was 2.1 million (3.0), which represents 2.6% (3.7%) of the

total number of shares.

At the end of March, Fiskars had a market capitalization of EUR 1,268.9 million (1,750.8). The total number of shareholders was 33,381 (30,370) at the end of March.

### Flagging notifications

Fiskars was not informed of any significant changes among its shareholders during the quarter.

### Share-based plans

The aim of the share-based plans is to support the implementation of the company's strategy and drive profitable growth and to align the objectives of employees with the shareholders to increase the value of the company. Furthermore, the goal is to increase commitment to the company by offering a competitive incentive program.

### Performance Share Plan and Restricted Share Plan

On December 10, 2020, the Board of Directors decided on new share-based Long-term Incentive Plans, Performance Share Plan and Restricted Share Plan for the Fiskars Group Leadership Team and other key employees. The Performance Share Plan has performance criteria and targets, whereas the Restricted Share Plan is used as a retention tool.

The plans consist of annually commencing share plans, each with a three-year performance or restriction period. The Board of Directors will decide the commencement of each individual plan separately. During the reporting period, the Board approved the launch of new periods for the years 2023–2025 within the Performance Share Plan and Restricted Share Plan. For the 2023–2025 period, the Performance Share Plan has a maximum of 60 participants, and the performance targets relate to the company's absolute total shareholder return, cumulative comparable EBIT, and advancing circular products and services. The 2023–2025 Restricted Share Plan has a maximum of 30 participants and no performance targets.

Further information about the ongoing periods in these share-based incentive plans and terms applied to the plans have been published in stock exchange releases on December 10, 2020, February 4, 2022, and February 7, 2023.

During the reporting period, the Board of Directors also decided on a directed share issue without consideration based on Fiskars' Performance Share Plan for the years 2018–2022 to pay the share rewards for the 2020–2022 performance period. Information about the launch and the terms and conditions of the incentive plan has been published in a stock exchange release on February 7, 2018. In the share issue, 87,361 treasury shares were issued without consideration to the key personnel participating in the 2020–2022 performance period, in accordance with the terms and conditions of the Performance Share Plan 2018–2022. The decision on the share issue



was based on the authorization granted to the Board of Directors by Fiskars Corporation's Annual General Meeting of Shareholders, held on March 16, 2022.

### ***Ownership plan for the management***

On February 7, 2023, Fiskars Group announced that the Board of Directors had decided to launch an Ownership Plan 2023 directed at the company's President and CEO, the Fiskars Group Leadership Team and certain key employees determined by the Board.

In the Plan, the target group is given an opportunity to receive free matching shares for their personal investment in Fiskars shares. The rewards based on the Plan will be paid after the end of the three-year matching period in 2026.

On February 7, 2023, it was also announced that the Board had decided on a directed share issue against payment, in which a maximum of 190,000 treasury shares held by the company are offered for subscription by the target group of the Plan, in deviation from the shareholders' pre-emptive right. The company has a weighty financial reason for the deviation from the shareholders' pre-emptive right, as the purpose of the share issue is to encourage the target group to acquire and own the company's shares as a part of the Plan. The announced subscription period ended on March 3, 2023.

On March 10, 2023, the Board approved the subscriptions for shares made in the directed share issue. A total of 156,401 treasury shares were subscribed for in the directed share issue. The subscription price was EUR 16.56 per share, equal to the trade volume weighted average price of Fiskars share on Nasdaq Helsinki Ltd during the period between January 1, 2023 and January 31, 2023. The total share subscription price was EUR 2,590,000.56. The share subscription price was credited to the company's reserve for invested unrestricted equity.

As part of the Plan, the Board resolved to offer to partly finance on an arm's length basis the subscriptions of the company's shares by providing interest-bearing loans to the Plan participants. The aggregate amount of finance provided by the company was EUR 1,206,274.00.

### ***"MyFiskars" employee share savings plan***

On March 15, 2023, Fiskars Group announced that the Board of Directors had decided to establish an employee share savings plan, "MyFiskars", for the employees of Fiskars Group.

MyFiskars consists of annually commencing plan periods, each comprising a 12-month savings period and a holding period. The employees are offered the opportunity to voluntarily save a proportion of their monthly salary and to invest this in Fiskars shares. The savings will be used

to acquire Fiskars shares for the participating employees quarterly after the publication dates of the company's interim reports. As a reward for their commitment, Fiskars grants the participating employees a gross reward of one free matching share for every two savings shares acquired. The matching shares will be granted if the participating employee remains employed at Fiskars Group at the end of the plan period, and if they have kept the shares they have acquired with their savings until this date.

The first savings period commences on July 1, 2023 and ends on June 30, 2024. The holding period begins at the first acquisition of savings shares and ends on 30 June 2026.

The maximum number of matching shares (gross before taxes) for the first plan period is approximately 120,500. The final number of matching shares depends on the employees' participation and savings rate in the plan, and the fulfillment of the prerequisites for receiving matching shares, as well as the number of shares acquired from the market with savings.

## **SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES**

Fiskars Group's business, net sales and financial performance can be affected by several internal and external uncertainties. Fiskars Group has presented the overall business risks and risk management more broadly in its Annual Report and on the company's website at [www.fiskarsgroup.com/investors](http://www.fiskarsgroup.com/investors). These risks still apply. The most significant updates to risks and business uncertainties since the publication of the Annual Report are related to the general economic and geopolitical situation, and weather risks.

Low consumer confidence in many markets due to broad-based inflation and high interest rates, as well as the high inventory levels of the Group's retailer customers, have impacted demand for the Group's products in the last few quarters. If these trends strengthen further or persist for longer than anticipated, it may negatively impact full-year net sales and financial performance.

Demand for some of Fiskars Group's products depends on weather conditions, especially for garden tools during the spring and snow tools during the winter. Unfavorable weather conditions such as a cold and rainy spring and summer can have a negative impact on the sale of these products, whereas favorable conditions can boost their sales. The second quarter of the year is seasonally the most important for the gardening category in the Terra segment, and negative development in demand during the season can have a material adverse effect on the Group's net sales. In addition, cold weather during the important season can prevent a successful reduction of the current high inventory levels, both Fiskars Group's and its customers'.



Geopolitical risks such as the continuing war in Ukraine may result in further trade sanctions, impact supply chains and market demand, which can have an adverse impact on the net sales and profit of the Group.

An escalation of the ongoing challenges in the banking sector could impact the availability and pricing of short-term funding of Fiskars Group.

## STOCK EXCHANGE RELEASES DURING THE QUARTER

Date	Release	Date	Release
13.1.2023	Inside information: Fiskars Corporation publishes preliminary key figures for Q4 and full year 2022 – comparable EBIT in 2022 in line with outlook	14.3.2023	Notification of management's transactions – Ahlström
20.1.2023	Proposals of the Nomination Committee of the Board of Directors to Fiskars' Annual General Meeting 2023	14.3.2023	Notification of management's transactions – Siitonen
23.1.2023	Inside information: Fiskars plans targeted organizational changes to accelerate strategy execution	15.3.2023	The Board of Directors of Fiskars Corporation launches an employee share savings plan
7.2.2023	Fiskars Financial Statement Release 2022	15.3.2023	Resolutions of Fiskars Corporation's Annual General Meeting 2023
7.2.2023	Notice to Fiskars Corporation's Annual General Meeting	27.3.2023	Change in the Fiskars Group Leadership Team
7.2.2023	Fiskars Corporation's directed share issue without consideration based on the Performance Share Plan 2018–2022	31.3.2023	Transfer of the company's own shares
7.2.2023	New periods to start within the share-based long-term incentive programs of Fiskars Group		
7.2.2023	Fiskars is launching a new ownership plan for the company's management and planning an employee share savings plan		
13.2.2023	Update to the notice to Fiskars Corporation Annual General Meeting		
21.2.2023	Fiskars Annual Report 2022 published		
2.3.2023	Transfer of the company's own shares		
3.3.2023	Notification of management's transactions – Ahlström		
10.3.2023	Directed share issue related to the Fiskars Ownership Plan 2023 for the company's management and transfer of the company's own shares		

## **GUIDANCE FOR 2023 (UNCHANGED)**

Fiskars expects comparable EBIT to be slightly below the 2022 level (2022: EUR 151.0 million).

## **ASSUMPTIONS BEHIND THE GUIDANCE**

The company expects that the key negative factors impacting its performance in 2023 will be the continued volatility of the market environment and weaker demand especially in the first half of the year.

Fiskars has announced targeted organizational changes, which are expected to result in savings supporting the company's EBIT from the second half onwards.

Whilst the company remains focused on prudent cost management, it also continues to invest in key strategic building blocks.

Espoo, Finland, April 26, 2023

## **FISKARS CORPORATION**

Board of Directors



# Consolidated income statement

EUR million	Q1 2023	Q1 2022	Change	2022
<b>Net sales</b>	<b>274.9</b>	<b>332.6</b>	<b>-17.4%</b>	<b>1,248.4</b>
Cost of goods sold	-147.3	-184.7	-20.2%	-692.5
<b>Gross profit</b>	<b>127.6</b>	<b>147.9</b>	<b>-13.8%</b>	<b>555.9</b>
Other operating income	0.5	5.2	-89.6%	5.6
Sales and marketing expenses	-62.6	-67.9	-7.8%	-276.1
Administration expenses	-30.9	-32.3	-4.2%	-120.9
Research and development expenses	-5.6	-5.0	11.4%	-20.8
Other operating expenses	-0.0	-6.5	-99.3%	-8.9
<b>EBIT*</b>	<b>28.9</b>	<b>41.4</b>	<b>-30.2%</b>	<b>134.7</b>
Change in fair value of biological assets	1.1	0.5		1.1
Financial income and expenses	-3.6	0.7		-11.7
<b>Profit before taxes</b>	<b>26.3</b>	<b>42.6</b>	<b>-38.1%</b>	<b>124.1</b>
Income taxes	-5.8	-11.2	-48.0%	-25.0
<b>Profit for the period</b>	<b>20.5</b>	<b>31.4</b>	<b>-34.6%</b>	<b>99.1</b>
Attributable to:				
Equity holders of the parent company	20.2	31.2	-35.2%	98.2
Non-controlling interest	0.3	0.2	72.5%	0.9
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.25	0.38	-34.6%	1.21
* Comparable EBIT (detailed in notes)	31.2	51.8	-39.6%	151.0

# Consolidated statement of comprehensive income

EUR million	Q1 2023	Q1 2022	2022
<b>Profit for the period</b>	<b>20.5</b>	<b>31.4</b>	<b>99.1</b>
<b>Other comprehensive income for the period</b>			
Items that may be reclassified subsequently to profit or loss:			
Translation differences	-4.3	0.9	3.6
Cash flow hedges	-0.1	0.0	0.1
Items that will not be reclassified to profit or loss:			
Defined benefit plans, actuarial gains (losses) net of tax	0.1	-0.1	1.3
Other comprehensive income for the period, net of tax	-4.3	0.9	5.1
<b>Total comprehensive income for the period</b>	<b>16.2</b>	<b>32.3</b>	<b>104.2</b>
Attributable to:			
Equity holders of the parent company	15.9	32.0	103.2
Non-controlling interest	0.3	0.3	1.0
<b>Total comprehensive income for the period</b>	<b>16.2</b>	<b>32.3</b>	<b>104.2</b>



# Consolidated balance sheet

EUR million	Mar 31 2023	Mar 31 2022	Change	2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	220.3	220.1	0.1%	221.2
Other intangible assets	279.6	269.8	3.6%	278.6
Property, plant and equipment	146.2	144.4	1.2%	146.3
Right-of-use assets	127.9	102.0	25.4%	110.6
Biological assets	47.5	45.9	3.6%	46.5
Investment property	5.6	3.6	55.7%	5.8
Financial assets at fair value through profit or loss	29.3	34.7	-15.4%	29.0
Other investments	3.5	3.4	3.6%	3.5
Deferred tax assets	33.8	25.0	35.1%	29.0
Other non-current assets	7.4	6.7	9.7%	6.4
<b>Non-current assets total</b>	<b>901.1</b>	<b>855.5</b>	<b>5.3%</b>	<b>876.7</b>
<b>Current assets</b>				
Inventories	347.1	272.5	27.4%	364.7
Trade receivables	183.3	251.1	-27.0%	170.5
Other current receivables	61.9	34.3	80.7%	48.8
Income tax receivables	4.7	5.4	-14.0%	7.2
Interest-bearing receivables	1.6	0.0		1.7
Cash and cash equivalents	76.3	48.4	57.9%	115.8
<b>Current assets total</b>	<b>674.9</b>	<b>611.6</b>	<b>10.4%</b>	<b>708.6</b>
<b>Assets total</b>	<b>1,576.0</b>	<b>1,467.1</b>	<b>7.4%</b>	<b>1,585.4</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to the equity holders of the parent company	784.7	782.9	0.2%	831.6
Non-controlling interest	4.3	4.5	-3.7%	4.1
<b>Equity total</b>	<b>789.1</b>	<b>787.4</b>	<b>0.2%</b>	<b>835.6</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	130.3	0.6		130.4
Lease liabilities	111.7	85.4	30.8%	92.9
Deferred tax liabilities	42.4	32.0	32.3%	34.5
Employee defined benefit obligations	11.0	13.6	-19.0%	10.8
Provisions	2.4	3.4	-29.3%	2.4
Other non-current liabilities	3.4	4.8	-29.6%	4.0
<b>Non-current liabilities total</b>	<b>301.2</b>	<b>139.8</b>		<b>275.1</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	182.1	147.9	23.1%	195.2
Lease liabilities	22.0	21.6	1.9%	22.5
Trade payables	74.1	97.7	-24.2%	69.2
Other current payables	199.0	249.6	-20.3%	180.9
Income tax liabilities	3.5	9.9	-64.1%	2.1
Provisions	5.1	13.1	-61.5%	4.8
<b>Current liabilities total</b>	<b>485.8</b>	<b>539.8</b>	<b>-10.0%</b>	<b>474.6</b>
<b>Equity and liabilities total</b>	<b>1,576.0</b>	<b>1,467.1</b>	<b>7.4%</b>	<b>1,585.4</b>

# Consolidated statement of cash flows

EUR million	Q1 2023	Q1 2022	2022
<b>Cash flow from operating activities</b>			
Profit before taxes	26.3	42.6	124.1
Adjustments for			
Depreciation, amortization and impairment	15.1	15.1	59.4
Gain/loss on sale and loss on scrap of non-current assets	0.0	-1.8	0.6
Other financial items	3.7	-0.7	12.3
Change in fair value of biological assets	-1.1	-0.5	-1.1
Change in provisions and other non-cash items	-10.0	-7.1	-11.2
<b>Cash flow before changes in working capital</b>	<b>34.0</b>	<b>47.7</b>	<b>184.0</b>
Changes in working capital			
Change in current assets, non-interest-bearing	-9.8	-53.5	14.9
Change in inventories	18.4	6.0	-89.7
Change in current liabilities, non-interest-bearing	-20.5	-56.1	-134.1
<b>Cash flow from operating activities before financial items and taxes</b>	<b>22.1</b>	<b>-55.9</b>	<b>-24.9</b>
Financial income received and costs paid	-1.7	0.0	-7.4
Taxes paid	0.8	-4.9	-29.2
<b>Cash flow from operating activities (A)</b>	<b>21.3</b>	<b>-60.7</b>	<b>-61.4</b>
<b>Cash flow from investing activities</b>			
Investments in financial assets			-0.4
Capital expenditure on fixed assets	-10.1	-9.4	-48.1
Proceeds from sale of fixed assets	0.2	0.2	1.5
Proceeds from sale of assets held for sale		43.9	43.9
Proceeds from sale of subsidiary shares		0.0	-9.2
Other dividends received			0.2
Cash flow from other investments	0.0	0.0	4.3
<b>Cash flow from investing activities (B)</b>	<b>-9.8</b>	<b>34.8</b>	<b>-7.8</b>
<b>Cash flow from financing activities</b>			
Purchase of treasury shares		-2.6	-18.0
Change in current receivables	0.1	0.0	-1.7
Proceeds from non-current debt	0.1		130.1
Repayments of non-current debt	-0.2	-0.1	-0.3
Change in current debt	-12.8	82.9	129.3
Payment of lease liabilities	-6.6	-7.0	-26.5
Cash flow from other financing items	1.1		
Dividends paid	-32.3	-31.0	-62.9
<b>Cash flow from financing activities (C)</b>	<b>-50.6</b>	<b>42.3</b>	<b>149.8</b>
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>-39.1</b>	<b>16.3</b>	<b>80.5</b>
Cash and cash equivalents at beginning of period	115.8	31.5	31.5
Translation difference	-0.3	0.5	3.7
Cash and cash equivalents at end of period	76.3	48.4	115.8



# Condensed consolidated statement of changes in equity

EUR million	Attributable to the equity holders of the parent company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
<b>Opening Balance Jan 1, 2022</b>	<b>77.5</b>	<b>-7.2</b>	<b>9.2</b>	<b>0.0</b>	<b>-1.4</b>	<b>733.9</b>	<b>4.2</b>	<b>816.3</b>
Total comprehensive income for the period			0.9	0.0	-0.1	31.2	0.3	32.3
Purchase and issue of treasury shares		-2.6						-2.6
Share-based payments		1.6				0.7		2.3
Dividends						-61.9		-61.9
Other changes			6.7			-5.6		1.1
<b>Balance at Mar 31, 2022</b>	<b>77.5</b>	<b>-8.2</b>	<b>16.7</b>	<b>0.0</b>	<b>-1.4</b>	<b>698.3</b>	<b>4.5</b>	<b>787.4</b>
<b>Opening Balance Jan 1, 2023</b>	<b>77.5</b>	<b>-6.7</b>	<b>18.1</b>	<b>0.1</b>	<b>-0.1</b>	<b>742.7</b>	<b>4.1</b>	<b>835.6</b>
Total comprehensive income for the period			-4.3	-0.1	0.1	20.2	0.3	16.2
Purchase and issue of treasury shares		2.6				0.0		2.6
Share-based payments		1.6				-2.7		-1.1
Dividends						-64.6		-64.6
Other changes						0.4		0.4
<b>Balance at Mar 31, 2023</b>	<b>77.5</b>	<b>-2.6</b>	<b>13.8</b>	<b>0.0</b>	<b>0.1</b>	<b>696.0</b>	<b>4.3</b>	<b>789.1</b>



# Notes to the interim report

## **ACCOUNTING PRINCIPLES**

This unaudited Interim Report is prepared in accordance with IAS 34 *Interim Financial Reporting* using the same accounting policies and methods of computation as in the annual financial statements.

Figures presented have been rounded and the sum of individual figures may therefore differ from the presented total figure.

# Reporting segments

EUR million	Q1 2023	Q1 2022	Change	2022
<b>Net sales</b>				
Vita	107.7	120.8	-10.8%	563.7
Terra	129.5	173.1	-25.2%	507.4
Crea	37.3	38.1	-2.1%	173.4
Other	0.5	0.7	-35.5%	3.9
<b>Group total</b>	<b>274.9</b>	<b>332.6</b>	<b>-17.4%</b>	<b>1,248.4</b>
EUR million	Q1 2023	Q1 2022	Change	2022
<b>EBIT</b>				
Vita	6.4	10.4	-38.0%	85.5
Terra	22.0	27.2	-19.2%	34.1
Crea	7.6	8.1	-5.0%	34.2
Other	-7.2	-4.2	68.9%	-19.1
<b>Group total</b>	<b>28.9</b>	<b>41.4</b>	<b>-30.2%</b>	<b>134.7</b>
EUR million	Q1 2023	Q1 2022	Change	2022
<b>Depreciation, amortization and impairment</b>				
Vita	8.4	8.7	-3.2%	33.6
Terra	4.8	4.9	-1.9%	19.0
Crea	0.9	1.1	-18.7%	4.1
Other	1.0	0.4		2.7
<b>Group total</b>	<b>15.1</b>	<b>15.1</b>	<b>-0.1%</b>	<b>59.4</b>
EUR million	Q1 2023	Q1 2022	Change	2022
<b>Capital expenditure</b>				
Vita	4.6	2.6	77.6%	20.9
Terra	3.7	3.1	18.4%	17.5
Crea	0.9	0.6	54.9%	4.0
Other	0.7	3.1	-76.8%	5.9
<b>Group total</b>	<b>10.1</b>	<b>9.4</b>	<b>7.3%</b>	<b>48.1</b>

# Net sales by geography

EUR million	Q1 2023	Q1 2022	Change	2022
<b>Net sales</b>				
Europe	133.6	155.0	-13.8%	596.0
Americas	95.0	124.6	-23.7%	432.0
Asia-Pacific	46.1	51.2	-10.0%	209.4
Unallocated	0.1	1.8	-92.3%	11.1
<b>Group total</b>	<b>274.9</b>	<b>332.6</b>	<b>-17.4%</b>	<b>1,248.4</b>

# EBIT and Comparable EBIT

EUR million	Q1 2023	Q1 2022	Change	2022
<b>EBIT</b>	<b>28.9</b>	<b>41.4</b>	<b>-30.2%</b>	<b>134.7</b>
<b>Items affecting comparability in EBIT</b>				
Sale of subsidiary in Russia		10.8		11.9
Sale of Watering business	0.1	-1.6		3.3
Changes in Group Leadership Team		1.1		1.1
Organizational changes	2.2			
<b>Total items affecting comparability in EBIT</b>	<b>2.3</b>	<b>10.3</b>	<b>-77.5%</b>	<b>16.3</b>
<b>Comparable EBIT</b>	<b>31.2</b>	<b>51.8</b>	<b>-39.6%</b>	<b>151.0</b>

## EBIT and Comparable EBIT by income statement line item

EUR million	Q1 2023			Q1 2022			2022		
	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	274.9		274.9	332.6		332.6	1,248.4		1,248.4
Cost of goods sold	-147.3	0.1	-147.2	-184.7	3.7	-181.0	-692.5	4.2	-688.3
Sales and marketing expenses	-62.6	1.9	-60.7	-67.9	4.0	-63.8	-276.1	0.9	-275.2
Administration expenses	-30.9	0.2	-30.7	-32.3	1.6	-30.6	-120.9	1.7	-119.2
Research and development expenses	-5.6	0.1	-5.6	-5.0		-5.0	-20.8		-20.8
Other operating income and expenses	0.5	0.1	0.6	-1.3	0.9	-0.4	-3.3	9.5	6.2
<b>EBIT</b>	<b>28.9</b>	<b>2.3</b>	<b>31.2</b>	<b>41.4</b>	<b>10.3</b>	<b>51.8</b>	<b>134.7</b>	<b>16.3</b>	<b>151.0</b>



# Intangible and tangible assets

EUR million	Mar 31 2023	Mar 31 2022	Dec 31 2022
<b>Intangible assets and goodwill</b>			
Book value, Jan 1	499.8	489.3	489.3
Translation differences	-1.7	1.6	4.2
Additions	5.0	2.7	20.3
Amortization and impairment	-3.2	-3.6	-13.8
Decreases and transfers	-0.2	-0.2	-0.2
<b>Book value at end of period</b>	<b>499.9</b>	<b>489.9</b>	<b>499.8</b>
<b>Tangible assets and investment property</b>			
Book value, Jan 1	152.0	148.5	148.5
Translation differences	-0.5	0.3	0.5
Additions	4.8	6.7	27.8
Depreciation and impairment	-5.1	-5.1	-20.7
Decreases and transfers	0.5	-2.4	-4.0
<b>Book value at end of period</b>	<b>151.8</b>	<b>148.0</b>	<b>152.0</b>
<b>Right-of-use assets</b>			
Book value, Jan 1	110.6	106.8	106.8
Translation differences	-1.0	0.3	0.5
Additions	30.3	2.0	28.9
Depreciations	-6.5	-6.5	-24.3
Decreases	-5.5	-0.6	-1.3
<b>Book value at end of period</b>	<b>127.9</b>	<b>102.0</b>	<b>110.6</b>



# Contingencies and pledged assets

EUR million	Mar 31 2023	Mar 31 2022	Dec 31 2022
<b>As security for own commitments</b>			
Guarantees	5.9	6.7	6.0
Other contingencies*	1.7	2.2	3.0
<b>Contingencies and pledged assets total</b>	<b>7.7</b>	<b>8.9</b>	<b>9.1</b>

\*Other contingencies include a commitment of USD 1.7 million to invest in private equity funds.

# Derivatives

EUR million	Mar 31 2023	Mar 31 2022	Dec 31 2022
<b>Nominal amounts of derivatives</b>			
Derivatives, hedge accounting not applied:			
Foreign exchange forwards and swaps	282.3	288.1	306.2
Derivatives, hedge accounting applied:			
Interest rate swaps	75.0		50.0
<b>Fair value of derivatives</b>			
Derivatives, hedge accounting not applied:			
Foreign exchange forwards and swaps	1.9	3.8	3.1
Derivatives, hedge accounting applied:			
Interest rate swaps	0.0		0.1

Derivatives have been valued at market value on the reporting date.

# Net debt reconciliation

EUR million	Mar 31 2023	Mar 31 2022	Dec 31 2022
Loans from credit institutions	312.4	148.5	325.6
Lease liabilities	133.7	107.0	115.5
Cash and cash equivalents	-76.3	-48.4	-115.8
<b>Net debt</b>	<b>369.8</b>	<b>207.1</b>	<b>325.3</b>



# Exchange rate sensitivity of the operations

The most significant transaction risks are related to the appreciation of USD, THB and IDR, and the depreciation of SEK, CAD and AUD. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	USD	THB	SEK	CAD	AUD	IDR	JPY	NOK
Operational currency position	-34.4	-32.3	21.3	19.7	18.4	-13.6	12.8	9.0
Exchange rate sensitivity of the operations*	3.4	3.2	-2.1	-2.0	-1.8	1.4	-1.3	-0.9

Illustrates the impact of 10% depreciation of the currency on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange transaction risks related to the commercial cash flows are hedged primarily using currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

## Fair value of financial instruments

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. Level 2 includes financial assets and liabilities measured using directly observable market inputs. All interest-bearing debts and derivatives fall within this category. Level 3 includes financial assets and liabilities measured using non-market observable inputs. The asset classes in this category are unlisted equity investments and funds.

### Mar 31, 2023

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			29.3	29.3
Other investments			3.5	3.5
Derivative assets		2.5		2.5
<b>Total assets</b>		<b>2.5</b>	<b>32.8</b>	<b>35.3</b>
Derivative liabilities		0.6		0.6
<b>Total liabilities</b>		<b>0.6</b>		<b>0.6</b>

### Mar 31, 2022

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			34.7	34.7
Other investments	0.2		3.1	3.4
Derivative assets		4.0		4.0
<b>Total assets</b>	<b>0.2</b>	<b>4.0</b>	<b>37.8</b>	<b>42.0</b>
Derivative liabilities		0.3		0.3
<b>Total liabilities</b>		<b>0.3</b>		<b>0.3</b>

### Dec 31, 2022

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			29.0	29.0
Other investments			3.5	3.5
Derivative assets		4.5		4.5
<b>Total assets</b>		<b>4.5</b>	<b>32.5</b>	<b>37.0</b>
Derivative liabilities		1.4		1.4
<b>Total liabilities</b>		<b>1.4</b>		<b>1.4</b>

Financial assets at fair value through profit or loss consist of unlisted funds. The fair value of unlisted funds is based on the market value reported by the fund (level 3) and changes are recognized in the income statement. Other investments include listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on the quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at fair value (level 3). Fair value of unlisted shares equals acquisition value.

# Acquisitions and divestments

## Acquisitions and divestments in 2023

There were no acquisitions or divestments in the first quarter of 2023.

## Acquisitions and divestments in 2022

### Sale of subsidiary in Russia

On March 7, 2022, Fiskars Group announced that it had decided to withdraw completely from the Russian market due to Russia's attack on Ukraine. The sale of the subsidiary was completed in August 2022.

The company has operated locally mainly through its Fiskars brand and employed approximately 70 people in Moscow and in the St. Petersburg area. The net sales of the Russian business in 2021 were approximately 1% of the company's global net sales. The exit from the Russian market did not have a significant impact on the company's financial position or result in 2022. The one-time impact of the withdrawal is included in Items Affecting Comparability.

### Sale of North American Watering business

On February 1, 2022, Fiskars Corporation announced that it had completed the sale of its North American Watering Business to Lawn & Garden LLC, a holding company owned by Centre Lane Partners (CLP), a New York headquartered American private equity company. The transaction was announced on December 21, 2021.

The transaction was structured as an asset sale. The agreement covered intellectual property including the Gilmour and Nelson brands, related trademarks and patents pertaining to watering equipment commercialized in North America. Included in the transaction were the manufacturing plant in Excelsior Springs, Missouri and the warehouse operations in Independence, Missouri, as well as the employees working in these two locations.

Assets directly associated with the sale were previously classified as held for sale.



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