



Fiskars Group

Financial Statement Release

January–December 2022



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SOLID YEAR IN A CHALLENGING OPERATING ENVIRONMENT

OCTOBER–DECEMBER 2022 IN BRIEF:

- Comparable net sales¹ decreased by 12.2% to EUR 304.1 million (Q4 2021: 346.5). Reported net sales decreased by 13.9% to EUR 304.1 million (353.2)
- Comparable EBIT² decreased to EUR 29.7 million (32.2), or 9.8% (9.1%) of net sales. EBIT increased to EUR 24.4 million (23.8)
- Cash flow from operating activities before financial items and taxes increased to EUR 60.5 million (54.9)
- Free cash flow increased to EUR 35.7 million (23.7)
- Earnings per share (EPS) were EUR 0.14 (0.22)

JANUARY–DECEMBER 2022 IN BRIEF:

- Comparable net sales¹ increased by 1.7% to EUR 1,248.4 million (Q1–Q4 2021: 1,227.6). Reported net sales decreased by 0.5% to EUR 1,248.4 million (1,254.3)
- Comparable EBIT² decreased to EUR 151.0 million (154.2), or 12.1% (12.3%) of net sales. EBIT decreased to EUR 134.7 million (142.8)
- Cash flow from operating activities before financial items and taxes decreased to EUR -24.9 million (164.2)
- Free cash flow decreased to EUR -100.7 million (95.3)
- Earnings per share (EPS) were EUR 1.21 (1.06)

PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share shall be paid for the financial period that ended on December 31, 2022. The dividend shall be paid in two instalments of EUR 0.40 per share each.

OUTLOOK FOR 2023

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

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.

The company has announced plans for targeted organizational changes, which are expected to result in savings supporting the company's EBIT from the second half onwards. At the same time, the company will continue 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

The year 2022 was two-fold for Fiskars Group; whereas in the first half of the year our net sales grew by double-digits, in the second half our net sales declined as demand weakened. This resulted in comparable net sales growth of 1.7% for the full year. Taking into account the uncertainty and volatility in the operating environment during the year, I am pleased that we reached a comparable EBIT of EUR 151 million in 2022 – the second best in the history of Fiskars Group. I would like to thank our employees, customers and partners for what has once again proven to be an exceptional year.

In the fourth quarter, our comparable net sales declined by 12.2%. Low consumer confidence combined with retailers' elevated inventory levels resulted in lower than anticipated orders from customers, especially in the important U.S. market, where our net sales declined by 26%.

Although sales did not develop as we had expected, there were several positive factors in the fourth quarter. Our comparable EBIT margin improved by 70 basis points driven by gross margin improvement and prudent cost management. Another highlight was our own e-commerce, which grew by 30% in October-December. This shows that our investments in direct-to-consumer (DTC) and digital are paying off. I was also pleased that we were able to turn our free cash flow positive during the quarter after it had been negatively impacted by higher inventories during the year. The inventory levels are still clearly elevated, and we will continue to work on bringing them closer to targeted levels. As part of these measures, we are notably planning to temporarily adjust the production capacity in our factories in Billnäs and Sorsakoski.

The first full year of our Growth Strategy execution is now behind us, and we can see that its four transformation levers - commercial excellence, DTC, the U.S., and China – are delivering tangible results. Our like-for-like gross margin, which is our key performance indicator for commercial excellence, improved by 60 basis points in January-December despite broad-based cost inflation. DTC grew by 8% in 2022 amounting to 21% of the Group's sales with very good development especially in e-commerce. In the U.S., our net sales declined by 4% as demand weakened significantly in the fourth quarter. Although the U.S. market did not develop as we had anticipated at the beginning of the year, we continue to see significant potential and growth opportunities for Fiskars Group in the country. Our China business continued on a strong growth track with sales growing 36% during the year despite intermittent Covid-19 disruptions.



**NATHALIE
AHLSTRÖM**
President & CEO

We are a company in transformation and our Growth Strategy sets the framework for the choices that we make on this journey. In November, we announced changes in our Leadership Team to be more aligned with our strategy and its transformation levers. The changes included adding the new role of Executive Vice President, Direct to Consumer, to the Leadership Team as well as dividing the wholesale organization into two regional roles: one for the Americas and one for Europe and Asia-Pacific, excluding China.

In January 2023, we announced plans for targeted organizational changes mainly in our Business Areas Vita, Terra and Crea to accelerate strategy execution. The goal of these planned changes is to ensure that we allocate our resources to our strategic growth drivers. The planned changes are expected to lead to a net reduction of approximately 100 roles globally and to result in total annual cost savings of approximately EUR 30 million. At the same time, we will continue to invest in key strategic building blocks.

In 2022, we made good progress on sustainability, one of our strategic enablers. During the year, we continued to develop circular solutions and approximately 5% of the Group's net sales were generated from our brands' recycled material product ranges. Our target is that by 2030, the majority of our net sales will come from circular products and services. We are also taking concrete actions to reduce our emissions; one example is the investment in our Iittala factory in Finland, where we will replace the factory's existing natural gas powered furnaces with electricity powered furnaces. These new furnaces will reduce Fiskars Group's annual direct carbon dioxide emissions (Scope 1) by 26% by the end of 2026. During the fourth quarter, we were honored to be recognized in CDP's Climate Change A list for our transparent reporting and ambitious climate work.

Looking at 2023, it is evident that especially the first half of the year looks challenging in terms of the market environment and demand. With a softer demand outlook, our focus this year will be on securing profit and cash flow. We expect our comparable EBIT to be slightly below last year's level in 2023. Savings from the planned targeted organizational changes are also expected to support our EBIT from the second half onwards, although we will continue investing into our strategic building blocks at the same time.

Nathalie Ahlström

President & CEO

Group key figures

EUR million (unless otherwise noted)	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	304.1	353.2	-13.9%	1,248.4	1,254.3	-0.5%
Comparable net sales ¹⁾	304.1	346.5	-12.2%	1,248.4	1,227.6	1.7%
EBIT	24.4	23.8	2.4%	134.7	142.8	-5.7%
Items affecting comparability in EBIT ²⁾	-5.3	-8.3	36.3%	-16.3	-11.5	42.4%
Comparable EBIT ³⁾	29.7	32.2	-7.7%	151.0	154.2	-2.1%
Comparable EBIT margin	9.8%	9.1%		12.1%	12.3%	
Profit before taxes	14.5	24.1	-39.9%	124.1	144.1	-13.9%
Profit for the period	11.4	18.2	-37.5%	99.1	87.5	13.2%
Earnings per share, EUR	0.14	0.22	-36.6%	1.21	1.06 ⁴⁾	14.1%
Equity per share, EUR				10.32	9.97	3.5%
Cash flow from operating activities before financial items and taxes	60.5	54.9	10.1%	-24.9	164.2	
Free cash flow	35.7	23.7	50.6%	-100.7	95.3	
Net debt				325.3	145.0	
Net Debt/EBITDA (LTM)				1.66	0.71	
Equity ratio, %				53%	57%	
Net gearing, %				39%	18%	
Capital expenditure	13.4	12.8	4.7%	48.1	34.4	40.0%
Personnel (FTE), average	6,250	6,224	0.4%	6,273	6,081	3.2%

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

2) In Q4 2022, items affecting comparability were mainly related to the disposal of the subsidiary in Russia and divestment of the North American Watering business.

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

4) In 2021, earnings per share includes a negative impact of EUR 0.35 per share related to a tax reassessment case from 2014 regarding forgiven intra-company loans from 2003, where the company was obliged to pay EUR 28.3 million in additional tax, interest and punitive increases.



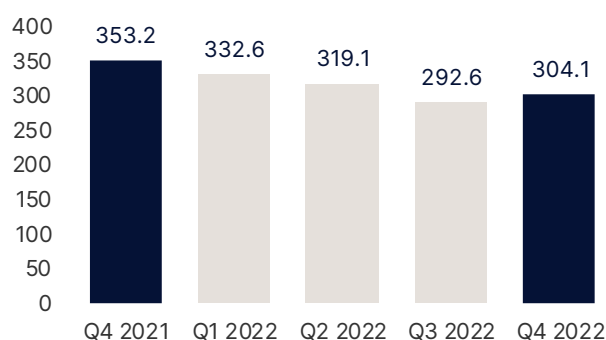
Group performance

EUR million	Q4 2022	Q4 2021	Change	Comparable change*	2022	2021	Change	Comparable change*
Net sales								
Group	304.1	353.2	-13.9%	-12.2%	1,248.4	1,254.3	-0.5%	1.7%
Vita	175.9	187.0	-5.9%	-6.5%	563.7	544.6	3.5%	1.8%
Terra	86.7	118.2	-26.6%	-19.9%	507.4	535.4	-5.2%	3.6%
Crea	40.3	46.9	-14.1%	-18.6%	173.4	170.6	1.6%	-4.1%
Other	1.2	1.2	2.5%		3.9	3.8	3.3%	
Comparable EBIT								
Group	29.7	32.2	-7.7%		151.0	154.2	-2.1%	
Vita	35.9	31.9	12.8%		85.6	79.2	8.1%	
Terra	-7.3	-3.3			48.4	51.6	-6.1%	
Crea	4.5	5.7	-22.0%		34.3	36.5	-6.4%	
Other	-3.5	-2.2	60.4%		-17.2	-13.1	31.4%	

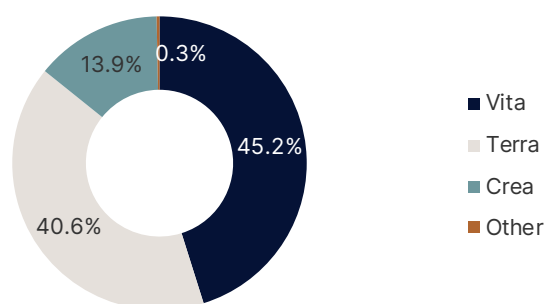
* Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

** EBIT excluding items affecting comparability. In Q4 2022, items affecting comparability were mainly related to the disposal of the subsidiary in Russia and divestment of the North American Watering business. Comparable EBIT is not adjusted to exclude the full impact of acquisitions/divestments/disposals.

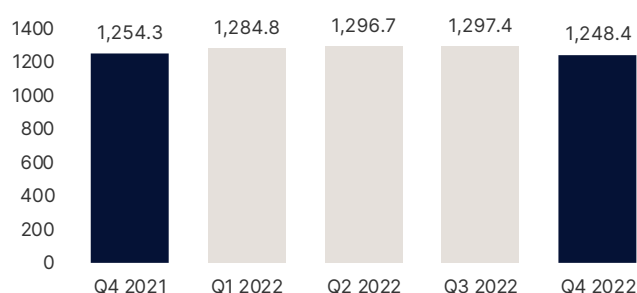
NET SALES, EUR MILLION



NET SALES SPLIT BY SEGMENT IN JANUARY-DECEMBER 2022



NET SALES LAST 12 MONTHS, EUR MILLION



FISKARS GROUP NET SALES IN OCTOBER-DECEMBER 2022

Fiskars Group's consolidated net sales decreased to EUR 304.1 million (Q4 2021: 353.2). Low consumer confidence and retailers' elevated inventory levels reduced customers' new orders and replenishments more than anticipated, especially in the U.S, where comparable net sales declined by 26% during the quarter. Sales also declined in Europe and Asia-Pacific, but the declines were much more moderate in these two regions.

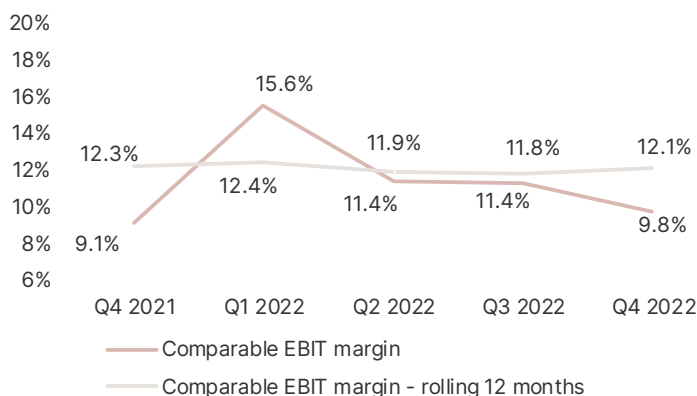
Sales decreased in all business areas.

The highlight of the quarter was Fiskars Group's own e-commerce, which developed very positively with 30% growth in sales during the quarter.

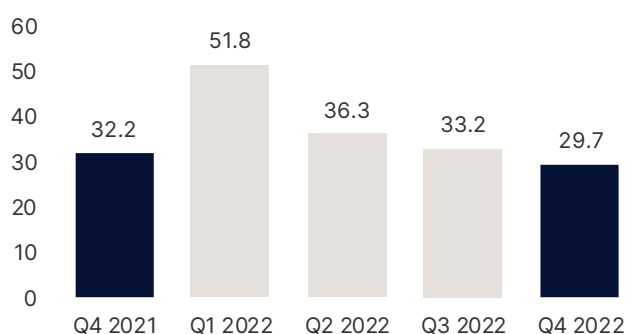
FISKARS GROUP NET SALES IN JANUARY-DECEMBER 2022

Fiskars Group's consolidated net sales decreased by 0.5% to EUR 1,248.4 million (Q1-Q4 2021: 1,254.3). Comparable net sales increased by 1.7% thanks to strong sales growth in the first half of the year. In the second half, sales were negatively impacted by weaker demand due to low consumer confidence and retailers' high inventory levels.

FISKARS GROUP COMPARABLE EBIT MARGIN AND COMPARABLE EBIT MARGIN ROLLING 12 MONTHS



FISKARS GROUP COMPARABLE EBIT, EUR MILLION

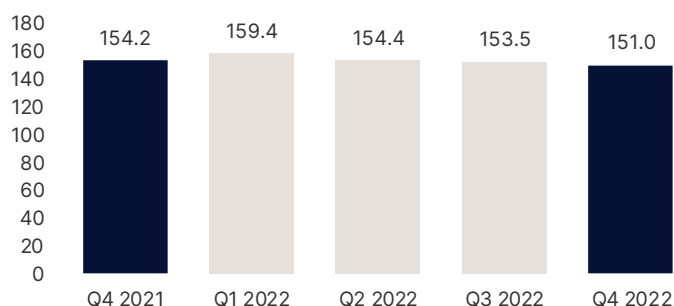


FISKARS GROUP COMPARABLE EBIT IN OCTOBER-DECEMBER 2022

Fiskars Group's comparable EBIT was EUR 29.7 million (Q4 2021: 32.2) or 9.8% (9.1%) of net sales. Comparable EBIT increased in Vita but declined in Terra and Crea. In Terra, the divestment of the North American Watering business on February 1, 2022 contributed to the decline.

The impact from lower volumes were partially offset by improved gross margin and lower SG&A spend than in the previous year.

FISKARS GROUP COMPARABLE EBIT LAST 12 MONTHS, EUR MILLION



FISKARS GROUP COMPARABLE EBIT IN JANUARY-DECEMBER 2022

Fiskars Group's comparable EBIT declined to EUR 151.0 million (Q1-Q4 2021: 154.2). EBIT margin was 12.1% (12.3%). Comparable EBIT increased in Vita but declined in Terra and Crea. In Terra, the divestment of the North American Watering business on February 1, 2022 contributed to the decline.

Comparable EBIT was supported by sales volumes and gross margin, which improved slightly despite broad-based cost inflation during the year. The company continued to invest in key strategic building blocks, digital acceleration and direct-to consumer growth, thereby increasing SG&A expenses and offsetting the positive drivers.

OPERATING ENVIRONMENT IN OCTOBER-DECEMBER 2022

In the fourth quarter, continuing cost inflation impacted consumer sentiment and demand in many regions. Consumer confidence remained low in Europe and the U.S., although it improved slightly in both areas during the quarter, with the first signs of easing inflation.

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

Demand was strongest in China. In the latter part of the quarter, the easing of Covid-19 restrictions led to a wave of infections in the country, which caused temporary store closures due to a lack of personnel and also affected demand in the last two weeks of the quarter.

Snowfall in the Nordics supported the demand for snow tools.

OPERATING ENVIRONMENT IN JANUARY-DECEMBER 2022

In 2022, the operating environment was affected by Russia's attack on Ukraine in February, which caused supply chain disruptions and increased raw material, energy and transportation costs globally. During the year, inflation accelerated across the world and consumer confidence dropped to all-time lows in many regions. Nonetheless, demand in Fiskars Group's product categories remained resilient in most markets in the first half but started to decline in the third quarter with the exception of China.

In terms of weather conditions, the cold spring especially in North America and in parts of Northern Europe delayed the start of the gardening season and reduced demand for products in this segment. In the latter part of the year, snowy conditions in the Nordics supported demand for snow tools.

Especially in the U.S., retailers' inventories were at a high level due to precautionary measures taken to avoid delays from disruptions in the global supply chains. Softer demand in the gardening season increased the inventories further. These factors impacted trade customers' demand.

Compared to the previous two years, the Covid-19 pandemic impacted the operating environment mainly in China. In the first and second quarter, lockdowns to control the pandemic led to store and distribution center closures and supply chain disruptions. In the fourth quarter, the easing of the restrictions caused a wave of infections resulting in temporary store closures due to a lack of personnel. Despite the disruptions related to the pandemic, overall demand in China remained strong throughout the year.

Reporting segments

This financial statement release 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.

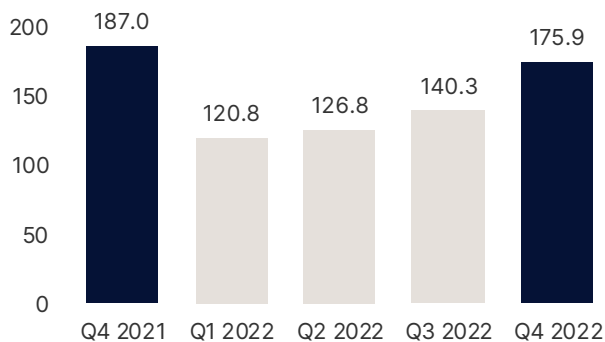


Vita segment

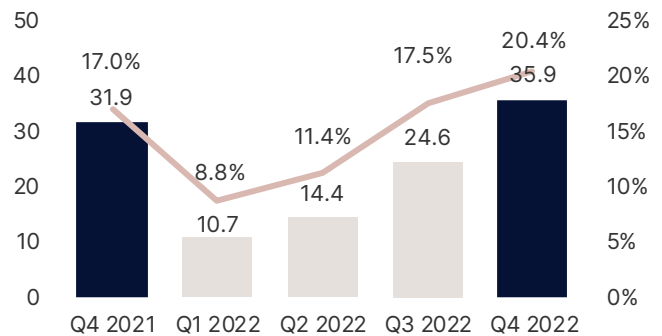
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales*	175.9	187.0	-5.9%	563.7	544.6	3.5%
Comparable EBIT	35.9	31.9	12.8%	85.6	79.2	8.1%
Capital expenditure	6.5	5.2	25.4%	20.9	16.0	30.8%

*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 6.5% in Q4 2022 and increased by 1.8% in Q1-Q4 2022.

NET SALES, EUR MILLION



COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



VITA SEGMENT IN OCTOBER-DECEMBER 2022

Net sales in the Vita segment decreased by 5.9% to EUR 175.9 million (Q4 2021: 187.0). Comparable net sales decreased by 6.5% as customers' orders and consumer sales in the holiday season were lower than anticipated. Sales declined especially in the U.S. and in the Nordics, while strong sales growth in China helped offset the declines.

Fiskars Group's own e-commerce developed very positively across regions and brands driven e.g. by Black Friday and season sale campaigns. Net sales in DTC channels were 46% (42%) of total Vita net sales.

Comparable EBIT in the Vita segment increased to EUR 35.9 million (31.9), or 20.4% of net sales (17.0%). Lower volumes were offset by an improved gross margin, which was supported by a favorable channel mix and pricing, and decreased SG&A spend compared to the fourth quarter of the previous year.

VITA SEGMENT IN JANUARY-DECEMBER 2022

Net sales in the Vita segment increased by 3.5%, to EUR 563.7 million (Q1-Q4 2021: 544.6). Comparable net sales increased by 1.8%.

Sales growth was driven by DTC channels, especially in China. Royal Copenhagen and Wedgwood were the best-performing brands and over 50% of their sales is already generated in DTC channels. During the year, net sales in DTC channels increased to 42% (41%) of total Vita net sales.

The U.K., Ireland and Denmark also contributed positively to sales growth. Net sales in Finland and Sweden declined with the Iittala brand especially having sluggish sales.

Comparable EBIT in the Vita segment increased to EUR 85.6 million (79.2) and was 15.2% of net sales (14.5%). EBIT increased driven by sales volumes and an improved gross margin. At the same time, the company continued to invest in driving DTC acceleration programs, and building these capabilities increased costs.

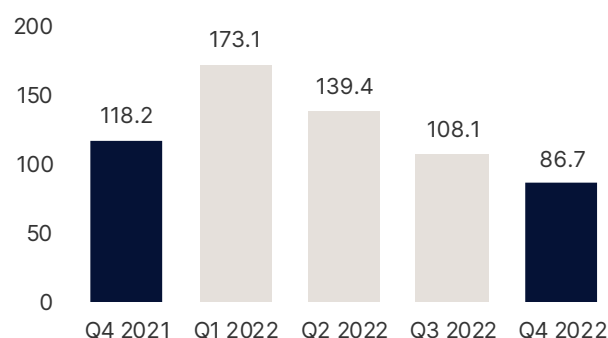


Terra segment

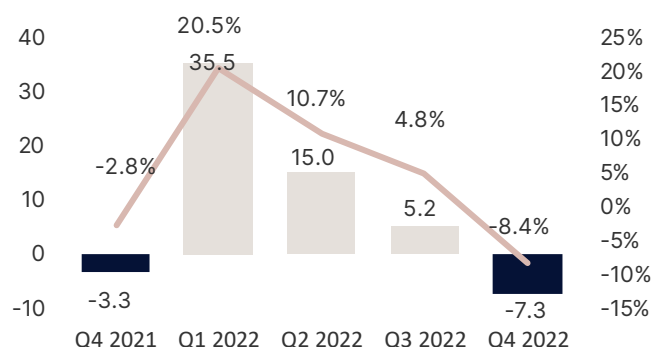
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales*	86.7	118.2	-26.6%	507.4	535.4	-5.2%
Comparable EBIT	-7.3	-3.3		48.4	51.6	-6.1%
Capital expenditure	5.3	4.3	25.4%	17.5	12.2	43.1%

*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 19.9% in Q4 2022 and increased by 3.6% in Q1-Q4 2022.

NET SALES, EUR MILLION



COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



TERRA SEGMENT IN OCTOBER-DECEMBER 2022

Net sales in the Terra segment decreased by 26.6% to EUR 86.7 million (Q4 2021: 118.2). Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. Comparable net sales decreased by 19.9%.

Net sales declined especially in the U.S., where big box customers' high inventory levels impacted their demand. The bright spots of the quarter were Finland and Sweden, where sales grew driven by demand for snow tools.

Comparable EBIT in the Terra segment declined to EUR -7.3 million (-3.3), or -8.4% of net sales (-2.8%). Comparable EBIT is not adjusted to exclude the impact of acquisitions/divestments such as the divestment of the North American Watering business on February 1, 2022. Significantly lower volumes were the main reason for the decline in EBIT.

TERRA SEGMENT IN JANUARY-DECEMBER 2022

Net sales in the Terra segment decreased by 5.2% to EUR 507.4 million (Q1-Q4 2021: 535.4). Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. The figures from the reporting period only include the North American Watering business in January 2022.

Comparable net sales increased by 3.6% driven by strong performance in the first half of the year. In terms of geographies, comparable net sales increased especially thanks to positive development in Continental Europe.

Comparable EBIT in the Terra segment declined to EUR 48.4 million (51.6), or 9.5% of net sales (9.6%). Comparable EBIT is not adjusted to exclude the impact of acquisitions/divestments such as the divestment of the North American Watering business on February 1, 2022, which affected the decline. While sales volumes supported EBIT, gross margin declined driven by high input costs.

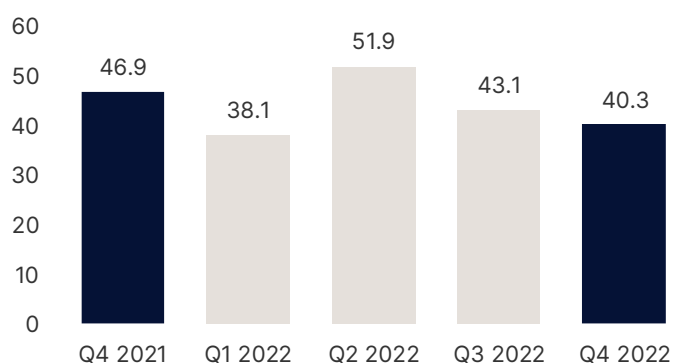


Crea segment

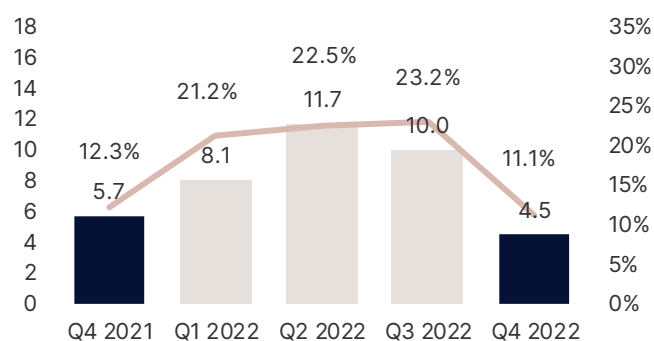
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales*	40.3	46.9	-14.1%	173.4	170.6	1.6%
Comparable EBIT	4.5	5.7	-22.0%	34.3	36.5	-6.4%
Capital expenditure	1.1	1.3	-8.6%	4.0	3.3	19.4%

*Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 18.6% in Q4 2022 and by 4.1% in Q1-Q4 2022.

NET SALES, EUR MILLION



COMPARABLE EBIT (EUR MILLION) AND COMPARABLE EBIT MARGIN



CREA SEGMENT IN OCTOBER-DECEMBER 2022

Net sales in the Crea segment decreased by 14.1% to EUR 40.3 million (Q4 2021: 46.9). Comparable net sales decreased by 18.6% primarily due to a decline in the U.S.

Comparable EBIT in the Crea segment declined to EUR 4.5 million (5.7), or 11.1% of net sales (12.2%). EBIT declined mainly due to significantly lower volumes.

CREA SEGMENT IN JANUARY-DECEMBER 2022

Net sales in the Crea segment increased by 1.6% to EUR 173.4 million (Q1-Q4 2021: 170.6). Comparable net sales decreased by 4.1% as growth in the Scissors category in the first half of the year was offset by a more challenging second half in all three categories (Cooking, Scissors and Creating).

Comparable EBIT in the Crea segment declined to EUR 34.3 million (36.5), or 19.8% of net sales (21.4%). EBIT declined primarily due to lower volumes and cost increases.



Consumer everyday

During the fourth quarter, Iittala pre-launched some of the novelties for the upcoming year in DTC channels. The nostalgic Tundra glassware by Oiva Toikka, designed in 1970, was brought back into production with four new items based on the original design – two glasses, a plate and a bowl. Inspired by the Northern hemisphere, Tundra features a delicate pattern derived from Arctic nature. To celebrate Alvar Aalto's 125th birthday, Iittala pre-launched a new vase from the Alvar Aalto collection from 1936. The rarely seen original shape from the collection is scaled to size for today's use and for versatile flower arrangements. The selected five colors follow the original colours from the 1930s; clear, white; Rio brown; smoky gray; and clear 1937.

Fiskars brand launched a new rotary product portfolio in the Creating category. The launch introduced a new blade change technology allowing consumers to change blades with a magnetic hub without having to touch the blade. This new technology was launched for both existing premium rotary level products and for a new DuoLoop rotary cutter, which is the first rotary cutter on the market with duo blade size capability. With the product's duo blade size capability, consumers can swap different size blades for one handle to accommodate different materials and different projects and save on

storage space at the same time. The new portfolio was launched exclusively with U.S. based retailer JOANN and it has been well received by customers.

Moomin by Arabia pre-launched the new Alphabet collection with the letters L, O, V and E in DTC channels. The brand new Alphabets mug collection introduces mugs that entice us to form words and meanings. With new alphabets planned to be launched every year, the L, O, V, and E mugs are the first – suggesting what spending time together is all about. The alphabets are based on Tove Jansson's hand-drawn initials and lettering – each featuring a different Moomin character and other illustrations based on Moomin stories.

Royal Copenhagen's marketing campaigns for the Christmas season resulted in an all-time high e-commerce net sales in a single month in December in Denmark. The campaigns focused on highlighting DTC exclusive products such as the Royal Copenhagen Bespoke mugs on which customers can get their name painted. In addition, the year's Collectibles products were launched earlier than usually and suggested as the perfect Christmas present for collectors.

IITTALA: NEW VASE FROM ALVAR AALTO COLLECTION



FISKARS BRAND: DUOLOOP ROTARY CUTTER



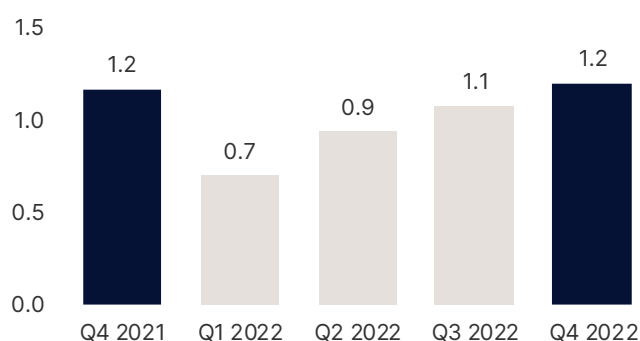
MOOMIN BY ARABIA: ALPHABET COLLECTION



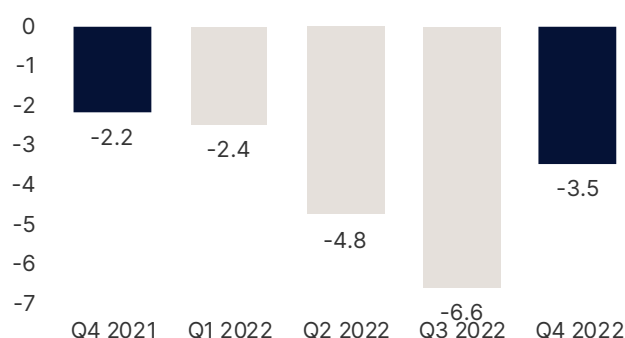
Other segment

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	1.2	1.2	2.5%	3.9	3.8	3.3%
Comparable EBIT	-3.5	-2.2	60.4%	-17.2	-13.1	31.4%
Capital expenditure	0.7	2.1	-69.0%	5.9	2.8	

NET SALES, EUR MILLION



COMPARABLE EBIT (EUR MILLION)



OTHER SEGMENT IN OCTOBER-DECEMBER 2022

Net sales in the Other segment amounted to EUR 1.2 million (Q4 2021: 1.2), consisting of timber sales and rental income. The comparable EBIT for the Other segment amounted to EUR -3.5 million (-2.2).

OTHER SEGMENT IN JANUARY-DECEMBER 2022

Net sales in the Other segment amounted to EUR 3.9 million (Q1-Q4 2021: 3.8), consisting of timber sales and rental income. The comparable EBIT for the Other segment amounted to EUR -17.2 million (-13.1).

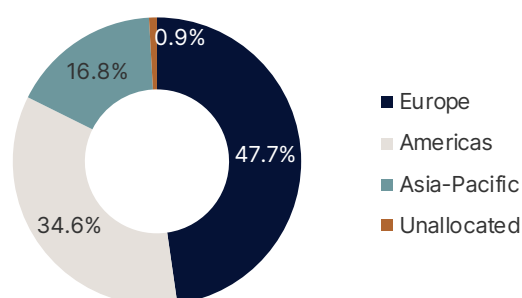
Net sales by geography

EUR million	Q4 2022	Q4 2021	Change	Comparable change*	2022	2021	Change	Comparable change*
Europe	154.3	167.9	-8.1%	-3.8%	596.0	592.2	0.6%	1.9%
Americas	91.9	121.4	-24.3%	-25.7%	432.0	475.9	-9.2%	-4.1%
Asia-Pacific	61.0	62.6	-2.6%	-0.2%	209.4	187.7	11.5%	10.6%
Unallocated**	-3.0	1.3			11.1	-1.4		

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

**Geographically unallocated exchange rate differences.

FISKARS GROUP NET SALES SPLIT BY GEOGRAPHY, JANUARY–DECEMBER 2022



NET SALES BY GEOGRAPHY IN OCTOBER–DECEMBER 2022

Net sales in Europe decreased by 8.1% amounting to EUR 154.3 million (Q4 2021: 167.9). Comparable net sales decreased by 3.8%. Sales decreased in most Nordic countries but increased in the important home market in Finland. In Continental Europe, strong growth in Germany partially offset declines in other countries.

Net sales in the Americas decreased by 24.3% to EUR 91.9 million (121.4) as low consumer confidence and retailers' high inventory levels reduced customers' new orders and replenishments. The figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. Comparable net sales decreased by 25.7%.

Net sales in Asia-Pacific decreased by 2.6% to EUR 61.0 million (62.6). Comparable net sales decreased by 0.2%. China's strong sales growth of 40% helped offset declines in other countries in the region.

NET SALES BY GEOGRAPHY IN JANUARY–DECEMBER 2022

Net sales in Europe increased by 0.6% amounting to EUR 596.0 million (Q1–Q4 2021: 592.2). Comparable net sales increased by 1.9%. Growth was driven by Continental Europe, the U.K. and Ireland, which offset the decline in net sales in the Nordics.

Net sales in the Americas decreased by 9.2% to EUR 432.0 million (475.9) as demand weakened in the second half after a strong start to the year. Figures from the comparison period include the North American Watering business, which was divested on February 1, 2022. The figures from the reporting period only include the North American Watering business in January 2022. Comparable net sales decreased by 4.1%.

Net sales in Asia-Pacific increased by 11.5% to EUR 209.4 million (187.7). Comparable net sales increased by 10.6% with positive development in most countries in the region. In China, net sales increased by 36% despite the impact of intermittent Covid-19 disruptions, especially in the second quarter.

Risks and business uncertainties

Fiskars Group's business, net sales, and financial performance may be affected by several 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.

Macroeconomic and political

A prolonged recession and weak consumer demand in Fiskars Group's main markets, as well as political uncertainty including trade disputes, sanctions, import restrictions and geopolitical tensions may have a material adverse impact on the net sales and profit of Fiskars Group. In the long-term, these risks are mitigated by having a diversified commercial footprint, both in terms of geography and the product portfolio.

Geopolitical tensions, broad-based inflation and rising interest rates witnessed in 2022 have reduced consumer confidence in many markets, and may further weaken the demand for Fiskars Group's products if prolonged. In Europe, the growing uncertainty, heightened tension in the labour markets and their implications may have an adverse impact on the company's business in the short-term. In China, the wave of Covid-19 infections since the end of the fourth quarter may have a negative impact on the local business due to store closures.

Supply chain and suppliers

Fluctuations in the price, availability or quality of the most important raw materials, energy, components and finished products from suppliers can have a negative impact on the profitability of Fiskars Group. Furthermore, global supply chain disturbances, increases in shipping costs and regulatory actions such as tariff increases, and emission trading systems can affect profitability negatively. Dependency on any single source of supply, can cause business interruptions and result in a lack of product supply for several months.

Fiskars Group manages the price, availability and quality risks with multiple source contracts and ongoing research on alternative sustainable materials. The company also mitigates the dependency on a single source of supply by constantly seeking alternative suppliers and by maintaining extensive business interruption insurance. In addition, to secure product availability, the company may also prepare for potential disruptions with safety stocks.

Consumer behavior

Failure or slowness to respond to changing consumer behavior, changing preferences or increased competition

may weaken the competitive position and thus lead to a potential loss of net sales and profit. Fiskars Group's focus is on growing in the direct channel, including e-commerce and the company's own stores, as well as on sustainability by innovating new business models to address the needs of the modern consumer.

Customers

Fiskars Group's products are sold to wholesale and retail customers, as well as directly to consumers through the company's own stores and e-commerce. Fiskars Group is exposed to risks from structural changes in the retail landscape. Failure to meet customer demands may result in Fiskars Group losing customers or category listings with customers. Fiskars Group is constantly developing its sales organization and supply chain operations to meet the changes in customer demand.

People

People are at the core of Fiskars Group's strategy as the most important asset and enabler. The execution of the Growth Strategy is heavily reliant on having the right people in the right positions. An inability to attract and retain talented and committed professionals in the competitive employee market may have an adverse impact on the achievement of Fiskars Group's strategic objectives. Employee engagement is promoted notably by providing opportunities for professional growth through leadership training and skills development and by committing to an inclusive culture.

IT systems and cybersecurity

Fiskars Group depends increasingly on centralized information technology systems and suppliers that hold critical business information. Breaches, malfunctions, cyber-attacks and fraud attempts towards Fiskars Group or its suppliers may cause interruptions in the company's operations on either a regional or global level. Such interruptions may have a material adverse effect on the net sales, profit and reputation of the Group. The company mitigates IT-related risks by deploying high-quality IT solutions and by maintaining, developing, and testing their function and integrity according to an internal IT control framework and industry best practices. Critical service and technology providers are required to have continuity and recovery plans for their services in the event of disruptions.

Seasonality

For the gardening category in the Terra segment, the second quarter of the year is seasonally the most important. The back-to-school and holiday seasons are important for the sales performance of Crea during the second half of the year. For the Vita segment, the fourth quarter of the year is the most important. Any negative developments related to product availability, demand or increased costs in manufacturing or logistics during the important seasons may significantly affect the full-year net sales and profit. The seasonality of demand can differ from a typical year due to the current volatile market conditions. Fiskars Group's strategy is to balance seasonality by diversifying and developing its product portfolio according to customer needs.

Weather

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 and snowless winter can have a negative impact on the sale of these products, whereas favorable conditions can boost their sales. The company seeks to balance the impact of changing weather conditions by a broad and diverse product portfolio and broad geographical footprint.

Currency rates

With a significant part of the business in the U.S. and in other countries outside the eurozone, Fiskars Group is exposed to fluctuations in foreign currency rates. Changes in the exchange rate may have a material impact on the reported financial figures as a result of the translation exposure.

Taxation

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits will lead to reassessments of taxes.



FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN OCTOBER-DECEMBER 2022

Financial income and expenses in the fourth quarter amounted to EUR -9.0 million (Q4 2021: 0.1). Net interest expenses from funding, currency hedging and leasing liabilities amounted to EUR -3.5 million (-0.8). Foreign exchange differences accounted for EUR -3.9 million (2.3) of financial items.

Profit before taxes was EUR 14.5 million (24.1). Income taxes for the fourth quarter were EUR -3.1 million (-5.9). Earnings per share were EUR 0.14 (0.22).

Cash flow from operating activities before financial items and taxes increased to EUR 60.5 million (54.9) due to change in net working capital. Cash flow from financial items and taxes amounted to EUR -7.0 million (-19.5).

Cash flow from investing activities was EUR -13.9 million (-12.4), including EUR 13.4 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR 21.8 million (-16.8), including EUR 130.1 proceeds from non-current debt, EUR -98.2 million of change in current debt, EUR -6.4 million of payments of lease liabilities, EUR -2.1 million purchase of treasury shares and EUR -1.7 million of change in current receivables. The comparison figure from Q4 2021 included EUR -9.8 million of change in current debt and EUR -6.6 million of payments of lease liabilities.

Capital expenditure totaled EUR 13.4 million (12.8) and was mainly related to IT and the supply chain. Depreciation, amortization and impairment were EUR 14.8 million (15.6) in the fourth quarter.

FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN JANUARY-DECEMBER 2022

In 2022, financial income and expenses amounted to EUR -11.7 million (Q1-Q4 2021: -0.0). Net interest expenses from funding, currency hedging and leasing liabilities amounted to EUR -7.4 million (-3.4). The unrealized loss from investments in unlisted funds amounted to EUR -1.4 million (6.4). Foreign exchange differences accounted for EUR -1.1 million (4.2) of financial items.

Profit before taxes was EUR 124.1 million (144.1). Income taxes were EUR -25.0 million (-56.5). Earnings per share were EUR 1.21 (1.06, including the negative impact of EUR 0.35 per share related to the tax reassessment case).

Cash flow from operating activities before financial items

and taxes declined to EUR -24.9 million (164.2) due to increase in net working capital. Cash flow from financial items and taxes amounted to EUR -36.6 million (-41.3).

Cash flow from investing activities was EUR -7.8 million (-33.7), including EUR 48.1 million of capital expenditure on fixed assets, EUR 43.9 million of proceeds from the sale of assets held for sale, EUR -9.2 from the impact of the disposal of the Russian subsidiary and EUR 4.3 million of cash flow from other investments. Cash flow from financing activities was EUR 149.8 million (-123.3), including EUR 130.1 proceeds from non-current debt, EUR 129.3 million of change in current debt, EUR -62.9 million of dividends paid, EUR -26.5 million of payments of lease liabilities, EUR -18.0 million purchase of treasury shares and EUR -1.7 million change in current receivables. The comparison figure from Q1-Q4 2021 included EUR -49.2 million dividends paid, EUR -60.5 million repayments of non-current debt, EUR 12.8 million of change in current debt and EUR -26.4 million of payments of lease liabilities.

Capital expenditure totaled EUR 48.1 million (34.4) and was mainly related to IT and the supply chain. Depreciation, amortization and impairment amounted to EUR 59.4 million (61.6).

BALANCE SHEET AND FINANCING IN JANUARY-DECEMBER 2022

Fiskars Group's working capital totaled EUR 337.2 million (164.5) at the end of December. The equity ratio was 53% (57%), and net gearing was 39% (18%).

Cash and cash equivalents at the end of the period totaled EUR 115.8 million (31.5). Net interest-bearing debt amounted to EUR 325.3 million (144.4), of which lease liabilities classified as interest-bearing debt under IFRS 16 accounted for EUR 115.5 million (111.5).

Excluding lease liabilities, short-term borrowing totaled EUR 195.2 million (64.4) and long-term borrowing EUR 130.4 million (0.7). Short-term borrowing consisted of a revolving facility loan and of commercial paper maturing in 2023. Long-term borrowing included bilateral loans from financial institutions.

Fiskars Group had EUR 250.0 (2021: 280.0) million of long-term committed credit facilities and uncommitted overdraft facilities of EUR 47.0 (44.0) million. A commercial paper program of 400 million was available with Nordic banks. Of the long-term committed credit facilities EUR 50.0 million was in use (0.0), and of the commercial paper program EUR 145.6 (0.0) million was in use.

RESEARCH AND DEVELOPMENT

The Group's research and development expenditure was EUR 5.8 million (Q4 2021: 4.4) in the fourth quarter of 2022, equivalent to 1.9% (1.2%) of net sales. During 2022, research and development expenses totaled EUR 20.8 million (Q1–Q4 2021: 15.5), equivalent to 1.7% (1.2%) of net sales.

PERSONNEL

The average number of full-time equivalent employees (FTE) was 6,250 (Q4 2021: 6,224) in the fourth quarter. At the end of the year, the Group employed 6,644 (6,690) employees.

SUSTAINABILITY

In the last quarter of 2022, Fiskars Group updated its environmental, social and governance (ESG) strategy and it was approved by the Board of Directors. The company's ambitious approach to sustainability and most of the commitments and targets remain the same, but the strategy was simplified to ensure a focus on the areas in which Fiskars Group has the biggest impact. In the updated ESG strategy, the company has prioritized five key targets, listed below, which will be followed and frequently reported on, both internally and externally.

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

Fiskars Group fights throwaway culture by developing circular solutions. The company has integrated circularity into its innovation process and found new ways to keep materials in use for as long as possible. In January–December, approximately 5% of the Group's net sales were generated from its brands' recycled material product ranges.

Fiskars Group's Vintage service buys and sells second-hand Iittala, Arabia, and Rörstrand tableware in Finland and Sweden. In Finland, the Helsinki Metropolitan Area Reuse Centre Ltd. conducted an assessment of the environmental savings people achieved by buying previously owned tableware through the Vintage service instead of buying new products. In January–December, the service helped save 77 (116) tons of solid natural resources and 26 (39) tons of CO₂ emissions.

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. In January–December, Scope 1 and 2 greenhouse gas emissions decreased by 6% compared to 2021 and by 42% compared to the base year 2017.

Fiskars Group's climate work was also recognized externally when the company earned a place on CDP's (Carbon Disclosure Project) annual Climate Change A list in December. The A listed companies are recognized for leadership in corporate transparency and performance on climate change. In 2022, nearly 15,000 companies took part in CDP's questionnaire, and less than 300 companies were among the A listed companies. CDP is a global environmental non-profit organization that collects, analyzes, and scores companies' sustainability actions and targets.

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 ensuring that 60% of its suppliers by spend providing purchased goods and services will have science-based targets by 2024. As part of Fiskars Group's work to support its suppliers in setting science-based targets, training sessions on greenhouse gas emissions and target setting were held in December. For the first time, the training sessions were also held in Chinese and Thai. At the end of 2022, 25% (1-12/2021: 6%) of the defined group of suppliers had set science-based targets.

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

For Fiskars Group, the health, safety and wellbeing of employees are key priorities. The safety target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), including also contractors. The company reports, investigates, and analyzes all accidents and implements corrective actions. In January–December, LTAF (the number of accidents causing an injury that results in an absence of at least one workday per million hours worked) decreased by 8% to 4.8 (1-12/2021: 5.2).

Sustainability target: Enhancing diversity, equity, and inclusion

Fiskars Group is committed to creating a diverse, equal, and inclusive work culture in which employees can perform at their best. The fifth key target in Fiskars Group's updated ESG strategy is the result on an index that measures the diversity, inclusion, and equity experienced by employees. The company also aims to actively take part in promoting DEI topics in society.

CHANGES IN ORGANIZATION AND MANAGEMENT

On January 18, 2022, Fiskars Group appointed Charlene Patten Zappa as Executive Vice President, Business Area Terra, and a member of the Fiskars Group Leadership Team. Charlene started in her position on January 18, 2022 and reports to the President and CEO. James Brouillard, previously Executive Vice President, Business Area Terra, decided to leave the company. Additionally, the Consumer Experience and Communications function was merged into the Business Areas and other functions. Consequently, Chief Consumer and Communication Officer Tina Andersson decided to leave the company.

On January 31, 2022, Fiskars Group appointed Anna Mindelöf as Chief People Officer and a member of the Fiskars Group Leadership Team, reporting to President and CEO Nathalie Ahlström. Anna Mindelöf started in her position on March 1, 2022. Niklas Lindholm, Chief People Officer, decided to leave the company.

On November 15, 2022, Fiskars Group announced several changes to its Leadership team as of January 1, 2023. The company announced that it would add a new role of Executive Vice President, Direct to Consumer, to the Leadership Team. This position will be filled later. In addition, the leadership of Fiskars Group's wholesale sales organization was split into two regional roles, one for the Americas and one for Europe and Asia-Pacific (excluding China). It was announced that Johan Hedberg, previously Fiskars Group's Chief Sales Officer and President, Americas and member of the Leadership Team since December 2019, would continue to lead sales for the Americas region as Chief Sales Officer, Americas and President, Americas. Gennady Jilinski was appointed Chief Sales Officer, Europe and APAC (excl. China). Risto Gaggl, Chief Supply Chain Officer, decided to leave Fiskars Group at the end of 2022 and Bengt Erlandsson was appointed Chief Supply Chain Officer on an interim basis until the new Chief Supply Chain Officer is appointed. Furthermore, the position of Chief Legal Officer, held by Päivi Timonen, will not be part of the Leadership Team as of January 1, 2023.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Outlook lowered on December 14, 2022

On December 14, 2022, Fiskars Group lowered its outlook for 2022 as a result of weaker than anticipated demand in the fourth quarter. Based on the new outlook, the company expected comparable EBIT to be approximately EUR 150 million (2021: EUR 154.2 million).

Previously the company expected comparable EBIT to increase from 2021. The rationale for lowering the outlook was that low consumer confidence together with retailers' elevated inventory levels had reduced customers' new orders and replenishments more than anticipated, especially in the U.S.

Cancellation of treasury shares announced on October 28, 2022 and registered on November 2, 2022 – total number of shares changed

On October 28, 2022, Fiskars Group announced that the Board of Directors of Fiskars Corporation had decided to cancel a total of 905,242 Fiskars shares owned by the Company. On November 2, 2022, Fiskars Group announced that the cancellation of the treasury shares had been registered with the Trade Register maintained by the Finnish Patent and Registration Office. After the cancellation, the total number of shares in Fiskars Group is 81,000,000, the total number of votes attached to the shares is 81,000,000 and Fiskars holds a total of 419,484 treasury shares. The cancellation of the shares had no effect on the share capital of Fiskars.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting ("AGM") of shareholders of Fiskars Corporation was held at Itämerentori 2, Helsinki, on March 16, 2022. To prevent the spread of Covid-19, the AGM was held without shareholders and their proxy representatives present at the meeting venue. The shareholders of the company participated in the meeting and exercised their shareholders' rights by voting in advance or through a proxy representative designated by the company. A total of 163 shareholders, representing 47.6 million shares and votes, was represented at the meeting. The AGM supported all the proposals by the Board of Directors with at least 96 percent of the votes cast. The AGM approved the financial statements for 2021 and discharged the members of the Board and the President and CEO from liability.

The AGM decided in accordance with the proposal by the Board of Directors to pay a dividend of EUR 0.76 per share for the financial period ending on December 31, 2021. The dividend was to be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.38 per share was on March 17, 2022. The first instalment was paid to shareholders who were registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, March 18, 2022. The payment date for this instalment was March 25, 2022.

On September 7, 2022 The Board of Directors resolved in accordance with the resolution of the Annual General Meeting the record date and the payment date of the second instalment of EUR 0.38 per share. The ex-dividend date for the second instalment was September 8, 2022 and the dividend record date September 9, 2022. The payment date for the second dividend instalment was September 16, 2022.

The AGM decided to adopt the adjusted Remuneration Policy for the governing bodies.

The AGM decided that the Board of Directors should consist of eight (8) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, and Ritva Sotamaa were re-elected to the Board of Directors. Julia Goldin, Carl-Martin Lindahl, and Volker Lixfeld were elected as new members of the Board of Directors. The term of the Board members will expire at the end of the AGM in 2023.

Ernst & Young, the Authorized Public Accountants firm, was re-elected as auditor for the term, which will expire at the end of the AGM in 2023. Ernst & Young has announced that the responsible auditor will be Kristina Sandin, APA. The AGM decided that the auditors' fees would be paid according to a reasonable invoice approved by the Board of Directors.

The AGM decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 of the company's own shares, in one or several instalments, 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 date 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 and otherwise for further transfer, retention, or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition 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, 2023, and it did not cancel the corresponding authorization granted to the Board by the AGM on March 11, 2021.

The AGM decided to authorize the Board to decide on the transfer of the company's own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares, in one or several instalments, either against or without consideration. For example, the company's own shares held as treasury shares may be transferred 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 the company's own shares held as treasury shares. The transfer of the company's 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, 2023 and cancelled the corresponding authorization granted to the Board by the AGM on March 11, 2021.

CONSTITUTIVE MEETING OF THE BOARD AND BOARD COMMITTEES

Convening after the AGM held on March 16, 2022, the Board of Directors elected Paul Ehrnrooth as its Chairman and Jyri Luomakoski as its Vice Chairman.

The Board decided to establish a Nomination Committee and appointed Paul Ehrnrooth (Chairman), Louise Fromond and Jyri Luomakoski as members, and Alexander Ehrnrooth as an external member to the Nomination Committee. It further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chairman), Albert Ehrnrooth, Louise Fromond, and Ritva Sotamaa as the members of the Audit Committee. The Board also decided to establish a Human Resources and Compensation Committee and appointed Paul Ehrnrooth (Chairman), Jyri Luomakoski, Carl-Martin Lindahl, and Volker Lixfeld as members of the committee.

SHARES AND SHAREHOLDERS

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. During the quarter, Fiskars Corporation cancelled 905,242 after which the number of shares in the Corporation was reduced to 81,000,000. Fiskars Corporation held 419,484 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume-weighted average share

price during the fourth quarter was EUR 15.24 (Q4 2021: 21.14). At the end of December, the closing price was EUR 15.38 (EUR 23.00) per share, and Fiskars had a market capitalization of EUR 1,239.3 million (1,873.8). The number of shares traded on Nasdaq Helsinki and in alternative market places from October to December was 2.2 million (1.8), which represents 2.8% (2.2%) of the total number of shares. In 2022, the number of shares traded was 9.7 million (8.0), which represents 12.1% (9.8%) of the total number of shares. The total number of shareholders was 32,602 (30,080) at the end of 2022.

Flagging notifications

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

BOARD AUTHORIZATIONS

Purchase of the company's own shares

On February 4, 2022, the Board of Directors decided to commence acquiring the company's own shares and that the maximum number of shares to be acquired is 200,000. On March 16, 2022, the Board of Directors decided to increase the maximum number of own shares to be acquired by an additional 500 000 shares, on July 28, to increase the maximum number of own shares to be acquired by an additional 300 000 shares and on October 28, 2022 to increase the maximum amount by an additional 300,000 shares. Hence, the maximum number of the company's own shares to be acquired by the company is 1,300,000 corresponding to a maximum of approximately 1.6% of the total number of shares.

The share acquisition commenced based on the authorization given by the Annual General Meeting 2021 and has continued based on the authorization given by the Annual General Meeting 2022.

The shares shall be acquired through public trading on the Nasdaq Helsinki exchange at the prevailing market price at the time of purchase.

During the fourth quarter, the company acquired 119,273 of its own shares for EUR 2.1 million. The average price of the acquired shares was EUR 14.87 per share, the highest price being EUR 15.68 per share, and the lowest price EUR 14.24 per share. By December 31, 2022, the company had acquired a total of 1,000,000 of its own shares for EUR 18 million since the beginning of the share repurchases in February 2022. The company did not acquire any shares in the fourth quarter based on the Board's latest decision announced on October 28, 2022,

which increased the maximum amount of shares to be acquired by 300,000.

EVENTS AFTER THE REPORTING PERIOD

Jan 13, 2023: Preliminary key figures for Q4 and full year 2022

Fiskars Group published preliminary key figures on its financial performance in the fourth quarter and the full year 2022, as 2022 was volatile due to the challenging operating environment. In the release, the company published unaudited Q4 and full-year sales on a comparable and reported basis as well as comparable EBIT for Q4 and the full year 2022. The figures provided in the release did not change and can be found in this financial statement release.

Jan 20, 2023: Proposals of the Nomination Committee of the Board of Directors to Fiskars' Annual General Meeting 2023

The Nomination Committee of the Board of Directors proposes to the Annual General Meeting that the following individuals shall be re-elected to the Board of Directors: Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Julia Goldin, Carl-Martin Lindahl, Volker Lixfeld, Jyri Luomakoski and Ritva Sotamaa.

The Nomination Committee proposes that the annual fees of the members of the Board of Directors shall be EUR 70,000, the annual fee of the Vice Chairman EUR 105,000 and the annual fee of the Chairman EUR 140,000.

Jan 23, 2023: Plans for targeted organizational changes to accelerate strategy execution

Fiskars Group announced that it is planning changes mainly in the organizational structure of its three business areas to further accelerate the execution of its Growth Strategy. The planned organizational changes are expected to lead to a net reduction of approximately 100 roles globally and to result in total annual cost savings of approximately EUR 30 million, out of which approximately half would be realized in the second half of 2023. At the same time, the company will continue to invest in key strategic building blocks, especially direct-to-consumer and digital. One-off costs related to the planned organizational changes are expected to amount to a total of approximately EUR 5 million, and they will be recorded as items affecting comparability (IAC) in the first quarter of 2023.

PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND

Fiskars' aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2022, the distributable equity of the parent company was EUR 231.9 million (2021: EUR 315.8 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share shall be paid for the financial period that ended on December 31, 2022. The dividend shall be paid in two installments. The ex-dividend date for the first installment of EUR 0.40 per share shall be on March 16, 2023. The first installment 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 March 17, 2023. The payment date proposed by the Board of Directors for this installment is March 24, 2023.

The second installment of EUR 0.40 per share shall be paid in September 2023. The second installment 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 ex-dividend date for the second installment would then be September 8, 2023, the dividend record date September 11, 2023, and the dividend payment date September 18, 2023, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 80,580,516. The proposed distribution of dividends would thus be EUR 64.5 million (EUR 61.9 million). This would leave EUR 167.4 million (EUR 253.8) of distributable earnings in the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

OUTLOOK FOR 2023

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

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.

The company has announced plans for targeted organizational changes, which are expected to result in savings supporting the company's EBIT from the second half onwards. At the same time, the company will continue to invest in key strategic building blocks.

Espoo, Finland, February 6, 2023

FISKARS CORPORATION
Board of Directors

Consolidated income statement

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	304.1	353.2	-13.9%	1,248.4	1,254.3	-0.5%
Cost of goods sold	-169.5	-200.4	-15.4%	-692.5	-714.6	-3.1%
Gross profit	134.6	152.8	-11.9%	555.9	539.8	3.0%
Other operating income	-0.0	0.8		5.6	4.1	36.0%
Sales and marketing expenses	-73.4	-83.0	-11.6%	-276.1	-267.5	3.2%
Administration expenses	-31.2	-42.1	-25.7%	-120.9	-116.9	3.4%
Research and development expenses	-5.8	-4.4	32.0%	-20.8	-15.5	34.4%
Goodwill and trademark impairment	-0.0	-0.0	0.0%	-0.0	-0.0	0.0%
Other operating expenses	0.2	-0.4		-8.9	-1.1	
EBIT*	24.4	23.8	2.4%	134.7	142.8	-5.7%
Change in fair value of biological assets	-0.9	0.2		1.1	1.3	-16.3%
Financial income and expenses	-9.0	0.1		-11.7	-0.0	
Profit before taxes	14.5	24.1	-39.9%	124.1	144.1	-13.9%
Income taxes	-3.1	-5.9	-47.5%	-25.0	-56.5	-55.8%
Profit for the period	11.4	18.2	-37.5%	99.1	87.5	13.2%
Attributable to:						
Equity holders of the parent company	11.2	17.9	-37.3%	98.2	86.6	13.4%
Non-controlling interest	0.1	0.3	-49.6%	0.9	0.9	-7.6%
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.14	0.22	-36.6%	1.21	1.06**	14.1%
* Comparable EBIT (detailed in notes)	29.7	32.2	-7.7%	151.0	154.2	-2.1%

Consolidated statement of comprehensive income

EUR million	Q4 2022	Q4 2021	2022	2021
Profit for the period	11.4	18.2	99.1	87.5
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss:				
Translation differences	-25.1	4.4	3.6	13.6
Cash flow hedges	0.1	-0.1	0.1	-0.1
Items that will not be reclassified to profit or loss:				
Defined benefit plans, actuarial gains (losses) net of tax	1.6	0.5	1.3	0.3
Other comprehensive income for the period, net of tax	-23.3	4.8	5.1	13.9
Total comprehensive income for the period	-11.9	23.0	104.2	101.4
Attributable to:				
Equity holders of the parent company	-12.1	22.5	103.2	100.6
Non-controlling interest	0.1	0.5	1.0	0.9
Total comprehensive income for the period	-11.9	23.0	104.2	101.4



Consolidated balance sheet

EUR million	Dec 31 2022	Dec 31 2021	Change
ASSETS			
Non-current assets			
Goodwill	221.2	219.1	0.9%
Other intangible assets	278.6	270.2	3.1%
Property, plant and equipment	146.3	144.9	1.0%
Right-of-use assets	110.6	106.8	3.5%
Biological assets	46.5	45.4	2.4%
Investment property	5.8	3.6	59.7%
Financial assets at fair value through profit or loss	29.0	32.0	-9.4%
Other investments	3.5	3.7	-6.6%
Deferred tax assets	29.0	27.5	5.5%
Other non-current assets	6.4	6.9	-7.6%
Non-current assets total	876.7	860.0	1.9%
Current assets			
Inventories	364.7	272.9	33.6%
Trade receivables	170.5	206.3	-17.4%
Other current receivables	48.8	23.6	
Income tax receivables	7.2	2.6	
Interest-bearing receivables	1.7	0.0	
Cash and cash equivalents	115.8	31.5	
Current assets total	708.6	537.0	32.0%
Assets held for sale		38.4	
Assets total	1,585.4	1,435.5	10.4%
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	831.6	812.1	2.4%
Non-controlling interest	4.1	4.2	-4.2%
Equity total	835.6	816.3	2.4%
Non-current liabilities			
Interest-bearing liabilities	130.4	0.7	
Lease liabilities	92.9	88.9	4.5%
Deferred tax liabilities	34.5	32.1	7.4%
Employee defined benefit obligations	10.8	12.8	-15.2%
Provisions	2.4	3.4	-28.3%
Other non-current liabilities	4.0	6.0	-33.7%
Non-current liabilities total	275.1	143.9	91.2%
Current liabilities			
Interest-bearing liabilities	195.2	64.4	
Lease liabilities	22.5	22.6	-0.2%
Trade payables	69.2	139.3	-50.3%
Other current payables	180.9	231.2	-21.8%
Income tax liabilities	2.1	3.2	-35.3%
Provisions	4.8	14.7	-67.3%
Current liabilities total	474.6	475.4	-0.1%
Equity and liabilities total	1,585.4	1,435.5	10.4%



Consolidated statement of cash flows

EUR million	Q4 2022	Q4 2021	2022	2021
Cash flow from operating activities				
Profit before taxes	14.5	24.1	124.1	144.1
Adjustments for				
Depreciation, amortization and impairment	14.8	15.6	59.4	61.6
Gain/loss on sale and loss on scrap of non-current assets	0.4	-0.1	0.6	-0.9
Other financial items	9.6	-0.5	12.3	-0.2
Change in fair value of biological assets	0.9	-0.2	-1.1	-1.3
Change in provisions and other non-cash items	3.5	8.0	-11.2	17.7
Cash flow before changes in working capital	43.7	46.9	184.0	221.1
Changes in working capital				
Change in current assets, non-interest-bearing	44.9	0.5	14.9	-7.4
Change in inventories	16.1	-24.9	-89.7	-96.0
Change in current liabilities, non-interest-bearing	-44.2	32.4	-134.1	46.5
Cash flow from operating activities before financial items and taxes	60.5	54.9	-24.9	164.2
Financial income received and costs paid	4.0	-2.5	-7.4	-5.0
Taxes paid	-11.0	-18.5	-29.2	-36.4
Cash flow from operating activities (A)	53.4	34.0	-61.4	122.9
Cash flow from investing activities				
Investments in financial assets	-0.2	-0.2	-0.4	-3.8
Capital expenditure on fixed assets	-13.4	-12.8	-48.1	-34.4
Proceeds from sale of fixed assets	-0.3	0.6	1.5	1.8
Proceeds from sale of assets held for sale			43.9	
Proceeds from sale of subsidiary shares			-9.2	0.9
Other dividends received	0.0		0.2	
Cash flow from other investments	0.0	0.0	4.3	1.6
Cash flow from investing activities (B)	-13.9	-12.4	-7.8	-33.7
Cash flow from financing activities				
Purchase of treasury shares	-2.1		-18.0	
Change in current receivables	-1.7		-1.7	
Proceeds from non-current debt	130.1		130.1	
Repayments of non-current debt	-0.1		-0.3	-60.5
Change in current debt	-98.2	-9.8	129.3	12.8
Payment of lease liabilities	-6.4	-6.6	-26.5	-26.4
Cash flow from other financing items		-0.0		-0.0
Dividends paid	0.2	-0.4	-62.9	-49.2
Cash flow from financing activities (C)	21.8	-16.8	149.8	-123.3
Change in cash and cash equivalents (A+B+C)	61.3	4.8	80.5	-34.2
Cash and cash equivalents at beginning of period	54.4	24.4	31.5	62.5
Translation difference	0.1	2.4	3.7	3.3
Cash and cash equivalents at end of period	115.8	31.5	115.8	31.5



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	Financial assets at FVTOCI	Retained earnings		
Opening Balance Jan 1, 2021	77.5	-7.2	-4.5	0.1	-1.7	0.0	693.7	3.8	761.6
Total comprehensive income for the period			13.7	-0.1	0.3		86.6	0.9	101.4
Purchase and issue of treasury shares									
Share-based payments							2.4		2.4
Dividends paid							-48.9	-0.4	-49.2
Other changes							0.1		0.1
Balance at Dec 31, 2021	77.5	-7.2	9.2	0.0	-1.4	0.0	733.9	4.2	816.3
Opening Balance Jan 1, 2022	77.5	-7.2	9.2	0.0	-1.4	0.0	733.9	4.2	816.3
Total comprehensive income for the period			3.6	0.1	1.3		98.2	1.0	104.2
Purchase and issue of treasury shares		-18.0							-18.0
Share-based payments		1.8					-4.5		-2.7
Cancellation of treasury shares		16.6					-16.6		0.0
Dividends paid							-61.7	-1.1	-62.8
Other changes			5.4				-6.6		-1.3
Balance at Dec 31, 2022	77.5	-6.7	18.1	0.1	-0.1	0.0	742.7	4.1	835.6



Notes to the interim report

ACCOUNTING PRINCIPLES

This unaudited Financial Statement Release 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	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales						
Vita	175.9	187.0	-5.9%	563.7	544.6	3.5%
Terra	86.7	118.2	-26.6%	507.4	535.4	-5.2%
Crea	40.3	46.9	-14.1%	173.4	170.6	1.6%
Other	1.2	1.2	2.5%	3.9	3.8	3.3%
Group total	304.1	353.2	-13.9%	1,248.4	1,254.3	-0.5%
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
EBIT						
Vita	36.0	24.2	48.7%	85.5	69.4	23.2%
Terra	-12.7	-3.9		34.1	50.9	-32.9%
Crea	4.5	5.6	-20.7%	34.2	36.3	-5.9%
Other	-3.5	-2.2	58.0%	-19.1	-13.8	
Group total	24.4	23.8	2.4%	134.7	142.8	-5.7%
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Depreciation, amortization and impairment						
Vita	8.0	8.7	-8.6%	33.6	34.3	-2.1%
Terra	4.6	6.5	-29.1%	19.0	20.4	-6.7%
Crea	1.0	1.2	-18.1%	4.1	4.4	-7.2%
Other	1.3	-0.8		2.7	2.6	4.8%
Group total	14.8	15.6	-5.0%	59.4	61.6	-3.7%
EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Capital expenditure						
Vita	6.5	5.2	25.4%	20.9	16.0	30.8%
Terra	5.3	4.3	25.4%	17.5	12.2	43.1%
Crea	1.1	1.3	-8.6%	4.0	3.3	19.4%
Other	0.7	2.1	-69.0%	5.9	2.8	
Group total	13.4	12.8	4.7%	48.1	34.4	40.0%

Net sales by geography

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales						
Europe	154.3	167.9	-8.1%	596.0	592.2	0.6%
Americas	91.9	121.4	-24.3%	432.0	475.9	-9.2%
Asia-Pacific	61.0	62.6	-2.6%	209.4	187.7	11.5%
Unallocated	-3.0	1.3		11.1	-1.4	
Group total	304.1	353.2	-13.9%	1,248.4	1,254.3	-0.5%

EBIT and comparable EBIT

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
EBIT	24.4	23.8	2.4%	134.7	142.8	-5.7%
Items affecting comparability in EBIT						
Sale of subsidiary in Russia	1.0			11.9		
Sale of Watering business	4.3			3.3		
Changes in Group Leadership Team				1.1		
Restructuring program		6.0			7.6	
Transformation program		2.3			3.9	
Other adjustments to operating profit		0.1			0.0	
Total items affecting comparability in EBIT	5.3	8.3	-36.3%	16.3	11.5	42.4%
Comparable EBIT	29.7	32.2	-7.7%	151.0	154.2	-2.1%

EBIT and comparable EBIT by income statement line item

EUR million	Q4 2022			Q4 2021		
	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	304.1		304.1	353.2		353.2
Cost of goods sold	-169.5	-4.2	-165.3	-200.4	-3.9	-196.4
Sales and marketing expenses	-73.4	0.0	-73.4	-83.0	-3.7	-79.3
Administration expenses	-31.2		-31.2	-42.1	-0.7	-41.4
Research and development expenses	-5.8		-5.8	-4.4		-4.4
Goodwill and trademark impairment	0.0		0.0	0.0		0.0
Other operating income and expenses	0.2	-1.1	1.3	0.4	-0.1	0.5
EBIT	24.4	-5.3	29.7	23.8	-8.3	32.2

EUR million	2022			2021		
	Total	Items affecting comparability	Excl. Items affecting comparability	Total	Items affecting comparability	Excl. Items affecting comparability
Net sales	1,248.4		1,248.4	1254.3		1254.3
Cost of goods sold	-692.5	-4.2	-688.3	-714.6	-3.9	-710.6
Sales and marketing expenses	-276.1	-0.9	-275.2	-267.5	-5.6	-261.9
Administration expenses	-120.9	-1.7	-119.2	-116.9	-1.9	-115.0
Research and development expenses	-20.8		-20.8	-15.5	-0.0	-15.5
Goodwill and trademark impairment	0.0		0.0	-0.0		-0.0
Other operating income and expenses	-3.3	-9.5	6.2	3.0	0.0	3.0
EBIT	134.7	-16.3	151.0	142.8	-11.5	154.2



Intangible and tangible assets

EUR million	Dec 31 2022	Dec 31 2021
Intangible assets and goodwill		
Book value, Jan 1	489.3	481.9
Translation differences	4.2	8.5
Additions	20.3	13.4
Amortization and impairment	-13.8	-14.0
Decreases and transfers	-0.2	-0.4
Book value at end of period	499.8	489.3
 Tangible assets and investment property		
Book value, Jan 1	148.5	153.1
Translation differences	0.5	2.7
Additions	27.8	21.2
Depreciation and impairment	-20.7	-22.5
Decreases and transfers	-4.0	-1.0
Transfer to assets held for sale		-5.0
Book value at end of period	152.0	148.5
 Right-of-use assets		
Book value, Jan 1	106.8	90.2
Translation differences	0.5	2.1
Additions	28.9	44.0
Depreciations	-24.3	-25.1
Decreases	-1.3	-4.3
Book value at end of period	110.6	106.8

Contingencies and pledged assets

EUR million	Dec 31 2022	Dec 31 2021
As security for own commitments		
Guarantees	6,0	6,7
Other contingencies*	3,0	2,4
Contingencies and pledged assets total	9,1	9,1

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

Derivatives

EUR million	Dec 31 2022	Dec 31 2021
Nominal amounts of derivatives		
Derivatives, hedge accounting not applied:		
Foreign exchange forwards and swaps	306.2	338.3
Derivatives, hedge accounting applied:		
Interest rate swaps	50.0	
Fair value of derivatives		
Derivatives, hedge accounting not applied:		
Foreign exchange forwards and swaps	3.1	0.6
Derivatives, hedge accounting applied:		
Interest rate swaps	0.1	

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

Net debt reconciliation

EUR million	Dec 31 2022	Dec 31 2021
Loans from credit institutions	325.6	65.1
Lease liabilities	115.5	111.5
Cash and cash equivalents	-115.8	-31.5
Net debt	325.3	145.0

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	-35.5	-32.6	21.6	19.7	19.1	-13.1	12.8	9.1
Exchange rate sensitivity of the operations*	3.5	3.3	-2.2	-2.0	-1.9	1.3	-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.

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
Total assets		4.5	32.5	37.0
Derivative liabilities		1.4		1.4
Total liabilities		1.4		1.4

Dec 31, 2021

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss			32.0	32.0
Other investments	0.2		3.5	3.7
Derivative assets		1.0		1.0
Total assets	0.2	1.0	35.5	36.7
Derivative liabilities		0.5		0.5
Total liabilities		0.5		0.5

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.

Investment in a private equity fund was reduced as a result of a distribution in kind carried out by the fund during Q2 2022. The listed shares received as distribution in kind were sold, and an insignificant net loss was realized on the sale.

Acquisitions and divestments

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.

Acquisitions and divestments in 2021

The sale of the watering assembly plant and related operations in Ningbo, China to Daye (Ningbo Daye Garden Industry Co. Ltd) was closed on January 22, 2021. The divestment did not have a significant impact on Fiskars Group's financial position or result in 2021.

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