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Annual General Meeting 2015

REVIEW BY THE PRESIDENT AND CEO

Mika Ihamuotila
9 April 2015

The cornerstones of the strategy



Unique design and a strong brand



Product assortment based on a lifestyle concept



Long-term International growth strategy with a focus on Marimekko stores



Unique Marimekko spirit and corporate culture that emphasises creativity and internal entrepreneurship

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New stage in strategy

2014-2018

**PROFITABLE AND GLOBAL FASHION & HOME BRAND
WITH STRONG DIGITAL OPERATIONS**

- from a "niche design cult brand" to a much broader appeal for selected target customers
- fashion to an entirely new level
- translating recent growth into stronger profitability
- strong store growth with special focus on Asia
- new generation steps in digital and collaborations

2010-2014

GLOBAL COMPANY

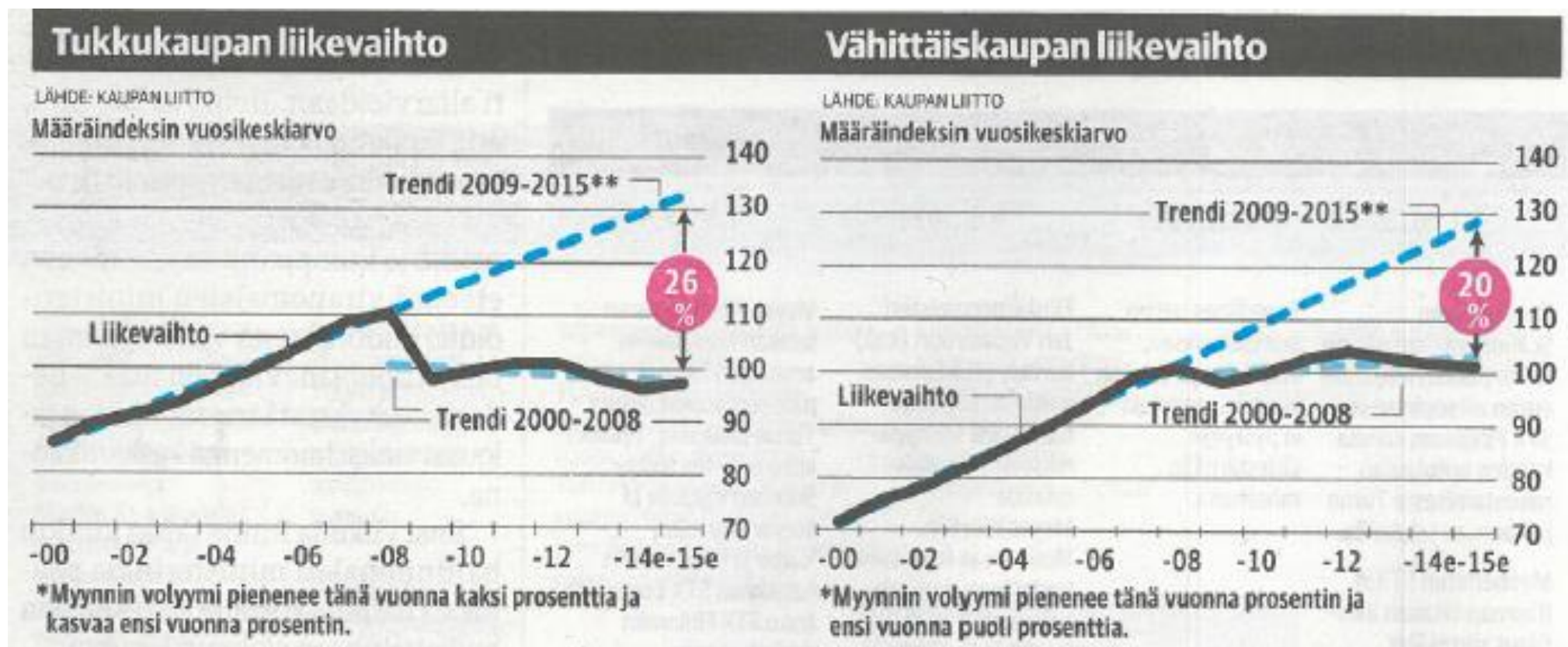
- launch of a global network of stores
- launch of US e-comm and focus on digital communication
- efficiency improvements
- successful global collaborations
- launch of a sustainability and CSR organisation

2008-2012
FOUNDATIONS

- crystallisation of the brand
- building a professional organisation
- corporate culture
- new categories in home products
- store concept
- new stores and teams in Asia and the Americas

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Wholesale and retail sales in Finland 2000-2015E

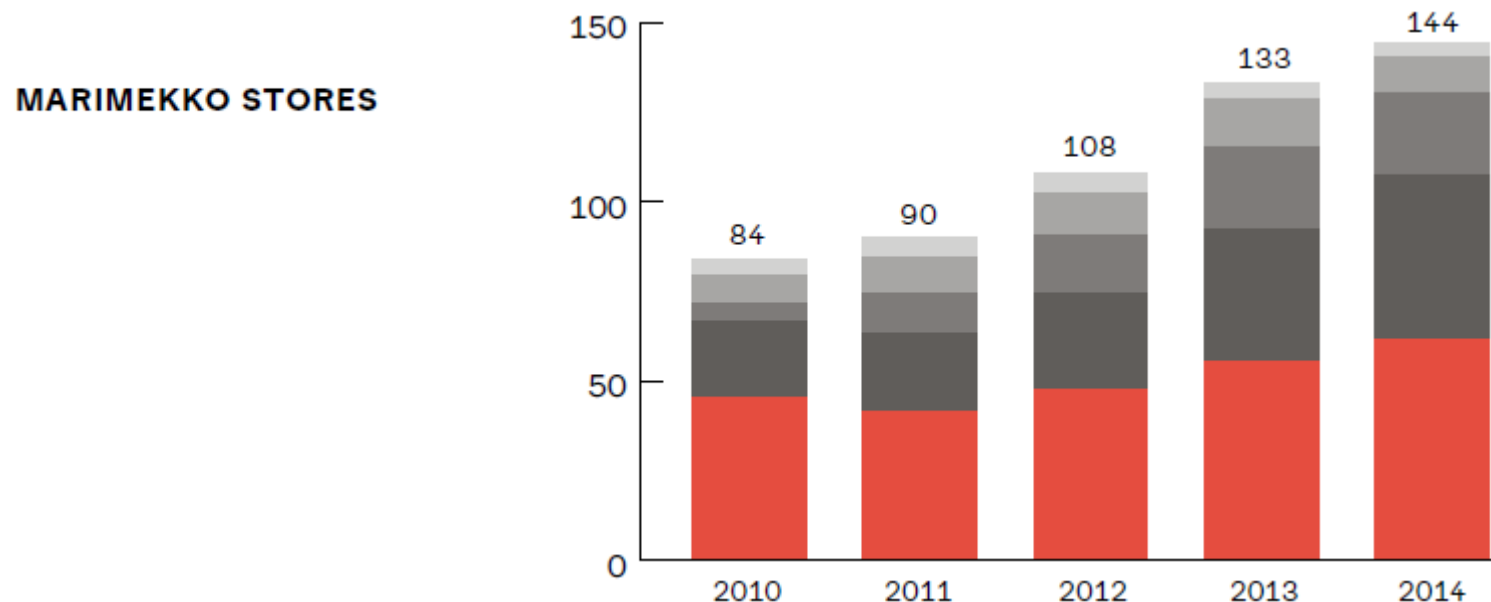


Retail sales in Finland, Sweden, Norway 2000-2014



Lähde: Nordea Markets ja Macrobond

144 Marimekko stores at the end of 2014



	2010	2011	2012	2013	2014
Finland	46	42	48	56	62
Asia-Pacific	21	22	27	37	46
North America	5	11	16	23	23
Scandinavia	8	10	12	13	10
EMEA *)	4	5	5	4	3
Total	84	90	108	133	144

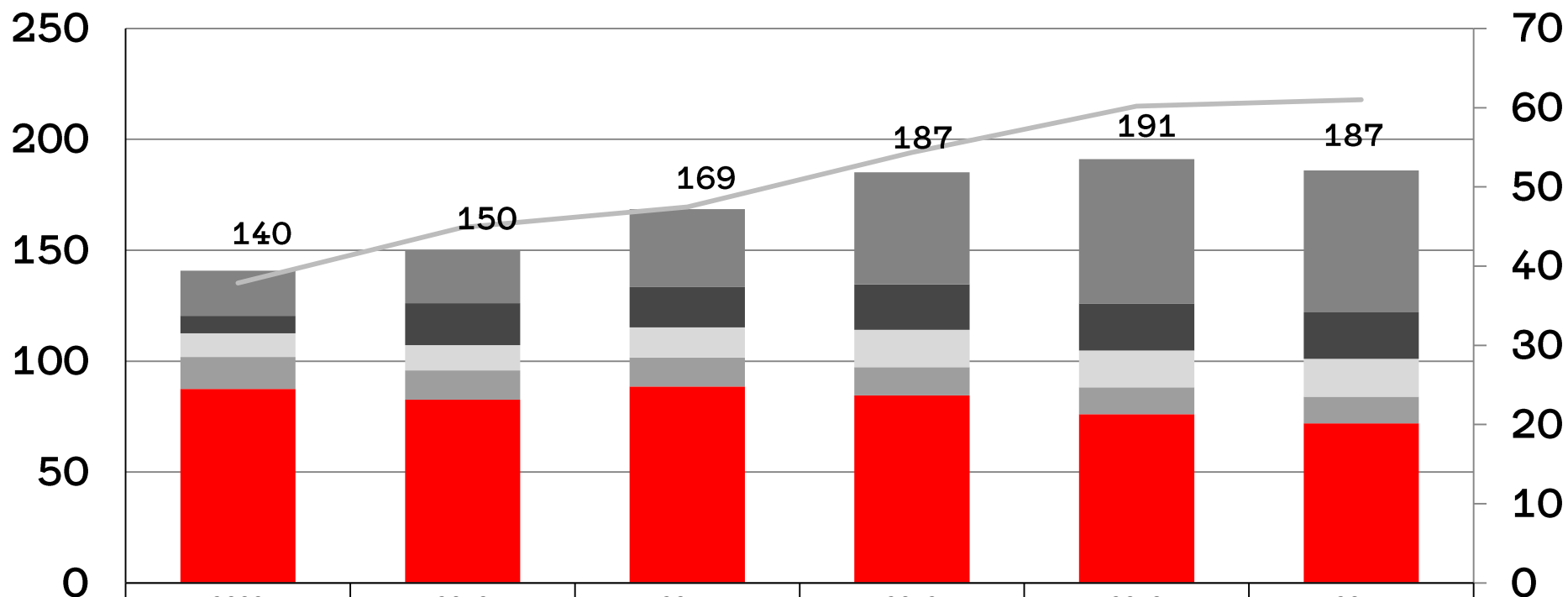
*) The market area of Central and Southern Europe previously referred to in Marimekko's financial disclosures has changed to EMEA (Europe and Middle East Area) as a result of the partnership initiated in the Middle East during the second quarter of 2014.

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Marimekko brand sales 2009-2014: +34%

Meur

% international



	2009	2010	2011	2012	2013	2014
Asia-Pacific	20	24	35	51	65	64
North America	8	19	18	21	21	21
EMEA	11	11	14	17	17	17
Scandinavia	14	13	13	13	12	12
Finland	87	83	89	85	76	72
International sales %	38	45	47	54	60	61

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Autumn/winter 2014 fashion show was held at the Helsinki Central Railway Station in March 2014.



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The Allu dress, made of Finnish birch-derived dissolving pulp fibre



Marimekko closely monitors the product development of materials so that it can provide its customers with new and more ecologically acceptable alternative materials

At the autumn & winter 2014 fashionshow the Allu dress, that was created as a collaboration between Marimekko and Aalto-university, was showcased

The dress is made from ecological Ioncell fibre that comes from a raw material of domestic birch-derived dissolving pulp obtained from Finnish pulp mills

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**New retailer-owned store opened in Taikoo Shing,
Hong Kong in April 2014.**



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**EQ3's new Marimekko shop-in-shop opened
in San Francisco in May 2014.**



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Marimekko's and Banana Republic's limited edition capsule collection was launched around the world in May 2014.



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Marimekko opened a second company owned store in Melbourne, Australia in September 2014.



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New retailer-owned stores in Japan:

one opened in Nishinomiya in March and one in Nagasaki in September 2014.



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**Spring/Summer 2015 fashion show was held
in Helsinki in September 2014.**



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**Marimekko store in Parnas Mall, Seoul, South Korea
opened in October 2014.**



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Marimekko store in Lotte Avenuel Worldtower (in Jamsil) Seoul, South Korea opened in October 2014.



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Collaboration between Marimekko and Finnair continues:

Finnair Airbus 330 features a previously unseen blue colorway of Marimekko's classic Unikko ("poppy") print.



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Marimekko shop-in-shop opened at the famous Tangs department store in Singapore in November 2014.



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New retailer-owned store opened in Chengdu, China,
in December 2014.



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New products



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The new Creative Director of Marimekko: Anna Teurnell

Anna Teurnell (47)

Head of Design for the fashion brand & Other Stories

Was responsible for the design of all fashion lines and leading the design teams in Paris and Stockholm

Graduated from Beckmans College of Design

Several key roles in brand management and design at the Hennes & Mauritz Group

Experience also in print design for fashion



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FINANCIAL DEVELOPMENT

The year 2014 in figures

The net sales was EUR 94.2 million (94.0).

Brand sales was EUR 186.8 million (191.1).

In 2014, the operating profit was EUR 5.6 million (0.1), and the operating profit excluding nonrecurring items was EUR 6.3 million (1.4).

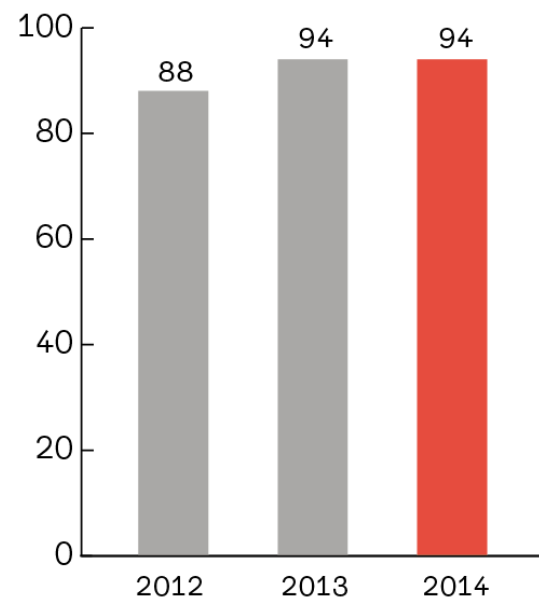
EBITDA was EUR 9.9 million (6.9).

Result after taxes was EUR 4.1 million (-1.0) and earnings per share were EUR 0.51 (-0.12).



Trend in net sales 2012-2014

EUR million



■ Net sales, EUR million

Net Sales 2014

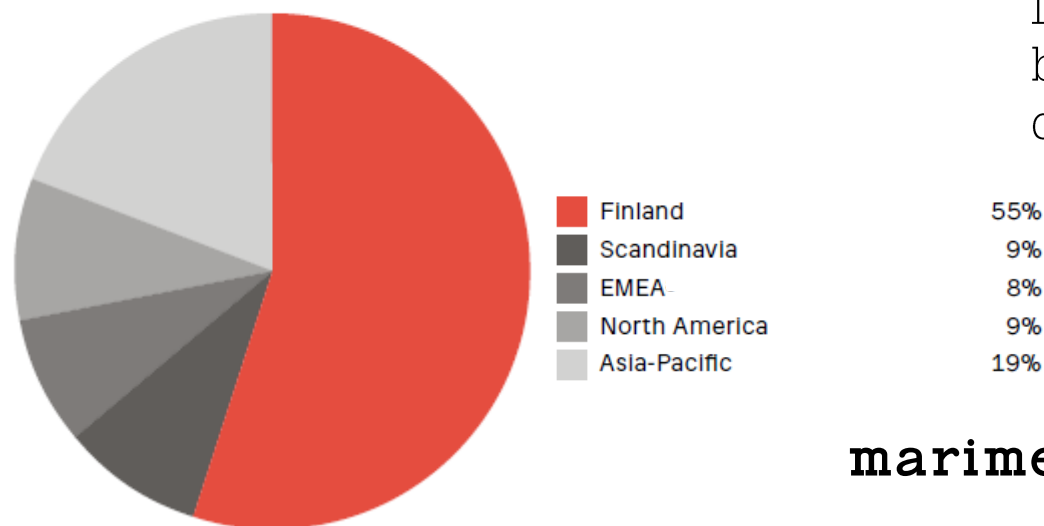
In 2014, the Group's net sales were on a par with those of the previous year. The net sales was EUR 94.2 million (94.0).

International sales rose by 1%
 - retail sales increased by 12%
 - wholesale sales decreased by 6%.

Comparable retail sales were up particularly in Scandinavia and other parts of Europe.

In Finland, comparable retail sales were boosted by growth in sales generated by e-commerce.

Net sales by market area 2014



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61% of the sales came from abroad

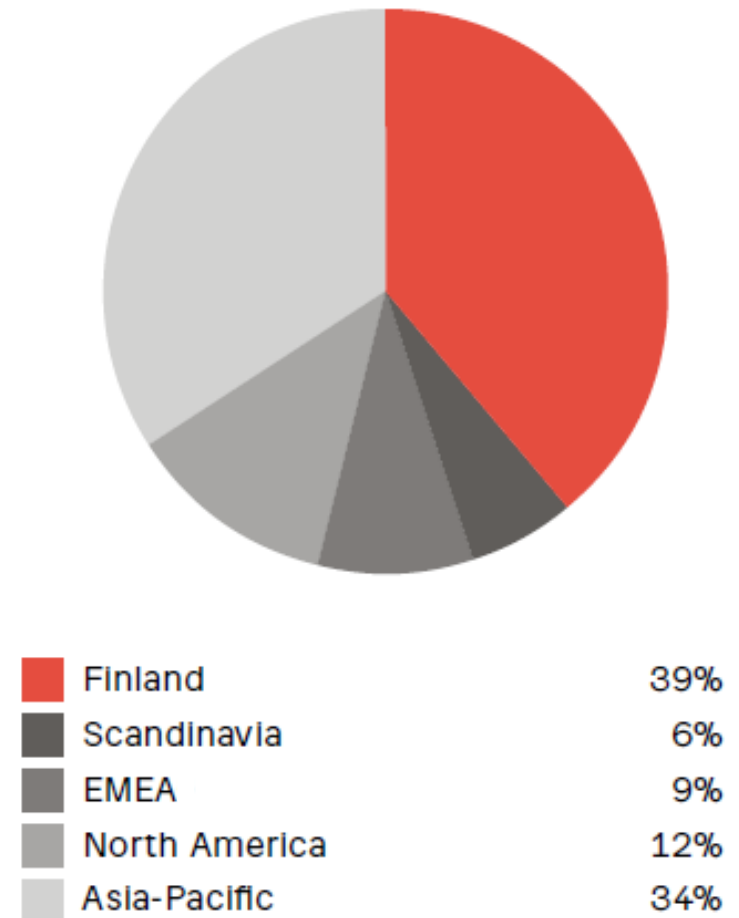
In 2014 brand sales* was EUR 186.8 million (191.1).

(EUR 1,000)	2014	2013	Change, %
Finland	72,192	76,037	-5
Scandinavia	11,975	12,203	-2
EMEA**	17,050	16,581	3
North America	21,468	21,282	1
Asia-Pacific	64,102	64,995	-1
TOTAL	186,787	191,098	-2

*Estimated sales of Marimekko products at consumer prices. Brand sales are calculated by adding together the company's own retail sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's actual wholesale sales to these retailers, is unofficial and does not include VAT. The figure is not audited.

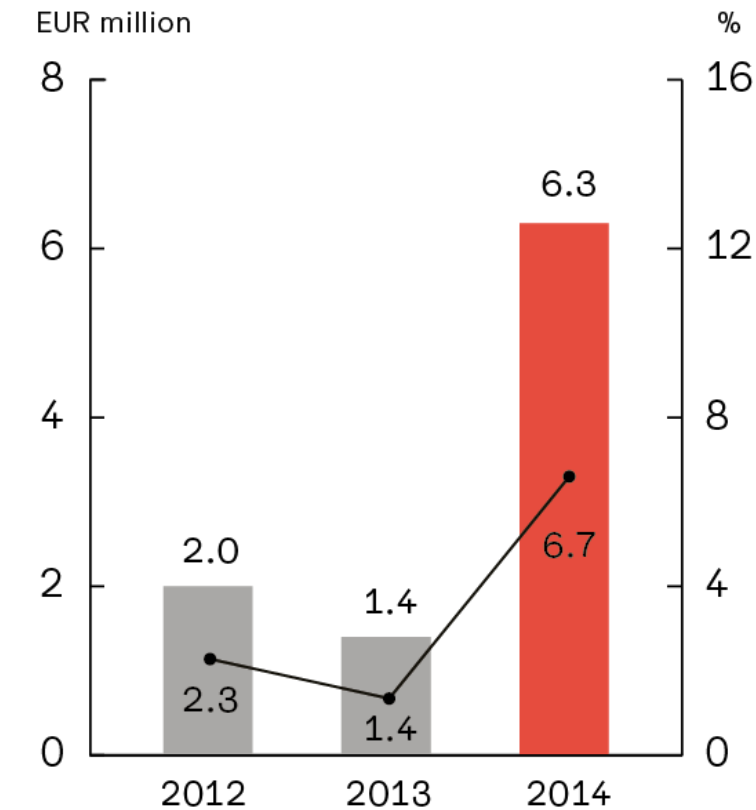
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Brand sales by market area 2014



Operating profit 2014

Trend in operating profit 2012–2014



■ Operating profit excluding nonrecurring items, EUR million

●—● Operating profit margin, %

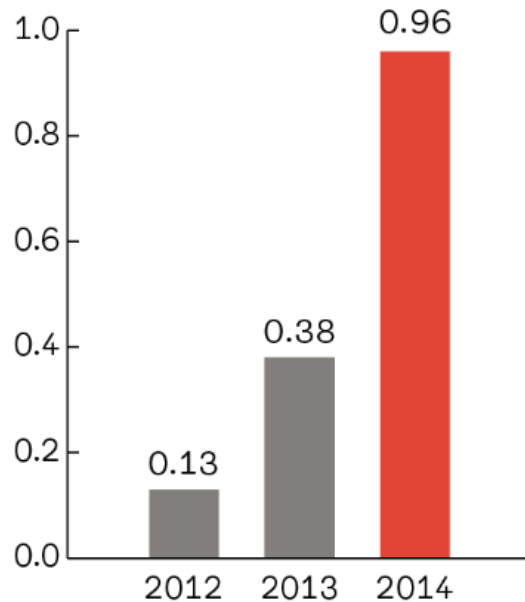
In 2014, the operating profit was EUR 5.6 million (0.1), and the operating profit excluding nonrecurring items was EUR 6.3 million (1.4).

The result was boosted by reorganisations and cost-cutting effected in Finland and the United States in 2013 and 2014, nonrecurring promotional deliveries in Finland, and increased licensing income due to the Banana Republic Marimekko collection for summer 2014.

Earnings per share (EUR)

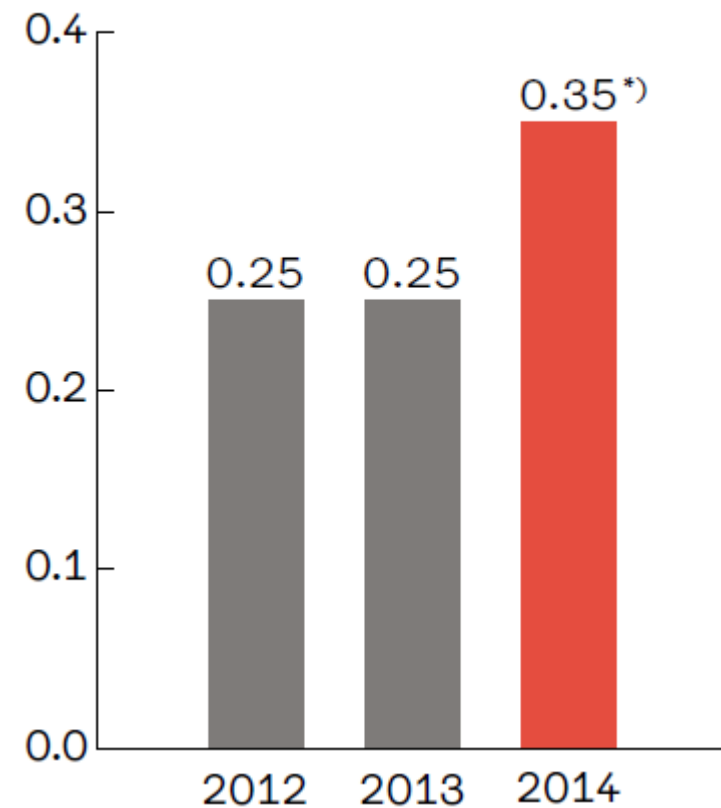


Free cash flow/share (EUR)



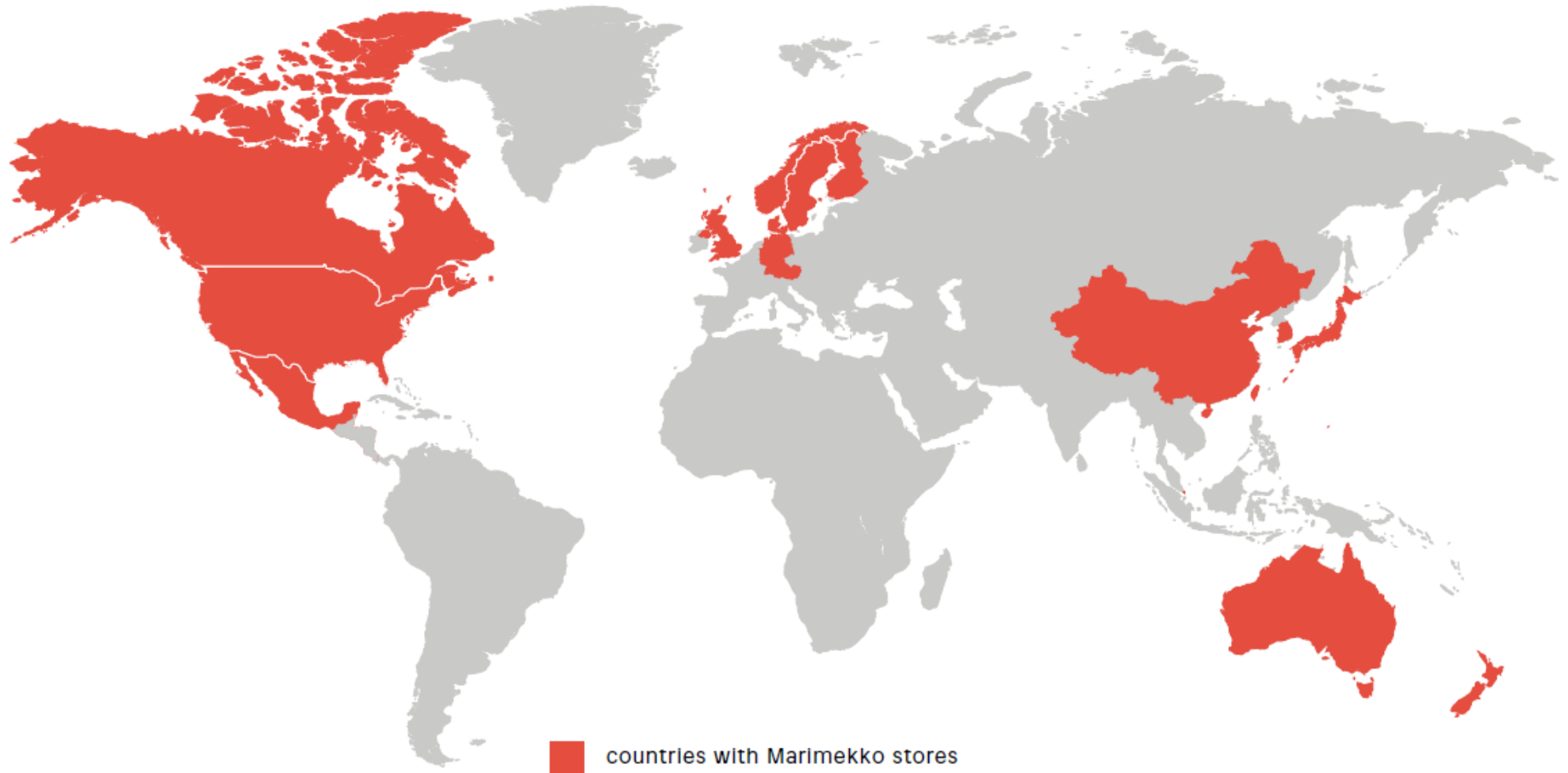
Earnings per share, Free cash flow/share, and Dividend per share

Dividend per share (EUR)



*) The Board of Directors' proposal to the Annual General Meeting.

Marimekko store openings in 2014



STORE OPENINGS IN 2014

In 2014, the main thrust in expansion was on openings of retailer-owned Marimekko stores. During the year, 19 new Marimekko stores were opened, which are distributed as follows: four company-owned and seven retailer-owned stores plus eight shop-in-shops.

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Key figures

	2014	2013	Change, %
Net sales, EUR 1,000	94,150	94,007	0
International sales, EUR 1,000	42,116	41,848	1
% of net sales	45	45	
EBITDA, EUR 1,000	9,875	6,854	44
Operating profit, EUR 1,000	5,592	82	
Operating profit margin, %	5.9	0.1	
Result for the period, EUR 1,000	4,114	-955	
Earnings per share, EUR	0.51	-0.12	
Cash flow from operating activities, EUR 1,000	9,851	5,424	82
Gross investments, EUR 1,000	2,063	2,353	-12
Return on investment (ROI), %	15.6	-1.1	
Equity ratio, %	61.6	55.5	
Gearing, %	10.5	31.7	
Contingent liabilities, EUR 1,000	34,310	37,365	-8
Personnel at the end of the period	479	502	-5
outside Finland	129	124	4
Brand sales, EUR 1,000	186,787	191,098	-2
outside Finland, EUR 1,000	114,595	115,060	0
proportion of international sales, %	61	60	
Number of retail stores and shop-in-shops	144	133	8

EVENTS AFTER THE REVIEW PERIOD

**New fashion focused shop-in-shop opened in Shin Kong Plaza,
Beijing, China in February 2015.**



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Marimekko is expanding to Middle East:

The first Marimekko store opened in new Al Wasl shopping mall in Dubai in March and the second store opened in Dubai Mall in the beginning of April 2015.



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**Marimekko store and café
in new Al Wasl shopping mall in Dubai**



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Marimekko presented its Autumn/Winter 2015 ready-to-wear collection in Tokyo during Tokyo Fashion Week in March:

After this the collection was showcased to the press in Helsinki, New York, Stockholm, and Sidney



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Thank you.

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