marimekko





Q3/2017 in brief

Highlights

- + Increased royalties resulting from a new licensing agreement in the Asia-Pacific region
- + Positive trend in retail sales, particularly in Finland
- + Rise in relative sales margin
- Downturn in wholesale sales in Finland
 - Nonrecurring promotional deliveries in the comparison period

Key events

New store in Japan; new shop-in-shops in Finland, Sweden and China

Marimekko Designathon, an international hackathon, gathered 50 younger generation creators to Marimekko headquarters

Marimekko for Finnair design collaboration continued with Finnair's A350 aircraft featuring Marimekko's Kivet (stones) livery

Spring/Summer 2018 ready-to-wear collection was presented at Paris Fashion Week



Key figures

Q3/2017

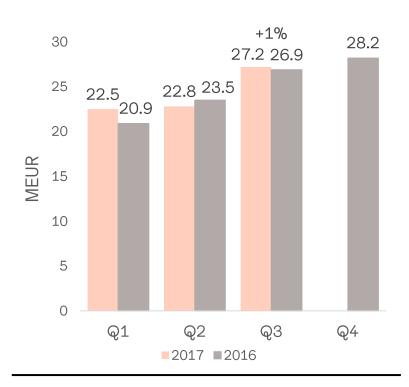
- Net sales EUR 27.2 million (26.9)
- Brand sales EUR 49.1 million (52.0)
- EBITDA EUR 5.2 million (4.8)
- Comparable EBITDA EUR 5.2 million (4.8)
- Operating profit EUR 4.4 million (3.7)
- Comparable operating profit EUR 4.4 million (3.7)
- Earnings per share EUR 0.41 (0.34)

1-9/2017

- Net sales EUR 72.5 million (71.4)
- Brand sales EUR 134.7 million (149.5)
- Operating profit EUR 6.0 million (3.5)
- Comparable operating profit EUR 6.2 million (4.3)

operating result Net sales and

Net Sales Q3/2017



MEUR	7-9/2017	7-9/2016	Change, %
Finland	15.1	15.7	-4
Scandinavia	2.3	2.0	14
EMEA	2.2	2.4	-9
North America	2.2	2.0	11
Asia-Pacific	5.5	4.8	13
TOTAL	27.2	26.9	1

Net sales +1% to EUR 27.2 million (26.9); +6% in comparable fx-rates

- retail sales +6%
- wholesale sales -9%

International sales +8% to EUR 12.2 million (11.3); +13% in comparable fx-rates

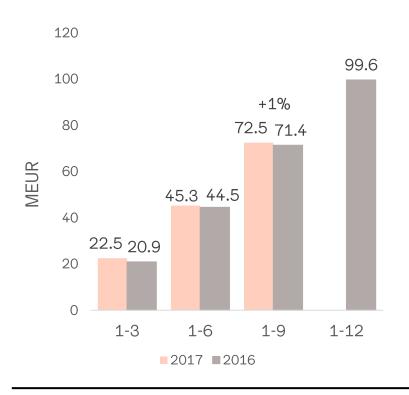
- retail sales +11%
- wholesale sales -2%

Sales in Finland -4% to EUR 15.1 million (15.7)

- retail sales +4% (like-for-like +3%*)
- wholesale sales -22%
 - Nonrecurring promotional deliveries in the comparison period

⁶

Net Sales 1-9/2017



MEUR	1-9/2017	1-9/2016	Change, %
Finland	39.3	39.3	0
Scandinavia	5.9	5.7	4
EMEA	6.6	6.8	-2
North America	6.0	5.9	2
Asia-Pacific	14.7	13.9	6
TOTAL	72.5	71.4	1

Net sales +1% to EUR 72.5 million (71.4); +3% in comparable fx-rates

- retail sales +3%
- wholesale sales -2%

International sales +3% to EUR 33.2 million (32.2); +4% in comparable fx-rates

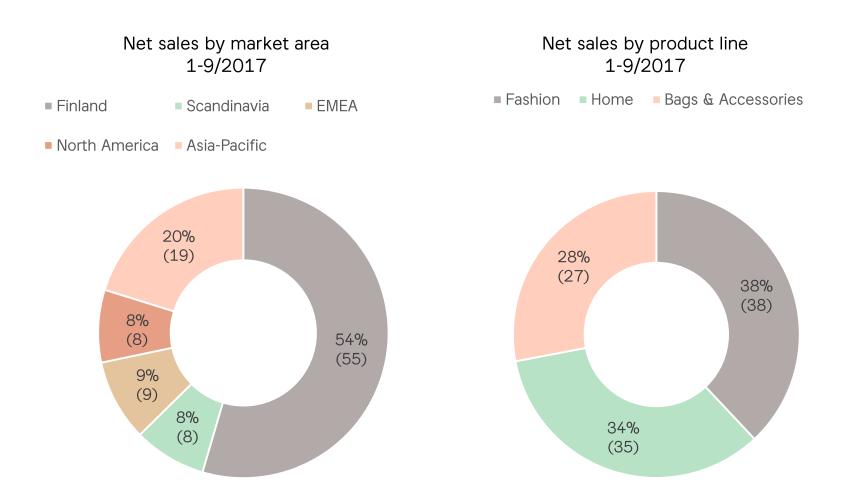
- retail sales +5%
- wholesale sales -1%

Sales in Finland 0% to EUR 39.3 million (39.3)

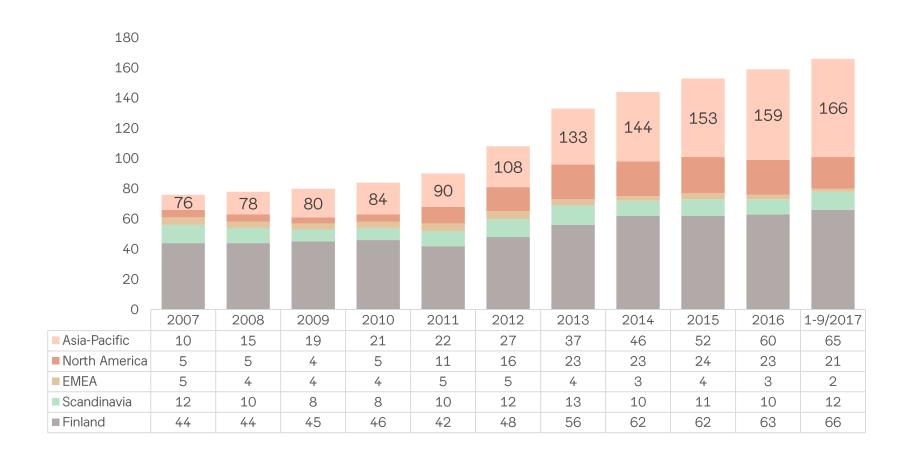
- retail sales +2% (like-for-like at the same level*)
- wholesale sales -5%
 - Nonrecurring promotional deliveries in the comparison period

^{*}Includes both bricks-and-mortar and online sales.

Net sales by market area and by product line



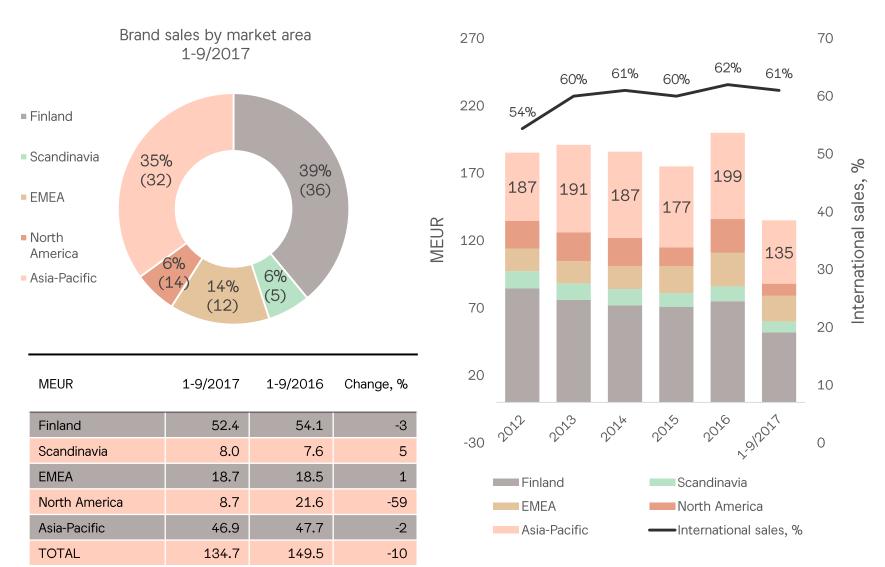
166 stores* at the end of September 2017



^{*}Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 56 at the end of September 2017 (54).

Marimekko brand sales

In the third quarter, 60% of the brand sales came from abroad (58)



Operating profit Q3/2017



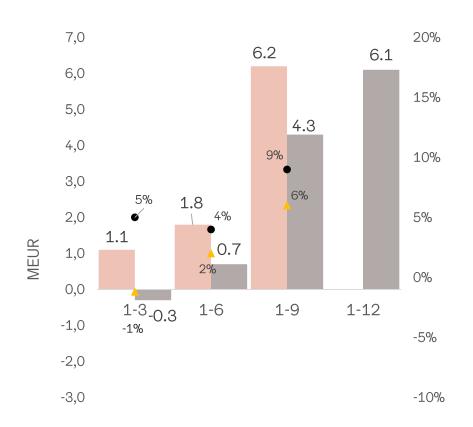
- 2017 Comparable operating result, EUR million
- ■2016 Comparable operating result, EUR million
- 2017 Comparable operating result margin, %
- △ 2016 Comparable operating result margin, %

Operating profit EUR 4.4 million (3.7)

Comparable operating profit EUR 4.4 million (3.7)

- + Increased royalties in the Asia-Pacific
- + Growth in retail sales in Finland
- + Rise in relative sales margin
- Downturn in wholesale sales in Finland
 - Nonrecurring promotional deliveries in the comparison period

Operating profit 1-9/2017



- 2017 Comparable operating result, EUR million
- 2016 Comparable operating result, EUR million
- 2017 Comparable operating result margin, %
- △ 2016 Comparable operating result margin, %

Operating profit EUR 6.0 million (3.5)

A restructuring expense of EUR 0.8 million in the comparison period

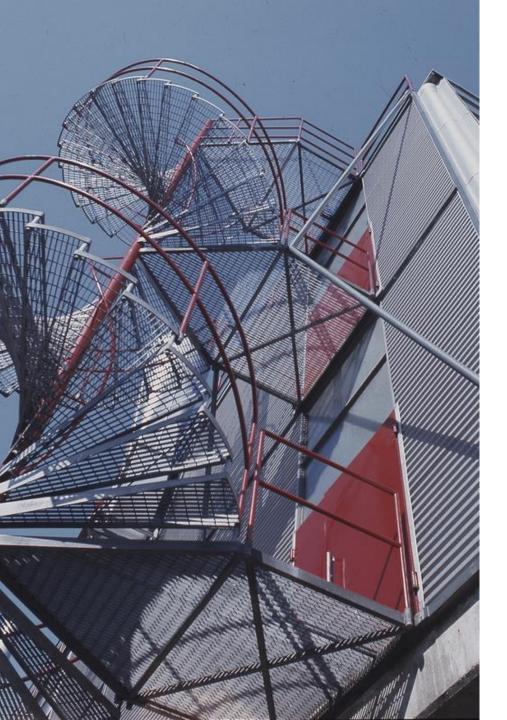
Comparable operating profit EUR 6.2 million (4.3)

- + Rise in relative sales margin
- + Growth in retail sales in Finland and Australia
- + Smaller depreciation than in the comparison period
- + Increased royalties in the Asia-Pacific
- Downturn in wholesale sales in Finland
 - Nonrecurring promotional deliveries in the comparison period

Key figures

	7-9/ 2017	7-9/ 2016	Change, %	1-9/ 2017	1-9/ 2016	Change, %	2016
Net sales, EUR million	27.2	26.9	1	72.5	71.4	1	99.6
International sales, EUR million	12.2	11.3	8	33.2	32.2	3	43.8
% of net sales	45	42		46	45		44
EBITDA, EUR million	5.2	4.8	9	8.5	6.7	27	9.4
Comparable operating result, EUR million	4.4	3.7	20	6.2	4.3	44	6.1
Comparable operating result margin, %	16.2	13.6		8.6	6.1		6.1
Result for the period, EUR million	3.3	2.8	18	3.9	2.5	57	4.0
Earnings per share, EUR	0.41	0.34	18	0.49	0.31	57	0.50
Cash flow from operating activities, EUR million	3.6	1.4	155	0.9	-1.6		6.1
Return on investment (ROI), %				18.3	12.7		15.8
Equity ratio, %				61.9	55.2		58.5
Gearing, %				20.0	36.3		8.8
Gross investments, EUR million	0.3	1.0	-74	0.9	2.3	-60	2.7
Contingent liabilities, EUR million				27.2	31.6	-14	32.7
Personnel at the end of the period				417	416	0	431
outside Finland				110	111	-1	111

Events during the period



Marimekko is investigating the option of sale and leaseback of the Marimekko Group-owned building, in the Herttoniemi district of Helsinki, which houses the company's head office and textile printing factory, and two of its stores.

Any decisions made in relation to this will be announced separately.



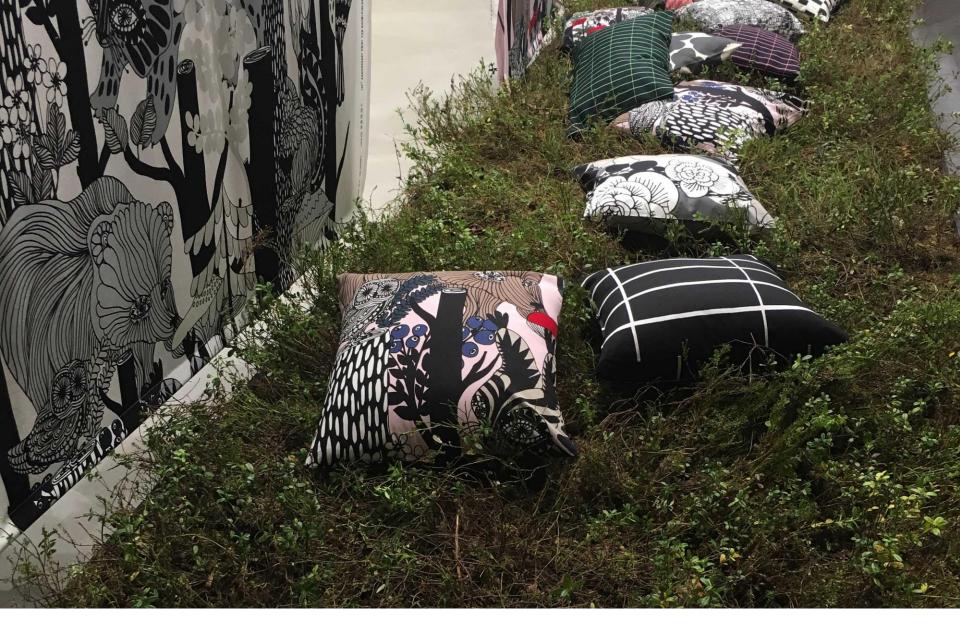
New store opened in Yokohama, Japan; shop-in-shops opened in Finland, Sweden and China



Marimekko Designathon, an international hackathon organized together with Slush, Europe's leading event for technology and start-ups, and Junction, the largest hackathon in Europe, gathered 50 younger generation creators to Marimekko headquarters to challenge the traditional conventions of the textile and clothing industry



Marimekko Spring/Summer 2018 ready-to-wear collection was presented at Paris Fashion Week



Marimekko Home classics and novelties inspired by Finnish nature were presented at Maison & Objet in Paris



Marimekko for Finnair design collaboration continued when Finnair's A350 aircraft featuring Marimekko's Kivet (stones) livery started flying from Helsinki to Finnair destinations in Asia

Market outlook and growth targets for 2017

Finland

- Finland accounts for about half of the company's net sales
- In retailing, a more positive vibe can be seen in Finland the trend is forecast to be moderate
- Nonrecurring promotional deliveries had a positive impact on the company's sales in 2016, but no similarly large deliveries are in sight for 2017
- Marimekko's sales excluding income from nonrecurring promotional deliveries are expected to be roughly on a par with the previous year

The Asia-Pacific region

- Japan is clearly the most important country in this region to Marimekko; the other countries' combined share of the company's net sales is still relatively small, as operations in these markets are in fairly early stages
- Sales in Japan are supported by enhancing the operations of stores and by optimising the product range
- Sales in the Asia-Pacific region in 2017 are forecast to be roughly on a par with the previous year
- About half of the Marimekko stores and shop-in-shops to be opened in 2017 will be in the Asia-Pacific region, and the company sees growing demand for its products in this region especially in the longer term
- Prospects are expected to continue to be positive in Australia

Also

- Royalty income is expected to grow in 2017. Most of the royalty income for the year as a whole was generated in the January-September period of 2017.
- The expenses of marketing operations in 2017 are forecast to be higher than in 2016 (EUR 4.4 million), and the total investments are estimated at approximately EUR 1.5 million (2.7).
- Due to the seasonal nature of Marimekko's business, the major portion of the company's net sales and earnings are traditionally generated during the last two quarters of the year. The share of holiday sales in particular of the company's net sales for the last quarter is considerable and the outcome of the holiday season has a significant impact on results for the whole year.

Growth targets for 2017

- The main thrust in expansion in 2017 will continue to be on openings of retailer-owned Marimekko stores
- The aim is to open around 10-20 new Marimekko stores and shop-in-shops, about half of which will be shop-inshops
- Furthermore, the company will continue the enhancement of the operations of Marimekko stores opened in recent years
- The company's own e-commerce and other online sales channels are forecast to continue to grow

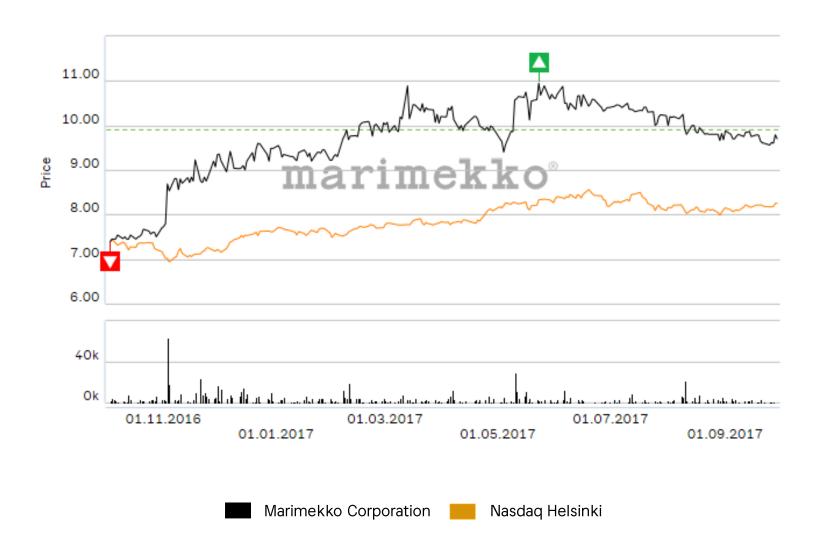


Financial guidance for 2017 (updated on 27 October 2017)

The Marimekko Group's net sales for 2017 are estimated to be at the same level as in the previous year and comparable operating profit is expected to be at the same level as or higher than in the previous year.

In its half-year financial report published on 10 August 2017, the company estimated that its net sales and comparable operating profit for 2017 would be at the same level as in the previous year.

Share price previous 12 months



Appendices

Income statement

MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016
NET SALES	27.2	26.9	72.5	71.4
Other operating income	0.1	0.1	0.3	0.3
Use of materials and consumables*	-9.7	-9.8	-25.5	-25.7
Employee benefit expenses	-5.4	-5.6	-17.8	-19.1
Depreciation and impairments	-0.8	-1.1	-2.5	-3.2
Other operating expenses	-6.9	-6.8	-21.0	-20.2
OPERATING PROFIT	4.4	3.7	6.0	3.5
Net financial items	-0.3	-0.1	-1.0	-0.3
RESULT BEFORE TAXES	4.1	3.5	5.0	3.2
Income taxes	-0.8	-0.8	-1.0	-0.7
NET RESULT	3.3	2.8	3.9	2.5

^{*}Sum of "Increase/decrease in inventories of completed and unfinished products" and "Raw materials and consumables".

Balance sheet

MEUR

 MEUR
 30.9.2017
 30.9.2016

 Non-current assets
 13.9
 15.8

 Inventories
 22.2
 23.1

 Other current assets
 8.6
 6.6

 Cash and cash equivalents
 2.4
 2.9

47.2

48.5

TOTAL ASSETS

29.2 26.7 Equity Financial liabilities and 6.0 8.4 finance lease obligations Other non-current 0.1 liabilities Current liabilities 12.0 13.2 SHAREHOLDERS' **EQUITY AND** 47.2 48.5 LIABILITIES, TOTAL

30.9.2017 30.9.2016

Cash flow statement

MEUR	1-9/2017	1-9/2016
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	8.5	6.7
Change in working capital	-5.9	-7.8
CASH FLOW FROM OPERATING ACTIVITIES BEFORE FINANCIAL ITEMS AND TAXES	2.6	-1.1
Financial items and taxes	-1.7	-0.5
CASH FLOW FROM OPERATING ACTIVITIES	0.9	-1.6
Cash flow from investing activities	-0.8	-2.1
CASH FLOW BEFORE FINANCING ACTIVITIES	0.1	-3.7
Net change in long-term loans and payment of finance lease liabilities	0.0	1.2
Dividends paid	-3.2	-2.8
CHANGE IN CASH AND CASH EQUIVALENTS	-1.1	-1.3
Cash and cash equivalents at the beginning of the period	3.5	4.2
Cash and cash equivalents at the end of the period	2.4	2.9

Largest shareholders 30 September 2017

Quoted on Nasdaq Helsinki - Consumer goods

- 1999, I-list
- 2002, Main-list

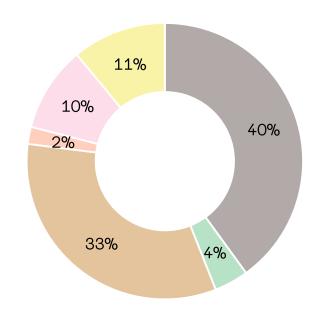
Market-cap ~ EUR 79 million

7,438 shareholders

Largest shareholders, 30 September 2017	No. of shares and votes	%
Muotitila Oy	1,297,700	16.04
Moomin Characters Oy Ltd	585,000	7.23
Ehrnrooth Anna Sophia	400,377	4.95
Varma Mutual Pension Insurance Company	385,920	4.77
Oy Etra Invest Ab	236,823	2.93
Odin Finland	231,601	2.86
Veritas Pension Insurance Company Ltd.	220,000	2.72
Ilmarinen Mutual Pension Insurance Company	215,419	2.66
Aktia Europe Small Cap Equity Fund	168,900	2.09
Taaleri Micro Markka Equity Fund	100,000	1.24

Ownership by sector, 30 September 2017

- Households
- Financial and insurance corporations
- Non-financial corporations and housing corporations
- Non-profit institutions
- General government
- Nominee-registered and non-Finnish holders





For more information

Tiina Alahuhta-Kasko, President and CEO Phone +358 9 758 71 tiina.alahuhta-kasko@marimekko.com

Elina Aalto, CFO
Phone +358 9 758 7261
elina.aalto@marimekko.com

Piia Kumpulainen, Communications Director Phone +358 9 758 7293 piia.kumpulainen@marimekko.com

marimekko.com company.marimekko.com facebook.com/marimekkodesignhouse instagram.com/marimekkodesignhouse twitter.com/marimekkoglobal pinterest.com/marimekkodesign youtube.com/marimekkovideo

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