

A woman with dark hair is shown from the waist up, wearing a long-sleeved, button-down dress with vertical black and white stripes. She is looking slightly to the right with a neutral expression. The background is a clear, light blue sky with some faint clouds. The text 'marimekko' is overlaid in the center of the image.

marimekko

ANNUAL GENERAL
MEETING 2018

Tiina Alahuhta-Kasko
12 April 2018

**Review by the
President & CEO**

**Financial
development**

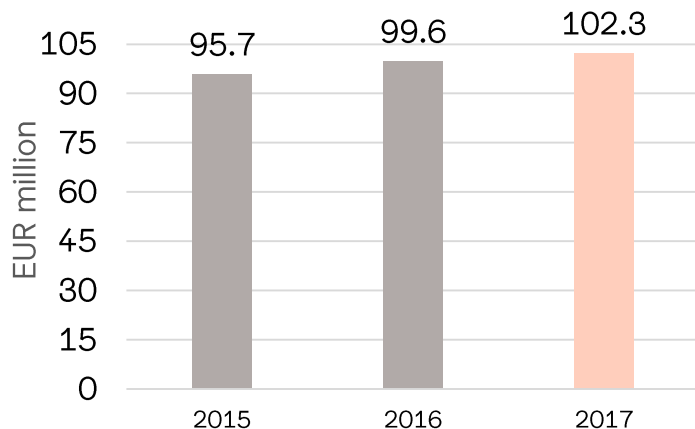


2017 in figures

- Net sales EUR 102.3 million (99.6)
- Brand sales EUR 192.7 million (199.3)
- Operating profit EUR 8.4 million (5.2); comparable operating profit EUR 8.6 million (6.1)
- EBITDA EUR 11.7 million (9.4)
- Result after taxes EUR 5.7 million (4.0) and earnings per share EUR 0.70 (0.50)

Net sales 2017

Trend in net sales 2015-2017

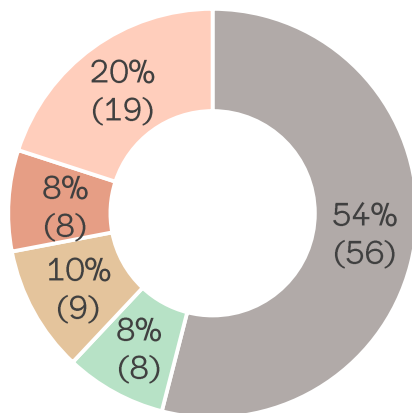


Net sales +3% to EUR 102.3 million (99.6)

- Growth in net sales was generated primarily by retail sales in Finland and Australia, by international wholesale sales and by royalties in the Asia-Pacific region
- Decline in wholesale sales in Finland was due to the fact that wholesale sales in the second half of 2016 included nonrecurring promotional deliveries, of which there were none in 2017

Net sales by market area 2017

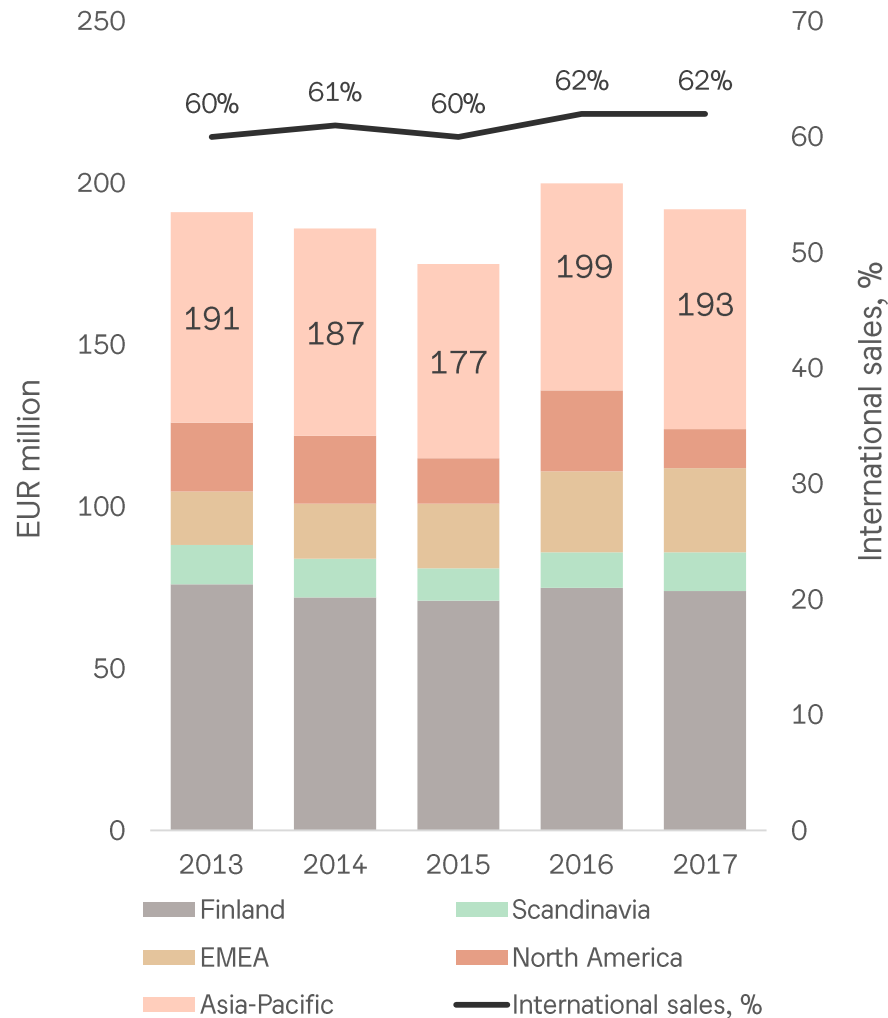
■ Finland ■ Scandinavia ■ EMEA ■ North America ■ Asia-Pacific



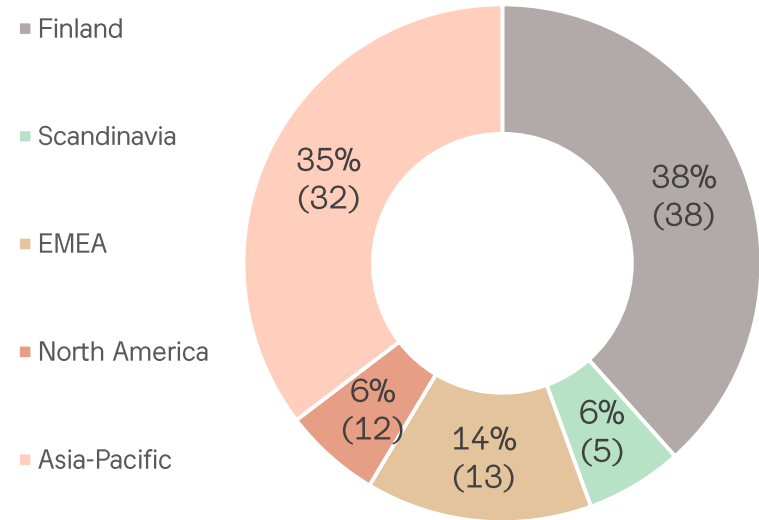
Sales in Finland EUR 55.7 million (55.8)

International sales +6% to EUR 46.6 million (43.8)

Marimekko brand sales



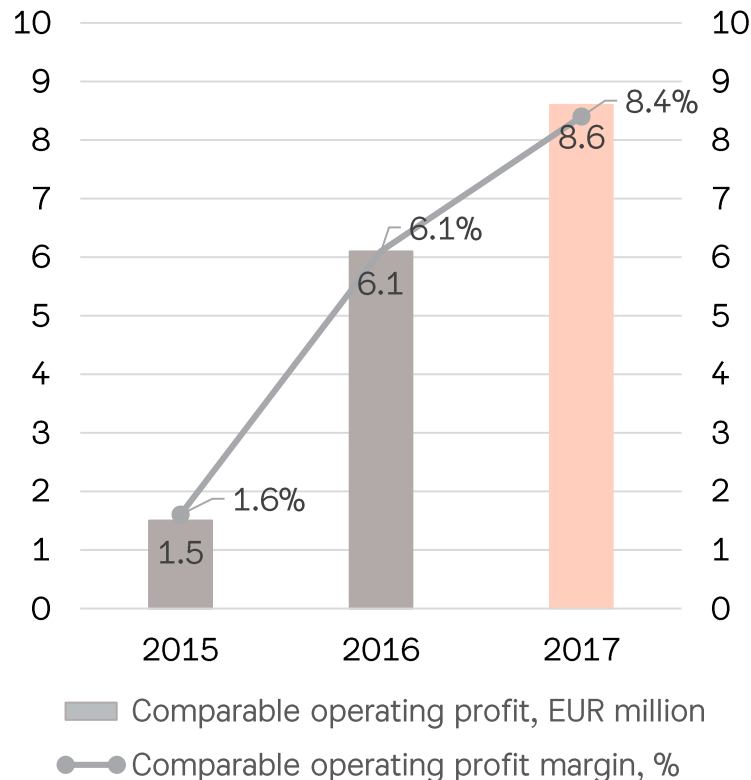
Brand sales by market area 2017



The calculation method for 2017 figures has been restated for the coefficients used; to maintain comparability, the change also applies to the figures for 2016.

Operating profit 2017

Trend in comparable operating profit
2015-2017



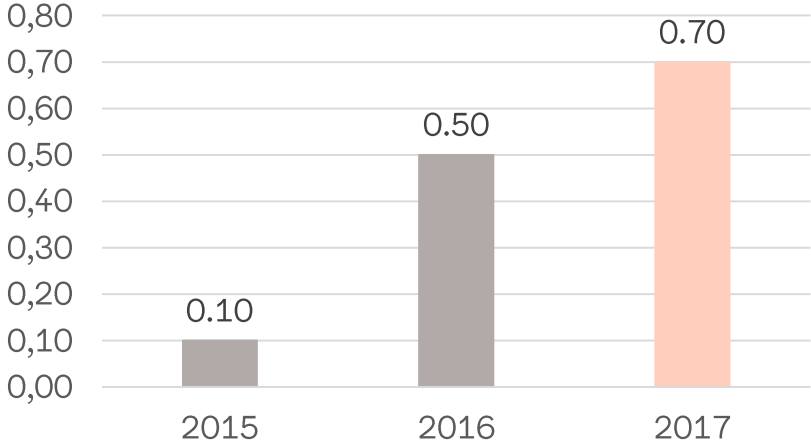
Operating profit EUR 8.4 million (5.2)

Comparable operating profit EUR 8.6 million (6.1)

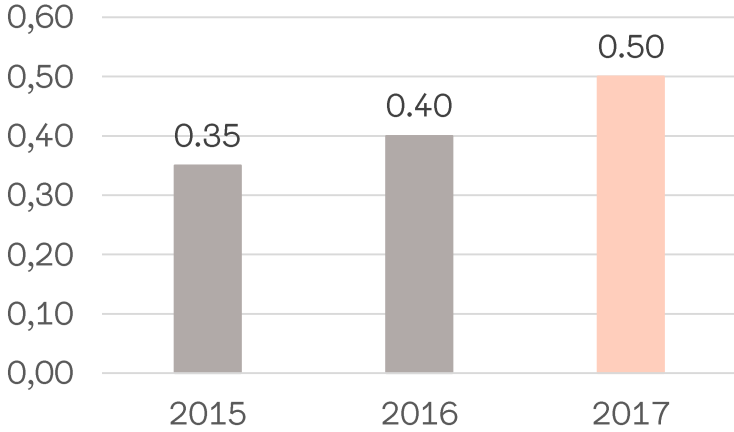
- + Growth in net sales
- + Higher sales margin than in the previous year
- + Reduced depreciation and personnel expenses
- Downturn in wholesale sales in Finland
 - wholesale sales in the second half of 2016 included nonrecurring promotional deliveries, of which there were none in 2017
- Increase in other fixed costs

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

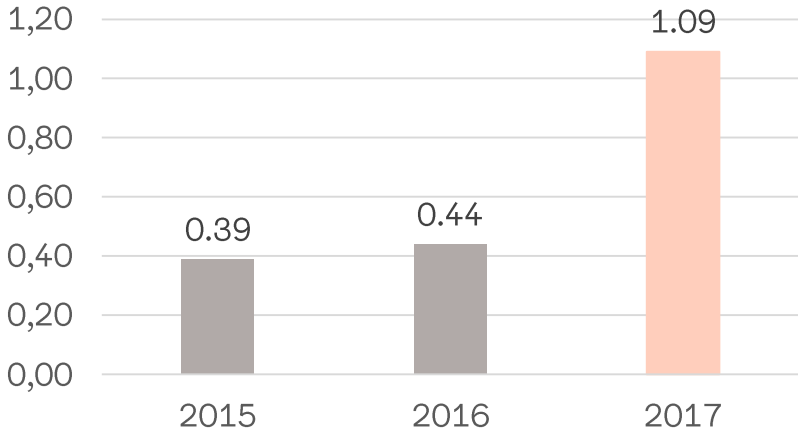
Earnings per share (EUR)



Dividend per share (EUR)



Free cash flow/share (EUR)



2017: The Board of Directors' proposal to the Annual General Meeting

Events in 2017

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During the year, a total of 12 new Marimekko stores and shop-in-shops were opened in China, Japan, Thailand, Finland, Norway, and Sweden. Thailand's fifth Marimekko store opened in Central Bangna, Bangkok in December 2017

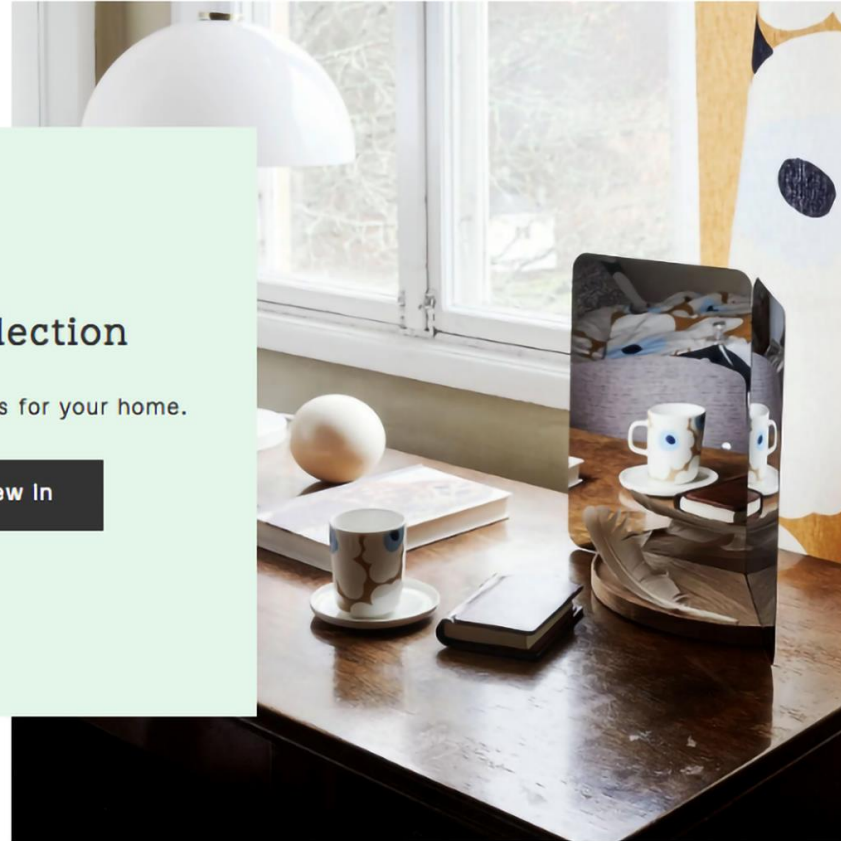
- Clothing
- Accessories
- Bags
- Home
- Fabrics
- Gift Ideas
- Collections

- About Marimekko
- #GrowthStories
- Stores

New collection

Blossoming patterns for your home.

Shop new in



New in

Bold patterns

The significance and role of digital business in Marimekko's internationalisation strategy is continuously increasing. During 2017, Marimekko extended its e-commerce to 17 new countries in Europe.



Marimekko successfully presented its ready-to-wear collections at Paris Fashion Week in March and October 2017



Marimekko was honoured to be invited to Isetan Shinjuku Stage in Tokyo – the creative pop-up store featured collaboration items combining Marimekko prints with traditional Japanese handcraft



Marimekko and Microsoft unveiled accessories for Microsoft's Surface devices



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



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



Photo credit: Spinnova

Marimekko and the Finnish fibre technology company Spinnova begun cooperating on the development and commercialisation of new, wood-based textiles



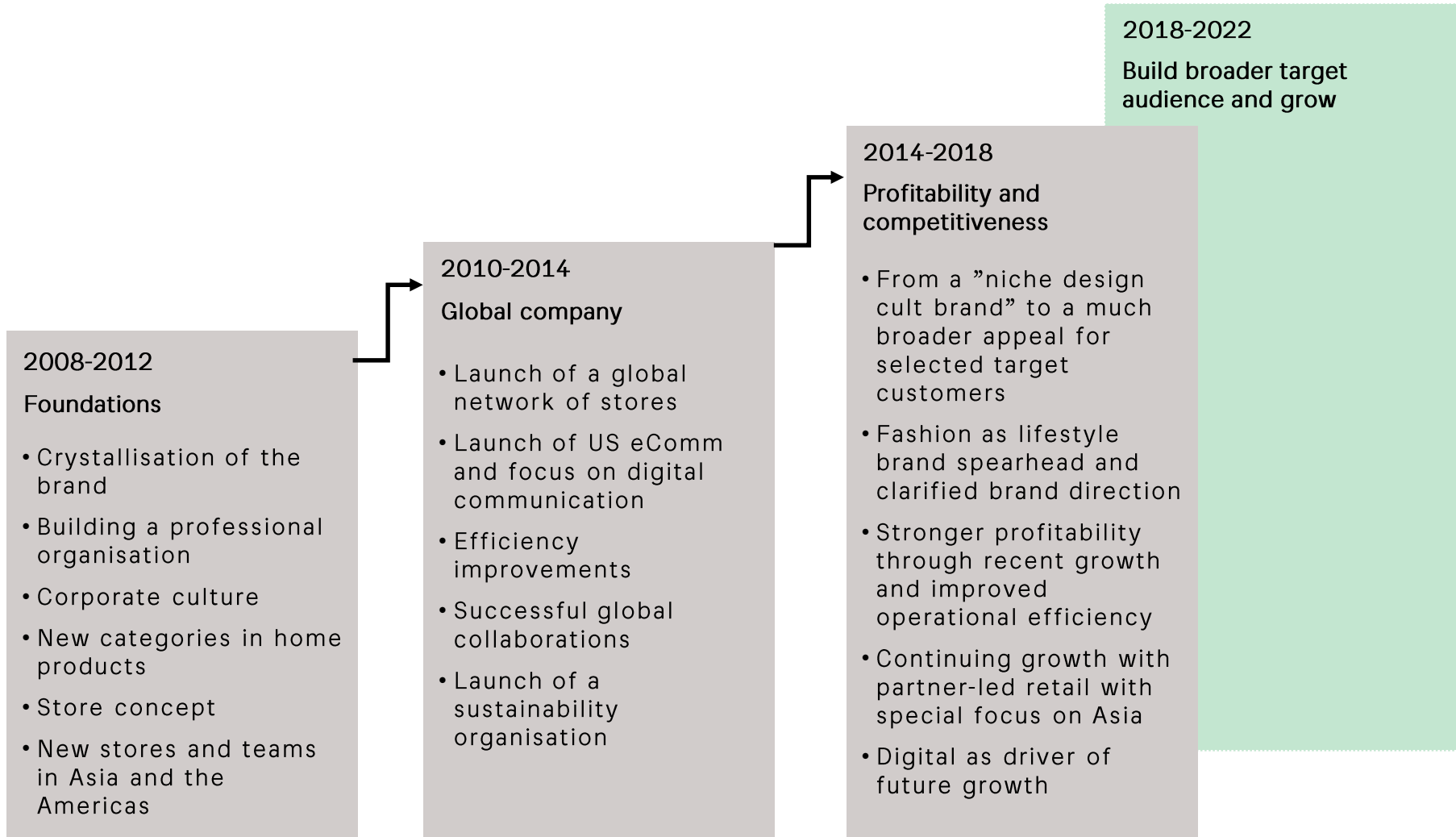
The Marimekko Spirit exhibitions showcasing Marimekko's contemporary art of print making to celebrate the centenary of Finland's independence opened in Tokyo in November and December 2017

Focus areas of strategy

2018-2022

Focus areas of strategy:

Building foundation and competitiveness for global company



Focus areas of strategy:

With improved profitability, igniting growth by reaching broader target audience

2016-2017

Achieved profitability drivers

- Introduced renewed brand and collection direction
- Introduced updated framework for product portfolio
- Increased full-price sales (vs. discount driven)
- Increased efficiency in supply chain
- Tighter cost control
- Strengthened working capital

2018-2022

Growth drivers to be focused on

- Continue developing product portfolio to appeal to a broader target audience
- Digital commerce and partner-led retail in Asia as key drivers of growth
- Approach key markets through key cities
- Continue developing commercial concept to boost efficiency of Marimekko brick-and-mortar and online stores
- Build awareness and global customer base through social media, PR and brand collaborations
- Increasing scale as a driver for supply chain efficiency



PURPOSE:
 EMPOWER PEOPLE TO BE HAPPY AS THEY ARE AND BRING JOY TO THEIR EVERYDAY LIVES THROUGH BOLD PRINTS AND COLOURS

MEGATRENDS:
 GLOBALISATION
 CHANGES IN CONSUMER VALUES
 EMPOWERED WOMAN
 DIGITALISATION

Growth
 +10% p.a.

EVEN STRIPES FOR EQUALITY

marimekko

KEY STRATEGIC SUCCESS FACTORS:

Build Marimekko lifestyle brand through fashion and bags as spearhead

Maximize sales by building omnichannel ecosystems

Appeal to a broader global target audience

Approach key markets through key cities

Increase awareness and loyalty through value-driven storytelling

**Events after
the review period**



Marimekko and prestige cosmetic brand Clinique announced a collaboration. The Marimekko for Clinique Limited Edition Collection came available worldwide in January-February



At the end of March 2018, Marimekko and UNIQLO, a Japanese global apparel retailer, launched a limited edition collaboration collection

Sale and leaseback of head office building

- In its stock exchange release of 11 April 2018, Marimekko announced that it has sold its head office building in Herttoniemi, Helsinki to the Finnish Real Estate Fund Finland III Ky, a fund of OP Financial Group.
- The transaction improves the company's financial flexibility and allows it to fully focus on future growth.
- The cash and debt free selling price is EUR 10.4 million. As a result of the transaction, Marimekko will book a non-recurring taxable capital gain of about EUR 6 million in the second quarter of 2018, and the estimated cash flow impact before taxes will be about EUR 9 million.
- OP has committed to invest in renovating the building, which will improve the working environment for Marimekko employees and continue to ensure shopping experience for over 100,000 customers annually visiting the location's retail stores and restaurant.
- As a result of the transaction, Marimekko's expenses are estimated to increase by about EUR 1 million and depreciation to decrease by about EUR 0.5 million annually.

Thank you!

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