

A photograph of two women standing close together against a plain white background. The woman on the left is wearing a light cream-colored jacket with a ruffled collar and has her hand on the shoulder of the woman on the right. The woman on the right is wearing a light blue and yellow patterned dress with a zipper. The text 'Financial Statements 2022' is overlaid in the center of the image.

Financial Statements 2022

Tiina Alahuhta-Kasko

President & CEO

Marimekko's net sales in the fourth quarter reached last year's level and operating profit margin was at a good level despite the very strong comparison period and a challenging market situation

- Our net sales in Q4 grew by 1 % to EUR 48.4 million (48.1). Net sales were boosted in particular by increased retail sales in Finland but also growing international wholesale sales. On the other hand, net sales were weakened by a decrease in wholesale sales in Finland.
- Our comparable operating profit Q4 totaled EUR 6.9 million (7.6) and was 14.3 percent of net sales (15.8).
- In 2022, our net sales grew by 9% to EUR 166.5 million (152.2). Net sales in Finland grew by 6% and international sales by 14%.
- Our comparable operating profit in 2022 totaled EUR 30.4 (31.2) million and was 18.2 percent of net sales (20.5).
- The Board proposes a dividend of EUR 0.34 for 2022.
- We aim to scale Marimekko business and growth especially in international markets during the next years.



Marimekko's key figures in the fourth quarter

| EUR million | 10-12/2022 | 10-12/2021 | Change, % | 1-12/2022 | 1-12/2021 | Change, % |
|---------------------------------------|-------------|------------|-----------|--------------|-----------|-----------|
| Net sales | 48.4 | 48.1 | 1 | 166.5 | 152.2 | 9 |
| International sales | 18.4 | 17.4 | 5 | 68.3 | 59.9 | 14 |
| % of net sales | 38 | 36 | | 41 | 39 | |
| Comparable EBITDA | 9.3 | 10.6 | -12 | 40.0 | 43.1 | -7 |
| Operating profit | 6.8 | 7.6 | -11 | 30.2 | 31.2 | -3 |
| Comparable operating profit | 6.9 | 7.6 | -9 | 30.4 | 31.2 | -3 |
| Comparable operating profit margin, % | 14.3 | 15.8 | | 18.2 | 20.5 | |
| Comparable earnings per share, EUR * | 0.10 | 0.14 | -29 | 0.56 | 0.60 | -7 |
| Cash flow from operating activities | 11.7 | 17.8 | -34 | 20.1 | 35.9 | -44 |
| Return on investment (ROI), % | | | | 31.5 | 33.0 | |
| Equity ratio, % | | | | 49.2 | 53.3 | |
| Net debt / EBITDA (rolling 12 months) | | | | 0.03 | -0.64 | |
| Gross investments | 0.2 | 0.0 | | 1.0 | 0.2 | |
| Personnel at the end of the period | | | | 459 | 409 | 12 |

* Per-share key figures have been calculated and the figures for the comparison period have been restated using the new total number of shares following the issuance of shares without payment (share split), in accordance with the decision made by the AGM on 12 April 2022.

Net sales and operating profit

Net sales +1% to EUR 48.4 million (48.1)

Despite the very strong comparison period and a challenging market situation, net sales reached the comparison period's level. Increased retail sales in Finland, in particular, but also growing international wholesale sales supported net sales.

- retail sales +13%
- wholesale sales -10%
- licensing income -46%

Sales in Finland -2%

- retail sales +19% (like-for-like +16%)
- wholesale sales -30%
- licensing income -33%

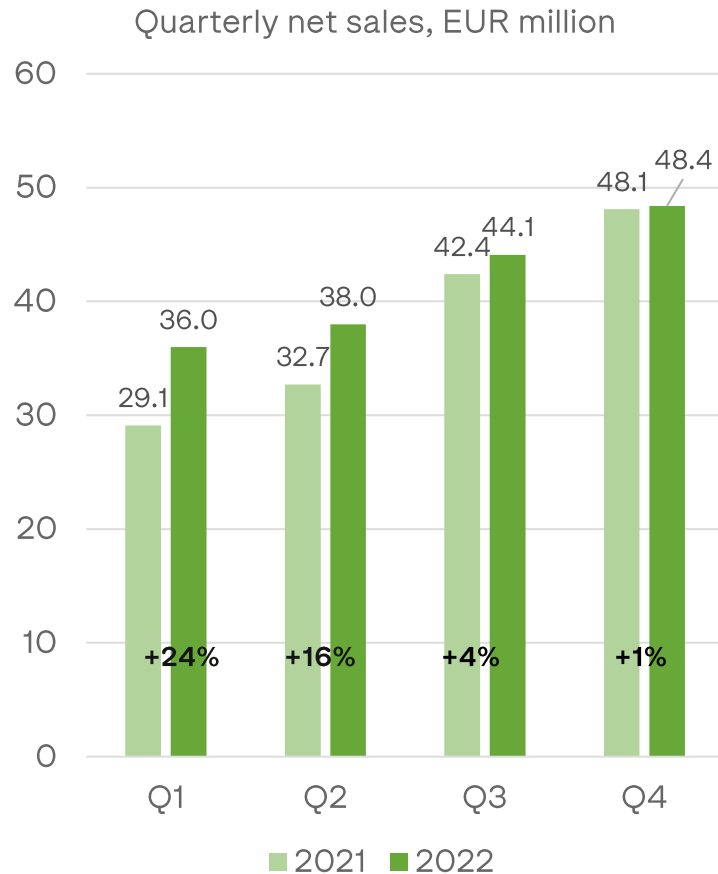
International sales +5%

- retail sales -3%
- wholesale sales +12%
- licensing income -48%

Net sales were boosted in particular by increased retail sales in Finland but also growing international wholesale sales. On the other hand, net sales were lowered by a decrease in Finnish wholesale sales resulting from weakened general consumer demand but also by lower non-recurring promotional deliveries.

All of Marimekko's own stores were open in Q4, and the footfall in the stores continued to grow from the comparison period, when a few of the own stores were still temporarily closed. Both sales in stores and online developed well.

Both retail and wholesale sales in the Asia-Pacific region increased. In 2021, some of the wholesale deliveries in the fourth quarter transferred to the first quarter of 2022. On the other hand, the growth of wholesale sales in October-December period of 2022 was partly slowed down by a different kind of weighting of wholesale deliveries compared to the previous year.

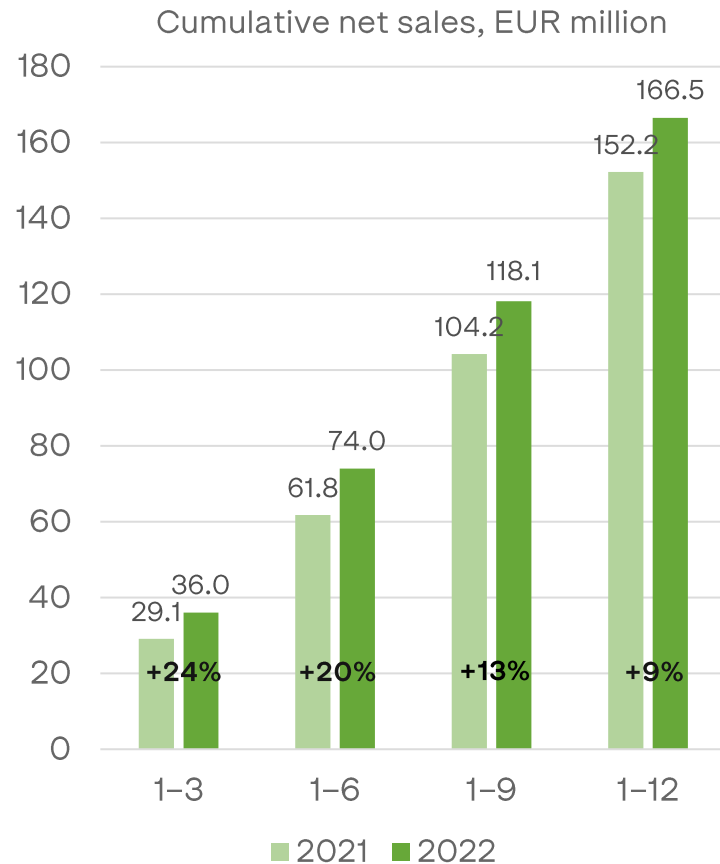


| EUR million | Q4 2022 | Q4 2021 | Change % |
|----------------------------|-------------|-------------|-----------|
| Finland | 30.1 | 30.6 | -2 |
| Scandinavia | 4.5 | 4.4 | 1 |
| EMEA | 3.7 | 3.1 | 18 |
| North America | 2.3 | 2.7 | -14 |
| Asia-Pacific | 7.9 | 7.2 | 10 |
| International sales | 18.4 | 17.4 | 5 |
| TOTAL | 48.4 | 48.1 | 1 |

Net sales +9% to EUR 166.5 million (152.2)

Net sales boosted by a favorable trend in retail sales in Finland and growing international sales.

- retail sales +19%
- wholesale sales remained unchanged
- licensing income +19%



| EUR million | 1-12/ 2022 | 1-12/ 2021 | Change % |
|----------------------------|---------------|---------------|-------------|
| Finland | 98.2 | 92.3 | 6 |
| Scandinavia | 14.0 | 12.7 | 10 |
| EMEA | 16.0 | 12.9 | 24 |
| North America | 8.0 | 8.4 | -5 |
| Asia-Pacific | 30.3 | 26.0 | 17 |
| International sales | 68.3 | 59.9 | 14 |
| TOTAL | 166.5 | 152.2 | 9 |

Sales in Finland +6%

- retail sales +21% (like-for-like +17%)
- wholesale sales -13%
- licensing income -9%

International sales +14%

- retail sales +16%
- wholesale sales +13%
- licensing income +21%

Net sales boosted both by a favorable trend in retail sales in Finland and growing international sales. On the other hand, net sales were weakened by decreased wholesale sales in Finland due particularly to significantly lower non-recurring promotional deliveries than in the comparable year.

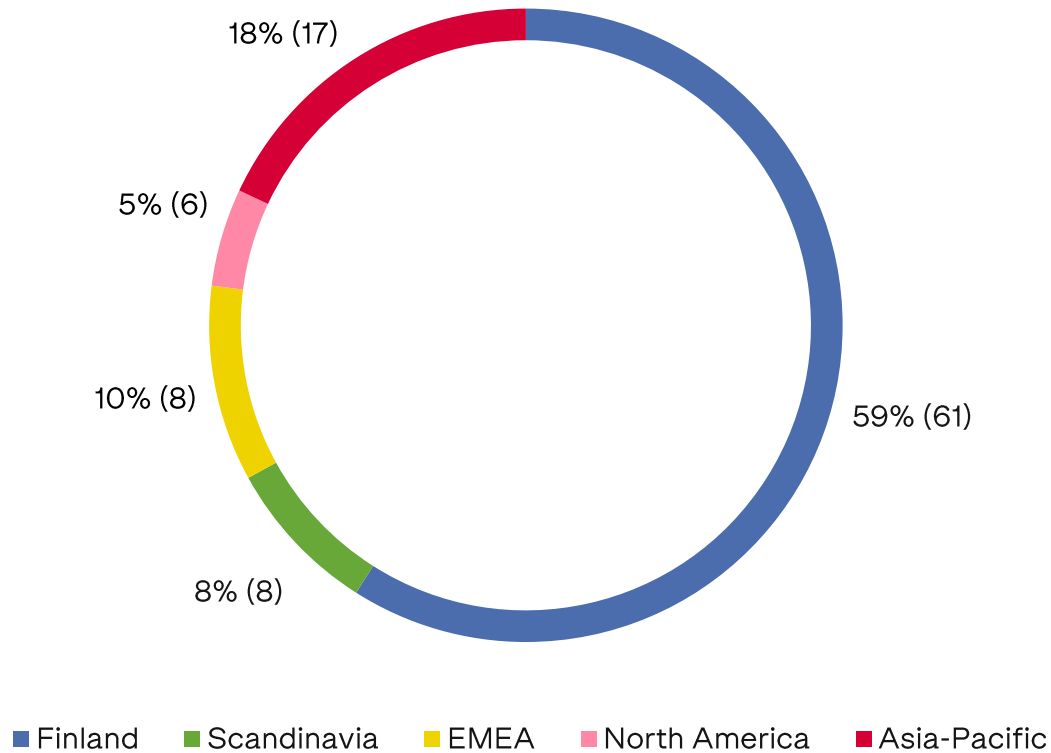
Marimekko's own stores were mainly open normally in 2022 and the footfall in the stores increased significantly from the comparable year. Both retail and online sales developed well.

In the Asia-Pacific region, both retail and wholesale sales grew. No own stores were temporarily closed during 2022 like in the previous year. In 2021, some of the wholesale deliveries in the fourth quarter were transferred to the first quarter of 2022.

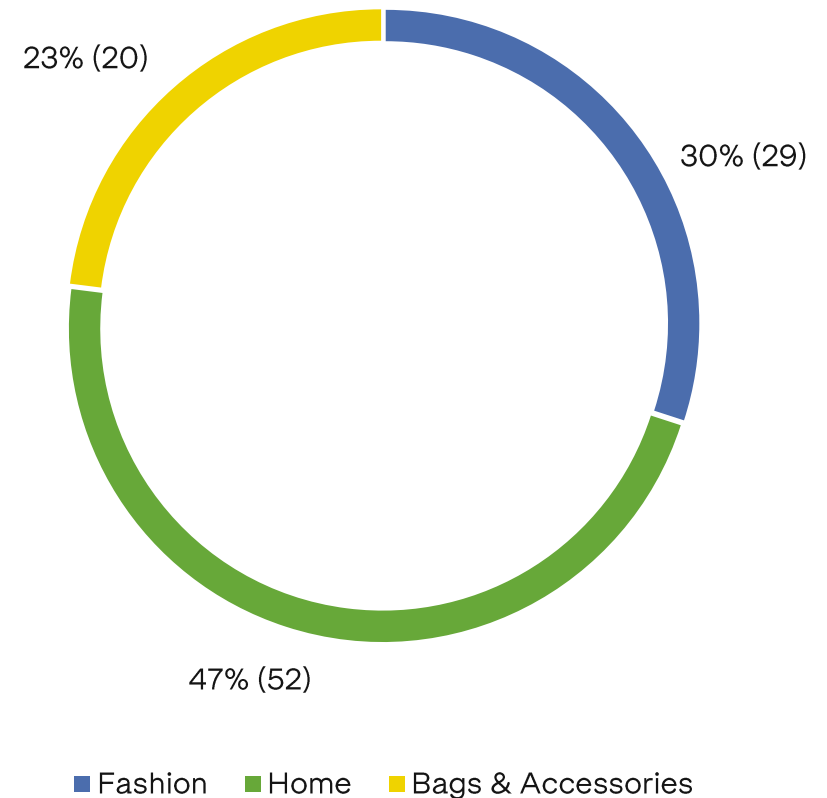
In 2022, sales of bags & accessories and fashion increased clearly

Finland a strong home market, the Asia-Pacific region second biggest market

Net sales by market area, 1-12/2022 (1-12/2021)

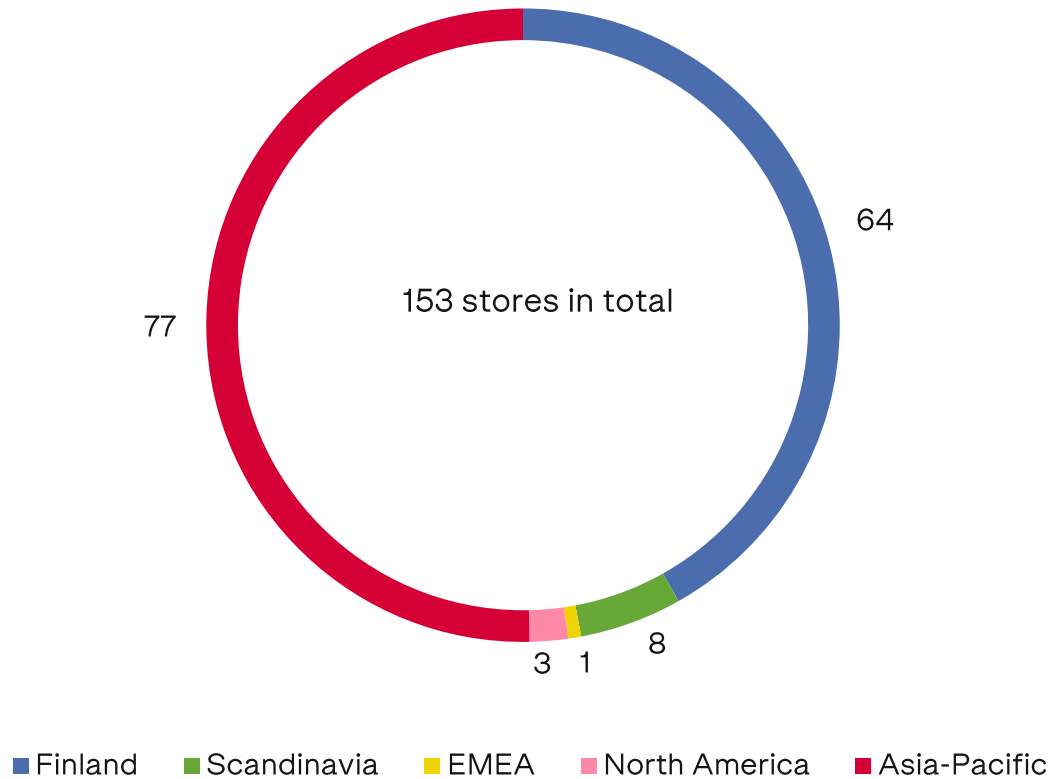


Net sales by product line, 1-12/2022 (1-12/2021)



The Asia-Pacific region has the greatest number of stores.
Online store serving customers in 35 countries already.

Global retail footprint 1-12/2022

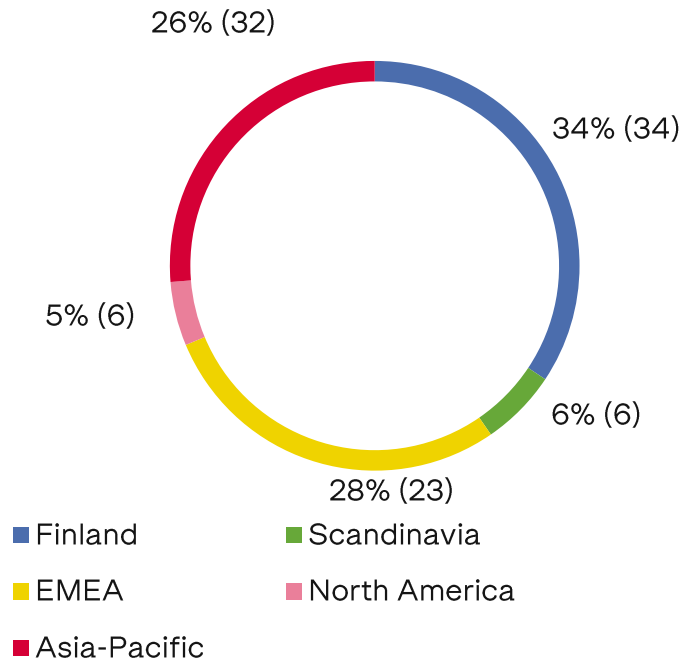


Net sales by channel, e-commerce included

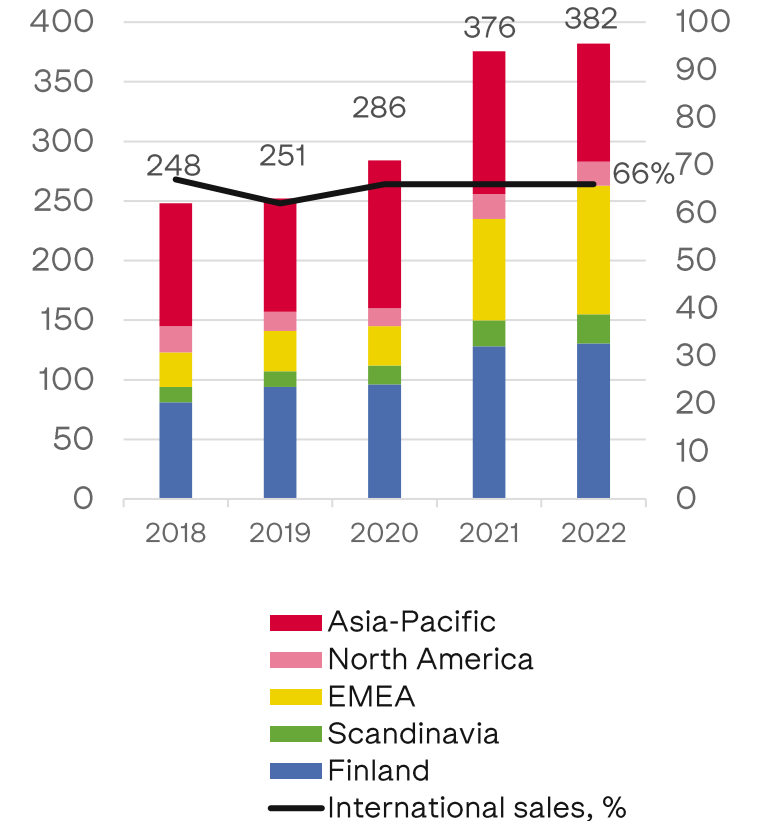


Marimekko brand sales +2% to EUR 382.3 million (375.6)

In the fourth quarter, 54% of brand sales outside home market (67).

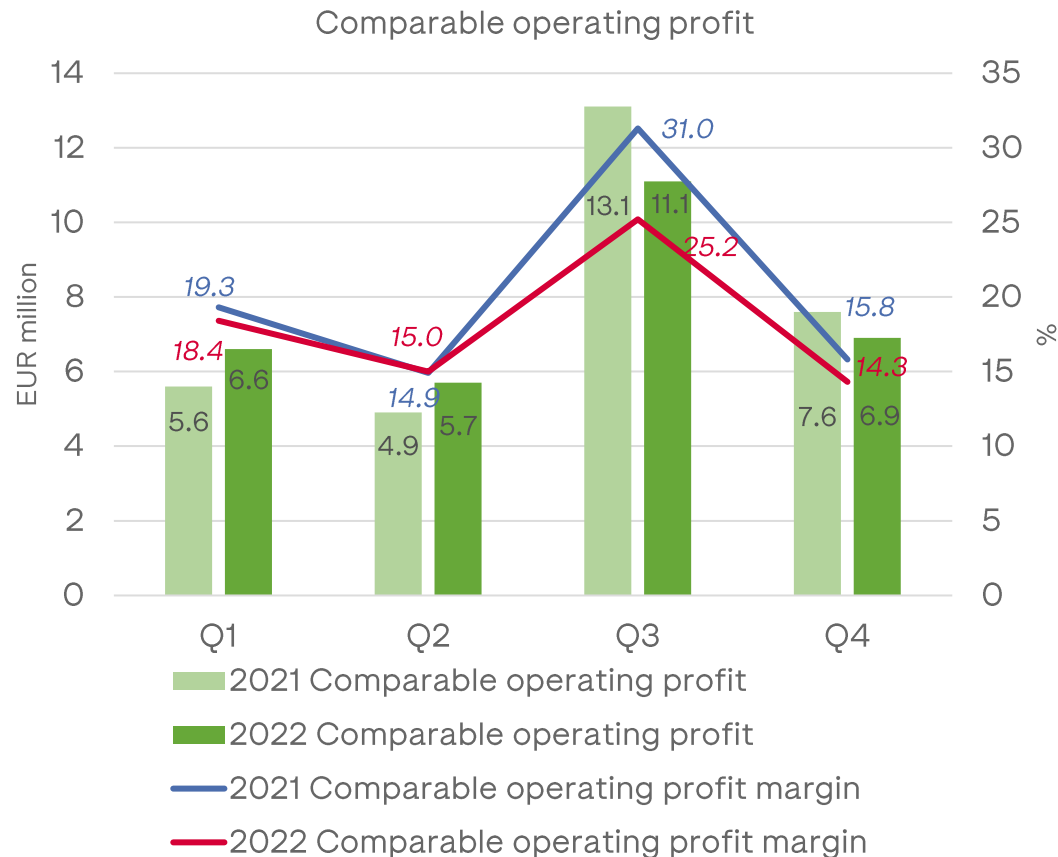


| EUR million | 1-12/ 2022 | 1-12/ 2021 | Change % |
|----------------------------|---------------|---------------|-------------|
| Finland | 130.4 | 128.1 | 2 |
| Scandinavia | 24.4 | 21.7 | 13 |
| EMEA | 108.0 | 85.1 | 27 |
| North America | 20.3 | 20.9 | -3 |
| Asia-Pacific | 99.1 | 119.9 | -17 |
| International sales | 251.9 | 247.6 | 2 |
| TOTAL | 382.3 | 375.6 | 2 |



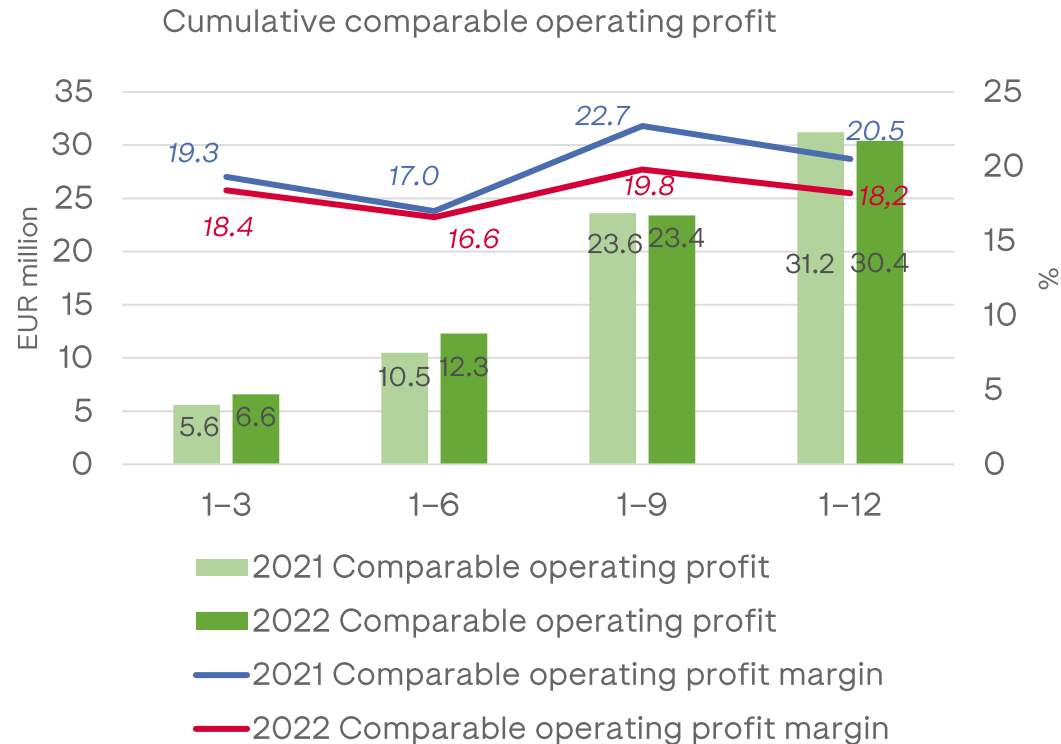
Brand sales represent the reach of the Marimekko brand through different distribution channels. An unofficial estimate of sales of Marimekko products at consumer prices, brand sales are calculated by adding together the company's own retail net sales and the estimated retail value of Marimekko products sold by other retailers. The estimated retail value is based on the company's realized wholesale sales and licensing income. Brand sales do not include VAT, and the key figure is not audited. At the beginning of 2021, the coefficients used to calculate brand sales were adjusted, and the figures for the comparison year have been restated accordingly. Some licensees provide exact retail figures, in which case these figures are used in reporting brand sales. For other licensing agreements, Marimekko's own retail coefficients for different markets are used.

Comparable operating profit margin at a good level



- Operating profit was EUR 6.8 million (7.6).
- Operating profit included EUR 0.1 million of items affecting comparability.
- Comparable operating profit totaled EUR 6.9 million (7.6) and was 14.3 percent of net sales (15.8).
- Operating profit was weakened especially by an increase in fixed costs but also lower relative sales margin.
- On the other hand, lower depreciation than in the comparison period supported operating profit.

Cumulative result continued to be on a high level



- Operating profit was EUR 30.2 million (31.2).
- Operating profit included EUR 0.1 million of items affecting comparability.
- Comparable operating profit totaled EUR 30.4 million (31.2) or 18.2 percent of net sales (20.5).
- Operating profit was mainly weakened by an increase in fixed costs but also lower relative sales margin.
- On the other hand, especially increased net sales but also lower depreciation than in the comparable year supported operating profit.

Key events in Q4

A new, experiential store in New York in Soho

In November, we opened a new, experiential store in New York in SoHo, an area known as one of the city's most central shopping districts and an epicenter of international fashion and design brands.

North America is one of Marimekko's key markets, and the company approaches its market areas through key cities. New York is one of the most important cities in the global fashion industry, having a wider impact for building brand awareness and positioning extending also to Europe and Asia.



Network of Marimekko stores developed further

In the fourth quarter, new Marimekko stores were also opened in Shenzhen, Mainland China and Bangkok, Thailand, and an online store launched in Hong Kong. In addition, pop-up stores delighted customers in Hangzhou, Mainland China and Montreal, Canada as well as Taichung, Taiwan.

Even in the digitalized world, stores play an important role not only as distribution channels but also as the hearts of brand culture that build awareness, deepen the customer experience and support sales also in other channels.



Determined sustainability efforts to support long-term success

Marimekko's operations and design philosophy have always been based on a sustainable approach: Marimekko wants to offer its customers timeless, functional and durable products that bring them long-lasting joy and that they will not want to throw away.

In 2022, our activities included, for example, work to promote innovations and business models, which are in line with the principles of the circular economy, as well as work to further increase the share of more sustainable materials in its products. In the fourth quarter, the second-hand and vintage resale platform Marimekko Pre-loved, launched in August, was expanded to include Home products and a pilot regarding closed-loop clothing production was announced, among others.





Outlook 2023

Market outlook and growth targets for 2023: In general

- The uncertainties related to the general development of the global economy, such as the risk of an economic recession, general cost inflation, increasing interest rates and energy crisis as well as geopolitical tensions influence consumer confidence, purchasing power and behavior and, as a result, can have an impact on Marimekko's business in 2023, especially in the important domestic market Finland.
- The pandemic situation, particularly in China, where restrictions have only recently been lifted, and Russia's war against Ukraine may cause even significant disruptions in production and logistics chains, which may result in delivery delays and increased costs and thus have a negative impact on the company's sales, profitability and cash flow.
- Marimekko is closely monitoring the general economic situation, the development of consumer confidence and purchasing power, as well as the impacts of Russia's war against Ukraine and the coronavirus pandemic and will adjust its operations and plans according to the circumstances.

Market outlook and growth targets for 2023: Net sales development

Finland

- Finland traditionally represents about half of the company's net sales.
- Sales in Finland are expected to grow on the previous year.
- The Finnish wholesale sales in 2023 will be positively affected by non-recurring promotional deliveries, the total value of which is estimated to be substantially higher than the year before. A vast majority of the deliveries will take place in the second half of the year.

- In 2023, the aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops, and most of the planned openings will be in Asia.

Asia-Pacific

- The Asia-Pacific region is Marimekko's second-largest market and it plays a significant part in the company's international growth. Japan is clearly the most important country in this region to Marimekko and already has a very comprehensive network of Marimekko stores. All brick-and-mortar Marimekko stores and most online stores in Asia are partner-owned.
- Net sales in the Asia-Pacific region are expected to increase in 2023, as are total international sales.

Market outlook and growth targets for 2023: Seasonality

- Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and operating result are traditionally generated during the second half of the year.
- In 2023, Marimekko's net sales are expected to grow. However, net sales in the first quarter of the year are estimated to be lower than in the comparison period following the weaker outlook at the beginning of the year for the wholesale sales in Finland, as well as lower licensing income. Furthermore, net sales in the first quarter of 2022 were boosted by some of the wholesale deliveries in the Asia-Pacific region in fourth quarter of 2021 being transferred to the first quarter of 2022.
- For the full year 2023, licensing income is forecasted to be below the record level of 2022.

Market outlook and growth targets for 2023: Growth investments and costs

- Marimekko develops its business with a long-term view and aims to scale its growth especially in international markets during the strategy period of 2023–2027.
- In 2023, fixed costs are expected to be up on the previous year.
- Marketing expenses are expected to grow (2022: EUR 9.2 million).
- The general cost inflation continues to also affect Marimekko in 2023. Marimekko's early commitment to product orders from supplier partners, which is typical of the industry, means that changes in costs affect the company with a delay.
- These early commitments have been further emphasized by the pandemic situation, undermining the company's ability to optimize product orders and respond to rapid changes in demand and consumer behavior, which also increases risks related to inventory management. The domestic non-recurring promotional deliveries also raise inventory risks.
- Marimekko works actively to mitigate the negative impacts of disruptions in production and logistics chains as well as increased costs, and to enhance inventory management.

Financial guidance for 2023

The Marimekko Group's net sales for 2023 are expected to grow from the previous year (2022: EUR 166.5 million). Comparable operating profit margin is estimated to be approximately some 16–19 percent (2022: 18.2 percent). Development of consumer confidence and purchasing power, global supply chain disruptions and the general inflation development, in particular, cause volatility to the outlook for 2023.

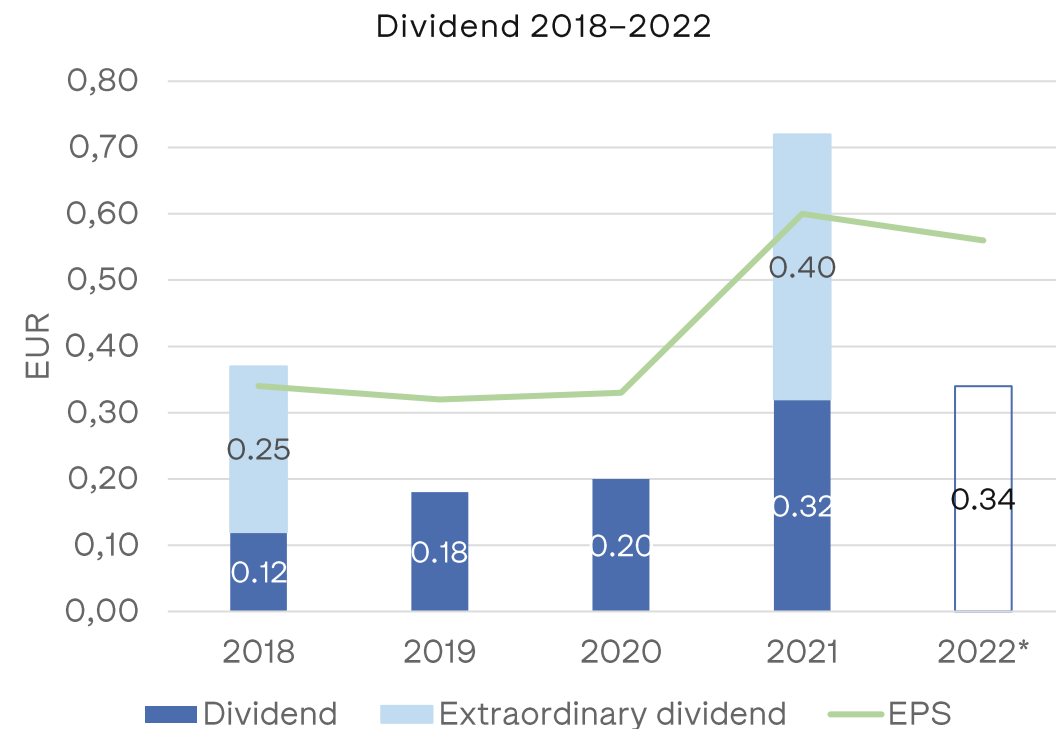
Uncertainties related to the development of net sales and result are described in more detail in the Major risks and factors of uncertainty section of the Financial Statements Bulletin.



Proposal for dividend for 2022

On 31 December 2022, the parent company's distributable funds amounted to EUR 49,039,655.34; profit for the financial year was EUR 22,850,050.77. Marimekko's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.34 per share will be paid for 2022.

The Board will propose 17 April 2023 as the dividend payout record date and 24 April 2023 as the dividend payout date.



* The Board's proposal to the AGM

Appendices

Income statement

| EUR million | 10-12/2022 | 10-12/2021 | 1-12/2022 | 1-12/2021 |
|--|-------------|-------------|--------------|--------------|
| Net sales | 48.4 | 48.1 | 166.5 | 152.2 |
| Other operating income | 0.0 | 0.1 | 0.1 | 0.1 |
| Change in inventories of finished goods and work in progress | -0.6 | -2.1 | 7.7 | 3.2 |
| Raw material and consumables | -19.5 | -18.2 | -72.1 | -61.5 |
| Employee benefit expenses | -9.1 | -8.7 | -30.8 | -28.2 |
| Depreciation and impairments | -2.4 | -3.0 | -9.7 | -11.9 |
| Other operating expenses | -10.0 | -8.6 | -31.5 | -22.7 |
| Operating profit | 6.8 | 7.6 | 30.2 | 31.2 |
| Net financial items | -1.4 | -0.0 | -1.1 | -0.6 |
| Result before taxes | 5.4 | 7.6 | 29.1 | 30.7 |
| Income taxes | -1.3 | -1.7 | -6.4 | -6.3 |
| Net result | 4.0 | 5.9 | 22.7 | 24.4 |

Balance sheet

| EUR million | 31.12.2022 | 31.12.2021 |
|--|--------------|--------------|
| Non-current assets | 36.1 | 35.1 |
| Inventories | 33.8 | 26.0 |
| Trade and other receivables | 12.0 | 12.0 |
| Cash and cash equivalents | 32.7 | 59.7 |
| Assets, total | 114.6 | 132.9 |
| Shareholders' equity | 55.4 | 69.8 |
| Non-current liabilities | 25.3 | 22.0 |
| Current liabilities | 33.9 | 41.1 |
| Shareholders' equity and liabilities, total | 114.6 | 132.9 |

Cash flow statement

EUR million

| | 1-12/2022 | 1-12/2021 |
|---|--------------|--------------|
| Cash flow from operating activities before change in working capital | 40.6 | 43.6 |
| Change in working capital | -11.2 | -2.2 |
| Cash flow from operating activities before financial items and taxes | 29.4 | 41.4 |
| Financial items and taxes | -9.3 | -5.5 |
| Cash flow from operating activities | 20.1 | 35.9 |
| Investments in tangible and intangible assets | -1.0 | -0.9 |
| Cash flow before cash flow from financing activities | 19.1 | 35.0 |
| Short-term loans drawn | 1.0 | 0.9 |
| Short-term loans repaid | -0.7 | - |
| Payments of lease liabilities | -8.5 | -10.2 |
| Acquisition of own shares | -0.5 | - |
| Dividends paid | -37.4 | -7.3 |
| Cash flow from financing activities | -45.9 | -16.6 |
| Change in cash and cash equivalents | -26.8 | 18.4 |
| Cash and cash equivalents at the end of the period | 32.7 | 59.7 |

In addition, Marimekko has unused committed credit lines of EUR 14.6 million (15.0).

Share price trend in 2022

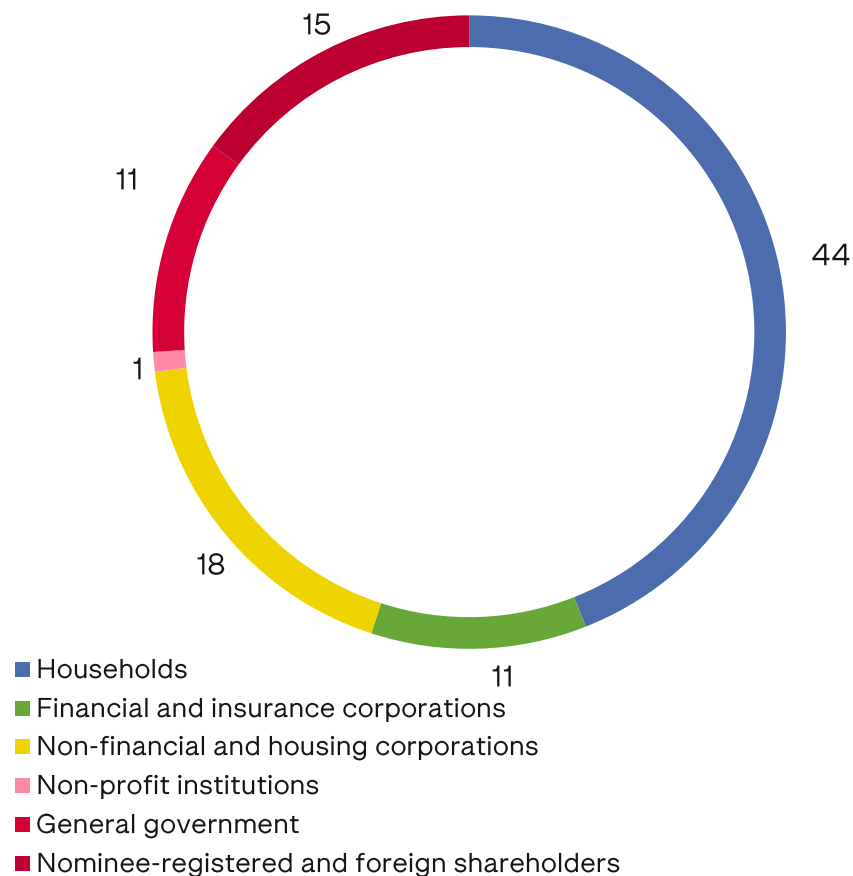
The Marimekko share (MEKKO) is quoted on the main list of Nasdaq Helsinki in the Consumer Products and Services Sector.

Market cap on 31 December 2022: 355.4 million.



A total of 36,616 shareholders

Ownership by sector, % of shares



Largest shareholders

| Shareholder | Shares and votes, % |
|--|---------------------|
| PowerBank Ventures Oy (Mika Ihamuotila) | 12.52 |
| Varma Mutual Pension Insurance Company | 4.75 |
| Ilmarinen Mutual Pension Insurance Company | 4.74 |
| Nordea investment funds | 4.50 |
| Ehrnrooth Anna Sophia | 4.06 |
| Swedbank Robur funds | 2.71 |
| Evli investment funds | 2.14 |
| Lazard Frères Gestion | 1.91 |
| Oy Talcom Ab | 1.24 |
| Oy Etra Invest Ab | 1.23 |

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70 YEARS OF THE ART OF PRINTMAKING