

# Financial Statements 2023

Tiina Alahuhta-Kasko  
President & CEO

# Net sales grew and operating profit improved further in the fourth quarter

- Our net sales increased by 5% and totaled EUR 50.6 million (48.4).
- Net sales in Finland grew by 2% as retail sales increased. International sales grew by 10% as especially wholesale sales developed favorably both in the Asia-Pacific region and North America and licensing income grew.
- Our comparable operating profit totaled EUR 8.3 million (6.9) equaling to 16.4% of net sales (14.3).
- Operating profit was boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on operating profit.
- The Board proposes to the AGM that a dividend of EUR 0.37 will be paid for 2023.



## Marimekko's key figures in the fourth quarter

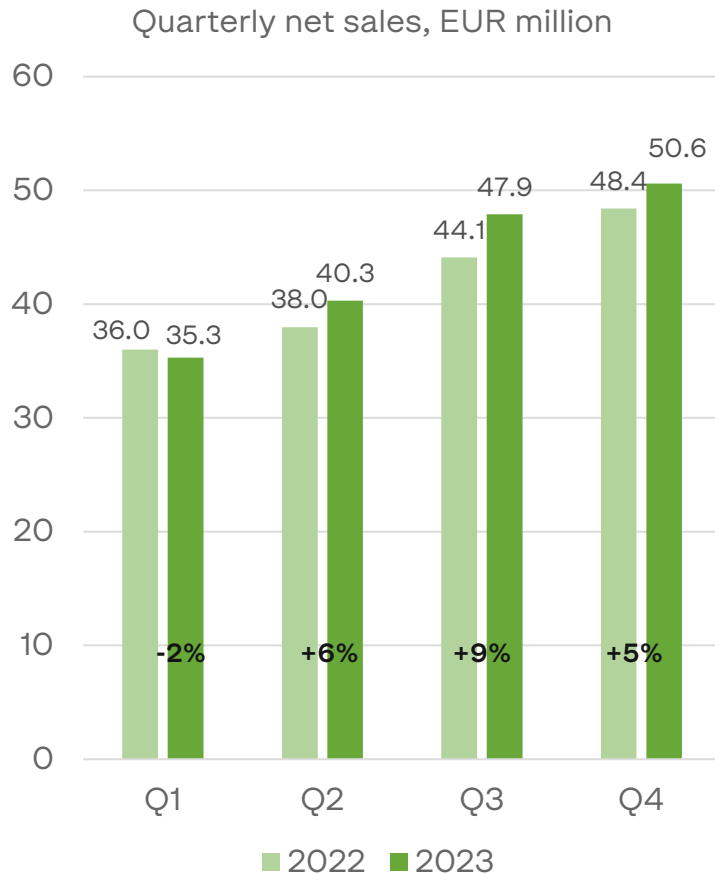
EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Net sales	<b>50.6</b>	48.4	5	<b>174.1</b>	166.5	5
International sales	<b>20.1</b>	18.4	10	<b>75.2</b>	68.3	10
% of net sales	<b>40</b>	38		<b>43</b>	41	
Comparable EBITDA	<b>10.6</b>	9.3	14	<b>41.2</b>	40.0	3
Operating profit	<b>8.1</b>	6.8	19	<b>31.4</b>	30.2	4
Comparable operating profit	<b>8.3</b>	6.9	19	<b>32.0</b>	30.4	5
Comparable operating profit margin, %	<b>16.4</b>	14.3		<b>18.4</b>	18.2	
Comparable earnings per share, EUR	<b>0.15</b>	0.10	51	<b>0.59</b>	0.56	6
Cash flow from operating activities	<b>21.0</b>	11.7	79	<b>29.4</b>	20.1	46
Return on Capital Employed (ROCE), %				<b>33.0</b>	31.5	
Equity ratio, %				<b>54.1</b>	49.2	
Net debt / EBITDA (rolling 12 months)				<b>-0.10</b>	0.03	
Gross investments	<b>0.9</b>	0.2		<b>2.0</b>	1.0	104
Personnel at the end of the period				<b>468</b>	459	2



# Net sales and operating profit

# Net sales increased +5% to EUR 50.6 million (48.4)

The increase in net sales was driven particularly by the growth in international sales but also by the positive development of Finnish retail sales.



EUR million	Q4/ 2023	Q4/ 2022	Change %
<b>Finland</b>	<b>30.5</b>	30.1	2
Scandinavia	4.7	4.5	6
EMEA	3.5	3.7	-4
North America	2.8	2.3	23
Asia-Pacific	9.0	7.9	14
<b>International sales</b>	<b>20.1</b>	18.4	10
<b>TOTAL</b>	<b>50.6</b>	48.4	5

- retail sales +4%
- wholesale sales +3%
- licensing income increased significantly

**Sales in Finland +2%**

- retail sales +3% (like-for-like +1%)
- wholesale sales -2%
- licensing income -16%

**International sales +10%**

- retail sales +9%
- wholesale sales +7%
- licensing income grew significantly

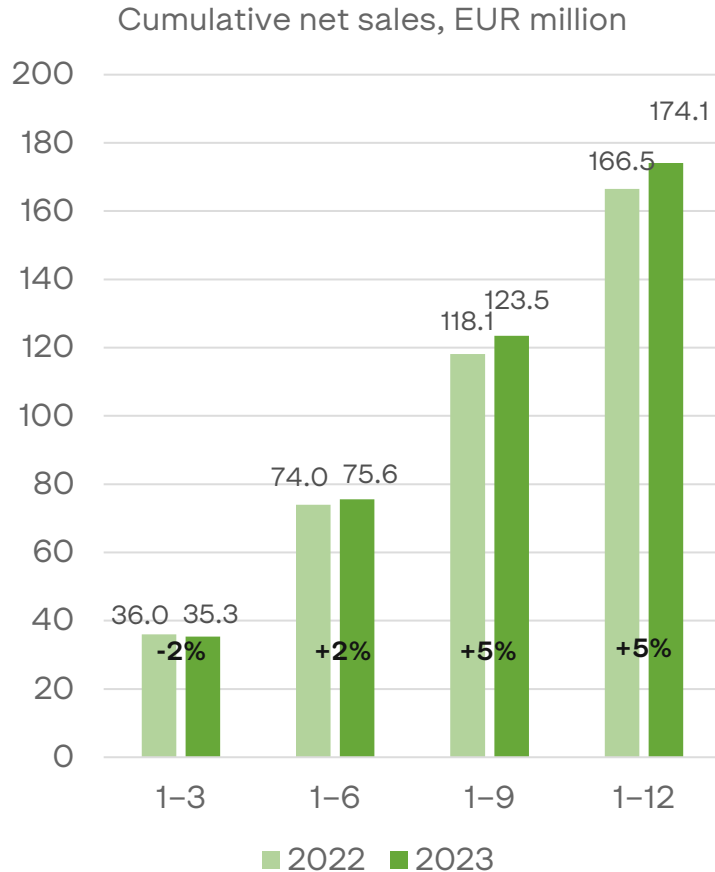
Marimekko’s omnichannel retail sales grew in almost all market areas. Wholesale sales developed favorably both in the Asia-Pacific region and North America. Licensing income grew significantly from the comparison period.

The challenging general market situation and highly tactical business environment impacted both retail and wholesale sales in Finland. However, net sales in Finland increased. Comparable retail sales grew. Weakened general consumer demand in Finland affected wholesale sales, which decreased.

In the company’s second-biggest market, the Asia-Pacific region, net sales increased with wholesale sales and licensing income growing.

# Net sales increased +5% to EUR 174.1 million (166.5)

Net sales were boosted in particular by increased international wholesale sales.



EUR million	1-12/ 2023	1-12/ 2022	Change %
<b>Finland</b>	<b>98.9</b>	98.2	1
Scandinavia	15.6	14.0	11
EMEA	14.6	16.0	-9
North America	9.6	8.0	20
Asia-Pacific	35.4	30.3	17
<b>International sales</b>	<b>75.2</b>	68.3	10
<b>TOTAL</b>	<b>174.1</b>	166.5	5

- retail sales +3%
- wholesale sales +6%
- licensing income +8%

**Sales in Finland +1%**

- retail sales +3% (like-for-like -1%)
- wholesale sales -4%
- licensing income -18%

**International sales +10%**

- retail sales +4%
- wholesale sales +12%
- licensing income +9%

Marimekko’s omnichannel retail sales grew in nearly all market areas. Wholesale sales increased in the Asia-Pacific region, North America and Scandinavia. Actions to control gray exports weakened wholesale sales in the EMEA region. Licensing income increased from the record-high level of the comparable year.

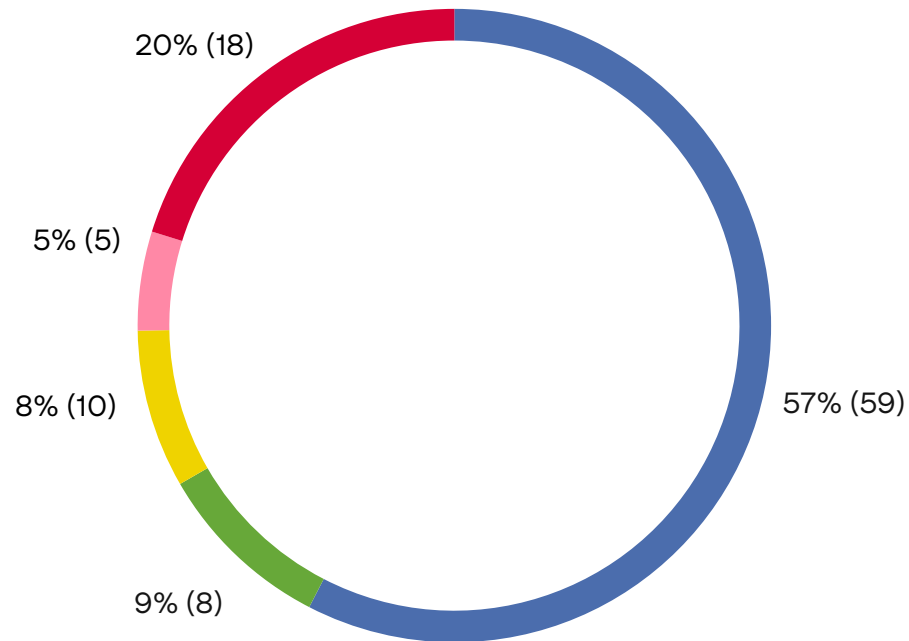
Net sales in Finland increased. Despite the challenging macro-economic environment, retail sales grew. In spite of a strong third quarter, the cumulative wholesale sales in Finland were below the comparable year as a result of weakened general consumer demand.

Especially growth in wholesale sales but also increased licensing income improved net sales in the Asia-Pacific region. In the comparable year, wholesale sales in the region were boosted by some of the wholesale deliveries in the fourth quarter of 2021 being transferred to the first quarter of 2022.

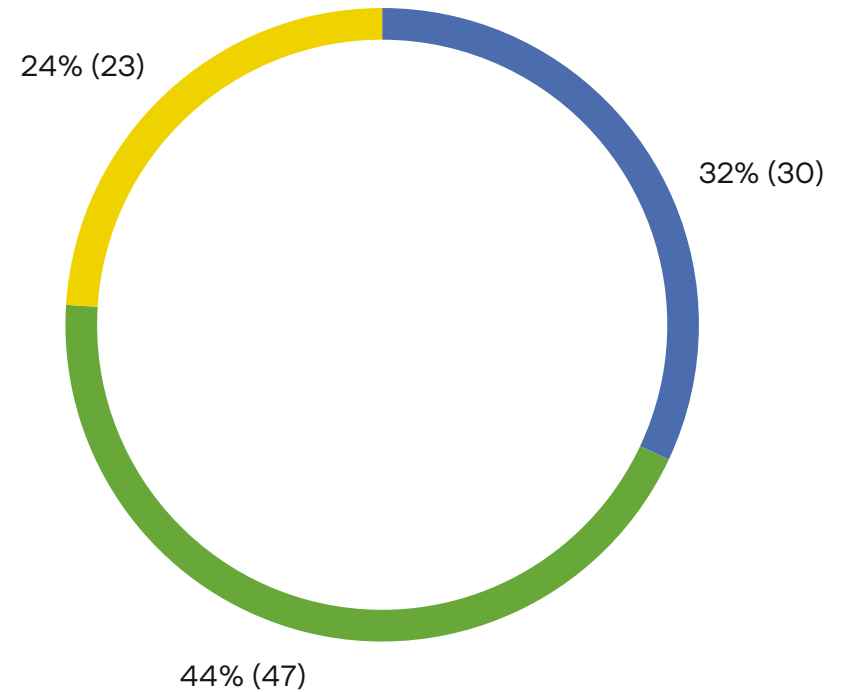
# Net sales in the strategically important Asia-Pacific region +17%

The share of fashion and bags & accessories grew.

Net sales by market area, 1-12/2023 (1-12/2022)



Net sales by product line, 1-12/2023 (1-12/2022)

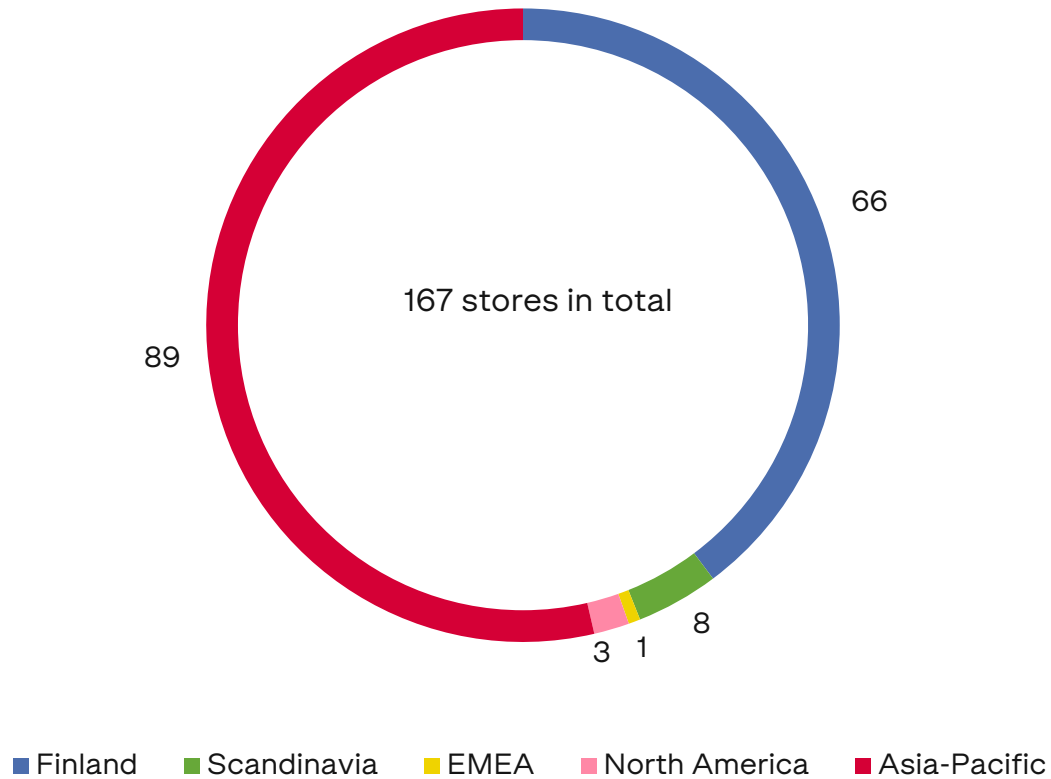


■ Finland ■ Scandinavia ■ EMEA ■ North America ■ Asia-Pacific

■ Fashion ■ Home ■ Bags & Accessories

# 19 new Marimekko stores and shop-in-shops in 2023

Global retail footprint at the end of 2023:



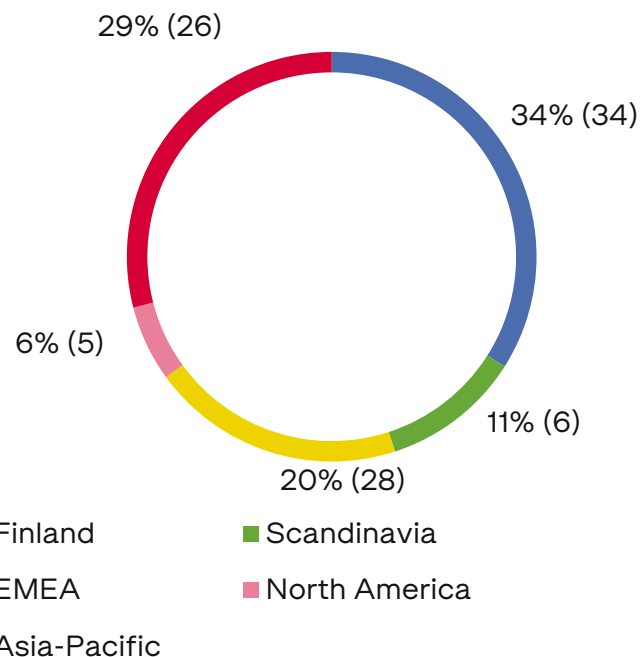
Net sales by channel, e-commerce included



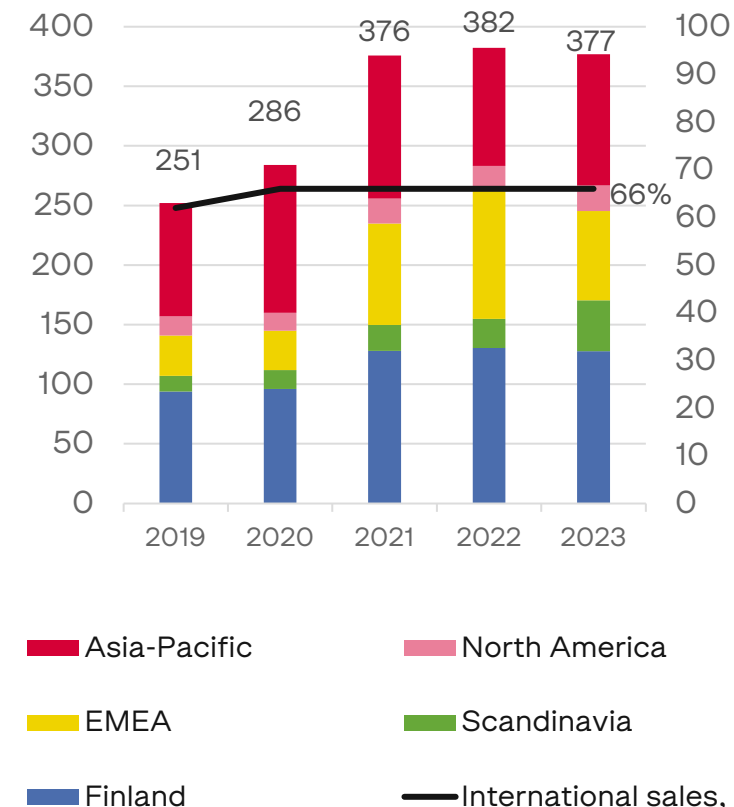


# Marimekko cumulative brand sales EUR 376.7 million (382.3)

In the fourth quarter, 60% of brand sales outside home market (54)

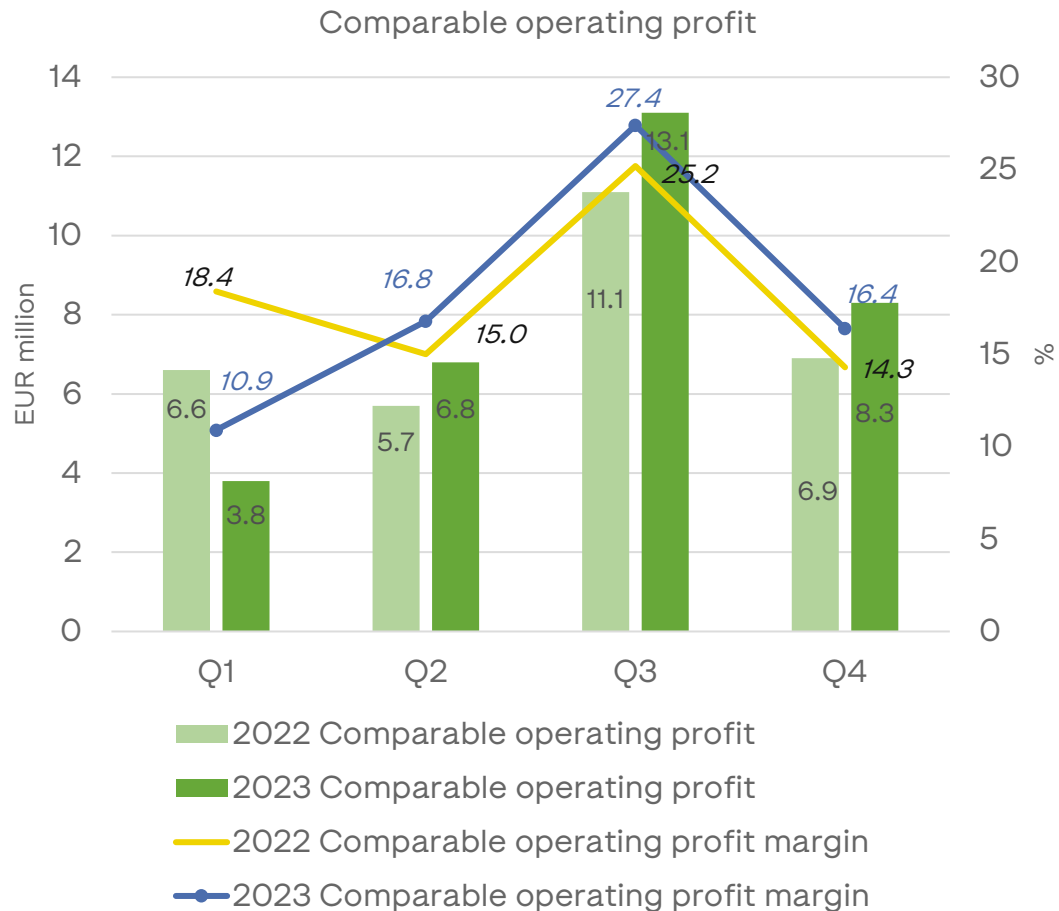


EUR million	1-12/ 2023	1-12/ 2022	Change %
<b>Finland</b>	<b>127.7</b>	130.4	-2
Scandinavia	42.8	24.4	75
EMEA	74.7	108.0	-31
North America	21.6	20.3	7
Asia-Pacific	110.0	99.1	11
<b>International sales</b>	<b>249.0</b>	251.9	-1
<b>TOTAL</b>	<b>376.7</b>	382.3	-1



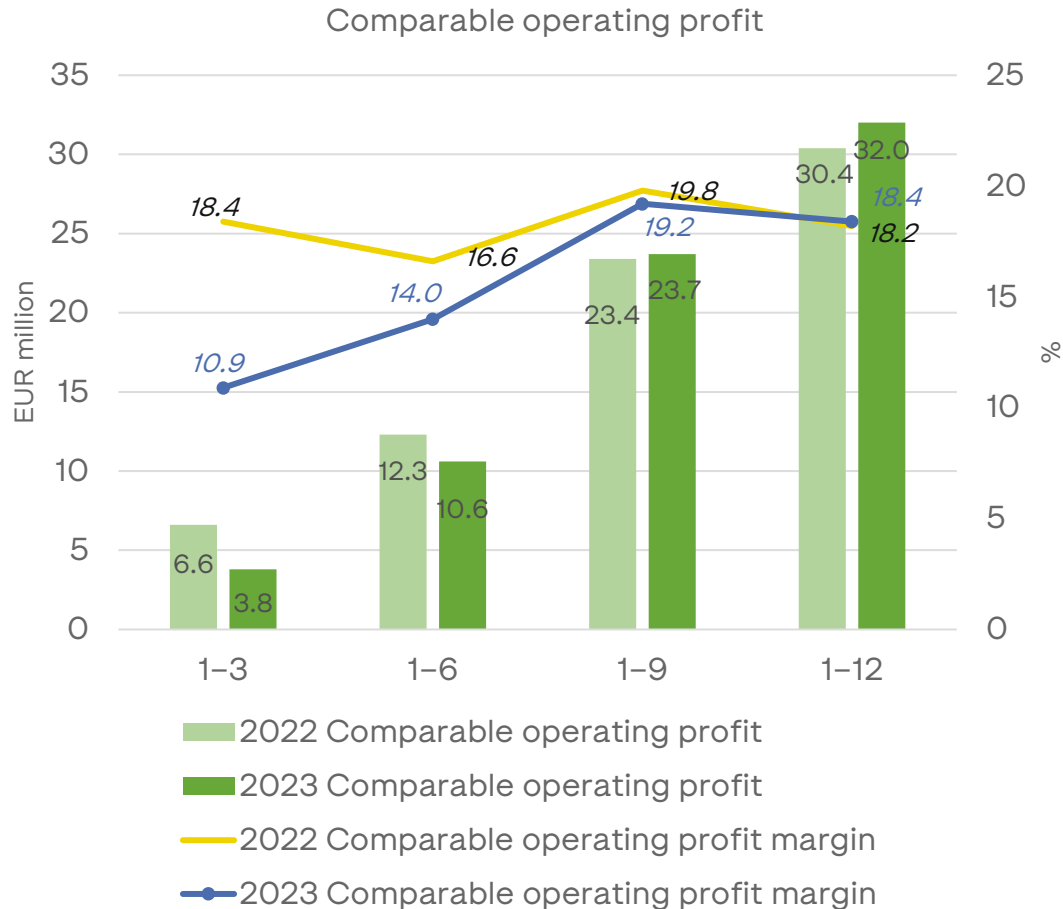
Brand sales represent the reach of the Marimekko brand through different distribution channels. An unofficial estimate of sales of Marimekko products at consumer prices, brand sales are calculated by adding together the company's own retail net sales and the estimated retail value of Marimekko products 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. 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 +19% in the fourth quarter



- Operating profit was EUR 8.1 million (6.8).
- Comparable operating profit totaled EUR 8.3 million (6.9) and was 16.4 percent of net sales (14.3).
- Operating profit was boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on operating profit.
- Fixed costs grew particularly due to increased marketing expenses and employee benefit costs, resulting from higher personnel costs in the stores. Relative sales margin was supported by increased licensing income and lower transport costs. On the other hand, higher discounts weakened the relative sales margin.

# Cumulative comparable operating profit +5%

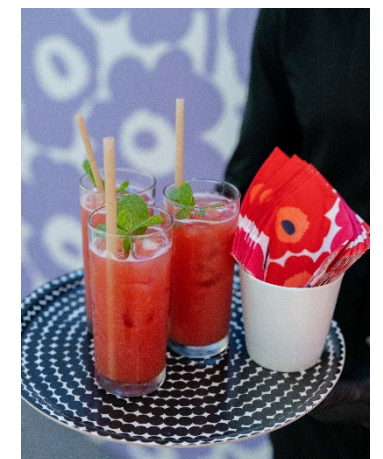
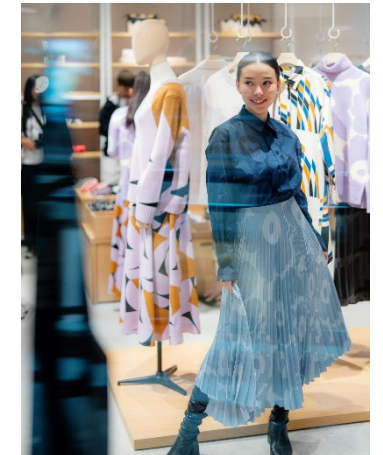


- Operating profit was EUR 31.4 million (30.2).
- Comparable operating profit totaled EUR 32.0 million (30.4) and was 18.4 percent of net sales (18.2).
- Operating profit was improved especially by increased net sales. On the other hand, higher fixed costs decreased operating profit. Improved relative sales margin had a positive effect on the operating profit.
- Fixed costs increased due to recruitments made to strengthen the building blocks of international growth as well as higher personnel costs in the stores. Relative sales margin was improved by increased licensing income and lower transport costs. However, higher discounts had a weakening impact on relative sales margin.

# Key events in Q4



# Two new stores opened in Malaysia, new market for Marimekko





Also pop-up stores in Hong Kong and Seoul brought visibility in Asia





Our new flagship store in Copenhagen strengthens our position in Scandinavia





# Outlook 2024



## Market outlook and growth targets for 2024: In general

- The uncertainties related to the development of the global economy, such as geopolitical tensions and their impact on the general economic situation and general cost inflation influence consumer confidence, purchasing power and behavior and, as a result, can have an impact on Marimekko's business in 2024, especially in the important domestic market of Finland.
- Different exceptional situations, such as Russia's war in Ukraine and shipping disruptions on the Red Sea, may cause even significant disruptions in production and logistics chains, and may 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 and the impacts of different exceptional situations, and the company will adjust its operations and plans according to the circumstances.

# Market outlook and growth targets for 2024: Net sales development

## Finland

**Despite the weak market situation, net sales in the important domestic market Finland are expected to be approximately at the level of the previous year.**

- Sales in Finland in 2024 are impacted by the weak general economy and low consumer confidence as well as the development of purchasing power and behavior.
- The tactical operating environment also has an impact on the business.
- In addition, the size and timing of non-recurring promotional deliveries in wholesale create volatility to Finnish sales estimate.

**International sales are estimated to grow in 2024.**

## The Asia-Pacific region

- In 2024, net sales in the Asia-Pacific region, Marimekko's second-largest market, are expected to increase.
- Japan is clearly the most significant 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.
- In 2024, the aim is to open approximately 10–15 new Marimekko stores and shop-in-shops, and most of the planned openings will be in Asia.

## Market outlook and growth targets for 2024: 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 2024, Marimekko's net sales are expected to grow. Net sales in the first quarter of the year are estimated to be approximately at the level of the previous year, as wholesale sales, for example, are partly impacted by some of the wholesale deliveries in Finland in the first quarter of 2024 being transferred to the fourth quarter of 2023.
- Licensing income in 2024 is forecasted to be approximately at the previous year's record level.

## Market outlook and growth targets for 2024: Growth investments and costs

- Marimekko develops its business with a long-term view and aims to scale its profitable growth in the upcoming years.
- In 2024, fixed costs are expected to be up on the previous year.
- The general cost inflation continues to affect Marimekko in 2024. Personnel expenses are impacted, for example, by general pay increases in different markets.
- In 2024, Marimekko is celebrating the 60th anniversary of the Unikko pattern, which provides the company with a unique opportunity to grow international awareness through, for example, various events around the world.
- Marketing expenses are expected to increase (2023: EUR 9.5 million).
- Early commitments to product orders from supplier partners, typical of the industry but partly further emphasized by the exceptional situations, undermine 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 and relative profitability.
- The domestic non-recurring wholesale promotional deliveries also raise inventory risks.
- Marimekko works actively to ensure functioning production and logistics chains, to avoid delays, to mitigate the negative impacts of generally increased costs, and to enhance inventory management.



# Financial guidance for 2024

The Marimekko Group's net sales for 2024 are expected to grow from the previous year (2023: EUR 174.1 million). Comparable operating profit margin is estimated to be approximately some 16–19 percent (2023: 18.4 percent). Development of consumer confidence and purchasing power, particularly in Finland, global supply chain disruptions and the general inflation development cause volatility to the outlook for 2024.

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 Statement Bulletin.

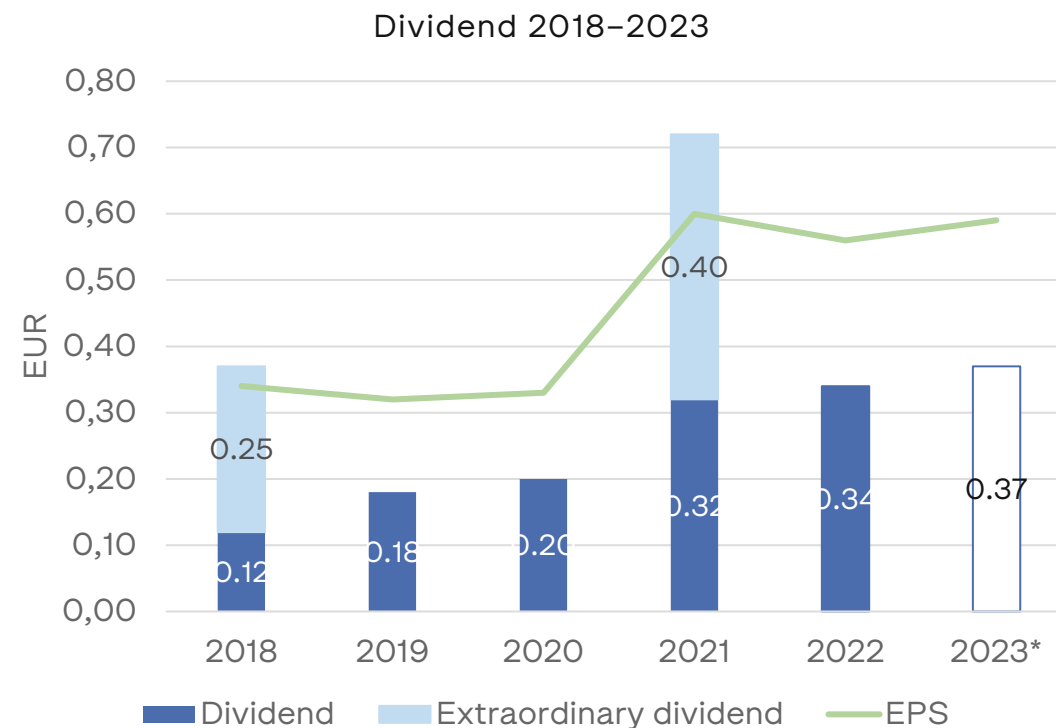


# Proposal for dividend for 2023

On 31 December 2023, the parent company’s distributable funds amounted to EUR 60,604,858.19; profit for the financial year was EUR 25,359,472.05.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.37 per share be paid for 2023.

The Board proposes 18 April 2024 as the dividend payout record date and 25 April 2024 as the dividend payout date.



\* The Board’s proposal to the AGM

# Appendices

# Income statement

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
<b>Net sales</b>	<b>50.6</b>	48.4	<b>174.1</b>	166.5
Other operating income	0.0	0.0	0.1	0.1
Change in inventories of finished goods and work in progress	-4.4	-0.6	-4.5	7.7
Raw material and consumables	-16.6	-19.5	-63.2	-72.1
Employee benefit expenses	-9.3	-9.1	-33.5	-30.8
Depreciation and impairments	-2.3	-2.4	-9.2	-9.7
Other operating expenses	-9.9	-10.0	-32.4	-31.5
<b>Operating profit</b>	<b>8.1</b>	6.8	<b>31.4</b>	30.2
Net financial items	-0.2	-1.4	-1.7	-1.1
<b>Result before taxes</b>	<b>7.8</b>	5.4	<b>29.7</b>	29.1
Income taxes	-1.7	-1.3	-6.1	-6.4
<b>Net result</b>	<b>6.1</b>	4.0	<b>23.6</b>	22.7

# Balance sheet

EUR million	31.12.2023	31.12.2022
Non-current assets	37.3	36.1
Inventories	29.3	33.8
Trade and other receivables	19.7	12.0
Cash and cash equivalents	37.0	32.7
<b>Assets, total</b>	<b>123.3</b>	<b>114.6</b>
Shareholders' equity	65.7	55.4
Non-current liabilities	25.0	25.3
Current liabilities	32.5	33.9
<b>Shareholders' equity and liabilities, total</b>	<b>123.3</b>	<b>114.6</b>

# Cash flow statement

EUR million

	1-12/2023	1-12/2022
<b>Cash flow from operating activities before change in working capital</b>	<b>41.0</b>	<b>40.6</b>
Change in working capital	-3.3	-11.2
<b>Cash flow from operating activities before financial items and taxes</b>	<b>37.7</b>	<b>29.4</b>
Financial items and taxes	-8.2	-9.3
<b>Cash flow from operating activities</b>	<b>29.4</b>	<b>20.1</b>
Investments in tangible and intangible assets	-2.0	-1.0
<b>Cash flow before cash flow from financing activities</b>	<b>27.4</b>	<b>19.1</b>
Short-term loans drawn	0.1	1.0
Short-term loans repaid	-1.6	-0.7
Payments of lease liabilities	-7.4	-8.5
Acquisition of own shares	-	-0.5
Dividends paid	-13.8	-37.4
<b>Cash flow from financing activities</b>	<b>-22.6</b>	<b>-45.9</b>
<b>Change in cash and cash equivalents</b>	<b>4.8</b>	<b>-26.8</b>
Cash and cash equivalents at the end of the period	37.0	32.7

In addition, Marimekko has unused committed credit lines of EUR 31.9 million (14.6).



# Share price trend

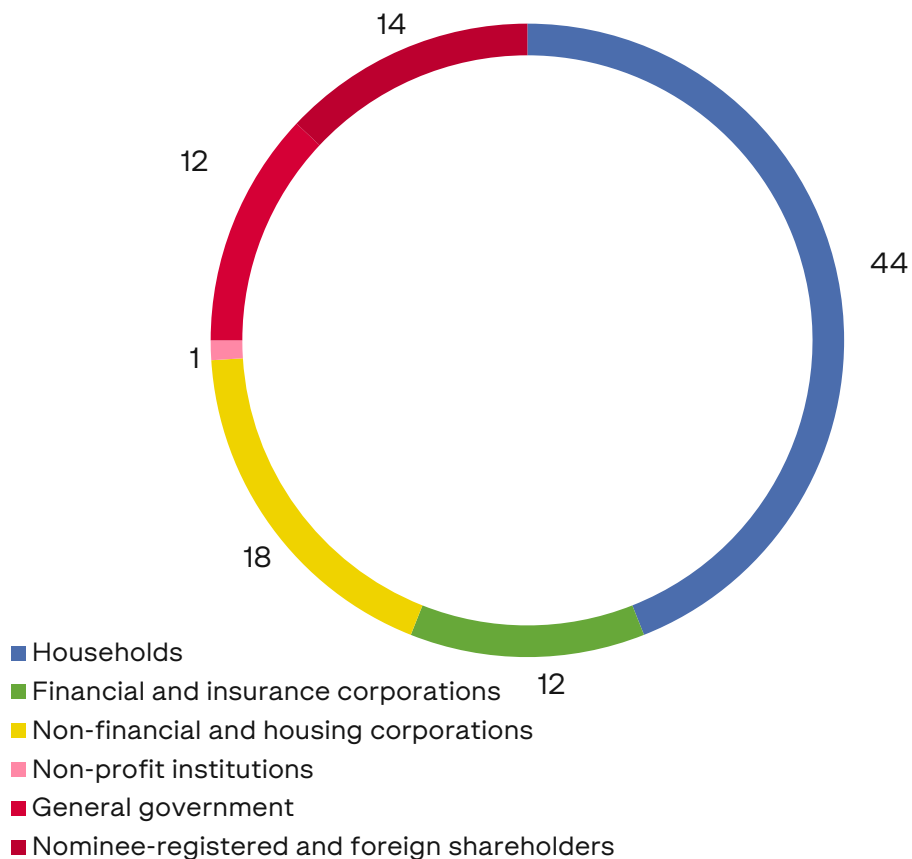
The Marimekko share (MEKKO) is quoted on the main list of Nasdaq Helsinki in the Consumer Products and Services Sector.

Market cap on 31 December 2023: EUR 540.0 million.



# A total of 39,014 shareholders

Ownership by sector, % of shares



## Largest shareholders

(excl. foreign nominee-registered holders, 13.68% of total)

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
Ehrnrooth Anna Sophia	4.06
Evli Finnish Small Cap Fund	2.62
Nordea Nordic Small Cap Fund	2.46
Oy Talcom Ab	1.24
Oy Etra Invest Ab	1.23
Elo Mutual Pension Insurance Company	1.19
Alahuhta Matti	1.07

## For more information

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