

Half-year Financial Report 1-6/2024

Tiina Alahuhta-Kasko
President & CEO

Marimekko's net sales continued to grow in the second quarter. Operating profit was slightly behind the comparison period but cumulative operating profit improved.

- Our net sales increased by 8% in the second quarter and totaled EUR 43.7 million (40.3).
- Net sales were boosted in particular by the growth of wholesale sales in Finland and Scandinavia as well as increased retail sales in Finland. Domestic wholesale sales grew mainly as a result of non-recurring promotional deliveries.
- In total, net sales in Finland grew by 11% and international sales by 6%.
- Comparable operating profit totaled EUR 6.4 million (6.8) equaling to 14.6 percent of net sales (16.8).
- Higher fixed costs and weakened relative sales margin decreased operating profit in the second quarter. On the other hand, increased net sales had a positive impact on operating profit.



Marimekko's key figures in the second quarter

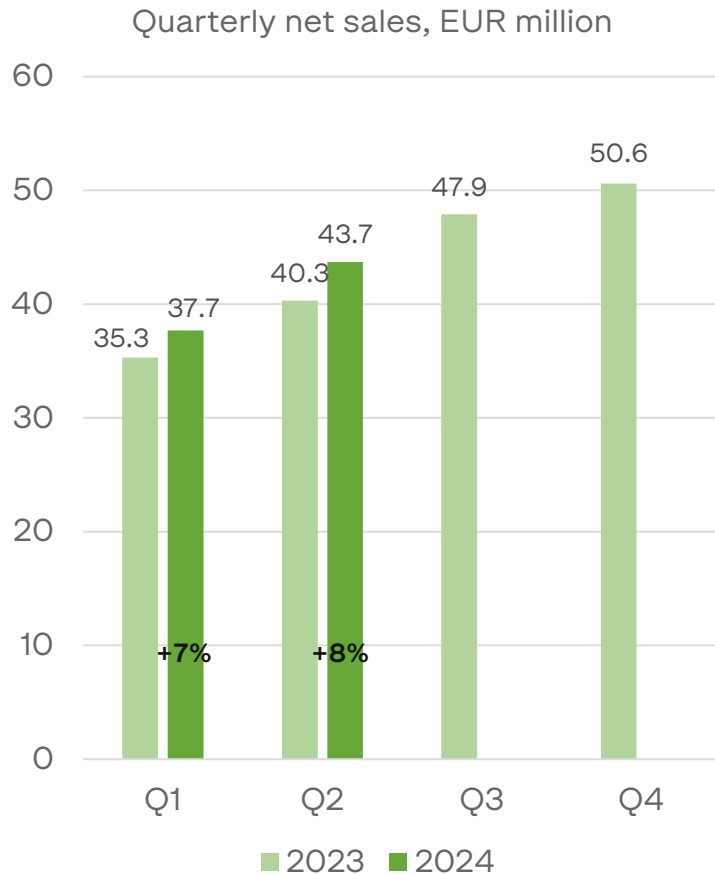
EUR million	4-6/2024	4-6/2023	Change, %	1-6/2024	1-6/2023	Change, %	1-12/2023
Net sales	43.7	40.3	8	81.3	75.6	8	174.1
International sales	19.1	18.1	6	37.4	35.4	6	75.2
% of net sales	44	45		46	47		43
Operating profit	6.1	6.6	-7	11.2	10.4	8	31.4
Comparable operating profit	6.4	6.8	-6	11.6	10.6	9	32.0
Comparable operating profit margin, %	14.6	16.8		14.2	14.0		18.4
Comparable earnings per share, EUR	0.12	0.12	1	0.22	0.18	22	0.59
Cash flow from operating activities	11.0	5.0	122	10.3	2.9		29.4
Gross investments	0.7	0.5	47	1.2	0.7	72	2.0
Return on Capital Employed (ROCE), %				38.5	34.4		33.0
Equity ratio, %				53.2	47.4		54.1
Gearing, %				6.8	32.7		-6.3
Net debt / EBITDA (rolling 12 months)				0.10	0.43		-0.10
Personnel at the end of the period				490	484	1	468

A woman with dark hair pulled back, wearing a blue and black vertically striped long-sleeved top and matching pants, is sitting on a large, dark denim beanbag chair. She is looking directly at the camera with a neutral expression. The background is a plain, light-colored wall.

Net sales and operating profit

Net sales increased +8% to EUR 43.7 million (40.3)

Net sales boosted in particular by the growth of wholesale sales in Finland and Scandinavia as well as increased retail sales in Finland



EUR million	Q2/ 2024	Q2/ 2023	Change %
Finland	24.5	22.2	11
Scandinavia	4.4	3.0	45
EMEA	3.4	3.8	-10
North America	2.5	2.6	-4
Asia-Pacific	8.9	8.8	2
International sales	19.1	18.1	6
TOTAL	43.7	40.3	8

- retail sales +9%
- wholesale sales +12%
- licensing income -49%

Sales in Finland +11%

- retail sales +5% (like-for-like +3%)
- wholesale sales +30%
- licensing income +43%

International sales +6%

- retail sales +29%
- wholesale sales +4%
- licensing income -52%

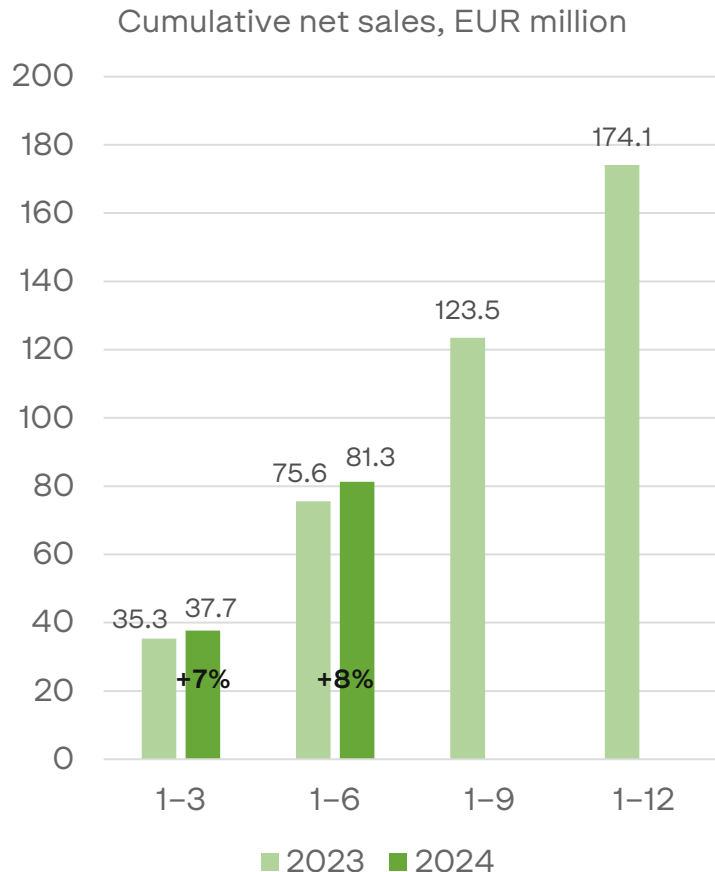
Marimekko’s wholesale sales grew in the second quarter. In addition, omnichannel retail sales grew in all market areas. Licensing income was significantly lower than in the comparison period.

While the general market situation in Finland continued to be challenging and the business environment highly tactical, Marimekko’s net sales increased. Domestic wholesale sales increased mainly due to non-recurring promotional deliveries. In addition, retail sales grew.

In the company’s second-biggest market, the Asia-Pacific region, net sales increased with especially retail sales developing positively. Licensing income was significantly lower than in the comparison period. Wholesale sales grew by one percent as timing differences between quarters had a negative impact on sales.

Net sales increased +8% to EUR 81.3 million (75.6)

Net sales were boosted by increased wholesale and retail sales in Finland as well as growth in international sales, bolstered by the wholesale sales in the Asia-Pacific region.



EUR million	1-6/ 2024	1-6/ 2023	Change %
Finland	44.0	40.2	9
Scandinavia	7.4	6.5	15
EMEA	5.8	7.5	-23
North America	5.0	4.2	19
Asia-Pacific	19.1	17.2	11
International sales	37.4	35.4	6
TOTAL	81.3	75.6	8

- retail sales +7%
- wholesale sales +8%
- licensing income +9%

Sales in Finland +9%

- retail sales +4% (like-for-like +2%)
- wholesale sales +23%
- licensing income +17%

International sales +6%

- retail sales +18%
- wholesale sales +1%
- licensing income +8%

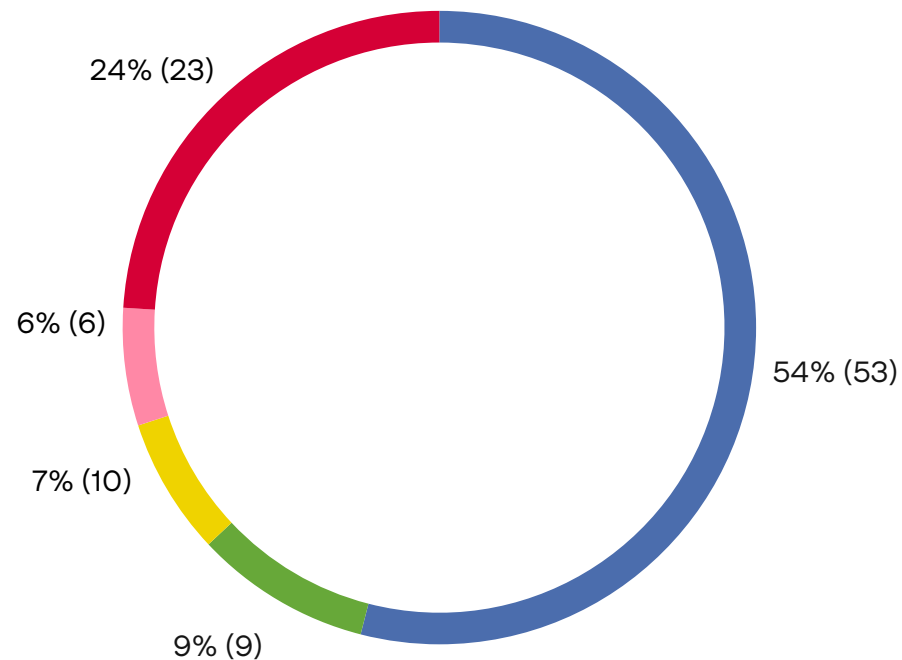
Marimekko's wholesale sales grew in almost all market areas, in particular in the Asia-Pacific Region. Omnichannel retail sales grew in all market areas. On the other hand, net sales were negatively impacted by a decrease in wholesale sales in the EMEA region.

Net sales in Finland grew especially due to non-recurring promotional deliveries and the good development of retail sales. Non-recurring promotional deliveries in wholesale sales, unlike in the comparison year, mainly took place in the first half of the year. On the other hand, domestic wholesale sales were weakened by some of the wholesale deliveries in the first quarter of 2024 being already realized in the fourth quarter of 2023.

The growth of wholesale sales, in particular, but also the good development of retail sales and licensing income increased net sales in the Asia-Pacific region.

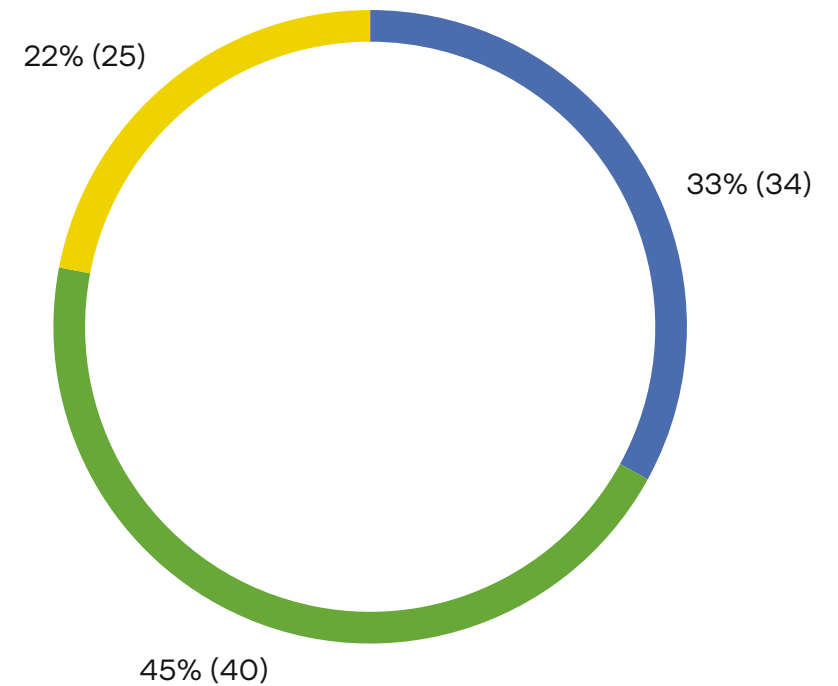
Net sales in the strategically important Asia-Pacific region +11%

Net sales by market area, 1-6/2024 (1-6/2023)



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

Net sales by product line, 1-6/2024 (1-6/2023)



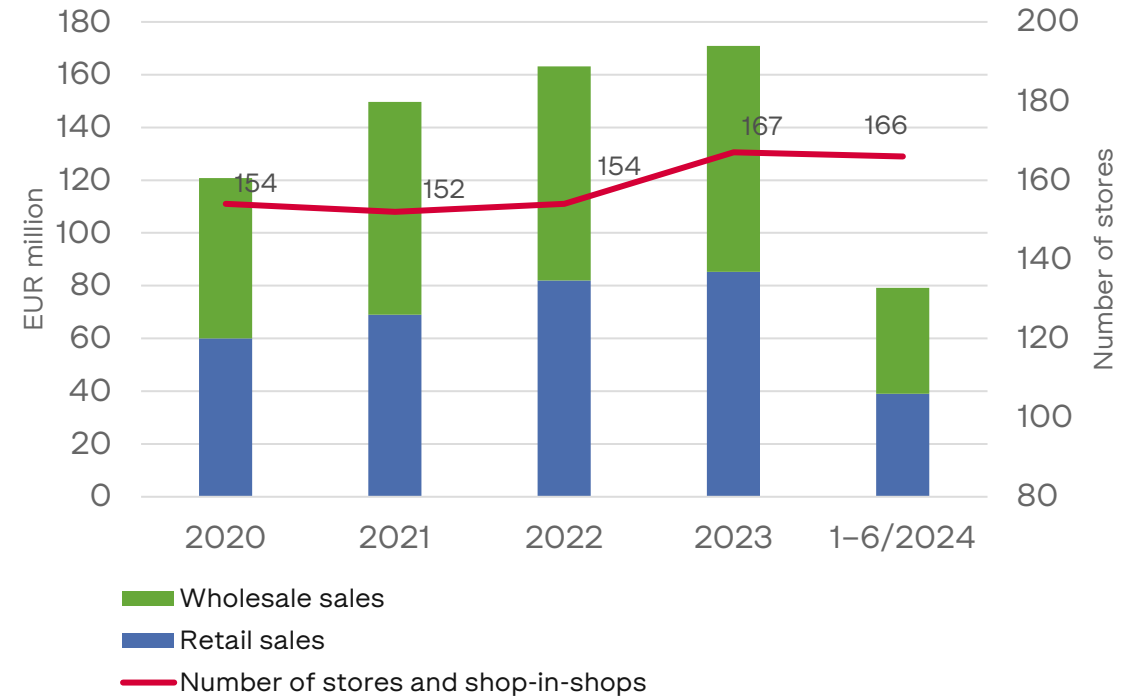
■ Fashion ■ Home ■ Bags & Accessories

The Asia-Pacific region has the greatest number of stores.
Online store serving customers in 38 countries already.

Global retail footprint 1-6/2024:



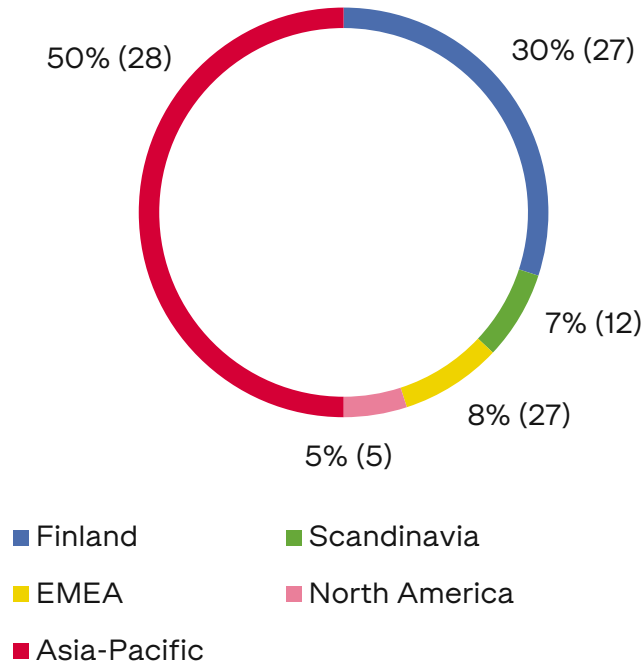
Net sales by channel, e-commerce included



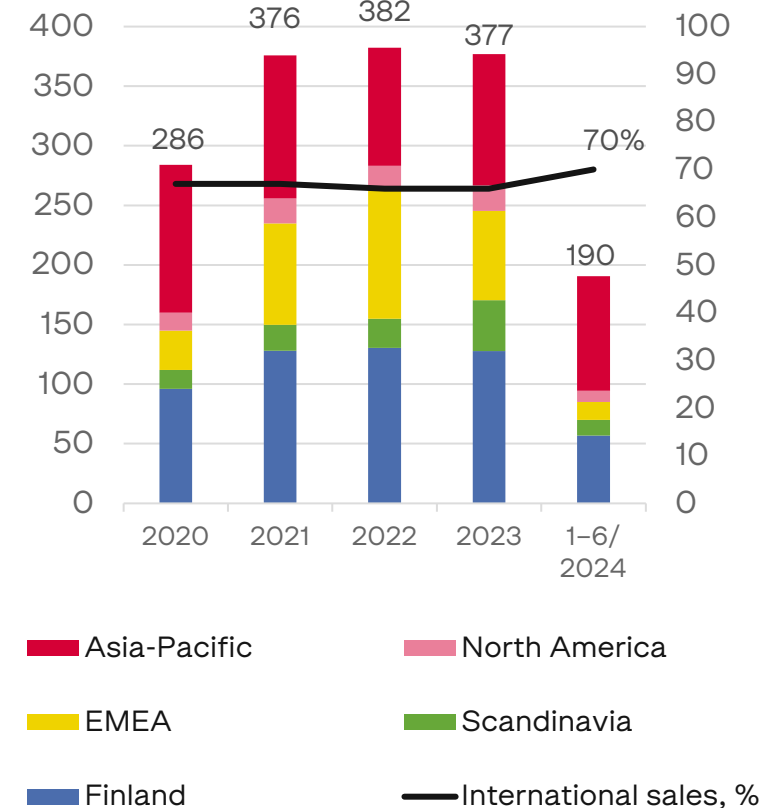
Number of stores includes Marimekko’s own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company’s own retail stores numbered 49 at the end of June 2024 (48).

Marimekko cumulative brand sales EUR 190.5 million (188.5)

In the first six months, 70% of brand sales outside home market (73)



EUR million	1-6/ 2024	1-6/ 2023	Change %
Finland	56.9	51.7	10
Scandinavia	13.2	22.7	-42
EMEA	14.9	50.8	-71
North America	9.5	9.8	-3
Asia-Pacific	96.0	53.5	80
International sales	133.6	136.8	-2
TOTAL	190.5	188.5	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. Licensing income is reported as brand sales when licensed products are sold.

Comparable operating profit on a good level in the second quarter



- Operating profit was EUR 6.1 million (6.6).
- Comparable operating profit totaled EUR 6.4 million (6.8) equaling to 14.6% of net sales (16.8).
- Higher fixed costs and weakened relative sales margin decreased operating profit. On the other hand, increased net sales had a positive impact on operating profit.
- Fixed costs in the second quarter of the year grew due to increased marketing and personnel expenses. Relative sales margin was weakened by significantly lower licensing income as well as higher discounts than in the comparison period. In addition, an increase in logistics costs lowered relative sales margin.

Cumulative comparable operating profit +9%



- Operating profit was EUR 11.2 million (10.4).
- Comparable operating profit totaled EUR 11.6 million (10.6) equaling to 14.2% of net sales (14.0).
- Operating profit was boosted especially by increased net sales. On the other hand, an increase in fixed costs had a weakening impact on operating profit.
- Fixed costs in the first six months grew due to increased personnel and marketing expenses. Relative sales margin in the January–June period was on par with the comparison period.

Key events in Q2

The second limited-edition collaboration collection of the year with UNIQLO introduces new customers to Marimekko



Local brand collaborations deepen our relationship with the Marimekko community and help us build our brand awareness e.g. in the Asian market



Bar Unikko café attracted huge interest at the international Milan Design Week as well as garnered high media visibility



Marimekko Day's traditional fashion shows held in Esplanade Park in Helsinki drew large crowds of Marimekko friends to enjoy summer fashion



In celebration of the 60th anniversary of Unikko, the beloved event also travelled to Shanghai as well as to Tokyo, where we invited our community to an open fashion show for the first time

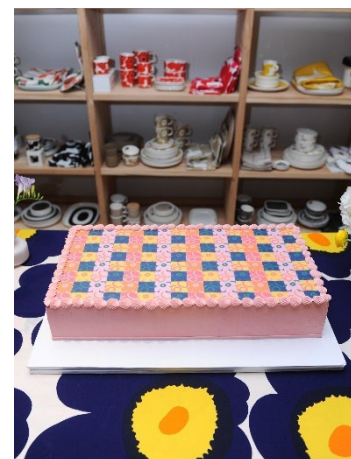


The first store designed according to the updated store concept opened in the Asia-Pacific region

In total, five Marimekko stores were opened in Asia. In addition, a Marimekko webstore and another online platform were opened in Singapore.



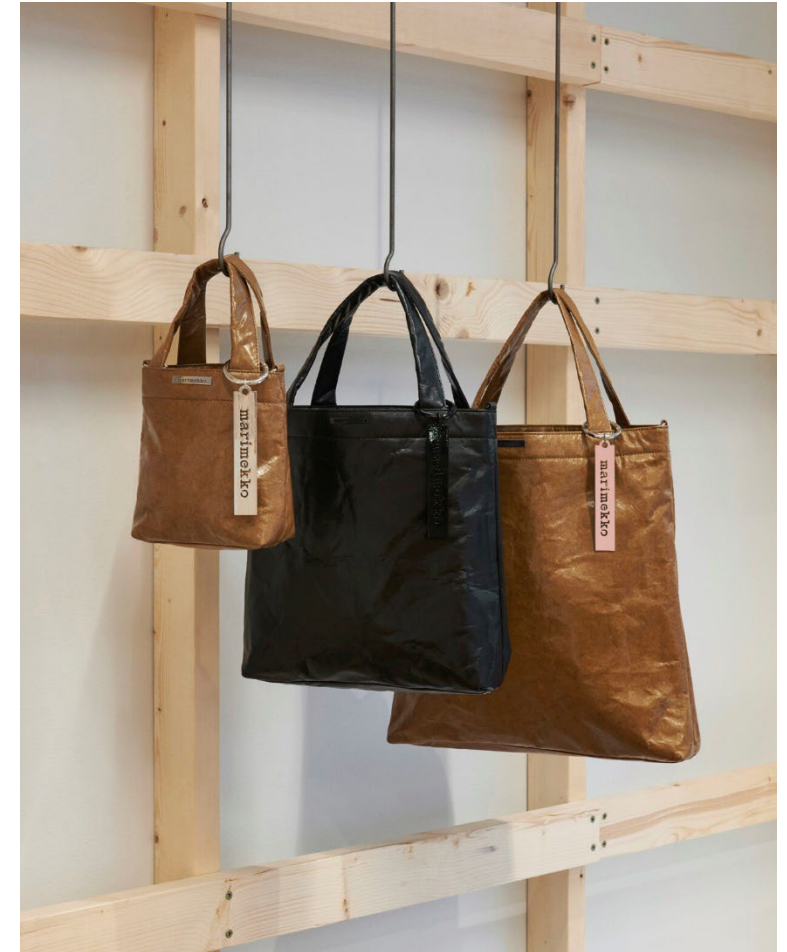
Celebration of the 60th anniversary of the Unikko print continued with various events, including six pop-up stores in Japan



Pride collaborations brought color to two of our key cities, Helsinki and New York



New Marimekko Resonance bag series made of innovative plant-based Vireo material presented at the 3daysofdesign event in Copenhagen



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 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: 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.
- The timing between quarters of the non-recurring promotional deliveries in Finnish wholesale sales and their size typically vary on an annual basis.
- Licensing income in 2024 is forecasted to be approximately at the previous year's record level.

Market outlook and growth targets for 2024: Net sales development

Finland

Despite the weak market situation, net sales in Marimekko's 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 2024, the non-recurring promotional deliveries in wholesale sales are expected to be significantly lower than in the comparable year and weighted clearly in the first half of the year.

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: 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 also 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 sales, inventory management and relative profitability.
- The domestic non-recurring wholesale promotional deliveries also raise inventory risks.
- In addition, risk of delays in production and logistic chains is higher than usual and if realized, these kinds of delays can have an impact on the company's sales and profitability.
- 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 Half-year Financial Report.

15 August 2024



Appendices

Income statement

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Net sales	43.7	40.3	81.3	75.6	174.1
Other operating income	0.0	0.0	0.1	0.1	0.1
Change in inventories of finished goods and work in progress	1.0	3.4	2.9	2.9	-4.5
Raw material and consumables	-18.3	-18.0	-34.3	-31.5	-63.2
Employee benefit expenses	-9.2	-8.7	-17.8	-16.5	-33.5
Depreciation and impairments	-2.3	-2.2	-4.7	-4.6	-9.2
Other operating expenses	-8.7	-8.2	-16.4	-15.6	-32.4
Operating profit	6.1	6.6	11.2	10.4	31.4
Net financial items	0.1	-0.5	-0.2	-1.4	-1.7
Result before taxes	6.2	6.1	11.0	9.0	29.7
Income taxes	-1.4	-1.3	-2.4	-1.9	-6.1
Net result	4.7	4.8	8.6	7.2	23.6

Balance sheet

EUR million	30.6.2024	30.6.2023	31.12.2023
Non-current assets	36.2	35.1	37.3
Inventories	31.9	36.7	29.3
Trade and other receivables	17.8	16.3	19.7
Current tax assets	1.0	1.1	-
Cash and cash equivalents	26.7	16.2	37.0
Assets, total	113.7	105.5	123.3
Shareholders' equity	59.5	49.2	65.7
Non-current liabilities	23.3	24.7	25.0
Current liabilities	30.8	31.7	32.5
Shareholders' equity and liabilities, total	113.7	105.5	123.3

Cash flow statement

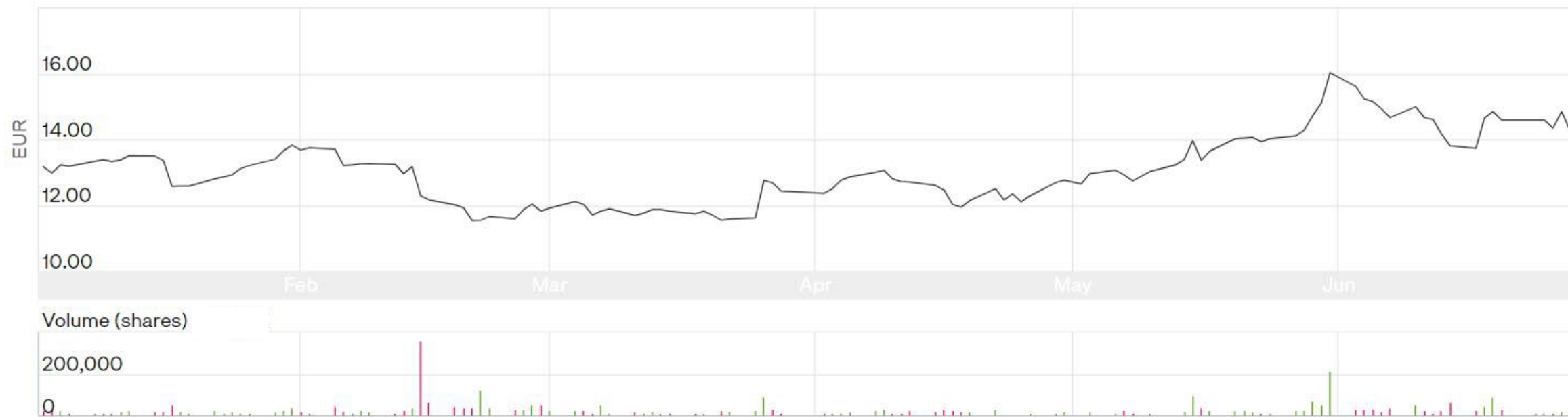
EUR million	1-6/2024	1-6/2023	1-12/2023
Cash flow from operating activities before change in working capital	16.1	15.2	41.0
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	1.8	-4.3	-7.7
Increase (-) / decrease (+) in inventories	-2.6	-3.0	4.4
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-1.2	-0.6	-0.1
Financial items and taxes	-3.8	-4.3	-8.2
Cash flow from operating activities	10.3	2.9	29.4
Investments in tangible and intangible assets	-1.2	-0.7	-2.0
Cash flow from investing activities	-1.2	-0.7	-2.0
Payments of lease liabilities	-3.9	-3.6	-7.4
Dividends paid	-15.0	-13.8	-13.8
Other items from cash flow from financing activities	-0.6	-0.7	-1.4
Cash flow from financing activities	-19.6	-18.1	-22.6
Change in cash and cash equivalents	-10.5	-15.9	4.8
Cash and cash equivalents at the end of the period	26.7	16.2	37.0

Marimekko has unused committed credit lines of EUR 32.6 million (31.2).

Share price trend

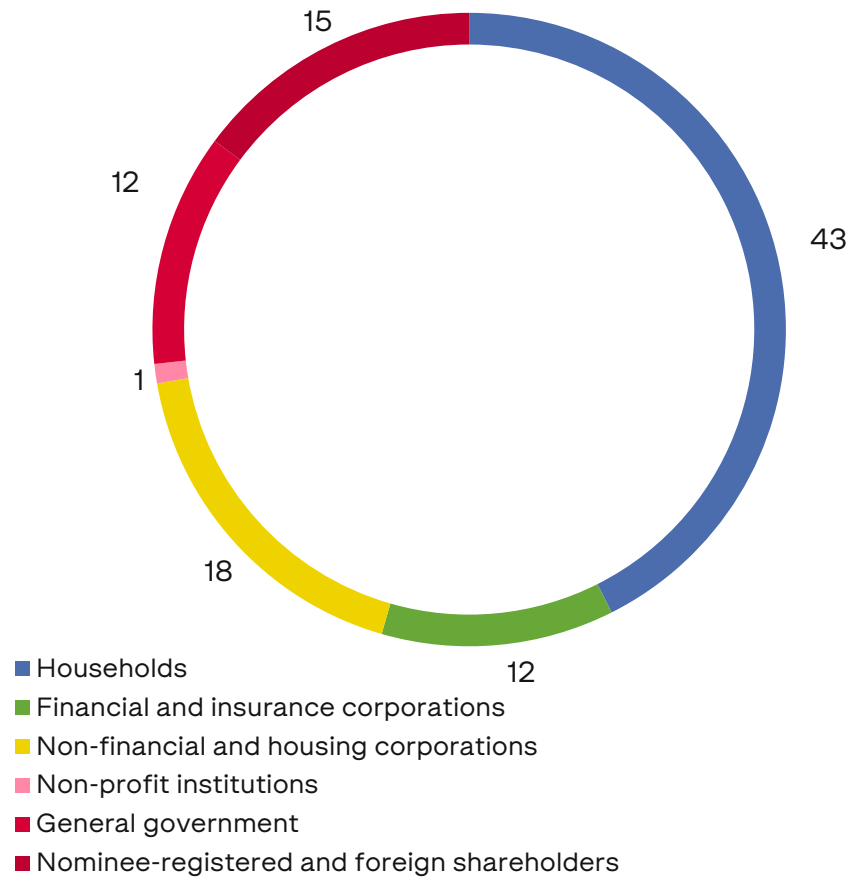
The Marimekko share (MEKKO) is quoted on the main list of Nasdaq Helsinki in the Consumer Products and Services Sector.

Market cap on 30 June 2024: EUR 578.5 million.



A total of 38,218 shareholders

Ownership by sector, % of shares



Largest shareholders

(excl. foreign nominee-registered holders, 14.58% of total)

Shareholder	Shares and votes, %
PowerBank Ventures Oy (Mika Ihamuotila)	12.52
Ilmarinen Mutual Pension Insurance Company	4.87
Varma Mutual Pension Insurance Company	4.75
Ehrnrooth Anna Sophia	4.06
Nordea Nordic Small Cap Fund	2.46
Evli Finnish Small Cap Fund	2.36
Elo Mutual Pension Insurance Company	1.47
Oy Talcom Ab	1.24
Oy Etra Invest Ab	1.23
Alahuhta Matti	1.08

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