

Interim Report 1–9/2024

Tiina Alahuhta-Kasko
President & CEO

Marimekko's net sales nearly at the record level of the comparison period despite the timing of non-recurring promotional deliveries, operating profit margin remains excellent

- In the third quarter, our net sales totaled EUR 47.2 million (47.9).
- Net sales were weakened, in particular, by the lower wholesale sales in Finland, when non-recurring promotional deliveries, as expected, were below the strong comparison period. On the other hand, retail sales developed well in all market areas, especially in Finland.
- In total, net sales in Finland decreased by 9 percent while international sales increased by 9 percent.
- Comparable operating profit totaled EUR 11.1 million (13.1) equaling to 23.5 percent of net sales (27.4).
- Higher fixed costs, in particular, decreased operating profit in the third quarter of the year.



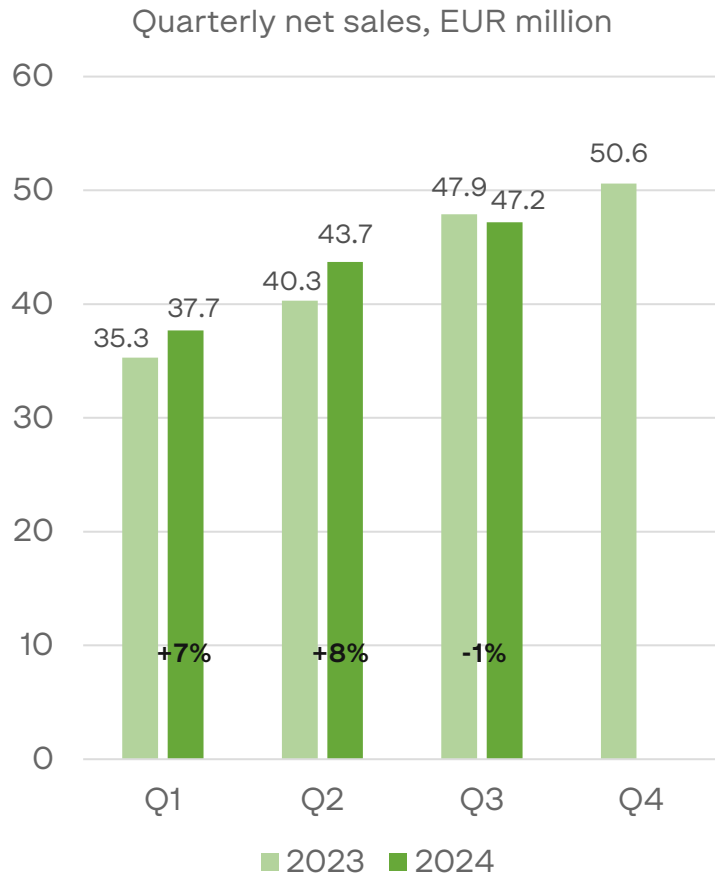
Marimekko's key figures in the third quarter

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
Net sales	47.2	47.9	-1	128.6	123.5	4	174.1
International sales	21.5	19.7	9	58.9	55.1	7	75.2
% of net sales	46	41		46	45		43
Operating profit	11.1	12.9	-14	22.3	23.3	-4	31.4
Comparable operating profit	11.1	13.1	-15	22.7	23.7	-4	32.0
Comparable operating profit margin, %	23.5	27.4		17.6	19.2		18.4
Comparable earnings per share, EUR	0.21	0.26	-20	0.43	0.44	-3	0.59
Cash flow from operating activities	4.4	5.4	-20	14.7	8.4	75	29.4
Gross investments	0.6	0.5	17	1.8	1.2	49	2.0
Return on Capital Employed (ROCE), %				32.5	32.0		33.0
Equity ratio, %				58.3	53.2		54.1
Gearing, %				0.7	22.7		-6.3
Net debt / EBITDA (rolling 12 months)				0.01	0.34		-0.10
Personnel at the end of the period				459	451	2	468

Net sales and operating profit

Net sales decreased -1% totaling EUR 47.2 million (47.9)

Lower wholesale sales in Finland due to non-recurring promotional deliveries being, as expected, smaller than in the comparison period, had a negative impact on net sales. On the other hand, net sales boosted by the good development of retail sales, particularly in Finland.



EUR million	Q3/2024	Q3/2023	Change %
Finland	25.7	28.2	-9
Scandinavia	5.3	4.3	23
EMEA	3.3	3.6	-8
North America	2.8	2.5	11
Asia-Pacific	10.1	9.2	9
International sales	21.5	19.7	9
TOTAL	47.2	47.9	-1

- retail sales +12%
- wholesale sales -11%
- licensing income -20%

Sales in Finland -9%

- retail sales +8% (like-for-like +6%)
- wholesale sales -33%
- licensing income +22%

International sales +9%

- retail sales +27%
- wholesale sales +5%
- licensing income -24%

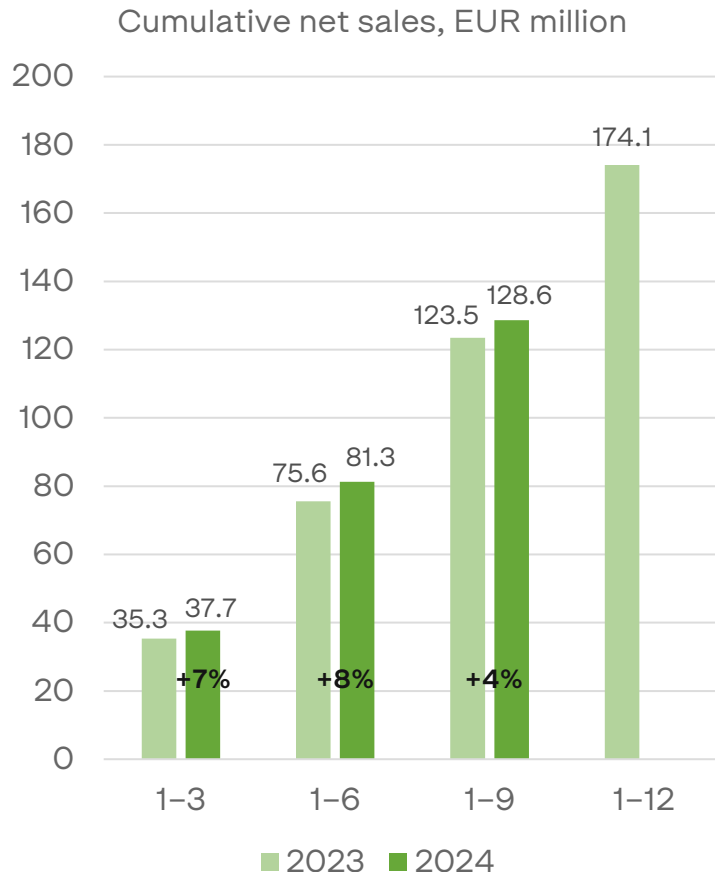
Marimekko’s omnichannel retail sales grew in all market areas and increased in total by 12%. Wholesale sales were decreased by non-recurring promotional deliveries in Finland being below the comparison period.

While the general market situation in Finland continued to be challenging and the business environment highly tactical, Marimekko’s retail sales in Finland increased.

In the company’s second-biggest market, the Asia-Pacific region, net sales increased with both wholesale and retail sales developing positively. Wholesale sales grew by 11% and retail sales by 22%.

Net sales increased +4% to EUR 128.6 million (123.5)

Net sales were especially boosted by the growth of retail sales in Finland and an increase in wholesale sales in the Asia-Pacific region.



EUR million	1-9/ 2024	1-9/ 2023	Change %
Finland	69.7	68.4	2
Scandinavia	12.8	10.8	18
EMEA	9.1	11.1	-18
North America	7.8	6.7	16
Asia-Pacific	29.2	26.4	11
International sales	58.9	55.1	7
TOTAL	128.6	123.5	4

- retail sales +9%
- wholesale sales +0%
- licensing income +2%

Sales in Finland +2%

- retail sales +5% (like-for-like +3%)
- wholesale sales -5%
- licensing income +19%

International sales +7%

- retail sales +21%
- wholesale sales +3%
- licensing income +2%

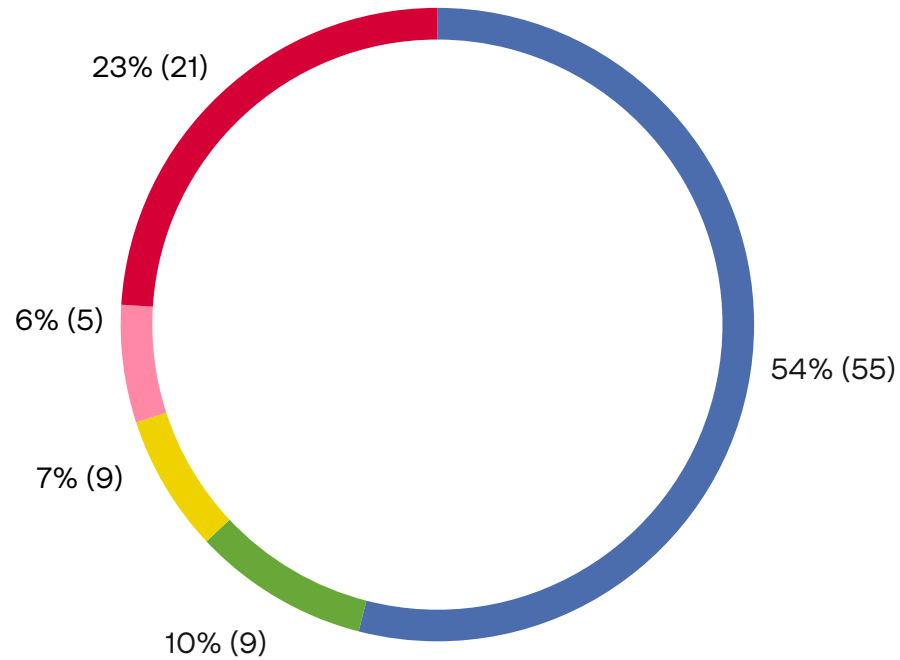
Marimekko's omnichannel retail sales developed well in all market areas and grew in total by 9%. Wholesale sales developed well in the Asia-Pacific region, Scandinavia and North-America.

Net sales in Finland increased as a result of good development in retail sales. Domestic non-recurring promotional deliveries were below the comparison period, which lowered wholesale sales. Domestic wholesale sales were also weakened by some of the wholesale deliveries in the first quarter of 2024 being already realized in the fourth quarter of 2023.

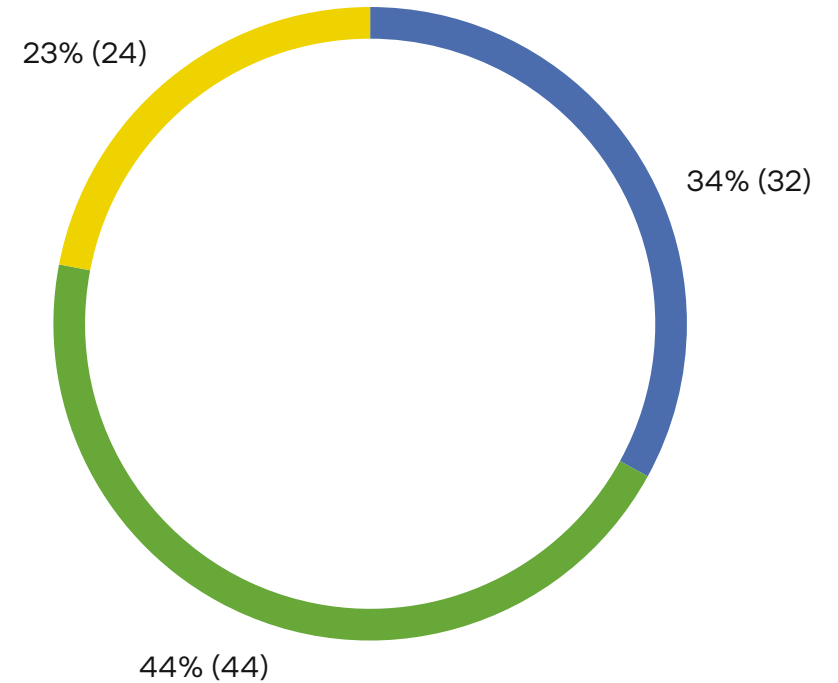
Increased wholesale sales in particular but also the good development of retail sales and licensing income grew net sales in the Asia-Pacific region.

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

Net sales by market area, 1-9/2024 (1-9/2023)



Net sales by product line, 1-9/2024 (1-9/2023)

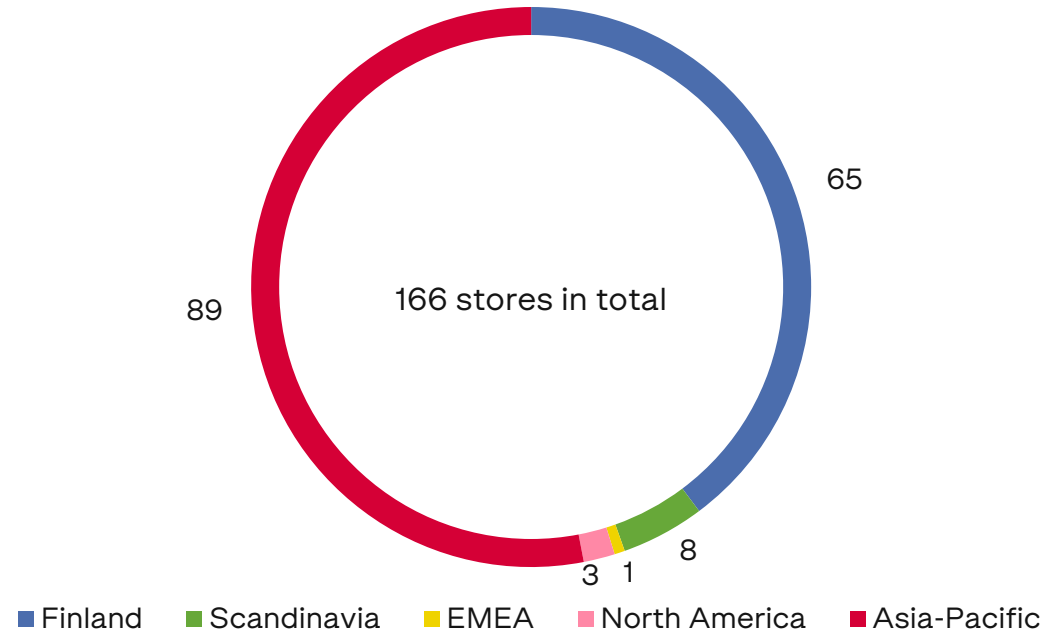


■ Finland ■ Scandinavia ■ EMEA ■ North America ■ Asia-Pacific

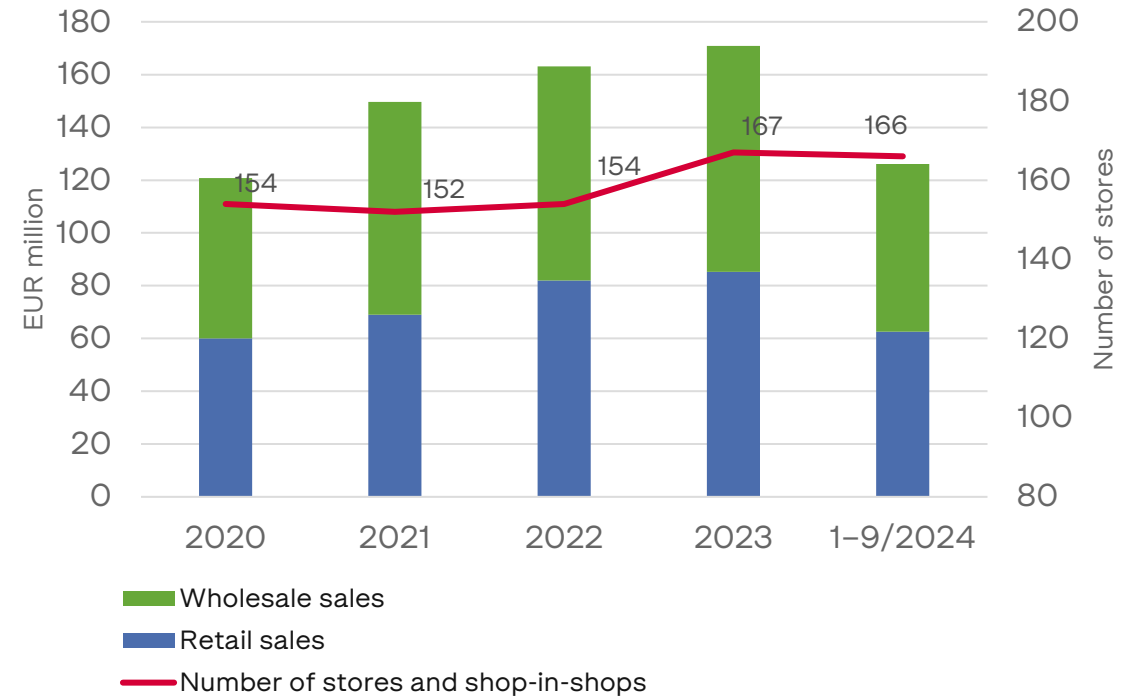
■ Fashion ■ Home ■ Bags & Accessories

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

Global retail footprint 1-9/2024:



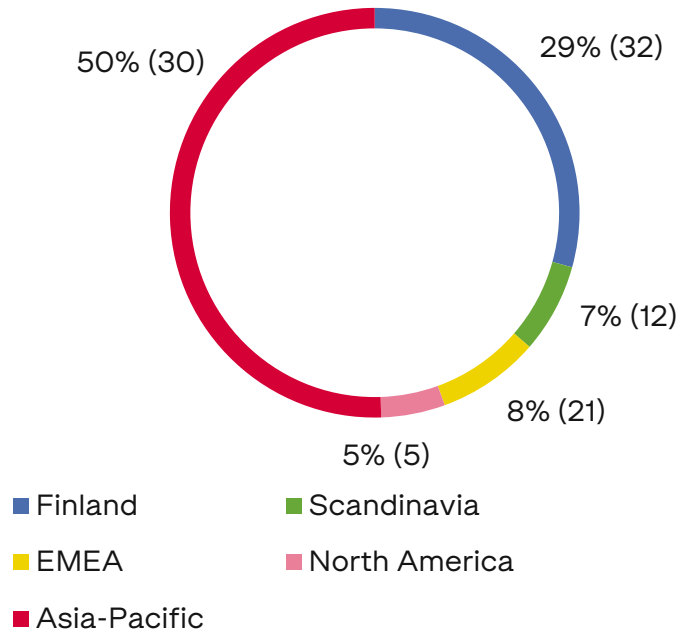
Net sales by channel, e-commerce included



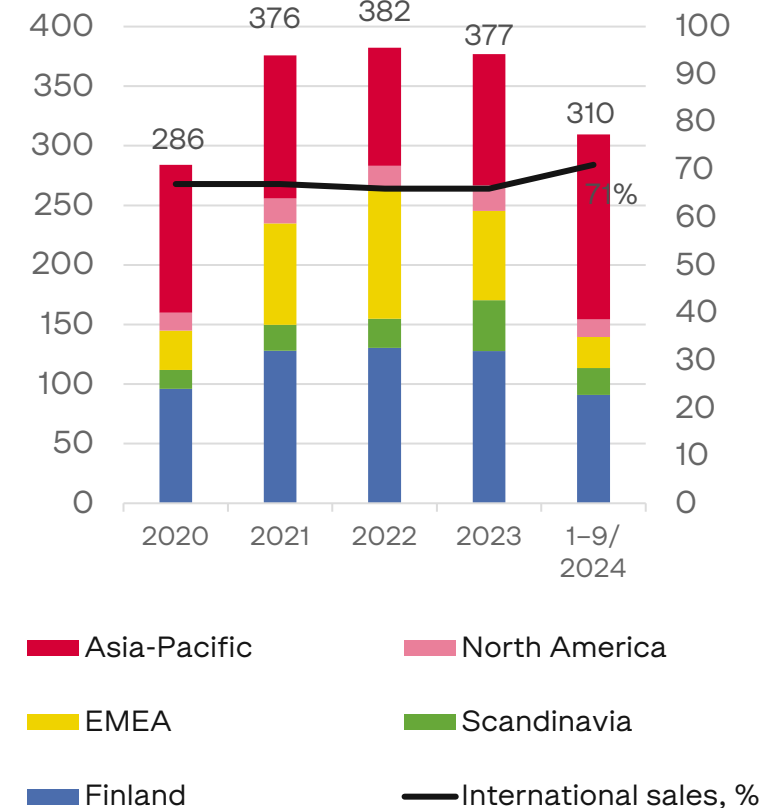
Number of stores includes Marimekko's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 48 at the end of September 2024 (48).

Marimekko cumulative brand sales EUR 309.5 million (280.8)

In January–September, 71% of brand sales outside home market (68)

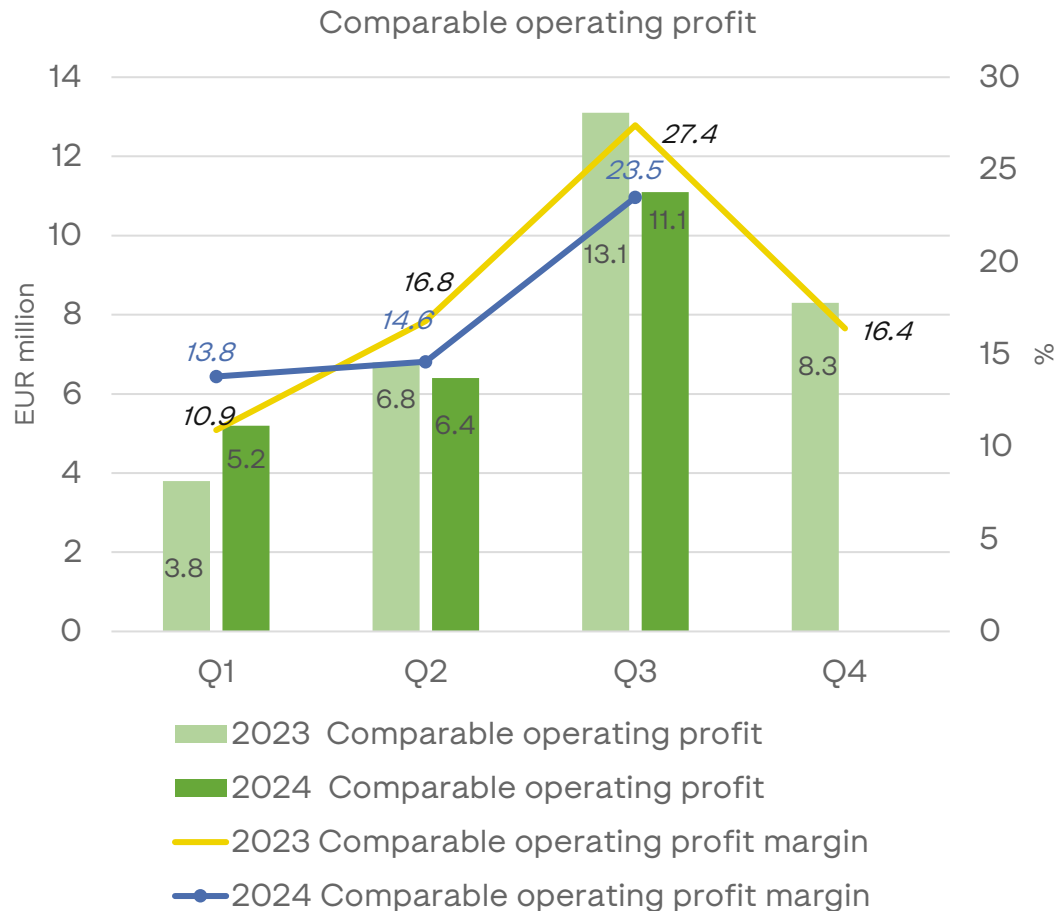


EUR million	1-9/ 2024	1-9/ 2023	Change %
Finland	90.8	89.3	2
Scandinavia	22.8	32.9	-31
EMEA	25.9	60.2	-57
North America	14.8	15.0	-2
Asia-Pacific	155.3	83.4	86
International sales	218.8	191.5	14
TOTAL	309.5	280.8	10



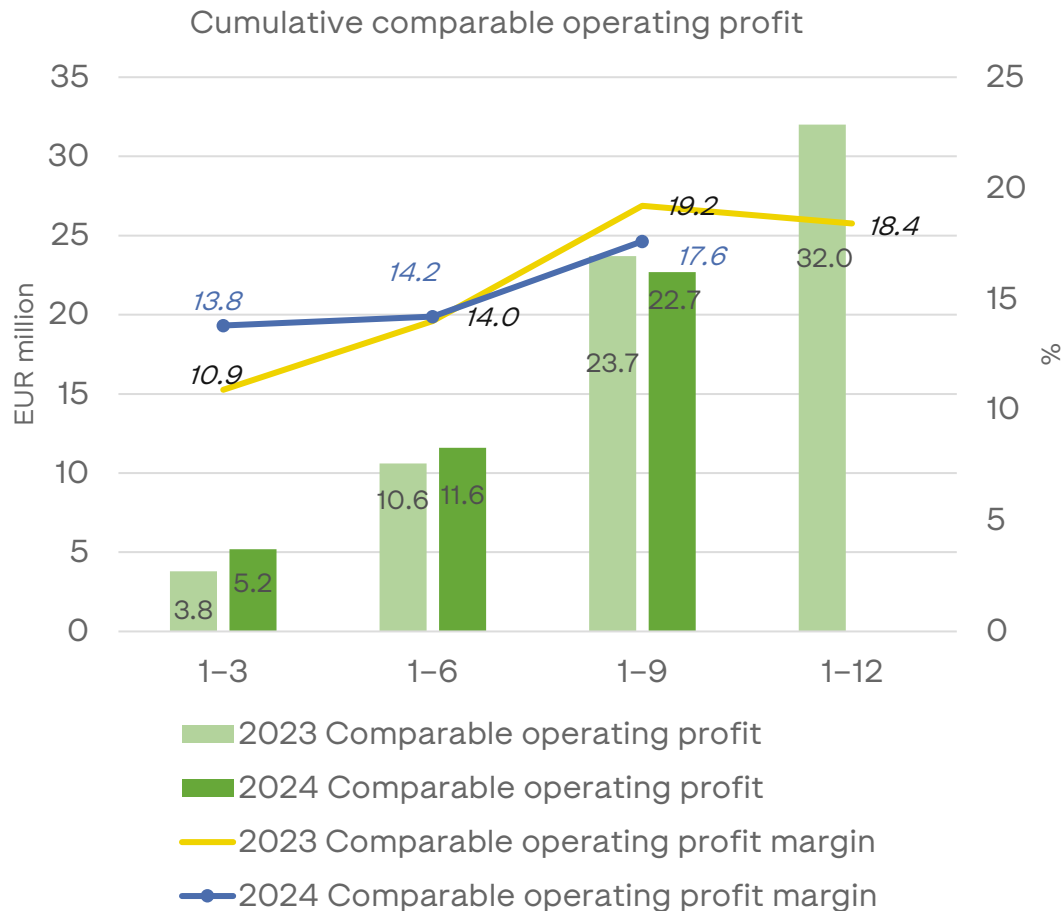
Brand sales represent the reach of the Marimekko brand through different distribution channels. An unofficial estimate of sales of Marimekko products at consumer prices, brand sales are calculated by adding together the company’s own retail net sales and the estimated retail value of Marimekko products 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 margin on third quarter on excellent level



- Operating profit was EUR 11.1 million (12.9).
- Comparable operating profit totaled EUR 11.1 million (13.1) equaling to 23.5% of net sales (27.4).
- Higher fixed costs, in particular, decreased operating profit. In addition, weakened net sales and relative sales margin had a negative impact on operating profit.
- In the third quarter, fixed costs grew due to increased marketing and personnel expenses. Relative sales margin was weakened by an increase in logistics costs. Discounts were on par with the comparison period.

Cumulative comparable operating profit margin 17.6%



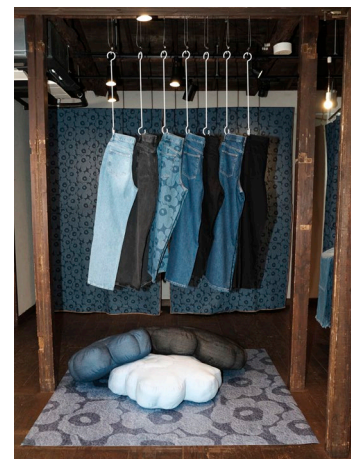
- Operating profit was EUR 22.3 million (23.3).
- Comparable operating profit totaled EUR 22.7 million (23.7) equaling to 17.6% of net sales (19.2).
- Operating profit was weakened especially by higher fixed costs. On the other hand, an increase in net sales boosted operating profit.
- Fixed costs in the January–September period grew due to increased marketing and personnel expenses. Relative sales margin was nearly on par with the comparison period. Relative sales margin was negatively affected by the higher logistic costs and discounts. On the other hand, relative sales margin was boosted by margins per product remaining at a good level.

Key events in Q3

Our first denim collection, Marimekko Maridenim, expands our lifestyle offering and provides a new canvas for Marimekko art of printmaking



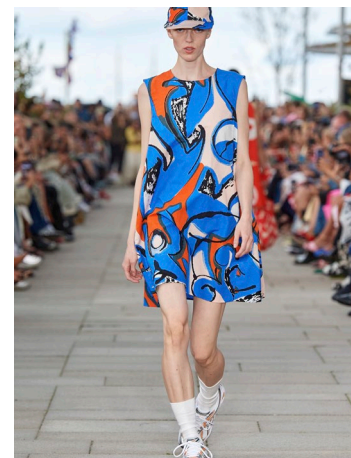
Marimekko Maridenim launched through inspiring events around the world



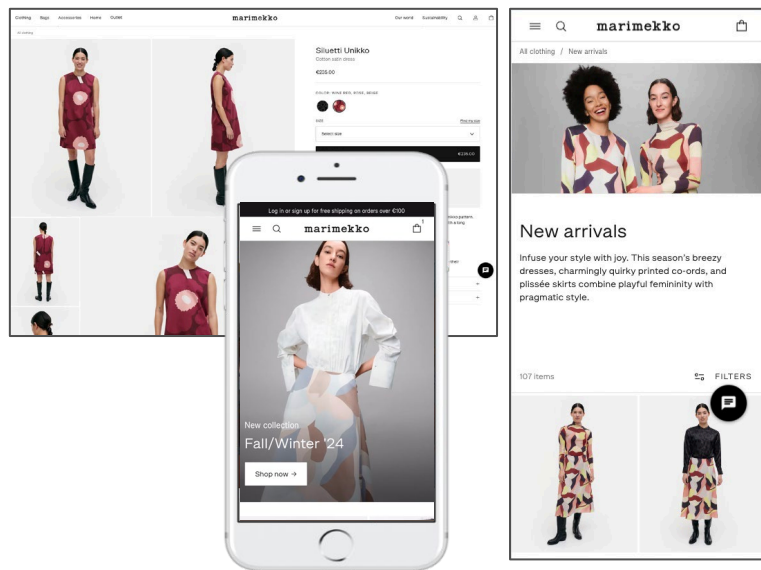
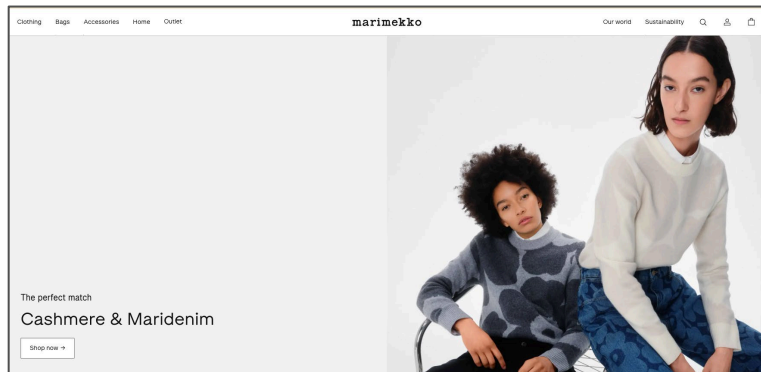
The popular Bar Unikko from Milan Design Week returned at Helsinki Design Week to celebrate Unikko print's 60th anniversary



Unikko anniversary fashion show brought together friends of Marimekko in Taipei, while our Spring/Summer 2025 collection premiered at Copenhagen Fashion Week



Our omnichannel retail experience developed further with a new ecommerce platform, new store in Shanghai and 6 pop-up stores and one café around the world



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 Interim Report.



Appendices

Income statement

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Net sales	47.2	47.9	128.6	123.5	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	3.5	-2.9	6.4	-0.0	-4.5
Raw material and consumables	-21.0	-15.1	-55.3	-46.6	-63.2
Employee benefit expenses	-7.9	-7.7	-25.7	-24.2	-33.5
Depreciation and impairments	-2.3	-2.3	-7.0	-6.8	-9.2
Other operating expenses	-8.3	-7.0	-24.8	-22.6	-32.4
Operating profit	11.1	12.9	22.3	23.3	31.4
Net financial items	-0.5	-0.0	-0.7	-1.4	-1.7
Result before taxes	10.6	12.9	21.6	21.9	29.7
Income taxes	-2.1	-2.5	-4.5	-4.4	-6.1
Net result	8.4	10.3	17.1	17.5	23.6

Balance sheet

EUR million	30.9.2024	30.9.2023	31.12.2023
Non-current assets	34.5	36.1	37.3
Inventories	36.4	34.0	29.3
Trade and other receivables	18.6	24.2	19.7
Current tax assets	0.8	0.1	-
Cash and cash equivalents	28.4	19.1	37.0
Assets, total	118.7	113.5	123.3
Shareholders' equity	68.2	59.5	65.7
Non-current liabilities	21.4	25.0	25.0
Current liabilities	29.0	29.0	32.5
Shareholders' equity and liabilities, total	118.7	113.5	123.3

Cash flow statement

EUR million	1-9/2024	1-9/2023	1-12/2023
Cash flow from operating activities before change in working capital	29.7	30.5	41.0
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	1.1	-12.3	-7.7
Increase (-) / decrease (+) in inventories	-7.2	-0.3	4.4
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-3.0	-3.3	-0.1
Financial items and taxes	-5.9	-6.3	-8.2
Cash flow from operating activities	14.7	8.4	29.4
Investments in tangible and intangible assets	-1.8	-1.2	-2.0
Cash flow from investing activities	-1.8	-1.2	-2.0
Payments of lease liabilities	-6.0	-5.5	-7.4
Dividends paid	-15.0	-13.8	-13.8
Other items from cash flow from financing activities	-0.6	-1.0	-1.4
Cash flow from financing activities	-21.6	-20.3	-22.6
Change in cash and cash equivalents	-8.7	-13.1	4.8
Cash and cash equivalents at the end of the period	28.4	19.1	37.0

Marimekko has unused committed credit lines of EUR 32.5 million (31.6).

Share price trend

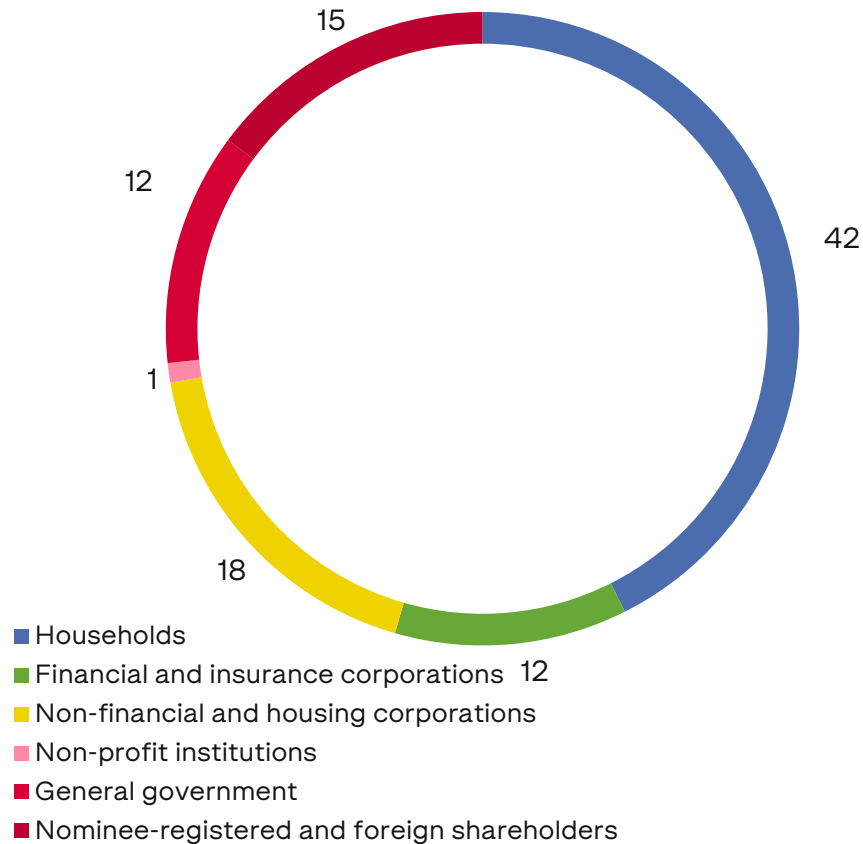
The Marimekko share (MEKKO) is quoted on the main list of Nasdaq Helsinki in the Consumer Products and Services Sector.

Market cap on 30 September 2024: EUR 529.9 million.



A total of 38,129 shareholders

Ownership by sector, % of shares



Largest shareholders

(excl. foreign nominee-registered holders, 14.70% 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	2.31
Elo Mutual Pension Insurance Company	1.47
Oy Talcom Ab	1.24
Oy Etra Invest Ab	1.23
Alahuhta Matti	1.10

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