

A woman with long dark hair, wearing a blue and white floral dress, is running through a sprinkler in a grassy field. She is smiling and has her arms outstretched. In the foreground, the back of a person's head and shoulder, also wearing a floral dress, are visible. The background shows a line of trees under a bright sky.

marimekko

# Annual General Meeting

8 APRIL 2020



A photograph of two women standing side-by-side, smiling and looking towards each other. They are wearing matching short-sleeved dresses with a bold floral pattern in shades of blue, white, and dark blue. The woman on the left has blonde hair and a white flower in it, while the woman on the right has dark curly hair and a white flower. They are positioned in front of a vibrant green background that appears to be a field of tall grass or reeds. The overall mood is bright and cheerful.

# Review by the President and CEO

TIINA ALAHUHTA-KASKO



A still life photograph of a breakfast table set on a light green surface. The table features several Marimekko items: a white mug with a purple floral pattern, a white bowl with a purple floral pattern filled with yogurt and blueberries, a white plate with a purple floral pattern, a small beige plate, a glass of orange juice, and a slice of toast topped with sprouts. A small sprig of green leaves is also visible. The text "Our strategy" is overlaid in the center in a white, sans-serif font.

# Our strategy

**Our mission is to empower people  
to be happy as they are and bring  
joy to their everyday lives through  
bold prints and colors.**

**Our vision is to be the world's most  
inspiring lifestyle design brand  
renowned for bold prints.**

# Long-term international growth strategy

KEY MARKETS NORTHERN EUROPE, NORTH AMERICA AND THE ASIA-PACIFIC REGION

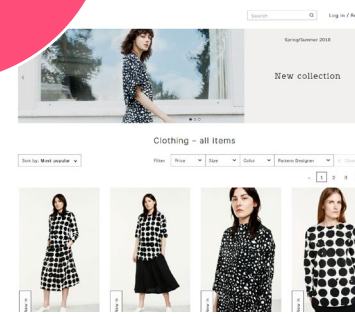




# Our business model

STRONG GROWTH OPPORTUNITIES – STILL LOW RISK AND SMALL CAPEX NEEDS  
GLOBAL BRAND – STILL SMALL AND FLEXIBLE COMPANY

Marimekko  
omnichannel  
retail



Department  
and multibrand  
stores &  
e-tailers



Brand collabs &  
licensing

# Seeking stronger growth through appealing to a broader audience





A pair of light pink, open-toed sandals with a wooden sole and a single strap across the foot. The sandals are lying on a bed of green, leafy plants. The brand name 'marimekko' is printed in black on the white insole of each shoe.

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





# Financials 2019



# A strong year 2019

Marimekko's strong development continued in 2019: net sales grew by 12% and comparable operating profit by 40%.

Long-term work to modernize collections and the brand is bearing fruit. Sales of fashion and bags & accessories in particular increased.

Interesting product launches, Marimekko Kioski and a new leather bag line, supported growth.

Global brand collaborations increased Marimekko's brand awareness and thus supported the positive development of the core business.

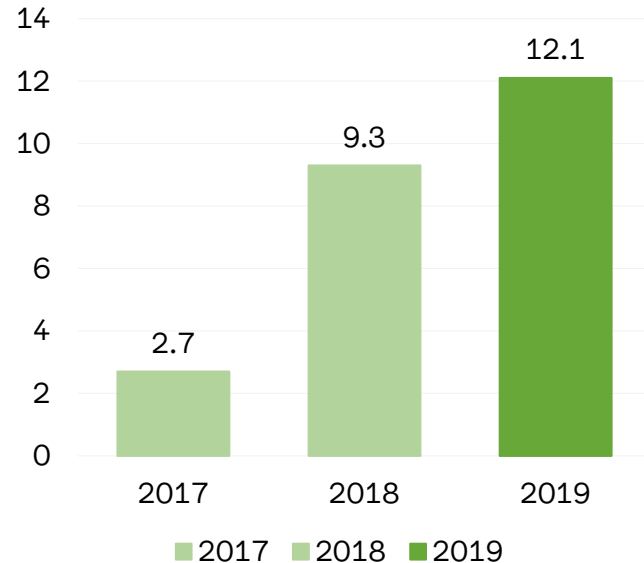
Our timeless and sustainable design philosophy is more relevant than ever. Sustainable choices are part of our daily work.

We continue our determined work to execute our long-term strategy.

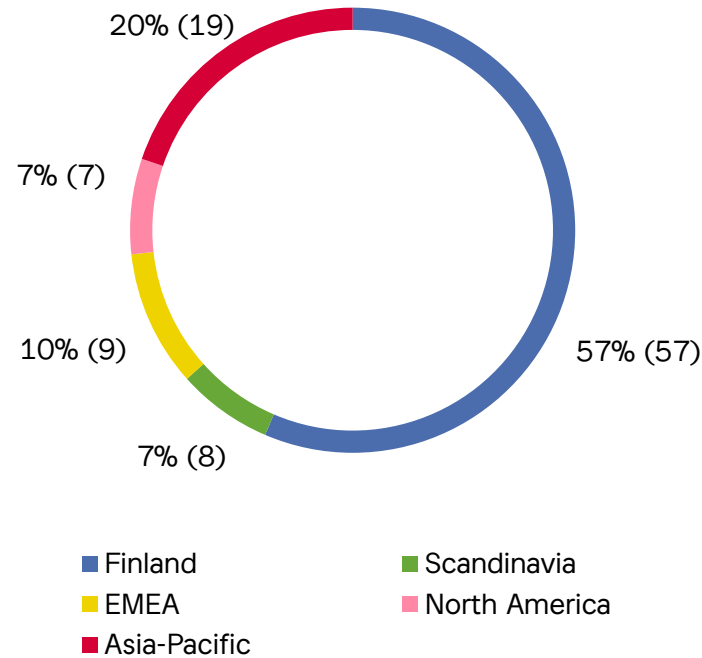


# Net sales +12% to EUR 125.4 million (111.9)

Net sales growth, %



Net sales by market area  
2019 (2018)



Net sales grew in 2019 in all market areas.

Retail sales in Finland, wholesale sales and licensing income in the Asia-Pacific region as well as wholesale sales in EMEA especially contributed to growth.

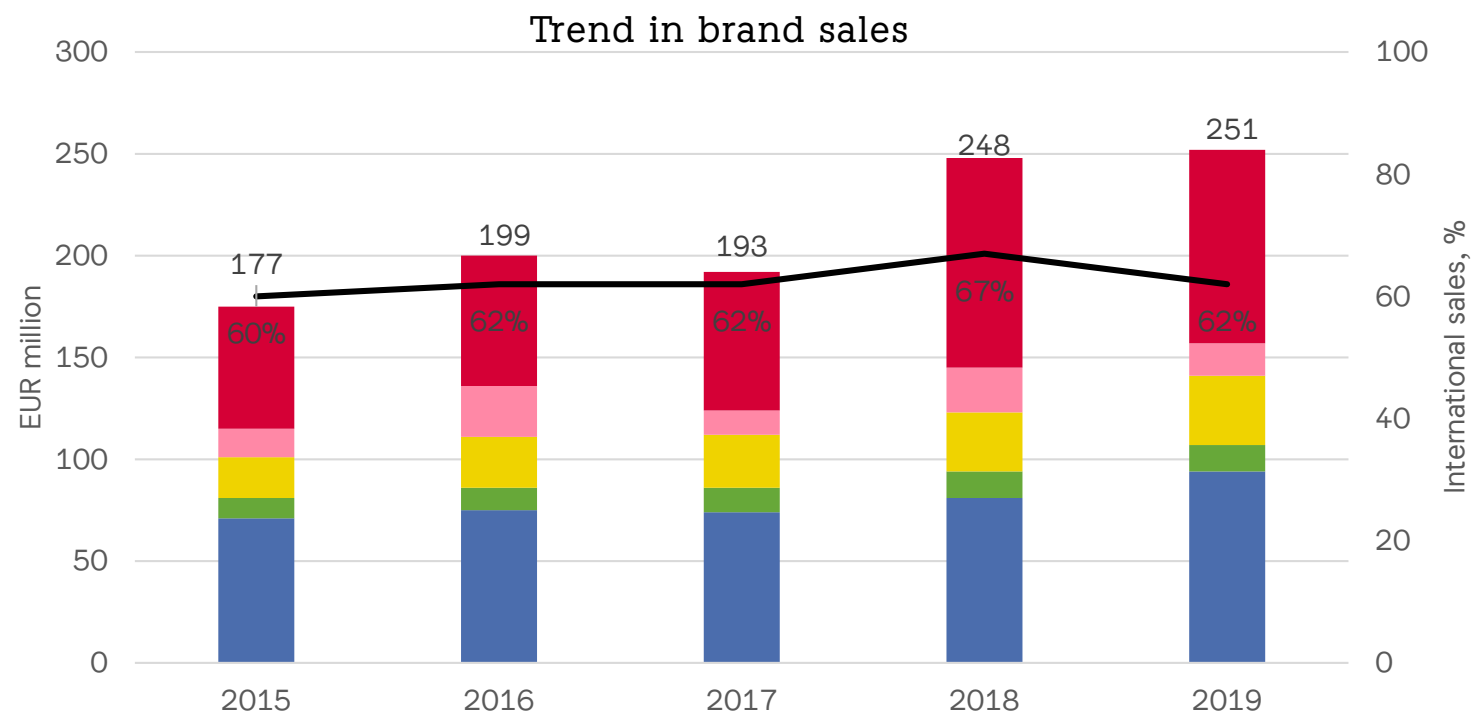
Sales in Finland increased by 12%. Retail sales grew stronger than the overall trend for the sector, like-for-like growth was 18%. Wholesale sales were up by 4%.

International sales increased by 12%. In the Asia-Pacific region, sales grew by 19%.

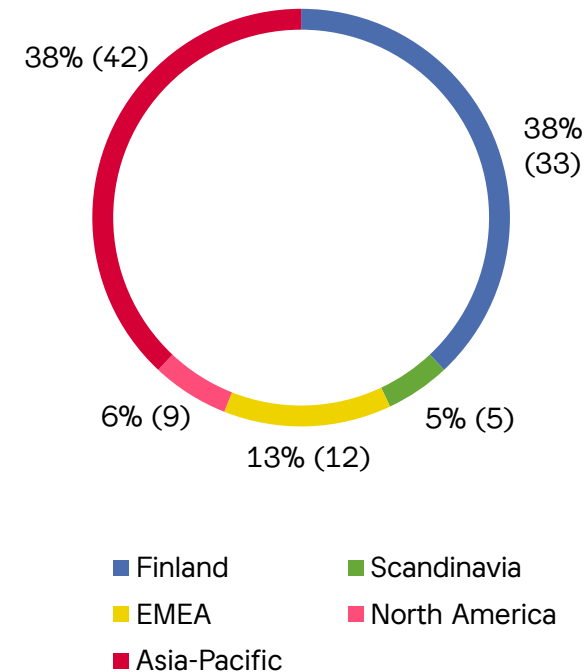


YEAR 2019

# Marimekko brand sales +1% to EUR 250.8 million (248.4)



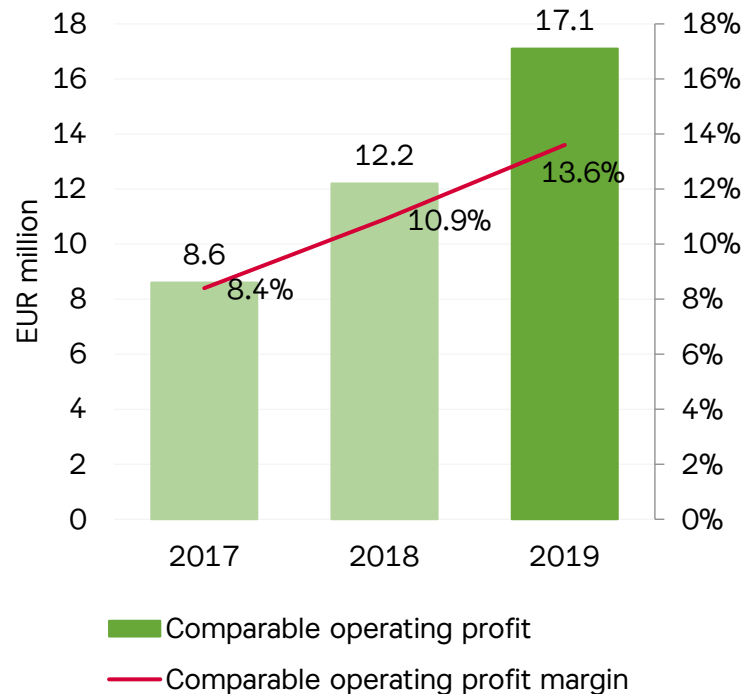
Brand sales by market area  
2019 (2018)



Finland Scandinavia EMEA North America Asia-Pacific International sales, %

# Comparable operating profit improved by 40% to EUR 17.1 million (12.2)

Trend in comparable operating profit



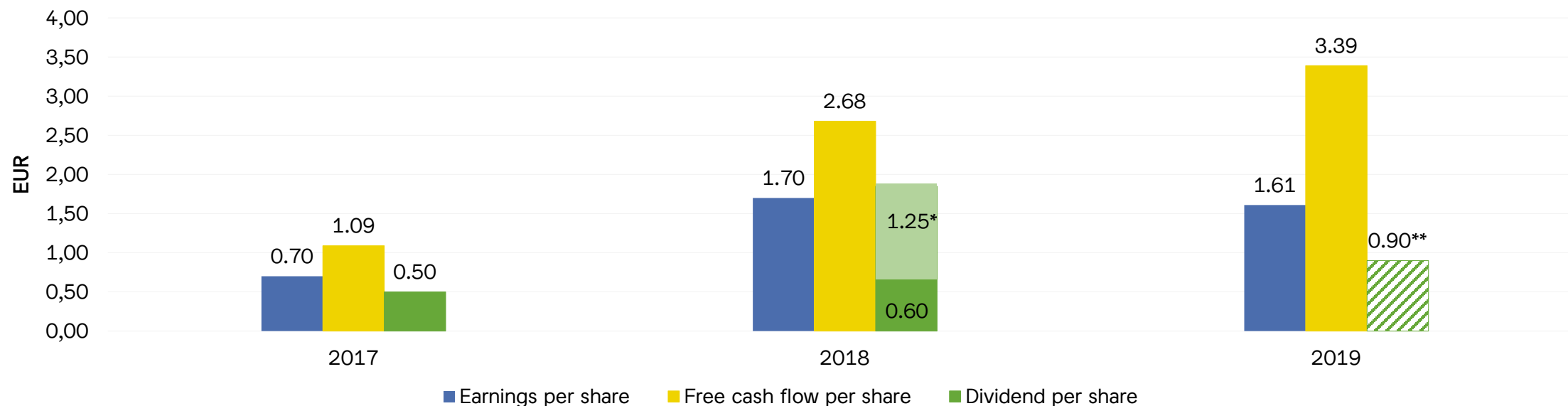
- Comparable operating profit EUR 17.1 million (12.2), +40%
- Operating profit EUR 17.1 million (17.7), -3%
  - Operating profit for 2018 included a nonrecurring taxable capital gain of EUR 6.0 million on the sale of the company's head office.
- + Sales growth: retail sales in Finland, increased wholesale sales and licensing income in the Asia-Pacific region as well as wholesale sales in EMEA in particular contributed to the growth in net sales
- + Improved relative sales margin: increased regular-priced sales, more moderate discount promotions, product portfolio optimization and increase in licensing income
- Higher fixed costs



## A maximum of EUR 0.90 per share dividend at a later stage

WHEN MARIMEKKO CAN MAKE A MORE RELIABLE ESTIMATE OF THE IMPACTS OF THE CORONAVIRUS PANDEMIC ON THE COMPANY'S BUSINESS.

### Trend in per-share key figures



\* A regular dividend of EUR 0.60 per share and an additional dividend of EUR 1.25 per share were paid for 2018.

\*\* The Board of Directors proposes that the AGM authorize the Board to decide on the payment of a maximum dividend of EUR 0.90 per share in one or several instalments at a later stage when Marimekko can make a more reliable estimate of the impacts of the coronavirus pandemic on the company's business. The authorization would be valid until the next AGM.

The adoption of IFRS 16 had an impact on free cash flow.





# Key events in 2019



# Key events in 2019

- Launching the unisex streetwear collection Marimekko Kioski
- New leather bag line
- Limited-edition collaboration collection with the Japanese apparel retailer Uniqlo
- Partial relaunch of the 2016 limited-edition Marimekko for Target collection
- Piloting a shoppable home concept in Milan
- Personnel share issue



## Marimekko Kioski – a unisex streetwear collection

- Marimekko Kioski features some of our most iconic prints on unisex streetwear which currently enjoys growing popularity in the fashion world.
- Pre-launch at Dover Street Market in Ginza, Tokyo, with many of the items selling out in just hours.
- The collection had an equally enthusiastic reception in other markets as well, appealing to a new, younger customer base.







## New leather bag line

- New leather bag collection launched in fall 2019, inspired by the timeless design language of our classic bag styles.
- The new range enables us to offer even more complete looks and outfits from our collections to our customers, expressing the Marimekko style to the fullest.
- The leather bag line supports our goal to reach a wider target audience as bags and accessories provide a convenient way to acquaint new customers with the Marimekko brand.
- Bags and accessories play an important role in the fashion business, often generating a significant proportion of a brand's net sales.





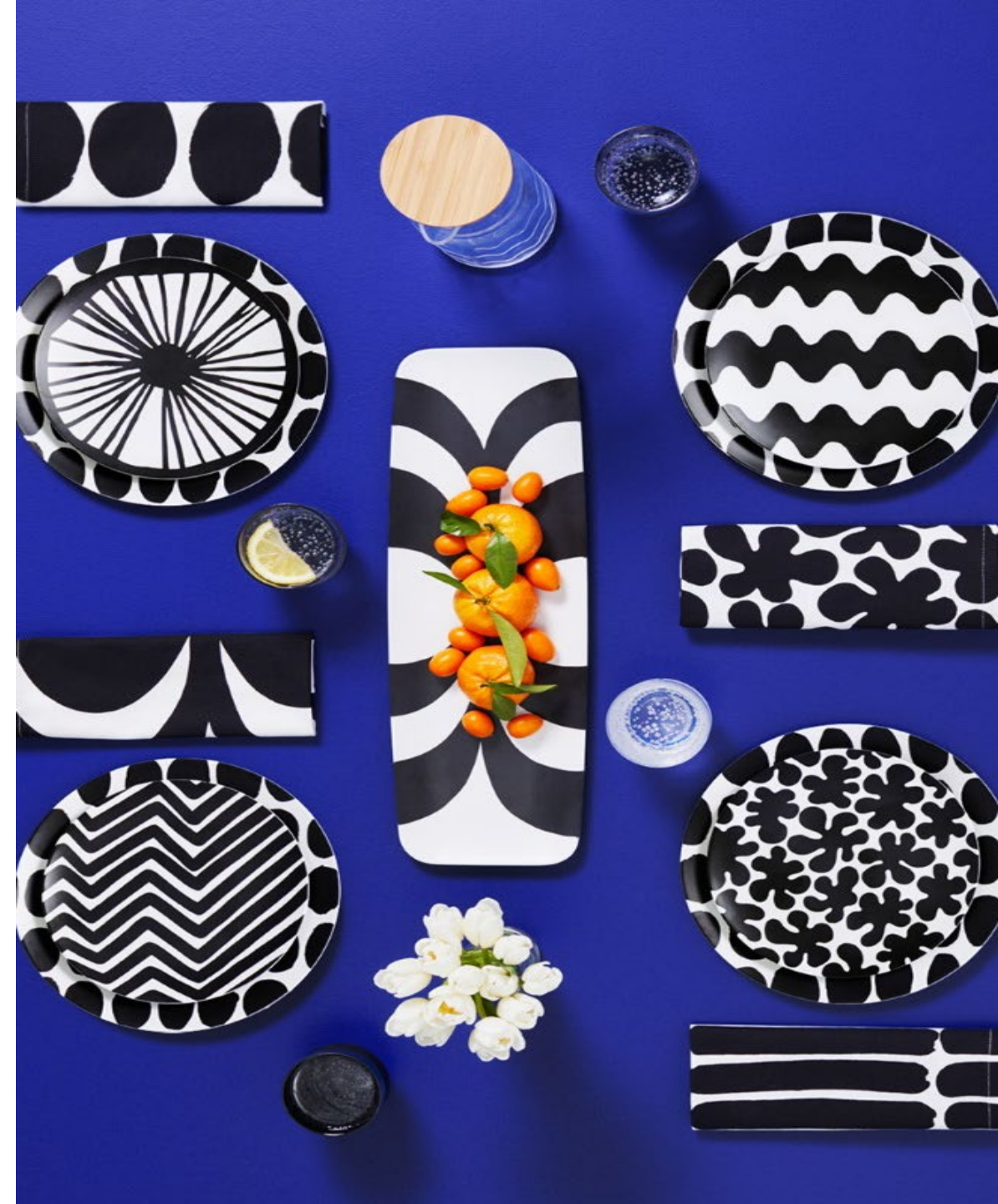
## New limited-edition collaboration collection with Uniqlo

- As continuation to the success of the first collaboration collection designed jointly by the two companies in spring 2018, a new limited-edition collection for fall/winter 2019 featuring Marimekko's bold prints and colors was launched.
- The fall/winter 2019 limited-edition collaboration collection celebrated Finnish winter traditions and augmented women's offerings with items for girls and babies.
- Sharing Marimekko's design philosophy with a large global audience and strengthening the company's core business through increased brand awareness.



# Marimekko's bold prints part of Target's 20th Anniversary Collection

- Marimekko was featured as one of the 20 brand collaboration partners in the US retailer Target's Anniversary Collection celebrating 20 years of designer partnerships.
- The original 2016 limited-edition Marimekko for Target collection, part of which was now reissued, was inspired by the Finnish summer and featured iconic Marimekko prints designed by Maija Isola.
- Brand collaborations have a significant role in building Marimekko's international brand awareness and reaching a broader target audience.





# Piloting a shoppable Marimekko home in Milan

- Marimekko wants to challenge traditional forms of retail by combining physical and digital worlds into one inspiring and effortless customer experience.
- During Milan Design Week in spring 2019, we piloted a new service concept by bringing a digitally shoppable Marimekko home to the heart of the city.
- In the new concept, a home-like, physical setup was combined with a digital shopping experience.







## Personnel share issue in Finland

- In March, a maximum of 150,000 new shares were offered for subscription to the personnel and to designers employed by the company on a freelance basis.
- Half of those entitled to subscribe took part in the share issue. The terms were favourable.
- A large proportion of Marimekko employees hold shares in the company and thus take part in building Marimekko's future also in the role of shareholders.
- A total of 40,224 subscriptions for new shares were approved.



# Events after the financial year



# **Withdrawal of guidance on 25 March due to the estimated impacts of the coronavirus pandemic**

Marimekko estimates that the coronavirus pandemic in the company's key markets has clearly weakened the consumer demand outlook in all market areas and it is unlikely that Marimekko's earlier financial guidance is realized. If prolonged, the exceptional circumstance will have significant impacts on the company's sales and profitability.

On 25 March 2020, Marimekko withdrew its earlier financial guidance solely due to the estimated impacts of the coronavirus pandemic. As the situation evolves rapidly, it is not possible to give a precise estimate of the impacts on the company's business at the moment. Marimekko will publish a guidance for 2020 once a reliable estimate of the impacts can be made.





# Temporary closure of the company's own retail stores due to the coronavirus pandemic

- The health and well-being of its personnel and customers is Marimekko's priority.
- The company has temporarily closed its own retail stores in the United States, Australia, Germany, Denmark, Norway, Sweden and Finland as the coronavirus pandemic has escalated.
- In order to adjust its personnel to the amount of work and to minimize the negative financial impacts of the coronavirus pandemic on its business operations, Marimekko initiated consultative negotiations on temporary layoffs in Finland and corresponding personnel measures in other markets.







## **Our strong, continuous measures to cope with the coronavirus crisis**

- The health and well-being of our personnel and customers is our priority
- Strict cost control and re-evaluation/cutting of planned investments to secure cash flow
- E-commerce as a responsible distribution channel to support cash flow
- Supporting the operations and post-crisis recovery of the Marimekko stores open in Asia
- Active inventory, product flow and purchase management
- Contingency plans in supply chain to ensure continuous production and logistics
- Securing financing
- Reconsideration of the dividend payout for 2019
- Proceeding with the long-term development of the business to ensure continuity of operations
- Taking care of all our stakeholders in line with our values



The image is a composite. The left side shows a photograph of a clear glass vase containing several thin, brown, dried branches with small green leaves. The vase sits on a black circular tray on a wooden surface. To the left of the vase is a book with a white cover. The right side of the image is a close-up of a book cover featuring a bold, stylized floral pattern in various shades of green. A large, light pink flower is the central focus of the pattern. The text "Thank you!" is centered across the middle of the image in a white, sans-serif font.

Thank you!



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