

# Financial Statements 2021

Tiina Alahuhta-Kasko  
President & CEO

## Year 2021 the best in Marimekko history

- In 2021, our net sales grew by 23% to EUR 152.2 million (123.6). Net sales in Finland increased by 30% and international sales grew by 14%.
- The fourth quarter and holiday sales went very well, and our net sales grew by 29%.
- Our comparable operating profit in 2021 improved by 59% to EUR 31.2 million (19.6). Earnings were 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 earnings.
- In the fourth quarter comparable operating profit grew by 35%.
- In 2022, Marimekko continues to accelerate its long-term international growth.
- The Board proposes that a regular dividend of EUR 1.60 per share and an extraordinary dividend of EUR 2.00 per share will be paid for 2021. A dividend of EUR 1.00 per share will be paid for 2020.



# Marimekko's net sales and result development was excellent also in Q4

EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Net sales	<b>48.1</b>	37.4	29	<b>152.2</b>	123.6	23
International sales	<b>17.4</b>	14.1	23	<b>59.9</b>	52.4	14
<i>% of net sales</i>	<b>36</b>	<i>38</i>		<b>39</b>	<i>42</i>	
Comparable EBITDA *	<b>10.6</b>	8.8	20	<b>43.1</b>	32.1	34
Operating profit *	<b>7.6</b>	4.8	58	<b>31.2</b>	18.8	66
Comparable operating profit *	<b>7.6</b>	5.6	35	<b>31.2</b>	19.6	59
<i>Comparable operating profit margin, % *</i>	<b>15.8</b>	<i>15.1</i>		<b>20.5</b>	<i>15.9</i>	
Comparable earnings per share, EUR **	<b>0.72</b>	0.49	46	<b>3.01</b>	1.72	75
Cash flow from operating activities *	<b>17.8</b>	15.7	13	<b>35.9</b>	27.5	31
<i>Return on investment (ROI), % *</i>				<b>33.0</b>	<i>21.8</i>	
<i>Equity ratio, % *</i>				<b>53.3</b>	<i>46.4</i>	
Net debt/ EBITDA (rolling 12 months)				<b>-0.64</b>	-0.10	
Gross investments *	<b>0.0</b>	0.7	-95	<b>0.2</b>	1.5	-86
Personnel at the end of the period				<b>409</b>	422	-3

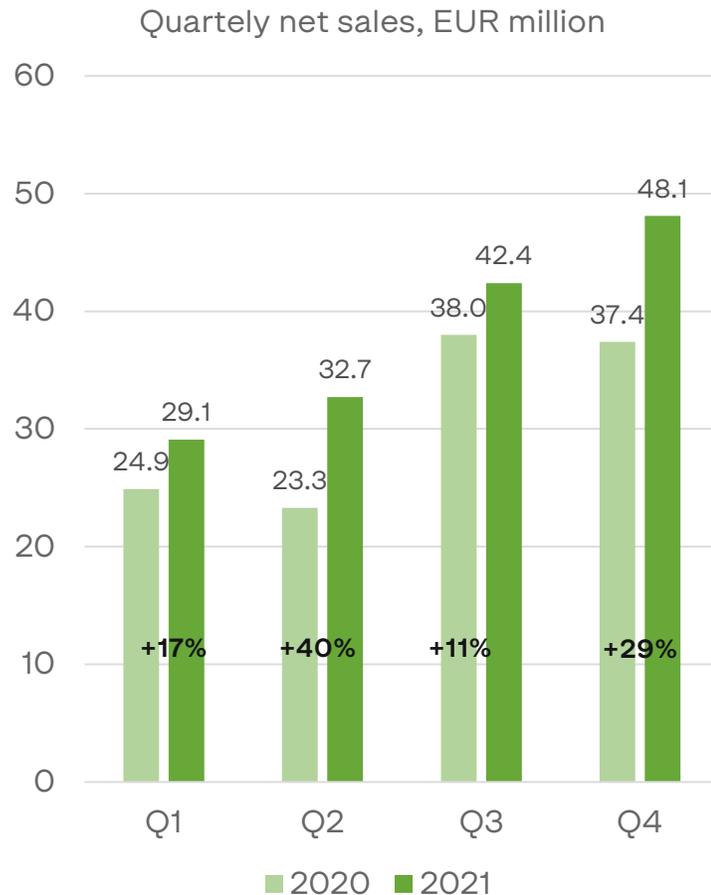
\* The quarterly figures for the review and comparable period have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of Financial Statements Bulletin.

\*\* Taking account of similar items as in comparable operating profit; tax effect included.

# Net sales and operating profit

# Net sales +29% to EUR 48.1 million (37.4)

A favorable trend especially in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly.



EUR million	Q4 2021	Q4 2020	Q4 Change %
<b>Finland</b>	<b>30.6</b>	<b>23.2</b>	<b>32</b>
Scandinavia	4.4	3.2	40
EMEA	3.1	4.0	-21
North America	2.7	1.7	57
Asia-Pacific	7.2	5.3	36
<b>International sales</b>	<b>17.4</b>	<b>14.1</b>	<b>23</b>
<b>TOTAL</b>	<b>48.1</b>	<b>37.4</b>	<b>29</b>

- retail sales +26%
- wholesale sales +33%
- licensing income -16%

### Sales in Finland +32%

- retail sales +21% (like-for-like +19%)
- wholesale sales +51%
- licensing income +31%

### International sales +23%

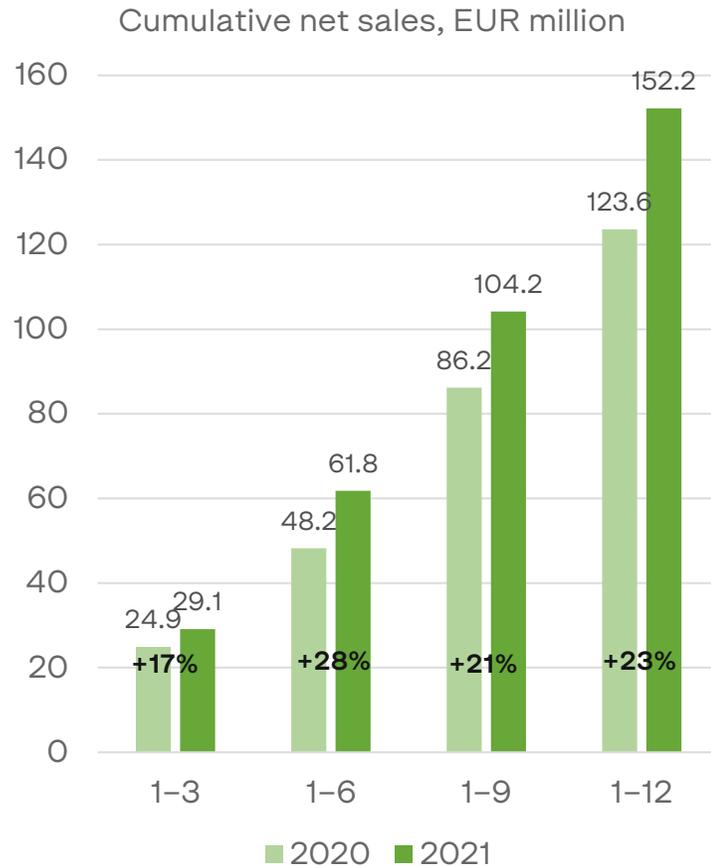
- retail sales +44%
- wholesale sales +17%
- licensing income -21%

Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. Marimekko's actions to control gray exports decreased wholesale sales in EMEA, which had a negative impact on the Group's net sales.

Like in the comparison period, nearly all Marimekko's own stores were open in the fourth quarter. Christmas sales, important to Marimekko, went very well, both in brick-and-mortar stores and the online store.

# Net sales +23% to EUR 152.2 million (123.6)

Growth in particular from the good development of wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly.



EUR million	2021	2020	Change %
<b>Finland</b>	<b>92.3</b>	<b>71.1</b>	<b>30</b>
Scandinavia	12.7	9.9	28
EMEA	12.9	14.0	-8
North America	8.4	6.5	30
Asia-Pacific	26.0	22.1	17
<b>International sales</b>	<b>59.9</b>	<b>52.4</b>	<b>14</b>
<b>TOTAL</b>	<b>152.2</b>	<b>123.6</b>	<b>23</b>

- retail sales +15%
- wholesale sales +33%
- licensing income -12%

### Sales in Finland +30%

- retail sales +17% (like-for-like +16%)
- wholesale sales +54%
- licensing income +30%

### International sales +14%

- retail sales +10%
- wholesale sales +18%
- licensing income -14%

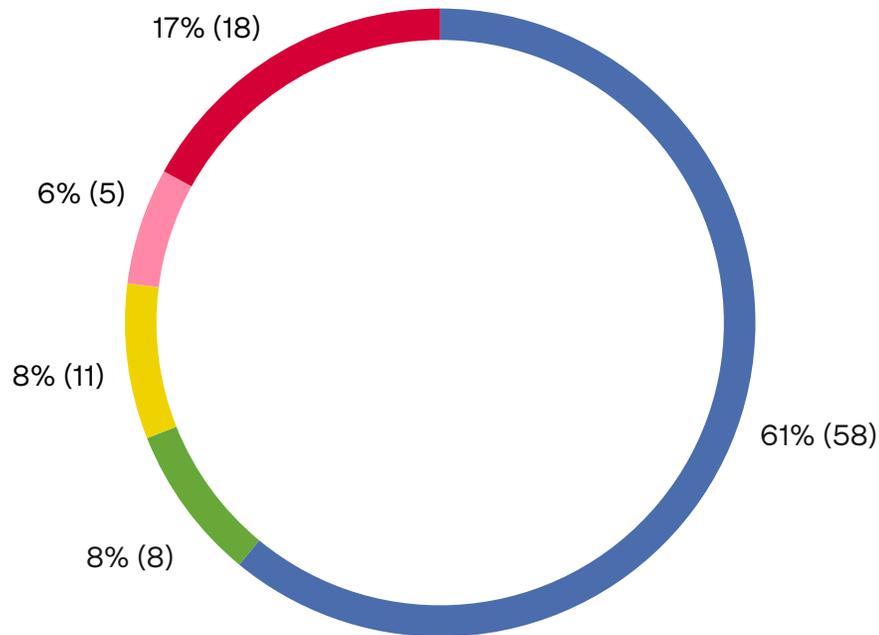
Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. On the other hand, net sales were weakened by a decrease in wholesale sales in EMEA, resulting from Marimekko's actions to control gray exports, as well as lower licensing income in the Asia-Pacific region.

Nearly all Marimekko's own stores were open in 2021 unlike the year before, when a large number of Marimekko stores around the world were temporarily closed during the first or second quarter.

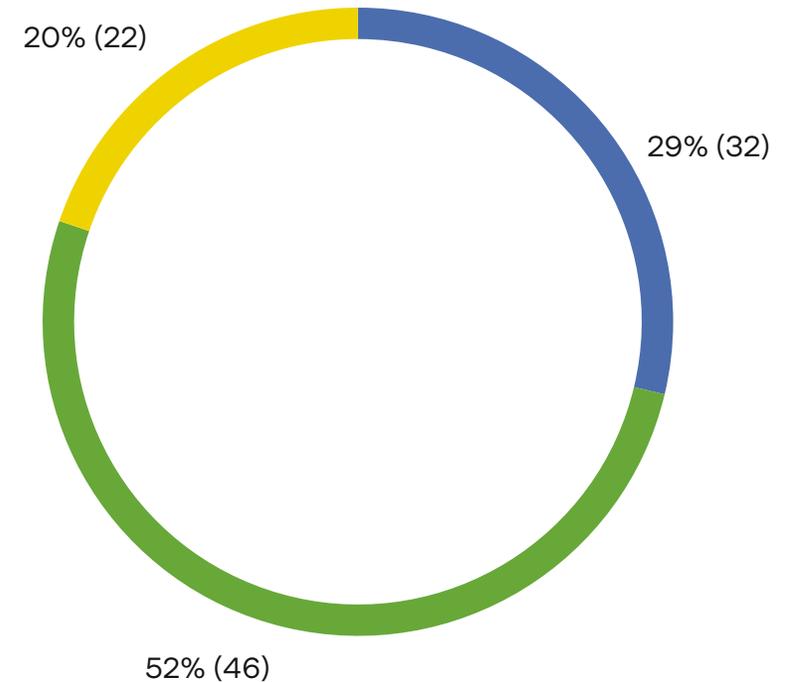
# Growth strongest for home products (+40%), also fashion (+10%) and bags & accessories (+8%) developed positively

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

Net sales by market area, 1-12/2021 (1-12/2020)



Net sales by product line, 1-12/2021 (1-12/2020)

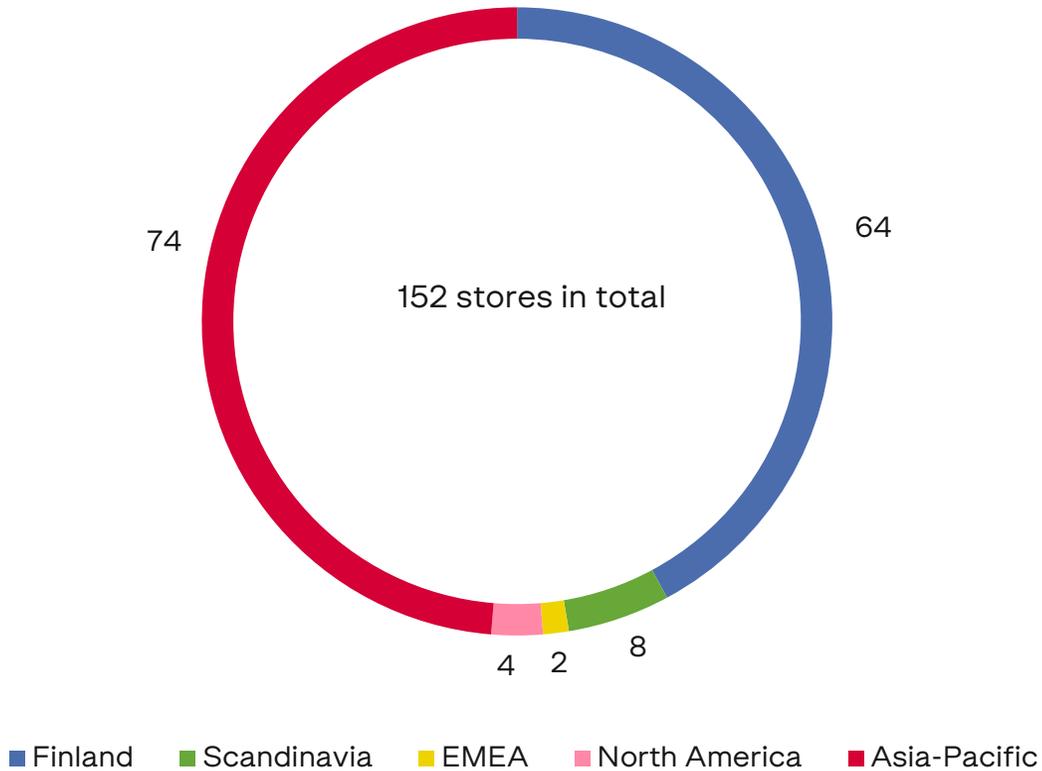


■ Finland ■ Scandinavia ■ EMEA ■ North America ■ Asia-Pacific

■ Fashion ■ Home ■ Bags & Accessories

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

Global retail footprint 1-12/2021

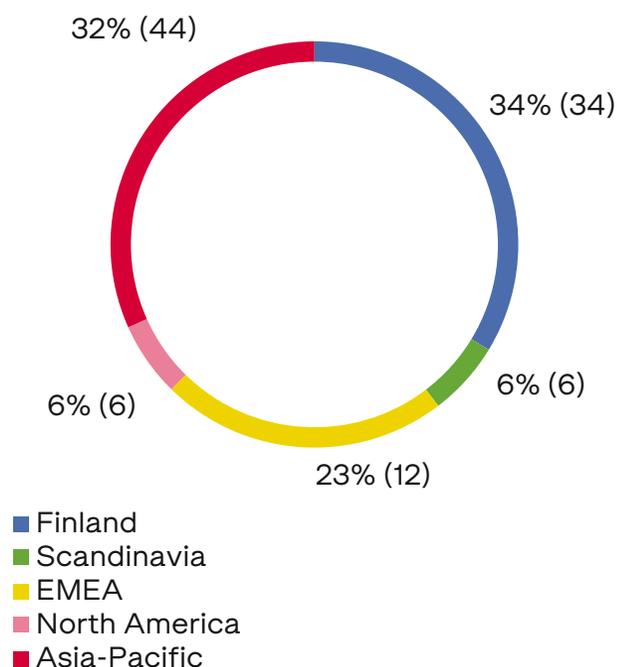


Net sales by channel, e-commerce included

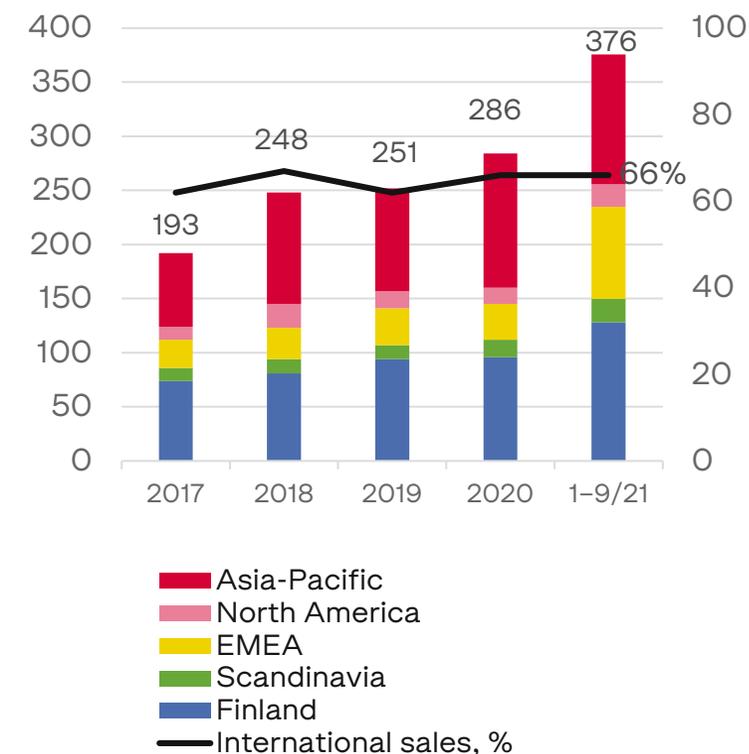


# Marimekko brand sales +31% to EUR 375.6 million (286.4)

In Q4, 67% of brand sales outside home market (59)

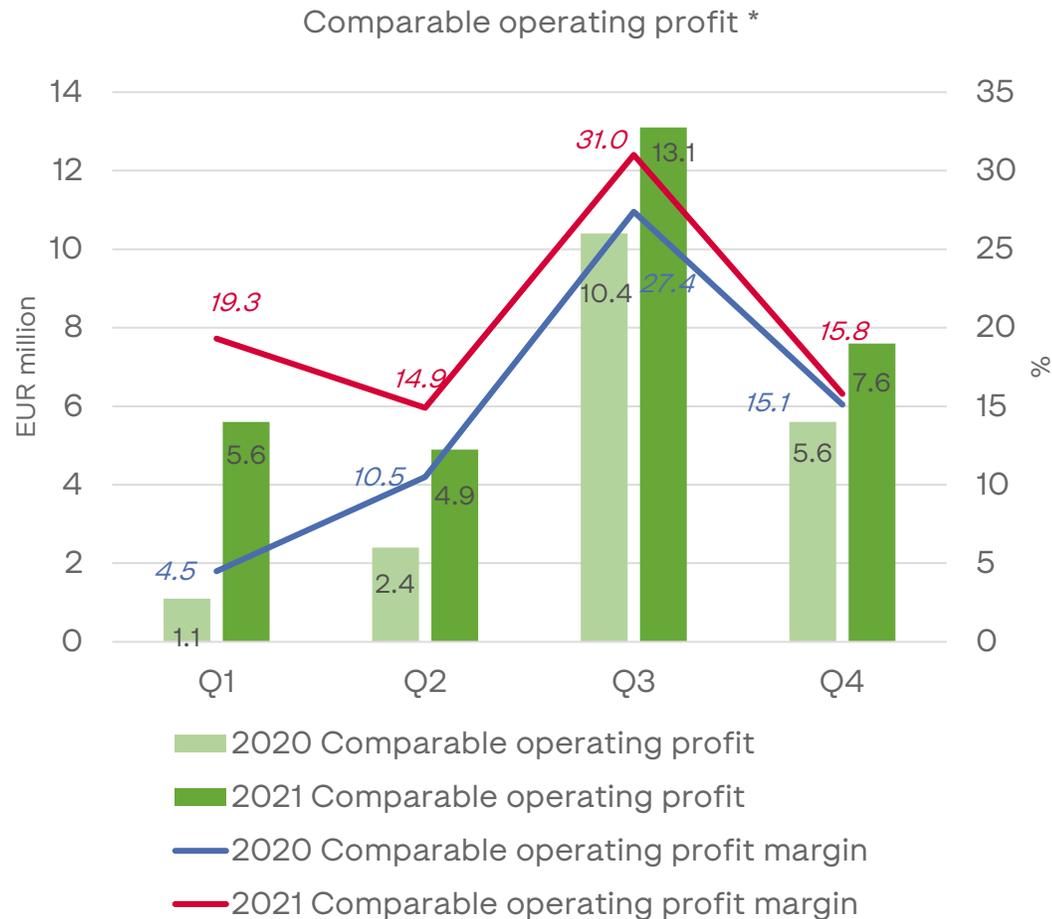


EUR million	1-12/ 2021	1-12/ 2020	Change %
<b>Finland</b>	<b>128.1</b>	96.1	33
Scandinavia	21.7	15.8	37
EMEA	85.1	33.0	157
North America	20.9	16.7	25
Asia-Pacific	119.9	124.8	-4
<b>International sales</b>	<b>247.6</b>	190.3	30
<b>TOTAL</b>	<b>375.6</b>	286.4	31



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.

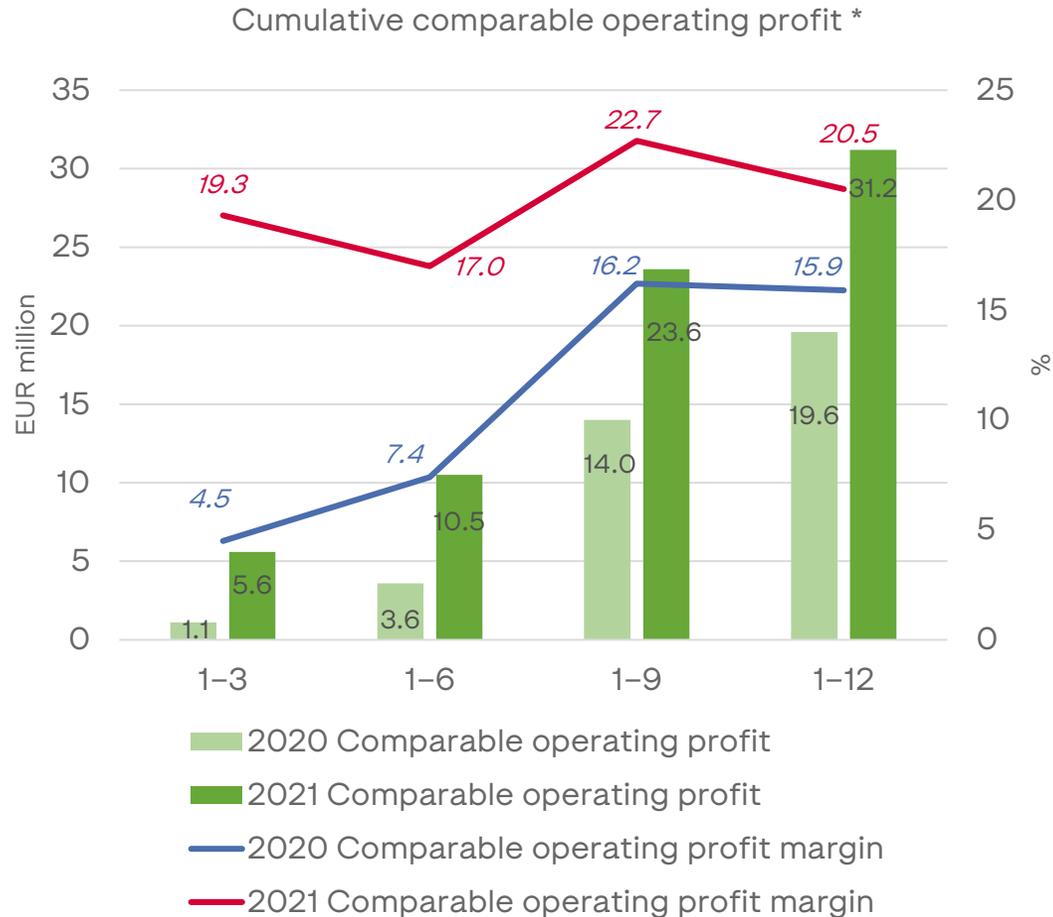
# Comparable operating profit grew by 35% in the fourth quarter



- Comparable operating profit EUR 7.6 million (5.6)
- No items affecting comparability, so operating profit EUR 7.6 million (4.8)
- Earnings were boosted especially by increased net sales.
- On the other hand, an increase in fixed costs as well as lower relative sales margin had a weakening impact on result.

\* The quarterly figures for the review and comparable period have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of Financial Statements Bulletin.

# Historically good result, comparable operating profit increased by 59%



- Comparable operating profit EUR 31.2 million (19.6)
- No items affecting comparability, so operating profit EUR 31.2 million (18.8)
- Earnings were 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 results.

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# Key events in Q4

## New audiences also through local brand collaborations

The second limited-edition collaboration collection with adidas, launched at the end of September, was received well and provided Marimekko with valuable visibility around the world.

In October, we launched our first limited-edition collaboration products specifically for the Chinese market together with the specialty coffee chain Seesaw.

In addition to global brand partnerships, which provide wide visibility, targeted local collaborations in our main markets are an important way to introduce more and more new audiences to Marimekko .



## Continuously strengthened omnichannel ecosystem

Omnichannel store network in Asia was further strengthened when new Marimekko stores were opened in Hong Kong and South Korea in the fourth quarter. In Japan, experiential pop-ups in five cities introduced Marimekko to new customers.

In total, six new Marimekko brick-and-mortar stores and two online stores were opened in Asia in 2021. Furthermore, customers around the world were able to experience our 70-year-old brand, special collections and Marimekko Kioski streetwear collection in 32 pop-up stores during the year.

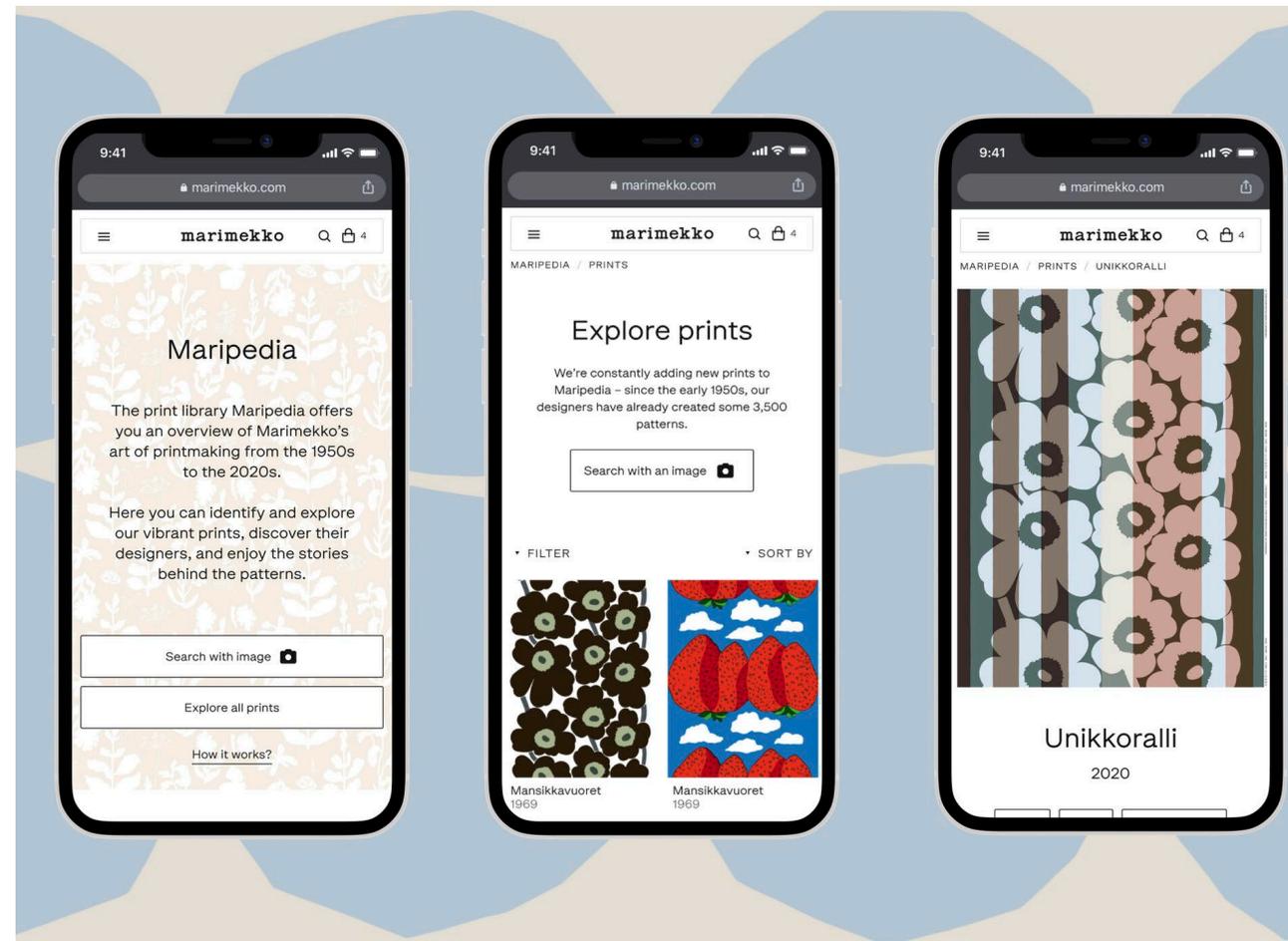
Different creative retail concepts are an important part of omnichannel customer experience, and we believe their significance will further grow in the new, post-pandemic reality.



## 70th anniversary culminating in digital print library Maripedia

The digital customer experience in our online store, which was revamped in May, was further enriched in December when the celebration of our 70th anniversary culminated in the launch of Maripedia, a constantly growing digital library and AI based search tool, opening our extensive print archive to the general public.

In line with our growth strategy, we will in 2022 continue our investments to develop digital business and omnichannel customer experience.



## New, ambitious sustainability strategy basis for our sustainability work

In 2021, our sustainability work focused in increasing the proportion of more sustainable materials in our products and prolonging product lifetimes, among other things.

For example, in the fourth quarter we again offered a selection of vintage Marimekko pieces, introduced products repurposed as scented candles and piloted Marimekko Upcycled concept with Jokapoika shirts upcycled from earlier collections.

In accordance with our values, we want to be at the forefront in promoting sustainability and, through the power of our example, to move the entire industry towards a more sustainable future.



# Outlook 2022



## Market outlook and growth targets for 2022 (1/3)

- The coronavirus pandemic has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades, and it will impact the sector in 2022 as well.
- The development of the pandemic situation in different markets, political tensions, and increased inflation impact the global economic trend as well as consumers' purchasing behavior and, as a result, can have an impact on Marimekko's business. Furthermore, these factors may affect the operational reliability and efficiency of the company's value chain.
- The instability caused by the coronavirus pandemic in Marimekko's markets continues. Marimekko is closely monitoring the development of the pandemic situation in each of its market areas and will adjust its operations and plans according to the situation.
- Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and earnings are traditionally generated during the second half of the year.

## Market outlook and growth targets for 2022 (2/3)

### Finland

- Finland traditionally represents about half of the company's net sales.
- Sales in Finland are expected to grow on the previous year.
- The total value of nonrecurring promotional deliveries in 2022 is estimated to be substantially lower than the year before.

### In addition:

- Both retail and wholesale sales are estimated to increase in 2022.
- Licensing income is forecasted to be higher than in the previous year.
- Marimekko will continue actions to control gray exports, but these actions will have a significantly lower weakening impact on the company's sales and earnings in 2022 than in the previous year.

### 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. The other Asian countries' combined share of the company's net sales is still smaller than in Japan, but operations in these countries are constantly growing. 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 clearly in 2022.
- The aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops in 2022, and most of the planned openings will be in Asia.

## Market outlook and growth targets for 2022 (3/3)

- The coronavirus pandemic causes disruptions in global supply chains. These disruptions can result in delivery delays, and thus impact Marimekko's net sales and profitability. In addition, disruptions can increase logistics costs, which have also grown overall worldwide. Furthermore, net sales and earnings also essentially depend on maintaining the operational reliability and efficiency of distribution centers and logistics in the exceptional situation.
- Costs of raw and other materials have increased globally. Early commitment to product orders, which is typical of the fashion and design industry, means that changes in raw and other material prices affect the company with a delay. Marimekko is actively working on mitigating the negative effects of increased costs.
- Marimekko continues to accelerate its long-term international growth. In 2022, it will invest especially in increasing brand awareness, in digital and omnichannel business, in developing sustainability, in recruitments supporting its growth as well as in IT systems.
- Fixed costs are expected to be up on the previous year. In 2021, fixed costs were still reduced by partly temporary cost savings.
- Marketing expenses are expected to grow (2021: EUR 7.5 million).

## Financial guidance for 2022

The Marimekko Group's net sales for 2022 are expected to grow from the previous year (2021: EUR 152.2 million). Comparable operating profit margin is estimated to be approximately some 17–20 percent (2021: 20.5 percent). Global supply chain disruptions and generally increased material and logistics costs in particular cause volatility to the outlook for 2022.

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.

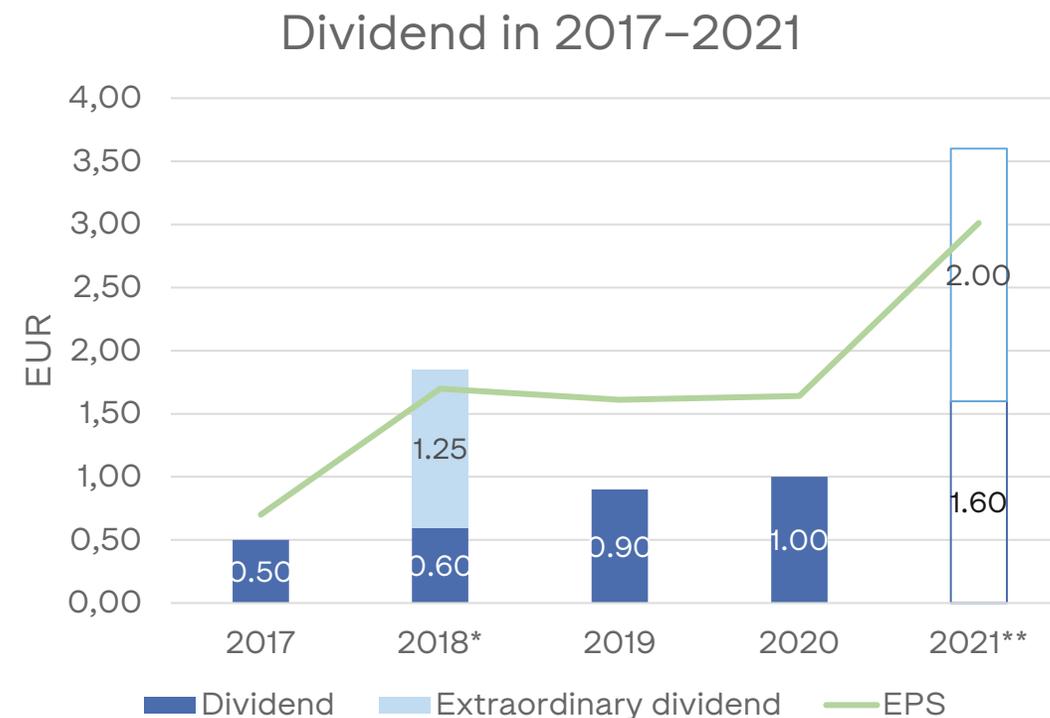


# Proposal for dividend for 2021

The parent company's distributable funds amounted to EUR 55,890,746.68; profit for the financial year was EUR 24,865,528.81.

Marimekko's Board of Directors proposes to the Annual General Meeting on 12 April 2022 that a regular dividend of EUR 1.60 per share and an extraordinary dividend of EUR 2.00 per share be paid for 2021.

The Board will propose 14 April 2022 as the dividend payout record date and 25 April 2022 as the dividend payout date.



\* For 2018, a regular dividend of EUR 0.60 per share and an extraordinary dividend of EUR 1.25 per share were paid. The extraordinary dividend was paid because the sale of Marimekko's head office in spring 2018 strengthened the company's financial position.

\*\* Board's proposal to the AGM

# Appendices

# Income statement

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
<b>Net sales</b>	<b>48.1</b>	<b>37.4</b>	<b>152.2</b>	<b>123.6</b>
Other operating income	0.1	0.1	0.1	0.3
Change in inventories of finished goods and work in progress	-2.1	-3.7	3.2	-0.4
Raw material and consumables	-18.2	-11.6	-61.5	-48.2
Employee benefit expenses	-8.7	-7.9	-28.2	-25.3
Depreciation and impairments *	-3.0	-3.1	-11.9	-12.5
Other operating expenses *	-8.6	-6.2	-22.7	-18.7
<b>Operating profit *</b>	<b>7.6</b>	<b>4.8</b>	<b>31.2</b>	<b>18.8</b>
Net financial items	-0.0	-0.4	-0.6	-1.8
<b>Result before taxes *</b>	<b>7.6</b>	<b>4.4</b>	<b>30.7</b>	<b>17.0</b>
Income taxes *	-1.7	-1.1	-6.3	-3.7
<b>Net result *</b>	<b>5.9</b>	<b>3.3</b>	<b>24.4</b>	<b>13.3</b>

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# Balance sheet

EUR million	31.12.2021	31.12.2020
Non-current assets *	35.1	42.8
Inventories	26.0	22.4
Trade and other receivables	12.0	8.1
Cash and cash equivalents	59.7	41.0
<b>Assets, total *</b>	<b>132.9</b>	<b>114.4</b>
Shareholders' equity *	69.8	52.3
Non-current liabilities	22.0	28.5
Current liabilities	41.1	33.6
<b>Shareholders' equity and liabilities, total *</b>	<b>132.9</b>	<b>114.4</b>

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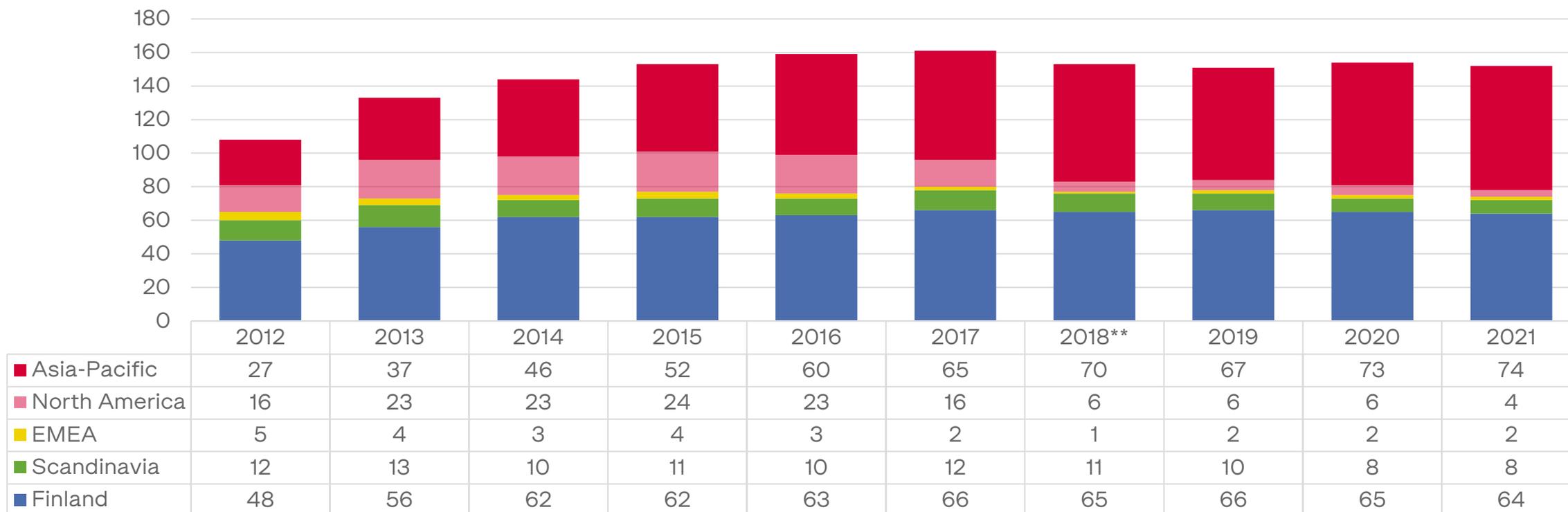
# Cash flow statement

EUR million	1-12/2021	1-12/2020
<b>Cash flow from operating activities before change in working capital</b>	<b>43.6</b>	<b>31.3</b>
Change in working capital	-2.2	3.3
<b>Cash flow from operating activities before financial items and taxes</b>	<b>41.4</b>	<b>34.6</b>
Financial items and taxes	-5.5	-7.1
<b>Cash flow from operating activities</b>	<b>35.9</b>	<b>27.5</b>
Investments in tangible and intangible assets *	-0.9	-2.2
<b>Cash flow before cash flow from financing activities</b>	<b>35.0</b>	<b>25.2</b>
Short-term loans drawn and repaid	0.9	0.5
Payments of lease liabilities	-10.2	-10.7
Dividends paid	-7.3	-
<b>Cash flow from financing activities</b>	<b>-16.6</b>	<b>-10.2</b>
<b>Change in cash and cash equivalents</b>	<b>18.4</b>	<b>15.0</b>
Cash and cash equivalents at the end of the period	59.7	41.0

\* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of Financial Statements Bulletin.

In addition, Marimekko has unused committed credit lines of EUR 15.0 million (17.1).

## 152 Marimekko stores\* serve customers worldwide



\* Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. Company-owned stores numbered 49 at end of December (51).

\*\* The company corrected the number of stores in North America in 2018 by reducing 11 shop-in-shops with an area below the reporting limit of 30 sqm. The change had no effect on reported North American wholesale sales.

# Share price trend

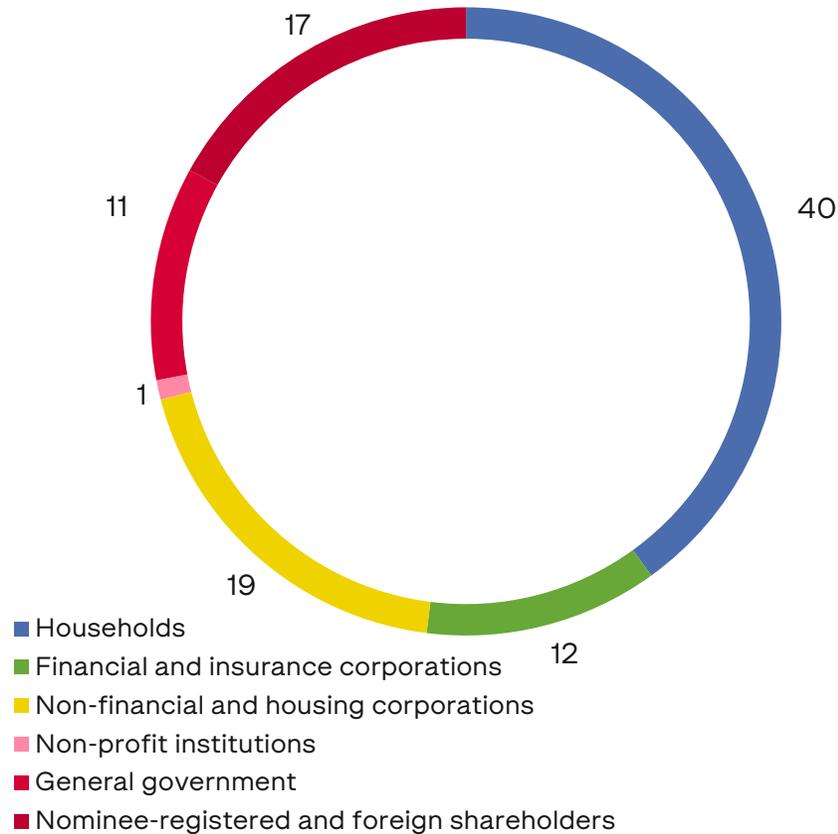
The Marimekko share (MEKKO) is quoted on the main list of Nasdaq Helsinki in the Consumer Products and Services Sector.

Market cap at the end of the year: EUR 687.5 million.



# A total of 23,323 shareholders

Ownership by sector, %



Largest shareholders

Shareholder	Shares and votes, %
PowerBank Ventures Oy (Mika Ihamuotila)	12.52
Swedbank Robur investment funds	4.92
Varma Mutual Pension Insurance Company	4.75
Ilmarinen Mutual Pension Insurance Company	4.74
Ehrnrooth Anna Sophia	4.19
Nordea investment funds	4.00
Evli investment funds	3.28
Nordea Nordic Small Cap investment funds	2.46
Aktia investments funds	2.26
Lazard Freres Gestion	2.02
Veritas Pension Insurance Company	1.27

## For more information

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