



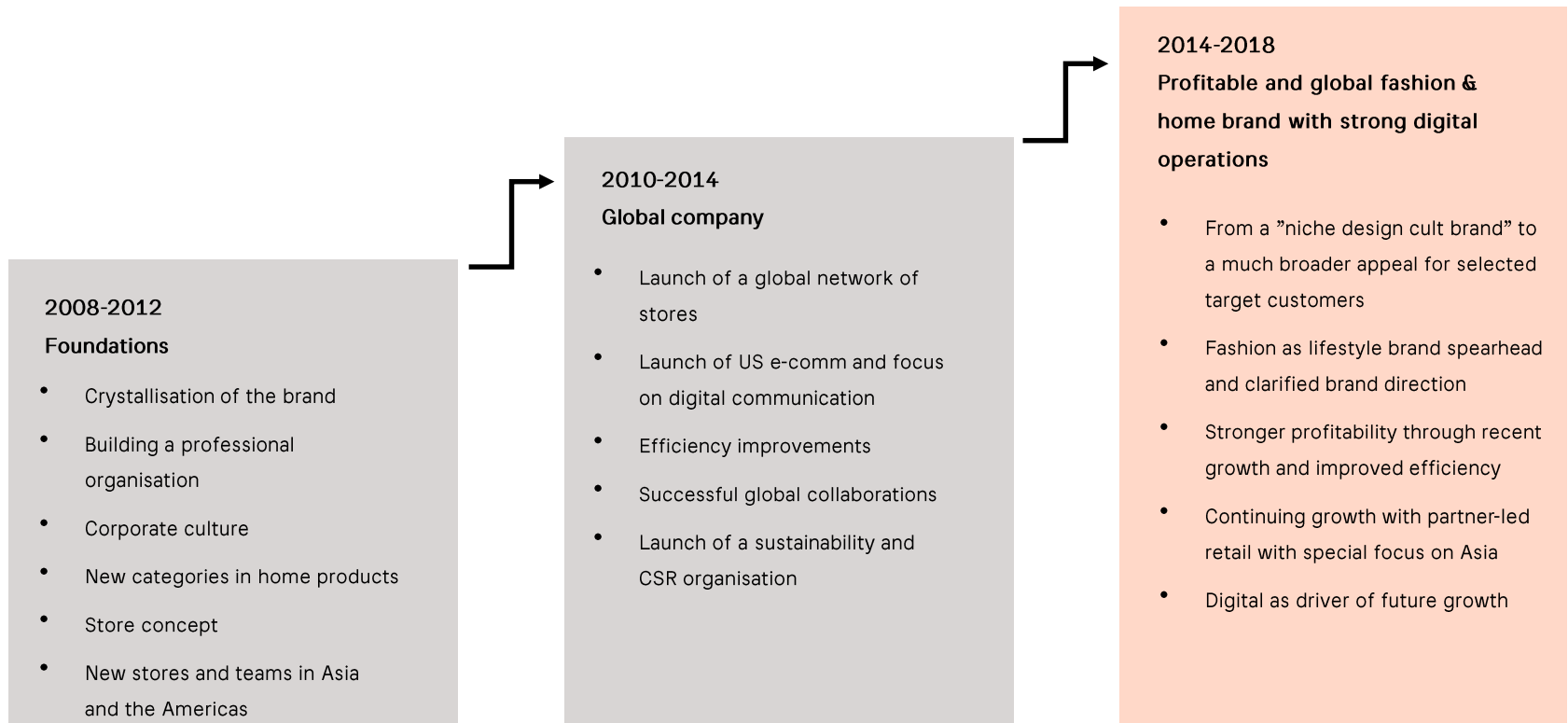
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**ANNUAL GENERAL MEETING 2017**

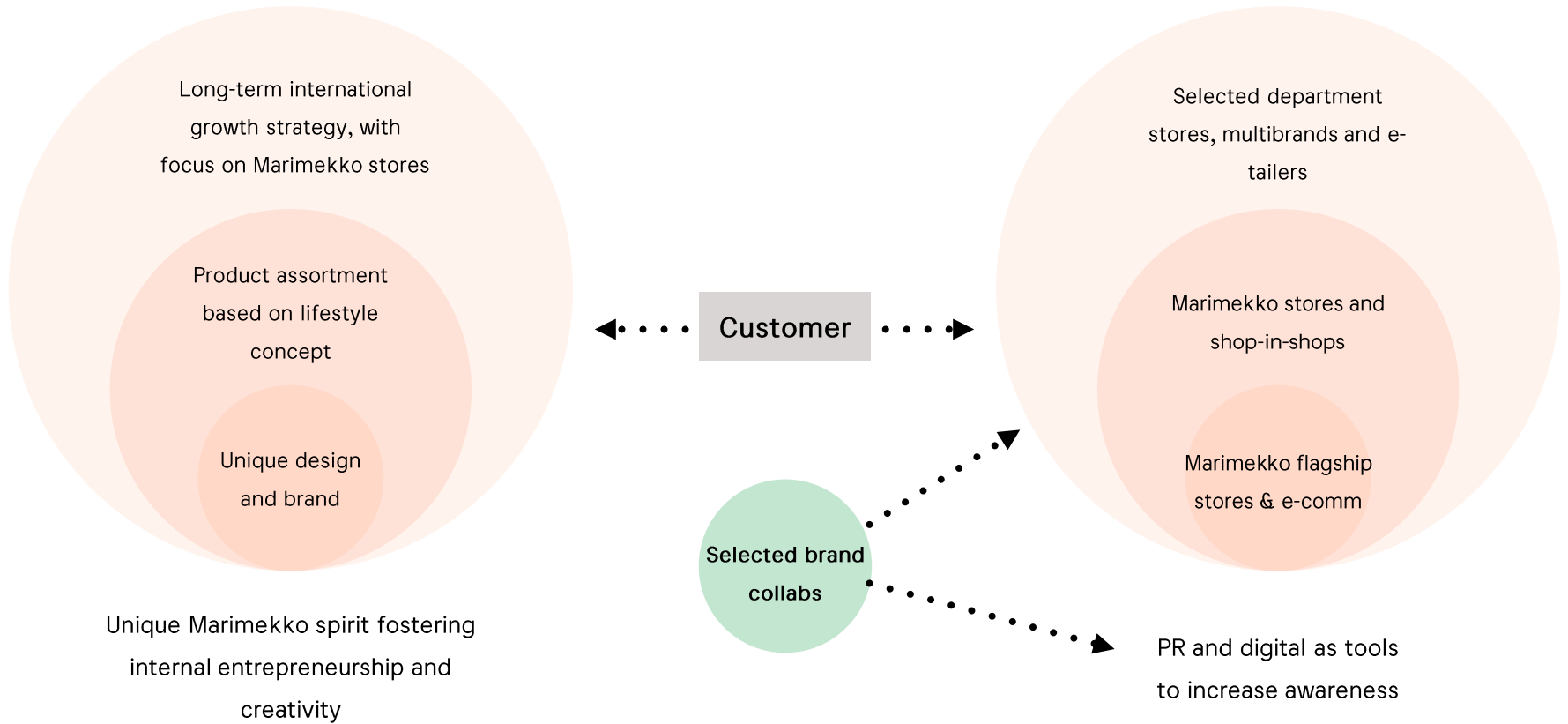
**Tiina Alahuhta-Kasko**  
**6 April 2017**

**Review by the  
President & CEO**

# Focus areas of Marimekko's strategy



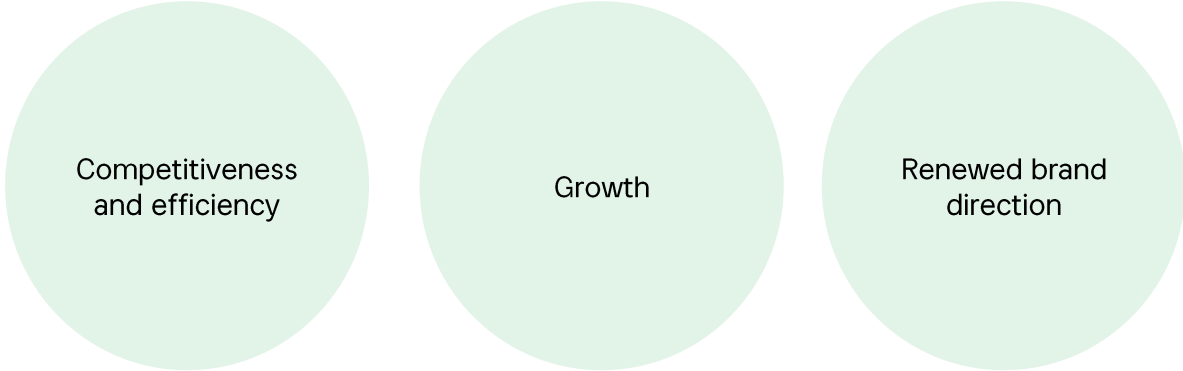
# Strategic cornerstones



Unique Marimekko spirit fostering internal entrepreneurship and creativity

**marimekko**

# Year 2016: fixing efficiency to secure long-term growth with renewed brand direction



Competitiveness  
and efficiency

- Increasing supply chain efficiency and optimizing portfolio
- Developing profitability of existing Marimekko stores

Growth

- Focus on partner-led Marimekko stores with low capex
- Building digital reach via own e-commerce and e-tailers

Renewed brand  
direction

- Gaining visibility for renewed brand direction
- Increased long-term capitalization opportunity



## Our long-term development work continues

- In February 2017, Marimekko told the company is moving on to the next stage in its design and product development work
- The collections have been modernised, improving combinability and introducing versatility in materials, which has resulted in increased international interest in the brand
- The company's design and product development team will continue the development of the ready-to-wear collections to serve an even wider group of customers around the world, building on Marimekko's original, positive and colourful design philosophy

**Financial  
development**



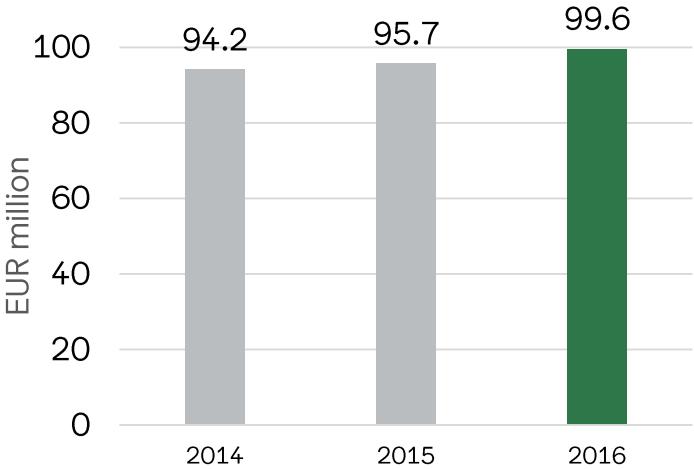
## The year 2016 in figures

- Net sales EUR 99.6 million (95.7)
- Brand sales EUR 194.4 million (176.7)
- Operating profit EUR 5.2 million (1.5); comparable operating profit EUR 6.1 million (1.5)
- EBITDA EUR 9.4 million (6.1)
- Result after taxes was EUR 4.0 million (0.8) and earnings per share were EUR 0.50 (0.10)



# Net sales 2016

Trend in net sales 2014-2016



Net sales +4% to EUR 99.6 million (95.7)

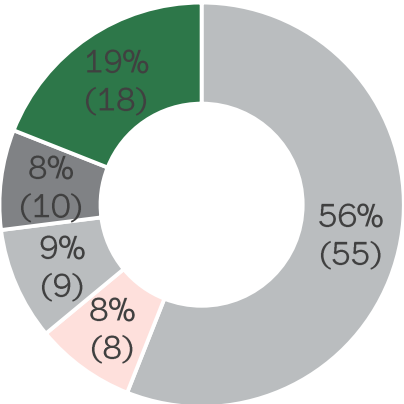
- Growth in wholesale sales in Finland, EMEA and Asia-Pacific
- Growth in wholesale sales in Finland was due to nonrecurring promotional deliveries taking place in the second half of the year
- Increase in retail sales in Finland and Australia

Sales in Finland +6% to EUR 55.8 million (52.7)

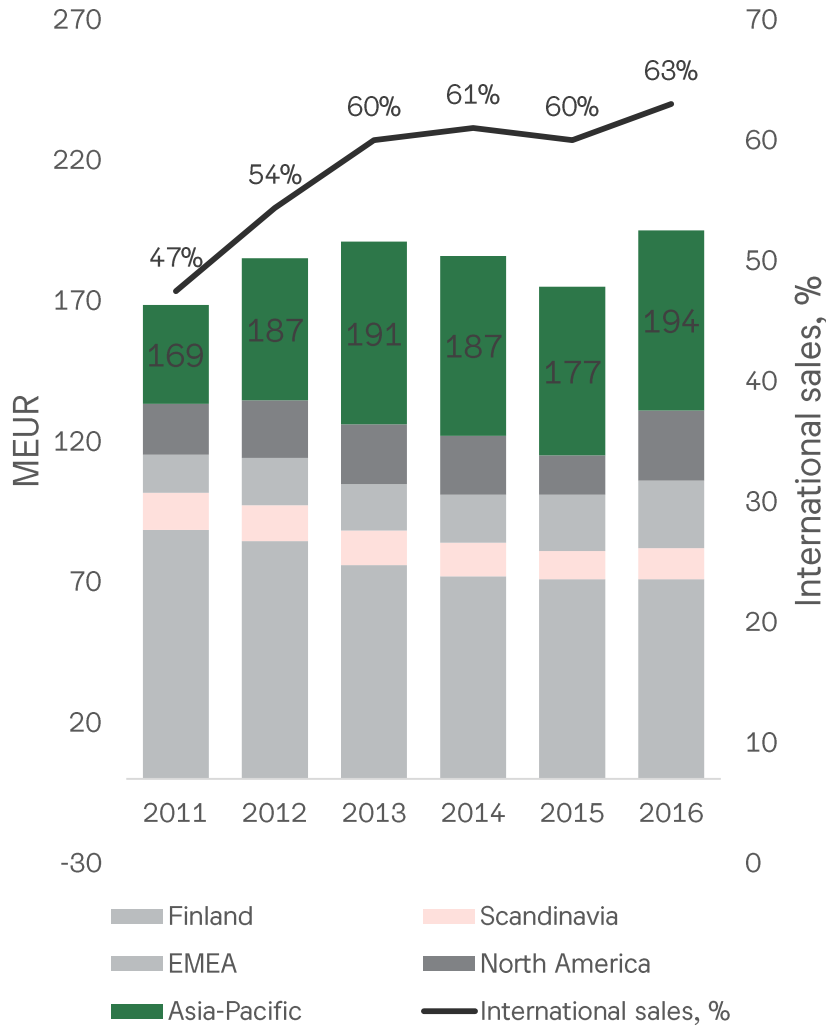
International sales +2% to EUR 43.8 million (43.0)

Net sales by market area 2016

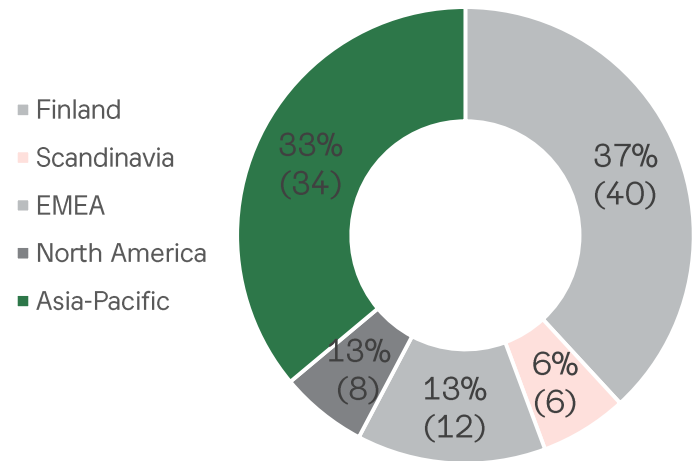
- Finland
- Scandinavia
- EMEA
- North America
- Asia-Pacific



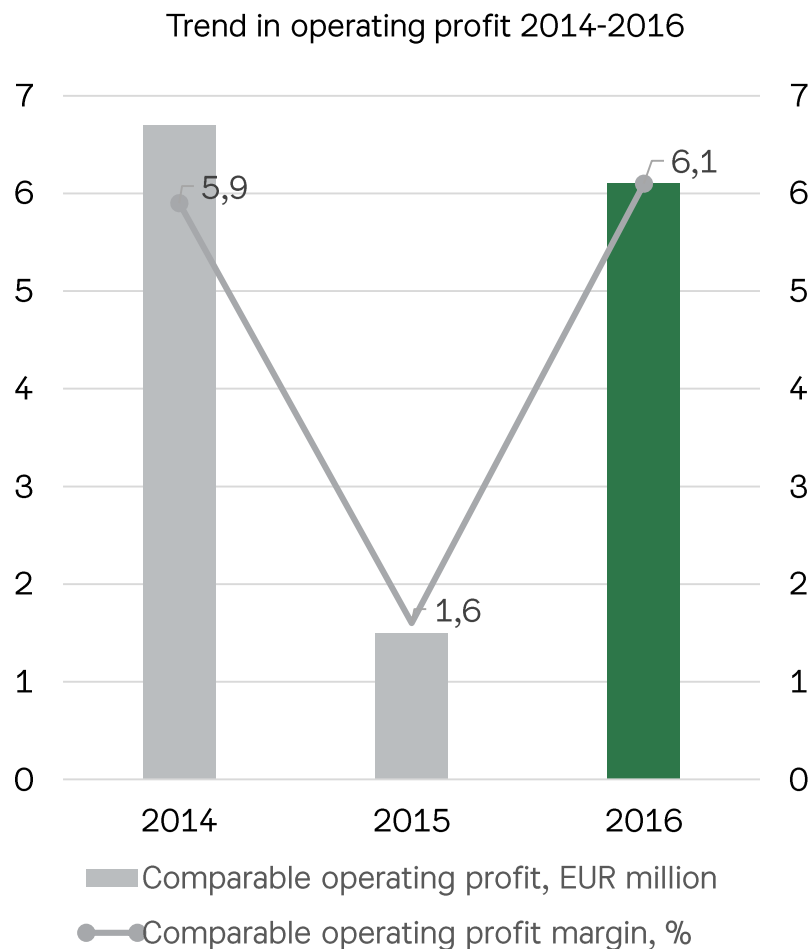
# +15% increase in Marimekko brand sales in 2011-2016



Brand sales by market area 2016



# Operating profit 2016



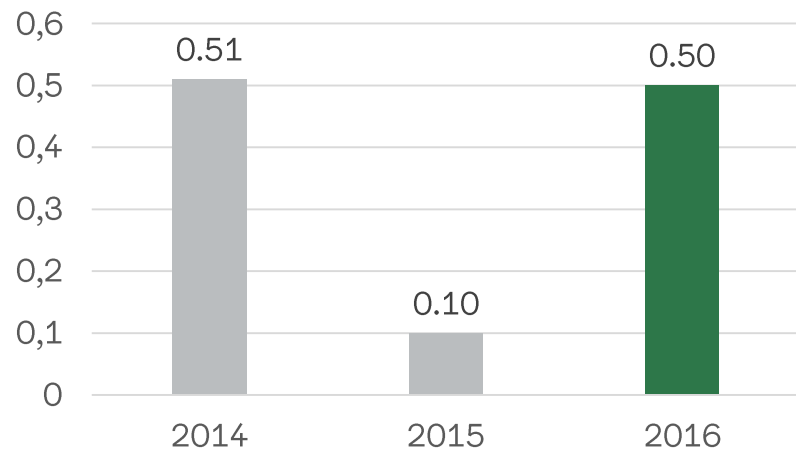
Operating profit EUR 5.2 million (1.5)

Comparable operating profit EUR 6.1 million (1.5)

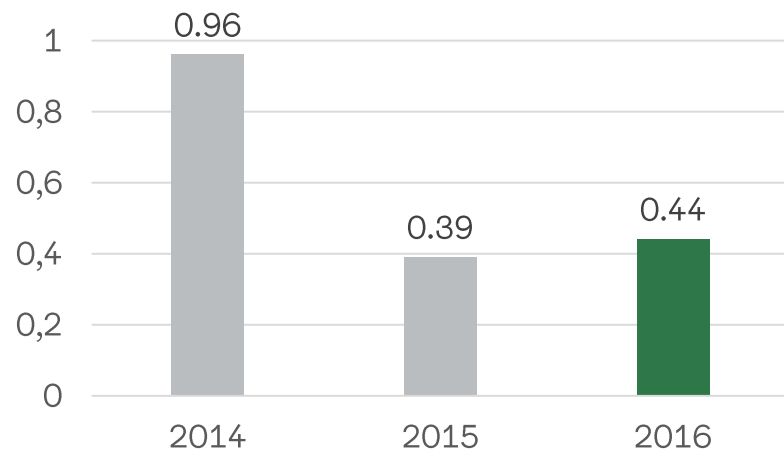
- + Lower cost level, including lower marketing expenses than in 2015
- + Growth in wholesale sales in Finland due to nonrecurring promotional deliveries
- + Increase in retail sales in Finland
- + Growth in wholesale sales in EMEA and Asia-Pacific
- + The costs for the comparison year included the considerable expenses associated with the closure of the store in Beverly Hills
- Discount-driven retail sales
- Downturn in relative sales margin
- Royalty income from North America posted in the comparison period

# Earnings per share, Free cash flow/share, and Dividend per share

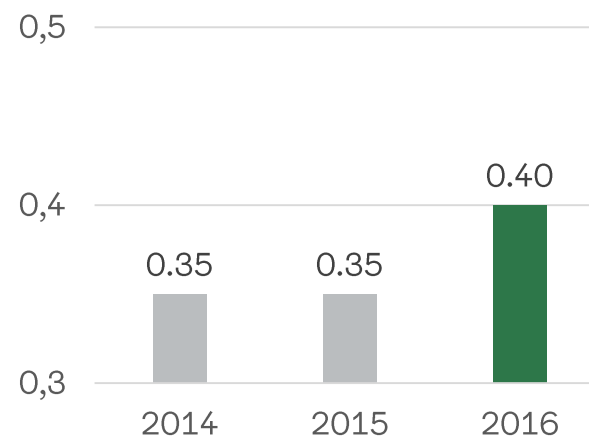
Earnings per share (EUR)



Free cash flow/share (EUR)

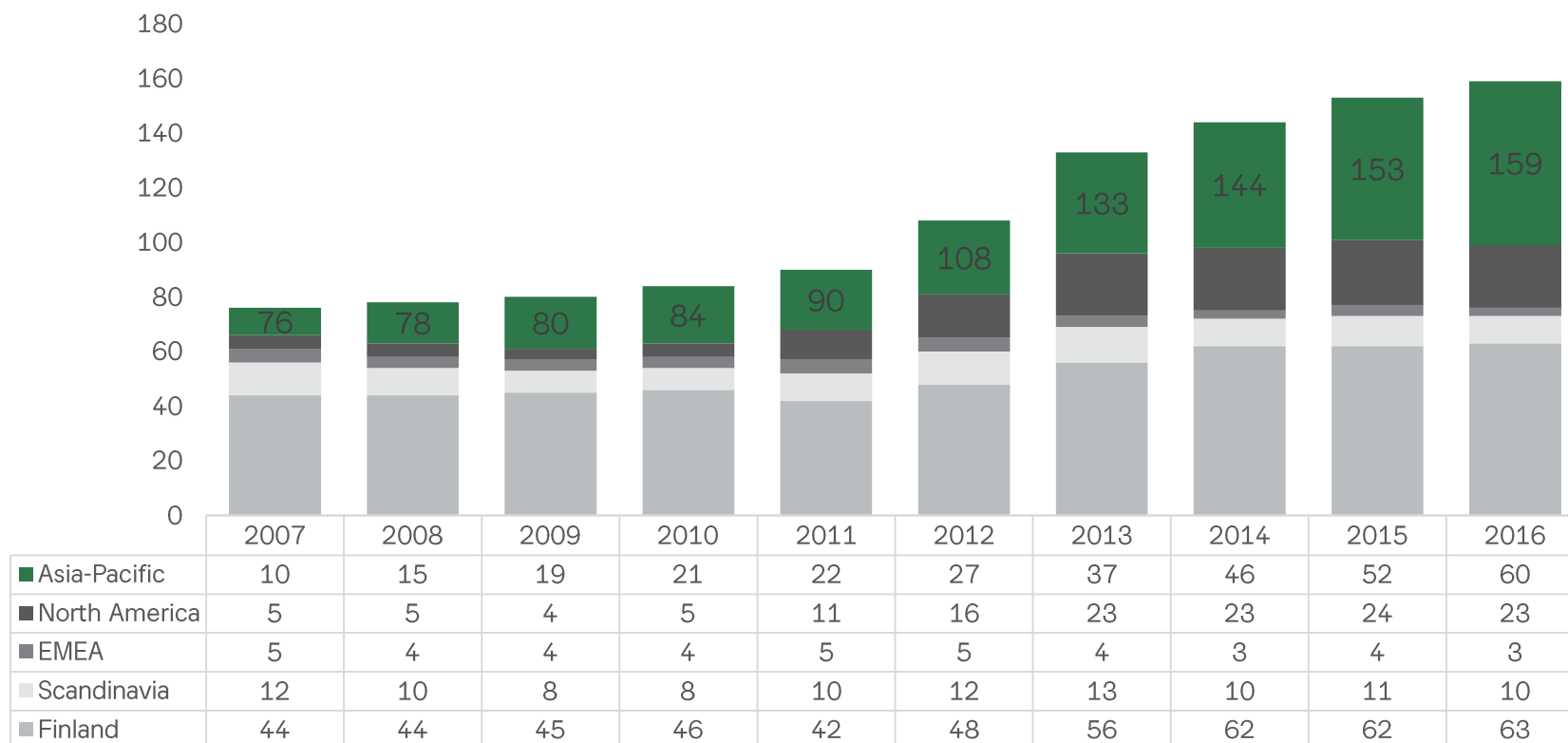


Dividend per share (EUR)



2016: Hallituksen ehdotus yhtiökokoukselle

## 159 stores\* at the end 2016



\*Includes the company'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 55 at the end of 2016 (55).

# Events in 2016



## **Presentations at Paris Fashion Week**

- As part of its internationalisation strategy, Marimekko has been presenting new ready-to-wear collections at PFW since October 2015
- Key platform to build brand awareness within global fashion industry and increase visibility in main markets with our strongly differentiating design philosophy



In October, Marimekko's ready-to-wear collection was awarded as the collection of the year at the Finnish Elle Style Awards 2016





Limited-edition collection of Marimekko and Target hit the stores in April 2016



During the year, 14 new Marimekko stores were opened, 11 of which in the company's growth market of Asia-Pacific region

The latest opening was in Chadstone, Melbourne, in November 2016

# Marimekko's iconic dresses

Hand-picked from the archives.

Discover more

Marimekko's own online store was launched in Australia in April 2016

In January 2017, Marimekko extended its e-commerce to 16 new countries in Europe



New washing machinery in Marimekko's textile printing factory was inaugurated in September 2016

# Market outlook and growth targets for 2017

## Finland

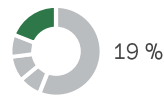
The share of net sales in 2016



- Finland accounts for about half of the company's net sales
- In retailing, a more positive vibe can be seen in Finland – the trend is forecast to be moderate
- Nonrecurring promotional deliveries had a positive impact on the company's sales in 2016, but no similarly large deliveries are in sight for 2017
- Marimekko's sales excluding income from nonrecurring promotional deliveries are expected to be roughly on a par with the previous year

## The Asia-Pacific region

The share of net sales in 2016



- Japan is clearly the most important country in this region to Marimekko; the other countries' combined share of the company's net sales is still relatively small, as operations in these markets are in fairly early stages
- Sales in Japan are supported by enhancing the operations of stores and by optimising the product range
- Sales in the Asia-Pacific region in 2017 are forecast to be roughly on a par with the previous year
- Most of the Marimekko stores and shop-in-shops to be opened in 2017 will be in the Asia-Pacific region, and the company sees growing demand for its products in this region especially in the longer term
- Prospects are expected to continue to be positive in Australia

## New stores and expansion

14 new stores in 2016



- The main thrust in expansion in 2017 will continue to be on openings of retailer-owned Marimekko stores
- The aim is to open around 10-20 new Marimekko stores and shop-in-shops, the majority of which will be shop-in-shops
- Furthermore, the company will continue the enhancement of the operations of Marimekko stores opened in recent years
- The company's own e-commerce and other online sales channels are forecast to continue to grow

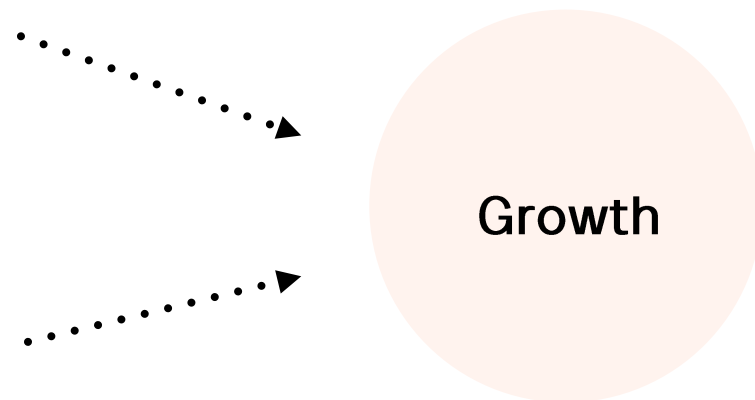
# Year 2017: Strengthening competitiveness with renewed brand direction to enable growth

## 2017: Renewed brand direction

- Continue gaining visibility for the renewed brand
- Optimize the renewed direction based on learnings from customer feedback on the first full year of renewed collections
- Increase capitalization opportunities

## 2017: Profitability

- Increase efficiency in sourcing and further optimize the product portfolio – based on learnings from customer feedback on the first full year of renewed collections
- Improve the profitability of existing Marimekko stores
- Review global pricing strategy and fine-tune our price position in particular to better respond to price-sensitive market conditions
- Strengthen working capital



- Focus on partner-led Marimekko stores and shop-in-shops requiring low capex
- Gain more digital leverage via our own expanded e-commerce and e-tailers

**Thank you!**

**marimekko**