



marimekko

**Interim Report
1-3/2017**

10 May 2017

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Q1/2017 in brief

Highlights

- + Increase in retail sales in Finland due to the timing change of a sales campaign
- + Improvement in relative sales margin
- + Reduced cost level
- Decrease in wholesale sales in Asia-Pacific

Key events

Marimekko extended its e-commerce to 16 new countries in Europe

Fall/Winter 2017 ready-to-wear collection was presented at Paris Fashion Week

New store opened in Tokyo, Japan – currently there are a total of nine Marimekko stores and shop-in-shops in Tokyo

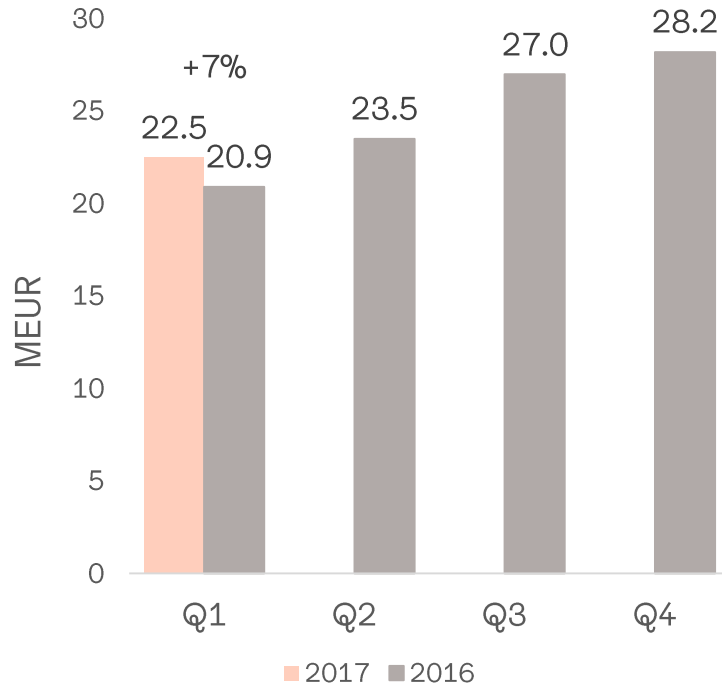


Key figures

- Net sales 22.5 EUR million (20.9)
- Brand sales 44.7 EUR million (44.1)
- EBITDA 1.7 EUR million (0.0)
- Comparable EBITDA 2.0 EUR million (0.8)
- Operating result 0.9 EUR million (-1.1)
- Comparable operating result 1.1 EUR million (-0.3)
- Earnings per share EUR 0.07 (-0.12)

**Net sales and
operating result**

Net Sales Q1/2017



Net sales +7% to EUR 22.5 million (20.9); +4% in comparable fx-rates

- retail sales +15%
- wholesale sales +1%

International sales -2% to EUR 10.7 million (10.8); -1% in comparable fx-rates

- retail sales +4%
- wholesale sales -4%

Sales in Finland +17% to EUR 11.8 million (10.1)

- retail sales +20% (like-for-like +21%*)
- wholesale sales +12%

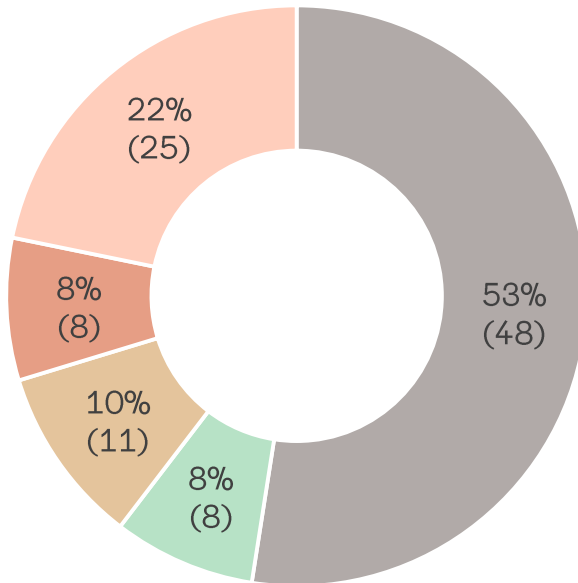
MEUR	1-3/2017	1-3/2016	Change, %
Finland	11.8	10.1	17
Scandinavia	1.8	1.7	2
EMEA	2.1	2.3	-6
North America	1.7	1.6	5
Asia-Pacific	5.1	5.2	-3
TOTAL	22.5	20.9	7

*Includes both bricks-and-mortar and online sales.

Net sales by market area and by product line

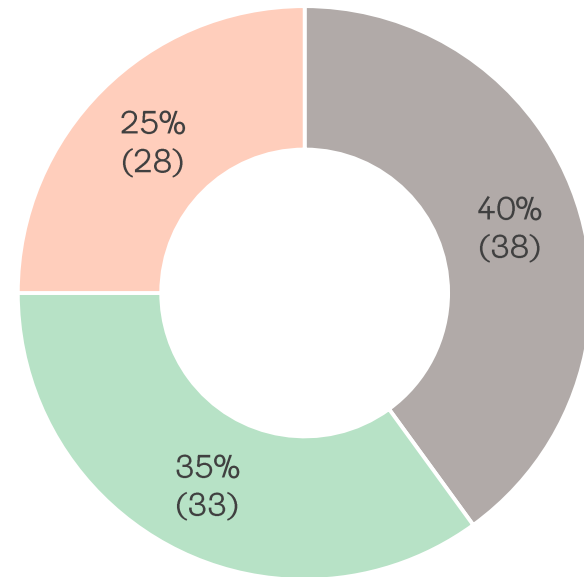
Net sales by market area
Q1/2017

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

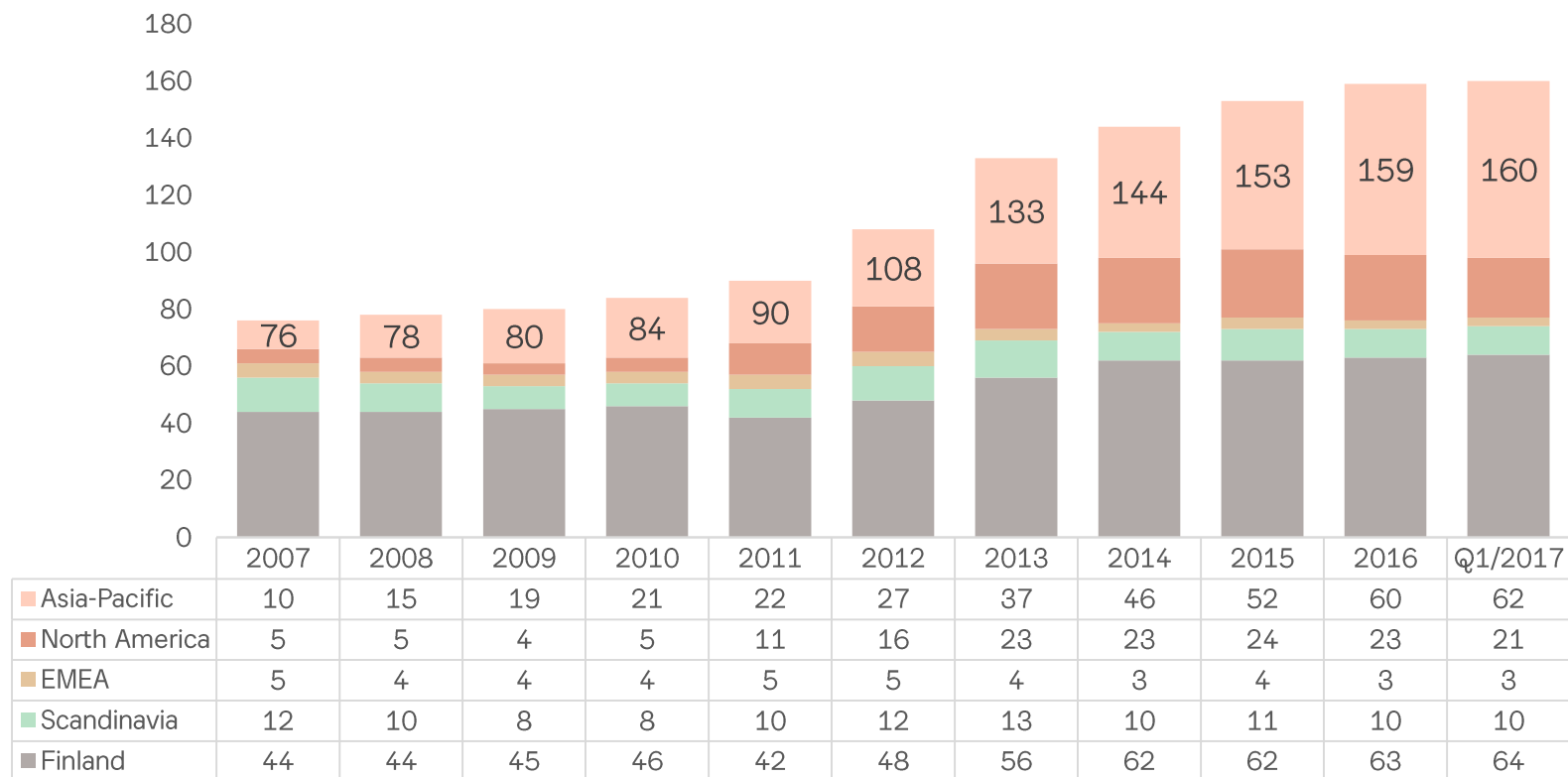


Net sales by product line
Q1/2017

- Fashion
- Home
- Bags & Accessories



160 stores* at the end of March 2017

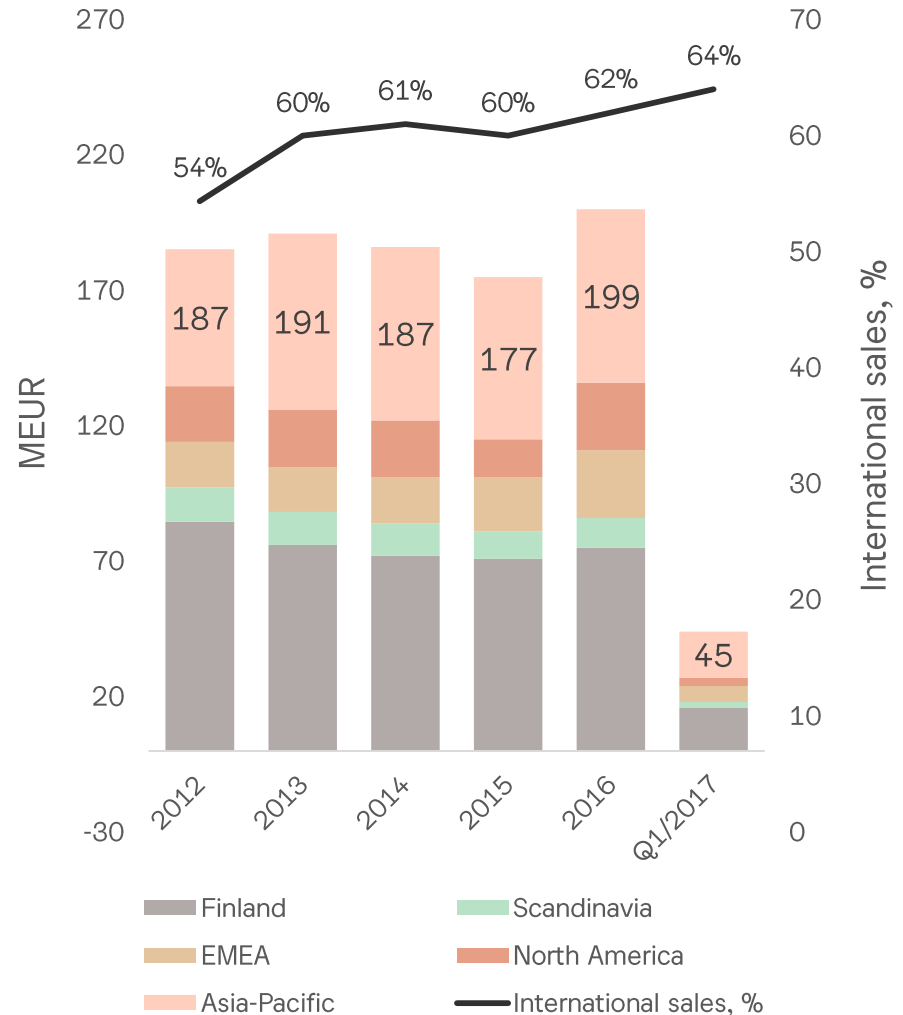
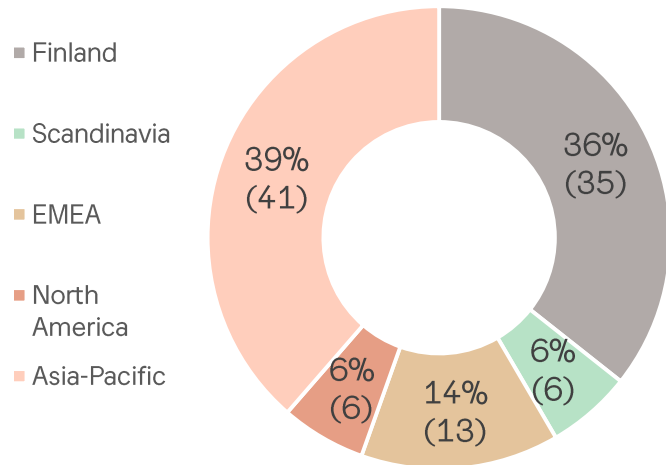


*Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 55 at the end of March 2017 (53).

Marimekko brand sales

In the first quarter, 64% of the brand sales came from abroad (65)

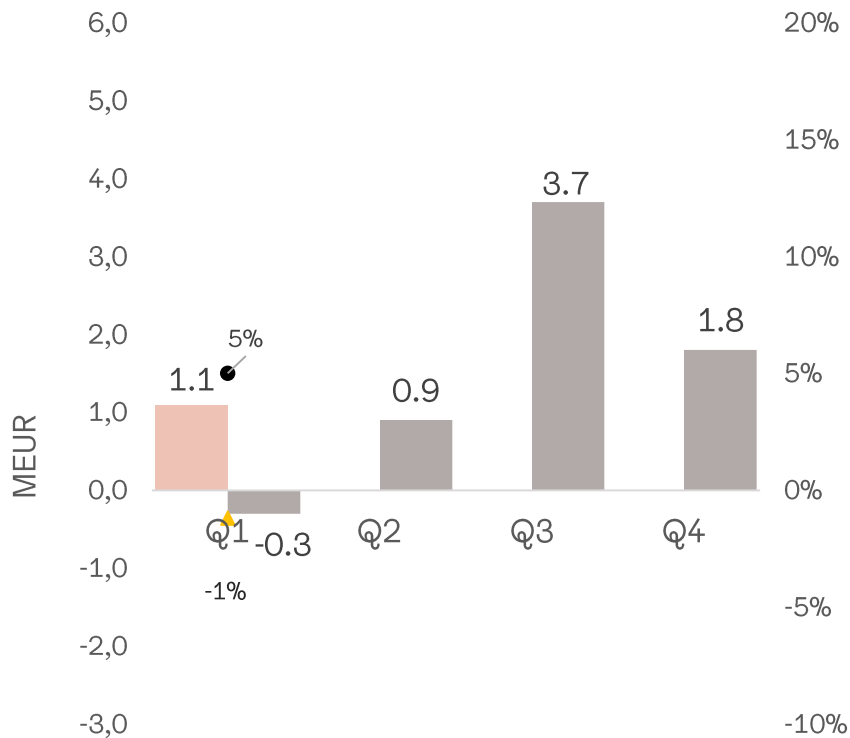
Brand sales by market area
Q1/2017



MEUR	Q1/2017	Q1/2016	Change, %
Finland	16.3	15.4	6
Scandinavia	2.5	2.4	2
EMEA	6.1	5.6	10
North America	2.6	2.5	5
Asia-Pacific	17.2	18.1	-5
TOTAL	44.7	44.1	2

The calculation method for 2017 figures has been restated for the coefficients used; to maintain comparability, the change also applies to the figures for 2016.

Operating result Q1/2017



Operating result EUR 0.9 million
(-1.1)

A restructuring provision of EUR 0.8 million
in the comparison period

Comparable operating result EUR 1.1 million
(-0.3)

- + Increase in retail sales in Finland due to the timing change of a sales campaign
- + Increase in relative sales margin
- + Reduced cost level

- 2017 Comparable operating result, EUR million
- 2016 Comparable operating result, EUR million
- 2017 Comparable operating result margin, %
- ▲ 2016 Comparable operating result margin, %

Key figures

	1-3/2017	1-3/2016	Change, %	2016
Net sales, EUR million	22.5	20.9	7	99.6
International sales, EUR million	10.7	10.8	-2	43.8
<i>% of net sales</i>	47	52		44
EBITDA, EUR million	1.7	0.0		9.4
Comparable operating result, EUR million	1.1	-0.3		6.1
<i>Comparable operating result margin, %</i>	5.0	-1.2		6.1
Result for the period, EUR million	0.6	-1.0		4.0
Earnings per share, EUR	0.07	-0.12		0.50
Cash flow from operating activities, EUR million	-1.1	-4.0		6.1
<i>Return on investment (ROI), %</i>	20.0	4.4		15.8
<i>Equity ratio, %</i>	62.5	53.4		58.5
<i>Gearing, %</i>	13.5	28.7		8.8
Gross investments, EUR million	0.3	0.2	36	2.7
Contingent liabilities, EUR million	35.3	35.1	1	32.7
Personnel at the end of the period	414	439	-6	431
outside Finland	99	113	-12	111

**Events during
the period**

Marimekko's iconic dresses

Hand-picked from the archives.

Discover more

In January, Marimekko extended its e-commerce to 16 new countries in Europe – the online store now serves customers in 29 countries



Our long-term development work continues

In February 2017, Marimekko announced the company is moving on to the next stage in its design and product development work.

Within the past couple of years, the collections have been modernised, improving combinability and introducing versatility in materials, which has resulted in increased international interest in the brand.

To seek markedly stronger growth in the future, we have set out to enhance the commercial viability of our collections, building on Marimekko's original, positive and colourful design philosophy. In the early months of the year, we have focused on delineating the frameworks of our product range strategy especially for the ready-to-wear line.



Fall/Winter 2017 ready-to-wear collection was presented at Paris Fashion Week in March

Showing at Paris Fashion Week helps us in the long-term cultivation of our international brand recognition



New store opened in Tokyo, Japan – currently there are a total of nine Marimekko stores and shop-in-shops in Tokyo

Market outlook and growth targets for 2017

Finland

- 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

- 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

Also

- Royalty income from North America is forecast to grow slightly due to a licensing agreement concluded with a North American company
- The expenses of marketing operations in 2017 are forecast to be higher than in 2016 (EUR 4.4 million), and the total investments are estimated at approximately EUR 2 million (2.7)

Growth targets for 2017

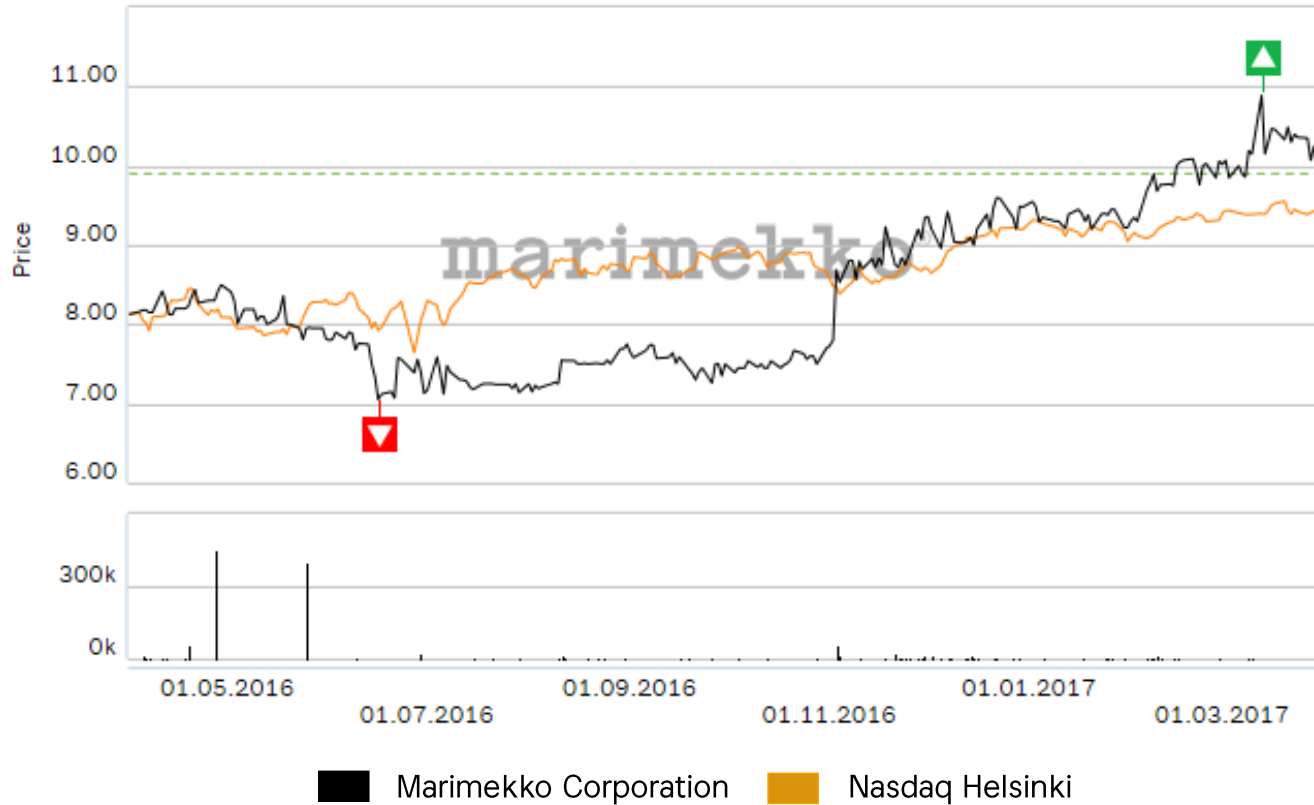
- The main thrust in expansion in 2017 will continue to be on openings of retailer-owned Marimekko stores
- The aim is to open around 10-20 new Marimekko stores and shop-in-shops, the majority of which will be shop-in-shops
- Furthermore, the company will continue the enhancement of the operations of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



Financial guidance for 2017 (unchanged)

The Marimekko Group's net sales and comparable operating profit for 2017 are forecast to be at the same level as in the previous year.

Share price previous 12 months



Appendices

Income statement

MEUR	1-3/2017	1-3/2016
NET SALES	22.5	20.9
Other operating income	0.1	0.1
Use of materials and consumables*	-7.8	-7.1
Employee benefit expenses	-6.2	-7.5
Depreciation and impairments	-0.9	-1.1
Other operating expenses	-6.8	-6.5
OPERATING RESULT	0.8	-1.1
Net financial items	-0.2	-0.1
RESULT BEFORE TAXES	-0.7	-1.2
Income taxes	-0.2	0.2
NET RESULT	0.6	-1.0

*Sum of "Increase/decrease in inventories of completed and unfinished products" and "Raw materials and consumables".

Balance sheet

MEUR	31.3.2017	31.3.2016	MEUR	31.3.2017	31.3.2016
Non-current assets	15.1	16.7	Equity	28.9	26.2
Inventories	21.7	21.5	Financial liabilities and finance lease obligations	6.4	11.9
Other current assets	6.8	6.5	Other non-current liabilities	-	0.2
Cash and cash equivalents	2.7	4.4	Current liabilities	11.0	10.9
TOTAL ASSETS	46.3	49.1	SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	46.3	49.1

Cash flow statement

MEUR	1-3/2017	1-3/2016
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	1.7	0.0
Change in working capital	-2.7	-3.7
CASH FLOW FROM OPERATING ACTIVITIES BEFORE FINANCIAL ITEMS AND TAXES	-1.0	-3.7
Financial items and taxes	-0.2	-0.3
CASH FLOW FROM OPERATING ACTIVITIES	-1.1	-4.0
Cash flow from investing activities	-0.2	-0.4
CASH FLOW BEFORE FINANCING ACTIVITIES	-1.4	-4.4
Net change in long-term loans and payment of finance lease liabilities	-0.6	4.5
CHANGE IN CASH AND CASH EQUIVALENTS	-0.7	0.1
Cash and cash equivalents at the beginning of the period	3.5	4.2
Cash and cash equivalents at the end of the period	2.7	4.4

Largest shareholders 31 March 2017

Quoted on Nasdaq Helsinki - Consumer goods
 - 1999, I-list
 - 2002, Main-list

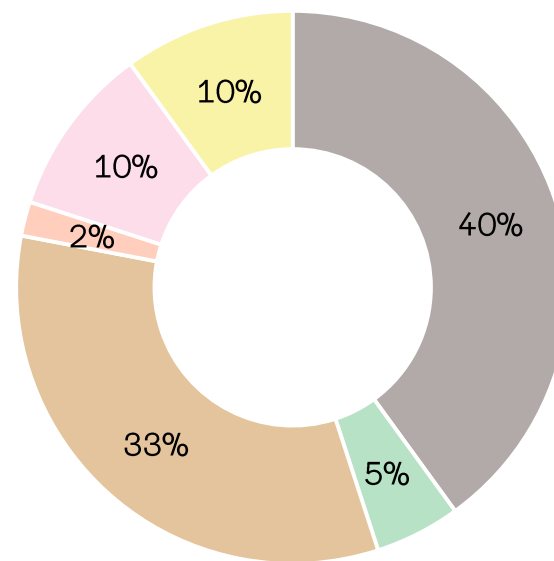
Market-cap ~ EUR 83 million

7,269 shareholders

Ownership by sector,
 31 March 2017

- Households
- Financial and insurance corporations
- Non-financial corporations and housing corporations
- Non-profit institutions
- General government
- Nominee-registered and non-Finnish holders

Largest shareholders, 31 March 2017	Nr. of shares and votes	%
Muotitila Oy	1,297,700	16.04
Moomin Characters Oy Ltd	585,000	7.23
Ehnrooth Anna Sophia	400,377	4.95
Varma Mutual Pension Insurance Company	385,920	4.77
Oy Etra Invest Ab	236,823	2.93
Odin Finland	231,601	2.86
Veritas Pension Insurance Company Ltd.	219,217	2.71
Ilmarinen Mutual Pension Insurance Company	215,419	2.66
Aktia Europe Small Cap Equity Fund	168,900	2.09
Taaleri Micro Markka Equity Fund	100,000	1.24





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