



marimekko

Interim Report

1-9/2023

Marimekko Corporation, Interim Report, 8 November 2023 at 8.00 a.m.

Marimekko's net sales grew and operating profit improved in the third quarter

The third quarter in brief

- Marimekko's net sales increased by 9 percent and totaled EUR 47.9 million (44.1). The increase in net sales was driven particularly by growth in wholesale sales both internationally and in Finland.
- Net sales in Finland grew in total by 6 percent as non-recurring promotional deliveries increased domestic wholesale sales and retail sales amounted almost to the record-high level of the comparison period. International sales grew by 13 percent.
- Operating profit was EUR 12.9 million (11.1) and comparable operating profit totaled EUR 13.1 million (11.1) equaling to 27.4 percent of net sales (25.2).
- Operating profit was boosted especially by increased net sales but also by the improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on operating profit.

January-September in brief

- Company's net sales grew by 5 percent and amounted to EUR 123.5 million (118.1). Net sales were boosted in particular by increased international wholesale sales.
- International sales grew by 10 percent. Net sales in Finland were on par with the comparison period.
- Operating profit was EUR 23.3 million (23.4) and comparable operating profit totaled EUR 23.7 million (23.4) equaling to 19.2 percent of net sales (19.8).
- Operating profit was boosted by increased net sales. On the other hand, higher fixed costs and lower relative sales margin had a weakening impact on operating profit.

Financial guidance for 2023

The Marimekko Group's net sales for 2023 are expected to grow from the previous year (2022: EUR 166.5 million). Comparable operating profit margin is estimated to be approximately some 16–19 percent (2022: 18.2 percent). Development of consumer confidence and purchasing power, global supply chain disruptions and the general inflation development, in particular, cause volatility to the outlook for 2023.

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 this Interim Report.

KEY FIGURES

(EUR million)	7-9/ 2023	7-9/ 2022	Change, %	1-9/ 2023	1-9/ 2022	Change, %	1-12/ 2022
Net sales	47.9	44.1	9	123.5	118.1	5	166.5
International sales	19.7	17.4	13	55.1	49.9	10	68.3
% of net sales	41	39		45	42		41
EBITDA	15.2	13.5	13	30.2	30.7	-2	39.9
Comparable EBITDA	15.4	13.5	15	30.6	30.7	0	40.0
Operating profit	12.9	11.1	16	23.3	23.4	0	30.2
Operating profit margin, %	27.0	25.2		18.9	19.8		18.2
Comparable operating profit	13.1	11.1	18	23.7	23.4	1	30.4
Comparable operating profit margin, %	27.4	25.2		19.2	19.8		18.2
Result for the period	10.3	8.9	17	17.5	18.7	-6	22.7
Earnings per share, EUR	0.25	0.22	17	0.43	0.46	-6	0.56
Comparable earnings per share, EUR	0.26	0.22	19	0.44	0.46	-4	0.56
Cash flow from operating activities	5.4	7.0	-23	8.4	8.4	0	20.1
Return on capital employed (ROCE), %				32.0	35.6		31.5
Equity ratio, %				53.2	48.3		49.2
Net debt / EBITDA (rolling 12 months)				0.34	0.25		0.03
Gross investments	0.5	0.5	-13	1.2	0.8	46	1.0
Personnel at the end of the period				451	432	4	459
outside Finland				76	63	21	76
Brand sales ¹	92.4	108.5	-15	280.8	298.6	-6	382.3
outside Finland	54.7	72.5	-25	191.5	206.5	-7	251.9
proportion of international sales, %	59	67		68	69		66
Number of stores				166	151	10	154

The change percentages in the table were calculated on exact figures before the amounts were rounded to millions of euros. The figure for comparable earnings per share takes account of similar items as comparable operating profit; tax effect included. Reconciliation of alternative key figures to IFRS and management's discretion regarding items affecting comparability are presented in the table section of this Interim Report.

¹ Brand sales are given as an alternative non-IFRS key figure, representing 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.

TIINA ALAHUHTA-KASKO

President and CEO

“Our good development continued in the third quarter. Our net sales grew both in Finland and internationally, and our operating profit improved. Nine Marimekko stores were opened in Asia. We are continuing the determined scaling up of our profitable growth.



Marimekko’s net sales for the third quarter increased by nine percent and amounted to EUR 47.9 million (44.1). The increase in net sales was driven particularly by growth in wholesale sales in all market areas. Global wholesale sales grew by 17 percent in total. Our omnichannel retail sales were on a par with the good level achieved in the comparison period. International net sales grew by 13 percent in July–September. In Finland, net sales increased by six percent as non-recurring promotional deliveries increased domestic wholesale sales.

In July–September, our comparable operating profit improved by 18 percent and reached EUR 13.1 million (11.1), representing 27.4 percent of net sales (25.2). Operating profit was boosted especially by the increased net sales, but also by the improved relative sales margin. We continued to make determined investments in growth in line with our strategy, which meant that our fixed costs increased as planned.

In January–September, our net sales grew by five percent and totaled EUR 123.5 million (118.1). Our comparable operating profit for the nine months was EUR 23.7 million (23.4), equaling 19.2 percent of net sales (19.8).

During the current strategy period of 2023–2027, Marimekko is focusing on scaling up its business and growth especially in the international markets. We approach our key markets through key cities. Our aim is to build an omnichannel ecosystem and a strong local Marimekko community in the key cities, which will enable us to reach consumers in their preferred channels and at important moments. In the third quarter, we strengthened our position particularly in Asia and Scandinavia.

In August, at Copenhagen Fashion Week, we presented our Spring/Summer 2024 collection, which celebrates the 60th anniversary of our most iconic and globally recognized print design, Unikko, designed by Maija Isola. The open-for-all outdoor fashion show in the inner courtyard of Designmuseum Danmark delighted a large group of friends of Marimekko, media representatives and industry professionals. In September, we opened our redesigned Stockholm flagship store, which represents our newest, dynamic store concept. After the review period, in October, we celebrated the opening of our Copenhagen flagship store. The Stockholm and Copenhagen stores are strategic investments that play an important role in building Marimekko’s brand awareness and positioning, as well as increasing omnichannel sales in Scandinavia.

The most important geographical area for our international growth during the strategy period is Asia. Growing markets, strong brand fit and the proven track record with the loose franchise partnership model create a good foundation for accelerating Marimekko's omnichannel growth in Asia, where six Marimekko stores were already opened in the first half of the year. In the third quarter, nine new partner-owned Marimekko stores were opened in various locations in Asia. Three of the stores are located in Singapore and Vietnam, which are new markets for Marimekko. In addition, the first Marimekko store in Malaysia was opened after the review period. Singapore is an important global metropolis in South East Asia, and the brand's presence there has a wider impact in Asia. Vietnam and Malaysia, in turn, are rapidly growing markets, and we believe that this is the right time to enter these markets offering interesting growth opportunities.

The positive development of our business has continued in spite of the weaker general market situation. Combined with our strong financial position, it enables us to make investments that strengthen our competitiveness and support our long-term growth. We believe that the brand's desirability, strong commercial expertise and agility are ingredients for success even in the weakened general consumer demand climate. We are excited to continue building Marimekko's future together with the constantly expanding Marimekko community, growing group of shareholders, our personnel and partners."

Operating environment

The following outlook information is based on materials published by the Confederation of Finnish Industries EK and Statistics Finland.

The growth estimates for the world economy in 2023 have remained mostly unchanged, but the uncertainties surrounding world politics are strongly reflected in the operations of companies. The development of inflation remains central to the global economy. The uncertainties created by the geopolitical situations in, for example, energy markets, can cause reacceleration of inflation and thus delay the decrease of interest rates. The world economy in 2023 is estimated to grow at a rate of about 3.0 percent, but growth in the Euro area is now expected to be only 0.7 percent.

The economic outlook for Finland has weakened further and the estimates regarding the current situation are now on a par with the situation during the coronavirus pandemic. Furthermore, expectations for the future development of the economy have decreased since the summer. The confidence indicator for the retail trade improved slightly in October 2023 but was still clearly below the long-term average. Retail sales have decreased during the fall, and sales expectations for the coming months continue to be negative. Inventories have decreased slightly from the previous months' levels. Consumer confidence has weakened since the summer. Estimates concerning the current state of personal finances as well as expectations for the future of personal finances and for Finland's economy continue to be very weak. Estimates concerning inflation and expectations for its future development are unchanged and continue to be at a high level.

(Confederation of Finnish Industries EK: Business Tendency Survey, October 2023; Confidence Indicators, October 2023. Statistics Finland: Consumer Confidence, October 2023.)

The working-day-adjusted turnover of the Finnish retail trade decreased by 1.8 percent in September compared to the previous year. The volume of sales was down by 1.4 percent. The cumulative working-day-adjusted turnover of the retail trade in the January-September period rose by 2.5 percent but the volume of sales decreased by 3.2 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, September 2023.)

Net sales

Net sales in the third quarter

In the July-September period of 2023, the Group's net sales increased by 9 percent and totaled EUR 47,884 thousand (44,077). The increase in net sales was driven particularly by growth in wholesale sales both internationally and in Finland. In total, net sales in Finland increased by 6 percent. International sales grew by 13 percent.

Marimekko's omnichannel retail sales in the third quarter were on a par with the good level of the comparison period. Wholesale sales developed favorably both in Finland and in all international market areas and grew globally in total by 17 percent. Licensing income was 27 percent below the comparison period.

Net sales in Finland increased by 6 percent and were EUR 28,217 thousand (26,693). Non-recurring promotional deliveries increased domestic wholesale sales, which grew by 18 percent in the third quarter. Despite the weakened general consumer demand, Marimekko's retail sales amounted almost to the record-high level of the comparison period. There have been several changes in the store network in Finland compared to the same period in the previous year. Comparable retail sales, which excludes new or significantly renewed stores in both the review and comparison periods, decreased thus by 4 percent.

In the company's second-biggest market, the Asia-Pacific region, net sales increased by 11 percent to EUR 9,223 thousand (8,307), with especially wholesale sales in the region growing. Wholesale sales in the market area increased by 8 percent, and in Japan, the most important country to Marimekko in this region, by 1 percent. Retail sales in the Asia-Pacific region increased by 5 percent.

Net sales in the January-September period

The Group's net sales in January-September period of 2023 grew by 5 percent and amounted to EUR 123,482 thousand (118,101). Net sales were boosted in particular by increased international wholesale sales. Wholesale sales grew in the Asia-Pacific region, North America and Scandinavia. Actions to control gray exports weakened wholesale sales in the EMEA region. In total, international sales grew by 10 percent. Net sales in Finland were on a par with the comparison period. During the first nine months, Marimekko's omnichannel retail sales grew globally in total by 3 percent and wholesale sales increased by 6 percent. Licensing income decreased by 8 percent.

Net sales in Finland were EUR 68,410 thousand (68,186). Retail sales increased by 3 percent. Many changes in the Finnish store network affected the comparable retail sales, which decreased by 1 percent. In spite of a strong third quarter, the cumulative wholesale sales in Finland were 5 percent below the same period a year ago as a result of weakened general consumer demand.

Net sales in the Asia-Pacific region increased by 18 percent to EUR 26,398 thousand (22,403), as particularly wholesale sales and licensing income in the region grew. Wholesale sales in the market area increased by 15 percent, and in Japan, the most important country to Marimekko in this region, by 6 percent. In the comparison period, wholesale sales in the region were boosted by some of the wholesale deliveries in the fourth quarter of 2021 being transferred to the first quarter of 2022. Retail sales in the Asia-Pacific region increased by 6 percent.

NET SALES BY MARKET AREA

(EUR 1,000)	7-9/ 2023	7-9/ 2022	Change, %	1-9/ 2023	1-9/ 2022	Change, %	1-12/ 2022
Finland	28,217	26,693	6	68,410	68,186	0	98,237
International sales	19,667	17,384	13	55,071	49,916	10	68,278
Scandinavia	4,340	3,506	24	10,812	9,483	14	13,956
EMEA	3,585	3,714	-3	11,131	12,341	-10	16,014
North America	2,519	1,857	36	6,730	5,688	18	7,999
Asia-Pacific	9,223	8,307	11	26,398	22,403	18	30,309
Total	47,884	44,077	9	123,482	118,101	5	166,515

All figures in the table have been individually rounded to thousands of euros, so there may be rounding differences in the totals. A more comprehensive table with breakdown into retail sales, wholesale sales and licensing income by market area can be found in the table section of this Interim Report.

Financial result

In the July-September period of 2023, the Group's operating profit amounted to EUR 12,927 thousand (11,118). Operating profit included EUR 204 thousand (0) from items affecting comparability. Comparable operating profit was EUR 13,131 thousand (11,118). Operating profit was 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 operating profit.

Fixed costs in the third quarter of the year grew particularly due to increased employee benefit costs, resulting from higher personnel costs in the stores and earlier investments in the building blocks of international growth. Relative sales margin was supported by lower transport costs. Discounts were on a par with the same period in the previous year.

In the January-September period of 2023, the Group's operating profit totaled EUR 23,331 thousand (23,437). Operating profit included EUR 411 thousand (0) from items affecting comparability. Comparable operating profit was EUR 23,743 thousand (23,437). Operating profit was improved by increased net sales. On the other hand, higher fixed costs and lower relative sales margin decreased operating profit.

Fixed costs in the January-September period increased due to earlier recruitments made to strengthen the building blocks of international growth as well as higher personnel costs in the stores. Relative sales margin was weakened by higher discounts than in the comparison period and lower licensing income. On the other hand, lower transport costs supported relative sales margin.

Marketing expenses for the review period were EUR 5,853 thousand (5,935), or 5 percent of the Group's net sales (5).

The Group's depreciation amounted to EUR 6,842 thousand (7,285), representing 6 percent of net sales (6).

In the January-September period of 2023, operating profit margin was 18.9 percent (19.8) and comparable operating profit margin was 19.2 percent (19.8). In the third quarter of the year, operating profit margin was 27.0 percent (25.2) and comparable operating profit margin was 27.4 percent (25.2).

Net financial items in the review period were EUR -1,415 thousand (329), or 1 percent of net sales (0). Financial items include exchange rate differences amounting to EUR -522 thousand (1,027), of which EUR -422 thousand (1,049) were unrealized. The impact of lease liabilities on interest expenses was EUR -749 thousand (-488).

The Group's result before taxes for the January-September period of 2023 was EUR 21,917 thousand (23,766). Net result for the period was EUR 17,512 thousand (18,680) and earnings per share were EUR 0.43 (0.46).

Balance sheet

The consolidated balance sheet total as at 30 September 2023 was EUR 113,524 thousand (108,516). Equity was EUR 59,506 thousand (51,640), or EUR 1.47 per share (1.27).

Non-current assets at the end of the review period stood at EUR 36,065 thousand (36,973). Lease liabilities amounted to EUR 31,598 thousand (32,354), and financial liabilities were

EUR 993 thousand (2,072). In addition, the Group had unused committed credit lines of EUR 31,593 thousand (14,812).

At the end of the review period, net working capital was EUR 36,928 thousand (24,942). Inventories were EUR 34,015 thousand (34,199).

Cash flow and financing

In the July-September period of 2023, cash flow from operating activities was EUR 5,448 thousand (7,034), or EUR 0.13 per share (0.17). Cash flow before cash flow from financing activities was EUR 4,978 thousand (6,491). Cash flow before cash flow from financing activities was weakened by the increase in current non-interest-bearing trade receivables. Marimekko uses efficient internal credit controls, letters of credit as well as customer credit insurances in order to secure its receivables.

In the January-September period of 2023, cash flow from operating activities was EUR 8,393 thousand (8,402), or EUR 0.21 per share (0.21). Cash flow before cash flow from financing activities was EUR 7,220 thousand (7,592). Cash flow before cash flow from financing activities in the review period was weakened by the increase in current non-interest-bearing trade receivables.

The Group's cash and cash equivalents at the end of the review period amounted to EUR 19,104 thousand (24,151). Dividends paid in the review period totaled EUR 13,794 thousand (37,372). Return on capital employed (ROCE) was 32.0 percent (35.6). The amount of interest-bearing credit facilities drawn down was EUR 992 thousand (2,072). In addition, the Group had unused committed credit lines of EUR 31,593 thousand (14,812), as in January 2023, with the continued general economic uncertainties, Marimekko took additional short-term revolving credit facilities, which include covenants, totaling EUR 16,000 thousand.

The Group's equity ratio at the end of the period was 53.2 percent (48.3). Gearing was 22.7 percent (19.9). The ratio of net debt to 12-month rolling EBITDA was 0.34 (0.25), i.e. well below the company's long-term goal, with the goal being a maximum of 2.

Investments

The Group's gross investments in the January-September period of 2023 were EUR 1,181 thousand (810), or 1 percent of net sales (1). The investments were mainly devoted to building store premises. New lease agreements included in balance sheet (IFRS 16) are not included in gross investments in the review or comparison period.

Store network

Omnichannel retail sales, operated by the company itself or its partners, represents the core of Marimekko's distribution strategy. It is complemented with select, and increasingly online, retailers to gain scale and access to new customers. Even in the digitalized business, physical stores play an important role not only as a distribution channel but also as the hearts of brand culture, supporting, in addition, sales online and in other channels.

Good store locations that cater to its target audience are essential for Marimekko. The operations and efficiency of the store network are continuously assessed and developed. During the third quarter of 2023, a total of nine new Marimekko stores were opened in various locations in Asia. The cities of Takatsuki, Hong Kong, Taoyuan, Chiangmai and Seoul all

welcomed the opening of a new Marimekko stores. In Nagashima, a pop-up store that was opened earlier this year was made permanent. In addition to these six stores, Marimekko also entered two new markets: a Marimekko store was opened in Singapore during the third quarter and one store was opened in Hanoi and another in Ho Chi Minh in Vietnam. In Espoo, a Marimekko store was reopened as an outlet store. The flagship store in Stockholm was fully refurbished. In addition to new Marimekko stores in the third quarter, one pop-up store was opened in Espoo, one in Busan and one in Gimbo. At the end of September, there were a total of 166 Marimekko stores and shop-in-shops worldwide. The stores' net sales in each market are primarily generated from sales to local customers, although sales to tourists make up a significant portion of the sales at certain central stores, especially during the holiday seasons.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales continued to grow in the third quarter. The company's own and partner-operated Marimekko webstores reach customers in as many as 35 countries. In addition, Marimekko also has distribution through other online channels.

Digital service solutions are constantly increasing the integration of e-commerce and in-store retailing. For this reason, Marimekko reports its own e-commerce net sales as part of retail sales and sales through other online channels as part of wholesale sales.

In order to accelerate its long-term international growth, Marimekko continues to invest in its digital and omnichannel business. The importance of online sales in the company's business will grow further, and the shift to digital sales channels among customers will influence Marimekko's distribution channel choices in the future.

STORES AND SHOP-IN-SHOPS

	30.9.2023	30.9.2022	31.12.2022
Finland	66	65	65
Scandinavia	7	8	8
EMEA	1	1	1
North America	3	2	3
Asia-Pacific	89	75	77
Total	166	151	154

A more comprehensive table with breakdown into the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops can be found in the table section of this Interim Report.

Personnel

In the January-September period of 2023, the number of employees, expressed as full-time equivalents, averaged 460 (427). At the end of the period, the Group had 451 (432) employees, of whom 76 (63) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 34 (22), the EMEA region 0 (1), North America 15 (12) and the Asia-Pacific region 27 (28). The personnel at company-owned stores, expressed as full-time equivalents, totaled 196 (186) at the end of the period.

Shares and shareholders

Share capital and number of shares

At the end of the period under review, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 8,040,000 and the number of shares totaled 40,649,170.

Shareholdings

According to the book-entry register, Marimekko had 39,136 shareholders (33,953) at the end of September 2023. Of the shares, 13.12 percent (16.74) were owned by nominee-registered or non-Finnish holders.

On 30 September 2023, Marimekko held 77,790 of its own shares, corresponding to approximately 0.19 percent of the total number of the company's shares. Marimekko shares held by the company carry no voting rights and no entitlement to dividends.

Monthly updated information on the largest shareholders can be found on the company's website at company.marimekko.com under Investors/Share information/Shareholders.

Share trading and the company's market capitalization

In the January-September period of 2023, a total of 7,706,431 Marimekko shares (7,066,271) were traded on Nasdaq Helsinki, representing 18.96 percent (17.38) of the shares outstanding. Share trading data takes into account the new shares issued without payment following the decision of the AGM on 12 April 2022. The total value of the share turnover in the period under review was EUR 72,726,378 (140,829,917). The lowest price of the share was EUR 8.56 (8.38), the highest was EUR 11.34 (17.60) and the average price was EUR 9.44 (13.02). At the end of September, the closing price of the share was EUR 10.51 (8.70).

The company's market capitalization on 30 September 2023 was EUR 426,405,204, excluding the Marimekko shares held by the company (353,406,006).

Authorizations

The Annual General Meeting on 13 April 2023 authorized the Board of Directors to decide on the acquisition of a maximum of 200,000 of the company's own shares in one or more instalments. The maximum number of shares represents approximately 0.5 percent of the total number of the company's shares. The shares would be acquired with funds from the company's non-restricted equity, which means that the acquisition would reduce funds available for distribution. The shares would be acquired otherwise than in proportion to the shareholdings of the shareholders through public trading on Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition and in accordance with the rules and regulations of Nasdaq Helsinki Ltd. The shares would be acquired to be used as a part of the company's incentive system, to be transferred for other purposes or to be cancelled. The Board of Directors is authorized to decide on all of the other terms and conditions of the acquisition of the shares. The authorization was not used during the period under review. The authorization is valid until 13 October 2024.

Furthermore, the AGM on 13 April 2023 authorized the Board of Directors to decide on the issuance of new shares and the transfer of the company's own shares in one or more instalments. The total number of shares to be issued or transferred pursuant to the authorization may not exceed 250,000 new or the company's own shares. The number of shares represents approximately 0.6 percent of the total number of the company's shares.

Pursuant to the authorization, the Board may decide on a directed share issue in deviation from the shareholders' pre-emptive rights for a weighty financial reason, such as the company's incentive system, personnel share issue, developing the company's capital structure, using the shares as consideration in possible company acquisitions or carrying out other business transactions. The share issue may be subject to a charge or free. A directed share issue can be free of charge only if there is a particularly weighty financial reason for the company and taking into account the interests of all of the company's shareholders. The subscription price of the new shares and the amount paid for the company's own shares would be recorded in the company's reserve for invested non-restricted equity. The Board of Directors is authorized to decide on all of the other terms and conditions of the share issue. The authorization was not used during the period under review. The authorization is valid until 13 October 2024.

At the end of the review period, the Board of Directors had no valid authorizations to issue convertible bonds or bonds with warrants.

Major risks and factors of uncertainty

Marimekko's business exposes the company to various risks. The risks and uncertainties presented below have the potential to substantially weaken Marimekko's business conditions, sales, financial performance and position. Marimekko's risk management practices are described in the Corporate Governance Statement.

The economic and political operating environment

The uncertainties related to the general development of the global economy, such as the risk of an economic recession, and geopolitical tensions influence consumer confidence, purchasing power and behavior in all of Marimekko's market areas. Declining consumer confidence and purchasing power may have a significant unfavorable impact on Marimekko's sales and profitability. This risk is emphasized in Finland and Japan, which are the company's biggest single countries for business.

Geopolitical tensions can also affect Marimekko's production and logistics chains and operating possibilities in certain countries. Geopolitical tensions may lead to military action, trade disputes, economic sanctions as well as export and import restrictions that can affect the reliability and efficiency of the company's value chain. Russia's war against Ukraine has not directly affected Marimekko's business, but the war continues to cause disruptions in global supply chains and contributes to the development of the global economy and the purchasing power and behavior of consumers.

Sudden market movements, development of inflation, changes in the price development of production factors, in exchange rates (particularly the US dollar) and in the company's taxation, as well as rising interest rates may affect Marimekko's financial position.

The coronavirus pandemic was the worst crisis experienced by the global fashion industry and specialty retail sector in decades, and its economic and societal consequences may continue to slow the recovery of the global economy and affect the demand for Marimekko's products, employee health as well as the reliability and efficiency of the company's value chain. Possible new pandemic or epidemic situations and related restrictions may have a negative impact on Marimekko's sales, profitability and cash flow as well as the reliability and efficiency of the company's production and logistics chain.

Marimekko is also exposed to labor market disputes. Strikes and other labor market disturbances may have a negative impact on the company's business.

Marimekko continuously monitors the development of the economic and political operating environment, takes various scenarios into account in the management of the company's business, and adapts its operations as necessary.

The retail environment, customers and partners

The company's growth in the longer term is based primarily on omnichannel retail: on increasing e-commerce, on partner-led retail in Asia, as well as on enhancing the sales per square meter of existing stores in the company's main market areas. In addition, the company expands its distribution through physical and digital wholesale channels appropriate for the Marimekko brand. The Asia-Pacific region is Marimekko's second-biggest market, and especially Asia plays an important role in the company's international growth.

The importance of omnichannel business in the retail trade has been emphasized over the past few years. International e-commerce has increased the options available to consumers and the significance of big e-commerce operators. The coronavirus pandemic also accelerated the digitization of retail and intensified the financial difficulties of some traditional wholesale customers in the fashion sector, such as department stores and multi-brand retailers. Structural changes in the retail environment may have an impact on Marimekko's distribution channel decisions, the prioritization of different distribution channels, sales and profitability. The structural changes can also lead to the creation of new revenue models. Risks related to the sales structure may have an impact on the company's financial position. Maintaining competitiveness in a rapidly changing operating environment being revolutionized by digitization demands agility, efficiency, flexibility and constant re-evaluation of operations from the company.

Major partnership choices, partnering contracts and other collaboration agreements involve considerable risks. Store lease agreements in Finland and abroad also contain risks. With the company's internationalization and the growing interest in its brand, risks related to gray exports may increase, which may have an impact on the company's sales and profitability. In addition, risks related to changes in the company's cost structure as well as the liquidity of customers and partners may have an impact on the company's financial position.

Other significant risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Increased inflation creates pressure to raise prices while the uncertainties in the global economy and the operating environment negatively affect consumers' purchasing power and behavior. The company's ability to design, develop and commercialize new products that meet consumers' expectations while ensuring effective, quickly reacting and sustainable production, sourcing and logistics has an impact on the company's sales and profitability.

Supply chain

The risks related to Marimekko's supply chain are associated especially with production, procurement and logistics processes and their reliability, flexibility and efficiency, price fluctuations of raw materials and other production factors as well as the availability and price of logistics. Russia's war against Ukraine and possible epidemic or pandemic situations, among other things, may cause even significant disruptions in production and logistics chains, which may have a negative impact on the company's sales, profitability and cash flow. It is of utmost importance to safeguard the operational reliability of the company's own printing factory in all circumstances. The availability of biogas, among other, is critical to the operations of the company's own printing factory.

Higher costs of raw materials, energy and other production factors may affect Marimekko's sales and profitability. Early commitment to product orders from supplier partners, which is typical of the industry, means that changes in costs affect the company with a delay. These early commitments have been further emphasized by the exceptional situations, undermining the company's ability to optimize product orders and respond to rapid changes in demand and consumer behavior, which also increases risks related to inventory management.

In addition to supply chain disruptions and even earlier commitment to product orders, risks related to inventory and product flow management increase as product distribution is expanded and operations are diversified, which may have a weakening impact on the company's cash flow as well as on relative profitability. Substantial non-recurring wholesale promotions can increase risks related to procurement, transport and inventory management, especially in exceptional circumstances. Any delays or disturbances in supply, or fluctuations in the quality of products, may have a harmful impact on business including also on substantial non-recurring wholesale promotions. The risk of supply chain disruptions is also increased by cyber threats, possible epidemic- or pandemic-related shutdowns, geopolitical tensions and other uncertainties related to the global economy. Marimekko works actively to ensure functioning production and logistics chains, to mitigate the negative impacts of generally increased costs, and to enhance inventory management.

Sustainability

Enhancing sustainability is increasingly important for competitiveness in Marimekko's industry, which can have an impact on the company's sales and profitability, as versatile investments are required for the enhancement. Risks and opportunities with regard to Marimekko's sustainability work and targets include, for example, changes in consumer behavior and in the company's product portfolio weightings, continuously evolving best practices in the industry as well as increasing regulation that may affect, for example, the company's products and value chain. The company's ability to anticipate changes, react to them and develop more sustainable products and ways of working plays a key role in the company's competitiveness. Compliance with responsible business practices and legislation is also important in maintaining the trust of customers and other stakeholders; any failures or errors in this area will involve reputation, financial liability and business risks.

Marimekko primarily uses supplier partners to manufacture its products. Global supply chains in the fashion and design business are complex, which makes it challenging for companies to ensure the sustainability of the entire value chain despite active sustainability work. Of the sustainability elements of manufacturing, especially social aspects related to the supply chain (e.g. human rights, working conditions and remuneration) and environmental aspects (e.g. production methods and raw materials and chemicals used) as well as transparent communications on these issues in compliance with continuously increasing legislation are of growing significance to customers. These sustainability topics apply to Marimekko's sourcing and the company's own production as well as to licensed products.

The environment and climate change

Climate change increases the likelihood of extreme weather phenomena and natural disasters, such as floods, forest and bush fires and storms. Extreme weather phenomena and natural disasters pose a risk to the operational reliability and efficiency of Marimekko's value chain. Climate change-related heatwaves, drought, water shortages, soil depletion and other changes may, in turn, affect the availability and price of the raw materials used in Marimekko's products, such as cotton. Extreme weather phenomena and natural disasters may also affect the availability of products if they cause damage to the company's partner suppliers' factories or hamper the logistics chains. In addition, Marimekko has stores and offices in areas where

extreme weather phenomena or natural disasters may occur, and if they damage stores or offices or cause momentary changes in consumer behavior, it may result in lost sales as well as expenses.

Risks related to climate change are managed by, for example, increasing the share of materials with lower emission intensity and water consumption in Marimekko's collections, exploring new more sustainable material and production method innovations, as well as diversifying the company's operations in general.

Compliance

Compliance with applicable legislation, regulations and responsible business practices, as well as product safety and quality, are essential for Marimekko. Potential allegations, failures or mistakes can lead to, for example, reputation and business risks for the company, fines, claims for damages, or criminal charges. Internationalization increases the regulations applicable to the company's operations and elevates the risk of potential allegations, failures and mistakes. Risks are prevented by focusing on sustainability and compliance work as well as by ensuring product safety and continuous quality control.

Intellectual property rights

Intellectual property rights play a vital role in the company's success, and the company's ability to manage and protect these rights may have an impact on the company's business, value and reputation. Agreements with freelance designers and fees paid to designers based on these agreements are also an essential part of the management of intellectual property rights. As the company grows and internationalizes, the risks related to intellectual property rights, in particular to its most renowned prints, may increase.

Information security risks

There are risks associated with information system reliability, dependability and compatibility. With digitization, internationalization and Russia's war, cybercrime and cyber-attacks as well as various other risks related to cybersecurity and personal data protection have also increased. DoS attacks, malfunctions in data communications or for example, in the company's own online store, may disrupt business or result in lost sales. Personal data breaches can lead to claims for damages, fines and reputation risks.

Personnel and competence

Potential new serious coronavirus infection waves or new epidemics or pandemics may increase risks related to taking care of the health and safety of employees and securing sufficient workforce in cases of sickness.

As Marimekko is a small company, risks related to securing the necessary talent for international growth as well as risks related to key personnel can be significant. Marimekko's competence development efforts include, for example, training of the management and supervisors, succession planning and performance management. These measures support a performance-oriented, diverse and inclusive culture.

Events after the end of the review period

Changes in management

After the end of the review period, Marimekko announced on 2 November 2023 that the company will merge its Digital Business unit and IT organization to form a holistic Technology unit and has appointed Mikko-Heikki Inkeroinen Marimekko's Chief Technology Officer and member of the Management Group. He will start in his position on 29 January 2024 and report to the President and CEO. Inkeroinen will resign from his position as a member of the Board of Directors of Marimekko on the same date, 29 January 2024. Kari Härkönen, Marimekko's Chief Digital Officer (CDO) and member of the Management Group, stepped down from his position as of 2 November 2023. The end of the employment was agreed by mutual consent.

Market outlook and growth targets for 2023

The uncertainties related to the general development of the global economy, such as the risk of an economic recession, general cost inflation, increasing interest rates, and the energy crisis as well as geopolitical tensions influence consumer confidence, purchasing power and behavior and, as a result, can have an impact on Marimekko's business in 2023, especially in the important domestic market of Finland. Different exceptional situations, such as Russia's war against Ukraine, 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.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. Sales in Finland are expected to grow on the previous year. The Finnish wholesale sales in 2023 will be positively affected by non-recurring promotional deliveries, the total value of which is estimated to be substantially higher than the year before. A vast majority of the deliveries will take place in the second half of the year. Sales in Finland are strongly impacted by the general economic development, particularly the development of consumer confidence and purchasing power.

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. 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 in 2023, as are total international sales. The aim is to open approximately 15 to 20 new Marimekko stores and shop-in-shops in 2023, and most of the planned openings will be in Asia.

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. In 2023, Marimekko's net sales are expected to grow. As estimated, net sales in the first quarter of the year were lower than in the comparison period following the weaker outlook for the wholesale sales in Finland as well as lower licensing income. Furthermore, net sales in the first quarter of 2022 were boosted by some of the wholesale deliveries in the Asia-Pacific region in the fourth quarter of 2021 being transferred to the first quarter of 2022. For the full year 2023, licensing income is forecasted to grow from the record level of 2022.

The general cost inflation continues to also affect Marimekko in 2023. Marimekko's early commitment to product orders from supplier partners, which is typical of the industry, means that changes in costs affect the company with a delay. These early commitments have been further emphasized by the exceptional situations, undermining the company's ability to optimize product orders and respond to rapid changes in demand and consumer behavior,

which also increases risks related to inventory management and relative profitability. The domestic non-recurring promotional deliveries also raise inventory risks. Marimekko works actively to ensure functioning production and logistics chains, to mitigate the negative impacts of generally increased costs, and to enhance inventory management.

Marimekko develops its business with a long-term view and aims to scale its growth especially in international markets during the strategy period of 2023–2027. In 2023, fixed costs are expected to be up on the previous year. Marketing expenses are expected to grow (2022: EUR 9.2 million).

Marimekko is closely monitoring the general economic situation and the development of consumer confidence and purchasing power, as well as the impacts of Russia's war against Ukraine and possible other exceptional situations, and the company will adjust its operations and plans according to the circumstances.

Financial guidance for 2023

The Marimekko Group's net sales for 2023 are expected to grow from the previous year (2022: EUR 166.5 million). Comparable operating profit margin is estimated to be approximately some 16–19 percent (2022: 18.2 percent). Development of consumer confidence and purchasing power, global supply chain disruptions and the general inflation development, in particular, cause volatility to the outlook for 2023.

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 this Interim Report.

Financial calendar for 2024

Marimekko Corporation's results for the year 2023 will be released on Thursday, 15 February 2024 at 8.00 a.m. The Financial Statements 2023 will be published in week 12, at the latest. The interim reports and the half-year financial report for 2024 will be issued as follows: January-March on Wednesday, 15 May 2024 at 8.00 a.m., January-June on Thursday, 15 August 2024 at 8.00 a.m., and January-September on Thursday, 7 November 2024 at 8.00 a.m.

The Annual General Meeting 2024 is planned to be held on Tuesday, 16 April 2024 at 2.00 p.m.

Helsinki, 7 November 2023

Marimekko Corporation
Board of Directors

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CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
NET SALES	47,884	44,077	123,482	118,101	166,515
Other operating income	20	31	76	79	108
Changes in inventories of finished goods and work in progress	-2,908	3,547	-46	8,286	7,721
Raw materials and consumables	-15,102	-20,278	-46,587	-52,585	-72,115
Employee benefit expenses	-7,716	-7,071	-24,195	-21,707	-30,846
Depreciation and impairment	-2,291	-2,348	-6,842	-7,285	-9,651
Other operating expenses	-6,961	-6,840	-22,556	-21,453	-31,497
OPERATING PROFIT	12,927	11,118	23,331	23,437	30,236
Financial income	52	622	148	1,714	1,241
Financial expenses	-100	-464	-1,563	-1,385	-2,339
	-48	157	-1,415	329	-1,097
RESULT BEFORE TAXES	12,879	11,275	21,917	23,766	29,139
Income taxes	-2,544	-2,417	-4,404	-5,086	-6,430
NET RESULT FOR THE PERIOD	10,336	8,858	17,512	18,680	22,708
Distribution of net result to equity holders of the parent company	10,336	8,858	17,512	18,680	22,708
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	0.25	0.22	0.43	0.46	0.56

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
NET RESULT FOR THE PERIOD	10,336	8,858	17,512	18,680	22,708
Items that could be reclassified to profit or loss at a future point in time					
Change in translation difference	-115	-96	26	-215	-40
COMPREHENSIVE RESULT FOR THE PERIOD	10,221	8,762	17,538	18,465	22,668
Distribution of the result to equity holders of the parent company	10,221	8,762	17,538	18,465	22,668

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.9.2023	30.9.2022	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	205	327	288
Tangible assets	34,215	35,383	34,560
Other financial assets	548	523	512
Deferred tax assets	1,096	741	748
	36,065	36,973	36,108
CURRENT ASSETS			
Inventories	34,015	34,199	33,784
Trade and other receivables	24,246	13,193	11,983
Current tax assets	95	-	-
Cash and cash equivalents	19,104	24,151	32,711
	77,460	71,543	78,479
ASSETS, TOTAL	113,524	108,516	114,587

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.9.2023	30.9.2022	31.12.2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	8,040	8,040	8,040
Reserve for invested non-restricted equity	1,228	1,228	1,228
Treasury shares	-541	-87	-541
Translation differences	-96	-296	-122
Retained earnings	50,875	42,756	46,820
Shareholders' equity, total	59,506	51,640	55,425
NON-CURRENT LIABILITIES			
Lease liabilities	25,010	24,657	25,277
	25,010	24,657	25,277
CURRENT LIABILITIES			
Trade and other payables	21,427	21,706	24,752
Current tax liabilities	-	744	416
Lease liabilities	6,588	7,698	6,547
Financial liabilities	993	2,072	2,169
	29,009	32,219	33,885
Liabilities, total	54,019	56,876	59,162
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	113,524	108,516	114,587

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-9/2023	1-9/2022	1-12/2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	17,512	18,680	22,708
Adjustments			
Depreciation and impairments	6,842	7,285	9,651
Financial income and expenses	1,415	-329	1,097
Taxes	4,404	5,086	6,430
Share-based payments	337	714	750
Cash flow before change in working capital	30,510	31,436	40,636
Change in working capital			
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-12,266	-1,363	49
Increase (-) / decrease (+) in inventories	-283	-8,141	-7,809
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-3,254	-6,196	-3,452
Cash flow from operating activities before financial items and taxes	14,707	15,735	29,424
Paid interest and payments on other financial expenses	-1,141	-854	-1,130
Interest received and payments on other financial income	99	142	166
Taxes paid	-5,272	-6,621	-8,319
CASH FLOW FROM OPERATING ACTIVITIES	8,393	8,402	20,141

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-9/2023	1-9/2022	1-12/2022
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-1,173	-810	-999
CASH FLOW FROM INVESTING ACTIVITIES	-1,173	-810	-999
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	150	876	1,049
Short-term loans repaid	-1,197	-671	-665
Acquisition of treasury shares	-	-	-454
Payments of lease liabilities	-5,469	-6,639	-8,485
Dividends paid	-13,794	-37,372	-37,372
CASH FLOW FROM FINANCING ACTIVITIES	-20,311	-43,806	-45,927
Change in cash and cash equivalents	-13,091	-36,214	-26,784
Cash and cash equivalents at the beginning of the period	32,711	59,726	59,726
Effects of exchange rate fluctuations	-516	639	-230
Cash and cash equivalents at the end of the period	19,104	24,151	32,711

In addition, Marimekko has unused committed credit lines of EUR 31,593 thousand (14,812).

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)

Equity attributable to equity holders of the parent company

	Share capital	Reserve for invested non-restricted equity	Treasury shares	Translation differences	Retained earnings	Shareholders' equity, total
Shareholders' equity, 1 Jan. 2022	8,040	1,228	-210	-81	60,856	69,833
Comprehensive result						
Net result for the period					18,680	18,680
Translation differences				-215		-215
Total comprehensive result for the period				-215	18,680	18,465
Transactions with owners						
Dividends paid					-37,372	-37,372
Share-based payments			123		591	714
Shareholders' equity, 30 Sept. 2022	8,040	1,228	-87	-296	42,756	51,640
Shareholders' equity, 1 Jan. 2023	8,040	1,228	-541	-122	46,820	55,425
Comprehensive result						
Net result for the period					17,512	17,512
Translation differences				26		26
Total comprehensive result for the period				26	17,512	17,538
Transactions with owners						
Dividends paid					-13,794	-13,794
Share-based payments					337	337
Shareholders' equity, 30 Sept. 2023	8,040	1,228	-541	-96	50,875	59,506

ACCOUNTING PRINCIPLES

This interim report was prepared in compliance with IAS 34. Marimekko has applied the same accounting principles in this report as were applied in its 2022 financial statements.

The quarterly results for 2023 are unaudited. The full-year 2022 figures are based on the audited financial statements for 2022. There may be differences in totals due to rounding to the nearest thousand euros.

Marimekko uses alternative measures (APM) and follows the related guidelines given by ESMA. Such key figures are, for example, comparable operating profit, comparable operating profit margin (%), comparable EBITDA and comparable earnings per share (EPS). The items affecting comparability are presented separately in a reconciliation of alternative key figures. The Group's management exercises its discretion when making decisions regarding the classification of the items affecting comparability. These items include, for example, restructuring costs, expenses related to ending employment contracts as well as exceptional and unexpected events. Brand sales is also presented as an alternative key figure, representing the reach of the Marimekko brand through different distribution channels.

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets	Tangible assets		
		Right-of-use assets	Other	Total
Acquisition cost, 1 Jan. 2022	10,546	62,142	29,360	91,501
Translation differences	-82	1,282	673	1,956
Increases	667	8,207	771	8,978
Decreases	-609	-	-3,018	-3,018
Transfers between categories	-628	-	-	-
Acquisition cost, 30 Sept. 2022	9,895	71,631	27,786	99,417
Accumulated depreciation, 1 Jan. 2022	10,060	32,664	25,650	58,314
Translation differences	-82	979	673	1,653
Accumulated depreciation of decreases	-609	-	-3,018	-3,018
Depreciation during the period	199	6,561	526	7,086
Accumulated depreciation, 30 Sept. 2022	9,568	40,204	23,831	64,035
Book value, 30 Sept. 2022	327	31,427	3,955	35,383
Acquisition cost, 1 Jan. 2023	9,887	72,094	26,412	98,507
Translation differences	-2	-360	-96	-457
Increases	378	5,332	1,111	6,443
Decreases	-269	-18	-1,380	-1,398
Transfers between categories	-309	-	-	-
Acquisition cost, 30 Sept. 2023	9,686	77,048	26,047	103,095
Accumulated depreciation, 1 Jan. 2023	9,600	41,479	22,467	63,946
Translation differences	-2	-270	-96	-366
Accumulated depreciation of decreases	-269	-10	-1,380	-1,390
Depreciation during the period	152	6,135	554	6,690
Accumulated depreciation, 30 Sept. 2023	9,481	47,334	21,546	68,880
Book value, 30 Sept. 2023	205	29,714	4,501	34,215

NET SALES BY MARKET AREA

(EUR 1,000)	7-9/ 2023	7-9/ 2022	Change, %	1-9/ 2023	1-9/ 2022	Change, %	1-12/ 2022
Finland	28,217	26,693	6	68,410	68,186	0	98,237
Retail sales	16,701	16,904	-1	45,003	43,564	3	64,559
Wholesale sales	11,478	9,735	18	23,297	24,488	-5	33,491
Licensing income	38	54	-30	110	134	-18	187
Scandinavia	4,340	3,506	24	10,812	9,483	14	13,956
Retail sales	997	1,012	-1	2,954	2,918	1	4,157
Wholesale sales	3,343	2,494	34	7,783	6,565	19	9,799
Licensing income	-	-		75	-		-
EMEA	3,585	3,714	-3	11,131	12,341	-10	16,014
Retail sales	618	583	6	2,030	1,700	19	2,492
Wholesale sales	2,887	2,761	5	8,417	8,843	-5	11,603
Licensing income	80	370	-78	684	1,798	-62	1,919
North America	2,519	1,857	36	6,730	5,688	18	7,999
Retail sales	1,145	936	22	2,994	3,327	-10	4,621
Wholesale sales	1,291	676	91	3,430	1,845	86	2,761
Licensing income	84	245	-66	307	516	-41	617
Asia-Pacific	9,223	8,307	11	26,398	22,403	18	30,309
Retail sales	1,510	1,444	5	4,578	4,313	6	6,619
Wholesale sales	7,393	6,817	8	20,542	17,886	15	23,455
Licensing income	320	47		1,277	205		234
International sales, total	19,667	17,384	13	55,071	49,916	10	68,278
Retail sales	4,270	3,974	7	12,557	12,258	2	17,890
Wholesale sales	14,914	12,749	17	40,172	35,139	14	47,618
Licensing income	483	661	-27	2,343	2,519	-7	2,770
Total	47,884	44,077	9	123,482	118,101	5	166,515
Retail sales	20,971	20,878	0	57,560	55,821	3	82,448
Wholesale sales	26,392	22,483	17	63,470	59,627	6	81,109
Licensing income	521	715	-27	2,452	2,653	-8	2,957

Wholesale net sales are recognized according to the geographical location of the wholesale customer.

NET SALES BY PRODUCT LINE

(EUR 1,000)	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Fashion	13,690	14,096	-3	39,709	38,250	4	50,525
Home	23,364	19,860	18	53,853	52,155	3	78,273
Bags and accessories	10,830	10,120	7	29,920	27,696	8	37,717
Total	47,884	44,077	9	123,482	118,101	5	166,515

Other information**GROUP KEY FIGURES**

	1-9/2023	1-9/2022	Muutos, %	1-12/2022
Earnings per share, EUR	0.43	0.46	-6	0.56
Equity per share, EUR	1.47	1.27	15	1.37
Return on equity (ROE), %	38.8	42.7		36.3
Return on capital employed (ROCE), %	32.0	35.6		31.5
Equity ratio, %	53.2	48.3		49.2
Gearing, %	22.7	19.9		2.2
Gross investments, EUR 1,000	1,181	810	46	999
Gross investments, % of net sales	1.0	0.7		0.6
Contingent liabilities, EUR 1,000	761	868	-12	846
Average personnel	460	427	8	434
Personnel at the end of the period	451	432	4	459
Number of shares outstanding at the end of the period	40,571,380	40,621,380		40,571,380
Average number of shares outstanding	40,571,380	40,633,850		40,623,999

RECONCILIATION OF ALTERNATIVE KEY FIGURES TO IFRS

(EUR 1,000)	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Items affecting comparability					
Employee benefit expenses	-204	-	-411	-	-146
Items affecting comparability in operating profit	-204	-	-411	-	-146
EBITDA					
Employee benefit expenses	204	-	411	-	146
Comparable EBITDA	15,422	13,466	30,585	30,722	40,033
Operating profit					
Employee benefit expenses	204	-	411	-	146
Comparable operating profit	13,131	11,118	23,743	23,437	30,382
Net sales					
Operating profit margin, %	27.0	25.2	18.9	19.8	18.2
Comparable operating profit margin, %	27.4	25.2	19.2	19.8	18.2

Items affecting comparability are exceptional transactions that are not related to the company's regular business operations. The Group's management exercises its discretion when making decisions regarding the classification of items affecting comparability.

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	7-9/2023	4-6/2023	1-3/2023	10-12/2022
Net sales	47,884	40,311	35,287	48,413
Operating profit	12,927	6,602	3,802	6,799
Earnings per share, EUR	0.25	0.12	0.06	0.10

(EUR 1,000)	7-9/2022	4-6/2022	1-3/2022	10-12/2021
Net sales	44,077	37,981	36,044	48,066
Operating profit	11,118	5,690	6,629	7,618
Earnings per share, EUR *	0.22	0.12	0.12	0.14

* Per-share key figures have been calculated and the figures for the comparable periods have been restated using the new total number of shares following the issuance of shares without payment (share split), in accordance with the decision made by the AGM on 12 April 2022.

STORES AND SHOP-IN-SHOPS

	30.9.2023	30.9.2022	31.12.2022
Finland	66	65	65
Company-owned stores	25	26	26
Company-owned outlet stores	14	12	12
Retailer-owned stores	12	12	12
Retailer-owned shop-in-shops	15	15	15
Scandinavia	7	8	8
Company-owned stores	4	5	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	1	1	1
Company-owned stores	-	-	-
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	1	1	1
North America	3	2	3
Company-owned stores	1	-	1
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	-	-	-
Asia-Pacific	89	75	77
Company-owned stores	3	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	74	60	62
Retailer-owned shop-in-shops	12	11	11
Total	166	151	154
Company-owned stores	33	35	36
Company-owned outlet stores	15	13	13
Retailer-owned stores	87	73	75
Retailer-owned shop-in-shops	31	30	30

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 48 at the end of September 2023 (48).

FORMULAS FOR KEY FIGURES

Comparable EBITDA, EUR:

Operating result - depreciation - impairments - items affecting comparability

Comparable operating result, EUR:

Operating result - items affecting comparability in operating result

Comparable operating result margin, %:

(Operating result - items affecting comparability in operating result) x 100 / Net sales

Earnings per share (EPS), EUR:

(Profit before taxes - income taxes) / Adjusted number of shares (average for the period under review)

Comparable earnings per share (EPS), EUR:

(Comparable profit before taxes - income taxes on comparable profit) / Adjusted number of shares (average for the period under review)

Equity per share, EUR:

Shareholders' equity / Number of shares, 30 September

Return on equity (ROE), %:

Rolling 12 months (Profit before taxes - income taxes) x 100 / Shareholders' equity (average)

Return on capital employed (ROCE), %:

Rolling 12 months (Profit before taxes + interest and other financial expenses) x 100 / Balance sheet total - non-interest-bearing liabilities (average)

Equity ratio, %:

Shareholders' equity x 100 / (Balance sheet total - advances received)

Gearing, %:

Interest-bearing net debt x 100 / Shareholders' equity

Net working capital, EUR:

Inventories + trade and other receivables + current tax assets - tax liabilities - current provisions - trade and other payables

Net debt / EBITDA:

Interest-bearing net debt / Comparable rolling 12-month EBITDA