



marimekko

Financial Statements Bulletin 2019

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A strong year for Marimekko: net sales grew by 12 percent and comparable operating profit improved by 40 percent

The fourth quarter in brief

- Net sales grew by 17 percent to EUR 34.7 million (Q4/2018: 29.7). Growth came primarily from retail and wholesale sales in Finland as well as increased wholesale sales and licensing income in the Asia-Pacific region. Wholesale sales growth in the Asia-Pacific relative to the comparison period was mainly due to the fact that a part of wholesale deliveries to the region took place in the first quarter of 2019 instead of the final quarter of 2018.
- Operating profit was EUR 3.0 million (1.2). Comparable operating profit improved by 87 percent and was EUR 3.0 million (1.6).
- Earnings were boosted by sales growth, whereas higher fixed costs had a weakening impact on results.

2019 in brief

- Net sales rose by 12 percent to EUR 125.4 million (2018: 111.9). Sales grew in all market areas. Retail sales in Finland, wholesale sales and licensing income in the Asia-Pacific region as well as wholesale sales in EMEA especially contributed to growth.
- Comparable operating profit rose by 40 percent to EUR 17.1 million (12.2). Operating profit was EUR 17.1 million (17.7). Operating profit for 2018 included a nonrecurring taxable capital gain of EUR 6.0 million on the sale of the company's head office.
- Operating profit was boosted by sales growth and improved relative sales margin. Higher fixed costs had a weakening impact on results.

The Board of Directors' proposal for dividends

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.90 per share be paid for 2019. A regular dividend of EUR 0.60 per share plus an additional dividend of EUR 1.25 per share were paid for 2018.

Financial guidance for 2020

The Marimekko Group's net sales for 2020 are forecasted to be higher than in the previous year. Comparable operating profit is estimated to be approximately at the same level as or higher than the year before.

KEY FIGURES

(EUR million)	10-12/ 2019	10-12/ 2018	Change, %	1-12/ 2019	1-12/ 2018	Change, %
Net sales	34.7	29.7	17	125.4	111.9	12
International sales	12.8	11.4	12	54.3	48.3	12
<i>% of net sales</i>	37	38		43	43	
EBITDA	6.2	1.8		29.7	20.2	47
Comparable EBITDA *	6.2	2.2	186	29.7	14.7	102
Operating profit	3.0	1.2	144	17.1	17.7	-3
Comparable operating profit	3.0	1.6	87	17.1	12.2	40
<i>Operating profit margin, %</i>	8.7	4.2		13.6	15.8	
<i>Comparable operating profit margin, %</i>	8.7	5.4		13.6	10.9	
Result for the period	2.1	0.9	136	13.0	13.7	-5
Earnings per share, EUR	0.26	0.11	136	1.61	1.70	-5
Comparable earnings per share, EUR	0.26	0.15	74	1.61	1.15	40
Cash flow from operating activities *	7.8	5.8	36	29.0	12.2	137
<i>Return on investment (ROI), %</i>				17.9	47.6	
<i>Equity ratio, % *</i>				40.2	70.0	
Ratio of net debt to EBITDA **	-	-		0.35	-	
Gross investments	1.3	0.2		2.6	1.3	103
Personnel at the end of the period				450	445	1
outside Finland				98	102	-4
Brand sales ¹	73.9	50.5	46	250.8	248.4	1
outside Finland	45.2	27.6	64	156.6	167.2	-6
<i>proportion of international sales, %</i>	61	55		62	67	
Number of stores				151	153	-1

The change percentages in the table were calculated on exact figures before the amounts were rounded to millions of euros. Reconciliation of key figures to IFRS can be found in the table section of this financial statements bulletin. The figure for comparable earnings per share takes account of similar items as comparable operating profit; tax effect included.

* IFRS 16 had an impact on the change in comparable EBITDA, cash flow from operating activities, and equity ratio. The figures for gross investments do not include the impact of IFRS 16.

** Due to the adoption of IFRS 16, the ratio of net debt to EBITDA at year end (one of the company's long-term financial goals) was reported for the first time at the end of the financial year 2019.

¹ Brand sales are given as an alternative non-IFRS key figure. Brand sales, consisting of estimated sales of Marimekko products at consumer prices, 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 estimate, based on Marimekko's realised wholesale sales and royalty income, is unofficial and does not include VAT. The key figure is not audited.

TIINA ALAHUHTA-KASKO
President and CEO

“Marimekko’s strong development continued in 2019. Our net sales increased in all market areas and comparable operating profit improved significantly. We are in a good position to enter the new decade and continue our efforts on the path of our long-term international growth strategy.



“In 2019, our net sales increased by 12 percent and our comparable operating profit grew by 40 percent. Another year of continued strong development shows that we are moving in the right direction and making good progress towards our long-term financial goals of annual net sales growth exceeding 10 percent and an operating profit margin of 15 percent.

“Our net sales for the full year amounted to EUR 125.4 million (111.9). Sales in Finland increased by 12 percent and retail sales in particular showed an especially good trend. In the international markets, growth was achieved particularly through wholesale sales and licensing income in the important Asia-Pacific region and wholesale sales in EMEA. International sales grew by 12 percent in total. During the past few years, we have invested in the long-term development of our digital business, and last year vigorous growth in our online sales continued. Thanks to sales growth and an improved relative sales margin, our comparable operating profit rose to EUR 17.1 million (12.2).

“In the October-December period, our net sales grew by 17 percent to EUR 34.7 million (29.7), partly driven by a successful holiday season. In our strong domestic market, sales increased by 20 percent; international sales were up by 12 percent. Boosted by sales growth, our comparable operating profit rose by 87 percent to EUR 3.0 million (1.6).

“In our strategy period extending to 2022, our goal is to achieve markedly stronger growth and profitability than before. Accomplishing this goal requires an internationally recognised and desirable brand as well as a product portfolio that appeals to an increasingly broad global customer base. As a continuation of our successful partnership in spring 2018, we launched a new limited-edition collaboration collection with the Japanese global apparel retailer Uniqlo in November. The Uniqlo x Marimekko brand collaboration again presented us with a unique opportunity to introduce a very large global audience to Marimekko and so strengthen our core business through increased international brand awareness. The results of our long-term work to modernise our collections were also evident during the year: among our product lines, the strongest growth was seen in 2019 in the categories that spearhead our communication activities, namely fashion (20 percent) and bags (17 percent). This growth was supported by interesting product launches, including the Marimekko Kioski streetwear collection and a new leather bag line.

“In 2020, we will further enhance our investments in international growth, among other things, by increasing marketing to raise our global awareness and by further strengthening our competences in international business. We have also begun planning an experimental omnichannel retail experience of the future while revamping and expanding our store network and investing in the development of digital business, which is an important driver of growth for us. As we continue our work for international growth, at the same time we naturally carefully monitor the development of exceptional circumstances such as the coronavirus and the unstable situation in Hong Kong.

“We started the new year in fully renovated premises. We believe that the new look of our head office will increase the Marimekko house’s appeal as a destination for fans of our brand. Especially,

the renovation will support our workplace culture as we build Marimekko's international success story together with our personnel.

"The year 2020 is historic for Marimekko in another regard as well: thanks to an upward trend in our market capitalisation, Marimekko was moved to the segment of mid-cap companies on the Nasdaq Helsinki stock exchange at the beginning of the current year."

OPERATING ENVIRONMENT

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

Growth in the global economy in 2020 is expected to be somewhat faster than in the previous year. However, continued consumer confidence is a prerequisite for the favourable development. Trade policy tensions persist, and there are no signs of industrial growth yet. The risk of the global economy performing worse than expected still exists.

Growth in the Finnish economy is estimated to slow down this year. Although the outlook for some sectors has improved from autumn 2019, the overall economic conditions and outlook are weak. The volume of retail sales declined slightly in late autumn 2019, and sales expectations for the next few months are subdued. Consumer confidence remained almost unchanged in January 2020: consumers' view of their current and future financial situation weakened somewhat, but confidence in the Finnish economy was slightly higher than before.

(Confederation of Finnish Industries EK: Business Tendency Survey, January 2020; Confidence Indicators, January 2020. Statistics Finland: Consumer Confidence 2020, January.)

The working-day-adjusted turnover of Finnish retail trade from January to December was up by 2.3 percent; the volume of sales rose by 2.2 percent. In December 2019, sales only grew by 0.4 percent and sales volume declined by 1.7 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, December 2019.)

NET SALES

Net sales in the fourth quarter

In the October-December period of 2019, the Group's net sales grew by 17 percent relative to the same period last year and were EUR 34,716 thousand (29,740). Retail sales rose by 16 percent and wholesale sales by 15 percent. Growth came primarily from retail and wholesale sales in Finland as well as increased wholesale sales and licensing income in the Asia-Pacific region. Net sales in Finland were up by 20 percent and international sales by 12 percent.

Net sales in Finland were EUR 21,934 thousand (18,298). Retail sales rose by 19 percent and comparable retail sales² by 21 percent. Wholesale sales grew by 21 percent. The value of nonrecurring promotional deliveries was on a par with the comparison period.

In the company's second-biggest market, the Asia-Pacific region, net sales rose by 37 percent to EUR 5,563 thousand (4,071). Wholesale sales in the region grew by 41 percent due largely to a change in the delivery pattern in the comparison period: a part of wholesale deliveries took place in the first quarter of 2019 instead of the final quarter of 2018. In Japan, the most important country to Marimekko in this market area, wholesale sales rose by 52 percent. Licensing income from the Asia-Pacific was also higher than in the comparison period. Retail sales were almost on a par with the comparison period.

Net sales in 2019

In 2019, the Group's net sales rose by 12 percent to EUR 125,419 thousand (111,879). Sales grew in all market areas. Retail sales in Finland, wholesale sales and licensing income in the Asia-Pacific region as well as wholesale sales in EMEA especially contributed to growth. Retail sales rose by 13

² Includes both bricks-and-mortar and online sales.

percent and wholesale sales by 8 percent. Net sales in Finland and international sales both increased by 12 percent.

Net sales in Finland rose to EUR 71,163 thousand (63,537). Retail sales grew by 15 percent and comparable retail sales³ by 18 percent. Wholesale sales were up by 4 percent.

In the Asia-Pacific region, net sales rose by 19 percent to EUR 24,712 thousand (20,811). Wholesale sales in the region grew by 14 percent, and licensing income was substantially higher than in the comparison year. In Japan, wholesale sales were up by 9 percent. Retail sales grew by 9 percent; this growth came mainly from Australia.

NET SALES BY MARKET AREA

(EUR 1,000)	10-12/ 2019	10-12/ 2018	Change, %	1-12/ 2019	1-12/ 2018	Change, %
Finland	21,934	18,298	20	71,163	63,537	12
Scandinavia	2,609	2,604	0	9,297	9,017	3
EMEA	2,566	2,783	-8	11,992	10,321	16
North America	2,042	1,984	3	8,257	8,193	1
Asia-Pacific	5,563	4,071	37	24,712	20,811	19
International sales, total	12,781	11,442	12	54,256	48,342	12
Total	34,716	29,740	17	125,419	111,879	12

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 royalties by market area can be found in the table section of this financial statements bulletin.

FINANCIAL RESULT

In the October-December period of 2019, the Group's operating profit was EUR 3,013 thousand (1,237). Comparable operating profit was also EUR 3,013 thousand (1,615). Earnings were boosted by growth in net sales, which came primarily from retail and wholesale sales in Finland as well as increased wholesale sales and licensing income in the Asia-Pacific region. Higher fixed costs, especially investments in marketing, had a weakening impact on results. Due to the adoption of IFRS 16, rental expenses decreased and depreciation correspondingly increased markedly.

In 2019, the Group's operating profit was EUR 17,117 thousand (17,721). Operating profit for the previous year included a nonrecurring taxable capital gain of EUR 6,027 thousand on the sale of the company's head office as well as nonrecurring expenses. Comparable operating profit was also EUR 17,117 thousand (12,199).

Operating profit was boosted by sales growth and improved relative sales margin. Growth in net sales was generated primarily by retail sales in Finland, wholesale sales and licensing income in the Asia-Pacific region as well as wholesale sales in EMEA. A favourable trend in regular-priced sales, more moderate discount promotions, and product portfolio optimisation contributed to the improvement in relative sales margin. Increased licensing income also had a positive effect on relative sales margin. Higher fixed costs, especially marketing expenses, the estimated effects of the long-term, share-based incentive scheme for management, personnel expenses and the costs of IT systems, had a weakening impact on results. Due to the adoption of IFRS 16, rental expenses decreased and depreciation correspondingly increased markedly. The net effect of IFRS 16 on operating result for 2019 was EUR +512 thousand.

³ Includes both bricks-and-mortar and online sales.

Marketing expenses for the year 2019 were EUR 7,379 thousand (6,292⁴), or 6 percent of the Group's net sales (6).

As a result of the adoption of IFRS 16, the Group's depreciation increased to EUR 12,543 thousand (2,501), representing 10 percent of net sales (2).

Operating profit margin for 2019 was 13.6 percent (15.8) and comparable operating profit margin was also 13.6 percent (10.9). In the October-December period, operating profit margin was 8.7 percent (4.2) and comparable operating profit margin 8.7 percent (5.4).

Net financial expenses were EUR 966 thousand (168), or 1 percent of net sales (0). Financial items include exchange rate differences amounting to EUR 35 thousand (-64). The adoption of IFRS 16 increased interest expenses by EUR 899 thousand.

Result for 2019 before taxes was EUR 16,151 thousand (17,552). Result after taxes was EUR 13,018 thousand (13,698) and earnings per share were EUR 1.61 (1.70).

BALANCE SHEET

The consolidated balance sheet total as at 31 December 2019 was EUR 96,884 thousand (57,114). Equity attributable to the equity holders of the parent company was EUR 38,925 thousand (40,005), or EUR 4.80 per share (4.96).

Non-current assets at the end of 2019 stood at EUR 41,555 thousand (4,910). The adoption of IFRS 16 increased assets by EUR 35,766 thousand.

At the end of the year, net working capital was EUR 9,285 thousand (12,328). Inventories were EUR 22,564 thousand (22,114).

CASH FLOW AND FINANCING

In the October-December period of 2019, cash flow from operating activities was EUR 7,828 thousand (5,769), or EUR 0.96 per share (0.72). Cash flow before cash flow from financing activities was EUR 7,637 thousand (5,477).

In 2019, cash flow from operating activities was EUR 28,992 thousand (12,225), or EUR 3.57 per share (1.51). Cash flow before cash flow from financing activities was EUR 27,423 thousand (21,671). In the cash flow statement, the adoption of IFRS 16 increased cash flow from operating activities and reduced cash flow from financing activities by EUR 10,437 thousand. The additional dividend paid in April for 2018 also had an impact on cash flow from financing activities; the regular and additional dividends paid totalled EUR 15,003 thousand (4,045).

With the adoption of IFRS 16, the Group's financial liabilities rose to EUR 36,153 thousand (IAS 17 finance lease liabilities 408).

Cash and cash equivalents at the end of 2019 amounted to EUR 26,133 thousand (23,174). The amount of interest-bearing credit facilities drawn down was EUR 251 thousand. In addition, the Group had unused committed credit lines of EUR 14,155 thousand (13,000).

At the end of the year, the Group's equity ratio was 40.2 percent (70.0). Gearing was 27.0 percent (-56.9). The ratio of net debt to EBITDA at the end of 2019 was 0.35, i.e. well below the maximum of 2 which is the company's long-term goal. Due to the adoption of IFRS 16, no comparison figure for 2018 is reported.

⁴ The classification method for marketing expenses changed in 2019; to maintain comparability, the figures for 2018 have been restated accordingly.

INVESTMENTS

The Group's gross investments in 2019 were EUR 2,594 thousand (1,280), or 2 percent of net sales (1). Most of the investments were devoted to revamping the company's headquarter premises, to store premises, and to IT systems. The investment figure does not include the impact of IFRS 16.

STORE NETWORK

Good store locations that cater for its target audience are essential for Marimekko. The operations and efficiency of the store network are continuously assessed and developed. During 2019, two new stores were opened in Finland and one store opened in Japan. One shop-in shop was opened in Finland and one in Belgium. In addition, existing stores were revamped. Pop-up stores part of the Marimekko Kioski streetwear concept attracted great interest especially in Asia. Six stores were closed, and the area of one shop-in-shop reduced below the reporting limit of 30 sqm. At the end of the year, there were 151 Marimekko stores and shop-in-shops and online store reached customers in 32 countries. In addition to its own online store, the company 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. Marimekko focuses major efforts on creating a seamless customer experience between different channels and develops its IT systems to strengthen its digital business. E-commerce is of growing importance in the company's business: in 2019, vigorous growth in online sales continued.

STORES AND SHOP-IN-SHOPS

	31.12.2019	31.12.2018
Finland	66	65
Scandinavia	10	11
EMEA	2	1
North America	6	6
Asia-Pacific	67	70
Total	151	153

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 financial statements bulletin.

PERSONNEL

In 2019, the number of employees averaged 442 (433). At the end of the year, the Group had 450 employees (445), of whom 98 (102) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 32 (38), EMEA 5 (5), North America 31 (33) and the Asia-Pacific region 30 (26). The personnel at company-owned stores totalled 257 (253) at the end of the year.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

The resolutions of Marimekko Corporation's Annual General Meeting 2019 have been reported in the stock exchange release of 17 April 2019 and in the interim report of 16 May 2019.

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement for 2019 will be issued separately from the report of the Board of Directors in week 12 at the latest. It will be available on the company's website at company.marimekko.com.

SHARES AND SHAREHOLDERS

Share capital and number of shares

At the end of 2019, 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 totalled 8,129,834.

Shareholdings

According to the book-entry register, Marimekko had 11,511 shareholders at the end of the year (8,335). Of the shares, 11.6 percent were owned by nominee-registered or non-Finnish holders (12.1).

Marimekko Corporation held 20,000 of its own shares as at 31 December 2019. These shares accounted for 0.25 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 capitalisation

In 2019, a total of 2,137,688 Marimekko shares (1,455,424) were traded on Nasdaq Helsinki, representing 26.3 percent of the shares outstanding (18.0). The total value of the share turnover was EUR 63,287,646 (23,348,024). The lowest price of the share was EUR 20.80 (9.92), the highest was EUR 39.00 (23.50) and the average price was EUR 29.61 (16.04). At the end of the year, the closing price of the share was EUR 35.80 (20.80).

The company's market capitalisation on 31 December 2019 was EUR 290,332,057, excluding the Marimekko shares held by the company (167,847,888). As a result of the upward trend in market capitalisation in 2019, Marimekko was moved to the segment of mid-cap companies on the Nasdaq Helsinki stock exchange at the beginning of 2020.

Flaggings

PowerBank Ventures Ltd's share of Marimekko Corporation's shares and voting rights fell below the threshold of 15 percent on 26 November 2019. After the transaction, the holding of PowerBank Ventures Ltd was 1,017,700 shares which equals 12.52 percent of the number and voting rights of the company's shares. PowerBank Ventures Ltd is a company controlled by Mika Ihamuotila, Chairman of the Board of Directors of Marimekko.

Authorisations

The Annual General Meeting held on 12 April 2018 authorised the Board of Directors to decide on the acquisition of a maximum of 100,000 of the company's own shares. The shares would be acquired with funds from the company's unrestricted equity 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. The shares would be acquired to be used as a part of the company's incentive compensation program, to be transferred for other purposes or to be cancelled. The authorisation included the right of the Board of Directors to decide on all of the other terms and conditions of the acquisition of the shares. In May 2018, the Board decided to make use of the authorisation granted to it, and purchases of the company's own shares were made between 1 June

and 14 August 2018. The authorisation was valid until 12 October 2019. As at 31 December 2019, Marimekko Corporation held 20,000 of its own shares, representing 0.25 percent of the total number of the company's shares.

The General Meeting of 12 April 2018 also authorised the Board of Directors to decide on a share issue, against consideration in deviation from the shareholders' pre-emptive right, directed to the company's personnel or other personnel groups designated by the Board, including the company's freelance designers. The total number of new shares to be offered for subscription pursuant to the authorisation may not exceed 150,000 shares. The authorisation included the right of the Board of Directors to decide on all of the other terms and conditions of the share issue. Pursuant to the authorisation obtained, the Board decided to arrange a directed share issue to the company's personnel and freelance designers in Finland in March 2019. The authorisation was valid until 12 October 2019.

At the end of the year, the Board of Directors had no valid authorisations to issue convertible bonds or bonds with warrants.

Personnel share issue

In its stock exchange release of 27 February 2019, Marimekko announced that the Board of Directors had decided on the detailed terms and conditions as well as schedule of the company's personnel share issue. The complete terms and conditions of the share issue are attached to the stock exchange release.

In its stock exchange release of 1 April 2019, the company announced that the Board of Directors had approved a total of 40,224 subscriptions for new shares. The total subscription price of the new shares was EUR 725,988. The shares subscribed for in the share issue represent 0.50 percent of the company's existing shares and the voting rights carried by the existing shares before the share issue.

In the share issue, a maximum total of 150,000 new shares in the company were offered for subscription. The subscription price was EUR 11.45 per share for the first fifty shares (50 percent discount from the average share price in January) and EUR 20.60 per share for the shares subscribed for after the first fifty shares (10 percent discount from the average share price in January).

Half of those entitled to subscribe took part in the share issue. Subscriptions were made by a total of 229 company employees and freelance designers out of 472 who were entitled.

The shares approved in the share issue were entered into the Trade Register on 11 April 2019 and admitted to public trading on Nasdaq Helsinki Ltd on 12 April 2019. After the registration of the new shares, the number of shares in Marimekko Corporation totals 8,129,834.

The personnel share issue has been accounted for in accordance with IFRS 2. The subscription price paid by the subscribers, totalling EUR 726 thousand, has been recorded in the reserve for invested non-restricted equity, and the discount granted by the company to the subscribers has been recorded as expense and in retained earnings. The amount recorded in employee benefit expenses and in retained earnings is EUR 195 thousand.

RESEARCH AND DEVELOPMENT

Marimekko's product planning and development costs arise from the design of collections and collaboration on new materials. Design costs are recorded in expenses.

SUSTAINABILITY

Sustainability management at Marimekko is part of everyday leadership and operational development. Among the principal themes of Marimekko's sustainability strategy from 2016 to 2020 are sustainable and timeless design, engagement of stakeholders and staff, a responsible supply chain, resource efficiency, and caring for the environment and personnel. In 2019, the company's activities

included improving the transparency of the supply chain as well as increasing the proportion of more sustainably produced cotton and other more sustainable raw materials in its products. The company is currently preparing the sustainability strategy and actions for the years from 2020 to 2025.

The company has a Code of Conduct specifying the way of working for all employees and management. Marimekko's supplier partners also have to commit themselves to compliance with the guidelines drawn up for them, which among other things include a prohibition on child labour and forced labour.

Marimekko will issue a separate statement of non-financial information simultaneously with the financial statements for 2019 in week 12 at the latest. The company reports in greater detail on its sustainability work and on issues of the environment, health and safety in a separate sustainability review issued annually. The report can be read on the company's website at company.marimekko.com under Sustainability/Sustainability review. The next review will be published in summer 2020.

MAJOR RISKS AND FACTORS OF UNCERTAINTY

Factors of uncertainty over the global economic trend affect the retail trade and consumer confidence in all of the company's market areas. The company's major strategic risks are associated with changes in consumers' preferences and purchasing behaviour as well as buying power, especially in Finland and Japan, which are the company's biggest single countries for business.

Near-term strategic risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Digitisation in retail trade and the intensified competition and rapidly changing operating environment that this entails also bring risks and new revenue generation models. The company's ability to design, develop and commercialise new products that meet consumers' expectations while ensuring effective and sustainable production, sourcing and logistics has an impact on the company's sales and profitability. International e-commerce increases the options available to consumers and multichannel business is of growing importance in the retail trade. Maintaining competitiveness in a rapidly changing operating environment being revolutionised by digitisation demands agility, efficiency and the constant re-evaluation of operations.

The company's growth is based primarily on expanding e-commerce, on partner-led retail in Asia, as well as on increasing the sales per square metre of existing stores in the company's main market areas. The Asia-Pacific region is Marimekko's second-biggest market, and it plays an important role in the company's growth and internationalisation. Changes in distribution channel solutions may impact the company's sales and profitability. Major partnership choices, partnering contracts and other collaboration agreements involve considerable risks. With the company's internationalisation and the growing interest in its brand, risks related to grey exports have increased, which may have an impact on the company's sales and profitability. Store lease agreements in Finland and abroad also contain risks.

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 value and reputation of the company. 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 internationalises, the risks of infringements of its intellectual property rights may increase, particularly in Asia.

Prominent among the company's operational risks are those related to internationalisation, supply chain sustainability and digitisation. There are risks associated with information system reliability, dependability and compatibility. With digitisation, various risks related to cybersecurity have also increased. Malfunctions in data communications or, for example, in the company's own online store, may disrupt business or result in lost sales. There are also risks associated with procurement and logistics processes and price fluctuations for raw materials and procurements. The company primarily uses subcontractors to manufacture its products. Of the sustainability elements of manufacturing, especially social aspects related to the supply chain (including human rights, working conditions and

remuneration) and environmental aspects (for example production methods and chemicals used) as well as transparent communications on these subjects are of growing significance to customers. Compliance with sustainable business methods is important in maintaining customers' confidence; any failures or errors in this area will involve reputation risks. Any delays or disturbances in supply, or fluctuations in the quality of products, may have a harmful impact on business. As product distribution is expanded and operations are diversified, risks associated with inventory management also grow. As Marimekko is a small company, ongoing modernisation and development projects increase risks related to key personnel. Exceptional circumstances, such as the coronavirus epidemic, can have an impact on the company's sales, profitability and supply chain.

Climate change is expected to bring an increase in various extreme phenomena such as floods, typhoons and hurricanes. Marimekko has stores in areas in which such extreme phenomena may occur, and if they damage stores or cause momentary changes in consumers' purchasing behaviour, it may result in lost sales as well as expenses. Extreme phenomena may also affect the availability of products if they cause damage to the company's suppliers' factories. Furthermore, climate change or extreme weather may cause droughts, soil depletion or other changes in growth conditions, which could impact the availability and price of Marimekko's most used raw material, cotton.

Among the company's financial risks, those related to the structure of sales, price trends for factors of production, changes in cost structure, changes in exchange rates (particularly the US dollar, Swedish krona and Australian dollar), taxation, and customers' liquidity may have an impact on the company's financial status.

MARKET OUTLOOK AND GROWTH TARGETS FOR 2020

Uncertainty in the global economy is forecast to continue, partly because of the unpredictability of the political situation. Consumer demand forecasts vary among Marimekko's different market areas. For example the coronavirus epidemic and the unstable situation in Hong Kong as well as other possible exceptional circumstances in the company's markets may have an impact on consumers' and partners' purchasing behaviour and thereby on the company's sales and profitability.

Finland, Marimekko's important domestic market, represents about half of the company's net sales. Sales in Finland are expected to grow on the previous year. Domestic wholesale sales in 2020 will be boosted by nonrecurring promotional deliveries, the total value of which will be substantially higher than last year. A vast majority of the deliveries will take place in the second half of the year.

The Asia-Pacific region is Marimekko's second-largest market and it plays a significant part in the company's internationalisation. 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 countries are at an earlier stage than in Japan. Japan already has a very comprehensive network of Marimekko stores. Sales growth is supported by developing the operations of existing stores, optimising the product range and increasing online sales. The impacts of the coronavirus, at the moment concerning in particular the Asia-Pacific region, are still uncertain, but the epidemic can have a negative impact on sales, profitability and the operational reliability of the global supply chain. Some 15 percent of Marimekko's products are manufactured in China. However, Marimekko currently estimates that net sales in the Asia-Pacific region will continue to grow this year. The company sees increasing demand for its products in this area especially in the longer term.

In 2019, Marimekko became aware of cases of grey exports and has taken due action. The control of the cases will have a clear weakening impact on the company's sales and earnings.

The key drivers of the company's growth are e-commerce, increasing the sales per square metre of existing stores in all markets, and partner-led retail in Asia. Nonrecurring promotional deliveries also have a significant impact on the company's growth. The aim is to open approximately 10 new Marimekko stores and shop-in-shops in 2020. The main thrust in new openings is on retailer-owned Marimekko stores.

Licensing income in 2020 is estimated to be markedly lower than in the previous year.

In 2020, Marimekko will noticeably heighten its investments from before in order to achieve even stronger growth and profitability in the long term. For this reason, fixed costs are estimated to increase significantly relative to the previous year. The company will further strengthen its international business competences, needed for growth, and personnel expenses are expected to be substantially higher than the year before. Marketing expenses are estimated to grow (2019: EUR 7.4 million), as the company will increase its investments in raising awareness to speak to a wider global audience. Total investments are also expected to be significantly higher than in the previous year (2019: 2.6 million) due to revamping and expanding the store network as well as developing digital business and IT systems in order to strengthen the company's international competitiveness. The estimated effects of the long-term bonus system targeted at the company's Management Group will depend on the trend in the price of the company's share during the year.

Because of the seasonal nature of Marimekko's business, the major portion of the company's net sales and earnings are traditionally generated during the last two quarters of the year, and this is expected to be the case in 2020 as well, to a particularly large extent especially for earnings due also to the timing of growth investments. In the final quarter of the year, holiday sales make up a significant share of net sales.

THE BOARD OF DIRECTORS' PROPOSAL FOR DIVIDENDS

On 31 December 2019, the parent company's distributable funds amounted to EUR 30,513,318.98; profit for the financial year was EUR 14,830,616.17. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.90 per share be paid for 2019.

The Board will propose 14 April 2020 as the dividend record date and 21 April 2020 as the dividend payout date. A regular dividend of EUR 0.60 per share plus an additional dividend of EUR 1.25 per share were paid for 2018. The dividends totalled EUR 15,003,192.90.

FINANCIAL CALENDAR FOR 2020

The financial statements for 2019 will be published in week 12 at the latest. The interim reports and the half-year financial report for 2020 will be issued as follows: January-March on Thursday 14 May 2020 at 8.00 a.m., January-June on Thursday 13 August 2020 at 8.00 a.m., and January-September on Wednesday 4 November 2020 at 8.00 a.m.

The Annual General Meeting will be held on Wednesday 8 April 2020 at 1.00 p.m.

Helsinki, 12 February 2020

Marimekko Corporation
Board of Directors

The quarterly results for 2019 are unaudited. The full-year 2019 figures in this financial statements bulletin are based on the audited figures of the financial statements for 2019. There may be differences in totals due to rounding to the nearest thousand euros.

ACCOUNTING PRINCIPLES

This financial statements bulletin was prepared in compliance with IAS 34. Marimekko has applied the same accounting principles in this report as were applied in its 2018 financial statements, although at the start of the financial year 2019 the company adopted the IFRS 16 standard. The Group has decided to apply a modified retrospective transition approach for leases existing at the date of transition, and information for the comparative financial year has not been restated. Thus, the adoption of the standard has had no impact on retained earnings. The Group applies exemptions allowed in the standard to exclude short-term leases and leases where the underlying asset is of low value. Marimekko is a lessee. Lease contracts include headquarter and printing facilities in Helsinki, retail stores in Finland and other countries where Marimekko operates as well as company housing and leasing cars. In general, lease contracts vary from 1 year to 15 years.

At the end of the year, the impact of IFRS 16 on the company's non-current assets was EUR 35.8 million. Correspondingly, non-current and current interest-bearing liabilities in the consolidated balance sheet include a total of EUR 36.2 million in lease liabilities. The adoption of IFRS 16 has also impacted key ratios which are based on balance sheet such as net debt as it has substantially increased both the Group's interest-bearing net debt and its non-current assets and has improved the Group's EBITDA by EUR 11.3 million.

In 2019, the company recorded EUR 10.8 million in IFRS 16 depreciation, adjusted rental expense of EUR 11.3 million in other operating expenses and EUR 0.9 million in interest expenses. Therefore, key figures such as EBITDA are not comparable with the figures for the year before. The impact on EPS is not significant. In the cash flow statement, the adoption of IFRS 16 increased cash flow from operating activities and reduced cash flow from financing activities by EUR 10.4 million.

The personnel share issue has been accounted for in accordance with IFRS 2. The subscription price paid by the subscribers, totalling EUR 0.8 million, has been recorded in the reserve for invested non-restricted equity, and the discount granted by the company to the subscribers has been recorded as expense and in retained earnings. The amount recorded in employee benefit expenses and in retained earnings is EUR 0.2 million.

APPENDICES

- Consolidated income statement and comprehensive consolidated income statement
- Consolidated balance sheet
- Consolidated cash flow statement
- Consolidated statement of changes in shareholders' equity
- Intangible and tangible assets
- Key figures
- Reconciliation of key figures to IFRS
- Net sales by market area
- Stores and shop-in-shops
- Net sales by product line
- Quarterly trend in net sales and earnings
- Formulas for key figures

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
NET SALES	34,716	29,740	125,419	111,879
Other operating income	72	203	616	6,522
Change in inventories of finished goods and work in progress	-1,038	-275	444	1,169
Raw materials and consumables	-12,602	-11,038	-45,391	-42,086
Employee benefit expenses	-7,623	-7,591	-27,780	-26,188
Depreciation and impairments	-3,170	-544	-12,543	-2,501
Other operating expenses	-7,342	-9,258	-23,647	-31,075
OPERATING PROFIT	3,013	1,237	17,117	17,721
Financial income	-35	52	462	178
Financial expenses	-280	-13	-1,429	-346
	-315	39	-966	-168
RESULT BEFORE TAXES	2,698	1,276	16,151	17,552
Income taxes	-567	-372	-3,133	-3,855
NET RESULT FOR THE PERIOD	2,131	904	13,018	13,698
Distribution of net result to equity holders of the parent company	2,131	904	13,018	13,698
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	0.26	0.11	1.61	1.70

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Net result for the period	2,131	904	13,018	13,698
Items that could be reclassified to profit or loss at a future point in time				
Change in translation difference	82	60	-17	-2
COMPREHENSIVE RESULT FOR THE PERIOD	2,213	964	13,001	13,696
Distribution of net result to equity holders of the parent company	2,213	964	13,001	13,696

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	31.12.2019	31.12.2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	593	342
Tangible assets	40,431	4,438
Other financial assets	16	16
Deferred tax assets	515	114
	41,555	4,910
CURRENT ASSETS		
Inventories	22,564	22,114
Trade and other receivables	6,632	6,916
Cash and cash equivalents	26,133	23,174
	55,329	52,204
ASSETS, TOTAL	96,884	57,114
SHAREHOLDERS' EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Share capital	8,040	8,040
Reserve for invested non-restricted equity	1,228	502
Treasury shares	-315	-315
Translation differences	-66	-49
Retained earnings	30,037	31,827
Shareholders' equity, total	38,925	40,005
NON-CURRENT LIABILITIES		
Financial liabilities	25,950	202
Other non-current liabilities	1,644	415
	27,594	617
CURRENT LIABILITIES		
Trade and other payables	17,796	15,159
Current tax liabilities	2,115	1,128
Financial liabilities	10,203	206
Other interest-bearing liabilities	251	-
	30,366	16,493
Liabilities, total	57,960	17,110
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	96,884	57,114

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/2019	1-12/2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net result for the period	13,018	13,698
Adjustments		
Depreciation and impairments	12,543	2,501
Capital gains on fixed assets	-	-6,095
Financial income and expenses	966	168
Taxes	3,133	3,855
Cash flow before change in working capital	29,661	14,127
Change in working capital	2,887	1,549
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-117	-317
Increase (-) / decrease (+) in inventories	-450	-1,194
Increase (+) / decrease (-) in current non-interest-bearing liabilities	3,454	3,059
Cash flow from operating activities before financial items and taxes	32,548	15,675
Paid interest and payments on other financial expenses	-1,408	-315
Interest received and payments on other financial income	404	191
Taxes paid	-2,552	-3,327
CASH FLOW FROM OPERATING ACTIVITIES	28,992	12,225
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-1,569	-1,073
Proceeds from sale of tangible and intangible assets	-	10,508
Sale of other investments	-	11
CASH FLOW FROM INVESTING ACTIVITIES	-1,569	9,446
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of treasury shares	-	-315
Short-term loans drawn	251	-
Personnel share issue	726	-
Leasing payments	-10,437	-
Finance lease liabilities paid	-	-349
Dividends paid	-15,003	-4,045
CASH FLOW FROM FINANCING ACTIVITIES	-24,463	-4,709
Change in cash and cash equivalents	2,960	16,962
Cash and cash equivalents at the beginning of the period	23,174	6,212
Cash and cash equivalents at the end of the period	26 133	23,174

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. 2018	8,040	502	-	-47	22,175	30,669
Comprehensive result						
Net result for the period					13,698	13,698
Translation differences				-2		-2
Total comprehensive result for the period				-2	13,698	13,696
Transactions with owners						
Dividends paid					-4,045	-4,045
Acquisition of treasury shares			-315			-315
Shareholders' equity, 31 Dec. 2018	8,040	502	-315	-49	31,827	40,005
Shareholders' equity, 1 Jan. 2019	8,040	502	-315	-49	31,827	40,005
Comprehensive result						
Net result for the period					13,018	13,018
Translation differences				-17		-17
Total comprehensive result for the period				-17	13,018	13,001
Transactions with owners						
Dividends paid					-15,003	-15,003
Personnel share issue		726				726
Share-based transactions, personnel share issue					195	195
Shareholders' equity, 31 Dec. 2019	8,040	1,228	-315	-66	30,037	38,925

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets	Right-of-use assets	Other	Tangible assets
				Total
Acquisition cost, 1 Jan. 2019	9,622	-	27,830	27,830
Adoption of IFRS 16, 1 Jan. 2019	-	41,778	-	41,778
Translation differences	-110	146	60	206
Classification adjustment	612	-	-612	-612
Increases	246	4,675	2,347	7,022
Decreases	-	-	-1,332	-1,332
Transfers between categories	83	-	-83	-83
Acquisition cost, 31 Dec. 2019	10,453	46,598	28,209	74,808
Accumulated depreciation, 1 Jan. 2019	9,280	-	23,392	23,392
Translation differences	51	8	-107	-99
Accumulated depreciation of decreases	-	-	-931	-931
Depreciation during the period	529	10,824	1,190	12,014
Accumulated depreciation, 31 Dec. 2019	9,860	10,833	23,544	34,376
Book value, 31 Dec. 2019	593	35,766	4,665	40,431
Book value, 1 Jan. 2019	342	-	4,438	4,438
Book value, 31 Dec. 2019	593	35,766	4,665	40,431

KEY FIGURES

	1-12/2019	1-12/2018	Change, %
Earnings per share, EUR	1.61	1.70	-5
Equity per share, EUR	4.80	4.96	-3
<i>Return on equity (ROE), %</i>	<i>33.0</i>	<i>38.8</i>	
<i>Return on investment (ROI), %</i>	<i>17.9</i>	<i>47.6</i>	
<i>Equity ratio, %</i>	<i>40.2</i>	<i>70.0</i>	
<i>Gearing, %</i>	<i>27.0</i>	<i>-56.9</i>	
Gross investments, EUR 1,000 *	2,594	1,280	103
<i>Gross investments, % of net sales</i>	<i>2</i>	<i>1</i>	
Contingent liabilities, EUR 1,000 **	617	48,062	-99
Average personnel	442	433	2
Personnel at the end of the period	450	445	1
Number of shares outstanding at the end of the period	8,109,834	8,069,610	
Average number of shares outstanding	8,100,246	8,080,095	

* Excluding the impact of IFRS 16

** The marked change is due to the adoption of IFRS 16.

RECONCILIATION OF KEY FIGURES TO IFRS

(EUR million)	10-12/ 2019	10-12/ 2018	1-12/ 2019	1-12/ 2018
Items affecting comparability				
Employee benefit expenses	-	-0.4	-	-0.5
Other operating income	-	-	-	6.0
Items affecting comparability in operating profit	-	-0.4	-	5.5
EBITDA	6.2	1.8	29.7	20.2
Items affecting comparability	-	-0.4	-	5.5
Comparable EBITDA	6.2	2.2	29.7 *	14.7
Operating profit	3.0	1.2	17.1	17.7
Items affecting comparability in operating profit	-	-0.4	-	5.5
Comparable operating profit	3.0	1.6	17.1 **	12.2
Net sales	34.7	29.7	125.4	111.9
<i>Operating profit margin, %</i>	<i>8.7</i>	<i>4.2</i>	<i>13.6</i>	<i>15.8</i>
<i>Comparable operating profit margin, %</i>	<i>8.7</i>	<i>5.4</i>	<i>13.6**</i>	<i>10.9</i>

* Includes the impact of IFRS 16 on rental expenses: EUR +11.3 million.

** Includes the net impact of IFRS 16 on comparable operating profit: EUR +0.5 million.

NET SALES BY MARKET AREA

(EUR 1,000)	10-12/ 2019	10-12/ 2018	Change, %	1-12/ 2019	1-12/ 2018	Change, %
Finland	21,934	18,298	20	71,163	63,537	12
Retail sales	15,495	13,011	19	51,918	45,062	15
Wholesale sales	6,369	5,248	21	19,012	18,299	4
Licensing income	70	40	75	233	176	32
Scandinavia	2,609	2,604	0	9,297	9,017	3
Retail sales	1,467	1,417	4	5,434	5,283	3
Wholesale sales	1,142	1,187	-4	3,862	3,733	3
Licensing income	-	-	-	-	-	-
EMEA	2,566	2,783	-8	11,992	10,321	16
Retail sales	472	405	16	1,568	1,493	5
Wholesale sales	1,936	2,255	-14	9,980	8,426	18
Licensing income	158	123	29	443	401	11
North America	2,042	1,984	3	8,257	8,193	1
Retail sales	1,689	1,526	11	5,798	5,222	11
Wholesale sales	312	418	-25	1,987	2,664	-25
Licensing income	41	39	4	472	307	54
Asia-Pacific	5,563	4,071	37	24,712	20,811	19
Retail sales	1,316	1,334	-1	4,378	4,024	9
Wholesale sales	3,847	2,736	41	18,733	16,384	14
Licensing income	400	-	-	1,600	403	-
International sales, total	12,781	11,442	12	54,256	48,342	12
Retail sales	4,944	4,683	6	17,178	16,023	7
Wholesale sales	7,237	6,597	10	34,562	31,207	11
Licensing income	600	162	-	2,516	1,112	126
Total	34,716	29,740	17	125,419	111,879	12
Retail sales	20,440	17,693	16	69,096	61,085	13
Wholesale sales	13,606	11,845	15	53,574	49,506	8
Licensing income	669	202	-	2,748	1,288	113

STORES AND SHOP-IN-SHOPS

	31.12.2019	31.12.2018
Finland	66	65
Company-owned stores	25	24
Company-owned outlet stores	12	12
Retailer-owned stores	13	13
Retailer-owned shop-in-shops	16	16
Scandinavia	10	11
Company-owned stores	7	7
Company-owned outlet stores	-	-
Retailer-owned stores	-	-
Retailer-owned shop-in-shops	3	4
EMEA	2	1
Company-owned stores	1	1
Company-owned outlet stores	-	-
Retailer-owned stores	-	-
Retailer-owned shop-in-shops	1	-
North America	6	6
Company-owned stores	4	4
Company-owned outlet stores	1	1
Retailer-owned stores	1	1
Retailer-owned shop-in-shops	-	-
Asia-Pacific	67	70
Company-owned stores	4	4
Company-owned outlet stores	-	-
Retailer-owned stores	52	54
Retailer-owned shop-in-shops	11	12
Total	151	153
Company-owned stores	41	40
Company-owned outlet stores	13	13
Retailer-owned stores	66	68
Retailer-owned shop-in-shops	31	32

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 54 at the end of 2019 (53).

NET SALES BY PRODUCT LINE

(EUR 1,000)	10-12/ 2019	10-12/ 2018	Change, %	1-12/ 2019	1-12/ 2018	Change, %
Fashion	11,618	9,547	22	46,746	39,107	20
Home	15,874	14,202	12	47,941	46,395	3
Bags and accessories	7,223	5,991	21	30,732	26,377	17
Total	34,716	29,740	17	125,419	111,879	12

As of the beginning of 2019, the product category of cosmetic bags is included in the home product line instead of bags and accessories. To maintain comparability, the figures for 2018 have been restated accordingly.

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Net sales	34,716	34,451	29,137	27,116
Operating profit	3,013	7,823	3,691	2,591
Earnings per share, EUR	0.26	0.79	0.32	0.24

(EUR 1,000)	10-12/2018	7-9/2018	4-6/2018	1-3/2018
Net sales	29,740	29,836	28,213	24,089
Operating profit	1,237	6,185	9,145	1,154
Earnings per share, EUR	0.11	0.60	0.90	0.08

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 financial year)

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 for the financial year)

Return on investment (ROI), %:

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

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 EBITDA