marimekko

Interim Report 1–3/2020

Marimekko Corporation, Interim Report, 14 May 2020 at 8.00 a.m.

Marimekko's net sales and comparable operating profit declined in Q1 due to the coronavirus pandemic

The first quarter in brief

- Net sales fell by 8 percent to EUR 24.9 million (27.1). The trend in net sales was especially affected by reduced wholesale sales in the Asia-Pacific region and EMEA. In the Asia-Pacific, the decline in wholesale sales was mainly due to an exceptional delivery pattern in the comparison period: a part of wholesale deliveries for the final quarter of 2018 took place in the first quarter of 2019. Moreover, some expected wholesale reorders were not placed in the Asia-Pacific region due to the coronavirus pandemic. In Finland, both retail and wholesale sales increased. Licensing income was lower than in the comparison period when license revenue came mostly from North America.
- After the company's retail business moved online in March, demand for products in the online store clearly exceeded expectations. Due to this and logistic challenges posed by the pandemic, deliveries were postponed until the second quarter of the year so that a total of about EUR 1 million in retail and wholesale sales was left unrecognized as revenue for the first quarter.
- Operating profit decreased by 53 percent to EUR 1.2 million (2.6); comparable operating profit was also EUR 1.2 million (2.6).
- Reduced sales and a decline in relative sales margin had a weakening impact on results. Earnings were boosted by lower fixed costs. The decline in relative sales margin was attributable, in particular, to increased logistics costs due to moving the company's retail business online in March as well as to nonrecurring expenses resulting from the relocation of the company's main warehouse.

Financial guidance for 2020

On 25 March 2020, Marimekko withdrew its earlier financial guidance for 2020 solely due to the estimated impacts of the coronavirus pandemic. The coronavirus pandemic will have a significant negative impact on Marimekko's net sales and profitability in 2020. As the situation is changing rapidly, it is not possible at the moment to give any precise estimate of the impacts of the pandemic on business. Marimekko will define its guidance for 2020 once a more reliable estimate of the impacts can be made.

KEY FIGURES

(EUR million)	**1–3/2020**	1–3/2019	Change, %	1–12/ 2019
Net sales	**24.9**	27.1	-8	125.4
International sales	**11.3**	14.3	-21	54.3
% of net sales	***45***	*53*		*43*
EBITDA	**4.4**	5.7	-23	29.7
Comparable EBITDA	**4.4**	5.7	-23	29.7
Operating profit	**1.2**	2.6	-53	17.1
Comparable operating profit	**1.2**	2.6	-53	17.1
Operating profit margin, %	***4.9***	*9.6*		*13.6*
Comparable operating profit margin, %	***4.9***	*9.6*		*13.6*
Result for the period	**0.2**	1.9	-91	13.0
Earnings per share, EUR	**0.02**	0.24	-91	1.61
Comparable earnings per share, EUR	**0.02**	0.24	-91	1.61
Cash flow from operating activities	**-4.5**	3.0		29.0
Return on investment (ROI), %	***18.3***	*18.0*		*17.9*
Equity ratio, %	***41.3***	*43.4*		*40.2*
Net debt / EBITDA (rolling 12 months) *	**0.56**	-		0.35
Gross investments **	**0.5**	0.5	-6	2.6
Personnel at the end of the period	**441**	426	4	450
outside Finland	**89**	94	-5	98
Brand sales [1]	**73.7**	59.6	24	250.8
outside Finland	**55.2**	40.1	38	156.6
proportion of international sales, %	***75***	*67*		*62*
Number of stores	**149**	148	1	151

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 interim report. The figure for comparable earnings per share takes account of similar items as comparable operating profit; tax effect included.

* Due to the adoption of IFRS 16, the ratio of net debt to EBITDA at year end was reported for the first time at the end of the financial year 2019. The key figure is calculated based on comparable rolling 12-month EBITDA.

** The figures for gross investments do not include the impact of IFRS 16.

[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

"The year got off to a promising start for Marimekko, but the rapid spread of the coronavirus pandemic in all of our markets in March had a significant impact on our sales and profitability for the entire first quarter.

"At the beginning of 2020, hardly anyone could have imagined the situation in which we have been living these past few months. Early this year, the coronavirus epidemic closed stores in mainland China and Hong Kong and then rapidly spread around the globe and, in March, suppressed customer flows in Marimekko's other markets as well.

"In the first quarter, our net sales decreased by 8 percent to EUR 24.9 million (27.1). In Finland, both retail and wholesale sales grew and net sales increased by 6 percent. However, international sales fell by 21 percent as especially wholesale sales declined in the Asia-Pacific region as well as in EMEA, and licensing income was lower than in the comparison period when license revenue came mostly from North America. In the Asia-Pacific region, the decrease in wholesale sales was mainly due to an exceptional delivery pattern in the comparison period; in addition, some expected replenishment orders were not placed during the period due to the coronavirus pandemic.

"Our comparable operating profit decreased to EUR 1.2 million (2.6) due to reduced sales and a weaker relative sales margin. During the first quarter, we changed the partner responsible for the operations of our main warehouse, located in Finland, in order to enhance our competitiveness and the agility of our logistics processes as well as to support the internationalization of our business operations, e-commerce in particular. The relocation of the main warehouse resulted in some nonrecurring costs, as expected, and furthermore, logistics costs increased in March when our own retail business moved online. These were the main reasons behind the decrease in relative sales margin in the first quarter. On the other hand, our earnings were boosted by lower fixed costs.

"The health of our personnel and customers is a top priority for us at Marimekko. Consequently, in March, when the coronavirus pandemic spread, we decided to temporarily close our own retail stores in Finland, Scandinavia, Germany, the United States and Australia. Due to the clearly weaker consumer demand outlook, we had to take extremely regrettable measures in our retail store chain and our retail support function to adjust the number of personnel to the amount of work available. The aim of these measures was to secure our company's financial position and, as a result, our jobs over the long term, to the greatest extent possible. After the end of the period under review, we have in May gradually been able to start reopening stores with elevated safety measures in place and start cancelling temporary layoffs.

"In March, we moved our promotions online. During the past few years, we have invested in the long-term development of our digital business. The e-commerce competitiveness we have achieved as a result of this is one of our strengths in this exceptional situation. Online demand for our products clearly exceeded our expectations, which, combined with the logistics challenges posed by the pandemic, postponed deliveries until the second quarter so that a total of about EUR 1 million in retail and wholesale sales was left unrecognized as revenue for the first quarter.

"We work determinedly to manage the crisis resulting from the coronavirus pandemic and plan our upcoming measures based on different scenarios. We have launched an ambitious program to cut fixed costs and reassessed our investments to support cash flow and have been negotiating with the landlords of our own retail stores for rent reductions and payment schedules. We are also working actively to adjust purchases, product flow and inventories to the new situation. In addition, we are making contingency plans in our supply chain to ensure the continuity of production and logistics. In preparation for a possible prolongation of the crisis, we have secured additional funding for our company. We support the Asian partner-led Marimekko stores that are open in the recovery from this crisis, make preparations for the safe reopening of our own retail stores as soon as possible, and take care of all of our stakeholders in line with our values. While tackling new challenges in the rapidly changing circumstances, we continue our determined efforts to build our company's future, which still seems bright over the long term. The competitiveness that we have created together with our personnel over the past few years and our strong balance sheet and solvency provide a solid foundation that helps us in facing this exceptional crisis.

"Throughout Marimekko's history, doing things together has been a major strength of our corporate culture. During the past few months, this unique team spirit has been tangible and I would like to thank all Marimekko employees for their incredible work and agility in adapting to the constantly changing circumstances. I am convinced that Marimekko will emerge from this crisis as a strong company."

OPERATING ENVIRONMENT

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

The outlook for the global economy deteriorated dramatically during the first months of the year. The depth and duration of the economic downturn caused by the coronavirus are difficult to predict, and the situation in several markets is worrying. The possibility of a second epidemic wave further increases uncertainty.

The Finnish economy was also brought to a standstill by the coronavirus, and the economic outlook weakened significantly in all sectors. Retail trade confidence fell sharply, sales decreased markedly and sales expectations for the next few months are very gloomy. Consumers' confidence in the economy was the weakest since polling began. The biggest decrease was seen in consumers' confidence in their own future situation and that of the Finnish economy, but views of the current personal finances were also clearly weaker than before. About 60 percent of respondents said that they had reduced their consumption due to the coronavirus pandemic.

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

The working-day-adjusted turnover of Finnish retail trade was up in January 2020 by 3.6 percent and in February by 3.5 percent; the volume of sales rose by 3.3 percent both in January and in February. The exceptional situation caused by the coronavirus had an impact on the trend in retail sales: net sales in March 2020 declined by 1.3 percent and the volume of sales by 2.7 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimates, January, February and March 2020).

MARIMEKKO'S ACTIONS RELATED TO THE CORONAVIRUS PANDEMIC

The prevailing coronavirus pandemic had an impact on Marimekko's business in all of its market areas during the period under review. To minimize negative impacts, the company immediately adopted strong measures. Safeguarding the health and well-being of its personnel and customers is Marimekko's priority. Hence, the company moved all promotions online and decided in March to temporarily close its own retail stores in Finland, Scandinavia, Germany, the United States and Australia. In these markets, Marimekko's online store serves customers as the company's own responsible distribution channel to support cash flow.

Marimekko drew up an ambitious fixed-cost saving program early on in the crisis to secure cash flow and started to implement it. The company also re-evaluated its planned investments and made the necessary cuts. Negotiations on rent reductions and payment schedules have been conducted with the landlords of Marimekko's own retail stores. Purchases, product flows and inventories are managed effectively with the aim of adapting to the new situation. The company has made contingency plans in its supply chains to ensure continuous production and logistics.

In the review period, the company actively supported the operations and post-crisis recovery of its partners' Marimekko stores that were open in Asia, and started preparations for the safe reopening of its own retail stores as soon as possible. It is important for Marimekko to take care of all stakeholders in line with the company's values and to proceed with the long-term development of business to ensure the continuity of its operations.

The company signed several new credit facility agreements to secure sufficient financing in case the crisis is prolonged. In addition, Marimekko's Annual General Meeting resolved that the dividend payout for 2019 will be considered later, when a more reliable estimate of the impacts of the coronavirus pandemic on the company's business can be made.

NET SALES

In the January-March period of 2020, the Group's net sales fell by 8 percent relative to the same period last year and were EUR 24,872 thousand (27,116). Both retail and wholesale sales increased in Finland, but a decline in wholesale sales in the Asia-Pacific region and EMEA as well as lower licensing income than in the comparison period when license revenue came mostly from North America, in particular, reduced net sales. In the Asia-Pacific, the decline in wholesale sales was mainly due to an exceptional delivery pattern in the comparison period: a part of wholesale deliveries for the final quarter of 2018 took place in the first quarter of 2019. Moreover, some expected wholesale reorders were not placed in the Asia-Pacific region due to the coronavirus pandemic. Net sales in Finland were up by 6 percent, while international sales decreased by 21 percent.

Marimekko's retail sales in In the January-March period of 2020 were on a par with the comparison period, but wholesale sales fell by 13 percent. In all markets, the trend in retail sales was affected by the coronavirus pandemic, which significantly reduced customer numbers in March. The health and well-being of personnel and customers is Marimekko's priority, and therefore the company moved all promotions online and decided in March to temporarily close its own retail stores in Finland, Scandinavia, Germany, the United States and Australia. At the end of March, the online store was the only company-owned retail channel, and its sales increased significantly. The bigger-than-estimated increase in online demand as well as wholesale delivery problems caused by the pandemic posed challenges to logistics, and a total of about EUR 1 million in retail and wholesale sales was left unrecognized as revenue for the first quarter.

Net sales in Finland were EUR 13,574 thousand (12,786). Retail sales rose by 4 percent. Comparable retail sales[2] remained on a par with the previous year, as customer numbers declined drastically in March due to the coronavirus pandemic. Wholesale sales grew by 12 percent. The value of nonrecurring promotional deliveries was at the same level as in the comparison period.

In the company's second-biggest market, the Asia-Pacific region, net sales fell by 28 percent to EUR 4,906 thousand (6,795). Wholesale sales in the region decreased by 30 percent and in Japan, the most important country to Marimekko in this market area, by 27 percent due largely to an exceptional delivery pattern in the comparison period: a part of wholesale deliveries for the final quarter of 2018 took place in the first quarter of 2019. Moreover, some expected wholesale reorders were not placed in the region due to the coronavirus pandemic. Retail sales fell by 15 percent, as customer numbers in Australia declined as a result of the bushfires at the beginning of the year and the coronavirus pandemic; in March, the company temporarily closed its stores.

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

NET SALES BY MARKET AREA

(EUR 1,000)	**1–3/2020**	1–3/2019	Change, %	1–12/2019
Finland	**13,574**	12,786	6	71,163
International sales	**11,298**	14,330	-21	54,256
Scandinavia	2,058	2,124	-3	9,297
EMEA	2,691	3,477	-23	11,992
North America	1,643	1,934	-15	8,257
Asia-Pacific	4,906	6,795	-28	24,712
Total	**24,872**	27,116	-8	125,419

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 interim report.

FINANCIAL RESULT

In the January-March period of 2020, the Group's operating profit was EUR 1,208 thousand (2,591). There were no items affecting comparability during the period under review or the comparable period and comparable operating profit was also EUR 1,208 thousand (2,591). A decline in net sales, especially reduced wholesale sales in the Asia-Pacific region and EMEA as well as lower licensing income in North America, had a weakening impact on results. Earnings were boosted by a decrease in fixed costs. Employee benefit expenses fell, as the estimated effects of the long-term, share-based incentive scheme for management diminished. In the comparison period, employee benefit expenses also included costs related to the personnel share issue arranged in spring 2019. In addition, savings in fixed costs were already achieved in the first quarter, as the company swiftly initiated cost-saving measures when the coronavirus started to spread. Other operating expenses were increased by higher credit loss provisions.

In addition to reduced net sales, a decline in relative sales margin contributed to the decrease in earnings. Increased logistics costs, especially, had a weakening impact on relative sales margin. The promotions that were moved online in the review period due to the coronavirus pandemic as well as the temporary closure of the company's own retail stores significantly increased online customer numbers and logistics costs. Moreover, during the first quarter, Marimekko changed the partner responsible for the operations of the company's main warehouse in Finland. The intention with the warehouse relocation was to enhance the agility of logistics processes and the company's competitiveness as well as to support the internationalization of business, e-commerce in particular. The move went well, according to plan, but involved some nonrecurring expenses as expected. Lower licensing income than in the comparison period also weakened the relative sales margin. On the other hand, good margins per product, achieved through product portfolio optimization, supported the relative sales margin.

Marketing expenses for the review period were EUR 1,362 thousand (1,393), or 5 percent of the Group's net sales (5).

The Group's depreciation amounted to EUR 3,153 thousand (3,087), representing 13 percent of net sales (11).

Operating profit margin was 4.9 percent (9.6) and comparable operating profit margin was also 4.9 percent (9.6).

Net financial expenses were EUR 971 thousand (135), or 4 percent of net sales (1). Financial items include exchange rate differences amounting to EUR -743 thousand (110), of which EUR -619 thousand (160) were unrealized. The impact of IFRS 16 on interest expenses was EUR -201 thousand (-240).

Result for the period under review before taxes was EUR 237 thousand (2,455). Net result for the period was EUR 177 thousand (1,939) and earnings per share were EUR 0.02 (0.24).

BALANCE SHEET

The consolidated balance sheet total as at 31 March 2020 was EUR 94,797 thousand (98,793). Equity attributable to the equity holders of the parent company was EUR 39,157 thousand (42,828), or EUR 4.83 per share (5.31).

Non-current assets at the end of the review period stood at EUR 38,792 thousand (44,048). Lease liabilities amounted to EUR 33,535 thousand (39,458). Financial liabilities rose to EUR 6,373 thousand (0), as the company drew down a new short-term credit facility worth EUR 6 million and expiring on 31 December 2020. In addition, the Group had unused committed credit lines of EUR 15,041 thousand (13,000).

At the end of the period, net working capital was EUR 17,443 thousand (14,237). Inventories were EUR 24,732 thousand (23,020).

CASH FLOW AND FINANCING

In the January-March period of 2020, cash flow from operating activities was EUR -4,474 thousand (3,019), or EUR -0.55 per share (0.37). Reduced earnings, higher tax payments than in the comparison period, increases in inventories, and decreases in current non-interest-bearing liabilities had an impact on cash flow from operating activities. Cash flow before cash flow from financing activities was EUR -5,617 thousand (2,648).

Cash and cash equivalents at the end of the period amounted to EUR 23,960 thousand (24,011). The amount of interest-bearing credit facilities drawn down was EUR 6,373 thousand. In addition, the Group had unused committed credit lines of EUR 15,041 thousand (13,000). After the end of the review period, Marimekko has signed new revolving credit facility agreements worth EUR 15 million and increased its bank account overdraft facility by EUR 2.5 million.

The Group’s equity ratio at the end of the period was 41.3 percent (43.4). Gearing was 40.7 percent (36.1). The ratio of net debt to 12-month rolling EBITDA was 0.56, i.e. well below the maximum of 2 which is the company’s long-term goal.

INVESTMENTS

The Group’s gross investments in the January-March period of 2020 were EUR 453 thousand (482), or 2 percent of net sales (2). Most of the investments were devoted to IT systems and store premises. Due to the coronavirus pandemic, the company has critically reviewed and cut its investments planned for 2020.

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 the first quarter of 2020, two new stores were opened in Thailand. One store was closed in Taiwan and one in Hong Kong; two shop-in-shops closed in Finland. At the end of the review period, there were 149 Marimekko stores and shop-in-shops and online store reached customers in 32 countries. The Marimekko stores in each market mainly serve local customers. In addition to its own online store, the company also has distribution through other online channels.

During the period under review, the coronavirus pandemic impacted the operations of Marimekko stores in stages in all markets. To safeguard the health and well-being of its personnel and customers, Marimekko decided at the end of the review period to temporarily close its own retail stores in Finland, Scandinavia, Germany, the United States and Australia. In Asia, partner-owned Marimekko stores in mainland China and Hong Kong were closed or open with shortened hours until the end of March. The stores in Thailand closed temporarily in mid March and the Japanese stores were temporarily closed in stages during April. In South Korea and Taiwan, the stores have been open and serving customers all year so far, the South Korean stores partly with shortened hours. After the end of the review period, Marimekko has started reopening its own stores in Sweden, Norway and Germany with elevated safety measures in place. The stores in Japan and Thailand continue to be temporarily closed.

Marimekko has been investing in the long-term development of its digital business for several years already and was therefore able to quickly move its promotions online after temporarily closing its own retail stores. At the end of March, the online store was the only company-owned retail channel, and its sales increased significantly. Digital service solutions are constantly increasing the integration of e-commerce and in-store retailing. For this reason, Marimekko continues to report 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.

STORES AND SHOP-IN-SHOPS

	31.3.2020	31.3.2019	31.12.2019
Finland	**64**	63	66
Scandinavia	**10**	10	10
EMEA	**2**	1	2
North America	**6**	6	6
Asia-Pacific	**67**	68	67
Total	**149**	148	151

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-March period of 2020, the number of employees, expressed as full-time equivalents, averaged 442 (427). At the end of the period, the Group had 441 (426) employees, of whom 89 (94) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 25 (30), EMEA 3 (5), North America 31 (33) and the Asia-Pacific region 30 (26). The personnel at company-owned stores totaled 240 (240) at the end of the period.

With the coronavirus pandemic escalating in different markets, Marimekko decided in March to temporarily close all of its own retail stores in Finland, Scandinavia, Germany, the United States and Australia. To adjust the number of employees to the amount of work available, the company initiated consultative negotiations in its retail store chain in Finland, including the retail support function, and corresponding adjustment measures in Denmark, Norway, Sweden, Germany, the United States and Australia. The negotiations were concluded at the beginning of April, and as a result of the consultation and other adjustment measures, almost the entire retail organization was laid off temporarily. After the end of the review period, employees have been started to be invited back to work as the company's own stores have been reopened with elevated safety measures in place.

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 8,129,834.

Shareholdings

According to the book-entry register, Marimekko had 14,652 shareholders at the end of the period (9,205). Of the shares, 10.7 percent were owned by nominee-registered or non-Finnish holders (12.9).

Marimekko Corporation held 20,000 of its own shares as at 31 March 2020. 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 capitalization

In the January-March period of 2020, a total of 1,204,042 Marimekko shares (375,045) were traded on Nasdaq Helsinki, representing 15.0 percent of the shares outstanding (4.6). The total value of the share turnover was EUR 40,345,930 (9,684,958). The lowest price of the share was EUR 21.30 (20.80), the highest was EUR 42.50 (29.40) and the average price was EUR 33.50 (25.82). At the end of March, the closing price of the share was EUR 22.30 (26.80).

The company's market capitalization on 31 March 2020 was EUR 180,849,298, excluding the Marimekko shares held by the company (216,265,548).

Authorizations

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

EVENTS AFTER THE END OF THE REVIEW PERIOD

Resolutions of the Annual General Meeting

Marimekko Corporation's AGM was held on 8 April 2020 under exceptional circumstances. The AGM adopted the financial statements for 2019 and discharged the members of the Board of Directors and the President and CEO from liability. In accordance with a proposal by the Board of Directors, the AGM authorized the Board to decide on the payment of a maximum dividend of EUR 0.90 per share in one or several instalments at a later stage when the company can make a more reliable estimate of the impacts of the coronavirus pandemic on its business. The authorization is valid until the next AGM. The company will publish the possible decision on dividend payment separately and, at the same time, confirm the pertinent record and payment dates.

The AGM resolved that the company's Board of Directors consist of seven members. Rebekka Bay, Elina Björklund, Arthur Engel, Mika Ihamuotila, Mikko-Heikki Inkeroinen, Helle Priess and Catharina Stackelberg-Hammarén were re-elected as members of the Board of Directors. Their term of office ends at the conclusion of the next AGM.

It was decided that the remuneration of the members of the Board of Directors remain unchanged, and they will be paid an annual remuneration as follows: EUR 48,000 to the Chairman, EUR 35,000 to the Vice Chairman and EUR 26,000 to the other Board members. In accordance with the resolution by the AGM, approximately 40 percent of the annual remuneration of the members of the Board of Directors will be paid in Marimekko Corporation's shares acquired from the market and the rest in cash. The shares will be acquired directly on behalf of the Board members within two weeks from the release of the interim report for 1 January–31 March 2020 or if this is not possible due to insider rules, as soon as possible thereafter. The annual remuneration will be paid entirely in cash, if a Board member on the date of the AGM, 8 April 2020, holds the company's shares worth more than EUR 1,000,000. It was further resolved to continue to pay a separate remuneration for committee work as follows: EUR 2,000 per meeting to the committee Chairman and EUR 1,000 per meeting to members.

KPMG Oy Ab, Authorized Public Accountants, was re-elected as the company's auditor, with Virpi Halonen, Authorized Public Accountant, as the auditor with principal responsibility. It was resolved that the auditor's fee will be paid as per invoice approved by the company.

The AGM authorized the Board of Directors to decide on the acquisition of a maximum of 100,000 of the company's own shares, which represents approximately 1.2 percent of the total number of the company's shares at the time of the proposal, in one or more instalments. 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 compensation program, 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 is valid until 8 October 2021.

The AGM also 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 120,000 new or treasury shares, which represents approximately 1.5 percent of the total number of the company's shares at the time of the proposal. Pursuant to the authorization, the Board may decide on a directed share issue in deviation from the shareholders' pre-emptive right for a weighty financial reason, such as the company's incentive compensation plan, 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 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 is valid until 8 October 2021.

New revolving credit facility agreements

In order to secure its financing in the exceptional situation caused by the coronavirus pandemic, Marimekko signed, after the end of the period under review, a new, short-term revolving credit facility agreement worth EUR 10 million and increased its bank account overdraft facility by EUR 2.5 million. In addition, the company has drawn down a long-term revolving credit facility of EUR 5 million, which includes a covenant.

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 coronavirus that spread rapidly all over the world during the first quarter of 2020 has taken uncertainty over the global economy to a completely new level and weakened the consumer demand outlook in all markets. Exceptional circumstances like these, especially if prolonged, can have significant impacts on Marimekko's sales, profitability, cash flow and the operational reliability of the company's value chain. The coronavirus pandemic and other exceptional circumstances can also have long-term impacts on consumers' preferences, purchasing behavior and buying power. Changes in these especially in Finland and Japan, which are the company's biggest single countries for business, pose considerable strategic risks to the company. A slowdown in economic growth and a rise in unemployment can affect the company's sales outlook and increase consumers' price sensitivity.

Other strategic risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Digitization in retail trade has gathered pace in the past few years and may further accelerate as a result of the pandemic, which can have an impact on the company's distribution channel solutions and priorities, sales and profitability as well as create new revenue generation models. The importance of omnichannel business in the retail trade is emphasized. International e-commerce increases the options available to consumers and the negotiation power of big e-commerce operators. Maintaining competitiveness in a rapidly changing operating environment being revolutionized by digitization demands agility, efficiency and the constant re-evaluation of operations. 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 also has an impact on the company's sales and profitability.

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. The Asia-Pacific region is Marimekko's second-biggest market, and it plays an important role in the company's growth and internationalization. Major partnership choices, partnering contracts and other collaboration agreements involve considerable risks. With the company's internationalization 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 internationalizes, 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 internationalization, digitization as well as supply chain reliability and sustainability. As Marimekko is a small company, risks related to key personnel can also be significant. The coronavirus pandemic increases operational risks related especially to taking care of the health and safety of customers and employees, production, supply and logistics chain reliability, inventory and product flow management as well as cybersecurity and information system reliability as, during the crisis, sales are concentrated online. Early commitment to product orders from subcontractors, which is typical of the industry, weakens the company's possibilities to respond to rapid changes in demand especially in exceptional situations.

In normal circumstances, too, there are risks associated with information system reliability, dependability and compatibility. With digitization, various 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. Data leakage can lead to claims for damages and reputation risks.

Operational risks related to Marimekko's supply chain are associated especially with procurement and logistics processes and price fluctuations for raw materials and procurements. As product distribution is expanded and operations are diversified, risks associated with inventory management also grow. 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. Business and reputation risks are prevented by taking care of product safety and through continuous quality control.

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 behavior, 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. The coronavirus pandemic has significantly increased risks related to customers' liquidity.

MARKET OUTLOOK AND GROWTH TARGETS FOR 2020

The coronavirus that spread rapidly all over the world during the first quarter of 2020 has taken uncertainty over the global economy to a completely new level. Consequently, consumer confidence and consumer demand forecasts have significantly weakened in all of Marimekko's market areas. The exceptional circumstances and the resulting changes in consumers' and partners' purchasing behavior have an impact on Marimekko's sales, profitability and cash flow. Furthermore, the global crisis may affect the operational reliability of the company's value chain. The duration of the pandemic and the way the crisis is handled by different countries affect the pace of economic recovery and, at the moment, there is no clear outlook on how things will develop in different markets.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. To take care of the health of its personnel and customers, Marimekko decided in March to temporarily close its own retail stores in Finland. Marimekko's online store has since served as the company's own responsible distribution channel in Finland, and demand for products in the webstore has clearly exceeded expectations. 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 outlook for Marimekko's domestic market and the company's consolidated net sales and earnings essentially depends on when stores can safely be reopened and the trend in customer numbers thereafter. The first of Marimekko's own stores in Finland will reopen in the week beginning on 18 May with elevated safety measures in place.

The Asia-Pacific region is Marimekko's second-largest market and it plays a significant part in the company's internationalization. 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. The Marimekko stores in mainland China and Hong Kong were closed or open with shortened hours until the end of March. The stores have now returned to normal opening hours. In many other Asian countries, stores were temporarily closed due to the pandemic in mid March or in April. The stores in Japan are still temporarily closed. The temporary closure of partner-owned Marimekko stores in Asia and the impacts of the pandemic on consumer sentiment affect the company's outlook for wholesale sales for the remainder of the year. Marimekko's own retail stores in Australia were also temporarily closed at the end of March. Despite the pandemic, the company continues to see increasing demand for its products in the Asia-Pacific region 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.

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

The importance of e-commerce in the company's business has continued to grow in 2020. In addition, Marimekko will focus on the safe reopening of its own retail stores as soon as possible and on recovering from the exceptional circumstances as well as support its partners in their similar efforts. The temporary closure of the company's own retail stores in Finland, Scandinavia, Germany, the United States and Australia will have a significant impact on the company's net sales and profitability in the second quarter of the year. The outlook for the full year 2020 essentially depends on the duration of the Marimekko stores' temporary closure and the return of customer flows in each market after the stores are reopened. The company's wholesale partners' and customers' recovery from the crisis impacts not only their orders for the winter 2020 and especially the spring 2021 collections but also their replenishment orders, and so Marimekko's current full-year outlook as well. Moreover, full-year sales will be substantially supported by nonrecurring promotional deliveries in Finland. The company's aim is still 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.

At the outset of the coronavirus crisis, Marimekko quickly made contingency plans in its supply chains to ensure continuous production and logistics, and the plans are continually updated. The exceptional circumstances have so far only had a minor impact on the supply chain. Instead, higher-than-expected demand for products in the online store and wholesale delivery problems caused by the pandemic have posed challenges to Marimekko's logistics. The company expects an increase in logistics costs in the second quarter of the year as, in this exceptional situation, sales are concentrated online more strongly than normally.

To secure profitability and cash flow, Marimekko drew up an ambitious fixed-cost saving program and promptly started to implement it. The impacts of the program will be significantly stronger in the second quarter. The impacts on personnel expenses of the temporary layoffs that began in the company's retail organization in different markets after the end of the review period will also be evident in the second quarter of the year. The company has re-evaluated its earlier investment plans and expects its total investments to be lower than in the previous year (EUR 2.9 million). 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.

FINANCIAL CALENDAR FOR 2020

Marimekko's half-year financial report for 2020 will be issued on Thursday 13 August 2020 at 8.00 a.m. and interim report the January-September period on Wednesday 4 November 2020 at 8.00 a.m.

Helsinki, 13 May 2020

Marimekko Corporation
Board of Directors

The quarterly results for 2020 are unaudited. The 2019 figures 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.

ACCOUNTIG 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 2019 financial statements.

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

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)	**1–3/2020**	1–3/2019	1–12/2019
NET SALES	**24,872**	27,116	125,419
Other operating income	**138**	187	616
Change in inventories of finished goods and work in progress	**1,862**	719	444
Raw materials and consumables	**-11,111**	-10,196	-45,391
Employee benefit expenses	**-6,068**	-6,896	-27,780
Depreciation and impairments	**-3,153**	-3,087	-12,543
Other operating expenses	**-5,332**	-5,252	-23,647
OPERATING PROFIT	**1,208**	2,591	17,117
Financial income	**57**	170	462
Financial expenses	**-1,028**	-305	-1,429
	-971	-135	-966
RESULT BEFORE TAXES	**237**	2,455	16,151
Income taxes	**-59**	-516	-3,133
NET RESULT FOR THE PERIOD	**177**	1,939	13,018
Distribution of net result to equity holders of the parent company	**177**	1,939	13,018
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	**0.02**	0.24	1.61

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	**1–3/2020**	1–3/2019	1–12/2019
Net result for the period	**177**	1,939	13,018
Items that could be reclassified to profit or loss at a future point in time			
Change in translation difference	**55**	-27	-17
COMPREHENSIVE RESULT FOR THE PERIOD	**232**	1,912	13,001
Distribution of net result to equity holders of the parent company	**232**	1,912	13,001

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	**31.3.2020**	31.3.2019	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	**468**	1,036	593
Tangible assets	**37,873**	42,709	40,431
Other financial assets	**16**	16	16
Deferred tax assets	**436**	288	515
	38,792	44,048	41,555
CURRENT ASSETS			
Inventories	**24,732**	23,020	22,564
Trade and other receivables	**6,152**	7,714	6,632
Current tax assets	**1,161**	-	-
Cash and cash equivalents	**23,960**	24,011	26,133
	56,005	54,744	55,329
ASSETS, TOTAL	**94,797**	98,793	96,884

(EUR 1,000)	**31.3.2020**	31.3.2019	31.12.2019
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**	502	1,228
Share issue	**-**	726	-
Treasury shares	**-315**	-315	-315
Translation differences	**-11**	-77	-66
Retained earnings	**30,215**	33,961	30,037
Shareholders' equity, total	**39,157**	42,838	38,925
NON-CURRENT LIABILITIES			
Lease liabilities	**23,878**	29,274	25,950
Other non-current liabilities	**1,130**	882	1,644
	25,008	30,156	27,594
CURRENT LIABILITIES			
Trade and other payables	**14,602**	14,126	17,796
Current tax liabilities	**-**	1,489	2,115
Lease liabilities	**9,657**	10,185	10,203
Financial liabilities	**6,373**	-	251
	30,632	25,799	30,366
Liabilities, total	**55,640**	55,955	57,960
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	**94,797**	98,793	96,884

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1–3/2020	1–3/2019	1–12/2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	177	1,939	13,018
Adjustments			
Depreciation and impairments	3,153	3,087	12,543
Financial income and expenses	971	135	966
Taxes	59	516	3,133
Cash flow before change in working capital	4,361	5,677	29,661
Change in working capital	-5,425	-2,140	2,887
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	559	-971	-117
Increase (-) / decrease (+) in inventories	-2,168	-906	-450
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-3,816	-263	3,454
Cash flow from operating activities before financial items and taxes	-1,064	3,537	32,548
Paid interest and payments on other financial expenses	-204	-190	-1,408
Interest received and payments on other financial income	51	-3	404
Taxes paid	-3,257	-324	-2,552
CASH FLOW FROM OPERATING ACTIVITIES	-4,474	3,019	28,992
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-1,143	-371	-1,569
CASH FLOW FROM INVESTING ACTIVITIES	-1,143	-371	-1,569
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	6,122	-	251
Personnel share issue	-	726	726
Leasing payments	-2,679	-2,537	-10,437
Dividends paid	-	-	-15,003
CASH FLOW FROM FINANCING ACTIVITIES	3,443	-1,811	-24,463
Change in cash and cash equivalents	-2,174	837	2,960
Cash and cash equivalents at the beginning of the period	26,133	23,174	23,174
Cash and cash equivalents at the end of the period	23,960	24,011	26,133

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	Share issue	Treasury shares	Translation differences	Retained earnings	Share-holders' equity, total
Shareholders' equity 1 Jan. 2019	8,040	502	-	-315	-49	31,827	40,005
Comprehensive result							
Net result for the period						1,939	1,939
Translation differences					-27		-27
Total comprehensive result for the period					-27	1,939	1,912
Transactions with owners							
Personnel share issue			726*				726
Share-based transactions, personnel share issue						195	195
Shareholders' equity 31 March 2019	8,040	502	726	-315	-77	33,961	42,838
Shareholders' equity 1 Jan. 2020	8,040	1,228	-	-315	-66	30,037	38,925
Comprehensive result							
Net result for the period						177	177
Translation differences					55		55
Total comprehensive result for the period					55	177	232
Shareholders' equity 31 March 2020	**8,040**	**1, 228**		**-315**	**-11**	**30,215**	**39,157**

* The 40,224 shares subscribed for in the personnel share issue in spring 2019 were registered in the Trade Register on 11 April 2019 and the total subscription price was recorded in the reserve for invested non-restricted equity.

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets			Tangible assets
		Right-of-use assets	Other	Total
Acquisition cost, 1 Jan. 2020	10,453	46,598	28,209	74,808
Translation differences	-	-512	23	-489
Increases	3	418	430	848
Acquisition cost, 31 March 2020	**10,455**	**46,505**	**28,662**	**75,167**
Accumulated depreciation, 1 Jan. 2020	9,860	10,833	23,544	34,376
Translation differences	30	-159	21	-138
Depreciation during the period	98	2,746	308	3,055
Accumulated depreciation, 31 March 2020	9,988	13,420	23,873	37,293
Book value, 31 March 2020	**468**	**33,084**	**4,789**	**37,873**
Book value, 1 Jan. 2020	593	35,766	4,665	40,431
Book value, 31 March 2020	468	33,084	4,789	37,873

KEY FIGURES

	1–3/2020	1–3/2019	Change, %	1–12/2019
Earnings per share, EUR	**0.02**	0.24	-91	1.61
Equity per share, EUR	**4.83**	5.31	-9	4.80
Return on equity (ROE), %	***27.5***	*40.5*		*33.0*
Return on investment (ROI), %	***18.3***	*18.0*		*17.9*
Equity ratio, %	***41.3***	*43.4*		*40.2*
Gearing, %	***40.7***	*36.1*		*27.0*
Gross investments, EUR 1,000	**453**	482	-6	2,594
Gross investments, % of net sales	***2***	*2*		*2*
Contingent liabilities, EUR 1,000	**717**	596	20	617
Average personnel	**442**	427	4	442
Personnel at the end of the period	**441**	426	4	450
Number of shares outstanding at the end of the period	**8,109,834**	8,069,610		8,109,834
New shares approved in personnel share issue (registered on 11 April 2019)		40,224		
Average number of shares outstanding during the period	**8,109,834**	8,070,951*		8,100,246

* Includes the new shares approved in personnel share issue, which were registered in the Trade Register on 11 April 2019 and admitted to public trading on 12 April 2019.

The figures for gross investments do not include the impact of IFRS 16.

NET SALES BY MARKET AREA

(EUR 1,000)	1–3/2020	1–3/2019	Change, %	1–12/2019
Finland	13,574	12,786	6	71,163
Retail sales	8,905	8,549	4	51,918
Wholesale sales	4,640	4,150	12	19,012
Licensing income	30	86	-66	233
Scandinavia	2,058	2,124	-3	9,297
Retail sales	1,041	1,164	-11	5,434
Wholesale sales	1,018	960	6	3,862
Licensing income	-	-		-
EMEA	2,691	3,477	-23	11,992
Retail sales	359	373	-4	1,568
Wholesale sales	2,247	2,994	-25	9,980
Licensing income	86	111	-23	443
North America	1,643	1,934	-15	8,257
Retail sales	955	995	-4	5,798
Wholesale sales	657	632	4	1,987
Licensing income	30	307	-90	472
Asia-Pacific	4,906	6,795	-28	24,712
Retail sales	855	1,004	-15	4,378
Wholesale sales	4,051	5,791	-30	18,733
Licensing income	-	-		1,600
International sales, total	11,298	14,330	-21	54,256
Retail sales	3,210	3,536	-9	17,178
Wholesale sales	7,973	10,377	-23	34,562
Licensing income	116	417	-72	2,516
Total	24,872	27,116	-8	125,419
Retail sales	12,115	12,085	0	69,096
Wholesale sales	12,612	14,527	-13	53,574
Licensing income	145	503	-71	2,748

STORES AND SHOP-IN-SHOPS

	31.3.2020	31.3.2019	31.12.2019
Finland	64	63	66
Company-owned stores	25	23	25
Company-owned outlet stores	12	12	12
Retailer-owned stores	13	13	13
Retailer-owned shop-in-shops	14	15	16
Scandinavia	10	10	10
Company-owned stores	7	7	7
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	2	1	2
Company-owned stores	1	1	1
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	1	-	1
North America	6	6	6
Company-owned stores	4	4	4
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	-	-	-
Asia-Pacific	67	68	67
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	52	52	52
Retailer-owned shop-in-shops	11	12	11
Total	149	148	151
Company-owned stores	41	39	41
Company-owned outlet stores	13	13	13
Retailer-owned stores	66	66	66
Retailer-owned shop-in-shops	29	30	31

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 March 2020 (52).

NET SALES BY PRODUCT LINE

(EUR 1,000)	1–3/2020	1–3/2019	Change, %	1–12/2019
Fashion	9,343	9,726	-4	46,746
Home	9,127	9,543	-4	47,941
Bags and accessories	6,403	7,846	-18	30,732
Total	24,872	27,116	-8	125,419

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	1–3/2020	10–12/2019	7–9/2019	4–6/2019
Net sales	**24,872**	34,716	34,451	29,137
Operating profit	**1,208**	3,013	7,823	3,691
Earnings per share, EUR	**0.02**	0.26	0.79	0.32

(EUR 1,000)	1–3/2019	10–12/2018	7–9/2018	4–6/2018
Net sales	27,116	29,740	29,836	28,213
Operating profit	2,591	1,237	6,185	9,145
Earnings per share, EUR	0.24	0.11	0.60	0.90

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, 31 March

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 rolling 12-month EBITDA