



marimekko

Half-year Financial Report 1-6/2020

Marimekko Corporation, Half-year Financial Report, 13 August 2020 at 8.00 a.m.

Good performance despite a decline in net sales due to the coronavirus pandemic

The second quarter in brief

- As a result of the coronavirus pandemic, the global fashion industry and specialty retail sector faced the worst crisis in decades, and the majority of the Marimekko stores around the world were temporarily closed during the period under review. Marimekko was able to quickly adjust its operations in the exceptional circumstances and promptly implemented an extensive cost-saving program.
- Net sales fell by 20 percent to EUR 23.3 million (Q2/2019: 29.1). Net sales were weakened especially by a decline in retail sales in Finland, North America and Scandinavia as well as a decrease in wholesale sales in the Asia-Pacific region. On the other hand, increased licensing income in the Asia-Pacific boosted net sales.
- Continued strong growth in demand in the online store posed challenges to logistics, and approximately EUR 0.7 million in retail sales were left unrecognized as revenue for the second quarter.
- Thanks to prompt adjustment measures, operating profit only decreased by 28 percent and was EUR 2.7 million (3.7); comparable operating profit was also EUR 2.7 million (3.7).
- Reduced net sales and a decline in relative sales margin had a weakening impact on results. Earnings were boosted by a noticeable decrease in fixed costs as a result of Marimekko's ambitious saving program. The decline in relative sales margin was attributable, in particular, to increased logistics costs due to substantial growth in online sales and bigger discounts than in the comparison period, whereas higher licensing income and good margins per product, achieved through product portfolio optimization, supported the relative sales margin.

January-June in brief

- Due to the impacts of the coronavirus pandemic, net sales fell by 14 percent to EUR 48.2 million (1–6/2019: 56.3). Net sales were weakened especially by a decline in retail sales in Finland, North America and Scandinavia as well as a decrease in wholesale sales in the Asia-Pacific region and EMEA. On the other hand, increased licensing income in the Asia-Pacific and growth in wholesale sales in Finland boosted net sales.
- Operating profit amounted to EUR 3.9 million (6.3), and comparable operating profit was also EUR 3.9 million (6.3). Reduced net sales and a decline in relative sales margin had a weakening impact on results, while earnings were boosted by a noticeable decrease in fixed costs due to a prompt adjustment of operations.

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. As Marimekko stated on 14 May 2020 in its interim report, 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 still not possible to give any precise estimate of the impacts of the pandemic on business.

Risks and uncertainties related to the coronavirus pandemic are described in the Major risks and factors of uncertainty section of this half-year report.

KEY FIGURES

(EUR million)	4-6/ 2020	4-6/ 2019	Change, %	1-6/ 2020	1-6/ 2019	Change, %	1-12/ 2019
Net sales	23.3	29.1	-20	48.2	56.3	-14	125.4
International sales	11.9	12.4	-3	23.2	26.7	-13	54.3
<i>% of net sales</i>	51	42		48	47		43
EBITDA	5.8	6.8	-15	10.2	12.5	-19	29.7
Comparable EBITDA	5.8	6.8	-15	10.2	12.5	-19	29.7
Operating profit	2.7	3.7	-28	3.9	6.3	-38	17.1
Comparable operating profit	2.7	3.7	-28	3.9	6.3	-38	17.1
<i>Operating profit margin, %</i>	11.4	12.7		8.0	11.2		13.6
<i>Comparable operating profit margin, %</i>	11.4	12.7		8.0	11.2		13.6
Result for the period	2.2	2.6	-16	2.3	4.5	-48	13.0
Earnings per share, EUR	0.27	0.32	-16	0.29	0.56	-48	1.61
Comparable earnings per share, EUR	0.27	0.32	-16	0.29	0.56	-48	1.61
Cash flow from operating activities	4.0	7.2	-44	-0.4	10.2	-104	29.0
<i>Return on investment (ROI), %</i>				19.5	26.3		17.9
<i>Equity ratio, %</i>				40.7	35.5		40.2
Net debt / EBITDA (rolling 12 months) *				0.53	-		0.35
Gross investments **	0.4	0.4	-3	0.9	0.9	-5	2.6
Personnel at the end of the period				432	453	-5	450
outside Finland				83	99	-16	98
Brand sales ¹	54.0	52.9	2	127.6	112.5	13	250.8
outside Finland	39.9	31.9	25	95.1	71.9	32	156.6
<i>proportion of international sales, %</i>	74	60		75	64		62
Number of stores				150	147	2	151

The change percentages in the table were calculated on exact figures before the amounts were rounded to millions of euros. The figure for comparable earnings per share takes account of similar items as comparable operating profit; tax effect included.

* 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 realized 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 was able to adjust its operations quickly in the exceptional situation caused by the coronavirus, and our result in the second quarter was a good achievement considering the difficult circumstances.

“During the period under review, the global fashion industry and specialty retail sector faced the worst crisis seen in several decades. The coronavirus pandemic brought discretionary consumption to a halt, which has led to serious financial difficulties for many players and has already toppled several significant companies in our industry.

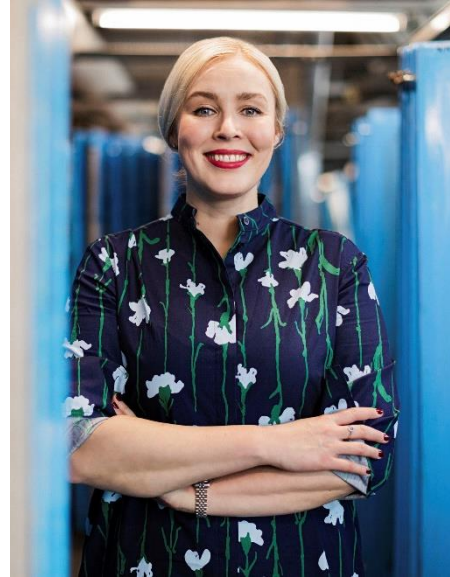
Dramatically, due to the pandemic, the doors of most Marimekko stores around the world closed temporarily. Nevertheless, thanks to our loyal customers and highly competent personnel, our wholesale sales, online sales and licensing income helped us restrict the decline in our net sales to 20 percent. In the April-June period of 2020, our net sales amounted to EUR 23.3 million (29.1). Net sales were weakened especially by a decline in retail sales in Finland, North America and Scandinavia as well as a decrease in wholesale sales in the Asia-Pacific region. Net sales in Finland fell by 32 percent, while international sales only decreased by 3 percent.

“Wholesale sales overall were nearly at the same level as in the comparison period, which supported net sales, and I wish to take this opportunity to thank our long-term partners for their strong cooperation during the crisis. Net sales were also boosted by a better-than-expected trend in licensing income in the Asia-Pacific region, which speaks to the appeal of our brand. Substantial growth in online sales offset some of the lost sales from our own stores: retail sales only declined by 37 percent in spite of the fact that the majority of our own retail stores were closed for most of the second quarter due to the pandemic.

“Our comparable operating profit was at a good level considering the difficult circumstances, although it fell to EUR 2.7 million (3.7) in the second quarter due to reduced sales and a weaker relative sales margin. The relative sales margin was negatively affected in particular by higher logistics costs resulting from a significant increase in online sales as well as discounts being bigger than in the comparison period. At the same time, however, the relative sales margin was supported by increased licensing income and good product margins. We quickly initiated an ambitious cost saving program in the early stages of the coronavirus pandemic. The effects of this program were clearly evident during the review period and our result was improved by a substantial reduction in fixed costs.

“We have developed our digital business for many years now. When our stores were temporarily closed, we had the agility to move our sales and marketing promotions online, including our popular annual springtime Friendship Sale promotion in Finland. Strong growth in the online demand for our products continued in the second quarter too and, working together with our recently-started new logistics partner, we were not able to increase the delivery capacity of our online store as quickly as necessary. We truly regret that our customers had to wait for their orders longer than usual. After the end of the review period, we have managed to rectify the situation and the delivery times of our online store have returned to normal. Nevertheless, the postponement of deliveries due to capacity challenges meant that approximately EUR 0.7 million in retail sales were left unrecognized as revenue for the second quarter.

“In the January-June period of 2020, our net sales fell by 14 percent to EUR 48.2 million (56.3) and our comparable operating profit declined to EUR 3.9 million (6.3) due to the impacts of the exceptional circumstances.



“Digitization and changes in consumer values — particularly the increased significance of sustainability — have been shaking up the global fashion industry for several years now, and we expect that the transformations driven by these megatrends will be considerably accelerated by the pandemic. Since 2018, at the core of Marimekko’s long-term strategy has been the pursuit of strong profitable growth through speaking to a broader global audience. Our strategy is based on the view that the industry’s megatrends present excellent growth opportunities for the Marimekko lifestyle, which is sustainable, timeless and stands out from the competition. Our mission — empowering people and bringing joy to their everyday lives — and our values are now more meaningful than ever, which is also reflected in the growing international interest in our brand.

“At the beginning of June, we announced that the visionary Rebekka Bay will take up the post of Creative Director at Marimekko in September to support our creative community in developing the appeal of our collections even further. For us at Marimekko, sustainability represents a comprehensive approach to our operations and value creation, and we will publish our new and even more ambitious sustainability strategy later this year. The pandemic has accelerated the shift to digital sales channels among customers — including new customer groups — and this will also influence Marimekko’s distribution channel choices in the future. We will continue our strong investment in e-commerce, which is becoming more and more significant, along with a seamless omnichannel customer experience.

“To strengthen our future competitiveness, it is important for us to simultaneously develop further the efficiency, flexibility and agility of our entire value chain and see to it that our organization structure, competencies, job contents and working methods respond in the best possible way to this dramatic transformation in consumer behavior, driven by digitization and other external dynamics intensified with the pandemic. Therefore, in order to reorganize and streamline our operations, we unfortunately have to initiate consultative negotiations in Finland and corresponding processes in our organizations in Scandinavia, North America and Australia. With these unfortunate but necessary measures, we aim to secure the financial position of our company in the long term.

“The first half of 2020 has been completely exceptional and characterized by rapidly changing circumstances. We have learned tremendously and successfully developed new operating methods and capabilities that will be useful if the pandemic is prolonged or other crises of a similar nature happen in the future. I want to extend my warmest thanks to everyone at Marimekko for their persistence, excellent work and unique team spirit during a very challenging period. I am convinced that, even if ensuring our competitiveness in a market undergoing a great transformation occasionally requires very unfortunate measures, we will emerge from this crisis even stronger than before.”

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 in March and April. 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 in the early part of the year. It is estimated that economic conditions have weakened further during the summer, and the situation varies greatly from sector to sector. In July, however, expectations for the future became clearly more optimistic. Retail trade confidence was up, and sales expectations for the next few months are cautiously optimistic, although sales have continued to decrease slightly. Consumer confidence has also improved. Consumers estimate that the trend in the Finnish economy continues to be weak, but in July, expectations about the economy were higher than the year before and expectations about personal finances were fairly bright.

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

Finnish retail trade saw a downturn in March. The situation improved after several months of decline, and net sales in June grew by 4.5 percent. The cumulative working-day-adjusted turnover of retail trade in the January-June period of 2020 rose by 3.3 percent and the volume of sales was up by 3.1 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, June 2020).

NET SALES

Net sales in the second quarter

As a result of the coronavirus pandemic, the global fashion industry and specialty retail sector faced the worst crisis in decades. During the period under review, the coronavirus pandemic had a substantial impact on Marimekko's sales: due to the pandemic, the majority of the Marimekko stores were temporarily closed, and the online store served as the company's own responsible distribution channel. In the April-June period of 2020, the Group's net sales fell by 20 percent relative to the same period last year and were EUR 23,327 thousand (29,137). Net sales were weakened especially by a decline in retail sales in Finland, North America and Scandinavia as well as a decrease in wholesale sales in the Asia-Pacific region. On the other hand, higher-than-expected licensing income in the Asia-Pacific boosted net sales. Net sales in Finland were down by 32 percent; international sales only decreased by 3 percent.

The majority of Marimekko's own stores were closed for most of the second quarter due to the pandemic, and retail sales fell by 37 percent. However, the company's online sales increased substantially during the period under review, which to a large extent offset the impact of store closures and reduced footfall on retail sales. Marimekko reopened most of its stores in stages in May and June. Continued strong growth in demand in the online store posed challenges to logistics, and approximately EUR 0.7 million in retail sales were left unrecognized as revenue for the second quarter. Marimekko's wholesale sales in the second quarter performed well in exceptional circumstances and were nearly on a par with the comparison period.

Net sales in Finland were EUR 11,378 thousand (16,782). Robust growth in online sales supported retail sales but, due to the temporary closure of stores and a significant decline in customer numbers,

retail sales in Finland fell by 41 percent. Comparable retail sales² decreased by 20 percent. Wholesale sales grew by 3 percent despite the difficult circumstances. 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 rose by 4 percent to EUR 5,305 thousand (5,107) thanks to increased licensing income. Wholesale sales in the region decreased by 16 percent and in Japan, the most important country to Marimekko in this market area, by 17 percent due to the impacts of the coronavirus pandemic. Thanks to strong online sales, retail sales only fell by 15 percent, although the company's own stores in Australia were temporarily closed for most of the second quarter.

Net sales in the January-June period

Due to the impacts of the coronavirus pandemic, the Group's net sales in the January-June period of 2020 declined by 14 percent to EUR 48,199 thousand (56,253). Retail sales fell by 22 percent because of the temporary closure of stores and a significant decline in customer numbers, although online sales performed very well and supported retail sales. Wholesale sales decreased by 9 percent. Net sales were weakened especially by a decline in retail sales in Finland, North America and Scandinavia as well as a decrease in wholesale sales in the Asia-Pacific region and EMEA. On the other hand, increased licensing income in the Asia-Pacific and growth in wholesale sales in Finland boosted net sales. All in all, net sales in Finland decreased by 16 percent and international sales by 13 percent.

Net sales in Finland were EUR 24,952 thousand (29,568). Retail sales fell by 23 percent and comparable retail sales² by 10 percent due to the temporary closure of stores and a significant decline in customer numbers. However, robust growth in online sales supported retail sales. Wholesale sales grew by 8 percent despite the exceptional situation. The value of nonrecurring promotional deliveries was at the same level as in the comparison period.

In the Asia-Pacific region, net sales amounted to EUR 10,211 thousand (11,902). Wholesale sales in the market area decreased by 24 percent due to the impacts of the coronavirus pandemic. Wholesale sales to Japan fell by 23 percent. An exceptional delivery pattern in the comparison period also had an impact on wholesale sales in the region: a part of wholesale deliveries for the final quarter of 2018 took place in the first quarter of 2019. Retail sales only declined by 15 percent, as online sales performed well.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2020	4-6/ 2019	Change, %	1-6/ 2020	1-6/ 2019	Change, %	1-12/ 2019
Finland	11,378	16,782	-32	24,952	29,568	-16	71,163
International sales	11,948	12,355	-3	23,247	26,685	-13	54,256
Scandinavia	1,878	2,094	-10	3,936	4,219	-7	9,297
EMEA	3,277	3,166	3	5,968	6,644	-10	11,992
North America	1,489	1,987	-25	3,132	3,921	-20	8,257
Asia-Pacific	5,305	5,107	4	10,211	11,902	-14	24,712
Total	23,327	29,137	-20	48,199	56,253	-14	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 licensing income by market area can be found in the table section of this half-year financial report.

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

FINANCIAL RESULT

In the April-June period of 2020, the Group's operating profit amounted to EUR 2,661 thousand (3,691). There were no items affecting comparability in the period under review, which was also the case in the previous year, and comparable operating profit was also EUR 2,661 thousand (3,691). Reduced net sales and a decline in relative sales margin had a weakening impact on results. Thanks to a prompt adjustment of operations, fixed costs decreased noticeably, which boosted earnings.

When the coronavirus started to spread early in the year, Marimekko swiftly initiated cost-saving measures. Employee benefit expenses fell as a result of temporary layoffs in the retail store chain due to the coronavirus pandemic, as the company temporarily closed its own stores. Substantial savings were also achieved through reducing marketing investments and negotiating rent reductions for those months in which the pandemic had the strongest impact on sales. In addition, fixed costs were reduced by the fact that the rents of some stores are linked to turnover. The relative sales margin was negatively affected in particular by higher logistics costs resulting from a significant increase in online sales. Bigger discounts than in the comparison period also had an impact on the relative sales margin. On the other hand, higher licensing income and good margins per product, achieved through product portfolio optimization, supported the relative sales margin.

In the January-June period of 2020, the Group's operating profit was EUR 3,868 thousand (6,281) and comparable operating profit was also EUR 3,868 thousand (6,281). Reduced net sales and a decline in relative sales margin had a weakening impact on results. Earnings were boosted by a noticeable decrease in fixed costs as a result of Marimekko's ambitious saving program. The decline in relative sales margin was attributable, in particular, to increased logistics costs due to substantial growth in online sales and bigger discounts than in the comparison period. On the other hand, higher licensing income and good margins per product, achieved through product portfolio optimization, supported the relative sales margin. Fixed costs decreased noticeably, as savings were achieved in employee benefit expenses, store rents and marketing. Employee benefit expenses reduced due to temporary layoffs in the retail store chain as well as the estimated effects of the long-term, share-based incentive scheme for management. Other operating expenses were increased by higher credit loss provisions recognized in the first quarter.

In the January-June period, marketing expenses were EUR 2,372 thousand (3,150), or 5 percent of the Group's net sales (6).

The Group's depreciation amounted to EUR 6,289 thousand (6,221), representing 13 percent of net sales (11).

In the January-June period, operating profit margin was 8.0 percent (11.2) and comparable operating profit margin was also 8.0 percent (11.2). In the second quarter of the year, operating profit margin was 11.4 percent (12.7) and comparable operating profit margin 11.4 percent (12.7).

Net financial expenses in the January-June period were EUR 842 thousand (658), or 2 percent of net sales (1). Financial items include exchange rate differences amounting to EUR -351 thousand (-139), of which EUR -118 thousand (-58) were unrealized. The impact of IFRS 16 on interest expenses was EUR -391 thousand (-471).

Result for the first half of the year before taxes was EUR 3,027 thousand (5,624). Net result for the period was EUR 2,336 thousand (4,511) and earnings per share were EUR 0.29 (0.56).

BALANCE SHEET

The consolidated balance sheet total as at 30 June 2020 was EUR 101,303 thousand (85,795). Equity attributable to the equity holders of the parent company was EUR 41,280 thousand (30,440), or EUR 5.09 per share (3.75).

Non-current assets at the end of June 2020 stood at EUR 38,530 thousand (42,649). Lease liabilities amounted to EUR 33,113 thousand (38,113). Financial liabilities rose to EUR 6,439 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 17,449 thousand (13,000).

At the end of the period, net working capital was EUR 18,768 thousand (13,092). Inventories were EUR 28,232 thousand (22,283). Inventories increased due to a sudden fall in demand after the company's own retail stores were temporarily closed as well as advance purchases of products in preparation for possible challenges posed by the coronavirus pandemic in the supply chain. Marimekko's extensive chain of outlet stores and related promotions provide good opportunities for reducing inventories.

CASH FLOW AND FINANCING

In the April-June period of 2020, cash flow from operating activities was EUR 4,037 thousand (7,198), or EUR 0.50 per share (0.89). Cash flow before cash flow from financing activities was EUR 3,730 thousand (6,394).

In the January-June period, cash flow from operating activities was EUR -438 thousand (10,217), or EUR -0.05 per share (1.26). Increases in inventories, higher tax payments than in the comparison period, and reduced earnings had an impact on cash flow from operating activities. Cash flow before cash flow from financing activities was EUR -1,888 thousand (9,042).

The Group's cash and cash equivalents at the end of the period amounted to EUR 25,061 thousand (12,811). The increase in cash and cash equivalents was partly due to the decision to refrain from paying dividends for the time being because of the exceptional situation; the dividends paid in the comparison period totaled EUR 15,003 thousand. The amount of interest-bearing credit facilities drawn down was EUR 6,439 thousand (0). In addition, the Group had unused committed credit lines of EUR 17,449 thousand (13,000). The company has also secured a short-term revolving credit facility worth EUR 10 million as well as a long-term revolving credit facility, increased from EUR 2.5 million to EUR 5 million, which includes a covenant. Marimekko secured additional financing in the spring in a situation of a very weak view of the duration and impacts of the pandemic.

The Group's equity ratio at the end of the period was 40.7 percent (35.5). Gearing was 35.1 percent (83.1). The ratio of net debt to 12-month rolling EBITDA was 0.53, 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-June period of 2020 were EUR 866 thousand (907), or 2 percent of net sales (2). Most of the investments were devoted to IT systems. Due to the coronavirus pandemic, the company has critically reviewed and substantially 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 second quarter of 2020, one Marimekko store was opened in Hong Kong and one shop-in-shop in Finland. The company's own store in Frankfurt was closed. At the end of the review period, there were 150 Marimekko stores and shop-in-shops and online store reached customers in 32 countries. The stores' net sales in each market are primarily generated from sales to local customers, although sales to tourists make up a significant portion of the sales of certain central stores especially during holiday seasons. 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 all markets. To safeguard the health and well-being of its personnel and customers, Marimekko decided at the end of March to temporarily close its own retail stores in Finland,

Scandinavia, Germany, the United States and Australia, and the majority of Marimekko's own stores were closed for most of the second quarter. With elevated health and safety measures in place, complying with local restrictions and recommendations and offering new services to reduce close contacts, Marimekko reopened most of its own stores in stages in May and June.

At the end of the review period, almost all company-owned stores, except in North America, were open with limited hours. The North American stores were reopened at the beginning of July but, at the same time, some of the stores in Australia had to be closed – and still remain closed – temporarily due to regulations.

In Asia, partner-owned Marimekko stores in mainland China, Hong Kong, South Korea and Taiwan were open in the second quarter, mainly with normal hours. The stores in Thailand closed temporarily in mid March and were reopened in mid May. In Japan, the stores were closed in stages during April and they started to reopen their doors gradually in mid May. At the end of the period under review, all partner-owned Marimekko stores in Asia were open, partly with limited hours.

Marimekko has been investing in the 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. In the second quarter, the online store was the company's main 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. Accelerated by the pandemic, the importance of online sales in the company's business will grow even more, and the shift to digital sales channels among customers will influence Marimekko's distribution channel choices in the future.

STORES AND SHOP-IN-SHOPS

	30.6.2020	30.6.2019	31.12.2019
Finland	65	63	66
Scandinavia	10	10	10
EMEA	1	1	2
North America	6	6	6
Asia-Pacific	68	67	67
Total	150	147	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 half-year financial report.

PERSONNEL

In the January-June period of 2020, the number of employees, expressed as full-time equivalents, averaged 436 (435). At the end of the period, the Group had 432 (453) employees, of whom 83 (99) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 19 (35), EMEA 3 (5), North America 31 (33) and the Asia-Pacific region 30 (26). The personnel at company-owned stores, expressed as full-time equivalents, totaled 226 (258) 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. New consultative negotiations were conducted in the Finnish retail functions in June, with the result that part of the layoffs were continued temporarily. Employees in Finland and other countries have been invited back to work in stages as the company's own stores have been reopened with elevated health and safety measures in place and complying with local restrictions and recommendations.

In order to strengthen its long-term competitiveness in an operating environment undergoing a great transformation, the company has after the end of the review period, on 12 August 2020, decided to initiate consultative negotiations with its personnel in order to reorganize and streamline its operations in Finland based on both production-related and financial reasons. The negotiations do not apply to the company's retail store staff or the production personnel at the printing factory in Helsinki. The company will also initiate corresponding processes in its organizations in Scandinavia, North America and Australia.

CHANGES IN MANAGEMENT

On 2 June 2020, Rebekka Bay was appointed Marimekko's Creative Director and a member of the Management Group. She will start in the position on 1 September 2020. In connection with the appointment, she resigned her position as a member of the Board of Directors of Marimekko.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

The resolutions of Marimekko Corporation's Annual General Meeting 2020 have been reported in the stock exchange release of 8 April 2020 and in the interim report of 14 May 2020.

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 17,535 shareholders at the end of the period (10,138). Of the shares, 8.3 percent were owned by nominee-registered or non-Finnish holders (12.2).

Marimekko Corporation held 20,000 of its own shares as at 30 June 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-June period of 2020, a total of 1,932,082 Marimekko shares (791,228) were traded on Nasdaq Helsinki, representing 23.8 percent of the shares outstanding (9.7). The total value of the share turnover was EUR 58,648,973 (20,769,116). The lowest price of the share was EUR 21.30 (20.80), the highest was EUR 42.50 (31.50) and the average price was EUR 30.36 (26.25). At the end of June, the closing price of the share was EUR 24.45 (26.00).

The company's market capitalization on 30 June 2020 was EUR 198,285,441, excluding the Marimekko shares held by the company (210,855,684).

Authorizations

The Annual General Meeting held on 8 April 2020 authorized the Board of Directors to decide on the acquisition of a maximum of 100,000 of the company's own shares, in one or more instalments, to be used as a part of the company's incentive compensation program, to be transferred for other purposes or to be cancelled. The quantity represents approximately 1.2 percent of the total number of the company's shares at the time of the proposal. 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 authorization was not used in the review period. 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. The share issue may be subject to a charge or free. The subscription price of the new shares and the amount paid for the company's own shares would be recorded in the company's reserve for invested non-restricted equity. The Board of Directors is authorized to decide on all of the other terms and conditions of the share issue. The authorization was not used in the review period. The authorization is valid until 8 October 2021.

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

MAJOR RISKS AND FACTORS OF UNCERTAINTY

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 created the worst crisis experienced by the global fashion industry and specialty retail sector in decades. The impacts of the crisis intensified in the second quarter of the year, and it has taken uncertainty over the global economy to a completely new level. The coronavirus pandemic and other exceptional circumstances, especially if prolonged, can have significant impacts on Marimekko's sales, profitability, cash flow and the operational reliability of the company's value chain. They 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. The economic recession 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 will further accelerate as a result of the coronavirus pandemic, which can have an impact on the company's distribution channel solutions and choices, 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. The coronavirus pandemic has also intensified the financial difficulties of many traditional wholesale customers in the fashion sector, such as department stores and multi-brand retailers, which may have an impact Marimekko's business and distribution channel choices. Maintaining competitiveness in a rapidly changing operating environment being revolutionized by digitization demands agility, efficiency, flexibility 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 and efficiency, inventory and product flow management as well as cybersecurity and information system reliability as the importance of e-commerce is further emphasized. 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 their flexibility as well as 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. These sustainability elements apply to both Marimekko's own sourcing and licensed products. 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 created the worst crisis experienced by the global fashion industry and specialty retail sector in decades. It has taken uncertainty over the global economy to a completely new level and has an impact on consumers' purchasing behavior. The exceptional circumstances 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, possible new infection waves and the way the crisis is handled by different countries influence the depth of the economic recession 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. The stores, with a few exceptions, were reopened in stages in May and June with elevated health and safety measures in place and with limited opening hours. Demand for products in Marimekko's online store increased significantly over the spring and summer. 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 depend on the trend in customer numbers in retail stores during the rest of the year and whether there will be new major coronavirus infection waves in the fall.

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. All Marimekko stores in Asia are partner-owned. The Japanese stores were closed in stages during April and they started to reopen their doors gradually in mid May. The Marimekko stores in mainland China, Hong Kong, South Korea and Taiwan were open in the second quarter, mainly with normal hours. The stores in Thailand closed temporarily in mid March and were reopened in mid May. The temporary closure of Marimekko stores in Asia, possible new infection waves and the impacts of the pandemic on consumer sentiment affect the company's outlook for wholesale sales in the region. At the end of the period under review, all Asian Marimekko stores were open, partly with limited hours. Some of Marimekko's own retail stores in Australia have been closed again due to regulations made after the end of the review period. 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 in 2020.

Licensing income in 2020 is forecast to be approximately at the same level as in the previous year thanks to better-than-expected estimated development.

The importance of e-commerce in the company's business has continued to grow in 2020, and online sales are expected to perform well in the second half of the year as well. The full-year outlook for retail sales essentially depends on the return of customer flows to stores during the rest of the year in each market as well as possible new infection waves which may require temporary closures of Marimekko's own retail stores. The company's wholesale partners' and customers' recovery from the crisis can impact their replenishment orders during the remainder of the year, and so Marimekko's full-year outlook as well. Full-year wholesale 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, continued strong growth in demand for products in the online store and wholesale delivery problems caused by the pandemic posed challenges to Marimekko's logistics in the early part of the year. As a result of growth in online sales, the company expects full-year logistics costs to increase on 2019.

To secure profitability and cash flow, Marimekko drew up an ambitious fixed-cost saving program and promptly started to implement it. The effects of the program were clearly evident especially in the second quarter, when the majority of Marimekko's own retail stores were temporarily closed and the company achieved substantial savings in personnel expenses and rents, among other things. Fixed costs are expected to decrease in the second half of the year as well, but more moderately than in the early part of year. Marketing expenses are estimated to be substantially lower than in the previous year (2019: EUR 7.4 million). The company expects its total investments to be lower than in the previous year (2019: EUR 2.6 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

The interim report for the January-September period will be issued on Wednesday 4 November 2020 at 8.00 a.m.

Helsinki, 12 August 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.

ACCOUNTING PRINCIPLES

This half-year financial 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)	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
NET SALES	23,327	29,137	48,199	56,252	125,419
Other operating income	136	186	274	373	616
Change in inventories of finished goods and work in progress	3,821	-696	5,682	23	444
Raw materials and consumables	-13,199	-9,620	-24,310	-19,816	-45,391
Employee benefit expenses	-5,169	-6,747	-11,238	-13,643	-27,780
Depreciation and impairments	-3,136	-3,135	-6,289	-6,221	-12,543
Other operating expenses	-3,118	-5,434	-8,450	-10,686	-23,647
OPERATING PROFIT	2,661	3,691	3,868	6,281	17,117
Financial income	435	-93	492	77	462
Financial expenses	-306	-429	-1,334	-735	-1,429
	129	-522	-842	-658	-966
RESULT BEFORE TAXES	2,790	3,169	3,027	5,624	16,151
Income taxes	-632	-597	-691	-1,113	-3,133
NET RESULT FOR THE PERIOD	2,158	2,572	2,336	4,511	13,018
Distribution of net result to equity holders of the parent company	2,158	2,572	2,336	4,511	13,018
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	0.27	0.32	0.29	0.56	1.61

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Net result for the period	2,158	2,572	2,336	4,511	13,018
Items that could be reclassified to profit or loss at a future point in time					
Change in translation difference	-36	33	19	6	-17
COMPREHENSIVE RESULT FOR THE PERIOD	2,123	2,605	2,355	4,517	13,001
Distribution of net result to equity holders of the parent company	2,123	2,605	2,355	4,517	13,001

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.6.2020	30.6.2019	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	528	978	593
Tangible assets	37,451	41,249	40,431
Other financial assets	16	16	16
Deferred tax assets	535	406	515
	38,530	42,649	41,555
CURRENT ASSETS			
Inventories	28,232	22,283	22,564
Trade and other receivables	8,552	8,052	6,632
Current tax assets	928	-	-
Cash and cash equivalents	25,061	12,811	26,133
	62,773	43,146	55,329
ASSETS, TOTAL	101,303	85,795	96,884
(EUR 1,000)	30.6.2020	30.6.2019	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	1,228	1,228
Treasury shares	-315	-315	-315
Translation differences	-47	-43	-66
Retained earnings	32,373	21,530	30,037
Shareholders' equity, total	41,280	30,440	38,925
NON-CURRENT LIABILITIES			
Lease liabilities	23,528	27,819	25,950
Other non-current liabilities	1,527	1,198	1,644
	25,055	29,017	27,594
CURRENT LIABILITIES			
Trade and other payables	18,945	14,167	17,796
Current tax liabilities	-	1,878	2,115
Lease liabilities	9,585	10,294	10,203
Financial liabilities	6,439	-	251
	34,969	26,338	30,366
Liabilities, total	60,024	55,355	57,960
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	101,303	85,795	96,884

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-6/2020	1-6/2019	1-12/2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	2,336	4,511	13,018
Adjustments			
Depreciation and impairments	6,289	6,221	12,543
Financial income and expenses	842	658	966
Taxes	691	1,113	3,133
Cash flow before change in working capital	10,157	12,503	29,661
Change in working capital	-6,344	-1,114	2,887
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-1,940	-1,428	-117
Increase (-) / decrease (+) in inventories	-5,668	-169	-450
Increase (+) / decrease (-) in current non-interest-bearing liabilities	1,264	482	3,454
Cash flow from operating activities before financial items and taxes	3,813	11,389	32,548
Paid interest and payments on other financial expenses	-580	-514	-1,408
Interest received and payments on other financial income	62	-2	404
Taxes paid	-3,733	-656	-2,552
CASH FLOW FROM OPERATING ACTIVITIES	-438	10,217	28,992
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-1,450	-1,175	-1,569
CASH FLOW FROM INVESTING ACTIVITIES	-1,450	-1,175	-1,569
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	6,188	-	251
Personnel share issue	-	726	726
Leasing payments	-5,373	-5,127	-10,437
Dividends paid	-	-15,003	-15,003
CASH FLOW FROM FINANCING ACTIVITIES	816	-19,405	-24,463
Change in cash and cash equivalents	-1,072	-10,363	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	25,061	12,811	26,133

In addition, Marimekko has unused committed credit lines of EUR 17,449 thousand (13,000). The company has also secured a short-term revolving credit facility worth EUR 10 million as well as a long-term revolving credit facility, increased from EUR 2.5 million to EUR 5 million, which includes a covenant.

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. 2019	8,040	502	-315	-49	31,827	40,005
Comprehensive result						
Net result for the period					4,511	4,511
Translation differences				6		6
Total comprehensive result for the period				6	4,511	4,517
Transactions with owners						
Dividends paid					-15,003	-15,003
Personnel share issue		726				726
Share-based transactions, personnel share issue					195	195
Shareholders' equity 30 June 2019	8,040	1,228	-315	-43	21,530	30,440
Shareholders' equity 1 Jan. 2020	8,040	1,228	-315	-66	30,037	38,925
Comprehensive result						
Net result for the period					2,336	2,336
Translation differences				19		19
Total comprehensive result for the period				19	2,336	2,355
Shareholders' equity 30 June 2020	8,040	1,228	-315	-47	32,373	41,280

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets			Tangible assets
		Right-of-use assets	Other	Total
Acquisition cost, 1 Jan. 2019	9,622	-	27,830	27,830
Adoption of IFRS 16, 1 Jan. 2019	-	41,778	-	-
Translation differences	83	10	-582	-572
Classification adjustment	725	-	-725	-725
Increases	253	1,439	624	2,063
Decreases	-	-	-1,332	-1,322
Transfers between categories	170	-	-140	-140
Acquisition cost, 30 June 2019	10,853	43,227	25,674	68,901
Accumulated depreciation, 1 Jan. 2019	9,280	-	23,674	23,392
Translation differences	19	-14	-439	-454
Accumulated depreciation of decreases	-	-	-931	-931
Depreciation during the period	577	5,345	299	5,644
Accumulated depreciation, 30 June 2019	9,875	5,331	22,321	27,652
Book value, 30 June 2019	978	37,895	3,354	41,249
Book value, 1 Jan. 2019	342	-	4,438	4,438
Book value, 30 June 2019	978	37,895	3,354	41,249
Acquisition cost, 1 Jan. 2020	10,453	46,598	28,209	74,808
Translation differences	-33	-125	-28	-153
Increases	155	2,422	711	3,133
Acquisition cost, 30 June 2020	10,575	48,895	28,892	77,788
Accumulated depreciation, 1 Jan. 2020	9,860	10,833	23,544	34,376
Translation differences	-2	-37	-103	-140
Depreciation during the period	189	5,496	604	6,100
Accumulated depreciation, 30 June 2020	10,047	16,292	24,045	40,337
Book value, 30 June 2020	528	32,604	4,848	37,451
Book value, 1 Jan. 2020	593	35,766	4,665	40,431
Book value, 30 June 2020	528	32,604	4,848	37,451

KEY FIGURES

	1-6/2020	1-6/2019	Change, %	1-12/2019
Earnings per share, EUR	0.29	0.56	-48	1.61
Equity per share, EUR	5.09	3.75	36	4.80
Return on equity (ROE), %	30.2	31.7		33.0
Return on investment (ROI), %	19.5	26.3		17.9
Equity ratio, %	40.7	35.5		40.2
Gearing, %	35.1	83.1		27.0
Gross investments, EUR 1,000	866	907	-5	2,594
Gross investments, % of net sales	2	2		2
Contingent liabilities, EUR 1,000	692	574	20	617
Average personnel	436	435	0	442
Personnel at the end of the period	432	453	-5	450
Number of shares outstanding at the end of the period	8,109,834	8,109,834		8,109,834
Average number of shares outstanding	8,109,834	8,090,500		8,100,246

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

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2020	4-6/ 2019	Change, %	1-6/ 2020	1-6/ 2019	Change, %	1-12/ 2019
Finland	11,378	16,782	-32	24,952	29,568	-16	71,163
Retail sales	7,779	13,255	-41	16,684	21,805	-23	51,918
Wholesale sales	3,578	3,485	3	8,217	7,635	8	19,012
Licensing income	22	42	-49	51	128	-60	233
Scandinavia	1,878	2,094	-10	3,936	4,219	-7	9,297
Retail sales	767	1,294	-41	1,808	2,459	-26	5,434
Wholesale sales	1,111	800	39	2,128	1,760	21	3,862
Licensing income	-	-	-	-	-	-	-
EMEA	3,277	3,166	3	5,968	6,644	-10	11,992
Retail sales	735	376	95	1,093	749	46	1,568
Wholesale sales	2,426	2,706	-10	4,683	5,700	-18	9,980
Licensing income	106	84	26	191	195	-2	443
North America	1,489	1,987	-25	3,132	3,921	-20	8,257
Retail sales	831	1,464	-43	1,786	2,459	-27	5,798
Wholesale sales	626	460	36	1,283	1,092	17	1,987
Licensing income	33	63	-48	63	370	-83	472
Asia-Pacific	5,305	5,107	4	10,211	11,902	-14	24,712
Retail sales	867	1,018	-15	1,721	2,022	-15	4,378
Wholesale sales	3,438	4,089	-16	7,490	9,879	-24	18,733
Licensing income	1,000	-		1,000	-		1,600
International sales, total	11,948	12,355	-3	23,247	26,685	-13	54,256
Retail sales	3,199	4,153	-23	6,408	7,689	-17	17,178
Wholesale sales	7,611	8,055	-6	15,584	18,432	-15	34,562
Licensing income	1,139	147		1,255	565	122	2,516
Total	23,327	29,137	-20	48,199	56,253	-14	125,419
Retail sales	10,978	17,408	-37	23,092	29,494	-22	69,096
Wholesale sales	11,189	11,539	-3	23,801	26,067	-9	53,574
Licensing income	1,160	189		1,306	692	89	2,748

STORES AND SHOP-IN-SHOPS

	30.6.2020	30.6.2019	31.12.2019
Finland	65	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	15	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	1	1	2
Company-owned stores	-	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	68	67	67
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	53	52	52
Retailer-owned shop-in-shops	11	11	11
Total	150	147	151
Company-owned stores	40	39	41
Company-owned outlet stores	13	13	13
Retailer-owned stores	67	66	66
Retailer-owned shop-in-shops	30	29	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 53 at the end of June 2020 (52).

NET SALES BY PRODUCT LINE

(EUR 1,000)	4-6/ 2020	4-6/ 2019	Change, %	1-6/ 2020	1-6/ 2019	Change, %	1-12/ 2019
Fashion	9,329	11,552	-19	18,671	21,278	-12	46,746
Home	9,622	10,659	-10	18,748	20,202	-7	47,941
Bags and accessories	4,376	6,926	-37	10,779	14,772	-27	30,732
Total	23,327	29,137	-20	48,199	56,253	-14	125,419

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	4-6/2020	1-3/2020	10-12/2019	7-9/2019
Net sales	23,327	24,872	34,716	34,451
Operating profit	2,661	1,208	3,013	7,823
Earnings per share, EUR	0.27	0.02	0.26	0.79

(EUR 1,000)	4-6/2019	1-3/2019	10-12/2018	7-9/2018
Net sales	29,137	27,116	29,740	29,836
Operating profit	3,691	2,591	1,237	6,185
Earnings per share, EUR	0.32	0.24	0.11	0.60

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 June

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