



marimekko

Half-year Financial Report 1-6/2021

Marimekko Corporation, Half-year Financial Report, 19 August 2021 at 8.00 a.m.

Marimekko's net sales and result increased considerably in the second quarter

The second quarter in brief

- ✦ Marimekko's net sales grew by 40 percent to EUR 32.7 million (23.3). Nearly all of Marimekko's own stores were open and footfall in the stores grew significantly from the comparison period, when the situation was highly exceptional and Marimekko's own stores and many of the partner-owned stores were temporarily closed for part of the quarter due to the pandemic. Net sales in Finland rose by 61 percent; international sales were up by 20 percent.
- ✦ Net sales were boosted especially by a favorable trend in retail and wholesale sales in Finland as well as increased wholesale sales in the Asia-Pacific region and Scandinavia. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region. Following campaigns and holidays at the turn of the reporting period, there were temporarily delays of a few days in the deliveries of the online store and some EUR 0.5 million (0.7) in retail sales were exceptionally left unrecognized as revenue for the second quarter.
- ✦ Operating profit improved significantly, reaching EUR 5.5 million (2.7). Comparable operating profit was also EUR 5.5 million (2.7).
- ✦ Earnings were boosted especially by increased net sales. Improved relative sales margin also supported result. On the other hand, an increase in fixed costs had a weakening impact on earnings.

January-June in brief

- ✦ Net sales grew by 28 percent to EUR 61.8 million (48.2). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland, growing wholesale sales in the Asia-Pacific region and Scandinavia as well as increased licensing income in the EMEA region. The good development of wholesale sales in Finland was partly supported by nonrecurring promotional deliveries. Sales growth in the Asia Pacific was partly due to the transfer of some of the wholesale deliveries for the final quarter of 2020 to the first quarter of the current year. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region.
- ✦ Operating profit amounted to EUR 11.1 million (3.9), and comparable operating profit was also EUR 11.1 million (3.9).
- ✦ Earnings were boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on result.

Financial guidance for 2021

The Marimekko Group's net sales for 2021 are expected to be higher than in the previous year (2020: EUR 123.6 million). Comparable operating profit margin is estimated to be approximately on a par with or higher than in the previous year (2020: 16.3 percent).

The instability caused by the coronavirus pandemic in Marimekko's markets has again increased clearly. Therefore, there are significant uncertainties associated with the trend in the company's net sales and earnings due to the pandemic situation. These uncertainties are described in more detail in the Major risks and factors of uncertainty section of this half-year financial report.

KEY FIGURES

(EUR million)	4-6/ 2021	4-6/ 2020	Change, %	1-6/ 2021	1-6/ 2020	Change, %	1-12/ 2020
Net Sales	32.7	23.3	40	61.8	48.2	28	123.6
International sales	14.3	11.9	20	28.9	23.2	24	52.4
% of net sales	44	51		47	48		42
EBITDA	8.5	5.8	47	17.2	10.2	69	31.9
Comparable EBITDA	8.5	5.8	47	17.2	10.2	69	32.7
Operating profit	5.5	2.7	107	11.1	3.9	188	19.3
Operating profit margin, %	16.8	11.4		18.0	8.0		15.7
Comparable operating profit	5.5	2.7	107	11.1	3.9	188	20.2
Comparable operating profit margin, %	16.8	11.4		18.0	8.0		16.3
Result for the period	4.1	2.2	92	8.6	2.3		13.8
Earnings per share, EUR	0.51	0.27	92	1.06	0.29		1.70
Comparable earnings per share, EUR	0.51	0.27	92	1.06	0.29		1.78
Cash flow from operating activities	7.4	4.0	83	9.2	-0.4		28.1
Return on investment (ROI), %				31.2	19.5		22.5
Equity ratio, %				48.7	40.7		46.6
Net debt / EBITDA (rolling 12 months)				-0.08	0.53		-0.10
Gross investments *	0.4	0.4	-4	0.8	0.9	-9	2.1
Personnel at the end of the period				400	432	-7	422
outside Finland				71	83	-14	84
Brand sales ¹	74.7	59.0	27	142.1	132.0	8	286.4
outside Finland	49.9	44.0	13	96.7	98.4	-2	190.3
proportion of international sales, %	67	75		68	75		66
Number of stores				154	150	3	154

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

* 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, representing the reach of the Marimekko brand through different distribution channels. An unofficial estimate of sales of Marimekko products at consumer prices, brand sales are calculated by adding together the company's own retail net sales and the estimated retail value of Marimekko products sold by other retailers. The estimated retail value is based on the company's realized wholesale sales and licensing income. Brand sales do not include VAT, and the key figure is not audited. At the beginning of 2021, the coefficients used to calculate brand sales were adjusted, and the figures for the comparison year have been restated accordingly. Some licensees provide exact retail figures, in which case these figures are used in reporting brand sales. For other licensing agreements, Marimekko's own retail coefficients for different markets are used.

TIINA ALAHUHTA-KASKO

President and CEO

“Our net sales in the second quarter grew substantially both in Finland and internationally. Also, our result improved significantly.

Marimekko’s strong performance continued in the second quarter. Our net sales increased by 40 percent to EUR 32.7 million (23.3). The development of retail and wholesale sales in Finland and wholesale sales in the Asia-Pacific region and Scandinavia was particularly good. Nearly all Marimekko’s own stores were open and footfall increased significantly compared to the previous year, when the situation was highly exceptional and Marimekko’s own stores – and many partner-owned stores – were temporarily closed for part of the quarter due to the coronavirus pandemic. Our omnichannel retail sales increased by 38 percent. The strong growth of wholesale sales continued with an increase of 53 percent in April–June. In the comparison period, the pandemic had a significant impact on net sales especially in Finland, where net sales now grew by 61 percent. Our international sales increased by 20 percent in the review period. The growth of sales, in particular, strengthened our operating profit, which grew significantly. Stronger relative sales margin also supported our result. Our comparable operating profit in April–June improved to EUR 5.5 million (2.7) and was 16.8 percent of net sales (11.4).



In January–June, our net sales grew by 28 percent and amounted to EUR 61.8 million (48.2). Compared to the time pre-pandemic, i.e. the corresponding period in 2019, the rate of growth was 10 percent. Our comparable operating profit in the first half of the year increased to EUR 11.1 million (3.9), which represented 18.0 percent of net sales (8.0).

In May, we announced two limited-edition collaboration collections, which are helping us increase Marimekko’s international brand awareness. In addition to visibility, brand collaborations provide us licensing income, which is part of our business model. Together with adidas, a global leader in the sporting goods industry, we launched Marimekko’s first-ever sports apparel collaboration. The news was enthusiastically received, and the collection has provided us with an excellent opportunity to introduce Marimekko to a broad global audience including also customers entirely new to us. The Spring/Summer capsule collection with the Japanese global apparel retailer Uniqlo, in turn, was one of Uniqlo’s spearhead collaborations in 2021.

In the second quarter, international visibility was also brought about by several events related to our 70th anniversary as well as pop-up stores in Asia, Australia and North America. For example, Nordstrom, a leading fashion retailer in the United States and Canada, put Marimekko’s brand and products prominently on display with its “Pop-In@Nordstrom welcomes Marimekko” campaign in its online store and department stores in nine cities. Pop-up stores and various creative retail concepts represent an important part of our omnichannel customer experience, in the development of which we have invested consistently. We also revamped our online store in May and will further enrich the digital customer experience this fall. Overall, in

the second half of 2021, we will continue our investments in strengthening the building blocks of our long-term international growth in order to seize the growth opportunities that the transformation of our industry and changes in consumer behavior present to the timeless, sustainable and unique Marimekko lifestyle.

The development of the pandemic situation in each of our markets is nevertheless evolving and the instability caused by the pandemic has again increased clearly. We will adjust our plans as necessary. New virus variants, the development of vaccination coverage and the way the situation is managed by different countries have an impact on the development of consumer confidence and purchasing behavior, in particular, and the continuing uncertainty may affect consumer demand in our different markets.

Today, the 70-year-old Marimekko brand is more vibrant than ever. After the end of the review period, in August, we presented our first Spring/Summer collection designed under the leadership of our Creative Director Rebekka Bay at Copenhagen Fashion Week and collaborated with the Copenhagen-based design studio and store studio x to open an ever-evolving experiential pop-up space in the city as an inspiration and meeting place for the local community. We also launched a Marimekko Pre-loved second-hand pilot in our online store to help extend the lifespan of Marimekko products. We believe that new and brave perspectives, concepts and touchpoints will keep the Marimekko brand relevant and meaningful for our customers also in the future.”

Operating environment

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

The world economy is expected to recover from the coronavirus pandemic at a rate of approximately six percent in 2021, albeit at highly differing rates around the world and in different sectors. Despite the quick recovery, there are also signs of the world economy slowing down. Economic development involves uncertainties due, in particular, to virus variants and possibly tighter fiscal policy.

The economic outlook for Finland improved during the summer, but there is still uncertainty in Finland as well and clear differences between industries continue to exist. The confidence indicator for the retail trade decreased in July but was still above the long-term average. Sales grew in the summer. However, while sales are still estimated to grow in the next few months, the expectations are on a slightly lower level. The July figures for consumer confidence continued to be on a strong level. Estimates of the current state of personal finances were at an all-time high and expectations for both personal and Finland's economy were on a good level.

(Confederation of Finnish Industries EK: Business Tendency Survey, July 2021; Confidence Indicators, July 2021. Statistics Finland: Consumer Confidence 2021, July).

The working-day-adjusted turnover of Finnish retail trade in June grew by 5.8 percent on the previous year, and the volume of sales was up by 4.3 percent. The cumulative working-day-adjusted turnover of retail trade in the first half of the year rose by 6.3 percent and the volume of sales increased by 5.6 percent. (Statistics Finland: Turnover of Trade, June 2021).

Net sales

Net sales in the second quarter

In the April-June period of 2021, the Group's net sales grew by 40 percent relative to the same period the year before and were EUR 32,695 thousand (23,327). Net sales were boosted especially by a favorable trend in retail and wholesale sales in Finland as well as increased wholesale sales in the Asia-Pacific region and Scandinavia. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region. During the comparison period, the coronavirus pandemic impacted heavily Marimekko's net sales, in particular in Finland, where net sales now rose by 61 percent. International sales were up by 20 percent in the period under review. In the comparison period, net sales included a total of about EUR 1 million in retail and wholesale sales that was left unrecognized as revenue for the first quarter due to logistic challenges.

Nearly all of Marimekko's own stores were open in the second quarter and footfall in the stores grew significantly. In the comparison period, the majority of Marimekko's own stores were temporarily closed for most of the time due to the pandemic, and also the partner-owned stores in Japan and Thailand were closed for part of the quarter. Omnichannel retail sales increased by 38 percent from the same period the year before. Following campaigns and holidays at the turn of the reporting period, there were temporarily delays of a few days in the deliveries of the online store and some EUR 0.5 million (0.7) in retail sales were exceptionally left unrecognized as revenue for the second quarter. Wholesale sales continued to perform strongly and grew by 53 percent in the April-June period.

Net sales in Finland were EUR 18,361 thousand (11,378). Retail sales increased by 54 percent. Comparable retail sales grew by 50 percent. Wholesale sales in Finland grew by 78 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 rose by 18 percent to EUR 6,255 thousand (5,305). Wholesale sales and retail sales both grew, but licensing income declined from the comparison period. Wholesale sales in the entire region increased by 46 percent and in Japan, the most important country to Marimekko in this market area, by 21 percent. Retail sales in the Asia-Pacific region grew by 6 percent, even though own stores in Australia had to be temporarily closed at times due to the pandemic situation.

Net sales in the January-June period

The Group's net sales in the January-June period of 2021 grew by 28 percent to EUR 61,797 thousand (48,199). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland, growing wholesale sales in the Asia-Pacific region and Scandinavia as well as increased licensing income in the EMEA region. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region. Omnichannel retail sales in total rose by 16 percent. Wholesale sales continued to grow strongly, by 40 percent in the first six months. Net sales in Finland were up by 32 percent; international sales increased by 24 percent.

Net sales in Finland were EUR 32,895 thousand (24,952). Retail sales rose by 23 percent, and also comparable retail sales grew by 23 percent as the majority of stores were open for the full period unlike in January-June 2020. Wholesale sales in Finland increased by 50 percent, supported partly by nonrecurring promotional deliveries.

In the Asia-Pacific region, net sales grew by 26 percent to EUR 12,857 thousand (10,211). Wholesale sales in the entire region increased by 43 percent and in Japan by 30 percent. The upward trend in sales was partly due to the transfer of some of the wholesale deliveries for the final quarter of 2020 to the first quarter of the current year. Retail sales in the Asia-Pacific region grew by 6 percent.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2021	4-6/ 2020	Change, %	1-6/ 2021	1-6/ 2020	Change, %	1-12/ 2020
Finland	18,361	11,378	61	32,895	24,952	32	71,145
International sales	14,333	11,948	20	28,902	23,247	24	52,424
Scandinavia	2,880	1,878	53	5,315	3,936	35	9,883
EMEA	2,955	3,277	-10	7,044	5,968	18	13,961
North America	2,244	1,489	51	3,687	3,132	18	6,466
Asia-Pacific	6,255	5,305	18	12,857	10,211	26	22,114
Total	32,695	23,327	40	61,797	48,199	28	123,568

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.

Financial result

In the April-June period of 2021, the Group's operating profit grew substantially, reaching to EUR 5,501 thousand (2,661). 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 5,501 thousand (2,661). Earnings were boosted especially by increased net sales. Improved relative sales margin also supported result. On the other hand, an increase in fixed costs had a weakening impact on earnings.

The relative sales margin was strengthened by relatively lower logistics costs than in the comparison period, improved margins per product as well as smaller discounts. Lower licensing income than in the comparison period had a negative impact on the relative sales margin. Fixed costs were mainly increased by higher employee benefit expenses. In the comparison period, extensive temporary layoffs were executed in the retail organization as a result of the pandemic situation. In the period under review, the temporary layoffs in the retail chain were significantly smaller. In 2021, Marimekko invests in strengthening the building blocks of international growth, which also resulted for its part in an increase in employee benefit expenses. Fixed costs were also increased by higher marketing expenses and smaller temporary cost savings.

In the January-June period of 2021, the Group's operating profit was EUR 11,125 thousand (3,868) and the comparable operating profit was also EUR 11,125 thousand (3,868). Earnings were boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on result. The relative sales margin was strengthened by relatively lower logistics cost than in the comparison period and improved margins per product. Increased fixed costs were attributable, in particular, to higher employee benefit expenses. Employee benefit expenses grew as a result of increased estimated effects of the long-term, share-based incentive scheme for management, new recruitments to strengthen the building blocks of Marimekko's international growth and the decrease of temporary cost savings related to salaries and wages, among other things. In the comparison period, temporary cost savings were accrued, for example, due to extensive temporary layoffs in the retail organization. In addition, a one-off bonus paid to the personnel during the beginning of the year increased employee benefit expenses. Increased marketing expenses, among other things, also contributed to higher fixed costs. Lower credit loss provisions, however, decreased fixed costs.

In January-June period, marketing expenses were EUR 2,850 thousand (2,372), or 5 percent of the Group's net sales (5).

The Group's depreciation amounted to EUR 6,059 thousand (6,289), representing 10 percent of net sales (13).

In January-June period, operating profit margin was 18.0 percent (8.0) and comparable operating profit margin was also 18.0 percent (8.0). In the second quarter of the year, operating profit margin was 16.8 percent (11.4) and comparable operating profit margin 16.8 percent (11.4).

Net financial expenses in the January-June period were EUR 460 thousand (842), or 1 percent of net sales (2). Financial items include exchange rate differences amounting to EUR 49 thousand (-351), of which EUR 201 thousand (-118) were unrealized. The impact of IFRS 16 on interest expenses was EUR -369 thousand (-391).

Result for the first half of the year before taxes was EUR 10,665 thousand (3,027). Net result for the January-June period was EUR 8,568 thousand (2,336) and earnings per share were EUR 1.06 (0.29).

Balance sheet

The consolidated balance sheet total as at 30 June 2021 was EUR 112,394 thousand (101,303). Equity attributable to the equity holders of the parent company was EUR 53,978 thousand (41,280), or EUR 6.66 per share (5.09).

Non-current assets at the end of June stood at EUR 38,664 thousand (38,530). Lease liabilities amounted to EUR 32,475 thousand (33,113), and financial liabilities were EUR 1,247 thousand (6,439). In addition, the Group had unused committed credit lines of EUR 14,186 thousand (17,449).

At the end of the period, net working capital was EUR 12,251 thousand (18,768). Inventories were EUR 26,538 thousand (28,232).

Cash flow and financing

In the April-June period of 2021, cash flow from operating activities was EUR 7,374 thousand (4,037), or EUR 0.91 per share (0.50). Cash flow before cash flow from financing activities was EUR 6,978 thousand (3,730).

In the January-June period, cash flow from operating activities was EUR 9,157 thousand (-438), or EUR 1.13 per share (-0.05). In the comparison period, the pandemic situation, among other things, had an impact on cash flow from operating activities. Cash flow before cash flow from financing activities was EUR 7,668 thousand (-1,888). Dividends paid in the review period totaled EUR 7,299 thousand (0).

The Group's cash and cash equivalents at the end of the period amounted to EUR 36,785 thousand (25,061). In addition to improved result, refraining from paying dividends for 2019 during 2020 contributed to the increase in cash and cash equivalents in the January-June period. The dividend for 2019 was paid in March 2021. The amount of interest-bearing credit facilities drawn down was EUR 1,247 thousand (6,439). In addition, the Group had unused committed credit lines of EUR 14,186 thousand (17,449) as well as a long-term revolving credit facility of EUR 5 million, which includes a covenant. Marimekko secured additional financing in spring 2020 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 48.7 percent (40.7). Gearing was -5.7 percent (35.1). The ratio of net debt to 12-month rolling EBITDA was -0.08 (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 2021 were EUR 786 thousand (866), or 1 percent of net sales (2). The investments were mainly devoted to IT systems in order to strengthen the company's digital business.

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, one store was opened and one was closed in South Korea. In celebration of Marimekko's 70th anniversary, there were altogether 11 pop-up stores in major Asian and Australian cities during the review period. In addition, the department store chain Nordstrom showcased Marimekko prominently through their Pop-In@Nordstrom welcomes Marimekko campaign both in their online store as well as in department stores in nine cities in North America. At the end of June, there were a total of 154 Marimekko stores and shop-in-shops around the world. 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.

Marimekko stores around the world were open in the second quarter with a few exceptions, partly with limited hours. As the pandemic situation worsened, some of the stores in Japan and Australia were closed temporarily due to local restrictions. At the end of June, the store in Sydney remained closed. After the review period, stores were also closed temporarily in Melbourne and Thailand due to the pandemic situation.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales developed according to plan in the second quarter of the year. The company's own and partner-operated Marimekko webstores reach customers in as many as 35 countries as a webstore for Marimekko products was opened in Taiwan during the second quarter. In addition, Marimekko also has distribution through other online channels.

Digital service solutions are constantly increasing the integration of e-commerce and in-store retailing. For this reason, Marimekko 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 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 June 2021	30 June 2020	31 Dec. 2020
Finland	65	65	65
Scandinavia	8	10	8
EMEA	2	1	2
North America	5	6	6
Asia-Pacific	74	68	73
Total	154	150	154

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

Personnel

In the January-June period of 2021, the number of employees, expressed as full-time equivalents, averaged 403 (436). At the end of the period, the Group had 400 (432) employees, of whom 71 (83) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 27 (19), EMEA 0 (3), North America 22 (31) and the Asia-Pacific region 22 (30). The personnel at company-owned stores, expressed as full-time equivalents, totaled 195 (226) at the end of the period. During the second quarter, some temporary layoffs still continued in the retail store chain due to the coronavirus situation. In addition, following country-specific restrictions related to the situation, a few of Marimekko's own stores in some cities have had to be temporarily closed, which has then led to some new temporary layoffs in the retail store chain.

Changes in management

On 6 May 2021, Jussi Siitonen resigned from his position as a member of the Board of Directors of Marimekko. The Board of Directors consists of Elina Björklund, Carol Chen, Mika Ihamuotila, Mikko-Heikki Inkeroinen, Catharina Stackelberg-Hammarén and Tomoki Takebayashi.

Resolutions of the Annual General Meeting

The resolutions of Marimekko Corporation's Annual General Meeting 2021 have been reported in the stock exchange release of 14 April 2021 and in the Interim Report of 20 May 2021.

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 20,937 shareholders (17,535) at the end of June. Of the shares, 14.5 percent (8.3) were owned by nominee-registered or non-Finnish holders.

Marimekko Corporation held 20,000 of its own shares as at 30 June 2021. 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 2021, a total of 890,705 Marimekko shares (1,932,082) were traded on Nasdaq Helsinki, representing 11.0 percent (23.8) of the shares outstanding. The total value of the share turnover was EUR 48,300,661 (58,648,973). The lowest price of the share was EUR 44.50 (21.30), the highest was EUR 73.80 (42.50) and the average price was EUR 54.12 (30.36). At the end of June, the closing price of the share was EUR 64.50 (24.45).

The company's market capitalization on 30 June 2021 was EUR 523,084,293, excluding the Marimekko shares held by the company (198,285,441).

Authorizations

The Annual General Meeting held on 8 April 2020 authorized the Board of Directors to decide on the payment of a maximum dividend of EUR 0.90 per share in one or several instalments at a later stage. On 18 February 2021, the Board made use of the authorization and decided that a dividend of EUR 0.90 per share be paid for 2019 in one instalment. The dividend record date was 22 February 2021, and the dividend payout date was 1 March 2021.

The AGM on 14 April 2021 authorized the Board of Directors to decide on the payment of a maximum dividend of EUR 1.00 per share in one or several instalments at a later stage. The authorization was not used in the review period. 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 on 14 April 2021 also authorized the Board 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 14 October 2022.

Furthermore, the AGM on 14 April 2021 authorized the Board 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 14 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 has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades. The pandemic impacts the global economic trend in many ways, and it has taken uncertainty 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 have both short-term and 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. An 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 significance 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 on 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 gray 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.

Prominent among the company's operational risks are those related to internationalization, digitization, sustainability as well as the supply and logistics chain. 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. For example, a rapid increase in demand can pose challenges in the availability of products.

In normal circumstances, too, there are risks associated with information system reliability, dependability and compatibility. With digitization, cybercrime and 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 production, procurement and logistics processes and their flexibility and efficiency, price fluctuations for raw materials and procurements as well as availability and price of transport. As product distribution is expanded and operations are diversified, risks associated with inventory management also grow. Substantial nonrecurring promotions can also increase risks related to procurement, transport and inventory management, especially in exceptional circumstances. Enhancing sustainability is increasingly important for competitiveness in the industry, which can have an impact on the company's sales and profitability. 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 as well as raw materials and chemicals used) as well as transparent communications on these subjects are of growing significance to customers. These sustainability elements apply to Marimekko's own production and sourcing as well as 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, also on substantial nonrecurring promotions. Business and reputation risks are prevented by taking care of product safety as well as through continuous quality control and sustainability work.

Climate change is expected to bring an increase in various extreme phenomena such as floods, forest and bush fires, 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 or hamper the logistics chain. 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 2021

The coronavirus pandemic has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades, and it will heavily impact the sector in 2021 as well. It has taken uncertainty over the global economy to a completely new level and is changing consumers' purchasing behavior. Development of the pandemic situation can cause sudden fluctuations in demand, which can 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. Vaccine coverage, new infection waves and virus variants as well as the way the crisis is handled by different countries may influence the economic development and consumers' purchasing behavior in different markets.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. Sales in Finland are expected to grow on the previous year. Domestic wholesale sales in 2021 will be boosted by nonrecurring promotional deliveries, the total value of which is estimated to be substantially higher than the year before. A vast majority of the deliveries will take place in the second half of the year.

The Asia-Pacific region is Marimekko's second-largest market and it plays a significant part in the company's international growth. Japan is clearly the most important country in this region to Marimekko and already has a very comprehensive network of Marimekko stores. The other Asian countries' combined share of the company's net sales is still noticeably smaller, but operations in these countries are constantly growing. All Marimekko stores in Asia are partner-owned. Net sales in the Asia-Pacific region are expected to increase in 2021. The aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops in 2021, and most of the planned openings will be in Asia.

Marimekko estimates that both wholesale and retail sales will increase in 2021. The growth is expected to be particularly strong in wholesale sales, which also include sales to partners operating Marimekko stores. The increase in wholesale sales is partly supported by the nonrecurring promotional deliveries in Finland, and they can increase Marimekko's inventory risks. The development of the coronavirus situation, vaccine coverage and possible restrictions and recommendations in different market areas, on the other hand, influence footfall in stores and hence the outlook for both retail and wholesale, including nonrecurring wholesale promotions. Rapid fluctuations in demand due to the pandemic can also affect Marimekko's net sales. Marimekko has experienced some coronavirus related disruptions in its supply chain, which can have an impact on the availability of products and consequently on net sales and profitability. Furthermore, net sales and earnings also essentially depend on maintaining the operational reliability and efficiency of distribution centers and logistics in the exceptional situation. Marimekko will continue actions to control gray exports, which will have a clear weakening impact on the company's sales and earnings in 2021. Licensing income is forecast to be approximately at the same level as in the previous year.

Marimekko plans to accelerate its long-term international growth in 2021 and to invest especially in digital business, seamless omnichannel customer experience, sustainability and brand awareness. Fixed costs are expected to be up on the previous year, especially during the second half of the year. In 2020, fixed costs were reduced by partly temporary cost savings as well as subsidies granted in different countries to mitigate the negative business impacts of the coronavirus pandemic. Marketing expenses are expected to grow (2020: EUR 5.3 million) and take place especially in the second half of the year. In addition, IT costs are expected to increase clearly as the accounting principles related to configuration and customization costs in a cloud computing arrangement will change as a result of a new IFRIC interpretation. According to the current, preliminary estimate, the change in accounting principles will increase Marimekko's fixed costs and accordingly lower the company's investments approximately by some EUR 1 million during the financial year 2021. Marimekko will finalize the calculations during the fall of 2021 and possible impacts will be accounted for retrospectively latest at the financial statements 2021. As a result, total investments are estimated to be clearly lower than the year before (2020: EUR 2.1 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. The first earnings period will end at the end of September 2021.

The instability caused by the coronavirus pandemic has again clearly increased. Marimekko is closely monitoring the development of the pandemic situation in each of its market areas and will adjust its operations and plans according to the situation.

Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and earnings are traditionally generated during the last two quarters of the year. However, the relative growth of the net sales is expected to slow down during the second half of the year as the coronavirus pandemic had an exceptionally negative effect on the net sales during the first six months of 2020.

Financial calendar for 2021

Marimekko's interim report for the January-September period will be issued on Wednesday 3 November 2021 at 8.00 a.m.

Helsinki, 18 August 2021

Marimekko Corporation

Board of Directors

The quarterly results for 2021 are unaudited. 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 2020 financial statements.

IFRS Interpretations Committee published in April 2021 their final agenda decision on the accounting of configuration and customization costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Committee considered when an intangible asset can be recognized in relation to configuration and customization of an application software. As the IFRIC agenda decisions do not have a date of entry into force, they are expected to be applied as soon as possible. As Marimekko currently has projects related to cloud computing arrangements, the company has initiated a study on whether this agenda decision will have impacts on the group's accounting principles related to costs in cloud computing arrangements. Marimekko will finalize its study during the fall 2021 and possible implications will be retroactively implemented at the latest in the financial statements 2021. According to the current, preliminary estimate, the change in accounting principles will increase Marimekko's fixed costs and accordingly lower the company's investments approximately by some EUR 1 million during the financial year 2021.

Appendices

Consolidated income statement and comprehensive consolidated income statement

Consolidated balance sheet

Consolidated cash flow statement

Consolidated statement of changes in shareholders' equity

Intangible and tangible assets

Key figures

Reconciliation of alternative key figures to IFRS

Net sales by market area

Net sales by product line

Quarterly trend in net sales and earnings

Stores and shop-in-shops

Formulas for key figures

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
NET SALES	32,695	23,327	61,797	48,199	123,568
Other operating income	15	136	34	274	341
Changes in inventories of finished goods and work in progress	2,571	3,821	4,131	5,682	-361
Raw materials and consumables	-14,923	-13,199	-26,760	-24,310	-48,237
Employee benefit expenses	-6,857	-5,169	-13,439	-11,238	-25,334
Depreciation and impairment	-3,020	-3,136	-6,059	-6,289	-12,556
Other operating expenses	-4,978	-3,118	-8,579	-8,450	-18,076
OPERATING PROFIT	5,501	2,661	11,125	3,868	19,345
Financial income	-40	435	231	492	592
Financial expenses	-306	-306	-691	-1,334	-2,375
	-346	129	-460	-842	-1,783
RESULT BEFORE TAXES	5,155	2,790	10,665	3,027	17,562
Income taxes	-1,016	-632	-2,097	-691	-3,798
NET RESULT FOR THE PERIOD	4,139	2,158	8,568	2,336	13,765
Distribution of net result to equity holders of the parent company	4,139	2,158	8,568	2,336	13,765
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	0.51	0.27	1.06	0.29	1.70

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
NET RESULT FOR THE PERIOD	4,139	2,158	8,568	2,336	13,765
Items that could be reclassified to profit or loss at a future point in time					
Change in translation difference	29	-36	-72	19	92
COMPREHENSIVE RESULT FOR THE PERIOD	4,169	2,123	8,496	2,355	13,857
Distribution of the result to equity holders of the parent company	4,169	2,123	8,496	2,355	13,857

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30 June 2021	30 June 2020	31 Dec. 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1,763	528	1,077
Tangible assets	35,833	37,451	41,269
Other financial assets	16	16	16
Deferred tax assets	1,053	535	860
	38,664	38,530	43,222
CURRENT ASSETS			
Inventories	26,538	28,232	22,436
Trade and other receivables	10,406	8,552	8,126
Current tax assets	-	928	-
Cash and cash equivalents	36,785	25,061	41,045
	73,730	62,773	71,607
ASSETS, TOTAL	112,394	101,303	114,830

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30 June 2021	30 June 2020	31 Dec. 2020
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	-46	-47	26
Retained earnings	45,071	32,373	43,802
Shareholders' equity, total	53,978	41,280	52,781
NON-CURRENT LIABILITIES			
Lease liabilities	23,092	23,528	26,996
Other non-current liabilities	-	1,527	1,476
	23,092	25,055	28,472
CURRENT LIABILITIES			
Trade and other payables	24,345	18,945	22,160
Current tax liabilities	348	-	534
Lease liabilities	9,383	9,585	10,158
Financial liabilities	1,247	6,439	725
	35,323	34,969	33,577
Liabilities, total	58,415	60,024	62,048
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	112,394	101,303	114,830

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-6/2021	1-6/2020	1-12/2020
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	8,568	2,336	13,765
Adjustments			
Depreciation and impairments	6,059	6,289	12,556
Financial income and expenses	460	842	1,783
Taxes	2,097	691	3,798
Cash flow before change in working capital	17,184	10,157	31,902
Change in working capital	-4,904	-6,344	3,310
Increase(-)/decrease(+) in current non-interest-bearing trade receivables	-2,300	-1,940	-1,591
Increase(-) / decrease(+) in inventories	-4,072	-5,668	65
Increase(+) / decrease(-) in current non-interest-bearing liabilities	1,468	1,264	4,836
Cash flow from operating activities before financial items and taxes	12,280	3,813	35,212
Paid interest and payments on other financial expenses	-663	-580	-1,463
Interest received and payments on other financial income	9	62	78
Taxes paid	-2,468	-3,733	-5,740
CASH FLOW FROM OPERATING ACTIVITIES	9,157	-438	28,087
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-1,489	-1,450	-2,846
CASH FLOW FROM INVESTING ACTIVITIES	-1,489	-1,450	-2,846
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	481	6,188	6,488
Short-term loans repaid	-	-	-6,000
Payments of lease liabilities	-5,209	-5,373	-10,729
Dividends paid	-7,299	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-12,026	816	-10,241
Change in cash and cash equivalents	-4,359	-1,072	14,999
Cash and cash equivalents at the beginning of the period	41,045	26,133	26,133
Effects of exchange rate fluctuations	99	-	-87
Cash and cash equivalents at the end of the period	36,785	25,061	41,045

In addition, Marimekko has unused committed credit lines of EUR 14,186 thousand (17,449) as well as a long-term revolving credit facility of 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. 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
Shareholders' equity, 1 Jan. 2021	8,040	1,228	-315	26	43,802	52,781
Comprehensive result						
Net result for the period					8,568	8,568
Translation differences				-72		-72
Total comprehensive result for the period				-72	8,568	8 496
Transactions with owners						
Dividends paid					-7,299	-7,299
Shareholders' equity, 30 June 2021	8,040	1,228	-315	-46	45,071	53,978

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	-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
Acquisition cost, 1 Jan. 2021	11,196	58,129	29,120	87,249
Translation differences	-12	207	134	341
Increases	780	451	7	458
Transfers between categories	160	-	-160	-160
Acquisition cost, 30 June 2021	12,124	58,788	29,100	87,888
Accumulated depreciation, 1 Jan. 2021	10,118	21,562	24,418	45,981
Translation differences	-12	139	132	271
Depreciation during the period	255	5,335	469	5,804
Accumulated depreciation, 30 June 2021	10,361	27,036	25,020	52,055
Book value, 30 June 2021	1,763	31,752	4,081	35,833
Book value, 1 Jan. 2021	1,077	36,567	4,702	41,269
Book value, 30 June 2021	1,763	31,752	4,081	35,833

KEY FIGURES

	1-6/2021	1-6/2020	Change, %	1-12/2020
Earnings per share, EUR	1.06	0.29		1.70
Equity per share, EUR	6.66	5.09	31	6.51
Return on equity (ROE), %	42.0	30.2		30.0
Return on investment (ROI), %	31.2	19.5		22.5
Equity ratio, %	48.7	40.7		46.6
Gearing, %	-5.7	35.1		-6.0
Gross investments, EUR 1,000	786	866	-9	2,143
Gross investments, % of net sales	1.3	1.8		1.7
Contingent liabilities, EUR 1,000	615	692	-11	662
Average personnel	403	436	-8	434
Personnel at the end of the period	400	432	-7	422
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	8,109,834		8,109,834

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

RECONCILIATION OF ALTERNATIVE KEY FIGURES TO IFRS

(EUR million)	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1-12/ 2020
Items affecting comparability					
Restructuring costs	-	-	-	-	-0.8
Items affecting comparability in operating profit	-	-	-	-	-0.8
EBITDA					
EBITDA	8.5	5.8	17.2	10.2	31.9
Restructuring costs	-	-	-	-	0.8
Comparable EBITDA	8.5	5.8	17.2	10.2	32.7
Operating profit					
Operating profit	5.5	2.7	11.1	3.9	19.3
Restructuring costs	-	-	-	-	0.8
Comparable operating profit	5.5	2.7	11.1	3.9	20.2
Net sales					
Net sales	32.7	23.3	61.8	48.2	123.6
Operating profit margin, %					
Operating profit margin, %	16.8	11.4	18.0	8.0	15.7
Comparable operating profit margin, %	16.8	11.4	18.0	8.0	16.3

Items affecting comparability are exceptional transactions that are not related to the company's regular business operations. These include, among other things, costs associated with restructuring of operations. The Group's management exercises its discretion when making decisions regarding the classification of items affecting comparability.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	1-12/2020
Finland	18,361	11,378	61	32,895	24,952	32	71,145
Retail sales	11,949	7,779	54	20,528	16,684	23	45,928
Wholesale sales	6,383	3,578	78	12,296	8,217	50	25,058
Licensing income	29	22	34	71	51	38	158
Scandinavia	2,880	1,878	53	5,315	3,936	35	9,883
Retail sales	722	767	-6	1,379	1,808	-24	4,311
Wholesale sales	2,158	1,111	94	3,936	2,128	85	5,572
Licensing income	-	-	-	-	-	-	-
EMEA	2,955	3,277	-10	7,044	5,968	18	13,961
Retail sales	386	735	-47	828	1,093	-24	2,160
Wholesale sales	2,502	2,436	3	5,183	4,683	11	11,400
Licensing income	67	106	-37	1,033	191		401
North America	2,244	1,489	51	3,687	3,132	18	6,466
Retail sales	1,133	831	36	2,156	1,786	21	3,952
Wholesale sales	1,019	626	63	1,331	1,283	4	2,268
Licensing income	93	33	182	199	63		247
Asia-Pacific	6,255	5,305	18	12,857	10,211	26	22,114
Retail sales	918	867	6	1,824	1,721	6	3,609
Wholesale sales	5,014	3,438	46	10,678	7,490	43	16,495
Licensing income	324	1,000	-68	355	1,000	-65	2,010
International sales, total	14,333	11,948	20	28,902	23,247	24	52,424
Retail sales	3,158	3,199	-1	6,187	6,408	-3	14,032
Wholesale sales	10,693	7,611	40	21,128	15,584	36	35,734
Licensing income	483	1,139	-58	1,587	1,255	26	2,658
Total	32,695	23,327	40	61,797	48,199	28	123,568
Retail sales	15,108	10,978	38	26,716	23,092	16	59,960
Wholesale sales	17,075	11,189	53	33,424	23,801	40	60,792
Licensing income	512	1,160	-56	1,658	1,306	27	2,816

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

NET SALES BY PRODUCT LINE

(EUR 1,000)	4-6/ 2021	4-6/ 2020	Change, %	1-6/ 2021	1-6/ 2020	Change, %	1-12/ 2020
Fashion	11,324	9,329	21	21,059	18,671	13	39,740
Home	15,262	9,622	59	27,784	18,748	48	56,262
Bags and accessories	6,109	4,376	40	12,954	10,779	20	27,566
Total	32,695	23,327	40	61,797	48,199	28	123,568

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	4-6/2021	1-3/2021	10-12/2020	7-9/2020
Net sales	32,695	29,103	37,358	38,011
Operating profit	5,501	5,624	4,963	10,514
Earnings per share, EUR	0.51	0.55	0.43	0.98

(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

STORES AND SHOP-IN-SHOPS

	30 June 2021	30 June 2020	31 Dec. 2020
Finland	65	65	65
Company-owned stores	25	25	25
Company-owned outlet stores	12	12	12
Retailer-owned stores	13	13	13
Retailer-owned shop-in-shops	15	15	15
Scandinavia	8	10	8
Company-owned stores	5	7	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	2	1	2
Company-owned stores	-	-	-
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	2	1	2
North America	5	6	6
Company-owned stores	3	4	4
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	-	-	-
Asia-Pacific	74	68	73
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	59	53	58
Retailer-owned shop-in-shops	11	11	11
Total	154	150	154
Company-owned stores	37	40	38
Company-owned outlet stores	13	13	13
Retailer-owned stores	73	67	72
Retailer-owned shop-in-shops	31	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 50 at the end of June 2021 (53).

FORMULAS FOR KEY FIGURES

Comparable EBITDA, EUR:

Operating result - depreciation - impairments - items affecting comparability

Comparable operating result, EUR:

Operating result - items affecting comparability in operating result

Comparable operating result margin, %:

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

Earnings per share (EPS), EUR:

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

Comparable earnings per share (EPS), EUR:

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

Equity per share, EUR:

Shareholders' equity / Number of shares, 30 June

Return on equity (ROE), %:

Rolling 12 months (Profit before taxes - income taxes) x 100 / Shareholders' equity (average for the period under review)

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 period under review)

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