

## Facing tougher comps in APAC

Marimekko reports its Q2 figures on 15<sup>th</sup> of August. We expect continued growth yet slightly lower profitability driven by cost pressure and lower licensing volumes.

### Market environment remains unpredictable

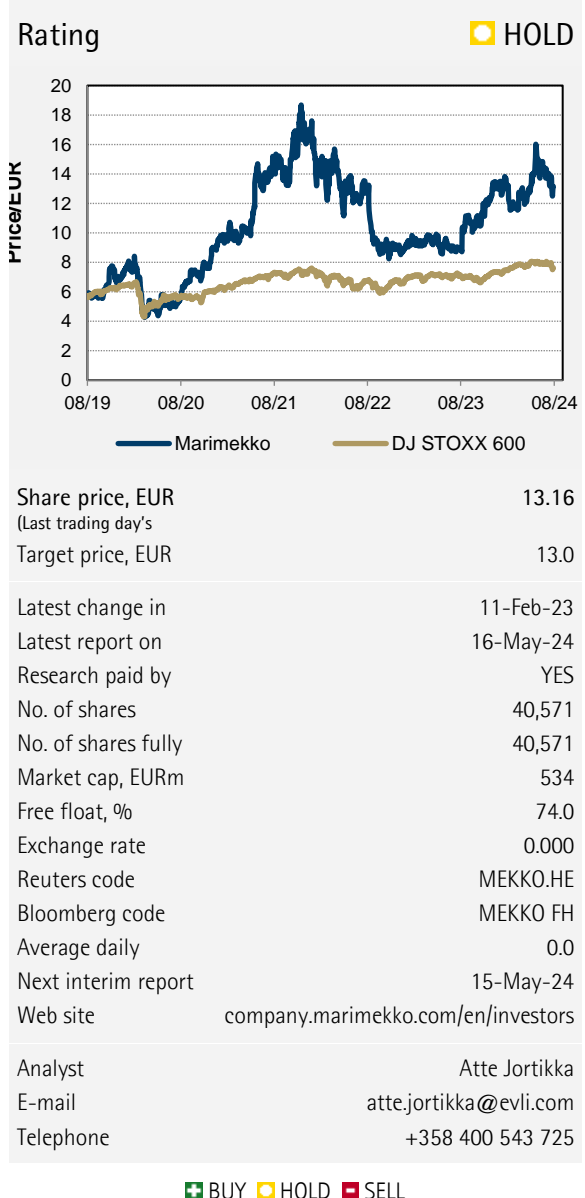
Consumer confidence in Finland remained subdued in the second quarter, with the period being deemed unfavorable for purchasing durable goods and intentions to consume staying low. According to ETLA Economic Research, the consumption of durable and semi-durable goods should remain subdued throughout the year while the momentum should pick-up in 2025. Globally, consumer companies have reported deterioration of the market environment during the first half due to macroeconomic and geopolitical challenges. Conversely, companies have reported strong performance in the Japanese market, an essential region for Marimekko in APAC.

### Tougher comps for APAC yet continued growth expected

Marimekko's net sales grew by 28% y/y in APAC during the second quarter of last year driven by strong wholesale sales and licensing income. Marimekko has typically had its strongest licensing revenue generated during a single quarter, and we assume that this year, the strongest licensing was witnessed during Q1/24 as Marimekko's licensing net sales were EUR 1.4m. For the full year, we forecast licensing revenue of EUR 3.3m, or roughly at the level of last year. In the domestic market, we expect low single digit retail and wholesale growth in Finland for Q2. We anticipate substantial decrease in domestic wholesale sales during the second half as we expect lower underlying wholesale demand in Finland and lower promotional deliveries. After only slight downward revisions to our estimates, we model net sales of EUR 42.4m for Q2/24E and EUR 181m for FY 2024E and adj. EBIT of EUR 6.8m for Q2/24E and EUR 33.0m for FY 2024E.

### Valuation back at neutral

Marimekko trades at 21-18x P/E and 16-14x EV/EBIT on our estimates of 2024-2025E. The valuation has neutralized since our latest update and the company trades in line with our Premium and Luxury Goods peer groups (avg. for the aggregate). We retain our TP of EUR 13.0 and rating at HOLD.

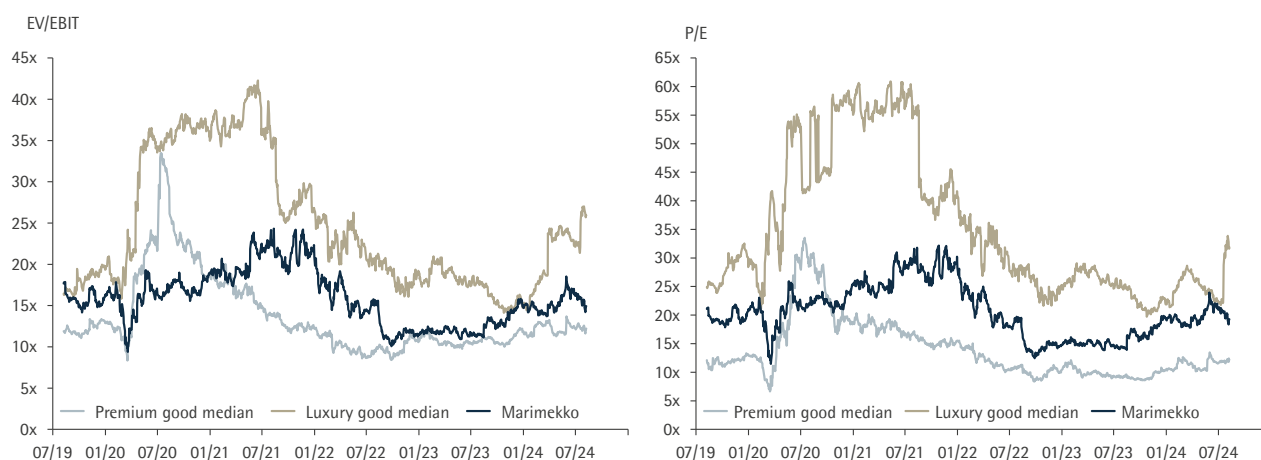


## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9	0.34
2023	174.1	31.4	18.0%	18.7	0.58	22.9	3.1	17.1	3.5	0.37
2024E	181.0	32.8	18.1%	27.4	0.63	20.8	2.9	15.8	5.1	0.38
2025E	196.1	36.9	18.8%	28.1	0.72	18.4	2.6	13.7	5.3	0.47
2026E	206.2	40.2	19.5%	28.7	0.78	16.8	2.4	12.3	5.4	0.51
Market cap, EURm		534	Gearing 2024E, %		-21.6	CAGR EPS 2023-26, %				10.4
Net debt 2024E, EURm		-17	Price/book 2024E		7.0	CAGR sales 2023-26, %				5.8
Enterprise value, EURm		517	Dividend yield 2024E, %		2.9	ROE 2024E, %				36.0
Total assets 2024E, EURm		138	Tax rate 2024E, %		20.0	ROCE 2024E, %				32.3
Goodwill 2024E, EURm		0	Equity ratio 2024E, %		55.5	PEG, P/E 24/CAGR				2.3

All the important disclosures can be found on the last pages of this report.

Figure 1: FWD EV/EBIT (lhs) and P/E (rhs), last 5 years, Marimekko vs. Premium Et Luxury peer group medians



Source: Factset, Evli Research

Table 1: Peer group

MARIMEKKO PEER GROUP PREMIUM GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Bjorn Borg	127	10.5x	9.4x	9.2x	13.3x	11.4x	10.8x	17.2x	13.8x	12.7x
HUGO BOSS	2603	5.1x	4.5x	4.2x	10.1x	8.6x	7.7x	11.5x	9.5x	8.5x
Capri Holdings	3293	11.0x	10.7x	10.8x	15.7x	15.2x	15.6x	10.2x	9.8x	10.3x
Ralph Lauren	9198	10.4x	9.6x	8.9x	13.0x	12.0x	10.9x	14.6x	13.2x	11.7x
LVMH Moet Hennessy Louis Vuitton	317711	12.5x	11.5x	10.5x	15.6x	14.1x	13.0x	21.1x	19.1x	17.5x
PVH	4929	7.6x	7.1x	6.9x	10.2x	9.3x	8.7x	8.6x	7.5x	6.7x
Guess	1076	8.4x	7.9x	7.6x	10.6x	10.0x	10.1x	7.7x	7.2x	7.0x
VF	6200	15.9x	14.5x	14.0x	25.3x	21.6x	20.0x	27.3x	18.8x	15.2x
Peer Group Average	43142	<b>10.2x</b>	<b>9.4x</b>	<b>9.0x</b>	<b>14.2x</b>	<b>12.8x</b>	<b>12.1x</b>	<b>14.8x</b>	<b>12.4x</b>	<b>11.2x</b>
Peer Group Median	4111	<b>10.4x</b>	<b>9.5x</b>	<b>9.0x</b>	<b>13.2x</b>	<b>11.7x</b>	<b>10.8x</b>	<b>13.1x</b>	<b>11.5x</b>	<b>11.0x</b>
Marimekko (Evli est.)	<b>534</b>	<b>12.3x</b>	<b>10.9x</b>	<b>9.8x</b>	<b>15.8x</b>	<b>13.7x</b>	<b>12.3x</b>	<b>20.8x</b>	<b>18.4x</b>	<b>16.8x</b>

Marimekko prem./disc. to peer median

18 % 14 % 8 % 20 % 17 % 13 % 59 % 60 % 53 %

Source FactSet, Evli Research

MARIMEKKO PEER GROUP LUXURY GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Brunello Cucinelli	5684	17.1x	15.5x	14.4x	29.4x	26.3x	23.4x	45.0x	39.4x	34.5x
Burberry Group	2854	6.2x	6.1x	5.5x	18.5x	16.7x	12.9x	22.2x	19.5x	13.9x
Hermes International	211136	29.9x	26.6x	23.7x	33.3x	29.4x	26.3x	46.1x	41.3x	36.5x
Moncler	14165							21.9x	19.7x	17.7x
Prada	17363	9.8x	9.1x	8.3x	15.5x	13.8x	12.3x	21.6x	19.0x	17.0x
Salvatore Ferragamo	1222	7.5x	6.9x	6.2x	35.1x	25.8x	19.7x	99.9x	43.2x	28.9x
Kering	31205	10.0x	8.7x	8.0x	15.6x	13.2x	11.6x	17.7x	14.5x	12.3x
Canada Goose Holdings	950	7.7x	7.6x	7.6x	12.1x	11.1x	10.1x	12.8x	11.3x	9.7x
Peer Group Average	50240	<b>15.7x</b>	<b>14.3x</b>	<b>13.0x</b>	<b>24.2x</b>	<b>21.5x</b>	<b>18.7x</b>	<b>31.4x</b>	<b>27.8x</b>	<b>23.9x</b>
Peer Group Median	14165	<b>13.4x</b>	<b>12.3x</b>	<b>11.4x</b>	<b>24.0x</b>	<b>21.5x</b>	<b>18.1x</b>	<b>22.2x</b>	<b>19.7x</b>	<b>17.7x</b>
Marimekko (Evli est.)	<b>534</b>	<b>12.3x</b>	<b>10.9x</b>	<b>9.8x</b>	<b>15.8x</b>	<b>13.7x</b>	<b>12.3x</b>	<b>20.8x</b>	<b>18.4x</b>	<b>16.8x</b>

Marimekko prem./disc. to peer median

-8 % -11 % -14 % -34 % -36 % -32 % -6 % -7 % -5 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	13.16 PV of Free Cash Flow	305 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	17.50 PV of Horizon value	416 WACC, %	7.5 Market risk premium, %	5.8
Share price potential, %	33.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	19.1 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient	0.80
Minimum value	16.2 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %	20
Horizon value, %	57.6 Value of stock	710 Nr of shares, Mn	40.6 Effective tax rate, %	25

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	174	181	196	206	214	225	232	236	241	246	250	253
<i>Sales growth, %</i>	<i>4.6</i>	<i>4.0</i>	<i>8.3</i>	<i>5.1</i>	<i>3.9</i>	<i>5.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	31	33	37	40	42	44	44	45	46	47	47	48
<i>Operating income margin, %</i>	<i>18.0</i>	<i>18.1</i>	<i>18.8</i>	<i>19.5</i>	<i>19.5</i>	<i>19.5</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>
+ Depreciation+amort.	9	9	9	10	11	11	12	12	12	13	13	
EBITDA	41	42	46	50	53	55	56	57	58	59	60	
- Paid taxes	-7	-6	-7	-8	-8	-9	-9	-9	-9	-9	-9	
- Change in NWC	-3	3	2	-1	-1	-1	-1	0	0	0	0	
<i>NWC/Sales, %</i>	<i>14.0</i>	<i>12.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX/Sales, %</i>	<i>5.7</i>	<i>5.6</i>	<i>6.4</i>	<i>5.9</i>	<i>5.8</i>	<i>5.9</i>	<i>5.6</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	29	37	39	40	42	43	44	46	47	48	48	820
= Discounted FCFF		36	36	33	33	32	30	29	27	26	25	416
= DFCF min WACC		36	36	34	33	32	31	30	28	27	26	474
= DFCF max WACC		35	35	33	32	31	29	28	26	25	24	367

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	35.3	40.3	47.9	50.6	174.1	37.7	42.4	48.8	52.1	181.0	196.1	206.2
EBITDA	6.1	8.8	15.2	10.4	40.5	7.4	9.1	15.0	10.4	41.9	46.4	50.4
<i>EBITDA margin (%)</i>	<i>17.4</i>	<i>21.9</i>	<i>31.7</i>	<i>20.6</i>	<i>23.3</i>	<i>19.6</i>	<i>21.4</i>	<i>30.8</i>	<i>20.0</i>	<i>23.1</i>	<i>23.7</i>	<i>24.5</i>
EBIT	3.8	6.6	12.9	8.1	31.4	5.1	6.8	12.8	8.1	32.8	36.9	40.2
<i>EBIT margin (%)</i>	<i>10.8</i>	<i>16.4</i>	<i>27.0</i>	<i>15.9</i>	<i>18.0</i>	<i>13.4</i>	<i>16.1</i>	<i>26.3</i>	<i>15.5</i>	<i>18.1</i>	<i>18.8</i>	<i>19.5</i>
Net financial items	-0.8	-0.5	0.0	-0.2	-1.7	-0.2	-0.2	-0.2	-0.2	-0.8	-0.6	-0.5
Pre-tax profit	3.0	6.1	12.9	7.8	29.7	4.9	6.6	12.6	7.9	32.0	36.3	39.7
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-1.0	-1.3	-2.5	-1.6	-6.4	-7.3	-7.9
<i>Tax rate (%)</i>	<i>18.5</i>	<i>21.6</i>	<i>19.8</i>	<i>22.1</i>	<i>20.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	2.4	4.8	10.3	6.1	23.6	3.9	5.3	10.1	6.3	25.6	29.0	31.8
EPS	0.06	0.12	0.25	0.15	0.58	0.10	0.13	0.25	0.16	0.63	0.72	0.78
EPS adjusted (diluted no. of shares)	0.06	0.12	0.25	0.15	0.58	0.10	0.13	0.25	0.16	0.63	0.72	0.78
Dividend per share	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.00	0.00	0.38	0.47	0.51
<b>SALES, EURm</b>												
Finland	18.0	22.2	28.2	30.5	98.9	19.4	23.2	26.5	29.8	98.9	105.3	108.5
Scandinavia	3.5	3.0	4.3	4.7	15.6	3.0	3.2	4.5	4.9	15.6	16.1	16.9
EMEA	3.8	3.8	3.6	3.5	14.6	2.4	3.4	3.7	4.0	13.5	14.8	15.5
North America	1.6	2.6	2.5	2.8	9.6	2.5	3.4	3.0	3.1	12.0	13.2	13.9
Asia Pacific	8.4	8.8	9.2	9.0	35.4	10.2	9.3	11.2	10.3	41.1	46.7	51.4
<b>Total</b>	<b>35.3</b>	<b>40.3</b>	<b>47.9</b>	<b>50.6</b>	<b>174.1</b>	<b>37.7</b>	<b>42.4</b>	<b>48.8</b>	<b>52.1</b>	<b>181.0</b>	<b>196.1</b>	<b>206.2</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Finland</i>	<i>-2.7</i>	<i>-3.5</i>	<i>5.7</i>	<i>1.5</i>	<i>0.7</i>	<i>8.0</i>	<i>4.6</i>	<i>-6.2</i>	<i>-2.2</i>	<i>0.0</i>	<i>6.4</i>	<i>3.0</i>
<i>Scandinavia</i>	<i>15.6</i>	<i>0.9</i>	<i>23.8</i>	<i>6.1</i>	<i>11.5</i>	<i>-12.1</i>	<i>4.7</i>	<i>3.6</i>	<i>3.3</i>	<i>0.2</i>	<i>3.0</i>	<i>5.0</i>
<i>EMEA</i>	<i>-30.6</i>	<i>18.7</i>	<i>-3.5</i>	<i>-4.4</i>	<i>-8.5</i>	<i>-35.5</i>	<i>-10.2</i>	<i>1.9</i>	<i>14.4</i>	<i>-7.9</i>	<i>9.8</i>	<i>5.0</i>
<i>North America</i>	<i>-10.6</i>	<i>28.5</i>	<i>35.7</i>	<i>23.1</i>	<i>19.7</i>	<i>55.5</i>	<i>30.9</i>	<i>17.6</i>	<i>8.5</i>	<i>24.9</i>	<i>10.6</i>	<i>5.0</i>
<i>Asia Pacific</i>	<i>15.6</i>	<i>28.5</i>	<i>11.0</i>	<i>14.1</i>	<i>16.9</i>	<i>21.7</i>	<i>6.2</i>	<i>21.5</i>	<i>14.3</i>	<i>15.9</i>	<i>13.8</i>	<i>10.0</i>
<b>Total</b>	<b>-2.1</b>	<b>6.1</b>	<b>8.6</b>	<b>4.6</b>	<b>4.6</b>	<b>6.8</b>	<b>5.3</b>	<b>1.9</b>	<b>3.0</b>	<b>4.0</b>	<b>8.3</b>	<b>5.1</b>
<b>EBIT, EURm</b>												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.2
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0
Group (EBIT only)	3.8	6.6	12.9	8.1	31.4	5.1	6.8	12.8	8.1	32.8	36.9	0.0
<b>Total</b>	<b>3.8</b>	<b>6.6</b>	<b>12.9</b>	<b>8.1</b>	<b>31.4</b>	<b>5.1</b>	<b>6.8</b>	<b>12.8</b>	<b>8.1</b>	<b>32.8</b>	<b>36.9</b>	<b>40.2</b>
<b>EBIT margin, %</b>												
<i>Finland</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>19.5</i>
<i>Scandinavia</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>19.5</i>
<i>EMEA</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>19.5</i>
<i>North America</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>19.5</i>
<i>Asia Pacific</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>19.5</i>
<b>Total</b>	<b>10.8</b>	<b>16.4</b>	<b>27.0</b>	<b>15.9</b>	<b>18.0</b>	<b>13.4</b>	<b>16.1</b>	<b>26.3</b>	<b>15.5</b>	<b>18.1</b>	<b>18.8</b>	<b>19.5</b>

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	125.4	123.6	152.2	166.5	174.1	181.0	196.1	206.2
<i>Sales growth (%)</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>9.4</i>	<i>4.6</i>	<i>4.0</i>	<i>8.3</i>	<i>5.1</i>
EBITDA	29.7	31.3	43.3	40.1	40.5	41.9	46.4	50.4
<i>EBITDA margin (%)</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>24.1</i>	<i>23.3</i>	<i>23.1</i>	<i>23.7</i>	<i>24.5</i>
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.1	-9.4	-10.2
EBITA	17.1	18.8	31.3	30.4	31.4	32.8	36.9	40.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	17.1	18.8	31.3	30.4	31.4	32.8	36.9	40.2
<i>EBIT margin (%)</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.1</i>	<i>18.8</i>	<i>19.5</i>
Reported EBIT	17.1	18.0	31.3	30.4	31.4	32.8	36.9	40.2
<i>EBIT margin (reported) (%)</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.1</i>	<i>18.8</i>	<i>19.5</i>
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.8	-0.6	-0.5
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	32.0	36.3	39.7
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.4	-7.3	-7.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	13.0	12.5	24.4	22.9	23.6	25.6	29.0	31.8
Cash NRIs	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	5	5	5	6	6	6	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	36	37	29	30	30	31	33	35
Inventory	23	22	26	34	29	31	33	35
Receivables	7	8	12	12	20	20	22	23
Liquid funds	26	41	60	33	37	49	64	74
Total assets	97	114	133	115	123	138	160	175
Liabilities								
Shareholder's equity	39	52	69	55	66	76	90	103
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	36	37	30	32	32	31	33	35
Deferred taxes	2	1	3	0	0	0	0	0
Interest bearing debt	2	2	2	2	1	2	1	0
Non-interest bearing current liabilities	18	22	28	25	25	29	35	37
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	97	114	133	115	123	138	160	175
<b>CASH FLOW, EURm</b>								
+ EBITDA	30	31	43	40	41	42	46	50
- Net financial items	-1	-2	18	-27	-2	-1	-1	-1
- Taxes	-3	-6	-4	-6	-7	-6	-7	-8
- Increase in Net Working Capital	3	3	-2	-11	-3	3	2	-1
+/- Other	0	0	-19	24	0	0	0	0
= Cash flow from operations	29	27	36	20	29	37	41	41
- Capex	-11	-14	-5	-10	-10	-10	-12	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	18	14	31	10	19	27	28	29
+/- New issues/buybacks	1	8	1	-8	1	0	0	0
- Paid dividend	-15	-7	-8	-29	-14	-15	-15	-19
+/- Other	-1	0	-5	0	-1	-1	2	1
Change in cash	3	15	19	-27	4	12	15	11

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	534	534	534
Net debt (excl. convertibles)	-2	-27	1	-4	-17	-29	-39
Enterprise value	368	664	357	536	517	505	495
Sales	124	152	167	174	181	196	206
EBITDA	31	43	40	41	42	46	50
EBIT	19	31	30	31	33	37	40
Pre-tax	17	31	29	30	32	36	40
Earnings	13	24	23	24	26	29	32
Equity book value (excl. minorities)	52	69	55	66	76	90	103
<b>Valuation multiples</b>							
EV/sales	3.0	4.4	2.1	3.1	2.9	2.6	2.4
EV/EBITDA	11.7	15.3	8.9	13.2	12.3	10.9	9.8
EV/EBITA	19.6	21.2	11.8	17.1	15.8	13.7	12.3
EV/EBIT	19.6	21.2	11.8	17.1	15.8	13.7	12.3
EV/OCF	13.4	18.5	17.7	18.7	13.8	12.4	12.1
EV/FCFF	14.2	18.8	17.9	18.7	14.2	12.8	12.5
P/FCFE	135.3	110.9	34.6	28.9	19.5	19.0	18.6
P/E	27.8	28.3	15.6	22.9	20.8	18.4	16.8
P/B	7.1	10.0	6.4	8.2	7.0	5.9	5.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.2	10.7	9.7
Target EV/EBIT	0.0	0.0	0.0	0.0	15.6	13.5	12.1
Target EV/FCF	0.0	0.0	0.0	0.0	18.7	17.7	17.0
Target P/B	0.0	0.0	0.0	0.0	6.9	5.9	5.1
Target P/E	0.0	0.0	0.0	0.0	20.6	18.2	16.6
<b>Per share measures</b>							
Number of shares	40,549	40,549	40,621	40,571	40,571	40,571	40,571
Number of shares (diluted)	40,549	40,549	40,621	40,571	40,571	40,571	40,571
EPS	0.33	0.60	0.56	0.58	0.63	0.72	0.78
Operating cash flow per share	0.68	0.89	0.50	0.71	0.92	1.00	1.01
Free cash flow per share	0.34	0.77	0.25	0.46	0.67	0.69	0.71
Book value per share	1.29	1.71	1.36	1.62	1.88	2.22	2.54
Dividend per share	0.20	0.72	0.34	0.37	0.38	0.47	0.51
Dividend payout ratio, %	60.9	119.6	60.4	63.6	60.0	65.0	65.0
Dividend yield, %	2.2	4.2	3.9	2.8	2.9	3.5	3.9
FCF yield, %	3.7	4.5	2.9	3.5	5.1	5.3	5.4
<b>Efficiency measures</b>							
ROE	29.2	40.1	36.6	39.0	36.0	34.9	32.9
ROCE	22.9	33.0	32.4	33.9	32.3	32.4	31.4
<b>Financial ratios</b>							
Inventories as % of sales	18.2	17.1	20.3	16.8	17.0	17.0	17.0
Receivables as % of sales	6.6	7.9	7.2	11.3	11.0	11.0	11.0
Non-interest bearing liabilities as % of sales	17.9	18.6	14.9	14.1	16.0	18.0	18.0
NWC/sales, %	6.8	6.4	12.6	14.0	12.0	10.0	10.0
Operative CAPEX/sales, %	11.2	3.1	5.9	5.7	5.6	6.4	5.9
CAPEX/sales (incl. acquisitions), %	11.2	3.1	5.9	5.7	5.6	6.4	5.9
FCFF/EBITDA	0.8	0.8	0.5	0.7	0.9	0.8	0.8
Net debt/EBITDA, book-weighted	-0.1	-0.6	0.0	-0.1	-0.4	-0.6	-0.8
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	45.7	52.2	48.4	53.3	55.5	56.4	58.8
Gearing, %	-3.2	-38.9	2.3	-6.3	-21.6	-32.5	-38.0

**COMPANY DESCRIPTION:** Marimekko is a Finnish lifestyle design house founded in 1951. The company is known for its original prints and colors. The company's product categories consist of high-quality clothing, bags and accessories as well as home décor items. Marimekko's products are sold in about 40 different countries, Finland and Asia being the largest market areas. The company has approximately 150 stores worldwide.

**INVESTMENT CASE:** Marimekko has a strong and unique brand which is enjoying great popularity in Finland and increasingly abroad. The company's growth strategy relies on international expansion and attracting a broader audience, which should support growth and through improved volumes margin improvement. E-commerce and brand collaborations offer further margin expansion potential.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Powerbank Ventures Oy	5,088,500	66.965	12.5%
Ilmarinen Mutual Pension Insurance Company	1,980,440	26.063	4.9%
Varma Mutual Pension Insurance Company	1,929,600	25.394	4.8%
Ehnrooth Sophia	1,651,885	21.739	4.1%
Nordea Nordic Small Cap Fund	999,425	13.152	2.5%
Evli Finnish Small Cap Fund	952,961	12.541	2.3%
Elo Mutual Pension Insurance Company	587,395	7.730	1.4%
Oy Talcom Ab	505,000	6.646	1.2%
Oy Etra Invest Ab	500,000	6.580	1.2%
Alahuhta Matti Juhani	436,050	5.738	1.1%
Ten largest	14,631,256	192.547	36%
Residual	25,940,124	341.372	64%
Total	40,571,380	533.919	100%

**EARNINGS CALENDAR**

August 15, 2024 Q2 report  
November 07, 2024 Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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IR: Anna Tuominen

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year



<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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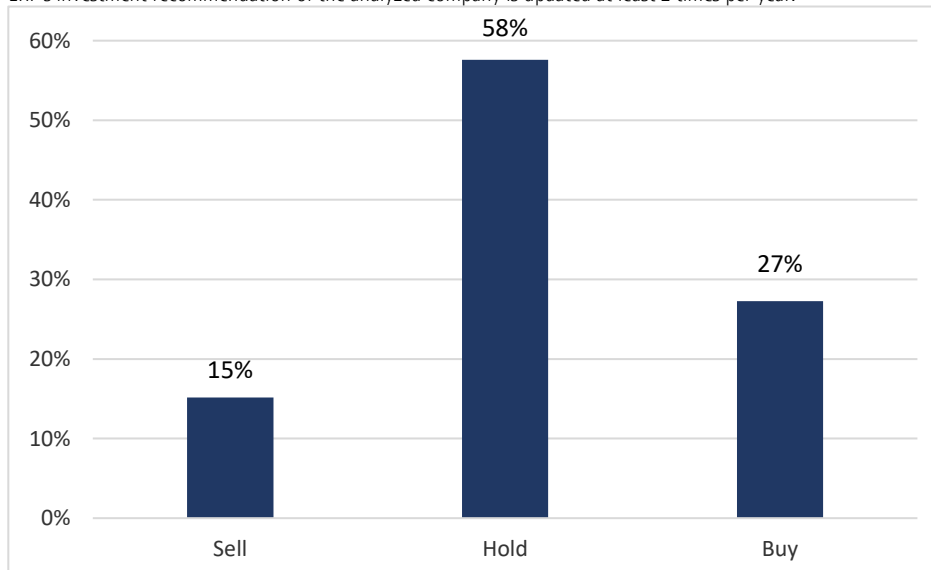
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Jortikka

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