

Flat sales development expected for H2

We expect flat sales for H2 with a decrease in domestic net sales due to non-recurring wholesale delivery timing while international sales should continue to grow.

Q2 net sales beat, margin missed

Marimekko's second-quarter results generally met our expectations. The positive effect of non-recurring wholesale sales was higher than expected while on the other hand profitability suffered from lower licensing sales and higher fixed costs more than we estimated. The group's net sales grew by 8% to EUR 43.7m (42.4/42.9m Evli/cons.). Domestic retail kept growing above our estimates while APAC revenue development missed our estimates at +2% y/y partly due to wholesale timing differences. Adj. EBIT amounted to EUR 6.4m (EUR 6.8/7.1m Evli/cons.), reflecting a margin of 14.6%.

Domestic sales to decline y/y during H2

Globally, consumer companies have reported deterioration of the market environment during the first half due to macroeconomic and geopolitical challenges. In the domestic market, Marimekko has performed above our estimates, especially on retail as domestic retail grew 4% y/y during the first half. While domestic retail has grown, the wholesale sales has been the main driver for the Finnish market with growth of 23% y/y during H1 driven by the non-recurring promotional deliveries. With promotional deliveries weighted clearly in H1 this year, we expect total sales from Finland to decline y/y during H2 despite estimated growth in retail sales. For int'l sales, we anticipate continued growth in the second half. In APAC, we predict a slightly slower y/y growth rate than in H1. While we expect some pressure for gross margin due to discounting, we model gross margin close to last year's levels in H2. After adjustments, our estimate for net sales stands at EUR 180.1m and adj. EBIT at EUR 31.8m with a margin of 17.7% for FY 2024E.

HOLD with a TP of EUR 13

With only minor adjustments to our estimates for coming years, we retain our TP at EUR 13.0 and rating at HOLD. The company trades at 15-13x adj. EV/EBIT and 21-17x P/E, the current pricing appears neutral compared to our peer group (aggregate of premium and luxury peer groups).



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	180.1	31.5	17.5%	26.6	0.60	20.6	2.7	15.5	5.3	0.36
2025E	194.7	36.7	18.8%	28.2	0.72	17.4	2.4	13.0	5.6	0.47
2026E	204.5	39.9	19.5%	28.8	0.78	15.9	2.3	11.7	5.7	0.51
Market cap, EURm		505	Gearing 2024E, %			-20.9	CAGR EPS 2023-26, %			10.4
Net debt 2024E, EURm		-16	Price/book 2024E			6.7	CAGR sales 2023-26, %			5.5
Enterprise value, EURm		489	Dividend yield 2024E, %			2.9	ROE 2024E, %			34.8
Total assets 2024E, EURm		136	Tax rate 2024E, %			20.6	ROCE 2024E, %			31.1
Goodwill 2024E, EURm		0	Equity ratio 2024E, %			55.3	PEG, P/E 24/CAGR			2.0

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

Slight estimate revisions for 2024E

With the Q2 report, Marimekko left its guidance and outlook unchanged. It still expects net sales for 2024 to grow from the previous year (2023: EUR 174.1 million) and comparable operating profit margin to be approximately some 16–19%. International net sales are estimated to grow in 2024 while net sales in Finland are expected to be approximately at the level of the previous year. We now estimate domestic net sales of EUR 99.6, with growth of 0.7% y/y. We model domestic wholesale sales decline especially for Q3 as the comparison period was boosted by non-recurring promotional deliveries which in 2024 were witnessed during the first half. In line with the outlook, we expect continued growth in the international markets with roughly 7% year-over-year revenue growth expected for FY 2024E. We model flat licensing income for H2/24 vs. H2/23 in line with the company's outlook. In terms of margins, we expect further gross margin pressure from discounting in H2. In addition, we estimate slightly higher fixed costs to increase OPEX. Overall, we now expect net sales of EUR 180.1m and adj. EBIT at EUR 31.8m with a margin of 17.7% for FY 2024E. We have not made significant changes to our estimates for the coming years as we expect a pick-up in domestic growth driven by the expected improved market conditions and continued growth in APAC.

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	2624	5.1x	4.5x	4.2x	10.2x	8.6x	7.8x	11.6x	9.6x	8.5x
Capri Holdings	3402	11.8x	11.7x	11.2x	17.7x	17.6x	16.4x	11.7x	11.4x	11.0x
Ralph Lauren	9266	10.5x	9.8x	9.0x	13.2x	12.1x	11.0x	14.8x	13.4x	11.8x
LVMH Moet Hennessy Louis Vuitton	327701	12.8x	11.8x	10.8x	16.0x	14.6x	13.4x	21.7x	19.7x	18.0x
PVH	5040	7.8x	7.3x	7.0x	10.4x	9.5x	8.8x	8.8x	7.7x	6.9x
Guess	1094	8.5x	8.0x	7.7x	10.8x	10.1x	10.2x	7.9x	7.3x	7.1x
VF	6155	15.9x	14.5x	14.0x	25.2x	21.5x	19.9x	27.2x	18.7x	15.2x
Peer Group Average	44426	10.4x	9.6x	9.1x	14.6x	13.2x	12.3x	15.1x	12.7x	11.4x
Peer Group Median	4221	10.5x	9.6x	9.1x	13.3x	11.8x	10.9x	13.3x	12.4x	11.4x
Marimekko (Evli est.)	505	12.0x	10.3x	9.3x	15.5x	13.0x	11.7x	20.6x	17.4x	15.9x
<i>Marimekko prem./disc. to peer median</i>		<i>14 %</i>	<i>8 %</i>	<i>2 %</i>	<i>17 %</i>	<i>10 %</i>	<i>7 %</i>	<i>55 %</i>	<i>40 %</i>	<i>39 %</i>

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	5749	17.3x	15.6x	14.6x	29.7x	26.5x	23.6x	45.6x	39.8x	34.8x
Burberry Group	2802	6.1x	6.0x	5.4x	18.3x	16.5x	12.7x	21.7x	19.2x	13.7x
Hermes International	221818	31.4x	27.9x	24.9x	35.1x	30.9x	27.7x	48.4x	43.4x	38.3x
Moncler	14316							22.1x	19.9x	17.9x
Prada	17408	9.8x	9.1x	8.3x	15.5x	13.8x	12.3x	21.6x	19.0x	17.0x
Salvatore Ferragamo	1200	7.4x	6.8x	6.1x	34.7x	25.4x	19.4x	98.2x	42.5x	28.4x
Kering	31346	10.0x	8.8x	8.0x	15.7x	13.2x	11.6x	17.8x	14.6x	12.4x
Canada Goose Holdings	980	7.9x	7.8x	7.8x	12.4x	11.3x	10.3x	13.3x	11.7x	10.0x
Peer Group Average	52419	16.2x	14.7x	13.3x	24.7x	21.9x	19.1x	31.9x	28.3x	24.4x
Peer Group Median	14316	13.5x	12.3x	11.4x	24.0x	21.5x	18.2x	22.1x	19.9x	17.9x
Marimekko (Evli est.)	505	12.0x	10.3x	9.3x	15.5x	13.0x	11.7x	20.6x	17.4x	15.9x
<i>Marimekko prem./disc. to peer median</i>		<i>-11 %</i>	<i>-16 %</i>	<i>-19 %</i>	<i>-35 %</i>	<i>-40 %</i>	<i>-36 %</i>	<i>-7 %</i>	<i>-13 %</i>	<i>-11 %</i>

Source FactSet, Evli Research

Table 2: Estimate changes

ESTIMATE CHANGES						
	2024E			2025E		
	Old	New		Old	New	
Net sales	181.0	180.1	-0%	196.1	194.7	-1%
Finland	98.9	99.6	1%	105.3	106.0	1%
Int'l	82.1	80.5	-2%	90.8	88.7	-2%
Adj. EBIT	32.8	31.8	-3%	36.9	36.7	-1%

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	12.44 PV of Free Cash Flow	302 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	17.35 PV of Horizon value	412 WACC, %	7.5 Market risk premium, %	5.8
Share price potential, %	39.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	18.9 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient	0.80
Minimum value	16.0 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %	20
Horizon value, %	57.7 Value of stock	704 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	180	195	205	212	223	230	234	239	244	247	251
<i>Sales growth, %</i>	<i>4.6</i>	<i>3.5</i>	<i>8.1</i>	<i>5.0</i>	<i>3.8</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	31	37	40	41	43	44	45	45	46	47	48
<i>Operating income margin, %</i>	<i>18.0</i>	<i>17.5</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	12	12	13
EBITDA	41	41	46	50	52	55	55	56	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>6.3</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	35	39	39	41	43	44	45	46	47	48	813
= Discounted FCFF		34	35	33	32	31	30	29	27	26	24	412
= DFCF min WACC		34	36	34	33	32	31	29	28	27	25	470
= DFCF max WACC		34	35	33	32	31	29	28	26	25	23	364

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	35.3	40.3	47.9	50.6	174.1	37.7	43.7	47.0	51.7	180.1	194.7	204.5
EBITDA	6.1	8.8	15.2	10.4	40.5	7.4	8.5	14.2	10.6	40.6	46.1	50.0
<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>19.4</i>	<i>30.2</i>	<i>20.5</i>	<i>22.6</i>	<i>23.7</i>	<i>24.5</i>
EBIT	3.8	6.6	12.9	8.1	31.4	5.1	6.1	12.0	8.3	31.5	36.7	39.9
<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>14.0</i>	<i>25.4</i>	<i>16.0</i>	<i>17.5</i>	<i>18.8</i>	<i>19.5</i>
Net financial items	-0.8	-0.5	0.0	-0.2	-1.7	-0.2	0.1	-0.2	-0.2	-0.6	-0.4	-0.2
Pre-tax profit	3.0	6.1	12.9	7.8	29.7	4.9	6.2	11.8	8.1	30.9	36.3	39.7
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-1.0	-1.4	-2.4	-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>23.2</i>	<i>20.0</i>	<i>20.0</i>	<i>20.6</i>	<i>20.0</i>	<i>20.0</i>
Net profit	2.4	4.8	10.3	6.1	23.6	3.9	4.7	9.4	6.5	24.5	29.0	31.7
EPS	0.06	0.12	0.25	0.15	0.58	0.10	0.12	0.23	0.16	0.60	0.72	0.78
EPS adjusted (diluted no. of shares)	0.06	0.12	0.25	0.15	0.58	0.10	0.12	0.23	0.16	0.60	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	0.36	0.47	0.51
SALES, EURm												
Finland	18.0	22.2	28.2	30.5	98.9	19.4	24.5	25.6	30.0	99.6	106.0	109.2
Scandinavia	3.5	3.0	4.3	4.7	15.6	3.0	4.4	4.5	4.9	16.8	17.3	18.1
EMEA	3.8	3.8	3.6	3.5	14.6	2.4	3.4	3.7	4.0	13.5	15.0	15.7
North America	1.6	2.6	2.5	2.8	9.6	2.5	2.5	3.0	3.1	11.0	12.2	12.8
Asia Pacific	8.4	8.8	9.2	9.0	35.4	10.2	8.9	10.3	9.7	39.1	44.3	48.7
Total	35.3	40.3	47.9	50.6	174.1	37.7	43.7	47.0	51.7	180.1	194.7	204.5
SALES GROWTH, Y/Y %												
Finland	-2.7	-3.5	5.7	1.5	0.7	8.0	10.6	-9.2	-1.5	0.7	6.4	3.0
Scandinavia	15.6	0.9	23.8	6.1	11.5	-12.1	45.2	3.6	3.3	8.1	2.7	5.0
EMEA	-30.6	18.7	-3.5	-4.4	-8.5	-35.5	-9.9	1.9	14.4	-7.8	11.0	5.0
North America	-10.6	28.5	35.7	23.1	19.7	55.5	-4.5	17.6	8.5	15.3	10.4	5.0
Asia Pacific	15.6	28.5	11.0	14.1	16.9	21.7	1.5	11.8	7.5	10.5	13.1	10.0
Total	-2.1	6.1	8.6	4.6	4.6	6.8	8.3	-1.8	2.2	3.5	8.1	5.0
EBIT, EURm												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.3
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5
Group (EBIT only)	3.8	6.6	12.9	8.1	31.4	5.1	6.1	12.0	8.3	31.5	36.7	0.0
Total	3.8	6.6	12.9	8.1	31.4	5.1	6.1	12.0	8.3	31.5	36.7	39.9
EBIT margin, %												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Total	10.8	16.4	27.0	15.9	18.0	13.4	14.0	25.4	16.0	17.5	18.8	19.5

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	125.4	123.6	152.2	166.5	174.1	180.1	194.7	204.5
<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>3.5</i>	<i>8.1</i>	<i>5.0</i>
EBITDA	29.7	31.3	43.3	40.1	40.5	40.6	46.1	50.0
<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>22.6</i>	<i>23.7</i>	<i>24.5</i>
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.2	-9.4	-10.2
EBITA	17.1	18.8	31.3	30.4	31.4	31.5	36.7	39.9
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	31.5	36.7	39.9
<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>17.5</i>	<i>18.8</i>	<i>19.5</i>
Reported EBIT	17.1	18.0	31.3	30.4	31.4	31.5	36.7	39.9
<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>17.5</i>	<i>18.8</i>	<i>19.5</i>
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.6	-0.4	-0.2
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	30.9	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	24.5	29.0	31.7
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
BALANCE SHEET, EURm								
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	21	23
Liquid funds	26	41	60	33	37	48	63	74
Total assets	97	114	133	115	123	136	159	174
Liabilities								
Shareholder's equity	39	52	69	55	66	75	90	102
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	136	159	174
CASH FLOW, EURm								
+ EBITDA	30	31	43	40	41	41	46	50
- Net financial items	-1	-2	18	-27	-2	-1	0	0
- 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	11	16	11

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	505	505	505
Net debt (excl. convertibles)	-2	-27	1	-4	-16	-29	-39
Enterprise value	368	664	357	536	489	475	466
Sales	124	152	167	174	180	195	205
EBITDA	31	43	40	41	41	46	50
EBIT	19	31	30	31	31	37	40
Pre-tax	17	31	29	30	31	36	40
Earnings	13	24	23	24	25	29	32
Equity book value (excl. minorities)	52	69	55	66	75	90	102
Valuation multiples							
EV/sales	3.0	4.4	2.1	3.1	2.7	2.4	2.3
EV/EBITDA	11.7	15.3	8.9	13.2	12.0	10.3	9.3
EV/EBITA	19.6	21.2	11.8	17.1	15.5	13.0	11.7
EV/EBIT	19.6	21.2	11.8	17.1	15.5	13.0	11.7
EV/OCF	13.4	18.5	17.7	18.7	13.4	11.7	11.4
EV/FCFF	14.2	18.8	17.9	18.7	13.8	12.2	11.8
P/FCFE	135.3	110.9	34.6	28.9	19.0	17.9	17.5
P/E	27.8	28.3	15.6	22.9	20.6	17.4	15.9
P/B	7.1	10.0	6.4	8.2	6.7	5.6	4.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.6	10.8	9.8
Target EV/EBIT	0.0	0.0	0.0	0.0	16.3	13.6	12.2
Target EV/FCF	0.0	0.0	0.0	0.0	19.3	17.6	17.0
Target P/B	0.0	0.0	0.0	0.0	7.0	5.9	5.1
Target P/E	0.0	0.0	0.0	0.0	21.5	18.2	16.6
Per share measures							
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	0.60	0.72	0.78
Operating cash flow per share	0.68	0.89	0.50	0.71	0.90	1.00	1.01
Free cash flow per share	0.34	0.77	0.25	0.46	0.65	0.70	0.71
Book value per share	1.29	1.71	1.36	1.62	1.86	2.21	2.53
Dividend per share	0.20	0.72	0.34	0.37	0.36	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	3.7	4.1
FCF yield, %	3.7	4.5	2.9	3.5	5.3	5.6	5.7
Efficiency measures							
ROE	29.2	40.1	36.6	39.0	34.8	35.2	33.0
ROCE	22.9	33.0	32.4	33.9	31.1	32.4	31.4
Financial ratios							
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	6.3	5.9
CAPEX/sales (incl. acquisitions), %	11.2	3.1	5.9	5.7	5.6	6.3	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	55.3	56.4	58.9
Gearing, %	-3.2	-38.9	2.3	-6.3	-20.9	-32.6	-38.2

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	63.301	12.5%
Ilmarinen Mutual Pension Insurance Company	1,980,440	24.637	4.9%
Varma Mutual Pension Insurance Company	1,929,600	24.004	4.8%
Ehnrooth Sophia	1,651,885	20.549	4.1%
Nordea Nordic Small Cap Fund	999,425	12.433	2.5%
Evli Finnish Small Cap Fund	952,000	11.843	2.3%
Elo Mutual Pension Insurance Company	599,395	7.456	1.5%
Oy Talcom Ab	505,000	6.282	1.2%
Oy Etra Invest Ab	500,000	6.220	1.2%
Alahuhta Matti Juhani	439,750	5.470	1.1%
Ten largest	14,645,995	182.196	36%
Residual	25,925,385	322.512	64%
Total	40,571,380	504.708	100%

EARNINGS CALENDAR

November 07, 2024

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Elina Anckar

Tel: +358 9 75 871

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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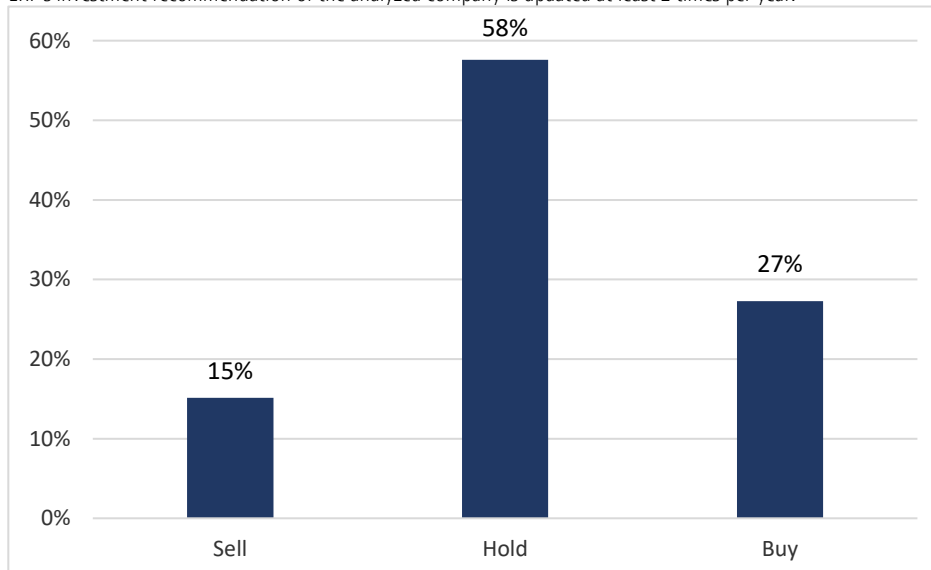
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Investment recommendations are defined as follows:

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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