

Expecting a slower quarter

Marimekko reports its Q3 results on 6th of November. The company faces challenging year-over-year comparison figures in Finland due to one-time promotional deliveries that boosted Q3/23 growth, whereas this year, larger part of the deliveries occurred in H1.

Domestic consumer confidence remains low

The Finnish consumer confidence improved in Q3/24 both q/q and y/y. Despite the improvement, the levels are still below the long-term average. According to the Finnish Fashion and Sports Commerce association, the consumption of fashion items has remained frequent, yet pricing has become more important factor in consumers purchasing decision due to the low confidence and the economic slowdown. In Asia, the quarters most important news was the far-reaching stimulus package in China. Since spring 2022, consumer confidence in China has remained consistently low. In Japan, the consumer confidence kept increasing from the May lows during the Q3 and was at marginally higher level during the quarter compared to Q3/23. Due to Marimekko's smaller relative size in Asia, macroeconomic trends do not affect its demand as significantly as in more established markets like Finland.

Facing tough comparable figures for Q3 in Finland

In Q3/23, Marimekko's net sales grew by 9% driven by wholesale growth both internationally and in Finland. The Finnish wholesale sales grew 18% y/y aided by non-recurring promotional deliveries. In 2024, Marimekko expects that the non-recurring promotional deliveries will be significantly lower than in the 2023 and weighted clearly to H1. In line with the outlook, the domestic wholesale sales grew 23% y/y during the first half. We expect domestic wholesale sales to fall way short of the comparison period in Q3/24 driven by the beforementioned dynamics. Geographically, we estimate international growth to continue while the domestic sales decline. We expect net sales of EUR 47m with decline of 1.8% y/y. Due to lower expected net sales, we model slightly lower margins as we forecast EBIT of EUR 12.0m (Q3/23 EUR 13.1m) with a margin of 25.4% (Q3/23 27.4%).

Valuation remains neutral

Marimekko is priced at 21–18x P/E and 16–13x EV/EBIT on our estimates for 2024–2025E. We find the current pricing neutral and in line with the company's peer group and historical average multiple levels. With no major estimate changes ahead of Q3, we retain TP of EUR 13.0 and recommendation at HOLD.

Rating Hold



Share price, EUR (Last trading day's closing price)	12.80
Target price, EUR	13.0
Latest change in recommendation	13-Feb-23
Latest report on company	31-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	40 571
No. of shares fully diluted, '000's	40 571
Market cap, EURm	519
Free float, %	74.0 %
Exchange rate	
Reuters code	MEKKO.HE
Bloomberg code	MEKKO FH
Average daily volume, EURm	
Next interim report	07-Nov-24
Web site	company.marimekko.com/en/investors/
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BUY HOLD SELL

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	21.2	2.8	16.0	5.1%	0.39
2025E	194.7	36.7	18.8%	28.2	0.72	17.9	2.5	13.4	5.4%	0.46
2026E	204.5	39.9	19.5%	28.8	0.78	16.4	2.4	12.1	5.5%	0.51
Market cap, EURm		519	Gearing 2024E, %			-20.9 %	CAGR EPS 2023–26, %			10.4 %
Net debt 2024E, EURm		-16	Price/book 2024E			6.9	CAGR Sales 2023–26, %			5.5 %
Enterprise value, EURm		504	Dividend yield 2024E, %			3.1 %	ROE 2024E, %			34.8 %
Total assets 2024E, EURm		136	Tax rate 2024E, %			20.6 %	ROCE 2024E, %			31.2 %
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.

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	122	10.2x	9.1x	8.6x	13.0x	11.0x	10.1x	16.7x	13.3x	12.1x
HUGO BOSS	2879	5.6x	5.0x	4.6x	11.3x	9.7x	8.5x	13.3x	11.0x	9.6x
Capri Holdings	2110	10.0x	10.0x	9.1x	15.2x	15.1x	13.2x	7.7x	7.5x	6.8x
Ralph Lauren	11503	12.7x	11.7x	10.8x	16.0x	14.6x	13.2x	18.2x	16.3x	14.4x
LVMH Moët Hennessy Louis Vuitton	308769	13.0x	12.3x	11.5x	16.5x	15.5x	14.4x	22.4x	21.2x	19.5x
PVH	5077	7.6x	7.2x	6.7x	10.2x	9.5x	8.5x	8.5x	7.9x	6.9x
Guess	813	8.2x	7.5x	7.3x	10.5x	9.7x	9.8x	6.7x	6.2x	6.2x
VF	7975	21.3x	19.5x	17.2x	35.8x	30.3x	25.1x	42.3x	27.6x	19.4x
Peer Group Average	42406	11.1x	10.3x	9.5x	16.0x	14.4x	12.8x	17.0x	13.9x	11.9x
Peer Group Median	3978	10.1x	9.5x	8.8x	14.1x	12.8x	11.6x	15.0x	12.2x	10.8x
Marimekko (Evli est.)	519	12.4x	10.7x	9.6x	16.0x	13.4x	12.1x	21.2x	17.9x	16.4x
<i>Marimekko prem./disc. to peer median</i>		<i>22 %</i>	<i>12 %</i>	<i>9 %</i>	<i>14 %</i>	<i>5 %</i>	<i>4 %</i>	<i>42 %</i>	<i>47 %</i>	<i>51 %</i>
<i>Source FactSet, Evli Research</i>										

MARIMEKKO PEER GROUP LUXURY GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Brunello Cucinelli	6309	19.4x	17.5x	16.4x	33.2x	29.6x	26.7x	50.9x	44.3x	39.2x
Burberry Group	3247	7.6x	8.2x	7.0x	27.8x	34.7x	19.9x	36.8x	47.9x	23.4x
Hermès International	220352	31.9x	28.6x	25.6x	35.7x	32.0x	28.6x	49.4x	44.2x	39.0x
Moncler	13974	11.5x	10.7x	9.9x	15.6x	14.5x	13.1x	22.8x	21.1x	19.2x
Prada	17998	10.1x	9.2x	8.5x	16.1x	14.3x	12.9x	22.4x	19.9x	17.8x
Salvatore Ferragamo	1027	7.2x	6.8x	6.2x	46.4x	34.0x	24.7x	335.6x	72.5x	40.4x
Kering	28134	10.4x	9.5x	8.6x	17.2x	15.8x	13.0x	19.1x	17.2x	13.8x
Canada Goose Holdings	935	7.3x	7.1x	7.6x	12.2x	11.0x	10.3x	12.8x	11.2x	10.2x
Peer Group Average	52376	16.1x	14.9x	13.5x	25.7x	25.0x	20.2x	36.5x	35.5x	27.7x
Peer Group Median	13974	11.5x	10.7x	9.9x	27.8x	29.6x	19.9x	36.8x	44.2x	23.4x
Marimekko (Evli est.)	519	12.4x	10.7x	9.6x	16.0x	13.4x	12.1x	21.2x	17.9x	16.4x
<i>Marimekko prem./disc. to peer median</i>		<i>7 %</i>	<i>-1 %</i>	<i>-3 %</i>	<i>-42 %</i>	<i>-55 %</i>	<i>-39 %</i>	<i>-42 %</i>	<i>-60 %</i>	<i>-30 %</i>
<i>Source FactSet, Evli Research</i>										

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	12.80 PV of Free Cash Flow	299 Long-term growth, %	1.5 % Risk-free interest rate, %
DCF share value	15.75 PV of Horizon value	351 WACC, %	8.4 % Market risk premium, %
Share price potential, %	23.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	17.0 Marketable securities	37 Minimum WACC, %	7.9 % Equity beta coefficient
Minimum value	14.7 Debt – dividend	–48 Maximum WACC, %	8.9 % Target debt ratio, %
Horizon value, %	54.0 % Value of stock	639 No. of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	174	180	195	205	213	222	231	240	247	255	259	262
Sales growth (%)	4.6%	3.5%	8.1%	5.1%	4.4%	4.0%	4.0%	4.0%	3.0%	3.0%	1.5%	1.5%
Operating income (EBIT)	31	31	37	40	42	43	44	46	47	48	49	50
Operating income margin %	18.0%	17.5%	18.8%	19.5%	19.5%	19.5%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
+ Depreciation+amort.	9	9	9	10	11	11	12	12	13	13	13	
EBITDA	41	41	46	50	52	54	55	58	60	61	62	
– Paid taxes	–7	–6	–7	–8	–8	–9	–9	–9	–9	–10	–10	
– Change in NWC	–3	3	2	–1	–1	–1	–1	–1	–1	–1	–1	0
NWC / Sales, %	14.0%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
+ Change in other liabs												
– Operative CAPEX	–1	–2	–2	–2	–2	–2	–2	–2	–2	–2	–2	
opCAPEX / Sales, %	5.7%	5.6%	6.3%	5.9%	5.8%	5.8%	5.8%	5.8%	5.7%	5.7%	5.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	29	35	39	39	41	43	44	46	47	49	50	737
= Discounted FCF		35	36	33	32	31	29	28	27	25	24	351
= DFCF min WACC		35	36	33	32	31	30	29	27	26	25	395
= DFCF max WACC		35	35	33	32	30	28	27	26	24	23	314

Sensitivity analysis, EUR

		Terminal WACC				
		6.43 %	7.42 %	8.43 %	9.43 %	10.42 %
Terminal EBIT–%	17.00 %	20.66	17.27	14.86	13.05	11.64
	18.00 %	21.40	17.84	15.30	13.40	11.93
	19.00 %	22.15	18.40	15.75	13.76	12.22
	20.00 %	22.89	18.97	16.19	14.12	12.52
	21.00 %	23.63	19.54	16.64	14.48	12.81

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>17.3%</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	-0.3
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	39.6
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>22.2%</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 adj. (diluted)	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					0.37					0.39	0.46	0.51
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
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%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
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%	-12.2%	45.2%	3.6%	3.3%	8.1%	2.7%	5.0%
EMEA	-30.6%	18.7%	-3.5%	-4.4%	-8.6%	-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%	11.9%	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%	5.1%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Finland												21.3
Scandinavia												3.5
EMEA												3.1
North America												2.5
Asia Pacific												9.5
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 %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Finland												19.5%
Scandinavia												19.5%
EMEA												19.5%
North America												19.5%
Asia Pacific												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>	12.1%	-1.5%	23.2%	9.4%	4.6%	3.5%	8.1%	5.1%
EBITDA	29.7	31.3	43.3	40.1	40.5	40.6	46.1	50.0
<i>EBITDA margin (%)</i>	23.7%	25.4%	28.5%	24.1%	23.3%	22.6%	23.7%	24.5%
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								
EBIT	17.1	18.8	31.3	30.4	31.4	31.5	36.7	39.9
<i>EBIT margin (%)</i>	13.6%	15.2%	20.5%	18.2%	18.0%	17.5%	18.8%	19.5%
Reported EBIT	17.1	18.0	31.3	30.4	31.4	31.5	36.7	39.9
<i>EBIT margin (reported) (%)</i>	13.6%	14.6%	20.5%	18.2%	18.0%	17.5%	18.8%	19.5%
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.6	-0.4	-0.3
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	30.9	36.3	39.6
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.4	-7.3	-7.9
Minority shares								
Net profit	13.0	12.5	24.4	22.9	23.6	24.5	29.0	31.7
Cash NRIs		-0.8						
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	5	5	5	6	6	6	7	7
Goodwill								
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	62	73
Total assets	97	114	133	115	123	136	158	173
Liabilities								
Shareholders' equity	39	52	69	55	66	75	88	101
Minority interest								
Convertibles								
Lease liabilities	36	37	30	32	32	31	33	35
Deferred taxes	2	1	3	0	0			
Interest bearing debt	2	2	2	2	1	2	1	
Non-interest bearing current liabilities	18	22	28	25	25	29	35	37
Other interest-free debt								
Total liabilities	97	114	133	115	123	136	158	173
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				
= Cash flow from operations	29	27	36	20	29	37	41	41
- Capex	-11	-14	-5	-10	-10	-10	-12	-12
- Acquisitions								
+ Divestments								
= Free cash flow	18	14	31	10	19	27	28	29
+/- New issues/buybacks	1	8	1	-8	1	0		
- Paid dividend	7	8	29	14	15	16	19	21
+/- Other	-1	0	-5	0	-1	-1	2	1
Change in cash	3	15	19	-27	4	11	14	11

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	519	519	519
Net debt (excl. convertibles)	-2	-27	1	-4	-16	-28	-38
Enterprise value	368	664	357	536	504	491	481
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	88	101
Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	3.0	4.4	2.1	3.1	2.8	2.5	2.4
EV/EBITDA	11.7	15.3	8.9	13.2	12.4	10.7	9.6
EV/EBITA	19.6	21.2	11.8	17.1	16.0	13.4	12.1
EV/EBIT	19.6	21.2	11.8	17.1	16.0	13.4	12.1
EV/OCF	13.4	18.5	17.7	18.7	13.8	12.1	11.8
EV/FCF	14.2	18.8	17.9	18.7	14.2	12.6	12.2
P/FCFR	135.3	110.9	34.6	28.9	19.6	18.4	18.1
P/E	27.8	28.3	15.6	22.9	21.2	17.9	16.4
P/BV	7.1	10.0	6.4	8.2	6.9	5.9	5.1
Target EV/EBITDA					12.6	10.8	9.8
Target EV/EBIT					16.3	13.6	12.3
Target EV/FCFF					19.3	17.7	17.0
Target P/BV					7.0	6.0	5.2
Target P/E, diluted	28.8	29.0	17.0	19.7	21.5	18.2	16.6
Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	40.55	40.55	40.62	40.57	40.57	40.57	40.57
Number of shares (diluted, million)	40.55	40.55	40.62	40.57	40.57	40.57	40.57
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	2.18	2.49
Dividend per share	0.20	0.72	0.34	0.37	0.39	0.46	0.51
Dividend payout ratio, %	61.0%	119.6%	60.4%	63.6%	65.0%	65.0%	65.0%
Dividend yield, %	2.2%	4.2%	3.9%	2.8%	3.1%	3.6%	4.0%
FCF yield, %	3.7%	4.5%	2.9%	3.5%	5.1%	5.4%	5.5%
Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	29.2%	40.1%	36.6%	39.0%	34.8%	35.5%	33.5%
ROCE	22.9%	33.0%	32.4%	34.0%	31.2%	32.6%	31.7%
Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
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-int. 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	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Gearing, %	-3.2%	-38.9%	2.3%	-6.3%	-20.9%	-31.7%	-37.5%

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 product 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	65.133	12.5 %
Ilmarinen Mutual Pension Insurance Company	1 980 440	25.350	4.9 %
Varma Mutual Pension Insurance Company	1 929 600	24.699	4.8 %
Ehnrnooth Sophia	1 651 885	21.144	4.1 %
Nordea Nordic Small Cap Fund	999 425	12.793	2.5 %
Evli Finnish Small Cap Fund	940 000	12.032	2.3 %
Elo Mutual Pension Insurance Company	599 395	7.672	1.5 %
Oy Talcom Ab	505 000	6.464	1.2 %
Oy Etra Invest Ab	500 000	6.400	1.2 %
Alahuhta Matti Juhani	447 750	5.731	1.1 %
Ten largest	14 641 995	187.418	36.1 %
Residual	25 929 385	331.896	63.9 %
Total	40 571 380	519.314	100%

EARNINGS CALENDAR

November 07, 2024

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Elina Anokar

IR: Anna Tuominen

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Tel: +358 9 75 871

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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

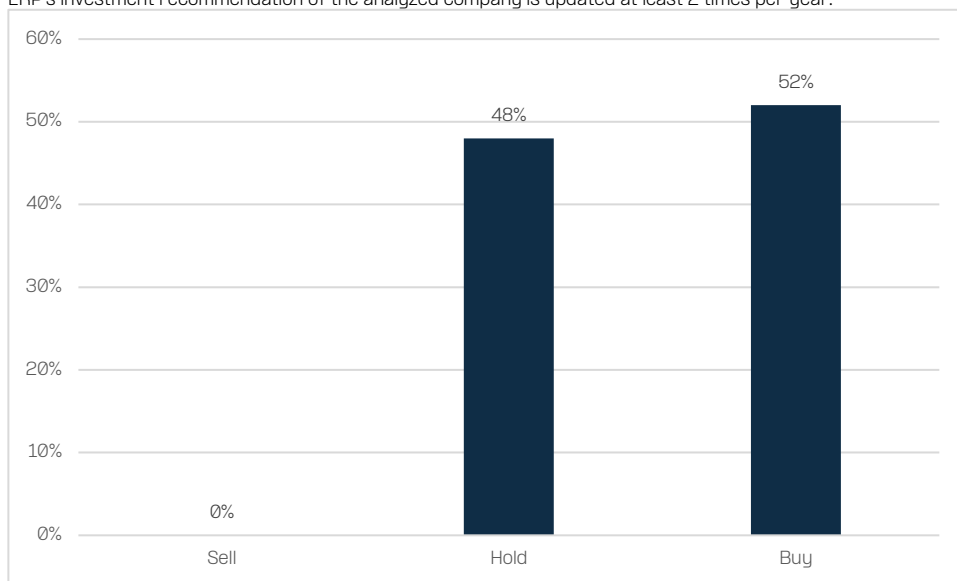
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here.

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

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