

Q1 result topped our estimates

Marimekko came in strong with Q1 net sales as well as EBIT growing rapidly. The company's resilience to weakened consumer confidence was stronger than we were expecting.

- Q1 group result:** topline increased by 24% y/y to EUR 36.0m (EUR 30.4m/32.4m Evli/cons.) beating our and consensus estimates. Net sales growth was driven by solid development of wholesale and retail sales in Finland as well as good performance of int'l sales. Adj. EBIT improved to EUR 6.6m (EUR 3.9m/3.9m Evli/cons.), being 18.4% of revenue. Weakened relative profitability was driven by increased material and fixed costs. On the other hand, EBIT was supported by topline growth and lower D&A. EPS amounted to EUR 0.12 (EUR 0.08/0.08 Evli/cons.).
- Finland:** net sales grew by 27% y/y to EUR 18.5m (Evli: EUR 15.2m). The growth was driven by both retail (+18% y/y) and wholesale sales (+41% y/y).
- Int'l:** revenue saw an increase of 20% y/y, amounting to EUR 17.5m (Evli: EUR 15.2m). Good sales development was driven by all market segments. Topline grew strongly in the EMEA region (+34% y/y), North America (+26% y/y), and Scandinavia (+23% y/y) while the growth in the APAC region was more moderate with an increase of 10% y/y.
- 2022 guidance reiterated:** Topline is expected to be above that of the comparison period (2021: EUR 152.2m) and adj. EBIT margin to be between 17-20% (2021: 20.5%).
- Outlook:** although consumer confidence has been in a trend of decline, it seems that Marimekko has enjoyed still solid demand in Q1. The company expects retail, license, and wholesale sales to grow in 2022. In percentage terms, Marimekko estimates the net sales growth to be stronger at the beginning of 2022 than in H2.

Rating 🟡 HOLD

Q1 '22	Actual	Evli	Consensus*	Q1 '21
Net sales	36.0	30.4	32.4	29.1
Finland	18.5	15.2	-	14.5
Int'l	17.5	15.2	-	14.6
Adj. EBIT	6.6	3.9	3.9	5.6
Adj. EBIT-margin	18.4%	13.0%	12.0%	19.3%
Adj. EPS	0.12	0.08	0.08	0.11

** Consensus estimate from Infront (3 analysts)*

Share price, EUR (Last trading day's closing price)	11.32
Target price, EUR	12.8
Latest change in recommendation	16-Feb-22
Latest report on company	12-May-22
Research paid by	YES
No. of shares	40,621
No. of shares fully	40,621
Market cap, EURm	460
Free float, %	73.7
Exchange rate	0.000
Reuters code	MEKKO.HE
Bloomberg code	MEKKO FH
Average daily volume,	0.0
Next interim report	13-May-22
Web site	company.marimekko.com/en/investors/
Analyst	Arttu Heikura
E-mail	arttu.heikura@evli.com
Telephone	

+ BUY 🟡 HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	123.6	18.8	15.2%	13.6	0.33	27.8	3.0	19.6	3.7	0.20
2021	152.2	31.3	20.5%	31.2	0.60	28.3	4.4	21.2	4.5	0.72
2022E	164.9	30.9	18.7%	12.0	0.60	18.9	2.7	14.6	2.6	0.33
2023E	179.7	33.8	18.8%	20.5	0.63	18.0	2.5	13.1	4.5	0.35
2024E	193.5	34.8	18.0%	20.3	0.66	17.1	2.3	12.5	4.4	0.43

Market cap, EURm	460	BV per share 2022E, EUR	-15.2	CAGR EPS 2021-24, %	3.1
Net debt 2022E, EURm	-10	Price/book 2022E	7.1	CAGR sales 2021-24, %	8.3
Enterprise value, EURm	450	Dividend yield 2022E, %	2.9	ROE 2022E, %	36.3
Total assets 2022E, EURm	145	Tax rate 2022E, %	20.0	ROCE 2022E, %	29.6
Goodwill 2022E, EURm	0	Equity ratio 2022E, %	44.6	PEG, P/E 22/CAGR	3.8

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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 in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lilja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Arttu Heikura +358 40 082 8098
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000