

Strong development continued in Q4

Marimekko's Q4 result outpaced our estimates and the company grew very strongly. The guidance implies the trend to continue in 2022.

- **Group net sales** increased by 29% y/y to EUR 48.1m (41.6m/42.3m Evli/cons.). The growth was driven by wholesale and retail sales in Finland as well as wholesale sales in the APAC region and Scandinavia. Retail sales in North America developed very strongly.
- **Finland:** Net sales grew by 32% and amounted to EUR 30.6m (26.8m/26.8m Evli/cons.). Non-recurring promotional deliveries supported the good development of wholesale sales.
- **International:** Revenue increased by 23% y/y to EUR 17.4m (14.7m/15.5m Evli/cons.), representing 36% of total net sales. Sales development was strong in North America (+57%), Scandinavia (+40%), and the APAC region (+36%). The EMEA region (-21%) declined due to actions to control gray exports.
- **Gross profit** totaled EUR 27.8m (25.1m Evli). The company reported a gross margin of 57.9% (60.3% Evli). The margin was affected by increased logistical costs.
- **Adj. EBIT** improved by 35% y/y to EUR 7.6m (5.8m/6.0m Evli/cons.), meaning a 15.8% margin. The improvement in profitability was mainly driven by increased net sales.
- **EPS** grew by 35.6% y/y to EUR 0.72 (0.54/0.55 Evli/cons.).
- **Dividend proposal:** The BoD proposes FY'21 DPS of EUR 1.60 and extraordinary DPS of EUR 2.00 (1.60/1.60 Evli/cons.). In addition, the board has decided to pay FY'20 DPS of EUR 1.00.
- **Guidance 2022:** Revenue is expected to be above that of the comparison period (2021: EUR 152.2m). Adj. EBIT margin is expected to be between 17-20% (2021: 20.5%).

Rating + BUY

Q4'21	Actual	Evli	Consensus*	Q4'20	Actual vs. Evli
Net sales	48.1	41.6	42.3	37.4	16%
Finland	30.6	26.8	26.8	23.2	14%
Int'l	17.4	14.7	15.5	14.1	18%
Adj. EBIT	7.6	5.8	6.0	5.8	32%
EPS	0.72	0.54	0.55	0.53	33%

* Consensus estimate from FactSet

 Share price, EUR (Last trading day's closing price) 69.00

 Target price, EUR 84.0

 Latest change in 21-Sep-20

 Latest report on 04-Nov-21

 Research paid by YES

 No. of shares 8,110

 No. of shares fully 8,110

 Market cap, EURm 560

 Free float, % 73.7

 Exchange rate 0.000

 Reuters code MEKKO.HE

 Bloomberg code MEKKO FH

 Average daily volume, 0.0

 Next interim report 15-Feb-22

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+ BUY o 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
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.90
2020	123.6	20.2	16.4%	13.6	1.80	25.3	3.0	18.2	3.7	1.00
2021E	145.7	30.2	20.7%	10.7	2.90	23.8	3.8	18.4	1.9	1.60
2022E	161.5	30.4	18.9%	18.8	2.87	24.0	3.4	18.1	3.4	1.58
2023E	175.1	31.2	17.8%	21.1	2.91	23.7	3.1	17.4	3.8	1.60

Market cap, EURm	560	BV per share 2021E, EUR	-6.3	CAGR EPS 2020-23, %	17.3
Net debt 2021E, EURm	-4	Price/book 2021E	8.2	CAGR sales 2020-23, %	12.3
Enterprise value, EURm	555	Dividend yield 2021E, %	2.3	ROE 2021E, %	38.9
Total assets 2021E, EURm	128	Tax rate 2021E, %	19.8	ROCE 2021E, %	30.7
Goodwill 2021E, EURm	0	Equity ratio 2021E, %	53.4	PEG, P/E 21/CAGR	9.4

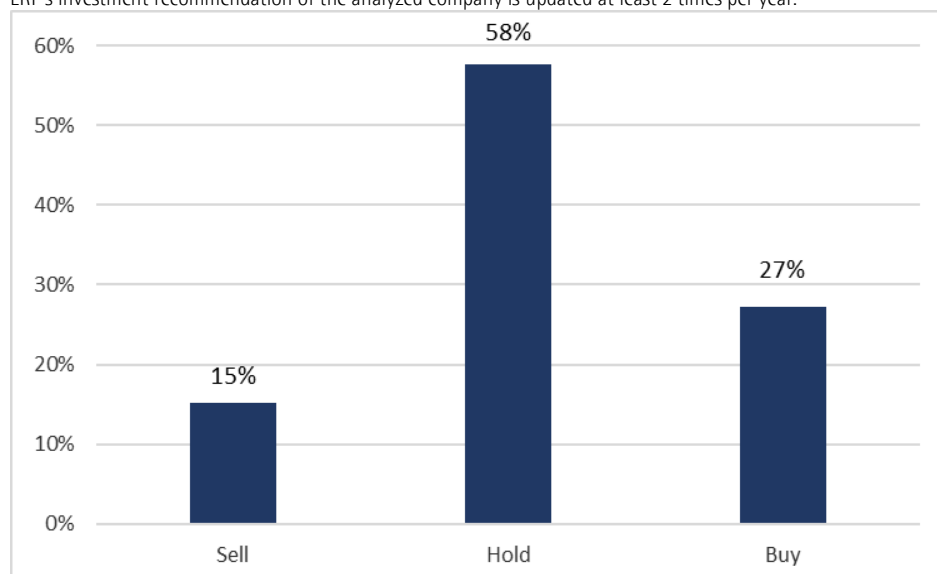
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Investment recommendations are defined as follows:

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

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

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