

Uncertainty ahead of Q1

We revised our near-term estimates ahead of Q1 due to declined consumer confidence, especially in Finland and Japan. We retain HOLD rating and adjust TP to 12.8 (15.8).

New collaborations incoming

In early 2022, Marimekko announced of few collaborations with global lifestyle brands to enhance its brand awareness in its growing markets. Adidas collaboration got a sequel with new spring/summer collection that dropped during April 2022. In addition, Marimekko collaborates with a luxury brand Mansur Gavriel. The bag collection will be available starting from June 2022. Moreover, Marimekko announced its collaboration with global furniture and décor company IKEA. The collection will be released in spring 2023. Collaborations bring Marimekko highly scalable licensing revenue but, more importantly, by cooperating with popular lifestyle companies Marimekko's brand awareness improves abroad significantly.

Consumer trust in decline in Marimekko's main markets

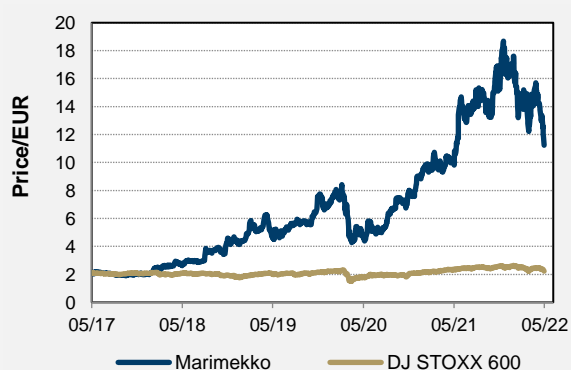
Driven by increased inflation and interest rate pressures as well as geopolitical tensions due to Russia's attack on Ukraine, consumer trust has been in a trend of decline in the western markets. Also, in Marimekko's second-largest market, Japan, the inflation has picked up driven by material and energy costs. We expect the declined consumer activity to have a slight impact on Marimekko's Q1 sales development and thus we have revised our quite optimistic near-term estimates. From what we earlier expected, we have downgraded our 22E topline estimate by 2% while our 22E EBIT estimate faced a decrease of 5% (see page 2).

HOLD with a target price of EUR 12.8 (15.8)

In recent months, Marimekko's valuation has melted alongside its peer group's valuation. With our revised estimates, the company trades with 22E EV/EBIT and P/E multiples of 15x and 19x respectively. Considering our acceptable 22E EV/EBIT and P/E multiples of 17x and 21x respectively, we see slight upside potential in Marimekko's stock price but, at the same time, remind about the uncertainty concerning the demand for Marimekko's products. We retain our HOLD rating and adjust TP to EUR 12.8 (15.8).

Rating

HOLD



Share price, EUR (Last trading day's closing price) 11.24

Target price, EUR 12.8

Latest change in recommendation 16-Feb-22

Latest report on company 13-Apr-22

Research paid by issuer: YES

No. of shares 40,621

No. of shares fully 40,621

Market cap, EURm 457

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

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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
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	18.8	2.7	14.5	2.6	0.33
2023E	179.7	33.8	18.8%	20.5	0.63	17.9	2.4	13.0	4.5	0.35
2024E	193.5	34.8	18.0%	20.3	0.66	17.0	2.2	12.4	4.4	0.43
Market cap, EURm	457			Gearing 2022E, %	-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	447			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	

We revised our estimates due to increased uncertainty

Driven by declined consumer confidence, especially in Marimekko's main markets in Finland and Japan gave us rise to downgrade our 2022E EBIT estimate by some 5% from what we earlier expected. In our view, the attractiveness of durable goods has slightly decreased driven by alternative consumption targets, such as restaurants and travelling, and increased inflation has already eaten consumers' purchasing power driven by increased prices of energy and food. On the other hand, the end of remote working, as well as the opening of societies, possibly have increased the demand for fashion that eventually should support Marimekko's sales development. In Q1, we expect revenue in Finland to grow by 5% y/y and international sales 5% y/y respectively. We expect Q1 group level revenue to grow by 4.6% y/y to EUR 30.4m. Driven by increased fixed costs, we expect Q1 EBIT to amount to EUR 3.9m (13% margin). In 2022, we expect the group revenue to increase by 8.3% y/y to EUR 164.9m and EBIT to EUR 30.9m (18.7% margin).

Figure 1: Estimate revisions

	Q1'22E	Q1'22E previously	Change-%	2022E	2022E previously	Change-%
Net sales	30.4	32.7	-7%	164.9	167.9	-2%
Adj. EBIT	3.9	5.9	-33%	30.9	32.5	-5%
Adj. EBIT margin	13.0%	18.1%	-5%-p	18.7%	19.3%	-1%-p

Source: Evli Research

Figure 2: Peer group valuation

	MCAP local FX	EV/EBITDA		EV/EBIT		P/E		Equity ratio	
		22	23	22	23	22	23	22	23
Premium goods									
Bjorn Borg AB	1061	6.4x	5.9x	8.4x	7.2x	11.1x	10.3x	51%	58%
HUGO BOSS AG	3436	6.6x	5.1x	15.5x	11.1x	20.0x	16.1x	37%	40%
Capri Holdings Limited	6110	4.5x	3.6x	5.4x	4.2x	6.3x	5.8x	42%	47%
Ralph Lauren Corporation Class A	6754	5.8x	5.4x	7.4x	6.9x	10.8x	9.5x	34%	34%
Ted Baker PLC	248								
PVH Corp.	4556	4.4x	3.8x	5.9x	5.0x	7.4x	6.4x	47%	49%
Guess?, Inc.	1249	4.1x	4.0x	5.1x	4.8x	6.5x	5.7x		
Joules Group Plc	49	4.0x	3.1x	13.9x	8.8x	11.6x	6.3x	21%	22%
Luxury goods									
Brunello Cucinelli S.p.A.	2934	15.5x	13.2x	34.0x	27.6x	47.7x	40.5x	59%	63%
Burberry Group plc	5897	5.5x	5.3x	8.6x	8.2x	14.5x	13.3x	49%	48%
Hermes International SCA	106214	21.8x	19.3x	25.0x	22.0x	38.8x	34.6x	70%	72%
Moncler SpA	11276	10.6x	9.2x	14.6x	12.5x	22.3x	19.5x	66%	68%
Prada S.p.A.	116042	11.0x	9.4x	22.6x	17.6x	34.5x	27.0x	51%	53%
Salvatore Ferragamo S.p.A.	2446	9.2x	8.1x	23.5x	18.4x	39.1x	28.1x	43%	43%
Premium goods median	2343	4.5x	4.0x	7.4x	6.9x	10.8x	6.4x	39%	4.3%
Luxury goods median	8587	10.8x	9.3x	23.0x	18.0x	36.7x	27.5x	55%	58%
Marimekko (Evli est.)	473	10.8x	9.7x	15.0x	13.5x	19.4x	18.5x	45%	49%
<i>Marimekko premium vs. premium goods median</i>		<i>139%</i>	<i>142%</i>	<i>101%</i>	<i>96%</i>	<i>80%</i>	<i>189%</i>	<i>13%</i>	<i>12%</i>
<i>Marimekko premium vs. luxury goods median</i>		<i>0%</i>	<i>4%</i>	<i>-35%</i>	<i>-25%</i>	<i>-47%</i>	<i>-33%</i>	<i>-19%</i>	<i>-16%</i>
	Ticker	Dividend yield		EBIT margin		ROCE-%		ROE-%	
		22	23	22	23	22	23	22	23
Premium goods									
Bjorn Borg AB	BORG-SE	4.7%	4.7%	14.6%	15.2%			15.1%	16.3%
HUGO BOSS AG	BOSS-DE	2.1%	2.7%	8.7%	9.8%	16.0%	17.9%	16.3%	17.6%
Capri Holdings Limited	CPRI-US	0.0%	0.0%	19.2%	19.4%	17.8%	16.8%	27.8%	24.8%
Ralph Lauren Corporation Class A	RL-US	3.2%	3.6%	13.5%	13.9%	12.2%	13.0%	24.7%	26.1%
Ted Baker PLC	TED-GB								
PVH Corp.	PVH-US	0.1%	0.2%	10.2%	10.6%	9.8%	10.4%	11.0%	11.4%
Guess?, Inc.	GES-US			10.5%	11.6%			25.3%	24.2%
Joules Group Plc	JOUL-GB	0.0%	3.8%	2.7%	3.7%	13.3%	19.4%	7.5%	11.6%
Luxury goods									
Brunello Cucinelli S.p.A.	BC-IT	1.0%	1.2%	12.8%	13.4%			17.5%	18.5%
Burberry Group plc	BRBY-GB	3.6%	4.0%	18.5%	19.1%	18.9%	17.9%	22.6%	21.6%
Hermes International SCA	RMS-FR	0.9%	1.0%	37.8%	38.1%	30.1%	28.0%	24.3%	22.8%
Moncler SpA	MONC-IT	1.8%	2.0%	30.0%	30.4%	21.2%	21.5%	17.8%	17.9%
Prada S.p.A.	1913-HK	1.8%	2.2%	16.7%	18.9%	11.1%	13.4%	12.3%	14.5%
Salvatore Ferragamo S.p.A.	SFER-IT	1.8%	2.1%	9.3%	11.0%	8.0%	9.9%	7.9%	10.5%
Premium goods median		1.1%	3.1%	10.5%	11.6%	13.3%	16.8%	16.3%	17.6%
Luxury goods median		1.8%	2.1%	17.6%	19.0%	18.9%	17.9%	17.7%	18.2%
Marimekko (Evli est.)		2.8%	3.0%	18.7%	18.8%	29.6%	29.5%	36.3%	36.1%

Source: FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	11.24 PV of Free Cash Flow	295 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	19.57 PV of Horizon value	473 WACC, %	7.5 Market risk premium, %
Share price potential, %	74.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	21.5 Marketable securities	60 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	18.0 Debt - dividend	-33 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	61.6 Value of stock	795 Nr of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	152	165	180	194	208	223	236	248	255	263	268	273
<i>Sales growth, %</i>	<i>23.2</i>	<i>8.3</i>	<i>9.0</i>	<i>7.7</i>	<i>7.5</i>	<i>7.0</i>	<i>6.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	31	31	34	35	36	39	40	40	40	41	42	42
<i>Operating income margin, %</i>	<i>20.5</i>	<i>18.7</i>	<i>18.8</i>	<i>18.0</i>	<i>17.5</i>	<i>17.5</i>	<i>17.0</i>	<i>16.0</i>	<i>15.5</i>	<i>15.5</i>	<i>15.5</i>	<i>15.5</i>
+ Depreciation+amort.	12	12	13	14	15	17	18	19	20	20	21	
EBITDA	43	43	47	49	52	56	58	58	59	61	63	
- Paid taxes	-4	-6	-7	-7	-7	-8	-8	-8	-8	-8	-8	
- Change in NWC	-2	-2	-1	-1	-1	-1	-1	-1	-1	-1	0	
<i>NWC / Sales, %</i>	<i>6.4</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-3	-2	-4	-3	-3	-3	-3	-3	-3	-3	
<i>opCAPEX / Sales, %</i>	<i>3.1</i>	<i>13.5</i>	<i>9.5</i>	<i>10.1</i>	<i>9.3</i>	<i>9.3</i>	<i>9.1</i>	<i>8.9</i>	<i>8.5</i>	<i>8.5</i>	<i>8.2</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	-1	0	0	0	0	0	0	0	0	0	0	
= FCFF	35	32	37	37	41	44	46	47	48	49	51	950
= Discounted FCFF		30	33	30	31	31	31	29	28	26	26	473
= DFCF min WACC		30	33	31	32	32	31	30	29	27	27	544
= DFCF max WACC		30	33	30	31	31	30	28	27	25	24	414

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	29.1	32.7	42.4	48.1	152.2	30.4	34.8	47.5	52.2	164.9	179.7	193.5
EBITDA	8.6	8.0	16.2	10.6	43.3	6.9	7.3	16.7	11.8	42.7	47.0	48.8
<i>EBITDA margin (%)</i>	<i>29.6</i>	<i>24.4</i>	<i>38.1</i>	<i>22.0</i>	<i>28.5</i>	<i>22.7</i>	<i>20.9</i>	<i>35.2</i>	<i>22.7</i>	<i>25.9</i>	<i>26.1</i>	<i>25.2</i>
EBIT	5.6	4.9	13.1	7.6	31.3	3.9	4.3	13.7	8.9	30.9	33.8	34.8
<i>EBIT margin (%)</i>	<i>19.3</i>	<i>14.9</i>	<i>31.0</i>	<i>15.9</i>	<i>20.5</i>	<i>13.0</i>	<i>12.4</i>	<i>29.0</i>	<i>17.0</i>	<i>18.7</i>	<i>18.8</i>	<i>18.0</i>
Net financial items	-0.1	-0.2	0.0	0.0	-0.4	-0.1	-0.1	-0.1	-0.1	-0.5	-1.9	-1.3
Pre-tax profit	5.5	4.7	13.1	7.6	30.8	3.8	4.2	13.6	8.8	30.4	31.9	33.5
Tax	-1.1	-1.0	-2.6	-1.7	-6.4	-0.8	-0.8	-2.7	-1.8	-6.1	-6.4	-6.7
<i>Tax rate (%)</i>	<i>19.6</i>	<i>21.8</i>	<i>19.9</i>	<i>22.6</i>	<i>20.8</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	4.4	3.6	10.5	5.9	24.4	3.1	3.4	10.9	7.0	24.3	25.5	26.8
EPS	0.11	0.09	0.26	0.14	0.60	0.08	0.08	0.27	0.17	0.60	0.63	0.66
EPS adjusted (diluted no. of shares)	0.11	0.09	0.26	0.14	0.60	0.08	0.08	0.27	0.17	0.60	0.63	0.66
Dividend per share	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.33	0.35	0.43
SALES, EURm												
Finland	14.5	18.4	28.8	30.6	92.3	15.2	18.8	30.6	33.1	97.7	101.6	104.7
Scandinavia	2.4	2.9	2.9	4.4	12.7	2.6	3.0	3.4	4.8	13.9	14.9	16.0
EMEA	4.1	3.0	2.7	3.1	12.9	3.8	3.5	3.2	3.6	14.1	15.3	16.4
North America	1.4	2.2	2.0	2.7	8.4	1.7	2.4	2.2	2.8	9.2	10.4	11.5
Asia Pacific	6.6	6.3	5.9	7.2	26.0	7.2	7.0	7.9	7.8	30.0	37.5	45.0
Total	29.1	32.7	42.4	48.1	152.2	30.4	34.8	47.5	52.2	164.9	179.7	193.5
SALES GROWTH, Y/Y %												
<i>Finland</i>	<i>6.9</i>	<i>61.5</i>	<i>25.3</i>	<i>31.9</i>	<i>29.7</i>	<i>4.6</i>	<i>2.6</i>	<i>6.3</i>	<i>8.0</i>	<i>5.9</i>	<i>4.0</i>	<i>3.0</i>
<i>Scandinavia</i>	<i>16.0</i>	<i>53.3</i>	<i>4.3</i>	<i>39.6</i>	<i>27.3</i>	<i>6.3</i>	<i>5.3</i>	<i>18.4</i>	<i>8.3</i>	<i>9.5</i>	<i>7.5</i>	<i>7.0</i>
<i>EMEA</i>	<i>51.5</i>	<i>-9.6</i>	<i>-32.1</i>	<i>-21.1</i>	<i>-7.5</i>	<i>-8.2</i>	<i>18.0</i>	<i>19.2</i>	<i>16.6</i>	<i>9.6</i>	<i>8.0</i>	<i>7.5</i>
<i>North America</i>	<i>-9.8</i>	<i>51.0</i>	<i>24.9</i>	<i>56.8</i>	<i>30.8</i>	<i>19.7</i>	<i>7.5</i>	<i>10.6</i>	<i>5.2</i>	<i>9.6</i>	<i>13.0</i>	<i>11.0</i>
<i>Asia Pacific</i>	<i>34.7</i>	<i>17.9</i>	<i>-10.4</i>	<i>36.2</i>	<i>17.5</i>	<i>8.6</i>	<i>12.4</i>	<i>33.8</i>	<i>9.0</i>	<i>15.4</i>	<i>25.0</i>	<i>20.0</i>
Total	16.9	40.3	11.5	28.7	23.2	4.6	6.4	12.0	8.6	8.3	9.0	7.7
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	18.8
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9
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	2.1
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.1
Group (EBIT only)	5.6	4.9	13.1	7.6	31.3	3.9	4.3	13.7	8.9	30.9	33.8	0.0
Total	5.6	4.9	13.1	7.6	31.3	3.9	4.3	13.7	8.9	30.9	33.8	34.8
EBIT margin, %												
<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>18.0</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>18.0</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>18.0</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>18.0</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>18.0</i>
Total	19.3	14.9	31.0	15.9	20.5	13.0	12.4	29.0	17.0	18.7	18.8	18.0

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	102.3	111.9	125.4	123.6	152.2	164.9	179.7	193.5
<i>Sales growth (%)</i>	<i>2.7</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>8.3</i>	<i>9.0</i>	<i>7.7</i>
EBITDA	11.9	14.6	29.7	31.3	43.3	42.7	47.0	48.8
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>13.1</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>25.9</i>	<i>26.1</i>	<i>25.2</i>
Depreciation	-3.3	-2.4	-12.6	-12.6	-12.1	-11.8	-13.2	-13.9
EBITA	8.6	12.2	17.1	18.8	31.3	30.9	33.8	34.8
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.6	12.2	17.1	18.8	31.3	30.9	33.8	34.8
<i>EBIT margin (%)</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.7</i>	<i>18.8</i>	<i>18.0</i>
Reported EBIT	8.4	12.2	17.1	18.0	31.3	30.9	33.8	34.8
<i>EBIT margin (reported) (%)</i>	<i>8.2</i>	<i>10.9</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.7</i>	<i>18.8</i>	<i>18.0</i>
Net financials	-1.2	-0.2	-1.0	-1.8	-0.4	-0.5	-1.9	-1.3
Pre-tax profit	7.4	12.1	16.1	17.0	30.8	30.4	31.9	33.5
Taxes	-1.5	-3.9	-3.1	-3.7	-6.4	-6.1	-6.4	-6.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	5.7	8.2	13.0	12.5	24.4	24.3	25.5	26.8
Cash NRIs	-0.2	0.0	0.0	-0.8	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	13	5	5	5	5	7	7	10
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	37	36	37	29	38	41	45
Inventory	21	22	23	22	26	30	32	35
Receivables	7	7	7	8	12	12	13	14
Liquid funds	6	23	26	41	60	58	63	69
Total assets	47	94	97	114	133	145	157	173
Liabilities								
Shareholder's equity	31	40	39	52	69	65	77	89
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	37	36	37	30	38	41	45
Deferred taxes	1	1	2	1	3	3	3	3
Interest bearing debt	3	0	2	2	2	10	5	2
Non-interest bearing current liabilities	13	16	18	22	28	30	32	35
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	47	94	97	114	133	145	157	173
CASH FLOW, EURm								
+ EBITDA	12	15	30	31	43	43	47	49
- Net financial items	-1	0	-1	-2	0	0	-2	-1
- Taxes	-2	-3	-3	-6	-4	-6	-6	-7
- Increase in Net Working Capital	0	2	3	3	-2	-2	-1	-1
+/- Other	1	0	0	0	-1	0	0	0
= Cash flow from operations	10	12	29	27	36	34	38	40
- Capex	-1	-1	-11	-14	-5	-22	-17	-19
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	11	0	0	0	0	0	0
= Free cash flow	9	22	18	14	31	12	21	20
+/- New issues/buybacks	0	5	1	8	1	0	0	0
- Paid dividend	-3	-4	-15	-7	-8	-29	-13	-14
+/- Other	-3	-6	-1	0	-5	15	-2	0
Change in cash	3	17	3	15	19	-2	5	6

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	168	291	369	691	457	457	457
Net debt (excl. convertibles)	14	12	-2	-27	-10	-17	-23
Enterprise value	182	303	368	664	447	440	433
Sales	112	125	124	152	165	180	194
EBITDA	15	30	31	43	43	47	49
EBIT	12	17	19	31	31	34	35
Pre-tax	12	16	17	31	30	32	34
Earnings	8	13	13	24	24	25	27
Equity book value (excl. minorities)	40	39	52	69	65	77	89
Valuation multiples							
EV/sales	1.6	2.4	3.0	4.4	2.7	2.4	2.2
EV/EBITDA	12.4	10.2	11.7	15.3	10.5	9.4	8.9
EV/EBITA	14.9	17.7	19.6	21.2	14.5	13.0	12.4
EV/EBIT	14.9	17.7	19.6	21.2	14.5	13.0	12.4
EV/OCF	14.9	10.5	13.4	18.5	13.0	11.7	10.9
EV/FCFF	8.4	10.7	14.2	18.8	14.1	11.8	11.7
P/FCFE	38.8	82.4	135.3	110.9	38.0	22.3	22.5
P/E	20.5	22.3	27.8	28.3	18.8	17.9	17.0
P/B	4.2	7.5	7.1	10.0	7.1	6.0	5.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	11.9	10.7	10.2
Target EV/EBIT	0.0	0.0	0.0	0.0	16.5	14.9	14.3
Target EV/FCF	0.0	0.0	0.0	0.0	42.5	24.5	24.5
Target P/B	0.0	0.0	0.0	0.0	8.1	6.8	5.8
Target P/E	0.0	0.0	0.0	0.0	21.4	20.4	19.4
Per share measures							
Number of shares	40,448	40,649	40,549	40,549	40,621	40,621	40,621
Number of shares (diluted)	40,448	40,649	40,549	40,549	40,621	40,621	40,621
EPS	0.20	0.32	0.33	0.60	0.60	0.63	0.66
Operating cash flow per share	0.30	0.71	0.68	0.89	0.85	0.93	0.98
Free cash flow per share	0.54	0.43	0.34	0.77	0.30	0.50	0.50
Book value per share	0.99	0.96	1.29	1.71	1.59	1.89	2.20
Dividend per share	0.37	0.18	0.20	0.72	0.33	0.35	0.43
Dividend payout ratio, %	182.6	56.1	60.9	119.6	55.0	55.0	65.0
Dividend yield, %	8.9	2.5	2.2	6.4	2.9	3.1	3.8
FCF yield, %	12.9	6.1	3.7	4.5	2.6	4.5	4.4
Efficiency measures							
ROE	23.2	33.1	29.2	40.1	36.3	36.1	32.3
ROCE	22.2	22.7	22.9	33.0	29.6	29.5	27.8
Financial ratios							
Inventories as % of sales	19.8	18.0	18.2	17.1	18.0	18.0	18.0
Receivables as % of sales	6.2	5.3	6.6	7.9	7.0	7.0	7.0
Non-interest bearing liabilities as % of sales	13.9	14.2	17.9	18.6	18.0	18.0	18.0
NWC/sales, %	12.0	9.1	6.8	6.4	7.0	7.0	7.0
Operative CAPEX/sales, %	1.0	9.0	11.2	3.1	13.5	9.5	10.1
CAPEX/sales (incl. acquisitions), %	1.0	9.0	11.2	3.1	13.5	9.5	10.1
FCFF/EBITDA	1.5	1.0	0.8	0.8	0.7	0.8	0.8
Net debt/EBITDA, book-weighted	0.9	0.4	-0.1	-0.6	-0.2	-0.4	-0.5
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	42.7	40.1	45.7	52.2	44.6	48.7	51.8
Gearing, %	34.3	30.7	-3.2	-38.9	-15.2	-22.1	-25.9

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	1,017,700	11.439	2.5%
Varma Mutual Pension Insurance Company	385,388	4.332	0.9%
Enrooth Anna Sophia	330,377	3.713	0.8%
Evli Finnish Small Cap Fund	266,021	2.990	0.7%
Veritas Pension Insurance Company Ltd.	100,000	1.124	0.2%
Oy Talcom Ab	97,420	1.095	0.2%
Oy Etra Invest Ab	85,000	0.955	0.2%
Ten largest	2,281,906	25.649	6%
Residual	38,339,474	430.936	94%
Total	40,621,380	456.584	100%

EARNINGS CALENDAR

May 13, 2022	Q1 report
August 17, 2022	Q2 report
November 02, 2022	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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

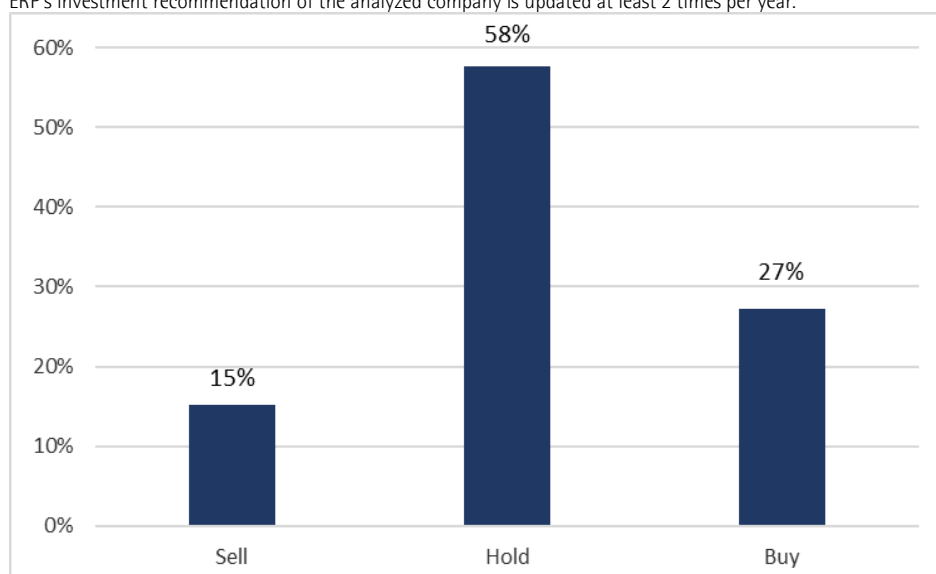
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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