

Continues to deliver strong results

Marimekko delivered strong Q2 result, with net sales broadly in line with and EBIT beating our estimates. The growth was strong in domestic market with y/y growth of 25% while int'l sales grew by 5% y/y.

- Q2 group result:** net sales increased by 16% y/y to EUR 38.0m, which was broadly in line with our and consensus expectations (37.0/36.6m Evli/cons.). The growth was driven by domestic sales while international growth was a bit moderate. Gross margin was approx. flat y/y. With increased revenue, adj. EBIT amounted to EUR 5.7m (5.3/5.8m Evli/cons.), reflecting an EBIT margin of 15%. EPS amounted to EUR 0.12 (0.10 Evli/ cons.).
- Finland:** driven by strong retail sales, Finnish net sales increased by 25% y/y to EUR 23.0m (Evli: 20.5m). Wholesale sales were flat y/y.
- Int'l:** with y/y growth of 5%, net sales amounted to EUR 15.0m (Evli: 16.5m). The growth was driven by Scandinavia, the EMEA region, and the APAC region while North America saw low double-digit y/y decrease in its net sales. Int'l business was negatively impacted by a different kind of weighting of wholesale deliveries.
- Category split:** Fashion sales amounted to EUR 12.0m (+6% y/y). Home category grew by 11% y/y to EUR 16.9m. Bags and accessories showed strong y/y growth of 48% and amounted to EUR 9.0m.
- Market outlook:** Marimekko expects domestic sales to grow as well as APAC sales and int'l sales to increase significantly. Both retail and wholesale revenue are expected to increase in 2022. Licensing income is also estimated to be higher than that of the comparison period. In percentage terms, net sales growth is expected to be stronger at the beginning of 2022 than in H2.
- FY'22 guidance intact:** expecting revenue to grow and an EBIT margin ranging between 17-20%.

Rating 🟡 HOLD

Q1'22	Actual	Evli	Consensus*	Q2'21**
Net sales	38.0	37.0	36.6	32.7
Finland	23.0	20.5	-	18.4
Int'l	15.0	16.5	-	14.3
Adj. EBIT	5.7	5.3	5.8	4.9
Adj. EBIT-margin	15.0%	14.3%	15.7%	14.9%
Adj. EPS	0.12	0.10	0.10	0.09

** Consensus estimate from FactSet (3 analysts)*
*** Restated EBIT and EPS due to IFRS accounting change*

 Share price, EUR (Last trading day's closing price) 13.24

 Target price, EUR 14.5

 Latest change in recommendation 14-Aug-22

 Latest report on company 14-Aug-22

 Research paid by issuer: YES

 No. of shares 40,621

 No. of shares fully 40,621

 Market cap, EURm 538

 Free float, % 73.7

 Exchange rate 0.000

 Reuters code MEKKO.HE

 Bloomberg code MEKKO FH

 Average daily volume, 0.0

 Next interim report 17-Aug-22

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+ 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	167.7	32.5	19.4%	13.1	0.63	21.1	3.1	16.2	2.4	0.35
2023E	180.2	35.3	19.6%	22.6	0.66	20.1	2.9	14.7	4.2	0.36
2024E	192.3	35.6	18.5%	23.5	0.68	19.6	2.6	14.3	4.4	0.44
Market cap, EURm		538	BV per share 2022E, EUR		-16.6	CAGR EPS 2021-24, %		4.0		
Net debt 2022E, EURm		-11	Price/book 2022E		8.2	CAGR sales 2021-24, %		8.1		
Enterprise value, EURm		527	Dividend yield 2022E, %		2.6	ROE 2022E, %		37.8		
Total assets 2022E, EURm		146	Tax rate 2022E, %		20.5	ROCE 2022E, %		31.0		
Goodwill 2022E, EURm		0	Equity ratio 2022E, %		45.0	PEG, P/E 22/CAGR		5.5		

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

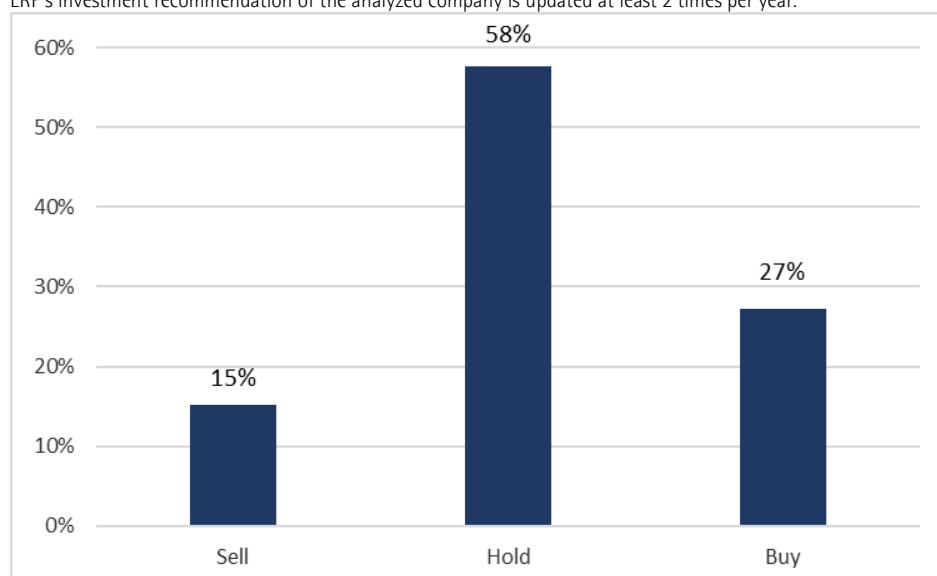
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Investment recommendations are defined as follows:

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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