

Valuation on par

Marimekko reports its Q4 result on Wednesday, 15th of Feb. We anticipate the growth pace to slow down and cost pressures to cut margins. We retain a TP of 10.0, but adjust the rating to HOLD (BUY), reflecting a neutral valuation.

Q4 result should contain no surprises

Marimekko expects its 2022 revenue to grow and adj. EBIT margin to land between 17-20%. The growth rate already saw some decelerating in Q3 and came in at 4.0%. In Q4, we expect the company to post a y/y growth of 2.7%, with revenue amounting to EUR 49.4m. The growth is driven by int'l sales while we expect revenue in Finland to decline due to a lack of extraordinary wholesale deliveries. With cost pressures arising from higher material costs and elevated fixed costs, our Q4 adj. EBIT estimate falls below that of the comparison period, to EUR 6.4m (13.0% adj. EBIT margin). With 22E EPS amounting to EUR 0.59, we expect the BoD to propose a DPS of EUR 0.38 (~60% payout rate). Overall, we foresee that Q4 should contain no large surprises.

Navigating through a tough market

We foresee the expected slowing economic growth and inflation to have an impact on fashion spending in 2023 with consumers fighting against a decline in purchasing power. Inflation has also risen in one of Marimekko's core markets Japan. We expect Marimekko's strong brand to protect the demand for the company, even during harder times. Although, we expect topline growth to significantly slow down from the levels seen during the past few years. For 2023, we estimate y/y growth of 6.9%, with revenue amounting to EUR 179.0m. The topline growth is largely supported by int'l sales while we expect sales in Finland to grow only by 4% in 2023. We anticipate profitability to remain at strong levels, 23E EBIT margin amounting to 18.2%. Furthermore, with its new strategy, the company aims to improve its scalability and aims for a 20% adj. EBIT margin.

HOLD with a target price of 10.0

We made no changes to our estimates ahead of the Q4 result. Since our last update, Marimekko's share price has improved by some 10% which in our view has changed the valuation neutral. The company currently trades with 23-24E EV/EBIT and P/E multiples of 13-11x and 16-15.5x respectively. We adjust our rating to HOLD (BUY) and retain a TP of EUR 10.0.

Rating

HOLD

Q4'22	Actual	Evli	Consensus*	Q4'21**
Net sales		49.4	48.9	48.1
Finland		29.6	-	30.6
Int'l		19.8	-	17.4
Adj. EBIT		6.4	6.5	7.6
Adj. EBIT-margin		13.0%	13.3%	15.9%
Adj. EPS		0.13	0.13	0.14
22E DPS		0.38	0.41	3.60

* Consensus estimate from FactSet (4 analysts)

** Restated EBIT and EPS due to IFRS accounting change

Share price, EUR (Last trading day's closing price) **9.37**
 Target price, EUR **10.0**

Latest change in **13-Feb-23**
 Latest report on company **3-Nov-22**

Research paid by issuer: **YES**

No. of shares **40,621**

No. of shares fully **40,621**

Market cap, EURm **381**

Free float, % **74.0**

Exchange rate **0.000**

Reuters code **MEKKO.HE**

Bloomberg code **MEKKO FH**

Average daily volume, **0.0**

Next interim report **15-Feb-12**

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
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	167.5	29.9	17.8%	-1.9	0.59	16.0	2.3	12.9	-0.5	0.38
2023E	179.0	32.5	18.2%	32.4	0.60	15.5	2.1	11.3	8.5	0.33
2024E	192.4	35.6	18.5%	24.8	0.68	13.9	1.9	10.0	6.5	0.44
Market cap, EURm			381	Gearing 2022E, %		6.4	CAGR EPS 2021-24, %			3.9
Net debt 2022E, EURm			4	Price/book 2022E		5.9	CAGR sales 2021-24, %			8.1
Enterprise value, EURm			385	Dividend yield 2022E, %		4.1	ROE 2022E, %			35.7
Total assets 2022E, EURm			136	Tax rate 2022E, %		21.1	ROCE 2022E, %			29.6
Goodwill 2022E, EURm			0	Equity ratio 2022E, %		47.2	PEG, P/E 22/CAGR			2.6

MARIMEKKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		22	23	24	22	23	24	22	23	24	22	23	24
PREMIUM GOODS													
Bjorn Borg	79	8.7x	7.1x	6.0x	13.1x	8.8x	7.2x	18.5x	9.8x	8.0x	7.1 %	7.1 %	7.1 %
HUGO BOSS	4244	6.4x	6.7x	6.0x	13.5x	13.9x	11.6x	20.5x	18.5x	15.3x	1.8 %	2.2 %	2.7 %
Capri Holdings	5917	9.8x	8.7x	8.1x	11.4x	10.2x	9.6x	8.0x	7.7x	7.0x	0.0 %	0.0 %	0.0 %
Ralph Lauren	7212	8.5x	8.9x	8.2x	11.0x	11.5x	10.3x	14.6x	13.3x	11.3x	2.5 %	2.7 %	2.9 %
Ted Baker													
PVH	4783	7.1x	7.8x	7.2x	9.7x	10.6x	9.7x	9.6x	9.1x	7.8x	0.1 %	0.1 %	0.1 %
Guess	1097	7.5x	7.5x		9.4x	9.3x		9.0x	6.5x				
VF	9398	11.8x	11.7x	10.7x	14.4x	14.2x	12.8x	11.0x	11.7x	10.4x	6.9 %	5.2 %	5.1 %
Peer Group Average	21994	8.5x	8.3x	7.7x	11.8x	11.2x	10.2x	13.0x	11.0x	10.0x	3.1 %	2.9 %	3.0 %
Peer Group Median	5917	8.5x	7.8x	7.6x	11.4x	10.6x	10.0x	11.0x	9.8x	9.2x	2.1 %	2.4 %	2.8 %
Marimekko (Evli est.)	328	9.7x	8.0x	7.2x	12.9x	11.3x	10.0x	16.0x	15.5x	13.9x	4.1 %	3.5 %	4.7 %

Marimekko prem./disc. to peer median

Source FactSet, Evli Research

MARIMEKKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		22	23	24	22	23	24	22	23	24	22	23	24
LUXURY GOODS													
Brunello Cucinelli	5270	20.4x	20.4x	18.6x	40.4x	39.2x	35.0x	61.9x	54.9x	48.3x	0.8 %	0.9 %	1.0 %
Burberry Group	10325	9.4x	10.2x	9.5x	14.6x	15.7x	14.3x	21.8x	19.6x	17.9x	2.2 %	2.5 %	2.8 %
Hermes International	175829	28.4x	29.5x	26.4x	32.1x	33.2x	29.7x	55.2x	48.7x	43.6x	0.6 %	0.7 %	0.8 %
Moncler	14983	13.4x	13.4x	12.0x	18.2x	17.9x	15.9x	26.7x	25.0x	22.1x	1.5 %	1.5 %	1.8 %
Prada	16159	10.6x	11.2x	10.5x	20.8x	20.7x	18.2x	34.7x	28.6x	25.0x	1.8 %	2.2 %	2.4 %
Salvatore Ferragamo	2953	10.2x	12.2x	10.1x	24.3x	38.8x	25.4x	42.2x	68.5x	39.2x	1.4 %	1.0 %	1.9 %
Kering	69739	9.1x	10.3x	9.3x	11.3x	12.7x	11.5x	18.1x	17.2x	15.4x	2.5 %	2.7 %	3.0 %
Canada Goose Holdings	1916	10.8x	10.3x	8.7x	16.6x	14.9x	11.8x	24.9x	20.0x	15.9x	0.0 %	0.0 %	0.0 %
Peer Group Average	21994	14.0x	14.7x	13.1x	22.3x	24.1x	20.2x	35.7x	35.3x	28.4x	1.4 %	1.4 %	1.7 %
Peer Group Median	5917	10.7x	11.7x	10.3x	19.5x	19.3x	17.0x	30.7x	26.8x	23.6x	1.4 %	1.3 %	1.8 %
Marimekko (Evli est.)	328	9.7x	8.0x	7.2x	12.9x	11.3x	10.0x	16.0x	15.5x	13.9x	4.1 %	3.5 %	4.7 %

Marimekko prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	9.37 PV of Free Cash Flow	313 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	19.87 PV of Horizon value	514 WACC, %	7.5 Market risk premium, %
Share price potential, %	112.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	21.9 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	18.2 Debt - dividend	-41 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	62.1 Value of stock	825 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	167	179	192	205	217	230	242	249	256	262	267
<i>Sales growth, %</i>	<i>23.2</i>	<i>10.0</i>	<i>6.9</i>	<i>7.5</i>	<i>6.5</i>	<i>6.0</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	30	33	36	37	38	39	41	42	44	44	45
<i>Operating income margin, %</i>	<i>20.5</i>	<i>17.8</i>	<i>18.2</i>	<i>18.5</i>	<i>18.0</i>	<i>17.5</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>
+ Depreciation+amort.	12	10	13	14	15	16	17	18	18	19	20	
EBITDA	43	40	46	49	52	54	56	59	61	63	64	
- Paid taxes	-4	-6	-7	-7	-7	-8	-8	-8	-8	-9	-9	
- Change in NWC	-2	-15	11	1	-1	-1	-1	-1	-1	-1	0	
<i>NWC / Sales, %</i>	<i>6.4</i>	<i>15.0</i>	<i>8.0</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	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>3.1</i>	<i>12.1</i>	<i>9.0</i>	<i>8.9</i>	<i>8.7</i>	<i>8.7</i>	<i>8.7</i>	<i>8.5</i>	<i>8.2</i>	<i>8.2</i>	<i>8.0</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	16	48	41	42	43	45	48	50	51	53	977
= Discounted FCFF		16	45	36	34	33	32	31	30	29	28	514
= DFCF min WACC		16	46	36	34	33	32	32	31	30	29	589
= DFCF max WACC		16	45	36	33	32	31	30	29	28	27	452

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	29.1	32.7	42.4	48.1	152.2	36.0	38.0	44.1	49.4	167.5	179.0	192.4
EBITDA	8.6	8.0	16.2	10.6	43.3	9.1	8.1	13.6	8.9	39.7	45.7	49.2
<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>25.3</i>	<i>21.4</i>	<i>30.8</i>	<i>18.0</i>	<i>23.7</i>	<i>25.5</i>	<i>25.6</i>
EBIT	5.6	4.9	13.1	7.6	31.3	6.6	5.7	11.1	6.4	29.9	32.5	35.6
<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>18.4</i>	<i>15.0</i>	<i>25.2</i>	<i>13.0</i>	<i>17.8</i>	<i>18.2</i>	<i>18.5</i>
Net financial items	-0.1	-0.2	0.0	0.0	-0.4	-0.1	0.3	0.2	0.0	0.3	-1.8	-1.3
Pre-tax profit	5.5	4.7	13.1	7.6	30.8	6.5	6.0	11.3	6.4	30.2	30.7	34.3
Tax	-1.1	-1.0	-2.6	-1.7	-6.4	-1.5	-1.2	-2.4	-1.3	-6.4	-6.1	-6.9
<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>22.6</i>	<i>20.0</i>	<i>21.4</i>	<i>20.0</i>	<i>21.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	4.4	3.6	10.5	5.9	24.4	5.0	4.8	8.9	5.2	23.8	24.5	27.4
EPS	0.11	0.09	0.26	0.14	0.60	0.12	0.12	0.22	0.13	0.59	0.60	0.68
EPS adjusted (diluted no. of shares)	0.11	0.09	0.26	0.14	0.60	0.12	0.12	0.22	0.13	0.59	0.60	0.68
Dividend per share	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.38	0.33	0.44
SALES, EURm												
Finland	14.5	18.4	28.8	30.6	92.3	18.5	23.0	26.7	29.6	97.8	102.0	106.6
Scandinavia	2.4	2.9	2.9	4.4	12.7	3.0	3.0	3.5	4.7	14.2	14.9	15.9
EMEA	4.1	3.0	2.7	3.1	12.9	5.5	3.2	3.7	3.8	16.1	17.4	18.8
North America	1.4	2.2	2.0	2.7	8.4	1.8	2.0	1.9	2.7	8.4	9.8	11.0
Asia Pacific	6.6	6.3	5.9	7.2	26.0	7.3	6.8	8.3	8.6	31.0	34.8	40.1
Total	29.1	32.7	42.4	48.1	152.2	36.0	38.0	44.1	49.4	167.5	179.0	192.4
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>27.3</i>	<i>25.2</i>	<i>-7.3</i>	<i>-3.4</i>	<i>5.9</i>	<i>4.4</i>	<i>4.5</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>22.8</i>	<i>3.7</i>	<i>21.0</i>	<i>5.9</i>	<i>12.1</i>	<i>4.6</i>	<i>6.8</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>33.5</i>	<i>7.1</i>	<i>36.3</i>	<i>21.2</i>	<i>25.1</i>	<i>8.1</i>	<i>7.9</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>25.7</i>	<i>-10.2</i>	<i>-8.4</i>	<i>1.8</i>	<i>0.2</i>	<i>16.5</i>	<i>12.0</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>10.2</i>	<i>9.0</i>	<i>40.1</i>	<i>19.2</i>	<i>19.2</i>	<i>12.5</i>	<i>15.0</i>
Total	16.9	40.3	11.5	28.7	23.2	23.8	16.2	4.0	2.7	10.0	6.9	7.5
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	19.7
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	3.5
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.4
Group (EBIT only)	5.6	4.9	13.1	7.6	31.3	6.6	5.7	11.1	6.4	29.9	32.5	0.0
Total	5.6	4.9	13.1	7.6	31.3	6.6	5.7	11.1	6.4	29.9	32.5	35.6
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>18.5</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>18.5</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>18.5</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>18.5</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>18.5</i>
Total	19.3	14.9	31.0	15.9	20.5	18.4	15.0	25.2	13.0	17.8	18.2	18.5

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	102.3	111.9	125.4	123.6	152.2	167.5	179.0	192.4
<i>Sales growth (%)</i>	<i>0.0</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>10.0</i>	<i>6.9</i>	<i>7.5</i>
EBITDA	11.9	14.6	29.7	31.3	43.3	39.7	45.7	49.2
<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>23.7</i>	<i>25.5</i>	<i>25.6</i>
Depreciation	-3.3	-2.4	-12.6	-12.6	-12.1	-9.8	-13.2	-13.6
EBITA	8.6	12.2	17.1	18.8	31.3	29.9	32.5	35.6
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	29.9	32.5	35.6
<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>17.8</i>	<i>18.2</i>	<i>18.5</i>
Reported EBIT	8.6	12.2	17.1	18.0	31.3	29.9	32.5	35.6
<i>EBIT margin (reported) (%)</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>17.8</i>	<i>18.2</i>	<i>18.5</i>
Net financials	-1.2	-0.2	-1.0	-1.8	-0.4	0.3	-1.8	-1.3
Pre-tax profit	7.4	12.1	16.1	17.0	30.8	30.2	30.7	34.3
Taxes	-1.5	-3.9	-3.1	-3.7	-6.4	-6.4	-6.1	-6.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	5.9	8.2	13.0	12.5	24.4	23.8	24.5	27.4
Cash NRIs	0.0	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	6	6	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	37	36	37	29	39	41	44
Inventory	21	22	23	22	26	37	34	35
Receivables	7	7	7	8	12	17	13	13
Liquid funds	6	23	26	41	60	37	56	70
Total assets	47	94	97	114	133	136	151	170
Liabilities								
Shareholder's equity	31	40	39	52	69	64	73	87
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	39	42	44
Deferred taxes	1	1	2	1	3	3	3	3
Interest bearing debt	3	0	2	2	2	2	2	2
Non-interest bearing current liabilities	13	16	18	22	28	28	32	35
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	47	94	97	114	133	136	151	170
CASH FLOW, EURm								
+ EBITDA	12	15	30	31	43	40	46	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	-15	11	1
+/- Other	1	0	0	0	-1	0	0	0
= Cash flow from operations	10	12	29	27	36	18	49	42
- Capex	-1	-1	-11	-14	-5	-20	-16	-17
- 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	-2	32	25
+/- New issues/buybacks	0	5	1	8	1	0	0	0
- Paid dividend	-3	-4	-15	-7	-8	-29	-15	-13
+/- Other	-3	-6	-1	0	-5	8	3	2
Change in cash	3	17	3	15	19	-23	20	14

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	168	291	369	691	381	381	381
Net debt (excl. convertibles)	14	12	-2	-27	4	-13	-24
Enterprise value	182	303	368	664	385	368	357
Sales	112	125	124	152	167	179	192
EBITDA	15	30	31	43	40	46	49
EBIT	12	17	19	31	30	33	36
Pre-tax	12	16	17	31	30	31	34
Earnings	8	13	13	24	24	25	27
Equity book value (excl. minorities)	40	39	52	69	64	73	87
Valuation multiples							
EV/sales	1.6	2.4	3.0	4.4	2.3	2.1	1.9
EV/EBITDA	12.4	10.2	11.7	15.3	9.7	8.0	7.2
EV/EBITA	14.9	17.7	19.6	21.2	12.9	11.3	10.0
EV/EBIT	14.9	17.7	19.6	21.2	12.9	11.3	10.0
EV/OCF	14.9	10.5	13.4	18.5	21.0	7.6	8.5
EV/FCFF	8.4	10.7	14.2	18.8	24.6	7.6	8.6
P/FCFE	38.8	82.4	135.3	110.9	-199.6	11.8	15.3
P/E	20.5	22.3	27.8	28.3	16.0	15.5	13.9
P/B	4.2	7.5	7.1	10.0	5.9	5.2	4.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.3	8.6	7.8
Target EV/EBIT	0.0	0.0	0.0	0.0	13.7	12.1	10.7
Target EV/FCF	0.0	0.0	0.0	0.0	-215.1	12.2	15.4
Target P/B	0.0	0.0	0.0	0.0	6.3	5.6	4.7
Target P/E	0.0	0.0	0.0	0.0	17.0	16.5	14.8
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	0.59	0.60	0.68
Operating cash flow per share	0.30	0.71	0.68	0.89	0.45	1.20	1.03
Free cash flow per share	0.54	0.43	0.34	0.77	-0.05	0.80	0.61
Book value per share	0.99	0.96	1.29	1.71	1.58	1.80	2.14
Dividend per share	0.37	0.18	0.20	0.72	0.38	0.33	0.44
Dividend payout ratio, %	182.6	56.1	60.9	119.6	64.8	55.0	65.0
Dividend yield, %	8.9	2.5	2.2	4.2	4.1	3.5	4.7
FCF yield, %	12.9	6.1	3.7	4.5	-0.5	8.5	6.5
Efficiency measures							
ROE	23.2	33.1	29.2	40.1	35.7	35.8	34.3
ROCE	22.2	22.7	22.9	33.0	29.6	30.0	29.3
Financial ratios							
Inventories as % of sales	19.8	18.0	18.2	17.1	22.0	19.0	18.0
Receivables as % of sales	6.2	5.3	6.6	7.9	10.0	7.0	7.0
Non-interest bearing liabilities as % of sales	13.9	14.2	17.9	18.6	17.0	18.0	18.0
NWC/sales, %	12.0	9.1	6.8	6.4	15.0	8.0	7.0
Operative CAPEX/sales, %	1.0	9.0	11.2	3.1	12.1	9.0	8.9
CAPEX/sales (incl. acquisitions), %	1.0	9.0	11.2	3.1	12.1	9.0	8.9
FCFF/EBITDA	1.5	1.0	0.8	0.8	0.4	1.1	0.8
Net debt/EBITDA, book-weighted	0.9	0.4	-0.1	-0.6	0.1	-0.3	-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	47.2	48.3	51.2
Gearing, %	34.3	30.7	-3.2	-38.9	6.4	-17.5	-27.7

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	5,088,500	47.679	12.5%
Keskinäinen Työeläkevakuutusyhtiö Varma	1,929,600	18.080	4.8%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,926,940	18.055	4.7%
Ehnröth Anna Sophia	1,651,885	15.478	4.1%
Sijoitusrahasto Nordea Nordic Small Cap	999,425	9.365	2.5%
Sijoitusrahasto Evli Suomi Pieniyhtiöt	877,500	8.222	2.2%
Oy Talcom Ab	505,500	4.737	1.2%
Oy Etra Invest Ab	500,000	4.685	1.2%
Alahuhta Matti	411,650	3.857	1.0%
Eläkevakuutusosakeyhtiö Veritas	375,000	3.514	0.9%
Ten largest	14,266,000	133.672	35%
Residual	26,355,380	246.950	65%
Total	40,621,380	380.622	100%

EARNINGS CALENDAR

February 16, 2023	Q1 report
May 16, 2023	Q2 report
November 08, 2023	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

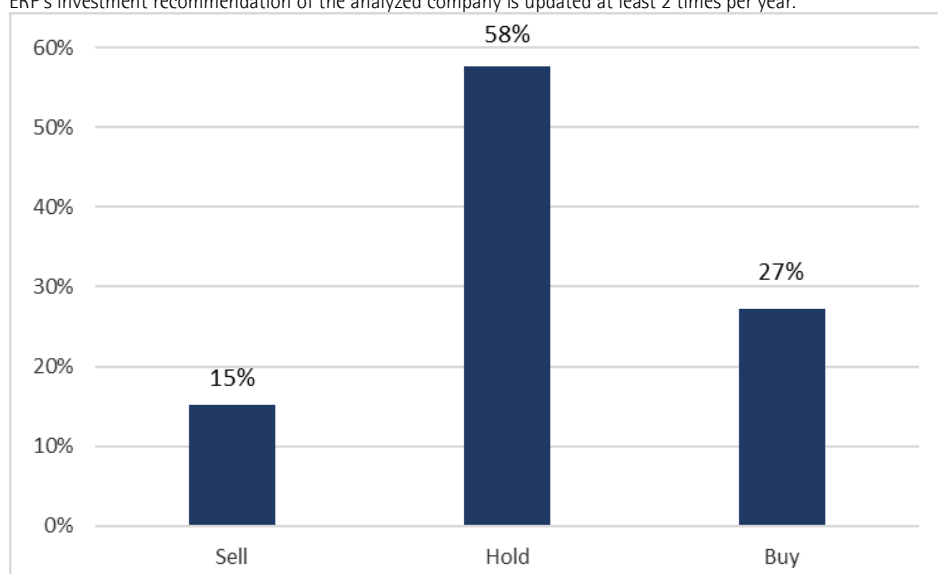
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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