

## No big surprises

Marimekko reported Q1 results broadly in line with our expectations. Q1 topline came in slightly above our expectations while EBIT fell short of our estimates. The company reiterated its guidance for 2023.

- Group result:** Q1 net sales decreased by 2% y/y to EUR 35.3m, roughly in line with our expectations (34.8/34.1m Evli/cons.). The decline was driven by strong comparison figures as well as softer wholesale and licensing sales. Net sales were supported by the growth of Finnish retail and Int'l wholesale sales. EBIT was impacted by softer gross margin and increased fixed costs. Q1 adj. EBIT amounted to EUR 3.8m (10.9% margin), that fell short of our expectations (4.3/4.6m Evli/cons.), but contained no big surprises. Adj. EPS amounted to EUR 0.06 (0.08/0.09 Evli/cons.).
- Finland:** Net sales amounted to EUR 18.0m (Evli: 17.5m), reflecting y/y decline of 3%. Sales developed positively in retail while wholesale sales decreased as expected.
- Int'l:** Net sales came in in line with our estimates at EUR 17.3m (Evli: 17.3m), reflecting a y/y decline of 1%. The decline was driven by the EMEA region (-31%) as well as North America (-11%). Net sales development was positive in Scandinavia (+16%) and the APAC region (+16%).
- 23 market outlook:** Finnish sales expected to grow, driven by additional wholesale deliveries in H2. The APAC region expected to grow. 10 to 15 new stores opening, with most of them located in Asia. Licensing sales expected to decline y/y.
- 23 guidance intact:** Net sales to grow and EBIT margin between 16-19%.

### Rating

HOLD

Q1 '23	Actual	Evli	Consensus*	Q1 '22
Net sales	35.3	34.8	34.1	36.0
Finland	18.0	17.5	-	18.5
Int'l	17.3	17.3	-	17.5
Adj. EBIT	3.8	4.3	4.6	6.6
Adj. EBIT-margin	10.9%	12.4%	13.5%	18.4%
Adj. EPS	0.06	0.08	0.09	0.12

\* Consensus estimate from FactSet (4 analysts)

Share price, EUR (Last trading day's closing price) **9.80**

Target price, EUR **10.0**

Latest change in **13-Feb-23**

Latest report on **12-May-23**

Research paid by **YES**

No. of shares **40,571**

No. of shares fully **40,571**

Market cap, EURm **398**

Free float, % **74.0**

Exchange rate **0.000**

Reuters code **MEKKO.HE**

Bloomberg code **MEKKO FH**

Average daily volume, **0.0**

Next interim report **16-May-23**

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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
2021	152.2	31.3	20.5%	31.2	0.60	28.3	4.4	21.2	4.5	0.72
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9	0.34
2023E	175.4	31.7	18.1%	29.7	0.62	15.8	2.2	12.1	7.5	0.37
2024E	190.3	35.5	18.6%	29.5	0.70	14.1	1.9	10.4	7.4	0.42
2025E	202.7	37.5	18.5%	26.7	0.74	13.3	1.8	9.6	6.7	0.48

Market cap, EURm **398** BV per share 2023E, EUR **-22.1** CAGR EPS 2022-25, % **9.5**

Net debt 2023E, EURm **-15** Price/book 2023E **5.9** CAGR sales 2022-25, % **6.8**

Enterprise value, EURm **383** Dividend yield 2023E, % **3.8** ROE 2023E, % **41.1**

Total assets 2023E, EURm **133** Tax rate 2023E, % **20.0** ROCE 2023E, % **34.0**

Goodwill 2023E, EURm **0** Equity ratio 2023E, % **50.4** PEG, P/E 23/CAGR **2.2**

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

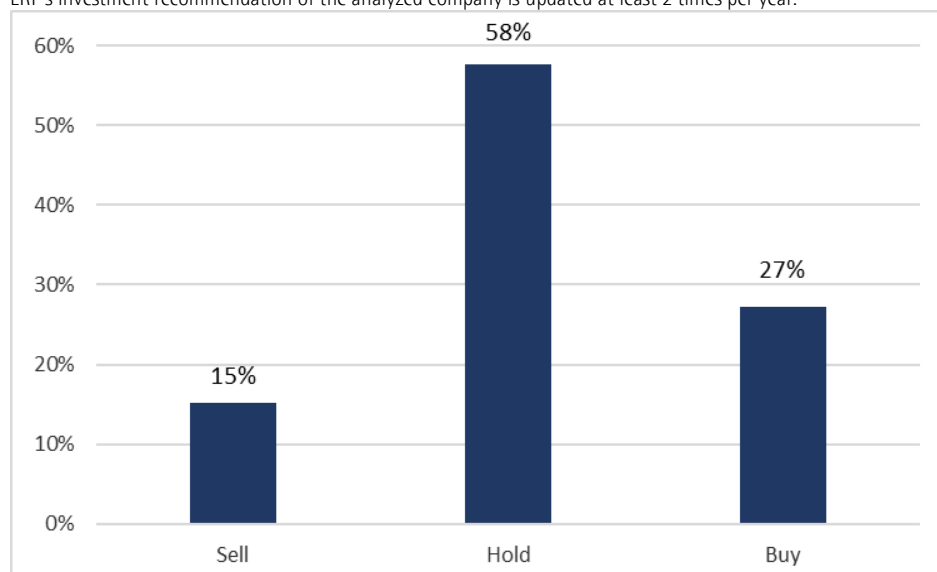
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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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