

## Back on a growth track

Marimekko publishes its Q2 result on Thursday, Aug 17<sup>th</sup>. We expect the company to deliver solid 7% growth and profitability on a double-digit level in Q2. New store openings are anticipated to boost H2 growth.

### Expecting decent growth and profitability on a solid level

Marimekko saw a temporal decrease in net sales in Q1, while we expect the company to step back on a growth track with a y/y growth of 7% in Q2. Our Q2 net sales estimate amounts to EUR 40.6m, with Finland contributing by 5% and Int'l markets by 10% net sales increase. Topline growth is supported by strong domestic retail and wholesale sales as well as decent growth of the APAC region's wholesale sales. Our view is that expanding fixed costs and gross margin below the comparison period will push profitability below the comparison period. Our Q2 adj. EBIT estimate amounts to EUR 4.9m (12% of net sales).

### New store openings to boost H2 growth

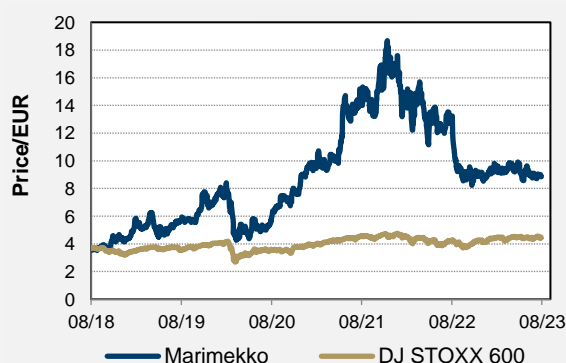
Marimekko plans to open 10-15 new stores during 2023. Most of the openings will take place in the Asia region. In addition to sales, new stores will bring Marimekko global visibility and increase brand awareness. During the fall of 2023, Marimekko plans to open a new location in Singapore and a flagship store in Copenhagen, Denmark. Singapore expansion is made in cooperation with the company's partner Tanachira which has built the foundation for Marimekko's success in Thailand. After the Q1 result, we have counted such store openings in our estimates and expect them to bring additional revenue for H2'23.

### Valuation on par

In our view, Marimekko's short-term operating environment has stayed relatively intact, and thus we have made no changes to our estimates ahead of Q2 result. Additional uncertainty stems from the unstable macroeconomic environment, subdued consumer spending in China, the decreased purchasing power of European consumers, and the prevailing geopolitical tensions. However, we expect the company to deliver a 7% y/y increase in net sales aligned with its growth guidance in 2023. We foresee 23E adj. EBIT margin to continue in a declining trend with cost pressures, however remaining on a great level at 17.5%. With no changes in our estimates and share price in line with the previous update, we view the valuation as neutral and retain our HOLD rating. Target price is intact at EUR 10.

Rating

HOLD



Share price, EUR (Last trading day's closing price) **8.84**  
 Target price, EUR **10.0**

Latest change in **13-Feb-23**  
 Latest report on **17-May-23**  
 Research paid by **YES**  
 No. of shares **40,571**  
 No. of shares fully **40,571**  
 Market cap, EURm **359**  
 Free float, % **74.0**  
 Exchange rate **0.000**  
 Reuters code **MEKKO.HE**  
 Bloomberg code **MEKKO FH**  
 Average daily volume, **0.0**  
 Next interim report **17-Aug-23**  
 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
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	178.3	31.3	17.5%	28.0	0.60	14.8	1.9	11.1	7.8	0.36
2024E	193.1	36.4	18.8%	30.3	0.71	12.4	1.7	9.1	8.4	0.43
2025E	203.1	37.6	18.5%	27.4	0.74	11.9	1.6	8.5	7.6	0.48
Market cap, EURm				359	Gearing 2023E, %		-19.7	CAGR EPS 2022-25, %		9.6
Net debt 2023E, EURm				-13	Price/book 2023E		5.4	CAGR sales 2022-25, %		6.8
Enterprise value, EURm				346	Dividend yield 2023E, %		4.1	ROE 2023E, %		39.9
Total assets 2023E, EURm				133	Tax rate 2023E, %		19.8	ROCE 2023E, %		33.6
Goodwill 2023E, EURm				0	Equity ratio 2023E, %		49.6	PEG, P/E 23/CAGR		1.7

MARIMEKKO PEER GROUP	MCAP	EV/EBITDA			EV/EBIT			P/E			Div. yield		
PREMIUM GOODS	MEUR	23	24	25	23	24	25	23	24	25	23	24	25
Bjorn Borg	86	7.1x	6.6x	6.2x	9.1x	7.9x	7.2x	10.4x	9.0x	8.3x	4.9 %	4.9 %	4.9 %
HUGO BOSS	4856	7.3x	6.4x	5.6x	13.9x	11.5x	9.5x	18.6x	14.9x	12.1x	2.0 %	2.5 %	3.2 %
Capri Holdings	5621	9.9x	9.4x	8.7x	11.8x	11.3x	10.5x	9.1x	8.5x	8.0x	0.0 %	0.0 %	0.0 %
Ralph Lauren	7227	9.2x	8.4x	7.8x	11.8x	10.7x	9.7x	13.3x	11.9x	10.4x	2.6 %	2.8 %	2.9 %
PVH	4800	7.2x	6.9x	6.6x	9.7x	9.0x	8.5x	8.4x	7.6x	6.9x	0.2 %	0.2 %	0.2 %
Guess	996	8.1x	7.7x	8.0x	10.1x	9.5x	9.9x	7.4x	6.9x	6.5x		5.8 %	5.9 %
VF	7305	10.7x	10.0x	9.1x	13.0x	11.9x	10.7x	10.1x	9.0x	7.8x	6.5 %	6.1 %	6.5 %
Peer Group Average	47341	8.5x	7.9x	7.4x	11.3x	10.3x	9.4x	11.0x	9.7x	8.6x	2.7 %	3.2 %	3.4 %
Peer Group Median	6424	8.1x	7.7x	7.8x	11.8x	10.7x	9.7x	10.1x	9.0x	8.0x	2.3 %	2.8 %	3.2 %
Marimekko (Evli est.)	359	8.5x	7.1x	6.7x	11.1x	9.1x	8.5x	14.8x	12.4x	11.9x	4.1 %	4.8 %	5.4 %

Marimekko prem./disc. to peer median

Source FactSet, Evli Research

MARIMEKKO PEER GROUP	MCAP	EV/EBITDA			EV/EBIT			P/E			Div. yield		
LUXURY GOODS	MEUR	23	24	25	23	24	25	23	24	25	23	24	25
Brunello Cucinelli	5046							47.7x	41.5x	36.5x	1.1 %	1.2 %	1.4 %
Burberry Group	9702	9.4x	8.9x	8.3x	14.6x	13.4x	12.3x	18.9x	17.3x	15.7x	2.7 %	3.0 %	3.3 %
Hermes International	201216	31.1x	27.8x	25.0x	34.8x	31.0x	27.7x	49.7x	44.4x	40.1x	0.8 %	0.9 %	1.0 %
LVMH Moet Hennessy Louis Vuitton	409716	15.1x	13.7x	12.6x	18.4x	16.6x	15.2x	24.8x	22.5x	20.7x	1.7 %	1.9 %	2.1 %
Moncler	17154	14.2x	12.6x	11.4x	18.9x	16.7x	15.0x	27.1x	23.8x	21.3x	1.7 %	2.0 %	2.1 %
Prada	16539	10.5x	9.8x	9.0x	17.8x	15.6x	14.0x	25.0x	21.7x	19.4x	2.3 %	2.7 %	3.0 %
Salvatore Ferragamo	2387							68.4x	38.9x	27.4x	0.9 %	1.4 %	2.0 %
Kering	63239	10.2x	9.3x	8.6x	13.0x	11.9x	10.8x	17.3x	15.6x	14.1x	2.8 %	3.1 %	3.3 %
Canada Goose Holdings	1573	10.4x	8.6x	7.6x	15.1x	11.8x	10.2x	18.6x	14.3x	12.6x	0.0 %	0.0 %	0.0 %
Peer Group Average	47341	14.4x	12.9x	11.8x	19.0x	16.7x	15.0x	33.0x	26.7x	23.1x	1.6 %	1.8 %	2.0 %
Peer Group Median	6424	10.5x	9.8x	9.0x	17.8x	15.6x	14.0x	25.0x	22.5x	20.7x	1.7 %	1.9 %	2.1 %
Marimekko (Evli est.)	359	8.5x	7.1x	6.7x	11.1x	9.1x	8.5x	14.8x	12.4x	11.9x	4.1 %	4.8 %	5.4 %

Marimekko prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.84 PV of Free Cash Flow	297 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	17.96 PV of Horizon value	447 WACC, %	7.5 Market risk premium, %
Share price potential, %	103.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	19.8 Marketable securities	33 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	16.5 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	60.1 Value of stock	728 Nr of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	167	178	193	203	215	228	240	247	254	262	267	272
<i>Sales growth, %</i>	<i>9.4</i>	<i>7.1</i>	<i>8.3</i>	<i>5.2</i>	<i>6.0</i>	<i>6.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	30	31	36	38	39	39	41	42	43	45	45	46
<i>Operating income margin, %</i>	<i>18.2</i>	<i>17.5</i>	<i>18.8</i>	<i>18.5</i>	<i>18.0</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>	<i>17.0</i>
+ Depreciation+amort.	10	10	10	10	11	11	12	13	13	13	14	
EBITDA	40	41	46	48	49	50	53	54	56	58	59	
- Paid taxes	6	-4	-7	-8	-8	-8	-8	-8	-9	-9	-9	
- Change in NWC	-11	5	3	-1	-1	-1	-1	-1	-1	-1	0	
<i>NWC / Sales, %</i>	<i>12.6</i>	<i>9.0</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	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>5.9</i>	<i>7.1</i>	<i>5.7</i>	<i>5.9</i>	<i>6.1</i>	<i>6.1</i>	<i>5.9</i>	<i>5.7</i>	<i>5.7</i>	<i>5.7</i>	<i>5.5</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	-14	0	0	0	0	0	0	0	0	0	0	
= FCFF	20	39	40	38	39	39	42	44	45	46	48	882
= Discounted FCFF		38	36	32	30	29	28	27	26	25	24	447
= DFCF min WACC		38	36	32	31	29	29	28	27	26	25	514
= DFCF max WACC		38	36	31	30	28	28	27	25	24	23	392

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	36.0	38.0	44.1	48.4	166.5	35.3	40.6	48.8	53.6	178.3	193.1	203.1
EBITDA	9.1	8.1	13.6	9.3	40.1	6.2	7.3	15.1	12.3	40.8	46.2	47.7
<i>EBITDA margin (%)</i>	<i>25.3</i>	<i>21.4</i>	<i>30.8</i>	<i>19.2</i>	<i>24.1</i>	<i>17.4</i>	<i>17.9</i>	<i>30.9</i>	<i>22.9</i>	<i>22.9</i>	<i>23.9</i>	<i>23.5</i>
EBIT	6.6	5.7	11.1	6.9	30.4	3.8	4.9	12.7	9.9	31.3	36.4	37.6
<i>EBIT margin (%)</i>	<i>18.4</i>	<i>15.0</i>	<i>25.2</i>	<i>14.3</i>	<i>18.2</i>	<i>10.9</i>	<i>12.0</i>	<i>26.0</i>	<i>18.4</i>	<i>17.5</i>	<i>18.8</i>	<i>18.5</i>
Net financial items	-0.1	0.3	0.2	-1.4	-1.1	-0.8	-0.1	-0.1	-0.1	-1.1	-0.2	0.0
Pre-tax profit	6.5	6.0	11.3	5.5	29.3	3.0	4.8	12.6	9.8	30.2	36.2	37.5
Tax	-1.5	-1.2	-2.4	-1.3	-6.4	-0.5	-1.0	-2.5	-2.0	-6.0	-7.2	-7.5
<i>Tax rate (%)</i>	<i>22.6</i>	<i>20.0</i>	<i>21.4</i>	<i>24.4</i>	<i>22.0</i>	<i>18.3</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>19.8</i>	<i>20.0</i>	<i>20.0</i>
Net profit	5.0	4.8	8.9	4.2	22.9	2.5	3.8	10.1	7.8	24.2	28.9	30.0
EPS	0.12	0.12	0.22	0.10	0.56	0.06	0.09	0.25	0.19	0.60	0.71	0.74
EPS adjusted (diluted no. of shares)	0.12	0.12	0.22	0.10	0.56	0.06	0.09	0.25	0.19	0.60	0.71	0.74
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.36	0.43	0.48
<b>SALES, EURm</b>												
Finland	18.5	23.0	26.7	30.1	98.2	18.0	24.2	30.5	33.5	106.1	111.1	115.6
Scandinavia	3.0	3.0	3.5	4.5	14.0	3.5	3.2	3.7	4.7	15.0	16.0	17.0
EMEA	5.5	3.2	3.7	3.7	16.0	3.8	3.5	3.6	3.8	14.7	17.1	18.2
North America	1.8	2.0	1.9	2.3	8.0	1.6	2.2	2.3	2.5	8.6	9.4	10.0
Asia Pacific	7.3	6.8	8.3	7.9	30.3	8.4	7.5	8.9	9.0	33.8	39.5	42.3
<b>Total</b>	<b>36.0</b>	<b>38.0</b>	<b>44.1</b>	<b>48.4</b>	<b>166.5</b>	<b>35.3</b>	<b>40.6</b>	<b>48.8</b>	<b>53.6</b>	<b>178.3</b>	<b>193.1</b>	<b>203.1</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Finland</i>	<i>27.3</i>	<i>25.2</i>	<i>-7.3</i>	<i>-1.9</i>	<i>6.4</i>	<i>-2.7</i>	<i>5.0</i>	<i>14.1</i>	<i>11.5</i>	<i>8.0</i>	<i>4.7</i>	<i>4.0</i>
<i>Scandinavia</i>	<i>22.8</i>	<i>3.7</i>	<i>21.0</i>	<i>0.5</i>	<i>10.2</i>	<i>15.6</i>	<i>7.0</i>	<i>4.2</i>	<i>4.9</i>	<i>7.5</i>	<i>6.5</i>	<i>6.5</i>
<i>EMEA</i>	<i>33.5</i>	<i>7.1</i>	<i>36.3</i>	<i>17.5</i>	<i>24.2</i>	<i>-30.6</i>	<i>11.1</i>	<i>-4.0</i>	<i>3.6</i>	<i>-8.3</i>	<i>16.3</i>	<i>6.5</i>
<i>North America</i>	<i>25.7</i>	<i>-10.2</i>	<i>-8.4</i>	<i>-13.8</i>	<i>-4.8</i>	<i>-10.6</i>	<i>10.1</i>	<i>22.0</i>	<i>9.9</i>	<i>8.1</i>	<i>8.2</i>	<i>6.5</i>
<i>Asia Pacific</i>	<i>10.2</i>	<i>9.0</i>	<i>40.1</i>	<i>10.0</i>	<i>16.7</i>	<i>15.6</i>	<i>10.3</i>	<i>6.9</i>	<i>14.1</i>	<i>11.6</i>	<i>16.9</i>	<i>7.0</i>
<b>Total</b>	<b>23.8</b>	<b>16.2</b>	<b>4.0</b>	<b>0.7</b>	<b>9.4</b>	<b>-2.1</b>	<b>6.9</b>	<b>10.8</b>	<b>10.7</b>	<b>7.1</b>	<b>8.3</b>	<b>5.2</b>
<b>EBIT, EURm</b>												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.4
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.8
Group (EBIT only)	6.6	5.7	11.1	6.9	30.4	3.8	4.9	12.7	9.9	31.3	36.4	0.0
<b>Total</b>	<b>6.6</b>	<b>5.7</b>	<b>11.1</b>	<b>6.9</b>	<b>30.4</b>	<b>3.8</b>	<b>4.9</b>	<b>12.7</b>	<b>9.9</b>	<b>31.3</b>	<b>36.4</b>	<b>37.6</b>
<b>EBIT margin, %</b>												
<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>
<b>Total</b>	<b>18.4</b>	<b>15.0</b>	<b>25.2</b>	<b>14.3</b>	<b>18.2</b>	<b>10.9</b>	<b>12.0</b>	<b>26.0</b>	<b>18.4</b>	<b>17.5</b>	<b>18.8</b>	<b>18.5</b>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	111.9	125.4	123.6	152.2	166.5	178.3	193.1	203.1
<i>Sales growth (%)</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>9.4</i>	<i>7.1</i>	<i>8.3</i>	<i>5.2</i>
EBITDA	14.6	29.7	31.3	43.3	40.1	40.8	46.2	47.7
<i>EBITDA margin (%)</i>	<i>13.1</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>24.1</i>	<i>22.9</i>	<i>23.9</i>	<i>23.5</i>
Depreciation	-2.4	-12.6	-12.6	-12.1	-9.8	-9.5	-9.8	-10.1
EBITA	12.2	17.1	18.8	31.3	30.4	31.3	36.4	37.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	12.2	17.1	18.8	31.3	30.4	31.3	36.4	37.6
<i>EBIT margin (%)</i>	<i>10.9</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.2</i>	<i>17.5</i>	<i>18.8</i>	<i>18.5</i>
Reported EBIT	12.2	17.1	18.0	31.3	30.4	31.3	36.4	37.6
<i>EBIT margin (reported) (%)</i>	<i>10.9</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.2</i>	<i>17.5</i>	<i>18.8</i>	<i>18.5</i>
Net financials	-0.2	-1.0	-1.8	-0.4	-1.1	-1.1	-0.2	0.0
Pre-tax profit	12.1	16.1	17.0	30.8	29.3	30.2	36.2	37.5
Taxes	-3.9	-3.1	-3.7	-6.4	-6.4	-6.0	-7.2	-7.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.2	13.0	12.5	24.4	22.9	24.2	28.9	30.0
Cash NRIs	0.0	0.0	-0.8	0.0	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
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	5	5	5	5	6	6	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	37	36	37	29	30	32	33	35
Inventory	22	23	22	26	34	34	35	37
Receivables	7	7	8	12	12	12	14	14
Liquid funds	23	26	41	60	33	47	63	74
Total assets	94	97	114	133	115	133	152	168
Liabilities								
Shareholder's equity	40	39	52	69	55	66	80	93
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	37	36	37	30	32	32	33	35
Deferred taxes	1	2	1	3	0	3	3	3
Interest bearing debt	0	2	2	2	2	2	2	1
Non-interest bearing current liabilities	16	18	22	28	25	30	35	37
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	94	97	114	133	115	133	152	168
<b>CASH FLOW, EURm</b>								
+ EBITDA	15	30	31	43	40	41	46	48
- Net financial items	0	-1	-2	18	-27	-1	0	0
- Taxes	-3	-3	-6	-4	6	-4	-7	-8
- Increase in Net Working Capital	2	3	3	-2	-11	5	3	-1
+/- Other	0	0	0	-19	12	0	0	0
= Cash flow from operations	12	29	27	36	20	41	41	39
- Capex	-1	-11	-14	-5	-10	-13	-11	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	11	0	0	0	0	0	0	0
= Free cash flow	22	18	14	31	10	28	30	27
+/- New issues/buybacks	5	1	8	1	-8	0	0	0
- Paid dividend	-4	-15	-7	-8	-29	-14	-15	-17
+/- Other	-6	-1	0	-5	0	0	0	1
Change in cash	17	3	15	19	-27	14	16	11

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	291	369	691	356	359	359	359
Net debt (excl. convertibles)	12	-2	-27	1	-13	-29	-39
Enterprise value	303	368	664	357	346	330	320
Sales	125	124	152	167	178	193	203
EBITDA	30	31	43	40	41	46	48
EBIT	17	19	31	30	31	36	38
Pre-tax	16	17	31	29	30	36	38
Earnings	13	13	24	23	24	29	30
Equity book value (excl. minorities)	39	52	69	55	66	80	93
<b>Valuation multiples</b>							
EV/sales	2.4	3.0	4.4	2.1	1.9	1.7	1.6
EV/EBITDA	10.2	11.7	15.3	8.9	8.5	7.1	6.7
EV/EBITA	17.7	19.6	21.2	11.8	11.1	9.1	8.5
EV/EBIT	17.7	19.6	21.2	11.8	11.1	9.1	8.5
EV/OCF	10.5	13.4	18.5	17.7	8.5	8.0	8.1
EV/FCFF	10.7	14.2	18.8	17.9	8.8	8.3	8.5
P/FCFE	82.4	135.3	110.9	34.6	12.8	11.8	13.1
P/E	22.3	27.8	28.3	15.6	14.8	12.4	11.9
P/B	7.5	7.1	10.0	6.4	5.4	4.5	3.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.6	8.2	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	12.6	10.4	9.8
Target EV/FCF	0.0	0.0	0.0	0.0	14.0	12.4	13.4
Target P/B	0.0	0.0	0.0	0.0	6.2	5.0	4.4
Target P/E	0.0	0.0	0.0	0.0	16.8	14.0	13.5
<b>Per share measures</b>							
Number of shares	40,649	40,549	40,549	40,621	40,571	40,571	40,571
Number of shares (diluted)	40,649	40,549	40,549	40,621	40,571	40,571	40,571
EPS	0.32	0.33	0.60	0.56	0.60	0.71	0.74
Operating cash flow per share	0.71	0.68	0.89	0.50	1.00	1.02	0.97
Free cash flow per share	0.43	0.34	0.77	0.25	0.69	0.75	0.67
Book value per share	0.96	1.29	1.71	1.36	1.63	1.98	2.29
Dividend per share	0.18	0.20	0.72	0.34	0.36	0.43	0.48
Dividend payout ratio, %	56.1	60.9	119.6	60.4	60.0	60.0	65.0
Dividend yield, %	2.5	2.2	4.2	3.9	4.1	4.8	5.4
FCF yield, %	6.1	3.7	4.5	2.9	7.8	8.4	7.6
<b>Efficiency measures</b>							
ROE	33.1	29.2	40.1	36.6	39.9	39.5	34.6
ROCE	22.7	22.9	33.0	32.4	33.6	34.6	31.7
<b>Financial ratios</b>							
Inventories as % of sales	18.0	18.2	17.1	20.3	19.0	18.0	18.0
Receivables as % of sales	5.3	6.6	7.9	7.2	7.0	7.0	7.0
Non-interest bearing liabilities as % of sales	14.2	17.9	18.6	14.9	17.0	18.0	18.0
NWC/sales, %	9.1	6.8	6.4	12.6	9.0	7.0	7.0
Operative CAPEX/sales, %	9.0	11.2	3.1	5.9	7.1	5.7	5.9
CAPEX/sales (incl. acquisitions), %	9.0	11.2	3.1	5.9	7.1	5.7	5.9
FCFF/EBITDA	1.0	0.8	0.8	0.5	1.0	0.9	0.8
Net debt/EBITDA, book-weighted	0.4	-0.1	-0.6	0.0	-0.3	-0.6	-0.8
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	40.1	45.7	52.2	48.4	49.6	52.9	55.5
Gearing, %	30.7	-3.2	-38.9	2.3	-19.7	-35.8	-41.7

**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	44.982	12.5%
Varma Mutual Pension Insurance Company	1,929,600	17.058	4.8%
Ilmarinen Mutual Pension Insurance Company	1,926,940	17.034	4.7%
Ehmrooth Sophia	1,651,885	14.603	4.1%
Nordea Nordic Small Cap Fund	999,425	8.835	2.5%
Evli Finnish Small Cap Fund	869,121	7.683	2.1%
Oy Talcom Ab	505,000	4.464	1.2%
Oy Etra Invest Ab	500,000	4.420	1.2%
Alahuhta Matti	423,650	3.745	1.0%
Veritas Pension Insurance Company Ltd.	375,000	3.315	0.9%
Ten largest	14,269,121	126.139	35%
Residual	26,302,259	232.512	65%
Total	40,571,380	358.651	100%

**EARNINGS CALENDAR**

August 17, 2023 Q2 report  
November 08, 2023 Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



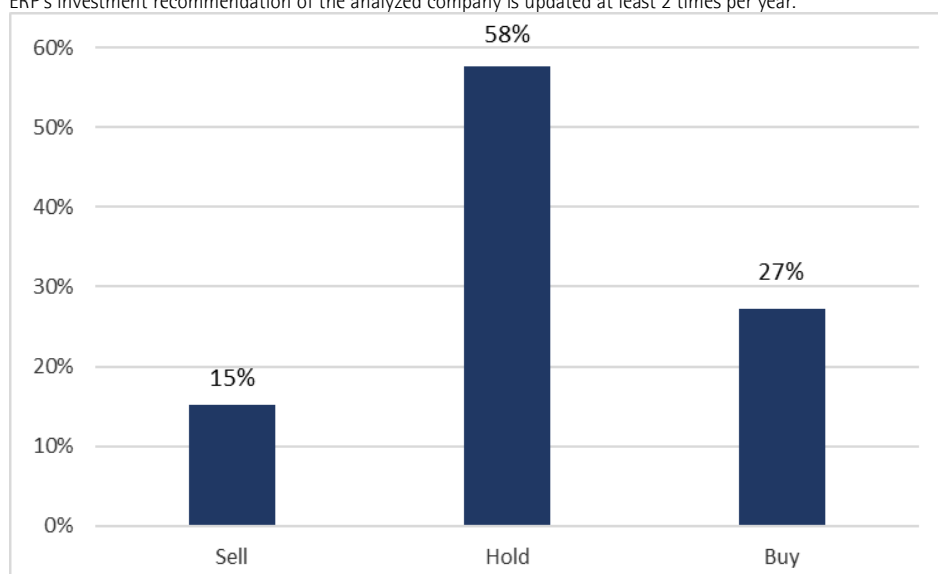
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Investment recommendations are defined as follows:

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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