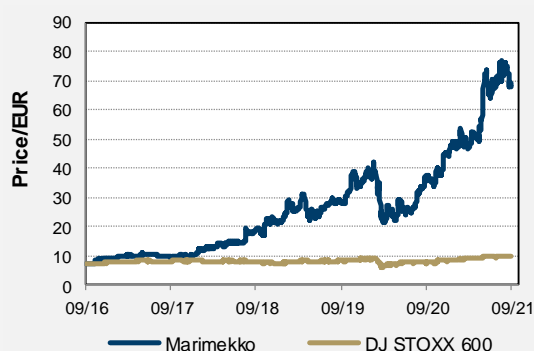


Expected guidance improvement

Marimekko specified its outlook for FY 2021, now expecting adj. EBIT margin to be above that of the comparison period (2020: 16.3%). Revenue guidance remains intact and is expected to grow from the previous year (2020: EUR 123.6m). Our estimates were already in line with the new guidance; we make no changes to our estimates or recommendation.

- Marimekko specified its guidance today, now expecting the comparable operating profit margin to be higher than in the previous year (2020: 16.3%). The company previously expected the comparable operating profit margin to be on par with or above the comparison period. Marimekko expects revenue to exceed the comparison period (2020: EUR 123.6m). The uncertainties related to the pandemic situation concerning the rest of the year have been reduced from previous expectations, thus contributing to the guidance improvement.
- Based on the guidance revisions we see no need for changes to our estimates. Our estimates already reflected growth and margin improvement, expecting the company to grow by 16% and reach an adjusted EBIT margin of 17.1% in FY 2021, and as such remain in line with the company's new outlook.
- As our estimates remain intact and our expectations for the H2 outlook already were quite positive we retain our target price of EUR 84 and BUY-rating. Valuation remains at a higher level compared with both peers and the company's own historic multiples, which is justifiable by the good outlook and higher profitability levels.

Rating BUY



Share price, EUR (Last trading day's closing price) 69.50

Target price, EUR 84.0

Latest change in 21-Sep-20

Latest report on 20-Aug-21

Research paid by YES

No. of shares 8,110

No. of shares fully 8,110

Market cap, EURm 564

Free float, % 73.7

Exchange rate -

Reuters code MEKKO.HE

Bloomberg code MEKKO FH

Average daily volume, 0.5

Next interim report 03-Nov-21

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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
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.90
2020	123.6	20.2	16.4%	13.6	1.80	25.3	3.0	18.2	3.7	1.00
2021E	143.7	24.5	17.0%	7.2	2.32	30.0	3.9	23.0	1.3	1.27
2022E	159.4	28.1	17.6%	16.9	2.64	26.4	3.5	19.8	3.0	1.45
2023E	173.3	31.2	18.0%	20.8	2.91	23.9	3.2	17.5	3.7	1.60

Market cap, EURm	564	BV per share 2021E, EUR	-1.2	CAGR EPS 2020-23, %	17.3
Net debt 2021E, EURm	-1	Price/book 2021E	8.9	CAGR sales 2020-23, %	11.9
Enterprise value, EURm	563	Dividend yield 2021E, %	1.8	ROE 2021E, %	32.3
Total assets 2021E, EURm	122	Tax rate 2021E, %	19.8	ROCE 2021E, %	25.7
Goodwill 2021E, EURm	0	Equity ratio 2021E, %	51.9	PEG, P/E 21/CAGR	3.0

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

MARIMEKKO PEERS	MCAP local FX	EV/EBITDA			EV/EBIT			P/E			Equity ratio		
		21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	962	9.4x	7.9x	6.6x	14.5x	11.5x	9.3x	17.1x	14.4x	12.5x	49%	51%	53%
HUGO BOSS AG	3655	8.8x	7.1x	5.4x	28.2x	18.1x	12.3x	40.0x	23.6x	18.6x	32%	35%	38%
Capri Holdings Limited	7984	8.0x	6.5x	5.6x	10.0x	7.9x	6.9x	11.4x	9.8x	8.5x	36%	44%	
Ralph Lauren Corporation Class A	8277	7.5x	7.1x	6.7x	10.2x	9.5x	8.7x	15.9x	14.1x	12.2x	34%		
Ted Baker PLC	297	9.3x	4.6x	3.4x		17.7x	9.3x		26.4x	13.4x	35%	38%	42%
PVH Corp.	7642	7.7x	7.1x	6.5x	10.7x	9.2x	8.5x	12.4x	11.2x	9.9x	41%	45%	
Guess?, Inc.	1420	4.2x	3.5x		5.3x	4.3x		8.0x	7.1x	6.7x			
Joules Group Plc	247	8.1x	6.1x	5.1x	15.7x	10.3x	8.3x	19.2x	12.3x	10.1x	19%	30%	39%
Luxury goods													
Brunello Cucinelli S.p.A.	3381	23.0x	19.6x	16.5x	63.0x	44.0x	35.6x	104.5x	67.7x	56.9x	35%	38%	42%
Burberry Group plc	7435	8.4x	7.5x	7.4x	13.8x	11.9x	11.4x	21.7x	18.9x	17.6x	48%	50%	48%
Hermes International SCA	136140	35.2x	31.8x	28.4x	41.2x	37.1x	33.0x	62.5x	56.5x	50.4x	72%	75%	77%
Moncler SpA	14789	18.2x	15.3x	13.7x	25.8x	20.8x	18.2x	38.2x	30.6x	27.1x	67%	68%	70%
Prada S.p.A.	112076	12.5x	10.9x	9.6x	35.0x	24.3x	19.2x	53.4x	35.7x	30.3x	47%	47%	49%
Salvatore Ferragamo S.p.A.	3054	11.6x	10.3x	9.4x	31.3x	25.1x	20.0x	53.4x	39.7x	30.4x	47%	48%	49%
Premium goods median	2538	8.0x	6.8x	5.6x	10.7x	9.9x	8.7x	15.9x	13.2x	11.1x	35%	41%	41%
Luxury goods median	11112	15.3x	13.1x	11.7x	33.1x	24.7x	19.6x	53.4x	37.7x	30.3x	48%	49%	49%
Marimekko (Evli est.)	596	15.8x	13.9x	12.4x	24.3x	21.0x	18.6x	31.7x	27.9x	25.3x	52%	54%	57%
<i>Marimekko premium vs. premium goods median</i>		97%	104%	123%	127%	111%	113%	99%	111%	127%	49%	34%	39%
<i>Marimekko premium vs. luxury goods median</i>		3%	6%	6%	-27%	-15%	-5%	-41%	-26%	-17%	8%	11%	15%
Dividend yield													
EBIT margin													
ROCE-%													
ROE-%													
MARIMEKKO PEERS	Ticker	21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	BORG-SE	3.9%	3.9%	3.9%	9.7%	10.8%	12.1%	15.1%	16.9%	18.2%	18.2%	19.7%	20.3%
HUGO BOSS AG	BOSS-DE	1.4%	2.2%	2.8%	6.4%	8.7%	9.9%	9.9%	14.0%	15.8%	10.5%	15.5%	17.1%
Capri Holdings Limited	CPRI-US	0.0%	0.0%	0.0%	16.3%	17.3%	17.8%	14.2%	15.7%		25.4%	23.5%	22.4%
Ralph Lauren Corporation Class A	RL-US	2.2%	2.8%	3.0%	12.8%	13.4%	14.1%	12.2%			18.7%	25.8%	22.9%
Ted Baker PLC	TED-GB	0.0%	0.0%	1.0%	-4.0%	3.9%	6.0%	-7.3%	8.3%	13.8%	-16.5%	6.1%	
PVH Corp.	PVH-US	0.0%	0.1%	0.1%	9.4%	9.8%	10.0%	8.4%	9.0%		12.0%	11.9%	12.3%
Guess?, Inc.	GES-US	2.1%	2.1%		10.0%	10.7%	11.9%				25.7%	24.7%	
Joules Group Plc	JOUL-GB	0.5%	0.8%	1.1%	6.3%	8.6%	9.4%	27.7%	31.9%	30.3%	22.2%	26.6%	24.8%
Luxury goods													
Brunello Cucinelli S.p.A.	BC-IT	0.4%	0.7%	0.8%	9.5%	12.4%	13.0%				11.2%	15.1%	16.0%
Burberry Group plc	BRBY-GB	2.6%	2.9%	3.0%	16.8%	17.9%	18.8%	16.8%	17.7%	16.9%	20.3%	21.0%	19.9%
Hermes International SCA	RMS-FR	0.5%	0.6%	0.6%	37.0%	36.5%	36.9%	31.0%	29.4%	28.3%	24.3%	22.6%	21.5%
Moncler SpA	MONC-IT	1.0%	1.2%	1.4%	28.9%	30.3%	30.6%	20.5%	22.8%	22.7%	17.4%	18.9%	18.8%
Prada S.p.A.	1913-HK	1.0%	1.6%	1.9%	11.7%	14.7%	16.8%	7.5%	9.7%	11.4%	7.7%	10.7%	11.6%
Salvatore Ferragamo S.p.A.	SFER-IT	0.8%	1.3%	1.5%	9.6%	10.7%	12.3%	8.1%	9.5%	11.3%	7.5%	9.4%	11.4%
Premium goods median		0.9%	1.4%	1.1%	9.5%	10.3%	10.9%	12.2%	14.9%	17.0%	18.5%	21.6%	21.3%
Luxury goods median		0.9%	1.2%	1.5%	14.2%	16.3%	17.8%	16.8%	17.7%	16.9%	14.3%	17.0%	17.4%
Marimekko (Evli est.)		1.7%	2.0%	2.2%	17.0%	17.6%	18.0%	25.7%	26.3%	26.1%	32.3%	31.0%	29.3%

Source: Factset, Evli Research

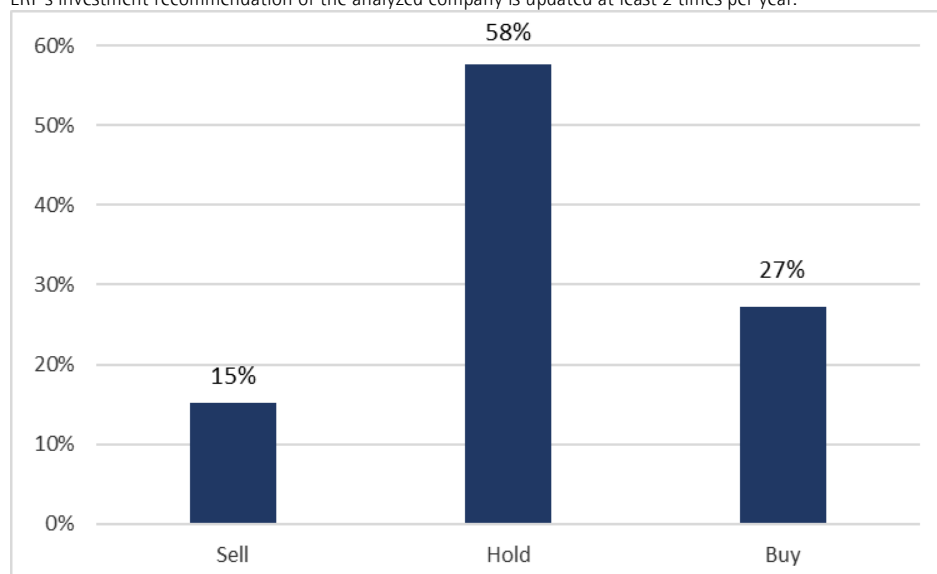
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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