

Well in line with expectations

Marimekko reported Q3 results well in line with our estimates. Both revenue and profitability were fairly in line while the margin was touch above our estimate. The guidance for 2023 was reiterated and the market outlook implies growth to continue in all of Marimekko's main markets.

- Group result:** driven by strong wholesale development globally, Q3 net sales grew by 9% to EUR 47.9m (48.5/49.3m Evli/cons.), roughly in line with our expectations. Finnish sales were supported by non-recurring promotional deliveries as expected while domestic retail declined by 1% y/y. Gross margin improved slightly supported by lower transport costs. Despite increased fixed costs, higher volumes and improved gross margin boosted adj. EBIT above the comparison period. Adj. EBIT amounted to EUR 13.1m (12.6/12.8m Evli/cons.), reflecting a margin of 27.4%. Adj. EPS came in at EUR 0.26 (0.25/0.24 Evli/cons.).
- Finland:** topline increased by 6% to EUR 28.2m, which was a touch below our estimates (Evli: 29.5m). The growth was driven by non-recurring promotional wholesale deliveries as expected while domestic retail declined by 1% y/y.
- Int'l:** net sales came in strong, slightly above our expectations. Topline grew by 13% to EUR 19.7m (Evli: 19.1m). The growth was supported by strong wholesale growth across the globe.
- 23 market outlook:** Marimekko expects its domestic sales to grow, and one-off wholesale deliveries to support Finnish sales development in H2. The APAC region and Int'l net sales are expected to grow. The aim is to open roughly 15-20 new Marimekko stores and shop-in-shops in 2023, and most of the planned openings will be in Asia.
- 23 guidance intact:** Net sales to grow and adj. EBIT margin between 16-19%.

Rating

HOLD

Q3'23	Actual	Evli	Consensus*	Q3'22
Net sales	47.9	48.5	49.3	44.1
Finland	28.2	29.5	-	26.7
Int'l	19.7	19.1	-	17.4
Adj. EBIT	13.1	12.6	12.8	11.1
Adj. EBIT-margin	27.4%	26.0%	26.0%	25.2%
Adj. EPS	0.26	0.25	0.24	0.22

* Consensus estimate from FactSet (5 analysts)

Share price, EUR(Last trading day's closing price) 11.49

Target price, EUR 10.5

Latest change in 13-Feb-23

Latest report on 06-Nov-23

Research paid by YES

No. of shares 40,571

No. of shares fully 40,571

Market cap, EURm 466

Free float, % 74.0

Exchange rate 0.000

Reuters code MEKKO.HE

Bloomberg code MEKKO FH

Average daily volume, 0.0

Next interim report 08-Nov-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	178.1	32.9	18.5%	20.0	0.62	18.6	2.6	14.0	4.3	0.37
2024E	193.3	36.9	19.1%	33.6	0.72	15.9	2.3	12.0	7.2	0.43
2025E	203.4	37.6	18.5%	33.1	0.74	15.5	2.1	11.3	7.1	0.48
Market cap, EURm	466		BV per share 2023E, EUR		-7.5		CAGR EPS 2022-25, %		9.6	
Net debt 2023E, EURm	-5		Price/book 2023E		7.0		CAGR sales 2022-25, %		6.9	
Enterprise value, EURm	461		Dividend yield 2023E, %		3.2		ROE 2023E, %		41.0	
Total assets 2023E, EURm	130		Tax rate 2023E, %		20.0		ROCE 2023E, %		35.1	
Goodwill 2023E, EURm	0		Equity ratio 2023E, %		51.4		PEG, P/E 23/CAGR		2.6	

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

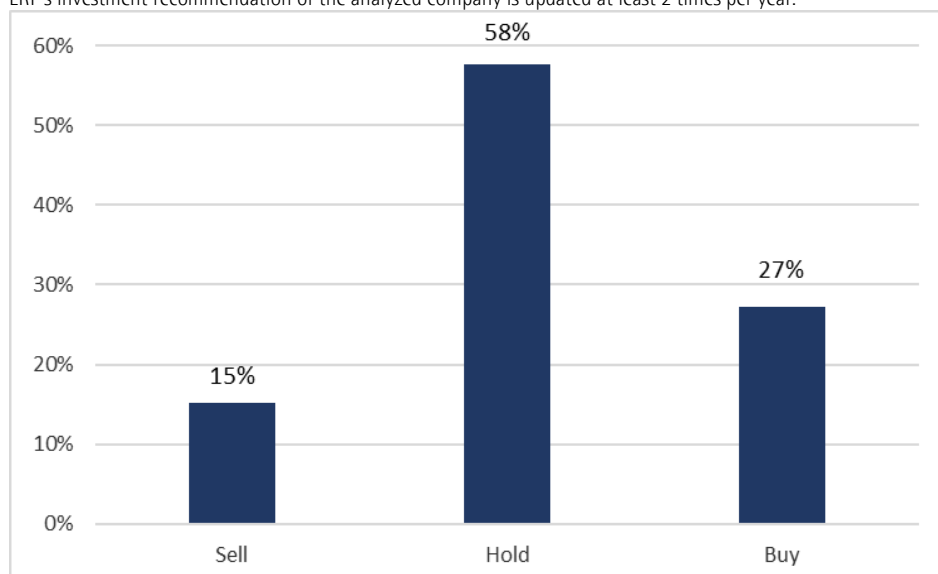
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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