

Scaling according to the plan

Marimekko reported Q3 figures that were largely in line with our estimates. We estimate that the company's current good form will continue to Q4. While the soft domestic market poses challenges for 2024, expected international profitable growth, particularly in the APAC region, is anticipated to support overall performance.

Q3 figures were in line with our estimates

Driven by strong wholesale sales development across the globe, Marimekko's net sales grew 9% y/y to EUR 47.9m, in line with our estimates (48.5/49.3m Evli/cons.). Int'l sales grew 13% y/y driven by strong wholesale sales especially in APAC, NA and Scandinavia. Finnish retail sales declined by 1% y/y while the non-recurring promotional deliveries supported domestic wholesale figures which grew 18% y/y. Despite the wholesale driven growth, Marimekko's gross margin improved slightly supported by lower transport costs. The company's fixed costs kept increasing yet higher volumes and improved gross margin boosted adj. EBIT to EUR 13.1m (12.6/12.8m Evli/cons.), fairly well in line with our estimates.

Profitable growth supported by int'l areas going forward

Even with the growth driven by wholesale sales, the company managed to improve its gross margin y/y. Furthermore, the company's EBIT margin saw an uptick due to sales growth, demonstrating the scalable nature of Marimekko's business model and its loose franchise model in Asia. The Finnish consumer confidence has continued to weaken during Q3 and start of Q4 and is currently clearly below the long-term average. We have revised our sales growth estimates upwards for Q4 and 2024 in int'l areas, on the other hand, we have lowered our net sales estimates for Finland. Our updated estimate for FY 2023 net sales is at EUR 176.6m (prev. EUR 178.1m) and adj. EBIT at EUR 33.1 (prev. EUR 32.9m) with adj. EBIT margin of 18.8% (prev. 18.5%).

HOLD with a TP of EUR 11.0 (10.5)

With only slight adjustments to our estimates, we continue to consider Marimekko's valuation neutral. The company trades between our premium (32% premium on 2023E EV/EBIT basis) and luxury goods (7% discount) peer groups. We adjust our TP to EUR 11.0 (EUR 10.5) with HOLD-rating intact.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 11.99

Target price, EUR 11.0

Latest change in 13-Feb-23

Latest report on 08-Nov-23

Research paid by YES

No. of shares 40,571

No. of shares fully 40,571

Market cap, EURm 486

Free float, % 74.0

Exchange rate 0.000

Reuters code MEKKO.HE

Bloomberg code MEKKO FH

Average daily volume, 0.0

Next interim report

Web site company.marimekko.com/en/investors/

Analyst Atte Jortikka

E-mail atte.jortikka@evli.com

Telephone

+ 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	176.6	32.9	18.6%	20.6	0.62	19.3	2.7	14.6	4.2	0.37
2024E	188.5	35.7	18.9%	33.6	0.70	17.2	2.5	13.0	6.9	0.42
2025E	198.4	37.7	19.0%	33.1	0.74	16.1	2.2	11.8	6.8	0.48
Market cap, EURm		486	Gearing 2023E, %			-8.4	CAGR EPS 2022-25, %			9.7
Net debt 2023E, EURm		-6	Price/book 2023E			7.3	CAGR sales 2022-25, %			6.0
Enterprise value, EURm		481	Dividend yield 2023E, %			3.1	ROE 2023E, %			41.1
Total assets 2023E, EURm		130	Tax rate 2023E, %			19.9	ROCE 2023E, %			35.2
Goodwill 2023E, EURm		0	Equity ratio 2023E, %			51.6	PEG, P/E 23/CAGR			2.7

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

Q3 result came in strong as expected

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. Int'l sales grew 13% y/y driven by strong wholesale sales especially in APAC, NA and Scandinavia. 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 and by similar levels of discounts when compared to Q3/22. 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.). The company's brand sales decreased 15% despite increased wholesale sales driven by lower licensing especially in EMEA and North America. Nine Marimekko stores were opened in Asia during the quarter, three of the stores are located in Singapore and Vietnam, which are new markets for Marimekko. The company's cash flow was hindered by increase in trade receivables during the quarter, yet we see this as a more of a timing issue and see no great risk as Marimekko uses internal credit controls, letters of credit as well as customer credit insurances in order to secure its receivables.

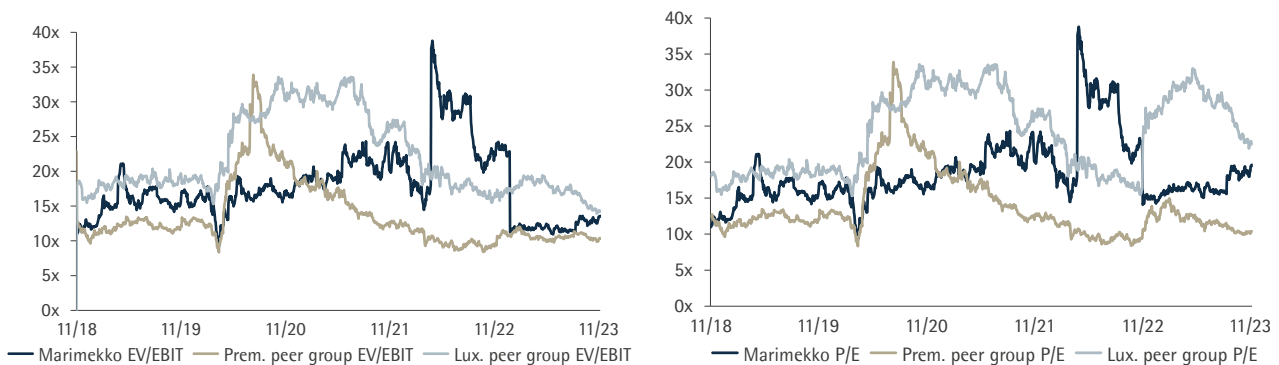
Profitable growth supported by int'l areas going forward

The Finnish consumer confidence has continued declining during Q3 and the start of Q4 as the consumers views of their own economy at present and expectations of the future are at a very weak level. We expect that the current weak consumer sentiment continues in 2024 and will affect both Marimekko's domestic retail and wholesale growth. With lower growth expected in Finland, the growth is expected to realize in the company's international markets, especially in APAC where the current strategy focuses. We have made some adjustments to our estimates for Q4 2023 and FY 2024. Our updated estimate for FY 2023 net sales is at EUR 176.6m (prev. EUR 178.1m) and adj. EBIT at EUR 33.1 (prev. EUR 32.9m) with adj. EBIT margin of 18.8% (prev. 18.5%). For 2024, we have decreased our growth expectations for Finland, on the other hand, we still expect growth in the international areas which supports the company's overall growth and profitability. We anticipate that Marimekko's net sales will reach approximately EUR 188.5m (prev. EUR 193.3m) in 2024E, reflecting a projected yearly growth rate of about 7%. With an adjusted EBIT margin of 18.9%, this translates to an expected adjusted EBIT of EUR 35.7m (prev. EUR 36.9m) for 2024E.

Valuation remains neutral: HOLD with a TP of EUR 11.0 (EUR 10.5)

With our updated estimates, we continue to consider Marimekko as fairly valued. The company is currently trading between our premium (32% premium on 2023E EV/EBIT basis) and luxury goods (7% discount) peer groups. Based on our updated estimates, EV/EBIT for 23-24E stands at 15-13x and P/E at 19-17x. We revise our target price to EUR 11.0 (10.5), with HOLD rating intact.

Figure 1: Marimekko FWD EV/EBIT (lhs) & FWD P/E (rhs) vs. prem. & lux. peer group median



Source: Factset, Evli Research

Table 1: Peer group overview

MARIMEKKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		23	24	25	23	24	25	23	24	25	23	24	25
PREMIUM GOODS													
Bjorn Borg	83	6.9x	6.2x	5.9x	8.9x	7.5x	6.8x	10.9x	8.9x	8.1x	5.2 %	5.4 %	5.8 %
HUGO BOSS	4120	6.7x	5.7x	5.0x	12.4x	10.2x	8.5x	16.0x	12.6x	10.4x	2.3 %	2.9 %	3.8 %
Capri Holdings	5316	9.5x	9.0x	8.3x	11.5x	11.0x	10.0x	8.5x	8.1x	7.5x	0.0 %	0.0 %	0.0 %
Ralph Lauren	6909	8.6x	7.9x	7.3x	11.1x	10.1x	9.2x	12.4x	11.0x	9.7x	2.8 %	2.9 %	3.1 %
PVH	4347	6.8x	6.5x	6.2x	9.1x	8.5x	8.0x	7.5x	6.7x	6.0x	0.2 %	0.2 %	0.2 %
Guess	1155	8.1x	7.8x	8.0x	10.0x	9.7x	10.0x	7.8x	7.3x	7.1x		5.1 %	5.2 %
VF	5830	10.8x	10.2x	8.9x	13.5x	12.6x	11.1x	9.6x	8.8x	7.3x	6.5 %	3.1 %	2.3 %
Peer Group Average	41431	8.2x	7.6x	7.1x	10.9x	9.9x	9.1x	10.4x	9.1x	8.0x	2.8 %	2.8 %	2.9 %
Peer Group Median	5655	8.1x	7.8x	7.3x	11.1x	10.1x	9.2x	9.6x	8.8x	7.5x	2.5 %	2.9 %	3.1 %
Marimekko (Evli est.)	482	11.5x	10.2x	9.4x	14.6x	13.0x	11.8x	19.3x	17.2x	16.1x	3.1 %	3.5 %	4.0 %

Marimekko prem./disc. to peer median

42% 30% 29% 32% 29% 29% 101% 96% 115% 23% 19% 31%

Source FactSet, Evli Research

MARIMEKKO PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		23	24	25	23	24	25	23	24	25	23	24	25
LUXURY GOODS													
Brunello Cucinelli	5481	18.7x	16.8x	15.0x	33.8x	30.1x	26.7x	49.6x	43.2x	37.7x	1.1 %	1.2 %	1.4 %
Burberry Group	6948	7.3x	6.9x	6.5x	11.3x	10.6x	9.7x	14.4x	13.3x	12.2x	3.6 %	3.9 %	4.4 %
Hermes International	192581	30.0x	26.9x	24.2x	33.5x	30.0x	26.8x	47.8x	43.0x	38.8x	0.8 %	0.9 %	1.0 %
LVMH Moet Hennessy Louis Vuitton	350286	13.5x	12.5x	11.6x	16.6x	15.3x	14.0x	22.0x	20.6x	18.8x	2.0 %	2.1 %	2.3 %
Moncler	13691	11.8x	10.6x	9.5x	15.8x	14.2x	12.7x	22.5x	20.3x	18.1x	2.1 %	2.4 %	2.6 %
Prada	14209	9.3x	8.5x	7.8x	15.7x	14.1x	12.5x	21.8x	19.3x	17.1x	2.7 %	3.1 %	3.5 %
Salvatore Ferragamo	1995							64.2x	38.6x	25.8x	1.0 %	1.5 %	2.2 %
Kering	48944	8.9x	8.4x	7.7x	11.7x	11.1x	10.0x	15.0x	14.2x	12.7x	3.3 %	3.5 %	3.8 %
Canada Goose Holdings	1002	8.9x	8.2x	7.4x	15.0x	13.0x	11.7x	15.7x	13.7x	12.0x	0.0 %	0.0 %	0.0 %
Peer Group Average	41431	13.5x	12.3x	11.2x	19.2x	17.3x	15.5x	30.3x	25.1x	21.5x	1.8 %	2.1 %	2.4 %
Peer Group Median	5655	10.5x	9.6x	8.7x	15.7x	14.2x	12.6x	22.0x	20.3x	18.1x	2.0 %	2.1 %	2.3 %
Marimekko (Evli est.)	482	11.5x	10.2x	9.4x	14.6x	13.0x	11.8x	19.3x	17.2x	16.1x	3.1 %	3.5 %	4.0 %

Marimekko prem./disc. to peer median

9% 7% 8% -7% -8% -6% -12% -15% -11% 57% 64% 72%

Source FactSet, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	36.0	38.0	44.1	48.4	166.5	35.3	40.3	47.9	53.2	176.6	188.5	198.4
EBITDA	9.1	8.1	13.6	9.3	40.1	6.2	9.0	15.2	11.6	41.9	45.4	47.6
<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>22.3</i>	<i>31.7</i>	<i>21.8</i>	<i>23.7</i>	<i>24.1</i>	<i>24.0</i>
EBIT	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.9	9.4	32.9	35.7	37.7
<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>16.8</i>	<i>27.0</i>	<i>17.7</i>	<i>18.6</i>	<i>18.9</i>	<i>19.0</i>
Net financial items	-0.1	0.3	0.2	-1.4	-1.1	-0.8	-0.5	0.0	-0.1	-1.5	-0.3	0.0
Pre-tax profit	6.5	6.0	11.3	5.5	29.3	3.0	6.2	12.9	9.3	31.4	35.4	37.7
Tax	-1.5	-1.2	-2.4	-1.3	-6.4	-0.5	-1.3	-2.5	-1.9	-6.3	-7.1	-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>21.0</i>	<i>19.8</i>	<i>20.0</i>	<i>19.9</i>	<i>20.0</i>	<i>20.0</i>
Net profit	5.0	4.8	8.9	4.2	22.9	2.5	4.9	10.3	7.4	25.2	28.3	30.1
EPS	0.12	0.12	0.22	0.10	0.56	0.06	0.12	0.25	0.18	0.62	0.70	0.74
EPS adjusted (diluted no. of shares)	0.12	0.12	0.22	0.10	0.56	0.06	0.12	0.25	0.18	0.62	0.70	0.74
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.37	0.42	0.48
SALES, EURm												
Finland	18.5	23.0	26.7	30.1	98.2	18.0	22.2	28.2	32.3	100.7	102.4	106.5
Scandinavia	3.0	3.0	3.5	4.5	14.0	3.5	3.0	4.3	5.1	15.9	17.0	18.1
EMEA	5.5	3.2	3.7	3.7	16.0	3.8	3.8	3.6	3.8	15.0	17.5	18.7
North America	1.8	2.0	1.9	2.3	8.0	1.6	2.6	2.5	3.0	9.7	10.5	11.2
Asia Pacific	7.3	6.8	8.3	7.9	30.3	8.4	8.8	9.2	9.0	35.4	41.1	44.0
Total	36.0	38.0	44.1	48.4	166.5	35.3	40.3	47.9	53.2	176.6	188.5	198.4
SALES GROWTH, Y/Y %												
<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>-3.5</i>	<i>5.7</i>	<i>7.3</i>	<i>2.5</i>	<i>1.7</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>0.9</i>	<i>23.8</i>	<i>13.9</i>	<i>14.0</i>	<i>6.8</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>18.7</i>	<i>-3.5</i>	<i>4.3</i>	<i>-6.6</i>	<i>17.2</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>28.5</i>	<i>35.7</i>	<i>29.3</i>	<i>21.5</i>	<i>8.1</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>28.5</i>	<i>11.0</i>	<i>13.7</i>	<i>16.7</i>	<i>16.2</i>	<i>7.0</i>
Total	23.8	16.2	4.0	0.7	9.4	-2.1	6.1	8.6	9.8	6.1	6.7	5.3
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	20.2
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4
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	2.1
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.4
Group (EBIT only)	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.9	9.4	32.9	35.7	0.0
Total	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.9	9.4	32.9	35.7	37.7
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>19.0</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>19.0</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>19.0</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>19.0</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>19.0</i>
Total	18.4	15.0	25.2	14.3	18.2	10.9	16.8	27.0	17.7	18.6	18.9	19.0

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	111.9	125.4	123.6	152.2	166.5	176.6	188.5	198.4
<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>6.1</i>	<i>6.7</i>	<i>5.3</i>
EBITDA	14.6	29.7	31.3	43.3	40.1	41.9	45.4	47.6
<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>23.7</i>	<i>24.1</i>	<i>24.0</i>
Depreciation	-2.4	-12.6	-12.6	-12.1	-9.8	-9.0	-9.7	-9.9
EBITA	12.2	17.1	18.8	31.3	30.4	32.9	35.7	37.7
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	32.9	35.7	37.7
<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>18.6</i>	<i>18.9</i>	<i>19.0</i>
Reported EBIT	12.2	17.1	18.0	31.3	30.4	32.9	35.7	37.7
<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>18.6</i>	<i>18.9</i>	<i>19.0</i>
Net financials	-0.2	-1.0	-1.8	-0.4	-1.1	-1.5	-0.3	0.0
Pre-tax profit	12.1	16.1	17.0	30.8	29.3	31.4	35.4	37.7
Taxes	-3.9	-3.1	-3.7	-6.4	-6.4	-6.3	-7.1	-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	25.2	28.3	30.1
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
BALANCE SHEET, EURm								
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	32	34
Inventory	22	23	22	26	34	35	36	36
Receivables	7	7	8	12	12	16	13	14
Liquid funds	23	26	41	60	33	39	58	75
Total assets	94	97	114	133	115	130	146	166
Liabilities								
Shareholder's equity	40	39	52	69	55	67	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	32	34
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	26	30	36
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	94	97	114	133	115	130	146	166
CASH FLOW, EURm								
+ EBITDA	15	30	31	43	40	42	45	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	-4	6	5
+/- Other	0	0	0	-19	24	0	0	0
= Cash flow from operations	12	29	27	36	20	32	44	45
- Capex	-1	-11	-14	-5	-10	-12	-10	-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	21	34	33
+/- 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	7	18	17

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	291	369	691	356	486	486	486
Net debt (excl. convertibles)	12	-2	-27	1	-6	-24	-40
Enterprise value	303	368	664	357	481	462	446
Sales	125	124	152	167	177	189	198
EBITDA	30	31	43	40	42	45	48
EBIT	17	19	31	30	33	36	38
Pre-tax	16	17	31	29	31	35	38
Earnings	13	13	24	23	25	28	30
Equity book value (excl. minorities)	39	52	69	55	67	80	93
Valuation multiples							
EV/sales	2.4	3.0	4.4	2.1	2.7	2.5	2.2
EV/EBITDA	10.2	11.7	15.3	8.9	11.5	10.2	9.4
EV/EBITA	17.7	19.6	21.2	11.8	14.6	13.0	11.8
EV/EBIT	17.7	19.6	21.2	11.8	14.6	13.0	11.8
EV/OCF	10.5	13.4	18.5	17.7	14.9	10.5	9.9
EV/FCFF	10.7	14.2	18.8	17.9	15.0	10.9	10.3
P/FCFE	82.4	135.3	110.9	34.6	23.6	14.5	14.7
P/E	22.3	27.8	28.3	15.6	19.3	17.2	16.1
P/B	7.5	7.1	10.0	6.4	7.3	6.1	5.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.5	9.3	8.5
Target EV/EBIT	0.0	0.0	0.0	0.0	13.4	11.8	10.8
Target EV/FCF	0.0	0.0	0.0	0.0	21.4	12.6	12.3
Target P/B	0.0	0.0	0.0	0.0	6.7	5.6	4.8
Target P/E	0.0	0.0	0.0	0.0	17.7	15.8	14.8
Per share measures							
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	0.62	0.70	0.74
Operating cash flow per share	0.71	0.68	0.89	0.50	0.80	1.08	1.11
Free cash flow per share	0.43	0.34	0.77	0.25	0.51	0.83	0.82
Book value per share	0.96	1.29	1.71	1.36	1.65	1.97	2.30
Dividend per share	0.18	0.20	0.72	0.34	0.37	0.42	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	3.1	3.5	4.0
FCF yield, %	6.1	3.7	4.5	2.9	4.2	6.9	6.8
Efficiency measures							
ROE	33.1	29.2	40.1	36.6	41.1	38.5	34.8
ROCE	22.7	22.9	33.0	32.4	35.2	34.0	32.0
Financial ratios							
Inventories as % of sales	18.0	18.2	17.1	20.3	20.0	19.0	18.0
Receivables as % of sales	5.3	6.6	7.9	7.2	9.0	7.0	7.0
Non-interest bearing liabilities as % of sales	14.2	17.9	18.6	14.9	15.0	16.0	18.0
NWC/sales, %	9.1	6.8	6.4	12.6	14.0	10.0	7.0
Operative CAPEX/sales, %	9.0	11.2	3.1	5.9	6.6	5.5	6.0
CAPEX/sales (incl. acquisitions), %	9.0	11.2	3.1	5.9	6.6	5.5	6.0
FCFF/EBITDA	1.0	0.8	0.8	0.5	0.8	0.9	0.9
Net debt/EBITDA, book-weighted	0.4	-0.1	-0.6	0.0	-0.1	-0.5	-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	51.6	54.7	56.1
Gearing, %	30.7	-3.2	-38.9	2.3	-8.4	-30.1	-43.2

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	61.011	12.5%
Varma Mutual Pension Insurance Company	1,929,600	23.136	4.8%
Ilmarinen Mutual Pension Insurance Company	1,926,940	23.104	4.7%
Ehmrooth Sophia	1,651,885	19.806	4.1%
Nordea Nordic Small Cap Fund	999,425	11.983	2.5%
Evli Finnish Small Cap Fund	869,121	10.421	2.1%
Oy Talcom Ab	505,000	6.055	1.2%
Oy Etra Invest Ab	500,000	5.995	1.2%
Alahuhta Matti	423,650	5.080	1.0%
Veritas Pension Insurance Company Ltd.	375,000	4.496	0.9%
Ten largest	14,269,121	171.087	35%
Residual	26,302,259	315.364	65%
Total	40,571,380	486.451	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Tiina Alahuhta-Kasko

CFO: Elina Anckar

IR: Anna Tuominen

Puusepäkatu 4, 00880 Helsinki, Finland

Tel: +358 9 75 871

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

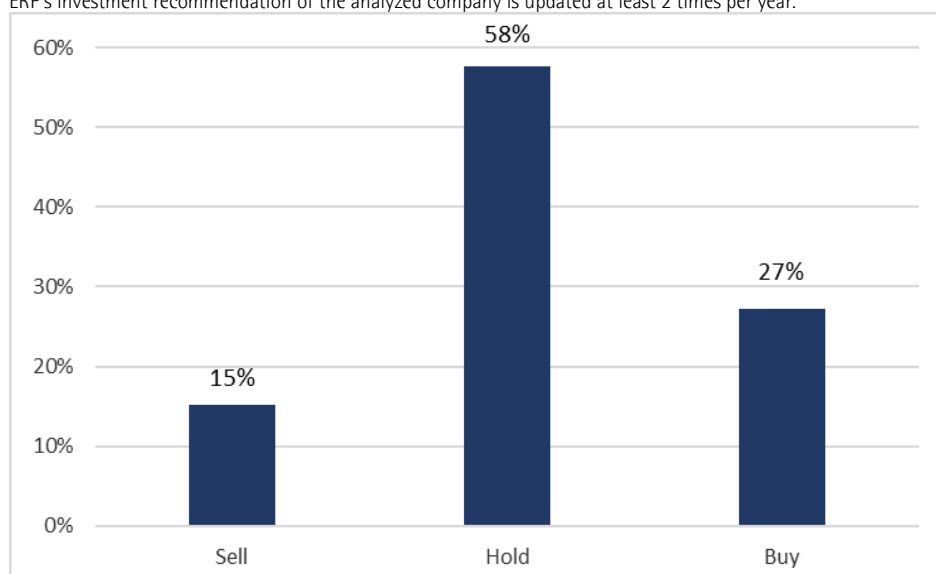
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

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): Jortikka

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 9.11.2023, 09:00. This report has been published on 9.11.2023, 09:10.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment

Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Arttu Heikura	+358 40 082 8098
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000