

Domestic market presents challenges

Marimekko's Q4 figures missed our estimates for net sales and adj. EBIT. While the performance was a slight letdown, we expect profitable growth to continue, although at a slightly slower pace as the domestic market presents challenges.

Lower than estimated domestic sales drove the earnings miss
Marimekko delivered Q4 figures that were lower than estimated for both net sales and EBIT. Net sales grew by 5% to EUR 50.6m in Q4 (52.9/53.6m Evli/cons.). Clear disappointment on the net sales side was domestic wholesale, which missed our estimates by a large margin. On the other hand, APAC kept delivering growth as we had estimated. Adj. EBIT amounted to EUR 8.3m (9.0/8.7m Evli/cons.), reflecting a margin of 16.4% while we had estimated adj. EBIT margin of 17.1%. The lower profitability was largely driven by the volume miss due to operational leverage.

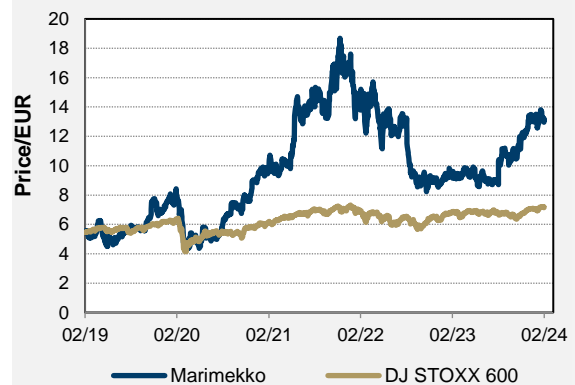
Two-sided development of Q4 expected to continue in 2024

Marimekko expects its net sales to grow in 2024 while adj. EBIT margin is estimated to be 16-19%. The two main drivers for Marimekko, Finland and APAC developed in different directions during Q4, we estimate this to continue to 2024. In 2024, Marimekko aims to open 10-15 new stores and shop-in-shops, and most of the planned openings will be in Asia. Due to the difficult market environment, net sales in Finland are expected to be approximately at the level of 2023. We previously estimated growth of 1.7% y/y in Finland for 2024, with our updated estimates, we drop our growth estimate to 0.7%. For APAC, we have also dropped our growth estimate slightly yet still estimate healthy growth of 12.3% y/y. After the adjustments, our net sales estimate is now at EUR 181.9m (prev. EUR 188.3m). With slower growth and higher fixed costs, we estimate EUR 33.0m adj. EBIT for 2024 (prev. EUR 35.3m) with a margin of 18.2%.

HOLD with a TP of EUR 11.5 (12.0)

Based on our updated estimates for 24-25E, Marimekko is priced at roughly 14-13x EV/EBIT and 19-17x P/E. The pricing is roughly at par compared to our premium and luxury goods peer groups which trade at 14-13x EV/EBIT and 18-17x P/E (avg. between the peer groups).

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 12.28
Target price, EUR 11.5

Latest change in 11-Feb-23
Latest report on 8-Feb-24
Research paid by issuer: YES
No. of shares 40,571
No. of shares fully 40,571
Market cap, EURm 498
Free float, % 74.0
Exchange rate 0.000
Reuters code MEKKO.HE
Bloomberg code MEKKO FH
Average daily volume, 0.0
Next interim report 15-May-24
Web site company.marimekko.com/en/inve

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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
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9	0.34
2023	174.1	31.4	18.0%	18.7	0.58	22.7	3.1	16.9	3.5	0.37
2024E	181.9	33.0	18.2%	33.4	0.64	19.3	2.6	14.4	6.7	0.41
2025E	193.9	36.3	18.7%	30.8	0.70	17.4	2.4	12.7	6.2	0.46
2026E	203.6	38.7	19.0%	28.0	0.75	16.3	2.2	11.7	5.6	0.49
Market cap, EURm	498		Gearing 2024E, %	-29.5		CAGR EPS 2023-26, %	9.1			
Net debt 2024E, EURm	-23		Price/book 2024E	6.5		CAGR sales 2023-26, %	5.4			
Enterprise value, EURm	476		Dividend yield 2024E, %	3.4		ROE 2024E, %	36.3			
Total assets 2024E, EURm	141		Tax rate 2024E, %	20.0		ROCE 2024E, %	32.5			
Goodwill 2024E, EURm	0		Equity ratio 2024E, %	54.5		PEG, P/E 24/CAGR	2.9			

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

Q4 result were slightly softer than expected, APAC continues to grow in 2024 while Finland seems tough

Driven by strong wholesale development especially in APAC and NA, Q4 net sales grew by 5% to EUR 50.6m (52.9/53.6m Evli/cons.), slightly lower than our estimates. Domestic retail was surprisingly strong with growth of 3% y/y, on the other hand domestic wholesale sales missed our estimates by a wide margin. With the lower-than-expected net sales, adj. EBIT amounted to EUR 8.3m (9.0/8.7m Evli/cons.), reflecting a margin of 16.4%. The cost structure presented no clear surprises, and the EBIT miss was driven by the lower net sales. Adj. EPS amounted to EUR 0.15 in Q4 (0.18/0.17 Evli/cons.), BoD proposes a dividend of EUR 0.37 for 2023 (EUR 0.38 Evli). Marimekko updated its guidance for 2024, it expects net sales to grow y/y while adj. EBIT margin is estimated to be 16-19%. Marimekko faces weak market in Finland with weak general economy and low consumer confidence. Despite the weak market, it expects 2024 domestic net sales to be roughly in line with 2023. For APAC, Marimekko expects sales growth to continue and it aims to open 10-15 new stores and shop-in-shops of which most are planned in Asia.

ESTIMATE CHANGES

	2024E			2025E		
	Old	New		Old	New	
Net sales	188.3	181.9	-3%	198.2	193.9	-2%
Finland	102.1	99.6	-2%	106.2	102.6	-3%
Int'l	86.2	82.4	-5%	92.1	91.3	-1%
Adj. EBIT	35.3	33.0	-6%	37.7	36.3	-4%

Marimekko estimates no sales growth for Q1 2024 as it expects the net sales to be approximately at the level of Q1 2023 impacted by for example weaker wholesale sales as some of the wholesale deliveries in Finland in the Q1 of 2024 were transferred to Q4 of 2023. With our updated estimates, we estimate revenue growth of less than 1% y/y for the Finnish market in FY 2024 as we expect soft H1 for the market. On the other hand, we expect APAC to continue to grow with new store openings and LFL growth dynamics. In terms of profitability, we estimate slightly weaker adj. EBIT margin as we expect slower growth to continue while we see fixed cost pressure and general cost inflation continuing to 2024. In addition, we expect a slightly lower gross margin due to the expected higher discount costs. On the other hand, Marimekko estimates licensing income in 2024 to be approximately at the previous year's level which supports margins.

Table 1: Peer group overview

MARIMEKKO PEER GROUP PREMIUM GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		23	24	25	23	24	25	23	24	25	23	24	25
Bjorn Borg	111	10.0x	8.8x	8.0x	13.5x	10.8x	9.5x	16.5x	11.5x	10.3x	4.0 %	4.2 %	4.6 %
HUGO BOSS	4363	7.4x	6.1x	5.4x	14.0x	11.0x	9.1x	17.3x	14.0x	11.3x	2.1 %	2.7 %	3.5 %
Capri Holdings	5144	11.6x	11.4x	10.3x	14.9x	14.9x	13.0x	10.9x	11.2x	10.0x	0.0 %	0.0 %	0.0 %
Ralph Lauren	10702	10.2x	11.4x	10.4x	13.0x	14.4x	13.0x	18.6x	16.4x	14.4x	1.7 %	1.7 %	1.9 %
PVH	7125	9.0x	8.9x	8.3x	12.0x	11.6x	10.8x	12.4x	10.9x	9.8x	0.1 %	0.1 %	0.1 %
Guess	1188	8.3x	8.3x	8.1x	10.4x	10.5x	10.3x	8.8x	8.2x	7.5x		5.0 %	5.1 %
VF	6173	12.2x	11.3x	9.9x	16.5x	15.4x	13.2x	12.8x	13.3x	10.5x	6.0 %	2.6 %	1.9 %
Peer Group Average	48131	9.8x	9.5x	8.6x	13.5x	12.7x	11.3x	13.9x	12.2x	10.5x	2.3 %	2.3 %	2.4 %
Peer Group Median	6643	10.0x	8.9x	8.3x	13.5x	11.6x	10.8x	12.8x	11.5x	10.3x	1.9 %	2.6 %	1.9 %
Marimekko (Evli est.)	482	13.1x	11.3x	10.1x	16.9x	14.4x	12.7x	22.7x	19.3x	17.4x	2.8 %	3.4 %	3.7 %

Marimekko prem./disc. to peer median

31% 28% 21% 26% 24% 18% 77% 67% 69% 45% 30% 97%

Source FactSet, Evli Research

MARIMEKKO PEER GROUP LUXURY GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		23	24	25	23	24	25	23	24	25	23	24	25
Brunello Cucinelli	7113	19.9x	20.8x	18.8x	35.7x	36.7x	32.8x	61.8x	53.7x	47.3x	0.8 %	1.0 %	1.1 %
Burberry Group	5478	7.5x	7.3x	6.9x	12.8x	13.1x	11.8x	14.4x	15.6x	14.0x	4.1 %	4.1 %	4.5 %
Hermes International	228731	31.1x	32.0x	28.6x	34.4x	35.8x	31.7x	53.2x	50.1x	44.9x	1.1 %	0.8 %	0.9 %
LVMH Moet Hennessy Louis Vuitton	406875	14.0x	14.7x	13.6x	17.4x	18.3x	16.7x	26.9x	25.0x	22.8x	1.6 %	1.7 %	1.9 %
Moncler	16700	13.4x	13.8x	12.5x	17.6x	18.2x	16.3x	28.0x	26.2x	23.4x	1.7 %	1.8 %	2.0 %
Prada	15553	9.0x	9.4x	8.7x	15.1x	15.6x	13.9x	23.9x	21.7x	19.3x	2.4 %	2.7 %	3.0 %
Salvatore Ferragamo	2101							87.6x	71.8x	40.0x	0.8 %	1.0 %	1.5 %
Kering	51499	9.1x	9.6x	8.7x	12.4x	13.1x	11.7x	16.9x	17.3x	15.3x	3.3 %	3.1 %	3.4 %
Canada Goose Holdings	1243	8.3x	8.4x	8.3x	14.2x	14.1x	13.0x	19.3x	17.9x	15.5x	0.0 %	0.0 %	0.0 %
Peer Group Average	48131	14.0x	14.5x	13.3x	19.9x	20.6x	18.5x	36.9x	33.2x	26.9x	1.8 %	1.8 %	2.0 %
Peer Group Median	6643	11.2x	11.7x	10.6x	16.2x	16.9x	15.1x	26.9x	25.0x	22.8x	1.6 %	1.7 %	1.9 %
Marimekko (Evli est.)	482	13.1x	11.3x	10.1x	16.9x	14.4x	12.7x	22.7x	19.3x	17.4x	2.8 %	3.4 %	3.7 %

Marimekko prem./disc. to peer median

17% -3% -5% 4% -15% -16% -15% -23% -23% 74% 93% 95%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	12.28 PV of Free Cash Flow	298 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	18.40 PV of Horizon value	444 WACC, %	7.5 Market risk premium, %	5.8
Share price potential, %	49.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	20.2 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient	0.80
Minimum value	16.9 Debt - dividend	-33 Maximum WACC, %	8.0 Target debt ratio, %	20
Horizon value, %	59.8 Value of stock	746 Nr of shares, Mn	40.6 Effective tax rate, %	25

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	174	182	194	204	214	224	231	238	245	253	258	263
<i>Sales growth, %</i>	<i>4.6</i>	<i>4.5</i>	<i>6.6</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	31	33	36	39	40	42	43	44	45	47	48	49
<i>Operating income margin, %</i>	<i>18.0</i>	<i>18.2</i>	<i>18.7</i>	<i>19.0</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>
+ Depreciation+amort.	9	9	9	10	11	11	12	12	12	13	13	
EBITDA	41	42	46	49	50	53	54	56	58	60	61	
- Paid taxes	-7	-4	-7	-8	-8	-8	-9	-9	-9	-9	-10	
- Change in NWC	-3	6	5	-1	-1	-1	0	0	-1	-1	0	
<i>NWC / Sales, %</i>	<i>14.0</i>	<i>10.0</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	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>5.7</i>	<i>5.6</i>	<i>6.1</i>	<i>5.9</i>	<i>5.9</i>	<i>5.9</i>	<i>5.6</i>	<i>5.6</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	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	29	43	41	39	40	42	44	45	46	48	49	908
= Discounted FCFF		40	36	31	30	29	29	27	26	25	24	444
= DFCF min WACC		40	37	32	31	30	29	28	27	26	25	512
= DFCF max WACC		40	36	31	30	29	28	26	25	24	23	389

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	35.3	40.3	47.9	50.6	174.1	35.4	41.1	51.0	54.4	181.9	193.9	203.6
EBITDA	6.1	8.8	15.2	10.4	40.5	5.5	8.5	15.5	12.6	42.0	45.8	48.8
<i>EBITDA margin (%)</i>	<i>17.4</i>	<i>21.9</i>	<i>31.7</i>	<i>20.6</i>	<i>23.3</i>	<i>15.4</i>	<i>20.6</i>	<i>30.4</i>	<i>23.1</i>	<i>23.1</i>	<i>23.6</i>	<i>24.0</i>
EBIT	3.8	6.6	12.9	8.1	31.4	3.3	6.3	13.3	10.3	33.0	36.3	38.7
<i>EBIT margin (%)</i>	<i>10.8</i>	<i>16.4</i>	<i>27.0</i>	<i>15.9</i>	<i>18.0</i>	<i>9.2</i>	<i>15.2</i>	<i>26.0</i>	<i>18.9</i>	<i>18.2</i>	<i>18.7</i>	<i>19.0</i>
Net financial items	-0.8	-0.5	0.0	-0.2	-1.7	-0.2	-0.2	-0.2	-0.2	-0.8	-0.6	-0.4
Pre-tax profit	3.0	6.1	12.9	7.8	29.7	3.1	6.1	13.1	10.1	32.2	35.7	38.3
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-0.6	-1.2	-2.6	-2.0	-6.4	-7.1	-7.7
<i>Tax rate (%)</i>	<i>18.5</i>	<i>21.6</i>	<i>19.8</i>	<i>22.1</i>	<i>20.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	2.4	4.8	10.3	6.1	23.6	2.4	4.8	10.5	8.0	25.8	28.6	30.6
EPS	0.06	0.12	0.25	0.15	0.58	0.06	0.12	0.26	0.20	0.64	0.70	0.75
EPS adjusted (diluted no. of shares)	0.06	0.12	0.25	0.15	0.58	0.06	0.12	0.26	0.20	0.64	0.70	0.75
Dividend per share	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.00	0.00	0.41	0.46	0.49
SALES, EURm												
Finland	18.0	22.2	28.2	30.5	98.9	16.9	22.1	29.0	31.6	99.6	102.6	107.8
Scandinavia	3.5	3.0	4.3	4.7	15.6	3.4	3.2	4.5	4.9	16.0	16.4	17.2
EMEA	3.8	3.8	3.6	3.5	14.6	4.3	3.9	4.0	4.1	16.3	17.5	18.4
North America	1.6	2.6	2.5	2.8	9.6	1.7	2.9	2.6	3.0	10.3	11.1	11.6
Asia Pacific	8.4	8.8	9.2	9.0	35.4	9.1	9.1	10.8	10.8	39.8	46.3	48.6
Total	35.3	40.3	47.9	50.6	174.1	35.4	41.1	51.0	54.4	181.9	193.9	203.6
SALES GROWTH, Y/Y %												
Finland	-2.7	-3.5	5.7	1.5	0.7	-6.2	-0.4	2.8	3.6	0.7	3.0	5.0
Scandinavia	15.6	0.9	23.8	6.1	11.5	-0.9	4.7	3.6	3.3	2.7	2.5	5.0
EMEA	-30.6	18.7	-3.5	-4.4	-8.5	14.2	2.7	12.7	17.2	11.6	7.2	5.0
North America	-10.6	28.5	35.7	23.1	19.7	7.5	10.7	4.8	6.2	7.3	7.7	5.0
Asia Pacific	15.6	28.5	11.0	14.1	16.9	7.7	4.0	17.5	19.2	12.3	16.5	5.0
Total	-2.1	6.1	8.6	4.6	4.6	0.4	1.9	6.6	7.4	4.5	6.6	5.0
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	20.5
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3
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	2.2
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.2
Group (EBIT only)	3.8	6.6	12.9	8.1	31.4	3.3	6.3	13.3	10.3	33.0	36.3	0.0
Total	3.8	6.6	12.9	8.1	31.4	3.3	6.3	13.3	10.3	33.0	36.3	38.7
EBIT margin, %												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0
Total	10.8	16.4	27.0	15.9	18.0	9.2	15.2	26.0	18.9	18.2	18.7	19.0

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	125.4	123.6	152.2	166.5	174.1	181.9	193.9	203.6
<i>Sales growth (%)</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>9.4</i>	<i>4.6</i>	<i>4.5</i>	<i>6.6</i>	<i>5.0</i>
EBITDA	29.7	31.3	43.3	40.1	40.5	42.0	45.8	48.8
<i>EBITDA margin (%)</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>24.1</i>	<i>23.3</i>	<i>23.1</i>	<i>23.6</i>	<i>24.0</i>
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.0	-9.5	-10.1
EBITA	17.1	18.8	31.3	30.4	31.4	33.0	36.3	38.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	17.1	18.8	31.3	30.4	31.4	33.0	36.3	38.7
<i>EBIT margin (%)</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.2</i>	<i>18.7</i>	<i>19.0</i>
Reported EBIT	17.1	18.0	31.3	30.4	31.4	33.0	36.3	38.7
<i>EBIT margin (reported) (%)</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.2</i>	<i>18.7</i>	<i>19.0</i>
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.8	-0.6	-0.4
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	32.2	35.7	38.3
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.4	-7.1	-7.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	13.0	12.5	24.4	22.9	23.6	25.8	28.6	30.6
Cash NRIs	0.0	-0.8	0.0	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	6	6	6	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	36	37	29	30	30	31	33	35
Inventory	23	22	26	34	29	35	35	37
Receivables	7	8	12	12	20	13	14	14
Liquid funds	26	41	60	33	37	55	71	81
Total assets	97	114	133	115	123	141	160	174
Liabilities								
Shareholder's equity	39	52	69	55	66	77	88	100
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	36	37	30	32	32	31	33	35
Deferred taxes	2	1	3	0	0	3	3	3
Interest bearing debt	2	2	2	2	1	2	1	0
Non-interest bearing current liabilities	18	22	28	25	25	29	35	37
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	97	114	133	115	123	141	160	174
CASH FLOW, EURm								
+ EBITDA	30	31	43	40	41	42	46	49
- Net financial items	-1	-2	18	-27	-2	-1	-1	0
- Taxes	-3	-6	-4	-6	-7	-4	-7	-8
- Increase in Net Working Capital	3	3	-2	-11	-3	6	5	-1
+/- Other	0	0	-19	24	0	0	0	0
= Cash flow from operations	29	27	36	20	29	44	43	40
- Capex	-11	-14	-5	-10	-10	-10	-12	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	18	14	31	10	19	33	31	28
+/- New issues/buybacks	1	8	1	-8	1	0	0	0
- Paid dividend	-15	-7	-8	-29	-14	-15	-17	-19
+/- Other	-1	0	-5	0	-1	0	2	1
Change in cash	3	15	19	-27	4	18	16	10

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	536	498	498	498
Net debt (excl. convertibles)	-2	-27	1	-4	-23	-37	-46
Enterprise value	368	664	357	532	476	462	452
Sales	124	152	167	174	182	194	204
EBITDA	31	43	40	41	42	46	49
EBIT	19	31	30	31	33	36	39
Pre-tax	17	31	29	30	32	36	38
Earnings	13	24	23	24	26	29	31
Equity book value (excl. minorities)	52	69	55	66	77	88	100
Valuation multiples							
EV/sales	3.0	4.4	2.1	3.1	2.6	2.4	2.2
EV/EBITDA	11.7	15.3	8.9	13.1	11.3	10.1	9.3
EV/EBITA	19.6	21.2	11.8	16.9	14.4	12.7	11.7
EV/EBIT	19.6	21.2	11.8	16.9	14.4	12.7	11.7
EV/OCF	13.4	18.5	17.7	18.6	10.9	10.8	11.3
EV/FCFF	14.2	18.8	17.9	18.5	11.1	11.1	11.7
P/FCFE	135.3	110.9	34.6	28.7	14.9	16.2	17.8
P/E	27.8	28.3	15.6	22.7	19.3	17.4	16.3
P/B	7.1	10.0	6.4	8.2	6.5	5.6	5.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.6	9.4	8.6
Target EV/EBIT	0.0	0.0	0.0	0.0	13.4	11.8	10.9
Target EV/FCF	0.0	0.0	0.0	0.0	13.3	14.0	15.0
Target P/B	0.0	0.0	0.0	0.0	6.1	5.3	4.6
Target P/E	0.0	0.0	0.0	0.0	18.1	16.3	15.2
Per share measures							
Number of shares	40,549	40,549	40,621	40,571	40,571	40,571	40,571
Number of shares (diluted)	40,549	40,549	40,621	40,571	40,571	40,571	40,571
EPS	0.33	0.60	0.56	0.58	0.64	0.70	0.75
Operating cash flow per share	0.68	0.89	0.50	0.71	1.07	1.05	0.99
Free cash flow per share	0.34	0.77	0.25	0.46	0.82	0.76	0.69
Book value per share	1.29	1.71	1.36	1.62	1.89	2.18	2.47
Dividend per share	0.20	0.72	0.34	0.37	0.41	0.46	0.49
Dividend payout ratio, %	60.9	119.6	60.4	63.6	65.0	65.0	65.0
Dividend yield, %	2.2	4.2	3.9	3.0	3.4	3.7	4.0
FCF yield, %	3.7	4.5	2.9	3.5	6.7	6.2	5.6
Efficiency measures							
ROE	29.2	40.1	36.6	39.0	36.3	34.6	32.4
ROCE	22.9	33.0	32.4	33.9	32.5	32.2	30.9
Financial ratios							
Inventories as % of sales	18.2	17.1	20.3	16.8	19.0	18.0	18.0
Receivables as % of sales	6.6	7.9	7.2	11.3	7.0	7.0	7.0
Non-interest bearing liabilities as % of sales	17.9	18.6	14.9	14.1	16.0	18.0	18.0
NWC/sales, %	6.8	6.4	12.6	14.0	10.0	7.0	7.0
Operative CAPEX/sales, %	11.2	3.1	5.9	5.7	5.6	6.1	5.9
CAPEX/sales (incl. acquisitions), %	11.2	3.1	5.9	5.7	5.6	6.1	5.9
FCFF/EBITDA	0.8	0.8	0.5	0.7	1.0	0.9	0.8
Net debt/EBITDA, book-weighted	-0.1	-0.6	0.0	-0.1	-0.5	-0.8	-0.9
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	45.7	52.2	48.4	53.3	54.5	55.3	57.6
Gearing, %	-3.2	-38.9	2.3	-6.3	-29.5	-41.4	-45.8

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	62.487	12.5%
Keskinäinen työeläkevakuutusyhtiö Varma	1,929,600	23.695	4.8%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,926,940	23.663	4.7%
Ehnrooth Sophia	1,651,885	20.285	4.1%
Sr Evli Suomi Pienyhtiöt	1,066,418	13.096	2.6%
Sr Nordea Nordic Small Cap	999,425	12.273	2.5%
Oy Talcom Ab	505,000	6.201	1.2%
Oy Etra Invest Ab	500,000	6.140	1.2%
Keskinäinen Työeläkevakuutusyhtiö Elo	485,000	5.956	1.2%
Alahuhta Matti	436,050	5.355	1.1%
Ten largest	14,588,818	179.151	36%
Residual	25,982,562	319.066	64%
Total	40,571,380	498.217	100%

EARNINGS CALENDAR

February 15, 2024	FY 2023 Results
May 15, 2024	Q1 report
August 15, 2024	Q2 report
November 07, 2024	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Elina Anckar	Tel: +358 9 75 871
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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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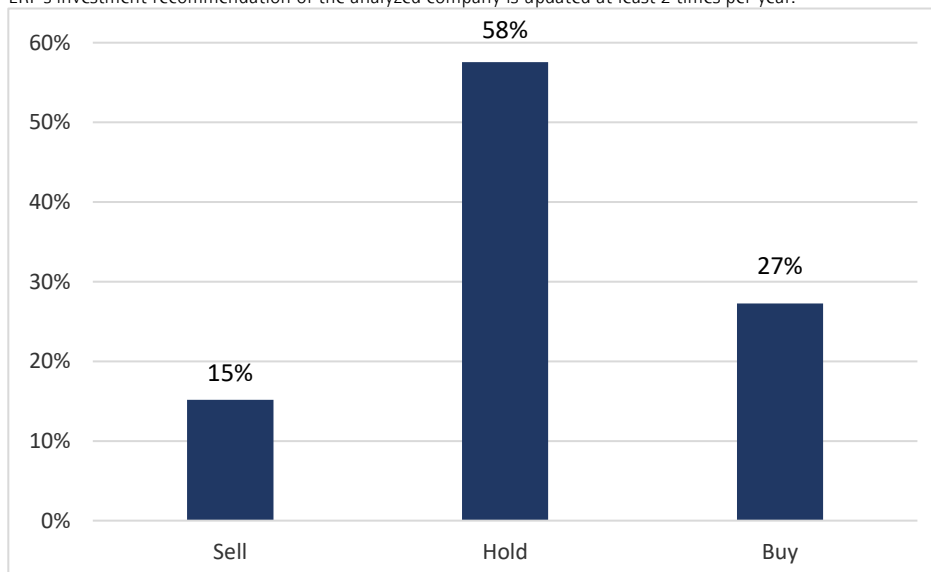
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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