

Flat sales expected for Q1

Marimekko reports its Q1/24 figures 15th of May. We expect flat sales year-on-year and slightly lower EBIT as we model higher OPEX driven by increased fixed costs and overall cost inflation.

Domestic market remains challenging for 2024E ...

Marimekko continues to face challenging market conditions in the domestic market as the Finnish consumer confidence has stayed at a relatively low level. Consumer spending in Finland is estimated to grow in 2024E yet the growth is still largely led by spending on services. Based on estimates by ETLA Economic Research, the consumer spending for categories important for Marimekko, semi-durable and durable goods, is expected to stay level on real terms (durable goods) and to grow by 0.2% y/y (semi-durable goods). While the spending on semi and durable goods is expected to be flattish in 2024E, the spending is estimated to increase more rapidly in 2025E with 1.6% y/y real growth on semi-durable goods and 3.2% on durable goods.

... therefore, growth relies on international markets

We continue to estimate growth from APAC for the entire FY 2024. In addition to projected growth from new openings, we expect continued like-for-like growth for Marimekko's store fleet. In addition to APAC, we expect growth also in the other international markets for FY. In Finland, we expect sales decline for H1 while for the whole year, we expect flattish sales development. For the first quarter, we estimate net sales to be roughly in line with Q1/23. In terms of profitability, we expect the gross margin to have stayed roughly at the level of last year during the first quarter. We expect higher OPEX for Q1 driven by increased fixed costs and general cost inflation. We maintain our Q1 forecasts at EUR 35.4m in net sales and EUR 3.3m in EBIT.

HOLD with a TP of EUR 12.0 (EUR 11.5)

While our estimates remain unchanged for 2024E, we adjust TP back to EUR 12.0 (prev. EUR 11.5) driven by higher multiples for the Luxury goods peer group and slight positive estimate adjustments for 2025E and beyond. Our TP values Marimekko at 14-12x 2024-2025E EV/EBIT, in line with the median EV/EBIT for the Premium and Luxury Goods peer groups combined.

Rating

HOLD



Share price, EUR (Last trading day's) 12.92
Target price, EUR 12.0

Latest change in 11-Feb-23
Latest report on 15-Feb-24
Research paid by YES
No. of shares 40,571
No. of shares fully 40,571
Market cap, EURm 524
Free float, % 74.0
Exchange rate 0.000
Reuters code MEKKO.HE
Bloomberg code MEKKO FH
Average daily 0.0
Next interim report 15-May-24
Web site company.marimekko.com/en/investors

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BUY HOLD SELL

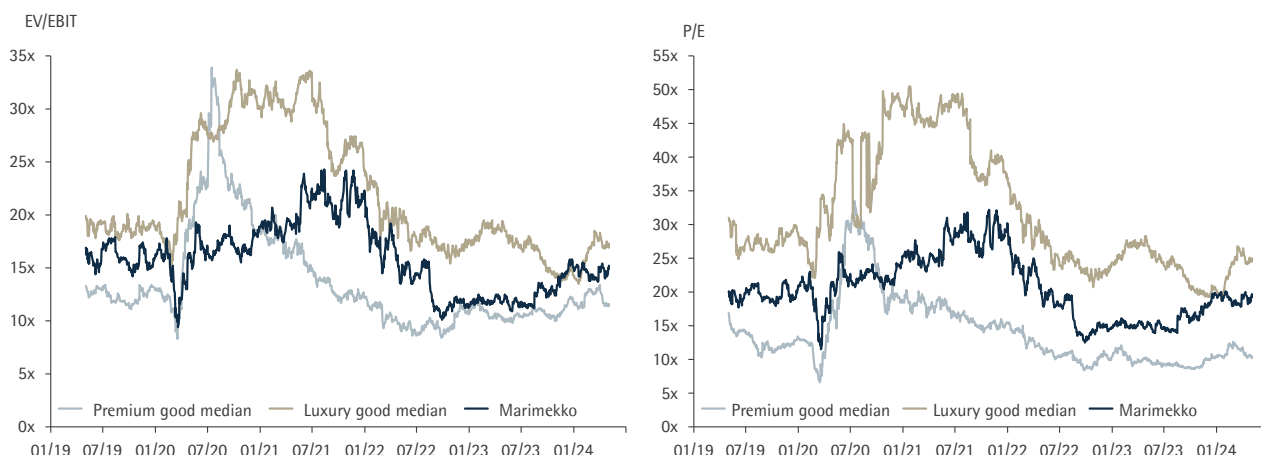
KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
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	22.9	3.1	17.1	3.5	0.37
2024E	181.9	33.0	18.2%	33.4	0.64	20.3	2.8	15.2	6.4	0.38
2025E	195.9	38.3	19.5%	31.9	0.74	17.4	2.5	12.7	6.1	0.48
2026E	205.7	39.1	19.0%	28.3	0.76	16.9	2.3	12.2	5.4	0.50

Market cap, EURm	524	Gearing 2024E, %	-29.5	CAGR EPS 2023-26, %	9.4
Net debt 2024E, EURm	-23	Price/book 2024E	6.8	CAGR sales 2023-26, %	5.7
Enterprise value, EURm	502	Dividend yield 2024E, %	3.0	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.

Figure 1: FWD EV/EBIT (lhs) & P/E (rhs) Marimekko vs. Premium & Luxury good peer group median, past 5 years



Source: Factset, Evli Research

Table 1: Peer group

MARIMEKKO PEER GROUP	MCAP	EV/EBITDA			EV/EBIT			P/E			Div. yield		
PREMIUM GOODS	MEUR	24	25	26	24	25	26	24	25	26	24	25	26
Bjorn Borg	106	8.1x	7.1x	6.9x	9.9x	8.4x	8.0x	12.6x	10.4x	10.0x	6.1 %	6.5 %	6.7 %
HUGO BOSS	3363	5.4x	4.7x	4.3x	9.9x	8.2x	7.3x	11.9x	9.7x	8.6x	3.0 %	3.9 %	4.4 %
Capri Holdings	3863	9.8x	9.0x		12.8x	11.3x		8.5x	7.7x		0.0 %	0.0 %	
Ralph Lauren	9893	10.6x	9.7x	8.8x	13.4x	12.1x	10.7x	15.1x	13.4x	11.6x	1.8 %	2.0 %	2.2 %
PVH	6066	8.3x	7.8x	7.4x	11.1x	10.2x	9.4x	10.4x	9.1x	7.9x	0.1 %	0.1 %	0.1 %
Guess	1326	8.6x	8.2x	7.4x	10.8x	10.3x	9.6x	9.3x	8.5x	7.6x	12.2 %	5.3 %	4.7 %
VF	4553	10.3x	9.2x	8.3x	14.2x	12.2x	10.7x	10.1x	8.0x	6.7x	3.5 %	2.5 %	2.9 %
Peer Group Average	46668	8.7x	8.0x	7.2x	11.7x	10.4x	9.3x	11.1x	9.5x	8.7x	3.8 %	2.9 %	3.5 %
Peer Group Median	5484	8.6x	8.2x	7.4x	11.1x	10.3x	9.5x	10.4x	9.1x	8.2x	3.0 %	2.5 %	3.7 %
Marimekko (Evli est.)	482	11.9x	10.2x	9.7x	15.2x	12.7x	12.2x	20.3x	17.4x	16.9x	3.0 %	3.7 %	3.8 %
<i>Marimekko prem./disc. to peer median</i>		39%	24%	31%	37%	24%	29%	96%	92%	106%	-3%	48%	4%

MARIMEKKO PEER GROUP	MCAP	EV/EBITDA			EV/EBIT			P/E			Div. yield		
LUXURY GOODS	MEUR	24	25	26	24	25	26	24	25	26	23	24	25
Brunello Cucinelli	6642	19.6x	17.7x	16.6x	33.9x	30.2x	26.9x	52.2x	45.6x	40.0x	1.0 %	1.2 %	1.3 %
Burberry Group	4902	6.9x	6.5x	6.4x	12.8x	11.5x	11.0x	15.0x	13.5x	12.6x	4.3 %	4.6 %	4.8 %
Hermes International	237527	32.6x	29.1x	26.1x	36.4x	32.1x	29.0x	50.5x	45.1x	40.3x	0.8 %	0.9 %	1.0 %
LVMH Moet Hennessy Louis Vuitton	388084	14.2x	13.1x	12.0x	17.7x	16.1x	14.9x	24.3x	22.0x	20.2x	1.8 %	2.0 %	2.2 %
Moncler	17516	13.4x	12.0x	11.2x	17.9x	16.0x	14.4x	26.4x	23.6x	21.1x	1.9 %	2.0 %	2.3 %
Prada	19593	11.1x	10.1x	9.4x	17.8x	15.8x	14.3x	25.1x	22.2x	19.9x	2.2 %	2.4 %	2.6 %
Salvatore Ferragamo	1575	8.6x	7.8x	7.1x	33.9x	24.5x	20.4x	64.7x	38.3x	30.1x	0.8 %	1.5 %	2.0 %
Kering	40611	10.6x	9.2x	8.4x	15.6x	13.3x	11.7x	18.8x	15.8x	13.6x	3.3 %	3.7 %	4.0 %
Canada Goose Holdings	1069	7.6x	7.5x		12.7x	11.7x		15.5x	13.4x	10.2x	0.0 %	0.0 %	
Peer Group Average	46668	13.8x	12.6x	12.2x	22.1x	19.0x	17.8x	32.5x	26.6x	23.1x	1.8 %	2.0 %	2.5 %
Peer Group Median	5484	11.1x	10.1x	10.3x	17.8x	16.0x	14.6x	25.1x	22.2x	20.2x	1.8 %	2.0 %	2.3 %
Marimekko (Evli est.)	482	11.9x	10.2x	9.7x	15.2x	12.7x	12.2x	20.3x	17.4x	16.9x	3.0 %	3.7 %	3.8 %
<i>Marimekko prem./disc. to peer median</i>		8%	0%	-6%	-15%	-21%	-17%	-19%	-22%	-16%	62%	88%	70%

MARIMEKKO PEER GROUP	MCAP	EV/EBITDA			EV/EBIT			P/E			Div. yield		
PREMIUM & LUXURY GOODS	MEUR	24	25	26	24	25	26	24	25	26	23	24	25
Peer Group Average	46668	11.6x	10.5x	10.0x	17.5x	15.2x	14.2x	23.2x	19.2x	17.4x	2.7 %	2.4 %	3.0 %
Peer Group Median	5484	10.1x	9.1x	8.3x	13.8x	12.1x	11.4x	15.3x	13.5x	12.6x	1.9 %	2.0 %	2.5 %
Marimekko (Evli est.)	482	11.9x	10.2x	9.7x	15.2x	12.7x	12.2x	20.3x	17.4x	16.9x	3.0 %	3.7 %	3.8 %
<i>Marimekko prem./disc. to peer median</i>		19%	12%	16%	10%	4%	7%	33%	29%	35%	57%	85%	54%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	12.92 PV of Free Cash Flow	307 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	18.53 PV of Horizon value	456 WACC, %	7.5 Market risk premium, %	5.8
Share price potential, %	43.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	20.4 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient	0.80
Minimum value	17.0 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %	20
Horizon value, %	59.8 Value of stock	752 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	196	206	216	227	234	241	248	255	260	266
<i>Sales growth, %</i>	<i>4.6</i>	<i>4.5</i>	<i>7.7</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	38	39	40	42	43	45	46	47	48	49
<i>Operating income margin, %</i>	<i>18.0</i>	<i>18.2</i>	<i>19.5</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	13	13	13	
EBITDA	41	42	48	49	51	53	55	57	58	60	61	
- Paid taxes	-7	-4	-8	-8	-8	-8	-9	-9	-9	-9	-10	
- Change in NWC	-3	6	4	-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>6.3</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	43	39	40	42	44	45	47	48	49	917
= Discounted FCFF		41	38	32	31	30	29	28	27	26	25	456
= DFCF min WACC		41	38	33	31	31	30	29	28	27	26	525
= DFCF max WACC		41	38	32	30	29	29	27	26	25	24	400

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	195.9	205.7
EBITDA	6.1	8.8	15.2	10.4	40.5	5.5	8.5	15.5	12.6	42.0	47.8	49.3
<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>24.4</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	38.3	39.1
<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>19.5</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	37.7	38.7
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-0.6	-1.2	-2.6	-2.0	-6.4	-7.5	-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	30.2	30.9
EPS	0.06	0.12	0.25	0.15	0.58	0.06	0.12	0.26	0.20	0.64	0.74	0.76
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	0.74	0.76
Dividend per share	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.00	0.00	0.38	0.48	0.50
SALES, EURm												
Finland	18.0	22.2	28.2	30.5	98.9	16.9	22.1	29.0	31.6	99.6	104.6	109.8
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	195.9	205.7
SALES GROWTH, Y/Y %												
<i>Finland</i>	<i>-2.7</i>	<i>-3.5</i>	<i>5.7</i>	<i>1.5</i>	<i>0.7</i>	<i>-6.2</i>	<i>-0.4</i>	<i>2.8</i>	<i>3.6</i>	<i>0.7</i>	<i>5.0</i>	<i>5.0</i>
<i>Scandinavia</i>	<i>15.6</i>	<i>0.9</i>	<i>23.8</i>	<i>6.1</i>	<i>11.5</i>	<i>-0.9</i>	<i>4.7</i>	<i>3.6</i>	<i>3.3</i>	<i>2.7</i>	<i>2.5</i>	<i>5.0</i>
<i>EMEA</i>	<i>-30.6</i>	<i>18.7</i>	<i>-3.5</i>	<i>-4.4</i>	<i>-8.5</i>	<i>14.2</i>	<i>2.7</i>	<i>12.7</i>	<i>17.2</i>	<i>11.6</i>	<i>7.2</i>	<i>5.0</i>
<i>North America</i>	<i>-10.6</i>	<i>28.5</i>	<i>35.7</i>	<i>23.1</i>	<i>19.7</i>	<i>7.5</i>	<i>10.7</i>	<i>4.8</i>	<i>6.2</i>	<i>7.3</i>	<i>7.7</i>	<i>5.0</i>
<i>Asia Pacific</i>	<i>15.6</i>	<i>28.5</i>	<i>11.0</i>	<i>14.1</i>	<i>16.9</i>	<i>7.7</i>	<i>4.0</i>	<i>17.5</i>	<i>19.2</i>	<i>12.3</i>	<i>16.5</i>	<i>5.0</i>
Total	-2.1	6.1	8.6	4.6	4.6	0.4	1.9	6.6	7.4	4.5	7.7	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	20.9
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	38.3	0.0
Total	3.8	6.6	12.9	8.1	31.4	3.3	6.3	13.3	10.3	33.0	38.3	39.1
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	10.8	16.4	27.0	15.9	18.0	9.2	15.2	26.0	18.9	18.2	19.5	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	195.9	205.7
<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>7.7</i>	<i>5.0</i>
EBITDA	29.7	31.3	43.3	40.1	40.5	42.0	47.8	49.3
<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>24.4</i>	<i>24.0</i>
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.0	-9.5	-10.2
EBITA	17.1	18.8	31.3	30.4	31.4	33.0	38.3	39.1
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	38.3	39.1
<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>19.5</i>	<i>19.0</i>
Reported EBIT	17.1	18.0	31.3	30.4	31.4	33.0	38.3	39.1
<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>19.5</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	37.7	38.7
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.4	-7.5	-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	30.2	30.9
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	73	83
Total assets	97	114	133	115	123	141	163	177
Liabilities								
Shareholder's equity	39	52	69	55	66	77	91	103
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	163	177
CASH FLOW, EURm								
+ EBITDA	30	31	43	40	41	42	48	49
- Net financial items	-1	-2	18	-27	-2	-1	-1	0
- Taxes	-3	-6	-4	-6	-7	-4	-8	-8
- Increase in Net Working Capital	3	3	-2	-11	-3	6	4	-1
+/- Other	0	0	-19	24	0	0	0	0
= Cash flow from operations	29	27	36	20	29	44	44	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	32	28
+/- New issues/buybacks	1	8	1	-8	1	0	0	0
- Paid dividend	-15	-7	-8	-29	-14	-15	-15	-20
+/- Other	-1	0	-5	0	-1	0	2	1
Change in cash	3	15	19	-27	4	18	18	9

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	524	524	524
Net debt (excl. convertibles)	-2	-27	1	-4	-23	-39	-48
Enterprise value	368	664	357	536	502	485	477
Sales	124	152	167	174	182	196	206
EBITDA	31	43	40	41	42	48	49
EBIT	19	31	30	31	33	38	39
Pre-tax	17	31	29	30	32	38	39
Earnings	13	24	23	24	26	30	31
Equity book value (excl. minorities)	52	69	55	66	77	91	103
Valuation multiples							
EV/sales	3.0	4.4	2.1	3.1	2.8	2.5	2.3
EV/EBITDA	11.7	15.3	8.9	13.2	11.9	10.2	9.7
EV/EBITA	19.6	21.2	11.8	17.1	15.2	12.7	12.2
EV/EBIT	19.6	21.2	11.8	17.1	15.2	12.7	12.2
EV/OCF	13.4	18.5	17.7	18.7	11.5	11.0	11.8
EV/FCFF	14.2	18.8	17.9	18.7	11.7	11.3	12.2
P/FCFE	135.3	110.9	34.6	28.9	15.7	16.5	18.5
P/E	27.8	28.3	15.6	22.9	20.3	17.4	16.9
P/B	7.1	10.0	6.4	8.2	6.8	5.7	5.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	11.1	9.4	8.9
Target EV/EBIT	0.0	0.0	0.0	0.0	14.0	11.7	11.2
Target EV/FCF	0.0	0.0	0.0	0.0	13.9	14.1	15.5
Target P/B	0.0	0.0	0.0	0.0	6.4	5.3	4.7
Target P/E	0.0	0.0	0.0	0.0	18.9	16.1	15.7
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	0.74	0.76
Operating cash flow per share	0.68	0.89	0.50	0.71	1.07	1.09	1.00
Free cash flow per share	0.34	0.77	0.25	0.46	0.82	0.79	0.70
Book value per share	1.29	1.71	1.36	1.62	1.89	2.25	2.53
Dividend per share	0.20	0.72	0.34	0.37	0.38	0.48	0.50
Dividend payout ratio, %	60.9	119.6	60.4	63.6	60.0	65.0	65.0
Dividend yield, %	2.2	4.2	3.9	2.8	3.0	3.7	3.8
FCF yield, %	3.7	4.5	2.9	3.5	6.4	6.1	5.4
Efficiency measures							
ROE	29.2	40.1	36.6	39.0	36.3	36.0	31.9
ROCE	22.9	33.0	32.4	33.9	32.5	33.5	30.6
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	6.3	5.9
CAPEX/sales (incl. acquisitions), %	11.2	3.1	5.9	5.7	5.6	6.3	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	-1.0
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	55.9	57.9
Gearing, %	-3.2	-38.9	2.3	-6.3	-29.5	-42.7	-46.4

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	65.743	12.5%
Ilmarinen Mutual Pension Insurance Company	1,980,440	25.587	4.9%
Varma Mutual Pension Insurance Company	1,929,600	24.930	4.8%
Ehnrooth Sophia	1,651,885	21.342	4.1%
Nordea Nordic Small Cap Fund	999,425	12.913	2.5%
Evli Finnish Small Cap Fund	952,961	12.312	2.3%
Elo Mutual Pension Insurance Company	587,395	7.589	1.4%
Oy Talcom Ab	505,000	6.525	1.2%
Oy Etra Invest Ab	500,000	6.460	1.2%
Alahuhta Matti Juhani	436,050	5.634	1.1%
Ten largest	14,631,256	189.036	36%
Residual	25,940,124	335.146	64%
Total	40,571,380	524.182	100%

EARNINGS CALENDAR

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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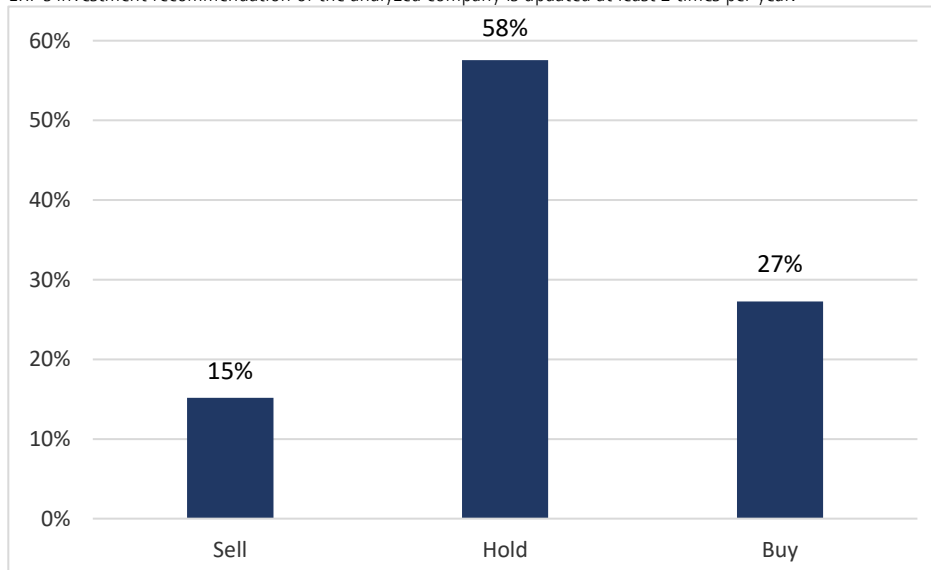
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Investment recommendations are defined as follows:

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

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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

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