

Q4 result as expected

Marimekko's Q4 net sales increased by 17% and amounted to EUR 34.7m vs. EUR 34.6m/34.3m Evli/cons. Adj. EBIT was EUR 3.0m vs. EUR 2.9m/3.0m Evli/cons. In 2020E, revenue is expected to be higher than in the previous year while adj. EBIT is estimated to be approximately at the same level or higher than in the previous year.

- Finland: revenue was EUR 21.9m vs. EUR 21.0m Evli view. Revenue increased by 20%.
- International: revenue was EUR 12.8m vs. EUR 13.6m Evli view. Revenue increased by 12%.
- Retail sales increased by 16%. Wholesale sales increased by 15%. Growth came primarily from retail and wholesale sales in Finland as well as increased wholesale sales and licensing income in the Asia-Pacific region.
- Q4 adj. EBIT was EUR 3.0m (8.7% margin) vs. EUR 2.9m/3.0m (8.4%/8.8% margin) Evli/cons. Profitability was boosted by sales growth whereas higher fixed costs had a negative impact on result.
- Q4 EPS was EUR 0.26 vs. EUR 0.29/0.28 Evli/cons.
- Proposal for '19 dividend: EUR 0.90 vs. EUR 1.14/1.08 Evli/cons.
- Guidance for 2020E: revenue is expected to be higher than in the previous year while adj. EBIT is estimated to be approximately at the same level or higher than in the previous year.

Rating

 HOLD

Marimekko Q42019	Actual	Evli	Cons	Year ago
Net sales	34.7	34.6	34.3	29.7
EBIT ex NRI	3.0	2.9	3.0	1.6
EBIT-margin	8.7 %	8.4 %	8.8 %	5.4 %
EPS (reported)	0.26	0.29	0.28	0.11
DPS	0.9	1.14	1.08	1.85

**Bloomberg (3-4 estimates mean)*

Share price, EUR (Last trading day's closing price) 42.10

Target price, EUR 39.0

Latest change in rating 17-May-19

Latest report on company 04-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 8,130

No. of shares fully diluted, '000's 8,130

Market cap, EURm 342

Free float, % 84.0

Exchange rate 0.000

Reuters code MM01V.HE

Bloomberg code MM01V.FH

Average daily volume, EURm na.

Next interim report 13-Feb-20

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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
2017	102.3	8.6	8.4%	8.8	0.73	13.8	0.8	9.2	10.8	0.50
2018	111.9	12.2	10.9%	21.7	1.01	20.5	1.6	14.9	12.9	1.85
2019E	125.3	17.0	13.6%	12.0	1.62	26.0	2.9	21.1	3.5	1.14
2020E	135.5	20.5	15.1%	12.3	1.92	21.9	2.6	17.4	3.6	1.34
2021E	146.3	22.2	15.2%	15.9	2.11	20.0	2.4	15.7	4.6	1.48

Market cap, EURm	342	BV per share 2019E, EUR	40.9	CAGR EPS 2018-21, %	27.7
Net debt 2019E, EURm	16	Price/book 2019E	8.8	CAGR sales 2018-21, %	9.4
Enterprise value, EURm	358	Dividend yield 2019E, %	2.7	ROE 2019E, %	33.4
Total assets 2019E, EURm	99	Tax rate 2019E, %	19.2	ROCE 2019E, %	22.1
Goodwill 2019E, EURm	0	Equity ratio 2019E, %	39.4	PEG, P/E 19/CAGR	2.3

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

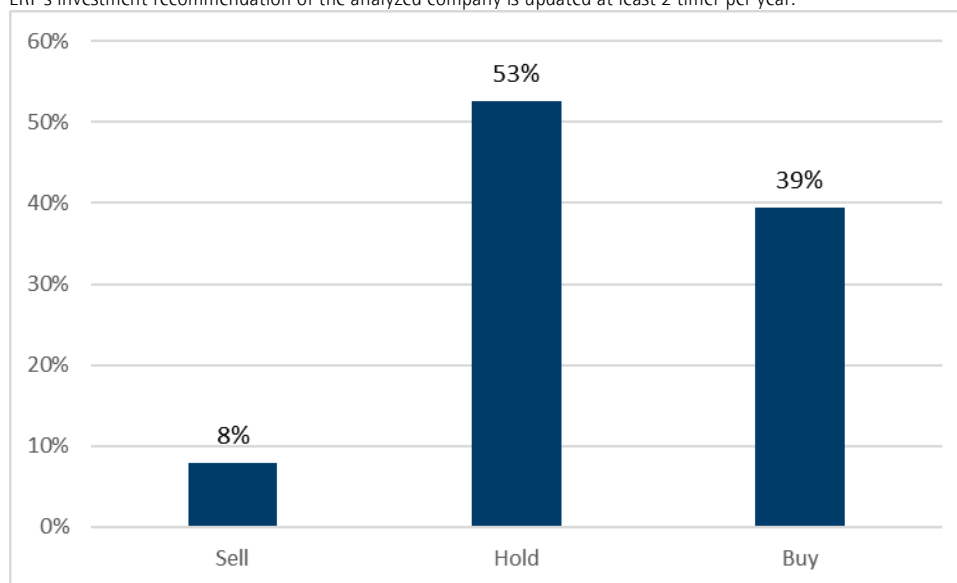
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Investment recommendations are defined as follows:

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

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

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February 13, 2020

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