

## First wave survived

Considering the circumstances, Marimekko delivered relatively good Q2 result. Net sales decreased by 20% y/y and amounted EUR 23.3m vs. EUR 18.3m/19.8m Evli/cons. Adj. EBIT clearly beat expectations and was EUR 2.7m vs. EUR 0.6m/0.5m Evli/cons. We keep our rating "HOLD" with TP of EUR 32 (24).

### Relatively good result, considering the circumstances

Marimekko's Q2 net sales were down by 20% y/y and totaled EUR 23.3m (EUR 18.3m/19.8m Evli/cons). Especially retail sales in Finland, Scandinavia and North America faced headwind amid the pandemic but also wholesale sales in the APAC region declined. At the same time, licensing income in the APAC region boosted sales. Adj. EBIT clearly beat estimates and was EUR 2.7m vs. EUR 0.6m/0.5m Evli/cons. Profitability was weighed down by lower net sales and declined relative sales margin (sales margin was negatively impacted by increased logistics costs and bigger discounts). In the early stage of the pandemic situation, the company implemented cost saving measures resulting in decreased fixed costs in Q2. Guidance for 20E was not given.

### Sales and earnings depending on the pandemic situation

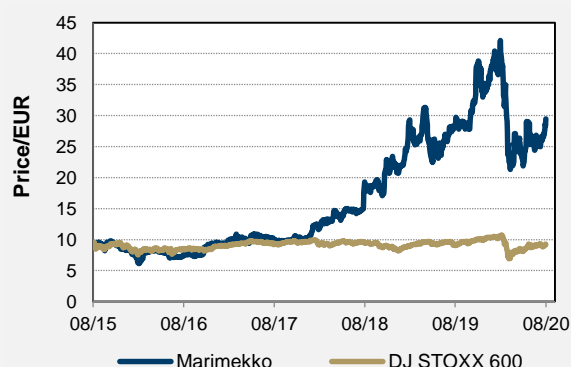
Even though the Q2 result beat the expectations, the uncertainties hover over the H2'20. Despite of the strong online sales growth (more precise information not disclosed), it is vital especially for the retail stores to remain open. In the case of new infection waves, we expect the customers to become even more price sensitive and cautious with their purchases, impacting negatively on sales. This could also have an impact on the partners' behavior. However, we expect the mentality of "support your local" among the Finnish consumers to continue, supporting domestic sales together with nonrecurring promotional deliveries of which majority will take place in H2'20E. Marimekko is also planning to reorganize its operations and initiates cooperation negotiations. The aim is to seek annual cost savings of approx. EUR 1.5m.

### "HOLD" with TP of EUR 32.0 (24.0)

After the Q2 result we have increased our 20E revenue estimate by ~6% (EUR 116m) and our adj. EBIT estimate by ~27% (EUR 13.7m). We have also slightly increased our 21E-22E estimates. However, we note that there are significant uncertainties not only with our 20E estimates but also with our 21E estimates. On our estimates, Marimekko trades at 20E-21E EV/EBIT multiple of 18.1x and 13.5x, which translates into a clear discount compared to the luxury peers. We keep our rating "HOLD" with TP of EUR 32.0 (24.0).

## Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 29.45

Target price, EUR 32.0

Latest change in rating 15-May-20

Latest report on company 15-May-20

Research paid by issuer: YES

No. of shares outstanding, 8,110

No. of shares fully diluted, 8,110

Market cap, EURm 239

Free float, % 68.4

Exchange rate 0.000

Reuters code MM01V.HE

Bloomberg code MM01V.FH

Average daily volume, EURm na.

Next interim report 04-Nov-20

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■ BUY ■ HOLD ■ SELL

## KEY FIGURES

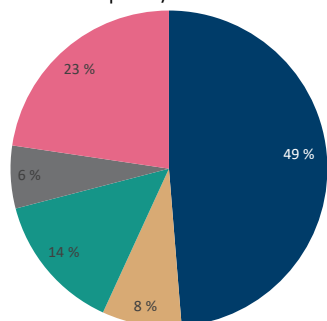
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	111.9	12.2	10.9%	21.7	1.01	20.5	1.6	14.9	12.9	1.85
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.90
2020E	115.7	13.7	11.9%	9.3	1.19	24.7	2.2	18.1	3.9	0.72
2021E	129.4	18.0	13.9%	12.7	1.67	17.6	1.9	13.5	5.3	1.00
2022E	137.4	19.7	14.3%	8.2	1.84	16.0	1.8	12.3	3.4	1.10
Market cap, EURm	239			Gearing 2020E, %	24.1			CAGR EPS 2019-22, %	4.7	
Net debt 2020E, EURm	10			Price/book 2020E	5.8			CAGR sales 2019-22, %	3.1	
Enterprise value, EURm	249			Dividend yield 2020E, %	2.4			ROE 2020E, %	24.2	
Total assets 2020E, EURm	93			Tax rate 2020E, %	20.7			ROCE 2020E, %	18.5	
Goodwill 2020E, EURm	0			Equity ratio 2020E, %	44.3			PEG, P/E 20/CAGR	1.3	

Estimates

Marimekko estimates	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	2019				FY2019	2020E				FY2020E	FY2021E
							Q1	Q2	Q3	Q4		Q1	Q2	Q3E	Q4E		
<b>Finland</b>																	
Retail revenue	35.1	35.4	37.6	38.9	40.8	45.1	8.5	13.3	14.6	15.5	51.9	8.9	7.8	13.6	15.5	45.8	54.2
Wholesale revenue	16.5	16.2	14.7	16.6	14.6	18.3	4.2	3.5	5.0	6.4	19.0	4.6	3.6	5.7	7.3	21.3	20.5
License revenue	0.6	0.4	0.4	0.3	0.2	0.2	0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.1	0.1	0.1
<b>Total</b>	<b>52.2</b>	<b>52.0</b>	<b>52.7</b>	<b>55.8</b>	<b>55.7</b>	<b>63.5</b>	<b>12.8</b>	<b>16.8</b>	<b>19.7</b>	<b>21.9</b>	<b>71.2</b>	<b>13.6</b>	<b>11.4</b>	<b>19.3</b>	<b>22.9</b>	<b>67.2</b>	<b>74.8</b>
<b>Scandinavia</b>																	
Retail revenue	4.4	5.2	4.8	5.0	5.1	5.3	1.2	1.3	1.5	1.5	5.4	1.0	0.8	1.2	1.4	4.5	5.4
Wholesale revenue	3.8	3.3	2.9	2.9	3.4	3.7	1.0	0.8	1.0	1.1	3.9	1.0	1.1	1.0	1.2	4.3	4.6
License revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>8.2</b>	<b>8.5</b>	<b>7.8</b>	<b>7.9</b>	<b>8.5</b>	<b>9.0</b>	<b>2.1</b>	<b>2.1</b>	<b>2.5</b>	<b>2.6</b>	<b>9.3</b>	<b>2.1</b>	<b>1.9</b>	<b>2.2</b>	<b>2.6</b>	<b>8.8</b>	<b>10.0</b>
<b>EMEA</b>																	
Retail revenue	1.4	1.5	1.2	1.1	1.1	1.5	0.4	0.4	0.3	0.5	1.6	0.4	0.7	0.4	0.5	2.0	2.2
Wholesale revenue	6.2	5.9	6.9	7.8	8.3	8.4	3.0	2.7	2.3	1.9	10.0	2.2	2.4	2.1	1.8	8.6	9.7
License revenue	0.1	0.2	0.2	0.3	0.3	0.4	0.1	0.1	0.1	0.2	0.4	0.1	0.1	0.2	0.2	0.5	0.5
<b>Total</b>	<b>7.7</b>	<b>7.5</b>	<b>8.3</b>	<b>9.2</b>	<b>9.7</b>	<b>10.3</b>	<b>3.5</b>	<b>3.2</b>	<b>2.8</b>	<b>2.6</b>	<b>12.0</b>	<b>2.7</b>	<b>3.3</b>	<b>2.7</b>	<b>2.5</b>	<b>11.1</b>	<b>12.4</b>
<b>North America</b>																	
Retail revenue	5.6	6.0	5.9	5.2	5.3	5.2	1.0	1.5	1.7	1.7	5.8	1.0	0.8	1.3	1.7	4.8	5.8
Wholesale revenue	2.5	2.0	2.4	2.2	2.5	2.7	0.6	0.5	0.6	0.3	2.0	0.7	0.6	0.6	0.3	2.3	2.4
License revenue	0.4	0.6	1.0	0.5	0.5	0.3	0.3	0.1	0.1	0.0	0.5	0.0	0.0	0.1	0.1	0.2	0.2
<b>Total</b>	<b>8.5</b>	<b>8.6</b>	<b>9.2</b>	<b>7.9</b>	<b>8.3</b>	<b>8.2</b>	<b>1.9</b>	<b>2.0</b>	<b>2.3</b>	<b>2.0</b>	<b>8.3</b>	<b>1.6</b>	<b>1.5</b>	<b>2.0</b>	<b>2.1</b>	<b>7.3</b>	<b>8.4</b>
<b>APAC</b>																	
Retail revenue	2.3	2.7	3.2	3.5	4.0	4.0	1.0	1.0	1.0	1.3	4.4	0.9	0.9	1.0	1.3	4.1	4.7
Wholesale revenue	15.2	14.9	14.5	15.4	15.5	16.4	5.8	4.1	5.0	3.8	18.7	4.1	3.4	4.7	3.6	15.8	18.5
License revenue	0.0	0.0	0.0	0.0	0.6	0.4	0.0	0.0	1.2	0.4	1.6	0.0	1.0	0.2	0.2	1.4	0.4
<b>Total</b>	<b>17.5</b>	<b>17.5</b>	<b>17.7</b>	<b>18.8</b>	<b>20.2</b>	<b>20.8</b>	<b>6.8</b>	<b>5.1</b>	<b>7.2</b>	<b>5.6</b>	<b>24.7</b>	<b>4.9</b>	<b>5.3</b>	<b>6.0</b>	<b>5.2</b>	<b>21.4</b>	<b>23.7</b>
<b>REVENUE SPLIT</b>																	
Finland	52.2	52.0	52.7	55.8	55.7	63.5	12.8	16.8	19.7	21.9	71.2	13.6	11.4	19.3	22.9	67.2	74.8
International	41.9	42.1	43.0	43.8	46.6	48.3	14.3	12.4	14.8	12.8	54.3	11.3	11.9	12.9	12.4	48.5	54.5
Finland growth (%)	0%	0%	1%	6%	0%	14%	7%	4%	14%	20%	12%	6%	-32%	-2%	4%	-6%	11%
International growth (%)	16%	1%	2%	2%	6%	4%	18%	2%	17%	12%	12%	-21%	-3%	-13%	-3%	-11%	12%
<b>REVENUE SPLIT</b>																	
Retail	48.8	50.7	52.7	53.6	56.3	61.1	12.1	17.4	19.2	20.4	69.1	12.1	11.0	17.5	20.5	61.2	72.3
Wholesale	44.2	42.2	41.4	44.9	44.4	49.5	14.5	11.5	13.9	13.6	53.6	12.6	11.2	14.2	14.2	52.2	55.8
License	1.1	1.2	1.6	1.1	1.6	1.3	0.5	0.2	1.4	0.7	2.7	0.1	1.1	0.5	0.5	2.3	1.2
Retail growth (%)	12%	4%	4%	2%	5%	8%	11%	9%	16%	16%	13%	0%	-37%	-8%	0%	-11%	18%
Wholesale growth (%)	1%	-4%	-2%	9%	-1%	12%	15%	-3%	6%	15%	8%	-13%	-3%	2%	5%	-3%	7%
License growth (%)	-24%	12%	26%	-31%	52%	-22%	-22%	-32%	761%	231%	113%	-71%	501%	-64%	-27%	-17%	-46%
<b>TOTAL REVENUE</b>	<b>94.0</b>	<b>94.2</b>	<b>95.7</b>	<b>99.6</b>	<b>102.3</b>	<b>111.9</b>	<b>27.1</b>	<b>29.1</b>	<b>34.5</b>	<b>34.7</b>	<b>125.4</b>	<b>24.9</b>	<b>23.3</b>	<b>32.2</b>	<b>35.3</b>	<b>115.7</b>	<b>129.4</b>
Growth (%)	6%	0%	2%	4%	3%	9%	12.6%	3.3%	15.5%	16.7%	12%	-8.3%	-20.0%	-6.5%	1.6%	-8%	12%
Raw materials & consumables	-33.5	-32.8	-35.2	-40.2	-37.4	-42.1	-10.2	-9.6	-13.0	-12.6	-45.4	-11.1	-13.2	-13.4	-13.2	-50.9	-48.5
Growth (%)	14%	-2%	7%	14%	-7%	13%	13%	-12%	16%	14%	8%	9%	37%	3.0%	5.0%	12%	-5%
<b>Gross profit</b>	<b>60.5</b>	<b>61.4</b>	<b>60.4</b>	<b>59.4</b>	<b>64.9</b>	<b>69.8</b>	<b>16.9</b>	<b>19.5</b>	<b>21.5</b>	<b>22.1</b>	<b>80.0</b>	<b>13.8</b>	<b>10.1</b>	<b>18.9</b>	<b>22.0</b>	<b>64.7</b>	<b>80.8</b>
Gross margin	64.3%	65.2%	63.2%	59.6%	63.4%	62.4%	62.4%	67.0%	62.4%	63.7%	63.8%	55.3%	43.4%	58.5%	62.5%	56.0%	62.5%
<b>Total OPEX</b>	<b>-54.4</b>	<b>-51.0</b>	<b>-55.1</b>	<b>-53.4</b>	<b>-54.0</b>	<b>-57.3</b>	<b>-12.1</b>	<b>-12.2</b>	<b>-12.1</b>	<b>-14.9</b>	<b>-51.4</b>	<b>-11.4</b>	<b>-8.3</b>	<b>-11.1</b>	<b>-14.3</b>	<b>-45.1</b>	<b>-51.1</b>
Growth (%)	8%	6%	8%	-3%	1%	6%	-9%	-12%	-9%	-11%	-10%	-6%	-32%	-9%	-4%	-12%	13%
% of revenue	8%	5%	5%	5%	5%	5%	44.8%	41.8%	35.2%	43.0%	41%	45.8%	35.6%	34.3%	40.6%	39%	39%
<b>Adj. EBITDA</b>	<b>8.1</b>	<b>10.6</b>	<b>6.2</b>	<b>10.2</b>	<b>12.0</b>	<b>14.6</b>	<b>5.7</b>	<b>6.8</b>	<b>11.0</b>	<b>6.2</b>	<b>29.7</b>	<b>4.4</b>	<b>5.8</b>	<b>9.5</b>	<b>6.8</b>	<b>26.4</b>	<b>31.8</b>
Adj. EBITDA margin	8.6%	11.2%	6.4%	10.2%	11.7%	13.1%	20.9%	23.4%	31.9%	17.9%	23.7%	17.5%	24.8%	29.5%	19.2%	22.8%	24.6%
<b>Adj. EBIT</b>	<b>1.6</b>	<b>6.2</b>	<b>1.5</b>	<b>6.1</b>	<b>8.6</b>	<b>12.2</b>	<b>2.6</b>	<b>3.7</b>	<b>7.8</b>	<b>3.0</b>	<b>17.1</b>	<b>1.2</b>	<b>2.7</b>	<b>6.4</b>	<b>3.5</b>	<b>13.7</b>	<b>18.0</b>
Adj. EBIT margin	1.7%	6.6%	1.6%	6.1%	8.4%	10.9%	9.6%	12.7%	22.7%	8.7%	13.7%	4.9%	11.5%	19.9%	9.8%	11.9%	13.9%

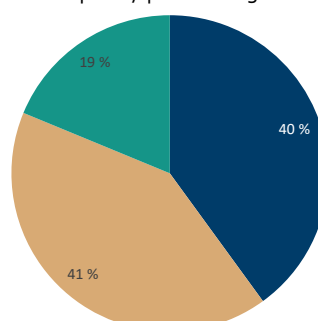
Source: Marimekko, Evli research

Sales split by market area in Q2



Source: Marimekko, Evli Research

Sales split by product segment in Q2



Valuation

MARIMEKKO PEERS	MCAP local FX	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBIT	EV/EBIT	EV/EBIT	P/E	P/E	P/E	Equity ratio		
		20	21	22	20	21	22	20	21	22	20	21	22
<b>Premium goods</b>													
Bjorn Borg AB	368	16.1x	5.7x	4.4x		14.2x	8.7x		13.0x	8.5x	39%	43%	49%
HUGO BOSS AG	1661	7.1x	4.9x	4.2x		13.3x	10.0x		14.5x	10.5x	35%	38%	40%
Capri Holdings Limited	2568	11.9x	4.7x	4.3x	29.0x	6.5x	6.1x	34.0x	5.9x	5.0x	32%	35%	
Ralph Lauren Corporation Class A	5124	11.7x	5.6x	5.7x	32.4x	8.3x	8.0x	46.3x	12.0x	10.9x	37%	39%	36%
Ted Baker PLC	164	40.2x	4.2x	3.2x		16.0x	7.5x		12.3x	9.4x	32%	30%	31%
PVH Corp.	3803	49.6x	6.5x	5.3x		9.8x	7.8x		9.2x	7.2x	39%	40%	43%
Guess?, Inc.	842	282.9x	6.4x			10.5x			11.1x	10.0x			
Joules Group Plc	110	5.7x	4.0x	3.3x	19.0x	9.8x	6.7x	27.0x	15.8x	11.5x	42%	44%	
<b>Luxury goods</b>													
Brunello Cucinelli S.p.A.	1836	25.4x	15.5x	12.7x		39.0x	28.3x		57.0x	38.8x	34%	35%	36%
Burberry Group plc	5736	8.4x	7.0x	6.3x	18.8x	13.0x	11.4x	29.6x	20.6x	18.4x	44%	42%	47%
Hermes International SCA	74120	32.6x	25.0x	21.7x	40.5x	29.8x	25.8x	65.3x	47.9x	41.9x	73%	74%	77%
Moncler SpA	8458	15.4x	11.6x	9.8x	24.3x	16.3x	13.6x	39.8x	27.1x	23.0x	57%	60%	62%
Prada S.p.A.	85209	15.6x	10.8x	9.2x	1 419.1x	36.3x	26.1x		56.3x	38.7x	45%	46%	47%
Salvatore Ferragamo S.p.A.	2068	18.8x	10.5x	8.9x		40.7x	24.8x		81.7x	37.2x	42%	42%	42%
<b>Premium goods median</b>	<b>2114</b>	<b>14.0x</b>	<b>5.3x</b>	<b>4.3x</b>	<b>30.7x</b>	<b>11.6x</b>	<b>7.9x</b>	<b>40.1x</b>	<b>12.2x</b>	<b>9.0x</b>	<b>36%</b>	<b>38%</b>	<b>40%</b>
<b>Luxury goods median</b>		<b>17.2x</b>	<b>11.2x</b>	<b>9.5x</b>	<b>32.4x</b>	<b>33.0x</b>	<b>25.3x</b>	<b>39.8x</b>	<b>52.1x</b>	<b>38.0x</b>	<b>45%</b>	<b>44%</b>	<b>47%</b>
<b>Marimekko (Evli est.)</b>	<b>965</b>	<b>9.4x</b>	<b>7.6x</b>	<b>7.3x</b>	<b>18.1x</b>	<b>13.5x</b>	<b>12.3x</b>	<b>24.7x</b>	<b>17.6x</b>	<b>16.0x</b>	<b>44%</b>	<b>49%</b>	<b>50%</b>
<i>Marimekko premium vs. premium goods median</i>		-33 %	45 %	67 %	-41 %	17 %	55 %	-39 %	45 %	79 %	22 %	27 %	24 %
<b>MARIMEKKO PEERS</b>													
	Ticker	Dividend yield			EBIT margin			ROCE-%			ROE-%		
		20	21	22	20	21	22	20	21	22	20	21	22
<b>Premium goods</b>													
Bjorn Borg AB	BORG-SE				-2.9%	5.6%	7.8%	-3.5%	7.3%	10.6%	-4.4%	10.1%	13.3%
HUGO BOSS AG	BOSS-DE	1.5%	5.7%	7.5%	-2.4%	7.9%	9.7%	-3.1%	11.3%	14.1%	-9.3%	11.0%	13.9%
Capri Holdings Limited	CPRI-US	0.0%	0.0%	0.0%	3.7%	11.8%	11.6%	2.4%	8.9%		3.3%	16.4%	16.0%
Ralph Lauren Corporation Class A	RL-US	1.8%	3.6%	4.5%	3.3%	10.1%	10.5%	2.4%	8.8%	11.4%	4.3%	15.4%	17.6%
Ted Baker PLC	TED-GB	0.0%	0.0%	0.0%	-11.5%	3.0%	5.1%	-14.9%	5.1%	8.5%	-29.0%	7.3%	8.6%
PVH Corp.	PVH-US	0.1%	0.2%	0.2%	-2.5%	6.8%	7.7%	-1.6%	5.6%	7.0%	-4.4%	8.3%	9.3%
Guess?, Inc.	GES-US	2.7%	3.6%		-2.4%	4.8%	5.2%				-23.9%		
Joules Group Plc	JOUL-GB	0.0%	0.0%	0.0%	2.8%	4.6%	5.7%	10.8%	17.1%				
<b>Luxury goods</b>													
Brunello Cucinelli S.p.A.	BC-IT	0.7%	0.9%	1.3%	-0.6%	9.7%	12.1%	-0.6%	10.7%	13.8%	-5.1%	10.9%	14.5%
Burberry Group plc	BRBY-GB	1.4%	2.4%	2.9%	11.6%	14.7%	15.8%	16.4%	25.8%	16.6%	16.7%	21.5%	18.8%
Hermes International SCA	RMS-FR	0.6%	0.7%	0.9%	28.4%	32.6%	33.5%	22.8%	26.4%	26.0%	16.0%	18.6%	18.3%
Moncler SpA	MONC-IT	0.8%	1.4%	1.7%	23.2%	28.5%	29.9%	15.2%	19.6%	20.6%	14.1%	17.9%	18.4%
Prada S.p.A.	1913-HK	0.2%	0.9%	1.7%	0.3%	9.4%	11.9%	0.1%	5.3%	7.0%	-1.3%	5.4%	7.5%
Salvatore Ferragamo S.p.A.	SFER-IT	0.8%	1.2%	1.9%	-3.7%	5.4%	8.4%	-2.9%	4.9%	7.6%	-7.5%	3.4%	7.0%
<b>Premium goods median</b>		<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>-2.4%</b>	<b>7.3%</b>	<b>8.8%</b>	<b>-2.4%</b>	<b>8.0%</b>	<b>10.6%</b>	<b>-4.4%</b>	<b>10.6%</b>	<b>13.6%</b>
<b>Luxury goods median</b>		<b>0.7%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>5.9%</b>	<b>12.2%</b>	<b>14.0%</b>	<b>7.7%</b>	<b>15.2%</b>	<b>15.2%</b>	<b>6.4%</b>	<b>14.4%</b>	<b>16.4%</b>
<b>Marimekko (Evli est.)</b>		<b>3.9%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>11.9%</b>	<b>13.9%</b>	<b>14.3%</b>	<b>18.5%</b>	<b>23.4%</b>	<b>23.3%</b>	<b>24.2%</b>	<b>30.0%</b>	<b>28.5%</b>

Source: Factset, Evli Research

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	27.1	29.2	34.4	34.7	125.4	24.9	23.3	32.2	35.3	115.7	129.4	137.4
EBITDA	5.7	6.8	11.0	6.2	29.7	4.4	5.8	9.5	6.8	26.4	31.8	33.2
<i>EBITDA margin (%)</i>	<i>21.0</i>	<i>23.3</i>	<i>32.0</i>	<i>17.9</i>	<i>23.7</i>	<i>17.7</i>	<i>24.8</i>	<i>29.5</i>	<i>19.2</i>	<i>22.9</i>	<i>24.6</i>	<i>24.2</i>
EBIT	2.6	3.7	7.8	3.0	17.1	1.2	2.7	6.4	3.5	13.7	18.0	19.7
<i>EBIT margin (%)</i>	<i>9.6</i>	<i>12.7</i>	<i>22.7</i>	<i>8.6</i>	<i>13.6</i>	<i>4.8</i>	<i>11.5</i>	<i>19.9</i>	<i>9.8</i>	<i>11.9</i>	<i>13.9</i>	<i>14.3</i>
Net financial items	-0.1	-0.6	0.0	-0.3	-1.0	-1.0	0.1	-0.4	-0.3	-1.5	-1.0	-1.0
Pre-tax profit	2.5	3.1	7.8	2.7	16.1	0.2	2.8	6.0	3.2	12.2	16.9	18.7
Tax	-0.5	-0.6	-1.4	-0.5	-3.1	-0.1	-0.6	-1.2	-0.6	-2.5	-3.4	-3.7
<i>Tax rate (%)</i>	<i>20.6</i>	<i>18.8</i>	<i>18.6</i>	<i>18.7</i>	<i>19.0</i>	<i>25.8</i>	<i>22.7</i>	<i>20.0</i>	<i>20.0</i>	<i>20.7</i>	<i>20.0</i>	<i>20.0</i>
Net profit	2.0	2.5	6.4	2.2	13.0	0.2	2.2	4.8	2.5	9.7	13.5	14.9
EPS	0.24	0.31	0.78	0.27	1.60	0.02	0.27	0.59	0.31	1.19	1.67	1.84
EPS adjusted (diluted no. of shares)	0.24	0.31	0.78	0.27	1.60	0.02	0.27	0.59	0.31	1.19	1.67	1.84
Dividend per share	0.00	0.00	0.00	0.00	0.90	0.00	0.00	0.00	0.00	0.72	1.00	1.10
<b>SALES, EURm</b>												
Finland	12.8	16.8	19.6	21.9	71.1	13.6	11.4	19.3	22.9	67.2	74.9	79.7
Scandinavia	2.1	2.1	2.5	2.6	9.3	2.1	1.9	2.2	2.6	8.8	10.0	10.3
EMEA	3.5	3.2	2.8	2.6	12.1	2.7	3.3	2.7	2.5	11.1	12.4	12.7
North America	1.9	2.0	2.3	2.0	8.2	1.6	1.5	2.0	2.1	7.2	8.4	8.7
Asia Pacific	6.8	5.1	7.2	5.6	24.7	4.9	5.3	6.0	5.2	21.3	23.7	26.1
<b>Total</b>	<b>27.1</b>	<b>29.2</b>	<b>34.4</b>	<b>34.7</b>	<b>125.4</b>	<b>24.9</b>	<b>23.3</b>	<b>32.2</b>	<b>35.3</b>	<b>115.7</b>	<b>129.4</b>	<b>137.4</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Finland</i>	<i>7.5</i>	<i>4.0</i>	<i>14.1</i>	<i>19.7</i>	<i>11.9</i>	<i>6.3</i>	<i>-32.3</i>	<i>-1.3</i>	<i>4.5</i>	<i>-5.5</i>	<i>11.4</i>	<i>6.4</i>
<i>Scandinavia</i>	<i>10.1</i>	<i>-5.2</i>	<i>9.2</i>	<i>-0.2</i>	<i>3.1</i>	<i>0.0</i>	<i>-10.6</i>	<i>-11.4</i>	<i>0.1</i>	<i>-5.4</i>	<i>14.2</i>	<i>3.0</i>
<i>EMEA</i>	<i>33.9</i>	<i>40.7</i>	<i>5.6</i>	<i>-6.6</i>	<i>17.2</i>	<i>-22.9</i>	<i>2.1</i>	<i>-5.2</i>	<i>-4.7</i>	<i>-8.3</i>	<i>11.8</i>	<i>2.0</i>
<i>North America</i>	<i>20.3</i>	<i>-17.5</i>	<i>4.3</i>	<i>0.9</i>	<i>0.1</i>	<i>-15.8</i>	<i>-25.7</i>	<i>-12.1</i>	<i>6.4</i>	<i>-11.8</i>	<i>15.6</i>	<i>4.0</i>
<i>Asia Pacific</i>	<i>11.9</i>	<i>-0.9</i>	<i>30.5</i>	<i>37.6</i>	<i>18.7</i>	<i>-27.9</i>	<i>4.0</i>	<i>-16.9</i>	<i>-7.9</i>	<i>-13.6</i>	<i>11.0</i>	<i>10.0</i>
<b>Total</b>	<b>12.5</b>	<b>3.5</b>	<b>15.3</b>	<b>16.7</b>	<b>12.1</b>	<b>-8.1</b>	<b>-20.2</b>	<b>-6.4</b>	<b>1.6</b>	<b>-7.8</b>	<b>11.8</b>	<b>6.2</b>
<b>EBIT, EURm</b>												
Group (EBIT only)	2.6	3.7	7.8	3.0	17.1	1.2	2.7	6.4	3.5	13.7	18.0	19.7
<b>Total</b>	<b>2.6</b>	<b>3.7</b>	<b>7.8</b>	<b>3.0</b>	<b>17.1</b>	<b>1.2</b>	<b>2.7</b>	<b>6.4</b>	<b>3.5</b>	<b>13.7</b>	<b>18.0</b>	<b>19.7</b>
<b>EBIT margin, %</b>												
<i>Total</i>	<i>9.6</i>	<i>12.7</i>	<i>22.7</i>	<i>8.6</i>	<i>13.6</i>	<i>4.8</i>	<i>11.5</i>	<i>19.9</i>	<i>9.8</i>	<i>11.9</i>	<i>13.9</i>	<i>14.3</i>

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	95.7	99.6	102.3	111.9	125.4	115.7	129.4	137.4
<i>Sales growth (%)</i>	<i>1.6</i>	<i>4.1</i>	<i>2.7</i>	<i>9.3</i>	<i>12.1</i>	<i>-7.8</i>	<i>11.8</i>	<i>6.2</i>
EBITDA	6.0	10.2	11.9	14.6	29.7	26.4	31.8	33.2
<i>EBITDA margin (%)</i>	<i>6.3</i>	<i>10.3</i>	<i>11.6</i>	<i>13.1</i>	<i>23.7</i>	<i>22.9</i>	<i>24.6</i>	<i>24.2</i>
Depreciation	-4.5	-4.1	-3.3	-2.4	-12.6	-12.7	-13.8	-13.6
EBITA	1.5	6.1	8.6	12.2	17.1	13.7	18.0	19.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.5	6.1	8.6	12.2	17.1	13.7	18.0	19.7
<i>EBIT margin (%)</i>	<i>1.6</i>	<i>6.1</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>11.9</i>	<i>13.9</i>	<i>14.3</i>
Reported EBIT	1.5	5.0	8.4	12.2	17.1	13.7	18.0	19.7
<i>EBIT margin (reported) (%)</i>	<i>1.6</i>	<i>5.0</i>	<i>8.2</i>	<i>10.9</i>	<i>13.6</i>	<i>11.9</i>	<i>13.9</i>	<i>14.3</i>
Net financials	0.0	-0.1	-1.2	-0.2	-1.0	-1.5	-1.0	-1.0
Pre-tax profit	1.5	6.0	7.4	12.1	16.1	12.2	16.9	18.7
Taxes	-0.5	-1.1	-1.5	-3.9	-3.1	-2.5	-3.4	-3.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	1.1	3.8	5.7	8.2	13.0	9.7	13.5	14.9
Cash NRIs	0.0	-1.1	-0.2	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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	17	15	13	5	5	5	6	9
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	37	36	35	32	36
Inventory	18	21	21	22	23	21	23	25
Receivables	6	8	7	7	7	7	8	9
Liquid funds	4	3	6	23	26	25	29	33
Total assets	46	48	47	94	97	93	100	111
<b>Liabilities</b>								
Shareholder's equity	27	28	31	40	39	41	49	56
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	37	36	35	32	36
Deferred taxes	0	1	1	1	2	2	2	2
Interest bearing debt	7	6	3	0	2	0	0	0
Non-interest bearing current liabilities	11	13	13	16	18	15	17	18
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	46	48	47	94	97	93	100	111
<b>CASH FLOW, EURm</b>								
+ EBITDA	6	10	12	15	30	26	32	33
- Net financial items	0	0	-1	0	-1	-2	-1	-1
- Taxes	0	-1	-2	-3	-2	-3	-3	-4
- Increase in Net Working Capital	1	-3	0	2	2	-1	-2	-1
+/- Other	0	-1	1	0	0	0	0	0
= Cash flow from operations	6	6	10	12	28	21	25	28
- Capex	-4	-3	-1	-1	-12	-12	-13	-19
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	11	0	0	0	0
= Free cash flow	3	4	9	22	16	9	13	8
+/- New issues/buybacks	0	0	0	5	1	0	0	0
- Paid dividend	-3	-3	-3	-4	-15	-7	-6	-8
+/- Other	0	-2	-3	-6	1	-3	-2	3
Change in cash	0	-1	3	17	3	-1	5	3

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	77	82	168	291	239	239	239
Net debt (excl. convertibles)	2	-3	14	12	10	3	3
Enterprise value	79	79	182	303	249	242	242
Sales	100	102	112	125	116	129	137
EBITDA	10	12	15	30	26	32	33
EBIT	6	9	12	17	14	18	20
Pre-tax	6	7	12	16	12	17	19
Earnings	5	6	8	13	10	14	15
Equity book value (excl. minorities)	28	31	40	39	41	49	56
<b>Valuation multiples</b>							
EV/sales	0.8	0.8	1.6	2.4	2.2	1.9	1.8
EV/EBITDA	7.8	6.6	12.4	10.2	9.4	7.6	7.3
EV/EBITA	13.0	9.2	14.9	17.7	18.1	13.5	12.3
EV/EBIT	13.0	9.2	14.9	17.7	18.1	13.5	12.3
EV/OCF	12.9	8.0	14.9	10.7	11.8	9.6	8.8
EV/FCFF	31.3	8.2	8.4	11.4	12.3	10.7	10.5
P/FCFE	21.5	9.3	7.8	18.3	25.6	18.8	29.2
P/E	15.7	13.8	20.5	22.3	24.7	17.6	16.0
P/B	2.7	2.7	4.2	7.5	5.8	4.9	4.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.2	8.3	7.9
Target EV/EBIT	0.0	0.0	0.0	0.0	19.6	14.6	13.4
Target EV/FCF	0.0	0.0	0.0	0.0	28.9	20.7	32.1
Target P/B	0.0	0.0	0.0	0.0	6.3	5.3	4.7
Target P/E	0.0	0.0	0.0	0.0	26.8	19.2	17.4
<b>Per share measures</b>							
Number of shares	8,090	8,090	8,090	8,130	8,110	8,110	8,110
Number of shares (diluted)	8,090	8,090	8,090	8,130	8,110	8,110	8,110
EPS	0.60	0.73	1.01	1.60	1.19	1.67	1.84
Operating cash flow per share	0.76	1.21	1.51	3.48	2.60	3.11	3.40
Free cash flow per share	0.44	1.09	2.68	1.96	1.15	1.57	1.01
Book value per share	3.50	3.79	4.95	4.78	5.09	6.04	6.88
Dividend per share	0.40	0.50	1.85	0.90	0.72	1.00	1.10
Dividend payout ratio, %	66.3	68.6	182.6	56.1	60.0	60.0	60.0
Dividend yield, %	4.2	5.0	8.9	2.5	2.4	3.4	3.7
FCF yield, %	4.6	10.8	12.9	5.5	3.9	5.3	3.4
<b>Efficiency measures</b>							
ROE	17.6	20.0	23.2	33.1	24.2	30.0	28.5
ROCE	17.9	25.4	22.2	22.7	18.5	23.4	23.3
<b>Financial ratios</b>							
Inventories as % of sales	21.4	20.4	19.8	18.0	18.0	18.0	18.0
Receivables as % of sales	8.1	6.5	6.2	5.3	6.0	6.5	6.5
Non-interest bearing liabilities as % of sales	13.2	12.2	13.9	14.2	13.0	13.0	13.0
NWC/sales, %	16.3	14.7	12.0	9.1	11.0	11.5	11.5
Operative CAPEX/sales, %	2.6	1.0	1.0	9.8	10.1	9.7	14.1
CAPEX/sales (incl. acquisitions), %	2.6	1.0	1.0	9.8	10.1	9.7	14.1
FCFF/EBITDA	0.2	0.8	1.5	0.9	0.8	0.7	0.7
Net debt/EBITDA, book-weighted	0.2	-0.2	0.9	0.4	0.4	0.1	0.1
Debt/equity, market-weighted	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	58.4	65.1	42.7	40.1	44.3	48.9	50.0
Gearing, %	8.8	-9.4	34.3	30.7	24.1	6.2	5.4

**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	%
Muotitila Oy	1,017,700	29.971	12.5%
Moomin Characters Oy Ltd	428,740	12.626	5.3%
Ilmarinen Mutual Pension Insurance Company	395,419	11.645	4.9%
Varma Mutual Pension Insurance Company	385,920	11.365	4.8%
Enrooth Anna Sophia	340,377	10.024	4.2%
Evli Finnish Small Cap Fund	240,000	7.068	3.0%
Nordea Nordic Small Cap Fund	199,885	5.887	2.5%
Veritas Pension Insurance Company Ltd.	153,194	4.512	1.9%
Oy Etra Invest Ab	148,000	4.359	1.8%
Sijoitusrahasto Taaleritehdas Mikro Markka	120,000	3.534	1.5%
Ten largest	3,429,235	100.991	42%
Residual	4,680,599	137.844	58%
Total	8,109,834	238.835	100%

**EARNINGS CALENDAR**

November 04, 2020

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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



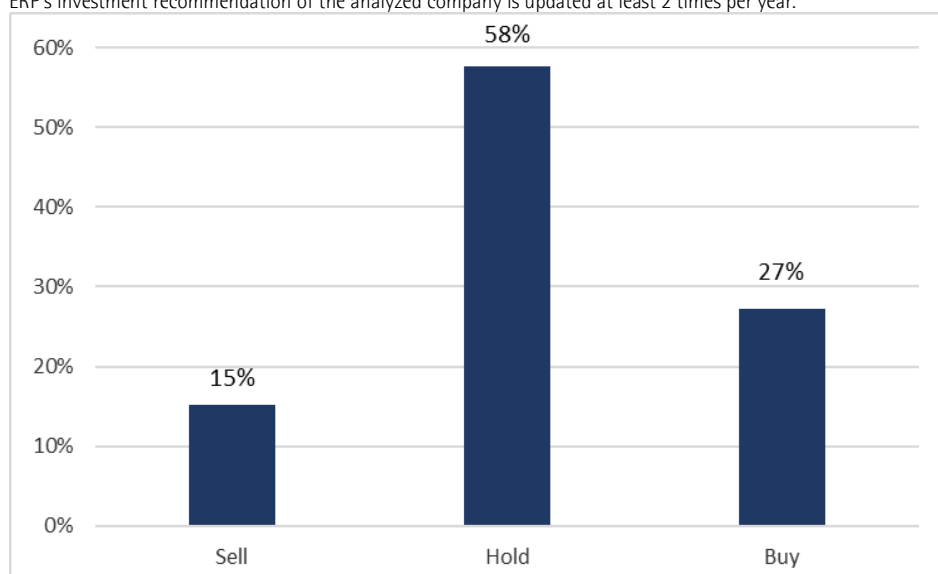
## Important Disclosures

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-10 – (+10) %	HOLD
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