

Improved outlook

Marimekko upgraded its 21E earnings guidance last week as sales outlook for the full year has improved. The company said that Q1 has been very strong. We have increased our 21E adj. EBIT estimate by ~9% and keep our rating "BUY" with TP of EUR 58.2 (57). Marimekko reports its Q1 result on this week's Thursday.

Upgraded guidance due to improved sales outlook

Marimekko upgraded its 21E earnings guidance last week. The company now expects 21E adj. EBIT margin to be similar compared to last year (2020: 16.3%) or higher. Sales guidance remains unchanged and the company expects 21E sales to be higher than last year. Based on the earlier guidance given in February, the company expected 21E adj. EBIT margin to be in line with the company's long-term target of 15%. According to Marimekko, the upgrade is due, in particular, to improved sales outlook for the full year, supported by a very strong Q1'21. Despite the strong figures in Q1, the company still estimates that the major portion of net sales and earnings are generated during H2'21 due to the seasonality of Marimekko's business.

We have increased our 21E adj. EBIT estimate by ~9%

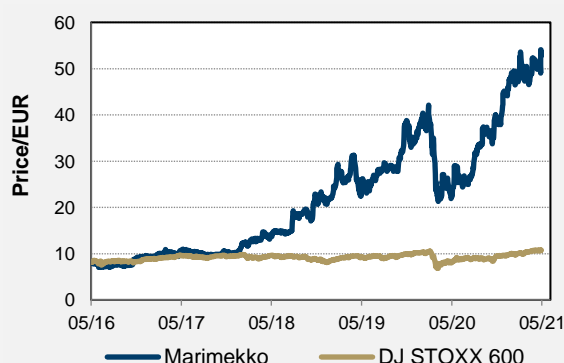
We would have hoped more detailed information about the improved sales outlook, but we expect to get more color on this during the Q1 result. Earlier, we expected 21E sales growth of 9.5% y/y and adj. EBIT margin of 15.2% (EUR 20.5m). As a result of the guidance upgrade, we have increased our estimates, especially our Q1'21E estimates. We increased our Q1E sales expectation by ~2% and expect sales of EUR 28m while we have more than doubled our adj. EBIT expectation. We now expect Q1'21E adj. EBIT of EUR 2.4m (8.7% margin). We have increased our FY21E adj. EBIT estimate by ~9% and we expect it to be EUR 22.4m (16.5% margin) while we expect sales growth of ~10% y/y.

"BUY" with TP of EUR 58.2 (57)

Marimekko reports its Q1 result on this week's Thursday, 20th of May. On our estimates, the company trades with 21E-22E EV/EBIT multiple of 19.0x and 17.1x which is ~50% discount compared to the luxury peers. We keep "BUY" with TP of EUR 58.2 (57) ahead the Q1 result.

Rating

BUY



Share price, EUR (Last trading day's closing price) 52.80

Target price, EUR 58.2

Latest change rating 18-Sep-20

Latest report on company 19-Feb-21

Research paid by issuer: YES

No. of shares outstanding, '000's 8,110

No. of shares fully diluted, '000's 8,110

Market cap, EURm 428

Free float, % 69.3

Exchange rate na.

Reuters code MEKKO.HE

Bloomberg code MEKKO FH

Average daily volume, EURm na.

Next interim report 20-May-21

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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
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.90
2020	123.6	20.2	16.4%	13.6	1.80	25.3	3.0	18.2	3.7	1.00
2021E	135.8	22.4	16.5%	8.6	2.09	25.2	3.1	19.0	2.0	1.15
2022E	146.8	24.6	16.7%	15.9	2.30	22.9	2.9	17.1	3.7	1.27
2023E	152.7	25.5	16.7%	19.1	2.37	22.3	2.7	16.1	4.5	1.30
Market cap, EURm	428			Gearing 2021E, %	-3.5			CAGR EPS 2020-23, %	9.5	
Net debt 2021E, EURm	-2			Price/book 2021E	6.9			CAGR sales 2020-23, %	7.3	
Enterprise value, EURm	426			Dividend yield 2021E, %	2.2			ROE 2021E, %	29.6	
Total assets 2021E, EURm	117			Tax rate 2021E, %	20.0			ROCE 2021E, %	24.1	
Goodwill 2021E, EURm	0			Equity ratio 2021E, %	52.6			PEG, P/E 21/CAGR	4.2	

Estimates

Marimekko estimates	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	2020				FY2020	2021E				FY2021E	FY2022E
								Q1	Q2	Q3	Q4		Q1E	Q2E	Q3E	Q4E		
Finland																		
Retail revenue	35.1	35.4	37.6	38.9	40.8	45.1	51.9	8.9	7.8	14.6	14.6	45.9	9.3	10.9	14.9	15.8	50.9	54.4
Wholesale revenue	16.5	16.2	14.7	16.6	14.6	18.3	19.0	4.6	3.6	8.3	8.5	25.1	4.7	3.7	8.3	8.9	25.6	26.9
License revenue	0.6	0.4	0.4	0.3	0.2	0.2	0.2	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Total	52.2	52.0	52.7	55.8	55.7	63.5	71.2	13.6	11.4	23.0	23.2	71.1	14.0	14.5	23.3	24.8	76.6	81.5
Scandinavia																		
Retail revenue	4.4	5.2	4.8	5.0	5.1	5.3	5.4	1.0	0.8	1.3	1.2	4.3	1.2	1.2	1.5	1.4	5.3	5.6
Wholesale revenue	3.8	3.3	2.9	2.9	3.4	3.7	3.9	1.0	1.1	1.4	2.0	5.6	1.1	1.2	1.4	1.9	5.5	5.8
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	0.0
Total	8.2	8.5	7.8	7.9	8.5	9.0	9.3	2.1	1.9	2.8	3.2	9.9	2.3	2.3	2.8	3.4	10.8	11.4
EMEA																		
Retail revenue	1.4	1.5	1.2	1.1	1.1	1.5	1.6	0.4	0.7	0.5	0.6	2.1	0.6	0.6	0.5	0.7	2.4	2.6
Wholesale revenue	6.2	5.9	6.9	7.8	8.3	8.4	10.0	2.2	2.4	3.4	3.3	11.4	2.3	2.7	3.2	3.1	11.3	11.9
License revenue	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.4
Total	7.7	7.5	8.3	9.2	9.7	10.3	12.0	2.7	3.3	4.0	4.0	13.9	3.0	3.4	3.9	3.9	14.2	14.9
North America																		
Retail revenue	5.6	6.0	5.9	5.2	5.3	5.2	5.8	1.0	0.8	1.1	1.1	4.0	1.1	1.3	1.4	1.4	5.2	5.7
Wholesale revenue	2.5	2.0	2.4	2.2	2.5	2.7	2.0	0.7	0.6	0.5	0.5	2.3	0.8	0.6	0.5	0.6	2.4	2.8
License revenue	0.4	0.6	1.0	0.5	0.5	0.3	0.5	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.1	0.1	0.2	0.2
Total	8.5	8.6	9.2	7.9	8.3	8.2	8.3	1.6	1.5	1.6	1.7	6.5	1.8	2.0	1.9	2.1	7.9	8.8
APAC																		
Retail revenue	2.3	2.7	3.2	3.5	4.0	4.0	4.4	0.9	0.9	0.7	1.2	3.6	1.1	1.1	1.2	1.7	5.0	6.0
Wholesale revenue	15.2	14.9	14.5	15.4	15.5	16.4	18.7	4.1	3.4	5.4	3.6	16.5	5.3	4.5	6.4	4.6	20.7	23.8
License revenue	0.0	0.0	0.0	0.0	0.6	0.4	1.6	0.0	1.0	0.6	0.4	2.0	0.2	0.1	0.1	0.1	0.5	0.4
Total	17.5	17.5	17.7	18.8	20.2	20.8	24.7	4.9	5.3	6.6	5.3	22.1	6.6	5.7	7.7	6.3	26.3	30.3
REVENUE SPLIT																		
Finland	52.2	52.0	52.7	55.8	55.7	63.6	71.2	13.6	11.4	23.0	23.2	71.1	14.0	14.5	23.3	24.8	76.6	81.5
International	41.9	42.1	43.0	43.8	46.6	48.3	54.3	11.3	11.9	15.0	14.1	52.4	13.7	13.4	16.4	15.7	59.2	65.3
Finland growth (%)	0%	0%	1%	6%	0%	14%	12%	6%	-32%	17%	6%	0%	3%	26%	1%	7%	8%	8%
International growth (%)	16%	1%	2%	2%	6%	4%	12%	-21%	-3%	2%	11%	-3%	21%	12%	9%	11%	13%	10%
REVENUE SPLIT																		
Retail	48.8	50.7	52.7	53.6	56.3	61.1	68.1	12.1	11.0	18.2	18.7	59.9	13.2	15.1	19.5	21.0	68.8	74.4
Wholesale	44.2	42.2	41.4	44.9	44.4	49.5	53.6	12.6	11.2	19.0	18.0	60.8	14.1	12.6	19.8	19.1	65.7	71.3
License	1.1	1.2	1.6	1.1	1.6	1.3	2.7	0.1	1.1	0.8	0.7	2.8	0.4	0.2	0.3	0.4	1.3	1.2
Retail growth (%)	12%	4%	4%	2%	5%	8%	13%	0%	-37%	-5%	-9%	-13%	9%	38%	7%	12%	15%	8%
Wholesale growth (%)	7%	-4%	-2%	9%	-1%	12%	8%	-13%	-3%	37%	32%	13%	12%	13%	4%	6%	8%	9%
License growth (%)	-24%	12%	26%	-31%	52%	-22%	113%	-71%	501%	-40%	0%	2%	158%	-79%	-60%	-45%	-53%	-10%
TOTAL REVENUE	94.0	94.2	95.7	98.6	102.3	111.9	125.4	24.9	23.3	38.0	37.4	123.6	27.7	27.9	39.6	40.5	135.8	146.8
Growth (%)	6%	0%	2%	4%	3%	9%	12%	-8.3%	-20.0%	10.3%	7.6%	-7%	11.3%	19.9%	4.3%	8.4%	10%	8%
Raw materials & consumables	-33.5	-32.8	-35.2	-40.2	-37.4	-42.1	-45.4	-11.1	-13.2	-12.3	-11.6	-48.2	-10.6	-10.6	-12.2	-13.6	-46.9	-50.6
Growth (%)	14%	-2%	7%	14%	-7%	13%	8%	9%	37%	-5%	5.0%	6%	-5.0%	-20.0%	-1.0%	17.0%	-3%	8%
+/- in inventories of completed and unfinished products	0.5	-0.7	0.4	3.0	0.3	1.2	0.4	1.9	3.8	-2.3	-3.7	-0.4	0.5	0.5	-1.2	-1.2	-1.4	-1.8
Gross profit	61.0	60.7	60.8	58.4	64.9	71.0	80.5	15.6	13.9	23.4	22.0	74.9	17.6	17.9	26.2	25.7	87.5	94.6
Gross margin	64.9%	64.5%	63.6%	59.6%	63.4%	63.4%	64.2%	62.9%	59.9%	67.5%	58.9%	60.6%	63.7%	64.0%	66.2%	63.0%	64.4%	64.4%
Total OPEX	-54.4	-51.0	-55.1	-53.4	-54.0	-57.3	-51.4	-11.4	-8.3	-9.8	-14.0	-43.4	-12.0	-11.8	-12.8	-15.3	-51.9	-56.4
Growth (%)	8%	-9%	8%	-3%	1%	6%	-10%	-6%	-32%	-20%	-6%	-18%	5%	42%	31%	10%	18%	9%
% of Revenue	8%	54%	59%	54%	53%	51%	41%	45.8%	35.6%	25.7%	37.4%	35%	42.4%	42.1%	32.2%	37.9%	38%	39%
DeTA adj.	-6.5	-4.4	-4.6	-4.1	-3.4	-2.4	-12.6	-3.2	-3.1	-3.1	-3.2	-12.5	-3.3	-3.3	-3.5	-3.5	-13.6	-14.0
Adj. EBITDA	8.1	10.6	6.2	10.2	12.0	14.6	20.7	4.4	5.8	13.6	9.0	32.8	5.7	6.2	13.6	10.5	36.0	38.6
Adj. EBITDA margin	8.6%	11.2%	6.4%	10.2%	11.7%	13.1%	23.7%	17.9%	24.8%	35.9%	24.0%	26.5%	20.6%	22.3%	34.2%	26.0%	26.5%	26.3%
Adj. EBIT	1.6	6.2	1.5	6.1	8.6	12.2	17.1	1.2	2.7	10.5	5.8	20.2	2.4	2.9	10.1	7.0	22.4	24.6
Adj. EBIT margin	1.7%	6.6%	1.6%	6.1%	8.4%	10.9%	13.6%	4.9%	11.5%	27.7%	15.5%	16.4%	8.7%	10.5%	25.4%	17.3%	16.5%	16.7%

Source: Marimekko, Evli research

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		
		21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	586	7.0x	5.3x	4.5x	12.1x	8.3x	6.9x	13.1x	9.6x	8.6x	48%	49%	52%
HUGO BOSS AG	2857	8.2x	6.6x	5.2x	28.3x	17.3x	12.3x	37.8x	20.8x	16.9x	31%	33%	35%
Capri Holdings Limited	8588	10.1x	8.2x		13.2x	10.3x		15.4x	12.4x	11.2x	39%	43%	
Ralph Lauren Corporation Class A	9982	9.6x	8.9x	9.8x	13.9x	12.2x	13.3x	20.2x	16.9x	15.7x	35%	35%	29%
Ted Baker PLC	381	11.2x	5.7x			15.9x			28.3x		27%	31%	
PVH Corp.	8079	9.9x	9.3x	8.9x	15.1x	12.6x	11.8x	18.4x	14.4x	12.4x	39%	41%	
Guess?, Inc.	1905	8.4x	6.5x		12.3x	8.8x		17.9x	12.6x	11.3x			
Joules Group Plc	313	10.3x	7.5x		21.5x	13.8x		24.1x	16.3x		29%	32%	
Luxury goods													
Brunello Cucinelli S.p.A.	2981	21.0x	18.0x	15.0x	56.0x	40.2x	32.3x	98.6x	62.5x	52.0x	49%	53%	66%
Burberry Group plc	8501	9.8x	9.0x	8.9x	16.3x	14.2x	13.7x	25.4x	22.3x	20.8x	48%	50%	47%
Hermes International SCA	111715	32.4x	28.2x	25.1x	38.5x	33.2x	29.5x	58.9x	51.3x	46.1x	73%	75%	77%
Moncler SpA	13834	18.3x	14.8x	13.3x	25.6x	20.1x	17.3x	36.9x	30.0x	26.2x	68%	69%	72%
Prada S.p.A.	126534	14.1x	12.0x	10.6x	43.6x	28.8x	20.7x	68.9x	43.3x	33.6x	43%	44%	46%
Salvatore Ferragamo S.p.A.	3231	15.7x	12.5x	10.7x	75.9x	36.2x	25.1x	198.4x	58.3x	36.3x	42%	42%	45%
Premium goods median	2381	9.8x	7.1x	7.0x	13.9x	12.4x	12.0x	18.4x	15.4x	11.8x	35%	35%	35%
Luxury goods median	11168	17.0x	13.6x	12.0x	41.0x	31.0x	22.9x	63.9x	47.3x	34.9x	49%	51%	57%
Marimekko (Evli est.)	428	11.9x	10.9x	10.3x	19.0x	17.1x	16.1x	25.2x	22.9x	22.3x	53%	55%	58%
<i>Marimekko premium vs. premium goods median</i>		21 %	53 %	47 %	37 %	38 %	34 %	37 %	49 %	89 %	51 %	59 %	66 %
<i>Marimekko premium vs. luxury goods median</i>		-30 %	-20 %	-14 %	-54 %	-45 %	-30 %	-60 %	-52 %	-36 %	8 %	7 %	1 %
MARIMEKKO PEERS													
	Ticker	Dividend yield			EBIT margin			ROCE-%			ROE-%		
		21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	BORG-SE				8.1%	10.2%	10.8%	12.5%	16.0%	16.6%	15.1%	18.9%	19.4%
HUGO BOSS AG	BOSS-DE	2.2%	3.7%	4.5%	6.0%	8.8%	10.0%	8.4%	12.9%	14.8%	9.2%	15.2%	17.2%
Capri Holdings Limited	CPRI-US	0.0%	0.0%		14.4%	15.9%	16.0%	11.6%	12.8%		19.3%	19.0%	
Ralph Lauren Corporation Class A	RL-US	1.5%	2.0%	2.0%	11.7%	12.7%	13.0%	10.1%	11.7%	15.7%	17.8%	25.8%	27.4%
Ted Baker PLC	TED-GB	0.0%	0.0%		-2.4%	5.4%		-4.8%	11.8%		-11.9%	9.1%	
PVH Corp.	PVH-US	0.1%	0.1%	0.1%	7.4%	8.3%	8.8%	6.1%	7.0%		8.8%	10.5%	11.9%
Guess?, Inc.	GES-US	1.5%	1.5%		6.2%	7.8%	8.6%				18.7%	23.6%	
Joules Group Plc	JOUL-GB	0.5%	0.8%		6.4%	8.3%		19.2%	23.1%		21.3%	24.7%	
Luxury goods													
Brunello Cucinelli S.p.A.	BC-IT	0.5%	0.8%	1.0%	9.9%	12.5%	13.3%				10.8%	15.0%	16.2%
Burberry Group plc	BRBY-GB	2.2%	2.3%	2.5%	16.9%	17.8%	18.2%	17.3%	18.2%	16.2%	20.1%	20.7%	19.7%
Hermes International SCA	RMS-FR	0.6%	0.7%	0.7%	34.1%	35.0%	35.7%	27.6%	27.2%	26.2%	21.8%	21.2%	20.2%
Moncler SpA	MONC-IT	1.0%	1.3%	1.4%	28.9%	30.4%	31.0%	21.8%	23.8%	24.1%	17.4%	18.7%	18.4%
Prada S.p.A.	1913-HK	0.9%	1.3%	1.6%	10.9%	14.4%	17.6%	6.1%	8.7%	11.3%	6.6%	9.9%	11.8%
Salvatore Ferragamo S.p.A.	SFER-IT	0.5%	1.1%	1.8%	4.4%	8.1%	10.8%	3.4%	6.9%	9.8%	2.3%	7.3%	11.0%
Premium goods median		0.5%	0.8%	2.0%	6.9%	8.6%	10.4%	10.1%	12.8%	15.7%	16.5%	19.0%	18.3%
Luxury goods median		0.7%	1.2%	1.5%	13.9%	16.1%	17.9%	17.3%	18.2%	16.2%	14.1%	16.8%	17.3%
Marimekko (Evli est.)		2.2%	2.4%	2.5%	16.5%	16.7%	16.7%	24.1%	24.2%	23.1%	29.6%	28.2%	25.4%

Source: Factset, Evli Research

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	24.9	23.3	38.0	37.4	123.6	27.7	27.9	39.6	40.5	135.8	146.8	152.7
EBITDA	4.4	5.8	13.6	9.0	32.8	5.7	6.2	13.6	10.5	36.0	38.6	40.0
<i>EBITDA margin (%)</i>	<i>17.7</i>	<i>24.8</i>	<i>35.9</i>	<i>24.0</i>	<i>26.5</i>	<i>20.6</i>	<i>22.3</i>	<i>34.2</i>	<i>25.8</i>	<i>26.5</i>	<i>26.3</i>	<i>26.2</i>
EBIT	1.2	2.7	10.5	5.8	20.2	2.4	2.9	10.1	7.0	22.4	24.6	25.5
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>11.5</i>	<i>27.7</i>	<i>15.5</i>	<i>16.4</i>	<i>8.7</i>	<i>10.5</i>	<i>25.4</i>	<i>17.3</i>	<i>16.5</i>	<i>16.7</i>	<i>16.7</i>
Net financial items	-1.0	0.1	-0.6	-0.4	-1.8	-0.3	-0.3	-0.3	-0.3	-1.2	-1.2	-1.5
Pre-tax profit	0.2	2.8	10.0	5.4	18.4	2.1	2.6	9.8	6.7	21.2	23.3	24.0
Tax	-0.1	-0.6	-2.0	-1.1	-3.8	-0.4	-0.5	-2.0	-1.3	-4.2	-4.7	-4.8
<i>Tax rate (%)</i>	<i>25.8</i>	<i>22.7</i>	<i>20.1</i>	<i>20.6</i>	<i>20.7</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	0.2	2.2	8.0	4.3	14.6	1.7	2.1	7.8	5.4	17.0	18.7	19.2
EPS	0.02	0.27	0.98	0.53	1.80	0.21	0.26	0.96	0.66	2.09	2.30	2.37
EPS adjusted (diluted no. of shares)	0.02	0.27	0.98	0.53	1.80	0.21	0.26	0.96	0.66	2.09	2.30	2.37
Dividend per share	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.15	1.27	1.30
SALES, EURm												
Finland	13.6	11.4	23.0	23.2	71.1	14.0	14.5	23.3	24.8	76.6	81.5	84.7
Scandinavia	2.1	1.9	2.8	3.2	9.9	2.3	2.3	2.8	3.4	10.8	11.4	11.8
EMEA	2.7	3.3	4.0	4.0	13.9	3.0	3.4	3.9	3.9	14.2	14.9	15.5
North America	1.6	1.5	1.6	1.7	6.4	1.8	2.0	1.9	2.1	7.9	8.8	9.1
Asia Pacific	4.9	5.3	6.6	5.3	22.1	6.6	5.7	7.7	6.3	26.3	30.3	31.5
Total	24.9	23.3	38.0	37.4	123.6	27.7	27.9	39.6	40.5	135.8	146.8	152.7
SALES GROWTH, Y/Y %												
<i>Finland</i>	<i>6.3</i>	<i>-32.3</i>	<i>17.2</i>	<i>6.0</i>	<i>0.1</i>	<i>3.1</i>	<i>28.0</i>	<i>1.3</i>	<i>6.9</i>	<i>7.7</i>	<i>6.3</i>	<i>4.0</i>
<i>Scandinavia</i>	<i>0.0</i>	<i>-10.6</i>	<i>11.2</i>	<i>22.6</i>	<i>6.9</i>	<i>10.4</i>	<i>23.4</i>	<i>2.3</i>	<i>5.3</i>	<i>8.9</i>	<i>5.0</i>	<i>4.0</i>
<i>EMEA</i>	<i>-22.9</i>	<i>2.1</i>	<i>43.3</i>	<i>52.3</i>	<i>15.2</i>	<i>9.3</i>	<i>4.1</i>	<i>-3.0</i>	<i>-1.2</i>	<i>1.5</i>	<i>5.4</i>	<i>4.0</i>
<i>North America</i>	<i>-15.8</i>	<i>-25.7</i>	<i>-29.4</i>	<i>-14.5</i>	<i>-21.7</i>	<i>14.8</i>	<i>33.5</i>	<i>19.3</i>	<i>23.6</i>	<i>22.6</i>	<i>11.2</i>	<i>4.0</i>
<i>Asia Pacific</i>	<i>-27.9</i>	<i>4.0</i>	<i>-8.0</i>	<i>-5.7</i>	<i>-10.5</i>	<i>34.0</i>	<i>7.4</i>	<i>16.6</i>	<i>19.5</i>	<i>18.9</i>	<i>15.2</i>	<i>4.0</i>
Total	-8.1	-20.2	10.5	7.7	-1.5	11.2	19.9	4.3	8.4	9.9	8.1	4.0
EBIT, EURm												
Group (EBIT only)	1.2	2.7	10.5	5.8	20.2	2.4	2.9	10.1	7.0	22.4	24.6	25.5
Total	1.2	2.7	10.5	5.8	20.2	2.4	2.9	10.1	7.0	22.4	24.6	25.5
EBIT margin, %												
Total	4.8	11.5	27.7	15.5	16.4	8.7	10.5	25.4	17.3	16.5	16.7	16.7

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	99.6	102.3	111.9	125.4	123.6	135.8	146.8	152.7
<i>Sales growth (%)</i>	<i>4.1</i>	<i>2.7</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>9.9</i>	<i>8.1</i>	<i>4.0</i>
EBITDA	10.2	11.9	14.6	29.7	32.8	36.0	38.6	40.0
<i>EBITDA margin (%)</i>	<i>10.3</i>	<i>11.6</i>	<i>13.1</i>	<i>23.7</i>	<i>26.5</i>	<i>26.5</i>	<i>26.3</i>	<i>26.2</i>
Depreciation	-4.1	-3.3	-2.4	-12.6	-12.6	-13.5	-14.0	-14.5
EBITA	6.1	8.6	12.2	17.1	20.2	22.4	24.6	25.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.1	8.6	12.2	17.1	20.2	22.4	24.6	25.5
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>16.4</i>	<i>16.5</i>	<i>16.7</i>	<i>16.7</i>
Reported EBIT	5.0	8.4	12.2	17.1	19.4	22.4	24.6	25.5
<i>EBIT margin (reported) (%)</i>	<i>5.0</i>	<i>8.2</i>	<i>10.9</i>	<i>13.6</i>	<i>15.7</i>	<i>16.5</i>	<i>16.7</i>	<i>16.7</i>
Net financials	-0.1	-1.2	-0.2	-1.0	-1.8	-1.2	-1.2	-1.5
Pre-tax profit	6.0	7.4	12.1	16.1	18.4	21.2	23.3	24.0
Taxes	-1.1	-1.5	-3.9	-3.1	-3.8	-4.2	-4.7	-4.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	3.8	5.7	8.2	13.0	13.8	17.0	18.7	19.2
Cash NRIs	-1.1	-0.2	0.0	0.0	-0.8	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	15	13	5	5	6	6	7	6
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	37	36	37	37	38	38
Inventory	21	21	22	23	22	24	26	27
Receivables	8	7	7	7	8	9	10	10
Liquid funds	3	6	23	26	41	39	47	56
Total assets	48	47	94	97	115	117	129	138
Liabilities								
Shareholder's equity	28	31	40	39	53	62	71	80
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	37	36	37	37	38	38
Deferred taxes	1	1	1	2	1	1	1	1
Interest bearing debt	6	3	0	2	2	0	0	0
Non-interest bearing current liabilities	13	13	16	18	22	18	19	20
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	48	47	94	97	115	117	129	138
CASH FLOW, EURm								
+ EBITDA	10	12	15	30	33	36	39	40
- Net financial items	0	-1	0	-1	-2	-1	-1	-2
- Taxes	-1	-2	-3	-2	-6	-4	-5	-5
- Increase in Net Working Capital	-3	0	2	2	3	-7	-1	-1
+/- Other	-1	1	0	0	-1	0	0	0
= Cash flow from operations	6	10	12	28	27	23	31	33
- Capex	-3	-1	-1	-12	-14	-15	-16	-14
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	11	0	0	0	0	0
= Free cash flow	4	9	22	16	14	9	16	19
+/- New issues/buybacks	0	0	5	1	7	0	0	0
- Paid dividend	-3	-3	-4	-15	-7	-8	-9	-10
+/- Other	-2	-3	-6	1	1	-2	1	0
Change in cash	-1	3	17	3	15	-2	7	9

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	82	168	291	369	428	428	428
Net debt (excl. convertibles)	-3	14	12	-2	-2	-9	-18
Enterprise value	79	182	303	368	426	420	411
Sales	102	112	125	124	136	147	153
EBITDA	12	15	30	33	36	39	40
EBIT	9	12	17	20	22	25	25
Pre-tax	7	12	16	18	21	23	24
Earnings	6	8	13	15	17	19	19
Equity book value (excl. minorities)	31	40	39	53	62	71	80
Valuation multiples							
EV/sales	0.8	1.6	2.4	3.0	3.1	2.9	2.7
EV/EBITDA	6.6	12.4	10.2	11.2	11.9	10.9	10.3
EV/EBITA	9.2	14.9	17.7	18.2	19.0	17.1	16.1
EV/EBIT	9.2	14.9	17.7	18.2	19.0	17.1	16.1
EV/OCF	8.0	14.9	10.7	13.4	18.3	13.3	12.5
EV/FCFF	8.2	8.4	11.4	13.8	19.6	14.3	12.8
P/FCFE	9.3	7.8	18.3	27.2	50.0	27.0	22.4
P/E	13.8	20.5	22.3	25.3	25.2	22.9	22.3
P/B	2.7	4.2	7.5	7.0	6.9	6.0	5.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	13.1	12.0	11.4
Target EV/EBIT	0.0	0.0	0.0	0.0	21.0	18.8	17.8
Target EV/FCF	0.0	0.0	0.0	0.0	54.8	29.2	23.8
Target P/B	0.0	0.0	0.0	0.0	7.7	6.6	5.9
Target P/E	0.0	0.0	0.0	0.0	27.8	25.3	24.6
Per share measures							
Number of shares	8,090	8,090	8,130	8,110	8,110	8,110	8,110
Number of shares (diluted)	8,090	8,090	8,130	8,110	8,110	8,110	8,110
EPS	0.73	1.01	1.60	1.80	2.09	2.30	2.37
Operating cash flow per share	1.21	1.51	3.48	3.38	2.87	3.88	4.06
Free cash flow per share	1.09	2.68	1.96	1.67	1.06	1.96	2.36
Book value per share	3.79	4.95	4.78	6.51	7.60	8.75	9.85
Dividend per share	0.50	1.85	0.90	1.00	1.15	1.27	1.30
Dividend payout ratio, %	68.6	182.6	56.1	55.5	55.0	55.0	55.0
Dividend yield, %	5.0	8.9	2.5	1.9	2.2	2.4	2.5
FCF yield, %	10.8	12.9	5.5	3.7	2.0	3.7	4.5
Efficiency measures							
ROE	20.0	23.2	33.1	31.9	29.6	28.2	25.4
ROCE	25.4	22.2	22.7	24.5	24.1	24.2	23.1
Financial ratios							
Inventories as % of sales	20.4	19.8	18.0	18.2	18.0	18.0	18.0
Receivables as % of sales	6.5	6.2	5.3	6.6	6.5	6.5	6.5
Non-interest bearing liabilities as % of sales	12.2	13.9	14.2	17.9	13.0	13.0	13.0
NWC/sales, %	14.7	12.0	9.1	6.8	11.5	11.5	11.5
Operative CAPEX/sales, %	1.0	1.0	9.8	11.2	10.8	10.6	9.1
CAPEX/sales (incl. acquisitions), %	1.0	1.0	9.8	11.2	10.8	10.6	9.1
FCFF/EBITDA	0.8	1.5	0.9	0.8	0.6	0.8	0.8
Net debt/EBITDA, book-weighted	-0.2	0.9	0.4	-0.1	-0.1	-0.2	-0.4
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	65.1	42.7	40.1	46.0	52.6	55.1	57.7
Gearing, %	-9.4	34.3	30.7	-3.2	-3.5	-12.2	-21.9

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	1,017,700	53.735	12.5%
Ilmarinen Mutual Pension Insurance Company	395,419	20.878	4.9%
Varma Mutual Pension Insurance Company	385,920	20.377	4.8%
Enrooth Anna Sophia	340,377	17.972	4.2%
Evli Finnish Small Cap Fund	275,000	14.520	3.4%
Nordea Nordic Small Cap Fund	199,885	10.554	2.5%
Veritas Pension Insurance Company Ltd.	150,470	7.945	1.9%
Sijoitusrahasto Taaleritehdas Mikro Markka	113,000	5.966	1.4%
Oy Talcom Ab	101,000	5.333	1.2%
Oy Etra Invest Ab	100,000	5.280	1.2%
Ten largest	3,078,771	162.559	38%
Residual	5,031,063	265.640	62%
Total	8,109,834	428.199	100%

EARNINGS CALENDAR

May 20, 2021	Q1 report
August 19, 2021	Q2 report
November 03, 2021	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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

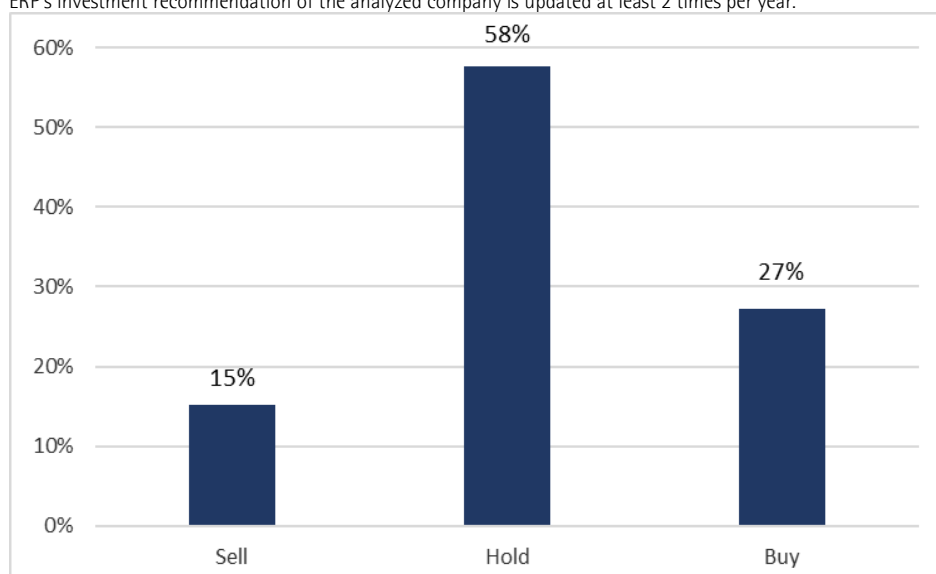
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Investment recommendations are defined as follows:

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): Rissanen

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