

Expecting profitable growth

Marimekko reports its Q3 result 8th of November. We expect pick-up in growth driven by strong overall momentum outside Finland, new store openings and domestic non-recurring wholesale deliveries.

First half of the year was still relatively slow

Marimekko's revenue grew 2% to EUR 75.6m (H1/22 EUR 74.0m) during the first half of 2023. The company's growth slowed down during the first half driven by the slowdown in the domestic wholesale business and a tough comparison period. Gross margin was roughly in line with the comparison period at 62.1% (62.8% in H1/22). Comparable EBIT decreased to EUR 10.6m (EUR 12.3m in H1/22) with comparable EBIT margin of 14.0% (16.6% in H1/22) driven by higher fixed costs and lower volumes in Q1. In Q2, the comparable EBIT margin significantly improved year-over-year, reaching 16.8%, compared to 15.0% in Q2/22. The increase was primarily due to the rise in volumes and the manifestation of the company's operating leverage.

Expecting profitable growth during the second half of 2023

We expect solid growth for H2 driven by two main factors: non-recurring wholesale promotional deliveries in Finland and new loose franchise store openings in APAC. With the projected growth, we see that the profitability will continue to improve y/y. We expect gross margin to be supported by growth in licensing revenue and lower impact of logistics costs. We forecast net sales of EUR 48.5m and EBIT of EUR 12.6m for Q3. For FY 2023, we project net sales of EUR 178.1m and EBIT of EUR 32.9m. Marimekko expects its net sales to grow in 2023 from the previous year and comparable EBIT margin is expected to be approximately 16-19%. Our current estimate for comparable EBIT margin stands at 18.5%, at the upper end of the current guidance.

Valuation remains at a neutral level

With no changes to our estimates, Marimekko's valuation remains neutral as it currently trades between our luxury (13% discount on 23E EV/EBIT basis) and premium goods (22% premium) peer groups. Marimekko trades at roughly 14-12x EV/EBIT and 18-16x P/E (23-24E). We retain our TP at 10.5 while keeping HOLD-rating intact.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 11.40
Target price, EUR 10.5

Latest change in 10-Feb-23
Latest report on 18-Aug-23
Research paid by YES
No. of shares 40,571
No. of shares fully 40,571
Market cap, EURm 463
Free float, % 74.0
Exchange rate 0.000
Reuters code MEKKO.HE
Bloomberg code MEKKO FH
Average daily volume, 0.0
Next interim report 08-Nov-23
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
2021	152.2	31.3	20.5%	31.2	0.60	28.3	4.4	21.2	4.5	0.72
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9	0.34
2023E	178.1	32.9	18.5%	20.0	0.62	18.4	2.6	13.9	4.3	0.37
2024E	193.3	36.9	19.1%	33.6	0.72	15.8	2.3	11.9	7.3	0.43
2025E	203.4	37.6	18.5%	33.1	0.74	15.4	2.1	11.2	7.2	0.48
Market cap, EURm		463	Gearing 2023E, %			-7.5	CAGR EPS 2022-25, %			9.6
Net debt 2023E, EURm		-5	Price/book 2023E			6.9	CAGR sales 2022-25, %			6.9
Enterprise value, EURm		457	Dividend yield 2023E, %			3.3	ROE 2023E, %			41.0
Total assets 2023E, EURm		130	Tax rate 2023E, %			20.0	ROCE 2023E, %			35.1
Goodwill 2023E, EURm		0	Equity ratio 2023E, %			51.4	PEG, P/E 23/CAGR			2.6

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

Table 1: Peer group overview (prem. goods above, lux. goods below)

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	84	7.0x	6.3x	6.0x	9.0x	7.6x	6.9x	11.1x	9.1x	8.2x	5.1 %	5.3 %	5.7 %
HUGO BOSS	3992	6.3x	5.4x	4.8x	11.9x	9.8x	8.1x	15.4x	12.2x	10.0x	2.4 %	3.0 %	3.9 %
Capri Holdings	5620	9.7x	9.3x	8.6x	11.8x	11.2x	10.3x	8.8x	8.4x	7.9x	0.0 %	0.0 %	0.0 %
Ralph Lauren	7207	8.9x	8.2x	7.5x	11.4x	10.4x	9.4x	12.8x	11.4x	10.0x	2.7 %	2.8 %	3.0 %
PVH	4356	6.8x	6.5x	6.2x	9.0x	8.5x	7.9x	7.4x	6.7x	6.0x	0.2 %	0.2 %	0.2 %
Guess	1101	7.8x	7.6x	7.8x	9.6x	9.3x	9.6x	7.4x	6.9x	6.7x		5.4 %	5.5 %
VF	6593	10.2x	9.5x	8.7x	12.4x	11.5x	10.3x	9.0x	8.2x	7.1x	7.2 %	6.1 %	5.1 %
Peer Group Average	40278	8.1x	7.5x	7.1x	10.7x	9.8x	9.0x	10.3x	9.0x	8.0x	2.9 %	3.3 %	3.3 %
Peer Group Median	6107	7.8x	7.6x	7.5x	11.4x	9.8x	9.4x	9.0x	8.4x	7.9x	2.5 %	3.0 %	3.9 %
Marimekko (Evli est.)	463	10.8x	9.4x	8.9x	13.9x	11.9x	11.2x	18.4x	15.8x	15.4x	3.3 %	3.8 %	4.2 %

Marimekko prem./disc. to peer median

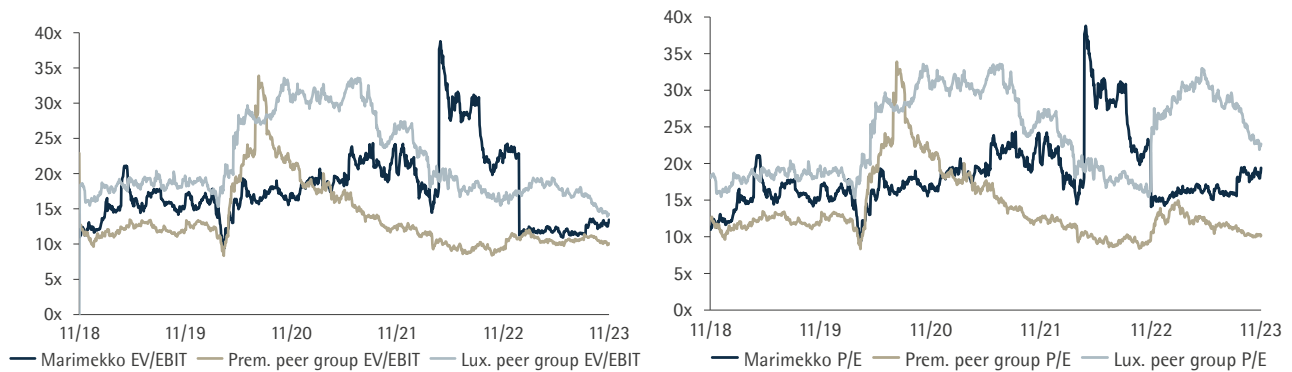
Source FactSet, Evli Research

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	5280	18.0x	16.1x	14.5x	32.7x	29.1x	25.8x	47.8x	41.6x	36.3x	1.1 %	1.2 %	1.4 %
Burberry Group	7056	7.3x	7.0x	6.6x	11.5x	10.7x	9.8x	14.6x	13.5x	12.4x	3.6 %	3.9 %	4.3 %
Hermes International	185724	28.8x	25.8x	23.2x	32.1x	28.8x	25.7x	45.9x	41.3x	37.4x	0.8 %	1.0 %	1.1 %
LVMH Moët Hennessy Louis Vuitton	337951	13.1x	12.1x	11.2x	16.1x	14.8x	13.5x	21.2x	19.8x	18.1x	2.0 %	2.2 %	2.4 %
Moncler	14458	12.2x	10.9x	9.8x	16.4x	14.6x	13.1x	23.4x	20.8x	18.6x	2.0 %	2.3 %	2.5 %
Prada	14237	9.3x	8.6x	7.8x	15.7x	14.1x	12.6x	21.8x	19.3x	17.1x	2.7 %	3.1 %	3.5 %
Salvatore Ferragamo	1930							61.8x	37.2x	25.2x	1.0 %	1.6 %	2.3 %
Kering	47689	8.5x	8.0x	7.3x	11.2x	10.5x	9.5x	14.2x	13.2x	11.9x	3.5 %	3.7 %	4.0 %
Canada Goose Holdings	1177	8.1x	7.0x	6.2x	12.2x	9.8x	8.4x	13.3x	10.4x	8.5x	0.0 %	0.0 %	0.0 %
Peer Group Average	40278	13.2x	11.9x	10.8x	18.5x	16.6x	14.8x	29.3x	24.1x	20.6x	1.9 %	2.1 %	2.4 %
Peer Group Median	6107	10.7x	9.7x	8.8x	15.9x	14.3x	12.8x	21.8x	19.8x	18.1x	2.0 %	2.2 %	2.4 %
Marimekko (Evli est.)	463	10.8x	9.4x	8.9x	13.9x	11.9x	11.2x	18.4x	15.8x	15.4x	3.3 %	3.8 %	4.2 %

Marimekko prem./disc. to peer median

Source FactSet, Evli Research

Figure 1: Marimekko FWD EV/EBIT (lhs) & FWD P/E (rhs) vs. prem. & lux. peer group median



Source: Factset, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	11.40 PV of Free Cash Flow	300 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	18.02 PV of Horizon value	447 WACC, %	7.5 Market risk premium, %
Share price potential, %	58.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	19.8 Marketable securities	33 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	16.5 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	59.9 Value of stock	731 Nr of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	167	178	193	203	214	224	235	243	250	257	262	268
<i>Sales growth, %</i>	<i>9.4</i>	<i>7.0</i>	<i>8.5</i>	<i>5.2</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>2.0</i>	<i>2.0</i>
Operating income (EBIT)	30	33	37	38	38	38	40	41	42	44	45	46
<i>Operating income margin, %</i>	<i>18.2</i>	<i>18.5</i>	<i>19.1</i>	<i>18.5</i>	<i>18.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>	<i>17.0</i>
+ Depreciation+amort.	10	9	10	10	11	11	12	12	13	13	13	
EBITDA	40	42	47	48	49	49	52	54	55	57	58	
- Paid taxes	-7	-5	-7	-8	-8	-8	-8	-8	-8	-9	-9	
- Change in NWC	-11	-4	6	5	-1	-1	-1	0	-1	-1	0	
<i>NWC / Sales, %</i>	<i>12.6</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>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>5.9</i>	<i>7.0</i>	<i>5.7</i>	<i>6.0</i>	<i>5.9</i>	<i>5.9</i>	<i>5.9</i>	<i>5.7</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	-1	0	0	0	0	0	0	0	0	0	0	
= FCFF	20	32	43	44	39	39	41	43	44	45	47	866
= Discounted FCFF		31	40	37	31	29	28	27	26	25	24	447
= DFCF min WACC		31	40	38	31	29	29	28	27	26	25	513
= DFCF max WACC		31	40	37	31	28	28	27	25	24	23	392

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	36.0	38.0	44.1	48.4	166.5	35.3	40.3	48.5	54.0	178.1	193.3	203.4
EBITDA	9.1	8.1	13.6	9.3	40.1	6.2	9.0	15.0	12.1	42.2	46.7	47.7
<i>EBITDA margin (%)</i>	<i>25.3</i>	<i>21.4</i>	<i>30.8</i>	<i>19.2</i>	<i>24.1</i>	<i>17.4</i>	<i>22.3</i>	<i>31.0</i>	<i>22.3</i>	<i>23.7</i>	<i>24.2</i>	<i>23.5</i>
EBIT	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.6	9.7	32.9	36.9	37.6
<i>EBIT margin (%)</i>	<i>18.4</i>	<i>15.0</i>	<i>25.2</i>	<i>14.3</i>	<i>18.2</i>	<i>10.9</i>	<i>16.8</i>	<i>26.0</i>	<i>17.9</i>	<i>18.5</i>	<i>19.1</i>	<i>18.5</i>
Net financial items	-0.1	0.3	0.2	-1.4	-1.1	-0.8	-0.5	-0.1	-0.1	-1.5	-0.3	-0.1
Pre-tax profit	6.5	6.0	11.3	5.5	29.3	3.0	6.2	12.6	9.6	31.4	36.6	37.6
Tax	-1.5	-1.2	-2.4	-1.3	-6.4	-0.5	-1.3	-2.5	-1.9	-6.3	-7.3	-7.5
<i>Tax rate (%)</i>	<i>22.6</i>	<i>20.0</i>	<i>21.4</i>	<i>24.4</i>	<i>22.0</i>	<i>18.3</i>	<i>21.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	5.0	4.8	8.9	4.2	22.9	2.5	4.9	10.0	7.7	25.1	29.3	30.1
EPS	0.12	0.12	0.22	0.10	0.56	0.06	0.12	0.25	0.19	0.62	0.72	0.74
EPS adjusted (diluted no. of shares)	0.12	0.12	0.22	0.10	0.56	0.06	0.12	0.25	0.19	0.62	0.72	0.74
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.37	0.43	0.48
SALES, EURm												
Finland	18.5	23.0	26.7	30.1	98.2	18.0	22.2	29.5	33.5	103.2	108.0	112.3
Scandinavia	3.0	3.0	3.5	4.5	14.0	3.5	3.0	3.7	4.7	14.8	15.8	16.9
EMEA	5.5	3.2	3.7	3.7	16.0	3.8	3.8	3.7	3.8	15.1	17.8	18.9
North America	1.8	2.0	1.9	2.3	8.0	1.6	2.6	2.4	2.6	9.2	9.9	10.6
Asia Pacific	7.3	6.8	8.3	7.9	30.3	8.4	8.8	9.3	9.4	35.9	41.7	44.7
Total	36.0	38.0	44.1	48.4	166.5	35.3	40.3	48.5	54.0	178.1	193.3	203.4
SALES GROWTH, Y/Y %												
<i>Finland</i>	<i>27.3</i>	<i>25.2</i>	<i>-7.3</i>	<i>-1.9</i>	<i>6.4</i>	<i>-2.7</i>	<i>-3.5</i>	<i>10.3</i>	<i>11.5</i>	<i>5.0</i>	<i>4.7</i>	<i>4.0</i>
<i>Scandinavia</i>	<i>22.8</i>	<i>3.7</i>	<i>21.0</i>	<i>0.5</i>	<i>10.2</i>	<i>15.6</i>	<i>0.9</i>	<i>4.2</i>	<i>4.9</i>	<i>6.2</i>	<i>6.9</i>	<i>6.5</i>
<i>EMEA</i>	<i>33.5</i>	<i>7.1</i>	<i>36.3</i>	<i>17.5</i>	<i>24.2</i>	<i>-30.6</i>	<i>18.7</i>	<i>0.1</i>	<i>3.6</i>	<i>-5.9</i>	<i>18.0</i>	<i>6.5</i>
<i>North America</i>	<i>25.7</i>	<i>-10.2</i>	<i>-8.4</i>	<i>-13.8</i>	<i>-4.8</i>	<i>-10.6</i>	<i>28.5</i>	<i>27.4</i>	<i>13.5</i>	<i>15.0</i>	<i>8.1</i>	<i>6.5</i>
<i>Asia Pacific</i>	<i>10.2</i>	<i>9.0</i>	<i>40.1</i>	<i>10.0</i>	<i>16.7</i>	<i>15.6</i>	<i>28.5</i>	<i>12.3</i>	<i>18.8</i>	<i>18.4</i>	<i>16.3</i>	<i>7.0</i>
Total	23.8	16.2	4.0	0.7	9.4	-2.1	6.1	10.1	11.6	7.0	8.5	5.2
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	20.8
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
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	2.0
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.3
Group (EBIT only)	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.6	9.7	32.9	36.9	0.0
Total	6.6	5.7	11.1	6.9	30.4	3.8	6.8	12.6	9.7	32.9	36.9	37.6
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>18.5</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>18.5</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>18.5</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>18.5</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>18.5</i>
Total	18.4	15.0	25.2	14.3	18.2	10.9	16.8	26.0	17.9	18.5	19.1	18.5

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	111.9	125.4	123.6	152.2	166.5	178.1	193.3	203.4
<i>Sales growth (%)</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>9.4</i>	<i>7.0</i>	<i>8.5</i>	<i>5.2</i>
EBITDA	14.6	29.7	31.3	43.3	40.1	42.2	46.7	47.7
<i>EBITDA margin (%)</i>	<i>13.1</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>24.1</i>	<i>23.7</i>	<i>24.2</i>	<i>23.5</i>
Depreciation	-2.4	-12.6	-12.6	-12.1	-9.8	-9.4	-9.8	-10.1
EBITA	12.2	17.1	18.8	31.3	30.4	32.9	36.9	37.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	12.2	17.1	18.8	31.3	30.4	32.9	36.9	37.6
<i>EBIT margin (%)</i>	<i>10.9</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.2</i>	<i>18.5</i>	<i>19.1</i>	<i>18.5</i>
Reported EBIT	12.2	17.1	18.0	31.3	30.4	32.9	36.9	37.6
<i>EBIT margin (reported) (%)</i>	<i>10.9</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.2</i>	<i>18.5</i>	<i>19.1</i>	<i>18.5</i>
Net financials	-0.2	-1.0	-1.8	-0.4	-1.1	-1.5	-0.3	-0.1
Pre-tax profit	12.1	16.1	17.0	30.8	29.3	31.4	36.6	37.6
Taxes	-3.9	-3.1	-3.7	-6.4	-6.4	-6.3	-7.3	-7.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.2	13.0	12.5	24.4	22.9	25.1	29.3	30.1
Cash NRIs	0.0	0.0	-0.8	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	5	6	6	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	37	36	37	29	30	32	33	35
Inventory	22	23	22	26	34	36	37	37
Receivables	7	7	8	12	12	16	14	14
Liquid funds	23	26	41	60	33	39	58	75
Total assets	94	97	114	133	115	130	149	168
Liabilities								
Shareholder's equity	40	39	52	69	55	67	81	94
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	37	36	37	30	32	32	33	35
Deferred taxes	1	2	1	3	0	3	3	3
Interest bearing debt	0	2	2	2	2	2	2	1
Non-interest bearing current liabilities	16	18	22	28	25	27	31	37
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	94	97	114	133	115	130	149	168
CASH FLOW, EURm								
+ EBITDA	15	30	31	43	40	42	47	48
- Net financial items	0	-1	-2	18	-27	-2	0	0
- Taxes	-3	-3	-6	-4	-6	-4	-7	-8
- Increase in Net Working Capital	2	3	3	-2	-11	-4	6	5
+/- Other	0	0	0	-19	24	0	0	0
= Cash flow from operations	12	29	27	36	20	32	45	45
- Capex	-1	-11	-14	-5	-10	-12	-11	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	11	0	0	0	0	0	0	0
= Free cash flow	22	18	14	31	10	20	34	33
+/- New issues/buybacks	5	1	8	1	-8	0	0	0
- Paid dividend	-4	-15	-7	-8	-29	-14	-15	-18
+/- Other	-6	-1	0	-5	0	0	0	1
Change in cash	17	3	15	19	-27	6	19	17

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	291	369	691	356	463	463	463
Net debt (excl. convertibles)	12	-2	-27	1	-5	-24	-39
Enterprise value	303	368	664	357	457	439	423
Sales	125	124	152	167	178	193	203
EBITDA	30	31	43	40	42	47	48
EBIT	17	19	31	30	33	37	38
Pre-tax	16	17	31	29	31	37	38
Earnings	13	13	24	23	25	29	30
Equity book value (excl. minorities)	39	52	69	55	67	81	94
Valuation multiples							
EV/sales	2.4	3.0	4.4	2.1	2.6	2.3	2.1
EV/EBITDA	10.2	11.7	15.3	8.9	10.8	9.4	8.9
EV/EBITA	17.7	19.6	21.2	11.8	13.9	11.9	11.2
EV/EBIT	17.7	19.6	21.2	11.8	13.9	11.9	11.2
EV/OCF	10.5	13.4	18.5	17.7	14.1	9.8	9.4
EV/FCFF	10.7	14.2	18.8	17.9	14.4	10.2	9.7
P/FCFE	82.4	135.3	110.9	34.6	23.1	13.7	14.0
P/E	22.3	27.8	28.3	15.6	18.4	15.8	15.4
P/B	7.5	7.1	10.0	6.4	6.9	5.7	4.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.0	8.6	8.1
Target EV/EBIT	0.0	0.0	0.0	0.0	12.8	10.9	10.3
Target EV/FCF	0.0	0.0	0.0	0.0	21.1	12.0	11.7
Target P/B	0.0	0.0	0.0	0.0	6.4	5.3	4.6
Target P/E	0.0	0.0	0.0	0.0	17.0	14.5	14.2
Per share measures							
Number of shares	40,649	40,549	40,549	40,621	40,571	40,571	40,571
Number of shares (diluted)	40,649	40,549	40,549	40,621	40,571	40,571	40,571
EPS	0.32	0.33	0.60	0.56	0.62	0.72	0.74
Operating cash flow per share	0.71	0.68	0.89	0.50	0.80	1.10	1.12
Free cash flow per share	0.43	0.34	0.77	0.25	0.49	0.83	0.82
Book value per share	0.96	1.29	1.71	1.36	1.65	2.00	2.31
Dividend per share	0.18	0.20	0.72	0.34	0.37	0.43	0.48
Dividend payout ratio, %	56.1	60.9	119.6	60.4	60.0	60.0	65.0
Dividend yield, %	2.5	2.2	4.2	3.9	3.3	3.8	4.2
FCF yield, %	6.1	3.7	4.5	2.9	4.3	7.3	7.2
Efficiency measures							
ROE	33.1	29.2	40.1	36.6	41.0	39.6	34.4
ROCE	22.7	22.9	33.0	32.4	35.1	34.8	31.6
Financial ratios							
Inventories as % of sales	18.0	18.2	17.1	20.3	20.0	19.0	18.0
Receivables as % of sales	5.3	6.6	7.9	7.2	9.0	7.0	7.0
Non-interest bearing liabilities as % of sales	14.2	17.9	18.6	14.9	15.0	16.0	18.0
NWC/sales, %	9.1	6.8	6.4	12.6	14.0	10.0	7.0
Operative CAPEX/sales, %	9.0	11.2	3.1	5.9	7.0	5.7	6.0
CAPEX/sales (incl. acquisitions), %	9.0	11.2	3.1	5.9	7.0	5.7	6.0
FCFF/EBITDA	1.0	0.8	0.8	0.5	0.8	0.9	0.9
Net debt/EBITDA, book-weighted	0.4	-0.1	-0.6	0.0	-0.1	-0.5	-0.8
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	40.1	45.7	52.2	48.4	51.4	54.5	55.6
Gearing, %	30.7	-3.2	-38.9	2.3	-7.5	-29.1	-41.9

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	5,088,500	58.009	12.5%
Varma Mutual Pension Insurance Company	1,929,600	21.997	4.8%
Ilmarinen Mutual Pension Insurance Company	1,926,940	21.967	4.7%
Ehnröth Sophia	1,651,885	18.831	4.1%
Nordea Nordic Small Cap Fund	999,425	11.393	2.5%
Evli Finnish Small Cap Fund	869,121	9.908	2.1%
Oy Talcom Ab	505,000	5.757	1.2%
Oy Etra Invest Ab	500,000	5.700	1.2%
Alahuhta Matti	423,650	4.830	1.0%
Veritas Pension Insurance Company Ltd.	375,000	4.275	0.9%
Ten largest	14,269,121	162.668	35%
Residual	26,302,259	299.846	65%
Total	40,571,380	462.514	100%

EARNINGS CALENDAR

November 08, 2023

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

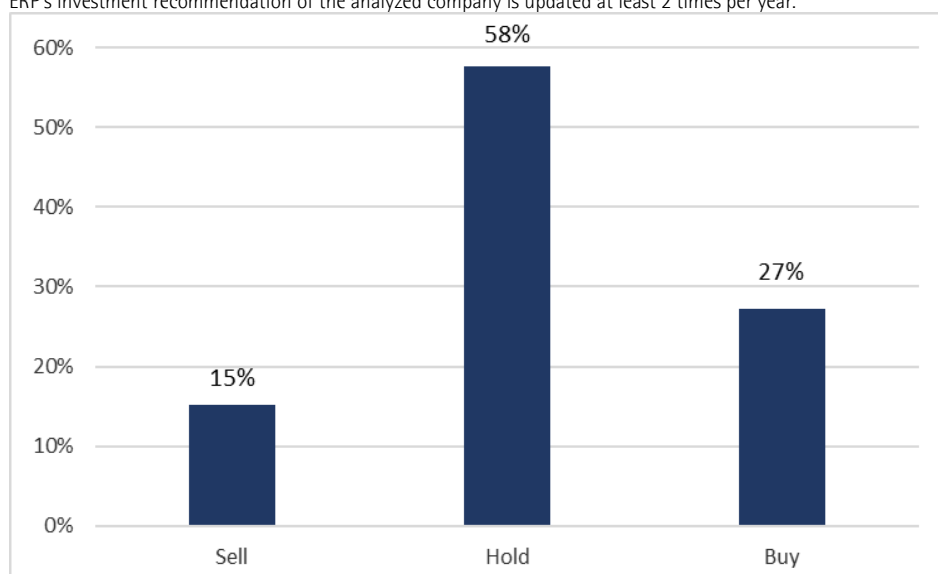
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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