

Another solid year in the books

Marimekko's Q4 net sales and adj. EBIT missed our estimates slightly yet the story continued to develop favorably with strong intl. growth and solid margins.

- Group result: driven by strong wholesale development especially in APAC and NA, Q4 net sales grew by 5% to EUR 50.6m (52.9/53.6m Evli/cons.), slightly lower than out estimates. Domestic retail was surprisingly strong with growth of 3% y/y, on the other hand domestic wholesale missed our estimates as the sales declined by 2%. Gross margin came in lower than expected as on the other hand, it was supported by higher licensing income and lower transport costs as expected while higher discounts affected it negatively. Adj. EBIT amounted to EUR 8.3m (9.0/8.7m Evli/cons.), reflecting a margin of 16.4%. Adj. EPS came in at EUR 0.15 (0.18/0.17 Evli/cons.).
- Finland:** topline grew 2% to EUR 30.5m (Evli est. EUR 31.9m) supported by retail sales while wholesale sales decreased 2%.
- Int'l:** growth was strong at 10% y/y yet slightly below our estimate. Growth was supported by wholesale especially in APAC and NA.
- 24 market outlook:** Sales in Finland in 2024 are impacted by the weak general economy and low consumer confidence as well as the development of purchasing power and behavior. Despite the weak market situation, net sales in Finland are expected to be approximately at the level of the previous year. International sales are estimated to grow in 2024. Marimekko aims to open roughly 10-15 new Marimekko stores and shop-in-shops, most of the planned openings will be in Asia (19 openings in 23, of which 17 in Asia).
- 24 guidance:** Net sales to grow and adj. EBIT margin between 16-19%.

Rating				🟡 HOLD
Q4'23	Actual	Evli	Consensus*	Q4'23
Net sales	50.6	52.9	53.6	48.4
Finland	30.5	31.9	-	30.1
Int'l	20.1	21.0	-	18.4
Adj. EBIT	8.3	9.0	8.7	6.9
Adj. EBIT-margin	16.4%	17.1%	16.2%	14.3%
Adj. EPS	0.15	0.18	0.17	0.10
<i>* Consensus estimate from FactSet (5 analysts)</i>				
Share price, EUR (Last trading day's closing price)				13.17
Target price, EUR				12.0
Latest change in				13-Feb-23
Latest report on				8-Feb-24
Research paid by				YES
No. of shares				40,571
No. of shares fully				40,571
Market cap, EURm				534
Free float, %				74.0
Exchange rate				0.000
Reuters code				MEKKO.HE
Bloomberg code				MEKKO FH
Average daily				0.0
Next interim report				15-Feb-24
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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
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	176.4	32.4	18.3%	20.2	0.61	21.7	3.0	16.3	3.8	0.38
2024E	188.3	35.3	18.7%	33.3	0.69	19.1	2.7	14.5	6.2	0.41
2025E	198.2	37.7	19.0%	33.1	0.74	17.8	2.5	13.1	6.2	0.48

Market cap, EURm	534	BV per share 2023E, EUR	-7.9	CAGR EPS 2022-25, %	9.7
Net debt 2023E, EURm	-5	Price/book 2023E	8.0	CAGR sales 2022-25, %	6.0
Enterprise value, EURm	529	Dividend yield 2023E, %	2.9	ROE 2023E, %	40.5
Total assets 2023E, EURm	129	Tax rate 2023E, %	20.1	ROCE 2023E, %	34.7
Goodwill 2023E, EURm	0	Equity ratio 2023E, %	51.4	PEG, P/E 23/CAGR	2.8

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

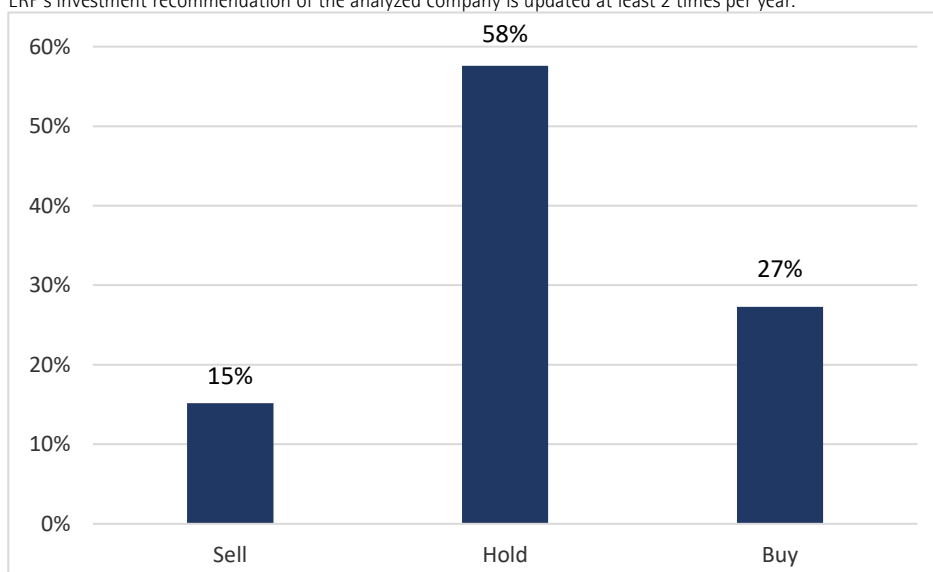
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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