

Strong start to the year

Marimekko's Q1 results came in stronger than expected driven partly by the timing of non-recurring wholesale deliveries in Finland that boosted net sales.

- Group result:** driven by strong wholesale development in Finland, Q1 net sales grew by 7% to EUR 37.7m (35.4/35.6m Evli/cons.). The domestic wholesale sales grew strongly while the retail sales also fared better than expected. Growth in the international markets was largely in line with what we expected. Adj. EBIT amounted to EUR 5.2m (3.3/3.5m Evli/cons.), reflecting a margin of 13.8%. Profitability was supported by higher volumes and stronger than expected gross margin, on the other hand, increased fixed costs weakened profitability. EPS came in at EUR 0.10 (0.06/0.06 Evli/cons.).
- Finland:** topline grew 8% to EUR 19.4m (Evli est. EUR 16.9m) supported by strong wholesale sales which grew 18% y/y driven by the timing of non-recurring wholesale deliveries. In addition to wholesale, retail sales grew 2% y/y, which also surpassed our estimate.
- Int'l:** Marimekko's international sales grew 6% y/y while we had expected growth of little over 7%. APAC continued to be strong as expected while EMEA was clearly weaker in terms of volumes than we had estimated.
- Marimekko continues to expect that the sales in Finland will be roughly at the level of last year in 2024. While Q1 was strong for domestic wholesale sales, the company expects that the wholesale sales will be significantly lower for the full year when compared to last year.
- Outlook for international sales remains unchanged as Marimekko estimates that the sales will grow in 2024. The aim is to open approximately 10-15 new Marimekko stores and shop-in-shops, and most of the planned openings will be in Asia.

Rating				🟡 HOLD
Q1'24	Actual	Evli	Consensus*	Q1'23
Net sales	37.7	35.4	35.6	35.3
Finland	19.5	16.9	17.1	18.0
Int'l	18.2	18.6	18.5	17.3
Adj. EBIT	5.2	3.3	3.5	3.8
Adj. EBIT-margin	13.8%	9.2%	9.8%	10.9%
Adj. EPS	0.10	0.06	0.06	0.06
* Consensus estimate from FactSet (6 analysts)				
Share price, EUR (Last trading day's closing price)				13.38
Target price, EUR				12.0
Latest change in				13-Feb-23
Latest report on				08-May-24
Research paid by				YES
No. of shares				40,571
No. of shares fully				40,571
Market cap, EURm				543
Free float, %				74.0
Exchange rate				0.000
Reuters code				MEKKO.HE
Bloomberg code				MEKKO FH
Average daily				0.0
Next interim report				15-May-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
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9	0.34
2023	174.1	31.4	18.0%	18.7	0.58	22.9	3.1	17.1	3.5	0.37
2024E	181.9	33.0	18.2%	33.4	0.64	21.0	2.9	15.7	6.2	0.38
2025E	195.9	38.3	19.5%	31.9	0.74	18.0	2.6	13.2	5.9	0.48
2026E	205.7	39.1	19.0%	28.3	0.76	17.5	2.4	12.7	5.2	0.50
Market cap, EURm	543		BV per share 2024E, EUR		-29.5		CAGR EPS 2023-26, %		9.4	
Net debt 2024E, EURm	-23		Price/book 2024E		7.1		CAGR sales 2023-26, %		5.7	
Enterprise value, EURm	520		Dividend yield 2024E, %		2.9		ROE 2024E, %		36.3	
Total assets 2024E, EURm	141		Tax rate 2024E, %		20.0		ROCE 2024E, %		32.5	
Goodwill 2024E, EURm	0		Equity ratio 2024E, %		54.5		PEG, P/E 24/CAGR		3.0	

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

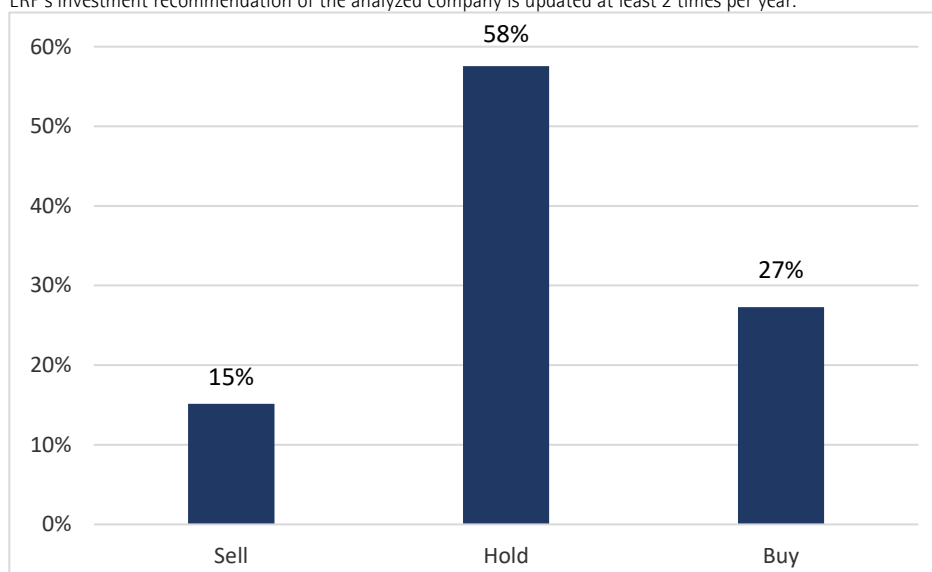
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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