

## Good start despite challenging conditions

Marimekko's Q1 figures exceeded our estimates driven by the timing of non-recurring wholesale promotional deliveries and surprisingly resilient domestic retail sales.

### Timing helped domestic wholesale, retail showed resilience

Driven by stronger than expected net sales development in Finland, Marimekko's net sales grew by 7% to EUR 37.7m, (35.4/35.6m Evli/cons.) clearly surpassing our estimates. The estimate beat was driven by both the timing of non-recurring wholesale promotional deliveries in Finland and growth in domestic retail. On the international side, the rate of growth was in line with our estimates as APAC kept delivering strong growth. While APAC was stronger, smaller geographies, namely Scandinavia and EMEA, missed our net sales estimate. With strong volume development and improved gross margin due to increased licensing income and lower discounts, Marimekko's comparable EBIT climbed to EUR 5.2m (3.3/3.5m Evli/cons.).

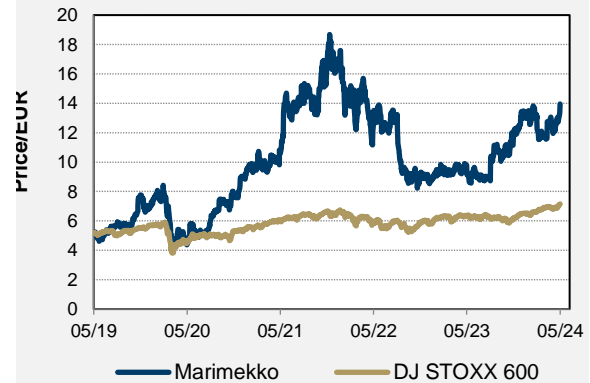
### Earnings growth to pick up in 2025E

Marimekko kept its market outlook for Finland unchanged and expects that net sales will be approximately at the level of previous year. We have adjusted our estimates accordingly and now expect weaker sales for H2 driven by lower wholesale sales. For APAC, we increase estimate for net sales for 2024E slightly as Q1 came in stronger than we expected. We continue to estimate slight gross margin improvement for FY while we model higher OPEX when compared to last year driven by investments in growth and cost inflation. We now estimate revenue of EUR 181.6m and EBIT of EUR 33.4m for FY 2024. We continue to expect higher net sales (+8%) and EBIT (+12%) growth for 2025E as we model pick-up in domestic growth driven by expected improved market conditions and continued growth in APAC.

### HOLD with a TP of EUR 13.0 (prev. EUR 12.0)

Marimekko trades at 22-19x P/E and 16-14x EV/EBIT on our 2024-2025E estimates. Valuation is starting to look slightly elevated as the company trades at a premium to our Premium and Luxury Goods peer groups (avg. for the aggregate). On the other hand, the company trades in line with its historic multiple levels and the current price presents a roughly 20% discount to fair value derived from our DCF.

Rating 🟡 HOLD



Share price, EUR 13.96  
(Last trading day's)  
Target price, EUR 13.0

Latest change in	11-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	566
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

## 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	181.6	33.4	18.4%	27.6	0.64	21.8	3.0	16.5	4.9	0.39
2025E	196.7	37.5	19.0%	28.6	0.73	19.2	2.7	14.3	5.0	0.47
2026E	206.7	40.3	19.5%	28.8	0.78	17.8	2.5	13.1	5.1	0.51

Market cap, EURm	566	Gearing 2024E, %	-21.8	CAGR EPS 2023-26, %	10.5
Net debt 2024E, EURm	-17	Price/book 2024E	7.4	CAGR sales 2023-26, %	5.9
Enterprise value, EURm	550	Dividend yield 2024E, %	2.8	ROE 2024E, %	36.5
Total assets 2024E, EURm	138	Tax rate 2024E, %	20.0	ROCE 2024E, %	32.7
Goodwill 2024E, EURm	0	Equity ratio 2024E, %	55.6	PEG, P/E 24/CAGR	2.6

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

Q1 earnings beat partly "technical" yet showed promise amid a difficult market

Marimekko's Q1 results exceeded our expectations partly due to the timing of non-recurring domestic wholesale promotional deliveries. While domestic revenue development was therefore stronger than we expected with growth of 8% y/y, Marimekko expects Finnish sales to be approximately at the level of the previous year for the full year. The non-recurring promotional deliveries are expected to be significantly lower in 2024 when compared to 2023 and weighted clearly in H1/24. While the domestic wholesale sales were boosted by the non-recurring promotional deliveries, the Finnish retail sales were also higher than we estimated at EUR 11.6m with growth of roughly 2% year-over-year. The development in retail sales shows resilience amid a challenging environment. Growth in APAC was higher than we had estimated, while in Scandinavia and EMEA sales missed our estimates at least partly due to timing issues. The company's gross margin improved driven by higher licensing sales and lower discounts. The licensing revenue is expected to be approximately at the previous year's record level for 2024. Therefore, we do not expect such an effect on the gross margin for the remaining quarters of the FY. The lower number of discounts was particularly promising despite the continued tactical operating environment. Operating expenses grew in line with our estimates with increased personnel and marketing expenses. Due to higher net sales and gross margin, comparable EBIT came in at EUR 5.2m (3.3/3.5m Evli/cons.), with a margin of 13.8%.

Expecting earnings growth for 2025E

While we have made estimate changes between the quarters for 2024, our estimates for FY 2024E remain relatively unchanged. We estimate net sales of EUR 181.6m and EBIT of EUR 33.4m (adj. EBIT EUR 33.5m) for FY 2024. We now expect slower H2 for Finland driven by lack of non-recurring wholesale deliveries. On the other hand, we model higher growth for APAC and NA while we have revised our estimates downwards for Scandinavia and EMEA. In terms of profitability, we estimate slightly higher gross margin for 2024 while we continue to forecast OPEX investments for the remainder of the fiscal year. While 2024E is likely to be challenging for the company, especially in the domestic market, we estimate earnings growth to pick-up in 2025E. Growth is driven by sales growth pick-up in Finland as the market conditions are expected to improve and in addition, we estimate continued growth in APAC.

Table 1: Peer group

MARIMEKKO PEER GROUP PREMIUM GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		24	25	26	24	25	26	24	25	26	24	25	26
Bjorn Borg	113	8.6x	7.6x	7.4x	10.6x	9.0x	8.5x	13.5x	11.2x	10.7x	5.7 %	6.1 %	6.3 %
HUGO BOSS	3374	5.4x	4.8x	4.3x	9.9x	8.2x	7.4x	12.0x	9.8x	8.6x	3.0 %	3.9 %	4.4 %
Capri Holdings	3881	9.9x	9.0x		12.9x	11.3x		8.6x	7.8x		0.0 %	0.0 %	
Ralph Lauren	9832	10.6x	9.7x	8.8x	13.4x	12.1x	10.7x	15.1x	13.4x	11.6x	1.9 %	2.0 %	2.1 %
PVH	6195	8.5x	7.9x	7.5x	11.4x	10.4x	9.6x	10.7x	9.3x	8.1x	0.1 %	0.1 %	0.1 %
Guess	1313	8.6x	8.2x	7.4x	10.8x	10.2x	9.6x	9.3x	8.5x	7.6x	12.2 %	5.4 %	4.7 %
VF	4581	10.4x	9.3x	8.4x	14.4x	12.4x	11.1x	10.3x	8.2x	6.9x	3.5 %	2.5 %	2.9 %
Peer Group Average	47042	8.9x	8.1x	7.3x	11.9x	10.5x	9.5x	11.3x	9.7x	8.9x	3.8 %	2.9 %	3.4 %
Peer Group Median	5388	8.6x	8.2x	7.5x	11.4x	10.4x	9.6x	10.7x	9.3x	8.4x	3.0 %	2.5 %	3.7 %
Marimekko (Evli est.)	482	13.0x	11.4x	10.4x	16.5x	14.3x	13.1x	21.8x	19.2x	17.8x	2.8 %	3.4 %	3.7 %

Marimekko prem./disc. to peer median  
Source FactSet, Evli Research

50% 40% 39% 45% 38% 37% 104% 106% 113% -9% 36% -0%

MARIMEKKO PEER GROUP LUXURY GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E			Div. yield		
		24	25	26	24	25	26	24	25	26	23	24	25
Brunello Cucinelli	6540	19.3x	17.4x	16.4x	33.4x	29.8x	26.6x	51.4x	45.0x	39.5x	1.0 %	1.2 %	1.3 %
Burberry Group	4577	6.9x	6.6x	6.2x	13.5x	12.3x	11.2x	15.7x	14.1x	12.6x	4.5 %	4.8 %	5.1 %
Hermes International	239413	32.9x	29.4x	26.3x	36.7x	32.4x	29.2x	51.0x	45.5x	40.6x	0.8 %	0.9 %	1.0 %
LVMH Moët Hennessy Louis Vuitton	392612	14.4x	13.3x	12.2x	18.0x	16.3x	15.0x	24.7x	22.4x	20.4x	1.8 %	2.0 %	2.1 %
Moncler	17257	13.2x	11.9x	11.0x	17.6x	15.8x	14.2x	26.0x	23.3x	20.8x	1.9 %	2.1 %	2.4 %
Prada	18739	10.6x	9.7x	9.0x	17.1x	15.2x	13.7x	24.1x	21.4x	19.2x	2.3 %	2.6 %	2.8 %
Salvatore Ferragamo	1616	8.9x	8.1x	7.2x	37.9x	26.9x	20.9x	78.4x	43.8x	31.0x	0.7 %	1.3 %	1.9 %
Kering	41556	10.8x	9.5x	8.6x	16.0x	13.7x	12.0x	19.5x	16.3x	14.0x	3.2 %	3.6 %	3.9 %
Canada Goose Holdings	1066	7.7x	7.6x		12.8x	11.7x		15.5x	13.2x		0.0 %	0.0 %	
Peer Group Average	47042	13.9x	12.6x	12.1x	22.5x	19.3x	17.9x	34.0x	27.2x	24.8x	1.8 %	2.0 %	2.6 %
Peer Group Median	5388	10.8x	9.7x	10.0x	17.6x	15.8x	14.6x	24.7x	22.4x	20.6x	1.8 %	2.0 %	2.3 %
Marimekko (Evli est.)	482	13.0x	11.4x	10.4x	16.5x	14.3x	13.1x	21.8x	19.2x	17.8x	2.8 %	3.4 %	3.7 %

Marimekko prem./disc. to peer median  
Source FactSet, Evli Research

20% 17% 4% -7% -9% -11% -12% -14% -14% 54% 72% 61%

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	13.96 PV of Free Cash Flow	301 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	17.25 PV of Horizon value	409 WACC, %	7.5 Market risk premium, %
Share price potential, %	23.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	18.8 Marketable securities	37 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	15.9 Debt - dividend	-48 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	57.6 Value of stock	700 Nr of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	174	182	197	207	215	225	232	237	242	246	250	254
<i>Sales growth, %</i>	<i>4.6</i>	<i>4.3</i>	<i>8.3</i>	<i>5.1</i>	<i>3.9</i>	<i>5.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	31	33	37	40	42	44	44	45	46	47	48	48
<i>Operating income margin, %</i>	<i>18.0</i>	<i>18.4</i>	<i>19.0</i>	<i>19.5</i>	<i>19.5</i>	<i>19.5</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>
+ Depreciation+amort.	9	9	9	10	11	11	12	12	12	13	13	
EBITDA	41	42	47	51	53	55	56	57	58	59	60	
- Paid taxes	-7	-7	-7	-8	-8	-9	-9	-9	-9	-9	-10	
- Change in NWC	-3	3	2	-1	-1	-1	-1	0	0	0	0	
<i>NWC / Sales, %</i>	<i>14.0</i>	<i>12.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</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>5.7</i>	<i>5.6</i>	<i>6.4</i>	<i>5.9</i>	<i>5.8</i>	<i>5.9</i>	<i>5.6</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.4</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	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	29	37	40	40	42	43	45	46	47	48	49	822
= Discounted FCFF		35	35	33	32	31	30	28	27	26	24	409
= DFCF min WACC		35	36	33	33	32	30	29	28	27	25	467
= DFCF max WACC		35	35	33	32	30	29	28	26	25	23	361

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	35.3	40.3	47.9	50.6	174.1	37.7	43.0	48.8	52.1	181.6	196.7	206.7
EBITDA	6.1	8.8	15.2	10.4	40.5	7.4	9.6	15.0	10.4	42.4	46.9	50.6
<i>EBITDA margin (%)</i>	<i>17.4</i>	<i>21.9</i>	<i>31.7</i>	<i>20.6</i>	<i>23.3</i>	<i>19.6</i>	<i>22.3</i>	<i>30.8</i>	<i>20.0</i>	<i>23.4</i>	<i>23.9</i>	<i>24.5</i>
EBIT	3.8	6.6	12.9	8.1	31.4	5.1	7.4	12.8	8.1	33.4	37.5	40.3
<i>EBIT margin (%)</i>	<i>10.8</i>	<i>16.4</i>	<i>27.0</i>	<i>15.9</i>	<i>18.0</i>	<i>13.4</i>	<i>17.1</i>	<i>26.3</i>	<i>15.5</i>	<i>18.4</i>	<i>19.0</i>	<i>19.5</i>
Net financial items	-0.8	-0.5	0.0	-0.2	-1.7	-0.2	-0.2	-0.2	-0.2	-0.8	-0.6	-0.5
Pre-tax profit	3.0	6.1	12.9	7.8	29.7	4.9	7.2	12.6	7.9	32.5	36.8	39.8
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-1.0	-1.4	-2.5	-1.6	-6.5	-7.4	-8.0
<i>Tax rate (%)</i>	<i>18.5</i>	<i>21.6</i>	<i>19.8</i>	<i>22.1</i>	<i>20.6</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	2.4	4.8	10.3	6.1	23.6	3.9	5.7	10.1	6.3	26.0	29.5	31.8
EPS	0.06	0.12	0.25	0.15	0.58	0.10	0.14	0.25	0.16	0.64	0.73	0.78
EPS adjusted (diluted no. of shares)	0.06	0.12	0.25	0.15	0.58	0.10	0.14	0.25	0.16	0.64	0.73	0.78
Dividend per share	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.00	0.00	0.39	0.47	0.51
<b>SALES, EURm</b>												
Finland	18.0	22.2	28.2	30.5	98.9	19.4	24.2	26.5	29.8	99.9	106.3	109.5
Scandinavia	3.5	3.0	4.3	4.7	15.6	3.0	3.2	4.5	4.9	15.6	16.1	16.9
EMEA	3.8	3.8	3.6	3.5	14.6	2.4	3.4	3.7	4.0	13.5	14.8	15.6
North America	1.6	2.6	2.5	2.8	9.6	2.5	3.4	3.0	3.1	12.0	13.2	13.9
Asia Pacific	8.4	8.8	9.2	9.0	35.4	10.2	8.9	11.2	10.3	40.7	46.3	50.9
Total	35.3	40.3	47.9	50.6	174.1	37.7	43.0	48.8	52.1	181.6	196.7	206.7
<b>SALES GROWTH, Y/Y %</b>												
Finland	-2.7	-3.5	5.7	1.5	0.7	8.0	8.9	-6.2	-2.2	1.0	6.4	3.0
Scandinavia	15.6	0.9	23.8	6.1	11.5	-12.1	4.7	3.6	3.3	0.2	3.0	5.0
EMEA	-30.6	18.7	-3.5	-4.4	-8.5	-35.5	-9.3	1.9	14.4	-7.7	9.8	5.0
North America	-10.6	28.5	35.7	23.1	19.7	55.5	30.9	17.6	8.5	24.9	10.6	5.0
Asia Pacific	15.6	28.5	11.0	14.1	16.9	21.7	1.7	21.5	14.3	14.8	13.8	10.0
Total	-2.1	6.1	8.6	4.6	4.6	6.8	6.7	1.9	3.0	4.3	8.3	5.1
<b>EBIT, EURm</b>												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.4
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9
Group (EBIT only)	3.8	6.6	12.9	8.1	31.4	5.1	7.4	12.8	8.1	33.4	37.5	0.0
Total	3.8	6.6	12.9	8.1	31.4	5.1	7.4	12.8	8.1	33.4	37.5	40.3
<b>EBIT margin, %</b>												
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
EMEA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5
Total	10.8	16.4	27.0	15.9	18.0	13.4	17.1	26.3	15.5	18.4	19.0	19.5

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	125.4	123.6	152.2	166.5	174.1	181.6	196.7	206.7
<i>Sales growth (%)</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>9.4</i>	<i>4.6</i>	<i>4.3</i>	<i>8.3</i>	<i>5.1</i>
EBITDA	29.7	31.3	43.3	40.1	40.5	42.4	46.9	50.6
<i>EBITDA margin (%)</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>24.1</i>	<i>23.3</i>	<i>23.4</i>	<i>23.9</i>	<i>24.5</i>
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.1	-9.5	-10.3
EBITA	17.1	18.8	31.3	30.4	31.4	33.4	37.5	40.3
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	17.1	18.8	31.3	30.4	31.4	33.4	37.5	40.3
<i>EBIT margin (%)</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.4</i>	<i>19.0</i>	<i>19.5</i>
Reported EBIT	17.1	18.0	31.3	30.4	31.4	33.4	37.5	40.3
<i>EBIT margin (reported) (%)</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>18.2</i>	<i>18.0</i>	<i>18.4</i>	<i>19.0</i>	<i>19.5</i>
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.8	-0.6	-0.5
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	32.5	36.8	39.8
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.5	-7.4	-8.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	13.0	12.5	24.4	22.9	23.6	26.0	29.5	31.8
Cash NRIs	0.0	-0.8	0.0	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>								
Assets								
Fixed assets	5	5	5	6	6	6	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	36	37	29	30	30	31	33	35
Inventory	23	22	26	34	29	31	33	35
Receivables	7	8	12	12	20	20	22	23
Liquid funds	26	41	60	33	37	49	64	75
Total assets	97	114	133	115	123	138	161	176
Liabilities								
Shareholder's equity	39	52	69	55	66	77	91	103
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	36	37	30	32	32	31	33	35
Deferred taxes	2	1	3	0	0	0	0	0
Interest bearing debt	2	2	2	2	1	2	1	0
Non-interest bearing current liabilities	18	22	28	25	25	29	35	37
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	97	114	133	115	123	138	161	176
<b>CASH FLOW, EURm</b>								
+ EBITDA	30	31	43	40	41	42	47	51
- Net financial items	-1	-2	18	-27	-2	-1	-1	-1
- Taxes	-3	-6	-4	-6	-7	-6	-7	-8
- Increase in Net Working Capital	3	3	-2	-11	-3	3	2	-1
+/- Other	0	0	-19	24	0	0	0	0
= Cash flow from operations	29	27	36	20	29	38	41	41
- Capex	-11	-14	-5	-10	-10	-10	-13	-12
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	18	14	31	10	19	28	29	29
+/- New issues/buybacks	1	8	1	-8	1	0	0	0
- Paid dividend	-15	-7	-8	-29	-14	-15	-16	-19
+/- Other	-1	0	-5	0	-1	-1	2	1
Change in cash	3	15	19	-27	4	12	15	10

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	566	566	566
Net debt (excl. convertibles)	-2	-27	1	-4	-17	-30	-39
Enterprise value	368	664	357	536	550	537	527
Sales	124	152	167	174	182	197	207
EBITDA	31	43	40	41	42	47	51
EBIT	19	31	30	31	33	37	40
Pre-tax	17	31	29	30	33	37	40
Earnings	13	24	23	24	26	29	32
Equity book value (excl. minorities)	52	69	55	66	77	91	103
<b>Valuation multiples</b>							
EV/sales	3.0	4.4	2.1	3.1	3.0	2.7	2.5
EV/EBITDA	11.7	15.3	8.9	13.2	13.0	11.4	10.4
EV/EBITA	19.6	21.2	11.8	17.1	16.5	14.3	13.1
EV/EBIT	19.6	21.2	11.8	17.1	16.5	14.3	13.1
EV/OCF	13.4	18.5	17.7	18.7	14.5	13.1	12.8
EV/FCFF	14.2	18.8	17.9	18.7	14.9	13.5	13.2
P/FCFE	135.3	110.9	34.6	28.9	20.5	19.8	19.6
P/E	27.8	28.3	15.6	22.9	21.8	19.2	17.8
P/B	7.1	10.0	6.4	8.2	7.4	6.2	5.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.0	10.6	9.6
Target EV/EBIT	0.0	0.0	0.0	0.0	15.3	13.3	12.1
Target EV/FCF	0.0	0.0	0.0	0.0	18.5	17.4	16.9
Target P/B	0.0	0.0	0.0	0.0	6.9	5.8	5.1
Target P/E	0.0	0.0	0.0	0.0	20.3	17.9	16.6
<b>Per share measures</b>							
Number of shares	40,549	40,549	40,621	40,571	40,571	40,571	40,571
Number of shares (diluted)	40,549	40,549	40,621	40,571	40,571	40,571	40,571
EPS	0.33	0.60	0.56	0.58	0.64	0.73	0.78
Operating cash flow per share	0.68	0.89	0.50	0.71	0.93	1.01	1.01
Free cash flow per share	0.34	0.77	0.25	0.46	0.68	0.70	0.71
Book value per share	1.29	1.71	1.36	1.62	1.89	2.23	2.55
Dividend per share	0.20	0.72	0.34	0.37	0.39	0.47	0.51
Dividend payout ratio, %	60.9	119.6	60.4	63.6	60.0	65.0	65.0
Dividend yield, %	2.2	4.2	3.9	2.8	2.8	3.4	3.7
FCF yield, %	3.7	4.5	2.9	3.5	4.9	5.0	5.1
<b>Efficiency measures</b>							
ROE	29.2	40.1	36.6	39.0	36.5	35.2	32.8
ROCE	22.9	33.0	32.4	33.9	32.7	32.7	31.4
<b>Financial ratios</b>							
Inventories as % of sales	18.2	17.1	20.3	16.8	17.0	17.0	17.0
Receivables as % of sales	6.6	7.9	7.2	11.3	11.0	11.0	11.0
Non-interest bearing liabilities as % of sales	17.9	18.6	14.9	14.1	16.0	18.0	18.0
NWC/sales, %	6.8	6.4	12.6	14.0	12.0	10.0	10.0
Operative CAPEX/sales, %	11.2	3.1	5.9	5.7	5.6	6.4	5.9
CAPEX/sales (incl. acquisitions), %	11.2	3.1	5.9	5.7	5.6	6.4	5.9
FCFF/EBITDA	0.8	0.8	0.5	0.7	0.9	0.8	0.8
Net debt/EBITDA, book-weighted	-0.1	-0.6	0.0	-0.1	-0.4	-0.6	-0.8
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	45.7	52.2	48.4	53.3	55.6	56.5	58.8
Gearing, %	-3.2	-38.9	2.3	-6.3	-21.8	-32.8	-38.1

**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	71.035	12.5%
Ilmarinen Mutual Pension Insurance Company	1,980,440	27.647	4.9%
Varma Mutual Pension Insurance Company	1,929,600	26.937	4.8%
Ehnrooth Sophia	1,651,885	23.060	4.1%
Nordea Nordic Small Cap Fund	999,425	13.952	2.5%
Evli Finnish Small Cap Fund	952,961	13.303	2.3%
Elo Mutual Pension Insurance Company	587,395	8.200	1.4%
Oy Talcom Ab	505,000	7.050	1.2%
Oy Etra Invest Ab	500,000	6.980	1.2%
Alahuhta Matti Juhani	436,050	6.087	1.1%
Ten largest	14,631,256	204.252	36%
Residual	25,940,124	362.124	64%
Total	40,571,380	566.376	100%

**EARNINGS CALENDAR**

August 15, 2024 Q2 report  
November 07, 2024 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



<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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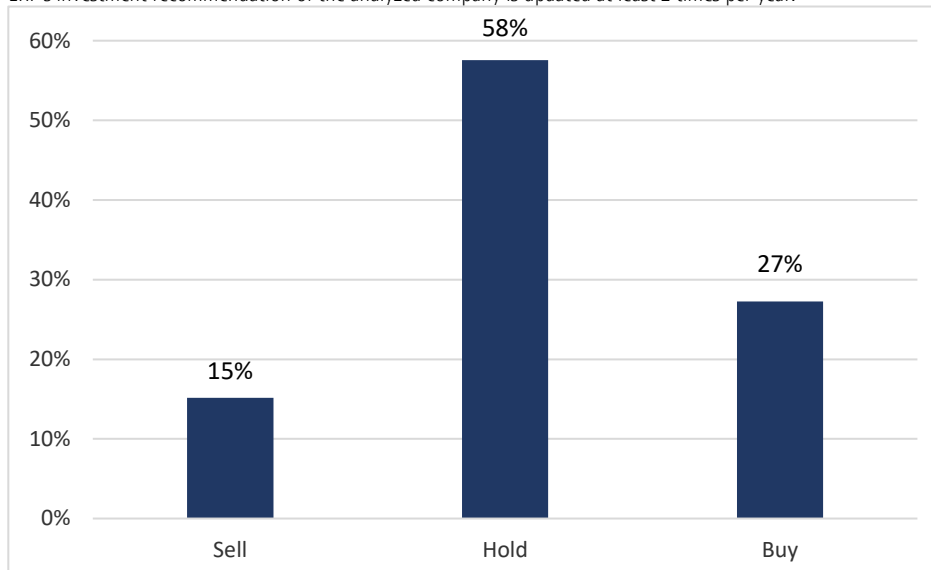
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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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): Jortikka

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