

## Earnings in line, dividend slightly better

Marimekko's Q4'16 clean EBIT came in line with expectations at EUR 1.8m vs. EUR 1.8m Evli and EUR 2.0m consensus. Sales are slightly better than expected at EUR 28.2m vs. EUR 27m Evli and consensus expectation. Marimekko's retail sales declined by 6% in Q4'16 while wholesale sales increased by 15%. 2016 dividend proposal is EUR 0.40 vs. EUR 0.35/0.36 Evli/cons expectation. For 2017 Marimekko guides revenue and comparable EBIT to remain at the 2016 level. Guidance is well reflected in consensus expectations.

- Net sales in Q4'16 were EUR 28m vs. EUR 27m Evli and consensus expectation. Net sales grew by 3% y/y in actual FX and 4% in comparable FX. Marimekko's retail sales declined by 6% in Q4'16 while wholesale sales increased by 15%.
- Regionally revenue was above our estimate in EMEA and APAC, while sales in other regions came in close to our estimates.
- Clean EBIT was EUR 1.8m vs. EUR 1.8m/2.0m Evli and consensus views. Comparable EBIT was supported by nonrecurring promotional wholesale deliveries in Finland, growth in wholesale sales in the Asia-Pacific region, and a reduced cost level, but weakened by a decrease in retail sales in Finland as well as a fall in retail and wholesale sales in North America.
- Cash flow from operating activities was EUR 7.7m vs. EUR 5.6m year ago.
- 2016 dividend: EUR 0.40 vs. EUR 0.35/0.36 Evli/cons.
- 2017 guidance: sales and comparable EBIT will remain at the 2016 level. Guidance is well reflected in consensus expectations.
- Store openings: Marimekko plans to open 10-20 new stores in 2017, mostly shop-in-shops.

Rating REDUCE

Marimekko Q4 2016	Actual	Evli	Cons.*	Year ago
Net sales	28.2	27.0	27.1	27.5
EBIT ex NRIs	1.8	1.8	2.0	1.3
EBIT-margin	6.4 %	6.7 %	7.3 %	4.7 %
EPS (reported)	0.19	0.17	0.18	0.18
DPS	0.40	0.35	0.36	0.35
			<b>Actual vs. Evli</b>	<b>Year ago</b>
<b>Net sales</b>				
Finland	16.5	16.4	0.6%	15.9
Scandinavia	2.2	1.9	12.7%	2.1
EMEA	2.5	1.9	27.6%	2.3
North America	2.0	2.1	-5.0%	2.7
Asia Pacific	5.0	4.6	8.6%	4.5

*\*Inquiry Financial*

Share price, EUR (Last trading day's closing price) 9.90

Target price, EUR 8.5

Latest change in recommendation 19-Aug-14

Latest report on company 3-Nov-16

No. of shares outstanding, '000's 8,090

No. of shares fully diluted, '000's 8,090

Market cap, EURm 80

Free float, % 86.0

Exchange rate 0.000

Reuters code MM01V.HE

Bloomberg code MM01V FH

Average daily volume, EURm na.

Next interim report -

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BUY ACCUMULATE REDUCE SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2014	94	6	6.7%	6	0.60	14.9	0.8	6.7	11.4	0.35
2015	96	2	1.6%	2	0.13	63.5	0.7	12.8	46.6	0.35
2016E	98	6	6.2%	6	0.58	17.1	0.8	9.1	13.4	0.35
2017E	101	6	5.9%	6	0.56	17.6	0.8	9.7	13.4	0.40
2018E	103	7	6.3%	6	0.62	16.1	0.8	9.1	12.2	0.45

Market cap, EURm 80 BV per share 2016E, EUR 3.4 CAGR EPS 2015-18, % 67.7

Net debt 2016E, EURm 1 Price/book 2016E 2.9 CAGR sales 2015-18, % 2.6

Enterprise value, EURm 82 Dividend yield 2016E, % 3.5 ROE 2016E, % 17.1

Total assets 2016E, EURm 44 Tax rate 2016E, % 18.8 ROCE 2016E, % 18.8

Goodwill 2016E, EURm 0 Equity ratio 2016E, % 63.0 PEG, P/E 16/CAGR 1.7

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

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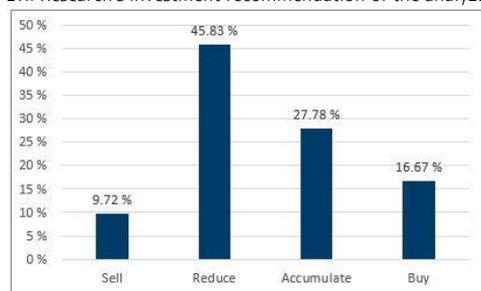
Detailed information about the valuation or methodology and the underlying assumptions is accessible via Evli Research:

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -5 %	SELL
-5 - (+5) %	REDUCE
5 - 15 %	ACCUMULATE
> 15 %	BUY

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Name(s) of the analyst(s): Häyhä

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