

## Weak international sales

Marimekko's Q4 revenue was EUR 29.7m vs. EUR 31.6m/31.1m Evli/cons expectations, while adj. EBITDA landed at EUR 2.2m vs. EUR 2.3/2.6m Evli/cons views. International sales surprisingly declined by as much as 15% in Q4, explained in part by a timing issue of deliveries in APAC. However, international revenue declined somewhat in others markets as well. Dividend is in line. Guidance is mostly as expected, although the flat adj. EBIT guidance looks somewhat cautious vs. our estimates: we have expected adj. EBIT of EUR 13.1m in 2019E vs. EUR 12.2m in 2018A. Consensus for 2019E has been EUR 12.4m.

- **Finland:** revenue was EUR 18.3m vs. EUR 17.6m our expectation. Revenue grew by +12% y/y, split to +8% own retail (own retail LFL +6%) and +22% wholesale.
- **International:** revenue was EUR 11.4m vs. EUR 14.0m our view. Int. revenue decreased by 15% y/y, driven primarily by APAC (-26%), but also EMEA (-11%) and North America (-12%). ASales in APAC qwere weakened by a timing issue related to deliveries.
- **Adj. EBITDA** was EUR 2.2m vs. EUR 2.3m/2.6m Evli/cons.
- **2018 dividend:** EUR 1.85 per share, consisting of EUR 0.60 ordinary and 1.25 extra. Dividend is in line.
- **2019E guidance:** revenue will increase, while adj. EBIT will be flat in 2019E. We have expected adj. EBIT of EUR 13.1m in 2019E vs. EUR 12.2m in 2018A. Consensus for 2019E has been EUR 12.4m.

### Rating

BUY

Marimekko Q4 2018	Actual	Evli	Cons.*	Year ago
Net sales	29.7	31.6	31.1	29.8
EBITDA ex NRIs	2.2	2.3	2.6	3.2
EBITDA-%	7.4 %	7.4 %	8.4 %	10.6 %
EBIT ex NRIs	1.6	1.6	1.7	2.4
EBIT-%	5.4 %	5.2 %	5.5 %	8.0 %
DPS	1.85	1.85	1.82	0.50
			<i>*Infront (3 est. Mean)</i>	
Net sales	Actual	Evli	Actual vs. Evli	Year ago
Finland	18.3	17.6	4.0%	16.4
Scandinavia	2.6	2.6	1.9%	2.6
EMEA	2.8	3.3	-16.5%	3.1
North America	2.0	2.3	-13.9%	2.2
Asia Pacific	4.1	5.8	-29.5%	5.5

Share price, EUR (Last trading day's closing price) 27.00

Target price, EUR 22.0

Latest change in recommendation 15-Feb-18

Latest report on company 5-Nov-18

Research paid by issuer: Yes

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

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

Market cap, EURm 218

Free float, % 84.0

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 HOLD 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
2016	100	6	6.1%	6	0.60	15.7	0.8	11.6	13.0	0.40
2017	102	9	8.4%	7	0.73	13.8	0.8	7.4	9.2	0.50
2018E	114	12	10.8%	12	1.01	26.6	1.8	24.3	16.6	1.85
2019E	118	13	11.1%	13	1.32	20.4	1.8	17.3	15.8	0.70
2020E	122	15	12.0%	15	1.48	18.3	1.7	15.8	13.8	0.75

Market cap, EURm 218 BV per share 2018E, EUR 5.0 CAGR EPS 2017-20, % 26.5

Net debt 2018E, EURm -16 Price/book 2018E 5.3 CAGR sales 2017-20, % 6.1

Enterprise value, EURm 203 Dividend yield 2018E, % 6.9 ROE 2018E, % 23.0

Total assets 2018E, EURm 55 Tax rate 2018E, % 31.7 ROCE 2018E, % 33.3

Goodwill 2018E, EURm 0 Equity ratio 2018E, % 74.2 PEG, P/E 18/CAGR 1.6

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

## Important Disclosures

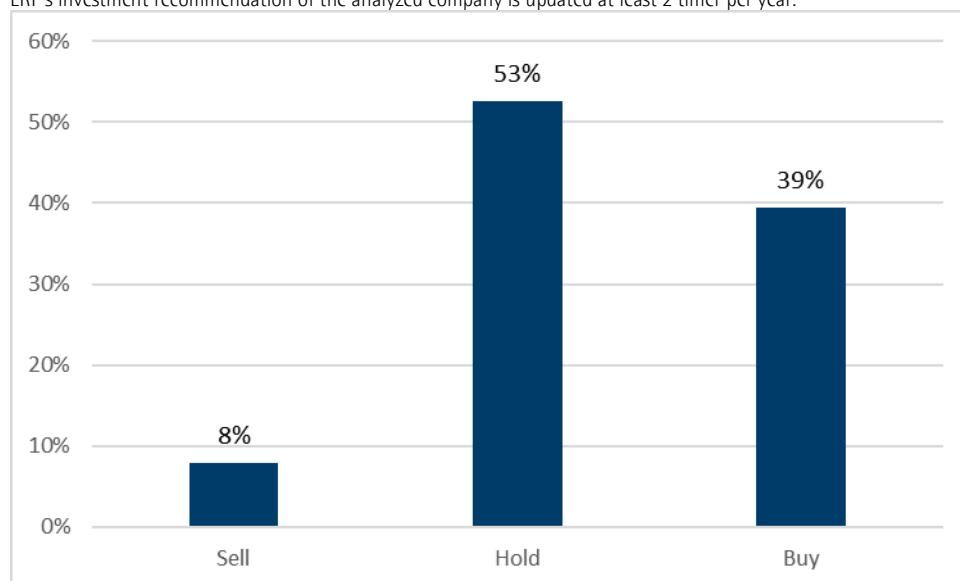
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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