

Great figures

Marimekko's Q2 results came in above our and consensus' estimates. Top line was driven by 61% growth in Finland and gross margin was also some 120bps above our estimate. Marimekko thus reached high absolute and relative profitability. The company however left its guidance intact, which moderates H2 estimates.

- Q2 revenue grew by 40% y/y to EUR 32.7m, compared to the EUR 29.3m/29.3m Evli/consensus estimates. Finland came in at EUR 18.4m vs the EUR 15.1m/14.9m Evli/consensus estimates, helped by a favorable trend in retail and wholesale revenue. Total Retail revenue was EUR 15.1m vs our EUR 13.9m estimate while Wholesale amounted to EUR 17.1m vs our EUR 15.2m estimate.
- Gross profit amounted to EUR 20.4m vs our EUR 17.9m estimate. Gross margin was 62.3% vs our 61.1% estimate.
- Adjusted EBITDA was EUR 8.5m, compared to our EUR 6.2m estimate. Adjusted EBIT was EUR 5.5m vs the EUR 2.9m/4.0m Evli/consensus estimates. Strong growth and gross margin helped profitability, while an increase in fixed costs had a weakening impact on earnings.
- Marimekko left its guidance unchanged and expects 2021 revenue to be higher than previous year and adjusted EBIT margin to be approximately on a par with or higher than in the previous year. In our opinion the guidance now appears a bit on the cautious side, especially considering Marimekko has indicated the majority of its revenue and earnings this year will be generated in H2.

Rating				BUY
Q2'21	Actual	Evli	Year ago	Q1'21
Revenue	32.7	29.3	23.3	29.1
Gross profit	20.4	17.9	13.9	18.8
Gross margin	62.3 %	61.1 %	59.8 %	64.7 %
Adj. EBIT	5.5	2.9	2.7	5.6
Adj. EBIT margin	16.8 %	10.0 %	11.5 %	19.3 %
Share price, EUR (Last trading day's closing price)				76.70
Target price, EUR				63.0
Latest change in				21-Sep-20
Latest report on				21-May-21
Research paid by				YES
No. of shares				8,110
No. of shares fully				8,110
Market cap, EURm				622
Free float, %				73.7
Exchange rate				-
Reuters code				MEKKO.HE
Bloomberg code				MEKKO FH
Average daily volume,				0.5
Next interim report				19-Aug-21
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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
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.90
2020	123.6	20.2	16.4%	13.6	1.80	25.3	3.0	18.2	3.7	1.00
2021E	138.5	23.1	16.7%	8.2	2.18	35.1	4.5	26.8	1.3	1.20
2022E	149.8	25.4	17.0%	16.4	2.38	32.2	4.1	24.1	2.6	1.31
2023E	155.8	26.5	17.0%	19.9	2.46	31.2	3.9	22.8	3.2	1.35
Market cap, EURm	622		BV per share 2021E, EUR		-2.9		CAGR EPS 2020-23, %		10.9	
Net debt 2021E, EURm	-2		Price/book 2021E		10.0		CAGR sales 2020-23, %		8.0	
Enterprise value, EURm	620		Dividend yield 2021E, %		1.6		ROE 2021E, %		30.8	
Total assets 2021E, EURm	119		Tax rate 2021E, %		19.9		ROCE 2021E, %		24.7	
Goodwill 2021E, EURm	0		Equity ratio 2021E, %		52.4		PEG, P/E 21/CAGR		6.9	

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

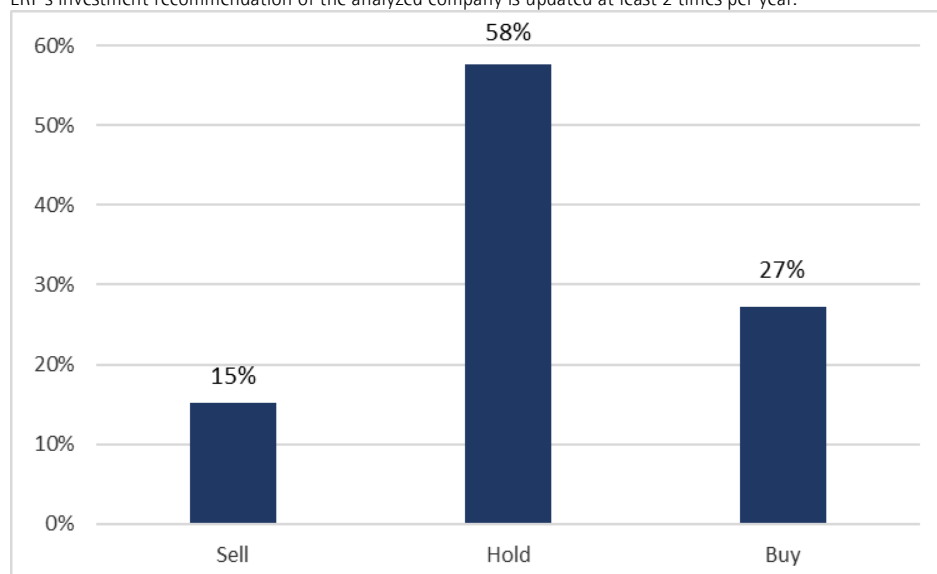
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Investment recommendations are defined as follows:

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

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

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