

Valuation still favorable

Marimekko released strong Q3 figures that overall outpaced our estimates. Development was strong in its domestic market, but Int'l business was sluggish due to temporal challenges and seasonality. We made only minor adjustments to our estimates.

Strong domestic growth and a record EBIT

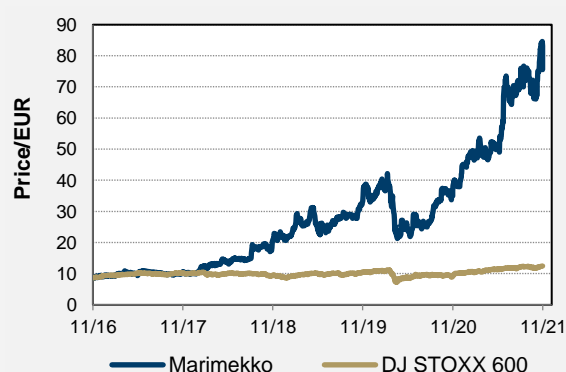
Marimekko's Q3 result came in strong compared to our expectations. Net sales growth of 11% y/y was driven by strong wholesale sales in Finland (+25% y/y). Controls of grey exports and lower licensing revenue decreased international net sales by 10% y/y. Despite the increased fixed costs, the company delivered its record EBIT, totaling EUR 13.3m (31.3% margin). Profitability was boosted by improved gross margin and increased net sales.

Int'l sales to get back on a growth path

We see the decline in international sales to be temporal and expect the company to get back on a growth path in Q4'21. Although the int'l revenue declined, the brand sales increased by 40% y/y in Q3 which indicates that the popularity of the brand is still up and keeps growing. Marimekko has positioned well in its domestic market, but we also expect that new and ongoing brand collaborations are set to increase brand awareness abroad, which eventually grows the share of int'l business. Like most of companies, Marimekko is also facing some challenges in logistics and material availability. Cost inflation has woken up and is raising its head. Due to relatively large inventories, the cost inflation shows in figures with a lag. After considering above mentioned factors, we made only minor adjustments to our estimates, now expecting 21E net sales of EUR 145.7m and adj. EBIT of EUR 30.2m (20.7% margin). During 2022-23, we expect Marimekko to grow by 10.8% and 8.5% respectively as well as reach an adj. EBIT margin of 18.9% and 17.8% respectively.

BUY with a target price of EUR 84.0

In our view, Marimekko has room for an upside as it's valued with a 22E EV/EBIT multiple of 19.8x, reflecting a 20% discount to its luxury peers. We retain our BUY-rating and TP of EUR 84.0.

 Rating BUY


Share price, EUR (Last trading day's closing price) 75.50

Target price, EUR 84.0

Latest change in 18-Sep-20

Latest report on 23-Sep-21

Research paid by YES

No. of shares 8,110

No. of shares fully 8,110

Market cap, EURm 612

Free float, % 73.7

Exchange rate 0.000

Reuters code MEKKO.HE

Bloomberg code MEKKO FH

Average daily volume, 0.0

Next interim report 15-Feb-22

 Web site company.marimekko.com/en/investors/

Analyst Joonas Ilvonen

 E-mail joonas.ilvonen@evli.com

Telephone

+ 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
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	145.7	30.2	20.7%	10.7	2.90	26.0	4.2	20.2	1.8	1.60
2022E	161.5	30.4	18.9%	18.8	2.87	26.3	3.7	19.8	3.1	1.58
2023E	175.1	31.2	17.8%	21.1	2.91	26.0	3.4	19.1	3.4	1.60
Market cap, EURm		612	Gearing 2021E, %			-6.3	CAGR EPS 2020-23, %			17.3
Net debt 2021E, EURm		-4	Price/book 2021E			9.0	CAGR sales 2020-23, %			12.3
Enterprise value, EURm		608	Dividend yield 2021E, %			2.1	ROE 2021E, %			38.9
Total assets 2021E, EURm		128	Tax rate 2021E, %			19.8	ROCE 2021E, %			30.7
Goodwill 2021E, EURm		0	Equity ratio 2021E, %			53.4	PEG, P/E 21/CAGR			10.3

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

Marimekko peer group – Comparable analysis

MARIMEKKO PEERS	MCAP local FX	EV/EBITDA			EV/EBIT			P/E			Equity ratio		
		21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	966	8.9x	7.4x	6.1x	13.4x	10.6x	8.5x	15.6x	13.2x	11.4x	50%	51%	54%
HUGO BOSS AG	3741	8.4x	7.0x	5.4x	23.9x	17.1x	12.0x	32.8x	22.4x	17.9x	33%	36%	39%
Capri Holdings Limited	9767	9.0x	7.6x	6.8x	11.4x	9.3x	8.3x	13.0x	11.2x	9.8x	36%	43%	
Ralph Lauren Corporation Class A	9040	8.2x	7.6x	7.2x	11.1x	10.1x	9.5x	16.7x	15.1x	13.2x	34%	35%	
Ted Baker PLC	245	9.3x	4.2x	3.1x		10.8x	7.5x		23.2x	11.8x	35%	38%	42%
PVH Corp.	8428	8.3x	7.8x	7.2x	11.6x	10.0x	9.2x	13.7x	12.3x	10.8x	41%	45%	
Guess?, Inc.	1462	4.4x	3.7x		5.5x	4.5x		8.3x	7.3x	6.6x			
Joules Group Plc	227	7.5x	5.8x	4.9x	14.6x	10.2x	8.3x	17.6x	11.8x	9.7x	19%	30%	39%
V.F. Corporation	29208	17.6x	15.6x	14.5x	20.9x	18.1x	16.6x	23.3x	20.0x	17.9x	27%	29%	
Kid ASA	4609	6.3x	6.0x	5.7x	10.4x	10.0x	9.2x	13.1x	12.2x	11.3x	35%	37%	38%
Luxury goods													
Brunello Cucinelli S.p.A.	3733	25.2x	21.3x	18.1x	70.0x	48.4x	38.8x	111.8x	75.7x	61.8x	36%	38%	43%
Burberry Group plc	7794	8.8x	7.8x	7.8x	14.5x	12.4x	12.1x	22.6x	19.7x	18.5x	48%	50%	49%
Hermes International SCA	148489	36.6x	33.1x	29.7x	42.4x	38.3x	34.4x	64.2x	58.3x	52.7x	72%	75%	78%
Moncler SpA	17167	20.9x	17.5x	15.9x	29.4x	23.8x	21.0x	43.6x	35.0x	30.9x	67%	69%	71%
Canada Goose Holdings, Inc.	4394	18.9x	13.5x	11.9x	27.8x	18.3x	16.0x	42.9x	28.1x	22.6x	38%	45%	47%
Kering SA	80693	13.2x	11.6x	10.3x	17.1x	14.8x	12.9x	25.5x	22.1x	19.7x	46%	51%	54%
Prada S.p.A.	122951	13.8x	12.2x	10.8x	38.5x	26.5x	20.7x	59.3x	39.5x	32.7x	48%	47%	49%
Salvatore Ferragamo S.p.A.	3143	12.2x	10.8x	9.6x	32.2x	25.9x	20.7x	53.8x	39.8x	30.6x	49%	50%	52%
Premium goods median	2601	8.3x	7.2x	6.1x	11.6x	10.1x	9.2x	15.6x	12.8x	11.4x	35%	37%	39%
Luxury goods median	12480	16.4x	12.9x	11.4x	30.8x	24.8x	20.7x	48.7x	37.3x	30.7x	48%	50%	50%
Marimekko (Evli est.)	612	14.2x	13.4x	12.6x	20.2x	19.8x	19.1x	26.0x	26.3x	26.0x	53%	55%	57%
<i>Marimekko premium vs. premium goods median</i>		71%	86%	106%	74%	95%	106%	67%	106%	129%	54%	51%	46%
<i>Marimekko premium vs. luxury goods median</i>		-13%	4%	11%	-35%	-20%	-8%	-47%	-29%	-15%	11%	11%	14%
MARIMEKKO PEERS	Ticker	Dividend yield			EBIT margin			Net sales growth-%			ROE-%		
		21	22	23	21	22	23	21	22	23	21	22	23
Premium goods													
Bjorn Borg AB	BORG-SE	3.9%	3.9%	3.9%	10.4%	11.5%	12.8%	12%	7%	4%	19.7%	20.9%	21.3%
HUGO BOSS AG	BOSS-DE	1.5%	2.1%	2.6%	7.4%	9.0%	10.2%	38%	12%	8%	12.9%	16.3%	17.7%
Capri Holdings Limited	CPRI-US	0.0%	0.0%	0.0%	17.1%	17.9%	18.0%	40%	11%	8%	27.3%	24.9%	23.1%
Ralph Lauren Corporation Class A	RL-US	2.1%	2.4%	2.7%	12.7%	13.3%	13.8%	42%	5%	4%	19.2%	25.0%	27.3%
Ted Baker PLC	TED-GB	0.0%	0.0%	0.0%	-3.5%	5.7%	6.4%	34%	20%	13%			
PVH Corp.	PVH-US	0.0%	0.1%	0.1%	9.4%	9.8%	10.0%	30%	5%	6%	12.0%	12.0%	12.5%
Guess?, Inc.	GES-US	2.0%	2.0%		10.0%	10.7%	11.9%	38%	6%	7%	25.7%	24.7%	
Joules Group Plc	JOUL-GB	0.5%	0.8%	1.1%	6.3%	8.1%	8.8%	37%	12%	9%	22.2%	25.7%	23.8%
V.F. Corporation	VFC-US	2.6%	2.7%	2.7%	13.2%	14.0%	14.4%	36%	8%	7%	34.2%	36.7%	37.7%
Kid ASA	KID-NO	7.1%	7.1%	7.5%	16.1%	16.0%	16.4%	8%	5%	4%	27.8%	28.2%	28.4%
Luxury goods													
Brunello Cucinelli S.p.A.	BC-IT	0.4%	0.6%	0.8%	9.1%	11.9%	12.7%	24%	10%	10%	11.4%	14.9%	16.2%
Burberry Group plc	BRBY-GB	2.5%	2.7%	2.9%	16.8%	17.9%	18.7%	19%	8%	5%	20.2%	20.8%	19.6%
Hermes International SCA	RMS-FR	0.5%	0.6%	0.6%	38.0%	37.1%	37.3%	40%	12%	9%	25.4%	23.4%	22.0%
Moncler SpA	MONC-IT	0.9%	1.1%	1.2%	29.2%	30.4%	30.8%	37%	20%	11%	17.6%	19.1%	18.9%
Canada Goose Holdings, Inc.	GOOS-US	0.0%	0.0%	0.0%	17.0%	20.9%	22.5%	24%	18%	9%	16.5%	19.5%	20.8%
Kering SA	KER-FR	1.6%	1.9%	2.1%	28.1%	29.0%	29.8%	29%	10%	8%	23.1%	23.3%	22.4%
Prada S.p.A.	1913-HK	0.9%	1.5%	1.8%	11.7%	14.9%	17.1%	33%	12%	10%	7.7%	10.7%	12.0%
Salvatore Ferragamo S.p.A.	SFER-IT	0.8%	1.3%	1.5%	9.8%	10.9%	12.5%	22%	11%	8%	7.7%	9.7%	11.7%
Premium goods median		1.7%	2.1%	2.6%	10.2%	11.1%	12.3%	36.7%	7.5%	7.1%	22.2%	24.9%	23.4%
Luxury goods median		0.8%	1.2%	1.4%	16.9%	19.4%	20.6%	26.6%	11.7%	9.2%	17.1%	19.3%	19.3%
Marimekko (Evli est.)		2.1%	2.1%	2.1%	20.7%	18.9%	17.8%	17.9%	10.8%	8.5%	38.9%	31.7%	28.1%
<i>Marimekko premium vs. premium goods median</i>		22%	2%	-20%	103%	70%	44%				75%	27%	20%
<i>Marimekko premium vs. luxury goods median</i>		151%	80%	55%	22%	-3%	-14%				128%	64%	46%

Source: Factset, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	75.50 PV of Free Cash Flow	288 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	94.66 PV of Horizon value	487 WACC, %	7.5 Market risk premium, %
Share price potential, %	25.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	104.3 Marketable securities	41 Minimum WACC, %	7.0 Equity beta coefficient
Minimum value	86.6 Debt - dividend	-47 Maximum WACC, %	8.0 Target debt ratio, %
Horizon value, %	62.8 Value of stock	768 Nr of shares, Mn	8.1 Effective tax rate, %

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	124	146	161	175	188	202	217	230	241	248	253	258
<i>Sales growth, %</i>	-1.5	17.9	10.8	8.5	7.6	7.5	7.0	6.0	5.0	3.0	2.0	2.0
Operating income (EBIT)	20	30	30	31	33	35	38	39	39	38	39	40
<i>Operating income margin, %</i>	16.4	20.7	18.9	17.8	17.5	17.5	17.5	17.0	16.0	15.5	15.5	15.5
+ Depreciation+amort.	13	13	15	16	16	18	20	21	22	24	24	
EBITDA	33	43	45	47	49	54	58	60	61	62	64	
- Paid taxes	-6	-6	-6	-6	-7	-7	-8	-8	-8	-8	-8	
- Change in NWC	3	-8	-2	-2	-2	-2	-2	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	6.8	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-3	-2	-5	-4	-5	-5	-5	-5	-4	
<i>opCAPEX / Sales, %</i>	11.2	11.7	10.7	9.6	11.9	11.2	11.1	10.9	10.7	10.3	9.7	
- 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	-1	0	0	0	0	0	0	0	0	0	0	
= FCFF	27	26	34	37	35	41	44	46	47	48	51	944
= Discounted FCFF		26	31	32	28	30	30	29	28	27	26	487
= DFCF min WACC		26	32	32	29	31	31	30	29	28	27	558
= DFCF max WACC		26	31	32	28	30	29	29	27	26	25	427

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3	2021Q4E	2021E	2022E	2023E
Net sales	24.9	23.3	38.0	37.4	123.6	29.1	32.7	42.4	41.6	145.7	161.5	175.1
EBITDA	4.4	5.8	13.6	9.0	32.8	8.7	8.6	16.3	9.2	42.7	45.0	47.0
<i>EBITDA margin (%)</i>	<i>17.7</i>	<i>24.8</i>	<i>35.9</i>	<i>24.0</i>	<i>26.5</i>	<i>29.8</i>	<i>26.2</i>	<i>38.5</i>	<i>22.2</i>	<i>29.3</i>	<i>27.9</i>	<i>26.9</i>
EBIT	1.2	2.7	10.5	5.8	20.2	5.6	5.5	13.3	5.8	30.2	30.4	31.2
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>11.5</i>	<i>27.7</i>	<i>15.5</i>	<i>16.4</i>	<i>19.3</i>	<i>16.8</i>	<i>31.3</i>	<i>13.9</i>	<i>20.7</i>	<i>18.9</i>	<i>17.8</i>
Net financial items	-1.0	0.1	-0.6	-0.4	-1.8	-0.1	-0.3	0.0	-0.3	-0.8	-1.3	-1.7
Pre-tax profit	0.2	2.8	10.0	5.4	18.4	5.5	5.2	13.2	5.5	29.3	29.1	29.5
Tax	-0.1	-0.6	-2.0	-1.1	-3.8	-1.1	-1.0	-2.6	-1.1	-5.8	-5.8	-5.9
<i>Tax rate (%)</i>	<i>25.8</i>	<i>22.7</i>	<i>20.1</i>	<i>20.6</i>	<i>20.7</i>	<i>19.6</i>	<i>19.7</i>	<i>19.9</i>	<i>20.0</i>	<i>19.8</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.2	2.2	8.0	4.3	14.6	4.4	4.1	10.6	4.4	23.5	23.3	23.6
EPS	0.02	0.27	0.98	0.53	1.80	0.55	0.51	1.30	0.54	2.90	2.87	2.91
EPS adjusted (diluted no. of shares)	0.02	0.27	0.98	0.53	1.80	0.55	0.51	1.30	0.54	2.90	2.87	2.91
Dividend per share	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.60	1.58	1.60
SALES, EURm												
Finland	13.6	11.4	23.0	23.2	71.1	14.5	18.4	28.8	26.8	88.5	95.2	98.0
Scandinavia	2.1	1.9	2.8	3.2	9.9	2.4	2.9	2.9	3.2	11.4	12.3	13.3
EMEA	2.7	3.3	4.0	4.0	13.9	4.1	3.0	2.7	3.4	13.2	14.3	15.3
North America	1.6	1.5	1.6	1.7	6.4	1.4	2.2	2.0	1.9	7.6	8.7	9.8
Asia Pacific	4.9	5.3	6.6	5.3	22.1	6.6	6.3	5.9	6.3	25.0	30.9	38.7
Total	24.9	23.3	38.0	37.4	123.6	29.1	32.7	42.4	41.6	145.7	161.5	175.1
SALES GROWTH, Y/Y %												
<i>Finland</i>	<i>6.3</i>	<i>-32.3</i>	<i>17.2</i>	<i>6.0</i>	<i>0.1</i>	<i>6.9</i>	<i>61.5</i>	<i>25.3</i>	<i>15.5</i>	<i>24.4</i>	<i>7.6</i>	<i>3.0</i>
<i>Scandinavia</i>	<i>0.0</i>	<i>-10.6</i>	<i>11.2</i>	<i>22.6</i>	<i>6.9</i>	<i>16.0</i>	<i>53.3</i>	<i>4.3</i>	<i>-0.2</i>	<i>14.6</i>	<i>8.3</i>	<i>7.5</i>
<i>EMEA</i>	<i>-22.9</i>	<i>2.1</i>	<i>43.3</i>	<i>52.3</i>	<i>15.2</i>	<i>51.5</i>	<i>-9.6</i>	<i>-32.1</i>	<i>-14.5</i>	<i>-5.6</i>	<i>8.5</i>	<i>7.0</i>
<i>North America</i>	<i>-15.8</i>	<i>-25.7</i>	<i>-29.4</i>	<i>-14.5</i>	<i>-21.7</i>	<i>-9.8</i>	<i>51.0</i>	<i>24.9</i>	<i>12.6</i>	<i>19.0</i>	<i>13.9</i>	<i>13.0</i>
<i>Asia Pacific</i>	<i>-27.9</i>	<i>4.0</i>	<i>-8.0</i>	<i>-5.7</i>	<i>-10.5</i>	<i>34.7</i>	<i>17.9</i>	<i>-10.4</i>	<i>18.4</i>	<i>13.3</i>	<i>23.6</i>	<i>25.0</i>
Total	-8.1	-20.2	10.5	7.7	-1.5	16.9	40.3	11.5	11.3	17.9	10.8	8.5
EBIT, EURm												
Group (EBIT only)	1.2	2.7	10.5	5.8	20.2	5.6	5.5	13.3	5.8	30.2	30.4	31.2
Total	1.2	2.7	10.5	5.8	20.2	5.6	5.5	13.3	5.8	30.2	30.4	31.2
EBIT margin, %												
Total	4.8	11.5	27.7	15.5	16.4	19.3	16.8	31.3	13.9	20.7	18.9	17.8

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	99.6	102.3	111.9	125.4	123.6	145.7	161.5	175.1
<i>Sales growth (%)</i>	<i>4.1</i>	<i>2.7</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>17.9</i>	<i>10.8</i>	<i>8.5</i>
EBITDA	10.2	11.9	14.6	29.7	32.8	42.7	45.0	47.0
<i>EBITDA margin (%)</i>	<i>10.3</i>	<i>11.6</i>	<i>13.1</i>	<i>23.7</i>	<i>26.5</i>	<i>29.3</i>	<i>27.9</i>	<i>26.9</i>
Depreciation	-4.1	-3.3	-2.4	-12.6	-12.6	-12.6	-14.6	-15.9
EBITA	6.1	8.6	12.2	17.1	20.2	30.2	30.4	31.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.1	8.6	12.2	17.1	20.2	30.2	30.4	31.2
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>16.4</i>	<i>20.7</i>	<i>18.9</i>	<i>17.8</i>
Reported EBIT	5.0	8.4	12.2	17.1	19.4	30.2	30.4	31.2
<i>EBIT margin (reported) (%)</i>	<i>5.0</i>	<i>8.2</i>	<i>10.9</i>	<i>13.6</i>	<i>15.7</i>	<i>20.7</i>	<i>18.9</i>	<i>17.8</i>
Net financials	-0.1	-1.2	-0.2	-1.0	-1.8	-0.8	-1.3	-1.7
Pre-tax profit	6.0	7.4	12.1	16.1	18.4	29.3	29.1	29.5
Taxes	-1.1	-1.5	-3.9	-3.1	-3.8	-5.8	-5.8	-5.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	3.8	5.7	8.2	13.0	13.8	23.5	23.3	23.6
Cash NRIs	-1.1	-0.2	0.0	0.0	-0.8	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	15	13	5	5	6	7	7	7
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	37	36	37	40	42	44
Inventory	21	21	22	23	22	26	29	32
Receivables	8	7	7	7	8	9	10	11
Liquid funds	3	6	23	26	41	44	52	62
Total assets	48	47	94	97	115	128	142	156
Liabilities								
Shareholder's equity	28	31	40	39	53	68	79	89
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	37	36	37	40	42	44
Deferred taxes	1	1	1	2	1	1	1	1
Interest bearing debt	6	3	0	2	2	0	0	0
Non-interest bearing current liabilities	13	13	16	18	22	19	21	23
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	48	47	94	97	115	128	142	156
CASH FLOW, EURm								
+ EBITDA	10	12	15	30	33	43	45	47
- Net financial items	0	-1	0	-1	-2	-1	-1	-2
- Taxes	-1	-2	-3	-2	-6	-6	-6	-6
- Increase in Net Working Capital	-3	0	2	2	3	-8	-2	-2
+/- Other	-1	1	0	0	-1	0	0	0
= Cash flow from operations	6	10	12	28	27	28	36	38
- Capex	-3	-1	-1	-12	-14	-17	-17	-17
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	11	0	0	0	0	0
= Free cash flow	4	9	22	16	14	11	19	21
+/- New issues/buybacks	0	0	5	1	7	0	0	0
- Paid dividend	-3	-3	-4	-15	-7	-8	-13	-13
+/- Other	-2	-3	-6	1	1	1	2	2
Change in cash	-1	3	17	3	15	3	8	10

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	82	168	291	369	612	612	612
Net debt (excl. convertibles)	-3	14	12	-2	-4	-10	-18
Enterprise value	79	182	303	368	608	602	594
Sales	102	112	125	124	146	161	175
EBITDA	12	15	30	33	43	45	47
EBIT	9	12	17	20	30	30	31
Pre-tax	7	12	16	18	29	29	29
Earnings	6	8	13	15	24	23	24
Equity book value (excl. minorities)	31	40	39	53	68	79	89
Valuation multiples							
EV/sales	0.8	1.6	2.4	3.0	4.2	3.7	3.4
EV/EBITDA	6.6	12.4	10.2	11.2	14.2	13.4	12.6
EV/EBITA	9.2	14.9	17.7	18.2	20.2	19.8	19.1
EV/EBIT	9.2	14.9	17.7	18.2	20.2	19.8	19.1
EV/OCF	8.0	14.9	10.7	13.4	21.9	16.7	15.7
EV/FCFF	8.2	8.4	11.4	13.8	23.5	17.6	15.9
P/FCFE	9.3	7.8	18.3	27.2	57.0	32.5	29.1
P/E	13.8	20.5	22.3	25.3	26.0	26.3	26.0
P/B	2.7	4.2	7.5	7.0	9.0	7.8	6.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	15.8	14.9	14.1
Target EV/EBIT	0.0	0.0	0.0	0.0	22.5	22.0	21.3
Target EV/FCF	0.0	0.0	0.0	0.0	63.0	35.6	31.5
Target P/B	0.0	0.0	0.0	0.0	10.0	8.7	7.6
Target P/E	0.0	0.0	0.0	0.0	29.0	29.3	28.9
Per share measures							
Number of shares	8,090	8,090	8,130	8,110	8,110	8,110	8,110
Number of shares (diluted)	8,090	8,090	8,130	8,110	8,110	8,110	8,110
EPS	0.73	1.01	1.60	1.80	2.90	2.87	2.91
Operating cash flow per share	1.21	1.51	3.48	3.38	3.42	4.45	4.67
Free cash flow per share	1.09	2.68	1.96	1.67	1.32	2.32	2.60
Book value per share	3.79	4.95	4.78	6.51	8.41	9.68	11.01
Dividend per share	0.50	1.85	0.90	1.00	1.60	1.58	1.60
Dividend payout ratio, %	68.6	182.6	56.1	55.5	55.0	55.0	55.0
Dividend yield, %	5.0	8.9	2.5	2.2	2.1	2.1	2.1
FCF yield, %	10.8	12.9	5.5	3.7	1.8	3.1	3.4
Efficiency measures							
ROE	20.0	23.2	33.1	31.9	38.9	31.7	28.1
ROCE	25.4	22.2	22.7	24.5	30.7	27.2	25.3
Financial ratios							
Inventories as % of sales	20.4	19.8	18.0	18.2	18.0	18.0	18.0
Receivables as % of sales	6.5	6.2	5.3	6.6	6.5	6.5	6.5
Non-interest bearing liabilities as % of sales	12.2	13.9	14.2	17.9	13.0	13.0	13.0
NWC/sales, %	14.7	12.0	9.1	6.8	11.5	11.5	11.5
Operative CAPEX/sales, %	1.0	1.0	9.8	11.2	11.7	10.7	9.6
CAPEX/sales (incl. acquisitions), %	1.0	1.0	9.8	11.2	11.7	10.7	9.6
FCFF/EBITDA	0.8	1.5	0.9	0.8	0.6	0.8	0.8
Net debt/EBITDA, book-weighted	-0.2	0.9	0.4	-0.1	-0.1	-0.2	-0.4
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	65.1	42.7	40.1	46.0	53.4	55.3	57.1
Gearing, %	-9.4	34.3	30.7	-3.2	-6.3	-13.0	-20.7

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	1,017,700	76.836	12.5%
Ilmarinen Mutual Pension Insurance Company	395,419	29.854	4.9%
Varma Mutual Pension Insurance Company	385,920	29.137	4.8%
Enrooth Anna Sophia	340,377	25.698	4.2%
Evli Finnish Small Cap Fund	267,000	20.158	3.3%
Nordea Nordic Small Cap Fund	199,885	15.091	2.5%
Veritas Pension Insurance Company Ltd.	150,390	11.354	1.9%
Sijoitusrahasto Taaleritehdas Mikro Markka	113,000	8.532	1.4%
Oy Talcom Ab	101,000	7.626	1.2%
Oy Etra Invest Ab	100,000	7.550	1.2%
Ten largest	3,070,691	231.837	38%
Residual	5,039,143	380.455	62%
Total	8,109,834	612.292	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Tiina Alahuhta-Kasko

CFO: Elina Anckar

IR: Anna Tuominen

Puusepänkatu 4. 00880 Helsinki, Finland

Tel: +358 9 75 871

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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

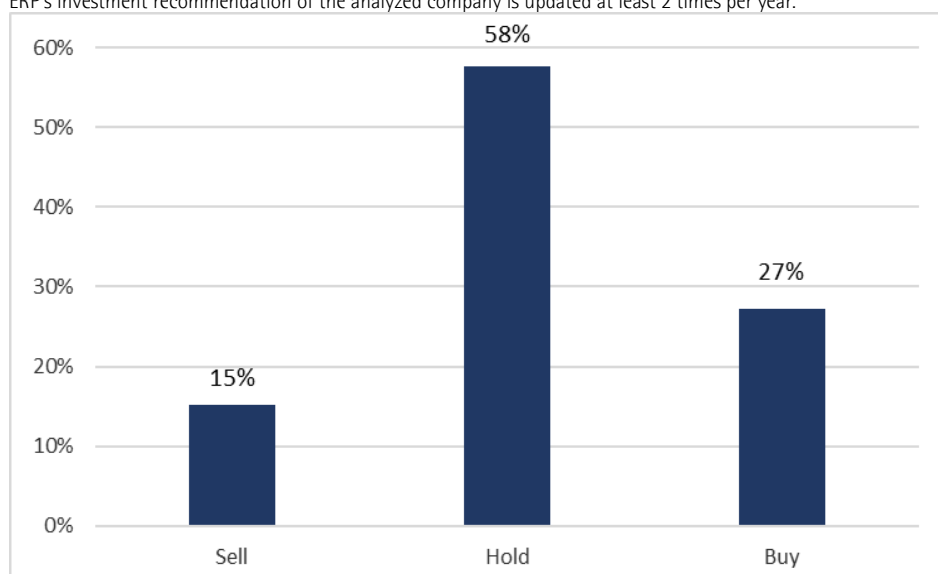
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001