

## Earnings growth smoothens

Marimekko delivered strong Q4 figures, outpacing our and consensus estimates. Net sales development was very good in both domestic and international markets. We downgrade our rating to HOLD (BUY) and adjust TP to EUR 79 (84).

### A record quarter

Marimekko came in strong with Q4 net sales of EUR 48.1m (+29% y/y). The growth was driven by wholesale and retail sales in Finland as well as wholesale sales in the APAC region and Scandinavia, while the EMEA region declined due to the actions to control grey exports. Retail sales in North America developed very strongly. Higher logistical costs reduced the gross margin to 57.9% (prev. 58.9%). Driven by increased net sales, the adj. EBIT improved by 17% y/y to EUR 7.6m (15.9% margin). Increased personnel (one-time bonus) and other costs weakened the adj. EBIT margin from 17.4% to 15.9%. EPS amounted to EUR 0.72 and the BoD proposed a dividend of EUR 3.60 (including an additional EUR 2 dividend).

### Confirmation for international growth

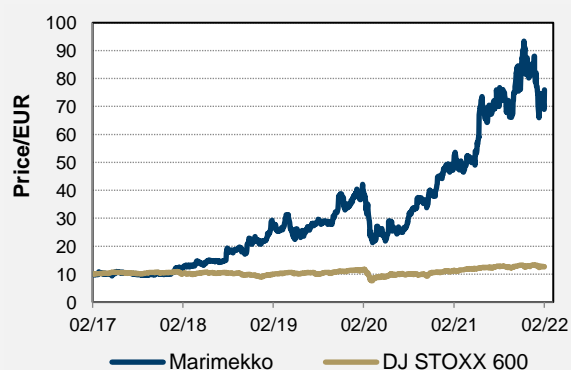
International sales got back on a growth path in Q4'21 and the company guided the segment's largest market, the APAC region, to grow clearly in FY'22. Segment's strong development speaks about the increased brand awareness, particularly seen in Asia. In FY'22, we expect int'l net sales to grow by 14% y/y, while expecting domestic growth to slow down to 8% y/y due to the lack of large one-time wholesale deliveries. In our estimates, group revenue amounts to EUR 167.9m, and driven by increased logistical costs the gross margin falls below the comparison period to 60%. Driven by reduced gross margin and increased fixed costs, the adj. EBIT margin of 19.3% (adj. EBIT EUR 32.4m) falls also short of the record high comparison period.

### HOLD with a TP of EUR 79 (84)

With our revised estimates, Marimekko trades with a 22-23E EV/EBIT multiple of 19-18x. The company's valuation has historically varied between EV/EBIT multiple of 17-21x. With the slowdown in the earnings growth within the next few years and the decline in the acceptable valuation level, we downgrade our rating to HOLD (BUY) and adjust TP to EUR 79 (84).

## Rating

HOLD



Share price, EUR (Last trading day's closing price) 76.00  
 Target price, EUR 79.0

Latest change in 16-Feb-22  
 Latest report on 4-Oct-21  
 Research paid by YES  
 No. of shares 8,110  
 No. of shares fully 8,110  
 Market cap, EURm 616  
 Free float, % 73.7  
 Exchange rate 0.000  
 Reuters code MEKKO.HE  
 Bloomberg code MEKKO FH  
 Average daily volume, 0.0  
 Next interim report 13-May-22  
 Web site [company.marimekko.com/en/investors/](http://company.marimekko.com/en/investors/)

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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
2020	123.6	18.8	15.2%	13.6	1.64	27.8	3.0	19.6	3.7	1.00
2021	152.2	31.2	20.5%	31.2	3.01	28.3	4.4	21.2	4.5	3.60
2022E	167.9	32.4	19.3%	12.3	3.15	24.1	3.6	18.7	2.0	1.73
2023E	182.9	34.4	18.8%	20.9	3.20	23.8	3.3	17.4	3.4	1.76
2024E	197.0	35.5	18.0%	20.5	3.37	22.6	3.0	16.7	3.3	2.19
Market cap, EURm		616	Gearing 2022E, %			-15.4	CAGR EPS 2021-24, %			3.8
Net debt 2022E, EURm		-10	Price/book 2022E			9.4	CAGR sales 2021-24, %			9.0
Enterprise value, EURm		606	Dividend yield 2022E, %			2.3	ROE 2022E, %			37.8
Total assets 2022E, EURm		147	Tax rate 2022E, %			20.0	ROCE 2022E, %			30.8
Goodwill 2022E, EURm		0	Equity ratio 2022E, %			44.7	PEG, P/E 22/CAGR			6.3

	MCAP local FX	EV/EBITDA			EV/EBIT			P/E			Equity ratio		
		21	22	23	21	22	23	21	22	23	21	22	23
<b>Premium goods</b>													
Bjorn Borg AB	1122	9.6x	8.3x	7.3x	12.9x	11.4x	9.8x	13.5x	14.4x	13.1x	51%	52%	55%
HUGO BOSS AG	3992	8.4x	7.4x	5.8x	21.6x	17.1x	12.5x	31.3x	22.1x	18.0x	33%	36%	39%
Capri Holdings Limited	10324	8.4x	7.4x	6.3x	10.1x	8.9x	7.4x	11.7x	10.5x	9.4x	37%	44%	44%
Ralph Lauren Corporation Class A	9166	7.7x	7.7x	7.3x	10.1x	9.9x	9.4x	15.7x	14.6x	12.9x	34%	35%	34%
Ted Baker PLC	168	8.4x	3.1x	2.1x				18.1x	7.5x		34%	37%	41%
PVH Corp.	7057	7.3x	6.5x	6.0x	9.9x	8.3x	7.7x	10.8x	10.1x	9.0x	41%	43%	46%
Guess?, Inc.	1521	4.2x	3.6x		5.1x	4.3x		7.9x	7.2x	6.4x			
Joules Group Plc	69	10.0x	4.0x	3.1x	36.1x	10.6x	6.7x	16.7x	8.7x	6.0x	14%	21%	28%
<b>Luxury goods</b>													
Brunello Cucinelli S.p.A.	3624	25.5x	19.4x	16.8x	67.6x	43.9x	36.0x	87.1x	65.3x	53.9x	54%	56%	61%
Burberry Group plc	7910	7.8x	7.8x	7.3x	12.5x	12.2x	11.2x	21.8x	19.5x	17.5x	46%	48%	50%
Hermes International SCA	130909	39.3x	28.3x	25.3x	45.3x	32.5x	29.1x	56.0x	50.1x	45.1x	70%	73%	76%
Moncler SpA	15107	20.7x	15.1x	13.6x	29.3x	20.6x	17.9x	38.1x	30.6x	26.9x	66%	68%	69%
Prada S.p.A.	123975	14.0x	11.3x	10.0x	36.6x	24.7x	19.0x	54.2x	36.3x	27.8x	44%	46%	48%
Salvatore Ferragamo S.p.A.	3297	14.3x	11.2x	10.2x	36.9x	26.5x	22.5x	55.6x	40.9x	32.9x	44%	44%	45%
<b>Premium goods median</b>	<b>2756</b>	<b>8.4x</b>	<b>6.9x</b>	<b>6.0x</b>	<b>10.1x</b>	<b>10.3x</b>	<b>7.7x</b>	<b>13.5x</b>	<b>12.4x</b>	<b>9.2x</b>	<b>34%</b>	<b>37%</b>	<b>41%</b>
<b>Luxury goods median</b>	<b>11508</b>	<b>17.5x</b>	<b>13.2x</b>	<b>11.9x</b>	<b>36.8x</b>	<b>25.6x</b>	<b>20.7x</b>	<b>54.9x</b>	<b>38.6x</b>	<b>30.3x</b>	<b>50%</b>	<b>52%</b>	<b>56%</b>
<b>Marimekko (Evli est.)</b>	<b>616</b>	<b>15.3x</b>	<b>13.7x</b>	<b>12.5x</b>	<b>21.2x</b>	<b>18.7x</b>	<b>17.4x</b>	<b>28.3x</b>	<b>24.1x</b>	<b>23.8x</b>	<b>52%</b>	<b>45%</b>	<b>48%</b>
<i>Marimekko premium vs. premium goods median</i>		<i>83%</i>	<i>97%</i>	<i>109%</i>	<i>111%</i>	<i>82%</i>	<i>125%</i>	<i>109%</i>	<i>94%</i>	<i>157%</i>	<i>52%</i>	<i>21%</i>	<i>18%</i>
<i>Marimekko premium vs. luxury goods median</i>		<i>-12%</i>	<i>4%</i>	<i>5%</i>	<i>-42%</i>	<i>-27%</i>	<i>-16%</i>	<i>-48%</i>	<i>-37%</i>	<i>-22%</i>	<i>4%</i>	<i>-14%</i>	<i>-13%</i>
	Ticker	Dividend yield			EBIT margin			ROCE-%			ROE-%		
		21	22	23	21	22	23	21	22	23	21	22	23
<b>Premium goods</b>													
Bjorn Borg AB	BORG-SE				13.9%	12.1%	12.9%	21.0%	18.6%	19.3%			
HUGO BOSS AG	BOSS-DE	1.4%	2.1%	2.6%	8.1%	9.4%	10.3%	13.1%	16.0%	17.7%	14.3%	17.5%	18.7%
Capri Holdings Limited	CPRI-US	0.0%	0.0%	0.0%	18.8%	19.3%	19.7%	17.2%	17.6%	16.5%	32.8%	28.3%	26.0%
Ralph Lauren Corporation Class A	RL-US	1.9%	2.4%	2.6%	13.2%	13.6%	14.0%	12.2%	13.6%	15.2%	23.8%	24.7%	26.0%
Ted Baker PLC	TED-GB	0.0%	0.0%	1.8%	-4.5%	3.8%	6.2%	-8.1%	8.0%	14.1%			
PVH Corp.	PVH-US	0.0%	0.1%	0.1%	10.0%	10.1%	10.2%	8.6%	8.7%	9.4%	13.0%	12.4%	12.9%
Guess?, Inc.	GES-US	2.9%	3.8%	3.8%	11.1%	11.1%	12.0%				27.8%	24.7%	
Joules Group Plc	JOUL-GB	0.0%	0.0%	2.7%	2.3%	3.8%	5.1%	11.9%	17.8%	22.0%	8.0%	13.9%	17.1%
<b>Luxury goods</b>													
Brunello Cucinelli S.p.A.	BC-IT	0.5%	0.7%	0.9%	9.7%	12.1%	12.9%				14.5%	16.7%	18.1%
Burberry Group plc	BRBY-GB	2.4%	2.7%	3.0%	18.0%	18.5%	19.2%	18.3%	18.4%	19.1%	22.4%	22.4%	22.0%
Hermes International SCA	RMS-FR	0.5%	0.7%	0.7%	38.3%	37.6%	37.9%	31.7%	29.7%	29.2%	25.6%	23.8%	22.3%
Moncler SpA	MONC-IT	1.0%	1.2%	1.4%	29.3%	30.4%	31.0%	20.9%	22.8%	22.8%	17.8%	19.2%	19.0%
Prada S.p.A.	1913-HK	1.2%	1.7%	2.0%	12.5%	15.6%	18.2%	7.7%	10.4%	13.0%	8.6%	12.1%	14.6%
Salvatore Ferragamo S.p.A.	SFER-IT	0.9%	1.4%	2.0%	10.0%	10.9%	11.9%	8.1%	9.5%	10.7%	7.8%	9.9%	11.6%
<b>Premium goods median</b>		<b>0.0%</b>	<b>0.1%</b>	<b>2.6%</b>	<b>10.6%</b>	<b>10.6%</b>	<b>11.1%</b>	<b>12.2%</b>	<b>16.0%</b>	<b>16.5%</b>	<b>19.0%</b>	<b>21.1%</b>	<b>18.7%</b>
<b>Luxury goods median</b>		<b>0.9%</b>	<b>1.3%</b>	<b>1.7%</b>	<b>15.2%</b>	<b>17.1%</b>	<b>18.7%</b>	<b>18.3%</b>	<b>18.4%</b>	<b>19.1%</b>	<b>16.1%</b>	<b>18.0%</b>	<b>18.5%</b>
<b>Marimekko (Evli est.)</b>		<b>4.2%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>20.5%</b>	<b>19.3%</b>	<b>18.8%</b>	<b>33.0%</b>	<b>30.8%</b>	<b>29.5%</b>	<b>40.1%</b>	<b>37.8%</b>	<b>36.2%</b>

Source: Factset, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	76.00 PV of Free Cash Flow	296 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	98.14 PV of Horizon value	473 WACC, %	7.5 Market risk premium, %	5.8
Share price potential, %	29.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	107.9 Marketable securities	60 Minimum WACC, %	7.0 Equity beta coefficient	0.80
Minimum value	90.0 Debt - dividend	-33 Maximum WACC, %	8.0 Target debt ratio, %	20
Horizon value, %	61.5 Value of stock	796 Nr of shares, Mn	8.1 Effective tax rate, %	25

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	152	168	183	197	212	227	240	252	260	268	273	278
<i>Sales growth, %</i>	<i>23.2</i>	<i>10.3</i>	<i>8.9</i>	<i>7.7</i>	<i>7.5</i>	<i>7.0</i>	<i>6.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	31	32	34	35	37	40	41	40	40	41	42	43
<i>Operating income margin, %</i>	<i>20.5</i>	<i>19.3</i>	<i>18.8</i>	<i>18.0</i>	<i>17.5</i>	<i>17.5</i>	<i>17.0</i>	<i>16.0</i>	<i>15.5</i>	<i>15.5</i>	<i>15.5</i>	<i>15.5</i>
+ Depreciation+amort.	12	12	13	14	16	17	18	19	20	21	21	
EBITDA	43	44	48	50	53	57	59	60	60	62	64	
- Paid taxes	-4	-6	-7	-7	-7	-8	-8	-8	-8	-8	-8	
- Change in NWC	-2	-2	-1	-1	-1	-1	-1	-1	-1	-1	0	
<i>NWC / Sales, %</i>	<i>6.4</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-3	-2	-4	-3	-3	-3	-3	-3	-3	-3	
<i>opCAPEX / Sales, %</i>	<i>3.1</i>	<i>13.7</i>	<i>9.5</i>	<i>10.1</i>	<i>9.3</i>	<i>9.3</i>	<i>9.1</i>	<i>8.9</i>	<i>8.5</i>	<i>8.5</i>	<i>8.2</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	35	33	38	37	42	45	47	47	49	50	52	967
= Discounted FCFF		31	33	30	31	31	31	29	28	26	26	473
= DFCF min WACC		31	33	31	32	32	31	30	29	28	27	545
= DFCF max WACC		31	33	30	31	31	30	28	27	25	24	414

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	29.1	32.7	42.4	48.1	152.2	32.7	35.6	47.2	52.4	167.9	182.9	197.0
EBITDA	8.6	8.0	16.0	10.7	43.3	8.9	7.5	16.0	11.9	44.2	47.8	49.6
<i>EBITDA margin (%)</i>	<i>29.6</i>	<i>24.4</i>	<i>37.9</i>	<i>22.3</i>	<i>28.5</i>	<i>27.1</i>	<i>21.1</i>	<i>33.9</i>	<i>22.6</i>	<i>26.3</i>	<i>26.1</i>	<i>25.2</i>
EBIT	5.6	4.9	13.0	7.7	31.2	5.9	4.5	13.1	8.9	32.4	34.4	35.5
<i>EBIT margin (%)</i>	<i>19.3</i>	<i>14.9</i>	<i>30.7</i>	<i>16.1</i>	<i>20.5</i>	<i>18.1</i>	<i>12.8</i>	<i>27.7</i>	<i>17.0</i>	<i>19.3</i>	<i>18.8</i>	<i>18.0</i>
Net financial items	-0.1	-0.3	0.0	0.0	-0.6	-0.1	-0.1	-0.1	-0.1	-0.5	-1.9	-1.3
Pre-tax profit	5.5	4.5	13.0	7.7	30.7	5.8	4.4	12.9	8.8	31.9	32.4	34.1
Tax	-1.1	-1.0	-2.6	-1.6	-6.3	-1.2	-0.9	-2.6	-1.8	-6.4	-6.5	-6.8
<i>Tax rate (%)</i>	<i>19.6</i>	<i>22.4</i>	<i>20.3</i>	<i>20.2</i>	<i>20.5</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	4.4	3.5	10.3	6.1	24.4	4.6	3.5	10.4	7.0	25.6	25.9	27.3
EPS	0.55	0.43	1.27	0.76	3.01	0.57	0.44	1.28	0.87	3.15	3.20	3.37
EPS adjusted (diluted no. of shares)	0.55	0.43	1.27	0.76	3.01	0.57	0.44	1.28	0.87	3.15	3.20	3.37
Dividend per share	0.00	0.00	0.00	0.00	3.60	0.00	0.00	0.00	0.00	1.73	1.76	2.19
<b>SALES, EURm</b>												
Finland	14.5	18.4	28.8	30.6	92.3	16.1	19.1	31.1	33.1	99.4	103.3	106.4
Scandinavia	2.4	2.9	2.9	4.4	12.7	2.9	3.3	3.6	5.0	14.9	16.0	17.1
EMEA	4.1	3.0	2.7	3.1	12.9	3.8	3.5	3.2	3.6	14.1	15.3	16.4
North America	1.4	2.2	2.0	2.7	8.4	1.7	2.4	2.2	2.8	9.2	10.4	11.5
Asia Pacific	6.6	6.3	5.9	7.2	26.0	8.2	7.3	7.0	7.8	30.3	37.9	45.4
<b>Total</b>	<b>29.1</b>	<b>32.7</b>	<b>42.4</b>	<b>48.1</b>	<b>152.2</b>	<b>32.7</b>	<b>35.6</b>	<b>47.2</b>	<b>52.4</b>	<b>167.9</b>	<b>182.9</b>	<b>197.0</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Finland</i>	<i>6.9</i>	<i>61.5</i>	<i>25.3</i>	<i>31.9</i>	<i>29.7</i>	<i>10.8</i>	<i>3.9</i>	<i>8.1</i>	<i>8.0</i>	<i>7.6</i>	<i>4.0</i>	<i>3.0</i>
<i>Scandinavia</i>	<i>16.0</i>	<i>53.3</i>	<i>4.3</i>	<i>39.6</i>	<i>27.3</i>	<i>20.5</i>	<i>15.0</i>	<i>25.2</i>	<i>12.8</i>	<i>17.6</i>	<i>7.5</i>	<i>7.0</i>
<i>EMEA</i>	<i>51.5</i>	<i>-9.6</i>	<i>-32.1</i>	<i>-21.1</i>	<i>-7.5</i>	<i>-8.1</i>	<i>18.0</i>	<i>19.2</i>	<i>16.6</i>	<i>9.6</i>	<i>8.0</i>	<i>7.5</i>
<i>North America</i>	<i>-9.8</i>	<i>51.0</i>	<i>24.9</i>	<i>56.8</i>	<i>30.8</i>	<i>19.7</i>	<i>7.5</i>	<i>10.6</i>	<i>5.2</i>	<i>9.6</i>	<i>13.0</i>	<i>11.0</i>
<i>Asia Pacific</i>	<i>34.7</i>	<i>17.9</i>	<i>-10.4</i>	<i>36.2</i>	<i>17.5</i>	<i>24.3</i>	<i>16.2</i>	<i>17.7</i>	<i>9.0</i>	<i>16.6</i>	<i>25.0</i>	<i>20.0</i>
<b>Total</b>	<b>16.9</b>	<b>40.3</b>	<b>11.5</b>	<b>28.7</b>	<b>23.2</b>	<b>12.4</b>	<b>8.7</b>	<b>11.5</b>	<b>9.0</b>	<b>10.3</b>	<b>8.9</b>	<b>7.7</b>
<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	19.2
Scandinavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
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	2.1
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.2
Group (EBIT only)	5.6	4.9	13.0	7.7	31.2	5.9	4.5	13.1	8.9	32.4	34.4	0.0
<b>Total</b>	<b>5.6</b>	<b>4.9</b>	<b>13.0</b>	<b>7.7</b>	<b>31.2</b>	<b>5.9</b>	<b>4.5</b>	<b>13.1</b>	<b>8.9</b>	<b>32.4</b>	<b>34.4</b>	<b>35.5</b>
<b>EBIT margin, %</b>												
<i>Finland</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>18.0</i>
<i>Scandinavia</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>18.0</i>
<i>EMEA</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>18.0</i>
<i>North America</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>18.0</i>
<i>Asia Pacific</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>18.0</i>
<b>Total</b>	<b>19.3</b>	<b>14.9</b>	<b>30.7</b>	<b>16.1</b>	<b>20.5</b>	<b>18.1</b>	<b>12.8</b>	<b>27.7</b>	<b>17.0</b>	<b>19.3</b>	<b>18.8</b>	<b>18.0</b>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	102.3	111.9	125.4	123.6	152.2	167.9	182.9	197.0
<i>Sales growth (%)</i>	<i>2.7</i>	<i>9.3</i>	<i>12.1</i>	<i>-1.5</i>	<i>23.2</i>	<i>10.3</i>	<i>8.9</i>	<i>7.7</i>
EBITDA	11.9	14.6	29.7	31.3	43.3	44.2	47.8	49.6
<i>EBITDA margin (%)</i>	<i>11.6</i>	<i>13.1</i>	<i>23.7</i>	<i>25.4</i>	<i>28.5</i>	<i>26.3</i>	<i>26.1</i>	<i>25.2</i>
Depreciation	-3.3	-2.4	-12.6	-12.6	-12.1	-11.8	-13.4	-14.1
EBITA	8.6	12.2	17.1	18.8	31.2	32.4	34.4	35.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.6	12.2	17.1	18.8	31.2	32.4	34.4	35.5
<i>EBIT margin (%)</i>	<i>8.4</i>	<i>10.9</i>	<i>13.6</i>	<i>15.2</i>	<i>20.5</i>	<i>19.3</i>	<i>18.8</i>	<i>18.0</i>
Reported EBIT	8.4	12.2	17.1	18.0	31.2	32.4	34.4	35.5
<i>EBIT margin (reported) (%)</i>	<i>8.2</i>	<i>10.9</i>	<i>13.6</i>	<i>14.5</i>	<i>20.5</i>	<i>19.3</i>	<i>18.8</i>	<i>18.0</i>
Net financials	-1.2	-0.2	-1.0	-1.8	-0.6	-0.5	-1.9	-1.3
Pre-tax profit	7.4	12.1	16.1	17.0	30.7	31.9	32.4	34.1
Taxes	-1.5	-3.9	-3.1	-3.7	-6.3	-6.4	-6.5	-6.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	5.7	8.2	13.0	12.5	24.4	25.6	25.9	27.3
Cash NRIs	-0.2	0.0	0.0	-0.8	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>								
<b>Assets</b>								
Fixed assets	13	5	5	5	5	7	7	10
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	37	36	37	29	39	42	45
Inventory	21	22	23	22	26	30	33	35
Receivables	7	7	7	8	12	12	13	14
Liquid funds	6	23	26	41	60	59	64	70
Total assets	47	94	97	114	133	147	160	175
<b>Liabilities</b>								
Shareholder's equity	31	40	39	52	69	66	78	91
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	37	36	37	30	39	42	45
Deferred taxes	1	1	2	1	3	3	3	3
Interest bearing debt	3	0	2	2	2	10	5	2
Non-interest bearing current liabilities	13	16	18	22	28	30	33	35
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	47	94	97	114	133	147	160	175
<b>CASH FLOW, EURm</b>								
+ EBITDA	12	15	30	31	43	44	48	50
- Net financial items	-1	0	-1	-2	-1	0	-2	-1
- Taxes	-2	-3	-3	-6	-4	-6	-6	-7
- Increase in Net Working Capital	0	2	3	3	-2	-2	-1	-1
+/- Other	1	0	0	0	0	0	0	0
= Cash flow from operations	10	12	29	27	36	35	38	40
- Capex	-1	-1	-11	-14	-5	-23	-17	-20
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	11	0	0	0	0	0	0
= Free cash flow	9	22	18	14	31	12	21	21
+/- New issues/buybacks	0	5	1	8	1	0	0	0
- Paid dividend	-3	-4	-15	-7	-8	-29	-14	-14
+/- Other	-3	-6	-1	0	-5	16	-2	0
Change in cash	3	17	3	15	19	-1	5	6

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	168	291	369	691	616	616	616
Net debt (excl. convertibles)	14	12	-2	-27	-10	-17	-23
Enterprise value	182	303	368	664	606	599	593
Sales	112	125	124	152	168	183	197
EBITDA	15	30	31	43	44	48	50
EBIT	12	17	19	31	32	34	35
Pre-tax	12	16	17	31	32	32	34
Earnings	8	13	13	24	26	26	27
Equity book value (excl. minorities)	40	39	52	69	66	78	91
<b>Valuation multiples</b>							
EV/sales	1.6	2.4	3.0	4.4	3.6	3.3	3.0
EV/EBITDA	12.4	10.2	11.7	15.3	13.7	12.5	12.0
EV/EBITA	14.9	17.7	19.6	21.2	18.7	17.4	16.7
EV/EBIT	14.9	17.7	19.6	21.2	18.7	17.4	16.7
EV/OCF	14.9	10.5	13.4	18.5	17.2	15.6	14.7
EV/FCFF	8.4	10.7	14.2	18.7	18.5	15.8	15.8
P/FCFE	7.8	16.5	27.1	22.2	50.0	29.5	30.0
P/E	20.5	22.3	27.8	28.3	24.1	23.8	22.6
P/B	4.2	7.5	7.1	10.0	9.4	7.9	6.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	14.3	13.0	12.4
Target EV/EBIT	0.0	0.0	0.0	0.0	19.4	18.1	17.4
Target EV/FCF	0.0	0.0	0.0	0.0	51.1	29.9	30.1
Target P/B	0.0	0.0	0.0	0.0	9.7	8.3	7.1
Target P/E	0.0	0.0	0.0	0.0	25.1	24.7	23.5
<b>Per share measures</b>							
Number of shares	8,090	8,130	8,110	8,110	8,110	8,110	8,110
Number of shares (diluted)	8,090	8,130	8,110	8,110	8,110	8,110	8,110
EPS	1.01	1.60	1.64	3.01	3.15	3.20	3.37
Operating cash flow per share	1.51	3.57	3.39	4.43	4.36	4.72	4.99
Free cash flow per share	2.68	2.17	1.68	3.84	1.52	2.58	2.53
Book value per share	4.95	4.78	6.45	8.55	8.11	9.57	11.18
Dividend per share	1.85	0.90	1.00	3.60	1.73	1.76	2.19
Dividend payout ratio, %	182.6	56.1	60.9	119.6	55.0	55.0	65.0
Dividend yield, %	8.9	2.5	2.2	4.7	2.3	2.3	2.9
FCF yield, %	12.9	6.1	3.7	4.5	2.0	3.4	3.3
<b>Efficiency measures</b>							
ROE	23.2	33.1	29.2	40.1	37.8	36.2	32.4
ROCE	22.2	22.7	22.9	33.0	30.8	29.5	27.8
<b>Financial ratios</b>							
Inventories as % of sales	19.8	18.0	18.2	17.1	18.0	18.0	18.0
Receivables as % of sales	6.2	5.3	6.6	7.9	7.0	7.0	7.0
Non-interest bearing liabilities as % of sales	13.9	14.2	17.9	18.6	18.0	18.0	18.0
NWC/sales, %	12.0	9.1	6.8	6.4	7.0	7.0	7.0
Operative CAPEX/sales, %	1.0	9.0	11.2	3.1	13.7	9.5	10.1
CAPEX/sales (incl. acquisitions), %	1.0	9.0	11.2	3.1	13.7	9.5	10.1
FCFF/EBITDA	1.5	1.0	0.8	0.8	0.7	0.8	0.8
Net debt/EBITDA, book-weighted	0.9	0.4	-0.1	-0.6	-0.2	-0.4	-0.5
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	42.7	40.1	45.7	52.2	44.7	48.5	51.7
Gearing, %	34.3	30.7	-3.2	-38.9	-15.4	-21.9	-25.6

**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	77.345	12.5%
Varma Mutual Pension Insurance Company	385,388	29.289	4.8%
Enrooth Anna Sophia	330,377	25.109	4.1%
Evli Finnish Small Cap Fund	266,021	20.218	3.3%
Veritas Pension Insurance Company Ltd.	100,000	7.600	1.2%
Oy Talcom Ab	97,420	7.404	1.2%
Oy Etra Invest Ab	85,000	6.460	1.0%
Ten largest	2,281,906	173.425	28%
Residual	5,827,928	442.923	72%
Total	8,109,834	616.347	100%

**EARNINGS CALENDAR**

May 13, 2022	Q1 report
August 17, 2022	Q2 report
November 02, 2022	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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



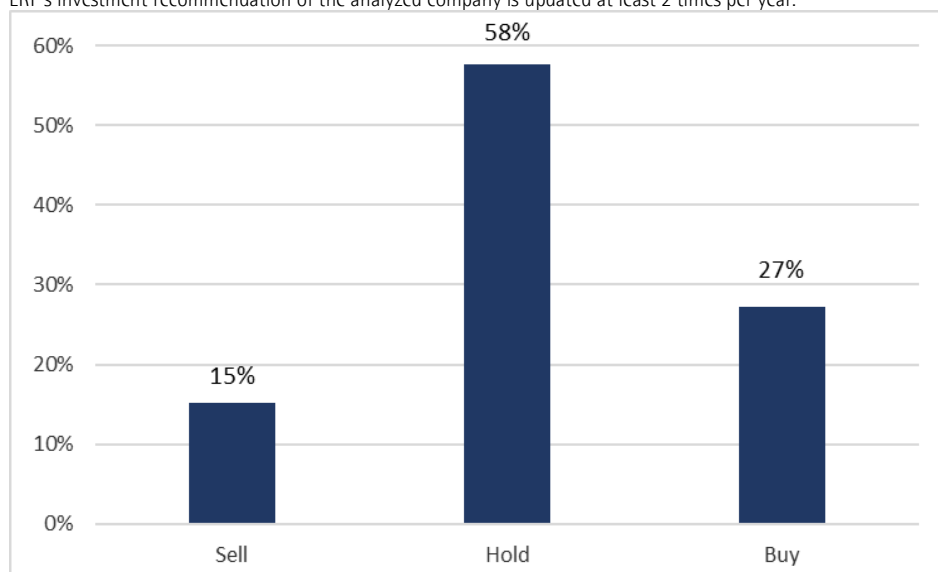
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Investment recommendations are defined as follows:

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

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

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