

## Good result despite the uncertainties

Marimekko's Q4 result was somewhat in line with expectations. Net sales were EUR 37m (8% y/y) vs. EUR 38m/38m Evli/cons. Adj. EBIT was EUR 5.8m vs. EUR 5.0m/4.7m Evli/cons. 2020 dividend proposal is EUR 1.0 vs. EUR 1.20/1.10 Evli/cons.

- Finland: revenue was EUR 23.2m vs. EUR 24.9m Evli view. Revenue increased by 6% y/y. Wholesale sales developed favorably and were boosted by non-recurring promotional deliveries.
- International: revenue increased by 11% y/y and was EUR 14.1m vs. EUR 13.2m Evli view. Wholesale sales developed well also in EMEA and Scandinavia.
- Q4 adj. EBIT was EUR 5.8m (15.5% margin) vs. EUR 5.0m/4.7m (13.1%/12.4% margin) Evli/cons. Profitability was boosted by increased sales and decreased fixed costs. On the other hand, relative sales margin declined due to higher logistics costs resulting from an increase in online sales.
- Q4 adj. EPS was EUR 0.51 vs. EUR 0.46/0.43 Evli/cons.
- 2020 dividend proposal is EUR 1.0 vs. EUR 1.20/1.10 Evli/cons. Dividend from 2019 is EUR 0.90.
- 2021E guidance: net sales are expected to be higher than in the previous year. Adj. EBIT margin is expected to be approx. on a par with the long-term goal of 15%.

**Rating** + BUY

Marimekko Q42020	Actual	Evli	Cons	Year ago
Net sales	37.4	38.2	38.0	34.7
EBIT ex NRI	5.8	5.0	4.7	3.0
EBIT-margin	15.5 %	13.1 %	12.4 %	8.6 %
PTP	4.6	4.7	4.2	2.7
EPS (adj)	0.51	0.46	0.43	0.26
DPS	1.0	1.2	1.1	0.9

*\*Factset (4 estimates mean)*

 Share price, EUR (Last trading day's closing price) 52.80

 Target price, EUR 50.0

 Latest change in rating 21-Sep-20

 Latest report on company 11-Dec-20

 Research paid by issuer: YES

 No. of shares outstanding, '000's 8,110

 No. of shares fully diluted, '000's 8,110

 Market cap, EURm 428

 Free float, % 69.3

 Exchange rate na.

 Reuters code MEKKO.HE

 Bloomberg code MEKKO FH

 Average daily volume, EURm na.

 Next interim report 18-Feb-21

 Web site marimekko.com/investors/

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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
2018	111.9	12.2	10.9%	21.7	1.01	20.5	1.6	14.9	12.9	1.85
2019	125.4	17.1	13.6%	15.9	1.60	22.3	2.4	17.7	5.5	0.00
2020E	124.4	19.4	15.6%	9.1	1.73	30.5	3.5	22.2	2.1	1.20
2021E	132.9	20.0	15.0%	14.1	1.87	28.2	3.2	21.3	3.3	1.23
2022E	141.2	21.2	15.0%	12.6	1.99	26.5	3.0	20.0	2.9	1.30

Market cap, EURm	428	BV per share 2020E, EUR	5.3	CAGR EPS 2019-22, %	7.5
Net debt 2020E, EURm	3	Price/book 2020E	8.1	CAGR sales 2019-22, %	4.0
Enterprise value, EURm	431	Dividend yield 2020E, %	2.3	ROE 2020E, %	30.6
Total assets 2020E, EURm	108	Tax rate 2020E, %	20.5	ROCE 2020E, %	23.8
Goodwill 2020E, EURm	0	Equity ratio 2020E, %	49.1	PEG, P/E 20/CAGR	4.8

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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