

Steady as she goes

Marimekko's Q3 brought no real surprises as the net sales were in line with our estimates while profitability was a touch lower mainly due to higher-than-expected marketing investments. We continue to see the current pricing relatively neutral and reiterate TP of EUR 13.0 with recommendation at HOLD.

Domestic wholesales down as expected, strong retail

Marimekko's Q3 net sales were largely in line with our estimates at EUR 47.2m (Evli est. EUR 47.0m, Q3/23 EUR 47.9m). As expected, Finnish wholesale sales decreased notably due to the timing effect of non-recurring promotional deliveries. International sales grew in line with our estimates. Domestic retail was solid as the net sales grew 8% y/y in a tough environment. Internationally, net sales grew strongly in Scandinavia as retail sales grew 45% y/y and total net sales by 23%. APAC net sales grew 9% y/y, while still rapid, the growth missed our estimates slightly. Adj. EBIT amounted to EUR 11.1m (EUR 12.0/12.4m Evli/cons.), reflecting a margin of 23.5%. The lower-than-expected profitability was solely related to higher other operating expenses than we expected. The main driver behind the increased other operating expenses were the company's planned marketing investments.

Expecting growth to pick up in 2025E

Marimekko kept its guidance unchanged, the net sales are expected to grow y/y in 2024, and comparable EBIT margin is estimated to be approximately some 16–19%. With the actual figures published for Q3 and no major estimate adjustments for Q4, we model net sales of EUR 180.6m with growth of 3.7% y/y and EBIT of EUR 30.8m with a margin of 17.0% for 2024E. We expect that employee expenses will keep rising y/y in Q4 due to the overall salary inflation in addition to Marimekko's strong own retail performance. We continue to forecast an increase in sales growth for 2025E, driven by a boost in domestic sales along with continued international growth. We now project net sales of EUR 193.6 million and EBIT of EUR 35.6 million (EBIT margin of 18.4%) for 2025E.

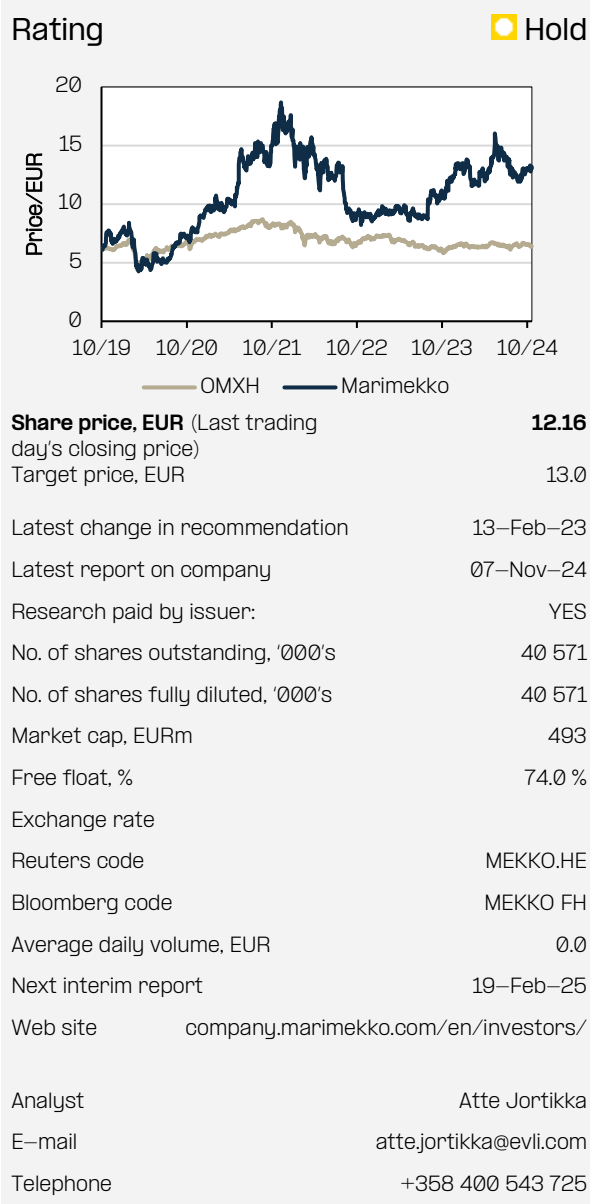
HOLD with a TP of EUR 13.0

Marimekko is priced at 16–13x EV/EBIT and 21–18x P/E based on our estimates for 2024–2025E. The pricing is largely in line with the aggregate peer group as it is trading above its premium goods peers yet below the luxury goods peer group.

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	166.5	30.4	18.2%	10.3	0.56	15.6	2.1	11.8	2.9%	0.34
2023	174.1	31.4	18.0%	18.7	0.58	22.9	3.1	17.1	3.5%	0.37
2024E	180.6	30.8	17.0%	18.2	0.58	20.8	2.7	15.8	3.7%	0.38
2025E	193.6	35.6	18.4%	23.2	0.69	17.7	2.5	13.4	4.7%	0.45
2026E	203.3	39.6	19.5%	28.8	0.77	15.8	2.3	11.8	5.8%	0.50
Market cap, EURm		493	Gearing 2024E, %			-9.9 %	CAGR EPS 2023–26, %			9.8 %
Net debt 2024E, EURm		-7	Price/book 2024			6.6	CAGR Sales 2023–26, %			5.3 %
Enterprise value, EURm		486	Dividend yield 2024E, %			3.1 %	ROE 2024E, %			33.8 %
Total assets 2024E, EURm		132	Tax rate 2024E, %			20.7 %	ROCE 2024E, %			30.5 %
Goodwill 2024E, EURm		0	Equity ratio 2024E, %			56.3 %	PEG, P/E 24/CAGR			1.8

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



BUY HOLD SELL

Overall relatively steady development in Q3

Marimekko's Q3 development was relatively steady despite the challenging market conditions. Wholesale sales were down due to the beforementioned reasons, yet retail development was strong. The company's brand sales increased 29% y/y with major driver being the ongoing collaborations with brands. Internationally, growth in Scandinavia was rapid with total sales growing 23% y/y while Scandinavian retail sales grew 45% y/y. The refurbished flagship store in Stockholm and new flagship store in Copenhagen have clearly aided the company's Scandinavian retail operations. Profitability was lower than expected which was related solely to higher-than-expected other operating expenses. The company's other operating expenses grew 20% y/y or roughly EUR 1.4m in absolute terms. According to our understanding, while there were also other elements involved, large part of the increase was driven by the planned marketing expenses related to brand marketing of the 60th anniversary of the Unikko print. Additionally, the company's employee expenses increased due to overall salary inflation and strong own retail development.

Still expecting pick-up in growth in 2025E

Marimekko's domestic operations have suffered from suboptimal market conditions during 2023–2024. With our updated estimates for 2024E, we expect net sales of EUR 99.5m in Finland, growing 1.3% compared to net sales level in Finland in 2022. While the growth has been slow, the company has fared well compared to the Finnish consumption related to durable and semi-durable goods which has decreased during 2022–2023. Based on forecasts by ETLA Economic Research, the Finnish consumer consumption is expected to pick-up in 2025E with durable and semi-durable goods driving the growth (private consumption estimated to grow 1.1% in 2025E, with durable goods consumption increasing 3.1% and semi-durable goods 2.0% y/y). We continue to estimate faster sales growth for 2025E, driven by pick-up in domestic sales growth coupled with continued international growth. With Marimekko's operational leverage, we expect margins to improve due to faster growth. We now estimate net sales of EUR 193.6m with growth of 7.2% y/y and EBIT of EUR 35.6m with margin of 18.4% for 2025E.

Table 1: Estimate change summary

ESTIMATE CHANGES						
	2024E			2025E		
	Old	New		Old	New	
Net sales	180.1	180.6	0%	194.7	193.6	-1%
Finland	99.6	99.5	-0%	106.0	105.9	-0%
Int'l	80.5	81.1	1%	88.7	87.7	-1%
Adj. EBIT	31.5	31.1	-1%	36.7	35.6	-3%
EPS	0.60	0.58	-3%	0.72	0.69	-4%

Source: Evli Research

Table 2: Peer group

MARIMEKKO PEER GROUP PREMIUM GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Bjorn Borg	122	10.2x	9.1x	8.6x	13.0x	11.0x	10.1x	16.7x	13.3x	12.1x
HUGO BOSS	2879	5.6x	5.0x	4.6x	11.3x	9.7x	8.5x	13.3x	11.0x	9.6x
Capri Holdings	2110	10.0x	10.0x	9.1x	15.2x	15.1x	13.2x	7.7x	7.5x	6.8x
Ralph Lauren	11503	12.7x	11.7x	10.8x	16.0x	14.6x	13.2x	18.2x	16.3x	14.4x
LVMH Moet Hennessy Louis Vuitton	308769	13.0x	12.3x	11.5x	16.5x	15.5x	14.4x	22.4x	21.2x	19.5x
PVH	5077	7.6x	7.2x	6.7x	10.2x	9.5x	8.5x	8.5x	7.9x	6.9x
Guess	813	8.2x	7.5x	7.3x	10.5x	9.7x	9.8x	6.7x	6.2x	6.2x
VF	7975	21.3x	19.5x	17.2x	35.8x	30.3x	25.1x	42.3x	27.6x	19.4x
Peer Group Average	42406	11.1x	10.3x	9.5x	16.0x	14.4x	12.8x	17.0x	13.9x	11.9x
Peer Group Median	3978	10.1x	9.5x	8.8x	14.1x	12.8x	11.6x	15.0x	12.2x	10.8x
Marimekko (Evli est.)	493	12.1x	10.6x	9.4x	15.8x	13.4x	11.8x	20.8x	17.7x	15.8x
<i>Marimekko prem./disc. to peer median</i>		<i>20%</i>	<i>11%</i>	<i>6%</i>	<i>12%</i>	<i>5%</i>	<i>1%</i>	<i>39%</i>	<i>45%</i>	<i>46%</i>
<i>Source FactSet, Evli Research</i>										

MARIMEKKO PEER GROUP LUXURY GOODS	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Brunello Cucinelli	6309	19.4x	17.5x	16.4x	33.2x	29.6x	26.7x	50.9x	44.3x	39.2x
Burberry Group	3247	7.6x	8.2x	7.0x	27.8x	34.7x	19.9x	36.8x	47.9x	23.4x
Hermes International	220352	31.9x	28.6x	25.6x	35.7x	32.0x	28.6x	49.4x	44.2x	39.0x
Moncler	13974	11.5x	10.7x	9.9x	15.6x	14.5x	13.1x	22.8x	21.1x	19.2x
Prada	17998	10.1x	9.2x	8.5x	16.1x	14.3x	12.9x	22.4x	19.9x	17.8x
Salvatore Ferragamo	1027	7.2x	6.8x	6.2x	46.4x	34.0x	24.7x	335.6x	72.5x	40.4x
Kering	28134	10.4x	9.5x	8.6x	17.2x	15.8x	13.0x	19.1x	17.2x	13.8x
Canada Goose Holdings	935	7.3x	7.1x	7.6x	12.2x	11.0x	10.3x	12.8x	11.2x	10.2x
Peer Group Average	52376	16.1x	14.9x	13.5x	25.7x	25.0x	20.2x	36.5x	35.5x	27.7x
Peer Group Median	13974	11.5x	10.7x	9.9x	27.8x	29.6x	19.9x	36.8x	44.2x	23.4x
Marimekko (Evli est.)	493	12.1x	10.6x	9.4x	15.8x	13.4x	11.8x	20.8x	17.7x	15.8x
<i>Marimekko prem./disc. to peer median</i>		<i>5%</i>	<i>-1%</i>	<i>-5%</i>	<i>-43%</i>	<i>-55%</i>	<i>-41%</i>	<i>-43%</i>	<i>-60%</i>	<i>-33%</i>
<i>Source FactSet, Evli Research</i>										

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	12.16 PV of Free Cash Flow	285 Long-term growth, %	1.5 % Risk-free interest rate, %
DCF share value	15.32 PV of Horizon value	348 WACC, %	8.4 % Market risk premium, %
Share price potential, %	26.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	16.5 Marketable securities	37 Minimum WACC, %	7.9 % Equity beta coefficient
Minimum value	14.3 Debt – dividend	–48 Maximum WACC, %	8.9 % Target debt ratio, %
Horizon value, %	55.0 % Value of stock	622 No. of shares, Mn	40.6 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	174	181	194	203	212	221	229	239	246	253	257	261
Sales growth (%)	4.6%	3.7%	7.2%	5.0%	4.3%	4.0%	4.0%	4.0%	3.0%	3.0%	1.5%	1.5%
Operating income (EBIT)	31	31	36	40	41	43	44	45	47	48	49	50
Operating income margin %	18.0%	17.0%	18.4%	19.5%	19.5%	19.5%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
+ Depreciation+amort.	9	9	10	10	11	11	12	12	13	13	13	
EBITDA	41	40	45	50	52	54	55	57	59	61	62	
– Paid taxes	–7	–6	–7	–8	–8	–9	–9	–9	–9	–10	–10	
– Change in NWC	–3	–4	–2	–1	0	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	14.0%	15.9%	15.9%	15.4%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	
+ Change in other liabs												
– Operative CAPEX	–1	–2	–2	–2	–2	–2	–2	–2	–2	–2	–2	
opCAPEX / Sales, %	5.7%	5.9%	6.3%	6.0%	5.9%	5.8%	5.8%	5.8%	5.7%	5.7%	5.5%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	29	27	34	40	42	42	43	45	47	48	50	729
= Discounted FCFF		27	31	33	32	30	28	27	26	25	24	348
= DFCF min WACC		27	31	34	33	31	29	28	27	26	25	391
= DFCF max WACC		27	31	33	32	30	28	27	25	24	23	311

Sensitivity analysis, EUR

		Terminal WACC				
		6.43 %	7.42 %	8.43 %	9.43 %	10.42 %
Terminal EBIT–%	17.00 %	20.18	16.83	14.44	12.65	11.26
	18.00 %	20.92	17.39	14.88	13.01	11.55
	19.00 %	21.66	17.95	15.32	13.36	11.84
	20.00 %	22.40	18.52	15.77	13.72	12.13
	21.00 %	23.14	19.08	16.21	14.07	12.42

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	35.3	40.3	47.9	50.6	174.1	37.7	43.7	47.2	52.0	180.6	193.6	203.3
EBITDA	6.1	8.8	15.2	10.4	40.5	7.4	8.5	13.4	10.8	40.1	45.1	49.8
<i>EBITDA margin (%)</i>	<i>17.3%</i>	<i>21.9%</i>	<i>31.7%</i>	<i>20.6%</i>	<i>23.3%</i>	<i>19.6%</i>	<i>19.4%</i>	<i>28.4%</i>	<i>20.7%</i>	<i>22.2%</i>	<i>23.3%</i>	<i>24.5%</i>
EBIT	3.8	6.6	12.9	8.1	31.4	5.1	6.1	11.1	8.5	30.8	35.6	39.6
<i>EBIT margin (%)</i>	<i>10.8%</i>	<i>16.4%</i>	<i>27.0%</i>	<i>15.9%</i>	<i>18.0%</i>	<i>13.4%</i>	<i>14.0%</i>	<i>23.5%</i>	<i>16.3%</i>	<i>17.0%</i>	<i>18.4%</i>	<i>19.5%</i>
Net financial items	-0.8	-0.5	0.0	-0.2	-1.7	-0.2	0.1	-0.5	-0.2	-0.9	-0.7	-0.5
Pre-tax profit	3.0	6.1	12.9	7.8	29.7	4.9	6.2	10.6	8.3	29.9	34.9	39.1
Tax	-0.5	-1.3	-2.5	-1.7	-6.1	-1.0	-1.4	-2.1	-1.7	-6.2	-7.0	-7.8
<i>Tax rate (%)</i>	<i>18.5%</i>	<i>21.6%</i>	<i>19.8%</i>	<i>22.2%</i>	<i>20.6%</i>	<i>20.0%</i>	<i>23.2%</i>	<i>20.2%</i>	<i>20.0%</i>	<i>20.7%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	2.4	4.8	10.3	6.1	23.6	3.9	4.7	8.4	6.6	23.7	27.9	31.3
EPS	0.06	0.12	0.25	0.15	0.58	0.10	0.12	0.21	0.16	0.58	0.69	0.77
EPS adj. (diluted)	0.06	0.12	0.25	0.15	0.58	0.10	0.12	0.21	0.16	0.58	0.69	0.77
Dividend per share					0.37					0.38	0.45	0.50

SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Finland	18.0	22.2	28.2	30.5	98.9	19.4	24.5	25.7	29.8	99.5	105.9	109.1
Scandinavia	3.5	3.0	4.3	4.7	15.6	3.0	4.4	5.3	5.7	18.4	18.9	19.8
EMEA	3.8	3.8	3.6	3.5	14.6	2.4	3.4	3.3	3.6	12.7	14.1	14.8
North America	1.6	2.6	2.5	2.8	9.6	2.5	2.5	2.8	3.2	11.0	11.8	12.4
Asia Pacific	8.4	8.8	9.2	9.0	35.4	10.2	8.9	10.1	9.8	39.0	42.8	47.1
Total	35.3	40.3	47.9	50.6	174.1	37.7	43.7	47.2	52.0	180.6	193.6	203.3

SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Finland	-2.7%	-3.5%	5.7%	1.5%	0.7%	8.0%	10.6%	-8.8%	-2.2%	0.6%	6.4%	3.0%
Scandinavia	15.6%	0.9%	23.8%	6.1%	11.5%	-12.2%	45.2%	23.1%	19.5%	18.5%	2.4%	5.0%
EMEA	-30.6%	18.7%	-3.5%	-4.4%	-8.6%	-35.5%	-9.9%	-8.3%	1.4%	-13.5%	11.5%	5.0%
North America	-10.6%	28.5%	35.7%	23.1%	19.7%	55.5%	-4.5%	11.2%	12.5%	14.8%	7.4%	5.0%
Asia Pacific	15.6%	28.5%	11.0%	14.1%	16.9%	21.7%	1.5%	9.2%	8.1%	10.0%	10.0%	10.0%
Total	-2.1%	6.1%	8.6%	4.6%	4.6%	6.8%	8.3%	-1.3%	2.7%	3.7%	7.2%	5.0%

EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Finland												21.3
Scandinavia												3.9
EMEA												2.9
North America												2.4
Asia Pacific												9.2
Total	3.8	6.6	12.9	8.1	31.4	5.1	6.1	11.1	8.5	30.8	35.6	39.6

EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Finland												19.5%
Scandinavia												19.5%
EMEA												19.5%
North America												19.5%
Asia Pacific												19.5%
Total	10.8%	16.4%	27.0%	15.9%	18.0%	13.4%	14.0%	23.5%	16.3%	17.0%	18.4%	19.5%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	125.4	123.6	152.2	166.5	174.1	180.6	193.6	203.3
<i>Sales growth (%)</i>	12.1%	-1.5%	23.2%	9.4%	4.6%	3.7%	7.2%	5.0%
EBITDA	29.7	31.3	43.3	40.1	40.5	40.1	45.1	49.8
<i>EBITDA margin (%)</i>	23.7%	25.4%	28.5%	24.1%	23.3%	22.2%	23.3%	24.5%
Depreciation	-12.6	-12.6	-12.1	-9.8	-9.1	-9.3	-9.5	-10.2
EBITA	17.1	18.8	31.3	30.4	31.4	30.8	35.6	39.6
Goodwill amortization / writedown								
EBIT	17.1	18.8	31.3	30.4	31.4	30.8	35.6	39.6
<i>EBIT margin (%)</i>	13.6%	15.2%	20.5%	18.2%	18.0%	17.0%	18.4%	19.5%
Reported EBIT	17.1	18.0	31.3	30.4	31.4	30.8	35.6	39.6
<i>EBIT margin (reported) (%)</i>	13.6%	14.6%	20.5%	18.2%	18.0%	17.0%	18.4%	19.5%
Net financials	-1.0	-1.8	-0.4	-1.1	-1.7	-0.9	-0.7	-0.5
Pre-tax profit	16.1	17.0	30.8	29.3	29.7	29.9	34.9	39.1
Taxes	-3.1	-3.7	-6.4	-6.4	-6.1	-6.2	-7.0	-7.8
Minority shares								
Net profit	13.0	12.5	24.4	22.9	23.6	23.7	27.9	31.3
Cash NRIs		-0.8						
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	5	5	5	6	6	7	7	7
Goodwill								
Right of use assets	36	37	29	30	30	31	33	35
Inventory	23	22	26	34	29	34	37	38
Receivables	7	8	12	12	20	20	21	22
Liquid funds	26	41	60	33	37	40	49	60
Total assets	97	114	133	115	123	132	148	163
Liabilities								
Shareholders' equity	39	52	69	55	66	74	87	100
Minority interest								
Convertibles								
Lease liabilities	36	37	30	32	32	31	33	35
Deferred taxes	2	1	3	0	0			
Interest bearing debt	2	2	2	2	1	2	1	
Non-interest bearing current liabilities	18	22	28	25	25	26	27	29
Other interest-free debt								
Total liabilities	97	114	133	115	123	132	148	163
CASH FLOW, EURm								
+ EBITDA	30	31	43	40	41	40	45	50
- Net financial items	-1	-2	18	-27	-2	-1	-1	-1
- Taxes	-3	-6	-4	-6	-7	-6	-7	-8
- Increase in Net Working Capital	3	3	-2	-11	-3	-4	-2	-1
+/- Other	0	0	-19	24				
= Cash flow from operations	29	27	36	20	29	29	35	41
- Capex	-11	-14	-5	-10	-10	-11	-12	-12
- Acquisitions								
+ Divestments								
= Free cash flow	18	14	31	10	19	18	23	29
+/- New issues/buybacks	1	8	1	-8	1	0		
- Paid dividend	7	8	29	14	15	15	18	20
+/- Other	-1	0	-5	0	-1	-1	2	1
Change in cash	3	15	19	-27	4	3	10	11

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	369	691	356	540	493	493	493
Net debt (excl. convertibles)	-2	-27	1	-4	-7	-15	-26
Enterprise value	368	664	357	536	486	478	467
Sales	124	152	167	174	181	194	203
EBITDA	31	43	40	41	40	45	50
EBIT	19	31	30	31	31	36	40
Pre-tax	17	31	29	30	30	35	39
Earnings	13	24	23	24	24	28	31
Equity book value (excl. minorities)	52	69	55	66	74	87	100
Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	3.0	4.4	2.1	3.1	2.7	2.5	2.3
EV/EBITDA	11.7	15.3	8.9	13.2	12.1	10.6	9.4
EV/EBITA	19.6	21.2	11.8	17.1	15.8	13.4	11.8
EV/EBIT	19.6	21.2	11.8	17.1	15.8	13.4	11.8
EV/OCF	13.4	18.5	17.7	18.7	16.9	13.5	11.4
EV/FCF	14.2	18.8	17.9	18.7	17.8	14.0	11.8
P/FCFR	135.3	110.9	34.6	28.9	27.1	21.2	17.1
P/E	27.8	28.3	15.6	22.9	20.8	17.7	15.8
P/BV	7.1	10.0	6.4	8.2	6.6	5.7	4.9
Target EV/EBITDA					13.0	11.4	10.1
Target EV/EBIT					16.9	14.4	12.7
Target EV/FCFF					28.6	22.0	17.4
Target P/BV					7.1	6.1	5.3
Target P/E, diluted	28.8	29.0	17.0	19.7	22.3	18.9	16.9
Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	40.55	40.55	40.62	40.57	40.57	40.57	40.57
Number of shares (diluted, million)	40.55	40.55	40.62	40.57	40.57	40.57	40.57
EPS	0.33	0.60	0.56	0.58	0.58	0.69	0.77
Operating cash flow per share	0.68	0.89	0.50	0.71	0.71	0.87	1.01
Free cash flow per share	0.34	0.77	0.25	0.46	0.45	0.57	0.71
Book value per share	1.29	1.71	1.36	1.62	1.83	2.14	2.47
Dividend per share	0.20	0.72	0.34	0.37	0.38	0.45	0.50
Dividend payout ratio, %	61.0%	119.6%	60.4%	63.6%	65.0%	65.0%	65.0%
Dividend yield, %	2.2%	4.2%	3.9%	2.8%	3.1%	3.7%	4.1%
FCF yield, %	3.7%	4.5%	2.9%	3.5%	3.7%	4.7%	5.8%
Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	29.2%	40.1%	36.6%	39.0%	33.8%	34.6%	33.4%
ROCE	22.9%	33.0%	32.4%	34.0%	30.5%	31.8%	31.7%
Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	18.2%	17.1%	20.3%	16.8%	19.0%	19.0%	18.5%
Receivables as % of sales	6.6%	7.9%	7.2%	11.3%	11.0%	11.0%	11.0%
Non-int. bearing liabilities as % of sales	17.9%	18.6%	14.9%	14.1%	14.1%	14.1%	14.1%
NWC/sales, %	6.8%	6.4%	12.6%	14.0%	15.9%	15.9%	15.4%
Operative CAPEX/Sales, %	11.2%	3.1%	5.9%	5.7%	5.9%	6.3%	6.0%
CAPEX/sales (incl. acquisitions), %	11.2%	3.1%	5.9%	5.7%	5.9%	6.3%	6.0%
FCFF/EBITDA	0.8	0.8	0.5	0.7	0.7	0.8	0.8
Net Debt/EBITDA, book-weighted	-0.1	-0.6	0.0	-0.1	-0.2	-0.3	-0.5
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Gearing, %	-3.2%	-38.9%	2.3%	-6.3%	-9.9%	-17.5%	-25.8%

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 product 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	5 088 500	61.876	12.5 %
Ilmarinen Mutual Pension Insurance Company	1 980 440	24.082	4.9 %
Varma Mutual Pension Insurance Company	1 929 600	23.464	4.8 %
Ehnrnooth Sophia	1 651 885	20.087	4.1 %
Nordea Nordic Small Cap Fund	1 049 425	12.761	2.6 %
Evli Finnish Small Cap Fund	950 000	11.552	2.3 %
Elo Mutual Pension Insurance Company	634 234	7.712	1.6 %
Oy Talcom Ab	505 000	6.141	1.2 %
Oy Etra Invest Ab	500 000	6.080	1.2 %
Alahuhta Matti Juhani	447 750	5.445	1.1 %
Ten largest	14 736 834	179.200	36.3 %
Residual	25 834 546	314.148	63.7 %
Total	40 571 380	493.348	100%

EARNINGS CALENDAR

February 19, 2025	FY 2024 Results
May 14, 2025	Q1 report
August 14, 2025	Q2 report
October 31, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Elina Anokar	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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

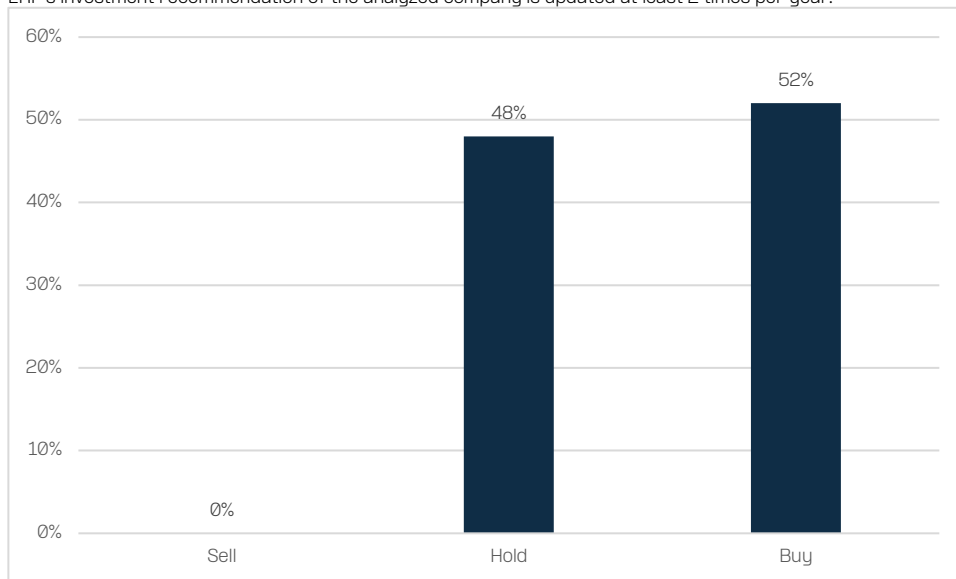
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Atte Jortikka

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