

Marimekko

Consumer Discretionary | Finland | MCAP MEUR 436

Investment summary

We rate Marimekko HOLD with a 12-month target price of €11.65, implying 8.5% upside from the current share price of €10.74. Our assumptions are more conservative than management's long-term targets, and while they still imply modest upside, the margin of safety is too limited to justify a BUY rating.

Marimekko is a Finnish premium lifestyle brand selling apparel, home textiles and accessories. Finland remains the core market at 54% of sales and is pressured by weak consumer confidence and high unemployment. International markets offer better medium-term growth, with APAC at 21% of revenue and a partner-led model where local partners carry much of the store-level cost base.

Our thesis balances weak domestic demand against a promising international mix shift. Management targets 15% annual sales growth and a 20% comparable operating profit margin, while we forecast around 4.5% annual revenue growth. We expect EBIT margin to ease from 18.1% in 2026E to 16.8% in the terminal year, still within management's 16–19% guidance range, supported by scalable wholesale and licensing revenue.

Our blended valuation gives a target price of €11.65, based on a DCF value of €11.57 and an adjusted peer value of €11.89. A WACC closer to 9.5% would bring the DCF value near the current share price, while FX headwinds or fading international brand momentum could weaken the growth case. We therefore recommend HOLD.

Recommendation: HOLD

Target price: 11.65

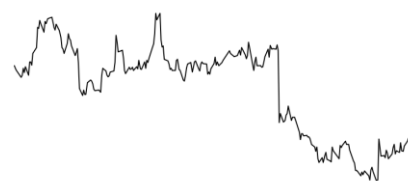
Price: 10.74

Upside: +8.5%

Ticker: MEKKO

Date: 12 June 2026

52-week price range: 9.68-13.96



Analysts

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Key figures (MEUR)	2024A	2025A	2026E	2027E
Revenue	182.60	189.60	198.89	209.23
Growth	4.9%	3.8%	4.9%	5.2%
EBITDA	40.52	41.40	44.95	46.45
EBIT	31.18	31.40	36.00	37.93
NOPAT	24.58	25.30	28.80	29.63

Company Overview

Marimekko Oyj is a Finnish design house operating as a premium lifestyle brand for over 75 years, specialising in apparel, home textiles, and accessories defined by bold, original patterns. Unlike fast-fashion companies that compete on price and trend cycles, Marimekko positions itself as a high-end lifestyle brand targeting customers who value timeless, distinguishable products with long-lasting aesthetic value. The company reported EUR 189.6 million in 2025 revenue with a comparable operating profit of EUR 32.3 million (17% margin), employs approximately 490 people, and maintains a market capitalisation of roughly EUR 436 million at the current share price.

Revenue flows through three channels: direct retail (own stores and e-commerce), wholesale (to premium department stores and franchisees), and licensing (fees from third-party brands using its prints). In FY2025, licensing income fell 34% due to the prior year being exceptional through major global collaborations, while physical goods sales increased. The business is divided into three product segments: Fashion (35% of revenue), Home (44%), and Bags & Accessories (21%), sold through 176 stores worldwide and an online store reaching customers in 39 countries.

Finland remains the core market at 54% of annual sales, but the growth story is now centred on the Asia-Pacific (APAC) region, which has grown to 21% of revenues and is Marimekko's second-largest market. Operations are centralised in Helsinki, where an in-house textile printing factory provides quality control, design speed, and a "Made in Finland" quality stamp. By owning its production hub in Helsinki while expanding its customer base into Asia, Marimekko aims to maintain local authenticity while becoming a global player. Marimekko's long-term financial targets are annual net sales growth of 15% and a comparable operating profit margin of 20%, with near-term guidance for 2026 of net sales growth and a margin of 16-19%.

Industry & Competitive Position

Because Marimekko sells premium discretionary products, its performance is closely tied to consumer confidence and spending conditions in its core Finnish market. The latest available market data, published by Statistics Finland in 2025, shows that Finland's addressable fashion market was approximately EUR 3.26 billion in 2024, while physical clothing-store sales fell 6.4% and online penetration rose to 21% as Chinese platforms gained share. According to Statistics Finland, consumer confidence stood at -12.5 in April 2026, and only 13% saw it as a good time for expensive purchases. According to the Bank of Finland, unemployment is projected at 9.9% in 2026. Marimekko's Finnish net sales were flat in Q1 2026, and domestic retail fell 4%, even as total Finnish retail turnover rose 4.2%, confirming that premium lifestyle goods remain easy to defer.

While Finland remains a near-term drag, Asia-Pacific offers a more attractive medium-term growth outlook, although regional consumer demand remains uneven. Japan is Marimekko's key Asian market and therefore provides a useful signal for regional consumer demand. According to Reuters, Japan's household spending fell 2.9% in real terms in March 2026, but according to the Bank of Japan, private consumption is expected to remain more or less flat in fiscal 2026, and return to moderate growth from fiscal 2027 as wage growth feeds through. The APAC model is attractive because it scales with less capital: Marimekko had 95 of its 176 locations in Asia-Pacific at the end of Q1 2026, while the region contributed only 21% of FY2025 sales, reflecting partner-heavy economics. Most physical stores and online stores in Asia are run by local partners. This lowers Marimekko's fixed costs and helps with expansion, but Marimekko keeps a smaller share of each sale.

Other regions show encouraging momentum. Scandinavia grew 19% in Q1, Europe 11%, and North America 20%, the last supported by U.S. retail sales rising 4.9% year on year in April, according to the U.S. Census Bureau. Competition is broad: fast fashion on apparel, Nordic lifestyle brands on home and gifting, and accessible luxury for consumer wallet share. Marimekko's competitive position is strongest when brand demand converts into direct retail and high-quality partner execution, and weakest when growth becomes too dependent on large external wholesale platforms like Zalando, where revenue capture and margin are lower.

Investment Thesis

Thesis 1: International expansion supports mid-single-digit growth, not management's 15% target.

Management's long-term financial targets are annual net sales growth of 15% and a comparable operating profit margin of 20%. Like the broader analyst consensus, we do not expect these levels to be reached, so this is not where our view differs from the market. What we want to highlight is the mechanism behind the shortfall, because it also shapes how the growth that does happen should be valued. Marimekko's expansion runs through a partner-heavy franchise model, where regional partners absorb the upfront fixed costs and own the stores. This keeps expansion capital-light, but it also means Marimekko books only licensing royalties and wholesale margins rather than full retail sales, and it does not control the pace at which new stores open. As a result, each new market adds far less to group revenue than the store count suggests. The clearest evidence is the gap between footprint and sales: Asia-Pacific accounts for 95 of Marimekko's 176 locations but only 21% of FY2025 revenue. Reaching 15% growth would require a rate of openings well beyond the 10-15 stores management typically guides for each year, which is why we forecast revenue growth of around 4.5% per year, slightly below available analyst estimates and the company's own 20-year average.

Thesis 2: The market gives limited credit to the international mix shift.

This is where we differ from how the stock appears to be priced. At the current share price, the market seems to value Marimekko largely as a Finland-anchored brand held back by a weak domestic consumer, implying little improvement in group growth or margin from the changing revenue mix. We think this gives too little credit to the shift now underway. Finland is flat and structurally low-growth, at 54% of sales, but the international business is growing and carries higher margins, so as it becomes a larger share of the group it should lift both blended growth and group profitability. The mechanism matters for value because the international mix is not just additional revenue, it is higher-quality revenue: licensing in particular carries close to zero marginal cost, so incremental deals flow almost entirely to profit. This is why we forecast EBIT margins holding near 18% in the near term and easing only gradually to 16.8%, rather than compressing as a Finland-led read would imply. A reverse-DCF helps frame the gap: holding our other assumptions constant, the current price is consistent with long-term growth of well under 1%. We do not claim this is exactly what the market assumes, since the same price can be reached in many ways, but it shows that today's valuation embeds very little long-term growth, less than we think a debt-free brand still expanding internationally can sustain. The evidence for the mix shift is in the most recent quarter: in Q1 2026 international sales rose 9% while Finland was flat, with Scandinavia up 19%, North America up 20%, and Europe up 11%, and the group still delivered a comparable EBIT margin above the prior year.

Valuation

We value Marimekko using a DCF, cross-checked against peer multiples. The forecast reflects our thesis: a structurally low-growth Finnish core combined with gradually scaling international revenues, supported by an asset-light franchise and licensing model.

Discounted cash flow. Our base case applies an 8.66% WACC, a 2.0% terminal growth rate, and treats IFRS 16 lease liabilities as debt-like obligations in the equity bridge. We forecast revenue growth of 4.9% in 2026E and 5.2% in 2027E, supported by continued international momentum, partly offset by weak Finnish consumer demand and timing effects in Asia-Pacific wholesale. Growth then gradually tapers toward 2.2% by 2034, before settling at a 2.0% terminal rate, in line with long-term inflation.

EBIT margin is forecast at 18.1% in 2026E and 17.7% in 2027E, before normalising to 16.8% in the terminal year. This remains within management's 16–19% guidance range and reflects the resilience of Marimekko's franchise model: local partners carry much of the store-level cost base, while Marimekko captures higher-margin wholesale and licensing income. These assumptions result in a DCF value of €11.57 per share, approximately 7.7% above the current share price of €10.74.

Relative valuation. Marimekko has no perfect listed peers due to its mix of premium apparel, Nordic design and licensing exposure. We therefore use a narrow peer group including Ralph Lauren, Burberry, Brunello Cucinelli and Fiskars, each capturing part of Marimekko’s business profile. The 2026E peer group mean EV/EBITDA of 11.2x implies a value of €12.52 per share. Applying a 5% discount for Marimekko’s smaller scale, lower global brand recognition and higher Finland exposure gives an adjusted peer value of €11.89 per share.

Blending the DCF and peer valuation gives a target price of €11.65, implying 8.5% upside from the current share price. While this suggests modest undervaluation, the upside is narrow and does not justify a more aggressive recommendation.

Company	EV/EBITDA	P/E	EBIT Margin (%)	Rev Growth (%)
Ralph Lauren	12.1x	20.3x	13.5	7.70
Burberry	8.4x	34.3x	12.5	2.9
Fiskars	9.5x	19.0x	9.0	2.1
Brunello Cucinelli	14.6x	37.1x	15.8	10.1
Marimekko	9.3x	16.3x	17.7	4.9

Sensitivity analysis. Fair value is most sensitive to WACC and terminal growth. The base case of 8.66% WACC and 2.0% terminal growth implies €11.57 per share. A WACC closer to 9.5% would bring the DCF value back near the current share price, while a lower discount rate or higher terminal growth would support greater upside. This sensitivity reinforces our HOLD rating: Marimekko screens as modestly undervalued, but the margin of safety is limited.

	1,5 %	1,7 %	2,0 %	2,2 %	2,5 %
7,50%	13,24	13,50	13,94	14,26	14,79
8,00%	12,23	12,45	12,81	13,06	13,48
8,66%	11,12	11,29	11,57	11,76	12,08
9,00%	10,62	10,78	11,02	11,19	11,47
9,50%	9,97	10,10	10,30	10,45	10,68

Risks

Upside risk: APAC and licensing acceleration. Our base case assumes international growth continues at a moderate pace, with APAC expansion shaped by the partner-heavy store model and licensing income growing only gradually. If Marimekko signs additional high-profile collaborations or accelerates franchise openings in underpenetrated APAC markets such as Indonesia and the Philippines, revenue growth could exceed our forecasts without requiring meaningful incremental capital. This would be especially valuable because licensing carries near-zero marginal cost, while partner-led wholesale shifts much of the store-level cost base to local partners. Faster APAC traction or stronger licensing income would therefore support higher group growth and more resilient EBIT margins, potentially pushing fair value above our base-case target price.

Downside risk: international brand heat fades. Our thesis depends on Marimekko’s ability to translate its Finnish design heritage into sustained international demand. The key risk is that brand momentum weakens outside Finland, either because iconic prints such as Unikko become overexposed through collaborations and licensing, or because consumer tastes shift away from Marimekko’s distinctive aesthetic. This would directly challenge the international mix-shift thesis: partner-led stores could underperform, licensing income could normalize lower, and wholesale demand could weaken. Because Marimekko is essentially a single-brand company, it lacks the portfolio diversification of larger luxury or lifestyle groups. If international brand heat fades, our assumptions for mid-single-digit growth and resilient margins would become too optimistic.

Appendix

Company	Ticker	Share Price	Diluted Shares	Market Cap	(+) Debt	(-) Cash	Enterprise Value	Revenue LTM	Revenue '26E	Revenue '27E	EBITDA LTM	EBITDA '26E	EBITDA '27E	EPS '26E
Fiskars	FSKRS-FI	14,22	81,70	1161,77	955,90	82,60	1675,07	1140,00	1164,00	1205,00	160,00	177,00	197,00	0,75
Burberry	BRBY-GB	13,05	363,50	4743,68	1757,00	768,00	5732,68	2794,00	2908,00	3069,00	618,00	684,00	779,00	0,38
Brunello Cucinelli	BC-IT	83,84	68,00	5701,12	1183,00	203,80	6680,32	1408,00	1538,00	1698,00	408,00	456,00	502,00	2,26
Ralph Lauren	RL-US	312,00	60,65	18922,80	2434,00	1793,40	19563,40	7003,00	7282,00	7635,00	1415,00	1613,00	1541,00	15,39
Max		312,00	363,50	18922,80	2434,00	1793,40	19563,40	7003,00	7282,00	7635,00	1415,00	1613,00	1541,00	15,39
75th Percentile		140,88	152,15	9006,54	1926,25	1024,35	9901,09	3846,25	4001,50	4210,50	817,25	916,25	969,50	5,54
Median		49,03	74,85	5222,40	1470,00	485,90	6206,50	2101,00	2223,00	2383,50	513,00	570,00	640,50	1,51
25th Percentile		13,93	66,16	3848,20	1036,23	173,50	4718,27	1341,00	1444,50	1574,75	346,00	386,25	425,75	0,66
Min		13,05	60,65	1161,77	595,90	82,60	1675,07	1140,00	1164,00	1205,00	160,00	177,00	197,00	0,38
Mean		105,78	143,46	7632,34	1492,48	711,95	8412,87	3086,25	3223,00	3401,75	650,25	732,50	754,75	4,70

Marimekko	MEKKO	10,50	40,60	426,30	29,70	36,60	419,40	189,60	198,90	209,23	42,00	44,95	46,45	0,61
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Company	Ticker	Mkt Cap	EV	Net Debt / EBITDA	Debt / Cap	LTM	EV / Revenue '26E	'27E	LTM	EV / EBITDA '26E	'27E	P / E '26E
Fiskars	FSKRS-FI	1161,77	1675,07	2,9x	33,9%	1,5x	1,4x	1,4x	10,5x	9,5x	8,5x	19,0x
Burberry	BRBY-GB	4743,68	5732,68	1,4x	27,0%	2,1x	2,0x	1,9x	9,3x	8,4x	7,4x	34,3x
Brunello Cucinelli	BC-IT	5701,12	6680,32	2,1x	17,2%	4,7x	4,3x	3,9x	16,4x	14,6x	13,3x	37,1x
Ralph Lauren	RL-US	18922,80	19563,40	0,4x	11,4%	2,8x	2,7x	2,6x	13,8x	12,1x	12,7x	20,3x

Max		18922,80	19563,40	2,9x	33,9%	4,7x	4,3x	3,9x	16,4x	14,6x	13,3x	37,1x
75th Percentile		9006,54	9901,09	2,3x	28,7%	3,3x	3,1x	2,9x	14,5x	12,8x	12,8x	35,0x
Median		5222,40	6206,50	1,8x	22,1%	2,4x	2,3x	2,2x	12,1x	10,8x	10,6x	27,3x
25th Percentile		3848,20	4718,27	1,2x	15,7%	1,9x	1,8x	1,7x	10,2x	9,2x	8,2x	19,5x
Min		1161,77	1675,07	0,4x	11,4%	1,5x	1,4x	1,4x	9,3x	8,4x	7,4x	19,0x
Mean		7632,34	8412,87	1,7x	22,4%	2,8x	2,6x	2,4x	12,5x	11,2x	10,5x	27,7x

Marimekko	MEKKO	426,30	419,40	-0,2x	6,5%	2,2x	2,1x	2,0x	10,0x	9,3x	9,0x	17,2x
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DCF		Hist.	Hist.	Hist.	Hist.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Terminal	
Marimekko		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue		166,520	174,110	182,600	189,600	198,890	209,233	219,694	230,020	240,371	249,505	258,238	265,468	271,309	276,735
% Growth				4,9%	3,8%	4,9%	5,2%	5,0%	4,7%	4,5%	3,8%	3,5%	2,8%	2,2%	2,0%
EBITDA		40,380	40,590	40,520	41,400	44,949	46,450	48,992	50,374	51,680	51,897	52,164	52,297	52,905	53,410
% Margin		24%	23%	22%	22%	22,6%	22,2%	22,3%	21,9%	21,5%	20,8%	20,2%	19,7%	19,5%	19,3%
% Growth				0,5%	0,2%	2,2%	8,6%	3,3%	5,5%	2,8%	2,6%	0,4%	0,5%	1,2%	1,0%
EBIT		30,730	31,410	31,180	31,400	35,999	37,034	38,886	39,793	40,863	41,917	43,384	44,599	45,580	46,491
% Margin		18,5%	18,0%	17,1%	16,6%	18,1%	17,7%	17,7%	17,3%	17,0%	16,8%	16,8%	16,8%	16,8%	16,8%
% Growth				2,2%	0,7%	14,6%	2,9%	5,0%	2,3%	2,7%	2,6%	3,5%	2,8%	2,2%	2,0%
Tax		6,430	6,140	6,600	6,100	(7,000)	(7,407)	(7,777)	(7,959)	(8,173)	(8,383)	(8,677)	(8,920)	(9,116)	(9,298)
Tax Rate		21%	20%	21%	19%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
NOPAT		24	25	24,6	25,3	28,8	29,6	31	32	33	34	35	36	36	37
% Growth			4,0%	(2,7%)	2,9%	13,8%	2,9%	5,0%	2,3%	2,7%	2,6%	3,5%	2,8%	2,2%	2,0%
(+) Depreciation & Amortization		9,650	9,180	9,340	10,000	8,950	9,415	10,106	10,581	10,817	9,980	8,780	7,699	7,325	6,918
% Revenue		6%	5%	5%	5%	4,5%	4,5%	4,6%	4,6%	4,5%	4,0%	3,4%	2,9%	2,7%	2,5%
(-) CapEX		1,000	2,030	2,330	2,900	5,370	6,277	6,591	6,901	6,971	6,986	6,972	6,902	6,783	6,918
% Revenue		1%	1%	1%	2%	2,7%	3,0%	3,0%	3,0%	2,9%	2,8%	2,7%	2,6%	2,5%	2,5%
(+/-) Change in WC		11,210	3,340	4,440	1,000	1,392	1,674	1,758	1,610	1,442	1,497	1,291	1,327	1,085	0,830
% Revenue		7%	2%	2%	1%	0,7%	0,8%	0,8%	0,7%	0,6%	0,6%	0,5%	0,5%	0,4%	0,3%
Unlevered Free Cash Flow		27	21	22	19	31	31	33	34	35	35	35	35	36	36

Discount Rate	8,7%	Shares Outstanding	41
Terminal Growth Rate	2,0%	Current Share Price	€10,74
		Market Cap	436
		Enterprise Value	429
Sum of PV Unlevered FCF	220		
Terminal Value	557		
PV of Terminal Value	243		
Implied Enterprise Value	463		
(-) Debt	30		
(+) Cash	37		
Implied Equity Value	470		

Weighted Average Cost of Capital	
Market Risk Premium	4,75%
Beta	1,39
Risk Free Rate	2,50%
Cost of Equity	9,10%
Weighted Average Cost of Debt	0,15%
Tax Rate	20,00%
Cost of Debt	2,60%
Total Equity	402,64
Total Debt	29,70
Equity/Total Capitalization	93,13%
Debt/Total Capitalization	6,87%
WACC	8,66%

Source: FactSet, Analyst estimates

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