Intermonte

Milan, 14 February 2025

Italian Equity Research – FY24 Results

MONCLER

NEUTRAL

Sector: Consumers

Price: Eu68.20 - **Target: Eu64.60**

Better Than Expected in Key Winter Season

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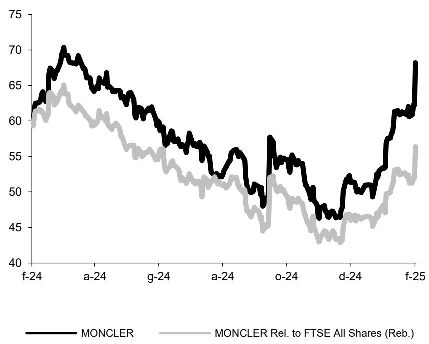
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 55.10 to 64.60
	2025E	**2026E**	**2027E**
Chg in Adj EPS	3.0%	2.7%	

Next Event 1Q25 Revenues
Results Out 16 April 2025

MONCLER - 12M Performance



Stock Data			
Reuters code:			MONC.MI
Bloomberg code:			MONC IM
Performance	**1M**	**3M**	**12M**
Absolute	27.7%	47.3%	14.9%
Relative	18.8%	35.1%	-6.0%
12M (H/L)			70.34/46.30
3M Average Volume (th):			1,134.63

Shareholder Data	
No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	18,665
Total Mkt Cap (Eu mn):	18,665
Mkt Float - Ord (Eu mn):	15,492
Mkt Float (in %):	83.0%
Main Shareholder:	
Double R	17.0%

Balance Sheet Data	
Book Value (Eu mn):	3,972
BVPS (Eu):	14.45
P/BV:	4.7
Net Financial Position (Eu mn):	662
Enterprise Value (Eu mn):	17,131

- **4Q/2H24 results better than expected.** Moncler's brand revenues came in at Eu1,134mn in 4Q24, 5.6% better than expected and up 5.3% YoY or 8% at constant ForEx thanks to DTC revenues up 9% at cFX, a strong acceleration QoQ. Stone Island's quarterly revenues were 4.7% below our estimates but in line with consensus forecasts, rising 8% YoY to Eu109mn, with a positive contribution from the DTC channel (+12.8% YoY), while the wholesale channel was flat. The 2H24 gross margin rose 50bp, thanks to a better revenue mix (2H24 DTC sales accounted for 83.7% of the total, compared to 81.5% in 2H23). All in all, 2H24 EBIT was 4% above our forecast at Eu658mn, a 35% margin on sales. At YE24, the group had net cash, excluding IFRS16, of Eu1,309mn, with NWC coming to 8.2% of revenues at YE24 vs. 8.0% at YE23. During the year, the company invested Eu187mn of CapEx, 6% on sales as expected. A Eu1.3 dividend per share was proposed, corresponding to a payout of about 55% (up from 51% last year).
- **Geographical trends**. Moncler brand revenues at constant ForEx accelerated in all regions, with Asia, EMEA and Americas going from -2%, -3%, -6% in 3Q24 to +11%, +3%, +5%. Asia was bolstered by a strong Chinese cluster, activated by the Moncler Genius event in Shanghai.
- **Constructive comments on 2025.** Management provided encouraging comments on the start to the year, even though the macro situation remains volatile and there is a tough comp on 1Q. For Moncler, the 2025 contribution from additional DTC channel space could be 5%, but the wholesale channel is expected to show a high single-digit negative contribution. Pricing is planned up about 5%. The US market was identified as a significant growth opportunity with multi-year efforts planned, including new flagship openings. For Stone Island, wholesale revenues are expected to decrease but to a lesser extent than in 2024, while DTC performance should remain almost in line with 2024. In terms of profitability, in 2025 the company is working to confirm an EBIT margin in the 29-30% range. Quizzed on possible use of excess cash, management played down the possibility of new M&A and reiterated the group's focus is on further growing the Moncler and Stone Island brands.
- **Change in estimates**. Given the surprise on earnings, we are raising our 2025/26 revenues by 2%, assuming stronger Moncler DTC revenues. We are also slightly raising our EBIT margin estimates (+30bp to 29.6% in FY25). All in all, the 2024/2025 EPS revision is -+3.0%/+2.7%.
- **NEUTRAL confirmed; target from Eu55.1 to Eu64.6.** The quality of results and management comments was solid. DTC numbers were particularly appreciable, marking a different pace compared to 3Q24. Moncler brand remains very well positioned with Chinese customers and can outperform most peers on this cluster. The group is working to improve brand positioning in the US, where it is underpenetrated, and appreciation for the Grenoble collection is a tailwind. We are updating our target to reflect the new estimates (DCF, WACC 8.4%, TG 3.5%). After the recent market rally we are confirming our NEUTRAL recommendation. A solution to the conflict in Ukraine could entail upside risk.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,984	3,109	3,343	3,643	3,954
EBITDA Adj (Eu mn)	1,226	1,263	1,370	1,494	1,624
Net Profit Adj (Eu mn)	640	667	726	792	862
EPS New Adj (Eu)	2.331	2.428	2.641	2.884	3.136
EPS Old Adj (Eu)	2.330	2.355	2.564	2.808	
DPS (Eu)	1.150	1.300	1.408	1.538	1.673
EV/EBITDA Adj	12.4	11.4	12.5	11.2	10.1
EV/EBIT Adj	16.3	15.0	16.5	14.9	13.4
P/E Adj	29.3	28.1	25.8	23.7	21.7
Div. Yield	1.7%	1.9%	2.1%	2.3%	2.5%
Net Debt/EBITDA Adj	-0.2	-0.3	-0.5	-0.6	-0.8

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- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.
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BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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OUTPERFORM:	43.28 %
NEUTRAL:	25.38 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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