

MONCLER

Sector: Consumers

OUTPERFORM

Price: Eu53.74 - Target: Eu63.80

Updating our Forecasts to Reflect Less Dynamic Markets

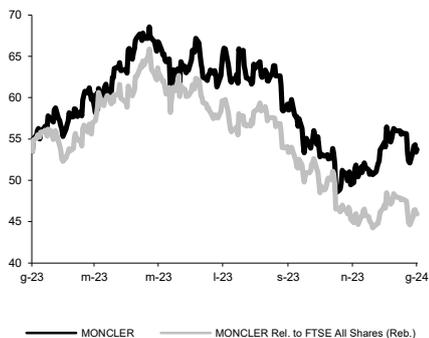
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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 64.50 to 63.80		
	2023E	2024E	2025E
Chg in Adj EPS	-0.3%	-3.0%	-3.6%

Next Event: FY23 Results
 Results out 28 February 2024

MONCLER - 12M Performance



Stock Data

Reuters code:	MONC.MI		
Bloomberg code:	MONC IM		
Performance	1M	3M	12M
Absolute	-1.6%	1.7%	0.4%
Relative	-2.4%	-5.7%	-16.6%
12M (H/L)	68.56/48.51		
3M Average Volume (th):	732.77		

Shareholder Data

No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	14,708
Total Mkt Cap (Eu mn):	14,708
Mkt Float - Ord (Eu mn):	11,207
Mkt Float (in %):	76.2%
Main Shareholder:	
Double R S.r.l.	19.9%

Balance Sheet Data

Book Value (Eu mn):	3,776
BVPS (Eu):	13.75
P/BV:	3.9
Net Financial Position (Eu mn):	404
Enterprise Value (Eu mn):	13,243

Preview to 4Q/2H23 results. Moncler's fourth quarter suffers from a difficult comparison, especially on December 2022, which saw very strong sales. In Europe, we expect local consumer spending to have remained soft, while in America the retail channel should have recorded a volatile performance but still better than the wholesale channel, impacted by recent conversions. We think the online channel, both direct and indirect, remained weak, as already commented in 3Q23. As for Asia, good sales growth should have been recorded in China, Hong Kong, Macau and Japan, while we think Korea suffered from the difficult comparison. As for Stone Island, the brand should witness a performance consistent with the repositioning effort: we expect a contraction in wholesale revenues due to the closure of numerous doors, while DTC revenues should show a more positive dynamic but still not representative of the potential of the brand. In numbers, 4Q23 revenues (before the contribution of Stone Island) are expected to have come to Eu1,032.9mn, up 8.8% YoY or 12% at constant FOREX. Moncler DTC sales should be up 12.6% to Eu978.7mn, but wholesale revenues are expected down 32.5%, mainly because of the conversion of doors in US department stores. 4Q23 revenues from Stone Island are expected to have reached Eu99.1mn, up just 2.2% YoY, with a positive contribution from the DTC channel (+11.7%), but also featuring declining wholesale revenues (-11.8%). In terms of margins, the 2H23 gross margin should have remained flattish at 77.5%, while 2H23 EBIT is expected at Eu661.3mn with a 36.7% margin on sales, 140bp better YoY thanks to a normalisation of advertising costs.

Change in estimates. We are trimming our 2024 / 2025 revenue forecasts to include a softer contribution from Moncler wholesale revenues (including e-tailers) and more gradual growth for Stone Island, penalised in the short-term by a strong selection of wholesale doors. In terms of the EBIT margin, we broadly confirm our 30% assumption for 2024. All in all, we are reducing 2024 and 2025 EPS by 3.0% and 3.6% respectively. Our new EPS forecasts remain a touch above consensus.

OUTPERFORM confirmed; target from Eu64.5 to Eu63.8. 4Q23 newsflow should be quite supportive for the Moncler brand, especially on Chinese consumption and the US, net of the store conversion effect. The outlook on 1H24 is consistent with the weakening macro picture and is likely to improve in 2H24, when the comparison becomes easier. Regarding Stone Island, we expect some supportive updates in the coming months on implementation of the strategy by recently-appointed CEO Robert Triefus. The main risk to our recommendation remains a greater-than-expected industry slowdown in 2024. Our new target partly reflects the new estimates, partly the update in our DCF assumptions (WACC now at 8.4%, terminal growth 3.5%).

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	2,046	2,603	2,938	3,196	3,564
EBITDA Adj (Eu mn)	858	1,076	1,211	1,310	1,451
Net Profit Adj (Eu mn)	411	544	633	689	770
EPS New Adj (Eu)	1.503	1.987	2.306	2.509	2.803
EPS Old Adj (Eu)	1.503	1.987	2.314	2.587	2.908
DPS (Eu)	0.600	1.120	0.897	0.976	1.093
EV/EBITDA Adj	17.0	11.4	12.5	10.1	8.8
EV/EBIT Adj	23.1	15.1	16.5	13.3	11.5
P/E Adj	35.8	27.0	23.3	21.4	19.2
Div. Yield	1.1%	2.1%	1.7%	1.8%	2.0%
Net Debt/EBITDA Adj	0.0	0.0	-0.1	-0.3	-0.5