

MONCLER

Sector: Consumers

NEUTRAL

Price: Eu68.24 - Target: Eu66.50

We Expect Solid Revenue Growth Fuelled by Asian Customers

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Stock Rating

Rating: Unchanged

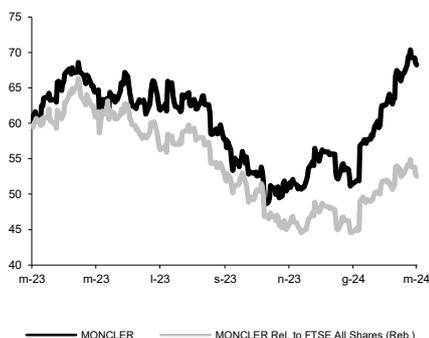
Target Price (Eu): Unchanged

	2024E	2025E	2026E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event 1Q24 Revenues

Results out 24 April 2024

MONCLER - 12M Performance



Stock Data

Reuters code: MONC.MI

Bloomberg code: MONC IM

Performance	1M	3M	12M
Absolute	8.9%	22.4%	14.4%
Relative	1.1%	10.2%	-15.5%
12M (H/L)	70.34/48.51		
3M Average Volume (th):	823.44		

Shareholder Data

No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	18,676
Total Mkt Cap (Eu mn):	18,676
Mkt Float - Ord (Eu mn):	15,214
Mkt Float (in %):	81.5%
Main Shareholder:	
Ruffini Partecipazioni Holding	15.8%

Balance Sheet Data

Book Value (Eu mn):	3,651
BVPS (Eu):	13.28
P/BV:	5.1
Net Financial Position (Eu mn):	637
Enterprise Value (Eu mn):	17,345

■ **A convincing start to the year.** We expect 1Q24 revenues (before the Stone Island contribution) to come to Eu675.5mn, up 11.7% YoY or +15.4% at constant ForEx (the Japanese yen is down 12%, the Chinese renminbi and Korean won about -5%). In terms of channels, we expect DTC revenues to rise 20.4% at constant ForEx to Eu581.5mn, thanks in particular to a very convincing performance in Asia (APAC revenue seen up 26.2% CER to Eu363mn). On the other hand, wholesale revenues are expected down 9% YoY, consistent with FY24 management indications. As for nationalities, the Chinese cluster should remain as strong as in 4Q22, both in terms of local demand and tourists travelling during the Lunar New Year holidays to Hong Kong, Japan, Korea and Europe. The exceptionally cold February is likely to have helped Moncler's sales. Local consumption should be positive in Korea, but softer in Japan, again similar to 4Q23. The Americas, expected up 1.8% YoY CER, should have seen more volatile growth rates, partly burdened by a reduction in wholesale, while EMEA should grow 5.4% YoY to Eu227.5mn, a figure that should reflect positive local demand combined with a healthy contribution from tourists. For Stone Island, we expect revenues at Eu112.0mn, down 7.8% YoY, as a combination of solid 22% growth in DTC revenue (accelerating compared to 4Q23) coupled with a 22% drop in wholesale revenues (the annual reduction should be front-end loaded). All in all, we expect **total group revenues of Eu787.6mn, up 8.4% YoY.**

■ **We expect management to confirm supportive 2024 outlook.** The start to the year should confirm the strong brand momentum in all regions, with more volatile trends only likely in America and Japan. EMEA should benefit from increasing tourist purchases by Asian customers.

■ **Confirming our estimates.** In light of the strong 1Q24 revenue expected, we confirm our forecasts, which foresee Moncler's 2024 DTC revenues up 12.6% YoY, while management should confirm the indication for annual wholesale revenues to fall at a "high single-digit" rate (-8% YoY in our estimates). We note that pricing (up about 10% in A/W 23/24) is planned to rise about 5% (a bit more in S/S24, a bit less in A/W 24/25). As for Stone Island, we are assuming FY24 revenues to be flat.

■ **NEUTRAL confirmed; target from Eu66.5 unchanged.** In presenting FY23 results management already commented current trading to have remained as strong as 4Q23 trends. Therefore, we expect the market has partly already priced in a positive 1Q24 revenue performance. We expect FY consensus will remain broadly unchanged. We remind that on 18 March, the Rivetti family, through vehicle company Grinta, sold 3.23mn Moncler shares through an accelerated bookbuilding (ABB) at a price of Eu67, at a discount of 3.21% to yesterday's close. Grinta, that still owns 7.5mn shares or 2.73% of the capital, has also signed a collar derivative with JPMorgan with average maturity of three years, covering a maximum of 6.125mn Moncler shares. In relation to this transaction, in a Delta placement, JPMorgan has carried out an ABB on a further 5.175mn Moncler shares, again at Eu67 per share. Chairman and CEO Remo Ruffini remains the reference shareholder with a 15.81% stake.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	2,603	2,984	3,225	3,582	3,944
EBITDA Adj (Eu mn)	1,076	1,226	1,320	1,463	1,613
Net Profit Adj (Eu mn)	544	640	695	775	856
EPS New Adj (Eu)	1.987	2.330	2.529	2.820	3.114
EPS Old Adj (Eu)	1.987	2.330	2.529	2.820	3.114
DPS (Eu)	1.120	1.150	1.231	1.375	1.520
EV/EBITDA Adj	11.4	12.4	13.1	11.6	10.2
EV/EBIT Adj	15.1	16.3	17.2	15.1	13.4
P/E Adj	34.3	29.3	27.0	24.2	21.9
Div. Yield	1.6%	1.7%	1.8%	2.0%	2.2%
Net Debt/EBITDA Adj	0.0	-0.2	-0.5	-0.7	-1.0

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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
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- 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)

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Frequency of research: quarterly.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

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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.

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OUTPERFORM:	47.15 %
NEUTRAL:	26.02 %
UNDERPERFORM	00.81 %
SELL:	00.00 %

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NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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