

MONCLER

Sector: Consumers

NEUTRAL

Price: Eu57.00 - Target: Eu64.00

Group Revenues to Reflect General Market Normalisation

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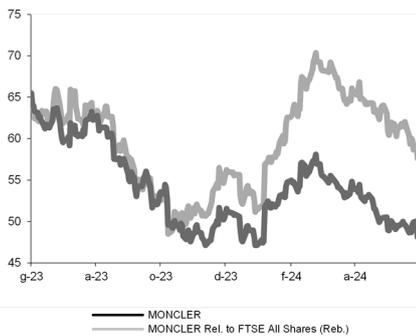
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 67.30 to 64.00		
	2024E	2025E	2026E
Chg in Adj EPS	-2.0%	-2.2%	-2.4%

Next Event 1H24 Results

Results out 24 July 2024

MONCLER - 12M Performance



Stock Data

Reuters code:	MONC.MI		
Bloomberg code:	MONC IM		
Performance	1M	3M	12M
Absolute	-9.6%	-16.5%	-12.9%
Relative	-6.5%	-15.0%	-33.9%
12M (H/L)	70.34/48.51		
3M Average Volume (th):	665.50		

Shareholder Data

No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	15,600
Total Mkt Cap (Eu mn):	15,600
Mkt Float - Ord (Eu mn):	12,708
Mkt Float (in %):	81.5%
Main Shareholder:	
Ruffini Partecipazioni Holding	15.8%

Balance Sheet Data

Book Value (Eu mn):	3,639
BVPS (Eu):	13.24
P/BV:	4.3
Net Financial Position (Eu mn):	617
Enterprise Value (Eu mn):	14,275

■ 2Q24 revenues to reflect a slow-down in Moncler DTC. Regarding the Moncler brand, we expect the retail channel to have grown 3.8% YoY (+7.9% cFX) to Eu265.7mn in 2Q24. Compared to 1Q24 (+25.7 % YoY), we see a general slowdown in all key markets coupled to a decline in direct online sales (the comparison for online DTC will become easier in 2H). The Chinese cluster should have remained solid, with an increasing portion of tourist purchases (from 30% of the total in 2Q23 to about 40% in 2Q24). Chinese tourists should have provided a positive contribution mainly in Europe and Japan, while flows should have been lower in other destinations such as Hong Kong, Macau and Taiwan. Japan is expected to have remained the best performing market, while Korea is seen flattish. In Europe, growth should have remained positive, combining a larger contribution from tourists with slightly rising local consumptions. Finally, in the USA, the DTC channel should have been volatile as already commented by management. On the other hand, Moncler wholesale revenues are expected down 10% YoY to Eu66.8mn, consistent with FY24 management indications. For Stone Island, we expect revenues at Eu75.5mn, down 5.6% YoY, as a combination of solid 21.5% growth of DTC revenue coupled to a 26.2% drop in wholesale revenues (the annual reduction should be front-end loaded). All in all, we expect **total group revenues of Eu408.0mn, down 0.5% YoY.**

■ Gross margin up, lower marketing costs. We expect the gross profit on sales to have increased by 110bp YoY to 76%, mainly thanks to the channel mix. Moreover, we expect the EBIT margin at 20.0% in 1H24 vs 19.2% in 1H23, because in terms of OpEx we expect marketing spending to have decreased 4.5%, as the main marketing events are expected to be concentrated in 2H24: management should confirm FY24 guidance of expenditure at about 7% of sales. Below the EBIT line, financial charges are not meaningful, while the tax rate should be between 29% and 30%. All in all, we expect half-yearly net profit at Eu166.2mn.

■ Change in estimates. In light of our estimates for 2H24 and of the recently updated Altgamma market outlook (luxury goods market to grow by up to 4% YoY, in a base case scenario), we are trimming our 2024 and 2025 revenue forecasts by 1.7% and 1.9%. We were slightly above consensus, but now in line with the most recent management indications. In terms of the EBIT margin, we are simply moving our 2024 assumption from 29.9% to 29.7%.

■ NEUTRAL confirmed; target from Eu67.3 to Eu64.0. Quarterly revenues should reflect deteriorating market momentum that should have been largely priced in over recent weeks. The picture should improve in 2H24, especially in the US, where demand should gradually accelerate thanks to improving consumer confidence. For Moncler, the 2Q24 deceleration should be notable mainly in comparison to an outstanding 1Q24 performance, but in our opinion the Moncler brand remains very healthy, especially among Chinese customers, and the acceleration of marketing investments entering the key Winter season should help. We confirm our NEUTRAL stance on the stock, adjusting our target to reflect new estimates.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	2,603	2,984	3,181	3,525	3,874
EBITDA Adj (Eu mn)	1,076	1,226	1,299	1,436	1,580
Net Profit Adj (Eu mn)	544	640	683	760	837
EPS New Adj (Eu)	1.987	2.330	2.485	2.765	3.047
EPS Old Adj (Eu)	1.987	2.330	2.536	2.829	3.123
DPS (Eu)	1.120	1.150	1.206	1.343	1.482
EV/EBITDA Adj	11.4	12.4	11.0	9.7	8.5
EV/EBIT Adj	15.1	16.3	14.4	12.6	11.1
P/E Adj	28.7	24.5	22.9	20.6	18.7
Div. Yield	2.0%	2.0%	2.1%	2.4%	2.6%
Net Debt/EBITDA Adj	0.0	-0.2	-0.5	-0.7	-1.0

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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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NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

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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:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
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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