MONCLER

OUTPERFORM

Sector: Consumers

Price: Eu63.52 - **Target: Eu75.00**

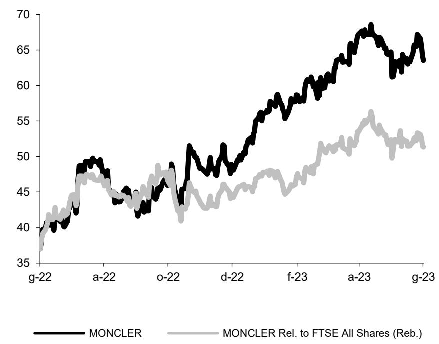
Moncler Brand Should Remain Strong in 2Q23

Andrea Randone +39-02-77115.364
andrea.randone@intermonte.it
Francesco Brilli: +39-02-77115.439
francesco.brilli@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2023E	**2024E**	**2025E**
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event 1H23 Results
Results out 26 July 2023

MONCLER - 12M Performance



Stock Data			
Reuters code:			MONC.MI
Bloomberg code:			MONC IM
Performance	**1M**	**3M**	**12M**
Absolute	-1.8%	3.4%	71.6%
Relative	-2.0%	0.7%	47.9%
12M (H/L)			68.56/37.81
3M Average Volume (th):			675.39

Shareholder Data	
No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	17,384
Total Mkt Cap (Eu mn):	17,384
Mkt Float - Ord (Eu mn):	13,246
Mkt Float (in %):	76.2%
Main Shareholder:	
Double R S.r.l.	19.9%

Balance Sheet Data	
Book Value (Eu mn):	3,306
BVPS (Eu):	12.04
P/BV:	5.3
Net Financial Position (Eu mn):	163
Enterprise Value (Eu mn):	16,311

- **Moncler set to report continued strong growth in 2Q.** Regarding the Moncler brand, we expect the retail channel to grow 39% YoY (+40% cFX) to Eu248.4mn in 2Q23. Compared to 1Q23 (+34% YoY), revenues should have accelerated in China (mainly for comparison reasons, given the lockdown imposed in 2022 from mid-March to end-May). In 2023, Chinese consumers have started to travel again, mainly to Macau, Hong Kong and Hainan, and in 2Q23 also a little to Europe, where Chinese tourism is steadily recovering (flight availability still limited albeit increasing, restricting tourism to the wealthiest). Elsewhere in Asia, we expect revenues in Japan and Korea to have continued growing but with a normalization of the trend compared to 1Q23. In Europe, growth should have remained very good because a normalization of the local consumption growth rate should have been counterbalanced by a greater contribution from tourists. Finally, in the USA, the DTC channel should have stayed positive and in line with 1Q23, a better performance than other peers thanks to Moncler recording more sustainable and selective growth in 2022. In the wholesale channel, we expect the Moncler brand to register flattish revenues (-0.5% YoY) of Eu71.8mn. As already explained by management, starting from May sales points in Nordstrom department stores have been converted from wholesale to retail, a move with an initial negative impact on sales as sell-in revenues from the Fall/Winter season in 2Q and 3Q are missing while sell-out revenues will be seen in 4Q23 and 1Q24.
- **Transforming Stone Island distribution needs time to pay off.** As regards Stone Island, we expect revenues of Eu80mn in 2Q23, up 3% YoY, and a deterioration in performance of the retail and wholesale channels compared to 1Q23. Regarding wholesale revenues, expected to drop 10% YoY, we highlight that Stone is conducting a strategic clean-up of the channel: a circa 10% reduction of doors and a decrease in sell-in volumes. As for retail revenues, expected to grow by 21% YoY, the QoQ slowdown is due to a normalization of purchasing by local customers in Europe, with tourists having a softer counterbalancing effect than expected for the Moncler brand.
- **Gross margin up, EBIT margin impacted by marketing costs**. We expect the gross profit on sales to increase by 120bp YoY to 75%, mainly thanks to the channel mix. Conversely, we expect the EBIT margin at 18.4% in 1H23 vs 19.6% in 1H22 because in terms of Opex we expect marketing spending to have risen 90%, while the incidence on sales of selling expenses and G&A costs should have declined slightly. We expect marketing spending to normalize in 2H23: management should confirm FY23 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 Eu136.7mn.
- **OUTPERFORM confirmed; target Eu75.0 unchanged.** We expect 2Q23 newsflow to be supportive for the Moncler brand, while Stone Island revenues should reflect the restructuring of wholesale distribution, and recently appointed CEO Robert Triefus will need some time to establish a strong DTC culture. Overall, we expect consensus forecasts to be confirmed following the release of quarterly data.

Key Figures & Ratios	**2021A**	**2022A**	**2023E**	**2024E**	**2025E**
Sales (Eu mn)	2,046	2,603	3,048	3,420	3,848
EBITDA Adj (Eu mn)	858	1,076	1,246	1,401	1,579
Net Profit Adj (Eu mn)	411	544	661	746	843
EPS New Adj (Eu)	1.503	1.987	2.408	2.717	3.069
EPS Old Adj (Eu)	1.503	1.987	2.408	2.717	3.069
DPS (Eu)	0.600	1.120	0.939	1.061	1.201
EV/EBITDA Adj	17.0	11.4	13.1	11.3	9.7
EV/EBIT Adj	23.1	15.1	17.1	14.7	12.6
P/E Adj	42.3	32.0	26.4	23.4	20.7
Div. Yield	0.9%	1.8%	1.5%	1.7%	1.9%
Net Debt/EBITDA Adj	0.0	0.0	-0.1	-0.3	-0.5