MONCLER

NEUTRAL

Sector: Consumers

Price: Eu66.80 - **Target: Eu67.30**

Excellent 1Q24 Figures, Outlook Positive but Prudent

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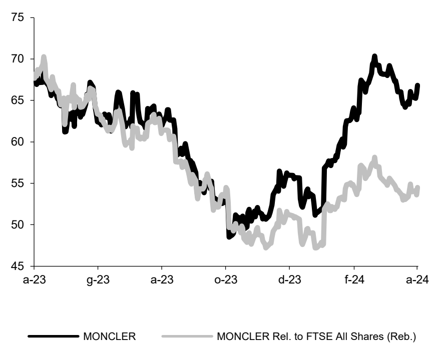
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 66.50 to 67.30
	2024E	**2025E**	**2026E**
Chg in Adj EPS	0.3%	0.3%	0.3%

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	-2.0%	28.6%	-1.3%
Relative	-1.6%	16.5%	-23.8%
12M (H/L)			70.34/48.51
3M Average Volume (th):			765.24

Shareholder Data	
No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	18,282
Total Mkt Cap (Eu mn):	18,282
Mkt Float - Ord (Eu mn):	14,893
Mkt Float (in %):	81.5%
Main Shareholder:	
Ruffini Partecipazioni Holding	15.8%

Balance Sheet Data	
Book Value (Eu mn):	3,653
BVPS (Eu):	13.29
P/BV:	5.0
Net Financial Position (Eu mn):	639
Enterprise Value (Eu mn):	16,947

- **Better-than-expected start to the year.** 1Q24 revenues (before the Stone Island contribution) came to Eu705.0mn, up 16.6% YoY or +20% CER. In terms of channels, direct to consumer (DTC) revenues rose 26% CER to Eu608.5mn, 4.6% better than expected. On the other hand, wholesale revenues were down 6.6% YoY, consistent with FY24 management indications. Asia grew by 26% YoY, driven by very solid growth in the Chinese mainland notwithstanding a very tough comparable base and the increase in Chinese consumption abroad. The exceptionally cold February helped Moncler's sales. Japan, sustained by Chinese travellers, and Korea continued to deliver strong performances. EMEA revenues increased by 15% YoY, accelerating sequentially due to the strength of the DTC channel, because solid local consumption was supported by higher tourist purchases (again, purchases by Chinese tourists showed the strongest growth). America, up 14% YoY, was the main positive surprise to our estimates, despite a negative wholesale contribution, thanks to the strong performance in the DTC channel (wholesale door conversion in retail concessions helped). For Stone Island, revenues closed at Eu113.0mn, down 7.0% YoY, as a combination of solid 26% growth in DTC revenue (accelerating compared to 4Q23) coupled with a 23% drop in wholesale revenues (the annual reduction should be front-end loaded). All in all, **total group revenues amounted to Eu818.0mn, up 12.6% YoY and 3.9% better than expected**.
- **Management provided positive comments with a prudent tone.** Management said it would be a mistake to extrapolate a trend for the coming quarters from 1Q24 numbers. The company confirmed previous indications and reminded of the extremely tough comparison base provided by November and December 2023. In the first three weeks of April, the least important month of the year seasonally-speaking, the trend has been positive but more normalised. Overall, management is expecting flattish 2024 revenues for Stone Island, because the fall in the wholesale contribution is expected to be offset by growing DTC sales. In China there is potential to open new stores in some important cities, including some important flagship stores that are key to reinforcing brand positioning. Once again, management was very clear in ruling out an acquisition in the near future, saying managers are very busy running the two brands, which both have great potential.
- **Updating our estimates.** In light of the strong 1Q24 revenue, we are slightly raising our estimate for Moncler's 2024 DTC (less than the 1Q24 surprise to factor in management's comments). Our wholesale revenues (-8% YoY in our estimates) are consistent with guidance for a "high single-digit" contraction. We note that pricing (up about 10% in A/W 23/24) is planned to rise about 5% (a bit more in S/S 24, a bit less in A/W 24/25). As for Stone Island, we are assuming flat FY24 revenues.
- **NEUTRAL confirmed; target from Eu66.5 to Eu67.3.** Also in light of seasonality that is skewed to 4Q, management adopted quite a cautious tone to manage expectations after a better-than-expected 1Q24 trading update. The Moncler brand is clearly very strong, especially among Chinese customers. The Grenoble collection, about 9% of quarterly sales, represents an opportunity. We are slightly adjusting our target to reflect new estimates, confirming our NEUTRAL stance on the stock.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	2,603	2,984	3,235	3,593	3,956
EBITDA Adj (Eu mn)	1,076	1,226	1,324	1,468	1,618
Net Profit Adj (Eu mn)	544	640	697	777	858
EPS New Adj (Eu)	1.987	2.330	2.536	2.829	3.123
EPS Old Adj (Eu)	1.987	2.330	2.529	2.820	3.114
DPS (Eu)	1.120	1.150	1.235	1.379	1.524
EV/EBITDA Adj	11.4	12.4	12.8	11.3	10.0
EV/EBIT Adj	15.1	16.3	16.8	14.7	13.0
P/E Adj	33.6	28.7	26.3	23.6	21.4
Div. Yield	1.7%	1.7%	1.8%	2.1%	2.3%
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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- 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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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:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

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UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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