

MONCLER

NEUTRAL

Sector: Consumers

Price: Eu53.00 - Target: Eu55.10

A Well-Managed Company Navigating Challenging Times

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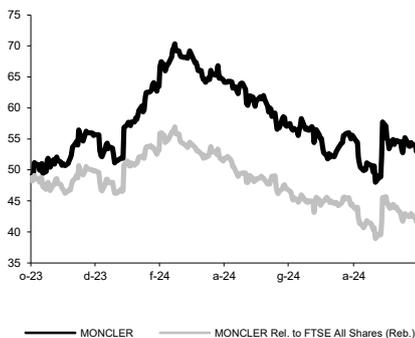
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 55.80 to 55.10		
	2024E	2025E	2026E
Chg in Adj EPS	-1.0%	-1.8%	-2.2%

Next Event FY24 Results

Results Out 13 February 2025

MONCLER - 12M Performance



Stock Data

Reuters code:	MONC.MI
Bloomberg code:	MONC IM

Performance	1M	3M	12M
Absolute	-8.2%	-4.7%	9.3%
Relative	-8.6%	-8.1%	-18.4%
12M (H/L)	70.34/48.00		
3M Average Volume (th):	975.32		

Shareholder Data

No. of Ord shares (mn):	274
Total no. of shares (mn):	275
Mkt Cap Ord (Eu mn):	14,505
Total Mkt Cap (Eu mn):	14,505
Mkt Float - Ord (Eu mn):	11,816
Mkt Float (in %):	81.5%
Main Shareholder:	
Ruffini Partecipazioni Holding	15.8%

Balance Sheet Data

Book Value (Eu mn):	3,609
BVPS (Eu):	13.13
P/BV:	4.0
Net Financial Position (Eu mn):	583
Enterprise Value (Eu mn):	13,211

- 3Q24 revenues down 5.2% YoY to Eu635.5mn, 1% softer than exp.** 3Q24 revenues (before the Stone Island contribution) came to Eu532.0mn, down 5.2% YoY after a 2% negative ForEx effect. In terms of channels, Moncler's retail sales amounted to Eu384.3mn, -2.8% YoY (or flat YoY at cFX) and 1.9% lower than expected, while wholesale revenues were Eu147.7mn, down 10.9% YoY. The contribution from Stone Island came to Eu103.6mn, -4.5% YoY and in line with our estimates, a combination of a very positive retail channel (+26.0%) offset by the streamlining of wholesale (-18.6%).
- Geographical DTC trends.** In 3Q24, Moncler's direct-to-consumer (DTC) revenues were flat YoY, impacted by difficult macroeconomic factors that affected consumer confidence, and by weaker performance in the direct online channel across all regions. In Europe, DTC sales were slightly positive, while in the Americas, DTC trends held steady. In Asia, DTC was only slightly negative, showing greater resilience compared to the rest of the sector. Notably, Chinese cluster sales grew in 3Q, supported by Chinese customers shopping abroad, especially in Japan, Korea, and Europe. The Golden Week in China (October 1-7) also brought in better sales than last year, signalling some resilience in consumer activity. However, the Korean and Japanese clusters performed negatively, with Japanese sales helped primarily by Chinese tourists in July and August, but weakening later due to the revaluation of the Yen in September.
- Management outlook.** During the conference call, management confirmed indications for FY24 wholesale revenues (-8%/-9% for Moncler, -18/-19% for Stone Island). Looking ahead to 2025, the company plans a mid-single-digit price increase for Moncler to counter inflation, with a slightly lower increase expected for Stone Island. Consensus for Moncler's EBIT margin at 29% is considered achievable, but management emphasized that the last two months of the year are critical for meeting this goal. Thanks to a prudent approach, they do not see inventory risks or problems with wholesalers.
- Change in estimates.** We are trimming our estimates to factor in continuing business volatility. In our new forecasts, Moncler revenues should be flattish YoY in 4Q24, with DTC growth only slightly positive (+0.4%). In terms of the EBIT margin, we are also slightly reducing our estimates (-20bp to 29.1% in FY24). All in all, the 2024/2025 EPS revision is -1.0%/-1.8%.
- NEUTRAL confirmed; target from Eu55.8 to Eu55.1.** The volatility that emerged in the quarterly figures of all luxury companies is a worrying sign as we enter the core Winter season. The stock is trading at rather attractive multiples compared to historical levels (c.15% discount to historical P/E), but market trends are likely to remain uncertain, with the comparison remaining very tough in 1Q25 and consensus forecasts expected to trend downwards. We confirm our NEUTRAL recommendation on the stock, updating our target to reflect the new estimates. We note that on 27 September LVMH announced an investment in the holding structure controlled by Chairman and CEO Remo Ruffini: the partnership gives greater stability to the relative majority stake held by Remo Ruffini but also limits, at least in the mid-term, speculative appeal on the stock.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	2,603	2,984	3,055	3,278	3,573
EBITDA Adj (Eu mn)	1,076	1,226	1,223	1,322	1,447
Net Profit Adj (Eu mn)	544	640	647	705	772
EPS New Adj (Eu)	1.987	2.330	2.355	2.564	2.808
EPS Old Adj (Eu)	1.987	2.330	2.379	2.610	2.873
DPS (Eu)	1.120	1.150	1.149	1.241	1.360
EV/EBITDA Adj	11.4	12.4	10.8	9.7	8.6
EV/EBIT Adj	15.1	16.3	14.3	12.8	11.3
P/E Adj	26.7	22.7	22.5	20.7	18.9
Div. Yield	2.1%	2.2%	2.2%	2.3%	2.6%
Net Debt/EBITDA Adj	0.0	-0.2	-0.5	-0.7	-1.0

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- 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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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

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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BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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