

Moncler

Price EUR15.67

Eurazeo to sell 6% stake in Moncler

Fair Value EUR17,5 (+12%)

BUY

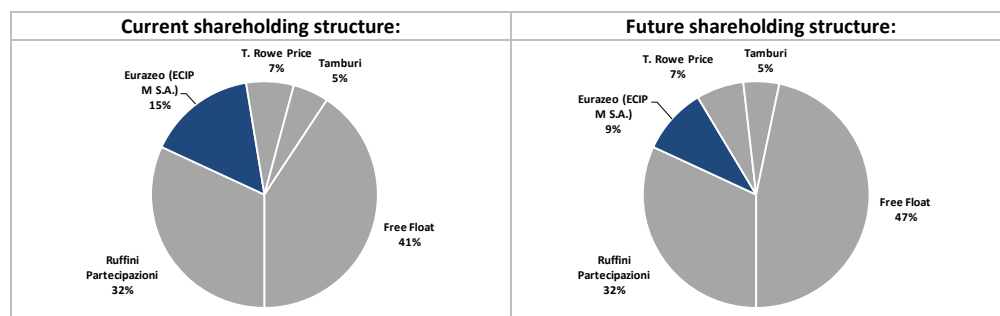
Bloomberg	MONC IM
Reuters	MONC.MI
12-month High / Low (EUR)	16.2 / 12.2
Market Cap (EURm)	3,920
Avg. 6m daily volume (000)	896.5

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.2%	2.9%	7.3%	21.3%
Pers & H/H				
Gds	-2.0%	-0.8%	2.3%	0.7%
DJ Stoxx 600	0.7%	0.7%	0.5%	-6.4%

	2015	2016e	2017e	2018e
P/E	22.9x	20.9x	18.9x	17.1x
Div yield (%)	0.9%	1.1%	1.3%	1.4%

ANALYSIS

- Yesterday evening, ECIP (Eurazeo) announced its intention to sell 15m Moncler shares, representing a 6% stake, through an accelerated book-building process. Based on yesterday's closing price, this placement would amount to EUR234m.
- After the accelerated book building process, Eurazeo's stake will be reduced to 9.5% from 15.5% prior to the operation while the Italian group's free float will increase to approx. 47%, as shown by the two graphs below. Note that Eurazeo currently has two members on the Board of Directors: **1/** Virginie Morgon (Vice Chairman of the BoD) and **2/** Vivianne Akriche (Director).



Source: Company Data, Bryan Garnier & Co.

- As of 3rd August, the holding company belonging to Remo Ruffini welcomed two new strategic investors: **1/** Singapore's sovereign fund **Temasek** and **2/** Dufry Chairman **Juan Carlos Torres**, who have acquired 24.4% of Ruffini Partecipazioni (75.6% still owned by Mr Remo Ruffini) and bring interesting expertise for the future development of Moncler: **1/ Temasek has a deep knowledge of the Asian region** that already accounts for 38% of sales and is a key growth driver for the group (+30% FX-n in H1), but still harbours promising growth opportunities; **2/ Mr Juan Carlos Torres** is Executive Chairman of the leading travel retail group **Dufry** and **will naturally** help Moncler to increase its exposure to this fast-growing channel (five stores at the end of H1, only ~2% of sales vs. ~6% of the luxury industry).

VALUATION

- After gaining 21% ytd, the Moncler share is the best-performing stock in our luxury sample. However, the valuation remains attractive as the stock trades at 12x 2017e EV/EBIT, in line with our luxury average excl. Hermès at 11.8x.
- **Hence any weakness in the share price is a very interesting entry point in our view**, considering the promising growth prospects (sales CAGR 2015-18e of 10.6% vs. ~4% for our luxury sample).

NEXT CATALYSTS

- Moncler is to release its Q3 2016 sales on 8th November.

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