Equity Valuation : Moncler S.p.A.

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Dissertation submitted in partial fulfillment of requirements for the MSc in Finance, at the Universidade Católica Portuguesa, September 6, 2025.

Abstract

This dissertation presents an equity valuation of Moncler S.p.A., a global leader in the luxury fashion industry. The analysis is based on an intrinsic valuation framework using a Discounted Cash Flow (DCF) model, supported by detailed forecasts of sales, operating expenses, capital expenditures, and working capital. Terminal Value (TV) was estimated using both the perpetuity growth method and an exit multiple based on peer EV/EBITDA, complemented by sensitivity and Monte Carlo simulations to assess robustness. A relative valuation was also performed, applying EV/EBITDA, EV/Sales, and P/E multiples of a carefully selected peer group. Results show that DCF-derived values range between €35–€42 per share depending on assumptions, while multiples analysis supports a comparable range, though EV/Sales was excluded due to Moncler's superior margins. The weighted outcome suggests a fair value of €39.99 per share, around 17% below the market price on the valuation date, leading to a slight **Sell** recommendation. A comparison with AlphaValue's professional report highlights differences in assumptions, particularly regarding growth projections, WACC, and peer selection, which explain their higher €57 per share estimate.

Keywords: Equity Valuation, Discounted Cash Flow (DCF) Analysis, Relative Valuation, Luxury Fashion, TV, Moncler

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Resumo

Esta dissertação apresenta uma avaliação do capital próprio da Moncler S.p.A., líder global na indústria da moda de luxo. A análise baseia-se num enquadramento de valorização intrínseca através de um modelo de fluxos de baseia-se num DCF, sustentado por previsões detalhadas de vendas, despesas operacionais, CAPEX e fundo de maneio. O terminal value (TV) foi estimado tanto pelo método do crescimento em perpetuidade como por um múltiplo de saída baseado no rácio EV/EBITDA de empresas comparáveis, complementado por análises de sensibilidade e simulações de Monte Carlo para aferir a complexidade dos resultados. Foi igualmente realizada uma valorização relativa, aplicando os múltiplos EV/EBITDA, EV/Vendas e P/E a um grupo de pares cuidadosamente selecionado. Os resultados demonstram que os valores obtidos pelo DCF variam entre €35–€42 por ação, dependendo das premissas consideradas, enquanto a análise por múltiplos sustenta uma faixa comparável, embora o múltiplo EV/Vendas tenha sido excluído devido às margens superiores da Moncler. O resultado ponderado sugere um valor justo de €39,99 por ação de compra, portanto cerca de 17% abaixo do preço de mercado na data da avaliação, conduzindo a uma recomendação de **venda** (Sell). A comparação com o relatório profissional da AlphaValue evidencia diferenças nas premissas, em particular no que respeita às projeções de crescimento, ao WACC e à seleção de pares, o que explica a sua estimativa superior de €57 por ação.

Palavras-chave: Avaliação de Ações, Análise do Fluxo de Caixa Descontado, Avaliação Relativa, Moda de Luxo, TV, Moncler

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List of Abbreviations

CAGR	Compounded Annual Growth Rate
DCF	Discounted Cash Flow
FCFE	Free Cash Flow to Equity Holder
FCFF	Free Cash Flow of the Firm
TV	Terminal Value
NWC	Net Working Capital
WACC	Weighted Average Cost of Capital
EV	Enterprise Value
NI	Net Income
EBITDA	Earnings Before Interest, Taxes and Depreciation & Amortization
CAPM	Capital Asset Pricing Model
EPS	Earnings per Share
BV	Book Value
CF	Cash Flow
ROE	Return on Equity
ROIC	Return on Invested Capital
YOY	Year over Year
ERP	Equity Risk Premium
MRP	Market Risk Premium
COGS	Cost of Goods Sold
CAPEX	Capital Expenditures
D&A	Depreciation and Amortization
NPV	Net Present Value

List of Symbols

$\mathbf{g}$	Growth Rate
$\mathbf{n}$	Number Of Years
$\mathbf{R_m}$	Expected Stock Market Return
$\mathbf{K_e}$	Cost of Equity
$\mathbf{R_i}$	Historical Assets Return
$\mathbf{R_f}$	Risk Free Rate
$\mathbf{K_d}$	Cost of Debt
$\boldsymbol{\beta_U}$	Unlevered Beta
$\boldsymbol{\beta_L}$	Levered Beta
$\mathbf{t}$	Tax Rate
$\mathbf{D}$	Debt
$\mathbf{E}$	Equity
$\mathbf{V}$	Total Assets
$\mathbf{DS}$	Default Spread

1 Introduction

Equity valuation is a fundamental aspect of finance that aims to determine the intrinsic value of a company by analyzing a wide range of qualitative and quantitative factors. These include financial performance, industry dynamics, competitive positioning, and macroeconomic influences. The process is inherently complex and uncertain, requiring analysts to form expectations about the future. As such, even the most rigorous approaches must grapple with challenges such as forecast accuracy, appropriate discount rate selection, and the sensitivity of outcomes to external shocks such as geopolitical instability or global crises such as the COVID-19 pandemic.

At the heart of valuation lies a key assumption that there exists a difference between a company's intrinsic value and its market price. Identifying and quantifying this difference is the primary motivation behind valuations conducted by institutional investors, analysts and academics alike. However, valuation is far from an exact science as it demands subjective reasoning and assumptions that can significantly impact the final outcome. Over the years, a wide range of valuation methodologies has been developed, from traditional approaches like the Discounted Cash Flow (DCF) model to more relative methods that compare companies using multiples such as Price-to-Earnings (P/E) or Enterprise Value-to-EBITDA ($EV/EBITDA$). Although each method has its strengths and limitations, multiple methods are often combined to cross-validate results and arrive at more robust conclusions.

This dissertation examines the valuation of Moncler S.p.A., a leading name in the luxury fashion sector renowned for its premium outerwear and strong brand positioning. It estimates the company's intrinsic value and assesses whether the prevailing market price aligns with its fundamental worth by applying both absolute and relative valuation techniques in order to control for the analyst's bias in assumptions used.

2 Literature Review

In order to estimate the value of any asset, it is crucial to first define the concept of value being applied. Equity valuation is built on the assumption that market prices can deviate from intrinsic value, allowing investors to identify mispricing through careful analysis. If markets were fully efficient, as proposed by Fama (1970)'s strong form of the efficient market hypothesis (EMH), prices would reflect all available information, leaving no incentive for further analysis. However, Grossman and Stiglitz (1980) countered this by arguing that if

no discrepancies existed, rational investors would not bear the cost of gathering information. This paradox supports the core premise of equity research: the potential for market inefficiency.

Among the EMH variants, the semi-strong form aligns most closely with observed market behavior, suggesting that prices incorporate all public information. However, equity analysts continue to challenge this by seeking value-price discrepancies. As valuation methods contain a discretionary component, different models may yield different outcomes. According to Young et al. (1999), various approaches highlight certain aspects while obscuring others. Damodaran (2012) classifies valuation techniques into DCF, Relative Valuation, Asset-based, and Contingent Claim models. In this thesis we will focus primarily on the first two.

Ultimately, valuation is both a science and an art, demanding sound forecasting, the appropriate model, and an understanding of behavioral and structural market forces. As Fernández (2004) notes, value varies by buyer, and analysts must remain humble, avoiding overconfidence in forecasting. Thus, this review sets the theoretical foundation for a pragmatic and disciplined approach to equity valuation.

2.1 Discounted Cash Flow Models

DCF valuation models recognize that common stock represents an ownership interest in a business, and that its value must be related to the returns investors expect to receive from holding it. A business generates a stream of cash flows through its operations, and as owners of the business, shareholders have a legal claim on these cash flows. The value of a stock is therefore determined by the share of cash flows the business generates for its owners, discounted at their required rate of return.

This is the fundamental principle of valuation as developed in the *Theory of Investment Value* by Williams (1938). Mathematically, this principle is expressed as:

$$V_0 = \sum_{t=1}^{n} \frac{CF_t}{(1+k)^t} \tag{1}$$

Where,

V_0 = Value of the stock at time $t = 0$

CF_t = Cash flow generated by the asset for the owner in period t

k = Discount rate (required rate of return)

n = Number of years over which the asset will generate cash flows to investors

The value of common stocks in DCF models is thus determined by the stream of expected future cash flows to investors (numerator) and their required rate of return (denominator). In practice, there are two widely used versions of DCF models:

1. Dividend Discount Models (DDM)
2. Free Cash Flow Discount Models (FCF)

Theoretically, if assumptions are consistent, all methods should yield the same intrinsic value of a company. Since I will use FCF model in my valuation, DDM won't be explained in such detail.

2.1.1 Free Cash Flow Discount Models

Discounted free cash flow (DFCF) models value the cash available for distribution, not just what is paid out. Equity can be estimated directly via free cash flow to equity (FCFE) or indirectly by valuing the firm with FCFF and subtracting net debt and other non-common equity from obtained enterprise value (EV).

$$Equity\ Value = EV - Market\ Value\ of\ Debt + Cash \tag{2}$$

FCFE represents the cash flow available to equity holders after covering operating expenses, interest, taxes, debt repayments, and required investments in working capital and fixed assets Damodaran (2012). Termed 'free' because it is money free to distribute to equity investors without negatively affecting the continuation of the business and is represented in formula 3.

$$FCFE = NI + D\&A - CapEx - \Delta NWC + Net\ Debt \tag{3}$$

Once we have defined FCFE, we can find the present value of equity by discounting the FCFE using the cost of equity:

$$\text{Equity Value} = \sum_{t=1}^{n} \frac{FCFE_t}{(1+K_e)^t} + \frac{TV_n}{(1+K_e)^n}$$

An alternative to FCFE-based valuation is using free cash flow to the firm (FCFF). Here, firm value is estimated by discounting expected cash flows after operating expenses and taxes but before debt service, using the weighted average cost of capital (WACC). A key challenge

is the circularity this creates: WACC requires firm value, yet firm value depends on WACC, making the process iterative. One formulation of FCFF is shown in formula 4.

$$FCFF = EBIT \times (1 - TaxRate) + D\&A - CapEx - \Delta NWC \tag{4}$$

In this thesis, the value of the firm is estimated by discounting the FCFF using WACC, which reflects the average return required by all capital providers, including debt and equity. The forecast horizon typically covers 5 to 10 years, after which a TV is computed to capture the value of all future cash flows beyond the forecast period. The EV is then derived by summing the discounted FCFF and TV.

$$EV = \sum_{t=1}^{n} \frac{\text{FCFF}_t}{(1 + WACC)^t} + \frac{TV_n}{(1 + WACC)^n} \tag{5}$$

2.1.2 Terminal Value

A terminal value is used to evaluate the target's residual value after the explicit period because it is difficult to project the target's FCF indefinitely. The terminal value typically makes up a sizable amount of the firm's value in a DCF. Therefore, rather than showing a cyclical peak or trough, it is crucial that the financial data of the company under analysis during the final year of the projection period represents a normalised or steady state level of financial performance. According to Rosenbaum and Pearl (2013), the perpetuity growth method or *going concern*, and the exit multiple method are the two methods to compute the terminal value. The going concern approach computes terminal value at the end of time n by assuming that the company grows at a constant rate g using the formula 6.

$$TV_n = \frac{FCFF_{n+1}}{WACC - g} \tag{6}$$

2.1.3 Discount Rate

When determining the present value of FCFs, it is necessary to include an assessment of the risk of these. In finance, risk is measured through uncertainty of receiving those FCFs in the future. However, it should be mentioned that the risk estimates used by FCFF and FCFE differ. When discounting FCFF it is important to take into consideration both, expected return of debt and equity holders. This is usually done by calculating the WACC. On the other hand, when using FCFE to value a business, only cost of equity should represent the discount rate.

WACC

The WACC provides a way to assess the minimum return a company should generate from its existing assets to satisfy all its investors, both debt and equity-holders. According to Schill (2013), this discount rate utilized in the valuation of cash flows should protect the investor against the inherent risk of cash flows. The first component represents the proportional after-tax cost of debt, while the second component represents the proportional cost of equity. The weights are calculated using market value of debt and equity.

$$WACC = \frac{MV_e}{MV_e + MV_d} \times K_e + \frac{MV_d}{MV_e + MV_d} \times K_d \times (1 - Tax) \tag{7}$$

Where:

K_e – *Cost of Equity*

K_d – *Cost of Debt*

MV_e – *Market Value of Equity*

MV_d – *Market Value of Gross Debt*

Tax – *Corporate Tax Rate*

Cost of Equity and Cost of Debt

Investors can hold debt or equity of a company and are referred to as a debt-holders or equity-holders. Since debt-holders are repaid first in the event of bankruptcy and debt generates stable cash flows, debt is usually considered less risky than equity. On the other side, equity is perceived riskier as it is more volatile and depends on the company's cash flows (dividends), which may be reduced or completely suspended during difficult periods or even reinvested into the business. With that being said, it is normal that debt-holders and equity-holders demand different rate of return from their investments. These rates are called cost of equity K_e and cost of debt K_d.

The cost of debt K_d can be estimated in several ways, depending on the availability of data. Firstly, it can be calculated as the weighted average of the interest rates paid by the company to those who lend money in the different technical forms. Secondly, the median default spread is estimated using the credit ratings for the firm, which is than used according to the formula 8 to get K_d. The default spread measures the probability of default or bankruptcy of the corresponding asset. The spread is often calculated using conversion tables provided by

databases, mainly that of Damodaran, which associates the interest coverage ratio with a spread value.

$$K_d = R_f + \textit{Default Spread} \tag{8}$$

The preferred method among analysts to calculate cost of equity is usually Capital Asset Pricing Model (CAPM), a theoretical model stating that the expected return on an asset is a linear function of the risk-free return and systematic risk of the asset multiplied by the market risk premium. Therefore, the formula for K_e is:

$$K_e = R_f + \beta_i(R_m - R_f) \tag{9}$$

Beta

The coefficient that measures the risk of each firm in relation to the market average is denoted by β. Regression analysis is the most popular of the two techniques for estimating β. As per the CAPM, can actually be derived as an estimate of the regression line's coefficient, where the dependent variable is the company's stock return and the independent variable is the average market return. Therefore, the ratio of the variance of the historical market portfolio returns to the covariance of the historical stock returns with the historical market portfolio returns yields β.

$$\beta_i = \frac{\mathrm{Cov}(r_i, r_m)}{\sigma_m^2}$$

Research by Blume (1975) showed that the leveraged "raw" beta estimated through regression analysis tends to converge towards 1 over time. Consequently, Blume proposed an adjustment formula to account for this tendency:

$$\beta_{\mathrm{L}}^{ADJ} = \beta_{\mathrm{L}}^{RAW} \times \frac{2}{3} + 1 \times \frac{1}{3} \tag{10}$$

Another widely used approach to estimate beta is through the use of comparable listed companies. In this method, the raw betas of peers or sectors (levered) are obtained from Bloomberg or Damodaran and then unlevered to eliminate the impact of different capital structures, isolating the companies' pure business risk. This is achieved using the Hamada formula:

$$\beta_U = \frac{\beta_L}{1 + \frac{D}{E} \times (1 - t)} \tag{11}$$

where:

β_U – *Unlevered beta (asset beta)*

β_L – *Levered beta (equity beta)*

$\frac{D}{E}$ – *Debt-to-equity ratio*

t – *Corporate tax rate*

The average of the unlevered betas is then relevered using the company's target or current capital structure to obtain a final beta, using the inverse Hamada formula:

$$\beta_L = \beta_U \times (1 + \frac{D}{E} \times (1 - t)) \tag{12}$$

This relevered beta is then used in the CAPM to estimate the Cost of Equity. If changes in capital structure are anticipated in the future, the target D/E should be used, otherwise, the current structure is appropriate.

2.2 Relative Valuation

Absolute valuation aims to estimate the intrinsic value of a company by looking directly at its cash flows, growth prospects, and risk profile. Relative valuation, on the other hand, focuses on how similar companies are priced in the market, following the idea that comparable assets should trade at comparable values. To apply relative valuation, stock prices are first converted into standardized measures such as earnings, book value, or sales multiples. These multiples are then compared with those of peer companies to judge whether a stock appears fairly valued, undervalued, or overvalued.

2.2.1 Multiple Choice

Four main methods using different multiples are commonly used in the relative approach to valuation of common stocks Stowe et al. (2002):

1. Relative earnings valuation method: uses ratios such as the Price-to-Earnings (P/E) ratio and the Price/Earnings to Growth (PEG) ratio [1].

2. Relative revenue valuation method: based on the Price-to-Sales (P/S) ratio.

3. Relative cash-flow valuation method: utilizes ratios like Price-to-EBIT (P/EBIT), Price-to-EBITDA (P/EBITDA), Price-to-Cash Flow from Operations (P/CFO), and Enterprise Value to EBITDA (EV/EBITDA).

[1] PEG is calculated as P/E/g, where g is the expected growth rate of earnings. It is useful for comparing companies with different growth rates.

4. Relative asset valuation method: employs the Price-to-Book (P/B) ratio or its inverse, the Book-to-Market (B/M) ratio.

Earnings multiples are commonly used when analysts have high confidence in the quality of historical and projected earnings per share (EPS) and when EPS are expected to grow. The revenue based valuation method is used when earnings are negative or declining, or when earning figures are not comparable or not representative for the future. Cash flow ratios are used in industries characterized by low or negative EPS due to large non-operating expenses or for cyclical companies with high earnings volatility.

2.2.2 Peer Group

In relative valuation, selecting an appropriate peer group is crucial to ensure comparability and achieve maximum precision of the multiple used. Firms should operate in the same industry or sector, have similar business models, growth prospects, risk profiles, etc. Market capitalization is also an important criterion, as firms of similar size tend to face similar risks and capital structures. Therefore, we can clearly conclude that peer selection impacts the reliability of the valuation more than many would think. Differences in target clientele, pricing strategies, or regional exposure can lead to substantial discrepancies.

3 Industry Analysis

Moncler operates in the fashion industry, more specifically in the luxury fashion segment, which can be considered a completely different sector considering the unique growth drivers that affect it. The luxury fashion market, a sub-sector of luxury goods industry, is highly competitive and sensitive to seasonal trends, with consumers becoming increasingly knowledgeable and demanding. In the following chapter we will analyze main trends that are driving growth in the sector. In addition to industry analysis, we also need to take a look at broader market perspective and sentiment to truly understand the conditions, risks and opportunities companies operate with.

3.1 Macroeconomic Overview

The global macroeconomic conditions in 2025 are characterized by slower growth, persistent inflation, and ongoing geopolitical uncertainty, all of which are reshaping consumer behavior and investment strategies. After the sharp rebound seen in 2021 and 2022, as an answer to COVID-19 decline in 2020, global GDP growth has continued to lose momentum. The

reason for this are mainly current geopolitical developments in the Middle East and Ukraine that are together with sticky inflation causing continuous fear among consumers. According to the OECD, the global economy is expected to expand by 2.9% in both 2025 and 2026, down from 3.3% in 2024. The slowdown is sharper in advanced economies, with the U.S. growth projected to decline from 2.8% in 2024 to 1.6% in 2025, while the Euro area is expected to grow at a modest 1.4% pace. In contrast, China remains a key engine of global growth, although its GDP growth is also slowing down recently from 5% in 2024 to 4.7% in 2025, as a result of structural challenges, weaker external demand and consequently cautious consumers (IMF, 2025). The main issues China has been facing are real estate crisis with major companies going bankrupt, aging population, and more recently higher tariffs imposed by the U.S. and Europe.

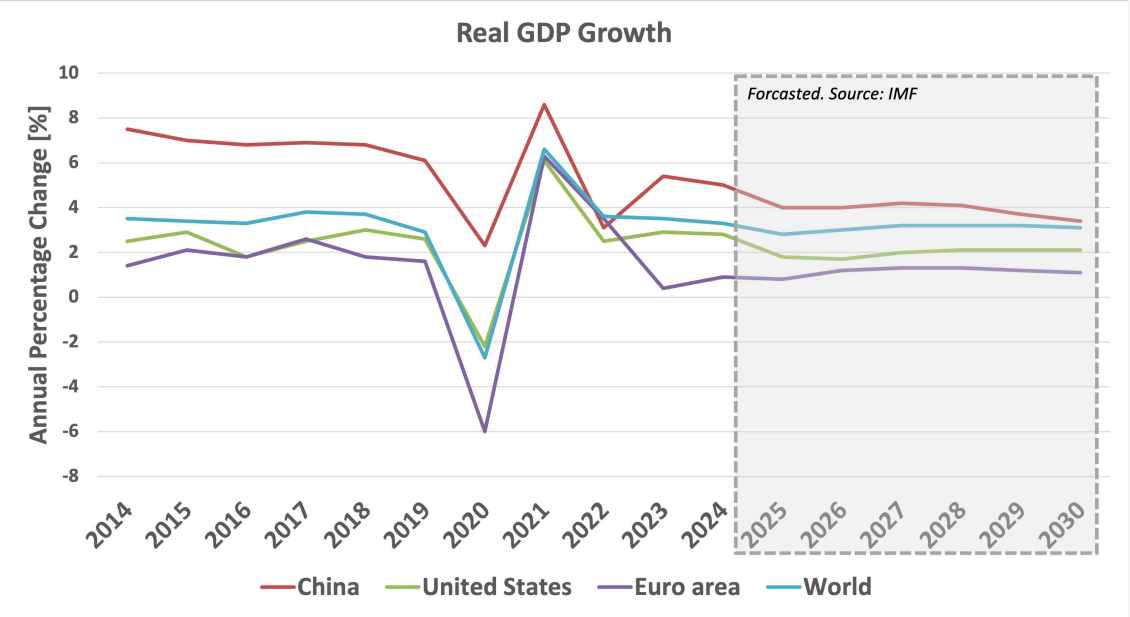

Figure 1: Historical and forecast Real GDP Growth.

Moving forward, inflation proves to be stickier than expected. Even though it has eased from its peak in 2022, it remains above central bank's targets and continues to pose a risk to global economic recovery and stability. In most recent inflation data from June 2025 we saw an increase among major economies, signaling that price pressures may stay around longer than previously expected. The U.S. inflation currently stands at 2.4%, while Eurozone inflation rose slightly to 2%, up from 1.9% in May. In China, inflation has also edged upward, reversing a months-long disinflationary trend and reflecting broader global dynamics which can be positive for consumer spending. Core inflation across the OECD remains high at around 4% in 2025, mainly due to rising prices in services, energy costs and food (OECD, 2025). This could weigh on consumer sentiment and discretionary spending, particularly in

luxury goods. The main reason behind the recent increase of inflation can be tariff hikes and supply chain disruptions, with U.S. tariffs exceeding 15%—the highest since WWII (TBL, 2025). In response, central banks in the U.S. and EU are expected to keep interest rates elevated throughout 2025, with potential hikes if inflation rises too much again.

3.2 Industry Overview

The luxury fashion industry can be divided into three main subcategories, namely clothing & apparel, footwear and accessories. Clothing and apparel stand as the largest product type in 2024, holding around 50.7% of the market, playing a pivotal role in driving the luxury market. During the past five years, the global luxury fashion market grew with a CAGR of approximately 5.1% between 2019 and 2024 to a total of $253.25 billion, demonstrating remarkable resilience. The main drivers of this expansion have been rising disposable income, digitalization of luxury retail, strong demand from Asia (mainly China) and increasing brand engagement among younger consumers. Following the outlier year of 2020, the luxury fashion market saw a V-shaped recovery in 2021 and astonishing growth in 2022 as well. In the coming years the industry is projected to grow at a lower CAGR of 3.05% until 2033 where it is estimated to be valued $ 334.58 billion.

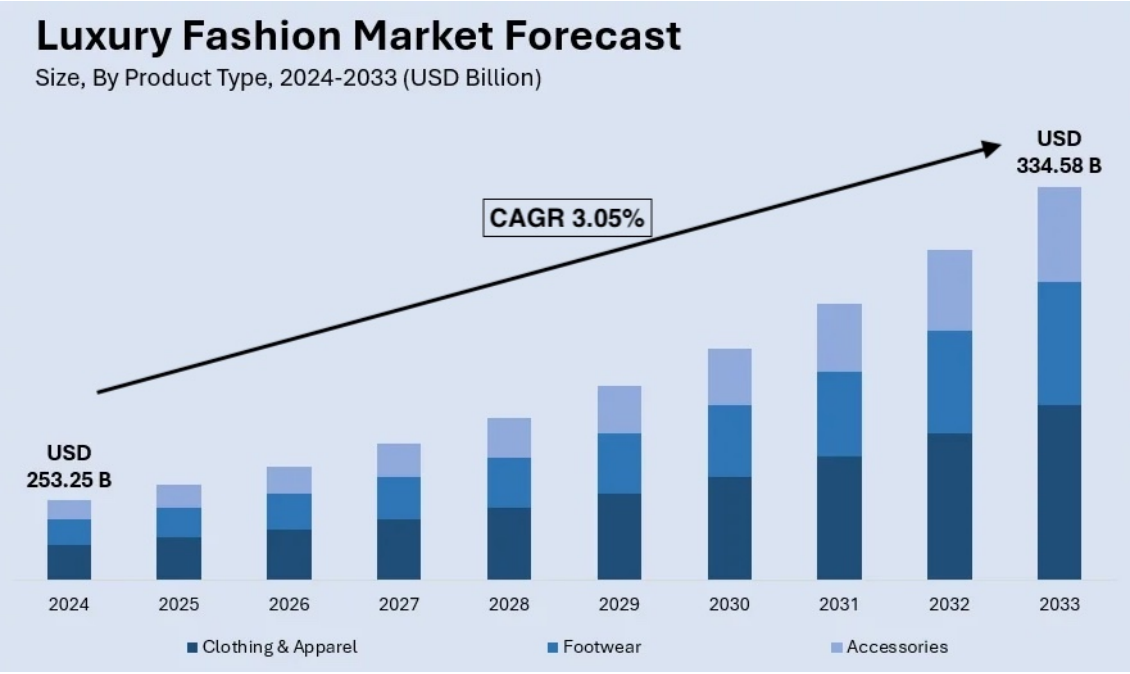

Figure 2: Luxury Fashion Market Size Forecast. *Source: IMARC*

Shifting focus to main industry trends, rise in affluent consumers is one of the main ones.

As individuals attain higher levels of wealth and disposable income, their purchasing power increases. According to reports, global disposable income increased by 3.4% in real terms in 2023, fueled by growth in Asia Pacific and North America. The global wealthy population grew by 6.4%, with 2.4 million new individuals, mainly from the US, Germany, the UK, and France. Moreover, luxury fashion brands excel at creating limited edition pieces, collaborating with renowned designers, and utilizing rare materials. This emphasis on exclusivity appeals to consumers who desire to stand out and own items that are not easily accessible to the masses, which drives consumer demand. Lastly, branding and brand equity have become more important as luxury players seek a way to stand out among all competitors. This drives consumer demand and willingness to pay a premium for luxury fashion items (IMARC, 2025).

Even though e-commerce and digitalization is becoming increasingly important, the enduring dominance of store-based retail continues to play a pivotal role in shaping the customer experience. In 2024, store-based channels accounted for more than 85% of total sales, highlighting the irreplaceable value of physical retail in a digitally evolving landscape. According to Statista's research, online revenue share reached 14% of total sales and is projected to grow to around 19% in 2029. (Statista, 2024).

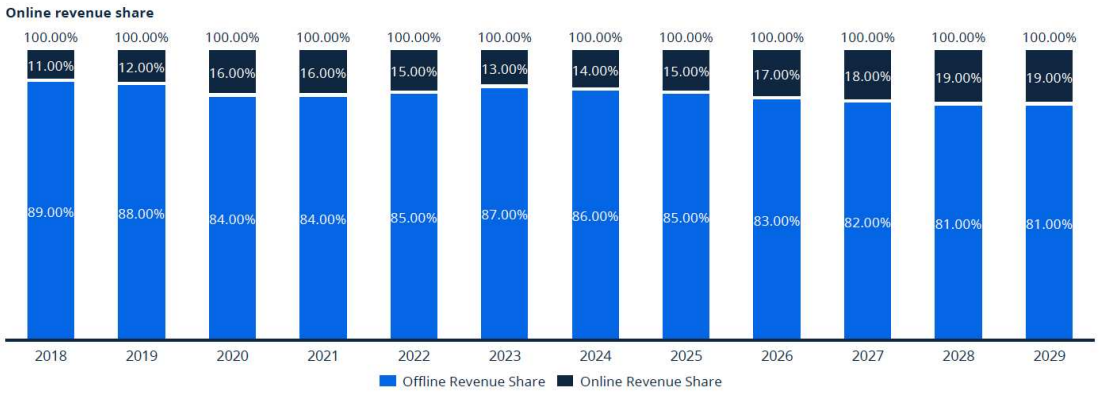

Figure 3: Luxury Fashion Online Revenue Share. *Source: Statista*

3.3 Competitive Landscape

The luxury fashion industry is a very segmented market composed of numerous players in different categories. Since Moncler Group is mainly focused on clothing & apparel, I will identify its competitors in that segment of the market from peers mentioned in annual report. Figure 1 illustrates the market shares among the leading competitors of Moncler Group in the luxury goods sector based on 2024 figures. By far the biggest is the LVMH conglomerate

for which we only consider Fashion & Leather Goods portion of revenues. Following LVMH, the next largest market share belongs to Richemont and Kering, two prominent luxury holding companies that command approximately 18% and 19% of the market, respectively. A variety of luxury and lifestyle goods, such as clothing, jewelry, and accessories, are featured in Kering's product mix. Moving forward, companies with similar market share compared to Moncler are Prada, Burberry, Zegna, Ferragamo and Brunello Cucinelli.

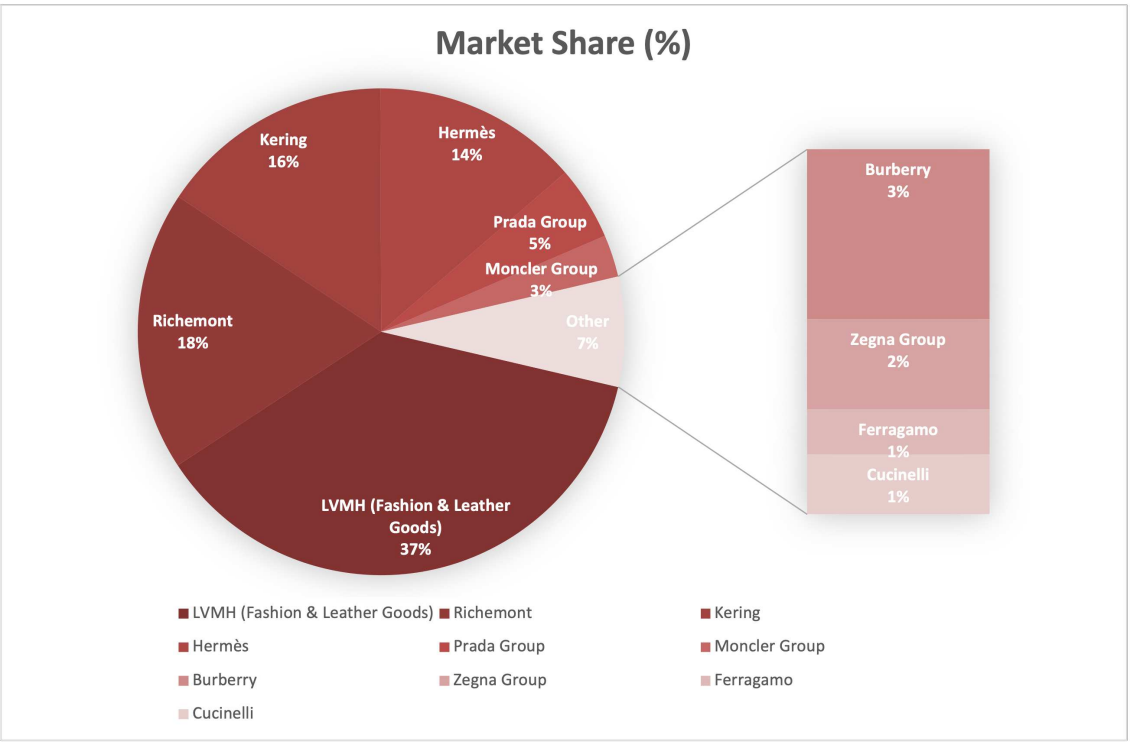

Figure 4: Moncler and Peers Market Share as of FY2024.

4 Company Overview

In this section, a detailed overview of Moncler's business will be presented. Moncler S.p.A., the parent company of the Moncler Group, was originally founded in 1952 in Monestier-de-Clermont, a small Alpine village near Grenoble in the French Alps. A more detailed corporate background and history of the company can be found in Appendix A.1

4.1 Business Segments and Operations

Moncler Group operates primarily through two complementary luxury brands, Moncler and Stone Island. Each of the two brands has their own identity and business model with united

vision under DTC-led distribution, while benefitting from shared operational infrastructure and know-how. The DTC omnichannel distribution strategy can be easily seen on Figure 5 below with strong shift in store distribution starting in 2022. Monclar Brand is still a powerhouse of the Group, accounting for roughly 87 % of revenue in 2024. At the heart of its business model lies a strong focus on seasonal collections, particularly outerwear, which are structured around distinct creative lines including Moncler Collection, Moncler Grenoble, and Moncler Genius. Moncler Collection represents the brand's classic and timeless core offering, while Moncler Grenoble focuses on high-performance ski and mountain gear, blending technical innovation with luxury aesthetics. Moncler Genius, launched in 2018, is an experimental platform that redefines the traditional fashion calendar by presenting capsule collaborations with globally recognized designers, artists and other creatives throughout the year.

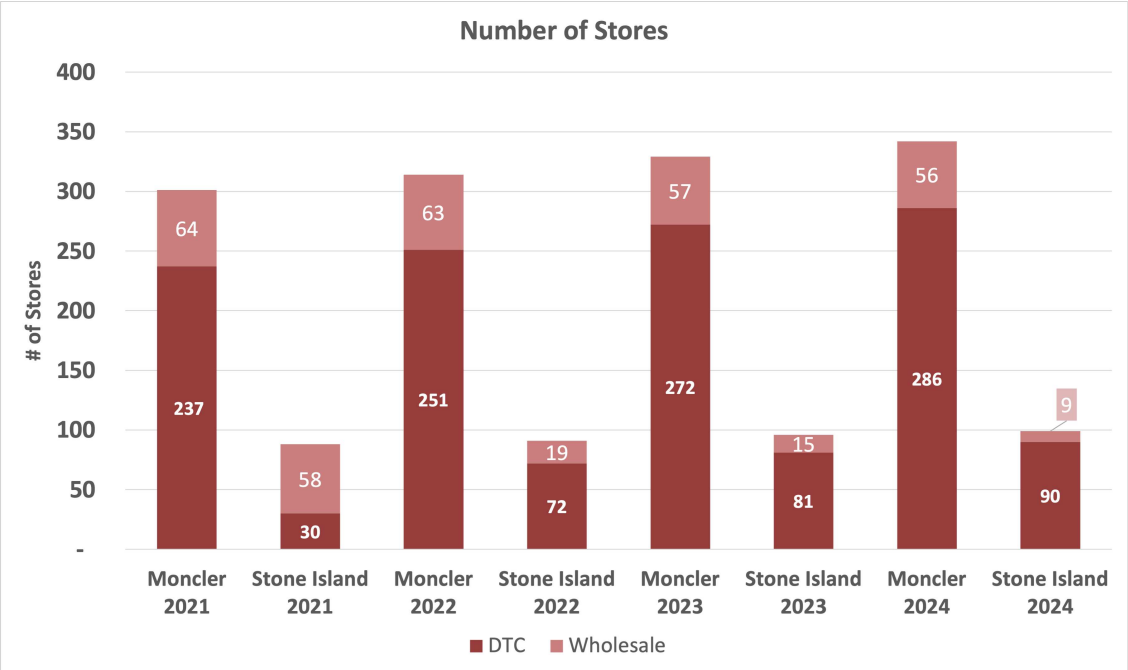

Figure 5: Stores by Brand and Distribution Channel.

4.2 Current Strategy

The Moncler Group has, as main strategic objective, the development of its brands in an authentic way while enhancing their strong uniqueness, also through a constant contamination of diverse entrepreneurial and managerial cultures as well as business knowledge and technical know-how. The Group's strategy is underpinned by four main strategic pillars: being the expression of a concept of luxury that goes beyond traditional stereotypes and

that interprets developments in the cultural codes of the new generations; continuing to fully exploit the potential of its brands globally; developing an omnichannel model that combines a direct relationship with the consumer and strong digital integration; and, lastly, promoting sustainable growth, embedding sustainability into its business model and creating value for all stakeholders.

4.3 Capital Structure and Ownership

As of 31 December 2024, Moncler S.p.A. had a market capitalization of approximately €14.0 billion, down from €15.3 billion at the end of 2023, reflecting broader sector volatility and investor caution in the luxury market. The company has 274.8 million shares outstanding, with 4.2 million of those being company shares accounting for 1.5% of all shares outstanding. The largest shareholder remains Double R S.r.l., controlled by CEO Remo Ruffini, holding a 16.6% stake, followed by institutional investors such as Morgan Stanley (8.6%), BlackRock Inc. (5.0%), Capital Research and Management (5.0%) and Venezio Investments Pte. Ltd. (4.5%).

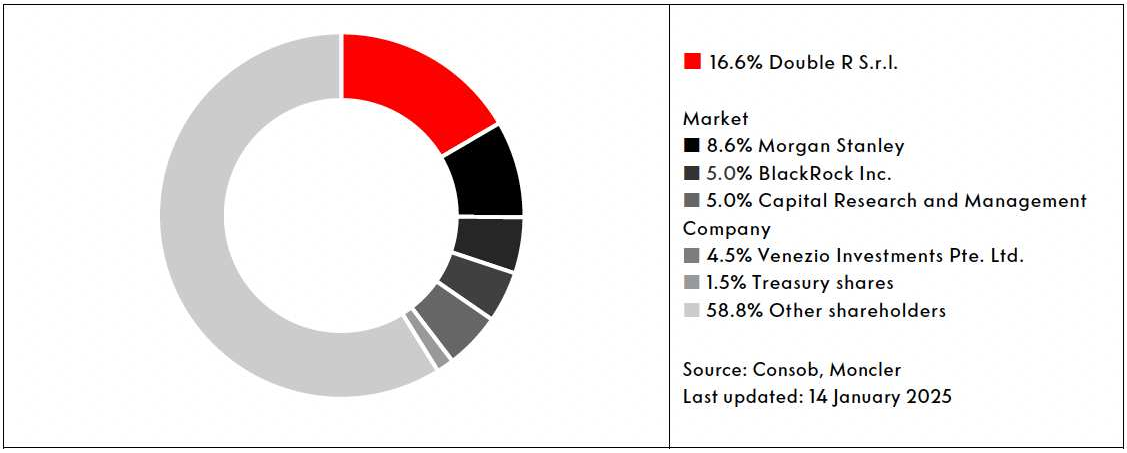

Figure 6: Moncler's Main Shareholders Breakdown. *Source: Moncler*

With no substantial long-term debt and a healthy net cash position of €1.3 billion (excluding leases) as of 2024, Moncler continues to maintain a sound capital structure. The company's balance sheet has been conservative over the last few years, with little financial leverage. A brief rise in gross debt occurred after the purchase of Stone Island in 2021, as seen on the Figure 7, but it was swiftly decreased by robust free cash flow generation. Due to strong retained earnings and modest dividend payments in comparison to cash flow, equity levels have increased steadily. This will have important impact on the calculation of discount rate, since company has almost no financial debt in capital structure and substantial cash position

that reduces overall riskiness of the company compared to an identical company with low cash balance.

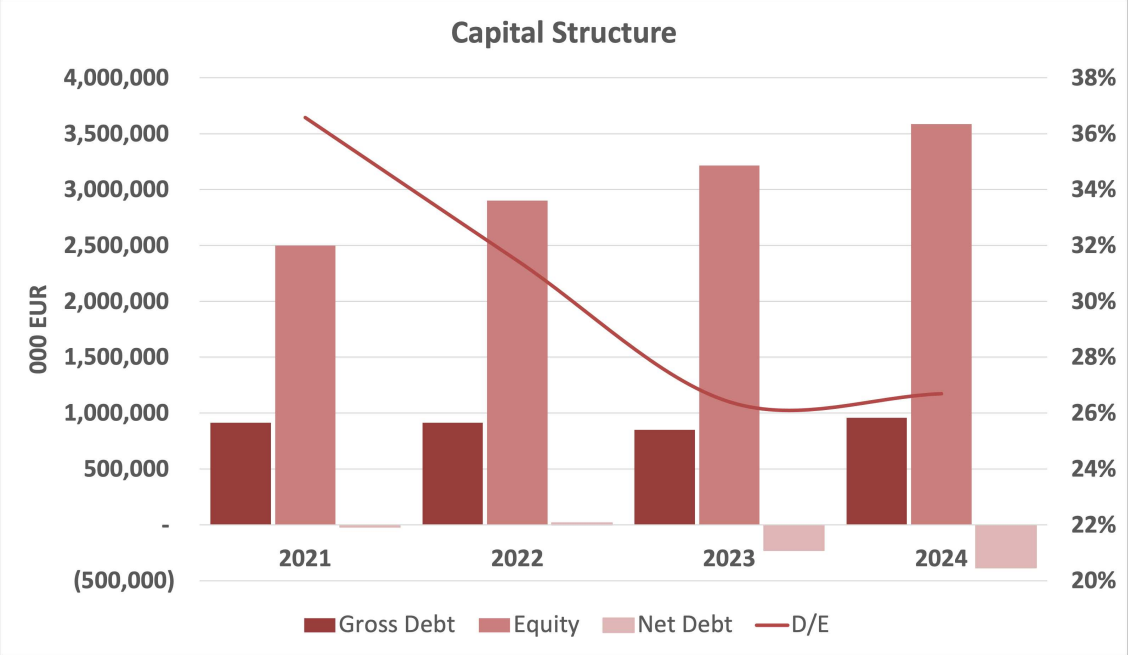

Figure 7: Moncler's Capital Structure.

4.4 Recent Financial Performance

Between 2021 and 2024, Moncler Group delivered a resilient financial performance, navigating a rapidly evolving luxury market shaped by post-pandemic recovery, shifting consumer dynamics, and intensified competition. Detailed analysis can be found in Appendix B.

4.5 Share Price Performance

The company is listed on the Milan Stock Exchange and had its initial public offering (IPO) on the 16th of December 2013, with a price of €10.20 per share and rose over 40% the first day, representing on of Europe's greatest success stories in recent years. A detailed analysis can be found in Appendix B.6.

5 Forecast

In this section I will outline key assumptions and drivers behind forecast of various items needed for FCFF construction. Historical data used spans from FY 2021 to FY 2024, while

the forecast period covers FY 2025 to FY 2029. The reason for the selected historical period is full consolidation of Stone Island starting in annual report of 2021, making it difficult to compare with years prior to the acquisition. All assumptions are grounded in Moncler's historical performance, recent strategic developments, industry and macroeconomic trends, and management guidance where available. The forecast aims to capture the expected growth trajectory of the company, improvements in operational efficiency and investment requirements to support expansion, particularly considering the Stone Island acquisition and the change to a more DTC-focused business model.

5.1 Sales

The first and also most important item that has been forecast is sales. Since some other items are, because of high correlation, forecast as percentage of sales, it is very important to make a forecast that is as accurate as possible by considering various different factors. The procedure to forecast sales can differ across different industries and companies based on business model and portfolio mix. Different approaches can be taken to come to end figure as some prefer bottom up, others top down approaches to revenue forecasting.

In case of Moncler Group a detailed bottom-up approach was chosen, since company provides split of sales between Monclar Brand and Stone Island. Within each brand, the forecast was further segmented by distribution channel (DTC and Wholesale). For the DTC channel, sales were split between In-Store and Online. Within In-Store DTC also geographic split across Asia, EMEA and the Americas was done. The reason behind more granular split in case of DTC channel is the fact that it accounts for roughly 82% of total revenues and is expected to grow even further in the coming years with their ongoing DTC-focused strategy. To forecast sales within In-Store DTC and Wholesale, both the number of stores and sales per store were estimated.

5.1.1 Moncler Brand

For the Moncler brand, sales forecasts are based on a detailed split by distribution channel: DTC in-store, DTC online and Wholesale.

In-Store DTC

The main trend observed is the growth realized in Asia in recent years, which was the main growth engine for the Moncler brand with revenues from the in-store DTC channel almost doubling from 2021 to 2024. This trend is expected to slow down due to headwinds faced

in China. According to Business of Fashion (BoF) reports Business of Fashion (2024): *The State of Fashion 2025* and Business of Fashion (2025): *The State of Fashion: Luxury*, retail sales in the luxury fashion industry in 2025 are estimated to grow between 1-3% in Europe, 4- 6% in the US and -3-0% in China due to the macroeconomic downturn. In the period of 2026E-2027E growth projections made by BoF and McKinsey are 3-5% in China, 4-6% in the US and 2-4% in Europe. In addition to these, data from annual reports was also used to forecast sales per geography, with the most recent H1 2025 results as benchmark for FY 2025.

Number of Stores Since Moncler doesn't provide any information regarding planned store openings/closings, other data had to be used to forecast the number of stores in years 2025E-2029E. The period of 2025E-2026E is considered a slowdown or even contraction of consumer spending and disposable income so growth rates were adjusted accordingly. For FY2025 number of stores from H1 2025 report was considered as best estimate for year end, since macroeconomic environment is uncertain and it was assumed that Moncler will wait for the end of FY2025 before taking any important steps in their stores network. With that being said we can see in Table 1 that in Asia there will be 1 new store opened compared to FY2024 and on the other side in EMEA and the Americas number of stores will stay flat for the whole FY2025. The year 2026E is considered unpredictable and still a part of slowdown of luxury consumption even though the BoF reports already suggest higher growth. The reason behind that is the fact that report was published before tariffs were imposed by US which shook consumer confidence and projections for industry recovery. In Asia the number of stores in 2026E is estimated to grow for 1% mainly fueled by strong outlook of Japan market that is expected to grow at around 6% CAGR in period from 2026E-2027E. In EMEA region Moncler brand is experiencing more problems as number of tourists is much lower than expected and Q2 2025 contraction of -8% in sales are concerning Group for future demand. For that reason a growth of -0.5% was estimated for number of stores in the EMEA region. Lastly, Americas performed very well in Q2 2025 with sales up 5% YoY mainly boosted by strong DTC sales and 1% up in H1 2025 YoY. With that being said, a 1% growth was estimated for 2026E in Americas.

Looking ahead, the outlook suggests a period of renewed optimism and recovering consumer confidence. The Americas are expected to remain the primary growth driver, supported by a projected 5% CAGR in the number of high-net-worth individuals (HNWIs) between 2024 and 2028. In Asia, the growth momentum is expected to strengthen, driven by government measures to strengthen consumer sentiment in China and sustained expansion in Japan, although the latter will remain sensitive to the Bank of Japan's monetary policy, as the

current weak Japanese Yen continues to support demand. In Europe, inflationary pressures that have weighed on consumer spending are expected to ease, while a rebound in international luxury tourism, particularly from Chinese visitors, should further stimulate demand. Notably, foreign travel to Europe is projected to increase by 8% between 2024 and 2026, with continued growth thereafter. Taking these macroeconomic and sector trends into account, and controlling for historical store-opening patterns in each region, store growth assumptions were set with the Americas leading, followed by Asia and then EMEA. From 2028 onward, growth is expected to stabilize as Moncler reaches a mature, steady-state expansion phase. The projected growth rates and estimated number of stores for the 2027E–2029E period are presented in the Table 1 below.

Region	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Asia	143	144	145	148	153	158
YoY Growth	8.3%	0.7%	1.0%	1.5%	3.5%	3.5%
EMEA	96	96	96	96	98	99
YoY Growth	1.05%	0.0%	-0.5%	1.0%	1.5%	1.5%
Americas	47	47	47	49	50	52
YoY Growth	4.4%	0.0%	1.0%	2.3%	4.0%	4.0%
Total DTC	286	287	288	293	301	310
YoY Growth	5.1%	0.3%	0.3%	1.7%	2.7%	3.0%

Table 1: Moncler Brand DTC Store Network by Region (2024A–2029E) with YoY Growth

Sales per Store Sales per store figure was calculated using formula

$$Sales\ per\ Store_{region} = \frac{Sales_{region}}{Number\ of\ Stores_{region}} \tag{13}$$

This metric allows for a regional comparison that reflects differences in consumer spending patterns. Similarly to store count projections, the forecast is divided into two distinct periods: 2025E–2026E, characterized as a slowdown period, and 2027E-2029E, reflecting recovery and renewed growth after the previously discussed headwinds.

For 2025E, growth assumptions for Asia and EMEA are based on the H1 2025 LTM figures, representing the most reliable estimates currently available. In EMEA, sales per store are expected to decline due to significantly lower-than-anticipated tourist spending. For the Americas, the H1 2025 LTM YoY growth rate of 1% was adjusted upward to 2% to account for the exceptionally strong performance of Q2 2025, in which revenues in the region increased

by 5%. In 2026E, Asia and EMEA are expected to stabilize, although consumer sentiment is likely to remain cautious. As a result, EMEA sales per store are projected to remain flat, while Asia is forecast to see a modest 1% increase, primarily driven by rising demand in Japan and continued growth among high-net-worth individuals in the region. Meanwhile, the Americas are expected to sustain their positive momentum from 2025, achieving an additional 1pp improvement, for a total sales-per-store growth rate of 3%.

In the second forecast period, spanning from 2027E-2029E, revenue per store growth for Moncler brand is expected to regain momentum after the moderation observed in the preceding years. The Americas are projected to remain the fastest growing market for the brand, as outlined previously, followed by Asia and EMEA. For Asia and EMEA, annual growth is expected to accelerate by approximately 1.5 pp in both 2027E and 2028E. This improvement is supported by sustained demand from Japan, a recovery in Chinese consumer spending, and a more favorable macroeconomic backdrop in EMEA, characterized by improving consumer confidence, lower inflation, and reduced geopolitical tensions. In the Americas, growth is expected to increase by 1 pp annually during this period, a slower incremental pace compared to Asia and EMEA, but resulting in the highest overall growth rate across regions. By 2029E, revenue growth in all three regions is forecast to stabilize, with rates expected to remain flat as markets reach a more mature stage of expansion. forecast revenue per store and YoY growth rates for each geography are summarized in the Table 2.

Region	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Asia (€000)	7,719	7,584	7,660	7,852	8,166	8,492
YoY Growth	0.32%	-1.75%	1.0%	2.5%	4.0%	4.0%
EMEA (€000)	7,929	7,595	7,595	7,709	7,941	8,179
YoY Growth	5.17%	-4.21%	0.0%	1.5%	3.0%	3.0%
Americas (€000)	6,460	6,589	6,787	7,058	7,411	7,782
YoY Growth	-0.23%	2.00%	3.0%	4.0%	5.0%	5.0%

Table 2: Moncler Brand Sales per Store by Region (2024A–2029E) with YoY Growth

Online DTC

As Moncler does not disclose the split of DTC revenues between e-commerce and in-store channels, Statista's forecast for online sales incidence in the luxury sector was used as a proxy. Given that Moncler's product mix is heavily concentrated in apparel and outerwear, categories less standardized than accessories or footwear and therefore less prone to online purchasing, and considering that clothing accounts for roughly half of all luxury personal

goods sold online, only half of Statista's estimated proportion was applied to Moncler. To derive the DTC online sales figures, the forecast in-store DTC sales were multiplied by the assumed online sales proportion and divided by the in-store share, resulting in an implicit online sales forecast. The resulting YoY growth rates together with forecast online sales figures, and assumed online sales proportions are presented in the Table 3.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Online DTC (€000)	163,233	172,793	200,832	222,088	251,875	269,205
YoY Growth	16.1%	5.9%	16.2%	10.6%	13.4%	6.9%
Share of Total DTC	7.0%	7.5%	8.5%	9.0%	9.5%	9.5%

Table 3: Moncler Brand Online DTC Sales (2024A–2029E) as Share of Total DTC

Wholesale

In the wholesale category sales were not split by geography since it only accounts for 14% of brand sales and the percentage is expected to further decline following DTC-oriented business plan. To forecast sales coming from wholesale channel it was assumed that all sales are made in-store and total sales were forecast using same methodology as in DTC channel by estimating number of stores per year and sales per store.

Number of Stores More simplistic approach was used in this case as impact on total sales is much smaller. To estimate the number of stores in 2025E, the figure reported in H1 2025 was taken as the best available estimate. For the 2026E–2029E period, a linear slowdown in store growth (or contraction) was assumed, converging in 2029E to the average growth rate of recent years, excluding outliers. This approach aligns with recent trends and reflects Moncler's stated intention to further reduce wholesale exposure, making it the most reasonable projection given the available data.

Sales per Store To calculate revenue per store, Equation 13 was applied. The forecast was based on historical data, using H1 2025 LTM growth as the best estimate for 2025E. Given Moncler's reduced focus on the wholesale channel and lower marketing spend, coupled with declining department store activity, a negative growth in revenue per store was projected for 2025E. Starting from 2026E, a steady annual increase of 1.5 pp is assumed, gradually bringing revenue per store back to recent average levels, excluding FY 2023, where revenue per store was unusually high due to six fewer stores at the end of the year, many of which

likely closed partway through the year, making the data less comparable.

Metric	2024A	2025E	2026E	2027E	2028E	2029E
Number of Stores	56	54	52	51	50	49
YoY Growth	-1.8%	-3.6%	-3.1%	-2.6%	-2.1%	-1.6%
Sales per Store (€000)	6,704	6,452	6,306	6,258	6,304	6,445
YoY Growth	-6.6%	-3.8%	0.0%	-3.8%	-2.3%	-0.8%

Table 4: Moncler Brand Wholesale Sales (2024A–2029E) with YoY Growth

To sum up, in Table 5 we can see how sales of Moncler brand are forecast to evolve over time. Both DTC and Wholesale channels are expected to contract in 2025 for -1.2% and -7.2% respectively, resulting in overal Moncler brand sales to dip for -2% in the coming year. In the following years slow recovery is expected for DTC channel with wholesale continuing to decline, but at a lower rate. Growth is expected to peak at 6.4% YoY in FY2028 and stabilizing thereafter with similar growth expected in FY2029. Incidence of wholesale category on total brand revenues is forecast to continue a negative trend observed in recent years as a result of DTC-oriented strategy of the Group.

Metric	2024A	2025E	2026E	2027E	2028E	2029E
DTC (€000)	2,331,896	2,303,900	2,362,729	2,467,643	2,651,316	2,833,733
YoY Growth	7.8%	-1.2%	2.6%	4.4%	7.4%	6.9%
Wholesale (€000)	375,419	348,393	330,054	319,116	314,813	316,801
YoY Growth	-8.3%	-7.2%	-5.3%	-3.3%	-1.3%	0.6%
Total (€000)	2,707,315	2,652,293	2,692,782	2,786,760	2,966,128	3,150,534
YoY Growth	5.2%	-2.0%	1.5%	3.5%	6.4%	6.2%
Wholesale Share	13.9%	13.1%	12.3%	11.5%	10.6%	10.1%

Table 5: Moncler Brand Sales by Distribution Channel (2024A–2029E)

5.1.2 Stone Island Brand

The same sales breakdown used for the Moncler brand was applied for Stone Island.

In-Store DTC

Sales were forecast using number of stores and revenues per store split between all three geographies. Since Stone Island isn't a true luxury player but more a entry-level or accessible

luxury brand, a bit different trends are expected to drive sales growth. Consumption in this category is slightly more correlated with GDP growth and middle to upper class consumer sentiment. Besides China, that expects YoY growth in non-luxury segment in a region of 2-4% compared to -3-0% in luxury segment, no drastic deviations are expected in Europe and US.

Number of Stores Also for Stone Island brand, the Group doesn't provide any information regarding planned store expansions. Because of strong push towards DTC business model, shifting DTC incidence on total brand sales from 28% in FY2021 to over 50% in FY2024, it was difficult to use past growth rates as a benchmark. Because of that, more importance was put to H1 2025 report where it was clear that Group achieved desired penetration of stores in DTC channel and slowed down drastically (especially in Asia). For Americas region constant number of 7 stores was assumed since the management stated they do not focus on that geography much for Stone Island due to uncertainties and headwinds affecting middle and upper class. For Asia and EMEA the figures from H1 2025 were considered best estimate of 2025E store number. In case of Asia, faster recovery is assumed, since BoF forecast of non-luxury is the most promising for China, that is main market in the region. That brings on average 2 additional stores per year in period from 2026E-2029E. In EMEA, region that contributes the most sales for the brand, a slower expansion is considered in period of 2026E-2029E where just 2 more stores are forecast. The reason behind it is the fact that Stone Island's presence in region is already much higher compared to Asia that is considered largest luxury/entry-luxury market in the world.

Region	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Asia	56	56	57	59	61	64
YoY Growth	16.67%	0.0%	1.5%	3.0%	4.5%	4.5%
EMEA	27	29	29	29	30	31
YoY Growth	3.85%	7.4%	0.0%	1.5%	3.0%	3.0%
Americas	7	7	7	7	7	7
YoY Growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total DTC	90	92	93	95	98	102
YoY Growth	11.1%	2.2%	0.9%	2.3%	3.7%	3.7%

Table 6: Stone Island Brand DTC Store Network by Region (2024A–2029E) with YoY Growth

Sales per Store Sales per store were calculated using formula 13 in order to depict between different consumer trends in regions. Main issue that challenged estimation of revenues per

store was in Asia since number of stores grew from 4 in FY2021 to 56 operating stores in FY2024. Since stores were being opened throughout the year and not all at the beginning, sales per store dropped and were not representative in all the period. For that reason, since there were no new stores expected to be open in FY2025, expected revenue per store for that year was calculated as

$$Sales\ per\ Store_{2025} = Sales\ per\ Store_{2021} * (1+i)^4 \tag{14}$$

Growth rate i used represents $CAGR$ in EMEA and Americas region in period from 2021-2025E. The reason behind it is the fact that also in cases of EMEA and Americas sales per store grew a lot at an average $CAGR$ of 19.36% starting in FY2022 and stayed high in next years. Since there were not many new stores opened in that period, I assumed that jump is due to increased marketing spend for DTC channel and is expected to remain at similar levels in coming years. For that reason I decided to replicate that trend in case of Asia region. The growth of EMEA and the Americas in 2025E was assumed to be an average of the growth rates of FY 2024 and H1 2025 LTM. In a FY2026 no growth was assumed across all regions as second year of a slowdown period, supported with the fact that consumers in this category will need more time than HNWIs before they start spending on luxury fashion again.

In the second forecast period, ranging from 2027E-2029E, sales are expected to regain momentum, translating in higher sales per store. The fastest expanding geography according to BoF will be Asia, fueled by China and Japan as main drivers of growth. On the other side EMEA and Americas markets are assumed to grow at similar rates with revenues per store increasing by 1 pp in FY2027 and FY2028. In the last year of the forecast period, all regions will continue growing at same rate achieved a year before, showing that the mature state of expansion cycle has been achieved also in the Stone Island brand.

Region	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Asia (€000)	909	3,816	3,816	3,874	3,990	4,110
YoY Growth	23.86%	319.8%	0.0%	1.5%	3.0%	3.0%
EMEA (€000)	4,822	4,913	4,913	4,962	5,061	5,162
YoY Growth	10.98%	1.9%	0.0%	1.0%	2.0%	2.0%
Americas (€000)	1,888	1,795	1,795	1,813	1,849	1,886
YoY Growth	-1.49%	-4.9%	0.0%	1.0%	2.0%	2.0%

Table 7: Stone Island Brand Sales per Store by Region (2024A–2029E) with YoY Growth

Online DTC

For the online DTC sales same procedure was applied as in case of Moncler brand, meaning implicit online sales were derived from forecast in-store DTC sales. Since Stone Island's sales are also mostly concentrated in apparel, same assumption regarding online proportion of sales was used. Annual percentage of online sales assumed can be found in table below together with annual online sales and YoY growth rates.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Online DTC (€000)	14,625	29,899	34,553	38,129	43,089	45,888
YoY Growth	30.2%	104.4%	15.6%	10.3%	13.0%	6.5%
Share of Total DTC	7.0%	7.5%	8.5%	9.0%	9.5%	9.5%

Table 8: Stone Island Brand Online DTC Sales (2024A–2029E) as Share of Total DTC

Wholesale

Also in case of Stone Island same approach was used as for Moncler Brand.

Number of Stores In this case a different reasoning was used behind assumed number of stores. For the first year of 2025E I used figure from H1 2025 as best estimate, increasing for 1 store compared to FY2024. Going forward in period from 2026E-2029E it was not possible to use historical growth as a benchmark, since drastic contraction with 48 stores being closed in period from 2021-2024. For that reason I assumed that that in 2026E as second year of economic slowdown the number of stores will stay unchanged. In years of economic expansion and higher GDP growth when people visit department stores more often, 1 new store per year would be open in period of 2027E-2028E, bringing wholesale proportion of total brand sales (combined with forecast sales per store) to same levels as in case of Moncler brand.

Sales per Store To calculate sales per store, Equation 13 was applied once again. Historical data reveals an inverse trend compared to the DTC channel in Asia: the significant reduction in store count has inflated revenue per store to disproportionate and unrealistic levels, making it unsuitable as a benchmark for future estimates. Consequently, Equation 14 was employed to derive the 2025E sales per store forecast using average Eurozone inflation of that period as growth rate i replicating sales per store evolution in case of Moncler's wholesale chanel. A flat performance is projected for 2026E as the current slowdown reaches its trough. Given the Group's strategic shift away from wholesale, coupled with Stone Island's

efforts to strengthen its positioning as a more premium brand with direct customer engagement, marketing activities are expected to be concentrated in the DTC channel. As a result, wholesale sales per store are anticipated to decline further before gradually recovering once macroeconomic headwinds fade away. For the purposes of estimation, the growth trajectory was aligned with Moncler's wholesale sales per store trends.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Number of Stores	9	10	10	11	12	12
YoY Growth	-66.7%	11.1%	0.0%	10.0%	9.1%	0.0%
Sales per Store (€000)	21,408	3,256	3,183	3,158	3,182	3,253
YoY Growth	34.8%	-84.8%	-2.3%	-0.8%	0.7%	2.2%

Table 9: Stone Island Brand Wholesale Channel Forecast (2024E–2029E)

To sum up, the sales outlook for the Stone Island brand reflects a sharp channel shift in 2025. DTC sales are projected to surge by 90%, driven by the full-year effect of recently opened stores operating at full capacity, supported by targeted marketing efforts. In contrast, wholesale revenues are expected to contract by 83%, reflecting the first year in which store closures have eased and sales per store have normalized to pre-closure levels. This divergence results in an overall brand sales growth of approximately 7.4% in 2025. From 2026 onwards, total brand sales growth is expected to gradually slow down, posting low single-digit increases in the immediate years following the contraction and reaching at 7.3% YoY in FY2028 before stabilizing. Wholesale is forecast to remain pretty constant in whole forecast period at around 7% of total brand revenues.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
DTC (€000)	208,936	398,654	406,510	423,654	453,573	483,032
YoY Growth	20.9%	90.8%	2.0%	4.2%	7.1%	6.5%
Wholesale (€000)	192,674	32,562	31,826	34,742	38,180	39,034
YoY Growth	0.0%	-83.1%	-2.3%	9.2%	9.9%	2.2%
Total (€000)	401,610	431,216	438,336	458,396	491,753	522,066
YoY Growth	-2.3%	7.4%	1.7%	4.6%	7.3%	6.2%
Wholesale Share	48.0%	7.6%	7.3%	7.6%	7.8%	7.5%

Table 10: Stone Island Brand Sales by Distribution Channel (2024A–2029E)

5.2 Operating Expanses

5.2.1 COGS

COGS comprise raw materials and manufacturing costs in case of Moncler and have been decreasing slowly in past years as a result of DTC strategy. Since Moncler is expected to continue with this strategy and invest more in DTC distribution channel compared to wholesale, COGS incidence on sales is expected to further decrease in forecast period. The reasoning behind that is the fact, that retail business has higher margins on products sold compared to wholesale business, which is what DTC strategy is. To forecast COGS as percentage fo sales in 2025E I used average of FY2024 and H1 2025 LTM figure to incorporate most recent trends. Going forward in period from 2026E-2028E a linear decrease was projected in COGS percentage of sales that matches the decrease from FY2024 to FY2025. In last two years constant incidence on sales was projected as expansion slows down and gross margins stabilize.

5.2.2 SG&A

Since Moncler is a retailer, most expanses come from that category that is split between selling expenses, general and administrative expenses and marketing expenses.

Selling Expenses Selling expenses represent the biggest portion of expenses for Moncler with 22% incidence on sales in FY2024. This category, among others, mainly includes rent costs and personnel expenses. Since Moncler has been recently shifting strongly towards monobrand stores in DTC channel, it is normal that the category has been rising as percentage of sales. With new stores being opened (many rented and not owned) also new personnel was needed to assist clients. In the coming years a slowdown is expected as expansion is projected to slow down compared to previous years. The estimated decline in selling expenses, is supported by the maturation of newly opened stores, many of which are located in Asia that in case of Moncler brand accounts for most sales. As these locations reach full operating capacity and build customer awareness, sales per store are expected to rise. Consequently, rent and personnel costs should decrease over time as a percentage of sales. In 2025E last increase is forecast as H1 2025 LTM figure shows a slight increase with last stores beginning to fully operate. For that reason an average of FY2024 and H1 2025 LTM was used as best etsimate of 2025E. Moving forward in period from 2026E-2029E a linear decrease was projected with figures in 2029E matching those of FY2021 before aggressive shift in strategy.

General and Administrative Expenses In G&As category a more constant trend is observed with FY2021 being slightly higer then other years. In H1 2025 repoer management said that they expect G&As to remain in line with recent figures at year-end. Since no major movements have been seen and they plan to continue to invest in the organization a constant figure has been assumed at average of years from FY2022-FY2024 resulting in 11% incidence on sales.

Marketing Expenses As Moncler operates in fashion industry, where being seen is most important, they spend a lot on marketing activities. Compared to other industries that report high R&D expenses, in case of Moncler and other fashion brands, no R&D expenses are reported as in tech, innovation sells the product in fashion, the story sells the product. In their most recent H1 2025 report they said they expect to end year at same 7% incidence on sales and the historical average being 7%, a constant percentage of sales was assumed for whole forecast period.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
COGS as % of Sales	20.2%	19.6%	18.9%	18.3%	17.6%	17.6%
SG&A as % of Sales	40.2%	40.7%	40.1%	39.5%	38.9%	38.4%
Selling Expenses as % of Sales	22.0%	22.6%	22.0%	21.4%	20.8%	20.3%
G&A as % of Sales	11.1%	11%	11%	11%	11%	11%
Marketing Expenses as % of Sales	7.1%	7%	7%	7%	7%	7%

Table 11: Moncler Group Operating Expenses as a % of Sales (2024A–2029E)

5.3 Taxes

Moncler's effective tax rate has remained broadly stable over recent years, with the exception of 2022, which was impacted by a one-off tax realignment of the Stone Island brand. This transaction involved aligning the brand's tax value with its statutory value, triggering a substitute tax payment and the release of significant deferred tax liabilities, resulting in a materially lower effective tax rate for that year. Excluding this non-recurring effect, the tax burden has been consistent, and for forecasting purposes, the average effective tax rate of 2021, 2023, and 2024 will be applied going forward, resulting in effective tax rate of 29.6%.

5.4 CAPEX

Forecast of CAPEX was split between tangible and intangible CAPEX as they include different investments.

Tangible CAPEX Tangible CapEx refers to investments in distribution network, such as warehouses and stores, or investments in logistics and production lines. To forecast tangible CapEx I used same apprach as for expenses, by calculation the incidence on sales, as they are correlated. With expansion of distribution network, mainly in DTC channel, expected to continue but at lower pace, a decreasing CapEx-to-Sales ratio was assumed over time. In 2025E a slight increase is forecast compared to FY2024 according to management expectation stated in H1 2025 report. Because of corporate headquarters is planned to be finalized in 2025 it is reasonable to expect higher tangible CapEx. After that 0.5 pp YoY decrease of ratio is assumed, converging back to historical average of 13% in 2029E.

Intangible CAPEX Intangible CapEx covers capitalized investments in software, IT systems, brands, patents and other intengible assets. Same as tangible, also intengible CapEx, was forecast as % of sales. The incidence on sales is very low, fluctuating between 1.3-1.5% meaning the impact on FCFF estimation is small. In H1 2025 LTM incidence on sales remained constant at 1.3% same as in FY2024 and also same as historical average. That could be pointing out that intangible CapEx as % of sales stabilized and was for that reason foercatsed to remain constant throughout whole estimation period.

Metric	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Total CAPEX as % of Sales	15.6%	16.3%	15.8%	15.3%	14.8%	14.3%
Tangible CAPEX as % of Sales	14.3%	15.0%	14.5%	14.0%	13.5%	13.0%
Intangible CAPEX as % of Sales	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%

Table 12: Moncler Group CAPEX as % of Sales (2024A–2029E)

5.5 Depreciation & Amortization

Depreciation First step of the process was calculating useful life of tangible assets. Since Moncler doesn't provide accurate split between all assets and their useful life, I calculated a proxy for useful life as $\frac{1}{\textit{Depreciation as \% of Gross PPE}}$. In the schedule, straight-line depreciation method was used, dividing current tangible assets from FY2024 and each years' tangible CapEx with projected useful life of respective year. For currently existing tangible assets, a constant yearly depreciation was forecast, since useful life is longer than my forecast period. Since Moncler is mostly investing in buildings that have highest useful life, an increase in useful life was projected. In table below we can see how the full schedule was built and depreciation evolving over time.

€000	2025E	2026E	2027E	2028E	2029E
Existing assets	(161,989)	(161,989)	(161,989)	(161,989)	(161,989)
CAPEX 2025	(50,706)	(48,465)	(46,224)	(42,863)	(39,501)
CAPEX 2026		(23,779)	(45,358)	(42,060)	(38,761)
CAPEX 2027			(22,684)	(42,069)	(38,770)
CAPEX 2028				(21,602)	(39,815)
CAPEX 2029					(20,352)
Total Depreciation	(212,695)	(234,233)	(276,255)	(310,582)	(339,188)

Table 13: Depreciation Schedule

Amortization As mentioned a more simplistic approach was chosen to forecast amortization. Since Moncler had many new stores opened they had to invest also in IT equipment and software related to store operations. For that reason a slight increase can be observed in Amortization-to-Intangibles ratio in last years. In the future, with expansion slowing down compared to recent years, a decrease in ratio was assumed. For 2025E the figure from H1 2025 LTM was used as best estimate, that after that decreased over time to arrive at slightly lower ratio than historical average, reflecting a slower investment in IT, software and other intangibles. Evolution of amortization together with change of intangible assets and intangible CapEx can be seen in table below.

€000	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Beginning of Period	1,710,201	1,716,776	1,723,269	1,734,545	1,751,837	1,775,132
Intangible CAPEX	40,221	40,828	42,295	45,045	47,820	47,820
Amortization	(31,538)	(33,645)	(34,336)	(31,019)	(27,753)	(24,526)
End of Period	1,710,201	1,716,776	1,723,269	1,734,545	1,751,837	1,775,132

Table 14: Intangible Assets, Amortization and Intangible CapEx

5.6 Operating Capital Requirement

A key component of DCF construction is Operating Capital Requirement, which represents the capital needed to sustain day-to-day operations (excluding cash). The forecast is done by forecasting Core Operating Working Capital and adding other current assets & liabilities and deferred taxes.

Core Operating Working Capital

To forecast all components of NWC, the days-outstanding method was used, as it is easier from a business-model perspective to make assumptions in this format. For example, it is

more intuitive to predict a decrease in DSO for a DTC-oriented business model than to directly forecast trade receivables.

Trade Receivables For this category, the DSO metric was applied, showing a steady decline over the historical period, driven by the shift toward a more retail-oriented business model. DSO decreased from 42 in FY2021 to 38 in FY2024 and is expected to continue trending downward. As most receivables are tied to the wholesale segment, the decline in sales from that channel is projected to further reduce receivables, reinforcing the downward trajectory of DSO. For the 2025E–2028E period, a reduction of 1 day per year is assumed, bringing DSO to 34.3, where it is expected to remain in 2029E as DTC expansion stabilizes at 2028 levels. This results in a relatively modest increase in trade receivables, from €326 million in FY2021 to €334 million in 2029E.

Trade Payables Trade payables were forecast using DPO, which for Moncler remain well above the industry average at around 300 days, reflecting the company's strong relationships with key suppliers — the main driver of its high payables. Supported by its vertical integration and supply chain control, both of which are strategic priorities in its business plan, DPO is expected to rise further over the forecast period, from an estimated 314 in FY2024 to 318 in 2029E.

Inventory Lastly, inventory was projected using the Days Inventory Outstanding (DIO) metric, which measures the average number of days required to sell the company's inventory. A higher DIO indicates that a company holds inventory for a longer period, which directly translates into higher inventory balances. Consistent with the DSO approach, the assumptions reflect Moncler's ongoing shift toward a DTC-oriented business model, which typically requires higher inventory levels to meet unpredictable consumer demand compared to the more stable patterns of wholesale operations. Accordingly, an increase of 1 day in DIO was assumed every two years. In absolute terms, this results in inventory rising from approximately €470 million in FY2024 to around €540 million by 2029E.

Other Current Assets & Liabilities

Other Current Assets and Liabilities encompass vendor advances, prepaid expenses, tax receivables (e.g. VAT), customer advances, payroll liabilities, and other payables. This category is forecast as a % of sales, historically decreasing and projected to decline by 0.5 pp YoY, stabilizing at 4.8% in 2028E and 2029E, down from 7.9% in 2024, due to limited disclosure from Moncler in their annual reports. The decline was assumed slightly slower

Metric (€ 000)	2024A	2025E	2026E	2027E	2028E	2029E
Trade Receivables	326,382	315,266	311,555	314,011	325,122	345,310
Trade Payables	(540,914)	(520,698)	(512,588)	(514,401)	(530,035)	(562,948)
Inventory	470,080	474,685	482,014	508,460	541,791	585,495
Core NWC	255,548	269,253	280,981	308,070	336,878	367,857
Forecast Drivers						
DSO	38.3	37.3	36.3	35.3	34.3	34.3
DPO	313.9	314.9	315.9	316.9	317.9	317.9
DIO	55.2	56.2	56.2	57.2	57.2	58.2

Table 15: Moncler Group Core Operating Working Capital and Drivers (2024A–2029E)

compared to past years, since company is becoming more mature and stable. The forecast values can be seen in Table 16.

Deferred Taxes

In its 2024 Annual Report, the company stated that it expects to consistently generate positive results, allowing the use of deferred tax assets in the future. For that reason, maintaining deferred taxes constant would be misleading, and so they were forecast as a percentage of EBIT. While using EBT would be theoretically more accurate, Moncler's minimal debt and negligible interest expenses make EBIT a reasonable proxy. The incidence on EBIT was assumed to decline at a constant rate, consistent with the trend observed between H1 2025 LTM and H1 2024 LTM. This approach results in a projected ratio of 11% in 2029E, with deferred taxes decreasing to approximately €137 million, down from €183 million in FY2024.

Metric (€ 000)	2024A	2025E	2026E	2027E	2028E	2029E
Core NWC	255,548	269,253	280,981	308,070	336,878	367,857
Other Current Assets & Liabilities	(244,055)	(193,459)	(180,790)	(171,149)	(165,079)	(175,329)
% Sales	-7.9%	-6.3%	-5.8%	-5.3%	-4.8%	-4.8%
Deferred Taxes	183,498	177,008	165,464	154,434	148,589	137,426
% EBIT	19.9%	18.1%	16.3%	14.6%	12.8%	11.0%
Operating Capital Requirement	194,991	252,802	265,656	291,356	320,387	329,954

Table 16: Moncler Group Other Operating Capital Items and Forecast Drivers (2024A–2029E)

6 Valuation

This chapter will focus on explaining all missing parts used in the equity valuation of Moncler SpA, combined with previously forecast accounts. In the following pages the different valuation methodologies are going to be explained as well as WACC and excess cash calculations.

6.1 DCF

6.1.1 WACC

The first and probably the most important step to take to perform an intrinsic valuation is to calculate the WACC. As explained in the Literature Review, the WACC represents the discount factor used to calculate the PV of EV. The following sections will explain the process to calculate all items comprising WACC.

Excess Cash and Return on Cash

Accroding to Moncler's balance sheet, cash and cash equivalents amounted to €999 million as of H1 2025, mainly as bank deposits and cash on hand. Since Moncler doesn't provide a detailed breakdown of cash balances and their purpose, I used some of its peers in order to calculate proportion of operational and excess cash. Prada and Burberry were used as their cash breakdown clearly provided amount assumed operational (category of bank current accounts). I assumed the average of both peers' operating cash as % of total cash to be Moncler's operating cash ratio as well. That amounted to 78.6% of total cash to be considered excess cash equal to €785 million.

Because Moncler maintains substantial cash holdings, it is important to reflect this in the WACC calculation, as two otherwise identical firms with significantly different cash balances will exhibit different risk profiles. Since Moncler doesn't provide any detailed disclosure on its investments, other than stating that cash primarily represents funds held at banks, the risk-free rate was assumed to approximate the return on excess cash. The 3-month German government bond yield was used as a proxy for the return on such deposits and is equal to 1.79%.

Cost of Equity

The cost of equity has been calculated following CAPM approach, using risk-free rate, Moncler's levered beta and MRP. Since there are no risk-free securities, the 10-year German Bund yield was used as a proxy. At the valuation date, the YTM of the bond was 2. 62%.

Beta For the calculation of beta same 6 peers that will be used later on for relative valuation were used. At first 5-year raw betas were retrieved from Refinitiv, based on relative performance of each stock compared to benchmark index. After that raw betas were adjusted using formula 10 to account for convergence towards 1 in long term. Those betas were unlevered using D/E ratio of respective company and their effective tax rate. An average of industry unlevered betas was then calculated and adopted as Moncler's unlevered beta. To incorporate company-specific factors such as capital structure and tax environment, the levered beta was calculated using equation 12. This resulted in a final levered beta of 0.97, which was used in the cost of equity calculation.

Company	**D/E**	**Raw Beta**	**Adj. Lev. Beta**	**Tax Rate**	**Unlevered Beta**
Kering	37.0%	1.29	1.19	27.5%	0.94
Prada	(1.7%)	0.59	0.73	30.3%	0.73
Burberry	23.4%	1.85	1.57	22.9%	1.33
Cucinelli	8.7%	1.02	1.01	28.5%	0.96
Zegna	33.7%	0.81	0.87	30.4%	0.71
Ferragamo	47.6%	1.25	1.17	35.4%	0.89
Average					0.93

Table 17: Average Unlevered Beta Calculation for Peer Group

Market Risk Premium The market risk premium was derived from the equity risk premium approach, accounting for international exposure through country risk premiums. Moncler's headquarters is based in Milan, Italy and for that reason Italian equity risk premium from Damodaran was used as a starting point. To control for international exposure a weighted average of 3 regions (EMEA, Asia and Americas) was calculated based on regional sales. The final amount after also considering country risk premium is 7.21%.

Region	**% of Sales (FY2024)**	**CRP**
Asia	47.71%	1.71%
EMEA	39.22%	2.33%
Americas	13.07%	0.37%
Weighted Average CRP		**1.78%**
Italian Equity Risk Premium		5.43%
Final MRP		**7.21%**

Table 18: Calculation of MRP

After obtaining all components needed for CAPM model, cost of equity was calculated using formula 9. The final levered cost of equity used in WACC is 9.64%.

Inputs	**Value**
Market Cap (MV of Equity) (€ 000)	13,094,646
Gross Debt (€ 000)	958,986
Gross D/E Leverage at Valuation Date	7.32%
Risk-Free Rate (10y German Bund)	2.62%
Unlevered Beta (Industry Average)	0.93
Tax Rate	29.40%
Re-levered Beta (Hamada)	0.97
Final MRP	7.21%
Levered Cost of Equity	**9.64%**

Table 19: Cost of Equity Calculation

Cost of Debt

There are multiple approaches to estimate company's cost of debt. Since Moncler doesn't have any bonds outstanding the market approach was not applicable. For that reason, the cost of debt was estimated using Damodaran's model, applying the same risk-free rate used in the cost of equity and adding a 0.75% credit spread. The spread was derived from Moncler's H1 2025 LTM Interest Coverage Ratio (ICR) of 22.3x, referencing Damodaran's "Interest Coverage Ratios and Ratings: High Market Cap Firms" table. This yields a cost of debt of 3.4%.

WACC Computation After all considerations I decided to include an additional parameter in my WACC computation, controlling for the return on cash held. This adjustment reflects the fact that excess cash typically earns returns below the cost of capital, which lowers the effective risk profile of the firm.

$$WACC = \frac{MV_e - C}{MV_e + MV_d} \times K_e + \frac{MV_d}{MV_e + MV_d} \times K_d \times (1 - Tax) + \frac{C}{MV_e + MV_d} \times r_c$$

Where C represents excess cash, MV_d the market value of gross debt assumed to be equal to book value, Tax the effective tax rate and r_c the return on cash mentioned earlier. The above yields final WACC value for Moncler of 8.88 %.

Component	Weight	Expected Return
Debt (D)	5.6%	3.4%
Equity (E)	89.8%	9.64%
Cash Adjustment (C)	4.6%	1.79%
WACC		**8.88%**

Table 20: Weighted Average Cost of Capital (WACC) Calculation

6.1.2 FCFF

The calculation of FCFF was done following formula **??**, plugging in amounts calculated in Forecast chapter. Starting from EBIT that was computed from Sales, COGS and SG&A, deducting operational taxes we arrive at NOPAT. Afterwards, D&A was added back as a non-cash expense, while CapEx (net of D&A) and changes in operating capital requirements (NWC, deferred taxes, and other current assets & liabilities) were subtracted. After arriving at FCFF, a few adjustmnets had to be made, considering valuation date is 30th June 2025. Fistly, only half of $FCFF_{2025}$ had to be discounted since valuation date is at half year. Secondly, the year-one discount factor was based on 0.5 years rather than a full year, with subsequent years adjusted accordingly. For instance, year two was discounted over 1.5 years instead of two full years, and so on.

	2025E	2026E	2027E	2028E	2029E
EBIT	978,340	1,013,714	1,061,227	1,162,462	1,247,957
Operational Taxes	(289,717)	(300,192)	(314,263)	(344,241)	(369,559)
NOPAT	688,623	713,521	746,965	818,220	878,398
Depreciation	214,317	236,551	279,944	315,412	344,991
Amortization	33,645	34,361	31,065	27,815	24,601
Gross Cash Flows	936,585	984,434	1,057,974	1,161,448	1,247,989
Change in NWC	(57,811)	(12,854)	(25,701)	(29,031)	(9,567)
Tangible CAPEX	(462,526)	(454,012)	(454,322)	(466,814)	(477,438)
Intangible CAPEX	(41,507)	(42,148)	(43,683)	(46,546)	(49,437)
FCFO	374,741	475,420	534,269	619,056	711,547

Table 21: Free Cash Flow to Firm (FCFO) Forecast, 2025E–2029E

6.1.3 Terminal Value

A key step in DCF model is calculating TV as it accounts for substantial part of EV in valuation. Most common way is to assume a perpetual growth rate (PGR) and apply perpetuity formula 6 to calculate TV_n. In order to reduce bias coming from PGR assumption I decided to consider a second calculation method based on exit multiple. This approach relies on applying a valuation multiple, typically EV/EBITDA, observed in comparable companies or industry averages. By doing so, it incorporates market-based evidence into the estimation process and provides a useful cross-check for the perpetuity method. Comparing both approaches helps ensure that the final valuation is not overly sensitive to a single set of assumptions, thereby increasing robustness.

PGR Approach

In PGR approach a terminal growth rate g is assumed based on various quantitative and qualitative factors. In case of Moncler a g equal to 2.5% was selected and applied to $FCFF_{2029}$ to calculate $FCFF_{2030}$ that is used in formula 6. Once TV_{2029} was calculated same discounting was performed using WACC to obtain final TV at valuation date on 30th June 2025 equal to €7.8 billion. With adding TV to PV of FCFF of explicit forecast period, final EV was calculated. With this approach EV equal to €9.77 billion was forecast.

Terminal Growth Rate Determining the rate at which the business is expected to grow beyond the explicit forecast period is another crucial step in the DCF approach, which is used to determine the Terminal Value. The primary considerations when choosing a PGR are that it should be lower than the historical GDP growth rate, but higher than the long-term inflation rate (since luxury brands, like Moncler, often raise or lower their prices to keep up with inflation), and it should also take into account the unique potential of the business.

The historical weighted average global GDP growth rate (1980–2024), based on IMF data, is roughly 3.34%. A combination was taken into consideration for inflation: a premium for exposure to emerging markets in Asia and the Americas (geographies where Moncler makes most of the sales) with higher growth and higher inflation, as well as the 2% target inflation for developed economies. This leads to a blended inflation assumption of about 2.35% over the long term.

Qualitative aspects unique to the company were also taken into account. With the help of strict supply management, high-end products, and ongoing product development, Moncler

has proven to have a strong brand, premium positioning, and robust margins (38.9% EBITDA margin as of H1 2025 LTM). Plans for expansion include category extensions (e.g., footwear, accessories), increased market penetration in Asian markets, and the opening of carefully chosen new boutiques in high end fashion locations. Saturation in developed markets and the lack of significant transformational growth catalysts, however, limit the long-term growth rate given its maturity and already substantial global presence. Moreover, plenty of different competitors that Moncler faces and will have to face in the future as well as limited production capacity further limit the growth rate in the future.

In order to reflect the brand's mature stage and realistic growth prospects, a PGR of 2.5% was determined to be appropriate. This figure was comfortably below global GDP growth, but above the long-term inflation assumption and consistent with Moncler's ability to command pricing power.

Exit Multiple Approach

In this approach I decided to calculate TV using EV/EBITDA NTM multiple. The average EV/EBITDA NTM multiple of peers was used from relative valuation analysis, excluding Brunello Cucinelli as an outlier. To account for Moncler's above average historical valuation, an average between Moncler's EV/EBITDA NTM and peers' multiple was computed arriving at a final EV/EBITDA exit multiple of 9.1x. Applying this multiple to forecast 2030 EBITDA of Moncler yields TV_{2030} of €15 billion, corresponding to EV of €9.4 billion. Final EV after summing with PV of FCFFs of explicit forecast period is with this approach higher and equal to €11.38 billion.

6.1.4 Equity Bridge

Once we have equity value calculated, a series of adjustments should be performed in order to arrive at more accurate share price. First of all, the net debt as of H1 2025 has been subtracted, calculated as gross debt minus excess cash. In particular, it is necessary to add all non-operational assets and subtract non-operational liabilities not captured in the DCF, but from which shareholders ultimately benefit. This includes investments in associates and employee severance as well as other non-operational assets/liabilities. Lastly, minorities have been deducted, as they are not attributable to shareholders. This resulted in equity value of €9.66 billion and share price of €35.69 in case of PGR approach considering 270 million shares outstanding. On the other hand, when exit multiple was applied for TV, equity value of €11.26 billion and share price of €41.63 were estimated.

€ 000	2025E	2026E	2027E	2028E	2029E	2030E
FCFF	187,370	475,420	534,269	619,056	711,547	729,336
Discount Factor	0.958	0.880	0.808	0.742	0.682	0.626
PV of FCFF	179,508	418,342	431,801	459,541	485,141	
TV (Perpetual)					11,439,842	
TV (Multiple)						15,021,710
Total PV of FCFF	1,974,333					
PV of TV (Perpetual)	7,799,814					
PV of TV (Multiple)	9,407,058					
EV (Perpetual)	9,774,147					
EV (Multiple)	11,381,391					
(Net Debt)	(174,003)					
Surplus Assets	57,678					
(Minorities)	(88)					
Equity (Perpetual)	9,657,734					
Equity (Multiple)	11,264,978					
Number of Shares (000)	270,606					
per Share (Perpetual)	€ 35.69					
per Share (Multiple)	€ 41.63					

Table 22: DCF Valuation Summary

6.1.5 Sensitivity Analysis

DCF models depend highly on personal assumptions, meaning many errors and deviations from real intrinsic value can be made. In order to control for sensitivity of the model in changes of main parameters such as PGR, WACC and exit multiple, different scenarios were modeled. PGR was ranging from 1.5% to 3.5% and WACC from 7.9% to 9.9%, both with steps of 0.5 pp. In this case share price was ranging between €31.16 and €41.83 per share.

		Perpetual Growth Rate				
		1.5%	**2.0%**	**2.5%**	**3.0%**	**3.5%**
WACC	**7.9%**	37.08	39.63	42.66	46.31	50.79
	8.4%	34.22	**36.36**	**38.86**	**41.83**	45.40
	8.9%	31.76	**33.57**	**35.66**	**38.11**	41.01
	9.4%	29.61	**31.16**	**32.93**	**34.98**	37.38
	9.9%	27.72	29.05	30.57	32.31	34.31

Table 23: Sensitivity Analysis of Share Price to Changing WACC and PGR

In second approach, when exit multiple is used to determine TV, EV/EBITDA NTM multiple was ranging between 7.7x to 11.7x with WACC being in same range as before. This approach

yielded share price for most probable scenarios in a range between €38.98 and €48.64 per share.

		EV/EBITDA				
		7.7x	**8.7x**	**9.7x**	**10.7x**	**11.7x**
WACC	**8.0%**	37.82	41.81	45.81	49.81	53.80
	8.5%	36.95	**40.84**	**44.74**	**48.64**	52.53
	9.0%	36.10	**39.90**	**43.70**	**47.50**	51.30
	9.5%	35.28	**38.98**	**42.69**	**46.39**	50.10
	10.0%	34.48	38.09	41.71	45.32	48.93

Table 24: Sensitivity Analysis of Share Price to Changing WACC and EV/EBITDA Multiple

6.1.6 Monte Carlo

To better understand how share price is distributed and sensitive to different changes of parameters, a Monte Carlo simulation with 10,000 iterations was built. First, PV of FCFF in explicit forecast period was simulated as normal distribution with mean equal to base scenario od €1.97 billion and standard deviation of 15% around the mean. Secondly, PGR was simulated using uniform distribution with minimum of 1% and maximum of 4%. Since Moncler never had large debt balances, nor do they mention a strategy shift in their annual reports, constant D/E ratio assumption was used. Lastly, beta was simulated with uniform distribution ranging between 0.8 and 1.2, which is estimated to capture most likely scenarios. Implicitly, WACC was randomized through changing beta. For simplicity, I decided to keep constant net debt position, minorities and surplus assets at values from 30th June 2025.

As seen in Figure 8, the Monte Carlo simulation yields a price per share in a range between a minimum of €23.82 and maximum of €57.20 per share. The resulting simulated share price distribution exhibited positive skewness of 0.757, indicating that while most scenarios cluster below the mean, a smaller number of higher-price outcomes create a long right tail. There could be multiple reasons for that, one of them being the fact that downside outcomes are capped at zero, limiting losses, while upside scenarios remain unbounded. As a result, favorable parameter combinations produce extreme high valuations, whereas negative shocks cannot generate equally severe declines. Median price achieved was €34.93 per share with a slightly higher mean of €35.85 per share.

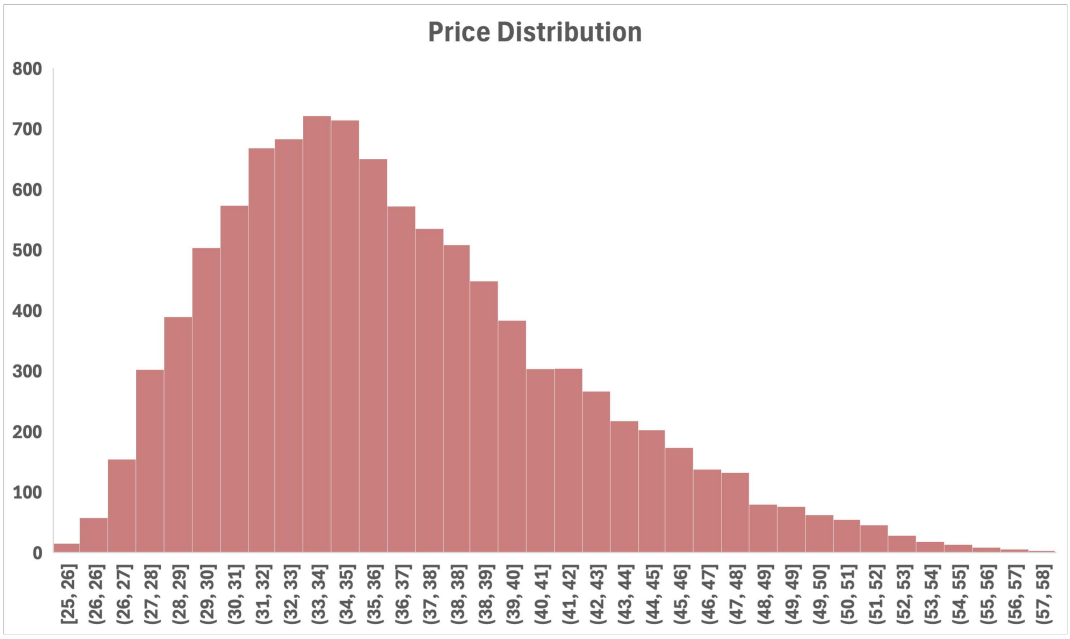

Figure 8: Moncler's Monte Carlo Simulation Output.

6.2 Relative Valuation

To challenge the DCF approach, an alternative valuation method was implemented, using market multiples from selected peers. Comparable companies were carefully selected based on various quantitative and qualitative factors in order to produce accurate results. Detailed explanation of peer group used can be found in Appendix D. EV/Sales, EV/EBITDA, and P/EPS ratios were selected. EV/Sales is useful for comparing companies regardless of profitability. EV/EBITDA is widely adopted as it neutralizes the effects of capital structure and depreciation policies, providing a cleaner measure of operational performance. The P/EPS ratio captures the relationship between a company's market value and its earnings, reflecting investor sentiment towards its growth prospects and risk profile. Both actual and forward multiples were used. Forward multiples refer to the next twelve months, while actual multiples are based on the most recent available data, corresponding to H1 2025. Given the volatility on markets in 2025 EV/EBITDA and EV/Sales multiples were considered more reliable, as they are based more on the fundamental data and are affected less by price fluctuations. Furthermore, the choice to also include the forward multiple is justified by the fact that, considering June 30, 2025 as the valuation date, the market is more oriented towards future expectations rather than focused on past results.

6.2.1 Multiples Analysis

After obtaining data from Refinitiv, the clear trend shows that actual multiples are on average higher than forward ones. That suggests that market is expecting growth in next twelve months in EBITDA, sales and earnings. Another trend spotted is the fact that Moncler on average trades at a premium compared to most of its peers. The only ratio where peers on average have higher values is P/E, both actual and forward. This indicates that net income is strong relative to market capitalization, reflecting high margins and efficient cost structure of Moncler.

Alongside average, also median and adjusted average (excluding outliers) were calculated in order to control for extreme discrepancies. In actual multiples, Brunello Cucinelli was considered an outlier in all three ratios alongside Burberry in case of P/EPS. In addition, Ferragamo's P/EPS was excluded due to negative earnings. Given Moncler's strong EBITDA margin (38.3%) and low leverage compared to peers, EV/EBITDA is the most appropriate multiple for valuation. It captures operational efficiency while remaining neutral to capital structure, making it ideal for comparing companies with differing debt levels. EV/Sales would overstate value due to its already exceptional margins, while P/E is less suitable. Although Moncler is a mature company, P/E is influenced by tax rates, capital structure, and non-cash items, making it less reliable for cross-company comparisons in the global luxury sector. Because of all the above-mentioned, forward EV/EBITDA multiple is considered the most reasonable choice for relative valuation of Moncler. With adjusted average of 7.9x and median of 8.3x both values are slightly lower than Moncler forward EV/EBITDA.

Company	**EV/Sales** Actual	**EV/EBITDA** Actual	**P/EPS** Actual	**EV/Sales** Forward	**EV/EBITDA** Forward	**P/EPS** Forward
Kering	2.7x	10.5x	36.1x	2.8x	11.2x	31.6x
Prada	2.7x	7.3x	12.9x	2.2x	5.9x	12.2x
Burberry	2.4x	11.8x	75.1x	2.3x	9.6x	45.8x
Cucinelli	5.8x	20.2x	48.3x	5.0x	17.4x	45.1x
Zegna	1.4x	6.7x	19.5x	1.3x	5.8x	17.0x
Ferragamo	1.4x	6.9x	–	1.4x	6.9x	–
Average	2.7x	10.6x	38.4x	2.5x	9.5x	30.4x
Median	2.6x	8.9x	36.1x	2.2x	8.3x	31.6x
Adj. Average	2.1x	8.7x	22.8x	2.0x	7.9x	20.3x
Moncler	4.1x	11.6x	21.1x	3.9x	10.3x	20.3x

Table 25: Trading multiples for selected peers and Moncler (Actual and Forward).

6.2.2 Translating Valuation Multiples into Share Price

In order to translate calculated multiples to implied share prices different metrics had to be used. For actual multiples, H1 2025 LTM figures were considered. For forward multiples, forecast NTM figures for Moncler had to be used. In order to calculate EBITDA and sales of H1 2026 I calculated weighted average from forecast values based on sales coming from each quarter in FY2024. Since net income was not forecast I used Refinitiv consensus figures for EPS of H1 2026.

After obtaining EV, same set of adjustments had to be performed to arrive at equity value. Below we can see values per share resulting from different multiples used. We can see that the EV/Sales multiple yields much lower values per share compared to the EV/EBITDA and P/EPS as a result of high margins and the healthy capital structure posed by Moncler. Fair price resulting from EV/EBITDA ratio ranges between €38.21 and €43.76 which is more or less in line with DCF forecast.

Method	**EV / Sales**	**EV / EBITDA**	**P/EPS**
Denominator (LTM H1 2025)	€3,104m	€1,207m	€2.26
Multiple (Average)	2.7x	10.6x	38.4x
Multiple (Median)	2.6x	8.9x	36.1x
Multiple (Adj. Average)	2.1x	8.7x	22.8x
Share Price (Average)	€30.82	€46.74	€51.52
Share Price (Median)	€28.80	€39.36	€81.49
Share Price (Adj. Average)	€23.79	€38.13	€86.55

Table 26: Actual Valuation Multiples and Implied Equity Value per Share

Method	**EV/Sales**	**EV/EBITDA**	**P/EPS**
Denominator (July 2026)	€3,102m	€1,249m	€2.37
Multiple (Average)	2.5x	9.5x	30.4x
Multiple (Median)	2.2x	8.3x	31.6x
Multiple (Adj. Average)	2.0x	7.9x	20.3x
Share Price (Average)	€28.47	€43.76	€48.06
Share Price (Median)	€25.54	€38.21	€74.83
Share Price (Adj. Average)	€21.70	€36.39	€63.59

Table 27: Forward Valuation Multiples and Implied Equity Value per Share

6.3 Valuation Results

In Figure 9 we can see different ranges of fair values per share, coming from various methods used in the valuation process. For easier comparison, I also plotted the current share price, represented by a vertical dashed line. We can see that EV/Sales multiple is a major outlier that I have decided to exclude from final price computation. The main reason behind that is the fact that Moncler on average has much higher margins compared to its peers, which means that higher proportion of sales is translated to final value creation.

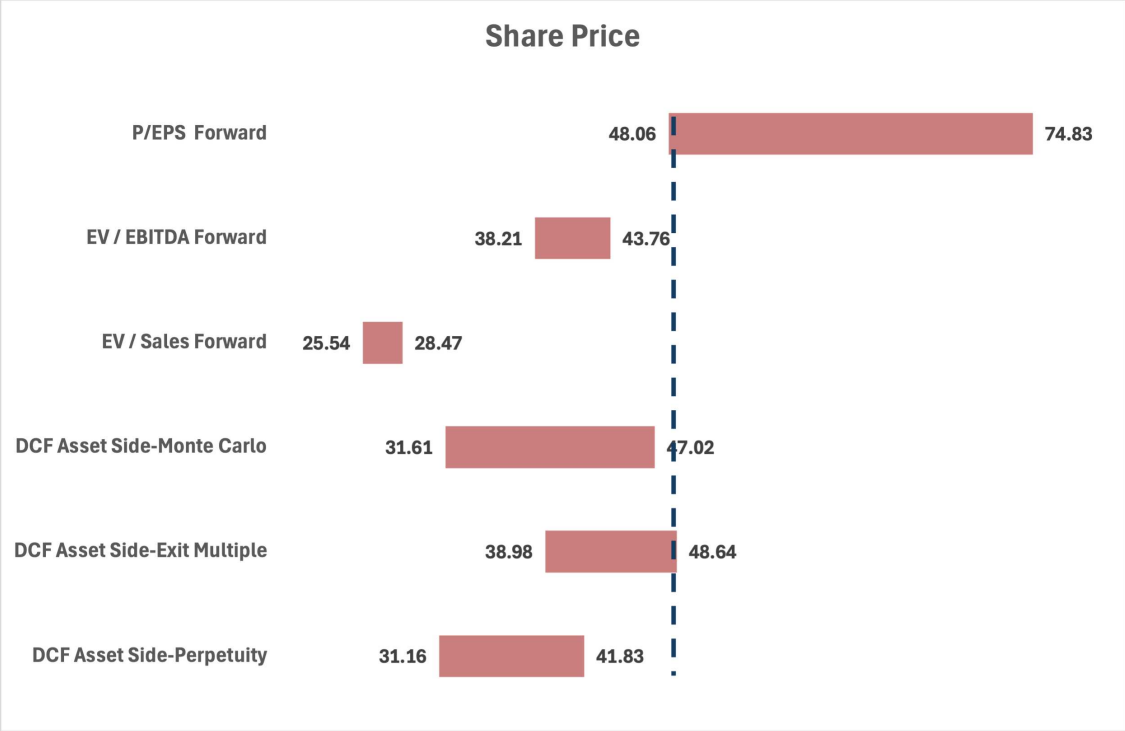

Figure 9: Football Field Chart.

To determine a final fair value per share, a weighted average of selected approaches was used. Weights were determined for each method based on their relative robustness, taking into account both theoretical foundations and company specific characteristics and business model. For that reason, a lower weight was assigned to market-based multiples, especially the EV/Sales multiple, given its weak comparability. As seen in table 28, highest weight was assigned to intrinsic valuation methods due to robustness and lowest to P/EPS multiple. The reason behind that choice, is that earnings can be distorted by accounting choices and capital structure, which makes P/EPS less robust compared to FCFF–based valuations or EV/EBITDA multiple. That results in a final fair value per share equal to €39.99, suggesting 17.35% downside compared to share price of €48.39 as of valuation date, supporting a slight **Sell** recommendation. Detailed comparison with AlphaValue's professional report can be

found in Appendix E.

Valuation Method	**Weight**	**Median Price (€)**
DCF Asset Side – Perpetuity	30 %	35.66
DCF Asset Side – Exit Multiple	25 %	43.70
DCF Asset Side – Monte Carlo	20 %	34.93
EV / EBITDA Forward	20 %	38.21
P/EPS Forward	5 %	74.83
Final Fair Value per Share		**39.99**

Table 28: Weighted Fair Value Estimation for Moncler

7 Conclusion

Through the forecasts and valuations made in this thesis, it was possible to reconstruct Moncler's outlook, focusing on its ongoing transition to a DTC-oriented distribution model. This translated to major shift in sales split of Stone Island brand that is following in Moncler's footsteps. With that approach, Moncler can better control its profitability, increasing margins and brand control while reducing reliance on wholesale, with future growth expected to come primarily from Asia and the Americas. Current macroeconomic headwinds such as inflation, tariffs and weaker Chinese demand remain relevant, but Moncler's strong pricing power and brand equity support resilience. The final fair value of €39.99 per share, suggests a slight downside compared to share price at the valuation date pointing to slight **Sell** recommendation.

Appendix

A Company Overview

A.1 Corporate Background and History

At first, the company was producing sleeping bags and tents. Later, the focus shifted to the production of quilted jackets for outdoor workers and mountaineers. Moncler became popular after equipping key expeditions such as the 1954 Italian expedition to K2 and after becoming the official supplier to the French national ski team during the 1968 Grenoble Winter Olympics.

In 2003 the company was acquired by Italian entrepreneur Remo Ruffini, who still serves as Chairman and CEO. Ruffini had the idea of entering the world of luxury. He achieved this through a repositioning strategy that aimed to elevate Moncler into the luxury segment, combining high-performance technical wear with exclusive, fashion-forward design. In December 2020, Moncler announced the acquisition of Stone Island, an Italian brand founded in 1982 and known for its material innovation and utilitarian design language. This marked a pivotal expansion, creating a two-brand structure under the Moncler Group umbrella.

A.2 Brands Overview

A.2.1 Moncler Brand Overview

Moncler puts a lot of importance to the quality of their products. In order to achieve that, they monitor closely the entire value chain from the sourcing of raw materials to the final stages of production. Although the company outsources part of its manufacturing to specialized third-party suppliers, it maintains strict control of quality standards through its network of dedicated subsidiaries. One of the most essential raw materials is down, sourced exclusively from certified and traceable suppliers to ensure ethical and consistent quality.

Distribution follows a vertically integrated model, combining direct-to-consumer (DTC) channels, through 286 mono-brand boutiques and e-commerce, with a selective wholesale network. On A.1 below we can see that in 2024 86% of Moncler's revenues came from DTC channel. The trend is reflecting the strategy of controlling sales through own mono-brand boutiques. Geographically, the largest retail presence is in Asia with 143 stores, followed by Europe, the Middle East, and Africa (EMEA) with 96 stores, and the Americas with 47 stores.

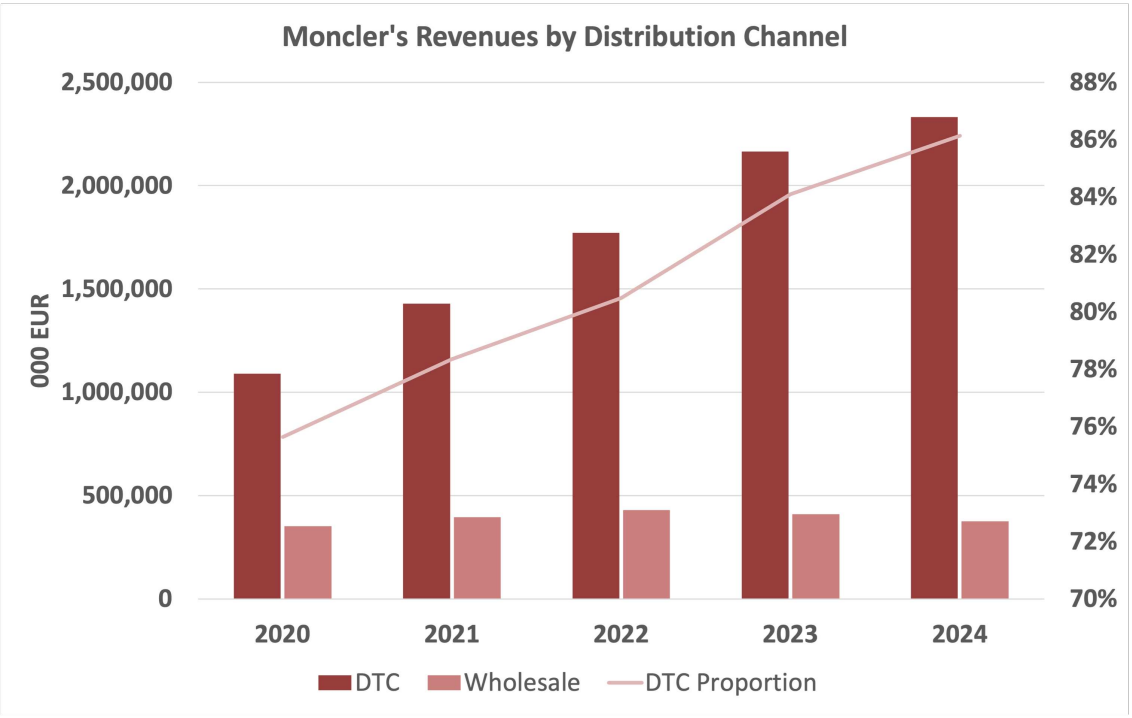

Figure A.1: Moncler Brand Revenue by Distribution Chanenel.

A.2.2 Stone Island Brand Overview

On the other hand, Stone Island is known for its deep commitment to textile research and functional innovation. It offers menswear collections including sub-lines like Ghost, Marina, and Stellina, targeting varied demographics with differentiated aesthetics. It targets a completely different customers and demographics compared to Moncler and for that reason Ruffini decided not to consolidate two brands. Relentless material experimentation is in their DNA and since all product development is handled internally they can ensure strict control over modelling, prototyping and clothing dyeing.

Stone Island maintains strict oversight to uphold its high standards even though production is outsourced to reliable third parties, mostly in Italy, the Mediterranean, and the Far East. The brand's distribution strategy has become more vertically integrated and selective. DTC channels, which include 90 directly operated mono-brand stores and e-commerce, accounted for 52% of revenues as of 2024. Wholesale continues to play a significant role accounting for 48% of total sales. Unlike Moncler, Stone Island has the strongest brand in the EMEA region with sales accounting for roughly 67% of total revenue, followed by Asia (26%), and the Americas (26%).

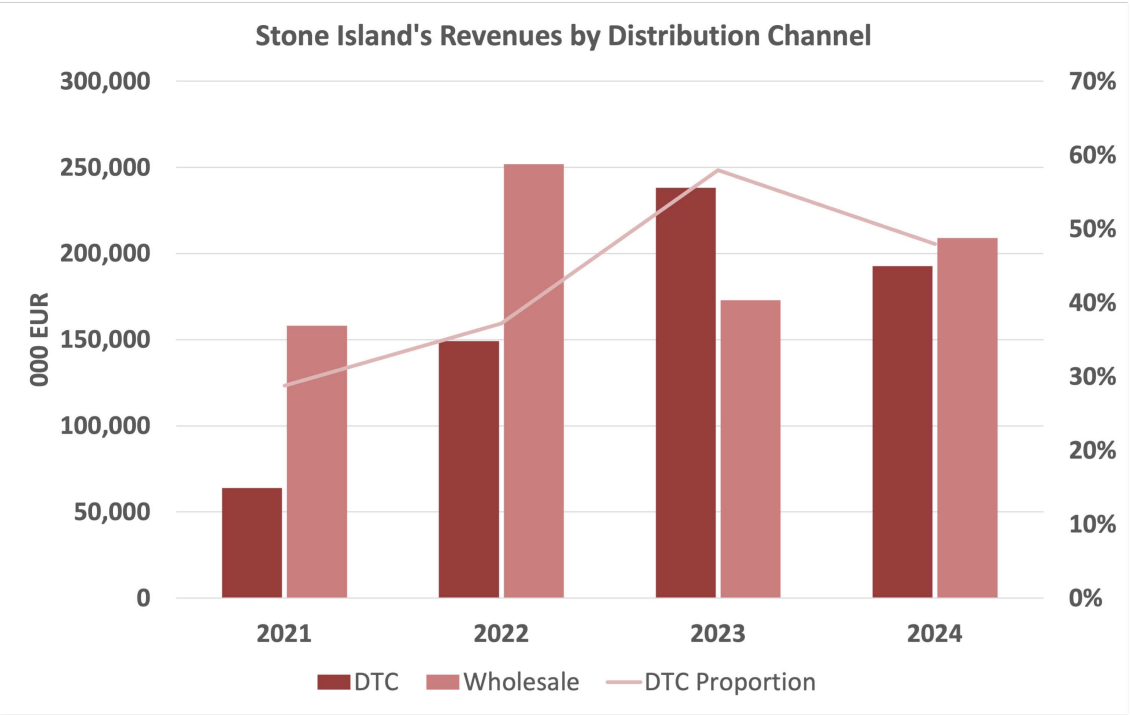

Figure A.2: Stone Island Revenue by Distribution Chanenel.

B Recent Financial Performance

B.1 Sales Analysis

Moncler Group's revenues demonstrated steady growth between 2021 and 2024, supported by strong brand momentum and ongoing market expansion. Over the period, sales increased from €2.05 billion to €3.1 billion, reflecting an 11% CAGR. This growth was driven primarily by aggressive price increases across the luxury sector, resilient demand in core markets (China, Japan, Europe, and the U.S.), and continued expansion of the DTC segment through multiple new store openings each year. The Moncler brand remained the Group's main revenue contributor, accounting for 89% of total sales in 2021, mainly driven by strong post-COVID luxury demand as HNWIs, relatively unaffected by the crisis, increased spending following store reopenings. Its share declined to 85% in 2022 but has since grown by approximately 1 percentage point annually, reaching 87% in 2024. This trend likely reflects the transition of Stone Island's distribution strategy, shifting from wholesale to DTC, with the number of stores in this channel tripling from 30 to 90 over the period.

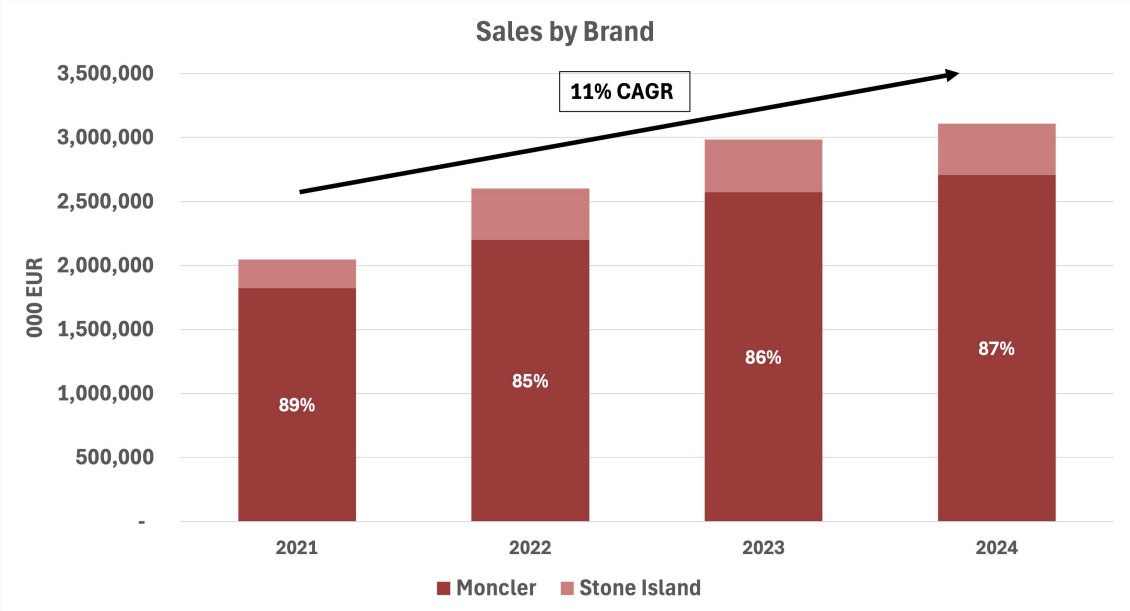

Figure A.3: Sales by Brand.

B.2 COGS Analysis

Over the years, there's a clear trend for what concerns COGS, Gross Profit and COGS' incidence on revenues. We can see that the percentage of COGS in revenues has been decreasing in the past years from 22% in 2022 to 20% in 2024, with 2021 being an outlier, mainly due to the acquisition of Stone Island and its big impact on D&A (since we are analyzing COGS excluding D&A) as well as post COVID-19 boom, where revenues soared compared to COGS.

The decreasing trend of COGS incidence on revenues is a result of continuous shift in the distribution strategy towards DTC-oriented one, which makes the total portion of sales much more retail based and, for that reason Moncler can achieve higher margins. Gross profit is also increasing and is expected to continue in that direction as also COGS are expected to increase on a slower pace than sales.

Importantly, this development underlines the brand's operational leverage: as revenues scale, fixed costs remain largely stable, allowing incremental sales to translate into disproportionately higher profitability. All trends can be easily observed on a Figure A.4.

Moreover, the improvement in gross margin demonstrates the company's ability to pass higher input costs onto consumers without damaging demand. This is a clear indicator of pricing power, which is especially critical in the luxury sector. Looking ahead, the continuation of

this trend will be fundamental to maintaining robust profitability and creating long-term shareholder value.

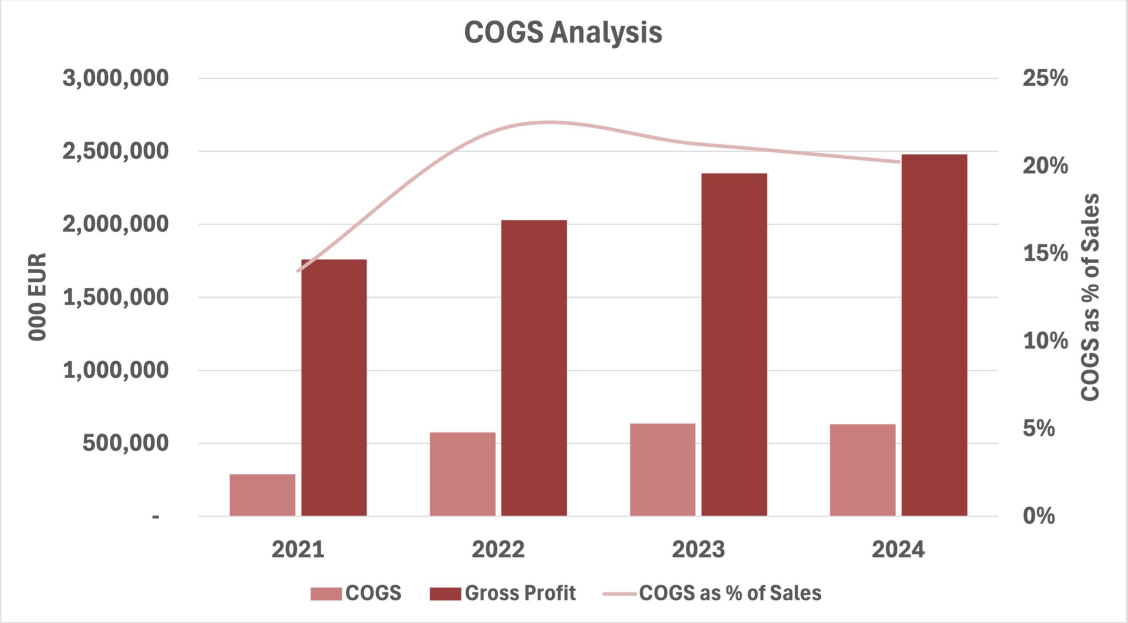

Figure A.4: Cost of Sales and Gross Profit.

B.3 Profitability Analysis

Group's profitability remained robust throughout 2021–2024, reflecting the company's ability to preserve pricing power and operational efficiency in a market as competitive as luxury fashion is. EBITDA grew steadily from €964 million in 2021 to €1.23 billion in 2024 boosted by strong demand in Asia as already mantioned, mainly China and Japan. EBIT followed a similar trajectory, rising from €579 million to €923 million, with a huge jump in 2022, when EBIT grew for 54% compared to 2021. The reason behind it is again the D&A that inflated EBITDA after Stone Island acquisition. EBIT margins were very stable in the recent years ranging between 28.3% and 30% and slowly improving. Lastly, Net income almost doubled in 2022 as a result of higher EBIT, lower interest expenses and lower income taxes in that year. These trends were supported by sustained resilience to gross margin, the shift to a higher share of DTC sales, and disciplined cost management, which more than offset inflationary pressures on operating expenses.

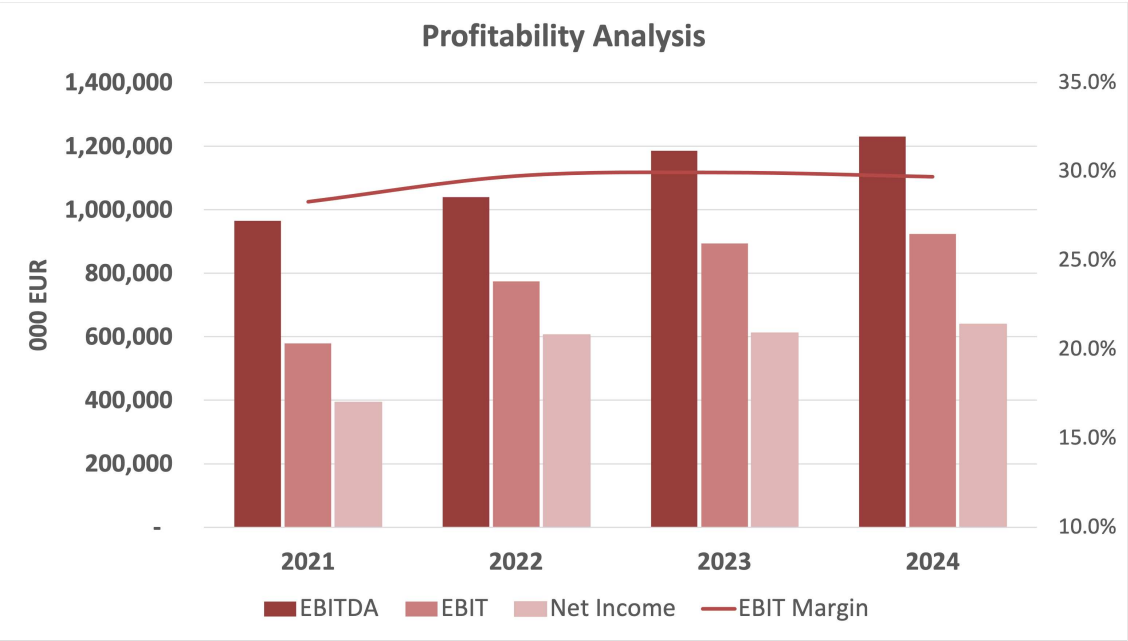

Figure A.5: EBITDA, EBIT, Net Income and EBIT Margin analysis.

B.4 CapEx and D&A Analysis

In 2021, Moncler's D&A jumped sharply, largely due to the acquisition of Stone Island. The deal brought significant intangible assets onto the balance sheet, including trademarks, brand value, and other intellectual property, which started being amortized immediately after the acquisition. After that D&A stayed quite constant, slightly increasing every year.

On the Capex side, going into 2022 it spiked to 17% of sales, driven by a major shift in Stone Island's distribution model. Group opened 42 new monobrand DTC stores for the brand, while closing 39 wholesale stores. These new DTC stores required substantial investment in leasehold improvements, store fittings, furnishings, and IT systems — all of which are capitalized as fixed assets. On the other hand, wholesale closures have minimal balance sheet impact, since Moncler typically doesn't own or lease those spaces and invests only modestly in fixtures and marketing. In 2023, Capex dropped to 10.5% of sales, reflecting a smaller net increase in tangible assets. The year was more about consolidating the expansion of 2022 than aggressively opening new stores. By 2024, Capex rose again to 15.6% of sales as Moncler resumed heavier investment in upgrading its store network, opening major flagship stores, and further enhancing IT systems. Besides that in 2024 heavier investments in new corporate headquarters continued and is expected to peak in 2025 and slightly slow down after. As of H1 2025 report, management expects Capex to be slightly higher at year end compared to a prior year due to finalization of the project.

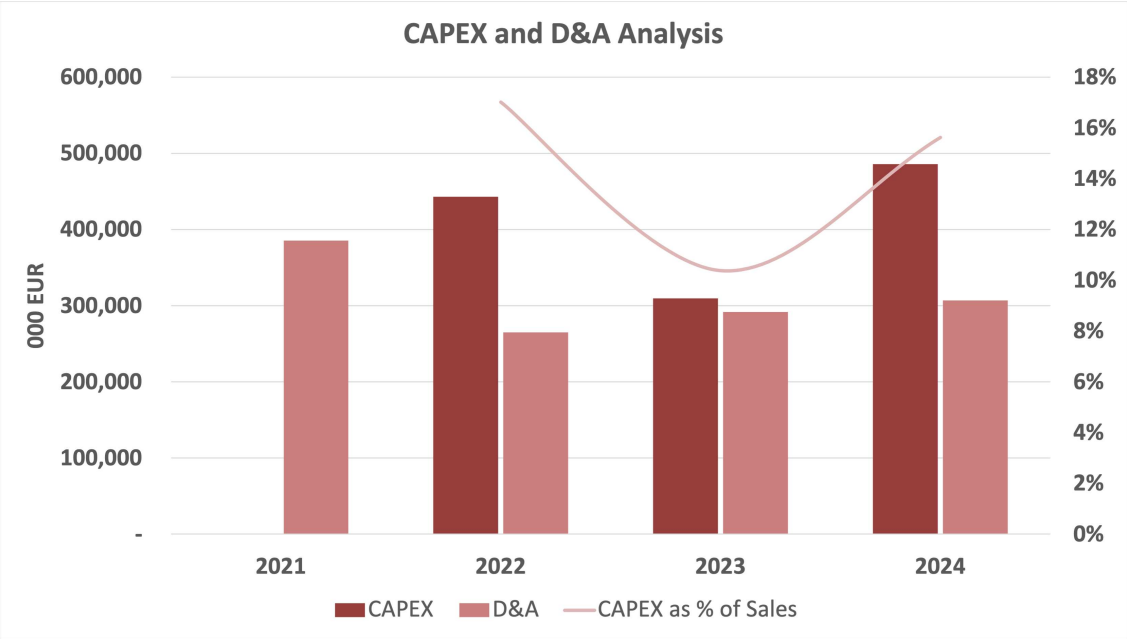

Figure A.6: CAPEX and D&A analysis.

B.5 Core Operating Working Capital

Moncler's core operating WC has traditionally been negative but has recently shifted toward positive territory. As a retailer, Moncler keeps inventories low and tightly managed to avoid excess stock, especially outdated articles destined for outlets. This efficient inventory management helps reduce working capital tied up in stock. At the same time, Moncler's payables are relatively high because the company strategically delays payments to suppliers, effectively using supplier credit as part of its cash conversion cycle. This approach is common in luxury retail, where the brand maintains strong control over its supply chain. Meanwhile, Moncler collects cash quickly from its customers in the DTC stores, resulting in low receivables. The combination of low receivables and very high payables naturally leads to negative core operational NWC. Since Group is continuing expansion in DTC channel we can see on A.7 that receivables are increasing very slowly even though business has been in a rise in the past years.

For valuation purpose I will include deferred taxes and other current assets and liabilities as part of NWC in order to ensure that the valuation reflects all relevant short-term cash commitments and investments, leading to more accurate cash flow projections and enterprise value estimates and this is the NWC variable displayed in graph.

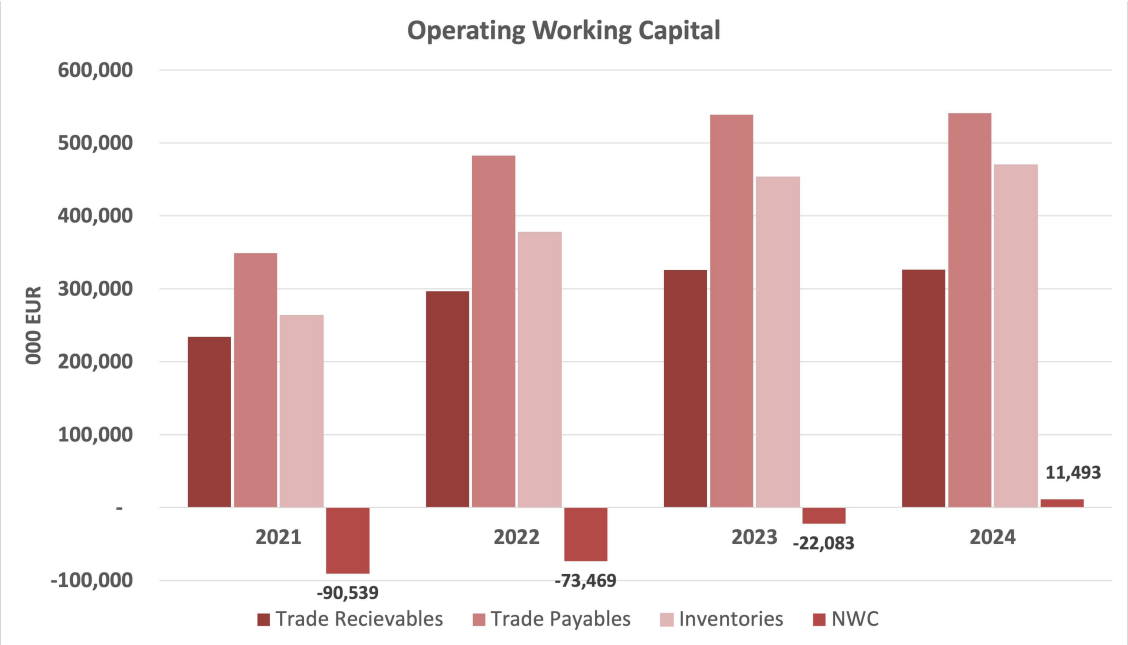

Figure A.7: Operationg Working Capital analysis.

B.6 Share Price Performance

Since the IPO, the stock has increased about five times, reaching €50–€60 per share in recent years. This translates to a CAGR of about 20%. The dynamics of the luxury market and general macroeconomic trends were mirrored in Moncler's performance from 2020 to 2024. After the initial COVID-19 shock, the company recovered well in 2020, going from about €33 to €50 per share as consumer demand increased. The stock peaked above €70 in 2021 as a result of this momentum. However, in 2022, rising inflation and interest rates, along with concerns about global demand, led to a sharp correction of over 20%, mirroring declines in the luxury sector and the Stoxx Europe 600 Index. Moncler made a partial recovery in 2023, but it has since consolidated, indicating that investors are being cautious. In 2024, the share price remained range-bound, reflecting investor uncertainty about the sustainability of luxury demand in a high-rate environment. Trading volumes also declined, suggesting reduced conviction among institutional investors. Despite short-term volatility, Moncler has consistently outperformed several mid-cap luxury peers over the long run. The overall trajectory highlights strong brand resilience, but also the sector's vulnerability to macroeconomic headwinds and shifting consumer sentiment.

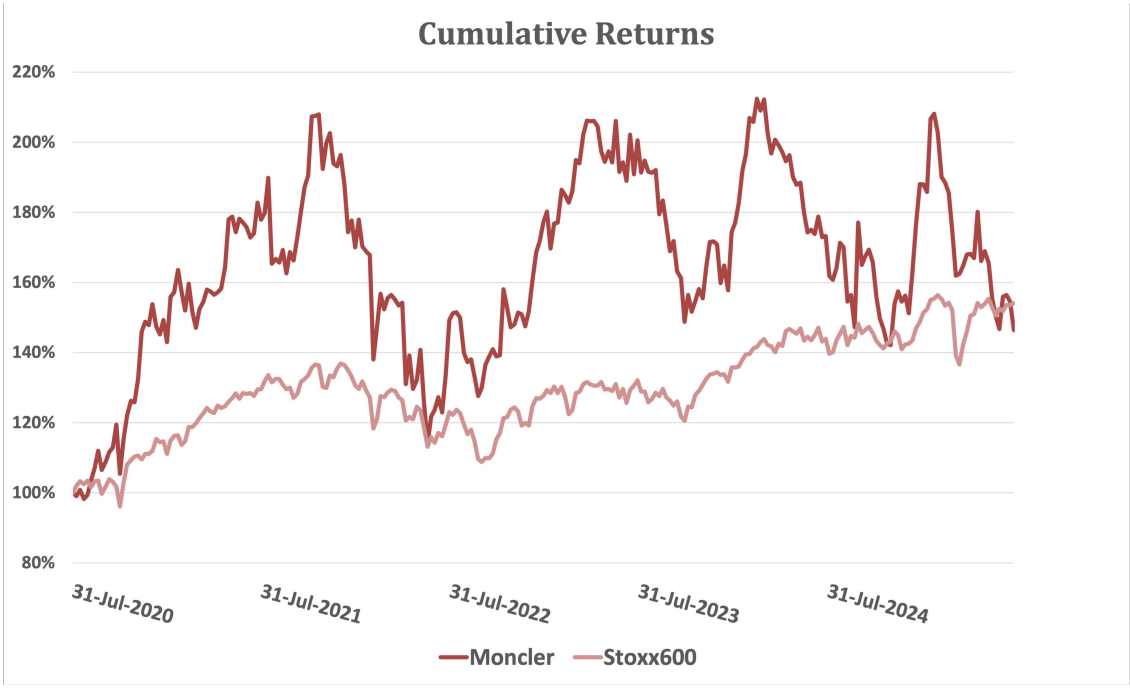

Figure A.8: Moncler vs Stoxx Europe 600 Index Performance.

C Peer Group

It is essential to make an appropriate selection of a peer group for both WACC and relative valuation. The peer group was selected in way to reflect companies with business models that are most comparable to Moncler's with similar geographical exposure and other quantitative similarities. The final peer group consists from Kering, Prada, Burberry, Brunello Cucinelli, Ermenegildo Zegna and Salvatore Ferragamo. All peers share a product mix and brand positioning that align closely with Moncler's operating model.

All above mentioned peers are primarily focused on luxury fashion, generating revenues from ready-to-wear clothing, leather goods and accessories. Their strategies rely on brand heritage, craftsmanship, and global retail expansion, while maintaining a scale of operations that is more or less in line with Moncler's. For example, Prada, Ferragamo, and Burberry combine greater worldwide recognition with a product offering focused on clothing and leather goods, while Brunello Cucinelli and Zegna, just like Moncler, emphasize exclusivity within niche luxury categories. Lastly, Kering maintains a robust portfolio focused on clothing (such as Gucci, Balenciaga, and Saint Laurent), making it a legitimate peer for Moncler, regardless of the market size. Another important factor is EBITDA Growth in order to achieve robust results. In my case consensus EBITDA Growth of next year compared to this year was chosen, as we know that multiples incorporate expectations of the market that is always forward

looking.

Company	Country	Market Cap (m)	EBITDA Margin	D/E	EBITDA Growth
Kering	France	€ 22,779	24.6%	37.0%	8.4%
Prada	Italy	€ 13,469	37.6%	(1.7%)	9.0%
Burberry	UK	€ 3,457	18.6%	23.4%	19.2%
Cucinelli	Italy	€ 7,018	28.5%	8.7%	9.2%
Zegna	Italy	€ 2,015	21.0%	33.7%	9.4%
Ferragamo	Italy	€ 1,143	18.6%	47.6%	23.0%
Moncler	Italy	€16,215	38.3%	(0.01%)	5.9%

Table A.1: Key Financial Figures for Selected Peer Group for Moncler

On the other hand, Hermes, LVMH, and Richemont were excluded due to structural differences in business models and size. Hermes and LVMH are mainly not comparable due to big difference in market sizes. With €246 billion and €244 billion of market capitalization respectively, they are an outlier compared to Moncler and other peers. Moreover, Hermes' operating margins are way higher than other peers' sitting at more than 40%, making multiples less reliable. LVMH functions as a highly diversified luxury conglomerate, deriving substantial revenues from non-apparel segments such as wines and spirits, cosmetics, and selective retailing, while Richemont is predominantly focused on watches and jewelry. These business models are materially different from Moncler's apparel-driven positioning and would distort valuation multiples.

The selected peer group therefore emphasizes companies with comparable product focus, brand positioning, and scale, ensuring a robust benchmark that captures the competitive environment in which Moncler operates, while avoiding distortions from structurally different or excessively large luxury players.

D Comparison with Professional Report

A comparison with professional valuation report from AlphaValue, an independent financial researcher that specializes in fundamental analysis of European stocks, was conducted. The report was published on the 13th of June, which is before the H1 2025 results. That is one of the main reasons for differences in growth projections in the forecast period and implicitly a reason for different fair value per share which is estimated to be €57.1 as of valuation date. Since Moncler reported worse than expected sales in EMEA and Asia regions, projections

made by AlphaValue overestimate the most recent outlook. With estimated growth of 5.31% in FY2025 and 6.17% in FY2026, it is an obvious difference compared to my estimates of (0.8%) and 1.5% respectively. When it comes to EBITDA margins, there is a slight difference but trend is increasing in both cases as a result of DTC transition. In table below the main differences causing different DCF output are presented.

Metric	**2025E**	**2026E**	**2027E**	**2028E**
Sales (€m)	3,274 / 3,084	3,476 / 3,131	3,723 / 3,245	4,002 / 3,458
EBITDA (€m)	1,333 / 1,226	1,421 / 1,285	1,528 / 1,372	1,643 / 1,506
EBITDA Margin (%)	40.7 / 39.8	40.9 / 41.0	41.1 / 42.3	41.1 / 43.5

Table A.2: Moncler Forecasts 2025E–2028E own analysis vs AlphaValue

Note: Figures represent AlphaValue / Own Analysis.

Furthermore, it is important to note the difference in the WACC applied and the calculation approach adopted. In their analysis, a WACC of 9.99% was assumed to be equal to the unlevered cost of equity, given Moncler's net cash position. However, this approach ignores Moncler's net cash position, thereby overlooking its role in reducing the overall risk borne by investors. In addition to WACC, also terminal growth rate equal to 2% in their case, slightly differ from 2.5% assumed by me. Unfortunately, I cannot make a comprehensive analysis of those figures since they do not provide a detailed explanation of their choice.

Also in case of relative valuation there are some notable differences adopted by both equity researches. In case of AlphaValue the multiples used were computed over a forecast period of 18 months. Moreover, a different peer group was selected resulting in different multiple levels. AlphaValue included Canada Goose in their peer group, since they mainly produce down jackets, even though they are not a luxury player which might distort real valuation multiples. Another important deviation is the fact, that Brunello Cucinelli, whose multiples are a clear outlier (more than 3x higher than others), were not excluded from calculation. For that reason, an average EV/EBITDA equal to 7.31x was used, yielding a €57.9 price per share. In my case median is used, in order to avoid skewed results led by an outlier such as Brunello Cucinell, resulting in a price per share of €36.63. It is important to mention, that also higher forecast EBITDA in case of AlphaValue inflates their valuation.

E Restated Financial Statements

Metric (€ 000)	FY2021	FY2022	FY2023	FY2024	LTM H1 2024	LTM H1 2025
Sales	2,046,103	2,602,890	2,984,217	3,108,924	3,077,790	3,104,426
Growth (%)		27.2%	14.7%	4.2%		0.87%
COGS (excl. D&A)	(286,498)	(574,630)	(634,187)	(629,023)	(633,165)	(587,259)
Gross Profit	1,759,605	2,028,260	2,350,030	2,479,901	2,444,625	2,517,167
SG&A Expenses	(794,986)	(988,796)	(1,164,491)	(1,249,233)	(1,209,724)	(1,310,100)
EBITDA	964,619	1,039,464	1,185,539	1,230,668	1,234,901	1,207,067
EBITDA Margin (%)	47.1%	39.9%	39.7%	39.6%	40.1%	38.9%
Depreciation	(347,156)	(242,754)	(265,314)	(275,306)	(271,657)	(283,487)
Amortization	(38,243)	(22,163)	(26,386)	(31,538)	(28,543)	(33,660)
EBIT	579,220	774,547	893,839	923,824	934,701	889,920
EBIT Margin (%)	28.3%	29.8%	30.0%	29.7%	30.4%	28.7%
Interest Income	1,729	(943)	9,131	27,262	19,194	28,470
Interest Expense	(23,337)	(26,273)	(32,335)	(33,777)	(32,626)	(39,895)
Other Income/(Expense)	–	–	–	(7,500)	–	(7,500)
EBT	557,612	747,331	870,635	909,809	921,269	870,995
Income Taxes	(164,059)	(140,625)	(258,733)	(270,213)	(273,971)	(258,684)
Net Income	393,553	606,706	611,902	639,596	647,298	612,311
Net Margin (%)	19.2%	23.3%	20.5%	20.6%	21.0%	19.7%
Dividend Distribution	120,679	160,960	303,443	311,014	303,062	344,963
Retained Earnings	272,874	445,746	308,459	328,582	344,236	267,348

Table A.3: Restated Income Statement

Metric (€ 000)	FY2021	FY2022	FY2023	FY2024	LTM H1 2024	LTM H1 2025
Trade receivables	234,274	296,550	325,608	326,382	152,700	136,075
Trade payables	(348,953)	(482,425)	(538,586)	(540,914)	(390,360)	(412,651)
Inventory	263,521	377,549	453,178	470,080	499,893	560,298
Other current assets & liabilities	(239,381)	(265,143)	(262,283)	(244,055)	(238,816)	(145,841)
Deferred tax	(46,309)	190,742	189,163	183,498	196,768	171,588
NWC	(136,848)	117,273	167,080	190,391	220,185	309,469
Tangible assets	913,322	1,074,490	1,082,480	1,250,879	1,083,825	1,273,074
Intangible assets	1,673,491	1,690,123	1,699,890	1,710,201	1,703,546	1,710,940
Fixed assets	2,586,813	2,764,613	2,782,370	2,961,080	2,787,371	2,984,014
Core capital employed	2,449,965	2,881,886	2,949,450	3,151,471	3,007,556	3,293,483
Investments	16,467	76,776	72,892	80,592	90,895	85,659
Employee severance	(12,454)	(12,036)	(12,144)	(11,882)	(11,592)	(12,141)
Other non-operational assets/liabilities	25,599	(25,166)	(24,285)	(18,187)	(23,604)	(15,840)
Surplus assets	29,612	39,574	36,463	50,523	55,699	57,678
Net capital employed	2,479,577	2,921,460	2,985,913	3,201,994	3,063,255	3,351,161
ST financial debt	289,191	194,070	184,403	196,120	180,914	188,814
Long Term Debt & Leasing	624,732	718,709	664,188	761,188	670,498	770,172
Gross financial debt	913,923	912,779	848,591	957,308	851,412	958,986
Cash & cash equivalents	(933,440)	(893,605)	(1,077,107)	(1,341,982)	(881,410)	(998,969)
Net debt (Net Cash)	(19,517)	19,174	(228,516)	(384,674)	(29,998)	(39,983)
Share capital	54,737	54,737	54,926	54,961	54,961	54,961
Retained earnings	2,444,249	2,847,433	3,159,409	3,531,619	3,038,193	3,336,009
Group equity	2,498,986	2,902,170	3,214,335	3,586,580	3,093,154	3,390,970
Minorities	108	116	94	88	99	89
Total equity	2,499,094	2,902,286	3,214,429	3,586,668	3,093,253	3,391,304
Total funds invested	2,479,577	2,921,460	2,985,913	3,201,994	3,063,255	3,351,161

Table A.4: Restated Balance Sheet

Metric (€ 000)	**FY2021**	**FY2022**	**FY2023**	**FY2024**
EBIT	579,220	774,547	893,839	923,824
(Operational taxes)	(161,602)	(216,099)	(249,381)	(257,747)
NOPAT	417,618	558,448	644,458	666,077
Depreciation	347,156	242,754	265,314	275,306
Amortization	38,243	22,163	26,386	31,538
Gross cash flows	803,017	823,365	936,158	972,921
Change in noncash WC		(254,121)	(49,807)	(23,311)
Tangible CAPEX		(403,922)	(273,304)	(443,705)
Intangible CAPEX		(38,795)	(36,153)	(41,849)
FCFO		126,527	576,894	464,056
Tax shields		75,474	(9,352)	(12,466)
Interest income		(943)	9,131	27,262
Interest expenses		(26,273)	(32,335)	(33,777)
Other income				(7,500)
Change in gross debt		(1,144)	(64,188)	108,717
Change in surplus assets		(9,962)	3,111	(14,060)
FCFE		163,679	483,261	532,232
Dividends		(160,960)	(303,443)	(311,014)
Other movements in group equity		(42,562)	3,706	43,663
Change in minorities		8	(22)	(6)
Change in cash		(39,835)	183,502	264,875

Table A.5: Restated Cash Flow Statement

F Additional

Category (€000)	2021	2022	2023	2024	H1 2024 LTM	H1 2025 LTM
Moncler Brand	1,824,166	2,201,758	2,573,159	2,707,315	2,679,409	2,705,003
% of Total Revenues	89.2%	84.6%	86.2%	87.1%	88.6%	87.2%
DTC	1,429,219	1,772,003	2,163,920	2,331,896	2,282,175	2,339,334
% of Brand Revenues	78.3%	80.5%	84.1%	86.1%	85.2%	86.5%
Asia	701,747	829,297	1,086,288	1,186,935	1,147,618	1,202,083
EMEA	488,793	646,781	766,028	818,495	809,948	809,729
Americas	238,680	295,925	311,604	326,465	324,609	327,522
Wholesale	394,947	429,755	409,239	375,419	397,234	365,669
% of Brand Revenues	21.7%	19.5%	15.9%	13.9%	14.8%	13.5%
Stone Island Brand	221,937	401,132	411,058	401,609	398,381	399,423
% of Total Revenues	10.8%	15.4%	13.8%	12.9%	12.94%	12.87%
DTC	63,867	149,153	172,844	208,935	191,737	215,440
% of Brand Revenues	28.8%	37.2%	42.0%	52.0%	48.1%	53.9%
Asia	8,175	29,831	37,680	54,741	46,327	59,618
EMEA	49,561	103,661	120,818	139,986	130,681	142,242
Americas	6,131	15,661	14,346	14,208	14,729	13,579
Wholesale	158,070	251,979	238,214	192,674	206,644	183,983
% of Brand Revenues	71.2%	62.8%	58.0%	48.0%	51.9%	46.1%
Total Group	2,046,103	2,602,890	2,984,217	3,108,924	3,077,790	3,104,426

Table A.6: Breakdown of Sales by Brand, Distribution Channel and Geography

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