NORZ PATRIMONIA

KERING
23-sep-20

Analyst:	Ramon Alfonso Sergio Saravia

Description

Kering SA develops, designs, manufactures, markets, and sells apparel and accessories.

a) The company offers shoes; leather goods, including handbags and wallets, and other leather products; eyewear, textile accessories, etc.; jewelry andwatches; and T-shirts, sweatshirts, polo shirts, etc., as well as ready-to-wear products for men and women.
b) It also provides perfumes and cosmetics. The company provides its products under the Gucci, Saint Laurent, Balenciaga, Alexander McQueen, Bottega Veneta, Brioni, Girard-Perregaux, Boucheron, Ulysse Nardin, Pomellato, DoDo, Kering, Qeelin, Courrages, Montblanc, Cartier brands.

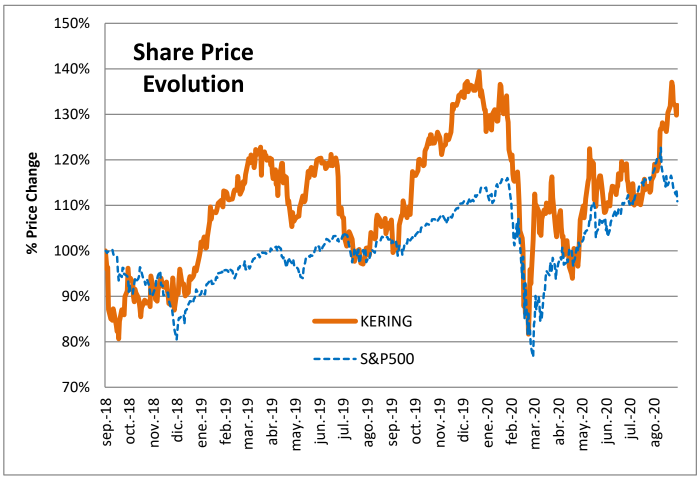
It sells its products through department stores, multi-brand stores, and franchise stores, as well as retail channels and e-commerce sites.
Kering SA sells its products in the Asia-Pacific, Western Europe, North America, Japan, and internationally.

The company was formerly known as PPR SA and changed its name to Kering SA in June 2013. Kering SA **was founded in 1963** and is based in Paris, France.

NEXT QUARTERLY EARNINGS RELEASED	12/02/2021
YEAR END CLOSING DATE	30/06/2020

Link to Investor Relations
https://www.kering.com/en/finance/

KERING



COMPANY	KERING		
ISIN Code	FR0000121485		EUR
FISCAL YEAR END	30/06/2020		
SECTOR GICS	Consumer Discretionary /Textiles, Apparel &		
MARKET CAPITALIZATION	72,500.7	Millions EUR	
CURRENT PRICE	577.7	Price Upside Analysis	
TARGET PRICE	819.3	42%	BUY
PE	Current Year	Next Year	In 2 Years
	31.4	24.2	20.9
RATIOS	ROE	% DVY	EV/EBITDA
	22%	1.8%	14.0
	BETA	WACC	DEBT/EQY
	1.1	7.1%	43.3%
PRICE CHANGE	Last Month	3 Month	12 Month
KERING	3.3%	11.7%	13.2%
S&P500	-3.1%	0.3%	7.1%
QUANT Q-SCORE	Historic	Forecast	Global
Q-SCORE	5 /10	7 /10	6 /10
QUALITY COMPANY	FINE	FINE	FINE

CONTENTS

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SECTION 1. FINANCIAL STATEMENTS

Financial Statements: Profit and Loss Account

• Closed years and Forecast for the next 3 years.

PROFIT AND LOSS ACCOUNT (P/L)	Historic						Forecast		
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
REVENUES (1)	**10,037.5**	**11,584.2**	**12,384.9**	**10,815.9**	**13,665.2**	**15,883.5**	**18,396.5**	**21,307.0**	**24,678.0**
% Increase in Revenues		*15.4%*	*6.9%*	*-12.7%*	*26.3%*	*16.2%*	*15.8%*	*15.8%*	*15.8%*
COGS & General Expenses	8,158.9	9,921.4	10,572.7	7,759.3	9,451.9	10,028.4	12,961.0	15,011.6	17,386.6
EBITDA (2)	**1,878.6**	**1,662.8**	**1,812.2**	**3,056.6**	**4,213.3**	**5,855.1**	**5,435.5**	**6,295.4**	**7,291.4**
Margin Ebitda/Revenues % (2)/(1)	*18.7%*	*14.4%*	*14.6%*	*28.3%*	*30.8%*	*36.9%*	*29.5%*	*29.5%*	*29.5%*
Depreciation & Amortization	326.7	409.6	432.0	530.1	491.9	1,245.3	1,291.7	1,352.6	1,430.0
EBIT (3)	**1,551.9**	**1,253.2**	**1,380.2**	**2,526.5**	**3,721.4**	**4,609.8**	**4,143.8**	**4,942.8**	**5,861.5**
Margin EBIT/Revenues % (3)/(1)	*15.5%*	*10.8%*	*11.1%*	*23.4%*	*27.2%*	*29.0%*	*22.5%*	*23.2%*	*23.8%*
Financial Expenses (+)	160.6	136.1	135.6	114.3	84.2	173.3	168.3	159.2	144.6
Financial Income (-) and Other	36.8	113.0	66.2	105.9	123.1	136.2	-351.3	-227.7	-87.3
PROFIT BEFORE TAX (PBT) (4)	**1,354.5**	**1,004.1**	**1,178.4**	**2,306.3**	**3,514.1**	**4,300.3**	**4,326.7**	**5,011.3**	**5,804.1**
Margin PBT/Revenues % (4)/(1)	*13.5%*	*8.7%*	*9.5%*	*21.3%*	*25.7%*	*27.1%*	*23.5%*	*23.5%*	*23.5%*
Other Adjustments to Net Income									
Corporate Tax (5)	825.6	308.1	364.9	520.7	-200.8	1,991.7	1,336.7	1,548.2	1,793.1
% Effective Corporate Tax (5)/(4)	*61.0%*	*30.7%*	*31.0%*	*22.6%*	*-5.7%*	*46.3%*	*30.9%*	*30.9%*	*30.9%*
NET PROFIT (6)	**528.9**	**696.0**	**813.5**	**1,785.6**	**3,714.9**	**2,308.6**	**2,990.0**	**3,463.1**	**4,011.0**
Margin Net Profit / Revenues % (6)/(1)	*5.3%*	*6.0%*	*6.6%*	*16.5%*	*27.2%*	*14.5%*	*16.3%*	*16.3%*	*16.3%*
% net earnings growth		*31.6%*	*16.9%*	*119.5%*	*108.0%*	*-37.9%*	*29.5%*	*15.8%*	*15.8%*

Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Dividends Paid (out of Net Profit) (7)	**473.2**	**504.9**	**504.9**	**580.9**	**757.6**	**1,320.1**	**1,782.8**	**2,064.8**	**2,391.5**
% Pay out (7)/(6)	*89.5%*	*72.5%*	*62.1%*	*32.5%*	*20.4%*	*57.2%*	*59.6%*	*59.6%*	*59.6%*
Dividend Yield	*2.9%*	*3.0%*	*2.2%*	*1.3%*	*1.5%*	*1.8%*			
Number of Shares (Millions)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
Earnings per Share (EPS)	4.20	5.52	6.46	14.17	29.49	18.40	23.84	27.63	32.02
EPS Growth		32%	17%	119%	108%	-38%	30%	16%	16%

Financial Statements: Balance Sheet

• Closed years and Forecast for the next 3 years.

BALANCE SHEET (B/S)	Historic						Forecast		
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Cash and Banks	1,089.9	1,146.4	1,049.6	2,136.6	2,216.6	2,285.9	2,647.6	3,066.4	3,551.6
Accounts Receivable	1,030.0	1,137.1	1,196.4	1,366.5	849.5	996.0	1,148.6	1,330.3	1,540.8
Inventories	2,234.7	2,191.2	2,432.2	2,699.1	2,414.7	2,959.2	3,567.9	4,132.3	4,786.1
Other Current Assets	1,006.7	890.0	962.0	1,114.5	1,590.1	1,304.6	1,060.6	1,060.6	1,060.6
CURRENT ASSETS (1)	**5,361.3**	**5,364.7**	**5,640.2**	**7,316.7**	**7,070.9**	**7,545.7**	**8,424.6**	**9,589.7**	**10,939.1**
Material Fixed Assets	3,600.7	4,037.2	4,288.9	4,434.8	4,186.3	8,899.6	10,298.5	11,917.4	13,790.7
Non-Material Fixed Assets	15,747.5	16,112.5	15,979.8	15,801.4	11,908.8	12,480.3	11,878.3	11,305.4	10,760.1
Other Fixed Assets	257.9	300.6	312.5	191.7	159.3	256.2	258.8	261.3	264.0
Depreciation and Amortization	1,713.5	1,964.2	2,082.4	2,167.2	1,957.8	2,033.6	3,325.3	4,678.0	6,108.0
FIXED ASSETS (2)	**17,892.6**	**18,486.1**	**18,498.8**	**18,260.7**	**14,296.6**	**19,602.5**	**19,110.3**	**18,806.2**	**18,706.8**
TOTAL ASSETS (1)+(2)	**23,253.9**	**23,850.8**	**24,139.0**	**25,577.4**	**21,367.5**	**27,148.2**	**27,534.9**	**28,395.9**	**29,645.9**
Accounts Payable	982.8	939.7	1,098.5	1,240.7	745.8	808.7	3,843.7	4,451.8	5,156.2
Short Term Debt (5)	2,635.2	2,024.8	1,520.4	1,307.3	1,309.6	3,199.1	3,263.1	3,110.3	2,933.2
Other Current Liabilities	2,225.6	2,134.9	2,279.7	3,214.6	4,294.5	4,139.7	621.0	93.1	14.0
CURRENT LIABILITIES (3)	**5,843.6**	**5,099.4**	**4,898.6**	**5,762.6**	**6,349.9**	**8,147.5**	**7,727.8**	**7,655.3**	**8,103.3**
Long Term Debt (6)	3,195.0	4,054.7	4,205.4	4,245.5	3,174.6	6,720.8	7,728.9	8,888.3	10,221.5
Non Current Liabilities (7)	2,953.0	3,073.6	3,071.1	2,942.9	1,781.4	1,841.3	432.4	-1,191.9	-3,342.5
Total Debt ST+LT (5)+(6)+(7)	*8,783.2*	*9,153.1*	*8,796.9*	*8,495.7*	*6,265.6*	*11,761.2*	*11,424.4*	*10,806.7*	*9,812.1*
Total Liabilities (LT+CURRENT) (8)=(3)+(6)+(7)	**11,991.6**	**12,227.7**	**12,175.1**	**12,951.0**	**11,305.9**	**16,709.6**	**15,889.1**	**15,351.7**	**14,982.3**
SHAREHOLDERS' EQUITY (4)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
TOTAL SH. EQUITY + LIABILITIES (8)+(4)	**23,253.9**	**23,850.8**	**24,139.0**	**25,577.4**	**21,367.5**	**27,148.2**	**27,534.9**	**28,395.9**	**29,645.9**

Number of Shares (in Millions)	**125.9**	**126.0**	**126.0**	**126.0**	**126.0**	**125.5**	**125.4**	**125.3**	**125.2**
Share prices as of the end of Year	**131.7**	**133.5**	**185.3**	**347.5**	**396.6**	**577.7**			
Buy-Back amount in millions		**-9.8**	**-0.5**	**0.1**	**15.1**	**181.3**			

Financial Statements: Free Cash Flow

• Closed years and Forecast for the next 3 years.

NET CHANGE IN CASH	Historic						Forecast		
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Profit	1,354.5	1,004.1	1,178.4	2,306.3	3,514.1	4,300.3	4,326.7	5,011.3	5,804.1
Net Change from Operations (Estimated)	1,033.2	1,129.2	1,619.3	2,593.6	3,591.0	2,204.5	2,380.9	2,618.9	3,142.7
Net Change From Investments (Estimated)	-907.9	-771.1	-683.7	-599.3	-897.0	-1,205.2	-964.2	-771.3	-617.1
Net Change From Financial Operations (Est.)	-557.5	-260.6	-1,081.0	-852.5	-2,757.0	-998.0	-1,147.7	-1,319.9	-1,517.8
NET CHANGE IN CASH (ESTIMATED)	**-432.2**	**97.5**	**-145.4**	**1,141.8**	**-63.0**	**1.3**	**270.3**	**798.1**	**1,805.9**

FREE CASH FLOW	Historic						Forecast		
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
FREE CASH FLOW FROM OPERATIONS	1,033.2	1,129.2	1,619.3	2,593.6	3,591.0	2,204.5	2,380.9	2,618.9	3,142.7
CAPITAL EXPENDITURES	551.4	672.1	611.0	605.2	828.0	955.8	1,185.2	1,469.6	1,822.4
FREE CASH FLOW	**481.8**	**457.1**	**1,008.3**	**1,988.4**	**2,763.0**	**1,248.7**	**1,195.7**	**1,149.3**	**1,320.4**

SECTION 2. RATIO ANALYSIS

• Closed years and Forecast for the next 3 years.

TOTAL RATIO SCORING			
TOTAL RATIO HISTORIC SCORING:	5 /10	FORECAST SCORING:	7 /10

LIQUIDITY RATIOS	Historic				Historic Scoring:	3 /10	Forecast	Scoring:	3 /10
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current Assets (1)	5,361.3	5,364.7	5,640.2	7,316.7	7,070.9	7,545.7	8,424.6	9,589.7	10,939.1
Current Liabilities (2)	5,843.6	5,099.4	4,898.6	5,762.6	6,349.9	8,147.5	7,727.8	7,655.3	8,103.3
CURRENT or SOLVENCY RATIO (1)/(2)	**0.9**	**1.1**	**1.2**	**1.3**	**1.1**	**0.9**	**1.1**	**1.3**	**1.3**
DIAGNOSTIC: Is it bigger than 1,5?	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*
Cash and Banks (1)	1,089.9	1,146.4	1,049.6	2,136.6	2,216.6	2,285.9	2,647.6	3,066.4	3,551.6
Accounts Receivable (2)	1,030.0	1,137.1	1,196.4	1,366.5	849.5	996.0	1,148.6	1,330.3	1,540.8
Current Liabilities (3)	5,843.6	5,099.4	4,898.6	5,762.6	6,349.9	8,147.5	7,727.8	7,655.3	8,103.3
TREASURY RATIO (1)+(2)/(3)	**0.4**	**0.4**	**0.5**	**0.6**	**0.5**	**0.4**	**0.5**	**0.6**	**0.6**
DIAGNOSTIC: Is it bigger than 1?	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*
Shareholders' Equity	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
Total Shareholders' Equity+Liabilities	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
SHAREHOLDERS EQUITY/TOTAL LIABILITIES	**48%**	**49%**	**50%**	**49%**	**47%**	**38%**	**42%**	**46%**	**49%**
DIAGNOSTIC: Is it bigger than 40%?	*YES*	*YES*	*YES*	*YES*	*YES*	*NO*	*YES*	*YES*	*YES*

MARGIN RATIOS	Historic				Historic Scoring:	6 /10	Forecast	Scoring:	10 /10
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
EBITDA (1)	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
EBITDA MARGIN (1)/(2)	**18.7%**	**14.4%**	**15%**	**28%**	**31%**	**37%**	**30%**	**30%**	**30%**
DIAGNOSTIC: Is it bigger than 25%?	*NO*	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*
EBIT (1)	1,551.9	1,253.2	1,380.2	2,526.5	3,721.4	4,609.8	4,143.8	4,942.8	5,861.5
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
EBIT MARGIN (1)/(2)	**15.5%**	**10.8%**	**11%**	**23%**	**27%**	**29%**	**23%**	**23%**	**24%**
DIAGNOSTIC: Is it bigger than 15%?	*YES*	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*
Net Profit (1)	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
NET PROFIT / REVENUES (1)/(2)	**5.3%**	**6.0%**	**7%**	**17%**	**27%**	**15%**	**16%**	**16%**	**16%**
DIAGNOSTIC: Is it bigger than 10%?	*NO*	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*

LONG TERM SOLVENCY RATIOS	Historic				Historic Scoring:	3 /10	Forecast	Scoring:	4 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Total Liabilities (1)	11,991.6	12,227.7	12,175.1	12,951.0	11,305.9	16,709.6	15,889.1	15,351.7	14,982.3
Liabilities + Sh. Equity (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
LEVERAGE RATIO (1)/(2)	**51.6%**	**51.3%**	**50%**	**51%**	**53%**	**62%**	**58%**	**54%**	**51%**
DIAGNOSTIC: Is it less than 50%?	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*
Current Liabilities (1)	5,843.6	5,099.4	4,898.6	5,762.6	6,349.9	8,147.5	7,727.8	7,655.3	8,103.3
Total Liabilities (2)	11,991.6	12,227.7	12,175.1	12,951.0	11,305.9	16,709.6	15,889.1	15,351.7	14,982.3
TREASURY RATIO (1)+(2)/(3)	**48.7%**	**41.7%**	**40%**	**44%**	**56%**	**49%**	**49%**	**50%**	**54%**
DIAGNOSTIC: Is it less than 50%?	*YES*	*YES*	*YES*	*YES*	*NO*	*YES*	*YES*	*YES*	*NO*
EBITDA (1)	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
Total Liabilities (2)	11,991.6	12,227.7	12,175.1	12,951.0	11,305.9	16,709.6	15,889.1	15,351.7	14,982.3
PAYBACK ABILITY RATIO (1)/(2)	**15.7%**	**13.6%**	**15%**	**24%**	**37%**	**35%**	**34%**	**41%**	**49%**
DIAGNOSTIC: Is it bigger than 30%?	*NO*	*NO*	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*
Financial Debt Short + Long Term (1)	8,783.2	9,153.1	8,796.9	8,495.7	6,265.6	11,761.2	11,424.4	10,806.7	9,812.1
Shareholders Equity (2)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
FINANCIAL DEBT/SHAREHOLDERS EQUITY	**78.0%**	**78.7%**	**74%**	**67%**	**62%**	**113%**	**98%**	**83%**	**67%**
DIAGNOSTIC: Is it less than 50%?	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*

TURNOVER RATIOS	Historic				Historic Scoring:	5 /10	Forecast	Scoring:	5 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Accounts Receivable (1)	1,030.0	1,137.1	1,196.4	1,366.5	849.5	996.0	1,148.6	1,330.3	1,540.8
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
DAYS SALES OUTSTANDING (1)/(2)*365	**37.5**	**35.8**	**35.3**	**46.1**	**22.7**	**22.9**	**22.8**	**22.8**	**22.8**
Inventory (1)	2,234.7	2,191.2	2,432.2	2,699.1	2,414.7	2,959.2	3,567.9	4,132.3	4,786.1
Cost of Goods Sold (2)	8,158.9	9,921.4	10,572.7	7,759.3	9,451.9	10,028.4	12,961.0	15,011.6	17,386.6
DAYS INVENTORY OUTSTANDING (1)/(2)*365	**100.0**	**80.6**	**84.0**	**127.0**	**93.2**	**107.7**	**100.5**	**100.5**	**100.5**
Accounts Payable +Other Current Liabilities (1)	2,095.6	2,007.2	2,238.4	2,848.0	2,893.1	2,878.6	4,154.2	4,498.4	5,163.2
COGS & General Expenses (2)	8,158.9	9,921.4	10,572.7	7,759.3	9,451.9	10,028.4	12,961.0	15,011.6	17,386.6
DAYS PAYMENT OUTSTANDING (1)/(2)*365	**93.7**	**73.8**	**77.3**	**134.0**	**111.7**	**104.8**	**117.0**	**109.4**	**108.4**
DIAGNOSTIC: PAYMENT DAYS>SALES DAYS?	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*
Days Sales Outstanding (1)	37.5	35.8	35.3	46.1	22.7	22.9	22.8	22.8	22.8
Days Inventory Outstanding (2)	100.0	80.6	84.0	127.0	93.2	107.7	100.5	100.5	100.5
Days Payment Outstanding (3)	93.7	73.8	77.3	134.0	111.7	104.8	117.0	109.4	108.4
CASH CONVERSION CYCLE (1)+(2)-(3)	**43.7**	**42.6**	**42.0**	**39.1**	**4.2**	**25.8**	**6.3**	**13.9**	**14.9**
DIAGNOSTIC: The more negative, the better	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*	*NO*
Revenue (1)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
Assets (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
ASSET TURNOVER (1)/(2)	**0.4**	**0.5**	**0.5**	**0.4**	**0.6**	**0.6**	**0.7**	**0.8**	**0.8**

SELF FINANCING RATIOS	Historic				Historic Scoring:	3 /10	Forecast	Scoring:	0 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Free Cash Flow (1)	481.80	457.10	1,008.30	1,988.40	2,763.00	1,248.70	1,195.67	1,149.31	1,320.38
Dividends (2)	473.20	504.90	504.90	580.90	757.60	1,320.10	1,782.76	2,064.82	2,391.50
Revenues (3)	10,037.50	11,584.20	12,384.90	10,815.90	13,665.20	15,883.50	18,396.46	21,307.00	24,678.03
SELF FINANCING OVER REVENUES (1)-(2)/(3)	**0%**	**0%**	**4%**	**13%**	**15%**	**0%**	**-3%**	**-4%**	**-4%**
Is it bigger than 10%	*NO*	*NO*	*NO*	*YES*	*YES*	*NO*	*NO*	*NO*	*NO*
Free Cash Flow (1)	481.80	457.10	1,008.30	1,988.40	2,763.00	1,248.70	1,195.67	1,149.31	1,320.38
Dividends (2)	473.20	504.90	504.90	580.90	757.60	1,320.10	1,782.76	2,064.82	2,391.50
Assets (3)	23,253.90	23,850.80	24,139.00	25,577.40	21,367.50	27,148.20	27,534.94	28,395.87	29,645.90
SELF FINANCING OVER ASSETS (1)-(2)/(3)	**0%**	**0%**	**2%**	**6%**	**9%**	**0%**	**-2%**	**-3%**	**-4%**
Is it bigger than 6%	*NO*	*NO*	*NO*	*NO*	*YES*	*NO*	*NO*	*NO*	*NO*

NORZ PATRIMONIA

KERING
23-sep-20

RETURN ON ASSETS	Historic			Historic Scoring:		4 /10	Forecast	Scoring:	5 /10
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
EBIT (1)	1,551.9	1,253.2	1,380.2	2,526.5	3,721.4	4,609.8	4,143.8	4,942.8	5,861.5
Total Assets (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
ROA (1)/(2)	7%	5%	6%	10%	17%	17%	15%	17%	20%
Is ot bigger than 10%?	NO	NO	NO	NO	YES	YES	YES	YES	YES
EBIT (1)	1,551.9	1,253.2	1,380.2	2,526.5	3,721.4	4,609.8	4,143.8	4,942.8	5,861.5
Assets (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
Current Liabilities (3)	5,843.6	5,099.4	4,898.6	5,762.6	6,349.9	8,147.5	7,727.8	7,655.3	8,103.3
ROCE on EBIT (1)/(2-3)	9%	7%	7%	13%	25%	24%	21%	24%	27%
DIAGNOSTIC: Is it bigger than 15%?	NO	NO	NO	NO	YES	YES	YES	YES	YES
Free Cash Flow (1)	481.8	457.1	1,008.3	1,988.4	2,763.0	1,248.7	1,195.7	1,149.3	1,320.4
Assets (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
Current Liabilities (3)	5,843.6	5,099.4	4,898.6	5,762.6	6,349.9	8,147.5	7,727.8	7,655.3	8,103.3
ROCE on FCF (1)/(2-3)	3%	2%	5%	10%	18%	7%	6%	6%	6%
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	NO	YES	YES	NO	NO	NO	NO
Cash Flow from Operations (1)	1,033.2	1,129.2	1,619.3	2,593.6	3,591.0	2,204.5	2,380.9	2,618.9	3,142.7
Assets (2)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
CASH FLOW OPERATIONS TO ASSETS (1)/(2)	4.4%	4.7%	6.7%	10.1%	16.8%	8.1%	8.6%	9.2%	10.6%
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	NO	YES	YES	NO	NO	NO	YES
Free Cash Flow (1)	481.8	457.1	1,008.3	1,988.4	2,763.0	1,248.7	1,195.7	1,149.3	1,320.4
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
FCF OVER REVENUES (1)/(2)	4.8%	3.9%	8.1%	18.4%	20.2%	7.9%	6.5%	5.4%	5.4%
DIAGNOSTIC: Is it bigger than 8%?	NO	NO	YES	YES	YES	NO	NO	NO	NO

RETURN ON EQUITY	Historic			Historic Scoring:		3 /10	Forecast	Scoring:	10 /10
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Profit (1)	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
Total Assets (3)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
Shareholders' Equity (4)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
Margin (5)= (1)/(2)	5%	6%	7%	17%	27%	15%	16%	16%	16%
Turnover (6) = (2)/(3)	0.43	0.49	0.51	0.42	0.64	0.59	0.67	0.75	0.83
Operating Leverage (7) = (3)/(4)	2.06	2.05	2.02	2.03	2.12	2.60	2.36	2.18	2.02
ROE Dupont (5)*(6)*(7)	5%	6%	7%	14%	37%	22%	26%	27%	27%
Is it bigger than 15%?	NO	NO	NO	NO	YES	YES	YES	YES	YES

FINANCIAL LEVERAGE	Historic			Historic Scoring:		10 /10	Forecast	Scoring:	10 /10
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022
EBIT (1)	1,551.9	1,253.2	1,380.2	2,526.5	3,721.4	4,609.8	4,143.8	4,942.8	5,861.5
Profit Before Tax (2)	1,354.5	1,004.1	1,178.4	2,306.3	3,514.1	4,300.3	4,326.7	5,011.3	5,804.1
Total Assets (3)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
Shareholders' Equity (4)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
PBT/EBIT (5)=(2)/(1)	0.87	0.80	0.85	0.91	0.94	0.93	1.0	1.0	1.0
Assets / Shareh. Equity (6)=(3)/(4)	2.06	2.05	2.02	2.03	2.12	2.60	2.4	2.2	2.0
FINANCIAL LEVERAGE (5)*(6)	1.8	1.6	1.7	1.8	2.0	2.4	2.5	2.2	2.0
Is it bigger than 1%?	YES	YES	YES	YES	YES	YES	YES	YES	YES

NORZ PATRIMONIA

KERING
23-sep-20

DEBT QUALITY RATIOS	Historic				Historic Scoring:	5 /10	Forecast	Scoring:	7 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ST Financial Debt (1)	2,635.2	2,024.8	1,520.4	1,307.3	1,309.6	3,199.1	3,263.1	3,110.3	2,933.2
LT Financial Debt (2)+Other LT (7)	6,148.0	7,128.3	7,276.5	7,188.4	4,956.0	8,562.1	8,161.3	7,696.4	6,879.0
Total Shareholders Equi+Liabilities (3)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
DEBT RATIO = (1)+(2)/(3)	**38%**	**38%**	**36%**	**33%**	**29%**	**43%**	**41%**	**38%**	**33%**
Is it 40%-60%?	*NO*	*NO*	*NO*	*NO*	*NO*	*YES*	*YES*	*NO*	*NO*
If less than 40%, conservative	*CONSERV.*	*CONSERV.*	*CONSERV.*	*CONSERV.*	*CONSERV.*			*CONSERV.*	*CONSERV.*
Net Profit (1)	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
ST + LT Financial Debt	8,783.2	9,153.1	8,796.9	8,495.7	6,265.6	11,761.2	11,424.4	10,806.7	9,812.1
CAPACITY TO SERVICE DEBT	**6%**	**8%**	**9%**	**21%**	**59%**	**20%**	**26%**	**32%**	**41%**
Is it bigger than 40%?	*NO*	*NO*	*NO*	*NO*	*YES*	*NO*	*NO*	*NO*	*YES*
Financial Expenses	160.6	136.1	135.6	114.3	84.2	173.3	168.3	159.2	144.6
EBITDA	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
EFFECTIVE DEBT COST	**8.5%**	**8.2%**	**7.5%**	**3.7%**	**2.0%**	**3.0%**	**3.1%**	**2.5%**	**2.0%**
Is it smaller than 5%?	*NO*	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*

ALTMAN Z-SCORE	Historic				Historic Scoring:	7 /10	Forecast	Scoring:	10 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Current Assets - Current Liabilities (1)	-482.3	265.3	741.6	1,554.1	721.0	-601.8	696.9	1,934.4	2,835.8
Shareholders' Equity (2)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
EBITDA (3)	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
Short & Long Term Financial Debt (4)	8,783.2	9,153.1	8,796.9	8,495.7	6,265.6	11,761.2	11,424.4	10,806.7	9,812.1
Market Capitalization (5)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7	76,125.7	79,932.0	83,928.6
Asset Turnover (6)	0.43	0.49	0.51	0.42	0.64	0.59	0.67	0.75	0.83
Assets (7)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
ALTMAN Z-SCORE	**2.5**	**2.5**	**3.1**	**4.7**	**6.8**	**5.5**	**5.9**	**6.6**	**7.6**
DIAGNOSTIC: Is it bigger than 3?	*NO*	*NO*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*

If Altman z-score bigger than 3, company will not default

PIOTROSKI F-SCORE	Historic				Historic Scoring:	5 /10	Forecast	Scoring:	7 /10
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
EBITDA	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
ROA	8.1%	7.0%	7.5%	12.0%	19.7%	21.6%	19.7%	22.2%	24.6%
Cash Flow From Operations	1,033.2	1,129.2	1,619.3	2,593.6	3,591.0	2,204.5	2,380.9	2,618.9	3,142.7
Free Cash Flow	481.8	457.1	1,008.3	1,988.4	2,763.0	1,248.7	1,195.7	1,149.3	1,320.4
Net profit	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
Total Assets (1)	23,253.9	23,850.8	24,139.0	25,577.4	21,367.5	27,148.2	27,534.9	28,395.9	29,645.9
Long Term Debt	6,148.0	7,128.3	7,276.5	7,188.4	4,956.0	8,562.1	8,161.3	7,696.4	6,879.0
EBITDA/Revenues%	*18.7%*	*14.4%*	*14.6%*	*28.3%*	*30.8%*	*36.9%*	*29.5%*	*29.5%*	*29.5%*
Solvency (Current) Ratio	0.9	1.1	1.2	1.3	1.1	0.9	1.1	1.3	1.3
Revenues (2)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
Asset Turnover (2)/(1)	0.43	0.49	0.51	0.42	0.64	0.59	0.67	0.75	0.83
Number of Shares (in Millions)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
ROA > 0		1	1	1	1	1	1	1	1
ROA t_0 > ROA_{t-1}		0	1	1	1	1	0	1	1
FCF >0		1	1	1	1	1	1	1	1
CFO > Net Profit		1	1	1	0	0	0	0	0
(LT Debt/ Total Assets)$_t$<(LT Debt/ Total Assets)$_{t-1}$		0	0	1	1	0	1	1	1
$EBITDA_0$>$EBITDA_{t-1}$		0	1	1	1	1	0	0	0
Assset Turnovert$_0$>Asset Turnover$_{t-1}$		1	1	0	1	0	1	1	1
Increase in Shares		0	0	1	1	1	1	1	1
Increase Current Ratio		1	1	1	0	0	1	1	1
PIOTROSKI F-SCORE		**5**	**7**	**8**	**7**	**5**	**6**	**7**	**7**

Scoring: 7-9 Optimal; 4-6 Fine; 1-3 Poor

SECTION 3. VALUATION MODELS

VALUATION SUMMARY	KERING				23-sep-20
Amounts in Millions	Historical Multiple	Current Multiple	Company Intrinsic Value	# Shares Millions	Intrinsec Share Price
PBV MULTIPLE VALUATION (1)	2.7	6.9	101,845	125.5	811.5
PSALES MULTIPLE VALUATION (2)	2.8	4.6	112,644	125.5	897.6
PE MULTIPLE VALUATION (3)	26.6	31.4	116,346	125.5	927.1
PCF MULTIPLE VALUATION (4)	28.8	58.1	57,339	125.5	456.9
EV/EBITDA MULTIPLE VALUATION (5)	14.5	14.0	103,787	125.5	827.0
DCF VALUATION (6)			62,843	125.5	500.7
PE VALUATION TO PEERS (7)			*143,533*	*125.5*	*1143.7*
EV/EBITDA VALUATION TO PEERS (8)			*107,284*	*125.5*	*854.9*
MEDIAN INTRINSIC VALUE FROM MODELS (3), (4), (5), (6)			**102,816**		**819.3**

STOCK MARKET VALUE	**72,501**	**125.5**	**577.7**

TARGET PRICE ESTIMATED OFFERS % DIFFERENCE TO CURRENT MARKET PRICE	**42%**	**BUY**

If price upside to target price is >25% BUY; If between 10% to 25%, HOLD; If less than 10%, SELL

VALUATION WITH PSALES	Historic						Forecast		
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Revenues (1)	10,037.5	11,584.2	12,384.9	10,815.9	13,665.2	15,883.5	18,396.5	21,307.0	24,678.0
Number of Shares (2)	125.9	126.0	126.0	126.0	126.0	125.5	8,424.6	9,589.7	10,939.1
Share Price (3)	131.7	133.5	185.3	347.5	396.6	577.7			
Market Capitalization (4)=(2)*(3)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7			
PRICE TO SALES (5)=(4)/(1)	1.7	1.5	1.9	4.0	3.7	**4.6**			

Price per Share using PSales Valuation	Value	% Upside
P Sales Valuation Year (11)	112,644	
PSales Valuation Avg (12)	68,369	
Number of Shares (Millions) (13)	125.5	
P/S Valuation per Share Year (13)/(11)	**897.6**	**55.4%**
P/S Valuation per Share Avg (13)/(12)	**544.8**	**-5.7%**
Market Price Current	577.7	

PSALES VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical P Sales	2.8			
P Sales6)	4.6			
	(7)	(8)	(9)	(10)
Revenues	15,883.5	18,396.5	21,307.0	24,678.0
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price to Sales Valuation	**72,501**	**83,971**	**97,256**	**112,644**
PSales Valuation AVG	**44,004**	**50,966**	**59,029**	**68,369**

VALUATION WITH PBV	Historic						Forecast		
Amounts in Millions	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Shareholders' Equity (1)	11,262.3	11,623.1	11,963.9	12,626.4	10,061.6	10,438.6	11,645.9	13,044.1	14,663.6
Number of Shares (2)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
Share Price (3)	131.7	133.5	185.3	347.5	396.6	577.7	577.7		
Market Capitalization (4)=(2)*(3)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7	72,452.6		
PRICE TO BOOK VALUE (5)=(4)/(1)	1.5	1.4	2.0	3.5	5.0	6.9	6.2		

Price per Share using PBV Valuation	Value	% Upside
PBV Valuation Year (11)	101,845	
PBV Valuation Avg (12)	39,729	
Number of Shares (Millions) (13)	125.5	
PBV Valuation per Share Year (11)/(13)	**811.5**	**40.5%**
PBV Valuation per Share Avg (12)/(13)	**316.6**	**-45.2%**
Market Price Current	577.7	

PBV VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PBV	2.7			
PBV (6)	6.9			
	(7)	(8)	(9)	(10)
Shareholders' Equity	10,438.6	11,645.9	13,044.1	14,663.6
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Book Value Valuation	**72,501**	**80,886**	**90,597**	**101,845**
PBV Valuation AVG	**28,282**	**31,553**	**35,341**	**39,729**

KERING
23-sep-20

VALUATION WITH PE

Amounts in Millions	Historic 2014	2015	2016	2017	2018	2019	Forecast 2020	2021	2022
Net Profit (1)	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
Number of Shares (2)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
Share Price (3)	131.7	133.5	185.3	347.5	396.6	577.7			
Market Capitalization (4)=(2)*(3)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7			
PRICE EARNINGS (5)=(4)/(1)	31.4	24.2	28.7	24.5	13.4	31.4	24.2	20.9	18.0

PE VALUATION BY MULTIPLES

Years	2019	2020	2021	2022
Historical PE	26.6			
PE (6)	31.4			
	(7)	(8)	(9)	(10)
Net Profit	2,308.6	2,990.0	3,463.1	4,011.0
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price Earnings Valuation (11)	**72,501**	**93,901**	**108,757**	**125,964**
PE Valuation AVG (12)	**61,430**	**79,562**	**92,149**	**106,729**

Price per Share using PE Valuation	Value	% Upside
PE Valuation Year (11)	125,964	
PE Valuation Avg (12)	106,729	
Number of Shares (Millions) (13)	125.5	
PE Valuation per Share Year (11)/(13)	**1003.7**	**73.7%**
PE Valuation per Share Avg (12)/(13)	**850.4**	**47.2%**
Market Price Current	577.7	

PEG

Amounts in Millions	Historic 2014	2015	2016	2017	2018	2019	Forecast 2020	2021	2022
Net Profit (1)	528.9	696.0	813.5	1,785.6	3,714.9	2,308.6	2,990.0	3,463.1	4,011.0
PRICE EARNINGS (2)	31.4	24.2	28.7	24.5	13.4	31.4	24.2	20.9	18.0
EPS Growth (3)		32%	17%	119%	108%	-38%	30%	16%	16%
PEG (2)/(3)				0.2	0.1	-0.8	0.8	1.3	1.1

VALUATION WITH PCF

Amounts in Millions	Historic 2014	2015	2016	2017	2018	2019	Forecast 2020	2021	2022
Free Cash Flow (1)	481.8	457.1	1,008.3	1,988.4	2,763.0	1,248.7	1,195.7	1,149.3	1,320.4
Number of Shares (2)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
Share Price (3)	131.7	133.5	185.3	347.5	396.6	577.7			
Market Capitalization (4)=(2)*(3)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7			
PRICE TO CASH FLOW (5)=(4)/(1)	34.4	36.8	23.2	22.0	18.1	58.1	60.6	63.0	54.8

PCF VALUATION BY MULTIPLES

Years	2019	2020	2021	2022
Historical PCF	28.8			
PCF (6)	58.1			
	(7)	(8)	(9)	(10)
Net Profit	1,248.7	1,195.7	1,149.3	1,320.4
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price to Cash Flow Valuation	**72,501**	**69,422**	**66,730**	**76,663**
PCF Valuation AVG	**35,951**	**34,424**	**33,089**	**38,015**

Price per Share using PCF Valuation	Value	% Upside
PCF Valuation Year (11)	76,663	
PCF Valuation Avg (12)	38,015	
Number of Shares (Millions) (13)	125.5	
PCF Valuation per Share Year (11)/(13)	**610.9**	**5.7%**
PCF Valuation per Share Avg (12)/(13)	**302.9**	**-47.6%**
Market Price Current	577.7	

VALUATION WITH EV/EBITDA

Amounts in Millions	Historic 2014	2015	2016	2017	2018	2019	Forecast 2020	2021	2022
EBITDA (1)	1,878.6	1,662.8	1,812.2	3,056.6	4,213.3	5,855.1	5,435.5	6,295.4	7,291.4
Long Term Debt + Short Term Debt (2)	8,783.2	9,153.1	8,796.9	8,495.7	6,265.6	11,761.2	11,424.4	10,806.7	9,812.1
Cash at Banks (3)	1,089.9	1,146.4	1,049.6	2,136.6	2,216.6	2,285.9	2,647.6	3,066.4	3,551.6
Number of Shares (4)	125.9	126.0	126.0	126.0	126.0	125.5	125.4	125.3	125.2
Share Price (5)	131.7	133.5	185.3	347.5	396.6	577.7			
Market Capitalization (6)=(4)*(5)	16,586.4	16,825.5	23,347.8	43,778.5	49,955.4	72,500.7	72,452.6	72,404.5	72,356.5
Enterprise Value (7)=(6)+(2)-(3)	**24,279.7**	**24,832.2**	**31,095.1**	**50,137.6**	**54,004.4**	**81,976.0**	**81,229.4**	**80,144.8**	**78,617.0**
EV/EBITDA (8)=(7)/(1)	12.9	14.9	17.2	16.4	12.8	14.0	14.9	12.7	10.8

EV/EBITDA VALUATION BY MULTIPLES

Years	2019	2020	2021	2022
Historical EV/EBITDA	14.5			
EV/EBITDA (8)	14.0			
	(9)	(10)	(11)	(12)
EBITDA	5,855.1	5,435.5	6,295.4	7,291.4
	(8)*(9)	(8)*(10)	(8)*(11)	(8)*(12)
EV Value Estimated	**81,976**	**76,101**	**88,141**	**102,086**
EV Value Estimated AVG	**84,708**	**78,637**	**91,078**	**105,488**
Market Cap Estimated	**72,501**	**67,324**	**80,401**	**95,825**
EV/EBITDA Valuation per Share	**577.7**	**536.8**	**641.5**	**765.1**

Price per Share using EV/EBITDA Valuation	Value	% Upside
EV/EBITDA Valuation Year (14)	102,086	
EV/EBITDA Valuation Avg (15)	105,488	
Number of Shares (Millions) (13)	125.5	
EV/EBITDA Valuation p Share Year (14)/(13)	**813.4**	**40.8%**
EV/EBITDA Valuation p Share Avg (15)/(13)	**840.6**	**45.5%**
Market Price Current	577.7	

VALUATION WITH DCF

Amounts in Millions	Historic 2016	2017	2018	2019	Forecast 2020	2021	2022	2023	2024
FREE CASH FLOW (BBG)	1,008.3	1,988.4	2,763.0	1,248.7	1,195.7	1,149.3	1,320.4	1,197.3	1,346.4
WACC				7.1%					
Average Price to Cash Flow (5)				58.06					
Terminal Value (6)=(4)*(5)									78,171.1
Present Value FCF (7)					1,116.5	1,002.1	1,075.1	910.3	955.8
Present Value of Terminal Value (8)									55,497.5
Cash at banks				2,285.9					
INTRINSIC VALUE (9)=(7)+(8)				**62,843.2**					
Number of Shares (10)	126.0	126.0	126.0	125.5					
Intricsic Value per Share (Po) (11)=(9)/(10)				500.7					

VALUATION COMPARED TO PEERS

Company	Currency	Market Cap	PE	PBV	ROE	EV/EBITDA	Moat	Investent Style
KERING	**EUR**	**72,501**	**31.4**	**6.9**	**22.1%**	**14.0**	**0.0**	**0.0**
LVMH	EUR	204,099	34.2	5.7		17.1		
NIKE Inc	USD	152,416	20.3	2.7		11.7		
Hermes International	EUR	77,403	54.5	12.2		29.4		
adidas AG	EUR	54,353	40.6	8.5		20.4		
Cie Financiere Richemont SA	CHF	34,136	37.4	2.0		14.4		
Puma SE	EUR	10,787	49.7	6.0		18.2		
PRADA SpA	EUR	8,885	84.7	3.2		15.0		
Deckers Outdoor Corp	USD	4,798	19.8	5.0		12.6		
Tapestry Inc	USD	3,598	8.3	1.9		5.3		
Capri Holdings Ltd	USD	2,416	12.4	1.4		8.0		

PEER VALUATION	PE		EV/EBITDA
AVERAGE SECTOR (1)	36.2	AVERAGE SECTOR (10)	15.2
MEDIAN SECTOR (2)	35.8	MEDIAN SECTOR (11)	14.7
Company Net Profit (3)	4,011.0	EBITDA fy3 (12)	7,291.4
Equity Value to Sector Median (4)=(2)*(3)	**143,533**	**(13)=(11)*(12)**	**107,284**
Number of Shares (5)	125.5		125.5
Intrinsic Share Price compared to Peers' Multiples (6)=(4)/(5)	**1143.7**	**(14)=(13)/(5)**	**854.9**
Current Share Price	577.7		577.7
Upside Target in %	98%		48%

Price per Share using PE to Peers Valuation	Value	% Upside
PE Valuation Sector Median (7)=(2)*(3)	143,533	
PE Valuation Sector Average (8)=(1)*(3)	145,126	
Number of Shares (Millions) (5)	125.5	
PE Valuation per Share Median (7)/(5)	**1143.7**	**98.0%**
PE Valuation per Share Avg (8)/(5)	**1156.4**	**100.2%**
Current Share Price	577.7	

Price per Share using EV/EBITDA to Peers Valuation	Value	% Upside
EV/EBITDA Valuation Sector Median (13)=(11)*(12)	107,284	
EV/EBITDA Valuation Sector Average (15)=(10)*(12)	110,923	
Number of Shares (Millions) (5)	125.5	
EV/EBITDA Valuation per Share Median (7)/(5)	**854.9**	**48.0%**
EV/EBITDA Valuation per Share Avg (8)/(5)	**883.9**	**53.0%**
Current Share Price	577.7	

SECTION 4. SWOT ANALYSIS and INVESTMENT HIGHLIGHTS

SWOT ANALYSIS

Internal

Positive

Strengths

- Distribution network provides operational stability
- Global presence mitigates economic risks
- Revenue growth provides stability

Weaknesses

- Decline in current ratio affects liquidity position

Negative

Opportunities

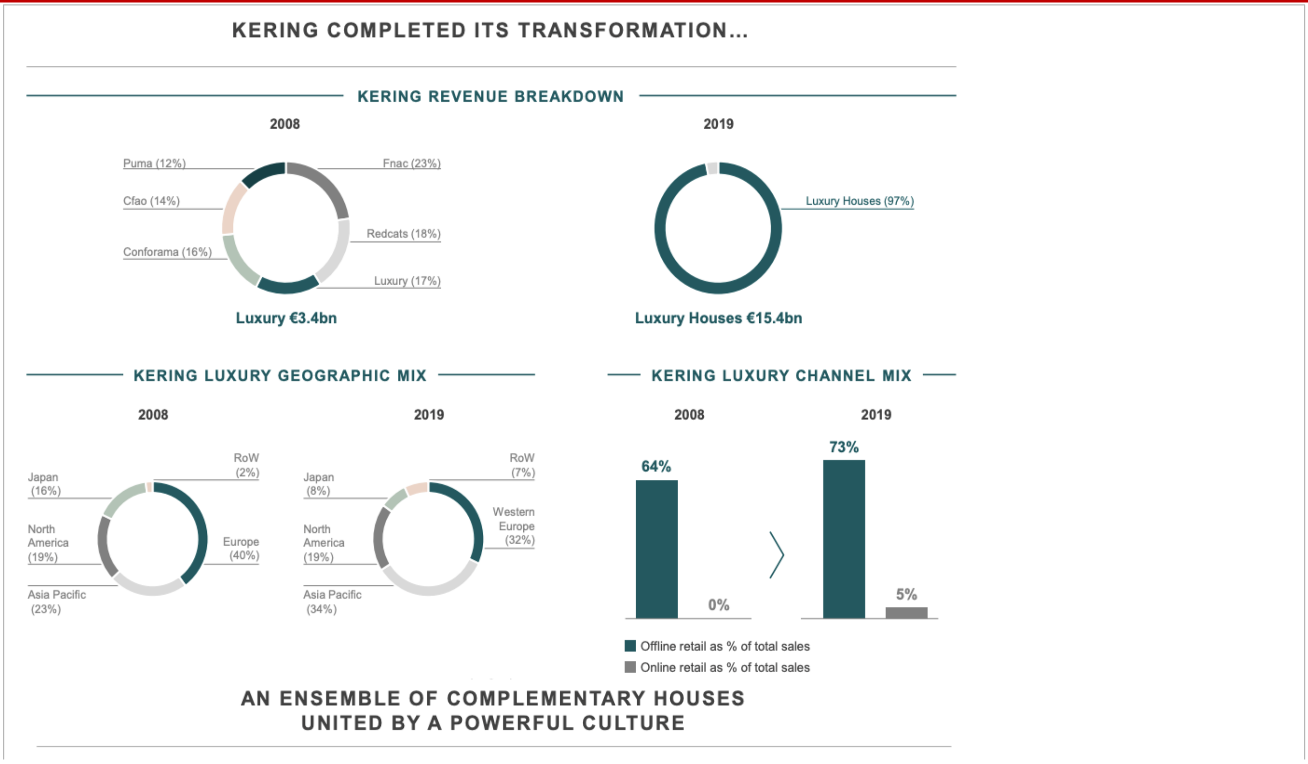
- Divestment could increase operating efficiency
- Global apparel retail could boost growth prospects
- Global online retail market could boost growth

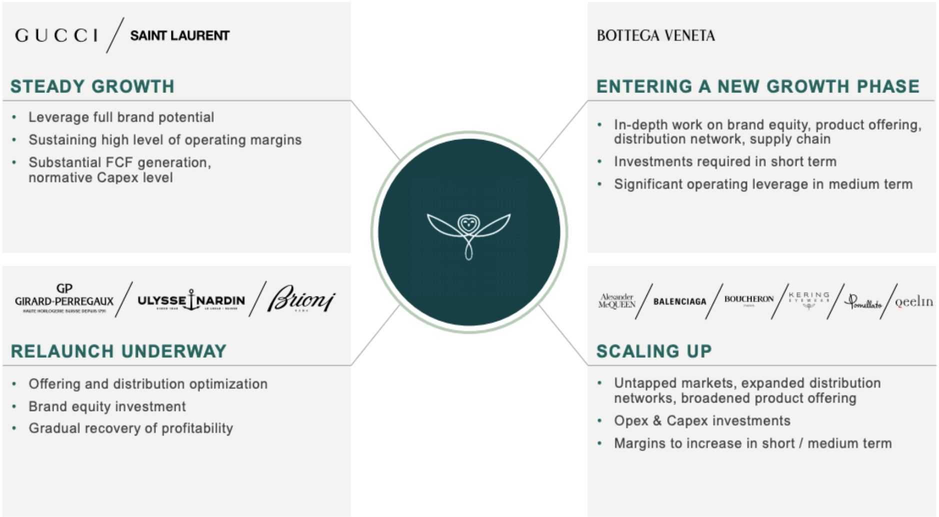
Threats

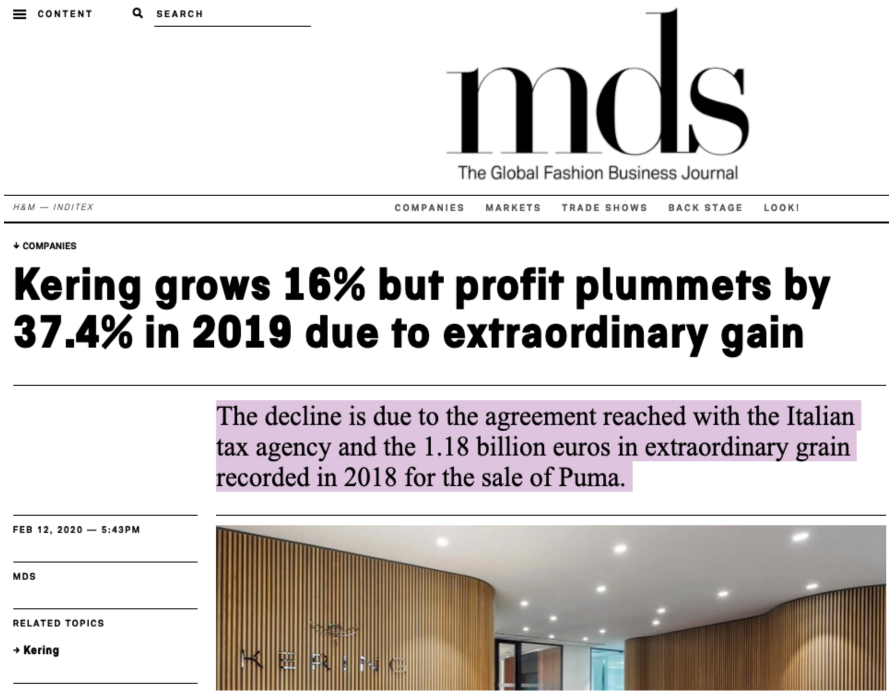
- Competition could reduce profit margins
- Organized retail crime
- Currency risk may affect the company's profitability

External

INVESTMENT HIGHLIGHTS







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COMPANIES

Kering grows 16% but profit plummets by 37.4% in 2019 due to extraordinary gain

The decline is due to the agreement reached with the Italian tax agency and the 1.18 billion euros in extraordinary grain recorded in 2018 for the sale of Puma.

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