

Valuation Analysis of Luxury Brands in  
Developed Economies

# Luxury Brands

Comparable Analysis

TresVista Financial Services  
**Feb 2015**

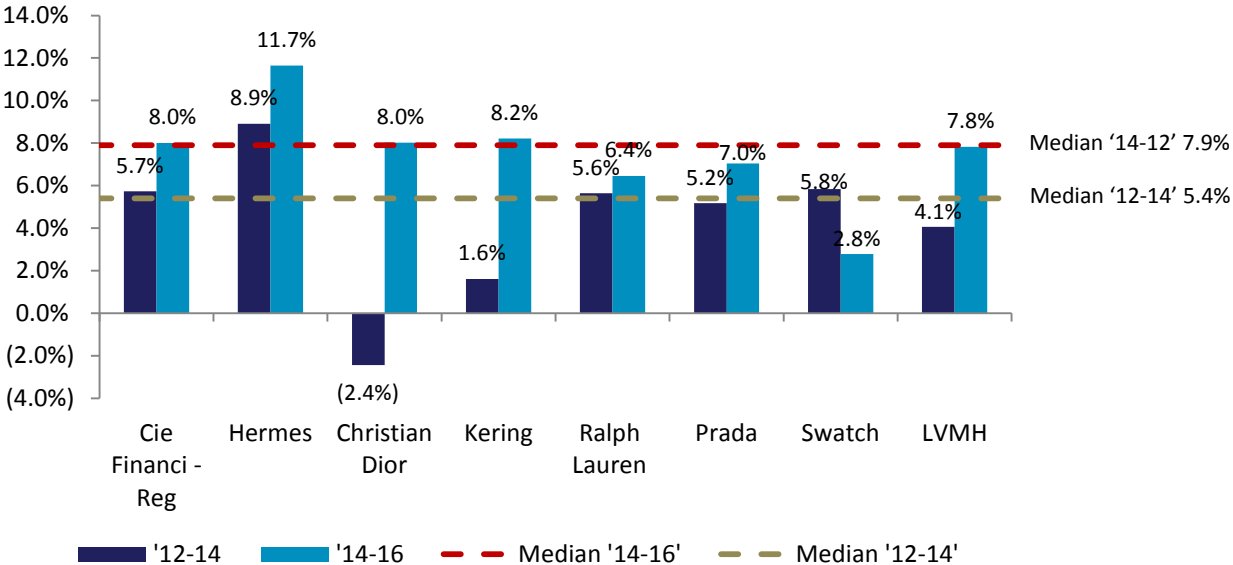
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This document analyses the operating margins and trading levels of top luxury brands (by market cap) in the developed world. The analysis is based on share prices as of January 27, 2015. For comparison, we have taken LVMH Moët Hennessy Louis Vuitton S.A. (LVMH) of France as a case study to compare against the set.

**Industry Growth**

- The industry witnessed a compounded growth of 5.4% from 2012 to 2014
- Luxury products have elastic demand and the companies will benefit from an improvement in global markets and increased spending power of consumers
- This along with opening of stores in new emerging markets will contribute to a higher growth which is estimated at 7.9% from 2014 to 2016
- LVMH registered a growth of 4.1% from 2012 to 2014 and is expected to better this over the next two years at 7.8%

**Revenue Growth Rates**



## Revenue Contribution

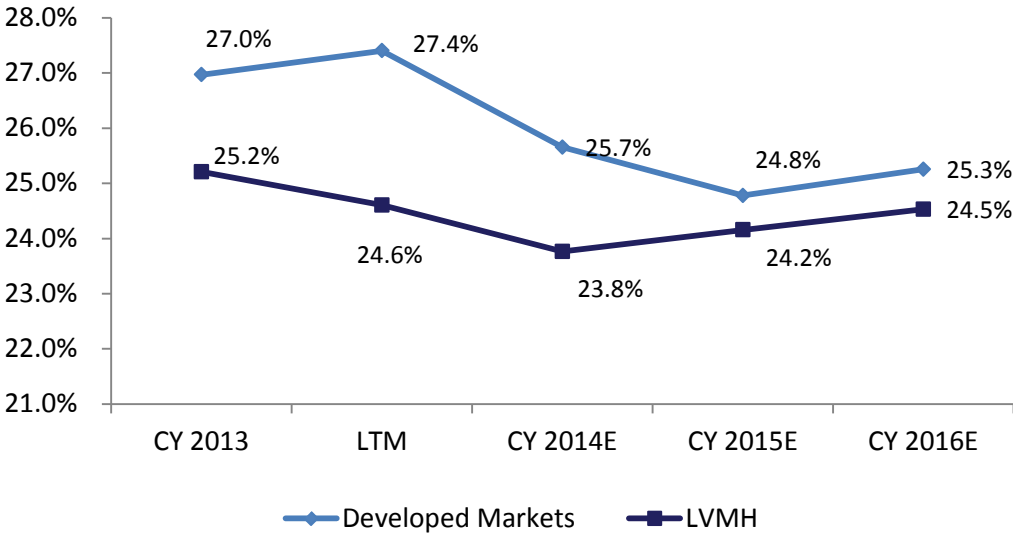
The table below compares the set's performance over last year and contribution from various regions to the revenue

Company	Region				Total
	Europe	Asia-Pacific	Americas	Others	
<b>LVMH</b>	9,794.1	12,079.3	7,508.8	3,264.7	32,646.9
<i>Growth</i>	0.4%	6.6%	3.7%	3.7%	3.7%
<i>Contribution</i>	30.0%	37.0%	23.0%	10.0%	100.0%
<b>Richemont</b>	NA	NA	NA	NA	NA
<i>Growth</i>	NA	NA	NA	NA	NA
<i>Contribution</i>	NA	NA	NA	NA	NA
<b>Hermes</b>	1,512.0	1,916.3	702.2	74.8	4,205.4
<i>Growth</i>	10.9%	4.0%	10.2%	26.0%	7.8%
<i>Contribution</i>	36.0%	45.6%	16.7%	1.8%	100.0%
<b>Kering</b>	2,391.3	2,971.0	1,376.8	507.2	7,246.4
<i>Growth</i>	10.9%	(2.9%)	4.2%	21.5%	4.2%
<i>Contribution</i>	33.0%	41.0%	19.0%	7.0%	100.0%
<b>Christian Dior</b>	10,410.6	12,839.8	7,634.5	3,817.2	34,702.1
<i>Growth</i>	2.9%	2.9%	2.9%	2.9%	2.9%
<i>Contribution</i>	30.0%	37.0%	22.0%	11.0%	100.0%
<b>Swatch</b>	NA	NA	NA	NA	NA
<i>Growth</i>	NA	NA	NA	NA	NA
<i>Contribution</i>	NA	NA	NA	NA	NA
<b>Ralph Lauren</b>	NA	NA	NA	NA	NA
<i>Growth</i>	NA	NA	NA	NA	NA
<i>Contribution</i>	NA	NA	NA	NA	NA
<b>Prada</b>	1,420.1	1,627.8	542.2	101.4	3,691.5
<i>Growth</i>	28.6%	28.7%	23.3%	494.7%	30.6%
<i>Contribution</i>	38.5%	44.1%	14.7%	2.7%	100.0%

In USD millions

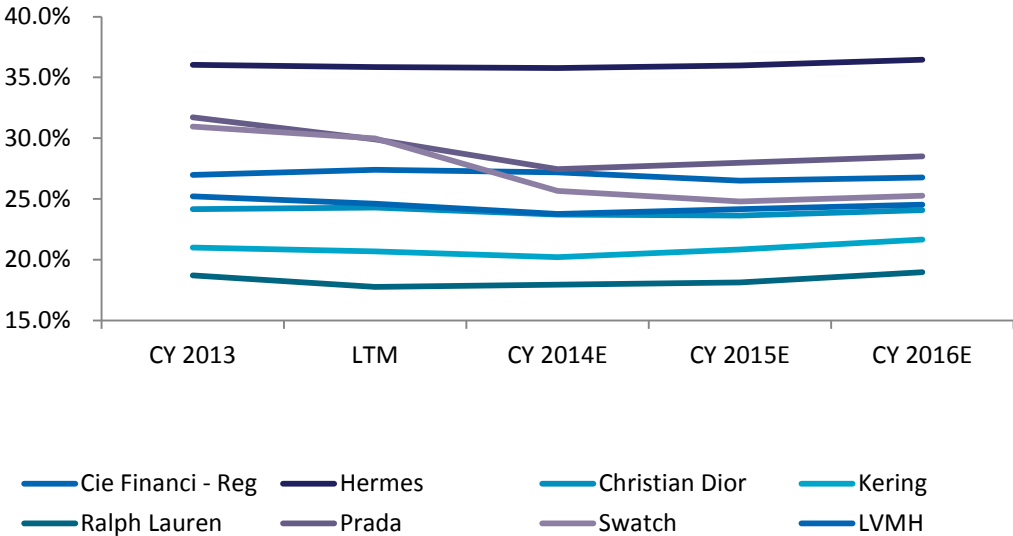
**EBITDA Margins**

- The industry operates at an EBITDA margin of ~27% with majority of the expenses comprising of selling, general and administration expenses
- As all the companies in the set have reached the maturity stage and are old industry players, they maintain stable margins and expected to do so in the next 2 years
- Hermes leads the set with the highest margins amongst European players whereas Ralph Lauren has substantially lower margins due to different geographic presence
- LVMH’s LTM EBITDA margin is 24.6%, which is slightly lower than the median of 27.4% of the comparables



Note: Developed markets include Richemont, Hermes, Kering, Christian Dior, Swatch, Prada & Ralph Lauren

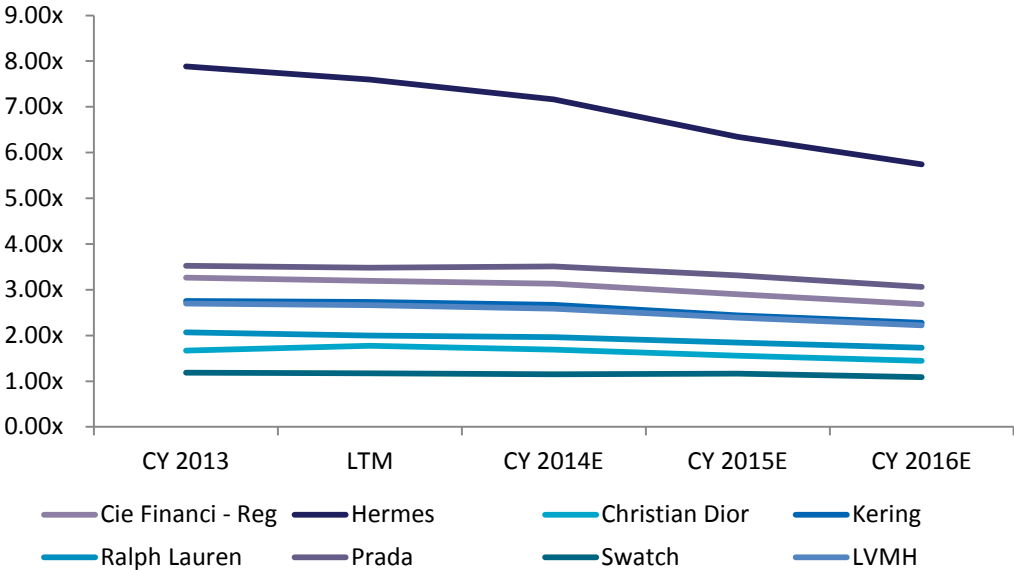
- Hermes has the highest margin in the segment followed by Prada



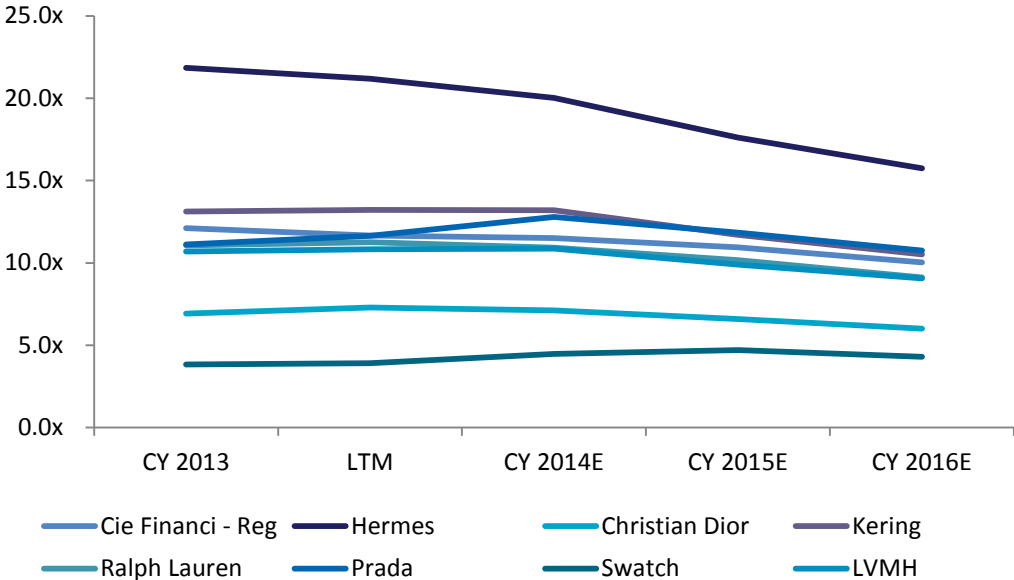
**Trading Multiples**

- Hermes trades at a significant premium over its competitors primarily because of its higher margins and better growth prospects
- LVMH's trades at 2.66x LTM Revenue which is close to the median of 2.73x for the set

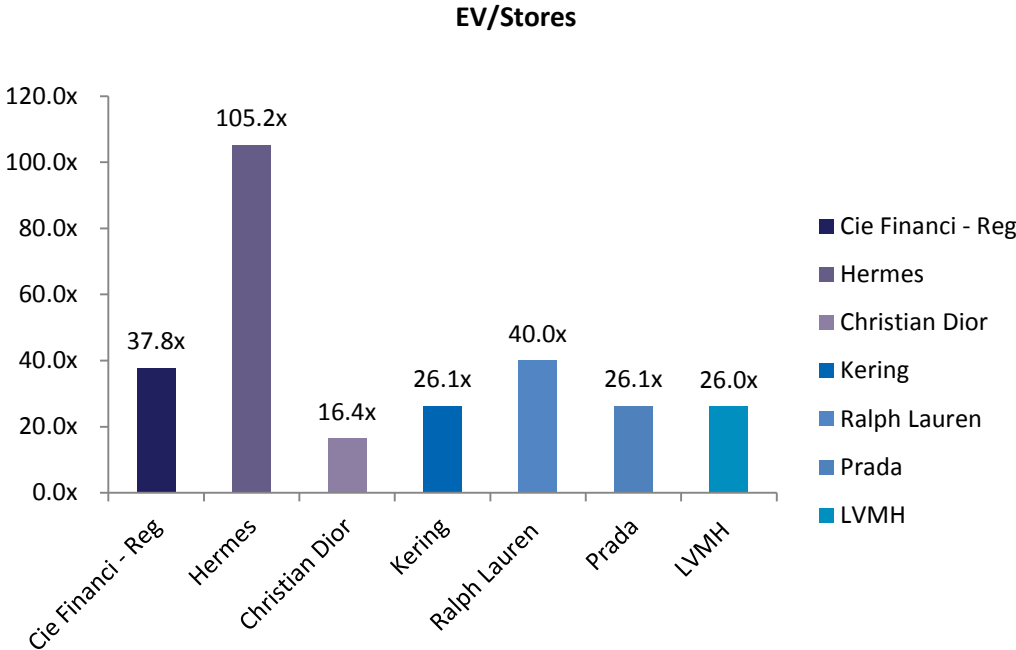
**EV/Revenue**



**EV/EBITDA**

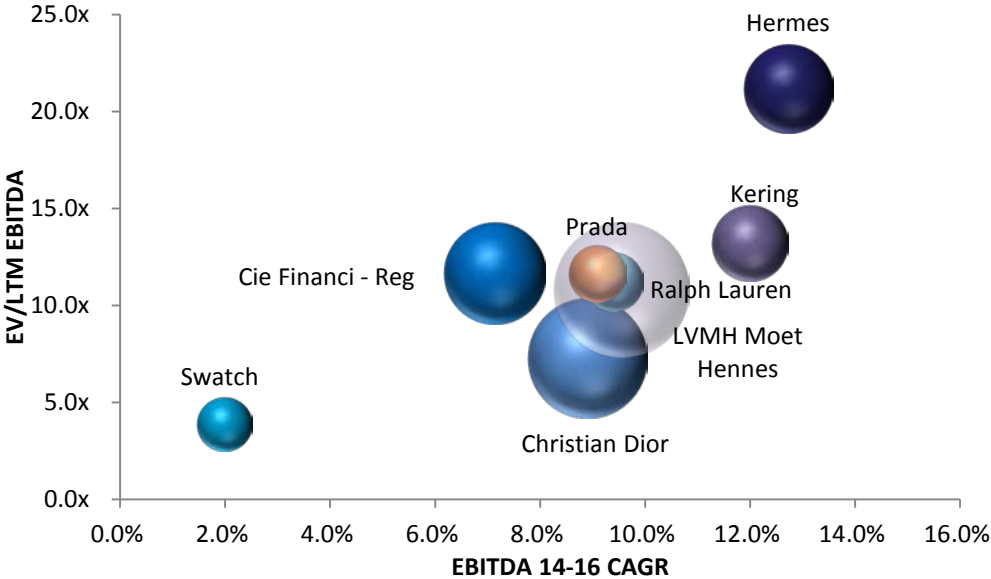


- On EV / Stores basis, Hermes is an outlier with EV/Stores multiple of 105.2x, the highest among its peers



Note: Swatch has more resellers than company owned stores leading to an inaccurate representation of multiple

- Hermes trades at the highest EV/EBITDA multiple within the comparables justified by its high expected growth rate
- Majority of the players are clustered around 6.0-10.0% growth rate that implies a LTM EBITDA multiple range of 8.0x to 12.0x



## Warnaco Group's Acquisition by PVH Corp

### Transaction Rationale

- PVH Corp acquired Warnaco Group, an American textile/clothing corporation for \$2.8 billion, making the deal the largest deal in the last 3 years
- The payment method used by the PVH Corp for the acquisition of the Warnaco Group was by Cash & Stock. PVH Corp offered The Warnaco Group \$51.75 in cash and 0.18 of a share in PVH Corp for each share in Warnaco. The per share value of the consideration which the Warnaco stockholders would receive was \$68.4
- After the acquisition PVH Group became a \$8 billion Global Branded Lifestyle Apparel Company and brought various Calvin Klein brands under one corporate umbrella
- The offer price was a 34% premium over the last traded price of Warnaco
- The EV / EBITDA multiple for the transaction was 11.3x
- The transaction was accretive to year one earnings by \$0.35 per share, excluding one-time and transaction related costs

	Amount
Offer Price	\$68.43
Diluted Shares Outstanding	40.872
<b>Market Value</b>	<b>\$2,796.8</b>
Less: Cash and Cash Equivalents	(295.3)
Plus: Debt and Minority Interest & Preferred	252.8
<b>Enterprise Value</b>	<b>\$2,754.3</b>

	EV/EBITDA
Deal Multiple	11.3x
Comps Median Multiple	11.6x
<b>Variance</b>	<b>(3.1%)</b>

General Information

Public Market Multiples

Company Name	Country	Market Cap (\$ mm)	EV (\$ mm)	% of 52 Week High	EV / SALES				EV / EBITDA				P / E				Revenue CAGR		EBITDA CAGR		LTM EBITDA
					LTM	CY 14E	CY 15E	CY 16E	LTM	CY 14E	CY 15E	CY 16E	LTM	CY 14E	CY 15E	CY 16E	'12-'14	'14-'16	'12-'14	'14-'16	Margin
Cie Financi - Reg	France	44,235	39,880	77.1%	3.20x	3.13x	2.90x	2.68x	11.7x	11.5x	10.9x	10.0x	23.1x	20.4x	18.8x	16.9x	5.7%	8.0%	1.1%	7.1%	27.4%
Hermes	France	34,165	33,140	91.0%	7.60x	7.16x	6.34x	5.74x	21.2x	20.0x	17.6x	15.8x	36.9x	34.7x	30.2x	26.8x	8.9%	11.7%	9.4%	12.7%	35.9%
Christian Dior	France	31,334	61,448	100.0%	1.77x	1.69x	1.56x	1.45x	7.3x	7.1x	6.6x	6.0x	19.4x	18.0x	15.2x	13.1x	(2.4%)	8.0%	(3.5%)	8.9%	24.3%
Kering	France	24,781	30,044	99.9%	2.73x	2.67x	2.44x	2.28x	13.2x	13.2x	11.7x	10.5x	26.6x	20.7x	16.5x	14.5x	1.6%	8.2%	(0.8%)	12.0%	20.7%
Ralph Lauren	USA	15,078	15,145	90.3%	2.00x	1.96x	1.84x	1.73x	11.3x	10.9x	10.2x	9.1x	21.0x	20.1x	18.1x	15.9x	5.6%	6.4%	1.9%	9.4%	17.7%
Prada	Italy	14,076	14,070	65.7%	3.48x	3.51x	3.31x	3.06x	11.6x	12.8x	11.8x	10.7x	22.3x	25.2x	23.5x	20.6x	5.2%	7.0%	(1.9%)	9.1%	29.9%
Swatch	Switzerland	12,562	11,030	62.5%	1.17x	1.15x	1.16x	1.09x	3.9x	4.5x	4.7x	4.3x	6.1x	13.2x	13.9x	12.3x	5.8%	2.8%	0.0%	2.0%	30.0%
Low				62.5%	1.17x	1.15x	1.16x	1.09x	3.9x	4.5x	4.7x	4.3x	6.1x	13.2x	13.9x	12.3x	(2.4%)	2.8%	(3.5%)	2.0%	17.7%
Median				90.3%	2.73x	2.67x	2.44x	2.28x	11.6x	11.5x	10.9x	10.0x	22.3x	20.4x	18.1x	15.9x	5.6%	8.0%	0.0%	9.1%	27.4%
Average				83.8%	3.14x	3.04x	2.79x	2.58x	11.5x	11.4x	10.5x	9.5x	22.2x	21.7x	19.4x	17.2x	4.4%	7.5%	0.9%	8.7%	26.5%
High				100.0%	7.60x	7.16x	6.34x	5.74x	21.2x	20.0x	17.6x	15.8x	36.9x	34.7x	30.2x	26.8x	8.9%	11.7%	9.4%	12.7%	35.9%
LVMH Moët Hennes	France	78,628	88,050	99.4%	2.66x	2.58x	2.39x	2.22x	10.8x	10.9x	9.9x	9.1x	20.6x	20.2x	18.6x	16.7x	4.1%	7.8%	1.4%	9.5%	24.6%

Enterprise Value = Market Value of Equity + Short-term Debt + Long-term Debt + Preferred Equity - Cash and Equivalents

All share price as of January 27, 2015



**Luxury Brands Comparables**

Company Information

(In USD millions, except per share data)

Company	Country	Currency Units	Stock Price				% of 52 Week High	Beta	Market Value of Equity	Net Debt	Enterprise Value	CAGR ('12-'14)		CAGR ('14-'16)	
			Jan-27-2015	52-Week		Revenue						EBITDA	Revenue	EBITDA	
				High	Low										
Cie Financi - Reg	France	USD	84.74	109.91	79.81	77.1%	1.28	44,235.1	(4,354.8)	39,880.3	5.7%	1.1%	8.0%	7.1%	
Hermes	France	USD	323.62	355.49	250.82	91.0%	0.71	34,164.8	(1,041.5)	33,139.9	8.9%	9.4%	11.7%	12.7%	
Christian Dior	France	USD	172.42	172.42	125.83	100.0%	0.98	31,334.1	9,542.7	61,447.9	(2.4%)	(3.5%)	8.0%	8.9%	
Kering	France	USD	196.28	196.50	153.38	99.9%	0.86	24,780.7	4,585.7	30,044.3	1.6%	(0.8%)	8.2%	12.0%	
Ralph Lauren	USA	USD	169.29	187.49	141.93	90.3%	0.98	15,078.1	66.5	15,144.5	5.6%	1.9%	6.4%	9.4%	
Prada	Italy	USD	5.50	8.38	4.99	65.7%	0.55	14,075.8	(6.0)	14,069.8	5.2%	(1.9%)	7.0%	9.1%	
Swatch	Switzerland	USD	407.33	651.75	385.00	62.5%	1.10	12,562.1	(1,532.3)	11,029.8	5.8%	0.0%	2.8%	2.0%	
LVMH Moët Hennes	France	USD	154.39	155.34	122.13	99.4%	0.99	78,628.3	8,235.0	88,050.4	4.1%	1.4%	7.8%	9.5%	

Enterprise Value = Market Value of Equity + Short-term Debt + Long-term Debt + Preferred Equity - Cash and Equivalents

All share price as of January 27, 2015

Luxury Brands Comparables

Margins & Public Market Multiples

Company	EBITDA Margin					EV / Sales					EV / EBITDA					P/E					Price / Book
	CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E	CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E	CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E	CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E	
Cie Financi - Reg	27.0%	27.4%	27.2%	26.5%	26.8%	3.27x	3.20x	3.13x	2.90x	2.68x	12.1x	11.7x	11.5x	10.9x	10.0x	20.0x	23.1x	20.4x	18.8x	16.9x	3.11x
Hermes	36.0%	35.9%	35.8%	36.0%	36.5%	7.88x	7.60x	7.16x	6.34x	5.74x	21.9x	21.2x	20.0x	17.6x	15.8x	38.3x	36.9x	34.7x	30.2x	26.8x	NM
Christian Dior	24.2%	24.3%	23.7%	23.6%	24.1%	1.67x	1.77x	1.69x	1.56x	1.45x	6.9x	7.3x	7.1x	6.6x	6.0x	18.7x	19.4x	18.0x	15.2x	13.1x	0.93x
Kering	21.0%	20.7%	20.2%	20.8%	21.7%	2.75x	2.73x	2.67x	2.44x	2.28x	13.1x	13.2x	13.2x	11.7x	10.5x	25.6x	26.6x	20.7x	16.5x	14.5x	2.04x
Ralph Lauren	18.7%	17.7%	17.9%	18.1%	19.0%	2.07x	2.00x	1.96x	1.84x	1.73x	11.1x	11.3x	10.9x	10.2x	9.1x	20.8x	21.0x	20.1x	18.1x	15.9x	3.78x
Prada	31.7%	29.9%	27.4%	28.0%	28.5%	3.53x	3.48x	3.51x	3.31x	3.06x	11.1x	11.6x	12.8x	11.8x	10.7x	20.0x	22.3x	25.2x	23.5x	20.6x	4.69x
Swatch	31.0%	30.0%	25.7%	24.8%	25.3%	1.19x	1.17x	1.15x	1.16x	1.09x	3.8x	3.9x	4.5x	4.7x	4.3x	5.8x	6.1x	13.2x	13.9x	12.3x	1.16x
Low	18.7%	17.7%	17.9%	18.1%	19.0%	1.19x	1.17x	1.15x	1.16x	1.09x	3.8x	3.9x	4.5x	4.7x	4.3x	5.8x	6.1x	13.2x	13.9x	12.3x	0.9x
Median	27.0%	27.4%	25.7%	24.8%	25.3%	2.75x	2.73x	2.67x	2.44x	2.28x	11.1x	11.6x	11.5x	10.9x	10.0x	20.0x	22.3x	20.4x	18.1x	15.9x	2.6x
Mean	27.1%	26.5%	25.4%	25.4%	26.0%	3.19x	3.14x	3.04x	2.79x	2.58x	11.4x	11.5x	11.4x	10.5x	9.5x	21.3x	22.2x	21.7x	19.4x	17.2x	2.6x
High	36.0%	35.9%	35.8%	36.0%	36.5%	7.88x	7.60x	7.16x	6.34x	5.74x	21.9x	21.2x	20.0x	17.6x	15.8x	38.3x	36.9x	34.7x	30.2x	26.8x	4.7x
LVMH Moet Hennes	25.2%	24.6%	23.8%	24.2%	24.5%	2.70x	2.66x	2.58x	2.39x	2.22x	10.7x	10.8x	10.9x	9.9x	9.1x	20.2x	20.6x	20.2x	18.6x	16.7x	2.61x

General Information		Diluted Shares Information		EPS Estimates and Calendarization		Multiples					
Short Company Name	Cie Financi - Reg	Shares Outstanding (MM)	522.000	<b>Research</b>		Diluted Shares	522.000				
Long Company Name	Cie Financi - Richemont SA			Fiscal Year 1 Date Ended	03/31/15	Market Capitalization	CHF 38,132.1				
Project Code Name	Luxury Brands			Fiscal Year 1 EPS Estimate	CHF 3.55	Net Debt	(CHF 3,754.0)				
Ticker	CFR VX			Fiscal Year 2 EPS Estimate	CHF 4.01	Enterprise Value	CHF 34,378.1				
Country	France	Options Outstanding (MM)		Fiscal Year 3 EPS Estimate	CHF 4.43						
Latest Fiscal Year End	03/31/14	Potential	Strike	5-Year Proj. EPS Growth (%)	8.6%		CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E
Latest Reporting Period	09/30/14					EV/Sales	3.27x	3.20x	3.13x	2.90x	2.68x
From Press Release?	No	Plan 1				EV/EBITDA	12.1x	11.7x	11.5x	10.9x	10.0x
Entered By:	ABC	Plan 2				EV/EBIT	14.2x	14.6x	13.5x	12.8x	11.7x
Date Entered:	01/23/15	Plan 3				PE	20.0x	23.1x	20.4x	18.8x	16.9x
Checked By:	XYZ	Plan 4				EBITDA Margins	27.0%	27.4%	27.2%	26.5%	26.8%
Date Checked:	01/24/15	Plan 5				EBIT Margins	23.0%	21.9%	23.2%	22.6%	22.9%
Research:	Bloomberg Best Estimates					Net Margins	19.5%	16.6%	18.5%	18.6%	19.0%
		Share Price (02/10/12)	CHF 73.05	<b>Credit Stats</b>							
		52 Week High	CHF 94.75								
		52 Week Low	CHF 68.80			EBIT / Interest Expense:	6.4x				
		Beta	1.28			EBITDA / Interest Expense:	8.0x				
		Currency	CHF			Total Debt / EBITDA	0.2x				
		Exchange Rate w.r.t. USD	1.160			Total Debt / Capitalization:	3.9%				

#### Income Statement Data

(CHF in millions, except per share data)

	LTM Ended	Six Months Ended		Fiscal Year Ended March 31,			CY End			Consensus Estimates				
		September 30,		Fiscal Year Ended March 31,			CY End			Research Analyst Estimates				
		09/30/14	2014	2013	2014	2013	2012	2012	2013	2014E	2015E	2016E	2015E	2016E
Net Sales	CHF 10,755.0	CHF 5,430.0	CHF 5,324.0	CHF 10,649.0	CHF 10,150.0	CHF 8,868.0	CHF 9,829.5	CHF 10,524.3	CHF 10,989.5	CHF 11,859.8	CHF 12,820.8	CHF 11,103.0	CHF 12,112.0	CHF 13,057.0
COGS	3,901.0	1,925.0	1,922.0	3,898.0	3,631.0	3,217.0	3,527.5	3,831.3						
Gross Profit	6,854.0	3,505.0	3,402.0	6,751.0	6,519.0	5,651.0	6,302.0	6,693.0						
Research and Development	-	-	-	-	-	-	-	-						
Selling, General & Admin.	4,467.0	2,184.0	2,027.0	4,310.0	4,080.0	3,560.0	3,950.0	4,252.5						
Other Expenses	27.0	10.0	5.0	22.0	13.0	43.0	20.5	19.8						
Other Income	-	-	-	-	-	-	-	-						
Non-Recurring Charges	-	-	-	-	-	-	-	-						
EBIT	2,360.0	1,311.0	1,370.0	2,419.0	2,426.0	2,048.0	2,331.5	2,420.8	2,552.5	2,684.0	2,930.5	2,597.0	2,713.0	3,003.0
Depreciation & Amortization	587.0	798.0	640.0	429.0	383.0	1,227.0	594.0	417.5	435.8	458.3	499.5	438.0	465.0	511.0
EBITDA	2,947.0	2,109.0	2,010.0	2,848.0	2,809.0	3,275.0	2,925.5	2,838.3	2,988.3	3,142.3	3,430.0	3,035.0	3,178.0	3,514.0
Interest (Income) / Other (Income) / Expense	(141.0)	(47.0)	(146.0)	(240.0)	(107.0)	(70.0)	(97.8)	(206.8)						
Interest Expense	367.0	265.0	79.0	181.0	158.0	314.0	197.0	175.3						
Pre-Tax Income	2,134.0	1,093.0	1,437.0	2,478.0	2,375.0	1,804.0	2,232.3	2,452.3						
Minority Interest (Expense)	-	-	-	-	-	-	-	-						
Preferred Dividend	-	-	-	-	-	-	-	-						
Taxes	345.0	186.0	252.0	411.0	370.0	264.0	343.5	400.8						
Net Income	CHF 1,789.0	CHF 907.0	CHF 1,185.0	CHF 2,067.0	CHF 2,005.0	CHF 1,540.0	CHF 1,888.8	CHF 2,051.5	CHF 2,033.3	CHF 2,204.3	CHF 2,436.0	CHF 2,022.0	CHF 2,265.0	CHF 2,493.0
Weighted Average Shares Outstanding	566.777	566.300	560.900	563.600	560.000	560.200	560.041	562.716	567.689	565.918	563.563	569.097	564.979	563.135
EPS	CHF 3.16	CHF 1.60	CHF 2.11	CHF 3.67	CHF 3.58	CHF 2.75	CHF 3.37	CHF 3.65	CHF 3.58	CHF 3.90	CHF 4.32	CHF 3.55	CHF 4.01	CHF 4.43
Special Items (Y,N)	N	N	N	N	N	N	N	N						
Effective Income Tax Rate	16.2%	17.0%	17.5%	16.6%	15.6%	14.6%	14.9%	15.8%						

#### Cash Flow Statement Data

(CHF in millions, except per share data)

Depreciation & Amortization	460.0	233.0	202.0	429.0	383.0	332.0	370.3	417.5	435.8	458.3	499.5	438.0	465.0	511.0
Capital Expenditures	761.0	300.0	280.0	741.0	681.0	583.0	656.5	726.0	725.5	767.7	790.2	720.3	783.6	792.4

#### Balance Sheet Data

(CHF in millions, except per share data)

As of Period Ended 09/30/14	Other Data
Assets:	
Cash & Equivalents	CHF 4,246.0
Marketable Securities	-
Total Cash & Marketable Securities	4,246.0
Total Current Assets	13,321.0
Goodwill and Intangibles	586.0
Total Assets	17,471.0
Liabilities & Shareholders Equity:	
Short-term Debt	147.0
Total Current Liabilities	4,458.0
Long-term Debt	345.0
Minority Interest	-
Warrants/Put Options	-
Preferred Stock (Liquidation Value)	-
Common Equity	12,264.0

General Information		Diluted Shares Information		EPS Estimates and Calendarization		Multiples					
Short Company Name	Hermes	Shares Outstanding (MM)	105.569	Fiscal Year 1 Date Ended	12/31/14	Diluted Shares	105.569				
Long Company Name	Hermes International	Options Outstanding (MM)		Fiscal Year 1 EPS Estimate	€8.34	Market Capitalization	€30,504.3				
Project Code Name	Luxury Brands	Potential	Strike	Fiscal Year 2 EPS Estimate	€9.58	Net Debt	(€929.9)				
Ticker	RMS FP	Plan 1		Fiscal Year 3 EPS Estimate	€10.77	Enterprise Value	€29,589.2				
Country	France	Plan 2		5-Year Proj. EPS Growth (%)	12.1%		CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E
Latest Fiscal Year End	12/31/13	Plan 3				EV/Sales	7.88x	7.60x	7.16x	6.34x	5.74x
Latest Reporting Period	06/30/14	Plan 4				EV/EBITDA	21.9x	21.2x	20.0x	17.6x	15.8x
From Press Release?	No	Plan 5				EV/EBIT	24.3x	23.6x	22.3x	19.5x	17.4x
Entered By:	ABC	Share Price (02/10/12)	€288.95			PE	38.3x	36.9x	34.7x	30.2x	26.8x
Date Entered:	01/23/15	52 Week High	€317.40			EBITDA Margins	36.0%	35.9%	35.8%	36.0%	36.5%
Checked By:	XYZ	52 Week Low	€223.95			EBIT Margins	32.4%	32.2%	32.1%	32.5%	33.0%
Date Checked:	01/24/15	Beta	0.71			Net Margins	21.1%	21.1%	21.2%	21.5%	22.0%
Research:	Bloomberg Best Estimates	Currency	EUR								
		Exchange Rate w.r.t. USD	1.120								
				Credit Stats							
				LTM							
				EBIT / Interest Expense:		NM					
				EBITDA / Interest Expense:		NM					
				Total Debt / EBITDA		0.0x					
				Total Debt / Capitalization:		1.3%					

#### Income Statement Data

(EUR in millions, except per share data)

	LTM Ended	Six Months Ended		Fiscal Year Ended December 31,					Consensus Estimates					
		June 30,		2013			2012		CY End		Research Analyst Estimates			
		2014	2013	2013	2012	2011	2012	2013	2014E	2015E	2016E	2014E	2015E	2016E
Net Sales	€3,894.5	€1,906.9	€1,767.2	€3,754.8	€3,484.1	€2,841.2	€3,484.1	€3,754.8	€4,132.0	€4,666.0	€5,151.0	€4,132.0	€4,666.0	€5,151.0
COGS	1,224.8	608.5	554.0	1,170.3	1,110.8	886.4	1,110.8	1,170.3						
Gross Profit	2,669.7	1,298.4	1,213.2	2,584.5	2,373.3	1,954.8	2,373.3	2,584.5						
Research and Development	-	-	-	-	-	-	-	-						
Selling, General & Admin.	1,257.7	612.3	569.8	1,215.2	1,130.8	945.7	1,130.8	1,215.2						
Other Expenses	156.5	64.7	59.3	151.1	123.8	123.9	123.8	151.1						
Other Income	-	-	-	-	-	-	-	-						
Non-Recurring Charges	-	-	-	-	-	-	-	-						
EBIT	1,255.5	621.4	584.1	1,218.2	1,118.7	885.2	1,118.7	1,218.2	1,328.0	1,515.0	1,700.0	1,328.0	1,515.0	1,700.0
Depreciation & Amortization	141.0	68.3	62.6	135.3	117.1	111.1	117.1	135.3	150.0	164.0	178.0	150.0	164.0	178.0
EBITDA	1,396.5	689.7	646.7	1,353.5	1,235.8	996.3	1,235.8	1,353.5	1,478.0	1,679.0	1,878.0	1,478.0	1,679.0	1,878.0
Interest (Income) / Other (Income) / Expense	17.4	2.2	6.3	21.5	19.0	(7.9)	19.0	21.5						
Interest Expense	-	-	-	-	-	-	-	-						
Pre-Tax Income	1,238.1	619.2	577.8	1,196.7	1,099.7	893.1	1,099.7	1,196.7						
Minority Interest (Expense)	(6.6)	(3.0)	(5.0)	(8.6)	(10.6)	(9.2)	(10.6)	(8.6)						
Preferred Dividend	-	-	-	-	-	-	-	-						
Taxes	410.2	203.7	191.1	397.6	349.1	289.8	349.1	397.6						
Net Income	€821.3	€412.5	€381.7	€790.5	€740.0	€594.1	€740.0	€790.5	€874.8	€1,005.0	€1,131.0	€874.8	€1,005.0	€1,131.0
Weighted Average Shares Outstanding	104.790	104.677	104.807	104.858	104.684	104.972	104.684	104.858	104.908	104.939	105.004	104.908	104.939	105.004
EPS	€ 7.84	€ 3.94	€ 3.64	€ 7.54	€ 7.07	€ 5.66	€ 7.07	€ 7.54	€ 8.34	€ 9.58	€ 10.77	€ 8.34	€ 9.58	€ 10.77
Special Items (Y,N)	N	N	N	N	N	N	N	N						
Effective Income Tax Rate	33.1%	32.9%	33.1%	33.2%	31.7%	32.4%	31.7%	33.2%						

#### Cash Flow Statement Data

(EUR in millions, except per share data)

Depreciation & Amortization	141.0	68.3	62.6	135.3	117.1	111.1	117.1	135.3	150.0	164.0	178.0	150.0	164.0	178.0
Capital Expenditures	228.4	91.4	74.2	211.2	263.0	185.2	263.0	211.2	242.7	260.3	277.9	242.7	260.3	277.9

#### Balance Sheet Data

(EUR in millions, except per share data)

	As of Period Ended 06/30/14	Other Data
Assets:		
Cash & Equivalents	€970.6	
Marketable Securities	-	
Total Cash & Marketable Securities	970.6	
Total Current Assets	2,245.3	
Goodwill and Intangibles	172.3	
Total Assets	4,036.2	
Liabilities & Shareholders Equity:		
Short-term Debt	24.8	
Total Current Liabilities	825.4	
Long-term Debt	15.9	
Minority Interest	14.8	
Warrants/Put Options	-	
Preferred Stock (Liquidation Value)	-	
Common Equity	2,985.5	

General Information	Diluted Shares Information	EPS Estimates and Calendarization	Multiples
Short Company Name Long Company Name Project Code Name Ticker Country Latest Fiscal Year End Latest Reporting Period From Press Release? Entered By: Date Entered: Checked By: Date Checked:	Shares Outstanding (MM)  Options Outstanding (MM) Potential Strike Plan 1 Plan 2 Plan 3 Plan 4 Plan 5 Share Price (01/26/15) 52 Week High 52 Week Low Beta Currency Exchange Rate w.r.t. USD	Research Fiscal Year 1 Date Ended Fiscal Year 1 EPS Estimate Fiscal Year 2 EPS Estimate Fiscal Year 3 EPS Estimate 3-Year Proj. EPS Growth (%)  Credit Stats EBIT / Interest Expense: EBITDA / Interest Expense: Total Debt / EBITDA Total Debt / Capitalization:	Diluted Shares Market Capitalization Net Debt Enterprise Value  CY 2013 LTM CY 2014E CY 2015E CY 2016E EV/Sales EV/EBITDA EV/EBIT PE EBITDA Margins EBIT Margins Net Margins
Christian Dior Christian Dior Group Luxury Brands CDI FP France 06/30/14 06/30/14 No ABC 01/27/15 XYZ 01/24/15 Bloomberg Best Estimates	181.727         €153.95 €153.95 €112.35 0.98 EUR 1.120	06/30/15 €9.21 €11.01 €12.55 7.5%	181.727 €27,976.9 €8,520.3 €54,864.2  1.67x 6.9x 8.7x 18.7x 24.2%
			4.4% 4.6% 4.8% 5.3% 5.7%

Income Statement Data  
(EUR in millions, except per share data)

	LTM Ended	Consensus Estimates										
		Fiscal Year Ended June 30,						Research Analyst Estimates				
		2014		2013		2012		2014E	2015E	2016E	2015E	2016E
Net Sales	€30,984.0	€30,984.0	€34,649.0	€33,621.0	€34,135.0	€32,816.5	€32,490.5	€35,254.0	€37,907.0	€33,997.0	€36,511.0	€39,303.0
COGS	10,607.0	10,607.0	11,964.0	11,497.0	11,730.5	11,285.5						
Gross Profit	20,377.0	20,377.0	22,685.0	22,124.0	22,404.5	21,531.0						
Research and Development	-	-	-	-	-	-						
Selling, General & Admin.	14,327.0	14,327.0	15,854.0	15,192.0	15,523.0	15,090.5						
Other Expenses	161.0	161.0	140.0	200.0	170.0	150.5						
Other Income	-	-	-	-	-	-						
Non-Recurring Charges	-	-	-	-	-	-						
EBIT	5,889.0	5,889.0	6,691.0	6,732.0	6,711.5	6,290.0	6,226.0	6,948.0	7,309.5	6,563.0	7,333.0	7,286.0
Depreciation & Amortization	1,638.0	1,638.0	1,645.0	1,482.0	1,563.5	1,641.5	1,475.0	1,378.5	1,822.5	1,312.0	1,445.0	2,200.0
EBITDA	7,527.0	7,527.0	8,336.0	8,214.0	8,275.0	7,931.5	7,701.0	8,326.5	9,132.0	7,875.0	8,778.0	9,486.0
Interest (Income) / Other (Income) / Expense	74.0	74.0	(46.0)	22.0	(12.0)	14.0						
Interest Expense	148.0	148.0	200.0	275.0	237.5	174.0						
Pre-Tax Income	5,667.0	5,667.0	6,537.0	6,435.0	6,486.0	6,102.0						
Minority Interest (Expense)	(2,467.0)	(2,467.0)	(2,850.0)	(2,965.0)	(2,907.5)	(2,658.5)						
Preferred Dividend	-	-	-	-	-	-						
Taxes	1,775.0	1,775.0	2,180.0	1,997.0	2,088.5	1,977.5						
Net Income	€1,425.0	€1,425.0	€1,507.0	€1,473.0	€1,490.0	€1,445.5	€1,572.0	€1,860.0	€2,148.0	€1,719.0	€2,001.0	€2,295.0
Weighted Average Shares Outstanding	179,594	179,594	179,725	180,150	179,935	175,667	183,393	183,976	182,320	186,665	181,727	182,839
EPS	€ 7.93	€ 7.93	€ 8.39	€ 8.18	€ 8.28	€ 8.23	€ 8.57	€ 10.11	€ 11.78	€ 9.21	€ 11.01	€ 12.55
Special Items (Y,N)	N	N	N	N	N	N						
Effective Income Tax Rate	0.313	0.313	0.333	0.310	0.322	0.324						

Cash Flow Statement Data  
(EUR in millions, except per share data)

Depreciation & Amortization	1,638.0	1,638.0	1,645.0	1,482.0	1,563.5	1,641.5	1,475.0	1,378.5	1,822.5	1,312.0	1,445.0	2,200.0
Capital Expenditures	2,014.0	2,014.0	2,392.0	2,437.0	2,414.5	2,203.0	1,994.0	2,019.5	2,080.0	1,974.0	2,065.0	2,095.0

Balance Sheet Data  
(EUR in millions, except per share data)

As of Period Ended	06/30/14
Assets:	
Cash & Equivalents	€1,456.7
Marketable Securities	844.0
Total Cash & Marketable Securities	2,300.7
Total Current Assets	16,377.0
Goodwill and Intangibles	25,263.0
Total Assets	61,161.0
Liabilities & Shareholders Equity:	
Short-term Debt	6,421.0
Total Current Liabilities	13,072.0
Long-term Debt	4,400.0
Minority Interest	18,367.0
Warrants/Put Options	-
Preferred Stock (Liquidation Value)	-
Common Equity	29,991.7

Other Data
Dividend of EUR1.9 per share was adjusted
As the company has different Fiscal year ends, 2013 has 14 months data and 2012 has 16 months data





General Information		Diluted Shares Information		EPS Estimates and Calendarization		Multiples						
Short Company Name	Prada	Shares Outstanding (MM)	2,558.824			Diluted Shares	2,558.824					
Long Company Name	Prada S.P.A					Market Capitalization	€12,567.7					
Project Code Name	Luxury Brands					Net Debt	(€5.3)					
Ticker	1913 HK					Enterprise Value	€12,562.3					
Country	Italy	Options Outstanding (MM)										
Latest Fiscal Year End	01/31/14	Potential		Strike								
Latest Reporting Period	07/31/14											
From Press Release?	No	Plan 1										
Entered By:	ABC	Plan 2										
Date Entered:	01/27/15	Plan 3										
Checked By:	XYZ	Plan 4										
Date Checked:	01/24/15	Plan 5										
Research:	Bloomberg Best Estimates	Share Price (02/10/12)	€4.91									
		52 Week High	€7.48									
		52 Week Low	€4.46									
		Beta	0.55									
		Currency	EUR									
		Exchange Rate w.r.t. USD	1.120									

#### Income Statement Data

(EUR in millions, except per share data)

	LTM Ended	Six Months Ended		Fiscal Year Ended January 31,			CY End			Consensus Estimates					
		July 31,	2013	2014	2013	2012	2012	2013	Research Analyst Estimates						
	07/31/14	2014	2013	2014	2013	2012	2012	2013	2014E	2015E	2016E	2015E	Fiscal Year End		2017E
Net Sales	€3,610.6	€1,751.3	€1,728.1	€3,587.3	€3,297.2	€2,555.6	€3,235.4	€3,563.2	€3,578.8	€3,791.6	€4,100.7	€3,578.0	€3,811.0	€4,127.0	
COGS	972.0	493.7	460.4	938.7	920.7	727.6	904.6	937.2							
Gross Profit	2,638.6	1,257.6	1,267.7	2,648.6	2,376.5	1,828.0	2,330.8	2,626.0							
Research and Development	-														
Selling, General & Admin.	1,485.0	738.2	660.9	1,407.6	1,224.8	966.8	1,203.3	1,392.4							
Other Expenses	299.5	146.2	148.5	301.8	261.9	232.3	259.5	298.5							
Other Income	-														
Non-Recurring Charges	-														
EBIT	854.1	373.2	458.3	939.2	889.8	628.9	868.0	935.1	739.3	790.3	892.0	721.2	796.6	900.7	
Depreciation & Amortization	225.4	118.4	91.8	198.9	154.8	126.3	152.5	195.2	242.8	270.3	276.9	246.8	272.4	277.3	
EBITDA	1,079.5	491.5	550.2	1,138.1	1,044.6	755.2	1,020.5	1,130.3	982.2	1,060.6	1,168.9	968.0	1,069.0	1,178.0	
Interest (Income) / Other (Income) / Expense	(1.2)	(0.5)	(0.3)	(1.0)	(1.0)	-	(0.9)	(1.0)							
Interest Expense	11.7	9.5	15.2	17.4	7.1	26.0	8.7	16.5							
Pre-Tax Income	843.6	364.1	443.4	922.9	883.6	602.9	860.2	919.6							
Minority Interest (Expense)	(11.6)	(6.2)	(4.6)	(10.0)	(7.6)	(4.5)	(7.3)	(9.8)							
Preferred Dividend	-														
Taxes	267.6	113.1	130.6	285.1	250.3	166.5	243.4	282.2							
Net Income	€564.4	€244.8	€308.2	€627.8	€625.7	€431.9	€609.5	€627.6	€492.9	€534.2	€609.8	€480.6	€539.1	€616.2	
Weighted Average Shares Outstanding	2,558.824	2,558.824	2,558.824	2,558.824	2,558.824	2,535.778	2,557,451	2,558.824	2,531.953	2,552.885	2,556.796	2,529.511	2,555.009	2,556.959	
EPS	€ 0.22	€ 0.10	€ 0.12	€ 0.25	€ 0.24	€ 0.17	€ 0.24	€ 0.25	€ 0.19	€ 0.21	€ 0.24	€ 0.19	€ 0.21	€ 0.24	
Special Items (Y,N)	N	N	N	N	N	N	N	N							
Effective Income Tax Rate	31.7%	31.1%	29.5%	30.9%	28.3%	27.6%	28.3%	30.7%							

#### Cash Flow Statement Data

Depreciation & Amortization	225.4	118.4	91.8	198.9	154.8	126.3	152.5	195.2	242.8	270.3	276.9	246.8	272.4	277.3	
Capital Expenditures	477.3	220.4	292.5	549.4	350.2	248.6	341.8	532.8	455.6	390.6	403.9	447.1	385.5	405.6	

#### Balance Sheet Data

(EUR in millions except per share data)

	As of
	Period Ended
	07/31/14
Assets:	
Cash & Equivalents	€510.6
Marketable Securities	2.8
Total Cash & Marketable Securities	513.3
Total Current Assets	1,581.1
Goodwill and Intangibles	947.1
Total Assets	4,221.6
Liabilities & Shareholders Equity:	
Short-term Debt	242.1
Total Current Liabilities	985.2
Long-term Debt	266.0
Minority Interest	-
Warrants/Put Options	-
Preferred Stock (Liquidation Value)	-
Common Equity	2,682.4

Other Data
Dividend declared of EUR 0.088 Ex 5/27/14 was adjusted



General Information		Diluted Shares Information		EPS Estimates and Calendarization		Multiples						
Short Company Name	Swatch	Shares Outstanding (MM)	30.840	<b>Research</b>			Diluted Shares	30.840				
Long Company Name	The Swatch Group Ltd.			Fiscal Year 1 Date Ended	12/31/14		Market Capitalization	CHF 11,420.1				
Project Code Name	Luxury Brands			Fiscal Year 1 EPS Estimate	CHF 28.03		Net Debt	(CHF 1,393.0)				
Ticker	UHR VX			Fiscal Year 2 EPS Estimate	CHF 26.56		Enterprise Value	CHF 10,027.1				
Country	Switzerland			Fiscal Year 3 EPS Estimate	CHF 30.14							
Latest Fiscal Year End	12/31/13	Potential	Strike	5-Year Proj. EPS Growth (%)	4.7%			CY 2013	LTM	CY 2014E	CY 2015E	CY 2016E
Latest Reporting Period	06/30/14						EV/Sales	1.19x	1.17x	1.15x	1.16x	1.09x
From Press Release?	No						EV/EBITDA	3.8x	3.9x	4.5x	4.7x	4.3x
Entered By:	ABC						EV/EBIT	4.3x	4.5x	5.3x	5.6x	5.0x
Date Entered:	01/27/15						PE	5.8x	6.1x	13.2x	13.9x	12.3x
Checked By:	XYZ						EBITDA Margins	31.0%	30.0%	25.7%	24.8%	25.3%
Date Checked:	01/24/15						EBIT Margins	27.4%	26.1%	21.8%	21.0%	21.6%
Research:	Bloomberg Best Estimates						Net Margins	22.8%	21.5%	17.5%	16.9%	17.5%
		Share Price (02/10/12)	CHF 370.30									
		52 Week High	CHF 592.50									
		52 Week Low	CHF 350.00									
		Beta	1.10									
		Currency	CHF									
		Exchange Rate w.r.t. USD	1.100									
				Credit Stats								

#### Income Statement Data

(CHF in millions, except per share data)

	LTM Ended	Six Months Ended		Fiscal Year Ended December 31,			CY End		Consensus Estimates					
		June 30,		Fiscal Year Ended December 31,			CY End		Research Analyst Estimates					
		2014	2013	2013	2012	2011	2012	2013	2014E	2015E	2016E	2014E	2015E	2016E
Net Sales	CHF 8,552.0	CHF 4,102.0	CHF 4,006.0	CHF 8,456.0	CHF 7,796.0	CHF 6,764.0	CHF 7,796.0	CHF 8,456.0	CHF 8,732.0	CHF 8,616.0	CHF 9,226.0	CHF 8,732.0	CHF 8,616.0	CHF 9,226.0
COGS	1,895.0	847.0	822.0	1,870.0	1,634.0	1,422.0	1,634.0	1,870.0						
Gross Profit	6,657.0	3,255.0	3,184.0	6,586.0	6,162.0	5,342.0	6,162.0	6,586.0						
Research and Development	-	-	-	-	-	-	-	-						
Selling, General & Admin.	4,778.0	2,467.0	2,175.0	4,486.0	4,161.0	3,587.0	4,161.0	4,486.0						
Other Expenses	329.0	172.0	147.0	304.0	261.0	229.0	261.0	304.0	334.0	329.0	334.0	334.0	329.0	334.0
Other Income	684.0	214.0	48.0	518.0	238.0	88.0								
Non-Recurring Charges	-	-	-	-	-	-	-	-						
EBIT	2,234.0	830.0	910.0	2,314.0	1,978.0	1,614.0	1,978.0	2,314.0	1,906.0	1,806.0	1,996.0	1,906.0	1,806.0	1,996.0
Depreciation & Amortization	329.0	172.0	147.0	304.0	261.0	229.0	261.0	304.0	334.0	329.0	334.0	334.0	329.0	334.0
EBITDA	2,563.0	1,002.0	1,057.0	2,618.0	2,239.0	1,843.0	2,239.0	2,618.0	2,240.0	2,135.0	2,330.0	2,240.0	2,135.0	2,330.0
Interest (Income) / Other (Income) / Expense	(16.0)	(16.0)	(44.0)	(44.0)	(36.0)	-	(36.0)	(44.0)						
Interest Expense	2.0	1.0	1.0	2.0	3.0	3.0	3.0	2.0						
Pre-Tax Income	2,248.0	845.0	953.0	2,356.0	2,011.0	1,611.0	2,011.0	2,356.0						
Minority Interest (Expense)	-	-	-	-	-	-	-	-						
Preferred Dividend	-	-	-	-	-	-	-	-						
Taxes	408.0	165.0	185.0	428.0	407.0	335.0	407.0	428.0						
Net Income	CHF 1,840.0	CHF 680.0	CHF 768.0	CHF 1,928.0	CHF 1,604.0	CHF 1,276.0	CHF 1,604.0	CHF 1,928.0	CHF 1,527.0	CHF 1,454.0	CHF 1,617.0	CHF 1,527.0	CHF 1,454.0	CHF 1,617.0
Weighted Average Shares Outstanding	30.340	30.340	30.340	30.340	30.340	30.340	30.340	30.340	54.470	54.752	53.650	54.470	54.752	53.650
EPS	CHF 60.65	CHF 22.41	CHF 25.31	CHF 63.55	CHF 52.87	CHF 42.06	CHF 52.87	CHF 63.55	CHF 28.03	CHF 26.56	CHF 30.14	CHF 28.03	CHF 26.56	CHF 30.14
Special Items (Y,N)	N	N	N	N	N	N	N	N						
Effective Income Tax Rate	18.1%	19.5%	19.4%	18.2%	20.2%	20.8%	20.2%	18.2%						

#### Cash Flow Statement Data

(CHF in millions except per share data)

Depreciation & Amortization	329.0	172.0	147.0	304.0	261.0	229.0	261.0	304.0	334.0	329.0	334.0	334.0	329.0	334.0
Capital Expenditures	807.0	396.0	295.0	706.0	495.0	515.0	495.0	706.0	612.8	587.1	608.3	612.8	587.1	608.3

#### Balance Sheet Data

(CHF in millions except per share data)

As of Period Ended 06/30/14	Other Data	
Assets:		
Cash & Equivalents	CHF 1,157.0	
Marketable Securities	286.0	
Total Cash & Marketable Securities	1,443.0	
Total Current Assets	8,692.0	
Goodwill and Intangibles	136.0	
Total Assets	11,855.0	
Liabilities & Shareholders Equity:		
Short-term Debt	7.0	
Total Current Liabilities	1,266.0	
Long-term Debt	43.0	
Minority Interest	-	
Warrants/Put Options	-	
Preferred Stock (Liquidation Value)	-	
Common Equity	9,832.0	

