

## Kering SA

| Share |                      |                     |        |
|-------|----------------------|---------------------|--------|
| x     | 06.12.2023           | Implied Share Price | 779,8  |
|       | Kering SA (XPAR:KER) | Latest Share Price  | 350,50 |
|       |                      | Implied Upside      | 122,5% |

| Switches      |   |      |   |
|---------------|---|------|---|
| Revenue       | 2 | WACC | 2 |
| EBIT          | 2 | TGR  | 2 |
| Taxes         | 2 |      |   |
| D&A           | 2 |      |   |
| Change in NWC | 2 |      |   |
| CapEx         | 2 |      |   |

| Assumption   |      |              |       |
|--------------|------|--------------|-------|
| WACC         |      | TGR          |       |
| Conservative | 7,1% | Conservative | -1,0% |
| Base         | 6,1% | Base         | 2%    |
| Optimistic   | 5,1% | Optimistic   | 2,5%  |

| Valuation Assumptions |      |              |         |
|-----------------------|------|--------------|---------|
| Valuation Assumptions |      | Case         |         |
| WACC                  | 6,1% | Conservative | 143,16  |
| Growth                | 2%   | Base         | 779,78  |
|                       |      | Optimistic   | 2065,10 |

|   |               |          |          |          |          |          |          | 1        | 2        | 3        | 4        | 5        | 6        | 7        | 8        |
|---|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| x | DCF           | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024     | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     |
|   | Revenue       | 10.815,1 | 13.665,2 | 15.883,5 | 13.100,2 | 17.645,0 | 20.351,0 | 20.180,5 | 22.884,4 | 25.590,8 | 28.179,7 | 30.510,2 | 32.433,6 | 33.811,2 | 34.535,6 |
|   | growth %      |          | 26%      | 16%      | -18%     | 35%      | 15%      | -0,8%    | 13,4%    | 11,8%    | 10,1%    | 8,3%     | 6,3%     | 4,2%     | 2,1%     |
|   | Conservative  |          |          |          |          |          |          | -2,8%    | -2,6%    | -2,4%    | -2,2%    | -2,0%    | -1,8%    | -1,6%    | -1,4%    |
|   | Base          |          |          |          |          |          |          | -0,8%    | 13,4%    | 11,8%    | 10,1%    | 8,3%     | 6,3%     | 4,2%     | 2,1%     |
|   | Optimistic    |          |          |          |          |          |          | 0,7%     | 14,9%    | 13,3%    | 11,6%    | 9,8%     | 7,8%     | 5,7%     | 3,6%     |
| x | EBIT          | 2.690,7  | 3.943,8  | 4.778,3  | 3.135,2  | 5.017,0  | 5.589,0  | 5.297,7  | 5.692,9  | 6.059,9  | 6.388,6  | 6.665,6  | 6.873,5  | 6.991,3  | 6.998,0  |
|   | % of Revenue  | 25%      | 29%      | 30%      | 24%      | 28%      | 27%      | 26%      | 25%      | 24%      | 23%      | 22%      | 21%      | 21%      | 20%      |
|   | Conservative  |          |          |          |          |          |          | 24%      | 23%      | 22%      | 21%      | 20%      | 19%      | 19%      | 18%      |
|   | Base          |          |          |          |          |          |          | 26%      | 25%      | 24%      | 23%      | 22%      | 21%      | 21%      | 20%      |
|   | Optimistic    |          |          |          |          |          |          | 28%      | 27%      | 26%      | 25%      | 24%      | 23%      | 23%      | 22%      |
| x | Taxes         | 550,8    | 867,7    | 2.133,7  | 759,2    | 1.280,0  | 1.420,0  | 1.390,4  | 1.496,8  | 1.595,4  | 1.683,2  | 1.756,6  | 1.810,6  | 1.839,4  | 1.837,1  |
|   | Tax Rate %    | 22%      | 23%      | 47%      | 27%      | 27%      | 27%      | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      |
|   | Conservative  |          |          |          |          |          |          | 30%      | 30%      | 30%      | 30%      | 30%      | 30%      | 30%      | 30%      |
|   | Base          |          |          |          |          |          |          | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      | 28%      |
|   | Optimistic    |          |          |          |          |          |          | 26%      | 26%      | 26%      | 26%      | 26%      | 26%      | 26%      | 26%      |
| x | EBIAT         | 2.139,9  | 3.076,1  | 2.644,6  | 2.376,0  | 3.737,0  | 4.169,0  | 3.907,3  | 4.196,1  | 4.464,5  | 4.705,4  | 4.909,0  | 5.062,9  | 5.151,9  | 5.161,0  |
| x | D&A           | 432,1    | 491,9    | 1.245,3  | 1.439,0  | 1.453,0  | 1.666,0  | 1.793,8  | 1.931,5  | 2.079,7  | 2.239,3  | 2.411,1  | 2.596,1  | 2.795,3  | 3.009,8  |
|   | % of Revenue  | 4%       | 4%       | 8%       | 11%      | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       |
|   | Conservative  |          |          |          |          |          |          | 6%       | 6%       | 6%       | 6%       | 6%       | 6%       | 6%       | 6%       |
|   | Base          |          |          |          |          |          |          | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       | 8%       |
|   | Optimistic    |          |          |          |          |          |          | 10%      | 10%      | 10%      | 10%      | 10%      | 10%      | 10%      | 10%      |
| x | Change in NWC | 0,0      | 1.924,8  | 986,6    | 610,9    | 745,3    | 346,6    | 343,6    | 225,9    | 219,3    | 203,9    | 178,6    | 142,8    | 324,1    | 50,5     |
|   | % of Revenue  | 0%       | 14%      | -6%      | -5%      | -4%      | 2%       | 2%       | -1%      | -1%      | -1%      | -1%      | 0%       | -1%      | 0%       |
|   | Conservative  |          |          |          |          |          |          | 1%       | -2%      | -2%      | -2%      | -2%      | -1%      | -2%      | -1%      |
|   | Optimistic    |          |          |          |          |          |          | 2%       | -1%      | -1%      | -1%      | -1%      | 0%       | -1%      | 0%       |
|   | Optimistic    |          |          |          |          |          |          | 3%       | 0%       | 0%       | 0%       | 0%       | 1%       | 0%       | 1%       |
| x | Cap EX        | 3.319,8  | 1.440,5  | 1.176,7  | 1.791,0  | 2.894,0  | 4.027,7  | 3.994,0  | 4.075,2  | 4.252,8  | 4.318,6  | 4.249,7  | 4.035,2  | 3.680,6  | 3.209,7  |
|   | % of Revenue  | -31%     | 11%      | 7%       | 14%      | 16%      | 20%      | 20%      | 18%      | 17%      | 15%      | 14%      | 12%      | 11%      | 9%       |
|   | Conservative  |          |          |          |          |          |          | 23%      | 21%      | 20%      | 18%      | 17%      | 15%      | 14%      | 12%      |
|   | Base          |          |          |          |          |          |          | 20%      | 18%      | 17%      | 15%      | 14%      | 12%      | 11%      | 9%       |
|   | Optimistic    |          |          |          |          |          |          | 17%      | 15%      | 14%      | 12%      | 11%      | 9%       | 8%       | 6%       |

| Period        |  |  |  |  |  |  |  |  |  |  | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     |
|---------------|--|--|--|--|--|--|--|--|--|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Discount Rate |  |  |  |  |  |  |  |  |  |  | 0,069 | 1,069 | 2,069 | 3,069 | 4,069 | 5,069 | 6,069 | 7,069 |

|   |                             |         |         |         |         |         |         |         |         |         |         |         |         |         |           |
|---|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| x | Unlevered FCF               | 5.891,8 | 4.052,3 | 1.726,6 | 1.413,1 | 1.550,7 | 2.153,8 | 2.050,8 | 1.826,4 | 2.072,0 | 2.422,1 | 2.891,8 | 3.480,9 | 3.942,5 | 4.910,6   |
|   | Present Value of FCF        |         |         |         |         |         |         | 2.041,9 | 1.707,6 | 1.819,3 | 1.997,1 | 2.239,1 | 2.530,9 | 2.691,9 | 3.148,6   |
|   | Sum of present Value of FFC |         |         |         |         |         |         |         |         |         |         |         |         |         | 18.176,4  |
|   | Terminal Value              |         |         |         |         |         |         |         |         |         |         |         |         |         | 122.374,1 |
|   | Present Value               |         |         |         |         |         |         |         |         |         |         |         |         |         | 74.006,9  |
| x | Enterprise Value            |         |         |         |         |         |         |         |         |         |         |         |         |         | 92.183,3  |
|   | (-)Cash                     |         |         |         |         |         |         |         |         |         |         |         |         |         | 3.328,0   |
|   | (+)Debt                     |         |         |         |         |         |         |         |         |         |         |         |         |         | 7.182,0   |
|   | Equity Value                |         |         |         |         |         |         |         |         |         |         |         |         |         | 96.037,3  |
|   | Number of shares            |         |         |         |         |         |         |         |         |         |         |         |         |         | 123,2     |
|   | Implied Share Price         |         |         |         |         |         |         |         |         |         |         |         |         |         | 779,78    |

## Sensitivity Table

| Share Price |       |       |         |         |         |         |         |
|-------------|-------|-------|---------|---------|---------|---------|---------|
|             | 1,5%  | 1,8%  | 2,0%    | 2,3%    | 2,5%    | 2,8%    | 3,0%    |
| 5,1%        | 926,7 | 984,1 | 1.050,8 | 1.129,2 | 1.222,7 | 1.336,2 | 1.476,8 |
| 6,1%        | 711,7 | 743,8 | 779,8   | 820,4   | 866,8   | 920,0   | 981,9   |
| 7,1%        | 574,4 | 594,3 | 616,0   | 640,1   | 666,7   | 696,4   | 729,7   |
| 8,1%        | 479,4 | 492,5 | 506,7   | 522,1   | 538,9   | 557,3   | 577,4   |
| 9,1%        | 409,9 | 419,0 | 428,8   | 439,2   | 450,5   | 462,6   | 475,7   |
| 10,1%       | 357,1 | 363,6 | 370,6   | 377,9   | 385,8   | 394,2   | 403,2   |
| 11,1%       | 315,6 | 320,5 | 325,6   | 330,9   | 336,6   | 342,7   | 349,1   |

| Upside/Downside |      |      |      |      |      |      |      |
|-----------------|------|------|------|------|------|------|------|
|                 | 1,5% | 1,8% | 2,0% | 2,3% | 2,5% | 2,8% | 3,0% |
| 5,1%            | 164% | 181% | 200% | 222% | 249% | 281% | 321% |
| 6,1%            | 103% | 112% | 122% | 134% | 147% | 162% | 180% |
| 7,1%            | 64%  | 70%  | 76%  | 83%  | 90%  | 99%  | 108% |
| 8,1%            | 37%  | 41%  | 45%  | 49%  | 54%  | 59%  | 65%  |
| 9,1%            | 17%  | 20%  | 22%  | 25%  | 29%  | 32%  | 36%  |
| 10,1%           | 2%   | 4%   | 6%   | 8%   | 10%  | 12%  | 15%  |
| 11,1%           | -10% | -9%  | -7%  | -6%  | -4%  | -2%  | 0%   |