

# Salvatore Ferragamo

## FY 2021 Results Update

### Analyst Presentation

March 8, 2022 - 6.00 PM CET



# Disclaimer

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# FY 2021 Financial Review



Salvatore Ferragamo SS 22 Collection

# FY 2021 Revenue By Distribution Channel

(Euro MM)	Dec YTD			Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Retail	829.5	637.1	30.2%	32.2%	73.1%	72.7%
Wholesale	295.9	230.1	28.6%	30.3%	26.1%	26.3%
Licences & Other Rev.	7.7	7.1	9.7%	9.7%	0.7%	0.8%
Rental income	2.4	2.3	4.8%	8.5%	0.2%	0.3%
<b>Total</b>	<b>1,135.5</b>	<b>876.5</b>	<b>29.5%</b>	<b>31.4%</b>	<b>100.0%</b>	<b>100.0%</b>

- Total Revenues in FY'21 at 1,136M Euros, up 29.5% (+31.4% at const. FX), with 4Q +20.8% (+23.5% at const. FX) vs. 4Q'20, despite the enduring lock-downs in some countries, and restrictions to international traffic.
- RTL up 30.2% (+32.2% at const. FX) in FY'21, with 4Q +17.1% (+20.1% at const. FX) vs. 4Q'20, exceeding pre-Covid level, driven by Greater China, North America, Latin America, Korea and Japan .
- WHL up 28.6% (+30.3% at const. FX) in FY'21, with 4Q +32.2% (+33.3% at const. FX) vs. 4Q'20.

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is classified as “Discontinued Operations”, separately presented, in accordance with IFRS 5.

# FY 2021 Revenue By Region

(Euro MM)	Dec YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020	
	2021	2020	Δ %				
Europe	217.1	179.1	21.2%	19.0%	19.1%	20.4%	➤ APAC, confirmed the top market in terms of Revenues, up 16.9% at const. FX vs. FY'20, with China RTL up 9.4% at const. FX vs. FY'20 and Korea RTL up 13.6%.
North America	323.6	188.7	71.5%	82.6%	28.5%	21.5%	➤ Japan up 8.1% at const. FX vs. FY'20.
Japan	90.1	86.9	3.7%	8.1%	7.9%	9.9%	➤ EMEA up 19.0% at const. FX vs. FY'20, still penalized by lock-downs and limited tourists' flows.
Asia Pacific	436.2	371.9	17.3%	16.9%	38.4%	42.4%	➤ North America strongly up 82.6% at const. FX vs. FY'20.
Latin America	68.5	49.9	37.3%	42.5%	6.0%	5.7%	➤ LatAm up 42.5% at const. FX vs. FY'20.
<b>Total</b>	<b>1,135.5</b>	<b>876.5</b>	<b>29.5%</b>	<b>31.4%</b>	<b>100.0%</b>	<b>100.0%</b>	

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# FY 2021 Revenue By Product

(Euro MM)	Dec YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Shoes	486.1	374.7	29.7%	32.1%	42.8%	42.8%
Leather goods & handbags	495.7	388.6	27.5%	28.9%	43.7%	44.3%
RTW	70.1	50.2	39.6%	41.6%	6.2%	5.7%
Silk & other access.	69.2	50.8	36.3%	38.2%	6.1%	5.8%
Fragrances	4.3	2.8	53.7%	57.4%	0.4%	0.3%
Licences & Other Rev.	7.7	7.1	9.7%	9.7%	0.7%	0.8%
Rental income	2.4	2.3	4.8%	8.5%	0.2%	0.3%
<b>Total</b>	<b>1,135.5</b>	<b>876.5</b>	<b>29.5%</b>	<b>31.4%</b>	<b>100.0%</b>	<b>100.0%</b>

➤ All main product categories reported a significant increase vs. FY'20, with shoes and leather categories representing respectively 43% and 44% of the turnover.

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(Euro MM)	December YTD				
	2021	%	2020	%	Δ %
<b>Total revenue</b>	<b>1,135.5</b>	<b>100.0%</b>	<b>876.5</b>	<b>100.0%</b>	<b>29.5%</b>
Cost of goods sold	(354.6)	-31.2%	(325.2)	-37.1%	9.0%
<b>Gross profit</b>	<b>780.9</b>	<b>68.8%</b>	<b>551.3</b>	<b>62.9%</b>	<b>41.7%</b>
Total operating costs	(637.5)	-56.1%	(614.1)	-70.1%	3.8%
<b>EBIT</b>	<b>143.5</b>	<b>12.6%</b>	<b>(62.8)</b>	<b>-7.2%</b>	<b>nm</b>
Financial income (expenses)	(7.4)	-0.7%	(3.8)	-0.4%	96.1%
Financial ROU	(13.5)	-1.2%	(14.4)	-1.6%	-6.3%
<b>EBT</b>	<b>122.6</b>	<b>10.8%</b>	<b>(80.9)</b>	<b>-9.2%</b>	<b>nm</b>
Taxes	(36.3)	-3.2%	8.1	0.9%	nm
Net profit(loss) from discontinued operations, net of taxes	(5.2)	-0.5%	1.1	0.1%	nm
<b>Net income</b>	<b>81.1</b>	<b>7.1%</b>	<b>(71.7)</b>	<b>-8.2%</b>	<b>nm</b>
Group net income	78.6	6.9%	(66.4)	-7.6%	nm
Income to minorities	2.5	0.2%	(5.3)	-0.6%	nm
<b>EBITDA</b>	<b>304.5</b>	<b>26.8%</b>	<b>157.8</b>	<b>18.0%</b>	<b>93.0%</b>

- Gross Profit +41.7% to 781M Euros, with incidence on Revenues +590bps to 68.8%, mainly thanks to a positive full/off price ratio, a favorable geographical, channel and product mix, and lower provisions for obsolescence.
- Opex up 3.8% (+4.9% at const. FX) vs. FY'20, with +2.6% in 4Q'21 due to higher communications expenses and increase in variable costs.
- EBIT positive for 143M Euros vs. 28M Euros negative (net of the effect of the impairment test) in FY'20.
- Net Income positive for 81M Euros vs. 72M Euros negative in FY'20.

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# FY 2021 Balance Sheet

(Euro MM)	Dec 21 YTD	Dec 20 YTD	%
Tangible assets	217.077	214.946	1.0%
Intangible assets	40.102	45.570	-12.0%
Right of Use	500.046	475.240	5.2%
Financial assets	—	—	
<b>Fixed assets</b>	<b>757.225</b>	<b>735.756</b>	<b>2.9%</b>
Inventory	279.790	346.181	-19.2%
Trade receivables	112.670	113.909	-1.1%
Trade payables	(193.102)	(145.538)	32.7%
<b>Operating working capital</b>	<b>199.358</b>	<b>314.552</b>	<b>-36.6%</b>
Other assets (liabilities)	83.481	114.822	-27.3%
Net Asset Disposal for Sales	—	—	-
Employee Benefit Liabilities	(8.970)	(11.867)	-24.4%
Provisions for risks and charges	(20.732)	(14.401)	44.0%
<b>Net invested capital</b>	<b>1,010.361</b>	<b>1,138.862</b>	<b>-11.3%</b>
<b>Shareholders' equity (A)</b>	<b>785.878</b>	<b>709.696</b>	<b>10.7%</b>
Group equity	764.313	693.582	10.2%
Minority interest	21.565	16.114	33.8%
Current financial liabilities	(186.129)	(163.909)	13.6%
Non current financial liabilities	(550.746)	(593.703)	-7.2%
Cash & Cash equivalents	512.392	328.446	56.0%
<b>Net debt (B)</b>	<b>(224.483)</b>	<b>(429.166)</b>	<b>-47.7%</b>
<b>Financial sources (A-B)</b>	<b>1,010.361</b>	<b>1,138.862</b>	<b>-11.3%</b>
<b>Net debt (B)</b>	<b>(224.483)</b>	<b>(429.166)</b>	<b>-47.7%</b>
Non Current Lease Liabilities	487.230	464.400	4.9%
Current Lease Liabilities	110.012	103.509	6.3%
<b>Lease Liabilities</b>	<b>597.242</b>	<b>567.909</b>	<b>5.2%</b>
<b>Net debt Adjusted</b>	<b>372.759</b>	<b>138.743</b>	<b>&gt;100%</b>

- Net Working Capital down 36.6%, with continuing efficiency in Inventory, decreasing by 19.2% (-17.6% at const. FX excl. Fragrances).
- Investments (CAPEX) at 44M Euros, vs. 29M Euros in FY'20, mainly driven by investments in the retail network.
- Net Financial Position adj. (ex. IFRS16 impact) at 31 December 2021 positive for 373M Euros, compared to 139M Euros positive as of 31 December 2020. Including IFRS16 effect, the Net Financial Position at 31 December 2021 is negative for 224M Euros.



# Salvatore Ferragamo

## FY 2021 Results Update

Q&A

