

Salvatore Ferragamo

FY 2014 Results Update

Analyst Presentation

March 12, 2015 - 6.00 PM Italian Time



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The Manager in Charge of preparing the Company financial reports hereby certifies pursuant to paragraph 2 of art. 154-bis of Legislative Decree no. 58 of February 24, 1998, that the accounting disclosures of this document are consistent with the accounting documents, ledgers and entries.

FY 2014 Market Scenario

- Difficult market scenario due to political instability, China austerity policies, softening Russian tourist flow in Europe, poor consumer confidence and FX headwinds
- China sales trend mixed (Capitals suffering from austerity, 2nd/3rd tier cities up double-digit), while Hong Kong protests negatively impacting on local and travelers' market
- Europe continuing weak economics fairly counterbalanced by tourist flows, despite Russia-Ukraine and Middle East tensions still present
- US penalized by adverse weather conditions, sales benefitting from positive consumer confidence and increasing travelers' spending, mainly from Asia
- Japan recovering in the last part of the year, also favored by Chinese travelers
- Increasing importance of Travel Retail channel with airports becoming more and more luxury shopping destinations: international traffic up 6% in FY2014, and Chinese still top nationality with new major destinations in Korea, Japan, Australia, Canada and US
- Shoes and Leather Goods still showing growth above average
- Lower EUR exchange rate parity opening to a positive FX momentum in the last part of the year

FY 2014 Salvatore Ferragamo Key Facts (1/2)

- Top-line growth in FY 2014 +6% at constant FX and +8 in 4Q 2014
- RTL growing by 5% at constant FX, with ca. +2% L-f-L (+4% L-f-L in 4Q 2014)
- Solid performance for WHL & Travel Retail channel (+10% at constant FX)
- Good performance in Europe (+9% at constant FX), despite ongoing geopolitical tensions and difficult economic situation
- US up 5% at constant FX and Latam up 14%
- APAC up 5% at constant FX, with China RTL still overperforming (+18%)
- Japan up 4% at constant FX (-4% at current FX)



Salvatore Ferragamo SS15 Advertising Campaign

FY 2014 Salvatore Ferragamo Key Facts (2/2)

- Leather goods overperforming in line with strategy (+13% at constant FX)
- Gross Profit up by 6%, with a growing incidence on Revenues of 63.7% vs. 63.5% in FY 2013
- EBITDA increasing by 13%, with an incidence on Revenues of 22.0% vs. 20.7% in FY 2013
- Group Net Profit reaching 157 million Euros, up 13% vs. FY 2013 adjusted for the capital gain deriving from the disposal of the participation in ZeFer



Salvatore Ferragamo SS15 Advertising Campaign

FINANCIALS

FY 2014 Revenue By Region

(Euro MM)	December YTD				Weight on Tot 2014	Weight on Tot 2013
	2014	2013	Δ %	Δ % Const FX		
Europe	354,8	326,4	8,7%	8,6%	26,6%	25,9%
North America	304,8	290,3	5,0%	5,2%	22,9%	23,1%
Japan	111,5	116,1	-4,0%	3,8%	8,4%	9,2%
Asia Pacific	496,0	466,5	6,3%	5,4%	37,2%	37,1%
Latin America	64,7	58,7	10,1%	13,5%	4,9%	4,7%
Total	1.331,8	1.258,0	5,9%	6,5%	100,0%	100,0%

FY 2014 Revenue By Distribution Channel

(Euro MM)	December YTD				Weight on Tot 2014	Weight on Tot 2013
	2014	2013	Δ %	Δ % Const FX		
Retail	833,1	802,8	3,8%	4,7%	62,6%	63,8%
Wholesale	478,4	433,9	10,3%	10,2%	35,9%	34,5%
Licences & Other Rev.	9,4	10,7	-12,3%	-12,3%	0,7%	0,9%
Rental income	10,9	10,7	2,5%	2,5%	0,8%	0,8%
Total	1.331,8	1.258,0	5,9%	6,5%	100,0%	100,0%

FY 2014 Revenue By Product

(Euro MM)	December YTD				Weight on Tot 2014	Weight on Tot 2013
	2014	2013	Δ %	Δ % Const FX		
Shoes	568,4	544,1	4,5%	4,9%	42,7%	43,2%
Leather goods & handbags	471,6	418,7	12,6%	13,2%	35,4%	33,3%
RTW	97,2	103,2	-5,8%	-4,1%	7,3%	8,2%
Silk & other access.	90,1	90,8	-0,9%	0,1%	6,8%	7,2%
Fragrances	84,2	79,8	5,4%	5,4%	6,3%	6,3%
Licences & Other Rev.	9,4	10,7	-12,3%	-12,3%	0,7%	0,9%
Rental income	10,9	10,7	2,5%	2,5%	0,8%	0,8%
Total	1.331,8	1.258,0	5,9%	6,5%	100,0%	100,0%

FY 2014 P&L

(Euro MM)	December YTD				
	2014	%	2013	%	Δ %
Total revenue	1.331,8	100,0%	1.258,0	100,0%	5,9%
Cost of goods sold	(483,4)	-36,3%	(459,0)	-36,5%	5,3%
Gross profit	848,4	63,7%	799,1	63,5%	6,2%
Total operating costs	(603,0)	-45,3%	(580,0)	-46,1%	4,0%
EBIT	245,4	18,4%	219,1	17,4%	12,0%
Financial income (expenses) (*)	(7,4)	-0,6%	1,6	0,1%	nm
Companies valued with the Equity Method	–	0,0%	–	0,0%	0,0%
EBT (*)	238,0	17,9%	220,7	17,5%	7,8%
Taxes	(74,5)	-5,6%	(60,7)	-4,8%	22,6%
Net income (*)	163,5	12,3%	160,0	12,7%	2,2%
Group net income (*)	156,6	11,8%	150,5	12,0%	4,1%
Income to minorities	6,9	0,5%	9,5	0,8%	-27,0%
EBITDA	292,9	22,0%	260,0	20,7%	12,7%

(*) Including, in FY 2013, the capital gain deriving from the disposal of the participation in ZeFer.

Excluding the capital gain, the EBT in FY 2014 increased 14%, the Net income 11% and the Group net income 13%.

FY 2014 Balance Sheet

(Euro MM)	Dec 14 YTD	Dec 13 YTD	%
Tangible assets	219,092	174,853	25,3%
Intangible assets	29,221	26,090	12,0%
Financial assets	–	–	
Fixed assets	248,312	200,943	23,6%
Inventory	338,555	290,705	16,5%
Trade receivables	150,895	121,408	24,3%
Trade payables	(187,555)	(202,752)	-7,5%
Operating working capital	301,895	209,361	44,2%
Other assets (liabilities)	26,029	37,504	-30,6%
Severance indemnity	(11,583)	(10,092)	14,8%
Risk funds	(7,106)	(5,348)	32,9%
Net invested capital	557,548	432,368	29,0%
Shareholders' equity (A)	508,194	399,770	27,1%
Group equity	466,191	365,465	27,6%
Minority interest	42,004	34,305	22,4%
Current financial liabilities	(125,461)	(104,834)	19,7%
Non current financial liabilities	(21,331)	–	
Cash & equivalents	97,439	72,236	34,9%
Net debt (B)	(49,353)	(32,598)	51,4%
Financial sources (A-B)	557,548	432,368	29,0%