

An Evolving Legend

Ferragamo Investor Day

3 February 2017

Salvatore Ferragamo

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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.

Agenda of the day

- 10.00 AM ■ WELCOME
- 10.45 AM ■ OPENING SPEECH *Ferruccio Ferragamo, Chairman*
- 10.55 AM ■ AN EVOLVING LEGEND *Eraldo Poletto, CEO*
- 12.00 PM ■ Q&A
- 12.40 PM ■ LUNCH
- 2.00 PM -
4.00 PM ■ TOUR OF THE FERRAGAMO WORLD:
- MUSEUM VISIT
- DESIGNERS' MEETING & STORE EXPERIENCE

An Evolving Legend

1

FERRAGAMO IN THE MAKING

2

THE NEXT CHAPTER

3

OUR AMBITION

Salvatore Ferragamo

A legend built over 90 years

"My shoes must **satisfy the people** for whom they are designed...the **strength of my name** is in each pair of shoes I offer"

"There is **no limit to beauty**, **no saturation** point in **design**, **no end** to the **material**"

"There is always **something** more beautiful, **more perfect**, **still to be created**"



1927



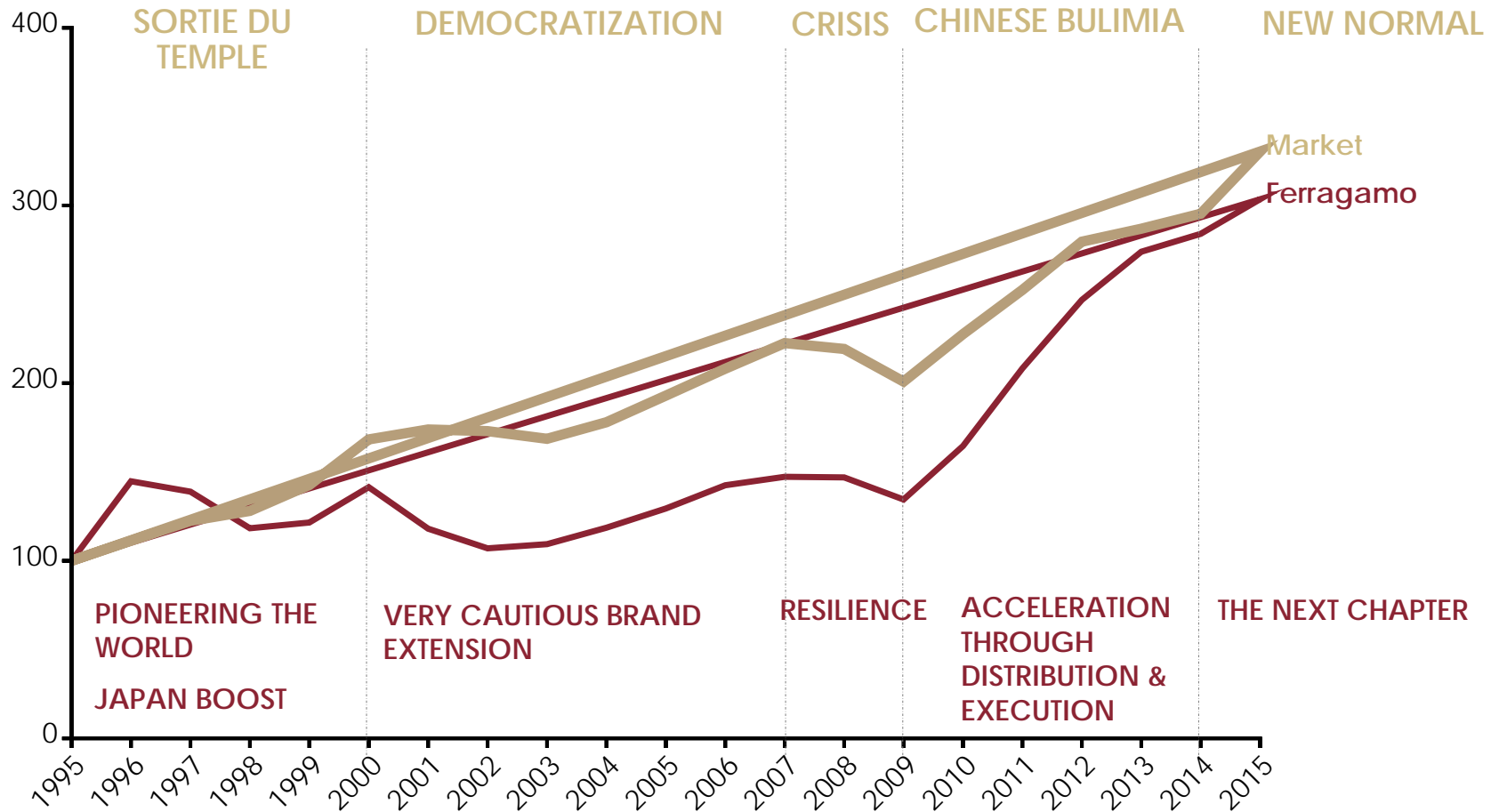
2017

Salvatore Ferragamo

Pioneering with integrity, creating value

Growth indexed

1995=100



Source: Bain Luxury Study for market growth

Salvatore Ferragamo

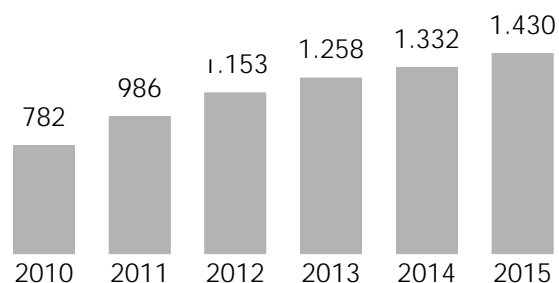
Ferragamo has delivered extraordinary results

(€ M) current rates

	2010	2011	2012	2013	2014	2015	2010-15
Total Revenues	782	986	1.153	1.258	1.332	1.430	1,8
YoY	26,1%	26,2%	16,9%	9,1%	5,9%	7,4%	
EBITDA	113	184	228	260	293	324	2,9
margin	14,5%	18,6%	19,8%	20,7%	22,0%	22,7%	
EBIT	86	157	194	219	245	265	3,1
margin	11,1%	15,9%	16,9%	17,4%	18,4%	18,5%	
Net Profit	61	103	125	143**	164	175	2,9
YoY	nm	69,9%	21,3%	14,4%	14,1%	6,7%	
<small>** net of Zefer capital gain and deferred tax assets</small>							
Capex	22	42	59	82	83	80	3,6
Net Debt (cash)**	18	29	58	33	49	10	0,6

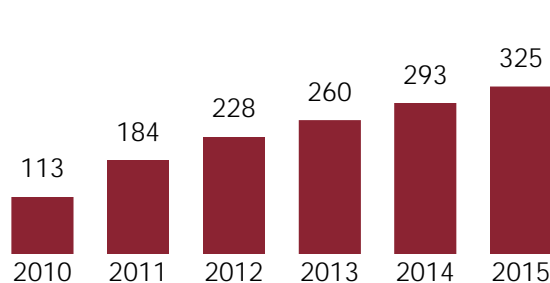
REVENUES

CAGR +13%

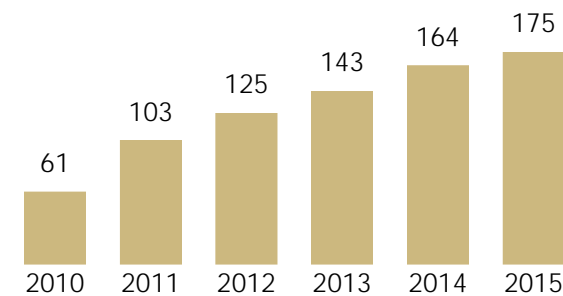


EBITDA

CAGR +24%



NET PROFIT



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Where we stand now:

BRAND

- Extraordinary awareness
- A strong legacy, resilient to market evolution
- A fully nourished integrity

PRODUCT

- Shoes & leather goods at the core of the business, with a complete lifestyle offering
- Legitimacy in women and men across categories
- Made-in-Italy with passionate commitment and craftsmanship

RETAIL

- A pioneer with a global reach
- Unparalleled store network, in the most relevant and prestigious locations worldwide
- Built on multiple channels, undisputed leader in travel retail

PEOPLE

- A strong founders' culture and an overwhelming sense of belonging
- A disciplined, "managerialized" & global organization

Unique Brand DNA

A HISTORY OF COURAGE



A REVOLUTION OF SHOES



A STAR IN THE MOVIES

A LOVE WITH THE CUSTOMER

Salvatore Ferragamo

Integrity and clean positioning

- **One Brand**, with no compromise on the architecture of lines
- Strategic and controlled use of **licenses** to **preserve and enhance the Brand**



Extraordinary Brand awareness (+85%*), top of mind for shoes and global recognition as a high quality luxury Brand

Balanced offering

REVENUE BREAKDOWN



CATEGORIES

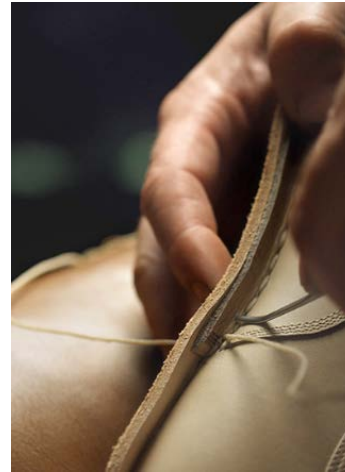


GENDER

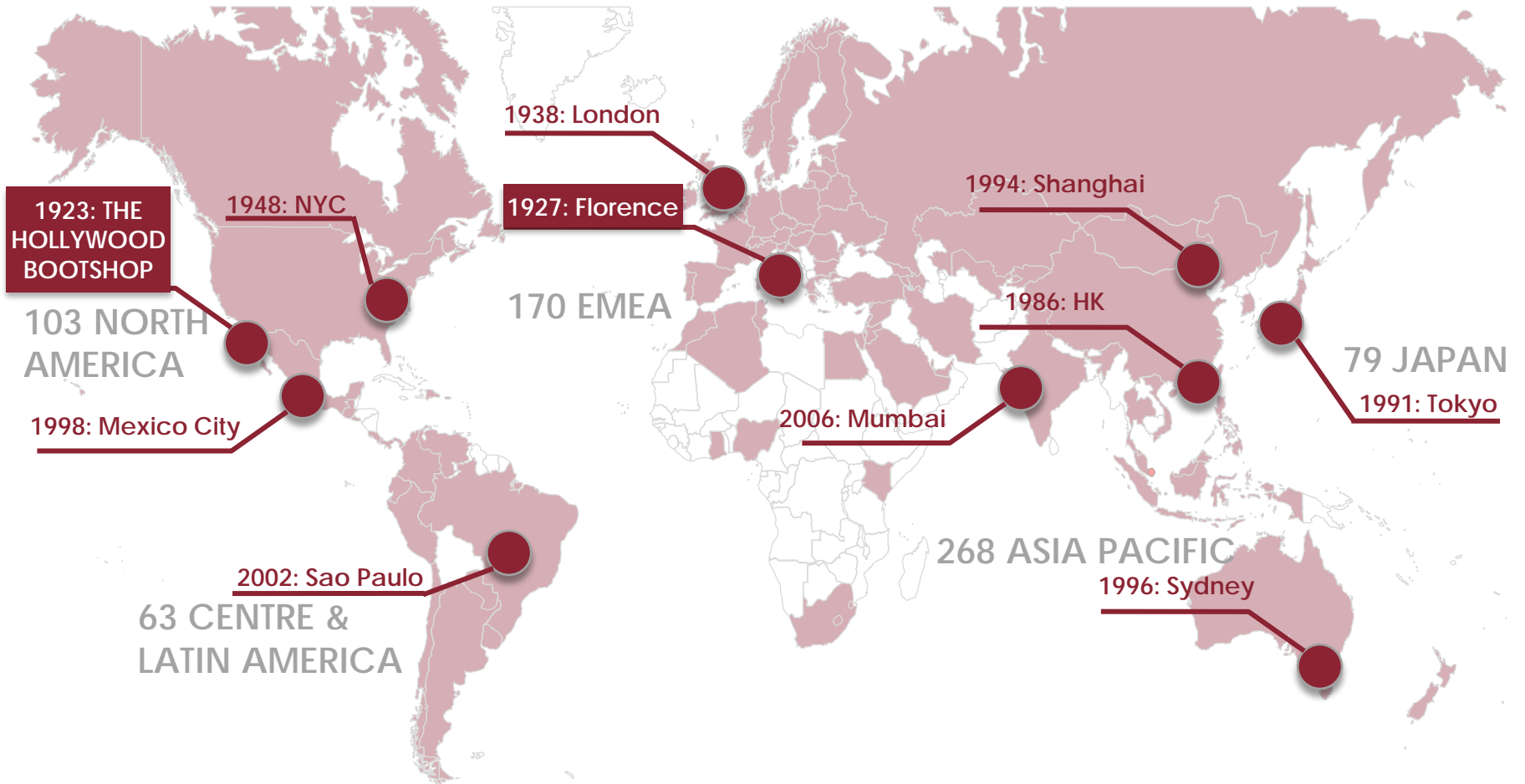


Truly Italian expertise

- Sourced and manufactured in Italy with no compromises
- Full commitment to **artisanal production** with the **highest quality materials**
- **Ownership** of the **most value-adding phases** of the supply chain

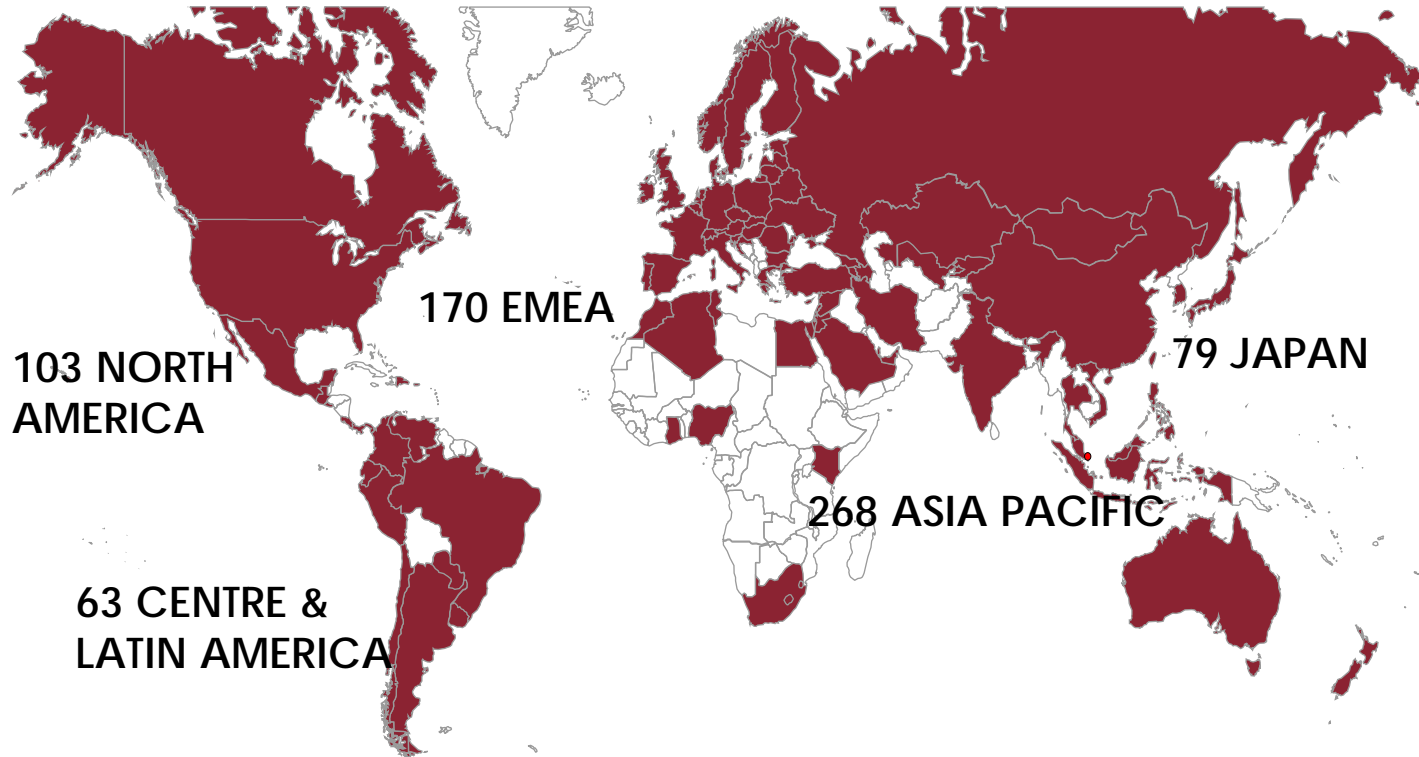
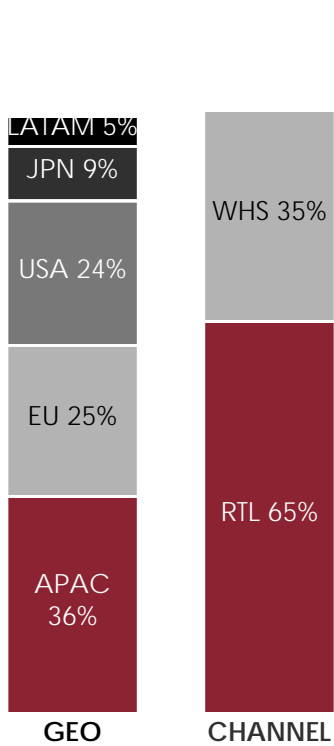


Pioneering mentality



Global retail network

REVENUE BREAKDOWN



683 monobrand stores in 100+ countries

Note: As of 31/12/16

Top quality presence



PARIS – Avenue Montaigne

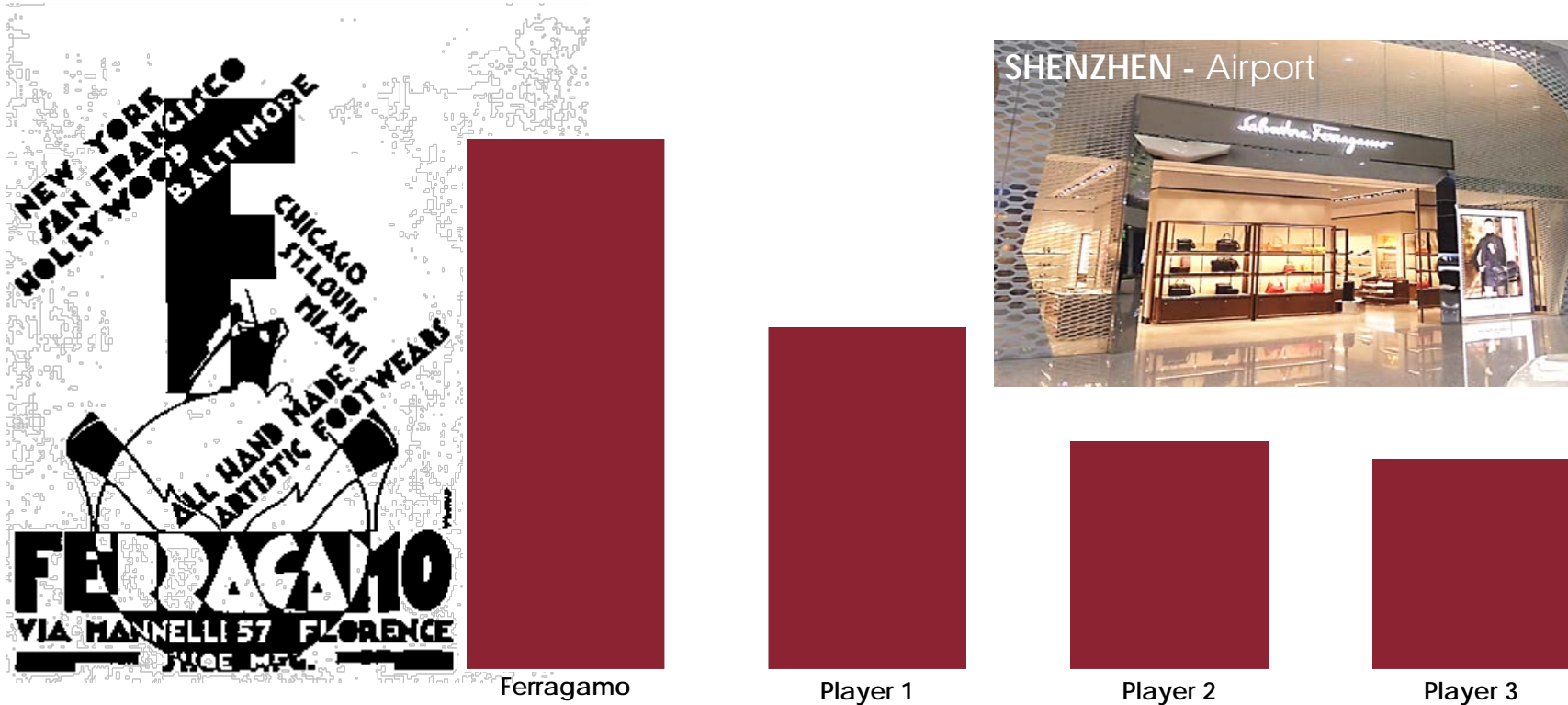
150+ stores renovated since the
IPO



Tokyo - Ginza

Leadership in travel retail

OF TRAVEL RETAIL STORES



The largest travel retail network among peers

People

A global Team

4000

employees



100+
countries

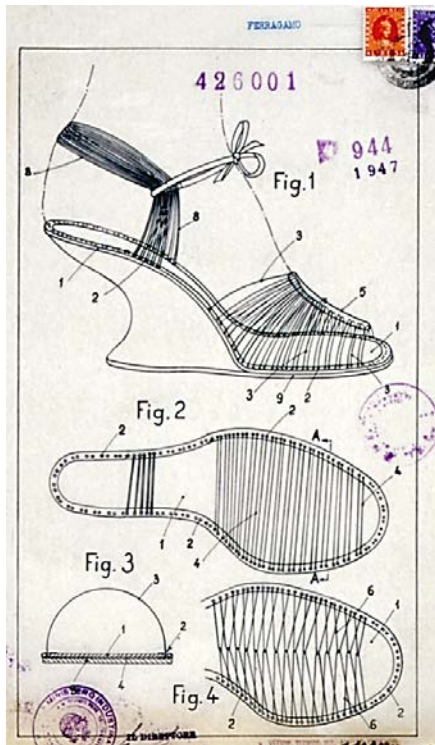
65+
nationalities

35+
languages

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Living our legacy every day

ARCHIVE & INNOVATION



COMPANY EDUCATION



FLORENCE



An Evolving Legend

1 FERRAGAMO IN THE MAKING

2 THE NEXT CHAPTER

3 OUR AMBITION

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Four actions to engage the customer



BRAND

Unveil the strength of the Brand



PRODUCT

Foster innovation & creativity

RETAIL

Deliver impeccable customer experience

PEOPLE

Empower our people

Unveil the strength of the Brand

KEY ACTIONS

- **Reinforce the Brand legacy**, reinvigorating the founder's values
- Rely on **fewer bigger better messages** to tell one powerful story
- **Deploy a stronger voice** to foster visibility among consumers, **embracing the internet**



Feeding the Brand



Colors & Shapes

Playfulness

Glamour



Italy

Craftsmanship

Price integrity

Innovation

Courage

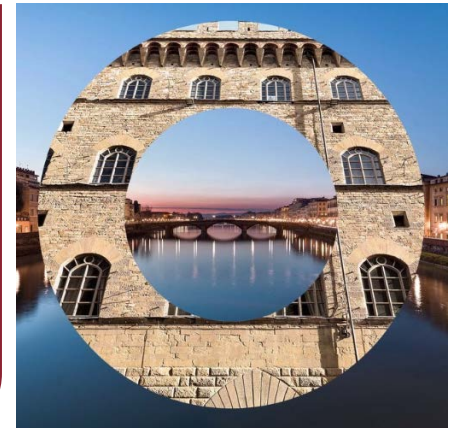
Passion



Welcoming

Customer
centric

Comfort



Strong voice across touchpoints



Four actions to engage the customer

BRAND

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Foster innovation and creativity

KEY ACTIONS

- Deliver a refreshed and unified **contemporary Brand aesthetic**, unveiling **Ferragamo codes** through a **strong creative vision**
- Define and pursue the **strategic role** of each **category**
- Showcase more **newness** in store, **simplifying** and **streamlining the collection** with a strong **merchandising** approach



A strong creative Team



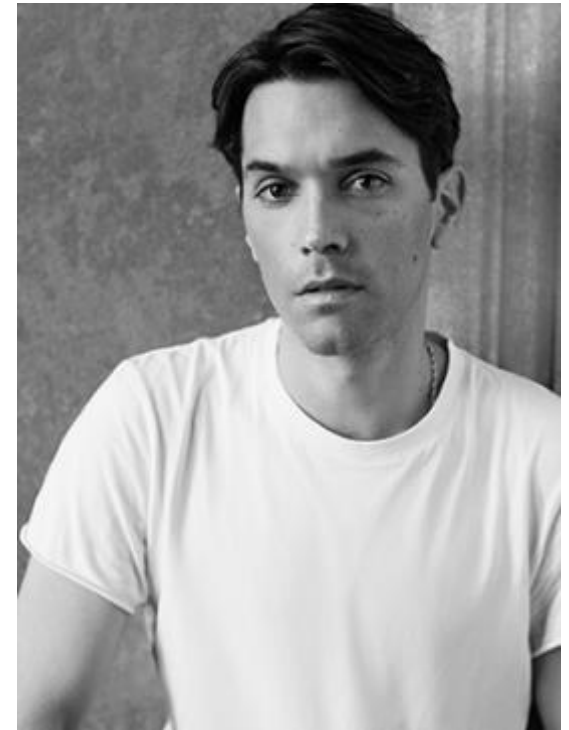
Paul Andrew

Women's Footwear



Fulvio Rigoni

Women's Ready-to-wear



Guillaume Meilland

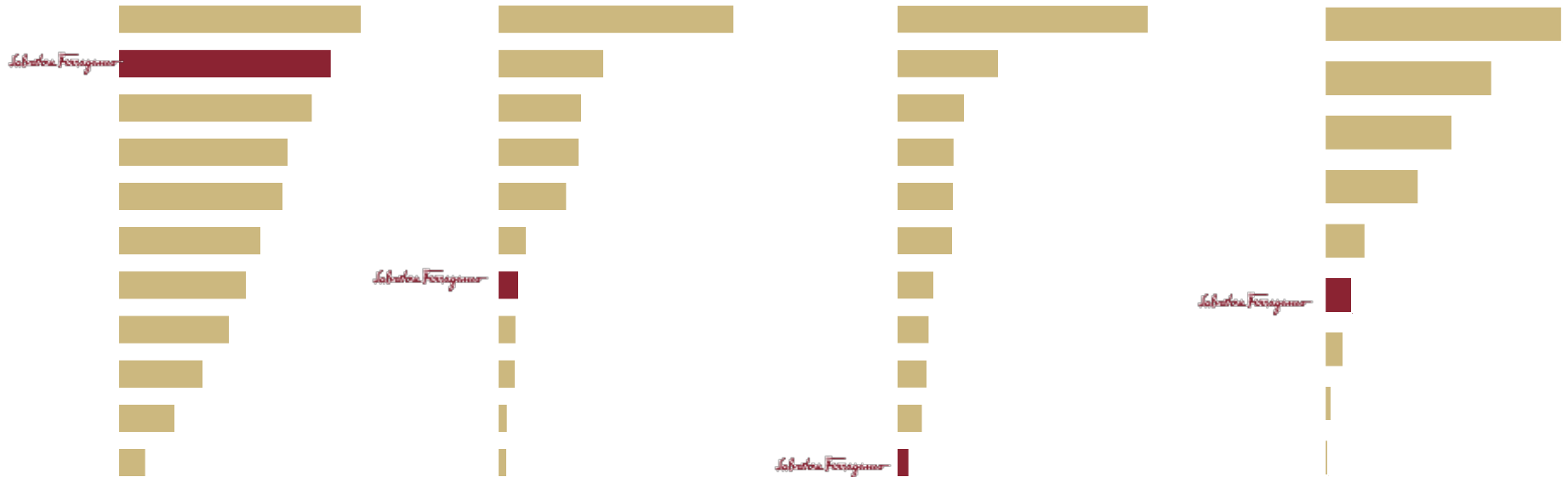
Men's Ready-to-wear

The change in the product



Opportunities ahead

CONSOLIDATED SALES ESTIMATES BY CATEGORY



Note: Panel of 10 peers

A clear strategy for each product



- Reinforce **leadership** in core business
 - Refresh timeless icons with a **contemporary twist**
-



- Invest on iconic women **bags** to create new legends
 - Gain larger legitimacy on all leather accessories
-



- Refresh **product identity**
 - Build **wardrobe-essentials** in line with the **Brand DNA**
-



- Leverage **legacy** and **know-how** on textile
- Seduce new generations

Pull merchandising approach

PRODUCT CONTENT

- **Creativity** and **product innovation**
 - **Luxury** with price **integrity**
-

COLLECTION STRUCTURE

- Consumer-driven **seasonal (in-store) approach**
 - Space for newness through **collection** simplification
-

PRICE ARCHITECTURE

- **Balanced** price range and architecture
- **Fair price** differentials

Four actions to engage the customer

BRAND

Unveil the strength of the Brand

PRODUCT

Foster innovation & creativity

RETAIL

Deliver impeccable customer experience

PEOPLE

Empower our people



Deliver impeccable customer experience

KEY ACTIONS

- Deploy a **culture of retail excellence** on the global network, focusing on **productivity improvement**
- Redefine the **role of the store**, enhancing the **customer experience**
- **Retail mindset**, also in the **wholesale**
- **Prioritize internet and fuse online & offline** in a seamless **omnichannel** experience



BERLIN – Kurfürstendamm

Retail mindset & excellence

Strategic maintenance of the network

- **Soft refurbishment** to refresh store concept
- **Network adjustments**: re-locations, enlargements
- Minimum number of **openings**

Assortment chain set-up

- The **right product**, in the **right place**, at the **right time**, in the **right quantity**
- **Category management 2.0**
- **Planning** and **Allocation** culture and organization set-up

In-store experience enhancement

- **Global Customer Experience Management** set-up
- Focus on **service**, **clienteling** and **engagement**
- **Visual** merchandising and **windows** redesign

Front line empowerment

- World-class **hiring**, **training** and **career plan** for sales associates
- **Store managers as CEO**: key primary touch points between Brand and consumers

Store Labs: Piloting a new role for our stores

Visual
merchandising

Buying, planning &
allocation

Hospitality &
experience

12

stores

4

regions

5K

selling sqm



JAPAN – Ginza

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Prioritize internet & e-com

KEY ACTIONS

- Piloting omnichannel in the **US**, soon globally
- Rolling out a **new website** (mid 2017)
- Focusing on **internet marketing**



Four actions to engage the customer

BRAND

Unveil the strength of the Brand

PRODUCT

Foster innovation & creativity

RETAIL

Deliver impeccable customer experience

PEOPLE

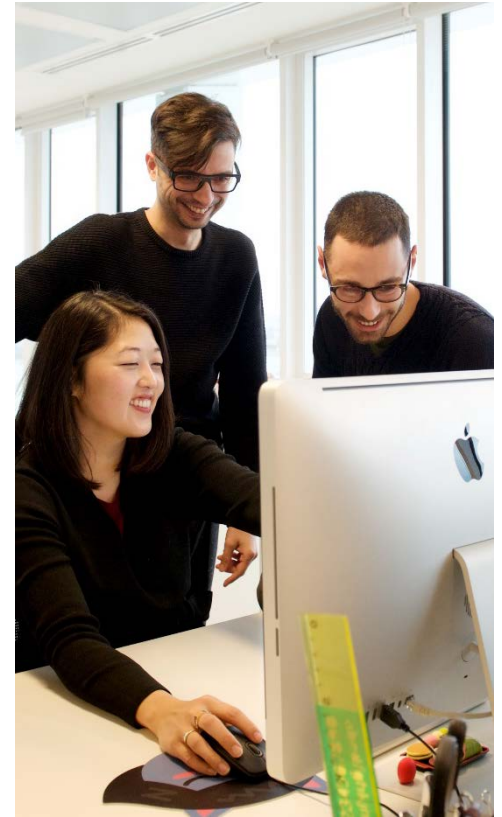
Empower our people



Empower our people

KEY ACTIONS

- Promote **entrepreneurial spirit**
- Recalibrate the **organization around the customer**
- A supporting center: the **Headquarter at the service of the regions**
- A strong commitment to **sustainable development**



People, people, people

- Creativity
- Merchandising
- Marketing
- Retail
- Planning & Allocation
- Technology



Our commitment to:

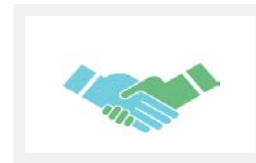
6 Sustainable Development Areas*



**HUMAN
RESOURCES**



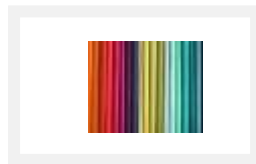
**STRATEGY &
GOVERNANCE**



**SUPPLIERS &
CONTRACTORS**



**COMMUNITY &
CHARITY**



**PRODUCT
R & D**



**ENVIRONMENTAL
IMPACTS**



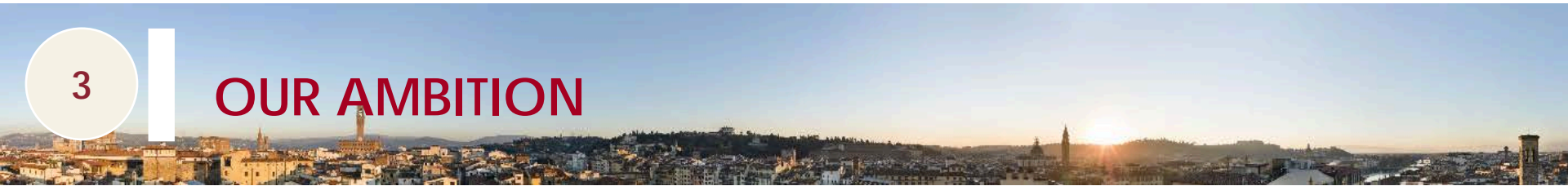
* In accordance with United Nations Sustainable Development goals
Source: Since 2014 in our yearly certified Sustainability Report
<http://csr.ferragamo.com/en>

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Going forward



High Tech - High Craft - High Touch

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2017: Upgrade the business model

BRAND

- A powerful communication focused on few messages
- Greater push on internet

PRODUCT

- New collection in store from April
- New merchandising guidelines & assortment chain set up

RETAIL

- Launch and pilot of STORE LABS
- Deployment of omnichannel from USA to WW
- Launch of the new website

PEOPLE

- Integrated teams already working on the change
- Certified CSR report & 6 sustainable development goals

Changing gears at all operational levels

Midterm ambition

TOPLINE

- **Topline growth**
 - ~ 2x the market growth
 - through L4L focus
-

PROFITS

- **Growing profitability:**
 - Improve **GM** and **EBITDA**
 - Tight **control** on **OPEX**
-

INVESTMENTS

- **Capex under control**
 - Soft refurbishment to refresh store **concept**

Salvatore's vision



“In the immediate future
I can see many new
developments...
There is much ahead
and I’m looking for the
time to accomplish it.”

The Shoemaker of Dreams, 1957

Salvatore Ferragamo

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