





**PRESS RELEASE**

**Salvatore Ferragamo S.p.A.**

**FY 2018 Group Preliminary Consolidated Revenue Figures**

**Salvatore Ferragamo Group Consolidated Revenues<sup>1</sup> -3.4% in FY 2018 (-1.7% at constant exchange rates<sup>2</sup>) vs. FY 2017**

*Florence, 29 January 2019* – The Salvatore Ferragamo Group, one of the global leaders in the luxury sector, released the Group's Preliminary Consolidated Revenues<sup>1</sup> for Fiscal Year 2018, which amount to 1,347 million Euros down 3.4% at current exchange rates and 1.7% at constant exchange rates<sup>2</sup> vs. FY 2017.

**Preliminary Consolidated Revenue<sup>1</sup> figures for FY 2018**

As of 31 December 2018 the Salvatore Ferragamo Group reported Total Revenues<sup>1</sup> of 1,347 million Euros down 3.4% at current exchange rates (-1.7% at constant exchange rates<sup>2</sup>) vs. the 1,393 million Euros recorded in FY 2017. Revenues<sup>1</sup> in 4Q 2018 registered a 3.6% decrease, penalized by the currencies trend (-1.8% at constant exchange rates<sup>2</sup>), by the lower incidence of promotional sales in the primary channel, by lower Revenues<sup>1</sup> in the secondary channel and by the negative trends of the wholesale business.

**Revenues<sup>1</sup> by distribution channel<sup>3</sup>**

As of 31 December 2018, the Group's Retail network counted on a total of 672 points of sales, including 409 Directly Operated Stores (DOS) and 263 Third Party Operated Stores (TPOS) in the Wholesale and Travel Retail channel, as well as the presence in Department Stores and high-level multi-brand Specialty Stores.

In FY 2018 the Retail distribution channel posted consolidated Revenues<sup>1</sup> down 3.0% (-1.1% at constant exchange rates<sup>2</sup>), with a decrease of -1.4% at constant exchange rates<sup>2</sup> and perimeter (like-for-like) vs. FY 2017, mainly due to lower Revenues<sup>1</sup> in the secondary channel.

In 4Q 2018 Retail Revenues<sup>1</sup> remained stable at constant exchange rates<sup>2</sup>, with a -1.2% total like-for-like performance, but positive in the primary channel in all geographical areas.



The Wholesale channel, penalized during all the year 2018 by the destocking activity and the strategic rationalization, registered a decrease in Revenues<sup>1</sup> of 3.8% (-2.7% at constant exchange rates<sup>2</sup>) vs. FY 2017.

In 4Q 2018 Wholesale Revenues<sup>1</sup> were down 5.4% at constant exchange rates<sup>2</sup>, mainly due to the unfavourable performances in EMEA and US, while the Asia Pacific area and the Travel Retail channel registered positive trends.

### **Revenues<sup>1</sup> by geographical area<sup>3</sup>**

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, decreasing by 1.0% (+0.8% at constant exchange rates<sup>2</sup>) vs. FY 2017, with a positive performance in Greater China, partially penalized by the negative performance in South East Asia. Specifically, in 4Q 2018, the retail channel in China recorded a solid Revenue growth of 7.6% (+10.1% at constant exchange rates<sup>2</sup>) vs. 4Q 2017.

EMEA posted, in FY 2018, a decrease in Revenues<sup>1</sup> of 6.1% (-5.9% at constant exchange rates<sup>2</sup>), mainly owed to the negative wholesale business in the last part of the year due to the delayed deliveries following the change of a commercial partner in a strategic market in the Middle East.

North America recorded a Revenue<sup>1</sup> decrease of 5.4% (-2.4% at constant exchange rates<sup>2</sup>) in FY 2018, mainly impacted by the negative trend of the department stores sales.

The Japanese market registered a 0.4% decrease in Revenues<sup>1</sup> (-1.0% at constant exchange rates<sup>2</sup>) in FY 2018, with retail stores recording a positive performance at constant exchange rates<sup>2</sup> both in FY 2018 and in 4Q 2018, while negatively impacted by the strategic rationalization of the wholesale channel.

Revenues<sup>1</sup> in the Central and South America in FY 2018 were down 2.3%, but up 3.8% at constant exchange rates<sup>2</sup>, mainly thanks to the performance of the retail network.

### **Revenues<sup>1</sup> by product category<sup>3</sup>**

Among the product categories, at constant exchange rates<sup>2</sup>, handbags and leather accessories were up 2.6% and fragrances 6.5%, vs. FY 2017.

Footwear posted a 3.9% decrease at constant exchange rates<sup>2</sup> in FY 2018, while in 4Q 2018 footwear reported a growth in Revenues<sup>1</sup> in the primary retail channel.



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## Notes to the press release

<sup>1</sup> Preliminary/Non-Audited Revenues drafted according to IAS/IFRS International Accounting Principles.

<sup>2</sup> Revenues at “constant exchange rates” are calculated by applying to the Revenues of the period 2017, not including the “hedging effect”, the average exchange rates of the same period 2018.

<sup>3</sup> The variations in Revenues are calculated at current exchange rates including the hedging effect, unless differently indicated.

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*The manager charged to prepare the corporate accounting documents, Ugo Giorcelli, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Financial Law), hereby declares that the information contained in this Press Release faithfully represents the content of documents, financial books and accounting records.*

*This document may contain forecasts, relating to future events and operating results, which by their very nature are uncertain, in that they depend on future events and developments that cannot be predicted with certainty. Actual results may therefore differ with those forecasted, due to a variety of factors.*

### **Salvatore Ferragamo S.p.A.**

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the world's leaders in the luxury industry and whose origins date back to 1927.

The Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories, along with women's and men's fragrances. The Group's product offer also includes eyewear and watches, manufactured by licensees.

The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With approximately 4,000 employees and a network of 672 mono-brand stores as of 31 December 2017, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

# Salvatore Ferragamo

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This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

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On the following pages, a more detailed analysis of Revenues<sup>1</sup> of the Salvatore Ferragamo Group as of 31 December 2018.

#### Revenue<sup>1</sup> by distribution channel as of 31 December 2018

	2018	%weight on tot	2017	%weight on tot	2018 vs 2017 %	Constant Rates 2018 vs 2017 %
Retail	877.945	65,2%	905.334	65,0%	-3,0%	-1,1%
Wholesale	447.535	33,2%	465.295	33,4%	-3,8%	-2,7%
Licences	9.518	0,7%	10.150	0,7%	-6,2%	-6,2%
Rental income	11.573	0,9%	12.693	0,9%	-8,8%	-4,7%
<b>Total</b>	<b>1.346.572</b>	<b>100,0%</b>	<b>1.393.472</b>	<b>100,0%</b>	<b>-3,4%</b>	<b>-1,7%</b>

#### Revenue<sup>1</sup> by geographic area as of 31 December 2018

	2018	%weight on tot	2017	%weight on tot	2018 vs 2017 %	Constant Rates 2018 vs 2017 %
Europe	329.737	24,5%	351.259	25,2%	-6,1%	-5,9%
North America	315.640	23,4%	333.673	24,0%	-5,4%	-2,4%
Japan	119.031	8,8%	119.546	8,6%	-0,4%	-1,0%
Asia Pacific	505.556	37,5%	510.620	36,6%	-1,0%	0,8%
Latin America	76.608	5,7%	78.374	5,6%	-2,3%	3,8%
<b>Total</b>	<b>1.346.572</b>	<b>100,0%</b>	<b>1.393.472</b>	<b>100,0%</b>	<b>-3,4%</b>	<b>-1,7%</b>



Revenue<sup>1</sup> by product category as of 31 December 2018

	2018	%weight on tot	2017	%weight on tot	2018 vs 2017 %	Constant Rates 2018 vs 2017 %
Shoes	554.601	41,2%	589.229	42,3%	-5,9%	-3,9%
Leather goods & handbags	521.353	38,7%	516.026	37,0%	1,0%	2,6%
RTW	76.447	5,7%	89.859	6,5%	-14,9%	-13,8%
Silk & other access.	78.974	5,9%	86.363	6,2%	-8,6%	-7,0%
Fragrances	94.107	7,0%	89.152	6,4%	5,6%	6,5%
Licences	9.518	0,7%	10.150	0,7%	-6,2%	-6,2%
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<b>Total</b>	<b>1.346.572</b>	<b>100,0%</b>	<b>1.393.472</b>	<b>100,0%</b>	<b>-3,4%</b>	<b>-1,7%</b>

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