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PRESS RELEASE

Salvatore Ferragamo S.p.A.

The Board of Directors approves the Half Year Financial Report as of 30 June 2019

Salvatore Ferragamo Group Six Months Revenue +4.6%, Gross Operating Profit adjusted² (EBITDA¹ adjusted²) +2.1%, Net Profit +2.4% and Positive Net Financial Position adjusted² of 141 million Euros

- **Revenues: 705 million Euros (+4.6% vs. 674 million Euros at 30 June 2018, +4.4% at constant exchange rates³)**
- **Gross Operating Profit adjusted² (EBITDA¹ adjusted²): 119 million Euros (+2.1% vs. 117 million Euros at 30 June 2018)**
- **Operating Profit adjusted² (EBIT adjusted²): 85 million Euros (substantially stable vs. 1H 2018)**
- **Net Profit: 60 million Euros (+2.4% vs. 59 million Euros at 30 June 2018)**
- **Net Financial Position adjusted²: positive at 141 million Euros (vs. 101 million Euros positive at 30 June 2018)**

Florence, 30 July 2019 – The Board of Directors of Salvatore Ferragamo S.p.A. (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the global leaders in the luxury sector, in a meeting chaired by Ferruccio Ferragamo, examined and approved the Half Year Financial Report as of 30 June 2019, drafted according to IAS/IFRS international accounting principles (Limited Audit).

To note that, with the introduction of the new IFRS 16 accounting principle as of January 1, 2019, relating to the accounting treatment of leasing contracts, in order to make data at June 30, 2019 comparable with the data of the previous periods, the Company introduced some “adjusted” performance indicators: EBITDA, Operating Profit, Net Invested Capital, Net Financial Position and Operating Cash Flow, as indicated in the tables in the last pages of this press release.



Notes to the Income Statement for 1H 2019

Consolidated Revenue figures

As of 30 June 2019, the Salvatore Ferragamo Group reported Total Revenues of 705 million Euros, up 4.6% at current exchange rates, +4.4% at constant exchange rates³, vs. 674 million Euros recorded in 1H 2018. In 2Q 2019 the Total Revenues recorded an increase of 4.9% (+4.5% at constant exchange rates³).

Revenues by distribution channel⁴

As of 30 June 2019, the Group's Retail network counted on a total of 661 points of sales, including 397 Directly Operated Stores (DOS) and 264 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 1H 2019 the Retail distribution channel posted consolidated Revenues up 3.6% (+3.2% at constant exchange rates³), with 2Q 2019 trend in line with 1Q 2019. Revenues at constant exchange rates and perimeter (like-for-like) registered in 1H 2019 an increase of +2.3% (+2.6% in 2Q 2019), despite the negative performance of the secondary channel.

The Wholesale channel registered an increase in Revenues of 7.4% (+7.7% at constant exchange rates³), with an acceleration in 2Q 2019 (+8.9% at current exchange rates and +8.3% at constant exchange rates³), mainly due to a different timing in the deliveries of fragrances vs. the same period of last year.

Revenues by geographical area⁴

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 8.1% (+8.4% at constant exchange rates³) vs. 1H 2018. To highlight, the solid 1H 2019 performance of the retail channel in China reporting a 17.4% increase (+16.3% at constant exchange rates³).

EMEA posted an increase in Revenues of 3.0% vs. 1H 2018, both at current and constant exchange rates³, with a positive performance in both distribution channels.

North America in 1H 2019 recorded stable Revenues (-0,4% at constant exchange rates³) vs 1H 2018, penalized by lower Revenues from rentals, despite the improved performance of the Retail channel in 2Q 2019.

The Japanese market in 1H 2019 registered stable Revenues (+0,5%, at constant rates³).

Revenues in the Central and South America registered an increase of 13.4% (+10.3% at constant rates³) vs. 1H 2018.



Revenues by product category⁴

Among the product categories, at constant exchange rates³, footwear posted an increase of 4.0% and handbags and leather accessories of 6.8% vs. 1H 2018. Fragrances registered a 6.4% increase, thanks to a strong performance in 2Q 2019 (+50.0% at constant rates³) due to a different timing in the deliveries vs. the same period of last year.

Gross Profit

In 1H 2019 the Gross Profit increased by 5.8% to 457 million Euros. Its incidence on Revenues was up 70 basis points, moving to 64.8%, from 64.1% of 1H 2018, mainly due to the increase of full-price sales and to the positive product mix.

In 2Q 2019 the incidence on Revenues was up only 50 basis points, due to a higher incidence of the Wholesale channel and in particular of Fragrances and to a decrease in Revenues from rentals vs. 1Q 2019.

Operating Costs

In 1H 2019 Operating Costs, net of IFRS16 effect, increased by 7.3% at current exchange rates (+4.5% at constant exchange rates³), to 372 million Euros, from 347 million Euros in 1H 2018, with an incidence on Revenues of 52.7% vs. 51.4% in 1H 2018. The increase was mainly due to the reinforcement of the organization, the increase in rentals and other operating costs.

Gross Operating Profit adjusted² (EBITDA¹ adjusted²)

The Gross Operating Profit adjusted² (EBITDA¹ adjusted²) increased by 2.1% over the period, to 119 million Euros, from 117 million Euros of 1H 2018, with an incidence on Revenues of 16.9% vs. 17.3% in 1H 2018.

Operating Profit adjusted² (EBIT adjusted²)

The Operating Profit adjusted² (EBIT adjusted²) was substantially stable (-0.4%) vs. 1H 2018, at 85 million Euros, with an incidence on Revenues of 12.1% from 12.7%.

Profit before taxes

The Profit before taxes in 1H 2019 was substantially stable (-0.9%) at 79 million Euros, with an incidence on Revenues of 11.2% vs. 11.8% in 1H 2018.



Net Profit for the Period

The Net Profit for the period, including the Minority Interest, was 60 million Euros, marking a 2.4% increase, vs. the 59 million Euros reported in 1H 2018.

The 1H 2019 Group Net Profit was 58 million Euros, compared to 57 million Euros in 1H 2018, marking an increase of 1.1%.

Notes to the Balance Sheet for 1H 2019

Net Working Capital⁵

The Net Working Capital as of 30 June 2019 increased by 2.9% to 327 million Euros, from 318 million Euros as of 30 June 2018. In particular the Inventory was up 4.0% (+6.1% at constant exchange rates).

Investments (CAPEX)

As of 30 June 2019, Investments (CAPEX) was 25 million Euros vs. 32 million in 1H 2018, mainly for the store network renovations and the IT projects, while last year investments were still high in the logistic center.

Net Financial Position

The Net Financial Position adjusted² at 30 June 2019 was positive for 141 million Euros, net of IFRS16 effect, up vs. to 101 million Euros positive as of 30 June 2018. Including IFRS16 effect, the Net Financial Position at 30 June 2019 is negative for 537 million Euros.



In a macroeconomic and market environment characterized by enduring complexity, the expectations for the second part of the year are substantially in line with the results seen in the first half, pursuing the actions designed to enhance the brand and to optimize the processes and the organizational structure, in continuity with the activities already started in the second part of 2018.

Notes to the press release

¹ We define EBITDA as operating profit before amortization and depreciation and write-downs of tangible/intangible assets and Right of use assets. EBITDA is an important managerial indicator for measuring the Group's performance. As EBITDA is not an indicator defined by the accounting principles used by our Group, our method of calculating EBITDA may not be strictly comparable to that used by other companies.

² Adjusted: not including the IFRS16 effect. The impact of IFRS16 effect will be detailed in the tables on pages 10-13.

³ Revenues at "constant exchange rates" are calculated by applying to the Revenue of the period 2018, not including the "hedging effect", the average exchange of the same period 2019. Operating Costs at "constant exchange rates" are calculated by applying to the Operating Costs of the period 2018, the average exchange of the same period 2019.

⁴ The variations in Revenues are calculated at current exchange rates including the hedging effect, unless differently indicated.

⁵ Net working capital is calculated (in accordance with CESR Recommendation 05-054/b of February 10, 2005) as inventories, right of return assets and trade receivables net of trade payables and refund liabilities, excluding other current assets and liabilities and other financial assets and liabilities. As net working capital is not an indicator defined by the accounting principles used by our Group, our method of calculating net working capital may not be strictly comparable to that used by other companies.

Salvatore Ferragamo

The manager charged to prepare the corporate accounting documents, Marco Fortini, 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.

Furthermore, in addition to the conventional financial indicators required by IFRS, this Press Release includes some alternative performance indicators (such as EBITDA, for example) in order to allow for a better assessment of the performance of the economic and financial management. These indicators have been calculated according to the usual market practices.

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.

The Half Year Financial Report as of 30 June 2019, approved by the Board of Directors on July 30 2019, will be available to anyone requesting it at the headquarters of the Company in Florence, Via Tornabuoni n. 2, on the authorized web-storage system eMarket STORAGE www.emarketstorage.com, and will also be accessible on the Salvatore Ferragamo Group's website <http://group.ferragamo.com> in the section "Investor Relations/Financial Documents", in compliance with the law.

The Results of 1H 2019 will be illustrated today, 30 July 2019, at 6:00 PM (CET) in a conference call with the financial community. The presentation will be available on the Company's website <http://group.ferragamo.com> in the "Investor Relations/Presentations" section.

Salvatore Ferragamo

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 661 mono-brand stores as of 30 June 2019, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

For further information:

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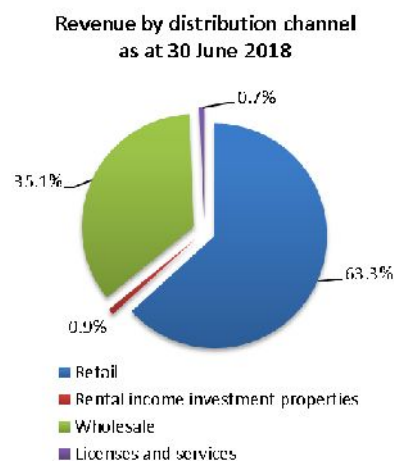
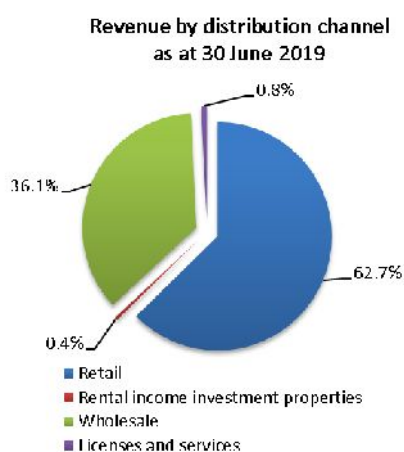
This Press Release is also available on the website <http://group.ferragamo.com>, in the section "Investor Relations/Financial Press Releases".

Salvatore Ferragamo

On the following pages, a more detailed analysis of Revenues, the consolidated income statement, the summary of statement of financial position, the net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 30 June 2019.

Revenue by distribution channel as of 30 June 2019

(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Retail	441,686	62.7%	426,208	63.3%	3.6%	3.2%
Wholesale	254,376	36.1%	236,877	35.1%	7.4%	7.7%
Licenses and services	5,687	0.8%	4,651	0.7%	22.3%	22.3%
Rental income investment properties	3,121	0.4%	5,953	0.9%	(47.6%)	(51.1%)
Total	704,870	100.0%	673,689	100.0%	4.6%	4.4%

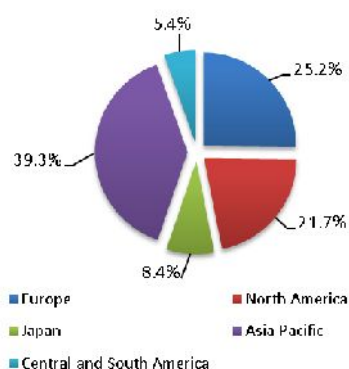


Revenue by geographic area as of 30 June 2019

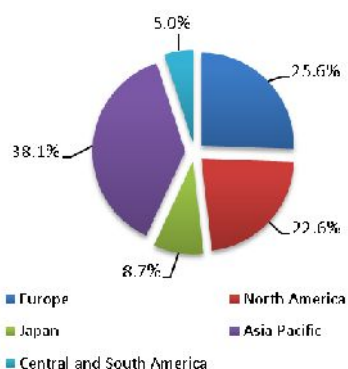
(In thousands of Euro)	Half-year period ended 30 June					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Europe	177,608	25.2%	172,360	25.6%	3.0%	3.0%
North America	152,808	21.7%	152,263	22.6%	0.4%	(0.4%)
Japan	58,905	8.4%	58,874	8.7%	0.1%	0.5%
Asia Pacific	277,225	39.3%	256,403	38.1%	8.1%	8.4%
Central and South America	38,324	5.4%	33,789	5.0%	13.4%	10.3%
Total	704,870	100.0%	673,689	100.0%	4.6%	4.4%

Salvatore Ferragamo

Revenue by geographic area as at 30 June 2019



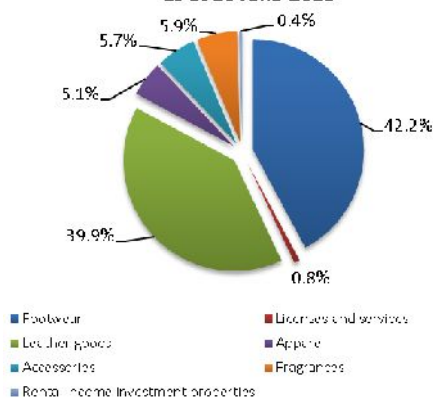
Revenue by geographic area as at 30 June 2018



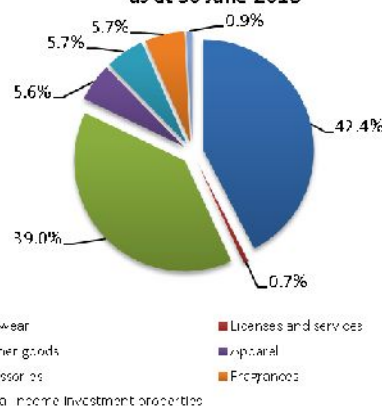
Revenue by product category as of 30 June 2019

(In thousands of Euro)	Half-year period ended 30 June				% Change	at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue		
Footwear	297,288	42.2%	285,645	42.4%	4.1%	4.0%
Leather goods	280,910	39.9%	262,779	39.0%	6.9%	6.8%
Apparel	36,222	5.1%	37,542	5.6%	(3.5%)	(3.3%)
Accessories	39,886	5.7%	38,379	5.7%	3.9%	3.8%
Fragrances	41,756	5.9%	38,740	5.7%	7.8%	6.4%
Licenses and services	5,687	0.8%	4,651	0.7%	22.3%	22.3%
Rental income investment properties	3,121	0.4%	5,953	0.9%	(47.6%)	(51.1%)
Total	704,870	100.0%	673,689	100.0%	4.6%	4.4%

Revenue by product category as at 30 June 2019



Revenue by product category as at 30 June 2018





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 30 June 2019

(In thousands of Euro)	Half-year period ended 30 June				
	2019	% on Revenue	2018	% on Revenue	% Change
Revenue from contracts with customers	701,749	99.6%	667,736	99.1%	5.1%
Rental income investment properties	3,121	0.4%	5,953	0.9%	(47.6%)
Revenues	704,870	100.0%	673,689	100.0%	4.6%
Cost of goods sold	(247,975)	(35.2%)	(241,670)	(35.9%)	2.6%
Gross profit	456,895	64.8%	432,019	64.1%	5.8%
Style, product development and logistics costs	(25,997)	(3.7%)	(23,735)	(3.5%)	9.5%
Sales & distribution costs	(233,492)	(33.1%)	(221,982)	(33.0%)	5.2%
Marketing & communication costs	(37,064)	(5.3%)	(35,216)	(5.2%)	5.2%
General and administrative costs	(62,906)	(8.9%)	(61,948)	(9.2%)	1.5%
Other operating costs	(11,222)	(1.6%)	(8,486)	(1.3%)	32.2%
Other income	7,700	1.1%	4,823	0.7%	59.7%
Total operating costs (net of other income)	(362,981)	(51.5%)	(346,544)	(51.4%)	4.7%
Operating profit	93,914	13.3%	85,475	12.7%	9.9%
Financial charges	(31,453)	(4.5%)	(26,423)	(3.9%)	19.0%
Financial income	16,436	2.3%	20,548	3.1%	(20.0%)
Profit before taxes	78,897	11.2%	79,600	11.8%	(0.9%)
Income taxes	(18,862)	(2.7%)	(20,987)	(3.1%)	(10.1%)
Net profit/(loss) for the period	60,035	8.5%	58,613	8.7%	2.4%
Net profit/(loss) - Group	58,074	8.2%	57,463	8.5%	1.1%
Net profit/(loss) - minority interests	1,961	0.3%	1,150	0.2%	70.5%
EBITDA (*)	184,175	26.1%	116,600	17.3%	58.0%

(In thousands of Euro)	Half-year period ended 30 June				
	2019	% on Revenue	2018	% on Revenue	% Change
Operating profit	93,914	-	85,475	-	-
Interest expense on lease liabilities	(8,786)	(1.2%)	-	-	na
Operating profit adjusted	85,128	12.1%	85,475	12.7%	(0.4%)
Amortization and depreciation and write-downs of tangible, intangible assets and investment property (not including depreciation of Right of use assets)	33,893	4.8%	31,125	4.6%	8.9%
EBITDA adjusted (**)	119,021	16.9%	116,600	17.3%	2.1%

(*) EBITDA is operating profit before amortization and depreciation and write-downs of tangible/intangible assets and Right of use assets. EBITDA so defined is a parameter used by the management to monitor and assess the operating performance and is not identified as an accounting measurement under IFRS and, therefore, must not be considered as an alternative measurement to assess Group performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Group may differ from that adopted by others and therefore may not be comparable.

(**) EBITDA adjusted is calculated as EBITDA net of depreciation of Right of use assets and depreciation of Right of use assets classified as Investment Properties, and net of interest expense on lease liabilities.



Summary of consolidated statement of financial position as of 30 June 2019

(In thousands of Euro)	30 June 2019	31 December 2018	% Change
Property, plant and equipment	253,251	259,821	(2.5%)
Investment property	40,727	6,094	568.3%
Right of use assets	580,601	-	na
Intangible assets with definite useful life	41,087	42,879	(4.2%)
Inventories and Right of return assets	388,646	365,779	6.3%
Trade receivables	154,633	142,905	8.2%
Trade payables and Refund liabilities	(216,230)	(215,125)	0.5%
Other non current assets/(liabilities), net	61,092	2,758	2115.1%
Other current assets/(liabilities), net	(9,519)	6,231	(252.8%)
Net invested capital	1,294,288	611,342	-
Group shareholders' equity	733,902	753,691	(2.6%)
Minority interests	23,487	26,647	(11.9%)
Shareholders' equity (A)	757,389	780,338	(2.9%)
Net financial debt/(surplus) (B) (1)	536,899	(168,996)	-
Total sources of financing (A+B)	1,294,288	611,342	-
Net financial debt/(surplus) (B)	536,899	(168,996)	-
<i>Lease Liabilities (C)</i>	<i>678,047</i>	<i>-</i>	
Net financial debt/(surplus) adjusted (B-C) (2)	(141,148)	(168,996)	(16.5%)

(1) The Net financial debt is calculated as the sum of Current and non current interest-bearing loans and borrowings plus Current and non current Lease Liabilities and Other current and non current financial liabilities including the negative fair value of derivatives (non-hedge component), net of Cash and cash equivalents and Other current financial assets, including the positive fair value of derivatives (non-hedge component).

(2) The Net financial debt adjusted is calculated as the Net financial debt net of Current and non current Lease Liabilities.



Consolidated Net financial position as of 30 June 2019

(In thousands of Euro)	30 June	31 December	Change
	2019	2018	2019 vs 2018
A. Cash	1,299	1,506	(207)
B. Other cash equivalents	176,881	206,204	(29,323)
C. Cash and cash equivalents (A)+(B)	178,180	207,710	(29,530)
Derivatives – non-hedge component	236	120	116
Other financial assets	-	960	(960)
D. Current financial receivables	236	1,080	(844)
E. Current bank payables	18,584	20,939	(2,355)
F. Derivatives – non-hedge component	144	790	(646)
G. Other current financial payables	119,968	2,169	117,799
H. Current financial debt (E)+(F)+(G)	138,696	23,898	114,798
I. Current financial debt, net (H)-(C)-(D)	(39,720)	(184,892)	145,172
J. Non current bank payables	16,313	15,892	421
K. Derivatives – non-hedge component	-	4	(4)
M. Other non current financial payables	560,306	-	560,306
N. Non-current financial debt (J)+(K)+(M)	576,619	15,896	560,723
O. Net financial debt (I)+(N)	536,899	(168,996)	705,895

(In thousands of Euro)	30 June	31 December	Change
	2019	2018	2019 vs 2018
Net financial debt/(surplus) (a)	536,899	(168,996)	705,895
Non current lease liabilities	560,306	-	560,306
Current lease liabilities	117,741	-	117,741
Lease liabilities (b)	678,047	-	678,047
Net financial debt/(surplus) adjusted (a-b)	(141,148)	(168,996)	27,848



Consolidated statement of cash flows as of 30 June 2019

(In thousands of Euro)	Half-year ended 30 June	
	2019	2018
Net profit / (loss) for the period	60,035	58,613
Depreciation, amortization and write down of property, plant and equipment, intangible assets, investment properties	33,893	31,125
Depreciation of Right of use assets	56,368	-
Income Taxes	18,862	20,987
Net change in provision for employee benefit plans	(162)	45
Loss/(gain) on disposal of tangible and intangible assets	664	93
Net Interest expenses/income and Interest on lease liabilities	8,485	798
Other non cash items	610	857
Net change in net working capital	(36,443)	(27,166)
Net change in other assets and liabilities	(8,123)	(6,257)
Income Taxes paid	(9,257)	(2,515)
Net Interest expenses/income and Interest on lease liabilities paid	(6,913)	(798)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	118,019	75,782
Purchase of tangible assets	(19,896)	(27,945)
Purchase of intangible assets	(4,686)	(5,806)
Proceeds from the sale of tangible and intangible assets	33	77
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(24,549)	(33,674)
Net change in financial receivables	961	-
Net change in financial payables	(2,872)	(28,486)
Repayment of lease liabilities	(55,709)	-
Payment of dividends	(62,535)	(66,881)
Purchase of Treasury shares	(638)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(120,793)	(95,367)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(27,323)	(53,259)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	207,707	212,088
Net increase / (decrease) in cash and cash equivalents	(27,323)	(53,259)
Net effect of translation of foreign currencies	(2,204)	59
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	178,180	158,888
NET CASH PROVIDED BY OPERATING ACTIVITIES	118,019	75,782
Repayment of lease liabilities	(55,709)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES ADJUSTED (*)	62,310	75,782

(*) Net cash provided by (used in) operating activities adjusted is calculated as Net cash provided by (used in) operating activities net of the Repayment of lease liabilities (showed in the Net Cash provided by (used in) financing activities).

Fine Comunicato n.1220-20

Numero di Pagine: 15