

*Salvatore Ferragamo*



**1H 2020  
Results Update**

**Analyst Presentation**



September 15, 2020 - 6.00 PM CET

# Disclaimer

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# 1H 2020 Financial Review



Salvatore Ferragamo FW 20 Advertising Campaign

# 1H 2020 Revenue By Distribution Channel

(Euro MM)	June YTD				Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %	Δ % Const FX		
Retail	260.6	441.7	-41.0%	-41.1%	69.2%	62.7%
Wholesale	110.9	254.4	-56.4%	-56.8%	29.5%	36.1%
Licences & Other Rev.	3.9	5.7	-31.4%	-31.4%	1.0%	0.8%
Rental income	1.1	3.1	-63.8%	-64.6%	0.3%	0.4%
<b>Total</b>	<b>376.5</b>	<b>704.9</b>	<b>-46.6%</b>	<b>-46.9%</b>	<b>100.0%</b>	<b>100.0%</b>

- Total Revenues at 377 million Euros, down 46.6% (-46.9% at const. FX) vs. 1H'19.
- RTL down 41.0% (-41.1% at const. FX) in 1H'20, with Like-for-like performance -41.0%, negatively impacted by stores lock-down and significant lack of traffic.
- WHL down 56.4% (-56.8% at const. FX) in 1H'20, also penalized in 2Q by the performance of Travel Retail channel.
- Group's store network at 643 points of sale, of which 389 DOS and 254 TPOS.

# 1H 2020 Revenue By Region

(Euro MM)	June YTD			Δ % Const FX	Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %			
Europe	85.8	177.6	-51.7%	-51.2%	22.8%	25.2%
North America	69.7	152.8	-54.4%	-57.8%	18.5%	21.7%
Japan	36.9	58.9	-37.4%	-39.3%	9.8%	8.4%
Asia Pacific	166.7	277.2	-39.9%	-39.1%	44.3%	39.3%
Latin America	17.4	38.3	-54.6%	-50.1%	4.6%	5.4%
<b>Total</b>	<b>376.5</b>	<b>704.9</b>	<b>-46.6%</b>	<b>-46.9%</b>	<b>100.0%</b>	<b>100.0%</b>

- APAC, representing over 44% of total sales, down 39.1% at const. FX in 1H'20. China RTL up 11.6% at const. FX in 2Q'20, and also Korea showing a similar trend.
- Japan down 39.3% at const. FX vs. 1H'19.
- EMEA down 51.2% at const. FX vs. 1H'19.
- North America down 57.8% at const. FX vs. 1H'19.
- Latam down 50.1% at const. FX vs. 1H'19.

# 1H 2020 Revenue By Product

(Euro MM)	June YTD			Δ % Const FX	Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %			
Shoes	159.5	297.3	-46.4%	-47.3%	42.4%	42.2%
Leather goods & handbags	158.6	280.9	-43.6%	-43.1%	42.1%	39.9%
RTW	19.1	36.2	-47.3%	-47.9%	5.1%	5.1%
Silk & other access.	20.3	39.9	-49.1%	-49.2%	5.4%	5.7%
Fragrances	14.1	41.8	-66.3%	-66.6%	3.7%	5.9%
Licences & Other Rev.	3.9	5.7	-31.4%	-31.4%	1.0%	0.8%
Rental income	1.1	3.1	-63.8%	-64.6%	0.3%	0.4%
<b>Total</b>	<b>376.5</b>	<b>704.9</b>	<b>-46.6%</b>	<b>-46.9%</b>	<b>100.0%</b>	<b>100.0%</b>

➤ Shoes (-47.3% at const. FX vs. 1H'19) and Leather Goods & Handbags (-43.1%) representing over 84% of total turnover.

➤ Fragrances, down 66.6%, at const. FX vs. 1H'19, also penalized by the postponement of the launch of new products.

# 1H 2020 P&L

(Euro MM)	June YTD				
	2020	%	2019	%	Δ %
<b>Total revenue</b>	<b>376.5</b>	<b>100.0%</b>	<b>704.9</b>	<b>100.0%</b>	<b>-46.6%</b>
Cost of goods sold	(150.5)	-40.0%	(248.0)	-35.2%	-39.3%
<b>Gross profit</b>	<b>226.0</b>	<b>60.0%</b>	<b>456.9</b>	<b>64.8%</b>	<b>-50.5%</b>
Total operating costs	(300.4)	-79.8%	(363.0)	-51.5%	-17.2%
<b>EBIT</b>	<b>(74.4)</b>	<b>-19.8%</b>	<b>93.9</b>	<b>13.3%</b>	<b>nm</b>
Financial income (expenses)	(10.6)	-2.8%	(6.2)	-0.9%	69.5%
Financial ROU	(8.4)	-2.2%	(8.8)	-1.2%	-4.1%
<b>EBT</b>	<b>(93.4)</b>	<b>-24.8%</b>	<b>78.9</b>	<b>11.2%</b>	<b>nm</b>
Taxes	7.0	1.9%	(18.9)	-2.7%	nm
<b>Net income</b>	<b>(86.4)</b>	<b>-22.9%</b>	<b>60.0</b>	<b>8.5%</b>	<b>nm</b>
Group net income	(81.9)	-21.8%	58.1	8.2%	nm
Income to minorities	(4.5)	-1.2%	2.0	0.3%	nm
<b>EBITDA</b>	<b>29.7</b>	<b>7.9%</b>	<b>184.2</b>	<b>26.1%</b>	<b>-83.9%</b>

- Gross Profit -50.5% to 226 million Euros, with incidence on Revenues down 480 bps to 60.0%, mainly penalized by lower Primary Full price weight and by the increase in provisions for obsolescence.
- Opex down 17.2% (-17.6% at const. FX), due to the containment measures on all operating expenses, mainly rents renegotiation and reduction of personnel costs. Excluding the impairment tests effect of over 9 million Euros, the Operating Costs decreased by 19.8% at current FX.
- EBIT negative for 74 million Euros (negative for 65 million Euros excluding impairment tests) vs. 94 million Euros positive in 1H'19.
- Net Profit negative for 86 million Euros vs. 60 million Euros positive in 1H'19.

# 1H 2020 Balance Sheet

(Euro MM)	June 20 YTD	June 19 YTD	%
Tangible assets	259.613	293.977	-11.7%
Intangible assets	48.491	41.087	18.0%
Right of Use	520.291	580.601	-10.4%
Financial assets	–	–	
<b>Fixed assets</b>	<b>828.395</b>	<b>915.665</b>	<b>-9.5%</b>
Inventory	394.793	388.645	1.6%
Trade receivables	95.845	154.633	-38.0%
Trade payables	(133.661)	(216.230)	-38.2%
<b>Operating working capital</b>	<b>356.976</b>	<b>327.049</b>	<b>9.2%</b>
Other assets (liabilities)	98.827	83.418	18.5%
Net Asset Disposal for Sales	–	–	
Employee Benefit Liabilities	(12.381)	(11.841)	4.6%
Provisions for risks and charges	(13.770)	(20.003)	-31.2%
<b>Net invested capital</b>	<b>1,258.048</b>	<b>1,294.288</b>	<b>-2.8%</b>
<b>Shareholders' equity (A)</b>	<b>695.931</b>	<b>757.389</b>	<b>-8.1%</b>
Group equity	674.395	733.902	-8.1%
Minority interest	21.535	23.486	-8.3%
Current financial liabilities	(318.662)	(138.696)	129.8%
Non current financial liabilities	(508.163)	(576.619)	-11.9%
Cash & Cash equivalents	264.708	178.416	48.4%
<b>Net debt (B)</b>	<b>(562.117)</b>	<b>(536.899)</b>	<b>4.7%</b>
<b>Financial sources (A-B)</b>	<b>1,258.048</b>	<b>1,294.288</b>	<b>-2.8%</b>
<b>Net debt (B)</b>	<b>(562.117)</b>	<b>(536.899)</b>	<b>4.7%</b>
Non Current Lease Liabilities	508.163	560.306	-9.3%
Current Lease Liabilities	112.075	117.741	-4.8%
<b>Lease Liabilities</b>	<b>620.239</b>	<b>678.047</b>	<b>-8.5%</b>
<b>Net debt Adjusted</b>	<b>58.121</b>	<b>141.148</b>	<b>-58.8%</b>

- Net Working Capital up 9.2%, with Inventory up 1.6% (+3.7% at const. FX).
- Investments (CAPEX) at 11 million Euros, vs. 25 million Euros in 1H'19.
- Net Financial Position adj. (ex. IFRS16 impact) at 30 June 2020 positive for 58 million Euros, compared to 141 million Euros positive as of 30 June 2019. Including IFRS16 effect, the Net Financial Position at 30 June 2020 is negative for 562 million Euros.



# Group POS Number by Region @ 30.06.2020

	Act June '20	Act December '19	Net Openings in the period
<b>Europe</b>	<b>161</b>	<b>162</b>	<b>-1</b>
<b>USA</b>	<b>94</b>	<b>99</b>	<b>-5</b>
<b>Latin America</b>	<b>61</b>	<b>62</b>	<b>-1</b>
<b>Asia Pacific</b>	<b>259</b>	<b>264</b>	<b>-5</b>
<b>Japan</b>	<b>68</b>	<b>67</b>	<b>1</b>
<b>Total POS n.</b>	<b>643</b>	<b>654</b>	<b>-11</b>
<i>DOS</i>	389	393	-4
<i>TPOS</i>	254	261	-7

# Salvatore Ferragamo

## 1H 2020 Results Update

Q&A

