

Salvatore Ferragamo

**FY 2020
Results Update**

Analyst Presentation

March 09, 2021 - 6.00 PM CET



Disclaimer

This presentation contains forward-looking statements regarding future events and results of the Company that are based on the current expectations, projections and assumptions of the management of the Company.

The actual results may differ materially from those expressed in any forward-looking statement and the Company does not assume any liability with respect thereto.

This document has been prepared solely for this presentation and does not constitute any offer or invitation to sell or any solicitation to purchase any share in the Company.

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 2020 Financial Review



Salvatore Ferragamo SS 21 Advertising Campaign

FY 2020 Revenue By Distribution Channel

(Euro MM)	Dec YTD				Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %	Δ % Const FX		
Retail	637.1	899.5	-29.2%	-28.6%	69.6%	65.3%
Wholesale	269.1	461.4	-41.7%	-42.2%	29.4%	33.5%
Licences & Other Rev.	7.4	11.6	-36.3%	-36.3%	0.8%	0.8%
Rental income	2.3	4.8	-53.2%	-52.2%	0.2%	0.3%
Total	915.8	1,377.3	-33.5%	-33.4%	100.0%	100.0%

- Total Revenues at 916 million Euros, down 33.5% (-33.4% at const. FX) vs. FY'19.
- RTL down 29.2% (-28.6% at const. FX) in FY'20, with Like-for-like performance -29.9%, negatively impacted by stores lock-down and significant lack of traffic.
- WHL down 41.7% (-42.2% at const. FX) in FY'20, mainly penalized by the performance of the Travel Retail channel and of Fragrances.
- Group's store network at 644 points of sale, of which 395 DOS and 249 TPOS.

FY 2020 Revenue By Region

(Euro MM)	Dec YTD			Δ % Const FX	Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %			
Europe	199.7	347.2	-42.5%	-41.9%	21.8%	25.2%
North America	192.6	317.9	-39.4%	-41.4%	21.0%	23.1%
Japan	89.5	118.5	-24.5%	-25.0%	9.8%	8.6%
Asia Pacific	381.0	511.3	-25.5%	-25.0%	41.6%	37.1%
Latin America	53.0	82.4	-35.6%	-29.5%	5.8%	6.0%
Total	915.8	1,377.3	-33.5%	-33.4%	100.0%	100.0%

- APAC, representing 42% of total sales, down 25.0% at const. FX in FY'20, with China RTL up 11.3% at const. FX vs. FY'19 and up 33.9% in 4Q'20.
- Japan down 25.0% at const. FX vs. FY'19, with RTL positive in 4Q'20.
- EMEA down 41.9% at const. FX vs. FY'19, with 4Q'20 still penalized by stores closures and lack of tourists' flows.
- North America down 41.4% at const. FX vs. FY'19.
- LatAm down 29.5% at const. FX vs. FY'19, with all the markets excluding Mexico (still penalized by stores closures) reporting a positive performance in 4Q'20.

FY 2020 Revenue By Product

(Euro MM)	Dec YTD				Weight on Tot 2020	Weight on Tot 2019	
	2020	2019	Δ %	Δ % Const FX			
Shoes	374.7	575.6	-34.9%	-35.0%	40.9%	41.8%	
Leather goods & handbags	388.6	540.8	-28.1%	-27.9%	42.4%	39.3%	➤ Shoes (-35.0% at const. FX vs. FY'19) and Leather Goods & Handbags (-27.9%) representing over 83% of total turnover.
RTW	50.2	74.2	-32.4%	-31.9%	5.5%	5.4%	
Silk & other access.	50.8	82.5	-38.4%	-37.6%	5.5%	6.0%	➤ Fragrances down 52.2% at const. FX vs. FY'19, mainly penalized by stores closures in both domestic and Travel Retail channel.
Fragrances	41.8	87.8	-52.4%	-52.2%	4.6%	6.4%	
Licences & Other Rev.	7.4	11.6	-36.3%	-36.3%	0.8%	0.8%	
Rental income	2.3	4.8	-53.2%	-52.2%	0.2%	0.3%	
Total	915.8	1,377.3	-33.5%	-33.4%	100.0%	100.0%	

FY 2020 P&L

(Euro MM)	Dec YTD				
	2020	%	2019	%	Δ %
Total revenue	915.8	100.0%	1,377.3	100.0%	-33.5%
Cost of goods sold	(350.3)	-38.2%	(483.8)	-35.1%	-27.6%
Gross profit	565.5	61.8%	893.5	64.9%	-36.7%
Total operating costs	(627.1)	-68.5%	(743.8)	-54.0%	-15.7%
EBIT	(61.5)	-6.7%	149.7	10.9%	<-100%
Impairment	(34.6)	-3.8%	–	0.0%	<-100%
EBIT Adjusted	(26.9)	-2.9%	149.7	10.9%	<-100%
Financial income (expenses)	(3.9)	-0.4%	(14.8)	-1.1%	-73.6%
Financial ROU	(14.4)	-1.6%	(17.8)	-1.3%	-19.0%
EBT	(79.8)	-8.7%	117.1	8.5%	<-100%
Taxes	8.1	0.9%	(29.8)	-2.2%	<-100%
Net income	(71.7)	-7.8%	87.4	6.3%	<-100%
Group net income	(66.4)	-7.2%	87.3	6.3%	<-100%
Income to minorities	(5.3)	-0.6%	0.1	0.0%	<-100%
EBITDA	160.2	17.5%	335.5	24.4%	-52.2%

- Gross Profit -36.7% to 566 million Euros, with incidence on Revenues -310 bps to 61.8%, with 4Q'20 margin in line with 4Q'19.
- Opex down 15.7% (-14.4% at const. FX), due to tight control on all costs lines, including rents renegotiations and the initial streamlining of the organization. Excluding impairment tests effect of ca. 35 million Euros, the Operating Costs decreased by 20.3% at current FX.
- EBIT adjusted, excluding impairment tests, negative for 27 million Euros (-62 million Euros reported) vs. 150 million Euros positive in FY'19.
- Net Profit negative for 72 million Euros vs. 87 million Euros positive in FY'19.

FY 2020 Balance Sheet

(Euro MM)	Dec 20 YTD	Dec 19 YTD	%
Tangible assets	214.946	290.896	-26.1%
Intangible assets	45.570	42.484	7.3%
Right of Use	475.240	576.455	-17.6%
Financial assets	–	–	
Fixed assets	735.756	909.835	-19.1%
Inventory	346.181	395.004	-12.4%
Trade receivables	113.909	147.202	-22.6%
Trade payables	(145.538)	(207.654)	-29.9%
Operating working capital	314.552	334.552	-6.0%
Other assets (liabilities)	114.822	71.133	61.4%
Net Asset Disposal for Sales	–	–	
Employee Benefit Liabilities	(11.867)	(11.901)	-0.3%
Provisions for risks and charges	(14.401)	(13.921)	3.4%
Net invested capital	1,138.862	1,289.699	-11.7%
Shareholders' equity (A)	709.696	785.265	-9.6%
Group equity	693.582	763.647	-9.2%
Minority interest	16.114	21.618	-25.5%
Current financial liabilities	(163.909)	(167.599)	-2.2%
Non current financial liabilities	(593.703)	(559.267)	6.2%
Cash & Cash equivalents	328.446	222.433	47.7%
Net debt (B)	(429.166)	(504.433)	-14.9%
Financial sources (A-B)	1,138.862	1,289.699	-11.7%
Net debt (B)	(429.166)	(504.433)	-14.9%
Non Current Lease Liabilities	464.400	559.267	-17.0%
Current Lease Liabilities	103.509	117.062	-11.6%
Lease Liabilities	567.909	676.330	-16.0%
Net debt Adjusted	138.743	171.896	-19.3%

- Net Working Capital down 6.0%, with Inventory decreasing by 12.4% (-8.4% at const. FX), including write downs.
- Investments (CAPEX) at 29 million Euros, vs. 59 million Euros in FY'19.
- Net Financial Position adj. (ex. IFRS16 impact) at 31 December 2020 positive for 139 million Euros, compared to 172 million Euros positive as of 31 December 2019. Including IFRS16 effect, the Net Financial Position at 31 December 2020 is negative for 429 million Euros.

Group POS Number by Region @ 31.12.2020

	Act December '20	Act December '19
Europe	156	162
USA	96	99
Latin America	62	62
Asia Pacific	262	264
Japan	68	67
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Total POS n.	644	654
<i>DOS</i>	395	393
<i>TPOS</i>	249	261

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Q&A

