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Testo del comunicato

Vedi allegato.

Salvatore Ferragamo

PRESS RELEASE

Salvatore Ferragamo S.p.A.

The Board of Directors approves the Consolidated Interim Report as of 31 March 2021

Salvatore Ferragamo Group three months Revenue +10.3%, Operating Profit (EBIT) at 7 million Euros, Net Profit at breakeven and Positive Net Financial Position⁵ of 169 million Euros

Retail Revenues up 20.8% at constant exchange rates² vs. 1Q 2020 and digital channel growing triple-digit

Further acceleration of sales in the first part of 2Q notably in China, Korea, US and in the digital channel

- **Revenues: 245 million Euros (+10.3% vs. 222 million Euros at 31 March 2020, +13.0% at constant exchange rates²)**
- **Gross Operating Profit (EBITDA¹): 48 million Euros vs. 12 million Euros at 31 March 2020)**
- **Operating Profit (EBIT): 7 million Euros (vs. -36 million Euros at 31 March 2020)**
- **Net Profit: -0.6 million Euros (vs. -41 million Euros at 31 March 2020)**
- **Net Financial Position⁵ (net of IFRS16 effect): positive for 169 million Euros (vs. 123 million Euros positive at 31 March 2020)**

Florence, 11 May 2021 – 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 Leonardo Ferragamo, examined and approved the Consolidated Interim Report as of 31 March 2021, drafted according to IAS/IFRS international accounting principles (“non-audited”).

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Notes to the Income Statement for 1Q 2021

Consolidated Revenue figures

As of 31 March 2021 the Salvatore Ferragamo Group reported Total Revenues of 245 million Euros up by 10.3% at current exchange rates (+13.0% at constant exchange rates²) vs. the 222 million Euros recorded in 1Q 2020.

The increase in Revenues has been achieved despite the permanence, in some countries, of lock-downs of the commercial activities, bans and restrictions on international traffic, due to the Covid-19 pandemic.

Revenues by distribution channel³

As of 31 March 2021, the Group's Retail network counted on a total of 638 points of sales, including 390 Directly Operated Stores (DOS) and 248 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 1Q 2021 the Retail distribution channel posted consolidated Revenues up 17.2% (+20.8% at constant exchange rates²), showing a +14.7% at constant exchange rates and perimeter (like-for-like) vs. 1Q 2020, with the primary channel overperforming.

The Wholesale channel registered flat Revenues (-0.7% at current exchange rate and +0.3% at constant exchange rates²), despite the persistent negative trend of the Travel Retail channel.

Revenues by geographical area³

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 50.6% (+51.7% at constant exchange rates²) vs. 1Q 2020.

In 1Q 2021 the retail channel in Greater China posted a Revenue growth of over 105% vs. 1Q 2020 at constant exchange rates² and +6.1% vs. 1Q 2019. In particular, the retail channel in China posted an increase in Revenues of over 128% vs. 1Q 2020 at constant exchange rates², bringing the performance to +39.4% at constant exchange rates² vs. 1Q 2019. The retail channel in Korea also posted a solid growth trend in 1Q 2021 (+33.7% vs. 1Q 2020 and +25.4% vs. 1Q 2019 at constant exchange rates²).

The Japanese market in 1Q 2021 registered a decrease in Revenues of 9.3% (-6.5% at constant rates²), penalized by the evolution of the pandemic and the consequent restrictions.

Overall the Asian continent represents currently over 51% of total Group's revenues.

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EMEA posted a decrease in Revenues of 20.5% (-22.5% at constant exchange rates²) vs. 1Q 2020, still strongly penalized by lock-downs of stores and by the lack of tourists' flows in the period, due to the restrictions and bans imposed by the National Governments to limit the Covid-19 pandemic.

North America in 1Q 2021 recorded Revenues up by 9.9% (+18.2% at constant exchange rates²) vs. 1Q 2020.

Revenues in the Central and South America in 1Q 2021 were down 20.1% (-10.0% at constant rates²) vs. 1Q 2020, with a positive trend in all markets with the exception of Mexico, due to the continued lock-down.

Revenues by product category³

All main product categories reported an increase in 1Q 2021 vs. the same period of last year.

Gross Profit

In 1Q 2021 the Gross Profit increased by 20.6% vs. 1Q 2020 to 157 million Euros. Its incidence on Revenues was up 550 basis points, moving to 64.2%, from 58.7%, mainly thanks to the increase of full-price sales, to a positive geographical, channel and product mix and to lower provisions for obsolescence.

Operating Costs

In 1Q 2021 Operating Costs decreased by 10.2% at current exchange rates (-6.8% at constant exchange rates²), to 150 million Euros, from 167 million Euros of 1Q 2020. The decrease is due to the effects of the containment measures on all lines of operating expenses already activated in 2020 and mainly regards the reduction of personnel costs as a consequence of the streamlining of the organization.

Gross Operating Profit (EBITDA¹)

Gross Operating Profit (EBITDA¹) amounted to 48 million Euros, from 12 million Euros of 1Q 2020, with an incidence on Revenues of 19.5% from 5.2%.

Operating Profit (EBIT)

The Operating Profit (EBIT) was positive for 7 million Euros vs. 36 million Euros negative in 1Q 2020.

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Profit before taxes

The Profit before taxes in 1Q 2021 was positive for 3 million Euros vs. 48 million Euros negative in 1Q 2020.

Net Profit for the Period

The Net Profit for the period, including the Minority Interest, was at break-even (-0.6 million Euros) vs. 41 million Euros negative in 1Q 2020.

The 1Q 2021 Group Net Profit was negative for 1 million Euros vs. 39 million Euros negative in 1Q 2020.

Notes to the Balance Sheet for 1Q 2021

Net Working Capital⁴

The Net Working Capital as of 31 March 2021 decreased by 4.0% to 321 million Euros, from 334 million Euros as of 31 March 2020. In particular the Inventory was down 9.2% (-12.5% at constant exchange rates).

Investments (CAPEX)

As of 31 March 2021, Investments (CAPEX) was 6 million Euros, up by 12.6% vs. 5 million Euros in 1Q 2020 due to more investments in the retail network and in the digital channel.

Net Financial Position

The Net Financial Position adjusted⁵, net of the IFRS16 effect, at 31 March 2021 was positive for 169 million Euros, vs. to 123 million Euros positive as of 31 March 2020.

Including the IFRS16 effect, the Net Financial Position at 31 March 2021 is negative for 402 million Euros.

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The Management of the Company continues to pursue the reinforcement of the competitive positioning of the Salvatore Ferragamo Group among the leaders in the luxury market. The market scenario remains volatile, due to the pandemic, even if gradually improving. Therefore, the Management of the Company does not deem to provide detailed forecasts regarding the performance in the various markets and distribution channels for the current year, thus confirming its commitment to the development of revenues in the channels with the highest potential and to the rationalization of costs.

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 Revenues/Operating Costs at "constant exchange rates" are calculated by applying to the Revenue/Operating Costs of the period of 2020, not including the "hedging effect", the average exchange rates of the same period 2021.

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

⁴ 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.

⁵ The Net Financial Position refers to the Net Financial Position Adjusted, therefore not including the IFRS16 effect.

The manager charged to prepare the corporate accounting documents, Alessandro Corsi, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Financial Law),

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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 Consolidated Interim Report as of 31 March 2021, approved by the Board of Directors on May 11 2021, 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 1Q 2021 will be illustrated today, 11 May 2021, 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 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 3,750 employees and a network of 638 mono-brand stores as of 31 March 2021, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

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For further information:

Salvatore Ferragamo S.p.A.

**Paola Pecciarini
Group Investor Relations**

Tel. (+39) 055 3562230
investor.relations@ferragamo.com

Image Building

**Giuliana Paoletti, Mara Baldessari, Alfredo Mele
Media Relations**

Tel. (+39) 02 89011300
ferragamo@imagebuilding.it

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

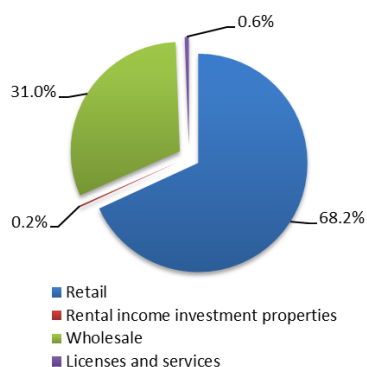
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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, the summary of statement of financial position, the net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 31 March 2021.

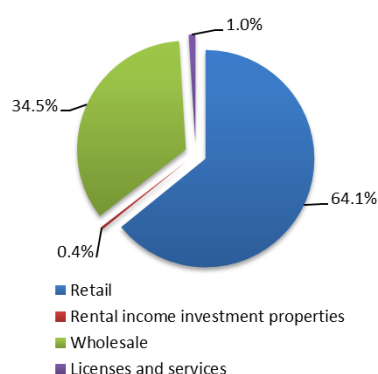
Revenue by distribution channel as of 31 March 2021

(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2021	% on Revenue	2020	% on Revenue	% Change	
Retail	166,701	68.2%	142,257	64.1%	17.2%	20.8%
Wholesale	75,869	31.0%	76,411	34.5%	(0.7%)	0.3%
Licenses and services	1,514	0.6%	2,213	1.0%	(31.6%)	(31.6%)
Rental income investment properties	566	0.2%	853	0.4%	(33.6%)	(27.5%)
Total	244,650	100.0%	221,734	100.0%	10.3%	13.0%

Revenue by distribution channel as at 31 March 2021



Revenue by distribution channel as at 31 March 2020

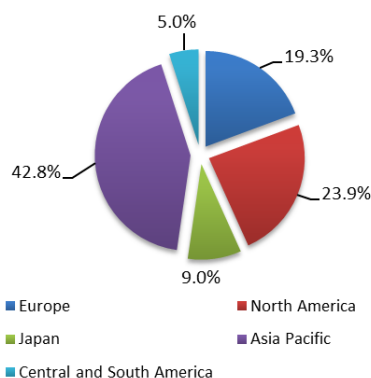


Revenue by geographic area as of 31 March 2021

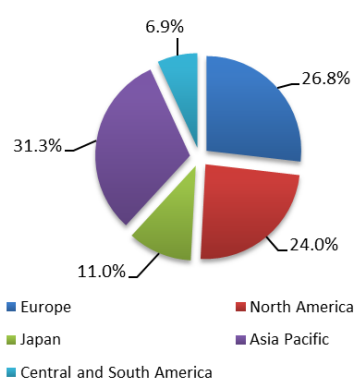
(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2021	% on Revenue	2020	% on Revenue	% Change	
Europe	47,311	19.3%	59,488	26.8%	(20.5%)	(22.5%)
North America	58,533	23.9%	53,243	24.0%	9.9%	18.2%
Japan	22,076	9.0%	24,353	11.0%	(9.3%)	(6.5%)
Asia Pacific	104,575	42.8%	69,438	31.3%	50.6%	51.7%
Central and South America	12,155	5.0%	15,212	6.9%	(20.1%)	(10.0%)
Total	244,650	100.0%	221,734	100.0%	10.3%	13.0%

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Revenue by geographic area
as at 31 March 2021



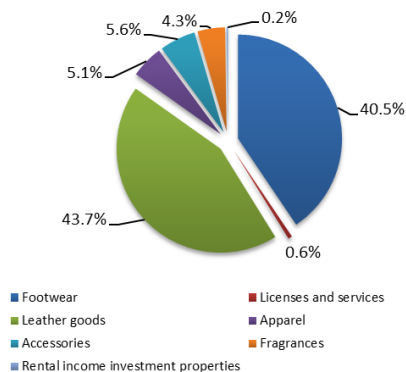
Revenue by geographic area
as at 31 March 2020



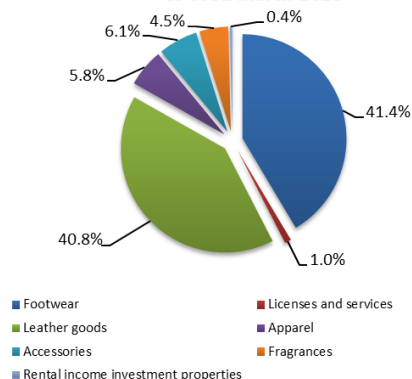
Revenue by product category as of 31 March 2021

(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2021	% on Revenue	2020	% on Revenue	% Change	
Footwear	99,186	40.5%	91,860	41.4%	8.0%	11.9%
Leather goods	106,786	43.7%	90,356	40.8%	18.2%	19.6%
Apparel	12,429	5.1%	12,934	5.8%	(3.9%)	(1.0%)
Accessories	13,688	5.6%	13,565	6.1%	0.9%	3.7%
Fragrances	10,481	4.3%	9,953	4.5%	5.3%	7.3%
Licenses and services	1,514	0.6%	2,213	1.0%	(31.6%)	(31.6%)
Rental income investment properties	566	0.2%	853	0.4%	(33.6%)	(27.5%)
Total	244,650	100.0%	221,734	100.0%	10.3%	13.0%

Revenue by product category
as at 31 March 2021



Revenue by product category
as at 31 March 2020



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Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 31 March 2021

(In thousands of Euro)	Period ended at 31 March				
	2021	% on Revenue	2020	% on Revenue	% Change
Revenue from contracts with customers	244,084	99.8%	220,881	99.6%	10.5%
Rental income investment properties	566	0.2%	853	0.4%	(33.6%)
Revenues	244,650	100.0%	221,734	100.0%	10.3%
Cost of goods sold	(87,613)	(35.8%)	(91,495)	(41.3%)	(4.2%)
Gross profit	157,037	64.2%	130,239	58.7%	20.6%
Style, product development and logistics costs	(10,272)	(4.2%)	(10,300)	(4.6%)	(0.3%)
Sales & distribution costs	(96,085)	(39.3%)	(106,924)	(48.2%)	(10.1%)
Marketing & communication costs	(15,968)	(6.5%)	(17,227)	(7.8%)	(7.3%)
General and administrative costs	(30,873)	(12.6%)	(31,653)	(14.3%)	(2.5%)
Other operating costs	(5,148)	(2.1%)	(5,666)	(2.6%)	(9.1%)
Other income	8,687	3.6%	5,202	2.3%	67.0%
Total operating costs (net of other income)	(149,659)	(61.2%)	(166,568)	(75.1%)	(10.2%)
Operating profit	7,378	3.0%	(36,329)	(16.4%)	na
Net financial charges	(4,306)	(1.8%)	(11,603)	(5.2%)	(62.9%)
Profit before taxes	3,072	1.3%	(47,932)	(21.6%)	na
Income taxes	(3,657)	(1.5%)	6,486	2.9%	na
Net profit/(loss) for the Period	(585)	(0.2%)	(41,446)	(18.7%)	na
Net profit/(loss) - Group	(1,235)	(0.5%)	(39,076)	(17.6%)	na
Net profit/(loss) - minority interests	650	0.3%	(2,370)	(1.1%)	na
EBITDA (*)	47,742	19.5%	11,561	5.2%	313.0%

(*) 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.

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Summary of consolidated statement of financial position as of 31 March 2021

(In thousands of Euro)	31 March 2021	31 December 2020	% Change
Property, plant and equipment	180,157	183,121	(1.6%)
Investment property	32,269	31,824	1.4%
Right of use assets	474,585	475,240	(0.1%)
Goodwill	6,679	6,679	-
Intangible assets with definite useful life	36,661	38,891	(5.7%)
Inventories and Right of return assets	356,189	346,181	2.9%
Trade receivables	99,028	113,909	(13.1%)
Trade payables and Refund liabilities	(134,461)	(145,538)	(7.6%)
Other non current assets/(liabilities), net	97,059	91,973	5.5%
Other current assets/(liabilities), net	(22,208)	(3,418)	549.7%
Net invested capital	1,125,958	1,138,862	(1.1%)
Group shareholders' equity	706,317	693,582	1.8%
Minority interests	17,858	16,114	10.8%
Shareholders' equity (A)	724,175	709,696	2.0%
Net financial debt/(surplus) (B) (1)	401,783	429,166	(6.4%)
Total sources of financing (A+B)	1,125,958	1,138,862	(1.1%)
Net financial debt/(surplus) (B)	401,783	429,166	(6.4%)
<i>Lease Liabilities (C)</i>	<i>570,524</i>	<i>567,909</i>	<i>0.5%</i>
Net financial debt/(surplus) adjusted (B-C) (2)	(168,741)	(138,743)	21.6%
Net financial debt/(surplus) adjusted/ Shareholders' equity	(23.3%)	(19.5%)	

(1) The Net financial debt/(surplus) 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/(surplus) adjusted is calculated as the Net financial debt/(surplus) net of Current and non current Lease Liabilities

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Consolidated Net financial position as of 31 March 2021

(In thousands of Euro)	31 March 2021	31 December 2020	Change 2021 vs 2020
A. Cash	759	901	(142)
B. Other cash equivalents	339,367	326,979	12,388
C. Cash and cash equivalents (A)+(B)	340,126	327,880	12,246
Derivatives – non-hedge component	558	287	271
Other financial assets	144	279	(135)
D. Current financial receivables	702	566	136
E. Current bank payables	61,743	56,698	5,045
F. Derivatives – non-hedge component	1,283	74	1,209
G. Other current financial payables	104,528	107,138	(2,610)
H. Current financial debt (E)+(F)+(G)	167,554	163,910	3,644
I. Current financial debt, net (H)-(C)-(D)	(173,274)	(164,536)	(8,738)
J. Non current bank payables	109,061	129,302	(20,241)
K. Derivatives – non-hedge component	-	-	-
M. Other non current financial payables	465,996	464,400	1,596
N. Non-current financial debt (J)+(K)+(M)	575,057	593,702	(18,645)
O. Net financial debt (I)+(N)	401,783	429,166	(27,383)

(In thousands of Euro)	31 March 2021	31 December 2020	Change 2021 vs 2020
Net financial debt/(surplus) (a)	401,783	429,166	(27,383)
Non current lease liabilities	465,996	464,400	1,596
Current lease liabilities	104,528	103,509	1,019
Lease liabilities (b)	570,524	567,909	2,615
Net financial debt/(surplus) adjusted (a-b)	(168,741)	(138,743)	(29,998)

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Consolidated statement of cash flows as of 31 March 2021

(In thousands of Euro)	Period ended at 31 March	
	2021	2020
Net profit / (loss) for the period	(585)	(41,446)
Depreciation, amortization and write down of property, plant and equipment, intangible assets, investment properties	12,727	16,890
Depreciation of Right of use assets	27,637	31,000
Income Taxes	3,657	(6,486)
Net change in provision for employee benefit plans	(611)	54
Loss/(gain) on disposal of tangible and intangible assets	15	60
Net Interest expenses/income and Interest on lease liabilities	3,775	4,138
Other non cash items	(3,857)	(525)
Net change in net working capital	22,362	(7,321)
Net change in other assets and liabilities	1,552	105
Income Taxes paid	119	(8,952)
Net Interest expenses/income and Interest on lease liabilities paid	(3,869)	(5,356)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	62,922	(17,839)
Purchase of tangible assets	(4,539)	(4,348)
Purchase of intangible assets	(1,082)	(1,084)
Proceeds from the sale of tangible and intangible assets	11	2
Purchase of Arts S.r.l. and Aura1 S.r.l. deferred consideration	(3,629)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,239)	(5,430)
Net change in financial receivables	142	-
Net change in financial payables	(15,416)	15,794
Repayment of lease liabilities	(24,713)	(28,700)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(39,987)	(12,906)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,696	(36,175)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	327,880	222,332
Net increase / (decrease) in cash and cash equivalents	13,696	(36,175)
Net effect of translation of foreign currencies	(1,450)	4,580
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	340,126	190,737
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	62,922	(17,839)
Repayment of lease liabilities	(24,713)	(28,700)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES ADJUSTED (*)	38,209	(46,539)

(*) 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.1220-21

Numero di Pagine: 15