

Salvatore Ferragamo

**9M 2021
Results Update**

Analyst Presentation

November 9, 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.

9M 2021 Financial Review



Salvatore Ferragamo SS 22 Fashion Show

9M 2021 Revenue By Distribution Channel

(Euro MM)	Sept YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Retail	570.6	415.9	37.2%	38.4%	72.7%	70.9%
Wholesale	208.1	163.7	27.1%	28.9%	26.5%	27.9%
Licences & Other Rev.	4.9	5.4	-8.7%	-8.7%	0.6%	0.9%
Rental income	1.7	1.7	2.9%	9.4%	0.2%	0.3%
Total	785.3	586.7	33.9%	35.3%	100.0%	100.0%

- Total Revenues in 9M'21 at 785M Euros, up 33.9% (+35.3% at const. FX), with 3Q +17.1% (+17.4% at const. FX) vs. 3Q'20, despite the enduring lock-downs in some countries, and restrictions to international traffic.
- RTL up 37.2% (+38.4% at const. FX) in 9M'21, with 3Q +21.8% (+20.2% at const. FX) vs. 3Q'20, with Greater China, North America, Latin America and Korea exceeding the pre-Covid levels.
- WHL up 27.1% (+28.9% at const. FX) in 9M'21, with 3Q +6.3% (+10.9% at const. FX) vs. 3Q'20.
- Group's store network at 643 POS, of which 404 DOS and 239 TPOS.

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is classified as "Discontinued Operations", separately presented, in accordance with IFRS 5.

9M 2021 Revenue By Region

(Euro MM)	Sept YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Europe	151.6	129.8	16.8%	14.9%	19.3%	22.1%
North America	218.1	117.8	85.1%	97.1%	27.8%	20.1%
Japan	61.8	58.9	4.9%	8.5%	7.9%	10.0%
Asia Pacific	310.0	252.6	22.7%	22.1%	39.5%	43.1%
Latin America	43.8	27.5	59.3%	63.2%	5.6%	4.7%
Total	785.3	586.7	33.9%	35.3%	100.0%	100.0%

- APAC, representing over 39% of total sales, up 22.1% at const. FX in 9M'21, with RTL in China up 22.1% at const. FX vs. 9M'20 and up 16.1% in Korea.
- Japan up 8.5% at const. FX vs. 9M'20, bringing the Asian Continent to over 47% on total sales.
- EMEA up 14.9% at const. FX vs. 9M'20, still penalized by lack of tourists' flows.
- North America strongly up 97.1% at const. FX vs. 9M'20.
- LatAm up 63.2% at const. FX vs. 9M'20.

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is classified as "Discontinued Operations", separately presented, in accordance with IFRS 5.

9M 2021 Revenue By Product

(Euro MM)	Sept YTD		Δ %		Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %	Const FX		
Shoes	341.2	253.2	34.8%	36.7%	43.4%	43.2%
Leather goods & handbags	344.8	259.8	32.7%	33.5%	43.9%	44.3%
RTW	45.5	32.2	41.1%	43.1%	5.8%	5.5%
Silk & other access.	44.3	32.6	35.8%	37.4%	5.6%	5.6%
Fragrances *	3.0	1.8	64.9%	67.4%	0.4%	0.3%
Licences & Other Rev.	4.9	5.4	-8.7%	-8.7%	0.6%	0.9%
Rental income	1.7	1.7	2.9%	9.4%	0.2%	0.3%
Total	785.3	586.7	33.9%	35.3%	100.0%	100.0%

➤ All main product categories reported an increase in 9M'21 vs. the same period of last year, with Shoes and Leather categories representing respectively 43% and 44% of the turnover.

* Revenues generated in DOS

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is classified as “Discontinued Operations”, separately presented, in accordance with IFRS 5.

9M 2021 P&L

(Euro MM)	September YTD				
	2021	%	2020	%	Δ %
Total revenue	785.3	100.0%	586.7	100.0%	33.9%
Cost of goods sold	(253.6)	-32.3%	(227.2)	-38.7%	11.6%
Gross profit	531.7	67.7%	359.5	61.3%	47.9%
Total operating costs	(447.2)	-56.9%	(428.6)	-73.1%	4.3%
EBIT	84.5	10.8%	(69.1)	-11.8%	nm
Financial income (expenses)	(5.6)	-0.7%	(13.5)	-2.3%	-58.4%
Financial ROU	(9.9)	-1.3%	(12.1)	-2.1%	-17.7%
EBT	68.9	8.8%	(94.7)	-16.1%	nm
Taxes	(23.8)	-3.0%	(0.3)	-0.1%	>100%
Net profit(loss) from discontinued operations, net of taxes	(5.3)	-0.7%	(1.0)	-0.2%	>100%
Net income	39.9	5.1%	(96.1)	-16.4%	nm
Group net income	37.5	4.8%	(96.5)	-16.4%	nm
Income to minorities	2.3	0.3%	0.4	0.1%	>100%
EBITDA	201.9	25.7%	77.8	13.3%	>100%

- Gross Profit +47.9% to 532M Euros, with incidence on Revenues +640 bps to 67.7%, mainly thanks to higher full-price sales, a positive geographic, channel and product mix, and lower provisions for obsolescence.
- Opex up 4% (+6.6% at const. FX) vs. 9M'20, with +12.5% in 3Q'21 due to higher variable costs, "back-to-normal" expenses and lower contribution from 2020 positive extraordinary components, such as the Government subsidies and rents relief.
- EBIT positive for 84M Euros vs. 60M Euros negative (net of the effect of the impairment test) in 9M'20
- Net Profit positive for 40M Euros vs. 96M Euros negative in 9M'20

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is classified as "Discontinued Operations", separately presented, in accordance with IFRS 5.

9M 2021 Balance Sheet

(Euro MM)	Sep 21 YTD	Sep 20 YTD	%
Tangible assets	207.870	245.769	-15.4%
Intangible assets	39.900	47.481	-16.0%
Right of Use	472.813	497.045	-4.9%
Financial assets	–	–	
Fixed assets	720.582	790.295	-8.8%
Inventory	284.192	372.126	-23.6%
Trade receivables	92.863	100.075	-7.2%
Trade payables	(127.142)	(130.103)	-2.3%
Operating working capital	249.913	342.099	-26.9%
Other assets (liabilities)	96.308	98.598	-2.3%
Net Asset Disposal for Sales	17.138	–	-
Employee Benefit Liabilities	(9.872)	(12.500)	-21.0%
Provisions for risks and charges	(13.999)	(13.281)	5.4%
Net invested capital	1,060.070	1,205.210	-12.0%
Shareholders' equity (A)	757.611	690.377	9.7%
Group equity	737.336	668.757	10.3%
Minority interest	20.275	21.619	-6.2%
Current financial liabilities	(210.972)	(272.441)	-22.6%
Non current financial liabilities	(523.946)	(612.879)	-14.5%
Cash & Cash equivalents	432.458	370.487	16.7%
Net debt (B)	(302.459)	(514.833)	-41.3%
Financial sources (A-B)	1,060.070	1,205.210	-12.0%
Net debt (B)	(302.459)	(514.833)	-41.3%
Non Current Lease Liabilities	460.393	483.265	-4.7%
Current Lease Liabilities	107.285	106.707	0.5%
Lease Liabilities	567.678	589.972	-3.8%
Net debt Adjusted	265.219	75.139	>100%

- Net Working Capital down 26.9%, with continuing efficiency in Inventory, decreasing by 23.6% (-21.0% at const. FX excl. Fragrances) thanks to improvements in operational efficiency.
- Investments (CAPEX) at 26M Euros, vs. 15M Euros in 9M'20, mainly driven by retail network renovations and investments in the digital channel.
- Net Financial Position adj. (ex. IFRS16 impact) at 30 September 2021 positive for 265M Euros, compared to 75M Euros positive as of 30 September 2020. Including IFRS16 effect, the Net Financial Position at 30 September 2021 is negative for 302M Euros.

Group POS Number by Region @ 30.09.2021

	Act September '21	Act December '20	Net Openings in the period
Europe	158	156	2
USA	99	96	3
Latin America	59	62	-3
Asia Pacific	259	262	-3
Japan	68	68	0
Total POS n.	643	644	-1
<i>DOS</i>	<i>404</i>	<i>395</i>	<i>9</i>
<i>TPOS</i>	<i>239</i>	<i>249</i>	<i>-10</i>

Salvatore Ferragamo

9M 2021
Results Update

Q&A

Salvatore Ferragamo

