

*Salvatore Ferragamo*

## FY 2013 Results Update

Analyst Presentation

March 11, 2014 - 6.00 PM Italian Time



## 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 2013 Market Scenario

---

- Luxury business still outperforming the general industrial trend despite a contraction in 2H 2013, due to unstable geopolitical scenarios, controversial news coming from China and particularly severe winter conditions
- International travelers traffic up 5% on a worldwide basis in FY'13, confirming Travel Retail as good opportunity for perimeter growth mainly in Asia, Middle East and USA
- Asia Pacific still main driver of global travelers' flows, with mixed market scenario within the region across brands, product categories and countries
- Europe soft domestic demand partly offset by tourist flows in key destinations, although with a deceleration in 2H 2013 penalized by currency strength
- US, Canada and Mexico showing solid organic growth, with US economy likely to maintain expectations of relevant upside also in 2014
- Japanese consumers' confidence still mixed, and market performance penalized in EURO terms
- Emerging markets currencies strongly devaluating against the Euro, and USD and JPY cross rates at 2-years lowest, negatively weighting on luxury companies results and pushing Top Brands to increase prices

## FY 2013 Salvatore Ferragamo Key Facts (1/2)

- Solid sales trend in FY: +11% at constant FX and +9% at current FX
- RTL growing by 9% (+7% at current FX) with +5% L-f-L
- Strong performance for WHL and Travel Retail (+14% at constant FX)
- Europe performance (+13% at constant FX) confirming brand's ability to attract international tourists flows
- US and Latam continuing the long double-digit trend (respectively +12% and +15% at constant FX)
- APAC (+10% at constant FX) still boosted by Mainland China RTL total growth (+20% at constant FX)
- Japan soft (+1% at constant FX) and hit by JPY weakness



Salvatore Ferragamo SS14 Advertising Campaign



## FY 2013 Salvatore Ferragamo Key Facts (2/2)

- Leather goods overperforming in line with strategy (+18% at constant FX)
- FY confirming the improvement in operating leverage: OpEx up by 6%, with incidence on Revenues down to 46.1% from 47.5% of FY'12
- EBITDA increasing by 14% vs. FY'12, with incidence on Revenues up from 19.8% to 20.7%
- Group Net Profit up by 43% with Minorities Interests down 52%
- Capex reaching EUR82m (+39%) with an acceleration in 2H (+67% vs. 2H'12)



Salvatore Ferragamo SS14 Advertising Campaign

---

# FINANCIALS

## FY 2013 Revenue By Region

(Euro MM)	December YTD				Weight on Tot 2013	Weight on Tot 2012
	2013	2012	Δ %	Δ % Const FX		
Europe	326,4	289,4	12,8%	12,9%	25,9%	25,1%
North America	290,4	256,9	13,0%	12,4%	23,1%	22,3%
Japan	116,1	134,2	-13,5%	0,7%	9,2%	11,6%
Asia Pacific	466,5	420,3	11,0%	10,0%	37,1%	36,5%
Latin America	58,7	52,2	12,5%	14,6%	4,7%	4,5%
<b>Total</b>	<b>1.258,0</b>	<b>1.153,0</b>	<b>9,1%</b>	<b>10,6%</b>	<b>100,0%</b>	<b>100,0%</b>

## FY 2013 Revenue By Distribution Channel

(Euro MM)	December YTD				Weight on Tot 2013	Weight on Tot 2012
	2013	2012	Δ %	Δ % Const FX		
Retail	802,8	753,3	6,6%	8,5%	63,8%	65,3%
Wholesale	433,9	380,8	13,9%	14,4%	34,5%	33,0%
Licences & Other Rev.	10,7	10,6	1,3%	1,3%	0,9%	0,9%
Rental income	10,7	8,3	28,2%	32,6%	0,8%	0,7%
<b>Total</b>	<b>1.258,0</b>	<b>1.153,0</b>	<b>9,1%</b>	<b>10,6%</b>	<b>100,0%</b>	<b>100,0%</b>



## FY 2013 Revenue By Product

(Euro MM)	December YTD				Weight on Tot 2013	Weight on Tot 2012
	2013	2012	Δ %	Δ % Const FX		
Shoes	544,1	506,2	7,5%	8,2%	43,2%	43,9%
Leather goods & handbags	418,7	359,8	16,4%	18,2%	33,3%	31,2%
RTW	103,2	108,1	-4,5%	-0,9%	8,2%	9,4%
Silk & other access.	90,8	89,8	1,2%	3,5%	7,2%	7,8%
Fragrances	79,8	70,2	13,7%	14,0%	6,3%	6,1%
Licences & Other Rev.	10,7	10,6	1,3%	1,3%	0,9%	0,9%
Rental income	10,7	8,3	28,2%	32,6%	0,8%	0,7%
<b>Total</b>	<b>1.258,0</b>	<b>1.153,0</b>	<b>9,1%</b>	<b>10,6%</b>	<b>100,0%</b>	<b>100,0%</b>

## FY 2013 P&L

(Euro MM)	December YTD				
	2013	%	2012	%	Δ %
<b>Total revenue</b>	<b>1.258,0</b>	<b>100,0%</b>	<b>1.153,0</b>	<b>100,0%</b>	<b>9,1%</b>
Cost of goods sold	(459,0)	-36,5%	(411,0)	-35,6%	11,7%
<b>Gross profit</b>	<b>799,1</b>	<b>63,5%</b>	<b>742,0</b>	<b>64,4%</b>	<b>7,7%</b>
Total operating costs	(580,0)	-46,1%	(547,7)	-47,5%	5,9%
<b>EBIT</b>	<b>219,1</b>	<b>17,4%</b>	<b>194,3</b>	<b>16,9%</b>	<b>12,7%</b>
Financial income (expenses)	1,6	0,1%	(6,6)	-0,6%	-124,8%
Companies valued with the Equity Method	–	0,0%	0,6	0,1%	-100,0%
<b>EBT</b>	<b>220,7</b>	<b>17,5%</b>	<b>188,4</b>	<b>16,3%</b>	<b>17,2%</b>
Taxes	(60,7)	-4,8%	(63,1)	-5,5%	-3,7%
<b>Net income</b>	<b>160,0</b>	<b>12,7%</b>	<b>125,3</b>	<b>10,9%</b>	<b>27,7%</b>
Group net income	150,5	12,0%	105,6	9,2%	42,5%
Income to minorities	9,5	0,8%	19,7	1,7%	-51,8%
<b>EBITDA</b>	<b>260,0</b>	<b>20,7%</b>	<b>228,3</b>	<b>19,8%</b>	<b>13,9%</b>

## FY 2013 Balance Sheet

(Euro MM)	Dec 13 YTD	Dec 12 YTD	%	Dec 12 YTD
Tangible assets	174,853	146,619	19,3%	146,619
Intangible assets	26,090	20,678	26,2%	20,678
Financial assets	–	1,331	-100,0%	1,331
<b>Fixed assets</b>	<b>200,943</b>	<b>168,627</b>	<b>19,2%</b>	<b>168,627</b>
Inventory	290,705	249,804	16,4%	249,804
Trade receivables	121,408	105,184	15,4%	105,184
Trade payables	(202,752)	(157,681)	28,6%	(157,681)
<b>Operating working capital</b>	<b>209,361</b>	<b>197,307</b>	<b>6,1%</b>	<b>197,307</b>
Other assets (liabilities)	37,504	8,359	348,7%	8,359
Severance indemnity	(10,092)	(11,429)	-11,7%	(11,429)
Risk funds	(5,348)	(5,424)	-1,4%	(5,424)
<b>Net invested capital</b>	<b>432,368</b>	<b>357,440</b>	<b>21,0%</b>	<b>357,440</b>
<b>Shareholders' equity (A)</b>	<b>399,770</b>	<b>299,498</b>	<b>33,5%</b>	<b>299,498</b>
Group equity	365,465	267,290	36,7%	267,290
Minority interest	34,305	32,208	6,5%	32,208
Current financial liabilities	(104,834)	(170,748)	-38,6%	(170,748)
Non current financial liabilities	–	–	-	–
Cash & equivalents	72,236	112,806	-36,0%	112,806
<b>Net debt (B)</b>	<b>(32,598)</b>	<b>(57,943)</b>	<b>-43,7%</b>	<b>(57,943)</b>
<b>Financial sources (A-B)</b>	<b>432,368</b>	<b>357,440</b>	<b>21,0%</b>	<b>357,440</b>