

Salvatore Ferragamo

9M 2014 Results Update

Analyst Presentation

November 13, 2014 - 6.00 PM Italian Time



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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 2014 Market Scenario

- Difficult Market scenario persists in a volatile geographies context. Shoes and Leather Goods still showing growth, less impacted by new consumption behaviors
- Greater China sales trend still mixed, with Capitals suffering from austerity, 2nd and 3rd tier cities growing double-digit. Hong Kong protests negatively impacting on Local and travelers' Market
- Europe continuing weak economics and domestic consumption finding reasonable counterbalance in growing tourist flows, despite Ukraine and Middle East tensions still present
- US consumption threatened by personal security issues, while luxury companies benefitting from positive consumer confidence and increasing travelers' spending, in particular from Asia
- Japan recovering after the slowdown in 2Q, also favored by Chinese travel boost
- Increasing importance of the Travel Retail channel, with international airport traffic still growing over 5% in September and continued strength from US and Asia
- Lower EUR/USD exchange rate opening to a positive FX momentum in the next months

9M 2014 Salvatore Ferragamo Key Facts (1/2)

- Top-line growth in 9M: +6% at constant FX and +5% at current FX
- RTL growing by 4% at constant FX, with ca. +2% L-f-L
- Solid performance for WHL & Travel Retail channel (+10% at constant FX)
- Good performance in Europe (+7% at constant FX), penalized by ongoing geopolitical tensions, negatively impacting tourist flows, and difficult economic situation
- US up 7% at constant FX and Latam up 12%
- APAC up 5% at constant FX, with China RTL still overperforming (+16%)
- Japan up 3% at constant FX (-4% at current FX)



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9M 2014 Salvatore Ferragamo Key Facts (2/2)

- Leather goods overperforming in line with strategy (+13% at constant FX)
- Gross Profit up by 4%, with a stable incidence on Revenues of 63.1% vs. 63.2% in 9M 2013, with a growing trend in 3Q (63.7% in 3Q 2014 vs. 63.6% in 3Q 2013)
- EBITDA increasing by 6% on hard comparison base (+22% in 9M 2013), with incidence on Revenues of 21.2% vs. 21.0% in 9M 2013
- Group Net Profit reaching 110 million Euros, up 10% vs. 9M 2013 adjusted for the capital gain deriving from the disposal of the participation in ZeFer



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FINANCIALS

9M 2014 Revenue By Region

| (Euro MM) | September YTD | | | Δ % Const FX | Weight on Tot 2014 | Weight on Tot 2013 |
|---------------|---------------|--------------|-------------|------------------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | | | |
| Europe | 264,0 | 246,7 | 7,0% | 6,9% | 27,6% | 27,0% |
| North America | 213,5 | 204,5 | 4,4% | 6,7% | 22,3% | 22,4% |
| Japan | 83,5 | 86,7 | -3,6% | 3,0% | 8,7% | 9,5% |
| Asia Pacific | 353,0 | 337,5 | 4,6% | 5,0% | 36,9% | 36,9% |
| Latin America | 42,5 | 39,4 | 7,8% | 11,9% | 4,4% | 4,3% |
| Total | 956,6 | 914,8 | 4,6% | 6,0% | 100,0% | 100,0% |

9M 2014 Revenue By Distribution Channel

| (Euro MM) | September YTD | | | Δ % Const FX | Weight on Tot 2014 | Weight on Tot 2013 |
|-----------------------|---------------|--------------|-------------|------------------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | | | |
| Retail | 590,4 | 576,1 | 2,5% | 4,1% | 61,7% | 63,0% |
| Wholesale | 351,1 | 322,9 | 8,7% | 9,8% | 36,7% | 35,3% |
| Licences & Other Rev. | 7,1 | 7,7 | -8,7% | -8,7% | 0,7% | 0,8% |
| Rental income | 8,1 | 8,0 | 0,8% | 3,6% | 0,8% | 0,9% |
| Total | 956,6 | 914,8 | 4,6% | 6,0% | 100,0% | 100,0% |

1H 2014 Revenue By Product

| (Euro MM) | September YTD | | | Δ % Const FX | Weight on Tot 2014 | Weight on Tot 2013 |
|--------------------------|---------------|--------------|-------------|------------------------|-----------------------|-----------------------|
| | 2014 | 2013 | Δ % | | | |
| Shoes | 411,3 | 399,2 | 3,0% | 4,6% | 43,0% | 43,6% |
| Leather goods & handbags | 335,8 | 300,3 | 11,8% | 13,3% | 35,1% | 32,8% |
| RTW | 66,9 | 72,8 | -8,1% | -6,1% | 7,0% | 8,0% |
| Silk & other access. | 62,7 | 62,7 | 0,0% | 1,5% | 6,6% | 6,9% |
| Fragrances | 64,7 | 64,0 | 1,1% | 1,1% | 6,8% | 7,0% |
| Licences & Other Rev. | 7,1 | 7,7 | -8,7% | -8,7% | 0,7% | 0,8% |
| Rental income | 8,1 | 8,0 | 0,8% | 3,6% | 0,8% | 0,9% |
| Total | 956,6 | 914,8 | 4,6% | 6,0% | 100,0% | 100,0% |

9M 2014 P&L

| (Euro MM) | September YTD | | | | |
|---|---------------|---------------|--------------|---------------|--------------|
| | 2014 | % | 2013 | % | Δ % |
| Total revenue | 956,6 | 100,0% | 914,8 | 100,0% | 4,6% |
| Cost of goods sold | (353,1) | -36,9% | (336,5) | -36,8% | 5,0% |
| Gross profit | 603,4 | 63,1% | 578,4 | 63,2% | 4,3% |
| Total operating costs | (434,6) | -45,4% | (416,2) | -45,5% | 4,4% |
| EBIT | 168,8 | 17,6% | 162,2 | 17,7% | 4,1% |
| Financial income (expenses) (*) | (4,2) | -0,4% | 5,4 | 0,6% | -177,0% |
| Companies valued with the Equity Method | – | 0,0% | – | 0,0% | 0,0% |
| EBT (*) | 164,6 | 17,2% | 167,6 | 18,3% | -1,8% |
| Taxes | (50,8) | -5,3% | (48,0) | -5,2% | 5,9% |
| Net income (*) | 113,8 | 11,9% | 119,6 | 13,1% | -4,8% |
| Group net income (*) | 109,5 | 11,4% | 112,4 | 12,3% | -2,5% |
| Income to minorities | 4,3 | 0,4% | 7,2 | 0,8% | -40,4% |
| EBITDA | 203,2 | 21,2% | 191,8 | 21,0% | 5,9% |

(*) Including, in 9M 2013, the capital gain deriving from the disposal of the participation in ZeFer.

Excluding the capital gain the EBT in 9M 2014 increased 6%, the Net income 6% and the Group net income 10%.

9M 2014 Balance Sheet

| (Euro MM) | Sept 14 YTD | Sept 13 YTD | % |
|-----------------------------------|-----------------|-----------------|--------------|
| Tangible assets | 200,696 | 158,502 | 26,6% |
| Intangible assets | 26,320 | 22,038 | 19,4% |
| Financial assets | – | – | |
| Fixed assets | 227,016 | 180,540 | 25,7% |
| Inventory | 347,689 | 285,731 | 21,7% |
| Trade receivables | 114,010 | 98,074 | 16,4% |
| Trade payables | (169,312) | (163,227) | 5,5% |
| Operating working capital | 292,388 | 220,578 | 31,3% |
| Other assets (liabilities) | 13,186 | 11,924 | 34,5% |
| Severance indemnity | (10,722) | (10,337) | 3,7% |
| Risk funds | (6,286) | (4,481) | 40,3% |
| Net invested capital | 515,582 | 398,224 | 29,5% |
| Shareholders' equity (A) | 457,428 | 363,569 | 25,8% |
| Group equity | 418,776 | 330,312 | 26,8% |
| Minority interest | 38,652 | 33,257 | 16,2% |
| Current financial liabilities | (120,669) | (97,848) | 23,3% |
| Non current financial liabilities | (7,450) | – | |
| Cash & equivalents | 69,965 | 63,193 | 10,7% |
| Net debt (B) | (58,154) | (34,655) | 67,8% |
| Financial sources (A-B) | 515,582 | 398,224 | 29,5% |