



PRESS RELEASE

Salvatore Ferragamo S.p.A.

The Board of Directors approves the Consolidated Interim Report as of 31 March 2019

Salvatore Ferragamo Group Three Months Revenue +4.3%, Gross Operating Profit adjusted² (EBITDA¹ adjusted²) +4.1%, Net Profit 23.5% and Positive Net Financial Position adjusted² of 179 million Euros

- **Revenues: 317 million Euros (+4.3% vs. 304 million Euros at 31 March 2018, +4.3% constant exchange rates³)**
- **Gross Operating Profit adjusted² (EBITDA¹ adjusted²): 34 million Euros (+4.1% vs. 32 million Euros at 31 March 2018)**
- **Operating Profit adjusted² (EBIT adjusted²): 17 million Euros (substantially stable vs. 17 million Euros at 31 March 2018)**
- **Net Profit: 11 million Euros (+23.5% vs. 9 million Euros at 31 March 2018)**
- **Net Financial Position adjusted²: positive at 179 million Euros (vs. 141 million Euros positive at 31 March 2018)**

Florence, 14 May 2019 – 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 Ferruccio Ferragamo, examined and approved the Consolidated Interim Report as of 31 March 2019, drafted according to IAS/IFRS international accounting principles (“non-audited”).

To note that, with the introduction of the new IFRS 16 accounting principle as of January 1, 2019, relating to the accounting treatment of leasing contracts, in order to make data at March 31, 2019 comparable with the data of the previous periods, the Company introduced some “adjusted” performance indicators: EBITDA, Operating Profit, Net Invested Capital, Net Financial Position and Operating Cash Flow, as indicated in the tables in the last pages of this press release.



Notes to the Income Statement for 1Q 2019

Consolidated Revenue figures

As of 31 March 2019, the Salvatore Ferragamo Group reported Total Revenues of 317 million Euros, up 4.3% both at current and constant exchange rates³, vs. 304 million Euros recorded in 1Q 2018.

Revenues by distribution channel⁴

As of 31 March 2019, the Group's Retail network counted on a total of 662 points of sales, including 398 Directly Operated Stores (DOS) and 264 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 2019 the Retail distribution channel posted consolidated Revenues up 3.9% (+3.2% at constant exchange rates³), showing a +2.2% at constant exchange rates and perimeter (like-for-like) vs. 1Q 2018, despite the negative performance of the secondary channel.

The Wholesale channel registered an increase in Revenues of 5.5% (+7.0% at constant exchange rates³), thanks to a positive performance in the main geographical areas and to a double-digit growth in the Travel Retail channel, despite the negative performance of the perfume business.

Revenues by geographical area⁴

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 7.2% (+7.9% at constant exchange rates³) vs. 1Q 2018. To highlight, the solid 1Q 2019 performance of the retail channel in China (+21.2%, +17.7% at constant exchange rates³).

Europe posted an increase in Revenues of 2.8% both at current and constant exchange rates³, with a positive performance in both distribution channels.

North America in 1Q 2019 recorded stable Revenues (-0,7% at constant exchange rates³) vs 1Q 2018.

The Japanese market registered an increase in Revenues of 2.1%, both at current and constant rates³, with a positive trend both in the Retail and in the Wholesale channel.

Revenues in the Central and South America in 1Q 2019 were up 13.8% (+12% at constant rates³) vs. 1Q 2018.



Revenues by product category⁴

Among the product categories, at constant exchange rates³, footwear posted an increase of 7.3% and handbags and leather accessories of 8.7% vs. 1Q 2018, while fragrances registered a 24.3% decrease, mainly due to a different timing in products' launches vs. last year.

Gross Profit

In 1Q 2019 the Gross Profit increased by 5.9% to 201 million Euros. Its incidence on Revenues was up 100 basis points, moving to 63.3%, from 62.3% of 1Q 2018, mainly due to the increase of full-price sales and to the positive product mix.

Operating Costs

In 1Q 2019 Operating Costs, net of IFRS16 effect, increased by 6.6% at current exchange rates (+3.2% at constant exchange rates³), to 184 million Euros, from 172 million Euros in 1Q 2018, mainly due to the reinforcement of the organization, the increase in rentals and other operating costs.

Gross Operating Profit adjusted² (EBITDA¹ adjusted²)

The Gross Operating Profit adjusted² (EBITDA¹ adjusted²) increased by 4.1% over the period, to 34 million Euros, from 32 million Euros of 1Q 2018, with a stable incidence on Revenues of 10.7%.

Operating Profit adjusted² (EBIT adjusted²)

The Operating Profit adjusted² (EBIT adjusted²) was substantially stable (-1.2%) vs. 1Q 2018, at 17 million Euros, with an incidence on Revenues of 5.3% from 5.6%.

Profit before taxes

The Profit before taxes in 1Q 2019 amounted to 15 million Euros (+5.1%), with an incidence on Revenues of 4.8% stable vs. 1Q 2018.



Net Profit for the Period

The Net Profit for the period, including the Minority Interest, was 11 million Euros, marking a 23.5% increase, vs. the 9 million Euros reported in 1Q 2018.

The 1Q 2019 Group Net Profit was 10 million Euros, compared to 9 million Euros in 1Q 2018, marking an increase of 10.8%.

Notes to the Balance Sheet for 1Q 2019

Net Working Capital⁵

The Net Working Capital as of 31 March 2019 increased by 5.2% to 301 million Euros, from 286 million Euros as of 31 March 2018. In particular the Inventory was up 6.8% (+6.1% at constant exchange rates).

Investments (CAPEX)

As of 31 March 2019, Investments (CAPEX) was 9 million Euros in line with 1Q 2018, mainly for the store network renovations and the IT projects.

Net Financial Position

The Net Financial Position adjusted² at 31 March 2019 was positive for 179 million Euros, net of IFRS16 effect, up vs. to 141 million Euros positive as of 31 March 2018. Including IFRS16 effect, the Net Financial Position at 31 March 2019 is negative for 486 million Euros.



In a macroeconomic and market environment characterized by enduring complexity, the key actions of Salvatore Ferragamo Group remain focused on a communication designed to enhance the brand and on optimizing the processes and the organizational structure, in continuity with the activities already started in the second part of 2018, aimed at creating the foundations for a sustainable growth in the medium term.

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 Not including the IFRS16 effect. The impact of IFRS16 effect will be detailed in the tables on pages 10-13.

³ Revenues at "constant exchange rates" are calculated by applying to the Revenue of 1Q 2018, not including the "hedging effect", the average exchange rates of 1Q 2019. Operating Costs at "constant exchange rates" are calculated by applying to the Operating Costs of 1Q 2018, the average exchange rates of 1Q 2019.

⁴ The variations in Revenues are calculated at current exchange rates including the hedging effect, unless differently indicated.

⁵ 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.

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The manager charged to prepare the corporate accounting documents, Marco Fortini, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Financial Law), 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 2019, approved by the Board of Directors on May 14 2019, 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 2019 will be illustrated today, 14 May 2019, 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.

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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 4,000 employees and a network of 662 mono-brand stores as of 31 March 2019, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

For further information:**Salvatore Ferragamo S.p.A.**

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

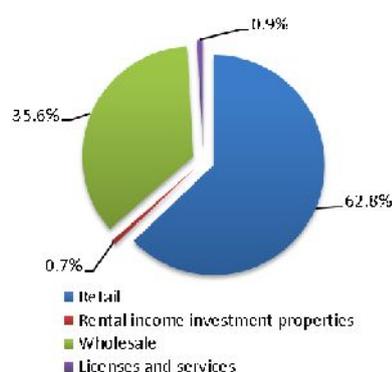
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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, the summary of statement of financial position, the net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 31 March 2019.

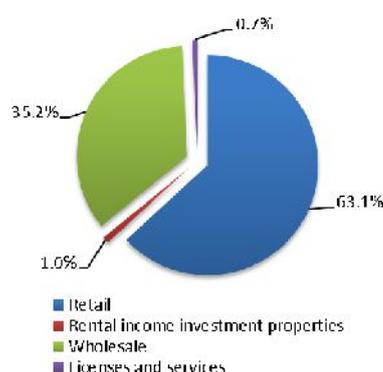
Revenue by distribution channel as of 31 March 2019

(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Retail	199,280	62.8%	191,856	63.1%	3.9%	3.2%
Wholesale	112,800	35.6%	106,920	35.2%	5.5%	7.0%
Licenses and services	2,851	0.9%	2,218	0.7%	28.5%	28.5%
Rental income investment properties	2,144	0.7%	2,917	1.0%	(26.5%)	(32.1%)
Total	317,075	100.0%	303,911	100.0%	4.3%	4.3%

Revenue by distribution channel as at 31 March 2019



Revenue by distribution channel as at 31 March 2018

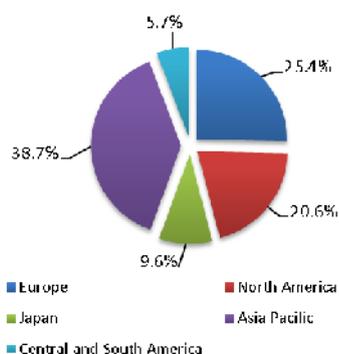


Revenue by geographic area as of 31 March 2019

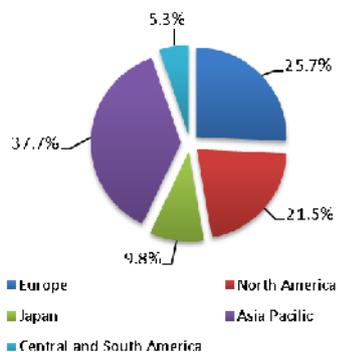
(In thousands of Euro)	Period ended at 31 March					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Europe	80,409	25.4%	78,223	25.7%	2.8%	2.8%
North America	65,359	20.6%	65,450	21.5%	(0.1%)	(0.7%)
Japan	30,332	9.6%	29,717	9.8%	2.1%	2.1%
Asia Pacific	122,790	38.7%	114,539	37.7%	7.2%	7.9%
Central and South America	18,185	5.7%	15,982	5.3%	13.8%	12.0%
Total	317,075	100.0%	303,911	100.0%	4.3%	4.3%

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Revenue by geographic area as at 31 March 2019



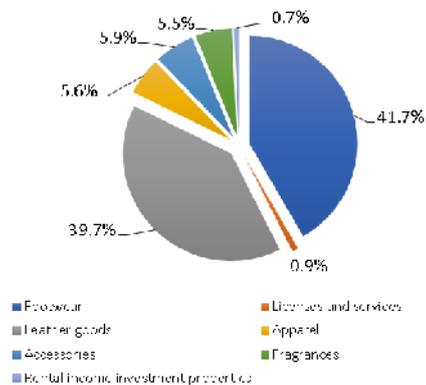
Revenue by geographic area as at 31 March 2018



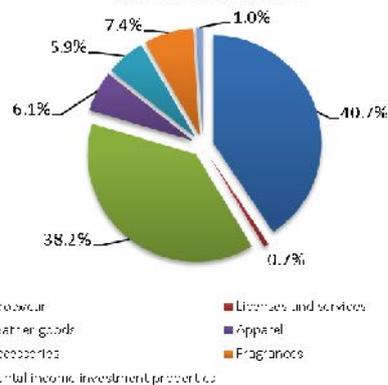
Revenue by product category as of 31 March 2019

(In thousands of Euro)	Period ended at 31 March				% Change	at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue		
Footwear	132,194	41.7%	123,522	40.7%	7.0%	7.3%
Leather goods	125,925	39.7%	116,184	38.2%	8.4%	8.7%
Apparel	17,681	5.6%	18,609	6.1%	(5.0%)	(4.6%)
Accessories	18,861	5.9%	17,910	5.9%	5.3%	5.1%
Fragrances	17,419	5.5%	22,551	7.4%	(22.8%)	(24.3%)
Licenses and services	2,851	0.9%	2,218	0.7%	28.5%	28.5%
Rental income investment properties	2,144	0.7%	2,917	1.0%	(26.5%)	(32.1%)
Total	317,075	100.0%	303,911	100.0%	4.3%	4.3%

Revenue by product category as at 31 March 2019



Revenue by product category as at 31 March 2018





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement as of 31 March 2019

(In thousands of Euro)	Period ended at 31 March				
	2019	% on Revenue	2018	% on Revenue	% Change
Revenue from contracts with customers	314,931	99.3%	300,994	99.0%	4.6%
Rental income investment properties	2,144	0.7%	2,917	1.0%	(26.5%)
Revenues	317,075	100.0%	303,911	100.0%	4.3%
Cost of goods sold	(116,519)	(36.7%)	(114,470)	(37.7%)	1.8%
Gross profit	200,556	63.3%	189,441	62.3%	5.9%
Style, product development and logistics costs	(12,354)	(3.9%)	(11,173)	(3.7%)	10.6%
Sales & distribution costs	(113,421)	(35.8%)	(107,895)	(35.5%)	5.1%
Marketing & communication costs	(20,428)	(6.4%)	(19,990)	(6.6%)	2.2%
General and administrative costs	(33,294)	(10.5%)	(32,213)	(10.6%)	3.4%
Other operating costs	(5,649)	(1.8%)	(3,845)	(1.3%)	46.9%
Other income	5,759	1.8%	2,741	0.9%	110.1%
Total operating costs (net of other income)	(179,387)	(56.6%)	(172,375)	(56.7%)	4.1%
Operating profit	21,169	6.7%	17,066	5.6%	24.0%
Financial charges	(15,405)	(4.9%)	(10,348)	(3.4%)	48.9%
Financial income	9,544	3.0%	7,846	2.6%	21.6%
Profit before taxes	15,308	4.8%	14,564	4.8%	5.1%
Income taxes	(4,262)	(1.3%)	(5,619)	(1.8%)	(24.2%)
Net profit/(loss) for the period	11,046	3.5%	8,945	2.9%	23.5%
Net profit/(loss) - Group	10,163	3.2%	9,169	3.0%	10.8%
Net profit/(loss) - minority interests	883	0.3%	(224)	(0.1%)	(494.2%)
EBITDA (*)	65,059	20.5%	32,437	10.7%	100.6%

(In thousands of Euro)	Period ended at 31 March				
	2019	% on Revenue	2018	% on Revenue	% Change
Operating profit	21,169	-	17,066	-	-
Interest expense on lease liabilities	(4,310)	(1.4%)	-	-	na
Operating profit adjusted	16,859	5.3%	17,066	5.6%	(1.2%)
Amortization and depreciation and write-downs of tangible, intangible assets and investment property (not including depreciation of Right of use assets)	16,919	5.3%	15,371	5.1%	10.1%
EBITDA adjusted (**)	33,778	10.7%	32,437	10.7%	4.1%

(*) 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.

(**) EBITDA adjusted is calculated as EBITDA net of depreciation of Right of use assets and depreciation of Right of use assets classified as Investment Properties, and net of interest expense on lease liabilities.



Summary of consolidated statement of financial position as of 31 March 2019

(In thousands of Euro)	31 March 2019	31 December 2018	% Change
Property, plant and equipment	257,209	259,821	(1.0%)
Investment property	42,334	6,094	594.7%
Right of use assets	565,070	-	na
Intangible assets with definite useful life	41,230	42,879	(3.8%)
Inventories and Right of return assets	383,602	365,779	4.9%
Trade receivables	127,955	142,905	(10.5%)
Trade payables and Refund liabilities	(210,695)	(215,125)	(2.1%)
Other non current assets/(liabilities), net	59,725	2,758	2065.5%
Other current assets/(liabilities), net	(6,304)	6,231	(201.2%)
Net invested capital	1,260,126	611,342	
Group shareholders' equity	745,979	753,691	(1.0%)
Minority interests	28,556	26,647	7.2%
Shareholders' equity (A)	774,535	780,338	(0.7%)
Net financial debt/(surplus) (B) (1)	485,591	(168,996)	
Total sources of financing (A+B)	1,260,126	611,342	
Net financial debt/(surplus) (B)	485,591	(168,996)	
<i>Lease Liabilities (C)</i>	<i>664,284</i>	<i>-</i>	
Net financial debt/(surplus) adjusted (B-C) (2)	(178,693)	(168,996)	5.7%

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

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(3) Consolidated Net financial position as of 31 March 2019

(In thousands of Euro)	31 March 2019	31 December 2018	Change 2019 vs 2018
Cash	1,079	1,506	(427)
Other cash equivalents	214,688	206,204	8,484
Cash and cash equivalents (A)	215,767	207,710	8,057
Derivatives – non-hedge component	286	120	166
Other financial assets	1,109	960	149
Current financial receivables (B)	1,395	1,080	315
Current bank payables	19,882	20,939	(1,057)
Derivatives – non-hedge component	319	790	(471)
Other current financial payables	2,193	2,169	24
Current lease liabilities	113,208	-	113,208
Current financial debt (C)	135,602	23,898	111,704
Current financial debt, net (D=-A-B+C)	(81,560)	(184,892)	103,332
Non current bank payables	16,071	15,892	179
Derivatives – non-hedge component	4	4	-
Other non current financial payables	-	-	-
Non current lease liabilities	551,076	-	551,076
Non-current financial debt (E)	567,151	15,896	551,255
Net financial debt/(surplus) (F= D+E)	485,591	(168,996)	654,587

(In thousands of Euro)	31 March 2019	31 December 2018	Change 2019 vs 2018
Net financial debt/(surplus) (a)	485,591	(168,996)	654,587
Non current lease liabilities	551,076	-	551,076
Current lease liabilities	113,208	-	113,208
Lease liabilities (b)	664,284	-	664,284
Net financial debt/(surplus) adjusted (a-b)	(178,693)	(168,996)	(9,697)



Consolidated statement of cash flows as of 31 March 2019

(In thousands of Euro)	Period ended 31 March	
	2019	2018
Net profit / (loss) for the period	11,046	8,945
Depreciation, amortization and write down of property, plant and equipment, intangible assets, investment properties	16,919	15,371
Depreciation of Right of use assets	26,971	-
Net change in deferred taxes	(4,540)	388
Net change in provision for employee benefit plans	(3)	32
Loss/(gain) on disposal of tangible and intangible assets	108	1
Other non cash items	79	527
Net change in net working capital	(3,625)	7,024
Net change in other assets and liabilities	300	(899)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	47,255	31,389
Purchase of tangible assets	(7,928)	(14,512)
Purchase of intangible assets	(1,464)	(1,411)
Proceeds from the sale of tangible and intangible assets	14	26
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,378)	(15,897)
Net change in financial receivables	(137)	-
Net change in financial payables	(1,385)	(17,363)
Repayment of lease liabilities	(25,353)	-
Purchase of Treasury shares	(638)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(27,513)	(17,363)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,364	(1,871)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	207,707	212,088
Net increase / (decrease) in cash and cash equivalents	10,364	(1,871)
Net effect of translation of foreign currencies	(2,304)	(1,433)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	215,767	208,784
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	47,255	31,389
Repayment of lease liabilities	(25,353)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES ADJUSTED (*)	21,902	31,389

(*) 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).