

*Salvatore Ferragamo*

**FY 2020  
Results Update**

**Analyst Presentation**

March 09, 2021 - 6.00 PM CET



# Disclaimer

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# FY 2020 Financial Review

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Salvatore Ferragamo SS 21 Advertising Campaign



# FY 2020 Revenue By Distribution Channel

(Euro MM)	Dec YTD				Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %	Δ % Const FX		
Retail	637.1	899.5	-29.2%	-28.6%	69.6%	65.3%
Wholesale	269.1	461.4	-41.7%	-42.2%	29.4%	33.5%
Licences & Other Rev.	7.4	11.6	-36.3%	-36.3%	0.8%	0.8%
Rental income	2.3	4.8	-53.2%	-52.2%	0.2%	0.3%
<b>Total</b>	<b>915.8</b>	<b>1,377.3</b>	<b>-33.5%</b>	<b>-33.4%</b>	<b>100.0%</b>	<b>100.0%</b>

- Total Revenues at 916 million Euros, down 33.5% (-33.4% at const. FX) vs. FY'19.
- RTL down 29.2% (-28.6% at const. FX) in FY'20, with Like-for-like performance -29.9%, negatively impacted by stores lock-down and significant lack of traffic.
- WHL down 41.7% (-42.2% at const. FX) in FY'20, mainly penalized by the performance of the Travel Retail channel and of Fragrances.
- Group's store network at 644 points of sale, of which 395 DOS and 249 TPOS.

# FY 2020 Revenue By Region

(Euro MM)	Dec YTD			Δ % Const FX	Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %			
Europe	199.7	347.2	-42.5%	-41.9%	21.8%	25.2%
North America	192.6	317.9	-39.4%	-41.4%	21.0%	23.1%
Japan	89.5	118.5	-24.5%	-25.0%	9.8%	8.6%
Asia Pacific	381.0	511.3	-25.5%	-25.0%	41.6%	37.1%
Latin America	53.0	82.4	-35.6%	-29.5%	5.8%	6.0%
<b>Total</b>	<b>915.8</b>	<b>1,377.3</b>	<b>-33.5%</b>	<b>-33.4%</b>	<b>100.0%</b>	<b>100.0%</b>

- APAC, representing 42% of total sales, down 25.0% at const. FX in FY'20, with China RTL up 11.3% at const. FX vs. FY'19 and up 33.9% in 4Q'20.
- Japan down 25.0% at const. FX vs. FY'19, with RTL positive in 4Q'20.
- EMEA down 41.9% at const. FX vs. FY'19, with 4Q'20 still penalized by stores closures and lack of tourists' flows.
- North America down 41.4% at const. FX vs. FY'19.
- LatAm down 29.5% at const. FX vs. FY'19, with all the markets excluding Mexico (still penalized by stores closures) reporting a positive performance in 4Q'20.

# FY 2020 Revenue By Product

(Euro MM)	Dec YTD				Weight on Tot 2020	Weight on Tot 2019
	2020	2019	Δ %	Δ % Const FX		
Shoes	374.7	575.6	-34.9%	-35.0%	40.9%	41.8%
Leather goods & handbags	388.6	540.8	-28.1%	-27.9%	42.4%	39.3%
RTW	50.2	74.2	-32.4%	-31.9%	5.5%	5.4%
Silk & other access.	50.8	82.5	-38.4%	-37.6%	5.5%	6.0%
Fragrances	41.8	87.8	-52.4%	-52.2%	4.6%	6.4%
Licences & Other Rev.	7.4	11.6	-36.3%	-36.3%	0.8%	0.8%
Rental income	2.3	4.8	-53.2%	-52.2%	0.2%	0.3%
<b>Total</b>	<b>915.8</b>	<b>1,377.3</b>	<b>-33.5%</b>	<b>-33.4%</b>	<b>100.0%</b>	<b>100.0%</b>

➤ Shoes (-35.0% at const. FX vs. FY'19) and Leather Goods & Handbags (-27.9%) representing over 83% of total turnover.

➤ Fragrances down 52.2% at const. FX vs. FY'19, mainly penalized by stores closures in both domestic and Travel Retail channel.

# FY 2020 P&L

(Euro MM)	Dec YTD				
	2020	%	2019	%	Δ %
<b>Total revenue</b>	<b>915.8</b>	<b>100.0%</b>	<b>1,377.3</b>	<b>100.0%</b>	<b>-33.5%</b>
Cost of goods sold	(350.3)	-38.2%	(483.8)	-35.1%	-27.6%
<b>Gross profit</b>	<b>565.5</b>	<b>61.8%</b>	<b>893.5</b>	<b>64.9%</b>	<b>-36.7%</b>
Total operating costs	(627.1)	-68.5%	(743.8)	-54.0%	-15.7%
<b>EBIT</b>	<b>(61.5)</b>	<b>-6.7%</b>	<b>149.7</b>	<b>10.9%</b>	<b>&lt;-100%</b>
Impairment	(34.6)	-3.8%	–	0.0%	<-100%
<b>EBIT Adjusted</b>	<b>(26.9)</b>	<b>-2.9%</b>	<b>149.7</b>	<b>10.9%</b>	<b>&lt;-100%</b>
Financial income (expenses)	(3.9)	-0.4%	(14.8)	-1.1%	-73.6%
Financial ROU	(14.4)	-1.6%	(17.8)	-1.3%	-19.0%
<b>EBT</b>	<b>(79.8)</b>	<b>-8.7%</b>	<b>117.1</b>	<b>8.5%</b>	<b>&lt;-100%</b>
Taxes	8.1	0.9%	(29.8)	-2.2%	<-100%
<b>Net income</b>	<b>(71.7)</b>	<b>-7.8%</b>	<b>87.4</b>	<b>6.3%</b>	<b>&lt;-100%</b>
Group net income	(66.4)	-7.2%	87.3	6.3%	<-100%
Income to minorities	(5.3)	-0.6%	0.1	0.0%	<-100%
<b>EBITDA</b>	<b>160.2</b>	<b>17.5%</b>	<b>335.5</b>	<b>24.4%</b>	<b>-52.2%</b>

- Gross Profit -36.7% to 566 million Euros, with incidence on Revenues -310 bps to 61.8%, with 4Q'20 margin in line with 4Q'19.
- Opex down 15.7% (-14.4% at const. FX), due to tight control on all costs lines, including rents renegotiations and the initial streamlining of the organization. Excluding impairment tests effect of ca. 35 million Euros, the Operating Costs decreased by 20.3% at current FX.
- EBIT adjusted, excluding impairment tests, negative for 27 million Euros (-62 million Euros reported) vs. 150 million Euros positive in FY'19.
- Net Profit negative for 72 million Euros vs. 87 million Euros positive in FY'19.

# FY 2020 Balance Sheet

(Euro MM)	Dec 20 YTD	Dec 19 YTD	%
Tangible assets	214.946	290.896	-26.1%
Intangible assets	45.570	42.484	7.3%
Right of Use	475.240	576.455	-17.6%
Financial assets	–	–	
<b>Fixed assets</b>	<b>735.756</b>	<b>909.835</b>	<b>-19.1%</b>
Inventory	346.181	395.004	-12.4%
Trade receivables	113.909	147.202	-22.6%
Trade payables	(145.538)	(207.654)	-29.9%
<b>Operating working capital</b>	<b>314.552</b>	<b>334.552</b>	<b>-6.0%</b>
Other assets (liabilities)	114.822	71.133	61.4%
Net Asset Disposal for Sales	–	–	
Employee Benefit Liabilities	(11.867)	(11.901)	-0.3%
Provisions for risks and charges	(14.401)	(13.921)	3.4%
<b>Net invested capital</b>	<b>1,138.862</b>	<b>1,289.699</b>	<b>-11.7%</b>
<b>Shareholders' equity (A)</b>	<b>709.696</b>	<b>785.265</b>	<b>-9.6%</b>
Group equity	693.582	763.647	-9.2%
Minority interest	16.114	21.618	-25.5%
Current financial liabilities	(163.909)	(167.599)	-2.2%
Non current financial liabilities	(593.703)	(559.267)	6.2%
Cash & Cash equivalents	328.446	222.433	47.7%
<b>Net debt (B)</b>	<b>(429.166)</b>	<b>(504.433)</b>	<b>-14.9%</b>
<b>Financial sources (A-B)</b>	<b>1,138.862</b>	<b>1,289.699</b>	<b>-11.7%</b>
<b>Net debt (B)</b>	<b>(429.166)</b>	<b>(504.433)</b>	<b>-14.9%</b>
Non Current Lease Liabilities	464.400	559.267	-17.0%
Current Lease Liabilities	103.509	117.062	-11.6%
<b>Lease Liabilities</b>	<b>567.909</b>	<b>676.330</b>	<b>-16.0%</b>
<b>Net debt Adjusted</b>	<b>138.743</b>	<b>171.896</b>	<b>-19.3%</b>

- Net Working Capital down 6.0%, with Inventory decreasing by 12.4% (-8.4% at const. FX), including write downs.
- Investments (CAPEX) at 29 million Euros, vs. 59 million Euros in FY'19.
- Net Financial Position adj. (ex. IFRS16 impact) at 31 December 2020 positive for 139 million Euros, compared to 172 million Euros positive as of 31 December 2019. Including IFRS16 effect, the Net Financial Position at 31 December 2020 is negative for 429 million Euros.



# Group POS Number by Region @ 31.12.2020

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	<b>Act December '20</b>	<b>Act December '19</b>
<b>Europe</b>	<b>156</b>	<b>162</b>
<b>USA</b>	<b>96</b>	<b>99</b>
<b>Latin America</b>	<b>62</b>	<b>62</b>
<b>Asia Pacific</b>	<b>262</b>	<b>264</b>
<b>Japan</b>	<b>68</b>	<b>67</b>
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<b>Total POS n.</b>	<b>644</b>	<b>654</b>
<i>DOS</i>	395	393
<i>TPOS</i>	249	261

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**Q&A**

