

Salvatore Ferragamo

1Q 2016 Results Update

Analyst Presentation

May 12, 2016 - 6.00 PM CET



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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.

1Q 2016 Market Scenario

- Current market scenario impacted by subdued economic indicators, geopolitical uncertainty and lower tourism
- China macroeconomic data to support forecast of midyear pickup, while demand in Hong Kong showing no sign of improvement
- Europe macroeconomic prospects remain uncertain and tourist flows negatively impacted by the dramatic events occurred
- US expected soft for luxury goods consumption, with tourism penalized by a strong Dollar
- Japanese sales expected to slow-down due to lower consumer confidence and strong yen, negatively impacting Chinese travel flows
- Korea, Australia and Mexico preferred destinations driven by tourist attractions, leisure and favorable exchange rates
- Travel Retail channel remains key: IATA reports worldwide airport traffic up 7% in 1Q 2016 (+6% adjusted for leap year)

1Q 2016 Salvatore Ferragamo Key Facts (1/2)

- Top-line down 2% in 1Q 2016 to 321 million Euros
- RTL down 4%, while WHL up 1% also thanks to the good performance of the Travel Retail Channel
- Europe down 4% penalized by lower tourist flows
- North America up 1%, with the overperformance of RTL
- Latam +8% at const FX, but penalized by the currency trends (stable at current FX)
- APAC down 3% with Hong Kong still double-digit negative
- Japan up 2% mainly thanks to Chinese travellers



Salvatore Ferragamo SS16 Advertising Campaign

1Q 2016 Salvatore Ferragamo Key Facts (2/2)

- Gross Profit up by 2% (despite soft top-line trend), with incidence on Revenues up 250 basis points to 67.2%
- EBITDA increasing over 5%, with incidence on Revenues of 20.0% from 18.7% in 1Q 2015
- Group Net Profit reaching 34 million Euros, up 10% vs. 1Q 2015
- Net Financial Position positive for 25 million Euros (from 34 million Euros Net Debt at 31 March 2015)



Salvatore Ferragamo SS16 Advertising Campaign

FINANCIALS

1Q 2016 Revenue By Region

(Euro MM)	March YTD				Weight on Tot 2016	Weight on Tot 2015
	2016	2015	Δ %	Δ % Const FX		
Europe	81,9	85,3	-4,0%	-4,2%	25,5%	26,1%
North America	74,6	74,0	0,8%	-3,8%	23,2%	22,6%
Japan	32,4	31,8	1,9%	0,3%	10,1%	9,7%
Asia Pacific	116,3	119,9	-3,0%	-2,3%	36,2%	36,6%
Latin America	16,3	16,3	0,1%	8,4%	5,1%	5,0%
Total	321,5	327,3	-1,8%	-2,4%	100,0%	100,0%

1Q 2016 Revenue By Distribution Channel

(Euro MM)	March YTD				Weight on Tot 2016	Weight on Tot 2015
	2016	2015	Δ %	Δ % Const FX		
Retail	191,7	198,8	-3,6%	-4,2%	59,6%	60,7%
Wholesale	124,0	122,9	0,9%	0,2%	38,6%	37,6%
Licences & Other Rev.	2,6	2,4	6,6%	6,6%	0,8%	0,7%
Rental income	3,2	3,1	3,3%	1,1%	1,0%	1,0%
Total	321,5	327,3	-1,8%	-2,4%	100,0%	100,0%

1Q 2016 Revenue By Product

(Euro MM)	March YTD				Weight on Tot 2016	Weight on Tot 2015
	2016	2015	Δ %	Δ % Const FX		
Shoes	136,0	135,8	0,1%	-1,0%	42,3%	41,5%
Leather goods & handbags	117,3	120,9	-3,0%	-3,4%	36,5%	36,9%
RTW	20,9	22,9	-8,5%	-9,6%	6,5%	7,0%
Silk & other access.	21,1	22,1	-4,5%	-3,8%	6,6%	6,8%
Fragrances	20,4	20,0	1,7%	1,6%	6,3%	6,1%
Licences & Other Rev.	2,6	2,4	6,6%	6,6%	0,8%	0,7%
Rental income	3,2	3,1	3,3%	1,1%	1,0%	1,0%
Total	321,5	327,3	-1,8%	-2,4%	100,0%	100,0%

1Q 2016 P&L

(Euro MM)	March YTD				
	2016	%	2015	%	Δ %
Total revenue	321,5	100,0%	327,3	100,0%	-1,8%
Cost of goods sold	(105,6)	-32,8%	(115,6)	-35,3%	-8,7%
Gross profit	215,9	67,2%	211,6	64,7%	2,0%
Payroll	(48,8)	-15,2%	(48,7)	-14,9%	0,3%
Rental	(49,6)	-15,4%	(48,4)	-14,8%	2,6%
Communication	(16,5)	-5,1%	(16,1)	-4,9%	2,5%
Consultancy	(6,4)	-2,0%	(6,1)	-1,9%	4,6%
Other Costs	(30,5)	-9,5%	(31,5)	-9,6%	-3,2%
Depreciation	(15,1)	-4,7%	(14,0)	-4,3%	7,9%
Total operating costs	(166,9)	-51,9%	(164,7)	-50,3%	1,3%
EBIT	49,0	15,2%	46,9	14,3%	4,5%
Financial income (expenses)	(3,9)	-1,2%	(2,6)	-0,8%	49,9%
Companies valued with the Equity Method	–	0,0%	–	0,0%	0,0%
EBT	45,1	14,0%	44,3	13,5%	1,8%
Taxes	(11,3)	-3,5%	(12,5)	-3,8%	-9,5%
Net income	33,8	10,5%	31,8	9,7%	6,3%
Group net income	34,4	10,7%	31,2	9,5%	10,2%
Income to minorities	(0,5)	-0,2%	0,6	0,2%	-181,9%
EBITDA	64,3	20,0%	61,1	18,7%	5,3%

1Q 2016 Balance Sheet

(Euro MM)	Mar 16 YTD	Mar 15 YTD	%
Tangible assets	234,954	232,855	0,9%
Intangible assets	31,769	30,795	3,2%
Financial assets	—	—	
Fixed assets	266,723	263,650	1,2%
Inventory	376,283	352,480	6,8%
Trade receivables	140,236	147,038	-4,6%
Trade payables	(189,009)	(190,824)	-1,0%
Operating working capital	327,510	308,694	6,1%
Other assets (liabilities)	44,315	(3,592)	-1333,7%
Severance indemnity	(11,473)	(12,211)	-6,0%
Risk funds	(8,286)	(7,725)	7,3%
Net invested capital	618,791	548,816	12,8%
Shareholders' equity (A)	643,567	514,875	25,0%
Group equity	600,637	467,902	28,4%
Minority interest	42,930	46,973	-8,6%
Current financial liabilities	(138,692)	(142,834)	-2,9%
Non current financial liabilities	(23,326)	(24,131)	
Cash & equivalents	186,795	133,024	40,4%
Net debt (B)	24,776	(33,941)	-173,0%
Financial sources (A-B)	618,791	548,816	12,8%

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Q&A



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