

Salvatore Ferragamo

**1H 2021
Results Update**

Analyst Presentation

September 7, 2021 - 6.00 PM CET



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.

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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.

1H 2021 Financial Review



Salvatore Ferragamo FW 21 Advertising Campaign

1H 2021 Revenue By Distribution Channel

(Euro MM)	June YTD			Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Retail	381.4	260.6	46.3%	49.4%	72.8%	71.7%
Wholesale	138.1	97.9	41.1%	40.5%	26.4%	26.9%
Licences & Other Rev.	3.2	3.8	-14.2%	-14.2%	0.6%	1.0%
Rental income	1.1	1.1	1.0%	10.5%	0.2%	0.3%
Total	523.8	363.4	44.2%	46.2%	100.0%	100.0%

- Total Revenues in 1H'21 at 524M Euros, up 44.2% (+46.2% at const. FX), with 2Q +91.3% (+90.5% at const. FX) vs. 2Q'20, despite the permanence, in some countries, of lock-downs and restriction on international traffic.
- RTL up 46.3% (+49.4% at const. FX) in 1H'21, with 2Q +81.4% (+82.9% at const. FX) vs. 2Q'20, with Greater China, North America, Latin America and Korea exceeding the pre-Covid levels.
- WHL up 41.1% (+40.5% at const. FX) in 1H'21, with 2Q +134% (+122% at const. FX) vs. 2Q'20, despite the still challenging Travel Retail channel penalized by restrictions to international travel.
- Group's store network at 639 POS, of which 398 DOS and 241 TPOS.

To be noted that all performance measures are reported excluding the Fragrance business both from the data relating to 2021 and from 2020 comparative data, as the licensing of the Fragrance business is reclassified in the "Non-current Assets Held for Sale and Discontinued Operations", in accordance with IFRS 5.

1H 2021 Revenue By Region

(Euro MM)	June YTD			Δ % Const FX	Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %			
Europe	96.1	78.6	22.2%	20.5%	18.4%	21.6%
North America	137.0	67.6	102.6%	122.2%	26.1%	18.6%
Japan	41.0	36.2	13.4%	18.2%	7.8%	10.0%
Asia Pacific	222.3	164.4	35.2%	34.0%	42.4%	45.2%
Latin America	27.4	16.6	65.6%	73.7%	5.2%	4.6%
Total	523.8	363.4	44.2%	46.2%	100.0%	100.0%

- APAC, representing over 42% of total sales, up 34.0% at const. FX in 1H'21, with RTL in China up 47.4% at const. FX vs. 1H'20 and up 21.9% in Korea.
- Japan up 18.2% at const. FX vs. 1H'20, bringing the Asian Continent to over 50% on total sales.
- EMEA up 20.5% at const. FX vs. 1H'20, still penalized by lock-downs and lack of tourists' flows.
- North America strongly up 122% at const. FX vs. 1H'20.
- LatAm up 73.7% at const. FX vs. 1H'20.

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1H 2021 Revenue By Product

(Euro MM)	June YTD				Weight on Tot 2021	Weight on Tot 2020
	2021	2020	Δ %	Δ % Const FX		
Shoes	223.2	159.5	40.0%	44.4%	42.6%	43.9%
Leather goods & handbags	235.4	158.6	48.5%	47.8%	44.9%	43.6%
RTW	29.2	19.1	52.9%	56.6%	5.6%	5.3%
Silk & other access.	29.7	20.3	46.2%	49.3%	5.7%	5.6%
Fragrances*	1.9	1.0	85.0%	90.0%	0.4%	0.3%
Licences & Other Rev.	3.2	3.8	-14.2%	-14.2%	0.6%	1.0%
Rental income	1.1	1.1	1.0%	10.5%	0.2%	0.3%
Total	523.8	363.4	44.2%	46.2%	100.0%	100.0%

➤ All main product categories reported an increase in 1H'21 vs. the same period of last year, with Shoes and Leather categories representing respectively 43% and 45% of the turnover.

* Revenues generated in DOS

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1H 2021 P&L

(Euro MM)	June YTD				
	2021	%	2020	%	Δ %
Total revenue	523.8	100.0%	363.4	100.0%	44.2%
Cost of goods sold	(162.9)	-31.1%	(141.6)	-39.0%	15.0%
Gross profit	361.0	68.9%	221.7	61.0%	62.8%
Total operating costs	(295.0)	-56.3%	(293.4)	-80.7%	0.6%
EBIT	65.9	12.6%	(71.6)	-19.7%	nm
Financial income (expenses)	(3.4)	-0.7%	(10.4)	-2.9%	-67.0%
Financial ROU	(6.5)	-1.2%	(8.4)	-2.3%	-23.3%
EBT	56.0	10.7%	(90.5)	-24.9%	nm
Taxes	(18.7)	-3.6%	7.0	1.9%	nm
Net profit(loss) from discontinued operations, net of taxes	(3.9)	-0.7%	(2.9)	-0.8%	31.2%
Net income	33.4	6.4%	(86.4)	-23.8%	nm
Group net income	30.7	5.9%	(81.9)	-22.5%	nm
Income to minorities	2.7	0.5%	(4.5)	-1.2%	nm
EBITDA	144.3	27.5%	31.9	8.8%	nm

- Gross Profit +62.8% to 361M Euros, with incidence on Revenues +790 bps to 68.9%, mainly thanks to higher full-price sales, a more positive geographic, channel and product mix, and lower provisions for obsolescence.
- Opex stable (+4.0% at const. FX) vs. 1H'20, with +13% in 2Q'21 due to higher variable costs, "back-to-normal" expenses and lower contribution from positive extraordinary components, such as the Government subsidies and rents relief.
- EBIT positive for 66M Euros vs. 62M Euros negative (net of the effect of the impairment test) in 1H'20
- Net Profit positive for 33M Euros vs. 86M Euros negative in 1H'20

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1H 2021 Balance Sheet

(Euro MM)	June 21 YTD	June 20 YTD	%
Tangible assets	204.212	259.613	-21.3%
Intangible assets	41.413	48.491	-14.6%
Right of Use	469.553	520.291	-9.8%
Financial assets	–	–	
Fixed assets	715.177	828.395	-13.7%
Inventory	316.570	394.793	-19.8%
Trade receivables	109.884	95.845	14.6%
Trade payables	(127.999)	(133.661)	-4.2%
Operating working capital	298.454	356.976	-16.4%
Other assets (liabilities)	103.487	98.827	4.7%
Net Asset held for Sales	18.305	–	
Employee Benefit Liabilities	(10.026)	(12.381)	-19.0%
Provisions for risks and charges	(13.143)	(13.770)	-4.6%
Net invested capital	1,112.255	1,258.048	-11.6%
Shareholders' equity (A)	754.785	695.931	8.5%
Group equity	734.684	674.395	8.9%
Minority interest	20.101	21.535	-6.7%
Current financial liabilities	(159.095)	(318.662)	-50.1%
Non current financial liabilities	(568.809)	(508.163)	11.9%
Cash & Cash equivalents	370.434	264.708	39.9%
Net debt (B)	(357.470)	(562.117)	-36.4%
Financial sources (A-B)	1,112.255	1,258.048	-11.6%
Net debt (B)	(357.470)	(562.117)	-36.4%
Non Current Lease Liabilities	459.885	508.163	-9.5%
Current Lease Liabilities	102.359	112.075	-8.7%
Lease Liabilities	562.244	620.239	-9.4%
Net debt Adjusted	204.775	58.121	>100%

- Net Working Capital down 16.4%, with continuing efficiency in Inventory, decreasing by 19.8% (-21.6% at const. FX, -15.3% at const. FX excluding Fragrances) thanks to an improvement in operational efficiency.
- Investments (CAPEX) at 13M Euros, vs. 11M Euros in 1H'21, mainly driven by retail network renovations and investments in the digital channel .
- Net Financial Position adj. (ex. IFRS16 impact) at 30 June 2021 positive for 205M Euros, compared to 58M Euros positive as of 30 June 2020. Including IFRS16 effect, the Net Financial Position at 30 June 2021 is negative for 357M Euros.

Group POS Number by Region @ 30.06.2021

	Act June '21	Act December '20	Net Openings in the period
Europe	154	156	-2
USA	95	96	-1
Latin America	59	62	-3
Asia Pacific	261	262	-1
Japan	70	68	2
Total POS n.	639	644	-5
<i>DOS</i>	<i>398</i>	<i>395</i>	<i>3</i>
<i>TPOS</i>	<i>241</i>	<i>249</i>	<i>-8</i>

Appendix – Quarterly 2021 P&L Restated

(Euro MM)	1 Q					2Q				
	2021	%	2020	%	Δ %	2021	%	2020	%	Δ %
Total revenue	234.9	100.0%	212.3	100.0%	10.6%	288.9	100.0%	151.0	100.0%	91.3%
Cost of goods sold	(81.1)	-34.5%	(85.8)	-40.4%	-5.4%	(81.7)	-28.3%	(55.8)	-37.0%	46.4%
Gross profit	153.8	65.5%	126.6	59.6%	21.5%	207.2	71.7%	95.2	63.0%	117.7%
Total operating costs	(147.1)	-62.6%	(162.4)	-76.5%	-9.4%	(148.0)	-51.2%	(131)	-86.7%	13.0%
EBIT	6.7	2.9%	(35.8)	-16.9%	nm	59.2	20.5%	(35.8)	-23.7%	nm
Financial income (expenses)	(1.0)	-0.4%	(7.2)	-3.4%	-85.8%	(2.4)	-0.8%	(3.2)	-2.1%	-25.5%
Financial ROU	(3.3)	-1.4%	(4.3)	-2.0%	-23.0%	(3.1)	-1.1%	(4.1)	-2.7%	-23.5%
EBT	2.4	1.0%	(47.3)	-22.3%	nm	53.7	18.6%	(43.2)	-28.6%	nm
Taxes	(3.7)	-1.6%	6.5	3.1%	nm	(15.1)	-5.2%	0.5	0.4%	nm
Net profit(loss) from discontinued operations, net of taxes	0.7	0.3%	(0.6)	-0.3%	nm	(4.6)	-1.6%	(2.3)	-1.5%	95.7%
Net income	(0.6)	-0.2%	(41.4)	-19.5%	nm	34.0	11.8%	(44.9)	-29.8%	nm
Group net income	(1.2)	-0.5%	(39.1)	-18.4%	nm	31.9	11.1%	(42.8)	-28.4%	nm
Income to minorities	0.7	0.3%	(2.4)	-1.1%	nm	2.1	0.7%	(2.1)	-1.4%	nm
EBITDA	46.8	19.9%	11.7	5.5%	298.3%	97.5	33.8%	20.2	13.4%	nm

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Q&A

