



PRESS RELEASE

Salvatore Ferragamo S.p.A.

**The Board of Directors approves
the Consolidated Interim Report as of 30 September 2019**

Salvatore Ferragamo Group Nine Months Revenue + 2.3%, Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²) -1.5%, Net Profit substantially stable and Positive Net Financial Position adjusted² of 150 million Euros

- **Revenues: 994 million Euros (+2.3% vs. 972 million Euros at 30 September 2018, +1.9% at constant exchange rates³)**
- **Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²): 147 million Euros (-1.5% vs. 149 million Euros at 30 September 2018)**
- **Operating Profit excluding IFRS16² (EBIT excluding IFRS16²): 96 million Euros (-5.7% vs. 102 million Euros at 30 September 2018)**
- **Net Profit excluding IFRS16²: 65 million Euros (substantially stable vs. 30 September 2018)**
- **Net Financial Position adjusted²: positive at 150 million Euros (vs. 140 million Euros positive at 30 September 2018)**

Florence, 12 November 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 30 September 2019, prepared 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 September 30, 2019 comparable with the data of the previous periods, the Company introduced some performance indicators elaborated excluding the impacts of the new IFRS 16 accounting principle. These indicators have been denominated “excluding IFRS16” with reference to P&L figures (EBITDA, Operating Profit and Net Profit) and “adjusted” with reference to the Balance Sheet/Cash Flow figures (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 the 9 months 2019

Consolidated Revenue figures

As of 30 September 2019, the Salvatore Ferragamo Group reported Total Revenues of 994 million Euros, up 2.3% at current exchange rates and up 1.9% at constant exchange rates³, vs. 972 million Euros recorded in 9M 2018. In 3Q 2019 Total Revenues recorded a decrease of 2.9% (-3.6% at constant exchange rates³).

Revenues by distribution channel⁴

As of 30 September 2019, the Group's Retail network counted on a total of 656 points of sales, including 394 Directly Operated Stores (DOS) and 262 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, further to the e-commerce channel.

In 9M 2019 the Retail distribution channel posted consolidated Revenues up 2.6% (+2.0% at constant exchange rates³) with a roughly stable 3Q 2019 (+0.4% at current exchange rates and -0.5% at constant exchange rates³) vs. the same period of last year. Revenues at constant exchange rates and perimeter (like-for-like) registered in 9M 2019 an increase of +1.4% vs. 9M 2018 (-0.7% in 3Q 2019), despite the negative performance of the secondary channel.

The Wholesale channel registered, at 30 September 2019, an increase in Revenues of 3.0% (+3.1% at constant exchange rates³), with a negative trend in 3Q (-8.4% at current exchange rates and -8.7% at constant exchange rates³), due to a different timing in the deliveries of fragrances vs. the same period of last year and to a slowdown of the Travel Retail channel mainly linked to the difficult geopolitical situation occurring in Hong Kong.

Revenues by geographical area⁴

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 2.7% both at current and constant exchange rates³ vs. 9M 2018. To highlight, the solid 9M 2019 performance of the retail channel in China reporting a 16.3% increase (+15.0% at constant exchange rates³). The 3Q 2019 performance in the area was significantly negatively impacted by the difficult geopolitical situation occurring in Hong Kong, where retail sales were down 45% vs. 3Q 2018.

EMEA posted an increase in Revenues of 3.9% in 9M 2019 (+3.7% at constant exchange rates³), with a positive performance in both distribution channels also in 3Q 19.

North America in 9M 2019 recorded a Revenues decrease of 1.3% (-1.8% at constant exchange rates³) vs 9M 2018, penalized by lower Revenues from rentals and a negative performance of the Wholesale Channel in 3Q 19.



The Japanese market in 9M 2019 registered an increase in Revenues of 0.9% (-0.2%, at constant rates³).

Revenues in the Central and South America registered an increase of 9.7% (+8.4% at constant rates³) vs. 9M 2018.

Revenues by product category⁴

Among the product categories, at constant exchange rates³, footwear posted an increase of 3.4% and handbags and leather accessories of 4.4% vs. 9M 2018. Fragrances registered a 11.0% decrease at constant exchange rates³, with 3Q 19 performance (-35.2% at constant exchange rates³) also penalized by a different timing in the deliveries vs. the same period of last year.

Gross Profit

In 9M 2019 the Gross Profit increased by 4.2% to 644 million Euros. Its incidence on Revenues was up 120 basis points, moving to 64.8%, from 63.6%, mainly thanks to the increase of full-price sales and to the positive product mix.

In 3Q 2019 the incidence on Revenues was up 230 basis points, thanks to a higher incidence of full-price sales and a lower incidence of the Wholesale channel, and in particular of fragrances, vs. 3Q 2018.

Operating Costs

In 9M 2019 Operating Costs, net of IFRS16 effect, increased by 6.2% at current exchange rates (+3.6% at constant exchange rates³), to 548 million Euros, from 516 million Euros in 9M 2018, with an incidence on Revenues of 55.1% vs. 53.1% in 9M 2018. The increase was mainly due to marketing and communication costs, to the reinforcement of the organization, the increase in rentals and other operating costs.

Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²)

The Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²) decreased by 1.5% over the period, to 147 million Euros, from 149 million Euros of 9M 2018, with an incidence on Revenues of 14.8% vs. 15.3% in 9M 2018.

Operating Profit excluding IFRS16² (EBIT excluding IFRS16²)

The Operating Profit excluding IFRS16² (EBIT excluding IFRS16²) was down 5.7% at 96 million Euros, vs. 102 million Euros in 9M 2018 with an incidence on Revenues of 9.7% from 10.5%.



Profit before taxes excluding IFRS16²

The Profit before taxes excluding IFRS16² in 9M 2019 was down 4.5% at 87 million Euros vs. 91 Million Euros in 9M 2018, with an incidence on Revenues of 8.8% vs. 9.4% in the same period of last year.

Net Profit for the Period excluding IFRS16²

The Net Profit for the period excluding IFRS16², including the Minority Interest, amounted to 65 million Euros, substantially stable (-0.5%) vs. 9M 2018.

The 9M 2019 Group Net Profit excluding IFRS16² was 63 million Euros, compared to 64 million Euros in 9M 2018, marking a decrease of 1.5%.



Notes to the Balance Sheet for 9M 2019

Net Working Capital⁵

The Net Working Capital as of 30 September 2019 increased by 13.6% to 335 million Euros, from 295 million Euros as of 30 September 2018. In particular, the Inventory was up 12.3% (+11.0% at constant exchange rates).

Investments (CAPEX)

As of 30 September 2019, Investments (CAPEX) was 40 million Euros vs. 45 million in 9M 2018, mainly for the store network renovations and the IT projects, while last year investments were still high in the logistic center.

Net Financial Position

The Net Financial Position adjusted² at 30 September 2019 was positive for 150 million Euros, net of IFRS16 effect, up vs. to 140 million Euros positive as of 30 September 2018. Including IFRS16 effect, the Net Financial Position at 30 September 2019 is negative for 538 million Euros.



In a macroeconomic and market environment characterized by enduring complexity, and on the base of our knowledge as of today, the slowdown in Revenues and Operating Margins, reported by the Salvatore Ferragamo Group in the third quarter 2019, may persist also in the last part of the year.

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 Excluding IFRS16: not including the IFRS16 effect. The impact of IFRS16 effect will be detailed in the tables on pages 11-14.

³ Revenues at "constant exchange rates" are calculated by applying to the Revenue of the period 2018, not including the "hedging effect", the average exchange of the same period 2019. Operating Costs at "constant exchange rates" are calculated by applying to the Operating Costs of the period 2018, the average exchange of the same period 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 30 September 2019, approved by the Board of Directors on November 12 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 9M 2019 will be illustrated today, 12 November 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 656 mono-brand stores as of 30 September 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:

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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".

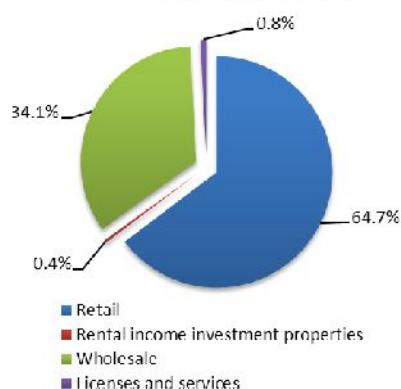
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On the following pages, a more detailed analysis of Revenues, the consolidated income statement, the summary of statement of financial position, the net financial position, and the consolidated cash flow statement of the Salvatore Ferragamo Group as of 30 September 2019.

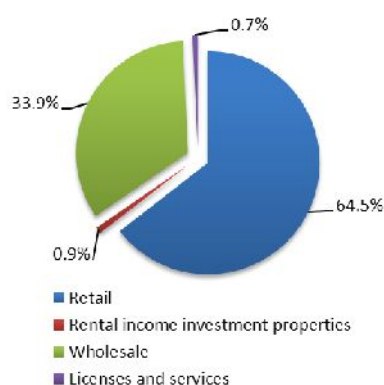
Revenue by distribution channel at 30 September 2019

(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Retail	643,336	64.7%	627,005	64.5%	2.6%	2.0%
Wholesale	338,748	34.1%	329,032	33.9%	3.0%	3.1%
Licenses and services	8,310	0.8%	6,978	0.7%	19.1%	19.1%
Rental income investment properties	3,970	0.4%	8,849	0.9%	(55.1%)	(57.8%)
Total	994,364	100.0%	971,864	100.0%	2.3%	1.9%

Revenue by distribution channel as at 30 September 2019



Revenue by distribution channel as at 30 September 2018

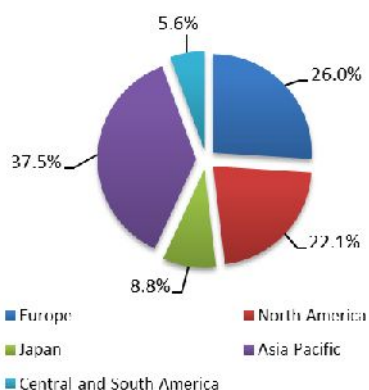


Revenue by geographic area at 30 September 2019

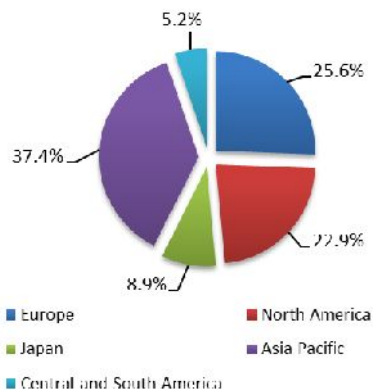
(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Europe	258,720	26.0%	248,975	25.6%	3.9%	3.7%
North America	219,718	22.1%	222,523	22.9%	(1.3%)	(1.8%)
Japan	87,118	8.8%	86,324	8.9%	0.9%	(0.2%)
Asia Pacific	373,072	37.5%	363,218	37.4%	2.7%	2.7%
Central and South America	55,736	5.6%	50,824	5.2%	9.7%	8.4%
Total	994,364	100.0%	971,864	100.0%	2.3%	1.9%

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Revenue by geographic area
as at 30 September 2019



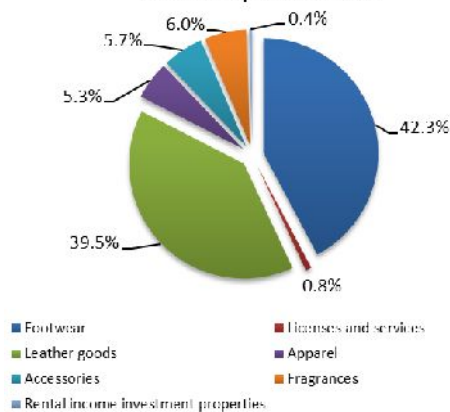
Revenue by geographic area
as at 30 September 2018



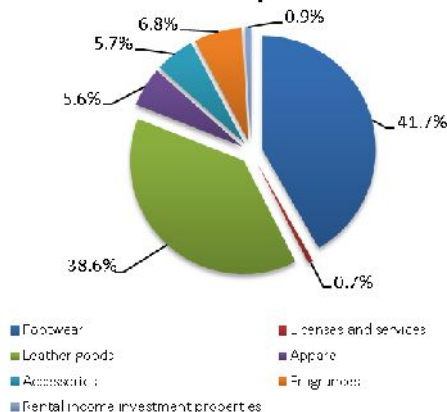
Revenue by product category at 30 September 2019

(In thousands of Euro)	Period ended 30 September					at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue	% Change	
Footwear	419,974	42.3%	405,623	41.7%	3.5%	3.4%
Leather goods	392,314	39.5%	374,542	38.6%	4.7%	4.4%
Apparel	53,009	5.3%	54,625	5.6%	(3.0%)	(3.2%)
Accessories	56,821	5.7%	54,833	5.7%	3.6%	3.2%
Fragrances	59,966	6.0%	66,414	6.8%	(9.7%)	(11.0%)
Licenses and services	8,310	0.8%	6,978	0.7%	19.1%	19.1%
Rental income investment properties	3,970	0.4%	8,849	0.9%	(55.1%)	(57.8%)
Total	994,364	100.0%	971,864	100.0%	2.3%	1.9%

Revenue by product category
as at 30 September 2019



Revenue by product category
as at 30 September 2018





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement at 30 September 2019

(In thousands of Euro)	Period ended 30 September						Var % 2019 excluding IFRS16 vs 2018
	2019	% on Revenue	2019 excluding IFRS16 (**)	% on Revenue	2018	% on Revenue	
Revenue from contracts with customers	990,394	99.6%	990,394	99.6%	963,015	99.1%	2.8%
Rental income investment properties	3,970	0.4%	3,970	0.4%	8,849	0.9%	(55.1%)
Revenues	994,364	100.0%	994,364	100.0%	971,864	100.0%	2.3%
Cost of goods sold	(350,200)	(35.2%)	(350,200)	(35.2%)	(353,876)	(36.4%)	(1.0%)
Gross profit	644,164	64.8%	644,164	64.8%	617,988	63.6%	4.2%
Style, product development and logistics costs	(37,198)	(3.7%)	(37,198)	(3.7%)	(34,571)	(3.6%)	7.6%
Sales & distribution costs	(349,304)	(35.1%)	(356,192)	(35.8%)	(332,142)	(34.2%)	7.2%
Marketing & communication costs	(55,844)	(5.6%)	(55,845)	(5.6%)	(51,338)	(5.3%)	8.8%
General and administrative costs	(93,295)	(9.4%)	(95,355)	(9.6%)	(91,120)	(9.4%)	4.6%
Other operating costs	(16,998)	(1.7%)	(16,998)	(1.7%)	(13,094)	(1.3%)	29.8%
Other income	13,708	1.4%	13,708	1.4%	6,346	0.7%	116.0%
Total operating costs (net of other income)	(538,931)	(54.2%)	(547,880)	(55.1%)	(515,919)	(53.1%)	6.2%
Operating profit	105,233	10.6%	96,284	9.7%	102,069	10.5%	(5.7%)
Financial charges	(49,938)	(5.0%)	(36,696)	(3.7%)	(43,102)	(4.4%)	(14.9%)
Financial income	27,679	2.8%	27,679	2.8%	32,417	3.3%	(14.6%)
Profit before taxes	82,974	8.3%	87,267	8.8%	91,384	9.4%	(4.5%)
Income taxes	(21,548)	(2.2%)	(22,441)	(2.3%)	(26,240)	(2.7%)	(14.5%)
Net profit/(loss) for the Period	61,426	6.2%	64,826	6.5%	65,144	6.7%	(0.5%)
Net profit/(loss) - Group	59,966	6.0%	63,138	6.3%	64,097	6.6%	(1.5%)
Net profit/(loss) - minority interests	1,460	0.1%	1,688	0.2%	1,047	0.1%	61.2%
EBITDA (*)	242,718	24.4%	146,770	14.8%	149,030	15.3%	(1.5%)

(*) 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.

(**) Income statement data in column "2019 excluding IFRS16", with reference to Operating profit, EBITDA and Net profit for the period, are calculated excluding the effects of IFRS16 adoption.



Summary of consolidated statement of financial position at 30 September 2019

(In thousands of Euro)	30 September 2019	31 December 2018	% Change
Property, plant and equipment	254,517	259,821	(2.0%)
Investment property	41,446	6,094	580.1%
Right of use assets	587,193	-	-
Intangible assets with definite useful life	40,490	42,879	(5.6%)
Inventories and Right of return assets	407,556	365,779	11.4%
Trade receivables	110,564	142,905	(22.6%)
Trade payables and Refund liabilities	(182,855)	(215,125)	(15.0%)
Other non current assets/(liabilities), net	68,392	2,758	2379.8%
Other current assets/(liabilities), net	(28,607)	6,231	(559.1%)
Net invested capital	1,298,696	611,342	
Group shareholders' equity	737,210	753,691	(2.2%)
Minority interests	23,446	26,647	(12.0%)
Shareholders' equity (A)	760,656	780,338	(2.5%)
Net financial debt/(surplus) (B) (1)	538,040	(168,996)	
Total sources of financing (A+B)	1,298,696	611,342	
Net financial debt/(surplus) (B)	538,040	(168,996)	
<i>Lease Liabilities (C)</i>	<i>688,407</i>	<i>-</i>	
Net financial debt/(surplus) adjusted (B-C) (2)	(150,367)	(168,996)	(11.0%)
Net financial debt/(surplus) adjusted/ Shareholders' equity	(19.8%)	(21.7%)	

(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/(surplus) adjusted is calculated as the Net financial debt net of Current and non current Lease Liabilities

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Consolidated net financial position at 30 September 2019

(In thousands of Euro)	30 September 2019	31 December 2018	Change 2019 vs 2018
A. Cash	1,131	1,506	(375)
B. Other cash equivalents	197,001	206,204	(9,203)
C. Cash and cash equivalents (A)+(B)	198,132	207,710	(9,578)
Derivatives – non-hedge component	75	120	(45)
Other financial assets	283	960	(677)
D. Current financial receivables	358	1,080	(722)
E. Current bank payables	45,149	20,939	24,210
F. Derivatives – non-hedge component	653	790	(137)
G. Other current financial payables	122,057	2,169	119,888
H. Current financial debt (E)+(F)+(G)	167,859	23,898	143,961
I. Current financial debt, net (H)-(C)-(D)	(30,631)	(184,892)	154,261
J. Non current bank payables	-	15,892	(15,892)
K. Derivatives – non-hedge component	-	4	(4)
M. Other non current financial payables	568,671	-	568,671
N. Non-current financial debt (J)+(K)+(M)	568,671	15,896	552,775
O. Net financial debt (I)+(N)	538,040	(168,996)	707,036

(In thousands of Euro)	30 September 2019	31 December 2018	Change 2019 vs 2018
Net financial debt/(surplus) (a)	538,040	(168,996)	707,036
Non current lease liabilities	568,671	-	568,671
Current lease liabilities	119,736	-	119,736
Lease liabilities (b)	688,407	-	688,407
Net financial debt/(surplus) adjusted (a-b)	(150,367)	(168,996)	18,629



Consolidated statement of cash flows at 30 September 2019

(In thousands of Euro)	Period ended 30 September	
	2019	2018
Net profit / (loss) for the period	61,426	65,144
Depreciation, amortization and write down of property, plant and equipment, intangible assets, investment properties	50,486	46,961
Depreciation of Right of use assets	86,999	-
Income Taxes	21,548	26,240
Net change in provision for employee benefit plans	(189)	108
Loss/(gain) on disposal of tangible and intangible assets	1,086	243
Net Interest expenses/income and Interest on lease liabilities	12,936	1,031
Other non cash items	979	1,370
Net change in net working capital	(25,587)	(5,775)
Net change in other assets and liabilities	(2,614)	(1,933)
Income Taxes paid	(12,861)	(3,868)
Net Interest expenses/income and Interest on lease liabilities paid	(11,297)	(1,031)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	182,912	128,490
Purchase of tangible assets	(36,748)	(42,243)
Purchase of intangible assets	(7,364)	(7,462)
Proceeds from the sale of tangible and intangible assets	174	78
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(43,938)	(49,627)
Net change in financial receivables	688	(403)
Net change in financial payables	5,672	(38,867)
Repayment of lease liabilities	(85,397)	-
Payment of dividends	(62,566)	(66,917)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(24)
Purchase of Treasury shares	(2,525)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(144,128)	(106,211)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,154)	(27,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	207,707	212,088
Net increase / (decrease) in cash and cash equivalents	(5,154)	(27,348)
Net effect of translation of foreign currencies	(4,421)	2,238
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	198,132	186,978
NET CASH PROVIDED BY OPERATING ACTIVITIES	182,912	128,490
Repayment of lease liabilities	(85,397)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES ADJUSTED (*)	97,515	128,490

(*) 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).