



PRESS RELEASE

Salvatore Ferragamo S.p.A.

The Board of Directors approves the draft Company Statutory Financial Statements and the Consolidated Financial Statements for the Year 2019

Salvatore Ferragamo Group full-year Revenue + 2.3%, Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²) -4.3%, Net Profit excluding IFRS16² +1.7% and Positive Net Financial Position adjusted² of 172 million Euros

- **Revenues: 1,377 million Euros (+2.3% vs. 1,347 million Euros at 31 December 2018, +1.3% at constant exchange rates³)**
- **Gross Operating Profit excluding IFRS16² (EBITDA¹ excluding IFRS16²): 205 million Euros (-4.3% vs. 214 million Euros at 31 December 2018)**
- **Operating Profit excluding IFRS16² (EBIT excluding IFRS16²): 138 million Euros (-8.2% vs. 150 million Euros at 31 December 2018)**
- **Net Profit excluding IFRS16²: 92 million Euros (+1.7% vs. 90 million Euros at 31 December 2018)**
- **Net Financial Position adjusted²: positive at 172 million Euros (vs. 169 million Euros positive at 31 December 2018)**
- **Proposal of distribution of a Dividend of 0.34 Euros per Ordinary Share (vs. 0.34 Euros of FY 2018)**

During the same meeting the Board of Directors has:

- **Approved the Report on Corporate Governance and Ownership Structure and Report on the policy regarding Remuneration and Fees paid**



- **Approved the proposal of stock buyback**
- **Approved the non-financial Report as at 31st December 2019 pursuant to Legislative Decree n. 254/2016**
- **Appointed the Manager charged with preparing the company's financial reports pursuant to art. 154-bis of the Legislative Decree no. 58/1998 (TUF)**
- **Convened the Ordinary Shareholders' Meeting**

And also has:

- **Approved the subscription of the share purchases agreement of the 100% of Arts Srl**

Florence, 10 March 2020 – 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 draft Company Statutory Financial Statements and the Consolidated Financial Statements for the Year ended 31 December 2019, both prepared according to IAS/IFRS international accounting principles.

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 December 31, 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 FY 2019

Consolidated Revenue figures

As of 31 December 2019, the Salvatore Ferragamo Group reported Total Revenues of 1,377 million Euros up by 2.3% at current exchange rates (+1.3% at constant exchange rates³) vs. the 1,347 million Euros recorded in FY 2018. Revenues in 4Q 2019 registered a 2.1% increase at current exchange rates and remained stable (-0.1%) at constant exchange rates³.

Revenues by distribution channel⁴

As of 31 December 2019, the Group's Retail network counted on a total of 654 points of sales, including 393 Directly Operated Stores (DOS) and 261 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 FY 2019 the Retail distribution channel posted consolidated Revenues up 2.4% (+1.1% at constant exchange rates³), with an increase of 1.1% at constant exchange rates³ and perimeter (like-for-like) vs. FY 2018, despite lower Revenues in the secondary channel.

In 4Q 2019 Retail Revenues increased 2.0% (-1.0% at constant exchange rates³), with a +0.2% like-for-like performance.

The Wholesale channel registered an increase in Revenues of 3.1% (+3.0% at constant exchange rates³) vs. FY 2018, mainly thanks to the good performance of the Travel Retail channel.

In 4Q 2019 Wholesale Revenues were up 2.6% at constant exchange rates³.

Revenues by geographical area⁴

The Asia Pacific area is confirmed as the Group's top market in terms of Revenues, increasing by 1.1% (+0.7% at constant exchange rates³) vs. FY 2018.

Specifically, in FY 2019, the retail channel in China recorded a solid Revenue growth of 13.8% (+12.6% at constant exchange rates³).

The 4Q 2019 performance in the area continued to be significantly negatively impacted by the difficult geopolitical situation occurring in Hong Kong, where retail sales were down over 50% vs. 4Q 2018.

EMEA posted, in FY 2019, an increase in Revenues of 5.3% (+5.1% at constant exchange rates³), with a further acceleration in the 4Q (+9.4% at constant exchange rates³) mainly thanks to the double-digit performance of the retail channel.

North America recorded a Revenue increase of 0.7% (-0.6% at constant exchange rates³) in FY 2019, with a positive performance in 4Q 2019 (+2.2% at constant exchange rates³).



The Japanese market registered a 0.5% decrease in Revenues (-2.8% at constant exchange rates³) in FY 2019, penalized in the 4Q (-9.5% at constant exchange rates³) by the Consumption tax hike occurred in October 2019.

Revenues in the Central and South America in FY 2019 were up 7.1%, (+4.6% at constant exchange rates³).

Revenues by product category⁴

Among the product categories, at constant exchange rates³, footwear was up 3.0%, handbags and leather accessories 2.8%, while fragrances were down 7.9%, vs. FY 2018.

Gross Profit

In FY 2019 the Gross Profit increased by 3.7% to 893 million Euros. Its incidence on Revenues was up 90 basis points, moving to 64.9%, from 64.0%, mainly thanks to the increase of full-price sales and to the positive product mix.

In 4Q 2019 Gross Profit incidence on Revenues remained stable at 65.1%.

Operating Costs

In FY 2019 Operating Costs, net of Other Income, excluding IFRS16 effect, increased by 6.1% at current exchange rates (+3.7% at constant exchange rates³), to 756 million Euros, from 712 million Euros in FY 2018, with an incidence on Revenues of 54.9% vs. 52.9% in FY 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 4.3% over the period, to 205 million Euros, from 214 million Euros of FY 2018, with an incidence on Revenues of 14.9% vs. 15.9% in FY 2018.

Operating Profit excluding IFRS16² (EBIT excluding IFRS16²)

The Operating Profit excluding IFRS16² (EBIT excluding IFRS16²) was down 8.2% at 138 million Euros, vs. 150 million Euros in FY 2018 with an incidence on Revenues of 10.0% from 11.1%.



Profit before taxes excluding IFRS16²

The Profit before taxes, excluding IFRS16², in FY 2019 was down 9.7% at 123 million Euros vs. 136 million Euros in FY 2018, with an incidence on Revenues of 8.9% vs. 10.1% 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 92 million Euros, up by 1.7% vs. FY 2018.

The FY 2019 Group Net Profit excluding IFRS16² was 91 million Euros, compared to 88 million Euros in FY 2018, marking an increase of 3.4%.

Notes to the Balance Sheet for FY 2019

Net Working Capital⁵

The Net Working Capital, as of 31 December 2019, increased by 14.0% to 335 million Euros, from 294 million Euros as of 31 December 2018. In particular, the Inventory was up 8.0% (+10.0% at constant exchange rates).

Investments (CAPEX)

As of 31 December 2019, Investments (CAPEX) was 60 million Euros vs. 71 million in FY 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 31 December 2019 was positive for 171 million Euros, net of IFRS16 effect, vs. to 169 million Euros positive as of 31 December 2018. Including IFRS16 effect, the Net Financial Position at 31 December 2019 is negative for 504 million Euros.



At the end of 2019 a novel coronavirus, known as Covid-19, was first reported in Wuhan, China. As of today, the virus has infected thousands of people in numerous countries in the world, with a diffusion in the last weeks that has been significantly varying country by country. Considering the rapid progression of the infection, its unknown evolution, the uncertainties regarding the efficiency of the rules, measures and capabilities of the Countries to face the event, the first evidences of inverse reaction in China where the epidemic started and the uncertainties on the extension of the economic and social impacts of the Covid-19, it is not possible to forecast, with a sufficient degree of reliability, its duration nor its magnitude, and consequently to evaluate in a reliable way the real impacts on the performance and on the financial statements of the Group. The management of the Company, still confirming its medium long term strategy aimed at reinforcing the competitive position of the Salvatore Ferragamo Group among the leaders in the luxury industry, through the enhancement of its creativity, glamour, Italian craftsmanship, heritage in shoes and leather goods, has begun to implement several concrete actions to protect the Group and mitigate the negative effects, triggered by the global diffusion of the Coronavirus Covid-19 crisis, on the financial results of the current year, with the aim of creating value for the shareholders. These concrete actions include a continuous and accurate monitoring and control of all costs' lines, as well as limiting the investments exclusively to those projects that are considered essential in the actual context.

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/adjusted: not including the IFRS16 effect. The impact of IFRS16 effect will be detailed in the tables on page 16 and following.

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.

The Board of Directors will propose to the Shareholders' Meeting the distribution of a dividend equal to 0.34 euros per ordinary share to the shares that will be outstanding on the date of coupon detachment, excluding own stocks held at that date. The dividend of the previous financial year was equal to Euro 0,34. The cash dividend will be payable on May 20, 2020 (with coupon detachment date May 18, 2020 and record date May 19, 2020).

Approval of the Report on Corporate Governance and Ownership Structure and of the Report on the policy regarding Remuneration and Fees paid

The Board of Directors approved the Report on Corporate Governance and Ownership Structure for 2019 year drafted by the Company in compliance with article 123-*bis* of Legislative Decree no. 58/1998 and subsequent modifications and additions (“TUF”).

The Board of Directors also approved the Report on the policy regarding Remuneration for 2020 year and Fees paid during 2019 year to Companies’ Directors and managers with strategic responsibilities, in compliance with article 123-*ter* of the TUF and with article 84-*quater* and Annex 3A, Scheme 7-*bis* of CONSOB Regulation n. 11971/1999 and subsequent modifications and additions (“Regolamento Emittenti”).

The abovementioned Reports will be made available to the public, in compliance with terms provided for by applicable laws, at the Company’s registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders' Meetings.

The Board of Directors also approved an update of the Information Report drafted pursuant to Article 114-*bis* of the TUF and Article 84-*bis* of the Regolamento Emittenti regarding the 2016-2020 Stock Grant Plan approved by the Shareholders’ Meeting held on April 21, 2016. The Information Report will be made available to the public, in compliance with terms provided for by



applicable laws, at the Company's registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders' Meetings.

Approval of the proposal of stock buyback

The Board of Directors has furthermore resolved to submit to the ordinary Shareholders' Meeting a new proposal to approve the Company's stock buyback and disposal, in accordance with the provisions of Article 2357 of the Italian Civil Code and Article 132 of the TUF, since the authorization approved by shareholders on April 20, 2018 expired on last October 20, 2019.

The new proposal to approve the stock buyback and disposal by the Company is aimed to allow the same Company to buyback and dispose of its ordinary shares, in compliance with European Union and Italian applicable laws as well as with market practices admitted and recognized by Consob, for the following purposes:

- acquisition of own stocks to be used, if needed, for possible incentive plans, including long-term ones, based on shares and to be reserved to Directors and/or managers of the Company or companies controlled by Salvatore Ferragamo that could be approved in the future by the Shareholders' Meeting of the Company;
- acquisition of own stocks to be assigned, if needed, to possible extraordinary capital investments or financing operations that imply the assignment or management of treasury shares;
- acting, as required by Italian applicable laws and by way of brokers, in order to stabilize the stock value and rule both the transactions and the rates of exchange in the event of abnormal events resulting for excess market volatility or insufficient exchange liquidity.

The application for buyback approval it is not aimed to any capital reduction by means of cancellation of treasury shares.

The Board of Directors resolved that the authorization's lasting would be the maximum term provided for by the Article 2357, Paragraph 2, of the Italian Civil Code, which is 18 months starting from the date of the approval resolved by the Shareholder's Meeting.

The approval would be requested for the purchase (also in more tranches) of Salvatore Ferragamo ordinary shares with a nominal value of Euro 0,10 each, and up to a maximum number that, taking into account the amount of Salvatore Ferragamo ordinary shares held from time to time in portfolio by the Company and its controlled companies, do not exceed the 1% (equal to 1.687.900 ordinary shares) of the capital shares of the Company, in accordance with Article 2357, Paragraph 3, of the Italian Civil Code.

The Board of Directors resolved that the unit price for the purchase of the shares shall be determined from time to time for each transaction and that:

Salvatore Ferragamo

- with reference to article 144-bis letters a) and d) of the Consob Regulation (see below Paragraph 6), acquisitions of shares shall have to be done at a minimum price of no less than 20% and no more in the maximum than 20% of the average Italian stock market value registered by the shares in the month preceding each single transaction;

- with reference to article 144 bis letters b) and c) of the Consob Regulation (see below Paragraph 6), acquisitions of shares shall have to be done at a minimum price of no less than 20% and no more in the maximum than 20% of the Reference Price registered by the shares in the Italian stock market the day preceding each single transaction.

In consideration of different purposes pursued by means of operations on treasury shares, the Board of Directors resolved to propose to the Shareholders' Meeting that the authorization would be granted for making purchases, in compliance with the principle of equal treatment of Shareholders provided for by art. 132 TUF, according to any of the modalities provided for by article 144-bis of Consob Regulation (also by ways of other controlled companies), to be identified from time to time at Board of Directors' discretion.

It is underlined that as of today the Company's subscribed and paid up capital stock amounts at Euro 16.879.000 and it is composed by 168.790.000 ordinary shares of a nominal par value of Euro 0,10 each. The Company holds no. 150.000 ordinary shares, equal to 0,09% of the capital stock, for which the right to vote is suspended according to applicable laws. The aforesaid treasury shares are taken into consideration to the purpose of the regular constitution of the Shareholders' Meeting, but not to the purposes of calculating the majority required for the approval of the shareholders' meeting resolution.

For more details on the proposal for authorization to buyback and disposal of treasury shares, please make reference to Director's Information Report that will be made available to the public, in compliance with terms provided for by applicable laws, at the Company's registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders' Meetings.

Approval of non-financial Report as at 31st December 2019 pursuant to Legislative Decree n. 254/2016

The Board of Directors approved the non-financial Report as at 31st December 2019 drafted by the Company pursuant to Legislative Decree no. 254/2016. The abovementioned Report will be made available to the public, with the same timing of the Annual Financial Statements of Salvatore Ferragamo S.p.A. in compliance with terms provided for by applicable laws, at the Company's registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders' Meetings. The non-financial Report describes all activities performed by the Group, its development, results and the impact produced in relation to environmental, social and staff-related issues as well as to respect for human rights and fight against bribery and corruption.



The Board of Directors also verified the existence of the independence requirements provided for by Article 148, paragraph 3, of the TUF, Article 20 of the Company's Article of Association and Article 3 of the Corporate Governance Code of Borsa Italiana as regards to the Independent Directors Marzio Alessandro Alberto Saà, Umberto Tombari, Chiara Ambrosetti and Lidia Fiori.

Appointment of the Manager charged with preparing the company's financial reports pursuant to art. 154-bis of the Legislative Decree no. 58/1998 (TUF)

The Board of Directors, after consulting the Nomination and Remuneration Committee, after the opinion of the Board of Statutory Auditors and in compliance with the requirements of integrity and professionalism envisaged by applicable laws and Company's By-Law, also appointed the Company's CFO and Manager with strategic responsibilities Alessandro Corsi as Manager charged with preparing the company's financial reports pursuant to art. 154-bis of the Legislative Decree no. 58/1998 with effect as of April 1, 2020.

Convening the Ordinary Shareholders' Meeting

The Board of Directors' meeting held today resolved to convene the Ordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. on the forthcoming April 21, 2020, in a single call, in order to discuss and resolve on the following:

Agenda

- 1) Financial Statements of Salvatore Ferragamo S.p.A. as at 31st December 2019. Report of the Board of Directors for the 2019 financial year. Report of the Board of Statutory Auditors and the Auditing Firm. Presentation of Consolidated Financial Statements as at 31st December 2019 and consolidated statement containing the non-financial information pursuant to Legislative Decree 30th December 2016, no. 254, for the 2019 year. Related and consequent resolutions.
- 2) Allocation of profits for the year.
- 3) Appointment of members of the Board of Statutory Auditors.

Salvatore Ferragamo

- 4) Appointment of the President of the Board of Statutory Auditors.
- 5) Remuneration of members of the Board of Statutory Auditors.
- 6) Authorization for stock buyback and disposal pursuant to article 2357 and subsequents of the Italian Civil Code, as well as to the article 132 of the Legislative Decree no. 58 of February 24, 1998 and to the article 144-bis of Consob Regulation adopted by resolution no. 11971/1999 and subsequent modifications. Related and consequent resolutions.
- 7) Remuneration Policy: approval of the first section of the Report on the policy regarding Remuneration and Fees paid. Related and consequent resolutions.
- 8) Consultation on second section of the Report on the policy regarding Remuneration and Fees paid.

The appointment of members of the Board of Statutory Auditors under item 3 on the Agenda it will be applied the list vote (“*voto di lista*”) pursuant to article 148 TUF and article 30 of the By-Laws. The lists, completed with all the information envisaged by applicable laws, will be made available to the public, in compliance with terms provided for by applicable laws, at the Company’s registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders’ Meetings.

The Notice of Call, completed with all the information envisaged by article 125-*bis* of the TUF, as well as all the documentation that will be submitted to the Shareholders’ Meeting according to articles 125-*ter* and 125-*quater* of the TUF will be made available to the public, in compliance with terms provided for by applicable laws, at the Company’s registered office in Florence, Via Dei Tornabuoni n. 2, 50123, and published on the Company's website <https://group.ferragamo.com>, in the section Governance/Shareholders’ Meetings. The Notice of Call will be also published on the newspaper Milano Finanza in compliance with terms provided for by applicable laws.

Approval of the subscription of the share purchases agreement of the 100% of Arts Srl

On March 10, 2020, Salvatore Ferragamo SpA has approved the subscription of a share purchases agreement of the 100% of Arts Srl for a total amount of 11,3 million Euros, to be paid at the deal closing. This amount does not include the Net cash of Arts Srl at March 31, 2020, that can be estimated in around 3,5-4 million Euros, that will be paid by February 28, 2021. The deal closing is estimated within April 2020.

Salvatore Ferragamo

Arts Srl is a company collaborating, since its constitution in 1984, with Salvatore Ferragamo Spa, in prototyping, industrialization, quality control and monitoring of the network of suppliers' network for men's shoes. The operation is aimed at reinforcing the control of Salvatore Ferragamo SpA on its supply chain and at integrating its strategic know-how in one of the Group's key product categories.

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 audited draft Company Statutory Financial Statements and the Consolidated Financial Statements for the Year ended 31 December 2019, approved by the Board of Directors on March 10 2020, 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 FY 2019 will be illustrated today, 10 March 2020, 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.

Salvatore Ferragamo

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 654 mono-brand stores as of 31 December 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.

Paola Pecciarini
Group Investor Relations

Tel. (+39) 055 3562230
investor.relations@ferragamo.com

Image Building

Giuliana Paoletti, Mara Baldessari, Alfredo Mele
Media Relations

Tel. (+39) 02 89011300
ferragamo@imagebuilding.it

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

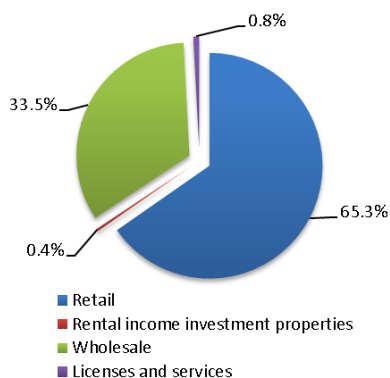
Salvatore Ferragamo

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 December 2019.

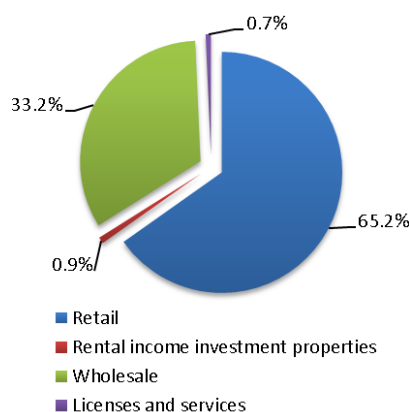
Revenue by distribution channel at 31 December 2019

(In thousands of Euro)	2019	% on Revenue	2018	% on Revenue	% Change	at constant exchange rate % Change
Retail	899,485	65.3%	878,216	65.2%	2.4%	1.1%
Wholesale	461,372	33.5%	447,535	33.2%	3.1%	3.0%
Licenses and services	11,592	0.8%	9,518	0.7%	21.8%	21.8%
Rental income investment properties	4,812	0.4%	11,573	0.9%	(58.4%)	(60.6%)
Total	1,377,261	100.0%	1,346,842	100.0%	2.3%	1.3%

Revenue by distribution channel as at 31 December 2019



Revenue by distribution channel as at 31 December 2018

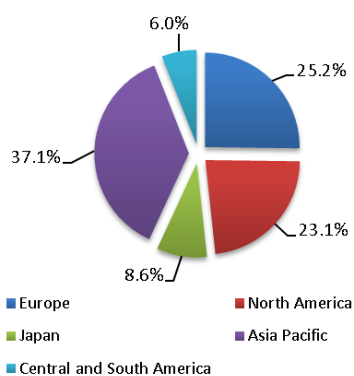


Revenue by geographic area at 31 December 2019

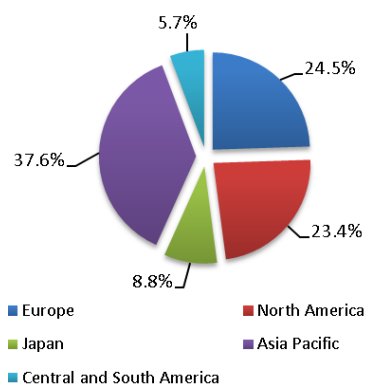
(In thousands of Euro)	2019	% on Revenue	2018	% on Revenue	% Change	at constant exchange rate % Change
Europe	347,243	25.2%	329,743	24.5%	5.3%	5.1%
North America	317,880	23.1%	315,640	23.4%	0.7%	(0.6%)
Japan	118,453	8.6%	119,032	8.8%	(0.5%)	(2.8%)
Asia Pacific	511,313	37.1%	505,549	37.6%	1.1%	0.7%
Central and South America	82,372	6.0%	76,878	5.7%	7.1%	4.6%
Total	1,377,261	100.0%	1,346,842	100.0%	2.3%	1.3%

Salvatore Ferragamo

Revenue by geographic area as at 31 December 2019



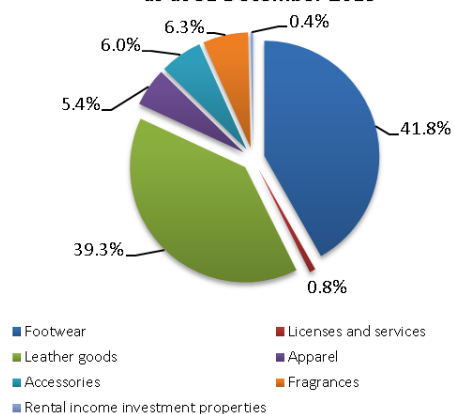
Revenue by geographic area as at 31 December 2018



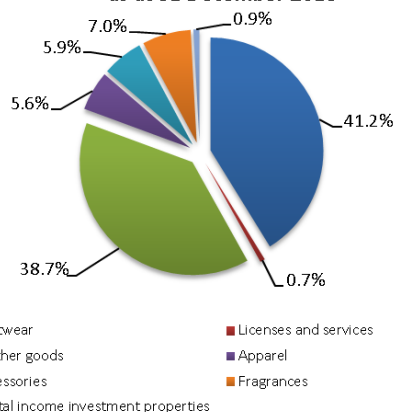
Revenue by product category at 31 December 2019

	(In thousands of Euro)				% Change	at constant exchange rate % Change
	2019	% on Revenue	2018	% on Revenue		
Footwear	575,571	41.8%	554,728	41.2%	3.8%	3.0%
Leather goods	540,818	39.3%	521,443	38.7%	3.7%	2.8%
Apparel	74,232	5.4%	76,472	5.6%	(2.9%)	(3.9%)
Accessories	82,472	6.0%	78,999	5.9%	4.4%	3.2%
Fragrances	87,764	6.3%	94,109	7.0%	(6.7%)	(7.9%)
Licenses and services	11,592	0.8%	9,518	0.7%	21.8%	21.8%
Rental income investment properties	4,812	0.4%	11,573	0.9%	(58.4%)	(60.6%)
Total	1,377,261	100.0%	1,346,842	100.0%	2.3%	1.3%

Revenue by product category as at 31 December 2019



Revenue by product category as at 31 December 2018





Consolidated results for Salvatore Ferragamo Group

Consolidated income statement at 31 December 2019

(In thousands of Euro)	2019	% on Revenue	2019 excluding IFRS16(**)	% on Revenue	2018	% on Revenue	Var % 2019 excluding IFRS16 vs 2018
Revenue from contracts with customers	1,372,449	99.7%	1,372,449	99.7%	1,335,269	99.1%	2.8%
Rental income investment properties	4,812	0.3%	4,812	0.3%	11,573	0.9%	(58.4%)
Revenues	1,377,261	100.0%	1,377,261	100.0%	1,346,842	100.0%	2.3%
Cost of goods sold	(483,767)	(35.1%)	(483,767)	(35.1%)	(484,862)	(36.0%)	(0.2%)
Gross profit	893,494	64.9%	893,494	64.9%	861,980	64.0%	3.7%
Style, product development and logistics costs	(50,292)	(3.7%)	(50,292)	(3.7%)	(48,376)	(3.6%)	4.0%
Sales & distribution costs	(482,315)	(35.0%)	(491,733)	(35.7%)	(456,803)	(33.9%)	7.6%
Marketing & communication costs	(79,676)	(5.8%)	(79,678)	(5.8%)	(73,326)	(5.4%)	8.7%
General and administrative costs	(127,837)	(9.3%)	(130,600)	(9.5%)	(124,565)	(9.2%)	4.8%
Other operating costs	(24,467)	(1.8%)	(24,467)	(1.8%)	(19,341)	(1.4%)	26.5%
Other income	20,791	1.5%	20,791	1.5%	10,200	0.8%	103.8%
Total operating costs (net of other income)	(743,796)	(54.0%)	(755,979)	(54.9%)	(712,211)	(52.9%)	6.1%
Operating profit	149,698	10.9%	137,515	10.0%	149,769	11.1%	(8.2%)
Financial charges	(64,441)	(4.7%)	(46,611)	(3.4%)	(53,432)	(4.0%)	(12.8%)
Financial income	31,877	2.3%	31,799	2.3%	39,575	2.9%	(19.6%)
Profit before taxes	117,134	8.5%	122,703	8.9%	135,912	10.1%	(9.7%)
Income taxes	(29,769)	(2.2%)	(30,952)	(2.2%)	(45,725)	(3.4%)	(32.3%)
Net profit/(loss) for the Period	87,365	6.3%	91,751	6.7%	90,187	6.7%	1.7%
Net profit/(loss) - Group	87,281	6.3%	91,386	6.6%	88,361	6.6%	3.4%
Net profit/(loss) - minority interests	84	0.0%	365	0.0%	1,826	0.1%	(80.0%)
EBITDA (*)	335,530	24.4%	205,013	14.9%	214,221	15.9%	(4.3%)

(*) 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 31 December 2019

(In thousands of Euro)	31 December 2019	31 December 2018	% Change
Property, plant and equipment	251,805	259,821	(3.1%)
Investment property	39,091	6,094	541.5%
Right of use assets	576,455	-	na
Intangible assets with definite useful life	42,484	42,879	(0.9%)
Inventories and Right of return assets	395,004	365,779	8.0%
Trade receivables	147,202	142,905	3.0%
Trade payables and Refund liabilities	(207,654)	(215,125)	(3.5%)
Other non current assets/(liabilities), net	73,032	2,758	2548.0%
Other current assets/(liabilities), net	(27,721)	6,231	(544.9%)
Net invested capital	1,289,698	611,342	
Group shareholders' equity	763,647	753,691	1.3%
Minority interests	21,618	26,647	(18.9%)
Shareholders' equity (A)	785,265	780,338	0.6%
Net financial debt/(surplus) (B) (1)	504,433	(168,996)	
Total sources of financing (A+B)	1,289,698	611,342	
Net financial debt/(surplus) (B)	504,433	(168,996)	
<i>Lease Liabilities (C)</i>	676,329	-	na
Net financial debt/(surplus) adjusted (B-C) (2)	(171,896)	(168,996)	1.7%
Net financial debt/(surplus) adjusted/ Shareholders' equity	(21.9%)	(21.7%)	

(1) The Net financial debt/(surplus) 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/(surplus) net of Current and non current Lease Liabilities



Consolidated net financial position at 31 December 2019

(In thousands of Euro)	31 December 2019	31 December 2018	Change 2019 vs 2018
A. Cash	1,152	1,506	(354)
B. Other cash equivalents	221,180	206,204	14,976
C. Cash and cash equivalents (A)+(B)	222,332	207,710	14,622
Derivatives – non-hedge component	101	120	(19)
Other financial assets	-	960	(960)
D. Current financial receivables	101	1,080	(979)
E. Current bank payables	48,060	20,939	27,121
F. Derivatives – non-hedge component	238	790	(552)
G. Other current financial payables	119,301	2,169	117,132
H. Current financial debt (E)+(F)+(G)	167,599	23,898	143,701
I. Current financial debt, net (H)-(C)-(D)	(54,834)	(184,892)	130,058
J. Non current bank payables	-	15,892	(15,892)
K. Derivatives – non-hedge component	-	4	(4)
M. Other non current financial payables	559,267	-	559,267
N. Non-current financial debt (J)+(K)+(M)	559,267	15,896	543,371
O. Net financial debt (I)+(N)	504,433	(168,996)	673,429

(In thousands of Euro)	31 December 2019	31 December 2018	Change 2019 vs 2018
Net financial debt/(surplus) (a)	504,433	(168,996)	673,429
Non current lease liabilities	559,267	-	559,267
Current lease liabilities	117,062	-	117,062
Lease liabilities (b)	676,329	-	676,329
Net financial debt/(surplus) adjusted (a-b)	(171,896)	(168,996)	(2,900)



Consolidated statement of cash flows at 31 December 2019

(In thousands of Euro)	2019	2018
Net profit / (loss) for the period	87,365	90,187
Depreciation, amortization and write down of property, plant and equipment, intangible assets, investment properties	67,498	64,452
Depreciation of Right of use assets	118,334	-
Income Taxes	29,769	45,725
Net change in provision for employee benefit plans	(254)	(40)
Loss/(gain) on disposal of tangible and intangible assets	2,222	1,110
Net Interest expenses/income and Interest on lease liabilities	18,594	940
Other non cash items	1,319	476
Net change in net working capital	(35,643)	(3,104)
Net change in other assets and liabilities	966	(913)
Income Taxes paid	(24,511)	(11,618)
Net Interest expenses/income and Interest on lease liabilities paid	(15,672)	(940)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	249,987	186,275
Purchase of tangible assets	(50,764)	(62,878)
Purchase of intangible assets	(12,776)	(12,987)
Proceeds from the sale of tangible and intangible assets	164	99
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(63,376)	(75,766)
Net change in financial receivables	971	(944)
Net change in financial payables	10,009	(46,439)
Repayment of lease liabilities	(114,388)	-
Payment of dividends	(63,393)	(66,949)
Purchase of minority interests in companies consolidated on a line-by line basis	-	(1,452)
Purchase of Treasury shares	(2,525)	(251)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(169,326)	(116,035)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,285	(5,526)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	207,707	212,088
Net increase / (decrease) in cash and cash equivalents	17,285	(5,526)
Net effect of translation of foreign currencies	(2,660)	1,145
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	222,332	207,707
NET CASH PROVIDED BY OPERATING ACTIVITIES	249,987	186,275
Repayment of lease liabilities	(114,388)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES ADJUSTED (*)	135,599	186,275

(*) 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).



On the following pages, the income statement, the summary of statement of financial position, the net financial position and the cash flow statement of the Salvatore Ferragamo S.p.A as of 31 December 2019.

Salvatore Ferragamo S.p.A.
Income statement as of 31 December 2019

(In thousands of Euro)	2019	% of revenues	2019 excluding IFRS 16(**)	% of revenues	2018	% of revenues	Var % 2019 excluding IFRS 16 vs 2018
Revenues from sales (<i>Whl, Rtl, E-commerce</i>)	807,556	96.5%	807,556	96.5%	720,055	96.6%	12.2%
Revenues from royalties	9,637	1.2%	9,637	1.2%	8,468	1.1%	13.8%
Other income and services	19,754	2.4%	19,754	2.4%	16,580	2.2%	19.1%
Revenue from contracts with customers	836,947	100.0%	836,947	100.0%	745,103	100.0%	12.3%
Change in inventories of finished products	5,996	0.7%	5,996	0.7%	18,027	2.4%	(66.7%)
Costs for raw materials, goods and consumables	(237,462)	(28.4%)	(237,462)	(28.4%)	(228,948)	(30.7%)	3.7%
Costs for services	(305,678)	(36.5%)	(324,532)	(38.8%)	(307,113)	(41.2%)	5.7%
Personnel costs	(72,412)	(8.7%)	(72,412)	(8.7%)	(67,588)	(9.1%)	7.1%
Amortization, depreciation and write-downs	(40,573)	(4.8%)	(23,596)	(2.8%)	(20,115)	(2.7%)	17.3%
Other operating costs	(52,964)	(6.3%)	(52,964)	(6.3%)	(53,034)	(7.1%)	(0.1%)
Other income and revenues	14,266	1.7%	14,266	1.7%	7,383	1.0%	93.2%
Total costs (net of other income)	(688,827)	(82.3%)	(690,704)	(82.5%)	(651,388)	(87.4%)	6.0%
Operating profit	148,120	17.7%	146,243	17.5%	93,715	12.6%	56.1%
Financial income (charges)	5,096	0.6%	8,392	1.0%	15,079	2.0%	(44.3%)
Profit before taxes	153,216	18.3%	154,635	18.5%	108,794	14.6%	42.1%
Income taxes	(29,005)	(3.5%)	(29,346)	(3.5%)	(25,481)	(3.4%)	15.2%
Net profit/(loss) for the period	124,211	14.8%	125,289	15.0%	83,313	11.2%	50.4%
EBITDA (*)	188,693	22.5%	169,839	20.3%	113,830	15.3%	49.2%

(*) 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 Company's performance. Since the composition of EBITDA is not regulated by reference accounting standards, the determination criterion applied by the Company may differ from that adopted by others and therefore may not be comparable.

(**) Income statement data in column "2019 Excluding IFRS 16"; with reference to Operating Profit, EBITDA and Net profit for the period, are calculated excluding the effects of IFRS 16 adoption.



Salvatore Ferragamo S.p.A.

Summary of statement of financial position as of 31 December 2019

(In thousands of Euro)	31 December 2019	31 December 2018	% Change
Property, plant and equipment	115,420	111,866	3.2%
Right of use assets	110,878	-	na
Intangible assets with definite useful life	35,723	35,067	1.9%
Inventories and Right of return assets	133,938	132,706	0.9%
Trade receivables	194,186	171,150	13.5%
Trade payables and Refund liabilities	(166,106)	(165,427)	0.4%
Other non current assets/(liabilities), net	179,607	181,270	(0.9%)
Other current assets/(liabilities), net	(23,118)	9,407	(345.8%)
Net invested capital	580,528	476,039	21.9%
Shareholders' equity (A)	686,684	621,328	10.5%
Net financial debt/(surplus) (B) (1)	(106,156)	(145,289)	(26.9%)
Total sources of financing (A+B)	580,528	476,039	21.9%
Net financial debt/(surplus) (B)	(106,156)	(145,289)	(26.9%)
<i>Lease Liabilities (C)</i>	113,636	-	na
Net financial debt (surplus) adjusted (B-C) (2)	(219,792)	(145,289)	51.3%
Net financial debt (surplus)adjusted /Shareholders' equity	(32.0%)	(23.4%)	

(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.



Salvatore Ferragamo S.p.A.
Net financial position as of 31 December 2019

(In thousands of Euro)	31 December 2019	31 December 2018	Change 2019 vs 2018
A. Cash	191	191	-
B. Other cash equivalents	119,897	95,728	24,169
C. Cash and cash equivalents (A)+(B)	120,088	95,919	24,169
Derivatives – non-hedge component	101	109	(8)
Other financial assets	99,774	49,522	50,252
D. Current financial receivables	99,875	49,631	50,244
E. Current bank payables	-	-	-
F. Derivatives – non-hedge component	171	261	(90)
G. Other current financial payables	17,455	-	17,455
H. Current financial debt (E)+(F)+(G)	17,626	261	17,365
I. Current financial debt, net (H)-(C)-(D)	(202,337)	(145,289)	(57,048)
J. Non current bank payables	-	-	-
K. Derivatives – non-hedge component	-	-	-
M. Other non current financial payables	96,181	-	96,181
N. Non-current financial debt (J)+(K)+(M)	96,181	-	96,181
O. Net financial debt (I)+(N)	(106,156)	(145,289)	39,133

(In thousands of Euro)	31 December 2019	31 December 2018	Change 2019 vs 2018
Net financial debt/(surplus) (a)	(106,156)	(145,289)	39,133
Non current lease liabilities	96,181	-	96,181
Current lease liabilities	17,455	-	17,455
Lease liabilities (b)	113,636	-	113,636
Net financial debt/(surplus) adjusted (a-b)	(219,792)	(145,289)	(74,503)

Salvatore Ferragamo

Salvatore Ferragamo S.p.A.

Statement of cash flows as of 31 December 2019

(In thousands of Euro)	2019	2018
Net profit / (loss) for the period	124,211	83,313
Depreciation, amortization and write down of property, plant and equipment and intangible assets	23,596	20,115
Depreciation of Right of use assets	16,977	-
Income Taxes	29,005	25,481
Net change in provision for employee benefit plans	(324)	(202)
Loss/(gain) on disposal of tangible and intangible assets	304	(20)
Net interest expenses/ (income) and Interest on lease liabilities	3,243	(576)
Dividends from investments in subsidiaries	(32,523)	(32,240)
Write-down / (revaluation) of investments in subsidiaries	11,668	9,419
Other non cash items	1,723	(2,064)
Net change in net working capital	(16,185)	(31,600)
Net change in other assets and liabilities	830	1
Income Taxes paid	(10,990)	(4,666)
Net interest expenses/ (income) and Interest on lease liabilities paid	(1,276)	576
Dividends received	32,523	32,240
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	182,782	99,777
Purchase of tangible assets	(21,073)	(25,509)
Purchase of intangible assets	(11,520)	(12,006)
Purchase of financial assets (investments in subsidiaries)	40	(10,565)
Net change in financial receivables	(50,252)	(18,852)
Proceeds from the sale of tangible and intangible assets	30	52
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(82,775)	(66,880)
Repayment of lease liabilities	(15,941)	-
Payment of dividends	(57,372)	(64,140)
Purchase of Treasury shares	(2,525)	(251)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(75,838)	(64,391)
Net increase / (decrease) in cash and cash equivalents	24,169	(31,494)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	95,919	127,413
Net increase / (decrease) in cash and cash equivalents	24,169	(31,494)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	120,088	95,919

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	182,782	99,777
Repayment of lease liabilities	(15,941)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES adjusted (*)	166,841	99,777

(*) 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).