

# FERRAGAMO

## PRESS RELEASE

The Board of Directors of **Salvatore Ferragamo S.p.A.** examined the Consolidated Revenues as of September 30, 2024

**Group Revenues for the third quarter at 221 million Euros, down 7.2% at constant exchange rates<sup>1</sup> and down 9.6% at current exchange rates vs. Q3 2023**

**Group Revenues for the nine months at 744 million Euros, down 9.8% at constant exchange rates<sup>1</sup> and down 11.9% at current exchange rates vs. 9M 2023**

**At the same meeting, the Board of Directors:**

- **co-opted Mr. Ernesto Greco as board member**
- **resolved to convene the Ordinary and Extraordinary Shareholders' Meeting on November 26, 2024**

Marco Gobetti, Chief Executive Officer and General Manager commented:

*“The results of the third Quarter have been impacted by the challenging macroeconomic and consumer environment and we expect this trend to continue in the last part of the year. Decreasing consumer confidence is most notable in Asia Pacific, being the main phenomenon impacting our sales performance. The secondary channel has also been affected by low traffic, which also continues to impact the wholesale environment.*

*The current context adds pressure on our top-line and profitability, therefore delaying the timing of the delivery of our financial objectives. We pursue our work on the enrichment of the offer, together with marketing and retail actions to maximize the potential of the brand, through increasing engagement of new audiences with key products, and continuing the distinctive narrative and elevated in-store and on-line experience, while maintaining a strong operational discipline.*

*These efforts have yielded encouraging results in the quarter through our primary sales in Europe, Japan, and Latin America, in all major product categories of our renewed continuative offer, in particular handbags and ladies' shoes, led by new icons.”*

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*Florence, 15 October 2024* – The Board of Directors of Salvatore Ferragamo S.p.A. (EXM: SFER), parent company of the Salvatore Ferragamo Group, in a meeting chaired by Leonardo Ferragamo, examined the Consolidated Revenues as of September 30, 2024, drafted according to IAS/IFRS international accounting principles (“non-audited”).

## **Consolidated Revenue figures**

In Q3 2024 Total Revenues amounted to 221 million Euros, down 7.2% at constant exchange rates<sup>1</sup> and down 9.6% at current exchange rates vs. Q3 2023, penalized by a weak Asia Pacific market, secondary channel and wholesale environment.

In 9M 2024, Group Total Revenues amounted to 744 million Euros, down 9.8% at constant exchange rates<sup>1</sup> and down 11.9% at current exchange rates vs. 9M 2023.

## **Net Sales by distribution channel<sup>2</sup>**

In Q3 2024 the DTC<sup>3</sup> channel posted a decrease in consolidated Net Sales of 5.7% at constant exchange rates<sup>1</sup> and -7.5% at current exchange rates vs. Q3 2023, with the positive performances in Europe, Japan and Latin America, only partly offsetting the persistent weakness in the Asia Pacific area. The overall performance of the DTC<sup>3</sup> was negatively impacted mainly by the secondary channel, mostly due to low traffic.

In 9M 2024 the DTC<sup>3</sup> was down 5.6% at constant exchange rates<sup>1</sup> and down 7.9% at current exchange rates vs. 9M 2023.

In Q3 2024 the Wholesale channel registered a decrease in Net Sales of 12.8% at constant exchange rates<sup>1</sup> and -14.1% at current exchange rates vs. Q3 2023, reflecting a weaker than expected demand, especially in the US market.

In 9M 2024 the Wholesale channel was down 22.1% at constant exchange rates<sup>1</sup> and down 21.0% at current exchange rates vs. 9M 2023.

## **Net Sales by geographical area and by distribution channel<sup>2</sup>**

EMEA in Q3 2024 posted an increase in Net Sales of 1.2% at constant exchange rates<sup>1</sup> and 0.6% at current exchange rates, driven by the solid performance of the primary channel, while secondary and Wholesale business were down mid-single digit.

In 9M 2024 Net Sales in EMEA decreased 11.5% both at current and constant exchange rates<sup>1</sup>, due to Wholesale down 28.0% (at constant exchange rates<sup>1</sup>), also affected by the negative performance reported in

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Q1 reflecting the hard comparison base versus last year, while DTC<sup>3</sup> was up 4.5% at constant exchange rates<sup>1</sup> vs. 9M 2023.

North America in Q3 2024 recorded a Net Sales decrease of 7.9% at constant exchange rates<sup>1</sup> and -7.4% at current exchange rates, impacted by a negative secondary channel and Wholesale performance, while the performance of the DTC<sup>3</sup> primary channel, at constant exchange rates<sup>1</sup>, was in line with last year.

In 9M 2024 Net Sales in North America decreased 6.4% at constant exchange rates<sup>1</sup> and -6.1% at current exchange rates vs. 9M 2023.

Net Sales in Central and South America in Q3 2024 were up 9.0% at constant exchange rates<sup>1</sup> and down 8.2% at current exchange rates vs. Q3 2023, with primary DTC<sup>3</sup> up double-digit, while secondary and Wholesale were negative.

In 9M 2024 Net Sales in Central and South America decreased 3.3% at constant exchange rates<sup>1</sup> and -7.3% at current exchange rates vs. 9M 2023.

Asia Pacific registered a decrease in Net Sales of 20.5% at constant exchange rates<sup>1</sup> and -20.9% at current exchange rates in Q3 2024.

In 9M 2024 Net Sales in Asia Pacific decreased 16.7% at constant exchange rates<sup>1</sup> and -18.1% at current exchange rates vs. 9M 2023.

The Japanese market in Q3 2024 registered an increase of 6.7% at constant exchange rates<sup>1</sup> (+3.4% at current exchange rates), driven by the double-digit performance of the primary DTC<sup>3</sup> channel, partly thanks to tourists flows.

In 9M 2024 Net Sales in Japan increased by 3.9% at constant exchange rates<sup>1</sup> and were down 5.4% at current exchange rates vs. 9M 2023.

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## Outlook

Considering persisting uncertainties over demand by luxury consumers, we foresee that the operating result for the full year will be at the lowest end of analysts' current estimates.

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## Notes to the press release

<sup>1</sup> Revenues/Net Sales at “constant exchange rates” are calculated by applying to the Revenue/Net Sales of the period 2023, not including the “hedging effect”, the average exchange rates of the same period 2024.

<sup>2</sup> The variations in Net Sales are calculated at current exchange rates excluding the hedging effect, unless differently indicated.

<sup>3</sup> Direct To Consumer (DTC) channel consists of directly operated stores (DOS), as well as e-commerce platforms of direct to customers online sales.

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### **Co-option of a director pursuant to Article 2386, paragraph 1, of the Civil Code**

The Board of Directors co-opted pursuant to Article 2386, paragraph 1, of the Civil Code, Mr. Ernesto Greco as a non-executive and non-independent director, upon favorable opinion of the Nomination and Remuneration Committee and approval of the Board of Statutory Auditors. The new director was co-opted following the sudden passing away of director Fabio Gallia occurred on May 7, 2024.

The new director will serve until the Shareholders' Meeting on November 26, 2024, the convening of which was approved by today's Board of Directors.

Based on declarations of the newly appointed Director, as of today's date, **he does not hold** any shareholding in the share capital of the Company and does not fall under the non-competition provision of Article 2390 of the Civil Code.

*The curriculum vitae* of Mr. Ernesto Greco is available on the Salvatore Ferragamo S.p.A. website at <https://group.ferragamo.com/en/governance/board-of-directors/>.

### **Calling of the Ordinary and Extraordinary Shareholders' Meeting 2024**

The Board of Directors, therefore, resolved to convene the Ordinary and Extraordinary Shareholders' Meeting for November 26, 2024, at 9:00 a.m., in a single call in the form prescribed by Article 106, Paragraph 4, of Decree-Law No. 18 of March 17, 2020, extended by Law No. 21/ 2024, with the right to attend and vote exclusively through the designated representative, to deliberate on the following

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## Agenda

### Ordinary part

- 1) Appointment of a director pursuant to Article 2386 c.c. and definition of compensation. Related and consequent resolutions.
- 2) Proposal to adopt a new text of the Shareholders' Meeting Regulation replacing the current one. Related and consequent resolutions.

### Extraordinary Part

- 1) Proposed amendment to the Bylaws with reference to Articles 12, 13, 14, 20, 22 and 30. Related and consequent resolutions.

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The proposed amendments to the Bylaws mainly concern the modalities of intervention, voting and representation at the Shareholders' Meeting (also with the option to use the figure of the Designated Representative on an exclusive basis), the modalities of convening and functioning of board meetings and of the Board of Statutory Auditors, as well as the modalities of replacement of terminated Directors, also in order to reflect in the Bylaws some of the provisions contained in Law No. 21 of March 5, 2024 (the "Legge Capitali") published in the Official Gazette on March 12, 2024.

The Notice of Call, accompanied by all the information required by Article 125-bis of the TUF, as well as the documents that will be submitted to the Shareholders' Meeting pursuant to Articles 125-ter and 125-quater of the TUF, will be made available to the public, within the legal deadlines, at the Company's registered office, Via Dei Tornabuoni No. 2, 50123 Florence (FI), on the Company's website <https://group.ferragamo.com>, Section "Governance/Shareholders' Meeting 2024," and on the authorized eMarket Storage mechanism (<https://www.emarketstorage.it/>). The excerpt of the Notice of Meeting will also be published in the daily newspaper Milano Finanza within the terms of the law.

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*The manager charged to prepare the corporate accounting documents, Pierre Giorgio Sallier de La Tour, 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.*

*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.*

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The Consolidated Revenues as of September 30, 2024 will be illustrated today, 15 October 2024, 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 S.p.A.**

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the leaders in the luxury industry, and whose origins date back to 1927.

Salvatore Ferragamo is renowned for the creation, production, and worldwide distribution of luxury collections of shoes, leather goods, apparel, silk products and other accessories for men and women, including also eyewear, watches and fragrances under license.

Embedding the spirit of its Founder, Ferragamo reinterprets its heritage with creativity, innovation and sustainable thinking. Uniqueness and exclusivity, along with the blend of style and exquisite 'Made in Italy' savoir-faire, are the hallmarks of all Ferragamo's products.

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## **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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In the following pages, a more detailed analysis of Revenues/Net Sales of the Salvatore Ferragamo Group as of 30 September 2024.

## Revenues by distribution channel as of 30 September 2024

(In thousands of Euro)	Period ended at 30 September					at constant exchange rate % Change
	2024	% on Revenue	2023	% on Revenue	% Change	
DTC*	552,250	74.2%	599,478	71.0%	(7.9%)	(5.6%)
Wholesale	171,631	23.1%	217,225	25.7%	(21.0%)	(22.1%)
<b>Net sales</b>	<b>723,881</b>	<b>97.3%</b>	<b>816,703</b>	<b>96.7%</b>	<b>(11.4%)</b>	<b>(10.0%)</b>
Cash flow hedging effect	4,677	0.6%	12,539	1.5%	(62.7%)	na
Licenses and services	12,767	1.7%	12,980	1.6%	(1.6%)	(1.6%)
Rental income investment properties	2,567	0.4%	1,964	0.2%	30.7%	31.2%
<b>Revenues</b>	<b>743,892</b>	<b>100.0%</b>	<b>844,186</b>	<b>100.0%</b>	<b>(11.9%)</b>	<b>(9.8%)</b>

\* DTC (Direct to Consumer) channel consists of directly operated stores (DOS) as well as e-commerce platforms of direct to customer online sales.

## Net Sales by geographic area as of 30 September 2024

(In thousands of Euro)	Period ended at 30 September					at constant exchange rate % Change
	2024	% on Net sales	2023	% on Net sales	% Change	
Europe	184,569	25.5%	208,461	25.5%	(11.5%)	(11.5%)
North America	207,749	28.7%	221,143	27.1%	(6.1%)	(6.4%)
Japan	60,903	8.4%	64,356	7.9%	(5.4%)	3.9%
Asia Pacific	216,123	29.9%	263,917	32.3%	(18.1%)	(16.7%)
Central and South America	54,537	7.5%	58,826	7.2%	(7.3%)	(3.3%)
<b>Net sales</b>	<b>723,881</b>	<b>100.0%</b>	<b>816,703</b>	<b>100.0%</b>	<b>(11.4%)</b>	<b>(10.0%)</b>

## Net Sales by product category as of 30 September 2024

(In thousands of Euro)	Period ended at 30 September					at constant exchange rate % Change
	2024	% on Net sales	2023	% on Net sales	% Change	
Footwear	336,118	46.4%	379,119	46.4%	(11.3%)	(10.2%)
Leather goods	293,139	40.5%	325,835	39.9%	(10.0%)	(8.6%)
Apparel	42,890	5.9%	53,978	6.6%	(20.5%)	(19.1%)
Silk & Other	51,734	7.2%	57,771	7.1%	(10.4%)	(8.7%)
<b>Net sales</b>	<b>723,881</b>	<b>100.0%</b>	<b>816,703</b>	<b>100.0%</b>	<b>(11.4%)</b>	<b>(10.0%)</b>