

FERRAGAMO

Sector: Consumers

NEUTRAL

Price: Eu5.00 - Target: Eu6.00

Deteriorating Trend in 2Q25 and Adverse ForEx Impact

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Stock Rating

Rating: Unchanged

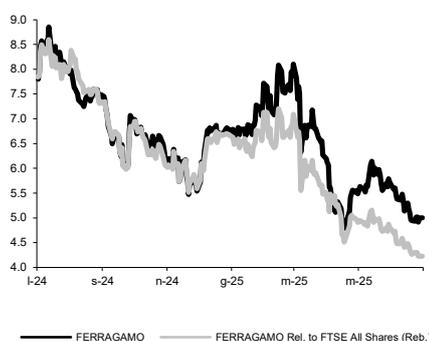
Target Price (Eu): from 6.70 to 6.00

	2025E	2026E	2027E
Chg in Adj EPS	n.m.	-50.9%	-29.5%

Next Event 1H25 Results

Results Out 31 July 2025

FERRAGAMO - 12M Performance



Stock Data

Reuters code: SFER.MI

Bloomberg code: SFER IM

Performance	1M	3M	12M
Absolute	-12.5%	-19.4%	-36.7%
Relative	-11.8%	-24.3%	-56.4%
12M (H/L)		8.85/4.79	
3M Average Volume (th):		494.15	

Shareholder Data

No. of Ord shares (mn): 169

Total no. of shares (mn): 169

Mkt Cap Ord (Eu mn): 844

Total Mkt Cap (Eu mn): 844

Mkt Float - Ord (Eu mn): 242

Mkt Float (in %): 28.6%

Main Shareholder:
 Ferragamo Family 63.4%

Balance Sheet Data

Book Value (Eu mn): 611

BVPS (Eu): 3.63

P/BV: 1.4

Net Financial Position (Eu mn): -519

Enterprise Value (Eu mn): 677

■ **2Q25 revenues to reflect a weaker environment.** We expect 2Q25 revenues to come to Eu268.2mn, down 9.4% YoY (-7.0% at Constant Exchange Rates) due to a soft retail contribution (revenues expected at Eu193.3mn, down 5.5% YoY at CER) and a double-digit drop in wholesale (Eu67.1mn, down 11.3% YoY at CER). Compared to 1Q25, the DTC channel is expected to reflect a lower contribution from tourists (Chinese in Japan and Americans in Europe), while the wholesale channel, which performed well in 1Q25, is expected to reflect order intake affected by market uncertainty. It is also worth noting a more negative impact from ForEx, mainly related to the exchange rates with the US dollar and the renminbi. Looking at geographical areas, Asia Pacific should record a double-digit decline in Greater China and Korea, while the rest of Asia should experience a more moderate contraction. Europe should reflect the weakness of the wholesale channel. Performance in Japan should turn negative and North America should also be mildly negative, with LatAm the only growth area.

■ **We expect gross profit to be negatively impacted by ForEx, with EBIT burdened by adverse operating leverage and a one-off.** We expect the gross margin to decrease YoY (-200bp to 70.1%) mainly due to adverse ForEx. In terms of OpEx, we expect adverse operating leverage to have an impact on Selling and Distribution expenses. All in all, half-yearly EBIT is seen at Eu3.5mn (or at Eu8.0mn adjusting for the one-off costs for the termination of former CEO Gobbetti's contract). Looking at 2H25, ForEx should remain a meaningful headwind on margins, although Ferragamo will seek to at least reabsorb the impact of tariffs in the US with a mid-single-digit price hike, which will be rebalanced with similar moves in other markets to maintain the price gap.

■ **Change in estimates.** We are lowering our 2025/2026 revenue forecasts to reflect deteriorating industry trends and a more negative ForEx effect. Specifically, we expect FY25 retail revenues to fall 5.3% YoY, assuming a 2.6% negative ForEx impact. This effect should be pronounced at gross margin level, which we now expect at 70% in FY25, broadly in line with our 1H25 forecast and down 150bp YoY. Our new revenue and EBIT estimates are below current consensus.

■ **NEUTRAL confirmed; target from Eu6.7 to Eu6.0.** 2Q25 results should be consistent with a deteriorating scenario. Uncertainty over the brand's relaunch plan remains high, especially given that the company must still appoint a new CEO, and we remain NEUTRAL on the stock. The revision to our target price reflects a reduction of the fundamental fair value (from Eu6.2 to Eu5.5) and 10% probability attributed to a speculative scenario (valued at Eu9.7, down from Eu11.8).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	1,156	1,035	980	1,007	1,049
EBITDA Adj (Eu mn)	252	215	198	231	259
Net Profit Adj (Eu mn)	30	16	-5	10	27
EPS New Adj (Eu)	0.178	0.092	-0.030	0.060	0.161
EPS Old Adj (Eu)	0.178	0.092	0.062	0.122	0.228
DPS (Eu)	0.100	0.000	-0.025	0.031	0.082
EV/EBITDA Adj	9.1	6.1	3.4	2.9	2.6
EV/EBIT Adj	29.1	37.7	39.2	16.5	10.3
P/E Adj	28.1	54.4	nm	83.4	31.1
Div. Yield	2.0%	0.0%	-0.5%	0.6%	1.6%
Net Debt/EBITDA Adj	1.9	2.3	2.6	2.3	2.1

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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Frequency of research: quarterly.

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A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	31,85 %
OUTPERFORM:	37,78 %
NEUTRAL:	30,37 %
UNDERPERFORM:	00,00 %
SELL:	00,00 %

As at 30 June 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (80 in total) is as follows:

BUY:	52,70 %
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NEUTRAL:	17,57 %
UNDERPERFORM:	00,00 %
SELL:	00,00 %

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Emittente	%	Long/Short
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