

# FERRAGAMO

Sector: Consumers

**NEUTRAL**

Price: Eu4.98 - Target: Eu5.50

## Deteriorating Trend in 2Q25, Estimates Reduced Further

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### Stock Rating

**Rating:** Unchanged

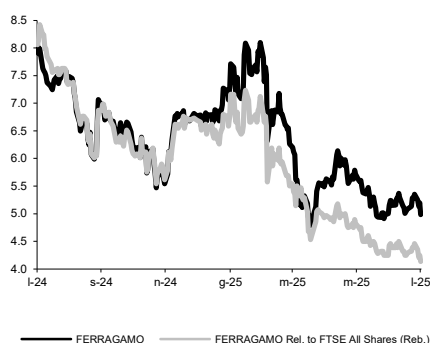
**Target Price (Eu):** from 6.00 to 5.50

	2025E	2026E	2027E
Chg in Adj EPS	n.m.	n.m.	-37.9%

**Next Event 9M25 Revenues**

Results Out 23 October 2025

### FERRAGAMO - 12M Performance



### Stock Data

Reuters code: SFER.MI

Bloomberg code: SFER IM

Performance	1M	3M	12M
Absolute	-0.3%	-9.1%	-38.2%
Relative	-3.2%	-18.2%	-59.2%
12M (H/L)		8.10/4.79	
3M Average Volume (th):		375.92	

### Shareholder Data

No. of Ord shares (mn):	169
Total no. of shares (mn):	169
Mkt Cap Ord (Eu mn):	841
Total Mkt Cap (Eu mn):	841
Mkt Float - Ord (Eu mn):	241
Mkt Float (in %):	28.6%
Main Shareholder:	
Ferragamo Family	63.4%

### Balance Sheet Data

Book Value (Eu mn):	555
BVPS (Eu):	3.29
P/BV:	1.5
Net Financial Position (Eu mn):	-568
Enterprise Value (Eu mn):	723

■ **2Q25 revenues weaker than expected due to wholesale channel.** 2Q25 revenues came to Eu252.9mn, down 14.6% YoY (-11.7% at Constant Exchange Rates) due to a soft retail contribution (revenues at Eu193.3mn, down 5.4% YoY at CER, as expected) and a 34% decrease in wholesale (Eu51.5mn, down 29% YoY at CER, 23% lower than exp.). Compared to 1Q25, the DTC channel reflected a lower contribution from tourists (Chinese in Japan and Americans in Europe), while the wholesale channel, which performed well in 1Q25, clearly showed the impact of market uncertainty on order intake. Looking at geographical areas, Asia Pacific remained negative (-18.5% YoY), Europe (-19.5% YoY) reflected the sharp decline of the wholesale channel, Japan went into the red (-12.8%) while North America was only mildly down (-3.4% YoY). LatAm (+11.2%) was the only area showing growth.

■ **Gross profit negatively affected by ForEx, with adj. EBIT going below break-even.** In 1H25, gross profit declined by 15% to Eu321mn (67.7% of revenues vs. 70% exp.) due to negative ForEx effects and higher provisions for inventory obsolescence; operating costs excluding a Eu41mn impairment fell by 7% to Eu324mn (lower than -3% exp.), taking adjusted EBIT into the red to the tune of Eu3mn (vs. +Eu3.5mn exp.). Net cash at the end of June'25 amounted to Eu119mn (Eu135mn exp.) down Eu48mn compared to end-June'24.

■ **Management indications.** In response to a challenging market, particularly in Asia Pacific and the wholesale channel, Ferragamo has launched a strategic review to ensure full alignment across brand, product, communication, and distribution. Management defined priorities and initiated targeted actions focused on core categories, product streamlining, and regional relevance. Efforts are also underway to optimise the retail network, enhance digital growth, and improve marketing efficiency. Looking at 2H25, DTC revenues should show small signs of improvement while 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.

■ **Change in estimates.** We are lowering our 2025/2026 revenue forecasts to reflect deteriorating industry trends in the wholesale channel. Specifically, we see FY25 retail revenues falling 6.5% YoY (from -5.0%), while cutting wholesale by 12% (now expected at -17% YoY). Having further reduced the gross margin, which we now expect at 68% in FY25 (68.3% in 2H25), we forecast FY25 adj. EBIT to be in the red for Eu6.4mn. We remain more positive on 2026, but visibility is clearly low.

■ **NEUTRAL confirmed; target from Eu6.0 to Eu5.5.** 2Q25 results were 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 Eu5.5 to Eu5.1) and 10% probability attributed to a speculative scenario (valued at Eu9.1, down from Eu9.7).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	1,156	1,035	943	969	1,010
EBITDA Adj (Eu mn)	252	215	133	219	256
Net Profit Adj (Eu mn)	30	16	-32	-7	17
EPS New Adj (Eu)	0.178	0.092	-0.193	-0.039	0.100
EPS Old Adj (Eu)	0.178	0.092	-0.030	0.060	0.161
DPS (Eu)	0.100	0.000	-0.195	-0.020	0.051
EV/EBITDA Adj	9.1	6.1	5.4	3.2	2.7
EV/EBIT Adj	29.1	37.7	nm	24.7	11.4
P/E Adj	28.0	54.2	nm	nm	49.9
Div. Yield	2.0%	0.0%	-3.9%	-0.4%	1.0%
Net Debt/EBITDA Adj	1.9	2.3	4.3	2.6	2.2

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- 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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

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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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:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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