

FERRAGAMO

Sector: Consumers

NEUTRAL

Price: Eu6.09 - Target: Eu6.60

Better Margins Thanks to Effective Cost Control

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Stock Rating

Rating: Unchanged

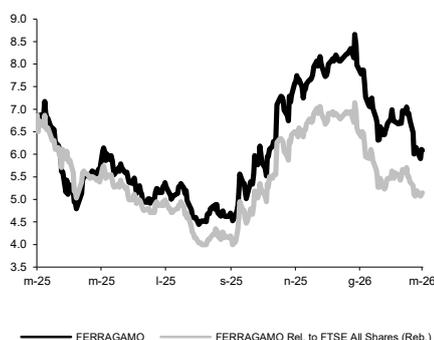
Target Price (Eu): Unchanged

	2026E	2027E	2028E
Chg in Adj EPS	-100.6%	2.5%	

Next Event: 1Q26 Revenues

Results Out: 14 May 2026

FERRAGAMO - 12M Performance



Stock Data

Reuters code: SFER.MI

Bloomberg code: SFER IM

Performance	1M	3M	12M
Absolute	-10.8%	-22.3%	-11.4%
Relative	-6.7%	-24.2%	-29.8%
12M (H/L)		8.66/4.44	
3M Average Volume (th):		428.67	

Shareholder Data

No. of Ord shares (mn):	169
Total no. of shares (mn):	169
Mkt Cap Ord (Eu mn):	1,027
Total Mkt Cap (Eu mn):	1,027
Mkt Float - Ord (Eu mn):	294
Mkt Float (in %):	28.6%
Main Shareholder:	
Ferragamo Family	63.4%

Balance Sheet Data

Book Value (Eu mn):	593
BVPS (Eu):	3.52
P/BV:	1.7
Net Financial Position (Eu mn):	-450
Enterprise Value (Eu mn):	898

■ **Revenues already out on 27 January.** In 4Q25, revenues amounted to Eu281.9mn, down 3.2% YoY (-2.0% at CER), with Direct to Consumer (DTC) revenues up +6.3% at constant exchange rates and wholesale channel revenues down 23.5% YoY, partly driven by a more selective distribution approach. Geographically (all changes at constant exchange rates), North America was up 2.0% YoY thanks to a high single-digit increase in the DTC channel, although there was a negative double-digit trend in the Wholesale channel. EMEA recorded a 10.9% drop in revenue despite mid-single-digit growth in the DTC channel. Asia Pacific recorded a 2.3% YoY decline, but the DTC channel turned positive in the quarter. Central and South America was up 5.1% YoY, with both the DTC and Wholesale channels up mid-single digit. Lastly, the Japanese market grew 2.8%.

■ **2H25 EBIT better than expected thanks to effective cost control.** In 2H25 gross profit was down 5.1% YoY, with a 68.5% margin on sales, down from 70.8% in 2H24 but improving compared to 67.7% in 1H25. Below this line, OpEx was down 10.9% YoY, with efficiency gains on all lines, especially G&A and selling and distribution. All in all, 2H25 adj. EBIT came in at Eu27.2mn, much better than our estimate (Eu1mn) and consensus (Eu10mn). At YE25, the group held Eu143.9mn in net cash, after negative FY25 FCF to the tune of Eu59mn, but with a significant improvement in 2H25.

■ **Management indications.** Messages were positive overall: 1Q26 DTC revenues are seen up mid-single-digit at constant ForEx, while wholesale revenues are seen down double-digit, but expected to show a less negative performance in the remainder of the year. Gross margin should be in the 69%-70% range; thanks to continuous cost efficiencies, the 2026 EBIT margin could be better than the 2H25 operating result (Eu27.2mn); Middle East exposure is negligible (below 2%) but the increasing geopolitical risk can have an indirect effect on company business if a rapid solution is not found. In terms of strategy, the focus will be on sustaining current DTC momentum, fully deploying the revised brand positioning and optimising the retail distribution network.

■ **Change in estimates.** We broadly confirm our 2026/2027 revenue forecasts. In terms of gross profit, we now expect a 69.5% margin (from 69.0%) in FY26 while we assume OpEx at Eu650mn, up 1.5% YoY (on an adjusted basis). All in all, we forecast EBIT of Eu37.3mn in FY26 and Eu56.9mn in FY27, significantly improving our 2026 forecast, but leaving 2027 estimates nearly unchanged (+0.8%).

■ **NEUTRAL confirmed; target Eu6.6 unchanged.** Actions taken by management helped deliver an acceleration in DTC revenues, along with meaningful cost optimisation and efficiencies. We appreciated the results but, for the time being, we confirm our NEUTRAL view, as we believe that the turnaround process is just at the beginning, current market conditions are likely to remain relatively unhelpful and market multiples already factor in the improvement seen in FY25 results.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	1,035	977	988	1,027	1,075
EBITDA Adj (Eu mn)	215	166	181	204	221
Net Profit Adj (Eu mn)	16	-4	0	14	24
EPS New Adj (Eu)	0.092	-0.022	0.000	0.080	0.142
EPS Old Adj (Eu)	0.092	-0.156	-0.063	0.078	
DPS (Eu)	0.000	0.000	0.000	0.041	0.072
EV/EBITDA Adj	6.1	5.4	4.9	4.4	4.1
EV/EBIT Adj	37.7	36.9	24.1	15.9	12.9
P/E Adj	66.2	nm	nm	75.7	42.8
Div. Yield	0.0%	0.0%	0.0%	0.7%	1.2%
Net Debt/EBITDA Adj	2.3	2.7	2.5	2.2	2.1

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Frequency of research: quarterly.

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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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OUTPERFORM:	38.17%
NEUTRAL:	30.53%
UNDERPERFORM:	00.00%
SELL:	00.00%

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OUTPERFORM:	29.33%
NEUTRAL:	17.34%
UNDERPERFORM:	01.33%
SELL:	00.00%

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