

APPAREL AND ACCESSORIES

Ferragamo's net profit sees slight uptick in first 9 months of 2016

November 14, 2016



Image courtesy of Salvatore Ferragamo

By STAFF REPORTS

Italian footwear label Salvatore Ferragamo has posted stable revenue and margins for the first nine months of 2016 ended Sept. 30.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

As with many other houses in the luxury sector, Ferragamo recorded revenues that have declined slightly, with the brand's revenues down 0.7 percent, gross operating profits down at the same rate and operating profits declining by 2.1 percent. Ferragamo also saw its group net profit increase by 0.2 percent to 112 million euros, or 120 million at current exchange.

Stability

Ferragamo's revenues dropped from 1.021 billion euros in September 2015 to 1.014 billion euros, or \$1,089 billion, for the period ended Sept. 30, 2016.

By market, Ferragamo's business in Europe decreased by 5 percent due to lackluster tourism numbers related to unforeseen events.

In comparison, Ferragamo saw revenues increase by 3 percent in North America during the first nine months of 2016. The United States reported an 11 percent increase in sales, but Ferragamo's wholesale business went down at a rate of 8 percent for the period.

The Asia Pacific market was stable, however revenues were down 4 percent for the nine-month period, and 3 percent for the third quarter.



Ferragamo fall/winter 2016

Hong Kong has remained a sore spot for Ferragamo, with retail business declining 15 percent in the third quarter. But, on brighter note, China recorded a revenue increase of 3 percent.

In Japan, Ferragamo's revenues declined by 2 percent, due less Chinese tourist visiting the country.

Central and South America saw solid growth for the nine-month period. Revenues have increased by 4 percent at current exchange.

Ferragamo recently launched ready-to-wear ecommerce. Its move toward online selling is likely to be a strategic way to boost declining traditional retail sales.

Previously, Ferragamo had only offered accessories and footwear styles through its ecommerce page, but as of Oct. 11 consumers in the United States market are able to shop the brand's ready-to-wear fashions for women. The fashion industry is becoming increasingly aware that consumers' expectations no longer model the traditional fashion calendar and that online shopping is now unavoidable.

Ferragamo is celebrating the debut of its ready-to-wear ecommerce with a shoppable feature housed on its Web site. For the trends piece, Ferragamo worked with fashion consultancy La Marque's Meredith Melling and Valerie Macaulay ([see story](#)).