

APPAREL AND ACCESSORIES

Asia Pacific top market for Ferragamo in fiscal 2016

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Ferragamo spring/summer 2017

By STAFF REPORTS

Italian apparel and accessories house Salvatore Ferragamo saw consolidated revenues increase by 4 percent in the fourth quarter of 2016.

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Revenue for the 2016 fiscal year ended Dec. 31 amounted to 1.438 billion euros, or \$1.55 billion at current exchange rates, an increase of 1 percent when compared to the 2015 fiscal year. Ferragamo's positive development was furthered by retail sales in January 2017.

Fiscal Ferragamo

For the 2016 fiscal year, Ferragamo confirmed the Asia Pacific region as its top market in terms of revenue. Ferragamo's business in Asia Pacific for the year represented 36 percent of its total.

Positive performance in the region was seen despite Hong Kong remaining in the negatives, a trend seen across luxury categories. In particular, retail business in Hong Kong decreased by 13 percent. Mainland China saw revenues increase by 6 percent.

In Japan, Ferragamo reports stable revenues for the fiscal year. The Japanese market saw a 3 percent increase for the fourth quarter 2016, despite a comparison base of plus 18 percent for the same period in 2015.

Back in late December, Ferragamo took full control of its distribution in Southeast Asia.

The parent company of Salvatore Ferragamo Group acquired the remaining 20 percent of shares in its SEAK joint venture with Trinity Ltd.'s subsidiaries, giving it 100 percent of the capital from its distribution companies in the region. A number of brands have sought to own their operations in international markets, allowing them to have a stronger handle on their retail efforts ([see story](#)).



Ferragamo fall/winter 2016

Europe, still facing lower tourist numbers, posted a decrease in revenues of 4 percent for the year, while the fourth quarter's decrease was 2 percent. North American had similar tourism decline, but registered an increase of revenues of more than 4 percent for the year and 7 percent for the quarter.

In Central and South America, Ferragamo saw revenues increase by 6 percent for the year and 12 percent for Q4 2016. Growth was significant with a 16 and 23 percent growth for the year and fourth quarter, respectively.

By category, Ferragamo's primary offering of footwear saw revenues grow by 2 percent for 2016. The brand's handbags and leather goods are stable as are its fragrance lines.

As of Dec. 31, 2016, Ferragamo operates 683 points of sale, 402 of which are direct operated stores and 281 are wholesale and travel retail stores operated by a third party such as international department stores.

Ferragamo's retail distribution channel recorded revenues with an increase of 2 percent for the year and 5 percent for the fourth quarter. The brand's wholesale channel decreased by 2 percent, due in part to negative performance in the United States. For the quarter, Ferragamo wholesale saw a positive increase of 3 percent.

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