APPAREL AND ACCESSORIES

No surprise in Ferragamo earnings amid global downturn

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Filmmaker Gillian Zinser talks about how Hollywood slows her down to think and be more creative in Ferragamo's new "Rising in Hollywood" short film series. Image courtesy of Salvatore Ferragamo

By Gemma A. Williams

The Salvatore Ferragamo Group announced that preliminary consolidated revenues were down by 30.6 percent to 220 million euros ($239 million).

While the group showed steady performance in January, by February this was affected by the COVID-19 outbreak and continued to decline during March. The posting April 8 was followed by a swift drop in share price.

Retail distribution and wholesale channels were both negatively impacted. Earnings reports are a vital marker for investors watching the market. They indicate a company's performance, help predict future forecasts, and can point to a change in sentiment.

All luxury brands and companies face dramatic upheaval at this time: expect shares and revenues to dip globally.

The Jing Take:
Originally part of the first wave of Western luxury brands to enter China, Ferragamo has a strong presence in the country.

Now under new management, it is in the midst of a steady relaunch, which would prove challenging at the best of times.

Following the report, analysts worldwide have offered more cautious sales forecasts.

Yet the luxury industry is based on the long game.

Despite the downturn, last month the Ferragamo CEO reported the company was already seeing the start of a recovery in China.

If Ferragamo can continue to connect with the market, it should offer the company a valuable lifeline.

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