

APPAREL AND ACCESSORIES

## Salvatore Ferragamo plans to double sales by 2027

May 11, 2022



*Salvatore Ferragamo's growth strategy includes bringing new energy into the brand to reach younger consumers. Image credit: Salvatore Ferragamo*

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By LUXURY DAILY NEWS SERVICE

Italian fashion house Salvatore Ferragamo has reported a 23.2 percent year-over-year increase in revenue for the quarter ending March 31, 2022, reaching 289 million euros, or \$305 million at the current exchange.

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With Marco Gobbetti and Maximilian Davis now at the helm of Ferragamo's business and creative direction, respectively, the group has developed a new strategy to increase revenue in the medium-long term through the engagement of younger consumers. This will include placing products at the heart of the business, rejuvenating the brand, prioritizing digital capabilities and enhancing the customer experience.

"I'm excited to be part of this iconic brand, built on an exceptional heritage of creativity, craftsmanship and human values," said Mr. Gobbetti, CEO and general manager of Salvatore Ferragamo, in a statement.

"In spite of the enduring pandemic and the conflict in Ukraine, we delivered good growth of revenues and operating margin," he said. "Notwithstanding the rising geopolitical and economic volatility, we expect to increase our revenues for the current year, and today we are laying out the drivers to accelerate growth and realize the potential of Ferragamo."

On the up

This past quarter, the group saw the retail distribution channel increase revenue by 15.8 percent compared to 2021, while wholesale reported a major increase of 40.2 percent.



*In March, the group appointed British designer Maximilian Davis as the new creative director. Image credit: Salvatore Ferragamo*

The Asia Pacific region saw revenue grow by only 0.9 percent, primarily due to the residual effects of the pandemic, continued safety precautions and travel restrictions. Japan saw a 17.7 percent increase in revenues.

Europe, the Middle East and Africa saw an increase in revenue of 41.3 percent, North America recorded a 46.1 percent increase and Central and South America were up 52.3 percent.

All primary product categories reported a significant increase last quarter, with shoes and leather goods representing 86 percent of all product revenue.

In the last year, the group has welcomed new leadership in both the business ([see story](#)) and creative ([see story](#)) sides of the company, signifying a major shift in its trajectory.

Ferragamo plans to double marketing and communication spending beginning next year and invest a cumulative \$422 million between 2023 and 2026 on store renovations, technology and its supply chains.

The group intends to double its revenues, accelerate its top-line growth rate and expand operating profit in the next five years.

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