

PRESS RELEASE

STRONG BRAND IDENTITY, CREATIVITY AND DISCIPLINED EXECUTION DRIVE PRADA GROUP'S POSITIVE RESULTS

Retail Sales +21% YoY and EBIT Margin of 22.0% in HY-23

Milan, 27 July 2023 – The Prada S.p.A. Board of Directors today reviewed and approved the Consolidated Financial Results for the First Half ended 30 June 2023.

Key highlights (*growth percentage at constant currency*)

- **Creative focus, innovation** and a **clear interpretation of contemporaneity** continue to strengthen brand identity and resonance
- **Net Revenues** of **€2,232** mln, **+20%** yoy
- **Retail Sales** of **€1,975** mln, **+21%** yoy, driven by **like-for-like full price sales**. **Prada +18%** yoy and **Miu Miu +50%** yoy
- Rebound in **Asia Pacific** continued, with Retail Sales **+25%** yoy; **Europe +24%**; **Americas -1%**; **Japan +49%**; **Middle East +14%**
- Double-digit growth across all product categories: **Leather Goods +12%** yoy, **RTW +36%**, and **Footwear +20%**
- Continued profitability improvement with **EBIT Margin** of **22.0%**, notwithstanding higher investments; **EBIT** of **€491** mln
- Solid balance sheet with **Net Cash Position** of **€283** mln

Patrizio Bertelli, Prada Group Chairman and Executive Director, commented:

“The semester ends with solid results for the Prada Group, thanks to the desirability of its brands and to disciplined execution. Our globally balanced distribution allow us to capture growth despite ever-evolving industry demand dynamics. We are pleased with the quality of Prada’s continued growth and with the remarkable performance of Miu Miu. We will remain vigilant and nimble, ready to deal with different macroeconomic and demand scenarios that may materialise ahead. Our brands retain vast growth potential; our strategy is clear, and our reinforced organisation is well equipped to execute.”

Andrea Guerra, Group Chief Executive Officer, added:

“Q2 was another positive quarter on top of a solid Q1. Retail growth continued to be driven by like-for-like full price sales, with Prada remaining on a sound trajectory and Miu Miu reporting a remarkably strong performance, thanks to a strengthened identity and increasing visibility. The Group’s profitability further increased while we continued to consolidate our brands’ desirability with higher investments. We are still at the beginning of our strategic journey: we need to act with a long-term perspective, continuing to invest behind our brands, maintaining maximum focus on retail execution and productivity. For the current year, we retain our ambition to deliver solid, sustainable and above-market growth, considering a more challenging comp base in Q3, and some Covid restrictions during Q4 2022.”

Key figures

	H1-22 € mln	H1-23 € mln	change at reported fx	change at constant fx
Net Revenues	1,901	2,232	+17%	+20%
Retail Sales	1,678	1,975	+18%	+21%
Wholesale Sales	194	210	+8%	+9%
Royalties	29	47	+66%	+66%
Gross Profit	1,477	1,793	+21%	
<i>Margin</i>	77.7%	80.3%		
EBIT Adjusted¹	331	491	+49%	
<i>Margin</i>	17.4%	22.0%		
EBIT	305	491	+61%	
<i>Margin</i>	16.0%	22.0%		
Group Net Income	188	305	+62%	
<i>Margin</i>	9.9%	13.7%		
Cash Flow from Operations	321	509		
Capital Expenditure	97	151		
Net Operating Working Capital	680	723		
Net Financial Position	179	283		

Continued focus on brand desirability and client engagement

Prada Menswear FW23 and SS24 as well as Prada Womenswear FW23 fashion shows confirmed excellent reception by all audiences. The highly successful “The Glass Age” campaign creatively reinterpreted and celebrated the iconic Prada Galleria bag; the introduction of novelties continued across product categories, with ongoing and broad-based success of Prada’s collections. Contributing to the dialogue with growing audiences, in the second quarter, Prada and Adidas unveiled the “adidas Football for Prada” collection. Throughout the semester the brand realised a number of successful activations, including dedicated events for the Eternal Gold fine jewellery collection, Prada Extends in Bangkok, Prada Mode in Tokyo, and the opening of the very impactful Prada Caffè at Harrods.

Miu Miu’s standout performance was supported by the highly successful FW23 fashion show, the launch of the SS23 campaign with exceptional personalities, and continued investment to amplify brand awareness to a growing client base. Miu Miu consolidated formats, like the Miu Miu Women’s Tales as well as Miu Miu Select, continued to foster the relationship with the community on a global scale. The brand strategy remains focused on reinforcing brand codes, with a constant flow of contemporary collections that fuel desirability across all product categories. The “matelassé” leather and its dedicated campaigns resonated strongly, as demonstrated by the success of Wander and recently launched Arcadie bags.

¹ EBIT Adjusted excludes Other non-recurring income and expenses.

Adding to the client engagement initiatives of the brands, the Group continued to invest in the retail network upgrade at pace, with c.70 renovation projects completed in the semester, instrumental to elevate the client experience in store and to increase productivity.

The Group ESG journey continues to progress

Prada Group's focus on vertical integration was reflected in the progress made in building an increasingly responsible business model, throughout the key areas of **supply chain transparency, raw materials traceability, Scope 3 CO₂ emissions reduction, chemicals management** in industrial processes and a wider **Water Conservation** programme. The Group's ongoing commitment to the ocean through the **SEA BEYOND** project continues, with the announcement on June 27 of a new enhanced partnership with IOC-UNESCO. Specifically, Prada Group will donate 1% of the proceeds of the Prada Re-Nylon collection to enrich the educational programme and extend the scope of SEA BEYOND towards two new areas of focus: support for ocean-related scientific research and humanitarian projects.

Healthy and solid Retail Sales growth at Prada, further acceleration at Miu Miu (growth percentage at constant currency)

The Retail channel continued to be the engine of growth in the semester, with sales up +21% yoy at constant exchange rates, driven by like-for-like full price sales. In the second quarter Retail Sales increased by +19%, building on a strong first quarter at +23%.

Compared with the same period of 2022, Retail Sales of the **Prada** brand in H1-23 increased by +18%; in the second quarter, revenue growth increased by +15%, with more moderate but solid pace compared to the +21% of the first quarter, on a high basis of comparison, with the exception of China. **Miu Miu** reported Retail Sales growth of +50% in the semester, with the second quarter in further acceleration at +57% versus the +42% of the first quarter, an excellent performance supported by the higher exposure to China and Asia.

At Group level, growth was balanced across **Leather Goods** (+12%), **Ready-To-Wear** (+36%), and **Footwear** (+20%) categories.

Retail Sales by geography

	H1-22 € mln	H1-23 € mln	change at reported fx	change at constant fx
Asia Pacific	590	716	+21%	+25%
Europe	486	582	+20%	+24%
Americas	360	361	0%	-1%
Japan	161	224	+38%	+49%
Middle East	80	92	+15%	+14%
Retail Sales	1,678	1,975	+18%	+21%

The Group delivered double-digit growth across all regions, excluding Americas, in the first six months of 2023.

Asia Pacific saw Retail Sales up +25% in H1-23, thanks to the acceleration in mainland China, Hong Kong and Macau, supported by the low basis of comparison of 2022, when China was affected by heavy restrictions in April and May, then lifted

from June.

Europe continued to register elevated growth in the semester, with Retail Sales up +24%; despite the very challenging comparatives, Europe has therefore continued to display solid trends, supported by healthy local demand and high levels of tourism.

In the **Americas**, H1-23 Retail Sales ended at -1% yoy; the North American client cluster, that has been showing strength for a prolonged period, continued to grow throughout the semester, including in the second quarter.

Japan was the best performing region in the semester, up +49% yoy, benefitting from the Group's recent investments in the retail network and a strengthened organisation, successfully capitalising on strong brand appeal, solid domestic demand and increasing tourism flows.

Middle East also delivered a solid growth performance, up +14% yoy.

For further information:

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About Prada Group

Pioneer of a dialogue with contemporary society across diverse cultural spheres and an influential leader in luxury fashion, Prada Group founds its identity on essential values such as creative independence, transformation and sustainable development, offering its brands a shared vision to interpret and express their spirit. The Group owns some of the world's most prestigious luxury brands, Prada, Miu Miu, Church's, Car Shoe, the historic Pasticceria Marchesi and Luna Rossa, and works constantly to enhance their value by increasing their visibility and appeal. The Group designs, manufactures and distributes ready-to-wear collections, leather goods and footwear in more than 70 countries through a network of 603 stores (at June 30, 2023) as well as e-commerce channels, selected e-tailers and department stores around the world. The Group, which also operates in the eyewear and fragrances sector through licensing agreements, has 24 owned factories and more than 13,700 employees. For more information, please visit www.pradagroup.com.