

PRESS RELEASE

PRADA GROUP COMMERCIAL AND FINANCIAL UPDATE

- **Progressive volume recovery in all geographical areas, with marked revenue growth in Asia Pacific**
- **Positive margins in the second half of the year allowed the Group to reach positive EBIT for FY2020**
- **Improved Net Financial Position vs 2019, due to cash generation and inventory reduction**

**Milan, January 5<sup>th</sup> 2021** - The Board of Directors of Prada S.p.A. today examined the performance of the Group in the second semester just ended.

The second half of 2020, despite being impacted by ongoing store closures averaging 9% of the network, saw a progressive recovery in sales, culminating, for the retail sales, in a full recovery to 2019 levels in the month of December.

In the second half, the impact of the pandemic on the **retail channel** was limited to an average of -6% (at constant exchange rates). Europe and Japan were penalized by the lack of tourist flows, while the Americas, the Middle East, Russia and, above all, Asia Pacific recorded positive performances, particularly China with +52%.

**Wholesale sales** reduced in line with the company strategy, launched in 2019 to protect the images of the brands and which has been maintained despite the difficult economic situation. Currently, the retail channel accounts for around 90% of total sales.

Careful management of quality and product mix has contributed to margin recovery and offset the deficit incurred in the first half, thus ending FY2020 with **EBIT** in positive territory.

Finally, strict control of investment, in particular of stocks of raw materials and of finished products, has contributed to an improved **Net Financial Position** compared with the beginning of the year.

**Patrizio Bertelli, Prada S.p.A. CEO, commented:**

*"I am very satisfied with how we have faced the serious difficulties of the year just ended and how, despite the persistent uncertainty which will likely continue for the next months, we have managed to deliver positive results. Thanks to the generous commitment of all Group staff, we were able to respond rapidly and consistently to market changes, which has been appreciated by all of our customers."*

The above information is based solely on the Board of Directors preliminary review of the internal data currently available. Therefore, the above information and data may be subject to modification during the preparation of the Prada Group's consolidated financial statements for 2020 financial year.

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### **Prada Group**

Prada S.p.A. is a global leader in the luxury goods industry. The Group, which owns the Prada, Miu Miu, Church's and Car Shoe brands, produces and distributes luxury leather goods, footwear and apparel benefitting from a supply chain which includes 22 owned industrial sites. It also operates in the food sector with Marchesi 1824 and in the eyewear and fragrance industries under licensing agreements.

The Group employs nearly 14,000 people and its products are sold in 70 countries worldwide through 637 directly operated stores as of June 30, 2020, brand's e-commerce, a selection of luxury department stores and multi-brand stores in the most prestigious locations as well as through the most important e-tailers.

The Prada Group is synonymous with innovation, transformation and independence and it is committed to promote a business culture oriented towards sustainability. These principles offer its brands a shared vision in which they are able to express their essence.

The company is listed on the Hong Kong Stock Exchange as 1913.HK.