

PRADA Group



## **1<sup>st</sup> Quarter Results**

**for the three months ended April 30<sup>th</sup>, 2013**

**June 11<sup>th</sup>, 2013**

# Results presentation

# Key messages

1<sup>st</sup> Quarter 2013<sup>(\*)</sup>

## Turnover

- Net Revenues grew by 14% (+15% at constant rates) with Retail up 19% (+21% at constant rates)

## Same Store Sales Growth

- Continuous Retail improvement:  
Same Store Sales Growth +8%

## Operating Results

- EBITDA up to € 241 mn, 31% on Revenues, compared to 29% in 2012
- EBIT up to € 196 mn, 25% on Revenues, compared to 24% in 2012

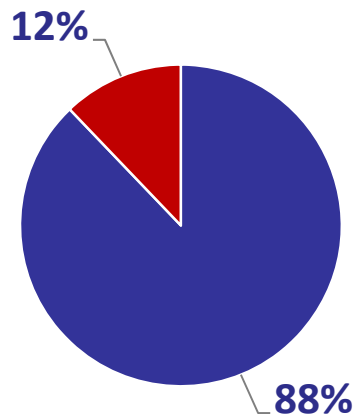
## Net Results

- Group Net Income to € 138 mn, 18% on Revenues, compared to € 122 mn of 2012, 18% on Revenues

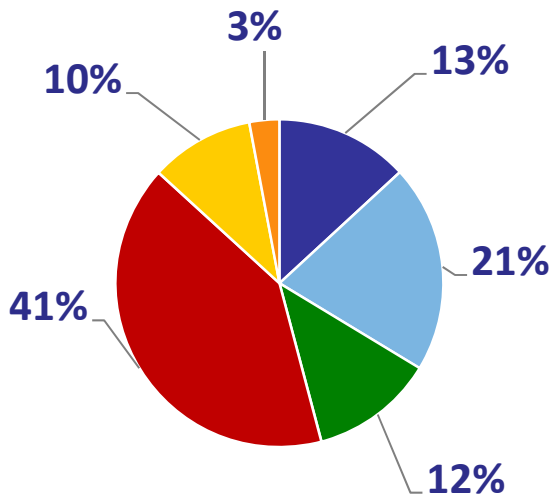
*Note<sup>(\*)</sup>: unaudited*

# The Group at a glance – 3 months

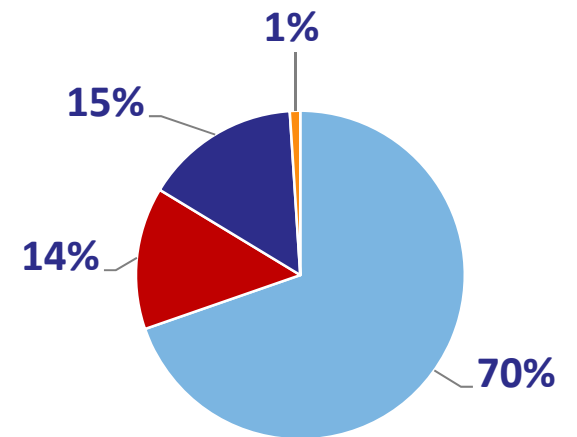
**NET SALES BY CHANNEL**



**NET SALES BY REGION**



**NET SALES BY PRODUCT**



- Retail
- Wholesale

- Italy
- Europe
- America
- Asia ex-Japan
- Japan
- Middle East

- Leather Goods
- Ready to Wear
- Footwear
- Other

## Net Sales by Channel (€ mn) - 1st Quarter

	2012	Mix %	2013	Mix %	2013 vs 2012
<b>Retail</b>	<b>569.7</b>	<b>85%</b>	<b>678.7</b>	<b>88%</b>	<b>+19%</b>
<b>Wholesale</b>	<b>103.6</b>	<b>15%</b>	<b>93.9</b>	<b>12%</b>	<b>-9%</b>
<b>Total</b>	<b>673.3</b>	<b>100%</b>	<b>772.6</b>	<b>100%</b>	<b>+15%</b>

**Retail (+21% at constant rates) is driven by:**

- + 8% “Same Store Sales Growth”
- new store openings contribution (67 net openings since May 2012)

**Wholesale trend:**

- Positive in US and Far East (DFS)
- Double digit negative in Europe and Italy due to persistent selective strategy and very high comparable base, also due to timing differences in deliveries, coupled with weak domestic demand

## Net Sales by Brand (€ mn) - 1st Quarter

	<b>2012</b>	<i>Mix %</i>	<b>2013</b>	<i>Mix %</i>	<b>2013 vs 2012</b>
<b>Prada</b>	<b>541.6</b>	<b>80%</b>	<b>638.8</b>	<b>83%</b>	<b>+18%</b>
<b>Miu Miu</b>	<b>107.3</b>	<b>16%</b>	<b>112.7</b>	<b>15%</b>	<b>+5%</b>
<b>Church's</b>	<b>16.3</b>	<b>2%</b>	<b>16.8</b>	<b>2%</b>	<b>+3%</b>
<b>Car Shoe</b>	<b>6.3</b>	<b>1%</b>	<b>3.7</b>	<b>-</b>	<b>-41%</b>
<b>Others</b>	<b>1.8</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-68%</b>
<b>Total</b>	<b>673.3</b>	<b>100%</b>	<b>772.6</b>	<b>100%</b>	<b>+15%</b>

# Net Sales by Geography (€ mn) - 1st Quarter

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	110.1	16%	101.4	13%	-8%	-8%	+8%
Europe	148.0	22%	158.3	21%	+7%	+8%	+9%
America	76.6	11%	94.2	12%	+23%	+23%	+7%
Far East	252.8	38%	315.6	41%	+25%	+23%	+6%
Greater China(*)	161.6	24%	200.9	26%	+24%	+23%	+9%
Japan (**)	80.5	12%	79.0	10%	-2%	+12%	+11%
Middle East	3.7	1%	22.8	3%	-	-	-
Others	1.6	-	1.3	-	-18%	-18%	-
<b>Total</b>	<b>673.3</b>	<b>100%</b>	<b>772.6</b>	<b>100%</b>	<b>+15%</b>	<b>+16%</b>	<b>+8%</b>

Note(\*): PRC, HK, Macau

Note(\*\*): Japan and Hawaii

- Italy and Europe performance negatively affected by Wholesale d.d decrease while Retail up 9% in Italy and 20% in Europe at constant rate

## Net Sales by Product (€ mn) - 1st Quarter

	2012	Mix %	2013	Mix %	2013 vs 2012
Leather Goods	417.3	62%	538.4	70%	+29%
Footwear	134.7	20%	118.2	15%	-12%
Ready to Wear	113.8	17%	108.1	14%	-5%
Others	7.5	1%	7.9	1%	+6%
<b>Total</b>	<b>673.3</b>	<b>100%</b>	<b>772.6</b>	<b>100%</b>	<b>+15%</b>

- Outstanding results for Leather Goods
- Footwear and Ready to Wear negatively impacted by Wholesale, partly compensated by a slight positive trend in the Retail channel

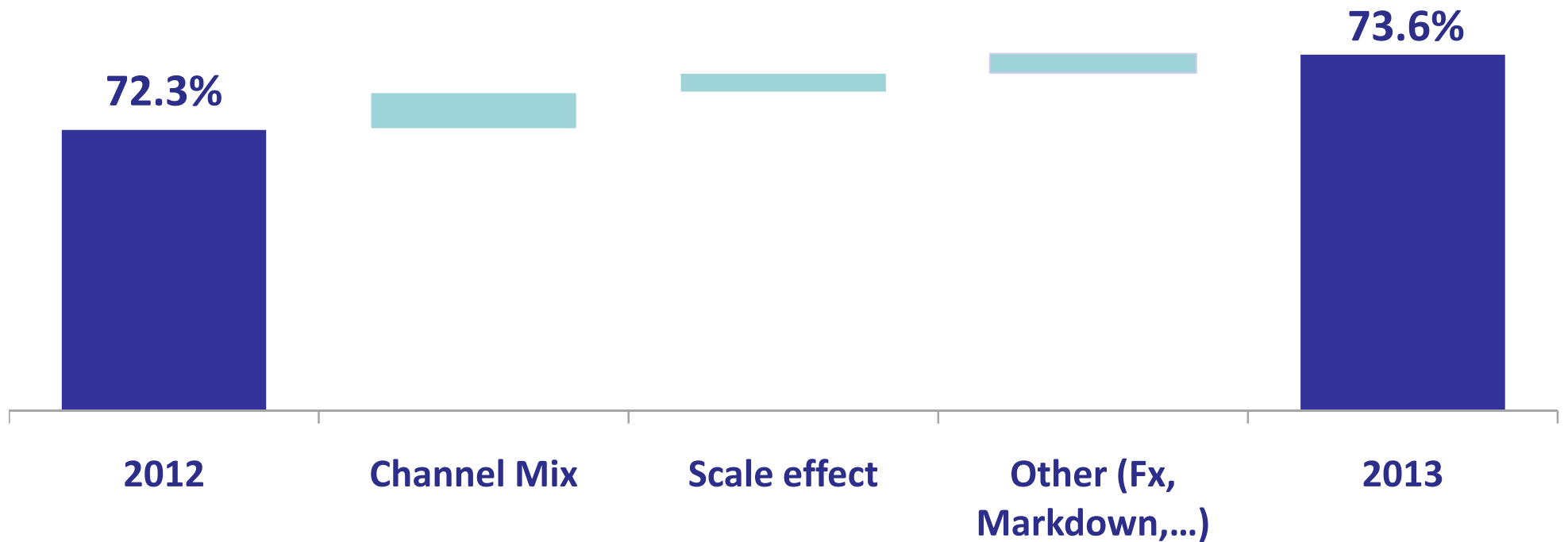


# Group Profit and Loss – 1st Quarter

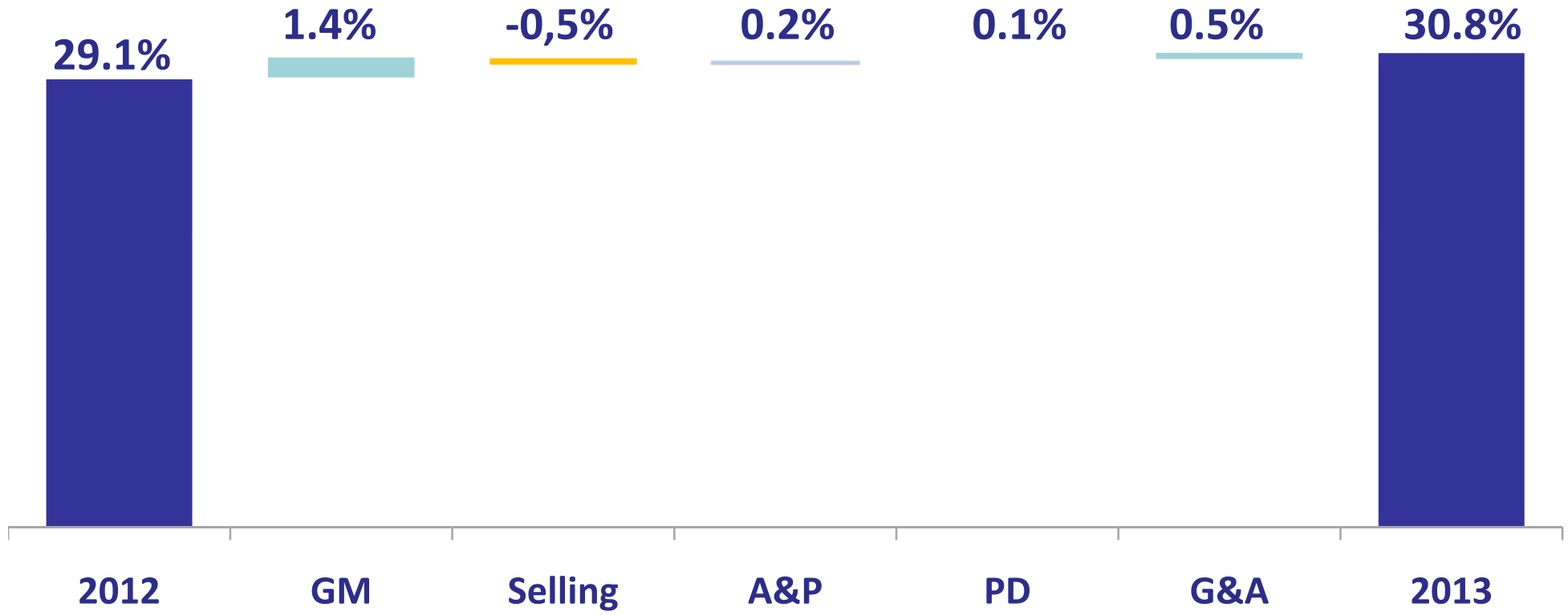
€ mn	Q1 2013	%	Q1 2012	%
Net Sales	772.6	98.8%	673.3	98.0%
Royalties	9.7	1.2%	13.4	2.0%
Net Revenues	782.3	100%	686.7	100%
COGS	(206.4)	26.4%	(190.3)	27.7%
Gross Profit	575.9	73.6%	496.4	72.3%
Product Development	(28.1)	3.6%	(25.4)	3.7%
Advertising & Promotion	(38.8)	5.0%	(35.3)	5.1%
Selling	(269.0)	34.4%	(228.1)	33.2%
G&A	(44.3)	5.7%	(42.8)	6.2%
EBIT	195.7	25.0%	164.8	24.0%
Net Financial Income / (Expenses)	(5.9)	0.8%	1.5	-0.2%
Income Taxes	(47.9)	6.1%	(43.0)	6.3%
Minority Income	(3.7)	0.5%	(1.6)	0.2%
Group Net income	138.2	17.7%	121.7	17.7%
D&A	45.1	5.8%	35.3	5.1%
EBITDA	240.8	30.8%	200.1	29.1%

# Delivery Margin Development – 1st Quarter

- Shift towards Retail
- Shift towards more favourable geographical and product mix
- Scale effect



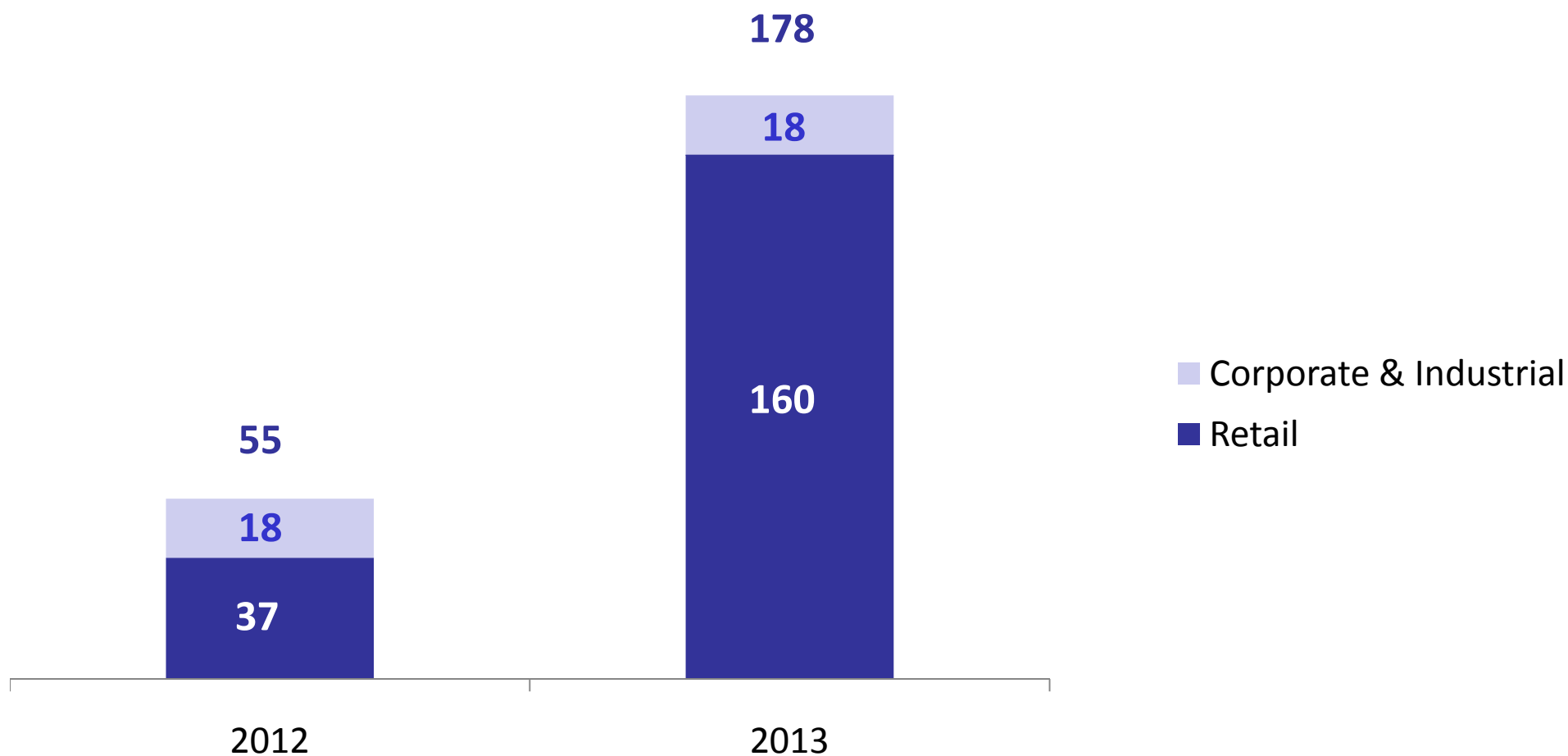
# EBITDA Development – 1st Quarter



*Note(\*): percentages not comparable with Group Profit and Loss slide that is at EBIT structure*

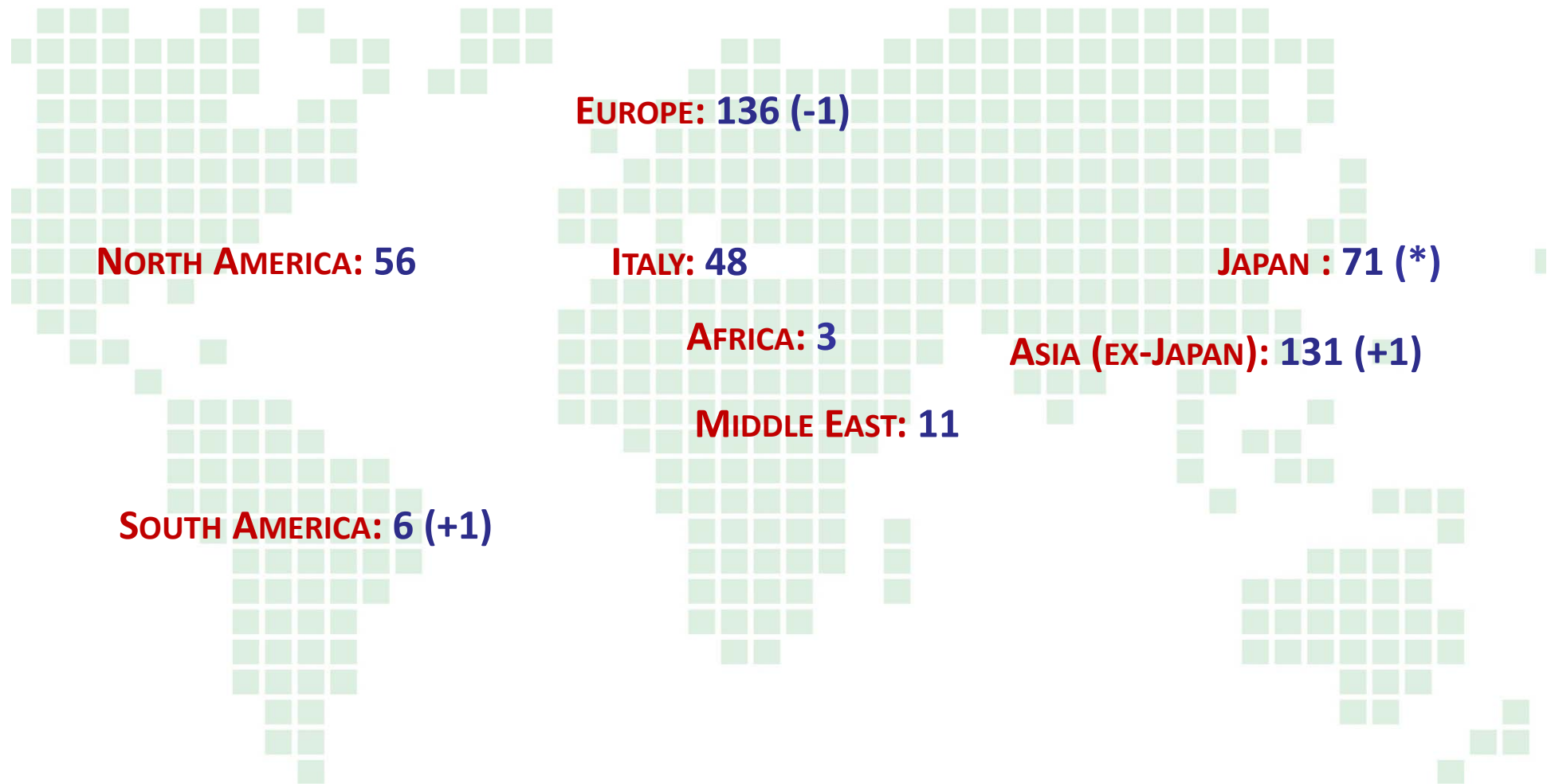
# Capex (€ mn) - 1st Quarter

- Capex driven by Retail development
- Retail includes new openings, refurbishments and relocations
- Purchase of the Old Bond Street Shop and St. Petersburg



# Retail overview

462 DOS at April 2013 with 2 openings and 1 closing

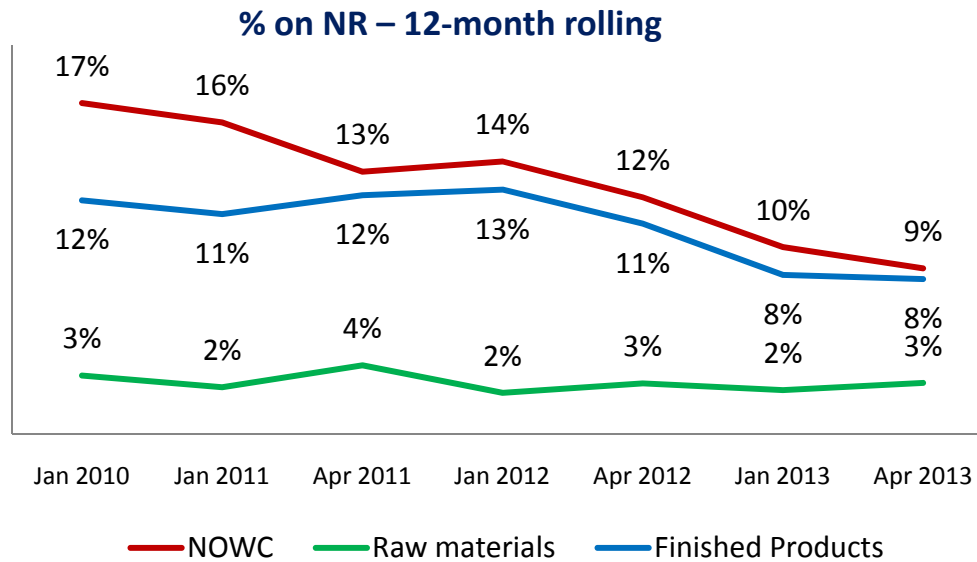
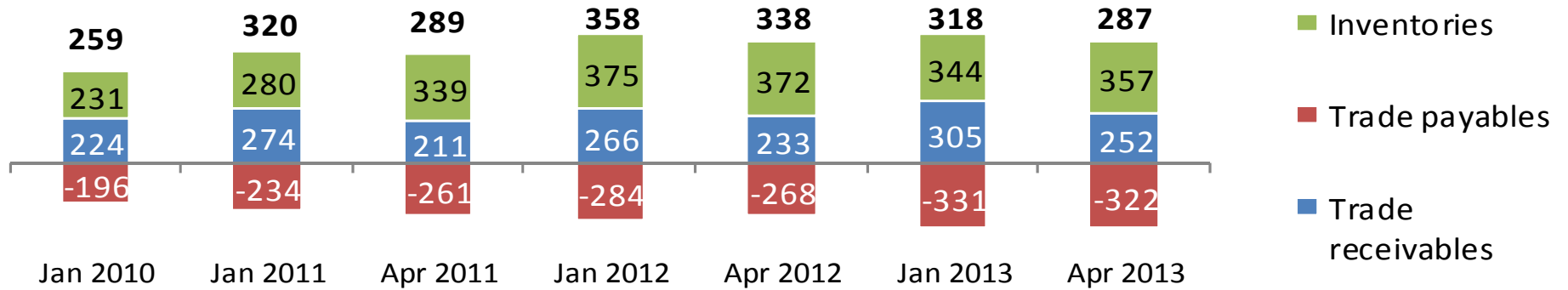


(\* ) 5 stores reclassified from North America to Japan

## Key figures (€ mn)

	April 2013	January 2013	April 2012
<b>Net Financial Position</b>	<b>360.5</b>	<b>312.6</b>	<b>119.5</b>
<b>Net Operating Working Capital</b>	<b>287.3</b>	<b>317.7</b>	<b>337.6</b>
<b><i>NOWC on Net Revenues</i></b>	<b>8.5%</b>	<b>9.6%</b>	<b>12.2%</b>
<b>Capital Employed (average)</b>	<b>1,980.6</b>	<b>1,917.6</b>	<b>1,714.5</b>
<b><i>ROCE</i></b>	<b>46.5%</b>	<b>46.4%</b>	<b>41.6%</b>

# Net Operating Working Capital (€ mn)



# Net financial surplus/(deficit) (€ mn)

- Further improvement in Net financial position

