

PRESS RELEASE

PRADA SPA APPROVES GROUP RESULTS AS OF 30 JUNE 2022

Strong semester underpinned by strategic delivery and brand momentum
Currently on accelerated trajectory to achieve mid-term targets

Milan, 28th July 2022 - The Prada S.p.A. Board of Directors today reviewed and approved the Consolidated Financial Results for the Half Year ended 30th June 2022.

Key highlights - growth % at constant currency:

- Continued growth momentum with €1.9 bln Net Revenues, up 22% yoy
- Retail Sales of €1.7 bln, up 26% yoy and +38% on H1-19
- Strong performance across all product categories, with Leather Goods +18%, RTW +32%, and Footwear +39% yoy
- Enriched product offer and operational improvements drove Gross Margin to 77.7% and EBIT Adjusted Margin¹ to 17.4%
- Net Cash position of €179 mln
- Continued progress in the execution of ESG strategy

Patrizio Bertelli, Prada Group Chief Executive Officer, commented:

"In the first six months of 2022, Prada Group delivered growth in both revenue and profitability, continuing to invest with a long-term perspective in creativity, industrial know-how and product innovation. We keep building sustainability into the heart of our business; we want our actions to align with Prada's distinctive identity, making us relevant and inspiring to customers. Thanks to our global presence and geographical distribution of sales, we have more than compensated the impact of the various lockdowns in Mainland China and sanctions on Russia, where we continue to support our people despite store closures. Although current trading is strong, the global political and economic outlook is very uncertain and provides ground for caution. Our position of strength gives us confidence to execute against our strategy to fully exploit our brands' potential. We are confident that we will achieve our medium-term financial and operational targets."

¹ EBIT Adjusted excludes Other non-recurring income and expenses that, for the six months ended June 30, 2022, consisted of €26 mln write-down of non-current assets in Russia.

Key figures:

Growth at constant currency	H1-22 € mln	Change vs. H1-21	Change vs. H1-19
Net Revenues	1,901	+22%	+22%
Retail Sales	1,678	+26%	+38%
Wholesale Sales	194	-3%	-39%
Royalties	29	+22%	+20%

	H1-22 € mln	H1-21 € mln
Gross Profit	1,477	1,115
<i>Margin</i>	77.7%	74.3%
EBIT Adjusted	331	166
<i>Margin</i>	17.4%	11.1%
EBIT	305	166
<i>Margin</i>	16.0%	11.1%
Group Net Income	188	97
Net Financial Position	179	-102

Retail channel drives growth

The Retail channel saw strong growth in sales up 26% yoy fueled by the offer of new and iconic products with clear identity, driving a very good performance across all product categories. At brand level, Prada's strong momentum delivered a sales increase of 28% yoy, up 46% on H1-19, while Miu Miu's growing visibility and acclaimed SS Fashion Show delivered sales up 14% yoy and above pre-pandemic levels.

We continue to see robust growth in the online channel and overall Retail contribution currently accounts for 90% of Sales.

Retail performance by geography:

Growth at constant currency	H1-22 € mln	Change vs. H1-21	Change vs. H1-19
Asia Pacific	590	-7%	+26%
Europe	486	+89%	+34%
Americas	360	+41%	+116%
Japan	161	+28%	-3%
Middle East	80	+24%	+59%

Asia Pacific declined by 7% yoy to €590 mln as lockdowns in Mainland China from mid-March impacted c.30% of the Group's network; this impact was mitigated by the strong performance

in Korea and South East Asia.

Mainland China has seen an improved trend since store re-openings in June.

Strong performance in **Europe** with sharp growth of 89% yoy across the region, driven by domestic sales and an uptick in tourism in Q2-22.

The **Americas** have generated an outstanding sales performance of €360 mln, up 41% yoy and triple-digit growth on pre-pandemic levels.

Japan saw an accelerating trend in the semester, generating €161 mln of sales up 28% yoy.

Middle East also registered a solid performance with sales up 24% yoy.

Wholesale: Rationalisation largely completed

The Group maintained a selective approach to the Wholesale channel with revenue slightly decreasing by 3% yoy.

ESG: Our Group journey continues

The Prada Group has placed sustainability at the heart of its business approach and took a number of steps in H1 to deliver progress towards its objectives. We have advanced on Scope 1 & 2 emissions targets and we have continued to develop awareness within the organisation. Our ambition, in the medium and long-term, is to become highly relevant within the industry in specific ESG areas.

Confident on ability to achieve medium-term targets despite macro-economic uncertainty

Despite the highly uncertain global macro-economic environment, current trading remains strong and H1-22 results accelerated the Group's trajectory towards the mid-term targets. Going forward, several factors could influence our performance, including the development of the health situation, the rate of recovery in consumer spending in Mainland China, and global geopolitical developments and economic risks as authorities seek to manage challenges of inflation and possible recession.

These significant uncertainties make us vigilant, but the Group will continue to pursue its strategy with confidence and determination. We will continue to develop our brands focusing on creativity, quality and customer experience.

To achieve long-term sustainable growth, we intend to balance margin improvement with continued investment in our people, distribution network, technological and manufacturing infrastructure, omni-channel capabilities, and sustainability.

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 627 stores (at June 30th 2022) 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 23 owned factories and more than thirteen thousand employees. For more information, please visit www.pradagroup.com.