

PRESS RELEASE

PRADA GROUP REPORTS SOLID H1-24 WITH RETAIL SALES UP 18% YOY AND EBIT MARGIN OF 22.6%

Milan, 30 July 2024 – The Prada S.p.A. Board of Directors reviewed and approved today the consolidated financial results for the first half ended 30 June 2024.

Key highlights (*growth percentage at constant currency*)

- **Net Revenues** of **€2,549 mln**, up **17%** yoy, as **strong brand identity, creativity and dynamism** continued to foster **desirability**
- **Retail Sales** of **€2,263 mln**, up **18%** yoy, driven by **like-for-like** and **full price volumes**
- Continued above-market performance of **Prada** with Retail Sales growth of **+6%** yoy
- **Miu Miu** remained on a strong trajectory, with Retail Sales up **93%** yoy
- **Double-digit growth** in **Asia Pacific, Europe, Japan** and **Middle East**; further **slight sequential improvement in the Americas**
- **EBIT Margin** of **22.6%**, or **€575 mln**, notwithstanding higher investments
- Healthy balance sheet with **Net Cash Position** of **€265 mln**

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

“The solid results recorded in the first half of the year reflect the strength of our brands and the disciplined execution of the Group’s strategy. We are satisfied with the above-market performance and high-quality, like-for-like growth trajectory that we have achieved in an increasingly uncertain market environment. The flexibility of our organisation gives us confidence in the Group’s ability to navigate the months ahead, as we continue to invest across our business.”

Andrea Guerra, Group Chief Executive Officer, added:

“The Group has successfully delivered 14 consecutive quarters of high-quality, like-for-like growth, with a positive Q2 building on a solid start to the year. Prada remained on a sound trajectory and Miu Miu confirmed its strong performance, with both brands capitalising on their unique identity, creativity, and positioning. In the current macroeconomic and geopolitical context, industry dynamics have become more challenging; this requires us to be agile and sharp on our product range, communication and overall positioning, to continue to drive client engagement and to progress in our journey towards retail excellence. While being vigilant, we remain committed to our strategy and to our ambition to deliver solid, sustainable and above-market growth.”

Key figures

	H1-23 € mln	H1-24 € mln	change at reported fx	change at constant fx
Net Revenues	2,232	2,549	+14%	+17%
Retail Sales	1,975	2,263	+15%	+18%
Wholesale Sales	210	225	+7%	+8%
Royalties	47	61	+28%	+28%
Gross Margin	1,793	2,034		
<i>Margin</i>	80.3%	79.8%		
EBIT	491	575		
<i>Margin</i>	22.0%	22.6%		
Group Net Income	305	383		
<i>Margin</i>	13.7%	15.0%		
Cash Flow from Operations¹	509	652		
Capital Expenditure	151	169		
Net Operating Working Capital	723	780		
Net Financial Position	283	265		

Ongoing excitement around Prada and Miu Miu

Prada's momentum continued as the brand capitalised on its creative strength, high-impact initiatives, and engagement with audiences. The positive performance was supported by a well-balanced category mix: newness and icons continued to sustain Leather Goods, while creative dynamism drove Ready-To-Wear and Footwear traction. Successful menswear and womenswear shows confirmed the appeal of the brand's aesthetic codes. Collaborations with celebrated talents boosted the unveiling of a bold reinterpretation of the iconic Galleria bag and the presentation of the Re-Nylon collection campaign.

Miu Miu kept shining as excitement continued to rise among its community, fuelled by acclaimed fashion shows and engaging activations. The brand's very positive commercial response extended across all categories, with impactful communication initiatives, including the new Leathersgoods campaign, fostering the brand's desirability. Special projects like Miu Miu Upcycled and successful collaborations kept the brand in the spotlight. Moreover, the Miu Miu's distinctive voice continued to nurture contemporary cultural debates and inspire its community worldwide with the launch of Miu Miu's first Literary Club "Writing Life" and the introduction of the itinerant Miu Miu Summer Reads.

¹ Cash flow from operating activities, less repayment of lease liabilities

Solid Retail Sales throughout the period (*growth percentage at constant currency*)

The Retail channel recorded growth of **+18%** yoy, with solid performance in Q2 at **+18%**, continuing to be driven by **like-for-like, full price volumes**.

Retail Sales at Prada increased in H1 by **+6%** yoy, with Q2 at **+5%**; Miu Miu recorded a strong H1 at **+93%** yoy, with Q2 at **+95%**.

Retail Sales by geography

	H1-23 € mln	H1-24 € mln	change at reported fx	change at constant fx
Asia Pacific	716	774	+8%	+12%
Europe	582	682	+17%	+18%
Americas	361	387	+7%	+7%
Japan	224	309	+38%	+55%
Middle East	92	110	+20%	+20%
Retail Sales	1,975	2,263	+15%	+18%

Asia Pacific progressed well in the period, **+12%**, albeit moderating in Q2 on the backdrop of a tougher comparison base and increasing spending outside the area.

Europe continued to grow at double-digit rate in the semester, **+18%**, supported by both domestic and touristic spending.

The **Americas** delivered a positive performance in H1, **+7%**, with Q2 registering a further slight sequential improvement.

Japan reconfirmed as the best performing region in the semester, **+55%**, supported by healthy local demand and strong tourism flow.

Middle East registered a solid performance in H1, **+20%**, despite persisting geopolitical tensions in the region.

Continuing our ESG journey

The Group continued to build on its climate strategy, focusing on reducing the impact of its operations in terms of Scope 3 GHG emissions through an ambitious plan of transition to lower-impact raw materials, with particular attention to leather, cotton, viscose, polyester and nylon, as well as paper and plastic for packaging. Chemical stewardship, raw material traceability and water data collection were also key areas of focus.

Over the period, the Group further strengthened the governance overseeing the supply chain and trained procurement teams and strategic suppliers to reinforce the alignment to the Group's key sustainability objectives.

On the People side, the Group set the pillars of its 3-year DE&I roadmap, with initiatives encompassing gender equality in top management, training, parenting policies and the development of sustainability-linked leadership behaviours. Moreover, the remuneration of a higher proportion of key executives has been linked to sustainability.

Finally, the Group's commitment to culture and ocean conservation continued with the launch of the third SEA BEYOND educational module involving almost 35,000 students in 56 countries and a very successful international conference dedicated to ocean education, held in Venice in partnership with UNESCO.

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 finds 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 593 stores (at June 30, 2024) as well as e-commerce channels, selected e-tailers and department stores around the world. The Group, which also operates in the eyewear and beauty sector through licensing agreements, has 26 owned factories and 14,913 employees.

APPENDIX

1. Condensed P&L

€m	H1-22		H1-23		H1-24	
Net revenues	1,901	100%	2,232	100%	2,549	100%
COGS	-423	-22.3%	-439	-19.7%	-515	-20.2%
Gross profit	1,477	77.7%	1,793	80.3%	2,034	79.8%
Selling	-796	-41.8%	-895	-40.1%	-978	-38.4%
Advertising & Promotion	-155	-8.2%	-187	-8.4%	-219	-8.6%
Design and Product Development	-69	-3.6%	-72	-3.2%	-82	-3.2%
G&A	-127	-6.7%	-148	-6.6%	-179	-7.0%
Operating expenses	-1,147	-60.3%	-1,302	-58.3%	-1,459	-57.2%
EBIT Adj.	331	17.4%	491	22.0%	575	22.6%
Non-recurring items	-26	-1.4%	0	0.0%	0	0.0%
EBIT	305	16.0%	491	22.0%	575	22.6%
Total Financial expenses	-27	-1.4%	-46	-2.1%	-38	-1.5%
EBT	277	14.6%	445	19.9%	537	21.1%
Income Taxes	-88	-4.6%	-138	-6.2%	-151	-5.9%
Minority Income	1	0.1%	1	0.1%	2	0.1%
Group net income / (Loss)	188	9.9%	305	13.7%	383	15.0%

2. Condensed Balance Sheet

€ mln	31 Dec 2023	30 June 2024
Right of use	2,025	2,072
Non current assets (excl deferred tax assets)	3,007	3,057
Net operating working capital	735	780
Other current assets / (liabilities), net	-146	-262
Other non current assets / (liabilities), net	171	179
Net invested capital	5,791	5,825
Consolidated shareholders' equity	3,877	3,937
Net financial position (surplus) / deficit	-197	-265
Long term lease liability	1,700	1,738
Short term lease liability	411	416
Total	5,791	5,825