

PRADA Group



Capital Markets Day

Milan, November 18TH 2021

Agenda

Patrizio Bertelli

Prada Group's Vision for Long-term Growth

Patrizio Bertelli

Control of Distribution and Customer Experience

Alessandra Marsicola

Prada Brand

Benedetta Petruzzo

Miu Miu Brand

Lorenzo Bertelli

Communication, Customer, and Digital Innovation

Massimo Vian

Industrial Operations Excellence

Lorenzo Bertelli

ESG Commitment

Alessandra Cozzani

Financial Performance Update

Paolo Zannoni

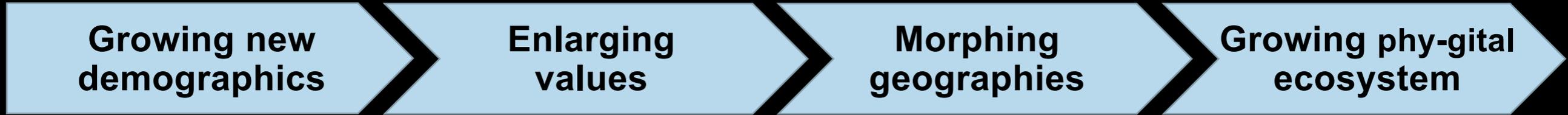
Concluding Remarks

A photograph of the Prada Group building at night. The building is a grand, ornate structure with multiple stories, featuring arched windows and doorways. The ground floor is filled with Prada stores, each with a dark awning and the word "PRADA" in gold letters. The interior of the stores is brightly lit, showing clothing and accessories. The building's facade is illuminated by warm lights, and the wet pavement in the foreground reflects the lights and the building's architecture. The sky is dark, and the overall atmosphere is one of luxury and elegance.

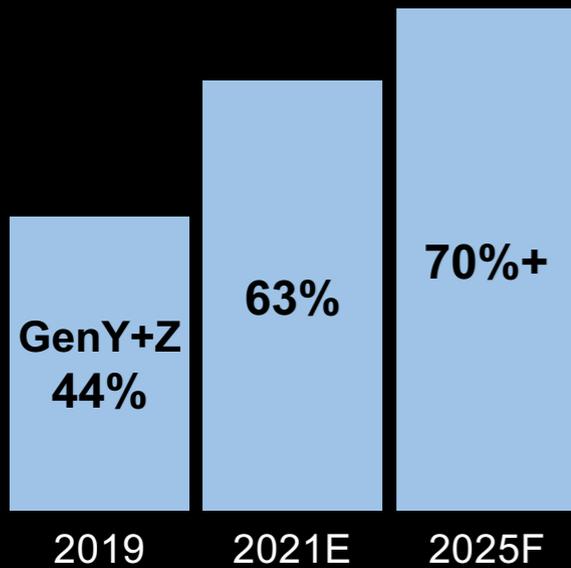
Patrizio Bertelli
Chief Executive Officer

Prada Group's Vision for Long-term Growth

COVID-19 Accelerated Luxury Market Evolution



Gen Y+Z as % of market



Strong demographic shift and renewed customer base

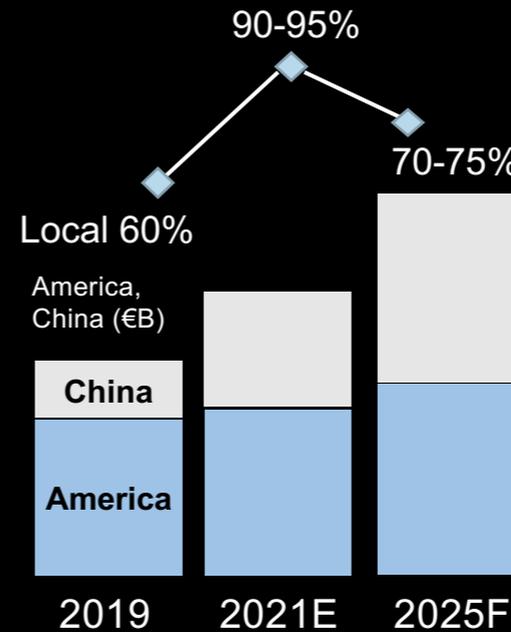
Ethics & Aesthetic Excellence
(Cultural and Creative)

Responsibility

Human Touch

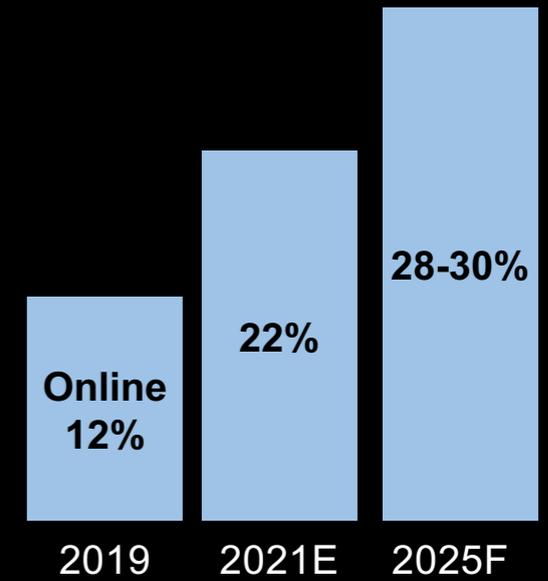
Wider meaning of luxury beyond traditional and aspirational markers

Local spending as % of market



China and Americas lungs of the market in 2021 and beyond
Luxury gone local, with big opportunities to accelerate

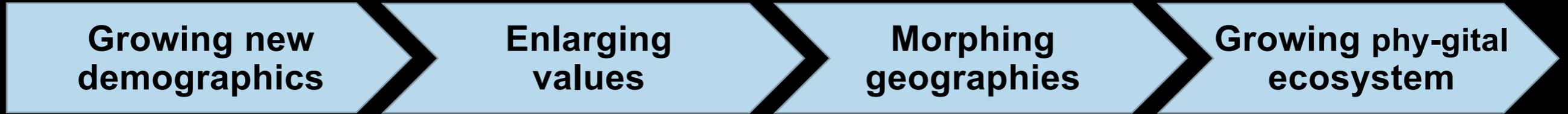
Online as % of market



Distribution ecosystem merging digital and physical dimensions

Management elaborations on Bain-Alttagamma Luxury Monitor, 20th Edition

New Success Factors Are Emerging



Reinforce cultural relevance for diverse customer communities

Elevate sustainability to the whole value chain and in dialogue with customers

Consolidate agility and speed demonstrated through COVID-19

Upgrade customer engagement in a relational and continuative way

Reinforce creative excellence

Keep treating all customers as locals everywhere when international tourism will restart

Prada Group: Decisive Action to Navigate Change

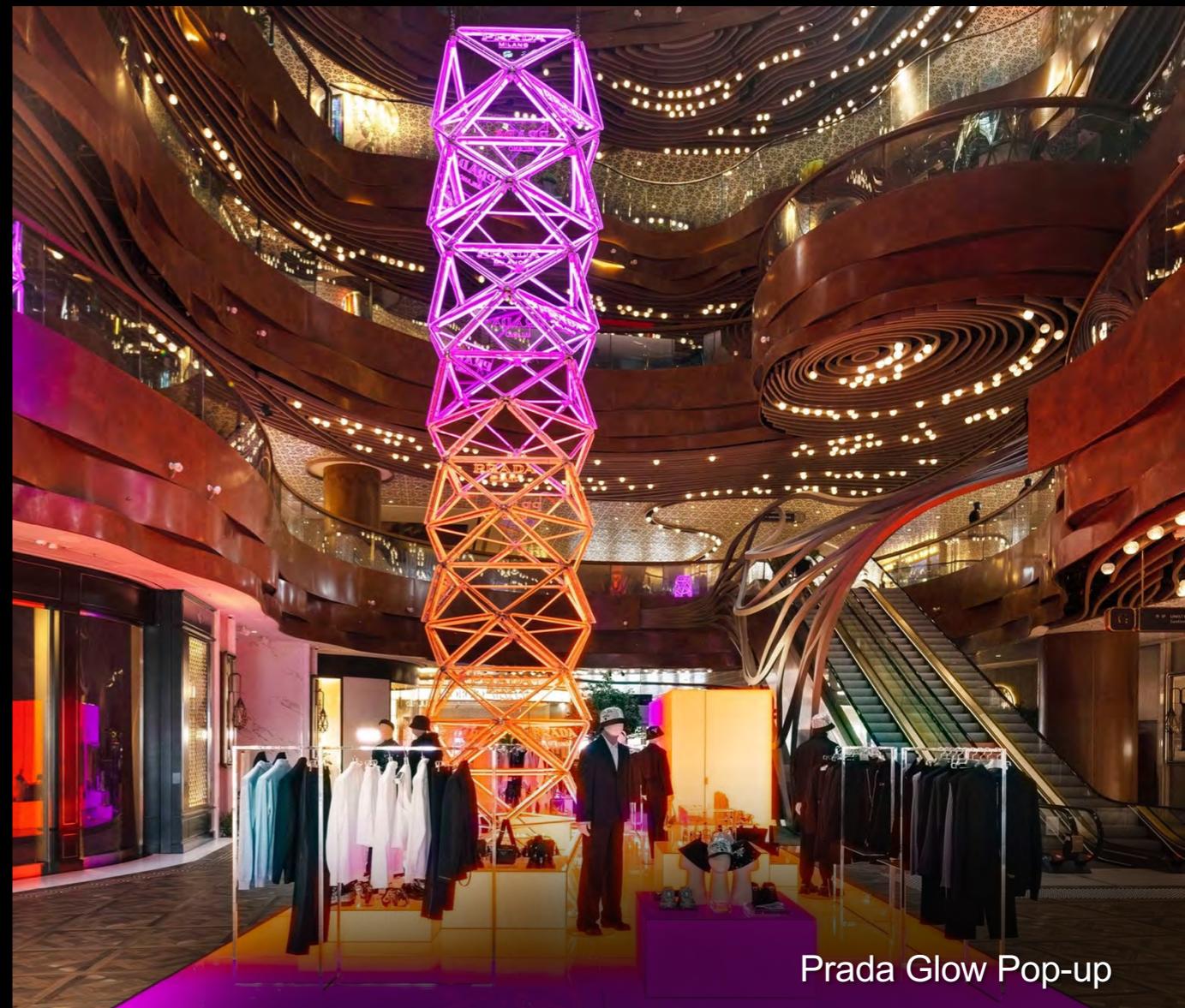
- Increased product content, quality and uniqueness
- Adapted pricing accordingly
- Eliminated markdowns
- Strengthened control of direct distribution
- Developed a fully integrated e-commerce platform
- Invested in supply chain, streamlined manufacturing processes
- Invested in communication and distinctive initiatives for the Group and its brands
- Increased focus on sustainability
- Invested in human resources and new talent



Prada Qixi Festival - Adv Campaign

Decisive Steps Have Delivered Tangible Results

- 2021 retail revenue well above 2019 levels
- Share of full price sales represents almost totality of retail revenue
- Gross margin steadily above 76% since Q3 21
- Online penetration at 7% of retail revenue
- Retail network productivity above 2019 level
- EBIT margin above 2019 level
- Strong cash flow generation



Prada Group Purpose



Drivers of Growth Identified

**Prada Group's
Distinctive
Vision**



**Style, Quality,
and Product
Uniqueness**



**Focus on Direct
Distribution**



**Industrial
Know-How and
Vertical Integration**



**Increased
Commitment to
Sustainability**



Investment in People and Technological Infrastructure

Prada Group's Distinctive Vision

“The Prada Group has a thoughtful and pioneering vision of fashion.

At a time of significant cultural and societal change, luxury needs to continue evolving coherently with the market.

Our dialogues and fluid perspectives continually reinterpret luxury.

By being relevant, sustainable and impactful, we will drive long-term growth.”



Miu Miu S/S 2022 Fashion show

Style, Quality and Product Uniqueness

- Continue to increase the value of our product
- Balanced growth across product categories
- Maintain a broad price architecture, continuing to increase average price



Focus on Direct Distribution

- Prioritise Direct Channels for high quality customer experience and engagement
- Increase productivity of retail network
- Grow space selectively in markets with higher potential and lower penetration
- Double online penetration and deliver superior omni-channel journeys



Industrial Know-How and Vertical Integration

- Consolidation and further investments in vertical integration
- Complexity reduction to accelerate growth
- Improved process control and product excellence
- Further TTM reduction and improved service level to stores and pop-ups
- State of the art and sustainable sites



Increased Commitment to Sustainability

- Vision for sustainable growth embracing planet, people and culture
- Bold Climate Strategy
- High profile ESG experts to join Company's Board



Prada Valvigna Garden Factory, Tuscany

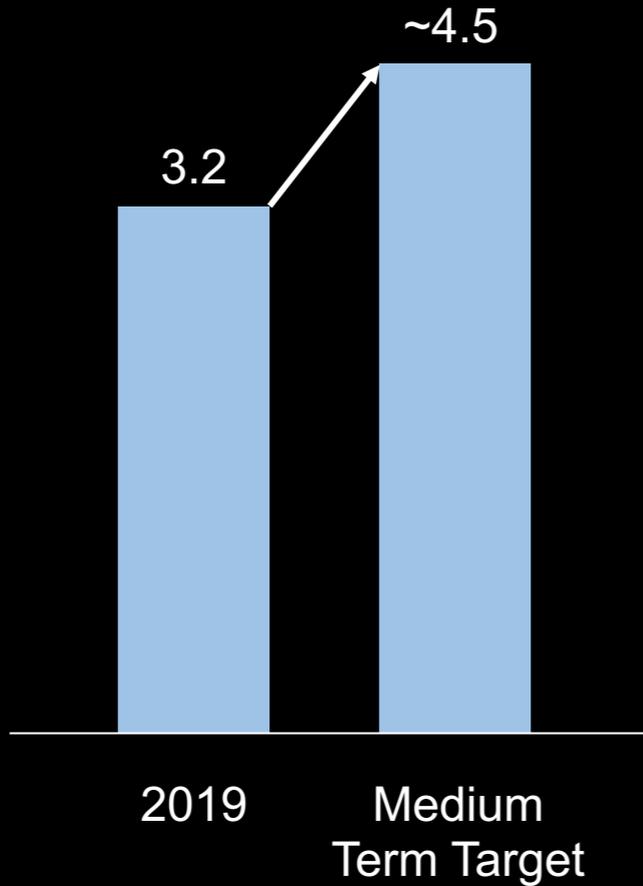
Investment in People and Technological Infrastructure

- People and technological infrastructure as key enabler
- Focus on diversity and fresh perspectives
- Hire and nurture new talents
- New, best-in-class technology and architecture allowing advanced CRM capabilities and clienteling strategies

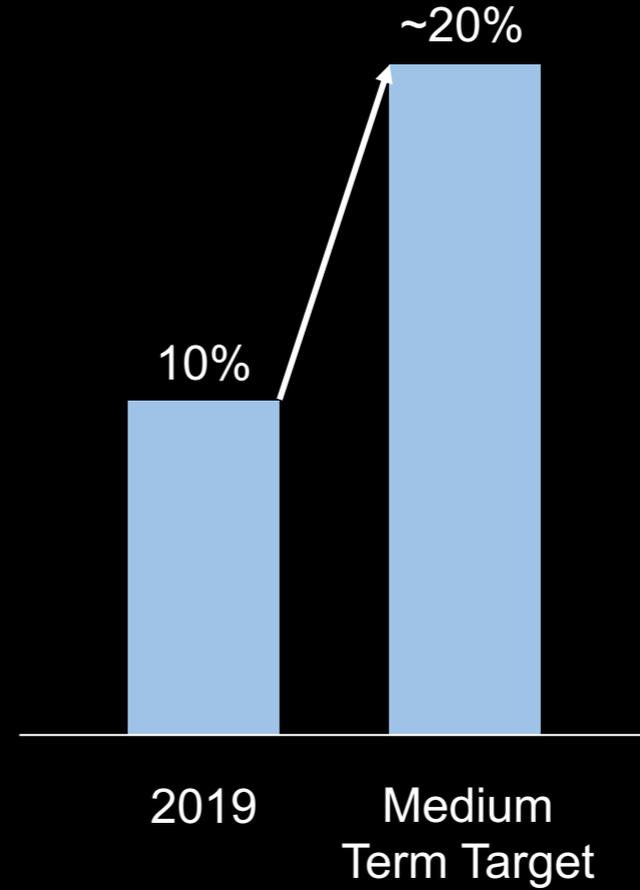


Medium Term Targets

Revenue Target
(€bn)



EBIT Margin Target
(% Revenue)



Patrizio Bertelli
Chief Executive Officer

Control of Distribution and Customer Experience



Direct Channels Focus Delivering Results

Physical Retail

Retail network optimisation, ~90 renovation / relocation projects YTD

Customer experience enhancement, 50 pop-up stores as of Sep 21

Sales density in 9M 2021 above 9M 2019 level, despite lockdowns during first part of the year

Online

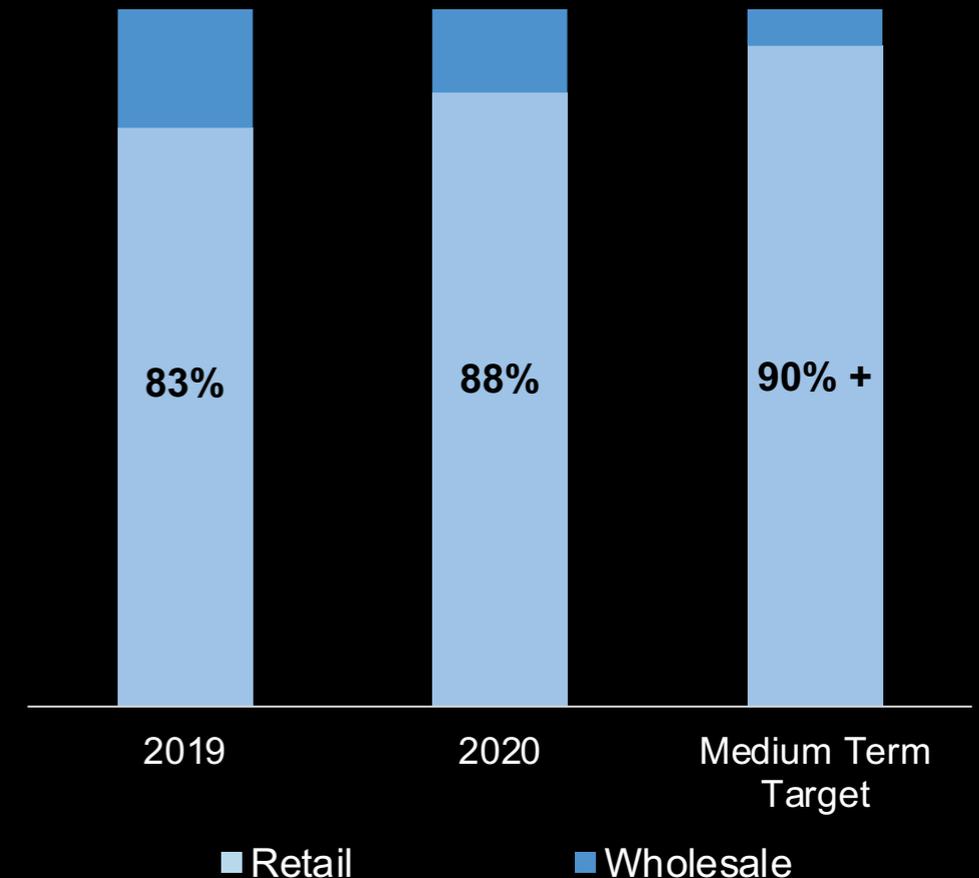
Online penetration at 7% of retail revenue in 2021 YTD vs. 2% in 2019

Seamless channel integration and omni-channel customer journey

Wholesale

Wholesale optimisation

Channel Mix Evolution



Looking Ahead

Physical Retail

Focus on retail productivity, targeting 30-40% increase in sales density

Selective future openings in targeted geographies and continued optimisations

Roll out of pop-ups and special in-store installations in high-visibility locations

Online

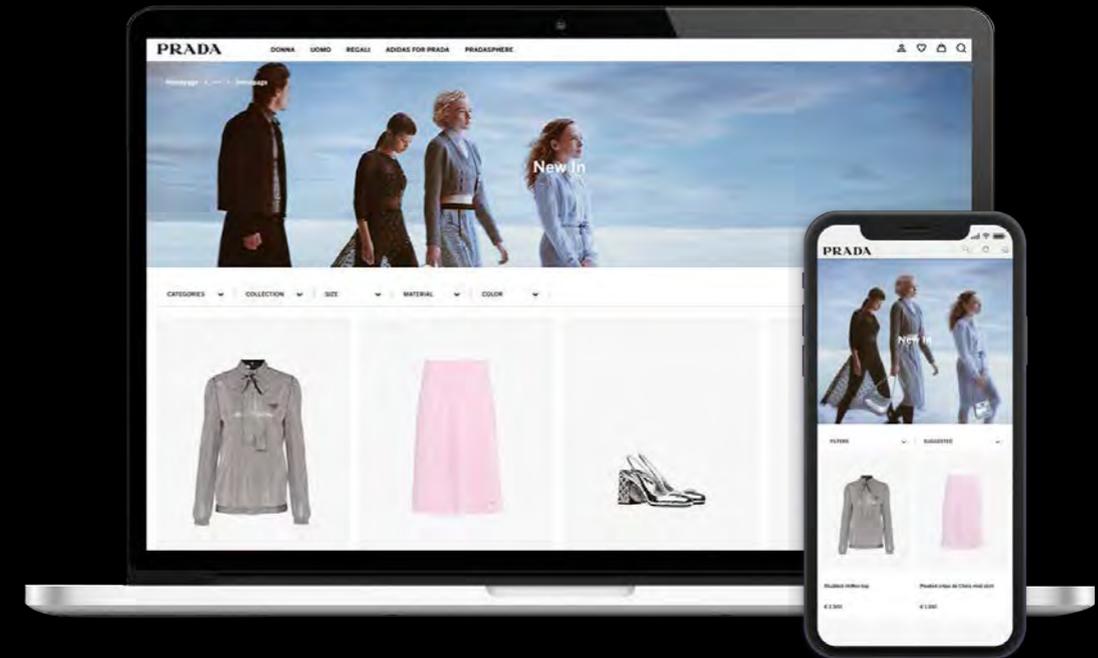
Doubling e-commerce presence, with 15% retail sales penetration as medium-term target

Full transition from store-centric to warehouse-centric fulfilment model

Enhance data / AI capabilities for personalised customer strategies and optimisation of operations

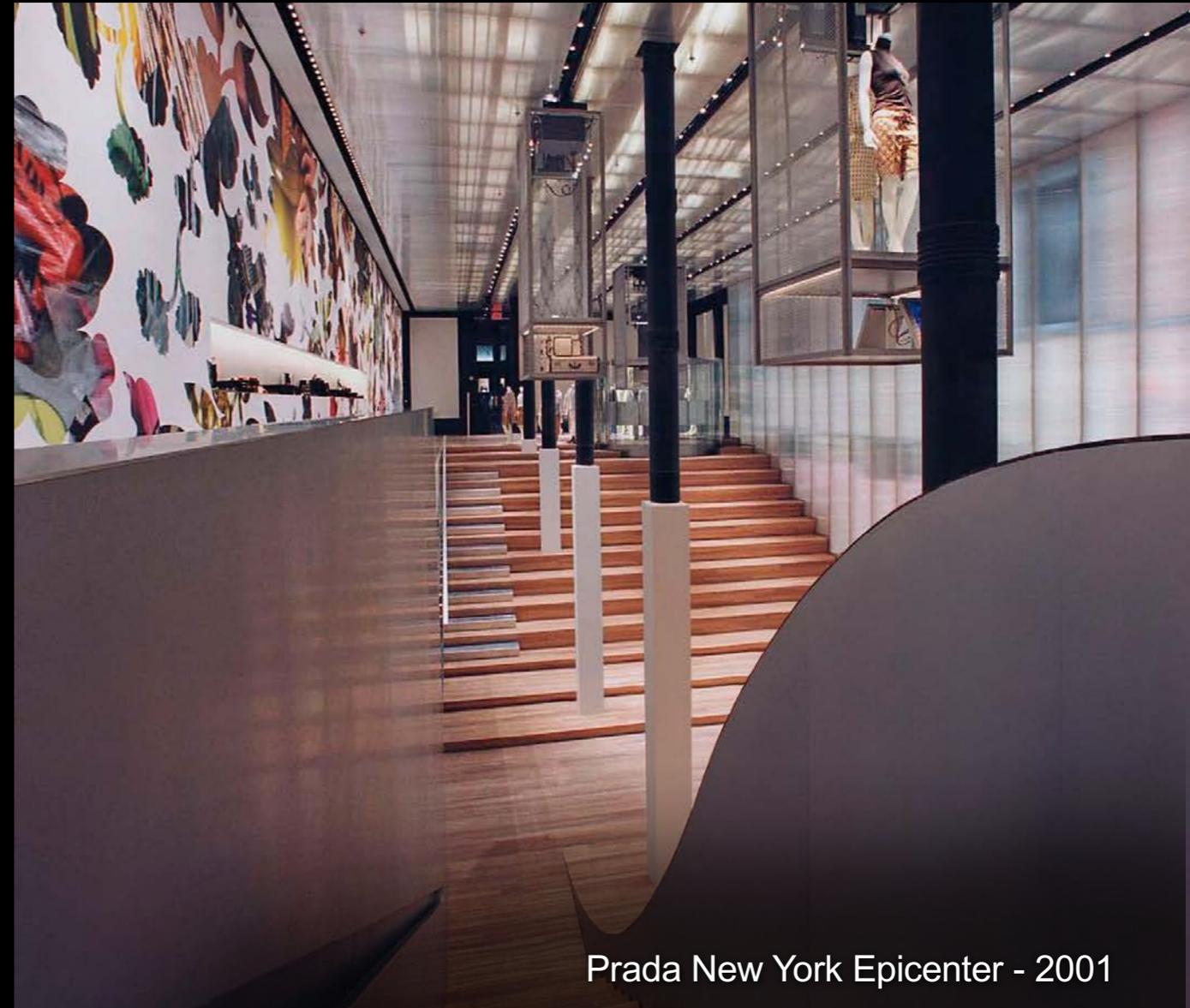
Wholesale

Highly controlled distribution



Physical Stores as Brand Hub

- Unique store concept delivering brand vision
- Store as brand enhancer, communication tool and “home” of the brand
- Epicenter stores narrating the brand through architecture



Prada New York Epicenter - 2001

Physical Stores as Brand Hub

- Distinctive flagship store experience
- Located in the most relevant locations globally
- “Human touch” at the core of physical retail experience



Global Network of Iconic Stores

P R A D A



Prada Los Angeles Epicenter - 2005

Global Network of Iconic Stores



Miu Miu Tokyo Aoyama - 2015

30-40% Sales Density Growth Within Reach

Traffic

Pop-up and special installations

Store a key touchpoint in the omni-channel journey

Focus on clienteling: personalisations, 1 to 1 relationship across touch points

Reinforce traffic-building categories and selected collaborations, take licenses to full potential

Conversion

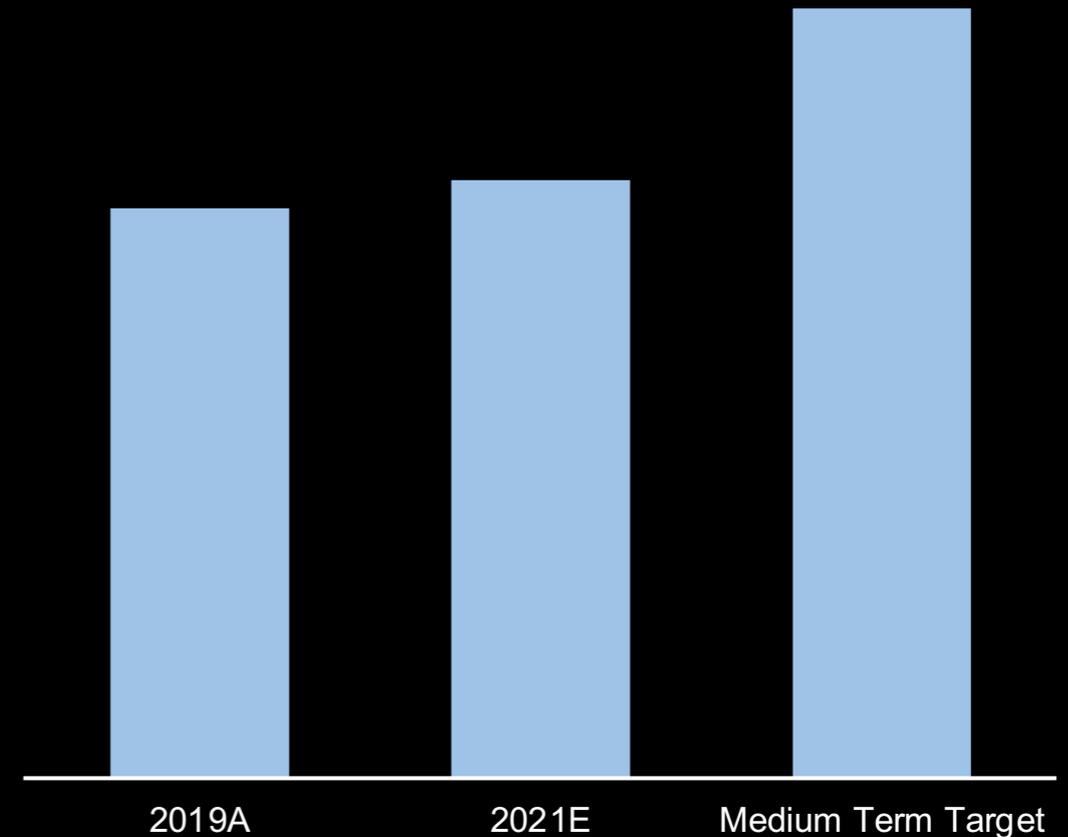
Increase content, quality and uniqueness across all categories

Sales Assistant role evolving into “Client Advisor”

Evolve the client experience, centering it on the store team role

Further client advisor empowerment through technology to maximise client relationships

Group Sales Density



Expansion and Optimisation of Retail Network

United States

- Wealth distribution and demographics have changed significantly in recent years
- Central and West regions driving growth
 - Rise of secondary cities as luxury centres, e.g. Seattle, San Jose, Austin, Atlanta

Asia

- Expected to remain a key growth engine
- Unlock potential opportunities in the region

Europe

- Network optimisation



Prada Miyashita Park, Tokyo



Alessandra Marsicola

Prada Retail Director

Prada Brand

Creative Dialogue: Miuccia Prada and Raf Simons



Prada's Influence: From Product, Through Retail Concepts to Ideology. Thinking Fashion, that Inspires Thought

**Brand
DNA**

Intelligence
and curiosity

Reinvented
luxury

Superlative
and aspirational

**Product
DNA**

Saffiano
Leather

Black
Nylon

Linea Rossa
America's Cup
Sneaker

**Customer
DNA**

Sophisticated
and trendsetter

Culturally and
socially engaged

Even interested
in sports

Prada-ness

Prada-ness

Radicalism

Challenging convention, pushing boundaries, changing outlooks.



Prada F/W 1997 – Adv Campaign

Prada-ness

Authenticity

Prada is honest and real, with a view universally valued and connected with the present.



Prada-ness

Duality

Prada is never one thing. Designs always represent a dialogue, creating paradoxes that are bold and fresh.



Prada F/W 2021 – Fashion show

Prada Brand Journey



1913

Opening of the first Prada Store in the prestigious Galleria Vittorio Emanuele II in Milan by Mario Prada.



1970s

Miuccia Prada's creativity meets Patrizio Bertelli's entrepreneurial spirit: a new business model for the international development of the brand.



1990s

Launch of Prada Menswear and establishment of Fondazione Prada.



1997

Prada Challenge of the 2000 America's Cup team and Launch of the Linea Rossa collection.

Licencing agreements in eyewear and fragrances.



2000s

The "Epicenters" Era: stores specially designed by world renowned architects in major international cities, beginning with the New York store in Soho in 2001.



2019

Launch of the Prada Re-Nylon Collection, the first company product line made of regenerated materials.



Today

New evolution under the co-creative direction of Miuccia Prada and Raf Simons.

Prada Today

Key Highlights

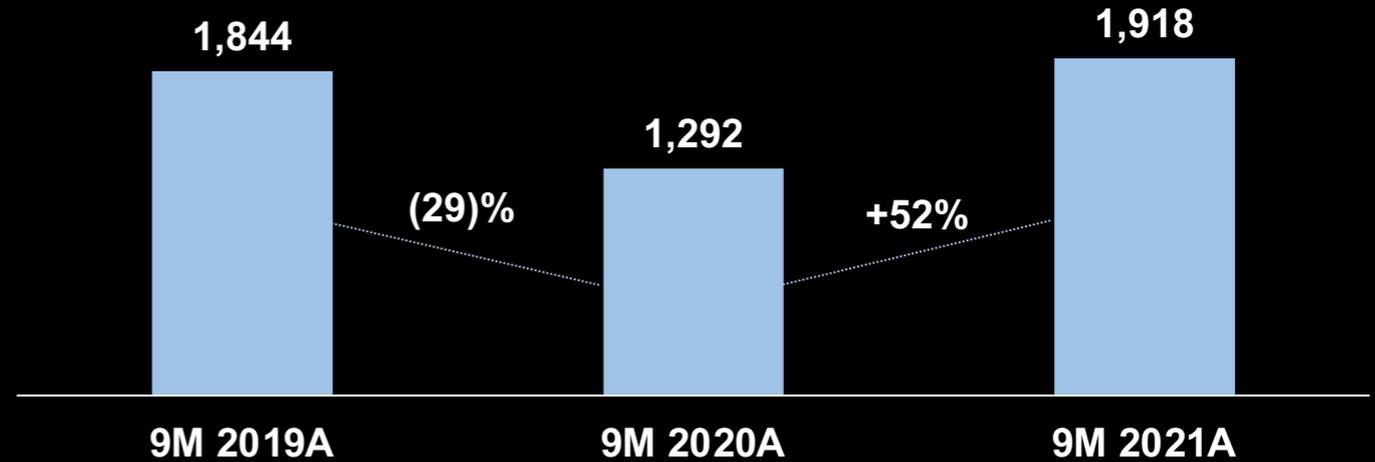
9M 2021 net sales exceeded 9M 2019

Product mix in line with target. Growth across product categories all above 2019 levels

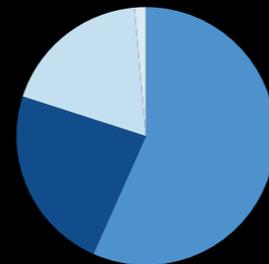
Sustained growth in the Americas, Asia, and Middle East. Improving trends in Europe driven by strong local demand

Strengthened direct channel

Net Sales Evolution (in €m)

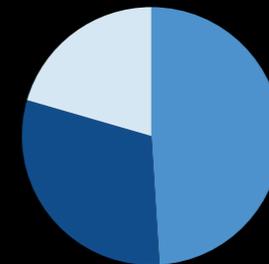


By Product



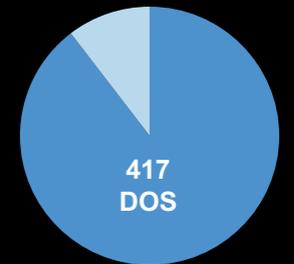
■ Leather ■ RTW ■ Shoes ■ Other

By Geography



■ Asia ■ EMEA ■ Americas

By Channel



■ Retail ■ Wholesale

Note: Net sales mix refers to 9M 2021 total net sales. Stores as of September 2021. % change at constant FX

Strategic Levers for Growth

Brand

Maintain fashion and cultural leadership

Consolidate strong awareness leveraging brand pillars

Marketing investment into digital and experience to sustain and convert customer focus

Lead conversations and purpose-driven communication

Leverage Prada-ness to develop Prada Community

Product

Grow across categories maintaining a balanced product mix

Leverage offer architecture, strengthening top items

Invest in iconic products and newness

Launch new categories (beauty, fine jewelry, home)

Take Linea Rossa to full potential

Customer

Over-accelerate on customers pool driving market growth (Gen Z, China, US), while consolidating the core

Continue focus on retail across the “omni-channel” journey

Take clienteling to full potential, continue innovating engagement model

Increase 'human touch' impact, deliver inspiration and discovery experience

Pioneering Fashion Show Formats

“The event format [...] highlighted Prada’s understanding of the importance of luxury brands breaking new boundaries to engage with a worldwide community”

WWD

“[...] it was like watching a living conversation unfold: between past and present, one designer & another and - this time - one country and another. That’s one way to couple up”

The New York Times



Prada S/S 2022 – Fashion show

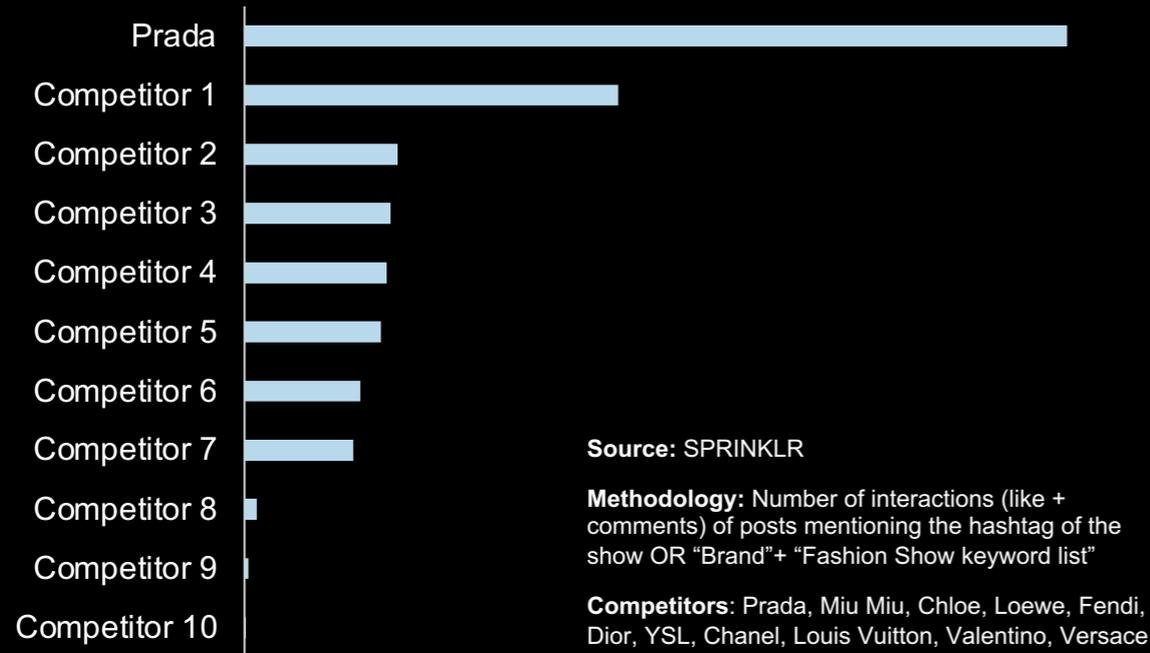
Enhanced Brand Resonance

Prada SS 22 Women's Fashion Show – Synchronous Views

The first ever simultaneous fashion show to be shown in two cities at once

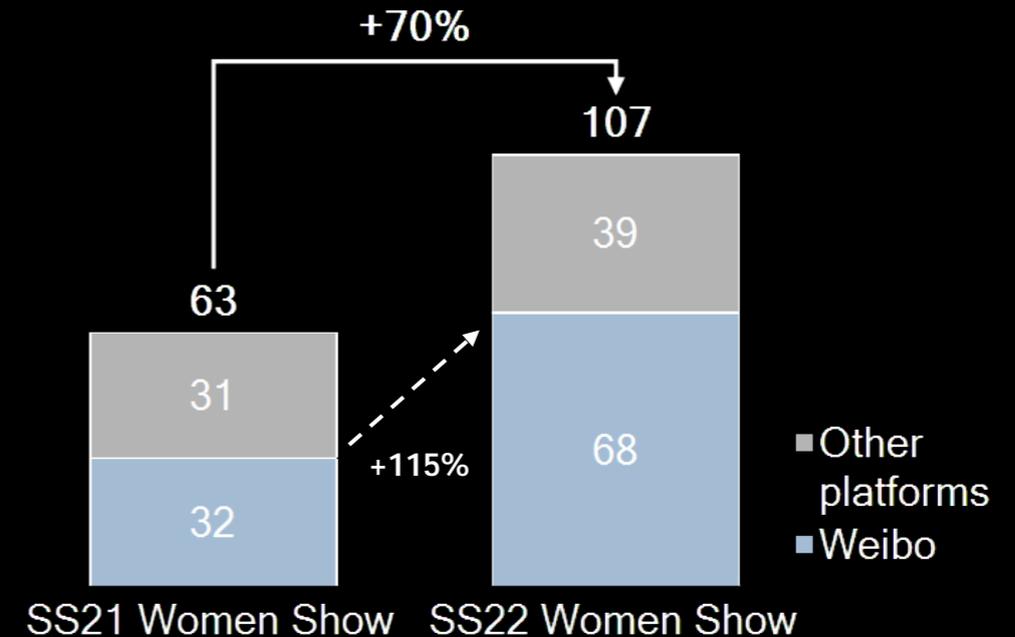
#1 IN EARNED ENGAGEMENT

Earned Engagements across Paris and Milan Fashion Weeks



HIGH GROWTH IN VIDEO VIEWS

Video views (SS21-SS22 | #M)



Growing Brand Awareness

	Website Traffic ¹ 2021 YTD vs. 2020 YTD	+71%
	Search effectiveness ² 2021 YTD vs. 2020 YTD	+51%
	Fans Growth on Weibo @10/2021 vs. @10/2020	+35%
	TikTok Prada Bucket Hat Challenge Most successful challenge in the luxury sector a week after launch	7.1bn views since October 2021

¹ Source Adobe Analytics

² Source Adobe Analytics - Growth of search traffic to website, including natural and paid search (not limited to Google)

Brand Heat Leadership

Interbrand

Prada Brand Value according to Best Global Brands Ranking 2021 - Best performing brand in luxury



+20%



#1 searched women's product

Hottest brands according to Q3 2021 Lyst Index¹



TOP 5

¹ Ranking of top mentioned brands during SS22 Show: YSL, Dior, Chanel, Prada, LV, Versace, Celine, Fendi, Miu Miu, Valentino, Loewe, Chloe.

Cross-Generational Brand Credibility

POLYHEDRIC PRODUCT

Heritage - Classic



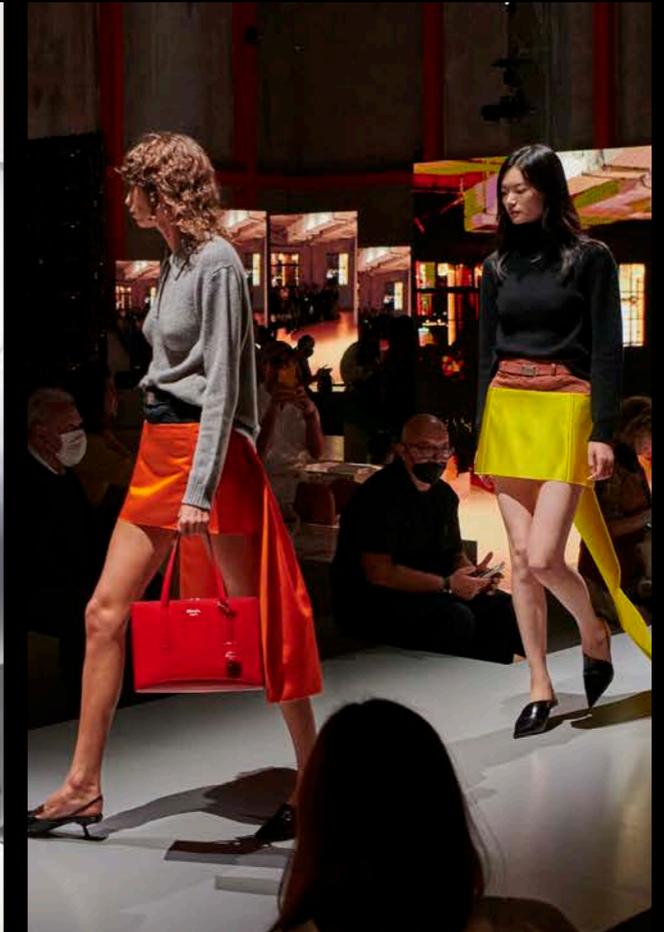
Modernity



Sportswear



Fashion Vanguard



Combining Past, Present and Future



Prada F/W 1988 - Adv Campaign



Prada Holiday 2020 - Adv Campaign

Prada Linea Rossa

Blending luxury and high-performance sportswear



Fragrances and Beauty

- Partnership with L'Oréal launched in 2021
- Luna Rossa Ocean launched in Sep 2021
- Objective to double global market share by 2023 on fragrances
- Medium term ambition to build a global beauty house by adding make-up and skincare



Eyewear

- Partnership with EssilorLuxottica since 2003
- Ambition to strengthen Prada Group's position as leading group in luxury eyewear through innovation and sustainability
- Focus on product development in sun and optical segments, ensuring a close alignment with other core fashion categories



Prada F/W 2021 - Adv Campaign

Benedetta Petruzzo

Miu Miu General Manager

Miu Miu Brand



Miu Miu: Miuccia Prada's Unique and Instinctive Vision

“Miu Miu is the place where I am completely myself. When I realize that, when I want to do even more, to really concentrate, to inject more passion, more of what I like.”

Miuccia Prada – Another Magazine, October 2021

Miu Miu is **immediate**

Miu Miu reflects a **unique and instinctive vision**

A unique story, an **emancipation journey**



Miu Miu F/W 2011 – Adv Campaign by Bruce Weber

Miu Miu: The Heartfelt Point of View of Miuccia Prada

Brand DNA	Universe of exploration	Unconventional with a point of view	Empowering women
Product DNA	Immediate	Breaking the rules	Irreverently sophisticated
Customer DNA	Rebel and empowered	Brave and free	A community

Our Journey: Key Milestones



1993

Miu Miu is founded as an experimental, alternative expression of Miuccia Prada personal vision.

The first boutique opens in via della Spiga in Milan (1993), followed by Paris and New York Soho (1996).



2006

Miu Miu lands to the **Paris Fashion Week** and opens first store in China (2009).

Miu Miu launches its first Miu Miu **Women's Tales** (2011), the first Miu Miu **Club** in London (2012) and the first Miu Miu **Select** (2019).



Today

An outpost of **modern femininity**, Miu Miu is a **global total look brand**.

Upcycled by Miu Miu is unveiled (2020).

Miu Miu Today

Key Highlights

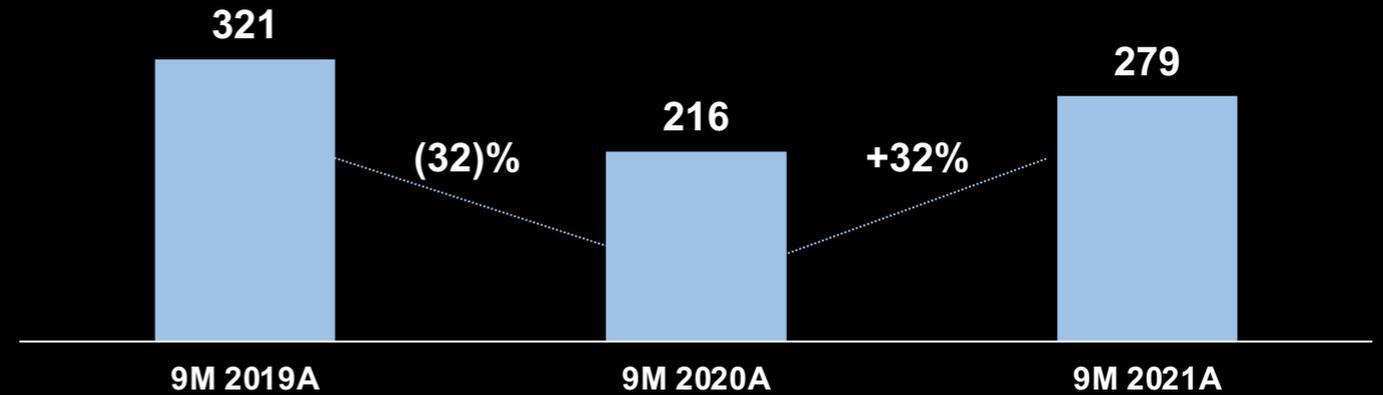
Strong performance in Asia and Middle East well above 2019 level

Outstanding performance in ready to wear, double digit vs. 2019, acceleration in accessories

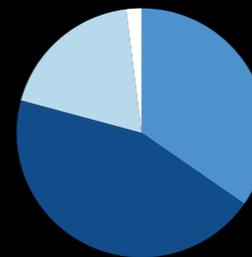
Strengthened channel mix, with full price retail sales improvement and triple digit online growth

Robust millennials and Gen Z customer base

Net Sales Evolution (in €m)

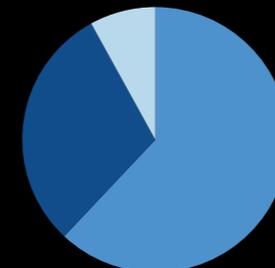


By Product



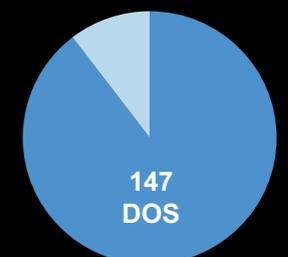
■ Leather goods ■ RTW
■ Shoes ■ Other

By Geography



■ Asia ■ EMEA ■ Americas

By Channel



■ Retail ■ Wholesale

Note: Net sales mix refers to 9M 2021 total net sales. Stores as of September 2021. % change at constant FX

Strategic Levers for Growth

Brand

*Miu Miu, the club
of empowered women*

Strengthen awareness across segments and nationalities

Drive understanding of **distinctive identity** and value proposition

Create buzz and sustain desirability

Lead the conversation in fashion on women identity and “club”

Product

*The wardrobe for the Miu Miu club
that ‘meets the now’*

Maintain **strong point of view**, true to brand DNA, consolidate strong performance on RTW

Accelerate **accessories**, rebalance sales mix (leveraging iconic products and codes)

Cover all **offer segments** (categories, occasions, price points,...), delivering seasonal **drops** and special projects

Customer

*A broader club,
nurturing new generations*

Expand reach through communication and footprint

Boost **organic retail and digital**

Scale clienteling to increase customer retention and value

Deliver a playful and experimental **customer journey, consistency** across all the touchpoints

Pioneering Fashion Show Formats

*“At Miu Miu, Miuccia Prada delivered one of the **strongest and most exciting fashion statements of the season**”*

Business of Fashion

*“Miu Miu, Mrs Prada stands with a new generation intent **subverting norms and inventing new ones on its own terms**”*

10 Magazine



Miu Miu S/S 2022 – Fashion show

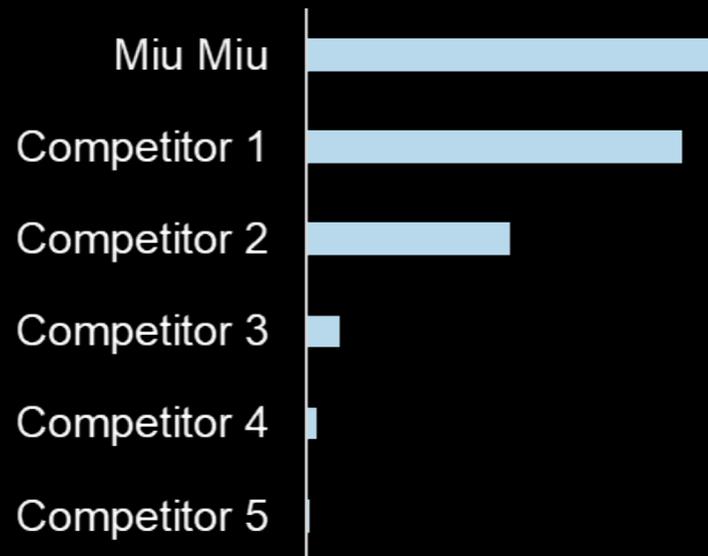
Enhanced Brand Resonance

Miu Miu SS 22 Show - An Unprecedented Digital Collaboration

The physical and virtual spaces of the Miu Miu show were punctuated with works by artist Meriem Bennani, exploring intimate relationships mediated through the camera

#1 IN EARNED ENGAGEMENT

Earned Engagements during Paris Fashion Week



Source: SPRINKLR

Methodology: Number of interactions (like + comments) of posts mentioning the hashtag of the show OR "Brand"+ "Fashion Show keyword list"

Competitors: Miu Miu, Dior, Balenciaga, Valentino, Loewe, Chloe

ENGAGEMENT GROWTH ACROSS CHANNELS

+726%

YouTube views vs SS21 Women's show

+73%

vs SS21 Women Show live streaming on miumiu.com

>200

influencers engaged worldwide to watch the virtual show

Growing Brand Awareness



Website Traffic ¹
(2021 YTD vs. 2020 YTD)

+28%



Search effectiveness ²
(2021 YTD vs. 2020 YTD)

+20%



Fans Growth on Weibo
(@10/2021 vs. @10/2020)

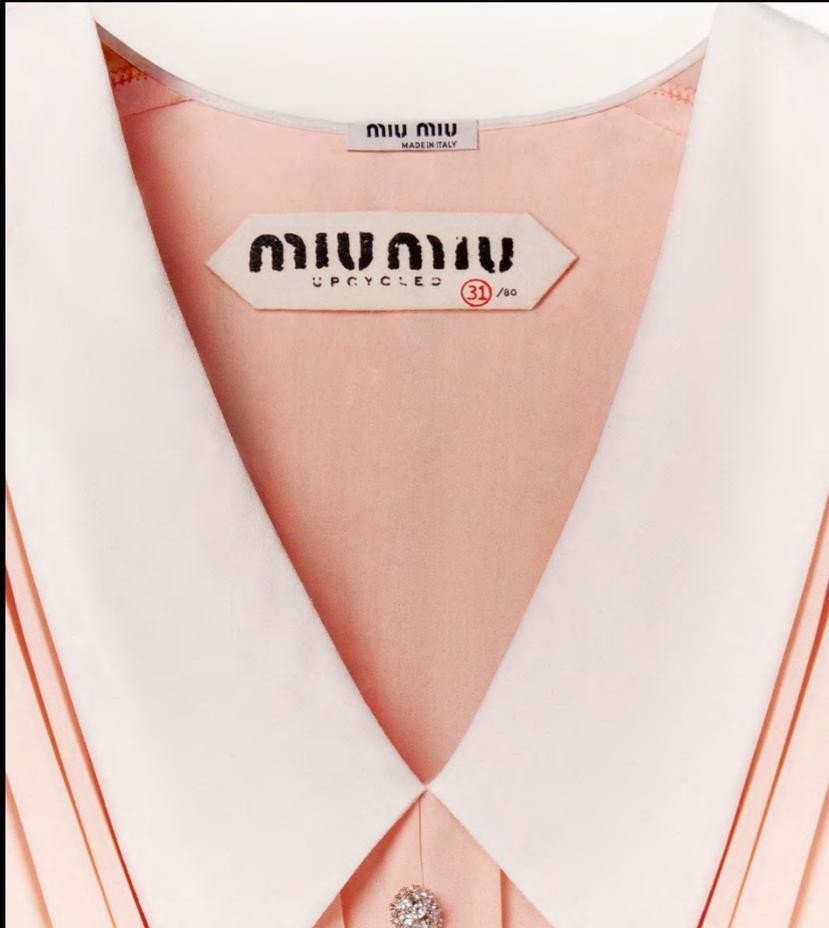
+21%

¹ Source Adobe Analytics

² Source Adobe Analytics - Growth of search traffic to website, including natural and paid search (not limited to Google)

Creating Buzz Through Special Projects

Upcycled by Miu Miu
Vintage Dresses



Upcycled by Miu Miu
Collaboration with Levi's



SS 2022 Fashion Show
Collaboration with New Balance



Coherently Articulated Offer Close to Brand DNA



Seamless Execution Across All Product Categories



Brand Identity Consistently Implemented



Covers



Editorials



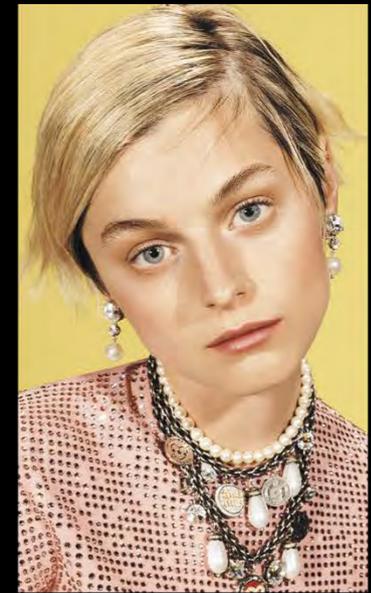
Pop-up



Outdoor



Game



Campaign



Socials



Miumiu.com



Fashion Show



Seeding



Windows



In-Store

The Future of Miu Miu

Turnaround on track, bearing fruits

Miu Miu is a **priority for the Group**:
planned €150m communication
investments in the next 3 years

Product strategy that “**meets the now**”:
seasonal drops and special projects,
coherence with brand DNA

Millennials and Gen Z: recruit and
nurture the customers of the future



Levi's x Miu Miu



Lorenzo Bertelli

*Group Marketing Director &
Head of Corporate Social Responsibility*

Communication, Customer, and Digital Innovation

Winning Customers in an Evolving Luxury Landscape

Increased Investment in Communication

Boosted by digital, to grow awareness, consideration and conversion

Focus on Customer Centricity and Human Touch

Across the entire customer lifecycle, enhanced capabilities and skills to make the frontline more effective in bringing to life Prada and Miu Miu identities

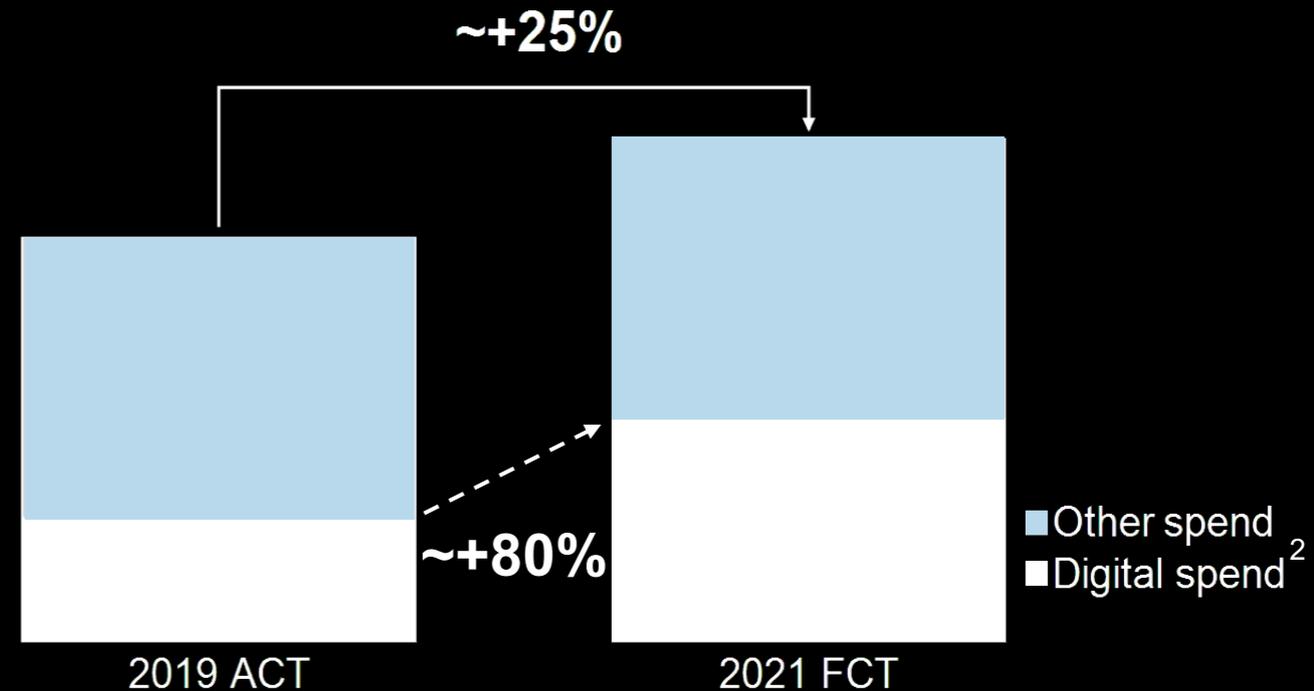
Accelerated Digital Transformation

Online channel scale-up and omni-channel customer approach, big data leverage and technology investment

Communication Boosted and Digital Media Investment Accelerated

- Relevant increase in communication investment
- More than proportional increase of digital-related spending
- Focus on purpose driven communication through partnerships (e.g. Fondazione Prada, Rong Zhai, Luna Rossa)
- Strong leverage of local and global celebrities and influencers
- Constant investment in emerging platforms

Total communication investment¹ (2019 Actual - 2021 Forecasted)



¹ Total communication investment includes: content production, media, events and PR

² Digital spend includes: digital campaigns, digital media and performance marketing

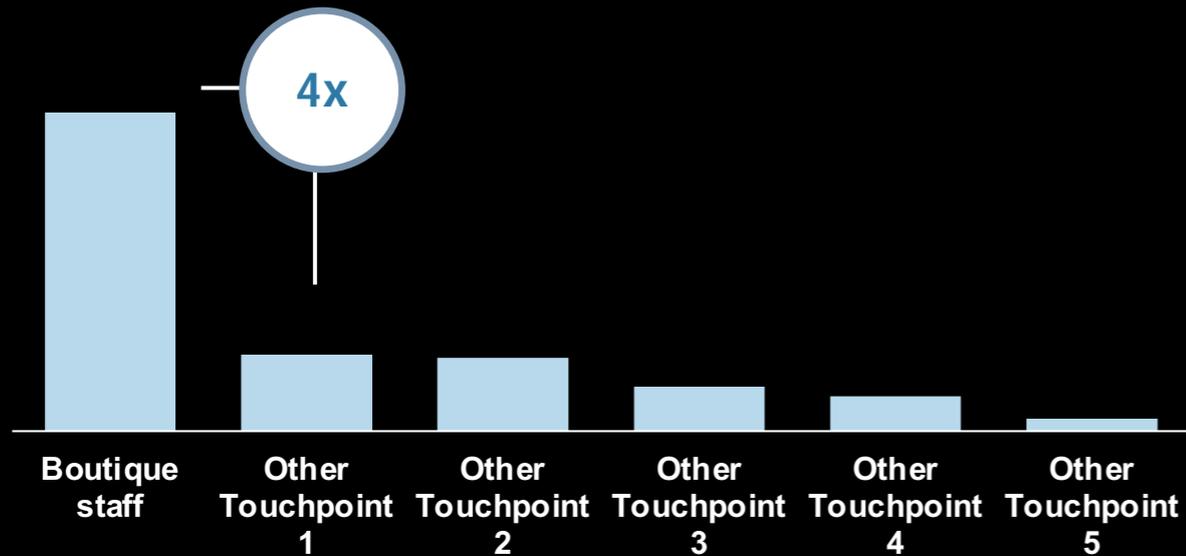
Customer Centric Organisation and Focus



Human Touch Focus Delivering Significant NPS Improvement

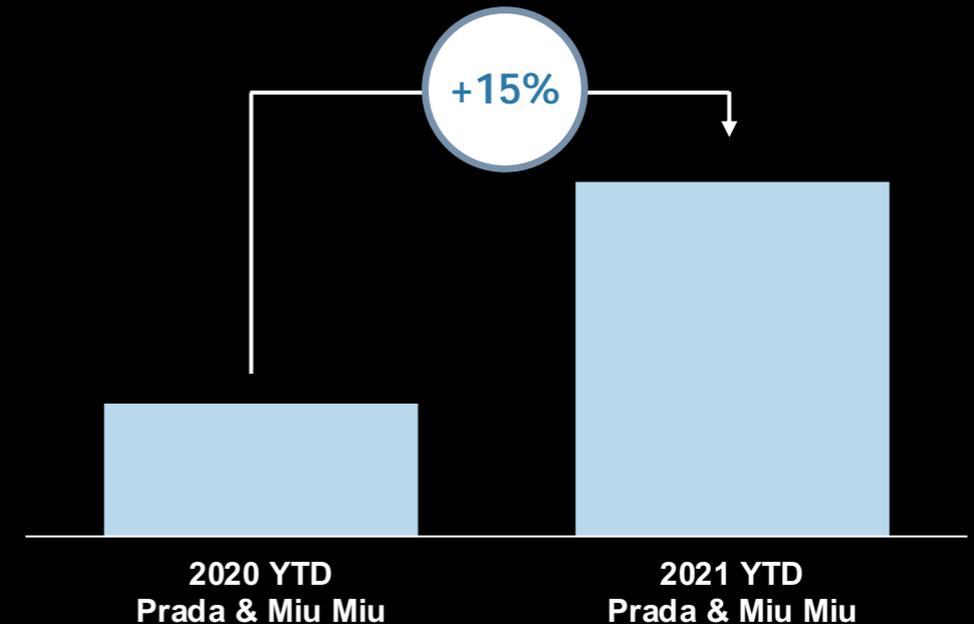
The “Human Touch” primary driver
(>4x stronger than any other customer experience touchpoint)

**RETAIL EXPERIENCE NPS
DRIVERS RELATIVE STRENGTH ¹**
Sept. 2021 YTD



Growing NPS across Prada and Miu Miu

NET PROMOTER SCORE ²
Sept. 2021 YTD

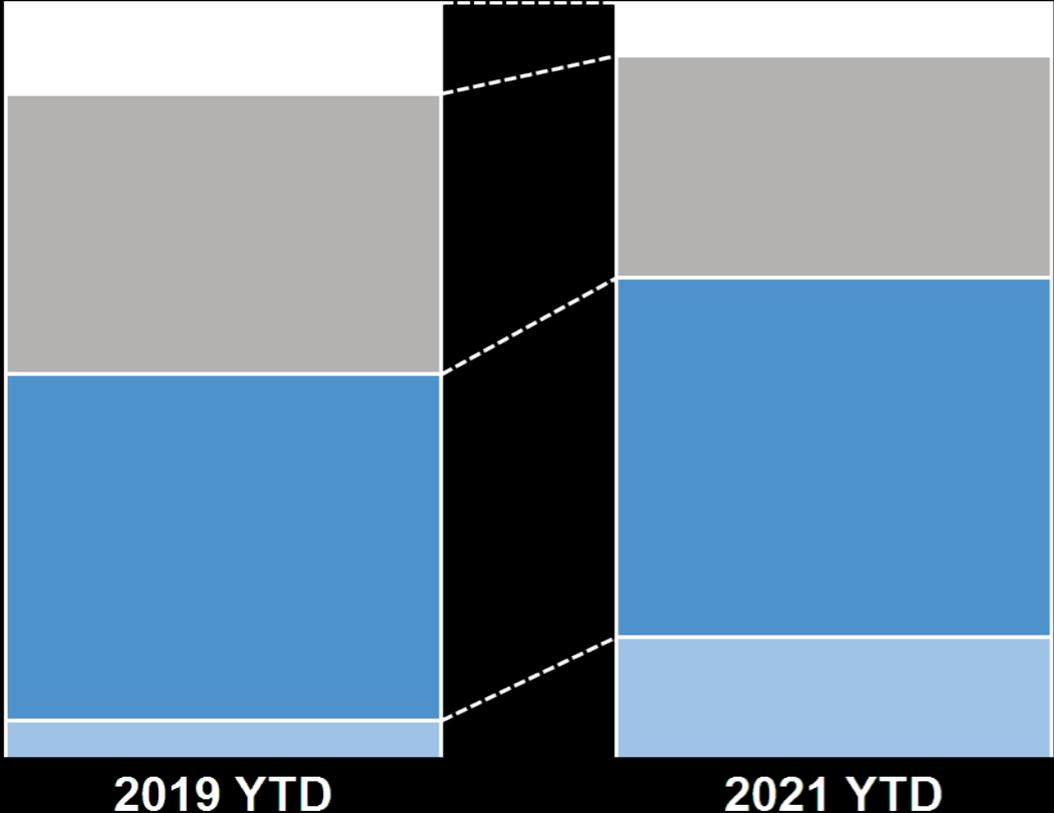


¹ Based on standardised coefficient of the drivers for NPS post purchase survey indexed to max =100 (Jul-Sept 2021)

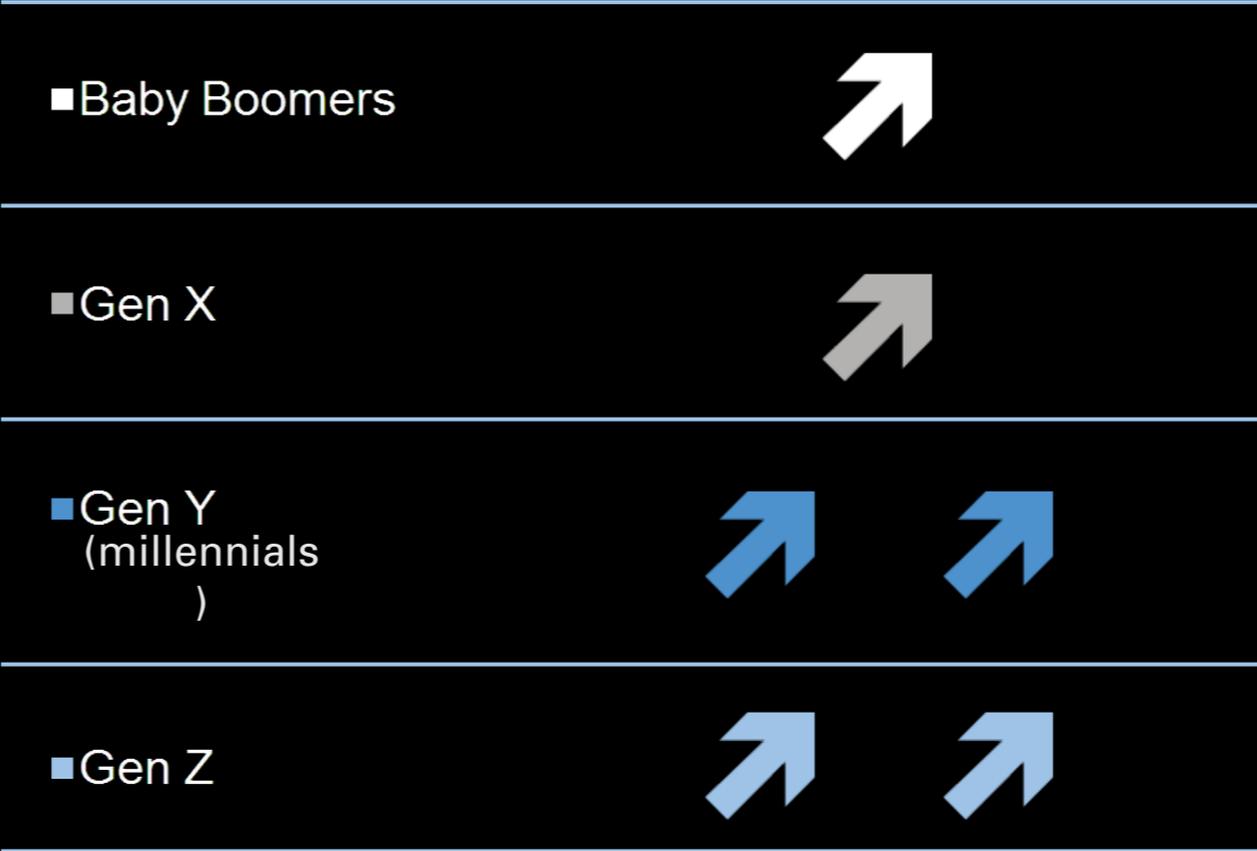
² Net Promoter Score post purchase customer survey (“How likely are you to recommend visiting this boutique to people you know?”) considers January – September period across both Prada and Miu Miu Brands

Winning Over the Key Customers

Prada and Miu Miu Revenue
2019 YTD – 2021 YTD



Average customer value ¹
2019 YTD – 2021 YTD trend



¹ Average Customer Value calculated as average revenue per Client

Four Pillars to Drive Digital Acceleration

1

Online Channel



Further scale-up
the channel

2

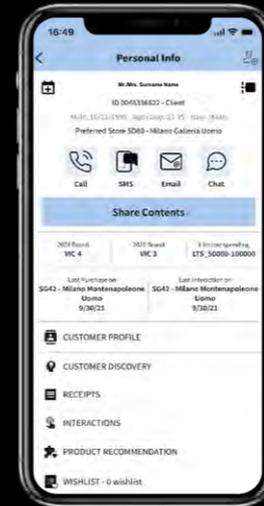
Omni-Channel



Fully enable omni-channel
customer journeys

3

Data



Leverage data's
full potential

4

Technology & IT Architecture

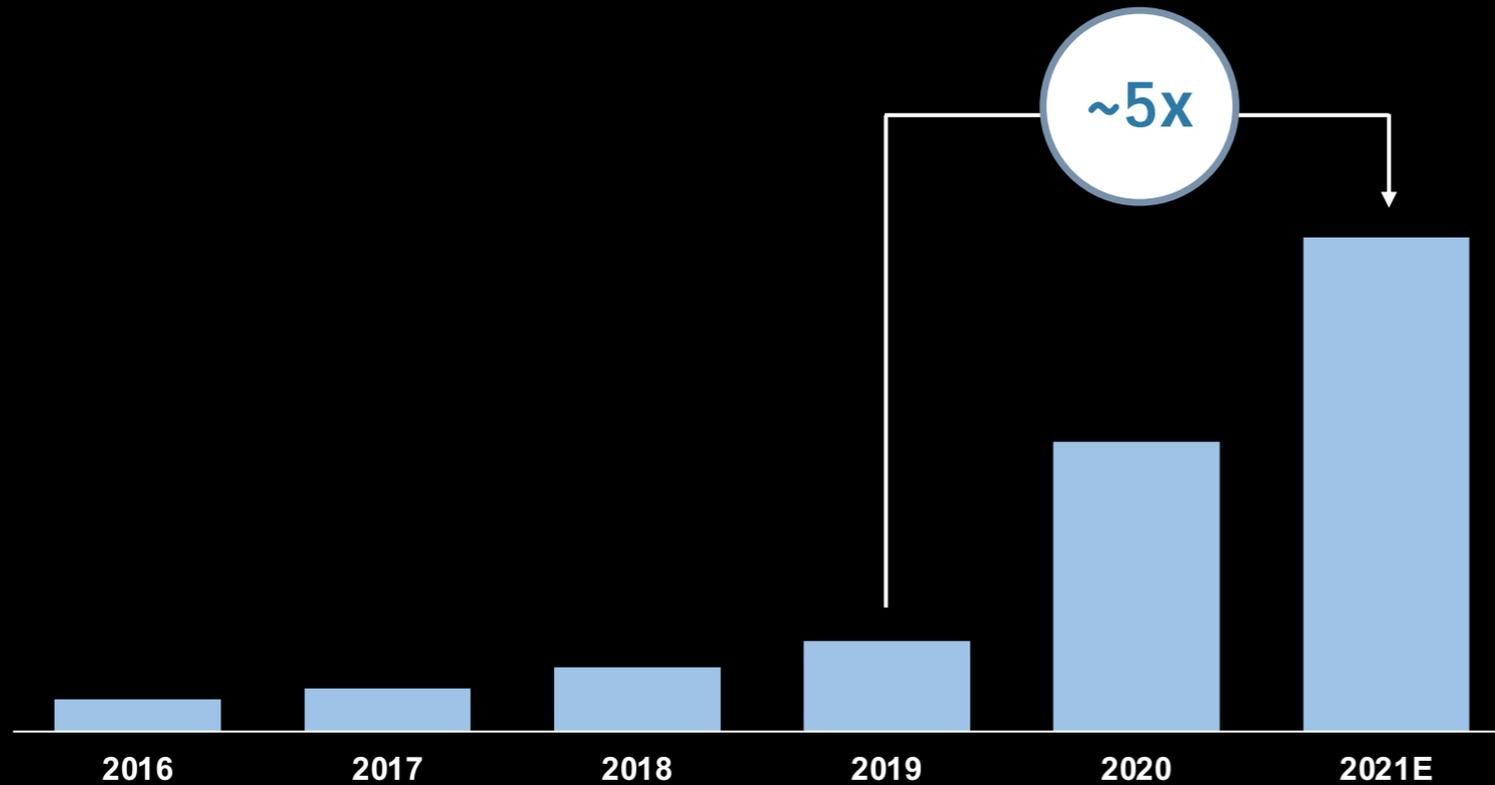


Transform through "Best Of
Breed" Solutions & Applications

Doubling Online Sales Within Reach

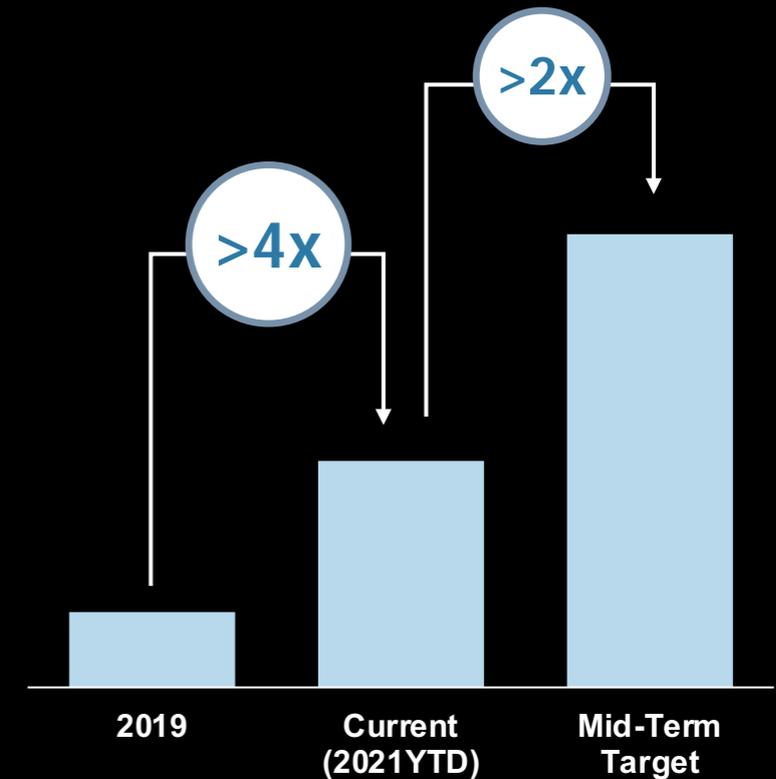
Online Sales Evolution¹

2016 – 2021E | €m



Online Target

2019, 2021 YTD | % Retail Sales²



¹ Including total Prada Group (all Brands) online sales (excluding e-tailers)

² Defined as total direct online sales (thus excluding e-tailers) on total Retail sales

Global Online Footprint with Omni-Channel Fulfilment Model

A Global Online Footprint



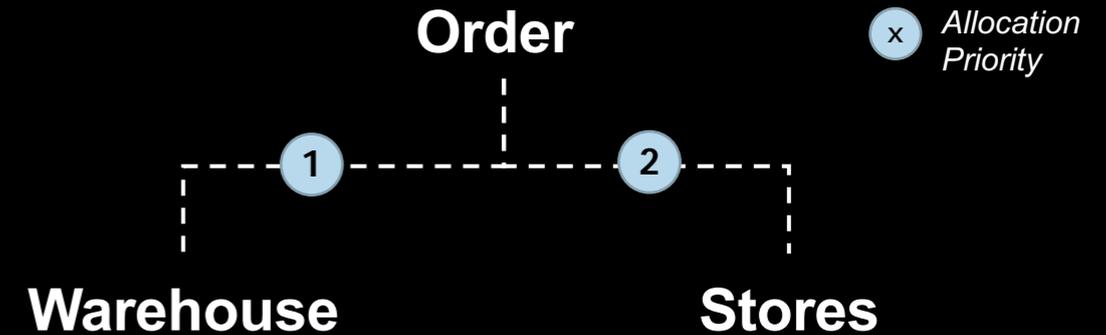
China: tailored approach to local digital ecosystem

Optimise .cn
Brand Sites

Reach T-Mall
Full Potential

Expand &
Consolidate
Other Platforms

Pure omni-channel stock management approach with Hybrid Fulfilment Model



Central Warehouse
Global Distribution

Italy

Regional Warehouse
Local Distribution

USA

Korea

China

Japan

On the Road to Seamless Brand Experience

Omni-channel Pillars

2019 State

Current State

2022 and Onwards

Single Customer View

Fragmented data across systems

Client profiling consolidation, data enrichment and customer journey activation (piloting of real time customer journeys)

Full leverage of “Real-time” orchestration of advanced customer journeys

Omni-channel Experience

Omni-channel Services in 2019:

- Pick up in store
- Book an Appointment (online)
- In store availability check

Additional omni-channel Services in 2021:

- Home Delivery (from store)
- Remote Orders (out of store from store)
- Virtual Appointment
- Omni-channel returns/exchanges
- Omni-channel gift cards

New customers digital gateways to bridge online and physical

- Digital services connecting Stores/Client Advisors and Customers
- Blockchain powered services (digital certificates, warranty, repairs)

Developing Personalisation at Scale Through Advanced Analytics and Technology

Data Acquisition

Transactions
Website behavior
Client advisor interactions & insights
NPS
Aftersales
Stock Data etc.

93%

in-store transactions identified with client profiles

Data Mining

Leveraging Datalake platform to manage big data processing and to identify revenue opportunities

- Dedicated in-house analytics group

+10 years

transactional data available for advanced analytical tasks

Data Leverage

Formulation of a dedicated customer strategy through data driven insights

Leveraging advanced analytics for operational excellence optimisation (at a store/stock/SKU level)

~+2.5x

redemption rate vs non targeted, resulting from AI prospecting and message customisation

~+50%

product engagement vs. non personalised, driven by real-time AI customised recommendations

€80m Transformation Programme Launched

Sales Channel Enhancement & Personalisation

New E-Commerce architecture and enhanced front-end and content management applications
Further evolution of CRM systems, Data Lake & client management applications
Evolution of physical store cash systems and applications optimizing store operations while enabling new digital scenarios

Omni-channel Full Enablement

Integrated omni-channel approach for order management, product / stock availability and pricing, unlocking multiple omni-channel scenarios

Industrial & Management Systems Optimisation

Evolution and consolidation of Group's ERP systems, other systems & applications

A photograph of a modern Prada building. The building is white with a large 'PRADA' sign in raised letters on the upper facade. A prominent feature is a lush green wall of ivy on the left side. The building has large glass windows and a balcony. In the background, there are trees and a clear sky. The overall scene is bright and sunny.

Massimo Vian
Industrial Director

Industrial Operations Excellence

Industrial Operations Excellence as Competitive Advantage

- Consolidation and Further Investments in our Industrial Vertical Integration
- Complexity Reduction to Accelerate Growth
- Improved Process Control
- TTM Reduction and Improved Service Level to Stores and Pop Ups
- New state of the art Distribution Centre



Prada Scandicci - Tuscany

Consolidation and Further Investments in Industrial Vertical Integration

Expansion of own manufacturing capabilities

Organic headcount growth in Italian plants: +100 in 2021,
+200 in 2022

Young apprentices from Prada Academy: +40 in 2021, +75 in 2022

Further vertical integration with strategic acquisitions

~ 80€m invested in 2019-2021

~ 70€m planned investments in 2022, and scouting for further
opportunities

Recent investments

Filati Biagioli - Tuscany

Prada woman bags plant complete renewal - Figline, Tuscany

Further investments in knitwear manufacturing - Umbria

Tannerie Limoges - France

Renewal of Church's factory - Northampton UK



Prada Montevarchi - Tuscany

Complexity Reduction to Accelerate Growth

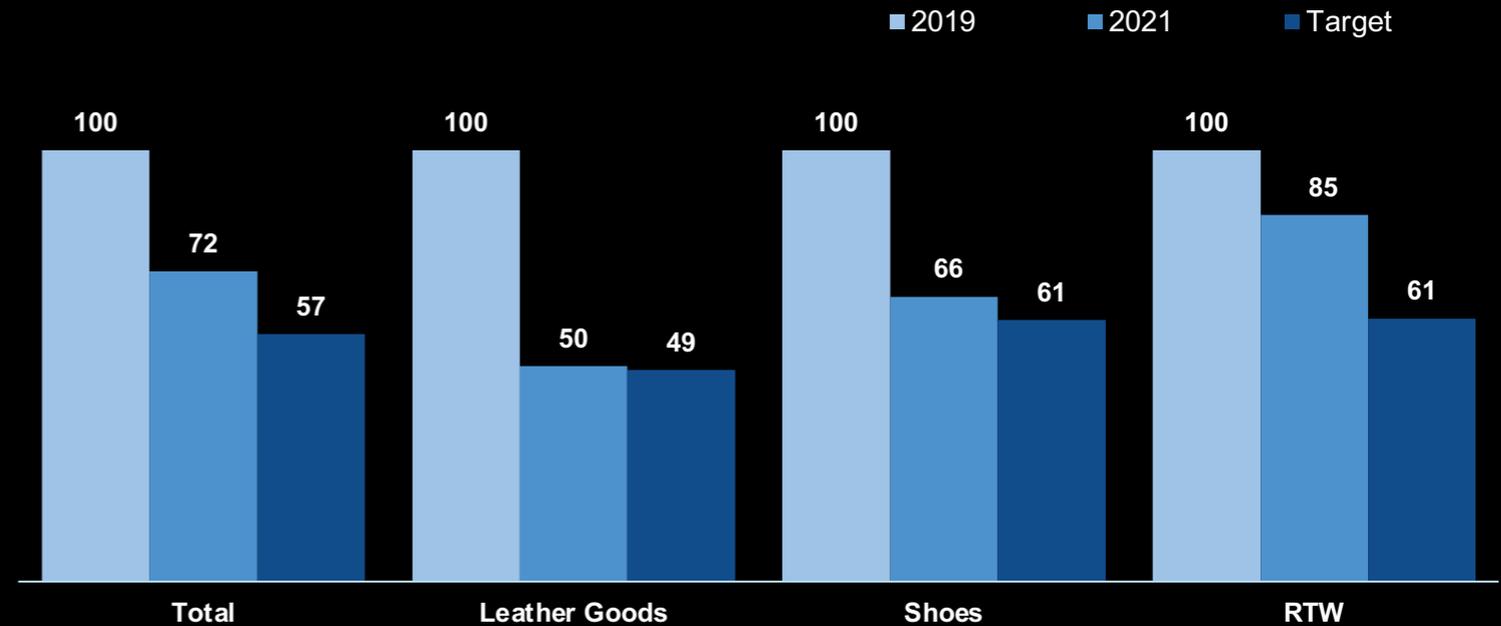
Obsessive attention to new models positioning, both for Prada and Miu Miu

Strong simplification of collection architectures across all categories

Key advantages

- More targeted marketing and communication effort
- Higher sell through
- Overall reduced inventories
- Industrial cost efficiencies

Number of Styles Launched (Rebased to 100)



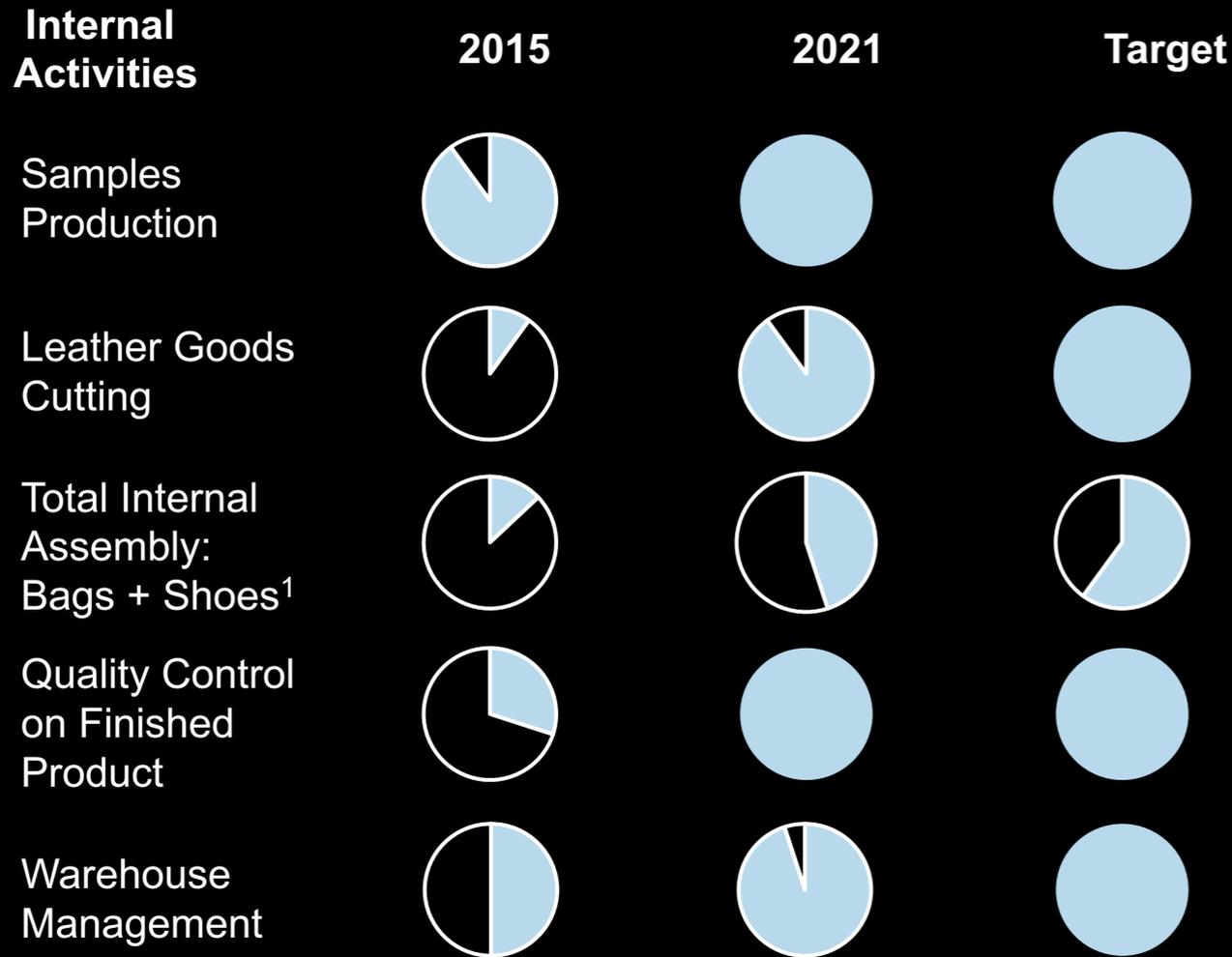
Average production batch:
2021 vs. 2019: +20% (Shoes +45%)

Raw materials used SKUs
2021 vs. 2019: -35%

Note: Excludes home collection, jewellery, small accessories

Improved Process Control Driving Product Excellence

Internal Production (%) 



External Production

Further selection of external manufactures

N. of Manufacturers Audited 2019/21: **175**

N. of Manufacturers Ended 2019/21: **30**

¹ RTW And Leather Goods Accessories not included

Further TTM Reduction Improved Service Level to Stores and Pop-Ups

Key Advantages

Increased ability to react to market change

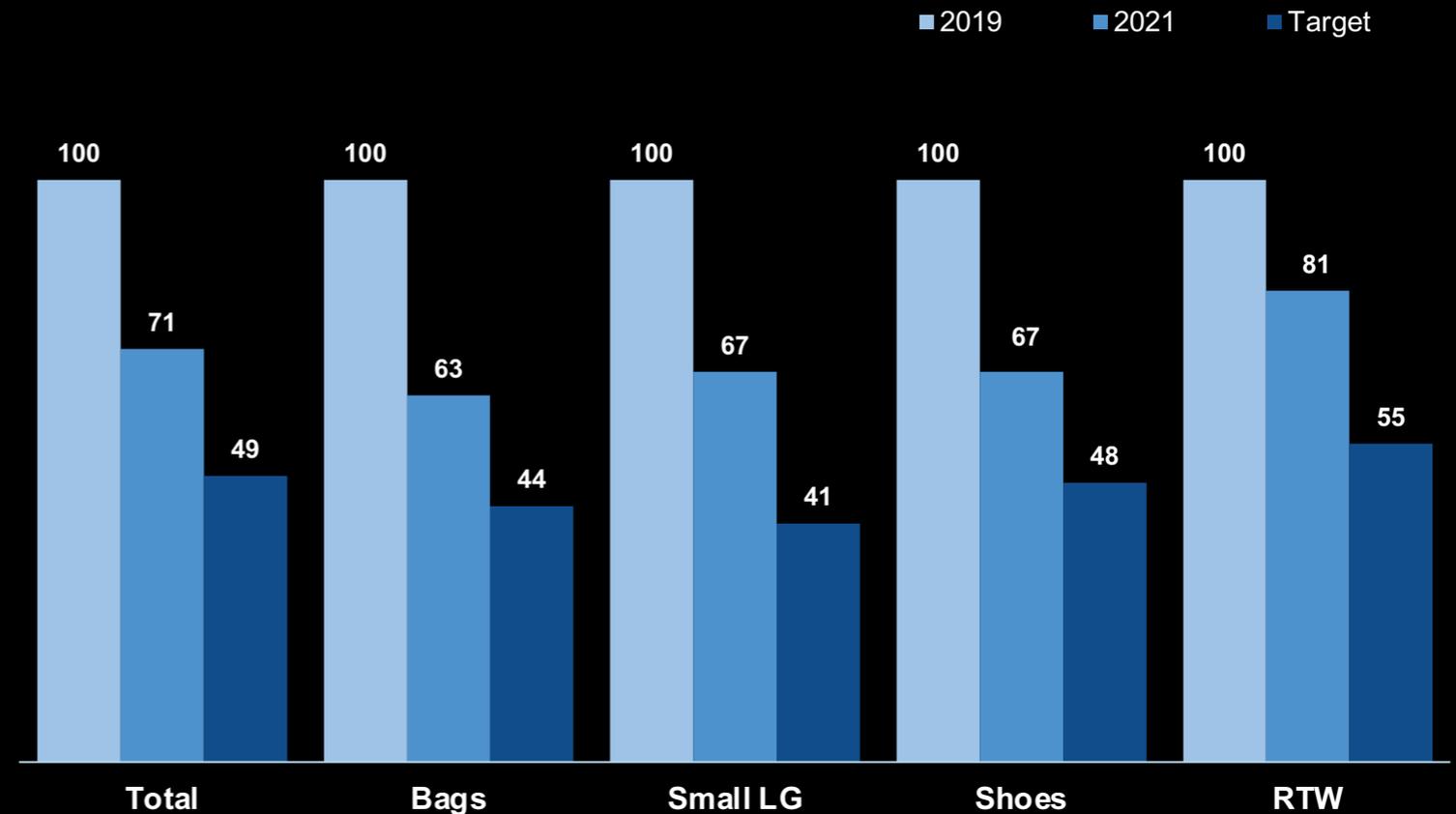
New products:

- Higher precision in store delivery dates, essential for Pop-Ups success

Carry over products:

- Faster TTM means possibility to re-assort in season and gain extra business
- A further tool to manage inventories and contribution to a stronger cash position

Production Cycle (Days, Rebased to 100)



New State of the Art Distribution Centre - Tuscany



Prada Levabella Logistic Hub - Tuscany

New Distribution Centre

75% completed, will be fully operational by 2022

Total surface: 40,000sqm

Total investment (2016/2022): €100m

LEED certification and solar panels:

2.000T CO2 savings / year

3 GWatts produced / year

Potential handling volumes:

up to 15m units shipped / year

RTW fully automated

E-commerce Dispatching Time:

% sales / days	24h	36h	48h
2019	20%	40%	40%
Today	61%	21%	19%
Target	80%*	20%	

* Single shift operated

23 Directly Owned Industrial Sites



Prada Valvigna Garden Factory - Tuscany



A photograph of a modern, multi-story glass and steel building. A person is walking across a skybridge on the upper level. The building's facade is composed of large glass panels and metal frames. The sky is clear and blue, and there are green trees visible in the background. The overall scene is bright and architectural.

Lorenzo Bertelli

*Group Marketing Director &
Head of Corporate Social Responsibility*

ESG Commitment

Aligning Our Business with Our Values

“We are focusing on the development of initiatives capable of best representing Prada's values and those with which I can personally relate in my desire to take Prada into a decade decisive for its sustainable growth.”



Board-Level Commitment to ESG

A sustainable business growth at the heart of the Group's goals: Lorenzo Bertelli - Head of Corporate Social Responsibility - became Board member in May 2021

ESG Strategy approved by Board of Directors

Robust engagement of the whole Organisation in the Group's sustainability journey

Board of Directors training on ESG matters, both in terms of risks and opportunities

ESG Committee to be established by mid 2022



Prada Montevarchi Garden Factory - Tuscany

Governance Strength

New Board members for ESG advancement



Pamela Culpepper

Have Her Back
Cboe
Golin
PepsiCo



Anna Maria Rugarli

JTI
VF Corporation
Nike

ESG Agenda Impacting Across Prada Group

DRIVERS OF CHANGE

PRADA Group

for PLANET

We commit to shape our operations to reduce our footprint

Mitigate our impact on climate change

Preserve the ecosystems

Embrace circular thinking

for PEOPLE

We commit to an inclusive, creative and fair workplace

Champion diversity and promote inclusion

Foster creativity and know-how preservation

Ensure wellbeing and fair workplace

for CULTURE

We commit to share our values and to build a sustainable society

Contribute to cultural debate

Further sustainability literacy

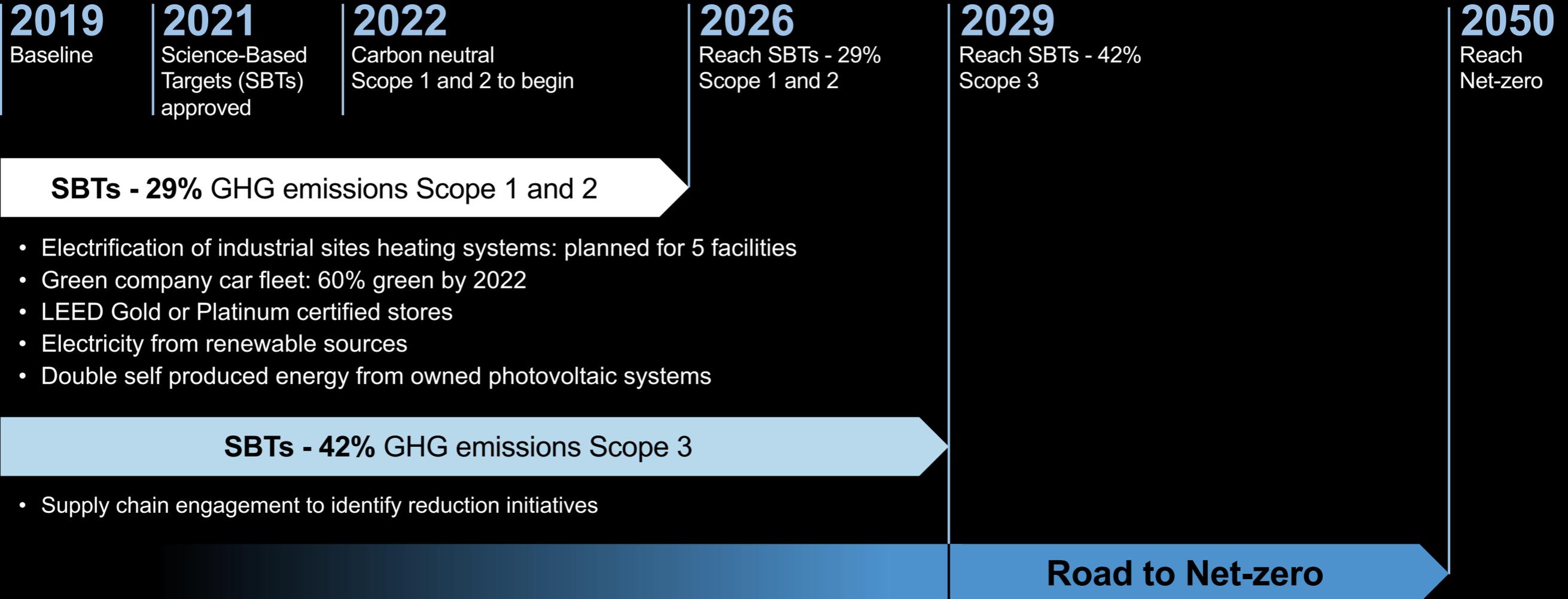
Inspire scientific evolution

WITH PARTNERS

We commit to engage with our partners to strengthen our sustainability paths

Climate Strategy: Road to Net-zero

Greenhouse Gases (GHG) emissions reduction targets approved by Science-Based Targets initiative aligned with Business Ambition for 1.5°C



Other Significant Updates

Materials Innovation

Full conversion to re-nylon confirmed by end of 2021

Leather certified LWG (Leather Working Group) by 2023

Fast transition to full sustainable industrial packaging



Champion diversity and promote inclusion

Significant progress on DE&I agenda

Valuable 500 initiative: update on Dec. 3rd



Further sustainability literacy

Launch of the second phase of Sea Beyond, the educational programme dedicated to ocean preservation in partnership with IOC-UNESCO



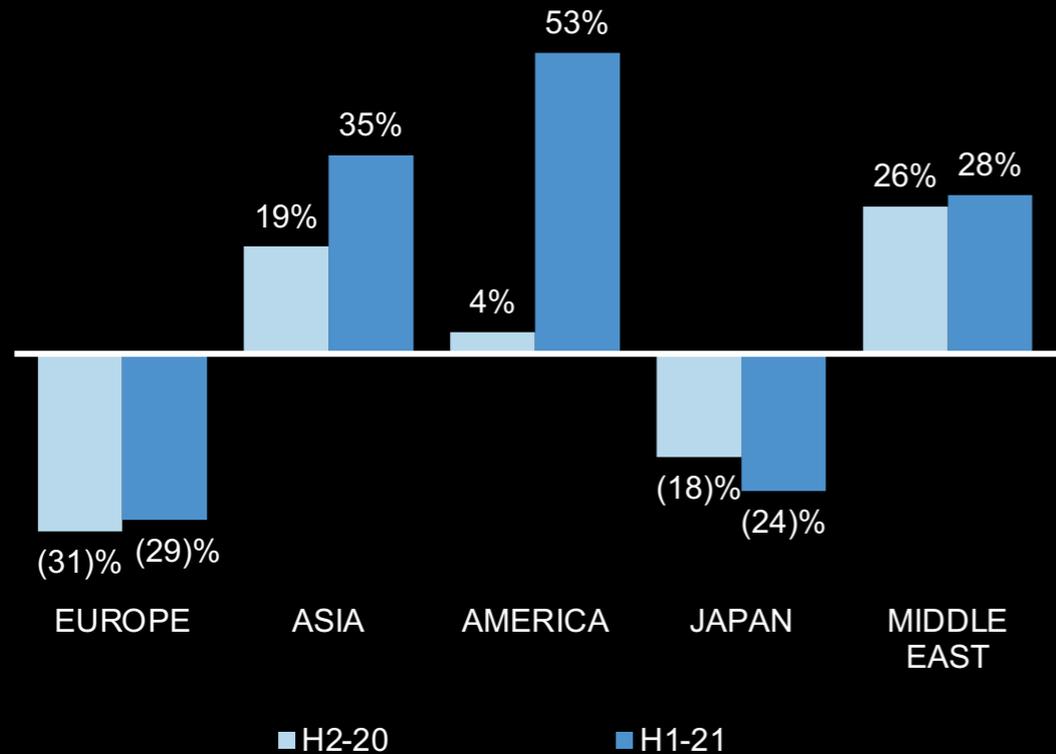
Alessandra Cozzani
Chief Financial Officer

Financial Performance Update

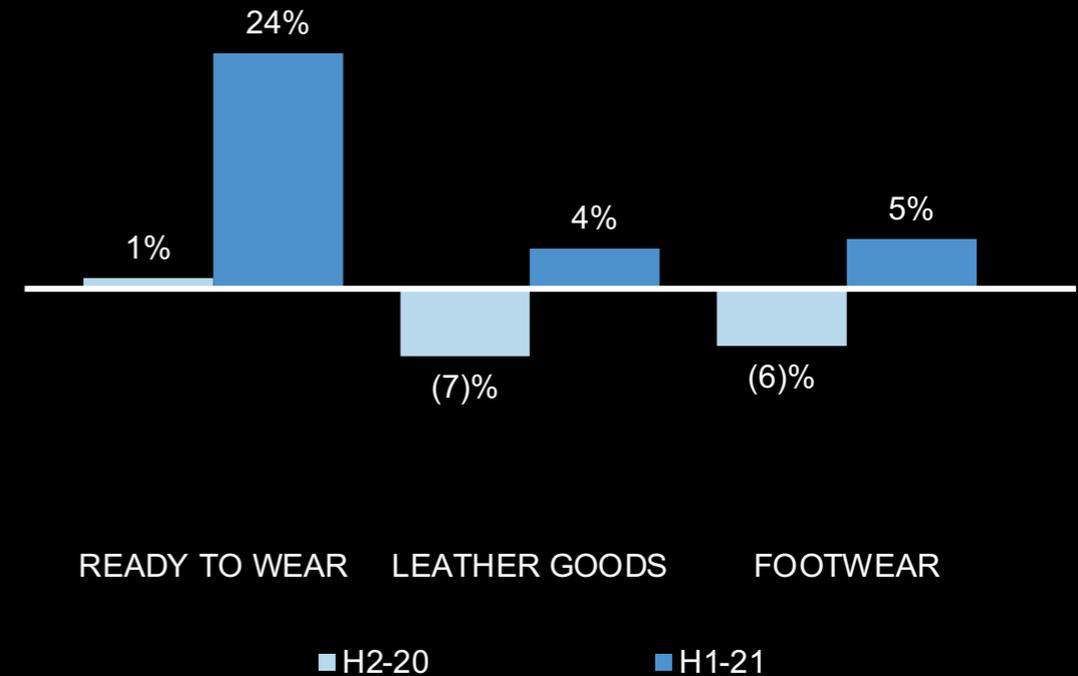


Acceleration in Retail Sales Growth

Organic Growth Acceleration By Geography %Δ vs. 2019



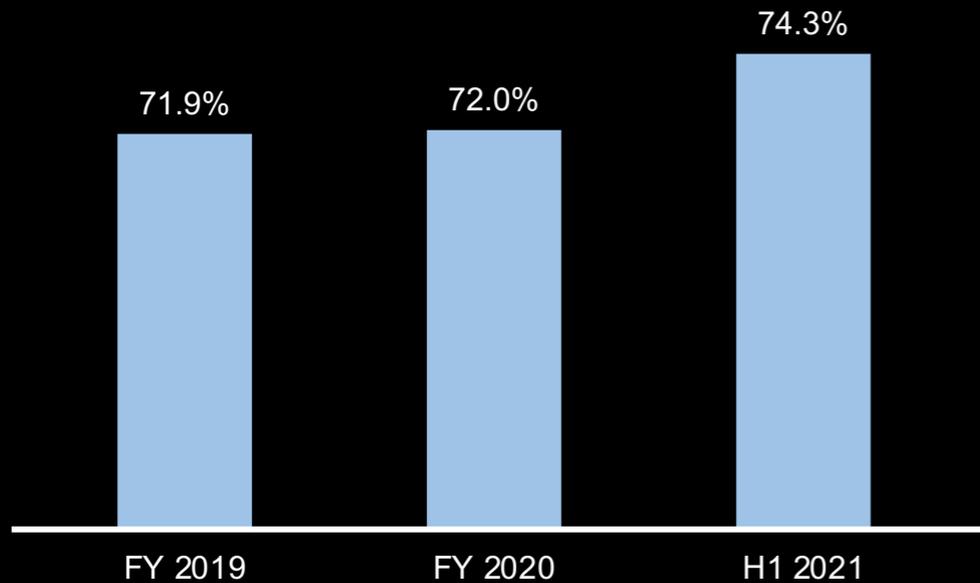
Growth Acceleration By Category %Δ vs. 2019



Note: Retail revenue include online

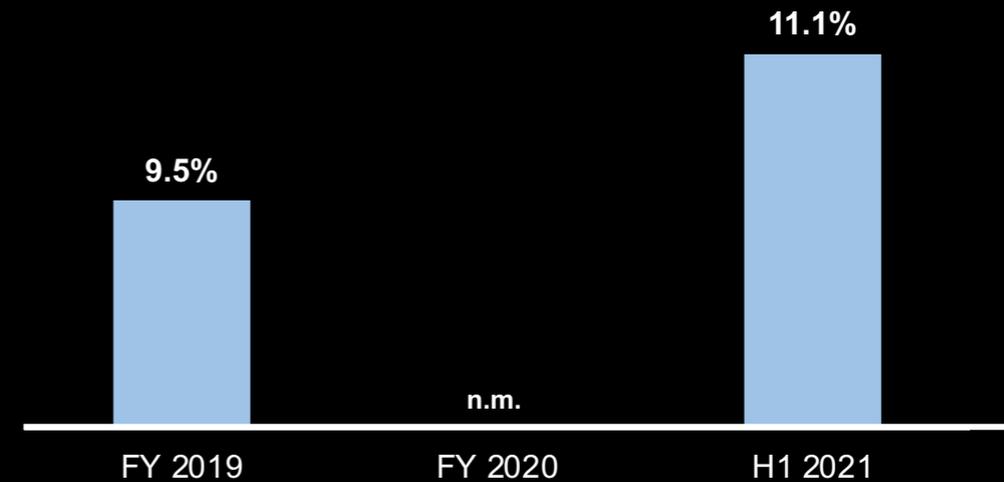
Gross and EBIT Margin Improvement

Gross Margin Evolution



250bps gross margin increase in H121 vs. 2019 due to product, channel, and country mix

EBIT Margin Evolution

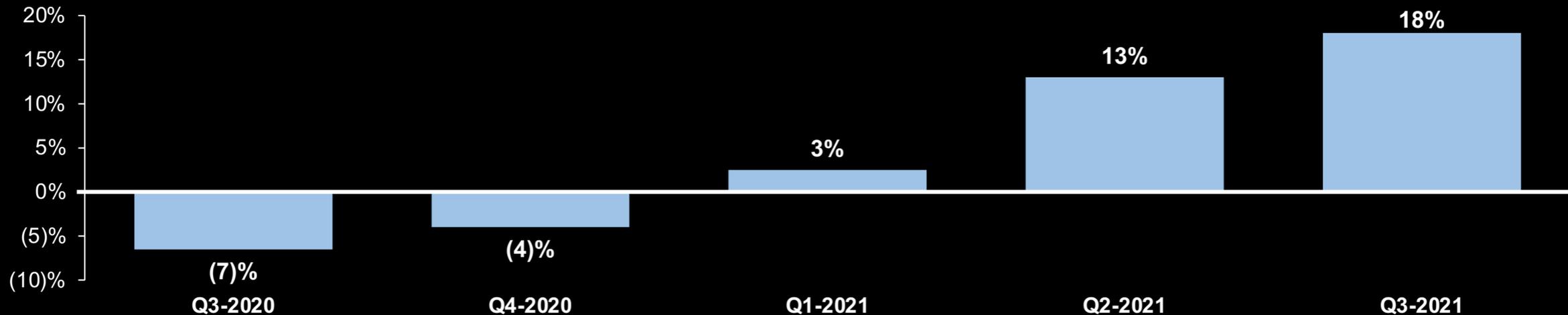


EBIT margin already above pre-pandemic level driven by

- Gross margin improvement
- Savings implemented across all cost areas during COVID-19

Q3 Retail Acceleration

Retail Sales Organic Growth vs. 2019



Further retail acceleration on a 2-years stack vs. 2019 driven by full price sales

Continuing outstanding growth online: strong triple digit in Q3-21 vs. Q3-19

Strong sales momentum continuing in Q4 to date

Recent Trends by Geography

Retail Sales Organic Growth by Region vs. 2019

<i>% Retail same fx vs 19</i>	H1 21	Q3 21	9M 21
Europe	-29%	-2%	-19%
Asia Pacific	+35%	+28%	+33%
Americas	+53%	+86%	+64%
Japan	-24%	-19%	-22%
Middle East	+28%	+51%	+34%
Total	+8%	+18%	+12%

Q3 21 Retail Trends

Europe

Improving trend driven by strong local demand with travel slightly picking up

America

Continuously strong performance in spite of tougher comps

Asia Pacific

Very solid double digit growth notwithstanding renewed COVID-19 restrictions in August

Japan

Trends still impacted by restrictions

Middle East

Further strength

Further Improvement in Profitability and Cash Generation

- Further Gross Margin and EBIT Margin improvement in Q3
- Strong cash generation supported by further net working capital improvement
- Net Financial Position close to zero at the end of September



Prada F/W 2021 – Adv Campaign

Drivers of Gross and EBIT Margin Expansion

Retail Productivity

Drive sales density within existing network with limited space growth
Increased the content, quality, and uniqueness of our products
Marketing, CRM, clienteling strategy and continuous enhancement of in-store customer experience

Channel Mix

90%+ retail target
Online growth accretive to profitability
Growth in licensing business

Supply Chain

Process optimization and complexity reduction
Optimisation of inventory management
Scale efficiencies

Operating Leverage

Organic growth
Existing overhead platform scaled for growth

Rigorous Capital Allocation Policy

**Capex at €200-250m per year of which
~ €150m retail, ~ €100m production and IT**

Selective openings in key strategic locations
(priority in Americas and Asia)

Continued optimisation of existing retail network through
renovations/ relocations

Vertical integration

Technology and IT Architecture Transformation

Dividend policy to return to pre pandemic level



Prada Montevarchi - Tuscany

Paolo Zannoni
Chairperson

Concluding Remarks

Concluding Remarks

Brands bigger than the business: opportunity to increase revenue and profitability

Continued evolution, investing for the long term

Strong partnership between Miuccia Prada and Raf Simons

Actions deliver results: growth acceleration, gross margin above 76%, EBIT margin on upward trajectory

Future strategy consistent with recent actions

- Distinctive identity
- Relevant, exceptional products
- Control of distribution and digital transformation
- Industrial know-how and vertical integration
- Sustainability

Geared to retain enlarged base of domestic customers while capturing travelling consumers

Change in demographics bringing new opportunities

Confident we can drive long term growth in sales and profitability by being relevant, sustainable and impactful

PRADA Group

Q & A

Capital Markets Day



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