

**PRESS RELEASE**

**PRADA SPA APPROVES GROUP RESULTS AS OF 31 DECEMBER 2021**

**VERY STRONG SECOND HALF OF 2021**

**MARKED ACCELERATION IN RETAIL SALES**

**SHARP INCREASE IN PROFITABILITY**

**STRONG CASH FLOW GENERATION**

**LONG-TERM STRATEGY FOR GROWTH ON TRACK**

**Milan, 14 March 2022** - The Prada S.p.A. Board of Directors today reviewed and approved the Consolidated Financial Results for the Full Year ended 31 December 2021.

**Key highlights:**

- Retail sales up double digit on 2-year stack, driven by full price sales with a strong acceleration in H2 vs FY19
- Strong performance across all product categories
- Outstanding growth in online sales, 5x FY19
- Gross margin and EBIT margin sharp increase in H2
- Net Working Capital improvement, driven by supply chain excellence
- Strong operating cash flow achieved highly positive Net Financial Position

**Key numbers - change at constant exchange rates:**

- **Total Net Revenues** at Euro 3,366 million, up 41% vs 2020 and up 8% vs 2019, +16% in H2 vs 2019
- **Retail sales** up 40% vs 2020 and up 15% vs 2019, +24% in Q4 vs 2019
- **Wholesale sales** up 41% vs 2020 and down 29% vs 2019
- **Gross margin** at 75.7%, reached 76.8% in H2
- **EBIT** at Euro 489 million, 14.5% on revenues, 17.4% in H2
- **Group Net Income** at Euro 294 million, 8.8% on revenues
- **Operating Cash Flow** at Euro 751 million
- **Capex** at Euro 216 million
- **Net Working Capital** well under control, down 10% vs 2020
- **Net Financial Position** at Euro 238 million, significantly improving from Euro -311 million in December 2020

**Retail - change at constant exchange rates:**

The Retail channel delivered sales of Euro 2,931 million in the period, an excellent performance driven by full price sales and local consumption, +15% compared to FY19. The trend further accelerated in H2, with Q4 at +24% vs 2019.

Online sales were outstanding, five times higher in comparison to FY19 and +61% vs FY20. The channel now accounts for 7% of retail sales.

*By geographies - change at constant exchange rates:*

Sales in **Europe** stood at Euro 749 million, up 35% compared to 2020 and down 11% compared to 2019. The trend turned positive in H2, +2% vs 2019. The region saw strong progress across all countries.

**Asia Pacific** sales at Euro 1,192 million, up 29% compared to 2020 and 30% compared to 2019. There was sustained demand in key markets throughout the period vs 2019: China +56%, Korea +90%, and Taiwan +61%.

**Americas** sales saw a sharp increase throughout the year and reached Euro 572 million, +103% compared to 2020 and +69% compared to 2019.

**Japan** revenues, impacted by prolonged restrictions related to the pandemic, stood at Euro 297 million, +16% compared to 2020 and -17% compared to 2019, significantly improving in the second half of the year.

**Middle East** sales achieved Euro 121 million, +62% compared to 2020 and +43% compared to 2019, also thanks to some resumption in tourism.

**Wholesale - change at constant exchange rates:**

The Wholesale channel saw sales at Euro 386 million, +41% compared to 2020 and -29% compared to 2019, in line with the Group's strategy to rationalize the channel.

**Environmental Social Governance (ESG):**

In 2021 the Group accelerated its commitment to ESG and delivered concrete actions and progress. The Group's climate strategy was launched, sustainability experts Pamela Culpepper and Anna Maria Rugarli were appointed to the Board and an ESG Board Committee was formalised. In the year ahead, the Group will further commit on ESG across the business and update on strategy and developments.

**Dividend:**

The Board of Directors has resolved to propose to the Annual General Meeting to distribute a dividend of Euro 7 cents per share, equivalent to 179 million Euros, with a payout ratio of 61%.

**Patrizio Bertelli, Chief Executive Officer of the Prada Group, commented:**

*"The Prada Group's start to 2022 has been strong. Our long-term strategy is on track, focused on distinctive brand identity, product quality and industrial know-how, direct distribution and sustainability at the core of our values. Decisive actions to evolve the business and navigate the changing luxury market drove outstanding growth and increased profitability in 2021".*

*"These results give us the confidence to achieve our medium-term targets, even though it is difficult to predict the impact of the Ukraine conflict on the global economy. Our concern is for all our colleagues*

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*and their families affected by the war, for the local communities and all people suffering and we will continue to support them.”*

**For further information:**

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### **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 and Miu Miu, as well as Church's, Car Shoe and the historic Pasticceria Marchesi, 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 635 stores 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.