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Bertelli: The secret of Prada is remaining yourself. Growing, but not in a hurry”

by GIOVANNI PONS
MILAN

The group has compensated for the drop in China by growing in the rest of Asia:
“But we are investing in Italy for production”

Patrizio Bertelli, the Prada group has closed the year with very positive results, sales growing by 17% to 5.4 billion and a net profit of 839 million. The retail channel has also grown by 18% in the markets of Pacific Asia, where the world’s major luxury groups have struggled. To what do you attribute this performance?

«We were prudent in tackling 2024, we respected our plan, thanks to an industrial infrastructure that has enabled us to track the development of the demand and to reduce stock. There was a slowdown in China, compensated for, however, by strong growth in Japan and South Korea, who have intercepted Chinese tourism. Japan was the most visited country in 2024, but Europe also did well, as did the USA. We are very satisfied».

The numbers of Miu Miu are particularly striking; it experienced a record year, exceeding a billion in sales with a growth of 93%. What are the reasons behind this success?

«With Miu Miu we completely changed our approach from the second half-year of 2023; we went back to our origins, eliminating some things that we did not like. Now the brand has an image that is fresh, youthful, and at the right price. It is very popular with girls aged 20 to 30, but its universe is ever broader».

The Prada group owns 26 plants, how much has this structure affected the group?

«To work in the short term and follow the market, it is necessary to have the entire production chain working in a coordinated manner. We are investing considerably in the production aspect, and an important new plant will soon open in Piancastagnaio (Siena), where we are doubling the size of a former leather goods factory from the 1990s. And also in Senigallia, where a few months ago we began to produce lifestyle jackets and coats for the group».

The lack of manpower is a problem experienced by many manufacturing companies in this country. The industrial districts and the companies serving the major fashion groups are undergoing a period of difficulty, also with dismissals. How are you attempting to resolve this?

«We need to let the young people work, as it is not true that they do not want to work in factories and they do not want to follow their parents’ trade.

In the artisan sector all the heads of families are retiring, those who began working after the war, in the 1950s and ‘60s, and these need to be replaced with young people. We are training these young people through our Academy, with good results; we trained 120 in our factories during 2024, 103 of whom we recruited».

Since Trump came to power there has been constant talk of tariffs and limitations to global free trade. Do you believe that this might also concern the fashion sector and are you studying some countermeasures?

«We are waiting to see what the new tariffs will actually be after the negotiations that Europe and Italy hold. Today Trump has a very aggressive way of presenting himself, but it is pointless to try to cross bridges before we come to them. We obviously cannot go and produce in the United States».

Can the French groups perhaps do that, because they are larger in size?

«Yes, some can do it, having made various acquisitions in the two thousands, also in Italy. I believe this is a positive aspect; they have saved many critical situations and resolved problems of succession. The only Italian groups that succeeded in having an international growth thinking of the company in the absence of these are Del Vecchio's Luxottica and Ferrero».

Now that the Prada group has exceeded 5 billion in sales, you too could grow through acquisitions. There are rumours on the market of your interest in Versace.

«I am very prudent on this point; the priority is to focus on the development of our brands. Then if opportunities present themselves, then we look at them, but there is no timescale. Relaunching a brand is a difficult endeavour; in the early two thousands we bought Jil Sander and Helmut Lang, but we made some strategic mistakes. So we preferred to sell at a loss and start with ourselves».

In your view, does the fashion sector in Italy consist of too many too small companies?

«Yes, a process of concentration and consolidation would be healthy. The market has extended considerably since 2000 and managing a chain of shops at international level is very demanding. We have been working since the 1990s and now we have a network of around 600 points-of-purchase for the various brands of the group. To enter the famous Malls you have to be large in size because the large groups monopolize the most attractive spaces».

For the most important shops you have also invested very high sums in the properties. The latest one is that in New York, on Fifth Avenue. Is the strategy right?

«We have already been doing this for many years now; we have bought the properties of our shops in Japan, in London in Bond Street, in Italy in Montenapoleone, and now in New York, You must not let certain key locations slip through your fingers».

In the most recent America's Cup, Luna Rossa won the Youth and Women's competitions, whereas it lost in the semi-final of the Louis Vuitton Cup against the English. Are you already preparing for the next edition?

«I am very satisfied with the victories of the youngsters and women; this is a sign that the team led by Max Sirena was of the highest level. Unfortunately, with the English we had a week where it all went wrong. We do not know yet where the next Cup will take place, but we have said that we will be there. It would be great if it were to be in Italy».

“It is untrue that young people do not want to work in factories. Against the lack of manpower we favour generational change”

“In the America's Cup unfortunately it all went wrong in the decisive week. But we will be there at the next edition with Luna Rossa”

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Caption

Patrizio Bertelli

Co-founder and president of the Prada Group.

Left, a parade by the Milanese fashion house