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The couturier to Diana, Princess of Wales, was known for his elegant eveningwear and low-key demeanor.
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Building an Italian Giant

Prada Group's acquisition of Versace for 1.25 billion euros brings together two of Italy's most famous luxury brands. But can Prada get Versace back on the growth track? *For more, see pages 2 and 3.*

PHOTOGRAPHS BY GIOVANNI GIANNONI

WWD

 Versace,
fall 2025

 Prada,
fall 2025


BUSINESS

Behind the Prada Group Deal to Buy Versace

● Prada's management sees untapped potential in Versace's global brand recognition, aiming to evolve its bold aesthetic and leveraging the group's platform.

BY LUISA ZARGANI

MILAN — Versace has “huge potential” and global brand awareness, according to Lorenzo Bertelli, head of CSR at Prada Group.

During a conference call scheduled with analysts and the press on Thursday afternoon, shortly after confirming that the Italian luxury group is acquiring 100 percent of Versace from Capri Holdings for 1.25 billion euros, Bertelli referred to how “a lot of people may think that Versace is far away from the aesthetics of our existing brand portfolio, but I believe this is exactly a strength for our group, because there are no overlaps in terms of creativity and in terms of customers.”

For this reason, the acquisition “is super important to really reach new audiences and to express a different kind

of message,” said Bertelli, who, with his mother Miuccia Prada, is understood to have been one of the main proponents of buying Versace within the group.

Also, he highlighted the Prada Group's platform, which is “naturally scalable,” already working with Prada, Miu Miu, Church's and Car Shoe. He admitted this “is going to be a big job, but it's already within our way of operating.”

While Versace's business is smaller, Bertelli said “we have been amazed” at seeing its recognition around the world, ranking “among the top five, 10 brands,” which means “the potential is huge, but we know very well that to express that potential is not a walk in the park.” However, “we believe we have the knowledge long term to make this transformation and make this brand successful.”

He touted the group's commitment to creativity and the investments in its industrial platform and capabilities since the '80s, which Versace can leverage, and the work done on omnichannel distribution.

“I believe that in a moment where everybody was growing, and we maybe struggled a bit more and had to tackle

difficulties, we prepared ourselves somehow for this moment when of course, the markets are not in great shape. We know our limits very well and our strengths, and so we believe we can deliver long-term success,” he said.

Bertelli underscored that he would “not talk about revolution” at Versace. “Miu Miu has been a lesson for us as we have not dramatically changed it, it's been more of an evolution. Miu Miu has been on a remarkable growth trajectory and registered a record year in 2024, with retail sales soaring 93 percent.

“Sometimes little things here and there spark a huge difference,” Bertelli said. “I think we don't need to change the brand, we need to just evolve it and make the right things happen and together bring back Versace to be a huge success. So we need just to be patient, and we know very well that there is no one single ingredient for success.”

In a statement, his father Patrizio Bertelli, Prada Group chairman and executive director, said the deal will “build a new chapter for a brand with which we share a strong commitment to creativity,

craftmanship and heritage. We aim to continue Versace's legacy celebrating and reinterpreting its bold and timeless aesthetic; at the same time, we will provide it with a strong platform, reinforced by years of ongoing investments and rooted in longstanding relationships.”

The transaction will be funded by 1.5 billion euros of new debt composed of a 1 billion euro term-loan and a 500 million euro bridge facility. It is expected to close in the second half of 2025.

Up until last week, the company was rumored to be on its way to pay 1.5 billion euros for both Versace and Jimmy Choo.

On Future Creative Direction and Management

Andrea Guerra, Prada Group chief executive officer, was asked about Dario Vitale, who in March was appointed chief creative officer, succeeding Donatella Versace, who was named brand ambassador. Prada executives did not mention Donatella Versace on the call, however, nor did they address her future and whether she would remain a brand ambassador.

There had been speculation that her stepping down as creative director helped clear the way for Capri to sell Versace. Vitale at the end of January exited his role of ready-to-wear design director at Miu Miu, and Guerra underscored that it was “his own decision, independent and very personal,” and that it was not the harbinger of this acquisition.

Pressed for further comment on finding Vitale at Versace, Guerra said, “We are happy to find him as a trusted pair of hands in such an important position for the future of the brand, we are very happy to really welcome all the team, wherever they are in the world and whatever they're doing. We really need to be warm and give everyone the opportunity to show their impact and their talent.”

On questions about the senior management, Guerra said that “in the last three years, we have gone through an evolution in our organization, and in terms of our managerial attitude. So we have verticalized our brands, and we will continue like this. We are adding Versace, and we will have another vertical asset. From an industrial point of view, we will have a division by brands.”

As for Versace's CEO Emmanuel Gintzburger, “we will begin the job with him,” Guerra said. Gintzburger's future at Versace had been questioned even under Capri's ownership since he is understood to have butted heads with Donatella Versace on several occasions.

Asked about the level of involvement of Miuccia Prada in the creative process, Guerra said “absolutely none. The involvement will be in the fact that she's the biggest shareholder of the company, but nothing in terms of creativity.”

Thanking Capri Holdings “for having preserved and enhanced the heritage of this wonderful brand, and despite the sector uncertainties,” Guerra said. “We look at the future with confidence, focused on a long-term strategic vision. Diligently, we will put all necessary efforts to obtain what is our final goal, which is a sustainable success.”

Guerra said future plans for Versace will be discussed further down the line but assured that “there will be no shortcuts. We need to work on foundations, and we need to be patient.”

He said the group has had the same journey with Miu Miu, in terms of positioning, image and identity, and that took “something like 36 to 48 months to reap the first fruits. So we know it. The acquisition is all about the brand, the image, the creativity, the products, the stores, the people. There will be some synergies, but this is a revenue project. This is a brand project.” ▶

Financials

Chief financial officer Andrea Bonini said Versace is expected to achieve revenues of \$810 million in 2024 with an operating profit margin forecast to be high-single-digit negative. The brand operates through a global network of 227 stores.

"Its revenue contribution is very balanced in terms of geographical areas, but also in terms of product categories, between ready-to-wear and leather goods," he said. The Europe, Middle East and Africa region represents 42 percent of sales, followed by the Americas contributing 31 percent and the Asia-Pacific accounting for 27 percent of the total. Retail accounts for 73 percent of total sales, wholesale for 14 percent and licensing for 13 percent.

Guerra remarked on the two strong Versace licenses, for eyewear with Luxottica, which he signed when he was CEO of that company, and for fragrances with Euroitalia. "They are just great."

By product, menswear and womenswear are split in a balanced way, and ready-to-wear and leather goods and accessories provide "broadly equal contribution," he said.

"In the longer term, there will be a more balanced ratio between full price and outlets," he added.

Bonini presented pro-forma figures for the fiscal year ended December 2024. The transaction projects group revenues at 6.3 billion euros and the operating profit margin would stand at around 20 percent.

First Takes on the Deal

Marco Bizzarri, chairman and investor in Elisabetta Franchi, had been rumored to be keen to buy Versace and on Thursday evening at the inauguration of the Elisabetta Franchi store in Milan, he said he was "happy that Versace did not end up in the hands of a private equity fund, which would have been the end of the brand. Versace needs an industrial platform and Prada has it and it has the skills and expertise to grow the brand."

Bizzarri has over the years expressed his appreciation for Versace and said he

Backstage at the Miu Miu, fall 2025 show during Paris Fashion Week.



was happy to see it has a future, lamenting how "the Americans did not know how to develop it."

Bernstein's Luca Solca said the agreement values Versace at 1.3 times its 2024 sales, which amounted to \$1.03 billion in the year ending March 30.

"The acquisition will be EBIT margin dilutive for the group on a pro-forma basis, with management highlighting that sustainable revenue growth rather than a strict focus on cost synergies will be the priority," Solca said. "Revenue and margins will likely take a hit in the short-term as channel mix is brought closer to that of Prada and Miu Miu, with results expected in the 24- to 48-month horizon."

He added that a "key test may soon arrive if weaker economic growth places additional pressure on the main Prada and Miu Miu brands, just as management pivots to focus on a Versace turnaround."

"This is a beautiful and brave operation for the industry in a complicated moment and for the country, which has lost control of several brands over the years," said Michele Norsa, special chairman adviser at Ferragamo and former CEO

of brands ranging from Valentino to Ferragamo itself. Prada Group "has all the necessary skills and expertise to further grow the brand. I don't see anything negative in this synergic deal, which allows to cover different customers."

James Grzanic at Jefferies stated that the acquisition "had caused some investor concern given the length and scale of [Versace's] underperformance under Capri's ownership. It is clear that Prada will be much better equipped to support a revival of the historic Italian brand. And yet, we suspect that the debate will continue to revolve around the manner in which a sales-led revival can result in a 200 million euro type EBIT contribution from the Medusa over the longer term."

Jelena Sokolova, senior equity analyst at Morningstar, said, "Prada purchasing Versace makes sense both financially and in terms of timing. Prada's profitability and cash position has strengthened in recent years, boosted by its strong brand momentum. This acquisition makes strategic sense since both of these brands pass through fashion cycles and ownership of multiple brands with very

different aesthetics – maximalist for Versace and minimalist for Prada and Miu Miu – could help smooth the cyclical performance."

Sokolova touted Prada's expertise in running luxury brands that Capri Holdings "lacks in comparison. Not to forget that Capri's performance has been weak as of late and may remain so if economic weakness persists in 2025, as current market turmoil and geopolitical uncertainty suggests. Versace will need investments to reboot the brand, making it an initial drag to Prada's short-term profitability."

A luxury goods consultant who requested anonymity said observers should not look back at Prada's past track record in creating a luxury conglomerate. Patrizio Bertelli bought Helmut Lang and Jil Sander in a 1990s shopping spree but sold both brands in 2006 to focus on Prada and Miu Miu and has candidly admitted the operations did not go as planned and defined them as "mistakes."

Back then, "the founding designers were still present and active and they imagined they would continue to design with Prada merely around as an investor – but this was not the case. With Versace, it's not one of the founders that is selling. Also the group now has a more managerial structure that could be more detached and neutral compared to Patrizio Bertelli's passionate take on business, so I think this time around it could have more chances to succeed. Yes, there are risks, but entrepreneurs need to take risks, too, looking at opportunities to create value," the consultant said.

Asked about the exit of Donatella Versace, the consultant believes that, while Miuccia Prada has often expressed her respect for the Italian designer, "management must have thought that it would have been unmanageable to be free to make changes with her still in place."

In 2018, Donatella Versace reached a \$2.1 billion deal to sell her family's company to Michael Kors Holdings, which subsequently changed its name to Capri Holdings. ■

What's Next for Capri After Selling Versace to Prada?

Jimmy Choo and Michael Kors could be in line for a sale – eventually. BY EVAN CLARK

Since Capri Holdings put Versace on the market in December, the questions have been all about what happens to the always flashy yet beleaguered Italian luxury mainstay.

Who buys the brand? Will Donatella Versace stay? And so on.

Now that that's been cleared up – Donatella shifted into a chief brand ambassador role in March and Prada swooped in with a \$1.38 billion deal to buy Versace on Thursday – the more pressing question is: What happens to Capri?

Like seemingly everything else in the market today, the answer is a complicated one.

First, Capri has to figure out what to do with Jimmy Choo. And then it comes down to the fate of its first, largest and core business: Michael Kors.

Jimmy Choo was put on the market alongside of Versace and sources said Capri pushed bidders to make offers on both as a package deal, wanting to clean house all at once. (Capri didn't acknowledge a sale process even existed until the deal with Prada was announced.)

While bids came in and Prada won an

exclusive negotiating period, when the deal finally came together it was in the midst of a trade war crisis and Versace was the only business to find a new home.

Sources said at least two parties were interested in buying Jimmy Choo, including cofounder Tamara Mellon. Now that Versace has been sorted out, that part of the process might well spring back to life even though it is a high-heeled brand in a sneaker world.

If Jimmy Choo is sold, that still leaves Kors, which was the starting point for John Idol, chief executive officer and chairman of Capri.

David Swartz, a stock analyst at Morningstar Research, said: "Clearly they're kind of giving up here by selling Versace for [approximately \$745 million] less than what they paid for it. It's basically an admission that they could not – or would not – make the investments necessary to get Versace up to a real basic level of what you'd expect from a luxury brand in terms of sales and profits. And it's probably the same with Jimmy Choo.

"Then I think there's a good possibility that Michael Kors will be taken private by a private equity buyer or somebody

in the future as well," Swartz said.

"It needs a lot of work. Clearly investors have basically given up on this company based on where the stock price is, and Michael Kors has significant problems."

Shares of Capri fell 10.6 percent to \$14.63 in a down market on Thursday, leaving it with a market capitalization of just \$1.7 billion.

But Michael Kors logged \$3.5 billion in sales for the fiscal year ended in March 2024 and Idol pulled off a trick that few have replicated, taking a struggling designer business and turning it into a powerhouse in accessible luxury.

"It is also a cash generating brand," Swartz said. "It does have value. In fact, I think that the stock is way undervalued and it's not going to change just because of this Versace sale. I do think that the market is undervaluing the ability of Michael Kors to generate consistent cash flow as it has done in the past. But I don't know if that will happen as a public company or not. My feeling is that when there's an apparel and accessories company that does generate cash flow, there's always somebody somewhere that will want to buy it."



A spring campaign image from Michael Kors.

The New York Times

Prada to Buy Versace for Nearly \$1.4 Billion

The deal is a big bet on the value of “Made In Italy.”



Miuccia Prada, left, and Donatella Versace schmoozing at a party years before the deal. Credit...Michel Dufour/WireImage

By [Vanessa Friedman](#)

April 10, 2025, 8:33 a.m. ET

On Thursday, in the biggest luxury deal of the year, Prada announced it was buying Versace for 1.25 billion euros (\$1.38 billion) from Capri Holdings, a beleaguered New York group that at one point styled itself as the American answer to the great fashion groups of France.

The deal is a sign of faith in the continued value of Made in Italy at a time when the financial markets are in chaos because of President Trump's [whipsawing tariff policies](#). And it marks the end of Capri's attempt to create an American luxury group to rival LVMH and Kering, while signaling an attempt by Prada to create an Italian competitor to the powerhouses.

"It's a bold and ambitious move by Prada," said Robert Burke, the eponymous founder of Robert Burke Associates. "The acquisition would position Prada to diversify its portfolio and compete on a larger global stage."

Versace will join Prada and Miu Miu, as well as Luna Rossa, the America's Cup sailing team, and the pastry brand Marchesi as part of the Prada Group, creating a "best in class" mosaic of Italian savoir-faire. (The group also includes the footwear brands Car Shoe and Church's.)

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It also gives the Prada Group's fashion holding critical mass, adding a ready-to-wear brand with a notably different identity to those of Miu Miu and Prada — as well as one that is not dependent on the designer Miuccia Prada — to the mix.

In a news release, Andrea Guerra, Prada Group's chief executive, said the acquisition would add, "a new dimension, different and complementary," to the Group. "Versace has huge potential," he added, while noting, "the journey will be long."

Prada plans to fund the acquisition with debt, borrowing more than one billion euros. The plan was approved by both companies' boards and they expect the deal to close in the second half of the year, pending approval by regulators.

Image



A classic Versace body-con look from the Fall 2025 collection. Versace



And a Fall 2025 Versace look, featuring a corset and puffer ball gown skirt. Versace

And a Fall 2025 Versace look, featuring a corset and puffer ball gown skirt. Credit...Versace

The Prada Group has been the rare success story during a general downturn in the luxury market, reporting [2024 revenues](#) of €5.4 billion, a 17 percent increase, driven in part by the tremendous recent success of Miu Miu, which experienced retail sales growth of 93 percent last year.

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By contrast, in its most recent [financial report](#) Capri, which also owns Michael Kors and Jimmy Choo, said it expected Versace revenues to drop to \$810 million in its current fiscal year, from \$1 billion in 2024. Versace has been seen as a potential acquisition target since [an attempt](#) by Tapestry, the group that includes Coach and Kate Spade, to acquire Capri was [blocked](#) last year by the Federal Trade Commission. (Speculation that Prada would also buy Jimmy Choo, given its expertise in leather goods, was not borne out.)

“The Versace business is in need of a complete turnaround,” said Luca Solca, a senior analyst with the research firm Bernstein. At the same time, he added, Prada’s track record with acquisitions “leaves much to be desired.”

Indeed, the Versace takeover is not Prada’s first try to extend its winning formula to other brands. In 1999, after a decade in which it helped define Italian fashion, Prada went on a buying spree, acquiring [Jil Sander](#) and [Helmut Lang](#), two brands that seemed to share an intellectual approach to dressing with the

group's core brand. It turned out, however, that the alchemy Miuccia Prada and her husband, Patrizio Bertelli created at Prada was not transferable. The group [sold Lang](#) in 2005 and it divested [Sander](#) the following year.

Versace will give them the opportunity to rewrite that narrative.

Image



A deliberately frumpy look from the Prada Fall 2025 collection. MONIC



And another, deliberately conceived to challenge classic stereotypes of femininity and prettiness. MONIC

And another, deliberately conceived to challenge classic stereotypes of femininity and prettiness. Credit...MONIC

Prada and Versace are, on the surface, a study in contrasts. Versace made its name on a celebration of flash and fantasy, reveling in sun, sex, the male gaze and the tightrope between bad taste and elegance. Prada, by contrast, embraced a contrarian exploration of the meaning of femininity, gender politics and the strange allure of ugly chic.

But, Mr. Bertelli said in the news release, “we share a strong commitment to creativity, craftsmanship and heritage,” as well as an understanding of the consumer power of brand semiology — the upside triangle, the medusa head — and a belief in the importance of family.

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Mrs. Prada is close to Donatella Versace, who stepped in to run the company her brother Gianni founded in 1997 after [his assassination](#); though [Ms. Versace left her position](#) as chief creative officer last month after almost 30 years, she remains chief brand ambassador, and has always felt an enormous sense of responsibility to ensure the future of her brother's legacy. She is reportedly “delighted” to have her brand back in family hands.

Though the Prada Group is listed on the Hong Kong Stock Exchange, Mr. Bertelli remains chairman. Lorenzo Bertelli, one of Mr. Bertelli and Mrs. Prada's two sons, is chief marketing officer and considered the heir apparent to the company, which was founded in 1913 by Mrs. Prada's grandfather. Even the designer who took Ms. Versace's place at Versace, Dario Vitale, had spent the previous 14 years at Miu Miu working with Mrs. Prada (who is creative director of Miu Miu and co-creative director of Prada with Raf Simons), ultimately rising to become her second in command before decamping to Versace. He is effectively coming home.

Capri, on the other hand, has a much shorter genealogy. The group was created in 2018 when [Michael Kors bought Versace](#) for \$2.1 billion, following its acquisition of Jimmy Choo. At the time, crowned chief executive John Idol, the Versace deal signaled "our latest step in creating one of the world's leading fashion and luxury groups."

Now Mr. Guerra of Prada might say something similar.

[Vanessa Friedman](#) has been the fashion director and chief fashion critic for The Times since 2014.