

PRADA Group

FY-24
Results Presentation

Milan, March 4th 2025

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Agenda

Patrizio Bertelli - *Chairman and Executive Director* **Highlights**

Lorenzo Bertelli - *Group CMO and Head of CSR*
Key Marketing Initiatives and ESG Update

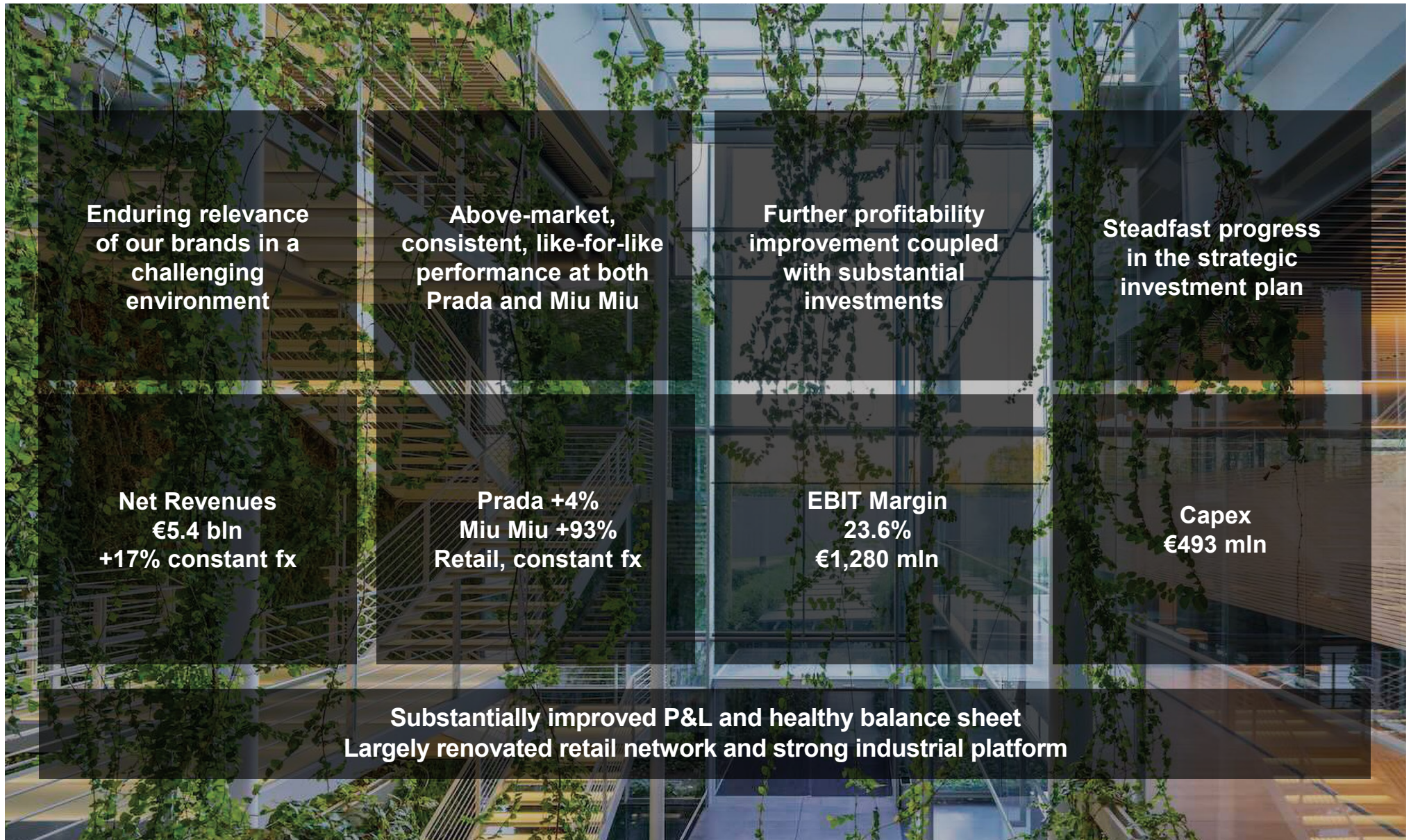
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Business Update

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Q&A Session

Sound results and solid progress in the evolutionary journey of the Group



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Prada

Showcasing Prada's polyhedric DNA



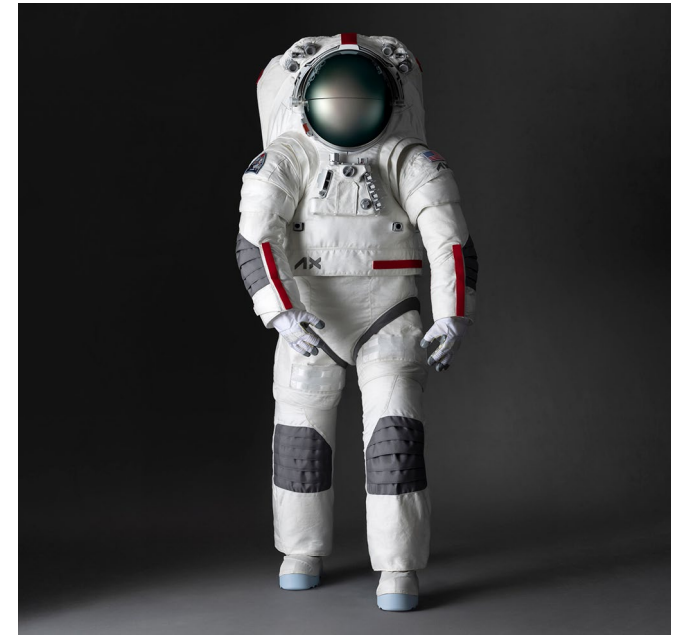
Acclaimed fashion shows and impactful campaigns kept amplifying brand's strength

- Prada continued to propose a creative dialogue that translated into acclaimed menswear and womenswear fashion shows
- Successful advertising campaigns such as Prada Re-Nylon, starring Benedict Cumberbatch and Emma Watson, and the Prada Galleria Bag, with Scarlett Johansson



Signature events and exclusive experiences gave voice to the unique brand universe

- The highly anticipated formats Prada Mode, Prada Frames and Sound of Prada featured leading international artists, critics, designers and musicians throughout the year
- Unconventional activations in exclusive venues further elevated the customer experience worldwide and enriched the brand's narrative
- Luna Rossa battled for the 37th America's Cup, winning the competitions reserved for the Youth and Women's sailing teams



Partnerships and collaborations pushed fashion boundaries

- The new lunar spacesuit, designed in partnership with Axiom Space for NASA's Artemis III mission, was unveiled at the International Astronautical Congress, drawing on Prada's most advanced design and technical know-how and innovation
- The collaboration between Red Bull athletes and Prada Linea Rossa continued to impress with ongoing high-performance sportswear projects

Miu Miu

Sparking conversations around the brand



Ongoing strong brand momentum

- Miuccia Prada's singular vision and distinctive interpretation of the world fueled the success of Miu Miu's fashion shows
- Resonant campaigns and special projects featured talent such as Emma Corrin, Gigi Hadid, Lexie Liu, Wonyoung Jang, Minnie, Momo
- Miu Miu Upcycled unveiled its 5th edition to give new life to vintage and pre-loved clothing



Miu Miu's artistic collaborations dug in the brand's cultural DNA

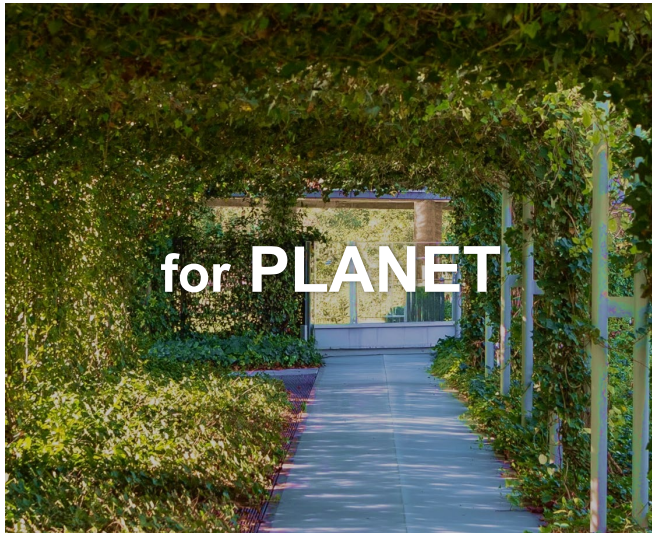
- Miu Miu's deep connection with culture resulted in artistic collaborations for the brand's fashion shows, offering a new layer of reflection on today's society
- The highly acclaimed "Tales & Tellers" at Art Basel in Paris and the commitment to women's empowerment through inspiring literary works nourished Miu Miu's distinctive voice in the contemporary debate



New and ongoing collaborations expanded brand boundaries and audiences

- The exclusive collaboration Petit Bateau X Miu Miu, presented on SS25 runway and inspired by the childhood wardrobe, celebrated purity and simplicity
- Church's X Miu Miu and New Balance X Miu Miu are a testament to the brand's iconic ability to combine avant-garde vision and sophisticated elegance

Focus on key areas to deliver on sustainability commitments



CLIMATE

- **-61% Scope 1&2 GHG emissions** (vs. 2019 baseline), exceeding 2026 Science-Based Target, mainly due to constant investment in green energy
- Ambitious 3-year **key raw materials conversion plan** towards low impact alternatives to contribute **Scope 3 GHG emissions** reduction

BIODIVERSITY

- Assessment launched to **identify main upstream impacts** on biodiversity
- ~80% of raw materials suppliers engaged with **ZDHC program** to address responsible chemicals management
- Finalized **1st water risk assessment** across the industrial supply chain

GENDER EQUALITY AND INCLUSION

- **46% women in top & senior management**
- New Group's **Parental Policy** to support gender equality, work-life balance and professional inclusion

FAIR WORKPLACE

- Sustainability-linked leadership behaviours to strengthen **Performance Management System**

KNOW-HOW PRESERVATION

- 120 young people trained in the **Prada Group Academy** and 103 joined production area

SEA BEYOND

- ~35,000 students reached by the 3rd **SEA BEYOND educational module**
- Presented the **Venice Declaration for Ocean Literacy in Action** with UNESCO-IOC during the UN Ocean Literacy World Conference
- Set up the temporary traveling exhibition **Ocean & Climate Village** during the 37th America's Cup to enhance students' knowledge about the ocean

FORESTAMI

- 2 open-air screenings organized to raise awareness of the **Forestami Academy** project

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Prada Group

- 
- Further steps forward in the journey we have laid out for the Group and its brands
 - **Executing with discipline and consistency**
 - **Continuing to develop our skills and capabilities all round**, from manufacturing to retail
 - **Conscious of the strength of our brand portfolio: distinctive identities, sharp positioning, unique creativity, polyhedric DNA**
 - Continue to **capitalise on these features** and further reinforce them; at the same time, **multiple areas of improvement** in our **path to retail excellence**
 - Our industry has experienced two decades of almost uninterrupted growth; **the uncertainty of the recent times prompts us to focus even more on our existing priorities**
 - **Product desirability**
 - **Create and anticipate trends**
 - **Commitment to our clients**

Prada

- **Another solid year** delivering **above-market performance** thanks to the **distinctive creative identity** and **dynamism**, and **ability to read contemporaneity**
- Its **polyhedric soul** gives **Prada authority** to continue to **carve the cultural landscape**, creating **unique experiences**
- Unwavering commitment to create **powerful dimensions of engagement** with clients, **offering immersive hospitality** (in-store and out)
 - New stores and venues offer **new opportunities** to **embrace the brand universe**
- **Consistent delivery** of **like-for-like** growth, supported by **focus on retail execution** and **well-balanced category mix**
 - Enriched **Leather Goods** offer architecture across strategic price points, with very good reception of **newness** and ongoing celebration of **icons**
 - Highly appreciated **RTW** collections, as **creative dynamism** fosters “**Prada Uniform**” identity as well as a solid performance in **Footwear**



Miu Miu

- **Very solid year** as Miu Miu continues to **strengthen its foundations** and **sharpen its positioning and identity**
- **The brand maintains the spotlight** captivating with its **subversive aesthetics** and **sparking cultural conversations**
- **Widespread appreciation** of a **broader and well-diversified product offering**
 - **Leather Goods fastest growing category** driven by **icons, newness** and **reinterpretations**
 - **Impactful creativity** spurred **continuous success** of **RTW and Footwear**, driving a solid **total look offering**
- Achieved **strong improvement in retail productivity and profitability**
- Focus remains on **reinvesting behind the brand** to ensure **longevity of performance** and **capitalise on the strategic efforts** of the past years



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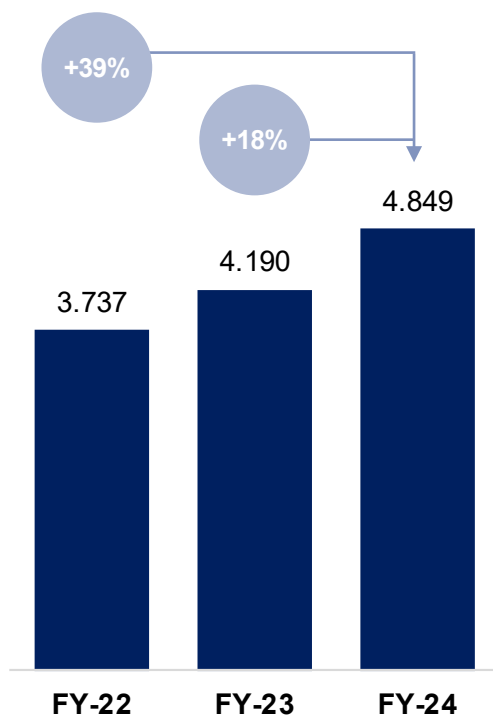
Key Financials

Substantially improved P&L and healthy balance sheet

FY-24 Net Revenues

€5,432 mln (+15% vs. FY-23 / +17% at constant fx)

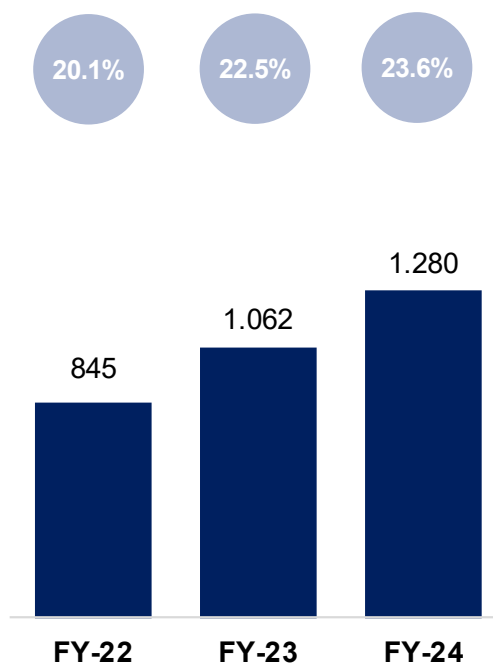
Retail Sales (€ mln) and growth (%) ⁽¹⁾



FY-24 EBIT

€1,280 mln

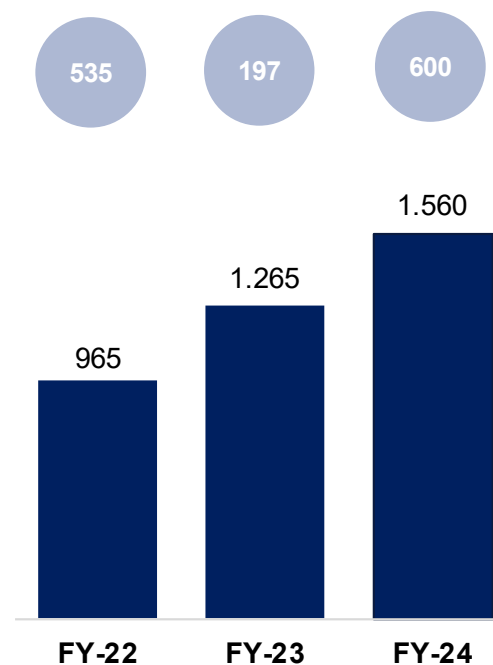
EBIT / EBIT Adj. ⁽²⁾ (€ mln) and margin (%)



FY-24 Cash Flow from Operations

€1,560 mln

Cash Flow from Operations ⁽³⁾ and Net Financial Position (€ mln) ⁽⁴⁾

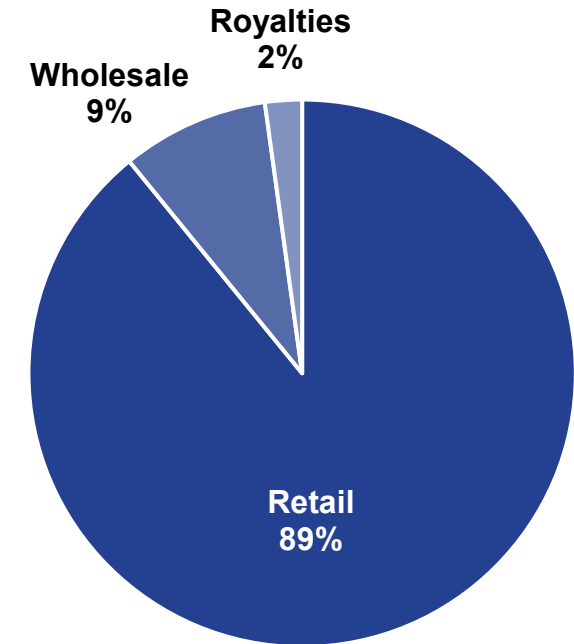


⁽¹⁾ At constant fx (%) ⁽²⁾ EBIT Adjusted for FY-22 ⁽³⁾ Cash flow from operating activities, less repayment of lease liabilities ⁽⁴⁾ (Net debt) / Net cash position

Net Revenues by Channel

Consistent delivery of high-quality like-for-like Retail growth

<i>€ mln</i> <i>% at constant fx</i>	FY-23	FY-24	FY-24 vs. FY-23	Q4-24 vs. Q4-23
Retail	4,190	4,849	+18%	+18%
Wholesale	433	461	+7%	+4%
Royalties	104	122	+17%	+2%
Total	4,726	5,432	+17%	+16%

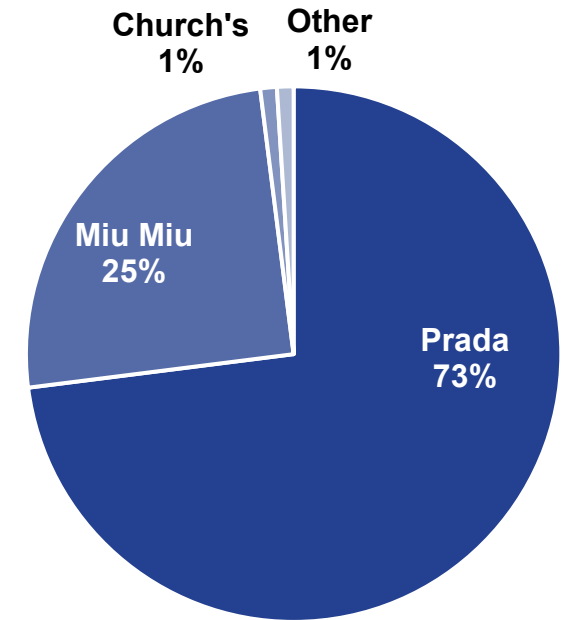


- **Retail**
 - Growth of +18% in FY-24, under healthy conditions (like-for-like, full price volumes)
 - Strong and consistent Q4 at +18%
- **Wholesale**
 - Positive performance driven by duty-free channel; continued selective strategy with independents
- Sustained **Royalty** growth supported by both eyewear and fragrances
- Negative **FX impact** of 210 bps on performance at current exchange rates

Retail Sales by Brand

Continued above-market growth at both Prada and Miu Miu

€ mln % at constant fx	FY-23	FY-24	FY-24 vs. FY-23	Q4-24 vs. Q4-23
Prada	3,488	3,563	+4%	+4%
Miu Miu	649	1,228	+93%	+84%
Church's	29	32	+10%	+7%
Other ⁽¹⁾	24	26	+9%	+8%
Total	4,190	4,849	+18%	+18%



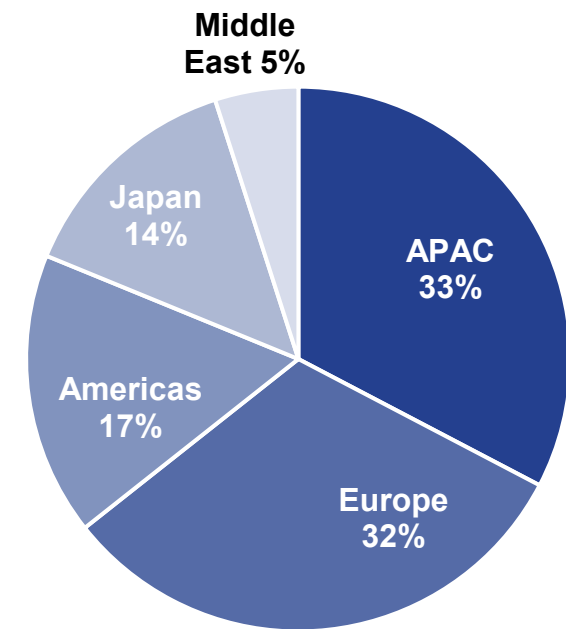
- Solid growth at **Prada**, driven by like-for-like, full-price sales
 - Growth across categories and genders
 - Q4 accelerating vs. Q3, sustained by all categories
- Remarkable organic performance at **Miu Miu**, well above the € 1 bln retail sales milestone
 - Broad-based growth across all product categories and regions
 - Continued strength in Q4
- Solid like-for-like growth at **Church's**

⁽¹⁾ Includes Marchesi and Car Shoe

Retail Sales by Geography

Solid growth across all regions

€ mln % at constant fx	FY-23	FY-24	FY-24 vs. FY-23	Q4-24 vs. Q4-23
Asia Pacific	1,446	1,604	+13%	+16%
Europe	1,312	1,532	+18%	+16%
Americas	767	830	+9%	+11%
Japan	484	656	+46%	+31%
Middle East	180	227	+26%	+30%
Total	4,190	4,849	+18%	+18%



- Good performance in **Asia Pacific** over the year, despite the more challenging market conditions in the region
 - Improvement in Q4 across all main areas
- Consistent double-digit growth in **Europe** over the year, supported by both domestic and tourist spending
- Sequential improvement in **Americas**, entering double-digit territory in H2
- Outstanding growth in **Japan**, with remarkably solid domestic demand, but also very positive touristic flows; Q4 continued to deliver high growth
- Solid performance in **Middle East**, including in Q4, fuelled by both domestic demand and tourist spending

Profitability

Further margin expansion coupled with substantial investments

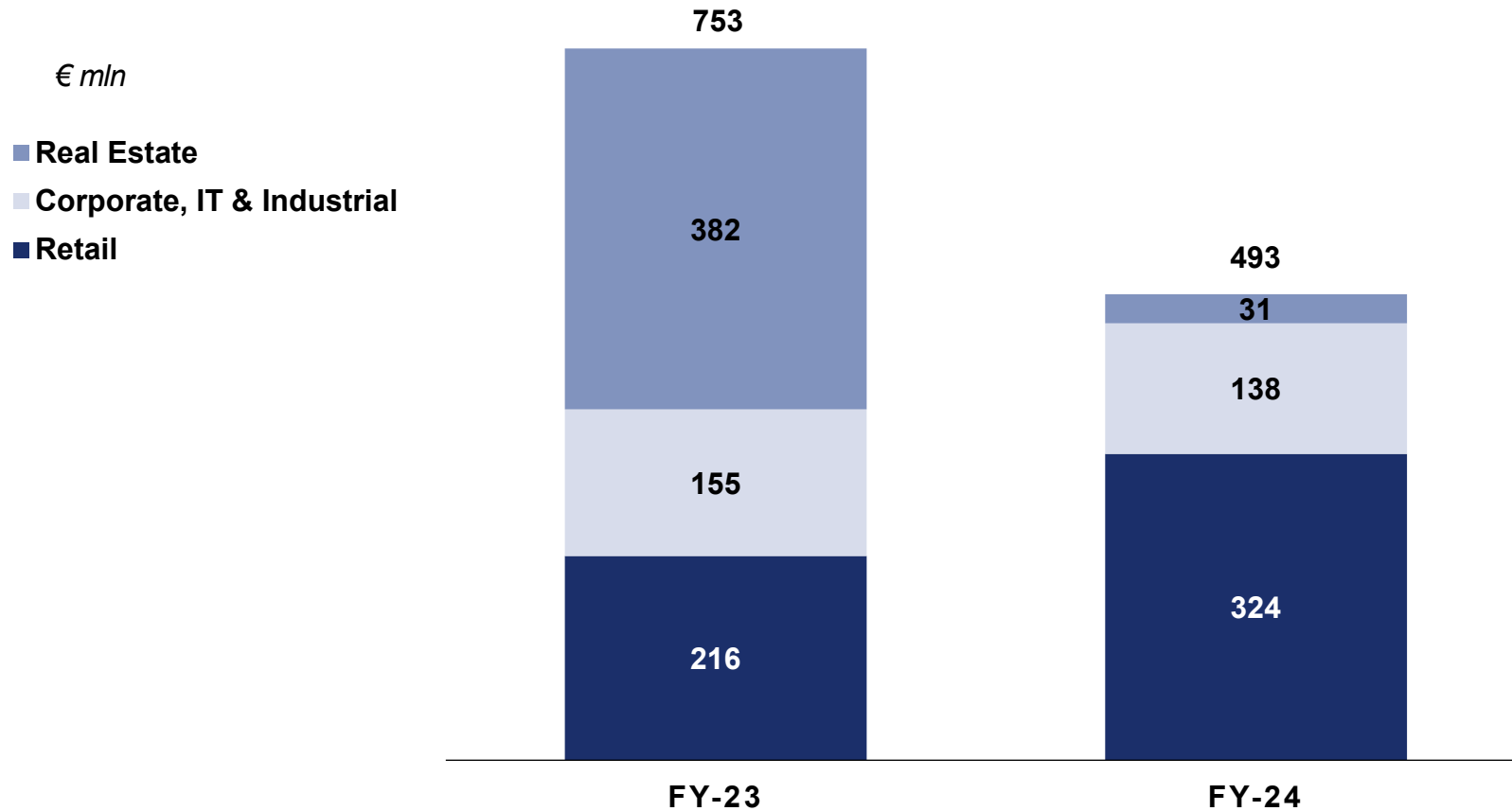
€ mln

	FY-23	% on Net Revenues	FY-24	% on Net Revenues	FY-24 vs. FY-23
Gross Margin	3,802	80.4%	4,337	79.8%	+14%
Selling	1,873	39.6%	2,083	38.3%	+11%
Advertising and Comm.	420	8.9%	473	8.7%	+13%
Product Design and Dev.	151	3.2%	158	2.9%	+5%
G&A	297	6.3%	343	6.3%	+16%
Total Operating Costs	2,740	58.0%	3,057	56.3%	+12%
EBIT	1,062	22.5%	1,280	23.6%	+21%
Net Income	671	14.2%	839	15.4%	+25%

- Gross Margin 79.8%, broadly stable excluding FX impact
- OPEX +12% reported, +13% at constant fx, mainly driven by variable component, marketing and IT spend
- EBIT of €1,280 mln (+21% vs. FY-23), 110 basis points yoy improvement to 23.6%
- Net Income of €839 mln (+25% vs. FY-23)

Capex

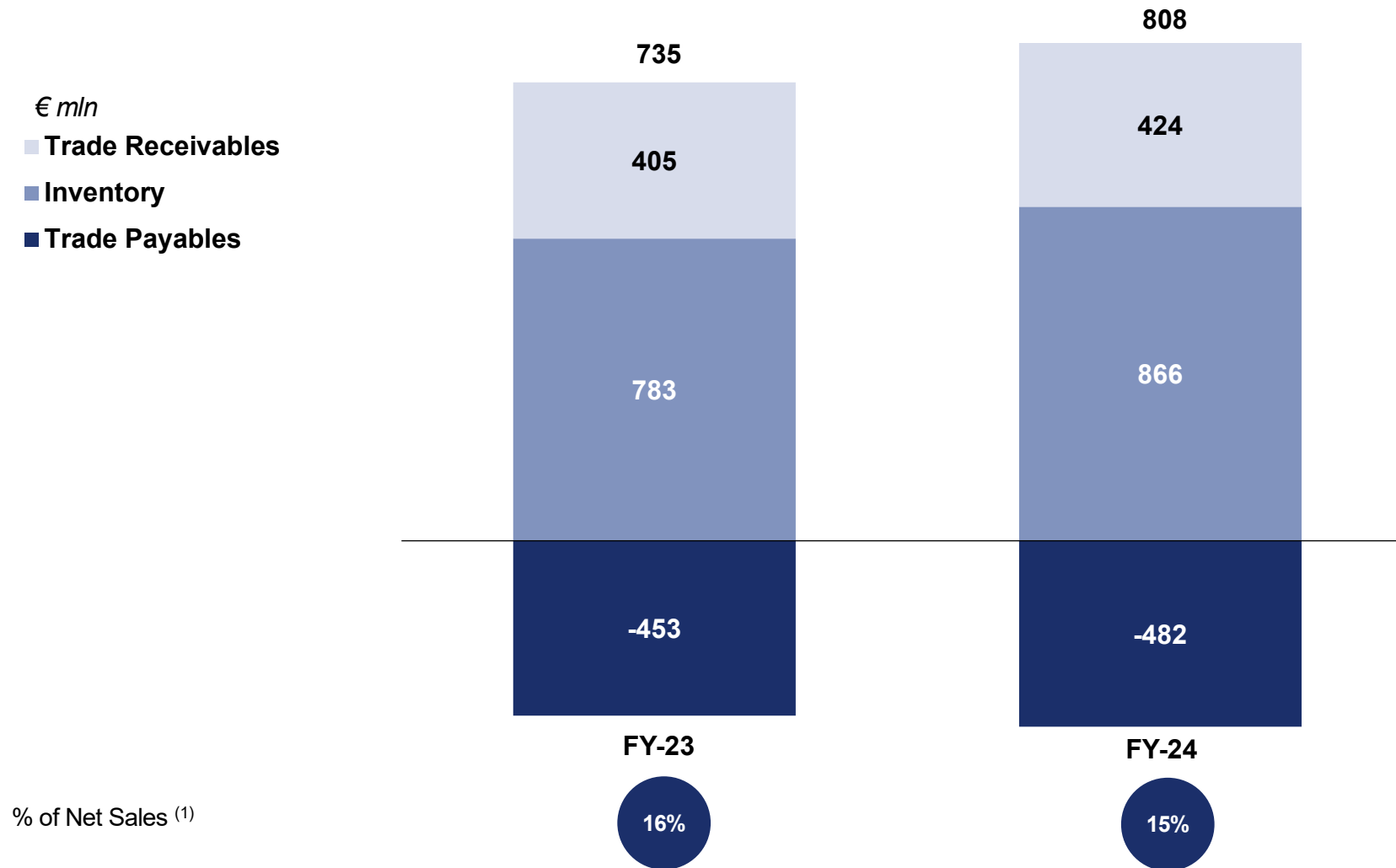
Steadfast progress on strategic investment plan



- Significant and continuous effort on retail projects, with largely renovated network to elevate and enrich the customer experience with unique hospitality initiatives
- Further strengthening of industrial capabilities, ensuring quality, agility and efficiency
- Progress on the digital evolution journey of the Group

Net Operating Working Capital

Further improvement over Net Sales



- Good control of working capital in context of significant revenue growth
- Inventory and overall improvement as percentage of sales

⁽¹⁾ Net Revenues excluding Royalties

Net Financial Position

Healthy Balance Sheet with Net Cash Position of €600 mln

€ mln

Opening Net Financial Position Surplus / (Deficit) - 31/12/2023	197
Consolidated Profit / (Loss) before taxation	1,189
Depreciation and Amortisation	297
Net Working Capital	-81
Tax paid	-271
Capital Expenditures and Investments	-462
Dividends	-351
Other	82
Closing Net Financial Position Surplus / (Deficit) - 31/12/2024	600

- For FY-24 the Board of Directors propose a dividend per share of €0.164, equal to total dividend of €420 mln⁽¹⁾ (50% pay-out ratio)

⁽¹⁾ Considering 2,558,824,000 shares outstanding at 31 December 2024

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Priorities for FY-25 and Closing Remarks

Unchanged priorities and ambitions

- **Solid performance in FY-24, marking further progress in the evolutionary journey of the Group and its brands**
- **Clear opportunity to continue to drive market share at Prada and to consolidate Miu Miu's success**
- **Consistent priorities:**
 - Continue to nurture the **brands' creativity** and their unique **ability to read contemporaneity**
 - Unwavering focus on investing behind **long-term desirability** offering **content-rich products** and **experiences**
 - **Retail execution** striving for excellence in managing stores and dialoguing with customers
 - **Retail space evolution** to further elevate and enrich the customer experience and some additional sqm, especially at Miu Miu
 - **Consolidate and empower the organisation: develop internal talent** first, creating our own pool
 - **Progress the strategic investment plan** across retail, industrial capabilities and technology
- While being mindful of the complex industry dynamics, we remain **committed to our strategy** and reiterate our ambition to generate **solid, sustainable and above-market growth**

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APPENDIX

Condensed P&L

<i>€ mln</i>	FY-23		FY-24	
Net revenues	4,726	100%	5,432	100%
COGS	-925	-19.6%	-1,095	-20.2%
Gross profit	3,802	80.4%	4,337	79.8%
Selling	-1,873	-39.6%	-2,083	-38.3%
Advertising and communication	-420	-8.9%	-473	-8.7%
Product design and development	-151	-3.2%	-158	-2.9%
G&A	-297	-6.3%	-343	-6.3%
Operating expenses	-2,740	-58.0%	-3,057	-56.3%
EBIT	1,062	22.5%	1,280	23.6%
Total financial expenses	-90	-1.9%	-91	-1.7%
EBT	971	20.6%	1,189	21.9%
Income taxes	-298	-6.3%	-345	-6.4%
Minority income	2	0.1%	4	0.1%
Group net income / (Loss)	671	14.2%	839	15.4%

Condensed Balance Sheet

€ mln	31 Dec 2023	31 Dec 2024
Right of use	2,025	2,279
Non current assets (excl deferred tax assets)	3,007	3,261
Net operating working capital	735	808
Other current assets / (liabilities), net	-146	-318
Other non current assets / (liabilities), net	171	166
Net invested capital	5,791	6,195
Consolidated shareholders' equity	3,877	4,419
Net financial position (surplus) / deficit	-197	-600
Long term lease liability	1,700	1,941
Short term lease liability	411	434
Total	5,791	6,195