

October 18, 2022 10:00 AM GMT

Prada | Europe

Introductory Guide

This report is 'uncommercial': no estimates, no target price, no recommendation and no actionable ideas. If you follow Prada, we think you should read it. This report will not help you with the next quarter, but we believe that it will help you understand the Prada story, the culture and maybe even the future direction.

MORGAN STANLEY & CO. INTERNATIONAL PLC+

Edouard Aubin
EQUITY ANALYST
Edouard.Aubin@morganstanley.com +44 20 7425-3160

Natasha Bonnet
RESEARCH ASSOCIATE
Natasha.Banoori@morganstanley.com +44 20 7677-5723

Miranda Shen
RESEARCH ASSOCIATE
Miranda.Shen@morganstanley.com +44 20 7677-6982



Brands

Europe **IndustryView** **In-Line**

Morgan Stanley does and seeks to do business with companies covered in Morgan Stanley Research. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of Morgan Stanley Research. Investors should consider Morgan Stanley Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

+ = Analysts employed by non-U.S. affiliates are not registered with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

History

It all started in 1913 when Mario Prada and his brother Martino opened a leather goods shop - Fratelli Prada - in Milan, Italy. Initially, they sold imported English steamer trunks, handbags and leather goods. In the 1960s, Mario's daughter Luisa Prada took the helm at Prada and ran it for almost 20 years.

Prada's modern history starts in 1978 when Miuccia Prada takes over. In 1970, Miuccia, Luisa's daughter, joined the company. She met Patrizio Bertelli in 1977, who had started his own leather goods business at the age of 24, and he joined the company soon after (Bertelli would become Prada's CEO from 1996 onwards). In 1978, Miuccia inherited the company, by which time sales were up to \$450,000.

Prada first launches bag lines and then diversifies. With Bertelli alongside her as business manager, Miuccia could implement her creativity in the company's designs (Patrizio Bertelli and Miuccia Prada would marry in 1987. They have two sons, one of whom - Lorenzo - joined the company as Head of digital communication in September 2017). Miuccia began making her first set of backpacks and totes in 1979 (made out of black nylon). The lines became her first commercial hit. A shoe line was released in 1984. In 1985, Miuccia released the 'classic Prada handbag' that became an overnight sensation. In 1989, Prada launched its first women's ready-to-wear collection and a men's one in 1994.

In the 1980s, Prada expands its distribution. In the early 80s, Prada sought out wholesale accounts for the bags in upscale department stores and boutiques worldwide. Concomitantly, in 1983, Prada opened a second boutique in Via della Spiga of Milan. By 1996, Prada was operating 40 stores worldwide.

The Miu Miu brand launches in 1992. Miu Miu, named after Miuccia's nickname, caters to younger consumers and celebrities. As we discuss later, in 2021, Miu Miu accounted for 11% of the Prada Group's consolidated sales.

There were a number of reasons for Prada's success in the 1980s and 1990s, not least the fact that Prada had broad appeal, from "the most wealthy and fashion-conscious insider" to "the young and aspirational pretender", according to the Independent (June 7, 2011). The personalities of the main players are also regularly cited as key attributes, with Miuccia Prada described as a "maverick risk-taker" and Bertelli as a "ruthless businessman" in the same article.

In the late 1990s, Prada makes a number of acquisitions... In June 1998, Prada took a 10% stake in then-listed Gucci Group but sold the stake a few months later to LVMH, which was trying to take control of Gucci (the group was eventually acquired by Kering after a long takeover battle). Prada was determined to hold a portfolio of brands like LVMH or Gucci Group and, in 1999, it took a controlling stake in New York based designer Helmut Lang. This was followed a few months later by the acquisition of German based company Jil Sander and UK based Church's. In 1999, Prada took a 25% stake in Fendi, along with LVMH. In 2000, it also took control of Azzedine Alaia.

... **only to divest most of them a few years later.** To help pay off debt approaching \$1bn, Prada planned on listing 30% of the company on the Milan Stock Exchange in June 2001. However, the listing never took place after there was a decline in spending on luxury goods in the US and Japan. In late 2001, Prada sold its 25% stake in Fendi to LVMH. By 2007, Helmut Lang, Jil Sander and Azzedine Alaia were sold.

Exhibit 1: Prada: A timeline

Year	Event
1913	Mario Prada opened an exclusive store in Milan selling handbags and other luxury items.
1919	Prada became an official supplier to the Italian royal family; since then Prada has been able to display the House of Savoy coat of arms and knotted rope design in its trademark logo.
1977-80	Tuscan entrepreneur Patrizio Bertelli founded IPI spa (leather goods production unit) and obtained a license from Miuccia Prada for exclusive production and distribution rights of Prada brand leather goods.
1980	Design and launch of the "triangle" Prada logo.
1982	Launch of the first Prada women's shoes collection.
1983	Opening of the second Prada store in Milan, Via della Spiga.
1984	Launch of the Prada black nylon backpack.
1986	Opening of the first Prada store abroad in Madrid and New York.
1988	Launch of the first Prada women's ready to wear collection and first women's fashion show in Milan. Internationalisation begins.
1993	Launch of first Miu Miu women's collection (RTW, Leather goods and shoes). Launch of the first Prada men's ready to wear collection and shoes.
1999	Acquired the brand Church's, founded in 1873 in England. Prada and LVMH together bought 51% (25.5% each) stake in Fendi. Prada sold its entire 9.5% stake in Gucci to LVMH for £250m.
2000	Launch of first Prada eyewear collection.
2001	Prada sold its entire 25.5% stake in Fendi to LVMH for \$225m.
2003	Agreement with Luxottica for the production and distribution of eyewear for Prada and Miu Miu.
2004	Launch of first Prada fragrance. Acquisition of Car Shoe, an Italian brand renowned for its driving moccasins.
2006	Launch of Prada first men's Fragrance. First Miu Miu fashion show in Paris.
2011	First Prada fashion show in Beijing. Sets up a JV with UAE's Al Tayer Insignia to re-enter the Middle Eastern market. On June 24th, Prada was listed on the Hong Kong Stock Exchange.
2014	Prada enters the food industry by acquiring a controlling stake in Marchesi.
2015	Prada and Coty introduce the first Miu Miu fragrance.
2017	Lorenzo Bertelli, the son of Prada Group Co-Chief Executives, joins the family business to lead marketing and communications.
2019	Partners with Adidas for a series of collaborations. Acquires Fratelli Prada SpA for €66M, which operates the four Milan stores. Signs a long-term license agreement with L'Oréal for the creation, development and distribution of luxury beauty products for the Prada brand from 2021.
2020	Raf Simons joins the Prada brand as Co-creative designer alongside Miuccia Prada.
2021	Prada Group and Zegna Group each acquire a 44% stake in Filati Biagioli Modesto.
2022	Pamela Culpepper and Anna Maria Rugarli join the Prada Board of Directors. Prada acquired 43.65% of Tannery Superior S.P.A. based in Pisa, Tuscany. Prada launched its first fine jewellery line.

Source: Company data

In 2011, Prada lists in Hong Kong. Prada listed in Hong Kong, mainly due to the fact that it was the top IPO market in 2008 to 2010 after the financial crisis hit the western

markets and could offer better multiples. Companies like Samsonite, L'Occitane and MGM China also listed in Hong Kong. Prada issued 423.3m shares, raising about HK\$16.7bn (US\$2.1bn).

In September 2017 Lorenzo Bertelli joins the Group. Lorenzo is the son of Prada Group Co-Chief Executives Miuccia Prada and Patrizio Bertelli. Since 2019, Lorenzo has been the Group Marketing Director and Head of Corporate Social Responsibility. He was appointed as Head of Marketing and Communication in 2018 and has been a Director of Prada Holding S.p.A. since 2015. Among the notable changes he has put in place since joining are: strengthening digital and communications strategies with multiple talent hires (such as bringing in former Louis Vuitton Digital Director Chris Bugg in 2020), the strong commitments to CSR with the launch of the Re-Nylon project (the goal is to reach 100% Re-Nylon by the end of 2021), the collaboration with Adidas and the agreement with Adobe Cloud solutions to provide data analysis of the group's brands and consumers across its online platforms and global retail network. Lorenzo joined the Board of Directors as Executive Director in May 2021. At Prada's November 2021 CMD, it was no surprise when the company said Lorenzo Bertelli was expected to become the next CEO, possibly within the next 3 years.

Raf Simons joins as co-creative director for the Prada brand in April 2020. The Belgian designer previously worked at Dior, Calvin Klein and Jil Sander (when it was part of the Prada group). "Like Ms Prada, Mr Simons is widely considered to be one of the industry's most inventive designers" according to the FT (February 3, 2020). He moved to Milan for the role and has responsibilities for creative input and decision making equal to Ms Prada for the Prada label (including store design and advertising campaigns). As for Miuccia Prada, who is in her seventies, she previously said that she had no plans to retire anytime soon. We believe that with Raf Simons' appointment to the Prada brand, Miu Miu benefited from increased commitment from Miuccia.

Group turnaround. Prada Group's sales peaked at €3.5bn in 2015 before declining for 2 years and then were effectively flat over 2016-2019, posting €3.2bn sales in FY19. The gross margin had stagnated at ~72% for the past decade (2011-2020) and the operating margin had declined sharply from its peak 26-27% in 2012/2013 to 9.5% in 2019. We believe Prada's underperformance during the decade was due to a negative scissor effect with much operating deleverage (sales came under pressure just as the company was expanding its store count, leading to a significant decrease in sales densities, by ~30% we estimate) as we discuss further in the [Track Record](#) section. In The Group held a Capital Markets Day in November 2021 (the first in seven years) to lay out its strategic plan, and unveiled the material transformation in terms of operations over the past couple of years to turn the company around (involving industrial process rationalization and efficiencies of scale). Its product architecture was simplified, markdowns stopped, time to market significantly reduced, wholesale rationalised and focus was intensified on retail and e-commerce. See more in the [Strategy](#) section. In November 2021 at their CMD, management set out plans to achieve €4.5bn sales and 20% operating margin in the medium term. For the LTM to June 2022, the Prada Group reached sales of €3.7bn, 77.3% gross margin and 17.8% operating margin.

In 2022, the Prada Group announced three new strategic appointments in its management: Andrea Bonini would become Chief Financial Officer (taking over the role held since 2016 by Alessandra Cozzani), in addition to two new Independent Non-

Executive Directors to the Prada Board of Directors, Pamela Culpepper and Anna Maria Rugarli. The two appointments to the Board of Directors increase the share of independents (from 33% to 45%) and achieve broad gender equality. The group also announced the establishment of an ESG Board Committee under the leadership of Lorenzo Bertelli, Prada Group's Head of Corporate Social Responsibility.

Secondary listing. In July 2022, Patrizio Bertelli stated that a secondary listing in Milan was on the cards (FT article, July 28 2022), which would help broaden its investor base according to the FT. As mentioned previously, Prada listed in Hong Kong in 2011. Miuccia Prada and her husband and co-chief Patrizio Bertelli control the business via an 80 per cent stake. As per recent press interviews, the family is not looking to sell down its share, with the dual-listing in Milan an option given Prada's Italian heritage, but it is not a priority and there are many technicalities regarding a dual listing.

Strategy

Prada held a Capital Markets day on November 18th 2021, when management presented its strategy for long-term growth and the ongoing turnaround plans for the group. There has been no update to the company's guidance since the CMD, however management emphasized in July 2022 at the 1H22 presentation that the 1H22 results placed the group on an accelerated path towards achieving its medium-term guidance.

Overview

The strategy laid out during the event was consistent with the steps already taken over the past few years to recover the ground lost versus key luxury competitors, but there was a decisive step forward in terms of execution across all key functions.

- *From a product perspective*, management indicated it was extremely focused on creativity and product quality, aiming at balanced growth across all categories: leather goods (~60% of sales), ready-to-wear (~22%) and footwear (~18%), and exploring new areas including make-up, skincare, home and fine jewellery. The group has adapted pricing and eliminated markdowns.
- *From a channel perspective*, Retail was expected to grow from the then 88% weight to >90%, underpinned by strong growth in e-commerce, seen growing from the then 7% to 15% of sales.
- The *Marketing and Communication* function has been boosted by new investments, with progress monitored by a long list of KPIs.
- Several initiatives were launched in *Operations* (also thanks to the hiring of Massimo Vian - ex Luxottica COO and co-CEO) leading to meaningful efficiencies, including a ~40% reduction in the number of SKUs, ~50% reduction in production lead times, reduced inventories and COGS savings.

Succession plan. Lorenzo Bertelli (son of co-CEOs Miuccia, 73, and Patrizio Bertelli, 76), currently Head of Communications at Prada, was flagged as the CEO successor, within the next 3 years.

Brands

The Prada group owns 4 brands: Prada (launched in 1913), Miu Miu (1993), Church's (1921) and CarShoe (1963). For the history and past performance by brand, please refer to the section [Divisional Review: Brands](#).

Prada (86% of sales in 2021). The Prada brand reported revenues of €2.9bn in 2021 (up +8% vs. 2019 for reference). The strategic levers for growth mentioned at the November 2021 CMD were: (1) Regarding the brand, it planned for more marketing investment into digital and experiences; (2) On customers, it planned to focus on Gen Z, China and US, omni-channel and increasing clienteling actions; (3) It planned to expand in product categories. On the product front, management set out 3 ambitions for the Prada brand:

1. To build a global beauty house by adding make-up and skincare. Earlier, in January 2021, the Prada brand signed a long-term license agreement with L'Oreal for the creation, development and distribution of luxury beauty products for the Prada brand. The Group's objective is to double the Prada brand's global market share in fragrance by 2023.
2. Reinforce the brand's position in luxury eyewear by focusing on product development in the Sun and Optical segments. The Prada brand has had a partnership with EssilorLuxottica since 2003.
3. Explore new opportunities in home and fine jewellery (Prada launched its first fine jewellery line in October 2022).

Miu Miu (12% of sales in 2021). The Miu Miu brand reported revenues of €401m in 2021 (an -11% decline vs. 2019, and even further from its 2015 peak of €564m). The brand has a strong millennial and Gen Z customer base compared to the Prada brand, and is more RTW focused, with c.45% of sales in 2021 (vs. c.27% for Prada brand we estimate). The main outcome of the strategic update on Miu Miu during the CMD was the planned €150m investment into communication through seasonal drops and special projects over the following 3 years (2022-2024). On the product front, the Miu Miu brand will reinforce its RTW and accessories to cover additional price-points and sub-categories. Management stated that the Miu Miu brand's turnaround had already started, was on track, and already bearing fruit (though not specified). At the November 2021 CMD, CEO Patrizio Bertelli stated that the Miu Miu brand had not yet reached a breakeven point, but that the objective was for it to reach the 20% EBIT level in line with the Group's target.

The **Church's** and **CarShoe** brands were not discussed during the CMD. They are relatively immaterial to the group, with 2021 reported sales of €40m and less than €18m respectively (€18m is for the "Other" category which includes CarShoe and production for third parties), thus accounting for less than 1% of group sales each.

Products

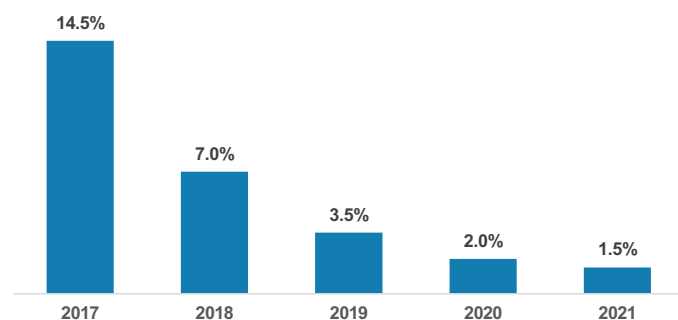
Product mix. In 2021, the Group's mix was split as follows: 51% leather goods, 27% clothing, 20% footwear, and 2% others (mainly fragrances and eyewear). Management stated that it expects the balance to be around 60% leather goods (this includes small leather goods and accessories), ~22% clothing and ~18% footwear. The Group is more exposed to clothing than peers (Vuitton is c.5% RTW, Bottega Veneta c.12%, Gucci c.15% we estimate), however it is part of the brand's DNA, and CEO Bertelli stated that moving away from the category would be detrimental to the brand identity (in terms of gross margin, we believe the most profitable is leather goods, clothing, then footwear). The founder and co-CEO stated at the CMD that the company was investing to improve its business in leather goods, working on the product positioning in order to be able to increase gross margin in that category (something it had already done in RTW). On footwear it believed it had already achieved good price positioning and gross margin.

Pricing. At the CMD, CEO Bertelli indicated that the Group had adapted pricing in recent years, and that most of all the Group had eliminated markdowns (the majority of the markdown policy came down between 2017-2019), see [Exhibit 2](#). As of the CMD,

management stated that it was almost 100% full-price sales at retail, and that it would maintain a broad price architecture and continue to increase the average price. More recently, at the half year results in July 2022, the Group stated that it had raised the floor of pricing for bags, but that it wanted to keep entry-level price points. For more information on Prada's pricing vs peers, please see [Exhibit 80](#).

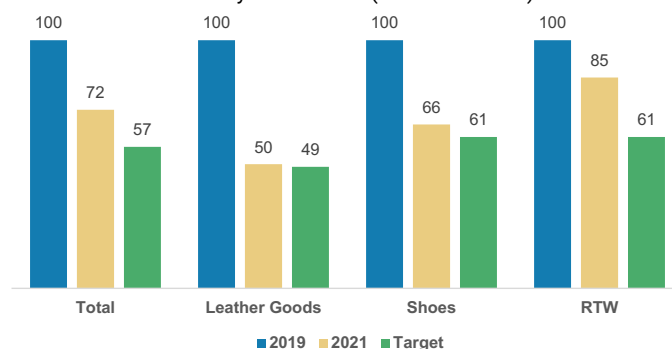
Architecture. The Group has reduced complexity in its product architecture, as can be seen in [Exhibit 3](#), reducing by 30% the number of new products introduced to the market across all categories. We believe that the current split between newness and carryover is c. 50/50 in leather goods and 70-80% newness in footwear.

Exhibit 2: Markdown sales % at retail



Source: Company data for 2017 and 2018, MS estimates for the rest; excludes outlets

Exhibit 3: Number of styles launched (Rebased to 100)



Source: Company data as of November 2021 CMD

Distribution

From a channel perspective, the group's focus lies on DTC, prioritizing retail and its direct online channels - as has been the case with all the luxury goods players over the years. Retail was expected to grow from 87% in 2021 to >90% (it was 88% in 1H22), underpinned by:

- *Strong growth in e-commerce.* The Prada Group expects to double its e-commerce penetration from 7% to 15% of sales in the medium term (a level brands such as Vuitton and Gucci have already reached on our estimates).
- *Selective expansion* in markets with higher potential and lower penetration. By geography, management mentioned Asia would be the main growth driver in terms of retail networks. As for the US, another driver, secondary cities in the Central and West regions such as Atlanta, Austin and Baltimore were indicated (as the Group is not present there yet). It also intends to expand in the Middle East in new malls that will be built in the next few years. Regarding Europe, the company intends to optimize the retail network and expand selectively.
- *An increase in retail productivity* (targeting 30-40% increase in sales density in the medium term). To reach that goal, the Group plans to increase traffic in stores by using more pop-ups and in-store special installations in high-visibility locations.

Retail. As per the company, in 2021 alone, 120 store renovations were completed and 80 pop-up installations were set up, leading to increased footfall in stores and a continuously evolving retail image.

Focus on online. The Group grew online sales fivefold to 7% over 2019-2021 (which is below the industry average of c.10% in 2021). A previous criticism had been that the group was not up to date in terms of digitalisation. Lorenzo Bertelli stated during the CMD that in order to fulfill the bigger demand from e-commerce, the Group would be investing and transitioning from a store-centric to a warehouse-centric fulfilment model (in contrast to the vision previously set out by his father to fulfill e-commerce orders through the retail network to avoid having to invest in warehouses or additional stock).

The Group has launched a €80m transformation programme to accelerate the omni-channel strategy over 2022-2024 (including evolution of CRM systems, integrated systems for order management and stock availability).

Wholesale rationalization. In July 2022 management stated that it was almost done with its wholesale rationalization plan, and was still rationalizing further, to eliminate some "critical situations" that required more time. In turn, this should make its e-commerce activity and sales in its DOS even more efficient.

Communication

A big focus for the Group over the past few years, and going forward, is communications. As per the company, the group is now able to have a single customer view across channels and capitalizes on this by doing personalisations and clienteling. Customer engagements increased 67% between 2019 and 2021, per the company. Lorenzo revealed that of the increase in sales over 2019-2021 (+€300m in retail sales), over 20% was driven by the clienteling activities they performed. While the Group's communications budget was increased by 25% over 2019-2021, digital spend was increased by 80% (note Group retail sales increased 11% over 2019-2021).

Vertical Integration and supply chain

The Prada Group owns 23 manufacturing sites as of September 2022 and is c.27% vertically integrated we estimate (they are 40% integrated in assembly per management, with plans to grow to a limit of 60%). The company plans for expansion of its own manufacturing capabilities (having hired 100 more employees in 2021 and plans for 200 more in 2022) and further vertical integration with strategic acquisitions. Prada Group invested c.€80m in acquisitions over 2019-2021 and planned for €70m in 2022, as well as scouting further opportunities, as it looks to grow organically and through further non-organic opportunities.

Its latest acquisition was in September 2022 – a 43.65% stake in Conceria Superior S.p.A, a specialized calfskin tannery in Santa Croce Tuscany, Italy. Please see [Exhibit 4](#) for the list of its recent acquisitions related to vertical integration.

Management indicated that the group will continue with consolidation and further investments in vertical integration of its supply chain, rationalization of production, improved process control, and reduction in time to market and factories. Regarding reasons for vertical integration, management stated the importance of "made-in-Italy" and safe-guarding quality and know-how, reduction in complexity, faster time to market (especially for collections the company makes for pop-ups where it requires ~1 month lead time), and another important factor is the traceability of its products. We estimate

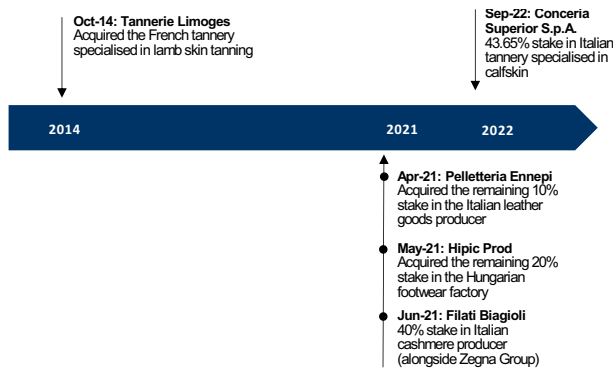
the Group is c.27% vertically integrated today and we believe it is targeting c.30-35% going forwards at the maximum, in order to remain flexible. It is prioritizing certain phases of production such as leather goods cutting - see [Exhibit 5](#).

Prada's co-CEO Patrizio Bertelli has said "Prada is a possible industry consolidator" and that it wanted to "defend the Italian know-how", and "if chances come, we will assess those".

Operations. The Prada Group has undergone a material evolution of operations over the past few years and plans to extend this process further. As [Exhibit 6](#) and [Exhibit 3](#) below show, the Group has reduced the complexity of its collection architectures across categories, by reducing by c.30% the number of new models introduced to the market and by 30% the time to market of products. This will allow the company to further target marketing efforts while reducing inventory and industrial costs. In addition, the group reduced the number of raw materials SKUs by 35% between 2019 and 2021 and increased by 20% the average manufacturing batch (+45% for shoes). Per management, these improvements translate into cost efficiencies and contribute to a higher gross margin for the group.

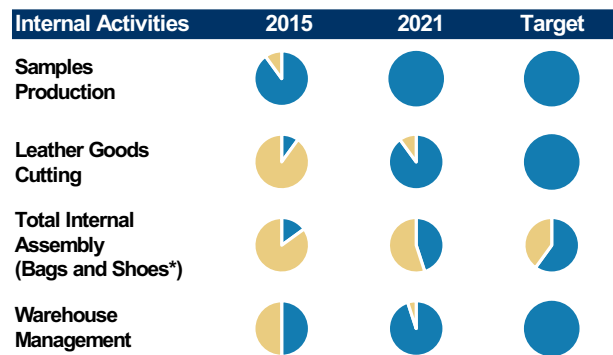
The Group invested c.€100m over the past 6 years to build its latest logistics hub at Levanella in Tuscany, being the focal point of the restructuring of their logistics systems. With a surface of 40,000sqm, it should be c.80% operational by the end of 2022.

Exhibit 4: Prada: Vertical integration timeline



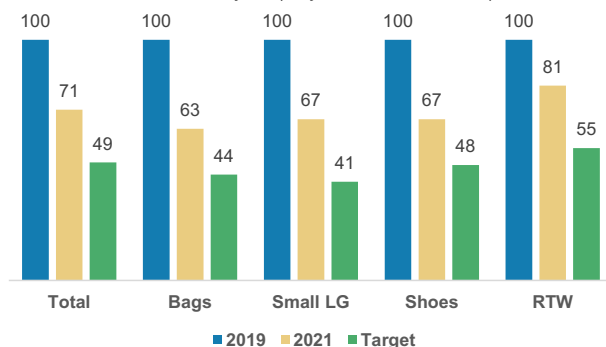
Source: Company data, Morgan Stanley research

Exhibit 5: Internal Production %



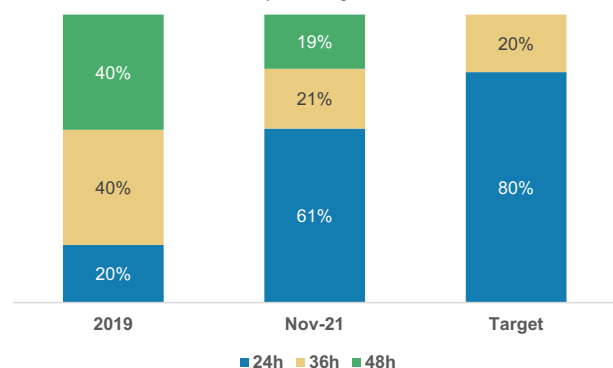
Source: Company data

Exhibit 6: Production Cycle (Days, Rebased to 100)



Source: Company data as of November 2021 CMD

Exhibit 7: E-commerce Dispatching Time



Source: Company data as of November 2021 CMD

Financial

Medium-term guidance. At the CMD in Nov-21 the company set forth its medium-term guidance for €4.5bn in sales – it did not specify a date – (it was €3.2bn in 2019 and reached €3.4bn in 2021) and ~20% EBIT margin (it was 9.5% in 2019, 15.8% in 2021 and reached 17.8% for the LTM to June 2022).

In addition, management also guided for higher gross margin of ~78% (later reiterated to be reached by FY22) due to the cost efficiencies in its supply chain (in was 72% in 2019, 76% in 2021 and reached 77.1% in 1H22).

The drivers mentioned for GM and EBIT margin expansion were: (1) Increase in sales densities, targeting 30-40% growth; (2) Channel mix: target of 90%+ retail, and a doubling of e-commerce from 7% to 15% of sales (the company said online growth will be accretive to profitability), growth in licensing business; (3) Scale efficiencies in its supply chain; and (4) Operating leverage through organic growth, with the existing overhead platform scaled for growth.

In terms of capital allocation, the company guided for Capex at €200-250m per year of which ~€150m at retail and ~€100m in production and IT. On the retail spend, it will be openings, with priority given to the Americas and Asia, and continued optimisation of its existing retail network through renovations and relocations. The production and IT spend is for vertical integration and IT architecture.

At the CMD, management stated its aim to resume a dividend policy in line with pre-pandemic levels (Prada's pay-out ratio was 93% for FY18, 20% in FY20 and in 61% in FY21).

Exhibit 8: Prada: Guidance

Year	Metric	Guidance	Actual
Medium-Term Guidance	Revenue	Target of €4.5bn revenues	
	Profit	20% EBIT Margin	
FY22			
<i>Jan-22 to Dec-22</i>	Gross Margin	Gross Margin for FY22: 78%	
FY21			
<i>Jan-21 to Dec-21</i>		No FY guidance	
FY20			
<i>Jan-20 to Dec-20</i>		No FY guidance	-
FY19			
<i>Jan-19 to Dec-19</i>		No FY guidance	-
FY18	Revenue	MSD to HSD Growth	+6%
<i>Jan-18 to Dec-18</i>	EBIT Margin	Increase in 50 to 80 basis points (FY17 was 11.8%)	10.3%
FY17	Revenue	-	-
<i>Jan-17 to Dec-17</i>	Gross Margin	In-line with FY16 (FY16 was 72.0%)	74%

Source: Company data. Morgan Stanley research

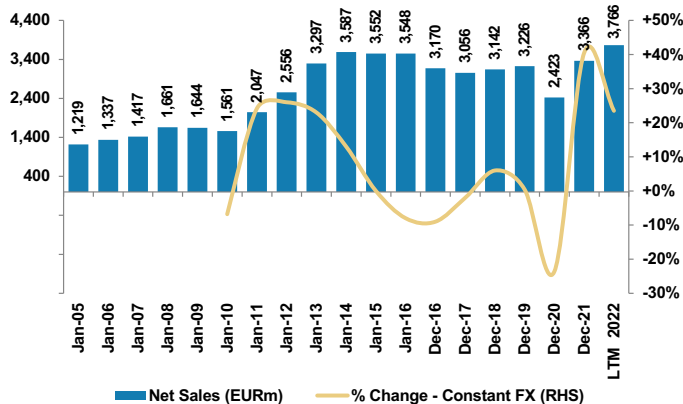
Track Record

Sales

Prada's track record has been mixed, with periods of strong growth soon after its IPO in 2011, as high as +24%, +26% and +23% from FY11 to FY13, respectively. However, sales slowed down and the group experienced three years of negative constant FX growth (as shown in the two exhibits below) before returning to growth in FY18.

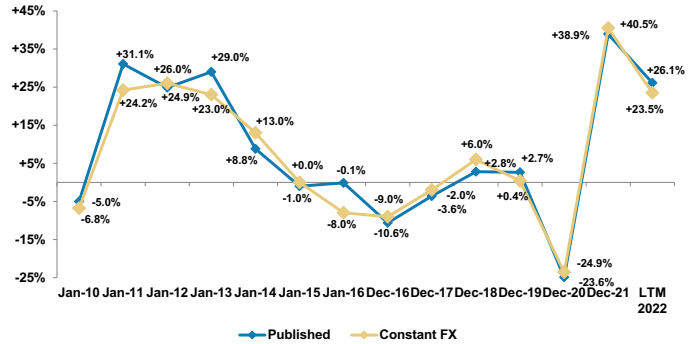
When looking at the past 5 years, sales have grown at only a +1% CAGR (2016-2021), significantly lower than most luxury brands like LVMH F&LG +19%, Gucci +17%, Saint Laurent +16% and Hermès at +12% during the same period.

Exhibit 9: Prada: Net sales evolution since 2005



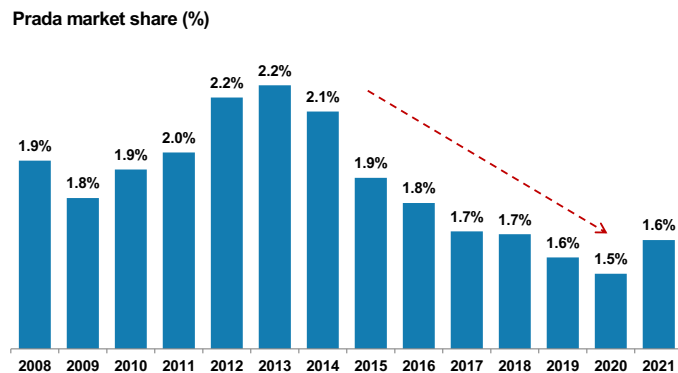
Source: Company data, Morgan Stanley Research
 Note: Prada group changed its reporting year end from January previously to December in 2017.
 LTM 2022 is last 12m ending June 2022

Exhibit 10: Prada: Sales in constant FX vs. published



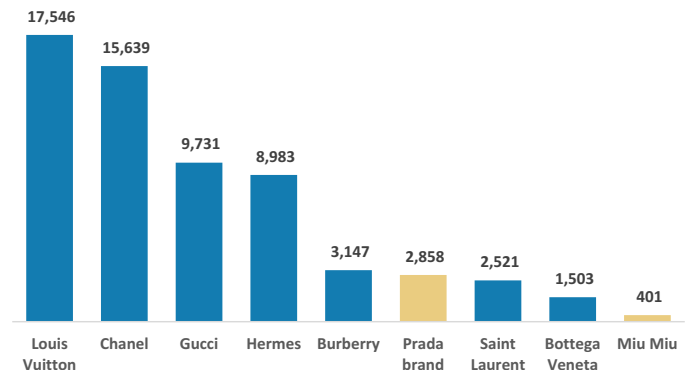
Source: Company data, Morgan Stanley Research
 Note: Prada group changed its reporting year end from January previously to December in 2017.
 LTM 2022 is last 12m ending June 2022

Exhibit 11: Prada: Global market share from calendar 2008 to calendar 2019



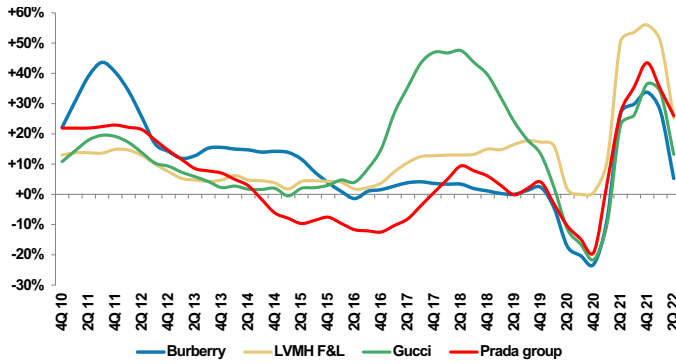
Source: Company data, Bain Altgamma. Note: The methodology to calculate market share is dividing the Prada Group's sales values by the total personal luxury goods market size provided by Bain Co. The figures are calendarised.

Exhibit 12: Prada group: Sales comparison vs. peers in 2021 (EURm)



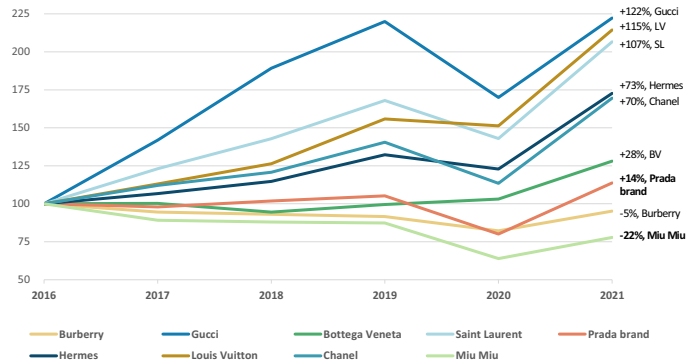
Source: Company data, Morgan Stanley Research
 Notes: Louis Vuitton is MS estimate, Burberry is calendarized and converted to EUR

Exhibit 13: Prada group: Sales growth vs. peers



Source: Company data, Morgan Stanley Research estimates
 Note: Gucci - comparable change; LVMH F&L organic growth, Burberry Underlying growth and Prada retail LFL growth (MS estimate)

Exhibit 14: Prada group: Sales growth vs. peers (index 2016 = 100)



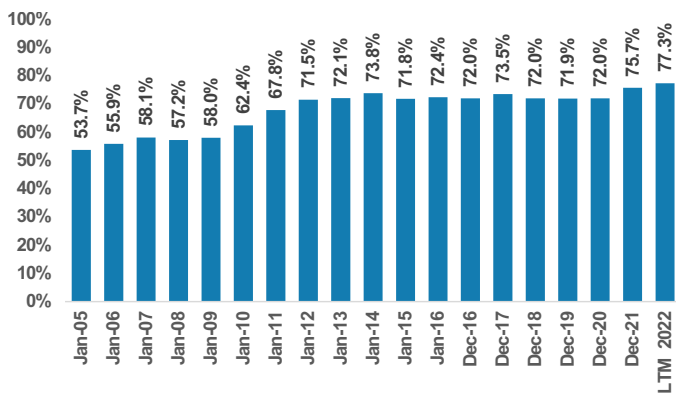
Source: Company data, Morgan Stanley Research estimates
 Notes: Reported sales indexed to 2016 =100; Louis Vuitton is MS estimate, Burberry is calendarized and converted to EUR)

Gross Margin

Prada's gross margin increased significantly between 2008 and 2011 (from 58% to 71.5%) – mostly a function of the share of retail increasing from 53% in 2008 to 77% in 2011, but also with country mix benefitting from new store openings in Asia – but then stabilised around the 72% range for the next decade, as can be seen in Exhibit 15. The jump to 75.7% in 2021, a 373bps increase YoY, was driven by the richer product offer (higher full price mix and increased ASP), a more favourable channel and geographic mix and industrial efficiencies, per the company. For context, the retail/wholesale split moved from 83%/17% to 88%/12% from 2019 to 2021. And by geography, Europe/Americas/Asia split was 39%/14%/32% in 2019, moving to 29%/19%/38% in 2021.

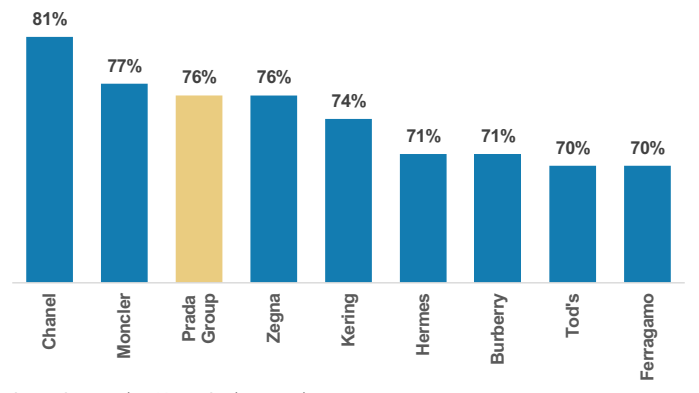
The company targets a 78% margin, as set forth at its CMD, and in July 2022 said it would achieve this as early as 2022.

Exhibit 15: Prada: Gross margin evolution



Source: Company data

Exhibit 16: Prada: Gross margin vs. peers in 2021



Source: Company data, Morgan Stanley research

Operational Performance

Similar to its sales performance, Prada's operating margin has also declined significantly since FY15, after reaching a high of 27% in FY12. Margins declined by a cumulative 1,750 bps between FY12 and FY19 (to 9.5%). In 2021 it reached a 15.8% adjusted EBIT margin having benefited from the growth in retail giving it operational leverage, the gross

margin expansion and operational efficiencies as described in the strategy section.

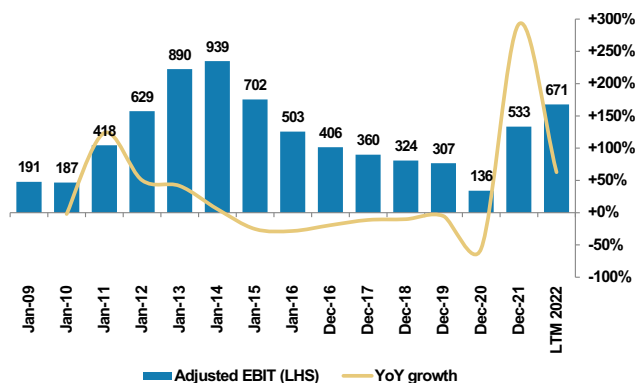
The Prada Group has a target of 20% EBIT margin in the medium term and posted a 17.4% margin for 1H22. At the time of writing, Visible Alpha consensus for 2022 is for a 17.6% EBIT margin.

Prada's consensus estimates were on a downward trend from Spring 2013 (see [Exhibit 24](#)), more or less stabilised between late 2017 to 2019, before recently trending positively given the ongoing turnaround of the brand.

Relative underperformance

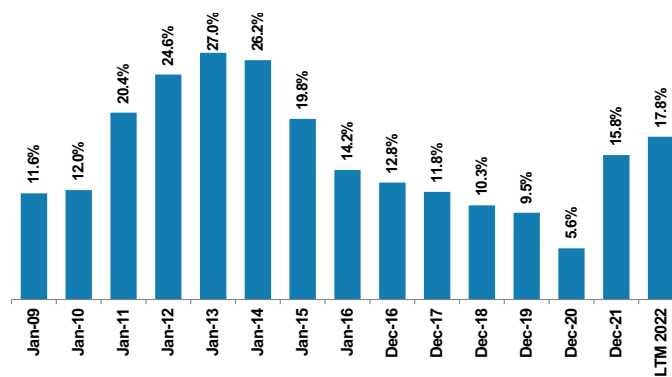
We believe that the relative operational underperformance since the IPO was related to a negative scissor effect (i.e. sales came under pressure as the company was ramping up its store network). On the demand side, Prada has been facing increased competition in the key leather goods category from both high end players (usually with a RTW background) such as Saint Laurent, Celine and Valentino (compounded by perhaps a lack of newness at Prada at the time and its products resonating less with consumers) as well as from the rising lower end players such as Kate Spade, Michael Kors and Coach (as can be seen in [Exhibit 53](#), the share of leather goods in Prada's sales mix has declined since calendar 2013, from 66% to 51% in 2021). This impact was compounded by the impact of China's anti grafting campaigns. On the supply side, the Prada Group substantially accelerated its store opening program and operated a total of 635 corporate stores at the end of 2021 from 265 corporate stores at the end of FY10. The combination of all these effects resulted in a dramatic fall in sales densities at both the Prada and Miu Miu banners, operating leverage (given the majority of fixed costs in its Opex) and declining return on capital employed.

Exhibit 17: Prada Group: Adj. operating profit and growth



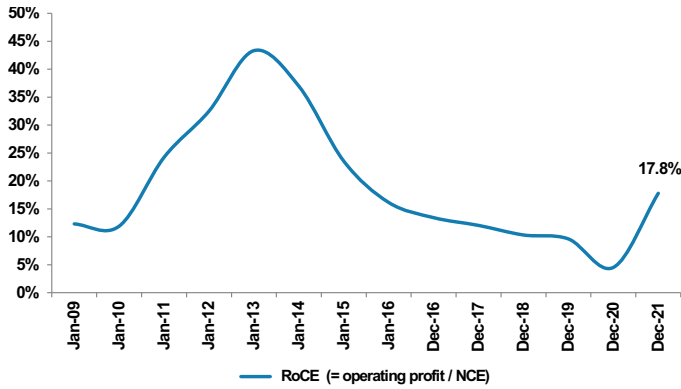
Source: Company data, Morgan Stanley Research.
Note: LTM 2022 is last 12m ending June 2022

Exhibit 18: Prada Group: Adj. EBIT margin



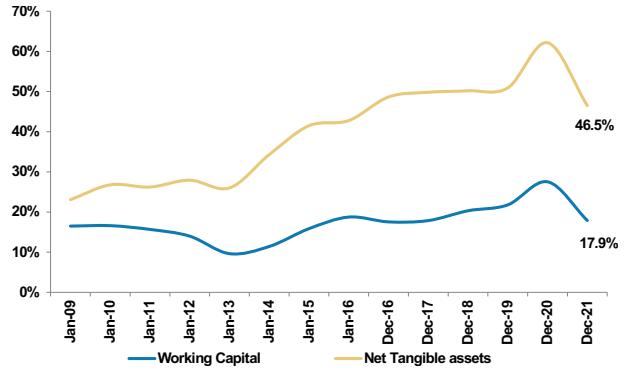
Source: Company data, Morgan Stanley Research.
Note: LTM 2022 is last 12m ending June 2022

Exhibit 19: Prada Group: RoCE performance since 2009



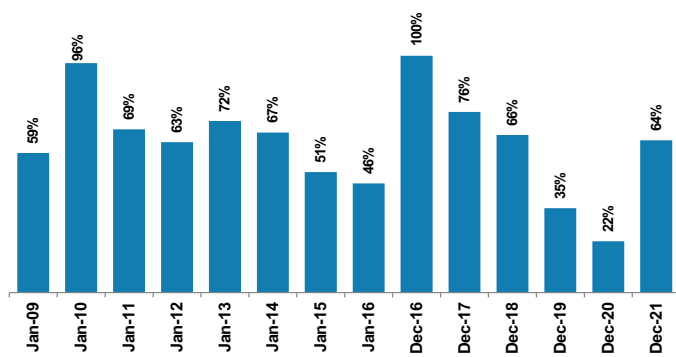
Source: Company data, Morgan Stanley Research

Exhibit 20: Prada Group: Major Components of capital intensity as % of sales



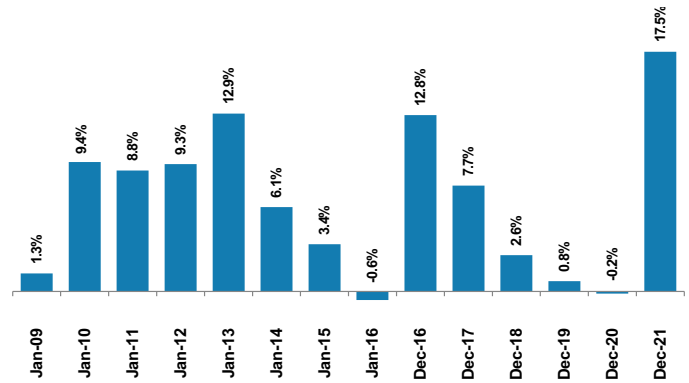
Source: Company data, Morgan Stanley Research

Exhibit 21: Prada Group: Cash conversion ratio



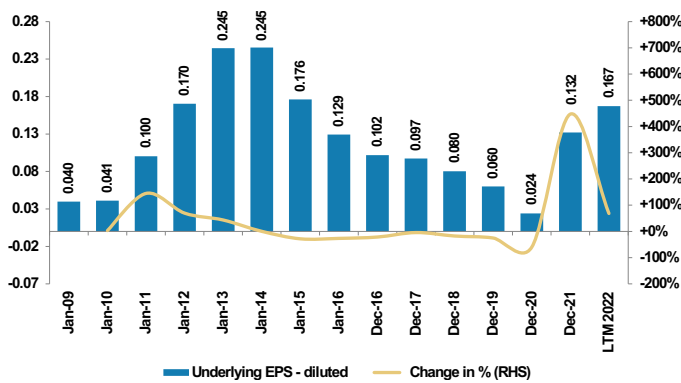
Source: Company data, Morgan Stanley Research
 Definition: Cash Conversion = Operating CF/EBITDA
 Note: We excluded RoU D&A from Operating CF from 2019 onwards

Exhibit 22: Prada Group: FCF as % of sales



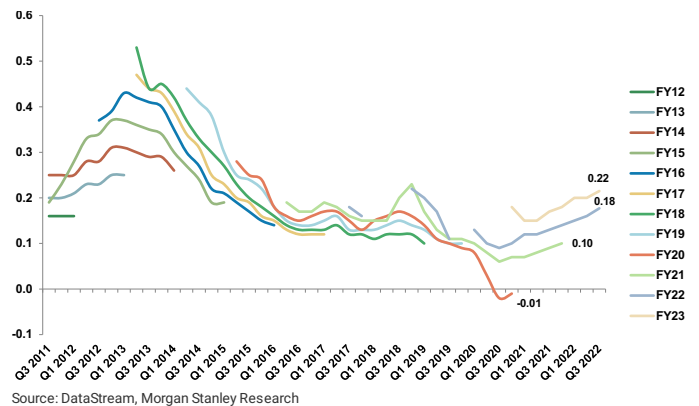
Source: Company data, Morgan Stanley Research
 Definition: FCF = Operating CF less net capex. Note: We Excluded RoU D&A from Operating CF from 2019 onwards

Exhibit 23: Prada Group: EPS evolution since 2009



Source: Company data, Morgan Stanley Research

Exhibit 24: Prada Group: Consensus EPS expectations since IPO -



Source: DataStream, Morgan Stanley Research

Share price history. As mentioned previously, Prada listed in Hong Kong in 2011, mainly due to the fact that it was the top IPO market in 2008 to 2010 after the financial crisis hit the western markets, and could offer better multiples.

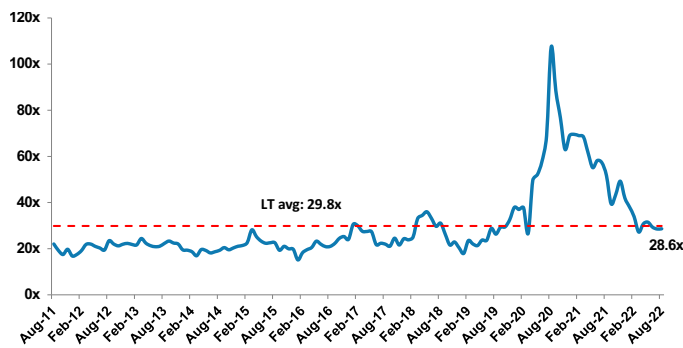
Prada's share price performance has been weak since the company's listing in June 2011, (the stock is up only 5.6% at time of writing). This underperformance is mostly a function of its declining earnings, as seen in Exhibit 23. Prada outperformed the index until April-

15 when its earnings started deteriorating. Prada's 12-month forward P/E ratio stood at 20.4x in 2012, while it stands at 28x at the time of writing ([Exhibit 25](#)). Overall, since Prada's IPO in June 2011, the company has posted a total shareholder return (TSR) CAGR of 1.0%. This compares to +20.6% at LVMH, +20.6% at Hermès, +17.5% at Kering, +5.2% at Burberry and +14% at Hugo Boss (all of these TSRs are calculated as from 2011).

As at October 6th 2022, Prada ranked 104th in terms of market capitalisation in the Hang Seng Composite index with a market capitalisation of HKD 103bn (US\$13bn). In the past 12 months an average of 850k Prada shares have been traded on the exchange on a daily basis (daily trading value of US\$4.7m).

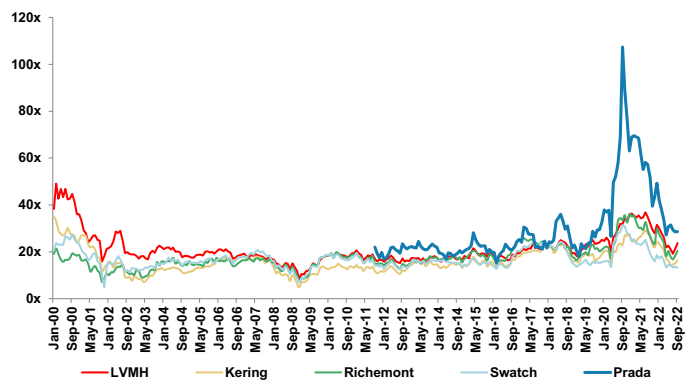
Prada group also has an ADR that trades over the counter in the US markets. The ticker is PRDSY and the ratio is 1 ADR=2 Ordinary shares. As at October 6th 2022, the ADR was trading at \$10.12.

Exhibit 25: Prada Group: 12-month forward P/E ratio since 2011



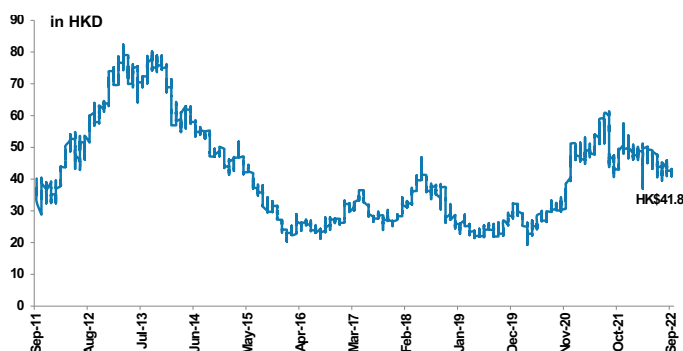
Source: DataStream, Morgan Stanley Research
Note: Data as on September 16th, 2022

Exhibit 26: Prada Group: 12-month forward P/E ratio compared to peers



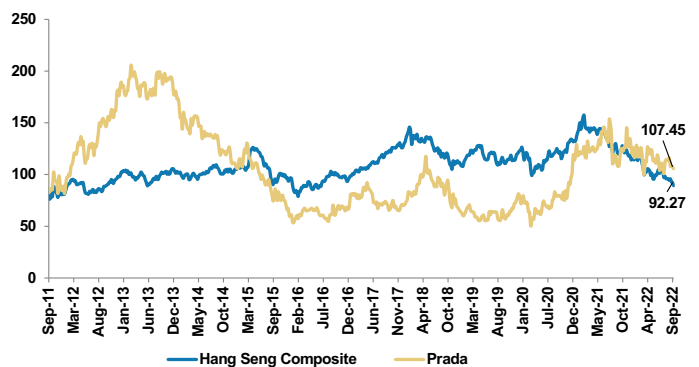
Source: DataStream, Morgan Stanley Research
Note: Data as on September 16th, 2022

Exhibit 27: Prada Group: Share price performance since listing in 2011



Source: DataStream, Morgan Stanley Research.
Note: Data as on September 16th, 2022.

Exhibit 28: Prada Group performance compared to Hang Seng index



Source: DataStream, Morgan Stanley Research
Note: Data as on September 16th, 2022

Prada Today

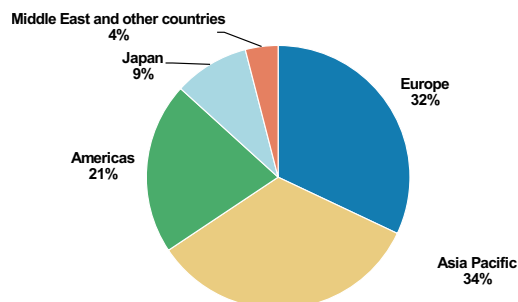
Group structure. Prada has a very simple group structure with 100% holding of almost all of its subsidiaries, including holding 100% interests in Miu Miu, Church's and confectionery brand Marchesi Angelo. It has a 67% stake in Artisans Shoes srl, an Italian shoe manufacturing company included in Prada's 23 production units. Apart from the above, Prada also has a few JVs in manufacturing and distribution, for example: Tannerie Limoges in France, 60%; Prada Middle East, 60%; Prada Saudi Arabia, 75%; 40% stake in Filati Biagioni S.p.A (Italian cashmere producer) alongside Zegna.

From a reporting standpoint, Prada reports its sales by geographical area (Europe, Americas, Asia Pacific, Japan, Middle East and Other countries); by Product category (Leather Goods, Footwear, Clothing and Others) and by Brand (Prada, Miu Miu, Church's and Others). However, the company offers limited disclosure of profits by segment. Prada stopped disclosing EBITDA by brand since early 2016. In its last reported EBITDA break-down (FY ending Jan-16), the Prada brand had a margin of 28%, Miu Miu 2%, Church's 4%. In terms of profit contribution, the Prada brand contributed to 99%, with Miu Miu 1% and a negligible contribution from Church's and others.

Sales breakdown by geography, product mix and brand.

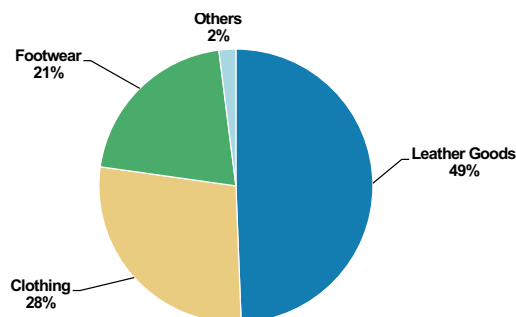
- **Geography.** As can be seen in [Exhibit 29](#), Prada's current largest market from a geographic standpoint is Asia Pacific (China, Japan, Middle East and other APAC), which accounted for 43% of LTM June 2022 sales. This is followed by Europe at 32% and the Americas at 21%.
- **Product.** From a product standpoint, Leather Goods accounts for 49% of sales in the LTM June 2022, followed by Clothing 28%, Footwear 21% and Others 2%.
- **Brand.** The Prada brand is by far its biggest with 87% of sales generated in LTM June 2022. The women's only Miu Miu brand launched in 1993 by Miuccia Prada is the next biggest contributor with 11% of sales generated, while Church's and others (Car shoe and Marchesi) contributed 1% each to the group's sales. Miu Miu added fragrances to its product offering in 2015.

Exhibit 29: Prada: Breakdown of sales by geography in LTM to June 2022



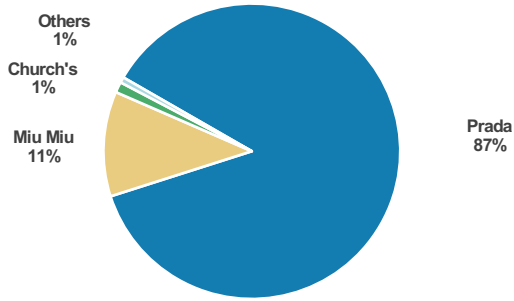
Source: Company data, Morgan Stanley Research.
Note: For 2022: We have taken last 12 months data (1H22+2H21) ending June 2022

Exhibit 30: Prada: Breakdown of sales by product category in LTM to June 2022



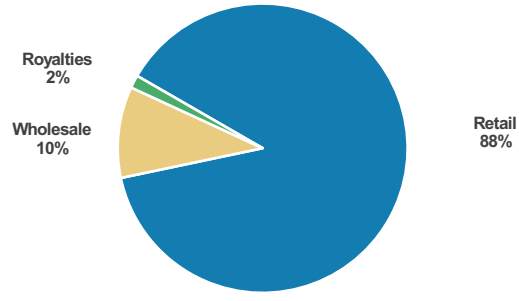
Source: Company data, Morgan Stanley Research.
Note: For 2022: We have taken last 12 months data (1H22+2H21) ending June 2022

Exhibit 31: Prada: Breakdown of sales by brands in LTM to June 2022



Source: Company data, Morgan Stanley Research.
 Note: For 2022 : We have taken last 12 months data (1H22+2H21) ending June 2022

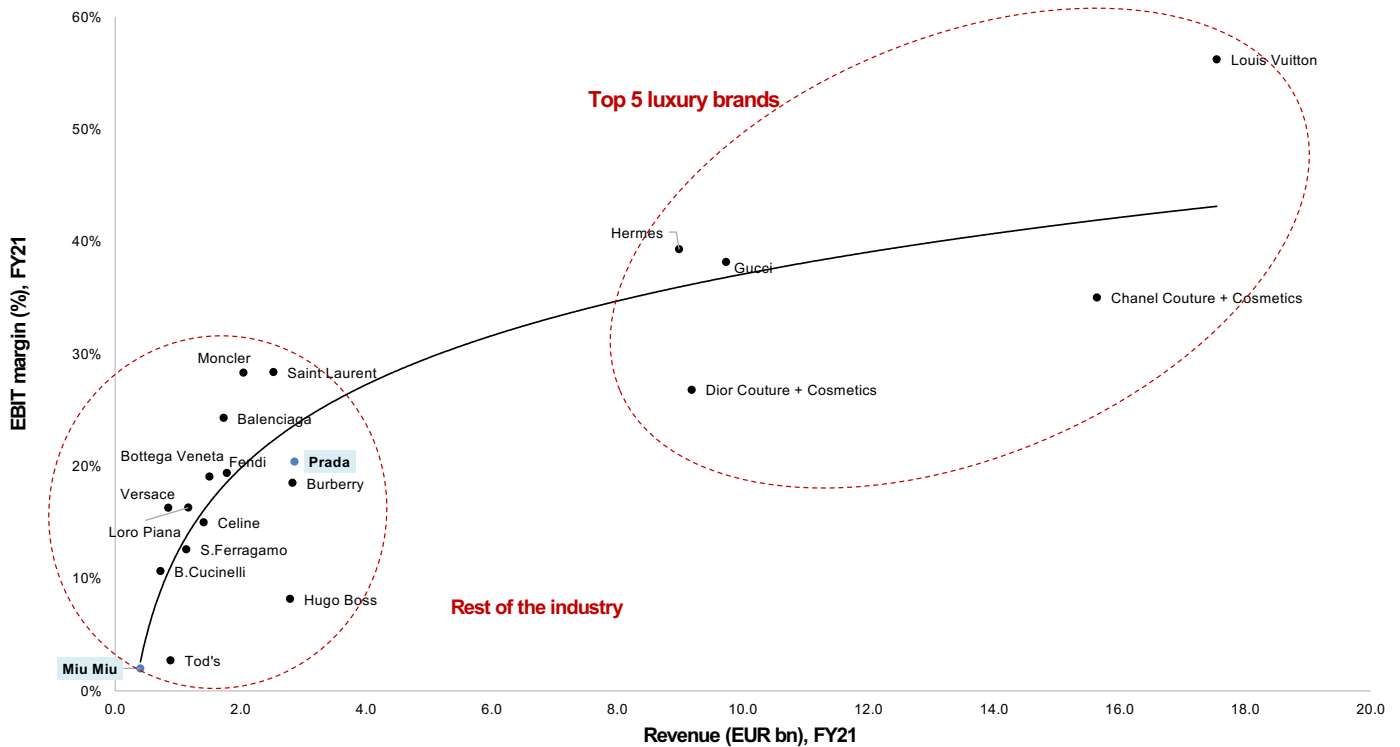
Exhibit 32: Prada: Breakdown of sales by channel in LTM to June 2022



Source: Company data, Morgan Stanley Research
 Note: For 2022 : We have taken last 12 months data (1H22+2H21) ending June 2022

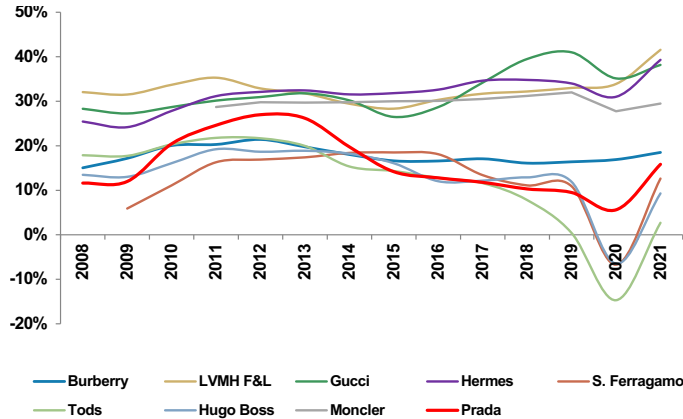
Size and profitability. As can be seen in Exhibit 33 below, Prada ranks between the major fashion and leather goods brands cluster. With an operating margin of 15.8% in 2021 for consolidated sales of ~€3.4bn, Prada group's profitability was below the level that the correlation between size and profitability would indicate. We estimate Prada brand's EBIT margin was ~20.6% and reported sales were €2.9bn in 2021 while EBIT margin's at Miu Miu were close to ~2%, on our estimates for the LTM to June 2022.

Exhibit 33: Prada's ranking in terms of sales and profits (operating margin) performance versus the major fashion and leather goods brands in 2021



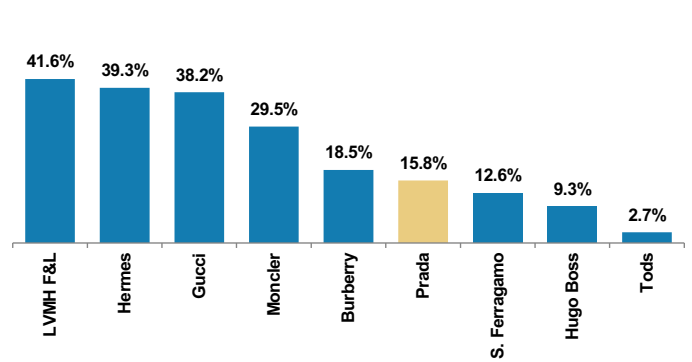
Source: Company data, Morgan Stanley Research estimates
 Notes Burberry and Versace for FY22 (march end). Versace estimates are from Visible Alpha and rest is MS estimate.

Exhibit 34: Prada group: Contrasting EBIT margin evolution vs. fashion and luxury peers since 2008



Source: Company data, Morgan Stanley Research
Note: Burberry fiscal period ends in March

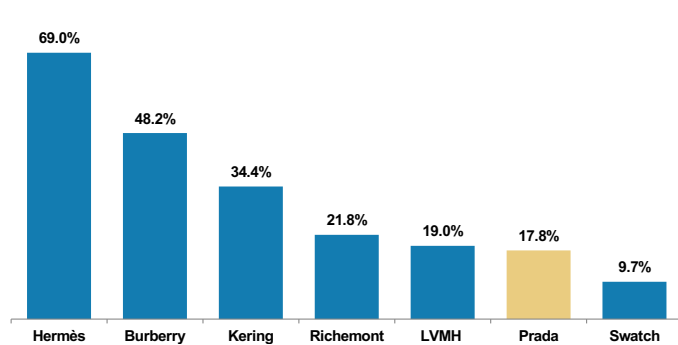
Exhibit 35: Prada group: EBIT margin in calendar 2021 vs. fashion and luxury peers



Source: Company data, Morgan Stanley Research
Note: Burberry fiscal period ends in March

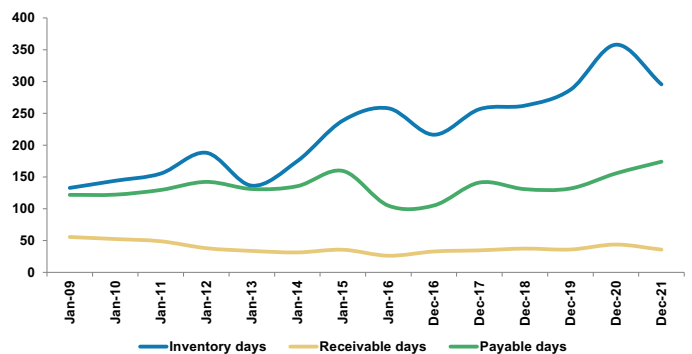
Return on capital employed. Prada group's ROIC (calculated as EBIT / Net Capital Employed) is currently at 17.8%, lower than most of its peers with the exception of Swatch. This is attributable to lower profitability and very high net tangible assets, which grew by a 8% CAGR in the past decade. Prada's Net Tangible and Intangible Assets (excluding RoU assets) as a percentage of sales, stood at 71.1% in 2021, is higher than most of its peers. As a comparison, Hermès has a ratio of 21.9%, Swatch 39.9%, Burberry 20.6% and Richemont 64.5%.

Exhibit 36: Contrasting leading luxury goods groups' EBIT RoCE in 2021



Source: Company data, Morgan Stanley Research
Note: Burberry figure for FY ending March-22. RoCE calculated as EBIT/Net Capital Employed

Exhibit 37: Evolution of working capital days



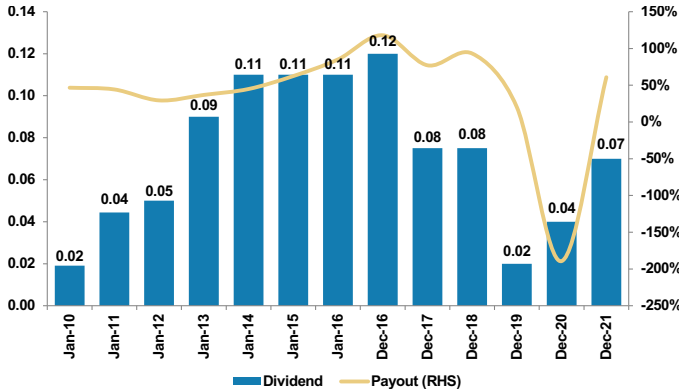
Source: Company data, Morgan Stanley Research

Dividends and use of capital. Prada pays dividends once every year, the latest instance being a final dividend of €0.07 declared for 2021 (vs. €0.035 for 2020), translating into a payout ratio of 61%. As seen in the chart below, Prada's absolute amount of dividend per share and payout ratio increased from January 2012 to December 2016 after which it rapidly declined.

In March 2019, the company formalized and adopted a dividend policy: it aims to provide its shareholders a sustainable dividend stream, taking into account financial results, cash flow situation, working capital requirements, capital expenditures, investment requirements, future operations and earnings, business conditions and strategies, interests of shareholders and any statutory or regulatory restrictions (including under Italian law and the company's bye-laws) on payment of dividends.

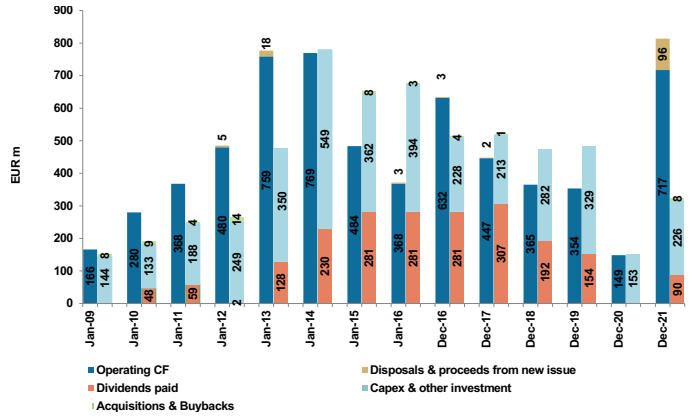
Over the past decade, Prada has returned around €2.0bn to shareholders through dividends. Major uses of cash have been in the form of capital expenditure (€3.3bn) and payment of dividends.

Exhibit 38: Dividend payout since 2010



Source: Company data, Morgan Stanley Research
 Note: For FY10 & FY11, we have adjusted the dividend per share to match the other years after IPO.

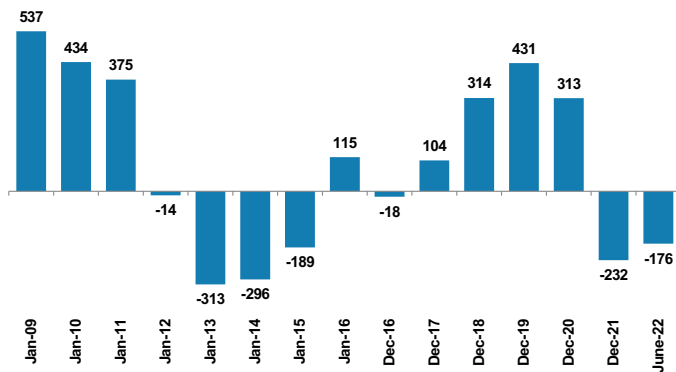
Exhibit 39: Prada group: Source and use of funds



Source: Company data, Morgan Stanley Research
 Note: We excluded Depreciation of RoU in Operating cash flow in 2019, 2020 and 2021 (EUR 456.3m, EUR 443.9m and EUR 426.2m)

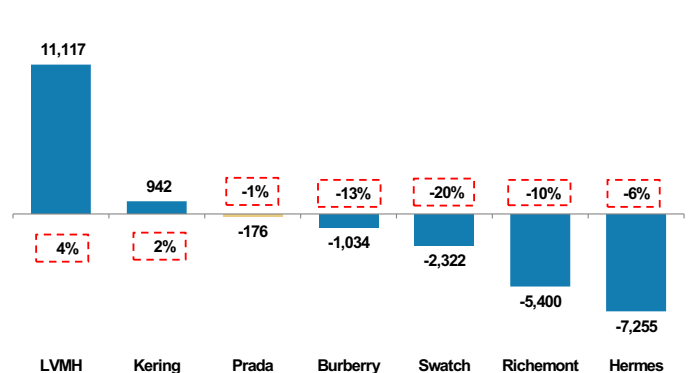
Balance sheet. As of June 2022, Prada had a net cash position of €176m – a net cash position is common to most of its peers in the Luxury Goods sector (see Exhibit 41 below). In June 2022, Prada had around €604m of borrowings compared to €780m of cash and equivalents.

Exhibit 40: Prada: Net Debt (Cash) position



Source: Company data, Morgan Stanley Research

Exhibit 41: Prada: Net debt (cash) and Net debt as % of Market Cap as on June 2022



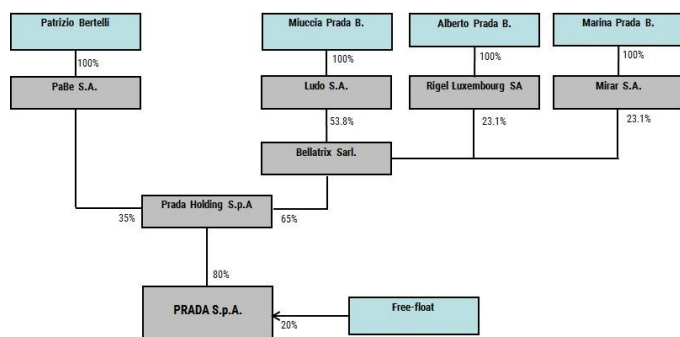
Source: Company data, Morgan Stanley Research
 Note: Company data, Morgan Stanley Research Note: Burberry figure are for ending March 2022. Above data is in EUR.

Currency exposure. In order to hedge foreign exchange risk, Prada enters into options and forward sale and purchase agreements to guarantee the value of identified cash flows in Euro or other currencies. The projected future cash flows mainly relate to the collection of trade receivables, the settlement of trade payables and financial cash flows. At the end of December 2021, Prada had options and forward sale contracts worth a total of €912m to hedge the projected future trade cash flow. Of these, the US dollar and the Chinese Renminbi were worth €193m and €318m respectively. Net forward sale and options contracts to hedge future financial cash flows stood at €151m. We believe the company hedges 80-90% of its euro exposure in COGS and hence the FX impact is less meaningful at cost level vs. the sales.

Share information and ownership. With a market cap of ~HKD 102bn as of October 6th 2022 (US\$13bn), Prada has 2,559m shares outstanding. IPO'd in June 2011, the shares have been listed on the Hang Seng Composite index. The daily average traded value of Prada shares has been just €4.2m compared to €277m for LVMH and €135m for Richemont YTD. This is due to its low free float of just around 20%, given a majority of the shares are held by the family.

In the summer of 2022, the Group said it was considering a secondary listing in Milan, which could help diversify its investor base. As of September 2022, CEO Bertelli stated that no decision has been taken yet.

Exhibit 42: Shareholding structure - MS estimates



Source: Company data.
Note: Prada holding BV and Gipafin merged in October 2014 to form Prada holding SpA

Exhibit 43: Prada - Top shareholders

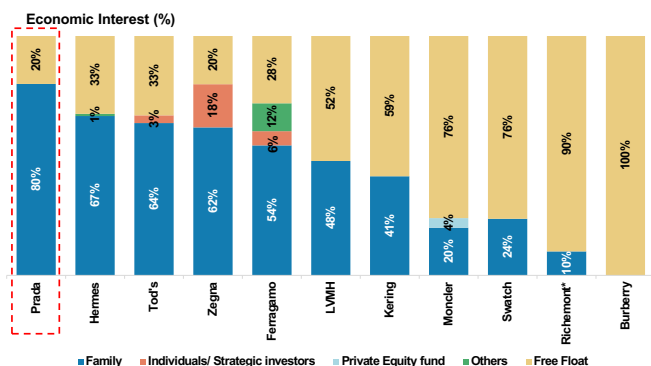
Investor name	%
Prada Holdings SPA	80.0%
Invesco Advisers, Inc.	3.0%
Lindsell Train Ltd.	2.3%
Schroder Investment Management	1.5%
Fidelity Management & Research	1.2%

Source: Refinitiv Eikon as on Sept 20,2022

Controlling shareholder. As mentioned above, Prada has only 20% free float, the remaining 80% is held by Prada Holding S.p.A. Mr. Patrizio Bertelli indirectly owns, through PA BE Srl, 35% of the capital in this holding company, thus he has an economic interest in Prada S.p.A. of 28%.

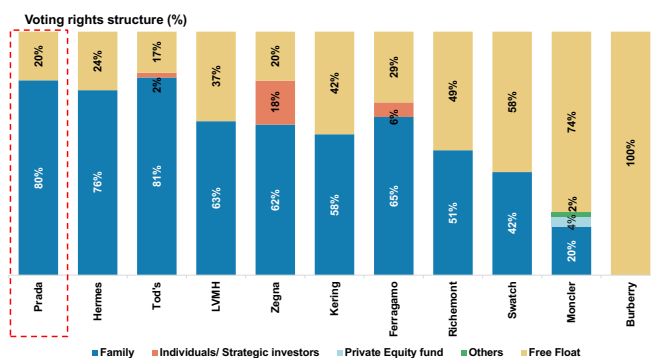
Ms. Miuccia Prada Bianchi indirectly owns, through Ludo Srl, 53.8% of the capital in Bellatrix SpA (the remainder being owned by her brother Alberto and sister Marina), which in turn owns 65% of the capital in Prada Holding S.p.A. as seen in Exhibit 33. Ms. Miuccia Prada Bianchi therefore has an economic interest of 27.5% in Prada S.p.A.

Exhibit 44: Luxury Goods companies: Economic Interest



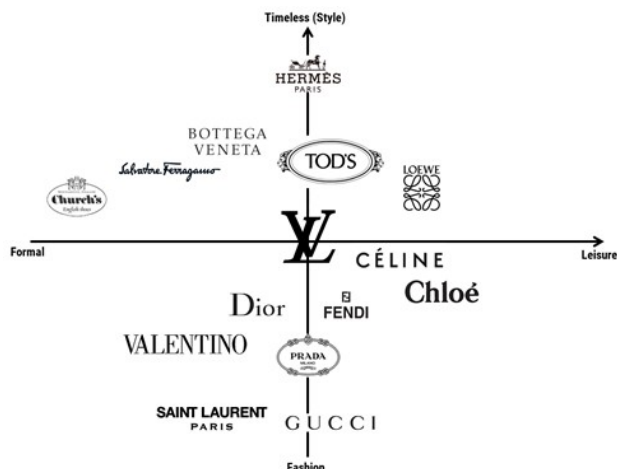
Source: Company data

Exhibit 45: Luxury Goods companies: Voting Rights



Source: Company data

Exhibit 46: Prada: Women's brand positioning



Source: Tod's, Morgan Stanley Research

Brand equity. In order to assess the value of brand equity over time, we look at two international surveys, conducted with a relatively similar methodology: BrandZ™ and Interbrand. Both have assessed the monetary value of global luxury brands for over a decade. While BrandZ™ assigns a value almost exclusively based on financial metrics, Interbrand uses additional criteria, such as the role the brand plays in purchase decisions, and the brand's competitive strength.

Both consultancy firms derive relatively similar rankings (LV 1st, Chanel 2nd and Hermès 3rd, while Prada is in 9th and 8th place).

Exhibit 47: Brandz luxury rankings

Rank	Brand name	Brand Value (\$ million)		
		2011	2016	2021
1	Louis Vuitton	24,312	28,508	75,730
2	Chanel	-	-	47,054
3	Hermes	11,917	19,821	46,371
4	Gucci	7,449	12,592	33,838
5	Rolex	5,269	8,153	8,129
6	Dior	n/a	n/a	7,331
7	Cartier	5,327	6,747	5,368
8	Saint Laurent	n/a	n/a	5,158
9	Prada	n/a	4,405	3,974
10	Burberry	n/a	4,594	3,933

Source: Kantar Millward Brown BrandZ ranking.
 Note: Methodology: BrandZ™ has launched the global brands ranking since 2006 across many categories. Its valuation methodology includes three steps: 1) Calculating financial value which involves determining Branded Earnings (the amount of Corporate Earnings attributed to a particular brand) and multiply that number by the Brand Multiple; 2) Calculating Brand Contribution; 3) Calculating Brand Value (dollar amount a brand contributes to the overall value of a corporation). The ranks denoted are amongst luxury category only.

Exhibit 48: Interbrand luxury rankings

Rank	Brand name	Brand value (\$m)		
		2011	2016	2021
1	Louis Vuitton	23,172	23,998	36,766
2	Chanel	n/a	n/a	22,109
3	Hermes	5,356	12,833	21,600
4	Gucci	8,763	9,385	16,656
5	Cartier	4,781	7,738	8,161
6	Dior	n/a	4,909	7,024
7	Tiffany	4,498	5,761	5,484
8	Prada	n/a	5,504	5,416
9	Burberry	3,732	5,362	5,195

Source: Interbrand Best Global (Luxury) Brands Ranking.
 Note: Methodology: Interbrand pioneered brand valuation in 1988. Its brand valuation methodology uses three key components: an analysis of the financial performance of the branded products or services, of the role the brand plays in purchase decisions, and of the brand's competitive strength. The valuation brings together market, brand, competitor, and financial data into a single framework within which the performance of the brand can be assessed, areas for growth identified, and the financial impact of investing in the brand quantified. The ranks denoted are amongst luxury category only and differ for Global brands ranking.

As seen in Exhibit 49, Prada's brand equity has deteriorated in the past eight years. According to the latest Kantar Millward Brown BrandZ ranking, Prada is in 10th position in the valuable luxury goods brand ranking after being in 4th position in both 2013 & 2014.

Exhibit 49: Millward Brown Luxury Brands index

Brands	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Louis Vuitton	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Hermes	5	4	2	2	2	2	2	2	2	2	2	2	2	3	3	3	2
Chanel	2	2	5	4	4	4	4	6	7	4	4	4	4	2	2	2	3
Gucci	6	5	3	3	3	3	5	3	3	3	3	3	3	4	4	4	4
Dior	-	-	-	-	-	-	-	-	-	-	10	9	9	8	7	6	5
Cartier	3	3	4	7	8	5	7	7	6	6	6	6	6	6	6	7	6
Rolex	4	6	6	5	6	6	3	5	5	5	5	5	5	5	5	5	7
Saint Laurent	-	-	-	-	-	-	-	-	-	-	-	-	10	9	8	8	8
Tiffany	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9
Prada	-	-	-	10	-	-	6	4	4	7	8	8	8	10	10	9	10

Source: Kantar Millward Brown BrandZ ranking.
 Note: The brand valuation methodology includes three steps: 1) Calculating financial value which involves determining Branded Earnings and multiply that number by the Brand Multiple; 2) Calculating Brand Contribution; 3) Calculating Brand Value

The Hurun survey below does not measure brand equity per se, but looks at the top

gifting brands for high net worth individuals, or HNWI, (assets exceeding 100m Yuan) in China. Prada has not been in the preferred brands for gifting for men in the past seven years, while it was last in 10th place in 2017 for women (down from 8th place in 2013 and 2014).

Exhibit 50: Top gifting brands in China's HNWI (Men)

Men	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Louis Vuitton	Hermès	Apple	Apple	Apple	Apple	Apple	Louis Vuitton	Apple	Chanel
2	Apple	Apple	Louis Vuitton	Louis Vuitton	Cartier	Louis Vuitton	Louis Vuitton	Apple	Louis Vuitton	Louis Vuitton
3	Hermès	Louis Vuitton	Gucci	Gucci	Louis Vuitton	Chanel	Cartier	Tiffany	Chanel	Dior
4	Chanel	Chanel	Chanel	Cartier	Moutai	Cartier	Chanel	Dior	Moutai	Gucci
5	Cartier	Gucci	Montblanc	Dior	Chanel	Moutai	Dior	Hermès	Hermès	Hermès
6	Gucci	Cartier	Moutai	Moutai	Burberry	Hermès	Moutai	Gucci	Bulgari	Cartier
7	Montblanc	Prada	Hermès	Montblanc	Bulgari	Gucci	Gucci	Moutai	Dior	Armani
8	Dior	Montblanc	Cartier	Chanel	Wuliangye	Dior	Dream Blue	Bulgari	Cartier	Moutai
9	Burberry	Giorgio Armani	Bulgari	Hermès	Hermès	Bulgari	Burberry	Cartier	Gucci	Bulgari
10	Lafite	Burberry	-	Bulgari	Gucci	Rolex	Bottega Veneta	Huawei	Montblanc	Rolex

Source: Hurun Research Institute annual survey

Exhibit 51: Top gifting brands in China's HNWI (Women)

Women	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Chanel	Chanel	Apple	Chanel	Louis Vuitton	Bulgari	Bulgari	Louis Vuitton	Chanel	Chanel
2	Louis Vuitton	Louis Vuitton	Chanel	Louis Vuitton	Apple	Apple	Louis Vuitton	Bulgari	Louis Vuitton	Louis Vuitton
3	Cartier	Apple	Louis Vuitton	Apple	Chanel	Chanel	Apple	Chanel	Apple	Dior
4	Tiffany	Hermès	Dior	Cartier	Bulgari	Louis Vuitton	Chanel	Cartier	Hermès	Hermès
5	Apple	Gucci	Hermès	Tiffany	Cartier	Hermès	Bottega Veneta	Dior	Moutai	Gucci
6	Montblanc	Dior	Cartier	Hermès	Hermès	Gucci	Cartier	Hermès	Dior	Cartier
7	Gucci	Cartier	Tiffany	Gucci	Montblanc	Dior	Gucci	Gucci	Cartier	Armani
8	Prada	Prada	Giorgio Armani	Dior	Dior	Tiffany	Hermès	Apple	Bulgari	Bulgari
9	Dior	Giorgio Armani	Samsung	Bulgari	Gucci	La Mer	Hugo Boss	Montblanc	Gucci	Rolex
10	Burberry	Bulgari	Gucci	-	Prada	Cartier	Coach	Giorgio Armani	Swarovski	Lancome

Source: Hurun Research Institute annual survey

The Lyst survey below is a quarterly ranking of fashion's hottest brands that analyses the shopping behaviour of c. 9m shoppers a month, taking into account global Lyst and Google search data, conversion rates and sales, as well as brand and product social media mentions and engagement statistics worldwide over a three-month period. Prada has consistently been ranked in the top 10 for luxury brands and was most recently in 3rd position as of Sep-22.

Exhibit 52: Lyst ranking of luxury brands

Brand	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22
Gucci	1	3	2	4	3	1	1	1	1	2	2	2	1
Balenciaga	3	2	3	2	4	5	2	4	6	1	1	1	2
Prada	5	5	7	5	5	4	5	6	5	4	3	4	3
Valentino	4	6	8	8	12	10	9	14	15	13	11	5	4
Louis Vuitton								7	4	5	4	3	5
Dior								3	2	3	6	6	6
Miu Miu										24	20	10	7
Fendi	7	7	6	7	9	6	10	13	11	9	7	9	8
Diesel											46	15	9
Burberry	12	8	10	11	8	12	12	12	12	12	12	12	10
Versace	6	4	5	10	7	7	8	11	10	8	9	14	11
Nike	9	12	12	3	1	3	11	2	3	6	13	19	12
Adidas	16			21	13	17	18				21	17	13
Loewe	27	20	20	18	16	15	15	16	16	15	14	13	14
Dolce & Gabbana	13	15							25	20	18	22	15
Saint Laurent	10	9	9	9	6	8	6	9	9	10	8	18	16
Bottega Veneta	37	16	14	13	10	9	7	8	8	7	10	8	17
Moncler	17	14	4	6	14	13	3	5	7	11	5	7	18
Off-White	2	1	1	1	2	2	4	10	13	14		11	19
Jacquemus			22	15	11	11	13	18	19	19	16	21	20

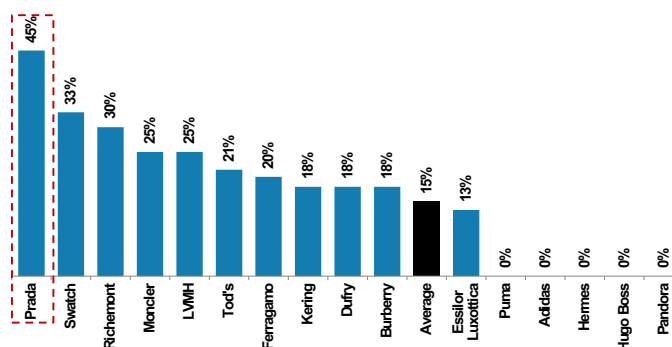
Source: Lyst ranking, Morgan Stanley Research

Note: The Lyst Index is a quarterly ranking of fashion's hottest brands and products. The formula behind The Lyst Index takes into account global Lyst and Google search data, conversion rates and sales, as well as brand and product social media mentions and engagement statistics worldwide over a three month period

Exhibit 53: Prada: Executive Directors

Member	Role	On Board since
Paolo Zannoni	Chairman & Executive Director	May-21
Miuccia Prada Bianchi	CEO & Executive Director	Nov-03
Patrizio Bertelli	CEO & Executive Director	Nov-03
Lorenzo Bertelli	Executive Director	May-21

Source: Company data

Exhibit 54: Prada: Percentage of executive members on the Board of Directors

Source: Company data, Morgan Stanley Research

Note: Prada: Paolo Zannoni was elected as chairman and Lorenzo Bertelli was elected as Executive Director in May 2021

Management team and Board of Directors. As of September 2022 Prada's Board of Directors comprises eleven members including five executive directors: Chairman Paolo Zannoni, CEO Miuccia Prada Bianchi, CEO Patrizio Bertelli, CFO Alessandra Cozzani, and Lorenzo Bertelli. The two CEOs and their son Lorenzo are the three family representatives on the board.

Paolo Zannoni, Chairman. Paolo Zannoni was appointed Chairman of the Board of Directors in May 2021. He has been an international advisor at Goldman Sachs since 2019, covering Italy and the rest of Europe. He served as Chairman of the Italian energy and telecommunications company Prysmian Group from 2005 to 2012.

Miuccia Prada Bianchi, Co-CEO. Miuccia Prada Bianchi is the youngest granddaughter of Mario Prada who founded the Prada group in 1913. She has been CEO since February 2014 along with her husband, Patrizio Bertelli, who holds the same designation. Previously, she held the role of Chair of the board from November 2003 until February 2014. She is also a director of major shareholding companies: Prada Holding Spa, Bellatrix Spa and Ludo Srl.

Patrizio Bertelli, Co-CEO. Patrizio Bertelli is CEO of Prada along with wife Miuccia Prada, as highlighted above. Mr. Bertelli has been associated with the group since the 1970s when his company (Pellettieri d'Italia SpA) obtained a licence from Miuccia Prada for production and distribution of a leather goods collection under the Prada brand. Mr. Bertelli is a director of PA BE 1 Srl, a holding company of the Prada group.

Andrea Bonini, CFO. Andrea joined the Prada Group as CFO in May 2022. Mr Bonini was previously a managing director in the investment banking unit at Goldman Sachs International in London, where he was part of the consumer retail group which is responsible for luxury and brands in Europe.

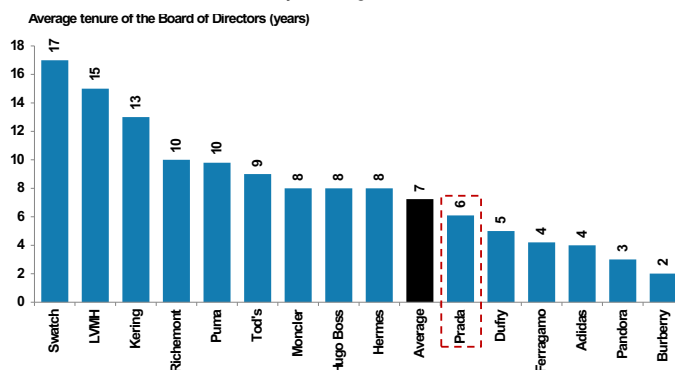
Lorenzo Bertelli, Group Marketing Director. Lorenzo Bertelli is the son of co-CEOs Miuccia and Patrizio Bertelli. He joined the Board of Directors as Executive Director in May 2021. Mr. Bertelli has been Group Marketing Director since 2019 and, from 2020, has been appointed Group's Head of Corporate Social Responsibility. He joined the Group in 2017 as Head of Digital Communication. Mr. Bertelli has also been Director of Prada Holding S.p.A. since 2015.

Exhibit 55: Board of Directors

Member	Role	On Board since
Paolo Zannoni	Chairman & Executive Director	May-21
Miuccia Prada Bianchi	CEO & Executive Director	Nov-03
Patrizio Bertelli	CEO & Executive Director	Nov-03
Lorenzo Bertelli	Executive Director	May-21
Stefano Simontacchi	Non-Executive Director	Apr-16
Maurizio Cereda	Independent Non-Executive Director	May-16
Marina Sylvia Caprotti	Independent Non-Executive Director	May-21
Pamela Culppepper	Independent Non-Executive Director	Jan-22
Anna Maria Rugarli	Independent Non-Executive Director	Jan-22
Yoël Zaoui	Independent Non-Executive Director	May-21

Source: Company data as of September 30th 2022

Exhibit 56: Prada: Average tenure of the members on the Board of Directors is below the industry average



Source: Company data, Morgan Stanley Research

Exhibit 57: Senior Management team in 2011

Member	Role	Present today?
Brice Baudoin	Chief Executive Officer Asia Pacific	No
Stefano Cantino	Group Communication and External Relations Director	Yes
Maurizio Ciabatti	Group Engineering Director	No
Alessandra Cozzani	Group Investor Relations Director	Yes
Stephen Etheridge	Chief Executive Officer at Church & Co	No
Giuliano Giannessi	Group Corporate Finance Director	No
Francois Kress	Chief Executive Officer of Prada USA	No
Lorenzo Panerai	Leather Goods Industrial Division Director	No
Gabriella Schnitzler	Chief Executive Officer of Prada Germany	No
Davide Sesia	President of Prada Japan	Yes
Sebastian Suhl	Group Chief Operating Officer – Commercial Area	No
Cinzia Tito	Group Human Resources Director	No
Armando Tolomelli	Group Controlling Director	Yes
Fabio Zambernardi	Design Director	Yes

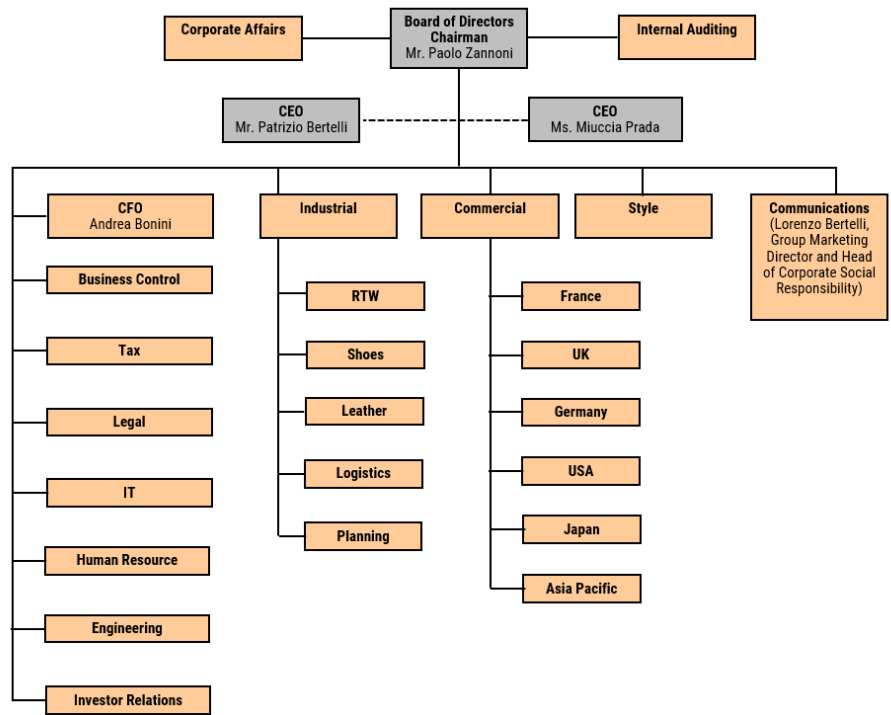
Source: Company data

Exhibit 58: Senior management members (today)

Executive	Position	Position since
Miuccia Prada Bianchi	CEO	Feb-14
Patrizio Bertelli	CEO	Nov-03
Andrea Bonini	CFO	May-22
Cristiano Agostini	Group IT Director	Jul-21
Francesca Bertoncini	North Europe Regional Director	Dec-19
Cristina De Dona	Group General Counsel	May-22
Diego Maletto	Group Internal Auditing Director	May-22
Christopher Aaron Bugg	Group Communication Director	Jul-20
Gianluca Andriani	Group Risk Management Director	Feb-20
Pablo Carola	Middle East and South Africa Regional Director	2017
Li Sa Chan	South East Asia General Manager	2017
Moonyoung Choi	Prada Korea General Manager	2007
Sophie Clark	Prada Australia General Manager	2016
Letizia Coviello	Group Tax Director	2016
Carlo Croso	Retail Innovation and E-Commerce Director	July-2019
Timothy Iwata	Prada Jewellery Director	Sep-2021
Denni Manzatto	Church Group Managing Director	Jan-22
Alessandra Marsicola	Prada Retail Director	Jan-2020
Marcelo Noschese	North America Regional Director	2020
Benedetta Petruzzo	Miu Miu General Manager	2020
Stefano Rastrelli	Group Human Resources Director	2013
Davide Sesia	Japan and Hawaii Regional Director	2004
Raf Simons	Prada Co-Creative Director	Apr-2020
Yu Hua Irene Tao	Prada Taiwan General Manager	2017
Armando Tolomelli	Asia Pacific Regional Director	2012
Massimo Vian	Group Industrial Director	2020
Chen-Chen Wang	China General Manager	2019
Fabio Zambernardi	Group Design Director	2002
Vera Zenkovskaya	Russian area Regional Director	2013

Source: Company data

Exhibit 59: Management structure

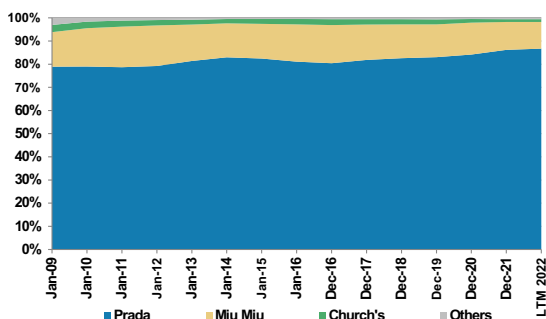


Source: Company data

Divisional Review: Brands

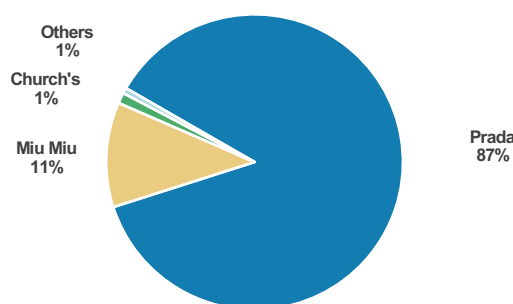
Prada group has four main brands, namely Prada (87% of group sales, as of the LTM to June 2022), Miu Miu (11%), Church's (1%) and Car Shoe (c. 1%). Prada currently discloses sales of all but the Car Shoe brand, which it has combined with the "Others" segment that includes production for third parties. As seen in Exhibit 60 below, both Prada and Miu Miu have been stable in terms of contribution to group sales in the past decade. Miuccia Prada and Raf Simons (joined April 2020) are the co-creative designers for Prada brand (Miu Miu is still only Miuccia) and there are about 80 designers across Prada and Miu Miu, with Prada's designers based in Milan while Miu Miu's are in Paris.

Exhibit 60: Prada group: Net sales evolution since 2009 by brand



Source: Company data, Morgan Stanley Research
 Note: * For 2022: We have taken last 12 months data (1H22+2H21) ending June 2022

Exhibit 61: Prada group: Breakdown by brand in LTM to June 2022

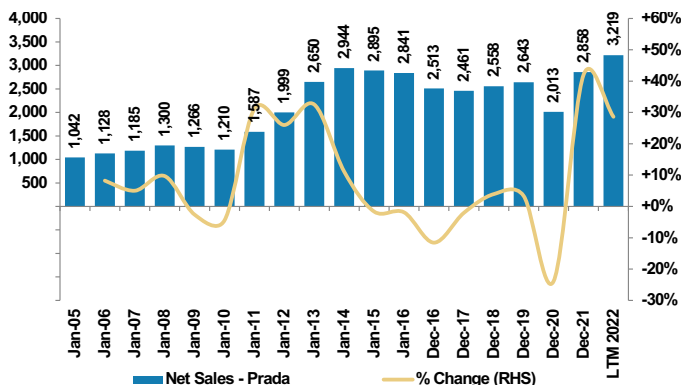


Source: Company data, Morgan Stanley Research
 Note: For 2022: We have taken last 12 months data (1H22+2H21) ending June 2022

The Prada Brand

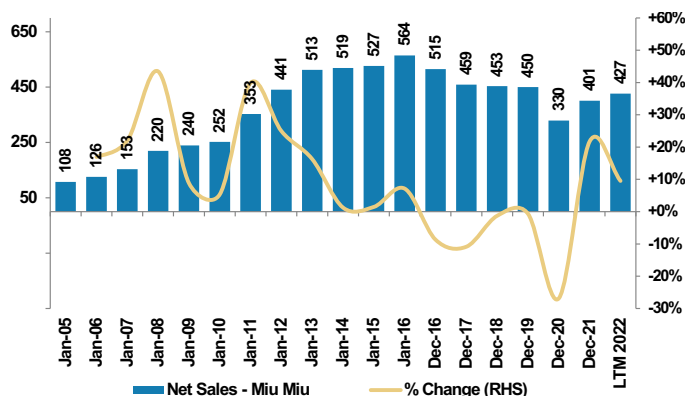
Prada brand's net sales have grown 2.5x since 2005 to c. €2.9bn in 2021, growing at about a +6.0% CAGR. As can be seen in Exhibit 62 below, its sales trajectory has been cyclical. Sales were more or less flat from 2005 to 2010, then grew at about +30% per year thereafter for the next three years after the financial crisis. Since then Prada reported negative constant FX growth in 2014 (-1.7%), 2015 (-6.7%) and 2016 (-10.3%), after which it returned to growth (excluding 2020).

Exhibit 62: Prada brand: Net sales evolution since 2005



Source: Company data, Morgan Stanley Research
 Note: LTM 2022 is last 12m ending June 2022

Exhibit 63: Miu Miu: Net sales evolution since 2005



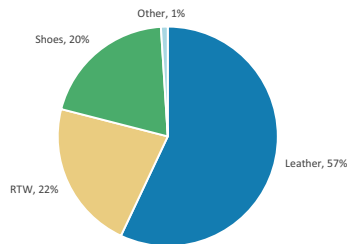
Source: Company data, Morgan Stanley Research

Miu Miu

Miu Miu (brand created in 1993), which is around 11% of group's sales, has grown at an +7.5% CAGR since 2005, faster than Prada brand's (at +6.0%). Miu Miu's sales trajectory has also been similar to Prada's, with periods of high growth from 2011 to 2013, then trending lower in recent years as seen in [Exhibit 63](#). Since Raf Simons' appointment as co-creative director for the Prada brand in April 2020, the Miu Miu brand has benefited from increased commitment from designer Miuccia Prada.

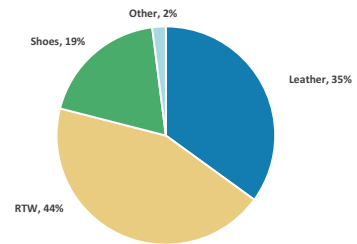
Miu Miu bags are mainly leather and it does not have nylon bags, unlike Prada. In terms of pricing, the Prada and Miu Miu brands compete with each other and there is very little between them (the price of leather bags for Miu Miu are just a little below Prada). However, sometimes Miu Miu can have higher price points than Prada. Miu Miu is a younger brand with more than 60% of its consumers being millennials (vs. c.50% at the group level). Style-wise, Prada is more intellectual while Miu Miu is more vanguard fashion. A customer could feasibly be the same person, wearing a Prada bag for the day and a Miu Miu one for the night (for clubs or parties).

Exhibit 64: Prada brand: Product split



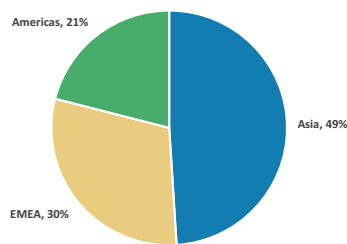
Source: Company data, Morgan Stanley Research estimates

Exhibit 65: Miu Miu: Product split



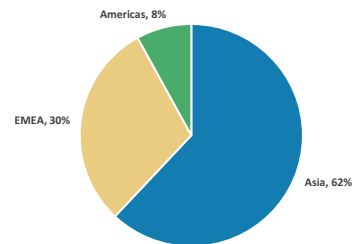
Source: Company data, Morgan Stanley Research estimates

Exhibit 66: Prada brand: Geographic split



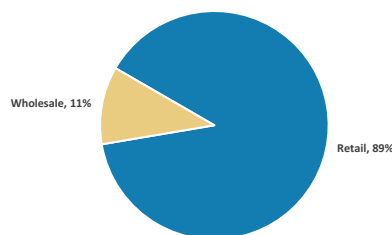
Source: Company data, Morgan Stanley Research estimates

Exhibit 67: Miu Miu: Geographic split



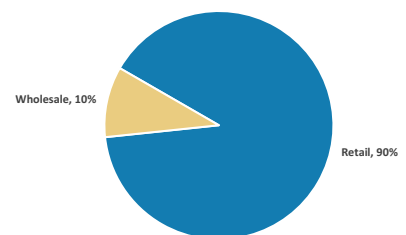
Source: Company data, Morgan Stanley Research estimates

Exhibit 68: Prada brand: Channel split



Source: Company data, Morgan Stanley Research estimates

Exhibit 69: Miu Miu: Channel split



Source: Company data, Morgan Stanley Research estimates

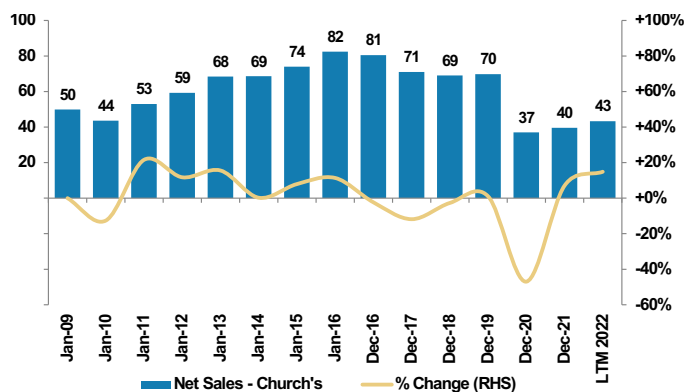
Church's

Founded in 1873, **Church's** is a high-end footwear manufacturer based in the UK. Prada acquired the brand in 1999 for about €106m for an 83% stake. Later in 2003, Prada sold a 45% stake in the company to private equity firm Equinox. CEO Patrizio Bertelli was quoted as saying "Prada has successfully concluded the restructuring and relaunching phase of Church's. Now an agreement with a financial partner like Equinox will allow us to execute an important growth plan for one of our most prestigious brands, accompanied by a noteworthy expansion of its product." In 2006 Prada bought out Equinox's stake in Church's and now fully owns the brand.

Church's reported net sales were €43m for the 12 months ended June 2022, equivalent to about 1% of group sales. Prada group changed the management of Church's about six years ago as the brand was not performing as well as it had expected due to its overexposure to wholesale sales, about 50% back then. The new management was looking to move exposure to retail as retail sales are growing much faster than wholesale. For 2021, we estimate Church's exposure to wholesale at ~30% vs 11% for the group. We believe that the group's wholesale rationalization plans are less focused on Church's than for the group, due to the nature of the footwear business, which typically works well with some wholesale. Another differentiating factor of Church's is its high exposure to Europe, ~85% on our estimates, vs 32% for the group. We believe Church's penetration outside of Europe is very low as can be deduced from its stores split. Church's has 52 stores worldwide, of which 5 in Japan, 2 in Hong Kong, 4 in mainland China, 1 in Korea and 1 in Singapore.

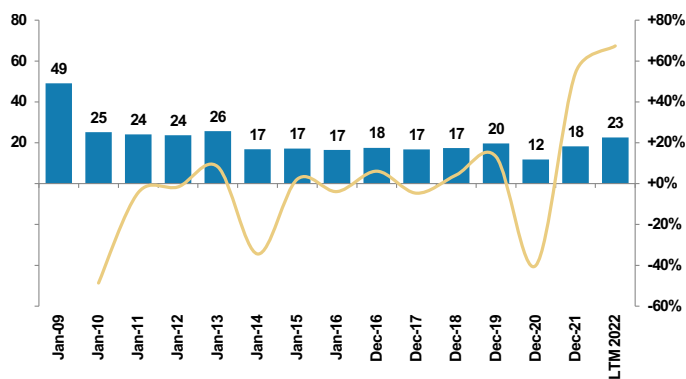
As per the company, Church's shoes, on average, take about eight weeks and more than 250 manual operations to be produced.

Exhibit 70: Church's: Net sales evolution since 2009



Source: Company data, Morgan Stanley Research

Exhibit 71: Car Shoe & Others: Net sales evolution since 2009



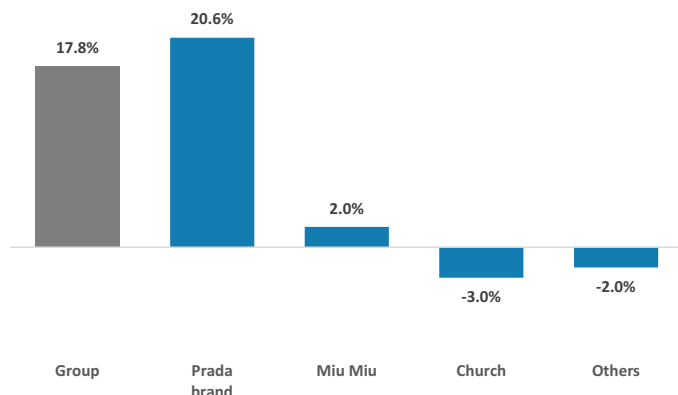
Source: Company data, Morgan Stanley Research

Car Shoe

Car Shoe joined the Prada group in 2001 when Prada acquired a 51% stake in the Italian brand renowned for its exclusive driving moccasins. In 2009 it increased its stake to 55% and a year later, in September 2010, Prada bought 100% of Car Shoe. Prada currently does not disclose Car Shoe's revenues individually, however in 2014 when Prada last disclosed Car Shoes' sales, it reported €12m in sales, declining -11%.

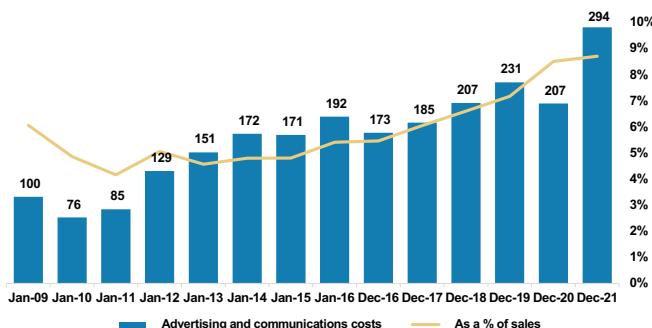
Car Shoe is reported in the "Others" segment which includes production for third parties. The segment reported €18m in sales in 2021.

Exhibit 72: Prada group: profitability by brand - MS estimates for LTM June 2022



Source: Company data, Morgan Stanley Research.
 Note: Group EBIT margin of 18.1% disclosed for LTM to June 2022, individual brands are MS estimates

Exhibit 73: Prada group: Advertising and communications costs



Source: Company data

Profitability by brand

Prada Group used to report EBITDA for individual brands until calendar year 2015, when it reported 28% margins at Prada, 2% at Miu Miu, 4% at Church's and -60% at Others (including Car Shoe) vs. a Group level EBITDA of 22.6% (and a Group EBIT margin of 14.2% in 2015).

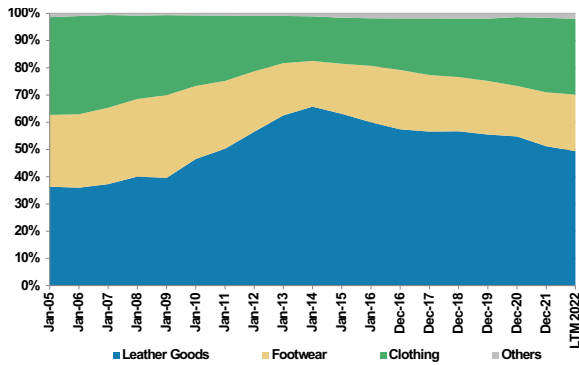
We believe that in the LTM to June 2022 the margins for Miu Miu were close to 2%, Church's was around -3% while Others' (including Car Shoe) margins were at c. -2% suggesting that Prada's margins were around 20.6%. The main reasons that Miu Miu's margins are lower than Prada's is that Miu Miu has higher fixed costs while being much smaller in size. For example, Miu Miu's fashion show costs are similar to Prada's, and they have the same management costs, hence the lower operating margins. However, the gross margins are not very dissimilar. We believe that the company opened a few stores for Miu Miu in locations in Europe and America that were perhaps not the most favourable, while store locations are comparatively better in Asia.

The group has plans to invest more in advertising and communications going forward, mainly in pop-ups, special projects and digital events. Prada's spend on advertising and communication as a percentage of sales has consistently increased and reached 8.7% in 2021 - see [Exhibit 73](#).

Divisional Review: Products

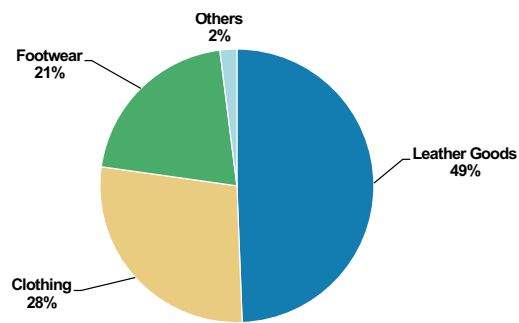
Breakdown of sales by product. Prada Group's product mix has changed over the past 14 years. In 2005 Leather goods and Clothing both had an equal share of 36% while Footwear contributed 21% to consolidated sales. Since then Leather goods have grown to become the biggest product segment. Today Leather goods sales dominate with a 49% share, followed by 28% for Clothing and Footwear at 21%. All figures are for the 12 months to June 2022. Miu Miu is more exposed to RTW (c.45%) and less exposed to leather goods (c.35%) and footwear (c.20%) than the Prada brand, whose breakdown is in line with the group.

Exhibit 74: Prada Group: Evolution of sales by segment since FY05



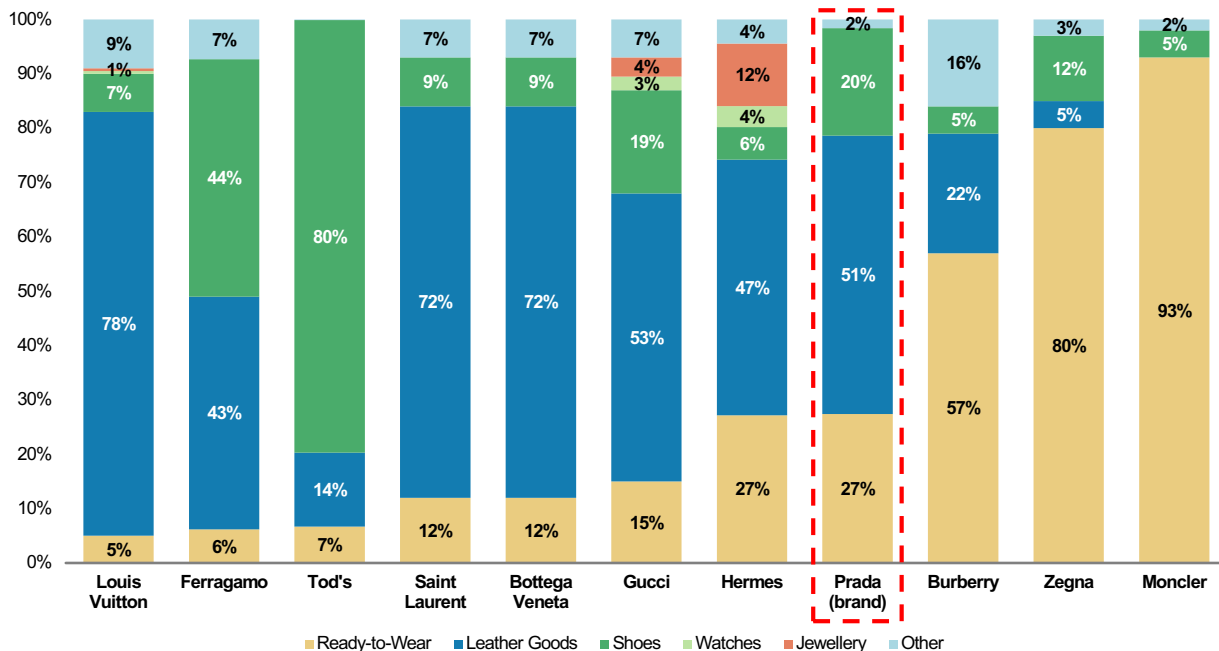
Source: Company data, Morgan Stanley Research
Note: LTM 2022 is last 12m ending June 2022

Exhibit 75: Prada Group: Sales break-up by product type for the LTM to June 2022



Source: Company data, Morgan Stanley Research
Note: *For 2022 : We have taken last 12 months data (1H22+2H21) ending June 2022

Exhibit 76: Prada: how the product breakdown compares with other luxury brands



Source: Companies, Morgan Stanley Research estimates
Notes: Hermès we assume 6% of RTW is Shoes, RTW includes Silk & Textiles (10%) and Jewellery is made of Jewellery and Home; Leather and Saddlery is assumed to be Leather Goods; For Burberry's others is mostly scarves. Perfumes is an estimate for all brands except Hermès..

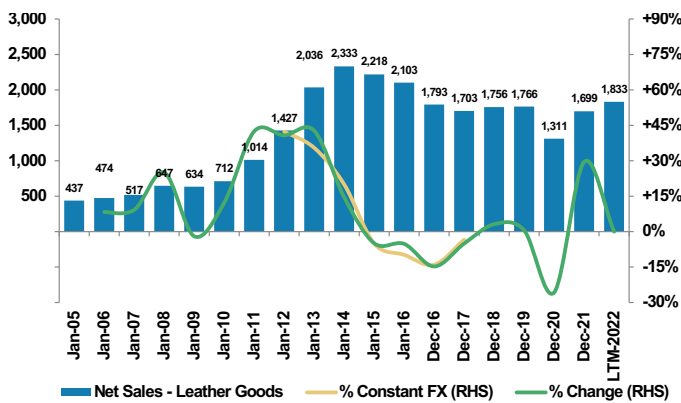
Leather Goods

In 2021, Prada's leather goods division posted sales of €1.7bn, thus accounting for 51% of group sales. As can be seen in the chart below, the category has grown at +8.4% CAGR since 2005, Prada Group's fastest growing category since then. Overall, the Group's sales grew by just +6.0% CAGR in the same period. Leather goods are sold by all of Prada Group's brands – Prada, Miu Miu, Church's and Car Shoe. As discussed previously, leather goods' sales reached a peak contribution of 66% of Group sales in the fiscal year ending January 2014 and have declined to 49% as of the 12 month period ending June 2022. In terms of profits, we believe that the leather goods segment is the most profitable for the group. Gross margins should be closer to ~82% we believe, above the group's 2021 margin of 76%.

We estimate that bags account for about 70% of the leather goods category, while small leather goods (wallets, belts, etc.) make up the remaining 30%. Within the bags sub category, we estimate bags priced above €2,000 at retail make up 50% of sales (in value), with the majority coming from bags priced between €2,000 and €3,000. Logically, bags priced below €2,000 make up the remaining 50% with an entry price at c. €890 for the nylon bag (the Nylon line ranges from €890 to around €1,700). Nylon bags are considered a part of Prada's DNA and heritage.

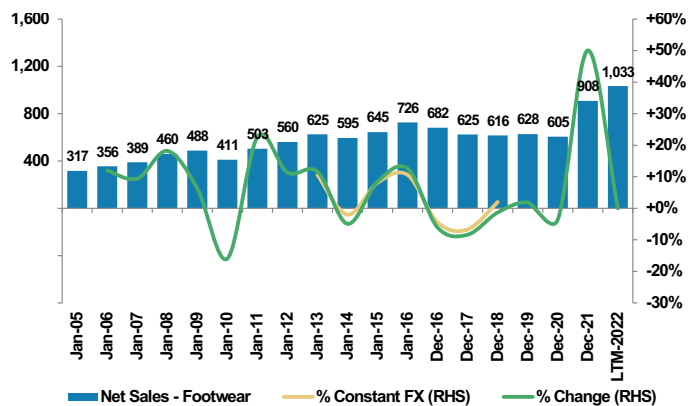
Prada's portfolio of bags is well balanced and we believe no bag alone makes up more than 10% of sales of the category. Measured in sales (value), we believe that the Galleria is Prada's most sold bag, followed by the Cahier and the Nylon bag, with the Etiquette not far behind, and then the Panier. We estimate the average selling price of Prada's bags at c. €1,800.

Exhibit 77: Leather Goods: Sales and growth rate since FY05



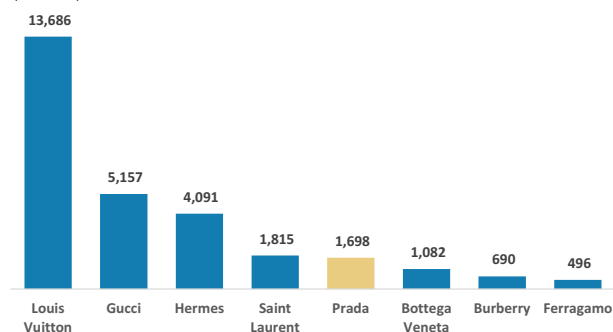
Source: Companies, Morgan Stanley Research
 Note: Prada's leather goods stopped reporting constant FX at total level from FY19 but retail net sales reported a decrease of 0.8% at constant exchange rates

Exhibit 78: Footwear: Sales and growth rate since FY05



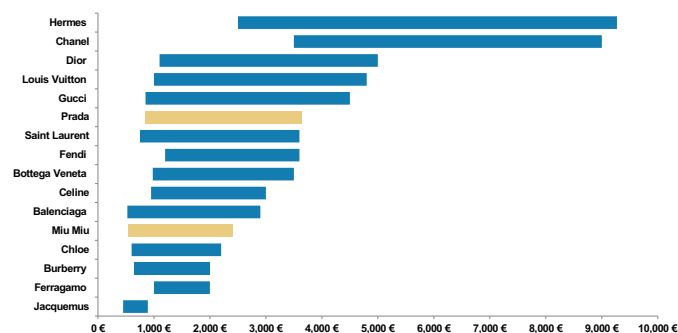
Source: Companies, Morgan Stanley Research
 Note: Prada's Footwear category stopped reporting constant FX at total level from FY19

Exhibit 79: Prada: Leather goods sales vs luxury peers in 2021 (EURm)



Source: Company data, Morgan Stanley Research estimate
 Notes: Louis Vuitton and Burberry are MS estimates

Exhibit 80: Approximate price range by brands - MS estimates



Source: Morgan Stanley Research
 Note: We have taken the price of standard leather bags/standard material as of September 2022

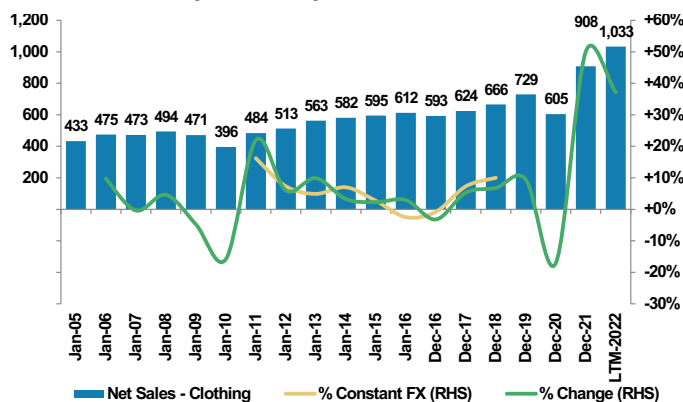
Footwear

As with leather goods, all four brands of the group sell footwear. This division posted sales of €656m in 2021 growing at +4% CAGR since 2005, Prada's slowest growing category since then. Footwear contributed 27% to group sales in 2021, making it the third largest category. As can be seen on the [Exhibit 78](#) above, footwear sales contracted in 2016, 2017 and 2018 which was mostly a function of Prada having little exposure up until only very recently to the fastest growing category in footwear: sneakers. While we estimated that sneakers accounted for ~12% of Prada's footwear sales in 2017, we believe the figure is now above ~50% (~10% of group total sales). Profitability for footwear in terms of gross margins is the third highest after leather and clothing. Gross margins for shoes should be just close to 70% we believe (lower than the Group's 2021 margin of 76%).

Clothing

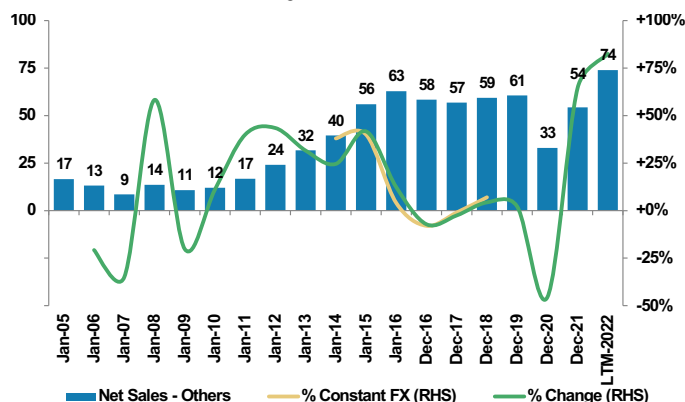
In 2021, Prada's Clothing division posted sales of €908m, accounting for 27% of group sales. As can be seen in the [Exhibit 81](#) below, the category has grown at +4.2% CAGR since 2005, slower than the company overall (6.0%). Clothing is sold by all of Prada's brands except Car Shoe. RTW/Clothing has been resilient as the group focuses on increasing the newness each season to close to 75% currently, which leads to creativity resonating with its customers. Gross margins at clothing/RTW should be just above 75% we believe (lower than the group's 2021 margin of 76%).

Exhibit 81: Clothing: Sales and growth rate since FY05



Source: Company data, Morgan Stanley Research
 Note: Prada's Clothing goods stopped reporting constant FX at total level from FY19

Exhibit 82: Other: Sales and growth rate since FY05



Source: Company data, Morgan Stanley Research
 Note: Prada's Other category stopped reporting constant FX at total level from FY19

Others

Contributing only 2% of 2021 group sales (€54m in 2021), this product group mainly comprises Fragrances and Eyewear sold by Prada and Miu Miu. Sales have grown by +9.1% CAGR since 2005 and reached €54m in 2021.

For Eyewear, both Prada and Miu Miu have had licensing agreements with Luxottica since 2003. In 2015, Prada group and Luxottica renewed their agreement until December 2025. Previously Prada group had a similar agreement with De Rigo for four years from 1999 when Prada Group bought a 51% stake in the company.

Regarding perfume, since 2003 and up until recently, Prada brand perfumes were manufactured and sold through an agreement with privately owned Spanish manufacturer Puig. In December 2019 Prada signed a long-term license agreement with L'Oreal, which came into effect from January 1st 2021. As for Miu Miu, it launched its first perfume only in July 2015 (Miu Miu EDP), done in partnership with publicly listed US manufacturer Coty.

We believe that about two thirds' of Prada licence income in 2021 was from eyewear and approximately one third from perfume.

Profitability by product line

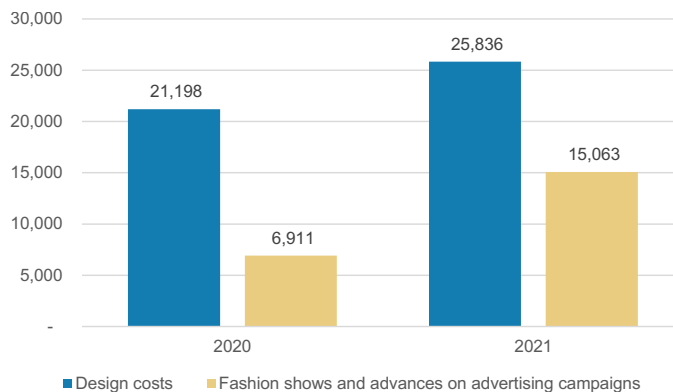
In terms of gross margin by product line, we believe that leather goods are closer to 82%, RTW is around ~75%, shoes, ~72%, are lower due to the higher exposure to wholesale but on a retail only basis this would be closer to the RTW margins.

Exhibit 83: Prada group: Campaigns and shows

Brand	Number of Shows	Number of Campaigns	Collection
Prada	2	2	Women: Spring/Summer and Fall/Winter
	2	2	Men: Spring/Summer and Fall/Winter
	1	1	Pre-collection campaign entitled "Prada Resort"
Miu Miu (Women only)	2	2	Spring/Summer and Fall/Winter
	1	1	Pre-collection campaign entitled "Miu Miu Croisiere"
Church's	0	2	Spring/Summer and Fall/Winter
Car Shoe	0	2	Spring/Summer and Fall/Winter

Source: Company data, Morgan Stanley research

Exhibit 84: Prada Group: Prepayments



Source: Company data

Campaigns and shows

As seen in [Exhibit 75](#), **Prada** brand conducts two campaigns each for men and women during a year: The Spring Summer and the Fall/Winter collections; apart from this it also does a pre-collection campaign called "Prada Resort", which initiated with New York in May 2018 and then Shanghai in 2019.

Miu Miu (women only) also does two shows in the calendar year just like the Prada brand and also started a pre-collection called "Miu Miu Croisiere" in Paris in 2018.

The two smaller brands, **Church's and Car Shoe**, have one campaign each but don't have any fashion shows like the two bigger brands.

Prada was the first fashion and luxury goods brand to present a mixed gender (Men & Women together) show a few years ago, when Miuccia Prada combined the 70s inspired menswear collection with looks from the womenswear 2015 resort collection at the Milan Men's fashion week. Today men's and women's collections have completely separate fashion shows for both Prada and Miu Miu. The men's shows are usually held in January and June, while the women's shows are held in February and September; and the resort/cruise pre-collections are usually held in May. We estimate the average price of a Prada fashion show at c. €5m, and we believe the shows in Shanghai and New York are more expensive due to the costs of transportation and lodging.

Prada's Spring Summer '22 Women Show was the first ever show presented at the same time in 2 cities: Milan and Shanghai.

In terms of newness, RTW has moved to c.75% newness each season, while in Leather goods the split between evergreen and newness is now 50/50 respectively. Shoes have around 75% newness each season.

Collaboration with artists for limited editions/capsule collections. Prada has collaborated with artists in the past for limited editions, for example: Prada tied up with Taiwanese-American artist James Jean for its Prada Resort 2018 in May 2017. But its most notable recent collaboration has been with Adidas.

Collaboration with Adidas. In November 2019, Prada revealed a collaboration with

Adidas. The first of its debut products titled "Prada for adidas Limited Edition" consisted of a set: an all-white take on the Adidas Superstar sneaker, made in Italy by Prada and in leather, and a large version of Prada's bowling bag tote, also in white leather. The set came in a limited edition of 700 and retailed at a price of c.€2,500. The second drop of products from the collaboration (in September 2020) was again a take on the famous Superstar sneakers in three colours with a price tag of c.€450. The third and latest collection launched in January 2022, offering an assortment of RTW as well as hats, bags and backpacks.

Prada Sport, Linea Rossa (c.7% of RTW sales on MS estimates). At the Fall/Winter 2018/19 runway show, Prada reintroduced its sportswear line under the name *Linea Rossa*. First launched in 1997, Prada Sport (or officially *Linea Rossa*) was the first time a luxury house had ventured into athletic gear. It was a nylon-driven sportswear line with a thin red branding strip, which became very popular. Miuccia Prada also included the theme of Prada Sport into her mainline womenswear Spring/Summer 99 show. However, the line began to lose popularity among clientele and was discontinued in the early 2000s. The reason for the discontinuation was that, back then, it was perceived by customers as a second line, similar to Armani Collezione for Armani, D&G for Dolce & Gabbana or Versus for Versace (most of these second lines were subsequently discontinued). Prada felt that it made sense to relaunch the line given the strong demand for 'lifestyle' lines (i.e sports / streetwear). In August 2018, Prada shipped its first orders for the trade and in September 2018, the line was launched in Prada stores (the first store being Soho in New York). Prada also worked with Adidas on a special collaboration for Linea Rossa, with pieces inspired by the America's Cup, a sailing race Prada has participated in since launching its Luna Rossa team in 1997.

Fondazione Prada has been sponsored by Prada since 1993, and since May 2015 it has had a permanent venue in Milan. It is a cultural complex known for collaborating with renowned artists like Thomas Demand, Dan Flavin and Steven McQueen. In April 2018, Fondazione Prada opened, as the final part of the foundation, an arts complex in Milan designed by OMA. In 2015, the Fondazione Prada was the museum with the highest number of visitors in Italy for a modern and contemporary museum. A few of Prada's fashion shows have taken place in the Prada museum.

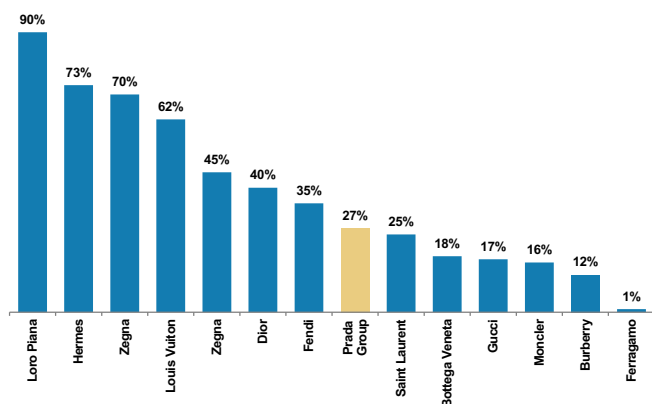
Divisional Review: Production

Prada is at the lower end when it comes to internal production, with only 27% of products manufactured in-house, we estimate. This compares to 90% at Loro Piana, 73% at Hermès, 70% at Zegna, 62% at Louis Vuitton, while those with internal production lower than Prada are Bottega Veneta at 18%, Gucci at 17% and Ferragamo at 1%, as seen in [Exhibit 85](#) below.

As can be seen in [Exhibit 86](#) below, Leather goods, contributing 51% to group sales in 2021, had the highest vertical integration of c.35%, Shoes around 27%, while only c.12% for Clothing / ready-to-wear (all Morgan Stanley estimates).

As discussed previously, Fragrances and Eyewear are completely outsourced and sold through licence agreements.

Exhibit 85: Percentage of internal production



Source: Morgan Stanley Research estimates

Exhibit 86: Vertical Integration: MS estimates by category

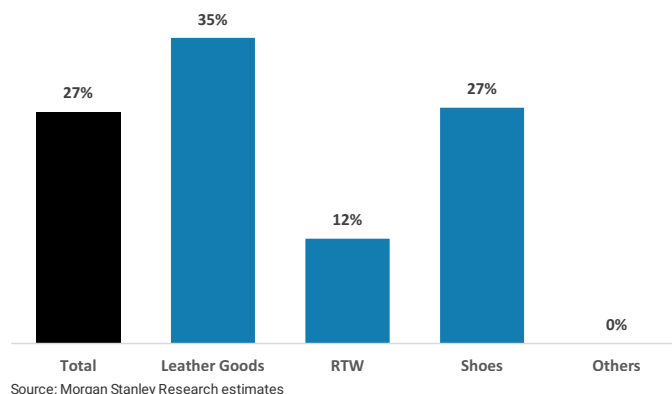


Exhibit 87: Production sites as at Dec-21

Location	Products	Units
Italy	Leather goods	8
	Footwear	6
	Clothing	6
UK	Footwear	1
France	Leather goods	1
Romania	Leather goods	1
Total	-	23

Source: Company data, Morgan Stanley Research

Prada had 23 manufacturing facilities as of December 2021. This compares to only 11 facilities it operated in 2011, at the time of its IPO. Although the number of factories has increased over this period, the internal production levels are not significantly over the levels in 2011 (20%). This is due to the fact that the capacity remains the same as the company focuses on internalizing the various parts of the production process rather than the whole manufacturing in itself. For example, in 2014, Prada purchased Tannerie Limoges (located near Limoges, France). Tannerie Limoges specializes in lambskin tanning, in particular soft plonge nappa leather. In June 2021, Prada acquired a 40% stake (alongside Ermenegildo Zegna Group) in Filati Biaglioli Modesto S.p.A, an Italian cashmere producer located in Tuscany. And most recently, in September 2022, Prada Group purchased a 43.65% stake in Superior S.p.A., a specialised calfskin tannery based in Tuscany.

Out of its 23 manufacturing facilities of over 235k sqm in total area, 20 are located in Italy, one in the UK, one in France and one in Romania; see [Exhibit 87](#).

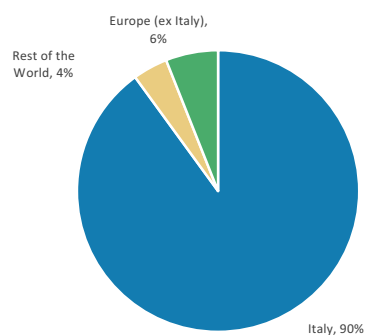
Prada has 10 leather goods factories, 8 of which are located in Italy (mostly located in Tuscany), one in France and one small unit in Romania operated by the Prada Group to manufacture around c. 30% internally.

Prada operates six RTW factories in Italy where it manufactures about 12% of its Clothing / ready-to-wear products internally, we estimate.

Prada group operates six footwear factories in Italy and one in the UK to manufacture about 27% of its footwear internally (only the Church's brand is manufactured in the UK). Some sneakers are manufactured (through suppliers) in Vietnam and Taiwan, while very few are manufactured in Italy.

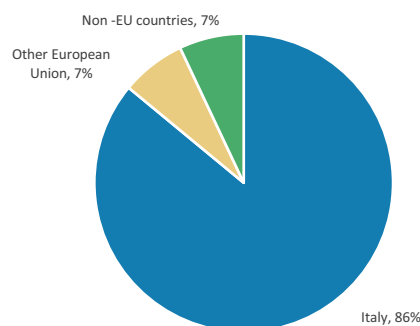
As per the company, the group performs in-house all of the prototyping, samples production and leather cutting. However it is the main activity of product assembly that is only 40% in-house. Management disclosed that it is planning to grow this function to a limit of 60% due to its labour intensity but also to allow flexibility (in case sales fall).

Exhibit 88: Prada: Leather sourcing (quantity)



Source: Company data

Exhibit 89: Prada: Manufacturing suppliers



Source: Company data

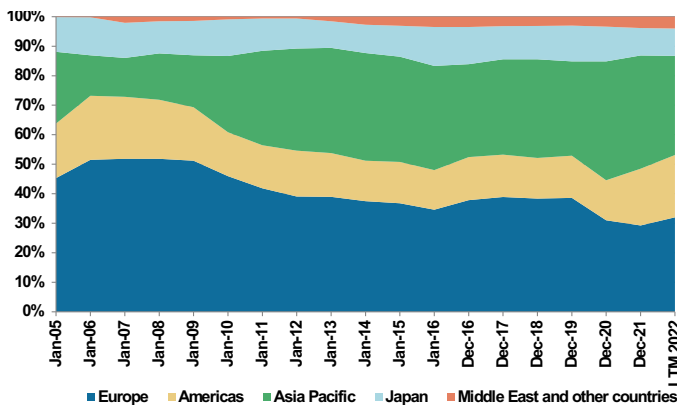
Third party suppliers. Prada purchased raw materials from 470 suppliers in 2021 (suppliers with over €30k purchases), of which 84% were located in Italy. The raw materials are sourced from around the world, for example, leather can be from France, New Zealand, Louisiana and Australia (Crocodile leather), denim from Japan, wool from Peru. Its leather is procured 90% from Italy, 6% from Other Europe and 4% Rest of World.

As for outsourcing, around 73% of the group's production is outsourced to approximately 370 manufacturing suppliers. Of these suppliers, circa 86% are based in Italy, 7% in European Union countries and the remaining 7% in non-EU countries. The company says these suppliers receive most raw materials, patterns and prototypes from the group to manufacture the majority of products not done internally. The company says it has a good and stable relationship with most of its suppliers and around 55% of them have been working with Prada group for more than 10 years. Employees at the production facilities have been working for an average of 20 years, according to the company. Prada's manufacturing and storage facilities together occupy over 200,000 sqm, located almost entirely in Italy.

Divisional Review: Geographies

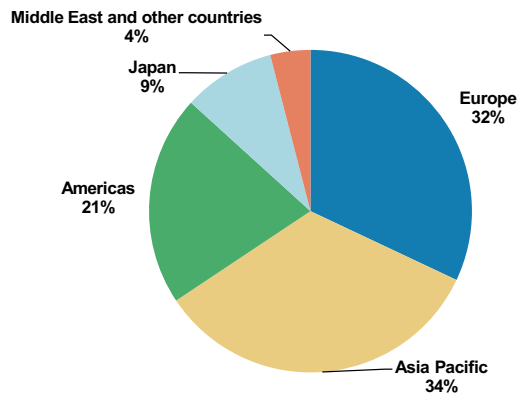
Prada Group's breakdown of sales by geography has exhibited one main dynamic since 2006: Asia Pacific grew in importance at the expense of Europe and America. In 2006, 14% of Prada's sales were generated in Asia Pacific (excluding Japan). By LTM to June 2022, the figure had risen to 34% (still excluding Japan). In the meantime, the share of Europe (including Italy) went from 51% to 32% despite the strong increase in the number of non European tourists into Europe.

Exhibit 90: Prada group: Sales evolution by Geography since Jan-05



Source: Company data, Morgan Stanley Research
 Note: Greater China (part of Asia Pacific not included in the chart above as data for this geography is not available prior to Jan-10. Greater China contributed 19% to consolidated sales in FY ending Jan 2011. From 2018 Prada merged Middle East and Other countries

Exhibit 91: Prada group: Geographic breakdown for 2022

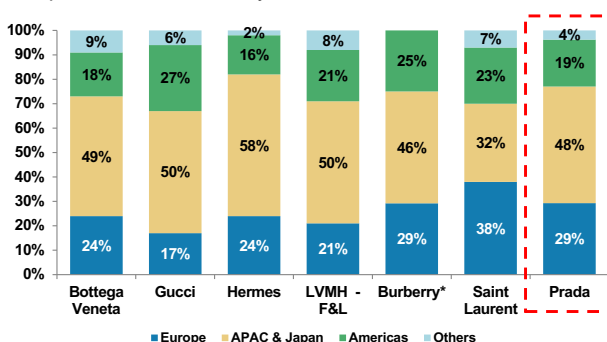


Source: Company data, Morgan Stanley Research
 Note: Prada has stopped disclosing revenue for Italy and Greater China, in Jan-15 Italy accounted for 16% and in Dec-18 Greater China accounted for 22% of revenue
 For 2022: We have taken last 12 months data (1H22+2H21) ending June 2022

Breakdown of sales by regions. In 2021, Prada's breakdown of sales was not particularly dissimilar to other luxury brands, as can be seen in the chart below. For example, Prada generated around 48% of sales in APAC incl. Japan and Middle East and 29% in Europe, similar to Burberry's 46% and 29%, respectively.

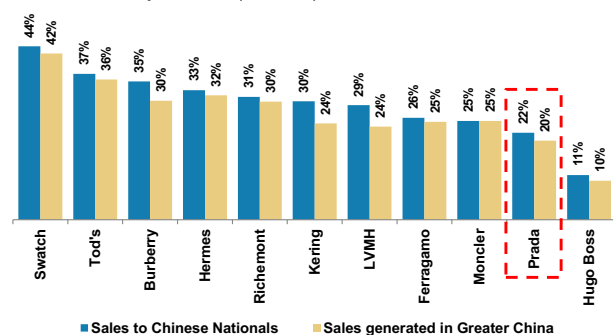
The sales split of both Prada brand and Miu Miu brand is more or less similar, barring Japan where Miu Miu has a higher exposure of around ~14% we estimate (vs. 9% for the group) and a lower exposure in the US of ~8% (vs. 21% for Americas for the group).

Exhibit 92: Prada group: How geographical sales break down compared with other luxury brands



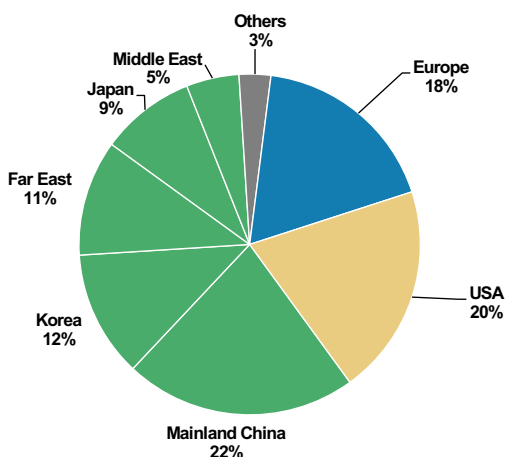
Source: Company data, Morgan Stanley Research estimates
 Note: Burberry: Europe relates to EMEA, Prada APAC relates to Far East.

Exhibit 93: Prada group: Contrasting exposure to Chinese nationals vs. other luxury brands (MS est.)



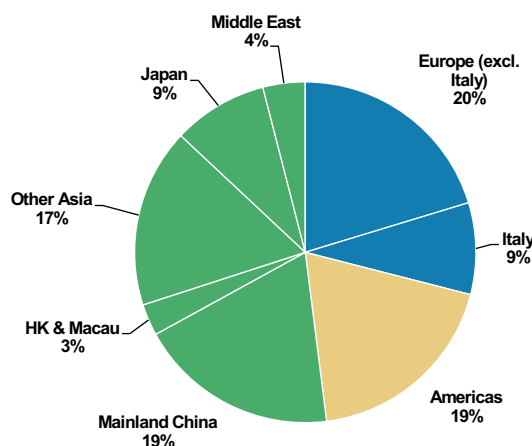
Source: Company data, Morgan Stanley Research estimates

Exhibit 94: Prada: Estimated retail exposure by nationality



Source: Morgan Stanley Research estimates for 2021 retail

Exhibit 95: Prada: Estimated exposure by country/region



Source: Morgan Stanley Research estimates

Sales by nationality

When looking at sales by nationalities rather than location where the actual sales took place, we believe Prada Group's exposure to Chinese nationals (the industry's growth engine) stood at about 22% in 2021. This is significantly below the luxury goods industry's average (c.35% as per Bain Altagamma). This compares to 44% for Swatch, 29% for LVMH, 30% for Kering, 33% for Hermès or 35% for Burberry - all figures are Morgan Stanley estimates as brands do not disclose sales figures by nationalities.

As for Japanese nationals, we estimate that they made up around 9% of group sales while Koreans made up around 12%. In total, Asian nationals (Chinese, Japanese, Koreans, Far East, Middle East etc.) accounted for about 58% of Prada Group sales in 2021 (while the group generated only 52% of its sales in the region, including Japan and Middle East).

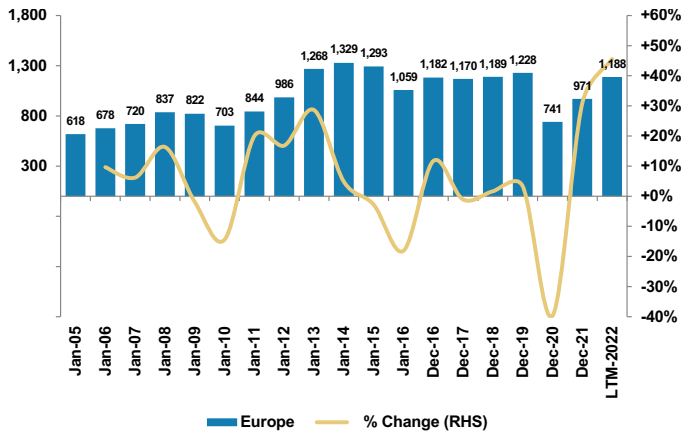
In 2021, we estimate that European nationals accounted for 18% of Prada Group sales (while 29% of the group's sales were generated in Europe). This is due to the fact that tourism related sales in Europe are high for the Prada Group - Germany/UK are around 50%, Italy is around 70% and France is more than 70% (the majority of these tourists tend to come from outside Europe).

Europe

Prada used to report sales for Italy until FY ended January 2015; at that time Italy contributed 16% to consolidated group sales.

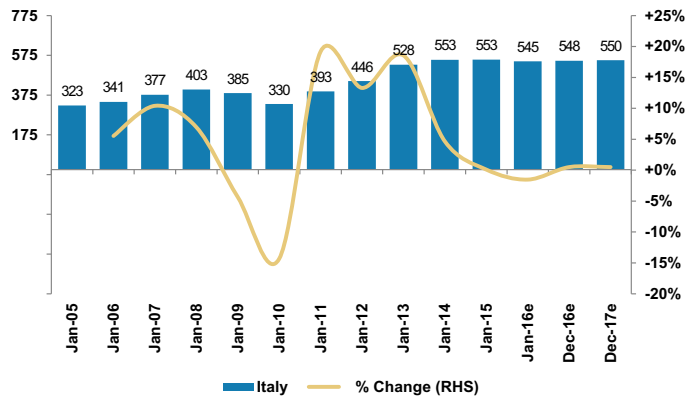
Looking at absolute sales growth by region, Europe's sales have been growing at about +3% CAGR since 2004, slower than the overall group, which grew at +5.4%. Europe saw impressive constant FX sales growth of ~+25% between 2010 and 2012 soon after the financial crisis after which negative in 2014 before recovering in 2017.

Exhibit 96: Europe: Net sales evolution



Source: Company data, Morgan Stanley Research

Exhibit 97: Italy: Net sales evolution - MS estimates



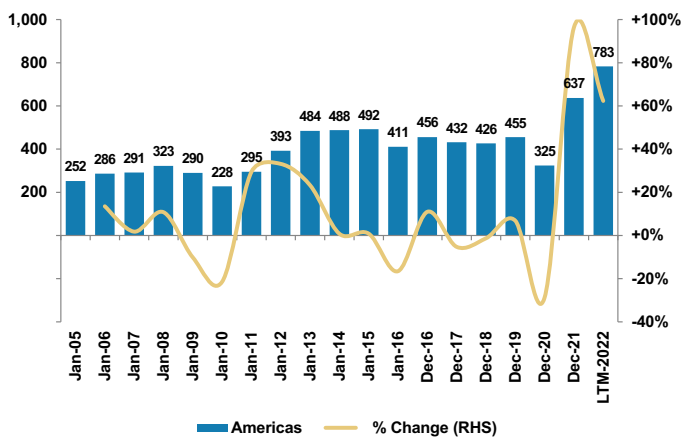
Source: Company data, Morgan Stanley Research estimates
 Note: Prada stopped reported sales for Italy from 2016.

Americas

Sales in Americas were under pressure in 2016-2018 with negative constant FX growth rates but recovered thereafter. As seen in the [Exhibit 98](#) below, like Europe, even Americas saw a period of high growth soon after the financial crisis of 2008-10, with sales growing an average of +19% from 2010 to 2013 at constant FX. Americas grew at a CAGR of 5.6% since 2005 (in line with the group average of 5.4%).

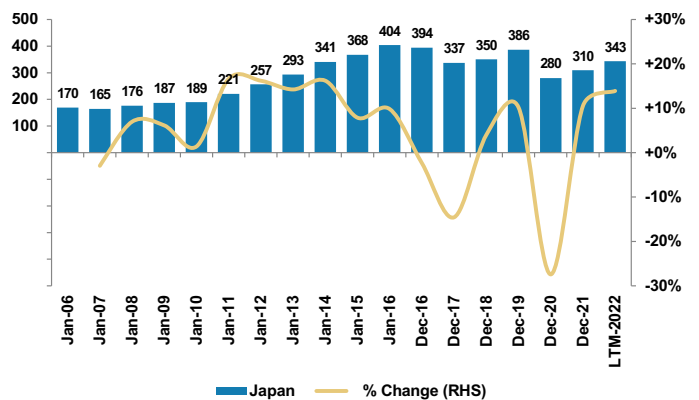
After the Covid-19 pandemic of 2020, sales in the Americas posted strong growth, as for many luxury peers, fuelled by 'revenge-spending', stimulus checks and the spending shift, we believe.

Exhibit 98: Americas: Net sales evolution



Source: Company data, Morgan Stanley Research

Exhibit 99: Japan: Net sales evolution

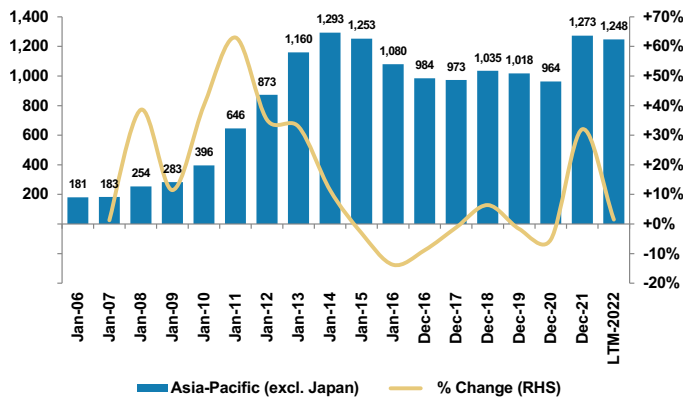


Source: Company data, Morgan Stanley Research

APAC

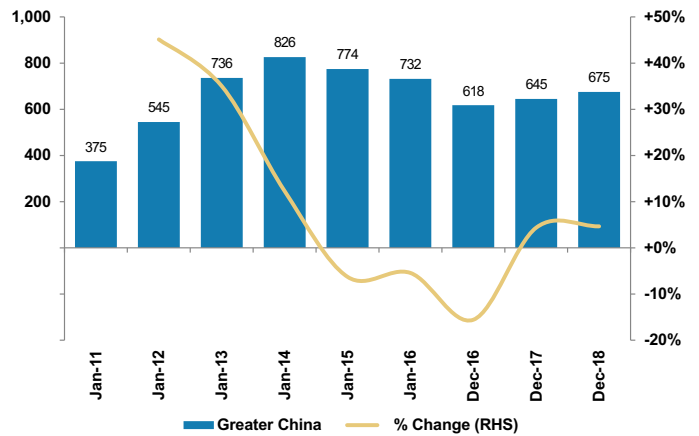
Like other luxury brands, Asia Pacific (excluding Japan) has been the fastest growing division for Prada, growing at a CAGR of +8.2% since 2004. Greater China has been the growth engine for this division, with c.53% of sales coming from this region in 2021 (Prada disclosed the split as 65% in 2018). For 2021 we estimate Greater China accounted for c. 22% of group sales.

Exhibit 100: Asia Pacific: Net sales evolution



Source: Company data, Morgan Stanley Research

Exhibit 101: Greater China: Net sales evolution

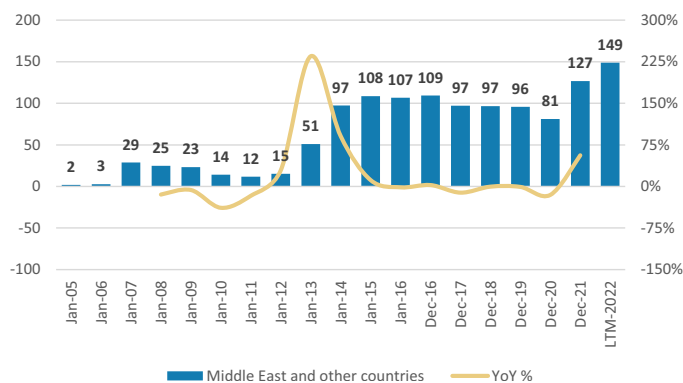


Source: Company data, Morgan Stanley Research
 Note: Prada stopped reporting Greater China sales from FY19

Middle East

While Prada did not report sales for the Middle East separately until 2012, it started reporting them from FY 2013 onwards, with €45m of sales, a YoY growth of +304%. This substantial growth was attributable to the fact that, from mid-2011, the group started a DOS expansion plan in the region and opened around 9 new stores in calendar 2012 in Abu Dhabi, Kuwait and Dubai. This was after Prada announced a joint venture with Al Tayer Insignia to develop the brand across the Middle East. Al Tayer Insignia was already operating more than 35 global luxury brands in the region, including Bulgari, Bottega Veneta, Gucci and Saint Laurent, to name a few. As of December 2021, Middle East had sales of €127m, around 4% of Prada's group sales.

Exhibit 102: Middle East and Others: Net sales evolution



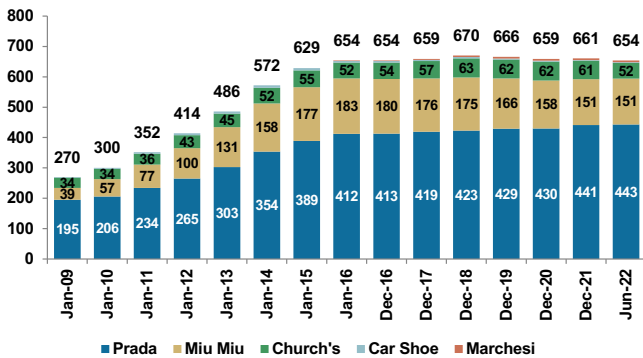
Source: Company data
 Note: From 2018 Prada merged Middle East and Other countries

Stores & Distribution

Store network

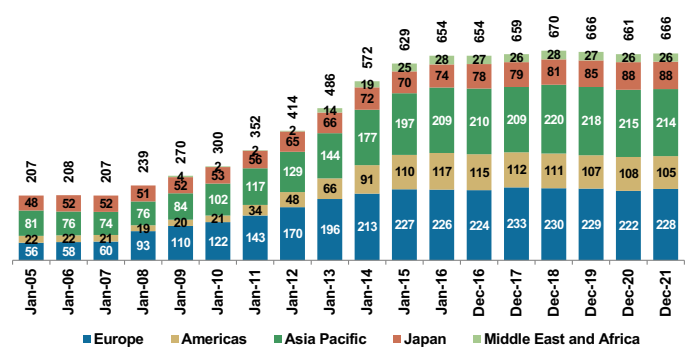
Geographic breakdown. As can be seen [Exhibit 104](#), Prada operated more than 200 stores in Europe and Asia Pacific while the Americas had 105 stores, the Middle East had 26 and Japan 86 as at December 2021. Stores in Europe have grown at a 9% CAGR since 2004 from 56 to 228 today. Interestingly, Prada's network grew much faster in the Americas than in Asia-Pacific, at a CAGR of +10% and +6% respectively since 2004.

Exhibit 103: Evolution of number of stores since FY-09



Source: Company data, Morgan Stanley Research

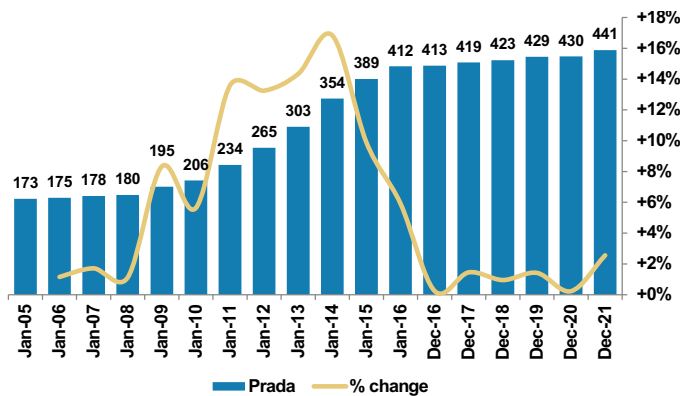
Exhibit 104: Evolution of number of stores by geography since FY-05



Source: Company data, Morgan Stanley Research

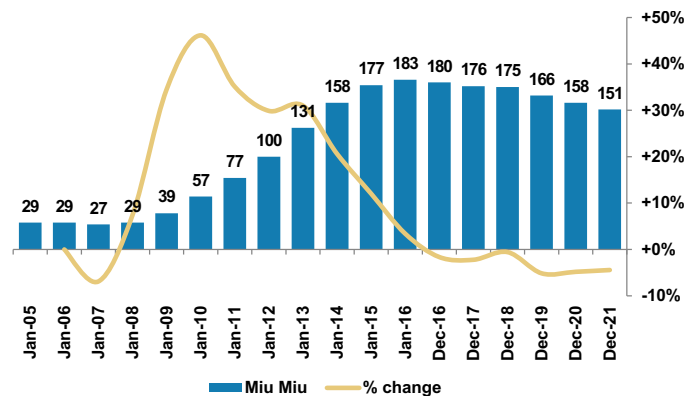
Breakdown of stores by brand. Prada brand had 443 stores operating as of June 2022, of which 420 (or 95%) were directly operated stores and the rest run on a franchise model. Prada stores have grown consistently since 2005 at +6% CAGR while Miu Miu has grown much faster at +10% in the same period adding about 10 stores per year on average. Church's and Car Shoe were operating 52 and 2 stores respectively as of June 2022, all directly owned and no franchises.

Exhibit 105: Prada brand stores evolution



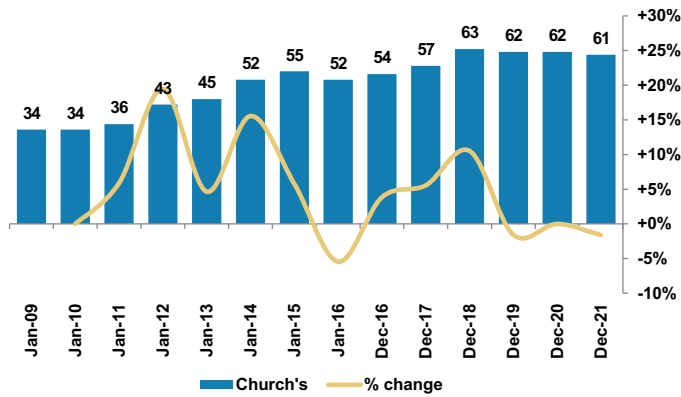
Source: Company data

Exhibit 106: Miu Miu brand stores evolution



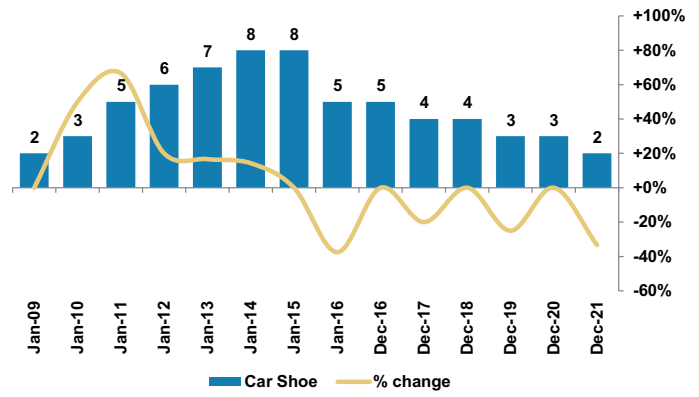
Source: Company data

Exhibit 107: Church's brand stores evolution



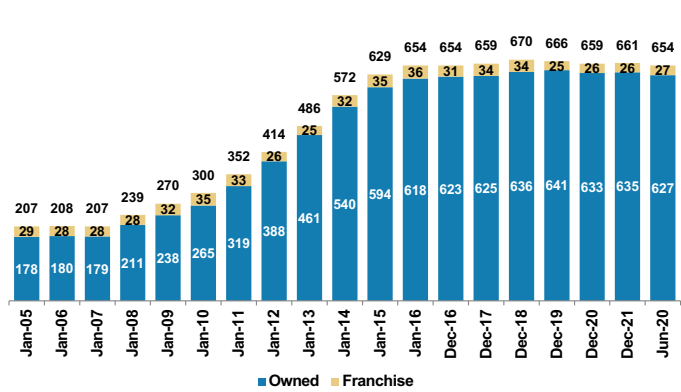
Source: Company data

Exhibit 108: Car Shoe brand stores evolution



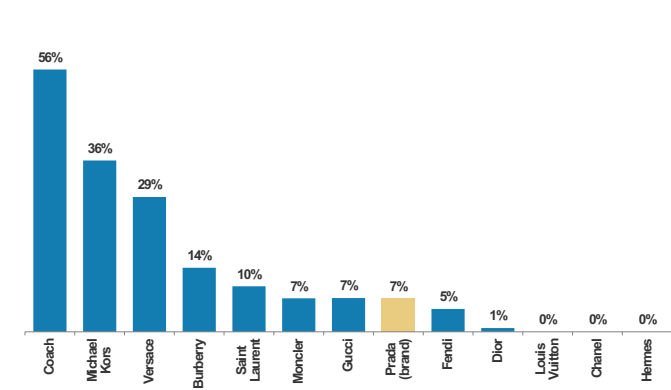
Source: Company data

Exhibit 109: Evolution of number of stores since FY-05



Source: Company data, Morgan Stanley Research

Exhibit 110: Outlet % of total number of stores for luxury peers - MS estimates



Source: Company data, Morgan Stanley Research
 Note: Coach is for USA only. Coach, Michael Kors, Versace and Burberry are reported. The other brands are MS estimates.

Retail

Stores. Prada group had 654 stores as at the end of June 2022. 627 (96%) of which were owned and operated by Prada Group and only 27 (4%) operated on a franchise model, see Exhibit 109. Prada Group's own network has grown strongly by 8% CAGR since 200 from 178 stores to 627 today. This compares to a flattish store count for franchises, 29 in 2005 vs. 27 in June 2022. The Prada family runs four (all of them in Milan) of these 27 franchise stores. We believe the Prada family does not own the real estate of any head quarter or warehouses. We estimate that the company operates about 30 outlets with sales contribution not being significant. Prada does not disclose its total selling space nor its average store size but we estimate that the average selling space of the Prada stores is ~250sqm and ~130sqm for Miu Miu (which is smaller and does not do menswear).

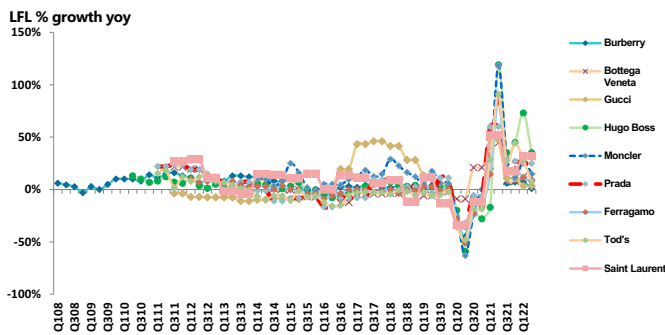
Sales densities at Prada are below the peer group average, with €25,000 sales per sqm in 2021 we estimate; see Exhibit 112. This compares to industry leading density at Chanel at €111,700, Vuitton at €90,000 and Gucci at €45,000. We believe Prada brand endured a big decline in sales density between 2011 when it was around ~€30,000 per sqm at IPO (and close to Gucci back then we believe), and 2020 when we estimate it fell to €20,000 before recovering recently.

At the Prada CMD in November 2021, management stated its goal to increase sales densities by 30-40% in the medium term, by increasing traffic in stores by using pop-ups and special installations. As per the company, in 2021 alone, 120 store renovations were completed and 80 pop-up installations were set up, leading to increased footfall in stores and a continuously evolving retail image.

Online. The Prada Group had e-commerce websites for all four brands when it IPO'd in 2011. Together these generated just €1.9m of sales (or 0.1% of group sales) as they offered limited products online that were only available to a few geographies. Prada was reluctant to go full throttle on e-commerce and, in 2014, CEO Patrizio Bertelli was quoted as saying that he had “more important things to do, like opening stores, for example”. Thus Prada was a bit of a late entrant to the digital world, and only relaunched its e-commerce site in December 2017. In 2018, Prada finally started selling online in China.

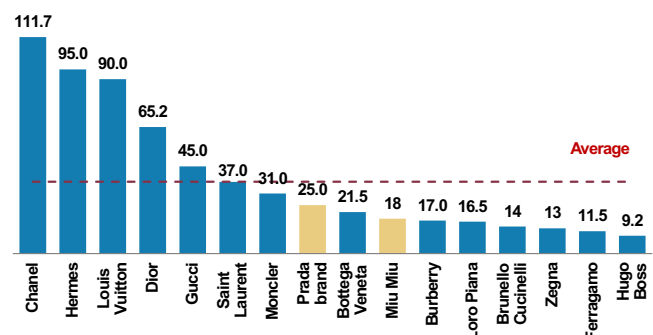
Online penetration at Prada was around ~7% for 2021 at retail, below the industry average of c.10% as seen in Exhibit 113 chart. Currently the contribution from its own e-commerce platform and 3rd party e-tailers is around 2/3 prada.com and 1/3 e-tailers such as Tmall and Farfetch. as per our estimates. The company is targeting c.15% of retail sales in the medium term.

Exhibit 111: LFL performance by brands



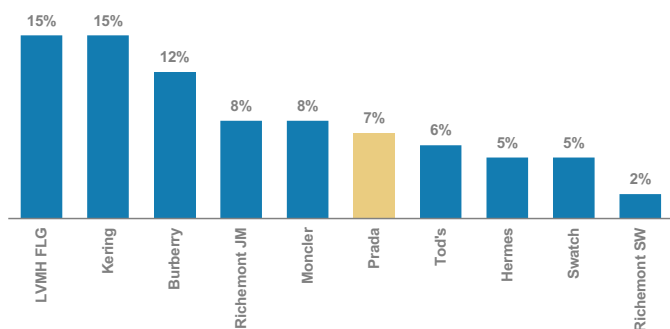
Source: Company data, Morgan Stanley Research estimates
 Note: Burberry data relates to the Retail division and is calendarised while Prada is based on Morgan Stanley estimates

Exhibit 112: Sales densities - MS estimates



Source: Morgan Stanley Research estimates for 2021

Exhibit 113: Prada: Still underpenetrated in terms of online presence



Source: Company filings, Morgan Stanley Research estimates

Exhibit 114: Prada: Online platforms presence

Prada	UK	USA	China
Mr. Porter	✓	✓	✓
Selfridges	✓	✓	✓
Matches Fashion	✓	✓	✓
Farfetch	✓	✓	✓
Harrods*	✓	✓	✓
Mytheresa	✓	✓	✓
Net-A-Porter	✓	✓	✓
Yoox	✓	✓	✓
Nordstrom	✓	✓	✗
Bloomingdales	✗	✓	✗
Neiman Marcus	✓	✓	✓
WeChat	✗	✗	✓
Tmall	✗	✗	✓

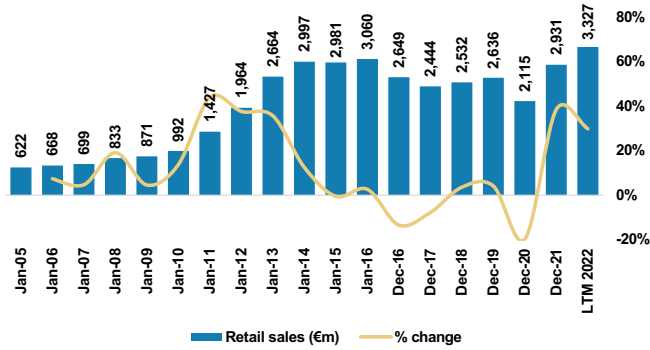
Source: Morgan Stanley Research
*Harrods only sells Prada fragrances and eyewear.

Wholesale

Wholesale accounted for 11% in 2021 vs. around 48% in 2005. Like other luxury names Prada has seen a change in the sales by distribution channel from a more wholesale to a more retail perspective to take more control of the distribution network, markdown policy and sourcing and to elevate the brands in general. The Board announced last year the plan to rationalise the network of independent partners, given the growing complexity and fragmentation of the wholesale market, and the need to ensure consistency in pricing policies across channels and improve control over grey market activities. Our data on the number of SKUs and/or listings across several e-tailers (see [E-Tailers Benchmarking](#)) indicate that Prada was one of the brands with the largest number of product listings across several platforms (such as Farfetch, YOOX), suggesting that a clean-up of the third-party distribution network was highly needed, and therefore the right decision to make despite the short-term negative impact.

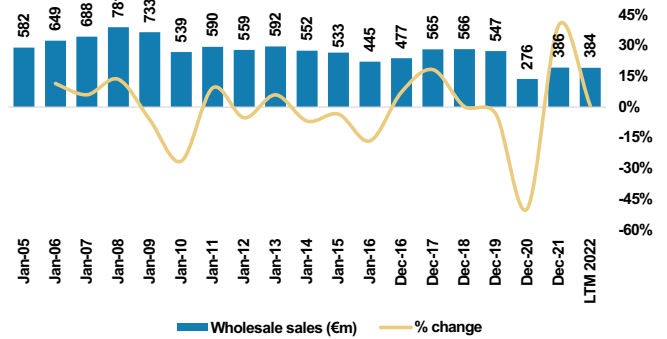
Currently DFS (part of LVMH) is the biggest wholesale partner for Prada, especially in Korea and Singapore, but is managed by Prada itself so the company considers this more like a retail business than wholesale. The family owned stores are also considered under wholesale for presentation purposes but they are more retail as they are controlled by family. Leather goods and silk have the highest markups in general.

Exhibit 115: Prada Group: Retail revenue growth (reported in euros)



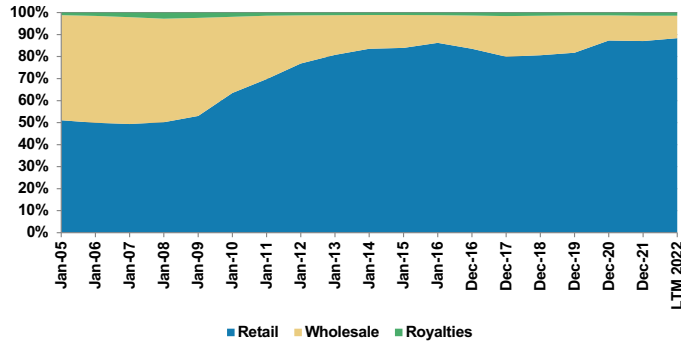
Source: Company data, Morgan Stanley Research

Exhibit 116: Prada Group: Wholesale revenue growth (reported in euros)



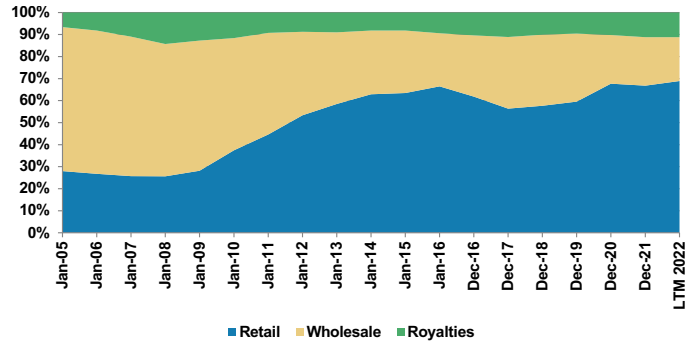
Source: Company data, Morgan Stanley Research

Exhibit 117: Prada Group: Evolution of Retail vs. Wholesale (as % of reported sales)



Source: Company data, Morgan Stanley Research.

Exhibit 118: Prada Group: Evolution of Retail vs. Wholesale (as % of estimated brand value)



Source: Company data, Morgan Stanley Research.
 Note: Brand sales value has been calculated by multiplying wholesale by 2.5 and licensing by 10

ESG Analysis

Exhibit 119: Overview of key ESG topics

ESG Topic	Analysis	Impact on Valuation
Supply Chain	<p>Suppliers: Prada subjects partner suppliers to a Code of Business Conduct (all factories and external manufacturers); this Code sets internationally recognised standards for employee rights and working conditions (including zero tolerance of forced or child labour). Prada requires that anyone supplying its factories and suppliers must first be authorised by Prada and also abide by the Code. Prada conducts its own audit of supplier relationships. The group has explicit environmental targets, e.g. to consume less energy, etc. Prada works hard to combat counterfeiting around the world, as well as on the web. They are a member of the World Customs Organization and the major anti-counterfeiting associations. The group also invests in investor education and after-sales facilities.</p> <p>Materials: Main materials used by Prada are leather (including exotic skins), and cotton (for apparel).</p> <p>Affiliations: There are no details on Prada's partnership with sustainability organisations, e.g. Leather Working Group, but we note that Prada supports the initiatives by the National Chamber for Italian Fashion.</p>	<p>Base Case Valuation: The company scores well in our Supply Chain analysis and we have no specific concerns with metrics at present.</p> <p>Risk Sensitivity Analysis: We continue to monitor developments across Prada's suppliers and network of external workshops, including any sustainability efforts. At present, our bull and bear case valuations do not factor in any specific assumptions. Any significant issues with the external network of highly qualified artisans might provide downside risk. Failure to ensure ethical behaviours could damage reputation and customer loyalty, with direct impact on sales volumes.</p>
Labour	<p>Employees: Prada is committed to a diverse and equal opportunities hiring policy. There are distinctly more women than men in all professional areas (c.62% of entire workforce is female). The group also offers international working opportunities and specialist training programmes to its employees, and is supportive of job mobility. Prada has developed a range of advanced training courses in 2014, designed to enhance the professional capabilities.</p> <p>Prada has c. 13,140 employees, of which 61% are employed in Selling and 23% in Production. Highly-qualified employees including skilled artisans and craftsmen are critical to the long-term success of the company.</p>	<p>Base Case Valuation: The company scores well in our Labour analysis and we have no specific concerns with metrics at present.</p> <p>Risk Sensitivity Analysis: Any significant unusual turnover in highly-qualified employees and executives might provide downside risk and we continue to monitor developments across the employee base. However, at present our bull and bear case valuations do not factor in any specific assumptions.</p>
Governance	<p>Shareholding Structure: PRADA Holding S.p.A (Mr. Bertelli and Ms. Miuccia Prada) is the major shareholder in Prada group, holding 80% stake with rest being free float shares.</p> <p>Chairman / CEO / CFO: Mr. Paolo Zannoni was elected Chairman of the Board since May, 2021. Mr. Patrizio Bertelli and Ms. Miuccia Prada are co-CEO's and both have been sitting on the board since 2003. Ms. Alessandra Cozzani is the CFO of Prada group and she is a board member since Dec, 2013.</p> <p>Board Structure: The Board is composed of 11 members, of which 5 are independent, 5 members are female and 2 members have been sitting on the Board for >10 years.</p> <p>Remuneration Policy: The bonus is linked to group's annual performance taking into account the achievement of Group's target in net sales, as well as the objectives of each department. Prada has a long-term cash incentive plan that vests subject to the achievement by the Group of one or more economic objectives and the presence of the executive within the Group at the end of a three-year period.</p> <p>Prada publishes a social responsibility report under the supervision of the social responsibility committee. The methods used to gather, report and audit the information are based on the PRADA Group's own processes and instruments; development of these methods with a view to matching the GRI international standard has begun.</p>	<p>Base Case Valuation: There is no clear separation at Prada between the family (owning 80% of shares) and the top management team (Mr Bertelli and Mrs Prada are co-CEOs). Whilst we haven't attributed a separate money value to governance, this is embedded as part of our forecasts.</p> <p>Risk Sensitivity Analysis: Our bull and bear case scenarios currently do not factor in specific governance assumptions. However, we continue to monitor this space, especially with regards to potential succession risk given current governance structure.</p>
Confidence on medium/ long-term strategy	<p>Despite a potential normalisation following several quarters of underperformance, the combination of a volatile operating environment, pricing risks and product architecture risks continues to leave us cautious on a recovery at Prada. Pricing architecture revision poses the most significant risks, in our view: while the company pointed at potential further price increases in Europe to achieve the ideal price gap, we note that this strategy could pose further risks to the already fragile local customer base demand, and we continue to assume that harmonisation will imply progressive price deflation in Asia.</p>	

Source: Company data, Morgan Stanley Research

Exhibit 120: Board of Directors

Prada Board of Directors	Age (yrs)	Position held	Board Tenure (yrs)
Paolo Zannoni	73	Chairman & Executive Director	1
Miuccia Prada Bianchi	73	CEO & Executive Director	19
Patrizio Bertelli	75	CEO & Executive Director	19
Lorenzo Bertelli	33	Executive Director	1
Stefano Simontacchi	52	Non-Executive Director	6
Maurizio Cereda	59	Independent Non-Executive Director	6
Marina Sylvia Caprotti	58	Independent Non-Executive Director	1
Pamela Culpepper	57	Independent Non-Executive Director	0
Anna Maria Rugarli	49	Independent Non-Executive Director	0
Yoël Zaoui	61	Independent Non-Executive Director	1

Source: Company Filings, Morgan Stanley Research

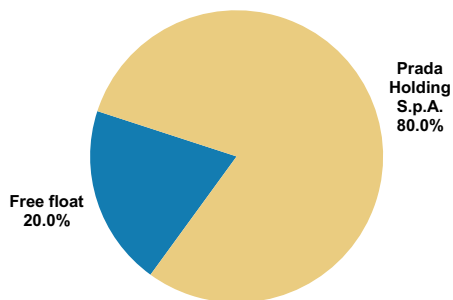
Exhibit 121: Corporate Governance Summary

Corporate governance details	2020	2021
Total number of Board members	9	11
% of Female Board members	22%	45%
% of Independent Board members	44%	45%
Is there a segregation between Executive committee and the Board (Y/N)	N	N
% of executive members in the Board	44%	36%
Are the CEO & Chairman roles combined? (Y/N)*	N	N
Average tenure of the board	~7 years	~6 years
% of Independent members in Audit Committee	100%	100%
% of Independent members in Remuneration Committee	67%	67%
% of Independent members in Nomination Committee	67%	67%
Any unusual voting rights structure (dual class of shares, non-voting rights shares etc?) (Y/N)	N	N
Minimum LTIP vesting period	ND	ND

Source: Company Filings, Morgan Stanley Research

Exhibit 122: Shareholder structure

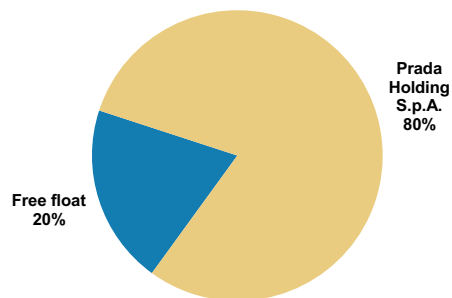
Prada shareholder structure



Source: Company Filings, Thomson Reuters, Morgan Stanley Research

Exhibit 123: Voting rights

Prada voting rights



Source: Company Filings, Thomson Reuters, Morgan Stanley Research

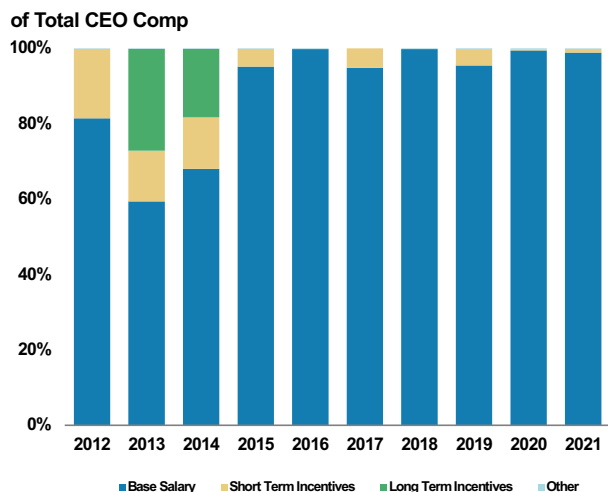
Exhibit 124: Prada: Key executive compensation breakdown (2012-2021)

Key management executive	Year	Base Salary (€)	STI Cash/ Annual Bonus (€)	LTI/ Equity share awards (€)	Additional benefits (€)	Pension Commitments (€)	Total Compensation (€)
Current							
Miuccia Prada Bianchi							
co- CEO, Executive Director & Creative Director	2021	14,830,000	144,000	-	-	24,000	14,998,000
	2020	9,088,000	27,000	-	-	24,000	9,139,000
	2019	12,000,000	551,000	-	-	23,000	12,574,000
	2018	12,382,000	-	-	-	23,000	12,405,000
	2017*	12,000,000	655,000	-	-	-	12,655,000
	2016	12,368,000	-	-	-	22,000	12,390,000
	2015	13,236,000	-	-	-	21,000	13,257,000
	2014	11,700,000	1,000	2,501,000	-	21,000	14,223,000
	2013	10,700,000	-	4,057,000	-	20,000	14,777,000
	2012	10,700,000	-	-	-	18,000	10,718,000
Patrizio Bertelli							
co- CEO & Executive Director	2021	14,830,000	144,000	-	1,000	24,000	14,999,000
	2020	9,088,000	27,000	-	-	24,000	9,139,000
	2019	12,000,000	551,000	-	-	23,000	12,574,000
	2018	12,382,000	-	-	-	23,000	12,405,000
	2017*	12,000,000	655,000	-	-	-	12,655,000
	2016	12,368,000	-	-	-	22,000	12,390,000
	2015	12,061,000	1,250,000	-	-	21,000	13,332,000
	2014	7,000,000	3,750,000	2,494,000	-	21,000	13,265,000
	2013	7,000,000	4,000,000	3,991,000	-	20,000	15,011,000
	2012	7,000,000	4,000,000	-	-	18,000	11,018,000
Paolo Zannoni							
Chairman and Executive Director (since May 2021)	2021	875,000	33,000	-	-	-	908,000
Alessandra Cozzani							
CFO (since Feb 19, 2016) & Executive Director (since Dec. 20, 2013) - till Sept 2022	2021	-	453,000	388,000	13,000	261,000	1,115,000
	2020	50,000	234,000	-	306,000	181,000	741,000
	2019	50,000	138,000	-	304,000	148,000	640,000
	2018	50,000	178,000	-	292,000	139,000	659,000
	2017*	302,000	127,000	-	12,000	96,000	537,000
	2016	265,000	110,000	-	13,000	90,000	478,000
	2015	240,000	97,000	-	13,000	94,000	444,000
	2014	218,000	80,000	-	13,000	96,000	407,000
	2013	173,000	138,000	-	13,000	97,000	391,000
Former							
Carlo Mazzi							
Executive Chairman (until May 2021)	2021	-	-	-	73,000	21,000	481,000
	2020	786,000	-	-	-	-	860,000
	2019	1,020,000	-	-	73,000	22,000	1,115,000
	2018	1,020,000	-	-	74,000	22,000	1,116,000
	2017*	1,020,000	1,000,000	-	74,000	6,000	2,100,000
	2016	1,020,000	-	-	74,000	22,000	1,116,000
	2015	1,020,000	-	-	83,000	16,000	1,119,000
	2014	1,020,000	-	-	84,000	24,000	1,128,000
	2013	302,000	-	-	82,000	13,000	397,000
Donatello Galli							
CFO & Executive Director (until Feb 19, 2016)	2015	457,000	208,000	-	40,000	186,000	891,000
	2014	451,000	155,000	-	38,000	193,000	837,000
	2013	346,000	205,000	-	38,000	175,000	764,000
	2012	344,000	156,000	-	33,000	160,000	693,000

Source: Company Filings, Morgan Stanley Research.

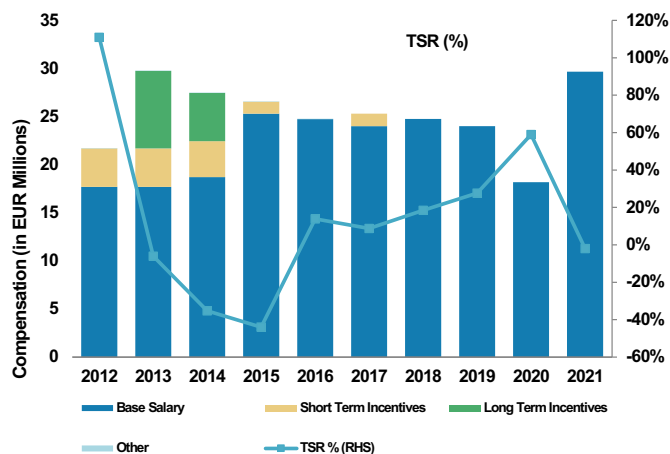
*Note: 2017 comps are for period ending Dec 31. Prior year's comps are for the 12 month period ending Jan 31 as per company reporting.

Exhibit 125: CEO compensation mix (2012-2021)



Source: Company Filings, Morgan Stanley Research

Exhibit 126: Total CEO compensation vs total shareholder return



Source: Company Filings, Bloomberg, Morgan Stanley Research

For our detailed study of Corporate Governance and Management compensation in Brands coverage, please see [Brands: Benchmarking Exec Comp and Governance](#).

Appendix: Key Metrics 2008-2021

Exhibit 127: Prada: Break-up by product and brand

Prada To 31/12 (EURO m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
By Product Category														
Leather goods	634	712	1,014	1,427	2,036	2,333	2,218	2,103	1,793	1,703	1,756	1,766	1,311	1,698
As a % of total sales	40%	46%	50%	57%	63%	66%	63%	60%	57%	57%	57%	55%	55%	51%
Change in %	-	+12.2%	+42.4%	+40.7%	+42.7%	+14.6%	-4.9%	-5.2%	-14.7%	-5.1%	+3.1%	+0.5%	-25.8%	+29.6%
Constant FX %	-	-	-	+42.3%	+35.5%	+20.0%	-5.0%	-9.8%	-14.0%	-	+6.0%	-	-	-
Footwear	488	411	503	560	625	595	645	726	682	625	616	628	443	656
As a % of total sales	30%	27%	25%	22%	19%	17%	18%	21%	22%	21%	20%	20%	19%	20%
Change in %	-	-16.0%	+22.6%	+11.3%	+11.7%	-4.9%	+8.4%	+12.6%	-6.1%	-8.4%	-1.3%	+1.8%	-29.4%	+48.1%
Constant FX %	-	-	-	-	+10.6%	-2.0%	+8.1%	+10.6%	-4.5%	-7.0%	+2.0%	-	-	-
Clothing	471	396	484	513	563	582	595	612	593	624	666	729	605	908
As a % of total sales	29%	26%	24%	20%	17%	16%	17%	17%	19%	19%	22%	23%	25%	27%
Change in %	-	-15.8%	+22.0%	+6.0%	+9.9%	+3.2%	+2.3%	+2.9%	-3.2%	+5.3%	+6.8%	+9.5%	-17.1%	+50.2%
Constant FX %	-	-	+16.2%	+7.3%	+4.9%	+7.0%	-	-2.5%	-0.8%	+7.0%	+10.0%	-	-	-
Others (Mainly Fragrance and Eyewear)	11	12	17	24	32	40	56	63	58	57	59	61	33	54
As a % of total sales	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%	1%	2%
Change in %	-	+11.1%	+40.0%	+43.5%	+31.6%	+24.6%	+41.7%	+12.3%	-7.2%	-2.5%	+4.3%	+2.2%	-46.2%	+66.6%
Constant FX %	-	-	-	-	-	+38.0%	+40.0%	+4.0%	-8.0%	-1.0%	+7.0%	-	-	-
By Brand														
Prada	1,266	1,210	1,587	1,999	2,650	2,944	2,895	2,841	2,513	2,461	2,558	2,643	2,013	2,858
As a % of total sales	79%	79%	79%	79%	81%	83%	82%	81%	80%	82%	83%	83%	84%	86%
Change in %	-	-4.4%	+31.2%	+26.0%	+32.5%	+11.1%	-1.6%	-1.9%	-11.6%	-2.0%	+3.9%	+3.3%	-23.9%	+42.0%
Constant FX %	-	+1.9%	+24.5%	-	+26.1%	+16.0%	-1.7%	-6.7%	-10.3%	+0.0%	+7.0%	-	-	-
Net Sales per Store (€m)	6.5	6.0	7.2	8.0	9.3	9.0	7.8	7.1	6.3	5.9	6.1	6.2	4.7	6.6
Change in %	-	-7.1%	+19.6%	+11.1%	+16.4%	-4.0%	-13.0%	-9.0%	-19.6%	-5.6%	+2.7%	+2.1%	-24.5%	+40.0%
Miu Miu	240	252	353	441	513	519	527	564	515	459	453	450	330	401
As a % of total sales	15%	16%	18%	17%	16%	15%	15%	16%	15%	15%	15%	14%	14%	12%
Change in %	-	+5.3%	+39.9%	+24.9%	+16.3%	+1.2%	+1.5%	+7.1%	-8.7%	-10.9%	-1.3%	-0.7%	-26.9%	+21.8%
Constant FX %	-	+2.7%	+11.6%	+26.1%	+1.3%	+6.0%	+1.7%	+1.3%	-8.3%	-9.0%	+2.0%	-	-	-
Net Sales per Store (€m)	6.1	5.3	5.3	5.0	4.4	3.6	3.1	3.1	2.9	2.6	2.6	2.6	2.0	2.6
Change in %	-	-14.4%	+0.2%	-5.4%	-10.9%	-19.1%	-12.5%	-0.3%	-8.2%	-10.6%	+0.1%	+2.3%	-23.0%	+27.7%
Church's	50	44	53	59	68	69	74	82	81	71	69	70	37	40
As a % of total sales	3%	3%	3%	2%	2%	2%	2%	2%	3%	2%	2%	2%	2%	1%
Change in %	-	-12.6%	+21.6%	+11.7%	+15.6%	+0.2%	+7.9%	+11.4%	-2.3%	-11.8%	-2.7%	+1.0%	-47.0%	+7.0%
Constant FX %	-	-9.1%	+16.8%	+11.4%	+10.6%	+3.0%	+4.9%	+7.0%	+5.8%	-8.0%	-2.0%	-	-	-
Net Sales per Store (€m)	1.5	1.3	1.5	1.5	1.6	1.4	1.4	1.5	1.5	1.3	1.1	1.1	0.6	0.6
Change in %	-	-12.6%	+18.1%	-1.0%	+3.8%	-9.1%	-2.2%	+11.4%	+6.8%	-13.4%	-10.8%	-3.0%	-46.1%	+7.9%
Others (production for third parties)	49	25	24	24	26	17	17	17	18	17	17	20	12	18
As a % of total sales	3%	2%	1%	1%	1%	0%	0%	0%	1%	1%	1%	1%	0%	1%
Change in %	-	-48.7%	-4%	-1.6%	+8.2%	-34.4%	+2.2%	-3.9%	+6.1%	-4.7%	+4.2%	+13.2%	-40.1%	+53.9%
Constant FX %	-	-	-	-	-	-	-	+2.0%	-6.0%	-4.0%	+4.0%	-	-	-

Source: Company data, Morgan Stanley Research

Exhibit 128: Prada: Break-up by geography and network

Prada To 31/12 (EURO m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
External sales by geography (€ m.)	1,604	1,531	2,017	2,523	3,256	3,548	3,513	3,504	3,126	3,008	3,098	3,183	2,391	3,317
Europe	822	703	844	966	1,268	1,329	1,293	1,292	1,182	1,170	1,189	1,228	741	971
o/w Italy	365	330	393	446	528	553	553	-	-	-	-	-	-	-
Americas	230	228	295	393	484	488	492	525	456	432	426	455	325	637
Asia Pacific	283	396	646	873	1,160	1,293	1,253	1,158	984	973	1,035	1,018	964	1,273
o/w Greater China	-	-	375	545	736	826	774	732	618	645	675	630	386	280
Japan	187	189	221	257	283	341	368	407	394	337	377	344	81	127
Middle East and Africa	-	-	-	-	-	-	-	-	-	-	97	94	0	0
Other Countries	-	-	-	-	-	-	-	-	-	-	0	1	0	0
<i>*Old Classification</i>														
Middle East	-	-	-	-	45	91	103	115	105	93	94	-	-	-
Other Countries	23	14	12	15	6	6	5	6	5	4	4	-	-	-
External sales by geographies (in %)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Europe	51%	46%	42%	39%	39%	37%	37%	37%	38%	39%	38%	39%	31%	29%
o/w Italy	24%	22%	19%	18%	16%	16%	16%	-	-	-	-	-	-	-
Americas	18%	15%	15%	16%	15%	14%	15%	15%	15%	14%	14%	14%	14%	19%
Asia Pacific	18%	26%	32%	35%	36%	36%	36%	33%	31%	32%	33%	32%	40%	38%
o/w Greater China	-	-	19%	22%	23%	23%	21%	20%	21%	22%	22%	20%	0%	0%
Japan	12%	12%	11%	10%	9%	10%	10%	12%	11%	11%	11%	12%	12%	9%
Middle East and Africa	0%	0%	0%	0%	1%	3%	3%	3%	3%	3%	3%	3%	3%	4%
Other Countries	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
External sales by Geography (change in € m.)	-	-74	487	506	733	292	-35	-9	-378	-118	90	85	-793	926
Europe	-	-119	141	142	282	61	-37	0	-110	-13	19	40	-487	230
o/w Italy	-	-55	63	52	83	25	1	-	-	-	-	-	-	-
Americas	-	-62	67	98	91	4	4	33	-70	-24	-6	29	-131	312
Asia Pacific	-	113	250	227	287	133	-40	-95	-174	-11	62	-17	-54	309
o/w Greater China	-	-	-	169	191	90	-	-	-	27	30	-675	0	0
Japan	-	3	32	36	37	48	27	40	-13	-57	14	36	-106	30
Middle East and Africa	-	0	0	0	45	46	12	12	-11	-12	1	-2	-13	46
Other Countries	-	-9	-2	3	-9	0	-1	1	-1	0	0	-4	0	0
External sales by Geography (% change in € m.)	-	-4.6%	+31.8%	+25.1%	+29.1%	+9.0%	-1.0%	-0.3%	-10.8%	-3.8%	+3.0%	+2.8%	-24.9%	+38.7%
Europe	-	-14.4%	+20.0%	+16.8%	+28.6%	+4.8%	-2.8%	-0.0%	-8.5%	-1.1%	+1.6%	+3.3%	-39.7%	+31.0%
o/w Italy	-	-14.3%	+19.2%	+13.3%	-	-	-	-	-	-	-	-	-	-
Americas	-	-21.4%	+29.5%	+33.2%	+23.3%	+0.8%	+0.9%	+6.8%	-13.3%	-5.3%	-1.3%	+6.9%	-28.7%	+96.3%
Asia Pacific	-	+40.1%	+63.0%	+35.2%	+32.9%	+11.4%	-3.1%	-7.5%	-15.0%	-1.2%	+6.4%	-1.7%	-5.3%	+32.0%
o/w Greater China	-	-	-	+45.1%	+35.0%	+12.3%	+7.9%	+10.8%	-3.2%	-14.6%	+4.0%	+10.2%	-27.4%	+10.5%
Japan	-	+1.4%	+16.6%	+16.2%	+14.2%	+16.2%	+13.6%	+11.8%	-9.3%	-11.2%	+0.8%	-2.3%	-14.0%	+58.1%
Middle East and Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
Other Countries	-	-38.5%	-16.9%	+29.0%	-59.4%	+0.0%	-19.3%	+16.1%	-20.4%	-10.1%	-4.6%	-	-100.0%	-
Change at constant FX (in %)	-	-6.8%	+24.2%	+26.0%	+23.0%	+13.0%	+0.0%	-8.0%	-9.0%	-2.0%	+5.9%	+0.5%	-23.6%	+40.5%
Europe	-	-	+19.3%	+21.0%	+34.0%	+7.0%	-1.0%	+5.0%	-5.2%	+0.0%	+3.0%	-	-	-
o/w Italy	-	-	-	+13.0%	+19.0%	+5.0%	-	-	-	-	-	-	-	-
Americas	-	-24.2%	+21.1%	+26.0%	+15.0%	+15.3%	+7.0%	-9.0%	-12.0%	-4.0%	+4.0%	-	-	-
Asia Pacific	-	+37.8%	+48.7%	+45.0%	+23.0%	+14.4%	-7.0%	-16.0%	-12.1%	+1.0%	+10.0%	-	-	-
o/w Greater China	-	-	-	+50.0%	+24.0%	-	-	-22.0%	-12.0%	+8.0%	+8.2%	-	-	-
Japan	-	-	-	+12.0%	+8.0%	+23.6%	+13.0%	+4.0%	-12.8%	-11.0%	+7.0%	-	-	-
Middle East and Africa	-	-	-	-	-	+111.0%	+9.0%	-5.0%	-10.4%	-9.0%	+5.0%	-	-	-
Other Countries	-	-	-	+31.0%	-	-	+11.0%	+42.0%	-15.0%	-3.0%	-	-	-	-
External sales by network (€ m.)	1,604	1,531	2,017	2,523	3,256	3,548	3,513	3,504	3,126	3,008	3,098	3,183	2,391	3,317
Retail	871	992	1,427	1,964	2,664	2,997	2,981	3,060	2,649	2,444	2,532	2,636	2,115	2,931
Wholesale	733	539	590	559	592	552	533	445	477	565	566	547	276	386
External sales by products (in %)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Retail	54%	65%	71%	78%	82%	84%	85%	87%	85%	81%	82%	83%	88%	88%
Wholesale	46%	35%	29%	22%	18%	16%	15%	13%	15%	19%	18%	17%	12%	12%
External sales by products (change in € m.)	-	-74	+487	+506	+733	+292	-35	-9	-378	-118	+90	+85	-792	+926
Retail	-	+120	+436	+537	+700	+332	-16	+79	-411	-205	+88	+104	-521	+815
Wholesale	-	-194	+51	-31	+33	-41	-19	-88	+33	+87	+1	-19	-272	+110
External sales by products (% change)	-	-4.6%	+31.8%	+25.1%	+29.1%	+9.0%	-1.0%	-0.3%	-10.8%	-3.8%	+3.0%	+2.8%	-24.9%	+38.7%
Retail	-	+13.8%	+44.0%	+37.6%	+35.6%	+12.5%	-0.5%	+2.6%	-13.4%	-7.7%	+3.6%	+4.1%	-19.8%	+38.5%
Wholesale	-	-26.4%	+9.4%	-5.2%	+6.0%	-6.9%	-3.4%	-16.5%	+7.3%	+18.3%	+0.3%	-3.3%	-49.7%	+40.0%
External sales by products (% change at constant)	-	-6.8%	+24.2%	+26.0%	+23.0%	+13.0%	+0.0%	-8.0%	-9.0%	-2.0%	+5.9%	+0.5%	-23.6%	+40.5%
Retail	-	+10.6%	+34.6%	+39.2%	+23.0%	+18.0%	+0.0%	-5.3%	-13.1%	-6.0%	+7.0%	+1.5%	-18.2%	+40.4%
Wholesale	-	+26.6%	+6.5%	-3.9%	+2.9%	-6.0%	-5.0%	-21.0%	+14.6%	+19.0%	+1.3%	-4.1%	-49.5%	+41.0%

Source: Company data, Morgan Stanley Research

Exhibit 129: Prada: Store break-up by geography and brand

Prada To 31/12 (EURO m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
Retail network (number of stores)	270	300	352	414	486	572	629	654	654	659	670	665	658	661
Change in %	-	+11.1%	+17.3%	+17.4%	+17.7%	+17.7%	+10.0%	+4.0%	+4.0%	+0.8%	+1.7%	-0.7%	-1.1%	+0.4%
o/w Owned	238	265	319	388	461	540	594	618	623	625	636	640	632	635
Change in %	-	+11.3%	+20.4%	+21.8%	+18.8%	+17.1%	+10.0%	+4.0%	+4.0%	+0.3%	+1.8%	+0.7%	-1.3%	+0.4%
o/w Franchise	32	35	33	26	25	32	35	36	31	34	34	25	26	26
Change in %	-	+9.4%	-5.7%	-21.2%	-3.8%	+28.0%	+9.4%	+2.9%	-11.4%	+9.7%	+0.0%	-26.5%	+4.0%	+0.0%
Prada	195	206	234	265	303	354	389	412	413	419	423	429	430	441
Change in %	-	+5.6%	+13.6%	+13.2%	+14.3%	+16.8%	+9.9%	+5.9%	+6.2%	+1.5%	+1.0%	+1.4%	+0.2%	+2.6%
o/w Owned	166	177	207	245	283	330	362	386	390	394	398	410	410	420
Change in %	-	+6.6%	+16.9%	+18.4%	+15.5%	+16.6%	+9.7%	+6.6%	+7.7%	+1.0%	+3.0%	+0.0%	+0.0%	+2.4%
o/w Franchise	29	29	27	20	20	24	27	26	23	25	25	19	20	21
Change in %	-	+0.0%	-6.9%	-25.9%	+0.0%	+20.0%	+12.5%	-3.7%	-14.8%	+8.7%	+0.0%	-24.0%	+5.3%	+5.0%
Miu Miu	39	57	77	100	131	158	177	183	180	176	175	166	158	151
Change in %	-	+46.2%	+35.1%	+29.9%	+31.0%	+20.6%	+12.0%	+3.4%	+1.7%	-2.2%	-0.6%	-5.1%	-4.8%	-4.4%
o/w Owned	36	51	71	94	126	150	169	173	172	167	166	160	152	146
Change in %	-	+41.7%	+39.2%	+32.4%	+34.0%	+19.0%	+12.7%	+2.4%	+1.8%	-2.8%	-0.6%	-3.6%	-5.0%	-3.8%
o/w Franchise	3	6	6	6	5	8	8	10	8	9	9	6	6	5
Change in %	-	+100.0%	+0.0%	+0.0%	-16.7%	+60.0%	+0.0%	+25.0%	+0.0%	+12.5%	+0.0%	-33.3%	+0.0%	-16.7%
Church's	34	34	36	43	45	52	55	52	54	57	64	62	62	61
Change in %	-	+0.0%	+5.9%	+19.4%	+4.7%	+15.6%	+5.8%	-5.5%	+1.8%	+5.6%	+12.5%	-3.3%	+0.0%	-1.5%
o/w Owned	34	34	36	43	45	52	55	52	54	57	64	62	62	61
Change in %	-	+0.0%	+5.9%	+19.4%	+4.7%	+15.6%	+5.8%	-5.5%	+1.8%	+5.6%	+12.5%	-3.3%	+0.0%	-1.6%
o/w Franchise	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car Shoe	2	3	5	6	7	8	8	5	5	4	5	5	5	5
Change in %	-	+50.0%	+66.7%	+20.0%	+16.7%	+14.3%	+0.0%	-37.5%	-37.5%	-20.0%	+7.5%	+7.5%	+7.5%	+7.5%
o/w Owned	2	3	5	6	7	8	8	5	5	4	5	5	5	5
Change in %	-	+50.0%	+66.7%	+20.0%	+16.7%	+14.3%	+0.0%	-37.5%	-37.5%	-20.0%	+12.5%	+7.5%	+7.5%	+7.5%
o/w Franchise	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marchesi	0	0	0	0	0	0	0	2	2	3	3	4	4	3
Change in %	-	-	-	-	-	-	-	-	-	+50.0%	+12.5%	+7.5%	-1.4%	-4.2%
o/w Owned	0	0	0	0	0	0	0	2	2	3	3	4	4	3
Change in %	-	-	-	-	-	-	-	-	-	+50.0%	+12.5%	+7.5%	-1.4%	-4.2%
o/w Franchise	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stores by Geography	110	122	143	170	196	213	227	226	224	233	452	458	222	228
Change in %	-	+10.9%	+17.2%	+18.9%	+15.3%	+8.7%	+6.5%	-0.4%	-1.3%	+4.0%	+94.0%	+1.3%	-51.5%	+2.7%
o/w Owned	94	104	125	159	185	201	218	221	220	229	226	229	222	228
Change in %	-	+10.6%	+20.2%	+27.2%	+16.4%	+8.6%	+8.5%	+1.4%	+0.9%	+4.1%	-1.3%	+1.3%	-3.1%	+2.7%
o/w Franchise	16	18	18	11	11	12	9	5	4	4	226	229	0	0
Change in %	-	+12.5%	+0.0%	-38.9%	+0.0%	+9.1%	-25.0%	-44.4%	-55.6%	+0.0%	+5550.0%	+1.3%	-100.0%	-
Americas	20	21	34	48	66	91	110	117	115	112	111	108	110	108
Change in %	-	+5.0%	+61.9%	+41.2%	+37.5%	+37.9%	+20.9%	+6.4%	+4.5%	-2.6%	-0.9%	-2.8%	+0.9%	-2.8%
o/w Owned	20	21	34	47	66	91	110	117	115	112	111	107	108	105
Change in %	-	+5.0%	+61.9%	+38.2%	+40.4%	+37.9%	+20.9%	+6.4%	+4.5%	-2.6%	-0.9%	-3.8%	+0.9%	-2.8%
o/w Franchise	0	0	0	1	0	0	0	0	0	0	0	1	2	3
Change in %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	84	102	117	129	144	177	197	209	210	209	220	218	215	214
Change in %	-	+21.4%	+14.7%	+10.3%	+11.6%	+22.9%	+11.3%	+6.1%	+6.6%	-0.5%	+5.3%	-0.9%	-1.4%	-0.5%
o/w Owned	72	87	104	115	130	157	175	183	188	184	195	198	194	193
Change in %	-	+20.8%	+19.5%	+10.6%	+13.0%	+20.8%	+11.5%	+4.6%	+7.4%	-2.1%	+6.0%	+1.5%	-2.0%	-0.5%
o/w Franchise	12	15	13	14	14	20	22	26	22	25	25	20	21	21
Change in %	-	+25.0%	-13.3%	+7.7%	+0.0%	+42.9%	+10.0%	+18.2%	+0.0%	+13.6%	+0.0%	-20.0%	+5.0%	+0.0%
Japan	52	53	56	65	66	72	70	74	78	79	81	85	88	88
Change in %	-	+1.9%	+5.7%	+16.1%	+1.5%	+9.1%	-2.8%	+5.7%	+1.3%	+1.3%	+2.5%	+4.9%	+3.5%	+0.0%
o/w Owned	52	53	56	65	66	72	70	74	78	79	81	85	88	88
Change in %	-	+1.9%	+5.7%	+16.1%	+1.5%	+9.1%	-2.8%	+5.7%	+1.3%	+1.3%	+2.5%	+4.9%	+3.5%	+0.0%
o/w Franchise	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East & Africa	4	2	2	2	14	19	25	28	27	26	28	27	26	26
Change in %	-	-50.0%	+0.0%	+0.0%	+600.0%	+35.7%	+31.6%	+12.0%	+8.0%	-3.7%	+7.7%	-3.7%	-3.7%	+0.0%
o/w Owned	0	0	0	2	14	19	21	23	22	21	23	22	21	21
Change in %	-	-	-	+600.0%	+600.0%	+35.7%	+10.5%	+9.5%	+4.8%	-4.5%	+9.5%	-4.5%	-4.5%	+0.0%
o/w Franchise	4	2	2	0	0	0	4	5	5	5	5	5	5	5
Change in %	-	-50.0%	+0.0%	-100.0%	-	-	+25.0%	+25.0%	+25.0%	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%

Source: Company data, Morgan Stanley Research

Exhibit 130: Prada: P&L statement

Prada To 31/12 (EURD m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
Sales excluding VAT	1,644	1,561	2,047	2,556	3,297	3,587	3,552	3,548	3,170	3,056	3,142	3,226	2,423	3,366
Change in %	-	-5.0%	+31.1%	+24.9%	+29.0%	+8.8%	-1.0%	-0.1%	-10.7%	-3.6%	+2.8%	+2.7%	-24.9%	+38.9%
Change in % at constant FX	-	-6.8%	+24.2%	+26.0%	+23.0%	+13.0%	+0.8%	-8.0%	-9.0%	-2.8%	+6.0%	+0.4%	-23.6%	+40.5%
Cost of sales	-691	-587	-659	-728	-921	-939	-1,001	-980	-889	-811	-880	-906	-679	-818
Gross margin	953	975	1,388	1,828	2,377	2,649	2,551	2,568	2,282	2,246	2,263	2,320	1,743	2,547
Consolidated GM	58.0%	62.4%	67.8%	71.5%	72.1%	73.8%	71.8%	72.4%	72.0%	73.5%	72.0%	71.8%	72.0%	75.7%
Bps change	-	+444	+539	+372	+55	+176	-202	+56	+15	+150	-146	-10	+5	+373
Net operating expenses	-762	-788	-970	-1,199	-1,487	-1,709	-1,849	-2,065	-1,876	-1,886	-1,939	-2,013	-1,723	-2,058
As a % of sales	46.4%	50.4%	47.4%	46.9%	45.1%	47.7%	52.1%	58.2%	59.2%	61.7%	61.7%	62.4%	71.1%	61.1%
Bps change	-	+408	-308	-45	-183	+256	+441	+614	+711	+252	+1	+70	+873	-989
Product design and development costs	-88	-97	-97	-103	-111	-130	-133	-134	-123	-130	-125	-127	-102	-115
As a % of sales	5.4%	6.2%	4.7%	4.0%	3.4%	3.6%	3.7%	3.8%	3.9%	4.3%	4.0%	3.9%	4.2%	3.4%
Advertising and communications costs	-100	-76	-85	-129	-151	-172	-171	-192	-173	-185	-207	-231	-207	-294
As a % of sales	6.1%	4.9%	4.2%	5.1%	4.6%	4.8%	4.8%	5.4%	5.5%	6.0%	6.6%	7.2%	8.5%	8.7%
Selling costs	-428	-485	-643	-803	-1,040	-1,212	-1,341	-1,517	-1,389	-1,399	-1,414	-1,470	-1,260	-1,421
As a % of sales	26.0%	31.0%	31.4%	31.4%	31.5%	33.8%	37.8%	42.8%	43.8%	45.8%	45.0%	45.6%	52.0%	42.2%
General and administrative costs	-146	-130	-145	-164	-185	-196	-205	-221	-191	-171	-192	-184	-154	-227
As a % of sales	8.9%	8.4%	7.1%	6.4%	5.6%	5.5%	5.8%	6.2%	6.0%	5.6%	6.1%	5.7%	6.4%	6.7%
Operating lease rentals, net	-189	-219	-295	-377	-430	-377	-414	-613	-625	-605	-601	-	-	-
As a % of sales	11.5%	14.0%	14.4%	14.7%	13.0%	10.5%	11.7%	17.3%	19.7%	19.8%	19.1%	-	-	-
Underlying EBIT	191	187	418	629	890	939	702	503	406	360	324	307	136	533
Operating margin	11.6%	12.0%	20.4%	24.6%	27.0%	26.2%	19.8%	14.2%	12.8%	11.8%	10.3%	9.5%	5.6%	15.8%
Change in %	-	-2.1%	+123.8%	+50.3%	+41.5%	+5.6%	-25.3%	-28.3%	-42.2%	-11.2%	-10.0%	-5.3%	-55.7%	+292.1%
Depreciation of PPE	-92	-103	-118	-130	-163	-204	-253	-300	-229	-228	-227	-234	-225	-205
As a % of sales	5.6%	6.6%	5.7%	5.1%	4.9%	5.7%	7.1%	8.5%	7.2%	7.5%	7.2%	7.2%	9.3%	6.1%
Depreciation of RoU	-	-	-	-	-	-	-	-	-	-	-	-	-455	-426
As a % of sales	-	-	-	-	-	-	-	-	-	-	-	-	14.1%	18.3%
Underlying EBITDA	283	290	536	759	1,052	1,143	954	803	635	588	551	997	689	1,120
Operating margin	17.2%	18.6%	26.2%	29.7%	31.9%	31.9%	26.9%	22.6%	20.0%	19.2%	17.5%	30.9%	28.4%	33.3%
Change in %	-	+2.7%	+84.7%	+41.7%	+38.6%	+8.6%	-16.5%	-15.9%	-33.5%	-7.3%	-6.3%	+80.8%	-30.9%	+62.6%
o/w Prada	250	250	454	657	949	1,054	923	797	636	595	558	1,005	-	-
As a % of sales	19.8%	20.7%	28.8%	32.9%	35.8%	35.8%	31.9%	28.1%	25.3%	24.2%	21.8%	38.0%	-	-
Change in %	-	-0.2%	+81.6%	+44.9%	+44.3%	+11.1%	-12.9%	-13.6%	-20.3%	-6.4%	-6.1%	+80.1%	-	-
o/w Miu Miu	30	42	77	98	100	89	35	12	5	0	0	0	-	-
As a % of sales	12.6%	16.6%	21.9%	22.2%	19.6%	17.2%	6.7%	2.1%	1.0%	0.0%	0.0%	0.0%	-	-
Change in %	-	+38.8%	+84.5%	+26.4%	+2.5%	-10.9%	-60.7%	-66.9%	-55.7%	-100.0%	-	-	-	-
o/w Church's	1	1	7	8	7	4	5	4	3	3	3	3	-	-
As a % of sales	2.7%	2.4%	12.8%	13.3%	10.4%	6.4%	6.2%	4.3%	4.3%	4.3%	4.3%	4.3%	-	-
Change in %	-	-22.8%	+547.3%	+16.5%	-9.9%	-38.5%	+5.4%	-22.5%	-2.3%	-11.8%	-2.7%	+1.0%	-	-
o/w Others (including Car Shoe from FY15)	-2	-1	0	0	-1	0	-8	-10	-10	-10	-10	-12	-	-
As a % of sales	-3.3%	-2.7%	0.6%	-0.7%	-3.6%	1.0%	-47.3%	-59.8%	-56.4%	-59.2%	-59.2%	-59.2%	-	-
Change in %	-	-57.7%	-122.3%	-208.4%	+452.1%	-117.9%	-5027.3%	+21.6%	+0.0%	+0.0%	+4.2%	+13.2%	-	-
o/w Car Shoe	2	-2	-2	-4	-3	-5	-	-	-	-	-	-	-	-
As a % of sales	4.6%	-4.4%	-3.8%	-6.0%	-4.0%	-7.0%	-	-	-	-	-	-	-	-
Change in %	-	-183.1%	+3.9%	+79.3%	-24.4%	+77.1%	-	-	-	-	-	-	-	-
Net Interest expense	-37	-32	-30	-26	-7	-17	-34	-30	-19	-6	-21	-74	-72	-68
Dividends from Investments	0	0	0	0	1	1	0	2	2	1	1	2	0	0
Pre-tax profit	154	155	388	603	884	923	668	475	389	355	303	235	-52	422
Change in %	-	+0.9%	+150.3%	+55.3%	+46.6%	+4.4%	-27.7%	-28.8%	-41.8%	-8.8%	-14.5%	-22.5%	-122.0%	-915.1%
Tax	-53	-53	-135	-166	-250	-285	-208	-142	-122	-105	-94	-79	-3	-127
Tax rate	34.2%	33.8%	34.7%	27.6%	28.3%	30.9%	31.2%	29.9%	31.5%	29.7%	31.1%	33.6%	-4.9%	30.0%
Net profit from continuing operations	101	103	254	436	633	638	459	333	266	249	209	156	-54	295
Change in %	-	+1.4%	+147.2%	+72.1%	+45.1%	+0.7%	-28.0%	-27.4%	-42.0%	-6.4%	-16.2%	-25.4%	-134.8%	-643.7%
Net Profit	101	100	254	436	633	638	459	333	266	249	209	156	-54	295
As a % of sales	6.1%	6.4%	12.4%	17.1%	19.2%	17.8%	12.9%	9.4%	8.4%	8.2%	6.6%	4.8%	-2.2%	8.8%
Change in %	-	-0.3%	+152.8%	+72.1%	+45.1%	+0.7%	-28.0%	-27.4%	-42.0%	-6.4%	-16.2%	-25.4%	-134.8%	-643.7%
Minorities	2	0	3	4	8	10	8	2	6	0	3	2	0	1

Source: Company data, Morgan Stanley Research

Exhibit 131: Prada: Cashflow Statement

Prada To 31/12 (EURO m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
Profits before tax	153	153	388	603	884	923	668	475	415	310	303	235	-52	422
Depreciation and amortization from continuing opera	80	94	111	126	155	199	249	290	212	199	220	679	648	624
Impairment of property, plant and equipment and inta	12	9	6	4	8	5	4	9	10	11	7	11	21	7
Non-monetary financial (income) expenses	28	30	24	29	-15	22	34	22	15	-24	39	24	27	25
Other non-monetary charges	0	5	27	14	2	37	14	34	17	-17	-10	55	-69	71
Decreased / (increase) in trade receivables	-4	4	-10	-13	-18	-16	-30	-60	-17	-17	-17	-14	59	5
Decreased / (increase) in inventories	42	15	-46	-96	18	-104	-173	-64	171	-66	-61	-61	9	12
Decreased / (increase) in payables	-9	-34	37	46	56	20	80	-155	-26	64	1	-16	-35	90
Other current assets and liabilities	-10	39	-10	-57	31	-18	-33	-16	3	1	-15	-19	56	1
Cash flows from operating activities	299	341	481	680	1,076	1,063	788	628	774	482	435	896	691	1,226
Interest paid	-35	-21	-23	-17	-11	-11	-10	-14	-13	-9	-8	-60	-54	-45
Taxation paid	-98	-39	-90	-183	-306	-282	-295	-245	-130	-27	-62	-26	-44	-37
Net cash generated from operating activities	166	280	368	480	759	769	484	368	632	447	365	810	592	1,144
As a % of sales	10.1%	17.9%	18.0%	18.8%	23.0%	21.4%	13.6%	10.4%	19.9%	14.6%	11.6%	25.1%	24.5%	34.0%
Cash Conversion ratio	58.7%	96.4%	68.6%	63.2%	72.1%	67.3%	50.7%	45.9%	99.6%	75.9%	-	-	-	-
Net cash generated from operating activities	166	280	368	480	759	769	484	368	632	447	365	810	592	1,144
Purchases of property, plant and equipment and inta	-144	-133	-188	-249	-360	-549	-362	-394	-228	-213	-282	-329	-153	-226
Intangible + PPE as a % of sales	8.8%	8.5%	9.2%	9.7%	10.6%	15.3%	10.2%	11.1%	7.2%	7.0%	9.0%	10.2%	6.3%	6.7%
Capex / Depreciations	1.8 x	1.4 x	1.7 x	2.0 x	2.3 x	2.8 x	1.5 x	1.4 x	1.1 x	1.3 x	0.5 x	0.2 x	0.2 x	0.4 x
Disposals of property, plant and equipment and intar	0	0	0	5	18	-	-	3	3	2	0	0	0	96
Dividends from investments	-	-	-	-	1	1	0	1	2	1	-98	27	3	0
Acquisition of additional shares from Non-Controlling	-8	-9	-4	-14	-	-	-	-3	0	-1	0	0	0	-8
Business combination	-	-	-	-	-	-	-8	-	-4	-	-	-	-	-
Net cash used in investing activities	-152	-142	-192	-257	-332	-548	-369	-392	-226	-212	-379	-302	-150	-137
Net cash used in investing activities	-152	-142	-192	-257	-332	-548	-369	-392	-226	-212	-379	-302	-150	-137
Free Cash Flow	22	147	180	237	427	220	122	-22	407	236	83	481	440	1,014
Dividends paid to shareholders of PRADA spa	0	-48	-59	-2	-128	-230	-281	-281	-281	-307	-192	-154	0	-90
Dividends paid to non-controlling shareholders	-1	0	-1	-4	-6	-7	-9	-3	-1	-1	-6	-1	0	-2
Repayment of short-term portion of long-term borrow	-118	-115	-180	-133	-129	-164	-42	-45	-79	-47	-275	-269	-204	-217
Arrangement of long-term borrowings – third parties	37	23	307	12	73	177	78	192	123	343	120	200	175	240
Change in short-term borrowings – third parties	95	39	-202	-39	-9	4	195	127	-138	12	63	-19	-36	-33
Share capital increases by non-controlling shareholder	-30	-24	-36	1	0	2	0	-2	1	0	0	-450	-331	-383
Net cash used in financing activities	-16	-125	-169	40	-198	-220	-57	-10	-376	0	-289	-692	-395	-495
Net cash used in financing activities	-16	-125	-169	40	-198	-220	-57	-10	-376	0	-289	-692	-395	-495
Cash and cash equivalents at beginning of period	55	60	69	79	354	572	568	709	681	722	893	600	421	442
Exchange gains on cash and cash equivalents	7	-3	3	11	-11	-5	83	5	12	-65	0	6	-26	28
Cash and cash equivalents at end of period	60	69	79	354	572	568	709	681	722	893	589	421	442	982
Cash and cash equivalent at end of period - repoi	60	69	79	354	572	568	709	681	722	893	589	421	442	982

Source: Company data, Morgan Stanley Research

Exhibit 132: Prada: Balance Sheet

Prada To 31/12 (EURO m)	31-Jan-09 2008	31-Jan-10 2009	31-Jan-11 2010	31-Jan-12 2011	31-Jan-13 2012	31-Jan-14 2013	31-Jan-15 2014	31-Jan-16 2015	31-Dec-16 2016	31-Dec-17 2017	31-Dec-18 2018	31-Dec-19 2019	31-Dec-20 2020	31-Dec-21 2021
Net debt (net cash) year end	537	434	375	-14	-313	-296	-189	115	-18	104	314	2,846	2,446	1,814
net debt y.e. / ebitda	1.9 x	1.5 x	0.7 x	0.0 x	-0.3 x	-0.3 x	-0.2 x	0.1 x	0.0 x	0.2 x	0.6 x	2.9 x	3.6 x	1.6 x
Adj. net debt y.e. / ebitdar	4.3 x	4.3 x	3.3 x	2.6 x	2.1 x	1.8 x	2.3 x	3.5 x	4.0 x	4.1 x	4.4 x	-	-	-
. Cash at bank and on hand	87	99	97	362	572	568	709	681	722	893	600	421	442	982
. Borrowings LT	272	119	306	180	79	208	254	520	548	639	487	2,590	2,181	2,120
. Borrowings ST	350	411	166	165	176	62	263	270	151	353	421	651	704	667
. ST payable to related parties	3	3	0	4	4	3	2	5	5	4	4	26	3	8
Inventories	251	231	280	375	344	450	655	693	527	570	632	713	666	663
ow Raw Materials	87	70	64	67	80	85	107	108	104	102	104	-	-	-
ow Work in Progress	12	13	17	17	25	28	41	21	26	31	36	-	-	-
ow Finished Products	214	219	263	300	314	403	571	614	444	465	530	-	-	-
ow Allowance for obsolete and slow moving inventories	-62	-66	-64	-69	-75	-67	-64	-50	-47	-48	-39	-	-	-
As a % of sales	15.3%	14.8%	13.7%	14.7%	10.4%	12.5%	18.4%	19.5%	16.6%	18.6%	20.1%	22.1%	27.5%	19.7%
INV / days	133	144	185	188	136	175	239	258	216	257	287	358	287	286
Trade debtors	251	224	274	266	305	308	346	254	295	230	322	318	230	330
As a % of sales	15.2%	14.4%	13.4%	10.4%	9.2%	8.6%	9.7%	7.2%	9.0%	9.5%	10.2%	9.8%	12.0%	9.8%
Debtors / days	56	52	49	38	34	31	36	26	33	35	37	36	44	36
Trade creditors	231	196	234	284	331	349	437	282	256	314	315	327	290	390
As a % of sales	14.0%	12.6%	11.4%	11.1%	10.0%	9.7%	12.3%	7.9%	8.1%	10.3%	10.0%	10.1%	12.0%	11.6%
Creditors / days	122	122	130	142	131	136	159	105	105	141	131	132	156	174
Working capital	271	259	321	368	318	410	563	665	556	546	638	703	667	602
As a % of sales	16.5%	16.6%	15.7%	14.0%	9.6%	11.4%	15.9%	18.7%	17.5%	17.9%	20.3%	21.8%	27.5%	17.9%
Working capital / days	67	74	75	84	39	71	115	179	144	150	169	191	246	157
Net tangible assets	379	418	537	714	857	1,230	1,474	1,518	1,543	1,523	1,577	1,642	1,506	1,565
Net goodwill	507	504	504	504	504	504	513	518	519	518	518	518	518	518
Net other intangible assets	394	389	365	359	375	397	430	419	403	403	402	326	314	311
Total tangible and intangible assets	1,280	1,311	1,406	1,577	1,736	2,131	2,418	2,450	2,464	2,444	2,497	2,486	2,338	2,394
As a % of sales	77.9%	84.0%	68.7%	61.7%	52.7%	59.4%	68.1%	69.1%	77.7%	80.0%	79.5%	77.1%	96.5%	71.1%
Right of use asset	-	-	-	-	-	-	-	-	-	-	-	2,363	2,054	1,956
Associated undertakings	10	9	2	16	23	21	31	17	12	8	100	81	66	6
Deferred tax assets	106	111	141	176	176	201	281	281	247	209	217	244	252	287
Other non-current assets	33	28	45	57	62	71	109	119	123	111	103	166	162	145
Derivative financial instruments - non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments - Current	3	0	7	1	43	14	6	12	7	14	10	3	11	2
Receivables from, and advance payments to, related	22	56	36	13	20	6	3	20	15	6	13	22	51	23
Other current assets	132	76	75	100	105	115	181	230	253	192	186	221	194	171
Taxes payables	34	62	108	118	97	132	134	81	65	68	85	84	69	144
Derivative financial instruments - current	21	9	5	15	1	4	57	11	14	8	14	11	8	30
Other current liabilities	94	94	112	131	134	157	222	143	145	157	146	132	153	180
Long-term employee benefits	36	37	35	36	46	63	86	69	67	61	60	64	73	74
Provision for risks and charges	14	13	53	57	47	53	64	69	82	62	51	49		

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared or are disseminated by Morgan Stanley Europe S.E., regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin) and/or Morgan Stanley & Co. International plc, authorized by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. Morgan Stanley & Co. International plc disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. As used in this disclosure section, Morgan Stanley includes RMB Morgan Stanley Proprietary Limited, Morgan Stanley Europe S.E., Morgan Stanley & Co International plc and its affiliates.

For important disclosures, stock price charts and equity rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY, 10036 USA.

For valuation methodology and risks associated with any recommendation, rating or price target referenced in this research report, please contact the Client Support Team as follows: US/Canada +1 800 303-2495; Hong Kong +852 2848-5999; Latin America +1 718 754-5444 (U.S.); London +44 (0)20-7425-8169; Singapore +65 6834-6860; Sydney +61 (0)2-9770-1505; Tokyo +81 (0)3-6836-9000. Alternatively you may contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Edouard Aubin; Natasha Bonnet.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflictolicies. A Portuguese version of the policy can be found at www.morganstanley.com.br

Important Regulatory Disclosures on Subject Companies

As of September 30, 2022, Morgan Stanley beneficially owned 1% or more of a class of common equity securities of the following companies covered in Morgan Stanley Research: Adidas, Burberry, Hugo Boss AG, Kering, Moncler SpA, Pandora A/S, PUMA SE.

Within the last 12 months, Morgan Stanley has received compensation for investment banking services from Kering, LVMH Moet Hennessy Louis Vuitton SA. In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from Adidas, Burberry, Dr. Martens Plc, Dufry AG, EssilorLuxottica SA, Hermes International S.C.A., Hugo Boss AG, Kering, LVMH Moet Hennessy Louis Vuitton SA, Moncler SpA, Pandora A/S, Prada SpA, Richemont SA, Salvatore Ferragamo SpA.

Within the last 12 months, Morgan Stanley has received compensation for products and services other than investment banking services from Adidas, Burberry, Dufry AG, EssilorLuxottica SA, Kering, LVMH Moet Hennessy Louis Vuitton SA.

Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: Adidas, Burberry, Dr. Martens Plc, Dufry AG, EssilorLuxottica SA, Hermes International S.C.A., Hugo Boss AG, Kering, LVMH Moet Hennessy Louis Vuitton SA, Moncler SpA, Pandora A/S, Prada SpA, Richemont SA, Salvatore Ferragamo SpA.

Within the last 12 months, Morgan Stanley has either provided or is providing non-investment banking, securities-related services to and/or in the past has entered into an agreement to provide services or has a client relationship with the following company: Adidas, Burberry, Dufry AG, EssilorLuxottica SA, Kering, LVMH Moet Hennessy Louis Vuitton SA.

Morgan Stanley & Co. International plc is a corporate broker to Burberry, Dr. Martens Plc.

The equity research analysts or strategists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues. Equity Research analysts' or strategists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

Morgan Stanley and its affiliates do business that relates to companies/instruments covered in Morgan Stanley Research, including market making, providing liquidity, fund management, commercial banking, extension of credit, investment services and investment banking. Morgan Stanley sells to and buys from customers the securities/instruments of companies covered in Morgan Stanley Research on a principal basis. Morgan Stanley may have a position in the debt of the Company or instruments discussed in this report. Morgan Stanley trades or may trade as principal in the debt securities (or in related derivatives) that are the subject of the debt research report.

Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated or Underweight (see definitions below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's views, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of September 30, 2022)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm. For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

STOCK RATING CATEGORY	COVERAGE UNIVERSE		INVESTMENT BANKING CLIENTS (IBC)			OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC)	
	COUNT	% OF TOTAL	COUNT	% OF TOTAL IBC	% OF RATING CATEGORY	COUNT	% OF TOTAL OTHER MSC
Overweight/Buy	1342	38%	295	41%	22%	590	39%
Equal-weight/Hold	1582	45%	335	47%	21%	702	46%
Not-Rated/Hold	0	0%	0	0%	0%	0	0%
Underweight/Sell	610	17%	84	12%	14%	219	14%
TOTAL	3,534		714			1511	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Important Disclosures for Morgan Stanley Smith Barney LLC & E*TRADE Securities LLC Customers

Important disclosures regarding the relationship between the companies that are the subject of Morgan Stanley Research and Morgan Stanley Smith Barney LLC or Morgan Stanley or any of their affiliates, are available on the Morgan Stanley Wealth Management disclosure website at www.morganstanley.com/online/researchdisclosures. For Morgan Stanley specific disclosures, you may refer to www.morganstanley.com/researchdisclosures.

Each Morgan Stanley research report is reviewed and approved on behalf of Morgan Stanley Smith Barney LLC and E*TRADE Securities LLC. This review and approval is conducted by the same person who reviews the research report on behalf of Morgan Stanley. This could create a conflict of interest.

Other Important Disclosures

Morgan Stanley & Co. International PLC and its affiliates have a significant financial interest in the debt securities of Kering, LVMH Moët Hennessy Louis Vuitton SA.

Morgan Stanley Research policy is to update research reports as and when the Research Analyst and Research Management deem appropriate, based on developments with the issuer, the sector, or the market that may have a material impact on the research views or opinions stated therein. In addition, certain Research publications are intended to be updated on a regular periodic basis (weekly/monthly/quarterly/annual) and will ordinarily be updated with that frequency, unless the Research Analyst and Research Management determine that a different publication schedule is appropriate based on current conditions. Morgan Stanley is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Morgan Stanley produces an equity research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Matrix at <http://www.morganstanley.com/matrix>.

Morgan Stanley Research is provided to our clients through our proprietary research portal on Matrix and also distributed electronically by Morgan Stanley to clients. Certain, but not all, Morgan Stanley Research products are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience. For access to all available Morgan Stanley Research, please contact your sales representative or go to Matrix at <http://www.morganstanley.com/matrix>.

Any access and/or use of Morgan Stanley Research is subject to Morgan Stanley's Terms of Use (<http://www.morganstanley.com/terms.html>). By accessing and/or using Morgan Stanley Research, you are indicating that you have read and agree to be bound by our Terms of Use (<http://www.morganstanley.com/terms.html>).

In addition you consent to Morgan Stanley processing your personal data and using cookies in accordance with our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html), including for the purposes of setting your preferences and to collect readership data so that we can deliver better and more personalized service and products to you. To find out more information about how Morgan Stanley processes personal data, how we use cookies and how to reject cookies see our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html).

If you do not agree to our Terms of Use and/or if you do not wish to provide your consent to Morgan Stanley processing your personal data or using cookies

please do not access our research.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the circumstances and objectives of those who receive it. Morgan Stanley Research recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of an investment or strategy will depend on an investor's circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

The fixed income research analysts, strategists or economists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

The "Important Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common equity securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities/instruments or derivatives of securities/instruments of companies and may trade them in ways different from those discussed in Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities/instruments or derivatives of securities/instruments of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons.

With the exception of information regarding Morgan Stanley, Morgan Stanley Research is based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue equity research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel may participate in company events such as site visits and are generally prohibited from accepting payment by the company of associated expenses unless pre-approved by authorized members of Research management.

Morgan Stanley may make investment decisions that are inconsistent with the recommendations or views in this report.

To our readers based in Taiwan or trading in Taiwan securities/instruments: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Any non-customer reader within the scope of Article 7-1 of the Taiwan Stock Exchange Recommendation Regulations accessing and/or receiving Morgan Stanley Research is not permitted to provide Morgan Stanley Research to any third party (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities regarding Morgan Stanley Research which may create or give the appearance of creating a conflict of interest. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

Morgan Stanley is not incorporated under PRC law and the research in relation to this report is conducted outside the PRC. Morgan Stanley Research does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. Neither this report nor any part of it is intended as, or shall constitute, provision of any consultancy or advisory service of securities investment as defined under PRC law. Such information is provided for your reference only.

Morgan Stanley Research is disseminated in Brazil by Morgan Stanley C.T.V.M. S.A. located at Av. Brigadeiro Faria Lima, 3600, 6th floor, São Paulo - SP, Brazil; and is regulated by the Comissão de Valores Mobiliários; in Mexico by Morgan Stanley México, Casa de Bolsa, S.A. de C.V which is regulated by Comisión Nacional Bancaria y de Valores. Paseo de los Tamarindos 90, Torre 1, Col. Bosques de las Lomas Floor 29, 05120 Mexico City; in Japan by Morgan Stanley MUFG Securities Co., Ltd. and, for Commodities related research reports only, Morgan Stanley Capital Group Japan Co., Ltd; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents) and by Morgan Stanley Bank Asia Limited; in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research) and by Morgan Stanley Bank Asia Limited, Singapore Branch (Registration number T14FC0118J); in Australia to "wholesale clients" within the meaning of the Australian Corporations Act by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents; in Australia to "wholesale clients" and "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited; in Canada by Morgan Stanley Canada Limited; in Germany and the European Economic Area where required by Morgan Stanley Europe S.E., authorised and regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin) under the reference number 149169; in the US by Morgan Stanley & Co. LLC, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority, disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. RMB Morgan Stanley Proprietary Limited is a member of the JSE Limited and A2X (Pty) Ltd. RMB Morgan Stanley Proprietary Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and RMB Investment Advisory (Proprietary) Limited, which is wholly owned by FirstRand Limited. The information in Morgan Stanley Research is being disseminated by Morgan Stanley Saudi Arabia, regulated by the Capital Market Authority in the Kingdom of Saudi Arabia, and is directed at Sophisticated investors only.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA), and is directed at Professional Clients only, as defined by the DFSA. The financial products or financial services to which this research relates will only be made available to a customer who we are satisfied meets the regulatory criteria to be a Professional Client. A distribution of the different MS Research ratings or recommendations, in percentage terms for Investments in each sector covered, is available upon request from your sales representative.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of

investment advisory activity. Investment advisory service is provided exclusively to persons based on their risk and income preferences by the authorized firms. Comments and recommendations stated here are general in nature. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.

The trademarks and service marks contained in Morgan Stanley Research are the property of their respective owners. Third-party data providers make no warranties or representations relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages relating to such data. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P.

Morgan Stanley Research, or any portion thereof may not be reprinted, sold or redistributed without the written consent of Morgan Stanley.

Indicators and trackers referenced in Morgan Stanley Research may not be used as, or treated as, a benchmark under Regulation EU 2016/1011, or any other similar framework.

The issuers and/or fixed income products recommended or discussed in certain fixed income research reports may not be continuously followed. Accordingly, investors should regard those fixed income research reports as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or individual fixed income products.

Morgan Stanley may hold, from time to time, material financial and commercial interests regarding the company subject to the Research report.

INDUSTRY COVERAGE: Brands

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/17/2022)
Edouard Aubin		
Adidas (ADSGn.DE)	E (08/04/2022)	€118.18
Burberry (BRBY.L)	E (10/16/2015)	1,884p
Dr. Martens Plc (DOCS.L)	E (03/11/2021)	233p
Dufry AG (DUFN.S)	E (08/12/2021)	SFr 32.57
EssilorLuxottica SA (ESLX.PA)	O (09/23/2019)	€157.10
Hermes International S.C.A. (HRMS.PA)	E (08/07/2018)	€1,307.50
Hugo Boss AG (BOSSn.DE)	O (07/15/2021)	€47.25
Kering (PRT.PA)	E (05/19/2017)	€462.90
LVMH Moët Hennessy Louis Vuitton SA (LVMH.PA)	O (01/17/2018)	€637.70
Moncler SpA (MONC.M)	E (06/24/2020)	€46.42
Pandora A/S (PNDORA.CO)	E (01/25/2018)	DKr 390.00
Prada SpA (1913.HK)	E (09/23/2022)	HK\$38.00
PUMA SE (PUMG.DE)	O (05/18/2021)	€47.65
Richemont SA (CFR.S)	O (12/11/2020)	SFr 100.70
Salvatore Ferragamo SpA (SFER.M)	U (01/18/2022)	€15.23
Swatch (UHR.S)	U (01/18/2022)	SFr 231.60
Tod's SPA (TOD.M)	U (01/18/2022)	€40.74

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.