

ACCOUNTING,
FINANCE &
CONTROL

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PRADA Group
**FINANCIAL
ANALYSIS**

ACADEMIC YEAR 2022/2023

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INTRODUCTION

The primary goal of this report is to perform a financial analysis of Prada Group (hereafter referred as “Prada”, “the company” or “the group”). First, a brief strategic analysis of the group is presented to understand how it operates, its main competitors, strengths and opportunities. The second part presents an in-depth analysis of relevant key financial indicators in the horizontal period of 2019-2021, also compared with benchmark competitors: Hermes and Salvatore Ferragamo. Finally, based on the overall analysis, a qualitative outlook and future suggestions are presented for Prada.

PRADA AND THE COMPETITORS

THE COMPANY

Prada Group is a luxury fashion house established in Milan in 1913 by Mario Prada. It specialises in leather handbags, travel accessories, shoes, ready-to-wear, and other fashion accessories. Italy's design and manufacturing tradition, sophisticated style, and outstanding quality are the hallmarks of Prada¹. In today's competitive market, skilled craftsmanship and industrial manufacturing are the keys to the success of the Prada Group's brands. As a result of this integration, the Group can turn its innovative fashion concepts into commercially viable products. It is reflected in the company's numbers, as it counts on six subsidiaries (Prada, Miu Miu, Church's, Car Shoe, Marchesi 1824 and Luna Rossa). Prada has a market capitalisation of \$14,6 B². A detailed analysis of the company can be found in Table 2.

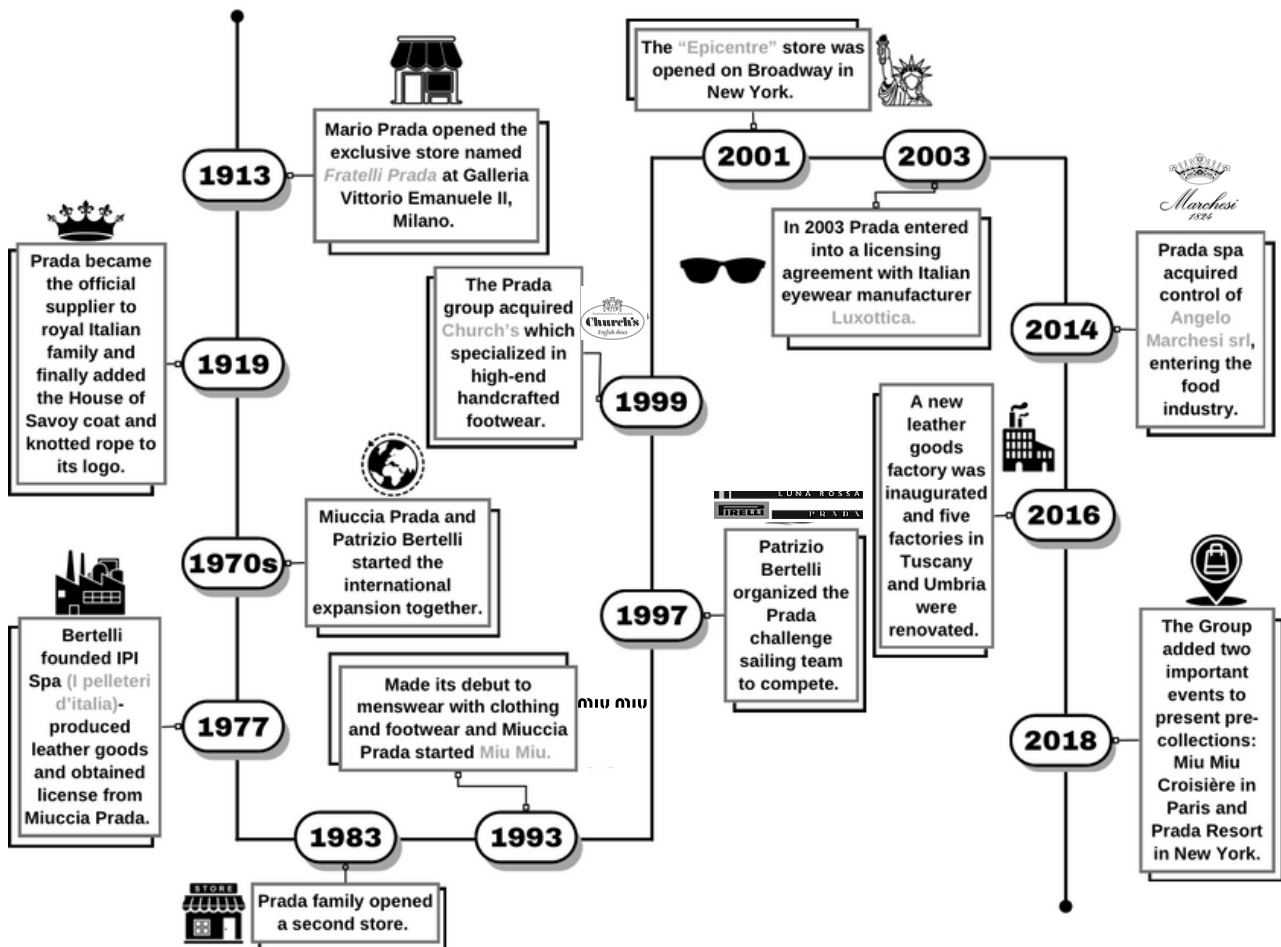


Figure 1. Prada Group Timeline³

1. Declared in Prada's company profile 2020

2. Declared in Yahoo Finances 4/12/2022

3. From History of Prada - Annual Report

EXTERNAL ENVIRONMENT



Figure 2. PEST Prada Group

THE SWOT ANALYSIS

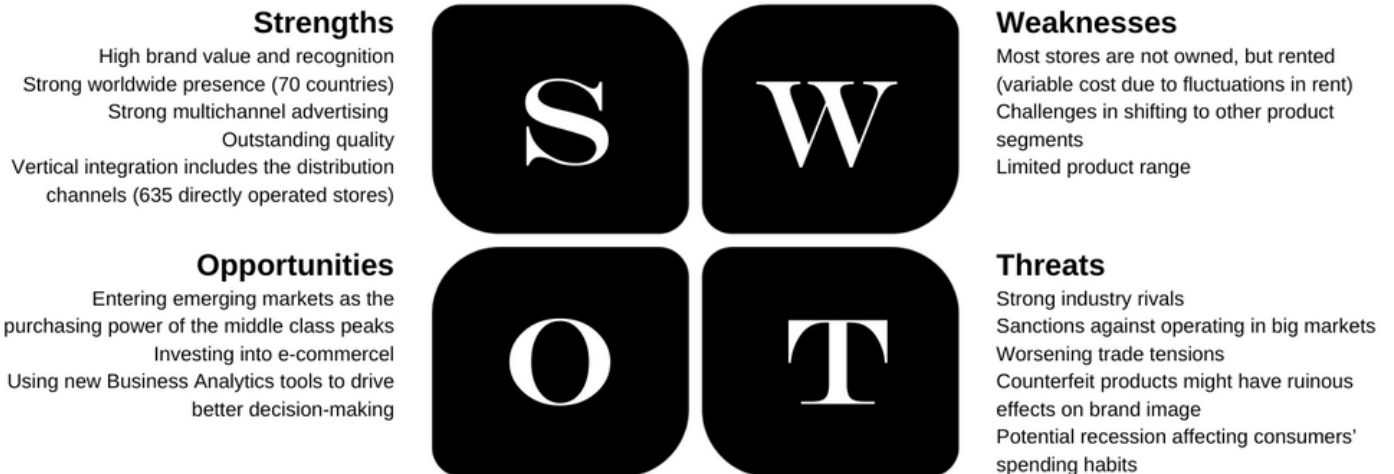


Figure 3. Prada Group Swot Analysis

4. Luxury is back... to the future Bain & Company, 2021

5. The State of Fashion 2021 McKinsey & Company

PORTER'S FIVE FORCES

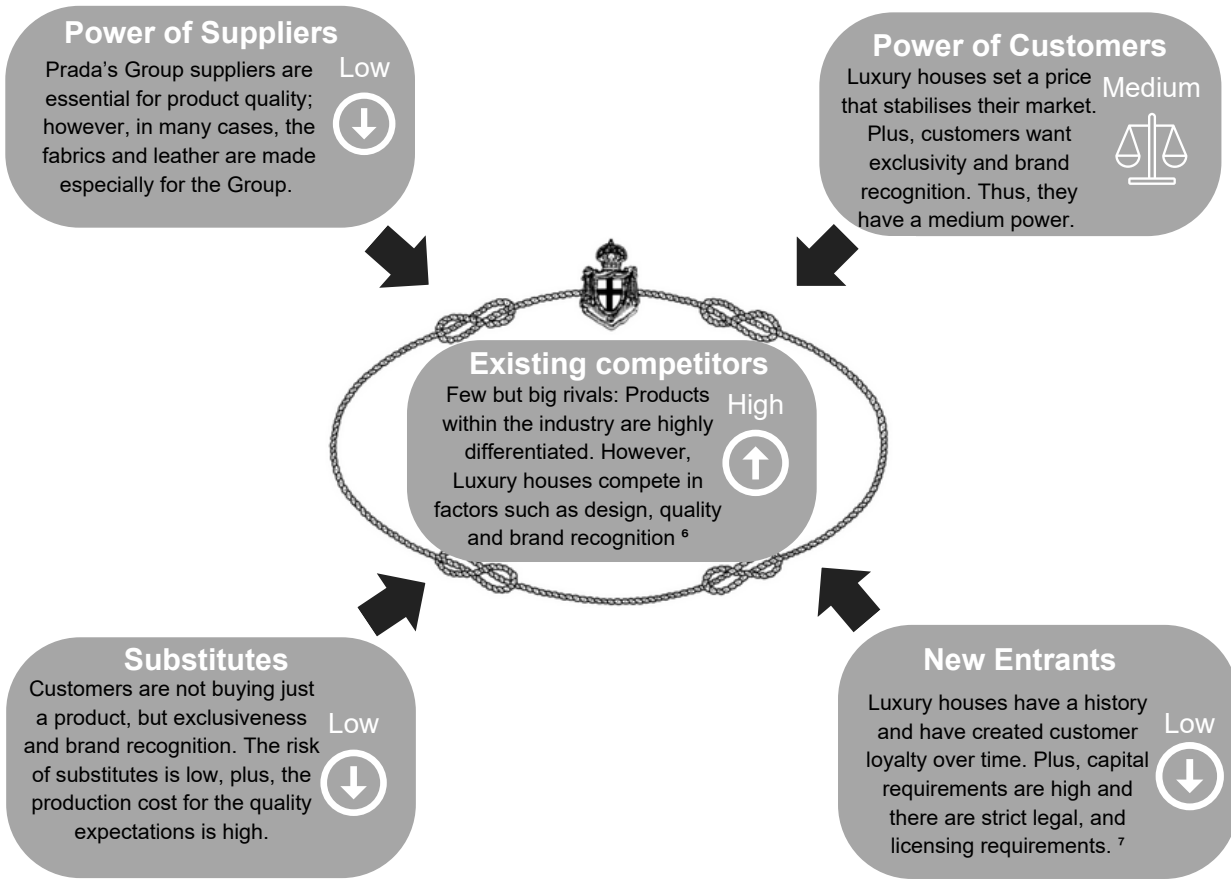


Figure 5. Prada Group Porter's Five Forces

COMPETITORS' CHOICE

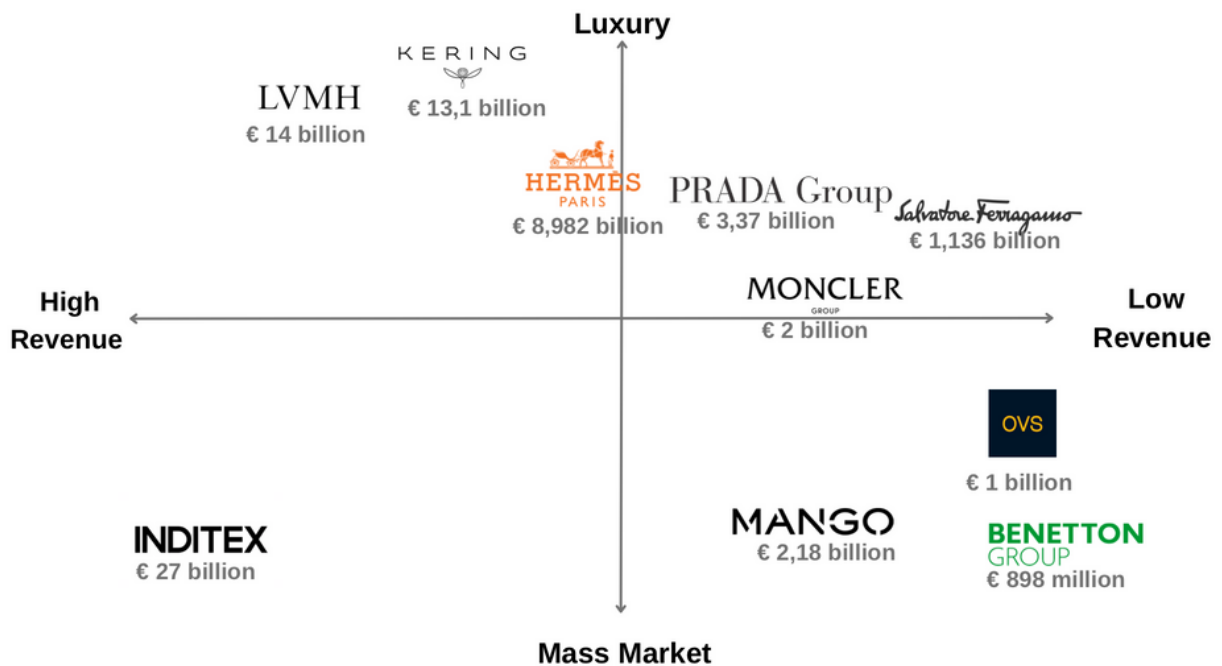


Figure 6. Prada Group Competitors Choice

6. Global Powers of Luxury Goods 2021 Breakthrough, Deloitte, 2021

7. I wear Prada, because I want to, European Journal of Multidisciplinary Studies, Nastaran Norouzi Richards, 2017

The ability to evaluate Prada's performance in comparison with other companies operating in the same or similar competitive landscape becomes highly valuable. The evaluation of competitors is based on the positioning map with the following two dimensions: revenues and luxury perception in the market, as Table 1 shows.

Although there are various players in the market, some are not listed (e.g., Giorgio Armani), do not share a similar business model (e.g. Inditex), do not share similar product categories (e.g. Moncler) or similar reporting dates (e.g. Burberry). For instance, we chose Hermes and Salvatore Ferragamo, Table 2 summarizes the most important characteristics of these companies' strategies:


	PRADA Group		<i>Salvatore Ferragamo</i>
Foundation	1913	1837	1927
Governance	Italian company	French company	Italian company
Employees	13140	17595	3887
Pillars of mission ⁸	<ol style="list-style-type: none"> 1. Re-think the rules 2. Innovative tradition 3. Spirit of excellence 4. Uniqueness of talents 5. Beyond boundaries 6. Sustainable paths 	<ol style="list-style-type: none"> 1. High standards in design and manufacturing 2. Ensure the durability of the craftsmanship model 3. Dynamics of an exclusive Omni channel distribution network 4. Entrepreneurial spirit for store managers 	<ol style="list-style-type: none"> 1. Enchanting its classical elegance 2. Expansion of the distribution network 3. Optimization of the product range 4. Ongoing modernization of the supply chain and the I structure
Countries	+70 countries	45 countries	90 countries
Main products	Leather goods, handbags, footwear, apparel, accessories, eyewear and fragrances	Leather goods, saddlery, ready-to-wear, accessories, silk and textiles, watches, perfume and beauty	Leather goods, lifestyle accessories, home furnishings, perfumery, jewelry and watches
Accounting principles	IFRS Jan-Dec Euro	IFRS Jan-Dec Euro	IFRS Jan-Dec Euro

Table 1: Prada and the competitors

8. Declared in Prada, Hermes and Salvatore Ferragamo's annual report 2021

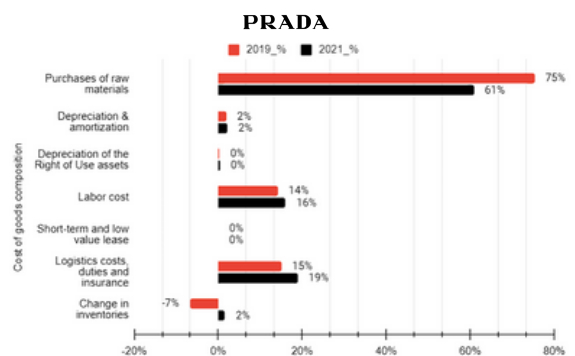
FINANCIAL ANALYSIS

The Covid-19 pandemic continued to fuel a transformation process in the luxury goods market in 2021. The financial analysis is structured in two different parts: Initially, profitability analysis is performed to comprehend Prada Group's capability to make profits. Afterwards, to determine the group's short-term solvency and how to generate and manage cash, a liquidity analysis is performed. As part of the analysis, the real reason behind Prada's economic results for 2021 is captured, specifically when compared to 2019, due to 2020 being a distressing year of achievements. The report also considers the performance of its close competitors in the niche markets to help with the benchmarking of Prada Group.

PROFITABILITY ANALYSIS

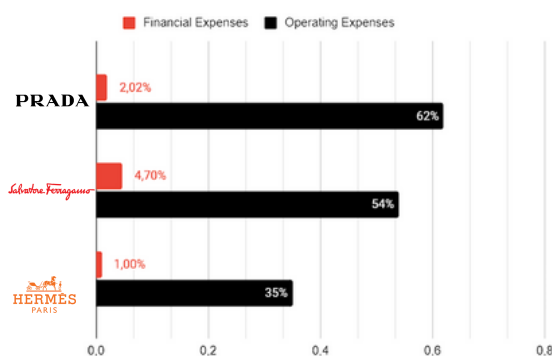
NET PROFIT MARGIN

The Net Profit Margin was chosen to investigate Prada's ability to obtain profit from revenues, considering, in addition, the impact of taxes and operational and financial activities. In 2020 Prada had a negative Net Profit and consequently a negative Net profit margin, leading to inconsistent results; thus, we compared 2021 with the pre-covid year 2019. The value of the Net profit margin for Prada improved by 10,3% from 2019 (7,9%) to 2021 (8,7%).



Graph 1. Prada Cost of goods composition variation 2019-2021

The observable change is due to the increase in Net Profit by 15,04% in 2021, driven by an increase in Gross Margin by 9.82%⁹, a low impact of taxation (3,76%) and financial expenses (2,02%). Even though the gross margin increased due to the closure and interrupted functioning of stores during the pandemic, the sales from directly operated stores and franchisees decreased. But the fixed costs related to the stores (rents and salaries of employees) still had to be paid, resulting in increased Selling Costs and therefore increased operating expenses that stand for 42,2% of the revenues.

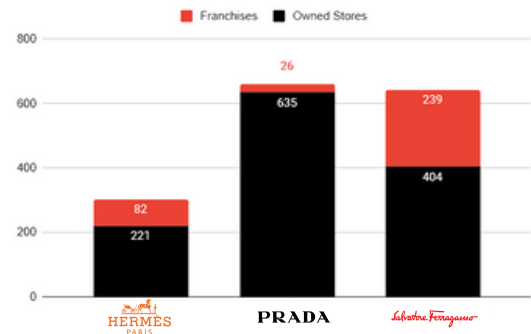


Graph 2. Financial and Operating impact on Revenues 2021

In comparison to the benchmark companies, Hermès (22%) and Salvatore Ferragamo (12%), Prada has the lowest growth in the Net profit Margin from 2019-2021, mainly because Hermès managed the impact of financial expenses and operating expenses on net profit better than Prada. This is explained in Graph 2, Hermès has half the impact of financial expenses in comparison to Prada due to a higher contribution of its interest expenses in debts of Prada, which can be clearly seen in the Cost of Debt ratio (D/E ratio chapter).

9. Gross Margin increased due to increase in sales revenue (4,34%) and decrease in COGS due to economies of scale (Purchases of raw material) and reduction in inventory as stated in Consolidated Financial Statements of Prada Group, Pg 215 (Note No.33)

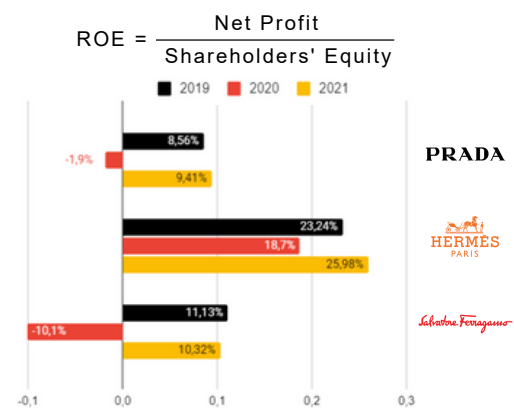
Moreover, the Operating Expenses for Prada are higher in comparison to the benchmark since they own more Directly-operated stores (DOS) and a lower number of franchises, as depicted in Graph 3. On the other hand, for Salvatore Ferragamo, financial expenses had a significant impact on its net profit, and the operating expenses behave similarly to Prada. It can be concluded from the above analysis that operating expenses are shrinking a big part of the revenues and are a matter of concern for Prada Group.



Graph 3. Owned Stores and Franchisees Benchmark

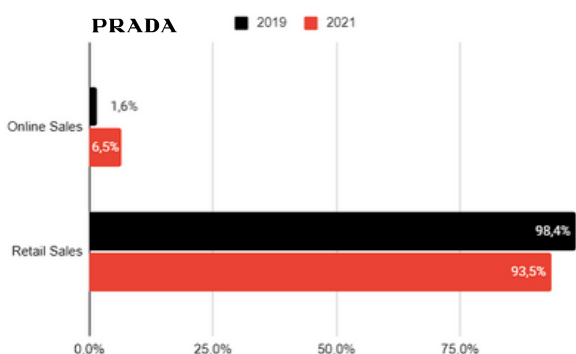
RETURN ON EQUITY

ROE is calculated as the net profit over the total equity and measures remuneration as a percentage of shareholders' investment. It was chosen as it is one of the effective ways of measuring how well a company can use the shareholders' money and gives valuable insight to investors. Due to Prada's negative Net Profit and ROE in 2020, we compared 2021 with the pre-covid year 2019. The value of ROE for Prada improved by 10% from 2019 (8,6%) to 2021 (9,4%).



Graph 4. ROE Benchmark for 2019, 2020 and 2021

This was caused by the increase in Net Profit by 15,04% in 2021 and the increase in Gross Margin (9,82%) explained in the Net Profit Margin. Such growth in net profit is also explained by growth in direct e-commerce sales by 76% from 2019 to 2021 (Graph 4)¹⁰, which accounts for approximately 7% of the total 2021 retail sales. Thus, it is possible to conclude that the Group's strategies in the e-commerce channel are positively impacting the earnings for shareholders on the investments they made in the company.



Graph 5: Prada sales distribution channels 2019 vs 2021

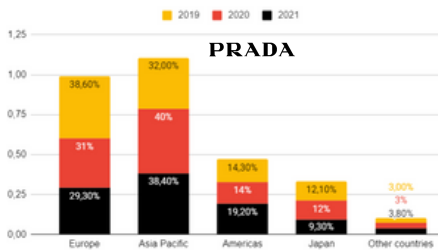
In comparison with the other companies, it is possible to indicate that Hermes increased its indicator by 11,8% because it developed a strong e-commerce presence in all regions of the world with growth in traffic by (+64%) and the number of new online shoppers up to 60%¹¹ in 2021. Comparing the revenues based on location in Graphs 5-7, Hermes experienced strong growth of 23% in sales in

the Asia-Pacific region in comparison with Prada and Ferragamo 18% and 3,36%, respectively, from 2019 to 2021, benefitting from the rollout of the new digital platform in Asia with very high growth in e-commerce sales.

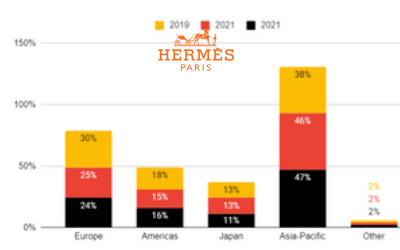
10. Press release Prada Spa approves group results as of 31 December 2021- Retail Sales (Page 2)

11. Hermes Annual Report 2021, Page 36, Section 1.7.4 Digital Strategy

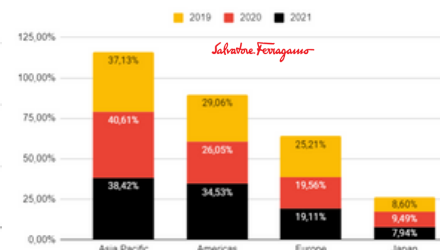
Asia excluding Japan (+14%) posted strong growth driven by an excellent 4th quarter of 2021 (+47%) with the support of dynamic activity in Greater China, Korea and Australia¹². In conclusion, the return on equity of Prada can be improved if they focus towards strengthening its position in the high-potential Asian markets.



Graph 6. Variation of sales by geography 2019 vs 2021 - Prada



Graph 7. Variation of sales by geography 2019 vs 2021 - Hermes



Graph 8. Variation of sales by geography 2019 vs 2021 - Salvatore Ferragamo

FINANCIAL LEVERAGE ANALYSIS

ROE LEVERAGE

Financial Leverage	2021	2020	2019
Return on Equity (ROE)	9,39%	-1,93%	8,70%
r	1,77%	2,50%	1,78%
Return on Assets (ROA)	7%	0,30%	4,40%
Debt/Equity (D/E)	1,22	1,29	1,36
s	0,7	0,75	1,08

Table 2: Calculation of financial leverage parameters

For a more accurate profitability analysis, it is necessary to understand how asset management and financing choices affect shareholder value through the leverage of ROE. In addition, looking at ROE through a ROA-based financial leverage formulation can highlight changes in ROE concerning variation in D/E ratios and ROA since the non-financial liabilities¹³, for Prada and the benchmark companies, are negligible compared to total liabilities and thus cannot be used by higher management to improve the profitability.

The impact on ROE is principally due to an increase in ROA from 2019 to 2021 by 37% and a reduction in the D/E ratio by 11,5%. The r¹⁴ ratio has a constant and positive value over time except for 2020¹⁵; it signifies that the company's financial expenses are higher than the financial income, and it is abysmal. However, this variation is identical throughout the industry and thus with the benchmarking companies. In addition, the s (Tax burden ratio) is lower than 1 for 2021 and 2020, which is considered regular when the company is paying taxes and no extraordinary events occur, while for 2019, the ratio is greater than 1 since net profits increased due to income from the tax benefits regime from the use of qualifying intangible assets.¹⁷

12. Hermes Annual Report 2021, Page 6, Sales by geographical area at the end of December

13. Since $ROI = EBIT / \text{Net Invested Capital}$, where $\text{Net Invested Capital} = \text{Total Assets} - \text{Non Financial Liabilities}$.

14. $r = (EBIT - EBT) / \text{Total Liabilities}$

15. For 2020, r is higher than other years because financial expenses are much more higher than the financial income due to the dropped sales and discontinued operations during COVID-19 pandemic

16. Tax Burden Ratio (s) = $\text{Net Profit} / \text{EBT}$

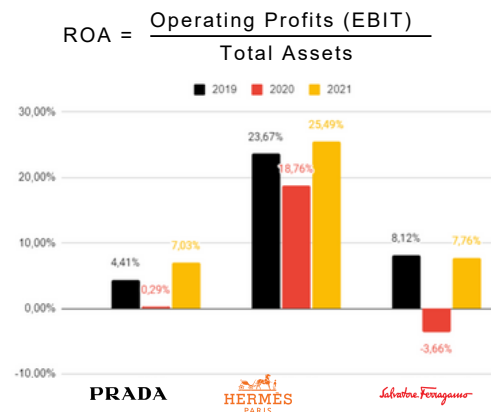
17. Prada Annual Report 2019, Notes to Consolidated Statements No. 36 - Prada SPA and Italian Revenue Agency stipulated a preliminary agreement regarding the tax benefit regime

RETURN ON ASSETS

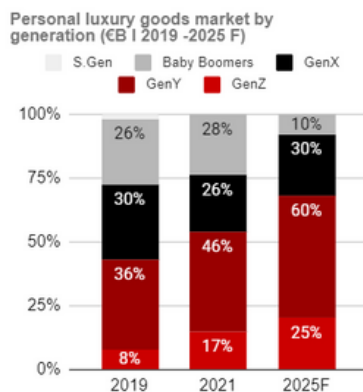
To get an insight into how Prada can generate operating profits from its investments, we decided to compute ROA with total assets as a proxy of investments and to understand its effect on the ROE leverage.

The main parameters affecting ROA are the total operating expense, which increased only marginally by 2,2%, as compared to the increase in revenues (9%).

Consequently, the Operating Profit increased from € 306 million in 2019 to € 489 million (60%). The reason for the increase of EBIT in 2021 is majorly due to improved economies of scale and boosted sales after the 2020 pandemic period fueled by the efficient omnichannel strategy heightened via the e-Commerce sales¹⁸. This, in turn, paved the way for an increased number of younger generations that are becoming a greater share of the Prada business. It is important to note that this change in the trend of increased Gen Z is prevalent not only in Prada but also in the luxury goods industry in general, as disclosed in Graph 10.



Graph 9. ROA Benchmark for 2019, 2020 and 2021



Graph 10. Luxury goods market segments based on generation - Bain & Co.



Graph 11. Salvatore Ferragamo distribution channels

Compared with the benchmark companies, Hermes has almost 3,5 times the ROA of Prada and Ferragamo in 2021 which depicts the higher ability of Hermes to generate operating profits from investments in the right assets.

However, the year-on-year growth in ROA for Hermes only increased by 7,7% from 2019 (23,7%) to 2021 (25,5%). This marginal change was due to the high increase in both EBIT, as well as total assets. The total assets increased significantly by 40,14%, mainly due to the contribution of cash and cash equivalents.¹⁹

The reason for higher cash reserves for Hermes is due to the group's policy²⁰ to save cash to finance its growth independently. The cash and its equivalents are then re-invested mainly in mutual funds and low-risk investments for a short-term period. On the other hand, the EBIT increased due to higher revenues from sales and lower financial expenses, as explained under Net Profit Margin. While in the case of Salvatore Ferragamo, the impact of the pandemic reduced the operating profits by a very high margin, and it has only been able to recover 95,4% of the ROA of 2019.

While Prada and Hermes explored the omnichannel strategy focused on e-commerce retails, Salvatore Ferragamo did not invest much in developing their e-commerce²¹, which led to a drop in sales during 2020, and it is taking more time for Ferragamo to recover.

18. Prada made an investment of € 16.3 million in 2021 and € 23.9 million in 2020 towards technological and digital evolution projects in the retail e-commerce market- Annual Report of Prada 2021- Note No. 36 Pg 198 (Intangible Assets)

19. 48% contribution of cash and cash equivalents in Total Assets- From Vertical Segmentation Analysis of Hermes

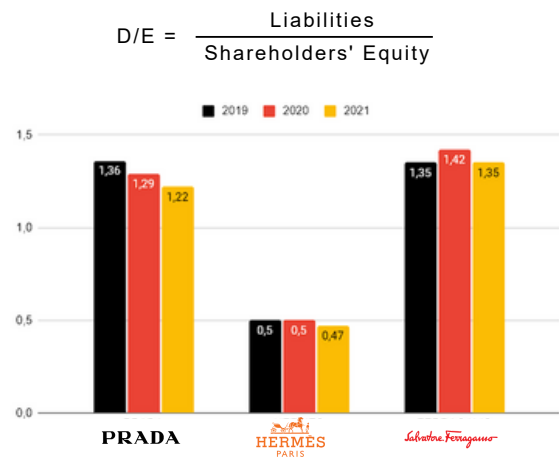
20. Hermes Annual Report 2021- Notes to Financial Statements- Note No. 9.3 , Pg 389

21. Retail + e-commerce contributed to only 7.3% of the total revenues - Annual Report Salvatore Ferragamo- Revenues (Pg 53)

DEBT TO EQUITY RATIO

To analyse the reliance of Prada and the benchmark companies on debt over time and to understand its relevance in the financial leverage, we calculated the Debt-to-equity ratio. For the analysis, we have taken the debt as total liabilities to have an overall idea of the company's debt.

Prada and Ferragamo have similar financial structures and the trend from 2019 to 2021 remains stable for them.

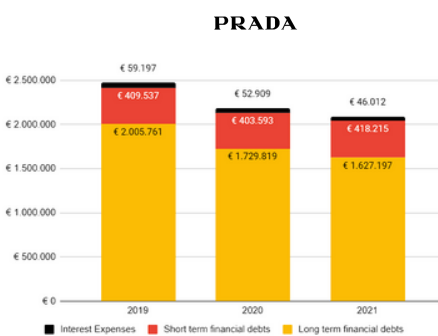


Graph 12. ROA Benchmark for 2019, 2020 and 2021

Evidently, in 2020, Prada had a decreasing trend of debt since they decided to pay their long-term debts by exploiting the received rental discounts and favourable foreign exchange differences.²²

This is why the Cost of Debt for Prada has decreased from 2019 (2,45%) to 2021 (2,25%), along with the fact that the interest expenses plummeted due to the repayment of long-term debts, which carry a higher rate of interests²³. While for Ferragamo, the D/E went up in 2020 due to a decrease in Equity which is directly linked to a decrease in Net Profit²⁴ during the pandemic.

If we compare Prada and Hermes, there is a similar indicator trend over the three years. Hermes, in particular, had a significant growth of Shareholders' Equity due increase in Cash reserves in 2021 (from 5,2 billion to 7,1 billion).



Graph 13. Contribution of long and short term financial debts- Prada

D/E value makes it evident that Prada is not a highly indebted company. The D/E is marginally greater than 1 throughout the years, which puts Prada in a risky position, and in addition, it loses a large margin of its operating profit on repaying debts. On the other hand, Prada still can reduce its liabilities over the years and generate profits from it.

In addition, interest expenses are deducted from the income tax return, thus benefiting the company. The positive performance of Prada can also be justified by the ROI (7,7%) being greater than the Cost of Debts (2,25%), and Prada should pay attention to it.

The financial structure of Prada and Ferragamo is quite similar since the two companies have a ratio greater than one. This is still an acceptable value because even though the ratio is greater than one, it is still lower than 2, which signifies that the debts are not exceeding the equity by a substantial amount. However, Hermes is leveraging more on Shareholders' Equity instead of Debt. Consequently, the D/E ratio for Hermes is 0,5, meaning that it is a more reliable company.

22. Prada Annual Report 2021- Notes to Financial Statements - Note No. 20, Pg 200

23. Cost of Debt=Interest Expenses/Debts with explicit interest rates [So when interest expenses decreased, Debts with

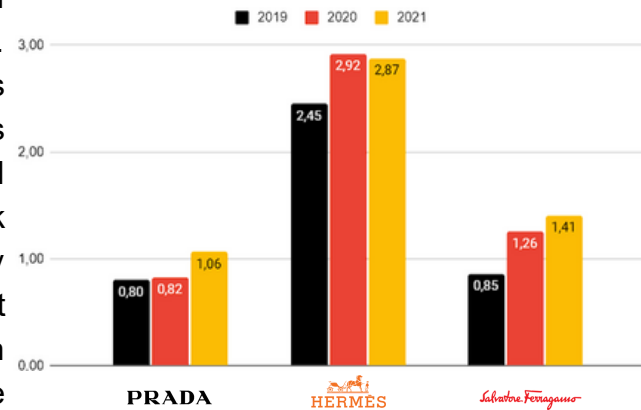
24. Total Equity= Share Capital + Reserves + Net Profit

LIQUIDITY ANALYSIS

QUICK RATIO

Short-term liquidity indicators of a company demonstrate its ability to balance its current assets and liabilities. The conventional indicator used for this is the current ratio. However, since Prada is involved in retail, its finished goods inventory fluctuates depending on the seasons, trends and customer behaviour. Therefore, the quick ratio is a better indicator as it isolates only the most liquid assets (defined as current assets that can be converted into cash within 90 days or less) and provides a conservative view of a company's liquidity.

$$\text{Quick Ratio} = \frac{\text{Cash} + \text{STI} + \text{Receivables}}{\text{Current Liabilities}}$$



Graph 14. Quick Ratio Benchmark for 2019, 2020 and 2021

As can be seen from graph 11, Prada's quick ratio has been steadily climbing from 2019 (0,8) to 2021 (1,06) by 32,7%. This reveals that Prada could not rely on its most liquid assets to cover the current liabilities in 2019 and 2020. However, as evident from data in Table 1, between 2020 and 2021, Prada's liquid current assets²⁵ have increased by 49,62%, mainly due to the increase in cash (121,93%) from sales growth. Additionally, this means that for 2021, Prada maintained a good balance between current assets and liabilities and could generate cash quickly in the case of an emergency.

A comparison of Prada with its competitors reveals that Hermès and Salvatore Ferragamo have higher quick ratio values. In the case of Hermès, the quick ratio has increased from 2,45 to 2,92 between 2019 and 2020 due to both an increase in cash and financial derivatives and a decrease in current liabilities. From 2020 to 2021, the current liabilities have increased by more than the current assets causing a small drop in the quick ratio. In contrast, Salvatore Ferragamo has seen a steady increase in quick ratio from 0,85 in 2019 to 1,26 in 2020 and 1,41 in 2021.

Overall, after looking at the data for Prada and comparing it with competitors, we can see that the company is doing satisfactorily in terms of liquidity. However, its competitors have considerably better positions, either because they possess more current than non current assets (Salvatore Ferragamo) or have been prepositioned with twice as much quick ratio (Hermès) due to higher liquid assets.

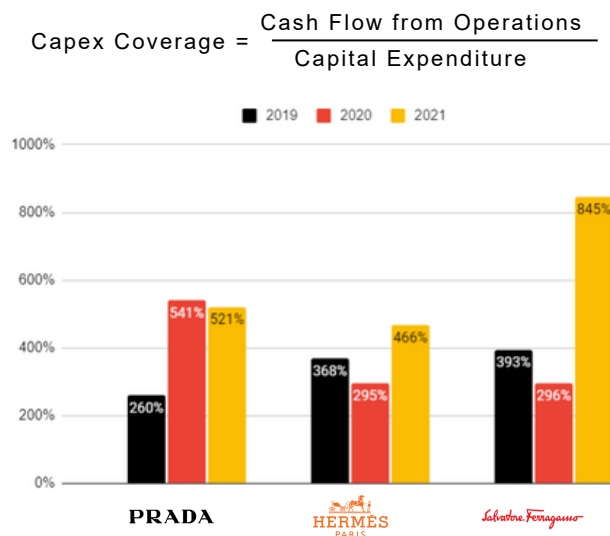
25. Liquid Current Assets = Cash + Short Term Investments + Receivables

CAPEX COVERAGE

To revitalize its competitive superiority, the luxury industry fundamentally requires repeated innovations in R&D and manufacturing processes. Hence we decided to analyze the CAPEX coverage to understand to what extent the company is investing in new assets to grow and achieve higher revenue. The CAPEX Coverage for Prada doubled from 2019 to 2021, even after a drop in capital expenditure during the pandemic period (majorly due to the ceased investments in real estate and change in the group policy of capital expenditure only in strategic projects), which is practically a reflection of the reactivation of the market in 2021. In 2021, the Group almost doubled its investments²⁷ in tangible and intangible assets²⁶ with major contributions from restarting investments in real estate of 28% (with 2 net openings and 120 relocation, and renovation projects²⁸) and development in software for improving e-commerce.

When comparing the values of Prada with those of Hermes, we found that both companies follow similar trends. Hermes decided to increase their capital expenditure in 2021, mainly in Property, Plant and Equipment²⁹ and also in developing its omnichannel distribution strategy. Hermes opened multiple stores and invested in the renovation of stores, mostly in Asia. Finally, for Ferragamo, after the re-opening in 2021, the CFFO increased threefold (324%) and still, the capital expenditure increased only by 49,2%. This shows that Ferragamo is following a different strategy to avoid risking its liquidity and sustain cash for future investments and emergency purposes.

It is clear from the CAPEX coverage that Prada and Hermes are companies with expansion strategies and are willing to risk their cash inflow to increase their revenues and maintain their leading positions in the luxury market. Ferragamo, on the other hand, prefers to self-sustain its growth without using much of its operating profits and without incurring additional debts.



Graph 14. Capex Coverage Benchmark for 2019, 2020 and 2021

26. CAPEX Coverage increased due to higher magnitude of increase in CFFO after the end of pandemic as compared to the Capital Expenditure in tangible and intangible assets.

27. Annual Report Prada 2021- Notes to Financial Statements- Note No 15,16,17

28. Financial Year 2021 Results Presentation - CAPEX

29. Annual Report Hermes 2021- Notes to the Consolidated Financial Statements - Note No. 7.2.2, Pg 382

QUALITATIVE OUTLOOK AND FUTURE SUGGESTIONS

In 2020, the global economy was negatively affected by the Covid-19 outbreak. Even though it was initially uncertain, it gave e-commerce fashion more momentum. It was only the most flexible and digitally oriented companies that survived and regained pre-pandemic levels, such as Prada and Hermes; the others struggled to survive.

2021 was a turning point for Prada. With a developing transformational omnichannel strategy³⁰, Prada Group has enhanced the perceived value of its products and brands, which has generated revenue growth and put it on a path to long-term success. Also, thanks to its long-term-oriented strategy based on sustainability and outstanding quality, Prada Group can find more margins in the Asian markets and also increase its customer base by focused targeting on the younger generations.

The financial indicators of Prada are providing mixed signals as compared to the benchmark companies. Although it performs better than most of its competitors, there is still a gap between Prada and the industry leaders like Hermes and LVMH. From a Profitability perspective, Prada Group's performance is average as it spends a considerable fraction of its revenues on operating expenses³¹. If a pandemic-like disruptive situation occurs, Prada will struggle to pay dividends to its shareholders and might have to use its cash reserves. The investments made by Prada were very convenient, and the decisions were promptly taken to expand their online sales channel, which provided a great return on their assets. Concerning their debts, Prada is not a very highly indebted company and is effectively using its debts and reducing them year-on-year. This is a positive sign in terms of the profitability of the company. Considering the company's Liquidity prospects, the cash reserves are increasing, and Prada will be able to cover all its current liabilities if necessary. After a weak performance in 2020, the change in Group's policies brought major changes in their capital expenditure, and they are re-investing their operating cash flows into acquiring useful assets.

The future of Prada could be quite promising as it is synonymous with latest innovations and transformations and is broadening the horizons of luxury. As a suggestion, they can increase their position in the high-potential Asian markets by leveraging their omnichannel and distribution network strategies and approaching the younger generations with a demand for new virtual and sustainable ways to enjoy luxury (AI, VR and Metaverse)³².

30. Annual Report Prada 2021- Economic Risks And International Business Risks -Pg 72

31. Annual Report Hermes 2021-Other Information- Pg 80

32. Luxury is back... to the future Bain & Company, 2021

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ANNEXES

FINANCIAL INDICATORS: SHAREHOLDERS' PERSPECTIVE

PRADA

Year	2021	2020	2019
Dividends Paid	€ 91.233	€ 0	€ 154.642
Net Profit (t-1)	-€ 54.139	€ 255.788	€ 205.443
Dividend payout Ratio	-168,5%	0,0%	75,3%

Year	2021	2020	2019
Net Profit	€ 294.254	-€ 54.139	€ 255.788
Shareholders' Equity	€ 3.128.643	€ 2.851.720	€ 2.988.575
Return on Equity	9,4%	-1,9%	8,6%

Year	2021	2020	2019
Net Profit	€ 294.254	-€ 54.139	€ 255.788
Common Shares	2558824000	2558824000	2558824000
Earnings per Share	0,11	-0,02	0,10

Year	2021	2020	2019
Net Profit	€ 294.254	-€ 54.139	€ 255.788
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
Net Profit Margin	8,7%	-2,2%	7,9%



Year	2021	2020	2019
Dividends Paid	€ 490.000	€ 490.000	€ 486.600
Net Profit (t-1)	€ 1.385.000	€ 1.528.200	€ 1.405.500
Dividend payout Ratio	35,4%	32,1%	34,6%

Year	2021	2020	2019
Net Profit	€ 2.445.000	€ 1.385.000	€ 1.528.000
Shareholders' Equity	€ 9.412.000	€ 7.391.000	€ 6.575.900
Return on Equity	26,0%	18,7%	23,2%

Year	2021	2020	2019
Net Profit	€ 2.445.000	€ 1.385.000	€ 1.528.000
Common Shares	105569412	105569412	105569412
Earnings per Share	0,02	0,01	0,01

Year	2021	2020	2019
Net Profit	€ 2.445.000	€ 1.385.000	€ 1.528.200
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
Net Profit Margin	27,2%	21,7%	22,2%



Year	2021	2020	2019
Dividends Paid	€ 0	€ 0	€ 63.393
Net Profit (t-1)	-€ 71.696	€ 87.365	€ 90.187
Dividend payout Ratio	0,0%	0,0%	70,3%

Year	2021	2020	2019
Net Profit	€ 81.137	-€ 71.696	€ 87.365
Shareholders' Equity	€ 785.879	€ 709.696	€ 785.265
Return on Equity	10,3%	-10,1%	11,1%

Year	2021	2020	2019
Net Profit	€ 81.137	-€ 71.696	€ 87.365
Common Shares	168585596	168585596	168585596
Earnings per Share	0,48	-0,43	0,52

Year	2021	2020	2019
Net Profit	€ 81.137	-€ 71.696	€ 87.365
Revenues	€ 1.135.520	€ 876.512	€ 1.377.261
Net Profit Margin	7,1%	-8,2%	6,3%

ANNEXES

FINANCIAL INDICATORS: OVERALL COMPANY'S PERSPECTIVE

PRADA

Year	2021	2020	2019
Net Invested Capital	€ 6.343.951	€ 6.046.622	€ 6.580.301
Operating Profit	€ 489.484	€ 20.061	€ 306.779
Return on Investment	7,7%	0,3%	4,7%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Total Assets	€ 6.959.011	€ 6.527.927	€ 7.038.439
Return on Assets	7,0%	0,3%	4,4%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Equity + Long Term Debt	€ 4.755.840	€ 4.581.539	€ 4.994.336
Return on Capital Employed	10,3%	0,4%	6,1%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Avg Equity + Long Term Debt	€ 4.755.840	€ 4.755.840	€ 4.755.840
Return on average Capital Employed	10,3%	0,4%	6,5%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
EBIT Margin	14,5%	0,8%	9,5%

Year	2021	2020	2019
Operating Profit (EBIT)+ D&A	€ 1.113.702	€ 667.691	€ 985.398
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
EBITDA Margin	33,1%	27,6%	30,5%

Year	2021	2020	2019
Total Assets	€ 6.959.011	€ 6.527.927	€ 7.038.439
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
Asset Turnover Ratio	48,4%	37,1%	45,8%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Operating Cash Flow (CFFO)	€ 1.143.528	€ 592.419	€ 809.895
Quality of Operating Earning	233,6%	2953,1%	264,0%



Year	2021	2020	2019
Net Invested Capital	€ 11.871.000	€ 9.555.100	€ 8.245.000
Operating Profit	€ 3.530.000	€ 2.073.000	€ 2.338.900
Return on Investment	29,7%	21,7%	28,4%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Total Assets	€ 13.847.000	€ 11.051.000	€ 9.881.000
Return on Assets	25,5%	18,8%	23,7%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Equity + Long Term Debt	€ 10.965.000	€ 8.856.900	€ 7.501.500
Return on Capital Employed	32,2%	23,4%	31,2%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Avg Equity + Long Term Debt	€ 9.910.950	€ 8.179.200	€ 6.970.200
Return on average Capital Employed	35,6%	25,3%	33,6%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
EBIT Margin	39,3%	32,4%	34,0%

Year	2021	2020	2019
Operating Profit (EBIT)+ D&A	€ 4.093.000	€ 2.587.000	€ 2.786.600
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
EBITDA Margin	45,6%	40,5%	40,5%

Year	2021	2020	2019
Total Assets	€ 13.847.000	€ 11.051.000	€ 9.881.000
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
Asset Turnover Ratio	64,9%	57,8%	69,7%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Operating Cash Flow (CFFO)	€ 3.405.000	€ 1.642.000	€ 2.087.300
Quality of Operating Earning	96,5%	79,2%	89,2%



Year	2021	2020	2019
Net Invested Capital	€ 1.732.278	€ 1.629.681	€ 1.737.556
Operating Profit	€ 143.480	-€ 62.765	€ 149.698
Return on Investment	8,3%	-3,9%	8,6%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Total Assets	€ 1.849.055	€ 1.713.957	€ 1.843.878
Return on Assets	7,8%	-3,7%	8,1%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Equity + Long Term Debt	€ 1.336.625	€ 1.303.398	€ 1.344.532
Return on Capital Employed	10,7%	-4,8%	11,1%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Avg Equity + Long Term Debt	€ 1.320.012	€ 1.323.965	€ 1.070.381
Return on average Capital Employed	10,9%	-4,7%	14,0%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Revenues	€ 1.135.520	€ 876.512	€ 1.377.261
EBIT Margin	12,6%	-7,2%	10,9%

Year	2021	2020	2019
Operating Profit (EBIT)+ D&A	€ 306.652	€ 159.002	€ 335.530
Revenues	€ 1.135.520	€ 876.512	€ 1.377.261
EBITDA Margin	27,0%	18,1%	24,4%

Year	2021	2020	2019
Total Assets	€ 1.849.055	€ 1.713.957	€ 1.843.878
Revenues	€ 1.135.520	€ 876.512	€ 1.377.261
Asset Turnover Ratio	61,4%	51,1%	74,7%

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Operating Cash Flow (CFFO)	€ 376.131	€ 88.331	€ 249.987
Quality of Operating Earning	262,1%	-140,7%	167,0%

ANNEXES

FINANCIAL INDICATORS: STAKEHOLDERS' PERSPECTIVE

PRADA



Salvatore Ferragamo

Year	2021	2020	2019
Liabilities	€ 3.830.368	€ 3.676.207	€ 4.049.864
Shareholder's Equity	€ 3.128.643	€ 2.851.720	€ 2.988.575
Debt to Equity Ratio	1,22	1,29	1,36

Year	2021	2020	2019
Liabilities	€ 4.435.000	€ 3.659.400	€ 3.305.200
Shareholder's Equity	€ 9.412.000	€ 7.391.000	€ 6.575.900
Debt to Equity Ratio	0,47	0,5	0,5

Year	2021	2020	2019
Liabilities	€ 1.063.176	€ 1.004.261	€ 1.058.613
Shareholder's Equity	€ 785.879	€ 709.696	€ 785.265
Debt to Equity Ratio	1,35	1,42	1,35

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
Interest Expenses	€ 46.012	€ 52.909	€ 59.197
Interest Coverage Ratio	10,64	0,38	5,18

Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
Interest Expenses	€ 32.000	€ 29.000	€ 26.000
Interest Coverage Ratio	110,31	71,48	89,96

Year	2021	2020	2019
Operating Profit (EBIT)	€ 143.480	-€ 62.765	€ 149.698
Interest Expenses	€ 15.354	€ 17.563	€ 19.468
Interest Coverage Ratio	9,34	-3,57	7,69

Year	2021	2020	2019
Interest Expenses	€ 46.012	€ 52.909	€ 59.197
Short term debts with explicit interest rate	€ 418.215	€ 403.593	€ 409.537
Long term debts with explicit interest rate	€ 1.627.197	€ 1.729.819	€ 2.005.761
Cost of Debt	2,25%	2,48%	2,45%

Year	2021	2020	2019
Interest Expenses	€ 32.000	€ 29.000	€ 26.000
Debt with explicit interest rate	€ 1.924.000	€ 1.715.300	€ 1.188.800
Cost of Debt	1,66%	1,51%	2,19%

Year	2021	2020	2019
Interest Expenses	€ 15.354	€ 17.563	€ 19.468
Short term debts with explicit interest rate	€ 186.129	€ 163.910	€ 167.599
Long term debts with explicit interest rate	€ 550.746	€ 593.702	€ 559.267
Cost of Debt	2,08%	2,32%	2,68%

Year	2021	2020	2019
Taxes	-€ 126.552	-€ 2.556	€ 22.964
Earnings before taxes	€ 421.655	-€ 51.812	€ 234.760
Effective Tax Rate	30,01%	4,93%	9,78%

Year	2021	2020	2019
Taxes	€ 1.015.000	€ 613.000	€ 751.000
Earnings before tax	€ 3.434.000	€ 1.987.000	€ 2.270.300
Effective tax rate	29,56%	30,85%	33,08%

Year	2021	2020	2019
Taxes	-€ 36.289	€ 8.129	-€ 29.769
Earnings before taxes	€ 122.618	-€ 80.907	€ 117.134
Effective Tax Rate	29,60%	10,05%	25,41%

ANNEXES

LIQUIDITY INDICATORS: ACCRUAL BASIS

PRADA

Year	2021	2020	2019
Current Assets	€ 2.169.835	€ 1.654.908	€ 1.697.578
Current Liabilities	€ 1.419.731	€ 1.227.263	€ 1.231.808
Current Ratio	1,53	1,35	1,38

Year	2021	2020	2019
Cash+STI+Receiv	€ 1.508.306	€ 1.008.120	€ 985.651
Current Liabilities	€ 1.419.731	€ 1.227.263	€ 1.231.808
Quick Ratio	1,06	0,82	0,80

Year	2021	2020	2019
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
Inventories	€ 662.654	€ 666.222	€ 712.611
Inventory	5,08	3,64	4,53

Year	2021	2020	2019
Receivables	€ 353.538	€ 360.849	€ 339.791
Revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594
DSO	38,34	54,36	38,45

Year	2021	2020	2019
Payables	1035483	813122	1021337
Cost of goods	-818309	-679361	-905982
DPO	461,87	436,87	411,47



Year	2021	2020	2019
Current Assets	€ 8.845.000	€ 6.650.000	€ 6.090.500
Current Liabilities	€ 2.575.000	€ 1.838.500	€ 2.023.500
Current Ratio	3,43	3,62	3,01

Year	2021	2020	2019
Cash+STI+Receiv	€ 7.397.000	€ 5.360.000	€ 4.957.900
Current Liabilities	€ 2.575.000	€ 1.838.500	€ 2.023.500
Quick Ratio	2,87	2,92	2,45

Year	2021	2020	2019
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
Inventories	€ 1.449.000	€ 1.289.000	€ 1.132.600
Inventory	6,20	4,96	6,08

Year	2021	2020	2019
Receivables	€ 391.000	€ 313.000	€ 338.600
Revenues	€ 8.982.000	€ 6.389.000	€ 6.883.400
DSO	15,89	17,88	17,95

Year	2021	2020	2019
Payables	€ 535.000	€ 448.200	€ 480.400
Cost of goods	-€ 2.580.000	-€ 2.013.000	-€ 2.124.900
DPO	75,69	81,27	82,52



Year	2021	2020	2019
Current Assets	€ 964.970	€ 840.454	€ 817.726
Current Liabilities	€ 463.892	€ 364.784	€ 456.061
Current Ratio	2,08	2,30	1,79

Year	2021	2020	2019
Cash+STI+Receiv	€ 652.574	€ 458.329	€ 389.742
Current Liabilities	€ 463.892	€ 364.784	€ 456.061
Quick Ratio	1,41	1,26	0,85

Year	2021	2020	2019
Revenues	€ 1.133.159	€ 874.259	€ 1.372.449
Inventories	€ 274.566	€ 341.636	€ 389.531
Inventory	4,13	2,56	3,52

Year	2021	2020	2019
Receivables	€ 140.182	€ 129.883	€ 167.309
Revenues	€ 1.133.159	€ 874.259	€ 1.372.449
DSO	45,15	54,23	44,50

Year	2021	2020	2019
Payables	€ 209.524	€ 162.373	€ 225.425
Cost of goods sold	-€ 354.576	-€ 325.198	-€ 483.767
DPO	215,68	182,25	170,08

ANNEXES

ABSOLUTE INDICATORS: CASH BASIS

PRADA

Year	2021	2020	2019
CFFO	€ 1.143.528	€ 592.419	€ 809.895
Financial Debt	€ 2.787.316	€ 2.885.189	€ 3.240.903
Cash Flow to debt %	41,0%	20,5%	25,0%

Year	2021	2020	2019
CFFO	€ 1.143.528	€ 592.419	€ 809.895
Current Financial Debt	€ 667.318	€ 704.170	€ 651.001
Short Term Debt %	1,71	0,84	1,24

Year	2021	2020	2019
CFFO	€ 1.143.528	€ 592.419	€ 809.895
Capex	-€ 219.628	-€ 109.557	-€ 310.957
Capex Coverage	520,7%	540,7%	260,5%



Year	2021	2020	2019
CFFO	€ 3.405.000	€ 1.642.000	€ 2.087.300
Financial Debt	€ 1.802.000	€ 1.686.000	€ 1.141.700
Cash Flow to debt %	189,0%	97,4%	182,8%

Year	2021	2020	2019
CFFO	€ 3.405.000	€ 1.642.000	€ 2.087.300
Current Financial Debt	€ 249.000	€ 220.100	€ 216.100
Short Term Debt %	13,67	7,46	9,66

Year	2021	2020	2019
CFFO	€ 3.405.000	€ 1.642.000	€ 2.087.300
Capex	-€ 730.000	-€ 556.000	-€ 567.400
Capex Coverage	466,4%	295,3%	367,9%



Year	2021	2020	2019
CFFO	€ 376.131	€ 88.331	€ 249.987
Financial Debt	€ 736.875	€ 757.612	€ 726.866
Cash Flow to debt %	51,0%	11,7%	34,4%

Year	2021	2020	2019
CFFO	€ 376.131	€ 88.331	€ 249.987
Current Financial Debt	€ 185.616	€ 160.207	€ 165.122
Short Term Debt %	2,03	0,55	1,51

Year	2021	2020	2019
CFFO	€ 376.131	€ 88.331	€ 249.987
Capex	-€ 44.489	-€ 29.810	-€ 63.540
Capex Coverage	845,4%	296,3%	393,4%

ANNEXES

LIQUIDITY INDICATORS: CASH

PRADA

Year	2021	2020	2019
Operating Profit (EBIT)	€ 489.484	€ 20.061	€ 306.779
WACC*Investments	€ 269.051	€ 189.435	€ 226.963
Residual Income	220433,14	-169374,02	79816,33

Year	2021	2020	2019
NOPAT	€ 342.574	€ 19.071	€ 276.770
WACC*Net Investments	€ 269.051	€ 189.435	€ 226.963
Economic Value Added	73523,14	-170364,02	49807,33

Year	2021	2020	2019
CFFO	€ 1.143.528	€ 592.419	€ 809.895
WACC*(Total Assets - Current Liabilities)	€ 1.112.115	€ 692.755	€ 865.665
Cash EVA	31413	-100336	-55770



Year	2021	2020	2019
Operating Profit (EBIT)	€ 3.530.000	€ 2.073.000	€ 2.338.900
WACC*Investments	€ 984.106	€ 773.963	€ 676.090
Residual Income	2545894,10	1299036,90	1662810,00

Year	2021	2020	2019
NOPAT	€ 2.486.625	€ 1.433.469	€ 1.565.208
WACC*Net Investments	€ 984.106	€ 773.963	€ 676.090
Cash EVA	1502519,10	659505,90	889118,00

Year	2021	2020	2019
CFFO	€ 3.060.000	€ 1.993.000	€ 2.063.300
WACC*(Total Assets - Current Liabilities)	€ 934.449	€ 746.213	€ 644.315
Capex Coverage	2125551	1246788	1418985

Salvatore Ferragamo

Year	2021	2020	2019
Operating Profit (EBIT)	€ 376.131	€ 88.331	€ 249.987
WACC*Investments	€ 736.875	€ 757.612	€ 726.866
Residual Income	51,0%	11,7%	34,4%

Year	2021	2020	2019
NOPAT	€ 376.131	€ 88.331	€ 249.987
WACC*Net Investments	€ 185.616	€ 160.207	€ 165.122
Short Term Debt %	202,6%	55,1%	151,4%

Year	2021	2020	2019
CFFO	€ 376.131	€ 88.331	€ 249.987
WACC*(Total Assets - Current Liabilities)	-€ 44.489	-€ 29.810	-€ 63.540
Capex Coverage	845,4%	296,3%	393,4%

ANNEXES

PROFITABILITY INDICATORS: CASH

PRADA



Year	2021	2020	2019
CFFO	€ 1.143.528	€ 592.419	€ 809.895
Market value of invested capital	€ 5.174.055	€ 4.985.132	€ 5.403.873
Cash Flow ROI	22,1%	11,9%	15,0%

Year	2021	2020	2019
CFFO	€ 3.405.000	€ 1.642.000	€ 2.087.300
Market value of invested capital	€ 11.871.000	€ 9.555.100	€ 8.245.000
Cash Flow ROI	28,7%	17,2%	25,3%

Year	2021	2020	2019
CFFO/Invested Capital	-8,33	-3,95	-2,68
WACC	0,10	0,09	0,08
EM	-842,7%	-404,2%	-276,3%

Year	2021	2020	2019
CFFO/Invested Capital	0,26	0,21	0,25
WACC	0,08	0,08	0,08
EM	17,5%	12,8%	16,8%

Salvatore Ferragamo

Year	2021	2020	2019
CFFO	€ 376.131	€ 88.331	€ 249.987
Market value of invested capital	€ 1.732.278	€ 1.629.681	€ 1.737.556
Cash Flow ROI	21,7%	5,4%	14,4%

Year	2021	2020	2019
CFFO/Invested Capital	0,22	0,05	0,14
WACC	0,08	0,08	0,07
EM	13,6%	-2,8%	7,6%

ANNEXES

COMMON SIZE ANALYSIS

BALANCE SHEET

PRADA

Consolidated Balance Sheet In thousands of euros	Vertical common size analysis						Horizontal common size analysis					
	2021		2020		2019		2019		Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021	
	Total	Partial	Total	Partial	Total	Partial	Total	Partial				
Current assets												
Cash and cash equivalents	€ 981.786	€ 442.392	€ 421.069	14,11%	45,25%	6,78%	26,73%	5,98%	24,80%	5,06%	121,93%	133,17%
Trade receivables, net	€ 329.547	€ 290.380	€ 317.554	4,74%	15,19%	4,45%	17,55%	4,51%	18,71%	-8,56%	13,49%	3,78%
Inventories, net	€ 662.654	€ 666.222	€ 712.611	9,52%	30,54%	10,21%	40,26%	10,12%	41,98%	-6,51%	-0,54%	-7,01%
Derivative financial instruments – current	€ 1.762	€ 10.691	€ 3.315	0,03%	0,08%	0,16%	0,65%	0,05%	0,20%	222,50%	-83,52%	-46,85%
Receivables from, and advance payments to, related parties - current	€ 22.866	€ 51.035	€ 21.553	0,33%	1,05%	0,78%	3,08%	0,31%	1,27%	136,79%	-55,20%	6,09%
Other current assets	€ 171.220	€ 194.188	€ 221.476	2,46%	7,89%	2,97%	11,73%	3,15%	13,05%	-12,32%	-11,83%	-22,69%
Total current assets	€ 2.169.835	€ 1.654.908	€ 1.697.578	31,18%	100,00%	25,35%	100,00%	24,12%	100,00%	-2,51%	31,12%	27,82%
Non-current assets												
Property, plant and equipment	€ 1.564.853	€ 1.506.011	€ 1.642.480	22,49%	32,67%	23,07%	30,91%	23,34%	30,75%	-8,31%	3,91%	-4,73%
Intangible assets	€ 829.405	€ 832.445	€ 843.830	11,92%	17,32%	12,75%	17,08%	11,99%	15,80%	-1,35%	-0,37%	-1,71%
Right of Use assets	€ 1.956.289	€ 2.054.338	€ 2.362.841	28,11%	40,85%	31,47%	42,16%	33,57%	44,24%	-13,06%	-4,77%	-17,21%
Investments in equity instruments	€ 5.696	€ 66.191	€ 81.448	0,08%	0,12%	1,01%	1,36%	1,16%	1,52%	-18,73%	-91,39%	-93,01%
Deferred tax assets	€ 287.462	€ 251.888	€ 244.206	4,13%	6,00%	3,86%	5,17%	3,47%	4,57%	3,15%	14,12%	17,71%
Other non-current assets	€ 144.346	€ 142.712	€ 165.372	2,07%	3,01%	2,19%	2,93%	2,35%	3,10%	-13,70%	1,14%	-12,71%
Receivables from, and advance payments to, related parties - non-current	€ 1.125	€ 19.434	€ 684	0,02%	0,02%	0,30%	0,40%	0,01%	0,01%	2741,23%	-94,21%	64,47%
Total non-current assets	€ 4.789.176	€ 4.873.019	€ 5.340.861	68,82%	100,00%	74,65%	100,00%	75,88%	100,00%	-8,76%	-1,72%	-10,33%
Total Assets	€ 6.959.011	€ 6.527.927	€ 7.038.439	100,00%		100,00%		100,00%		-7,25%	6,60%	-1,13%
Liabilities and Shareholders' Equity												
Current liabilities												
Short-term lease liability	€ 418.215	€ 403.593	€ 409.537	6,01%	29,46%	6,18%	32,89%	5,82%	33,25%	-1,45%	3,62%	2,12%
Short-term financial payables and bank overdraft	€ 249.103	€ 300.577	€ 241.464	3,58%	17,55%	4,60%	24,49%	3,43%	19,60%	24,48%	-17,13%	3,16%
Payables to related parties – current	€ 8.360	€ 3.481	€ 26.057	0,12%	0,59%	0,05%	0,28%	0,37%	2,12%	-86,64%	140,16%	-67,92%
Trade payables	€ 390.163	€ 289.578	€ 327.330	5,61%	27,48%	4,44%	23,60%	4,65%	26,57%	-11,53%	34,74%	19,20%
Tax payables	€ 144.159	€ 68.863	€ 83.809	2,07%	10,15%	1,05%	5,61%	1,19%	6,80%	-17,83%	109,34%	72,01%
Derivative financial instruments - current	€ 29.683	€ 7.789	€ 11.317	0,43%	2,09%	0,12%	0,63%	0,16%	0,92%	-31,17%	281,09%	162,29%
Other current liabilities	€ 180.048	€ 153.382	€ 132.294	2,59%	12,68%	2,35%	12,50%	1,88%	10,74%	15,94%	17,39%	36,10%
Total Current Liabilities	€ 1.419.731	€ 1.227.263	€ 1.231.808	20,40%	100,00%	20,40%	100,00%	17,50%	100,00%	-0,37%	15,68%	15,26%
Non-current liabilities												
Long-term lease liability	€ 1.627.197	€ 1.729.819	€ 2.005.761	23,38%	67,50%	26,50%	70,64%	28,50%	71,18%	-13,76%	-5,93%	-18,87%
Long-term financial payables	€ 492.801	€ 451.200	€ 584.141	7,08%	20,44%	6,91%	18,42%	8,30%	20,73%	-22,76%	9,22%	-15,64%
Long-term employee benefits	€ 73.819	€ 73.256	€ 63.519	1,06%	3,06%	1,12%	2,99%	0,90%	2,25%	15,33%	0,77%	16,22%
Provision for risks and charges	€ 59.201	€ 45.416	€ 49.484	0,85%	2,46%	0,70%	1,85%	0,70%	1,76%	-8,22%	30,35%	19,64%
Deferred tax liabilities	€ 29.806	€ 29.250	€ 29.337	0,43%	1,24%	0,45%	1,19%	0,42%	1,04%	-0,30%	1,90%	1,60%
Other non-current liabilities	€ 123.027	€ 110.754	€ 56.365	1,77%	5,10%	1,70%	4,52%	0,80%	2,00%	96,49%	11,08%	118,27%
Derivative financial instruments non-current	€ 4.786	€ 9.249	€ 8.789	0,07%	0,20%	0,14%	0,38%	0,12%	0,31%	5,23%	-48,25%	-45,55%
Payables to related parties – non-current			€ 20.660	0,00%	0,00%	0,00%	0,00%	0,00%	0,73%	-100,00%	0,00%	-100,00%
Total non-current liabilities	€ 2.410.637	€ 2.448.944	€ 2.818.056	34,64%	100,00%	37,51%	100,00%	40,04%	100,00%	-13,10%	-1,56%	-14,46%
Total Liabilities	€ 3.830.368	€ 3.676.207	€ 4.049.864	55,04%		56,32%		57,54%		-9,23%	4,19%	-5,42%
Share capital	€ 255.882	€ 255.882	€ 255.882	3,68%	8,18%	3,92%	8,97%	3,64%	8,56%	0,00%	0,00%	0,00%
Total other reserves	€ 2.496.324	€ 2.633.673	€ 2.394.051	35,87%	79,79%	40,34%	92,35%	34,01%	80,11%	10,01%	-5,22%	4,27%
Translation reserve	€ 67.434	€ 3.359	€ 61.437	0,97%	2,16%	-0,05%	-0,12%	0,87%	2,06%	-105,47%	-2107,56%	9,76%
Net income / (loss) for the period	€ 294.254	€ 54.139	€ 255.788	4,23%	9,41%	-0,83%	-1,90%	3,63%	8,56%	-121,17%	-643,52%	15,04%
Net Equity attributable to owners of the Group	€ 3.113.894	€ 2.832.057	€ 2.967.158	44,75%	99,53%	43,38%	99,31%	42,16%	99,28%	-4,55%	9,95%	4,95%
Net Equity attributable to Non-controlling interests	€ 14.749	€ 19.663	€ 21.417	0,21%	0,47%	0,30%	0,69%	0,30%	0,72%	-8,19%	-24,99%	-31,13%
Total Net Equity	€ 3.128.643	€ 2.851.720	€ 2.988.575	44,96%	100,00%	43,68%	100,00%	42,46%	100,00%	-4,58%	9,71%	4,69%
Total Liabilities and Total Net Equity	€ 6.959.011	€ 6.527.927	€ 7.038.439	100,00%		100,00%		100,00%		-7,25%	6,60%	-1,13%

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COMMON SIZE ANALYSIS

INCOME STATEMENT

PRADA

Consolidated Income Statement In thousands of euros	Trend			Vertical Analysis			Horizontal Analysis		
	2021	2020	2019	2021	2021	2020	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
Net revenues	€ 3.365.667	€ 2.422.739	€ 3.225.594	100,00%	100,00%	100,00%	-24,89%	38,92%	4,34%
Cost of goods sold	-€ 818.309	-€ 679.361	-€ 905.982	-24,31%	-28,00%	-28,00%	-25,01%	20,45%	-9,68%
Gross margin	€ 2.547.358	€ 1.743.378	€ 2.319.612	75,69%	72,00%	72,00%	-24,84%	46,12%	9,82%
Operating expenses	-€ 2.057.874	-€ 1.723.317	-€ 2.012.833	-61,14%	-71,00%	-62,00%	-14,38%	19,41%	2,24%
Operating income / (loss) - EBIT	€ 489.484	€ 20.061	€ 306.779	15,00%	1,00%	10,00%	-93,00%	2340,00%	60,00%
Interest and other financial income/(expenses), net	-€ 31.216	-€ 29.480	-€ 25.174	-0,93%	-1,00%	-1,00%	17,10%	5,89%	24,00%
Interest expenses on Lease Liability	-€ 36.773	-€ 42.670	-€ 48.980	-1,09%	-2,00%	-2,00%	-12,88%	-13,82%	-24,92%
Dividends from investments	€ 160	€ 277	€ 2.135	0,00%	0,00%	0,00%	-87,03%	-42,24%	-92,51%
Total financial income/(expenses)	-€ 67.829	-€ 71.873	-€ 72.019	-2,02%	-3,00%	-2,00%	-0,20%	-5,63%	-5,82%
Income / (loss) before taxation	€ 421.655	€ 51.812	€ 234.760	12,53%	-2,00%	7,00%	-122,07%	-913,82%	79,61%
Taxation	-€ 126.552	-€ 2.556	€ 22.964	-3,76%	0,00%	1,00%	-111,13%	4851,17%	-651,09%
Net income / (loss) for the period	€ 295.103	-€ 54.368	€ 257.724	8,77%	-2,00%	8,00%	-121,10%	-642,79%	14,50%
Net income / (loss) - Non-controlling interests	€ 849	-€ 229	€ 1.936	0,03%	0,00%	0,00%	-111,83%	-470,74%	-56,15%
Net income / (loss) - Group	€ 294.254	-€ 54.139	€ 255.788	9,00%	-2,00%	8,00%	-121,00%	-644,00%	15,00%
Basic and diluted earnings / (losses) per share (in Euro per share)	€ 115	-€ 21	€ 100	0,00%	0,00%	0,00%	-121,00%	-647,62%	15,00%

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COMMON SIZE ANALYSIS
CASH FLOW STATEMENT

PRADA

Consolidated Statement of Cash Flows In thousands of euros	Trend			Horizontal Analysis		
	2021	2020	2019	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
Income / (loss) before taxation	€ 421.655	-€ 51.812	€ 234.760	-122,07%	913,82%	79,61%
Profit or loss adjustments						
Depreciation and write-downs of the Right of Use assets	€ 426.221	€ 443.910	€ 456.310	-2,72%	-3,98%	-6,59%
Depreciation and amortization of property, plant and equipment and intangible assets	€ 197.997	€ 203.720	€ 222.309	-8,36%	-2,81%	-10,94%
Impairment of property, plant and equipment and intangible assets	€ 6.513	€ 21.294	€ 11.450	85,97%	-69,41%	-43,12%
Non-monetary financial (income) expenses	€ 25.267	€ 36.700	€ 24.108	52,23%	-31,15%	4,81%
Gain on disposal of fixed assets		-€ 36.942				
Interest expenses on Lease Liability	€ 36.773	€ 42.670	€ 48.980	-12,88%	-13,82%	-24,92%
Other non-monetary (income) expenses	€ 33.848	-€ 74.598	€ 6.089	-1325,13%	145,37%	455,89%
Balance Sheet changes						
Other non-current assets and liabilities	€ 5.491	€ 59.210	-€ 14.189	-517,30%	-90,73%	138,70%
Trade receivables, net	-€ 29.790	€ 16.186	€ 1.077	1402,88%	-284,05%	-2866,02%
Inventories, net	€ 11.502	€ 9.134	-€ 60.719	-115,04%	25,93%	118,94%
Trade payables	€ 90.297	-€ 34.894	€ 15.735	121,76%	358,78%	673,86%
Other current assets and liabilities	€ 244	€ 56.435	-€ 18.867	-399,12%	-99,57%	101,29%
Cash flows from operating activities	€ 1.226.018	€ 691.013	€ 895.573	-22,84%	77,42%	36,90%
Interest paid (net), including interest paid of Lease Liability	-€ 45.329	-€ 54.374	-€ 59.552	-8,69%	16,63%	23,88%
Taxes paid	-€ 37.161	-€ 44.220	-€ 26.126	69,26%	15,96%	-42,24%
Net cash flows from operating activities	€ 1.143.528	€ 592.419	€ 809.895	-26,85%	93,03%	41,19%
Purchases of property, plant and equipment and intangible assets	-€ 219.628	-€ 109.557	-€ 310.957	-64,77%	-100,47%	29,37%
Disposals of property, plant and equipment and intangible assets	€ 364	€ 2.320	€ 1.779	30,41%	-84,31%	-79,54%
Disposals of investments			€ 28.074			
Real estate sale to related party	€ 20.000					
Dividends from investments	€ 103	€ 277	€ 2.135	-87,03%	-62,82%	-95,18%
Acquisition of additional shares from Non-Controlling Interests			-€ 400			
Disposals of equity instruments	€ 76.464					
Financial investments			-€ 4.993			
Acquisition of additional shares from Non-Controlling Interests	-€ 7.827					
Business combination	-€ 6.741	-€ 42.950	-€ 17.899	139,96%	84,31%	-62,34%
Net cash flow utilized by investing activities	-€ 137.265	-€ 149.910	-€ 302.261	-50,40%	8,44%	-54,59%
Dividends paid to shareholders of PRADA spa	-€ 89.559		-€ 153.529			-41,67%
Dividends paid to Non-Controlling shareholders	-€ 1.674		-€ 1.113			50,40%
Repayment of Lease Liability	-€ 392.805	-€ 330.319	-€ 447.530	-26,19%	-18,92%	-12,23%
Repayment of current portion of long-term borrowings - third parties	-€ 217.277	-€ 205.593	-€ 268.940	-23,55%	-5,68%	-19,21%
Arrangement of long-term borrowings – third parties	€ 240.000	€ 175.000	€ 200.000	-12,50%	37,14%	20,00%
Change in short-term borrowings – third parties	-€ 33.412	-€ 35.608	-€ 19.004	87,37%	6,17%	75,82%
Repayment of loans from related parties		€ 2.000				
Loans to related parties		-€ 750	-€ 2.375	-68,42%		
Net cash flows generated/(utilized) by financing activities	-€ 494.727	-€ 395.270	-€ 692.491	-42,92%	-25,16%	-28,56%
Change in cash and cash equivalents, net of bank overdrafts	€ 511.536	€ 47.239	-€ 184.857	-125,55%	982,87%	-376,72%
Foreign exchange differences	€ 27.858	-€ 25.916	€ 6.105	-524,50%	207,49%	356,31%
Opening cash and cash equivalents, net of bank overdraft	€ 442.392	€ 421.069	€ 599.821	-29,80%	5,06%	-26,25%
Closing cash and cash equivalents, net of bank overdraft	€ 981.786	€ 442.392	€ 421.069	5,06%	121,93%	133,17%

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COMMON SIZE ANALYSIS

BALANCE SHEET



Consolidated Balance Sheet In thousands of Euros	Trend			Vertical common size analysis						Horizontal common size analysis		
				Total		Partial		Total		Partial		Δ 2019 - 2020
	2021	2020	2019	2021		2020		2019				
Goodwill	€ 42.000	€ 42.400	€ 16.200	0,30%	0,84%	0,38%	0,96%	0,16%	0,43%	161,73%	-0,94%	159,26%
Intangible assets with a finite useful life	€ 258.000	€ 221.300	€ 184.100	1,86%	5,16%	2,00%	5,03%	1,86%	4,86%	20,21%	16,58%	40,14%
Right-of-use assets	€ 1.517.000	€ 1.446.100	€ 954.300	10,96%	30,33%	13,09%	32,86%	9,66%	25,18%	51,54%	4,90%	58,96%
Property, plant and equipment	€ 1.881.000	€ 1.646.100	€ 1.541.800	13,58%	37,60%	14,90%	37,41%	15,60%	40,68%	6,76%	14,27%	22,00%
Investment property	€ 9.000	€ 73.300	€ 78.000	0,06%	0,18%	0,66%	1,67%	0,79%	2,06%	-6,03%	-87,72%	-88,46%
Financial assets	€ 617.000	€ 367.700	€ 357.400	4,46%	12,34%	3,33%	8,36%	3,62%	9,43%	2,88%	67,80%	72,64%
Investments in associates	€ 51.000	€ 48.800	€ 79.300	0,0037	0,0102	0,0044	0,0111	0,008	0,0209	-0,3846	0,0451	-0,3569
Loans and deposits	€ 59.000	€ 55.900	€ 58.100	0,43%	1,18%	0,51%	1,27%	0,59%	1,53%	-3,79%	5,55%	1,55%
Deferred tax assets	€ 546.000	€ 475.200	€ 510.800	3,94%	10,92%	4,30%	10,80%	5,17%	13,48%	-6,97%	14,90%	6,89%
Other non current assets	€ 22.000	€ 23.900	€ 10.500	0,16%	0,44%	0,22%	0,54%	0,11%	0,28%	127,62%	-7,95%	109,52%
TOTAL NON CURRENT ASSETS	€ 5.002.000	€ 4.400.700	€ 3.790.500	36,12%	100,00%	39,82%	100,00%	38,36%	100,00%	16,10%	13,66%	31,96%
Inventories and work in progress	€ 1.449.000	€ 1.289.000	€ 1.132.600	10,46%	16,38%	11,66%	19,39%	11,46%	18,60%	13,81%	12,41%	27,94%
Trade and other receivables	€ 333.000	€ 250.000	€ 317.900	2,40%	3,76%	2,26%	3,76%	3,22%	5,22%	-21,36%	33,20%	4,75%
Current tax receivables	€ 58.000	€ 63.000	€ 20.700	0,42%	0,66%	0,57%	0,95%	0,21%	0,34%	204,35%	-7,94%	180,19%
Other current assets	€ 257.000	€ 193.000	€ 198.600	0,0186	2,91%	0,0175	2,90%	0,0201	0,0326	-2,82%	0,3316	29,41%
Financial derivatives	€ 53.000	€ 121.000	€ 36.500	0,0038	0,006	0,0109	0,0182	0,0037	0,006	23,151	-0,562	0,4521
Cash and cash equivalents	€ 6.696.000	€ 4.733.000	€ 4.384.200	0,4836	0,757	0,4283	0,7118	0,4437	0,7198	0,0796	0,4147	0,5273
TOTAL CURRENT ASSETS	€ 8.845.000	€ 6.649.000	€ 6.090.500	63,88%	100,00%	60,17%	100,00%	61,64%	100,00%	9,17%	33,03%	45,23%
TOTAL ASSETS	€ 13.847.000	€ 11.051.000	€ 9.881.100	100,00%		100,00%		100,00%		11,84%	25,30%	40,14%
Share capital	€ 54	€ 54	€ 54	0,57%	0,39%	0,73%	0,49%	0,82%	0,54%	0,00%	0,37%	0,37%
Share premium	€ 50	€ 50	€ 50	0,53%	0,36%	0,67%	0,45%	0,75%	0,50%	0,00%	0,81%	0,81%
Treasury Shares	-€ 551	-€ 464	-€ 509	-5,85%	-3,98%	-6,27%	-4,20%	-7,74%	-5,15%	8,86%	-18,83%	8,29%
Reserves	€ 7.142	€ 6.212	€ 5.256	75,88%	51,58%	84,05%	56,21%	79,92%	53,19%	18,19%	14,97%	35,89%
Revaluation adjustments	€ 83	€ 106	€ 51	0,88%	0,60%	1,43%	0,95%	0,77%	0,52%	107,27%	-21,33%	63,06%
Net income attributable to owners of the parent	€ 2.445	€ 1.385	€ 1.528	0,2598	0,1766	0,1874	0,1254	0,2324	0,1547	-0,0934	0,7648	0,5999
Equity attributable to owners of the parent	€ 9.400	€ 7.380	€ 6.568	99,87%	67,88%	99,85%	66,79%	99,88%	66,47%	12,36%	27,37%	43,12%
Non controlling interests	€ 12	€ 11	€ 8	0,13%	0,09%	0,15%	0,10%	0,12%	0,08%	39,74%	10,09%	53,85%
EQUITY	€ 9.412	€ 7.391	€ 6.576	100,00%	67,97%	100,00%	66,88%	100,00%	66,55%	12,40%	27,34%	43,13%
Borrowings and financial liabilities due in less than one year	€ 24	€ 18	€ 30	1,29%	0,17%	1,01%	0,17%	2,31%	0,30%	-37,84%	30,43%	-18,92%
Lease liabilities due in less than one year	€ 1.529	€ 1.448	€ 896	82,20%	11,04%	79,49%	13,10%	69,91%	9,07%	61,55%	5,63%	70,65%
Non-current provisions	€ 26	€ 22	€ 29	1,40%	0,19%	1,19%	0,20%	2,26%	0,29%	-25,17%	19,82%	-10,34%
Post-employment and other employee benefit obligations due in more than one year	€ 220	€ 275	€ 270	11,83%	1,59%	15,11%	2,49%	21,07%	2,73%	1,93%	-20,06%	-18,52%
Deferred tax liabilities	€ 15	€ 22	€ 25	0,0081	0,11%	0,012	0,20%	0,0192	0,0025	-10,98%	-0,3151	-39,02%
Other non-current liabilities	€ 45	€ 36	€ 33	0,0242	0,0032	0,0199	0,0033	0,0254	0,0033	0,1138	0,2431	0,3846
TOTAL NON CURRENT LIABILITIES	€ 1.860	€ 1.821	€ 1.282	100,00%	13,43%	100,00%	16,48%	100,00%	12,97%	42,07%	2,15%	45,12%
Borrowings and financial liabilities due in less than one year	€ 1	€ 25	€ 21	0,04%	0,01%	1,33%	0,22%	1,01%	0,21%	19,51%	-95,92%	-95,12%
Lease liabilities due in less than one year	€ 248	€ 196	€ 196	9,63%	1,79%	10,64%	1,77%	9,67%	1,98%	0,00%	26,79%	26,79%
Current provisions	€ 115	€ 100	€ 101	4,47%	0,83%	5,43%	0,90%	5,01%	1,03%	-1,48%	15,12%	13,41%
Post-employment and other employee benefit obligations due in less than one year	€ 40	€ 28	€ 18	1,55%	0,29%	1,54%	0,26%	0,90%	0,18%	55,49%	41,34%	119,78%
Trade and other payables	€ 535	€ 448	€ 480	20,78%	3,86%	24,38%	4,06%	23,74%	4,86%	-6,70%	19,37%	11,37%
Financial derivatives	€ 122	€ 29	€ 47	4,74%	0,88%	1,59%	0,27%	2,33%	0,48%	-37,79%	316,38%	159,02%
Current tax liabilities	€ 347	€ 218	€ 360	13,48%	2,51%	11,85%	1,97%	17,80%	3,64%	-39,52%	59,32%	-3,64%
Other current liabilities	€ 1.168	€ 795	€ 800	45,36%	8,44%	43,24%	7,19%	39,55%	8,10%	-0,66%	46,94%	45,96%
TOTAL CURRENT LIABILITIES	€ 2.575	€ 1.839	€ 2.024	100,00%	18,60%	100,00%	16,64%	100,00%	20,48%	-9,14%	40,06%	27,25%
TOTAL LIABILITIES	€ 4.435	€ 3.659	€ 3.305		0,3203		0,3312		0,3345	0,1072	0,2119	0,3418
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	€ 13.847	€ 11.050	€ 9.881		100,00%		100,00%		100,00%	11,83%	25,31%	40,14%

ANNEXES

COMMON SIZE ANALYSIS

INCOME STATEMENT



Consolidated Income Statement In thousands of Euros	Trend			Vertical Analysis			Horizontal Analysis		
	2021	2020	2019	2021	2020	2019	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
Revenue	€ 8.982.000	€ 6.389.000	€ 6.883.400	100,00%	100,00%	100,00%	-7,18%	40,59%	30,49%
Cost of sales	-€ 2.580.000	-€ 2.013.000	-€ 2.124.900	-28,72%	-31,51%	-30,87%	-5,27%	28,17%	21,42%
Gross margin	€ 6.402.000	€ 4.376.000	€ 4.758.500	71,28%	68,49%	69,13%	-8,04%	46,30%	34,54%
Sales and administrative expenses	-€ 2.137.000	-€ 1.699.000	-€ 1.815.700	-23,79%	-26,59%	-26,38%	-6,43%	25,78%	17,70%
Other income and expenses	-€ 734.000	-€ 696.000	-€ 604.000	-8,17%	-10,89%	-8,77%	15,23%	5,46%	21,52%
Recurring operating income	€ 3.530.000	€ 1.981.000	€ 2.338.900	39,30%	31,01%	33,98%	-15,30%	78,19%	50,93%
Other non-recurring income and expenses	€ -	€ 91.000	€ -	0,00%	1,42%	0,00%			
Operating income	€ 3.530.000	€ 2.073.000	€ 2.338.900	39,30%	32,45%	33,98%	-11,37%	70,28%	50,93%
Net financial income	-€ 96.000	-€ 86.000	-€ 68.600	-1,07%	-1,35%	-1,00%	25,36%	11,63%	39,94%
Net income before tax	€ 3.434.000	€ 1.987.000	€ 2.270.300	38,23%	31,10%	32,98%	-12,48%	72,82%	51,26%
Income tax	-€ 1.015.000	-€ 613.000	-€ 751.000	-11,30%	-9,59%	-10,91%	-18,38%	65,58%	35,15%
Net income from associates	€ 34.000	€ 16.000	€ 15.900	0,38%	0,25%	0,23%	0,63%	112,50%	113,84%
Consolidated Net Income	€ 2.453.000	€ 1.390.000	€ 1.535.300	27,31%	21,76%	22,30%	-9,46%	76,47%	59,77%
Non-controlling interests	-€ 8.000	-€ 4.000	-€ 7.000	-0,09%	-0,06%	-0,10%	-42,86%	100,00%	14,29%
Net income attributable to owners of the parent	€ 2.445.000	€ 1.385.000	€ 1.528.200	27,22%	21,68%	22,20%	-9,37%	76,53%	59,99%
Basic earnings per share	€ 23.370	€ 13.270	€ 14.660	0,26%	0,21%	0,21%	-9,48%	76,11%	59,41%
Diluted earnings per share	€ 23.300	€ 13.210	€ 14.550	0,26%	0,21%	0,21%	-9,21%	76,38%	60,14%

ANNEXES

COMMON SIZE ANALYSIS

CASH FLOW STATEMENT



Consolidated Statement of Cash Flows In thousands of Euros	Trend			Horizontal Analysis		
	2021	2020	2019	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
CASH FLOWS RELATED TO OPERATING ACTIVITIES						
Net income attributable to owners of the parent	€ 2.445.000	€ 1.385.000	€ 1.528.200	-9,37%	76,53%	59,99%
Depreciation and amortisation of fixed assets	€ 312.000	€ 271.000	€ 236.200	14,73%	15,13%	32,09%
Depreciation of right-of-use assets	€ 251.000	€ 243.000	€ 211.500	14,89%	3,29%	18,68%
Impairment losses	€ 65.000	€ 54.000	€ 28.500	89,47%	20,37%	128,07%
Mark-to-Market financial instruments	-€ 1.000	€ 1.000	-€ 300	-433,33%	-200,00%	233,33%
Foreign exchange gains/(losses) on fair value adjustments	-€ 46.000	€ 30.000	-€ 19.000	-257,89%	-253,33%	142,11%
Change in provisions	€ 28.000	€ 26.000	€ 41.000	-36,59%	7,69%	-31,71%
Net income from associates	-€ 34.000	-€ 16.000	-€ 15.900	0,63%	112,50%	113,84%
Net income attributable to non-controlling interests	€ 8.000	€ 4.000	€ 7.000	-42,86%	100,00%	14,29%
Capital gains or losses on disposals and impact of changes in scope of consolidation	-€ 4.000	-€ 90.000	€ 1.200	-7600,00%	-95,56%	-433,33%
Degferred tax expense	-€ 15.000	€ 5.000	-€ 29.000	-117,24%	-400,00%	-48,28%
Accurred expenses and income related to share-based payments	€ 59.000	€ 79.000	€ 87.700	-9,92%	-25,32%	-32,73%
Dividend income	-€ 10.000		-€ 13.300			-24,81%
Other			-€ 300			-100,00%
Operating cash flows	€ 3.060.000	€ 1.993.000	€ 2.063.300	-3,41%	53,54%	48,31%
Change in working capital requirements	€ 346.000	-€ 350.000	€ 23.900	-1564,44%	-198,86%	1347,70%
Change in net cash position related to operating activities (A)	€ 3.405.000	€ 1.642.000	€ 2.087.300	-21,33%	107,37%	63,13%
CASH FLOWS RELATED TO INVESTING ACTIVITIES						
Operating investments	-€ 532.000	-€ 448.000	-€ 478.000	-6,28%	18,75%	11,30%
Acquisitions of consolidated shares		-€ 72.000	€ -			
Acquisitions of other financial assets	-€ 198.000	-€ 36.000	-€ 89.400	-59,73%	450,00%	121,48%
Disposal of operating assets	€ 3.000		€ 300			900,00%
Disposals of consolidated shares and impact of losses of control	€ -	€ 81.000	€ -			
Disposals of other financial assets	€ 6.000	€ 10.000	€ 35.000	-71,43%	-40,00%	-82,86%
Change in payables and receivables related to investing activities	€ 6.000	€ 11.000	€ 23.500	-53,19%	-45,45%	-74,47%
Dividends received	€ 47.000	€ 21.000	€ 37.500	-44,00%	123,81%	25,33%
Change in net cash position related to investing activities (B)	-€ 669.000	-€ 432.000	-€ 471.100	-8,30%	54,86%	42,01%
CASH FLOWS RELATED TO FINANCING ACTIVITIES						
Dividends paid	-€ 490.000	-€ 490.000	-€ 486.600	0,70%	0,00%	0,70%
Repayment of lease liabilities	-€ 212.000	-€ 199.000	-€ 202.800	-1,87%	6,53%	4,54%
Treasury share buybacks net of disposals	-€ 158.000	-€ 122.000	-€ 53.100	129,76%	29,51%	197,55%
Borrowing subscriptions	€ -	€ 8.000				
Repayment of borrowings	-€ 8.000	-€ 8.000	-€ 300	2566,67%	0,00%	2566,67%
Change in net cash position related to financing activities (C)	-€ 869.000	-€ 810.000	-€ 742.800	9,05%	7,28%	16,99%
Foreign currency translation adjustment (D)	€ 110.000	-€ 55.000	€ 33.100	-266,16%	-300,00%	232,33%
CHANGE IN NET CASH POSITION (A) + (B) + (C) + (D)	€ 1.978.000	€ 345.000	€ 906.500	-61,94%	473,33%	118,20%
Net cash position at the beginning of the period	€ 4.717.000	€ 4.372.000	€ 3.465.100	26,17%	7,89%	36,13%
Net cash position at the end of the period	€ 6.695.000	€ 4.717.000	€ 4.371.600	7,90%	41,93%	53,15%
CASH IN NET CASH POSITION	€ 1.978.000	€ 345.000	€ 906.500	-61,94%	473,33%	118,20%

ANNEXES

COMMON SIZE ANALYSIS

BALANCE SHEET

Salvatore Ferragamo

Consolidated Balance Sheet In thousands of Euros	Vertical common size analysis						Horizontal common size analysis					
	2021		2020		2019		2019		Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021	
	PARTIAL	TOTAL	PARTIAL	TOTAL	PARTIAL	TOTAL	PARTIAL	TOTAL				
Property, plant and equipment	€ 186.854	€ 183.121	€ 251.805	24,54%	13,66%	20,96%	10,68%	21,14%	10,11%	-27,28%	2,04%	-25,79%
Investment property	€ 30.223	€ 31.824	€ 39.091	3,81%	2,12%	3,64%	1,86%	3,42%	1,63%	-18,59%	-5,03%	-22,69%
Goodwill	€ 6.679	€ 6.679	€ 6.679	0,00%	0,00%	0,76%	0,39%	0,76%	0,36%		0,00%	
Right-of-use assets	€ 500.047	€ 475.240	€ 576.455	56,18%	31,26%	54,41%	27,73%	56,56%	27,04%	-17,56%	5,22%	-13,25%
Intangible assets with a finite useful life	€ 33.423	€ 38.891	€ 42.484	4,14%	2,30%	4,45%	2,27%	3,78%	1,81%	-8,46%	-14,06%	-21,33%
Other non current assets	€ 5.732	€ 2.518	€ 2.642	0,26%	0,14%	0,29%	0,15%	0,65%	0,31%	-4,69%	127,64%	116,96%
Other non current financial assets	€ 15.659	€ 15.574	€ 16.939	1,65%	0,92%	1,78%	0,91%	1,77%	0,85%	-8,06%	0,55%	-7,56%
Deferred tax assets	€ 105.468	€ 119.656	€ 96.736	9,43%	5,25%	13,70%	6,98%	11,93%	5,70%	23,69%	-11,86%	9,03%
TOTAL NON CURRENT ASSETS	€ 964.970	€ 840.454	€ 817.726	100,00%	55,65%	100,00%	50,96%	100,00%	47,81%	-14,88%	1,21%	-13,84%
Inventories	€ 274.566	€ 341.636	€ 389.531	47,64%	21,13%	40,65%	19,93%	28,45%	14,85%	-12,30%	-19,63%	-29,51%
Right of return assets	€ 5.224	€ 4.545	€ 5.473	0,67%	0,30%	0,54%	0,27%	0,54%	0,28%	-16,96%	14,94%	-4,55%
Trade receivables	€ 112.670	€ 113.909	€ 147.202	18,00%	7,98%	13,55%	6,65%	11,68%	6,09%	-22,62%	-1,09%	-23,46%
Tax receivables	€ 27.512	€ 15.974	€ 20.107	2,46%	1,09%	1,90%	0,93%	2,85%	1,49%	-20,56%	72,23%	36,83%
Other current assets	€ 32.606	€ 35.944	€ 32.980	4,03%	1,79%	4,28%	2,10%	3,38%	1,76%	8,99%	-9,29%	-1,13%
Other current financial assets	€ 596.000	€ 566.000	€ 101.000	0,01%	0,01%	0,07%	0,03%	0,06%	0,03%	460,40%	5,30%	490,10%
Cash and cash equivalents	€ 511.796	€ 327.880	€ 222.332	27,19%	12,06%	39,01%	19,13%	53,04%	27,68%	47,47%	56,09%	130,19%
TOTAL CURRENT ASSETS	€ 964.970	€ 840.454	€ 817.726	100,00%	44,35%	100,00%	49,04%	100,00%	52,19%	2,78%	14,82%	18,01%
TOTAL ASSETS	€ 1.849.055	€ 1.713.957	€ 1.843.878	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	-7,05%	7,88%	0,28%
Share capital	€ 16.879	€ 16.879	€ 16.879	2,15%	0,92%	2,38%	1,68%	2,15%	0,91%	0,00%	0,00%	0,00%
Reserves	€ 668.787	€ 743.100	€ 659.487	83,98%	35,77%	104,71%	73,99%	85,10%	36,17%	12,68%	-10,00%	1,41%
Net profit/(loss) for the period	€ 78.647	€ 66.397	€ 87.281	11,11%	4,73%	-9,36%	-6,61%	10,01%	4,25%	-176,07%	-218,45%	-9,89%
TOTAL GROUP SHAREHOLDERS' EQUITY	€ 764.313	€ 693.582	€ 763.647	97,25%	41,42%	97,73%	69,06%	97,26%	41,34%	-9,18%	10,20%	0,09%
Share capital and reserves – minority interests	€ 19.076	€ 21.413	€ 21.534	2,74%	1,17%	3,02%	2,13%	2,43%	1,03%	-0,56%	-10,91%	-11,41%
Net profit/(loss) – minority interests	€ 2.490	€ 5.299	€ 84.000	0,01%	0,00%	-0,75%	-0,53%	0,32%	0,13%	-6408,33%	-146,99%	2864,29%
TOTAL MINORITY INTERESTS	€ 21.566	€ 16.114	€ 21.618	2,75%	1,17%	2,27%	1,60%	2,74%	1,17%	-25,46%	33,83%	-0,24%
TOTAL SHAREHOLDERS' EQUITY	€ 785.879	€ 709.696	€ 785.265	100,00%	42,59%	100,00%	70,67%	100,00%	42,50%	-9,62%	10,73%	0,08%
Non current interest-bearing loans & borrowings	€ 63.516	€ 129.302	€ 139.921	0,00%	0,00%	20,22%	12,88%	10,60%	5,97%	0,00%	-50,88%	
Provisions for risks and charges	€ 20.732	€ 14.401	€ 13.921	2,31%	1,32%	2,25%	1,43%	3,46%	1,95%	3,45%	43,96%	48,93%
Employee benefit liabilities	€ 8.970	€ 11.867	€ 11.901	1,98%	1,12%	1,86%	1,18%	1,50%	0,84%	-0,29%	-24,41%	-24,63%
Other non current liabilities	€ 15.456	€ 12.564	€ 11.893	1,97%	1,12%	1,96%	1,25%	2,58%	1,45%	5,64%	23,02%	29,96%
Non current lease liabilities	€ 487.230	€ 464.400	€ 559.267	92,82%	52,83%	72,62%	46,24%	81,30%	45,83%	-16,96%	4,92%	-12,88%
Deferred tax liabilities	€ 3.380	€ 6.943	€ 5.570	0,92%	0,53%	1,09%	0,69%	0,56%	0,32%	24,65%	-51,32%	-39,32%
TOTAL NON CURRENT LIABILITIES	€ 599.284	€ 639.477	€ 602.552	100,00%	56,92%	100,00%	63,68%	100,00%	56,37%	6,13%	-6,29%	-0,54%
Trade payables	€ 183.792	€ 136.399	€ 198.934	43,62%	18,79%	37,39%	13,58%	39,62%	17,29%	-31,44%	34,75%	-7,61%
Refund liabilities	€ 9.310	€ 9.139	€ 8.720	1,91%	0,82%	2,51%	0,91%	2,01%	0,88%	4,81%	1,87%	6,77%
Interest-bearing loans & borrowings	€ 75.604	€ 56.698	€ 48.060	10,54%	4,54%	15,54%	5,65%	16,30%	7,11%	17,97%	33,35%	57,31%
Tax payables	€ 25.732	€ 25.974	€ 26.491	5,81%	2,50%	7,12%	2,59%	5,55%	2,42%	-1,95%	-0,93%	-2,87%
Other current liabilities	€ 58.929	€ 29.362	€ 54.317	11,91%	5,13%	8,05%	2,92%	12,70%	5,54%	-45,94%	100,70%	8,49%
Current lease liabilities	€ 110.012	€ 103.509	€ 117.062	25,67%	11,06%	28,38%	10,31%	23,72%	10,35%	-11,58%	6,28%	-6,02%
Other current financial liabilities	€ 513.000	€ 3.703	€ 2.477	0,54%	0,23%	1,02%	0,37%	0,11%	0,05%	49,50%	-86,15%	-79,29%
TOTAL CURRENT LIABILITIES	€ 463.892	€ 364.784	€ 456.061	100,00%	43,08%	100,00%	36,32%	100,00%	43,63%	-20,01%	27,17%	1,72%
TOTAL LIABILITIES	€ 1.063.176	€ 1.004.261	€ 1.058.613	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	-5,13%	5,87%	0,43%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	€ 1.849.055	€ 1.713.957	€ 1.843.878	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	-7,05%	7,88%	0,28%

ANNEXES

COMMON SIZE ANALYSIS

INCOME STATEMENT

Salvatore Ferragamo

Consolidated Income Statement In thousands of Euros	Trend			Vertical Analysis			Horizontal Analysis		
	2021	2020	2019	2021	2020	2019	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
Revenues from contracts with customers	€ 1.133.159	€ 874.259	€ 1.372.449	99,80%	99,70%	99,70%	-36,30%	29,60%	-17,44%
Rental income investment properties	€ 2.361	€ 2.253	€ 4.812	0,20%	0,30%	0,30%	-53,20%	4,80%	-50,94%
Revenues	€ 1.135.520	€ 876.512	€ 1.377.261	100%	100%	100%	-36,40%	29,50%	-17,55%
Cost of goods sold	-€ 354.576	-€ 325.198	-€ 483.767	-31,20%	-37,10%	-35,10%	-32,80%	9,00%	-26,71%
Gross profit	€ 780.944	€ 551.314	€ 893.494	68,80%	62,90%	64,90%	-38,30%	41,70%	-12,60%
Style. product development and logistics costs	-€ 40.908	-€ 34.712	-€ 50.292	-3,60%	-4,00%	-3,70%	-31,00%	17,80%	-18,66%
Sales & distribution costs	-€ 407.844	-€ 406.981	-€ 482.315	-35,90%	-46,40%	-35%	-15,60%	0,20%	-15,44%
Marketing & communication costs	-€ 66.379	-€ 50.533	-€ 79.676	-5,80%	-5,80%	-5,80%	-36,60%	31,40%	-16,69%
General and administrative costs	-€ 126.304	-€ 121.726	-€ 127.837	-11,10%	-13,90%	-9,30%	-4,80%	3,80%	-1,20%
Other operating costs	-€ 22.714	-€ 22.698	-€ 24.467	-2%	-2,60%	-1,80%	-7,20%	0,10%	-7,16%
Other income and revenues	€ 26.685	€ 22.571	€ 20.791	2,40%	-2,60%	1,50%	-208,60%	-218,20%	28,35%
Operating profit/(loss)	€ 143.480	-€ 62.765	€ 149.698	12,60%	-7,20%	10,90%	-141,90%	-328,60%	-4,15%
Financial charges	-€ 50.514	-€ 79.771	-€ 64.441	-4,40%	-9,10%	-4,70%	23,80%	-36,70%	-21,61%
Financial income	€ 29.652	€ 61.629	€ 31.877	2,60%	7,00%	2,30%	93,30%	-51,90%	-6,98%
Profit before taxes	€ 122.618	-€ 80.907	€ 117.134	10,80%	-9,20%	8,50%	-169,10%	-251,60%	4,68%
Income Taxes	-€ 36.289	€ 8.129	-€ 29.769	-3,20%	0,90%	-2,20%	-127,30%	-546,40%	21,90%
Profit/(loss)from continuing operations	€ 86.329	-€ 72.778		7,60%	-8,30%	6,30%	-183,30%	-218,60%	-1,19%
Profit/(loss) from discontinued operation. net of tax	-€ 5.192	€ 1.082		-0,50%	0,10%	0%		-579,90%	
Net profit/(loss)for the period	€ 81.137	-€ 71.696	€ 87.365	7,10%	-8,20%	5,90%	-188,40%	-213,20%	0%
Net profit(loss)-Group	€ 78.647	-€ 66.397	€ 87.281	6,90%	-7,60%	6,30%	-176,10%	-218,40%	-9,89%
Net profit(loss)-minority interests	€ 2.490	-€ 5.299	€ 84	0,20%	-0,60%	0,00%	-6408,30%	-147%	2864,29%

ANNEXES

COMMON SIZE ANALYSIS
CASH FLOW STATEMENT

Salvatore Ferragamo

Consolidated Statement of Cash Flow In thousands of Euros	Trend			Horizontal common size analysis		
	2021	2020	2019	Δ 2019 - 2020	Δ 2020 - 2021	Δ 2019 - 2021
Net profit/(loss)for the period	€ 81.137	-€ 71.696	€ 87.365	-182,06%	-213,17%	-7,13%
Adjustments to reconcile net profit (loss) to net cash from (used in) operating activities						
Amortization,depreciation and write downs of tangible and intangible assets and right of use assets	€ 163.172	€ 221.767	€ 185.832	19,34%	-26,42%	-12,19%
Income Taxes	€ 36.451	-€ 8.129	€ 29.769	-127,31%	-548,41%	22,45%
Provision for employee benefit plans	€ 681.000	€ 752.000	€ 863.000	-12,86%	-9,44%	-21,09%
Allocation to I (use of the provision for obsolete inventory	-€ 4.488	€ 28.654	€ 5.028	469,89%	-115,66%	-189,26%
Losses and provisions for bad debt	€ 673.000	€ 989.000	€ 921.000	7,38%	-31,95%	-26,93%
Losses I (gains) on disposal of tangible and intangible assets	€ 707.000	€ 1.469	€ 2.222	-33,89%	-51,87%	-68,18%
Interest expense and interest expense on lease liabilities	€ 15.368	€ 17.563	€ 19.468	-9,79%	-12,50%	-21,06%
Interest income	-€ 841.000	-€ 8.794	-€ 874.000	906,18%	-90,44%	-3,78%
Other non-monetary items	-€ 5.917	-€ 18.327	€ 1.319	-1489,46%	-67,71%	-548,60%
Changes in operating assets and liabilities						
Trade receivables	€ 9.952	€ 25.970	€ 2.741	847,46%	-61,68%	263,08%
Inventories	€ 71.618	€ 3.269	-€ 36.923	-108,85%	2090,82%	-293,97%
Trade payables	€ 45.228	-€ 60.249	-€ 7.410	713,08%	-175,07%	-710,36%
Other receivables and tax payables	-€ 9.407	-€ 2.150	-€ 3.565	-39,69%	337,53%	163,87%
Employee benefits payments	-€ 1.795	-€ 902.000	-€ 1.117	-19,25%	99,00%	60,70%
Other assets and liabilities	€ 12.231	-€ 8.048	€ 5.168	-255,73%	-251,98%	136,67%
Other net	-€ 1.531	-€ 1.615	-€ 637.000	153,53%	-5,20%	140,35%
Income taxes paid	-€ 22.709	-€ 22.178	-€ 24.511	-9,52%	2,39%	-7,35%
Interest expenseand interest expense on lease liabilities paid	-€ 15.240	-€ 18.808	-€ 16.546	13,67%	-18,97%	-7,89%
Interest income received	€ 841.000	€ 8.794	€ 874.000	906,18%	-90,44%	-3,78%
Net Cash from (used in) operating activities	€ 376,13	€ 88,331	€ 249,987	-64,67%	325,82%	50,46%
Cash flow from investing activities						
Purchase of tangible assets	-€ 36,800	-€ 23,701	-€ 50,764	-53,31%	55,27%	-27,51%
Purchase of intangible assets	-€ 7,689	-€ 6,109	-€ 12,776	-52,18%	25,86%	-39,82%
Proceeds from the sale of tangible and intangible assets	€ 98,000		€ 164,000	-100,00%		-40,24%
Proceeds from the sale of the discontinued operation, net of cash sold	€ 17,128					
Acquisition of Arts S.r.l. and Aura 1 S.r.l. net of cash acquired	-€ 3,629	-€ 7,581			-52,13%	
Net cash from(used in) investing activities	-€ 30,892	-€ 37,391	-€ 63,376	-41,00%	-17,38%	-51,26%
Cashflow from financing activities						
Net change in financial payables	€ 291,000	-€ 286,000	€ 971,000	-129,45%	-201,75%	-70,03%
Net change in financial receivables	-€ 47,152	€ 141,122	€ 10,009	1309,95%	-133,41%	-571,10%
Repayment of lease liabilities	-€ 100,669	-€ 93,573	-€ 114,388	-18,20%	7,58%	-11,99%
Treasury share repurchase	-€ 12,756		-€ 2,525	-100,00%		405,19%
Dividends paid to shareholders & parent company	€ -	€ -	-€ 63,393	-100,00%		-100,00%
Net Cash from (used in) financing activities	-€ 160,286	€ 47,263	-€ 169,326	-127,91%	-439,14%	-5,34%
Net Increase/(Decrease) in Net cash and Cash Equivalents	€ 184,953	€ 98,203	€ 17,285	468,14%	88,34%	970,02%
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR						
Increase/(decrease) in cash and cash equivalents	€ 184,953	€ 98,203	€ 17,285	468,14%	88,34%	970,02%
Effect of exchange rate translation differences	-€ 1,037	€ 7,345	-€ 2,660	-376,13%	-114,12%	-61,02%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	€ 511,796	€ 327,880	€ 222,332	47,47%	56,09%	130,19%