

APPAREL AND ACCESSORIES

Prada returns to pre-pandemic sales levels

July 29, 2021



Prada Group saw a 60 percent increase in retail sales revenue. Image credit: Prada

By LUXURY DAILY NEWS SERVICE

Italian fashion company Prada Group has surpassed its revenue levels from the first half of 2019, despite retail restrictions, with profitable growth driven by full-price sales.

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Retail sales were up 60 percent in the first half of 2021, compared to the 8 percent increase from H1 2019, showing a strong acceleration in the second quarter. For the fifth quarter in a row, the group's ecommerce revenue grew by triple-digit percentage points.

"The commitment to our brands and stronger ties with our customers have delivered robust growth in sales across markets and product categories," said Patrizio Bertelli, CEO of Prada Group, in a statement. "We improved gross margin as well as the Group's profitability, despite the uncertain environment.

"The sales momentum will stay strong in the second half of the year," he said. "Our brands have plenty of potential and we will unlock it over the medium term."

Key figures

Total net revenue grew by 60 percent, reaching 1.5 billion euros, or \$1.78 billion at current exchange rate.

The Prada Group has continued to strengthen and invest in its brands, through strict control of the distribution channels online and offline, enhancement of the product offer and a further improved customer experience.

Acclaimed spring/summer and fall/winter fashion shows continued to grow visibility and engagement online.

A strong commitment to ESG values remains at the core of the company strategy. Prada will disclose its sustainability roadmap to the market in the fall.

During the first half of 2021, around 17 percent of the store network was closed. However, the retail channel delivered sales of 1.28 billion euros, or \$1.5 billion at current exchange rate, with the trend improving quarter after quarter.



In May, Prada put a youthful spin on its classic Galleria handbag with an imaginative and playful film starring model and actor Hunter Schafer. Image credit: Prada

In Q2 2021, sales improved over Q2 2019 with double-digit growth. Online sales continued to make a strong contribution with triple-digit growth.

Sales in Europe were impacted by the high levels of store closures, but once stores reopened, they partially recovered. Robust demand from local customers partially offset the lack of tourists.

Consumer demand in the Asia Pacific region was particularly strong in key markets compared with H1 2019: Mainland China (+77 percent), Taiwan (+74 percent) and Korea (+108 percent).

The Americas showed a significant improvement, driven primarily by local consumers, with strong performance across all countries.

In Japan, revenues suffered due to restrictions imposed by the government ahead of the Olympic games.

The Middle East saw growth driven mainly by local consumption and a somewhat increased inflow of tourists.

Ecommerce now accounts for 7 percent of retail sales.

With the aim to preserve its brands' positioning, Prada Group is focused on developing retail sales: the wholesale sales stood at 196 million euros, or \$233 million at current exchange rate, down 37 percent compared to H1 2019.

The group, in partnership with Ermenegildo Zegna Group, recently acquired a majority stake in a cashmere company in an effort to protect the country's supply chain. Under the new agreement, Prada Group and Zegna Group each have a 40 percent share in Tuscany's Filati Biagioli Modesto S.p.A ([see story](#)).