# Prada's €1.25bn acquisition aims to revive Versace's fading luxury legacy



The narrative of Versace, one of the fashion industry's most illustrious brands, has undergone a significant transformation with the recent announcement of its acquisition by Prada Group for €1.25 billion. This pivotal move follows a tumultuous period under Capri Holdings, its US owner, where sales dwindled to a meagre £600 million last year, starkly contrasting with Italian rival Gucci, which boasted £6.5 billion in sales. Jonathan Siboni, CEO of Luxurynsight, remarked, “Commercially, Versace is all but dead,” underscoring the dire necessity for revitalisation.

Founded by the late Gianni Versace, renowned for his extravagant designs and unique blend of luxury and boldness, the brand became a symbol of celebrity culture in the 1980s. Donatella Versace, Gianni’s sister and creative force behind the brand since his tragic assassination in 1997, has seen her legacy come under scrutiny in recent years as sales faltered. Despite her efforts, including high-profile collections and celebrity endorsements, the brand struggled to maintain its once-revered status.

Prada's acquisition signals a strategic shift towards bringing Versace back under Italian control, a sentiment echoed by the industry’s increasing push to consolidate power amidst the growing dominance of French luxury conglomerates like LVMH and Kering. Prada Group, already Italy's largest luxury firm by revenue, aims to leverage this acquisition to enhance its position within the competitive landscape of luxury fashion.

With Prada’s CEO Andrea Guerra emphasising a strategic focus on innovation and brand growth, the integration of Versace offers exciting prospects. Dario Vitale, the newly appointed creative director, steps into a role ripe with potential to reimagine the brand’s identity. Previously pivotal at Miu Miu, Vitale’s vision for Versace will be instrumental in reshaping its appeal to modern consumers, many of whom are unaware of the brand’s iconic past. Fashion analysts suggest that revitalising the brand requires not only fresh design aesthetics but also inventive marketing strategies that resonate with a younger audience.

Prada’s robust financial standing, underscored by a reported 17% increase in revenues to €5.4 billion last year, allows it to invest significantly in revitalising Versace. Achim Berg, a fashion advisor, pointed out that the existing extensive retail network of over 230 boutiques could be strategically optimised, paving the way for innovation in product lines and marketing approaches. This could potentially double Versace’s annual revenue to £2 billion, breathing new life into a brand longing for relevance in a fast-evolving luxury market.

Moreover, Donatella's potential role in shaping the celebrity aspect of Versace may be crucial. Insiders suggest her keen eye for talent, exemplified by collaborations with icons like Lady Gaga, remains an invaluable asset. Nevertheless, it appears the creative focus will shift towards new leadership under Prada's direction, which aims to maintain Versace's cultural authenticity while enhancing operational synergies.

As the fashion industry navigates changes in consumer behaviour and market dynamics, the acquisition by Prada presents a compelling case of opposites attracting. Miuccia Prada's avant-garde vision and commitment to craftsmanship may well provide the rescue that Versace requires to re-establish itself as the ultimate Italian luxury lifestyle brand, encompassing fashion, accessories, and more.

Historically, fashion houses have benefitted from reinvention. The association of design and creative vision with a robust business strategy could very well define Versace's future trajectory. With a new chapter written under Prada’s auspices, the fashion world eagerly anticipates whether this partnership can rekindle the spirit of one of its most illustrious houses, turning the once-dimmed glamour of Versace into renewed brilliance.

As the industry holds its breath, the message is clear: It’s time for Miuccia Prada to dream big, and for Versace to reclaim its throne in the pantheon of luxury fashion.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 6, 7
2. Paragraph 5
3. Paragraph 4
4. Paragraph 4
5. Paragraph 5
6. Paragraph 4
7. Paragraph 4

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/home/you/article-14715937/The-rise-fall-Versace-Pradas-1-billion-buyout-save-Donatellas-legacy.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/47a51600-838e-42e8-8790-e9b1a5901b0b> - In May 2024, Prada Group's CEO Andrea Guerra announced that the company would not pursue large-scale acquisitions, focusing instead on growing existing brands like Miu Miu and Church's. Despite recent purchases of local suppliers, Prada aims to concentrate on its retail strategy with planned investments of €1 billion over the next five years. Guerra emphasized that while changes in the sector are anticipated, Prada will not drive mergers or acquisitions, and a dual listing in Milan is no longer a priority due to concerns over dilution and macroeconomic conditions.
3. <https://www.theguardian.com/fashion/2025/apr/10/pradas-125bn-versace-takeover-a-new-era-for-italian-luxury> - In April 2025, Prada agreed to acquire Versace for €1.25 billion from Capri Holdings. This acquisition marks a significant move towards creating a strong Italian luxury fashion conglomerate, bringing the renowned brand back under Italian control after its 2018 sale to U.S.-listed Capri Holdings. Prada, already Italy's largest luxury fashion group by revenue, aims to strengthen its position as an Italian powerhouse. The deal comes amidst broader industry moves, including French firms' continued expansion into Italian brands.
4. <https://www.reuters.com/markets/deals/prada-brings-versace-home-to-create-italian-luxury-contender-2025-04-10/> - Prada's $1.375 billion acquisition of Versace in April 2025 marks a significant move towards creating a strong Italian luxury fashion conglomerate. This acquisition brings the renowned brand back under Italian control after its 2018 sale to U.S.-listed Capri Holdings. Prada, already Italy's largest luxury fashion group by revenue, aims to change the narrative of lacking a player with the scale of French giants like LVMH and Kering. The deal comes amidst broader industry moves, including French firms' continued expansion into Italian brands.
5. <https://www.retailtouchpoints.com/topics/market-news/prada-group-acquires-versace-plans-to-write-a-new-page-in-famed-luxury-brands-history> - Following the acquisition in April 2025, Versace will operate as a separate entity within Prada Group, maintaining its creative DNA and cultural authenticity while leveraging the consolidated platform for industrial capabilities, retail execution, and operational expertise. Prada has borrowed an additional €250 million to relaunch Versace. Last month, Donatella Versace ceded the reins of the company she helped build after nearly 30 years as Creative Director. She was replaced by Dario Vitale, a former design director for Miu Miu, a Prada Group brand.
6. <https://www.washingtontimes.com/news/2025/mar/4/prada-posts-double-digit-growth-2024-looks-versace-acquisition/> - In March 2025, Prada reported double-digit growth for the fourth consecutive year, bucking the luxury sector slide amid talk of a possible Versace acquisition. The group, which owns the Prada and Miu Miu fashion brands along with Church’s footwear, reported a 17% boost in revenues to €5.4 billion last year. Prada has been eyeing the possible acquisition of the rival Versace brand, owned since 2018 by the U.S. group Capri Holding, which includes Michael Kors and Jimmy Choo.
7. <https://www.mundoamerica.com/news/2025/04/11/67f8c2e1e85ece08198b4596.html> - In April 2025, Prada announced the acquisition of Versace for €1.25 billion. The acquisition is expected to be made on a cash and debt-free basis, with the final cash consideration determined at the close of the transaction, taking into account adjustments based on working capital and net financial position. The transaction was approved by the Boards of Directors of both Prada SpA and Capri Holdings, and the entire process is expected to be completed in the second half of 2025, subject to usual closing conditions, including obtaining the required regulatory approvals.