



BRUNELLO CUCINELLI

1H 23
Results

August 29, 2023

Gli occhi sono gli interpreti dell'anima

CICERONE



BRUNELLO CUCINELLI

Brunello Cucinelli

"The first half of 2023 ended with excellent results both in terms of sales and profits. Globally, we believe that there is a strong demand for ready-to-wear displaying high quality and craftsmanship, with a special focus on the exclusivity and rarity of these items. All this translates into great satisfaction for the "positioning of our brand" at the top of the luxury pyramid.

As eight months of this very interesting year have now gone by, and given the excellent start to sales at the boutiques of the Autumn - Winter collections, we envisage a pleasant end to the year with a turnover up around +19% and profits that we could define as "highly appreciable".

The Spring - Summer 2024 men's and women's order collection is coming to an end with excellent results and great appreciation for taste and sobriety as the true identification of that "quiet luxury" much valued at this moment in human history. This makes us very confident in achieving our growth outlook of around +10% for next year."



BRUNELLO CUCINELLI

1H 2023 Financials Highlights

REVENUES

€543.9 mln

+31.0%

+30.5% cost. curr

EBIT

€87.7 mln

+51.8%

16.1% on sales

NET PROFIT

€66.7 mln

+31.9%

12.3% on sales

EUROPE

+22.9%

37.3% on sales

AMERICAS

+23.8%

34.7% on sales

ASIA

+55.6%

28.0% on sales

RETAIL

+41.6%

63.4% on sales

WHOLESALE

+15.8%

36.6% on sales

CAPEX

€34.9 mln

NET FINANCIAL

POSITION*

€38.6 mln

(€ 63.8 mln as of June '22)

* Lease obligations are excluded





1H 2023- Business Update





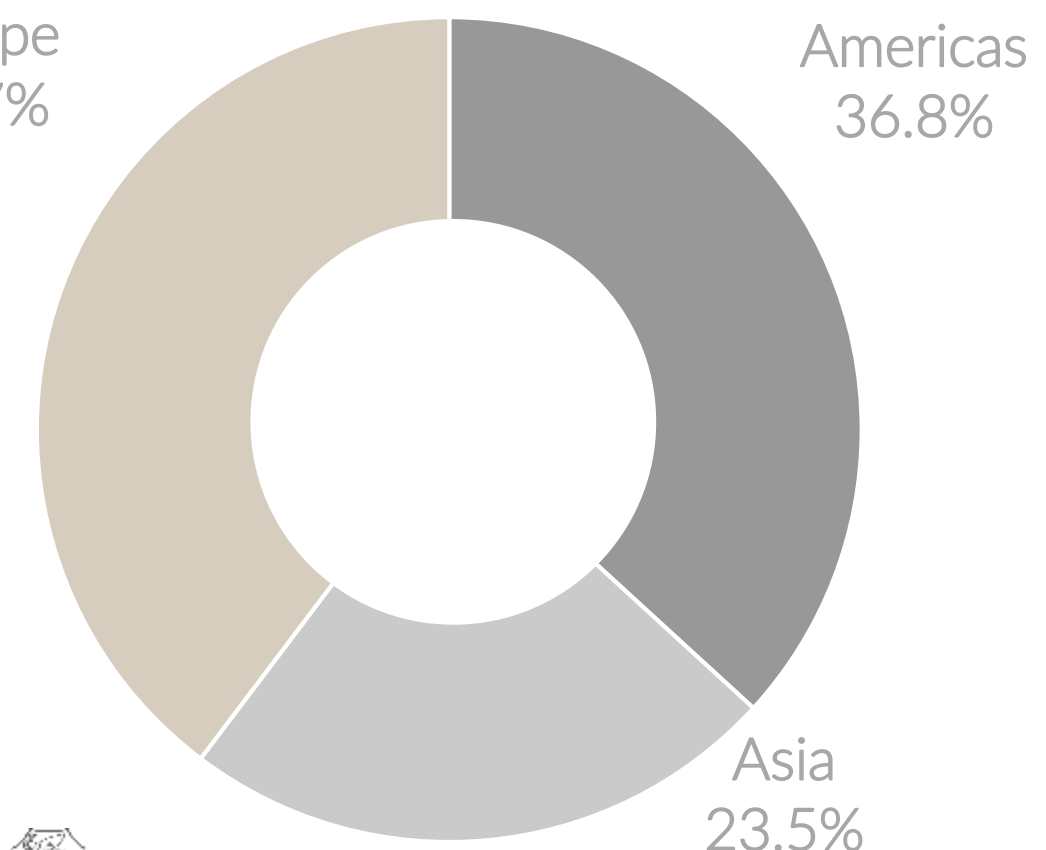
Revenues by Region

€ mln

€ mln	1H 22	1H 23	YoY % Chg
Net Revenues	415.4	543.9	+31.0%
	Constant exchange rates +30.5%		
Italy	49.2	60.9	+23.8%
Europe (excl. Italy)	115.8	141.9	+22.6%
Total Europe	165.0	202.8	+22.9%
Americas	152.6	189.0	+23.8%
Asia	97.8	152.1	+55.6%

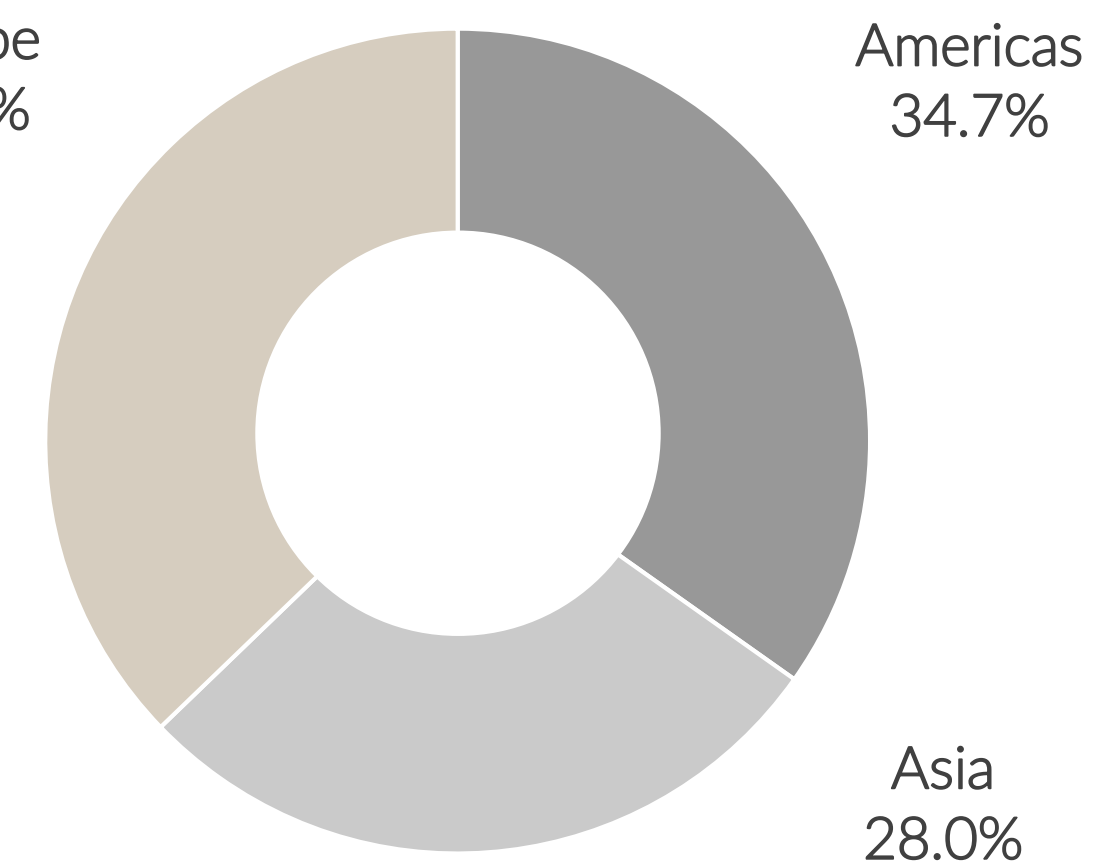
1H 22

Europe
39.7%



1H 23

Europe
37.3%



Region Highlights

EUROPE

Very strong local demand across the continent

Growing presence of luxury tourism, in particular from North America, mainly in Italy, the major European capitals and resorts

Pitti Uomo in Florence and the following Milan Fashion Week were attended by a significant number of customers and specialised journalists

Very positive comments on the new Spring Summer 2024 Men's Collection

AMERICAS

Structurally demand increasing in the high-end luxury segment

The increase in Q2 was very solid, even considering last year's basis of comparison, with Q2 2022 showing an increase of +67%

Particular dynamism of the American customer and research for special products contributed also to the strong growth in Europe and Italy

Very strong desire to visit physical shops, and attend various events, including the Neiman Marcus award celebration in Dallas in April

ASIA

Very high value growth in Asia, and particularly in China, considering in any case that our share of sales in these markets is still limited

Gradual and steady realization of the great growth potential in China

Japan and Korea maintain solid growth on an almost exclusively domestic basis

Very strong growth in the Middle East





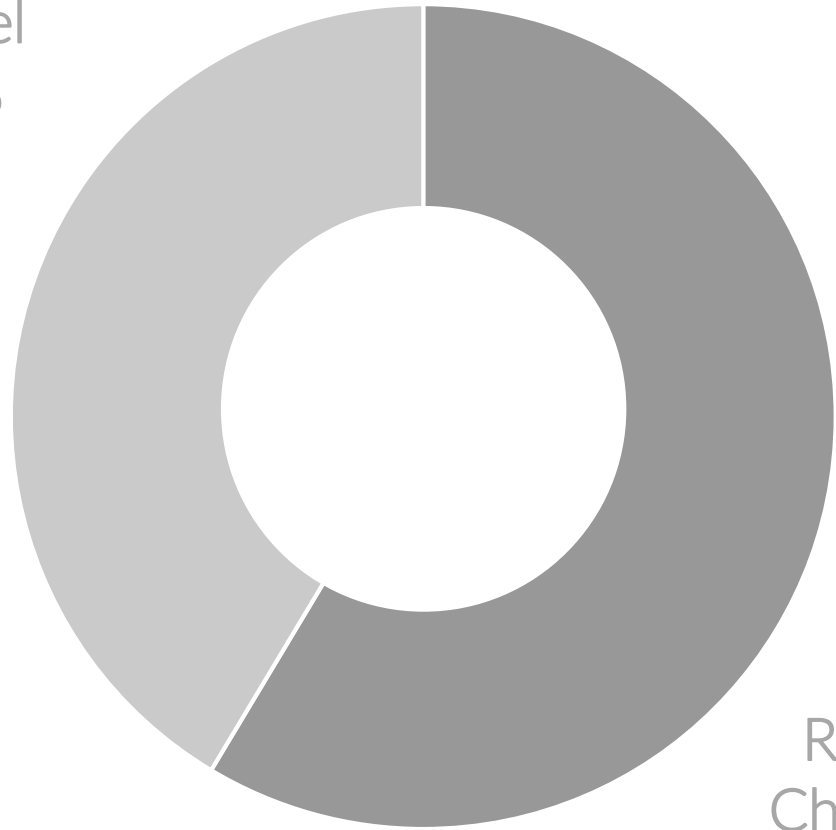
Revenues by Channel

€ mln

€ mln	1H 22	1H 23	YoY % Chg
Net Revenues	415.4	543.9	+31.0%
Retail Channel	243.3	344.6	+41.6%
Wholesale Channel	172.0	199.3	+15.8%

1H 22

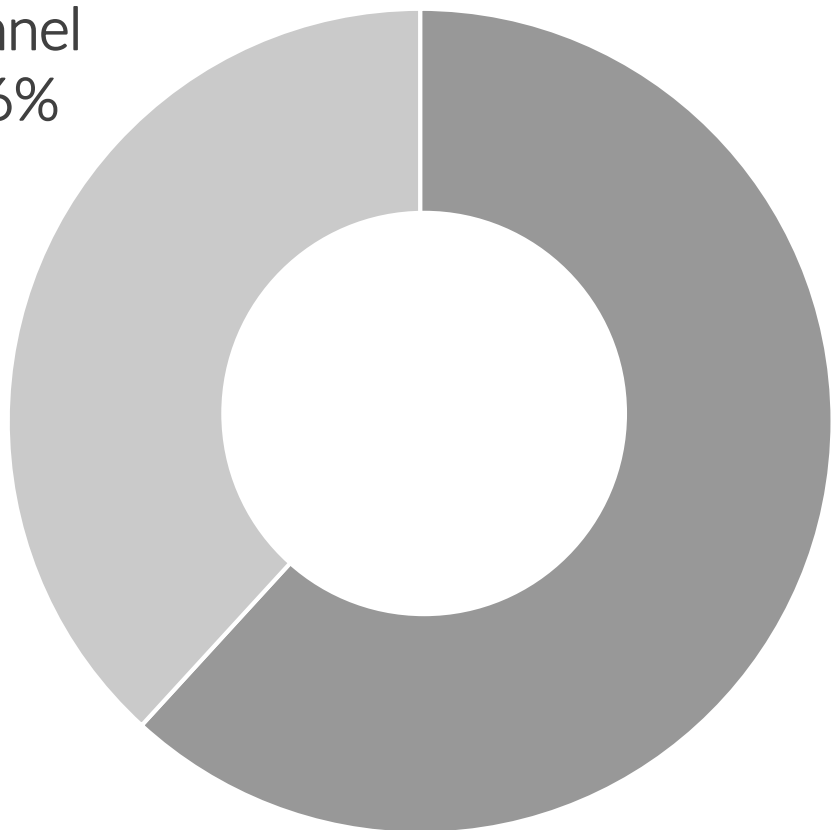
Wholesale Channel
41.4%



Retail Channel
58.6%

1H 23

Wholesale Channel
36.6%



Retail Channel
63.4%

Channel Highlights

RETAIL CHANNEL

Very positive sell-outs and beautiful performance on a like-for-like basis, with the comparative base gradually normalising over the year

The boutique network includes 124 direct shops, with the only new opening of the important 'Mall of Emirates' flagship in Dubai in Q2 2023



WHOLESALE CHANNEL

Excellent sell-outs of the Spring Summer 2023 collections both in the Specialties Stores and in the luxury Department Stores, with the punctuality of reassortments allowing us to gain further relevance within these spaces

First sales figures for the Fall Winter 2023 collections, whose deliveries began in the last weeks, are also very encouraging



Monobrand Network



RETAIL MONOBRAND

124 boutiques* as of June '23

119 boutiques as of December '22



WHOLESALE MONOBRAND

27 boutiques as of June 23

30 boutiques as of December '22



* Including 2 conversions from wholesale monobrand channel to Retail channel



Brunello Cucinelli fragrances and exclusive distribution



Perfumes are currently on sale in our direct boutiques in Europe and 90 independent, top-level Italian perfumeries

Positive judgment on the fragrances, defined as modern, contemporary and distinctive, consistent with the sobriety and quality naturally associated with our brand

Research in transferring the brand identity into the olfactory notes: creating an 'essential' product capable of representing us over time, as if it were a 'cashmere choker'

Over the summer distribution in the multi-brand channel in the rest of Europe, seeking a presence in sales outlets representing the best local showcases

Starting in the autumn distribution also in the North American market, with the beginning of the new year in the Middle East and Asian markets

The completion of the distribution will still take several months: it is essential to build a solid exclusive distribution platform with a possible materiality of our business in this category



— Agreement with Chanel to enhance Cariaggi's excellence —



Agreement with Chanel for a sale of 18.5% Brunello Cucinelli's stake in the capital of Cariaggi Lanificio S.p.A; in the same agreement Cariaggi family has sold to Chanel 6% stake. Following the sale, Cariaggi family hold 51% stake, Brunello Cucinelli 24.5%, Chanel 24.5%.

Brunello Cucinelli commented:

«I am particularly happy on this day of truly historic importance. The agreement we have reached represents a splendid diadem that will enhance the value of the entire Italian supply chain, enormously pleased by the fact that a Maison of absolute excellence in global fashion like Chanel has chosen to invest in Made in Italy by sharing with us the beautiful Cariaggi wool mill project. I therefore consider it a joyful day of celebration, which we believe will be followed by years full of great achievements by virtue of this very, very special collaboration. After all, with Chanel we are in the presence of a true international icon of style, elegance and beauty and I am immensely honoured that they have decided to work with us. This agreement, I am certain, will constitute for all of us the best possible leaven for magnificent growth as humans, not just professionals, over the coming decades. By virtue of all these healthy and concrete elements, I sincerely thank the esteemed Cariaggi family, to whom my family and I have always been tied in a virtuous relationship of shared values, and the equally esteemed Bruno Pavlovsky, President of fashion at the prestigious French Maison, which gives this memorable accord an added value of great beauty.»





1H 2023- Financials





Income Statement Highlights

Healthy EBIT margin of 16.1% compared to 13.9% at 30 June 2022, balanced cost structure and complete reabsorption of the transitory effects of the pandemic that had characterized previous periods

First Margin

The First Margin grew by +30.6% in line with the growth in turnover, with the margin thus remaining substantially unchanged at 71.5%

Currency dynamics had positively impacted the First Margin at 30 June last year, speculatively contributing to the increase in operating costs denominated in foreign currencies produced abroad. As of 30 June this year, the currency did NOT have a significant impact on sales, first margin and operating costs

Operating Cost

The growth in the absolute value of operating costs reflects the expansion of commercial activities and new initiatives, as well as the selected growth of the network and significant investments in communication

The very significant growth in turnover, the increase in personnel costs and rents (net of IFRS 16) less than proportional to the increase in revenues, and the presence of significant investments in communication characterized the main dynamics of margins in the first six months of the year





Income Statement Highlights

Communications

Investments in communication amounted to €36.3 million as of 30 June 2023 (6.7% on sales), up +77.7% compared to €20.4 million as of 30 June 2022 (4.9% on sales)

"Silent" and "Refined" communication based on the desire to share the brand's values in the many opportunities to meet inside the boutiques, in our "Cucinelli Houses", in the multibrand spaces, and in the village of Solomeo

Expenditure in communication were significantly related to:

- important brand events, sharing the strong desire for sociality and the physical experience
- celebration of the important awards received, including the prestigious 'Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion'



Income Statement

€ mln

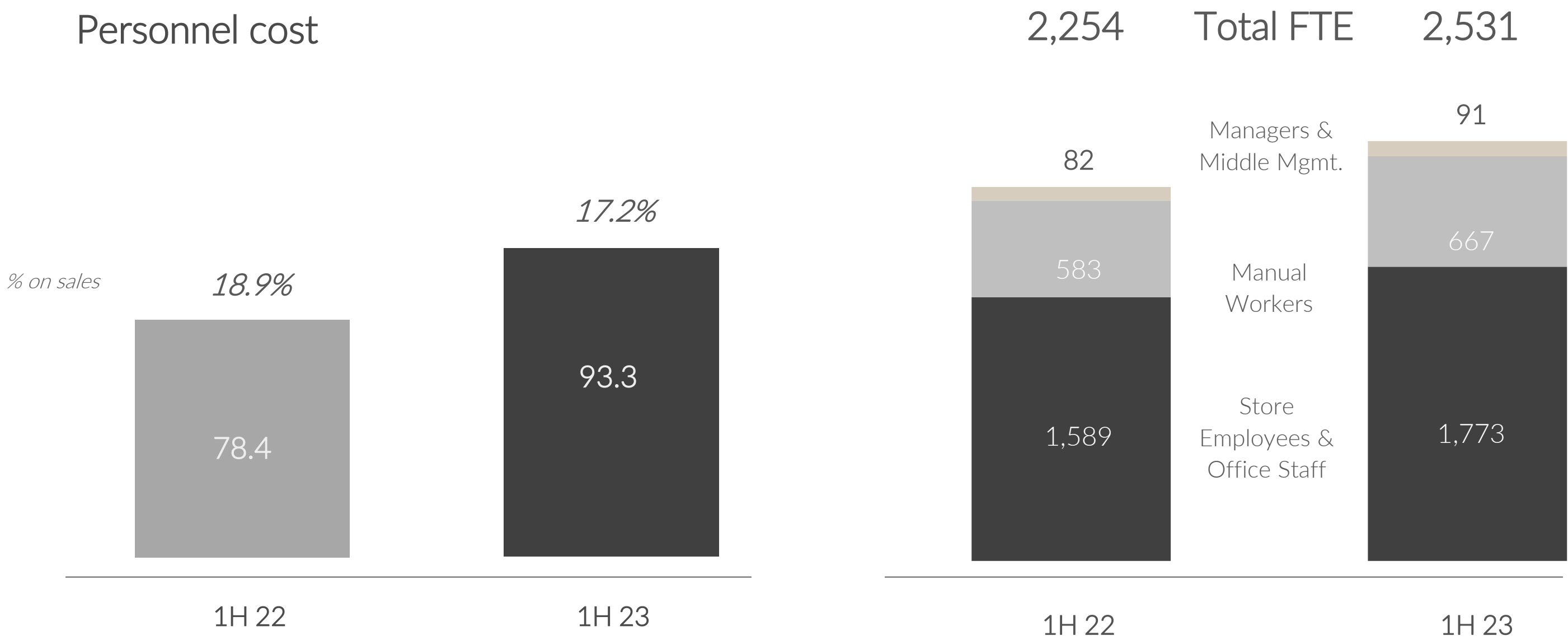
	1H 2022	1H 2023	Ch. %		1H 2022	1H 2023	Ch. %
Revenues	415.4	543.9	+ 31.0%				
First Margin	297.9	389.0	+ 30.6%				
%	71.7%	71.5%	- 20 b.p.				
SG&A	-177.9	-234.2	+ 31.6%				
%	42.8%	43.1%	+ 30 b.p.				
EBITDA	120.0	154.8	+ 29.1%	EBITDA ex-IFRS 16	75.3	104.8	+ 39.2%
%	28.9%	28.5%	- 40 b.p.	%	18.1%	19.3%	+ 120 b.p.
D&A	-62.2	-67.1	+ 7.9%				
%	15.0%	12.3%	- 270 b.p.				
EBIT	57.8	87.7	+ 51.8%				
%	13.9%	16.1%	+ 220 b.p.				
Net Financial Income (Expenses)	11.9	-2.4					
EBT	69.7	85.3					
Tax Rate	27.4%	21.8%					
Net Income	50.6	66.7	+ 31.9%				
%	12.2%	12.3%	+ 10 b.p.				

* Tax rate as of 30 June '23 benefits from the application of the 'participation exemption' regime to "Financial charges (income) from participations"; the normalized tax rate would be 27.3%

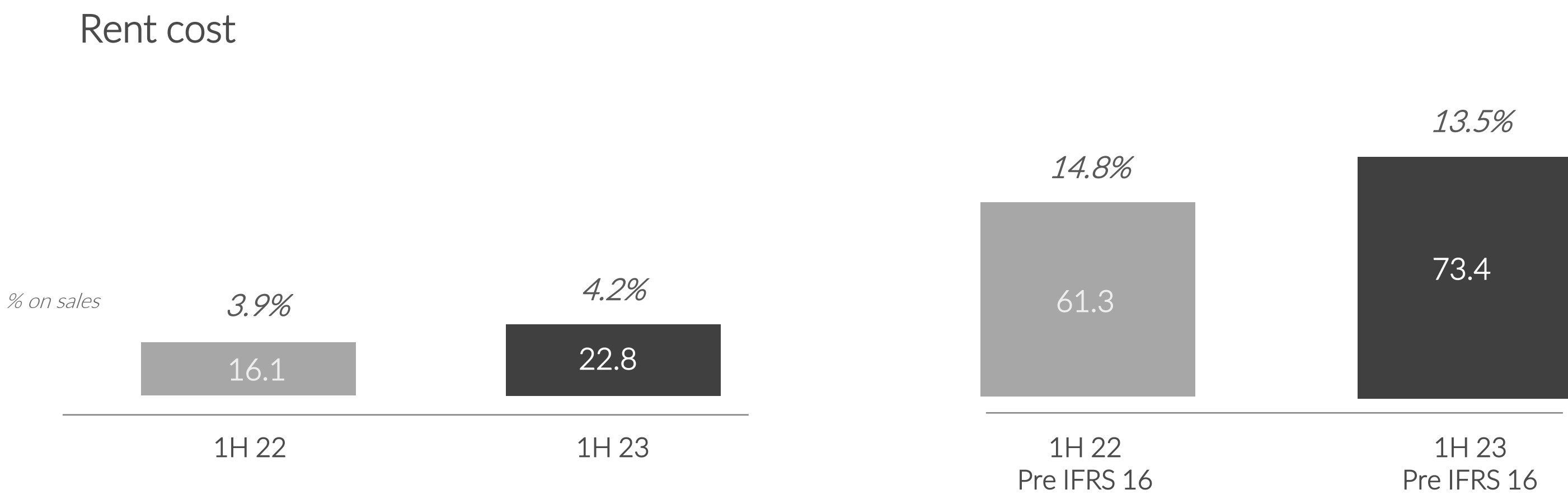
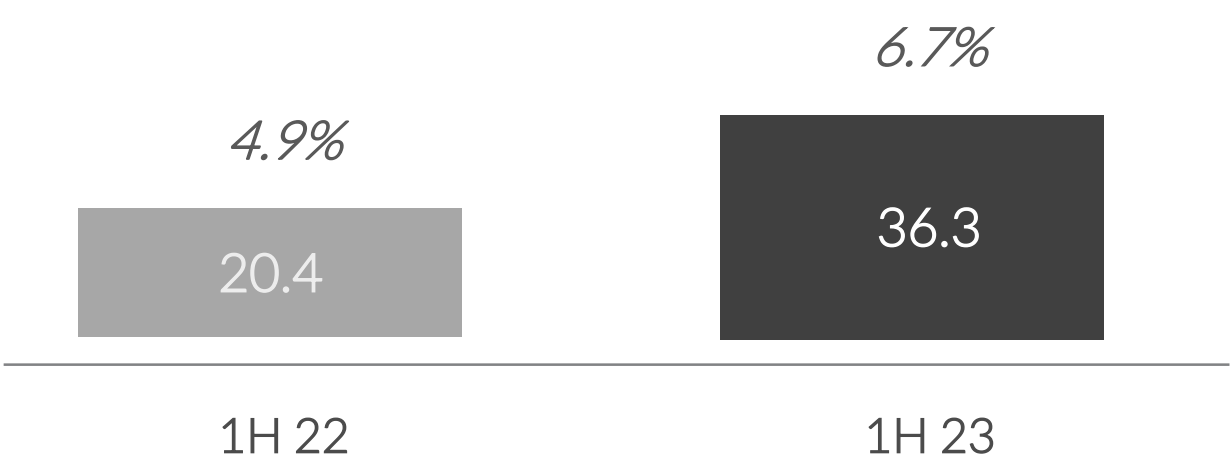


Income Statement Highlights

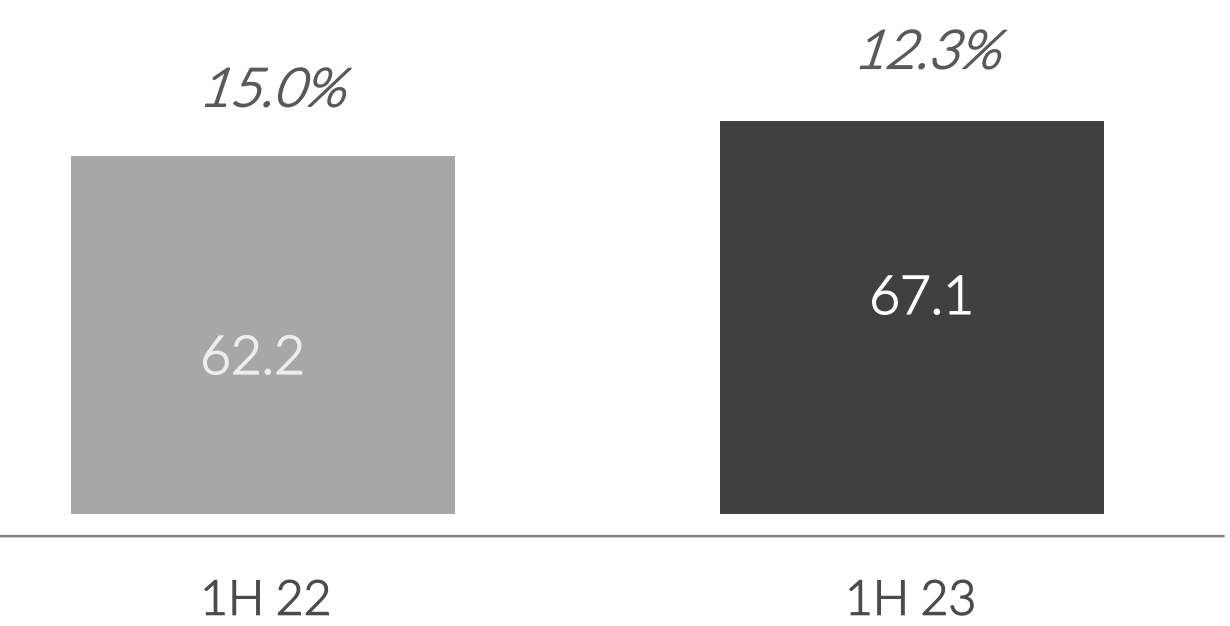
€ mln



Investments in Communication



D&A



Net Working Capital

€ mln

	1H 2022	1H 2023	FY 22
Trade Receivables	75.2	75.2	76.6
Inventories	243.1	262.8	242.8
Trade Payables	-112.9	-141.5	-137.0
Trade Net Working Capital	205.5	196.4	182.4
<i>Incidence on 12 months rolling Revenues</i>	<i>25.2%</i>	<i>18.7%</i>	<i>19.8%</i>
Other Credits/(Debts) *	-40.9	-21.6	-41.6
Net Working Capital	164.6	174.8	140.8
<i>Incidence on 12 months rolling Revenues</i>	<i>20.2%</i>	<i>16.7%</i>	<i>15.3%</i>



INVENTORY

Increase related to business development and expansion of commercial activities in the physical and digital world; incidence on 12 months rolling revenues as of 30 June 2023 was 25.1% (26.4% incidence as of 31 December 2022)

TRADE RECEIVABLES

Particularly healthy structure, also in view of the significant growth in turnover, with revenues in the wholesale channel increasing by +15.8% in the first six months of 2023

TRADE PAYABLES

Increase related to business development, while keeping payment schedules to suppliers and stakeholders unchanged

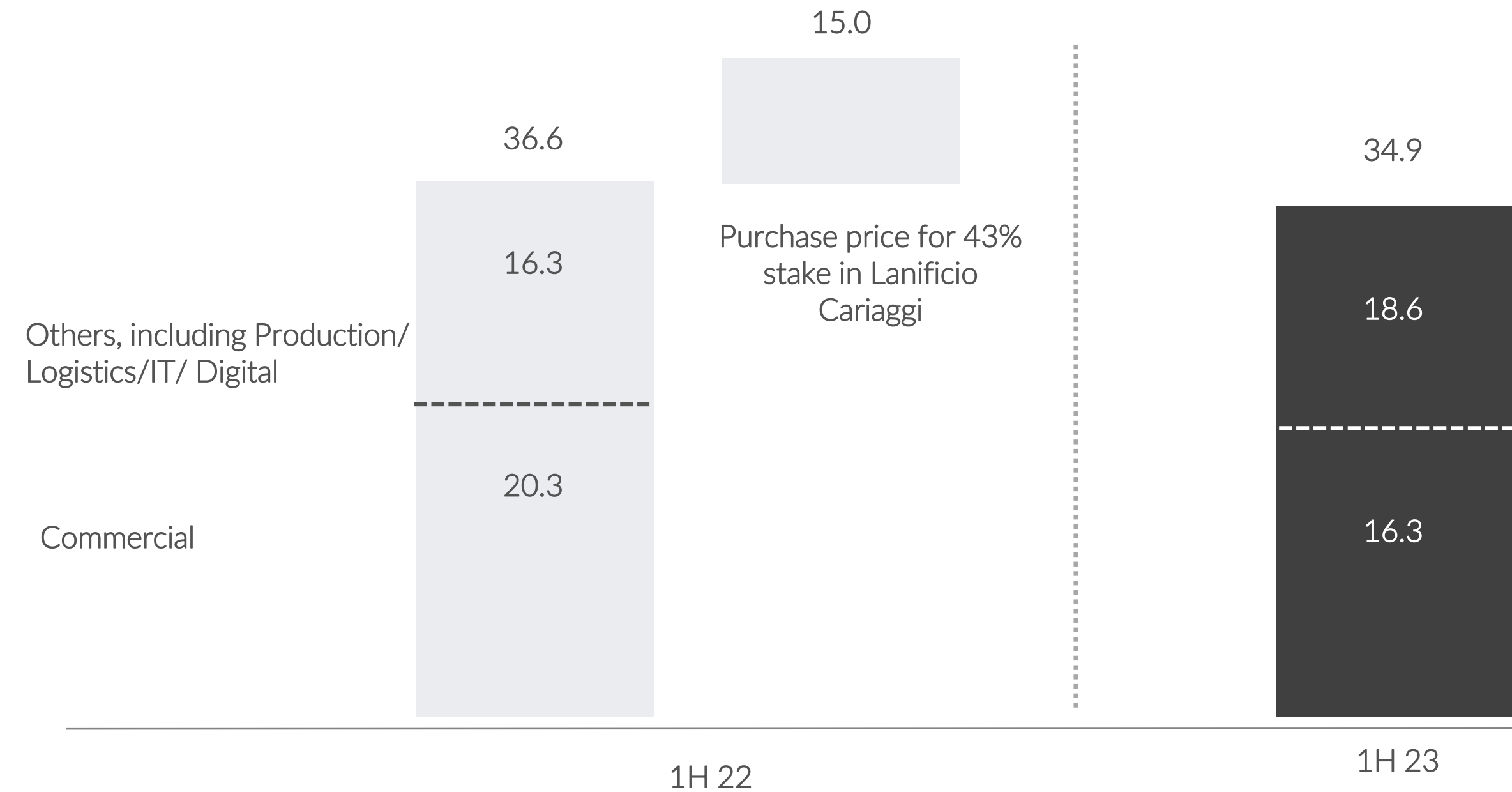
* Other Credits/(Debts) trend mainly due to the measurement at fair value of outstanding hedging derivatives





Investments

€ mln



Commercial investments dedicated to **new boutiques**, the **renovation** and **expansion** of existing ones, and the care of show-room

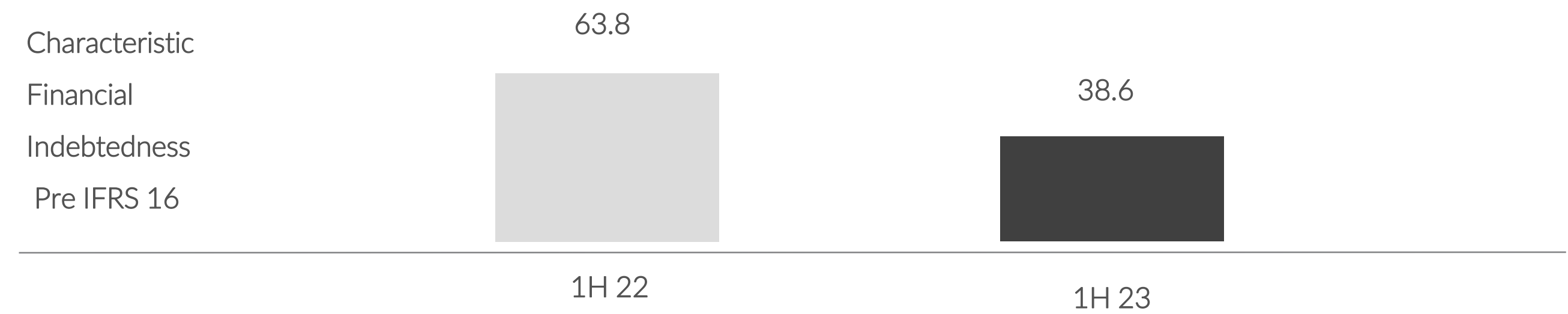
Investments supporting **renovation** of the **production facilities** and on-going development of two **new projects**:

- expansion of our factory in an 8-hectare area on the outskirts of Solomeo
- new factory in Penne, a place historically linked to men's tailoring know-how, which dedicated to the production of men's outerwear



Characteristic Financial Indebtedness

€ mln



The characteristic Net Financial Indebtedness amounted to €38.6 million with an improvement compared to the €63.8 million of 1H 22

Improvement mainly thanks the positive economic result of the last twelve months, even in the presence of the significant investment plan of Euro 34.9 million and the payment of €48.1 million dividends

Value as of 30 June structurally represents the peak exposure due to the seasonality of sales, decreasing in the following months





Outlook

The outlook is very positive for the full year 2023 and a growth in revenue in the region of +19% is expected, hence at the upper end of the previously disclosed +17% to +19% guidance, with healthy margins and very attractive growth in earnings.

The results of the first half of the year, business performance, the very healthy order intake for the Autumn-Winter 2023 collections, and the strong demand for handcrafted and exclusive products (a demand akin to our taste, i.e. sober and less extravagant) all support these expectations.

The growth forecast takes into account the increasing basis of comparison of 2022, in which the first quarter was defined as “good”, the second quarter as “more than good”, and the third and fourth quarters as “very good”.

Order intake for the Spring-Summer Men's 2024 collections, presented in the first half of June at Pitti Uomo/Florence and later at Milan Fashion Week, was concluded with excellent results, confirming the initial appreciation expressed by both the trade press and multibrand customers. As regards the Spring-Summer Women's 2024 collections recently presented, order intake is reporting equally good results, with particularly good feedback for style.

For 2024 we therefore believe we have great visibility, and we imagine healthy and balanced growth in the region of +10%, with the focus on style, elegance, rarity, exclusivity.





Annex



Detailed Income Statement

€ mln

	1H 2022	1H 2023
Revenues	415.4	543.9
Consumption Costs	(33.6)	(54.0)
Raw Material Cost	(65.7)	(81.4)
Inventories Change	32.1	27.4
Outsourced Manufacturing	(83.9)	(100.9)
First Margin	297.9	389.0
Services Costs (excl. Out. Manuf.)	(88.3)	(126.9)
Personnel costs	(78.4)	(93.3)
Other operating expenses	(5.2)	(13.6)
Other income	0.7	1.0
Increase in tangible assets	0.9	0.8
Bad Debt and other provisions	(7.7)	(2.1)
EBITDA	120.0	154.8
D&A	(62.2)	(67.1)
EBIT	57.8	87.7
Financial expenses	(44.1)	(49.1)
Financial income	56.0	46.6
EBT	69.7	85.3
Income taxes	(19.1)	(18.6)
<i>Tax rate</i>	<i>27.4%</i>	<i>21.8%</i>
Net Income	50.6	66.7
Minority Interest	4.0	4.9
Group Net Profit	46.6	61.8



Total net financial expense

€ mln

	1H 22	1H 23	delta	FY 22
Financial charges/(income) from ordinary operations	1.7	2.5	0.8	3.3
Foreign exchange losses/(gains) on leases*	-10.2	6.7	16.9	-2.3
Foreign exchange losses/(gains)*	-5.8	2.7	8.5	-1.7
Financial charges/(income) from participations **	-4.7	-17.6	-12.9	-6.7
Other ***	7.1	8.1	1.0	17.8
Total net financial expense/(income)	-11.9	2.4	14.3	10.4

* Foreign exchange losses/(gain) produced total gains of -16€ million as at 30 June 2022 (the sum of -10.2€ million and -5.8 € millions), mostly unrealized, while Foreign exchange losses/(gain) as of 30 June 2023 produced total losses of 9.4€ million (the sum of +6.7€ millions and + 2.7€ millions), mostly unrealized

** With the agreement signed on 23 May 2023, Brunello Cucinelli's stake in Cariaggi S.p.A. decreased from 43% to 24.5%, following the sale of part of the initial stake to the Maison Chanel. As of 30 June 2023, the balance of the item "Charges (Income) from Equity Investments" amounted to €17.6 million, including a gain on the sale of this stake. As of 30 June 2022, the accounting for the purchase of the 43% stake in Cariaggi, which took place on 14 March 2022, had generated "Charges (Income)" from equity investments" of €4.7 million

*** Other includes "Lease financial charges/(income)" and "Financial charges / (income) for adjustment to the fair value of derivatives"



Total Net Financial Expense details

€ mln

	1H 2022	1H 2023	FY 2022
Trade receivables	75.2	75.2	76.6
Inventories	243.1	262.8	242.8
Trade payables (-)	(112.9)	(141.5)	(137.0)
Other current assets/(liabilities)	(40.9)	(21.6)	(41.6)
Net Working Capital	164.6	174.8	140.8
Goodwill	0.0	0.0	0.0
Intangible assets	581.1	509.1	534.0
Tangible assets	189.3	204.8	195.9
Financial assets	42.5	34.9	44.3
Total Assets	812.9	748.9	774.2
Other assets/(liabilities)	38.5	59.7	47.5
Net Invested Capital	1016.0	983.4	962.5
Cash & Cash equivalents (-)	(108.6)	(94.3)	(120.1)
Short term Debt	198.1	189.1	167.1
Long term Debt	572.7	485.1	522.6
Financial Indebtedness	662.3	580.0	569.5
Shareholders Capital	13.6	13.6	13.6
Share-premium Reserve	57.9	57.9	57.9
Reserves	228.4	257.5	230.4
Group Net Profit	46.6	61.8	80.6
Group Equity	346.5	390.8	382.5
Minority shareholders	7.3	12.6	10.4
Total Equity	353.7	403.4	393.0
Total Funds	1016.0	983.4	962.5

	1H 2022	1H 2023	FY 2022
Net Income	50.6	66.7	87.2
D&A	62.2	67.1	131.9
Ch. In NWC and other	(34.3)	(54.2)	(3.2)
Cash flow from operations	78.5	79.6	215.9
Tangible and intangible investments	(29.5)	(34.0)	(63.5)
Other (investments)/divestments	(16.8)	24.9	(18.1)
Cash flow from investments	(46.3)	(9.2)	(81.5)
Dividends	(32.3)	(48.1)	(32.3)
Share capital and reserves increase	0.0	(3.3)	6.0
Net change in financial debt	2.0	(42.6)	(89.4)
Total Cash Flow	2.0	(23.6)	18.7



Board of Directors

€ mln

Brunello Cucinelli	Excutive Chairman and Creative Director
Riccardo Stefanelli	C.E.O.
Luca Lisandrone	C.E.O.
Camilla Cucinelli	Director
Carolina Cucinelli	Director
Alessio Piastrelli	Director
Giovanna Manfredi	Director
Andrea Pontremoli	Director
Guido Barilla	Independent Director
Stefano Domenicali	Independent Director
Emanuela Bonadiman	Independent Director
Maria Cecilia La Manna	Independent Director
Ramin Arani	Independent Director
Chiara Dorigotti	Independent Director



Investor Relations & Corporate Planning Director

Pietro Arnaboldi

mail: pietro.arnaboldi@brunellocucinelli.it

+39 075 6970079

Viale Parco dell'Industria, 5 - Solomeo (PG) - Italia

