



· S O L O M E I ·
· A D · M C C C X C I ·

BRUNELLO CUCINELLI

FY 21 Results

March 10th , 2022



Brunello Cucinelli

"I have firm faith in the wisdom of men"

"At a dramatic time for humanity, in this winter of our struggles, a new era of responsibility is required of us, the search for a peace forged by great thoughts. I grew up in the land of Francis of Assisi, from whom I learnt the great value of dialogue as the noblest means of always achieving harmony among men".

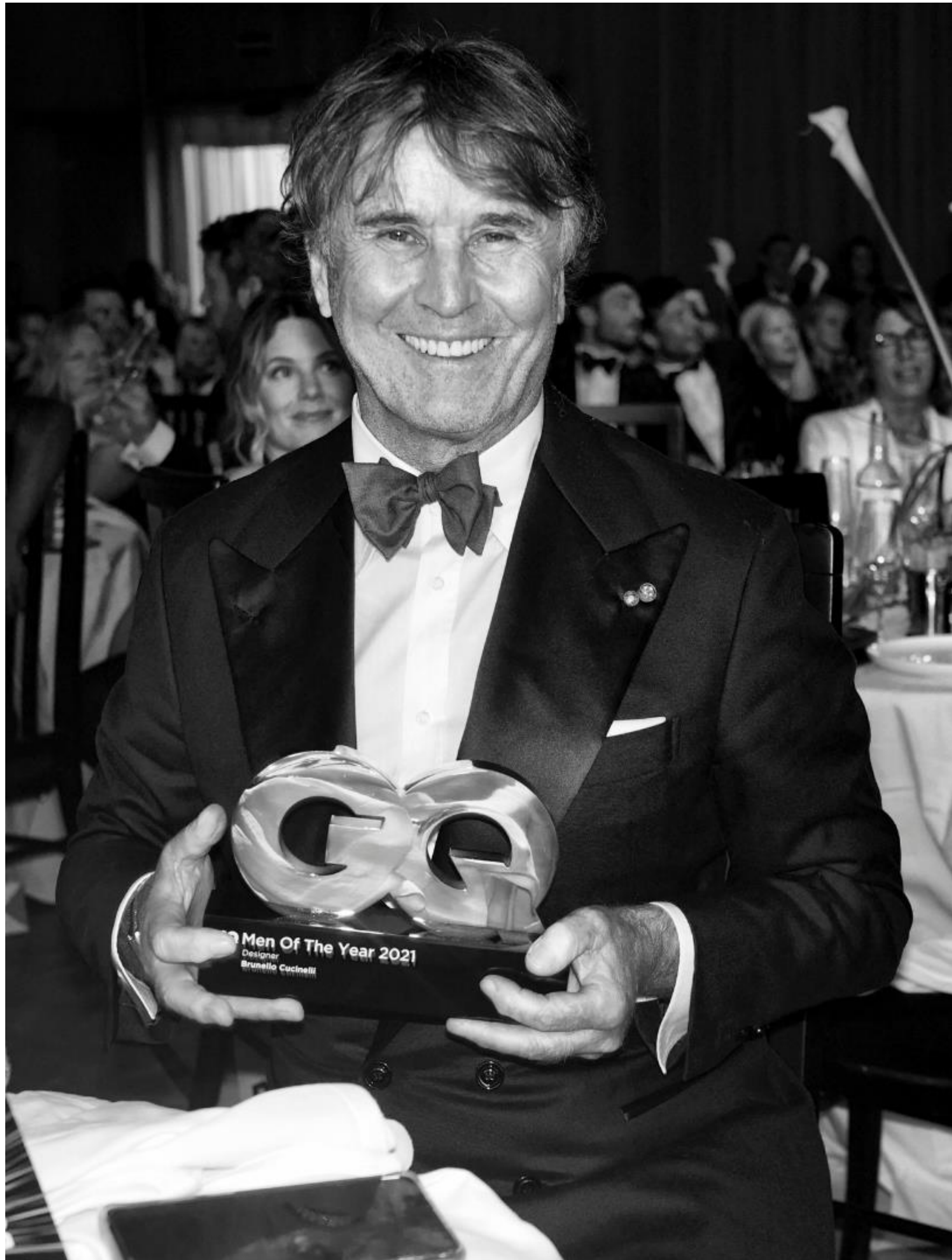
"Great challenges demand the courage to walk together and to reaffirm that common sense of humanity that only words can guarantee, when they rest on the brotherhood and wisdom of the men who rule the world".

*"The year 2021, which we called the year of rebalancing, ended with some **splendid** results both economically and in terms of image for our brand. Turnover grew by 30.9% and consequently net profit was equal to €56.3 million".*

*"This year opens with a quarter that is now drawing to a close with some particularly interesting results, the order intake for men's and women's winter collections 2022 was really significant. All this prompts us to envisage yet another year of **good, balanced growth**, with an increase in turnover of around 12%".*

*"A growth that we hope will generate **human prosperity** for our people, for our mother earth and for the whole of Creation. May the heavens and the stars enlighten us at this time, when souls have lost their bearings, but are filled with great hope for the bright future that awaits us".*





"Designer of the Year" award

In London at the Tate Modern Museum, at the beginning of September Brunello Cucinelli was named "**Designer of the Year**" by the prestigious **British men's fashion magazine GQ**.

Brunello Cucinelli's acceptance speech: *"I would like to dedicate my award to the minds and hearts of women and men of every epoch and from every corner of the world and to my teachers whose enlightened words taught me a universal vision of the world and that humanistic capitalism which is so kindly and widely attributed to me. Through it and our work, we have discovered and nurtured the moral and economic dignity of humans, gentle economic growth, harmony between profit and generosity, and respect for Creation, a small part of which I feel I have been called upon to be a faithful and caring guardian. May Creation protect us. Thank you. Thank you all."*



Humanistic Capitalism and Human Sustainability —

Brunello Cucinelli's participation as a **speaker at the G20 in Rome on October 31**, with a testimony on **Humanistic Capitalism** and **Human Sustainability**: in our idea of Sustainability, the important environmental dimension coexists with three other fundamental dimensions: the economic, the moral and the cultural

Environment - always been committed to Living in Harmony with Creation and trying to give dignity to our earth; make our commitment measurable by communicating target of a 60% reduction in greenhouse gas emissions in terms of economic intensity by 2028 and in absolute terms by 70% for scope 1 and 2 emissions and by 22.5% for scope 3

Economic - always trying to combine profit and gift in the best possible way, protecting the conditions of the people who work with us, taking care of the places where we work and to the remuneration, concerning both our human resources and the craftsmen of the external laboratories with which we produce our garments

Moral – respecting the dignity of the human being, working the right hours, staying connected for the right amount of time; strict compliance with the law, which is linked, for example, to the duty to pay the right taxes in one's own country

Cultural sustainability - through the Brunello and Federica Cucinelli Foundation to promote a culture inspired by the principles of humanism: the Theater, the Winery, the Monument to the Human Dignity, the schools of Arts and Crafts, and in the near the Universal Library



Brunello Cucinelli speech in front of the "great of the earth" at the G20 in Rome

"I am honoured to be here among you, the distinguished leaders of our wonderful Earth. I will try with some emotion to express to you my idea of Human Sustainability and what I mean by Humanistic Capitalism. I spent the first part of my life in the country, we were farmers, we did not have electricity, we worked the land with animals, we collected rainwater, we had a great respect for the earth. The Greek philosopher and poet Xenophanes stated: 'Everything comes from the earth", and we lived in harmony with Creation. The first bale of grain we harvested went to the community at my grandfather's behest. From there I learned the great theme of life: the balance between profit and giving back; that period of my life is still a gift to my soul.

As a boy, I saw my teary-eyed father, as he was subject to humiliation and offense at work, and even today I do not understand why he should be humiliated and belittled; however, inspired by the pain I read in those eyes, I decided that the dream of my life would be to live and work for the moral and economic dignity of the human being. I wanted a company that made healthy profits, but did so with ethics, dignity and morals; we are listed on the stock exchange, I wanted a company that had a balanced and gracious growth. I wanted human beings to work in slightly better places, earn a little more in wages and feel like thinking souls at work. Let us try not to turn our backs on poverty. I wanted a small part of the company's profits to go to beautify all of humanity and I wanted people to work a fair amount of hours and be online the right amount of time, so that Technology and Humanism could be harmonised and a healthy balance between mind, soul and body could be restored, because the soul and body also need nourishment every day. We try to respect the laws of every State, and thanks to my esteemed President Draghi, our Italy has regained its credibility. Our business is located in Solomeo, a small 14th century medieval village near Assisi.

We work in old factories built in the past century, some have been restored and embellished to make them modern, others have been demolished and the land has been reclaimed for agriculture, especially vineyards, olive groves, orchards and wheat, so finally we can say that we have not consumed our beloved land. We have restored the village by listening to the wise word of our masters and we have built a theatre that we consider to be a secular temple of art, then a monument to the Dignity of Man and an immense park called "Project for Beauty".

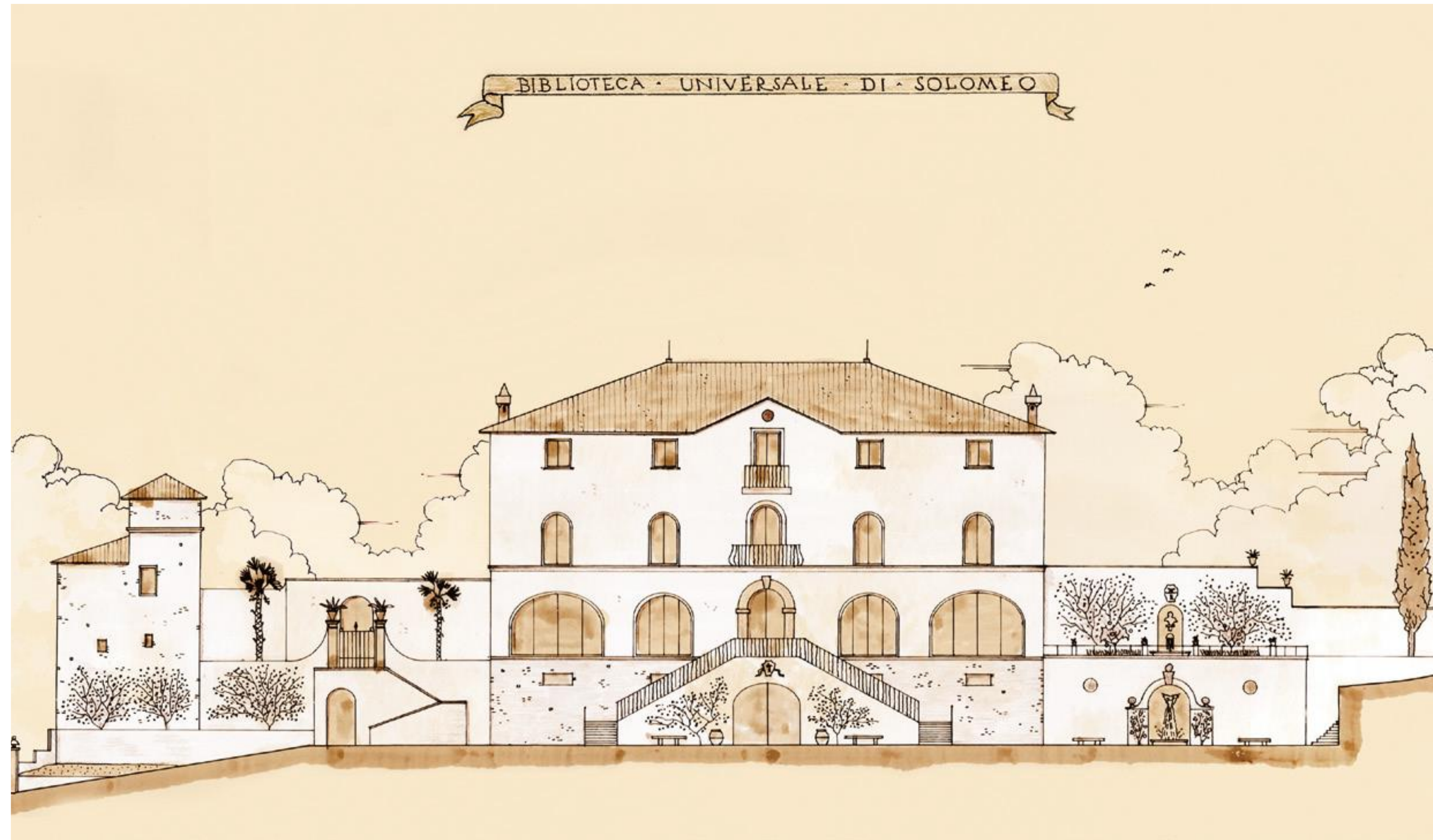
And now we are going to build a universal library; for this idea we were inspired by the great Ptolemy I of Alexandria and the Emperor Hadrian when he stated: "Books showed me the way of life; when I grew up, life made me understand the content of books. Whoever builds libraries will have built public granaries for future generations".



Universal Library of Solomeo: a Project for Humanity

*In the near future Solomeo will be enriched by the construction of its Universal Library, promoted by the **Brunello and Federica Cucinelli Foundation***

Universal Library of Solomeo will be inspired by the great Library of Alexandria conceived by Ptolemy I, which has the ambition to collect a large amount of publications from all over the world, in a small number of disciplines including philosophy, architecture, literature, poetry and crafts



We would like to follow up the thought of Emperor Adriano: "Books have shown me the way of life, when I grew up life made me understand the meaning of books"

The Universal Library of Solomeo will be located in the noble eighteenth-century Villa with a large park, close to the Church and the Theater, in the heart of Solomeo, defined by us Hamlet of Cashmere and Harmony.





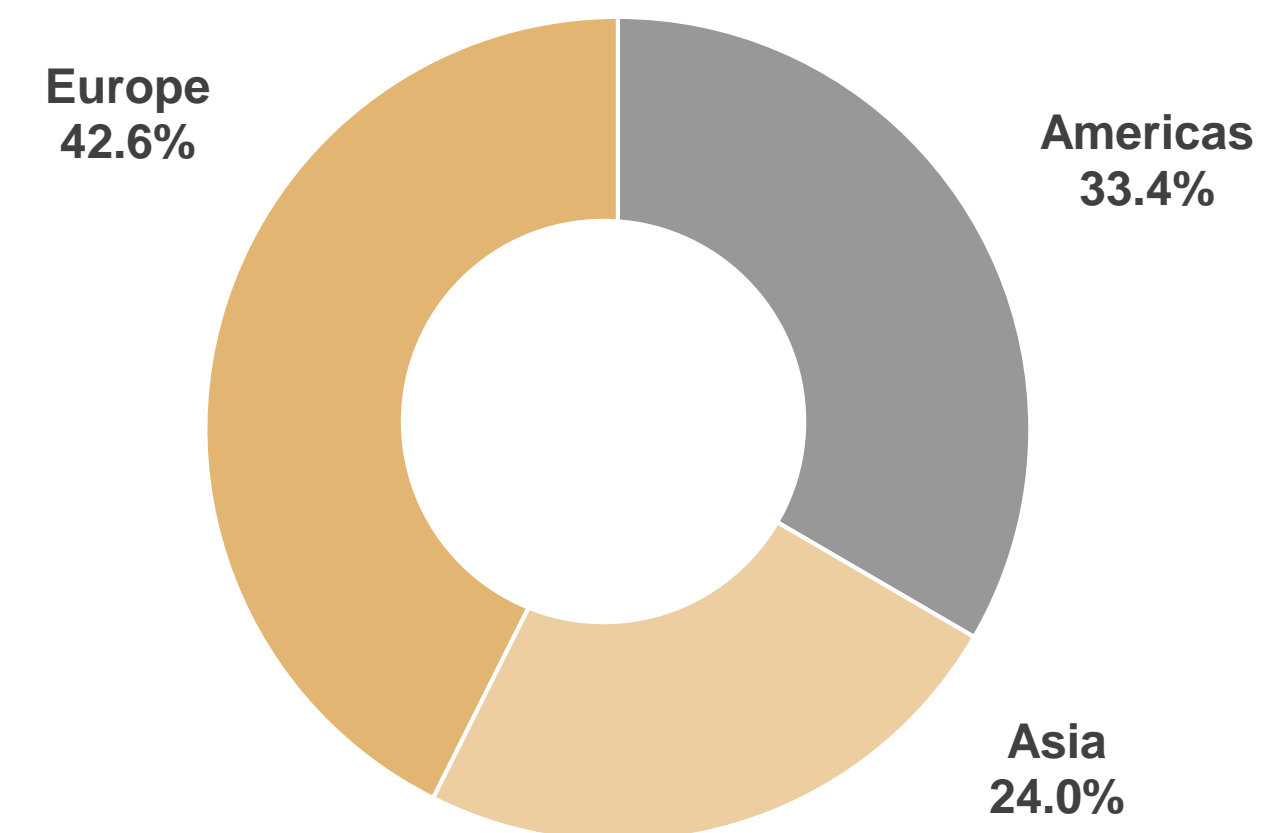
Revenues by Region

€ mln

	FY 20	FY 21	YoY % Chg	FY 19	FY 21 vs FY 19
Revenues	544.0	712.2	+30.9%	607.8	+17.2%

Constant exchange rates performance **+32.4%**

Europe	173.1	219.2	+26.6%	176.9	+23.9%
Italy	68.3	84.2	+23.3%	89.7	-6.1%
Americas	174.2	238.2	+36.7%	205.8	+15.8%
Asia	128.4	170.6	+32.9%	135.4	+26.0%



Starting from FY2021, sales will be presented according to the geographical breakdown (Europe, Americas, Asia) of the various countries in which the Group operates, maintaining a specific focus on Italy. This method of presentation allows greater emphasis to be placed on the weight that each geographical area has for the Group. In this regard, sales in countries previously included in the "Rest of the World" category have been allocated to the specific geographical areas of reference.





Revenues Highlights

Europe

Results supported by domestic connotation and loyalty of end customers; excellent balance between retail and multibrand channel. Luxury capitals have shown significant responsiveness in the recovery of sales and especially in the desire of customers to return to "live" the physical spaces

Italy

Important improvement in the sales trend in the last part of the year; very significant growth in the fourth quarter compared to 2020, with a performance close to parity in the comparison with 2019.

Solid recovery of local demand, balancing the prolonged absence of international tourism; very significant contribution of 2nd tier cities, thanks also to the presence of dedicated spaces in the most important Specialty Stores

Americas

Performance driven by growing desire to "dress well", in men as well as women and by synergistic presence in major cities, provincial and resort locations, through single-brand boutiques, Specialty Stores and Luxury Department Stores

Domestic tourism made a positive contribution, with resorts in the USA becoming a reference point for exclusive stays, as did digital sales, which complemented sales in the physical channel

Asia

Significant acceleration of sales in 4th quarter thanks to the performance of Mainland China: we believe that our approach to China, in full respect of its millenary culture, can give us beautiful and sustainable growth in the coming years

Exclusive product offering and "no logo" proposition fully meets the demand of the most exclusive luxury segment: very solid results were achieved in South Korea and in South East Asia

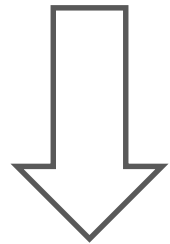




Revenues by Distribution Channel

€ mln

	FY 20	FY 21	YoY % Chg	FY 19	FY 21 vs FY 19
Retail	268.8	419.8	+56.2%	339.4	+23.7%
Wholesale	275.2	292.4	+6.2%	268.3	+9.0%



Retail
58.9%
on sales



Wholesale
41.1%
on sales



Monobrand Network



Retail Monobrand

114 boutiques as of December '21

107 boutiques as of December '20



Wholesale Monobrand

30 boutiques as of December '21

31 boutiques as of December '20



Distribution Channel

Retail Channel

Sales increase driven by the solidity of like-for-like and the growth of the network (new openings, expansion of existing spaces and conversions to the direct management of certain spaces within Luxury Department Stores); increased traffic and sell-out in the last part of the year, with very important results for the winter season, favored by the prestigious awards received

114 Retail boutiques (107 boutiques in the prior year), with four openings and three single-brand wholesale boutique conversions

43 Directly managed hard shops within Department Stores (31 in prior year) with 10 conversions within Nordstrom's Luxury Department Stores



Wholesale Channel

Outstanding results reported in all the quarters with the positive contribution of sales of SS 22, which followed the wonderful order collection completed in recent months and the excellent reviews by the international press

Excellent sell-out for FW21, and the long-term planning shared with multibrand partners make the results achieved solid and sustainable over time

Remarkable appreciation for the results, also taking into account the 13 conversions to direct management from wholesale channel, including 3 wholesale monobrand boutique and 10 hard shop in luxury Department Stores in 2021



Income Statement

	FY 2019	FY 2020	FY 2021
Revenues	607,8	544,0	712,2
First Margin	416,1	369,3	479,0
%	68,5%	67,9%	67,3%
SG&A	-246,5	-279,8	-285,7
%	40,6%	51,4%	40,1%
EBITDA	169,6	89,5	193,3
%	27,9%	16,4%	27,1%
D&A	-86,3	-104,3	-116,3
%	14,2%	19,2%	16,3%
EBIT	83,4	-14,8	77,0
%	13,7%	-2,7%	10,8%
EBT	69,2	-33,8	64,0
Net Income	53,1	-32,1	56,3
<i>Tax Rate</i>	23,3% ³	<i>n.a.</i>	12,1% ⁴

	FY 2019	FY 2020	FY 2021
EBITDA restated *	106,1	41,8 ¹	110,0 ²
%	17,4%	7,7%	15,4%

* Excluding IFRS 16 impact

- 1) excluding IFRS 16 and the impact related the extraordinary Inventory write-down of € 31,7 mln due to pandemic effect
- 2) excluding IFRS 16 and benefiting from non-recurring revenues of € 5.2 million
- 3) excluding the tax benefit related to the Patent Box the normalised tax rate at 31 December 2019 is 30.9%
- 4) excluding non-recurring events, the normalized tax rate at 31 December 2021 is 28.5%





Income Statement Highlights

Preserve the **solidity of the corporate structure** and to **maintain all the activities and investments** planned before the pandemic, pursuing a fully sustainable model, both towards Creation and towards human beings

In the comparison with **2020**, analysis must take into account the **strong impact of the pandemic** last year; in the comparison with **2019**, the analysis must consider both the **effects of the pandemic that continued in 2021**, costs related to **multiple commercial initiatives and network development**, contributing significantly to the results expected for the coming years

Network development: 114 retail boutiques as at 31/12/2021, compared to 107 boutiques previous year, with **4 openings** and **3 conversions** of wholesale monobrand boutiques; **prestigious boutique expansions** carried out between 2020 and 2021, including those in London, Paris, St Petersburg, Shanghai, Tokyo and New York. **Directly managed hard shops** within Department Stores rose to 43 in 2021, compared to 31 hard shops at 31 December 2020, mainly related to the **conversion** to direct management of 10 spaces within Nordstrom's Luxury Department Stores

Personnel costs therefore grow progressively in the period 2019-2020-2021, following the **expansion of our human resources structure** to support new commercial initiatives, the expansion of the network, and the processes of consolidation of our activities

Investments in communication are correlated with strategic **digital communication activities** developed across all 12 months of '21, and to the **boutique events** that were concentrated instead in the second half of the year (limited in the first half due to the effects of the pandemic)

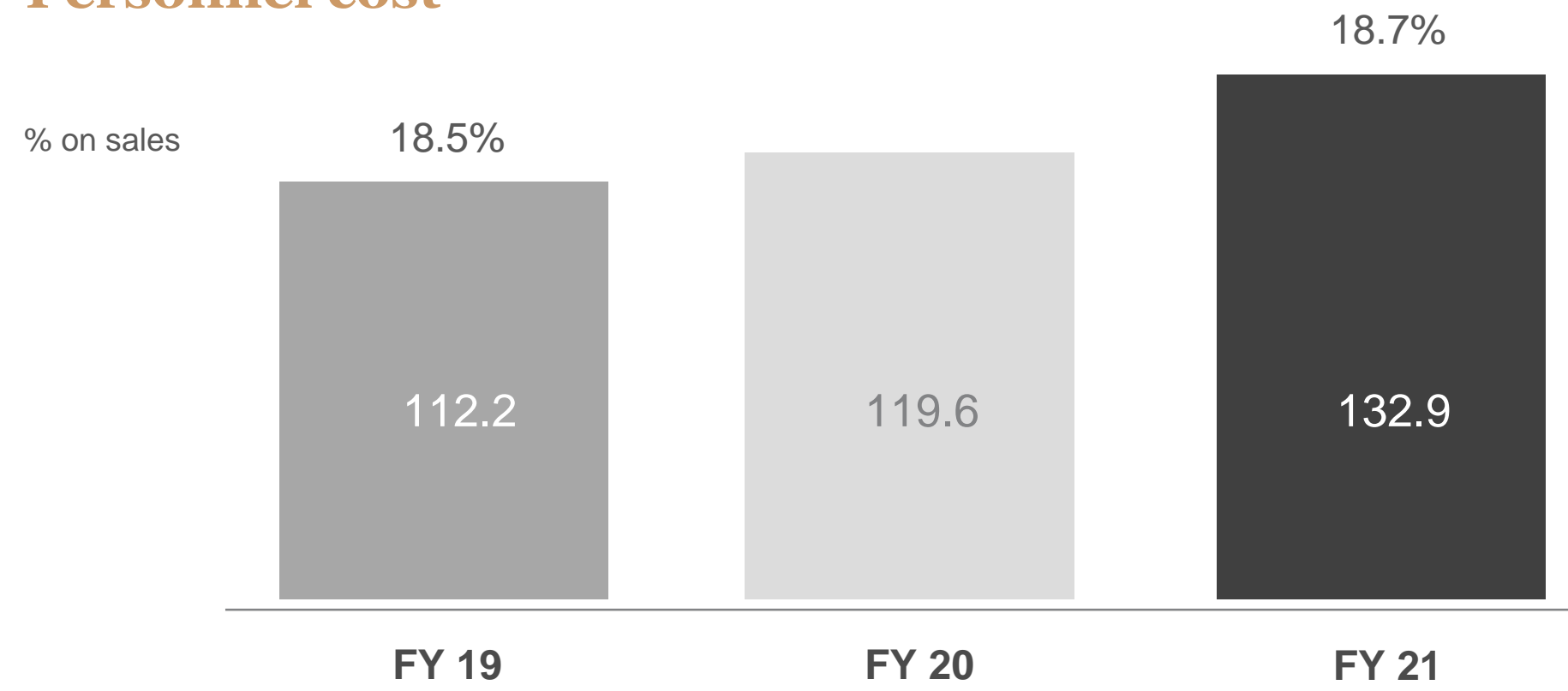
Rents' progressive increase is mainly related to the **development of the network**, the benefit of which will also contribute to the results of the coming periods



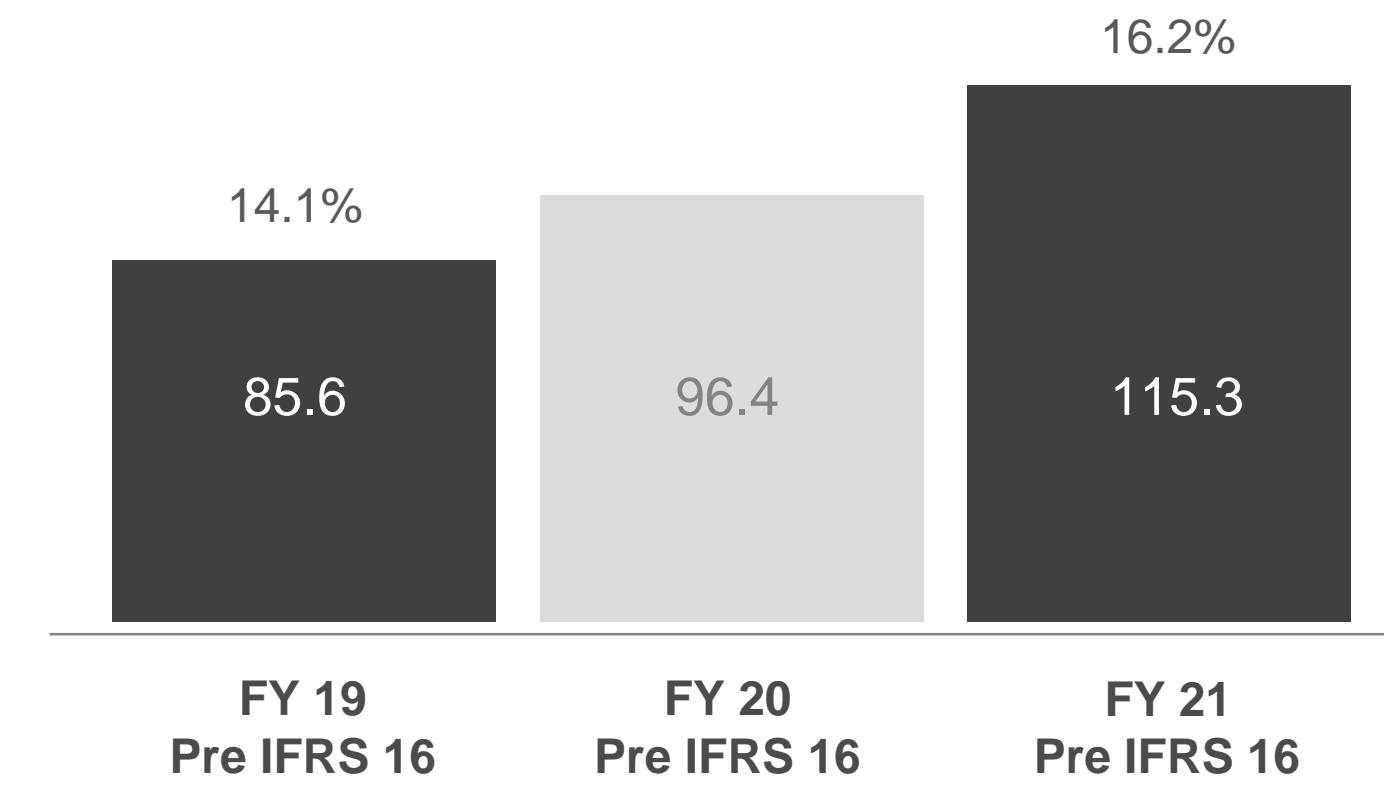
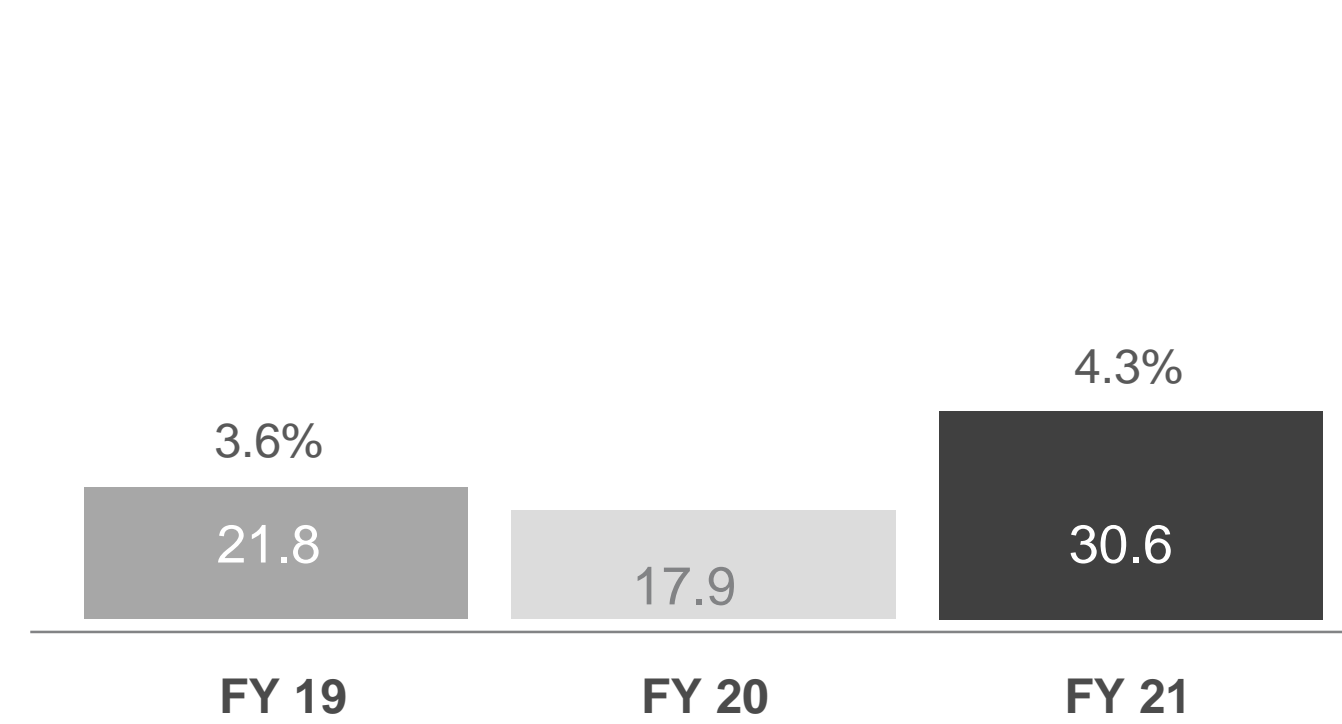
Income Statement highlights

€ mln

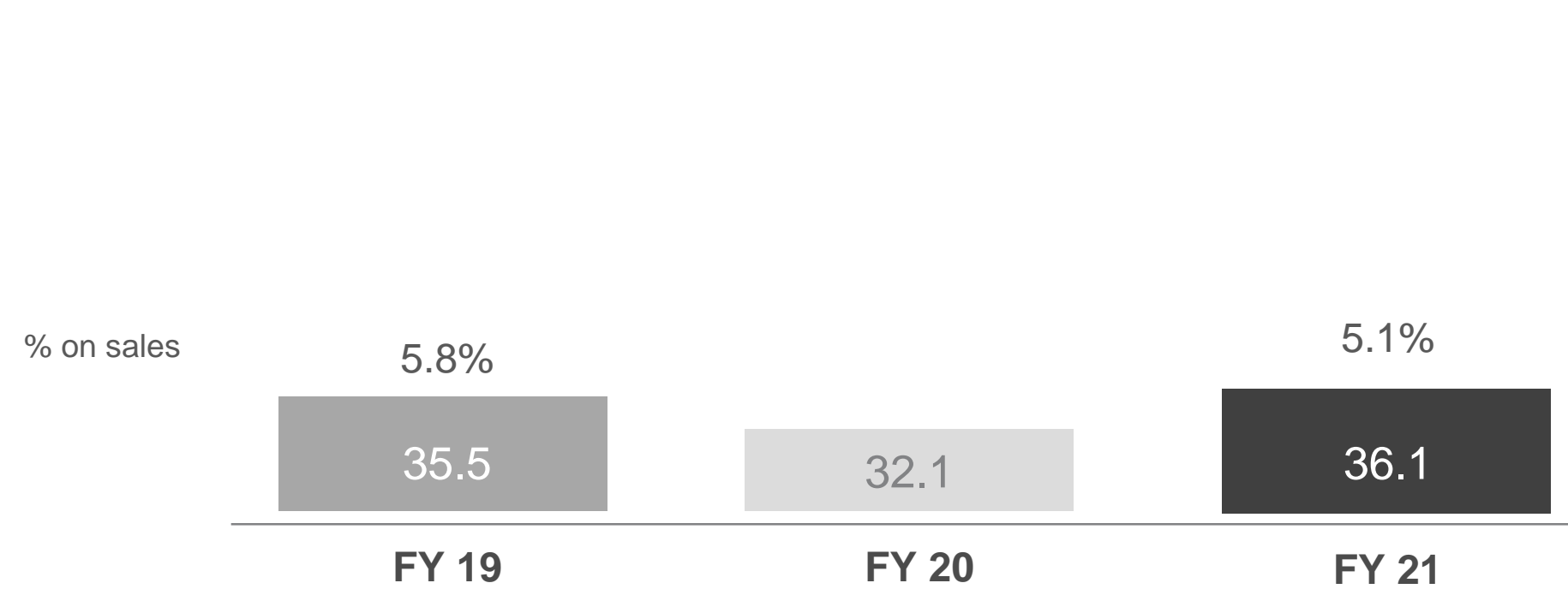
Personnel cost



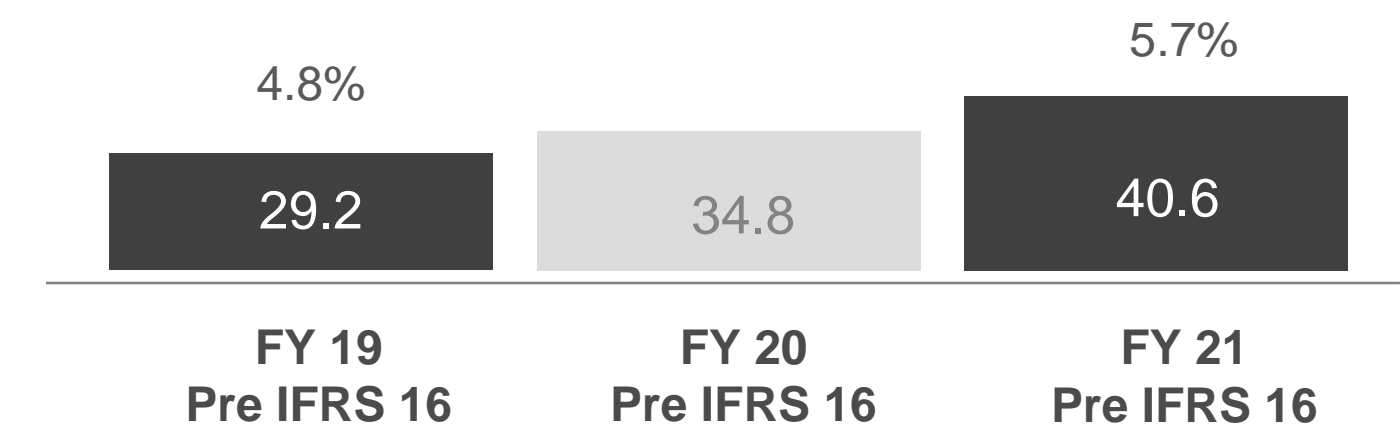
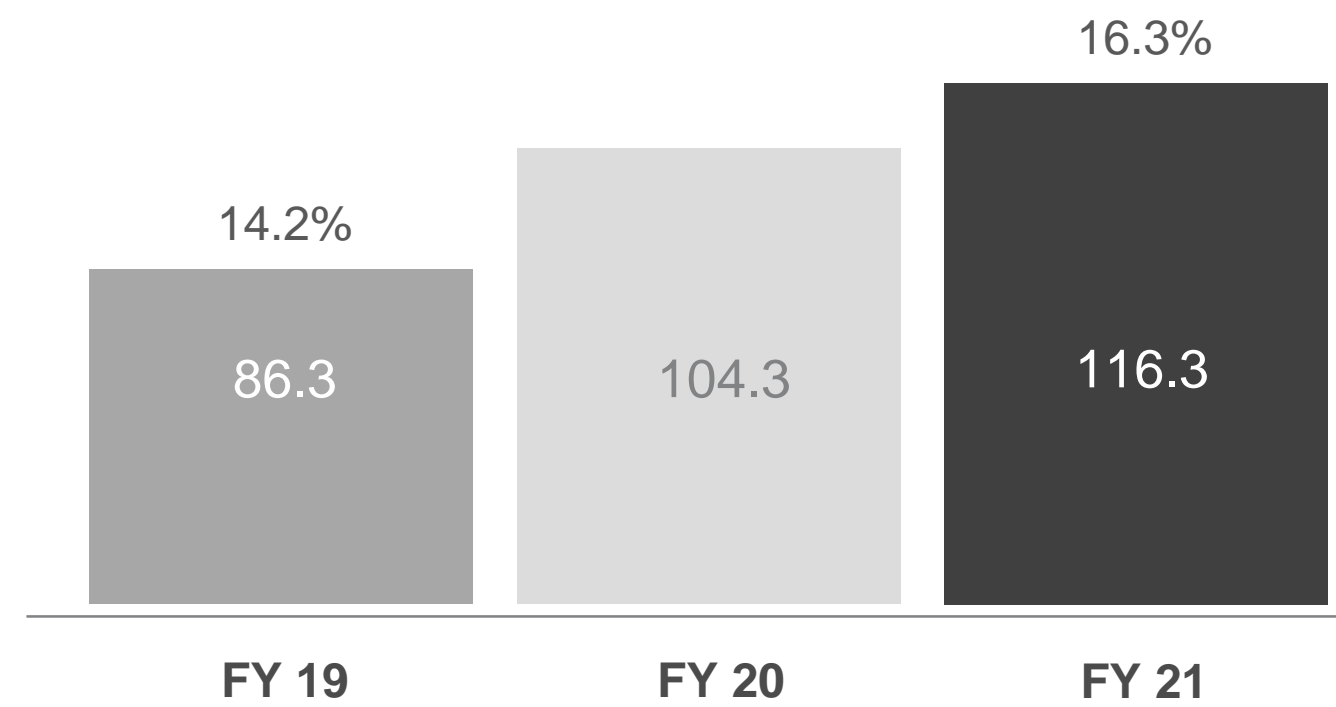
Rent cost



Investments in Communication



D&A

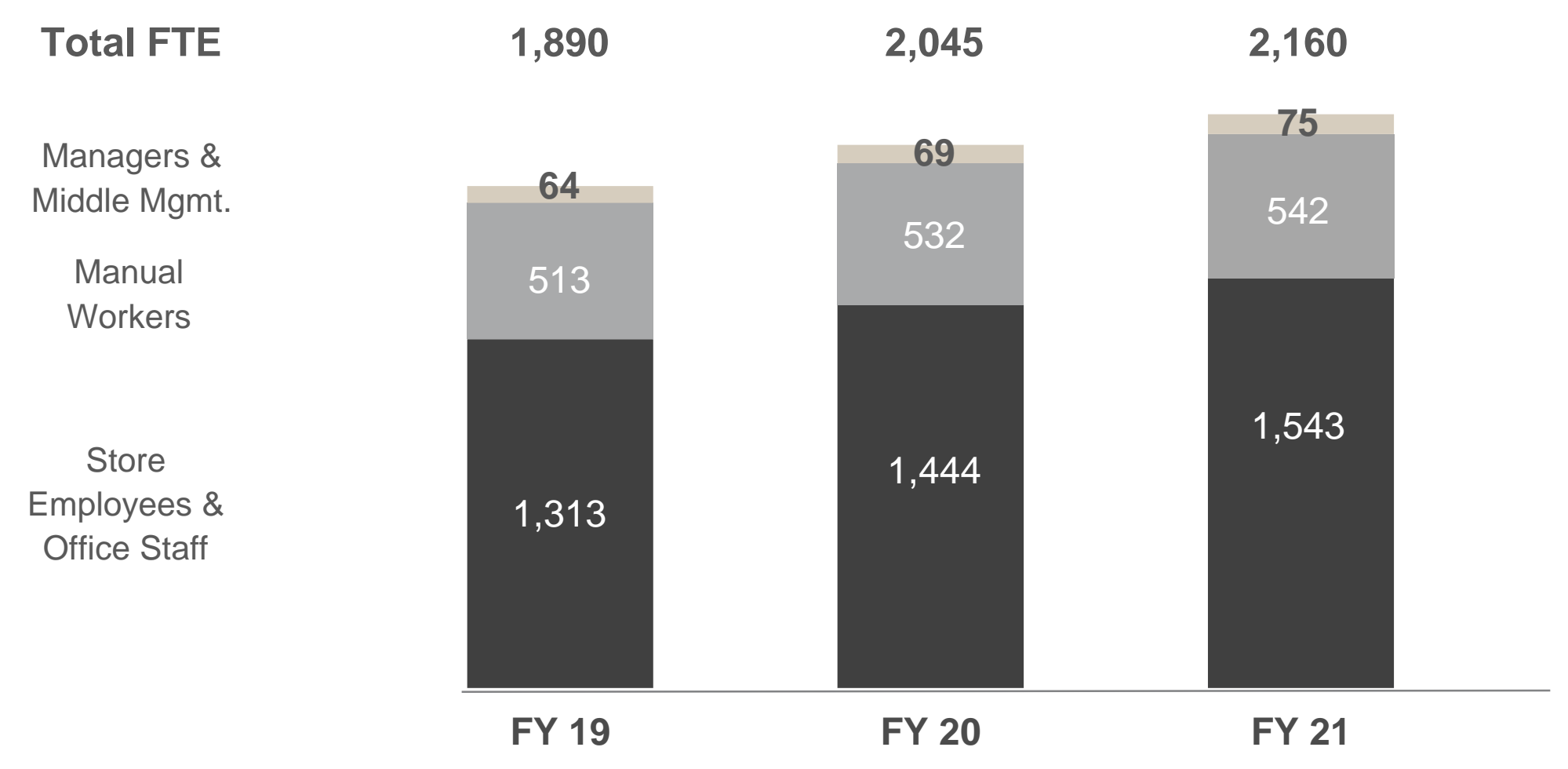




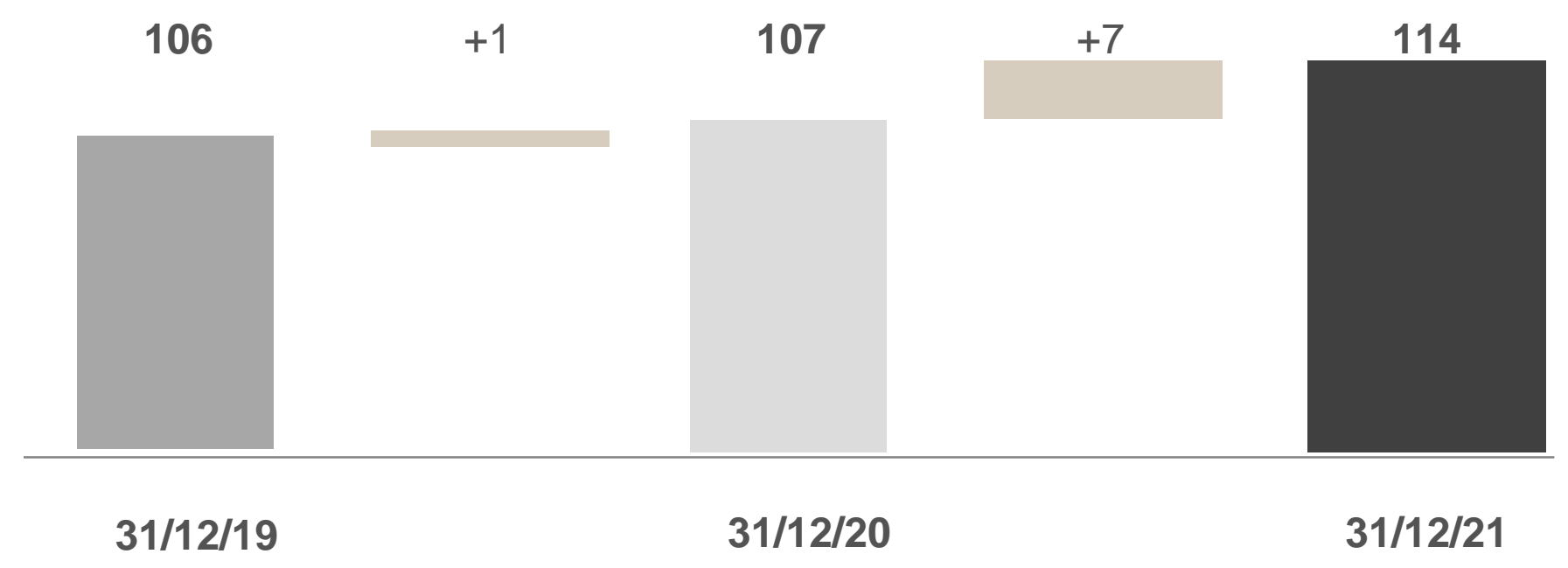
Income Statement highlights

€ mln

Average FTE – Workforce Analysis



DOS Network from 31/12/19 to 31/12/21



Net Working Capital

€ mln

	FY 2020	FY 2021	delta
Trade Receivables	78,9	72,8	-6,1
Inventories	208,3	199,3	-9,1
Trade Payables	-91,4	-102,7	-11,2
Trade Net Working Capital	195,8	169,4	-26,4
<i>Incidence on FY Net Revenues</i>	<i>36,0%</i>	<i>23,8%</i>	
Other Credits/(Debts) *	-9,1	-27,3	-18,2
Net Working Capital	186,7	142,2	-44,6
<i>Incidence on FY Net Revenues</i>	<i>34,3%</i>	<i>20,0%</i>	

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

Trade net working capital amounted to €169.4 million as of 31 December 2021, with a 23.8% incidence on sales, compared to €195.8 million as of 31 December 2020, a value strongly impacted by the pandemic and with a 36.0% incidence.

The dynamics of the trade net working capital also show an improvement compared to 2019, whose value was €174.0 million with a 28.6% incidence.

Inventory

- the full recovery of sales and shipping activities and the overcoming of the phase related to the lockdown period of 2020,
- further progress thanks to the important sell-outs, which contribute to fully absorb those increases in the inventory balance related to business development, new commercial initiatives, and the expansion of the digital channel activity



Trade receivables reduction driven by the return to ordinary payment terms of all wholesale customers, after some extensions granted in 2020 following the outbreak of the pandemic, on the basis of a relationship of extreme mutual cooperation consolidated over time

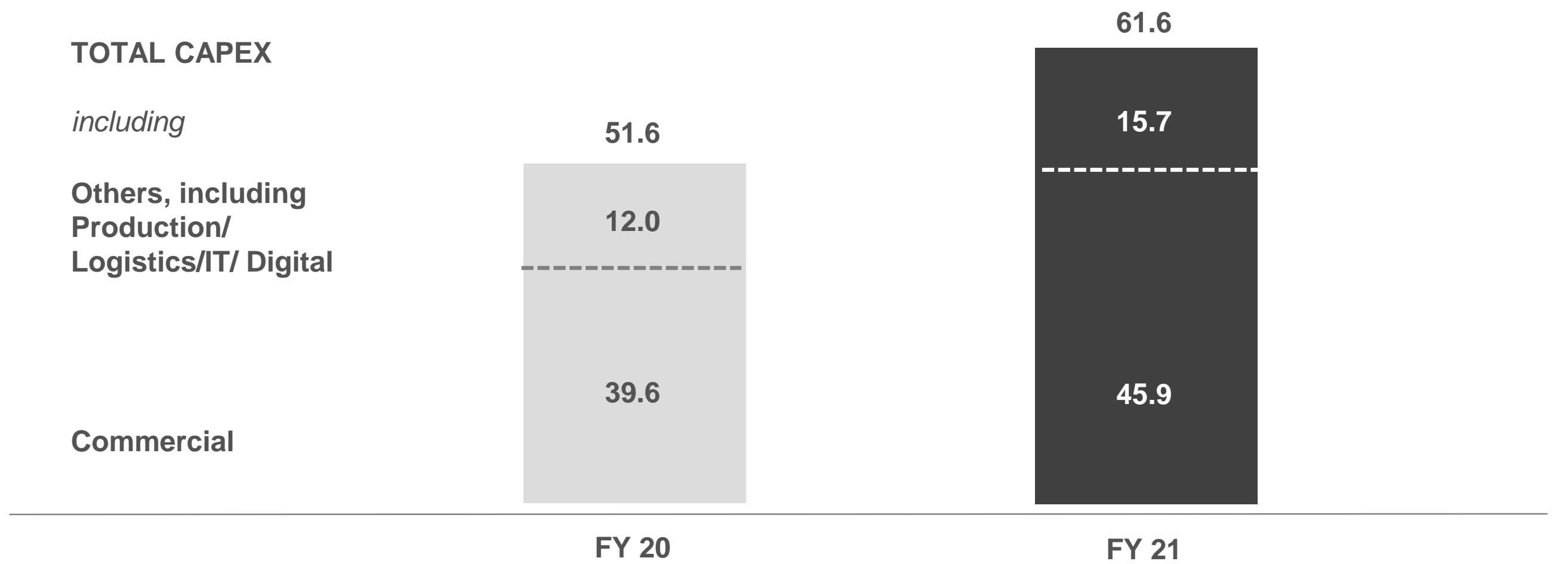
Trade payables: in 2021, the timing of payments to its suppliers, collaborators and consultants remained unchanged, and purchases of raw materials were more concentrated in the second half of the year, compared to what happened in 2020.





Investments

€ mln



Commercial investments mainly allocated to the expansion of prestigious boutiques, the renovation of our showrooms, and the increase in sales space, while also supporting the opening of new Casa Cucinelli spaces, the development of the wholesale channel and the growth of dedicated areas in Luxury Department Stores

Great deal of attention to all other investments, including digital, technological and production/logistics investments, which have always accompanied the company's growth and development process

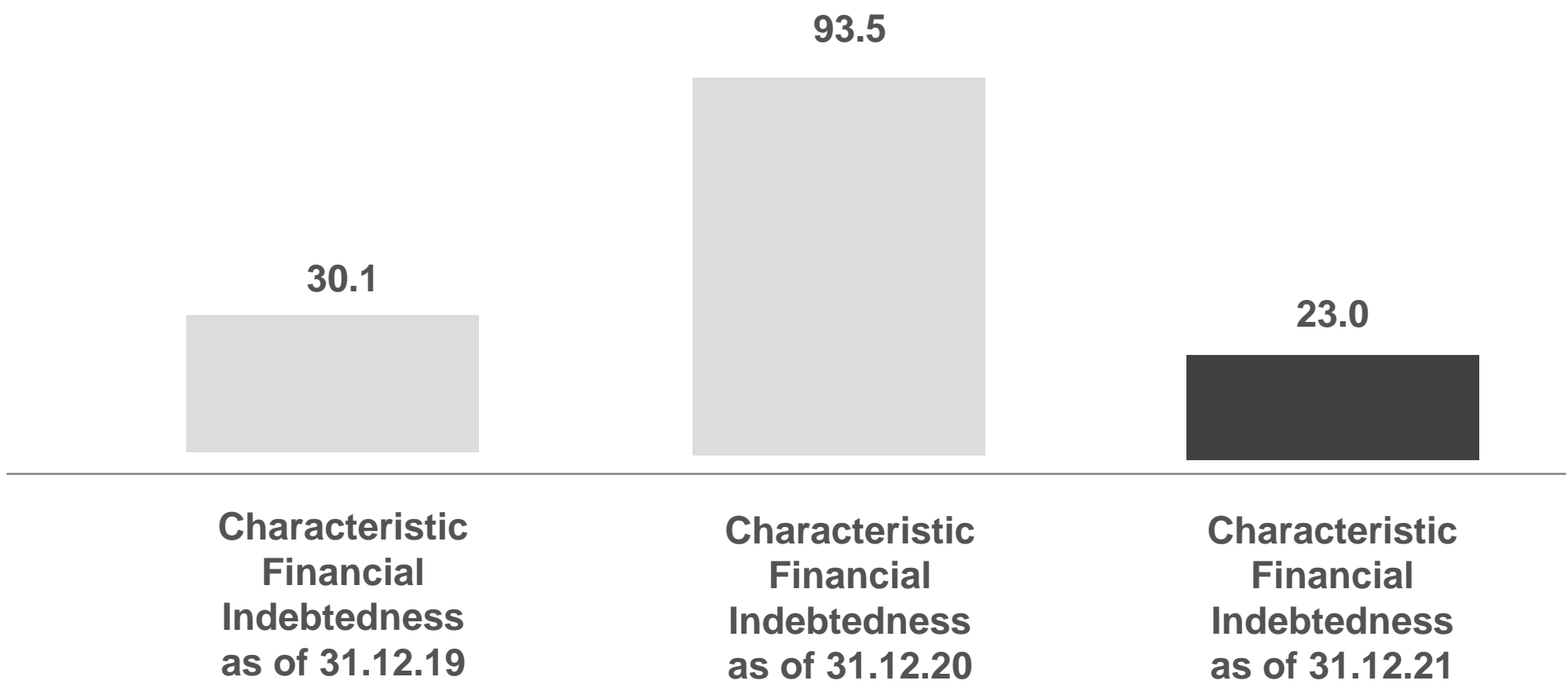
Digital investments supporting the constant updating of the technological fundamentals and the user experience of the ecommerce site, enabling it to cope very effectively with the increase in digital channel flows over the last two years, particularly through mobile devices.





Characteristic Financial Indebtedness

€ mln



- Solid corporate structure supported the significant multi-year investment plan
- The generation of cash and excellent results in the management of net working capital enabled the strong and important improvement in the Characteristic Net Financial Debt of € 23,0 million as at 31 December 2021, compared to €93.5 million as at 31 December 2020 and €30.1 million as at 31 December 2019
- Lease payables, not included in the characteristic Financial Indebtedness , amounted to €546.7 million as of December 31, 2021 compared to €512.2 million as of 31 December 2020

Outlook

The **first part of 2022 shows very, very good results** in both sales channels. The retail channel is sustained by the very positive **sell-outs of the Spring Summer 2022** men's and women's collections, with customer appreciation confirming the very positive feedback gathered during the presentation of the collections. **The order collection** for the men's and women's Autumn Winter **2022** collections has ended with **important results**.

In the wholesale channel, we are favourably impressed by the enthusiasm with which our **multi-brand partners** have evaluated the creativity expressed in the collections. At the same time, they have rewarded the reliability and planning of our company in their budget allocation choices, and we think they have made a strong selection in terms of brand strategy.

Clearly, the large order book for the Autumn Winter 2022 collections, and the **wonderful** feedback from customers and the international press, suggest that the direct boutiques will also have winter merchandise that is judged to be beautiful.

These elements reinforce the feeling that our **brand** is living a very positive moment, supported by the freshness of the product and the authority of the sustainability proposal in its environmental, economic, cultural and moral declination.

Major investments in 2021 have enabled us to **enrich our network**, and to make our company more modern, more effective, faster and even more respectful of all resources.

We expect to continue in this vein in the years to come, willingly accepting every innovation that research makes available to us, with the ultimate aim of **constantly elevating the image of our brand** and our Fashion House in every implementation.

The excellent sales figures for these first few weeks of **2022**, the significant quality of orders already in the pipeline for the second half of the year and the perceived attractiveness of our brand allow us to predict a **very important year for our industry**.

We therefore envisage in **2022** a growth of **around +12%**, the **rebalancing of margins** to our pre-pandemic normal levels, and an **improvement in Net Financial Debt**, confirming **significant investments**, in line with the multi-year planning as was the case in 2021. With equal confidence we expect balanced **growth in 2023 of around +10%**.

The wonderful 2021 that we have concluded, the concreteness of our expectations for 2022 and 2023, and the path of healthy growth and sustainability that we expect in the coming years, allow us not only to look with great confidence at the goal of **doubling turnover**, which we had **initially planned for the 2019-2028** ten-year plan, but also allow us to imagine that we can achieve it as early as **2026**.

Conscious of our idea of **Humanistic Capitalism** and **Human Sustainability**, we will always try to keep our commitment to **Living in Harmony with Creation**, trying to make the **environmental** dimension coexist with the **economic, moral and cultural** one.

This is why, in line with our philosophy and our approach to doing business, we will continue to seek **a balance between profit and giving**, respecting the moral and economic dignity of the human being, be it our human resources, our artisan craft workshops, our suppliers of raw materials, a collaborator of our fashion house, or the end customer.





BRUNELLO CUCINELLI

FY 21

Annex

Detailed Income Statement

€ mln

	FY 2019	FY 2020	FY 2021
Revenues	607,8	544,0	712,2
Consumption Costs	(72,3)	(53,7)	(113,6)
Raw Material Cost	(112,4)	(98,0)	(96,0)
Inventories Change	40,1	44,3	(17,6)
Outsourced Manufacturing	(119,4)	(121,0)	(119,6)
First Margin	416,1	369,3	479,0
Services Costs (excl. Out. Manuf.)	(128,7)	(122,3)	(151,5)
Personnel costs	(112,2)	(119,6)	(132,9)
Other operating (expenses)/revenues	(7,5)	(8,9)	(9,8)
Other income	0,8	2,8	10,1
Increase in tangible assets	2,4	3,3	3,4
Bad Debt and other provisions	(1,3)	(35,1)	(4,9)
EBITDA	169,6	89,5	193,3
D&A	(86,3)	(104,3)	(116,3)
EBIT	83,4	(14,8)	77,0
Financial expenses	(41,4)	(47,0)	(34,9)
Financial income	27,2	28,0	21,9
EBT	69,2	(33,8)	64,0
Income taxes	(16,1)	1,7	(7,7)
<i>Tax rate</i>	23,3%	<i>n.a.</i>	12,1%
Net Income	53,1	(32,1)	56,3
Minority Interest	0,5	1,1	3,0
Group Net Profit	52,6	(33,2)	53,3



Detailed Balance Sheet & Cash Flow Statement

€ mln

	FY 2020	FY 2021
Trade receivables	78,9	72,8
Inventories	208,3	199,3
Trade payables (-)	(91,4)	(102,7)
Other current assets/(liabilities)	(9,1)	(27,3)
Net Working Capital	186,7	142,2
Goodwill	7,0	7,0
Intangible assets	482,3	518,0
Tangible assets	154,4	172,6
Financial assets	11,4	17,4
Total Assets	655,3	715,1
Other assets/(liabilities)	24,9	34,9
Net Invested Capital	866,8	892,2
Cash & Cash equivalents (-)	(73,0)	(100,7)
Short term Debt	181,5	125,9
Long term Debt	497,3	544,6
Financial Indebtedness	605,7	569,8
Shareholders Capital	13,6	13,6
Share-premium Reserve	57,9	57,9
Reserves	220,7	191,3
Group Net Profit	(33,2)	53,3
Group Equity	259,0	316,1
Minority shareholders	2,1	6,3
Total Equity	261,1	322,4
Total Funds	866,8	892,2

	FY 2020	FY 2021
Net Income	(32,1)	56,3
D&A	104,3	116,3
Ch. In NWC and other	(35,8)	35,6
Cash flow from operations	36,5	208,2
Tangible and intangible investments	(48,6)	(56,0)
Other (investments)/divestments	7,6	(2,4)
Cash flow from investments	(41,1)	(58,4)
Dividends	(1,1)	0,0
Share capital and reserves increase	0,0	0,0
Net change in financial debt	12,3	(127,4)
Total Cash Flow	6,7	22,4



Investor Relations

Board of Directors

Brunello Cucinelli	Executive Chairman and Creative Director
Riccardo Stefanelli	C.E.O.
Luca Lisandroni	C.E.O.
Camilla Cucinelli	Director
Giovanna Manfredi	Director
Carolina Cucinelli	Director

Andrea Pontremoli	Independent Director
Stefano Domenicali	Independent Director
Anna Chiara Svelto	Independent Director
Emanuela Bonadiman	Independent Director
Maria Cecilia La Manna	Independent Director
Ramin Arani	Independent Director

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This presentation may contain forward looking statements which reflect Management's current views and estimates.

The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Figures as absolute values and in percentages are calculated using precise financial data. Some of the differences found in this presentation are due to rounding of the values expressed in millions of Euro.

The Manager in Charge of preparing the Corporate accounting documents, Moreno Ciarapica, declares pursuant to and to the effects of article 154-bis, paragraph 2 of Legislative Decree no. 58 of 1998 that the disclosures included in this release correspond to the balances on the books of account and the accounting records and entries.