



BRUNELLO CUCINELLI

FY 22 Results

March 15 2023

Gli occhi sono gli interpreti dell'anima

CICERONE

Brunello Cucinelli

"The year 2022 was for our Casa di Moda a year that we define as one of high inspiration, of consistent growth, but above all of striking recognition of our brand for its identity in style, craftsmanship, exclusivity and in the way it presents itself with respect to Creation.

We view this year 2023 as the beginning of a new time, animated by the awakening of great values and ideals; and perhaps it is time to come up with up-to-date solutions for blue-collar workers, restoring moral and economic dignity to the craft trades, our Italy being a manufacturing country that is well-loved by the entire world.

After the noble international Neiman Marcus Fashion Award 2023 received a few days ago in Paris, which represents a sort of "Academy Award of Fashion", given the excellent sales in the first quarter – almost ended – and the sizeable Fall-Winter 2023 orders for men and women, we have decided to raise our estimates to a + 15% growth in revenues for the year whilst assuming a healthy increase of around +10% for 2024"



BRUNELLO CUCINELLI



BRUNELLO CUCINELLI



2018 – 2022: excellent quantitative and qualitative growth

FY 2018



Human Privacy

€553 mln
+8.1%

FY 2019



*Time for Spirit, time
for Harmony*

€608 mln
+9.9%

FY 2020



*"From here on, I would like
to resume the journey
towards Universal
Humanism"*

€544 mln
-10.5%

FY 2021



*"Nature is a gentle,
prudent and just guide."
Montaigne*

€712 mln
+30.9%

FY 2022



*"The eyes are the
interpreters of the soul."
Cicero*

€920 mln
+29.1%





FY 2022 Financials Highlights

REVENUES €919.7 mln +29.1% +24.8% cost. curr	EBITDA €266.4 mln +37.8% 29.0% on sales	NET PROFIT €87.2 mln +54.9% 9.5% on sales
EUROPE +20.8% 39.8% on sales	AMERICAS +40.5% 36.4% on sales	ASIA +28.1% 23.8% on sales
RETAIL +36.6% 62.3% on sales	WHOLESALE +18.5% 37.7% on sales	
CAPEX €73 mln + €15 mln for acquisition of 43% Cariaggi	NET FINANCIAL POSITION* €7.1 mln (€ 23.0 mln as of Dec. '21) <small>* Lease obligations are excluded</small>	DIVIDEND BoD proposing €0,65 dividend equal to 50% pay-out ratio



FY 2022 Highlights

Balanced contribution of the channels (62% and 38% of total sales, respectively)

Balanced contribution of the geographies (Europe 40%, Americas 36%, Asia 24%)

Balanced contribution of women's and men's collections (parity in volume and still a slight prevalence of women in value)

Network of boutiques further strengthened: openings in Palo Alto in 2022 and expansions in San Francisco, Cannes and Zurich

Excellent order intake on the SS23: very good result in the wholesale channel in 2022, as well as a good start in 2023

Very solid income statement structure, with all the main cost lines under control and a healthy marginality fuelled by a small leverage effect



*“We are very satisfied with this first part of 2023, with the **sell-outs of the Spring Summer 2023 collections** fully confirming the favourable feedback gathered during the presentations of the collections, both from multi-brand partners and the specialised press.*

*We also feel that our **brand is living a splendid moment**, thanks also to the **very important recognitions received**. In the market, we still register a **higher demand for luxury goods than supply in this first part of the year**.*

*For these reasons, we expect **very strong growth in the first quarter of 2023**, also favoured by the comparative basis of the first quarter of 2022, which is relatively less demanding than the following quarters.*

*The **Fall Winter 2023 order collection** ended with very important results, and the collections also received very positive comments from the specialised press.*

*On the basis of these elements, we can envisage a very nice growth in sales for **2023** and **raise our estimates from +12% to +15%**, with a **healthy and fair profit** and a level of **investment** consistent with our long-term planning.*

*Finally, in **2024** we consider revenue growth in the region of **+10%** to be reasonable.*





Business Update



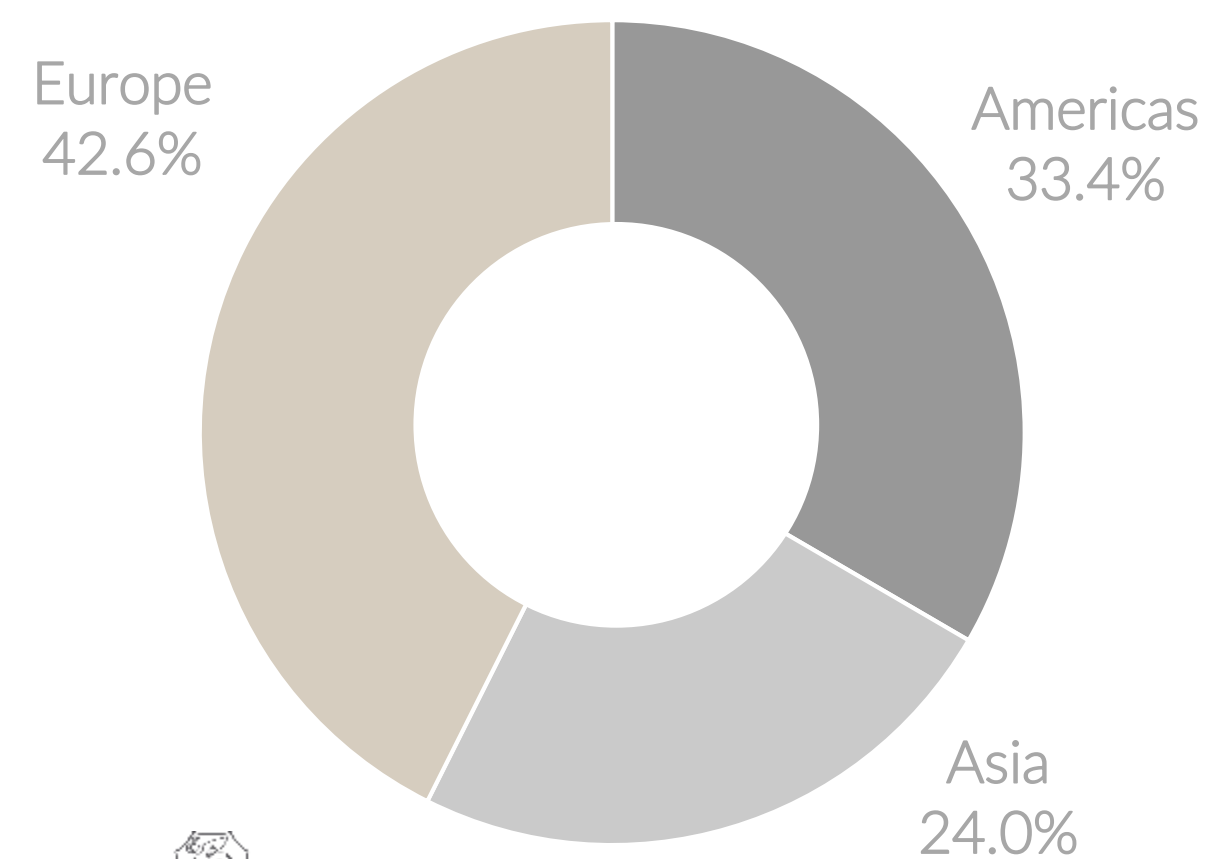


Revenues by Region

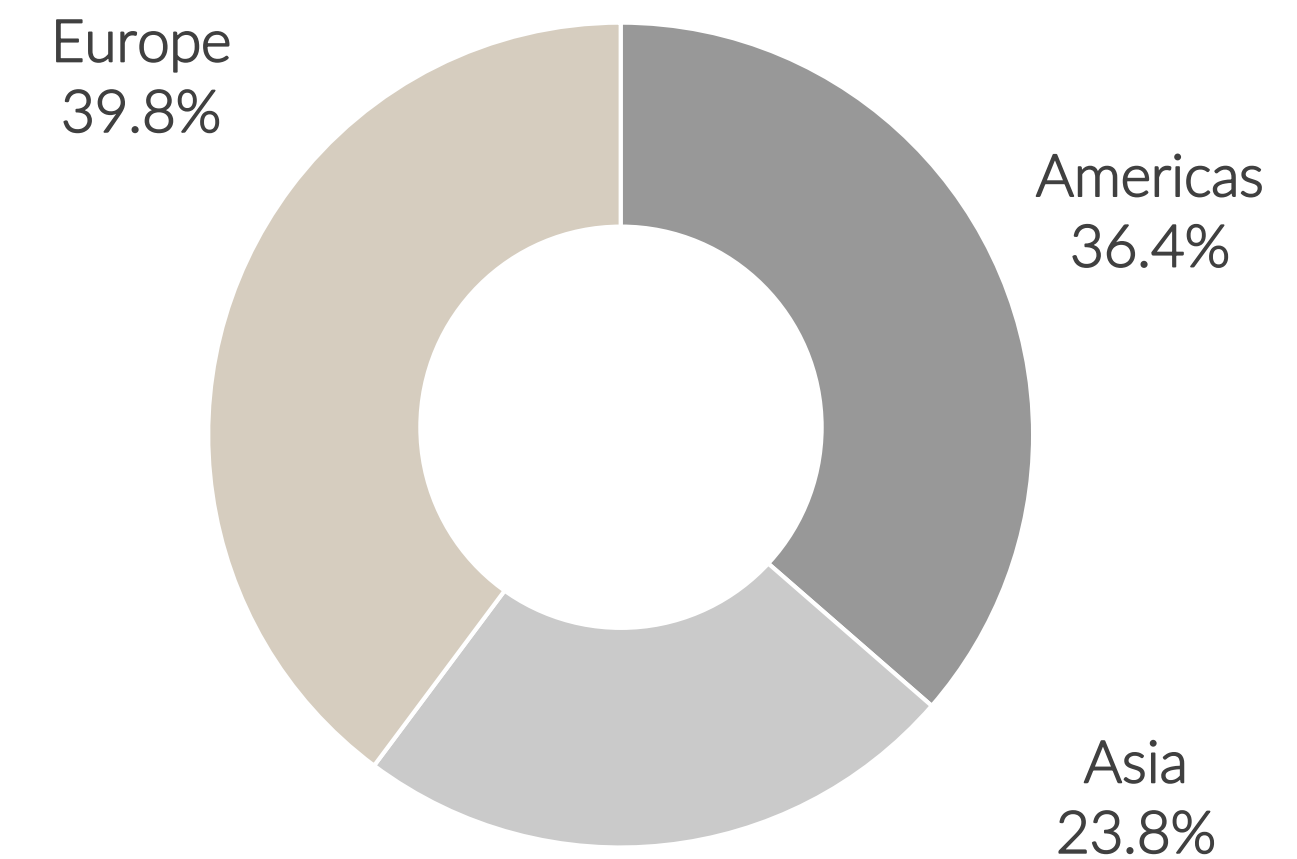
€ mln

€ mln	FY 21	FY 22	YoY % Chg
Net Revenues	712.2	919.7	+29.1%
		Constant exchange rates +24.8%	
Italy	84.2	102.8	+22.0%
Europe (excl. Italy)	219.2	263.8	+20.4%
Total Europe	303.4	366.6	+20.8%
Americas	238.2	334.7	+40.5%
Asia	170.6	218.4	+28.1%

FY 2021



FY 2022



Region Highlights

ITALY

Excellent results in Italy, with DOS growth throughout the year went as well as positive contribution of multi-brand partners

September's Milan Fashion Week: very special moment, celebrating the recovery and renewed sociability, under the name of refined dressing

EUROPE

Great strength of demand in all nations, showing growth well distributed between cities and provincial towns

Purchases by the local customer and return of international tourism, particularly from the North American region

Great desire of many customers to return to experience physical stores

AMERICAS

High-luxury demand showed "structural" characteristics

Positive contribution from store openings and boutique expansions

Wholesale channel did very well, thanks to an established presence in luxury Department Stores and prestigious Specialty Stores

ASIA

Strong increases, with double digit growth achieved in China in all quarters of 2022

High potential for our brand in China coherent within the project of sustainable growth in the medium to long term

Excellent contribution from Japan, as well as from South Korea and the Middle East, which are accelerating their relative growth trends

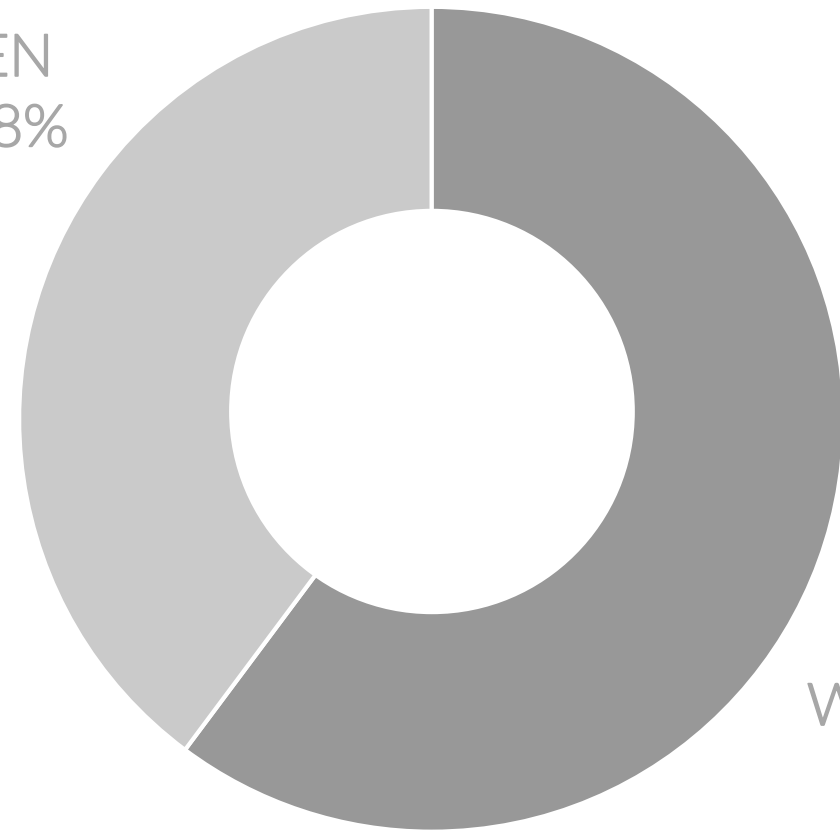


Revenues by category

FY 2021

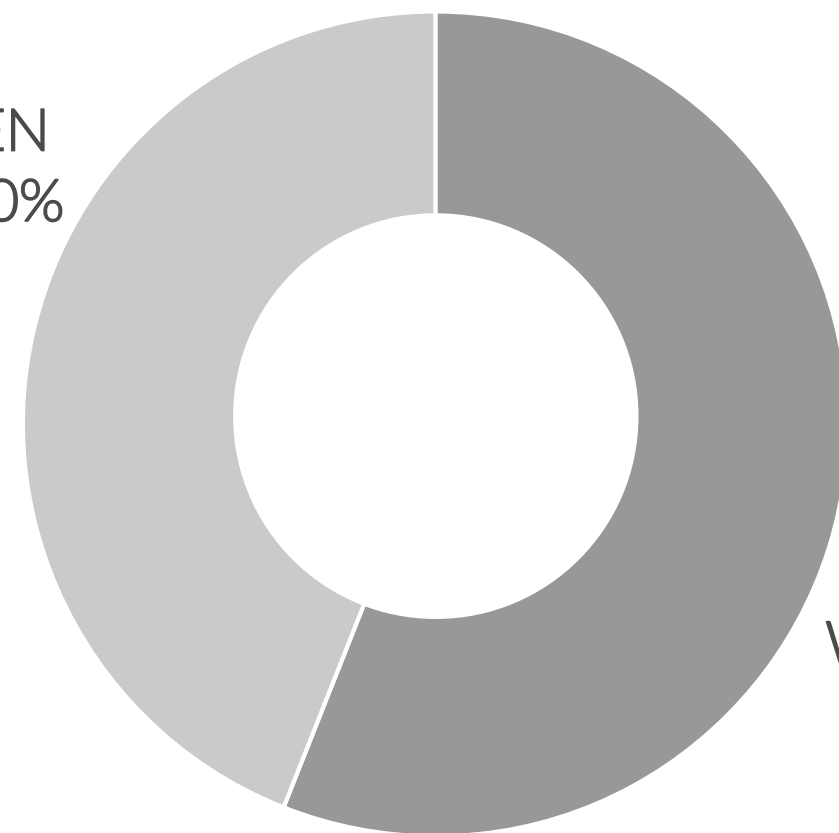
FY 2022

MEN
39.8%



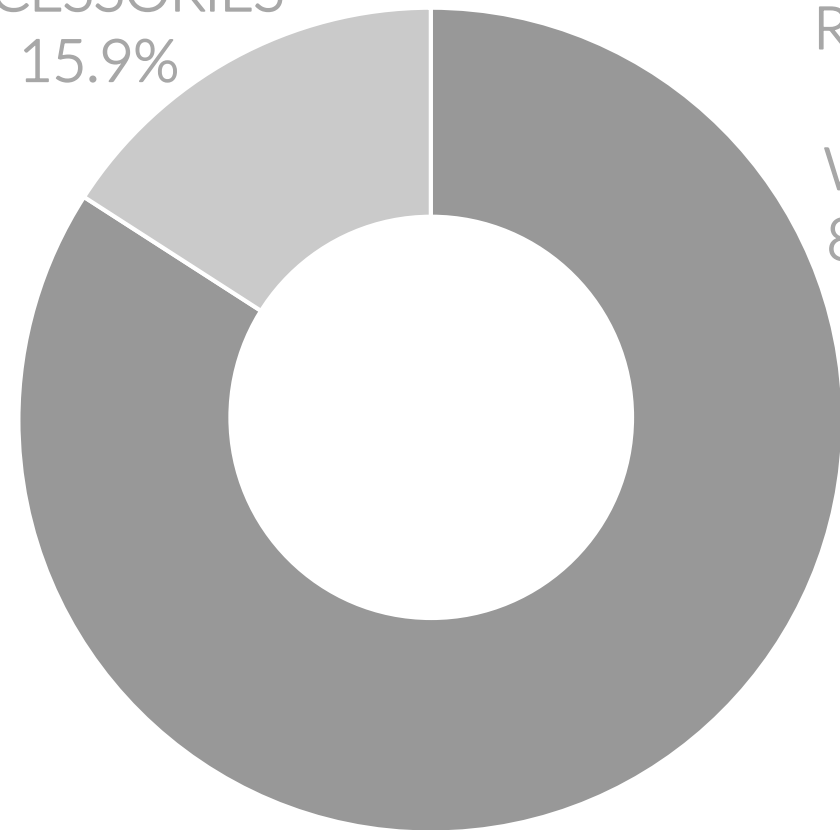
WOMEN
60.2%

MEN
44.0%



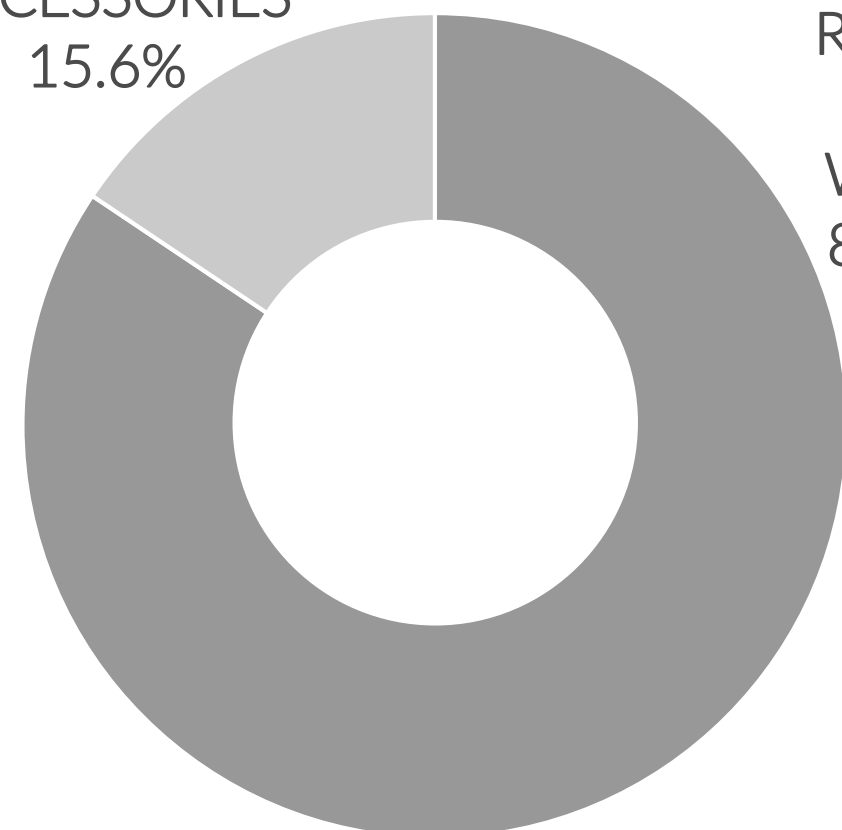
WOMEN
56.0%

ACCESSORIES
15.9%



READY TO WEAR
84.1%

ACCESSORIES
15.6%



READY TO WEAR
84.4%



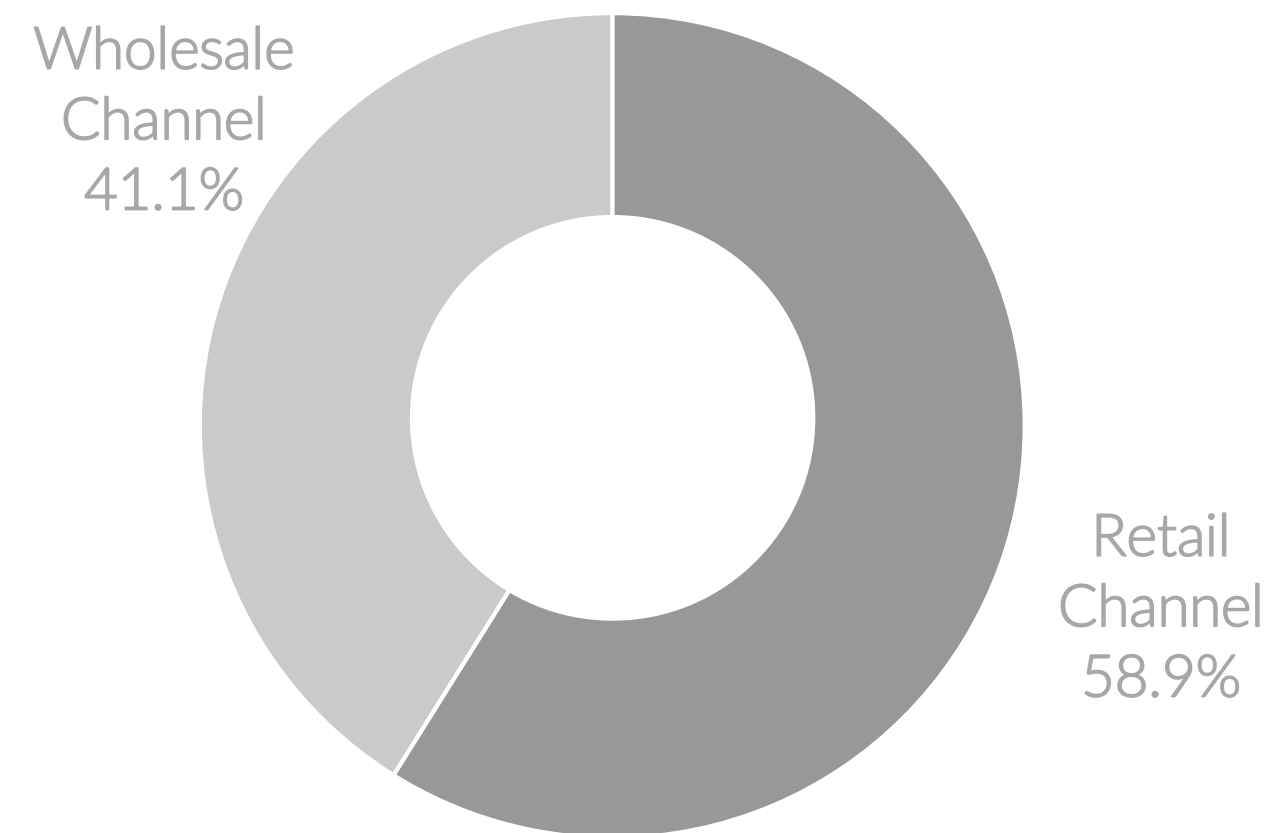


Revenues by Channel

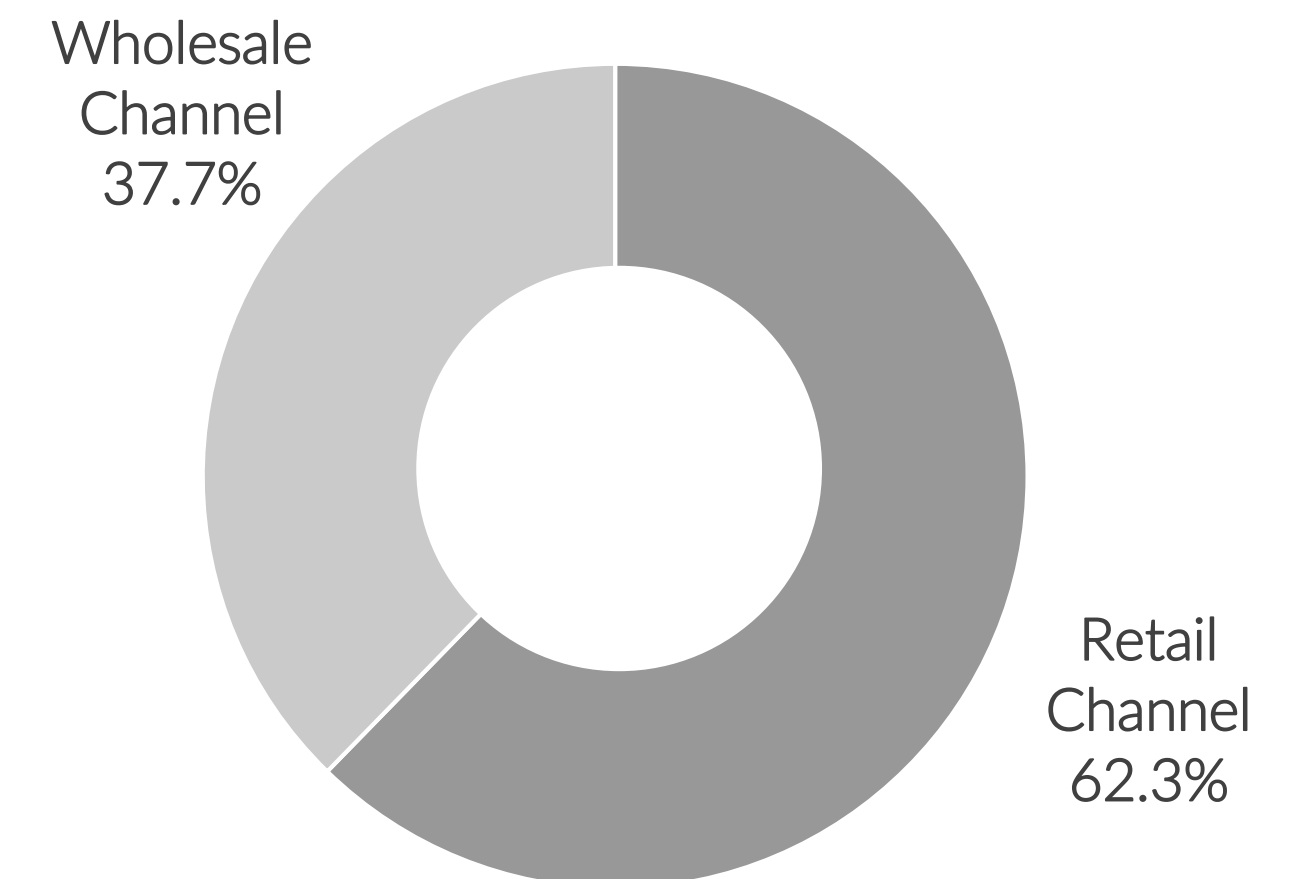
€ mln

€ mln	FY 21	FY 22	YoY % Chg
Net Revenues	712.2	919.7	+29.1%
Retail Channel	419.8	573.3	+36.6%
Wholesale Channel	292.4	346.4	+18.5%

FY 2021



FY 2022



Channel Highlights

RETAIL CHANNEL

Like-for-like growth, with very good sell-out figures for both the Spring Summer and Fall Winter 2022 collections

Significant contribution to the growth of new spaces: prestigious flagship openings, expansions and finally conversions to direct management of spaces within Luxury Department Stores

WHOLESALE CHANNEL

Wonderful growth, highlighting in its entirety the strategic importance for our brand and "contemporary" apparel offerings

Results benefiting from our partners' need to meet strong end-customer demand

The Spring Summer and Fall Winter collections reported excellent results, with significant sell-out numbers



Monobrad Network



RETAIL MONOBRAND

119 boutiques as of December '22
114 boutiques as of December '21
107 boutiques as of December '20



WHOLESALE MONOBRAND

30 boutiques as of December '22
30 boutiques as of December '21
31 boutiques as of December '20



Our Idea of a “Contemporary License”

Contemporary Licence: Eyewear

Contemporary eyewear licence with EssilorLuxottica, a natural extension of the collaboration with Oliver Peoples

New agreement will come into effect on January 1, 2023 and run until December 31, 2032; first collection will be introduced to the market in the first quarter of 2024

Our creative team collaborating, step by step, on the styling and creation of the prototypes, following all the stages related to production as well as the distribution of Brunello Cucinelli branded eyewear collections

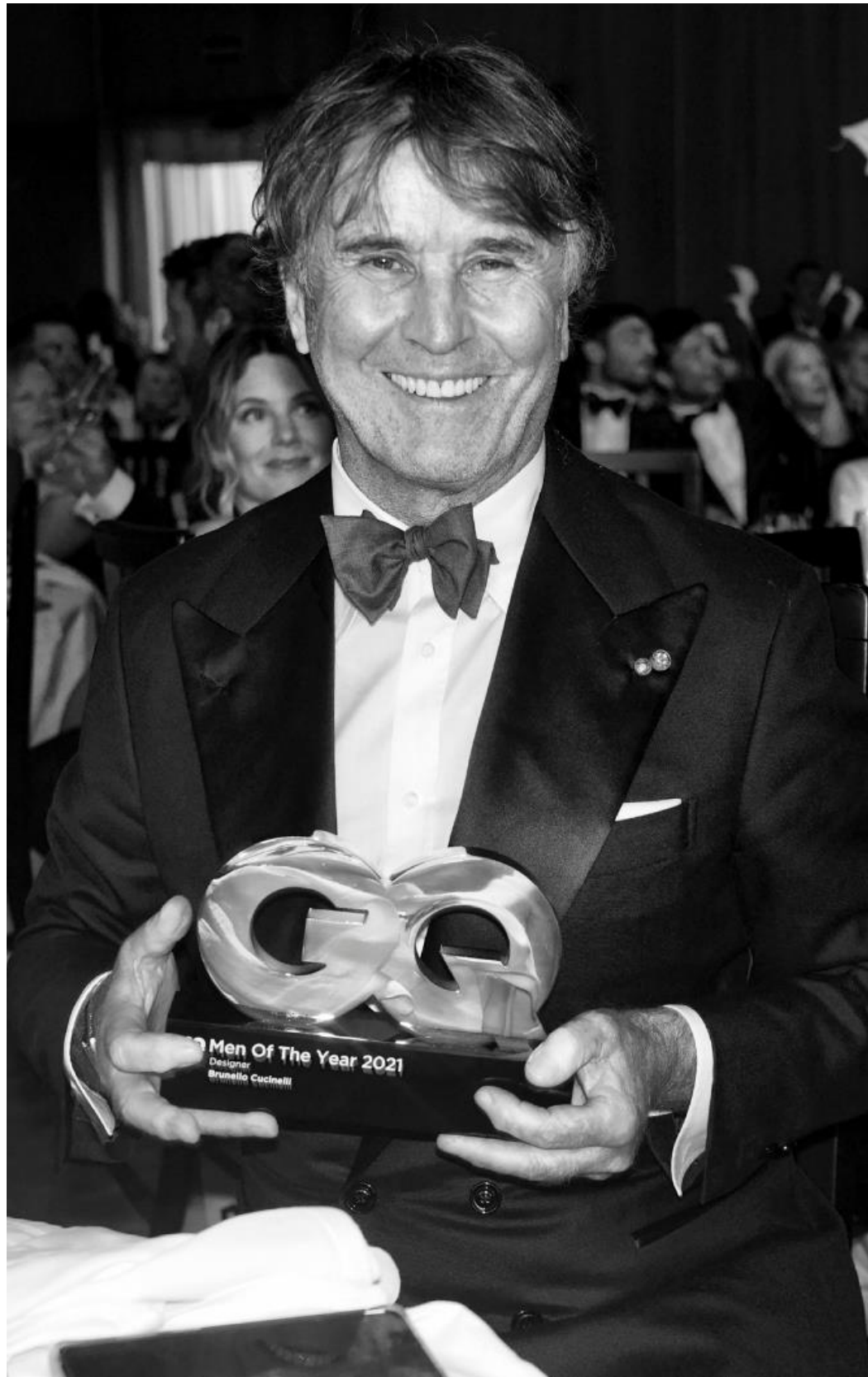
Strong collaboration for distribution, identifying the most exclusive spaces in which to present the 'eyewear' collections





Style and Recognition

Along with the exclusivity that we believe our offering represents, we would also like our products to be recognizable by their style



DESIGNER OF THE YEAR AWARD

In September 2021, Brunello Cucinelli received the very important 'Designer of the Year' award from British GQ magazine in London. This award earned us great visibility in terms of image throughout 2022.



NEIMAN MARCUS FASHION WARD

Prestigious "Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion" attributed to Brunello Cucinelli for 2023 that honors the figures in the world who have most influenced Fashion



Neiman Marcus Fashion Award



Brunello Cucinelli, among the greatest in world fashion

Very important recognition awarding for decades great personalities, celebrities and style icons such as Coco Chanel, Christian Dior, Valentino, Giorgio Armani, Miuccia Prada and Karl Lagerfeld. Brunello Cucinelli commented as follows:

«I am immensely grateful to my highly esteemed Geoffroy van Raemdonck and Lana Todorovich, who at this particular point in time have the honour of representing Neiman Marcus, one of the highest expressions of fashion and luxury in the world, but also an icon of lifestyle and elegance. I would also like to thank all the people at Neiman whom I have admired during our twenty years of collaboration as people of great humanity, as well as appreciating them as very special professionals. I feel particularly honoured and I like to think of this award as a high recognition that gives credit to the people of Solomeo, to the creative hands of the best Italian craftsmanship that – with their daily dedication – have built 'The Dream of Solomeo' together with my family and all my co-workers. In our work, as in life, we have always tried to be inspired by the values of Humanistic Capitalism, linked to Human Sustainability, with respect for all human beings and in harmony with the whole of Creation. Thank you, thank you very much».





Humanistic Capitalism and Human Sustainability



Moral and economic dignity of work: great value of craftsmanship



FY 2022: important milestone in terms of the Human Resources, reaching over 2,300 direct employees; about half of our Human Resources work in Italy, specialising mainly in the production and craftsmanship side, while the remaining half, focused on the commercial side, is distributed in different countries around the world. During 2022, we have continued to devote very high attention to our idea of Humanistic Capitalism and Human Sustainability. As a sign of continuity with our core values, we continue to strive for 'fair profit', 'fair growth' and 'fair balance'.

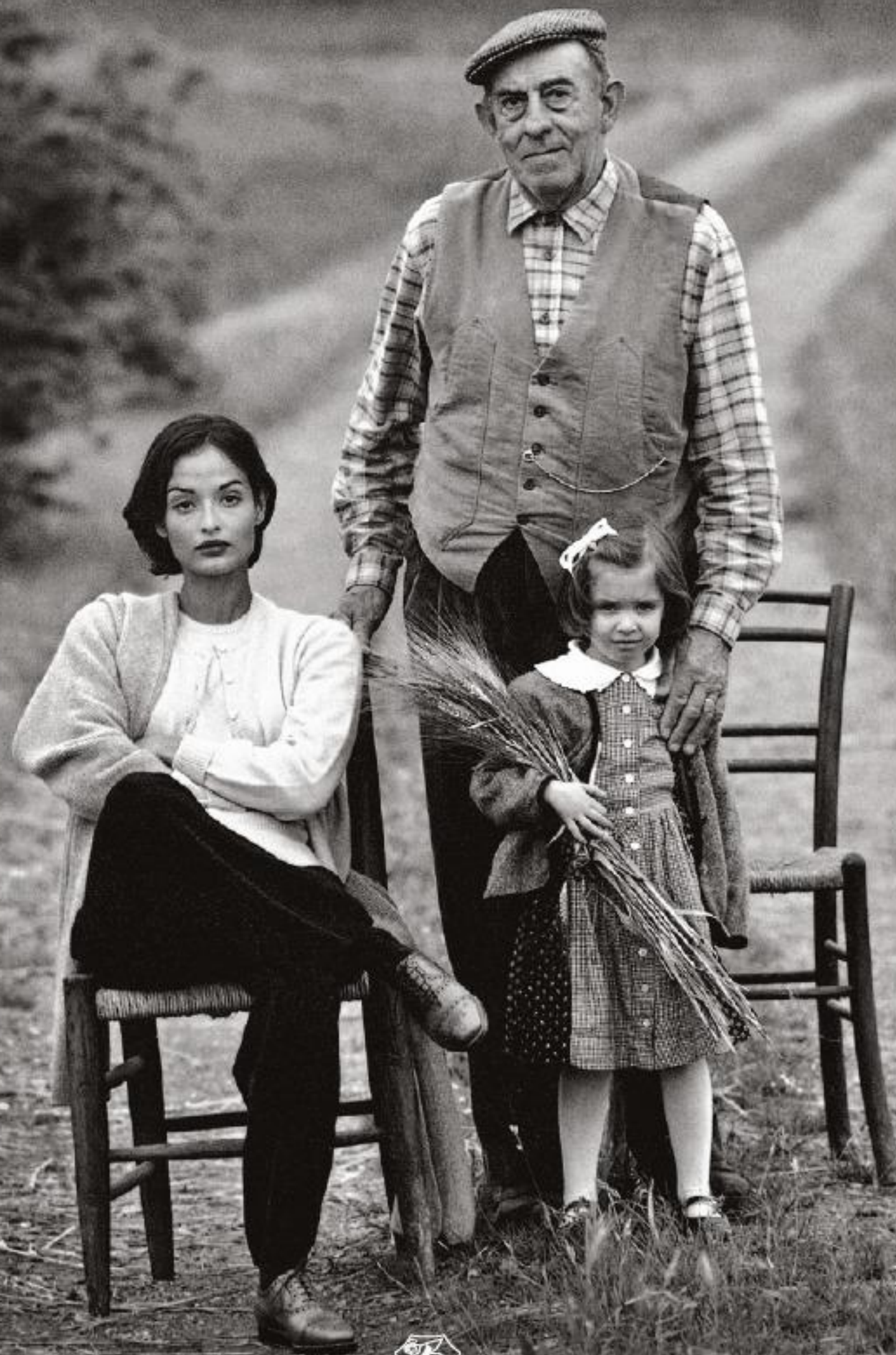


The 'just profit' also presupposes the just recognition of the central value of the people directly involved in manual labour, specifically our esteemed workers and craftsmen.

Precisely for this reason, we had already introduced an extraordinary wage supplement in 2022, with the desire to relieve inflationary pressure on non-managerial figures. To further enhance the valuable work of our workers, we therefore decided at the beginning of 2023 on a structural increase of their salary level.



IL VALORE DELLA DIGNITÀ



BRUNELLO CUCINELLI
si quota in Borsa, in Italia

Our 10 years in the stock exchange market

First ten years since our 2012 listing on the stock exchange marks an important milestone: at the heart of the listing project idea that the company could 'live into the next centuries' by pursuing gentle growth and healthy profitability

We feel, therefore, that we have succeeded in living up to what Brunello Cucinelli stated in 2012 on the occasion of the listing:

"My life's dream was precisely this: to make man's work more human and to try to list this company so that it would live the next fifty to one hundred years. [...] When we had the meeting with the investors [...] we explained to them the philosophy of the company and made it clear that we wanted to seek a sustainable, gentle profit; with the basic intention of imagining a company that could grow without harming humanity or, at least, the least harm possible. [...] Abroad, they are fascinated by this philosophy of Italian enterprise, by the value of skilled hands working with their dignity, with their pride, with their curiosity. They were all fascinated by the idea of restoring moral and economic dignity to work. [...] We wanted to look for new partners, who could act as true custodians of this enterprise for the next century. [...] So, if I had to say what I think, I strongly believe in a new capitalism, a new contemporary humanistic capitalism. Where does all this come from? Today's young people know everything, at twenty-three they are informed about everything in real time, and we are no longer credible if we are no longer real; that is why we need a humanistic capitalism in which enlightenment romanticism is founded, in which mind and soul meet."



BRUNELLO CUCINELLI



Financials



Income Statement

€ mln

	FY 2021	FY 2022	Ch. %
Revenues	712.2	919.7	+ 29.1%
First Margin	479.0	658.0	+ 37.4%
%	67.3%	71.5%	+ 420 b.p.
SG&A	-285.7	-391.6	+ 37.1%
%	40.1%	42.6%	+ 250 b.p.
EBITDA	193.3	266.4	+ 37.8%
%	27.1%	29.0%	+ 190 b.p.
D&A	-116.3	-131.9	+ 13.5%
%	16.3%	14.3%	- 200 b.p.
EBIT	77.0	134.4	+ 74.5%
%	10.8%	14.6%	+ 380 b.p.
Net Financial Income (Expenses)	-13.0	-10.4	
EBT	64.0	124.0	
Tax Rate	12.1%	29.7%	
Net Income	56.3	87.2	+ 54.9%
%	7.9%	9.5%	+ 160 b.p.

	FY 2021	FY 2022	Ch. %
EBITDA ex-IFRS 16	110.0	172.4	+ 56.7%
%	15.4%	18.7%	+ 330 b.p.





Income Statement Highlights

Complete rebalancing of our margins, thanks to the +29.1% growth in sales, which made it possible to completely reabsorb the transitory effects of the pandemic on the main cost lines

Strong increase in sales was favored by the major decisions taken in the hardest year of the pandemic, keeping solid the entire corporate and production structure and investment and business planning unchanged

First Margin

Significant improvement in the First Margin at 71.5% (67.3% last year), with the positive contribution of the sales mix (channel, geographic areas and product), and currency

Currency impact

Exchange rates positively affect the First Margin, contributing in parallel to the increase in overheads in currency produced abroad

Operating Cost

The increase in operating costs is related to business development, particularly growth in the retail channel, and currency dynamics

Human Resources Structure

with our human resources structure of 2,308 FTEs compared to 2,160 last year (in 2019 the number of FTEs was 1,890)





Income Statement Highlights

Retail Channel

Development of the retail channel:

- new openings (119 DOS compared with 114 previous year)
- significant boutiques expansions
- contribution from conversions to the direct management of spaces within Luxury Department Stores in the last 2 years (42 hard shops vs. 31 as of dec. 20)

Rents

Increase related to both the development of sales spaces and new spaces dedicated to hospitality: presence in the boutiques of small bars of different formats and bookshops, and the "Casa Cucinelli" spaces, where we try to give full expression to our lifestyle idea

Communications

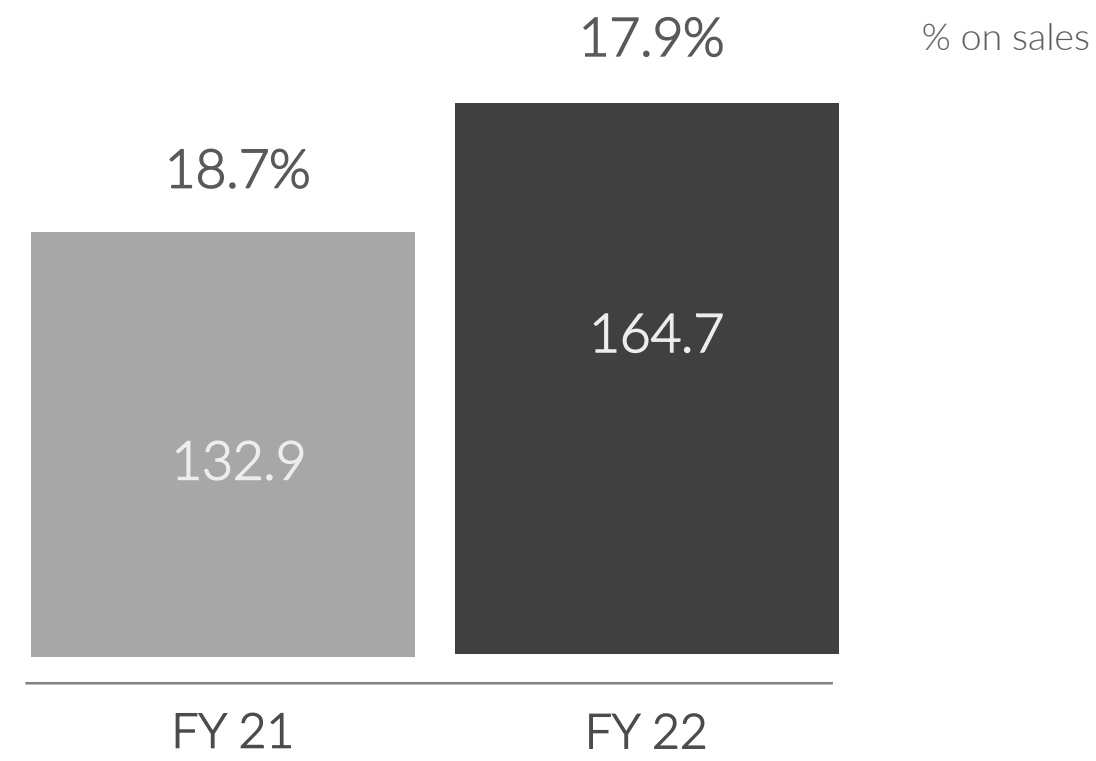
Increase is mainly related to events and activities dedicated to hospitality with customers in the boutiques, in the Casa Cucinelli spaces, and on the occasion of visits to our village of Solomeo



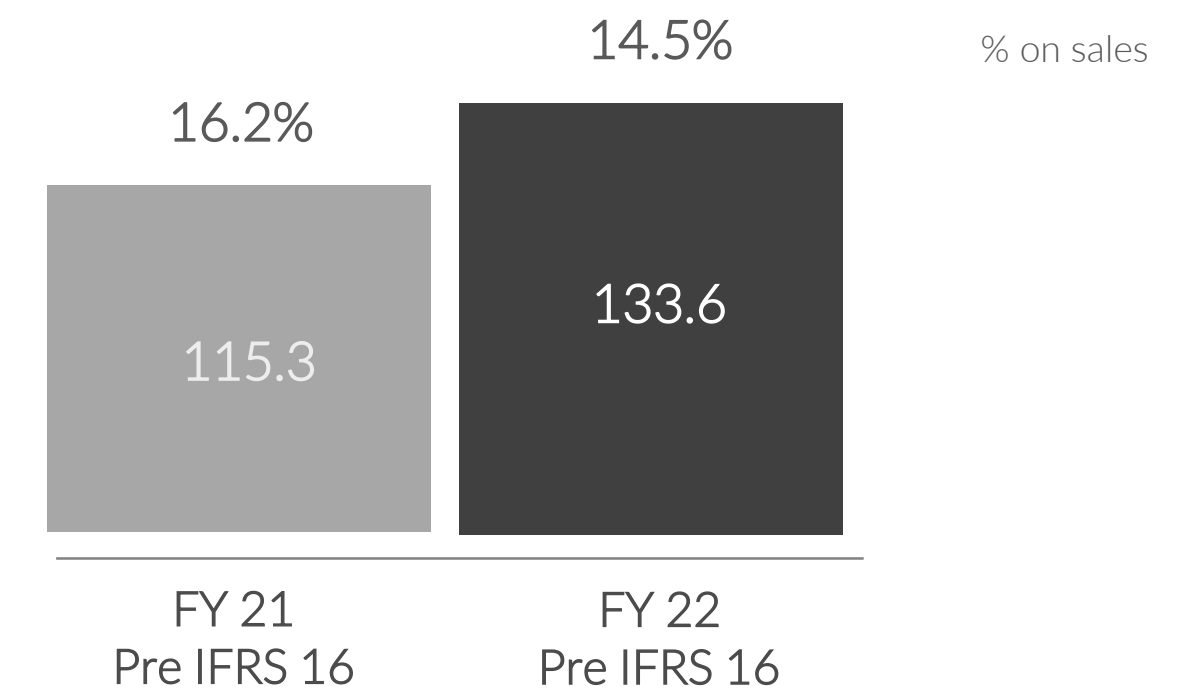
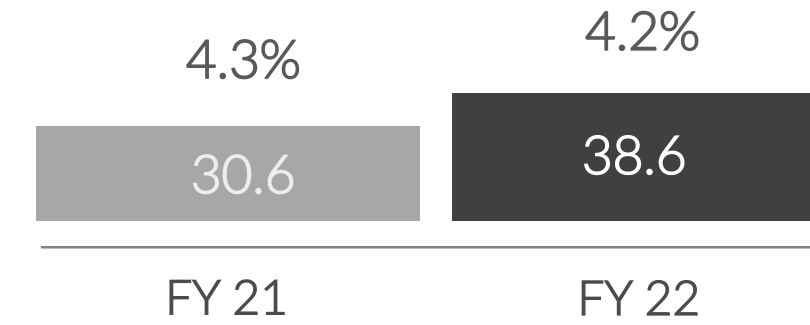
Income Statement Highlights

€ mln

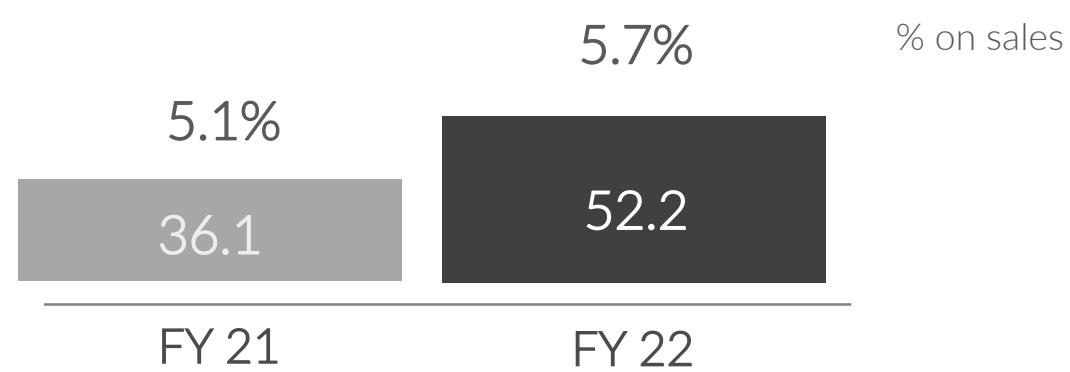
Personnel cost



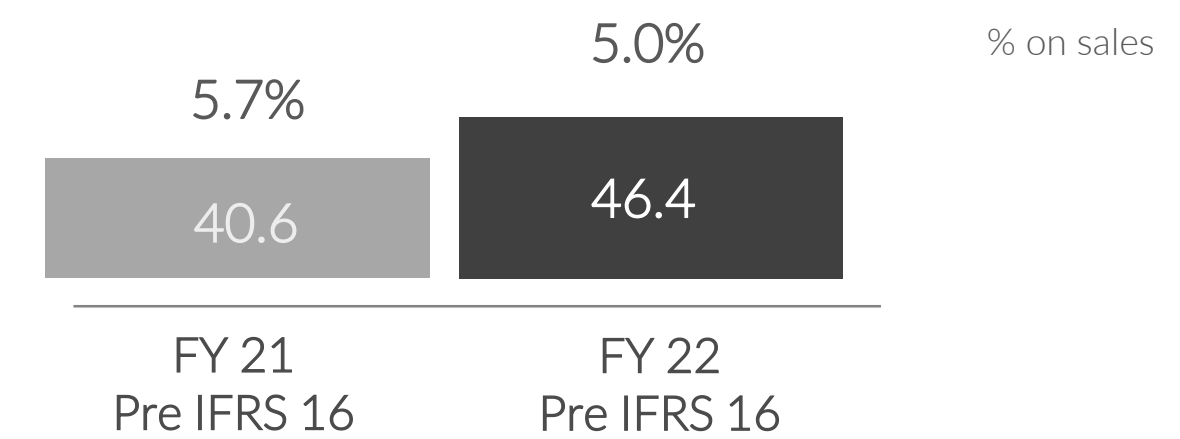
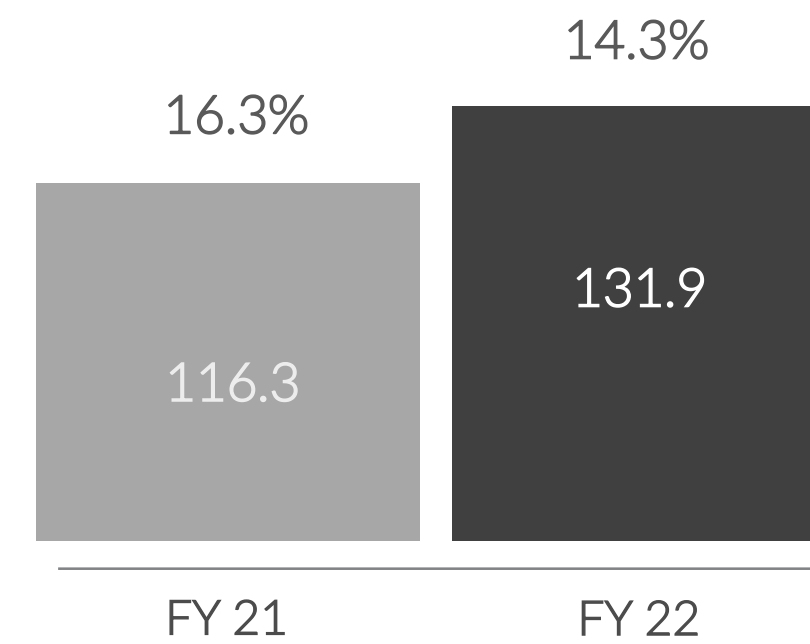
Rent cost



Investments in Communication



D&A



Income Statement Highlights



Average FTE – Workforce Analysis

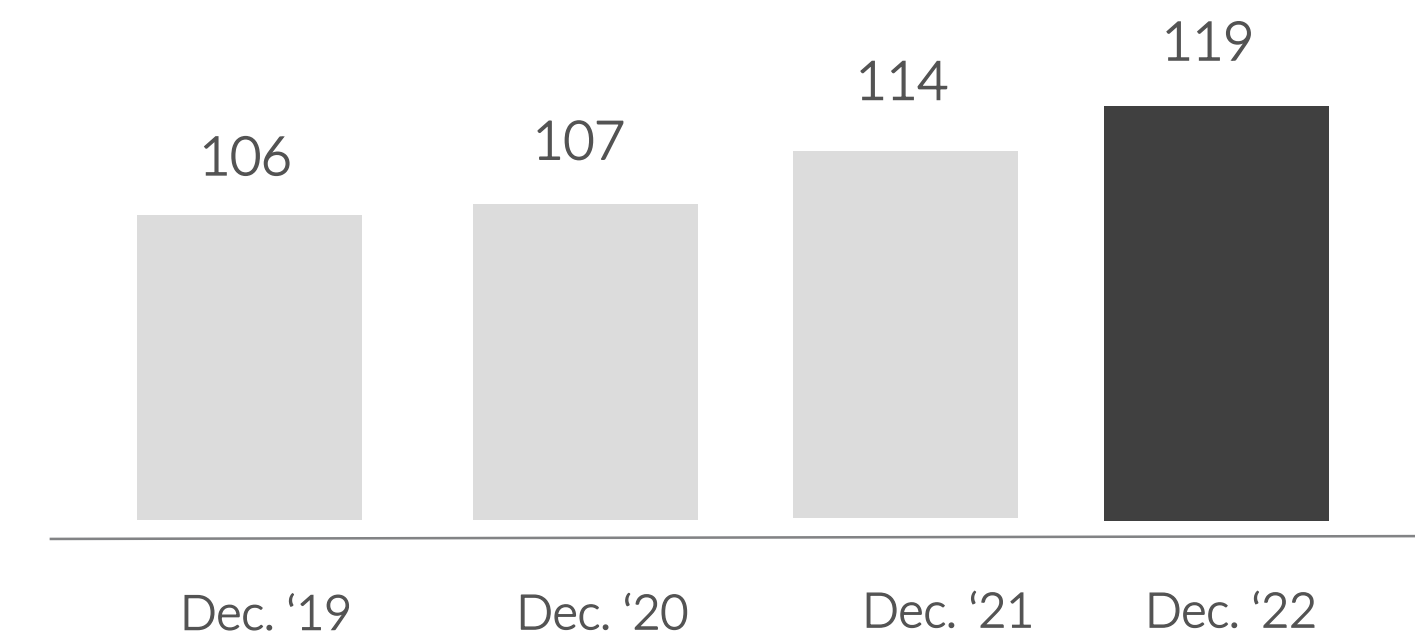
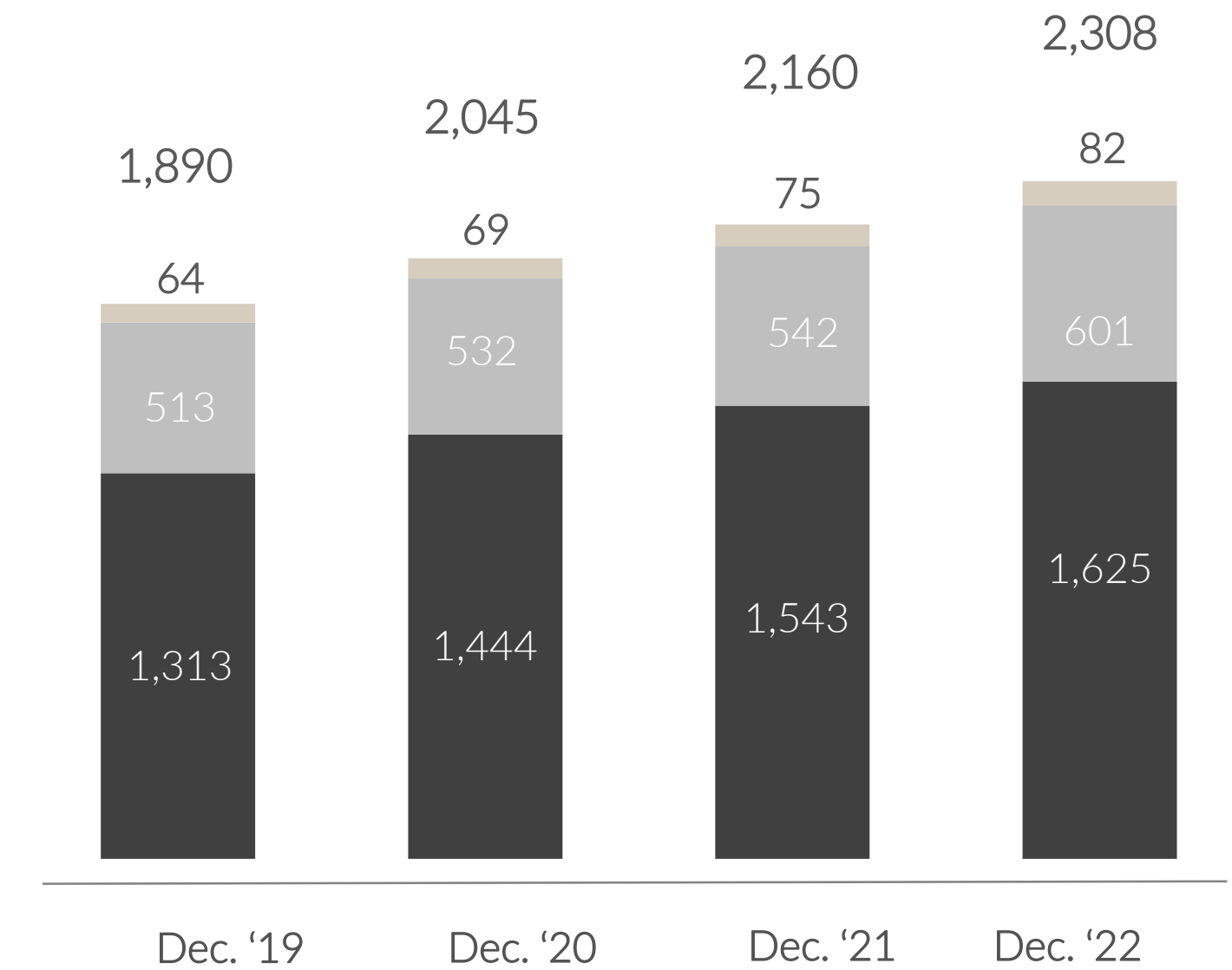
DOS Network from 31/12/19 to 31/12/22

Total FTE

Managers & Middle Mgmt.

Manual Workers

Store Employees & Office Staff



Net Working Capital

	FY 2021	FY 2022	delta
Trade Receivables	72.8	76.6	3.8
Inventories	199.3	242.8	43.6
Trade Payables	-102.7	-137.0	-34.4
Trade Net Working Capital	169.4	182.4	13.0
<i>Incidence on FY22 Revenues</i>	<i>23.8%</i>	<i>19.8%</i>	
Other Credits/(Debts) *	-27.3	-41.6	-14.4
Net Working Capital	142.2	140.8	-1.4
<i>Incidence on FY22 Revenues</i>	<i>20.0%</i>	<i>15.3%</i>	

TRADE NET WORKING CAPITAL

Trade net working capital was €182.4 million (19.8% incidence), compared to €169.4 million last year (23.8% incidence)

INVENTORY

Increase related to new commercial initiatives; incidence of 26.4% compared to 28.0% previous year, benefited from the excellent second half sales performance, higher than expected and resulted in a momentary and extraordinary reduction in the ratio compared to our usual standard

TRADE RECEIVABLES

Trade receivables up +5,2%, against a wholesale channel revenue growth of +18.5% in 2022

TRADE PAYABLES

Trade payables increase related to business development



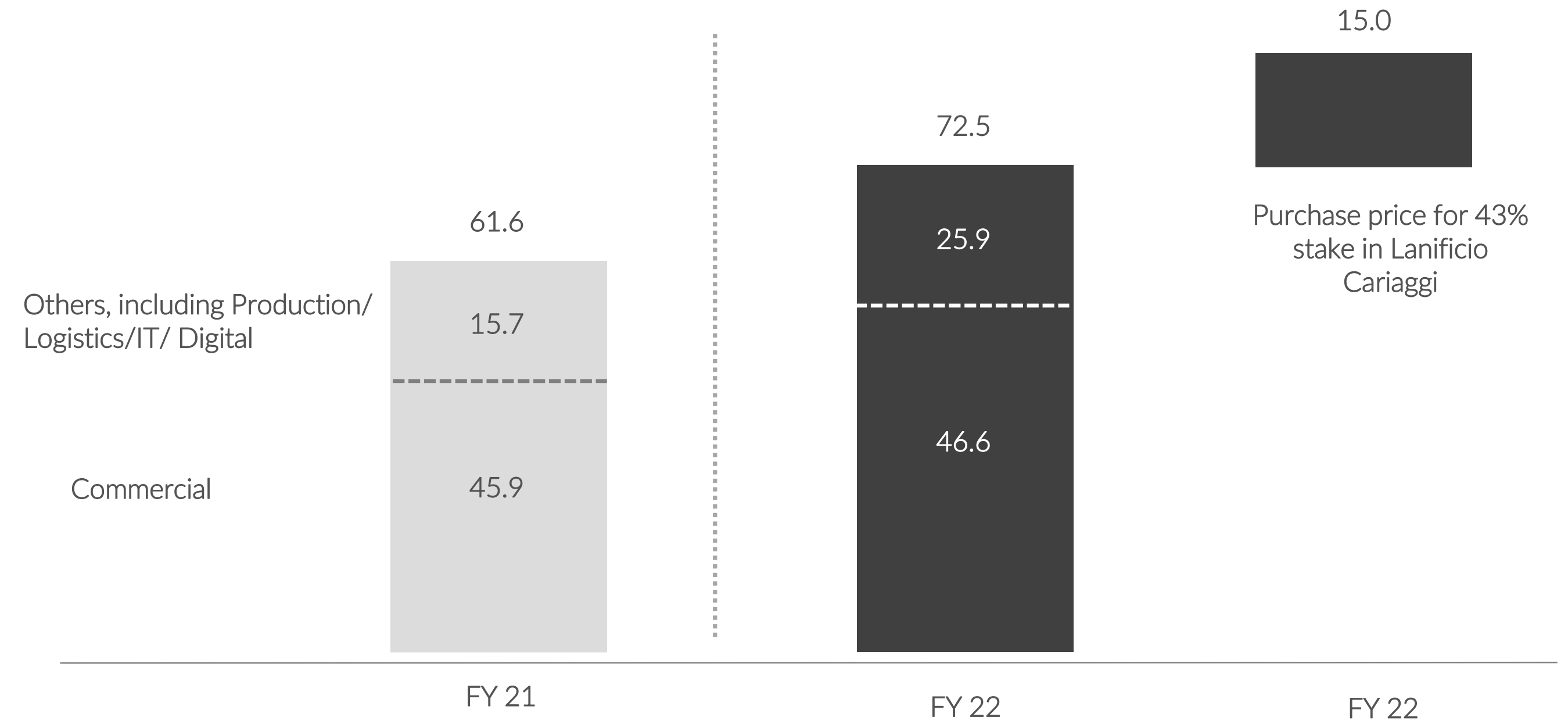
* Other Credits/(Debts) trend mainly due to the measurement at fair value of outstanding hedging derivatives





Investments

€ mln



The important multi-year investment project remained unchanged in the pandemic years, accompanying our process of healthy growth and maintaining contemporaneity

Commercial investments dedicated to new boutiques, the renovation and expansion of existing ones, and the care of the new spaces of Casa Cucinelli

Development in the **digital world**, ongoing modernization of the **Solomeo factory** and the start of the redevelopment of the **8-hectare area on the outskirts of Solomeo**



— Acquisition of 43% of the prestigious Lanificio Cariaggi Cashmere —



Brunello Cucinelli in March 2022 acquired from the Cariaggi family a 43% stake in the share capital of Cariaggi Lanificio S.p.A., with headquarters in Cagli (Pesaro and Urbino). The purchase price of the shareholding was €15.05 million.

Brunello Cucinelli, Executive Chairman and Creative Director of the Casa di Moda commented:

«It is with a great sense of gratitude that we announce that our company has acquired 43% of Cariaggi Lanificio S.p.A., of Cagli. I had the opportunity to start my own business in cashmere thanks to the human trust that the Cariaggi and Caprai families placed in me. For this, thank you very much. I have always believed that Cariaggi is perhaps one of the jewels of Italian manufacturing, with products of great quality and craftsmanship; there is no doubt that it should be counted among the first industries in the sector in the world, if not the first, and that it represents something important for our territory and its culture. In this project, I am not hiding my love for our land, as well as the great opportunity that our respective children and grandchildren will have to continue manufacturing products in this wonderful fibre that we call 'golden fleece' for decades to come, thus contributing to improving the living conditions of our people».



Acquisition of a large 8 hectare area

Acquisition of a large 8 hectare area on the outskirts of Solomeo, where an industrial complex built in the 1970s operated until about thirty years ago

This area will be completely redeveloped and work has already begun, followed by the building conversion plan that will allow us to gradually build up to approximately 40 thousand square metres (in addition to related services and outdoor spaces)

Through this project, it will be possible to dedicate large spaces to our Casa di Moda, in a location strategically close to the Solomeo factory, accompanying the growth of the company in the years to come

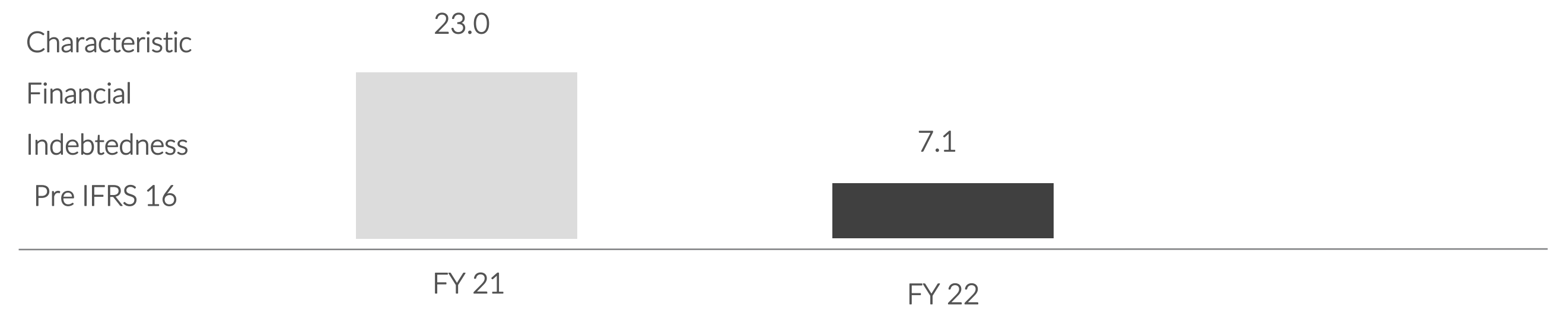
We therefore believe that this project aims, in line with the company's philosophy and our idea of Humanistic Capitalism and Human Sustainability, to enhance the area in which we live and work, seeking an important redevelopment of what we call the "appealing suburbs".





Characteristic Financial Indebtedness

€ mln

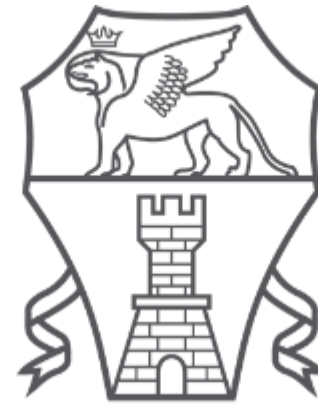


Cash generation from operating activities and the sound management of net working capital allow for sustained investments and the distribution of a dividend of EUR 0.65 per share, with a pay-out of 50%

The characteristic Net Financial Indebtedness amounted to €7.1 million, further improving compared to the €23.0 million of 2021

Substantial parity reached, even in the presence of the acquisition of 43% of Lanificio Cariaggi Cashmere for Euro 15.05 million





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

BRUNELLO CUCINELLI

ANNEX

Detailed Income Statement

€ mln

	FY 2021	FY 2022
Revenues	712,2	919,7
Consumption Costs	(113,6)	(95,5)
Raw Material Cost	(96,0)	(137,6)
Inventories Change	(17,6)	42,0
Outsourced Manufacturing	(119,6)	(166,2)
First Margin	479,0	658,0
Services Costs (excl. Out. Manuf.)	(151,5)	(206,0)
Personnel costs	(132,9)	(164,7)
Other operating expenses	(9,8)	(16,5)
Other income	10,1	1,9
Increase in tangible assets	3,4	2,2
Bad Debt and other provisions	(4,9)	(8,5)
EBITDA	193,3	266,4
D&A	(116,3)	(131,9)
EBIT	77,0	134,4
Financial expenses	(34,9)	(80,9)
Financial income	21,9	70,5
EBT	64,0	124,0
Income taxes	(7,7)	(36,8)
<i>Tax rate</i>	<i>12,1%</i>	<i>29,7%</i>
Net Income	56,3	87,2
Minority Interest	3,0	6,6
Group Net Profit	53,3	80,6



Total Net Financial Expense details

€ mln

	FY 2021	FY 2022
Trade receivables	72,8	76,6
Inventories	199,3	242,8
Trade payables (-)	(102,7)	(137,0)
Other current assets/(liabilities)	(27,3)	(41,6)
Net Working Capital	142,2	140,8
Goodwill	7,0	0,0
Intangible assets	518,0	534,0
Tangible assets	172,6	195,9
Financial assets	17,4	44,3
Total Assets	715,1	774,2
Other assets/(liabilities)	34,9	47,5
Net Invested Capital	892,2	962,5
Cash & Cash equivalents (-)	(100,7)	(120,1)
Short term Debt	125,9	167,1
Long term Debt	544,6	522,6
Financial Indebtedness	569,8	569,5
Shareholders Capital	13,6	13,6
Share-premium Reserve	57,9	57,9
Reserves	191,3	230,4
Group Net Profit	53,3	80,6
Group Equity	316,1	382,5
Minority shareholders	6,3	10,4
Total Equity	322,4	393,0
Total Funds	892,2	962,5

	FY 2021	FY 2022
Net Income	56.3	87.2
D&A	116.3	131.9
Ch. In NWC and other	35.6	(3.2)
Cash flow from operations	208.2	215.9
Tangible and intangible investments	(56.0)	(63.5)
Other (investments)/divestments	(2.4)	(18.1)
Cash flow from investments	(58.4)	(81.5)
Dividends	0.0	(32.3)
Share capital and reserves increase	0.0	6.0
Net change in financial debt	(127.4)	(89.4)
Total Cash Flow	22.4	18.7



Investor Relations

€ mln

Board of Directors

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





BRUNELLO CUCINELLI

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