BRUNELLO CUCINELLI

Press Release

BRUNELLO CUCINELLI: The Board of Directors has approved the Half-Yearly Financial Report 2020

- **Slight decrease in revenues expected around 10% for 2020, supported by the solidity of the business and the collection Spring Summer 2021 order intake, with an estimated positive performance for both the third and fourth quarters of 2020;**
- **First quarter strongly influenced by the closure of a significant number of boutiques around the world due to the pandemic;**
- **Net revenues at 30 June 2020 equal to €205.1 million, -29.6% at current exchange rates (-29.8% at constant exchange rates) compared to €291.4 million at 30 June 2019;**
- **Normalized EBITDA [1] €-14.1 million, with a margin on revenues of -6.8%;**
- **Normalized EBIT €-29.8 million, with a margin on revenues of -14.5%;**
- **Normalized net profit €-25.8 million, with a margin on revenues of -12.5%;**
- **Investments of €22.4 million with Net Financial Debt of €136.5 million.**

Brunello Cucinelli, Executive Chairman of the Company, commented:

«Following this half-year - strongly impacted by the pandemic -, we are now moving towards a significant trend reversal. Since July 1 we have been looking at the company with a fresh new eye, considering this to be a year of "transition" between a "past time" and a "new time"».

«Having reached the end of August, we can envisage that this trend should result in rising sales compared to last year for both the third and the fourth quarter, therefore 2020 should feature a slight decrease in turnover of around 10%».

«The Spring Summer 21 collections have been met with much success and the ensuing sizeable order intake prompts us to envisage a good 2021 with revenues increasing by around 15%; in addition, the above leads us to view 2021 as the "year of rebalancing"».

[1] The normalization of the data as at 30 June 2020 sterilizes the accounting effects of the application of IFRS 16 and the extraordinary provision of €30.0 million relating to the new "Brunello Cucinelli for Humanity" project for the allocation of surplus garments generated by the emergency situation caused by Covid-19 and the consequent temporary interruption of sales. Including the accounting effects of the application of IFRS 16 and the extraordinary provision of €30.0 million, EBITDA is equal to €-3.4 million, EBIT is €-53.3 million and Net Profit is €-47.7 million.

BRUNELLO CUCINELLI

Solomeo, 27 August 2020 - The Board of Directors of Brunello Cucinelli S.p.A. – an Italian maison operating in the luxury goods sector and listed on the Borsa Italiana Electronic Stock Exchange – today examined and approved the Half-yearly Financial Report 2020 (data subjected to limited review).

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Sales Performance

Sales in the first half of the year are equal to €205.1 million, with a performance at current exchange rates of -29.6% (-29.8% at constant exchange rates) compared to €291.4 million at 30 June 2019.

Revenues from sales and services, including other operating revenues, reached €206.5 million, a decrease of -29.2% compared to €291.8 million on 30 June of last year.

Revenues by Geographical Area

Italian Market - revenues equal to €28.9 million (14.1% of overall revenues), with a performance of -34.7% compared to €44.3 million at 30 June 2019.

In view of the highly positive initial sales results, the first half of the year was very strongly influenced by the closure of our retail spaces. The **positive trend in order collections for the Fall-Winter 2020 season** is confirmed, with interesting signs of recovery in sales thanks to the gradual reopening of retail spaces.

European Market - revenues equal to €70.1 million (34.2% of overall revenues), with a performance of -24.1% compared to €92.4 million at 30 June 2019.

The closure of boutiques all over Europe strongly influenced the results of the first half of the year. Following the reopening of boutiques and multibrand stores, we have perceived a renewed interest in the **Fall-Winter 2020** collections, with the **confirmation of previously collected orders** and **purchases made by local clients**, who represent our main target of reference.

North American Market - sales equal to €57.5 million (28.0% of overall revenues), with a performance of -38.9% compared to €94.1 million at 30 June 2019.

This market has shown a significant rise in revenues until the first half of March, with a strong impact on sales following the closure of boutiques and multibrand stores, which continued throughout almost all of the second quarter.

We have collected interesting feedback concerning the presence of and **purchases made by local clients** and have received **confirmation of the orders collected for the Fall-Winter 2020 campaign**, as well as highly positive comments from our partners concerning the **potential recovery of the business** connected to our brand.

China - revenues equal to €22.9 million (11.1% of overall revenues), with a performance of -20.6% compared to €28.8 million at 30 June 2019.

Since the end of the lockdown, the **sales trend has improved and progressively consolidated**, with **sales in the retail channel rising solidly compared to last year**.

We imagine that the taste, allure and exclusivity represented by our brand, as well as the values of human dignity we have always tried to support, fuel the **extremely high potential** we have **in this market**, both in relation to the **monobrand and multibrand** channel, with customers being increasingly interested in a sophisticated, extremely high-end offer that respects all of Nature's creations.

Rest of the World - revenues equal to €25.8 million (12.6% of overall revenues), with a performance of -19.1% compared to €31.8 million at 30 June 2019.

The result is influenced by store closures worldwide, which, at different times depending on the geographic area, continued throughout most of the second quarter of 2020.

Revenues by Distribution Channel

Monobrand Retail Channel - revenues equal to €102.5 million (50.0% of overall revenues), with a performance of -31.6% compared to €149.9 million at 30 June 2019.

After a **first part of the year** where this channel showed **very positive results and LFL**, the retail channel was strongly impacted by the closure of a significant number of boutiques. This characterized the entire second quarter of the year.

Very **interesting signals** regard the performance of **spaces that reopened after the lockdown period**, which show a **progressive increase in trust and return to purchasing** on behalf of local clients.

At 30 June 2020, the network includes 107 boutiques (106 boutiques at 31 December 2019), due to the opening at the beginning of the year of the new boutique in New York, in the trendy Meatpacking District.

Monobrand Wholesale Channel - revenues equal to €13.6 million (6.6% of overall revenues), with a performance of -25.3% compared to €18.2 million at 30 June 2019. At 30 June 2020, the network counts 30 boutiques, a number which remains unchanged compared to 31/12/2019.

Multibrand Wholesale Channel - revenues equal to €89.0 million (43.4% of overall revenues), with a performance of -27.8% compared to €123.3 million at 30 June 2019.

In view of the circumstances that impacted the result of this half of the year, the **Spring Summer 2020** collections showed positive results and sell-out data until the lockdown of all activities due to the health emergency. From the **second half of March**, in fact, **all corporate operations related to production were temporarily suspended**, including deliveries to both multibrand and monobrand wholesale channels. From 4 May, these operations were resumed, with a **total recovery of the Fall-Winter production in July**.

The **order collection** for the **Fall-Winter 2020** season had already shown a significant increase, and we maintain great confidence in the role that exclusive multibrand "**Specialty Stores**" and "**Luxury Department Stores**" play in promoting our collection offer as they contribute to maintaining it contemporary and chic.

This is why we are very satisfied to announce the **confirmation of orders for the Fall-Winter 2020** collections, which **will be delivered** about 1 month **later than planned** to meet the new demands in terms of **re-balancing seasons** inside retail spaces and launching collections, which we consider to be structural both for the Fall-Winter collections and for the upcoming Spring-Summer collections.

Analysis of Results

After a very positive start, both from the financial point of view and from the point of view of the brand’s image, the results of the first half of 2020 were strongly influenced by the pandemic and consequent lockdown, which led to the closure of a significant number of boutiques around the world.

Over the past months, we have maintained an unchanged and strongly solid corporate structure, which we have accompanied by a healthy cost control to be ready in the best possible way to resume our growth project already from the second half of 2020.

Production costs amounted to €67.9 million at 30 June 2020, compared to €97.6 million at 30 June 2019, with the respective incidence on revenues decreasing from 33.4% last year to 32.9% and a slight improvement on First Margin.

The dynamics of **operating costs** are connected to the initiatives underway, which support the future growth projects and keep the company structure solid. In this context, we would like to point out activities related to the development of the sales network, digital activities, and the consolidation of all the new projects introduced last year, including the natural extension of the collection offer to kidswear and the proposal "Sartoria Solomeo".

Within operating costs, **personnel costs** amounted to €57.5 million compared to €53.8 million as of 30 June 2019, as a result of the decision to maintain and guarantee the employment and salary levels of all employees, and confirm the projects related to the expansion of the boutique network, strengthen central structures, develop new initiatives, and further digital growth.

Investments in communication, dedicated to safeguarding the brand, customization of customer relations and online development, amounted to €13.3 million, compared to €16.2 million at 30 June 2019, with an increase in digital communication, which we believe to be increasingly strategic and important.

The **cost of rents**, relating to contracts with variable consideration, is equal to €4.7 million, compared to €10.3 million as at 30 June 2019, with a reduction that is related to the trend in turnover in the first half of 2020.

The effects related to the scope of application of IFRS 16 on rental costs are equal to €40.0 million at 30 June 2020 compared to €29.5 million at 30 June 2019. If we sterilize these effects, rents at 30 June 2020 would therefore amount to €44.7 million Euros, compared to €39.8 million at 30 June 2019, with an increase that can be attributed to new openings and to the increase in sales space of some important boutiques.

EBITDA amounted to -3.4 million Euro (margin of -1.7%), compared to 79.2 million Euro at 30 June 2019 (margin of 27.1%).

Normalized EBITDA amounted to -14.1 million Euro (margin of -6.8%), compared to 49.9 million Euro at 30 June 2019 (margin of 17.1%).

Normalized EBITDA at 30 June 2020 sterilizes the accounting effects of the application of IFRS 16 (equal to Euro 39,982 thousand referable to "cost of rents" and equal to Euro 665 thousand referable to the item "Other revenues") and the extraordinary provision amounting to Euro 30.0 million related to the new “Brunello Cucinelli for Humanity” project for the destination of the excess clothing generated due to the emergency situation caused by Covid-19 and the consequent temporary interruption of sales.

Depreciation and amortization amounted to €49.9 million at 30 June 2020, compared to €40.1 million at 30 June 2019, with an increase related to the rise in investments.

Sterilizing the effects related to the application of IFRS 16, depreciation and amortization would amount to €15.7 million at 30 June 2020, compared to €13.9 million at 30 June 2019.

EBIT as at 30 June 2020 is equal to -53.3 million Euro (margin of -25.8%), compared to €39.1 million last year (margin of 13.4%).

Normalized EBIT [2] as at 30 June 2020 is equal to -29.8 million Euro (margin of -14.5%), compared to €35.9 million last year (margin of 12.3%).

In relation to financial management, net **financial charges** at 30 June 2020 amounted to €11.0 million, compared to €6.5 million last year. The impact of financial charges relating to leasing contracts in application of IFRS 16 went from € 3.6 million at 30 June 2019 to € 6.8 million at 30 June 2020. Excluding this impact, financial charges therefore went from € 2.9 million last year to the current € 4.2 million.

Net profit at 30 June 2020 was negative by -47.7 million Euro, compared to 25.0 million Euro at 30 June 2019, which included tax benefits deriving from the so-called "Patent Box" for an amount of 2.5 million Euro, with a positive tax rate of 25.9% compared to -23.5% at 30 June 2019 (-31.1% excluding the tax benefit of the "Patent Box").

Normalized Net Profit at 30 June 2020 was -25.8 million Euro, sterilizing the accounting effects of the extraordinary provision relating to inventories and the accounting effects relating to the application of IFRS 16, compared to 22.8 million Euro at 30 June 2019 (a value that excludes the accounting effects relating to the application of IFRS 16 and the tax benefits of the "Patent Box", which ended on 31 December 2019).

Balance Sheet

Net working capital, including "Other net assets/liabilities" [3], amounted to €195.0 million, compared to €162.4 million last year, with an increase of €32.6 million.

Inventories amounted to €218.1 million as at 30 June 2020, compared to €179.8 million as at 30 June 2019.

The dynamics of the Inventories, which shows an increase of €38.3 million, were strongly impacted by the effects of the lockdown, with deliveries of the Fall Winter 2020 collections being delayed for an amount of time equal to the duration of the lockdown. This delay was efficiently recovered by implementing a program of intense work, which has made it possible in July/August to make up for lost time in delivering goods to all customers.

In addition to the effects of the pandemic, the value of Inventories is increasing organically due to business development, including the expansion of the sales network, which includes 5 new directly operated boutiques in the last 12 months, 2 hard shops and important expansions of sales space, the development of the new KIDS collections and the "Sartoria Solomeo" project, as well as the boost of the digital channel.

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[2] Normalized EBIT at 30 June 2020, in addition to the accounting effects indicated for the purpose of normalizing EBITDA, sterilizes the accounting effects of the application of IFRS 16, (on the line "Depreciation and Amortization" for an amount equal to Euro 34,126 thousand.

[3] "Other net assets/liabilities" are negative by €21.4 million as at 30 June 2020, compared to €17.6 million as at 30 June 2019, with dynamics substantially related to the assessment of the fair value on derivatives to hedge exchange risks.

Trade receivables amounted to €72.4 million compared to €79.9 million at 30 June 2019, a decrease of €7.5 million, mainly reflecting [4] the trend in sales during the lockdown period.

Trade payables amounted to €74.1 million compared to €79.7 million at 30 June 2019, a reduction of €5.7 million, in the absence of any change in payment terms to our suppliers, collaborators and consultants.

Capex and Net Financial Position

The strategic premise to direct the path of sustainable growth of the company is the great attention that we have always dedicated to investments, in the awareness of their importance to keep the company modern, safeguarding the allure of the brand.

Even in these first 6 months of the year we considered it a **priority to maintain the strategic investment plan to support the brand, its production and exclusive market presence.**

In the first 6 months of 2020 **investments** therefore amounted to **€22.4 million**, an increase compared to the €18.8 million invested at 30 June 2019.

In detail, commercial investments amounted to €16.0 million, and are aimed at opening exclusive boutiques, making prestigious extensions, renewing our existing showrooms and increasing sales space, also supporting development initiatives in the wholesale channel and expanding dedicated surfaces in Luxury Department Stores.

Other investments include those related to production, logistics and IT and digital services, which support the brand's presence in the digital world and the continuous renewal of production facilities, as well as provide the appropriate logistic structures to manage all operations.

Net financial debt [5]was €136.5 million at 30 June 2020, compared to €46.6 million at 30 June 2019.

Business Outlook

Since 1 July, we have been seeing the company with new and fresh eyes without being too influenced by the past semester, and have tried to consider this moment as a year of **'transition'** between a **'past time'** and a **'new time'**.

Today, we can say that we have steered the company into **'safer waters'** and given our esteemed employees **physical security** in what they do as well as the **security of being employed.**

The entire company has acquired an even stronger awareness about the fact that they need to be **fast**, **flexible**, **concrete**, and **brave** as they have realized that we have to coexist with this virus which can still evolve every day.

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[4] The dynamics of trade receivables also reflects the concession of certain extensions in payment terms granted to our consolidated and high-quality multi-brand customers. We believe that this commercial policy of great closeness and collaboration has always allowed us to strengthen commercial relationships and business opportunities, as has been the case on some occasions in the past, when we had managed credits with the same availability and elasticity, quickly returning to normal conditions without jeopardizing business opportunities.

[5] Including financial payables for leasing, as required by IFRS 16, Net Financial Debt was €621.9 million at 30 June 2020, compared to €436.4 million at 30 June 2019.
The trend of net financial debt have been affected by the Covid-19 pandemic, resulting in the need for additional financing, which were all provided by leading Italian banks since March for an amount of €116.5 million.

To date, the company is fully operating with its **2,024 employees** (as it was in February before the pandemic), who are all physically on the workplace with **COVID test being performed every 15 days**. This project will end when the pandemic is over.

We have **concluded all our deliveries for the winter merchandise** within the planned deadlines. All stores around the world are stocked exclusively with Fall-Winter 2020 merchandise, as usual; this is leading to very positive results both in terms of sell out and in terms of image.

All **Spring-Summer 2021 collections have been presented physically** in the showrooms of Shanghai, New York, London, Monaco, Milan, Solomeo, within the planned deadlines, as always in July.

We would now like to focus on the following big issue: we may have created **the most beautiful collections of our entire history,** at least that is what our multibrand customers and managers of our DOS have declared. This is an outstanding result, spurred on by the new trends, which have moved in the direction of our taste.

The **order collection** of about 60% is **very very significant**, we would dare say **thrilling.** All this gives us hope about **an important recovery in the second half of the year**, as well as an **excellent kick-off in 2021**.

It is our impression that many **multibrand clients are rigorously selecting their suppliers**, both according to the taste of their collections and based on the companies' solidity: they are seeking **precision in deliveries**, **special assistance** during **reassortments**, the value of **seeing physically produced collections**, and the fact of **being able to touch the garments live**.

Considering our **true and good multibrand clients**, we would like to express a highly positive assessment of the kind of **new redesign cycle** they are implementing as they try to figure out with which reliable companies they can develop their projects on a 3 to 5 year basis**. We are therefore highly satisfied with this new and very interesting design**, and think it is perfectly in line with our retail business which we are investing on very strongly.

This is all accompanied by the **excellent performance** of our **e-commerce channel**, which we have **invested on so strongly** in recent years, both financially and in terms of time and minds, as it is clearly a fundamental source of communication. It has been structured in such a way that it can sustain the important growth of years to come.

We have already given full visibility to the **excess stock** we had **during the first half of the year**. However, we would like to add 2 very positive notes, which have somehow frankly moved us. The first is that we have been **contacted by so many people** around the world who are concerned about **supporting and improving humanity**. To mention but one example: the, in our view, fascinating and highly humane Sharon Stone.

The second: we have conducted several very **important interviews on this delicate and pleasant issue.** The last and most recent one appeared yesterday on the highly prestigious New York Times. Maybe it is safe to say that this 'extraordinary' project, **"Brunello Cucinelli for Humanity"**, can be truly considered a **'great resource'** in these particular times we are experiencing, **both for humanity and for the company.**

Our important **investment project** continues, and we confirm that our investment plan remains **unchanged for the second half of the year**.

Since we have now reached the end of August, we can safely say that **on July 1st we saw a significant inversion of the trend**, which should take us towards an **increase in revenues** in the **third quarter compared to last year**, and a gradual **return to healthy margins.**

We also expect this **trend for the last quarter**. Overall, **we imagine a 2020** with slightly lower revenues than in 2019, **a drop of about 10%.**

In 2021, since the **order collection for Spring Summer 2021 was so strong**, we are confident that we will go back to a **rise in revenues, around 15%** compared to 2020, and expect to **continue our process of generating a healthy profit**, confirming **the important investment project**.

Change of the calendar of Corporate Events for the year 2020

Brunello Cucinelli S.p.A. informs that, in consideration of the willingness to share the business performance with a greater frequency in view of issues related to the health emergency caused by Covid-19 (CoronaVirus), a Board of Directors of the Company is convened for 8 October 2020 in order to examine the preliminary net revenues as at 30 September 2020.

The final figures of net revenues as at 30 September 2020 will be examined during the Company's Board of Directors meeting convened for 19 November and will be followed by a conference call with institutional investors and financial analysts.

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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 press release correspond to the balances on the books of account and the accounting records and entries.

We hereby inform that the Analyst Presentation of results as at 30 June 2020 can be consulted in pdf format in the section "Presentations" on the corporate website: http://investor.brunellocucinelli.com/ita/presentazioni/.

This document contains forward-looking statements on future events and operating results, as well as economic and financial results, regarding the Brunello Cucinelli S.p.A. Group. *By their very nature, these statements contain an element of risk and uncertainty as they depend on the occurrence of future events and developments.*

The Company announces that the Half-Yearly Financial Report as at 30 June 2020, approved by the Board of Directors on 27 August 2020, will be made available to the public from 28 August 2020 at the Company's registered office in Viale Parco dell'Industria, 5, Solomeo (Perugia), at the storage mechanism managed by Spafid Connect S.p.A. "eMarket Storage" (www.emarketstorage.com) and can also be consulted in the section "Results - Financial Reports" of the Company's website (investor.brunellocucinelli.com).

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Brunello Cucinelli S.p.A. is an Italian maison creating luxury goods. It was founded in 1978 by the fashion designer and entrepreneur of the same name and is listed on the Borsa Italiana Electronic Stock Exchange. The Company has always been **rooted in the medieval hamlet of Solomeo** and it is considered an authentic expression of the concept of "Humanistic Capitalism" since it can match constant, sound growth with an entrepreneurial philosophy addressing the major issues of **Harmony with the Created** and **Human Sustainability**.

Specialized in cashmere, the **brand** is currently believed to be **one of the most exclusive brands in the chic prêt-à-porter sector**, an expression of everyday lifestyle worldwide. The combination of **modernity** and **craftsmanship**, **elegance** and **creativity**, **passio**n and **human values** make Brunello Cucinelli one of the most exclusive and admired **ambassadors** of **Italian style** in the world. In fact, the brand authentically expresses the values of **tailoring** and **artisanship** that characterize **Made in Italy** production and the territory of the Umbria region in particular, combined with an eye on **innovation** and **contemporary style**.

Through **healthy, balanced and sustainable growth**, the company's main goal is to gain profits with **ethics, morale and dignity**, respecting the moral and economic dignity of the over 2,000 directly employed Human Resources and of all the company's collaborators. In 2019, the company reported over €600 million in revenues, a selected presence in the market, with 136 monobrand boutiques and the most prestigious spaces in the leading multibrand stores worldwide.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

(Euro/000)	June 30, 2020	*related parties*	December 31, 2019	*related parties*	June 30, 2019	*related parties*
Non-current assets						
Goodwill	7,045		7,045		7,045	
Right of use	461,607	5,337	433,621	5,611	371,878	5,888
Intangible assets	11,990		11,463		11,120	
Property, plant and equipment	144,223	18,629	142,705	19,013	131,161	16,399
Investment property	3,923		2,814		1,783	
Non-current financial assets for leases	456		676		834	
Other non-current financial assets	10,585	32	8,767	32	8,260	32
Deferred tax asset	46,431		25,436		24,632	
Total non-current assets	**686,260**		**632,527**		**556,713**	
Current assets						
Inventories	218,131		204,868		179,848	
Trade receivables	72,398	8	58,622	51	79,948	6
Tax receivables	1,219		978		620	
Other receivables and other current assets	18,181		21,003		18,640	
Current financial assets for leases	237		315		304	
Other current financial assets	23		9,130		9,045	
Cash and cash equivalents	111,782		68,932		58,075	
Current derivative financial instruments	1,513		552		40	
Total current assets	**423,484**		**364,400**		**346,520**	
Total assets	**1,109,744**		**996,927**		**903,233**	

(Euro/000)	June 30, 2020	*related parties*	December 31, 2019	*related parties*	June 30, 2019	*related parties*
Shareholders' equity						
Shareholders' equity attributable to parent company shareholders						
Share capital	13,600		13,600		13,600	
Share-premium Reserve	57,915		57,915		57,915	
Reserves	227,313		173,581		180,193	
Net income for the period	(47,520)		52,553		25,304	
Total shareholders' equity attributable to owners of the parent	**251,308**		**297,649**		**277,012**	
Shareholders' equity attributable to non-controlling interests						
Capital and reserves attributable to non-controlling interests	1,009		1,160		109	
Net income for the period attributable to non-controlling interests	(137)		530		(291)	
Total shareholders' equity attributable to non-controlling interests	**872**		**1,690**		**(182)**	
Total shareholders' equity	**252,180**		**299,339**		**276,830**	
Non-current liabilities						
Employees termination indemnities	3,212		3,182		3,178	
Provisions for risks and charges	930		1,127		885	
Non-current payables towards banks	134,799		30,474		38,968	
Financial liabilities for non-current leases	413,936	5,245	388,816	5,502	337,957	5,756
Other non-current liabilities	-		247		135	
Deferred Tax liabilities	3,067		2,504		1,743	
Non-current derivative financial instruments liabilities	257		150		318	
Total non-current liabilities	**556,201**		**426,500**		**383,184**	
Current liabilities						
Trade payables	74,055	291	89,453	556	79,725	546
Current payables towards banks	112,221		71,987		73,673	
Financial liabilities for current leases	71,675	510	62,661	509	52,166	507
Current financial liabilities	838		5,329		481	
Income tax payables	5,251		3,960		11,038	
Current derivative financial instruments	445		3,871		4,929	
Other current liabilities	36,878	2,611	33,827	2,567	21,207	104
Total current liabilities	**301,363**		**271,088**		**243,219**	
Total liabilities	**857,564**		**697,588**		**626,403**	
Total equity and liabilities	**1,109,744**		**996,927**		**903,233**	

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2020

(Euro/000)	June 30, 2020	*related parties*	June 30, 2019	*related parties*
Net revenues	205,143	4	291,413	3
Other operating income	1,347	3	398	23
Revenues	**206,490**		**291,811**	
Costs of raw materials and consumables	(10,657)	(25)	(39,575)	
Costs for services	(107,154)	(1,065)	(116,464)	(1,463)
Payroll costs	(57,483)	(565)	(53,832)	(799)
Other operating (expenses)/revenues, net	(4,294)		(3,384)	
Costs capitalized	1,414		1,022	
Depreciation and amortization	(49,851)		(40,084)	
Impairment of assets and other accruals	(31,740)		(352)	
Total operating costs	**(259,765)**		**(252,669)**	
Operating Income	**(53,275)**		**39,142**	
Financial expenses	(26,521)		(23,380)	
Financial income	15,519		16,916	
Income before taxation	**(64,277)**		**32,678**	
Income taxes	16,620		(7,665)	
Net income for the period	**(47,657)**		**25,013**	
Net income for the period attributable to owners of the parent	(47,520)		25,304	
Net income for the period attributable to non-controlling interests	(137)		(291)	
Base earnings per share	(0,69882)		0.37212	
Diluted earnings per share	(0,69882)		0.37212	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Euro/000)	June 30 2020	2019
Net profit (loss) for the year (A)	**(47,657)**	**25,013**
Other items of comprehensive income:		
Other items of comprehensive income that will later be reclassified on the income statement:	**1,570**	**1,159**
Cash flow hedge	2,277	222
Income taxes	(546)	(53)
Effect of changes in cash flow hedge reserve	**1,731**	**169**
Translation differences on foreign financial statements	79	925
Profit / (Losses) on net investment in a foreign operation	(315)	86
Tax effect	75	(21)
Other items of comprehensive income that will not later be reclassified on the income statement:	**(15)**	**(89)**
Remeasurement of defined benefit plans (IAS 19)	(20)	(117)
Tax effect	5	28
Total other comprehensive income net of tax effect (B)	**1,555**	**1,070**
Total comprehensive income net of tax (A) + (B)	**(46,102)**	**26,083**
Attributable to:		
Shareholders of parent company	(45,970)	26,354
Non-controlling interests	(132)	(271)

BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF CASH FLOWS AT 30 JUNE 2020

(Euro/000)

CONSOLIDATED STATEMENTS OF CASH FLOWS	June 30, 2020	June 30, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	(47,657)	25,013
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:		
Income tax	(16,620)	7,665
Depreciation and amortization	49,851	40,084
Provisions for employees termination indemnities	40	46
Provisions for risks and charges / inventory obsolescence / doubtful accounts	31,630	373
Change in other non-current liabilities	(252)	(11,919)
(Gain)/Loss on disposal of Fixed assets	110	62
Other non-monetary items IFRS-16	(850)	
Interest expense	1,068	771
Interest on lease liabilities	5,491	5,045
Interest income	(17)	(71)
Interest on lease activities	(9)	(11)
Termination indemnities payments	(31)	(35)
Payments of Provisions for risks and charges	(639)	-
Net change in deferred tax assets and liabilities	(21,138)	(2,057)
Change in fair value of financial instruments	(2,001)	354
Changes in operating assets and liabilities:		
Change in trade receivables	(14,764)	(18,549)
Change in inventories	(45,130)	(16,614)
Change in trade payables	(15,045)	1,901
Interest expense paid	(1,068)	(673)
Interest on the lease liabilities paid	(5,491)	(5,045)
Interest income cashed	17	71
Interest on lease activities cashed	9	11
Income tax paid	(2,510)	(677)
Change in other current assets and liabilities	31,179	5,977
Net cash provided by/(used in) operating activities	**(53,827)**	**31,722**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14,755)	(15,524)
Additions to intangible assets	(4,615)	(2,224)
Additions/(disposals) of financial assets	(1,900)	(195)
Additions to investment property	(1,109)	(864)
Investement/Disinvestments in financial assets held for trading	9,120	(7)
Proceeds from disposal of property, plant and equipment	353	226
Net cash provided by/(used in) investing activities	**(12,906)**	**(18,588)**
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	151,729	26,950
Repayment of medium/long-term loans	(22,859)	(15,558)
Net change in short-term financial debt	15,793	21,841
Repayment of lease liabilities	(33,811)	(24,949)
Receipts of financial assets for leasing	137	141
Dividends paid	(1,076)	(20,483)
Share capital and reserves increase	23	49
Net cash provided by/(used in) financing activities	**109,936**	**(12,009)**
TOTAL CASH FLOW FOR THE PERIOD	**43,203**	**1,125**
Effect of exchange rate changes on cash and cash equivalents	**(353)**	**344**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**68,932**	**56,606**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**111,782**	**58,075**