



BRUNELLO CUCINELLI

Press Release

CASA DI MODA BRUNELLO CUCINELLI: the Board of Directors examined the preliminary revenues for the first half of 2023.

- Revenues were Euro 543.9 million, with a splendid growth of +31.0% at current exchange rates (+30.5% at constant exchange rates) compared to 1H 2022;
- All geographical areas were very positive: Americas +23.9%, Europe +22.6%, Italy +23.7%, Asia +55.6%;
- Significant increase in revenue in both sales channels: retail +41.6%, wholesale +15.8%;
- The excellent half year that has just ended, the more than punctual progress of winter deliveries, and the favour we breathe around our brand and product proposition, allow us to revise our revenue growth estimate for 2023 upwards, from +15% to a range between +17% and +19%;
- Chanel together with Brunello Cucinelli in the prestigious Lanificio Cariaggi: a very special collaboration that further enhances the value of the entire Italian supply chain.

Brunello Cucinelli, Executive Chairman and Creative Director of the Fashion House commented:

The first half of this year ended with more than excellent results. We like to think that we are reaping what the brand stands for in its style and in the way of conceiving the balance between work and the relationship with creation.

Thanks to the strong demand for handcrafted and exclusive products, we continue to have a very positive outlook on the absolute luxury world market. As a result, we are very confident about the future performance of the business for the current year, where we expect to close the year with an increase in sales of between +17 and +19%.

Given the excellent sell-out of the Spring-Summer 2023 collections and the significant order intake for the Men's Spring-Summer 2024 collection so far, we expect a healthy growth of around +10% next year.



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Solomeo, July 13, 2023 - The Board of Directors of Brunello Cucinelli S.p.A. - a “Casa di Moda” operating in the luxury goods sector, listed on the Italian Stock Exchange (now Euronext) - today reviewed the preliminary sales for the first half of 2023, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The **first half of 2023** was really **very good** for us.

The **sales growth of +31.0%**, which exceeded our expectations at the beginning of the year, was achieved thanks to the positive and synergetic contribution of both sales channels and was, in our opinion, very well distributed and balanced geographically.

We feel we can say that at this time the allure around the **brand** and our **product** offering are **particularly appreciated** internationally, in a market context that is very favourable for the **absolute luxury segment**, and characterised in terms of taste by the **search for sobriety of style**.

In the **second quarter** we achieved a turnover of Euro 278.6 million, up +27.5% year-on-year, offering further proof of the **excellent health of all core markets** in this first part of the year.

Revenues for the first two quarters of 2023 are very similar in absolute terms, producing a half-year result that is, both in terms of channel mix (retail 63%, wholesale 37%) and geographic mix (Americas 35%, Europe 37%, Asia 28%), very close with our year-end expectations.

Specifically, the **American market** shows a structurally increasing demand for the high-end luxury segment, which has allowed us to achieve a **very important growth of +23.9%** in the **first half of 2023**. The **increase in Q2** was **very solid**, even considering last year's basis of comparison, with Q2 2022 showing an increase of +67%.

The particular dynamism of the American customer and its search for special garments contributed not only to the results in the domestic market, but also to the **strong growth in Europe and Italy**, which reported half-yearly growth of **+22.6%** and **+23.7%** respectively.

In **Asia**, and in particular in **China**, we report **very high value growth of +55.6%** in the first six months of 2023, always bearing in mind that our **share of sales** in these markets is still **limited**.

At product level, sales in the quarter were driven by the **excellent sell-outs** of the **Spring-Summer 2023** collections for both **men's** and **women's**, in both the **retail** and **wholesale** channels, generating a **very interesting** volume of **reassortments** during the season.

In the **second quarter** in particular, the **more than punctual delivery progress** on the **Fall Winter 2023** collections contributed to the **excellent performance** in the **wholesale channel**, meeting the desire of many customers to receive the new products as soon as possible.

Throughout the semester, we still felt a **slight shortage** of high-end products on the market.

The very positive feedback received following the presentations of the Autumn Winter 2023 collections also allows us to be confident about the quality of the product in our boutique and multi-brand customers in the second half of this year.

The **order collection** for the **Spring-Summer 2024** men's collection is almost completed with **important results**, having been warmly welcomed by customers and journalists during the recent **Pitti Uomo** and Milan **Fashion Week**.



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The results achieved in the first half-year and the positive outlook for the coming months allow us to update our growth estimate for the whole of **2023**, forecasting an increase in **revenue of between +17% and +19%**, compared to the previous expectation of +15%.

As far as the **second half of the year** is concerned, we therefore envisage **significant growth and strong consolidation**, with a **balanced increase** over the excellent second half of 2022.

Indeed, we recall that last year we described the first quarter as 'good', the second quarter as 'more than good', and the **third and fourth quarters as 'excellent'**.

Agreement with Chanel to enhance Cariaggi's excellence

With the agreement signed on **23 May 2023**, the prestigious **Maison Chanel** acquired a minority shareholding in the **prestigious Lanificio Cariaggi S.p.A.**, excellence in the supply and processing of cashmere of the highest quality.

As a result of this transaction, Brunello Cucinelli's shareholding in Lanificio Cariaggi went from 43% to 24.5%; with the sale of 6% of the capital by the Cariaggi family to Chanel, the company's share capital is now owned **51% by the Cariaggi family and 24.5% each by Brunello Cucinelli and Chanel**.

We are particularly honoured by this project, not least because for the **first time** the very prestigious **Chanel**, 'a *benchmark in style, manner and kindness*', is collaborating with **another brand within a manufacturing company**, sharing the same understanding of the value of **exclusivity and craftsmanship** at the very top end of the luxury market.

We also believe that this agreement can contribute to the protection and further development of a symbol of **Italian manufacturing excellence** in the world such as Cariaggi.

Brunello Cucinelli, on the occasion of the signing, commented as follows:

"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."



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The launch of Brunello Cucinelli Fragrances: the identity of perfumes and the beginning of distribution

After three years of work on the creation of our first two fragrances, and about three months after the presentation press conference, we have started to receive the first product **feedback**, hand in hand with the activation of distribution in the **specialised channel**.

The perfumes are currently on sale, besides in our **direct boutiques** in **Europe**, in a beautiful group of 90 independent, high-end Italian perfumeries.

We are truly honoured by the preference given to us by these **very important multibrand clients**, our initial distribution target. With great pleasure, we can now highlight their **positive feedback** of the **fragrances**, which they described as **modern, contemporary** and **distinctive**.

Many loyal customers of our boutiques share the feeling of finding in the fresh, delicate and precious notes of our men and women's fragrances the same **idea of taste** and **quiet refinement** that they seek in our clothes.

At product level, for these first two references, our research was guided by the desire to transfer the brand identity into olfactory notes, resulting in an '**essential**' product capable of **representing us** over time, like a '**cashmere choker**'.

We believe that the initial comments reinforce our idea that we have succeeded in activating a new sense, consistent with the **sobriety**, the **quality** and the **exclusivity** naturally associated with our brand.

Beginning in the second half of July, with a focus on the domestic market, the advertising campaign will also begin to take shape, which was considered by industry players to be highly original for the category even at the time of its presentation.

During the summer we will begin distribution in the multi-brand channel in the rest of Europe, seeking, with the same country-by-country attention, a presence in **spaces** that for their **beauty, relevance** and **exclusive profile** can represent the best local showcases for our product.

We also expect to start serving the **North American** and **Middle Eastern markets** from the **autumn**, and the **Asian markets** with the beginning of the **new year**.

The completion of the distribution will still take several months, but we have decided to devote the '**right amount of time**' to this aspect as well, considering it essential to build a solid distribution platform, capable of guaranteeing in the long term a clear connotation of **exclusivity**, and a possible **materiality** of our business in this category.



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Revenues by Geographical Area

	1H 23	% on	1H 22	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Italy	60,862	11.2%	49,187	11.8%	23.7%
Europe (excl. Italy)	141,887	26.1%	115,768	27.9%	22.6%
Total Europe	202,749	37.3%	164,955	39.7%	22.9%
Americas	189,013	34.7%	152,613	36.8%	23.9%
Asia	152,162	28.0%	97,789	23.5%	55.6%
Revenues	543,924	100.0%	415,357	100.0%	31.0%
YoY Change at constant exchange rates					30.5%

Europe - revenues of 202.7 Euro million, up +22.9% compared to 1H 2022, accounting for 37.3%.

Local demand across the continent is very **strong, with a growing presence of high-end tourism**, particularly from **North America**, and directed mainly to Italy, major European capitals and resorts.

Pitti Uomo in Florence and the subsequent Milan **Fashion Week** were attended by a significant number of **customers** and **specialised journalists**, with **very positive comments** on the new **Spring Summer 2024 Men's Collection**.

Americas - revenues of Euro 189.0 million, up +23.9% compared to the same period of 2022, accounting for 34.7% of sales.

The **second quarter was very positive** for us in **North America, with** widespread dynamism in the different regions of the country, reporting **very solid growth**; in absolute terms, second quarter sales were almost equivalent to the first quarter, which was already very strong.

We believe there was still a strong desire to visit the **physical boutique** and participate in the various brand events promoted during the reporting period.

Among them, we highlight the **Neiman Marcus award celebration** in **Dallas** in April; we think it was a moment of joy and sharing with Neiman Marcus' loyal customers, as well as of deep gratitude to all the Department Stores staff, who have made our partnership so solid and rewarding over time.

Asia - revenues of Euro 152.2 million, an increase of +55.6% compared to the first half of last year, and a sales weight of 28.0%.

The results fully confirm the **very strong** sales trend, particularly in **China**, which is gradually and steadily realising the great growth potential that has been repeatedly highlighted.

Japan and **Korea** maintain **solid growth** on an almost exclusively domestic basis, and the **Middle East** continues to report **very strong growth**.



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Revenues by Distribution Channel

	1H 23	% on	1H 22	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Retail	344,649	63.4%	243,325	58.6%	41.6%
Wholesale	199,275	36.6%	172,032	41.4%	15.8%
Revenues	543,924	100.0%	415,357	100.0%	31.0%

Retail channel - turnover of Euro 344.6 million, up +41.6% compared to 1H 2022, accounting for 63.4%.

We are very pleased with the sell-outs as well as the very **good performance** on a **homogeneous base**, with the perimeter of comparison gradually normalizing over the course of the year.

The **retail network** includes **124 direct shops**, with the only new opening being the major flagship 'Mall of Emirates' in Dubai in Q2 2023.

Wholesale channel - turnover of Euro 199.3 million, an increase of +15.8% compared to 1H 2022, accounting for 36.6%.

The **sell-outs of the Spring Summer 2023** collections in both the Specialties Stores and the Luxury Department Stores were **excellent**, with the punctuality of the re-assortment service allowing us to gain further relevance within these spaces.

Finally, the **initial sales figures** for the **Autumn Winter 2023** collections are **very encouraging**, following deliveries in the second quarter.

Our expectations

Our **revenue growth estimate for the year 2023** is therefore **between +17%** and **+19%** compared to the previous +15%.

We expect a '**normalisation**' of **growth in the second half of the year**, which we believe to be equally healthy and able to enhance brand appreciation to the same extent as the first half, taking into due consideration **last year's growing comparative base**.

Another element that we believe should be taken into account is the **currencies** dynamics, which had a slightly positive effect in the first six months of the year, while we expect a negative impact in the second half of the year.

For **2024**, we envision a **healthy** and **balanced revenue growth** of around **+10%**.



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Independence requirements for members of the Board of Statutory Auditors

At today's meeting, the Board of Directors acknowledged that the Company's Board of Statutory Auditors, appointed by the Shareholders' Meeting on April 27th, 2023, has ascertained the existence of the independence requirements set forth by law and by the Corporate Governance Code for all its standing members (Paolo Prandi, Dante Valobra and Anna Maria Fellegara).

Pursuant to and in accordance with article 154-bis, paragraph 2 of Italian Legislative Decree no. 58 of 1998, the financial reporting officer, Dario Pipitone, declares that the disclosures included in this press release correspond to the documented results and the accounting records and entries. The sales figures included in this release have not been audited.

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

Brunello Cucinelli S.p.A. is an Italian Casa di Moda - founded in 1978 by the fashion designer and entrepreneur of the same name and listed on the Italian Stock Exchange - that operates in the **creation of luxury goods**. Our Casa di Moda, which has always been **rooted in the medieval village of Solomeo**, is considered an authentic expression of the idea of "Humanistic Capitalism," capable of reconciling steady and solid growth with an entrepreneurial philosophy aimed at the great themes of **Harmony with Creation and Human Sustainability**.

A specialist for cashmere productions, the **brand** is considered **among the most exclusive of chic ready-to-wear**, recognized worldwide as an expression of everyday lifestyle. The combination of **modernity** and **craftsmanship**, of **elegance** and **creativity**, of **passion** and **human values** make Brunello Cucinelli among the most exclusive and admired **testimonials** of **Italian style** in the world, authentically interpreting the values of **tailoring** and high **craftsmanship** characteristic of **Made in Italy** and peculiar to the Umbrian territory, skillfully combined with attention to **innovation** and **contemporary style**.

Through a **healthy, balanced** and **sustainable growth path**, the company's great goal is to try to make profits with **ethics and harmony**, with full respect for the moral and economic dignity of the more than 2,300 Human Resources who work directly for the company, and for all those who collaborate with it.

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