



BRUNELLO CUCINELLI

PRESS RELEASE

BRUNELLO CUCINELLI: the Board of Directors has examined sales results for the first quarter of 2019

- **Net revenues of €160.4 million, +8.1% at current exchange rates (+7.1% at constant exchange rates) compared to €148.3 million at 31 March 2018;**
- **Sales increases of +9.0% in the international markets and +4.2% in the Italian market;**
- **Europe +8.7%, North America +9.2%, Greater China +12.7%, Rest of the World +6.4%;**
- **Growth in all the distribution channels: retail +8.5%, *normalized* wholesale monobrand +6.4%¹, wholesale multibrand +9.8%.**

Brunello Cucinelli, Chairman and CEO, has commented as follows:

"We can't but be very very satisfied with the start of the year for our company, which has continued on its linear, sound and balanced growth-path across all channels and markets. Evidence of this are the excellent sell-out rates achieved by the Spring/Summer 2019 collection".

"Still inspired by an idea of consistent and balanced growth, we are now tackling the "kids line" new project with excitement, respect and moderation."

"Considering the excellent order intake for the Fall / Winter 2019 collection, we believe we will achieve our healthy growth target of 8% by striving to always work in serenity and harmony."

¹ Performance based on an unchanged perimeter, excluding the contribution of the sales made by the 4 wholesale monobrand boutiques (the 2 boutiques in Singapore and those in St. Petersburg and Copenhagen) in the first quarter of 2018, which were converted to direct operations starting from the second quarter of 2018 (the book result reports a fall of 4.4%).



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Solomeo, 8 May 2019 – 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 (MTA) – today examined the Group’s sales figures for the first quarter of 2019, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The figures for the first quarter of 2019 form part of the **healthy and gracious growth** project, which has always had its foundations in respect for the moral and economic dignity of each individual through the achievement of the balance between **“profit”** and **“gift”**.

We believe in a very long term project that finds its support in the search for **“humane sustainability”**, which we interpret as **“harmony with the Creation”**, something capable of creating profit and generating beauty at the same time.

We have begun 2019 respecting these principles, which have always governed the life of our business.

Our **lifestyle** proposal starts out from the **top quality of the raw materials and production process**, where **craftsmanship** and **manual skill** combine with Italian **savoir-faire**, transferring to the collections a **contemporary casual-chic taste**, acknowledged by the specialist press, customers and partners.

We are very, very satisfied with the **brand’s allure**, which we believe will be capable of ensuring healthy growth for the business for decades to come, dedicating the utmost attention to the market, always trying to maintain an **exclusive distribution**.

The **brand’s contemporaneity** presupposes placing constant emphasis on listening, articulated in all its forms and the occasions for exchanging views; with contacts ranging from the multibrand buyers who assess collections to the select and prestigious international press, the store managers in charge of our sales spaces in the most important luxury streets and the end customers.

In particular, the **end customers** are increasingly **attentive to “humane sustainability”** aspects and the link between a business and its territory, with younger customers giving the utmost consideration to these matters but with the matters themselves also becoming the reason for selecting and buying a brand.

We are extremely satisfied with the development of the business at the end of the first three months of 2019: there were **very good sell-outs** of the **2019 spring/summer** collection as well as the **2019 fall/winter order** intake both woman and man, confirming the very positive feelings we had gathered at press and clients presentations.

Customer feedback has been very positive, as were the first results of the **“Sartoria Solomeo”** project launched in the second half of last year; we sense considerable interest in this new project, which we believe is driven by the customer’s desire to wear an outfit with a contemporary fit, achieved by using fabrics that reflect the trend of the moment as interpreted and read with the advice of young tailors, attentive receptors of tastes and trends.

We are confident about the development of the new **“Kids project”**, the natural extension of our ready-to-wear offer with dedicated collections that will make their first appearance in the second half of the year. Our first perceptions, obtained while building up the collection, are very positive, and we believe that we have succeeded in transferring the taste that distinguishes us also to the “Kids” proposal.



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Sales Performance

Net revenues for the first quarter of 2019 totalled €160.4 million, representing a rise of 8.1% at current exchange rates (+7.1% at constant exchange rates) compared to last year's €148.3 million.

Revenues by Geographical Area

Italian market – growth of 4.2%, with sales increasing to €28.4 million compared to €27.2 million at 31 March 2018, representing 17.7% of the total.

The domestic market has always great importance, in particular as far as the “taste” of the collections is concerned, and has confirmed itself capable of attracting purchases from both the local customer and the top-end traveller visiting this country for business purposes or attracted by the pleasantness of the places and the possibility of being able to “live Italy”.

European market – an increase of 8.7%, with revenues rising to €52.1 million compared to last year's €48.0 million, representing 32.5% of the total.

Growth in this market continues as the result of brand appreciation and the positive results achieved both in the most important luxury streets where we are positioned and in the prestigious Luxury Department Stores.

North American market – revenues increased by 9.2% to reach €46.4 million compared to €42.5 million in the first quarter of 2018, representing 28.9% of the total.

Business performance reflects a very positive moment for the brand, thanks to its relative positioning and the Ready to Wear offer.

There was a positive trend in both the monobrand and the multibrand channel, to which we attribute the greatest value.

Greater China – revenues rose by 12.7%, or €15.4 million, compared to €13.7 million at 31 March 2018, representing 9.6% of the total.

We carefully follow this “fascinating” and “immense” country. In 2018 we started this beautiful project called “**Celestial Empire**”, which consists in taking care of and thoroughly understanding the millenary culture of the Chinese people, aware of the value added we can mutually obtain from a relationship of esteem, trust and grace.

This market undoubtedly has a very interesting potential with respect to both the monobrand channel and the multibrand channel, and we would like to grasp the opportunities that arise in a gradual manner, all as part of a medium- to long-term project. We have as our objective healthy and balanced growth, which will then support and maintain the brand's prestige and allure at top levels.

Rest of the World – an increase of 6.4%, with revenues reaching €18.1 million compared to last year's €17.1 million, representing 11.3% of the total.



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We are satisfied with the relationship we have succeeded in creating with our customers, and have considerable admiration for their detailed knowledge of the brand's philosophy and the pleasure it gives them to make purchases in spaces and boutiques where they can *"feel at their ease, be given friendly advice and be mindful of the fact that they are taking home a little piece of our culture and lifestyle"*.

Revenues by Distribution Channel

Retail monobrand channel – an increase of 8.5% in sales, which reached €71.2 million compared to €65.6 million at 31 March 2018, representing 44.4% of the total.

This increase was supported by the rise in revenues with an unchanged perimeter, in line with the objectives of sustainable growth, the positive sell-outs of the 2019 spring/summer collection and the positive contribution arriving from the openings that have taken place over the past 12 months.

There were 100 boutiques in the network at 31 March 2019, with no new openings occurring in the first quarter of 2019; two new boutiques have been opened compared to 31 March 2018, to which should be added 4 conversions from the wholesale monobrand channel.

Wholesale monobrand channel – sales of €11.1 million, with an increase of 6.4% on the basis of an unchanged perimeter (reported performance: -4.4%²).

There are 28 boutiques in the network (31 at 31 March 2018), with one new opening in the first quarter of 2019 in Russia, at the prestigious destination of Barvikha Luxury Village in Moscow.

Wholesale multibrand channel – growth of 9.8%, with revenues rising to €78.1 million compared to €71.1 million at 31 March 2018, representing 48.7% of the total.

We have always considered of the utmost importance the multibrand channel, which contributes to keeping the collection offer "modern" and "contemporary", thanks to the valuable comments we receive on the presentation of the collections and during the.

This role is fostered by the relationship we have succeeded in creating over the years with all of the most important Luxury Department Stores, and by the attention we constantly dedicate to the spaces allocated to our brand through with a fruitful collaboration in the care of the Visual Merchandising and the training we give to our sales staff.

² Reported performance, which includes the sales made by the converted boutiques (the 2 Singapore boutiques and those in St. Petersburg and Copenhagen) in revenues for the first quarter of 2018, reported a fall of 4.4% (revenues of €11.1 million for the first quarter of 2019 compared to €11.6 million at 31 March 2018).



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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. 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, economic and financial results. By their nature these statements 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 maison operating in the absolute luxury goods sector; specializing in cashmere it is now one of the most exclusive brands in the international chic **prêt-à-porter** sector, the expression of everyday luxury. Brunello Cucinelli, founded in 1978 by the eponymous stylist and entrepreneur, posted net revenues of 553.0 million in 2018 (+8.1% compared to the previous year), of which 84.1% was achieved overseas, and an EBITDA of 95.1 million, up by 8.8% over the normalized EBITDA of 2017, and currently has over 1,800 employees. Brunello Cucinelli's success is rooted in the history and legacy of great craftsmanship as well as in modern design: a quality strategy founded on a combination of innovation and artisan skill.

The attention and care taken in manufacturing the product are expressed through the use of the highest quality raw materials, tailoring and **craftsmanship** of exclusively **Made in Italy** production, combined with *savoir faire* and **creativity**; all of this makes the Solomeo-based company one of the most exclusive testimonials of Italian **lifestyle** worldwide.

Company business has always been conducted in the medieval hamlet of Solomeo, on the outskirts of Perugia. Today the brand is distributed internationally in over 60 countries through 128 monobrand boutiques (100 direct boutiques and 28 monobrand wholesalers) in leading capitals and cities worldwide and in the most exclusive resorts, with a selected presence in approximately 650 selected multibrand stores, including leading luxury department stores.

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