



BRUNELLO CUCINELLI

Press Release

CASA DI MODA BRUNELLO CUCINELLI: the Board of Directors examined Revenues at 30/09/2022

- Revenues of €642.0 million, with a spectacular +27.7% growth at current exchange rates (+23.2% at constant exchange rates) compared to 30 September 2021;
- Excellent growth in all channels and regions, with sell-outs of a very high value for the Fall-Winter 2022 collections;
- Very, very good growth in all regions: Americas +45.0%, Asia +22.6%, Europe +21.6%, Italy +10.2%;
- Very important results both in the retail channel, up +43.2%, and in the wholesale channel, up +10.5%;
- These results together with the high amount of praise received for the collections currently in stores lead us to imagine an attractive growth in revenues for 2022, somewhere close to +25%.

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

"The results of the first nine months of 2022 are really splendid: we are indeed achieving great results thanks to the image that the brand enjoys worldwide for its style, way of working and humanistic conception of business; the above lets us envisage an extraordinary end of the year, with a growth in sales close to 25%.

We continue to support our great project for a great future: "Universal working conditions for human beings".

There is no doubt that having our production and sales facilities at full capacity – having not laid off anyone during the last two years – allows us to cope with the large quantity of goods requested by the market where, in general, demand exceeds supply. The weakness of the Euro and short production chains are rewarding not only us but the entire Italian fine manufacturing sector, proving how strong our welfare state is.

The order intake for Spring-Summer Men's-Women's 2023 was excellent, both in terms of image and quantity. All this makes us envisage a 2023 with sound sales growth of 10%."



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Solomeo, October 19, 2022 - The Board of Directors of Brunello Cucinelli S.p.A. – an Italian Casa di Moda operating in the luxury goods sector, listed on the Italian Stock Exchange (now, Euronext) - today reviewed the consolidated net sales revenues as of September 30, 2022, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

We are extremely pleased with the superb revenue growth in these **first 9 months of 2022, +27.7%** (+23.2% at constant exchange rates), and flattered by the **great attention** and **approval** we are receiving for our brand and our Casa di Moda.

Growth today appears **particularly solid, well distributed** geographically, **synergic** in both sales channels and **balanced** between man and woman.

The sell-out figures recorded by the **Fall-Winter Men's-Women's 2022 collections** currently in stores are **extremely positive**. This data testifies the customers' appreciation of our collection proposal and gives us **great confidence** in sales for the **last quarter**.

On the demand side, there is an increasing **demand in** all areas for products of the **highest quality and exclusivity**.

The great desire to **return to our physical stores** has enlivened our boutiques and we feel we have succeeded in creating welcoming, warm and authentic atmospheres as well as a feeling of genuine **hospitality** within our spaces.

The idea of hospitality as attentive, familiar and relaxed has always been the "inspiring principle" in the realization of our retail spaces and represents a **fundamental value** for our Casa di Moda, with the desire to welcome the customer and make him feel at **home**.

It seems to us that the **demand for** unique **products** of the highest quality, craftsmanship and workmanship generally **exceeds supply**.

We believe that during the pandemic our **welfare** measures, allowed the companies of our country, together with wise and humanistic entrepreneurial choices, not to lay anyone off, to preserve the production of manufactured goods, and to keep the productive and commercial structures at full capacity.

Therefore, we think that the great value and **strength of our Italian welfare state**, the **short production chains** present in our country, and our decision taken at the beginning of 2020 to **fully protect our production and commercial structure**, now allow us to cope with the great quantity of goods required by the market, rewarding our Casa di Moda and the entire prestigious Italian manufacturing sector.

A great project for a great future: universal working conditions for the human being

Finally, we are giving extraordinary importance to our "**great project for a great future: universal working conditions for the human being**".

Indeed, we would like to continue to devote a great deal of attention to **workplaces, working and connecting hours**, and respect for the **moral and economic dignity** of all human resources.

We feel that these **aspects are very strong**, especially in **production departments** as well as for those people whose **salaries are in the first pay band**, which we would like to be a little higher. We think that it is only by returning to this moral and economic dignity that we can imagine **young people** coming to **work in our factories**, and this is what we try to put into practice in the enticing, in our opinion, "**Solomeo Schools of Arts and Crafts**".



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Revenues by Geographic Area

	9 months 2022	%	9 months 2021	%	YoY Change %
	Eur '000		Eur '000		
Europe	184,174	28.7%	151,418	30.1%	21.6%
Italy	78,032	12.2%	70,815	14.1%	10.2%
Americas	233,850	36.4%	161,281	32.1%	45.0%
Asia	145,970	22.7%	119,076	23.7%	22.6%
Revenues	642,026	100.0%	502,590	100.0%	27.7%
YoY Change at constant exchange rates					23.2%

Europe - revenues of €184.2 million, an increase of +21.6% compared to 30 September 2021 with a relative weight of 28.7%.

The very positive results in all countries confirm the great vitality of the European domestic market.

An **excellent season** for all the **resorts** that have benefited from the rapid and robust recovery of **international tourism**, especially from North America.

Numerous small **events** took place in both our direct boutiques and the spaces of our wholesale partners, guaranteeing **excellent visibility** of the new **collections** and nourishing the relationship with numerous **customers**, both **loyal** and **new**.

Italy - revenues of €78.0 million, up +10.2% compared to the first 9 months of 2021, with a relative weight of 12.2%.

Italy is of **great importance** not only for the results it has achieved, but also, above all, for its influence on global style and its contribution to brand value.

Milan Fashion Week in September was a particularly significant moment for us and for the entire industry, after several editions affected by the pandemic.

The healthiness **of our direct stores** and the renewed **vitality and planning** of our **multi-brand** partners allows us to imagine a great result for our country at the end of the year.

The strong market demand for special garments and high-value manufactured goods also contributed to the results achieved in the wholesale channel, with partners who, in order to meet the demand in the face of limited market supply, increased their requests for delivery of the Fall Winter 2022 collections in June, thus favoring performance in the first 6 months of the year.

Americas - revenues of €233.8 million, up +45.0% compared to 30 September 2021, accounting for 36.4% of sales.

Important increase in the first 9 months of the year, with **demand** from the American **high-end luxury** customer showing a strong **structural component**, with significant growth potential also in the medium-long term.

We are very satisfied with the results achieved, considering the American market important both for **sales** and for the **brand image**.

In terms of revenues in the first nine months, the **direct channel** benefited from both the like-for-like increase and the significant contribution of selected openings and expansions of existing boutiques.



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Extremely good results were also reported in the **wholesale channel**, with a solid presence in luxury Department Stores and prestigious Specialty Stores.

Finally, let us remember that the growth in the first half of 2022 also benefited from the comparison with last year as a base, in which the weight of sales was proportionately higher in the second half than in the first.

Asia - revenues of €146.0 million, up +22.6% compared to H1 2021, accounting for 22.7% of sales.

We are particularly pleased with the development of our project in **China**. Our satisfaction derives both from the results, with **very positive sales dynamics** throughout the country and a further increase in growth trends compared to the first part of the year, as well as from important **structural elements**.

In fact, we are witnessing a **growing interest in** the brand, its **values** and **positioning**, as well as in our **product offering**, which conveys an idea of **silent refinement that is** today particularly appreciated by a growing number of **Chinese customers looking for special, logo-free garments**.

Growth in all the other geographical reference areas was **particularly significant**. **Japan** reported an increase in line with the trend of the first six months of the year; the **Middle East** and **South Korea** confirmed the strong results of the first half of the year.

Revenues by Distribution Channel

	9 months 2022	%	9 months 2021	%	YoY Change %
	Eur '000		Eur '000		
Retail	379,396	59.1%	264,879	52.7%	43.2%
Wholesale	262,630	40.9%	237,711	47.3%	10.5%
Revenues	642,026	100.0%	502,590	100.0%	27.7%

Retail channel - sales of €379.4 million, up +43.2% compared to 30 September 2021, accounting for 59.1% of sales.

The increase in sales over 9 months is related to the growth in **like-for-like** sales, with **very important sell-outs** of the **Fall Winter 2022** collections, and to the significant contribution of the **new spaces**.

Compared to the first 6 months of the year, the basis of comparison in the second half of 2022 becomes progressively more homogeneous, also in view of the timing of the development of the network, which in particular in the past few months has included important openings of **flagships** and **boutiques**, prestigious **expansions**, and **conversions** to the direct management of spaces within Luxury Department Stores.

With the opening of the direct-to-customer boutique in **Palo Alto** in the third quarter of 2022, the number of **retail boutiques** increases to **118 compared to** 117 as of June 30, 2022 (113 boutiques as of September 30, 2021); the number of **hard shops** is **42**, unchanged from both June 30, 2022 and September 30, 2021.

Wholesale channel - sales of €262.6 million, up +10.5% compared to 30 September 2021, with a relative weight of 40.9%.

The incidence on wholesale channel sales is fully in line with our expectations and very close to our year-end expectations; we consider this channel mix healthy and of great value and assurance for the protection of our brand.



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The **wonderful results** of the **Fall Winter 2022** collections and their very positive sell-outs confirm the **excellent results** already achieved with the **Spring Summer 2022** collections.

We are therefore satisfied with the significant growth in the wholesale channel, with the same partners who, as anticipated, requested more deliveries of the Fall Winter 2022 collections in the month of June to meet the strong demand of the end customer for handmade garments and high-end manufactured goods.

Outlook

We believe that our **brand is** experiencing a **moment of great positivity worldwide**, and it seems to us that the spaces that we call **Casa Cucinelli**, created in the world's major capitals, are also contributing to giving ever greater strength to our **idea of hospitality** and **customer relations**, in the desire to welcome **customers** and make them feel at home everywhere.

We are fully satisfied with the **wonderful growth in the first 9 months** of the year: all the geographical areas and channels have reported **exceptional results**, both in terms of **numbers** and in terms of **image**, as well as sales in **recent weeks**.

We believe that there really is a great **demand for products that we like to define as special**: valuable and exclusive products of the highest artisanship and manual skills, products that can be "repaired" and in some way left as a legacy.

We believe that the **demand for these products exceeds the supply**, and we think that the presence of production and commercial structures at full capacity, not having laid off anyone during the last two years, allow us to **cope with the significant** quantity of goods **required** by the market.

We also think that **short production chains** are rewarding our Casa di Moda and the entire prestigious Italian manufacturing sector, demonstrating the **strength of our welfare state**.

Therefore, we envision a **record year for 2022**, with a **beautiful revenue growth close to +25%**.

We consider **2022 to** be the year of "**total rebalancing**", and along with the strong advancement in revenue after the pandemic period, we expect **margins to** completely **rebalance**, returning to "normal" levels pre-pandemic.

In 2022, the **significant investment project** continues; with the aim of ensuring our Casa di Moda and our "beautiful factory" remain modern.

With great confidence, we can also envision **solid sales growth of +10% for 2023**, supported by the **excellent order intake for Men's & Women's Spring-Summer 2023 collections**.

In fact, the **order collection** ended with **beautiful results**. We attribute great value to the **strong appreciation** received both at the Pitti presentation for men and during the Women's Fashion Week in Milan by the **specialized press**.



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The manager in charge of preparing the company's financial reports, Moreno Ciarapica, declares, pursuant to and in accordance with article 154-bis, paragraph 2, of Legislative Decree no. 58 of 1998, that the information contained in this press release corresponds to the document results, books and accounting records. Please note that the sales figures in this press release have not been audited.

This document may contain forward-looking statements regarding future events and the operating, economic and financial results of Brunello Cucinelli Group S.p.A. These forecasts by their very nature 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** that produces luxury goods. It was founded in 1978 by the fashion designer and entrepreneur of the same name and is listed on the Italian 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 Creation** and **Human Sustainability**.

Specialised 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**, and **passion** and **human values** make Brunello Cucinelli one of the world's most exclusive and admired **ambassadors of Italian style**. In fact, the brand authentically expresses the values of tailoring and craftsmanship typical of products **Made in Italy** and the territory of the Umbria region in particular, combined with a focus on **innovation** and **contemporary style**.

Through **healthy**, **balanced** and **sustainable growth**, the company's main goal is to earn profits with **ethics**, **morality** and **dignity**, respecting the moral and economic dignity of the over 2,100 directly employed Human Resources and all those who work with them.

Contact details: **Investor Relations & Corporate Planning**

Pietro Arnaboldi
Brunello Cucinelli S.p.A.
Tel. 075/69.70.079

Media

Vittoria Mezzanotte
Brunello Cucinelli S.p.A.
Tel. 02/34.93.34.78

Corporate website: www.brunellocucinelli.com