

Brunello Cucinelli S.p.A

"First Half, 2023 Results Conference Call"

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OPERATOR: Good afternoon, and welcome to the Presentation of the Results for the First Half of 2023 of Casa Di Moda Brunello Cucinelli. The speakers tonight are going to be Mr. Brunello Cucinelli, Executive Chairman and Creative Director, Riccardo Stefanelli, CEO, Luca Lisandroni, CEO, Dario Pipitone, CFO, Moreno Ciarapica, Co-CFO Senior and Pietro Arnaboldi, Investor Relations and Corporate Planning Director. If you need assistance from an operator during the conference call, please press "*", "0."

I would now like to yield the floor to Mr. Brunello Cucinelli, please.

BRUNELLO CUCINELLI: Good afternoon. Good afternoon and welcome back from your holidays. As usual, there are analysts, investors and a few reporters are connected.

This evening Anna Maria is going to translate the conference and I will serve as a guarantor as people don't speed up too much. So I am not a very good speaker of foreign languages, says Mr. Brunello Cucinelli, and I understand how difficult it can be to translate. Now you know that we do like this conference call a lot. We are going to have 6 of these this year too, because they are a great opportunity to connect to the international community.

If you are brave enough to listen, especially when the things you listen to are not the ones you like most. Everybody is here, Luca, Riccardo, Dario, the new CFO, he's a bit emotional because he is going to present tonight, then the Co-CFO Senior, Mr. Moreno Ciarapica is next to him, Pietro and myself.

So how are we going to go through this call? Well, as usual, I will read the big data and then Dario will give you more details, then I'll talk about a few items and myself, in particular we will talk about the first half you are all familiar with it already, and we'll give you a detailed outlook on the end of the rest of 2023.

Then we will give you a lot visibility on 2024 which is of course pretty visible for us, because we have nearly completed the sales for spring/summer. And we would also like to give you some color on 2025, because actually 2023, '24, '25 are the first 3 years in our 11th 5-year plan for business. Then finally, we will discuss our vision of the global market and an analysis on file and the main topic of exclusivity.

Now, let me give you some highlights, revenues stand at €543.9 million with an excellent growth of 31% at current exchange rates and 30.5% at constant exchange rates compared with first half of '22. EBIT stands at €87.7 million up 51.8% versus €67.8 million as of June 30, 2022, with margins of 16.1% versus 13.9% last year. Net profit stands at €66.7 million up 31.9% compared to €50.6 million last year and margin is 12.3% in line with the 12.2% of June 2022.

We have a robust capital structure with important investments equal to €34.9 million versus €36 million last year. The net financial indebtedness is €38.6 million as of June 30, 2023 versus €63.8 million last year, so excellent results in the first half. So the excellent results in the first half and the very good performance of sales make us believe that 2023 is going to post a growth in sales around 19%.

So the first half of 2023 is closed with excellent results in terms of both sales and profit. Globally we believe there is a strong demand for high quality men's and women' ready-to-wear with artisan quality and a lot of care is now being given to exclusivity and the rarity of these products. All this create a great satisfaction for us in terms of brand positioning which stands in the upper scale of the luxury pyramid.

Now 8 months of this very interesting year have now gone by and considering the excellent beginning of sales in our boutiques of the new fall/winter collections, we should imagine that the year is going to

close in a very pleasant way. Sales are going to increase by around 19% and profits will be, I should say, highly appreciated.

The men and women's orders for spring/summer 2024 is nearly completed with excellent results, and a lot of appreciation towards our taste and sobriety as a true identifier of that quite luxury which is so highly appreciated at this historic moment by mankind. Because of this, we are really confident we can reach our idea of growth which stands around 10% for the next year.

That's all, please Dario.

DARIO PIPITONE: Good afternoon everyone. I suggest we start with the main economic and financial performance data for the first half of 2023. The overall results on revenues confirm the preliminary data of July 15th and the growth of sales at current exchange rates is 31%, which is 30.5% at constant exchange rates.

So I suggest we look at the P&L immediately and we start at Page 15 in the analyst presentation, where we see that the cost structure is well balanced and we have totally reabsorbed the transitory effects of the pandemic which was a typical characteristic of the earlier period.

First margins, as of June 30, 2023 is increasing by 30.6% in line with the growth in turnover with an impact of 61.5% which is virtually unchanged versus the data as of 30th of June and 31st of December 2022. With reference to last year, we should also remember that both in June and at the end of December 2022, the exchange rate fluctuations had a positive impact on our revenues, and hence on gross margins, and also this had an impact on the increase of general costs which were obtained outside Italy and in the different foreign currencies, vice versa as of June 30 this year, the exchange rate fluctuations do not really have a significant impact in gross margin or operating cost or revenues.

So if we look at the operating cost analysis, we may actually notice that they are growing pretty much in line with the growth of sales and they reflect the expansion of commercial activities and the development of new initiatives as well as the select expansion of our sales network and the substantial investments we made in communication.

Speaking of communication investments and going on to Slide 16 in your presentation, we may notice that as of June 30, 2023, communication investment was €36.3 million versus €20.4 million in the first half of 2022, and the percentage of revenues increased from 4.9% to 6.7%.

Communication investment is mainly due to brand events, which were made in the first half year of this financial year, including celebration of several awards we received, including the prestigious Neiman Marcus Fashion Award.

The cost of human resources in the first half stands at €93.3 million, with an impact of 17.2% versus €68.4 million, i.e., 18.9% of the first half of last year. As of June 30, 2023, the amount of human resources was 2,531 FTEs, in line with the development plans and the business growth that's supporting the new commercial initiatives, and our artisan structure and organization. In...on June 30, 2022, we had 2,254 FTEs.

The cost of rent, net of IFRS 16 is €63.4 million versus €61.3 million, with an impact which increases from 14.8 of the first half of 2022 to 13.5 of this first half ...sorry...it doesn't increase, it decreases.

So, after briefly commenting on the main cost items, should we go back for a second to Slide 15? So, you may notice that in view of the performance we just described, a net of IFRS 16 EBITDA stands at

19.3% of our sales. As compared to what we had in the first half of last year, where it was 18.1%.

Depreciation and amortization stands at €77.1 million versus €72.2 million in the first half of last year. EBIT as of June 30, 2023 is €87.7 million, up 51.8% versus June 30, 2022 with margins of 16.1% as against 13.9% in the first half of last year. As of June 30, 2023, so in view of this growth of EBIT and considering financial management that has charges for an overall value of €2.4 million versus profits of €11.9 million of last year's first half to taxation of 21.8% in the first half versus 27.4% in the first half of 2022. So, net profit is €66.7 million, which is an increase of 31.9%.

Let's go back to financial management for a second. It's important to notice that if we compare to June 30, 2022, and December 31st, 2022, the performance of this item in our reporting is significantly affected by exchange rate fluctuations, which we tried to present in Slide 24 in the annexes. And in particular, this is due to the unrealized gains and losses on exchange rates.

Speaking of financial management again and talking about Slide 24, so, charges and profits from our stake holdings, the 2023 value is €17.6 million, and it's referring mainly to Cariaggi Lanificio, both for the results in this half year, and thanks to the positive effect of the transaction by which we sold part of our minority stake in the company to Chanel.

Then, should we look at tax rates as of June 30, 2023? It now stands at 21.8%. And this includes and factors in the benefit of the implementation of the participation exemption regime to the economic impact of the same item, which is charges and profits from stakeholdings. This benefit is going to become diluted proportionately as the year continues and as time goes by. So, it's going to become

normalized, and the normalized effect in the first half would be 27.3%, as of June 30, 2022, let me remind you the tax rate was 27.4%.

Let's now move on to Slide 17 and later slides, and I'd like to share with you some quick comments on the networking capital investments and finally, net financial position. As of June 30, 2023, the networking capital...the trade working capital was €196.4 million, increasing by €14 million versus €182.4 million as of December 31st, 2022.

In detail, we can actually tell you that, trade receivables stand at €75.2 million versus €76.6 million of December 31st, 2022, which shows a very healthy situation, even though the revenues have increased quite substantially. Same is true for trade payables that stand at €141.5 million versus €137 million of December 31st, 2022. Here, we made no change in payment timings for the providers and suppliers and consultants. And finally, inventories have an impact on the rolling turnover of the last 12 months of 25.1% versus 26.4% of December 31st, 2022.

To conclude, thanks to the excellent economic results of these last 12 months, even though we are embarking on an important investment plan, €35.9 million as of June 30, 2023, as shown in Slide 18, and also considering that dividends were paid for €48.1 million. So, despite all that, our net indebtedness is €38.6 million as of June 30, versus €63.8 million of June 30, 2022.

So, thank you all very much for your time. Let me now yield the floor back to Brunello.

BRUNELLO CUCINELLI: Well, you said you were emotional, but I think you actually did very well, even though the co-pilot actually corrected you when you said quarter instead of half here. So thanks for correcting us. So you at 45, Lucas is 45, Carlos is 41, Moreno is slightly over 60, and I'm going to turn 70 in just a few days. So, hopefully, I believe that we're

structurally, let's say, very well-organized team in terms of age brackets. So, my only comment on this half year is splendid. Plus, I would say that July and August are keeping along the same lines and same trends.

So, let's now discuss the second half. In general, forecast data may be discussed already. We may be a bit more careful about that, and then we may want to discuss wider issues. So, needless to say, we'll need numbers first, and then strategies will follow. At least, this is how I work. Pythagoras' teaching was numbers are the law of the universe. So we see year-end, which is very, very interesting for us, with surprising numbers as compared to the budget we started the year with.

Sales are going up quite a lot, around 19%. The initial forecast was plus 12%. EBIT is very robust, it's around 16%, and the forecast was 15%. The net profit is really, really good, and it stands around 10% to 11%. So something which is really important is that from 2020 onwards, so after the beginning of the pandemic, we virtually doubled our sales. So in 2020, we posted minus 10%, in 2021, plus 30%, in 2022, plus 30%, In 2023, plus 19%.

The inventory is excellent, it's around 25%. Investments are around 8%. Advertising and events are growing, too. The investment is around 7%. So this is indeed growing, but we believe all these events are fundamental to communicate our brand to the more peculiar and more exclusive customers.

So I'll be frank with you here. It makes me laugh a bit, but I actually had 113 dinners in a row, and I only stopped 1 night on the 109th night. So how difficult is it to diet in these conditions? So you know, these events, as an average, have 50, 60, 70 people, and they're very, very interesting times because you can actually talk to people, talk to everyone.

It is also true that you need to take at least 150 to 200 pictures each evening, and so you tend to try to be a bit careful, but you don't necessarily look your best everywhere. So you may look like you're fatter or whatever, but I kind of dislike these selfies in particular. I hate selfies, so half-jokingly, I'm saying this. I did 113 dinners in a row. It's been quite interesting and let me tell you.

So a dear friend told me, I need to lose some weight, and so I bought a kind of home gym, because I want to lose weight by using the home gym, and half-jokingly, I said, "Well, maybe you'd better get rid of your kitchen instead of putting in a home gym." But no, seriously no, let's go back to more serious items.

So you know that the net financial position is around breakeven, but as you know, this is no big deal for us. I mean, it's not really a problem. So we are actually thinking of paying out dividends, which should be, as usual, about 50% of the profits.

During this last year, we opened 3 lovely boutiques, Dubai Emirates, Hong Kong in Queens Road, and the new store in Rome. Then we extended another 2 stores, and particularly beautiful, in Zurich on the Bahnhofstrasse, and in Cannes, where the store is absolutely beautiful. And you may remember that our idea is that of opening 2, 3 boutiques per year, and to do 2 or 3 store extensions each year to try and stay exclusive. So the increase of sales does not match the actual increase of the stores we opened last year.

You know pretty much everything about eyewear and fragrances. Things are doing very, very well, and we actually love this beautiful relationship we have with the team of Essilor Luxottica for eyewear and EuroItalia for fragrances.

So why do I like this connection? Because we meet people, we talk about designs filed, positioning, and exclusivity. So you know, this is

the very idea that we're trying to convey to all of you, and this is what we mean by contemporary licensing. So it may be licensing, but it's a very beautiful and contemporary way of doing licensing. There are 10 to 12 years contracts, and hopefully they're going to continue for much longer.

So I would like to wrap up on numbers by telling you that we believe our P&L is very robust and very sound and solid. Please remember that the quarterly sales are virtually pretty much always the same, with the only exception of the last quarter, which tends to be a bit higher because there's more cashmere, there's more overcoats, and so outerwear tends to have a pretty high...a slightly higher price point.

Now, 2024, this is really interesting. We've nearly finished to collect orders for men's and women's for spring/summer 2024. The result of this order is in campaigns is, we believe, excellent. And in particular, we are very pleased with how design is performing.

Next year, we're going to open 3 stores, as we normally do, a beautiful one in Toronto, Canada, a lovely one in Miami, Florida, and one in Macau. Then we are planning 2 very beautiful extensions for our stores in Vienna and Venice. As I told you, this is already planned and agreed. So our idea for 2024 is that our growth is going to stand around 10%, and we still need to insist and focus on style, elegance, rarity, and exclusivity, because this is a key issue for us, and we need to insist on it all the time. So we're very, very confident about the results we're going to have in 2024.

Then 2025. Well, this we always look far ahead in our perspective. We believe it's still very interesting, still focus on style, elegance, refinement, exclusivity, and rarity. And the estimated budgeted growth is around 10% too.

Now, in just a few seconds, let me give you a brief summary of the key issues, the key themes we work on. You're all familiar with it. You know how much we value factory work and factory workers. Higher salaries, better working locations, artisan schools, all of this generates creativity and breeds creativity.

You're all familiar with the value we attach to industrial and artisan projects. Our outside artisan collaborators, and Riccardo is going to talk about them too, will give us a lot of certainties for at least the next 10 years, because the average age of our suppliers in the artisan world is around their mid-40s.

The land we own in Solomeo, the private land and the company land, let us think that the company has room for growing for the next century. So the land is not going to be a constraint to our growth in the future. You know everything about the value of Solomeo, the big value of Solomeo as a brand building tool too.

Another very interesting topic is pricing. So you know, that normally Europe stands at 100, U.S. 121, Asia 128. And we should imagine that for next year, we are going to achieve a total rebalancing, which actually happened already in raw materials too. So for 2024, we think that pricing is going to be well balanced too.

Another important thing for us is multi-brand stores. This is fundamental for our taste. You know what we think about this Harrods, Neiman Marcus. We consider them as multi-brands because, you know, we organized a dinner last February, which was dedicated to them. And there we had maybe 400 or 500 pictures taken. And you know, we are now actually harvesting the fruits of those projects that we worked with them for the next 5 or 10 years.

You know, I always believe this and we all seem to consider that if you walk into Harrods where you have this 10 million people every year

then some of them may walk by the Cucinelli store but it's not the same thing of the Cucinelli flagship store out in the street. So we can actually consider that our sales today come 40% from multi-brands and 60% from mono-brands. So this is a good balance for us.

There is another very important thing for us, which is the value of exclusivity and rarity. For us, this is the actual life of our company and it's actually the century old story and heritage of our company should go through exclusivity and rarity and it's not necessarily easy but we do firmly believe in this, in exclusivity and rarity.

So Riccardo, would you please tell us a couple of words on projection then Luca will discuss the markets and market performance. So Riccardo, would you start?

RICCARDO STEFANELLI: Thank you very much. Good afternoon. Let me give you some updates. We are now procuring our usual meeting with these 400 artisan suppliers we work with. We are going to meet them here in Solomeo. As you know, we organize these meetings twice a year. The second meeting is going to happen around Christmas time. And these 400 companies are of course representing that, anywhere between 7,500 and 8,000 employees. And as you know, we've always supported very direct connection to these people. So we consider the small artisan companies...there is a kind of detach production unit for the company and we actually never use any kind of production platform to serve as an intermediary in this connection.

Now, the meeting we have arranged in Solomeo in mid-September is going to be extremely important for us because in practice, we are going to provide the suppliers with updates on the company results, which is their results as well, and we are going to update on what we feel and hear from the market.

Also, this is an occasion for thinking about design and new projects because our comments will actually be converted into their working plans and investments for the future. And we share with them all the things we want to discuss with our suppliers including the all-important issue of the better work places as, you know, from Brunello, this is fundamental today to persuade young people to learn our trade and to start working in our business.

So it's an opportunity to talk about operations. It serves us to understand how the climate is and serves to them to understand what we expect from them going forward. After this, we will meet again around Christmas time, so we'll get together to celebrate the end of the year but also to discuss very important topic such as connection to younger people, the connection between young people and work, the behavioral rules to be complied with our coworkers and employees and so on.

So these are very important, very interesting meetings and then for the rest everything because smoothly as you heard from our Chairman, the Penne factory is continuing as expected. It's been built as expected. Projection is doing very, very well in terms of both quality and delivery schedules and there is no challenge to be pointed out in terms of raw material.

Thank you very much. Luca, would you please give us an overview of the market?

LUCA LISANDRONI: Certainly, so in July, we gave very enthusiastic comments about the preliminary results for the first half and at the time we said, we had excellent geographic distribution. All regions were very positive, very good balancing between sales channels and the results were certainly helped by the main prevailing taste and the great position in our brand.

The month of July and August have actually been marked by continuity. Let's start with the U.S. Performance there is great in both sales channels. In retail sales in July and August have been very, very good and they continued the same trend at the beginning of the year and this makes us think we are going to have a very beautiful results for the end of year.

Our confidence for the second half of 2023 and for the whole of 2024 it's also due to the completion of a beautiful wholesale campaign for Spring Summer 2024. In fact in the U.S., we have completed all the collection already and orders have grown quite a lot from all main department stores for both men's and women's.

So this very good trend in purchases from department stores was also supported by the excellent sales campaign for spring/summer 2023 and the early winter season's sales are very, very promising. This shows that today and there is a lot of demand for top-quality, top-level upscale ready-to-wear with special garments with a lot of artisan content and very special pieces are really interesting in that market.

We had a board meeting this morning. We discussed thoroughly about the situation in different markets. We heard from our U.S. Director, Ramin Arani, he is an expert in economy and finance. He has been working at Fidelity for over 30 years, but also he is top customer for luxury businesses and a fine observer a keen observer of our business. And he said a few very simple, very clear things that really struck me and provided us with great [indiscernible]. So Ramin Arani said that in economic terms salaries in the U.S. are now growing quicker than inflation. This has actually provided new additional resources and people have higher propensity to shopping and buying.

In particular, if we look at the people who have pretty high available capital, the economic situation of this part of the population is definitely better today than it was last year. Thanks to the stock

exchange performance which is definitely better. And thanks to the bank deposits yield, which is certainly much more interesting than before.

Then Mr. Ramin Arani also pointed out there is a nearly in correlation between the width of the range of customers of individual friends and the quality of results. So the more diversified your customer means the less interest in your performance seems to be today.

Let's now move from the U.S. from Europe, and I would like to say that first of all, we had an excellent season in all resort locations. The presence of American Tourists back in Europe has been a very positive factor for us. But in analyzing this half year, we would like to think mainly of the robustness and consistency of European domestic demand that has reached really, really important levels today.

Asia, results are very good, excellent throughout the continent, starting from China, as you know for us China is nearly 50% of the Asian business. At the end of June, it was 28% of total business. So we are really, really happy for the results we have seen at the beginning of the year and in the recent weeks. We feel the market has acknowledged the brand's exclusivity, it's rewarding in our positioning, and appreciating more and more our offer of no logo ready-to-wear.

China is constantly and progressively coming to ripe and the potential we've been observing for a long time too. But at the same time, we feel it still has a lot of untapped potential for the future. So you may remember it that our business is focused on top tier cities so far. We were reading on Forbes a few days ago that the Top 10 cities for a number of billionaires are all in China. And China today has over 260 cities with more than 1 million inhabitants. There are 18 such cities in Europe and 10 in the U.S.

So this number shows the reason why we're very confident that over time, we will see a lot of beautiful important multi brand stores been constructed in these cities, which is what was going on in the pre-pandemic era when very quickly we moved from 20 counts to 40 we are serving today. One final interesting evidence on China is the growing importance of silver hair clients.

So clients over 40 years of age, in the classic Chinese idea this clients were just supposed to be the moonlight clients. So there's very young people who were used to spending their whole salary before the end of the month in luxury goods and technology products. So moonlight plan before pandemic was indicated to be the key driving factor in the economy, whereas a silver hair customers are considered to be more and more important today, they have a higher propensity to shopping. And they tend to be much more loyal and to have a buy-in and the shop-in behavior which is much more content over time.

Now speaking of Asia. Again, let me say a couple of comments about Japan, we seem to consider it as a separate and different market. In Japan, multi-brand stores are fundamental as Brunello said, we have century old department stores. There in Hong Kong businesses virtually all mono-brands whereas in Japan the main domestic market is multi-brands and so in both very different markets, we're actually posting the best performance ever in our history.

One final comment on the digital channel. In 2023, the key player is physical retail. But at the same time, we like to notice that the digital component of our sales, both in the direct sales and in the wholesale, e-tailer component is positive and growing. And if we look at our direct business, we may actually notice there's a pretty sharp increase in the amount of interactions, be it via chat boxes, WhatsApp, phone or whatever, if this shows that even the original clients seem to be willing to seek guidance and to establish some kind of human relationship. So that means that even though digital communication is increasing and

very important, we still have a lot of physical interactions that drive digital sales to.

Then to close, so far, we have a lot of positive reviews and favourable reviews for the kinds of products we provide. And we believe that the end of this year 2024 and 2025 are still going to be marked by this search for elegance and simplicity [ph] and quality.

BRUNELLO CUCINELLI: Thank you, Luca. Luca was a bit quicker, but okay, manageable, no problem. Now let's talk about products for the next 4 minutes, and then we'll open the floor to your questions. So once again, we are mainly ready-to-wear and lifestyle company and that accounts for 85% of our sales ready-to-wear is 85% of our sales and it's equally distributed between men's and women's.

I think we do have a good design identity, a good style identity, and I think we need ready-to-wear to affirm our style. So you can only have a special style a very recognizable style through ready-to-wear. There's a lot of demand for exclusively hard to find luxury ready-to-wear. And this is something we discuss all the time at the company. I've always been very concerned about being over exposed, whenever you become overexposed, the ones last for longer. This is normal.

So last night, I was with my wife and we were watching TV and she said, well, you know that guy is very good but I mean, he is all over the place, you can see him anymore. So that makes us think. So personally, I've never wanted to have products with an overexposed image. This has not been exclusive. This is not what we mean by exclusivity. So I believe that our purpose is that maybe tomorrow we should be a bit less known than yesterday, because in the end luxury is exclusivity, uniqueness and rarity. Then of course we need products to have top quality this is because without saying.

Another very important comment is that we have now entered the season where great elegance is the name of the game this is the style which we now call quiet exclusive luxury where people are prepared to buy very expensive and highly valuable garments. For men's in particular, you may remember the beautiful movie which was set in 1923 "The Great Gatsby" this is the kind of men we're looking at, an elegant men. So something we are very happy to see of course.

So in the end, the product must be extremely well done with a lot of manual work. But it must be young more than chic and contemporary but still exclusive. It should be product that is never thrown away you can actually fix it. I mean, for a jacket to an overcoat you can actually have it remodeled and go one size up and one size down without any problem. And when you go to the boutique it must be presented by the sales associates in a chic refined way. This is particularly true and particularly important for men. Men need to be supported. They need advice, they want the sales associates to communicate safety and beauty and too such as how they can combine what they're looking at and they're shopping for with the presence they already own.

So the strong idea here is a repair, reuse, review, recondition mix and match. And this is something which is particularly strong, especially for younger customers. I always look at King Charles as an example. I mean, he always are...or nearly always wears the same clothes. But he always looks so elegant and so well groomed.

So that's all a couple of minutes on organization for the next 2 months. So we would love to have this kind of connection with the financial markets. So on the 19th of October, I will not attend the conference call you will have Luca, Riccardo, Dario and Pietro because I will be in the U.S. for one week for several events and to actually give thanks for the beautiful awards we have received. Then I would like to organize some Christmas dinners where we would meet in person with some investors in Milan and London. Then in New York, Luca,

Riccardo, Pietro and Massimo will be there for the Christmas dinner. But I will not be there because before Christmas, I will have to be in China to receive a very very special award which would never imagine we would be receiving, because this Chinese award is something which is totally unexpected for us. It's a gift for our design style and for the brand culture. So, I should expect that in 2024, there will be a few more trips to that fascinating part of the world, but you know, it won't be more challenging than the 113 dinners in a row I did last year.

So, to conclude I am sure you understand we work in harmony. We understand that the taste of the moment is represented by our design...our style very well. And this puts us in a very interesting position vis-à-vis our client. Once again, my personal commitment is totally devoted to the brand and Solomeo without any kind of collateral activity.

So, my uncle Orlando always told me try and do one thing...try and do just one thing and try to do it well. So, this is the business organization I have in mind. 90% of my time is dedicated to design and I love it. Design and style and style and style. I love it.

So, you know, people say that women's collections are very challenging, but I think that men's are even more difficult and more challenging because the men's fashion is done at tiny little details and it's really important to comply and to respect your size. So, this is what I think. So, even a single sock which is not matching all the rest makes a difference in the outfit of a man.

So, thank you very much.