



BRUNELLO CUCINELLI

Press Release

CASA DI MODA BRUNELLO CUCINELLI: the Board of Directors approves the 2023 consolidated financial statements and the 2023 draft financial statements

- **REVENUES of €1,139.4 million, with outstanding growth of 23.9% at current exchange rates (+26.0% at constant exchange rates) compared to the first half of 2022;**
- **EBIT of €187.4 million, up 39.4% compared to €134.4 million as at 31 December 2022, with a margin of 16.4% compared to 14.6% in 2022;**
- **NET PROFIT of €123.8 million, up 42.0% compared to €87.2 million as at 31 December 2022, with a 10.9% impact on sales compared to 9.5% in 2022;**
- **Annual investments of €79.1 million, as part of the major three-year plan favouring artisan production, the distribution network and the brand image;**
- **Characteristic Financial Indebtedness¹ of €6.1 million;**
- **Very good performance in the first few months of the year and the significant order intake for the Fall-Winter 2024 collections have boosted the solidity of our forecast for decent growth of approximately 10% for 2024, with a healthy profit;**
- **The Board of Directors will propose to the Shareholders' Meeting – called for 23 April 2024 – the distribution of a dividend of €0.91 per share (payout ratio of 50%);**
- **The 2023 Consolidated Non Financial Statement has been approved.**

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

"Gentle luxury, a symbol of beauty within measure"

"A particularly noble and fine year for our Fashion House has come to an end: we delivered a 23.9% increase in turnover and a 42% rise in net profit. It has been a year in which we were awarded flattering international recognition both for our designs and for our special vision of labour, and which led us to define our style with a meaningful expression: gentle luxury, a symbol of beauty within measure."

Gentle luxury is a friend who welcomes you with a sincere smile, it is someone who reaches out to you, it is creativity and genius that do not cross the line, it means finding beauty in simplicity. It is welcoming to all, it is within measure and is always appreciated, as it knows the value of respecting others. This is why gentle luxury has a universal value."

The first quarter of this 2024 is drawing to a close with particularly pleasing results, and in view of the good order intake for Men's - Women's Fall/Winter 2024, we envisage a gracious growth in sales of around 10% for this year, resulting in healthy and balanced profits."

¹ This excludes finance lease payables. The figures reported therefore exclude the application of IFRS 16.



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Solomeo, 14 March 2024 – 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 (Euronext) – today reviewed and approved the consolidated financial statements and the draft financial statements as of December 31, 2023.

Our Casa di Moda ended a **beautiful 2023**, a year that gave us a great deal of satisfaction: revenues amounted to €1,139.4 million, with growth of 23.9% (+26.0% at constant exchange rates), **the EBIT** rose to €187.4 million, up 39.4% year-on-year, and **net profit** reached €123.8 million, with growth of 42.0%.

The consolidated financial statements show a **very solid income statement structure**, with an EBIT margin of 16.4%, and a healthy profit ratio of 10.9%.

Also **solid** are the **balance sheet** and **financial debt**, maintaining a highly significant level of investments – a prerequisite to keep the company contemporary and ensure the brand's exclusivity.

Positioning at the highest end of the market, the **growing demand for the highest quality** products and the offer of **extremely artisan** products are some of the elements that in our opinion were decisive in 2023.

2023 was also marked by the **major awards received** in recent months, such as the “**Neiman Marcus Fashion Award**”, sort of an Oscar of the fashion world, presented to Brunello Cucinelli last March in Paris, and “**GQ Designer of the Year 2023**”, bestowed last December by the prestigious men's fashion magazine GQ China.

To us, these awards serve as highly significant confirmation of the international appreciation of our Casa di Moda as a “**contemporary lifestyle**” brand, with a **clearly recognisable** and **refined taste**.

To complete this great picture, it seems relevant to observe how our company's worldwide **presence** is **well-balanced** between the various **geographical areas** and **distribution channels**.

All markets made a positive contribution to the results achieved: **very good results** in **America** (+21%), **Europe** (+17%), and **Asia** (+40%), with a well-balanced division of revenues (Europe 38%, America 35%, Asia 27%).

We plan for all markets to contribute positively to expected growth in the coming years, with gradual alignment of the weighting between different geographical areas. In particular, we believe that **China** represents a **great opportunity** for us, confirming the significant growth trend reported in recent years.

At the same time, we want to support this potential by taking the right amount of time and going at the right pace, fully in line with a philosophy of healthy and balanced growth, a prerequisite to maintain the brand's exclusivity.

Outstanding results were achieved in both the **retail** (+30%) and **wholesale** (+13%) channels, with a substantially balanced weighting (65% of the retail channel's share of revenues, about 10% of which was achieved within international luxury department stores, and 35% of the **wholesale** channel).

As at 31 December 2023, we have **125 retail boutiques**, well distributed in the various geographical areas, united by the **exclusivity** of the positioning and the **contemporaneity of the spaces**, factors that we think contribute to increasing and consolidating the allure of the brand.

The network of direct boutiques benefited from **three exclusive openings** in 2023: the new boutique in **Rome** (Via dei Condotti), the important flagship store in **Dubai** (in the Mall of the Emirates), and the opening in **Hong Kong** (at the renowned New World Tower centre).

Numerous **exclusive events** were held all over the world, attended by the brand's guests and friends, with the aim of dedicating the right attention to each of them, to maintain that special, gracious relationship we have always attempted to cultivate with our customers.



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In terms of the **multi-brand** channel, the overall number of doors remains substantially unchanged. It seems important to us to underline the centrality and continuity of the contribution offered not only in terms of turnover, but also and above all for the skilful ability of these esteemed clients to always keep the collections fresh and contemporary, making them true '**guardians**' of the brand's stylistic values.

Great results in the first few months of **this year**, fully **consistent** with our expectations of revenue growth of around **10%** for the whole of **2024**.

The start of sales within both monobrand boutiques and multibrand spaces was very positive, with very interesting **sell-outs** of the **Spring-Summer 2024** collections.

The sales campaign for the new **Fall-Winter 2024 Collection** also achieved high quality results: the highly positive notices from the specialist press for the men's presentation, first in Florence during **Pitti Immagine** and straight after that in **Milan**, as well as the women's during **Milan Fashion Week** in February.

"Gentle luxury, a symbol of beauty within measure"

"Gentle luxury is a friend who welcomes you with a sincere smile, it is someone who reaches out to you, it is creativity and genius that do not cross the line, it means finding beauty in simplicity. It is welcoming to all, it pursues fairness and is always appreciated, as it knows the value of respecting others. This is why gentle luxury has a universal value."

With these words, **Brunello Cucinelli** wanted to express our interpretation of luxury, when great attention was paid to an unostentatious, understated style with no logos, thought of by some as "*quiet luxury*".

Our "definition" and "identification" with a **gentle luxury** stem from the desire to strengthen the value of a constantly novel **creativity**, expressed even in the **minutest details**, and of **items of the highest artisan quality**, a prerequisite for a truly luxurious product.

The garments made by our skilled artisans and the esteemed workers with whom we collaborate are the result of incessant **innovation**, research, expertise applied to traditional knowledge, to enhance the qualities of the **finest materials** and create something beautiful and **long-lasting** that can be experienced, repaired and passed on to future generations.

We also like to imagine that our garments become bearers and guardians of the kindness and amiability that we hold very dear, in an ideal connection that unites our brand and our customers, passing from the hands of their makers to those of their wearers.



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The great value of artisan production and manual work

We strongly believe that achieving the great results and receiving the prestigious awards we did in 2023 are the concrete expression of a way of doing business, in line with the principles of **humanistic capitalism** and **human sustainability**, seeking healthy growth and a fair balance between *profit and giving back*, respecting the moral and economic dignity of all our employees.

This business philosophy is reflected in exclusively **Made in Italy** production, with the use of the most prestigious raw materials and a high rate of manual skills: **over 50%** of operations are carried out **by hand**, with needle and thread, by our expert artisans.

As part of a production based on the territory and artisan traditions, **manual work** plays an essential strategic role, as a unique and essential source of knowledge for the creation of products of exceptional quality.

It therefore seems to be of vital importance to give the right relevance and gratitude to the world of “**manual work**” that, like all others, requires the utmost protection of people's moral and economic dignity, as well as care and beautification of production spaces.

We therefore remain committed to ensuring that the workplace becomes a **locus of the human spirit**, where the creativity, well-being and sense of accomplishment of our wonderful employees can be elevated.

Revenues amounted to €1,139.4 million, up 23.9% at current exchange rates (+26.0% at constant exchange rates) compared to 31 December 2022, in line with the preliminary figures released on 8 January 2024.

	FY 23	% on	FY 22	% on	YoY
	Eur '000	Revenues	Eur '000	Revenues	Change %
Italy	128,852	11.3%	102,753	11.1%	25.4%
Europe (excl. Italy)	299,380	26.3%	263,814	28.7%	13.5%
Total Europe	428,232	37.6%	366,567	39.8%	16.8%
Americas	404,453	35.5%	334,693	36.4%	20.8%
Asia	306,735	26.9%	218,448	23.8%	40.4%
Revenues	1,139,420	100.0%	919,708	100.0%	23.9%
YoY Change at constant exchange rates					26.0%

	FY 23	% on	FY 22	% on	YoY
	Eur '000	Revenues	Eur '000	Revenues	Change %
Retail	746,816	65.5%	573,320	62.3%	30.3%
Wholesale	392,604	34.5%	346,388	37.7%	13.3%
Revenues	1,139,420	100.0%	919,708	100.0%	23.9%



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Income statement

2023 was a particularly significant year for our brand, with **great results**: turnover increased by 23.9%, EBIT margins rose from 14.6% to 16.4%, with a balanced cost structure and the complete reabsorption of the transitory effects of the pandemic that characterised previous periods, and net profit amounted to €123.8 million, at a healthy margin of 10.9%.

The **first margin** was reported at a ratio of 72.5%, an improvement compared to 71.5% the previous year, mainly thanks to the positive contribution of the **sales mix**, in terms of distribution channels, the weighting of geographical areas and product dynamics, highlighting a major inclination among end customers to search for increasingly 'special' garments.

In the last few months of the year, **in-house production of men's outerwear and tailored suits** began in Penne, a hotbed of excellence in men's artisan tailoring, further strengthening our production capacity after the acquisition of the production department at the prestigious "sartoria D'Avenza" in Carrara in 2013. Pending the completion of the new plant, production began in rented premises, with the number of workers expected to gradually increase over the coming months.

The positive contribution at the first margin level of the in-house production of this specific product category is balanced by higher operating costs, related both to the increase in **production workers** and to the creation of **workplaces** that are to all intents and purposes loci of the human spirit, to raise the creativity, well-being and sense of achievement of our employees.

In addition to these dynamics, the increase in **operating costs** is linked to the development of **new initiatives**, to **growth** of the **retail channel**, which rose from 62.3% to 65.5%, and to **significant investments in communication**.

In terms of development in the direct channel, we would like to highlight selected openings and expansions that took place during 2023, with the network as at 31 December 2023 consisting of 125 direct boutiques and our brand's presence in 49 hard shops within luxury department stores.

Investments in communication amounted to €78.9 million as at 31 December 2023 (€52.2 million as at 31 December 2022), with an impact of 6.9% compared to 5.7% the previous year.

We have always aspired to 'silent' and 'refined' communication, in the desire to share the brand's values, where the concept of **hospitality** is of fundamental importance. The increase in investments in communication is determined in particular by the growth of events held over the year in the boutiques, in the spaces of Casa Cucinelli and during visits to our hamlet of Solomeo, to share a strong desire for social relations and to celebrate the prestigious awards received all over the world.

Payroll costs amounted to €195.0 million as at 31 December 2023, with an impact of 17.1% compared to 17.9% in the previous year.

Numbers of **human resources** reached 2,623 FTEs ('full-time equivalents') as at 31 December 2023, compared to 2,308 FTEs as at 31 December 2022, an increase of 315 FTEs, to support development plans and new commercial initiatives, as well as a gradual increase in in-house production workers, especially for the specific category of outerwear and men's tailored suits.

Lease expenses reached €50.6 million as at 31 December 2023, compared to €38.6 million as at 31 December 2022, with an impact of 4.4% compared to 4.2% the previous year.

Net of IFRS 16 effects, lease payments amounted to €155.0 million, compared to €133.6 million as at 31 December 2022, with the increase related to selected new openings, significant expansions of existing areas and new spaces dedicated to hospitality. In any case, the impact of lease payments net of IFRS effects decreased, to 13.6% compared to 14.5% as at 31 December 2022.

EBITDA net of IFRS 16 effects amounted to €230.3 million, with a margin of 20.2% compared to 18.7% as at 31 December 2022.



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EBITDA as at 31 December 2023 was €326.3 million, up 22.5% from €266.4 million as at 31 December 2022, with a margin of 28.6% compared to 29.0% the previous year.

Depreciation and amortisation amounted to €138.8 million, compared to €131.9 million as at 31 December 2022.

EBIT as at 31 December 2023 reached €187.4 million, up 39.4% compared to €134.4 million the previous year, hence a margin of 16.4% compared to the previous 14.6%.

The **result from financial operations** saw a total of €14.1 million in expenses, compared to expenses of €10.4 million as at 31 December 2022.

The dynamics of financial management are mainly attributable to foreign exchange management² (unrealised foreign exchange gains as at 31 December 2022 compared to unrealised foreign exchange losses as at 31 December 2023) and the positive contribution of the capital gain relating to the recognition of the sale of a minority stake in the Cariaggi Yarn Factory to Chanel³.

Net profit reached €123.8 million⁴, up 42.0% from €87.2 million as at 31 December 2022, with a margin of 10.9% compared to 9.5% the previous year.

Financial position

Net working capital including "Other net assets/liabilities"⁵ stood at €178.3 million compared to €140.8 million as at 31 December 2022, with a 15.7% impact on sales compared to 15.3% the previous year.

Net trade working capital was €199.2 million, compared to €182.4 million as at 31 December 2022.

Inventories reached €287.3 million, compared to €242.8 million as at 31 December 2022, accompanying the significant growth in the business; inventory impact as at 31 December 2023 was 25.2% (26.4% as at 31 December 2022), also favoured by strong sales.

Trade receivables confirm an extremely healthy situation; as at 31 December 2023, they amounted to €78.2 million, a slight increase compared to €76.6 million as at 31 December 2022, partly given the growth dynamics of sales in the wholesale channel, which in 2023 reported an increase of €46.2 million, representing growth of 13.3%.

Trade payables amounted to €166.2 million, compared to €137.0 million as at 31 December 2022; given the same payment times to suppliers, collaborators and consultants, the change is mainly related to the purchases made in the last quarter, with particular reference to raw materials and outsourced manufacturing, to support the excellent sales campaigns and related production.

² As at 31 December 2022, total foreign exchange gains amounted to €4.0 million, mainly unrealised; as at 31 December 2023, mainly unrealised total foreign exchange losses of €10.1 million were recorded.

³ As at 31 December 2022, the item "Gain/loss from participations" showed income of €6.7 million, following recognition of the purchase of the 43% stake in Cariaggi Lanificio S.p.A., as well as the result for the period.

Following the 23 May 2023 sale to the Maison Chanel of part of its shareholding, Brunello Cucinelli's equity was reduced from 43% to 24.5%. As at 31 December 2023, the balance of the item "Gain/loss from participations" amounted to €18.2 million in income, including the capital gain on the sale of the shareholding, as well as the result for the period.

⁴ The tax rate as at 31 December 2023 was 28.6%, compared to 29.7% as at 31 December 2022; the dynamics that determined the tax rate as at 31 December 2023 include the positive contribution relating to the application of the "participation exemption" regime to the economic effects accounted for under the item "Gain/loss from participations".

⁵ "Other current net assets/(liabilities)" show liabilities of €20.9 million as at 31 December 2023, compared to liabilities of €41.6 million as at 31 December 2022. The changes are mainly related to the balances of tax receivables and payables and to the fair value valuation on derivative instruments hedging currency risk.



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Investments and net financial debt

The multi-year **investment** plan, of €79.1 million in 2023, continues the desire to preserve and strengthen the image of the Casa di Moda, to ensure the conducive nature of all workplaces, and to equip the company with the most advanced technologies, as part of planning for the long term and anticipating future needs.

Commercial investments, amounting to €31.3 million, were focused on selected new openings, exclusive expansions and the regular renovation of showrooms and spaces of Casa Cucinelli.

Other investments, amounting to €47.8 million, were dedicated to industrial and production facilities, regular updating of information systems, and the development of new projects.

In particular, **investments** dedicated to **artisan production** represent the fundamental premise for the healthy development of turnover growth. A major role in the three-year investment plan is played by the sizeable expansion of the Solomeo factory and the plans for the new men's tailoring factory in Penne in Abruzzo.

As for the **significant expansion** of the **Solomeo factory**, the project began in 2022 with the redevelopment of an eight-hectare area on the outskirts of our hamlet, where an industrial complex was built in the 1970s and remained in operation until about 30 years ago. Once the reclamation work had been completed, we began the construction of the new production spaces, which will consist of approximately 34,000 m² by the end of the project, to further strengthen the **link with the local area and community**.

Another significant project was the construction of a new factory producing men's outerwear and tailored suits in **Penne**, a town in the Abruzzo region known as a hotbed of excellence in **men's artisan tailoring**. The new factory, which will cover a production area of 4,500 m², is expected to be completed by spring 2025, and will employ up to 350 specialist artisans. In the meantime, operations have begun in a leased factory with the full-time employment of 75 workers and forecast of growth as early as the end of 2024.

In relation to the **financial situation for 2023**, we would like to highlight the **solidity** of the corporate structure, the positive cash flow generation and the sound management of trade working capital that accompanied the investment policy, and the proposal to distribute a dividend of **€0.91**, with a **pay-out** of **50%**.

Characteristic Financial Indebtedness⁶ as at 31 December 2023 therefore amounted to **€6.1 million**, compared to €7.1 million as at 31 December 2022.

Our expectations

The **beginning of 2024 has been very good**, with significant **sell-outs of the Spring-Summer 2024 collections** that fully value the great feedback gathered during the presentations of the collections, from both multi-brand partners and the specialist press.

As for the new **Fall-Winter 2024 Collection**, order intake has shown **decidedly satisfactory results**, with highly positive notices from the specialist press for the men's presentation, first in Florence at Pitti Immagine and straight after that in Milan, as well as the women's during Milan Fashion Week in February.

Great performance in the first few months of the year, the order intake for the Fall-Winter 2024 collections and the planning of selected exclusive openings have therefore boosted the solidity of our forecast for **gracious growth** in sales of **around 10%** for this year, resulting in **healthy** and **balanced profits**.

⁶ This excludes finance lease payables. The figures reported therefore exclude the application of IFRS 16.



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Similar sustainable growth is also expected for 2025, for which we maintain an estimate of a **solid increase** in turnover of around **10%**.

Proposal for the Allocation of Net Income

The Board of Directors will propose to the next Shareholders' Meeting, to be held in single call on April 23, 2024, to approve the distribution of a dividend, relating to the financial year 2023, of € 0.91 per share (gross of any withholding taxes). If approved, the dividend will be paid on May 22, 2024, with an ex-dividend date (detachment of coupon no. 10) on May 20, 2024, and record date on May 21, 2024.

Report on Corporate Governance and Ownership Structure; Report on Remuneration Policy and Compensation Paid

The Company's Board of Directors have approved the Report on Corporate Governance and Ownership Structure for the financial year 2023 and the Report on Remuneration Policy and Compensation Paid in accordance with Art. 123-ter of Legislative Decree No. 58/1998 (also "Consolidated Finance Law").

In particular, the Board of Directors resolved, with the favourable opinion of the Remuneration and Appointments Committee, to submit to the examination and approval of the Shareholders' Meeting convened on single call on April 23, 2024, a new Remuneration Policy for the financial year 2024 only, to replace the previous policy approved by the resolution of the Shareholders' Meeting on April 27, 2022.

Information on the 2022-2024 Stock Grant Plan. Approval of a New Stock Grant Plan for 2024-2026. Purchase and Disposal of Treasury Shares

In relation to the 2022-2024 Stock Grant Plan, approved by the Shareholders' Meeting on April 27, 2022, in accordance with Article 114-bis of Legislative Decree 58/1998 (also "Consolidated Finance Law"), the Board of Directors today verified the achievement of the target (consolidated EBIT for the financial year 2023) for the vesting of the second tranche of rights under the Plan. Therefore, within the terms provided for in the regulations of the Stock Grant Plan, treasury shares will be assigned to the beneficiaries, free of charge, to the extent corresponding to the rights thus accrued. For further information, please refer to the Report on Remuneration Policy and Compensation Paid during the financial year 2023, which will be published in accordance with the law.

The Company's Board of Directors, considering the favourable opinion of the Remuneration and Appointments Committee, approved a compensation plan based on financial instruments, the 2024-2026 Stock Grant Plan, in accordance with Article 114-bis of the Consolidated Finance Law, which will be submitted to the Shareholders for examination and approval at the Shareholders' Meeting on April 23, 2024.

The 2024-2026 Stock Grant Plan is based on the free assignment of Brunello Cucinelli S.p.A.'s ordinary shares up to a maximum of 200,000 ordinary shares to the Company's Chief Executive Officers and to the additional beneficiaries who will be identified by the Board of Directors from among the managers of the Brunello Cucinelli Group who hold strategically important roles or otherwise make a significant contribution to commercial development and, in general, to the pursuit of the Group's strategic objectives.

The 2024-2026 Stock Grant Plan has a three years duration, is structured as a single allocation cycle, and subordinates the assignment of shares to the achievement by the beneficiaries of specific performance targets, determined by the Board of Directors and in any case related to the creation of sustainable value for shareholders and all stakeholders, in line with the prospects and strategic development plans of the Company and the Group.



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For a detailed description of the resolution proposal for the adoption of the 2024-2026 Stock Grant Plan, of the beneficiaries and of the terms and conditions of the Plan, please refer to the information document prepared by the Board of Directors, which will be published in accordance with Article 84-bis of the Issuers' Regulation and with Appendix 3A to the Issuers' Regulation, which will be made available to the public at the Company's registered office and on the Company's website (<http://investor.brunellocucinelli.com>), in the "Corporate Governance" Section, as well as in the other ways provided for by law and by the regulations in force, throughout the Plan.

In order to execute the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan, the Board of Directors resolved to submit a request for authorization to the Ordinary Shareholders' Meeting of the Company to purchase and dispose of Brunello Cucinelli S.p.A. ordinary shares (buy-back plan), in one or more tranches, in compliance with the procedures prescribed by the European and national laws and regulations in force from time to time, subject to revocation, for the part that remains unexecuted, of the authorisation resolution adopted by the Shareholders' Meeting on April 27, 2023. For detailed information on the buy-back plan, please refer to the explanatory report approved by the today Board of Directors, which will be made available as required by law at the Company's registered office in Corciano, Solomeo (PG), on the "eMarket Storage" storage mechanism (www.emarketstorage.it), and in the relevant sections of the Company's website (<http://investor.brunellocucinelli.com>).

The proposal provides for the authorization to purchase, in one or more tranches, a maximum of 380,000 Brunello Cucinelli ordinary shares. The proposal also provides that the authorisation to carry out the purchases will be granted for a period of 18 months starting from the date of any resolution of the Shareholders' Meeting approving the request for authorisation to purchase and dispose of treasury shares (without prejudice, in any case, to the maximum duration limit established by law), while the authorisation to dispose of the purchased treasury shares will be granted without time limits. Purchases will be made at a price not higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer on the trading venue where the purchase is made, it being understood that the price cannot be lower in the minimum and higher in the maximum of 10% of the reference price that Brunello Cucinelli shares have recorded in the session on the day prior to each individual transaction; in any case, in compliance with the regulations applicable from time to time (and especially with Delegated Regulation (EU) 2016/1052) and accepted market practices (where applicable).

As of today's date, the Company does not hold any treasury shares and none of its subsidiaries hold Brunello Cucinelli shares.

Proposal for Change to Remuneration of Members of the Board of Directors

The Board of Directors, considering the favourable opinion of the Remuneration and Appointments Committee, will propose to the next Shareholders' Meeting, to be held on single call on April 23, 2024, to resolve to change the current gross annual remuneration of the members of the Board of Directors of Brunello Cucinelli S.p.A., as well as the change of the attendance fee for participation in each meeting of the said board, for the remaining period of time that the Board of Directors will remain in office, i.e. until the date of the Shareholders' Meeting called to approve the Company's financial statements as at December 31, 2025. For further information, please refer to the directors' explanatory report, which will be made available to the public within the terms of the law.

2023 Consolidated Non-Financial Statement

The Board of Directors also reviewed and approved the 2023 Consolidated Non-Financial Statement drawn up as a separate report from the financial statements in accordance with the provisions of Legislative Decree 254/2016 regarding the disclosure of non-financial information. The Statement



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includes information regarding the Company's activities, its performance, its results and the impact it has produced, with regard to environmental, social, personnel-related issues, human rights compliance and the fight against active and passive corruption. The 2023 Consolidated Non-Financial Statement will be made within the term required by law.

Introduction of the power to appoint Vice Chairmen

The Board of Directors resolved to propose the Shareholders' Meeting of Brunello Cucinelli S.p.A. on April 23, 2024, in extraordinary session, to approve an amendment to the By-Laws. This amendment aims to introduce the possibility of appointing multiple Vice Chairmen. Currently, the By-Laws only allow the Board of Directors to appoint one Vice Chairman. For further information, please refer to the directors' explanatory report, which will be made available to the public within the terms of the law.

Calling of the Ordinary and Extraordinary Shareholders' Meeting

The Board of Directors resolved to convene the Shareholders' Meeting of Brunello Cucinelli S.p.A. on April 23, 2024, in single call, in ordinary session, to resolve on the approval of the financial statements for year 2023, on the allocation of net income for the year, on the first and second sections of the Report on Remuneration Policy and Compensation Paid during the financial year 2023, on the approval of a compensation plan based on financial instruments in accordance with Article 114-bis of Legislative Decree 58/1998, entitled "2024-2026 Stock Grant Plan", on the approval of the proposal to change the remuneration of members of the Board of Directors, to authorise the purchase and disposal of treasury shares to service the "2022-2024 Stock Grant Plan" and the "2024-2026 Stock Grant Plan" based on the allocation of Brunello Cucinelli S.p.A. ordinary shares, subject to revocation, for the part that remains unexecuted of the authorisation resolution approved by the Shareholders' Meeting on April 27, 2023; and, in extraordinary session, to resolve on the approval of the amendment of Articles 12, 16, 17 and 18 of the Company's By-laws in order to introduce the possibility of appointing more than one Vice Chairman.

Notice of call of the Shareholders' Meeting will be published within the legal terms on the Company's website (<http://investor.brunellocucinelli.com>) and, in excerpts, in the daily newspapers "Il Sole 24 Ore" and "MF-Milano Finanza".

Documentation

The Annual Financial Report 2023 (together with the Report of the Board of Statutory Auditors and the Report of the Auditing Firms), the Report on Corporate Governance and Ownership Structure, the Report on Remuneration Policy and Compensation Paid during the financial year 2023, the 2023 Consolidated Non-Financial Statement, the Information Document illustrating the "2024-2026 Stock Grant Plan" and the Directors' Explanatory Reports on the items on the agenda (approved at today's meeting of the Board of Directors) will be made available to the public within the terms and in the manner required by current legislation at the Company's registered office in Corciano, Solomeo (PG), on the "eMarket Storage" storage mechanism (www.emarketstorage.it), and in the appropriate sections of the Company's website (<http://investor.brunellocucinelli.com>).

Pursuant to and for the purposes of Article 154-bis(2) of Legislative Decree 58/1998, the Financial Reporting Officer, Dario Pipitone, hereby declares that the information contained in this press release corresponds to the documented results, as well as to the accounting books and records. It should be noted that the turnover figures in this press release have not been audited.



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This press release may contain forward-looking statements concerning future events and operating, economic and financial results of the Brunello Cucinelli S.p.A. Group. These forecasts have by their very nature a component 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 eponymous designer and entrepreneur and is listed on the medium and large companies stock exchange (MTA) of Borsa Italiana. Long rooted in the medieval Umbrian hamlet of Solomeo, the company is guided by an entrepreneurial philosophy that focuses on the major themes of “Harmony with Creation”, respect for the dignity of every living being, and the pursuit of balanced growth in full accordance with the ethical values embodied in the founding principles of Humanistic Capitalism and Human Sustainability.

Initially specialising in the production of cashmere of the highest quality, the brand has expanded to include a lifestyle and ready-to-wear and casual chic offer, expressing a refined, discreet, yet versatile and everyday style. The collections seek to interpret the most authentic spirit of the Italian way of life, recreating with passion and ethics a taste perpetually balanced between elegance, creativity, contemporaneity and craftsmanship, one rooted in the values of tailoring and high craftsmanship peculiar to the Italian tradition and the Umbrian region, and deftly combined with an emphasis on innovation and contemporary style. Through a path of healthy, fair and sustainable development, the company seeks to generate profits with integrity and harmony, while respecting the moral and economic dignity of the more than 2,500 people who work for our company.

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BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Non-current assets				
Right of use	501,051	1,515	520,066	4,154
Intangible assets	13,824		13,970	
Property, plant and equipment	213,036	19,161	188,692	12,755
Investment property	10,072		7,223	
Non-current financial assets for leases	3,272		5,633	
Other non-current financial assets	32,529	13,990	38,623	22,115
Deferred tax asset	79,503		65,337	
Non-current derivative financial assets	243		1,101	
Total non-current assets	853,530		840,645	
Current assets				
Inventories	287,291		242,844	
Trade receivables	78,170	179	76,608	137
Tax receivables	290		3,779	
Other receivables and other current assets	41,107		32,350	450
Current financial assets for leases	2,954		2,628	
Other current financial assets	883		108	
Cash and cash equivalents	106,944		117,400	
Current derivative financial assets	8,711		6,626	
Total current assets	526,350		482,343	
Total assets	1,379,880		1,322,988	

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Shareholders' equity				
Shareholders' equity attributable to parent company shareholders				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Other reserves	255,659		230,429	
Net profit	114,617		80,599	
Total shareholders' equity attributable to owners of the parent	441,791		382,543	
Shareholders' equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests	2,630		3,827	
Net income for the period attributable to non-controlling interests	9,192		6,606	
Total shareholders' equity attributable to non-controlling interests	11,822		10,433	
Total shareholders' equity	453,613		392,976	
Non-current liabilities				
Employees termination indemnities	3,672		3,060	
Provisions for risks and charges	3,023		3,015	
Non-current payables towards banks	22,160		46,386	
Non-current financial liabilities for lease	460,397	1,325	474,931	4,058
Non-current financial liabilities	2,772		1,251	
Other non-current liabilities	209		386	
Deferred Tax liabilities	10,256		12,478	
Total non-current liabilities	502,489		541,507	
Current liabilities				
Trade payables	166,244	11,368	137,040	7,959
Current payables towards banks	86,943		75,006	
Current financial liabilities for lease	97,498	350	90,066	562
Current financial liabilities	2,098		2,012	
Income tax payables	14,367		32,492	
Other current liabilities	55,641	995	47,911	713
Current derivative financial liabilities	987		3,978	
Total current liabilities	423,778		388,505	
Total liabilities	926,267		930,012	
Total equity and liabilities	1,379,880		1,322,988	



BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2023

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Revenues	1,139,420	157	919,708	102
Costs of raw materials and consumables	(114,343)	(14,735)	(95,537)	(14,833)
Costs for services	(475,769)	(4,092)	(372,224)	(3,940)
Payroll costs	(194,969)	(5,850)	(164,713)	(6,271)
Other operating expenses	(21,569)		(16,491)	
Other operating income	2,369	128	1,947	104
Costs capitalized	2,432		2,153	
Depreciation and amortization	(138,845)		(131,945)	
Impairment of assets and other accruals	(11,320)		(8,486)	
Total operating costs	(952,014)		(785,296)	
Operating Income	187,406		134,412	
Financial expenses	(61,338)		(80,917)	
Financial income	47,273	2,179	70,472	6,716
Profit before taxes	173,341		123,967	
Income taxes	(49,532)		(36,762)	
Net profit	123,809		87,205	
Net profit attributable to owners of the parent	114,617		80,599	
Net profit attributable to non-controlling interests	9,192		6,606	
Base earnings per share	1.68576		1.18528	
Diluted earnings per share	1.68576		1.18528	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022
Net profit (A)	123,809	87,205
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	(7,879)	9,739
Cash flow hedge	(512)	12,584
Tax effect	65	(2,947)
Effect of changes in cash flow hedge reserve	(447)	9,637
Translation differences on foreign financial statements	(4,505)	2,468
Profit / (Losses) on net investment in a foreign operation	(3,851)	(3,113)
Tax effect	924	747
Other items of comprehensive income that will not later be reclassified on the income statement:	(419)	(69)
Remeasurement of defined benefit plans (IAS 19)	(551)	(91)
Tax effect	132	22
Total other comprehensive income, net of tax (B)	(8,298)	9,670
Total comprehensive income net of tax (A) + (B)	115,511	96,875
<i>Attributable to:</i>		
Shareholders of parent company	106,626	90,334
Non-controlling interests	8,885	6,541



BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2023

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	123,809	87,205
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	49,532	36,762
Depreciation and amortization	138,845	131,945
Provisions for employees termination indemnities	193	133
Provisions for risks and charges/doubtful accounts and impairment of assets	11,352	8,538
Change in other non-current liabilities	(177)	(402)
(Gain)/Loss on disposal of Fixed assets	(176)	98
(Gain)/Loss from Participations	(17,513)	(6,716)
Other non-monetary items IFRS 16	6,782	(1,643)
Interest expense	5,355	2,387
Interest on lease liabilities	13,017	11,753
Interest income	(676)	(142)
Interest on lease activities	(73)	(51)
Termination indemnities payments	(122)	(200)
Payments of Provisions for risks and charges	(177)	-
Net change in deferred tax assets and liabilities	(15,660)	(13,628)
Change in fair value of financial instruments	(4,475)	1,850
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	(4,896)	(4,596)
Change in inventories	(54,046)	(41,900)
Change in trade payables	36,395	34,032
Interest expense paid	(5,290)	(2,324)
Interest on the lease liabilities paid	(13,017)	(11,753)
Interest income cashed	676	142
Interest on lease activities cashed	73	51
Income tax paid	(83,676)	(31,275)
Change in other current assets and liabilities	22,993	15,671
Net cash provided by/(used in) operating activities (A)	209,048	215,937
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Property, plant and equipment	(66,417)	(55,040)
Investments in Intangible assets	(7,116)	(7,501)
Investments in Financial assets	(2,828)	(18,178)
Investments in Investment property	(2,994)	(910)
Disinvestments in Non-current financial assets	25,900	-
Disposal of Property, plant and equipment	613	88
Net cash provided by/(used in) investing activities (B)	(52,842)	(81,541)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	-	5,000
Repayment of medium/long-term loans	(31,164)	(36,501)
Net change in short-term financial debt	16,280	34,935
Net change in long-term financial debt	541	-
Repayment of lease liabilities	(95,437)	(95,478)
Receipts of financial assets for leasing	2,612	2,693
Dividends paid	(53,118)	(32,294)
Purchase of treasury shares	(3,332)	5,993
Net cash provided by/(used in) financing activities (C)	(163,618)	(115,652)
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	(7,412)	18,744
Effect of exchange rate changes on cash and cash equivalents (E)	(3,044)	653
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	117,400	98,003
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	106,944	117,400



BRUNELLO CUCINELLI

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Non-current assets				
Right of use	80,652	1,515	75,997	4,154
Intangible assets	13,029		13,266	
Property, plant and equipment	108,502	13,931	83,421	6,851
Investment property	12,640		9,830	
Non-current financial assets for leases	1		218	
Other non-current financial assets	224,021	86,999	242,524	129,969
Deferred tax asset	22,675		15,919	
Non-current derivative financial assets	243		1,101	
Total non-current assets	461,763		442,276	
Current assets				
Inventories	172,746		136,423	
Trade receivables	195,509	148,397	164,511	116,664
Tax receivables	19		-	
Other receivables and other current assets	60,911	32,091	58,154	40,524
Current financial assets for leases	219		215	
Other current financial assets	3,019	2,293	3,423	3,315
Cash and cash equivalents	20,967		40,148	
Current derivative financial assets	8,711		6,626	
Total current assets	462,101		409,500	
Total assets	923,864		851,776	

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Shareholders' equity				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Other reserves	338,809		283,319	
Net profit	108,345		99,840	
Total shareholders' equity	518,669		454,674	
Non-current liabilities				
Employees termination indemnities	1,949		1,840	
Provisions for risks and charges	2,180		1,960	
Non-current payables towards banks	22,160		46,386	
Non-current financial liabilities for lease	67,941	1,325	65,278	4,058
Non-current financial liabilities	1,040		-	
Other non-current liabilities	209		160	
Deferred Tax liabilities	7,240		3,192	
Total non-current liabilities	102,719		118,816	
Current liabilities				
Trade payables	149,419	17,215	125,224	12,005
Current payables towards banks	86,943		75,006	
Current financial liabilities for lease	13,695	350	10,826	562
Current financial liabilities	1,387		1,473	
Income tax payables	11,756		31,320	
Other current liabilities	38,289	13,794	30,459	9,751
Current derivative financial liabilities	987		3,978	
Total current liabilities	302,476		278,286	
Total liabilities	405,195		397,102	
Total equity and liabilities	923,864		851,776	



BRUNELLO CUCINELLI

INCOME STATEMENT AT 31 DECEMBER 2023

<i>(Euro/000)</i>	December 31, 2023	<i>of which with related parties</i>	December 31, 2022	<i>of which with related parties</i>
Revenues	766,651	428,952	619,832	367,675
Costs of raw materials and consumables	(145,274)	(33,202)	(120,287)	(26,520)
Costs for services	(338,964)	(11,854)	(268,740)	(10,322)
Payroll costs	(93,938)	(5,850)	(79,966)	(6,271)
Other operating expenses	(18,878)	(12,799)	(18,748)	(9,038)
Other operating income	34,228	33,137	41,445	40,797
Costs capitalized	383		372	
Depreciation and amortization	(29,462)		(25,413)	
Impairment of assets and other accruals	(2,641)		(863)	
Total operating costs	(594,546)		(472,200)	
Operating Income	172,105		147,632	
Financial expenses	(63,941)		(71,776)	
Financial income	48,875	3,947	64,036	9,047
Profit before taxes	157,039		139,892	
Income taxes	(48,694)		(40,052)	
Net profit	108,345		99,840	

STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022
Net profit (A)	108,345	99,840
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	(447)	9,637
Cash flow hedge	(512)	12,584
Tax effect	65	(2,947)
Effect of changes in cash flow hedge reserve	(447)	9,637
Other items of comprehensive income that will not later be reclassified on the income statement:	(80)	(69)
Remeasurement of defined benefit plans (IAS 19)	(106)	(91)
Tax effect	26	22
Total other comprehensive income, net of tax (B)	(527)	9,568
Total comprehensive income net of tax (A) + (B)	107,818	109,408



BRUNELLO CUCINELLI

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2023

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	108,345	99,840
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	48,694	40,052
Depreciation and amortization	29,462	25,413
Provisions for employees termination indemnities	50	-
Provisions for risks and charges/doubtful accounts and impairment of assets	2,673	915
Change in other non-current liabilities	49	39
(Gain)/Loss on disposal of Fixed assets	(179)	97
(Gain)/Loss from Participations	(5,985)	(2,922)
Writedown of financial receivables from subsidiaries	6,192	-
Interest expense	5,123	2,217
Interest on lease liabilities	2,070	1,634
Interest income	(223)	(2)
Interest on lease activities	(2)	(3)
Interest income on financial receivables from Group companies	(1,768)	(2,331)
Termination indemnities payments	(47)	(128)
Net change in deferred tax assets and liabilities	(2,621)	(6,054)
Change in fair value of financial instruments	(4,475)	1,850
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	(31,817)	(51,965)
Change in inventories	(36,323)	(25,271)
Change in trade payables	24,233	29,324
Interest expense paid	(5,124)	(2,198)
Interest on the lease liabilities paid	(2,070)	(1,634)
Interest income cashed	223	2
Interest on lease activities cashed	2	3
Income tax paid	(73,670)	(24,549)
Change in other current assets and liabilities	14,271	(31,742)
Net cash provided by/(used in) operating activities (A)	77,083	52,587
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Property, plant and equipment	(35,539)	(20,542)
Investments in Intangible assets	(6,392)	(7,096)
Investments in Financial assets	(28,686)	(35,269)
Investments in Investment property	(3,029)	(916)
Disinvestments in Non-current financial assets	25,900	-
Repayment of medium- to long-term loans from Group companies	20,179	36,399
Disposal of Property, plant and equipment	511	78
Net cash provided by/(used in) investing activities (B)	(27,056)	(27,346)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	-	5,000
Repayment of medium/long-term loans	(31,164)	(36,501)
Net change in short-term financial debt	17,780	37,840
Net change in long-term financial debt	1,040	-
Repayment of lease liabilities	(12,278)	(12,839)
Receipts of financial assets for leasing	216	204
Dividends paid	(44,200)	(28,560)
Purchase of treasury shares	(3,332)	5,523
Net cash provided by/(used in) financing activities (C)	(71,938)	(29,333)
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	(21,911)	(4,092)
Effect of exchange rate changes on cash and cash equivalents (E)	2,730	(3,141)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	40,148	47,381
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	20,967	40,148