



BRUNELLO CUCINELLI



FY13 Results

March 10th, 2014

FY 13 Results - Highlights

Sustainable and solid results delivered in 2013, consistent with strategy and long-term approach

- ✓ Net Revenues (€322.5mln) up +15.5%
- ✓ EBITDA (€58.2mln) up 18.5%*
- ✓ Sizeable capex plan continues: €39.5mln in FY 13 (€26.9mln in FY 12), resulting in D&A increase (€11.2 in FY 13 vs. €7.1 in FY 12)
- ✓ Net Income (€29.6mln) up 10.9%*
- ✓ Net Debt at €16.1mln (€0.9mln as of 12/31/12)
- ✓ In the shareholders meeting BoD will propose €0.11 dividend distribution

* Percentage growth compared with FY 12 EBITDA and Net Income Adjusted, which do not include IPO costs of €6.2m



SS 14 – Women's Collection

- ✓ Overseas sales up +21.4% (79.3% of total sales), driven by USA (+23.2%) and Europe (+20%), highlighting positive performance in Greater China (+52.5%) and Rest of World (+5.7%)
- ✓ Decrease in Italy (-2.9%), with positive results in the country's leading cities and resorts; Italian market confirmed highly important for assessing the product and collections

Boutiques Network Highlights

Selected Distribution: 98 Monobrand Stores (81 Monobrand Stores as of 31/12/2012)

✓ **61 DOS network** (vs. 46 stores as of 31st December '12)

9 DOS net openings in FY 2013

6 conversions from wholesale Monobrand network

✓ **37 Wholesale Monobrand** (vs. 35 stores as of 31st December '12)

8 net openings;

6 conversions to DOS in FY 2013, of which

- 2 boutiques in London - since January 1st
- 4 boutiques in Greater China, in 2H 13.



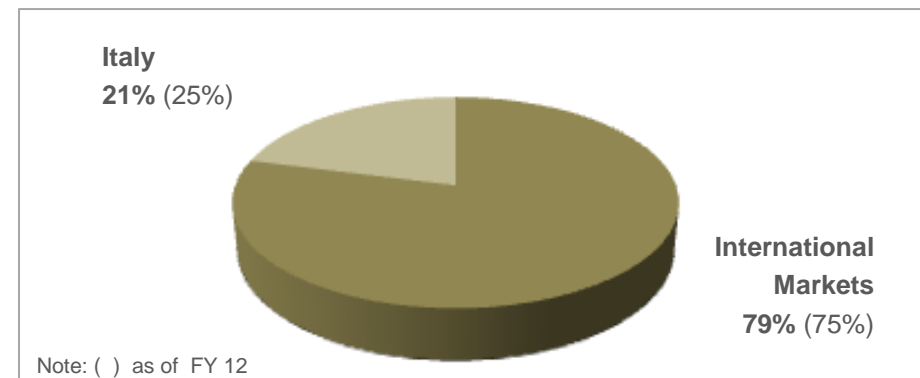
SS 14 - Collection

Revenues by Region

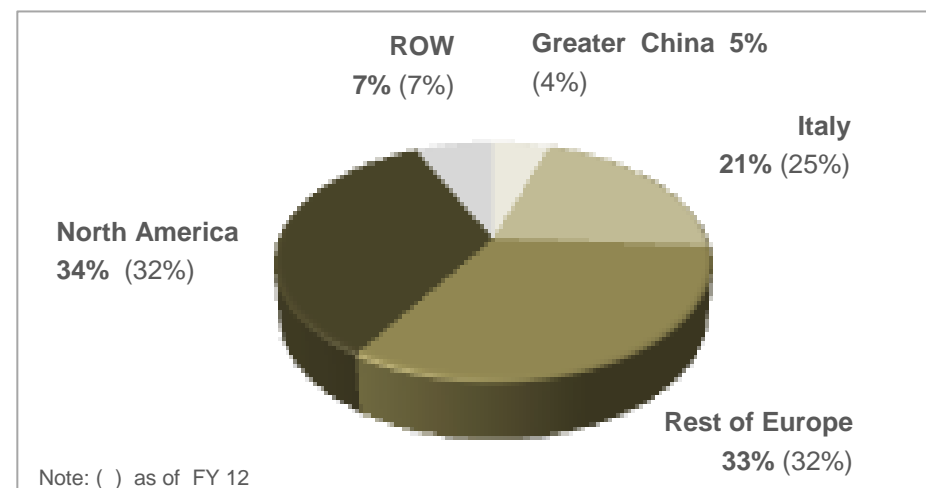
€ mln

	FY 12	FY 13	YoY % Chg
Net Revenues	279.3	322.5	+15.5%
			<i>Constant exchange rates</i> +17.1%
International Markets	210.7	255.8	+21.4%
Rest of Europe	89.9	107.9	+20.0%
North America	88.6	109.1	+23.2%
Greater China	10.3	15.7	+52.5%
ROW	21.9	23.1	+5.7%
Italy	68.7	66.7	(2.9%)

International Markets revenues



Breakdown by countries



Highlights by Region

North America

- Sales increase driven by existing network performance and new openings
- Best in class sell-out, both in monobrand and multibrand network
- Double digit growth in multibrand and monobrand channel

Rest of Europe

- Selected stores openings in 2013 (6 boutiques)
- Positive performance in existing network, driven by local demand and tourists
- 2 prestigious London boutiques converted into DOS network

Italy

- Performance driven by tourists sales driven performance in monobrand and multibrand channel
- Multibrand channel sales increase in the leading cities and exclusive resorts

Greater China

- Sales increase mainly driven by conversion of stores from wholesale monobrand channel to DOS network
- 4 selected net openings in 2013, total sales positively affected
- Domestic consumers supporting sales in Europe and North America

Rest of the World

- 9 monobrand boutiques at the end of 2013, including new openings in Tokyo, Doha (1H 13) and Riyadh (October)



SS 14 - Collection

Revenues by Distribution Channel and Mix

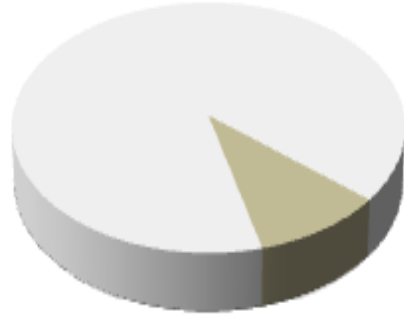
€ mln

Monobrand

Retail 36% (28%)

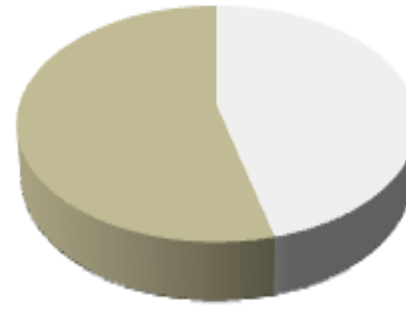


Wholesale Monobr.
10% (11%)



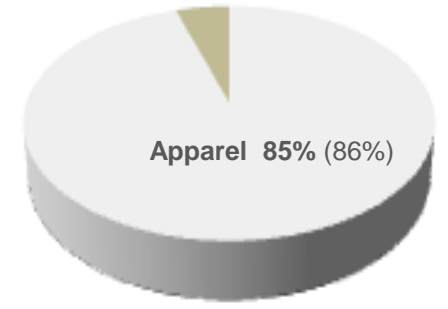
Multibrand

Wholesale 54% (61%)



Revenues by categories

Accessories 15% (14%)



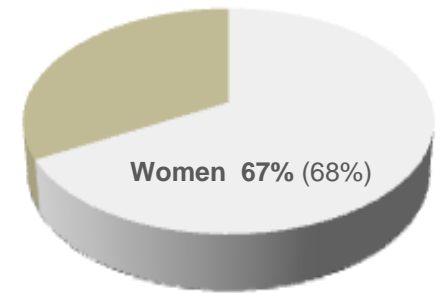
Apparel 85% (86%)

	FY 12	FY 13	% Chg
Retail	76.9	115.4	+50.0%
Wholesale Monobrand	32.7	33.1	+1.2%
<i>Adjusted</i>			+25.0%
<i>Wholesale Monobrand*</i>			
Wholesale Multibrand	169.7	174.0	+2.5%



Revenues by gender

Men 33% (32%)



Women 67% (68%)

* Wholesale Monobrand Revenues growth, excluding conversions in last 24 months

Note: () as of FY 2012

Monobrand Channel



Monobrand Network as of 31/12/2013

- ✓ Revenues growth benefiting from
 - network development
 - LFL performance* (+7.3% in FY 2013)
- ✓ DOS Network
61 Boutiques as of Dec. '13 (46 at the end of FY 12); 9 net openings and 6 conversions from Wholesale Monobrand Network
- ✓ Wholesale Monobrand
37 Boutiques as of Dec. '13 (35 in FY 12); 8 net openings and 6 conversions into DOS

* Like-for-Like rate is calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of January 1st, 2012

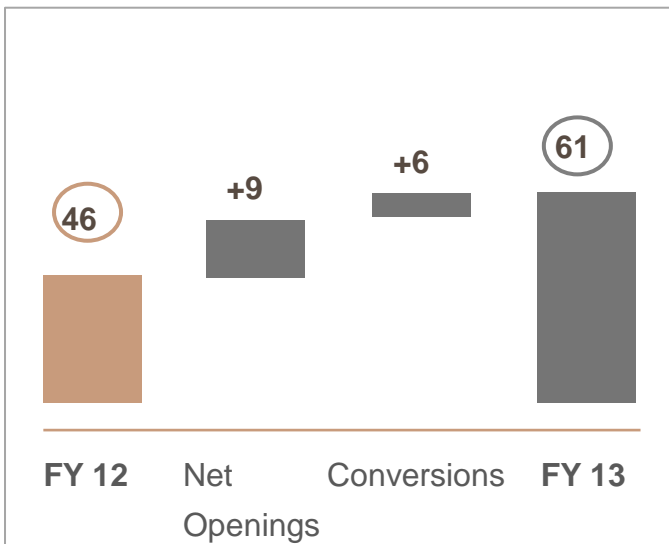
Monobrand Network as of 10/03/14

- ✓ LFL performance** in the first 8 weeks +6.1%
- DOS Network
63 Boutiques as of 10/03/14, following 2 conversions from Wholesale Monobrand Network:
 - Knokke (Belgium), since January 2014
 - Cannes (France), since February 2014
- Wholesale Monobrand
35 Boutiques as of 10/03/14, impacted by the already mentioned 2 conversions to DOS

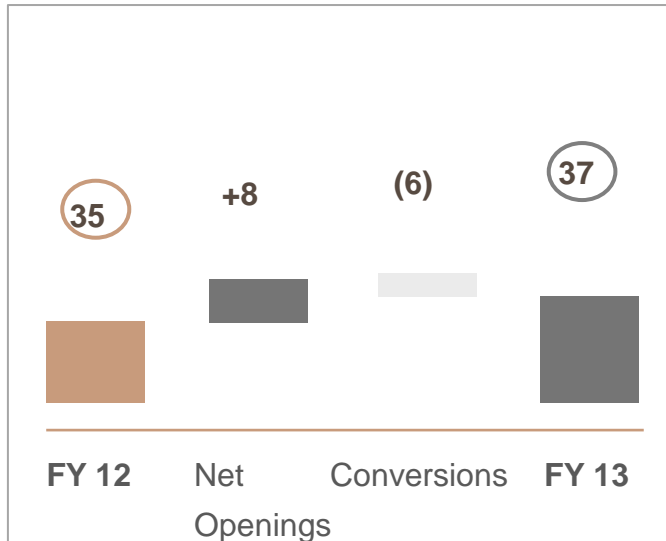
** Like-for-Like rate is calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of January 1st, 2013

Stores Network (from 12/31/12 to 12/31/13)

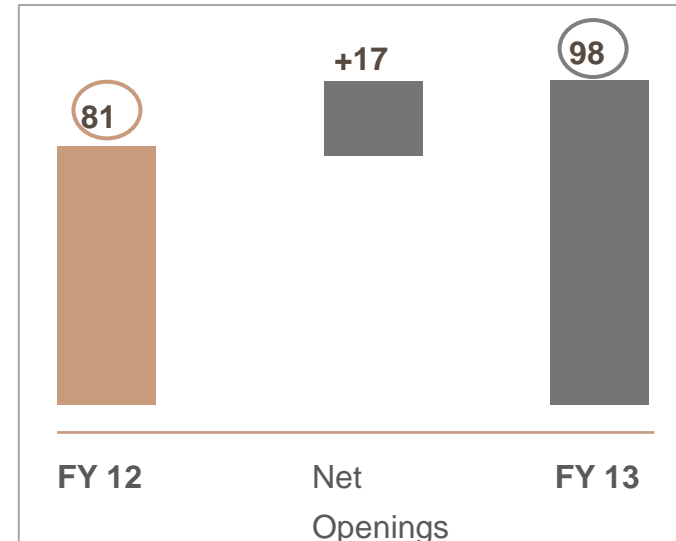
DOS Network



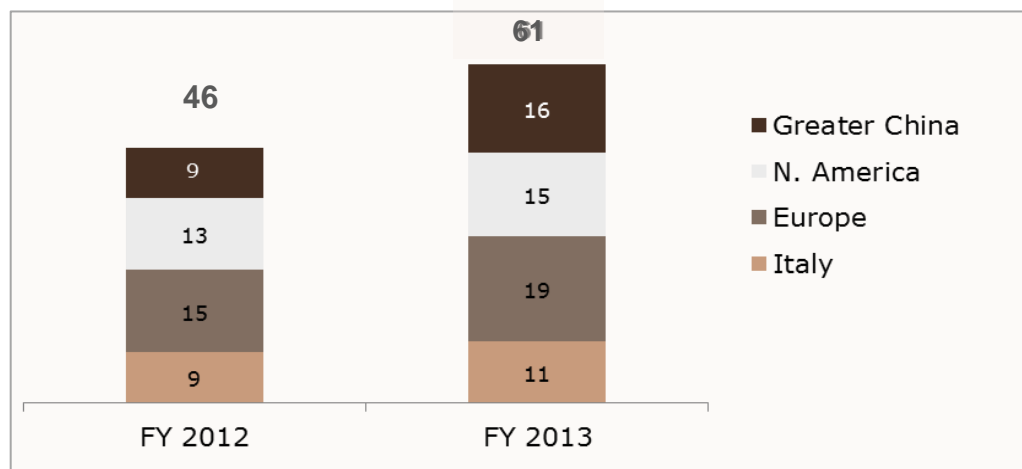
Wholesale Monobrand Network



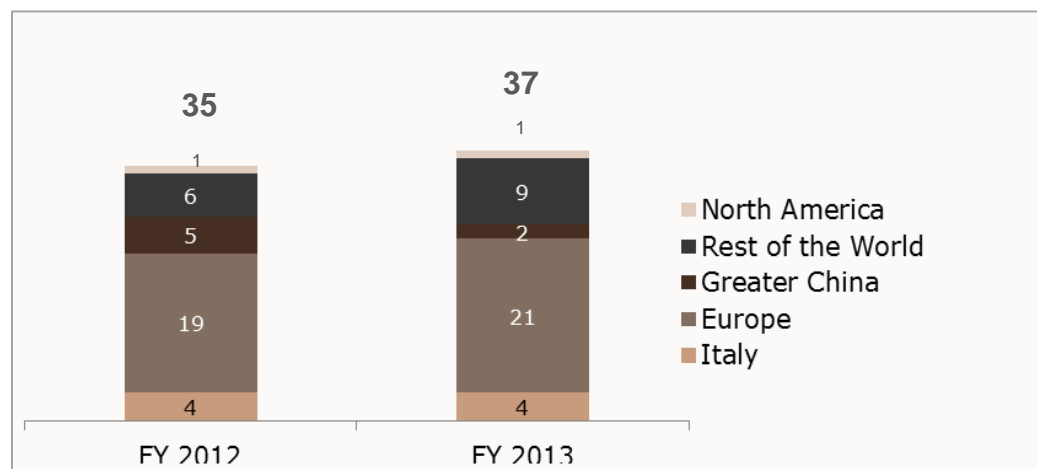
Total Monobrand Network



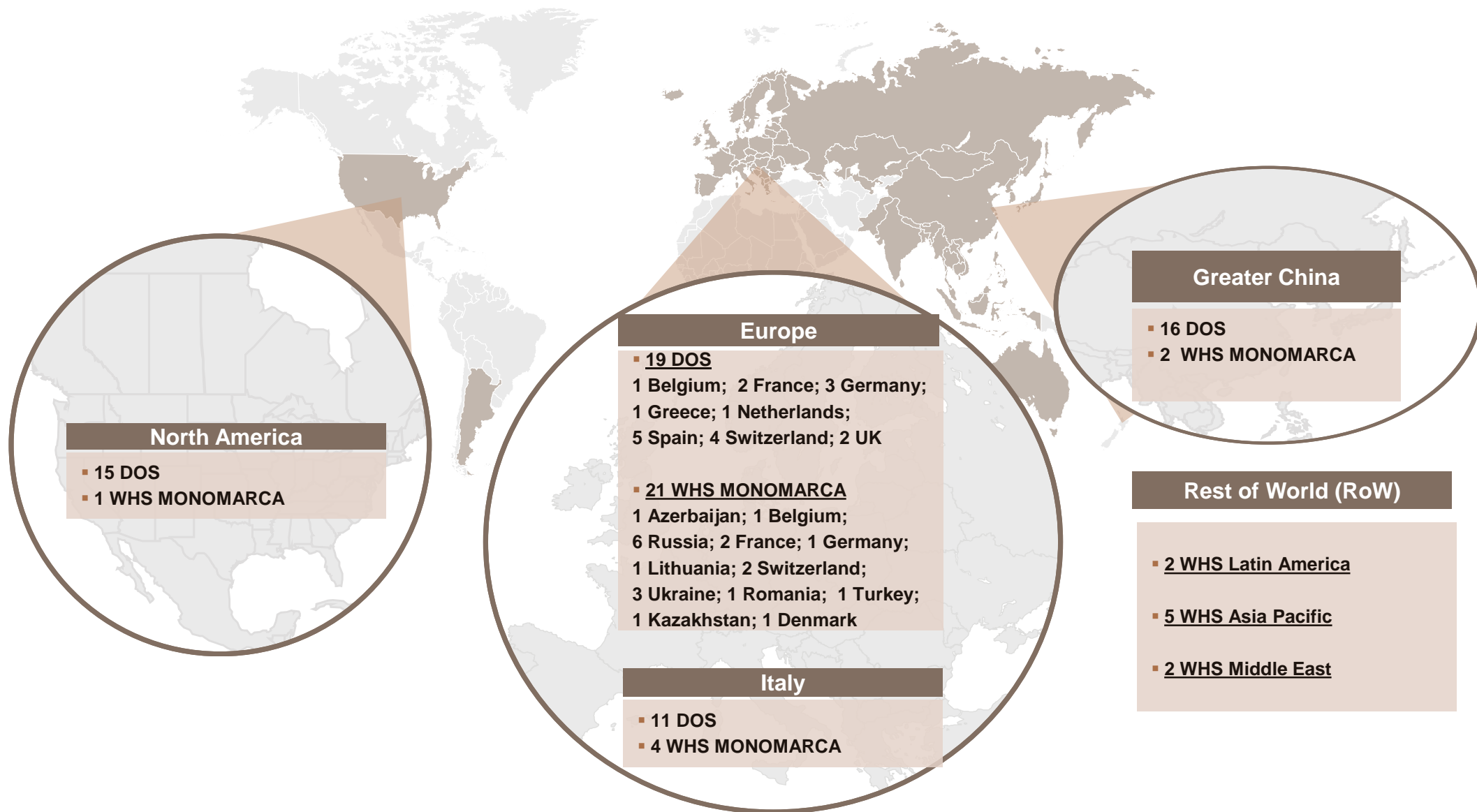
DOS Network by Countries



Wholesale Monobrand Network by Countries



Stores Network as of 31/12/13



Multibrand Channel

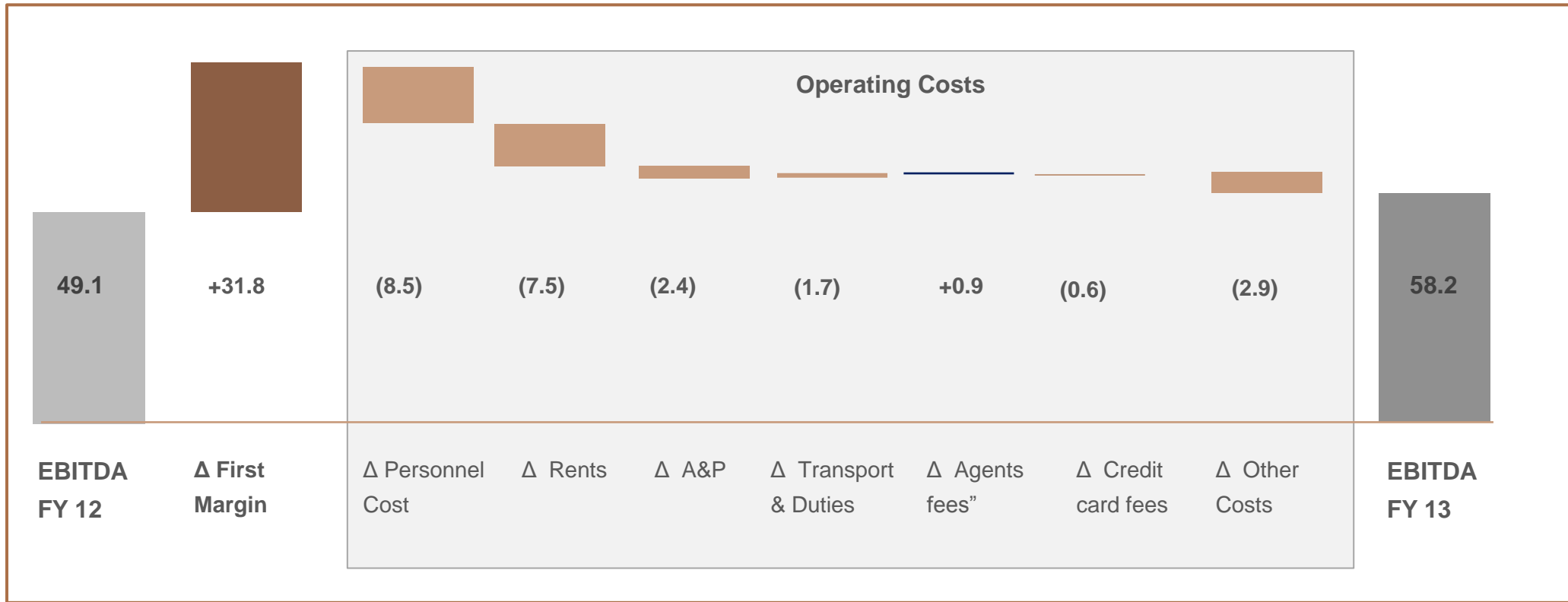


Positive result driven by worldwide consolidated sales in the most prestigious luxury department stores, supported by the multibrand boutiques, in both the developed and emerging markets.

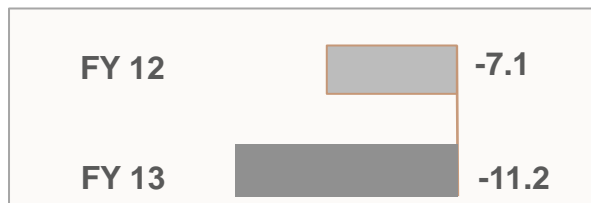
EBITDA & Key Income Statement Analysis

€ mln

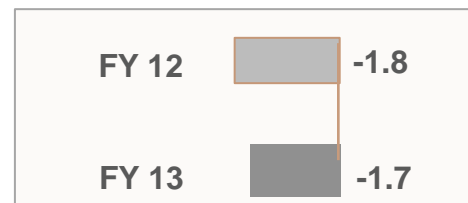
EBITDA Analysis



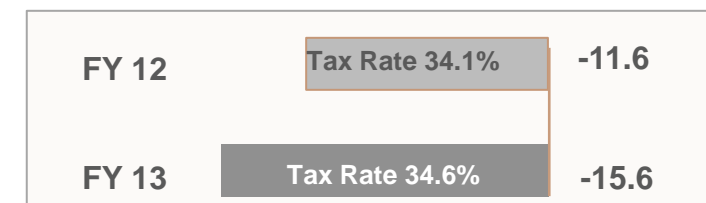
Depreciation & Amortization



Financial Expenses



Taxes

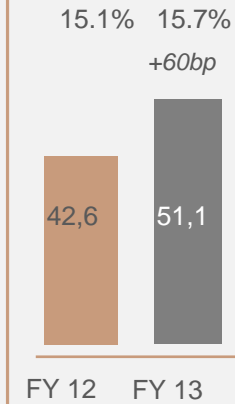


Personnel and Rent Costs

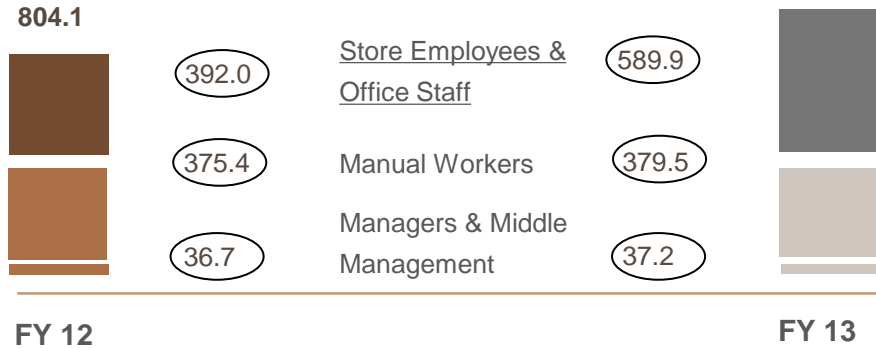
€ m

Personnel Cost

%
on sales



Average FTE - Workforce Analysis



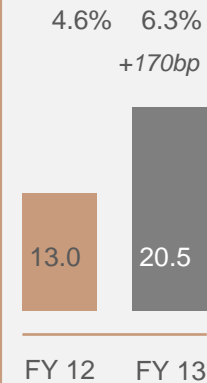
Development of network:

Personnel Cost & Rents

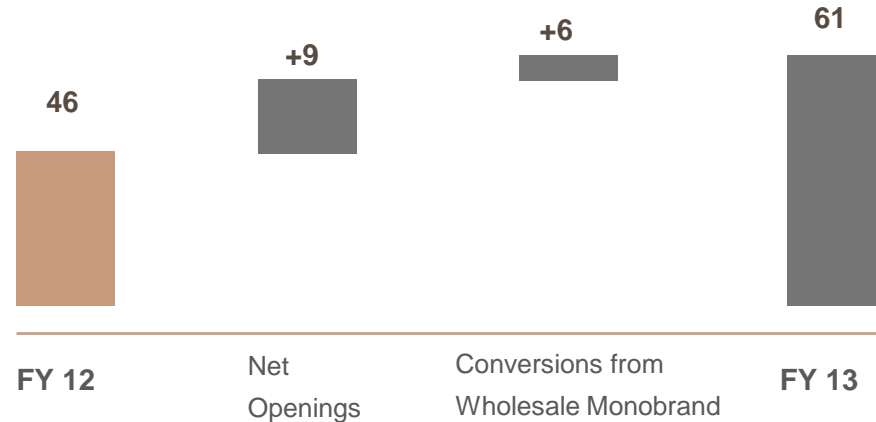
- Cost related to this item drove +170 bp SG&A increase (+€22.7mln) vs. FY 12 (from 40.3% to 42.0%)

Rents

%
on sales



DOS Network – from 31/12/12 to 31/12/13



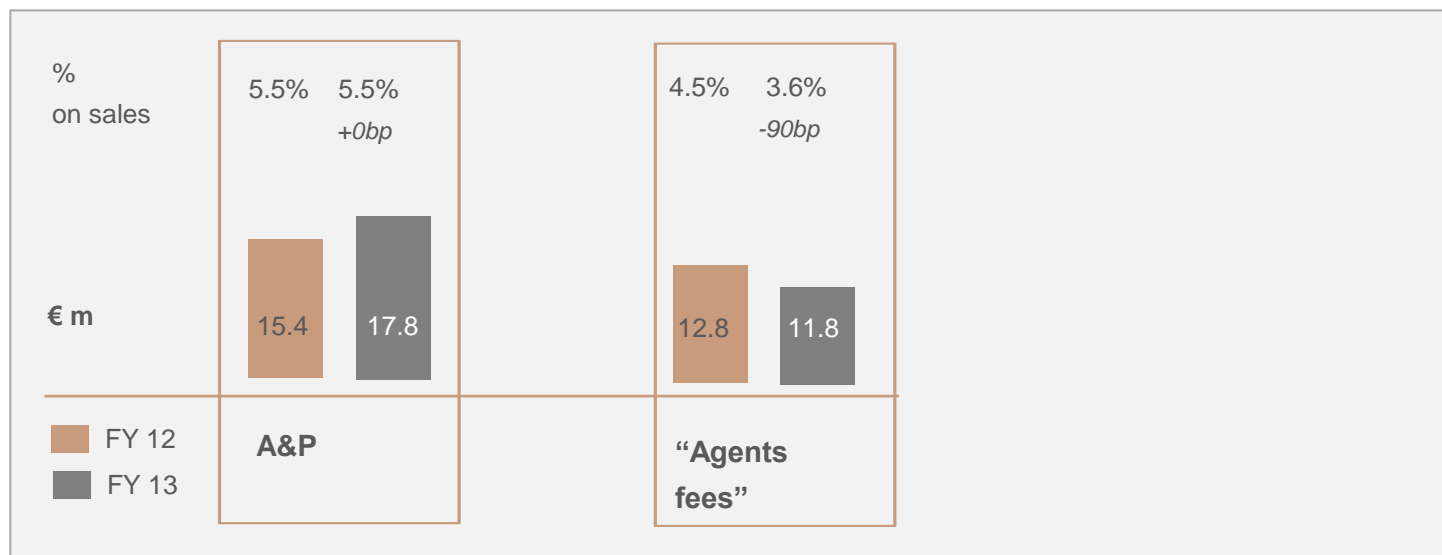
Personnel Cost

- 15.7% on sales in 2013, up +60bp increase vs. FY 12, due to increase in Store Employees & Office Staff

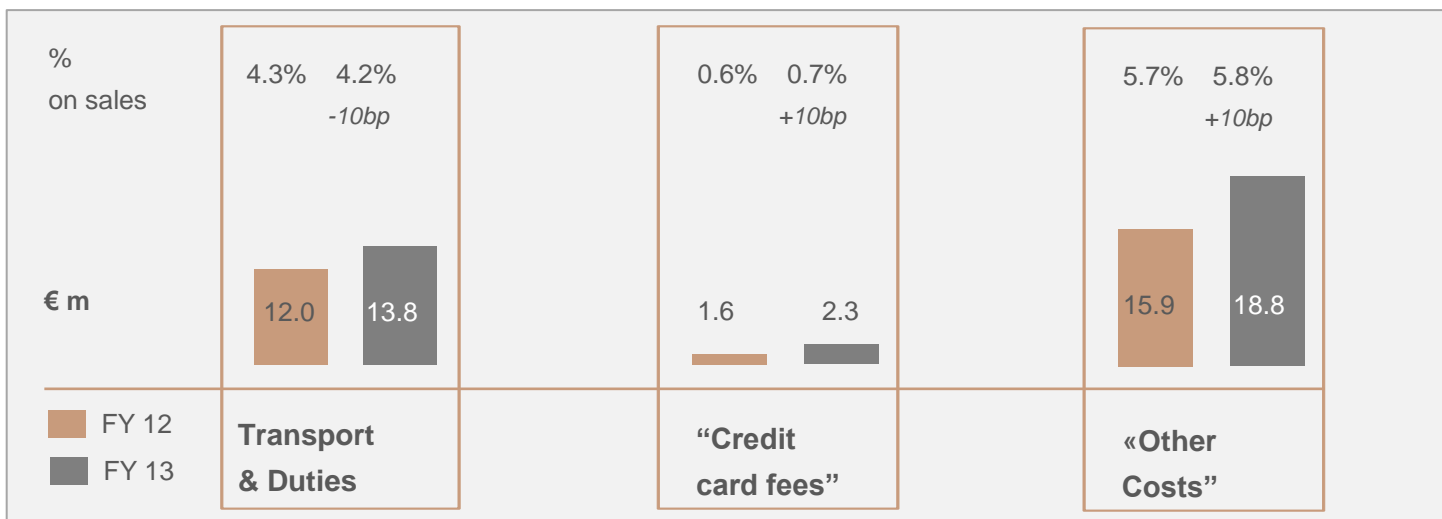
Rent Cost

- 6.3% on sales in 2013, up +170bp vs. FY 12, due to selected and prestigious boutiques development

Analysis of other Operating Costs



Other Operating costs showed a reduction from 20.6% to 20.0% of sales (-60bp)



A&P

- amount dedicated to A&P investments increased (+2.4€ mio) dedicated to A&P investments, targeting an exclusive and selected communication

Agents Fees

- Amount reduced thanks due to channel mix evolution

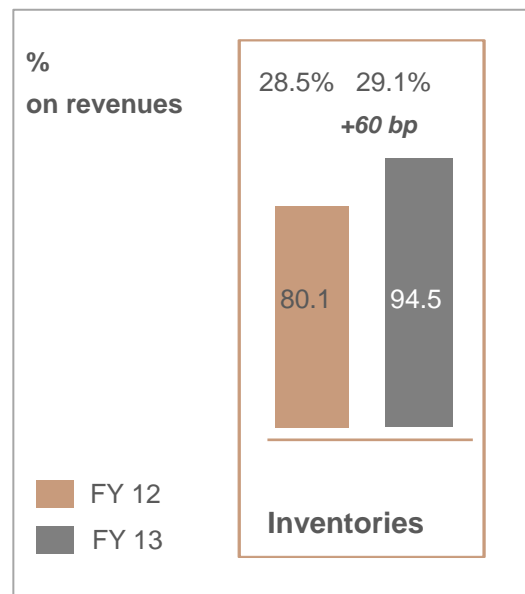
Net Working Capital

€ mln

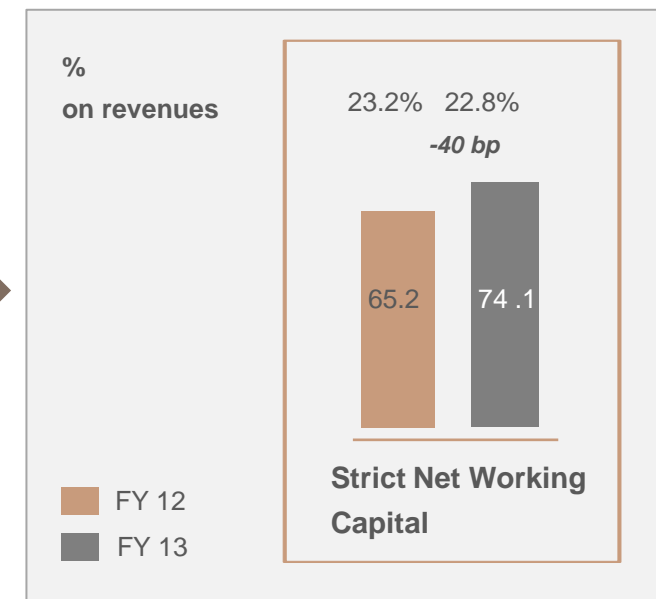
	FY 12	FY 13	delta
Net Working Capital	57.3	71.1	13.8
Trade Receivables	47.8	43.4	-4.5
Inventories	80.1	94.5	14.4
Trade Payables	-62.7	-62.6	0.1
Other Credits/(Debts)	-7.9	-4.1	3.8



Strict Net Working Capital



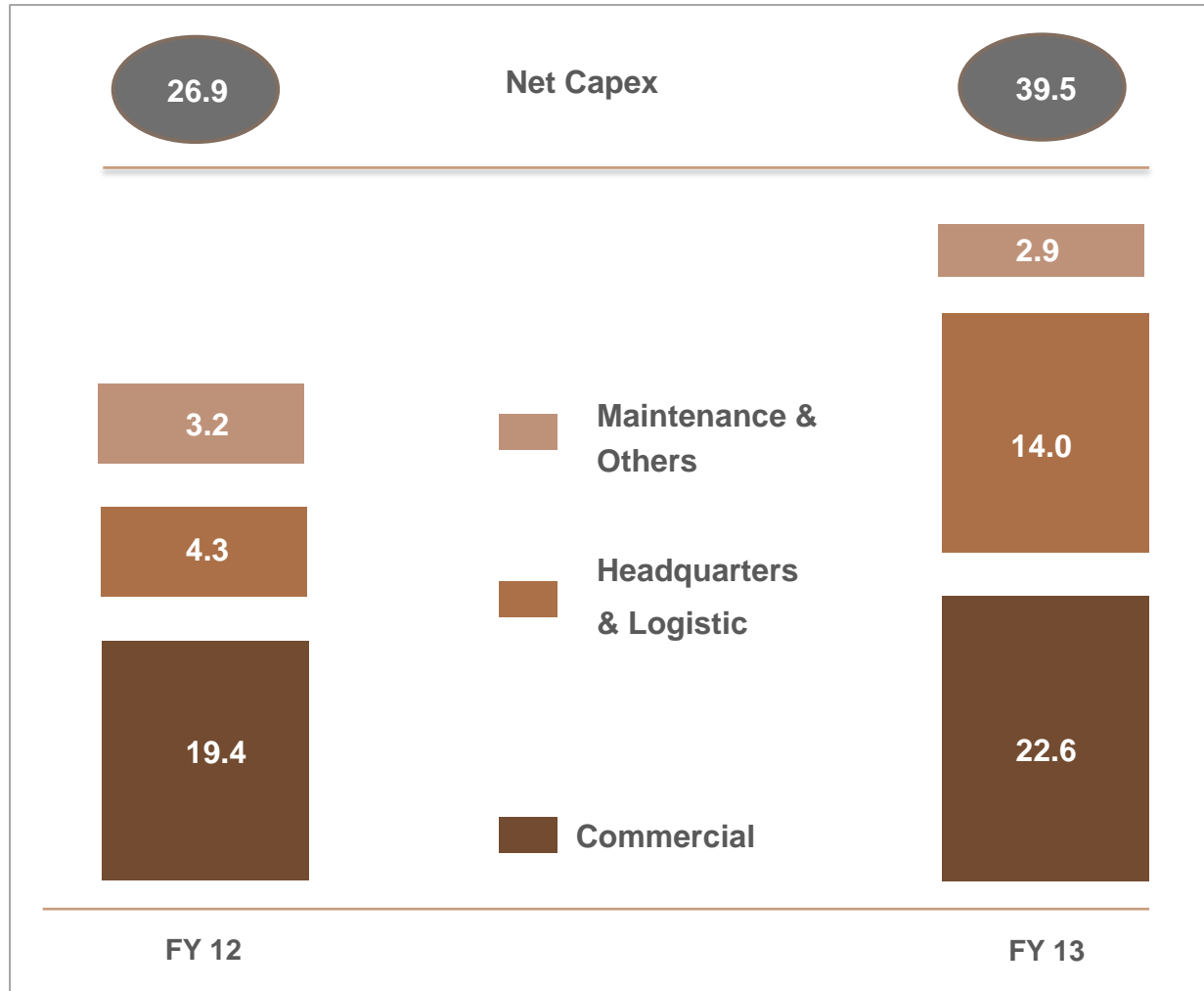
- ✓ **Structural increase in inventories**
 - Business growth
 - development of Retail Network
- ✓ **Healthy working capital management**
 - Strict Net Working Capital reduced to 22.8% of turnover versus 23.2% in FY12



Capex Analysis

€ mln

Capex Breakdown Analysis & Trend



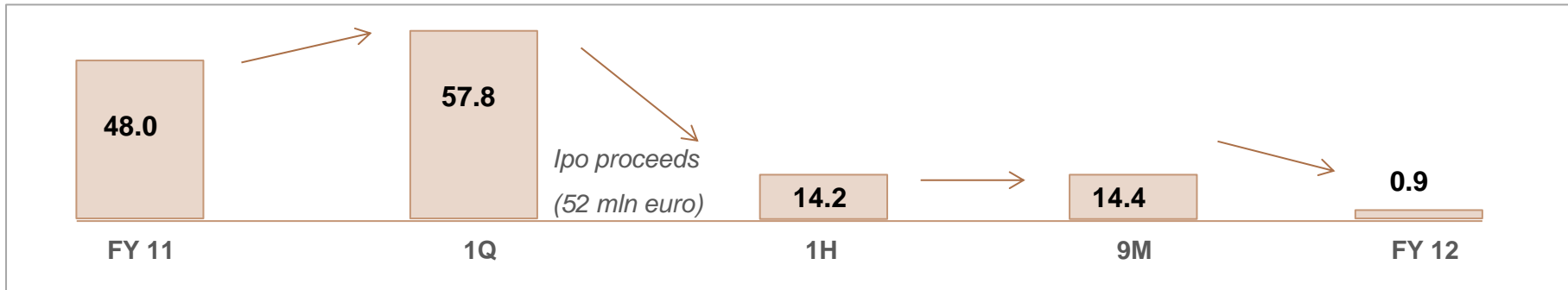
- ✓ **Sizeable investment plan continues**
 - 66€ m invested in 2 years
- ✓ **Commercial Capex**
 - Selected development of DOS network
 - Increasing selling surface in most important Luxury Department Stores
 - International show-rooms and others
- ✓ **Headquarters & Logistic**
 - Extension of the factory at Solomeo, to cater for the company needs for the next few years

Analysis of Net Financial Position

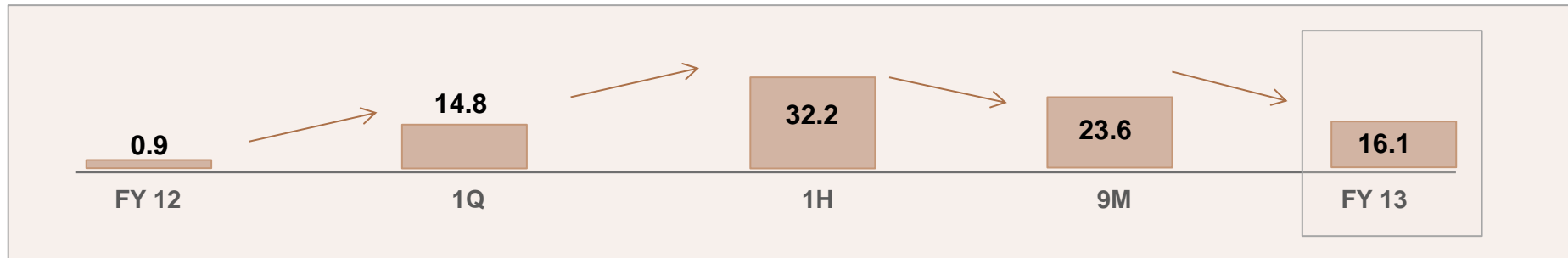
€ mln

Net Debt Evolution

FY 2012



FY 2013



Financials expected

- ✓ **Top Line** – sustainable double digit growth targeted for 2014
- ✓ **Distribution Channel** – positive growth in all distribution channels and geographies, increasing Retail revenues weight due to selected boutiques openings, increasing spaces for some exclusive flagships, and comparable performance
- ✓ **EBITDA** – sustainable double digit increase, driven by channel mix and absorption of growing SG&A costs, related business development and recent strategic initiatives
- ✓ **Distribution network** – Few selected monobrand boutiques openings, located in top luxury locations worldwide
- ✓ **Investment Plan** – The healthy and robust investment plan continues (planned 100€ mln investments planned for 2013 – 2015, driven by capex in commercial, plant expansion and logistic center)

Identity and Business Approach

- ✓ **Absolute Luxury Positioning**, targeting sophisticated consumer
- ✓ **Product Excellence**, characterized by extraordinary handwork
- ✓ **Exclusivity** of distribution, with selected and prestigious locations, and presence in the most important Luxury Department Stores

LONG-TERM Approach

- Sustainable Top Line growth
- Healthy Profitability
- Sustainability of Unique Positioning



BRUNELLO CUCINELLI



Annex

Detailed Income Statement

<i>€ mln</i>	FY 2012	FY 2013
Net Revenues	279,3	322,5
Other operating income	2,0	2,1
Revenues	281,4	324,6
Consumption Costs	(44,5)	(54,5)
<i>Raw Material Cost</i>	(60,2)	(68,7)
<i>Inventories Change</i>	15,7	14,2
Outsourced Manufacturing	(74,4)	(75,7)
First Margin	162,5	194,3
Services Costs (excl. Out. Manuf.)	(74,6)	(80,9)
Personnel costs	(42,6)	(51,1)
Other operating costs	(1,6)	(2,9)
Increase in tangible assets	0,3	0,5
Bad Debt and other provisions	(1,2)	(1,8)
EBITDA	42,9	58,2
D&A	(7,1)	(11,2)
EBIT	35,7	47,0
Financial expenses	(3,7)	(5,8)
Financial income	2,0	4,1
EBT	34,0	45,2
Income taxes	(11,6)	(15,6)
<i>Tax rate</i>	<i>34,1%</i>	<i>34,6%</i>
Net Income	22,4	29,6
Minority Interest	(0,2)	(0,9)
Group Net Profit	22,6	30,5

Following the retrospective application of the amendment to IAS 19, FY 2012 Results have been restated.

Detailed Balance Sheet & Cash Flow Statement

<i>€ mln</i>	FY 2012	FY 2013
Trade receivables	47,8	43,4
Inventories	80,1	94,5
Trade payables (-)	(62,7)	(62,6)
Other current assets/(liabilities)	(7,9)	(4,1)
Net Working Capital	57,3	71,1
Intangible assets	16,5	26,6
Tangible assets	41,9	59,2
Financial assets	3,2	3,4
Total Assets	61,6	89,2
Other assets/(liabilities)	1,6	1,1
Net Invested Capital	120,5	161,3
Cash & Cash equivalents (-)	(40,0)	(38,7)
Short term Debt	28,7	32,8
Long term Debt	12,2	22,0
Net Financial Position	0,9	16,1
Shareholders Capital	13,6	13,6
Share-premium Reserve	57,9	57,9
Reserves	23,8	40,1
Group Net Profit	22,5	30,5
Group Equity	117,8	142,1
Minority shareholders	1,8	3,2
Total Equity	119,6	145,2
Total Funds	120,5	161,3

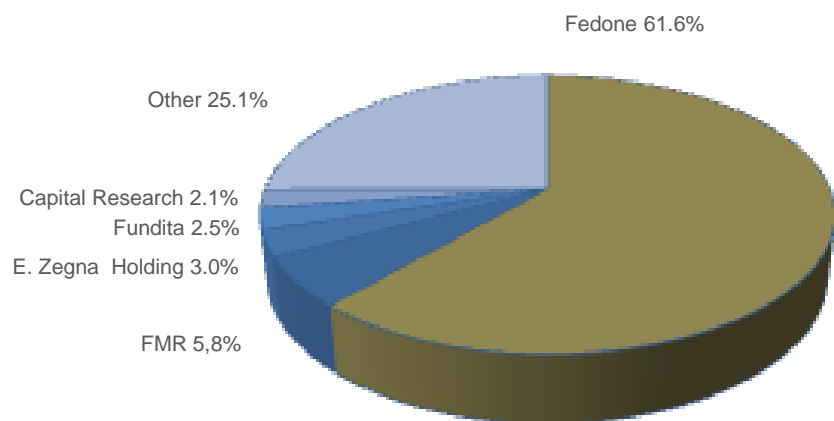
Following the retrospective application of the amendment to IAS 19, FY 2012 Results have been restated.

<i>€ mln</i>	FY 2012	FY 2013
Net Income	22,4	29,6
D&A	7,1	11,2
Ch. In NWC and other	(12,5)	(17,2)
Cash flow from operations	17,0	23,6
Tangible and intangible investments	(25,8)	(31,5)
Other (investments)/divestments	(1,2)	(2,2)
Cash flow from investments	(27,0)	(33,7)
Dividends	(2,8)	(5,8)
Equity Increase	60,2	2,7
Net change in financial debt	(15,9)	12,2
Total Cash Flow	31,5	(0,9)

Investor Relations

Shareholdings

Fedone s.r.l.	61.6%
Ermenegildo Zegna Holding s.p.a.	3.0%
Fundita s.r.l.	2.5%
FMR LLC	5.8%
Capital Research & Mgmt. Company	2.1%
Other	25.1%



Total n° of shares: 68,000,000

Board of Directors

Brunello Cucinelli	Chairman and C.E.O
Moreno Ciarapica	Director and C.F.O.
Giovanna Manfredi	Director
Riccardo Stefanelli	Director
Giuseppe Labianca	Director
Candice Koo	Independent Director
Andrea Pontremoli	Lead Independent Director
Matteo Marzotto	Independent Director
“Father“ Cassian Folsom	Independent Director

Investor Relations

Pietro Arnaboldi

Mail: pietro.arnaboldi@brunellocucinelli.it

Tel. +39 075 6970079

Brunello Cucinelli S.p.A.

Via dell’Industria, 5

Solomeo (PG)

Italia

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Figures as absolute values and in percentages are calculated using precise financial data. Some of the differences found in this presentation are due to rounding of the values expressed in millions of Euro.



We do not learn for the school, but for life

