

Brunello Cucinelli S.p.A.

"Presentation of Preliminary Revenues for the 9 Months 2025"

Wednesday, October 1st, 2025, 18:00 CET

MODERATORS: BRUNELLO CUCINELLI, EXECUTIVE CHAIRMAN AND CREATIVE
DIRECTOR
LUCA LISANDRONI, CHIEF EXECUTIVE OFFICER
RICCARDO STEFANELLI, CHIEF EXECUTIVE OFFICER
DARIO PIPITONE, CHIEF EXECUTIVE OFFICER
MORENO CIARAPICA, CO-CHIEF EXECUTIVE OFFICER SENIOR
PIETRO ARNABOLDI, INVESTOR RELATIONS AND CORPORATE
PLANNING DIRECTOR

OPERATOR: Good evening and welcome to the Presentation of Preliminary Revenues for the 9 Months 2025 of the Fashion House Brunello Cucinelli.

Speakers will be Brunello Cucinelli, Executive Chairman and Creative Director, Luca Lisandrone, CEO, Riccardo Stefanelli, CEO, Dario Pipitone, CFO, Moreno Ciarapica, Co-CFO Senior and Pietro Arnaboldi, Investor Relations and Corporate Planning Director. In order to receive help from an operator during the conference call, please press "*" followed by "0."

Now, I'd like to give the floor to Brunello Cucinelli.

BRUNELLO CUCINELLI: Good evening. It is a pleasure to have you all here, analysts, investors and journalists. This is the call to report on the preliminary results of the first 9 months of the year, which we decided to bring forward by a few days in order to have the opportunity to discuss with you the company in detail and also to discuss together on the problem that we have defined, short selling activity.

So, we're all here...all 10 of us. How we would like the call to proceed. So, I will read the main figures that we consider excellent. We will give you our final 2025 revenue and profit forecasts, which we are very satisfied with. And there is absolutely no change from the last August call, and you already know these figures because they are unchanged. Then we will dwell on 2026 forecasts after the closing of the Spring-Summer '26 men's and women's sales campaign and the performance of sales this autumn. And we have the feeling that everything is going very well, both in terms of numbers and product image.

Then Luca will give you a brief overview of the markets. And this too has not changed since late-August. Then we will provide you with a summary of the fundamentals of our Fashion House, a very essential and concise

summary as well as our business model. And then we will move on to the explanation and the discussion of the short selling activity, which consists of inventory, #1, multi-brand, #2, exclusivity, #3, and Russia. The discussion is open. Do not worry about time. If more is needed, we are fully available.

Now, let me read out the press release. Excellent results totaling 1...sorry, okay, let me read it out in full. Excellent revenue totaling €1,019.6 million, up plus 10.8% the current exchange rates and 11.3% at constant exchange rates compared to the first 9 months of 2024. Very, very positive growth in the Americas, up 9.2%, 10.8% at constant exchange rates, extremely solid in Europe with an increase of 8.9%...8.6% at constant exchange rates and very strong results in Asia, up 15.5% and the same at constant exchange rates.

Excellent performance for the retail channel, up by 11.4% and very, very good for the wholesale channel, up by 9.7%. In Q3, sales reached €333 million, up 12% at current exchange rates and 12.4% at constant exchange rates with an excellent increase of 13.8% in retail and still very, very good in wholesale at plus 9%.

The results achieved in the first 9 months, together with the excellent start of Autumn-Winter 2025 collection sales in stores give us today an even clearer visibility and stronger confidence in achieving the targets set for 2025 with expected revenue growth around 10%, always accompanied by healthy and balanced profits.

So, the Spring-Summer 2026 sales campaign ended, and it ended in a very positive...on a very positive note for both men's and women's collections, very, very positive comments and feedback received from international press during last week's Milan Fashion Week. With renewed confidence,

we therefore confirm expected revenue growth of around 10% also for 2026.

We confirm the presence of a just and balanced inventory. This is the way we defined it, just and balance for our company identity, perfectly consistent with the fundamentals of our collection offering and aligned with historical data of our ready-to-wear fashion house since its listing in 2012 and to operate in the Russian market according to EU rules. The weight of this market amounts to 1.4% as of 30 September, 2025 compared to 2.7% on September 30, 2024, 2.4% as of 31 December, 2024.

So, this is how I commented. We closed the first 9 months of the year with excellent revenue results, up 10.8% at current exchange rates and 11.3% at constant exchange rates. And given the quality of sales, we believe this also applies to profits. We feel that the brand image clearly reflects how we aim to live and work.

The Women's Fashion Week in Milan has ended. Our collection received extremely positive reviews with style, craftsmanship, quality and exclusivity. And we are clearly very satisfied with this.

In my life, I grew up with 3 great masters, the refined Jil Sander, the German designer, the genius like Ralph Lauren and the visionary Giorgio Armani, and I nourished myself with their refinement, their genius and immense poetic vision. So, last week was a week honoring the figure and work of the great Giorgio Armani. For all who love beauty, simplicity and the statement and work, he is a star. This star of the great Master Giorgio has extinguished on earth after shining for long among the most brilliant artists of our times. And from now on, it will shine gloriously among important mortal spirits as the absolute symbol of Italian fashion to him the honor of the greats. Thank you, Master Giorgio.

Of course, if in this week, events we have defined as short selling activity had not occurred, well, the activity regarding our Fashion House, it would have been preferable and a little less demanding for me, the 2 CEOs and for Pietro. But what happened is part of being listed on the stock exchange and its rules.

On this matter, I received countless messages of appreciation. For the rest, everything remained particularly special at the company. We had...perhaps we have had the most beautiful fashion week in our history in terms of number of journalists, celebrity, talents and client presence from boutiques around the world to whom we dedicated an exclusive evening like we usually do.

So, we therefore, expect a year-end with healthy revenue growth of around 10% and consequently, proper profits. And given the results of the Spring-Summer 2026 sales campaign and the way it performed, which we consider excellent and given the Winter collection sellout, which is going very, very well, we envisage 2026 revenue growth of around 10%.

Now, I keep clearing my throat because of this sudden increasing of temperatures. So, how we see year-end? You already know everything from the 28 of August call, no significant material changes. So, revenue growth around 10%.

EBIT margin slightly improved compared to 2024. Very significant investments in artisanal production and the doubling of the Solomeo headquarters almost completed and already operational planned in the '24, '25, '26, 3 year period, but brought forward by about 6 months. So, we will end everything this year. So, this year, we have invested around 10.5% of revenue, but this gives us security, hopefully, for the next 10 years.

Please note, and I will say it once again, our investment plans for '26 and 2027 should be normal...considered normal of around 7% because this is our standard. Clearly, when expanding factories, well, these are always long-term projects. In this case, it amounts to 10 years.

Now 2026 forecast. So, excellent order collection for the Spring-Summer men's and women's lines. I would also say excellent in terms of taste, style, visual merchandising and lifestyle. And you know how important this is because 75% is ready-to-wear and 25% is lifestyle. You know how important this topic is because the feedback of multi-brand stores on the collections guides our own orders for our retail boutiques in that specific market. And it also highlights the collections value.

When they turn up at your doorstep, they look at the collection, they say, is it beautiful, modern or slightly repetitive, or outdated, this means that if you go back home and you integrate new styles to place in your stores for the upcoming season accordingly, then it is always a good thing. Very, very positive sellout in our boutiques and multi-brand stores even in the last week after the report, and we will discuss in detail later. As you know, we have around 450,000, 500,000 end customers.

Now inventory, its incidence...let me sip some water. So, inventory around 28%, 29% of yearly sales. This has always been a healthy level because we make clothing, and we find it fresh and contemporary. Otherwise, it would mean that stores have outdated goods and sales would not perform as they are because we call it inventory, but actually, it amounts to the goods that are displayed in the stores. That's in line with the June 30 values. So, we feel sound and contemporary in style and lifestyle. So, dividends typically around 50% of profits.

Sellout for this Spring...for this Fall-Winter, were very, very positive. So, it's now the end of September. So, we understand that and how it works. So, please remember this is an important thing. Should I tell you about last week's Fashion Week in Milan, as we looked at the collections and as we talked to customers who came for orders at our showroom, the air [ph] was slightly positive it's...it was certainly on the plus side. So, that means that taste for the product in our boutiques are very contemporary.

We have noticed that customers stay in boutiques around 30 minutes as against the 15 minutes in the past, which shows that the way we welcome people, hospitality wise, cappuccino and kindness of sales staff are very important. So, spending 30 minutes at the store is really, really interesting for us.

Now, there are 3 major events planned for this year. And the highlights are the Fashion Oscar, which will be awarded to me on December 01st in London by the British Fashion Council together with the world premiere of the documentary film about my life on December 04th in Cinecittà, directed by Maestro Giuseppe Tornatore and with the music by my friend, Nicola Piovani, both Oscar prize winners. I think this will actually be a major image building event. And so, Giuseppe Tornatore won an Oscar for [indiscernible] Cinema Paradiso, whereas Nicola Piovani won the Oscar for the music of Life is Beautiful with Benigni. So, all these events will give us great visibility, and it will boost our healthy revenue growth around 10% with solid profit.

Now, let me talk about the company setup. And just one minute to explain the company organization, because sometimes I hear people asking, well, after Brunello, what happens after Brunello. Now, with my family, we hold 50.1% of the shares. And it's subdivided as follows: myself, I'm 72 years old. I'm the Executive Chairman and Creative Director, 80% of my time is

dedicated to product design [ph], remaining 20% sees me traveling around the world for events and clients and so on.

Riccardo, who is the husband of my daughter, is the CEO together with Luca, and he's a father of 2 grandsons and granddaughters. Luca, the co-CEO. Riccardo is the only nonfamily member, but we consider him like family. Camilla and Carolina are both Vice Presidents and responsible for product and image. Carolina was recently awarded with a very important prize in New York, and so we are very proud of this. Alessio, her husband and the father of a grandson is another important component of the men's team. Federica, my wife is 71 years old. We've been together for 55 years now. So, we're responsible together with Camilla and Carolina for all the events that happen in the village. For us, our Borgo, our little town Solomeo is very, very important.

Finally, the trust. Camilla and Carolina are the beneficiaries of the irreversible English inspired trust with 3 company advisors. And I established this trust when I was 59 years old. So, I started thinking about my heritage when I was that young. This trust allows me to operate freely while alive. But the day after my death, Camilla, Carolina and the 3 advisors or people working with us will make their own decisions. So, this is going to continue for 20 years after I die. So don't be alarmed, as soon as I die, the morning after my passing, everything will be organized, and the company will keep on working in a fully organized way.

Let's now see some key figures of our Fashion House revenue, 50% men, 50% women, 40% multi-brand, 60% monobrand, 3,300 employees, half in Solomeo, half in stores worldwide, 400 artisan and companies representing our "production soul." We are a ready-to-wear company, 85% is ready-to-wear and 15% accessories, and this was the same when we went public in 2012.

So, this is what we are today, Made in Italy in the absolute luxury segment where we see quality, craftsmanship, creativity, minor skills and extremely important exclusivity. And exclusivity is a fundamental thing for us, and we'll discuss it further.

Our business model and the big fundamentals that we believe in are always unchanged. Our business model has not changed over time. We'll keep the company alive in Solomeo for the next 200 years. We want healthy annual revenue growth, healthy profits. We want better workplaces, better salaries where human beings feel like they're thinking soul.

In particular, we do support manual labor. So, who's going to be a factory worker in the future? What parents will encourage their children to become factory workers? I think in the future, the challenge will not really be whom we sell to, but who will produce such special items Made in Italy.

Now Riccardo, for the next 2 minutes, can you please update us about the connection with the 400 providers and suppliers that are our soul.

RICCARDO STEFANELLI: Well, thank you, Brunello. Good evening, everyone. We consider those 400 little companies that Brunello mentioned as the real jewels of Made in Italy. And so, we wanted you to understand this because we have a direct personal relationship with them. We've never relied on platforms. We always build a day-in, day-out connection and dialogue with these companies based on product quality, but also on the quality of our work and human relationships. And frankly, it's really nice to see that each and every one of them really subscribes to the same principles.

And over the last few days, we've been reminding ourselves about this all the time. Our...the Constitution of Italy at Article 36 says explicitly that all

workers are entitled to receive a salary proportional to the quantity and quality of their work, which, in any case, should be sufficient to grant them a free and dignified existence for themselves and their families. Now, this fundamental [ph] principle of our country, and it's even more important for a supply chain like the one we have in Italy that's been built over time.

So, this is true for us as a company and for us as a brand. We want to protect these companies and their profit-making skills and abilities and the possibility to plan their future, which is so important for little companies. Actually, next Friday, we're going to meet with all of them here in Solomeo. We talked about the excellent Spring-Summer campaign and...which means it's their work from October to May.

So, it's going to be very important for them to plan carefully. So, we do believe that Italian supply chain is top quality today and for the future. And maybe 70% of French brands do actually manufacture in Italy themselves. So, I leave you with a recommendation that's very important for them and us. Let's support this supply chain. Let's make sure that our artisans can work in beautiful places, that they make the correct profit, they receive a suitable salary and especially for younger people, they may consider Italian manufacturing, not just as a hope, but as a real-life opportunity.

Well finally, e-commerce is so important for us. Towards the mid of November...by November, we will publish our first e-commerce AI-powered website. And I think it's going to be special, because it will be able to welcome all visitors in a very personalized way and show people the collection, which is more relevant for them. It's a bit like kind of a make-to-measure experience.

BRUNELLO CUCINELLI: Okay. Thank you. Let's now move on to a discussion on what we called a short-selling activity. We feel that the thesis suggested...shows a

big...major critical issue with our inventory, which has been called bloated, leading to discounted multi-brand sales and consequently, loss of exclusivity and hence the necessity of doing this also in Russia, where in the first 9 months, revenue is currently 1.4%. So how do we define this? Bloated inventory, multi-brand, not respecting rules with discounts, loss of exclusivity and need to sell to Russia to reduce inventory and generate revenue.

So, let's look at topic on the inventory. In our 47-year history of the company, inventory has always been 28% to 30% of revenues. Since our 2012 IPO, this has always been the case. Today, it is between 28% and 29%. So, we've never believed in evergreen products because we believe they don't lend contemporaneity to the brand, except for some iconic items, mainly accessories, but not ready-to-wear. So, this is what we've always thought, and we sell 85% ready-to-wear. So, there's no code, which is fashion this year and evergreen next year.

So bloated inventory means carrying goods that are not truly contemporary in the stores, which would mean that both products and stores would be less charming, less fascinating and so hard to sell. Today, we feel balanced and sales in stores are very, very good, and we are happy with the image. It appears to be very contemporary, both in store windows and inside stores. At the time in 2012, 27% was retail and 73% multi-brand. Today, we sell about 60% through retail and 40% through multi-brands, but the inventory ratio remains the same. The annual production is just under 2 million units, all Made in Italy, very limited and expensive.

Our estimated customers are anywhere between 450,000 and 500,000 people, which means they roughly buy 4 pieces per person per year. Of these 2 million pieces in production, 40% goes to multi-brand stores that have no return rights, i.e. about 800,000 pieces. The remaining 60%, which

is 1.2 million pieces, go to our direct stores. So, you can easily understand that our unsold inventory is in limited numbers. And also, we have a beautiful project, which is the Brunello Cucinelli for Humanity, which was first created in 2020 during pandemics to support the least lucky part of mankind, and besides that we have sales to our employees and friends and family sales.

The amount of inventory pieces is actually well-balanced for our business. Of course, a problem may arise when sales stagnate, which would be a very different situation. Inventory quality reflects the management quality and the contemporaneity of the brand. Of course, our highly artisan production is concentrated in our micro-companies, 70% of them in Umbria, the rest in the rest of Italy. And this gives us flexibility, security and speed. So, this production model with our 8,400 artisans provide us with a very good level of security.

Now, another important topic is multi-brands. We were born with multi-brand stores. That's been our story forever. Today, we have around 400 multi-brand stores worldwide, beautiful, very beautiful, very prestigious and diverse. They built image from the beginning and if we are what we are today, it is largely thanks to them. We believe over the decades; their behavior has been extremely reliable and inspiring. When we encounter issues in their behavior, we point it out, and if necessary, stop collaboration. But this has been very, very rare throughout our history, maybe due to their economic difficulties.

Let me just make a little example, considering Hermès and Chanel. I mention these 2 brands because I think there are 2 great brands that have always inspired me, undoubtedly amongst the most beloved brands in the world. I was carefully following, when I was younger, even though it was really hard to find them, the interviews of Monsieur Jean-Louis Dumas.

And they were fascinating, when he said, I want to feel responsible for everything that leaves our mason. It was beautiful.

Mr. Karl Lagerfeld inspired me to do what I do today, a Creative Director, which is something that perhaps you do, you can do, even at an advanced age, where you lose creativity, but not your taste, and still be the beacon, the guiding light for your brand and co-workers. These wonderful brands have grown for more than a century, being present in the world's most prestigious multi-brand stores. So, we would never be able to think that these beautiful multi-brands would not respect the brands they collaborate with. And this we can say based on our direct experience.

And so, important multi-brand stores and year of foundation, Sachs 1861, Goodman 1899, Neiman Marcus 1907, Hirshleifers 1910, Mitchell's 1958. In Germany, Unger 1878, Braun [ph] 1933, Daimaru in Japan 1917 [ph], Isetan 1886, Takashimaya 1831, Hankyu 1929. In Hong Kong, Lane Crawford 1850. In Italy, NUGNES 1920, Tiziana Fauci 1946. Why have I listed all these? Because they are wonderful multi-brands. The history of multi-brand stores is ancient, as ancient as the world. And until about 20 years ago, almost everything happened and was sold through the multi-brand channel. This is what we have experienced with our company. Even today, important exclusive watch brands are sold through multi-brand stores. I always cite my favorite Vacheron Constantin.

Well, at the end of the season, of course, they might discount some items. For example, mismatched sizes, seasonal pieces. But they are very, very careful because their image is at stake. Over the decades traveling the world, I have never seen anything harmful to the brands. Perhaps today, with technology, something more could happen. But it is really not relevant.

Multi-brand stores are the true guardians of the brands. They provide you an honest feedback of your collection and the contemporaneity of your brand. And this is crucial to understand how your brand is really, whether it is healthy or not. And as we heard in Milan, if the feedback is not very positive, then you go back home and you make some tweaks and changes. They have viewed 300 different collections.

So, therefore, their judgment is not the same as valuable as the store directors who have not seen other brands' collections. They are true critics. But if you have the courage to listen, their criticism is always very constructive. When our team travels worldwide for research, we almost always visit multi-brand stores seeking inspiration and exclusivity. So, we restate once again our belief in multi-brand.

Another very important topic, one minute on exclusivity. Well, this is a major topic. I once read which brands will be truly exclusive in 5 years' time. We have discussed this extensively with our team as we do it on an actual daily basis. It's something we work on. Exclusivity is synonymous with limited quantity, hard to find, very well-made items with a very high, highly recognized image, possibly heirlooms and expensive.

In Italian, exclusivity is being replaced with desirability. But these are 2 very strikingly different concepts. Exclusivity means it is hard to preserve over time as the company grows. Desirability, it's something that is easy to find but highly desired.

For example, my friend Eddy Cue today, he gifted me with a new iPhone. I showed it to my granddaughter and she was really thrilled. And I said, yes, I agree, but this is not exclusive. So, for our company, we have always opted for exclusivity combined with healthy annual growth, proper profits,

ethical production, better workplaces, and adequate salaries. Balanced numbers of new stores, openings each year appropriate to our brand.

Then fourth topic, very important, Russia, necessity of sales at all costs in Russia. Luca will explain this in detail.

LUCA LISANDRONI: Thank you, Brunello. In just a few minutes with just a handful of numbers, we would like to give you a very clear scope of our activity in Russia. Let's start from the beginning, the start of 2022. When the conflict broke out, we decided to tackle the situation the same way we did with the pandemic, meaning protecting our people and our partners.

In Ukraine, we never had...we always had a wholesale activity, never retail, always with multi-brand stores and a monobrand store in franchising. So, our focus and attention has always been focused on offering the utmost support to these partners. And since the beginning, we have always appreciated their courage and determination to continue their operations also in the darkest days.

In Russia, we always had a twofold activity, retail on the one hand and wholesale on the other. Let's start from the retail. Precisely, well, just before the war, we had just renewed our network with 3 new flagship stores in terms of size. And they were to represent the image of our brand on the Russian market. In March 2022, we decided to close these points of sale and they have been remained so until now. This network in Russia also includes 2 spaces in multi-brand stores and they stayed open.

What kind of product have these 2 small stores sold? Smaller than the 3 flagship stores that are closed. The product that we had shipped before the introduction of the...before the start of the conflict and the product with worth less than the threshold set by the sanctions. We would like to recall

that sanctions never introduced an obligation to close down the store or to stop a shipment, but they just identified a value of €300 as a statistical value, meaning the value beyond which articles, items could no longer be shipped to the market in question. And statistical value means a value of transfer. And for the sake of clarity, you should remember that to move from the transfer value to the retail value of the very same item, we have to multiply 3 times, sometimes even higher.

So, the revenues generated in these 2 spaces together with the one in our showrooms in these one-to-one appointments between our salespeople and our loyal customers, this generated the results of our Russian subsidiary. And from year-after-year, we have always shown these figures in the accounts of our Russian subsidiary. This for retail.

Now, wholesale. The wholesale activity is limited to the shipment to multi-brand...Russian multi-brand stores of items that are lower in terms of value of this €300. We have never even envisaged or imagined to make special products just to be included within the range...the allowed range. And we have always checked that everything was proper and correct.

The retail revenues, if we compare this with the shipment...multiply this by the shipment in Italy, we arrived to €14.8 million generated in the Russian market until September 30, matching the 1.4% of our revenues. No, so just to give you any other figures in the first 6 months of 2024, it was 1.7%. And if we take a look at the whole 2024, it was 2.4%. We believe that these numbers already properly describe this revenues growth that was consistent between 2022 and today. We used this decrease...to give you an image of that, our Russian business is like a candle that it is melting hand-in-hand with the use of the inventory we had in Russia and the reduction in the number of employees. We had over 70 employees before the war and today,

44 due to the voluntary departure of many other people, who decided to move elsewhere.

So once the revenues have been cleared, let's take a look at shipments. And so, the volume of trades. We basically used weight, although this is not a measure that we...a parameter that we use. But we can say that since 2021 and 2024, our shipment to Russia dropped by 52%. So, in a very consistent way with the revenue's performance that, we just described.

Now, just one last remark. When we take a look at the growth that our company enjoyed in the past few years, undoubtedly, at world global level, retail was at the forefront. The multi-brand channel grew consistently definitely, but in a lesser proportional way than the retail. And we believe that this number can also reassure you of the fact that we did not force at all the multi-brand market. So, I would now like to stop here.

So, to wrap up. First thing first, well, we can say, that we could have done without the short selling activity after such a great week in Milan. But today, this I should have started my English lesson, a week ago, but thank God, this is postponed now.

What do we want to say? The company is working normally. Tomorrow, we will have an Employee General Meeting to explain everything to our employees, although they're already very well informed. And we can say that we have 4 very important events expecting us in Korea, in Japan, in London, an event at Harrods and then the award, this prize that I'll be honored with. And then on December 04th, we have the pre-screening of the movie. So, we are pretty confident especially because the collection has received great feedback. So, we now live in the certainty that in the coming months, there will be beautiful product displayed on the shelves.

And now, we open for discussion. Thank you.