Brunello Cucinelli S.p.A.

"2026 First Half Results Conference Call"

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MODERATORS: BRUNELLO CUCINELLI, EXECUTIVE CHAIRMAN AND CREATIVE DIRECTOR

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MORENO CIARAPICA, CO-CHIEF FINANCIAL OFFICER, SENIOR

PIETRO ARNABOLDI, INVESTOR RELATIONS AND CORPORATE PLANNING DIRECTOR

OPERATOR: Good evening, and welcome to the presentation of the First Half Results 2026, Results of the Casa di Moda Brunello Cucinelli.

Speakers will be Brunello Cucinelli, the Executive Chairman and Creative Director; Luca Lisandroni, 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, you can press "*" followed by "0."

Now I'd like to give the floor to Brunello Cucinelli. The floor is yours.

BRUNELLO CUCINELLI: So here we are. Good evening. It's slightly hot here. Actually, we are pushing 40 degrees Celsius. So good evening, and welcome to all of you. I'm sure you're all a bit exhausted because it's been a full week of reporting, but I'm particularly pleased in general.

It is the first time we are presenting the full half year results as of the 30th of July, because we've always broken down in 2, but we were able to do so and we are particularly pleased. So I want to thank the team who made this possible. So the call will play out as follows. I will take you through the key highlights. Dario, our CFO, will provide more details, more colors. Then I will share our detailed view on the final outlook for 2026, together with good visibility on 2027, as we have almost completed the spring/summer 2027 menswear and womenswear order collection.

And honestly, it concluded with excellent results. Luca will then provide you with a global overview of our markets. Riccardo will speak to you briefly about our factories. They're all fully operational. And also, he will talk about the new European regulations concerning the disposal of end-of-life garments. Finally, I will discuss our wonderful e-commerce project and our Callimacus platform in which my friend Marc Benioff at Salesforce has invested, describing it as innovative and capable of rethinking digital experiences through AI.

Let me read out. So excellent results which allow us to slightly raise our revenue growth estimates for the full year. We therefore expect growth at constant exchange rates of between plus 10% and plus 11% in 2026, compared to an initial estimate of 10%. In the first half, the very significant increase in revenues is accompanied by an improvement in profitability and by the confirmation of a solid balance sheet structure.

Revenues as of 30th of June equaling €749 million, up 13.3% at constant exchange rates and 9.5% at current exchange rates. Retail channel up 19.3% at constant exchange rate with a double-digit increase across all reference markets, and a very positive second quarter, plus 18.6% constant exchange rates. The wholesale channel also confirms a solid trend in both quarters, with a rise of 2.7% at constant exchange rates as of 30th of June 2026.

Growth widespread across all geographies, with revenues at constant exchange rates up by 20.6%. in Americas, 5.3% in Europe, plus 14.1% in Asia, and particularly significant, the contribution of China. Well, China is 13%, mind you. This is very important to remember. EBIT equaling €128.2 million, up 12.6% compared to the first half of 2025, with a margin of 17.1% rising from 16.6% as of 30th of June last year.

Net profit equaling €78.2 million, plus 2% compared to June 30th, with an incidence of 10.4% on revenues. Investments standing at €57.2 million with an incidence of 7.6% compared to €63.5 million last year, incidence of 9.3%.

Commercial investments are on the rise, whereas production investments decrease following the full completion at the end of 2025 of the new factories and of the expansion of the Solomeo headquarters.

The greater part of the investment plan envisaged for 2026 was carried out in the first 6 months of the year.

Net financial debt for the core business equaling €225.1 million, as compared to €197 million at June 30, 2025. We confirm the expectation of quite a significant reduction in debt by the end of the year compared to the levels of December 31, 2025, supported by the cash generation expected in the second part of the financial year and by the timing of the 2026 investment plan, concentrated mainly in the first part of the year.

Then sales campaign, this is another important point. So spring/summer 2027 sales campaign, the collection of orders for men's is close to completion and that for women's is currently underway with extremely positive feedback for both collections.

So aware of the solidity of our business model and of the pleasant atmosphere that we continue to feel around our brand, we envisage a healthy revenue growth of around 10% for 2027. Significant recognition of the technological value on the international development potential of the artificial intelligence platform developed by Solomei AI, called Callimacus, with important investment by Salesforce, world leader in AI-based CRM solutions.

Now, my quote. So we closed the first half of the year with results that we view as truly outstanding. We have the impression that the brand is enjoying exceptionally favorable momentum across the world, with our boutiques embodying our stylistic identity, our way of working, and also our way of engaging with others and the lifestyle in which we have always believed. This genuinely rewarding way of working allows us to experience the variety of true luxury to which we have always aspired. Exclusive yet gracious, a luxury defined by products and outstanding quality, exceptional craftsmanship, and genuine exclusivity.

Order intake for men's and women's spring/summer 2027 collections has been excellent. Equally encouraging has been the start of sales for the fall/winter 2026 collections, now available in our boutiques. Encouraged by these highly positive indicators, we are raising our guidance for full year 2026, increasing our expected growth from 10% to 10%-11%. We also remain highly confident about 2027, when we anticipate delivering healthy growth of around 10%.

Now, Dario will give you the finance details.

DARIO PIPITONE: Thank you, Brunello. I would use the analyst presentation analyzing the main financial economic performance in the first half. As already anticipated by Brunello when commenting on the press releases, revenues amounted to €749.4 million, up 13.3% at constant exchange rates and 9.5% at current exchange rates.

We reported very solid growth across all geographies and across both distribution channels. Thanks to the strong revenue performance, and Luca will comment this more in detail later. The income statement on Slide 17 shows an overall balanced structure in terms of margins and costs, with EBIT increasing by 12.6%, growing more than proportionally compared to revenues and reaching €128.2 million, corresponding to a margin of 17.1% of revenues.

Net profit €78.2 million or 10.4% margin on revenues. The first margin at 75% of revenues increased by 50 basis points compared to the previous period in terms of revenue incidence. This improvement is mainly attributable to the sales mix achieved during the period.

As to the channel mix, we refer to the positive contribution of the growth of the retail business, whose incidence in the 2 time periods went from 63.7% in 2025 to 66.7% in June 2026.

As far as geographies are concerned, the positive contribution mainly comes from the growth reported in America and Asia, which are the regions characterized by a markup structure that is more supportive of the first margin. It is, however, important to underline that this effect becomes neutral at EBIT level due to the related commercial costs which, in these same regions, are also proportionally higher.

Operating costs, excluding depreciation, increased by 8.7% compared to the first half of the previous year and reflect the continued growth of our Fashion House.

So Slide 19, to have more color on the main costs, rent, personnel, and communication. So we can say that personnel costs as of 30th of June 2026 amounted to €138.4 million, representing an increase of 10.2% with an incidence in line with 30th of June 2025, 18.5%.

Our human resources amounted to 3,543 full-time equivalents; an increase of 260 FTEs compared to June last year. This increase is down both to the targeted expansion of our retail network following the opening of new stores, store expansions and Casa Cucinelli realized from the second half of last year until June 30th, and to the development of our production structure, both in terms of direct manufacturing personnel and the teams managing and coordinating our extensive network of artisans and suppliers of precious raw materials.

Rental costs, net of the effects deriving from the application of IFRS 16, amounted to €117.3 million, up 12% compared to €104.7 million of last year. This increase is mainly ascribable to the new and selected openings, as well as expansions carried out during the second part of the year and some contract renewals.

And then to conclude, communication investments amounted to €45.8 million, up 3.1% compared to €44.4 million last year, with an incidence that went from 6.1% of revenues last year to 6.5% this year.

The planning of our marketing activities foresees, as Brunello was saying, a greater concentration of events in the second half of the year. Therefore, we expect the related incidence on revenues at year-end to be higher compared to the figure reported the first half.

To conclude with depreciation amortization, as a result of all this, EBIT amounted to €128.2 million, up 12.6%, with an operating margin of 17.1% compared to 16.6% last year.

Following this improvement in operating profitability and after financial management showing net financial charges of €18.4 million due to a significant reduction in foreign exchange gains, together with a tax rate of 28.8%, which we consider a healthy level for an Italy-based company, net profit as of June 30, 2026, amounted to €78.2 million, 10% of revenues.

Before completing the income statement, I would like to briefly return to the comment on financial management with the support of Slide 20, where we have included the usual breakdown highlighting the component that we could define as recurring, which is the basis on which we can project our expectations for the year, a component related to the foreign exchange fluctuations, and an additional component, including the effects deriving from hedging activities and equity investments. The ordinary and recurring component amounted to €20.1 million and showed a slight increase compared to the previous year, €17.3 million, mainly due to higher net financial charges related to the characteristic net financial debt, which we will comment on in more detail later.

Now, Slide 21. Now, I will comment the main balance sheet items, some comments on net working capital, investments, and net financial debt. Net working capital, including net other current assets and liabilities, amounted to €317.6 million, corresponding to 21.6% of rolling last 12 months revenues as of June 30, 2026, compared to 22.6% last year, and 22.2% last year, June, and this 22.2% December 2025.

Looking at the individual components, trade receivables show a slight increase of 6.8%, mainly ascribable to the natural evolution of the business and the timing of some shipments related to the fall/winter 2026 collection. We consider our trade receivables to be extremely healthy, both…thanks to the quality of our overdue receivables, with the level of receivables outstanding beyond 90 days, showing a significant reduction compared to both December and June, and due to the very limited levels of losses recognized in the income statement, which were virtually negligible during the first half of the year.

Payment terms towards suppliers, collaborators, and external consultants remained unchanged, with trade payables amounting to €171.6 million, slightly lower compared to previous periods. Inventory incidence on rolling last 12 months' revenues stood at 28.6%, substantially in line with both June 30th and December 31st, 2025, 28.2%. This is a level that we view as healthy and consistent with the ordinary requirements of our business model.

Net other current assets and liabilities showed a negative balance of €42.4 million at June 30th, 2026, compared to €9.7 million at December 31st, 2025. This change is mainly ascribable to the fair value measurement of derivative instruments used to hedge foreign exchange risk and related fluctuations, as well as,0 changes in the balance of tax receivables and tax payables.

Moving now on investment on Slide 22. As of 30th of June, 2026, 57.6% of our revenues vis-à-vis 9.3% on the previous year and represent the majority of the investment plan expected for full year 2026, and they amounted to €57.2 million. In detail, €38 million in significant commercial investments, increasing compared to €32 million last June. Then €11.6 million in industrial investments, showing a significant reduction compared to €25.2 million at June the 30th, 2025, mainly as a result of the completion of the 2024-2025 2-year investment plan aimed at strengthening our highly artisanal production capacity. And this plan will provide us with the production spaces and premises required to cater for our growth over the next 10 years. The remaining approximately €8 million, almost entirely related to important technology investments.

To conclude, characteristic net financial debt, on Slide 23, amounted to €225.1 million, vis-à-vis €197.2 million last year. The increase is down to the changes in networking capital during the first half of the year, together with the concentration in the first half of the year on the investment plans for 2026, as previously mentioned, and the payment of dividends mainly carried out during the second quarter for a total amount of €73.7 million. Thank you very much for your attention. Brunello, you have the floor.

BRUNELLO CUCINELLI: Thank you. Well, now let's come to the final 2026 outlook. And I'd like to remind you that we always would like to focus on absolute luxury segment. So what we are going to say pertains to this segment. In light of our first half results, which exceeded our expectations, and considering the excellent momentum of our brand, we are raising our year-end estimates, and we expect growth at a constant exchange rate to be between 10% and 11%, compared to an initial guidance of 10%.

Foreign exchange as of the end of the year, it is expected to be around 1%, but throughout our history as a listed company since 2012, the average impact, both positively and negatively, has been approximately 0.5%. EBIT is expected to improve, reaching around 17%. Investments are expected to be around 6%, as all of our production-related investments have now been completed, and this is going to be true for the next 3-year period.

Investments in image and communication will remain consistently between 6% and 7% per year. Over the next 2 years, however, we will be presenting the movie in many different countries. However, the full production cost of the film was entirely expensed over the previous 3-year period, and we are very happy with that. Net financial position is improving, accounting between 11%-12% of revenues compared to 14% in 2025.

Let's now move to the outlook for 2027. We provide you with this outlook because we already have collected orders. Anticipating what Luca and Riccardo will share with you soon, I would like to give you our initial view for 2027. Having almost completed the menswear and womenswear order collection with excellent results, and having received the feedback on the collection both from our valued multi-brand partners as well as from national and international press, we expect another year of healthy growth of around 10%. Well, clearly assuming no change in our strategy. As you can well understand, for the time being, we are very happy.

Now Luca has the floor.

LUCA LISANDRONI: Thank you very much. I welcome you all. As Dario said, we believe we've just closed another very good quarter. Sales growth has remained very consistent throughout the individual months, with a well-balanced performance both across geographies, product categories, and for a perfect balance between menswear and womenswear. And these are factors that reinforce our confidence that our growth is solid and sustainable. I can also say that sales in July have continued to follow this very positive trend.

BRUNELLO CUCINELLI: Luca, pay attention to your page for the translation.

LUCA LISANDRONI: As we review our first half results and mindful of all the recent announcements made over the past few days, I will try to be even more concise than usual so as to leave more time for your questions.

I'd like to draw your attention onto 3 figures that are particularly meaningful to us. Well, first, retail performance, plus 19% in the first half and plus 18% in the second quarter, excluding the impact of the Middle East, that the 2 quarters were virtually identical, both delivering very strong performances. Second, the outstanding results achieved by our online boutique following the launch of the website, and 7% of total revenues.

Again, thanks to Callimacus. We see direct e-commerce business that accounts for approximately 7% of total revenues. And we also see an indirect effect on brick-and-mortar stores with an increasing number of existing and new customers coming to the store with pictures drawn from our website. And then we have the performance of China and the Americas, both of which recorded growth of more than 20%.

Let's now get into the details of that. Well, as far as retail is concerned, this season has been truly important for us. The collection had an outstanding quality, as we said earlier this year. The retail network that remains young and dynamic, both in terms of locations and people, and which in our view, continues to offer significant and healthy potential for organic growth.

Comparable store sales were very strong. As for new store openings and store expansions, well, they have fully met our pre-opening expectations, and I'm referring not only to the openings completed early this year, but also to those taking place in 2025, which have had a more meaningful impact on this first half performance. Among these, I'd like to highlight the Paris and Los Angeles boutiques that have quickly established and have become the most important stores in our network.

Then as a reminder, the new website has created a significant value. The new functionalities have made a strong contribution, delivering an experience that is increasingly effective, engaging, and aesthetically refined for our visitors. All key performance indicators have been positive. The number of visits continues to increase. The average time spent on the site has nearly doubled. The number of orders has increased, and the average order value has increased as well. Whereas our digital customers' purchasing behavior become increasingly similar to that of customers shopping in our physical boutiques.

Let's come to geographies now. China first. As you know, China accounts for approximately 13% to 14% of our total revenues. However, the absolute contribution of our retail business in the region is becoming increasingly material quarter-after-quarter, reaching levels that are comparable with those of our major geographies.

Well we also believe that this is a particularly important moment for us in China for 3 reasons. First, apparel is growing at roughly twice the pace of accessories. And there is an important article, The Business of Fashion, and a study carried out by McKinsey, and this report highlights that Chinese luxury customers are increasingly seeking high-quality products that are recognizable only to a small and knowledgeable audience. So they are focusing on high-quality products, but for a small audience, very exclusive.

If we look at ourselves, at our brand, we think that our brand is and remains perhaps more than anywhere else, young, fresh, and synonymous with authentic luxury. So we believe that the coming decade will be very important for us in China. We have often spoken about significant opportunities that we see in this market that start materializing in this country. Our focus continues to be on China. So, 2026 will be the year of Shanghai, with the opening of Casa Cucinelli in September, and with the expansion of our boutique at Plaza 66, which is already one of our most important stores in Asia. And in 2027, we will instead strengthen our positioning in Beijing with the expansion of our China World boutique and another important opening.

Let's now come to America. There are 3 trends. Well, an increase in average spending on luxury, a growing concentration of spending at the very top end of the luxury segment, and the emergence of new luxury destination with a broadening up of our footprint.

We opened new boutiques in Nashville and Naples, reflecting the trend of the American luxury markets becoming increasingly widespread and locally driven. From a strategic viewpoint, these opportunities are very attractive because it enables us to serve new groups of customers while strengthening our high-end brand positioning and the relationships with our customers.

Our boutiques continue to perform very well across North America. Neiman Marcus, Saks, and Bergdorf have definitely moved beyond the period of financial uncertainty. With them, we closed a very positive first half, both in terms of our sell-in performance and, more importantly, our sell-out performance to end customers.

The second quarter was stronger than the first, supported by a gradual improvement in products availability across the stores, and especially thanks to customer loyalty that is very strong across all the 3 department stores. And so, we are confident about the central role that these department stores play within the US luxury market. Payments on time, operations smooth. So, these are the three major highlights.

Digital, China, and Americas, and retail. So we attach great importance to the performance of our wholesale channel and to the results achieved in Europe. We closed the first half with a growth in Europe of 5.3% and 10% in European retail, further confirming the strategic importance and the strength of this region within our business. 2.7% growth for wholesale in the 6-year period, in line with our expectations and in line with our idea of creating value over the long term. And our customers are in good shape. They are modern and fully understand how strongly we believe in the contribution they make to the long-term strength and longevity of our brand. And so, they are equally aware of the high standards we expect from them, both in the physical stores and on the digital platforms.

One final important piece of information as far as sales are concerned. So it's a good growth, both value-wise and in terms of volumes. If we focus on the value-wise growth, well we see that the search for high-quality garments…exclusive garments, on the one hand, is important, and also the recognition of our brand in this high-end segment.

When we look at our product offering. There are some categories like menswear and womenswear, tailoring, made to measure, outerwear, dresses, couture, knitwear, and pants, trousers, and skirts. We see that there are important opportunities for the future.

A couple of words on the income statement, as Dario commented on. We are very pleased with the improvement in profitability. Casa di Moda is going through a phase of healthy expansion, managed with great discipline. As you can see, the increase in the first margin outpaced the growth in rent and personnel costs. And so, this confirms that gradual investments released the growth in revenues, thus managing costs.

So we think our company has become stronger, but at the same time has remained lean. Then the foreign exchange impact, 1.5% in the second quarter, and we aim at reaching full neutrality in the second half.

We look at the second half with confidence. We said July has been very successful. We are very confident in the products offering that will be delivered to the stores in the second part of the year. And we also had very positive feedbacks on the fall/winter collections upon presentation. We also have a store opening plan besides Casa Cucinelli and the expansion of Plaza 66. We will open The Grove in Abu Dhabi, and we will expand our Geneva boutique.

As for events, well, we will go on with family events, which are a special occasion for us. We will also have important events, 3. One in September, the official opening of the Saint-Honoré boutique in Paris, accompanied by the French premiere of the film. In October, Shanghai, with the screening of the film following the enthusiastic reception that Brunello received at the Shanghai International Film Festival. And last but not least, in December, Brunello's tribute to the world of cinema in Los Angeles. We will also go to Tokyo in October.

So…well, with that, I would like to say that we really look forward to closing another record year for our company. So record high revenues, but a year which is also rich in value and meaning for our brand. Thank you very much. Thank you.

RICCARDO STEFANELLI: I will be very brief. I have 3 updates for you. Over the past few days, we successfully completed the delivery of our fall/winter 2026 collections with outstanding punctuality and exceptional level of craftsmanship that has always distinguished our work. And this is, thanks to the efforts by the creative team, workshops, and in-house tailoring workshops, and the 400 Italian artisan workshops employing approximately 9000 people. With them, we have a direct relationship without any intermediaries, and we work with them on a daily basis.

During our daily interactions, we meet them twice a year, and in mid-September, we will once again meet them to share our production plans for 2027. And this takes place during every season. This confirms a production model with a high level of craftsmanship on the one we have great flexibility and speed. You know how important speed, especially in replenishment. Well, for the replenishment of important items.

Second update, as far as the industrial investments are concerned, we concluded everything in 2025. We are very happy and we are extremely pleased with the workplaces that we have created, designed around people and around the quality of their work. These spaces will provide us with the production capacity required for the next decade. And you know that we are particularly pleased to continue receiving job applications for manufacturing workforce. And this confirms that the place of work and a fair consideration are the key elements for blue collars.

Last but not least, a short reflection on the new European legislation, and we are favorable because, well, the new regulation prohibits companies in the textile industry from destroying unsold garments. We embrace this regulation with great conviction, not so much because it changes the way we operate, but rather because it recognizes a principle that is deeply rooted in our values. That is the idea that a garment has a value that must be preserved.

Well, historically, we have always allocated approximately 2%, 3% of our production to donations in support of people in need throughout the world, building relationships with small organizations around the world, even small organizations, this is very important. During the COVID pandemic, but it is something particularly meaningful and special, by donating the unsold product from our boutiques, we launched the Brunello Cucinelli for Humanity project. This initiative continues today and currently accounts for 4% of our garments. In addition, a further 4% to 5% has always been allocated to purchases by our employees and their families. I think we offer a significant discount off the retail price, giving them the opportunity to wear products that they would otherwise not be able to purchase.

And so here, too, we are strongly convinced that a high-quality garment should continue to be experienced, worn and passed down over time. So, we are very pleased with this new European regulation, which we see as an important step towards a culture of quality, responsibility, product longevity, values that belong not only to our Casa di Moda, but also to the culture of Italian craftsmanship. Thank you very much.

BRUNELLO CUCINELLI: Well, I believe we still have 5 minutes, so at least we have 5 minutes, 15 minutes for questions. So, this Callimachus is very important…a very important project for us. We held a press conference the other day, Callimachus is a platform that redefines the digital experiences in the AI era. And we basically signed an important investment agreement from Salesforce in Italy and Europe, you know it is an important investment for them, but I would like to read what Marc Benioff said, the Chair and CEO of Salesforce.

Brunello has always believed that technology should elevate humanity, and this belief is at the heart of Callimachus. We like this very much. The team has developed an innovative platform that reimagines, through AI, the digital experiences, combining conversational capabilities, business context, and real-time personalization to create entirely new ways for companies to engage with their customers.

So, we are proud to collaborate with Brunello and the Solomeo AI team in paving the way for a new, which is great, in paving the way for a new generation of artificial intelligence-powered experiences. And of course, well the transaction falls within the scope of the Italian Golden Power and needs to be submitted to the Presidency of the Council of Ministers.

Now, to summarize, we believe that our brand is currently experiencing a very positive tempus, a moment of great global momentum. Perhaps we can say that at this particular moment, our brand is truly cool, and this is the way fashion works. We are positioned in true luxury, and you should never, this is important, you should never expect us to introduce entry-level, entry price products. Everything continues to revolve around the single brand, Brunello Cucinelli. No second brand, third brand acquisitions or nothing.

So now, I would like to talk about luxury for a minute. When I started this journey 48 years ago, and until approximately 25 years ago, the market was traditionally divided into luxury, then, upper middle segment, middle segment, and lower segment. Then during one of the first meetings on luxury held in Milan about 25 years ago, attended by my esteemed Sergio Loro Piana, a stylish friend who is no longer with us, Pupi Solari, a wonderful owner of the wonderful boutique on Via Monte Napoleone, and another Italian entrepreneur, and myself, and the topic was luxury.

At one point, this entrepreneur took the floor and said that he had acquired a knitwear factory in Umbria, producing sweaters at €20. And he defined this as accessible luxury. You see, myself and the other attendees, we basically looked at each other a bit puzzled, but that's the way he called it. From that day onwards, the discussion revolves around 3 different categories: absolute luxury, aspirational luxury, accessible luxury, always with this pyramid that is sometimes very questionable.

So, to conclude on this extremely important topic, we believe that true luxury is a product that is of exceptional quality, the result of outstanding craftsmanship, and exclusive in its distribution. And I believe that the theme of exclusivity is central for the future. Finally, the image of Solomeo is of the utmost importance to us, as it embodies our vision of how to live and work, and we hope it conveys a sense of authenticity, simplicity, and spirituality. A place, company, where one can enjoy an experience that is, above all, deeply human. You should consider that we have about 14,000, 15,000 visitors every year.

So before concluding, I would like to recall that during our April call, we spoke of the wonderful atmosphere felt throughout Milano collections, you know, shared by buyers and journalists alike. And because there was this desire about these new proposals across many brands, fall/winter 2026 collections. Now, you know, we all discussed this topic after this busy week of half-year results presentations, which have given us energy and renewed conviction. We have the feeling, and we want to share it with you, that overall, we are moving towards a positive phase, one that lifts our spirits and gives us fresh momentum.

So how do we work, and what about our current situation? Our total focus must be on the product always, and this product must be new, contemporary, modern, and youthful. And it needs to have a right balance between price and value, while fully acknowledging that we create garments that are costly and at times very costly. Everything goes out of fashion quickly. It has always been written, so in every dictionary, even those dating back to the 1750s. And as you know fully well, we do not believe in evergreen products because even the navy blazer this season is one and a half centimeter longer than the previous season, and it is not an evergreen. With this awareness, we work with great focus and equal serenity, knowing that true creativity arises from mutual esteem, respect for others, the courage to listen to differing views. If there is this, we can definitely say that that's where true creativity is born.

We can now open the floor for questions. You should also know that we never adopted the work from home or remote working mode because we believe that. Otherwise, you lose collective creativity. There is a blurred boundary between private and business and work life, and young people do not learn at all.