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Results

Testo del comunicato

Vedi allegato.



BRUNELLO CUCINELLI

Press Release

CASA DI MODA BRUNELLO CUCINELLI: the BoD has approved the 2021 consolidated financial statements and the 2021 draft financial statements

- Net revenues of €712.2 million, up +30.9% (+32.4% at constant exchange rates) compared to 2020, with an increase of +17.2% compared to 2019;
- EBITDA of €193.3 million (27.1% margin), compared to €89.5 million last year and €169.6 million in the previous year (27.9% margin);
- EBIT of €77.0 million (10.8% margin), compared to a loss of €14.8 million at 31 December 2020 and a profit of €83.4 million in 2019 (13.7% margin);
- Net income of €56.3 million, compared to a loss of €32.1 million at 31 December 2020 and a profit of €53.1 million in 2019.
- Significant investments in line with multi-year planning and in favour of the contemporary nature of our "Casa di Moda": €61.6 million invested in 2021, up from €51.6 million in 2020 and €52.6 million in 2019;
- Characteristic Financial Indebtedness¹ of € 23.0, a marked improvement compared to €93.5 million in 2020 and €30.1 million at 31 December 2019;
- The Board of Directors will make a proposal to the Shareholders' Meeting - called for 27 April 2022 – for the distribution of a dividend of €0.42 per share;
- Approved the 2021 Consolidated Non-Financial Statement;
- Approved a Stock Grant Plan for the years 2022-2024.

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

"I have firm faith in the wisdom of men"

"At a dramatic time for humanity, in this winter of our struggles, a new era of responsibility is required of us, the search for a peace forged by great thoughts. I grew up in the land of Francis of Assisi, from whom I learnt the great value of dialogue as the noblest means of always achieving harmony among men".

"Great challenges demand the courage to walk together and to reaffirm that common sense of humanity that only words can guarantee, when they rest on the brotherhood and wisdom of the men who rule the world".

"The year 2021, which we called the year of rebalancing, ended with some splendid results both economically and in terms of image for our brand. Turnover grew by 30.9% and consequently net profit was equal to €56.3 million".

"This year opens with a quarter that is now drawing to a close with some particularly interesting results, the order intake for men's and women's winter collections 2022 was really significant. All this prompts us to envisage yet another year of good, balanced growth, with an increase in turnover of around 12%".

"A growth that we hope will generate human prosperity for our people, for our mother earth and for the whole of Creation. May the heavens and the stars enlighten us at this time, when souls have lost their bearings, but are filled with great hope for the bright future that awaits us".

¹ The figure for Characteristic Financial Indebtedness and Investments does not reflect the effects of the application of IFRS 16.



BRUNELLO CUCINELLI

Solomeo, 10 March 2022 - The Board of Directors of Brunello Cucinelli S.p.A. - a Casa di Moda operating in the luxury goods sector and listed on the Italian Stock Exchange - today examined and approved the consolidated financial statements and the draft financial statements as at 31 December 2021.

We report the 2021 results today with two frames of mind. The first is one of great sorrow at the international tensions, which we would never have imagined in contemporary times, and we hope from the bottom of our hearts that everything will go well in the times to come; the second is one of positivity for a Fashion House that is living perhaps the best moment in its history, and with humility, courage, creativity and confidence we imagine it will have great possibilities for the decades to come.

2021 - a year of rebalancing for us - has been a **splendid** year, in which we feel we have been able to achieve **excellent results**, hand in hand with the perception of a further **strengthening** of our **brand**, both in terms of **style identity** and **positioning in absolute luxury**, and in terms of **reliability** and **equitable behaviour towards** all our stakeholders, customers, suppliers and shareholders.

From an economic point of view, we are extremely satisfied with the **sales** achieved, which are even higher than our expectations, and with the **margins**, which are in line with the plan of rebalancing to pre-pandemic levels in 2022. From a balance sheet point of view, we also consider the quality of our **inventory** to be excellent and the **Net Financial Debt to have** improved significantly, even in the presence of major investments.

In terms of **image**, we believe it was a **memorable year** for the company. A year in which we received **two major international acknowledgements**, which honoured us from a human point of view, and which we undoubtedly believe contributed greatly to our achievements by bringing further attention to our brand:

- the first concerning **style**, with the awarding of the **'Designer of the Year' prize** to Brunello Cucinelli by the prestigious *British* men's fashion magazine *GQ*, presented in London at the Tate Modern Gallery in early September;

- the second was the invitation and personal participation of Brunello Cucinelli as a **speaker at the G20** in Rome on 31st October, with a testimony on **Humanistic Capitalism** and **Human Sustainability**.

October also saw the presentation of the major project of the **"Universal Library of Solomeo"**, which adds to the thousand-year projects conceived by the Brunello and Federica Cucinelli Foundation for the **Borgo di Solomeo** and our **territory**.

We believe that the entrepreneurial and philosophical principles, the foundation of our idea of **Humanistic Capitalism and Human Sustainability**, have proved to be a solid and effective guide in this year of rebalancing, and perhaps we can say that today we represent in the world a good image of **'total' sustainability: environmental, economic, cultural and spiritual**.

Our constant and profound **focus on respect for human dignity, serenity in the workplace, human relations and the harmonious cycle of life and nature** has proved to be a 'wealth' capable of showing the way to act with great dignity and unity in the choices we have faced.

In these two years, we have shared, as always, the company's strategies and choices, guaranteeing the employment and salary levels of all our employees, and we have chosen never to ask for discounts to avoid harming others. These decisions of principle have **protected the integrity of the company and of the entire supply chain**, helping us to fully recover the loss of 2020, so that we can resume our solid and serene path of beautiful, gentle and balanced growth.



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Net Revenues are in line with the preliminary figures released on 10 January, and confirm all the dynamics already discussed in detail.

	FY 2021	%	FY 2020	%	YoY Change %	FY 2019	Var. %
	Eur '000		Eur '000		FY 2021/ FY 2020	Eur '000	FY 2021/ FY 2019
Europe	219,150	30.8%	173,078	31.8%	+26.6%	176,900	+23.9%
Italy	84,223	11.8%	68,323	12.6%	+23.3%	89,720	-6.1%
Americas	238,238	33.4%	174,242	32.0%	+36.7%	205,768	+15.8%
Asia	170,568	24.0%	128,370	23.6%	+32.9%	135,373	+26.0%
Revenues	712,179	100.0%	544,013	100.0%	+30.9%	607,761	+17.2%
YoY Change at constant exchange rates					+32.4%		

	FY 2021	%	FY 2020	%	YoY Change %	FY 2019	Var. %
	Eur '000		Eur '000		FY 2021/ FY 2020	Eur '000	FY 2021/ FY 2019
Retail	419,817	58.9%	268,773	49.4%	+56.2%	339,435	+23.7%
Wholesale	292,362	41.1%	275,240	50.6%	+6.2%	268,326	+9.0%
Revenues	712,179	100.0%	544,013	100.0%	+30.9%	607,761	+17.2%

Income Statement

Analysis of the income statement shows an excellent sales performance and a gradual realignment of the main cost items to pre-pandemic levels.

When comparing with 2019, which we consider to be the most significant benchmark, we have to take into account the development of the retail network, which will contribute significantly to the expected results for the coming years, but which in the short term has produced an increase in rent that is higher than the speed of the growth of sales.

In relation to network development, there were 114 **boutiques** as at 31 December 2021, compared to 107 boutiques as at 31 December 2020, with 4 openings and 3 conversions of wholesale monobrand boutiques, including the important space in the Dubai Mall and the exclusive resort of Gstaad.

Prestigious boutique **expansions were** also carried out between 2020 and 2021, including those in London, Paris, Moscow, St Petersburg, Shanghai, Tokyo and New York; the number of directly managed **hard shops** within Department Stores rose to **43** in 2021, compared to 31 hard shops at 31 December 2020, with the increase mainly related to the conversion to direct management of 10 spaces within Nordstrom's Luxury Department Stores. These conversions from the wholesale channel to the retail channel are in addition to the 3 conversions of wholesale monobrand boutiques already mentioned, bringing the total number of converted spaces to 13.

Analysing the details of the Income Statement, the **First Margin** does not show significant changes; the margin at 31 December 2021 is 67.3%, in line with 2020 margins of 67.9%.



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In 2021, our Casa di Moda confirmed, as in 2020, its decision to maintain and guarantee the employment and salary levels of all its human resources, increasing their number in relation to the strategic choices adopted.

Personnel costs therefore grow progressively in the period 2019-2020-2021, following the expansion of our human resources structure to support new commercial initiatives, the expansion of the network, and the processes of consolidation of our activities.

In 2021, personnel costs amounted to €132.9 million (€119.6 million in 2020 and €112.2 million in 2019), with 2,160 *FTE (full time equivalent) resources*, compared to 2,045 FTE resources in 2020 and 1,890 resources in 2019. The incidence of personnel costs is 18.7% in 2021, compared to 18.5% in 2019.

Investments in communication, amounting to €36.1 million, increased compared to €32.1 million in 2020 and €35.5 million in 2019, with the incidence that remains above 5% (5.1% in 2021).

Investments are correlated with the important and strategic digital communication activities that were developed across all 12 months of 2021, and to the boutique events that were concentrated instead in the second half of the year (limited in the first half due to the effects of the pandemic).

The trend in **rental** costs follows the trend in openings, reaching €30.6 million (4.3% incidence) at 31 December 2021, compared with €17.9 million in 2020 and €21.8 million in 2019 (3.6% incidence).

Rental costs net of IFRS 16 effects amounted to €115.3 million (16.2% incidence), compared to €96.4 million last year and €85.6 million in 2019 (14.1% incidence); the progressive increase is mainly related to the development of the network, the benefit of which will also contribute to the results of the coming periods.

In 2021, **Ebitda** is therefore €193.3 million (27.1% margin), compared to €89.5 million last year and €169.6 million in 2019 (27.9% margin).

In 2021, **Ebitda**, net of IFRS 16² effects is € 110.0 million (15.4% margin). The value of Ebitda at 31 December 2021 also benefits from non-recurring revenues of € 5.2 million³.

In 2020, EBITDA net of IFRS 16 effects and the extraordinary provision of €31.7 million for the "Brunello Cucinelli for Humanity" project amounted to €41.8 million, with a margin of 7.7%, while EBITDA net of IFRS 16 effects in 2019 amounted to €106.1 million, with a margin of 17.4%.

Depreciation and amortisation, excluding rights of usage⁴, amounted to €40.6 million (5.7% incidence), compared to €34.8 million last year and €29.2 million in 2019 (4.8% incidence), in line with the progressive growth of capex.

Ebit at 31 December 2021 was € 77.0 million (margin of 10.8%), compared to the operating loss of € 14.8 million last year and the positive result of € 83.4 million (margin of 13.7%) in 2019.

The **result of financial operations** at 31 December 2021 was negative and equal to € 13.0 million, compared to € 19.0 million last year and € 14.2 million in 2019.

² The accounting effects related to the application of IFRS 16 are equal to €84,690 thousand referring to the item "Rent payable" and equal to €1,392 thousand referring to the item "Other operating costs/(revenues)"; the EBITDA excluding IFRS 16 at 31 December 2021 is therefore equal to €110,013 thousand.

³ These items refer to non-recurring revenues (recorded in "Other operating expenses/(revenues)") related to tax credits for Research and Development activities for the years 2016, 2017 and 2018 for a total amount of €5,202 thousand.

⁴ Amortisation including amortisation of usage rights amounted to €116.3 million at 31/12/21, compared to €104.3 million at 31/12/2020 and €86.3 million at 31/12/2019.



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Excluding the effects related to the application of IFRS 16 related to leasing contracts, the result of financial operations was negative and equal to €3.6 million at 31 December 2021, down compared to €5.8 million last year and €5.4 million at 31 December 2019.

The **Net Profit** was € 56.3 million at 31 December 2021, with a tax rate of 12.1%⁵ (excluding non-recurring events, the normalised tax rate at 31 December 2021 was 28.5%); at 31 December 2020 the Net Profit result was a negative € 32.1 million, while 2019 reported a positive Net Profit of €53.1⁶ million with a tax rate of 23.3%⁷.

Balance Sheet

Net working capital, including "Other net assets/liabilities"⁸ is € 142.2 million as of 31 December 2021, compared to € 186.7 million last year and € 155.1 million as of 31 December 2019.

Trade net working capital amounted to €169.4 million as of 31 December 2021, with a 23.8% incidence on sales, compared to €195.8 million as of 31 December 2020, a value strongly impacted by the pandemic and with a 36.0% incidence.

The dynamics of the trade net working capital also show an improvement compared to 2019, whose value was €174.0 million with a 28.6% incidence.

Inventory amounted to € 199.3 million at 31 December 2021 (28.0% incidence), down from € 208.3 million at 31 December 2020 and € 204.9 million at 31 December 2019.

Inventory performance shows the complete recovery of sales and shipping activities, the overcoming of the phase related to the lockdown period of 2020, and a further optimisation thanks to the important sell-outs.

This is in the presence of significant business development, new commercial initiatives, and the expansion of the digital channel activity.

Trade receivables amounted to € 72.8 million at 31 December 2021, compared to € 78.9 million last year, despite the increase in turnover.

The reduction was driven by the return to ordinary terms in the payment terms of all wholesale customers, after some extensions that had been granted in 2020 following the outbreak of the pandemic, on the basis of a relationship of extreme mutual cooperation consolidated over time.

Trade payables amounted to € 102.7 million, compared to € 91.4 million at 31 December 2020. In 2021, the timing of payments to its suppliers, collaborators and consultants remained unchanged, and purchases of raw materials were more concentrated in the second half of the year, compared to what happened in 2020.

⁵ Please note that the tax rate for this year mainly benefits from two phenomena of a non-recurring nature: recognition of deferred tax assets, for a total amount of approximately Euro 8.8 million, calculated on the balance sheet balance of the inventory write-down provision for the "Brunello Cucinelli for Humanity" project; tax effect relating to tax credits for Research and Development activities recognised by the Parent Company referring to the 2016, 2017 and 2018 financial years mentioned above and the recognition of which, not being subject to taxation, produces a positive tax effect of Euro 1.5 million.

⁶ The Net Income at 31 December 2019 included the tax benefits of the "Patent Box", which ended on 31 December 2019, with a total value for 2019 of €5.7 million.

⁷ Excluding the tax benefit related to the Patent Box, the normalised tax rate at 31 December 2019 is 30.9%.

⁸ "Other net assets/liabilities" were negative for €27.3 million at 31 December 2021, compared to €9.1 million at 31 December 2020, with dynamics essentially related to the valuation of *fair values* on derivative instruments hedging foreign exchange risk.



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Investments and Characteristic Financial Indebtedness

In 2021, our **investment plan** was **very important** and amounted to **€61.6 million**, higher than both the €51.6 million invested in 2020 and the €52.6 million invested in 2019: we have always wanted to keep the image of our Casa di Moda **modern** and **contemporary**.

Commercial investments, amounting to €45.9 million, compared to €39.6 million in 2020, were mainly allocated to the expansion of prestigious boutiques, the renovation of our showrooms, and the increase in sales spaces, while also supporting the opening of new Casa Cucinelli spaces, the development of the wholesale channel and the growth of dedicated areas in Luxury Department Stores.

We have also dedicated a great deal of attention to all other investments, amounting to €15.7 million compared to €12.0 million in 2020; these include **digital, technological and production/logistics investments**, which have always accompanied the company's growth and development process.

Digital investments have supported the constant updating of the technological fundamentals and the *user experience* of the ecommerce site, enabling it to cope very effectively with the increase in digital channel flows over the last two years, particularly through mobile devices.

Our solid corporate structure supported the significant multi-year investment plan; the generation of cash and excellent results in the management of net working capital therefore enabled the strong and important improvement in the **Characteristic Net Financial Debt⁹ of € 23,0 million** as at 31 December 2021, compared to €93.5 million as at 31 December 2020 and €30.1 million as at 31 December 2019.

⁹ Excludes financial payables for leases; therefore, the figure reported excludes the application of IFRS 16.



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Business Outlook

The first part of **2022** shows **very, very good results in both sales channels**.

The retail channel is sustained by the very positive **sell-outs** of the **Spring Summer 2022** men's and women's collections, with customer appreciation confirming the very positive feedback gathered during the presentation of the collections.

The **order collection** for the men's and women's **Autumn Winter 2022** collections has ended with **important results**.

In the wholesale channel, we are favourably impressed by the enthusiasm with which our **multi-brand partners** have evaluated the creativity expressed in the collections. At the same time, they have rewarded the reliability and planning of our company in their budget allocation choices, and we think they have made a strong selection in terms of brand strategy.

Clearly, the large order book for the Autumn Winter 2022 collections, and the **wonderful** feedback from customers and the international press, suggest that the direct boutiques will also have winter merchandise that is judged to be beautiful.

These elements reinforce the feeling that our **brand** is living a **very positive moment**, supported by the freshness of the product and the authority of the sustainability proposal in its environmental, economic, cultural and moral declination.

Major investments in 2021 have enabled us to **enrich our network**, and to make our company more modern, more effective, faster and even more respectful of all resources.

We expect to continue in this vein in the years to come, willingly accepting every innovation that research makes available to us, with the ultimate aim of **constantly elevating the image of our brand** and our Fashion House in every implementation.

The excellent sales figures for these first few weeks of **2022**, the significant quality of orders already in the pipeline for the second half of the year and the perceived attractiveness of our brand allow us to predict a **very important year for our industry**.

We therefore envisage in **2022**¹⁰ a growth of **around +12%**, the **rebalancing of margins** to our pre-pandemic normal levels, and an **improvement in Net Financial Debt**, confirming **significant investments**, in line with the multi-year planning as was the case in 2021.

With equal confidence we expect balanced **growth in 2023 of around +10%**.

The wonderful 2021 that we have concluded, the concreteness of our expectations for 2022 and 2023, and the path of healthy growth and sustainability that we expect in the coming years, allow us not **only to look with great confidence at the goal of doubling turnover, which we had initially planned for the 2019-2028 ten-year plan**, but also allow us to imagine that we can achieve it **as early as 2026**.

Conscious of our idea of **Humanistic Capitalism** and **Human Sustainability**, we will always try to keep our commitment to **Living in Harmony with Creation**, trying to make the **environmental** dimension coexist with the **economic, moral and cultural** one.

This is why, in line with our philosophy and our approach to doing business, we will continue to seek a **balance between profit and giving**, respecting the moral and economic dignity of the human being, be it our human resources, our artisan craft workshops, our suppliers of raw materials, a collaborator of our fashion house, or the end customer.

¹⁰ Our expectations take due account of the current situation in Russia. The potential effects on our sales are limited as our business in the region is mainly local and wholesale in nature. Deliveries of the Spring Summer 2022 collections have already been completed. Orders for the Fall Winter 2022 collections have already been fully collected and the first shipments are expected to start in June.



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Proposal for the Allocation of Net Income

The Board of Directors will propose at the next Shareholders' Meeting, which will be held in a single call on 27 April 2022, to approve the distribution of a dividend, relating to the 2021 financial year, equal to €0.42 per share (gross of any amounts to be withheld by law).

The dividend will be paid on 25 May 2022, with the share going ex-dividend on 23 May 2022 (detachment of coupon no. 8). The record date will be 24 May 2022.

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

The Company's Board of Directors approved the Report on Corporate Governance and Ownership Structure for the year 2021 and the Report on Remuneration Policy and Compensation Paid pursuant to Article 123-ter of Legislative Decree no. 58/1998.

In particular, the Board of Directors resolved, after receiving the favourable opinion of the Remuneration and Appointments Committee, to submit for examination and approval of the Shareholders' Meeting called, in a single call, for 27 April 2022, a new remuneration policy applicable to the financial years 2022, 2023 and 2024, which shall replace, with reference to the financial year 2022, the previous policy approved by the Shareholders' Meeting resolution of 21 May 2020.

Compensation plan based on financial instruments ("2022-2024 Stock Grant Plan") and plan for the purchase and disposal of treasury shares

The Company's Board of Directors, having received a favourable opinion from the Remuneration and Appointments Committee, approved a compensation plan based on financial instruments, the 2022-2024 Stock Grant Plan, pursuant to article 114 bis of Legislative Decree 58/1998 (TUF), which will be submitted for examination and approval by the Shareholders, convened, in a single call, at the Shareholders' Meeting on 27 April 2022.

The 2022-2024 Stock Grant Plan is based on the free assignment of Brunello Cucinelli S.p.A.'s ordinary shares to the Managing Directors of the Company as well as to additional beneficiaries to be identified by the Board of Directors from among the managers of the Brunello Cucinelli Group who hold strategically important positions or who are in any case able to make a significant contribution to commercial development and, in general, to the pursuit of the Group's strategic objectives.

The objective of the 2022-2024 Stock Grant Plan is to involve and incentivize its beneficiaries in the achievement of the Brunello Cucinelli Group's strategic objectives. The Plan is also aimed at fostering the loyalty of beneficiaries, providing an incentive for them to remain within the Brunello Cucinelli Group, and at aligning their interests with those of the Company and the shareholders over the period of the Plan, acknowledging their contribution to increasing the value of the Company. The Plan is an instrument for supplementing the fixed component of the beneficiaries' remuneration package with a variable component.

The Plan has a three-year duration and subordinates the assignment of the shares to the achievement by the beneficiaries of specific performance targets, determined by the Board of Directors and in any case connected with the creation of sustainable value for the shareholders and all the stakeholders, in line with the prospects and the strategic development plans of the Company and the Group.

For a detailed description of the resolution proposal for the adoption of the 2022-2024 Stock Grant Plan, of the beneficiaries and of the terms and conditions of the Plan, reference should be made to the information document prepared by the Board of Directors, which will be published pursuant to Article 84-bis of the Issuers' Regulations and Annex 3A to the Issuers' Regulations and made available to the public at the registered office and on the website www.investor.brunellocucinelli.com, in the "Corporate



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Governance" section, as well as in the other ways provided for by law and by the regulations in force, for the entire duration of the Plan.

In order to implement the 2022-2024 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 ordinary shares (buy back plan), in one or more tranches, in compliance with the procedures prescribed by the from time to time applicable EU and national laws and regulations.

The proposal provides for the authorisation to purchase, in one or more tranches, a maximum of 275,000 Brunello Cucinelli ordinary shares. The proposal also envisages that the authorisation to make the purchases will be granted for the period of 18 months starting from the date of approval by the Shareholders' Meeting of 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 treasury shares purchased 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 event, subject to compliance with the from time to time applicable regulations (and in particular of the Delegated Regulation EU no. 1052/2016) and of the admitted market practices (where applicable).

As of the date of approval of the 2022-2024 Stock Grant Plan, the Company does not hold any of its own shares and none of the companies it controls hold Brunello Cucinelli shares.

2021 Consolidated Non-Financial Statement

The Board of Directors also examined and approved the 2021 Consolidated Non-Financial Statement, prepared as a report separate from the Financial Statements in accordance with the requirements of Legislative Decree No. 254/2016 on the communication of non-financial information.

This statement contains information relating to the company's activity, its performance, its results and the effect produced by such, in connection with environmental matters, social matters, employee-related matters, respect for human rights and combatting corruption. The 2021 Consolidated Non-Financial Statement will be published within the time limits laid down by law.

Updating of the organisation and control model pursuant to Legislative Decree 231/2001

The Board of Directors, in the light of the progressive increase in the number of predicate offences and the development of case law on the subject, has approved the new organisational model of management and control, both in relation to the General Section and the Special Section.



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Convening the General Meeting

The Board of Directors resolved to call the Shareholders' Meeting for 27 April 2022 in a single call to approve the financial statements as at 31 December 2021, to allocate the profit for the year and to resolve on the Report on remuneration policy and compensation paid, to approve the "2022-2024 Stock Grant Plan" and to authorise the purchase and disposal of its own shares to service the Stock Grant Plan.

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

Documentation

The 2021 Annual Financial Report (together with the Report of the Board of Statutory Auditors and the Report of the External Auditors), the 2021 Report on Corporate Governance and Ownership Structure, the Report on the policy regarding remuneration and compensation paid, the 2021 Consolidated Non-Financial Statement, the illustrative information document of the 2022-2024 Stock Grant Plan and the illustrative reports prepared by the directors on the matters on the agenda (also approved at today's meeting of the Board of Directors) will be made available to the public within the time limits and by the means laid down by current law at the Company's registered office in Corciano, Solomeo (PG), Italy, on the "eMarket Storage" system (www.emarketstorage.com) and in the specific sections of the Company's website (<http://investor.brunellocucinelli.com>).

Pursuant to and in accordance with article 154-bis, paragraph 2 of Italian Legislative Decree no. 58 of 1998, the financial reporting officer, Moreno Ciarapica, declares that the disclosures included in this press release correspond to the documented results and the accounting records and entries. The PDF of the Analyst Presentation of the results as at 31 December 2021 can be consulted on the website at <http://investor.brunellocucinelli.com/ita/presentazioni/>. The figures in this press release refer to the 2021 consolidated financial statements.

This document (and in particular the section "Business Outlook") contains forward-looking statements on future events regarding the Brunello Cucinelli Group and its operating, economic and financial results. By their very nature, these forecasts contain an element of risk and uncertainty as they depend on the occurrence of future events and developments.

The 2021 consolidated financial statements and draft statutory financial statements are currently subject to auditing that has not yet been completed at today's date. The 2021 Consolidated Non-financial Statement is in turn subject to an audit by the auditors in accordance with article 3, paragraph 10 of Italian Legislative Decree no. 254/2016.



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Brunello Cucinelli S.p.A. is an Italian Casa di Moda that produces luxury goods. It was founded in 1978 by the fashion designer and entrepreneur of the same name and is listed on the Italian Electronic Stock Exchange. The Company has always been **rooted in the medieval hamlet of Solomeo** and it is considered an authentic expression of the concept of "Humanistic Capitalism" since it can match constant, sound growth with an entrepreneurial philosophy addressing the major issues of **Harmony with Creation** and **Human Sustainability**.

Specialised in cashmere, the **brand** is currently believed to be **one of the most exclusive brands in the chic prêt-à-porter sector**, an expression of everyday lifestyle worldwide. The combination of **modernity** and **craftsmanship, elegance** and **creativity**, and **passion** and **human values** make Brunello Cucinelli one of the world's most exclusive and admired **ambassadors of Italian style**. In fact, the brand authentically expresses the values of **tailoring** and **craftsmanship** typical of products **Made in Italy** and the territory of the Umbria region in particular, combined with a focus on **innovation** and **contemporary style**.

Through **healthy, balanced** and **sustainable growth**, the company's main goal is to earn profits with **ethics, morality** and **dignity**, respecting the moral and economic dignity of the over 2,100 directly employed Human Resources and all those who work with them.

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Corporate website: www.brunellocucinelli.com



BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>related parties</i>
Non-current assets				
Goodwill	7,045		7,045	
Right of use	504,968	4,677	470,197	5,193
Intangible assets	13,070		12,136	
Property, plant and equipment	166,033	12,517	150,254	17,487
Investment property	6,593		4,179	
Non-current financial assets for leases	3,886		402	
Other non-current financial assets	13,538	32	11,039	32
Deferred tax asset	49,546		35,368	
Non-current derivative financial assets	125		-	
Total non-current assets	764,804		690,620	
Current assets				
Inventories	199,266		208,347	
Trade receivables	72,809	52	78,871	51
Tax receivables	1,735		3,871	
Other receivables and other current assets	29,010		20,068	
Current financial assets for leases	2,633		173	
Other current financial assets	80		11	
Cash and cash equivalents	98,003		72,834	
Current derivative financial instruments	161		4,935	
Total current assets	403,697		389,110	
Total assets	1,168,501		1,079,730	

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>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	
Reserves	191,304		220,670	
Net income for the period	53,322		(33,216)	
Total shareholders' equity attributable to owners of the parent	316,141		258,969	
Shareholders' equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests	3,286		988	
Net income for the period attributable to non-controlling interests	2,973		1,147	
Total shareholders' equity attributable to non-controlling interests	6,259		2,135	
Total shareholders' equity	322,400		261,104	
Non-current liabilities				
Employees termination indemnities	3,044		3,108	
Provisions for risks and charges	2,400		937	
Non-current payables towards banks	73,676		60,133	
Financial liabilities for non-current leases	469,753	4,595	436,956	5,115
Other Financial liabilities	1,178		-	
Other non-current liabilities	788		60	
Deferred Tax liabilities	8,575		6,402	
Non-current derivative financial instruments liabilities	-		217	
Total non-current liabilities	559,414		507,813	
Current liabilities				
Trade payables	102,654	621	91,412	550
Current payables towards banks	43,375		105,007	
Financial liabilities for current leases	79,610	541	75,412	516
Current financial liabilities	2,649		799	
Income tax payables	12,242		2,621	
Other current liabilities	39,203	717	35,071	2,552
Current derivative financial instruments	6,954		491	
Total current liabilities	286,687		310,813	
Total liabilities	846,101		818,626	
Total equity and liabilities	1,168,501		1,079,730	



BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>related parties</i>
Revenues	712,179	5	544,013	7
Costs of raw materials and consumables	(113,610)	(116)	(53,725)	(56)
Costs for services	(271,084)	(3,929)	(243,296)	(2,202)
Payroll costs	(132,948)	(2,119)	(119,569)	(1,390)
Other operating expenses	(9,813)		(8,902)	
Other operating income	10,054	43	2,772	40
Costs capitalized	3,445		3,258	
Depreciation and amortization	(116,275)		(104,284)	
Impairment of assets and other accruals	(4,912)		(35,085)	
Total operating costs	(635,143)		(558,831)	
Operating Income	77,036		(14,818)	
Financial expenses	(34,908)		(46,956)	
Financial income	21,898		27,992	
Income before taxation	64,026		(33,782)	
Income taxes	(7,731)		1,713	
Net income for the period	56,295		(32,069)	
Net income for the period attributable to owners of the parent	53,322		(33,216)	
Net income for the period attributable to non-controlling interests	2,973		1,147	
Base earnings per share	0.78415		(0,48847)	
Diluted earnings per share	0.78415		(0,48847)	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December 31, 2021	December 31, 2020
Net income for the period (A)	56,295	(32,069)
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	4,986	(5,127)
Cash flow hedge	(6,719)	3,626
Tax effect	1,612	(870)
Effect of changes in cash flow hedge reserve	(5,107)	2,756
Translation differences on foreign financial statements	7,026	(5,879)
Profit / (Losses) on net investment in a foreign operation	4,035	(2,637)
Tax effect	(968)	633
Other items of comprehensive income that will not later be reclassified on the income statement:	(48)	15
Remeasurement of defined benefit plans (IAS 19)	(63)	20
Tax effect	15	(5)
Total other comprehensive income, net of tax (B)	4,938	(5,112)
Total comprehensive income net of tax (A) + (B)	61,233	(37,181)
<i>Attributable to:</i>		
Shareholders of parent company	58,118	(38,311)
Non-controlling interests	3,115	1,130



BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	December 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	56,295	(32,069)
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	7,731	(1,713)
Depreciation and amortization	116,275	104,284
Provisions for employees termination indemnities	79	82
Provisions for risks and charges / inventory obsolescence / doubtful accounts	4,928	35,033
Change in other non-current liabilities	728	(183)
(Gain)/Loss on disposal of Fixed assets	(79)	41
Write-down of equity investments	-	583
Other non-monetary items IFRS 16	(568)	227
Interest expense	1,452	2,215
Interest on lease liabilities	10,578	10,705
Interest income	(18)	(28)
Interest on lease activities	(18)	(17)
Termination indemnities payments	(204)	(133)
Payments of Provisions for risks and charges	(681)	(927)
Net change in deferred tax assets and liabilities	(10,716)	(6,897)
Change in fair value of financial instruments	4,175	(4,070)
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	6,603	(22,916)
Change in inventories	18,234	(44,477)
Change in trade payables	5,522	9,392
Interest expense paid	(1,518)	(2,118)
Interest on the lease liabilities paid	(10,578)	(10,705)
Interest income cashed	18	28
Interest on lease activities cashed	18	17
Income tax paid	(7,781)	(9,107)
Change in other current assets and liabilities	7,701	9,215
Net cash provided by/(used in) operating activities (A)	208,176	36,462
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(42,786)	(39,754)
Additions to intangible assets	(10,705)	(7,434)
Additions/(disposals) of financial assets	(1,817)	(2,814)
Additions to investment property	(2,472)	(1,432)
Investment/Disinvestments in financial assets held for trading	-	9,120
Acquisition of Brunello Cucinelli Middle East, net of cash acquired	(1,669)	-
Proceeds from disposal of property, plant and equipment	1,096	1,254
Net cash provided by/(used in) investing activities (B)	(58,353)	(41,060)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	62,000	151,729
Repayment of medium/long-term loans	(116,784)	(36,456)
Net change in short-term financial debt	8,340	(52,576)
Net change in long-term financial debt	1,133	-
Repayment of lease liabilities	(83,989)	(50,630)
Receipts of financial assets for leasing	1,918	255
Dividends paid	-	(1,076)
Share capital and reserves increase	-	22
Net cash provided by/(used in) financing activities (C)	(127,382)	11,268
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	22,441	6,670
Effect of exchange rate changes on cash and cash equivalents (E)	2,728	(2,768)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	72,834	68,932
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	98,003	72,834



BRUNELLO CUCINELLI

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>related parties</i>
Non-current assets				
Right of use	57,847	4,677	54,433	5,193
Intangible assets	12,298		11,273	
Property, plant and equipment	71,279	6,960	72,460	12,526
Investment property	9,268		7,903	
Non-current financial assets for leases	402		402	
Other non-current financial assets	241,670	126,564	225,666	113,435
Deferred tax asset	10,047		2,882	
Non-current derivative financial assets	125		-	
Total non-current assets	402,936		375,019	
Current assets				
Inventories	111,152		116,291	
Trade receivables	108,206	63,332	148,589	95,743
Tax receivables	-		1,373	
Other receivables and other current assets	22,848	6,150	13,557	297
Current financial assets for leases	199		173	
Other current financial assets	2,322	2,242	1,237	1,226
Cash and cash equivalents	47,381		30,025	
Current derivative financial instruments	161		4,935	
Total current assets	292,269		316,180	
Total assets	695,205		691,199	

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>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	
Reserves	235,809		266,814	
Net income for the period	60,980		(25,868)	
Total shareholders' equity	368,304		312,461	
Non-current liabilities				
Employees termination indemnities	1,878		1,992	
Provisions for risks and charges	1,808		445	
Non-current payables towards banks	73,676		60,133	
Financial liabilities for non-current leases	51,790	4,595	51,167	5,115
Other Financial liabilities	-		-	
Other non-current liabilities	121		60	
Deferred Tax liabilities	448		1,074	
Non-current derivative financial instruments liabilities	-		217	
Total non-current liabilities	129,721		115,088	
Current liabilities				
Trade payables	95,925	6,128	87,516	10,499
Current payables towards banks	43,375		105,006	
Financial liabilities for current leases	8,275	541	8,193	516
Current financial liabilities	-		799	
Income tax payables	10,111		375	
Other current liabilities	32,540	14,427	61,270	43,109
Current derivative financial instruments	6,954		491	
Total current liabilities	197,180		263,650	
Total liabilities	326,901		378,738	
Total equity and liabilities	695,205		691,199	



BRUNELLO CUCINELLI

INCOME STATEMENT AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	<i>related parties</i>	December 31, 2020	<i>related parties</i>
Revenues	468,851	236,920	420,662	215,853
Costs of raw materials and consumables	(108,022)	(9,772)	(79,382)	(10,630)
Costs for services	(197,080)	(10,255)	(190,522)	(10,189)
Payroll costs	(66,852)	(2,119)	(64,766)	(1,390)
Other operating expenses	(17,575)	(13,710)	(44,062)	
Other operating income	13,115	6,594	1,711	513
Costs capitalized	910		1,055	
Depreciation and amortization	(21,663)		(20,638)	
Impairment of assets and other accruals	(3,950)		(35,278)	
Total operating costs	(401,117)		(431,882)	
Operating Income	67,734		(11,220)	
Financial expenses	(26,631)	(151)	(40,330)	(165)
Financial income	28,643	2,295	28,702	1,827
Income before taxation	69,746		(22,848)	
Income taxes	(8,766)		(3,020)	
Net income for the period	60,980		(25,868)	

STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December 31, 2021	December 31, 2020
Net income for the period (A)	60,980	(25,868)
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	(5,107)	2,756
Cash flow hedge	(6,719)	3,626
Tax effect	1,612	(870)
Effect of changes in cash flow hedge reserve	(5,107)	2,756
Translation differences on foreign financial statements	-	-
Profit / (Losses) on net investment in a foreign operation	-	-
Tax effect	-	-
Other items of comprehensive income that will not later be reclassified on the income statement:	(31)	13
Remeasurement of defined benefit plans (IAS 19)	(41)	17
Tax effect	10	(4)
Total other comprehensive income, net of tax (B)	(5,138)	2,769
Total comprehensive income net of tax (A) + (B)	55,842	(23,099)



BRUNELLO CUCINELLI

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2021

<i>(Euro/000)</i>	December 31, 2021	December 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	60,980	(25,868)
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	8,766	3,020
Depreciation and amortization	21,663	20,638
Provisions for employees termination indemnities	-	-
Provisions for risks and charges / inventory obsolescence / doubtful accounts	3,966	35,226
Change in other non-current liabilities	61	60
(Gain)/Loss on disposal of Fixed assets	33	41
Write-down of equity investments	(157)	1,759
Writedown of financial receivables Group companies	-	1,211
(Profit) / Loss on exchange rates on transactions for the conversion of financial receivables to shareholders' equity of Group companies	-	831
Other non-monetary items IFRS 16	400	(338)
Interest expense	1,396	2,183
Interest on lease liabilities	1,345	1,470
Interest income	(2)	(9)
Interest on lease activities	(12)	(17)
Interest income on financial receivables from Group companies	(2,295)	(1,825)
Termination indemnities payments	(155)	(59)
Payments of Provisions for risks and charges	(664)	(825)
Net change in deferred tax assets and liabilities	(6,169)	(1,452)
Change in fair value of financial instruments	4,176	(4,070)
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	40,574	8,679
Change in inventories	5,139	(21,103)
Change in trade payables	8,102	4,283
Interest expense paid	(1,501)	(2,088)
Interest on the lease liabilities paid	(1,345)	(1,470)
Interest income cashed	2	9
Interest on lease activities cashed	12	17
Income tax paid	(3,568)	(6,807)
Change in other current assets and liabilities	(31,904)	38,524
Net cash provided by/(used in) operating activities (A)	108,843	52,020
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(7,385)	(8,074)
Additions to intangible assets	(7,448)	(4,633)
Additions/(disposals) of financial assets	(13,449)	(106,915)
Additions to investment property	(2,472)	(1,443)
Investment/Disinvestments in financial assets held for trading	-	9,120
Repayment of medium / long-term loans from Group companies	3,556	2,449
Proceeds from disposal of property, plant and equipment	54	588
Net cash provided by/(used in) investing activities (B)	(27,144)	(108,908)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	62,000	151,729
Repayment of medium/long-term loans	(116,784)	(36,456)
Net change in short-term financial debt	5,721	(52,577)
Net change in long-term financial debt	-	-
Repayment of lease liabilities	(9,969)	(6,513)
Receipts of financial assets for leasing	227	235
Dividends paid	-	-
Share capital and reserves increase	-	-
Net cash provided by/(used in) financing activities (C)	(58,805)	56,418
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	22,894	(470)
Effect of exchange rate changes on cash and cash equivalents (E)	(5,538)	2,433
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	30,025	28,062
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	47,381	30,025

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