



BRUNELLO CUCINELLI



9 Months 2015 Results

November 10th, 2015

9 Months 2015 Results - Highlights

Results confirm and support sustainability of sales growth and healthy profitability, consistent with the prêt-à-porter top-quality proposal, expression of Made in Italy craftsmanship, respecting constantly both a moral and economic nature being shown for such artisan craftwork and the end customer

✓ Net Revenues (€317.6mln) +14.5%* ** Performance at current exchange rates*

- ✓ International markets in expansion by 17.9% (North America +25.4%, Europe +6.8%, Greater China +18.3%, Rest of the World +33.6%); Italian market +1.9%;
- ✓ Retail monobrand +34.5%, wholesale monobrand +0.9% (+3.7% excluding conversions to the direct channel), wholesale multibrand +3.4%.

✓ EBITDA (€53.9mln) +12.1%** *** Compared with 9M 14 EBITDA Adjusted*

✓ Net Profit (€25.7mln) +1.2%*** **** Compared with 9M 14 Net Profit Adjusted*

✓ Investment Plan: €32.4mln in 9M 2015 (€31.1mln in 9M 2014)

✓ Net Debt at €83.7mln (€49.5mln as of 09/30/14)



AW 15 – Women's Collection

Boutiques Network Highlights

116 Monobrand Stores (104 Monobrand Stores as of 09/30/14 and 105 boutiques as of 01/01/15), including one openings (Ginza, Tokyo) in the last 3 months

78 DOS network

(vs. 70 boutiques as of Sept. '14; 71 boutiques as of 01/01/15)

10 net openings over the last 12 months

2 conversions - to wholesale Monobrand Network – of boutiques located in 2nd Tier city in the domestic market

38 Wholesale Monobrand

(vs. 34 boutiques as of June '14; 34 boutiques as of 01/01/15)

2 net openings over the last 12 months

2 conversions from DOS Network



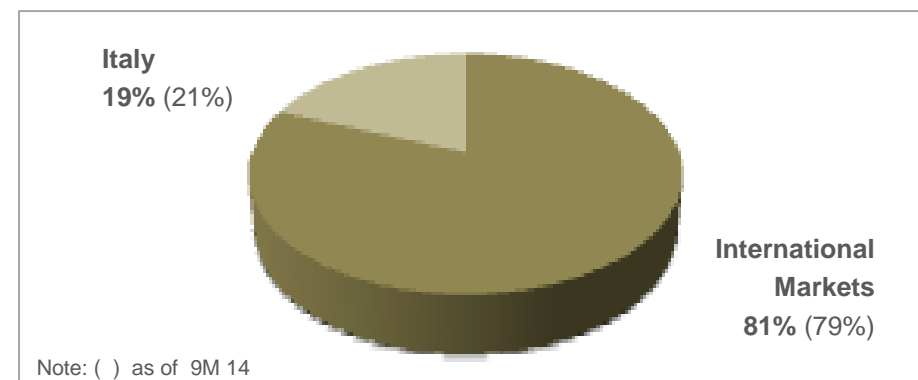
AW 15 – Men's Collection

Revenues by Region

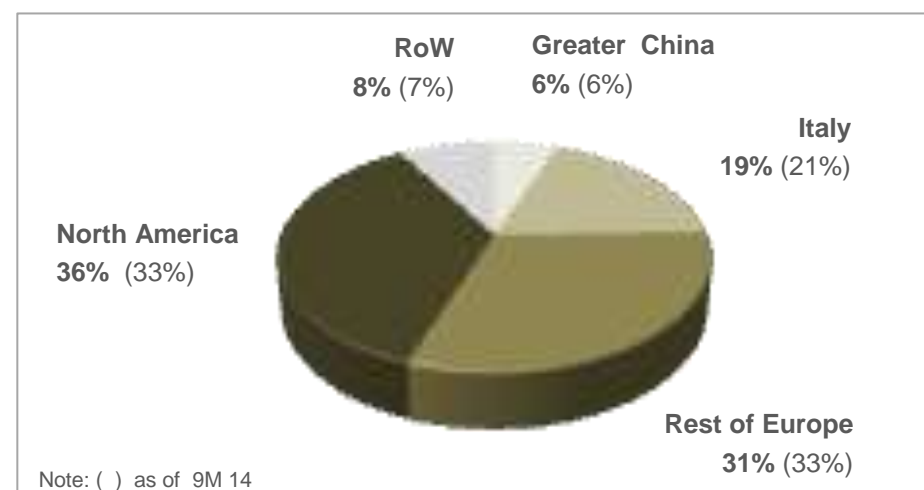
€ mln

	9M 14	9M 15	YoY % Chg
Net Revenues	277.3	317.6	+14.5%
			+9.4% <i>Constant exchange rates</i>
International Markets	218.6	257.7	+17.9%
North America	91.1	114.3	+25.4%
Rest of Europe	91.9	98.2	+6.8%
Greater China	15.3	18.1	+18.3%
RoW	20.3	27.2	+33.6%
Italy	58.8	59.9	+1.9%

International Markets revenues



Breakdown by countries



Highlights by Region

North America

- Positive growth in DOS channel, supported by existing boutiques and 3 openings in the last 12 months
- Increasing of demand by Luxury Department Stores, with new additional prestigious selling spaces dedicated to the brand
- Increase driven by both local demand as well as high end tourism

Greater China

- Increasing driven positive results in Mainland China as well as other countries counted in Greater China (included Hong Hong)
- Group's exclusive presence and sophisticated top-end customers supporting the growth, with local customers less susceptible to market volatility and macro-economic changes

Italy

- Results supported by significant top-end tourist flows towards the most exclusive locations and top-end luxury multibrand stores
- Tourists flow driven by presence of Asian and Middle-East clients
- Increasing purchases by local customers

Rest of Europe

- Sales increase in existing spaces and positive performances of the 5 selected openings of 2015
- Sound results supported by local demand and top-end tourist flows
- Solid results in all macro-areas, including Mediterranean Area, Continental Europe, Eastern European Countries and Russia/ex USSR

Rest of the World

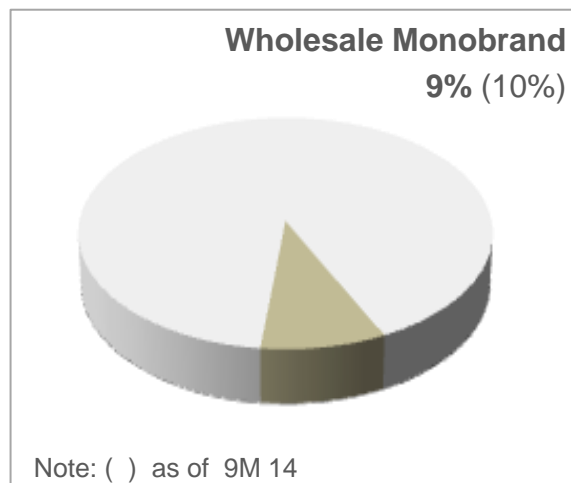
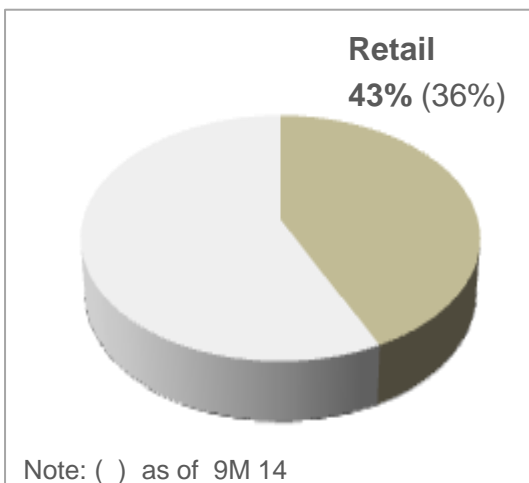
- Results affected by conversion of the business in Japan to retail management from 1st Sept. '14
- New important opening in Tokyo/Ginza in September 2015.
- Monobrand Network includes 13 boutiques as of September 30th 2015, compared with 11 boutiques as of September 30th 2014



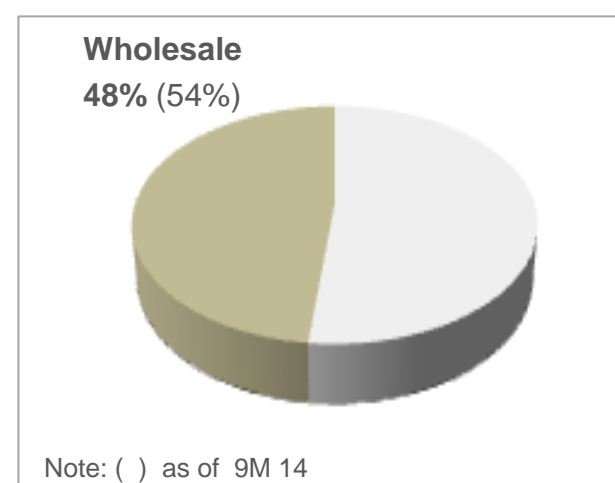
Revenues by Distribution Channel

€ mln

Monobrand



Multibrand



	9M 14	9M 15	% Chg
Retail Monobrand	101.0	135.8	+34.5%
Wholesale Monobrand*	28.0	28.2	+0.9%
*Adjusted Wholesale Monobrand			+3.7%

	9M 14	9M 15	% Chg
Wholesale Multibrand	148.4	153.5	+3.4%**

* Whl. Monobrand performance excluding the conversions to the direct channel of 3 boutiques in Japan, from 1st September 2014

** Trend affected by the conversion to the retail channel of 13 dedicated spaces in the Japanese Luxury Department Stores, from 1st September 14

Monobrand Channel



Retail Monobrand – Revenues drivers

- ✓ +5.3% LFL* performance in the first 44 weeks of 2015
- ✓ Retail network with 78 boutiques as of September '15 (70 boutiques as of September 30th 2014 and 71 boutiques as of January 1st 2015)
- ✓ 10 monobrand boutiques openings in the last 12 months and 2 conversions to Wholesale Monobrand
- ✓ Positive impact from 13 hard-shop Luxury Dept. Store conversions in Japan since September 1st 2014

Wholesale Monobrand – Revenues drivers

- ✓ Positive performance in the existing network
- ✓ Wholesale Monobrand network with 38 boutiques as of September '15 (34 boutiques as of September '14 and 34 boutiques as of 01 January 2015)
- ✓ 2 monobrand boutique openings in the last 12 months and 2 conversions from Retail Monobrand
- ✓ Sales increased +3.7% excluding the conversions to the direct channel

* Like-for-Like rate is calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of January 1st, 2014

Selective Monobrand Boutiques Openings

Some of selected monobrand boutiques openings in the last 12 months (September '14 – September '15)



New York Soho – DOS opening in March '15



Paris Rue Francois 1er – DOS opening in March '15



Montecarlo – DOS opening in April '15



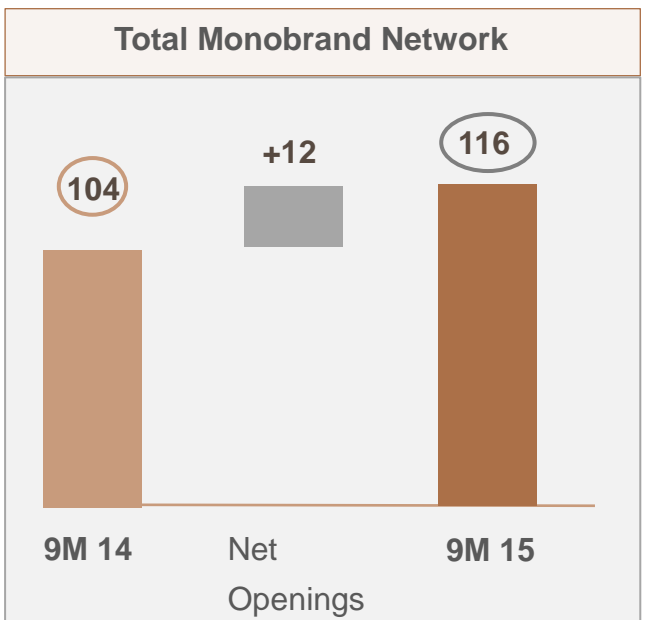
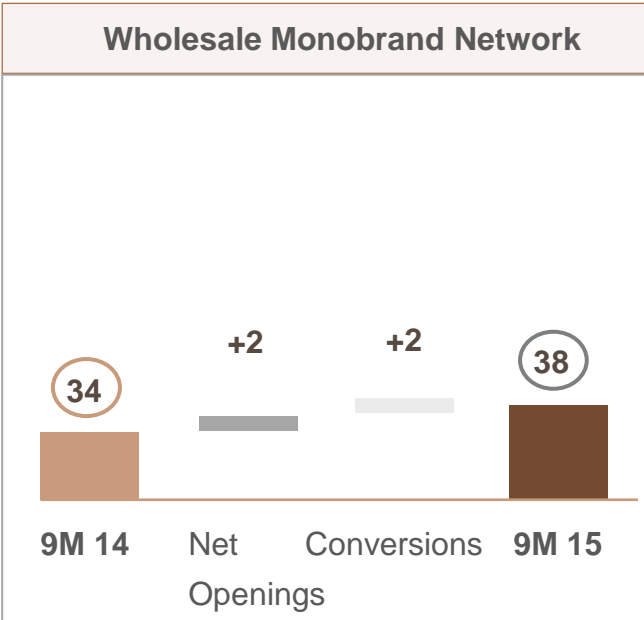
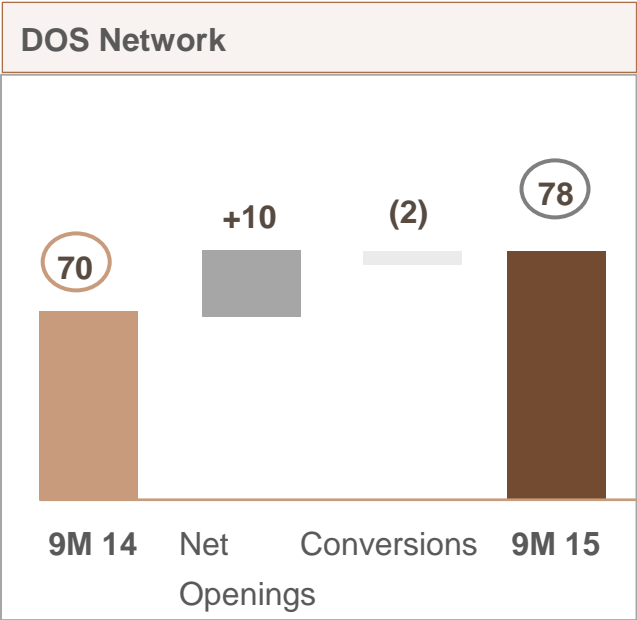
Dusseldorf – DOS openings in May '15



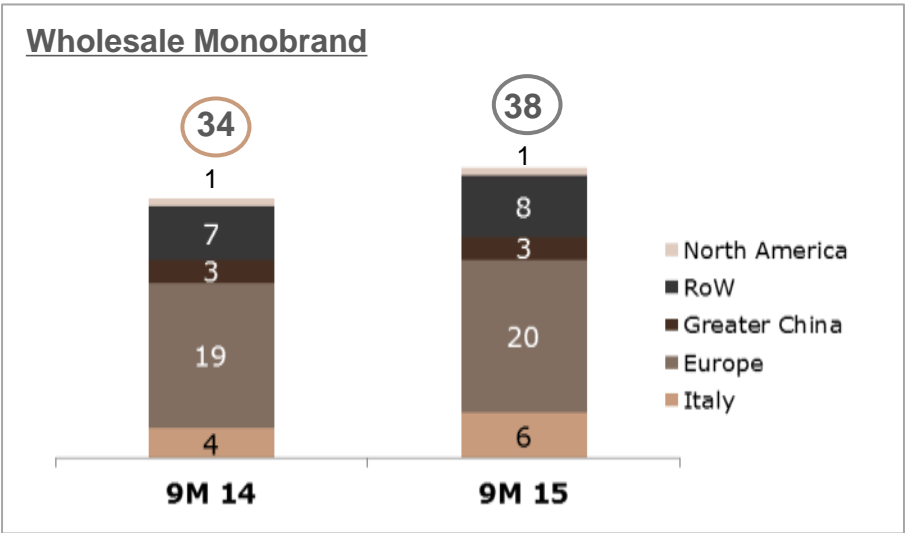
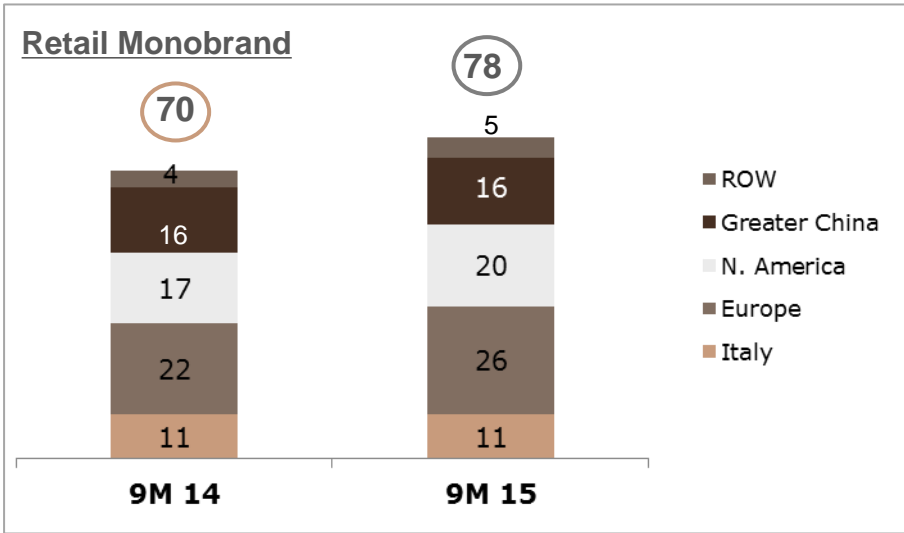
Tokyo Ginza
DOS opening in Sept. '15



Boutiques Network (from 09/30/14 to 09/30/15)

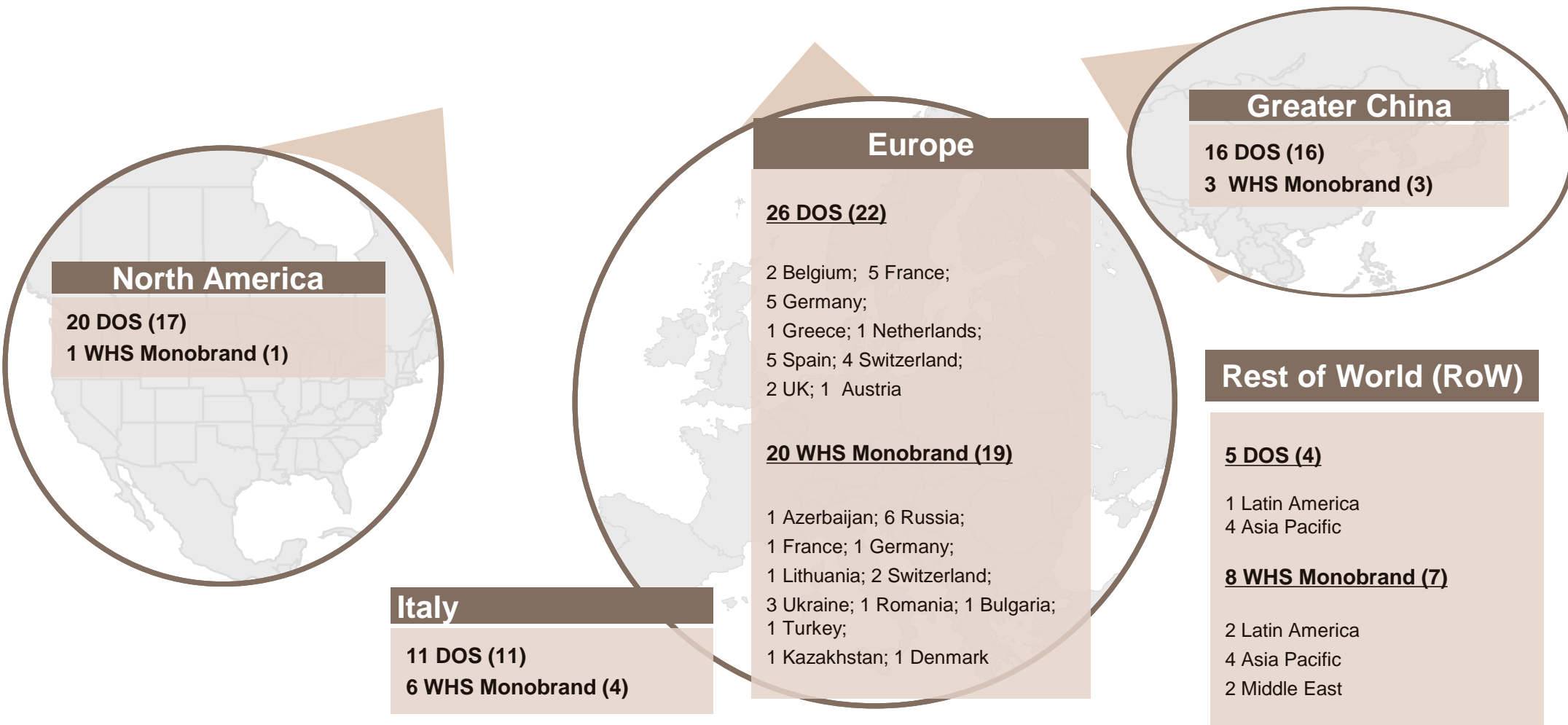


Network by Countries



Monobrand Boutiques Network as of 09/30/15

Note: () as of 09/30/14



Multibrand Channel



- Increasing demand for exclusive prêt-à-porter offer
- Growing offer by Luxury Department Stores to top-end customers
- Increasing prestigious selling spaces Dedicated to “Brunello Cucinelli” brand

- Autumn/Winter 15 collections showing positive sell-out results
- Very positive feedback received from experts and international press about SS 16 collections as well as the trend reported in orders collected

- Increasing sales both in the most exclusive spaces of Luxury Department Stores and in the prestigious multibrand boutiques

Income Statement

€ mln

	9M 2014	9M 2015	% Chg
Net Revenues	277.3	317.6	+ 14.5%
Other operating income	1.4	0.5	- 67.3%
Revenues	278.7	318.0	+ 14.1%
First Margin	167.6	202.6	+ 20.9%
%	60.1%	63.7%	+ 360 b.p.
SG&A	-118.8	-148.7	+ 25.2%
%	42.6%	46.8%	+ 410 b.p.
EBITDA	48.8	53.9	+ 10.4%
%	17.5%	16.9%	- 60 b.p.
D&A	-9.5	-13.7	+ 44.6%
%	3.4%	4.3%	+ 90 b.p.
EBIT	39.4	40.2	+ 2.2%
%	14.1%	12.6%	- 150 b.p.
Income before taxation	37.4	36.8	- 1.6%
Net Income	25.9	25.7	- 0.8%
%	9.3%	8.1%	- 120 b.p.

	9M 14 adj.*	9M 15	% Chg
Net Revenues	277.3	317.6	+ 14.5%
Other operating income	0.6	0.5	- 27.6%
Revenues	278.0	318.0	+ 14.4%
First Margin	166.9	202.6	+ 21.4%
%	60.0%	63.7%	+ 370 b.p.
SG&A	-118.8	-148.7	+ 25.2%
%	42.7%	46.8%	+ 410 b.p.
EBITDA	48.0	53.9	+ 12.1%
%	17.3%	16.9%	- 40 b.p.
D&A	-9.5	-13.7	+ 44.6%
%	3.4%	4.3%	+ 90 b.p.
EBIT	38.6	40.2	+ 4.2%
%	13.9%	12.6%	- 120 b.p.
Income before taxation	36.6	36.8	+ 0.4%
Net Income	25.4	25.7	+ 1.2%
%	9.1%	8.1%	- 110 b.p.

* 9M 14 Adjusted
calculated excluding
a capital gain of
€0,76mIn related to
the sale of
non-strategic
industrial building

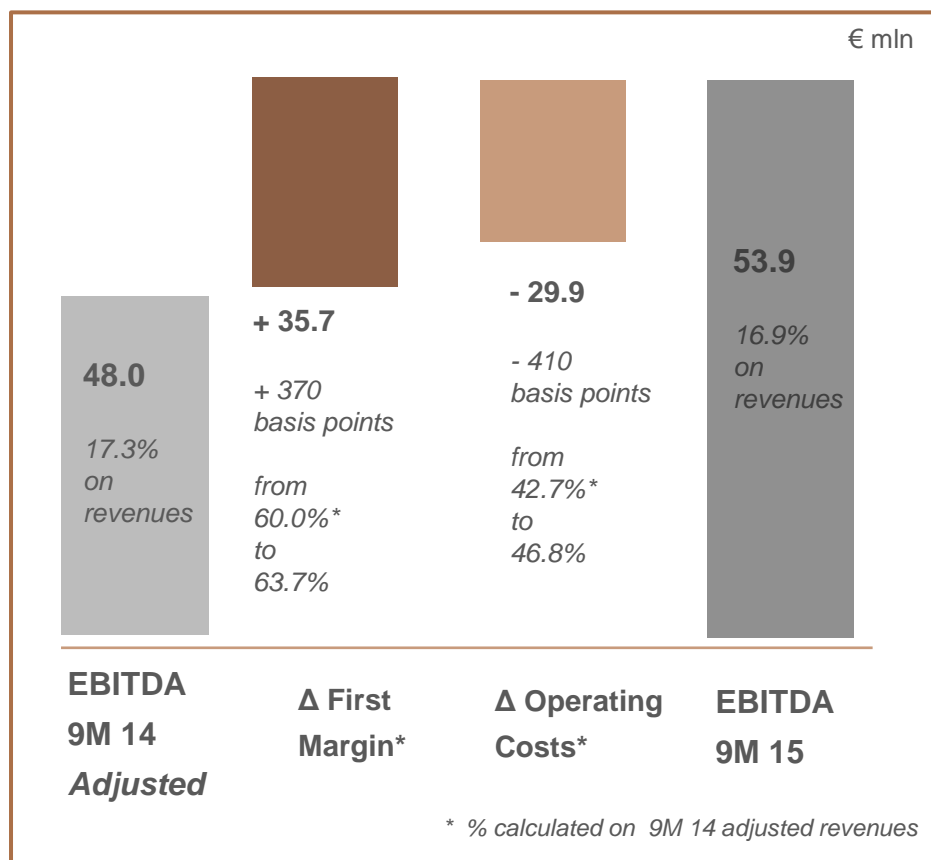
Group's quarterly results are impacted by seasonal effects, typical of our industry, and therefore cannot be projected as full year trend

-First Margin includes raw material consumptions, third party manufacturing and R&D costs

EBITDA & Key Income Statement Analysis

€ mln

EBITDA Adjusted Analysis



Depreciation & Amortization

9M 14	3.4% on sales	- 9.5
9M 15	4.3% on sales	- 13.7

Financial Expenses

9M 14		- 2.0
9M 15		- 3.4

Taxes

9M 14	Tax Rate 30.7%	- 11.5
9M 15	Tax Rate 30.1%	- 11.0

Increase in First Margin driven by channel mix, with retail sales moving up from 36.4% to 42.8% on total revenues

Increase in operating costs it's structural to the business, growth network development, business conversion in Japan and renewal of some expiring leasing contracts, and affected by currency impact

Operating Costs

€ mln

Business development led to an increase in operating costs, also affected by currency

Personnel cost

from 16.0%* to 16.9% (+90 bp)

Rent cost

from 7.3%* to 10.9% (+360 bp)

Network Development

- Boutiques openings (+10)
- Japanese business conversion since Sept. 1st 14 (3 boutiques and 13 hard shop conversion)

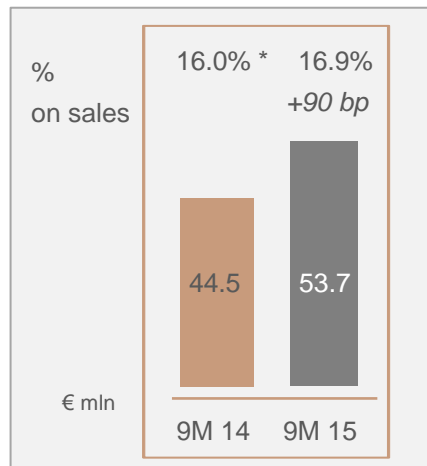
Business conversion in Japan

- Boutique and hard shop network
- Organizational structure
- New showroom

Renewal of some expiring lease contracts in the last 12 months

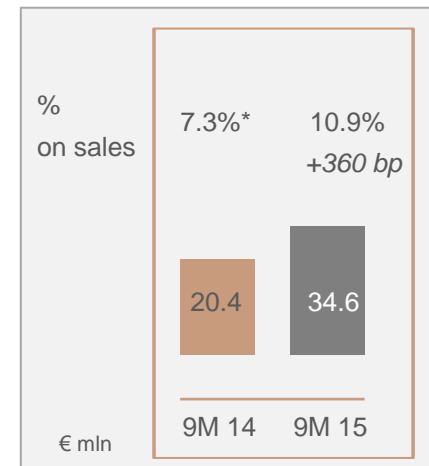
Increasing selling spaces for selected boutiques and relocation

Personnel cost

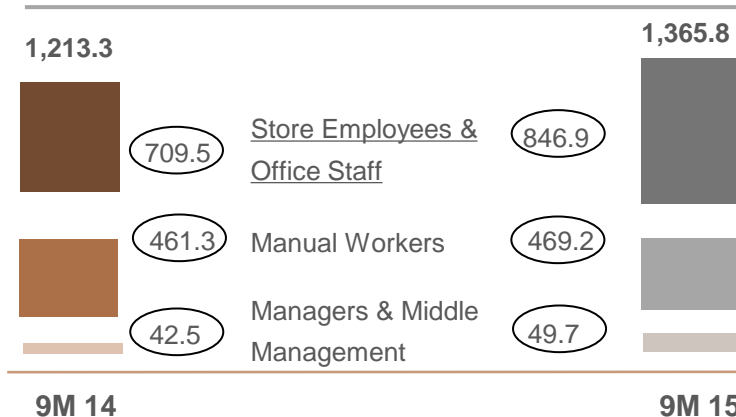


* % calculated on 1H 14 adjusted revenues

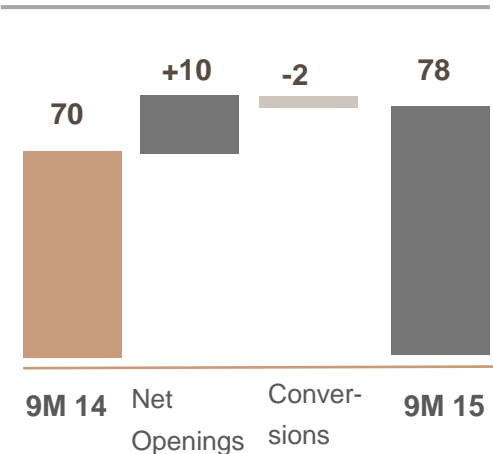
Rent cost



Average FTE - Workforce Analysis



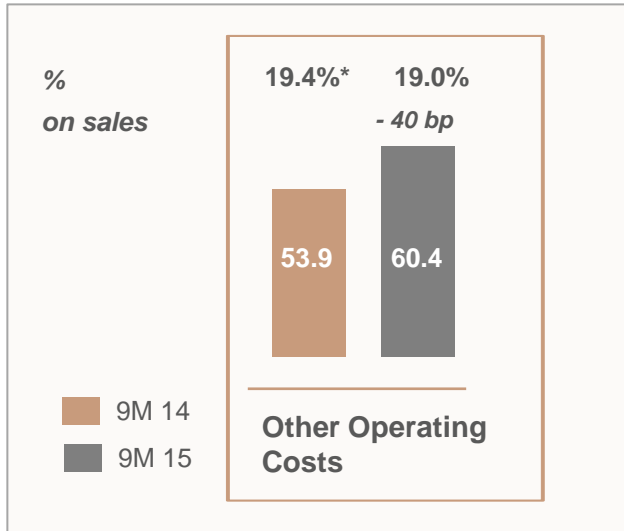
DOS Network – from 09/30/14 to 09/30/15



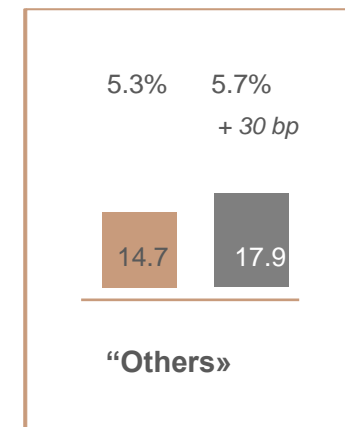
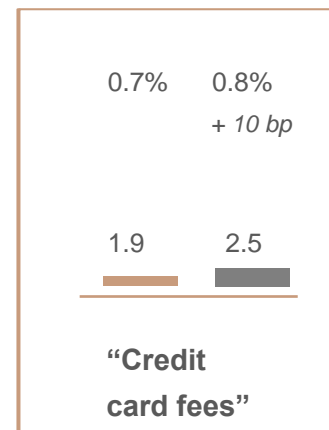
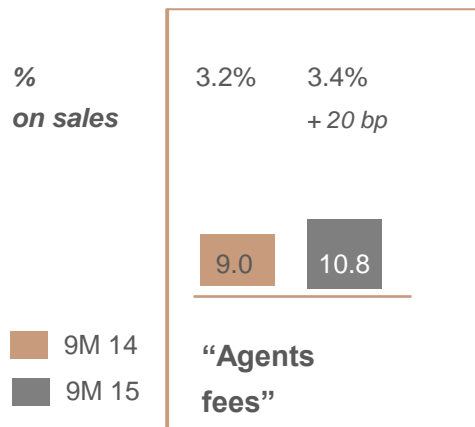
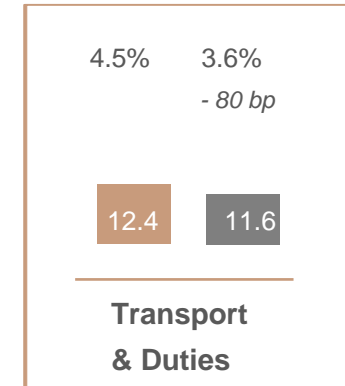
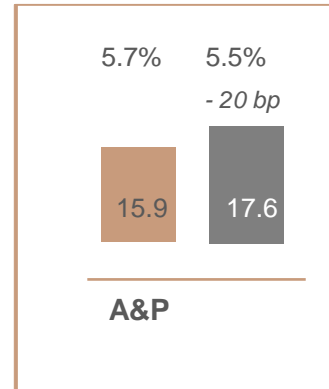
Other Operating Costs

€ mln

Other Operating Costs: decreasing % on sales (-40 basis points, from 19.4% to 19.0%)



* % calculated on
9M 14 adjusted revenues



Net Working Capital

€ mln

	9M 14	9M 15	delta	FY 14
Net Working Capital	102.4	135.10	32.7	97.5
- Trade Receivables	66.6	73.3	6.7	45.1
- Inventories	102.9	132.5	29.6	125.1
- Trade Payables	-49.5	-49.6	-0.1	-62.2
- Other Credits/(Debts)	-17.7	-21.2	-3.5	-10.5

Inventory

DOS Network increase
from 70 to 78 boutiques
(10 net openings and 2
conversions to whl.
monobrand network)

Japan
Business Conversion
from whl. monobrand and
multibrand channel to Retail
mgnt

Trade Receivables & Payables

Trade Receivables
increase related to
commercial business
development and
currency trend

Other Debts*

* Move to slide 21 for
some more comments

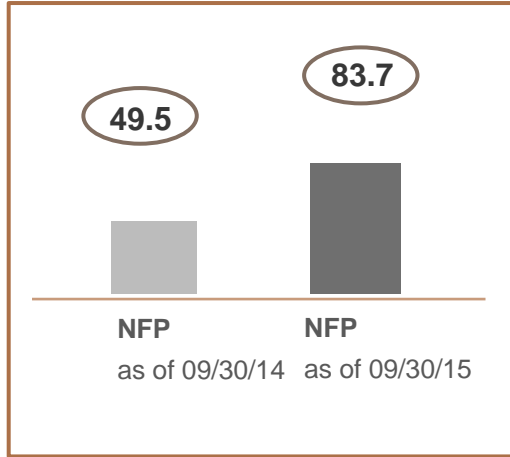
Increase* mainly related to the fair value of the
currency forwards derivatives, underwritten as
per the Company standard practice at the time
price lists are defined and with the only
purpose to hedge the non-euro commercial fx
exposure.



Analysis of Net Financial Position

€ mln

Net Financial Position Evolution



NWC Increase

- *Development of Network (DOS network from 70 to 78 boutiques)*
- *Japan Business Conversion (since 1st September 2014)*

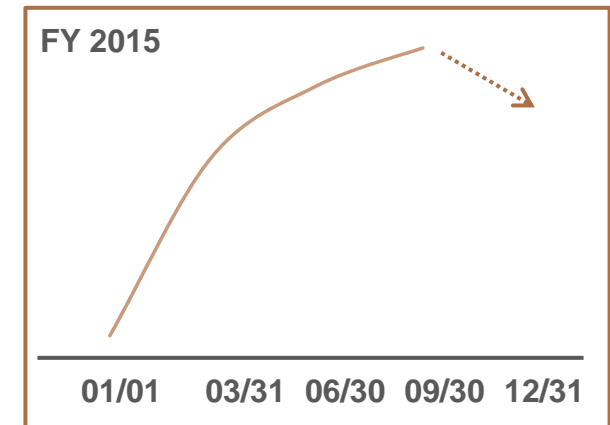
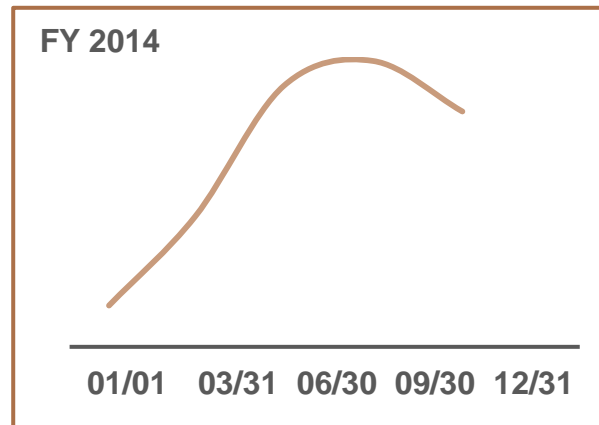
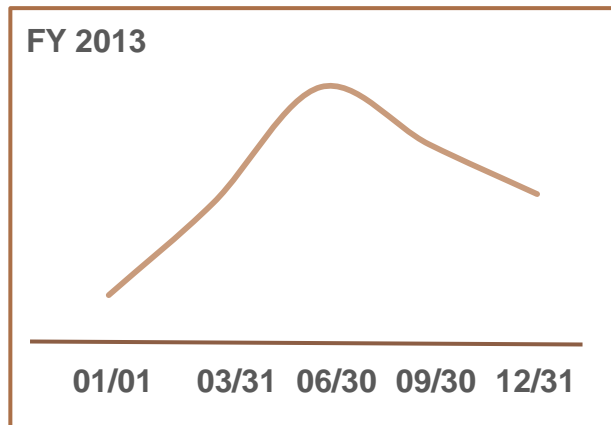
- Business Seasonality

On-going Investment Project

- Opening of monobrand boutiques and selective commercial presence in the market
- IT and Digital Platform Development

Business Seasonality

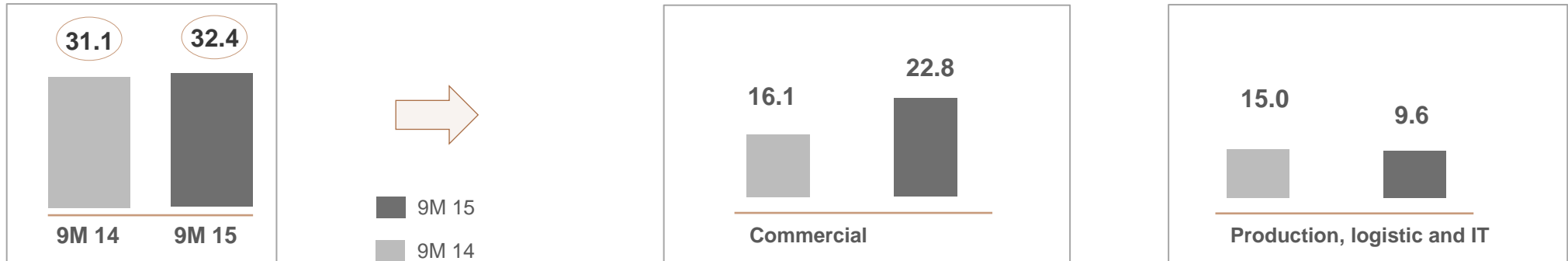
NFP trend during the year driven by business seasonality, reaching the peak between June and Sept., declining in the last quarter of the year



Capex Analysis

€ mln

Capex – 9M 15 vs 9M 14



Capex in 9M 15 part of significant

2013 – 2015 three year plan

- ✓ Selected development of monobrand network, increase selling surface in the most important Luxury Department Stores worldwide, international show-rooms
- ✓ IT Platform development, part of the long term project to strengthen and develop IT infrastructure and support “IT/DIGITAL PROJECT”

“The Great Internet Project”

Three year plan, started in 2014

- ✓ Multi-year project for upgrading the information technology platform and managing the brand's digital presence, started in 2014 with the creation of an especially dedicated structure
- ✓ The 3 yrs plan followed by further strengthening of the on-line boutique management and warehouse facilities in Solomeo.
- ✓ Approaching both the “traditional” boutique and the “on-line” channel as a unique experience, quintessence of Brunello Cucinelli lifestyle, representing the experience of the village of Solomeo and the offering of a personalized service



BRUNELLO CUCINELLI



Annex

Detailed Income Statement

<i>€ mln</i>	9M 2014	9M 2015
Net Revenues	277.3	317.6
Other operating income	1.4	0.5
Revenues	278.7	318.0
Consumption Costs	(51.5)	(55.5)
<i>Raw Material Cost</i>	(56.4)	(59.6)
<i>Inventories Change</i>	4.8	4.1
Outsourced Manufacturing	(59.6)	(60.0)
First Margin	167.6	202.6
Services Costs (excl. Out. Manuf.)	(71.9)	(91.5)
Personnel costs	(44.4)	(53.7)
Other operating costs	(2.2)	(3.2)
Increase in tangible assets	0.7	0.7
Bad Debt and other provisions	(1.1)	(1.0)
EBITDA	48.8	53.9
D&A	(9.5)	(13.7)
EBIT	39.4	40.2
Financial expenses	(5.6)	(24.3)
Financial income	3.6	20.9
EBT	37.4	36.8
Income taxes	(11.5)	(11.1)
<i>Tax rate</i>	<i>30.7%</i>	<i>30.1%</i>
Net Income	25.9	25.7
Minority Interest	(1.0)	(1.3)
Group Net Profit	26.9	27.0

<i>€ mln</i>	9M 2014	9M 2015
EBITDA Adj.	48.0	53.9
EBIT Adj.	38.6	40.2
Net Income Adj.	25.4	25.7



Detailed Balance Sheet & Cash Flow Statement

€ mln	9M 2014	9M 2015
Trade receivables	66.6	73.3
Inventories	102.9	132.5
Trade payables (-)	(49.5)	(49.6)
Other current assets/(liabilities)	(17.7)	(21.2) *
Net Working Capital	102.4	135.1
Intangible assets	29.6	32.8
Tangible assets	76.4	95.5
Financial assets	4.8	6.0
Total Assets	110.8	134.3
Other assets/(liabilities)	2.2	5.4
Net Invested Capital	215.5	274.7
Cash & Cash equivalents (-)	(32.1)	(51.0)
Short term Debt	42.5	75.1
Long term Debt	39.1	59.7
Net Financial Position	49.5	83.7
Shareholders Capital	13.6	13.6
Share-premium Reserve	57.9	57.9
Reserves	61.6	85.1
Group Net Profit	26.9	26.9
Group Equity	160.1	183.6
Minority shareholders	5.9	7.4
Total Equity	166.0	191.0
Total Funds	215.5	274.7

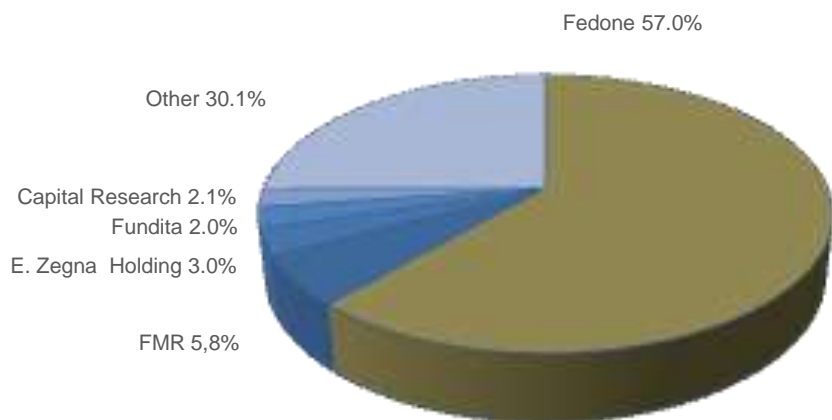
€ mln	9M 2014	9M 2015
Net Income	25.9	25.7
D&A	9.5	13.7
Ch. In NWC and other	(37.9)	(41.6)
Cash flow from operations	(2.5)	(2.2)
Tangible and intangible investments	(25.7)	(30.6)
Other (investments)/divestments	(0.1)	(0.8)
Cash flow from investments	(25.7)	(31.4)
Dividends	(8.0)	(8.4)
Share capital and reserves increase	3.5	1.7
Net change in financial debt	25.3	37.0
Total Cash Flow	(7.4)	(3.4)

* The change in "Other net liabilities" arises from the reporting at fair value of derivatives hedging the currency risk on trading transactions in foreign currency. In this respect, it is recalled that these derivatives are accounted for as cash flow hedges, meaning that their fair value is recognized as an asset or a liability in the balance sheet (current assets – derivative financial instruments or current liabilities – derivative financial instruments) with a counter-entry made to an equity reserve for the component that is considered to be an effective hedge of the change in fair value of the derivative instruments, subsequently reclassified to profit or loss as revenues in the period when the hedged transactions affect profit or loss.

Investor Relations

Shareholdings

Fedone s.r.l.	57.0%
Ermenegildo Zegna Holding s.p.a.	3.0%
Fundita s.r.l.	2.0%
FMR LLC	5.8%
Capital Research & Mgmt. Company	2.1%
Other	30.1%



Total n° of shares: 68,000,000

Board of Directors

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

Head of Investor Relations

Pietro Arnaboldi

Mail: pietro.arnaboldi@brunellocucinelli.it

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Brunello Cucinelli S.p.A.

Via dell'Industria, 5


Solomeo (PG)

Italia



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



La natura non fa nulla di inutile

— ARISTOTELE —



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