



BRUNELLO CUCINELLI

FY 2015 Results

March 10th, 2016

Highlights

Trends confirm and support “gracious” and “sustainable” long-term growth, thanks to the strenght of the business model and the allure and modernity of a brand positioned at the top end of the luxury segment

Company’s cornerstones and foundations remain the **absolute quality** of the raw materials, the excellence of the **craftwork** and **manual skills**, an exclusive **prêt-à-porter** proposal and a **contemporary lifestyle**, the symbol of a genuine **Made in Italy** creation

Net Revenues
(€414.2mln)
+16.4%*

* Performance at current exchange rates

EBITDA
(€69.1 mln)
+11.0%

compared with FY 14 EBITDA adjusted

Net Profit
(€33.0 mln)
+5.4%

compared with FY 14 Net Profit adjusted

Investment Plan
€40.8 mln in FY 2015
on completion of the major 2013-2015 three year plan (€120.4 mln)

Net Debt
€ 56.4 mln
(€42.6 mln as of Dec. 14)

Italian market
+3.6% sales

International markets
+19.4% sales

North America
+27.4%,
Europe
+10.5%
Greater China
+23.3%
RoW
+18.1%

Retail monobrand
+30.1%
Wholesale monobrand
+8.1%
Wholesale multibrand
+ 6.3%

Dividend
BoD proposing €0.13 dividend distribution equal to 26.5% pay-out ratio (Vs. €0.12 dividend - equal to 24.7% pay-out ratio – last year)

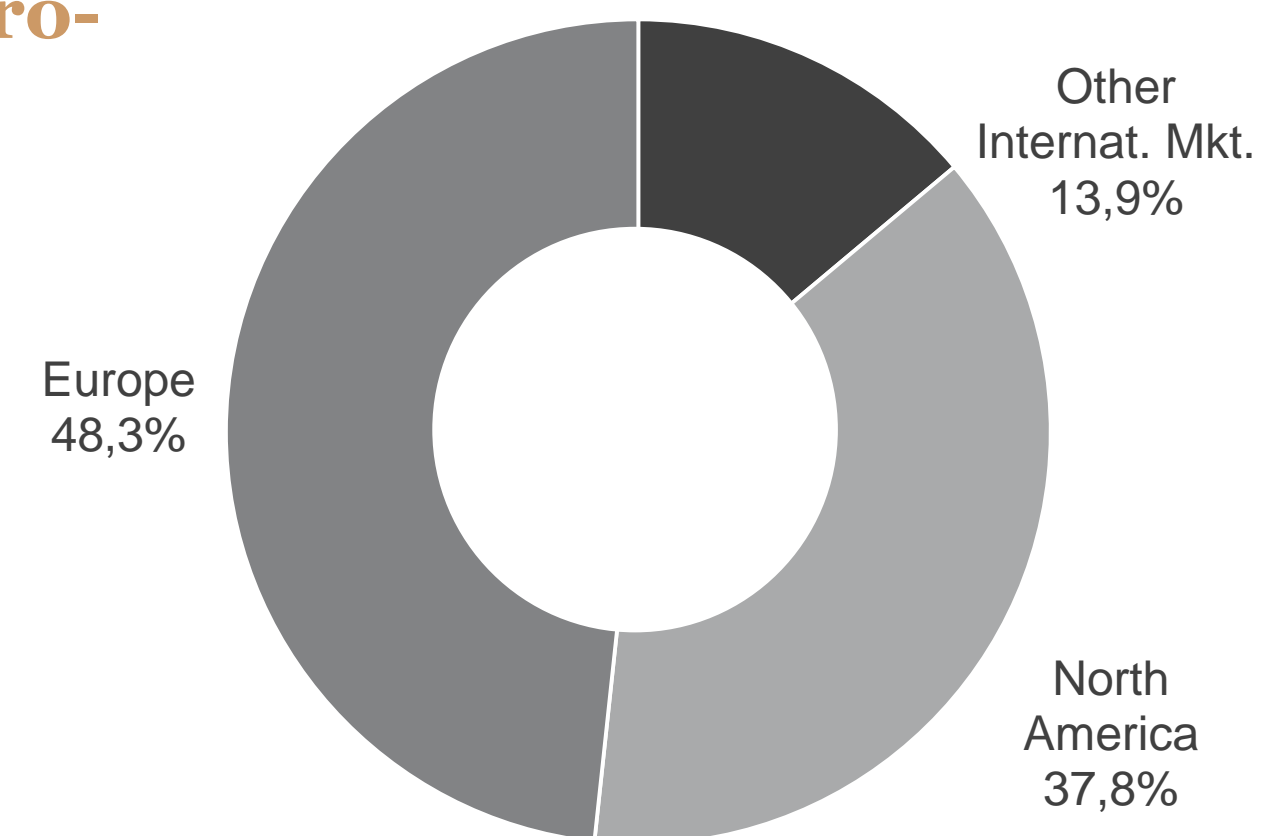




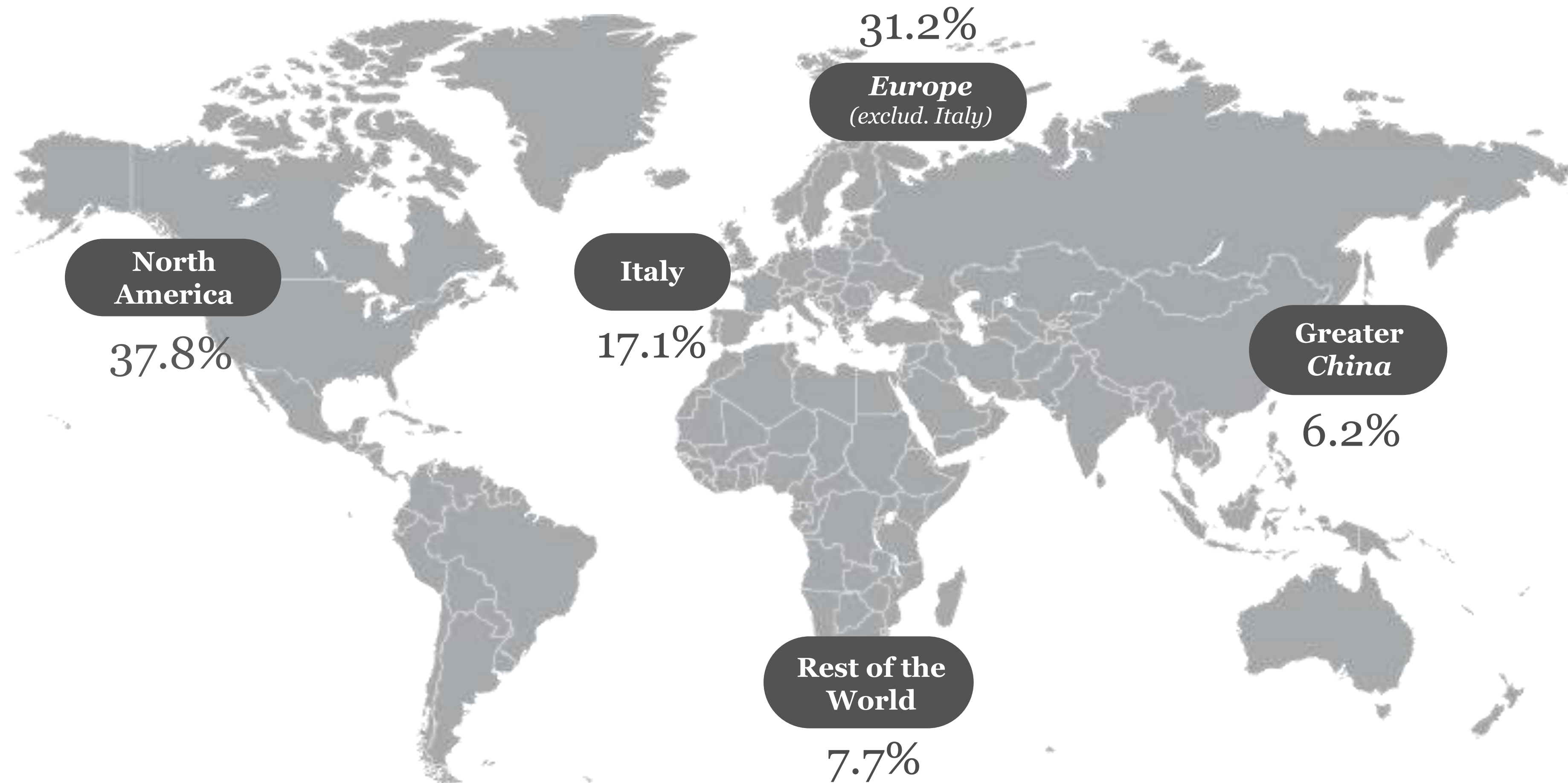
Revenues by Region

€ mln	FY 14	FY 15	YoY % Chg
Net Revenues	355.9	414.2	+16.4%
	Constant exchange rates		+9.5%
Italy	68.5	71.0	+3.6%
Rest of Europe	116.7	129.0	+10.5%
North America	122.9	156.6	+27.4%
Greater China	20.9	25.7	+23.3%
RoW	26.9	31.9	+18.1%

Breakdown by Macro-Region



Revenues Breakdown by Region





Highlights by Region

Italy

Significant growth (+3.6%) with consistent performance in the leading cities and resorts

Positive LFL, supported by tourists flow and local customer demand

Very interesting sell-out of the SS16

North America

Excellent performance in all distribution channels, driven by growth of the local customer and sophisticated tourist

Results positively affected by currency

Retail monobrand sales increase supported by sell-out, rising LFL and selected openings

Multibrand sales rise driven by increasing spaces in most important Luxury Dept. Stores

Greater China

Increasing sell-out in the existing boutiques

Important LFL growth in direct channel

Very positive results of SS 16 collection

Unchanged monobrand network (19 boutiques)

Rest of Europe

Rising tourist flow, consistency of local demand, increasing request for exclusivity and Made in Italy

Solid results in all countries, including Eastern Europe, Russia and the former USSR countries

Positive sell-out and LFL performance, with contribution by selected boutique openings

Rest of the World

Growth supported by performance of existing boutiques

New openings positively affected results

Growth also driven by conversion of Japanese business to DOS on 1st Sept. 2014 (3 boutiques and 13 hard-shops in Luxury Department Stores), with the trend gradually normalizing in the second half



Distribution Channel

Monobrand Channel

117 monobrand boutiques

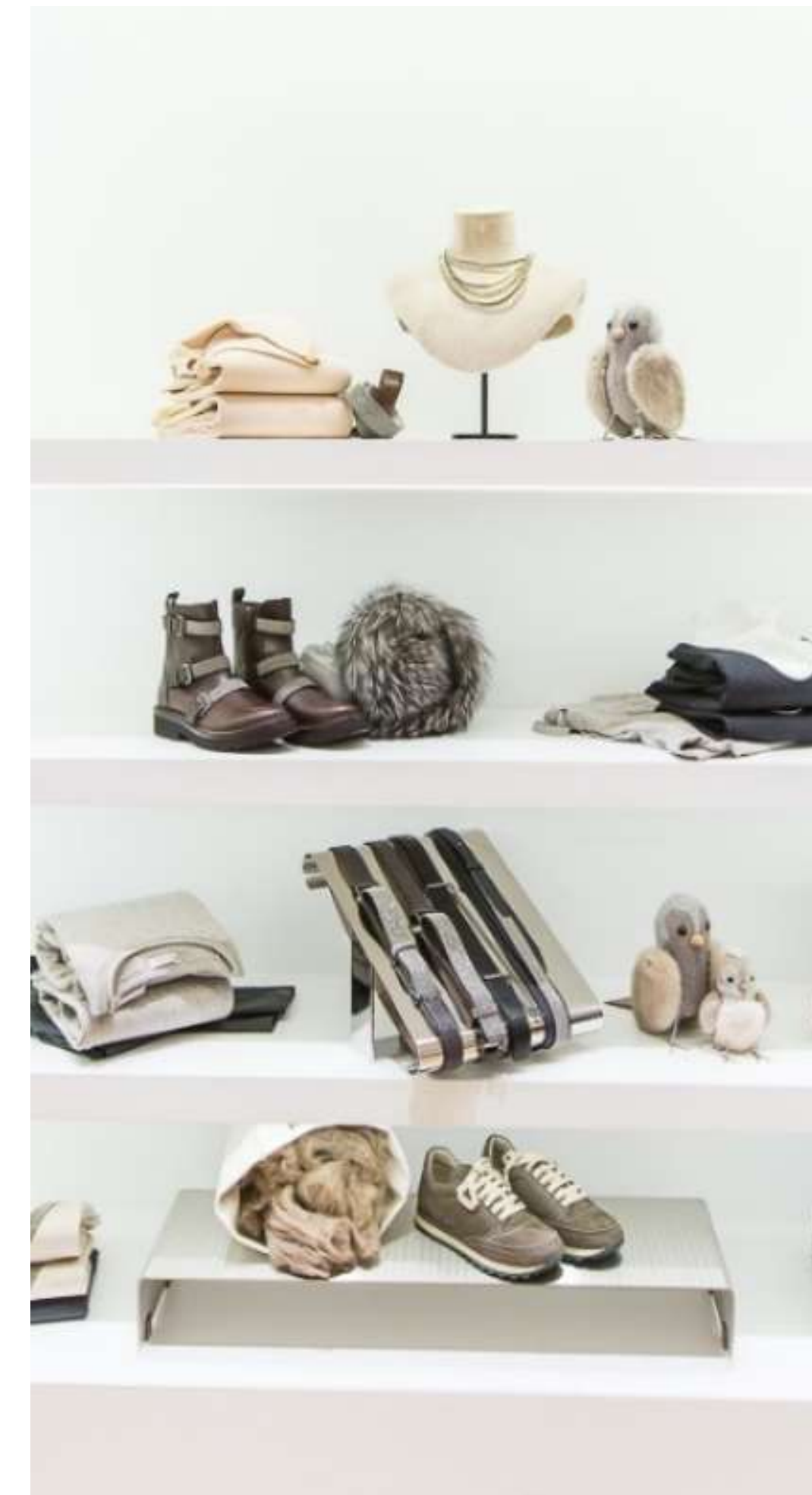
of which

81 DOS and **36 wholesale monobrand boutiques** in leading capitals and cities worldwide and in the most exclusive resorts



Multibrand Channel

presence in **selected multibrand boutiques**, including leading **luxury department stores**



Revenues by Distribution Channel

Monobrand channel

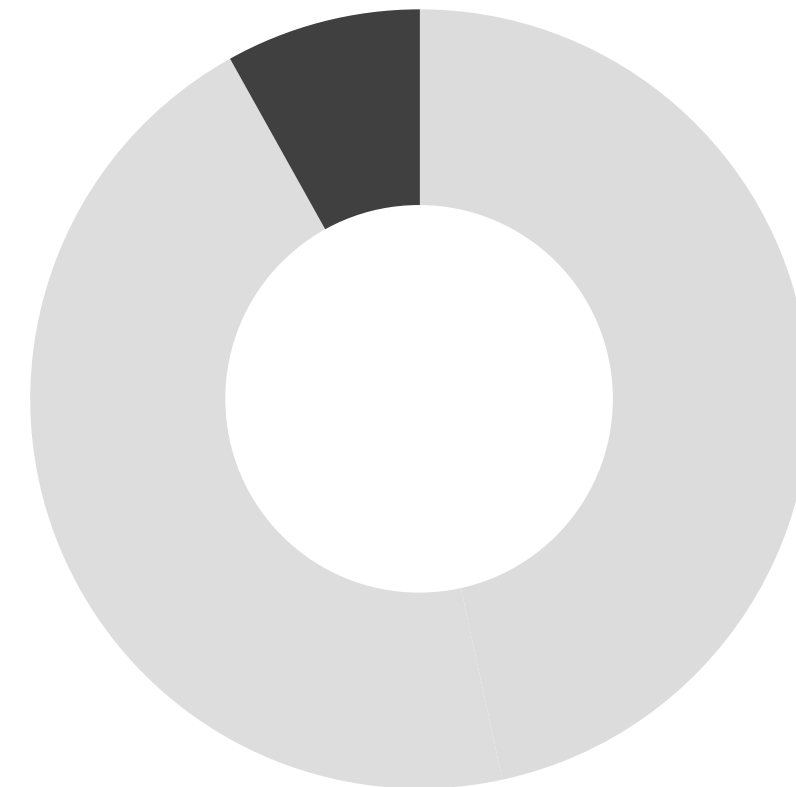
Retail Monobrand

46.6%
on sales
vs. 41.7 %
in FY 2014



Wholesale Monobrand

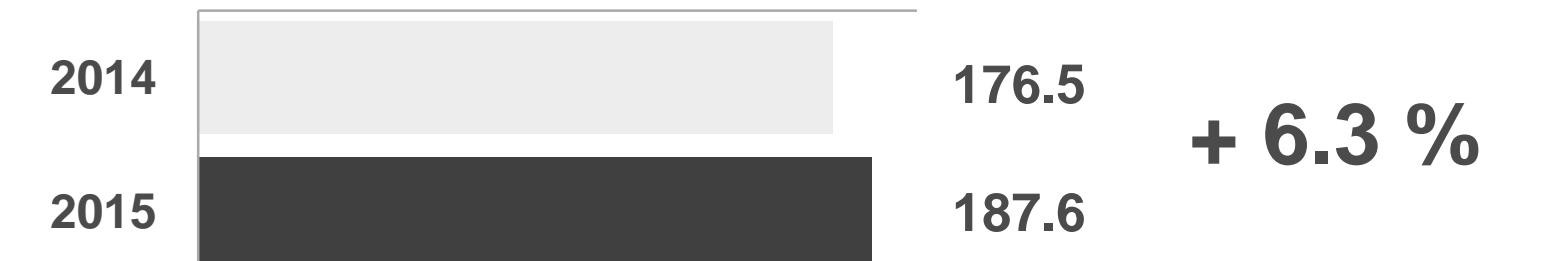
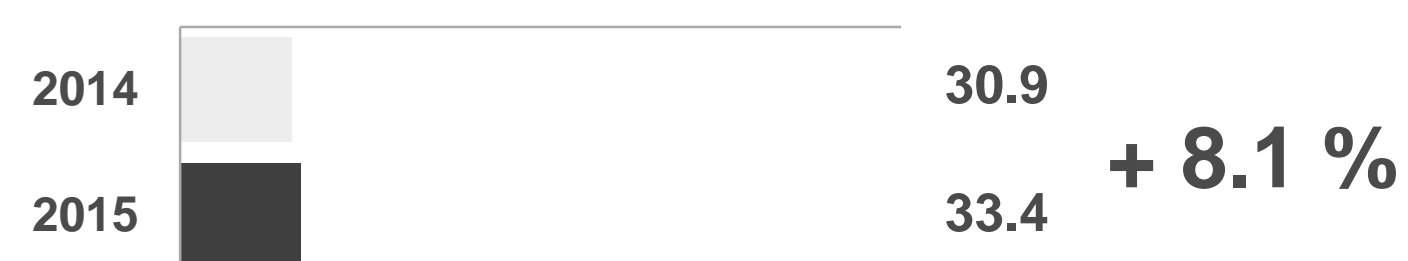
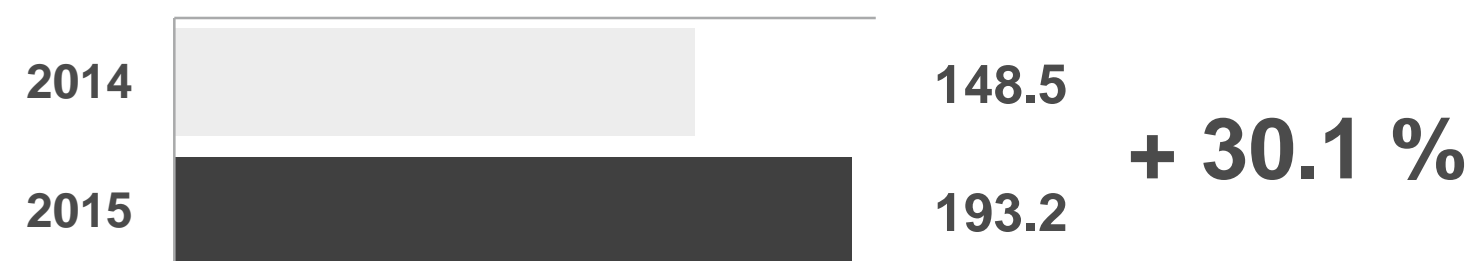
8.1%
on sales
vs. 8.7 %
in FY 2014



Multibrand channel

Wholesale Multibrand

45.3%
on sales
vs. 49.6%
in FY 2014



Monobrand Channel

Retail Monobrand

Retail network with **81 boutiques** as of December '15 (71 boutiques as of December '14)

Positive results in the 13 hard-shops managed - starting from September 1st 2014 - in Luxury Department Stores in Japan

+5.4% LFL* performance in 2015

+4.1% LFL** in the first part of 2016 (period between 1st January and 28th February 2016)



Wholesale Monobrand

Wholesale Monobrand network with **36 boutiques** as of December '15 (34 boutiques as of December '14)

Sales increased +8.1%, driven by performance in existing network

2 net openings in 2015 contributed to the growth experienced in 2015



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

* Like-for-Like calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of January 1st, 2015



Selective Monobrand Boutiques Openings

Some of selected monobrand boutiques openings in 2015



New York Soho
DOS opening in March '15

Paris Rue Francois 1er
DOS opening in March '15

Montecarlo
DOS opening in April '15

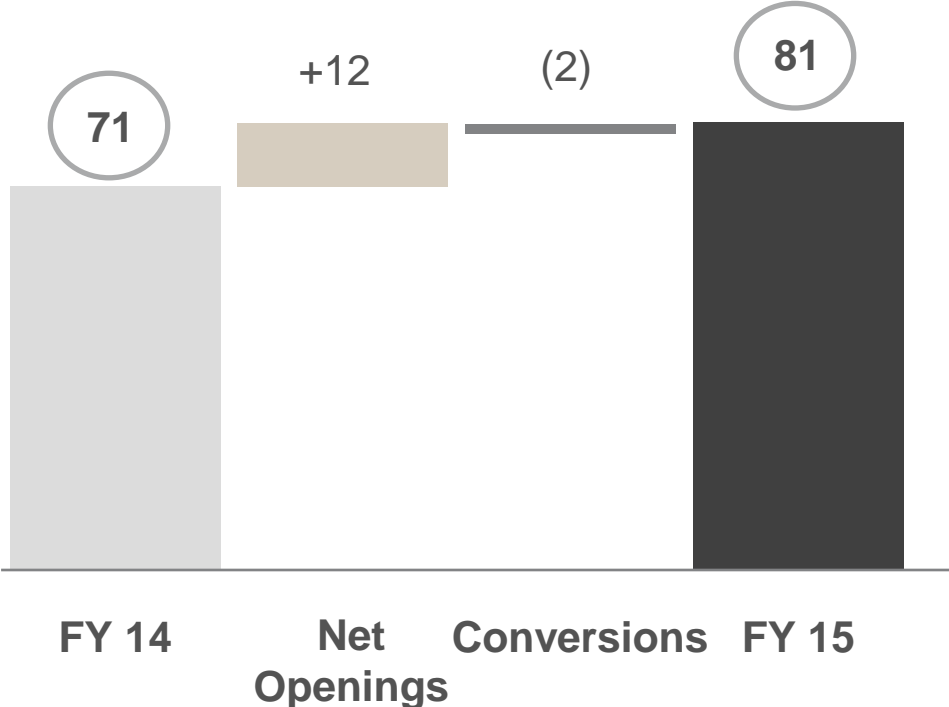
Tokyo Ginza
DOS opening in Sept.'15



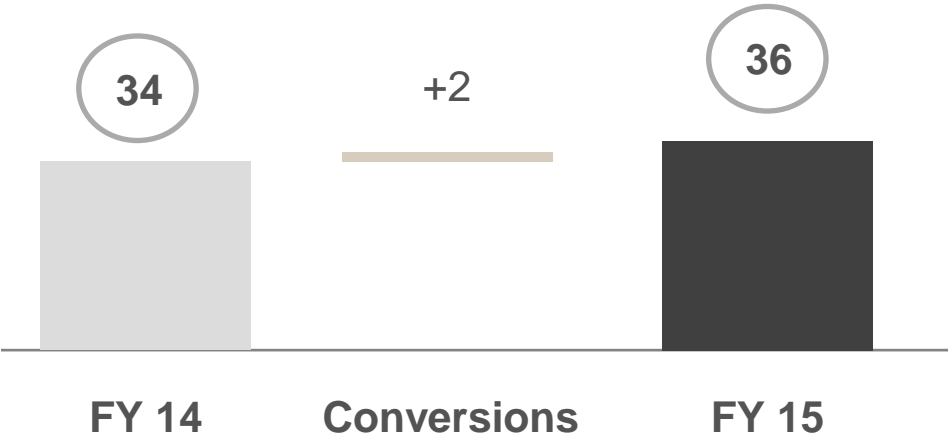


Monobrand Boutiques Network

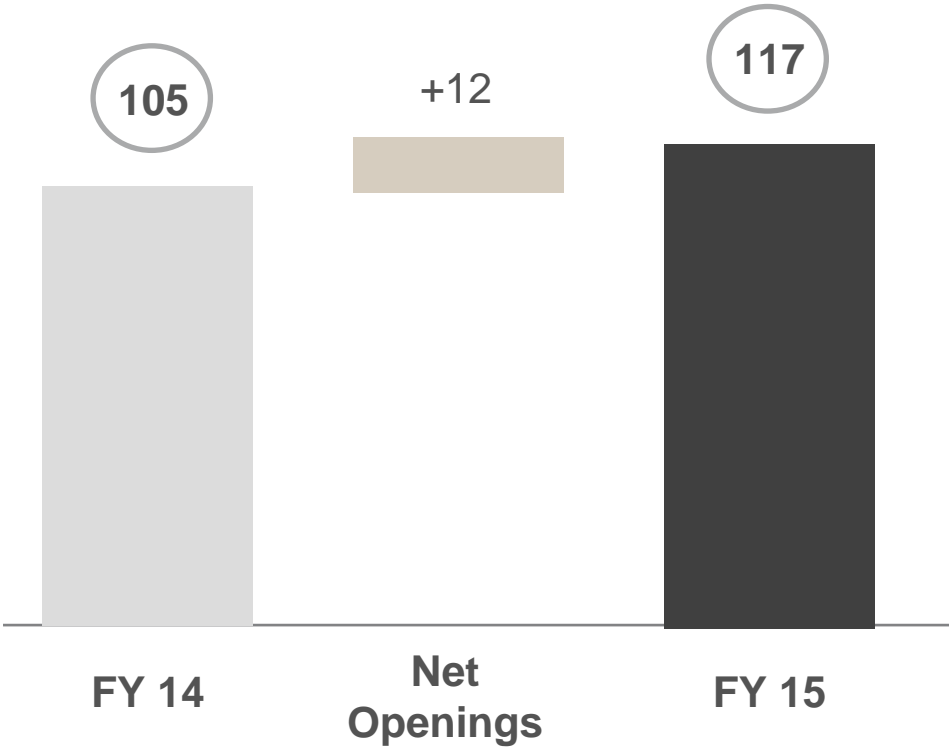
DOS Network



Wholesale Monobrand Network



Total Monobrand Network



Monobrand Boutiques Network as of 31/12/15



Multibrand Channel

Growth acceleration in the last part of 2015, favored by an important exchange rate effect and homogeneity of the comparison perimeter*

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



Growing offer by Luxury Department Stores to top-end customers, increasing prestigious selling spaces dedicated to «Brunello Cucinelli» brand

Orders for SS 16 collection has been very positive

Trends in “resort” delivering strengthening of the growth in the fourth quarter 2015



* the first 9 months of 2015 were affected by the conversion of 13 hard-shop in the Luxury Dept. Stores in Japan, since September 1st 2014, to retail management



SS 16

The “Informal Luxury prêt-à-porter” collections





Income Statement

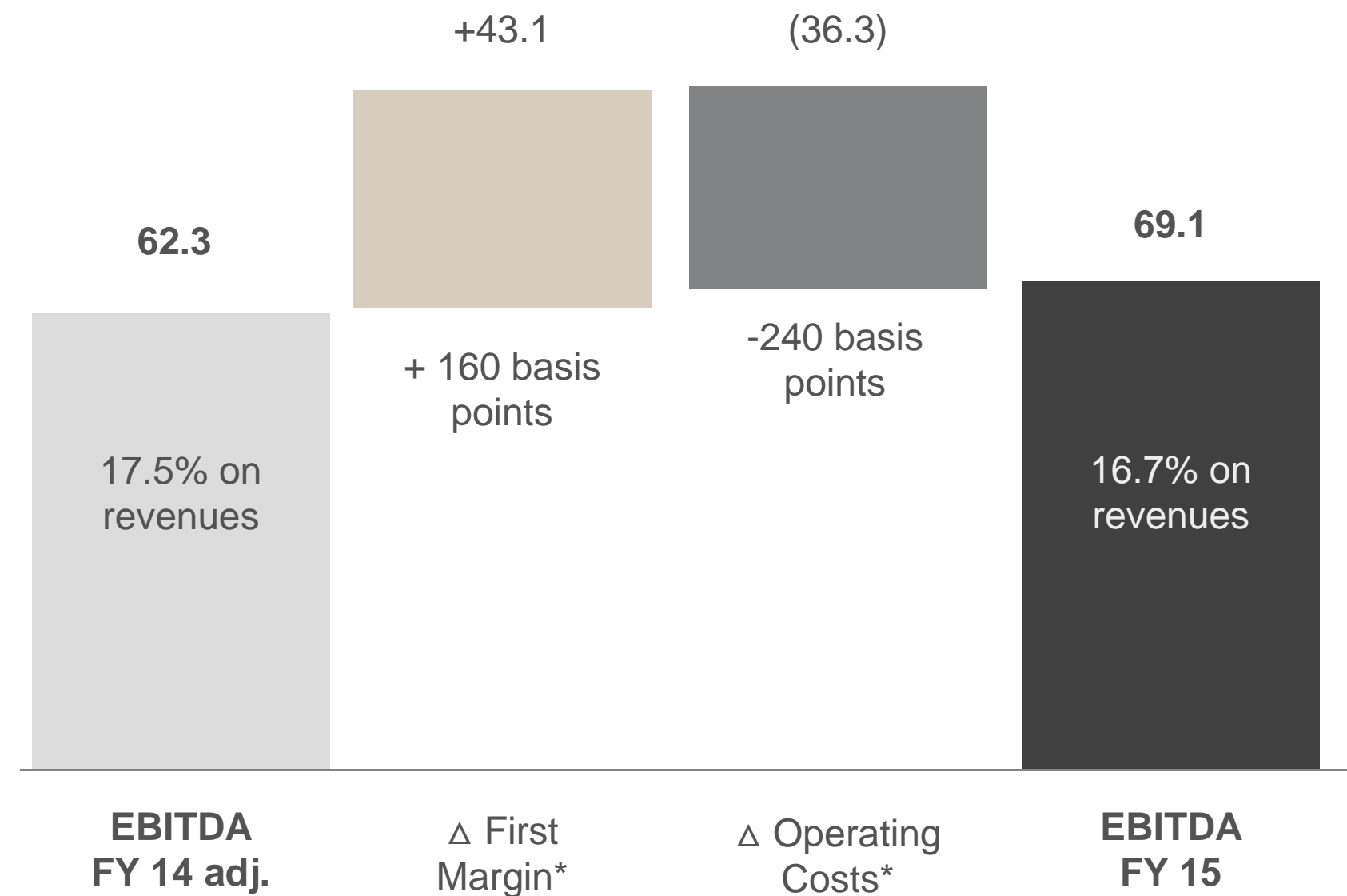
	FY 2014	FY 2015	Ch. %	FY 2014 adj.	Ch. %*
Net Revenues	355.9	414.2	16.4%	355.9	16.4%
Other operating income	1.5	0.8	-46.7%	0.7	9.3%
Revenues	357.4	414.9	16.1%	356.6	16.4%
First Margin	224.7	267.1	18.9%	224.0	19.3%
%	62.9%	64.4%	+ 150 b.p.	62.8%	+ 160 b.p.
SG&A	-161.7	-197.9	22.4%	-161.7	22.4%
%	45.2%	47.7%	+ 250 b.p.	45.3%	+ 240 b.p.
EBITDA	63.0	69.1	9.6%	62.3	11.0%
%	17.6%	16.7%	- 90 b.p.	17.5%	- 80 b.p.
D&A	-13.7	-18.1	32.4%	-13.7	32.4%
%	3.8%	4.4%	+ 60 b.p.	3.8%	+ 60 b.p.
EBIT	49.3	51.0	3.3%	48.6	4.9%
%	13.8%	12.3%	- 150 b.p.	13.6%	- 130 b.p.
Income before taxation	46.4	46.1	-0.6%	45.7	1.0%
Net Income	31.8	32.9	3.7%	31.3	5.4%
%	8.9%	7.9%	- 100 b.p.	8.8%	- 90 b.p.
Tax Rate	31.5%	28.6%		31.5%	

* FY15 Vs. FY14 Adjusted



EBITDA & Key Income Statement Analysis

EBITDA Adjusted Analysis



First Margin

Increase driven by channel mix, with retail sales moving up from 41.7% to 46.6% on total revenues:

- DOS evolution (from 71 to 81 boutiques in 2015)
- Positive LFL performance (+5.4% in FY 2015)
- Positive currency impact

Operating Costs

Increase due to the business development

Rents and personnel costs particularly affected by:

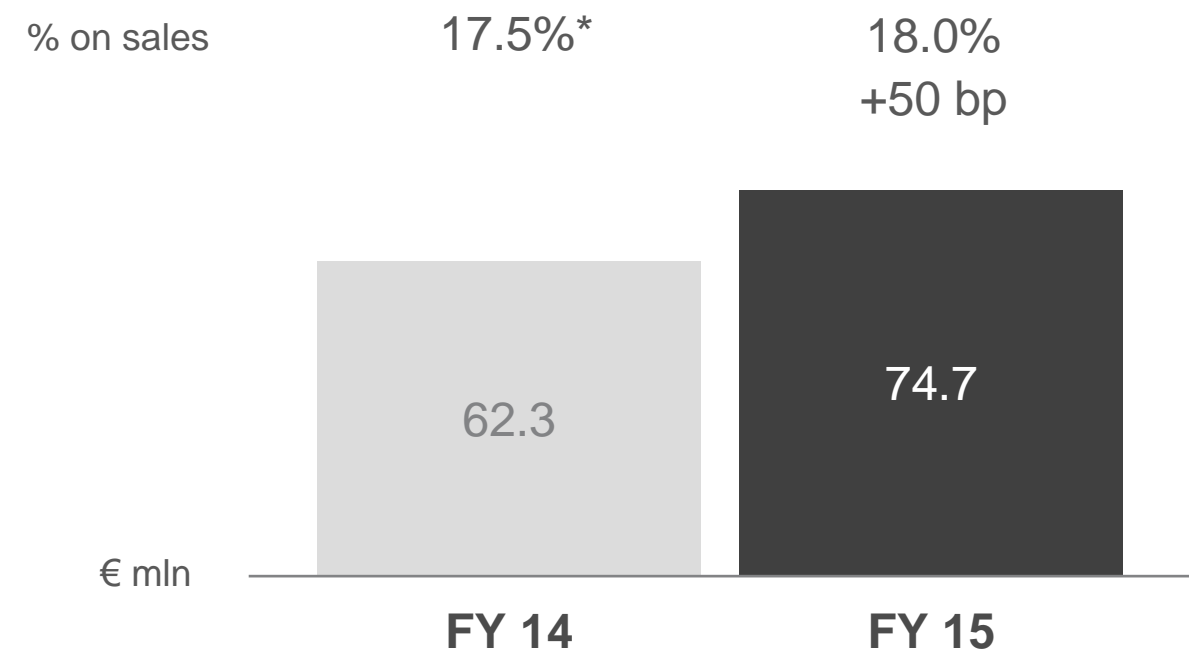
- Network Development
- Business conversion in Japan
- Renewal of some expiring lease contracts
- Increasing selling spaces for selected boutiques and relocation
- Currency impact

Other Operating costs decreased incidence on revenues

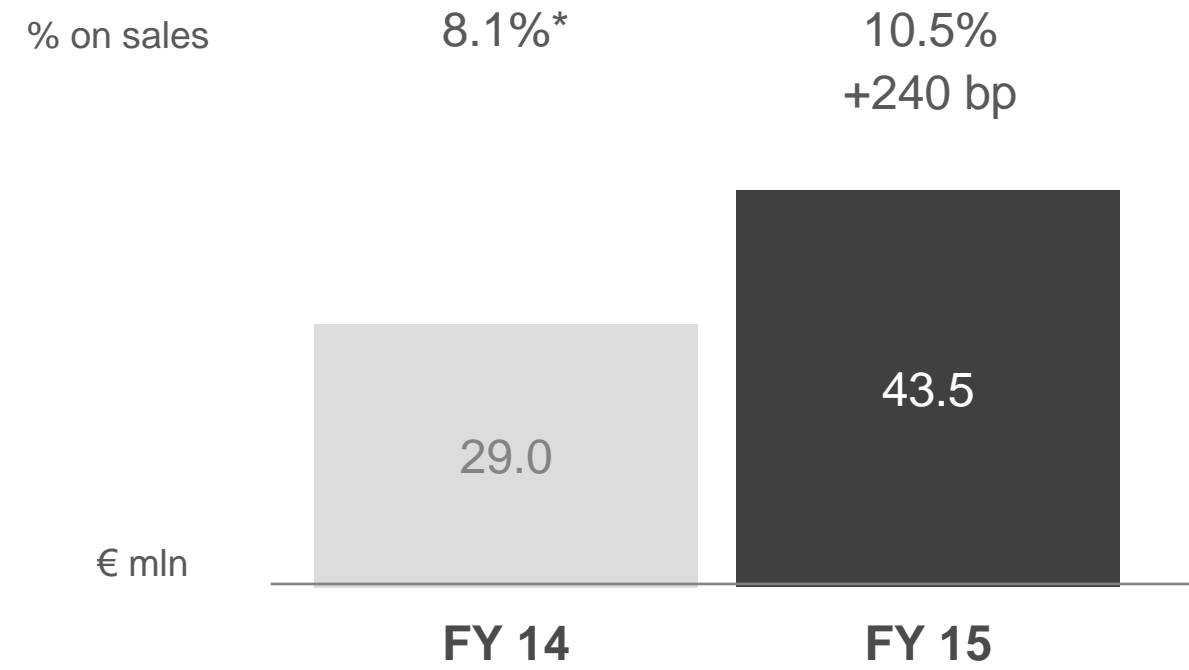
Operating Costs

€ mln

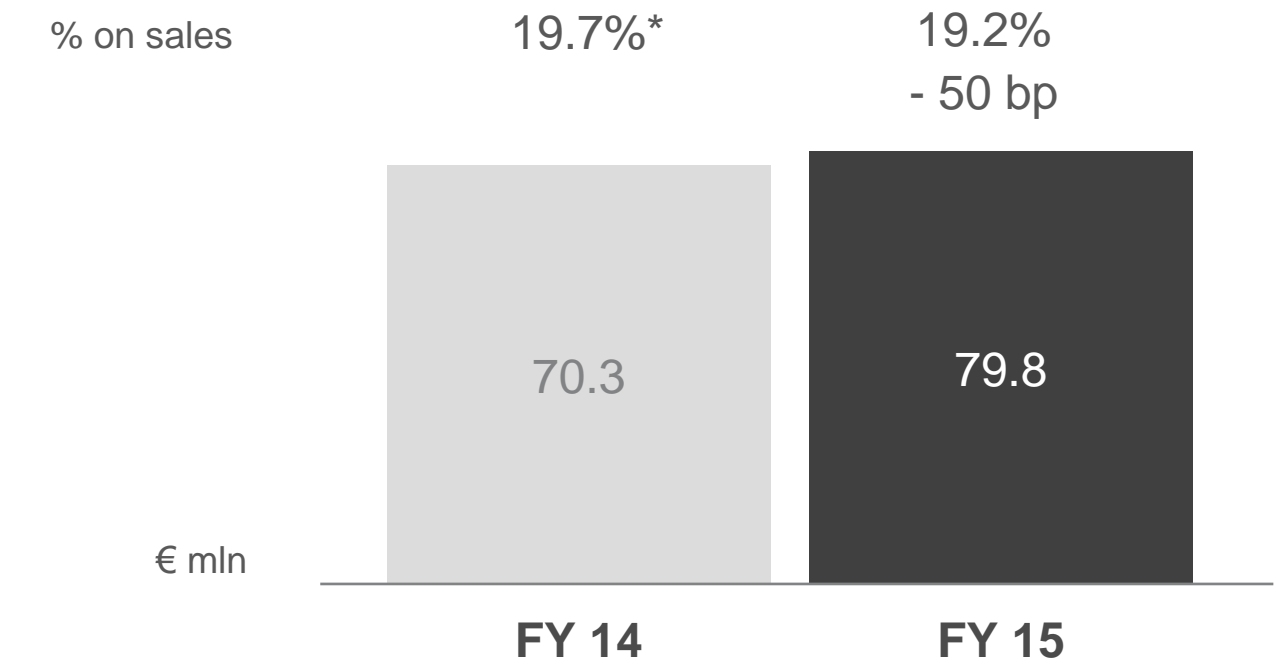
Personnel cost



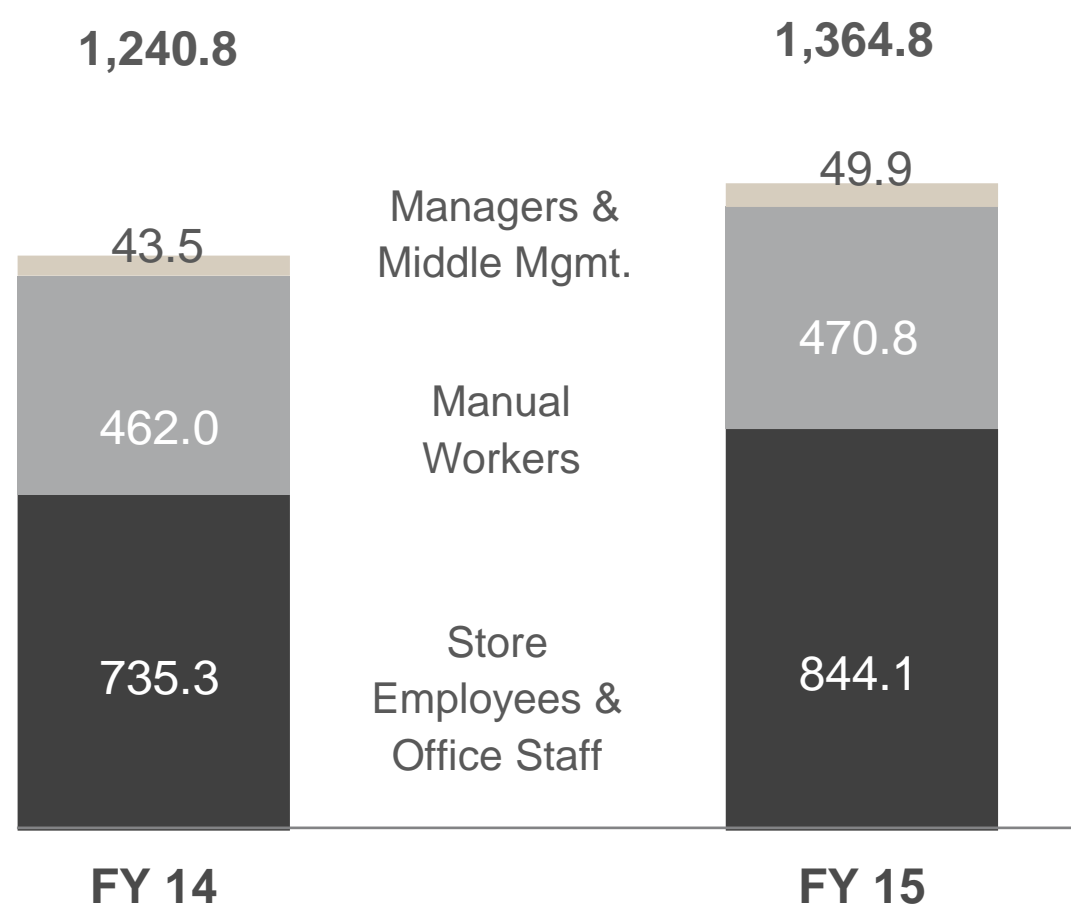
Rent cost



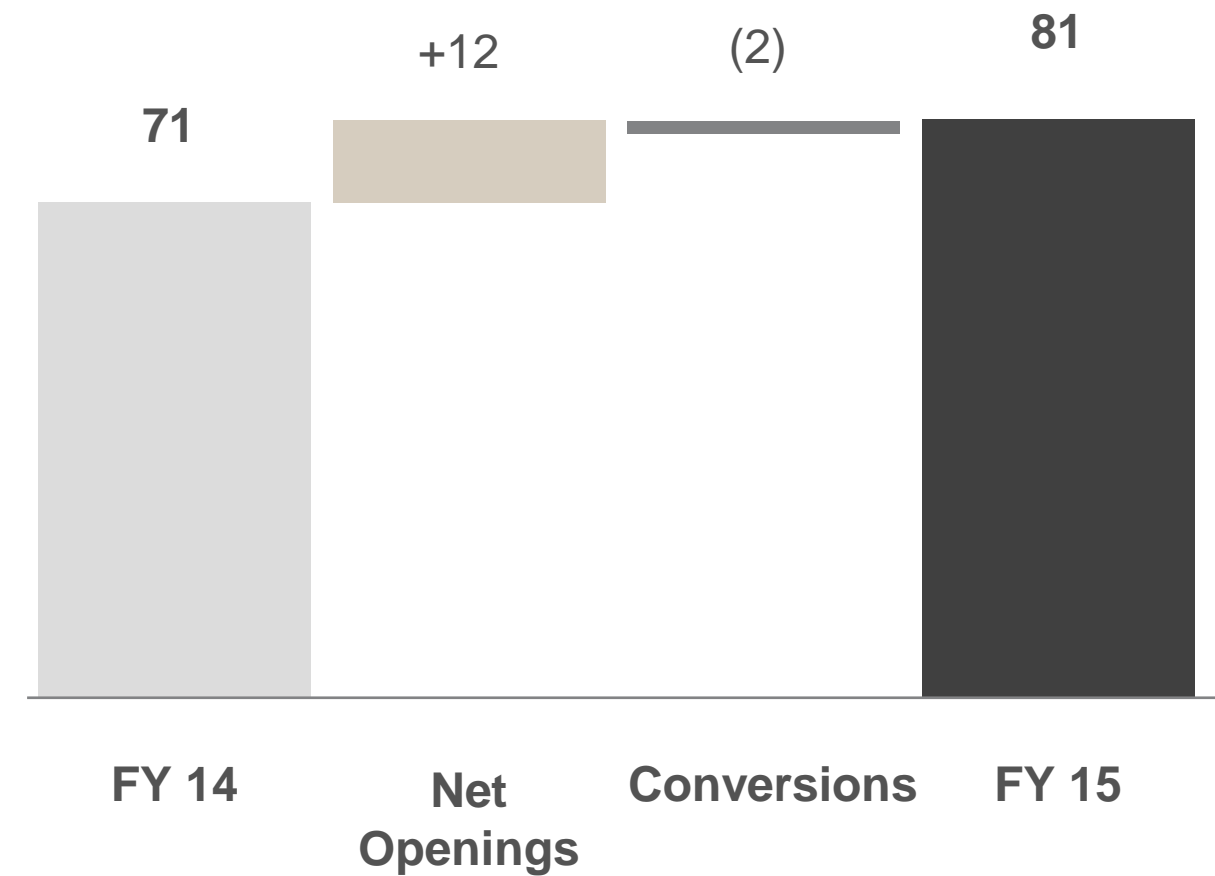
Other Operating Costs



Average FTE - Workforce Analysis



DOS Network from 31/12/14 to 31/12/15



Other operating costs decreased from 19.7% to 19.2% due to operating leverage

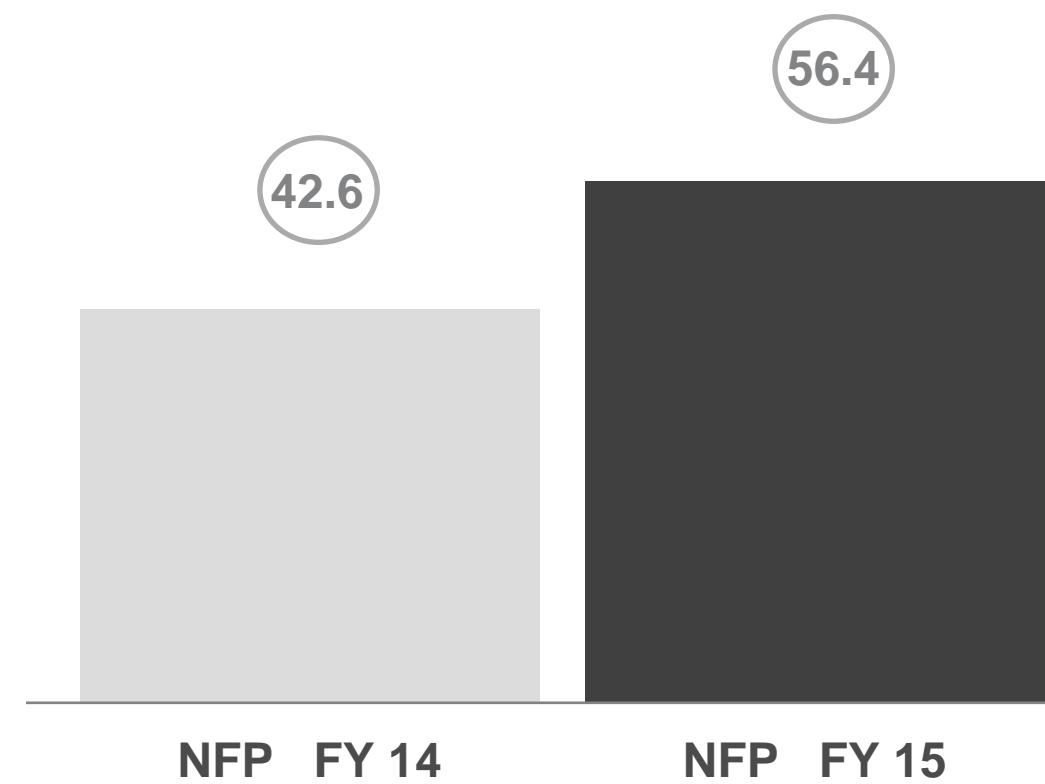
Investments in communication increased from 19.6€ mln (5.5% on revenues) to 23.3€ mln, (5.6% on revenues)

* % calculated on FY 14 adjusted revenues



Net Financial Position

NFP increase related NWC growth and investments made over the past 12 months on completion of the major 2013-2015 three-year plan worth 120.4€ mln



NWC Increase

- Development of Network (DOS network from 71 to 81 boutiques)
- Japan Business Conversion (since 1st September 2014)

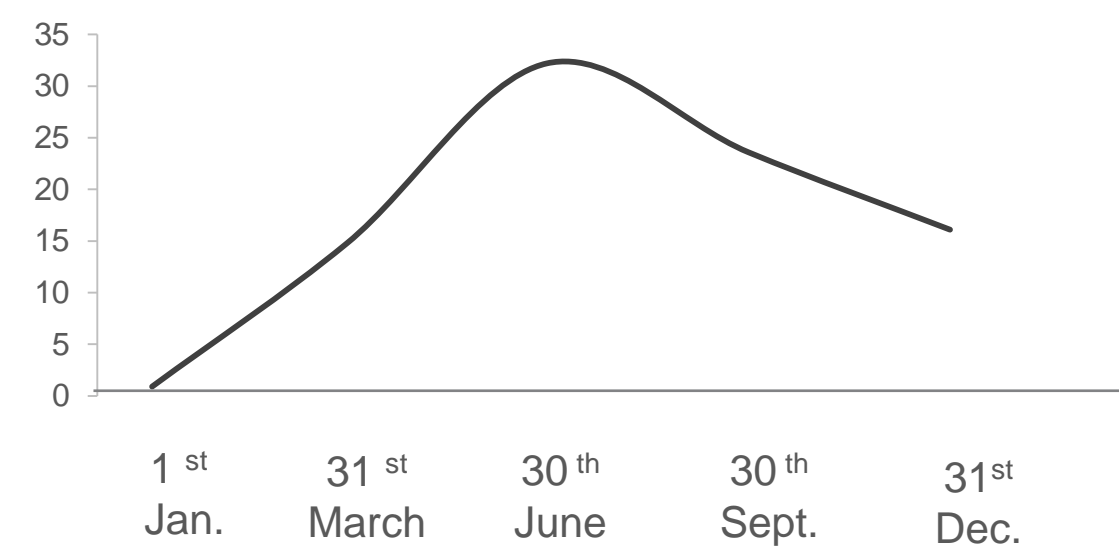
On-going Investment Project

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

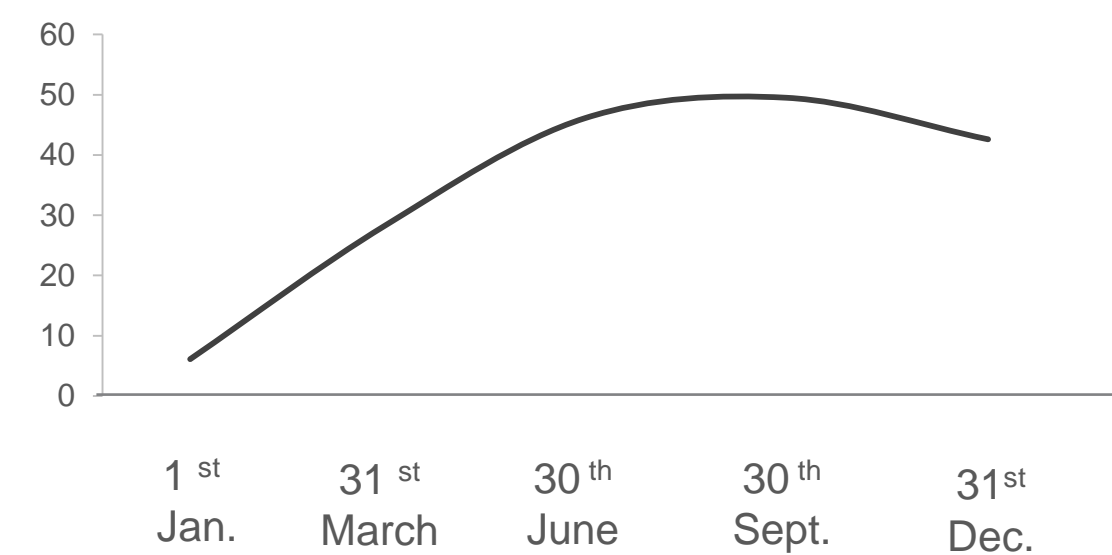
Net Financial Position and Business Seasonality

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

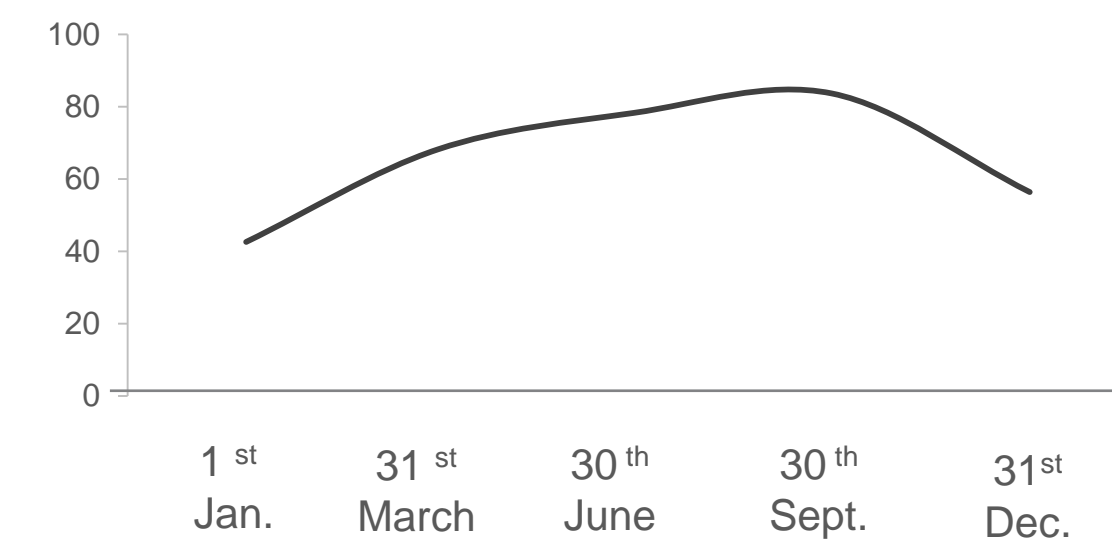
FY 2013



FY 2014



FY 2015





Net Working Capital

€ mln

	FY 14	FY 15	delta
Trade Receivables	45,1	45,6	0,5
Inventories	125,1	144,0	18,8
Trade Payables	-62,2	-68,8	-6,6
Other Credits/(Debts)	-10,5	-8,4	2,0
Net Working Capital	97,5	112,3	14,8

NWC increase related business development

NWC incidence on revenues decreased from 27.4% to 27.1%

Strict Net Working Capital incidence - excluding "Other Credits/(Debts)" - decreased from 30.3% to 29.2%

Inventory

Increase driven by business growth, development of the network of direct monobrand boutique (from 71 to 81 boutiques, including 12 openings and 2 conversions to whl. monobrand network), and direct operation of the business in Japan

Incidence on revenues decreased from 35.2 to 34.8%

Trade Receivables & Payables

Growth related to business development, with currency affecting Trade Receivables

Trade Payables increase due to purchases of raw materials, outsourced work and the particularly significant investments made in November and December.

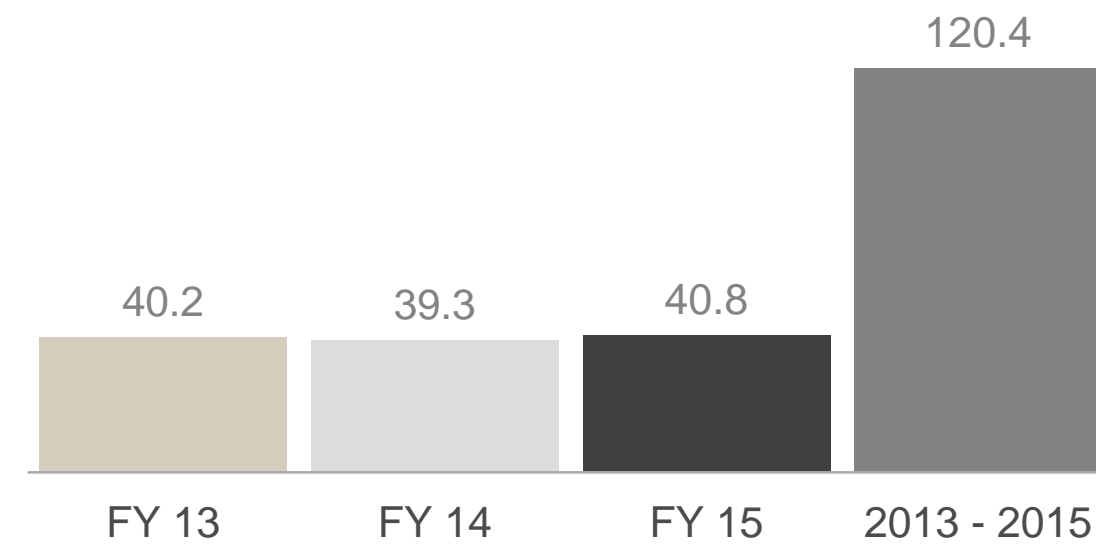
Other Debts

Trend related to the fair value of the currency forwards derivatives*

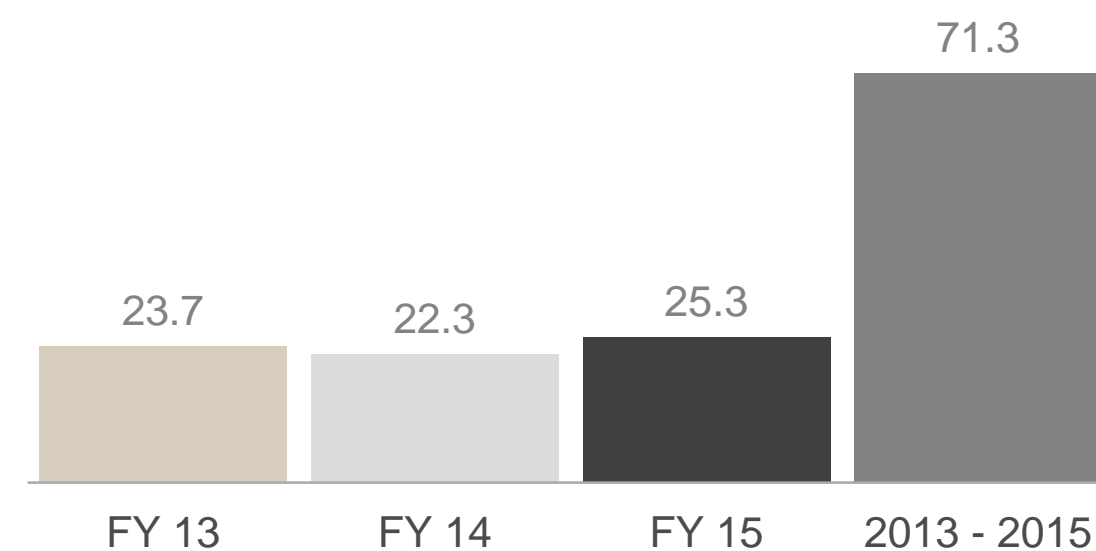
* underwritten as per the Company standard practice at the time price lists are defined and with the only purpose to hedge the non-euro commercial fx exposure; move to slide 24 for more comments



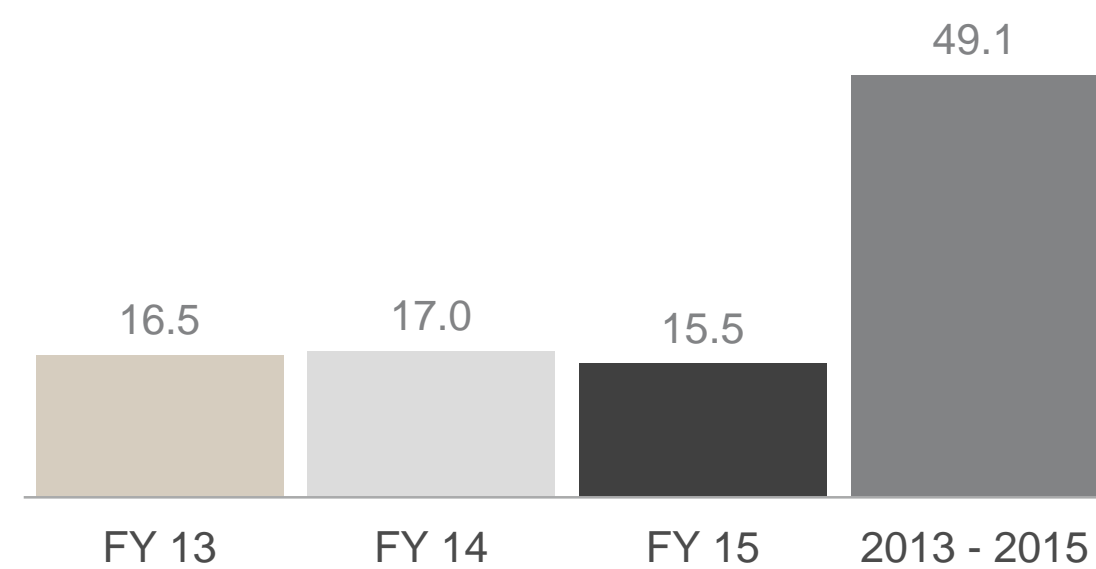
2013–2015 Capex Plan



2013–2015 Commercial Investments



2013-2015 Production/ Logistics/IT/ Digital Investments



2013 – 2015 three year plan

- The “**Great Investment Project Cycle**” initiated in 2013, ended in 2015 (120.4€ mln, 11% on cumulated sales)
- Investments to support medium-long term growth and exclusivity of positioning
- **Commercial investments** (71.3€ mln over the past 3 years) to support openings of exclusive boutiques, increase in number of the floor spaces in existing stores, new spaces in the Luxury Dept. Stores, renovation of several important show-rooms
- Important project for the **extension of the production** site at Solomeo completed

“The Great Internet Project” – 2014-2016

- Development of an exclusive presence in digital world, to be “artisans and humanists” of the web
- Multi-year project for upgrading the IT platform and managing the brand's digital presence, started in 2014 with the creation of an especially dedicated structure
- Approaching both the “traditional” boutique and the “on-line” channel as a unique experience, representing the experience of the village of Solomeo and offering a personalized service
- The 3 yrs plan followed by further strengthening of the on-line boutique mgmt. in Solomeo, including dedicated capex in 2016



BRUNELLO CUCINELLI

FY 2015 Results

Annex

Detailed Income Statement

<i>€ mln</i>	FY 14	FY 15
Net Revenues	355,9	414,2
Other operating income	1,5	0,8
Revenues	357,4	414,9
Consumption Costs	(51,3)	(65,5)
Raw Material Cost	(77,4)	(79,6)
Inventories Change	26,1	14,1
Outsourced Manufacturing	(81,4)	(82,3)
First Margin	224,7	267,1
Services Costs (excl. Out. Manuf.)	(94,7)	(117,7)
Personnel costs	(62,3)	(74,7)
Other operating costs	(3,4)	(4,8)
Increase in tangible assets	1,0	0,8
Bad Debt and other provisions	(2,3)	(1,6)
EBITDA	63,0	69,1
D&A	(13,7)	(18,1)
EBIT	49,3	51,0
Financial expenses	(10,6)	(29,9)
Financial income	7,7	25,1
EBT	46,4	46,1
Income taxes	(14,6)	(13,2)
<i>Tax rate</i>	31,5%	28,6%
Net Income	31,8	32,9
Minority Interest	(1,3)	(0,4)
Group Net Profit	33,1	33,3



Detailed Balance Sheet & Cash Flow Statement

€ mln	FY 14	FY 15
Trade receivables	45.1	45.6
Inventories	125.1	144.0
Trade payables (-)	(62.2)	(68.8)
Other current assets/(liabilities)	(10.5)	(8.4)
Net Working Capital	97.5	112.3
Intangible assets	29.6	31.5
Tangible assets	80.2	101.0
Financial assets	4.8	5.4
Total Assets	114.6	138.0
Other assets/(liabilities)	0.9	2.9
Net Invested Capital	213.0	253.2
Cash & Cash equivalents (-)	(53.7)	(48.2)
Short term Debt	50.7	49.6
Long term Debt	45.6	55.0
Net Financial Position	42.6	56.4
Shareholders Capital	13.6	13.6
Share-premium Reserve	57.9	57.9
Reserves	60.2	85.4
Group Net Profit	33.1	33.3
Group Equity	164.8	190.2
Minority shareholders	5.6	6.5
Total Equity	170.3	196.8
Total Funds	213.0	253.2

€ mln	FY 14	FY 15
Net Income	31.8	32.9
D&A	13.7	18.1
Ch. In NWC and other	(31.7)	(15.2)
Cash flow from operations	13.8	35.9
Tangible and intangible investments	(34.0)	(40.1)
Other (investments)/divestments	0.0	(0.4)
Cash flow from investments	(33.9)	(40.6)
Dividends	(8.0)	(8.4)
Share capital and reserves increase	3.5	0.4
Net change in financial debt	38.4	6.1
Total Cash Flow	13.8	(6.6)

* 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.

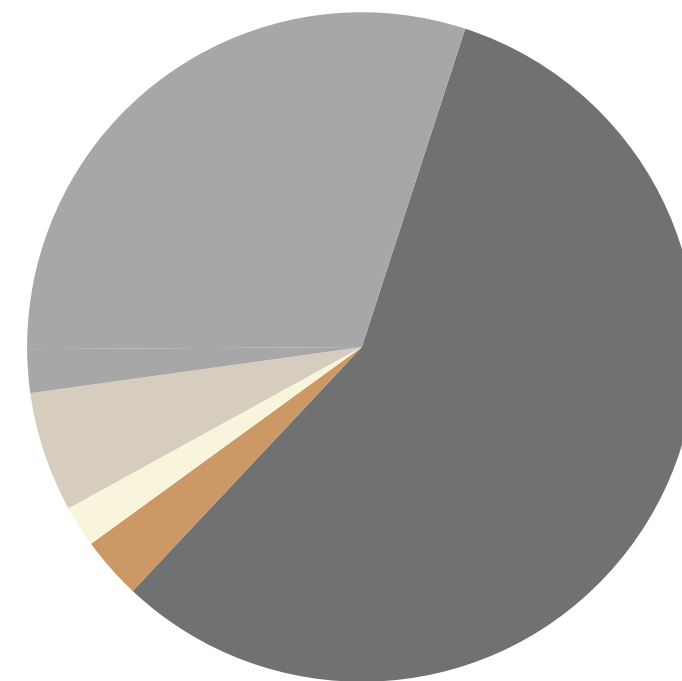


Investor Relations

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%
Other	32.2%

- Fedone s.r.l.
- Ermenegildo Zegna Holding s.p.a.
- Fundita s.r.l.
- FMR LLC
- Other



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

Tel. +39 075 6970079

Brunello Cucinelli S.p.A.
Via dell'Industria, 5
Solomeo (PG)
Italia





BRUNELLO CUCINELLI

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

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