



· SOLO MEI ·
· AD MCCCXCI ·

BRUNELLO CUCINELLI

1H 17 Results

August 29th, 2017



Brunello Cucinelli

“We are very pleased with the performance of our business in the first half of the year; both revenues and profit show strong growth. Sales of the winter collections are going very well. All this considered, we expect 2017 to display double-digit growth in both revenues and profit.”

“Order intake for Summer 2018, which is now about to end, is truly positive. The feedback on our collection is particularly positive, as well as the allure surrounding our brand. As a result of a careful analysis of the above-mentioned elements, we can express a very positive view on 2018 and we keep envisaging more double-digit growth for the near future.”

“We have recently celebrated our fifth anniversary since our listing on the Italian Stock Exchange. Going public has been an important choice and we are immensely glad with it; we feel we have confirmed all that we had planned back then with our co-workers, analysts and investors in terms of constant, double-digit gracious growth.”

press release 29th August 2017



Humanist Artisans of the Web

music streaming



car sharing



mobile phone



www.it

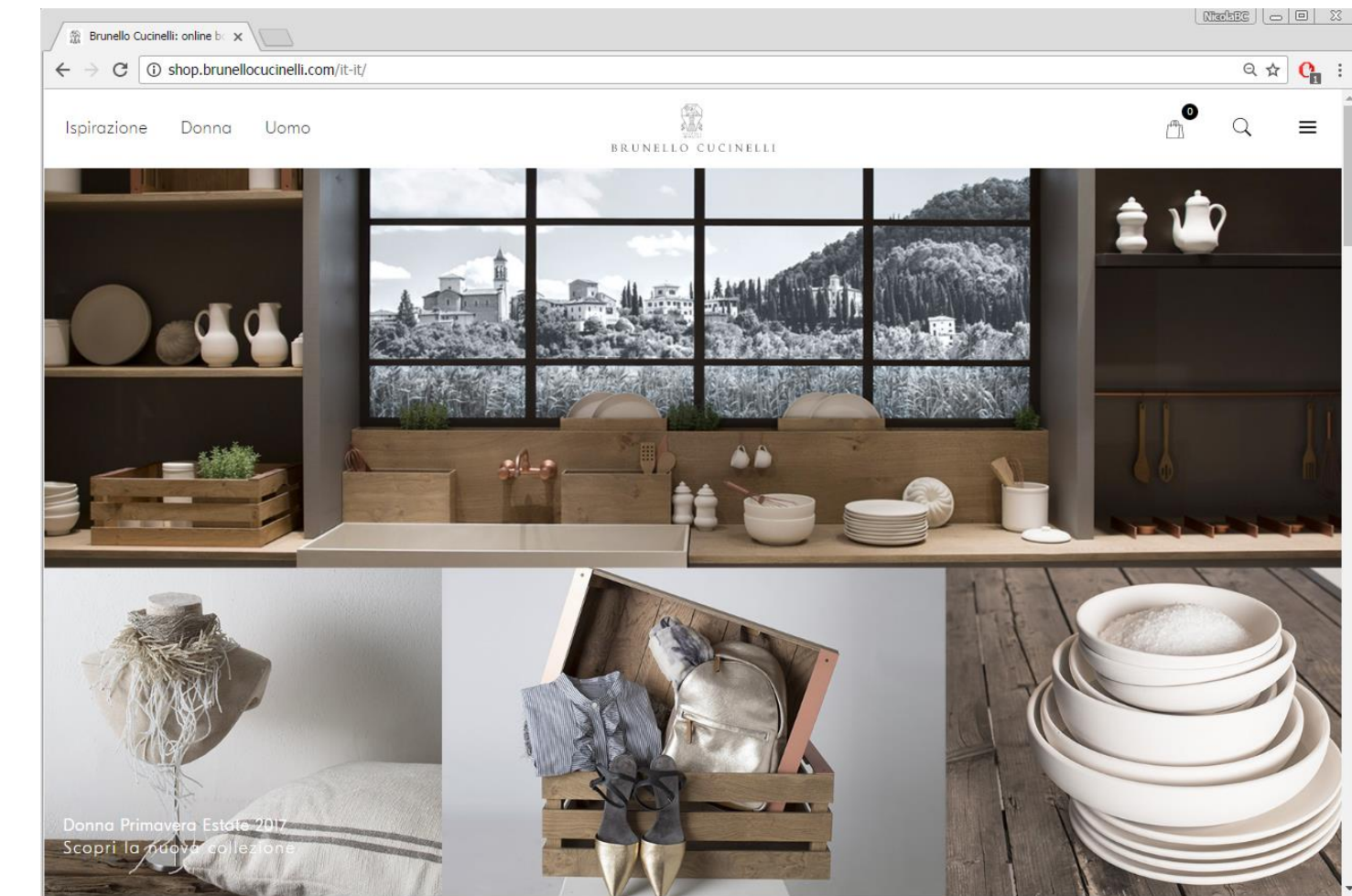


selfie

We are “very very” pleased with these results and feel that **2017 is the start of a “new world”**, where the Internet will have an enormous impact on humanity

We believe that this will change “buyer/seller relationships” forever, making it even more important to care for and **Protect the Brand**

We believe that the next major global challenge is to try to “**humanize the web**” and we would like to approach the web as “**humanist and contemporary artisans**”, with a global vision



We believe that another crucial aspect of operating in the digital world is delivery-time and the **value of waiting**, which completes the luxury experience

We believe that each order should be handled very carefully ←

Essential role of “**Brand Protection**” both in the digital and physical world, to which we are committed in all our daily activities



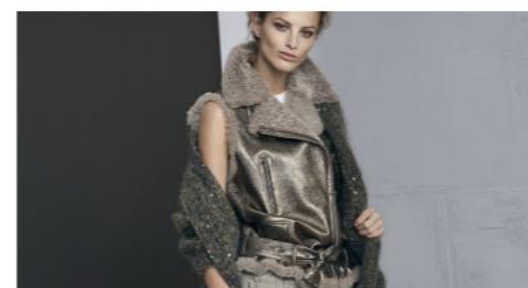
Umbria



Little Things



Athleisure Evolution



Urban Explorer



Ode to Summer



Still time

Solomeo is vital for the direct management of the **online boutique**

Devote special attention to **customer service**, **packaging** and **visual merchandising**

Convey, like in the physical world, the taste of our collections and **brand lifestyle**

Act as a “**kind advisors**”, also offering advice to online shoppers on a total lifestyle offering





Financial Highlights

Net Revenues

€243.3 mln
+10.7%

(performance at
current exchange rates)

Italian market

+6.0%
sales

Retail

+21.7% sales

EBITDA

€41.6 mln
+13.1%*

North America

+9.3% sales

Europe

+9.9% sales

Wholesale monobrand

+2.6%** sales
(-20.8% reported)

Investment Plan

€22.2 mln
in 1H 17

Net Profit

€19.9 mln
+10.6%*

* compared with 1H 16 adjusted,
excluding non recurring items reported last year

Greater China

+34.6% sales

RoW

+11.4% sales

Wholesale multibrand

+6.7% sales

Net Financial Position

€59.4 mln
(€79.7 mln as of June '16)

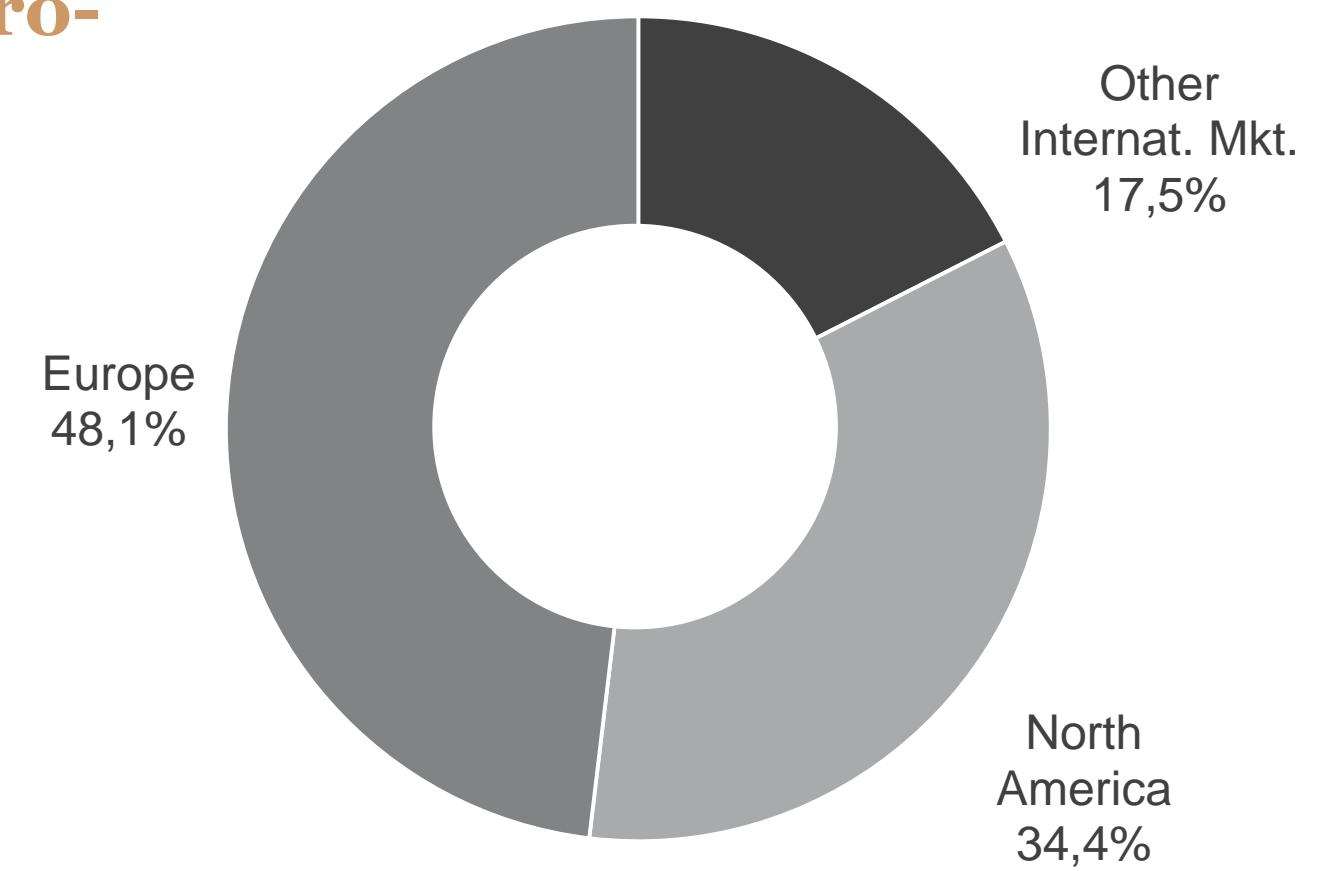




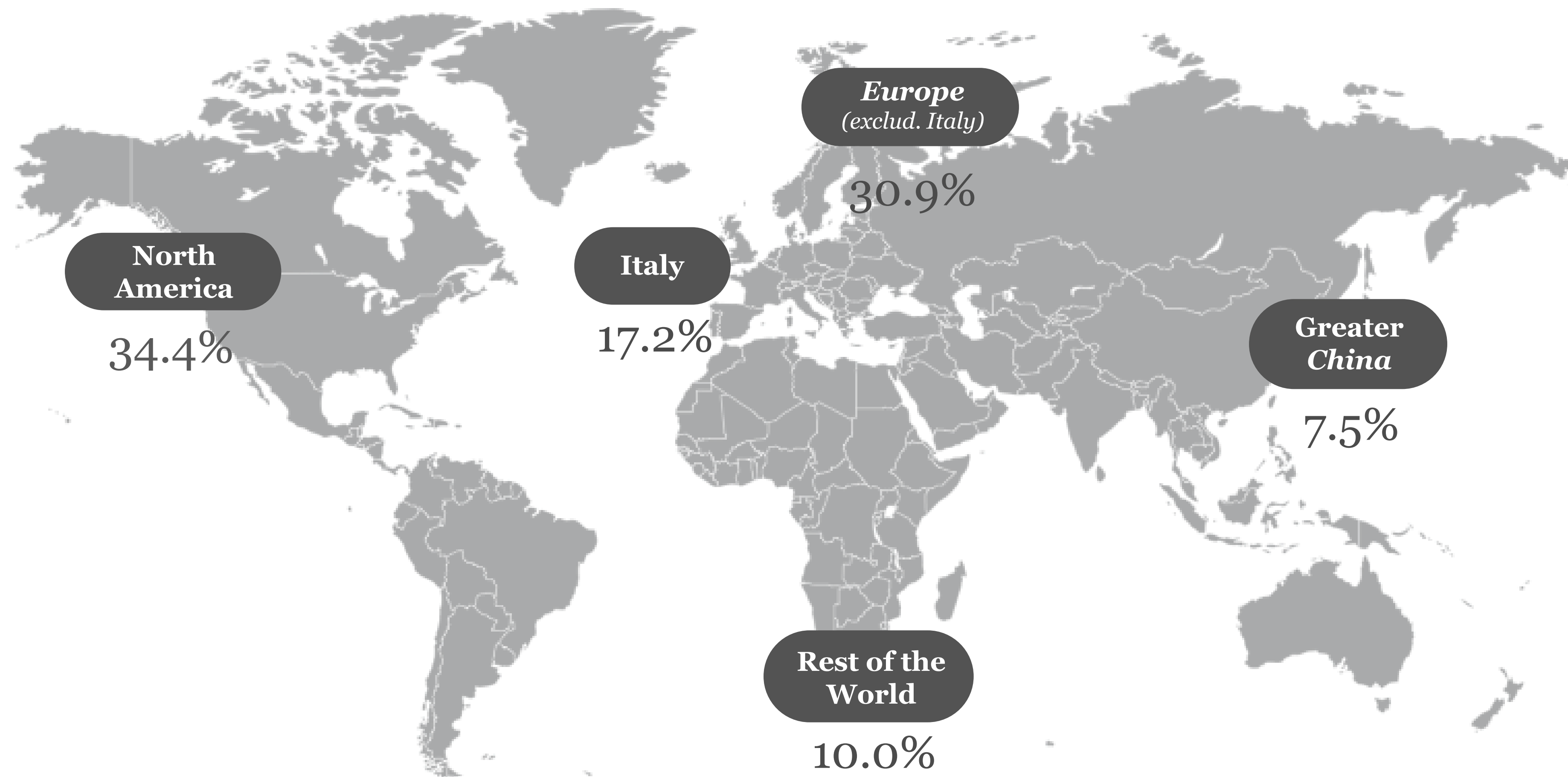
Revenues by Region

€ mln	1H 16	1H 17	YoY % Chg
Net Revenues	219.8	243.3	+10.7%
	Constant exchange rates +9.7%		
Italy	39.5	41.8	+6.0%
Rest of Europe	68.4	75.2	+9.9%
North America	76.4	83.6	+9.3%
Greater China	13.7	18.4	+34.6%
RoW	21.8	24.3	+11.4%

Breakdown by Macro-Region



Revenues Breakdown





Revenues Highlights

Italy

The Italian market continue to be extremely important for the brand's image, especially within the prêt-à-porter offer

The success of the offering in Italy contributes to our success across all international markets

Opening of our largest "physical" boutique in Via Montenapoleone, Milan further contributed to heightening the brand's allure

North America

Growth related our offering which try to stay modern and on our presence in prestigious spaces in the monobrand and multibrand channels; visual merchandising always contributed to success

Distinctive relationship with all Luxury Department Stores, committed to seeking out luxurious, which might attract high-end customers and help make purchasing experience "unique"

Greater China

Strong growth of 34.6%, even if on limited starting values; commitment to pursuing sustainable growth, seizing the potentials of an evolving market, maintaining the allure and the exclusivity

Evolution of the end customer, ever more sophisticated; gradual increase in Asian tourism in the fashion and luxury capitals of the world

Exclusive distribution approach in the multibrand channel, which is now gradually developing in China

Rest of Europe

The strong performance achieved is supported by the presence of local customers, as always a target for the brand

Results supported by local demand and the increase in top-end tourism

Purchases made by "young new customers" are playing an increasingly important role

Rest of the World

Growth in all core markets, thanks to the loyal local clients buying in the domestic market or travelling for pleasure or on business

Increasing flow of new clients, attracted particularly to our refined and modern "Ready to Wear" offer.

Thanks to the brand's allure, the quality level of our spaces is further enhanced which, in particular, the Luxury department stores in Japan



Revenues by Distribution Channel

€ mln

Retail

49.8%

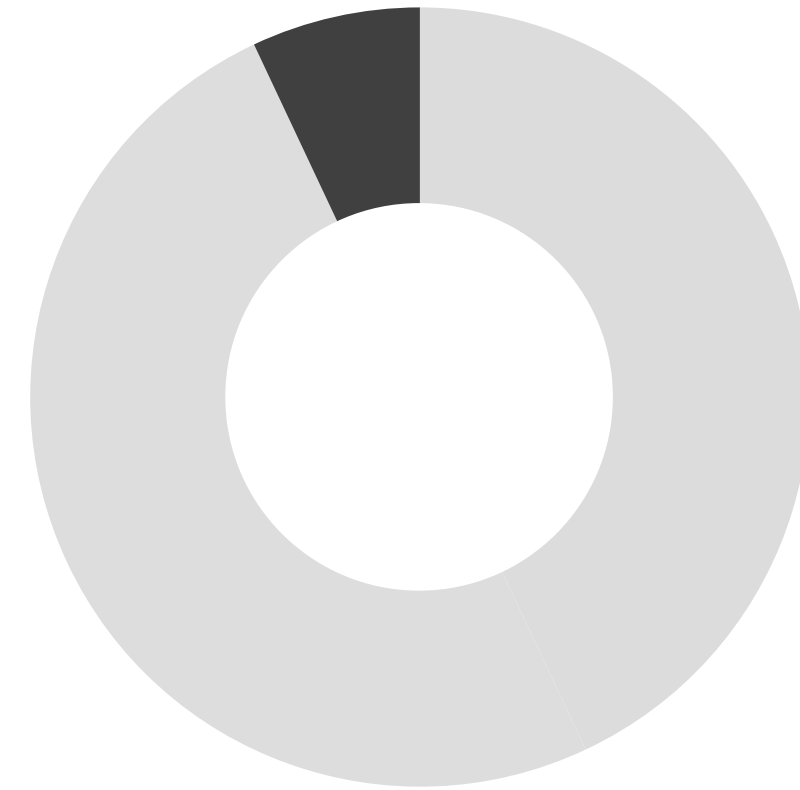
on sales
vs. 45.3%
in 1H 16



Wholesale Monobrand

7.2%

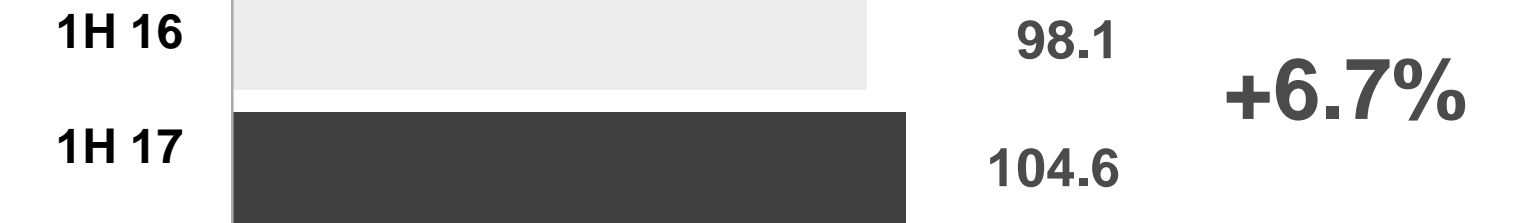
on sales
vs. 10.1%
in 1H 16



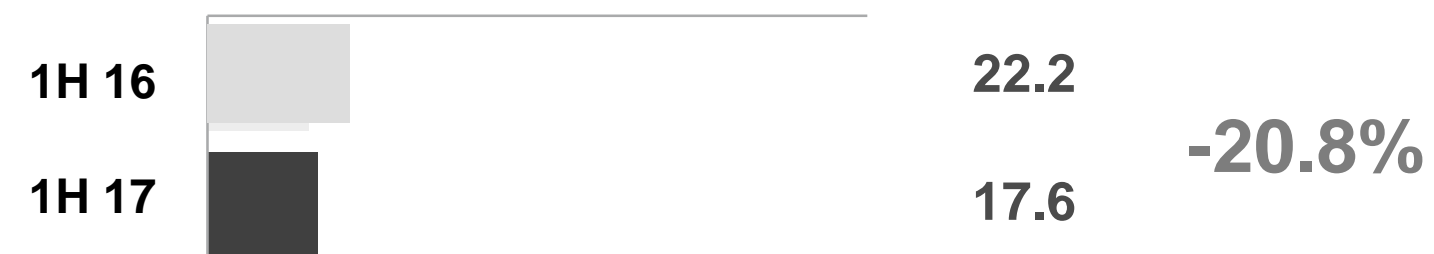
Wholesale Multibrand

43.0%

on sales
vs. 44.6%
in 1H 16



* Wholesale Monobrand Revenues as of 30/06/2016, excluding sales related 4 physical boutiques and on-line boutique converted into direct channel in the last 12 months



Retail & Wholesale Monobrand

Retail

Retail network with **91 boutiques** as of June '17
(86 boutiques as of June '16)

Network increase mainly related to 4 boutiques conversions in Moscow from wholesale monobrand network

+4.0% LFL*
between 1st January and 20th August 2017



Wholesale Monobrand

Wholesale Monobrand Network with **32 boutiques** as of June '17
(36 boutiques as of June '16)

Network decrease related to conversion to Retail Monobrand



* Like-for-Like calculated as the worldwide average of sales growth, at constant exchange rates, reported by DOS opened as of 01/01/2016



Wholesale Multibrand

Multibrand channel considered extremely important for the exclusivity attributed to the brand

Presence in “prestigious” areas

Multibrand helps the brand to maintain the Ready To Wear offer always contemporary and fresh

Particularly special relationship successfully created over the years with the most beautiful luxury multi-brand boutiques and Luxury Department Stores

Growth supported also by areas destined to the brand in the multibrand channel in Asia, which have great growth potential over the medium to long-term

The 2017 Autumn/Winter collections are showing interesting sell-out figures, confirming the very positive feedback received during the presentation by specialized press and multibrand partners

Positive results for 2018 Spring/Summers orders collected





Income Statement

€ mln

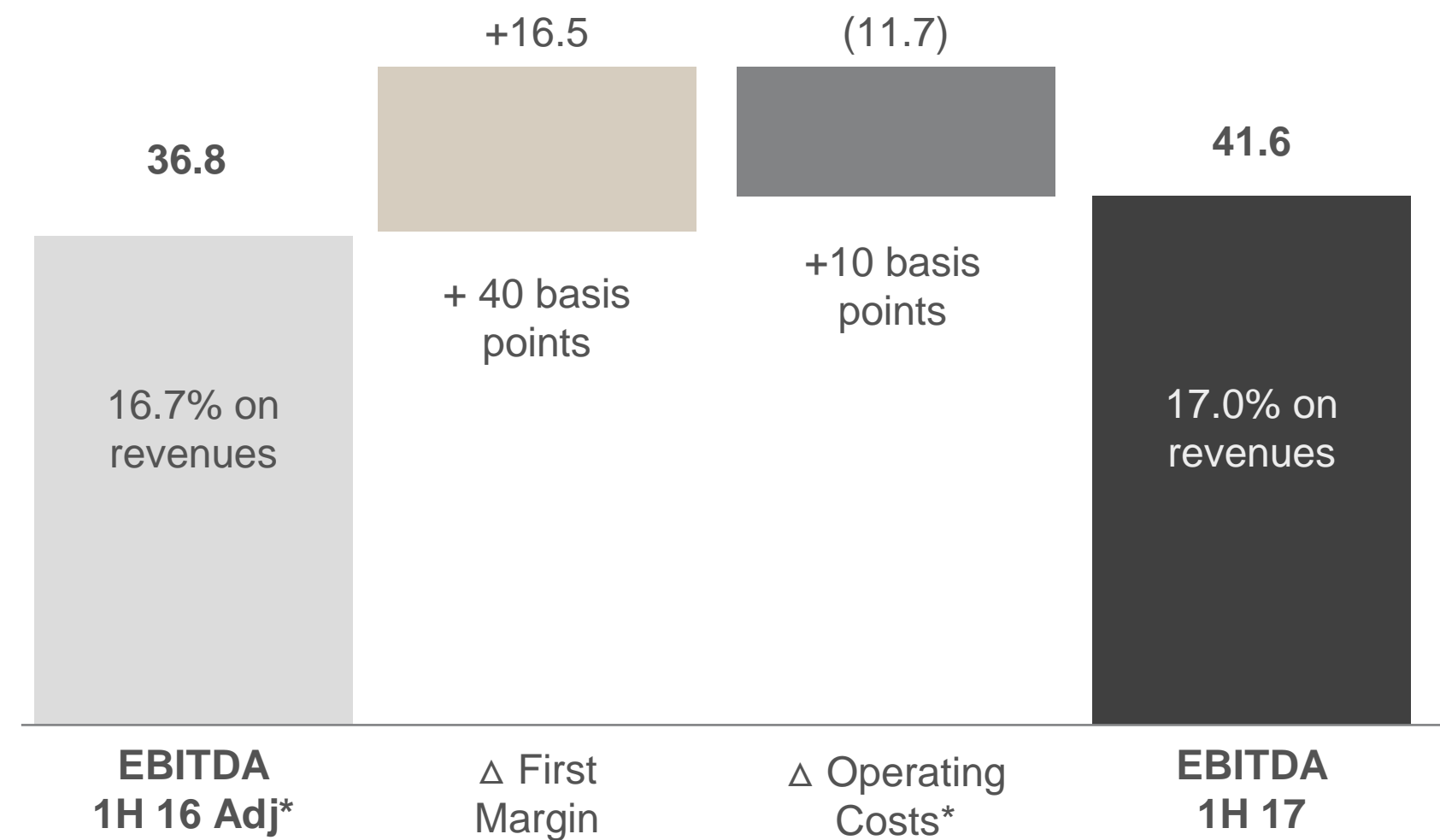
	1H 2016 Adj.*	1H 2017	Ch. %
Net Revenues	219.8	243.3	+ 10.7%
Other operating income	0.5	1.2	+ 138.5%
Revenues	220.3	244.5	+ 11.0%
First Margin	142.2	158.7	+ 11.6%
%	64.5%	64.9%	+ 40 b.p.
SG&A	-105.4	-117.1	+ 11.1%
%	47.8%	47.9%	+ 10 b.p.
EBITDA	36.8	41.6	+ 13.1%
%	16.7%	17.0%	+ 30 b.p.
D&A	-9.6	-10.6	+ 10.6%
%	4.3%	4.3%	-
EBIT	27.2	31.0	+ 14.0%
Income before taxation	25.4	28.0	+ 10.1%
Net Income	17.9	19.9	+ 10.6%
<i>Tax Rate</i>	29.4%	29.1%	



EBITDA & Key Income Statement Analysis

EBITDA Analysis

€ mln



*Excluding non recurring costs related 1H 16



First Margin

First Margin improved by 40 basis points (from 64.5% to 64.9%) driven by:

- Development of the business
- LFL growth & Sell-outs increase
- Retail network from 86 to 91 boutiques, driven by 4 conversions from wholesale monobrand to retail channel
- Channel mix evolution, with retail sales reaching 49.8% compared to the 45.3% previous year

Operating Costs*

Operating costs up from € 105.4 million* (47.8%) to € 117.1 million (47.9%), in line with business development

Cost of rents increase (+8.6%) related retail network development, some expansion of important sales space and prestigious repositioning

Personnel costs* growth (+10.6%) related retail network development and passage to direct operations of 5 shop-in-shops in the Holt Renfrew luxury department stores in Canada, previously run using the wholesale formula

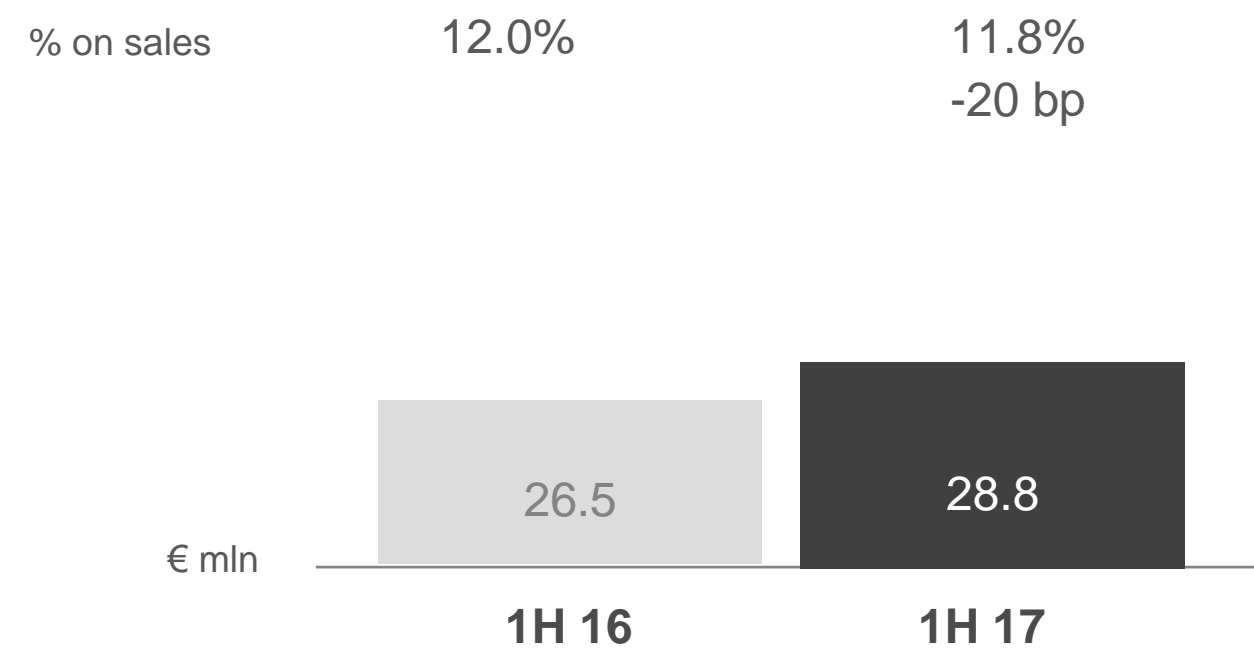
Other Operating costs incidence moved up from 18.0% to 18.4%



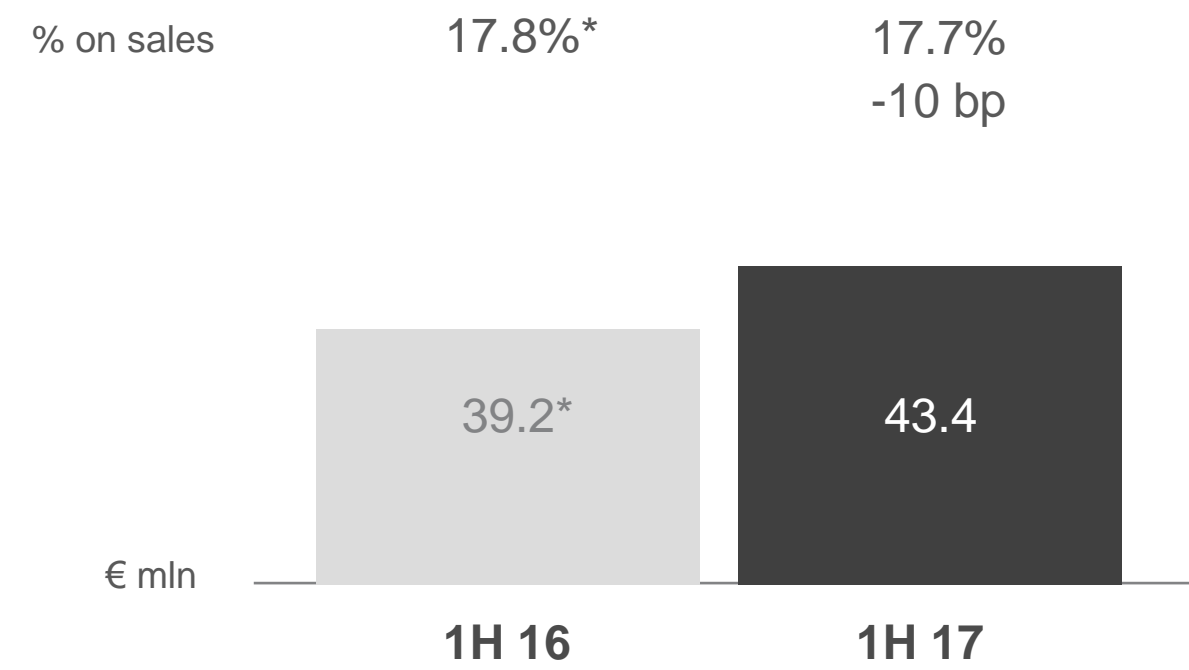
Operating Costs

€ mln

Rent cost

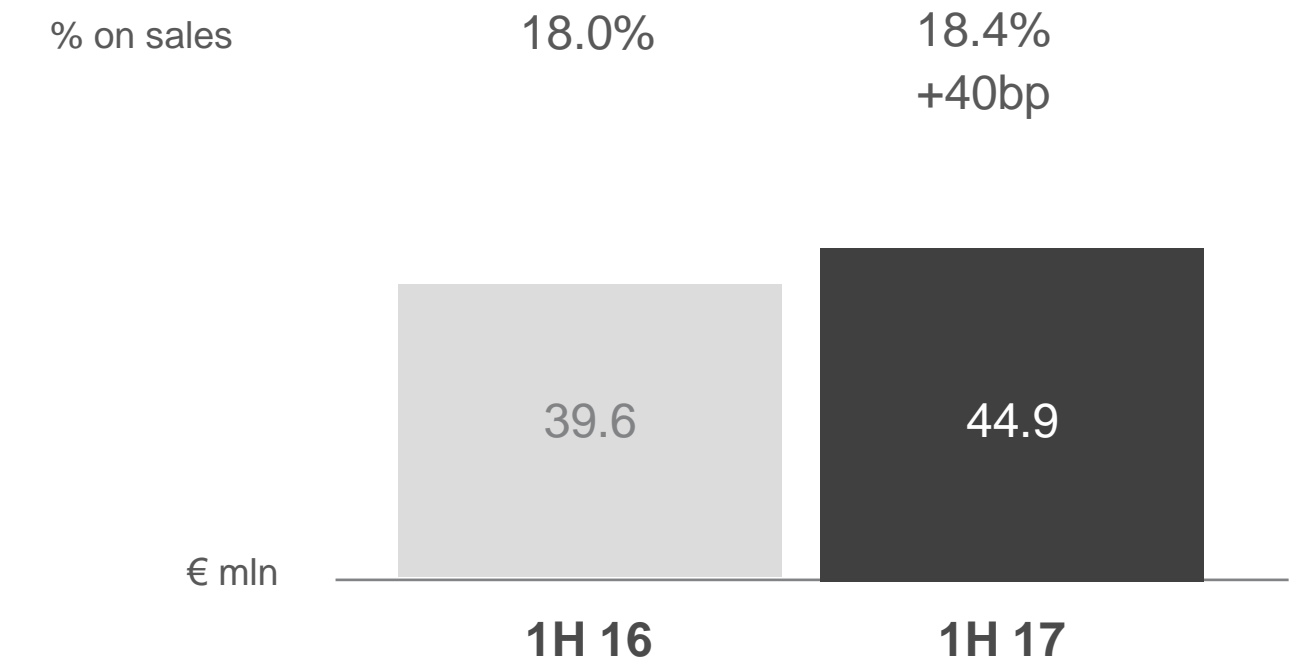


Personnel cost

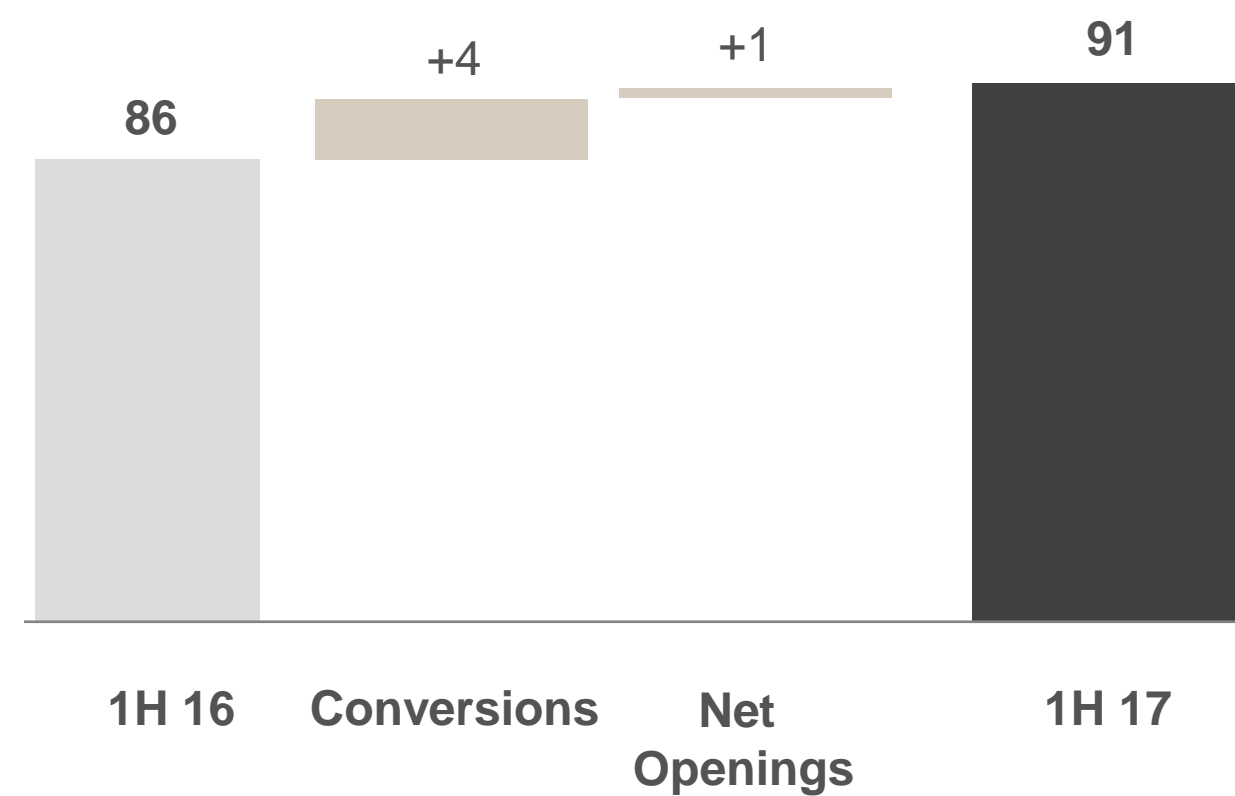


* Excluding non recurring costs related 1H 16

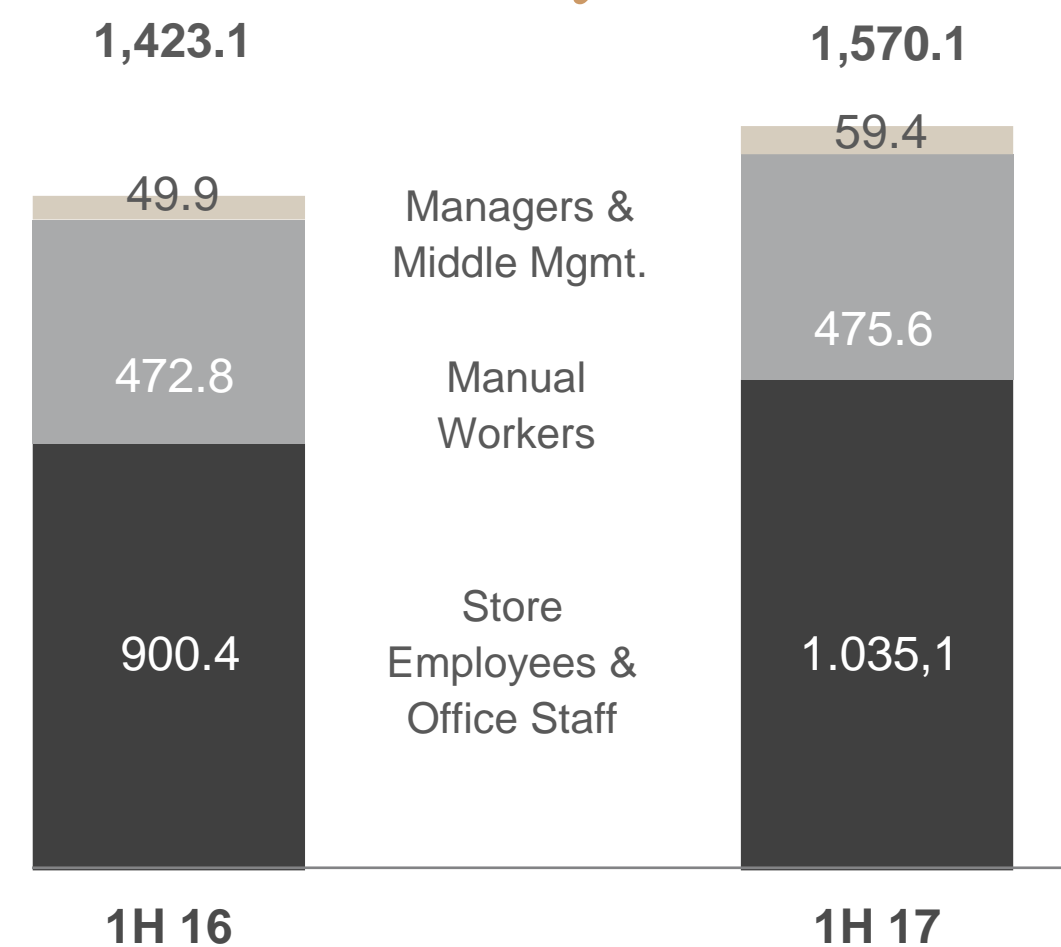
Other Operating Costs



DOS Network from 30/06/16 to 30/06/17



Average FTE - Workforce Analysis



Other operating costs increase related:

- investments in communication increase, up from 11.2€ mln to 12.5€ mln, maintaining the same incidence (5.1%) on sales
- structure costs connected to DOS network evolution
- direct management of 5 shop-in shop in the Holt Renfrew Department store in Canada
- direct Management of the on-line boutique, converted to Retail Operations since beginning of 2017
- Costs related all digital activities management



Net Working Capital

	1H 2016	1H 2017	delta	FY 16
Trade Receivables	63.1	54.4	-8.7	47.2
Inventories	154.7	158.6	3.9	154.8
Trade Payables	-62.5	-61.9	0.6	-63.4
Strict Net Working Capital	155.2	151.0	-4.2	138.7
<i>Incidence on Net Revenues</i>	35.8%	31.5%		30.4%
Other Credits/(Debts)	-19.4	-9.5	9.9	-9.4
Net Working Capital	135.8	141.6	5.7	129.3
<i>Incidence on Net Revenues</i>	31.3%	29.5%		28.4%

Strict Net Working Capital incidence (on 12 months rolling sales) decreased from 35.8% to 31.5%

Net Working Capital incidence decreased from 31.3% to 29.5%, with “Other Credits/(Debts)” declined from -19.4€ million to -9.5€ million*

Trade Receivables

Trade Receivables decrease related to:

- positive trade receivable management
- conversion to direct management of our online boutique and 4 Moscow boutiques from third party management
- conversion to direct management of 5 shop-in-shops in the Holt Renfrew luxury department stores in Canada, previously run as wholesale boutiques

Inventory

Very positive sell-out figures drove inventory incidence decrease

Inventory incidence as of 30 June 2017 (33.1%) in line with the incidence as of 31st December 2016 (33.9%)

Trade Payables

Flattish trend related Trade Payables

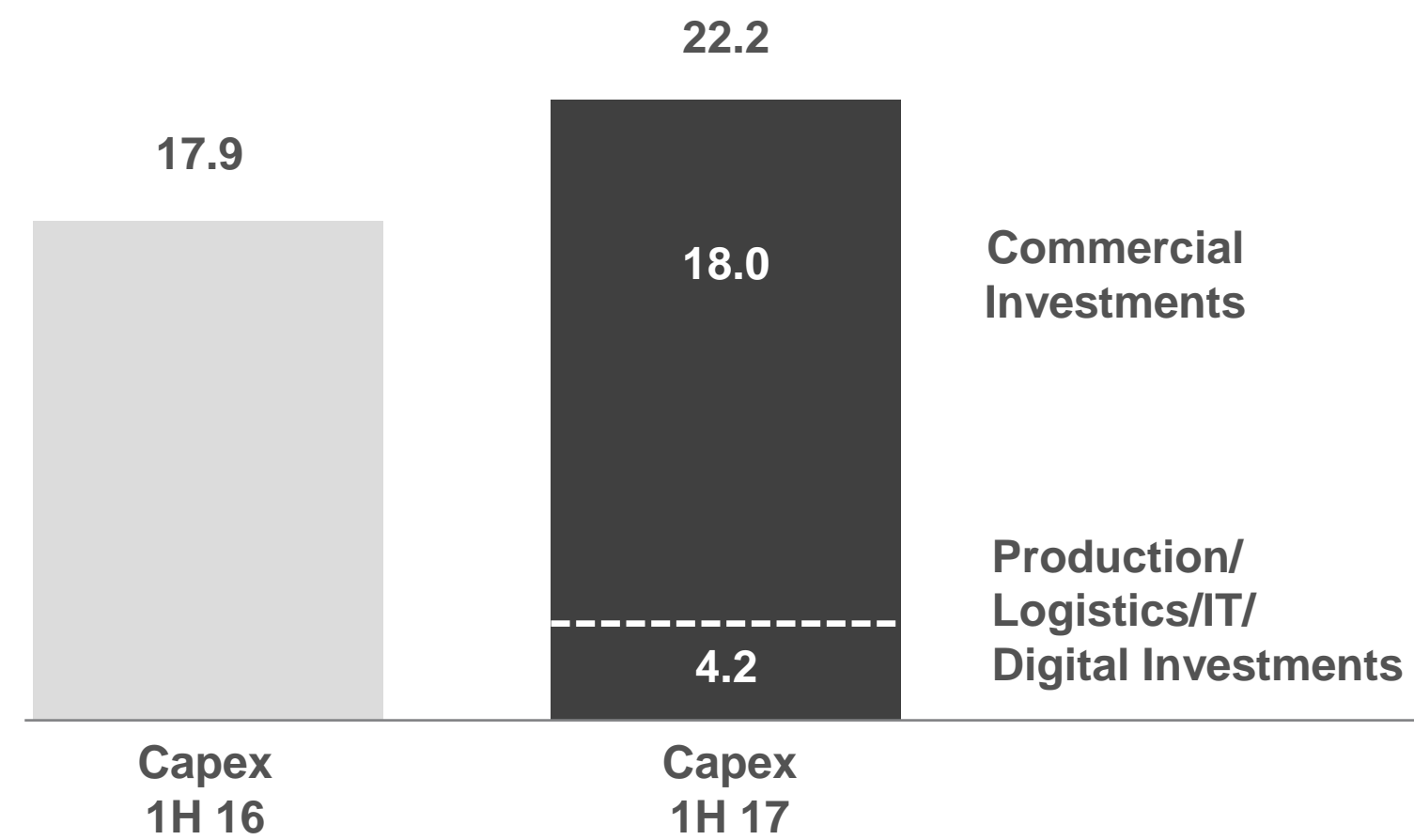
* Trend related to the fair value of the currency forwards derivatives, underwritten as per the Company standard practice at the time price lists are defined and with the only purpose to hedge the non-euro commercial fx exposure





Investments

€ mln



Commercial investments

- mainly related the conversion of 4 boutiques from third party management to direct mgmt.
- selected boutique opening and repositioning
- increase of spaces in the Luxury Department Stores

Production/Logistics/IT/ Digital Investments

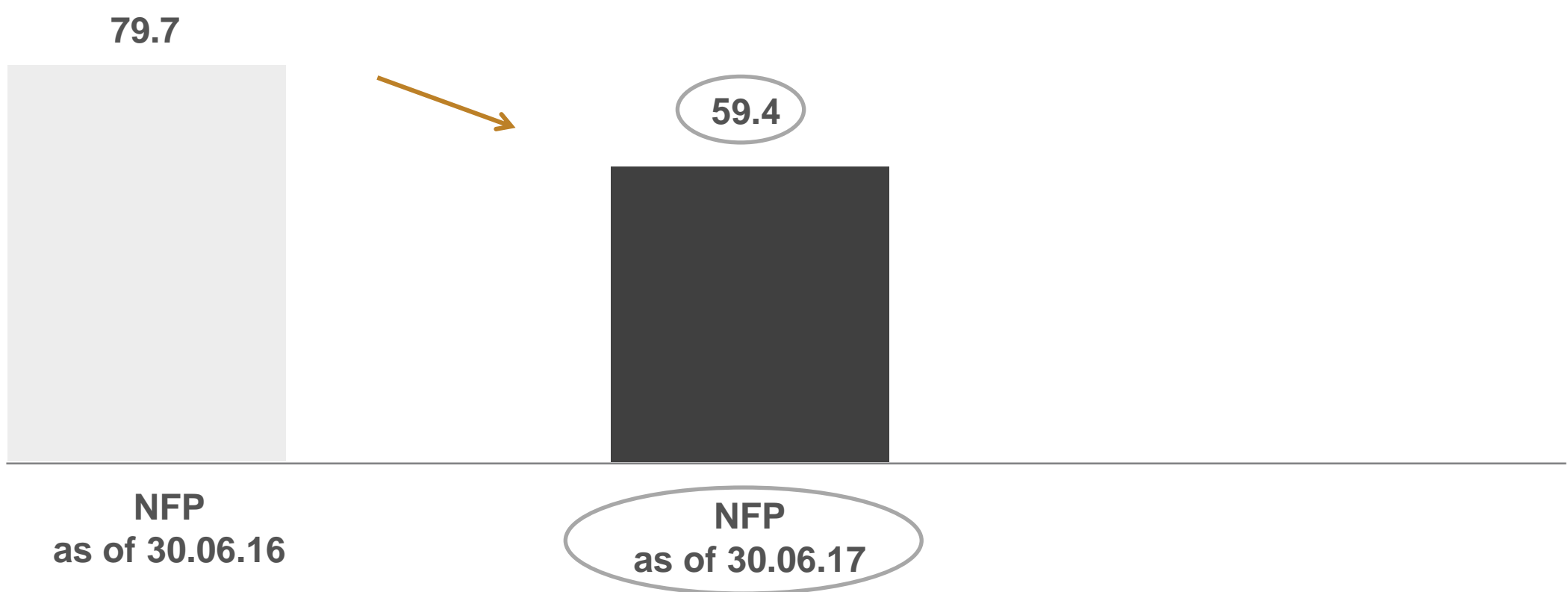
- IT and Digital Platform Investments related to the **“Great Internet Project”**
- Capex to support **“brand protection”** and exclusivity in the digital and physical world





Net Financial Position

€ mln



Net debt of €59.4million at 30 June 2017, a decrease from €79.7 million at 30 June 2016

Decrease mainly related

- operating cash flow generation
- trend in NWC management

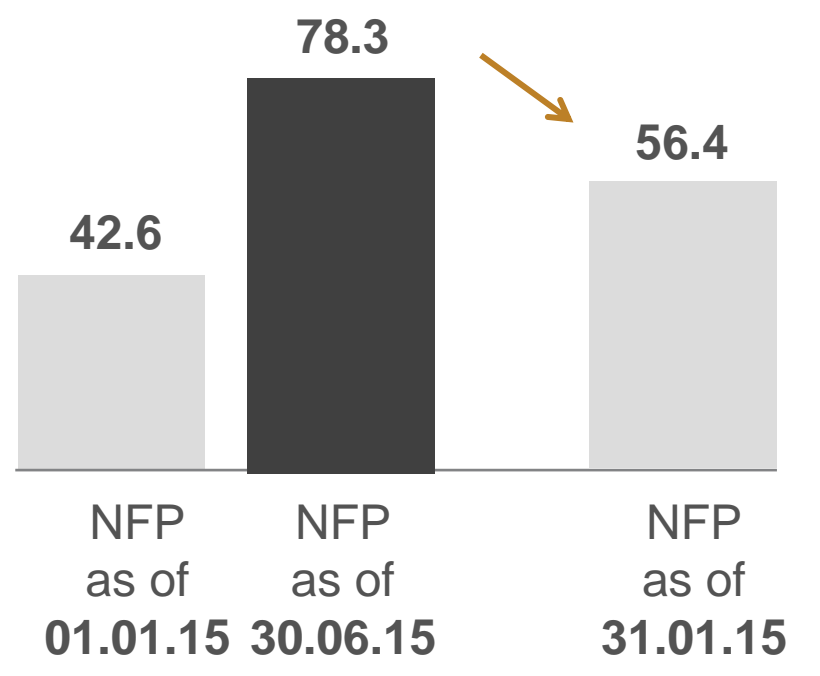
Capex invested in the first 6 months of FY2017 higher compared with the capex invested the same period previous year, targeting the exclusivity of the positioning and allure of the brand in both the “physical” and “online” channels



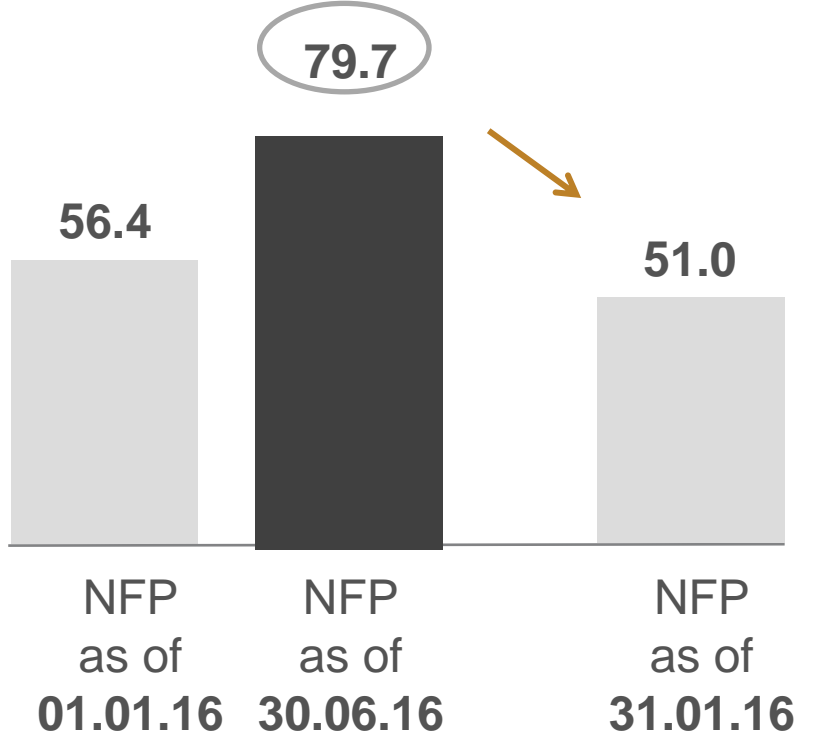
Net Financial Position & Seasonality

€ mln

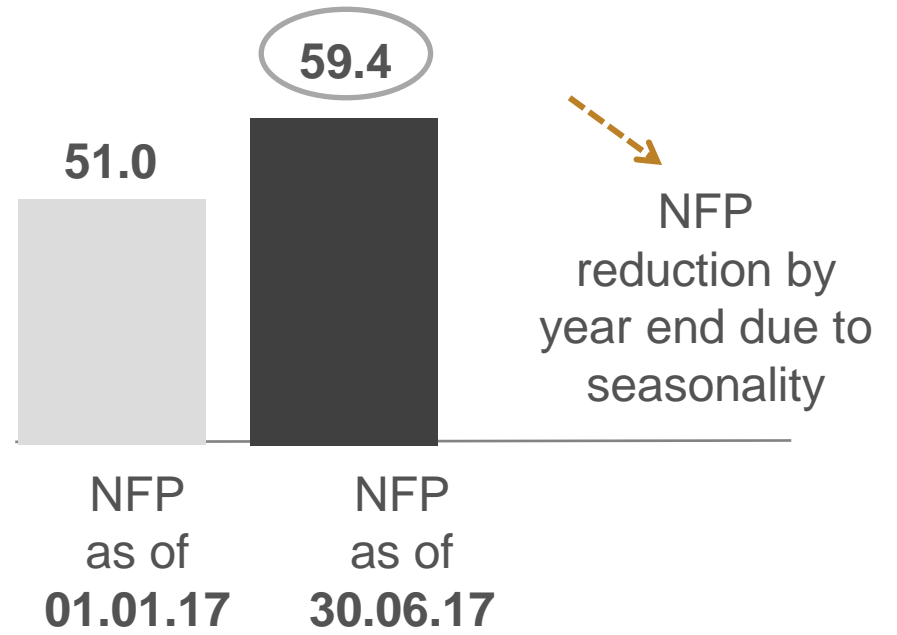
FY 2015



FY 2016



FY 2017



NFP confirming its seasonality, with the peak reached between June and September, than falling by year end

NFP by the end of FY2017 expected to be lower compared with previous year



· S O L O M E I ·
· A D · M C C C X C I ·

BRUNELLO CUCINELLI

1H 17

Annex

Income Statement Reported Vs. Adjusted

€ mln

	1H 2016	1H 2017	Ch. %	1H 2016 Adj.*	1H 2017	Ch. %
Net Revenues	219.8	243.3	+ 10.7%	219.8	243.3	+ 10.7%
Other operating income	0.5	1.2	+ 138.5%	0.5	1.2	+ 138.5%
Revenues	220.3	244.5	+ 11.0%	220.3	244.5	+ 11.0%
First Margin	142.2	158.7	+ 11.6%	142.2	158.7	+ 11.6%
%	64.5%	64.9%	+ 40 b.p.	64.5%	64.9%	+ 40 b.p.
SG&A	-106.7	-117.1	+ 9.7%	-105.4	-117.1	+ 11.1%
%	48.4%	47.9%	- 50 b.p.	47.8%	47.9%	+ 10 b.p.
EBITDA	35.5	41.6	+ 17.2%	36.8	41.6	+ 13.1%
%	16.1%	17.0%	+ 90 b.p.	16.7%	17.0%	+ 30 b.p.
D&A	-9.6	-10.6	+ 10.6%	-9.6	-10.6	+ 10.6%
%	4.3%	4.3%	-	4.3%	4.3%	-
EBIT	25.9	31.0	+ 19.7%	27.2	31.0	+ 14.0%
Income before taxation	24.1	28.0	+ 16.1%	25.4	28.0	+ 10.1%
Net Income	16.0	19.9	+ 23.9%	17.9	19.9	+ 10.6%
Tax Rate	33.6%	29.1%		29.4%	29.1%	

1H 16 adjusted figures due to non-recurring costs and normalized tax rate

1H 16 SG&A adjusted does not include one-off costs mainly related to the termination of employment payment of former co-Chief Commercial Officer

1H 16 Tax Rate adjusted does not include one-off costs related tax and accounts a normalized IRES tax rate (the IRES tax rate cut from 27.5% to 24.0% affecting deferred tax assets in FY 16)



Detailed Income Statement Reported

€ mln

	1H 2016	1H 2017
Net Revenues	219.8	243.3
Other operating income	0.5	1.2
Revenues	220.3	244.5
Consumption Costs	(33.3)	(37.9)
Raw Material Cost	(43.6)	(45.4)
Inventories Change	10.3	7.5
Outsourced Manufacturing	(44.8)	(47.9)
First Margin	142.2	158.7
Services Costs (excl. Out. Manuf.)	(63.5)	(70.0)
Personnel costs	(40.5)	(43.4)
Other operating costs	(2.3)	(2.6)
Increase in tangible assets	0.5	0.7
Bad Debt and other provisions	(0.8)	(1.9)
EBITDA	35.5	41.6
D&A	(9.6)	(10.6)
EBIT	25.9	31.0
Financial expenses	(11.3)	(13.1)
Financial income	9.5	10.1
EBT	24.1	28.0
Income taxes	(8.1)	(8.1)
<i>Tax rate</i>	33.6%	29.1%
Net Income	16.0	19.9
Minority Interest	(0.2)	0.3
Group Net Profit	16.2	19.6



Detailed Balance Sheet & Cash Flow Statement

€ mln

	1H 2016	1H 2017
Trade receivables	63.1	54.4
Inventories	154.7	158.6
Trade payables (-)	(62.5)	(61.9)
Other current assets/(liabilities)	(19.4)	(9.5)
Net Working Capital	135.8	141.6
Goodwill	0.0	7.0
Intangible assets	30.5	26.5
Tangible assets	109.6	113.2
Financial assets	5.5	7.1
Total Assets	145.6	154.0
Other assets/(liabilities)	2.5	1.2
Net Invested Capital	284.0	296.8
Cash & Cash equivalents (-)	(42.3)	(52.0)
Short term Debt	74.6	54.6
Long term Debt	47.4	56.9
Net Financial Position	79.7	59.4
Shareholders Capital	13.6	13.6
Share-premium Reserve	57.9	57.9
Reserves	110.7	138.3
Group Net Profit	16.2	19.6
Group Equity	198.5	229.4
Minority shareholders	5.8	7.9
Total Equity	204.2	237.3
Total Funds	284.0	296.8

	1H 2016	1H 2017
Net Income	16.0	19.9
D&A	9.6	10.6
Ch. In NWC and other	(21.2)	(3.9)
Cash flow from operations	4.3	26.5
Tangible and intangible investments	(18.0)	(13.5)
Other (investments)/divestments	1.1	(9.2)
Cash flow from investments	(16.8)	(22.7)
Dividends	(8.9)	(10.9)
Share capital and reserves increase	(0.8)	-
Net change in financial debt	16.2	12.2
Total Cash Flow	(6.0)	5.1

Decrease in "Trade Payables" related different approach to the declarations of intent which gives rise to VAT exemption for suppliers gives rise to a lower amount receivable from Tax Authorities and a corresponding decrease in trade payables. The lower amount in payables arising from investing activities is due to higher capital expenditure related to works performed on buildings near the closing of the previous year.

The change in "Other net liabilities" is due to the reporting at fair value of derivatives underwritten with the only purpose of hedging the exchange risk on commercial transactions in foreign currency. These derivatives are accounted following the "cash flow hedge" rules, which provide for the fair value to be booked as an asset or liability item on the Balance Sheet (Asset or Liabilities for current financial instruments), with a corresponding balancing reserve in Shareholders'equity to reflect the effective component of the change in fair value of derivatives, which will be reversed through revenues in the income statement at the point when the transaction being hedged is recognised for accounting purposes.



Investor Relations

Significant Shareholdings*

Trust Brunello Cucinelli (Fedone s.r.l.)	57.0%
FMR LLC (Fidelity)	10.0%
Oppenheimer Funds	5.0%
Other	28.0%

* As of the date of this document

Head of Investor Relations

Pietro Arnaboldi	Brunello Cucinelli S.p.A.
mail: pietro.arnaboldi@brunellocucinelli.it	Viale Parco dell'Industria, 5
Tel. +39 075 6970079	Solomeo (PG)
	Italia

Board of Directors

Brunello Cucinelli	Chairman and C.E.O.
Moreno Ciarapica	Director and C.F.O.
Riccardo Stefanelli	Director and Co-C.E.O.
Luca Lisandroni	Director and Co-C.E.O.
Camilla Cucinelli	Director
Giovanna Manfredi	Director
Carolina Cucinelli	Director
Andrea Pontremoli	Lead Independent Director
Candice Koo	Independent Director
Matteo Marzotto	Independent Director
Massimo Bergami	Independent Director





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.

The Manager in Charge of preparing the Corporate accounting documents, Moreno Ciarapica, declares pursuant to and to the effects of article 154-bis, paragraph 2 of Legislative Decree no. 58 of 1998 that the disclosures included in this release correspond to the balances on the books of account and the accounting records and entries.



BRUNELLO CUCINELLI