



BRUNELLO CUCINELLI

PRESS RELEASE

BRUNELLO CUCINELLI: the Board of Directors has examined sales results for the first nine months of 2019

- **Net revenues of €459.2 million, +8.8% at current exchange rates (+7.7% at constant exchange rates) compared to €422.1 million at 30 September 2018;**
- **Sales increase of 10.2% in the international markets and 2.2% in the Italian market;**
- **Europe +9.6%, North America +9.2%, China +14.4%, Rest of the World +11.3%;**
- **Increase in all distribution channels: retail +11.2%, wholesale monobrand +3.2%, wholesale multibrand +6.9%.**

Brunello Cucinelli, Chairman and CEO, has commented as follows:

*“We have nearly reached the end of 2019, an **excellent** year for our business in terms of both results and image. The Fall/Winter sell-out rate was very good, and our brand seems to be enjoying much appreciation. Based on these results, we can already envisage the year closing with a good revenue growth of around 9% coupled with a healthy profitability rise”.*

“Given the global development of luxury made in Italy ready to wear and the buoyant order intake for Spring/Summer 2020, we believe that next year too will deliver positive growth in revenues and profits, in line with our 10-year plan”.

*A special thanks to all our co-workers whose creativity enables us to push ahead with the project we call **"working and living according to nature"**.*



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Solomeo, 7 November 2019 – The Board of Directors of Brunello Cucinelli S.p.A. – an Italian maison operating in the luxury goods sector and listed on the Borsa Italiana Electronic Stock Exchange (MTA) – today examined the Group’s sales figures for the first nine months of 2019, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The dynamics of the nine months are part of the first year of a long and very long-term growth project whose roots lie in **Solomeo, “Hamlet of the Spirit”**, where we seek to live and work in accordance with nature’s rhythms, **in harmony with the Creation**, endeavoring to cause the least harm possible to our beloved Earth.

This dedication to **“human sustainability”** has always been part of our world, consisting as it does of care and attention for all of our stakeholders, collaborators, suppliers, communities and local environments.

Respect for the **moral dignity** of each of the Human Resources working for us, be they direct employees, suppliers or artisan workshops, and respect for **economic dignity**, which is achieved through the search for a **“just profit”**, a key item in our business philosophy, are indeed an integral part of the Company’s DNA.

By sharing the values that characterize our business we believe that we have somehow managed to create a **strong bond of “belonging”** with the **end customer**, for whom a **garment’s “emotional” value** becomes increasingly more important and present.

We have in fact the feeling that for many of our customers owning one of our articles means **“being the custodian”** of the item and perhaps handing it down to subsequent generations, or simply not separating oneself from it when a season is over but keeping it because *“you like it or because it brings special moments to mind”*.

This approach is linked to the activity - which we have always reserved for our customers - of **“repairing”** the purchased items perhaps consumed, worn out over time or accidentally deteriorated.

For us this activity is an integral part of the **“human sustainability”** and **“respect for the Creation”** which we strongly believe in.

Over the past few months we have worked with conviction and enthusiasm on **developing the corporate website**, highlighting the “human sustainability” issues which have always distinguished our work and at the same time ensured the right visibility for the “product”, endeavoring to give prominence to that **“balanced and gracious” luxury** which we believe represents us in the world.



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By renovating the corporate website we are additionally trying to maintain a contemporary presence in the internet world, providing an attentive and gratifying experience that is fully representative of the evolution of the business, as we do in the physical world where showrooms and boutiques are constantly in evolution as a means of providing a “fresh, dynamic and modern” image.

The results for the first nine months of the year look very interesting to us and already allow us to envisage an **especially positive 2019** and **to budget 2020 with serenity and confidence, in line with our ten year planning 2019-2028.**

As always, our daily thoughts are directed at trying to **keep the product contemporary** through the constant search for styles, tastes and trends, without ever abandoning the “no logo” identification that our customers recognize in us, seeing us as one of the brands representative of a **sporty, luxury chic, sophisticated and modern taste.**

In September, during the **Fashion Week in Milan**, we had the pleasure and honor of receiving over 500 journalists and numerous customers in our Milan showroom who came on the occasion of the presentation of the **2020 Womenswear Spring/Summer Collection.**

This is an extremely important moment for an exchange of views, and the positive way in which the press and customers judged the collection confirms the **highly favorable atmosphere** around the brand, thanks also to the **current taste of the market which has a very close affinity to ours.**

This positive approach is highlighted in the significant increase in the order book for the **2020 Womenswear Spring/Summer Collection**, concluded in the past few weeks, which follows the **very interesting sell-outs** of the **2019 Fall/Winter** collections.

Full satisfaction was also provided by the menswear offer, with **increasing sell-outs** of the **2019 Fall/Winter** collections and a **very positive order book for the 2020 Spring/Summer** collections, closed in the past few months.

Regarding the first collection dedicated to **Kids**, the natural extension of our Ready-to-Wear offer, the order book for the upcoming **2020 Spring/Summer season** concluded with **very comforting results**, in line with our expectations, confirming the distinct appreciation we received when designing and presenting the collections.

Sales Performance

Net revenues for the first nine months of 2019 totaled €459.2 million, representing a rise of 8.8% at current exchange rates (+7.7% at constant exchange rates) compared to last year's €422.1 million.



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Revenues by Geographical Area

Italian Market – revenues at €76.1 million (16.6% of the total) representing an increase of 2.2% over €74.4 million at 30 September 2018.

We believe that the “Pitti Immagine” in Florence, together with the “Fashion Week” in Milan, are among the most important fashion events in the world. They are the ultimate moment of sharing between “the industry” and “the press”, they are extremely valuable, representing the identity of taste and trend in the world.

This is the reason why the Italian market plays such an important role, one which is not limited to the business generated but extended to the broader concept of lifestyle.

European Market – growth of 9.6%, with sales of €139.5 million (30.4% of the total) compared to €127.4 million at 30 September 2018.

A solid performance in all the areas of the European market, with London and Paris, together with Milan, confirmed as the leading world fashion capitals, a point of reference and a meeting place not only for end customers but also for all the operators in the sector.

North American Market – an increase of 9.2%, with revenues of €148.2 million (32.2% of the total) compared to €135.7 million at 30 September 2018.

The continuous rise in results is supported by the performance achieved in both the monobrand channel and multibrand channel, which directs its offer towards absolute luxury consisting of special and unique articles.

The positive trends were also upheld by a presence in prestigious localities and by relations of trust and esteem established with both end customers and multibrand customers.

China – growth of 14.4%, with sales of €43.5 million (9.5% of the total) compared to €38.1 million at 30 September 2018.

Our “**Celestial Empire**” project continues with great satisfaction, and the very positive results of the first nine months of the year point to gradual and sustainable business growth.

The fine relationship of esteem, trust and sharing which we have tried to create with the Chinese end customer and multibrand over the years is providing us with a high level of satisfaction.

Rest of the World – an increase of 11.3%, with sales of €51.9 million (11.3% of the total) compared to €46.6 million at 30 September 2018.



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Solid growth in all geographical areas thanks to the collection offer that meets up with the sophisticated demand of international customers, who are as accustomed to purchasing on the domestic market as they are during business or pleasure trips.

Revenues by Distribution Channel

Retail monobrand channel – an increase of 11.2% in sales, which reached €229.2 million (49.9% of the total) compared to €206.1 million at 30 September 2018.

The first nine months of 2019 posted a positive like-for-like trend, supported by the solid sell-outs of the 2019 Spring/Summer and 2019 Fall/Winter collections.

There were 103 boutiques in the network at 30 September 2019, compared to 100 at 30 September 2018, with three openings taking place during the year.

Wholesale monobrand channel – growth of 3.2%, with revenues reaching €25.0 million (5.4% of the total) compared to 24.2 million at September 2018. The network consisted of 29 boutiques at 30 September 2019 compared to 27 at 30 September 2018.

Wholesale multibrand channel – an increase of 6.9%, with sales reaching €205.0 million (44.7% of the total) compared to €191.8 million at 30 September 2018.

We believe that the relationship built up over the years with the world's multibrands underlies the growth performance in this channel and the utmost value we attribute to it, thanks to the constant exchanges of view that lead us to identifying multibrand as the “high court” for the collections.

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 press release correspond to the balances on the books of account and the accounting records and entries. The sales figures included in this release have not been audited.

This document may contain forward-looking statements on future events regarding the Brunello Cucinelli Group and its operating, economic and financial results. By their nature these statements contain an element of risk and uncertainty, as they depend on the occurrence of future events and developments.



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Brunello Cucinelli S.p.A. is an Italian maison operating in the absolute luxury goods sector; specializing in cashmere it is now one of the most exclusive brands in the international chic **prêt-à-porter** sector, the expression of everyday luxury. Brunello Cucinelli, founded in 1978 by the eponymous stylist and entrepreneur, posted net revenues of €553.0 million in 2018 (+8.1% compared to the previous year), of which 84.1% was achieved overseas, and an EBITDA of €95.1 million, up by 8.8% over the EBITDA of 2017, and currently has around 1,800 employees. Brunello Cucinelli's success is rooted in the history and legacy of great craftsmanship as well as in modern design: a quality strategy founded on a combination of innovation and artisan skill.

The attention and care taken in manufacturing the product are expressed through the use of the highest quality raw materials, tailoring and **craftsmanship** of exclusively **Made in Italy** production, combined with *savoir faire* and **creativity**; all of this makes the Solomeo-based company one of the most exclusive testimonials of Italian **lifestyle** worldwide.

Company business has always been conducted in the medieval hamlet of Solomeo, on the outskirts of Perugia. Today the brand is distributed internationally in over 60 countries through 132 monobrand boutiques (103 direct boutiques and 29 monobrand wholesalers) in leading capitals and cities worldwide and in the most exclusive resorts, with a selected presence in approximately 600 selected multibrand stores, including leading luxury department stores.

Contacts: **Investor Relations & Corporate Planning**

Pietro Arnaboldi
Brunello Cucinelli S.p.A.
Tel. +39 075/69.70.079

Media

Vittoria Mezzanotte
Brunello Cucinelli S.p.A.
Tel. +39 02/34.93.34.78

Ferdinando de Bellis
Barabino & Partners
Tel. +39 02/72.02.35.35

Corporate website: www.brunellocucinelli.com

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