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Oggetto : The Board of Directors examines Sales
Results as of 30 September 2021

Testo del comunicato

Vedi allegato.



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Press Release

BRUNELLO CUCINELLI: the Board of Directors examined Sales Results as of 30/09/2021.

Revenues for the first 9 months 2021: performance compared to September 30, 2019

- Net revenues of €502.6 million, up +9.4% at current exchange rates (+12.2% at constant exchange rates) compared to 30 September 2019;
 - Excellent growth was reported in Asia +18.0%, Europe +14.1%, the Americas +7.9%, with a limited drop in Italy of -6.9%;
 - Retail channel up +15.6% and wholesale up +3.3%.
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- In the third quarter of 2021, net revenues amounted to €188.8 million, up 12.5% compared to the same period in 2019.

Revenue for the first 9 months 2021: performance compared to September 30, 2020

- Growth of +32.7% at current exchange rates compared to September 30, 2020 (+35.4% at constant exchange rates): Asia +35.9%, Americas +37.4%, Europe +31.6%, Italy +21.0%, with the retail channel growing by +56.5% and the wholesale channel by +13.5%.

Brunello Cucinelli, Executive Chairman and Creative Director of the Company, commented:

*"The first nine months of the year have gone very, very well indeed; the Autumn Winter 2021 collections are proving very successful worldwide and everywhere we are seeing a strong desire to return to physical stores. We honestly couldn't have imagined such an excellent result just a year ago. All this leads us to envisage that we will end the current year with a **wonderful** 25% growth in turnover compared to 2020.*

*Also thanks to the "DESIGNER OF THE YEAR 2021" award from the prestigious British magazine GQ, our brand is receiving countless certificates of appreciation for its stylistic expression as well as for the way it relates to humanity and the territory; and with the Spring Summer 2022 order collection now complete, we can imagine a next year lived in the **healthy balance between work and private life** with a growth in turnover of around 10%".*



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Solomeo, 21 October 2021 - The Board of Directors of Brunello Cucinelli S.p.A. - an Italian *maison* operating in the luxury goods sector, listed on the Italian Stock Exchange - today reviewed the consolidated net sales revenues as of 30 September 2021.

Sales in the first nine months of the year confirm the market's appreciation of our product offering and the attention, positivity and esteem that surrounds our brand, which we like to think of as capable of providing recognizable style references, characterized by elements of **contemporaneity, exclusivity and craftsmanship**, with special garments that can always be **reused and repaired**.

Growth is produced by **both sales channels**, with Europe, the Americas and Asia contributing to the acceleration in the third quarter compared to the result of the first part of the year when comparing 2019.

The consistency of these positive results for both men and women is sustained, in the retail channel, by both the **high rate of loyalty of existing customers** and the continuous ability to acquire **new customers**, and, in the channel and wholesale, by the **growing share of purchases** from the main **Department Stores** and **Speciality Stores** around the world.

We have completed the collection of orders for men's and women's **Spring Summer 22**; the season went "**very well**", the reviews from the international press were excellent, and we are very satisfied with the solidity of the multi-year projects shared with the main multi-brand clients.

The **Fall-Winter collection** currently in stores continues to meet the approval of our end customers in various geographical areas and at the beginning of October we were already seeing excellent sell-out figures.

The "**DESIGNER OF THE YEAR 2021**" award presented to **Brunello Cucinelli** in September in London by the British men's fashion magazine GQ was received with great enthusiasm and gratitude.

This award makes us proud and gives the brand a **clear connotation of taste and identity**; we strongly believe that this is based not only on the attractiveness of the style with which we are identified, but on the very foundations of the company, its culture and philosophy, as Brunello Cucinelli himself expressed during the award ceremony.

"I would like to dedicate my award to the minds and hearts of women and men of every epoch and from every corner of the world and to my teachers whose enlightened words taught me a universal vision of Creation and that humanistic capitalism which is so kindly and widely attributed to me. Precisely thanks to humanistic capitalism, in our work we have discovered and nurtured the moral and economic dignity of humans, gentle economic growth, harmony between profit and generosity, and respect for Creation, a small part of which I feel I have been called upon to be a faithful and caring guardian. Thank you to everyone!"

During the month of September we presented our first **eyewear collection**, the result of the **partnership between Brunello Cucinelli & Oliver Peoples**. Currently, the eyewear is being progressively distributed both in our boutiques and in the Oliver Peoples monobrand stores, as well as in the most prestigious areas of the optical channels.

The first feedback from customers confirms the perception of **absolute stylistic affinity** between the two brands and of great **consistency with our style fundamentals**.



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We therefore feel that we have fulfilled our desire to develop an initial **eyewear offering of high technical quality**, in which the stylistic content of our brand is recognizable in the shapes and colours, positioned at the top end of the market, coherent with our positioning in ready-to-wear.

With even greater conviction we believe that eyewear interpreted in this way, in a "small" collection, can further **increase the perceived value of our brand** and allow us, through a new category, to approach new high-profile customers who are sensitive to a product of "**understated luxury**".

Analysis of Revenues

	9 months 2021	%	9 months 2020	%	YoY Change %	9 months 2019	Var. %
	Eur '000		Eur '000		9M 2021/ 9M 2020	9M 2021/ 9M 2019	
Europe	151,418	30.1%	115,087	30.4%	+31.6%	132,731	+14.1%
Italy	70,815	14.1%	58,538	15.5%	+21.0%	76,097	-6.9%
Americas	161,281	32.1%	117,407	31.0%	+37.4%	149,436	+7.9%
Asia	119,076	23.7%	87,645	23.1%	+35.9%	100,949	+18.0%
Revenues	502,590	100.0%	378,677	100.0%	+32.7%	459,213	+9.4%
YoY Change at constant exchange rates					+35.4%		+12.2%

Revenues for the first 9 months of 2021 amounted to 502.6 million Euros, with an increase at current exchange rates of +9.4% compared to September 30, 2019 (+12.2% at constant exchange rates). Compared to September 30, 2020, growth was +32.7% (+35.4% at constant exchange rates).

The third quarter of 2021 reported sales of €188.8 million, up +12.5% compared to the same period in 2019.

The **European market**¹ confirms the very positive trend, with the result of the last few months further accelerating compared to the first part of the year, which already showed a growth close to double digits compared to 2019.

The **loyalty of our end customers**, and the prevalent **domestic connotation of our business** contributes to the achievement of results, further rewarded by the presence of **new customers** who "meet" the brand, attracted both by the style of our collections, and by the pursuit of special garments, of the highest craftsmanship, which are able to decline the luxury in everyday life.

Sales in **Russia** confirmed the excellent results that had already characterized the first part of the year, when they had the valuable role of balancing out the limited traffic that had characterized the great European luxury capitals, such as Paris, Milan and London.

¹ Starting from 2021, the representation of sales by reference market will be carried out on the basis of the geographical area (Europe, Americas, Asia) of the various countries in which the Group operates, maintaining a specific focus on Italy. This method of representation makes it possible to better highlight the weight that each geographical area has for the Group; in this regard, sales in countries that were previously included in the "Rest of the World" category have been allocated to the specific reference geographical areas.



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Also in this area we believe we have succeeded in **balancing out the presence of the retail and multibrand channels**, thus benefiting from a good coverage of this vast territory, while at the same time guaranteeing brand exclusivity. In fact, we would like to remind you that in Russia there are many very high level Specialty Stores, which are probably among the most beautiful and interesting in the world.

The contribution of **central and northern Europe**, and of the **second tier cities** in general, is also positive. In the **main European cities and capitals** in recent weeks we have been able to see a good **increase in traffic** in line with the **strengthening of regional tourism flow** and the first arrivals of **international customers**, particularly from **North America**.

Numerous **events and moments of meeting with the end customer** inside our boutiques have been organised on the basis of a strong perception of a renewed desire for sociality in many geographical areas.

Particularly exciting for us was the **event** for the "official" opening of the new **London boutique on New Bond Street**, inside an elegant building whose history is inextricably linked to the art and culture of the capital of the United Kingdom.

The wide participation of customers and the vitality we breathed confirmed our feeling that in Europe we are already living a phase of new normality, animated by a wished for and renewed confidence.

Italy confirms an **overall stability**, and the drop of -6.9% compared with 2019 implies a growth of the **domestic component of demand**, in the absence of a marked recovery of the flow of tourism.

We also point out with great enthusiasm the many **multi-brand customers who** have returned to **invest in their physical spaces** in recent months; we believe that these stores represent a reference point for the entire market on a global level, and their constant refreshes are an investment for the entire fashion industry. The trust shown by these entrepreneurs during purchasing and in these investments represent for us a reason of further **conviction for future planning**.

We experienced with great emotion and satisfaction the important event with which we celebrated the **presentation of the Spring Summer 2022 collection** at our "**Casa Cucinelli**" in Milan, together with the specialized press and customers, collecting **wonderful comments**, which follow the excellent collection of orders.

In addition to the results reported, Italy, together with Europe, confirms its fundamental **contribution** in the **definition of a reference style**, with the very important role attributed to the **Made in Italy** offer of luxury garments. The manufacturing of precious garments finds its "natural home" in **artisan workshops**, all located in Italy, with highly qualified workers, capable of guaranteeing a **true craftsmanship component** (needle, thread, scissors) of 52%, an absolute guarantee for the customer who seeks **uniqueness** and the **highest quality** in the garments of the collection. We have always valued the **creativity** of the product, the **quality** of the manufactured articles and the **reliability of deliveries**, and we believe that these elements contribute in a decisive way to the success of our collections.

The **American market** shows solidity and a progressive growth that is for us an element of great satisfaction; the rediscovered normality and the sensation of a security now recovered favour the return of the customer, in search of garments that can exalt the **desire to "dress well"**, after periods spent away from social relations and physical encounters.

We find that this **desire** is **very strong not only in women**, as we might have imagined, **but also in men**, who with increasing conviction are deciding to "modernize" and "update" their wardrobe, with garments of an informal elegance that make their **image more contemporary**.



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We believe that the choice of a complementary and balanced distribution in the **main cities, provincial towns and resorts was once again** decisive for the result achieved. In our opinion, this presence can only be achieved through a synergic balance between the direct management of mono-brand boutiques and wholesale relations with Department Stores and Specialty Stores.

Travel within the American continent continues and we are pleased to note that the US customer is the first to approach **international travel** again, favouring in particular European resorts and major fashion capitals.

In the **Asian market** the **Mainland China** fully confirms the **excellent results** and sales trend that had characterised the first part of the year.

Our satisfaction with the Chinese market is not only related to the very positive results we are reporting, but we believe that the **roots of our business and the local organisational structure** we have created are of very high value, which we imagine will allow us to maintain in the long term the **balanced, healthy and silent growth** with which we have always approached the Chinese market.

We appreciate the **growing centrality of the clothing offer** in this market, historically devoted to accessories, with a growing conviction of the customer, more and more informed and demanding, in the search for a "no logo" and sober offer as an element of personal affirmation and differentiation.

During the last quarter, the **volatility of some Asian markets** continued, including **Japan**, which is still suffering from limited traffic in the country's main Department Stores; the passion for quality and the great loyalty of Japanese customers reassure us about the medium-term prospects of this market as well.

Revenues by Distribution Channel

	9 months 2021	%	9 months 2020	%	YoY Change %	9 months 2019	Var. %
	Eur '000		Eur '000		9M 2021/ 9M 2020	9M 2021/ 9M 2019	
Retail	264,879	52.7%	169,267	44.7%	+56.5%	229,159	+15.6%
Wholesale	237,711	47.3%	209,410	55.3%	+13.5%	230,054	+3.3%
Revenues	502,590	100.0%	378,677	100.0%	+32.7%	459,213	+9.4%

The **retail channel** accelerated its growth trend, with the first nine months of 2021 up +15.6% compared to 2019, boosted by the **development of the network of** directly operated retail spaces and the **solid results** reported in **existing spaces**.

There are **113** retail **boutiques**, compared to 107 boutiques as at 30 September 2020 (including the conversion of two wholesale monobrand boutiques, comprising the significant space in Dubai Mall).

There are **42** directly managed **hard shops** within Department Stores (compared to 31 hard shops at 30 September 2020), reflecting 10 conversions to direct management in the first six months of 2021 and a new directly managed women's space at *Selfridges* in London.

Significant investments in the retail channel have also made it possible to plan and open **prestigious** boutique **extensions** between 2020 and 2021, including those in **London, Paris, St. Petersburg,**



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Shanghai and Tokyo, which will soon be followed by the very important extension of the Madison Avenue flagship in New York.

With these expansions we would like not only to offer an **even more complete presentation of our collections**, but also to offer our customers **even more welcoming spaces in which to** create positive feelings of well-being and familiarity.

This particular attention to the customer has led us to imagine and give life to the "**Casa Cucinelli**" project, multifunctional spaces already present in the main fashion capitals, strongly characterized by all the elements that make up our lifestyle, and which have already given us the opportunity to further deepen our relationship with our customers and enhance their *brand experience*.

The **wholesale channel** continues its **growth path**, with results for the first 9 months of 2021 up +3.3% compared to the same period in 2019, and the **wonderful order intake** for the upcoming **Spring Summer 2022** highlights the absolute value with which this channel contributes to business development.

The very positive sell-out figures benefit from the continuous **punctuality** and **quality of deliveries** that we always guarantee, also by virtue of a flexible production model that is extremely reactive to market needs or opportunities.

Our appreciation for the results we have achieved is remarkable, also taking into account the 10 conversions to direct management in the luxury Department Stores in 2021.



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The manager responsible for preparing the company's financial reports, Moreno Ciarapica, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58 of 1998, that the information contained in this press release corresponds to the document results, books and accounting records. Please note that the turnover figures in this press release have not been audited. The document may contain forward-looking statements regarding future events and the operating, economic and financial results of the Brunello Cucinelli Group. By their very nature, these forecasts are subject to risk and uncertainty, as they depend on the occurrence of future events and developments.

Brunello Cucinelli S.p.A. is an Italian fashion company - founded in 1978 by the homonymous designer and entrepreneur and listed on the Italian Stock Exchange - that operates in the **creation of luxury goods**. The company, which has always been **rooted in the medieval village of Solomeo**, is considered an authentic expression of the idea of "Humanistic Capitalism", capable of reconciling constant and solid growth with an entrepreneurial philosophy aimed at the great themes of **Harmony with Creation** and **Human Sustainability**.

A specialist in cashmere production, the **brand** is considered one **of the most exclusive of chic prêt-à-porter**, recognised worldwide as an expression of an everyday lifestyle. The combination of **modernity** and **craftsmanship, elegance** and **creativity, passion** and **human values** make Brunello Cucinelli one of the most exclusive and admired **testimonials of Italian taste** in the world, authentically interpreting those values of **tailoring** and high **craftsmanship** characteristic of **Made in Italy** and peculiar to the Umbrian territory, skilfully combined with attention to **innovation** and **contemporary style**.

Through a **path of healthy, balanced** and **sustainable growth**, the company's great objective is to try to make profits with **ethics and harmony**, in full respect of the moral and economic dignity of the more than 2,000 Human Resources who work directly for the company, and for all those who collaborate with it.

Contacts: **Investor Relations & Corporate Planning**

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

Media

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

Corporate website: www.brunellocucinelli.com

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