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Oggetto : The Board of Directors has examined the
2022 preliminary results

Testo del comunicato

Vedi allegato.



BRUNELLO CUCINELLI

Press Release

BRUNELLO CUCINELLI CASA DI MODA: the board of directors reviewed the preliminary figures for the year 2022

- **Splendid results, with net revenues of 919.5 million euros and strong growth of +29.1% at current exchange rates (+24.8% at constant exchange rates) compared with 2021;**
- **Very important revenue growth in all geographical areas: Americas +40.5%, Europe +20.8% (of which Italy +21.8%), Asia +28.1%;**
- **Excellent growth across sales channels: retail +36.6%, wholesale +18.4%;**
- **Significant investments of approximately 73 million euros, plus 15.05 million euros for the acquisition of 43% of the prestigious Lanificio Cariaggi Cashmere, which has always been our supplier of the highest quality cashmere;**
- **Solid capital structure, with characteristic Net Financial Debt¹ of about 8 million euros, an improvement over last year's 23 million euros.**

Brunello Cucinelli, Executive Chairman and Creative Director of the Casa di Moda commented as follows:

“2022 was undoubtedly our breakthrough year, because we achieved a turnover growth of 29% and at the same time the brand image was strongly consolidated worldwide. The good quality of sales also makes us envisage an excellent economic result.

The considerable orders in the portfolio of the Spring-Summer 2023 collection and the extraordinary start of the Fall-Winter 2023 sales campaign lead us to envisage an excellent year, with a forecast for a fine growth of around 12% and consequently the achievement of a relevant goal, namely one billion euros in turnover.

It is therefore with a feeling of deep gratitude towards each of our partners, journalists, investors and analysts, that we wish everyone a New Year full of serenity and human spirituality.”

¹ Lease obligations are excluded; therefore, the figure shown was determined without the application of IFRS 16.



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Solomeo, January 9, 2023 - The Board of Directors of Brunello Cucinelli S.p.A.-a Casa di Moda operating in the luxury goods sector, listed on the Italian Stock Exchange (now, Euronext) - today reviewed the preliminary consolidated net sales revenues for the year 2022 and net financial debt as of December 31, 2022. The full and final annual figures for FY 2022 will be reviewed and approved by the Board of Directors at its meeting scheduled for March 15.

The year **2022 was a splendid, record-breaking** year with **+29.1%** revenue **growth** achieved solidly and consistently across all geographical areas.

We believe this result was favored by **strong market demand** throughout the year, in particular for the **highest quality products** inspired by a **"more sober" taste** than in the recent past.

We believe that the appeal of **exclusivity has** been particularly attractive in apparel as well as in many other luxury sectors, rewarding brands with **higher positioning** in particular.

Within the context of this market, we think that the result obtained rewards the **creativity** expressed in our **Spring Summer** and **Fall Winter** collections, judged already by the specialized press at their presentation to be **our Casa di Moda's most beautiful ever**. Furthermore, we believe that the product should be the protagonist at the center of business activity.

Likewise, we believe that the **strength of our production structure** and the **quality of our distribution structure** have been decisive in enabling us to seize the opportunities offered by the market.

There is no doubt that the following **four major decisions made in March 2020** during the pandemic, have all enabled us to maintain excellent relationships with all business stakeholders, and this year the positive results of these choices has really been felt:

- 1) **To not lay off** staff anywhere in the world and **guarantee the same salaries** as in 2019;
- 2) **To not ask for discounts of any kind** from anyone (but this is part of our culture);
- 3) The surplus goods from the closed boutiques to be earmarked for the **"Brunello Cucinelli for Humanity"** project;
- 4) Maintain a **strong inventory** level as normal in order to be ready for 'the restart'

Special kudos goes to our **Italian welfare state**, which, by allowing us during this pandemic period not to lay off any employees and supporting us in part financially, has enabled us to keep our production and business facilities at full strength.

There is no doubt that in 2022 world demand for luxury products has exceeded supply, which for us as for many Italian companies, has brought great benefits.

It will not be so easy to fully restore the world's production facilities, and so we think that perhaps **Italy** could still benefit to some extent in 2023 as strongly as it has benefited in this past year.



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In terms of distribution, the **synergy** between the **wholesale** and **retail channels** was also particularly important in 2022, enabling us to consider many countries across the world as "**domestic**," and to "**meet**" demand both in **large cities** and in **provincial towns** and **resort locations**.

The **multibrand** world has experienced a year of **great operational and design vibrancy**; luxury Department Stores in the United States have performed excellently, as well as the most important Italian, European and Asian Specialty Stores.

We are deeply honored by the awarding of the prestigious "**Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion**" to Brunello Cucinelli for 2023, a very important award that honors the figures in the world who have most influenced Fashion. The award ceremony will take place in Paris during Fashion Week in March.

This recognition crowns a very long-standing and mutually successful partnership based on reciprocal esteem and constant interaction.

As for the retail channel, this year we have again invested heavily in the constant qualification of our boutique network with selected prestigious openings, some expansions and repositioning in important cities, and the constant renovation of all our showrooms.

In the boutiques, we believe that we have succeeded in creating **very warm and welcoming environments**, with the introduction of small bars of different formats, the maintenance of areas not directly intended for sales, ample seating and small bookcases, trying to communicate a sense of **authentic hospitality** and an idea of "**elegant and humanly sustainable luxury**".

The same desire to share the fundamental value of **hospitality was the** guiding principle behind the creation of the **Casa Cucinelli**, present today in Solomeo, Milan, Paris, New York, London and Tokyo.

In these meeting spaces, where we try to give full expression to our idea of lifestyle, we have had the pleasure and honor of receiving many "**friends**" of the brand throughout the year, including **customers, partners** and **journalists**, as well as **investors and financial analysts**.

With the latter, we also had the opportunity to celebrate **10 years since the 2012 listing** by getting together for what we called "**gratitude dinners**," beautiful moments of sharing and elevated discussions, as Brunello Cucinelli had the opportunity to comment:

*"We are honored to have been able to share with you from the very beginning the idea of putting, first and foremost, the **dignity of the human being** at the center of our financial projects; thank you from the bottom of our hearts for believing, then as now, in the core values of **humanistic capitalism** and human **sustainability** that have always guided our enterprise."*



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Revenues by Geographic Area

	FY 2022	% on	FY 2021	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Italy	102,555	11.1%	84,223	11.8%	21.8%
Europe (excl. Italy)	263,773	28.7%	219,150	30.8%	20.4%
Total Europe	366,328	39.8%	303,373	42.6%	20.8%
Americas	334,724	36.4%	238,238	33.4%	40.5%
Asia	218,426	23.8%	170,568	24.0%	28.1%
Revenues	919,478	100.0%	712,179	100.0%	29.1%
YoY Change at constant exchange rates					24.8%

Italy - sales of 102.6 million euros, up +21.8% from 2021, with a relative weight of 11.1%.

We believe that the **results** in Italy can be considered **superb**. The growth of **direct stores** throughout the year went well, and equally **decisive was the contribution of multi-brand partners**, who visibly could be seen to have returned to invest confidently in their businesses.

We believe that last September's **Milan Fashion Week** finally marked a very special moment, even on a symbolic level. It was, in a way, the celebration of recovery and renewed sociability, under the name of refined dressing.

Europe (excluding Italy) - revenues of 263.8 million euros, an increase of +20.4% over 2021, and a weight of 28.7%.

We are extremely pleased with these **superb results** from the European market, which testify to the great strength of demand in all geographical areas and nations, with growth well distributed between **large capital cities** and **provincial towns**.

Sales dynamics benefited structurally from purchases by the **local customer** and **mobility on a regional basis, which was** complemented **in the summer period** by the return of **international tourism**, particularly from the North American region.

Finally, we think that these very important growth figures are also the result of our year-round efforts to enliven the life of our **direct to consumer boutiques** and those of our **multi-brand partners**, through small events that have met the great desire of many customers to return to experience physical stores.

Americas - sales of 334.7 million euros, up +40.5% from last year, accounting for 36.4% of sales.

The U.S. market fully **confirms** all the **significant results** and dynamics of the previous months: **demand** related to **high-luxury** has not only been **consolidating**, but has fully confirmed those **"structural" characteristics** that have contributed to the **great growth** achieved, and we believe can contribute to the further growth we expect in the coming years.



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This trend, aided by a number of store openings and boutique expansions, is very gratifying to us not only in terms of sales directly, but also because of the **growing esteem** in which we feel the brand has been held.

The **wholesale channel did very well**, thanks to an established presence in luxury Department Stores and prestigious Specialty Stores, also benefiting from a **higher demand for luxury goods than supply**, as commented before.

Asia - revenues of €218.4 million, up +28.1% from 2021, accounting for 23.8% of sales.

We are pleased with the **strong increases** reported in **Asian markets**, which continue to be of **very high potential** for our Casa di Moda within the project of sustainable growth in the medium to long term.

We attach **great value** to the **"double digit" growth** achieved in **China**, as well as the **revenue growths** we were able to achieve **in all quarters of 2022**.

We believe that the value of this result is not only related to the quantitative contribution to sales, but testifies to the **growing appeal of our brand in China**, with a **very interesting prospective value**.

We think that the **relevance of the no-logo** and **Ready to Wear offerings** is definitely increasing in China, and we are delighted to see an **increasing number of customers** coming into our stores looking for both **specialty** garments and somewhat more **everyday** clothing.

We also notice in China an increasingly **pronounced focus on** the idea of **Humanistic Capitalism** and the values of **Human Sustainability**, **gracious growth** and the search for the **right balance** between **profit and gift**. The very concept of **living in harmony**, which inspires us to radically rethink humankind's relationship with nature, we imagine may in fact find some connection with Confucian thought, emphasizing a contemporary dialogue between peoples.

Finally, the **contribution** to the final result from **Japan**, as well as from **South Korea** and the **Middle East**, which are accelerating their relative growth trends, is **excellent**.

Revenues by Distribution Channel

	FY 2022	% on	FY 2021	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Retail	573,329	62.4%	419,817	58.9%	36.6%
Wholesale	346,149	37.6%	292,362	41.1%	18.4%
Revenues	919,478	100.0%	712,179	100.0%	29.1%

Retail channel - sales of €573.3 million, up +36.6% from 2021, with a relative weight of sales of 62.4%.

The very important increase in sales is aided by **like-for-like growth**, with very good **sell-out figures** for both the **Spring Summer** and **Fall Winter 2022** collections.

Significant **contribution to the growth of new spaces**, with **prestigious flagship openings**, **boutiques** and **expansions** and finally **conversions to direct management of** spaces within Luxury Department Stores, with the comparative base becoming progressively more homogeneous over the course of the year in the face of the timing of network development, particularly in the past months.



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The number of **retail boutiques** is 119 as of Dec. 31, 2022, up from 114 last year, with the number of **hard shops** at 42, unchanged from Dec. 31, 2021.

Wholesale channel - sales amounting to 346.1 million euros, an increase of +18.4% over last year, and a relative weight of 37.6%.

In 2022, the wholesale channel reported **wonderful growth**, highlighting in its entirety **the strategic importance** for our brand and **"contemporary" apparel offerings**.

The results achieved have certainly benefited from our partners' need to meet **strong end-customer demand**, requiring fast delivery schedules that we think we have been able to meet.

The **Spring Summer** and **Fall Winter collections** reported **excellent results**, with **significant sell-out numbers**, and we believe that the results achieved in both the wholesale and retail channels contribute to the strength and allure we seem to feel around our brand.

Capital Expenditure and Net Financial Debt.

With the desire to keep **our brand image** and **desirability very high**, the major **multi-year investment project**, which has remained unchanged during the last two pandemic years, continues.

Thus, **investments in 2022** amounted to approximately **73 million euros**, plus the acquisition of a **43 percent** stake in the prestigious **Lanificio Cariaggi Cashmere**, the purchase cost of which was **15.05 million euros**.

The attention given to **commercial, digital, technological, and production/logistics investments accompanies** not only the **healthy and sustainable growth** process we seek, but aims to maintain **the contemporary nature of our Casa di Moda**, always with deep respect for the fundamental inspirational values.

Therefore, investments dedicated to new boutiques, the renovation and expansion of existing ones, the care of the new spaces of Casa Cucinelli and the development in the wholesale channel remain important, as well as the investments in production and logistics in order to ensure the continuous modernization of factory facilities and spaces where the activities of our Casa di Moda are carried out. During 2022, we also oversaw the purchase of a **large area on the outskirts of Solomeo** where **in the years to come** our factory will be developed further.

The **solid corporate structure** and **cash generation** related to operating activities, as well as **sound net working capital management**, have enabled us to sustain our investment project and dividend distribution policy with a *pay-out of 50%*.

In the presence of these dynamics, **the characteristic Net Financial Debt² reaches near parity**; the value as of **December 31, 2022**, even in the presence of the acquisition of 43% of Lanificio Cariaggi Cashmere for 15.05 million euros, is about **8 million euros**, an improvement over last year's 23 million euros.

² Lease obligations are excluded; therefore, the figure shown was determined without the application of IFRS 16.



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Our expectations

In 2023 the orders collected for **Spring Summer 2023**, both in terms of quantity and quality, are important, and the extraordinary start of the **Fall Winter 2023** sales campaign contribute to our expectations for an interesting year. The men's collection will be presented to the press over the next few days at Pitti, and the women's collection during February Fashion Week in Milan.

Therefore, in **2023** we envision revenue growth of around **+12%**, reaching a very important milestone of **1 billion in sales**, with a **healthy and fair profit**.

In **2024** we believe revenue growth of **+10%** to be reasonable, and we finally think that we can achieve the **doubling of revenues** significantly in advance of the initial schedule of the 10-year plan that began in 2019, which had considered reaching this goal in 2028.

The manager responsible for preparing the company's financial reports, Moreno Ciarapica, declares, pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, that the information contained in this press release corresponds to the documentary results, books and accounting records. It should be noted that the turnover figures in this press release have not been audited.

The document may contain forward-looking statements ("forward-looking statements"), relating to future events and operating, economic and financial results of Brunello Cucinelli Group S.p.A. Such forecasts have by their nature a component of risk and uncertainty, as they depend on the occurrence of future events and developments.

Brunello Cucinelli S.p.A. is an **Italian Casa di Moda** that produces luxury goods. It was founded in 1978 by the fashion designer and entrepreneur of the same name and is listed on the Italian Electronic Stock Exchange. The Company has always been **rooted in the medieval hamlet of Solomeo** and it is considered an authentic expression of the concept of "Humanistic Capitalism" since it can match constant, sound growth with an entrepreneurial philosophy addressing the major issues of **Harmony with Creation** and **Human Sustainability**.

Specialised in cashmere, the brand is currently believed to be **one of the most exclusive brands in the chic prêt-à-porter sector**, an expression of everyday lifestyle worldwide. The combination of **modernity** and **craftsmanship, elegance** and **creativity**, and **passion** and **human values** make Brunello Cucinelli one of the world's most exclusive and admired **ambassadors of Italian style**. In fact, the brand authentically expresses the values of tailoring and craftsmanship typical of products **Made in Italy** and the territory of the Umbria region in particular, combined with a focus on **innovation** and **contemporary style**.

Through **healthy, balanced** and **sustainable growth**, the company's main goal is to earn profits with **ethics, morality** and **dignity**, respecting the moral and economic dignity of the over 2,200 directly employed Human Resources and all those who work with them.

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