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Oggetto : The Board of Directors approves FY 2022
Results

<i>Testo del comunicato</i>

Vedi allegato.



BRUNELLO CUCINELLI



Press Release

CASA DI MODA BRUNELLO CUCINELLI: B.o.D. approves 2022 consolidated financial statements and 2022 draft financial statements.

- Net revenues of €919.7 million, with a superb growth of +29.1% at current exchange rates (+24.8% at constant exchange rates);
- EBIT of €134.4 million, up +74.5%, with margins reaching 14.6% compared to 10.8% in the previous year;
- Net income of €87.2 million, up +54.9% over 2021, accounting for 9.5% of sales compared to 7.9% in the previous year;
- Major investments, amounting to €72.5 million, plus €15.05 million for the acquisition of 43% of the prestigious Lanificio Cariaggi Cashmere;
- Characteristic Financial Indebtedness¹ amounted to €7.1 million, further improving from €23.0 million last year;
- The excellent first quarter, which is coming to an end, and the significant Fall Winter 2023 Men's/Women's order intake that has just been completed, lead us to raise our revenue growth estimates for the year 2023 from 12% to 15% with a healthy, fair and balanced profit;
- The Board of Directors will propose to the Shareholders' Meeting – convened for April 27, 2023 – the distribution of a dividend of €0.65 per share (*payout ratio* of 50 percent);
- Approved the Consolidated Nonfinancial Statement of 2022.

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

*“The year 2022 was for our Casa di Moda a year that we define as one of **high inspiration**, of consistent growth, but above all of striking recognition of our brand for its identity in style, craftsmanship, exclusivity and in the way it presents itself with respect to Creation.*

*We view this year 2023 as the beginning of a **new time**, animated by the awakening of great values and ideals; and perhaps it is time to come up with up-to-date solutions for blue-collar workers, restoring moral and economic dignity to the craft trades, our Italy being a manufacturing country that is well-loved by the entire world.*

*After the noble international **Neiman Marcus Fashion Award 2023** received a few days ago in Paris, which represents a sort of "Academy Award of Fashion", given the excellent sales in the first quarter – almost ended – and the sizeable Fall-Winter 2023 orders for men and women, we have decided to raise our estimates to a +15% growth in revenues for the year whilst assuming a healthy increase of around +10% for 2024.”*

¹ Excludes finance lease payables; therefore, the figure reported excludes the application of IFRS 16.



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Solomeo, March 15, 2023 - The Board of Directors of Brunello Cucinelli S.p.A. – Casa di Moda operating in the luxury goods sector, listed on the Italian Stock Exchange's Electronic Stock Market – today reviewed and approved the consolidated financial statements and the draft financial statements as of December 31, 2022.

We are **very satisfied** with the **quality of the results** achieved during 2022.

Sales growth throughout the year was consistently higher than expected, and yet this rapid progression did not alter the “**balance**” that continues to inspire our **desire for healthy growth**.

Indeed, in the year just ended, we consider the **contribution** made by the two **retail/wholesale** channels to be balanced, accounting for 62% and 38% of total sales, respectively; growth in both channels demonstrates their synergy in the development of the global distribution structure.

We believe the contribution of the **regions** is also balanced (Europe 40%, Americas 36%, Asia 24%), with **China** continuing to represent our **biggest development opportunity**, and where we were able to achieve **double-digit** growth in 2022 despite pandemic-related restrictions.

Within our Ready-to-Wear offering, which represents 85% of total sales, we believe that the contribution of the **women's and men's** collections is **harmonious**, with absolute parity in terms of volume and a slight advantage for the women's collection in terms of value.

We also believe that our **network of boutiques** seems to be further strengthened today with the openings and store expansions that took place in 2022, including the **Palo Alto** store and in **San Francisco, Cannes** and **Zurich**. We also believe that our stores are “contemporary” and that the warm and intimate atmosphere there seems to be in tune with what customers want at this time.

Wholesale customers have given us an **increasing share of their purchases**, thanks to both the **creativity** and **quality of** our products and the recognized **trustworthiness of** our company.

The **excellent order intake** of the **Spring-Summer 2023** collections allowed us to record a very positive result in the wholesale channel for the year 2022, as well as a good start to 2023.

We are also increasingly aware of **the value of exclusivity in absolute luxury**. We feel that we have been able to grow by increasing **the perceived value of the brand**, while remaining true to ourselves and our positioning, by proposing items that are not too widespread, of high quality, unique, of very high craftsmanship and **manual skill**, that can be repaired and left as a legacy.

The high quality of our sales has enabled us to achieve a **very solid income statement structure**, with all major cost lines under control and **healthy margins** supported by **low leverage**.

Constantly dialoguing with the many interlocutors worldwide, we believe we can say that our Casa di Moda is increasingly seen as an authentic expression of the founding principles of **Humanistic Capitalism and Human Sustainability**.

Just recently, King Charles III of England wrote a very human and touching letter. He wanted to thank Brunello Cucinelli and our Casa di Moda for their commitment to the fascinating project “Himalaya Regenerative Fashion Living Lab”. This project aims to restore the harmony between small local communities in some areas of the Himalayas with nature and the environment and at the same time creating sustainable fashion value chains.



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We are highly satisfied with what 2022 brought us, and we have **confidence** for **2023**, which **starts** with **excellent** results.

In the **retail channel**, sales in this first part of the year were supported by a **positive tail end to the winter season**, as well as a **very promising start to** the sell-outs of the **Spring-Summer 2023 collections**.

In reading the results, we believe it is important to consider that the **strong growth expected** in the **first quarter of 2023** may be favored by **comparison** with the respective quarter last year. Indeed, in **2022** we had described the **first quarter's** result as "**good**," the **second quarter's** as "**more than good**," and the **last two quarters** as "**very good**."

In terms of the **wholesale channel**, we can say that the recent **Fall-Winter 2023** sales campaign ended with **very significant results**.

We have welcomed with much satisfaction the **positive opinion** expressed by the **specialized press** for the new winter 2023 collections, both the men's **collection**, presented first in Florence at **Pitti Immagine** and immediately after in Milan, and the women's collection that was presented during **Milan Fashion Week**.

Also during the recent **Fashion Week**, we wanted to share a beautiful moment together with our **multi-brand customers**, to whom we dedicated a **dinner in the rooms of Casa Cucinelli**, bringing together the world's most important luxury and specialty Department Stores.

Indeed, the **strategic importance of the wholesale channel** remains clear to us, recognizing the professionalism, creativity and experience with which **buyers** and **entrepreneurs** are able to select and present different styles on a daily basis, harmoniously uniting them within their spaces.

We continue to see our **multi-brand retailers** as true **brand guardians**, capable of ensuring deep roots in different territories, combining planning and mutual reliability.

Brand image and gratitude for the awards received

We are honored by the attention that, in this particular historical moment, the market is giving to our **style**, which we like to call sober and at the same time **refined**, an expression of an idea of "**casual chic contemporary**" **elegance**.

In September **2021**, the influential **British magazine GQ** awarded **Brunello Cucinelli** the "**Designer of the Year**" award, giving us a great deal of visibility throughout 2022.

On March 5, 2023 in Paris, we were immensely grateful for the presentation to Brunello Cucinelli of the prestigious international "**Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion**" – an award that is seen as the **Oscar of fashion**.

In fact, Neiman Marcus, a Dallas-based luxury department store, has given this award to the people around the world who have most influenced fashion since the 1930s, including past recipients Coco Chanel, Christian Dior, Valentino, Giorgio Armani, Miuccia Prada and Karl Lagerfeld.

With these words Brunello Cucinelli commented on the prestigious award:

"I am immensely grateful to my highly esteemed Geoffroy van Raemdonck and Lana Todorovich, who at this particular point in time have the honour of representing Neiman Marcus, one of the highest expressions of fashion and luxury in the world, but also an icon of lifestyle and elegance. I would also like to thank all the people at Neiman whom I have admired during our twenty years of collaboration as people of great humanity, as well as appreciating them as very special professionals. I feel particularly honoured and I like to think of this award as a high recognition that gives credit to the people of Solomeo, to the creative hands of the best Italian craftsmanship that – with their daily dedication – have built 'The Dream of Solomeo' together with my family and all my co-workers. In our work, as in life, we have always



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tried to be inspired by the values of Humanistic Capitalism, linked to Human Sustainability, with respect for all human beings and in harmony with the whole of Creation. Thank you, thank you very much."

Moral and economic dignity of work: the great value of craftsmanship

The year 2022 also marks an important milestone in terms of the human resources that animate the life of the company. We count more than 2,300 direct employees, a number that we expect to continue growing in 2023 in relation to business development.

About **half of our employees** work in **Italy**, specializing mainly in the **production and craftsmanship side of the business**, while the other half, focused on the commercial side of the business, are distributed in various countries around the world.

In total, we have **65 different nationalities** on our staff; a number that we believe is a clear reflection of the value of mutual enrichment and the meeting of different cultures at Casa di Moda.

During 2022, we continued to devote a large amount of attention to our idea of **Humanistic Capitalism and Human Sustainability**.

In keeping with what are our indispensable values, the commitment to the pursuit of "**fair profit**," "**fair growth**," and "**fair balance**" continues.

Fair profit also presupposes proper recognition of the **central value of** those directly involved in **manual labor**, specifically our esteemed **workers** and **artisans**.

For this reason, an **extraordinary wage supplement** was introduced as early as **2022**, in order to alleviate inflationary pressure on non-managerial employees. To further reward the valuable work of our **employees**, at the beginning of 2023 we decided to implement a structural salary increase.

Indeed, we believe that our "Human Resources", especially those who take care of handcrafted products in the name of the most precious craftsmanship and creativity, deserve a **slightly higher than average economic gratification**.

The first ten years since the IPO

Reaching **ten years** since our **listing on the Stock Exchange** in **2012** is an important milestone for our Casa di Moda. At the heart of the listing project was the idea that **the company** could "**live into the next centuries**," and today we feel we can say we are truly satisfied with the results achieved.

We believe we have built a relationship of respect and trust with all our **stakeholders, analysts and investors**, characterized by **continuous dialogue**; indeed, we firmly believe in the importance of listening and how it can add value to a relationship based on mutual helpfulness, kindness and respect.

The "**Gratitude Dinners**" that were held in late 2022 at the Casa Cucinelli in **Milan, Paris, London and New York were a concrete expression of this**. They constituted a valuable moment of synthesis and thanksgiving for the first 10 years of listing.

It seems to us that we have succeeded in remaining faithful to what we stated at the time of the IPO in 2012, as Brunello Cucinelli himself said in Milan on **April 27, 2012**, in his **IPO speech** entitled "**For fair and gracious growth**".

"My life's dream was just that: to make man's work more humane and to try to price this enterprise so that it would live the next fifty to one hundred years. [...] When there was the meeting with the investors [...] we explained to them the philosophy of the enterprise by clarifying that we wanted to



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seek a sustainable, garrulous profit; with the basic intention of envisioning a company that could grow without doing any harm to humanity or, at least, as little harm as possible. [...] Abroad they are fascinated by this philosophy of Italian enterprise, by the value of skilled hands working with their dignity, with their pride, with their curiosity. They were all fascinated by the idea of restoring moral and economic dignity to work. [...] We wanted to look for new partners, who could act as true custodians of this enterprise for the next century. [...] So, if I had to say what I think, I strongly believe in a new capitalism, a new contemporary humanistic capitalism. Where does this come from? Today's young people know everything, at twenty-three years old now they are informed about everything in real time, and we are no longer credible if we are no longer true; that is why we need a humanistic capitalism in which enlightenment and romanticism merge, in which mind and soul meet."

The 45th anniversary of the Casa di Moda

The year **2023** opened with an important anniversary. On **February 13**, inside the production spaces of the Solomeo factory, overlooking the fountains of the Park, the entire company wanted to celebrate the **45th anniversary of** the founding of our Casa di Moda, with an affectionate surprise reunion for our President Brunello Cucinelli.

We believe that this is an important milestone for a company like ours, which always plans for 5 years, imagining its presence in Solomeo for centuries to come.

On this occasion, with joyful emotion Brunello Cucinelli took the opportunity to thank all collaborators in Italy and around the world for the unceasing passion, dedication and creativity shown in their daily work, as well and to reflect on the return to normality after three painful, special and thought-provoking years.



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Net Revenues are in line with the preliminary figures released last January 9, confirming the dynamics discussed in detail at the beginning of the year.

	FY 2022	% on	FY 2021	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Italy	102,753	11.1%	84,223	11.8%	22.0%
Europe (excl. Italy)	263,814	28.7%	219,150	30.8%	20.4%
Total Europe	366,567	39.8%	303,373	42.6%	20.8%
Americas	334,693	36.4%	238,238	33.4%	40.5%
Asia	218,448	23.8%	170,568	24.0%	28.1%
Revenues	919,708	100.0%	712,179	100.0%	29.1%
YoY Change at constant exchange rates					24.8%

	FY 2022	% on	FY 2021	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Retail	573,320	62.3%	419,817	58.9%	36.6%
Wholesale	346,388	37.7%	292,362	41.1%	18.5%
Revenues	919,708	100.0%	712,179	100.0%	29.1%

Income Statement

The 2022 Income Statement shows the **complete rebalancing of margins**, aided by the +29.1% growth in sales that made it possible to completely reabsorb the transitory effects of the pandemic on the main cost lines.

We believe the strong increase in sales was aided by the major decisions made in the toughest year of the pandemic, which enabled us to keep the entire business and production structure solid, with no changes in investment planning and activity scheduling.

The dynamics of the Income Statement is characterized by a significant improvement in **First Margin**, at 71.5% compared to 67.3% last year, with the positive contribution of the sales mix (channel, geographic areas and product), and currency.

The increase in operating costs is related to business development, especially growth in the retail channel, and currency dynamics; in fact, foreign exchange rates positively affect the **First Margin**, contributing in parallel to the increase in overhead costs in foreign currency produced abroad.

The weight of the retail channel thus reaches 62.3% as of Dec. 31, 2022 compared with 58.9% last year, a growth of +36.6%.

Contributing to the development of the direct-sales channel are **new boutique openings** (119 boutiques as of Dec. 31, 2022, compared to 114 last year), **significant expansions**, and the effects of the **conversions to direct management of hard shops** within Luxury Department Stores that have taken place in the last 2 years (42 hard shops as of Dec. 31, 2022, compared to 31 hard shops as of Dec. 31,



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20).

Personnel costs amounted to €164.7 million (17.9% incidence), from €132.9 million (18.7% incidence) as of December 31, 2021; our human resource structure has 2,308 FTEs compared to 2,160 last year.

Rental costs were €38.6 million, from €30.6 million in 2021; net of IFRS 16 effects, rental cost were €133.6 million (14.5% incidence), compared to €115.3 million in 2021 (16.2% incidence).

Investments in communication amounted to €52.2 million (5.7% incidence), from €36.1 million in 2021 (5.1% incidence). This increase is mainly related to hospitality events and activities with customers in the boutiques, in the spaces of the Casa Cucinelli, and during visits to our hamlet of Solomeo.

Ebitda is €266.4 million, up +37.8% from €193.3 million in 2021; margin is 29.0% compared to 27.1% in the previous year.

Ebitda, net of IFRS 16 effects is €172.4 million, up +56.7% from €110.0 million in 2021, with a margin of 18.7% up from 15.4% in 2021.

Depreciation and amortization amounted to €131.9 million, compared to €116.3 million in 2021, reflecting the dynamics of investments.

Ebit is €134.4 million, up +74.5% from €77.0 million in the previous year. Margins reach 14.6% from 10.8% in 2021.

The **result of financial management** was €10.4 million, compared to €13.0 million in 2021. The dynamics of the 12 months of 2022 are mainly related to foreign exchange management, with the value as of December 31, 2022 including the positive effects related to the accounting of the purchase transaction of the 43% stake in Cariaggi².

Net Income reaches €87.2 million, up +54.9% from €56.3 million in 2021, with taxation normalizing to 29.7% (12.1% tax rate as of December 31, 2021³).

Net Working Capital

Net working capital, including "Other net assets/liabilities"⁴, amounted to €140.8 million, compared with €142.2 million as of December 31, 2021.

Trade net working capital was €182.4 million, accounting for 19.8% of sales, compared with €169.4 million as of Dec. 31, 2021 (relative weight of 23.8%).

Inventory was €242.8 million, compared with €199.3 million as of Dec. 31, 2021, with the increase related to new commercial initiatives, business development, and the expansion of the digital channel business.

The inventory ratio of 26.4% compared to 28.0% as at 31 December 2021, benefited from the excellent sales performance achieved in the second half of the financial year 2022, which was higher than

² This accounting resulted in a positive difference between the purchase price of the equity investment and the equity value based on the approved budget as of December 31, 2022 of 6.7 million euros.

³ The tax rate as of December 31, 2021 benefited mainly from the recognition of deferred tax assets, totaling approximately EUR 8.8 million, calculated on the balance sheet balance of the inventory write-down fund for the "Brunello Cucinelli for Humanity" project.

⁴ "Other net assets/liabilities" were negative 41.6 million euros as of December 31, 2022, compared to 27.3 million euros as of December 31, 2021; the related dynamics are mainly related to the *fair value* measurement on foreign exchange hedging derivatives.



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expected and resulted in a momentary and extraordinary reduction in the ratio compared to our usual standard.

Trade receivables amounted to €76.6 million, up +5.2% from €72.8 million as of Dec. 31, 2021, against a growth in wholesale channel revenues in 2022 of +18.5%.

Trade payables amounted to €137.0 million (incidence of 14.9%), compared to €102.7 million as of Dec. 31, 2021 (incidence of 14.4%), with an increase related to business development.

Capital Expenditures and Net Financial Debt

The attention given to commercial, digital, technological and production-logistics **investments** accompanies the process of the **healthy and sustainable growth** of our Casa di Moda, trying to keep it **contemporary**.

Thus, the major **multi-year investment project**, kept unchanged even in the pandemic years, continues.

In **2022**, investments totaled **€72.5 million**, plus the acquisition of a 43% stake in the prestigious Lanificio Cariaggi Cashmere, the brand's historic cashmere supplier, whose purchase cost was **€15.05 million**.

Dedicated investments in **new boutiques** as well as the **renovation** and **expansion** of existing ones remain of paramount importance.

Concurrently with investments in physical spaces, we have continued to devote great attention to development in the **digital world** and dedicated investments in the **production/logistics** part.

In particular, in 2022, the continuous modernization activities of our company continued, and work began on the **redevelopment of the 8-hectare area** on the outskirts of Solomeo, which will allow for the gradual expansion of the company's space to adequately accommodate the development of our factory in the coming years.

The **cash generated** from operations, together with the **solid corporate structure** and the **sound management of net working capital**, allow the company to sustain investments and to pay a dividend of €0.65 per share, representing a **payout ratio of 50 percent**.

Core Net Financial Debt⁵ reaches a substantial parity. At December 31, 2022, even with the acquisition of 43% of Lanificio Cariaggi Cashmere for €15.05 million, the related value is **€7.1 million**, further improving from €23.0 million at December 31, 2021.

⁵ Excludes finance lease payables; therefore, the figure reported excludes the application of IFRS 16.



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Outlook

We are very pleased with this first part of 2023, with the **sell-outs of the Spring Summer 2023 collections** fully confirming the favorable feedback received during the collection presentations, from both multi-brand partners and the trade press.

We also believe that our **brand** is having a **great moment**, also thanks to the **very important awards** it has received. In this first part of the year, we feel that there is still more **demand** than supply for **luxury goods** in the market.

For these reasons, we expect **very strong growth** in the **first quarter of 2023**, also supported by the fact that the comparison base with the first quarter of 2022 is relatively less demanding than in subsequent quarters.

The **Fall Winter 2023 order collection** has ended with very significant results, and the collections have received very positive comments from the trade press.

Based on all of this, in **2023** we can envision a **very nice revenue growth** and rise our estimates from +12% to **+15%**, with a **healthy and fair profit** and **investment** level in line with our multi-year plan. Finally, in **2024**, we believe that revenue growth in the **range of +10%** is reasonable.

Proposal for the Allocation of Net Income

The Board of Directors will propose to the next Annual Shareholder's Meeting, to be held in a single call on April 27, 2023, to approve the distribution of a dividend, relating to the 2022 fiscal year, of €0.65 per share (before any legal withholdings). If approved, the dividend will be paid on May 24, 2023, with ex-dividend date (detachment of coupon no. 9) on May 22, 2023, and record date on May 23, 2023.

Report on Corporate Governance and Ownership Structure and Report on Remuneration Policy and Compensation Paid

The Company's Board of Directors approved the Report on Corporate Governance and Ownership Structure for the year 2022 and the Report on Remuneration Policy and Compensation Paid pursuant to Article 123-ter of Legislative Decree No. 58/1998 (also "Consolidated Finance Law"). In particular, pursuant to Article 123-ter, paragraph 6, of the Consolidated Finance Law, the Company's Shareholders' Meeting to be held on April 27, 2023, will be asked to cast an advisory vote for or against the second section of the Report on Remuneration Policy and Remuneration Paid for the year 2022.

Information on the 2022-2024 Stock Grant Plan. Purchase and Disposal of Treasury Shares

With regard to the Stock Grant Plan 2022-2024, approved by the Shareholders' Meeting of April 27, 2022, pursuant to Article 114-bis of the Consolidated Finance Law, the Board of Directors has today verified that the target (EBIT on a consolidated basis for the financial year 2022) for the vesting of the first tranche of rights under the Plan has been reached.

Therefore, in accordance with the provisions of the Stock Option Plan, the Company will transfer to the beneficiaries, free of charge, the treasury shares (held as a result of the share buy-back plan completed on January 27, 2023) up to the concurrent rights thus acquired. For further information, please refer to the Report on Remuneration Policy and Compensation Paid for the year 2022, which will be published in accordance with the law.

Furthermore, in relation to the Stock Grant Plan, the Board of Directors today decided to propose to the next Shareholders' Meeting, to be held on 27 April 2023, the approval of the request for authorization to



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acquire and dispose of Brunello Cucinelli ordinary shares, subject to the revocation, for the unexecuted portion, of the authorization resolution adopted by the Shareholders' Meeting of 27 April 2022. The buy-back plan will be implemented in one or more tranches, in accordance with the procedures required by applicable European and national laws and regulations. Detailed information on the buy-back plan can be found in the explanatory report approved today by the Board of Directors, which will be made available, as required by law, at the Company's registered office in Corciano, Solomeo (PG), on the "eMarket Storage" mechanism (www.emarketstorage.com) and in the relevant sections of the Company's website (<http://investor.brunellocucinelli.com>).

2022 Consolidated Non-Financial Statement

The Board of Directors also reviewed and approved the Consolidated Non-financial Statement 2022 prepared as a separate report from the financial statements in accordance with the provisions of Legislative Decree no. 254 of 2016 regarding the disclosure of non-financial information. The Statement contains information regarding the Company's business activity, its performance, results, and the impact it has produced, with regard to environmental, social, personnel-related, human rights compliance, and the fight against active and passive corruption. The Consolidated Non-Financial Statement 2022 will be made public within the term provided by law .

Renewal of the Company's management and control bodies

Since the term of the current Board of Directors and the current Board of Statutory Auditors, appointed by the Shareholders' Meeting on May 21, 2020, will expire with the approval of the financial statements as of December 31, 2022, the Shareholders' Meeting to be held on April 27, 2023, will have to appoint the new members of the Board of Directors and of the Board of Statutory Auditors.

As to the terms and procedures for the renewal of the corporate bodies and the submission of candidate lists, please refer to the explanatory reports and the notice of call of the Shareholders' Meeting, which will be made available within the term provided by law (see *below*).

Introduction of increased voting rights

The Board of Directors has resolved to propose at the Shareholders' Meeting of Brunello Cucinelli S.p.A. to be held on April 27, 2023, in a single call, to approve an amendment to the By-Laws in order to introduce the increased voting right as provided for in Article 127-*quinquies* of the Consolidated Finance Law. The proposal stipulates that the increased voting right will be acquired upon the passage of the minimum 24-month period stipulated by law. As to the size of the voting right increase, the Board of Directors has set the maximum limit of such increase at two votes per share. For detailed information, please refer to the explanatory report approved by the Board of Directors today, which will be made available within the legal terms at the Company's registered office in Corciano, Solomeo (PG), on the "eMarket Storage" mechanism (www.emarketstorage.com), and in the appropriate sections of the Company's website (<http://investor.brunellocucinelli.com>).

Calling of the Ordinary and Extraordinary Shareholders' Meeting

The Board of Directors resolved to convene the Shareholders' Meeting of Brunello Cucinelli S.p.A. for April 27, 2023, in a single call, in ordinary session, to approve the financial statements for the year 2022, to resolve on the allocation of the profit for the year, to resolve on the second section of the Report on Remuneration Policy and Compensation Paid relating to the year 2022, to authorize the purchase and disposal of treasury shares to service the "*Stock Grant Plan 2022-2024*" based on the allocation of the shares of Brunello Cucinelli S.p.A. (subject to the revocation, for the unexecuted portion, of the



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authorization resolution passed by the Shareholders' Meeting on April 27, 2022), for the renewal of the management and control bodies; and, at the extraordinary session, for the amendment of Article 6 of the By-laws in order to introduce the increased voting right.

Notice of call of the Shareholders' Meeting will be published within the legal terms on the Company's website (<http://investor.brunellocucinelli.com>) and, in excerpts, in the daily newspapers "Il Sole 24 Ore" and "MF-Milano Finanza".

Documentation

The Annual Financial Report 2022 (together with the Report of the Board of Statutory Auditors and the Report of the Auditing Firm), the Report on Corporate Governance and Ownership Structure, the Report on Remuneration Policy and Compensation Paid for the Year 2022, the Consolidated Non-Financial Statement 2022 and the Directors' explanatory reports on the items on the agenda (approved at today's meeting of the Board of Directors), will be made available to the public within the terms and in the manner required by current regulations at the Company's registered office in Corciano, Solomeo (PG), on the "eMarket Storage" storage mechanism (www.emarketstorage.com), and in the appropriate sections of the Company's website (<http://investor.brunellocucinelli.com>).

Pursuant to and for the purposes of Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, Moreno Ciarapica, the manager responsible for preparing the company's financial reports, declares that the information contained in this press release corresponds to the documentary results, books and accounting records. Please note that the pdf document of the Analyst Presentation regarding the results as of December 31, 2022, can be found in the "Presentations" section of the website at <http://investor.brunellocucinelli.com/ita/presentazioni/>. The figures shown in this release refer to the 2022 consolidated financial statements.

This document (and, in particular, the section "Outlook") contains forward-looking statements regarding future events and operating, economic and financial results of the Brunello Cucinelli Group. These forecasts have by their nature a component of risk and uncertainty, as they depend on the occurrence of future events and developments.

The Consolidated Financial Statements and the Draft Financial Statements 2022 are currently subject to statutory audit, as of today's date not yet completed. The Consolidated Non-Financial Statement 2022 is in turn subject to audit by the auditing firm for the purpose of the attestation of compliance referred to in Art. 3, para. 10, Legislative Decree 254/2016.

Brunello Cucinelli S.p.A. is an Italian Casa di Moda - founded in 1978 by the fashion designer and entrepreneur of the same name and listed on the Italian Stock Exchange - that operates in the **creation of luxury goods**. Our Casa di Moda, 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 steady and solid growth with an entrepreneurial philosophy aimed at the great themes of **Harmony with Creation** and **Human Sustainability**.

A specialist for cashmere productions, the **brand** is considered **among the most exclusive of chic ready-to-wear**, recognized worldwide as an expression of everyday lifestyle. The combination of **modernity** and **craftsmanship**, of **elegance** and **creativity**, of **passion** and **human values** make Brunello Cucinelli among the most exclusive and admired **testimonials of Italian style** in the world, authentically interpreting the values of **tailoring** and high **craftsmanship** characteristic of **Made in Italy** and peculiar to the Umbrian territory, skillfully combined with attention to **innovation** and **contemporary style**.

Through a **healthy, balanced** and **sustainable growth path**, the company's great goal is to try to make profits with **ethics and harmony**, with full respect for the moral and economic dignity of the more than 2,300 Human Resources who work directly for the company, and for all those who collaborate with it.



BRUNELLO CUCINELLI

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



BRUNELLO CUCINELLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Non-current assets				
Goodwill	-		7,045	
Right of use	520,066	4,154	504,968	4,677
Intangible assets	13,970		13,070	
Property, plant and equipment	188,692	12,755	166,033	12,517
Investment property	7,223		6,593	
Non-current financial assets for leases	5,633		3,886	
Other non-current financial assets	38,623	22,115	13,538	32
Deferred tax asset	65,337		49,546	
Non-current derivative financial assets	1,101		125	
Total non-current assets	840,645		764,804	
Current assets				
Inventories	242,844		199,266	
Trade receivables	76,608	137	72,809	52
Tax receivables	3,779		1,735	
Other receivables and other current assets	32,350	450	29,010	
Current financial assets for leases	2,628		2,633	
Other current financial assets	108		80	
Cash and cash equivalents	117,400		98,003	
Current derivative financial instruments	6,626		161	
Total current assets	482,343		403,697	
Total assets	1,322,988		1,168,501	

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Shareholders' equity				
Shareholders' equity attributable to parent company shareholders				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Reserves	230,429		191,304	
Net income for the period	80,599		53,322	
Total shareholders' equity attributable to owners of the parent	382,543		316,141	
Shareholders' equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests	3,827		3,286	
Net income for the period attributable to non-controlling interests	6,606		2,973	
Total shareholders' equity attributable to non-controlling interests	10,433		6,259	
Total shareholders' equity	392,976		322,400	
Non-current liabilities				
Employees termination indemnities	3,060		3,044	
Provisions for risks and charges	3,015		2,400	
Non-current payables towards banks	46,386		73,676	
Financial liabilities for non-current leases	474,931	4,058	469,753	4,595
Other Financial liabilities	1,251		1,178	
Other non-current liabilities	386		788	
Deferred Tax liabilities	12,478		8,575	
Non-current derivative financial instruments liabilities	-		-	
Total non-current liabilities	541,507		559,414	
Current liabilities				
Trade payables	137,040	7,959	102,654	621
Current payables towards banks	75,006		43,375	
Financial liabilities for current leases	90,066	562	79,610	541
Current financial liabilities	2,012		2,649	
Income tax payables	32,492		12,242	
Other current liabilities	47,911	713	39,203	717
Current derivative financial instruments	3,978		6,954	
Total current liabilities	388,505		286,687	
Total liabilities	930,012		846,101	
Total equity and liabilities	1,322,988		1,168,501	



BRUNELLO CUCINELLI

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2022

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Revenues	919,708	102	712,179	5
Costs of raw materials and consumables	(95,537)	(14,833)	(113,610)	(116)
Costs for services	(372,224)	(3,940)	(271,084)	(3,929)
Payroll costs	(164,713)	(6,271)	(132,948)	(2,119)
Other operating expenses	(16,491)		(9,813)	
Other operating income	1,947	104	10,054	43
Costs capitalized	2,153		3,445	
Depreciation and amortization	(131,945)		(116,275)	
Impairment of assets and other accruals	(8,486)		(4,912)	
Total operating costs	(785,296)		(635,143)	
Operating Income	134,412		77,036	
Financial expenses	(80,917)		(34,908)	
Financial income	70,472	6,716	21,898	
Income before taxation	123,967		64,026	
Income taxes	(36,762)		(7,731)	
Net income for the period	87,205		56,295	
Net income for the period attributable to owners of the parent	80,599		53,322	
Net income for the period attributable to non-controlling interests	6,606		2,973	
Base earnings per share	1.18528		0.78415	
Diluted earnings per share	1.18528		0.78415	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Euro/000)</i>	December 31, 2022	December 31, 2021
Net income for the period (A)	87,205	56,295
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	9,739	4,986
Cash flow hedge	12,584	(6,719)
Tax effect	(2,947)	1,612
Effect of changes in cash flow hedge reserve	9,637	(5,107)
Translation differences on foreign financial statements	2,468	7,026
Profit / (Losses) on net investment in a foreign operation	(3,113)	4,035
Tax effect	747	(968)
Other items of comprehensive income that will not later be reclassified on the income statement:	(69)	(48)
Remeasurement of defined benefit plans (IAS 19)	(91)	(63)
Tax effect	22	15
Total other comprehensive income, net of tax (B)	9,670	4,938
Total comprehensive income net of tax (A) + (B)	96,875	61,233
<i>Attributable to:</i>		
Shareholders of parent company	90,334	58,118
Non-controlling interests	6,541	3,115



BRUNELLO CUCINELLI



CONSOLIDATED STATEMENT OF CASH FLOWS AS OF DECEMBER 31, 2022

<i>(Euro/000)</i>	December 31, 2022	December 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	87,205	56,295
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	36,762	7,731
Depreciation and amortization	131,945	116,275
Provisions for employees termination indemnities	133	79
Provisions for risks and charges / inventory obsolescence / doubtful accounts	8,538	4,928
Change in other non-current liabilities	(402)	728
(Gain)/Loss on disposal of Fixed assets	98	(79)
Revaluation of equity investments	(6,716)	-
Other non-monetary items IFRS 16	(1,643)	(568)
Interest expense	2,387	1,452
Interest on lease liabilities	11,753	10,578
Interest income	(142)	(18)
Interest on lease activities	(51)	(18)
Termination indemnities payments	(200)	(204)
Payments of Provisions for risks and charges	-	(681)
Net change in deferred tax assets and liabilities	(13,628)	(10,716)
Change in fair value of financial instruments	1,850	4,175
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	(4,596)	6,603
Change in inventories	(41,900)	18,234
Change in trade payables	34,032	5,522
Interest expense paid	(2,324)	(1,518)
Interest on the lease liabilities paid	(11,753)	(10,578)
Interest income cashed	142	18
Interest on lease activities cashed	51	18
Income tax paid	(31,275)	(7,781)
Change in other current assets and liabilities	15,671	7,701
Net cash provided by/(used in) operating activities (A)	215,937	208,176
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(55,040)	(42,786)
Additions to intangible assets	(7,501)	(10,705)
Additions/(disposals) of financial assets	(18,178)	(1,817)
Additions to investment property	(910)	(2,472)
Investment/Disinvestments in financial assets held for trading	-	-
Acquisition of Brunello Cucinelli Middle East, net of cash acquired	-	(1,669)
Proceeds from disposal of property, plant and equipment	88	1,096
Net cash provided by/(used in) investing activities (B)	(81,541)	(58,353)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	5,000	62,000
Repayment of medium/long-term loans	(36,501)	(116,784)
Net change in short-term financial debt	34,935	8,340
Net change in long-term financial debt	-	1,133
Repayment of lease liabilities	(95,478)	(83,989)
Receipts of financial assets for leasing	2,693	1,918
Dividends paid	(32,294)	-
Share capital and reserves increase	5,993	-
Net cash provided by/(used in) financing activities (C)	(115,652)	(127,382)
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	18,744	22,441
Effect of exchange rate changes on cash and cash equivalents (E)	653	2,728
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	98,003	72,834
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	117,400	98,003



BRUNELLO CUCINELLI

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Non-current assets				
Right of use	75,997	4,154	57,847	4,677
Intangible assets	13,266		12,298	
Property, plant and equipment	83,421	6,851	71,279	6,960
Investment property	9,830		9,268	
Non-current financial assets for leases	218		402	
Other non-current financial assets	242,524	129,969	241,670	126,564
Deferred tax asset	15,919		10,047	
Non-current derivative financial assets	1,101		125	
Total non-current assets	442,276		402,936	
Current assets				
Inventories	136,423		111,152	
Trade receivables	164,511	116,664	108,206	63,332
Tax receivables	-		-	
Other receivables and other current assets	58,154	40,524	22,848	6,150
Current financial assets for leases	215		199	
Other current financial assets	3,423	3,315	2,322	2,242
Cash and cash equivalents	40,148		47,381	
Current derivative financial instruments	6,626		161	
Total current assets	409,500		292,269	
Total assets	851,776		695,205	

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Shareholders' equity				
Share capital	13,600		13,600	
Share-premium Reserve	57,915		57,915	
Reserves	283,319		235,809	
Net income for the period	99,840		60,980	
Total shareholders' equity	454,674		368,304	
Non-current liabilities				
Employees termination indemnities	1,840		1,878	
Provisions for risks and charges	1,960		1,808	
Non-current payables towards banks	46,386		73,676	
Financial liabilities for non-current leases	65,278	4,058	51,790	4,595
Other non-current liabilities	160		121	
Deferred Tax liabilities	3,192		448	
Total non-current liabilities	118,816		129,721	
Current liabilities				
Trade payables	125,224	12,005	95,925	6,128
Current payables towards banks	75,006		43,375	
Financial liabilities for current leases	10,826	562	8,275	541
Current financial liabilities	1,473		-	
Income tax payables	31,320		10,111	
Other current liabilities	30,459	9,751	32,540	14,427
Current derivative financial instruments	3,978		6,954	
Total current liabilities	278,286		197,180	
Total liabilities	397,102		326,901	
Total equity and liabilities	851,776		695,205	



BRUNELLO CUCINELLI

INCOME STATEMENT AT 31 DECEMBER 2022

<i>(Euro/000)</i>	December 31, 2022	<i>related parties</i>	December 31, 2021	<i>related parties</i>
Revenues	619,832	367,675	468,851	236,920
Costs of raw materials and consumables	(120,287)	(26,520)	(108,022)	(9,772)
Costs for services	(268,740)	(10,322)	(197,080)	(10,255)
Payroll costs	(79,966)	(6,271)	(66,852)	(2,119)
Other operating expenses	(18,748)	(9,038)	(17,575)	(13,701)
Other operating income	41,445	40,797	13,115	6,594
Costs capitalized	372		910	
Depreciation and amortization	(25,413)		(21,663)	
Impairment of assets and other accruals	(863)		(3,950)	
Total operating costs	(472,200)		(401,117)	
Operating Income	147,632		67,734	
Financial expenses	(71,776)		(26,631)	
Financial income	64,036	9,047	28,643	2,295
Income before taxation	139,892		69,746	
Income taxes	(40,052)		(8,766)	
Net income for the period	99,840		60,980	

Statement of Comprehensive Income

<i>(Euro/000)</i>	December 31, 2022	December 31, 2021
Net income for the period (A)	99,840	60,980
<i>Other items of comprehensive income:</i>		
Other items of comprehensive income that will later be reclassified on the income statement:	9,637	(5,107)
Cash flow hedge	12,584	(6,719)
Tax effect	(2,947)	1,612
Effect of changes in cash flow hedge reserve	9,637	(5,107)
Other items of comprehensive income that will not later be reclassified on the income statement:	(69)	(31)
Remeasurement of defined benefit plans (IAS 19)	(91)	(41)
Tax effect	22	10
Total other comprehensive income, net of tax (B)	9,568	(5,138)
Total comprehensive income net of tax (A) + (B)	109,408	55,842



BRUNELLO CUCINELLI

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2022

<i>(Euro/000)</i>	December 31, 2022	December 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	99,840	60,980
<i>Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:</i>		
Income tax	40,052	8,766
Depreciation and amortization	25,413	21,663
Provisions for employees termination indemnities	-	-
Provisions for risks and charges / inventory obsolescence / doubtful accounts	915	3,966
Change in other non-current liabilities	39	61
(Gain)/Loss on disposal of Fixed assets	97	33
Revaluation of equity investments	(2,922)	(157)
Other non-monetary items IFRS 16	-	400
Interest expense	2,217	1,396
Interest on lease liabilities	1,634	1,345
Interest income	(2)	(2)
Interest on lease activities	(3)	(12)
Interest income on financial receivables from Group companies	(2,331)	(2,295)
Termination indemnities payments	(128)	(155)
Payments of Provisions for risks and charges	-	(664)
Net change in deferred tax assets and liabilities	(6,054)	(6,169)
Change in fair value of financial instruments	1,850	4,176
<i>Changes in operating assets and liabilities:</i>		
Change in trade receivables	(51,965)	40,574
Change in inventories	(25,271)	5,139
Change in trade payables	29,324	8,102
Interest expense paid	(2,198)	(1,501)
Interest on the lease liabilities paid	(1,634)	(1,345)
Interest income cashed	2	2
Interest on lease activities cashed	3	12
Income tax paid	(24,549)	(3,568)
Change in other current assets and liabilities	(31,742)	(31,904)
Net cash provided by/(used in) operating activities (A)	52,587	108,843
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(20,542)	(7,385)
Additions to intangible assets	(7,096)	(7,448)
Additions/(disposals) of financial assets	(35,269)	(13,449)
Additions to investment property	(916)	(2,472)
Repayment of medium- to long-term loans from Group companies	36,399	3,556
Proceeds from disposal of property, plant and equipment	78	54
Net cash provided by/(used in) investing activities (B)	(27,346)	(27,144)
CASH FLOW FROM FINANCING ACTIVITIES		
Medium/Long-term loans received	5,000	62,000
Repayment of medium/long-term loans	(36,501)	(116,784)
Net change in short-term financial debt	37,840	5,721
Repayment of lease liabilities	(12,839)	(9,969)
Receipts of financial assets for leasing	204	227
Dividends paid	(28,560)	-
Share capital and reserves increase	5,523	-
Net cash provided by/(used in) financing activities (C)	(29,333)	(58,805)
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)	(4,092)	22,894
Effect of exchange rate changes on cash and cash equivalents (E)	(3,141)	(5,538)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	47,381	30,025
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	40,148	47,381

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