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Results at 31st March 2023

*Testo del comunicato*

Vedi allegato.



# BRUNELLO CUCINELLI

## Press Release

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**CASA DI MODA BRUNELLO CUCINELLI: The Board of Directors has examined Revenues of the first quarter of 2023.**

- Net revenues of €265.3 million, with a very, very significant growth of +34.7% at current exchange rates (+32.8% at constant exchange rates) compared to Q1 2022;
- Growth in all geographical areas: Americas +42.9%, Europe +15.8%, Asia +56.0%;
- Growth in both channels: retail +63.7%, wholesale +4.7%;
- The prestigious international "*Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion*" has been awarded to Brunello Cucinelli for the year 2023, which is a kind of fashion "Oscar";
- Presentation of the fragrances "Brunello Cucinelli pour Femme" and "Brunello Cucinelli pour Homme": two new exclusive products born from the collaboration with EuroItalia, an Italian excellence specialized in the creation and distribution of luxury fragrances;
- High value placed on craftsmanship and manual skills with a new factory planned in Penne, Abruzzo, a place with a long tradition of high-quality Italian outerwear.

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

*"The first quarter of this year closed with excellent results. There is no doubt that we are reaping the fruits of the positive period that our brand is experiencing for the style it represents and perhaps also for the way we share our ideas with all of our counterparts.*

*As regards our market segment of absolute luxury, we continue to have a very positive vision for the entire coming year. Every day we are working on new projects for high quality, exclusive, hand-crafted garments, and it pleases us to imagine that they express a refined and contemporary taste.*

*The strongly positive response to our Men's and Women's Autumn-Winter 2023 collections and the flattering judgement expressed by our esteemed multibrand outlets and by international media, coupled with the beautiful atmosphere of our boutiques and our plans for major investments in advertising and events in stores and Case Cucinelli, lead us to envisage significant growth in revenues of about 15% for the current year."*



## BRUNELLO CUCINELLI

*Solomeo, April 18, 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 examined the turnover for the first quarter of 2023, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

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The **first quarter of 2023** closed with **very, very significant results**, with growth of +34.7% **broadly based and balanced** across the different **geographical areas** and both **sales channels**.

The solid and steady contribution of the **Americas** and **Europe**, with increases that highlight the relative structural growth of demand in the absolute luxury segment, is accompanied by very high-quality results in **Asia**, with China confirming itself as the primary development opportunity for our Casa di Moda, further improving the growth trend it had already announced for 2022.

The **Spring-Summer 2023** collections for both men and women were very well received by customers and the press, resulting in very good **sell-out** results. The growth of the wholesale channel over the last 6 months (Q4 2022 and Q1 2023 combined) is representative, with an increase of +22.2%.

We continue to strive to be absolutely **relevant and contemporary in all the sales spaces** in which we are present, both within the **retail channel** (+63.7% increase in Q1 2023) and the **wholesale channel**, which once again shows synergy and complementarity in guarding a modern collection offer and exclusive distribution.

In regards to our own Italy, important to mention the new flagship stores opened in a new location in **Rome** in mid-February, **Via dei Condotti**, one of the most emblematic places of luxury, and in **Forte dei Marmi**, in Via Carducci, one of the country's most important resort areas, at the beginning of April.

We are very, very pleased with the results achieved in this first part of 2023. We believe that behind these and last year's sales results there are some very clear dynamics: the very high value placed on **exclusivity in distribution**, the still slight **scarcity** of fine handicrafts in the market, the demand for garments that correspond to our **clearly more sober taste**, and the **visibility given by the great international awards received**.

We believe that **exclusivity** always requires a range of unique pieces of the highest quality and craftsmanship, created to be passed down over time. And that they are distributed in the markets in a fair and highly selected number. This is why it is important for us to speak "softly" to the clients, with a gracious invitation to discover the brand.

Once again, we believe that the decision we took in the first months of the pandemic to adopt a strategy towards all stakeholders was important, as it allowed us to **strengthen our production, logistics and distribution structure** in a consistent and responsible manner, and to seize the opportunities offered by the market.

In addition, it is important to emphasize how fashion is moving toward a **more sober and less flashy** style, with a cyclical return to a well-cultivated way of dressing.

This has happened rapidly for both women and men, with the search for contemporary elegance and the consequent adherence to our distinctive tastes and ways of thinking.

The "**Designer of the Year**" award we received from GQ in **2021** had solidified the perception of this taste, and already by the end of the year and for 2022 we saw an important impact on sales. We are now experiencing a similar moment after the announcement in December 2022 that Brunello Cucinelli



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had won the "**Neiman Marcus Fashion Award for Distinguished Service in the field of Fashion**" for the year 2023, which was presented in Paris on March 5.

This award is another important **confirmation of the recognition** that the market is giving to our Casa di Moda at this particular historical moment, which we believe has contributed significantly to the results achieved last year and in the first quarter of 2023.

### **The launch of Brunello Cucinelli fragrances and the contemporaneity of collaborations.**

Two new fragrances, born from the creativity of our Casa di Moda, were officially unveiled at a press conference in Milan on 28<sup>th</sup> March, attended by numerous journalists and insiders.

The fragrances "**Brunello Cucinelli pour Femme**" and "**Brunello Cucinelli pour Homme**" are the result of a **collaboration with** the Lombard Company **EuroItalia**, an Italian excellence with a strong international reputation, specialized in the creation and distribution of luxury fragrances.

The two fragrances are proposed as refined ambassadors of the **culture of beauty** and **artisanal values** that our company cultivates in harmony with creation and according to the fundamental value of human sustainability, contributing to further enrich the **lifestyle** interpretation of our brand.

Brunello Cucinelli commented on the launch of the new line as follows:

*"I am particularly glad," commented Brunello Cucinelli, "to be announcing this new production, which adds two perfumes, one for women and one for men, to the line of elegance of our Casa di Moda. Some years ago, on the passing of my very dear friend, a producer of aromatic essences, a beautiful soul, I dreamt that one day I would dedicate a new product to his memory. Today I'm making that dream come true, a dream I've never abandoned in all these years. That long wait, which I see as a value in itself, inspired me in this choice in fact. Just consider how long perfumes have fascinated women and men and accompanied them through life, from the antiquity of the east to the modernity of the west. I like to think that a fragrance, used in moderation, is like a caress: along with trust, it gives someone a vision of the world, in colour".*

The two new creations are the result of a synergetic and meticulous process that began in 2019 with the **Sgariboldi** family, owners of EuroItalia, and the experienced perfumer noses **Daphné Bugey** and **Olivier Cresp**. From the beginning, our desire was to find the right fragrances that would convey a **contemporary feeling of charm and elegance**, as well as a **tribute** to the emotions, colours and scents of the **Umbrian land**.

Therefore, these two fragrances, which are very special to us, will be added to the men's and women's ready-to-wear and accessories collections, **enriching the world**, the **taste** and the **aesthetic philosophy** of our brand, following the same approach adopted with **EssilorLuxottica** for the design, production and distribution of Brunello Cucinelli Eyewear and Sunglasses.

We believe that the **relevance** of these **collaborations**, with the Sgariboldi family for fragrances and with EssilorLuxottica for eyewear, lies precisely in the care and dedication with which our partners and our Casa di Moda follow together, step by step, all the phases related to the **development of the products** and, very importantly, their **distribution**, jointly identifying **the most exclusive spaces**, including a **limited presence** in our monobrand boutiques and the most prestigious multi-brand specialized stores in their respective categories.



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### The new factory in Penne

Convinced that **manual skills and craftsmanship** are at the core of our Casa di Moda, we have decided to set up a **new production facility** that will be located in **Penne, Abruzzo**, a place that has traditionally been extremely important in the Italian history of handcrafted manufacturing, particularly for men's suits.

In fact, we believe that there is **great potential for growth** in this specific segment. On this basis, the investment plan envisages the creation of our "bella fabbrica", which will progressively employ a significant number of highly skilled workers in the men's tailoring sector.

This new project is part of the planning that we see as a concrete expression of the concept of healthy and balanced growth that we always want to guide our company. This is in line with the acquisition in **2013** of the **production division** of the prestigious "**Sartoria D'Avenza**" in **Carrara**, another example of Made in Italy excellence in the production of men's suits.

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### Revenue by Geographic Area

	Q1 2023	% on	Q1 2022	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
Italy	27,559	10.4%	24,207	12.3%	13.8%
Europe (excl. Italy)	67,942	25.6%	58,255	29.5%	16.6%
<b>Total Europe</b>	<b>95,501</b>	<b>36.0%</b>	<b>82,462</b>	<b>41.8%</b>	<b>15.8%</b>
<b>Americas</b>	<b>95,549</b>	<b>36.0%</b>	<b>66,873</b>	<b>34.0%</b>	<b>42.9%</b>
<b>Asia</b>	<b>74,281</b>	<b>28.0%</b>	<b>47,601</b>	<b>24.2%</b>	<b>56.0%</b>
<b>Revenues</b>	<b>265,331</b>	<b>100.0%</b>	<b>196,936</b>	<b>100.0%</b>	<b>34.7%</b>
<b>YoY Change at constant exchange rates</b>					<b>32.8%</b>

**Italy** - revenues of €27.6 million, up +13.8% compared to the first quarter of 2022, with a relative weight of 10.4%.

In **Italy**, the first part of the year saw **significant customer and specialised press participation** in the presentations of the **winter 2023 collections**, both at Pitti Uomo Florence and during the Milan Fashion Weeks for women and men, as well as during the numerous events organized in Solomeo and during other special occasions.

Among these, we recall the important opening of the new **flagship store in Rome**, celebrated with a pleasant evening together with numerous friends, customers and special guests, and the opening of the Resort Boutique in Forte dei Marmi in April, both of which were converted to direct management, from the previous wholesale monobrand management.

In particular, the new Roman boutique is located on **Via dei Condotti**, one of the most emblematic and well-known places in the "Eternal City," is spread over four floors, finely furnished with references to the world of Solomeo and unique pieces that evoke Roman history.



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**Europe** (excluding Italy) - sales of €67.9 million, up +16.6% compared to the first quarter of 2022, accounting for 25.6%.

In **Europe**, we are seeing the steady and structural contribution of **the local customer**, with a healthy presence of **tourism** in the main locations; in this first quarter, we welcomed the first **return of customers from the East**, following the return of **American customers** to the continent in recent months.

It is also important to note how the beginning of 2023 seems to confirm an increasingly consistent return to a full **daily life** lived in **sociality** and, above all, in safety.

**Americas** – sales of €95.5 million, up +42.9% compared to Q1 2022, accounting for 36.0% of sales.

In the **North American** market, too, the growth in demand seems to be increasingly **structural** and characterized by **great strength**. It is important to emphasize that the good growth is also supported from a **qualitative point of view** by the involvement of customers in the style and world of our company; even now, Brunello Cucinelli is in Dallas for a series of important events following the **award** he received from **Neiman Marcus** in March.

**Asia** - sales of €74.3 million, up +56.0% compared to the first three months of 2022, with a sales weight of 28.0%.

The **decidedly positive trend in China** continues, where in this first part of the year we recorded very encouraging signs that confirm the future **potential** of this important market. In fact, the first quarter of 2023 brought a **great result** for our brand, which is compounded by **the positive impressions** and **confident comments** gathered from **our teams** as well as from **multi-brand customers** and our **landlords**.

It is also becoming increasingly evident to us that Chinese customers are **attentive and sensitive** to brands with a very high positioning, an expression of very high quality, craftsmanship and sophisticated elegance (a style that is therefore authentic, unencumbered by potentially flashy logos or symbols).

Our wish for the coming years is therefore to be able to see a domestic market **develop and consolidate**, supported by the **quality of the service** offered to customers by our staff, **the breadth of our offer**, and a **pricing policy** that we would like to define as **fair and consistent**, which our brand particularly cares about.

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### Revenue by Distribution Channel

	Q1 2023	% on	Q1 2022	% on	YoY
	Eur '000	on total	Eur '000	on total	Change %
<b>Retail</b>	<b>164,024</b>	<b>61.8%</b>	<b>100,196</b>	<b>50.9%</b>	<b>63.7%</b>
<b>Wholesale</b>	<b>101,307</b>	<b>38.2%</b>	<b>96,740</b>	<b>49.1%</b>	<b>4.7%</b>
<b>Revenues</b>	<b>265,331</b>	<b>100.0%</b>	<b>196,936</b>	<b>100.0%</b>	<b>34.7%</b>

**Retail Channel** - Revenues of €164.0 million, up +63.7% over Q1 2022, with a relative sales weight of 61.8%.



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Very good **like-for-like growth**, with a **significantly higher sell-out** of spring collections. **Network expansion**, including **new openings, enlargements** of existing spaces and the **conversion in Q1 23** of the Rome store to direct management, contributed strongly.

The **growth rate** in the first quarter is particularly favoured by the **comparison basis** with last year, when the incidence of retail sales was more pronounced in subsequent quarters, as opposed to the **impact of the pandemic** - still present in Q1 22 - and the **dynamics of network development**.

Thus, as of March 31, 2023, there were **122 retail boutiques** compared to 115 in the same period last year (119 boutiques as of December 31, 2022).

**Wholesale channel** - sales of €101.3 million, up +4.7% compared to Q1 2022, with a relative weight on sales of 38.2%.

We believe that the **+22.2%** growth in the wholesale channel in **the last 6 months**, i.e., in Q4 2022 and Q1 2023, is representative of the **excellent order intake result for the Spring Summer 2023** collections, which represent the core of wholesale sales in these two quarters.

The growth in the first part of 2023 has to take into consideration the **requests** of many wholesale customers to anticipate in **November and December** last year **the deliveries of Spring Summer 2023 garments**, also due to the scarcity of merchandise that was present in the market. With our production, logistics and distribution structure, we have been able to take advantage of these opportunities offered by the market.

The multi-brand channel fully confirms the **strategic value** of our brand and the modern and contemporary ready-to-wear offer; we also believe that the **very positive sell-outs of the Spring Summer 2023 collections** in the luxury department stores and specialty stores where we are present fully reflect the very valuable comments received from the trade press at the presentation of the collections.

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### Our Expectations

The growth of **+34.7** percent (+32.8% at constant exchange rates) in the **first quarter of 2023** leads us to expect an overall growth of around **+15% in 2023**, which we consider **healthy and balanced**.

We think it is important to keep in mind that the result of the first three months of 2023 is definitely favoured by the comparison base of the first quarter of 2022, which is relatively less challenging than the subsequent quarters. Specifically, in a **year-over-year comparison**, we had described the first quarter's result as "good," the second quarter's result as "more than good," and the last two quarters' results as "very good."

The growth percentages for the first quarter of 2023, compared to year-end expectations, also benefit from the **persistence of some pandemic-related impacts** in the **first quarter of 2022**, and finally from the dynamics and timing of **retail network development**, which had favoured growth particularly in the second part of last year.

Finally, we continue to envisage very concrete sales growth in the region of **+10% for 2024**.



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*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 documented 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 Brunello Cucinelli S.p.A. Group. By their very nature, these forecasts contain a component 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 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.

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