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Oggetto : The Board of Directors has examined the 2023 preliminary results

Testo del comunicato

Vedi allegato



BRUNELLO CUCINELLI

Press Release

CASA DI MODA BRUNELLO CUCINELLI: the Board of Directors reviewed the preliminary figures for the year 2023

- Excellent revenues of €1,139.5 million, up 23.9% at current exchange rates compared to 2022 (up 26.0% at constant exchange rates);
- Outstanding results in all geographical areas and distribution channels, with exceptional sales quality favoured by the positioning of the Brunello Cucinelli brand in the highest and most exclusive luxury segment;
- Sales by geographical area: Americas +20.8%, Europe +16.8%, Asia +40.4%;
- Revenues by distribution channels: retail +30.2%, wholesale +13.4%;
- Significant investments in 2023, amounting to approximately €78 million, as part of the major three-year plan for commercial and handicraft production;
- Solid capital structure, with a characteristic¹ net debt at substantially parity and equal to approximately €7 million;
- The initial sell-out rates of the Spring Summer 2024 collection are extremely promising and follow on from the excellent order intake. These figures prompt us to imagine a very favourable first half-year, consolidating our growth forecast of around +10% for the full year 2024.

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

Another year that we regard as particularly significant and noble for the brand has ended, with a 23.9% increase in turnover and, given the excellent quality of sales, we are expecting a very good profit. We are also honoured by the image our Casa di Moda conveys to the world of luxury craftsmanship and lifestyle.

The great orders in our portfolio for the Spring-Summer 2024 collection and the excellent start of sales in our own boutiques and multi-brand stores result in a most optimistic outlook for the first half of this year. In view of all this, we are confirming our great confidence for this year, where we envisage a gracious, comfortable and healthy growth of around 10%.

We therefore extend our warmest thanks and best wishes to you, our valued partners, journalists, investors and analysts, and wish that the New Year will be one of serenity and brotherly love for each and every one of us and for mankind as a whole.

¹ This excludes finance lease payables. The figure reported therefore does include the application of IFRS 16.



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Solomeo, 8 January 2024 – The Board of Directors of Brunello Cucinelli S.p.A. – An Italian Casa di Moda operating in the luxury goods sector, listed on the Italian Stock Exchange (now Euronext) – today reviewed the preliminary data on revenues and financial debt as at 31 December 2023. The full and final annual results for 2023 will be reviewed and approved by the Board of Directors at its meeting scheduled for 14 March.

We feel **extremely grateful** for the **great results** achieved in 2023, with revenues of €1,139.5 million and growth of 23.9% (up 26% at constant exchange rates).

After the excellent results of the first nine months, the **fourth quarter of 2023** reported the **best result ever in absolute value**, with revenues of €321 million, up 15.6% year-on-year.

The opening of sales for **Spring-Summer 2024** is **very positive** and follows an impressive order intake, enabling us to look ahead to a **very interesting first half** of the year, and helping to make our growth expectation of around **10% for 2024** absolutely concrete.

We would like to focus on certain aspects that we believe have played a **central role** throughout 2023, as we already had the opportunity to comment on in the year-end update on 13 December 2023:

- **exclusivity**, which in our opinion represents a fundamental factor in absolute luxury, with the demand for **rare** and **very high-quality products**;
- the focus on positioning in the **highest end** of the luxury sector, with an offering characterised by the very high-quality **craftsmanship** of the products;
- the recognition of Brunello Cucinelli as a **lifestyle** brand, with a solid foundation in **Ready to Wear**, an expression of a recognisable taste that is at once understated and elegant;
- the prestigious international awards we have received:
 - **“Neiman Marcus Fashion Award”**, a sort of “Oscar” of world fashion, presented to Brunello Cucinelli last March in Paris;
 - **“GQ Designer of The Year 2023”**, awarded to Brunello Cucinelli in December in China *“for standing out as a trendsetter in fashion and lifestyle”*;
- the **balance** between the different sales channels and the various geographical areas where we maintain a presence worldwide.

We are proud to note that the turnover for the year just ended is the **highest in our history**, with a growth that has led us to **exceed €1.1 billion** in revenues.

As anticipated, the **last quarter of 2023** reported the best result ever in absolute value (revenues of €321 million, up 15.6% compared to the fourth quarter of 2022).

If we consider the **basis of comparison** of the fourth quarter of last year – for which outstanding results have already been reported, with overall growth of 32% and an increase in the wholesale channel of 53% – the result achieved acquires **even more significance**.

Despite this basis of comparison, both channels grew in this last part of the year, bringing growth for the **Retail** channel for the whole year to **30.2%** and for the **Wholesale** channel to **13.4%**.



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Overall, the Retail channel accounts for 65.5% (of which about 10% within Luxury Department Stores), and the Wholesale channel 34.5%, denoting in our view the great importance of the latter, in terms of both the turnover achieved and the contribution made with respect to the contemporaneity of taste in the collections offered.

In completing the analysis of the results achieved, it is also important to emphasise the **balanced and uniform** increase in turnover was recorded in **all markets** (Americas +20.8%, Europe +16.8%, Asia +40.4%).

In our opinion, it is interesting how, in the various geographical areas, we have noticed a general demand for **understatement, elegance, uniqueness and quality** on the part of the end customer, who more and more often wants to find out and learn about the history and values behind the products they purchase.

Revenues by Geographical Area

	9 months '23	% on	9 months '22	% on	YoY
	Eur '000	Revenues	Eur '000	Revenues	Change %
Italy	128,772	11.3%	102,753	11.1%	25.3%
Europe (excl. Italy)	299,352	26.3%	263,814	28.7%	13.5%
Total Europe	428,124	37.6%	366,567	39.8%	16.8%
Americas	404,442	35.5%	334,693	36.4%	20.8%
Asia	306,789	26.9%	218,448	23.8%	40.4%
Revenues	1,139,355	100.0%	919,708	100.0%	23.9%
YoY Change at constant exchange rates					26.0%

Europe – revenues of €428.1 million, an increase of 16.8% compared to the first nine months of 2022, and a relative weight of 37.6%.

The year just ended was undoubtedly **very positive for the entire European area**, with **results** that we can define as **outstanding in each of the quarters** of 2023, including in view of last year's particularly challenging basis for comparison.

The loyalty of **local client** and their appreciation for the product have proven to be **solid and constant factors at various times of the year**.

In addition, we are very satisfied with customers' favourable to our visual merchandising, with particular attention to the windows and the in-store presentation of the product that has always been a hallmark of the brand's image. Indeed, we believe that all this is very important to convey our sense of lifestyle and authentic taste.

Americas – turnover of €404.4 million, up 20.8% year-on-year, accounting for 35.5% of sales.

The US market has definitely shown **great solidity**, with very strong demand in all **major cities** on both the eastern and western seaboard, in renowned **resort locations** and in "**secondary**" cities, where



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the presence in the most important multi-brand and Specialty Stores has represented significant added value.

This great year has been full of special moments, memorably including the takeover of the windows at the **Saks** luxury Department Store on the renowned *Fifth Avenue* in Manhattan, and the event in Los Angeles, at **Chateau Marmont**, attended by many of the brand's friends. All this appears to be concrete testimony from this market of the great warmth and affection we receive for our brand, for which we are profoundly grateful.

Asia – revenues of €306.8 million, up 40.4% compared to 2022, with a sales weight of 26.9%.

Asia remains an area of **great interest**, both in terms of the **results achieved** and the **growth potential**. In China, we are noticing in particular how the positioning of our brand is being confirmed, from one year to the next, as more and more clear and consistent with the rest of the world. Indeed, the Chinese market continues to expand significantly, which goes hand in hand with the growth in appreciation by the end customer and their loyalty.

It is essential to reiterate the prestigious international “**Designer of the Year 2023**” award received by Brunello Cucinelli from the renowned men's fashion magazine *GQ China* on 7 December in China. A conference was held the day before the ceremony, when Brunello Cucinelli referred to certain major **ethical and philosophical issues in life**, such as the **balance between work and private life**, with very important Chinese influencers and celebrities in attendance.

We were highly honoured to witness the attention, sensitivity and curiosity that the young attendees showed on the shared issues, and we are pleased to welcome all this as confirmation of the increasing proximity being fostered with the country.

As well as in China, we are very satisfied with the wonderful growth in the **Middle East** – a substantially young and new market for us - with the great energy shown by **South Korea**, and with the constant loyalty that a market of central historical importance such as **Japan** continues to reserve for us. All this enables us to look ahead to a future full of fascinating opportunities.

Revenues by Distribution Channel

	9 months '23	% on	9 months '22	% on	YoY
	Eur '000	Revenues	Eur '000	Revenues	Change %
Retail	746,658	65.5%	573,320	62.3%	30.2%
Wholesale	392,697	34.5%	346,388	37.7%	13.4%
Revenues	1,139,355	100.0%	919,708	100.0%	23.9%
YoY Change at constant exchange rates					26.0%

Retail channel – revenues of €746.7 million, up 30.2% compared to 2022, with a sales weight of 65.5%.

Sales in this channel recorded a significant increase, thanks to the **excellent results on a like-for-like basis** and the **very positive sell-outs** of the **Spring-Summer** and **Fall-Winter 2023** collections. It seems to us that the **select, prestigious boutique openings**, together with our expansions and renovations, have made a healthy contribution to growth.

Undoubtedly, 2023 confirmed the **centrality of physical retail**: at the same time, **digital retail** now



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represents a **multi-dimensional factor** inextricably interconnected with the physical channel, in which the interpretation of the brand's values, identity is being integrated more and more closely.

As at 31 December 2023, we had **125 retail boutiques** (124 on 30 September 2023), and **49 hard shops** (47 on 30 September 2023).

Wholesale channel – sales of €392.7 million, an increase of 13.4% year-on-year, with a relative weight of sales of 34.5%.

2023 was also confirmed as a **great year** for the wholesale channel. Indeed, the **growth in sell-outs** was accompanied by further consolidation of the **channel's strategic centrality**; wholesale clients have long played a primary role in keeping **our brand contemporary**.

The considerable expertise, utter conscientiousness and constantly fresh and contemporary taste they bring to the presentation of the collections in their stunning spaces continues to remain a great source of inspiration for us.

We would like to thank our valued customers once again, and we are honoured by the wonderful relationship of esteem that unites us and by the love they show for our product and our brand.

Investments and Net Financial Debt

The **multi-year investment plan** continues under the banner of the same inspiring objectives: to **maintain** and **strengthen the image of our Casa di Moda**, alongside its **recognisability** and **desirability**.

The year just ended saw the company invest around **€78 million**, in the commercial, digital, technological and production/logistics fields.

We believe that all the projects implemented are guided by a fundamental coherence, aimed at **keeping the brand contemporary** and, at the same time, at **enhancing** the entrepreneurial philosophy and founding ethical values.

A major role in the **three-year investment plan** is played by the investments in **handicraft production**, revolving around the **important enlargement of the Solomeo factory** and the plans for the new men's **tailoring factory in Penne** in Abruzzo.

On the outskirts of Solomeo, redevelopment work is currently underway on a large eight-hectare area, where an industrial complex once stood, for the major expansion of the company in Solomeo, to strengthen the link with the local area and the community.

Another major project is the plans, for spring 2025, for a new factory producing **men's outerwear and tailored suits in Penne**, a town in the Abruzzo region known as a **hotbed of excellence in men's tailoring**.

The new factory will cover a surface area of 4500 m² and will employ up to about 350 specialist craftspeople; pending the completion of the new plant, operations started in a leased factory with the full-time employment of 75 workers, with the goal of 100 employees by the end of 2024.



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In an analysis of the **financial situation for 2023**, we believe that the **solidity** of the corporate structure, combined with positive cash flow generation and a healthy use of commercial working capital, has accompanied the investment policy and dividend distribution, as always.

We are therefore delighted to note that **net financial debt**² remains equal compared to the previous year, with a value as at 31 December 2023 of approximately **€7 million**.

Our expectations

We are **very confident** that we will achieve the **healthy growth** estimated for **2024**, of **around 10%**, with **very interesting margins and profits**, falling within our idea of **gracious growth** and **healthy profitability**.

The opening of sales for **Spring-Summer 2024** is **very positive** and follows an impressive order intake, enabling us to look ahead to a **very interesting first half of the year**; we are also very satisfied with the ongoing sales campaign for the Fall-Winter 2024 collection.

We really appreciate that the presentation of the new stylistic proposals continues to be associated with a **special moment**, partly thanks to the human, relaxed atmosphere we believe we have created together with our customers in both channels.

All this drives us even further to continue our work in **the brand's spaces** in various parts of the world, whether **new openings** or **expansions** and **renovations** of premises we already occupy.

Finally, we believe that we can also estimate a **balanced** and **solid increase** in turnover of around **10%** for the year **2025**.

Pursuant to and for the purposes of Article 154-bis(2) of Legislative Decree 58/1998, the Financial Reporting Officer, Dario Pipitone, hereby declares that the information contained in this press release corresponds to the documented results, as well as to the accounting books and records. It should be noted that the turnover figures in this press release have not been audited.

This press release may contain forward-looking statements concerning future events and operating, economic and financial results of the Brunello Cucinelli S.p.A. Group. These forecasts have by their very 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 founded in 1978 by the eponymous designer and entrepreneur and is listed on the medium and large companies stock exchange (MTA) of Borsa Italiana. Long rooted in the medieval Umbrian hamlet of Solomeo, the company is guided by an entrepreneurial philosophy that focuses on the major themes of "Harmony with Creation", respect for the dignity of every living being, and the pursuit of balanced growth in full accordance with the ethical values embodied in the founding principles of Humanistic Capitalism and Human Sustainability.

Initially specialising in the production of cashmere of the highest quality, the brand has expanded to include a lifestyle and ready-to-wear and casual chic offer, expressing a refined, discreet, yet versatile and everyday style. The collections seek to interpret the most authentic spirit of the Italian way of life, recreating with passion and ethics a taste perpetually balanced between elegance, creativity, contemporaneity and craftsmanship, one rooted in the values of tailoring and high craftsmanship peculiar to the Italian tradition and the Umbrian region, and deftly combined with an emphasis on innovation and contemporary style. Through a path of healthy, fair and sustainable

² This excludes finance lease payables. The figure reported therefore does include the application of IFRS 16.



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development, the company seeks to generate profits with integrity and harmony, while respecting the moral and economic dignity of the more than 2,500 people who work for our company.

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