



COMUNICATO STAMPA

ITALIAN DESIGN BRANDS PRESENTS FINANCIAL RESULTS AS OF 31 DECEMBER 2023: REVENUE AT EURO 310.8 MILLION (+16.6%)

Highlights consolidated data 2023¹:

Full revenue as of 31 December 2023 reach Euro 310.8 million, with a total increase of 16.6% over 2022.

Full Adjusted EBITDA is equal to Euro 54.3 million, a growth of 10.3%.

Full Adjusted Net Profit equals Euro 25.6 million, in line with 2022.

The Group's net bank debt as of 31 December 2023 is equal to Euro 14.2 million.

Milan, 11 March 2024 - The Board of Directors of Italian Design Brands S.p.A. (BIT:IDB), a diversified industrial group and one of Italy's leading players in high-end design, lighting and furniture ("IDB", the "Company" or the "Group"), approved the project for the annual financial report for the financial year 2023, to be submitted to the shareholders' meeting scheduled for 22 April 2024, in a single call.

IDB reported **revenue** of Euro 287.4 million (compared to Euro 199.5 million at 31 December 2022). Including the 12-month figures of Cubo Design, Axolight and Turri in the scope of consolidation, IDB has registered Full revenue of Euro 310.8 million, with an increase of 16.6% compared to the pro-forma 2022 result and organic growth, thus excluding the contribution of Axolight and Turri, of 3.9%.

Despite the persistence of macroeconomic and geopolitical instability, to which was added the ongoing conflict in the Middle East, almost all Group companies closed the year with sales at an all-time high. The incidence of exports remained stable at 74%, confirming the European area as the main foreign outlet market for the Group's products, followed by North America.

The overall turnover figure for the furniture and lighting market shows a forecast of a 3.4% year-end decline for the Italian furniture macro-system² and substantial stability to 2022 for the global *core high-quality design furniture & homeware market*³.

The year 2023 of IDB was characterized on the one hand by a gradual normalization for the Furniture, Lighting and Kitchen & Systems areas, which had recorded significant growth rates in the two-year period 2021-2022, and on the other hand by an excellent performance of the Luxury Contract area, which achieved a total turnover of Euro 85.2 million, which was higher than the record of around Euro 71 million in 2019.

¹ **METHODOLOGICAL NOTE:** All changes and comparisons of the Full 2023 data are represented against the data as of 31 December 2022 Pro-forma (Attachment 2). For further information, please refer to the note on Accounting Policies at the end of the press release.

² FederlegnoArredo preliminary figures, January 2024

³ Bain-Altgamma Luxury Goods Worldwide Market Study, 14 November 2023

During the third quarter of 2023, the Group executed agreements to increase its stake in Axolight S.r.l. (in which IDB had a minority share since 2021) up to 51% and finalized the acquisition of a majority stake in Turri⁴, a historic brand of high-end furniture.

In addition to organic growth superior to the reference market, acquisitions represent a recurring growth mode for IDB, which pursues the goal of strategic aggregation in the sector in order to make its offer more articulated and complementary. Moreover, the acquisition of Turri is particularly instrumental in consolidating IDB's presence in Soft Contract and in the world of high-end residential projects, a channel in which the company has strong expertise and which, for the rest of the Group as well, posted an excellent growth rate during the year.

The Group's Reported **EBITDA** was Euro 52.1 million (compared to Euro 31.7 million in the same period of 2022), while Full Adjusted EBITDA was Euro 54.3 million, up 10.3% compared to 2022 (of which organic +1.5%). The percentage margin is 17.5%, which, excluding the effect of Axolight and Turri, would have been 18.0%.

The year therefore ended with a Reported **Net Profit** of Euro 28.1 million and a Full Adjusted Net Profit of Euro 25.6 million, in line with the year 2022 and with a percentage of total revenue of 8.2%.

The **net bank debt** as of 31 December 2023 was equal to Euro 14.2 million. Also considering liabilities for minority stakes through put&call options and earn-outs, the net financial position becomes Euro 87.1 million, mainly due in the medium-long term. This figure, added to Euro 33.7 million in lease debt in accordance with IFRS 16, reaches a total net financial position of Euro 120.9 million.

On 18 December 2023, IDB launched the share buy-back program for a total of Euro 2 million. The program was launched also with the purpose to equip the Group with a portfolio of treasury shares to service transactions consistent with its strategic development lines, as well as the power to intervene to regularize trading and price trends, supporting the stock's liquidity in the market. As of 31 December 2023, the total number of shares purchased was 4,977 (equal to 0.0185% of the share capital), for a total value of Euro 47,259.36.

The Group faced a year of major challenges with brilliant results, starting with the successful listing on Euronext Milan on 18 May 2023. Thanks to this operation, in February 2024 the Group ranked first for the category "Fundraising on the Equity Market" in the eleventh edition of the "Prize for the best strategy in the use of the capital market", promoted by Equita with the sponsorship of Università Bocconi and Borsa Italiana.

Investments and activities to support the development and visibility of all Group brands continued. Among these is the launch, in July 2023, of the '**IDB for Arts**' project, created to testify to the strong common thread linking the excellence of IDB brands to the world of art. After the purchase and exhibition of the prestigious work by Arnaldo Pomodoro, "Rotante Massimo, III" dated 1968, in the new flagship store of Meridiani in Via Manzoni in Milan and, subsequently, in the flagship stores of Meridiani and Davide Groppi in New York, the IDB for Arts project continues in 2024 with the purchase of a work by **Lucio Fontana**, "**Concetto Spaziale, Natura, 1959/60**", which will be exhibited shortly in the new Davide Groppi flagship store in Milan.

Special mention should also be made of the investments dedicated to marketing development, with many projects aimed at qualifying the distribution network and creating new retail channels, digital and otherwise, at the service of the sales network. In particular, the Group has decisively focused on the North American market, with the inauguration in New York in October of two new flagship stores dedicated to Meridiani and Davide Groppi, and the new headquarters of the Group's local branch, IDB USA Corp, which at the end of 2023 counts a workforce of 9 people.

⁴ On 22 December 2023, the reverse merger of Finturri S.r.l., a company in which IDB holds a 51% stake, into Turri 2k S.r.l., the company that owns the Turri brand, was completed.

It should also be noted that, during the first few months of 2024, the Group concluded the activities for the quantification of its organization's *carbon footprint* with reference to the financial year 2023, allowing it to identify the main sources of emissions linked to the activities of the companies included in the consolidation perimeter and to start monitoring its *performance* in terms of attention to climate change. The inventory, quantified and certified according to the ISO 14064-1 standard, was entirely offset through the purchase of voluntary carbon credits, aimed at financing a reforestation project in an area of over 20,000 hectares in Uruguay (FSC and Rainforest Alliance certified) and the construction and management of a photovoltaic plant in Rajasthan, India. This is an important first step towards adopting a plan to reduce the environmental impact of the Group's activities, thanks to which IDB already operates in a *carbon neutrality* regime.

In 2024, the reference market is expected to be substantially stable, but the Company, despite the general context, is confident it will continue to grow.

Today's Board of Directors also:

- resolved to approve the proposed Consolidated Non-Financial Statement (DNF) for the financial year 2023, a document that will be submitted to the shareholders' meeting on 22 April 2024;
- resolved to approve the annual report on corporate governance and ownership structure and the report on the remuneration policy and incentive payments, as well as the company's proposed remuneration policy;
- proceeded to verify the independence requirements of the directors and review the annual self-assessment document of the Board of Statutory Auditors;
- resolved to convene the Ordinary and Extraordinary Shareholders' Meeting on 22 April 2024, in a single call, as well as the related explanatory notes;
- resolved to propose to the Shareholders' Meeting the integration of the medium-long term monetary incentive plan approved on 9 May 2023 and to establish a performance shares plan, as medium-term incentive and retention tools for IDB's top management.

The documentation relating to these resolutions will be published, in accordance with legal deadlines, on the company's website (www.italiandesignbrands.com).

The Chairman and Chief Executive Officer, Andrea Sasso, and the Manager in charge of preparing the company's financial reports, Alberto Bortolin, hereby declare, pursuant to paragraph 2 of Article 154 bis of Legislative Decree no. 58/1998 (Consolidated Finance Act) that the accounting information contained in this press release, as well as in the schedules in Attachments 1 and 2, corresponds to the documented results, books and accounting records.

IDB's management will present the results for the financial year 2023 to the financial community today at 6.00 p.m. CET. The supporting documentation will be made available in the 'Investors/Results and Financial Documents' section of the Company's website (www.italiandesignbrands.com).

To follow the event via streaming it is possible to register at this [link](#).

This press release is also available on the Company's website (www.italiandesignbrands.com) and conveyed via the 1Info SDIR system(www.1info.it).

ITALIAN DESIGN BRANDS (IDB)

Italian Design Brands S.p.A. is one of the most important Italian groups operating in high-end design. The Group is composed of numerous companies with complementary activities that express precise identities and specific excellence in the segments in which they operate, united under a coherent strategic project with the objective of creating an integrated industrial group in the offer of design, lighting and high-end furniture: Gervasoni creates furnishing solutions through its namesake brand and the Very Wood brand; Meridiani specializes in the creation of refined contemporary furniture; Davide Groppi creates and produces original and highly recognizable lighting projects; Saba Italia creates and produces furniture with innovative, high-end design; Flexalighting designs and produces lighting systems for interiors and exteriors; and Axolight specializes in the design and production of made-in-Italy designer lamps; Gamma Arredamenti is one of Italy's leaders in upholstered furniture in the highest quality leathers; Cubo Design produces top and premium kitchens and furniture systems under the Binova and Miton Cucine brands; Turri is a historic brand of very high-end furniture with a prominent position in luxury furniture and hospitality projects; Cenacchi International and Modar are two established leaders in custom furniture for the luxury and fashion industries..

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ACCOUNTING PRINCIPLES, COMPARABILITY OF DATA AND CHANGES TO THE SCOPE OF CONSOLIDATION

The economic and financial information have been prepared in accordance with the International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and endorsed by the European Union.

Figures marked 'Full' are consolidated figures as of 31 December 2023, drawn up by including the results of Cubo Design, Axo Light and Turri 2k in the scope of consolidation, as if the acquisitions had taken place on 1 January 2023 (acquisition transactions completed during the year with closing in January, July and September 2023, respectively). These figures are detailed in Attachment 1. The changes in the Full 2023 data were calculated in comparison to the data as of 31 December 2022 Pro-forma (Attachment 2), as depicted in Section 18 of the IPO prospectus (<https://www.italiandesignbrands.com/it/investor-relations/ipo/>) and in Attachment 2, calculated including the results of Flexalighting North America, Gamma Arredamenti and Cubo Design as of 1 January 2022. In this document, in addition to the financial aggregates provided for by International Financial Reporting Standards (IFRS), certain aggregates derived from the latter are presented even though they are not provided for by IFRS (Non-GAAP Measures) in line with the ESMA guidelines on Alternative Performance Indicators (Guidelines ESMA/2015/1415, adopted by Consob with Communication no. 92543 of 3 December 2015) published on 5 October 2015. These metrics are presented to allow for a better assessment of the group's performance and should not be considered as alternatives to those provided for by IFRS.

Attachment 1

Reclassified Income Statement

Reclassified Income Statement <i>amounts are shown in €/1,000</i>	31/12/2022		31/12/2023		Variazione	
	value	% revenue	value	% revenue	valore	%
Revenue	199,484	100.0%	287,350	100.0%	87,866	44.0%
Other income	2,101	1.1%	4,969	1.7%	2,868	136.5%
Total revenue and income	201,585	101.1%	292,319	101.7%	90,734	45.0%
External operating costs	(139,366)	-69.9%	(195,698)	-68.1%	(56,332)	40.4%
Added value	62,219	31.2%	96,621	33.6%	34,402	55.3%
Payroll costs	(30,367)	-15.2%	(44,122)	-15.4%	(13,755)	45.3%
Provisions and write-downs	(120)	-0.1%	(388)	-0.1%	(269)	224.3%
Gross operating profit (EBITDA)	31,732	15.9%	52,111	18.1%	20,378	64.2%
Amortisation, depreciation and write-downs of fixed assets	(9,302)	-4.7%	(16,97)	-5.9%	(7,695)	82.7%
Operating profit (EBIT)	22,430	11.2%	35,114	12.2%	12,683	56.5%
Financial result	(21,298)	-10.7%	2,235	0.8%	23,533	-110.5%
Gross result	1,132	0.6%	37,348	13.0%	36,216	3198.3%
Income tax	(7,064)	-3.5%	(9,218)	-3.2%	(2,154)	30.5%
Group consolidated net result	(5,932)	-3.0%	28,130	9.8%	34,062	-574.2%

Reclassified Income Statement Full Adjusted

Reclassified Income Statement Full Adjusted <i>amounts are shown in €/1,000</i>	31/12/2022 full adjusted	31/12/2023 full adjusted	value	%
Revenue	211,634	310,816	99,181	46.9%
Other income	2,525	6,418	3,893	154.2%
Total revenue and income	214,159	317,233	103,074	48.1%
External operating costs	(142,406)	(213,023)	(70,617)	49.6%
Added value	71,753	104,210	32,457	45.2%
Payroll costs	(32,250)	(49,448)	(17,198)	53.3%
Provisions and write-downs	(120)	(446)	(326)	272.3%
Gross operating profit (EBITDA)	39,383	54,317	14,934	37.9%
Amortisation, depreciation and write-downs of fixed assets	(5,124)	(12,183)	(7,059)	137.8%
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	-	-	-	
Operating profit (EBIT)	34,260	42,134	7,874	23.0%
Financial result	(1,458)	(5,788)	(4,330)	296.9%
Gross result	32,802	36,346	3,545	10.8%
Income tax	(9,962)	(10,785)	(822)	8.3%
Group consolidated net result	22,839	25,562	2,722	11.9%

Reclassified statement of financial position

Reclassified statement of financial position	31/12/2022		31/12/2023	
	value	Inc. %	value	Inc. %
<i>amounts are shown in €/1,000</i>				
Intangible assets	133,881	93.7%	243,635	88.5%
Right of use	24,368	17.1%	32,910	12.0%
Property, plant and equipment	14,277	10.0%	28,631	10.4%
Holdings and other non-current assets	6,952	4.9%	8,543	3.1%
Non-current assets (A)	179,478	125.6%	313,719	113.9%
Inventory	24,567	17.2%	41,646	15.1%
Trade receivables	21,831	15.3%	38,961	14.2%
Other current assets	5,516	3.9%	11,059	4.0%
Current assets (B)	51,914	36.3%	91,665	33.3%
Trade payables	(37,369)	-26.2%	(51,271)	-18.6%
Other current liabilities	(30,298)	-21.2%	(40,293)	-14.6%
Current liabilities (C)	(67,667)	-47.4%	(91,564)	-33.3%
Net working capital (D = B – C)	(15,753)	-11.0%	102	0.0%
Provisions for risks and severance pay	(8,624)	-6.0%	(11,944)	-4.3%
Other non-current liabilities	(12,216)	-8.5%	(26,551)	-9.6%
Medium-/long-term assets (liabilities) (E)	(20,840)	-14.6%	(38,495)	-14.0%
Net invested capital (A + D + E)	142,885	100.0%	275,326	100.0%
Shareholders' equity	58,780	41.1%	154,378	56.1%
Net financial position, banks	(1,388)	-1.0%	14,197	5.2%
Net financial position, others	85,493	59.8%	106,751	38.8%
Net financial position	84,105	58.9%	120,948	43.9%
Equity and debt	142,885	100.0%	275,326	100.0%

Net financial position	31/12/2022	31/12/2023	Changes
<i>amounts are shown in €/1,000</i>			
Short-term bank loans	10,778	20,422	9,645
Medium/long-term bank loans	30,812	63,852	33,040
Cash	(42,978)	(41,457)	1,521
Other current financial assets	-	(28,621)	(28,621)
NFP banks	(1,388)	14,197	15,585
Current earn-out payable	6,662	7,560	898
Non-current earn-out payable	361	10,821	10,460
Current payable for purchase of minority shares through the exercise of the put option	33,066	-	(33,066)
Non-current payable for purchase of minority shares through the exercise of the put option	20,741	54,555	33,813
NFP others than banks	60,829	72,935	12,106
Current financial payables to lessors	3,152	5,671	2,519
Non-current financial payables to lessors	21,386	28,031	6,644
NFP payables to lessors (IFRS 16)	24,537	33,702	9,165
Other financial payables	126	114	(12)
NFP total	84,105	120,948	36,842

Consolidated statement of cash flows

<i>(amounts in thousands of euros)</i>	31 December 2023	31 December 2022
<u>A. Cash flows from operating activities (indirect method)</u>		
Profit/(loss) for the period	28,130	(5,932)
Income tax	9,218	7,064
Interest expense/(interest income)	11,038	2,669
Other non-monetary income and expenses	(13,160)	18,692
(Dividends)	(0)	0
(Capital gains)/Losses from the disposal of assets	54	0
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	35,280	22,493
Severance Indemnity Provision	748	696
Provisions	459	337
Depreciation and amortisation of fixed assets	16,997	9,302
Impairment losses	(206)	0
Other adjustments for non-monetary items	(192)	1,524
2. Cash flow before changes in net working capital	53,085	34,353
Decrease/(Increase) in inventories	(2,741)	(2,765)
Decrease/(Increase) in contract assets	(1,450)	(1,571)
Decrease/(Increase) in trade receivables	(6,891)	(1,308)
Increase/(Decrease) in trade payables	(1,705)	5,200
Increase/(Decrease) in contract liabilities	(3,215)	549
Decrease/(Increase) in other changes in net working capital	(693)	2,871
Interest received/(paid)	(3,366)	(985)
(Income taxes paid)	(12,466)	(10,055)
Disbursement of severance payments and other provisions	(748)	(554)
3. Cash flow after other adjustments	(33,273)	(8,618)
Cash flow of operating activities (A = 1 + 2 + 3)	19,811	25,735
<u>Cash flow of operating activities (A = 1 + 2 + 3)</u>		
Investments in tangible fixed assets, net of divestments	(6,769)	(1,978)
Investments in intangible assets, net of divestments	(348)	(505)
Investments in non-current assets	0	(901)
Investments in other financial assets	(22,642)	0
Acquisition or sale of subsidiaries or business units, net of cash	(42,361)	(13,981)
Exercise of options and earn-out	(38,127)	(450)
Cash flow of investment activities (B)	(110,246)	(17,816)
<u>C. Cash flows from financing activities</u>		
<i>Third-party financing</i>		
Increase (decrease) in short-term payables to banks	(1,768)	385
Loans taken out	52,351	15,424
Loan repayment	(23,261)	(10,874)
Payments for lease liabilities	(5,423)	(3,203)
Adjustment, other financial payables	(2,355)	0
<i>Equity</i>		
Increase in net capital	70,117	0
Own shares	(47)	0
(Dividends and advances on dividends paid)	(700)	0
Cash flow of financing activities (C)	88,914	1,732
Increase (decrease) in cash (A ± B ± C)	(1,521)	9,651
Cash at 1 January	42,978	33,327
Cash and cash equivalents at 31 December	41,457	42,978
Change in cash	(1,521)	9,651

Attachment 2

Income Statement 2022 Pro-forma

Reclassified Income Statement	31/12/2022	
	value	% revenue
<i>amounts are shown in €/1,000</i>		
Revenue	266,471	100.0%
Other income	3,782	1.4%
Total revenue and income	270,253	101.4%
External operating costs	(188,772)	-70.8%
Value added	81,481	30.6%
Payroll costs	(36,970)	-13.9%
Provisions and write-downs	(478)	-0.2%
Gross operating profit (EBITDA)	44,033	16.5%
Amortisation, depreciation and write-downs of fixed assets	(13,797)	-5.2%
Operating profit (EBIT)	30,236	11.3%
Financial result	(26,859)	-10.1%
Gross result	3,377	1.3%
Income tax	(7,989)	-3.0%
Group consolidated net result	(4,612)	-1.7%

Reclassified Income Statement 2022 Pro-forma Adjusted

Reclassified Income Statement	31/12/2022	
	value	% revenue
<i>amounts are shown in €/1,000</i>		
Revenue	266,471	100.0%
Other Income	3,782	1.4%
Total revenue and revenue	270,253	101.4%
External operating costs	(183,579)	-68.9%
Added value	86,674	32.5%
Payroll costs	(36,970)	-13.9%
Provisions and write-downs	(478)	-0.2%
Gross operating profit (EBITDA)	49,226	18.5%
Amortisation, depreciation and write-downs of fixed assets	(9,027)	-3.4%
Operating profit (EBIT)	40,199	15.1%
Financial result	(4,535)	-1.7%
Gross result	35,664	13.4%
Income tax	(10,201)	-3.8%
Group consolidated net result	25,463	9.6%

Reclassified statement of financial position Pro-forma 2022

Reclassified statement of financial position	31/12/2022	
<i>amounts are shown in €/1,000</i>	value	Inc. %
Intangible assets	196,197	89.2%
Right of use	30,789	14.0%
Property, plant and equipment	25,274	11.5%
Holdings and other non current assets	7,261	3.3%
Non-current assets (A)	259,521	118.0%
Inventory	27,366	12.4%
Trade receivables	28,104	12.8%
Other current assets	7,967	3.6%
Current assets (B)	63,437	28.8%
Trade payables	(46,123)	-21.0%
Other current liabilities	(34,494)	-15.7%
Current liabilities (C)	(80,617)	-36.6%
Net working capital (D = B – C)	(17,180)	-7.8%
Provisions for risks and severance pay	(10,114)	-4.6%
Other non-current liabilities	(12,216)	-5.6%
Medium-/long-term assets (liabilities) (E)	(22,330)	-10.1%
Net invested capital (A + D + E)	220,011	100.0%
Shareholders' equity	57,980	26.4%
Net financial position, banks	30,167	13.7%
Net financial position, others	131,864	59.9%
Net financial position	162,031	73.6%
Equity and debt	220,011	100.0%