

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. 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 in order to allow for a better assessment of the group's performance and should not be considered as alternatives to those provided for by IFRS.



THE BOARD OF DIRECTORS OF ITALIAN DESIGN BRANDS S.P.A. (IDB) APPROVES THE CONSOLIDATED HALF-YEAR FINANCIAL REPORT 2023

IDB Group Financial highlights as of 30 June 2023:

- Full half-year revenue¹ equal to Euro 138.4 million, with a total increase² of +40.8%, of which +12.8% organic³
- Full half-year Adjusted EBITDA equal to Euro 24.5 million, with a total increase of 61.0%, of which +23,3% organic, and a percentage margin of 17.7% (+ 2.2 p.p. with respect to 2022)
- Adjusted Net Profit equal to Euro 12.3 million, with a total growth of +47.6% and an incidence of 8.9% (+ 0.4 p.p. with respect to 2022)
- The Group's net bank debt position is equal to Euro 2.4 million. Considering also liabilities for put&call and earnouts, the net financial position is equal to Euro 66.1 million which, added to Euro 30,8 million debts for IFRS 16, reach a total net financial position of Euro 96.9 million

Milan, 11 September 2023 – The Board of Directors of **Italian Design Brands S.p.A.**, diversified industrial group among the Italian leaders in design ("**IDB**" and, together with its subsidiaries, the '**Group**'), which met today under the chairmanship of Andrea Sasso, approved the Group's consolidated financial results as of 30 June 2023.

¹ Full half-year data as of 30 June 2023, prepared including in the consolidation perimeter the results of Cubo Design from 1 January 2023 (closing 31 January 2023).

² Calculated on full half-year data as of 30 June 2022, prepared including in the consolidation perimeter the results of Flexalighting North America and Gamma Arredamenti from 1 January 2023 (closing, respectively, on 9 May 2022 and 1 June 2022).

³ Calculated without the effect of Cubo Design acquisition.

Overall, the Group registered revenue for Euro 135.4 million (*Reported*) with respect to Euro 85.4 million as of June 2022 and, including in the consolidation perimeter the six months' results of Cubo Design, **registered full half-year revenue of Euro 138.4 million, + 40,8% compared to 2022 and an export of 74%**. In the same period, **the organic growth of revenue**, considering the consolidation perimeter as of June 2022 and excluding the effect of the acquisition of Cubo Design, **has been +12,8%**, driven by the performance of the Luxury Contract SBA.

As for profitability, **the Group's Adjusted EBITDA** in the first semester of 2023 is equal to Euro 24.1 million (*Reported*) with respect to Euro 11.7 million in the same period 2022, and **equal to Euro 24.5 million full half-year, with a percentage margin of 17.7%**. Thanks to the Group's operating leverage, profitability grew more than proportionally to revenue, marking an increase of 2.2 percentage points compared to the percentage figure of 2022. In the light of the results achieved, the first semester of 2023 closed with an **Adjusted Net Profit⁴ of Euro 12.3 million (+47.6% compared to 2022)**, with a **percentage margin on full half-year revenue of 8.9%**.

The Group's net bank debt position is equal to Euro 2.4 million. Considering also liabilities for minority stakes through put-and-call options and earnouts, the net financial position is equal to Euro 66.1 million which, added to Euro 30,8 million lease debts in accordance with IFRS 16, reach a total net financial position of Euro 96.9 million.

Following an excellent first quarter 2023, in which all IDB Strategic Business Areas (SBA) registered sustained growth rates, the second quarter of the year saw a general slowdown for the furniture industry. According to data compiled by FederlegnoArredo Study Center based on Istat sources, industrial production in the furniture sector as of May 2023 was down 8.5%, accompanied by a decline in exports to key markets such as the United States, Germany, and China.

In this context, **the Lighting and Kitchen&Systems SBA**, consisting, respectively, of the brands Davide Groppi, Flexalighting and Axolight⁵ (Lighting) and Binova and Miton Cucine (Kitchen), generated **revenue of Euro 14.3 million and Euro 27.5 million respectively**, both recording **growth trends** compared to 2022.

The growth of the Luxury Contract SBA, with the companies Cenacchi International and Modar, **remains sustained**, ending the first half of 2023 with **total revenue of Euro 39.9 million** and a **growth of +67,1% (organic)**. The SBA's result is mainly due to the excellent performance, recorded as early as the second half of 2022, of store openings and renovations in the luxury world, which continues to mark sustained growth⁶ feeding the two companies' projects pipeline. Affected by the challenging market conditions is only the **Furniture SBA**, composed of Gervasoni, Meridiani, Saba Italia and Gamma Arredamenti International, which closed the first half of 2023 with **revenue of Euro 56.3 million, down 6.4%**. The result was affected by the slowdown in the retail channel and the Chinese market, as well as a challenging comparison with the excellent result achieved in 2022.

Considering the available data collected by the Group, it is possible to forecast, based on a responsible conservative approach, an overall closing for the year 2023 with organic growth.

⁴ Full half-year Adjusted Net Profit and Reported Adjusted Net Profit coincide.

⁵ Axolight is not included in the consolidation perimeter as of 30 June 2023, as the Group owns a minority stake.

⁶ Source: Monitor Altagama-Bain.

The Chairman and CEO, Andea Sasso, and the Manager charged with preparing the Company's financial reports, Alberto Bortolin, declare in accordance with paragraph 2 of Article 154 bis of Legislative Decree no. 58/1998 (Consolidated Finance Act) that the accounting information included in this press release corresponds to the underlying accounting records.

The management of IDB will present the first semester results to the financial community **today, at 6.00 p.m. CET**. The supporting documentation is available in the 'Investors/Results and Financial Documents' section of the Company's website (www.italiandesignbrands.com).

The event can be followed via streaming at the following link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=4vUMrCcl>

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ITALIAN DESIGN BRANDS (IDB)

Italian Design Brands S.p.A. is one of the most important Italian groups in high-quality design. The Group consists of ten operating companies, each with its own distinct identity, as part of a coherent strategic project and with mutually complementary activities: Gervasoni creates furniture solutions through its namesake brand and the Very Wood brand; Meridiani specializes in the creation of refined contemporary and versatile furniture; Cenacchi International and Modar are two established leaders in the luxury/fashion contract sector; Davide Groppi creates and produces lamps and lighting designs with significant environmental impact; Saba Italia creates and produces furniture items with innovative, high-end designs; Flexalighting designs and produces lighting systems for interiors and exteriors; 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; and Cubo Design produces top and premium kitchens and furniture systems under the Binova and Miton Cucine brands.

CONTATTI

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

Reclassified income statement <i>amounts are shown in €/1,000</i>	H1 2022		H1 2023		Change	
	amount	% revenue	amount	% revenue	amount	%
Revenue	85,434	100.0%	135,394	100.0%	49,960	58.5%
Other income	983	1.2%	2,290	1.7%	1,307	133.0%
Total revenues and income	86,416	101.2%	137,684	101.7%	51,267	59.3%
External operating costs	(63,315)	-74.1%	(94,705)	-69.9%	(31,391)	49.6%
Added value	23,102	27.0%	42,978	31.7%	19,877	86.0%
Payroll costs	(13,825)	-16.2%	(21,151)	-15.6%	(7,325)	53.0%
Provisions and write-downs	(106)	-0.1%	(195)	-0.1%	(89)	83.8%
Gross operating profit (EBITDA)	9,170	10.7%	21,632	16.0%	12,462	135.9%
Amortisation, depreciation and write-downs of fixed assets	(4,339)	-5.1%	(7,622)	-5.6%	(3,283)	75.7%
Operating profit (EBIT)	4,831	5.7%	14,010	10.3%	9,179	190.0%
Financial result	1,946	2.3%	(4,639)	-3.4%	(6,585)	-338.4%
Gross result	6,777	7.9%	9,371	6.9%	2,594	38.3%
Income tax	(2,113)	-2.5%	(3,547)	-2.6%	(1,434)	67.8%
Group consolidated net result	4,664	5.5%	5,824	4.3%	1,161	24.9%

Full half-year income statement (unaudited) <i>amounts are shown in €/1,000</i>	FH1 2022		FH1 2023		Change		Change	
	amount	FH1 2022 adj	amount	FH1 2023 adj	FH	%	FH adj	%
Revenue	98,261	98,261	138,360	138,360	40,100	40.8%	40,100	40.8%
Other income	1,407	1,407	2,359	2,131	952	67.7%	724	51.5%
Total revenues and income	99,667	99,667	140,719	140,491	41,052	41.2%	40,824	41.0%
External operating costs	(70,916)	(68,370)	(96,841)	(94,107)	(25,925)	36.6%	(25,737)	37.6%
Added value	28,751	31,297	43,878	46,384	15,127	52.6%	15,087	48.2%
Payroll costs	(15,967)	(15,967)	(21,677)	(21,677)	(5,710)	35.8%	(5,710)	35.8%
Provisions and write-downs	(106)	(106)	(195)	(195)	(89)	83.8%	(89)	83.8%
Gross operating profit (EBITDA)	12,678	15,224	22,006	24,512	9,328	73.6%	9,288	61.0%
Amortisation, depreciation and write-downs of fixed assets	(2,562)	(2,562)	(4,842)	(4,842)	(2,280)	89.0%	(2,280)	89.0%
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(2,186)	-	(3,110)	-	(924)	42.3%	-	-
Operating profit (EBIT)	7,930	12,662	14,054	19,670	6,124	77.2%	7,008	55.3%
Financial result	2,040	(156)	(4,669)	(2,502)	(6,709)	-328.9%	(2,346)	1505.1%
Gross result	9,970	12,506	9,385	17,169	(585)	-5.9%	4,663	37.3%
Income tax	(2,850)	(4,170)	(3,560)	(4,861)	(710)	24.9%	(691)	16.6%
Group consolidated net result	7,120	8,336	5,825	12,307	(1,295)	-18.2%	3,971	47.6%

Reclassified statement of financial position <i>amounts are shown in €/1,000</i>	31/12/2022		30/06/2023	
	amount	%	amount	%
Intangible assets	133,881	93.7%	205,994	89.3%
Right of use	24,368	17.1%	30,461	13.2%
Property, plant and equipment	14,277	10.0%	25,398	11.0%
Holdings and other non-current assets	6,952	4.9%	7,794	3.4%
Non-current assets (A)	179,478	125.6%	269,647	116.9%
Inventory	24,567	17.2%	31,343	13.6%
Trade receivables	21,831	15.3%	32,592	14.1%
Other current assets	5,516	3.9%	6,718	2.9%
Current assets (B)	51,914	36.3%	70,653	30.6%
Trade payables	(37,369)	-26.2%	(41,926)	-18.2%
Other current liabilities	(30,298)	-21.2%	(32,479)	-14.1%
Current liabilities (C)	(67,667)	-47.4%	(74,405)	-32.3%
Net working capital (D = B – C)	(15,753)	-11.0%	(3,752)	-1.6%
Provisions for risk and severance pay	(8,624)	-6.0%	(10,440)	-4.5%
Other non-current liabilities	(12,216)	-8.5%	(24,755)	-10.7%
Medium-/long-term assets (liabilities) (E)	(20,840)	-14.6%	(35,194)	-15.3%
Net invested capital (A + D + E)	142,885	100.0%	230,701	100.0%
Shareholders' equity	58,780	41.1%	133,845	58.0%
Net financial position, banks	(1,388)	-1.0%	2,369	1.0%
Net financial position, others	85,493	59.8%	94,487	41.0%
Net financial position	84,105	58.9%	96,856	42.0%
Equity and debt	142,885	100.0%	230,701	100.0%

Net financial position

<i>amounts are shown in €/1,000</i>	30/06/2022	31/12/2022	30/06/2023	Changes June 2023 – June 2022	Changes June 2023 – Dec. 2022
Short-term bank loans	9,108	10,778	22,953	13,845	12,176
Medium/long-term bank loans	36,986	30,812	56,265	19,279	25,453
Cash	(33,315)	(42,978)	(51,796)	(18,481)	(8,818)
Other current financial assets	-	-	(25,053)	(25,053)	(25,053)
NFP banks	12,779	(1,388)	2,369	(10,410)	3,757
Current earn-out payable	6,091	6,662	6,653	562	(9)
Non-current earn-out payable	569	361	2,085	1,516	1,724
Current payable for purchase of minority shares through the exercise of the put option	15,797	33,066	-	(15,797)	(33,066)
Non-current payable for purchase of minority shares through the exercise of the put option	15,600	20,741	54,864	39,264	34,123
NFP other than banks	38,057	60,829	63,602	25,545	2,773
Current financial payables to lessors	2,445	3,152	4,154	1,709	1,002
Non-current financial payables to lessors	14,500	21,386	26,621	12,121	5,235
NFP payables to lessors (IFRS 16)	16,945	24,537	30,775	13,830	6,237
Other financial payables	237	126	110	(127)	(16)
NFP total	68,018	84,105	96,856	28,838	12,752

Consolidated statement of cash flows

<i>(amounts in thousands of euros)</i>	1st half 2023	1st half 2022
<u>A. Cash flows from operating activities (indirect method)</u>		
Profit/(loss) for the period	5,824	4,664
Income tax	3,547	2,113
Interest expense/(interest income)	4,465	1,445
Other non-monetary income and expenses	174	(3,391)
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	14,010	4,831
Severance Indemnity Provision	338	341
Provisions	191	217
Depreciation and amortisation of fixed assets	7,626	4,339
Impairment losses	-	40
Other adjustments for non-monetary items	(200)	792
2. Cash flow before changes in net working capital	21,966	10,561
Decrease/(Increase) in inventories	(3,564)	(5,455)
Decrease/(Increase) in contract assets	345	(733)
Decrease/(Increase) in trade receivables	(5,034)	(5,550)
Increase/(Decrease) in trade payables	(6,394)	3,317
Increase/(Decrease) in contract liabilities	(3,085)	4,519
Decrease/(Increase) in other changes in net working capital	3,382	5,573
Interest received/(paid)	(1,237)	(395)
(Income taxes paid)	(5,853)	(3,948)
Disbursement of severance payments and other provisions	(379)	(261)
3. Cash flow after other adjustments	(21,819)	(2,932)
Cash flow of operating activities (A = 1 + 2 + 3)	147	7,628
<u>B. Cash flows from investment activities</u>		
Investments in tangible fixed assets, net of divestments	(2,394)	(939)
Investments in intangible assets, net of divestments	(168)	(90)
Investments in other financial assets	(25,053)	-
Acquisition or sale of subsidiaries or business units, net of cash	(23,969)	(13,981)
Exercise of options and earn-out	(37,362)	(445)
Cash flow of investment activities (B)	(88,947)	(15,455)
<u>C. Cash flows from financing activities</u>		
<i>Third-party financing</i>		

Increase (decrease) in short-term payables to banks	(75)	(437)
Loans taken out	40,506	15,624
Loan repayment	(7,490)	(5,961)
Payments for lease liabilities	(2,385)	(1,410)
Adjustment, other financial payables	(2,355)	-
<i>Equity</i>		
Increase in net capital	70,117	-
(Dividends and advances on dividends paid)	(700)	-
Cash flow of financing activities (C)	97,619	7,815
Increase (decrease) in cash (A ± B ± C)	8,818	(12)
Cash at 1 January	42,978	33,327
Cash and cash equivalents at 30 June	51,796	33,315
Change in cash	8,818	(12)