



Italian Design Brands

**INTERIM FINANCIAL INFORMATION  
AS OF 30 SEPTEMBER 2023**

13 November 2023

18.00 – 19.00 (CET)



# Presenters today



**Andrea Sasso**  
Chief Executive Officer



**Giorgio Gobbi**  
Managing Director

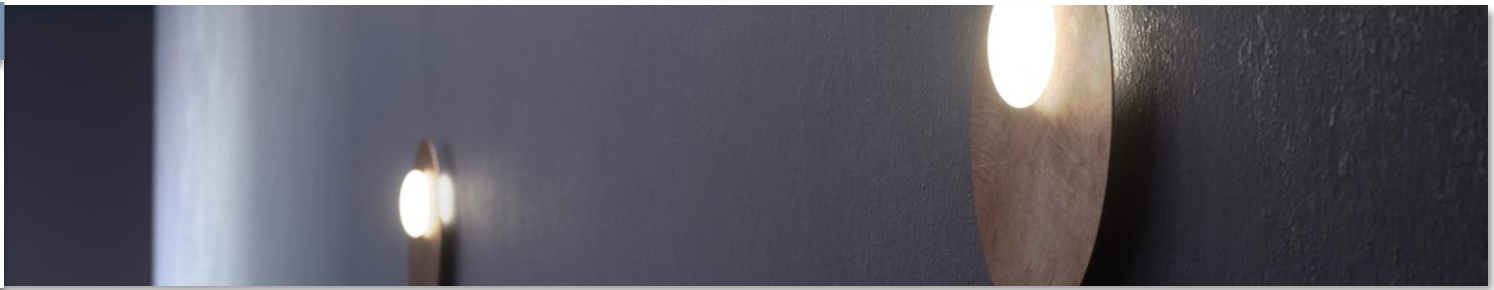


**Alberto Bortolin**  
Chief Financial Officer



**Marella Moretti**  
Corporate Development  
& IR Manager

# IDB full 9 months 2023 financial highlights<sup>(1)</sup>: confirmed trajectory towards expected organic growth despite numerous macroeconomic uncertainties, welcoming a new acquisition

<p><b>Actual Revenue</b></p> <p><b>€ 198,3 mln</b> +45,3% vs. 9M 22</p> <p>@ current exchange rates</p>	<p><b>Full Revenue<sup>(2)</sup></b></p> <p><b>€ 221,4 mln</b> +49,0% vs. F9M 22 (+7,3% organic)</p> <p>@ current exchange rates</p>	
<p><b>Full Adj. EBITDA<sup>(3)</sup></b></p> <p><b>€ 34,2 mln</b> +32,8% vs. F9M 22</p> <p><b>Margin 15,4%<sup>(4)</sup></b></p>	<p><b>Full Adj. Net Income<sup>(5)</sup></b></p> <p><b>€ 14,9 mln</b> +9,4% vs. F9M 22</p> <p><b>Margin 6,7%</b></p>	
<p><b>Net Bank Debt</b> <i>(post new acquisitions)</i></p> <p><b>€ 30,5 mln</b></p> <ul style="list-style-type: none"> <li>• € 117,7 mln NFP incl. put&amp;call options and earnouts</li> <li>• € 151,0 mln NFP incl. IFRS16</li> </ul>	<p><b>Cash Conversion<sup>(6)</sup></b></p> <p><b>86,3%</b></p>	

<sup>(1)</sup> Data prepared under IFRS Gaap. <sup>(2)</sup> Full 9M 2022 data prepared including 9 months of Gamma and Flexalighting NA, despite exact acquisition date. Full 9M 2023 data prepared including 9 months of Cubo Design, Axolight and Turri, despite exact acquisition date. <sup>(3)</sup> Adjusted EBITDA computed as Reported EBITDA (fully compliant with IFRS 16) + non-recurring costs + M&A transaction costs + IPO costs. <sup>(4)</sup> **Excluding the effect of the most recent acquisitions Axolight e Turri, the 9M 2023 Full Adj. EBITDA Margin is above 17%, in line with the previous period.** <sup>(5)</sup> Income Adjusted for EBITDA Adjustments, change in estimate of put&call options and earnouts on Balance Sheet, amortization of PPA and effect from fiscal realignments. <sup>(6)</sup> Calculated as (Full Adjusted EBITDA – Operating CAPEX)/Full Adjusted EBITDA.



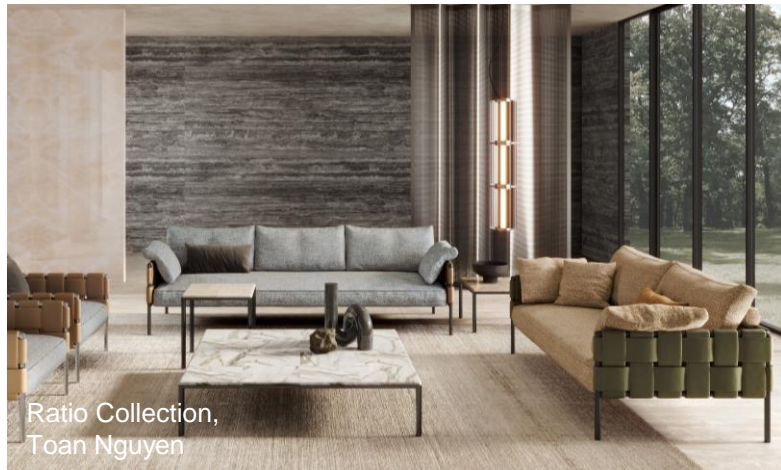
# On 29 Sept. IDB closed the Turri acquisition, a new milestone in Group's recurring M&A process strengthening its positioning in high-end Furniture

## BUSINESS DESCRIPTION

- Leading company, founded in Como in 1925, producing **luxury indoor furniture for dining, living and sleeping areas**
- **Historic and well-recognized brand**, representative of Made in Italy excellence
- Exhibitor at the Salone del Mobile since 1961
- **Export 95%**, achieved in **fast-growing international markets**
- Custom-made production, targeting exclusive residential and hotellerie projects (**channel breakdown ~50/50 retail and soft contract**)

## RATIONALE OF THE ACQUISITION

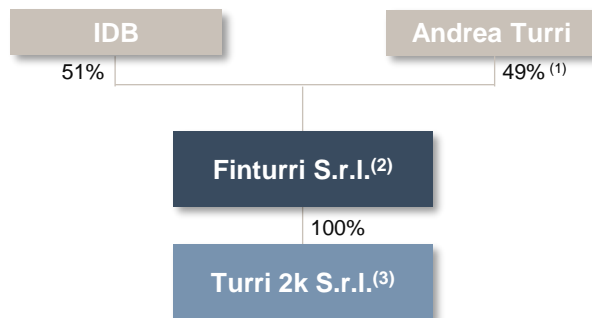
- **Luxury positioning**, able to complement IDB's coverage in Furniture within the reference market (Core HEDF)
- Strong presence in **Soft Contract**, useful in consolidating IDB's presence in the world of **architects and interior designers**
- Strong presence in **Middle East and Africa** (>50% of Turri revenues), thus complementing IDB's geographical reach
- Recently built modern factory, with additional production capacity available to be exploited





# Transaction structure and company's evaluation in line with previous acquisitions. IDB Team already working on the integration process, to unlock further growth and achieve additional synergies

## Transaction structure and acquired business



### TURRI 2k Srl 2022 key numbers (EUR Mln – ITA GAAP)

Revenue	28,1
EBITDA	4,0
NFP <sup>(4)</sup>	(5,5)

## Transaction main terms&conditions

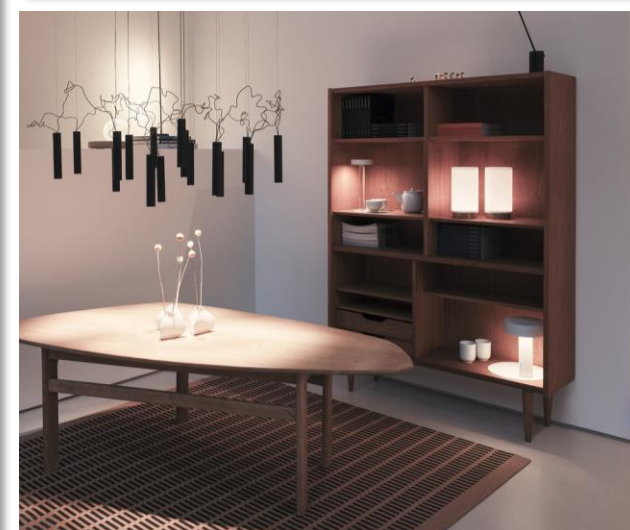
- **Equity value EUR 39,5 Mln for 100% outstanding capital (EV=EUR 34Mln)**
- **Implied EV/EBITDA multiple ~7x**, based on target average 2023-2025 EBITDA
- **Price paid at closing: EUR 25,75 Mln**
- **Maximum Earnout (in 2026, upon reach of target EBITDA): EUR 13,75 Mln<sup>(5)</sup>**
- Andrea Turri 49% minority stake is subject to put/call options exercisable in 2027 and calculated by applying the entry multiple to the average of 2025-2026 Turri EBITDA
- IDB cash out at closing was EUR 15,9 Mln, funded EUR 5,1 Mln cash and EUR 10,8 Mln with fresh bank debt.



(1) Through T Group Srl, company 100% owned by Andrea Turri. (2) Finturri Srl will be merged in Turri 2k Srl within 12 months. (3) Including 3 fully owned foreign subsidiaries, respectively based in UK, US and China. (4) Including also Financial Assets. (5) Full Earnout amount. In case average 2023-2025 EBITDA will be lower than the set target, Earnout amount will be reduced (linearly calculated) or, if lower than a certain limit, not paid at all.



IDB marked the grand opening of the brand-new headquarter in Lexington Ave - NY, in conjunction with two stunning showrooms dedicated to Meridiani & Davide Groppi hosting *Rotante Massimo III*, first piece of IDB for Arts, in its second stop after Milan



(1) As of 30 September 2023.



The Group continues to work and invest to enhance existing brands' visibility and presence worldwide, adapting strategies and implementing different «ad hoc» initiatives

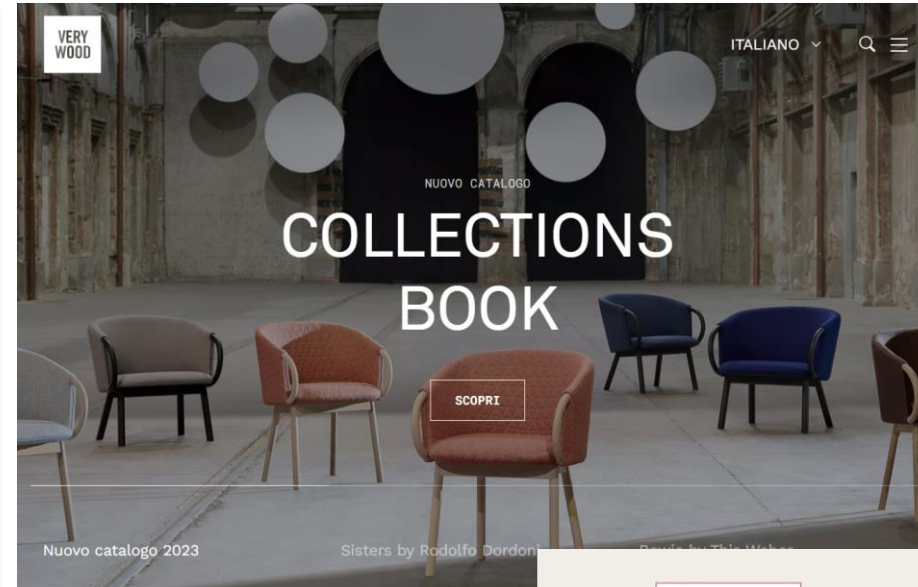
Davide Groppi opened a new «Spazio Esperienze» in Porto



[Discover the new store](#)



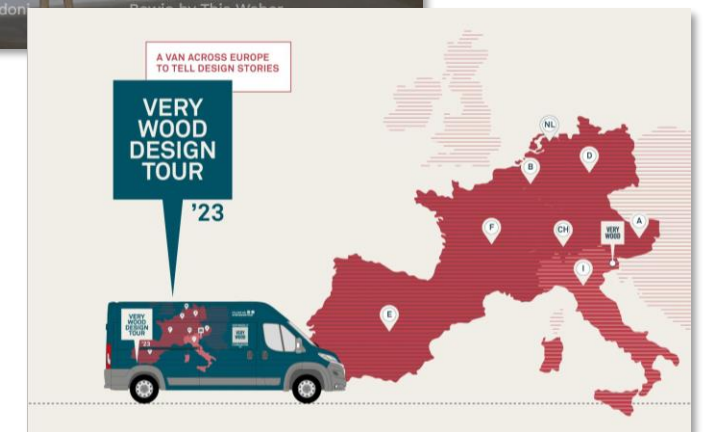
Gervasoni changed the look of the Very Wood brand



- Launch of a new website and catalogue
- Launch of the third edition of “Very Wook Design Tour”, an 8-week tour to present brand’s new products to industry professionals in an alternative and exclusive way

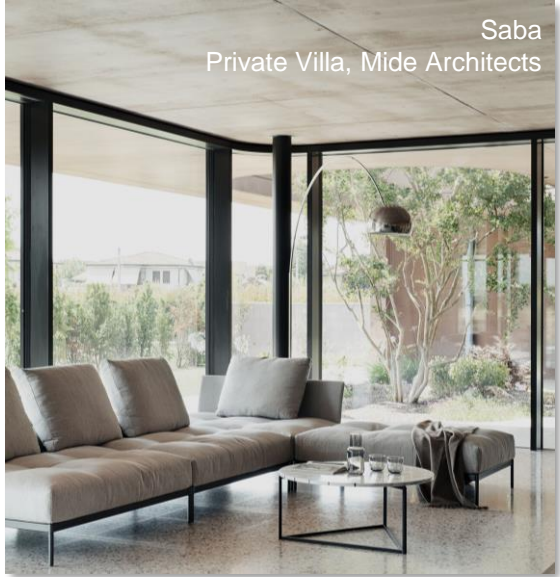
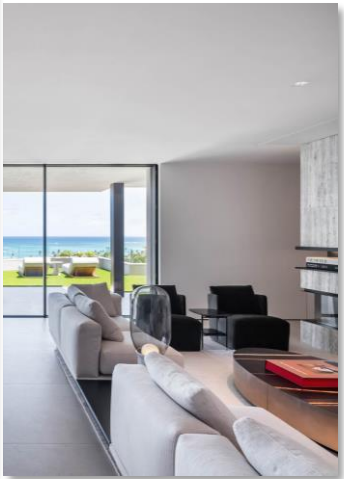
[Discover the new website](#)

Very Wood collaborates with numerous designers and archistars to create wooden seats addressed to hospitality spaces, as well as to luxury cruises and modern workplaces.





# The world of contract remains vibrant with IDB brands selected for multiple projects, strengthening the relationship with architect studios - key industry players





# A brief recap of IDB's M&A path in 2022 and 2023...

## 2022 – companies included in the «organic» perimeter

## 2023 – companies included in the «total» perimeter



**May 2022**

IDB, through Flexalighting, acquires the majority of **Flexalighting North America (FNA)**



**End of January 2023**

IDB completes the acquisition of **Cubo Design**<sup>(2)</sup>



**End of September 2023**

IDB acquires the majority of **Turri**

**June 2022**

IDB acquires the majority of **Gamma Arredamenti**<sup>(1)</sup>



**July 2023**

IDB reaches the majority of **Axolight**<sup>(3)</sup>



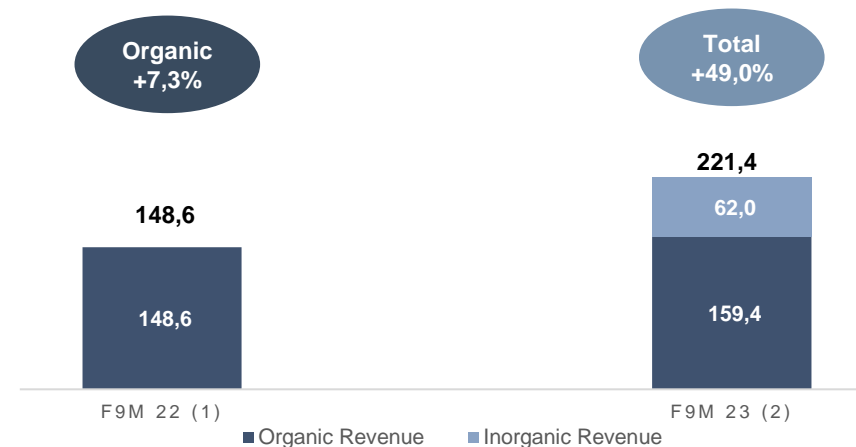
Actual data	
FNA	5 months
Gamma	4 months
<b>9M 2022 perimeter</b>	
Full data	
both	9 months

Actual data	
Cubo	8 months
Axolight	3 months
Turri	0 months
<b>9M 2023 perimeter</b>	
Full data	
All three	9 months

(1) Along with its 100% owned US subsidiary, Gamma Inc. (2) Binding agreement signed already in July 2022. (3) First 20% stake acquired at the end of 2021. A further 31% stake was acquired in July 2023, through the exercise of a call option, reaching a 51% stake.

# Full 9M 2023 Financial Results: outstanding total growth in both revenue and EBITDA. A well-functioning M&A machine catching opportunities in all market conditions

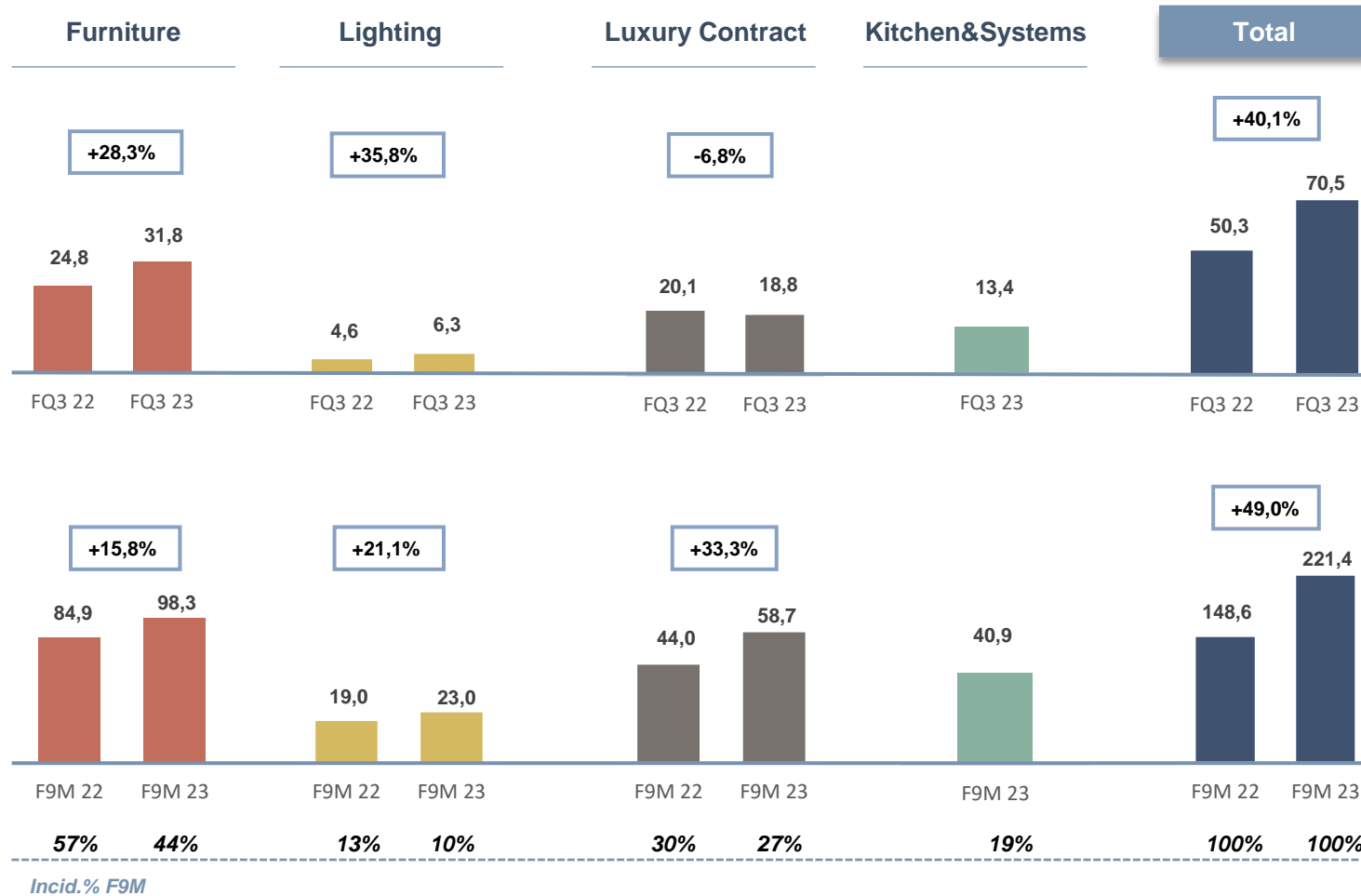
EUR thousands	F9M 22 <sup>(1)</sup>	%	F9M 23 <sup>(2)</sup>	%
<b>Revenue</b>	<b>148.620</b>	<b>100,0%</b>	<b>221.435</b>	<b>100,0%</b>
Other income	1.865	1,3%	4.502	2,0%
<b>Total Revenue</b>	<b>150.485</b>	<b>101,3%</b>	<b>225.937</b>	<b>102,0%</b>
Operating Costs	(101.397)	(68,2%)	(155.406)	(70,2%)
<b>Added Value</b>	<b>49.088</b>	<b>33,0%</b>	<b>70.531</b>	<b>31,9%</b>
Personnel Costs	(23.363)	(15,7%)	(36.362)	(16,4%)
<b>Adj. EBITDA</b>	<b>25.724</b>	<b>17,3%</b>	<b>34.169</b>	<b>15,4%</b>
D&A	(3.781)	(2,5%)	(8.777)	(4,0%)
<b>Adj. EBIT</b>	<b>21.943</b>	<b>14,8%</b>	<b>25.392</b>	<b>11,5%</b>
Net Financial Expenses	(1.232)	(0,8%)	(4.069)	(1,8%)
<b>Adj. EBT</b>	<b>20.712</b>	<b>13,9%</b>	<b>21.323</b>	<b>9,6%</b>
Tax Expenses	(7.085)	(4,8%)	(6.417)	(2,9%)
<b>Adj. Net Income</b>	<b>13.627</b>	<b>9,2%</b>	<b>14.906</b>	<b>6,7%</b>



(1) Full 9M 2022 data prepared including 9 months of Gamma and Flexalighting NA despite exact acquisition date. (2) Full 9M 2023 data prepared including 9 months of Cubo Design, Axolight and Turri despite exact acquisition date.

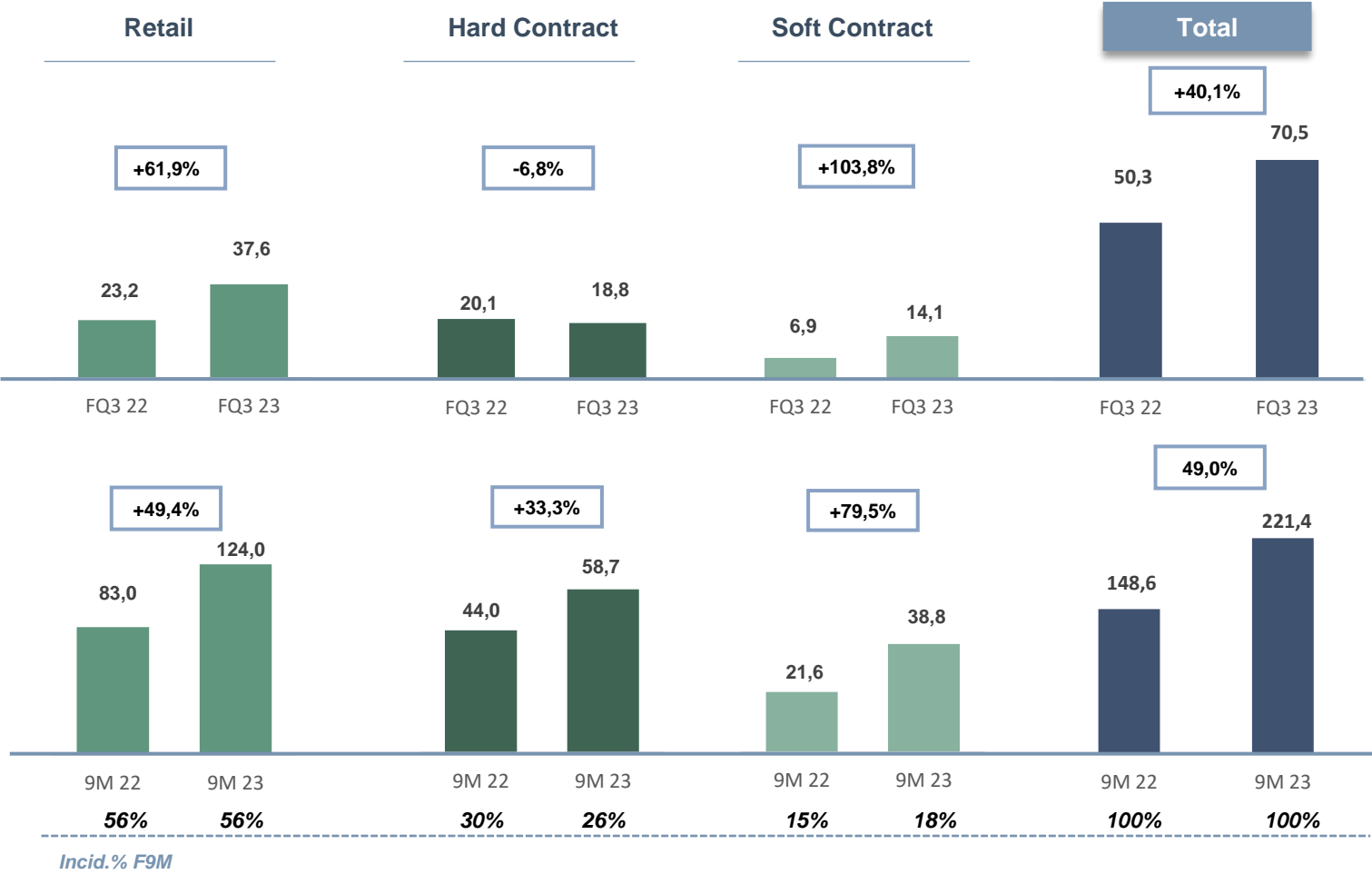


# Revenue breakdown and bridge by SBA<sup>(1)</sup>: Lighting and Furniture benefit from the entry of Axolight and Turri. In Q3 Luxury Contract experienced some project delays, expected to be fully recovered in Q4



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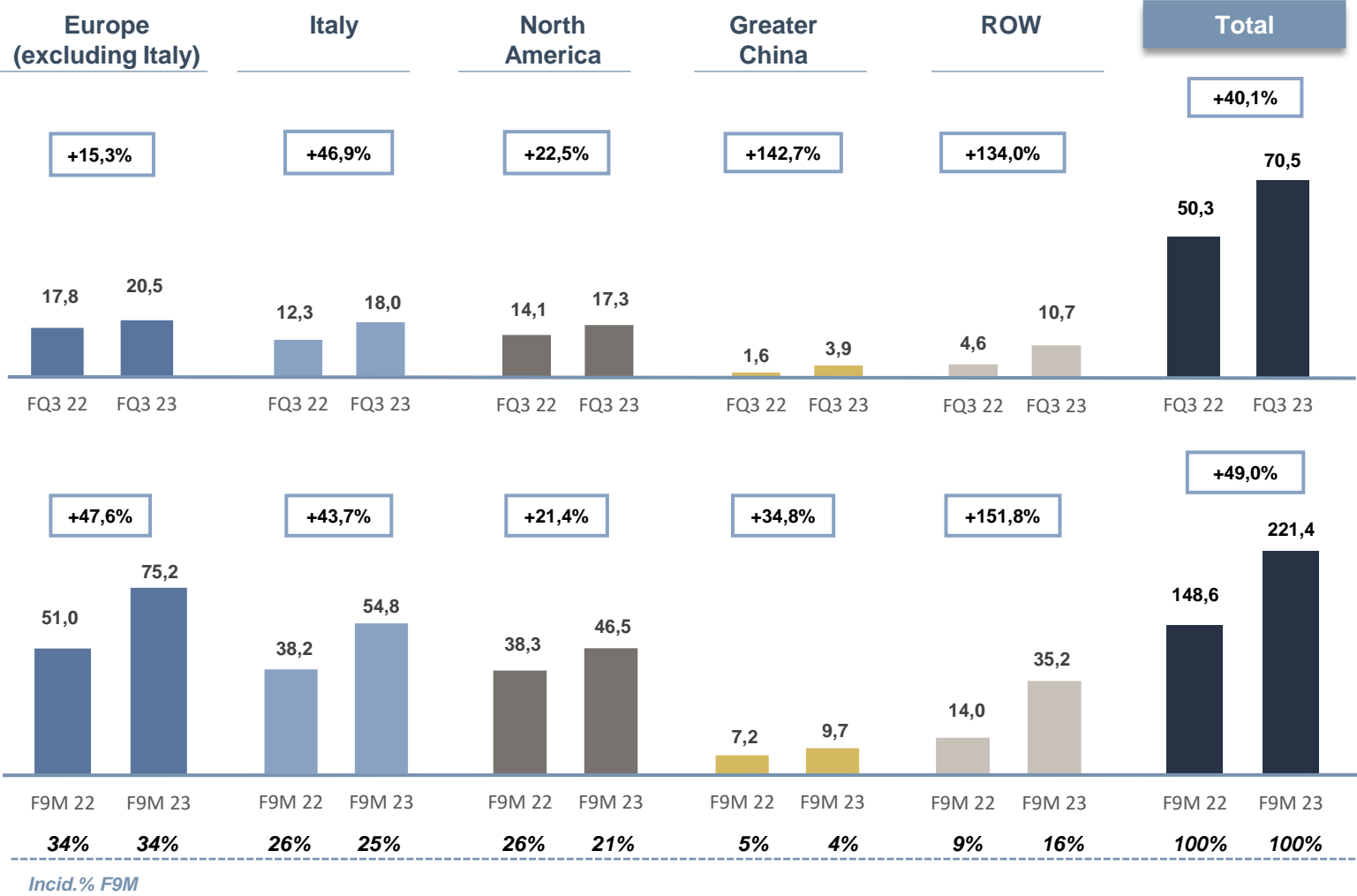
# Revenue breakdown and bridge by Channel<sup>(1)</sup>: Soft Contract and Retail significantly benefits from M&A activity. Hard Contract's growth is 100% organic



(1) Full 9M 2022 data prepared including 9 months of Gamma and Flexalighting NA, despite exact acquisition date. Full Q3 and 9M 2023 data prepared including respectively, 3 and 9 months of Cubo Design, Axolight and Turri, despite exact acquisition date.

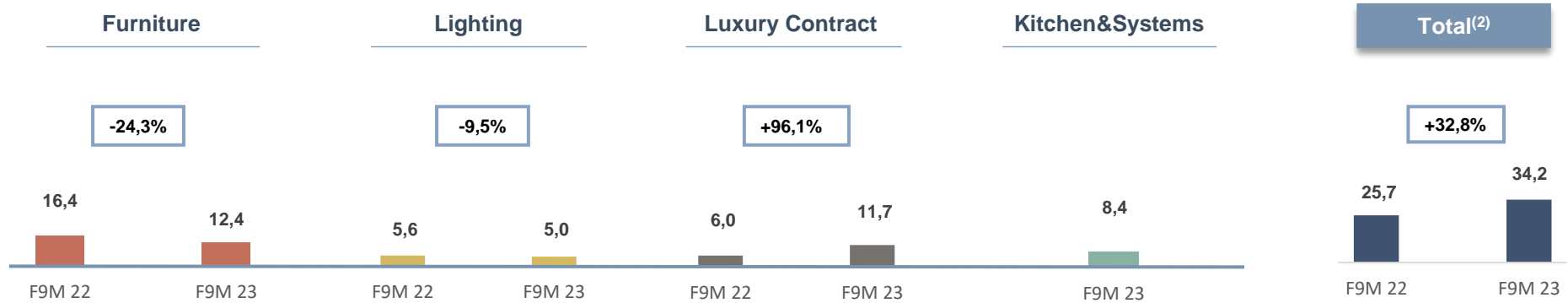


# Revenue breakdown and bridge by Region<sup>(1)</sup>: growth is spread across all Regions, thanks to the wider perimeter. ROW and Greater China benefit from Turri performance in the area



(1) Full 9M 2022 data prepared including 9 months of Gamma and Flexalighting NA despite exact acquisition date. Full Q3 and 9M 2023 data prepared including respectively, 3 and 9 months of Cubo Design, Axolight and Turri despite exact acquisition date.

Full nine months 2023 EBITDA by SBA<sup>(1)</sup>: three of them with Margin  $\geq 20\%$ , Furniture experiencing temporary reduction, as expected. All SBAs looking at stronger profitability in Q4 thanks to revenues' seasonality



EUR Mln	Furniture	Lighting	Luxury Contract	Kitchen&Systems	Other <sup>(3)</sup>	TOTAL
<b>Revenue</b>	98,3	23,0	58,7	40,9	0,6	221,4
<b>Adj. EBITDA</b>	12,4	5,0	11,7	8,4	-3,4	34,2
<b>% Margin</b>	12,5%	21,9%	19,9%	20,6%		15,4%
<b>% Margin</b> <i>excluded Turri and Axolight</i>	16,1%	25,7%	19,9%	20,6%		17,3%

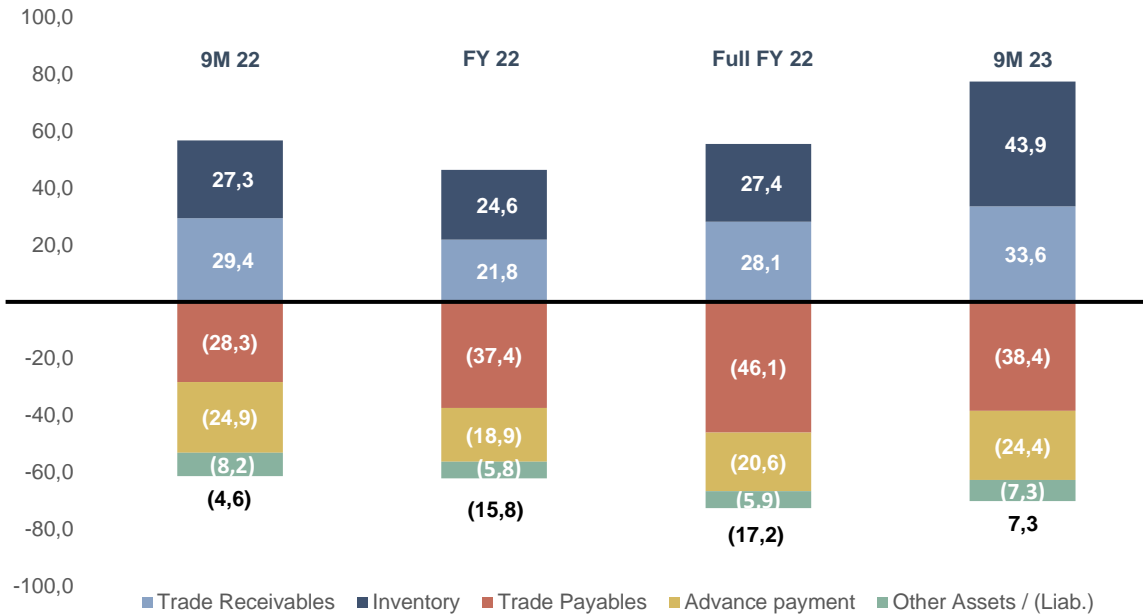
Temporary effect due to already expected seasonality in Turri

(1) Full 9M 2023 data prepared including 9 months of Cubo Design, Axo Light and Turri, despite exact acquisition date. (2) Total amount calculated including «Other», as per bottom table. (3) Includes holding costs.



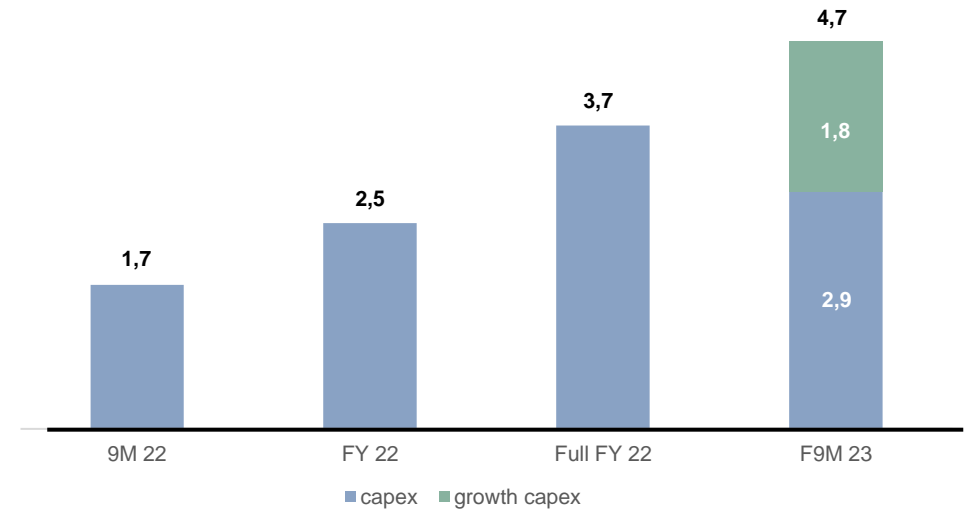
# Capex increases due to multiple commercial investments and new showrooms' openings. Cash conversion structurally stronger in Q4, mostly connected to seasonality in contract

## Net Working Capital - EUR Mln



	9M 22	FY 22	Full FY 22	9M 23
Trade Receivables	29,4	21,8	28,1	33,6
Inventory	27,3	24,6	27,4	43,9
Trade Payables	(28,3)	(37,4)	(46,1)	(38,4)
Advance payment	(24,9)	(18,9)	(20,6)	(24,4)
Other Assets / (Liab.)	(8,2)	(5,8)	(5,9)	(7,3)
<b>NWC</b>	<b>(4,6)</b>	<b>(15,8)</b>	<b>(17,2)</b>	<b>7,3</b>

## Operating Capex - EUR Mln

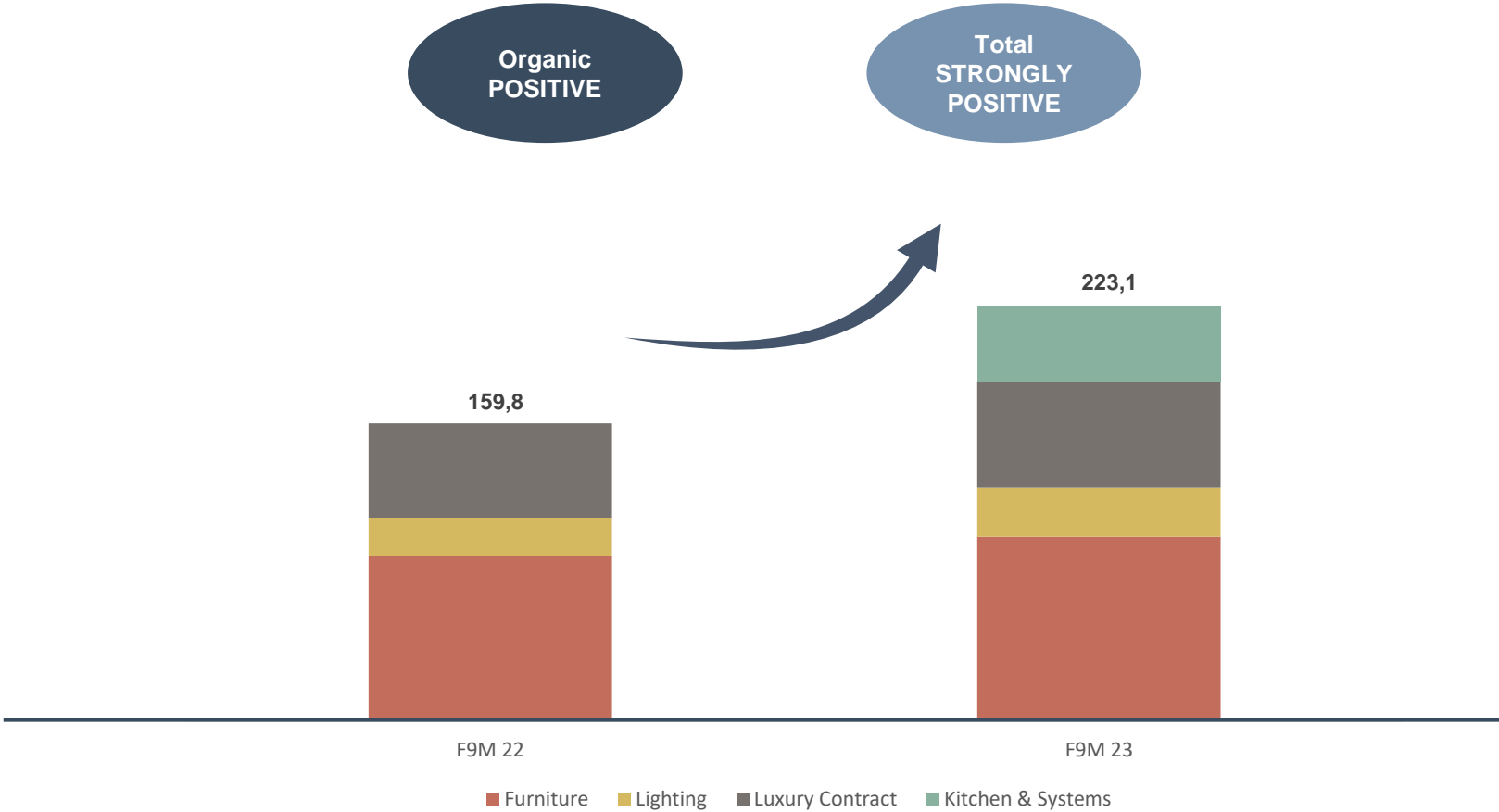


## Net Financial Position - EUR Mln

	9M 22	FY 22	Full FY 22	9M 23
Net bank debt (long term)	16,6	(1,4)	30,4	30,5
Minorities&earnout (mostly long term) *	38,8	60,8	100,5	87,0
IFRS16 (accounting item)	17,0	24,5	31,0	33,3
Others	0,0	0,1	0,1	0,1
<b>PFN</b>	<b>72,3</b>	<b>84,1</b>	<b>162,0</b>	<b>151,0</b>
<b>PFN (ex IFRS16)</b>	<b>55,3</b>	<b>59,6</b>	<b>131,0</b>	<b>117,7</b>

\* no bank-interest bearing, only subject to figurative interest

Full 9 months 2023 order intake<sup>(1)</sup>: slowdown in organic growth reflects the announced normalization in residential SBAs, counterbalanced by a strong track in Luxury Contract (*despite tougher H2 2022 comparison*) and by inclusion of two new companies



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Q&A SESSION



Italian Design Brands

GERVASONI  
1882

MERIDIANI

saba

davide groppi

FLEXALIGHTING

Axolight

  
CENACCHI INTERNATIONAL

  
MITONI  
CUCINE

 Binova

  
MODAR

  
VERY  
WOOD

  
GAMMA  
— MADE IN ITALY —

  
DANDY  
HOME  
COLLECTION

TURRI

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