

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 FINANCIAL RESULTS OF THE FIRST QUARTER 2023

Financial highlights of IDB Group as of 31 March 2023:

- Pro-forma revenue¹ equal to Euro 65.9 million, with an increase of +89.1% compared to Q1 2022
- Adjusted pro-forma EBITDA equal to Euro 11.0 million, up 175.4% compared to Q1 2022 and with a pro-forma percentage margin of 16.7% (+ 5.2 p.p. compared to 2022)
- Pro-forma Adjusted Net Profit equal to Euro 5.4 million, +187.3% compared to Q1 2022 and with a pro-forma percentage margin of 8.1% (+ 2.7 p.p. compared to 2022)
- As of 31 March 2023, the Group's net financial position is equal to Euro 168.1 million, of which net banking position is equal to Euro 33.9 million.

Milan, 23 May 2023 – The Board of Directors of **Italian Design Brands S.p.A.** (the '**Company**' 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 31 March 2023.

Overall, **the Group reported revenue for Euro 62.9 million** (up 80.6% from Euro 34.9 million of the same period in 2022) and **pro-forma revenue of Euro 65.9 million**, with **exports accounting for 73%** and significant growth in the Far East and North America, in addition to a still expanding domestic market. In the same

¹ Pro-forma figures as of 31 March 2023, prepared including the results of Cubo Design from 1 January 2023 (company acquired on 31 January 2023) in the consolidation perimeter.

period, **the organic revenue growth**, considering the consolidation perimeter as of 31 March of the previous year and net of the deals carried out by the Group during 2022², **was +40.5%**.

As for profitability, the **Group's Adjusted EBITDA in the first quarter of 2023 is equal to Euro 10.6 million** (+166.0% compared to Euro 4.0 million in the same period of 2022) **and equal to Euro 11.0 million pro-forma, with a pro-forma percentage margin of 16.7%**. Thanks to the Group's operating leverage, the pro-forma profitability grew more than proportionally to revenue, marking an increase of 5.2 percentage points compared to the percentage figure in the first quarter of 2022. In light of the results achieved, the first quarter of 2023 closed with a **pro-forma Adjusted Net Profit³ of Euro 5.4 million** (+187.3% compared to Euro 1.9 million in the same period of 2022), **with a pro-forma percentage margin of 8.1%**.

The Group's **net financial position** as of 31 March 2023 was **Euro 168.1 million**, including **Euro 33.9 million of net banking position**, Euro 102.9 million of liabilities for earnouts and purchase of minority stakes through put-and-call options, and Euro 31.3 million of lease liabilities in accordance with IFRS 16.

During the reporting period, all the Group's Strategic Business Areas (SBA) recorded excellent growth rates. In particular, the **Furniture SBA**, which includes Gervasoni, Meridiani, Saba Italia and Gamma Arredamenti International, closed the first quarter of 2023 with revenue of **Euro 27.3 million and an increase of 32.6% compared to the same period of 2022**. The **Lighting SBA**, now including Davide Groppi, Flexalighting and Axolight⁴, posted revenue of **Euro 6.7 million, up 22.5% compared to the first quarter of 2022**. Worthy of note is the performance of the **Luxury Contract SBA**, including Cenacchi International and Modar, which, thanks to the rebound of the world of projects, excellently closed with total revenue of **Euro 19.9 million, up 127.1%**. Positive results also for the new **Kitchen&Systems SBA**, which posted revenue of **Euro 12 million** in Q1 2023.

Considering the other data available to the Group, it is possible to foresee - adopting a responsible prudential approach - a closing for the year 2023 in line with expectations.

SIGNIFICANT EVENTS AFTER 31 MARCH 2023

On 18 May 2023 (the '**Start of Trading**'), the Company commenced trading of its ordinary shares (the '**Shares**') on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A. ('**Euronext Milan**'). The offering (the '**Offering**') consisted of No. 6,433,823 newly issued Shares of the Company at an offer price of Euro 10.88 per Share, including any share premium (the '**Offer Price**'), and, therefore, an amount of approximately Euro 70 million resulting from a share capital increase with the exclusion of pre-emptive rights (the '**Market Capital Increase**'). On the same date, the issue of 275,735 Shares of the Company was also completed in the context of a second share capital increase with the exclusion of pre-emptive rights, reserved to certain shareholders/entrepreneurs of certain subsidiaries, who subscribed the share capital increase at the Offer Price (the '**Reserved Capital Increase**' and, together with the Market Capital Increase, the '**Capital Increases**') for a countervalue of approximately Euro 3 million.

² Majority acquisition of Flexalighting North America (May 2022), majority acquisition of Gamma Arredamenti (June 2022) and signing of an agreement to acquire a majority stake in Cubo Design (July 2022 - deal completed on 31 January 2023).

³ Pro-forma Adjusted Net Profit and non-pro-forma Adjusted Net Profit coincide.

⁴ Axolight is not included in the consolidation perimeter as of 31 March 2023, as the Group owns a minority stake.

In the context of the Offering, Investindesign S.p.A., Elpi S.r.l., Fourleaf S.r.l., Amelia Pegorin and Giorgio Gobbi (together, the '**Option Shareholders**') have granted Equita SIM S.p.A, in its capacity as Stabilization Manager (the '**Stabilization Manager**'), the so-called greenshoe option (the '**Greenshoe**') for a maximum of No. 965,074 Shares, equal to approximately 15% of the maximum number of Shares of the Offering. The Greenshoe may be exercised, in whole or in part, within 30 days from the Start of Trading on Euronext Milan.

The proceeds of the Market Capital Increase were partly used for the payment of options, the exercise of which was brought forward due to the completion of the Offering, and for the payment of phantom stock options totaling **Euro 34.1 million**.

The manager charged with preparing the Company's financial reports, Alberto Bortolin, declares 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 quarter results to the financial community on **23 May 2023 at 6.00 p.m. CET**. The event can be followed via streaming at the following link:

<https://us02web.zoom.us/j/89251221210?pwd=ZStRT0pmSC95SWdabVZQdXlZMUJ1Zz09>

The supporting documentation will be published in the 'Investors/Results and Financial Documents' section of the Company's website (www.italiandesignbrands.com) prior to the conference call.

ITALIAN DESIGN BRANDS (IDB)

Italian Design Brands S.p.A. was founded in 2015 to develop and promote an Italian hub for high-quality furniture and design. As of today, the Group consists of ten companies, each one with its own precise identity: Gervasoni (2015), which realizes furniture solutions through the Gervasoni and Very Wood brands, Meridiani (2016), specialized in the creation of refined, contemporary and versatile collections, Cenacchi International (2017), which operates in the luxury contract sector, Davide Groppi (2018), which creates and produces lamps and lighting projects, Saba Italia (2018), a high quality design furnishing company, Modar (2019), specialized in furniture contract projects, Flexalighting (2020), which designs and produces LED lighting systems for both indoor and outdoor uses and Axolight (2021), specialized in the design and production of Made in Italy decorative lamps, Gamma Arredamenti (2022), which produces leather furniture and furnishings accessories and Cubo Design (2022) which produces modular kitchens and systems with the brands Binova and Miton Cucine.

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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).