

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 revenue<sup>1</sup> equal to Euro 138.4 million, with a total increase<sup>2</sup> of +40.8%, of which +12.8% organic<sup>3</sup>
- 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.

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<sup>1</sup> 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).

<sup>2</sup> 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).

<sup>3</sup> 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 Profit<sup>4</sup> 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 Axolight<sup>5</sup> (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 growth<sup>6</sup> 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.

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<sup>4</sup> Full half-year Adjusted Net Profit and Reported Adjusted Net Profit coincide.

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

<sup>6</sup> 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.*

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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](http://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](http://www.italiandesignbrands.com)) and conveyed via the 1Info SDIR system([www.1info.it](http://www.1info.it)).*