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Italian Design Brands bets on demand for €50,000 sofas

Luxury homeware group wants to make acquisitions as it prepares for IPO



Meridiani sofas on display at Milan Design Week 2023 © Alessandro Russotti/Salone del Mobile Milano

Silvia Sciorilli Borrelli in Milan 4 HOURS AGO

Luxury homeware group Italian Design Brands, whose sofas can cost more than €50,000, is on the hunt for acquisitions in the expectation that demand for ultra-expensive furniture will grow as it prepares to go public next month.

The private equity-backed company which owns brands including luxury sofa makers Meridiani and Gervasoni, lighting brand Davide Groppi, and high-end kitchen maker Cubo Design, said last week it intended to proceed with its planned Milan listing despite recent market turmoil.

While the price range is still being agreed with investors, IDB is aiming to float at least 25 per cent of its share capital by selling existing shares and by issuing new ones worth €70mn.

Having ended up with 13 brands since its founding in 2015 it is also planning new additions to its portfolio following the listing said chief executive Andrea Sasso.

Most of the brands it had acquired to date were family-owned medium-sized Italian companies that continued to be run by their former owners and “nothing will change for them post-listing”, he added.



CEO Andrea Sasso: 'We are approaching the listing in the best possible shape' © LucaToni

He argued it was still a good idea to list despite the turmoil in the global economy. “If you have a good business story it doesn’t make sense to get scared by financial markets,” Sasso said. “Following a global pandemic, a war and the recent banking crises we can’t freeze over fears China might invade Taiwan,” he added.

IDB, which posted €266mn in revenue in 2022 across its 13 brands, exports three quarters of its products abroad. The eight-year-old group is backed by Italian firm Private Equity Partners.

Sasso expects markets such as China, where the group opened an office in March 2020 at the height of the Covid pandemic, to rebound strongly this year after [lockdown measures were eased](#). “North America is another big bet for us,” he added.

The luxury industry is poised to experience sustained growth for the rest of the decade with demand for personal luxury goods, furniture and experiences rising despite economic turbulence in the US and Asia, according to a study by Bain and Altgamma, the Italian luxury association.

Meridiani, which is IDB's biggest brand, showed off its new collection at [Milan's annual design fair](#) last week. Its bespoke sofas range in price from €30,000 to more than €50,000, according to the company.



Meridiani stand during Milan Design Week: The global luxury furniture and housewares market was worth €53bn in revenue last year

The global luxury furniture and housewares market was worth €53bn in revenue last year, up 13 per cent year on year, the Bain-Altgamma study said, with the rise driven “by the greater emphasis consumers have been placing on their home life — as both shelter and source of self-definition — since the pandemic”.

Italy's market share of this is about 25 per cent but the sector is fragmented, divided among thousands of small and medium sized companies.

“There are endless pastures to conquer in our space,” said Sasso. “We have posted our best result ever in the first quarter of this year and we are approaching the listing in the best possible shape.”

“Some entrepreneurs care more about their companies than their actual children,” he added. “These are all success stories and since acquiring their brands we have evolved the companies’ structures to make them compliant for the listing.”