



Italian Design Brands

Investor Presentation

November 2023

# IDB at a Glance – A distinctive platform in the design sector...

IDB's mission is to represent the **excellence of Italian interior design and craftsmanship worldwide**, working as a virtuous environment in which each brand can boost its competitive strength while **maintaining its distinctive identity, creativity and entrepreneurial spirit**.

<p><b>Revenue</b></p> <p><b>€266.5m</b></p> <p>2022PF</p>	<p><b>Historical Growth</b></p> <p><b>~40%</b></p> <p>CAGR '15A<sup>(1)</sup>-'22PF</p>	<p><b>Organic Growth</b></p> <p><b>~28%</b></p> <p>Organic Growth '21A-'22A</p>	
<p><b>Adj. EBITDA<sup>(2)</sup></b></p> <p><b>€49.2m</b> <i>(Margin 18,5%)</i></p> <p>2022PF</p>	<p><b>Adj. Net Income<sup>(3)</sup></b></p> <p><b>€25m</b> <i>(Margin 10%)</i></p> <p>2022PF</p>	<p><b>Cash Conversion<sup>(4)</sup></b></p> <p><b>~90%</b></p> <p>Avg. last 3 years ( '20A-'22PF)</p>	
<p><b>Brands</b></p> <p><b>13</b></p> <p>10 manufacturing companies 4 SBA<sup>(5)</sup></p>	<p><b>Points of Sale</b></p> <p><b>~4,500<sup>(6)</sup></b></p>	<p><b>Employees</b></p> <p><b>&gt;650<sup>(6)</sup></b></p>	

Notes: 2022 figures are post-IFRS 16 and pro forma for 12 months of contribution from Gamma and Flexalighting NA (both acquisitions were completed in 2022) and Cubo Design (whose acquisition was signed in 2022 and completed in January 2023). (1) 2015 revenue figure taken from Gervasoni 2015 audited accounts prepared according to Italian GAAP, given acquisition of Gervasoni by IDB in May 2015. (2) Adjusted EBITDA computed as Reported EBITDA net of transaction costs (IPO and M&A) and phantom stock option plan costs. (3) Net Income adjusted mainly for amortization of PPA, change in estimate of options liabilities on Balance Sheet and effect from fiscal realignments. (4) Adjusted EBITDA computed as Reported EBITDA (incl. IFRS 16) – non recurring Revenue + extraordinary transaction costs + phantom stock option plan costs. (5) Calculated as (Adjusted EBITDA – Operating Capex) / Adjusted EBITDA. (6) Strategic Business Area. (6) Including Cubo.

# ... built through years of investments, experience and design craftsmanship...

2015

IDB Foundation and acquisition of Gervasoni



2017

IDB acquires Cenacchi International



2019

IDB acquires Modar



2021

IDB acquires Axolight<sup>(1)</sup>

IDB Rev: €144.2m



2023

IDB acquires Turri<sup>(3)</sup>

IDB RevE: >€300m



IDB acquires Meridiani



2016

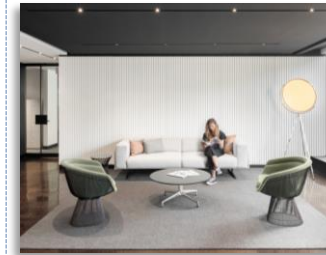
IDB acquires Davide Groppi and Saba



2018

IDB acquires Flexalighting

IDB Rev: €110.2m



2020

IDB acquires Gamma and Cubo Design<sup>(2)</sup>

IDB RevPF: €266.5m



2022

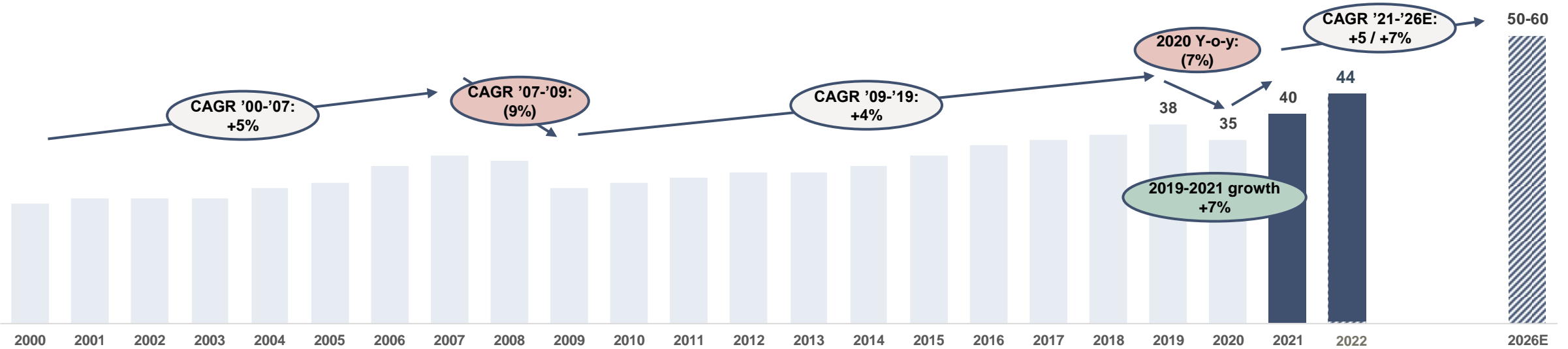
# ... creating a portfolio of brands with high-end positioning and strong complementarity of function and style

SBA	% Revenue	Companies	Overview
Furniture	~44%	<b>GERVASONI</b>	• Elegant indoor and outdoor furniture for retail and contract solutions through <b>Gervasoni</b> and <b>Very Wood</b> brands
		<b>MERIDIANI</b>	• Contemporary design collections for both living and sleeping areas, sofas, as well as accessories in marble and brass
		<b>saba™</b>	• Tailor-made timeless products thanks to modular design and a vast choice of personalization options
		<b>GAMMA</b> MADE IN ITALY	• Elegant leather sofas and upholstery products for both the living and sleeping areas, through <b>Gamma</b> and <b>Dandy Home</b> brands
		<b>TURRI®</b> The Italian way to beauty	• Very high-end and sophisticated furniture, with a prominent position in luxury residential and hospitality projects
Luxury Contract	~27%	<b>ENAGGI INTERNATIONAL</b>	• Realization and installation of luxury furnishings for boutiques, showrooms and UHNWI residences
		<b>MODAR</b>	• Realization and installation of luxury furnishing projects for flagship stores, showrooms, hotels and resorts
Kitchen & Systems	~19%	<b>CUBO DESIGN</b>	• Elegant, functional Kitchen & Systems for both retail and contract solutions through <b>Miton</b> and <b>Binova</b> brands
Lighting	~10%	<b>davide groppi</b>	• Lamps and lighting products characterized by simplicity, weightlessness, emotion, creative invention and amazement
		<b>FLEXALIGHTING</b>	• Architectural use of LED Technology mixing quality and functionality
		<b>Axolight</b>	• High-end decorative lamps in the context of an industrial process aimed at synthesizing the core elements of design, engineering and functionality

Notes: 2022 figures are post-IFRS 16 and pro forma for 12 months of contribution from Gamma and Flexalighting NA (both acquisitions were completed in 2022) and Cubo Design (whose acquisition was signed in 2022 and completed in January 2023).

# 1 IDB operates in the Core HEDF, a growing and resilient market with Italian players as the best positioned to seize growth opportunities

Historical Evolution and Forecasts of the Core High-End Design Furniture market (€bn)



## ...With Clear Attributes...

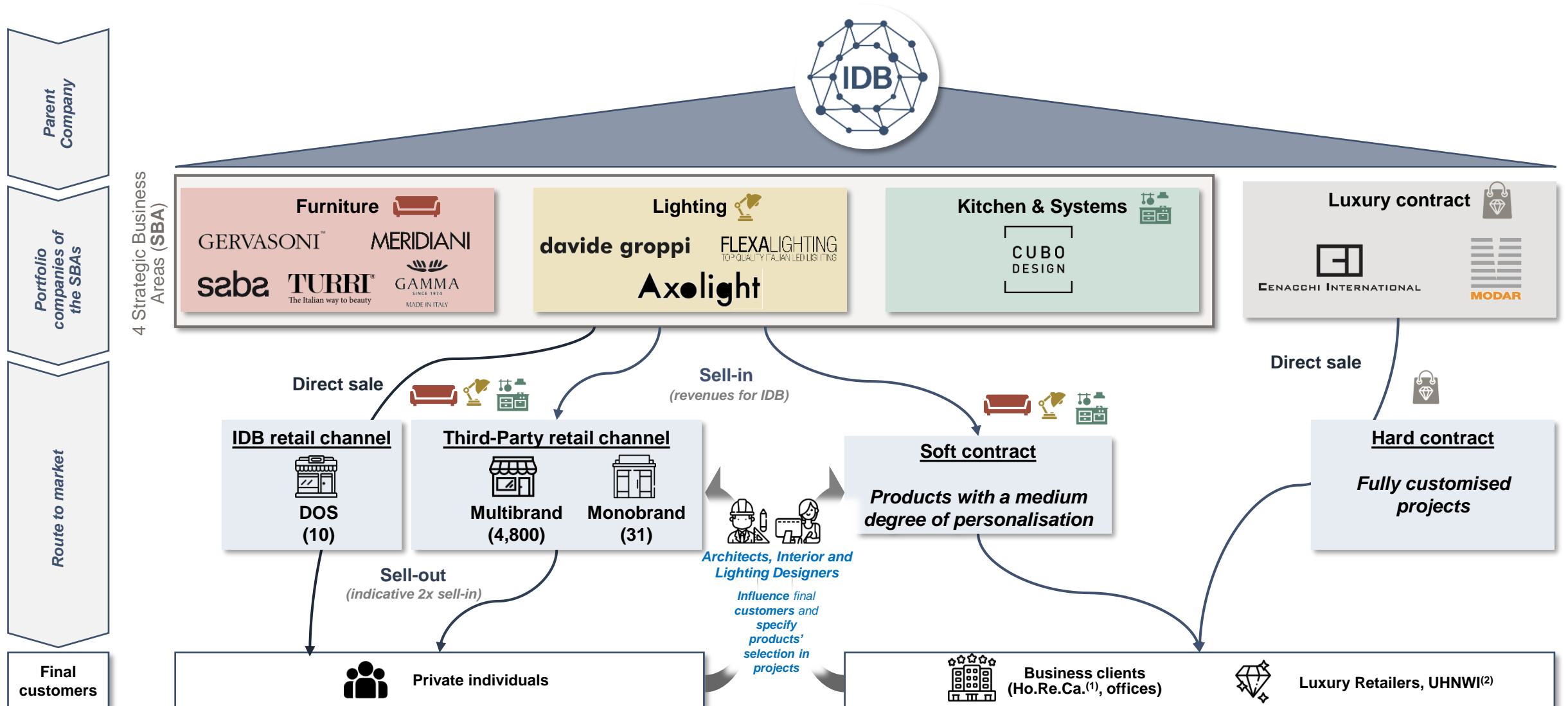
1. Still mainly intermediated through the multibrand retail channel (~70% of the market), with contract accounting for ~10% and online sales ~7%
2. Highly specialized, with Living and Bedroom being the most important product category (~50% of the market), followed by Kitchen (~20%) and Bathroom (~15%)
3. Highly fragmented (more than 60% players with revenue at retail value <100m), going towards market consolidation and managerial rejuvenation

## ...Dominated by Italian brands...

Share of Italian Brands on Total Market Value (% | 2021)



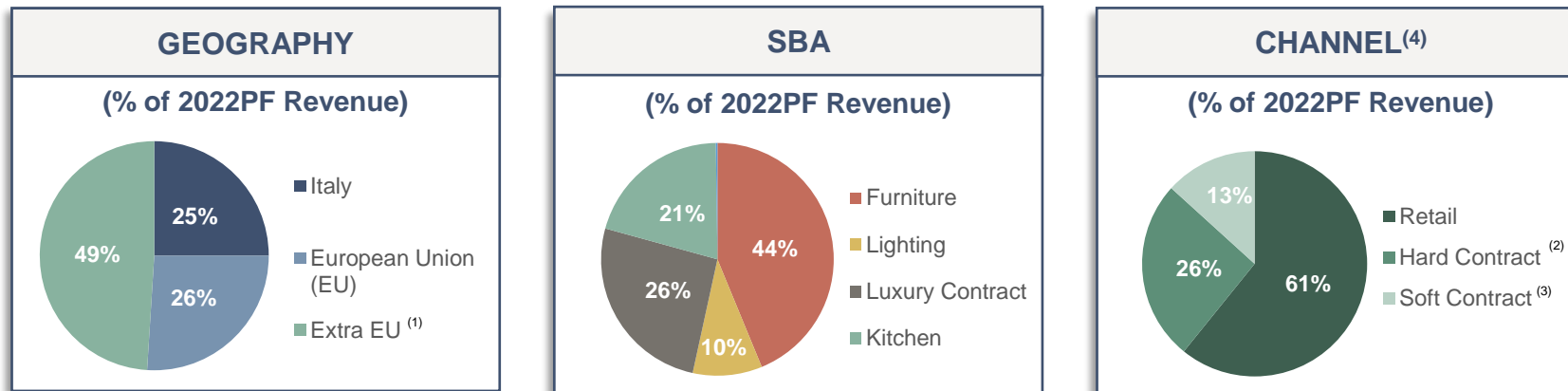
## 2 IDB Business Model



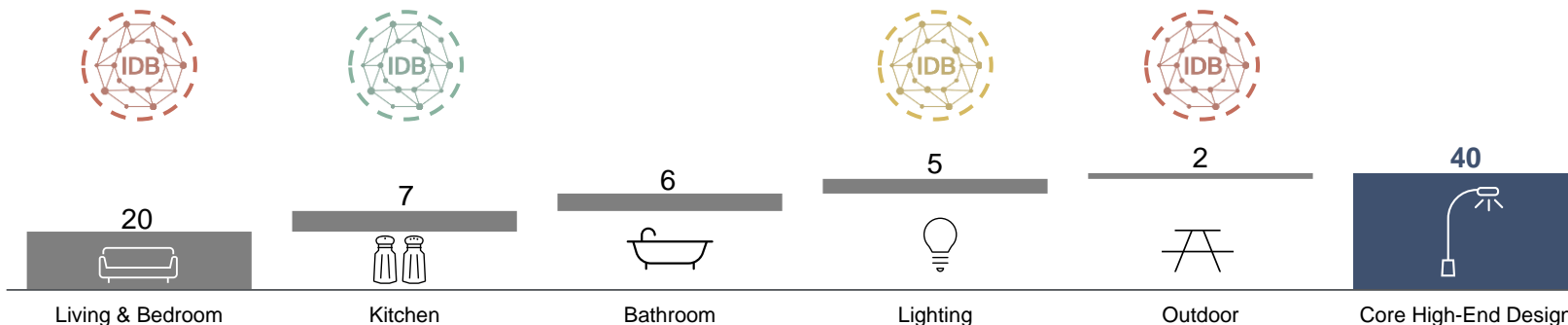
Notes: (1) Hotels, Restaurants and Cafés. (2) Ultra High Net Worth Individuals.

### 3 Well Diversified, Multichannel Global Presence

IDB enjoys a very well diversified and balanced business across geographies, product categories and distribution channels, with the potential to tap further into the US / Asia and extract cross-selling synergies. The Company's business split reflects the mix of the Core HEDF market.



Core HEDF Breakdown by Segment (2021 – €bn)



As a % of the Core HEDF Market



#### Commentary

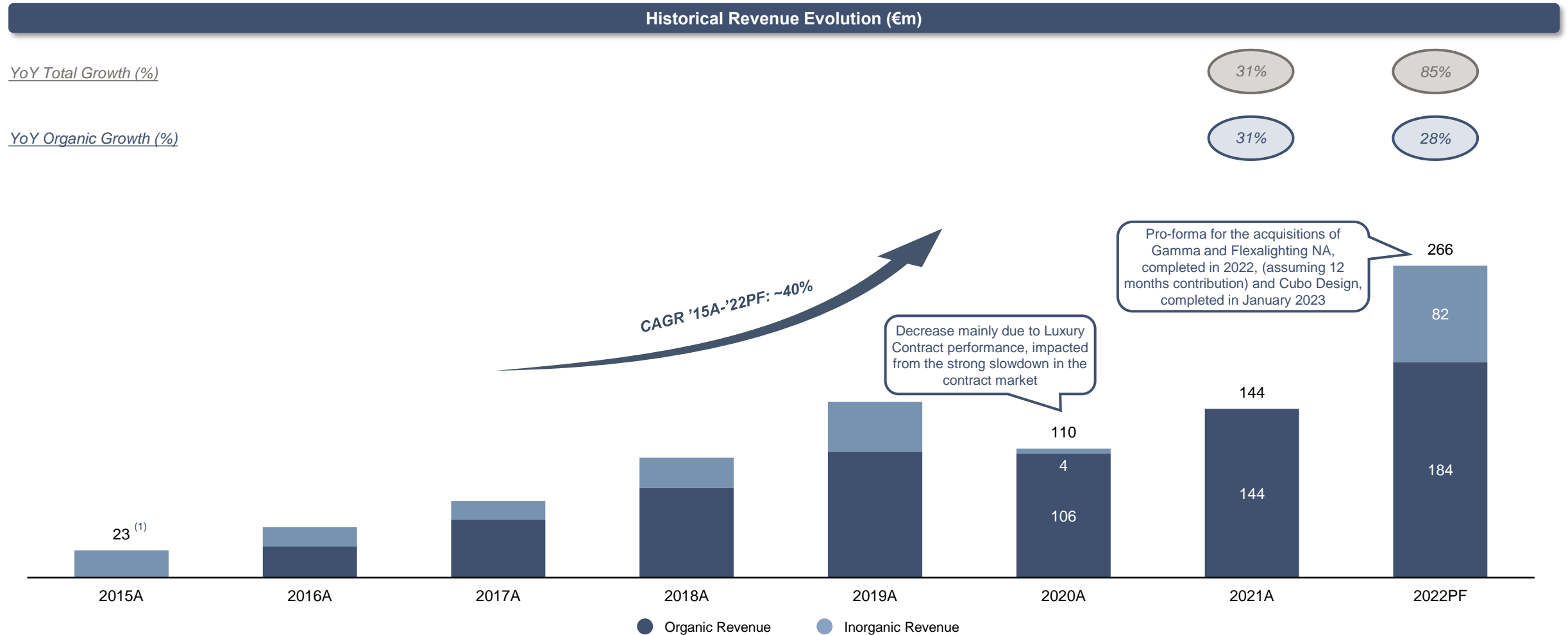
- Strong international presence, with the potential / opportunity to tap further into the US, Middle East and Asia
- Balanced presence across SBAs, allowing for cross-selling opportunities
- More balanced exposure (with respect to market average) to both the Retail and Contract channels
- Retail go-to-market strategy is driven by multi-brand retailers, with the possibility to increase IDB's "share of wallet" on existing points of sales, while Soft and Hard Contract relies on projects' opportunities targeting the Retail, Ho.re.ca. and high-end Residential end-markets
- The "Home" environment still provides spaces to become an even more multi-brand Group

Source: Company elaboration based on Bain&Company, Altgamma Bain High End design Market Monitor 2022, June 2022.

Notes: 2022 figures are post-IFRS 16 and pro forma for 12 months of contribution from Gamma and Flexalighting NA (both acquisitions were completed in 2022) and Cubo Design (whose acquisition was signed in 2022 and completed in January 2023). (1) Extra EU includes: European countries outside European Union (8%), North America (25%), Greater China (5%) and RoW (11%, including Middle East, Asia (excl. Greater China) and Latam) (2) Hard Contract refers to fully customised projects carried out by IDB Luxury Contract SBA. (3) Soft Contract refers to projects where products might require a low/medium degree of customisation. (4) Company's management data not subject to audit.

# 4 Proven Growth Track Record

Growth profile driven by both inorganic and organic growth opportunities allowing IDB to consistently overperform the reference market



Notes: 2022 figures are post-IFRS 16 and pro forma for 12 months of contribution from Gamma and Flexalighting NA (both acquisitions were completed in 2022) and Cubo Design (whose acquisition was signed in 2022 and completed in January 2023). (1) 2015 revenue figure taken from Gervasoni 2015 audited accounts prepared according to Italian GAAP, given acquisition of Gervasoni by IDB in May 2015.

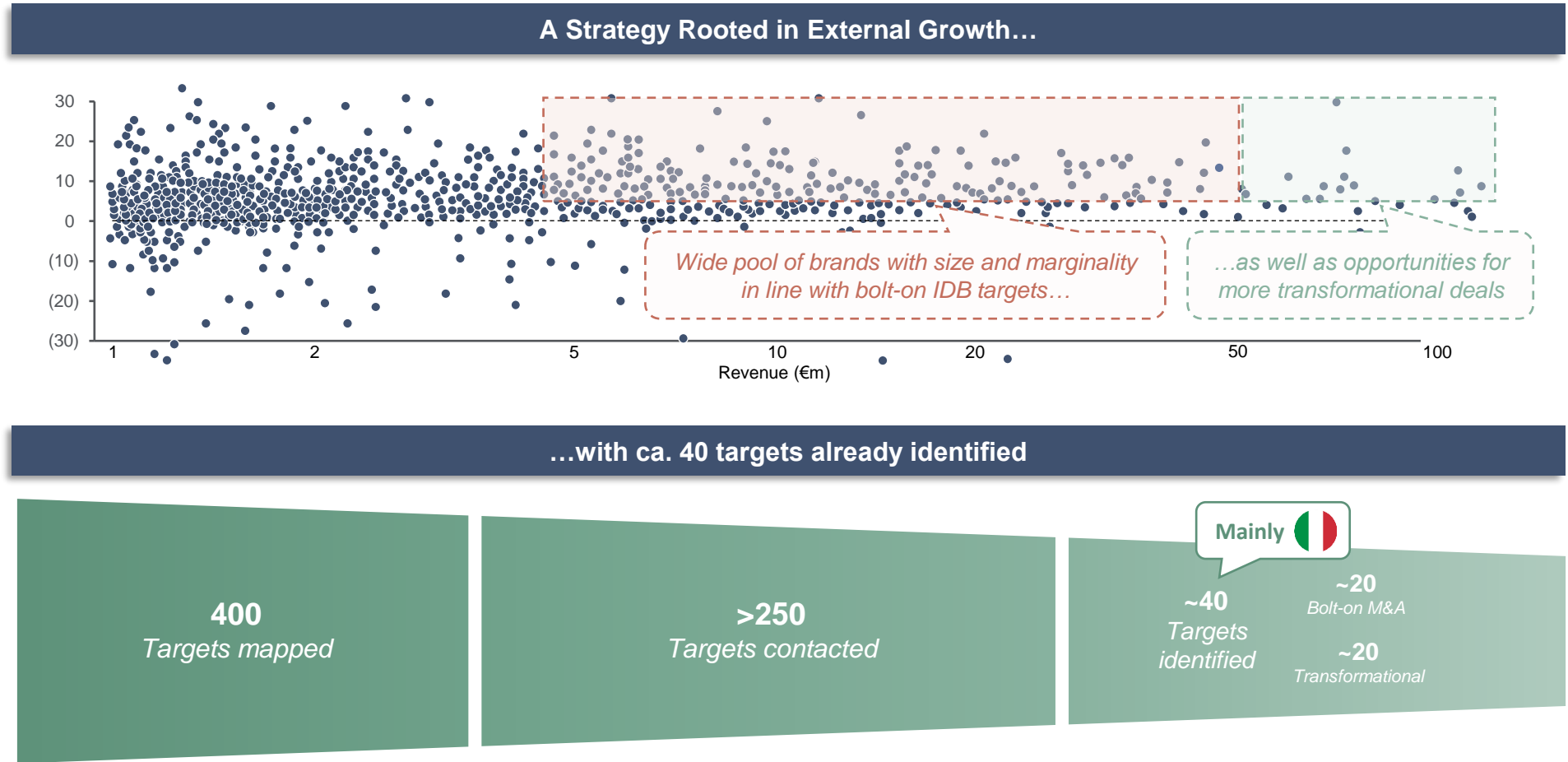


# 5 Distinctive M&A Capabilities with a Wide Pool of Opportunities...

IDB is able to identify, execute and integrate interesting M&A opportunities within a highly fragmented sector.

**Key Pillars**


- Attractive acquisition model for entrepreneurs
- Robust investment algorithm and focus on excellent brands in their respective spheres
- Expand and complement brand portfolio
- Integration and support to unlock organic growth



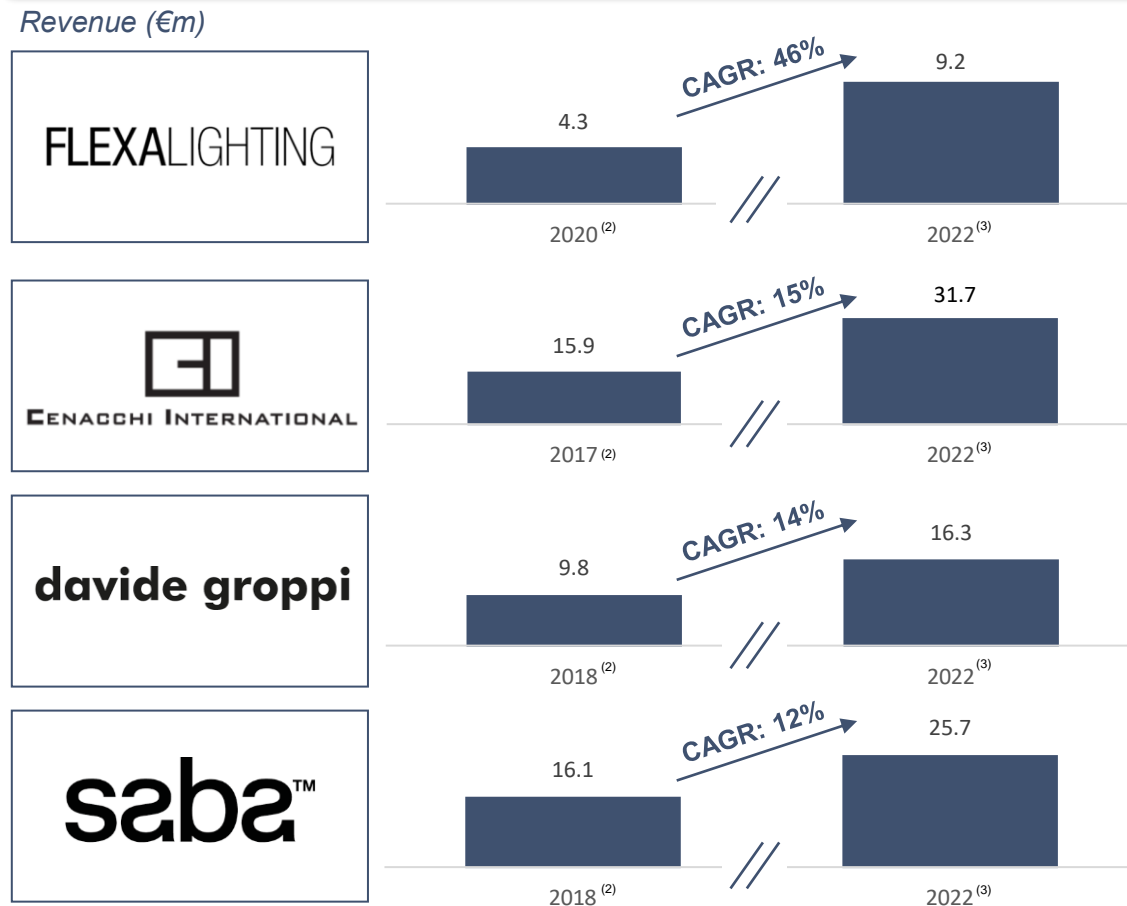
# 6 ... And a Distinctive Value Added Strategy...

Portfolio companies can leverage on IDB's structure / network to realise their full potential and get access to synergies.

## IDB's Structure / Network Adds Value to its Brands...

	<b>Managerialisation</b> Complement companies' management, managing generational transition, implementation of routines / policies	Revenue Synergies
	<b>Knowledge Sharing</b> Regular meetings with IDB management / companies' CEOs, sharing of business contacts / best practices, training	
	<b>Go-to-Market / Internationalisation / M&amp;A Opportunities</b> Opening of a group commercial branch in Suzhou, in New York and in London, supporting all brands. Sharing of sales network among brands, products and brands cross-selling in projects and M&A opportunities	
	<b>Digital Transformation</b> Support and implementation of the digital transformation, creation and development of digital content, support to e-commerce initiatives	Cost Synergies
	<b>Structure / Finance &amp; Business Control Centralisation</b> Budgeting & business control managed from HQ, centralised cash pooling, strategic finance (e.g., Government incentives, patent box, Liquidity decree, etc.), CRM <sup>(1)</sup> systems, support in product development	

## ...as Proven by the Performance After Joining IDB

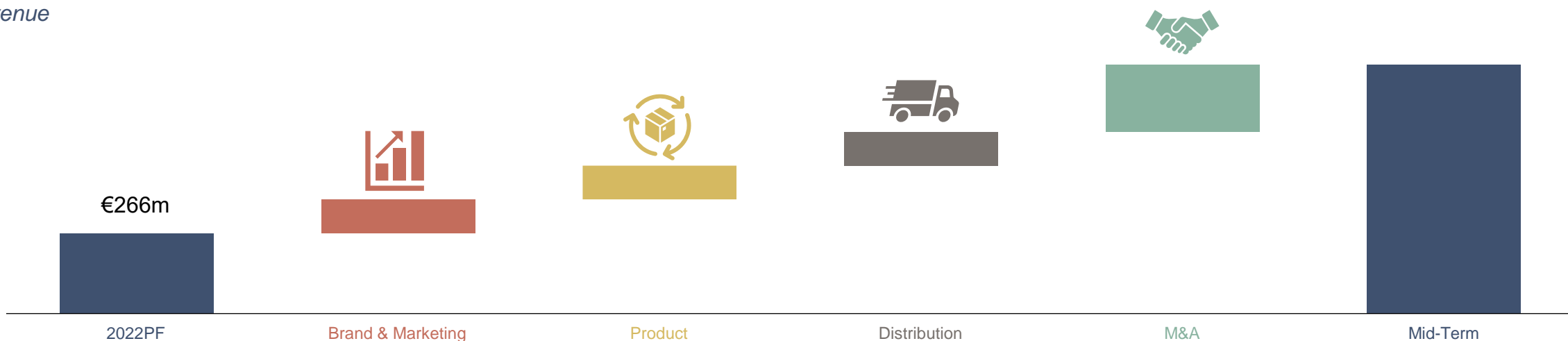


Notes: (1) Customer Relationship Management. (2) Year in which the company was acquired by IDB. Acquisition-year information compiled and presented in accordance with Italian GAAP and therefore not comparable to 2022 information compiled and presented in accordance with IFRS. (3) Data from Company's management accounts.

# 7 A clear strategic plan to create future value

IDB has multiple levers to grow organically, with the mid-term ambition to offer a full coverage of the home furnishing categories.



Revenue  
(€m)



- |   |                              |  |
|---|------------------------------|--|
| 1 | <b>Brand &amp; Marketing</b> | <ul style="list-style-type: none"> <li>• Create compelling storytelling around brand(s) DNA, built on upgraded content tailored for each marketing touchpoint</li> </ul>         |
| 2 | <b>Product</b>               | <ul style="list-style-type: none"> <li>• Extend products offer range to new adjacent categories (e.g., outdoor and new sub-categories)</li> </ul>                                |
| 3 | <b>Distribution</b>          | <ul style="list-style-type: none"> <li>• Extend mono-brand footprint (through partner) and geographical reach</li> </ul>   |
| 4 | <b>M&amp;A</b>               | <ul style="list-style-type: none"> <li>• Expand brand portfolio acquiring high profile complementary assets and create value by leveraging IDB's distinctive features</li> </ul> |

Note: 2022 figures are post-IFRS 16 and pro forma for 12 months of contribution from Gamma and Flexalighting NA (both acquisitions were completed in 2022) and Cubo Design (whose acquisition was signed in 2022 completed in January 2023).

# 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 @ 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) @ 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 <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 <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 with a deal structure and evaluation in line with previous acquisitions

## 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

## DEAL'S MAIN TERMS AND CONDITIONS

- **Equity value EUR 39,5M** for 100% outstanding capital (EV=EUR 34M<sup>(1)</sup>), Andrea Turri reinvested with a 49% stake
- **Implied EV/EBITDA multiple ~7x** based on target average 2023-2025 EBITDA
- **Price paid at closing: EUR 25,75M**. Maximum earnout (in 2026, upon reach of target EBITDA): EUR 13,75M <sup>(1)</sup>
- Andrea Turri minority stake subject to put/call options exercisable in 2027, with value calculated by applying the entry multiple to the average of 2025-2026 Turri EBITDA

<sup>(1)</sup> Turri 2022 key figures: Revenues 28,1M - EBITDA 4M (~14%) <sup>(2)</sup> 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.

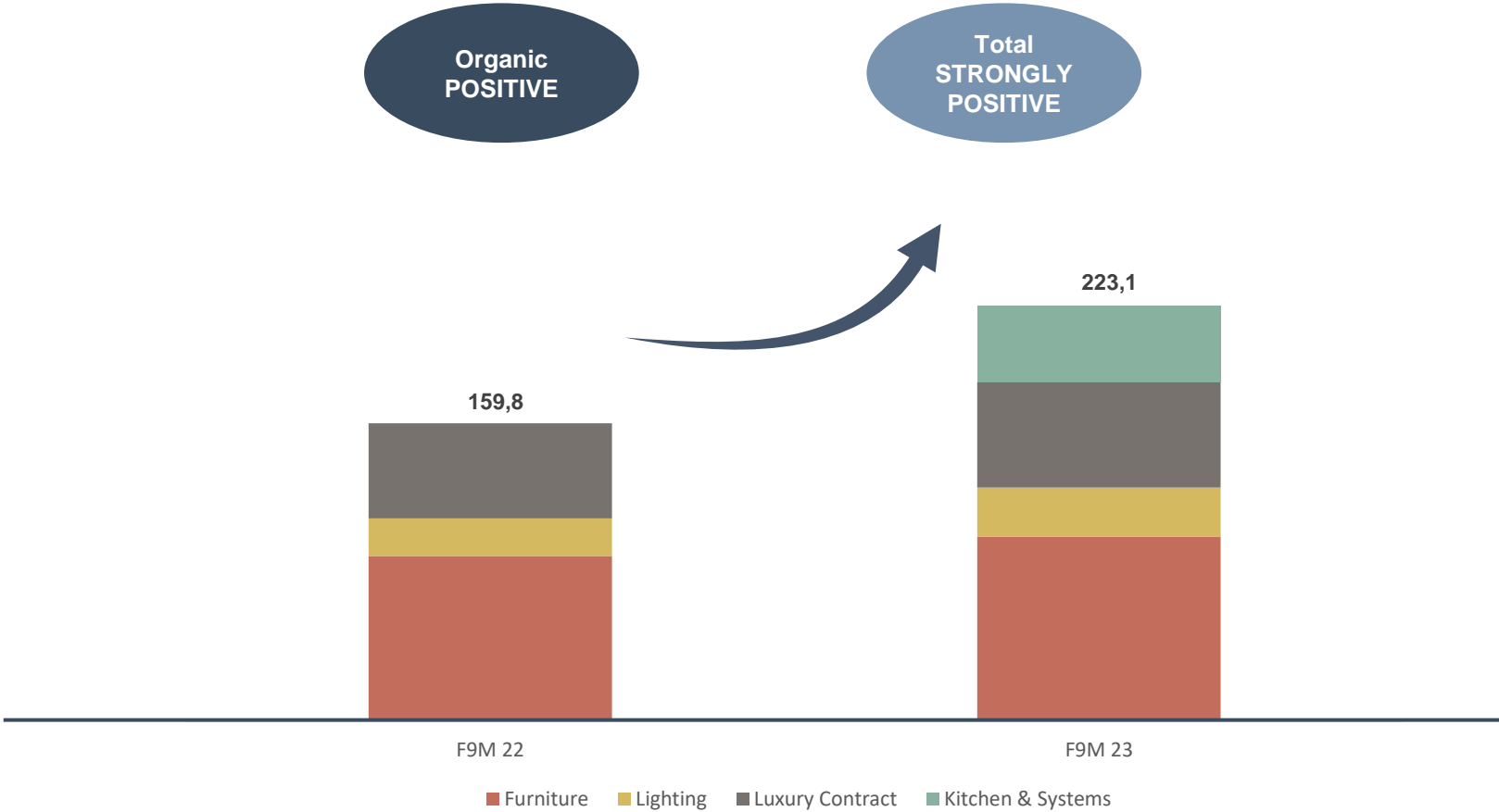
A product range strengthen IDB positioning in high-end Furniture; IDB Team already working on the integration process to achieve synergies and unlock further growth



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



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



(1) 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.





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**Italian Design Brands Group**

**GERVASONI**  
1882

**MERIDIANI**

**saba**

**davide groppi**

**FLEXALIGHTING**

**Axolight**

  
CENACCHI INTERNATIONAL

  
MITON  
CUCINE

  
Binova

  
MODAR

  
VERY  
WOOD

  
GAMMA  
— MADE IN ITALY —

  
WANDY  
HOME  
COLLECTION

**TURRI**