

Flos B&B Italia S.p.A.

Q1 2024 RESULTS

May 29, 2024

14:00 CET (13:00 UK)

FLOS
B&B ITALIA
Group

Flos B&B Italia S.p.A.



This presentation has been prepared by International Design Group S.p.A. (the “Company”) solely for informational purposes. By attending a meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations. References to the “Group” in this disclaimer are to the Company, FLOS S.p.A., B&B Italia S.p.A., Luminous Designs Investments APS (“Louis Poulsen”), FF Design S.p.A., IDG Apollo Parent .inc and Designer Companies A/S and their respective affiliates, collectively. This presentation does not constitute or form part of and should not be construed as an offer to sell or the solicitation of an offer to buy or acquire securities of the Group in the United States or in any other jurisdiction or an inducement to enter into investment activity. It is presented as information only. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever.

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice. The information contained in this presentation may be updated, completed, revised and amended and such information may change materially in the future. The Group is under no obligation to update or keep current the information contained in this presentation. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Group nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

The information in this document contains certain forward-looking statements, which may be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, or “believe” or the negatives thereof or other variations thereon or comparable terminology or other forms of projections. Due to various risks and uncertainties, actual events or results or the actual performance of the Group may differ materially from that reflected or contemplated in such forward-looking statements or projections.

This presentation is for the recipient’s use only. This presentation (or any part of it) is not to be reproduced, distributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person without the prior written consent of the Group. Neither this presentation nor any copy hereof may be sent, taken or distributed, directly or indirectly, in or into the United States, Australia, Canada or Japan. The distribution of this presentation in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The Group Synergized EBITDA presented herein has not been subject to audit or review by auditors, consultants or experts and the adjustments and assumptions that have been used to prepare it may prove to be inaccurate or may be affected by other factors that have not been accounted for. Group Synergized EBITDA is based on a number of assumptions and estimates, including estimates with respect to certain cost savings and revenue synergies that the Group expects to generate from initiatives that have not been initiated as of the date hereof. These estimated savings and synergies are forward-looking by nature and therefore subject to a number of assumptions about the timing, execution and costs associated with implementing the underlying initiatives. Such assumptions are inherently uncertain and are subject to significant business, economic and competition factors which are difficult to predict and some of which are beyond our control.

This presentation includes certain unaudited preliminary financial information prepared by the Group’s management. The Group’s independent auditors have not audited, reviewed, compiled or performed any procedures with respect to such unaudited preliminary financial information for the purpose of its inclusion herein and accordingly, they have not expressed an opinion or provided any form of assurance with respect thereto. Furthermore, the unaudited preliminary financial information does not take into account any circumstances or events occurring after the period it refers to. In addition, although the Group believes the unaudited preliminary financial information to be reasonable, its actual results may vary from the information contained herein and such variations could be material. As such, you should not place undue reliance on the inclusion of such unaudited preliminary financial information and it should not be regarded as an indication that it will be an accurate prediction of future events. Certain financial data included in this presentation consists of “non-IFRS financial measures” such as “EBITDA”, “Adjusted EBITDA” and “Group Synergized EBITDA”. These non-IFRS financial measures, as defined by the Group, may not be comparable to similarly-titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of the performance based on IFRS. The unaudited preliminary financial information and the non-IFRS financial measures contained in this presentation are based on a number of assumptions that are subject to inherent uncertainties that are subject to change.

Market and competitive position data in this presentation have generally been obtained from industry publications and surveys or studies conducted by third-party sources. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. The Group has not independently verified such data and can provide no assurance as to its accuracy or completeness. Certain statements in this presentation regarding the market and competitive position data are based on the internal analyses of the Group, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate.

This document contains information that prior to its disclosure may have constituted inside information under Regulation (EU) 596/2014 (16 April 2014) on market abuse.

Presenters today



Daniel Lalonde

CEO of Flos B&B Italia Group

**FLOS
B&B ITALIA**
Group

Flos · B&B Italia · Louis Poulsen · Arclinea
Maxalto · Azucena · Fendi Casa · Audio · Lumens



Alberto Toni

CFO of Flos B&B Italia Group

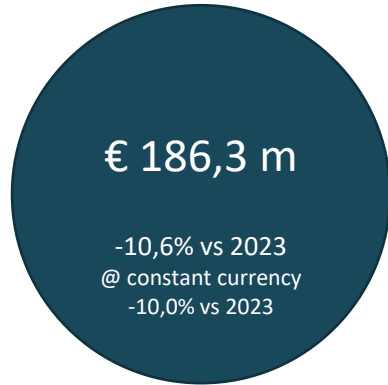
**FLOS
B&B ITALIA**
Group

Flos · B&B Italia · Louis Poulsen · Arclinea
Maxalto · Azucena · Fendi Casa · Audio · Lumens

Q1 2024: sales contracting in line with last Q4 2023 trend, in a slightly improved market

Proforma Financial Results

REVENUES⁽¹⁾



GMV revenues
 € 215,6m

@ constant currency
 -8,2% vs 2023

EBITDA adj⁽²⁾



EBITDA margin 24,1%

EBIT adj⁽²⁾



EBIT margin 17,2%



(1) Revenues include only «revenues from contracts with customers»

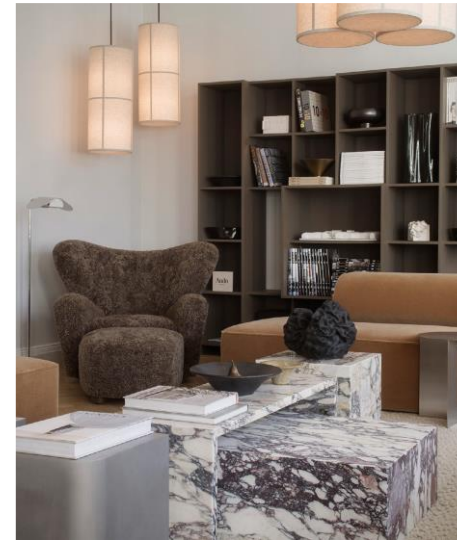
(2) EBITDA Adjusted and EBIT Adjusted are fully compliant with the application of IFRS 16 (differently from the past when the EBITDA included the leases costs)

(3) Cash conversion: EBITDA adj pre IFRS16 – Capex paid in the period

Enhanced brands desirability through new product launches and new brand activations



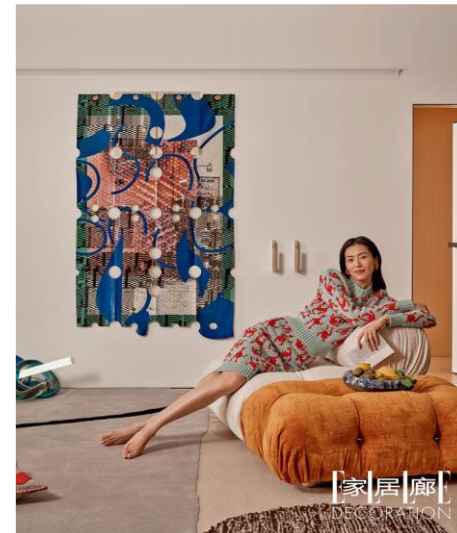
Maxalto - new 2024 collection @ Maison & Objet in Paris



Audo @ Stockholm Furniture Fair



B&B Italia new Advertising Campaign



Chinese supermodel Liu Wen with Camaleonda



Apolline Thibault with Audo chair @ Cph Fashion Week

One-of-a-kind destination on Madison Avenue, New York City



- A distinctive destination uniting our brands: B&B Italia, FLOS, Louis Poulsen, Maxalto, Arclinea and Azucena.
- The flagship store spreads 2.300 sqm across two floors
- The flagship store reimagines how to present a singular destination as a group, while preserving individual company DNA.

Luxury projects won in Residential and Hospitality.

An open pipeline of 800M€ across different segments and geographies.

HIGH END RESIDENTIAL PROJECTS



Fendi Casa, Luxury Residential Landmark in Seoul, South Korea

HOSPITALITY



Flos, Rosewood Resort in AMAALA – Red Sea – KSA



B&B Italia - new 2024 collections @ B&B Italia Design Studio



Flos- new 2024 collections @ Palazzo Visconti

- 7 different locations in the city of Milan
- + 60,000 visitors @ our locations
- More than 60 new products



Maxalto - new 2024 collections @ B&B Italia Design Studio



Arclinea - new 2024 collections @ Arclinea Store



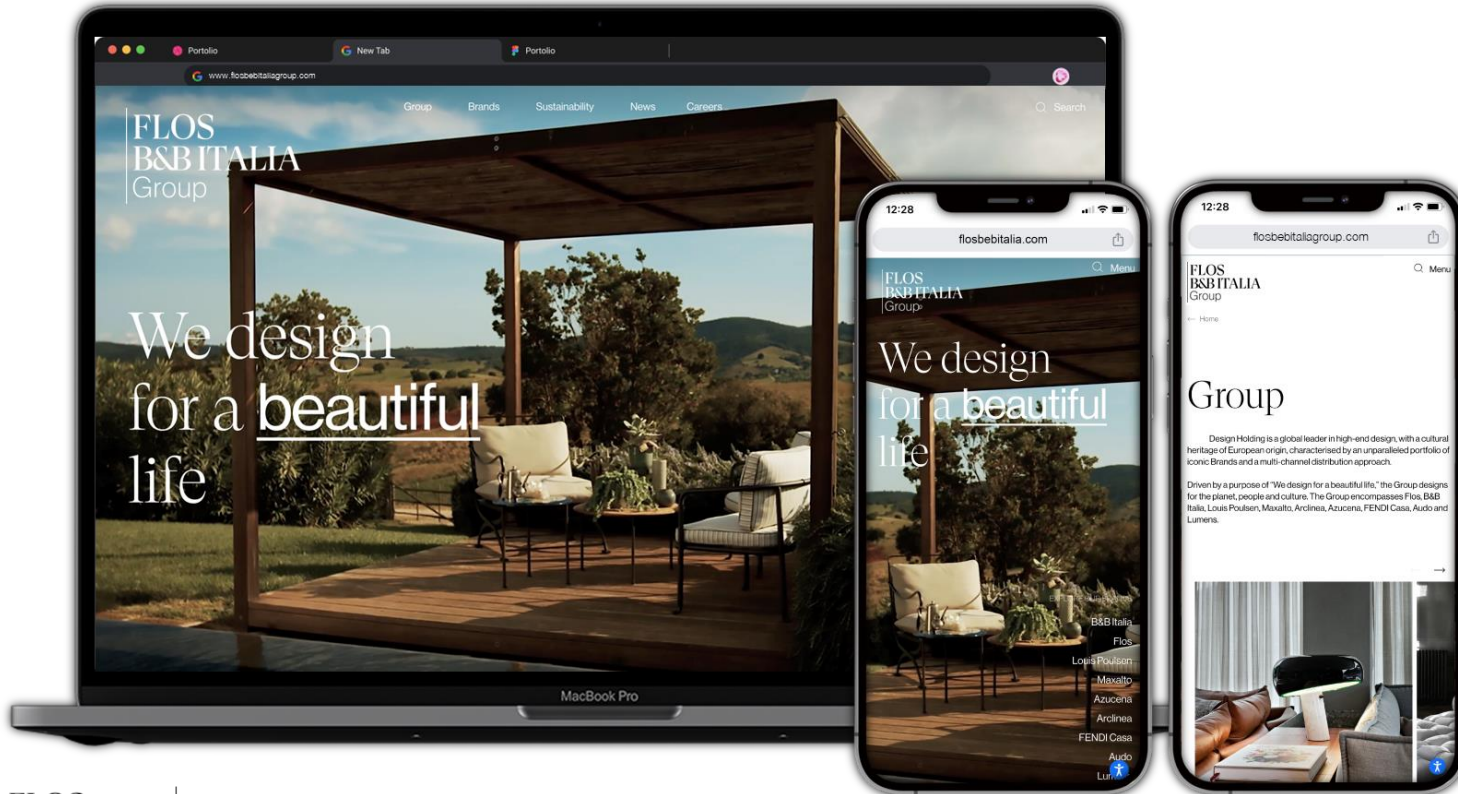
Fendi Casa - new 2024 collections @ Fendi Casa Store

Source: Company information

Design Holding rebrands as Flos B&B Italia Group

FLOS B&B ITALIA Group

Flos · B&B Italia · Louis Poulsen · Arclinea
Maxalto · Azucena · Fendi Casa · Audo · Lumens



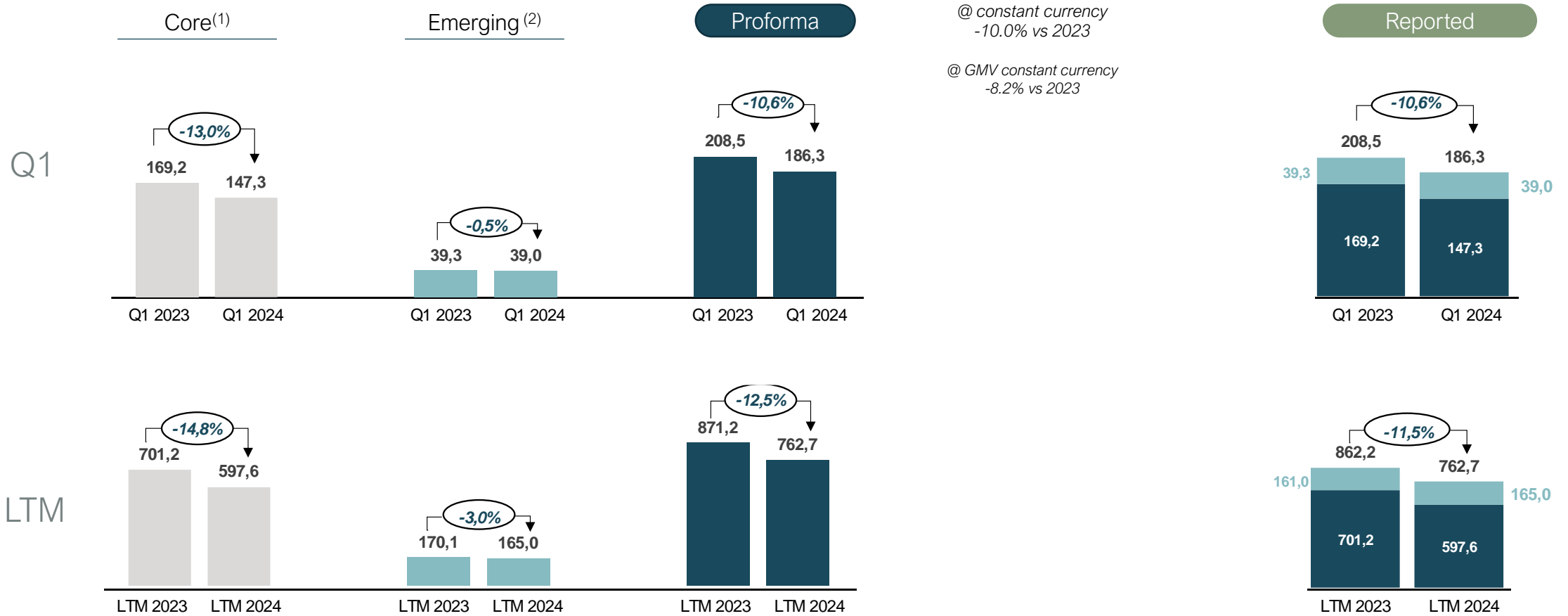
- Clarify and strengthen the Group’s identity within the luxury design industry.
- Anchor the corporate name with our most globally renowned and foundational brands
- “Group” highlights the unity and ongoing synergies among all our brands.
- As part of the group’s rebranding, International Design Group S.p.A. rebrands as Flos B&B Italia S.p.A.

Revenues and EBITDA

Revenues still impacted by weak H2 2023 order trend

Proforma and Reported

EUR \ MLN

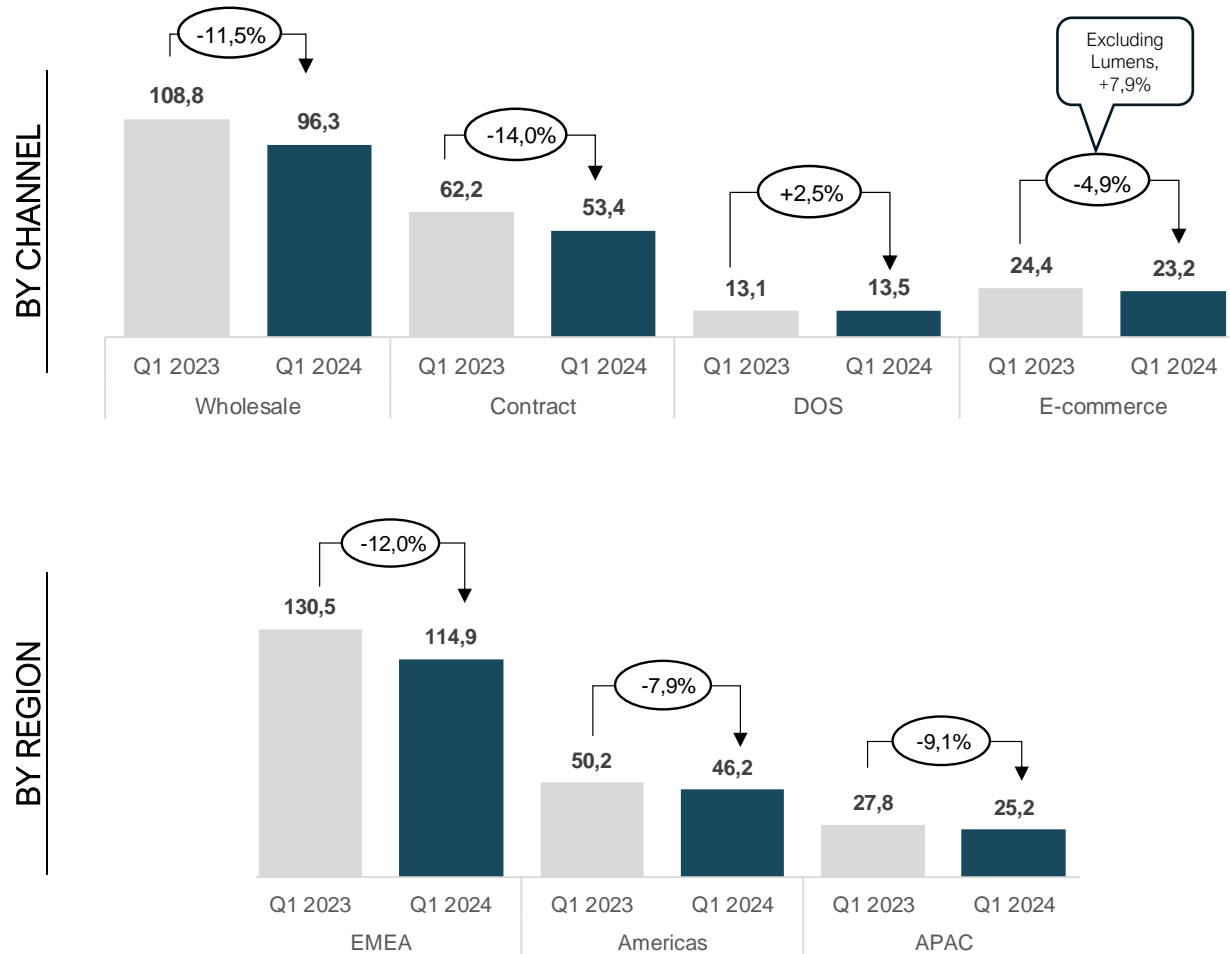
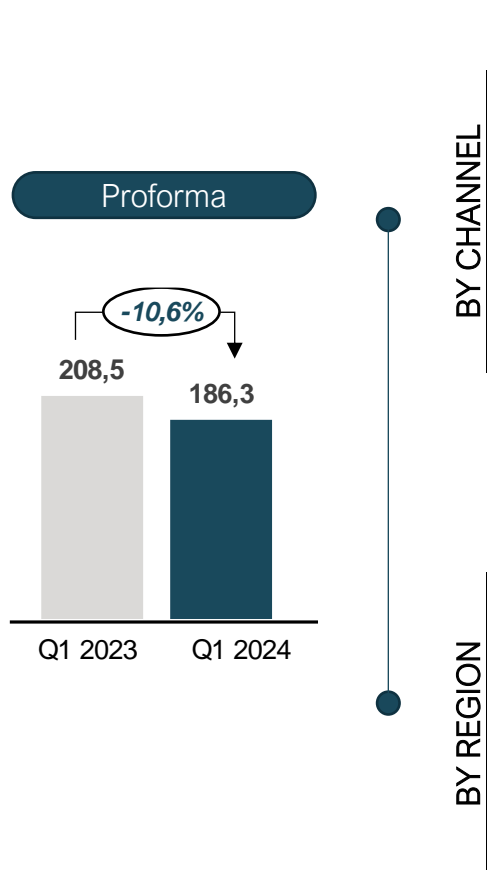


(1) **Core:** Core brand includes FLOS, Louis Poulsen and B&B Italia
 (2) **Emerging:** Emerging brand includes LUMENS (with dropship model: when LUMENS sell products under the dropship model, IFRS revenues are accounted net of related costs, as the company is acting as an agent), Fendi Casa and Audo

Sales contraction across geographies and channels, excluding DOS and E-commerce

2024 Q1 Proforma Revenues

EUR \ MLN



Key Comments

• **By channel:**

- E-commerce excluding Lumens above last year +7,9%. Lumens performance negatively impacted by exchange rates (Usd) and mix of drop shipping vs stock sales. At GMV in USD, Lumens +2,5% vs LY.
- DOS +2,5%, benefitting from the new openings and renovation/restyling of 2023.
- Wholesale and Contract still down vs the same quarter of last year due respectively soft order trend Q4 2023 and phasing of the projects.

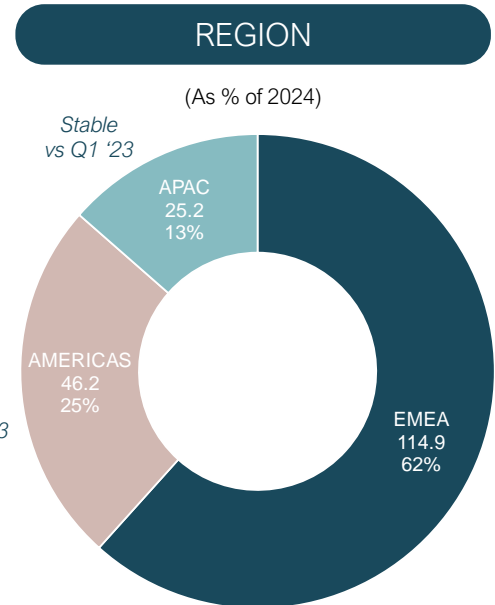
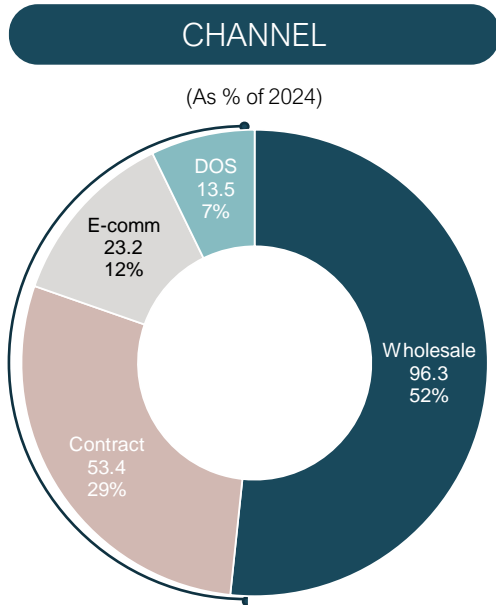
• **By region:**

- All Geo are contracting vs the same 3 months of last year.
- EMEA, driven by the Nordics and Italy. However, is worth nothing that a key regions like Middle East were up vs last year (+30%).
- APAC down 9,1% vs Q1 2023, however some regions, such as Japan, Korea, Hong Kong, Singapore, Vietnam, are growing vs LY, while China is down double digit.

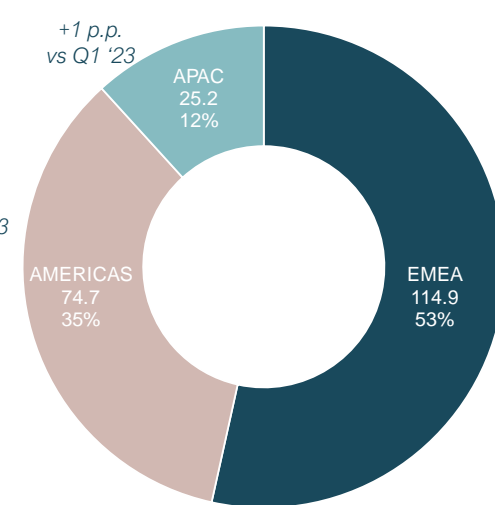
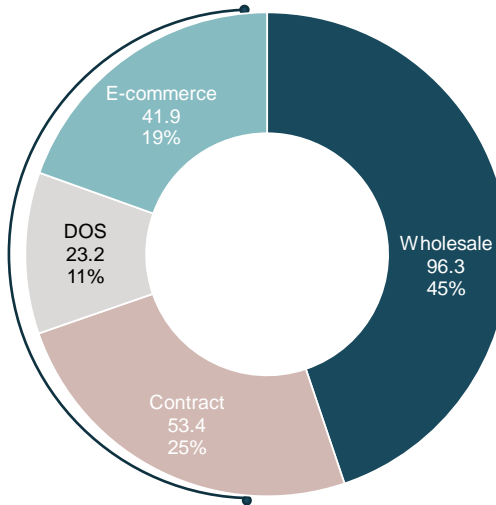
Mix vs 2023: Direct To Consumer accounts for ~48% of sales, stable vs Q1 2023

Proforma Revenues

PROFORMA
€ 186m



GMV
€ 215m



Source: Company information /
Note: Gross Merchandise Value (GMV).

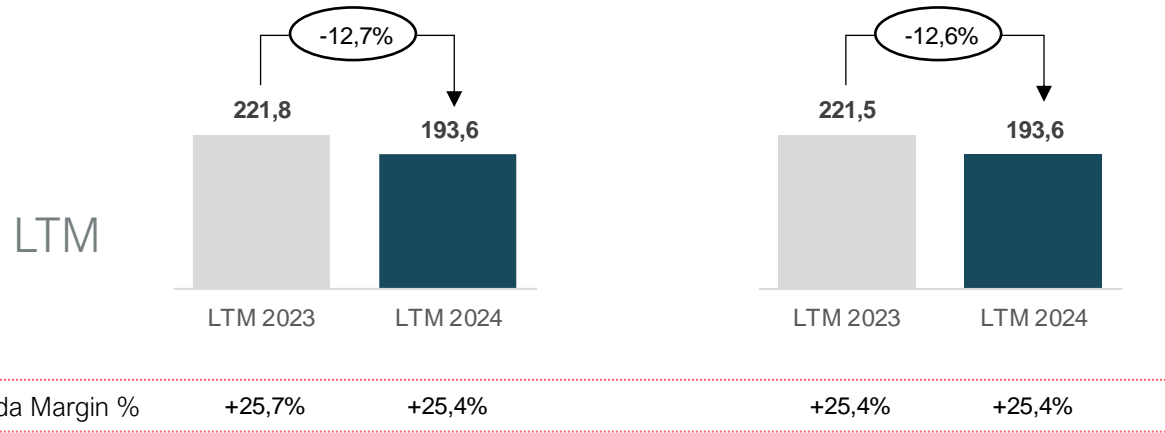
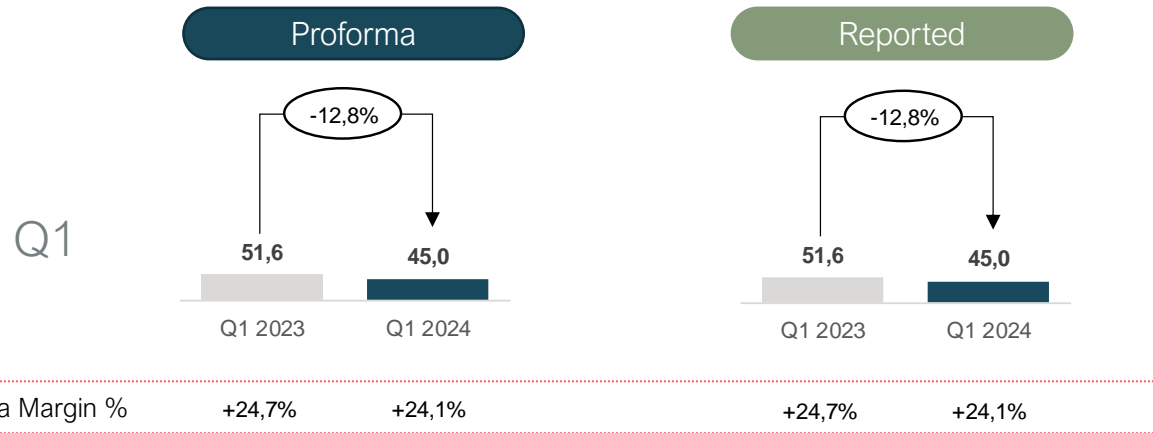
Gross merchandise value (GMV): Lumens revenues are reported as full sales, regardless it operated as a principal or an agent.

Ebitda margin 24,1% vs 24,7%, impacted by brand mix

Q1 EBITDA ⁽¹⁾

EUR \ MLN

Ebitda Margin %

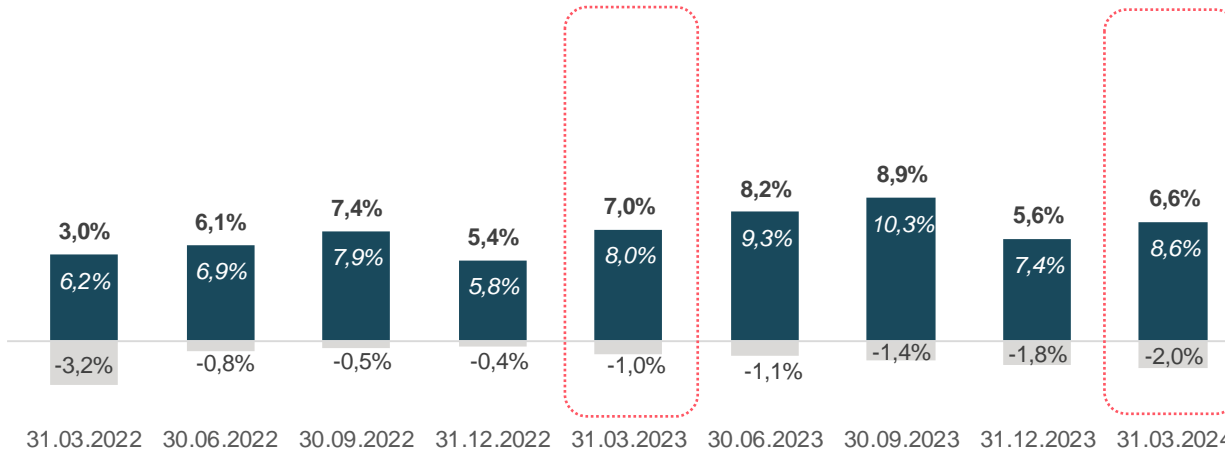


(1) EBITDA Adjusted is fully compliant with the application of IFRS 16 (differently from the past when the EBITDA included the leases costs)

Group working capital in line with 2023 performance

Reported

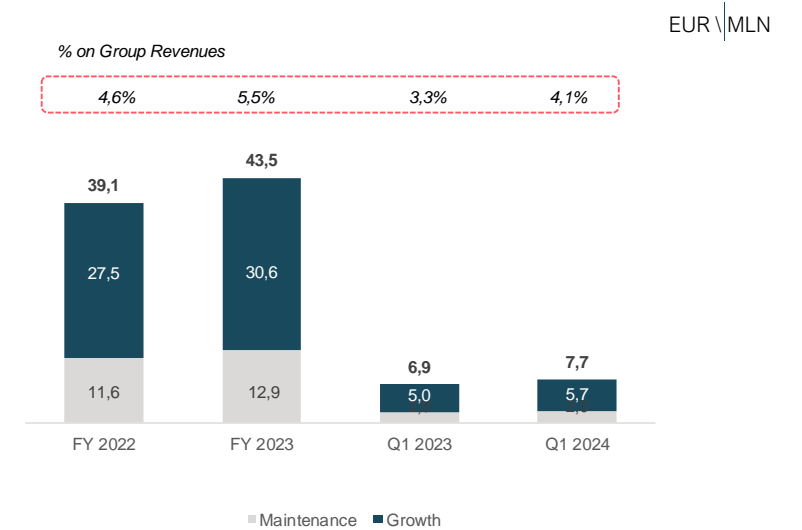
Group Working Capital on LTM Sales



Group Working capital

At the end of Q1 2024, the working capital absorption was 6,6% on the LTM revenues, broadly in line with March 2023.

Group Capital Expenditures



Group Capital Expenditures

Capex: Euro 7,7 million in the Q1 2024, 4,1% on LTM sales, in line with plans which have higher spending in H1 vs H2.

Investment on Q1 2024 still include investments started in H2 2023 for a few renovations/restyling and new opening of DOS stores in US, investments in the Group's factories (including moulds), IT&Digital and R&D.

Source: Company information

Strong operating cash flow, despite lower EBITDA

Group cash flow statement and leverage

EUR \ MLN

Group cash flow Statement

Reported

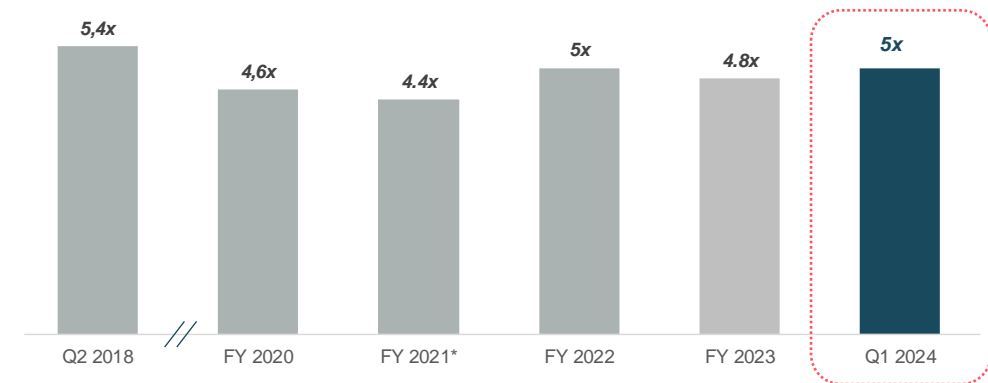
	March 31 2023	March 31 2024	
EBITDA adj.	51,6	45,0	
Capex payments	(6,7)	(7,8)	
Taxes (cash)	(3,0)	(1,6)	
Change in net working capital	(14,7)	(6,7)	1.
Change in other assets and liabilities	(9,9)	(6,0)	2.
Operating Cash Flow	17,3	23,0	
M&A	(39,3)	-	3.
Financial interest paid	(9,9)	(12,4)	4.
Payment lease liability	(4,8)	(3,6)	
Increase/(decrease) in financial payables	29,9	2,4	
Non recurring expenses, net	(5,7)	(5,4)	5.
Reversal amortized costs one-off for payment 1st bond		-	
Cash flow from financing activities	(29,8)	(18,9)	
Net change in cash	(12,5)	4,1	

Key Comments on Group cash flow and Leverage

Operating Cash flow: Euro 23 million in 2024, benefitted from lower tax paid, a lower absorption of working capital and lower contribution of the other assets and liabilities, as described below. The Capex expenditure is higher than Q1 2023, however it will reduce in the coming months.

- Change in Net working Capital:** the change is Euro 8 million better than Q1 2023; It is still negative due to the temporary increase of the trade receivables.
- Change in other assets and liabilities:** mainly refer to the currency translation of balance sheet items and other non-monetary items.
- M&A:** in Q1 2023 the first deferred price of Designers Company (AUDO) was paid for Euro 39 million.
- Financial interest paid:** the main part refers to the 2024 payments on bonds (Euro 10,8 million in total). This line includes as well the interest expenses on lease liabilities (IFRS16) and interests on the other loans, such as the RCF.

Leverage



Leverage: Total net debt on the LTM proforma Adjusted EBITDA.

- Non recurring expenses:** one-off costs and management fees; see details in the appendix

Leverage: Total net debt on the proforma Adjusted EBITDA at 5x compared 4.8x of FY 2023: the Group Net Financial Position on March 31, 2024 is Eur -968m vs Eur -960m at the end of 2023, increasing for the accrual of the interest on bonds.

Subsequent events: In May 2024 the Group paid approximately Euro 30.5 million as interests on bonds and thanks to the good cash generation of 2024, the RCF utilization reduced to Euro 13 million (Euro 21.5 million as at March 31, 2024).



Q&A

APPENDIX

Profit and Loss and Net financial position

Reported figures

EUR \ MLN

Reported

Profit and Loss reported

Profit and loss	2023	2024
Revenues	208,9	186,7
Operating expenses	(157,3)	(141,7)
Non-recurring costs and revenues	(5,7)	(5,4)
EBITDA reported	45,9	39,6
D&A of tang. and Intang. & RoU Depr.	(12,3)	(13,3)
Operating Result - EBIT reported	33,6	26,4
Financial income / Charges	(18,1)	(23,1)
Taxation	(5,2)	(5,1)
Net income / (loss) for the period	10,3	(1,8)

Revenues for the 3 months 2024 (186.7m) include:

- Eur 186.3m as revenues from contracts with customers
- Eur 0.4m as other revenues and income

For the Q1 2024 the **non recurring (costs)/revenues and management fees** are detailed as follows:

- (2.9)m Management Fees and others to parent company
- (1.7)m Severance, termination and recruiting one-off
- (0.3)m Group compliance enhancement project
- (0.2)m Start up and Ramp-up cost - Dos openings and new business
- (0.3)m other, such as Provisions (risks, Inventory, Trade rec.) and other extraordinary expenses

Reconciliation: Ebitda reported vs. Ebitda Adj

Profit and loss	2023	2024
EBITDA reported	45,9	39,6
Non-recurring impacting EBITDA	5,7	5,4
Adjusted EBITDA	51,6	45,0
Amortization depreciation and impairment	(12,3)	(13,3)
Non-recurring impacting EBIT	0,0	0,2
Operating result - ADJUSTED EBIT	39,3	32,0

Net Financial Position (NFP)

Net Financial Position	March 31 2024	December 31 2023
Cash and cash equivalents	(80.0)	(76.0)
Senior Secured Notes	895.0	895.0
RCF and Short-Term loan	38.0	35.6
Deferred Price on acquisition - short term	18.1	0.0
Deferred Price on acquisition - long term	1.2	19.3
Current and non-current lease liabilities	87.5	87.9
Total net debt	959.8	961.8
EBITDA LTM	193.6	200.2
Leverage	5.0x	4.8x

Leverage: Total net debt on the LTM proforma Adjusted EBITDA

Differently from the financial statements report this NFP does not include:
i) accrued interests on loans and the ii) the amortized costs.

The second (and last) deferred payment of AUDO was reclassified to short term (Eur 18 million), since it is due in January 2025.

IFRS Consolidated Statement of Financial Position

Q1 2024 Results

EUR \ MLN

Reported

Assets

	December 31 2023	March 31 2024
Cash and Short-Term deposits	75,952	80,034
Trade Receivable	79,113	87,544
Inventories	148,199	152,243
Tax current asset	17,139	15,791
Other current assets	11,329	14,476
Current Assets	331,732	350,089
Goodwill	1,307,172	1,309,405
Brands and other intangible assets	666,825	667,422
Property, plant and equipment	119,462	119,352
Right-of-use assets	77,495	76,185
Investments in joint ventures and associates	42,593	42,593
Deferred tax assets	27,753	28,021
Other non-current assets	8,782	9,574
Non-Current Assets	2,250,081	2,252,553
Assets held for disposal	2,011	2,011
Total Assets	2,583,824	2,604,653

Liabilities and Equity

	December 31 2023	March 31 2024
Share capital	5,102	5,102
Share premium reserve and other reserves	1,104,096	1,122,370
Profit/(loss) of the period	15,210	(1,740)
Group Shareholders' Equity	1,124,408	1,125,733
Minority shareholders' equity	2,963	1,829
Profit/(loss) of the period attributable to minority interests	(1,157)	(70)
Equity attributable to non-controlling interests	1,805	1,759
Total Equity	1,126,214	1,127,492
Current financial liabilities	43,455	73,929
Current lease liabilities	16,075	16,838
Trade payables	128,106	131,024
Advance from Customers	55,622	58,391
Current Tax liabilities	12,857	15,670
Other Current Liabilities	37,476	36,726
Current Liabilities	293,590	332,578
Non-current financial liabilities	904,243	886,971
Non-current lease liabilities	71,805	70,628
Defined benefit plans	6,554	6,397
Provisions for risks and charges	11,376	11,494
Deferred tax liabilities	164,336	164,084
Other non-current liabilities	5,707	5,010
Non-Current Liabilities	1,164,020	1,144,584
Total Liabilities	1,457,611	1,477,162
Liabilities and Shareholders' Equity	2,583,824	2,604,653