

Milan, November 6, 2023

## PRESS RELEASE

### LAUNCH OF AN OFFERING OF SENIOR SECURED FIXED RATE NOTES DUE 2028 BY INTERNATIONAL DESIGN GROUP S.P.A.

International Design Group S.p.A. (the “**Issuer**”), a joint stock company (*società per azioni*) incorporated under the laws of Italy, announced today that it intends to launch an offering (the “**Offering**”) of Senior Secured Fixed Rate Notes expected to mature in 2028 for an expected aggregate principal amount of €400.0 million (the “**Notes**”). In connection with the Offering, the Issuer also expects to increase the total commitments under the existing revolving credit facility (the “**Revolving Credit Facility**”) from €100.0 million to €140.0 million through an amendment and restatement agreement (the “**Revolving Credit Facility Upsize**”). As part of the Revolving Credit Facility Upsize, the Issuer expects the maturity of the Revolving Credit Facility to be extended to the earlier of (i) the date falling six months prior to the scheduled maturity date of the Notes and (ii) the date falling 54 months after the issue date of the Notes, subject to certain conditions.

The proceeds from the offering of the Notes are expected to be used, together with cash on the Issuer’s balance sheet, to (i) redeem the Issuer’s outstanding €400.0 million 6.5% senior secured notes due 2025 (the “**Existing Fixed Rate Notes**”) at par plus accrued and unpaid interest thereon, and (ii) pay fees and expenses incurred in connection with the above transactions.

The Issuer will determine and publish the final terms and conditions of the Notes at pricing, upon completion of the book building process.

The Issuer expects its existing €470.0 million Senior Secured Floating Rate Notes due 2026 (the “**Existing Floating Rate Notes**”) to remain outstanding following the Offering.

### CERTAIN ESTIMATED CURRENT TRADING DATA OF THE ISSUER AND CERTAIN INFORMATION ABOUT COST SAVING INITIATIVES

The Issuer provides below certain information regarding certain estimated financial results and key financial metrics of the Issuer and its subsidiaries on a consolidated basis (the “**Group**”) to the holders of the Existing Fixed Rate Notes and the Existing Floating Rate Notes. All references to “we”, “us”, or “our” below are to the Group.

#### *Current Trading for the Twelve Months Ending September 30, 2023*

*The preliminary indications set forth below are based on an initial review of our results of operations from our management accounts. Neither our independent auditors nor any other independent auditors have audited, reviewed, compiled or performed any procedures with respect to such preliminary unaudited financial information for the purpose of its inclusion herein or for any other purposes and, accordingly, neither our nor any other independent auditors have expressed an opinion or provided any form of assurance with respect thereto. Furthermore, the preliminary unaudited financial information below does not take into account any circumstances or events occurring after the period to which it refers. The preliminary unaudited information set forth below regarding our results for the periods indicated is based on management accounts and systems and in part on estimates. We believe the estimates underlying the financial information presented below may provide investors with a helpful indication of the development of our results of operations following June 30, 2023. However, our actual results for the third quarter of 2023 may differ materially from the trends and ranges included herein. The preliminary information set forth below should not be regarded as an indication, forecast, capsule financial information or representation regarding our financial results for the three months ending September 30, 2023 or for any other period. Moreover, the comparative information presented for the twelve months ended September 30, 2022, have been calculated on a pro forma basis to give effect to the acquisition of Designers Company (“**Audo**”), as if it had occurred on October 1, 2021. Such pro forma information has been prepared by*

*management for illustrative purposes only. The pro forma information included herein has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act (as defined below) or any generally accepted accounting standards, and does not purport to project the future financial results of operations of the combined entities. Neither our independent auditors nor any other independent auditors have audited, reviewed, compiled or performed any procedures with respect to such pro forma information for the purpose of its inclusion herein or for any other purposes and, accordingly, neither our independent auditors nor any other independent auditors have expressed an opinion or provided any form of assurance with respect thereto. You should therefore not place undue reliance on the preliminary information presented below. In addition, the revenue recognition and measurement criteria we utilize in our management accounts may be different from those we utilize in our statutory accounts. Therefore, sales and operating results from our management accounts are marginally different from revenues and operating results deriving from our statutory accounts and consolidated financial statements.*

As of the date hereof, we have not finalized trading results for the three months ending September 30, 2023. However, based on preliminary results derived from our unaudited management accounts and other information currently available to us, we estimate our sales from customers for the twelve months ending September 30, 2023 to be between €805 million and €815 million, compared to €841.3 million *pro forma* sales from customers for the twelve months ended September 30, 2022 (after giving *pro forma* effect to the acquisition of Audo, as if it had occurred on October 1, 2021). Notwithstanding the decrease in sales from customers, we estimate our EBITDA margin adjusted for the twelve months ended September 30, 2023 to be above 25%. The expected decrease in sales from customers was primarily driven by reduced volumes in our wholesale distribution channel, mainly due to uncertainty on the economic outlook as a result of the current adverse global macroeconomic environment, while we expect our direct-to-customer channels achieved single digit growth in sales from customers. In particular, in respect of our contract distribution channel we estimate our sales from customers for the twelve months ending September 30, 2023 increased by approximately 9% from €231.2 million *pro forma* sales from customers for the twelve months ended September 30, 2022. Our strong focus on and timely implementation of cost containment measures enabled us to mitigate the estimated decrease in sales from customers for the twelve months ended September 30, 2023 and achieve an estimated higher EBITDA margin adjusted as compared to the corresponding period of 2022.

#### ***Estimated Impact from New Procurement Cost Saving Initiatives under Implementation***

We have identified a number of procurement optimization opportunities across both direct and indirect procurement categories, which we currently expect will deliver run-rate annual cost savings for an aggregate estimated amount of €17.8 million in the next three to four years, with approximately 43% of these savings estimated to be achieved by 2024 (€1.4 million in 2023 and €6.2 million in 2024) and the remainder in 2025 (€6.6 million) and 2026 (€3.6 million). We expect to incur one-off costs in order to achieve these cost savings of approximately €3 million between 2023 and the first half of 2024 related to the fees charged by the external consultant we have engaged in connection with the implementation of these procurement optimization initiatives.

In the case of direct procurement, the identified initiatives relate to the procurement of semi-finished and finished products and raw materials. We currently estimate that our cost savings and efficiency initiatives in the direct procurement category have the potential of delivering €9.4 million of run-rate annual cost savings in the next three to four years.

In the case of indirect procurement, the identified initiatives relate to logistics and facility management, marketing and sales, professional services, information technology and communication, packaging and other indirect categories. In addition, we launched the optimization of our insurance coverage by way of coordinated policy management and alignment of risk management across our brands. We currently estimate that our cost savings and efficiency initiatives in the indirect procurement category have the potential of delivering €8.4 million of run-rate annual cost savings in the next three to four years.

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*This press release constitutes a public disclosure of inside information by International Design Group S.p.A. under Regulation (EU) 596/2014, as subsequently amended, and any relevant implementing rules and regulations.*

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#### **Cautionary Statements**

There can be no assurance that the Offering will be completed or, if completed, as to the terms on which it will be completed.

This press release is for information purposes only and does not constitute any offer to sell or the solicitation of an offer to buy any security in the United States or in any other jurisdiction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or applicable state or foreign securities laws and may not be offered or sold in the United States without registration under federal or applicable state securities laws or an applicable exemption from such registration requirements. The Notes will be offered (a) in the United States to “qualified institutional buyers” as defined in Rule 144A under the Securities Act and (b) outside the United States to persons who are not U.S. persons (i) in an offshore transaction in accordance with Regulation S under the Securities Act, (ii) if resident in a Member State of the European Economic Area, to “qualified investors” within the meaning of Article 2(e) of Regulation 2017/1129/EU and amendments thereto (the “**Prospectus Regulation**”) and any relevant implementing measure in each Member State of the European Economic Area and (iii) if a resident of the United Kingdom, to “qualified investor” within the meaning of Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”).

This press release does not constitute an offer to the public in Italy of financial products, as defined under Article 1, paragraph 1, letter (t) of legislative decree of February 24, 1998, no. 58, as amended. The Notes cannot be offered, sold or delivered, directly or indirectly, in Italy either on the primary or on the secondary market to any natural persons nor to entities other than qualified investors (*investitori qualificati*) as referred to in Article 2, paragraph (e), of the Prospectus Regulation or unless in any circumstances which are exempt from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and the implementing regulations issued by the *Commissione Nazionale per le Società e la Borsa*, the Italian securities and financial markets regulator (“**CONSOB**”), including Article 34-ter, paragraph 1, of CONSOB Regulation no. 11971 of May 14, 1999, as amended, and the applicable Italian laws and regulations.

This press release is for informational purposes only and does not constitute and shall not, in any circumstances, constitute a public offering or an invitation to the public in connection with any offer within the meaning of the Prospectus Regulation. The Offering will be made pursuant to an exemption under the Prospectus Regulation and the UK Prospectus Regulation, as implemented in Member States of the European Economic Area and the United Kingdom, respectively, from the requirement to produce a prospectus for offers of securities.

This press release is only being distributed to, and is only directed at, persons in the United Kingdom that (i) are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). This press release is directed only at Relevant Persons and must not be acted on or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The offering memorandum prepared in connection with the Offering has not been and will not be approved by the U.S. Securities and Exchange Commission, CONSOB, the Financial Conduct Authority or any other competent authority.

A notice of conditional redemption is expected to be delivered on today’s date to each holder of the Existing Fixed Rate Notes via Euroclear Bank SA/NV and Clearstream Banking, S.A. This press release does not constitute a conditional notice of redemption in respect of the Existing Fixed Rate Notes. Holders of the Existing Fixed Rate Notes are therefore urged to refer to the notice of redemption (once available) for more information regarding the redemption price, record date and redemption date.

### **Information to Distributors**

Manufacturer target market (MIFID II product governance; UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or the United Kingdom, respectively.

### **Forward Looking Statements**

This press release may include forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Group’s future financial position

and results of operations, their strategies, plans, objectives, goals and targets, future developments in the markets in which the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Group operates or intends to operate. In some cases, you can identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “potential”, “predict”, “projected”, “should” or “will” or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions. Our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this press release. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industries in which we operate, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

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### **Design Holding**

Design Holding is a global leader in high-end design with a cultural heritage of European origin, characterized by multi-channel distribution and diversified product categories. Guided by the purpose ‘We design for a beautiful life’, the Group designs for the planet, people, and culture. The Group includes Flos, B&B Italia, Louis Poulsen, Maxalto, Arclinea, Azucena, FENDI Casa, Audo and Lumens. Design Holding’s catalogue features iconic objects designed by world-famous designers such as Achille and Pier Giacomo Castiglioni, Tobia Scarpa, Luigi Caccia Dominioni, Poul Henningsen, Arne Jacobsen, Flemming Lassen, Ib Kofod-Larsen, Antonio Citterio, Gaetano Pesce, Philippe Starck, Piero Lissoni, Konstantin Grcic, Jasper Morrison, Patricia Urquiola, Michael Anastassiades and many others. Design Holding is jointly owned by the global investment firms Investindustrial and Carlyle.

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