International Design Group

FY & Q4 2022 Results

4 April 2023

14.00 CET (13:00 UK)



Design Holding | International Design Group

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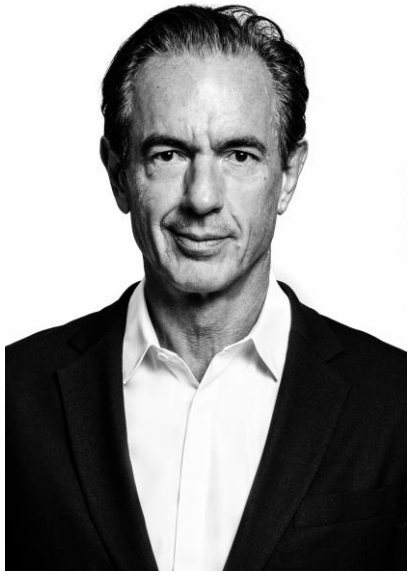
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This document contains information that prior to its disclosure may have constituted inside information under Regulation (EU) 596/2014 (16 April 2014) on market abuse.

Presenters today



Daniel Lalonde

CEO of Design Holding

Design Holding | B&B Italia | Flos | Louis Poulsen | Fendi Casa | Maxalto Arclinea | Azucena | Lumens | Menu | by Lassen



Alessandro Poletto

CFO of Design Holding

Design Holding | B&B Italia | Flos | Louis Poulsen | Fendi Casa | Maxalto Arclinea | Azucena | Lumens | Menu | by Lassen

FY 2022 a record year delivering solid growth

Proforma(1) Financial Results

REVENUES(2)

€ 867.6 m

+15.7% vs 2021

(+24.6% vs 2019)

@ constant currency
+13.2% vs 2021

EBITDA adj(3)

€ 219.3 m

+7.5% vs 2021

(+41.3% vs 2019)

EBITDA margin 25.3%

EBIT adj(3)

€ 172.3 m

+7.5% vs 2021

(+52.1% vs 2019)

EBIT margin 19.9%

Cash conversion (4)
€ 162.2 m
82% on EBITDA adj.

Leverage(5)
4.4x
as of December 31, 2022

(1) H1 2022 proforma figures, prepared under IFRS Gaap, include LUMENS (YDesign Group) and Designers Company in both periods, despite the company's acquisition periods (YDesing Group at June 1, 2021; Designers Company at May 24, 2022).
(2) Revenues include only «revenues from contracts with customers»
(3) 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)
(4) Cash conversion: EBITDA adj pre IFRS16 – Capex paid in the period
(5) Leverage increased essentially for the cash used and deferred prices already recognized in the acquisition of Designers Company (May 24, 2022)

Strong product innovation across new designs and timeless icons' relaunches

- More than 90 new products families and product-line extentions

- New fashion collabs and special editions:

  - Le Bambole Stella McCartney / B&B Italia
  - Arco K / Flos
  - PH Pale Rose / Louis Poulsen

NEW PRODUCTS







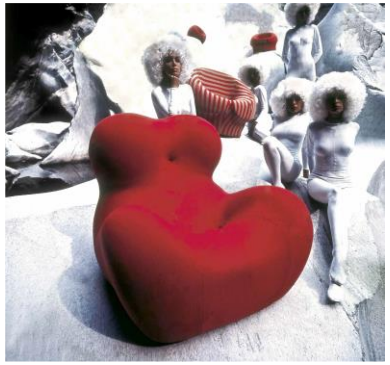
LIMITED EDITION/FASHION COLLABS



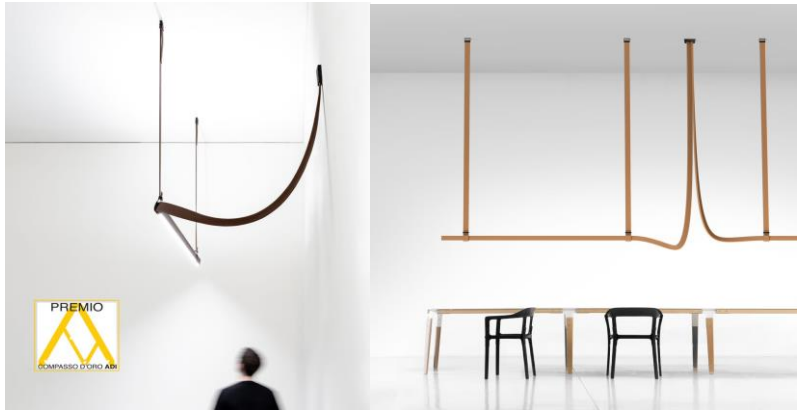



Our brands achieve many International design awards

Compasso d'Oro ADI Award 2022



B&B Italia won with a Product Career Award 2022 for the SERIE UP designed by Gaetano Pesce.



The international jury awarded Belt by Ronan & Erwan Bouroullec as "an original lighting system composed of leather and leds, with a fascinating environmental dimension".

Design Awards about sustainability



Oplight by Jasper Morrison, Flos

GREEN GOOD DESIGN AWARD 2020



Borea by Piero Lissoni, B&B Italia



Camaleonda by Mario Bellini, B&B Italia



PH Retake wins Scandinavian Design Award

Other awards

More than 15 awards in 2021-2022



Strong Brand-building across different touchpoints with a focus on digital activations

















Le Bambole Stella McCartney - B&B Italia In store Campaign
Le Bambole B&B Italia - Digital & Print Campaign
Innovators Council Lumens – Physical event in LA
Bellhop Special Edition Flos – Ecommerce Campaign
PH Pale Rose Louis Poulsen – Digital & Social Campaign





New openings 2022: two Fendi Casa Stores in Milan and Miami, contributing to 19 Dos worldwide

Fendi Casa
New Flagship Store Piazza La Scala in Milan



- The boutique, which covers a total area of around 700 square metres, features 13 large windows overlooking the street, in the heart of the city in Piazza della Scala.

Fendi Casa
New Flagship Store in Miami



- The boutique in Miami spans 590 square metres, in the heart of the Miami Design District.

Strong acceleration in the development of wholesale “Branded spaces”

MONOBRAND

121

+43 vs 2021



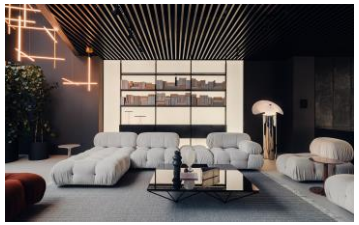
B&B Italia Wenzhou (China)



B&B Italia Nicosia (Cipro)



Louis Poulsen Taichung (Taiwan)



B&B Italia Warsaw (Poland)



B&B Italia Doha (Qatar)

SIS

~750

+67 vs 2021



Arclinea (Prague)



Flos Design Space Western Austria



Flos Design Studio Beirut (Lebanon)



B&B Italia Seoul (Korea)

Prestigious projects in high-end Contract business and a healthy project pipeline

HOSPITALITY



B&B Italia for Bvlgari Hotel & Resorts/ Paris design by Antonio Citterio Patricia Viel (ACPV)



B&B Italia – South Bank – Turks & Caicos

HIGH END RESIDENTIAL PROJECTS



Arclinea for La Bella Vita, Taichung, Taiwan design by Antonio Citterio Patricia Viel (ACPV)

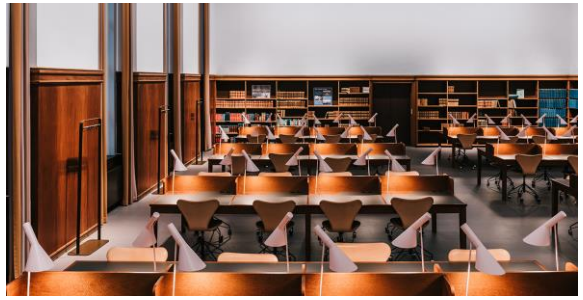


B&B Italia for Casa Bella Residences Miami, design by Piero Lissoni

PUBLIC SPACES



Flos Bespoke for M+ Museum, Hong Kong design by Herzog & de Meuron



Louis Poulsen for Royal Library, Copenhagen, Denmark

RETAIL



Rolex Stores



Versace Stores

Design Holding continues its ESG journey with a strong focus on the development of products designed according to circular economy principles

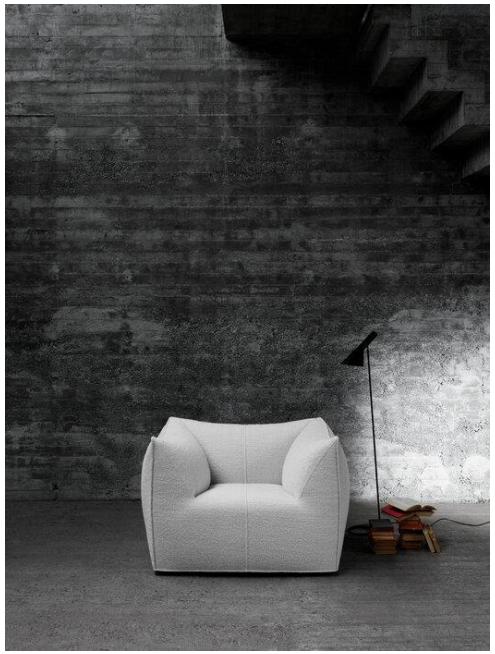
- Best selling products launched in 2022 are sustainable products
- The Group is carbon neutral on own operations since 2021
- Electricity Consumption via Renewable Electricity from 37% (2021) to 67% (2022)



Skynest by Marcel Wanders. FLOS



Almendra by Patricia Urquiola . FLOS



Le Bambole by Mario Bellini. B&B Italia



Cordoba by Foster & Partners. B&B Italia Outdoor



Nooch by Piero Lissoni. B&B Italia Outdoor

M&A – Designers Company acquisition strengthens our positioning in the Nordic design space

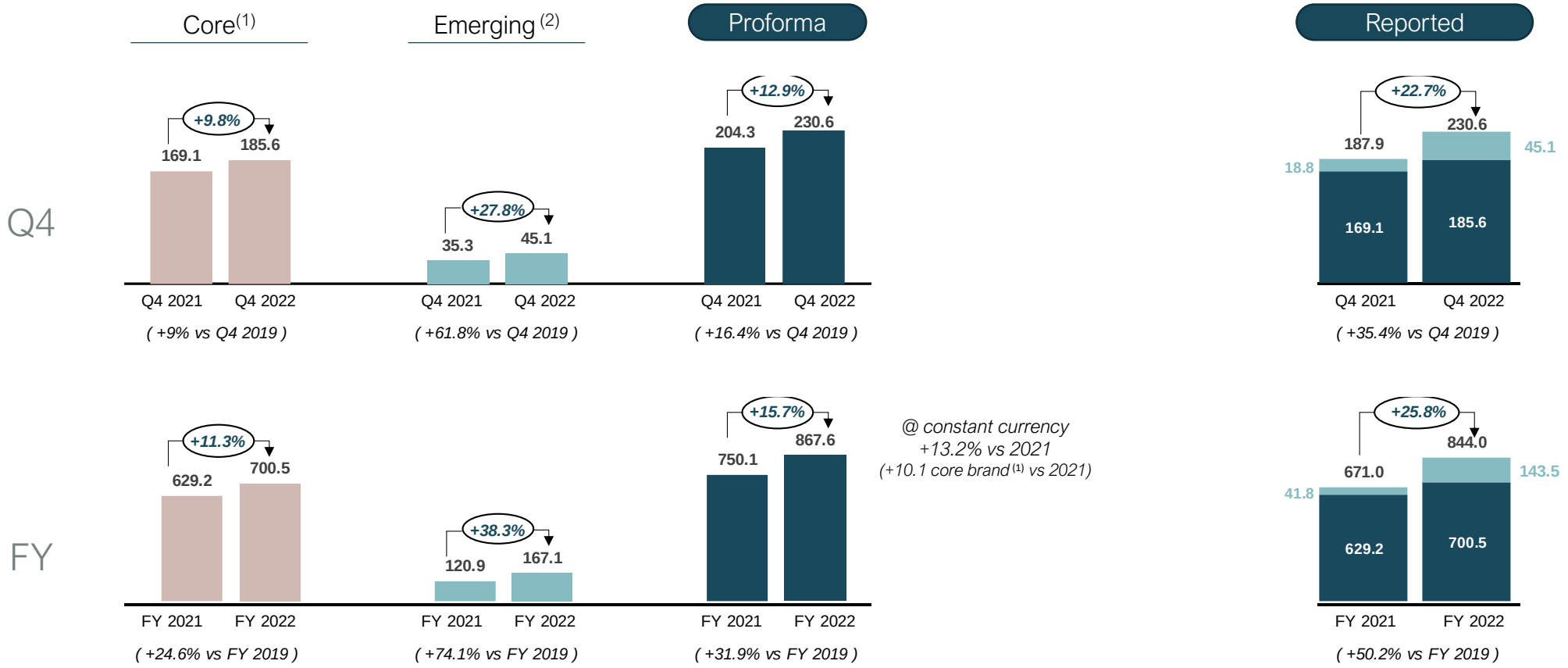
In May 2022, Design Holding acquired Designers Company, the Danish group including complementary brands such as Menu and by Lassen



Delivering on strategy: strong growth in revenues

Revenues Proforma and Reported

EUR \ MLN



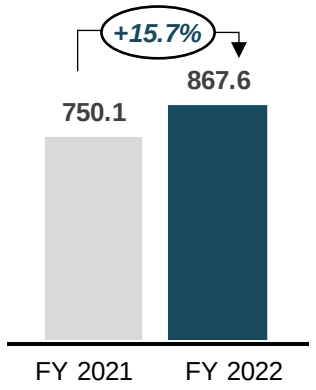
(1) Core: Core brand includes Flos, Louis Poulsen and B&B Italia
(2) Emerging: Emerging brand includes Lumens (with dropship model: when LUMENS sell products under the dropship model, IFRS revenues are accounted net of related costs, as the company is acting as an agent), Fendi Casa and Designers Company

Delivery on strategy: Direct to Consumer channel, USA and Apac boosting growth

FY 2022 Proforma Revenues

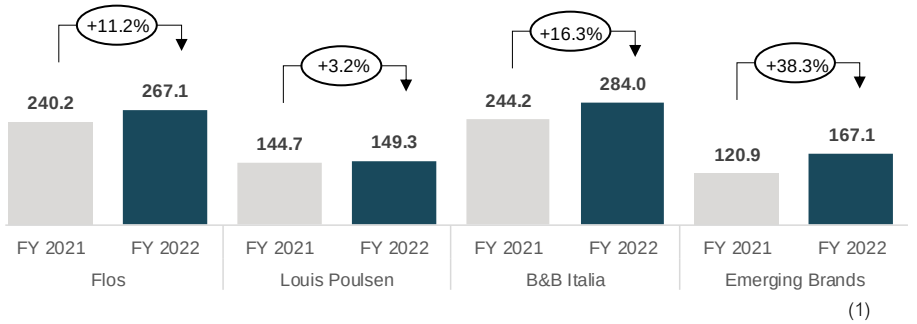
EUR \ MLN

Proforma



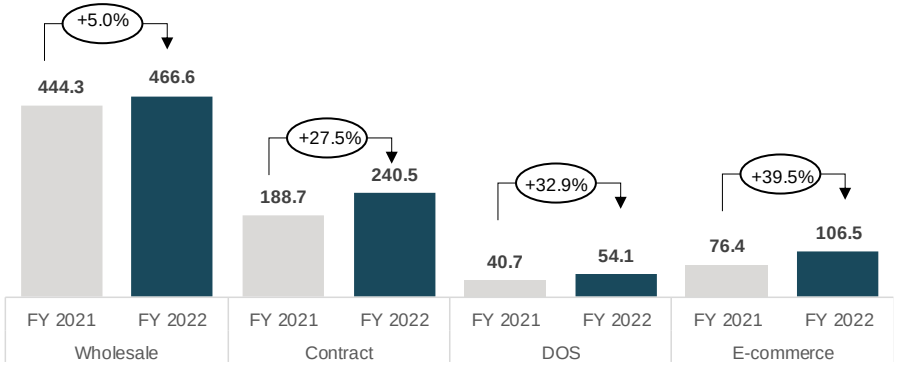
(+31.9% vs FY 2019)

BY BRAND

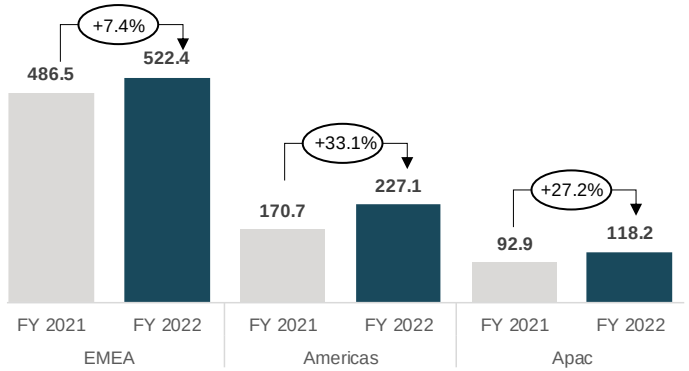


(1)

BY CHANNEL



BY REGION



Key Comments

- **By brand**:
  - All Brands growing double digit except Louis Poulsen due to higher exposure to weaker Nordics market.
- **By channel**:
  - All channels are reporting good progress, with an acceleration of Direct-to-Customer (Contract, DOS, Ecommerce) as a result of the implementation of our distribution strategy
- **By region**:
  - Good results in all regions, with Americas and APAC leading the growth

(1) Emerging Brands 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 Designers Company.
Greater China: China, Hong Kong, Macau, Taiwan

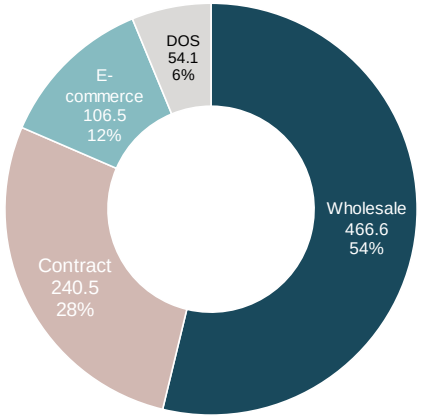
Mix vs 2021: Direct To Consumer +5 p.p., Americas +3.2 p.p. and Apac +1.1 p.p.

Proforma Revenues

CHANNEL

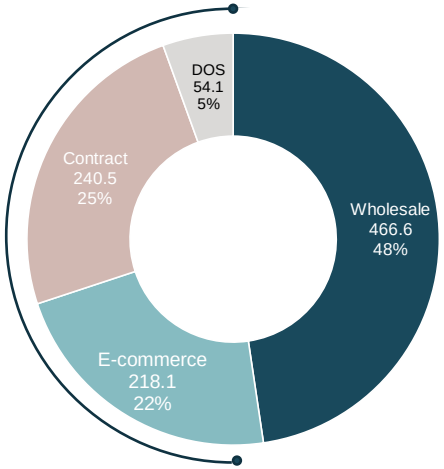
(As % of 2022)

PROFORMA
€ 867m



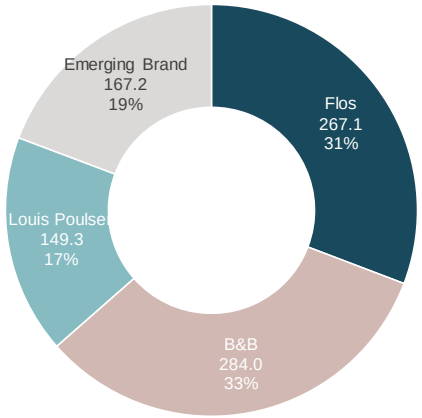
GMV
€ 978.5m

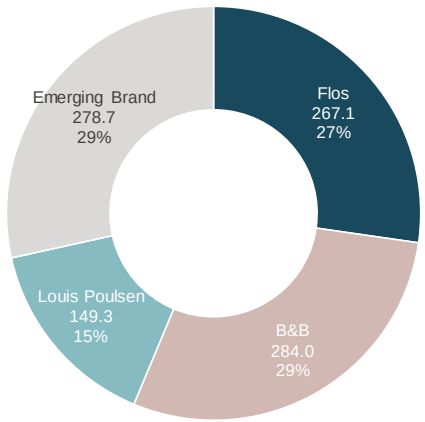
DTC
+ 5 p.p.
vs LY



BRAND

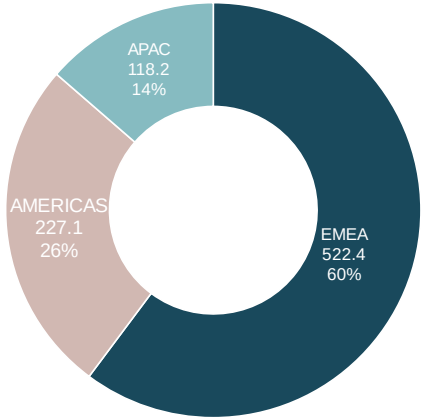
(As % of 2022)





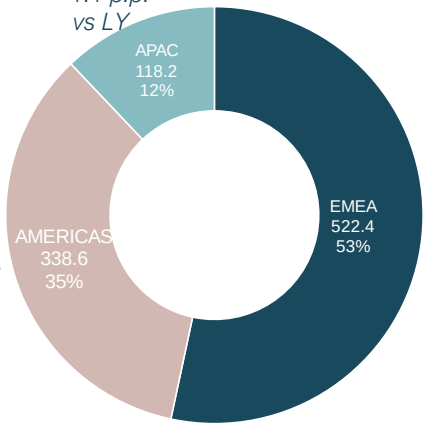
REGION

(As % of 2022)



+ 1.1 p.p.
vs LY

+ 3.2 p.p.
vs LY



Design Holding | International Design Group

Source: Company information / Note: Gross Merchandise Value (GMV)
Emerging Brands includes Lumens, Fendi Casa and Designers Company

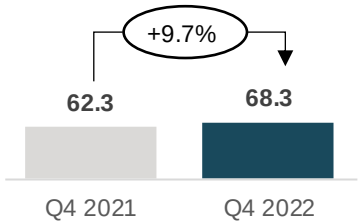
Confirmed industry leading profitability
EBITDA (1) adjusted Proforma and Reported

EUR \ MLN

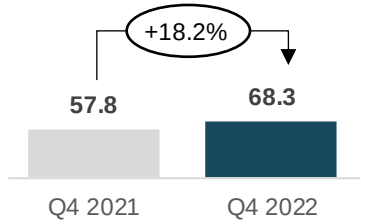
Ebitda Margin %

Q4

Proforma



Reported

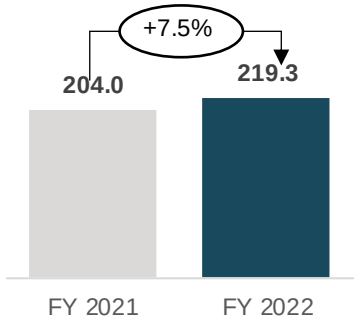


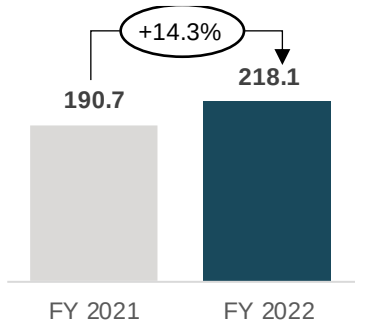
Ebitda Margin %	+30.5%	+29.6%	+30.8%	+29.6%

(+27.1% vs Q4 2019)

(+38.7% vs Q4 2019)

FY





Ebitda Margin %	+27.2%	+25.3%	+28.4%	+25.8%

(+41.3% vs FY 2019)

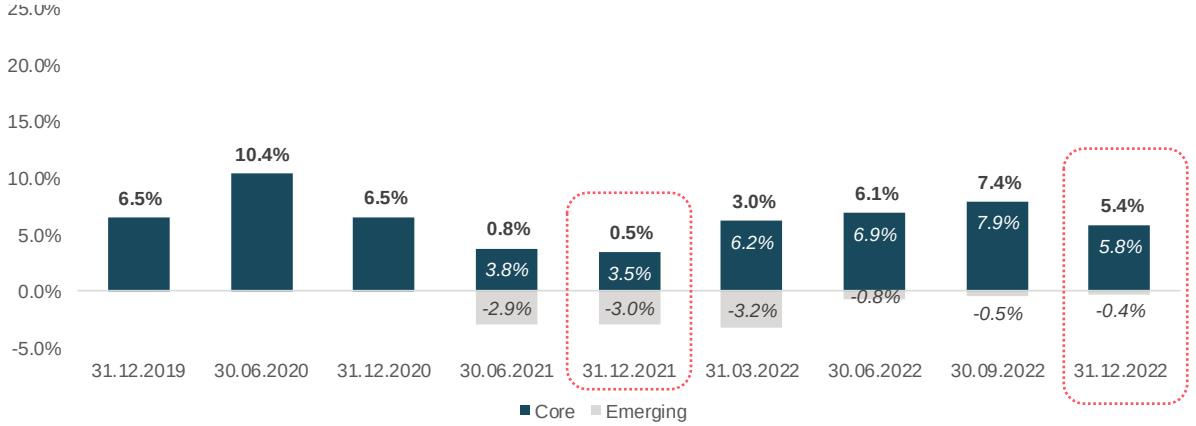
(+54.1% vs FY 2019)

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

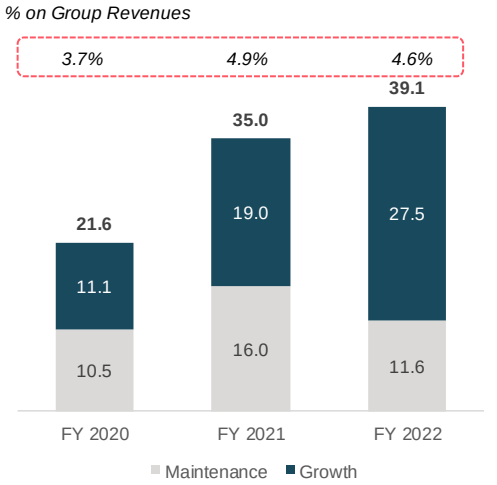
Group working capital and Capital expenditures

EUR \ MLN

Group Working Capital on LTM Sales (reported)



Group Capital Expenditures (reported)



Key Comments

- **Group Working capital**
  - Working capital absorption lowering in the quarter to 5.4% of LTM revenues due to improvement in global supply chains that are allowing us to lower safety stock needs.
- **Group Capital expenditures**
  - Capex on Sales in 2022 is improving to 4.6%, broadly in line with the historical capex average of the Group even though we invested in several physical and digital initiatives that are boosting the direct to consumer channels, new Group Ecommerce platform, IT and Digital backbone and Fendi Casa Dos.

Source: Company information

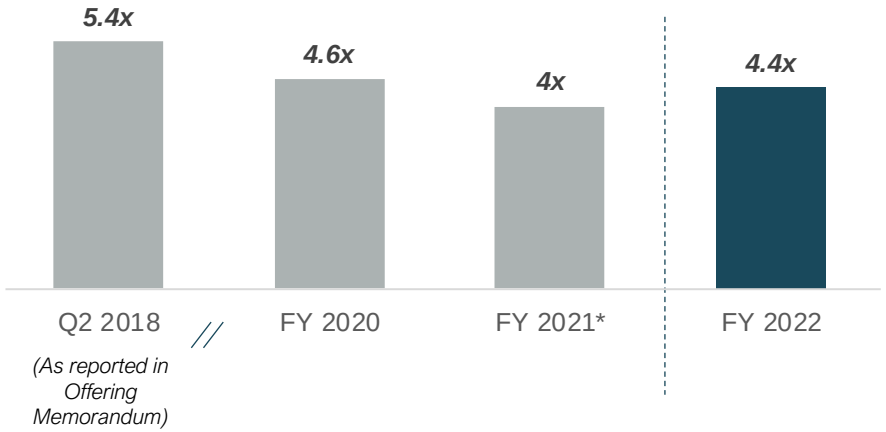
Group cash flow statement and leverage

EUR \ MLN

Group cash flow Statement (reported)

	December 31 2022	December 31 2021
EBITDA adj.	**218.1**	**190.7**
Capex payments	(36.2)	(34.6)
Taxes (cash)	(27.5)	(11.8)
Change in net working capital	(25.6)	12.6
Change in other assets and liabilities	0.7	(17.1)
Operating Cash Flow	**129.5**	**139.8**
M&A	(74.4)	(131.3)
Acquisition of non-current financial assets	-	(7.5)
Financial interest paid	(54.8)	(50.4)
(Increase)/decrease of financial receivables	-	6.1
Payment of principal portion of lease liability	(16.1)	(9.7)
Increase/(decrease) in financial payables	(1.3)	136.4
Non recurring expenses, net	(37.8)	(29.3)
Dividends paid to minority interests	(1.2)	(2.3)
Cash flow from financing activities	**(185.7)**	**(88.0)**
Net change in cash	**(56.2)**	**51.8**

Leverage



On May 19, 2021, in order to finance the YDesign acquisition (LUMENS), the Group issued a Senior Secured Floating Rate Notes of Euro 470 million, listed on the Official List of the Luxembourg and repayable at maturity in 2026 and, at the same time, paid back the Euro 320 million outstanding Senior Secured floating rate notes.

Key Comments

- **Operating Cash flow**: improvement in Q4 2022 reaching Euro 129.5 m and close to 2021 level. The lower performance in the 12 months 2022 is due to higher taxes and NWC
- **Leverage**: The leverage is increasing to 4.4x due to Designers Company's acquisition that had an impact on available cash and financial liabilities

Source: Company information
Leverage calculated excluding the lease liabilities (current and non current) and using and EBITDA that includes the lease charges (the old method applied until December 31, 2021), the Leverage at Dec 31, 2021 would have been equal to 3.9x, not far from the new method (4.0x).

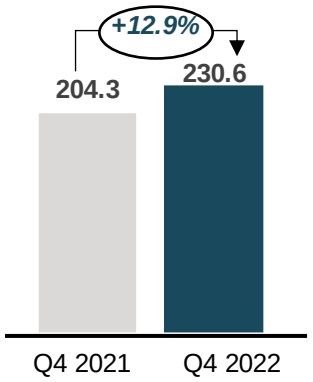
Q&A

APPENDIX

Q4 2022
Proforma Revenues

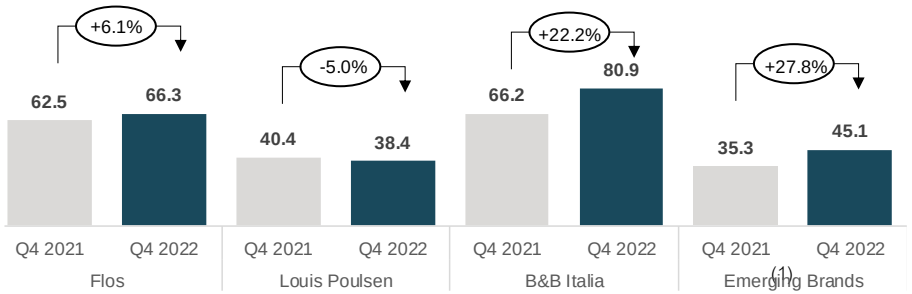
EUR \ MLN

Proforma

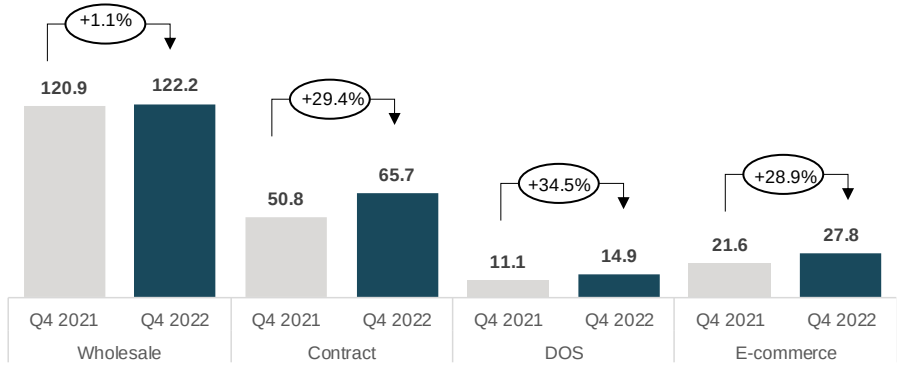


(+16.4% vs Q4 2019)

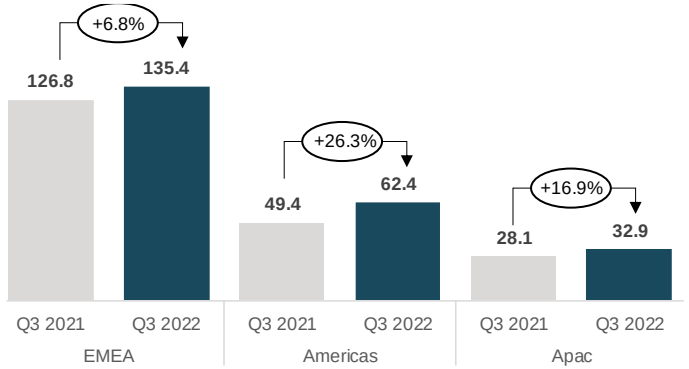
BY BRAND



BY CHANNEL



BY REGION



Key Comments

- **By brand**:
  - All Brands growing except Louis Poulsen due to higher exposure to weaker Nordics market.
- **By channel**:
  - Acceleration of Direct-to-Customer (Contract, DOS, Ecommerce) as a result of the implementation of our distribution strategy. Wholesale soft growth linked to some geographies and selected distribution (Monobrand and Shop in Shop increased vs Multibrand)
- **By region**:
  - Good results in all regions, with Americas and APAC leading the growth

(1) Emerging Brands 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 Designers Company
Greater China: China, Hong Kong, Macau, Taiwan

Profit and Loss and Net financial position

EUR \ MLN

Revenues for the 12 months 2022 include:
- Eur 844m as revenues from contracts with customers
- Eur 3.8m. as other revenues and income

Profit and Loss reported

Profit and loss	FY 2022	FY 2021
Revenues	**847.8**	**676.1**
Operating expenses	(629.8)	(485.4)
Non-recurring costs and revenues	(37.8)	(29.3)
EBITDA reported	**180.3**	**161.4**
D&A of tang. and Intang. & RoU Depr.	(45.2)	(37.8)
Operating Result - EBIT reported	**135.1**	**123.5**
Financial income / Charges	(61.1)	(66.0)
Taxation	(26.2)	(26.6)
Net income / (loss) for the period	**47.8**	**30.9**

Reconciliation: Ebitda reported vs. Ebitda Adj

Profit and loss	FY 2022	FY 2021
EBITDA reported	**180.3**	**161.4**
Non-recurring income and charges	37.8	29.3
EBITDA	**218.1**	**190.7**
D&A of tang. and Intang. & RoU Depr.	(45.2)	(37.8)
Operating result - EBIT	**172.8**	**152.9**

Non recurring costs and revenues 2022:
- Management fees and other to DH: 9.3m.
- Group compliance enhancement project: 4.8m.
- Gross Margin normalization of Designers Company: 3.2 m.
- Rebranding Lumens: 1m.
- Severance, termination and recruiting one-off: 5.3m.
- Transaction costs on M&A: 2.8m.
- Start-up and rump-up costs (DOS opening and new business): 8m.
- Reversal of PPA on inventory: 1.4m.
- Provision for risk and charges: 0.9m.
- - Other 1.2m.

Net Financial Position (NFP)

Net Financial Position	December 31 2022	December 31 2021
Cash and cash equivalents	(88.3)	(144.5)
Senior Secured Notes	870.0	870.0
RCF and Short-Term loan	33.4	3.2
Deferred Price on acquisition - short term	40.7	0.0
Deferred Price on acquisition - long term	18.2	0.0
Other financial liabilities non-current	0.0	2.1
Current and non-current lease liabilities	91.1	69.6
Total net debt	**965.0**	**800.3**
EBITDA LTM	*219.3*	*194.6*
Synergies		*6.4*
Group synergized EBITDA	**219.3**	**201.0 ***
Leverage	**4.4x**	**4.0x**

*Group synergized EBITDA 2021 excludes Designers company acquired in 2022

This NFP does not include accrued interest on loans and amortized costs

IFRS Consolidated Statement of Financial Position

EUR \ MLN

Assets

	December 31 2022	December 31 2021
Cash and Short-Term deposits	88,328	144,524
Trade Receivable	86,961	68,298
Inventories	160,605	122,215
Tax current asset	14,245	11,656
Other current assets	13,088	14,542
Current Assets	**363,227**	**361,234**
Goodwill	1,312,315	1,176,064
Brands and other intangible assets	669,853	647,783
Property, plant and equipment	117,638	114,645
Right-of-use assets	81,683	63,509
Investments in joint ventures and associates	40,528	39,226
Deferred tax assets	28,496	20,594
Other non-current assets	11,667	8,768
Non-Current Assets	**2,262,181**	**2,070,588**
Assets held for disposal	2,011	2,011
Total Assets	**2,627,419**	**2,433,834**

- **Cash and Short-term deposits** decreased vs Dec 31, 2021 for the cash used in the acquisition of Designers Company (May 24, 2022)
- **Inventories** increased for the consolidation of Designers Company (16m) and leftovers of Safety stock build up, that will normalize in 2023
- **Goodwill:** increased for the allocation of he Purchase Price allocation related to the Designers Company.

Liabilities and Equity

	December 31 2022	December 31 2021
Share capital	5,102	5,102
Share premium reserve and other reserves	1,065,953	1,023,575
Profit/(loss) of the period	48,860	30,616
Group Shareholders' Equity	**1,119,916**	**1,059,293**
Minority shareholders' equity	4,109	3,821
Profit/(loss) of the period attributable to minority interests	(1,043)	304
Equity attributable to non-controlling interests	**3,066**	**4,125**
Total Equity	**1,122,982**	**1,063,418**
Current financial liabilities	76,417	4,746
Current lease liabilities	14,759	10,183
Trade payables	145,322	143,506
Advance from Customers	55,310	43,660
Current Tax liabilities	19,951	22,188
Other Current Liabilities	44,913	35,802
Current Liabilities	**356,671**	**260,085**
Non-current financial liabilities	877,655	857,063
Non-current lease liabilities	76,302	59,447
Defined benefit plans	7,030	7,601
Provisions for risks and charges	13,326	12,321
Deferred tax liabilities	167,553	173,734
Other non-current liabilities	5,900	166
Non-Current Liabilities	**1,147,766**	**1,110,331**
Total Liabilities	**1,504,437**	**1,370,416**
Liabilities and Shareholders' Equity	**2,627,419**	**2,433,834**

- **Current and non-current financial liabilities** the increase is linked to Designers Company acquisition.
- **Current and non-current Lease Liabilities:** increased for change of perimeter (DC Eur 5.5m) and renewals of lease contracts especially in USA.

Source: Company information
Note: these numbers are fully compliant with IFRS, so they also report IFRS16