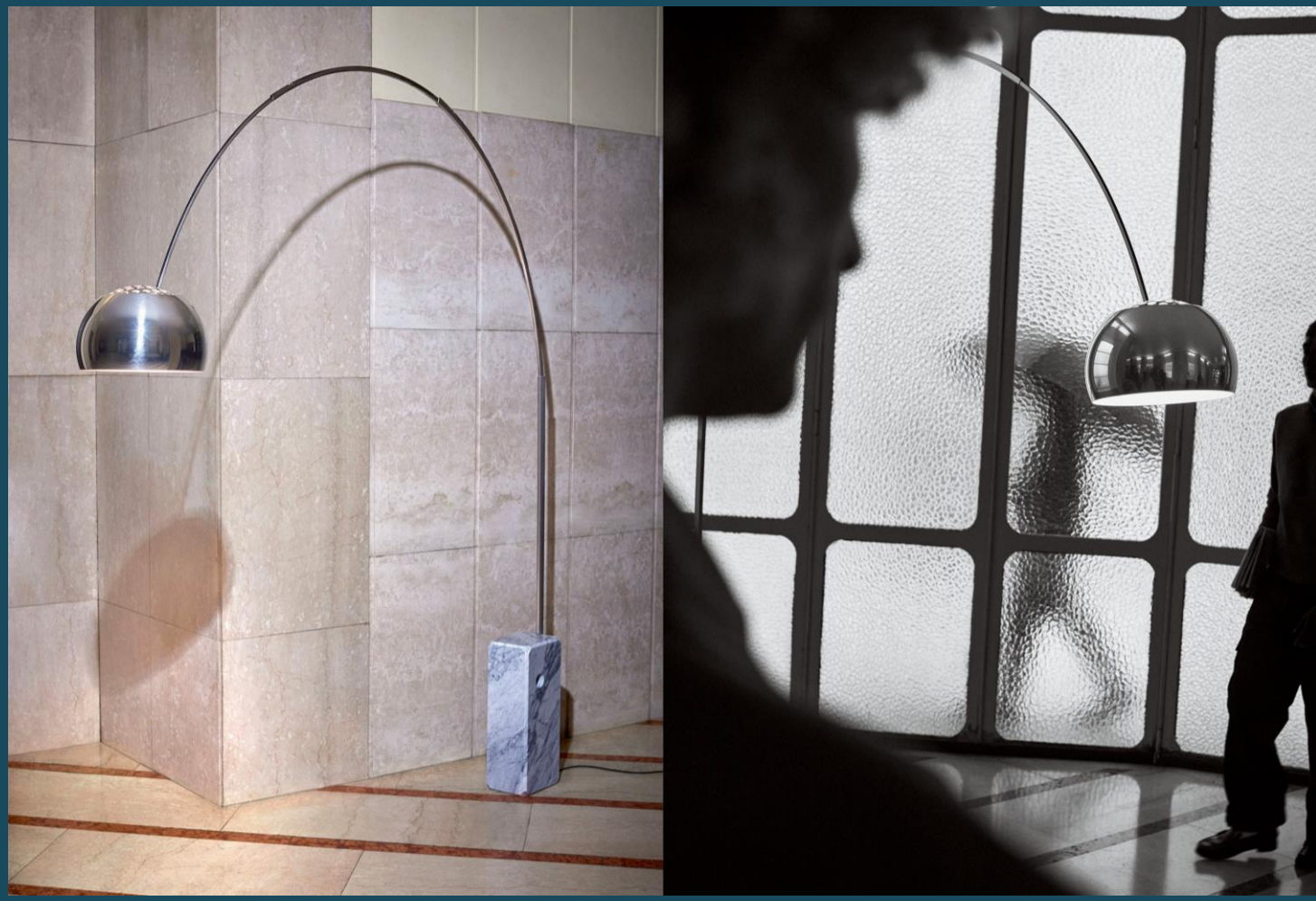
Flos B&B Italia S.p.A.

Q3 2024 RESULTS

November 21, 2024

14:00 CET (13:00 UK)



FLOS B&B ITALIA Group | Flos B&B Italia S.p.A.

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Presenter today



Group Managing Director &
Chief Financial Officer

FLOS
B&B ITALIA
Group

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

9M 2024: improving revenues trend in Q3 (+2.3%) with strong cash generation
Financial Results

REVENUES(1)

€ 554,8 m

-4,0% vs 2023

GMV revenues
€ 643m
-2,5% vs 2023
@ constant currency

EBITDA adj(2)

€ 136,1 m

-5,9% vs 2023

EBITDA margin 24,5%

EBIT adj(2)

€ 94,6 m

-10,4% vs 2023

EBIT margin 17,1%

Cash conversion (3)
€ 95,8 m
81% on EBITDA adj.

Operating cash flow
€ 88,7 m
+28% vs 9M 2023

(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

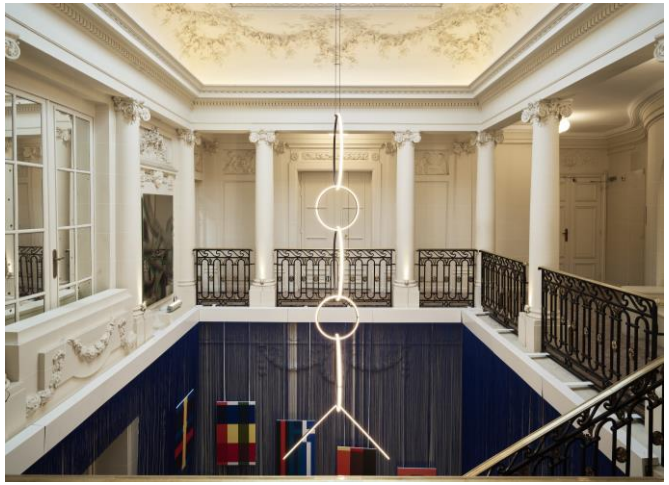
XXXIII Olympic Games “Casa Italia Paris 2024” project is one of the latest examples of partnerships developed by B&B Italia and Flos to enhance their brand desirability











B&B Italia and Flos products featured at “Casa Italia Paris” during the XXXIII Olympic Games

Accelerating the development of wholesale “Branded spaces” across all brands, with a strong focus on APAC



FENDI Casa Store in Singapore



Arclinea Store in Shanghai



Maxalto Store in Chengdu



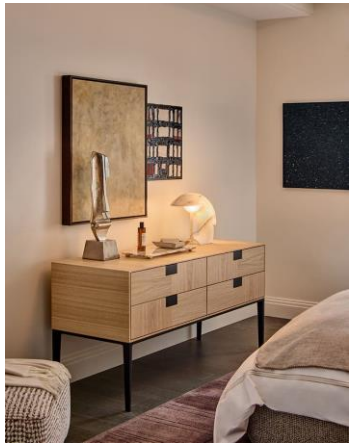




Latest examples of our leadership in high end Contract business - Yachting and High-end Residential developments

HIGH-END RESIDENTIAL



Waldorf Astoria Residences New York, US – B&B Italia, Maxalto furnishings

YACHTING





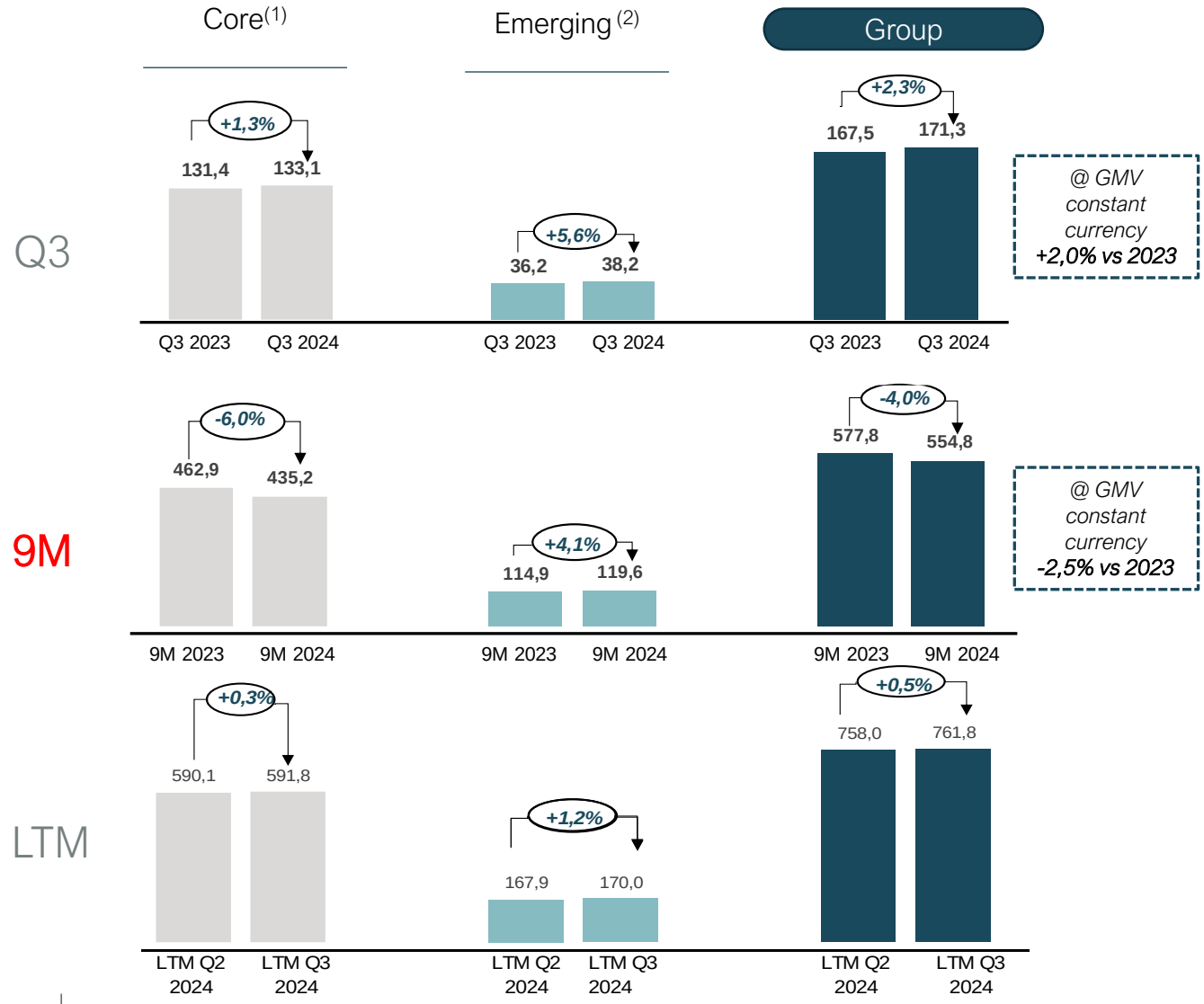

The Custom Line Navetta 38 – B&B Italia, Maxalto furnishings

Revenues and EBITDA

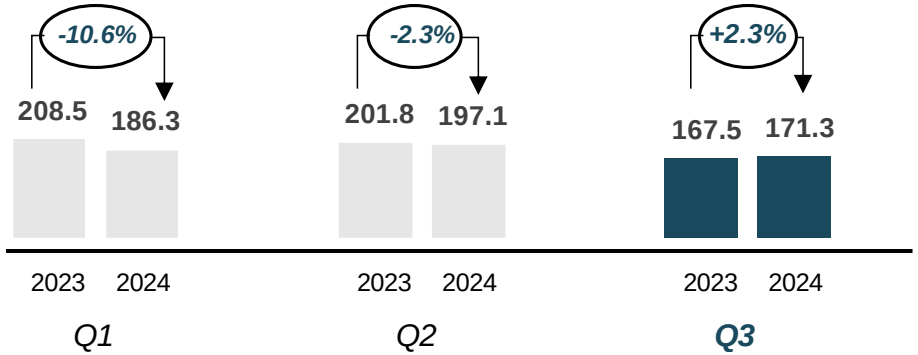
Positive revenues in Q3, benefitting from the 2024 positive order trend

2024 9M Group Revenues

EUR \ MLN



2024 Quarterly progression

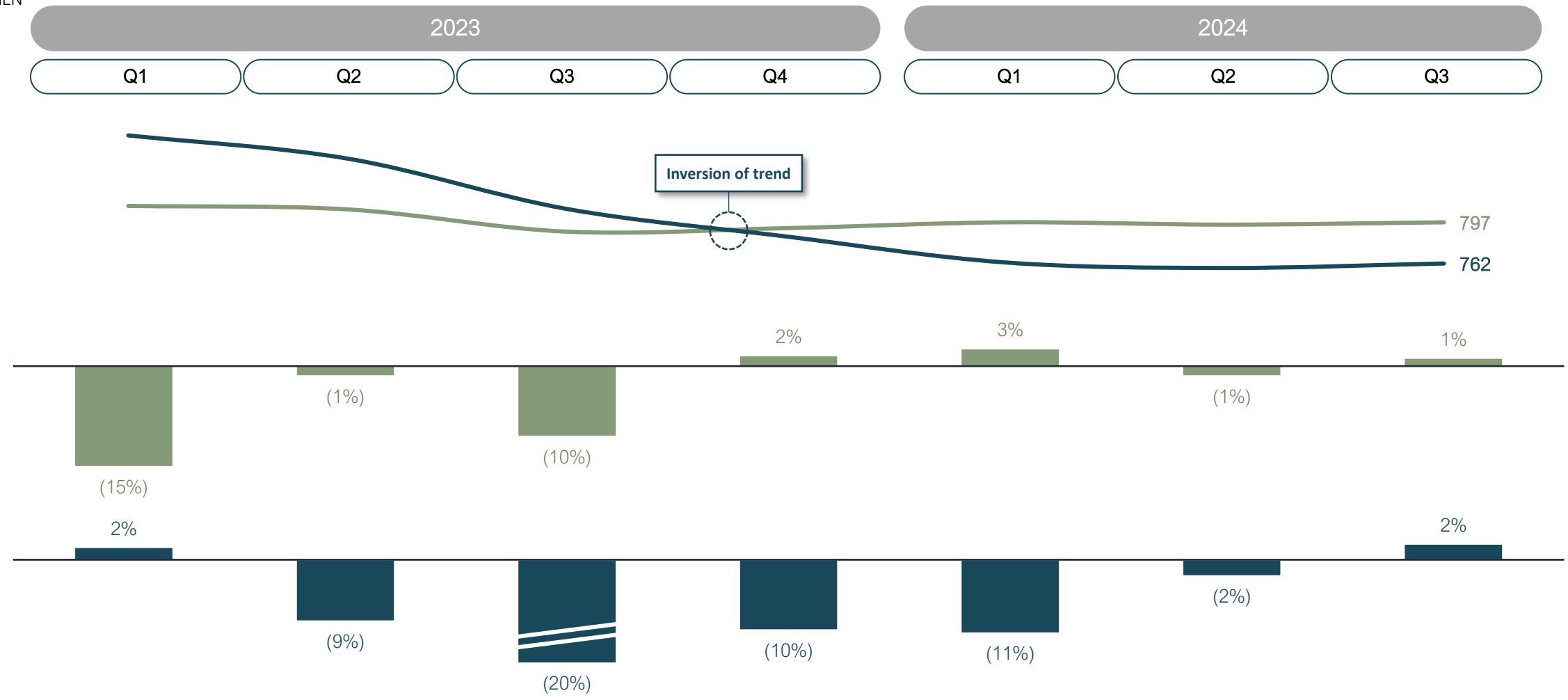


- Quarters evolution:
  - Revenue on an upward trend and back to positive growth in Q3
  - Positive performance of wholesale (+2%) and remarkable DOS (+21%), while contract still down due to a delayed phasing of some projects
  - Strong progression in APAC and the positive performance of Americas, compensated the EMEA, still down single digit in Q3 (however EMEA is reporting a positive trend in Orders)

(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

Quarterly performance evolution 2023-2024

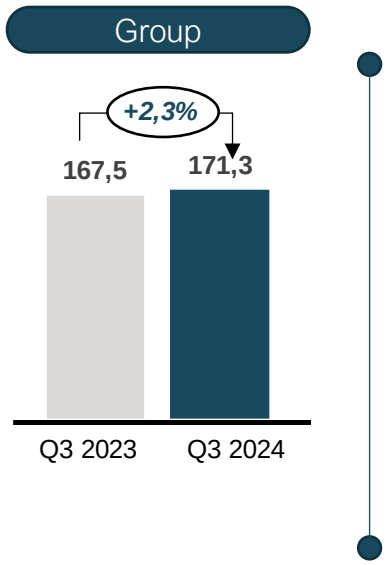
EUR \ MLN

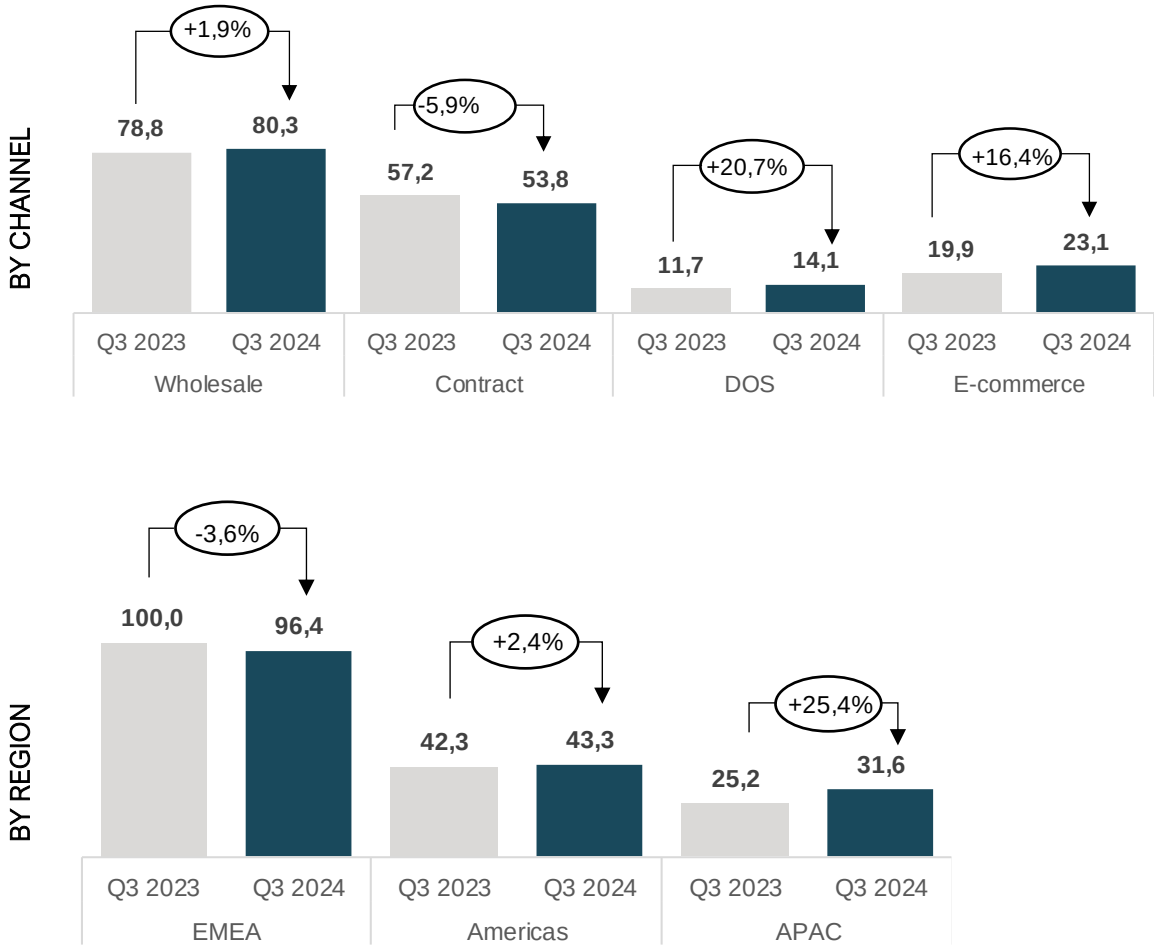


Orders stabilizing above revenue supporting visibility into future performance; ongoing initiatives to reduce lead times

Q3 broad positive performance
Q3 2024 Group Revenues, by channel/GEO

EUR \ MLN





(1) **Emerging Brands** includes Fendi Casa, Audo and 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),

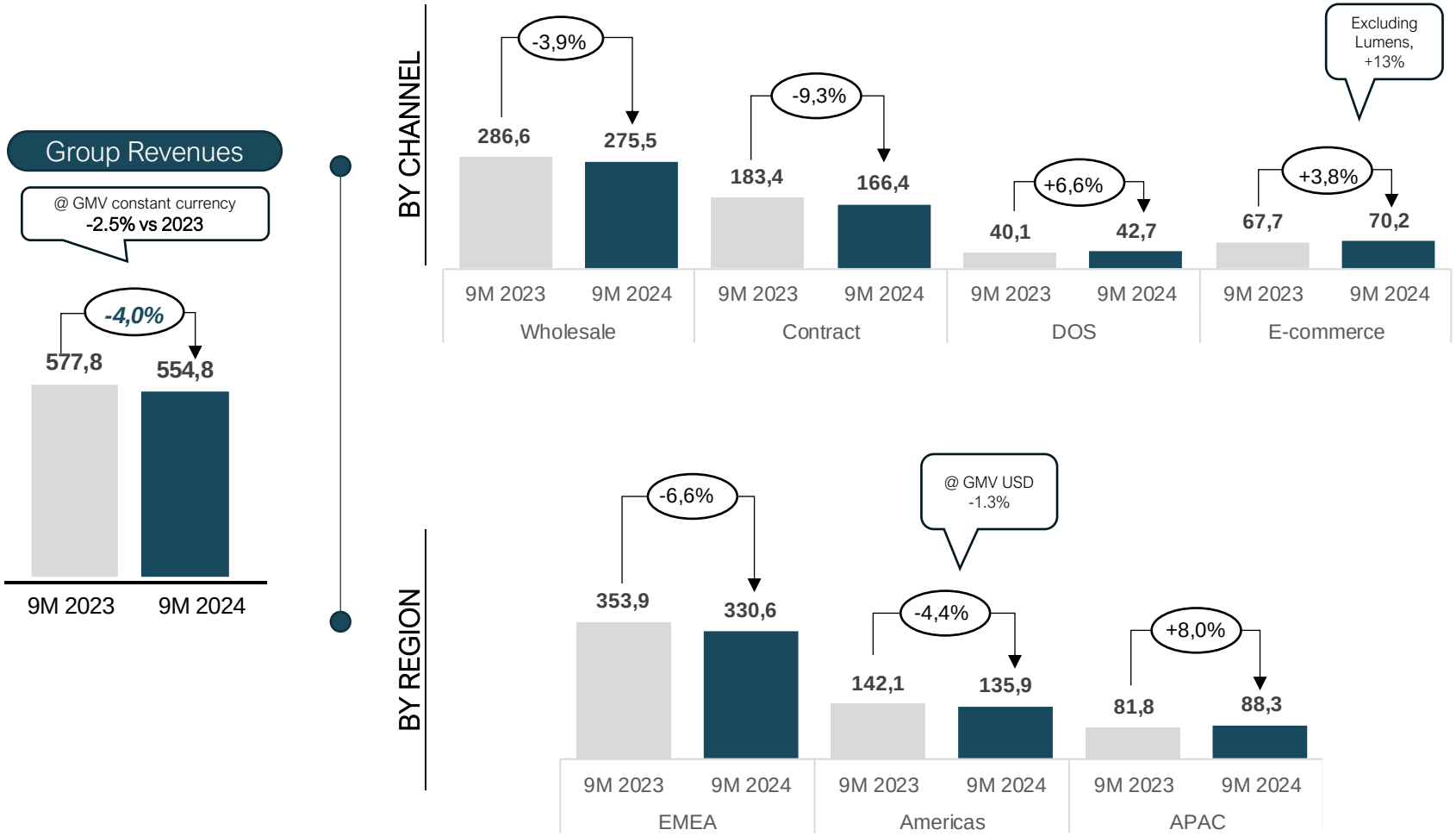
Key Comments

- **By channel:**
  - ***Wholesale***, thanks to the good order progression, the wholesale channel is growing +1.9% in Q3, confirming the trend already reported in Q2 (+2.5%), reducing the YTD gap vs 2023 to -3.9%;
  - ***Contract*** still down 5.9% in the Q3, however reducing the gap quarter after quarter (Q1: -14%, Q2: -11.5%, Q3: -5.9%). The channel is still impacted by a delayed phasing of some projects and strong comps 2023. In terms of orders, the trend is positive vs last year, and the pipeline remains healthy with significant projects awarded in the Americas.
  - ***DOS*** strong +20.7% growth in Q3, benefitting from the good order progression, consistently double-digit up in all the three quarters of 2024; YTD results, as highlighted in next page, is +6.6%.
  - ***E-commerce***, the channel confirms the positive trend of the last six months (Q2: +2.3%, Q3 +16.4%), with the performance of quarter driven by the strong results of the Core brands, especially Louis Poulsen, across regions.

- **By region:**
  - In ***EMEA*** is down 3.6%, however the Nordics, Italy and GCC are positive vs prior period; on a positive note, we experienced a positive order trajectory also in UK, Spain, Germany and Switzerland.
  - ***Americas*** up 2.4% in Q3, benefitting from the positive performance of DOS and E-commerce channels.
  - ***APAC*** +25.4% vs LY, double digit up in Q3 with positive performances across all regions, following the positive results already highlighted in Q2 2024. China as well, reported a sales progression in Q3.

Gap vs 2023 improving across channels and geographies
9M 2024 Group Revenues, by channel/GEO

EUR \ MLN



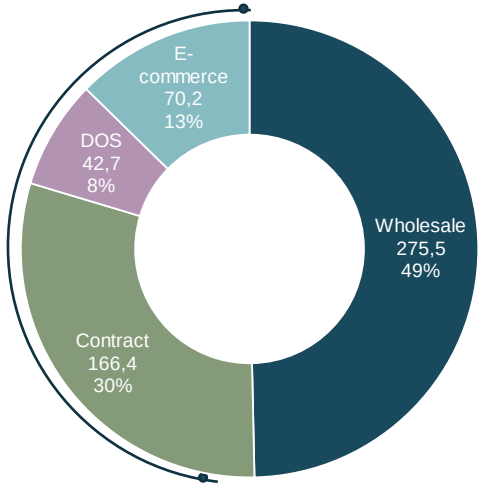
Direct To Consumer accounts for ~51% of sales (+100BP vs LY)

Revenues by channel-region

Group Revenues
€ 555m

CHANNEL

(As % of 2024)

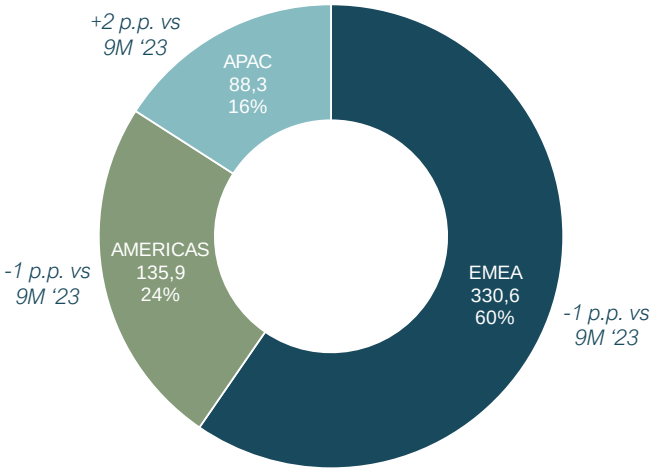


DTC 51%

+1 p.p. vs 9M '23

REGION

(As % of 2024)

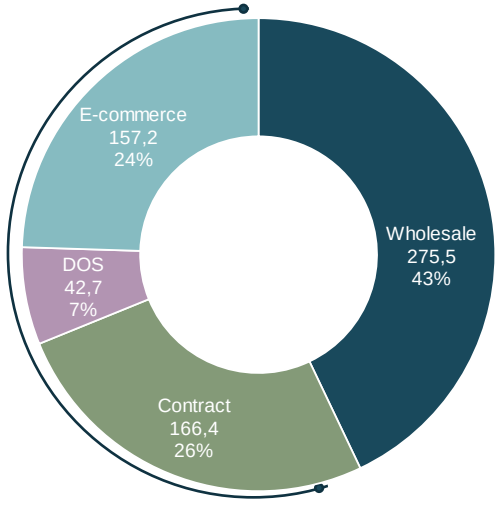


+2 p.p. vs 9M '23

-1 p.p. vs 9M '23

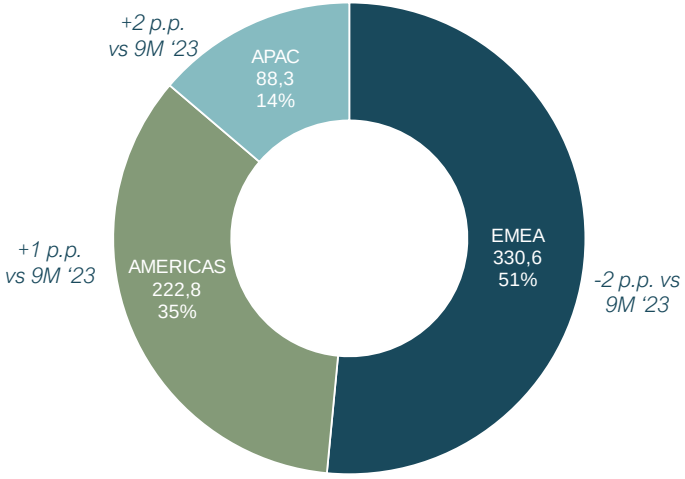
-1 p.p. vs 9M '23

GMV revenues (*)
€ 643m



DTC 57%

In line with 9m '23



+2 p.p. vs 9M '23

+1 p.p. vs 9M '23

-2 p.p. vs 9M '23

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

Source: Company information

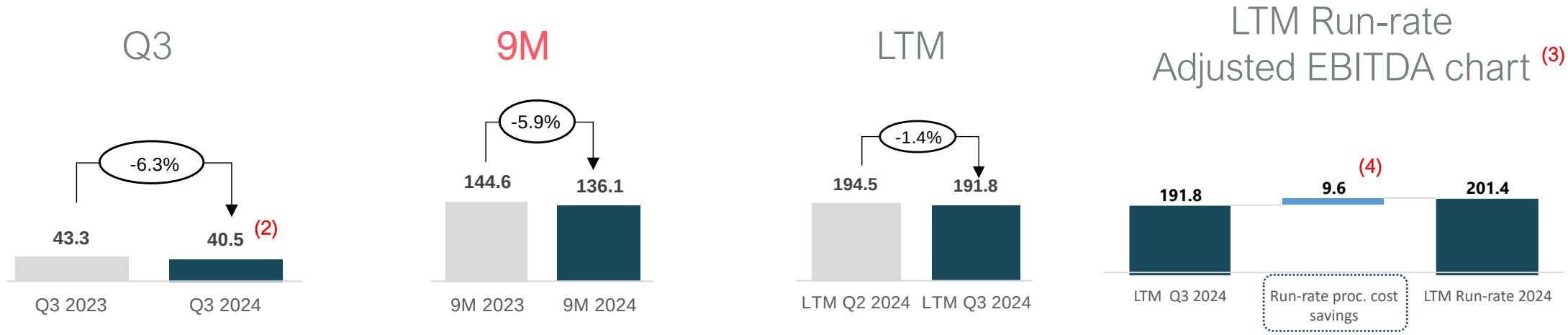
9M EBITDA margin slightly below LY (24,5% vs 25,0%), impacted by one-off effects

Group consolidated EBITDA (1)

EUR \ MLN

Ebitda Margin %

Group consolidated EBITDA



Ebitda Margin %	+25.8%	+23.7%	+25.0%	+24.5%	+25.7%	+25.2%	+25.2%	+26.4%

(1) **Group consolidated EBITDA** is fully compliant with the application of IFRS 16

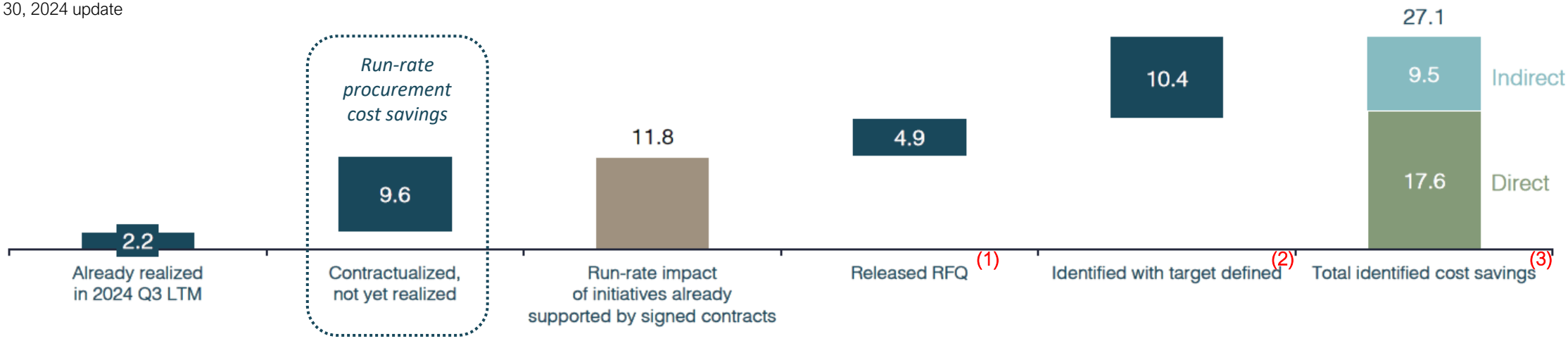
(2) **Q3 2024 impacted by one-off effects**: i) recognition of contractual minimums on the license agreement of Fendi Casa, ii) a different phasing of bonus release/accrual between 2023 and 2024: normalizing the two mentioned effects, Q3 2024 Ebitda margin would have been broadly in line with Q3 2023 (25%)

(3) **LTM Run-rate Adjusted Ebitda chart** calculated according to the proforma impact of procurement cost saving initiatives, see next page for further information

(4) **Run-rate procurement cost savings**: savings already achieved based on signed contracts, not yet realized in the P&L at September 30, 2024. See next page for further information

Significant opportunity from new procurement cost saving initiatives under implementation

EUR \ MLN
September 30, 2024 update



- Savings are split almost evenly across direct and indirect categories
- **Direct categories** include:
  - Semi-finished & finished products: Best practice contracting and negotiations with suppliers leveraging price transparency, should-cost analysis and win-win strategies
  - Raw materials: Increase competition and review supplier base to obtain immediate/retroactive price decreases
- **Indirect categories** include:
  - Logistics: Regional Tenders (Nordics, Europe, US) with volume bundle over common routes and contracts improvement
  - Marketing & Sales: Consolidation of spend and bundling across brands, demand management, leveraging marketing benchmarks
  - Professional services: Bundle demand and nominate preferred suppliers, review and renegotiate contracts, switch-off unused licenses
  - Other: Initiatives across IT & communication, facility management, packaging, MRO, mobility & travel and R&D

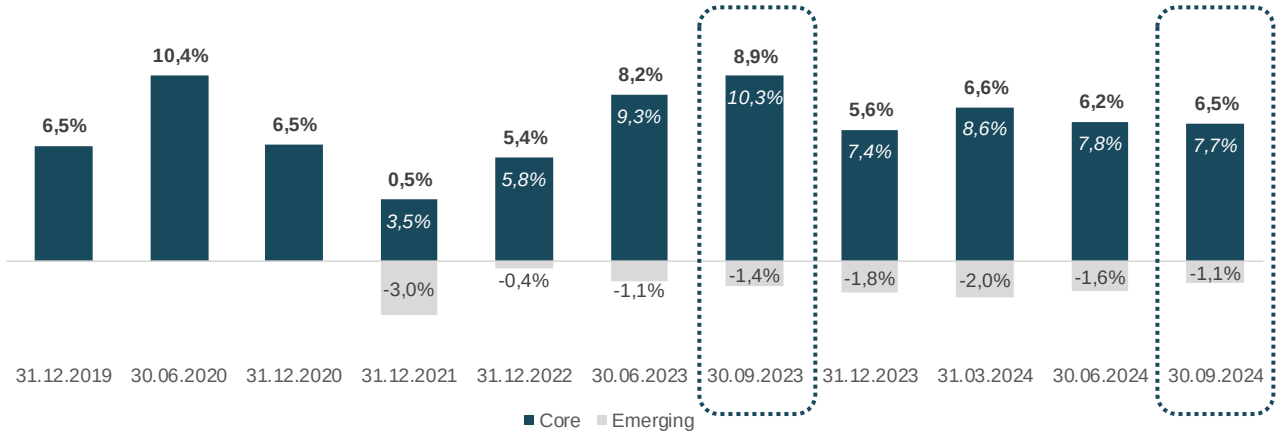
(1) **RFQ** – already issued **R**equests **f**or **Q**uotations
(2) **Identified with targets defined** - savings identified based on benchmarks and available price information
(3) **Total identified cost savings** - we currently expect will be mostly achievable by the end of 2026

Costs related to the project: Euro 3.7 million of one-off costs (external consultant related to the implementation of the various procurement optimization initiatives) already included in 2023 and 2024 Profit & loss (Euro 1.9 million in 2023 and Euro 1.8 million in 2024). We also currently expect that we will incur additional costs in an amount up to Euro 1 million by 2026 in connection with the above mentioned initiatives.

Group working capital improving vs 2023

Reported

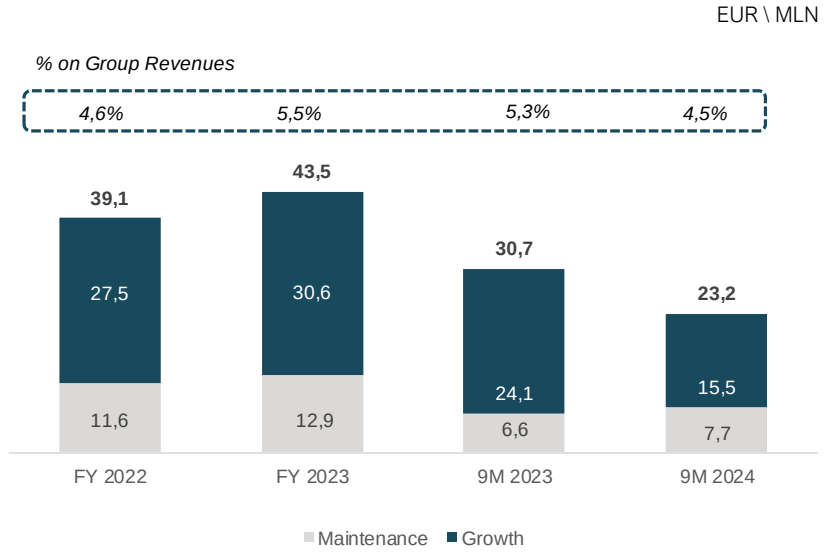
Group Working Capital on LTM Sales



Group Working capital

At the end of 9M 2024, the **working capital absorption is 6,5% on the LTM revenues,** significantly lower than September 2023 thanks to i) reduction of the inventory and ii) increase of advances from customers due to positive order trend.

Group Capital Expenditures



Group Capital Expenditures

Capex: **Euro 23,2 million** in the **9M 2024**, **4,5% on LTM sales**, Euro 7.5 million lower than previous period, in line with plans and gradually reducing towards the year-end objective < 4%.

Source: Company information

Strong operating cash flow
Group cash flow statement and leverage

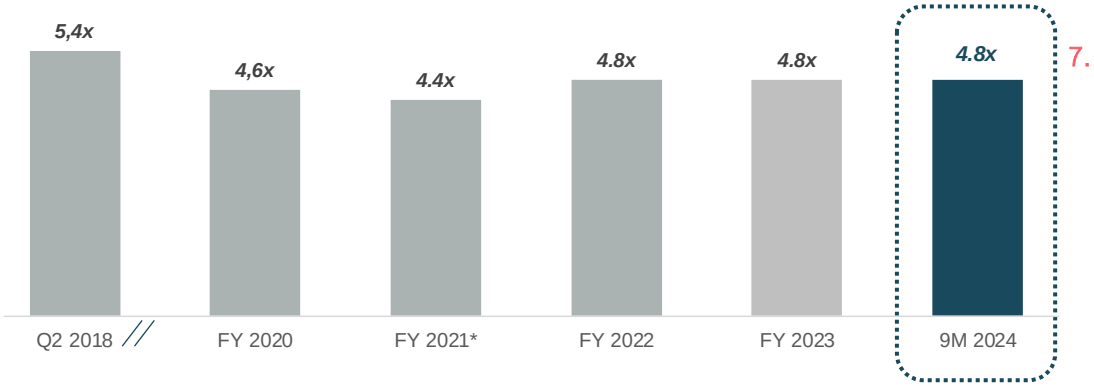
EUR \ MLN

Group cash flow Statement

Reported

	September 30 2023	September 30 2024		
EBITDA adj.	**144,6**	**136,1**		
Capex payments	(24,7)	(23,1)		
Taxes (cash)	(8,4)	(6,1)		
Change in net working capital	(25,8)	(4,5)	1.	
Change in other assets and liabilities	(16,4)	(13,7)	2.	
Operating Cash Flow	**69,2**	**88,7**		*+28%*
M&A	(39,3)	-	3.	
Financial interest paid	(46,0)	(57,5)	4.	
Payment lease liability	(10,2)	(12,6)		
Increase/(decrease) in financial payables	22,2	(17,7)	5.	
Non recurring expenses, net	(16,5)	(18,1)	6.	
Dividends paid to minority interests	(0,9)	-		
Cash flow from financing activities	**(90,7)**	**(105,9)**		
Net change in cash	**(21,4)**	**(17,1)**		

Leverage



Leverage: Total net debt on the Group LTM proforma EBITDA, see appendix.

Source: Company information

Key Comments on Group cash flow and Leverage

Operating Cash flow: Euro 88.7 million in 2024, +28% vs 9M 2023, benefitting from a lower absorption of working capital, lower tax and capex spending, and lower contribution of the other assets and liabilities.

1. **Change in Net working Capital**: the change NWC is Euro 21.3 million better than 2023; It is still negative (Euro -4.5 million) for the temporary increase of the inventory due to the seasonality of our business, however, historically the stock decreases in Q4. At the end of September 2024, the inventory was Euro 11 million lower than September 2023 (Euro 159 million vs Euro 168 million).
2. **Change in other assets and liabilities**: main impact was related to the increase in Tax receivable for the fiscal consolidation, receivables for prepaid taxes, reduction of payables vs employee and currency translation of balance sheet items.
3. **M&A:** in 2023 the first deferred price of Designers Company (AUDO) was paid for Euro 39 million.
4. **Financial interest paid:** the main part refers to the 2024 payments of interests on loans, mainly bonds, of approximately Euro 50 million (Euro 37 million in the same period of last year). This line includes as well the interest expenses on lease liabilities (IFRS16) for approximately Euro 4 million and interests on other short-term loans, such as the interests and ongoing fees on RCF. The increase vs LY was due to the increase of cost of debt (Euribor and new fixed bond issued in Q4 2023).
5. **Increase/(decrease) in financial payables:** the Euro -17.7 million refers to the net amount of short-term loans reimbursed in the 9 months of 2024, mainly RCF (revolving credit facility), fully reimbursed at the end of September (Euro 21.5 million at December 31, 2023; the total availability of the RCF is Euro 140 million at September 30, 2024).
6. **Non recurring expenses:** one-off costs and management fees; see details in the appendix
7. **Leverage**: stable 4.8x vs FY 2023. The Group Net Financial Position on September 30, 2024 (excluding accrued interests on loans and the amortized costs) is Euro -958.5m, broadly in line with the end of 2023 (Euro -961.8m). LTM EBITDA used in this calculation includes Euro 9.6m proforma savings, please refer to appendix for more information.

Q&A

APPENDIX

Profit and Loss and Net financial position
Reported figures 9 months (September 30, 2024)

EUR \ MLN

Reported figures, September 30, 2024

Profit and Loss reported

EUR / MLN

Profit and loss	2023	2024
Revenues	**581.6**	**557.0**
Operating expenses	(437.0)	(420.9)
Non-recurring costs and revenues	(16.5)	(18.1)
EBITDA reported	**128.0**	**118.0**
1) Amortizations, depreciations and impairments	(39.0)	(74.2)
Operating Result - EBIT reported	**89.1**	**43.7**
Financial income / Charges	(56.1)	(69.9)
2) Taxation	(8.9)	(19.8)
Net income / (loss) for the period	**24.0**	**(46.0)**

Revenues for the 9 months 2024 (557m) include:
- Eur 555m as revenues from contracts with customers
- Eur 2m as other revenues and income

For the 9M 2024 the **non-recurring (costs)/revenues and management fees** impacting EBITDA are detailed as follows:
- (7.5)m Management Fees to FLOS B&B Group S.p.A. (parent company).
- (4.6)m Severance, termination and recruiting one-off
- (3.6)m Group enhancement project , including procurement project;
- (0.7)m Start up and Ramp-up cost - Dos openings and new business
- (1.7)m Other extraordinary expenses, such as provisions for risk and charges, Inventory, trade rec. and other one-off costs.

Reconciliation: Ebitda reported vs. Ebitda Adjusted

Profit and loss	2023	2024
EBITDA reported	**128.0**	**118.0**
Non-recurring impacting EBITDA	16.5	18.1
Adjusted EBITDA	**144.6**	**136.1**
1) Amortizations, depreciations and impairments	(39.0)	(74.2)
Non-recurring impacting EBIT	0.0	32.8
Operating result - ADJUSTED EBIT	**105.6**	**94.6**

1) **D&A**: D&A impacted by a write-down on the goodwill of AUDO (non-cash items), see next page for further details.
2) ***Taxation***: in 2023 an under accrual in the tax provision was included in the interim financial statements on Sept 30, 3023. In accordance with IAS8, this under accrual has been corrected and last year taxes should have been equal to approximately Euro 15 million. The increase in 2024 was to the growing non-deductibility of the interest expense, as well as less tax benefits.

Net Financial Position (NFP)

EUR / MLN

Net Financial Position	December 31 2023	September 30 2024
Cash and cash equivalents	(76.0)	(58.5)
Senior Secured Notes	895.0	895.0
RCF	21.5	-
Short-Term loan	14.1	19.6
Long-Term loan	-	1.2
1) Deferred Price on acquisition - short term	0.0	18.1
Deferred Price on acquisition - long term	19.3	1.2
Current and non-current lease liabilities	87.9	81.9
2) **Total net financial debt**	**961.8**	**958.5**
Adjusted EBITDA (LTM)	*200.2*	*191.8*
Run-rate procurement cost savings	-	*9.6*
3) **Group run-rate Adjusted EBITDA (LTM)**	**200.2**	**201.4**
4) **Leverage**	**4.8x**	**4.8x**

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

2) Differently from the financial statements report, the **Total Net Financial debt** here reported does not include i) accrued interests on loans and the ii) the amortized costs.

3) **Group run-rate Adjusted EBITDA (LTM)**. It includes the run-rate procurement cost savings (see pag 14) coming from the recent procurement cost saving project.

4) **Leverage**: Total net financial debt on the Group run-rate adjusted EBITDA (LTM)

IFRS Consolidated Statement of Financial Position

EUR \ MLN

Reported

Assets

	December 31 2023	September 30 2024
Cash and Short-Term deposits	75.952	58.472
Trade Receivable	79.113	82.594
Inventories	148.199	159.050
Tax current asset	17.139	21.659
Other current assets	11.329	12.221
Current Assets	**331.732**	**333.995**
1) Goodwill	1.307.172	1.272.742
Brands and other intangible assets	666.825	665.812
Property, plant and equipment	119.462	116.639
Right-of-use assets	77.495	70.554
Investments in joint ventures and associates	42.593	42.593
Deferred tax assets	27.753	28.269
Other non-current assets	8.782	10.784
Non-Current Assets	**2.250.081**	**2.207.393**
Assets held for disposal	2.011	2.011
Total Assets	**2.583.824**	**2.543.400**

1) **Goodwill**: we performed an impairment test on all the Group's CGUs. The exercise highlighted a lower fair value of the goodwill than the Net book value at September 30, 2024 for AUDO (Designers Company); as a consequence, we booked a write-down of approximately Euro 32 million in the period.

Liabilities and Equity

	December 31 2023	September 30 2024
Share capital	5.102	5.102
Share premium reserve and other reserves	1.104.096	1.116.222
Profit/(loss) of the period	15.210	(43.249)
Group Shareholders' Equity	**1.124.408**	**1.078.076**
Minority shareholders' equity	2.963	1.555
Profit/(loss) of the period attributable to minority interests	(1.157)	(2.732)
Equity attributable to non-controlling interests	**1.805**	**(1.177)**
Total Equity	**1.126.214**	**1.076.899**
Current financial liabilities	43.455	55.009
Current lease liabilities	16.075	15.822
Trade payables	128.106	126.020
Advance from Customers	55.622	65.830
Current Tax liabilities	12.857	22.311
Other Current Liabilities	37.476	36.557
Current Liabilities	**293.590**	**321.550**
Non-current financial liabilities	904.243	889.953
Non-current lease liabilities	71.805	66.093
Defined benefit plans	6.554	6.450
Provisions for risks and charges	11.376	11.742
Deferred tax liabilities	164.336	166.353
Other non-current liabilities	5.707	4.360
Non-Current Liabilities	**1.164.020**	**1.144.951**
Total Liabilities	**1.457.611**	**1.466.500**
Liabilities and Shareholders' Equity	**2.583.824**	**2.543.400**

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