

Flos B&B Italia S.p.A.

# H1 2024 RESULTS

August 1, 2024

15:00 CET (14:00 UK)

**FLOS**  
**B&B ITALIA**  
Group

Flos B&B Italia S.p.A.



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# 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

# H1 2024: improving sales trend in Q2, with EBITDA margin again above previous year

## Financial Results

### REVENUES<sup>(1)</sup>

€ 383,4 m

-6,5% vs 2023

GMV revenues  
€ 441,1m  
-4,4% vs 2023  
@ constant currency

### EBITDA adj<sup>(2)</sup>

€ 95,6 m

-5,7% vs 2023

EBITDA margin 24,9%

### EBIT adj<sup>(2)</sup>

€ 68,4 m

-9,4% vs 2023

EBIT margin 17,8%

Cash conversion <sup>(3)</sup>

€ 67,0 m

80% on EBITDA adj.

Operating cash flow

€ 65,5 m

+48% vs H1 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

# Salone del Mobile, Milan: over 60 new iconic designs by our brands

NEW PRODUCTS AT SALONE DEL MOBILE 2024, APRIL 18-23, MILAN



Arclinea - Proxima kitchen by Antonio Citterio



Maxalto - Florius by Antonio Citterio



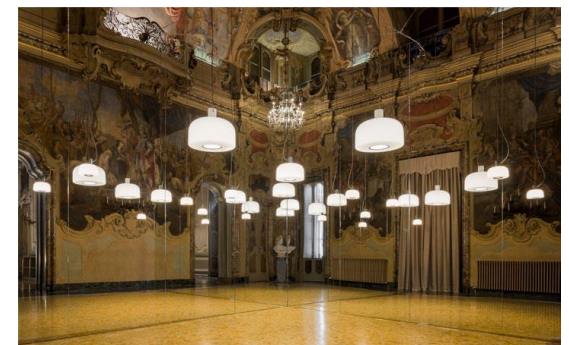
Fendi Casa - F-Affair by Controvento



B&B Italia - Dambo due sofa and Assiale table by Piero Lissoni

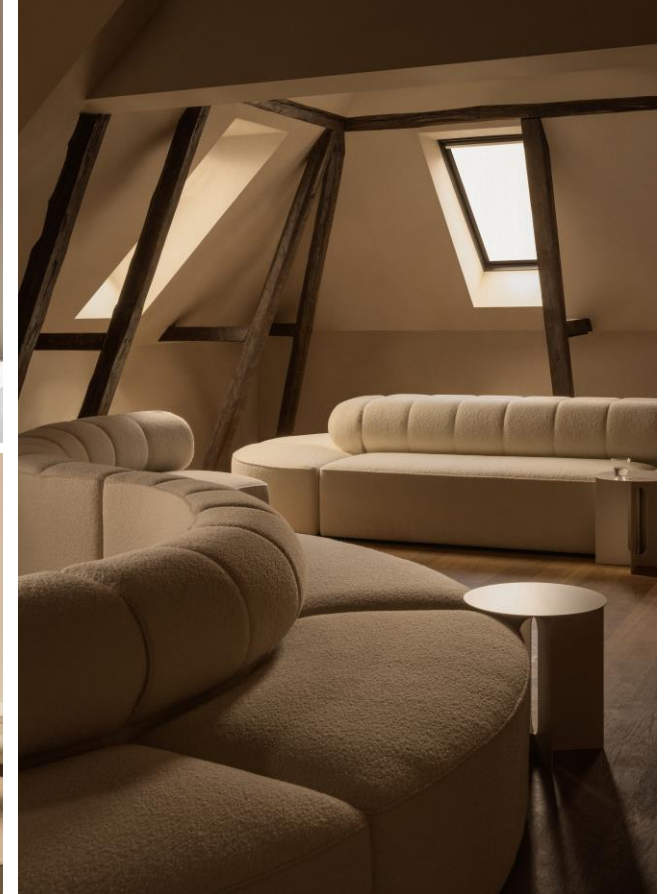


Flos - IC 10th anniversary by Michael Anastassiades and Bellhop Glass by Barber Osgerby



# 3 Days of Design, Copenhagen: our brands presents the best of Danish design

INSTALLATIONS AT 3 DAYS OF DESIGN, JUNE 12-14, COPENHAGEN



Louis Poulsen- 150 anniversary icons campaign and installation @ 3days of Design

Audo - Brasilia collection by Anderssen & Voll and Eave sofa by Norm Architects designs

# 80 new openings of branded spaces in H1 2024. We reach a network of 20 DOS, 153 monobrand stores and 1.117 shop in shop worldwide



Flagship Store in Madison Avenue, New York City



Arclinea Stores in Washington and Palma de Maiorca (Spain)



Fendi Casa new stores in Seoul, Jakarta and Phnom Penh



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

## HIGH-END RESIDENTIAL



DONGZHIMEN8, Beijing, China – B&B Italia , Maxalto and Arclinea furnishings

## HOSPITALITY



Rosewood Resort in AMAALA – Red Sea – KSA - Flos lighting

## PUBLIC SPACES



Sheikh Zayed Grand Mosque in Abu Dhabi – Audo furnishings

## RETAIL



Gucci Stores – B&B Italia furnishings

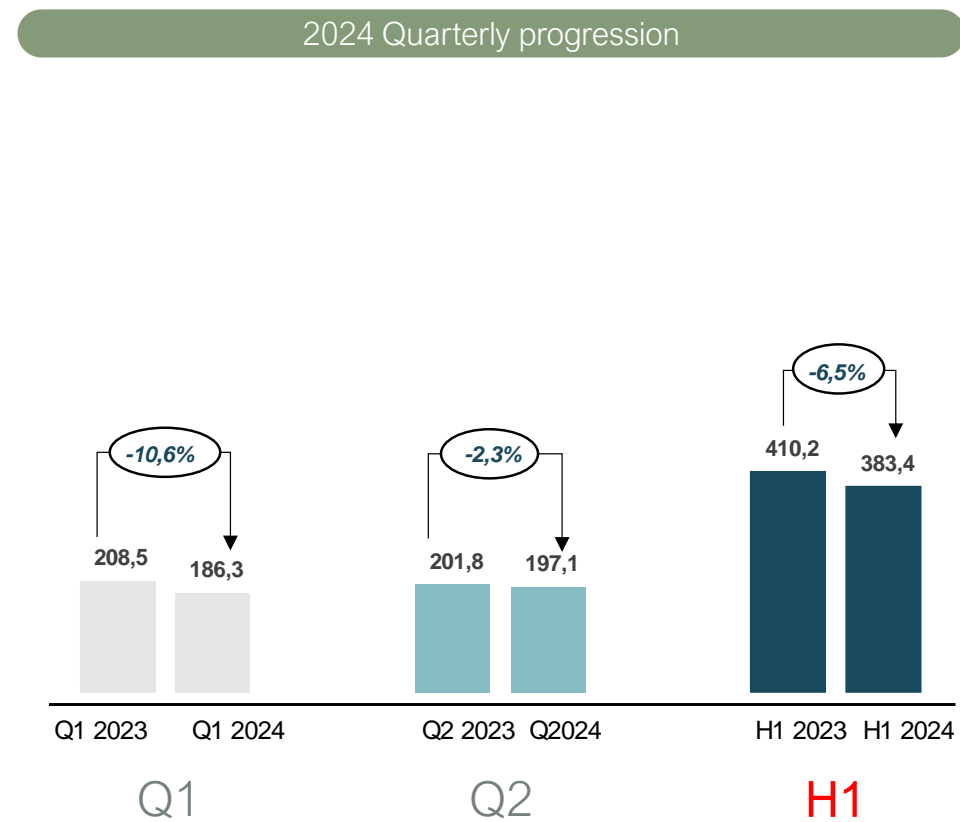
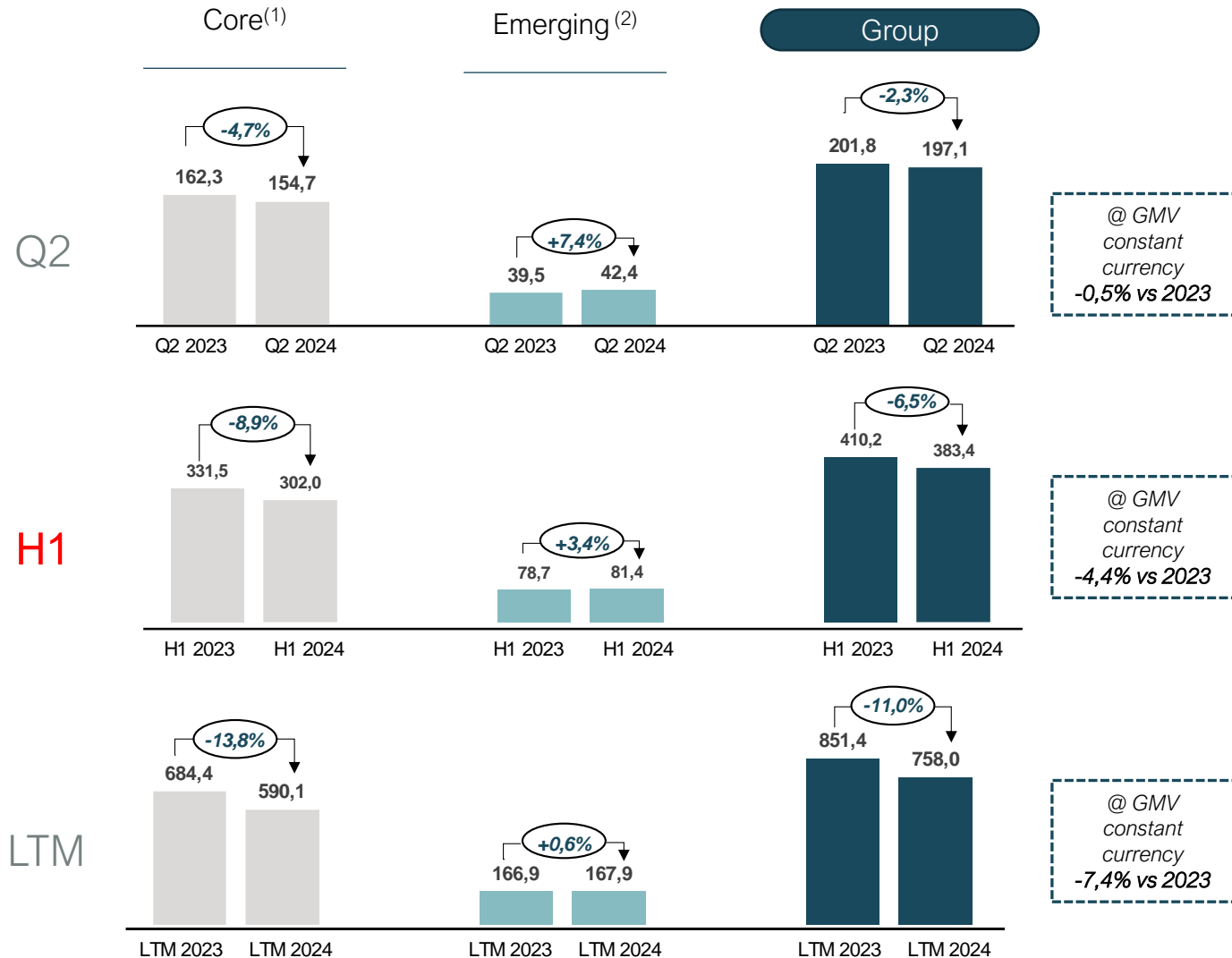


# Revenues and EBITDA

# Revenues recovering in Q2, benefitting from the positive order trend in Q1 2024

## 2024 H1 Group Revenues

EUR \ MLN

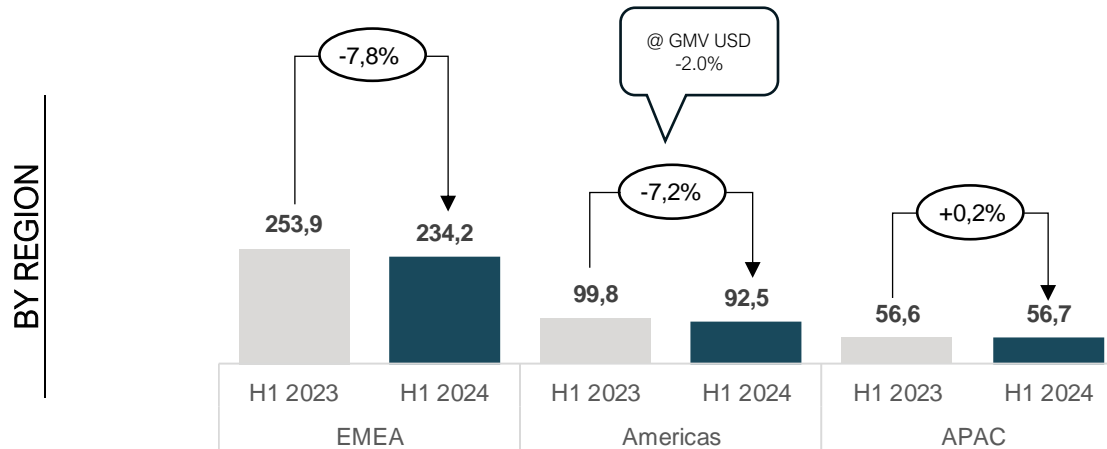
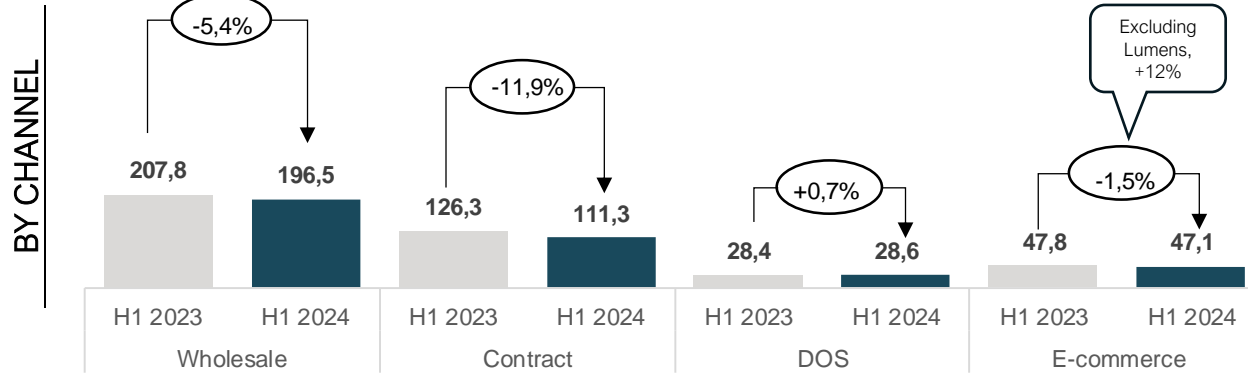
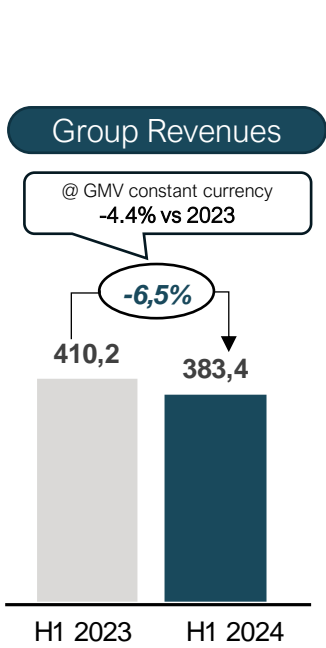


(1) **Core:** Core brand includes FLOS, Louis Poulsen and B&B Italia  
 (2) **Emerging:** Emerging brand includes LUMENS (with dropship model: when LUMENS sell products under the dropship model, IFRS revenues are accounted net of related costs, as the company is acting as an agent), Fendi Casa and Audio

# Mixed performance across geographies; positive DOS performance in channels

## 2024 H1 Group Revenues, by channel/GEO

EUR \ MLN



### Key Comments

- By channel:**

- Wholesale and Contract still down vs the same period of last year, however wholesale was positive in Q2, contract is impacted by a delayed phasing of some projects and strong comps 2023. In terms of orders Contract channels is positive vs LY benefitting from two big projects in the Americas.
- DOS flat, however orders are progressing double digit and will positively impact H2 sales.
- E-commerce excluding Lumens was double digit up vs LY (+12%). Lumens performance negatively impacted by exchange rates (Usd) and mix of drop shipping vs stock sales.

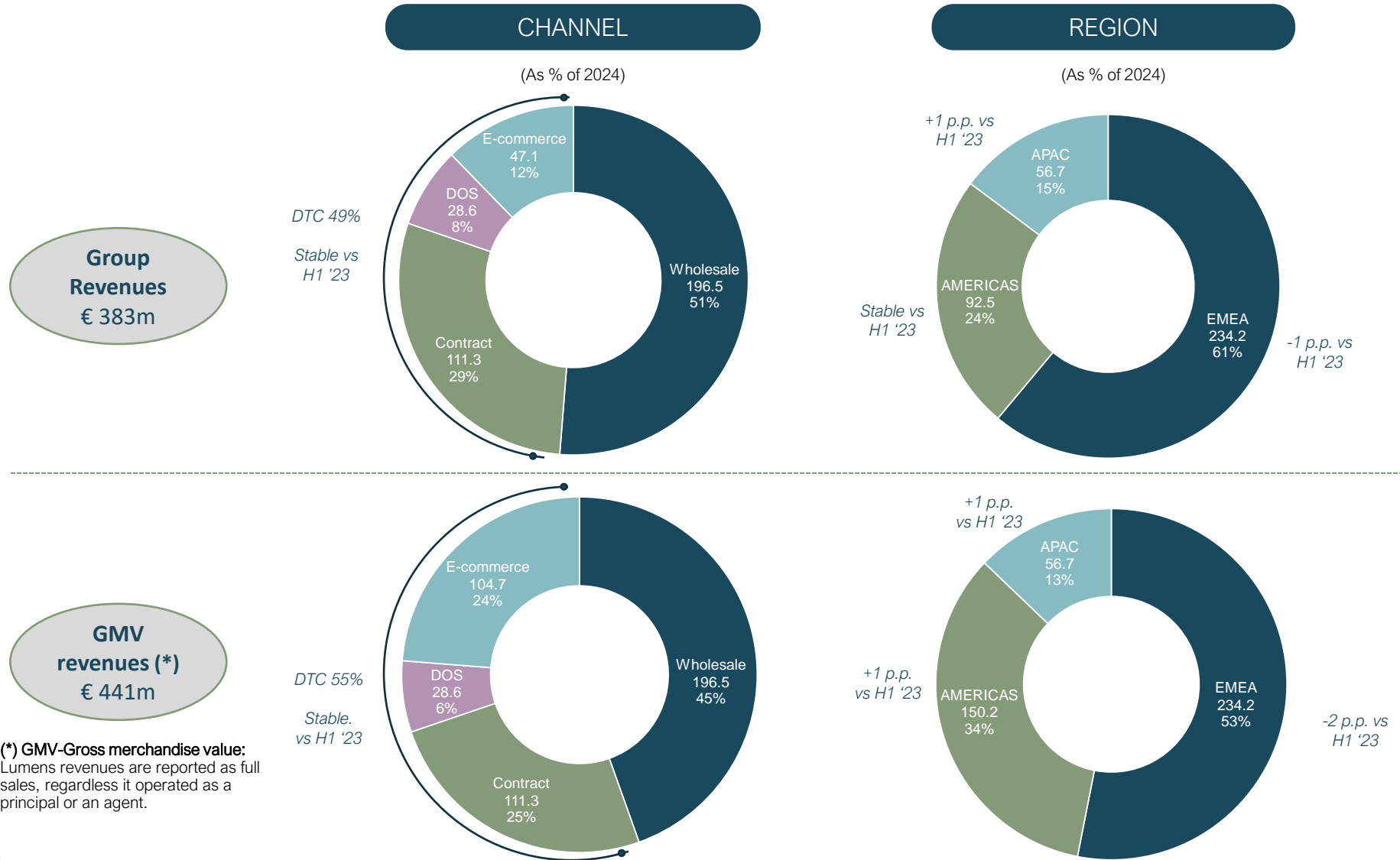
At GMV in USD, Lumens +3.8% vs LY.

- By region:**

- EMEA and Americas are contracting vs the same 6 months of last year.
- EMEA, driven by the Nordics and Italy, however in these regions the order trend is showing positive signs in Q2. In EMEA is worth nothing the performance of the GCC region (Middle East), up vs last year (+45%).
- APAC +0.2% vs LY, when in the first quarter was down; the performance was driven by Japan, Korea, Hong Kong, Taiwan Singapore, Thailand, while China is still challenging.

# Mix vs 2023: Direct To Consumer accounts for ~49% of sales, stable vs H1 2023

## Revenues by channel-region



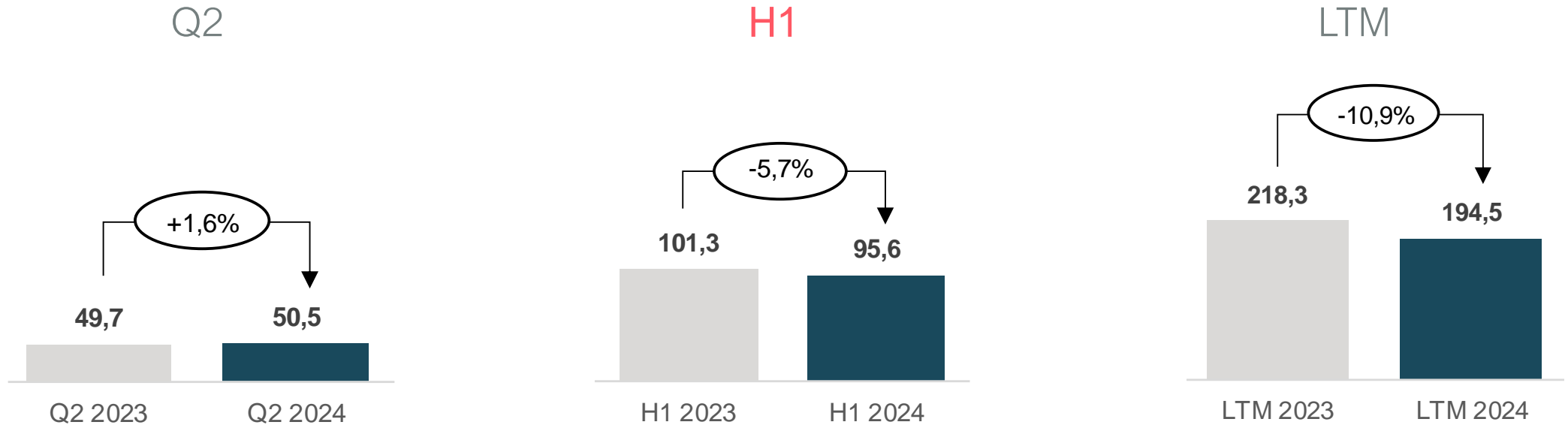
(\*) GMV-Gross merchandise value: Lumens revenues are reported as full sales, regardless it operated as a principal or an agent.

# Improving EBITDA margin (24,9% vs 24,7%), despite sales contraction

## H1 Group EBITDA <sup>(1)</sup>

EUR \ MLN

Ebitda Margin %



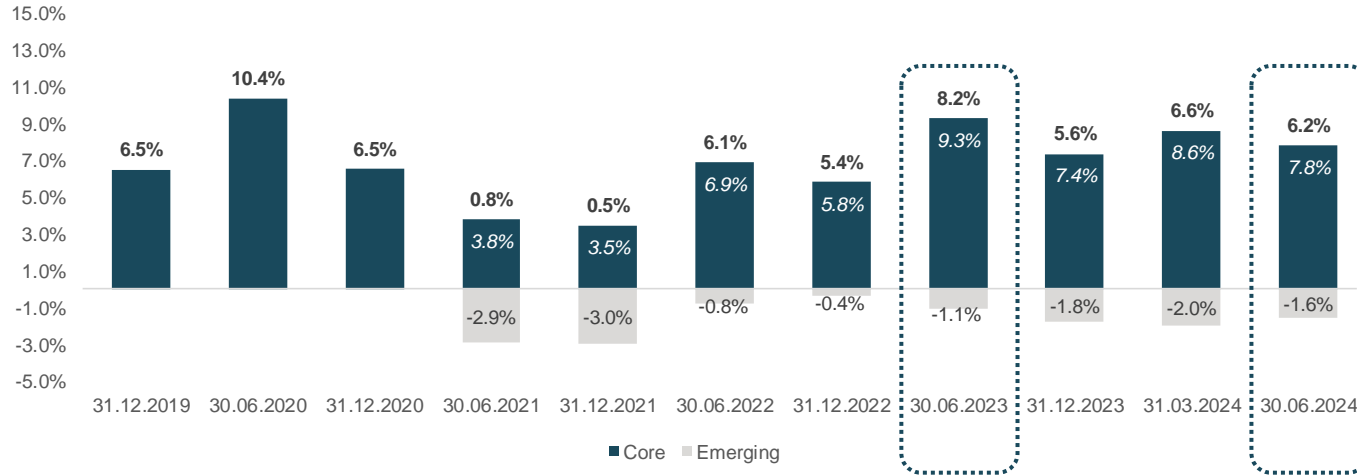
| Ebitda Margin % | 2023   | 2024   |
|-----------------|--------|--------|
| Q2              | +24,6% | +25,6% |
| H1              | +24,7% | +24,9% |
| LTM             | +25,6% | +25,7% |

(1) EBITDA Adjusted is fully compliant with the application of IFRS 16

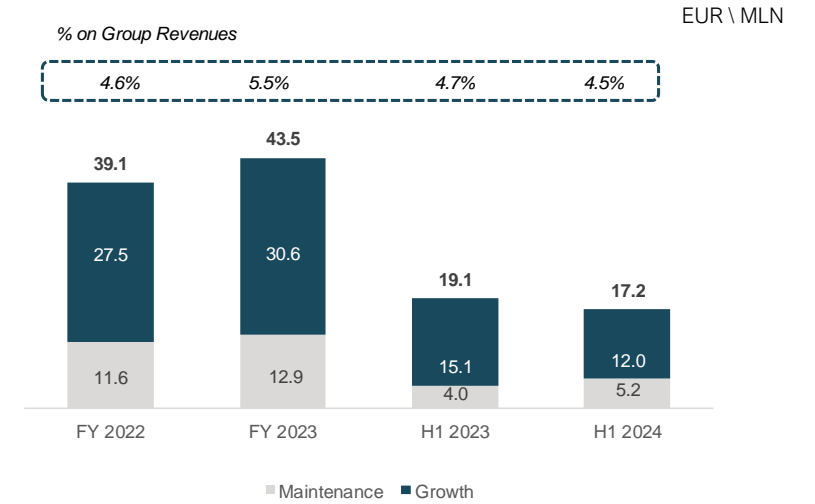
# Group working capital improving vs 2023 performance

Reported

## Group Working Capital on LTM Sales



## Group Capital Expenditures



## Group Working capital

At the end of H1 2024, the **working capital absorption is 6,2% on the LTM revenues**, lower than June 2023. Vs H1'23 the lower absorption is due to i) reduction of the inventory and ii) increase of advances from customers due to positive order trend.

## Group Capital Expenditures

**Capex: Euro 17,2 million in the H1 2024, 4,5% on LTM sales**, in line with plans and gradually reducing towards the year-end objective < 4%.

Source: Company information

# Strong operating cash flow, despite lower EBITDA

## Group cash flow statement and leverage

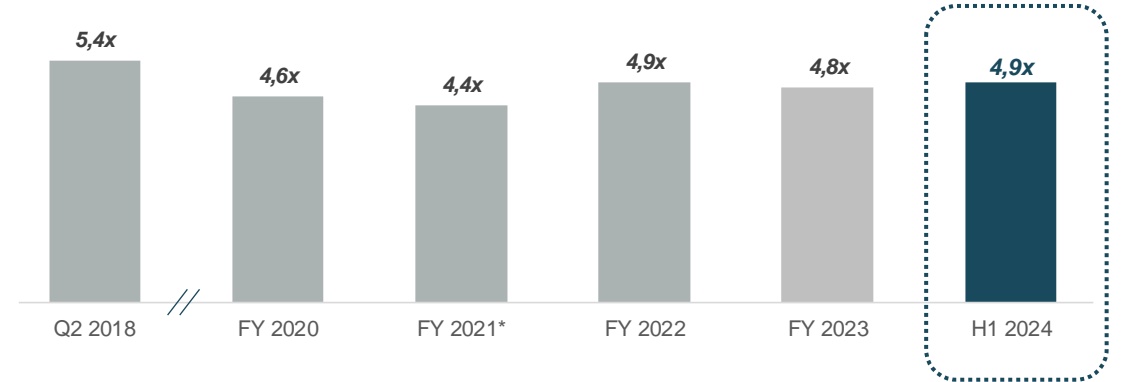
EUR \ MLN

### Group cash flow Statement

Reported

|  | June 30<br>2023 | June 30<br>2024 |    |
|--|-----------------|-----------------|----|
| <b>EBITDA adj.</b>                           | <b>101,3</b>    | <b>95,6</b>     |    |
| Capex payments                               | (17,8)          | (17,2)          |    |
| Taxes (cash)                                 | (4,9)           | (3,3)           |    |
| Change in net working capital                | (22,4)          | (1,7)           | 1. |
| Change in other assets and liabilities       | (11,8)          | (7,8)           | 2. |
| <b>Operating Cash Flow</b>                   | <b>44,4</b>     | <b>65,5</b>     |    |
| M&A  | (39,3)          | -               | 3. |
| Financial interest paid                      | (33,3)          | (45,1)          | 4. |
| (Increase)/decrease of financial receivables | -               | -               |    |
| Payment lease liability                      | (6,8)           | (8,2)           |    |
| Increase/(decrease) in financial payables    | 35,4            | (4,0)           | 5. |
| Non recurring expenses, net                  | (10,0)          | (12,2)          | 6. |
| Dividends paid to minority interests         | (0,7)           | -               |    |
| <b>Cash flow from financing activities</b>   | <b>(54,7)</b>   | <b>(69,6)</b>   |    |
| <b>Net change in cash</b>                    | <b>(10,3)</b>   | <b>(4,0)</b>    |    |

### Leverage



Leverage: Total net debt on the LTM Adjusted EBITDA.

### Key Comments on Group cash flow and Leverage

**Operating Cash flow:** Euro 65,5 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 slightly below H1 2023.

- Change in Net working Capital:** the change NWC is Euro 20 million better than H1 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 H1 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 of approximately Euro 40 million. This line includes as well the interest expenses on lease liabilities (IFRS16) and interests on the other loans, such as the RCF. The increase vs LY was due to the increase of cost of debt (Euribor and new bond issued on Q4 2023).

- Increase/(decrease) in financial payables:** the Euro -4 million refers to the net amount of short-term loans reimbursed in the 6 months of 2024, mainly including RCF (revolving credit facility), while last year to optimize cash management operations the RCF was drawdown for Euro 29m.

At the end of June 2024, the RCF was drawdown for Euro 13.5m (total availability of the RCF is Euro 140m).

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

**Leverage:** Total net debt on the Adjusted EBITDA at 4,9x compared 4,8x of FY 2023: the Group Net Financial Position on June 30, 2024 is Euro -958.7m, broadly in line with the end of 2023 (Euro -959.6m).



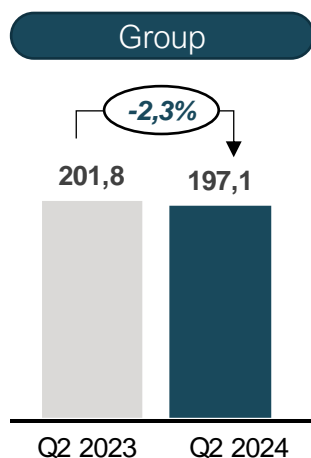
# Q&A



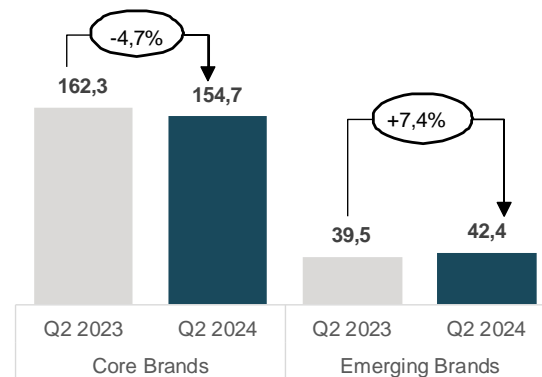
# APPENDIX

# Group Revenues Q2 2024

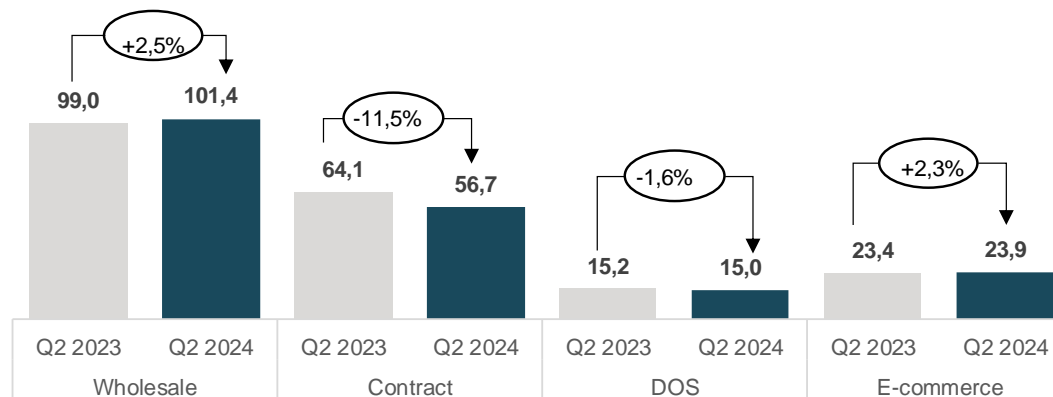
EUR \ MLN



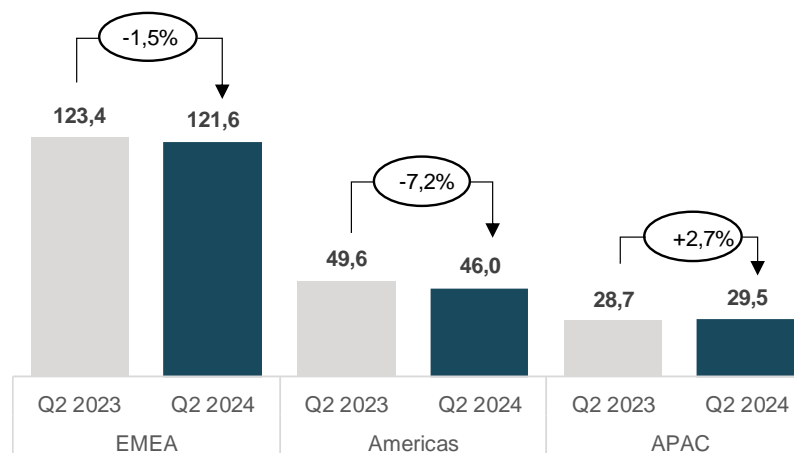
BY BRAND



BY CHANNEL



BY REGION



(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).

# Profit and Loss and Net financial position

## Reported figures

EUR \ MLN

Reported

### Profit and Loss reported

| EUR / MLN                                 | 2023         | 2024         |
|---|--------------|--------------|
| <b>Profit and loss</b>                    |              |              |
| <b>Revenues</b>                           | <b>411,3</b> | <b>385,2</b> |
| Operating expenses                        | (310,0)      | (289,6)      |
| Non-recurring costs and revenues          | (10,0)       | (12,2)       |
| <b>EBITDA reported</b>                    | <b>91,3</b>  | <b>83,3</b>  |
| D&A of tang. and Intang. & RoU Depr.      | (25,8)       | (27,5)       |
| <b>Operating Result - EBIT reported</b>   | <b>65,6</b>  | <b>55,8</b>  |
| Financial income / Charges                | (36,9)       | (46,4)       |
| Taxation                                  | (8,4)        | (12,3)       |
| <b>Net income / (loss) for the period</b> | <b>20,2</b>  | <b>(3,0)</b> |

**Revenues** for the 6 months 2024 (385,2m) include:

- Eur 383,4m as revenues from contracts with customers
- Eur 1.8m as other revenues and income

For the H1 2024 the **non-recurring (costs)/revenues and management fees** are detailed as follows:

- (5)m Management Fees to FLOS B&B Group S.p.A. (parent company).
- (3,3)m Severance, termination and recruiting one-off
- (1,4)m Group enhancement project, including procurement project;
- (0,4)m Start up and Ramp-up cost - Dos openings and new business
- (2,1)m Other extraordinary expenses, such as provisions for risk and charges, Inventory, trade rec. and other one-off costs.

### Reconciliation: Ebitda reported vs. Ebitda Adj

| Profit and loss                      | 2023         | 2024        |
|--------------------------------------|--------------|-------------|
| <b>EBITDA reported</b>               | <b>91,3</b>  | <b>83,3</b> |
| Non-recurring income and charges     | 10,0         | 12,2        |
| <b>EBITDA</b>                        | <b>101,3</b> | <b>95,6</b> |
| D&A of tang. and Intang. & RoU Depr. | (25,8)       | (27,5)      |
| Non-recurring impacting EBIT         | 0,0          | 0,4         |
| <b>Operating result - EBIT</b>       | <b>75,6</b>  | <b>68,4</b> |

### Net Financial Position (NFP)

| Net Financial Position                     | June 30 2024 | December 31 2023 |
|--|--------------|------------------|
| Cash and cash equivalents                  | (71,9)       | (76,0)           |
| Senior Secured Notes                       | 895,0        | 895,0            |
| RCF  | 13,4         | 21,5             |
| Short-Term loan                            | 17,0         | 14,1             |
| Long-Term loan                             | 1,2          | 0,0              |
| 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  | 86,1         | 87,9             |
| <b>Total net debt</b>                      | <b>960,1</b> | <b>961,8</b>     |
| <b>Group synergized EBITDA</b>             | <b>194,5</b> | <b>200,2</b>     |
| <b>Leverage</b>                            | <b>4,9x</b>  | <b>4,8x</b>      |

**Leverage:** Total net debt on the LTM 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

H1 2024 Results

EUR \ MLN

Reported

## Assets

|  | December 31<br>2023 | June 30<br>2024  |
|--|---------------------|------------------|
| Cash and Short-Term deposits                 | 75.952              | 71.912           |
| Trade Receivable                             | 79.113              | 88.490           |
| Inventories                                  | 148.199             | 153.902          |
| Tax current asset                            | 17.139              | 19.781           |
| Other current assets                         | 11.329              | 12.613           |
| <b>Current Assets</b>                        | <b>331.732</b>      | <b>346.698</b>   |
| Goodwill                                     | 1.307.172           | 1.310.363        |
| Brands and other intangible assets           | 666.825             | 667.563          |
| Property, plant and equipment                | 119.462             | 118.929          |
| Right-of-use assets                          | 77.495              | 74.875           |
| Investments in joint ventures and associates | 42.593              | 42.593           |
| Deferred tax assets                          | 27.753              | 27.789           |
| Other non-current assets                     | 8.782               | 10.850           |
| <b>Non-Current Assets</b>                    | <b>2.250.081</b>    | <b>2.252.962</b> |
| Assets held for disposal                     | 2.011               | 2.011            |
| <b>Total Assets</b>                          | <b>2.583.824</b>    | <b>2.601.671</b> |

## Liabilities and Equity

|  | December 31<br>2023 | June 30<br>2024  |
|--|---------------------|------------------|
| Share capital  | 5.102               | 5.102            |
| Share premium reserve and other reserves                       | 1.104.096           | 1.124.048        |
| Profit/(loss) of the period                                    | 15.210              | (2.773)          |
| <b>Group Shareholders' Equity</b>                              | <b>1.124.408</b>    | <b>1.126.377</b> |
| Minority shareholders' equity                                  | 2.963               | 1.568            |
| Profit/(loss) of the period attributable to minority interests | (1.157)             | (228)            |
| <b>Equity attributable to non-controlling interests</b>        | <b>1.805</b>        | <b>1.340</b>     |
| <b>Total Equity</b>  | <b>1.126.214</b>    | <b>1.127.717</b> |
| Current financial liabilities                                  | 43.455              | 55.425           |
| Current lease liabilities                                      | 16.075              | 16.362           |
| Trade payables   | 128.106             | 136.881          |
| Advance from Customers   | 55.622              | 58.712           |
| Current Tax liabilities  | 12.857              | 22.946           |
| Other Current Liabilities                                      | 37.476              | 37.408           |
| <b>Current Liabilities</b>                                     | <b>293.590</b>      | <b>327.734</b>   |
| Non-current financial liabilities                              | 904.243             | 889.058          |
| Non-current lease liabilities                                  | 71.805              | 69.768           |
| Defined benefit plans  | 6.554               | 6.287            |
| Provisions for risks and charges                               | 11.376              | 12.020           |
| Deferred tax liabilities                                       | 164.336             | 163.549          |
| Other non-current liabilities                                  | 5.707               | 5.538            |
| <b>Non-Current Liabilities</b>                                 | <b>1.164.020</b>    | <b>1.146.220</b> |
| <b>Total Liabilities</b>                                       | <b>1.457.611</b>    | <b>1.473.954</b> |
| <b>Liabilities and Shareholders' Equity</b>                    | <b>2.583.824</b>    | <b>2.601.671</b> |