

Bit Market Services

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Testo del comunicato

Vedi allegato.

PRESS RELEASE

**FILA:
STRONGER GROUP GROWTH IN Q1 2016
WITH INTEGRATION OF WFPL AND DALER & ROWNEY**

CORE BUSINESS REVENUE IN Q1 2016 UP 45.2%

- *Core Business Revenue of Euro 82.9 million in Q1 2016 (+45.2% on Euro 57.1 million in Q1 2015, with organic growth of 12.1%, excluding the currency effect and changes to the consolidation scope)*
- *Normalised EBITDA of Euro 11.9 million (+39.4% on Euro 8.5 million in Q1 2015, with more than proportional organic growth on revenue of 15.8%)*
- *Normalised Net Profit, excluding minorities, up 7.9% to Euro 4.3 million (Euro 4.0 million in Q1 2015)*
- *Net Debt of Euro 166.3 million at March 31, 2016*

Milan, May 11, 2016 – The Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“F.I.L.A.”), ISIN Code IT0004967292, at a meeting today, reviewed and approved the 2016 First Quarter results.

F.I.L.A. – a Company listed on the STAR segment of the Milan Stock Exchange, which operates in the creativity tools market, producing writing and design objects - reports Q1 2016 Core Business Revenue of Euro 82.9 million, up 45.2% on Q1 2015. Normalised EBITDA in the first quarter of 2016 of Euro 11.9 million rose 39.4% on Q1 2015. Normalised net profit in Q1 2016, excluding minorities, totaled Euro 4.3 million.

“The strong results delivered by F.I.L.A. in the first quarter of the year are due to the strategic vision and market positioning of the Group – stated Massimo Candela, Chief Executive Officer of FILA – “These successes also confirm the increasing confidence of customers and consumers, who see FILA as a reliable, solid and high-quality partner. The consolidation of Writefine Products Private Limited (the Indian subsidiary “WFPL”) and the acquisition of Daler & Rooney Lukas Group (“D&R” Group) have enabled us on the one hand to strengthen our presence on a key market in terms of growth potential such as India, and on the other to make another important advance on the Arts market, with a particular focus on colour segment products. We will develop further this market in the future”

Operating performance - F.I.L.A. GROUP

Core Business Revenue of Euro 82.9 million grew 45.2% (Euro 25.8 million) on the previous year (Euro 57.1 million).

Organic revenue growth was 12.1%, net of currency movements of approx. Euro 2.4 million (principally on the Mexican Pesos) and M&A effects of approx. Euro 21.3 million relating to the contribution of the D&R Group (from February 1, 2016) and the full consolidation of WFPL.

Organic revenue growth was principally seen in Central-South America (+26%), Europe (+9%) and North America (+8%).

This follows improved order fulfilment times, strong school and art & craft product demand and the continued consolidation of market share.

Operating Costs of Euro 73.2 million increased Euro 22.5 million on 2015, principally due to the consolidation of the D&R Group and of WFPL. Net of these M&A operations, operating costs were substantially in line with the preceding quarter, with the increase on the basis of higher sales volumes offset, in addition to the weakening of the Mexican and Chinese currencies, also by improved production efficiency at the Chinese and Mexican facilities.

Normalised EBITDA of Euro 11.9 million increased 39.4% (Euro 3.4 million) on Q1 2015. The Core business revenue margin was 14.3%, substantially in line with the previous year. Organic EBITDA growth, excluding M&A operations and the currency effect, was 15.8% - therefore exceeding revenue growth.

Normalised EBIT amounted to Euro 8.6 million and includes higher amortisation and depreciation on the previous year, principally due to the consolidation of the D&R Group and WFPL, in addition to production investment.

In the first quarter of 2016, normalised Net financial charges amounted to Euro 3.1 million, substantially concerning exchange adjustments on the loan in UK Sterling for the acquisition of the D&R Group.

The normalised “Net Profit”, excluding financial charges and “minorities”, was Euro 4.3 million, up 7.9% (Euro 4.6 million) on the previous year.

Balance Sheet review - F.I.L.A. GROUP

The Group Net Financial Position at December 31, 2016 was a net debt of Euro 166.3 million, increasing Euro 127.6 million on Euro 38.7 million at December 31, 2015.

The main changes were:

- Negative impact due to the consolidation of the D&R Group net financial position for 86.7 mln euros
- Absorption of cash from working capital management for Euro 31.7 million, due to business seasonality
- Investment for the acquisition of Daler & Rowney shares for Euro 16.8 million
- Generation of net cash from operating activities Euro 8.7 million
- Capex for Euro 2 million invested in intangible and tangible fixed assets
- Exchange gains of Euro 1.4 million
- Interest for Euro 1 million

Significant events in the year

- On January 4, 2016, the period for the exercise of the “F.I.L.A. S.p.A. Market Warrants” concluded. Overall, 8,153,609 Market Warrants were exercised between December 1, 2015 and January 4, 2016 (“Deadline” as communicated by the Issuer on December 1, 2015) against the subscription of 2,201,454 ordinary shares.
- On February 3, 2016, F.I.L.A. S.p.A. acquired 100% of the entire share capital – represented by “ordinary shares” and “preference shares” - of Renoir TopCo Ltd, the holding company of the D&R Group.
- The acquisition of the entire share capital of Renoir TopCo Ltd involves a total equity value payment of Euro 80.8 million.

The operation was entirely financed by a pool of primary standing banks, through a medium-term bank loan, issued in February 2016, for a total amount of Euro 130 million, which includes a revolving line to cover any needs generated by Group working capital.

F.I.L.A. (Fabbrica Italiana Lapis ed Affini), founded in Florence in 1920 and managed since 1956 by the Candela family, is a highly consolidated, dynamic and innovative Italian industrial enterprise and continues to grow market share. In November 2015, F.I.L.A. listed on the STAR segment of the Milan Stock Exchange. The company, with revenue of over Euro 275 million in 2015, has grown significantly over the last twenty years and has achieved a series of strategic acquisitions, including the Italian Adica Pongo, the US Dixon Ticonderoga, the German LYRA, the Mexican Lapiceria Mexicana, the Brazilian Lycin and the English Daler-Rowney Lukas.

F.I.L.A. is an icon of Italian creativity globally through its colouring, drawing, modelling, writing and painting tools, thanks to brands such as Giotto, Tratto, Das, Didò, Pongo, Lyra, Dooms, Maimeri and Daler. Since its foundation, F.I.L.A. has chosen to focus on growth through continuous innovation, both in technological and product terms, in order to enable individuals to express their ideas and talent through tools of exceptional quality. In addition, F.I.L.A. and the Group companies work together with the Institutions to support educational and cultural projects which promote creativity and expression among individuals and make culture accessible to all.

F.I.L.A. operates through 14 production facilities (of which 2 in Italy) and 22 subsidiaries across the globe and employs approx. 5,000.

For further information

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Attachment 1 – F.I.L.A. Group Consolidated Income Statement

<u>Millions of Euro</u>	3M 2016	% core business revenue	3M 2015	% core business revenue	2016 - 2015 Change
Core Business Revenue	82,9		57,1		25,8 45,2%
Other Revenue and Income	2,1		2,0		0,1 4,6%
TOTAL REVENUE	85,0		59,1		25,9 43,8%
TOTAL OPERATING COSTS	(74,9)	-90,3%	(50,9)	-89,1%	(24,0) 47,3%
EBITDA	10,1	12,2%	8,3	14,5%	1,9 22,6%
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	(3,3)	-4,0%	(2,0)	-3,4%	(1,3) 68,5%
EBIT	6,9	8,3%	6,3	11,1%	0,5 8,4%
NET FINANCIAL CHARGES	(4,3)	-5,2%	(0,6)	-1,1%	(3,7) 579,5%
PRE-TAX PROFIT/(LOSS)	2,5	3,1%	5,7	10,0%	(3,1) -55,2%
TOTAL INCOME TAXES	(2,5)	-3,0%	(1,7)	-2,9%	(0,8) 49,5%
NET PROFIT/(LOSS) - CONTINUING OPERATIONS	0,1	0,1%	4,0	7,0%	(4,0) -98,5%
NET PROFIT/(LOSS) - DISCONTINUED OPERATIONS	0,0	0,0%	(0,1)	-0,2%	0,1 -100,0%
NET PROFIT/(LOSS) FOR THE PERIOD	0,1	0,1%	3,9	6,8%	(3,8) -98,5%
Non-controlling interest profit	0,3	0,4%	0,1	0,1%	0,3 338,0%
F.I.L.A. GROUP NET PROFIT	(0,3)	-0,3%	3,8	6,7%	(4,1) -107,5%

Attachment 2 – F.I.L.A. Group Normalised Consolidated Income Statement

<u>Millions of Euro</u>	3M 2016	% core business revenue	3M 2015	% core business revenue	2016 - 2015 Change
Core Business Revenue	82,9		57,1		25,8 45,2%
Other Revenue and Income	2,1		2,0		0,1 4,6%
TOTAL REVENUE	85,0		59,1		25,9 43,8%
TOTAL OPERATING COSTS	(73,2)	-88,3%	(50,6)	-88,7%	(22,5) 44,5%
EBITDA	11,9	14,3%	8,5	14,9%	3,4 39,4%
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	(3,3)	-4,0%	(2,0)	-3,4%	(1,3) 68,5%
EBIT	8,6	10,3%	6,6	11,5%	2,0 30,7%
NET FINANCIAL CHARGES	(1,2)	-1,5%	(0,6)	-1,1%	(0,6) 91,9%
PRE-TAX PROFIT/(LOSS)	7,4	8,9%	5,9	10,4%	1,4 24,2%
TOTAL INCOME TAXES	(2,7)	-3,3%	(1,7)	-3,0%	(1,0) 55,7%
NET PROFIT/(LOSS) - CONTINUING OPERATIONS	4,7	5,6%	4,2	7,3%	0,5 11,1%
NET PROFIT/(LOSS) - DISCONTINUED OPERATIONS	0,0	0,0%	(0,1)	-0,2%	0,1 -100,0%
NET PROFIT/(LOSS) FOR THE PERIOD	4,7	5,6%	4,1	7,1%	0,6 14,3%
Non-controlling interest profit	0,3	0,4%	0,1	0,1%	0,3 338,0%
F.I.L.A. GROUP NET PROFIT/(LOSS)	4,3	5,2%	4,0	7,0%	0,3 7,9%

Attachment 3 – F.I.L.A. Group Consolidated Balance Sheet

<u>Millions of Euro</u>	March 2016	December 2015	Change 2016 - 2015
Intangible assets	156,0	88,2	67,9
Property, plant & equipment	58,9	47,9	11,0
Financial assets	2,7	1,8	0,9
NET FIXED ASSETS	217,5	137,8	79,7
OTHER NON-CURRENT ASSETS/LIABILITIES	15,4	13,9	1,5
Inventories	155,7	118,5	37,1
Trade and Other Receivables	114,3	77,7	36,6
Other Current Assets	5,9	5,0	0,8
Trade and Other Payables	(73,1)	(53,0)	(20,1)
Other Current Liabilities	(3,7)	(1,8)	(1,9)
NET WORKING CAPITAL	199,0	146,4	52,6
PROVISIONS	(38,5)	(26,2)	(12,3)
ASSETS/LIABILITIES OF DISCONTINUED OPERATIONS	0,0	0,0	0,0
NET CAPITAL EMPLOYED	393,5	272,0	121,5
EQUITY	(227,2)	(211,7)	(15,4)
NET FINANCIAL INSTRUMENTS	0,0	(21,5)	21,5
NET FINANCIAL POSITION	(166,3)	(38,7)	(127,6)
NET FUNDING SOURCES	(393,5)	(272,0)	(121,5)

Attachment 4 – F.I.L.A. Group Consolidated Cash Flow Statement

<u>Millions of Euro</u>	March 2016	March 2015	Change 2016 - 2015
EBIT	6,9	6,3	0,5
Adjustments for non-cash items	3,8	2,0	1,8
Integrations for income taxes	(1,5)	(2,0)	0,5
Realized and Unrealised Exchange Differences on Assets and Liabilities in Foreign Currencies	(4,4)	0,0	(4,4)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN NET WORKING CAPITAL	4,9	6,4	(1,5)
Changes in net working capital	(31,7)	(32,5)	0,8
CASH FLOW FROM OPERATING ACTIVITIES	(26,8)	(26,1)	(0,7)
Total Investment/Divestment in Intangible Assets and Property, Plant and Equipment	(2,0)	(2,3)	0,3
Total Investment/Divestment of Investments measured at Cost	(16,8)	(0,0)	(16,8)
Total Investment/Divestment in Other Financial Assets	(0,3)	(0,1)	(0,1)
CASH FLOW FROM INVESTING ACTIVITIES	(19,0)	(2,3)	(16,7)
Total Change in Equity	(0,5)	0,0	(0,5)
Interest Paid	(1,0)	(0,9)	(0,1)
Totale Incremento/Decremento Finanziamenti ed altre Passività finanziarie	126,3	5,3	121,0
CASH FLOW FROM FINANCING ACTIVITIES	124,8	4,4	120,4
Translation difference and other non-cash items	2,6	1,1	1,5
CASH FLOW IN THE PERIOD	81,6	(22,9)	104,5
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the period	17,5	30,7	(13,1)
Cash and Cash Equivalents net of Bank Overdrafts at beginning of the period (change in consolidation scope)	(86,7)	0,0	(86,7)
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS AT END OF THE PERIOD	12,4	7,7	4,7

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