



H1 2018 FILA Group Results



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H1 2018 Highlights

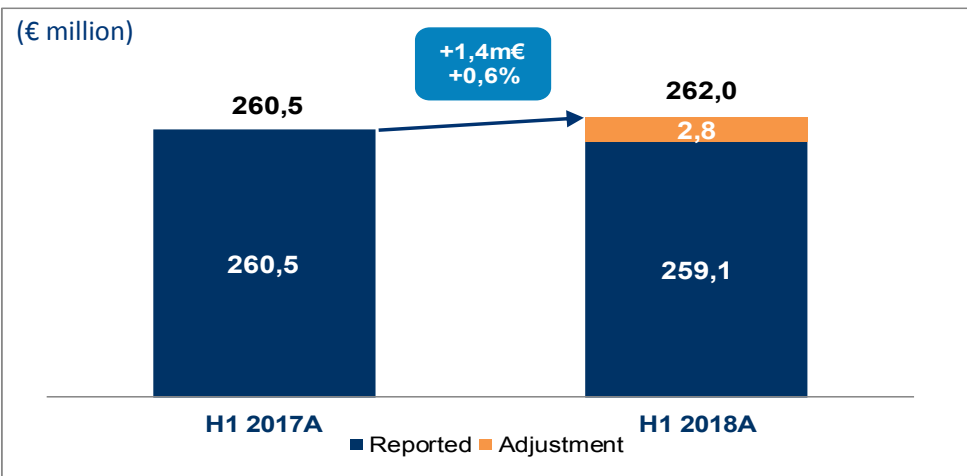


FILA H1 2018: MAJOR REVENUES GROWTH IN ASIA AND SOME CENTRAL-SOUTH SOUTH AMERICA COUNTRIES, CONTINUOUS MARGIN IMPROVEMENT DUE TO GROUP EFFICIENCIES, POSITIVE CONTRIBUTION OF PACON IN TERMS OF REVENUES AND EBITDA ONLY PARTIALLY REFLECTED IN THE HALF YEAR REPORT

- H1 2018 Adjusted Core Business Revenues of Euro 262 million +0,6% (adjustment effect for the introduction of IFRS 15 equal to Euro 2,8 million) on H1 2017 (Euro 260,5 million), mainly due to the negative FX effect.
- Organic Revenue +0,7%, excluding the negative currency effect of Euro 16,6 million and M&A (Pacon) for Euro 16,3 million
- Double digit growth in Asia, in particular India and recovery in North America
- Adjusted EBITDA of Euro 44,6 million, +1,7% on Euro 43,8 million in H1 2017, of which -0,9% organic (net of FX, and M&A); EBITDA margin improvement at 17% compared to 16,8% in H1 2017
- Adjusted Net Profit, excluding extraordinary costs and tax effects, of Euro 16,1 million (Euro 17,6 million in H1 2017)
- Net Debt of Euro -612,7 million at June 30, 2018 (Euro -239,6 million in FY2017), mainly due to Pacon acquisition for Euro 301,9 million and to seasonality.
- H1 2018 Pacon Revenue USD 125.9 million and Adjusted EBITDA of USD 20.6 million, although reflected in the half-year report from the acquisition date (June 7th, 2018) and for respectively only Euro 16.3 million and Euro 3.1 million*

**Data provided by Pacon management and not approved by F.I.L.A. Board of Directors or management, nor subject to audit or other checks by the latter*

H1 2018 Core Business Sales



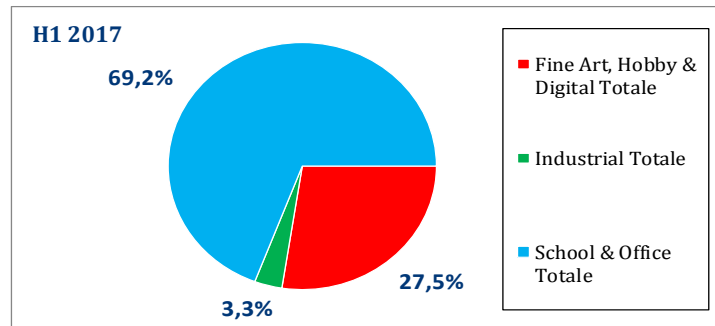
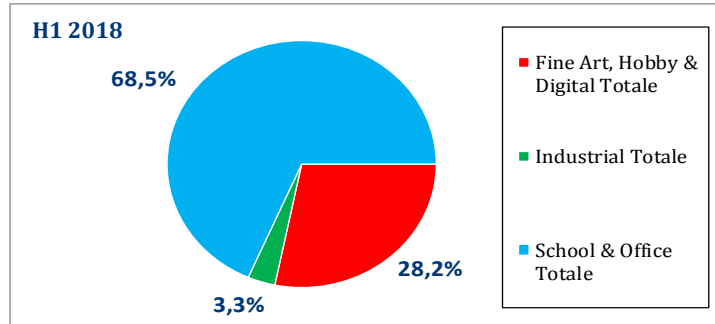
- **Adjusted Core Business Sales +1,4mln € (+0,6%), Organic +1,8mln € (+0,7%), net of FX and M&A, of which:**

- **By Geographic Area:** Asia +6,4mln € (20,7%), Centre & South America +1,6mln € (5,2%), partially offset by Europe -5,6mln € (-4,6%), Other Countries -0,4mln € (-16,6%) and North America -0,2mln € (-0,3%)

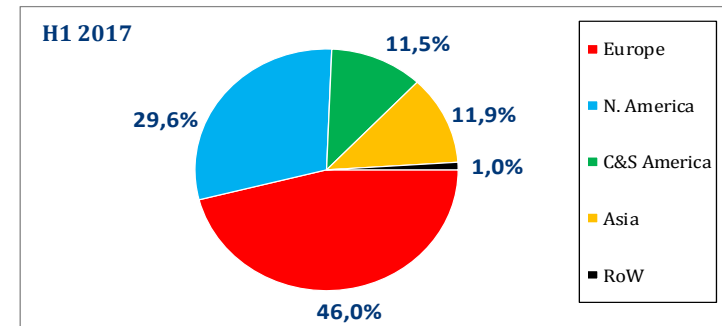
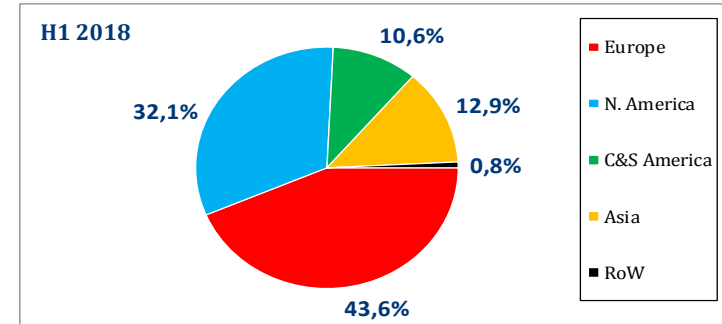
- **By Product line:** Fine Art, Hobby & Digital +3,7mln € (+5,2%), Industrial +0,5mln € (+5,4%), partially offset by School & Office -2,4mln € (-1,4%)

- **+2,8mln € for IFRS 15 first time adoption**

SALES BY PRODUCT LINE



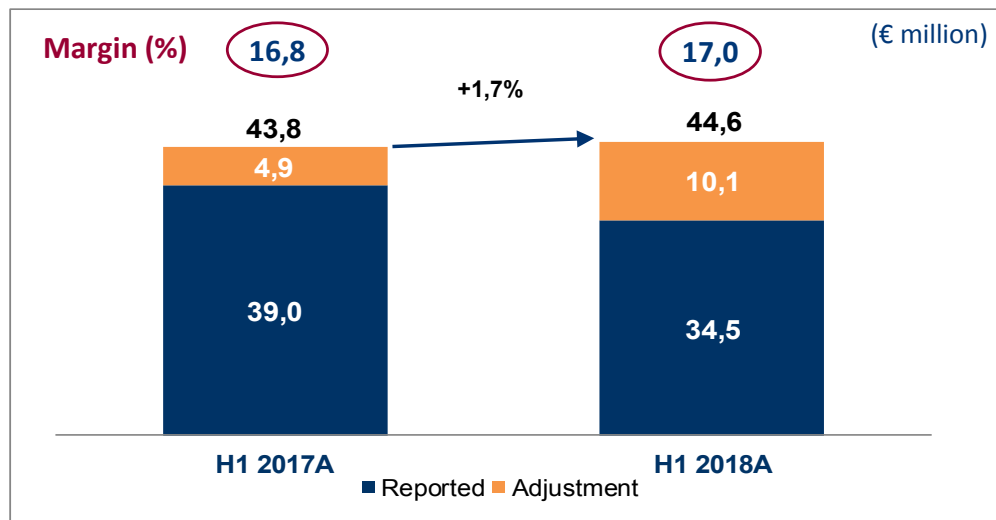
SALES BY GEOGRAPHICAL AREA



H1 2018 EBITDA

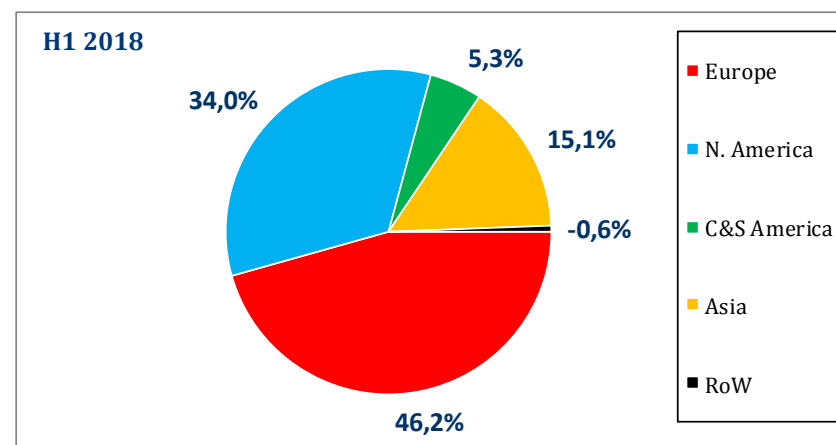
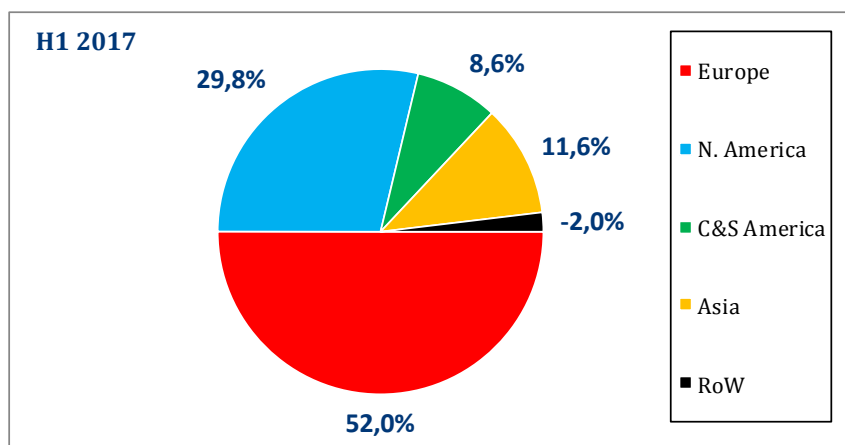


ADJUSTED EBITDA



- Adjusted EBITDA +0,8mln € (+1,7%), Organic -0,4mln € (-0,9%), net of FX and M&A effect
- 10,1mln € of extraordinary costs in H1 2018A, related to the Pacon Group acquisition, reorganization, stock option costs and IFRS 15 first time adoption
- 4,9mln € of extraordinary costs in H1 2017A, mainly related to the reorganization costs

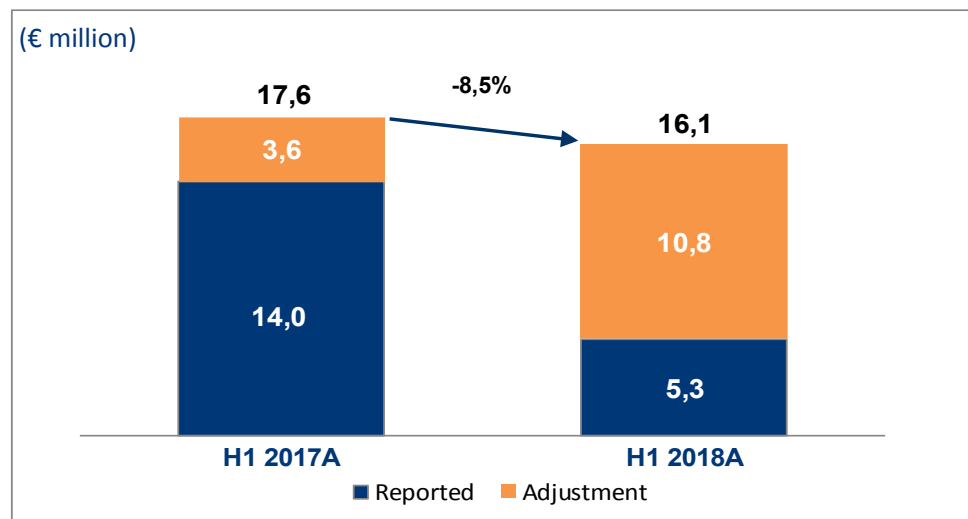
ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



H1 2018 Net Income and Net Financial Position

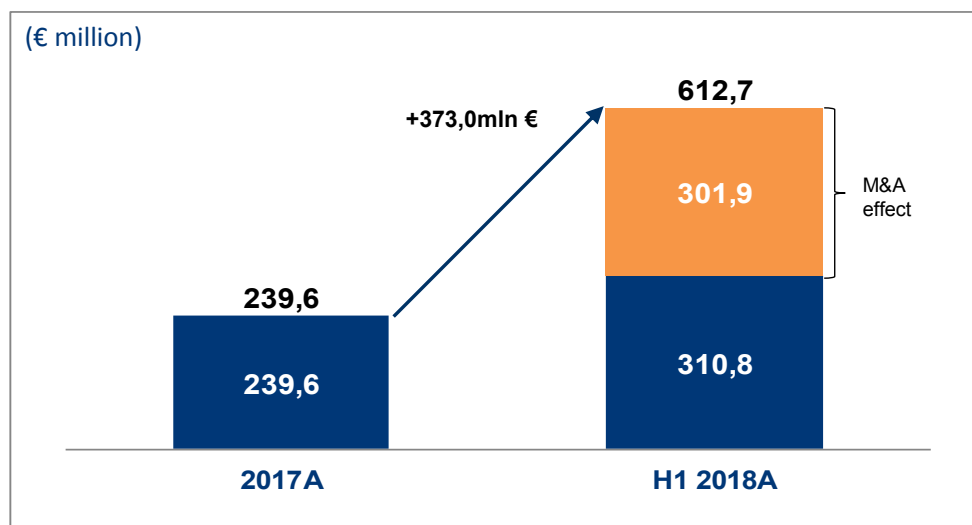


ADJUSTED NET INCOME



- The adjustment of the Group Result in H1 2018A refers to extraordinary operating costs for M&A, reorganization and stock options plan, net of tax effect
- The adjustment of the Group Result in H1 2017A refers mainly to reorganization and stock options costs, net of taxes effects and partially offset by adjustments of 1mln € for financial proceeds coming from the disposal of 30% participation in FILA Nordic (Sweden)

ADJUSTED NET FINANCIAL POSITION



Net debt increase of 373,0mln € mainly due to:

- Negative M&A effect of 301,9mln €, related to shares acquisition of the Pacon Group
- Operating CF -44,7mln Euro, mainly due to seasonality
- Capex for 10,3mln €
- Financial expenses for 11,5mln € including 7,0mln € of one-off bank fees
- Dividends paid for 3,8mln €
- Negative FX effect of 1,7mln €



Appendix



H1 2018 Income Statement



<i>(€ million)</i>	H1 2017A	% on Sales	H1 2018A	% on Sales
PROFIT & LOSS				
Core Business Sales	260,5		259,1	
Other revenues	12,0		5,0	
Total revenues	272,5		264,1	-
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(105,9)	(40,7%)	(103,5)	(39,9%)
Costs for Services and Use of Third-Party Assets	(58,7)	(22,5%)	(65,8)	(25,4%)
Personnel Costs	(55,7)	(21,4%)	(54,3)	(20,9%)
Other Operating Costs	(13,2)	(5,1%)	(5,9)	(2,3%)
Total operating costs	(233,5)	(89,6%)	(229,5)	(88,6%)
EBITDA	39,0	15,0%	34,5	13,3%
Depreciation and Amortization	(8,9)	(3,4%)	(9,5)	(3,7%)
Write-Downs	(0,2)	(0,1%)	(1,6)	(0,6%)
EBIT	29,9	11,5%	23,5	9,1%
Financial income/expenses	(7,6)	(2,9%)	(10,0)	(3,8%)
Income/expenses from associates at equity method	-	0,0%	0,1	0,0%
PBT	22,3	8,6%	13,6	5,2%
Taxes	(7,6)	(2,9%)	(7,6)	(2,9%)
Total net profit (loss) of the period	14,7	5,7%	6,0	2,3%
Total net profit (loss) attributable to non controlling interests	0,7	0,3%	0,7	0,3%
Fila Group's total net profit (loss) of the period	14,0	5,4%	5,3	2,1%

<i>(€ million)</i>	H1 2017A	% on Sales	H1 2018A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	260,5		259,1	
Total Adjustments			2,8	
ADJUSTED CORE BUSINESS SALES	260,5		262,0	
REPORTED EBITDA	39,0	15,0%	34,5	13,3%
Total Adjustments	4,9		10,1	
ADJUSTED EBITDA	43,8	16,8%	44,6	17,0%
FILA GROUP REPORTED NET PROFIT	14,0	5,4%	5,3	2,1%
Total Adjustments	3,6		10,8	
FILA GROUP ADJUSTED NET PROFIT	17,6	6,8%	16,1	6,2%

H1 2018 Balance Sheet



(€ million)

	2017A	H1 2018A
BALANCE SHEET		
Intangible assets	208,1	423,8
Tangible Assets	88,4	97,8
Financial Fixed Assets	4,7	3,9
Fixed Assets	301,2	525,5
Other Non Current Assets/Liabilities	15,6	15,1
Inventory	178,7	264,2
Trade Receivables and Other receivables	132,8	237,7
Trade Payables and Other Payables	(96,3)	(128,6)
Trade Working Capital	215,2	373,2
Other Current Assets and Liabilities	0,2	(1,3)
Net Working Capital	215,4	371,9
Provisions & Funds	(53,0)	(56,5)
NET CAPITAL EMPLOYED	479,2	856,0
Shareholders equity	(239,6)	(243,4)
Net Financial Position	(239,6)	(612,7)
TOTAL NET SOURCES	(479,2)	(856,0)

H1 2018 Cash Flow Statement



(€ million)

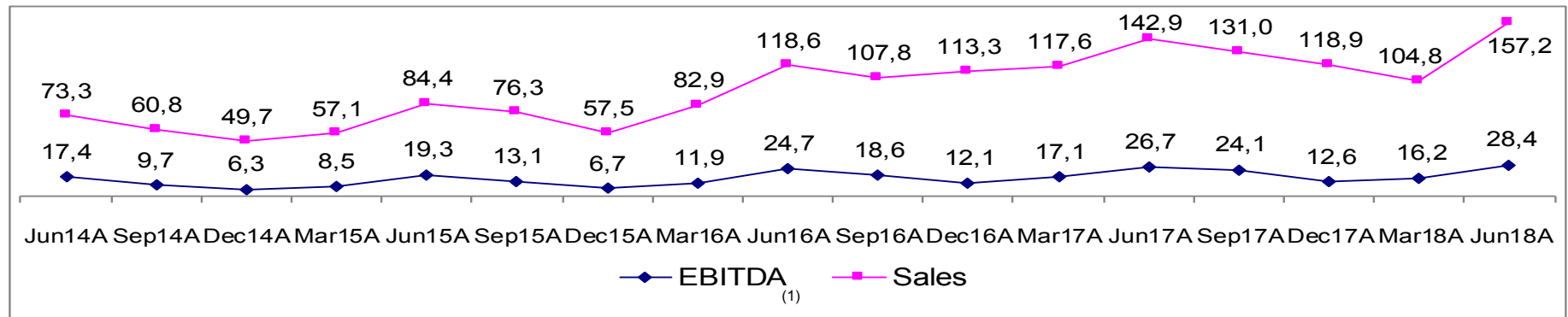
	H1 2017A	H1 2018A
CASH FLOW		
EBIT	29,9	23,5
Adjustments for non monetary costs	10,9	12,9
Adjustments for taxes	(4,9)	(6,5)
Cash-flow from operating activities before changes in NWC	36,0	29,8
<i>Changes in inventories</i>	<i>(19,0)</i>	<i>(26,6)</i>
<i>Changes in trade receivables & others</i>	<i>(71,8)</i>	<i>(61,6)</i>
<i>Changes in trade payables & others</i>	<i>6,6</i>	<i>15,8</i>
<i>Changes in other current assets/liabilities</i>	<i>(0,3)</i>	<i>(2,1)</i>
Changes in net working capital	(84,5)	(74,6)
Operating cash-flow	(48,6)	(44,7)
Investments in tangible and intangible assets	(8,4)	(10,3)
Other changes	(0,4)	0,8
Free Cash Flow	(57,4)	(54,1)
Capital increase/reimbursement/dividends	(3,8)	(3,8)
Financial Expenses	(4,4)	(11,5)
Participation acquisition and disposal	0,9	(215,2)
Effect of FX rate movements	1,8	(1,7)
Net financial position due to consolidation area changes	0,7	(86,7)
Changes in Net Financial Position	(62,1)	(373,0)

Quarterly CB Sales, EBITDA, TWC and NFP



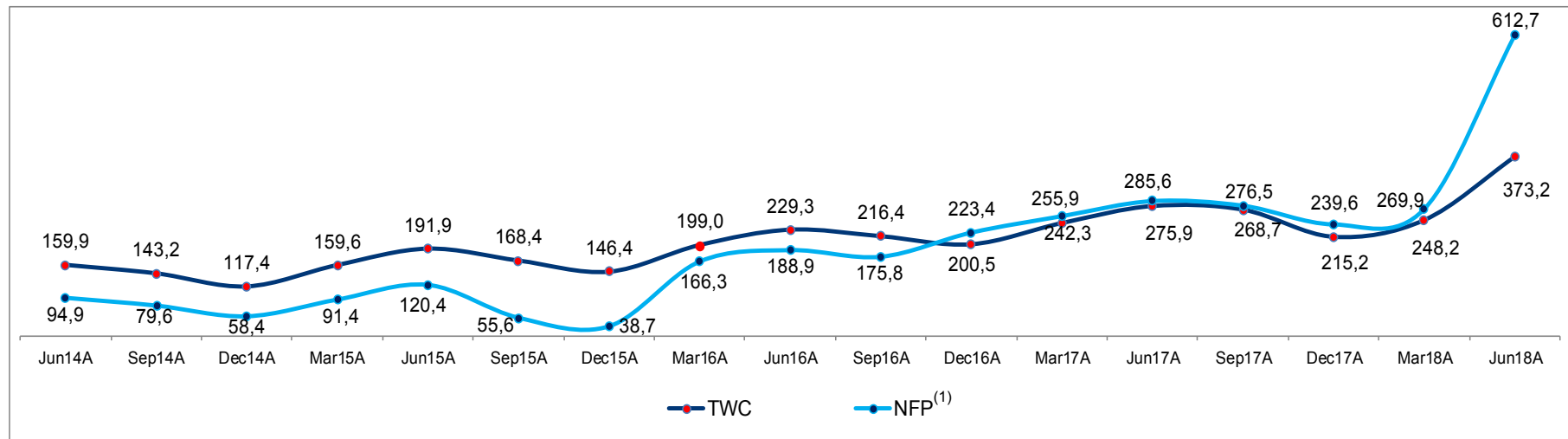
QUARTERLY ADJUSTED CORE BUSINESS SALES AND ADJUSTED EBITDA

(€ million)



(€ million)

QUARTERLY TWC AND NFP



(1) Affected by extraordinary items

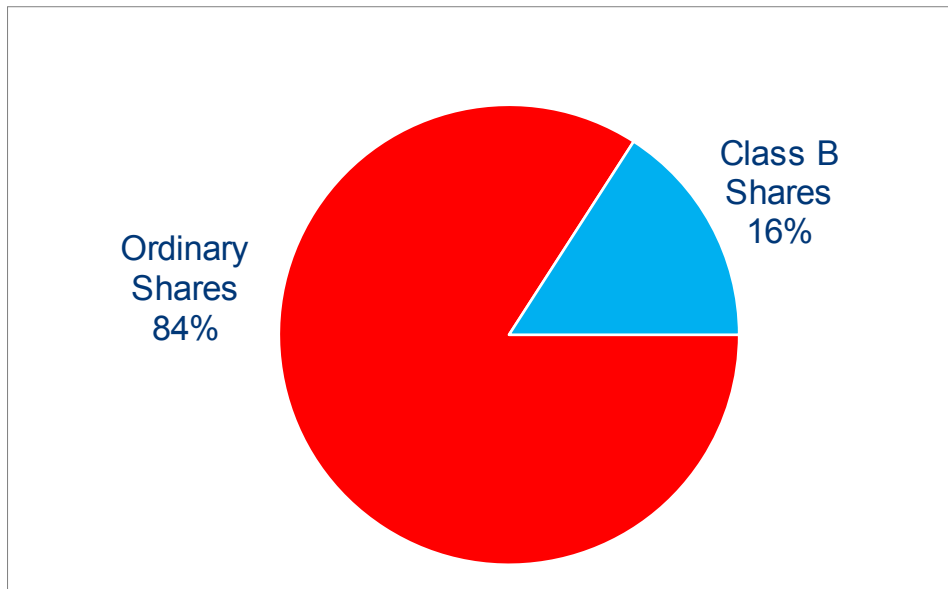
Data in millions of euros for precise data refer to H1 FILA report



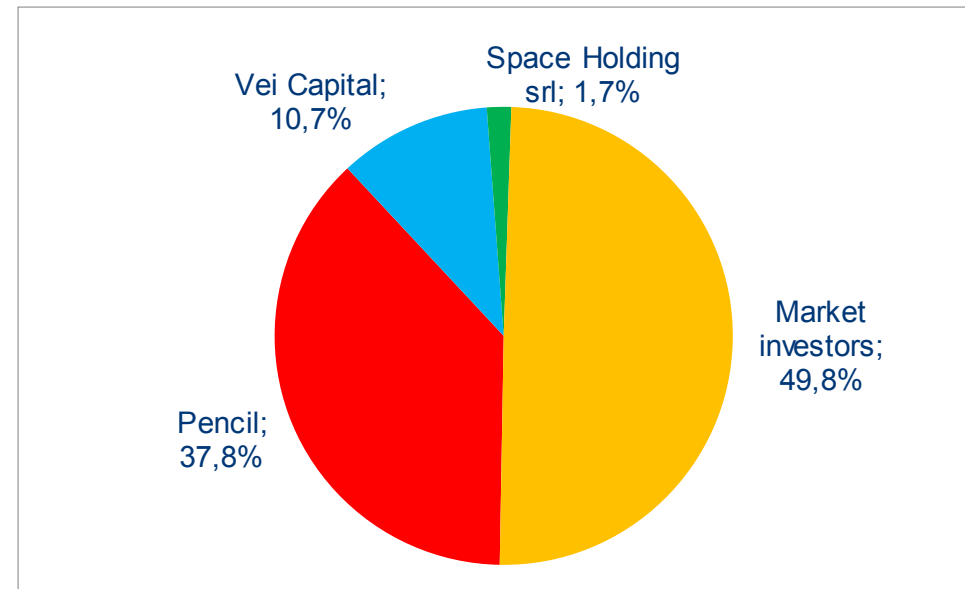
FILA Shareholders



Total shares *



Ordinary shares only



Total shares 41.332.477, of which : Ordinary shares 34.765.969, Class B shares 6.566.508 (enjoy three votes each in accordance with Article 127-sexies of Legislative Decree No. 58/1998).

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