



# 9M 2018 FILA Group Results



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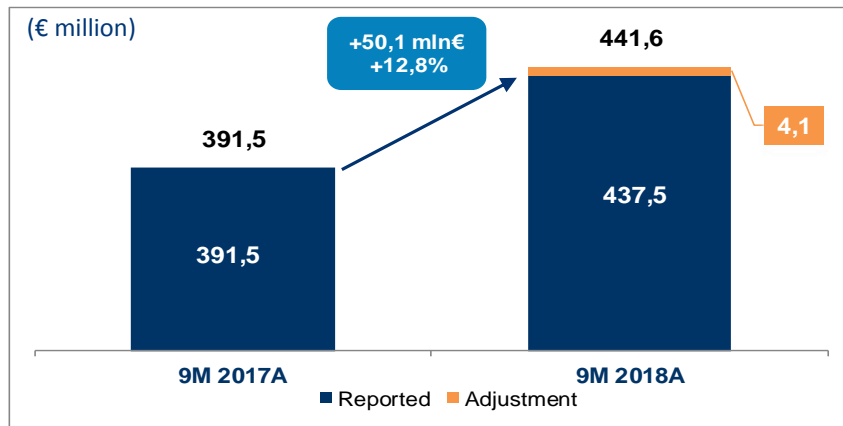
# 9M 2018 Highlights



**FILA 9M 2018: STRONG REVENUE GROWTH IN ASIA AND SOME CENTRAL-SOUTH AMERICAN COUNTRIES, OFFSETTING TEMPORARY NORTH AMERICAN AND EUROPEAN SLOWDOWN. GOOD PERFORMANCE BY PACON, WITH RESULTS FULLY CONSOLIDATED FROM JUNE 2018. SUCCESSFUL START AT END OF AUGUST OF NEW ANNONAY CENTRALISED HUB**

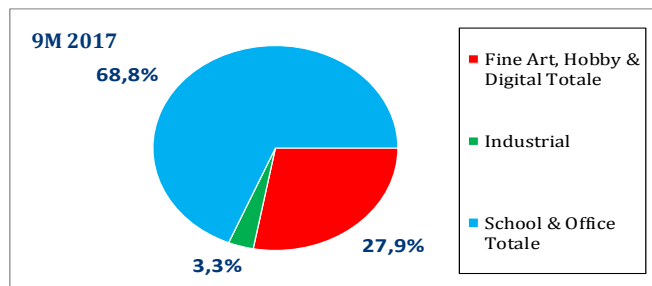
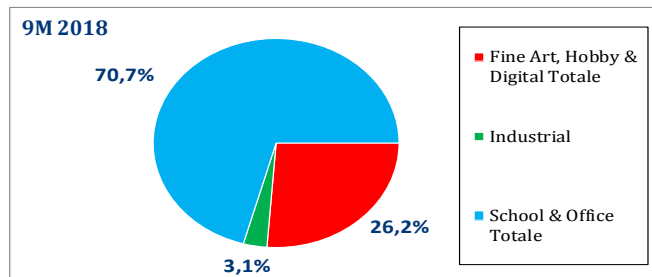
- Adjusted 9M 2018 Core Business Revenue of Euro 441,6 million, +12,8% on same period of previous year (adjustment effect from introduction of IFRS 15 of Euro 4,1 million); Organic revenue, net of negative currency and M&A effect, substantially in line with 9M 2017.
- Organic growth in Asia, particularly India, and in Central-South America, in the first nine months of the year, is respectively 23,2% and 11,9% on the same period of the previous year; this growth offset by temporary slowdown in North America, due to organizational and commercial aspects concerning Pacon acquisition, and Europe, particularly Italy and France, for strategic and commercial choices.
- Adjusted EBITDA of Euro 73,6 million, +8,3% on Euro 68,0 million for 9M 2017 (-5,8% organic, principally due to local negative fx effect and unexpected increase of operating costs for inefficiencies in integration process); revenue margin of 16,7%.
- Adjusted net profit of Euro 22,6 million compared to Euro 27,5 million for 9M 2017, principally due to higher D&A and financial charges related to the new loan granted for the Pacon acquisition.
- Net Debt of Euro 591,3 million at September 30, 2018, compared to Euro 239,6 million at December 31, 2017. The movement mainly concerns the acquisition of Pacon for Euro 301,9 million and the business seasonality impacts on net working capital.
- 9M 2018 Pacon Revenue USD 190,4 million and Adjusted EBITDA of USD 30,9 million, although reflected in the 9M 2018 report from the acquisition date (June 7<sup>th</sup>, 2018) and for respectively only Euro 70,5 million and Euro 11,9 million\*.

# 9M 2018 Core Business Sales

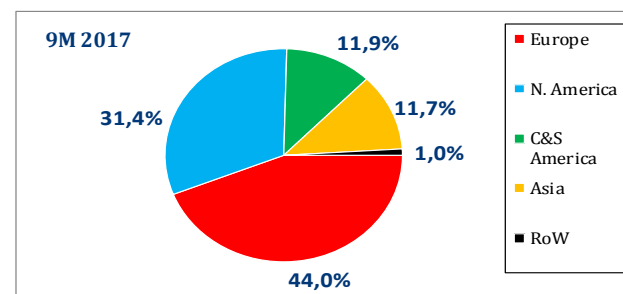
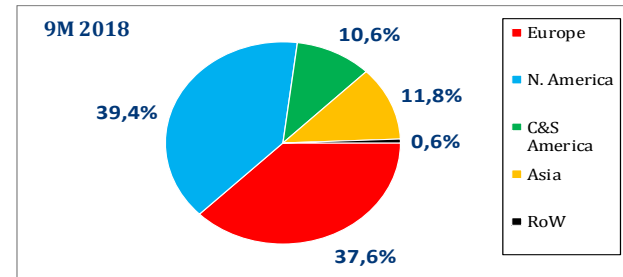


- **Adjusted Core Business Sales +50,1mIn € (+12,8%), Organic -0,2mIn € (-0,06%), net of FX and M&A, of which:**
  - By Geographic Area: Asia +10,7mIn € (23,2%), Centre & South America +5,5mIn € (11,9%), totally offset by North America -9,4mIn € (-7,7%), Europe -6,2mIn € (-3,6%) and Other Countries -0,8mIn € (-22,1%);
  - By Product line: School & Office +2,4mIn € (0,9%), Industrial +1,1mIn € (8,4%), totally offset by Fine Art, Hobby & Digital -3,7mIn € (-3,4%)
  - **+4,1mIn € adjustment for IFRS 15 first time adoption**

## SALES BY PRODUCT LINE



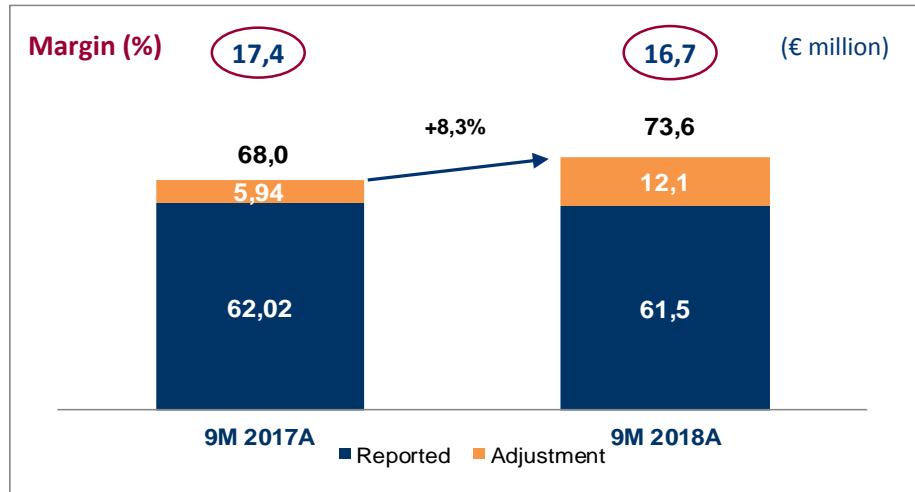
## SALES BY GEOGRAPHICAL AREA



# 9M 2018 EBITDA

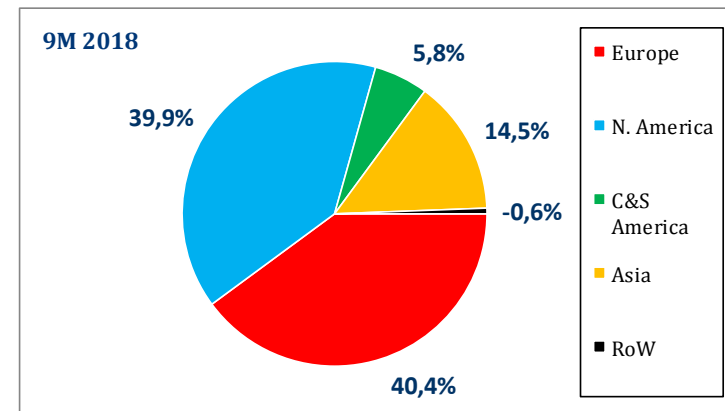
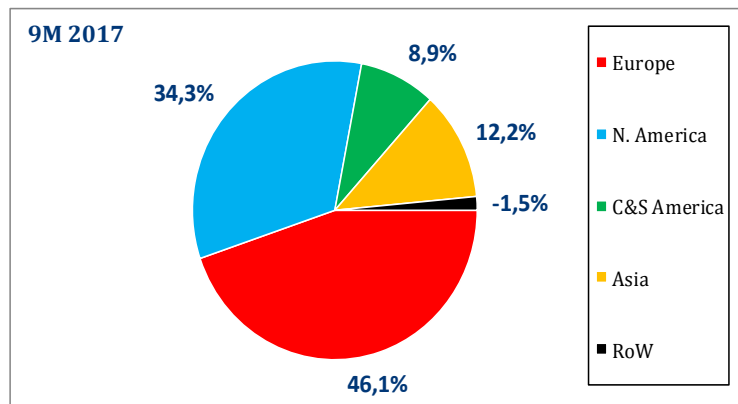


## ADJUSTED EBITDA



- Adjusted EBITDA +5,6mln € (+8,3%), Organic -3,9mln € (-5,8%), net of FX and M&A effect
- 12,1mln € of extraordinary costs in 9M 2018A, related to the Pacon Group acquisition, reorganization, stock option costs and IFRS 15 first time adoption
- 5,94mln € of extraordinary costs in 9M 2017A, mainly related to the reorganization costs

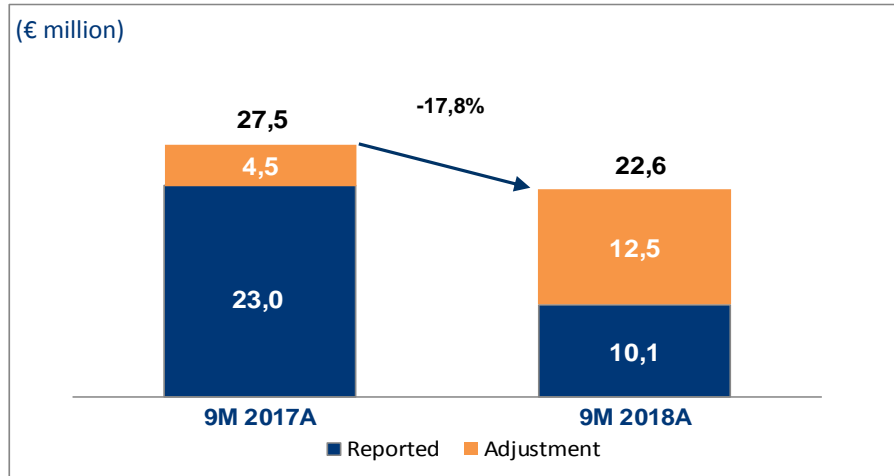
## ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



# 9M 2018 Net Income and Net Financial Position

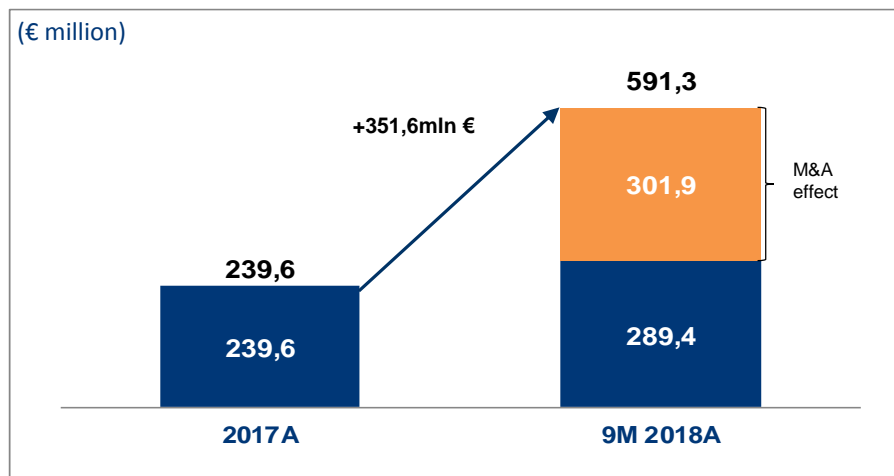


## ADJUSTED NET INCOME



- The adjustment of the Group Result in 9M 2018A refers to extraordinary operating and financial costs for M&A, reorganization and stock options plan, IFRS 15 and 9 first time adoption, net of tax effect
- The adjustment of the Group Result in 9M 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 351,6mln € mainly due to:

- Negative M&A effect of 301,9mln €, related to Pacon Group acquisition
- Operating CF -10,0 mln €, mainly due to seasonality
- Capex for 14,9mln €
- Financial expenses for 19,7mln € including 7,0mln € of one-off bank fees
- Dividends paid for 3,9mln €
- Negative FX effect of 2,4mln €





# Appendix



# 9M 2018 Income Statement



(€ million)	9M 2017A	% on Sales	9M 2018A	% on Sales
<b>PROFIT &amp; LOSS</b>				
Core Business Sales	391,5		437,5	
Other revenues	16,5		6,2	
<b>Total revenues</b>	<b>408,1</b>		<b>443,7</b>	<b>-</b>
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(161,0)	(41,1%)	(188,0)	(43,0%)
Costs for Services and Use of Third-Party Assets	(87,2)	(22,3%)	(99,1)	(22,7%)
Personnel Costs	(80,5)	(20,6%)	(86,6)	(19,8%)
Other Operating Costs	(17,3)	(4,4%)	(8,5)	(2,0%)
<b>Total operating costs</b>	<b>(346,1)</b>	<b>(88,4%)</b>	<b>(382,2)</b>	<b>(87,4%)</b>
<b>EBITDA</b>	<b>62,0</b>	<b>15,8%</b>	<b>61,5</b>	<b>14,1%</b>
Depreciation and Amortization	(13,3)	(3,4%)	(16,6)	(3,8%)
Write-Downs	(0,9)	(0,2%)	(2,3)	(0,5%)
<b>EBIT</b>	<b>47,9</b>	<b>12,2%</b>	<b>42,6</b>	<b>9,7%</b>
Financial income/expenses	(11,3)	(2,9%)	(19,4)	(4,4%)
Income/expenses from associates at equity method	-	0,0%	0,1	0,0%
<b>PBT</b>	<b>36,5</b>	<b>9,3%</b>	<b>23,3</b>	<b>5,3%</b>
Taxes	(12,4)	(3,2%)	(12,1)	(2,8%)
<b>Total net profit (loss) of the period</b>	<b>24,1</b>	<b>6,2%</b>	<b>11,2</b>	<b>2,5%</b>
Total net profit (loss) attributable to non controlling interests	1,2	0,3%	1,1	0,3%
<b>Fila Group's total net profit (loss) of the period</b>	<b>23,0</b>	<b>5,9%</b>	<b>10,1</b>	<b>2,3%</b>

(€ million)	9M 2017A	% on Sales	9M 2018A	% on Sales
<b>P&amp;L ADJUSTMENTS</b>				
<b>REPORTED CORE BUSINESS SALES</b>	<b>391,5</b>		<b>437,5</b>	
<b>Total Adjustments</b>			<b>4,1</b>	
<b>ADJUSTED CORE BUSINESS SALES</b>	<b>391,5</b>		<b>441,6</b>	
<b>REPORTED EBITDA</b>	<b>62,0</b>	<b>15,8%</b>	<b>61,5</b>	<b>14,1%</b>
<b>Total Adjustments</b>	<b>5,9</b>		<b>12,1</b>	
<b>ADJUSTED EBITDA</b>	<b>68,0</b>	<b>17,4%</b>	<b>73,6</b>	<b>16,7%</b>
<b>FILA GROUP REPORTED NET PROFIT</b>	<b>23,0</b>	<b>5,9%</b>	<b>10,1</b>	<b>2,3%</b>
<b>Total Adjustments</b>	<b>4,5</b>		<b>12,5</b>	
<b>FILA GROUP ADJUSTED NET PROFIT</b>	<b>27,5</b>	<b>7,0%</b>	<b>22,6</b>	<b>5,1%</b>



# 9M 2018 Balance Sheet



(€ million)

	2017A	9M 2018A
<b>BALANCE SHEET</b>		
Intangible assets	208,1	418,4
Tangible Assets	88,4	99,9
Financial Fixed Assets	4,7	5,2
<b>Fixed Assets</b>	<b>301,2</b>	<b>523,5</b>
<b>Other Non Current Assets/Liabilities</b>	<b>15,6</b>	<b>18,1</b>
Inventory	178,7	262,6
Trade Receivables and Other receivables	132,8	209,8
Trade Payables and Other Payables	(96,3)	(112,5)
<b>Trade Working Capital</b>	<b>215,2</b>	<b>359,9</b>
Other Current Assets and Liabilities	0,2	(1,3)
<b>Net Working Capital</b>	<b>215,4</b>	<b>358,7</b>
<b>Provisions &amp; Funds</b>	<b>(53,0)</b>	<b>(59,0)</b>
<b>NET CAPITAL EMPLOYED</b>	<b>479,2</b>	<b>841,2</b>
<b>Shareholders equity</b>	<b>(239,6)</b>	<b>(250,0)</b>
<b>Net Financial Position</b>	<b>(239,6)</b>	<b>(591,3)</b>
<b>TOTAL NET SOURCES</b>	<b>(479,2)</b>	<b>(841,2)</b>

# 9M 2018 Cash Flow Statement



(€ million)

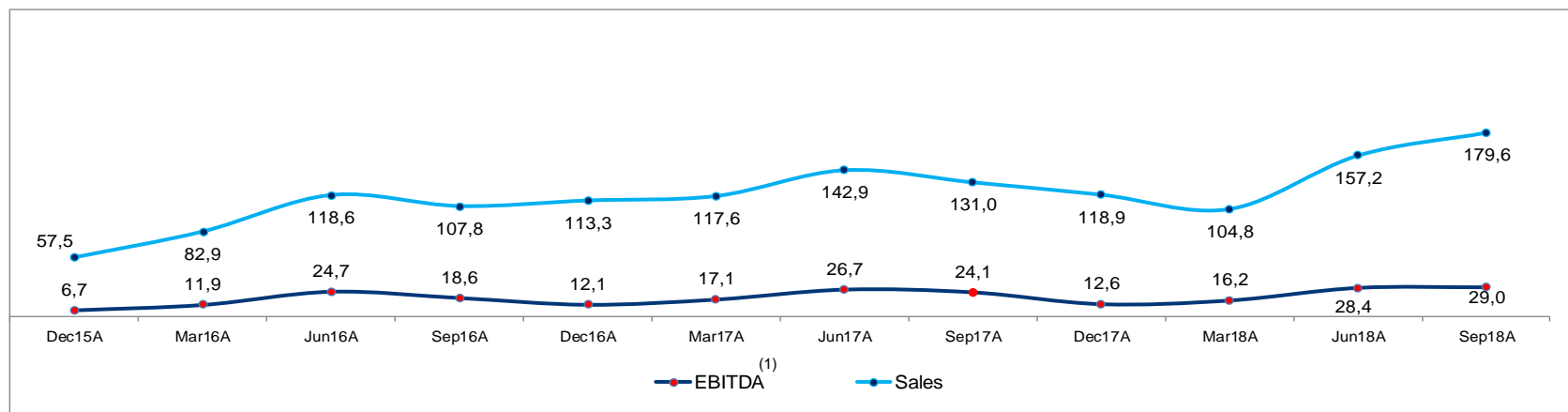
	9M 2017A	9M 2018A
<b>CASH FLOW</b>		
<b>EBIT</b>	<b>47,9</b>	<b>42,6</b>
Adjustments for non monetary costs	18,6	21,5
Adjustments for taxes	(10,9)	(11,6)
<b>Cash-flow from operating activities before changes in NWC</b>	<b>55,6</b>	<b>52,5</b>
<i>Changes in inventories</i>	<i>(15,9)</i>	<i>(25,5)</i>
<i>Changes in trade receivables &amp; others</i>	<i>(64,8)</i>	<i>(34,2)</i>
<i>Changes in trade payables &amp; others</i>	<i>1,8</i>	<i>(0,1)</i>
<i>Changes in other current assets/liabilities</i>	<i>(2,5)</i>	<i>(2,7)</i>
<b>Changes in net working capital</b>	<b>(81,4)</b>	<b>(62,5)</b>
<b>Operating cash-flow</b>	<b>(25,9)</b>	<b>(10,0)</b>
Investments in tangible and intangible assets	(15,3)	(14,9)
Other changes	(0,7)	1,1
<b>Free Cash Flow</b>	<b>(41,8)</b>	<b>(23,8)</b>
Capital increase/reimbursement/dividends	(3,8)	(3,9)
Financial Expenses	(6,6)	(19,7)
Participation acquisition and disposal	0,8	(215,2)
Effect of FX rate movements	(2,3)	(2,4)
Net financial position due to consolidation area changes	0,7	(86,7)
<b>Changes in Net Financial Position</b>	<b>(53,0)</b>	<b>(351,6)</b>

# Quarterly CB Sales, EBITDA, TWC and NFP



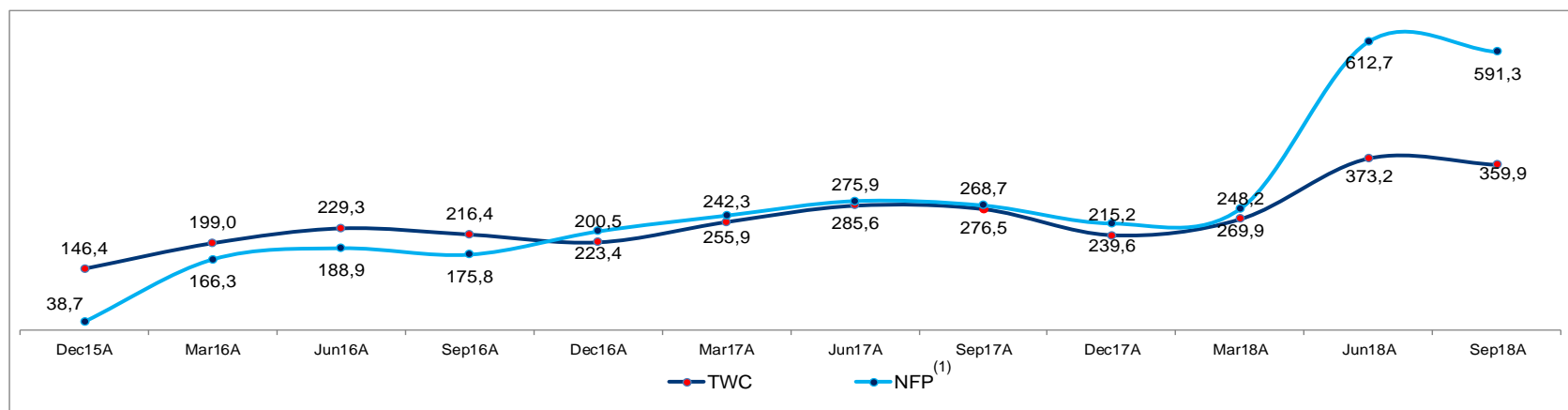
## QUARTERLY ADJUSTED CORE BUSINESS SALES AND ADJUSTED EBITDA

(€ million)



## QUARTERLY TWC AND NFP

(€ million)



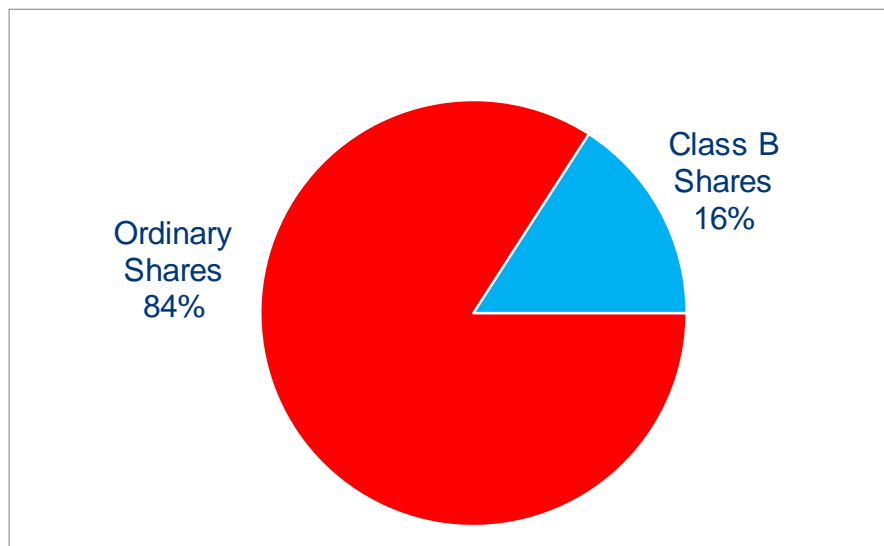
(1) Affected by extraordinary items

Data in millions of euros for precise data refer to 9M FILA report

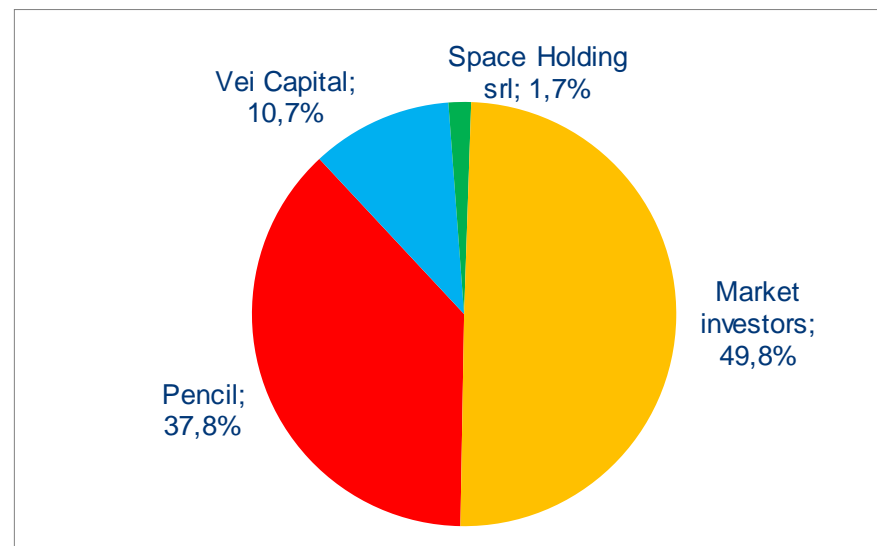
# FILA Shareholders



## 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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