



FY2018 FILA Group Results



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FY2018 Highlights

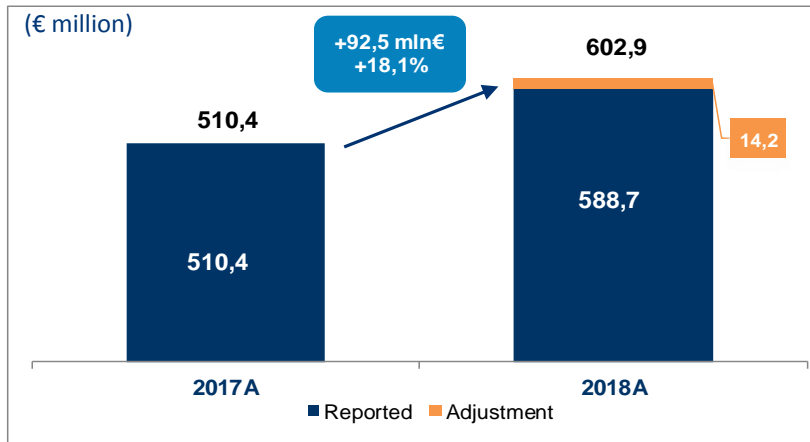


FILA FY2018: STRONG RECOVERY OF REVENUES, EBITDA AND MARGIN IN THE FOURTH QUARTER OF 2018 COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR

- Adjusted FY2018 Core Business Revenue of Euro 602,9 million +18,1% on the previous year (adjustment effect from introduction of IFRS 15 of Euro 14,2 million); Organic revenue + 0,5%, net of the negative exchange rate and the M&A effect, registering a +2,4% growth in the fourth quarter;
- Sales Organic growth in Asia, particularly in India, and in Central-South America, in 2018 respectively of 23,4% and 10,3% compared to the previous year, offset the negative growth in North America, for internal organizational problems, and in Europe that, despite the context in which the reorganization process of the Group is still in progress, has begun to give positive signs of recovery in the fourth quarter of the year.
- Adjusted EBITDA of Euro 96,9 million, +20,2% compared to Euro 80,6 million for FY2017 (+ 1,9% organic, substantially up compared to -5,8% in the first nine months of the year, + 43,2% in the fourth quarter of 2018), the margin on revenues settled at 16,1%
- Adjusted net profit of Euro 27,3 million compared to Euro 29,1 million for FY2017, principally due to higher D&A and financial charges related to the new loan granted for the Pacon acquisition.
- Net Financial Position at Euro -452,8 million (including Euro 100,0 million of capital increase) at 31 December 2018 compared with € -239,6m at 31 December 2017. This change is mainly linked to the acquisition of Pacon for Euro 301,7 million and the impact of working capital management, in particular inventories.
- FY 2018 Pacon Revenue of USD 238,9 million* and Adjusted EBITDA of USD 37,1 million*, although reflected in FY2018 report from the acquisition date (June 7th, 2018) for respectively Euro 112,4 million and Euro 16,9 million. FY2018 FILA GROUP Proforma Revenue of Euro 678,6 million and Proforma Adjusted EBITDA of Euro 111,4 million.

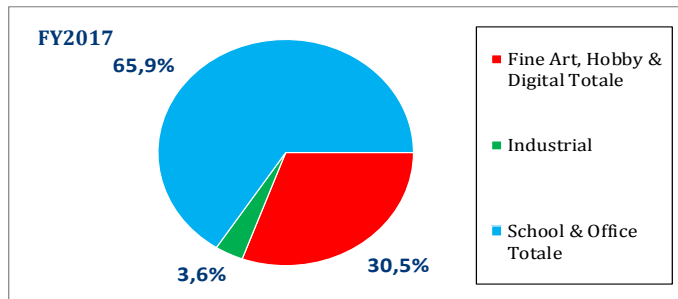
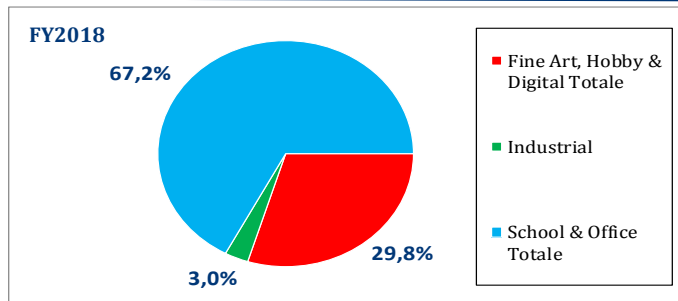
**Data provided by Pacon management for and not approved by F.I.L.A. Board of Directors or management, not subject to audit or other checks by the latter*

FY2018 Core Business Sales

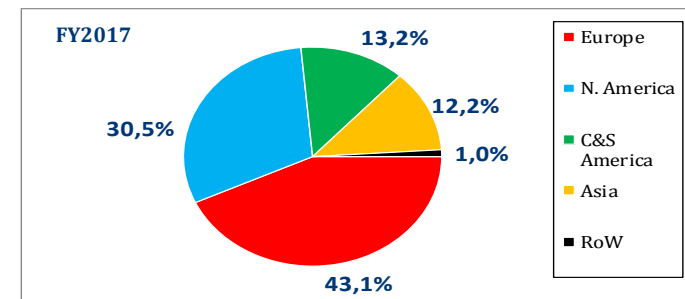
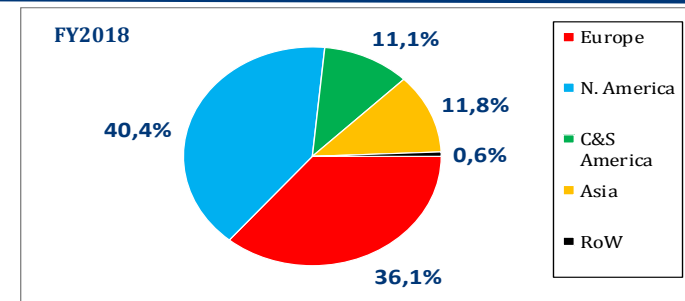


- **Adjusted Core Business Sales Growth +92,5mln € (+18,1%,) ;**
- **Organic Growth, net of FX and M&A +2,6mln € (+0,5%), of which:**
 - By Geographic Area: Asia +14,5mln € (+23,4%), Centre & South America +6,9mln € (+10,3%), partially offset by North America -12,0mln € (-7,7%), Europe -5,9mln € (-2,7%) and Other Countries -0,9mln € (-19,5%);
 - By Product line: Fine Art, Hobby & Digital +3,1mln € (+2,0%), Industrial +0,4mln € (+2,3%), partially offset by School & Office -0,9mln € (-0,3%);
- **14,2mln € adjustment for IFRS 15 first time adoption**

SALES BY PRODUCT LINE



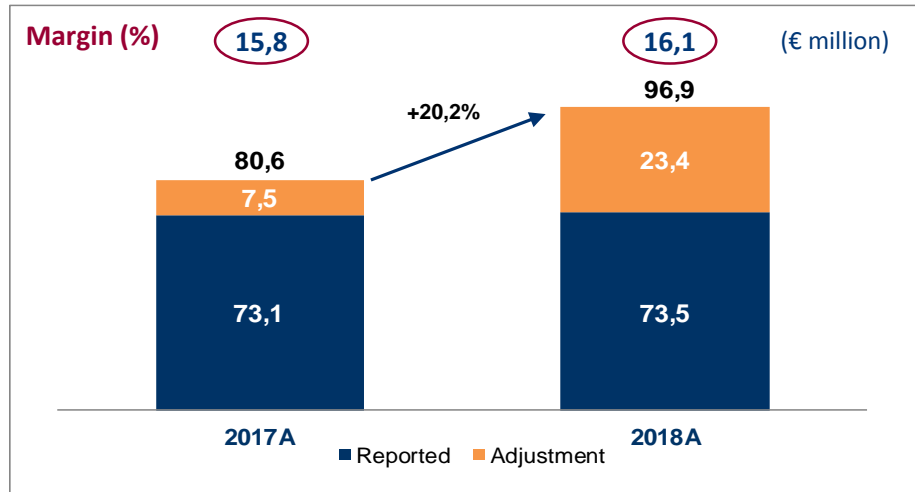
SALES BY GEOGRAPHICAL AREA



FY2018 EBITDA

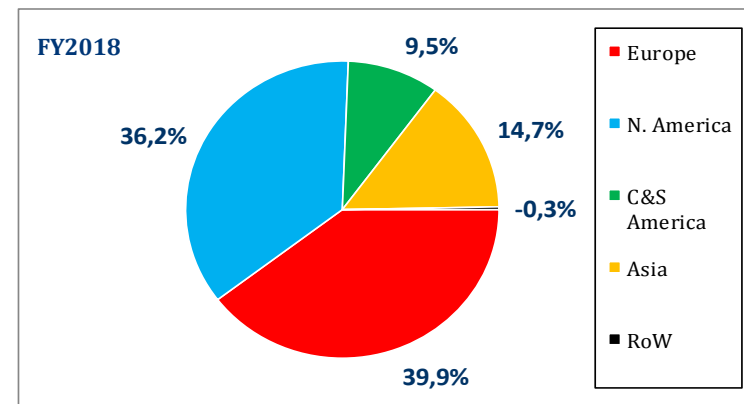
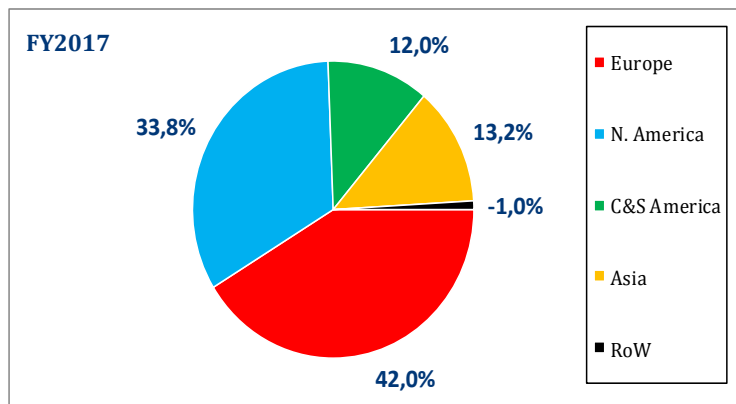


ADJUSTED EBITDA



- Adjusted EBITDA Growth +16,3mln € (+20,2%)
- Organic Growth, net of FX and M&A effect, +1,5mln €, (+1,9%)
- 23,4mln € of extraordinary costs in FY2018, related to Pacon Group acquisition, reorganization and IFRS 15 first time adoption;
- 7,5mln € of extraordinary costs in FY2017, mainly related to the reorganization costs.

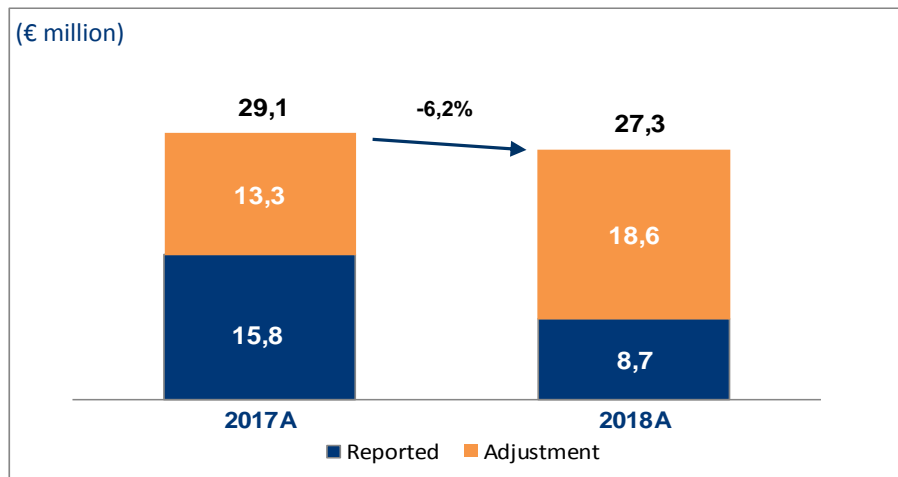
ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



FY2018 Net Income and Net Financial Position

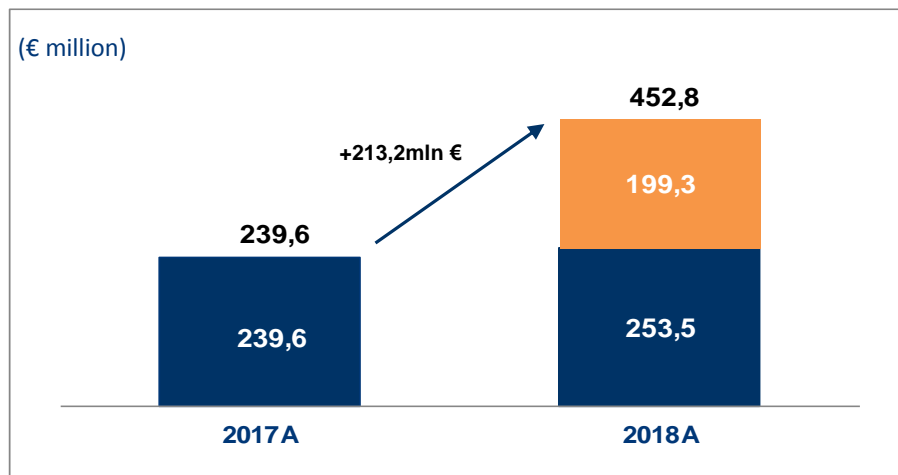


ADJUSTED NET INCOME



- The adjustment of the **Group Result** in FY2018 refers to extraordinary operating and financial costs for M&A, reorganization, IFRS 15 and 9 first time adoption, net of tax effect;
- The adjustment of the **Group Result** in FY2017 refers mainly to reorganization and stock options costs, net of taxes effects and for 7,5mln € to the Earn- Out accrual for the adjustment price mechanism of Canson Group Acquisition, 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 213,2mln € mainly due to:

- Extraordinary effect for -199,3 mln €:
 - Cash out for M&A effect of 301,7 mln €, related to Pacon Group acquisition;
 - Cash in for Capital Increase injection of 100 mln €
 - Cash in for sales of rights for 0,6 mln € and Cash in for Warrant Pacon Management for 1,8 mln €
- Operating CF 50,6 mln €
- Capex for 23,4 mln €
- Net financial expenses for 25,8mln € of wich 7,0 mln € of one-off bank fees and excluding the sales of rights for 0,6 mln €
- Dividends paid for 4,1 mln €
- Negative Mark to Market hedging of 6,1 mln €
- Negative FX effect of 4,5mln €



Appendix



FY2018 Income Statement



(€ million)	2017A	% on Sales	2018A	% on Sales
PROFIT & LOSS				
Core Business Sales	510,4		588,7	
Other revenues	18,3		8,7	
Total revenues	528,7		597,4	-
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(214,2)	(42,0%)	(268,7)	(45,6%)
Costs for Services and Use of Third-Party Assets	(115,7)	(22,7%)	(125,5)	(21,3%)
Personnel Costs	(106,3)	(20,8%)	(120,4)	(20,5%)
Other Operating Costs	(19,3)	(3,8%)	(9,3)	(1,6%)
Total operating costs	(455,5)	(89,3%)	(523,9)	(89,0%)
EBITDA	73,1	14,3%	73,5	12,5%
Depreciation and Amortization	(17,8)	(3,5%)	(23,5)	(4,0%)
Write-Downs	(2,1)	(0,4%)	(1,0)	(0,2%)
EBIT	53,3	10,4%	49,0	8,3%
Financial income/expenses	(22,4)	(4,4%)	(26,4)	(4,5%)
Income/expenses from associates at equity method	0,1	0,0%	0,02	0,0%
PBT	30,9	6,1%	22,6	3,8%
Taxes	(13,5)	(2,7%)	(12,1)	(2,1%)
Total net profit (loss) of the period	17,4	3,4%	10,5	1,8%
Total net profit (loss) attributable to non controlling interests	1,6	0,3%	1,8	0,3%
Fila Group's total net profit (loss) of the period	15,8	3,1%	8,7	1,5%

(€ million)	2017A	% on Sales	2018A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	510,4		588,7	
Total Adjustments			14,2	
ADJUSTED CORE BUSINESS SALES	510,4		602,9	
REPORTED EBITDA	73,1	14,3%	73,5	12,5%
Total Adjustments	7,5		23,4	
ADJUSTED EBITDA	80,6	15,8%	96,9	16,1%
FILA GROUP REPORTED NET PROFIT	15,8	3,1%	8,7	1,5%
Total Adjustments	13,3		18,6	
FILA GROUP ADJUSTED NET PROFIT	29,1	5,7%	27,3	4,5%

FY2018 Balance Sheet



<i>(€ million)</i>	<u>2017A</u>	<u>2018A</u>
BALANCE SHEET		
Intangible assets	208,1	445,9
Tangible Assets	88,4	104,5
Financial Fixed Assets	4,7	3,6
Fixed Assets	301,2	554,0
Other Non Current Assets/Liabilities	15,6	20,5
Inventory	178,7	262,4
Trade Receivables and Other receivables	132,8	151,6
Trade Payables and Other Payables	(96,3)	(105,5)
Trade Working Capital	215,2	308,5
Other Current Assets and Liabilities	0,2	2,1
Net Working Capital	215,4	310,6
Provisions & Funds	(53,0)	(93,5)
NET CAPITAL EMPLOYED	479,2	791,6
Shareholders equity	(239,6)	(338,8)
Net Financial Position	(239,6)	(452,8)
TOTAL NET SOURCES	(479,2)	(791,6)

FY2018 Cash Flow Statement



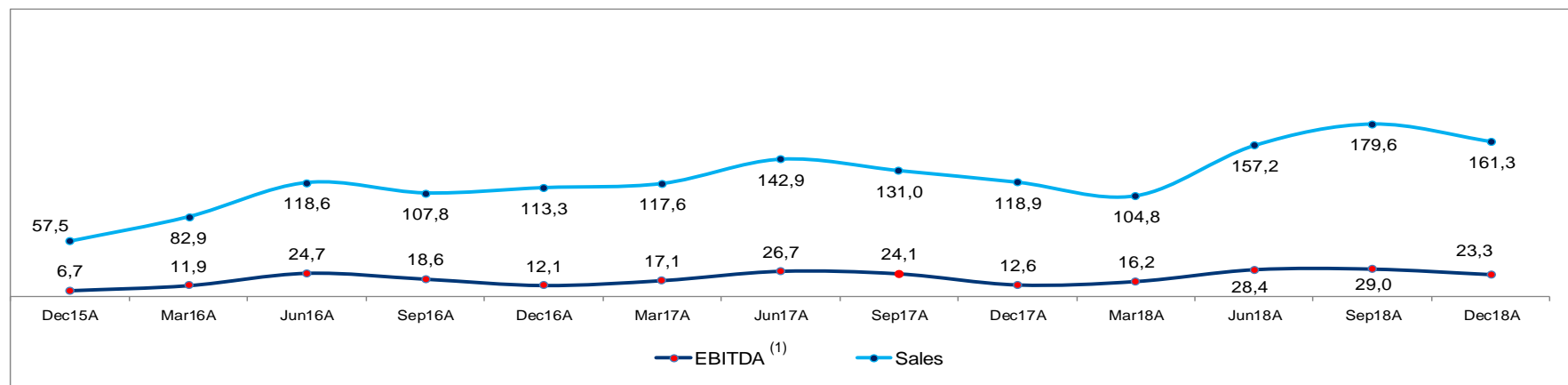
<i>(€ million)</i>	2017A	2018A
CASH FLOW		
EBIT	53,3	49,0
Adjustments for non monetary costs	22,8	30,0
Adjustments for taxes	(14,8)	(16,8)
Cash-flow from operating activities before changes in NWC	61,2	62,2
<i>Changes in inventories</i>	<i>(10,8)</i>	<i>(19,8)</i>
<i>Changes in trade receivables & others</i>	<i>(28,5)</i>	<i>24,9</i>
<i>Changes in trade payables & others</i>	<i>9,9</i>	<i>(12,7)</i>
<i>Changes in other current assets/liabilities</i>	<i>(3,7)</i>	<i>(4,0)</i>
Changes in net working capital	(33,1)	(11,6)
Operating cash-flow	28,1	50,6
Investments in tangible and intangible assets	(23,9)	(23,4)
Other changes	0,2	(0,6)
Free Cash Flow	4,4	26,6
Capital increase/reimbursement/dividends	(3,8)	97,7
Net financial expenses	(8,3)	(25,2)
Adjustment mark to market hedging	-	(6,1)
Participation acquisition and disposal	0,8	(215,0)
Effect of FX rate movements	(2,5)	(4,5)
Net financial position due to consolidation area changes	(6,8)	(86,7)
Changes in Net Financial Position	(16,2)	(213,2)

Quarterly CB Sales, EBITDA, TWC and NFP



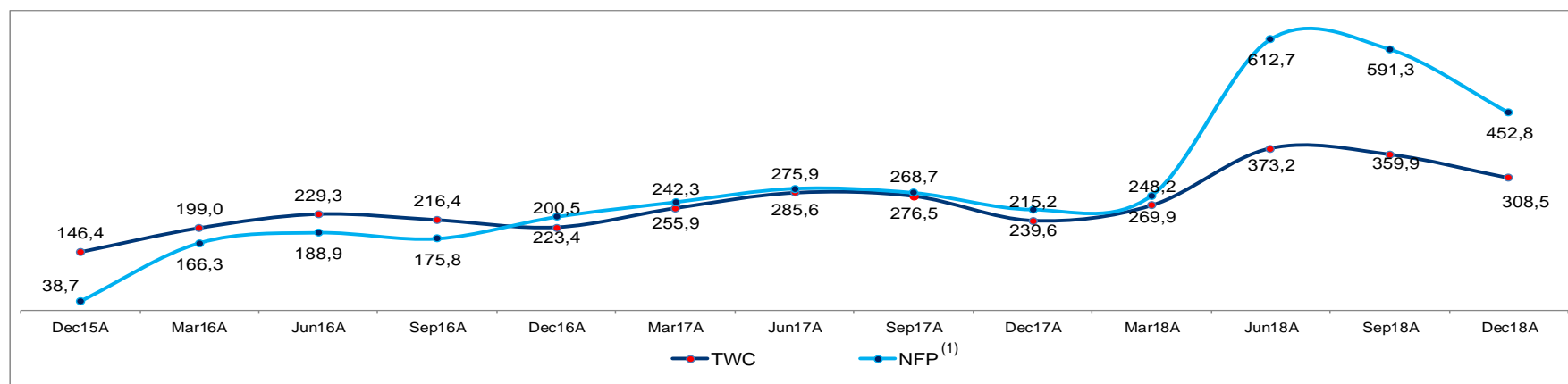
QUARTERLY ADJUSTED CORE BUSINESS SALES AND ADJUSTED EBITDA

(€ million)



(€ million)

QUARTERLY TWC AND NFP



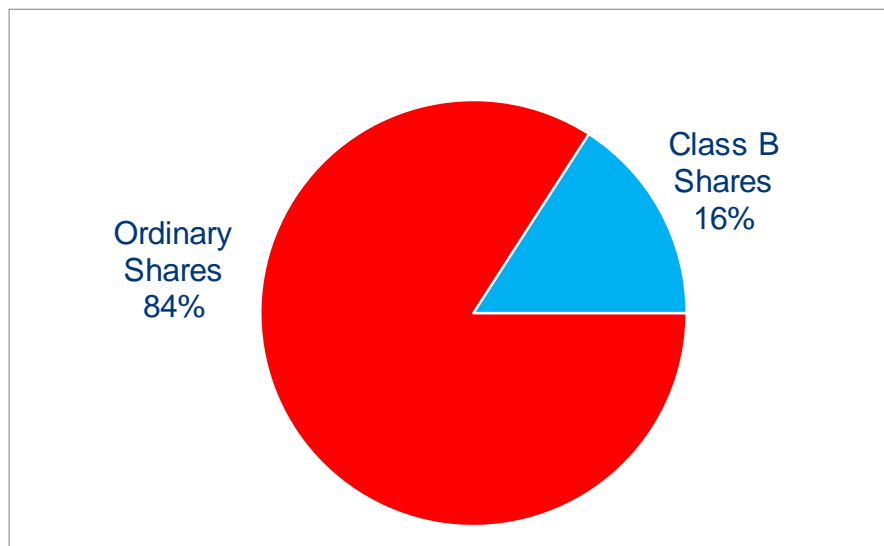
(1) Affected by extraordinary items

Data in millions of euros for precise data refer to 12M FILA report

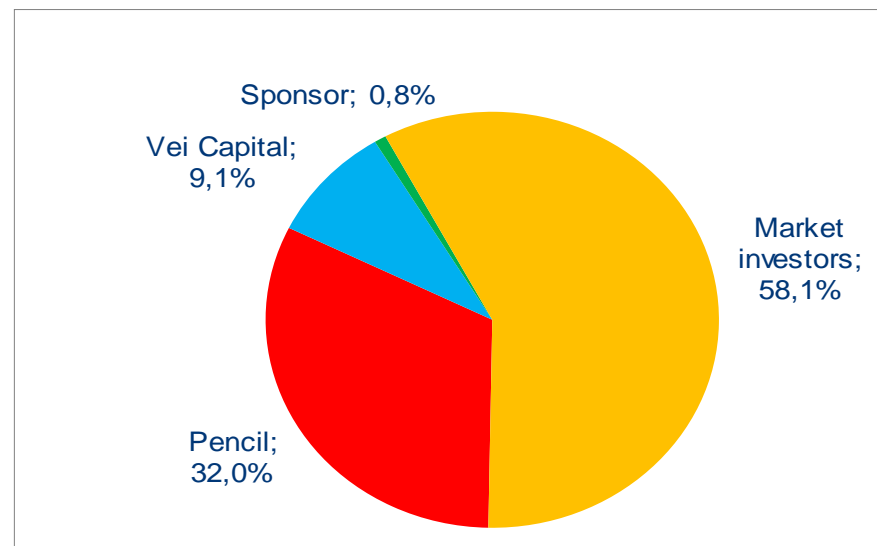
FILA Shareholders



Total shares *



Ordinary shares only



Total shares 50.870.740 of which : Ordinary shares 42.788.884 Class B shares 8.801.856 (enjoy three votes each in accordance with Article 127-sexies of Legislative Decree No. 58/1998).

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Investor Relations F.I.L.A.

Stefano De Rosa CFO/IR Officer – Francesca Cocco IR

ir@fila.it

(+39) 02 38105206