



Fabbrica Italiana Lapis ed Affini

H1 2019 FILA Group Results



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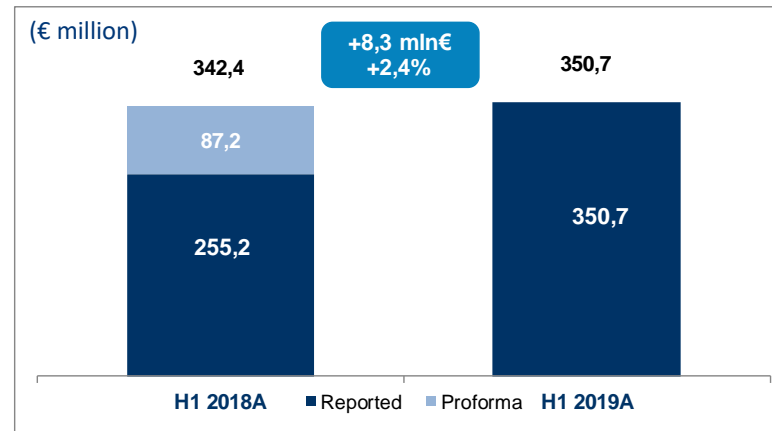
H1 2019 Highlights



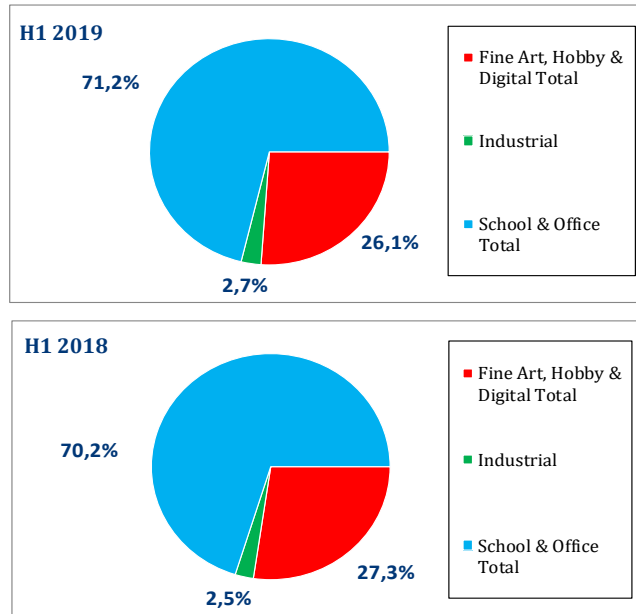
FILA H1 2019: ASIAN GROWTH TREND CONTINUES AND STRONG RECOVERY IN NORTH AMERICA AND EUROPE IN THE SECOND QUARTER, OPERATIONS BACK TO EFFICIENCY

- Core Business Revenues of 350,7mln €, +37,4% compared to H1 2018 Results and +2,4% (-0,5% Net of FX) compared to H1 2018 Proforma Results of which 87,2mln € related to Pacon Group Core Business Sales;
- Sales growth in Asia, particularly in India (+23%) and South America (+4%) compared to the previous year, offset by, despite the second quarter strong recovery, the decrease in North America, due to a different seasonality of the school campaign, increasingly concentrated in the second and third quarters, and Europe, in particular Italy and France, mainly related to customers destocking process;
- Adjusted EBITDA of 58,2mln €, +31,2% compared to H1 2018 Results, registering a strong improvement in the second quarter, and +1,3% (-2,5% Net of FX) compared to H1 2018 Proforma Results (including 13,3mln € related to Pacon Group EBITDA). Adjustments are related to 6,3mln € of extraordinary income (IFRS 16 first time adoption) partially offset by 4,6mln € of extraordinary costs, mainly related to the reorganization costs;
- Adjusted Net Profit of 22,0mln €, +42,0% compared to H1 2018 Results, mainly due to M&A impact;
- Net Financial Position at -602,4mln € as at June 30, 2019 (including IFRS 16 negative effect of -80,5mln € and negative Mark to Market Interest Hedging of 10,6 mln €) compared with -452,8mln € as at December 31, 2018. This change is mainly linked to the impact of business seasonality.

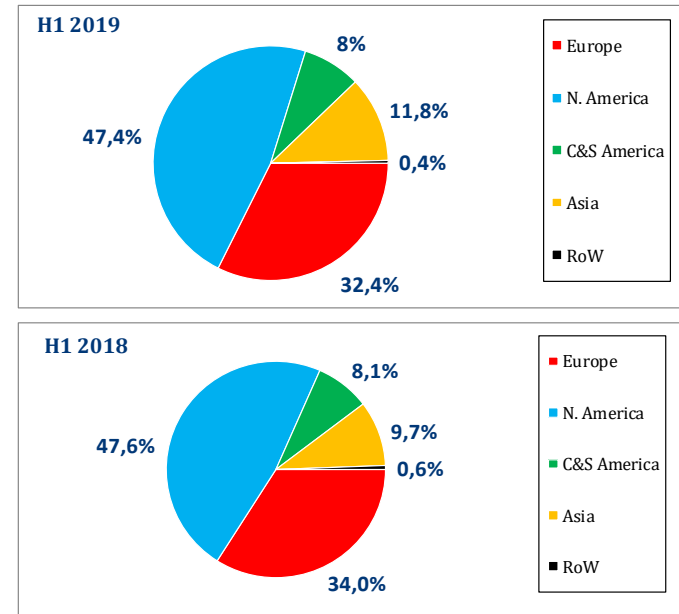
H1 2019 Core Business Sales



SALES BY PRODUCT LINE



SALES BY GEOGRAPHICAL AREA

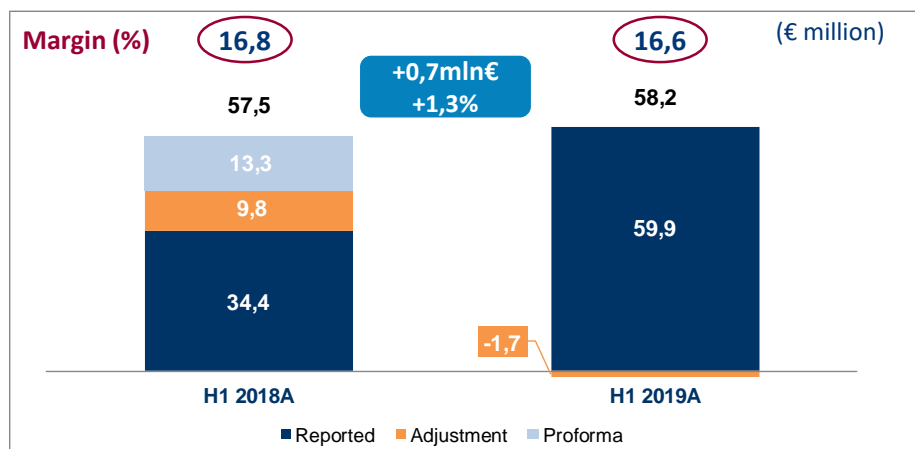


- Core Business Revenue of 350,7mln €, +37,4% compared to H1 2018 Results
- Core Business Sales compared to H1 2018 proforma values: +8,3mln € (+2,4%) and -1,7mln € (-0,5%) net of FX of which:
 - By Geographic Area: North America -7,3mln € (-4,5%), Europe -2,6mln € (-2,2%) and Other Countries -0,6mln € (-30,9%), partially offset by Asia +7,7mln € (+23%) and Centre & South America +1,1mln € (+4,0%);
 - By Product line: Fine Art, Hobby & Digital -4,7mln € (-5,0%), partially offset School & Office +2,3mln € (+0,9%) by Industrial +0,7mln € (+8,0%);
- 87,2mln € for Pacon Group Core Business Sales of H1 2018 (proforma adjustment).

H1 2019 EBITDA

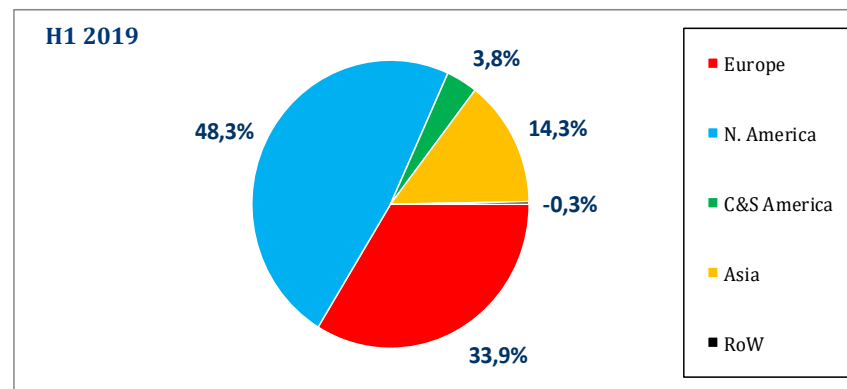
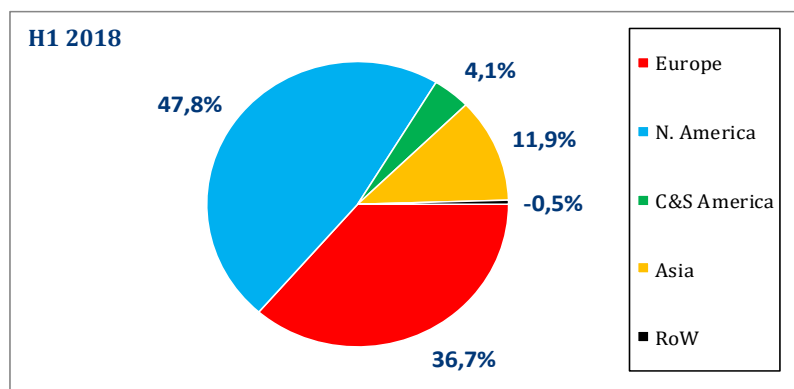


ADJUSTED EBITDA



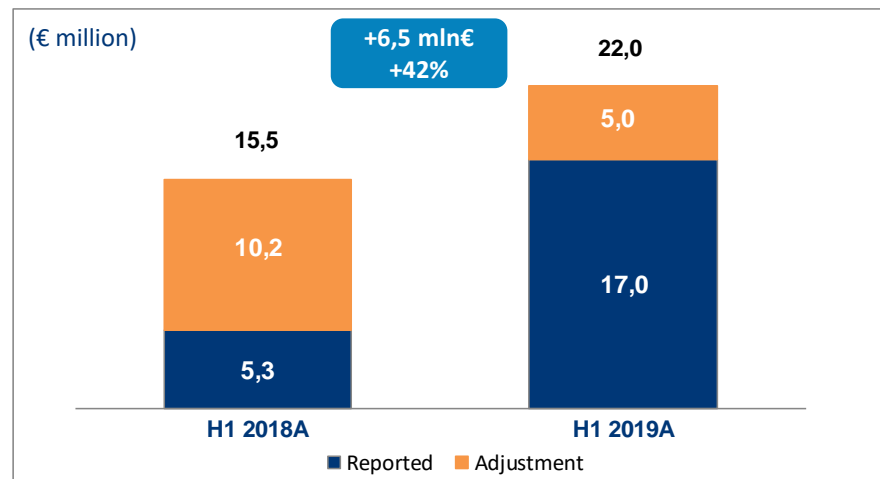
- Adjusted EBITDA of 58,2mln €, +31,2% compared to H1 2018 Results;
- Adjusted EBITDA compared to H1 2018 proforma value: +0,7mln € (+1,3%) and -1,4mln € (-2,5%) net of FX;
- 6,3mln € of extraordinary income in H1 2019, related to IFRS 16 first time adoption partially offset by 4,6mln € of extraordinary costs in H1 2019, mainly related to the reorganization costs;
- 9,8mln € of extraordinary costs in H1 2018A, mainly related to the Pacon Group acquisition, reorganization, stock option costs;
- 13,3mln € for Pacon Group EBITDA of H1 2018 (proforma adjustment).

ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



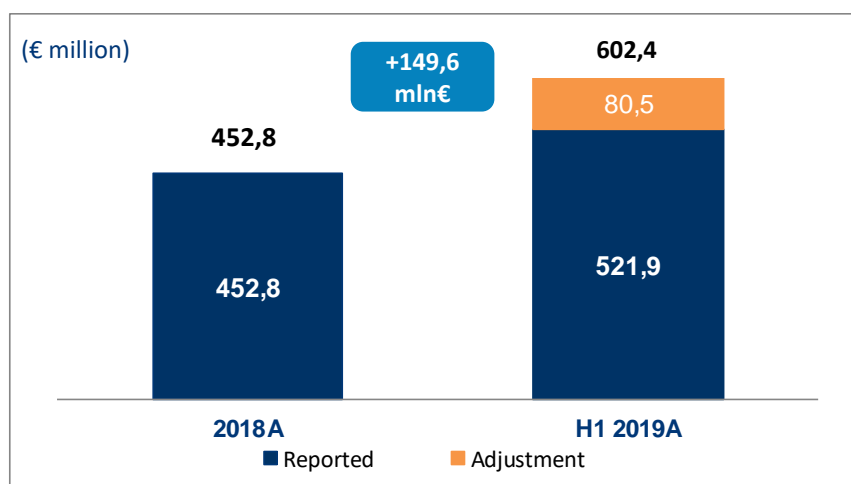
H1 2019 Net Income and Net Financial Position

ADJUSTED NET INCOME



- Adjusted Net Profit of Euro 22mln €, +42,0% compared to H1 2018 Results
- The adjustment of the Group Result in H1 2019 refers to extraordinary operating costs for reorganization and IFRS 16 first time adoption, net of taxes effects;
- The adjustment of the Group Result in H1 2018 refers to extraordinary operating costs net of taxes effects.

ADJUSTED NET FINANCIAL POSITION



Net debt increase of 149,6mln € mainly due to:

- Extraordinary negative effect for 80,5mln € refers to IFRS 16 adoption
- Negative Mark to Market Hedging of 10,6mln €
- Operating CF negative for 30,1mln €
- Capex for 7,9mln €
- Net financial expenses for 13,1mln €
- Dividends paid for 4,3mln €
- Negative FX effect of 3,1mln €



Appendix



H1 2019 Income Statement



(€ million)	H1 2018A	% on Sales	H1 2019A	% on Sales
PROFIT & LOSS - REPORTED				
Core Business Sales	259,1		350,7	
Other revenues	5,0		3,7	
Total revenues	264,1		354,4	-
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(103,5)	(39,9%)	(158,1)	(45,1%)
Costs for Services and Use of Third-Party Assets	(65,8)	(25,4%)	(61,2)	(17,5%)
Personnel Costs	(54,3)	(20,9%)	(71,4)	(20,3%)
Other Operating Costs	(5,9)	(2,3%)	(3,8)	(1,1%)
Total operating costs	(229,5)	(88,6%)	(294,5)	(84,0%)
EBITDA	34,5	13,3%	59,9	17,1%
Depreciation and Amortization	(9,5)	(3,7%)	(19,5)	(5,6%)
Write-Downs	(1,6)	(0,6%)	(0,8)	(0,2%)
EBIT	23,5	9,1%	39,7	11,3%
Financial income/expenses	(10,0)	(3,8%)	(15,3)	(4,4%)
Income/expenses from associates at equity method	0,1	0,0%	0,1	0,0%
PBT	13,6	5,2%	24,5	7,0%
Taxes	(7,6)	(2,9%)	(6,4)	(1,8%)
Net profit (loss) of continuing operating activities	6,0	2,3%	18,0	5,1%
Net profit (loss) of discontinued operating activities	-	0,0%	-	0,0%
Total net profit (loss) of the period	6,0	2,3%	18,0	5,1%
Total net profit (loss) attributable to non controlling interests	0,7	0,3%	1,1	0,3%
Fila Group's total net profit (loss) of the period	5,3	2,1%	17,0	4,8%

(€ million)	H1 2018A	% on Sales	H1 2019A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	259,1		350,7	
Total Adjustments	(3,9)			
ADJUSTED CORE BUSINESS SALES	255,2		350,7	
REPORTED EBITDA	34,4	13,3%	59,9	17,1%
Total Adjustments	9,8		(1,7)	
ADJUSTED EBITDA	44,3	17,3%	58,2	16,6%
FILA GROUP REPORTED NET PROFIT	5,3	2,1%	17,0	4,8%
Total Adjustments	10,1		5,0	
FILA GROUP ADJUSTED NET PROFIT	15,5	6,1%	22,0	6,3%

H1 2019 Balance Sheet



<i>(€ million)</i>	2018A	H1 2019A
BALANCE SHEET - REPORTED		
Intangible assets	441,9	437,7
Tangible Assets	104,5	175,8
Financial Fixed Assets	3,6	4,0
Fixed Assets	550,0	617,5
Other Non Current Assets/Liabilities	20,8	20,5
Trade Working Capital	308,5	393,6
Other Current Assets and Liabilities	2,1	(2,0)
Net Working Capital	310,6	391,7
Provisions & Funds	(89,8)	(84,0)
NET CAPITAL EMPLOYED	791,6	945,7
Shareholders equity	(338,8)	(343,3)
Net Financial Position	(452,8)	(602,4)
TOTAL NET SOURCES	(791,6)	(945,7)

H1 2019 Cash Flow Statement



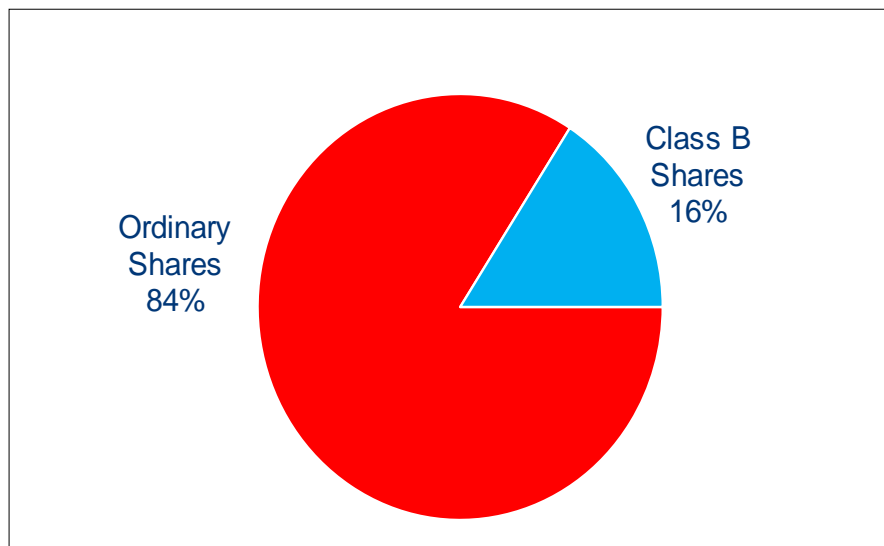
(€ million)

	H1 2018A	H1 2019A
CASH FLOW - REPORTED		
EBIT	23,5	39,7
Adjustments for non monetary costs	12,9	15,5
Adjustments for taxes	(6,5)	(3,6)
Cash-flow from operating activities before changes in NWC	29,8	51,6
<i>Changes in inventories</i>	<i>(26,6)</i>	<i>(15,5)</i>
<i>Changes in trade receivables & others</i>	<i>(61,6)</i>	<i>(78,2)</i>
<i>Changes in trade payables & others</i>	<i>15,8</i>	<i>14,7</i>
<i>Changes in other current assets/liabilities</i>	<i>(2,1)</i>	<i>(2,8)</i>
Changes in net working capital	(74,6)	(81,7)
Operating cash-flow	(44,7)	(30,1)
Investments in tangible and intangible assets	(10,3)	(7,9)
Other changes	0,8	0,2
Free Cash Flow	(54,2)	(37,9)
Capital increase/reimbursement/dividends	(3,8)	(4,3)
Net financial expenses	(11,4)	(13,1)
Participation acquisition and disposal	(215,2)	-
Adjustment mark to market hedging	-	(10,7)
Adoption IFRS 16	-	(80,5)
Net financial position due to consolidation area changes	(86,7)	-
Effect of FX rate movements	(1,7)	(3,2)

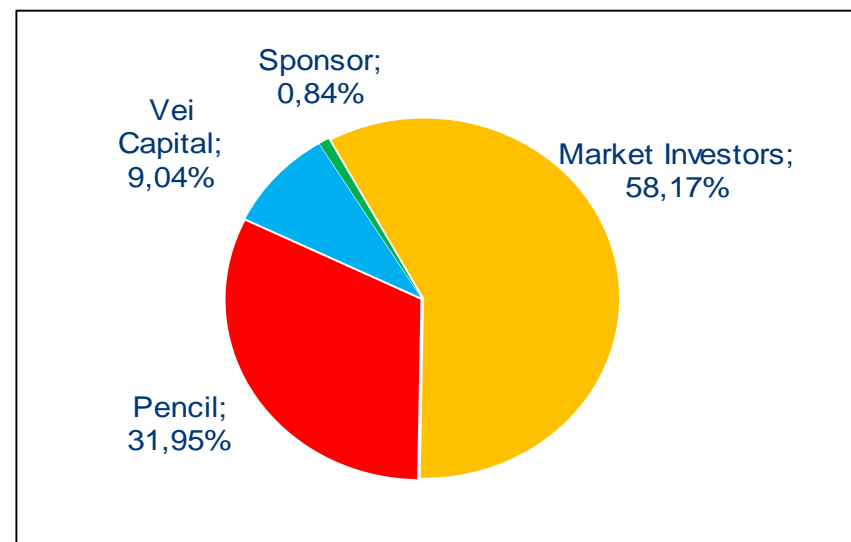
FILA Shareholders



Total shares *



Ordinary shares only



*Total shares 50.933.917 of which : Ordinary shares 42.852.061; 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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