



9M 2019 FILA Group Results



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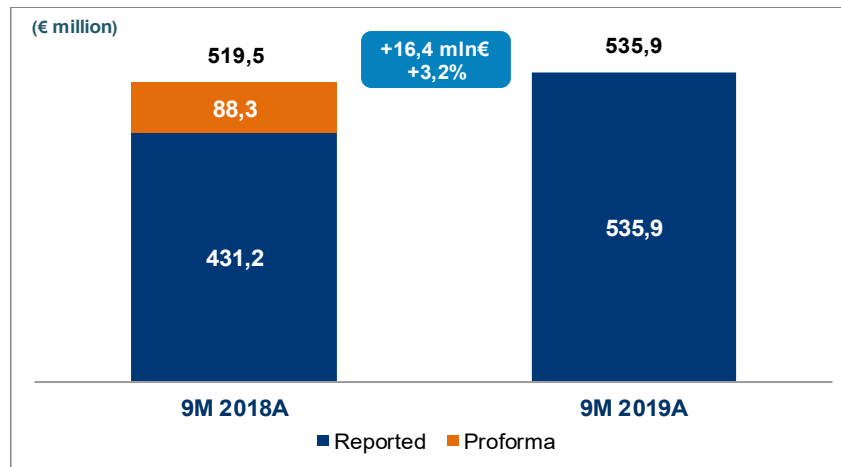
9M 2019 Highlights



FILA 9M 2019: PERSISTING REVENUE GROWTH IN ASIA AND CENTRAL-SOUTH AMERICA, STRONG RECOVERY IN EUROPE. INCREASE IN NET PROFIT (+52,9%) AND IN OPERATING CASH-FLOW (+24,1MLN €) COMPARED TO 9M 2018 RESULTS

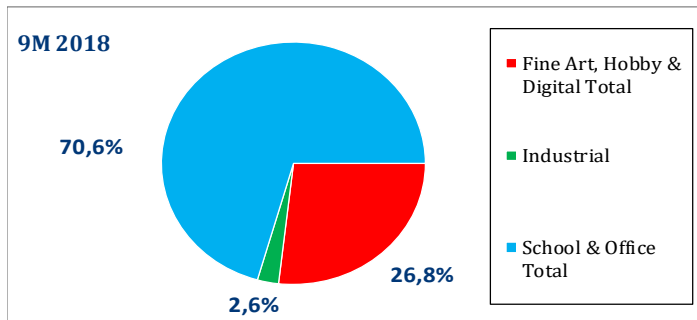
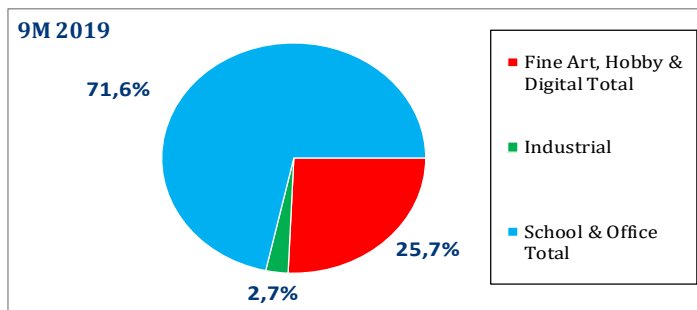
- 9M 2019 Core Business Revenues of 535,9mln €, +24,3% compared to 9M 2018 Results and +3,2% (+0,3% Net of FX) compared to 9M 2018 Proforma Results (including full 9 months of Pacon Group Core Business Sales);
- Proforma Sales growth in Asia (+20,2%), particularly in India, and Central-South America (+6,1%), partially compensated by a slight contraction in Europe (-0,5%), but with an important recovery compared to the previous quarter, and by the decrease in North America (-4,2%), effected by the one-week invoicing interruption due to SAP roll-out in Dixon which resulted in a revenues switch from Q3 to Q4;
- Adjusted EBITDA of 88,2mln €, +20,8% compared to 9M 2018 Results, and +1,9% (-1,2% Net of FX) compared to 9M 2018 Proforma Results (including full 9 months of Pacon Group EBITDA). Adjustments are related to 9,6mln € of extraordinary income (IFRS 16 first time adoption) partially offset by 7,5mln€ of extraordinary costs, mainly related to reorganization costs;
- Adjusted Net Profit of 33,1mln €, +52,9% compared to 9M 2018 Results;
- Net Financial Position at -583,8mln € as at September 30, 2019 (including IFRS 16 negative effect of -78,2mln €, negative Mark to Market Interest Hedging of -13,6mln €, Acquisition of Minority Quote for -2,8mln € and Negative FX for -14,5mln €) compared with -452,8mln € as at December 31, 2018. Operating Cash flow is positive for 14,1mln €, respect to -10,0mln € in 9M 2018, highlighting a relevant inventories reduction mainly in North America, China and Italy following stock rationalization strategy.

9M 2019 Core Business Sales

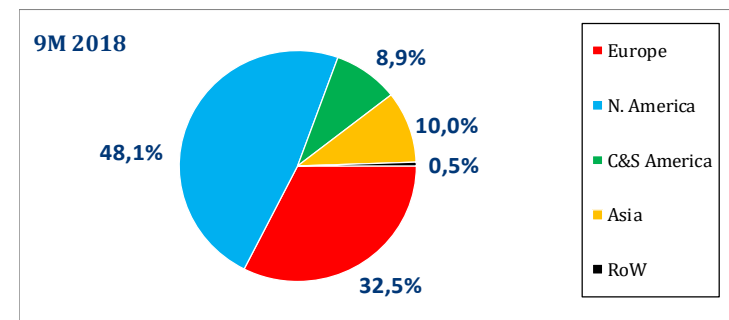
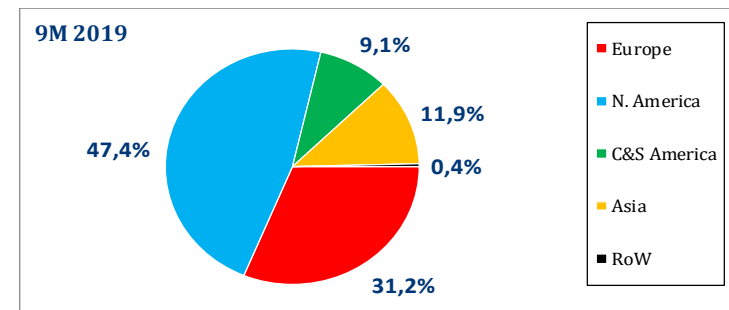


- Core Business Revenue of 535,9mln €, +24,3% compared to 9M 2018 Results
- Core Business Sales compared to 9M 2018 proforma values: +16,4mln € (+3,2%) and +1,4mln € (+0,3%) net of FX of which:
 - By Geographic Area: Asia +10,5mln € (+20,2%) and Centre & South America +2,8mln € (+6,1%) partially offset by North America -10,4mln € (-4,2%), Europe -0,9mln € (-0,5%) and Other Countries -0,6mln € (-24,1%);
 - By Product line: School & Office +5,8mln € (+1,6%) and Industrial +0,9mln € (+7,3%) partially offset by Fine Art, Hobby & Digital -5,3mln € (-3,9%);
- 88,3mln € for Pacon Group Core Business Sales of 6M 2018 (proforma adjustment).

SALES BY PRODUCT LINE



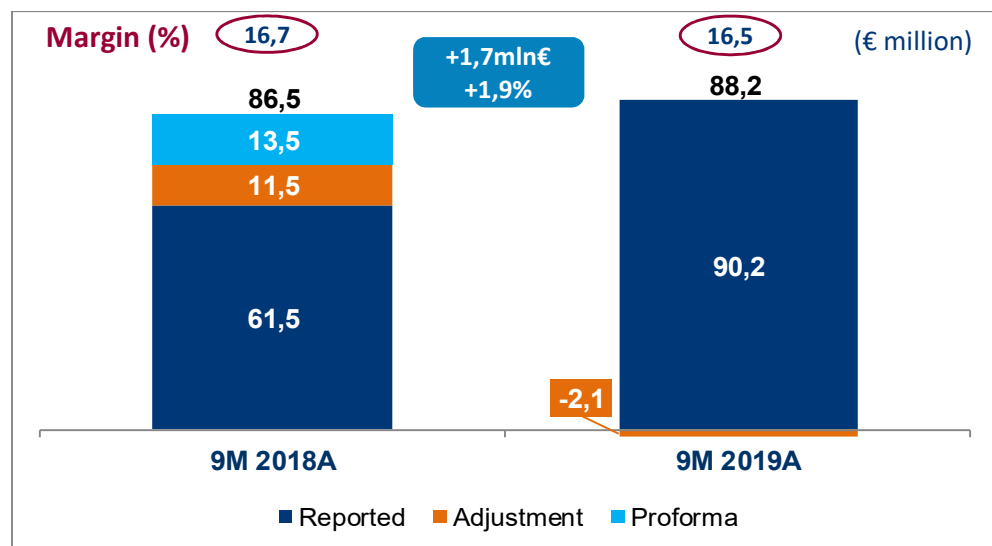
SALES BY GEOGRAPHICAL AREA



9M 2019 EBITDA

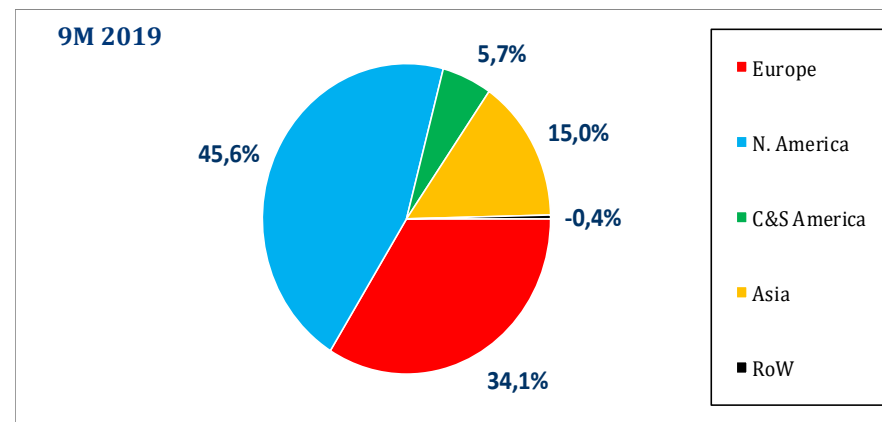
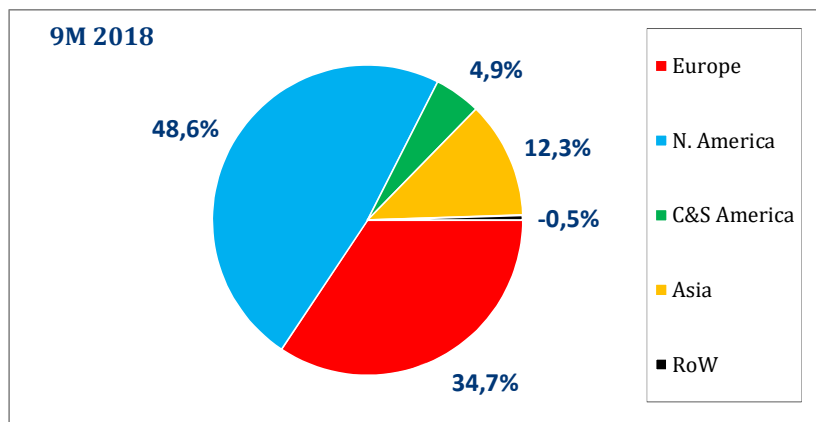


ADJUSTED EBITDA



- Adjusted EBITDA of 88,2mln €, +20,8% compared to 9M 2018 Results;
- Adjusted EBITDA compared to 9M 2018 proforma value: +1,7mln € (+1,9%) and -1,0mln € (-1,2%) net of FX;
- 9,6mln € of extraordinary income in 9M 2019, related to IFRS 16 first time adoption partially offset by 7,5mln € of extraordinary costs in 9M 2019, mainly related to the reorganization costs;
- 11,5mln € of extraordinary costs in 9M 2018, mainly related to the Pacon Group acquisition, reorganization, stock option costs;
- 13,5mln € for Pacon Group EBITDA of 6M 2018 (proforma adjustment).

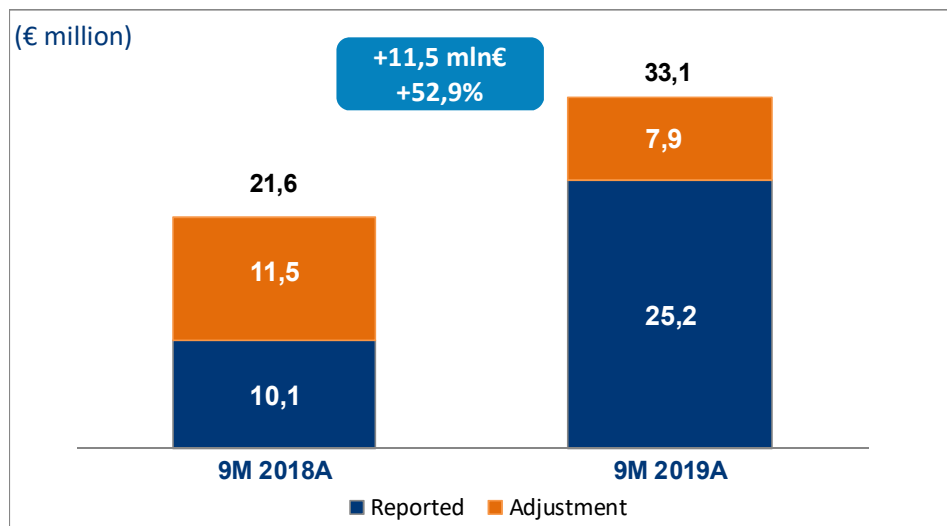
ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



9M 2019 Net Income and Net Financial Position

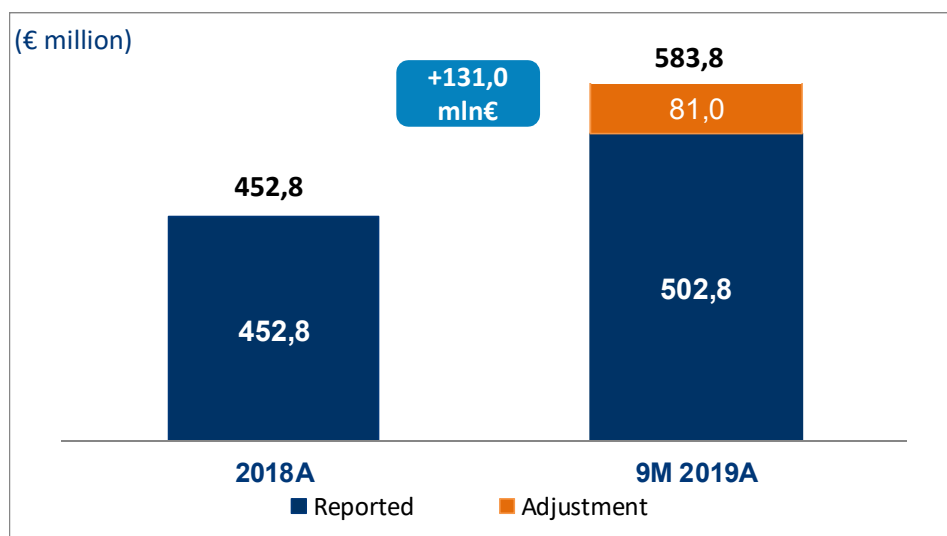


ADJUSTED NET INCOME



- Adjusted Net Profit of 33,1mln €, +52,9% compared to 9M 2018 Results
- The adjustment of the Group Result in 9M 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 9M 2018 refers to extraordinary operating costs net of taxes effects.

ADJUSTED NET FINANCIAL POSITION



Net debt increase of 131,0mln € mainly due to:

- Extraordinary negative effect of 81,0mln € of which 78,2mln € refers to IFRS 16 adoption and 2,8mln € refers to participation increase for minority acquisition
- Operating CF positive for 14,1mln €
- Net financial expenses for 17,6mln €
- Capex for 14,1mln €
- Dividends paid for 4,3mln €
- Negative Mark to Market Hedging of 13,6mln €
- Negative FX effect of 14,5mln €



Appendix



9M 2019 Income Statement



(€ million)	9M 2018A	% on Sales	9M 2019A	% on Sales
PROFIT & LOSS - REPORTED				
Core Business Sales	437,5		535,9	
Other revenues	6,2		5,5	
Total revenues	443,7		541,4	
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(188,0)	(43,0%)	(248,3)	(46,3%)
Costs for Services and Use of Third-Party Assets	(99,1)	(22,7%)	(91,2)	(17,0%)
Personnel Costs	(86,6)	(19,8%)	(106,2)	(19,8%)
Other Operating Costs	(8,5)	(2,0%)	(5,5)	(1,0%)
Total operating costs	(382,2)	(87,4%)	(451,2)	(84,2%)
EBITDA	61,5	14,1%	90,2	16,8%
Depreciation and Amortization	(16,6)	(3,8%)	(29,8)	(5,6%)
Write-Downs	(2,3)	(0,5%)	(1,0)	(0,2%)
EBIT	42,6	9,7%	59,5	11,1%
Financial income/expenses	(19,4)	(4,4%)	(21,2)	(4,0%)
Income/expenses from associates at equity method	0,1	0,0%	0,1	0,0%
PBT	23,3	5,3%	38,4	7,2%
Taxes	(12,1)	(2,8%)	(11,9)	(2,2%)
Net profit (loss) of continuing operating activities	11,2	2,5%	26,5	4,9%
Total net profit (loss) of the period	11,2	2,5%	26,5	4,9%
Total net profit (loss) attributable to non controlling interests	1,1	0,3%	1,3	0,2%
Fila Group's total net profit (loss) of the period	10,1	2,3%	25,2	4,7%

(€ million)	9M 2018A	% on Sales	9M 2019A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	437,5		535,9	
Total Adjustments	(6,3)			
ADJUSTED CORE BUSINESS SALES	431,2		535,9	
REPORTED EBITDA	61,5	14,1%	90,2	16,8%
Total Adjustments	11,5		(2,1)	
ADJUSTED EBITDA	73,0	16,9%	88,2	16,5%
FILA GROUP REPORTED NET PROFIT	10,1	2,3%	25,2	4,7%
Total Adjustments	11,5		7,9	
FILA GROUP ADJUSTED NET PROFIT	21,6	5,0%	33,1	6,2%

9M 2019 Balance Sheet



<i>(€ million)</i>	<u>2018A</u>	<u>9M 2019A</u>
BALANCE SHEET - REPORTED		
Intangible assets	441,9	449,8
Tangible Assets	104,5	178,8
Financial Fixed Assets	3,6	4,2
Fixed Assets	550,0	632,8
Other Non Current Assets/Liabilities	20,8	20,3
Inventory	262,4	267,2
Trade Receivables and Other receivables	151,6	208,8
Trade Payables and Other Payables	(105,5)	(99,4)
Trade Working Capital	308,5	376,7
Other Current Assets and Liabilities	2,1	(2,4)
Net Working Capital	310,6	374,2
Provisions & Funds	(89,8)	(86,4)
NET CAPITAL EMPLOYED	791,6	940,9
Shareholders equity	(338,8)	(357,1)
Net Financial Position	(452,8)	(583,8)
TOTAL NET SOURCES	(791,6)	(940,9)

9M 2019 Cash Flow Statement

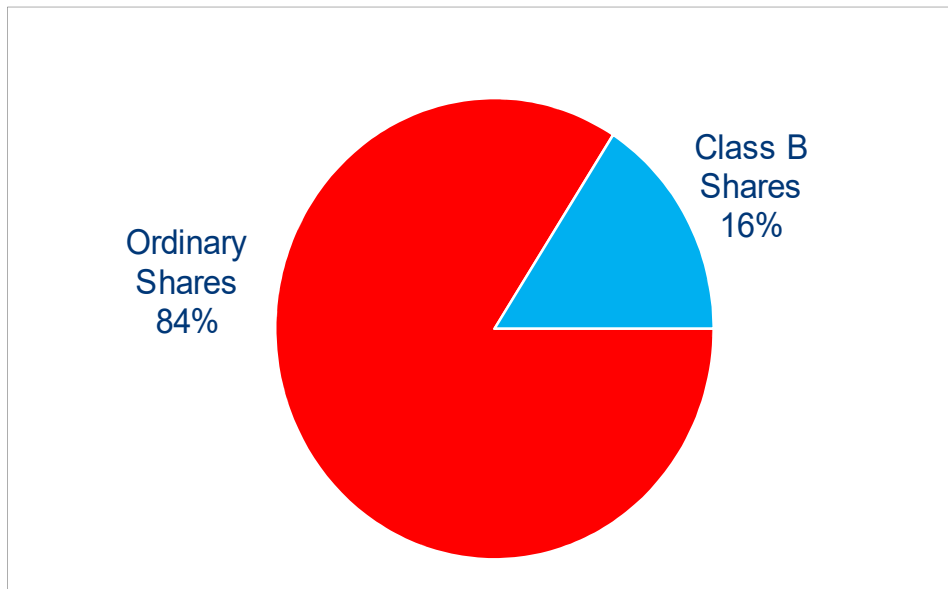


<i>(€ million)</i>	9M 2018A	9M 2019A
CASH FLOW - REPORTED		
EBIT	42,6	59,5
Adjustments for non monetary costs	21,5	25,3
Adjustments for taxes	(11,6)	(8,6)
Cash-flow from operating activities before changes in NWC	52,5	76,2
<i>Changes in inventories</i>	(25,5)	3,1
<i>Changes in trade receivables & others</i>	(34,2)	(53,5)
<i>Changes in trade payables & others</i>	(0,1)	(8,3)
<i>Changes in other current assets/liabilities</i>	(2,7)	(3,3)
Changes in net working capital	(62,5)	(62,0)
Operating cash-flow	(10,0)	14,1
Investments in tangible and intangible assets	(14,9)	(14,1)
Other changes	1,1	(0,0)
Free Cash Flow	(23,8)	0,1
Capital increase/reimbursement/dividends	(3,9)	(4,3)
Net financial expenses	(19,6)	(17,6)
Participation acquisition and disposal	(215,2)	(2,8)
Adjustment mark to market hedging	-	(13,6)
Adoption IFRS 16	-	(78,2)
Effect of FX rate movements	(2,4)	(14,5)
Net financial position due to consolidation area changes	(86,7)	-
Changes in Net Financial Position	(351,6)	(131,0)

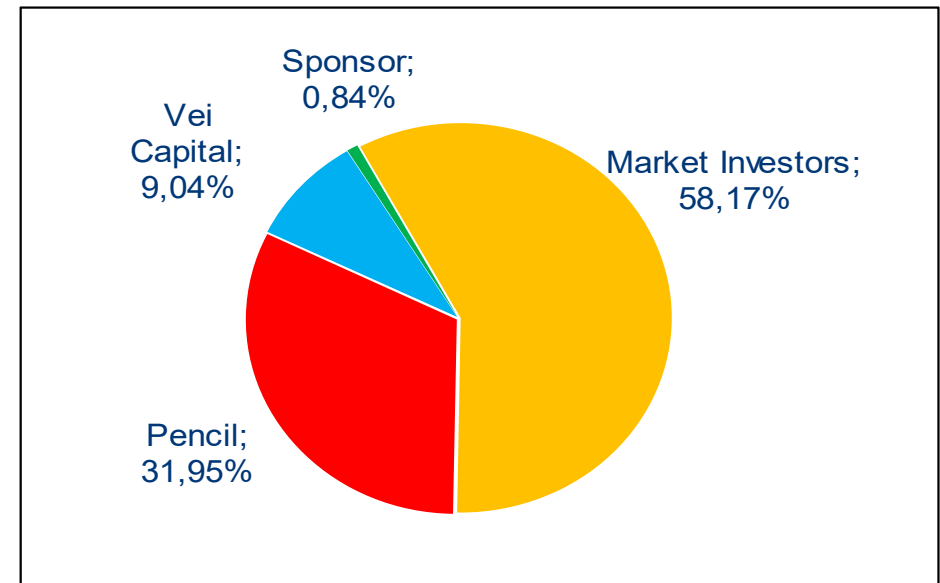
FILA Shareholders



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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