



Il futuro ha i nostri colori. Da 100 anni.

FY2020 FILA Group Results



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4Q & FY 2020 Highlights



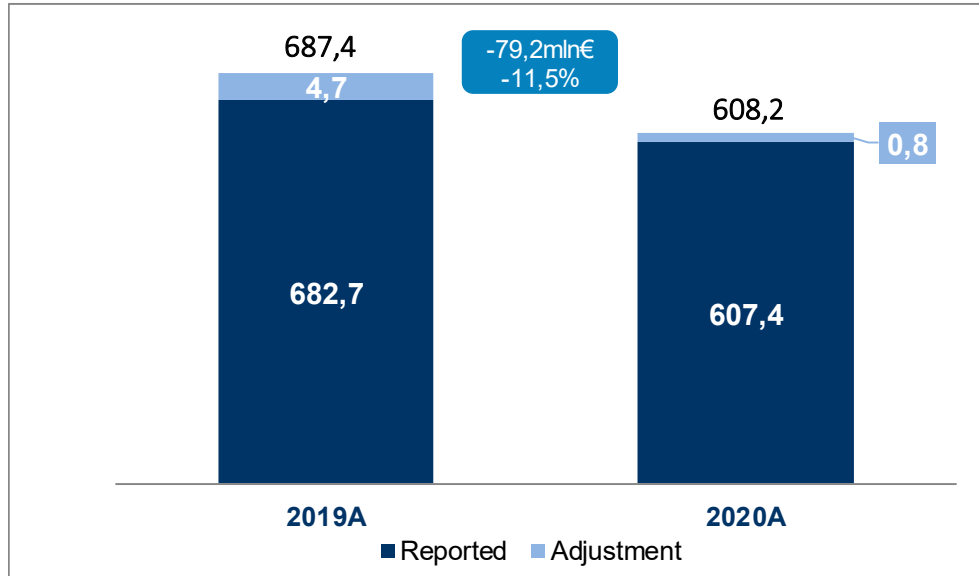
▶ 4Q 2020 results:

- Sales of 146,4mln € (151,5mln € in 4Q 2019), with comparable FX rates;
- Adjusted EBITDA of 18mln € (22,7mln € in Q4 2019) without IFRS 16 effects and with comparable FX;
- Confirmed, also in the Q4 2020, the worldwide strong growth of Fine Art (+24% vs 4Q 2019), with a positive contribution on margins that partially offset the effects of the school lockdown in India and Mexico;

▶ FY 2020 results:

- Adjusted Sales of 608,2mln € (687,4mln € in FY 2019) with decline of -62,2mln € (-9,1%), with comparable FX rates, due to COVID-19 impacts and mainly to India and Mexico. Fine Art +18,1% and School & Office -19,9% vs FY 2019;
- Adjusted EBITDA, excluding IFRS 16 impact, of 95,4mln € (110,8mln € in FY 2019) with a decrease of 15,6mln € (-14,1%), with comparable FX rates, almost totally related to India and Mexico;
- EBITDA margin at 15,7% (16,1% in FY 2019);
- Net Bank Debt of 396,1mln € (403,6mln € as at 31 December 2019) with a decrease of 7,5mln € in the last twelve months, notwithstanding the cash out for Arches acquisition of 43,6mln € and related consultancy fees and other closing expenses for 6,1mln € => Net Bank Debt decrease in last twelve months of 57,2mln € excluding Arches Acquisition cash out, but including positive FX effect of approx. 21,1mln €;
- “Free Cash Flow to Equity” at 29,8mln, in line with expectations, impacted by lower EBITDA, cash out for Arches consultancy fees and higher inventories level (in particular in North America and Mexico).

FY2020 Core Business Sales



- **Core Business Sales at 608,2mln €, -62,2mln € (-9,1%) on 2019**, FX rates effects excluded, of which:
 - By Geographic Area: Asia -34,0mln € (-38,3%), Centre & South America -30,9mln € (-45,8%) partially offset by North America +1,3mln € (+0,4%), Europe +0,9mln € (+0,4%), Other Countries +0,5mln € (+15,7%);
 - By Product line: School & Office -95,7mln € (-19,9%), Industrial -0,5mln € (-2,6%) partially offset by Fine Art, Hobby & Digital +34,0mln € (+18,1%).
- **0,8mln € adjustment in FY 2020** due to customer claims for Covid-19 supply chain disruption mainly of Dixon Ticonderoga Company (US); **4,7mln € adjustment in FY 2019** due to extraordinary customer claims of Dixon Ticonderoga Company (US).

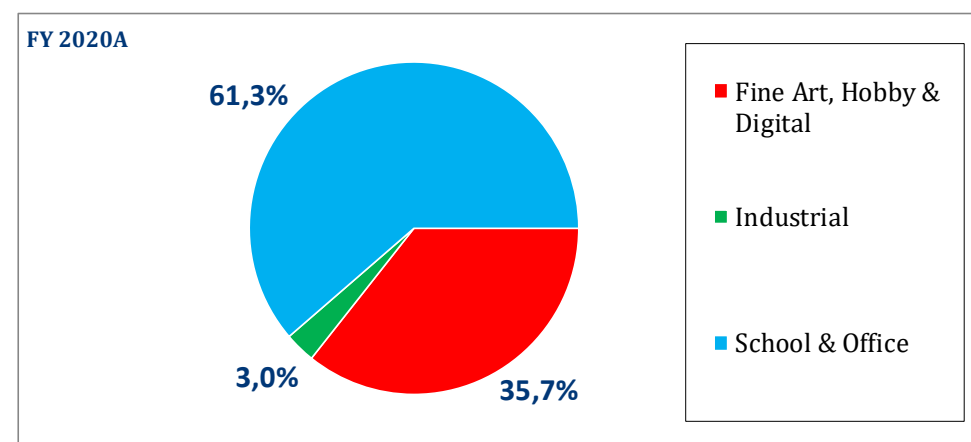
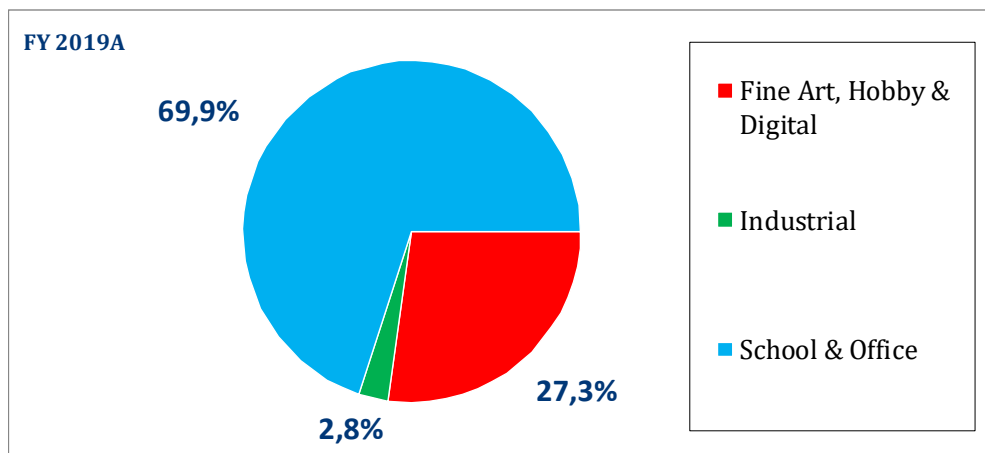
Core Business Sales for 2020 include Arches sales for 4,9mln € since March 2020 and for 2019 they include Superior sales for 5,4mln €, business sold in October 2019.

(€ million)	2019A December	2020A December	2020A vs 2019A
Dixon (Mexico)	47,7	15,7	(32,0)
DOMS Industries PVT Ltd (India)	74,9	38,5	(36,4)
Total 3rd Parties Sales	122,6	54,2	(68,4)

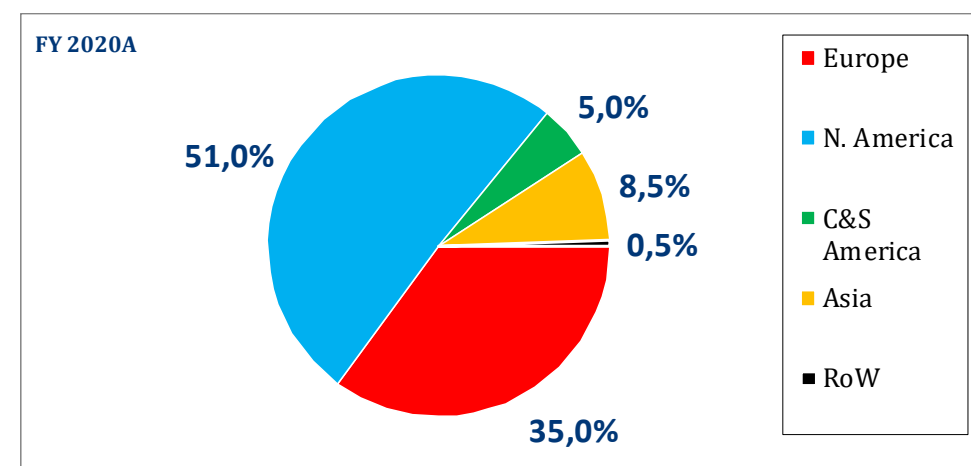
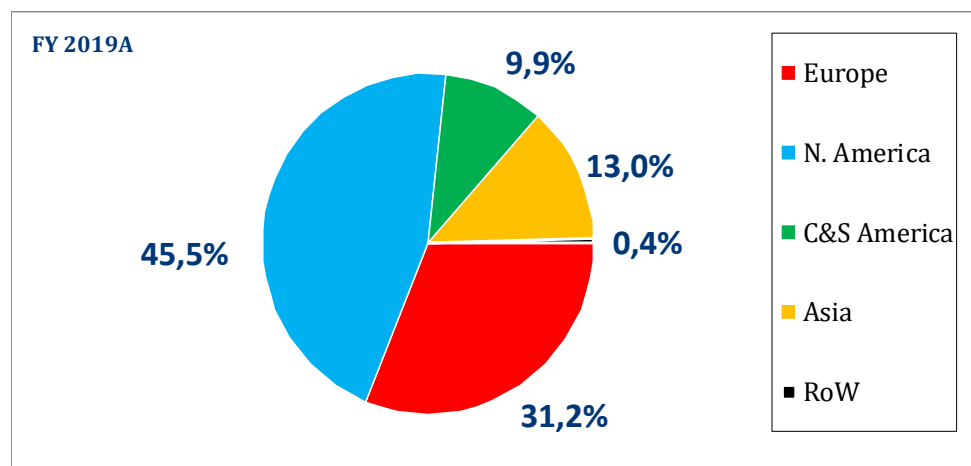
FY2020 Core Business Sales



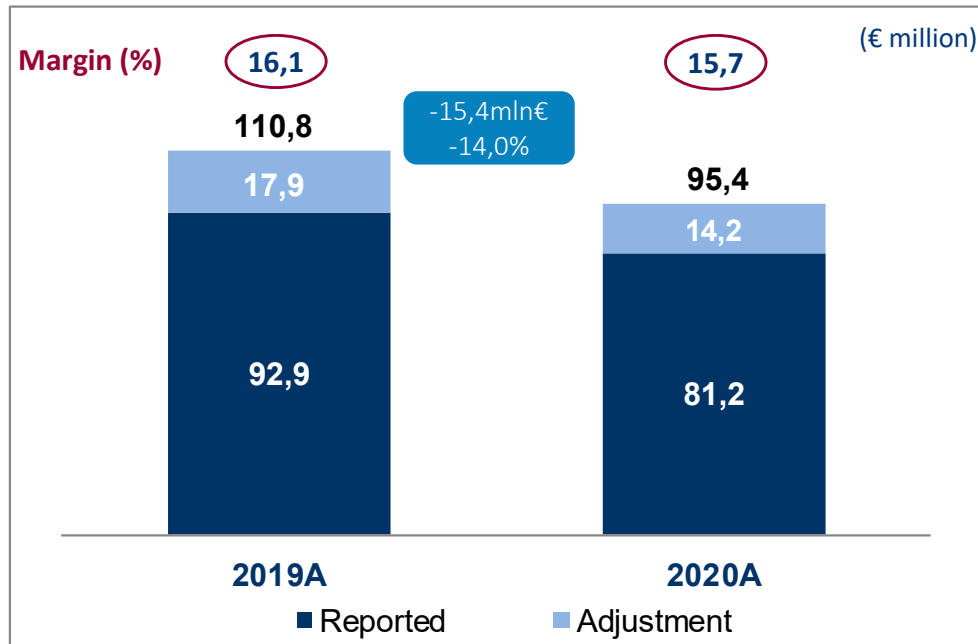
SALES BY PRODUCT LINE



SALES BY GEOGRAPHICAL AREA



FY2020 EBITDA Adjusted (Excluded IFRS 16)

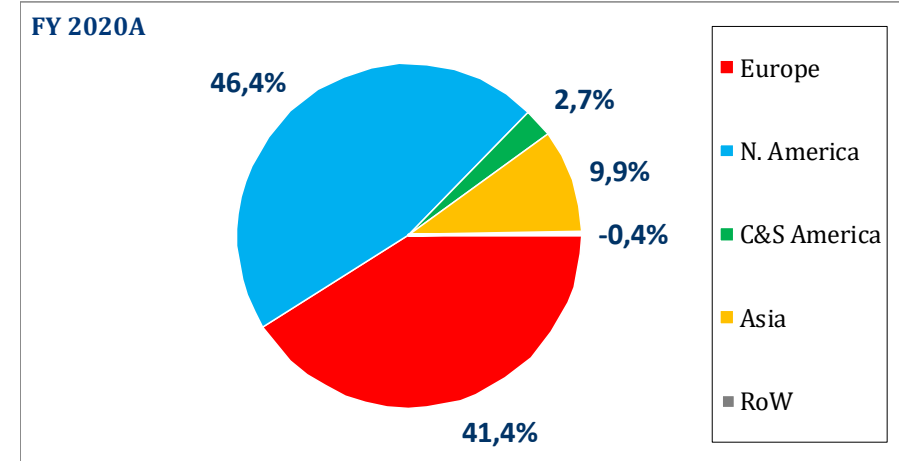
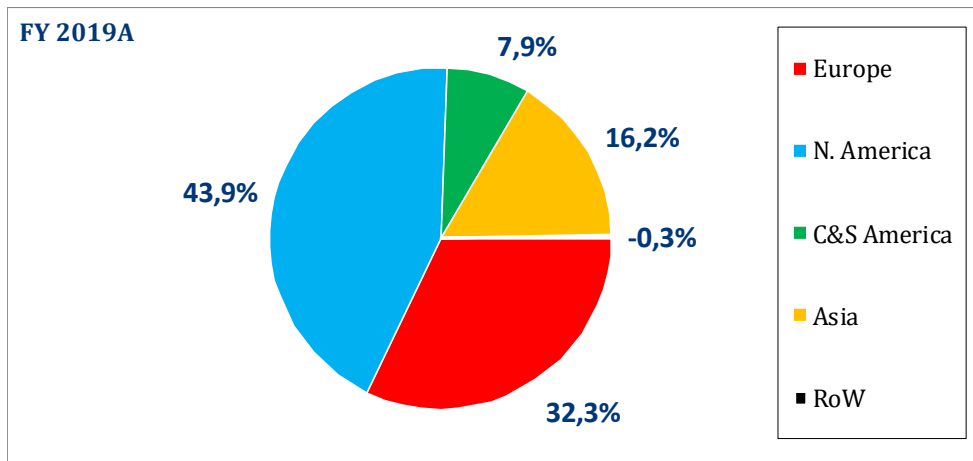


- Adjusted EBITDA at 95,4m€ €, variation -15,6m€ € (-14,1%) on 2019, FX rates effects excluded;
- 14,2m€ € of extraordinary costs in FY 2020 mainly related to Fila Arches acquisition (6,3m€ €), COVID-19 pandemic (6,3m€ €) and FILA Group reorganization costs (1,4m€ €); 17,9m€ € of extraordinary costs in FY 2019 mainly due to reorganization costs;

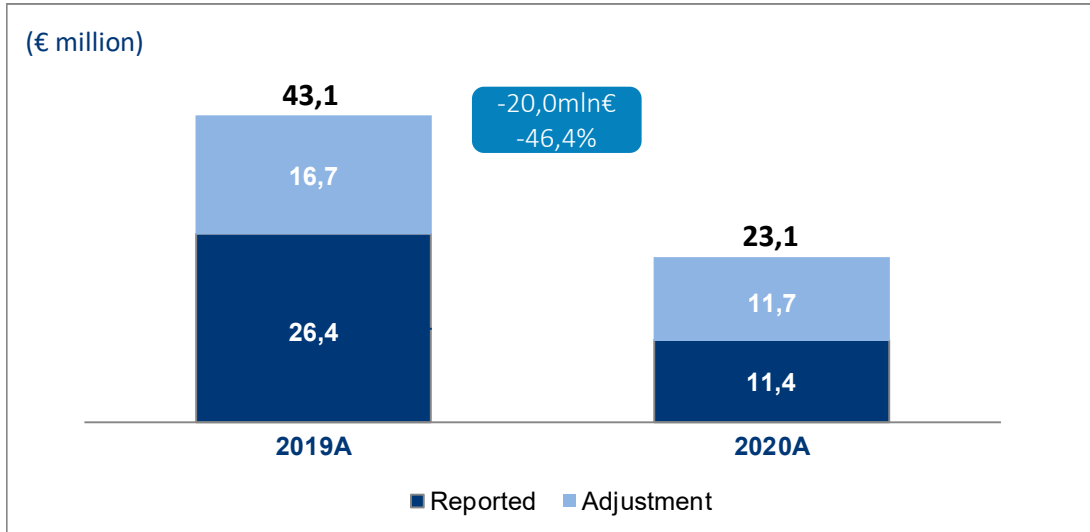
Adjusted EBITDA for 2020 includes Arches EBITDA for 2,7m€ € since March 2020 and for 2019 it includes Superior EBITDA for 1,0m€ €, business sold in October 2019.

(€ million)	2019A December	2020A December	2020A vs 2019A
Dixon (Mexico)	7,6	1,6	(6,0)
DOMS Industries PVT Ltd (India)	9,9	3,1	(6,8)
EBITDA	17,5	4,7	(12,8)

ADJUSTED EBITDA BY GEOGRAPHICAL AREA



FY2020 Net Income Adjusted (Excluded IFRS 16)



- Adjusted Net Income of 23,1mIn €, -20,0mIn € (-46,4%) on 2019. Results are mainly affected by higher financial costs related to negative FX effect;
- The adjustment of the Group Result in FY 2020 for 11,7mIn € mainly refers to extraordinary operating costs for Arches acquisition and COVID-19 pandemic impact, net of taxes effects;
- The adjustment of the Group Result in FY 2019 for 16,7mIn € mainly refers to Group reorganization costs, net of taxes effects.

FY2020 Net Bank Debt and NFP



(€ million)	2019A	2020A
Cash and Cash Equivalents	85,6	116,3
Financial Liabilities	(489,1)	(512,4)
Net Bank Debt	(403,6)	(396,1)
Amortized cost	5,6	6,2
Financial Receivables	1,2	0,1
NFP for Covenants	(396,8)	(389,8)
Mark to Market Hedging	(13,6)	(18,8)
IFRS 16	(87,8)	(84,9)
NFP included IFRS 16 and Financial Instruments	(498,2)	(493,5)

- Net Bank Debt decrease of 7,5mln € in the last twelve months, notwithstanding the cash out for Arches acquisition of 43,6mln € and related consultancy fees and other closing expenses for 6,1mln € => Net Bank Debt decrease in last twelve months of 57,2mln € excluding Arches Acquisition cash out, but including positive fx effect of approx. 21,1mln €;
- FY 2020A Net Financial Position decrease of 4,7mln € compared to FY2019 (please refer to page 9 for details).

	2019A	2020A
Leverage ratio	3,5	3,92
Covenant leverage ratio - SFA	4,5	3,90

	2019A	2020A
Net Working Capital	291,1	271,7
Sales Reported	682,7	607,4
Net Working Capital/Sales Reported	42,6%	44,7%

FY2020 Cash Flow Statement



(€ million)		2019A	2020A
CASH FLOW			
EXCLUDED IFRS 16	EBIT	57,6	47,5
	Adjustments for non monetary costs	38,2	34,5
	Adjustments for taxes	(12,7)	(8,4)
	Cash-flow from operating activities before changes in NWC	83,2	73,6
	Changes in net working capital	15,3	(7,2)
	Operating cash-flow	98,5	66,4
	Investments in tangible and intangible assets	(19,0)	(10,2)
	Free Cash Flow	79,5	56,2
	Net financial expenses	(23,8)	(20,9)
	Other changes	2,2	(5,5)
	Free Cash Flow to Equity	57,8	29,8 **
	Capital increase/reimbursement/dividends	(4,3)	(0,2)
	Adjustment mark to market hedging	(8,4)	(5,2)
	Effect of FX rate movements*	(6,0)	21,1
IFRS 16 Net Financial Position	(87,8)	2,9	
M&A - Acquisition: 2019 Minority acquisition - 2020 Arches	3,2	(43,6)	
Changes in Net Financial Position	(45,4)	4,7	

* Related to Net Bank Debt

** Including cash out of 6,1mln € for consultancy fees and other closing expenses related to Arches acquisition.



Appendix



FY2020 Income Statement Reported



(€ million)	2019A	% on Sales	2020A	% on Sales
PROFIT & LOSS				
Core Business Sales	682,7		607,4	
Other revenues	6,7		9,0	
Total revenues	689,4		616,3	
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(317,9)	(46,6%)	(280,2)	(46,1%)
Costs for Services and Use of Third-Party Assets	(116,1)	(17,0%)	(103,6)	(17,0%)
Personnel Costs	(142,4)	(20,9%)	(130,4)	(21,5%)
Other Operating Costs	(7,1)	(1,0%)	(7,2)	(1,2%)
Total operating costs	(583,5)	(85,5%)	(521,3)	(85,8%)
EBITDA	105,9	15,5%	95,1	15,6%
Depreciation and Amortization	(41,0)	(6,0%)	(42,6)*	(7,0%)
Write-Downs	(4,8)	(0,7%)	(2,9)	(0,5%)
EBIT	60,0	8,8%	49,5	8,2%
Financial income/expenses	(30,5)	(4,5%)	(35,5)	(5,8%)
Income/expenses from associates at equity method	0,2	0,0%	0,3	0,0%
PBT	29,8	4,4%	14,3	2,4%
Taxes	(3,7)	(0,5%)	(6,2)	(1,0%)
Total net profit (loss) of the period	26,1	3,8%	8,1	1,3%
Total net profit (loss) attributable to non controlling interests	2,1	0,3%	(0,5)	(0,1%)
Fila Group's total net profit (loss) of the period	24,0	3,5%	8,6	1,4%

* Of which: Tangible Assets 16,4mln €; IFRS 16 Tangible Asset 10,9mln €; Intangible Assets 15,3mln € (PPA 11,7mln €);

FY2020 Income Statement Adjusted



(€ million)	2019A	% on Sales	2020A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	682,7		607,4	
Total Adjustments	4,7		0,8	
ADJUSTED CORE BUSINESS SALES	687,4		608,2	
REPORTED EBITDA	105,9	<u>15,5%</u>	95,1	<u>15,6%</u>
IFRS 16 Impact	(13,0)		(13,9)	
Total Adjustments	17,9		14,2	
ADJUSTED EBITDA EXCLUDED IFRS 16	110,8	<u>16,1%</u>	95,4	<u>15,7%</u>
REPORTED FILA GROUP NET PROFIT	24,0	<u>3,5%</u>	8,6	<u>1,4%</u>
IFRS 16 Impact	2,4		2,8	
Total Adjustments	16,7		11,7	
ADJUSTED FILA GROUP NET PROFIT EXCLUDED IFRS 16	43,1	<u>6,3%</u>	23,1	<u>3,8%</u>

FY2020 Balance Sheet Reported

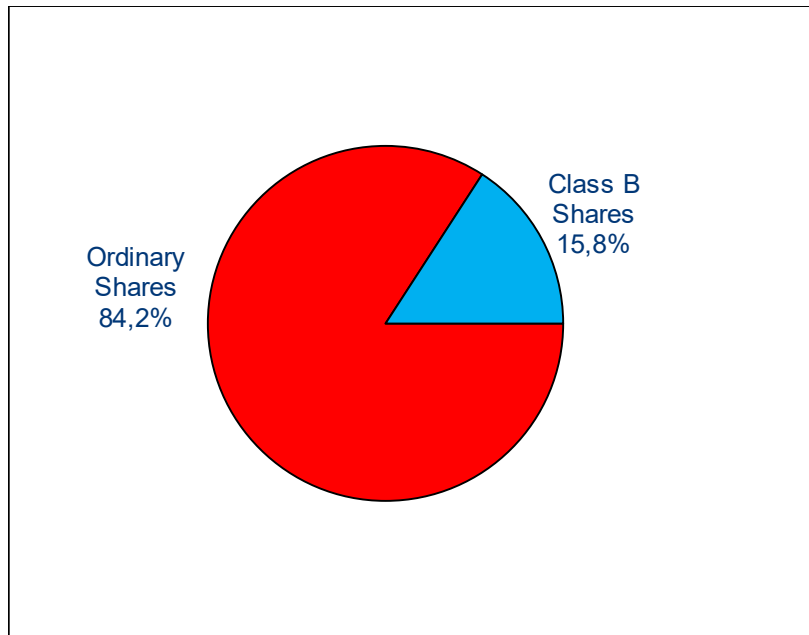


(€ million)	2019A	2020A
BALANCE SHEET		
Intangible assets	430,6	436,0
Tangible Assets	186,0	171,5
Financial Fixed Assets	3,7	3,7
Fixed Assets	620,3	611,2
Other Non Current Assets/Liabilities	18,3	20,2
Trade Working Capital	291,1	271,7
Other Current Assets and Liabilities	3,8	4,9
Net Working Capital	294,9	276,6
Provisions & Funds	(78,0)	(83,3)
NET CAPITAL EMPLOYED	855,5	824,7
Shareholders equity	(357,3)	(331,3)
Net Financial Position	(498,2)	(493,5)
TOTAL NET SOURCES	(855,5)	(824,7)

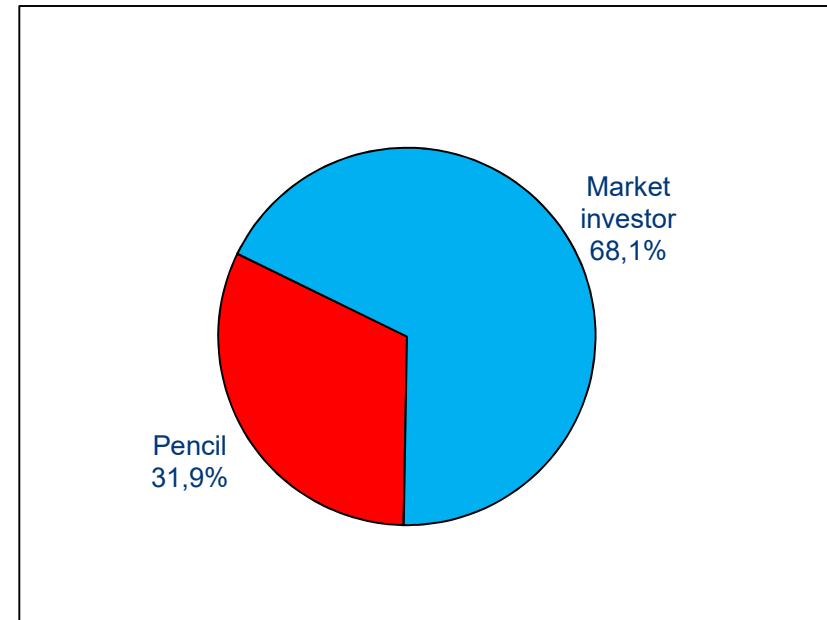
FILA Shareholders



Total shares *



Ordinary shares only



*Total shares 51.040.048 of which : Ordinary shares 42.958.192; 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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