



SPAFID
CONNECT

Informazione Regolamentata n. 1565-53-2022	Data/Ora Ricezione 04 Agosto 2022 14:12:39	Euronext Star Milan
--	--	---------------------

Societa' : FILA
Identificativo : 165826
Informazione
Regolamentata
Nome utilizzatore : FILASPANSS01 - De Rosa
Tipologia : 1.2
Data/Ora Ricezione : 04 Agosto 2022 14:12:39
Data/Ora Inizio : 04 Agosto 2022 14:12:40
Diffusione presunta
Oggetto : F.I.L.A. S.p.A._PR_H1 2022 Results.

<i>Testo del comunicato</i>

Vedi allegato.



Il futuro ha i nostri colori. Da 100 anni.

PRESS RELEASE

BOD OF F.I.L.A. S.P.A. APPROVES H1 2022 RESULTS

RECORD HALF-YEAR FOR FILA, DRIVEN BY US DOLLAR AREA AND SIGNIFICANT RECOVERY IN INDIA AND MEXICO

DEBT REFINANCING TRANSACTION TO SUPPORT GROWTH COMPLETED

REVENUE OF EURO 390.6 MILLION, +20.3% ON H1 2021

ASIA +103.9% AND CENTRAL AND SOUTH AMERICA +59.7% SIGNIFICANTLY UP

ADJUSTED EBITDA OF EURO 64.8 MILLION, +10.7% ON H1 2021

ADJUSTED NET PROFIT OF EURO 28.6 MILLION +6.9% ON H1 2021

NET BANK DEBT OVER LAST 12 MONTHS IMPROVES

EURO 26.3 MILLION, NET OF CURRENCY EFFECT AND IN LINE WITH EXPECTATIONS

GROUP'S RESILIENCE AND STRONG MARKET PRESENCE CONFIRMED

EXPECTATIONS FOR FY 2022 ARE OF CONTINUOUS AND SIGNIFICANT PROGRESS IN MARKETS LIKE INDIA AND MEXICO TO SUPPORT GROUP GROWTH AND A POSITIVE CASH GENERATION

- *Adjusted Revenue in H1 2022 of Euro 390.6 million, +20.3% on same period of the previous year (Euro 324.7 million in H1 2021), +13.9% at like-for-like exchange rates. Significant growth in Asia (+103.9%) and Central and South America (+59.7%), thanks to the strong recovery in India and Mexico and to the excellent schools' campaign (North America and Europe, respectively +2.2% and +1.7%);*
- *Adjusted EBITDA in H1 2022 (excluding the IFRS 16 effects) of Euro 64.8 million, +10.7% (+6.5% at like-for-like exchange rates) on H1 2021 (Euro 58.5 million), with H1 2022 margin of 16.6% (18.0% in H1 2021). Higher sales prices and G&A cost streamlining almost completely offset raw material and transport cost inflation. The lesser EBITDA than revenue growth is mainly due to the country mix and the increasing contribution to Group revenue of Asia and*

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

South America, today accounting respectively for 11.4% and 8.9% of the total (3.1% and 2.9% in H1 2021);

- *Adjusted Net Profit of Euro 28.6 million (excluding the IFRS 16 effects), up 6.9% on Euro 26.8 million for the same period of the previous year, mainly thanks to the improved operating profit. Adjusted Group Profit of Euro 26.2 million, compared to Euro 26.6 million in H1 2021, due to the increasing contribution of the minorities (from Euro 0.2 million to Euro 2.4 million in the period thanks to the significant growth of the Indian subsidiary);*
- *Net Bank Debt over the last 12 months increases Euro 2.8 million (Euro 428.2 million at June 30, 2022, compared to Euro 425.4 million at June 30, 2021). Excluding the currency effect of Euro 27.4 million and M&A impacts of Euro 1.7 million, the Net Bank Debt decreased Euro 26.3 million, in line with the Group's expectations;*
- *Free Cash Flow to Equity of Euro -50.0 million, due to business seasonality and higher inventories to support growth, within an environment which continues to be impacted by the global supply chain difficulties, heightened post-pandemic by the Russia-Ukraine crisis (Euro -16.2 million in H1 2021), in addition to trade receivables as a result of the significative revenue growth;*
- *Net Financial Debt at June 30, 2022 of Euro 524.8 million (including IFRS 16 effect of Euro 95.8 million and negative Mark to Market Interest Hedging effect of Euro 0.7 million), compared to Euro 437.3 million at December 31, 2021 (including IFRS 16 effect of Euro 87.3 million and negative Mark to Market Interest Hedging effect of Euro 9.9 million);*
- *On July 28, 2022, the medium/long-term refinancing transaction for a total of Euro 232.5 million and USD 133.1 million was completed, alongside an RCF line of Euro 75.0 million, against current structured debt of Euro 266.6 million and USD 180.4 million, in addition to an RCF line of Euro 25.0 million. This transaction will lead to significant savings on financial charges of over Euro 10.0 million over the entire 5 year duration of the loan.*

* * *

Pero, August 4, 2022 – The Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“F.I.L.A.” or the “Company”), listed on the Euronext STAR regulated market of the Italian Stock Exchange, ISIN IT0004967292, today approved the H1 2022 consolidated results, drawn up in accordance with IFRS.

F.I.L.A. – a Company which operates in the creativity tools market - producing design, colouring, writing and modelling objects - reports H1 2022 Revenue of Euro 390.6 million, up 20.3% (+13.9% at like-for-like exchange rates) on the same period of the previous year. Adjusted H1 2022 EBITDA of Euro 64.8 million was up 10.7% on the previous year (+6.5% at like-for-like exchange rates). The Adjusted Net Profit of Euro 28.6 million was up 6.9% on Euro 26.8 million in the same period of the previous year, mainly thanks to the improved operating profit.

F.I.L.A. Fabbrica Italiana Lapis ed Affini

GIOTTO | tratto |  | PONGO | DAS | LYRA Germany | MAIMERI | DALER | ROWNEY

LUKAS |  ST CUTHBERTS MILL |  CANSON |  Strathmore |  PRINCETON ARTIST BRUSH | ARCHES





Il futuro ha i nostri colori. Da 100 anni.

* * *

“We report our best ever half-year, driven mainly by the Dollar area and the countries which were hit hardest by the pandemic, such as India and Mexico”. Massimo Candela, CEO of F.I.L.A., stated “In the first six months of the year, we saw important signs of recovery in the school sector, as confirmed by the campaign that just ended, while a de-stocking phenomenon was noted in fine art. The only differences relate to inflation beyond expectations and currency movements, which have little impact on the natural leverage on EBITDA, and temporarily the value of inventory. The increased stock levels were necessary to deliver on time to customers and to provide good service levels, in view of the supply chain difficulties and labour shortages in countries such as the UK and in North America. We have begun to see some signs of slowing raw material cost increases, while energy costs have been partially locked in until the end of 2023, providing us with a hedge on increases. We expect markets such as India and Mexico to continue to see significant growth in 2022, in support of the Group’s expansion, and positive cash generation. Finally, the renegotiation of the medium/long-term debt, extending its maturity from the current 2 years to 5 years and maintaining interest rates unchanged within a complex economic environment, has allowed us to significantly cut the cost and provides considerable flexibility in terms of the lines available to support growth”.

* * *

Operating overview adjusted to exclude IFRS 16 effects - F.I.L.A. Group

Revenue of Euro 390.6 million was up Euro 65.8 million on H1 2021 (+20.3%). Net of the positive effect on exchange rates of Euro 20.6 million (mainly concerning the US Dollar, the Mexican Peso and the Indian Rupee, partially offset by the weakening of the Turkish Lira and the Argentinian Peso), organic growth was Euro 45.2 million (+13.9%).

At geographical area level, this organic growth was driven by Asia and in particular by India, for Euro 26.8 million (+103.9% on H1 2021), by Central-South America for Euro 13.1 million (+59.7% on H1 2021), by North America for Euro 3.4 million (+2.2% on H1 2021), and by Europe for Euro 2.1 million (+1.7% on H1 2021), while the Rest of the World reports a decrease of Euro 0.2 million (-9.0% on H1 2021).

Income of Euro 6.0 million increased on the comparative period by Euro 2.5 million, mainly due to higher exchange gains on commercial transactions.

Operating Costs in H1 2022 of approx. Euro 331.7 million rose Euro 62.0 million on H1 2021. This increase mainly relates to variable purchase and commercial costs on the basis of higher revenue.

Gross Operating Profit (EBITDA) of Euro 64.8 million was up Euro 6.3 million on H1 2021 (+10.7%). At like-for-like exchange rates, the increase was 6.5% on the same period of the previous year.

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

The adjustment on H1 2022 EBITDA concerns non-recurring operating charges of approx. Euro 0.5 million, incurred to tackle the COVID-19 pandemic for Euro 0.6 million, reorganisation charges of Euro 0.3 million, other Group consultancy costs of Euro 0.3 million, restructuring charges of Euro 0.2 million, net of the portion released in closure of the medium/long-term “2019-2021 Performance Shares” incentive plan for Euro 0.9 million.

Operating Profit (EBIT) of Euro 48.7 million was up 10.2% on Euro 44.2 million in H1 2021 and includes amortisation, depreciation and impairments of Euro 16.1 million, increasing Euro 1.8 million, mainly due to the slight recovery of investments, which were previously impacted by the COVID-19 related uncertainty, and an increase in impairments and in the allowance for doubtful accounts following the increase in revenues.

The overall adjustment to the operating profit was approx. Euro 0.5 million, resulting from the aforementioned effects on the gross operating profit.

Net Financial Expense of Euro 11.0 million increased by Euro 1.7 million, substantially due to higher other financial expense (Amortised Cost) and the negative currency impacts on financial transactions, partially offset by the lower financial expense on the structured debt.

Adjusted Group **Taxes** overall totalled Euro 9.0 million, increasing on the previous year due to the improved pre-tax profit.

The **Net Profit for the period** was Euro 28.6 million, up 6.9% on the same period of the previous year (Euro 26.8 million in H1 2021). **The F.I.L.A. Group’s Net Profit** in H1 2022, net of the minority profit of Euro 2.4 million (significantly up on H1 2021, Euro 0.2 million), was Euro 26.2 million, slightly decreasing on the same period of the previous year.

Statement of Financial Position review - F.I.L.A. Group

The F.I.L.A. Group’s **Net Invested Capital** of Euro 964.7 million at June 30, 2022 was composed of Net Fixed Assets of Euro 644.7 million (Euro 623.0 million at December 31, 2021), Net Working Capital of Euro 383.8 million (up by Euro 106.8 million on December 31, 2021) and Other Non-current Assets/Liabilities of Euro 21.4 million (increasing by Euro 2.3 million on December 31, 2021), net of Provisions of Euro 85.1 million (Euro 83.7 million at December 31, 2021).

Intangible Assets increased on December 31, 2021 by Euro 14.8 million, mainly due to net investments of Euro 1.5 million, and in particular by the Parent F.I.L.A. S.p.A. for Euro 1.4 million to introduce the SAP project, positive currency differences in the period of Euro 18.7 million and amortisation of Euro 7.0 million.

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

Property, plant and equipment increased on December 31, 2021 by Euro 6.9 million, mainly due to the increase of Euro 6.4 million in Right-of-Use and of Property, Plant and Machinery by Euro 0.5 million. Net investments in Right-of-use in the period amounted to Euro 8.0 million, mainly by Dixon Ticonderoga Company (U.S.A) for Euro 3.0 million and Daler Rowney Ltd (United Kingdom) for Euro 2.4 million, for the renewal of both production site and local logistics contracts. The movement is also due to the positive effect on exchange rates of Euro 4.1 million, partially offset by depreciation in the period of Euro 5.8 million.

Net investments in Property, Plant and Machinery in the period totalled Euro 5.7 million and were undertaken by DOMS Industries Pvt Ltd (India), Canson SAS (France), Dixon Ticonderoga Company (U.S.A.) and F.I.L.A. S.p.A.. It is also noted an increase from the recognition of positive currency differences of Euro 2.4 million. The overall movement is mainly offset by depreciation in the period of Euro 7.9 million, which resulted in a reduction in value of Property, Plant and Machinery.

Biological Assets increased Euro 0.06 million compared to December 31, 2021, entirely due to the positive effect on exchange rates. This item only includes the fair value of the plantation of the Chinese subsidiary Xinjiang F.I.L.A. - Dixon Plantation Company Ltd.

Financial Assets was negative for Euro 0.1 million compared to December 31, 2021, mainly concerning the subsidiary Daler Rowney Ltd (United Kingdom), in relation to the financial assets underlying a portion of the indemnity plans to be paid to personnel.

The increase in **Net Working Capital** of Euro 106.8 million relates to the following:

- **Inventories** - increasing Euro 49.5 million, mainly due to the seasonality of the business which features higher stock on the approach of the schools' campaign. The net increase in stock at the F.I.L.A. Group of Euro 35.7 million particularly concerns the subsidiary Dixon Ticonderoga Company (U.S.A) for Euro 21.4 million, the subsidiary Canson SAS (France) for Euro 4.4 million, the subsidiary DOMS Industries Pvt Ltd (India) for Euro 2.4 million and the subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico) for Euro 2.4 million, partially offset by the decrease in stock at the parent F.I.L.A. S.p.A. for Euro 1.7 million. Exchange gains of Euro 14.4 million are also reported;
- **Trade Receivables and Other Assets** - increasing Euro 89.1 million, mainly due to the seasonality of the F.I.L.A. Group's business. The increase concerns in particular higher Trade Receivables for Euro 79.9 million, relating to the parent F.I.L.A. S.p.A. for Euro 16.8 million, to the US subsidiary Dixon Ticonderoga Company for Euro 30.5 million, to the subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico) for Euro 14.0 million and to the subsidiary Canson SAS (France) for Euro 9.2 million, in addition to exchange gains of Euro 7.9 million on the items;
- **Trade Payables and Other Liabilities** - increasing Euro 28.0 million, mainly due to the increase in Trade Payables for approx. Euro 21.3 million at Dixon Ticonderoga Company (U.S.A.) and Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico). Exchange losses on the item of Euro 4.2 million are

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

in addition reported. The increase is mainly due to the higher inventory to promptly satisfy forecast sales.

The increase in **Provisions** on December 31, 2021 of Euro 1.4 million principally concerns the:

- Increase in **Deferred tax liabilities** of Euro 2.6 million, mainly due to exchange losses of Euro 3.1 million, offset by releases of Euro 0.5 million and mainly concerning the tax effect on Intangible Assets;
- Reduction in **Employee benefits** of Euro 1.1 million, mainly due to the actuarial gains recorded by the company Canson SAS (France);
- Decrease in **Provisions for Risks and Charges** of Euro 0.1 million, due to the release by the French subsidiary Canson SAS in relation to the previous reorganisation plans of the subsidiary, which have now being completed.

F.I.L.A. Group **Equity** of Euro 440.0 million increased Euro 41.9 million over December 31, 2021. Net of the profit of Euro 27.3 million (of which Euro 2.4 million concerning non-controlling interests), the residual movement mainly concerned the increase in the translation reserve of Euro 16.0 million and of the “Actuarial Gains/Losses” reserve of Euro 1.0 million, in addition to the increase in the “fair value hedge” of the derivatives (IRS) for Euro 13.1 million. These changes were offset by the purchase of treasury shares by the parent for Euro 1.3 million and the dividends paid totalling Euro 12.7 million, of which F.I.L.A. S.p.A. shareholders for Euro 11.7 million and the minority shareholders of the subsidiaries for Euro 1.0 million.

The **Net Financial Debt** of the F.I.L.A. Group at June 30, 2022 was Euro 524.7 million, increasing on December 31, 2021 (Euro 437.3 million). This increase of Euro 87.5 million is primarily due to the following factors:

- The net cash flow absorbed in H1 from Operating Activities of Euro 38.1 million (in H1 2021 absorbing Euro 3.9 million), is as follows:
 - inflows of Euro 57.4 million (Euro 54.6 million in H1 2021) from cash flow from Operating profit, calculated as the difference of operating costs and revenue plus other operating items, excluding financial items;
 - outflows of Euro 95.5 million (outflows of Euro 58.5 million in H1 2021) attributable to Working Capital movements, primarily related to the increases in Trade Receivables and Other Assets and of Inventories, partially offset by the increase in Trade Payables and Other Liabilities.
- Investing Activities absorbed liquidity of Euro 7.0 million (Euro 4.7 million in H1 2021), mainly due to the use of cash for Euro 7.2 million (Euro 4.8 million in H1 2021) for net tangible and intangible asset investment, particularly regarding DOMS Industries Pvt Ltd (India), Canson SAS (France), and Dixon Ticonderoga Company (U.S.A.) and F.I.L.A. S.p.A..

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

- The net cash flow from Financing Activities reports outflows of Euro 22.7 million (outflows of Euro 16.7 million in H1 2021), due to interest paid on loans and credit facilities granted to Group companies, amounting to Euro 8.7 million, mainly concerning Dixon Ticonderoga Company (U.S.A.), F.I.L.A. S.p.A. and Grupo F.I.L.A. – Dixon, S.A. de C.V. (Mexico), the purchase of treasury shares for Euro 1.3 million and dividends paid for Euro 12.7 million, of which F.I.L.A. S.p.A. shareholders for Euro 11.7 million and the minority shareholders of the subsidiaries for Euro 1.0 million.

Net of the exchange rate effect relating to the translation of Net Debt in currencies other than the Euro (Euro 18.7 million), the Mark to Market Hedging adjustment of Euro 9.1 million, the increase in Net Financial Debt due to the application of IFRS 16 amounting to Euro 8.5 million, the change in "Amortized cost", amounting to a negative Euro 3.7 million, in addition to the overall net decrease generated by M&A's of Euro 1.7 million (cash out relating to the acquisition of Creative Art Products Limited, amounting to Euro 1.2 million), the increase in the F.I.L.A. Group's Net Financial Debt is therefore Euro 87.5 million (increase of Euro 30.4 million at June 30, 2021).

Key events in the period

- **On January 12, 2022**, the liquidation of the Italian subsidiary Canson Italy S.r.l. began;
- **On January 14, 2022**, the German subsidiaries Lukas-Nerchau GmbH and Nerchauer-Malfarben GmbH were merged into Daler Rowney GmbH;
- **On February 8, 2022**, the UK subsidiary Daler Rowney Ltd fully acquired the UK company Creative Art Products Limited, specialised in the schools segment, for a total value of GBP 1 million;
- **In the period between March 24, 2022 and April 6, 2022**, the Parent F.I.L.A. S.p.A. purchased treasury shares on the regulated Euronext Milan market for 240,000 ordinary shares of F.I.L.A. S.p.A. (representing 0.4701% of the Share Capital) for a total value of Euro 2,324 thousand. These transactions were carried out as part of the share buyback program, approved by the Company's Board of Directors on March 23, 2022, and as per the authorisation of the Shareholders' Meeting of April 27, 2021. Prior to the launch of the Program, the company held 51,500 ordinary treasury shares, representing 0.1009% of the share capital. In addition, during the period the reserve altered due to the free allocation of shares of the parent F.I.L.A. S.p.A. to each beneficiary of the "2019-2021 Performance Shares" Plan on the basis of the achievement of the performance objectives on conclusion of the three-year vesting period. On closure of the "2019-2021 Performance Shares" Plan, 104,609 treasury shares have been allocated for Euro 1.0 million.

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

On June 30, 2022, the Group held 186,891 treasury shares, for a total value of Euro 1.8 million (equal to the “Negative reserve for treasury shares in portfolio” deducted from consolidated equity).

Impacts of events related to the conflict in Ukraine

As widely publicised, on February 24, 2022 Russia launched a military operation in the east of Ukraine, resulting in the current conflict, which is significantly broadening in scope. F.I.L.A. Group management consider that the economic and financial impacts from the conflict between Russia and Ukraine on its Russian commercial subsidiary FILA Stationary O.O.O will not be significant at Group level, as the turnover of the subsidiary accounts for approx. 0.2% at Group level and the Russian company has demonstrated financial independence in running its ordinary operations, confirming its estimates for 2022. The net exposure to third parties of the Russian subsidiary at June 30, 2022 was Euro 6.4 million. Group management continues to monitor the recoverability of the net exposure to third parties of the Russian subsidiary. At June 30, 2022, the analysis indicated particular criticalities with regards to recoverability.

There are no F.I.L.A. Group companies in Ukraine at June 30, 2022.

At Group level, the effects and the criticalities generated by the general inflation of raw and ancillary materials for production are being monitored, assessing the possibility of identifying alternative procurement sources where needed or undertaking adequate compensatory measures. Moreover, the vertical integration of the Group should enable these pressures to be mitigated.

With reference to the valuations made for the purposes of the financial statements (recoverability of intangible assets, recoverability of deferred tax assets, fair value of financial instruments, liabilities for employee defined benefits etc.), the Directors consider that, given the information currently available, these factors of uncertainty are already included in the main sensitivity analyses provided with reference to the main financial statement captions subject to estimates. With particular reference to the uncertainties related to the developing conflict, it may not be excluded however that, should the crisis extend at an international level, the general economic consequences and specific consequences for the Group could be more severe than that envisaged at present, requiring a new estimate to be made, with a negative impact on the financial statement captions subject to estimate and in terms of the scenarios considered for the sensitivity analysis at June 30, 2022.

Subsequent events

On July 28, 2022, the medium/long-term refinancing transaction for a total of **Euro 232.5 million and USD 133.1 million** was completed, **alongside an RCF line of Euro 75.0 million**, against current structured debt of Euro 266.6 million and USD 180.4 million, in addition to an RCF line of Euro 25.0 million. This transaction will lead to significant savings on financial charges of over Euro 10.0 million over the entire duration of the loan.

The transaction stems from the Group's need to refinance its existing medium/long-term debt before its natural maturity and, therefore, to extend the maturity of its financial debt. It will enable both a reduction

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

in existing medium/long-term debt by using excess cash to reduce borrowing costs, and an appropriate rescheduling of payment maturities, ensuring that the Company has the resources to continue its growth.

The Debt refinancing transaction stipulates the provision of a loan to F.I.L.A. S.p.A. and Dixon Ticonderoga Company (U.S.A.), both in Euro and USD, for amounts respectively of Euro 307.5 million and USD 133.1 million and granted by the following institutions:

- BNP Paribas and Intesa Sanpaolo as Global Coordinators, Bookrunners, Mandated Lead Arrangers, and Sustainability Coordinators;
- Banco BPM as Bookrunner and Mandated Lead Arranger;
- BPER Bank, Credit Agricole, Mediobanca and UniCredit as Mandated Lead Arrangers;
- Cassa Depositi e Prestiti and JP Morgan as Lead Arrangers;
- BNL BNP Paribas with the role of Agent Bank.
- The transaction shall break down as follows: Term Loan A in Euro - amortising tranche disbursed to F.I.L.A. S.p.A. for Euro 87.5 million, with a 5 year duration and average life of 3.7 years, for the refinancing and to cover the costs of the Transaction;
- Term Loan A in USD - amortising tranche disbursed to Dixon Ticonderoga Company (U.S.A.) of USD 99.1 million, with 5 year duration and average life of 3.7 years, for the refinancing and to cover the costs of the Transaction;
- Term Loan B in Euro – bullet tranche disbursed to F.I.L.A. S.p.A of Euro 111.6 million and to Dixon Ticonderoga Company (U.S.A.) of Euro 33.4 million, with 5 year duration, for the refinancing and to cover the costs of the Transaction;
- Term Loan B in USD – bullet tranche disbursed to Dixon Ticonderoga Company (U.S.A.) of Euro 34.0 million, with 5 year duration, for the refinancing and to cover the costs of the Transaction;
- RCF - revolving credit facility multicurrency and multiborrower of Euro 75.0 million, with 5 year duration, both for the refinancing and the financing of any future requirements generated by the working capital of the F.I.L.A. Group.

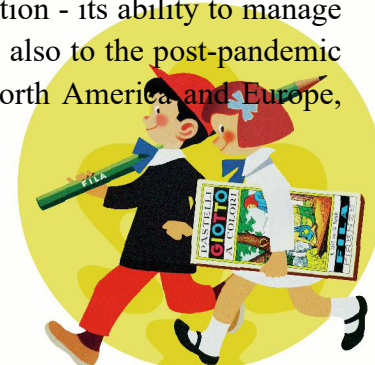
There were no further significant events.

Outlook

As already confirmed by the H1 performance, FY 2022 shall be impacted by significant raw material and transport cost inflation, the difficulties stemming from the last two years of COVID, and now considerably heightened by the conflict since February between the Russia and Ukraine.

The F.I.L.A. Group has consequently already adopted from 2022 a global product price increase policy, highlighting - as in the past and thanks also to vertical supply chain integration - its ability to manage inflation well. Growth is particularly forecast for Schools products, thanks also to the post-pandemic sales recovery in India and Mexico and strong schools consumption in North America and Europe,

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

although to a lesser extent in this latter area. This is reflected in the return of production to standard pre-pandemic levels.

A satisfying level of cash generation is expected also in 2022, with a consequent reduction in the debt, despite the need to maintain adequate stock levels to overcome the difficulties from COVID-19 and the recent Russia-Ukraine conflict on the global chain.

* * *

The IFRS consolidated and separate financial statements from the approved document are annexed.

* * *

The Executive Officer for Financial Reporting Stefano De Rosa declares, in accordance with Article 154-bis, paragraph 2, of the CFA, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

* * *

F.I.L.A. (Fabbrica Italiana Lapis ed Affini), founded in Florence in 1920 and managed since 1956 by the Candela family, is a highly consolidated, dynamic and innovative Italian industrial enterprise and continues to grow market share. F.I.L.A. has been listed on EXM – Euronext STAR segment of the Italian Stock Exchange since November 2015. The company, with revenue of Euro 653.5 million in 2021, has grown significantly over the last twenty years and has achieved a series of strategic acquisitions, including the Italian Adica Pongo, the US Dixon Ticonderoga Company and Pacon Group, the German LYRA, the Mexican Lapiceria Mexicana, the English Daler-Rowney Lukas and the French Canson, founded by the Montgolfier family in 1557. F.I.L.A. is an icon of Italian creativity globally through its colouring, drawing, modelling, writing and painting tools, thanks to brands such as Giotto, Tratto, Das, Didò, Pongo, Lyra, Doms, Maimeri, Daler-Rowney, Canson, Princeton, Strathmore and Arches. Since its foundation, F.I.L.A. has chosen to focus on growth through continuous innovation, both in technological and product terms, in order to enable individuals to express their ideas and talent through tools of exceptional quality. In addition, F.I.L.A. and the Group companies work together with the Institutions to support educational and cultural projects which promote creativity and expression among individuals and make culture accessible to all.

F.I.L.A. currently operates through 22 production facilities (of which two in Italy) and 35 subsidiaries across the globe and employs over 10,900.

* * *

For further information:

F.I.L.A. Investor Relations

Stefano De Rosa - Investor Relations Officer

Francesca Cocco - Investor Relations

ir@fila.it

(+39) 02 38105206

For financial communication:

Community Strategic Communications Advisers

Tel. (+39) 02 89404231

fila@communitygroup.it

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

F.I.L.A. Press Office

Cantiere di Comunicazione

Eleonora Galli: (+39) 02 87383180 -186 – mob: (+39) 331 9511099

e.galli@cantierecomunicazione.com

Antonella Laudadio: (+39) 02 87383180 -189

a.laudadio@cantierecomunicazione.com

F.I.L.A. Fabbrica Italiana Lapis ed Affini

GIOTTO | tratto |  | PONGO | DAS | LYRA Germany | MAIMERI | DALER ◆ ROWNEY
LUKAS |  ST CUTHBERTS MILL |  CANSON | Strathmore |  PRINCETON ARTIST BRUSH | ARCHES





Il futuro ha i nostri colori. Da 100 anni.

Attachment 1 – F.I.L.A. Group Consolidated Income Statement

<i>Euro millions</i>	June 2022	% core business revenue	June 2021	% core business revenue	Change 2022 - 2021	
Revenue	390,572	100%	324,554	100%	66,018	20,3%
Income	6,249		3,519		2,730	77,6%
Total Revenue	396,821		328,073		68,748	21,0%
Total operating expense	(324,983)	-83,2%	(264,747)	-81,6%	(60,236)	-22,8%
EBITDA	71,838	18,4%	63,326	19,5%	8,512	13,4%
Amortisation, depreciation and write-downs	(21,864)	-5,6%	(19,914)	-6,1%	(1,950)	-9,8%
EBIT	49,974	12,8%	43,412	13,4%	6,562	15,1%
Net financial expense	(13,921)	-3,6%	(12,056)	-3,7%	(1,865)	-15,5%
Pre-Tax Profit	36,053	9,2%	31,356	9,7%	4,697	15,0%
Total income taxes	(8,772)	-2,2%	(7,522)	-2,3%	(1,249)	-16,6%
Net profit - Continuing Operations	27,281	7,0%	23,834	7,3%	3,447	14,5%
Net Profit for the period	27,281	7,0%	23,834	7,3%	3,447	14,5%
Non-controlling interest profit	2,354	0,6%	0,043	0,0%	2,311	5374,4%
F.I.L.A. Group Net Profit	24,928	6,4%	23,791	7,3%	1,137	4,8%

Attachment 2 – F.I.L.A. Group Adjusted Consolidated Income Statement

<i>Adjusted - Euro millions</i>	June 2022	% core business revenue	June 2021	% core business revenue	Change 2022 - 2021	
Revenue	390,572	100%	324,743	100%	65,830	20,3%
Income	5,987		3,519		2,468	70,1%
Total Revenue	396,559		328,262		68,297	20,8%
Total operating expense	(331,749)	-84,9%	(269,726)	-83,1%	(62,023)	-23,0%
EBITDA	64,810	16,6%	58,536	18,0%	6,274	10,7%
Amortization, depreciation and write-downs	(16,086)	-4,1%	(14,302)	-4,4%	(1,784)	-12,5%
EBIT	48,724	12,5%	44,234	13,6%	4,490	10,2%
Net financial expense	(11,020)	-2,8%	(9,284)	-2,9%	(1,736)	-18,7%
Pre-Tax Profit	37,704	9,7%	34,950	10,8%	2,753	7,9%
Total income taxes	(9,098)	-2,3%	(8,185)	-2,5%	(0,913)	-11,2%
Net profit - Continuing Operations	28,606	7,3%	26,765	8,2%	1,840	6,9%
Net Profit for the period	28,606	7,3%	26,765	8,2%	1,840	6,9%
Non-controlling interest profit	2,402	0,6%	0,165	0,1%	2,237	1355,8%
F.I.L.A. Group Net Profit	26,203	6,7%	26,600	8,2%	(0,397)	-1,5%

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

Attachment 3 – F.I.L.A. Group Consolidated Statement of Financial Position

<i>Euro millions</i>	June 2022	December 2021	Change 2022 - 2021
Intangible Assets	460,610	445,823	14,787
Property, plant & equipment	176,577	169,653	6,924
Biological Assets	1,998	1,936	0,062
Financial assets	5,479	5,585	(0,106)
Net Fixed Assets	644,665	622,997	21,668
Other non Current Asset/Liabilities	21,416	19,119	2,297
Inventories	320,784	271,269	49,515
Trade and Other Receivables	210,470	121,357	89,113
Trade and Other Payables	(143,443)	(115,430)	(28,013)
Other Current Assets and Liabilities	(4,042)	(0,218)	(3,824)
Net Working Capital	383,769	276,979	106,790
Provisions	(85,120)	(83,716)	(1,404)
Net Invested Capital	964,730	835,379	129,351
Equity	(439,980)	(398,127)	(41,853)
Net Financial Indebtness	(524,749)	(437,253)	(87,496)
Net Funding Sources	(964,730)	(835,379)	(129,351)

F.I.L.A. Fabbrica Italiana Lapis ed Affini





Il futuro ha i nostri colori. Da 100 anni.

Attachment 4 – F.I.L.A. Group Consolidated Statement of Cash Flows

<i>Euro millions</i>	June 2022	June 2021	Change 2022 - 2021
EBIT net of IFRS 16 effect	48,251	41,635	6,616
Non-monetary adjustments net of IFRS 16 effect	16,077	15,616	0,461
Income taxes	(6,891)	(2,701)	(4,190)
Cash Flow from Operating Activities Before Changes in NWC	57,437	54,550	2,887
Change NWC	(95,501)	(58,476)	(37,025)
Change in Inventories	(35,682)	0,633	(36,315)
Change in Trade and Other Receivables	(81,424)	(67,954)	(13,470)
Change in Trade and Other Payables	22,805	9,615	13,190
Change in Other Current Assets/Liabilities	(1,201)	(0,770)	(0,431)
Cash Flow from Operating Activities	(38,064)	(3,926)	(34,138)
Investments in Property, Plant and Equipment and Intangible assets	(7,188)	(4,813)	(2,375)
Financial Income	0,154	0,109	0,045
Cash Flow from Investing Activities	(7,034)	(4,703)	(2,331)
Change in Equity	(14,028)	(7,027)	(7,001)
Financial Expense	(8,678)	(9,636)	0,958
Cash Flow from Financing Activities	(22,706)	(16,663)	(6,043)
Exchange differences and other variations	3,842	2,050	1,792
Total Net Cash Flow	(63,963)	(23,242)	(40,721)
Effect of exchange gains (losses)	(18,745)	(6,211)	(12,534)
Changes in Amortized cost	(3,732)	(1,204)	(2,528)
Mark to Market Hedging adjustment	9,123	3,786	5,337
NFD change due to IFRS16 FTA	(8,459)	(3,546)	(4,913)
NFD from M&A Operations (Creative Arts Products Limited)	(1,721)	0,000	(1,721)
Change in Net Financial Indebtness of F.I.L.A. Group	(87,496)	(30,417)	(57,079)

F.I.L.A. Fabbrica Italiana Lapis ed Affini



Fine Comunicato n.1565-53

Numero di Pagine: 16