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Informazione Regolamentata n. 1565-64-2022	Data/Ora Ricezione 11 Novembre 2022 14:35:48	Euronext Star Milan
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Societa' : FILA  
Identificativo : 169331  
Informazione  
Regolamentata  
Nome utilizzatore : FILASPANSS01 - De Rosa  
Tipologia : REGEM  
Data/Ora Ricezione : 11 Novembre 2022 14:35:48  
Data/Ora Inizio : 11 Novembre 2022 14:35:49  
Diffusione presunta  
Oggetto : F.I.L.A. S.p.A.\_PR\_9M 2022 Results

*Testo del comunicato*

Vedi allegato.



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## PRESS RELEASE

**BOD OF F.I.L.A. S.P.A. APPROVES 9M 2022 RESULTS  
SIGNIFICANT GROWTH IN FIRST NINE MONTHS, IN LINE WITH  
EXPECTATIONS, DRIVEN BY INDIA AND MEXICO**

**REVENUE OF EURO 595.0 MILLION (+19.9% VS 9M 2021)  
ASIA +102.1%, CENTRAL AND SOUTH AMERICA +86.0% AND NORTH AMERICA +11.8%  
CONFIRMING GROUP'S SIGNIFICANT RESILIENCE AND BROAD MARKET COVERAGE**

**ADJUSTED EBITDA OF EURO 95.5 MILLION, +5.0% ON 9M 2021  
DESPITE CONSIDERABLE COST INFLATION IMPACT IN Q3**

**ADJUSTED NET PROFIT OF EURO 43.0 MILLION, +5.9% ON 9M 2021**

**NET BANK DEBT OVER LAST 12 MONTHS IMPROVES  
EURO 15.2 MILLION, EXCLUDING CURRENCY EFFECT AND ONE-OFF OUTLAYS**

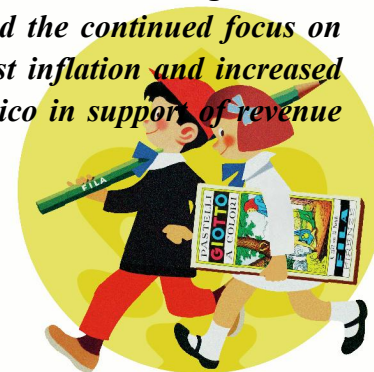
**CONFIRMATION OF THE REQUIREMENT OF INDEPENDENCE OF SONIA FERRERO  
FOLLOWING HER APPOINTMENT AS STATUTORY AUDITOR**

**FY 2022 EXPECTATIONS CONFIRM SIGNIFICANT IMPROVEMENT IN INDIA AND MEXICO  
SUPPORTING GROWTH AND CASH GENERATION**

- *Adjusted revenue in 9M 2022 of Euro 595.0 million, +19.8% on the same period of the previous year (Euro 496.5 million in 9M 2021), +12.3% at like-for-like exchange rates. Asia significantly up (+88.1%), in addition to Central and South America (+74.1%), thanks to strong growth, particularly in the School & Office segment, in India and Mexico, with Europe and North America substantially flat on 9M 2021;*
- *Adjusted EBITDA in 9M 2022 (excluding the IFRS 16 effects) of Euro 95.5 million, +5.0% (+0.7% at like-for-like exchange rates) on 9M (Euro 91.0 million), with a 16.1% margin in 9M 2022 (18.3% in 9M 2021). The increase in product sales prices and the continued focus on managing G&A costs partially offset raw material and transport cost inflation and increased personnel expense, particularly in the United States, India and Mexico in support of revenue*

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*growth. The lesser EBITDA than revenue growth is also due to the country mix and the increasing contribution to Group revenue of Asia and Central and South America, which today account respectively for 15.1% and 9.6% of the total (8.9% and 6.2% in 9M 2021);*

- *Adjusted Net Profit of Euro 43.0 million (excluding the IFRS 16 effects) up 5.9% on Euro 40.6 million for the same period of the previous year, mainly thanks to the improved operating profit. Adjusted Group Profit of Euro 39.4 million, compared to Euro 39.6 million in 9M 2022, following the increasing contribution from minorities (from Euro 1.0 million to Euro 3.6 million in the 9M), thanks to the significant growth of the Indian subsidiary;*
- *Net Bank Debt over the last 12 months, excluding the negative currency effect of Euro 35.9 million, M&A's for Euro 1.7 million and the debt refinancing costs of Euro 3.8 million, decreased (in line with expectations) Euro 15.2 million. The reported figure increased Euro 26.2 million to Euro 415.6 million at September 30, 2022, from Euro 389.4 million at September 30, 2021.*
- *Free Cash Flow to Equity of Euro -24.1 million, due to the temporary increase in inventories, amplified by inflation and an extremely challenging landscape, which is currently in recession and impacted by continued global supply chain difficulties - worsened post-pandemic by the Russia-Ukraine crisis (Euro +23.0 million in 9M 2021).*
- *The Net Financial Debt at September 30, 2022 was Euro 413.9 million (excluding the IFRS 16 effect of Euro 97.0 million), compared to Euro 340.1 million at December 31, 2021 (excluding the IFRS 16 effect of Euro 87.3 million and the negative impact of the Mark to Market Interest Hedging of Euro 9.9 million).*

\* \* \*

**Pero, November 11, 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 9M 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 9M 2022 Revenue of Euro 595.0 million, up 19.8% (+12.3% at like-for-like exchange rates) on the same period of the previous year. Adjusted EBITDA in 9M 2022 of Euro 95.5 million was up 5.0% on the first nine months of 2021 (+0.7% at like-for-like exchange rates). The Adjusted Net Profit of Euro 43.0 million was up 5.9% on Euro 40.6 million in the same period of the previous year, mainly thanks to the improved operating profit.

\* \* \*

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*“We come to the end of an excellent nine-month period, taking into account the significant macro-economic challenges. The School business, as expected, substantially maintained its top line and margins, while the destocking of the Fine Art business due to the COVID period bubble has finally come to an end. We expect to return to organic growth on all target markets” stated Massimo Candela, CEO of F.I.L.A. “Management forecasts that, although inflation has begun to drop off, it will however be a structural factor over the coming years and the Group has therefore begun to focus more on working capital reduction and streamlining than on business growth alone. The performance for the last quarter of the year does not present particular elements to be highlighted, compared to expectations”.*

\* \* \*

## **9M 2022 operating overview adjusted to exclude IFRS 16 effects - F.I.L.A. Group**

**Revenue** of Euro 595.0 million increased by Euro 98.5 million on 9M 2021 (+19.8%). Net of exchange gains of Euro 37.7 million (mainly concerning the US Dollar, the Indian Rupee and the Mexican Peso, partially offset by the weakening of the Turkish Lira and the Argentinian Peso), organic growth was Euro 60.8 million (+12.3%).

At geographical area level, this organic growth was seen in Asia for Euro 39.0 million (+88.1% on 9M 2021) and in Central South America for Euro 22.8 million (+74.1% on 9M 2021), partially offset by a slight decrease in North America for Euro 1.0 million (-0.4% on 9M 2021) and in Europe for Euro 0.02 million (-0.01% on 9M 2021), while the Rest of the World reports a stable performance.

**Income** of Euro 8.3 million increased on the comparative period by Euro 3.6 million, mainly due to higher exchange gains on commercial transactions.

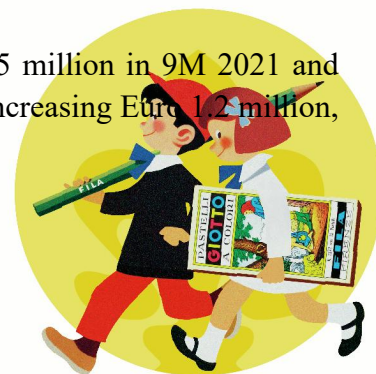
**Operating expense** in 9M 2022 of Euro 507.8 million increased Euro 97.6 million on 9M 2021. This is mainly attributable to variable purchasing and commercial costs for increased sales, transportation cost and marketing expenses to develop sales.

**Gross Operating Profit (EBITDA)** of Euro 95.5 million was up Euro 4.5 million on 9M 2021 (+5.0%). At like-for-like exchange rates, the increase was 0.7% on the same period of the previous year.

The adjustment on 9M 2022 Gross Operating Profit concerns non-recurring operating charges of approx. Euro 4.0 million relating to Group consultancy charges for Euro 3.0 million (mainly concerning the refinancing transaction), charges incurred to tackle the COVID-19 pandemic for Euro 1.0 million, reorganisation charges of Euro 0.6 million and restructuring charges of Euro 0.4 million, net of the portion released in closure of the “2019-2021 Performance Shares” incentive plan for Euro 1.0 million.

**Operating Profit (EBIT)** of Euro 71.8 million was up 4.9% on Euro 68.5 million in 9M 2021 and includes amortisation, depreciation and impairments of Euro 23.7 million, increasing Euro 1.2 million,

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mainly due to an increase in impairments and in the allowance for doubtful accounts following the increase in revenue and higher amortisation and depreciation linked to a slight recovery of investments, which were previously impacted by the COVID-19 related uncertainty.

The overall adjustment to the Operating Profit was approx. Euro 4.0 million, resulting from the aforementioned effects on the gross operating profit.

**Net financial expense** of Euro 16.4 million increased by Euro 2.5 million, substantially due to an increase in other financial expenses related to the refinancing transaction involving the parent F.I.L.A. S.p.A. and the US subsidiary Dixon Ticonderoga Company.

The adjustment made to Net financial expense of Euro 0.7 million refers to the financial expenses incurred by the parent F.I.L.A. S.p.A. and the U.S. subsidiary Dixon Ticonderoga Company for the signing of the new loan.

The Group's total adjusted **Taxes** amounted to Euro 12.4 million, decreasing on the comparative period due to the release of Deferred Tax Assets, mainly related to the refinancing transaction.

The **Net Profit** was Euro 43.0 million, up 5.9% on the same period of the previous year (Euro 40.6 million on 9M 2021). The F.I.L.A. **Group Net Profit** in the first nine months of 2022, net of minorities of Euro 3.6 million (significantly up on Euro 1.0 million in 9M 2021), was Euro 39.4 million, substantially in line with the same period of the previous year.

The adjustment to the 9M 2022 “Group Profit” attributable to the owners of the parent was Euro 3.6 million and principally concerned the above effects on the Gross Operating Profit and Net Financial Expense, net of the related tax effects.

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

The F.I.L.A. Group’s **Net Invested Capital** of Euro 970.0 million at September 30, 2022 was composed of Net Fixed Assets of Euro 657.3 million (Euro 623.0 million at December 31, 2021), Net Working Capital of Euro 377.9 million (up by Euro 100.9 million on December 31, 2021) and Other Non-current Assets/Liabilities of Euro 23.5 million (increasing by Euro 4.4 million on December 31, 2021), net of Provisions of Euro 88.8 million (Euro 83.7 million at December 31, 2021).

**Intangible Assets** increased on December 31, 2021 by Euro 26.1 million, mainly due to exchange gains in the period of Euro 33.0 million, net investments of Euro 2.2 million, principally by the Parent F.I.L.A. S.p.A. (Euro 2.1 million to introduce the SAP system) and the acquisition of the business unit of the company Creative Art Products Limited, which generated negative “Goodwill” of Euro 0.08 million and Brands for Euro 1.7 million. The above intangible assets were measured through Purchase Price

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Allocation, carried out as per the applicable reporting standards. The increase in the period is offset by amortisation of Euro 10.6 million

**Property, plant and equipment** increased on December 31, 2021 by Euro 8.8 million, mainly due to the increase of Euro 6.5 million in Right-of-Use and of Euro 2.3 million for Property, Plant and Machinery. Net investments in Right-of-use in the period amounted to Euro 8.1 million, mainly by Daler Rowney Ltd (United Kingdom) for Euro 3.6 million and Dixon Ticonderoga Company (U.S.A) for Euro 3.2 million, for the renewal of both production site and local logistics contracts. The movement is also due to exchange gains of Euro 7.1 million, partially offset by depreciation in the period of Euro 8.6 million.

Net investments in Property, Plant and Machinery in the period totalled Euro 9.9 million and were undertaken by DOMS Industries Pvt Ltd (India), Canson SAS (Francia) and Dixon Ticonderoga Company (U.S.A.). We in addition report an increase from the recognition of positive currency differences of Euro 4.1 million. The overall movement is mainly offset by depreciation in the period of Euro 12.0 million, which resulted in a reduction in value of Property, Plant and Machinery.

**Biological Assets** increased Euro 0.07 million compared to December 31, 2021, entirely due to exchange gains. 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** negative for Euro 0.7 million on 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 100.9 million relates to the following:

- **Inventories** – increasing Euro 62.5 million. The net increase in stock at the F.I.L.A. Group of Euro 38.0 million particularly concerns the subsidiary Dixon Ticonderoga Company (U.S.A) for Euro 24.5 million, the subsidiary Canson SAS (France) for Euro 2.7 million, the subsidiary DOMS Industries Pvt Ltd (India) for Euro 2.6 million and the subsidiary Daler Rowney Ltd (UK) for Euro 1.7 million, partially offset by the decrease in stock at the parent F.I.L.A. S.p.A. for Euro 1.4 million. Exchange gains of Euro 25.1 million are also reported;
- **Trade Receivables and Other Assets** - increasing Euro 57.1 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 42.9 million, relating to the parent F.I.L.A. S.p.A. for Euro 19.9 million, to the US subsidiary Dixon Ticonderoga Company for Euro 8.9 million, to the Spanish subsidiary Fila Iberia for Euro 6.2 million and to the subsidiary Canson SAS (France) for Euro 3.1 million, in addition to exchange gains of Euro 12.1 million on the items;

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- **Trade Payables and Other Liabilities** - increasing Euro 16.8 million, mainly due to the increase in Trade Payables for Euro 11.1 million, at Dixon Ticonderoga Company (U.S.A.) and the parent Fila S.p.A. Exchange losses on the item of Euro 7.1 million are in addition reported.

The increase in **Provisions** on December 31, 2021 of Euro 5.1 million principally concerns the:

- Increase in **Deferred tax liabilities** of Euro 4.4 million, mainly due to exchange losses of Euro 5.5 million, offset by releases of Euro 0.8 million and mainly concerning the tax effect on Intangible Assets;
- Increase in **Employee benefits** of Euro 0.7 million, mainly due to the actuarial gains recorded in the period by the company Daler Rowney Ltd (United Kingdom);
- Increase in **Provisions for Risks and Charges** in the amount of Euro 0.1 million, mainly due to exchange losses of Euro 0.09 million, offset by Euro 0.08 million related to the movement in the period, which mainly relates to the release made by the French subsidiary Canson SAS in relation to the previous reorganisation plans now completed by the subsidiary.

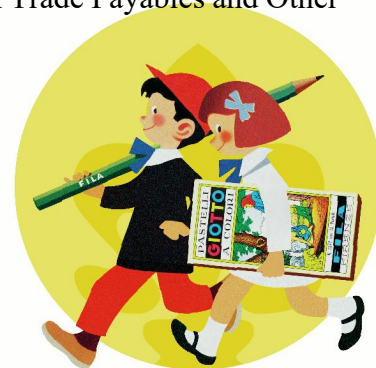
F.I.L.A. Group **Equity** of Euro 459.0 million increased Euro 60.9 million over December 31, 2021. Net of the profit for the period of Euro 38.0 million (of which a profit of Euro 3.5 million attributable to non-controlling interests), the residual movement mainly concerned the increase in the currency reserve of Euro 27.1 million and the fair value gains on IRSs of Euro 12.6 million.

These changes were offset by the decrease in the Actuarial gains/losses reserve of Euro 1.2 million, the purchase of treasury shares by the parent F.I.L.A. S.p.A. for Euro 1.3 million and the dividends paid totalling Euro 12.7 million, of which to 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 September 30, 2022 was Euro 510.9 million, increasing on December 31, 2021 (debt of Euro 437.3 million). This increase of Euro 73.7 million is primarily due to the following factors:

- The net cash flow generated in Q3 by Operations of Euro 2.7 million (at September 30, 2021 totalling Euro 41.9 million).
  - generation of Euro 79.2 million (Euro 83.8 million at September 30, 2021) from Operating Profit, based on the difference of the Value and the Costs of Cash Generation and the remaining ordinary income components, excluding financial management;
  - outflows of Euro 76.5 million (outflows of Euro 41.9 million in 9M 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.

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- Investing activities absorbed liquidity of Euro 11.7 million (Euro 7.2 million in 9M 2021), mainly due to the use of cash for Euro 12.0 million (Euro 7.3 million in 9M 2021) for net property, plant and equipment and intangible asset investment, particularly regarding DOMS Industries Pvt Ltd (India), Canson SAS (France), Dixon Ticonderoga Company (U.S.A.), Daler Rowney Ltd (United Kingdom) and F.I.L.A. S.p.A.
- The net cash flow from Financing Activities reports outflows of Euro 32.8 million (outflows of Euro 21.5 million in 9M 2021), due to interest paid on loans and credit facilities granted to Group companies, amounting to Euro 18.8 million, mainly concerning Dixon Ticonderoga Company (U.S.A.), F.I.L.A. S.p.A. e 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 losses relating to the translation of Net Debt in currencies other than the Euro (Euro 32.0 million), the Mark to Market Hedging adjustment of Euro 9.8 million, the increase in Net Financial Debt due to the application of IFRS 16 amounting to Euro 9.7 million, the change in “Amortised cost”, amounting to a negative Euro 1.9 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 73.7 million (decrease of Euro 7.7 million at September 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. From August 1, 2022, the company's business has been fully managed by its UK subsidiary Daler Rowney Ltd, which acquired the net assets of the investee company.

**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 million.

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.

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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.

**On September 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 September 30, 2022 was Euro 6.2 million. Group management continues to monitor the recoverability of the net exposure to third parties of the Russian subsidiary. At September 30, 2022, the analysis indicated particular criticalities with regards to recoverability.

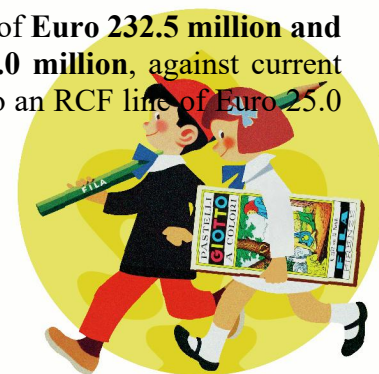
There are no F.I.L.A. Group companies in Ukraine at September 30, 2022.

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 September 30, 2022.

**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.

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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 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 including Euro 75.0 million of RCF line, 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 operation is broken 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 USD 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.

### **Subsequent events**

There were no subsequent events other than those reported in the section “Key Events in the period” related to the conflict in Ukraine, inflationary developments and the impacts from the purchase of treasury shares.

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## **Outlook**

As already confirmed by the 9M 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, 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.

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## **Confirmation of the requirements of independence of Sonia Ferrero following her appointment as statutory auditor**

Following the takeover of Ms. Sonia Ferrero (formerly alternate auditor of Fila) in the office of effective auditor of Fila following the untimely death of Ms. Elena Spagnol, the Board of Statutory Auditors of Fila today confirmed, on the on the basis of the declarations made by Sonia Ferrero and the information available to the Company, the existence of Sonia Ferrero independence requirements referred to in (i) Article 148, paragraph 3, of Legislative Decree February 24, 1998, n. 58; as well as (ii) Article 2 of the corporate governance code of listed companies, to which the Company adheres. The results of these assessments were promptly transmitted to Fila's Board of Directors.

\* \* \*

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.

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**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.

\* \* \*

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

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

<i>Euro millions</i>	September 2022	% core business revenue	September 2021	% core business revenue	Change 2022 - 2021	
Revenue	595,045	100%	496,314	100%	98,731	19,9%
Income	9,422		4,698		4,724	100,6%
<b>Total Revenue</b>	<b>604,467</b>		<b>501,012</b>		<b>103,455</b>	<b>20,6%</b>
Total operating expense	(501,593)	-84,3%	(402,189)	-81,0%	(99,404)	-24,7%
<b>EBITDA</b>	<b>102,874</b>	<b>17,3%</b>	<b>98,823</b>	<b>19,9%</b>	<b>4,051</b>	<b>4,1%</b>
Amortisation, depreciation and write-downs	(32,358)	-5,4%	(30,821)	-6,2%	(1,537)	-5,0%
<b>EBIT</b>	<b>70,516</b>	<b>11,9%</b>	<b>68,002</b>	<b>13,7%</b>	<b>2,514</b>	<b>3,7%</b>
Net financial expense	(21,487)	-3,6%	(18,114)	-3,6%	(3,374)	-18,6%
<b>Pre-Tax Profit</b>	<b>49,029</b>	<b>8,2%</b>	<b>49,888</b>	<b>10,1%</b>	<b>(0,859)</b>	<b>-1,7%</b>
Total income taxes	(11,004)	-1,8%	(13,047)	-2,6%	2,043	15,7%
<b>Net profit - Continuing Operations</b>	<b>38,025</b>	<b>6,4%</b>	<b>36,841</b>	<b>7,4%</b>	<b>1,184</b>	<b>3,2%</b>
<b>Net Profit for the period</b>	<b>38,025</b>	<b>6,4%</b>	<b>36,841</b>	<b>7,4%</b>	<b>1,184</b>	<b>3,2%</b>
Non-controlling interest profit	3,538	0,6%	0,861	0,2%	2,677	310,9%
<b>F.I.L.A. Group Net Profit</b>	<b>34,487</b>	<b>5,8%</b>	<b>35,980</b>	<b>7,2%</b>	<b>(1,493)</b>	<b>-4,1%</b>

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

	September 2022	% core business revenue	September 2021	% core business revenue	Change 2022 - 2021	
<i>NORMALIZED - Euro millions</i>						
Revenue	595,045	100%	496,504	100%	98,542	19,8%
Income	8,335		4,698		3,637	77,4%
<b>Total Revenue</b>	<b>603,380</b>		<b>501,202</b>		<b>102,178</b>	<b>20,4%</b>
Total operating expense	(507,840)	-85,3%	(410,201)	-82,6%	(97,639)	-23,8%
<b>EBITDA</b>	<b>95,540</b>	<b>16,1%</b>	<b>91,001</b>	<b>18,3%</b>	<b>4,540</b>	<b>5,0%</b>
Amortization, depreciation and write-downs	(23,710)	-4,0%	(22,519)	-4,5%	(1,191)	-5,3%
<b>EBIT</b>	<b>71,830</b>	<b>12,1%</b>	<b>68,482</b>	<b>13,8%</b>	<b>3,349</b>	<b>4,9%</b>
Net financial expense	(16,432)	-2,8%	(13,964)	-2,8%	(2,468)	-17,7%
<b>Pre-Tax Profit</b>	<b>55,398</b>	<b>9,3%</b>	<b>54,518</b>	<b>11,0%</b>	<b>0,881</b>	<b>1,6%</b>
Total income taxes	(12,374)	-2,1%	(13,873)	-2,8%	1,499	10,8%
<b>Net profit - Continuing Operations</b>	<b>43,024</b>	<b>7,2%</b>	<b>40,644</b>	<b>8,2%</b>	<b>2,381</b>	<b>5,9%</b>
<b>Net Profit for the period</b>	<b>43,024</b>	<b>7,2%</b>	<b>40,644</b>	<b>8,2%</b>	<b>2,381</b>	<b>5,9%</b>
Non-controlling interest profit	3,620	0,6%	0,996	0,2%	2,624	263,4%
<b>F.I.L.A. Group Net Profit</b>	<b>39,404</b>	<b>6,6%</b>	<b>39,648</b>	<b>8,0%</b>	<b>(0,244)</b>	<b>-0,6%</b>

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

<i>Euro millions</i>	September 2022	December 2021	Change 2022 - 2021
Intangible Assets	471,929	445,823	26,106
Property, plant & equipment	178,489	169,653	8,836
Biological Assets	2,006	1,936	0,070
Financial assets	4,909	5,585	(0,676)
<b>Net Fixed Assets</b>	<b>657,332</b>	<b>622,997</b>	<b>34,335</b>
<b>Other non Current Asset/Liabilities</b>	<b>23,546</b>	<b>19,119</b>	<b>4,427</b>
Inventories	333,766	271,269	62,497
Trade and Other Receivables	178,488	121,357	57,131
Trade and Other Payables	(132,236)	(115,430)	(16,806)
Other Current Assets and Liabilities	(2,115)	(0,218)	(1,897)
<b>Net Working Capital</b>	<b>377,902</b>	<b>276,979</b>	<b>100,923</b>
<b>Provisions</b>	<b>(88,822)</b>	<b>(83,716)</b>	<b>(5,106)</b>
<b>Net Invested Capital</b>	<b>969,959</b>	<b>835,379</b>	<b>134,580</b>
<b>Equity</b>	<b>(459,010)</b>	<b>(398,127)</b>	<b>(60,883)</b>
<b>Net Financial Indebtness</b>	<b>(510,949)</b>	<b>(437,253)</b>	<b>(73,696)</b>
<b>Net Funding Sources</b>	<b>(969,959)</b>	<b>(835,379)</b>	<b>(134,580)</b>

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

<i>Euro millions</i>	September 2022	September 2021	Change 2022 - 2021
EBIT net of IFRS 16 effect	67,795	65,186	2,609
Non-monetary adjustments net of IFRS 16 effect	24,020	24,186	(0,166)
Income taxes	(12,618)	(5,519)	(7,099)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>79,197</b>	<b>83,852</b>	<b>(4,655)</b>
<b>Change NWC</b>	<b>(76,489)</b>	<b>(41,923)</b>	<b>(34,566)</b>
Change in Inventories	(38,009)	2,733	(40,742)
Change in Trade and Other Receivables	(45,436)	(50,073)	4,637
Change in Trade and Other Payables	8,637	6,448	2,189
Change in Other Current Assets/Liabilities	(1,681)	(1,031)	(0,650)
<b>Cash Flow from Operating Activities</b>	<b>2,708</b>	<b>41,928</b>	<b>(39,220)</b>
Investments in Property, Plant and Equipment and Intangible assets	(11,983)	(7,341)	(4,642)
Financial Income	0,242	0,145	0,097
<b>Cash Flow from Investing Activities</b>	<b>(11,741)</b>	<b>(7,196)</b>	<b>(4,545)</b>
Change in Equity	(14,028)	(7,023)	(7,005)
Financial Expense	(18,779)	(14,471)	(4,308)
<b>Cash Flow from Financing Activities</b>	<b>(32,806)</b>	<b>(21,493)</b>	<b>(11,313)</b>
Exchange differences and other variations	3,668	2,750	0,918
<b>Total Net Cash Flow</b>	<b>(38,172)</b>	<b>15,989</b>	<b>(54,161)</b>
Effect of exchange gains (losses)	(31,953)	(9,377)	(22,576)
Changes in Amortized cost	(1,947)	(1,641)	(0,306)
Mark to Market Hedging adjustment	9,845	5,273	4,572
NFD change due to IFRS16 FTA	(9,741)	(2,578)	(7,163)
NFD from M&A Operations (Creative Art Products Limited)	(1,728)	0,000	(1,728)
<b>Change in Net Financial Indebtness of F.I.L.A. Group</b>	<b>(73,696)</b>	<b>7,667</b>	<b>(81,363)</b>

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





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