Financials

CRISTIAN NICOLETTI
CFO

Q1 2023 Highlights

- **Adjusted Core Business Sales**
  of 178,7mln €, +7,6% (+12,7mln €) on the same period of the previous year (166,0mln € in Q1 2022); +7,5% at comparable FX rates. Asia +7,8mln € (+29,1%), Middle and South America +4,4mln € (+29,2%), North America +1,7mln € (+2,5%) and Other Countries +0,1mln € (+13,6%) partially offset by Europe -1,6mln € (-2,8%).

- **Indian Market**
  at 30,1mln € (third parties revenues) in Q1 2023 in line with expectations, +35,5% on the same period of the previous year at comparable FX rates.

- **Adjusted EBITDA**
  excluding IFRS 16 impact, of 24,3mln €, +7,4% (+1,7mln €) on Q1 2022 (22,7mln €); +5,4% at comparable FX rates, +1,2mln €. This result is mainly related to the positive performance in Asia, Middle-South America and North America.

- **Adjusted EBITDA margin**
  at 13,6% substantially in line with Q1 2022 (13,7%) and better than foreseen, mainly thanks to the positive effect generated by price increase, expected to continue in the following quarters, despite opening stocks high value.

- **Total adjusted Net Profit**
  excluding IFRS 16 impact, of 5,0mln € (8,9mln € in Q1 2022). This values is significantly impacted by higher net financial expenses at 8,7mln €, more than doubled compared to the same period of the previous year, of which 7.3 million Euros mainly related to the increase in variable interest rates and the residual part of around 1 million Euros Euro related to the negative financial exchange effects on the main currencies.

Q1 2023 Highlights

- **Net Bank Debt**
  of 406,5mln € (380,6mln € in Q1 2022) with an increase in the last twelve months of 15,9mln €, excluding negative FX effect of approx. 10,0mln €. The Net Bank Debt are in line with our 2023 expected cash generation.

- **Adjusted "Free Cash Flow to Equity"**
  at -55,5mln € (-29,6mln € in Q1 2022). The difference of -25,9mln € between Q1 2023 and Q1 2022 is mainly due to higher CAPEX for 9,7mln €, almost completely related to India to support the growth, higher net financial expenses for 3,5mln € and to the temporary negative effect on net working capital.

- **The Net Bank Debt and "Free Cash Flow to Equity"**
  are in line with our 2023 expected cash generation.

2023 Cash Flow Analysis

2023 target: 40-50mln Euro free cash flow to equity.

Operating cash flow generation driven by EBITDA growth and the positive release of Net Working Capital.

Expected increase in CAPEX at around 30mln Euro half of witch to support India Growth.

Increase in Interest rates on the variable part of Group Debt (35% of the total amount) due to the actual cost of debt.

Debt Structure

We have successfully refinanced medium-to long-term debt for Euro 232.5 million and USD 133.1 million, plus an RCF line of Euro 75.0 million.

65% of the Debt hedged
35% of the Debt variable

2023 Debt repayment expected at approx 19mln Euro.

The transaction is composed as follows.

Term Loan A in Euro

Amortising tranche disbursed to FILA 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 FILA 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 multi-borrower 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 FILA Group.

FILA GROUP