

# Growth Strategy



**MASSIMO CANDELA**  
CEO

## 2023 Outlook

Mid-Single-Digit Organic Revenue growth forecast confirmed more proportional rise in EBITDA with EBITDA Margin improvement, mainly thanks to reorganization in North America, reduction of raw materials and transportation costs and growth in India and Mexico.

YTD2023 numbers allow us to be positive, despite possible recession in the last quarters of the year.

More visibility on back to school effect to support 2023 expectations.

**Medium Term Group EBITDA  
margin expected  
back to ~17%.**

## Focus on Deleverage

Free Cash Flow to Equity between **40.0 to 50.0 mln Euro** expected in 2023 despite increased capex to support development in India and **leverage at 2,6/2,9x** at like-for-like exchange rates.

Continuous increase in cash generation expected in the next 5 years.

## Outlook India

### Revenues

Significant double-digit growth expected in India CAGR at more than 20% over the next 5 years up to **~300-350 mln Euro** in turnover.

### EBITDA Margin

growth in the next 5 years up to **~14%**.

Yearly average investment needed to support the growth in the next 5 years at **~17 mln Euro**.

Significant increase in Inventories to support business growth.

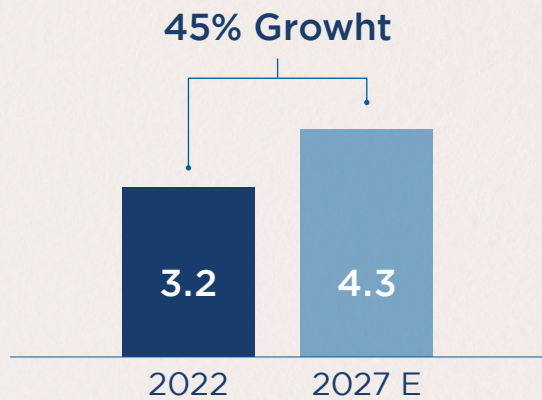
## Outlook India

Recognized strategic contribution of the Indian investment, characterized by potential extraordinary progress both organically and through any potential operation.

**Looking at different options to support India value appreciation with positive impact on FILA Group financials.**

# Indian Stationery Industry Expected to Grow at a Significant Pace

## Indian Stationery Market (USD billion)

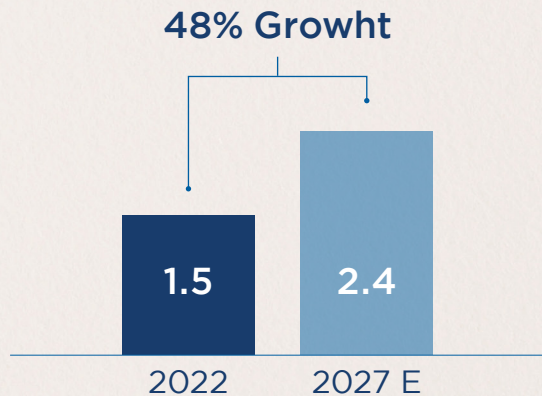


Indian stationery market is quite fragmented with presence of unorganised players.

Tremendous potential to grow as India has 580 million people between the age group of 5 - 24.

Increasing number of schools and offices, improving standard of living accompanied by shift to premium products to drive demand.

## Indian Writing Instruments Market (USD billion)



**80%**  
Revenue is contributed by Pens.

**55%**  
Consumers are students, 20% are office goers.

**4%**  
Annual growth for the Indian Education Market.

## Advantage India

### Demographic Advantage

India has over 260 million school going students, more than any other country in the world.

### Growing Urbanization

India has highest working age population and is witnessing a shift of population to urban areas.

### Rising Literacy Rate

India's literacy rate has increased from 62.7% in 2006 to 74.4% in 2018, and is expected to increase further.

### Government Push

Increased budgetary allocation of USD 13 billion on education in FY 2023 along with host of educational initiatives.

**Huge Opportunity in the Indian Education Sector to Pave Way for High Demand in the Indian Stationery Industry.**

# Strategically Integrated Manufacturing Operations with Best in Class R&D Set Up

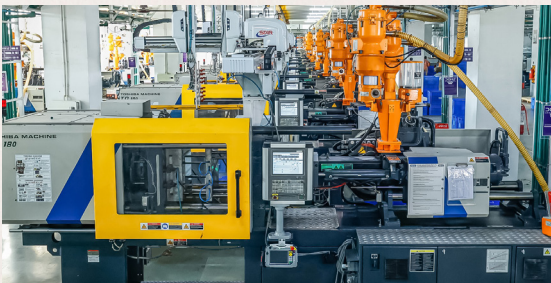
## Strategically Integrated Manufacturing Operations



**Fully integrated - Conceptualization to Design to Manufacture to Shipment -** set-up at Umbergaon spread across 1.5 million sq. ft.



**67,500 sq. ft. of manufacturing set-up in Jammu**, focussed on producing high quality pencil slats from the best quality wood in India.



SOPs to achieve most efficient results through **economies of scale, supply chain rationalisation & effective resource planning.**

Equipped with new age machinery & infrastructure with a continuous **adaption of advanced technologies.**

## Centred Around Product Engineering and R&D

Dedicated Team of 28 Members with recognised Laboratory & Equipment's enabling National & Intl. certification for products.

Bringing in innovation, improved products and several firsts in the industry with differentiation.

Improve efficiency of manufacturing resources, leapfrog operational hurdles and find solutions to deliver superior results.

Maximise cost savings by focussing on product engineering, efficient sourcing practices and continuous improvisation.



# Experienced Senior Management Team with a Proven Track Record

## Seasoned Senior Management Team

**Amarjeet Sharma**  
Chief Consultant -  
Domestic Sales

**Harshad Raveshia**  
Chief Consultant -  
Wood Working

**Suresh Rajani**  
Chief Consultant -  
Colour Pencil

**Vijay Somaiya**  
Head - Polymer  
Division

**Purav Raveshia**  
VP - New Product  
Development

**Suraj Raveshia**  
VP - International  
Business

**Sumit Rajani**  
VP - Colour Pencil &  
Graphite Lead

**Rahul Shah**  
Chief Financial  
Officer

**Santosh Swain**  
VP - Procurement &  
General Affairs

**Digvijay Singh**  
VP - Human Resources  
& Administration

**Rajshree Singh**  
Head - Marketing  
and Institutions

**V C Jayaram**  
VP - Domestic  
Sales

The Board of Directors and the Senior Management Team are well supported by 7500+ strong, dedicated and focused team contributing towards excellence.





# Robust Pan India Distribution & Growing International Footprint

Pan India Distribution Network Covering all 28 States & 8 Union Territories



**+100**  
Super Stockists

**+3,500**  
Distributors

**+500**  
Strong Sales Team

**+100,000**  
Retail Points

**Strong Visibility in Modern Trade with Growing E-Commerce Presence**

Global Presence in Over 50 Countries

**Global Product Acceptance a Validation of Brand Strength and Quality**

**Exports - an Extra Layer of Growth and Huge Option Value!**

- Post Pandemic, there has been a shift in the global supply chain mainly with a view to diversify risk and have alternative sourcing arrangements.
- Increasing costs of doing business in China has resulted in multinational corporations looking at other countries for their manufacturing needs.
- India being one of the key stationery hub enjoys the advantage of abundant raw material, profuse labour and stable government with friendly policies.

Reliable & Resilient Global Distribution Network provides the Company a strong competitive advantage, a wider customer reach and faster growth opportunity.



# Strategic Tie-up and a Highly Beneficial Relationship with FILA

Successful Partnership of over a Decade



- **Strategic Partnership** with FILA based on mutual respect and trust has **created significant stakeholder value**.
- **Marketing, Sales & Distribution** of all categories products of FILA's reputed brands in SAARC Countries **exclusively** - Contributing ~2% of DOMS Sales.
- Further **augments the Company's R&D** capabilities and enables it to gain **world standards and emerging trends and stay abreast with technology**.
- Helps expand the Company's International footprint of 50+ countries, as well as global distribution of DOMS Brand.

Access to Reputed Global Brands



Partnership with FILA has been one of the crucial ingredient to DOMS Success.



# ...Back to accretive M&A after deleverage





**FILA GROUP**

ATCHES  
FRANCE