

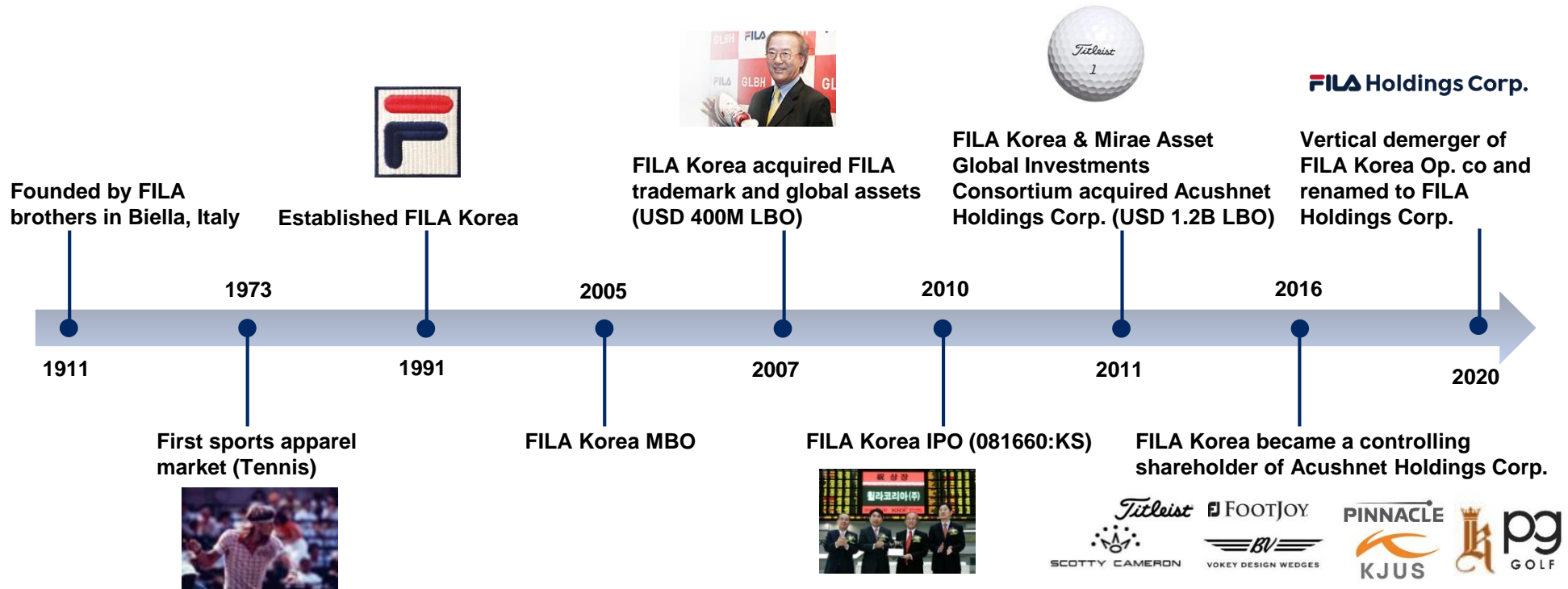


**Investor Relations**  
2Q 2020

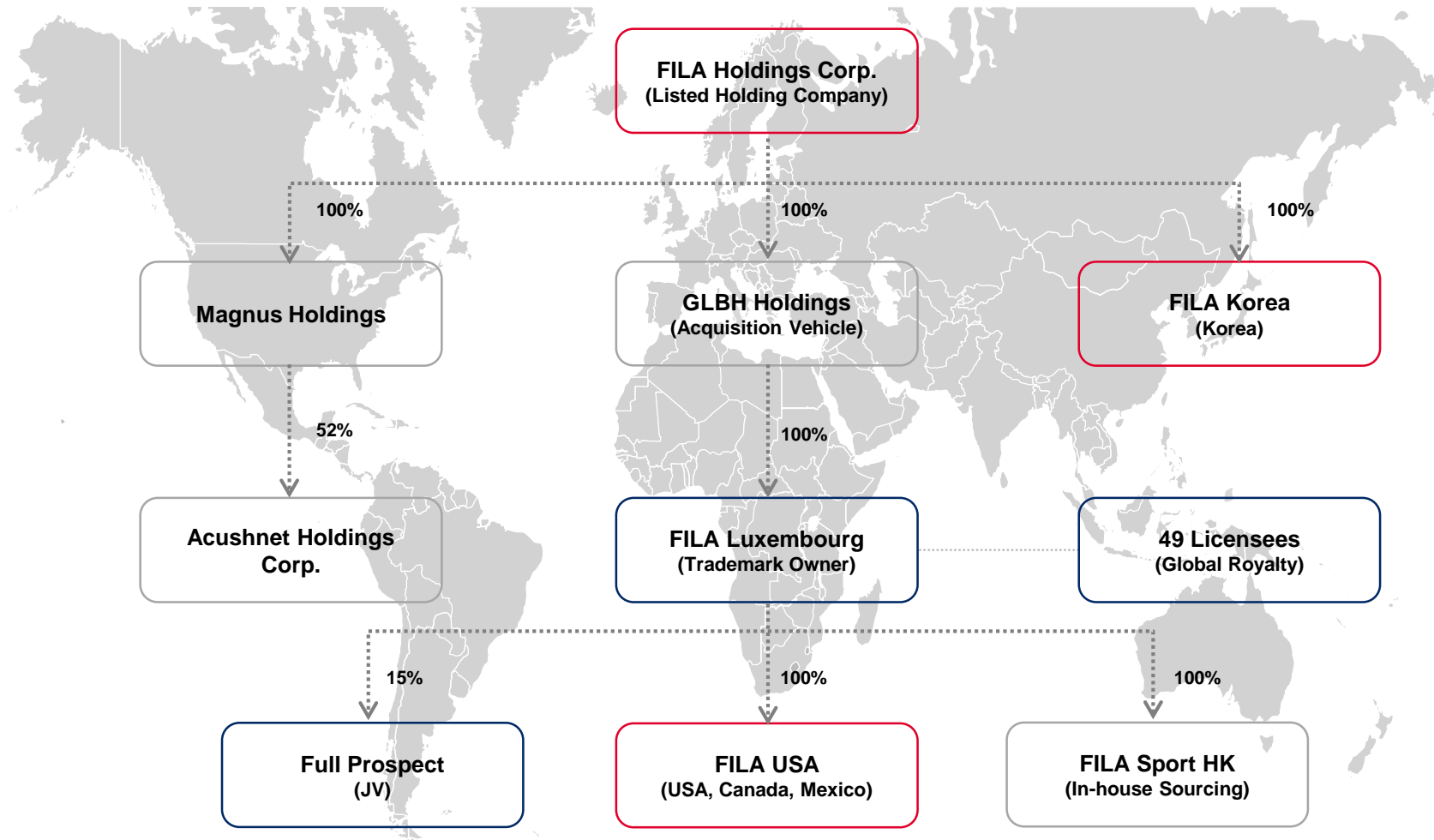
# History



“Leading Authentic Sports Brand Inspired by  
the Style, Elegance and Passion of our Italian Heritage”



# Group Structure



# FILA – A Leading Authentic Global Sports Brand



- ✓ **Expanding into upper channels of distribution in the US:**  
Foot Locker, Finish Line, Shoe Show, Shoe Carnival etc.
- ✓ **New product launches reflecting FILA's heritage in sports and fashion.**
- ✓ **Expanding D2C (Direct to Consumer) and E-commerce business in the US.**
- ✓ **Sponsorship with many sports players** (Sam Querrey, Ash Barty, Karolina Pliskova etc.) **and tennis opens.**

- ✓ **Successfully re-structured distribution channel.**
- ✓ **Successfully expanded into wholesale business.**
- ✓ **Strengthening E-commerce business.**
- ✓ **Cost-competitiveness through product sourcing strategy.**
- ✓ **Successful product collaborations with various brands.**
- ✓ **Direct business opportunity in Southeast Asia region.**

■ Total 49 licensees

- ✓ **Successfully established FILA® as leading high-end lifestyle casual brand in China.**
- ✓ **Collaborations with Anna Sui, Jason Wu and Ginny Hilfiger etc.**

# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **515** (as of 2QE 2020)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

### FILA USA

- **North America** (U.S.A., Canada, Mexico)
- Apparel and footwear based **retail and wholesale** distributor

## Indirect

### FILA Licensee

- Total **49 licensees** in Asia, North America, South America and EMEA
- Revenue and profit contribution from licensee partners that operate the FILA branded products globally

### Full Prospect

- **Joint venture** (15% ownership)
- Contributes **3%** of its wholesale revenue as Design Service Fee to FILA Korea

### Acushnet Hold.

- Magnus Holdings Co., Ltd., a wholly-owned subsidiary of FILA Holdings Corp. owns approximately **52%** of Acushnet Holdings Corp. as a controlling shareholder.
- Acushnet Holdings Corp. designs, develops, manufactures, and distributes golf products worldwide. The company operates through four segments: Titleist Golf Balls, Titleist Golf Clubs, Titleist Golf Gear, and FootJoy Golf Wear.
- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

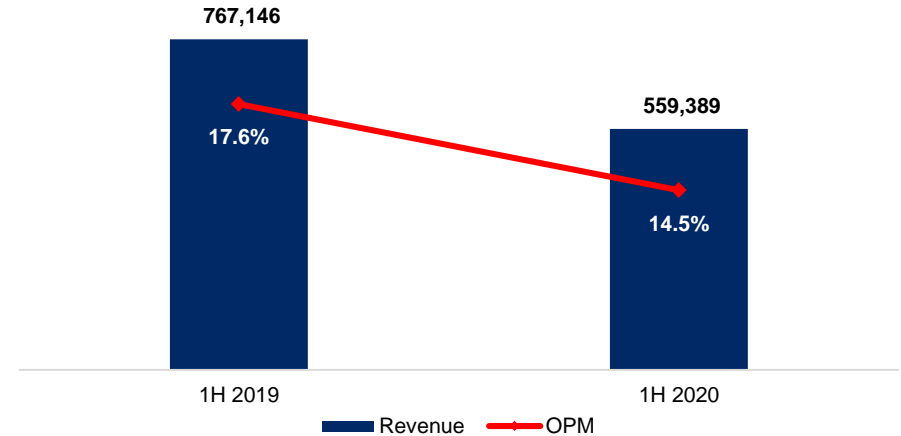
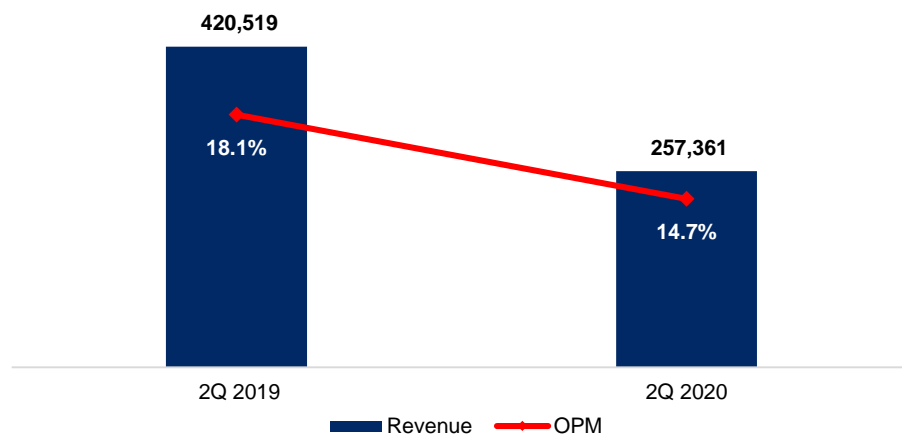
# Consolidated Financial Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
[Unit: KRW mn]	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
<b>Revenue</b>	790,170	959,303	21.4%	625,011	(34.8%)	1,467,087	1,793,879	22.3%	1,414,912	(21.1%)
<b>Gross Profit</b>	404,293	499,997	23.7%	326,569	(34.7%)	746,291	917,716	23.0%	708,269	(22.8%)
G.P. %	51.2%	52.1%	1.0%p	52.3%	0.1%p	50.9%	51.2%	0.3%p	50.1%	(1.1%)p
<b>O. Profit</b>	115,654	144,872	25.3%	50,281	(65.3%)	200,586	260,722	30.0%	117,423	(55.0%)
O.P. %	14.6%	15.1%	0.5%p	8.0%	(7.1%)p	13.7%	14.5%	0.9%p	8.3%	(6.2%)p
<b>Net Profit</b>	81,139	91,972	13.4%	45,520	(50.5%)	160,875	188,182	17.0%	85,020	(54.8%)

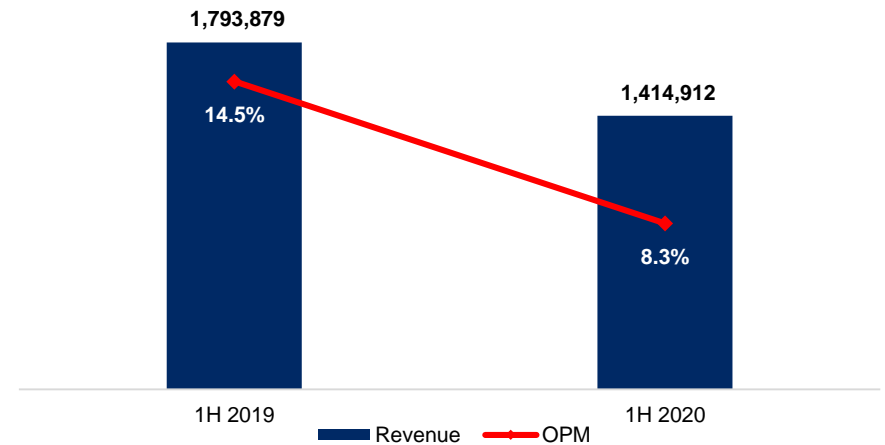
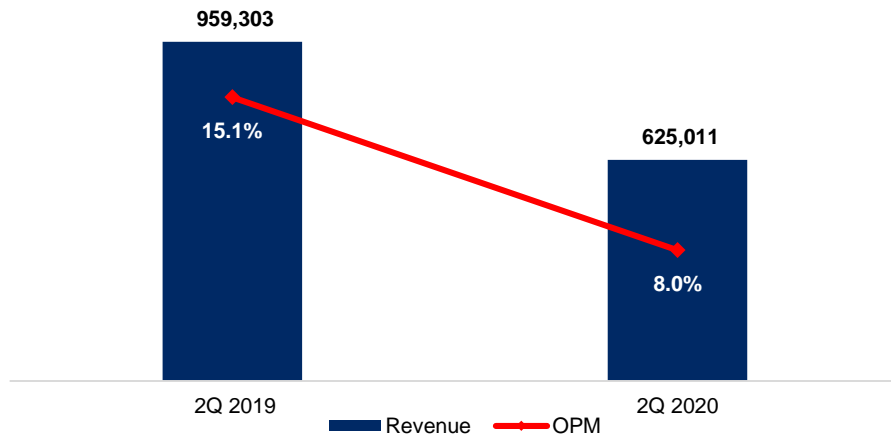
# Consolidated Financial Summary (2Q 2019 vs 2Q 2020)

## FILA Group (Without Acushnet)

(Unit: KRW mn)



## FILA Consolidated Financial (With Acushnet)



# FILA Group Business Overview

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## Direct

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# FILA Korea Domestic Financial Summary

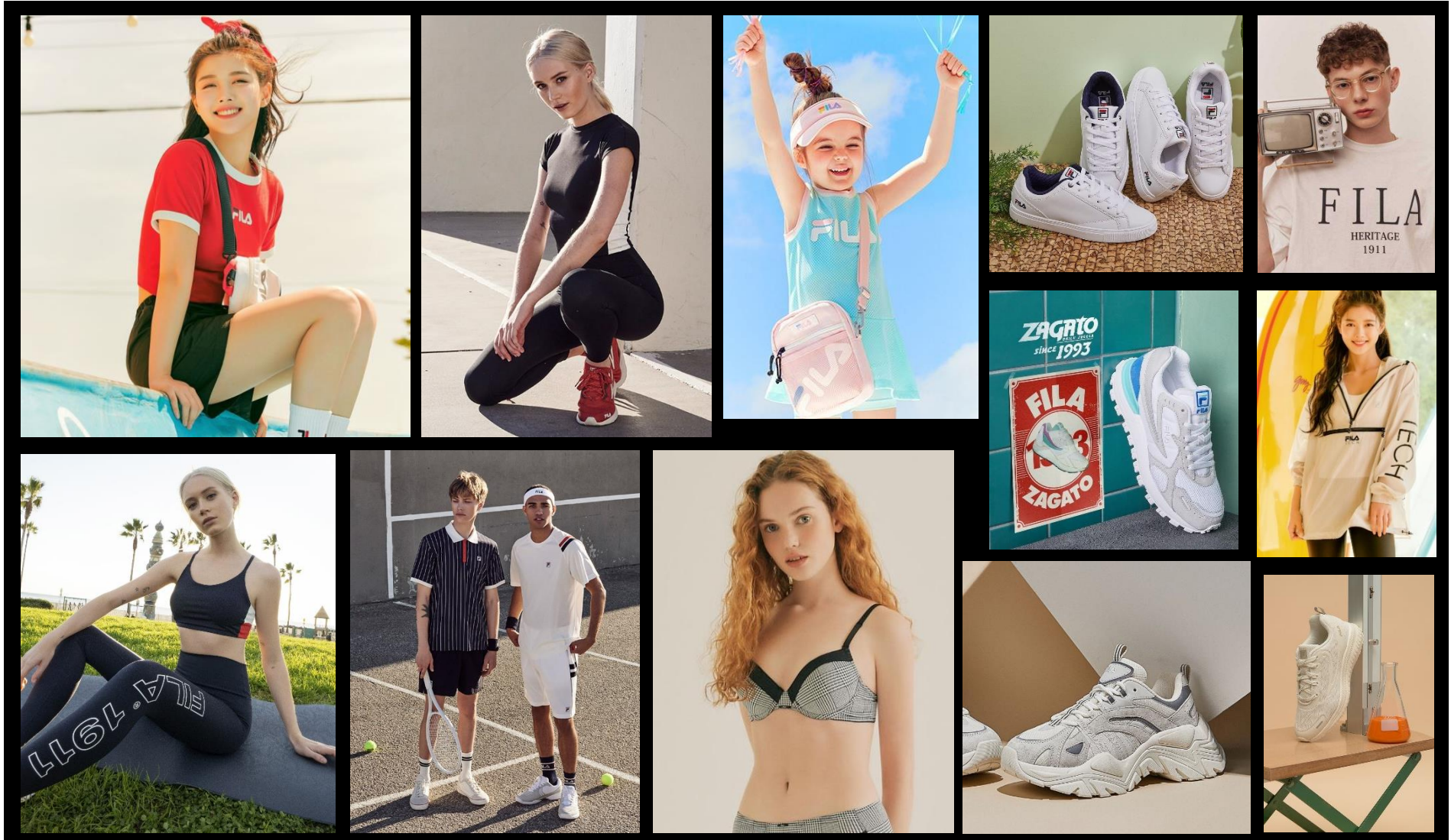
	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
[Unit: KRW mn]										
<b>Revenue</b>	<b>130,604</b>	<b>160,756</b>	<b>23.1%</b>	<b>142,108</b>	<b>(11.6%)</b>	<b>234,143</b>	<b>299,819</b>	<b>28.0%</b>	<b>270,934</b>	<b>(9.6%)</b>
<b>Gross Profit</b>	<b>78,973</b>	<b>100,800</b>	<b>27.6%</b>	<b>88,269</b>	<b>(12.4%)</b>	<b>138,347</b>	<b>186,168</b>	<b>34.6%</b>	<b>167,261</b>	<b>(10.2%)</b>
G.P. %	60.5%	62.7%	2.2%p	62.1%	(0.6%p)	59.1%	62.1%	3.0%p	61.7%	(0.4%p)
<b>O. Profit</b>	<b>18,506</b>	<b>31,127</b>	<b>68.2%</b>	<b>28,023</b>	<b>(10.0%)</b>	<b>26,723</b>	<b>55,295</b>	<b>106.9%</b>	<b>49,582</b>	<b>(10.3%)</b>
O.P. %	14.2%	19.4%	5.2%p	19.7%	0.4%p	11.4%	18.4%	7.0%p	18.3%	(0.1%p)
<b>Net Profit</b>	<b>16,211</b>	<b>21,155</b>	<b>30.5%</b>	<b>20,274</b>	<b>(4.2%)</b>	<b>30,102</b>	<b>40,651</b>	<b>35.0%</b>	<b>36,052</b>	<b>(11.3%)</b>

\* DSF (Design Service Fee) from Full prospect (JV) is included

## Full Prospect Design Service Fee Income Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
[Unit: USD K]										
<b>Design Service Fee Income</b>	<b>5,207</b>	<b>8,235</b>	<b>58.2%</b>	<b>9,529</b>	<b>15.7%</b>	<b>9,356</b>	<b>14,708</b>	<b>57.2%</b>	<b>15,859</b>	<b>7.8%</b>

# FILA Domestic Products



# FILA Group Business Overview

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## Direct

### FILA Korea

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- Total number of stores: **515** (as of 2QE 2020)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

# FILA USA Consolidated Financial Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
[Unit: USD K]	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
<b>Revenue</b>	102,220	141,568	38.5%	56,453	(60.1%)	172,722	281,583	63.0%	162,602	(42.3%)
<b>Gross Profit</b>	32,137	47,417	47.5%	18,051	(61.9%)	53,534	96,874	81.0%	50,978	(47.4%)
G.P. %	31.4%	33.5%	2.1%p	32.0%	(1.5%)p	31.0%	34.4%	3.4%p	31.4%	(3.1%)p
<b>O. Profit</b>	6,801	13,455	97.8%	(5,026)	N/A	8,106	22,537	178.0%	1,461	(93.5%)
O.P. %	6.7%	9.5%	2.9%	(8.9%)	N/A	4.7%	8.0%	3.3%p	0.9%	(7.1%)p
<b>Net Profit</b>	4,623	9,564	106.9%	(4,403)	N/A	5,019	15,475	208.3%	(994)	N/A



# FILA USA Products



# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **515** (as of 2QE 2020)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

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- **North America** (U.S.A., Canada, Mexico)
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- Total **49 licensees** in Asia, North America, South America and EMEA
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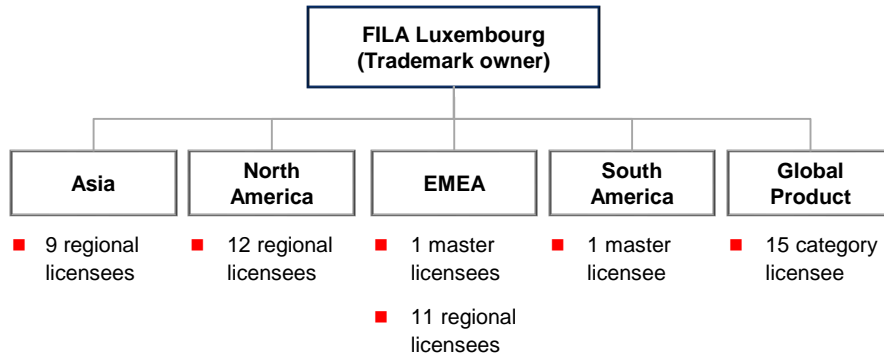
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

# FILA Global Royalty Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
[Unit: USD K]	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Asia	3,640	4,527	24.4%	2,906	(35.8%)	7,250	9,035	24.6%	7,409	(18.0%)
North America	1,259	1,892	50.3%	875	(53.8%)	2,997	3,511	17.2%	2,313	(34.1%)
South America	767	1,196	55.9%	417	(65.1%)	1,452	2,362	62.7%	1,191	(49.6%)
EMEA	6,554	9,429	43.9%	5,214	(44.7%)	10,782	18,381	70.5%	13,808	(24.9%)
Category	481	512	6.4%	498	(2.7%)	984	971	(1.3%)	945	(2.7%)
<b>Total (Int_Adj)</b>	<b>12,701</b>	<b>17,557</b>	<b>38.2%</b>	<b>9,911</b>	<b>(43.5%)</b>	<b>23,465</b>	<b>34,260</b>	<b>46.0%</b>	<b>25,666</b>	<b>(25.1%)</b>

# Global License Business

## Global License Structure (49 licensees)



## General License Conditions

- License period is 5 years (10 years for master licensees)
- Based on the wholesale revenue from each licensee
- On average, 6-7% of FILA's wholesale revenue generated from each licensee
- Each licensee has minimum guaranteed royalty (MGR) based on the forecasted revenue
- Semi-annual Global Collaboration Meetings (GCM) held to set broad, global strategic guidelines among all licensees





# Consolidated Balance Sheet (K-IFRS)

## Consolidated Balance Sheet (K-IFRS)

(KRW mn)

	2QE 2020	YE 2019	YE 2018
<b>Assets</b>	<b>3,969,000</b>	<b>3,770,249</b>	<b>3,304,340</b>
Current Assets	1,711,212	1,586,810	1,337,878
Cash and cash equivalents	375,229	232,032	149,001
Trade and other receivables	543,858	521,047	473,864
Inventories	694,348	735,481	632,237
Other current assets	97,777	98,250	82,776
Non-current Assets	2,257,788	2,183,439	1,966,462
Property and equipment	437,083	439,052	310,716
Intangible assets	1,595,845	1,547,923	1,491,948
Other non-current assets	224,860	196,464	163,797
<b>Liabilities</b>	<b>2,070,318</b>	<b>1,969,306</b>	<b>1,797,846</b>
Current Liabilities	986,094	867,356	672,316
Trade and other payables	366,025	413,004	405,997
Borrowings	492,897	236,394	174,426
Bonds	-	63,568	-
Other current liabilities	127,173	154,389	91,893
Non-current Liabilities	1,084,224	1,101,950	1,125,530
Borrowings	555,581	611,690	746,950
Bonds	-	-	61,175
Other non-current liabilities	528,643	490,259	317,405
<b>Total Equity</b>	<b>1,898,682</b>	<b>1,800,944</b>	<b>1,506,494</b>

# Appendix – Financial Summary

## I. FILA Korea

(unit: KRWmn)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Revenue	130,604	160,756	23.1%	142,108	(11.6%)	234,143	299,819	28.0%	270,934	(9.6%)
Gross Profit	78,973	100,800	27.6%	88,269	(12.4%)	138,347	186,168	34.6%	167,261	(10.2%)
G.P. %	60.5%	62.7%	2.2%p	62.1%	(0.6%p)	59.1%	62.1%	3.0%p	61.7%	(0.4%p)
O.Profit	18,506	31,127	68.2%	28,023	(10.0%)	26,723	55,295	106.9%	49,582	(10.3%)
O.P. %	14.2%	19.4%	5.2%p	19.7%	0.4%p	11.4%	18.4%	7.0%p	18.3%	(0.1%p)
Net Profit	16,211	21,155	30.5%	20,274	(4.2%)	30,102	40,651	35.0%	36,052	(11.3%)

### I-a. Full Prospect Design Service Fee Income

(unit: USD'000)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Design Service Fee Income	5,207	8,235	58.2%	9,529	15.7%	9,356	14,708	57.2%	15,859	7.8%

#### ◆ 2Q Revenue (approx. -KRW 18.6bn)

- Resulted from decrease in revenue mainly from FILA segment due to COVID-19 outbreak
- Partially offset by increase in Design Service Fee Income from Full Prospect

#### ◆ 2Q Operating Profit (approx. -KRW 3.1bn)

- Resulted from decrease in revenue

#### ◆ 2Q Net Profit (approx. -KRW 0.9bn)

- Resulted from decrease in revenue and operating profit

# Appendix – Financial Summary

## II. FILA USA Consolidated

(unit: USD'000)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Revenue	102,220	141,568	38.5%	56,453	(60.1%)	172,722	281,583	63.0%	162,602	(42.3%)
Gross Profit	32,137	47,417	47.5%	18,051	(61.9%)	53,534	96,874	81.0%	50,978	(47.4%)
G.P. %	31.4%	33.5%	2.1%p	32.0%	(1.5%)p	31.0%	34.4%	3.4%p	31.4%	(3.1%)p
O.Profit	6,801	13,455	97.8%	(5,026)	N/A	8,106	22,537	178.0%	1,461	(93.5%)
O.P. %	6.7%	9.5%	2.9%	(8.9%)	N/A	4.7%	8.0%	3.3%p	0.9%	(7.1%)p
Net Profit	4,623	9,564	106.9%	(4,403)	N/A	5,019	15,475	208.3%	(994)	N/A

◆ 2Q Revenue (approx. -USD 85.1M)

- Resulted from decrease in revenue due to complete retail shutdown and strict social distancing caused by COVID-19 outbreak

◆ 2Q Gross Profit Margin (approx. -1.5%p)

- Resulted from decrease in offline channel revenue

- Resulted from increase in revenue contribution from FILA online (LSD → HSD)

◆ 2Q Operating Profit (approx. -USD 18.5M)

- Resulted from decrease in revenue and gross profit

- Bad debt expense due to retailers' (JC penny, Gordmans/Stage stores) bankruptcy filing (USD 2.4M)

## III. Global Royalty

(unit: USD'000)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Asia	3,640	4,527	24.4%	2,906	(35.8%)	7,250	9,035	24.6%	7,409	(18.0%)
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Category	481	512	6.4%	498	(2.7%)	984	971	(1.3%)	945	(2.7%)
Total(Int_Adj)	12,701	17,557	38.2%	9,911	(43.5%)	23,465	34,260	46.0%	25,666	(25.1%)

◆ 2Q All Regions (approx. -USD 7.6M)

- Resulted from decrease in revenue from overall regions due to COVID-19 outbreak

# Appendix – Financial Summary

## IV. Consolidated Financial

(unit:KRWmn)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
<b>Revenue</b>	<b>790,170</b>	<b>959,303</b>	<b>21.4%</b>	<b>625,011</b>	<b>(34.8%)</b>	<b>1,467,087</b>	<b>1,793,879</b>	<b>22.3%</b>	<b>1,414,912</b>	<b>(21.1%)</b>
Gross Profit	404,293	499,997	23.7%	326,569	(34.7%)	746,291	917,716	23.0%	708,269	(22.8%)
G.P.%	51.2%	52.1%	1.0%p	52.3%	0.1%p	50.9%	51.2%	0.3%p	50.1%	(1.1%)p
<b>O.Profit</b>	<b>115,654</b>	<b>144,872</b>	<b>25.3%</b>	<b>50,281</b>	<b>(65.3%)</b>	<b>200,586</b>	<b>260,722</b>	<b>30.0%</b>	<b>117,423</b>	<b>(55.0%)</b>
O.P.%	14.6%	15.1%	0.5%p	8.0%	(7.1%)p	13.7%	14.5%	0.9%p	8.3%	(6.2%)p
<b>Net Profit</b>	<b>81,139</b>	<b>91,972</b>	<b>13.4%</b>	<b>45,520</b>	<b>(50.5%)</b>	<b>160,875</b>	<b>188,182</b>	<b>17.0%</b>	<b>85,020</b>	<b>(54.8%)</b>

◆ 2Q Revenue (approx. -KRW 334.3bn)

- Resulted from revenue decrease from FILA Group (approx. -KRW 163.2bn)
- Resulted from revenue decrease from Acushnet Holdings Corp. (approx. - KRW 171.1bn)

◆ 2Q Operating Profit (approx. -KRW 94.6bn)

- Resulted from operating profit decrease from FILA Group (approx. -KRW 39.5bn)
- Resulted from operating profit decrease from Acushnet Holdings Corp. (approx. -KRW 56.5bn)

◆ 2Q Net Profit (approx. -KRW 46.5bn)

- Resulted from net profit decrease from FILA Group (approx. -KRW 22.9bn)
- Resulted from net profit decrease from Acushnet Holdings Corp. (approx. -KRW 38.7bn)

# Disclaimer

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