

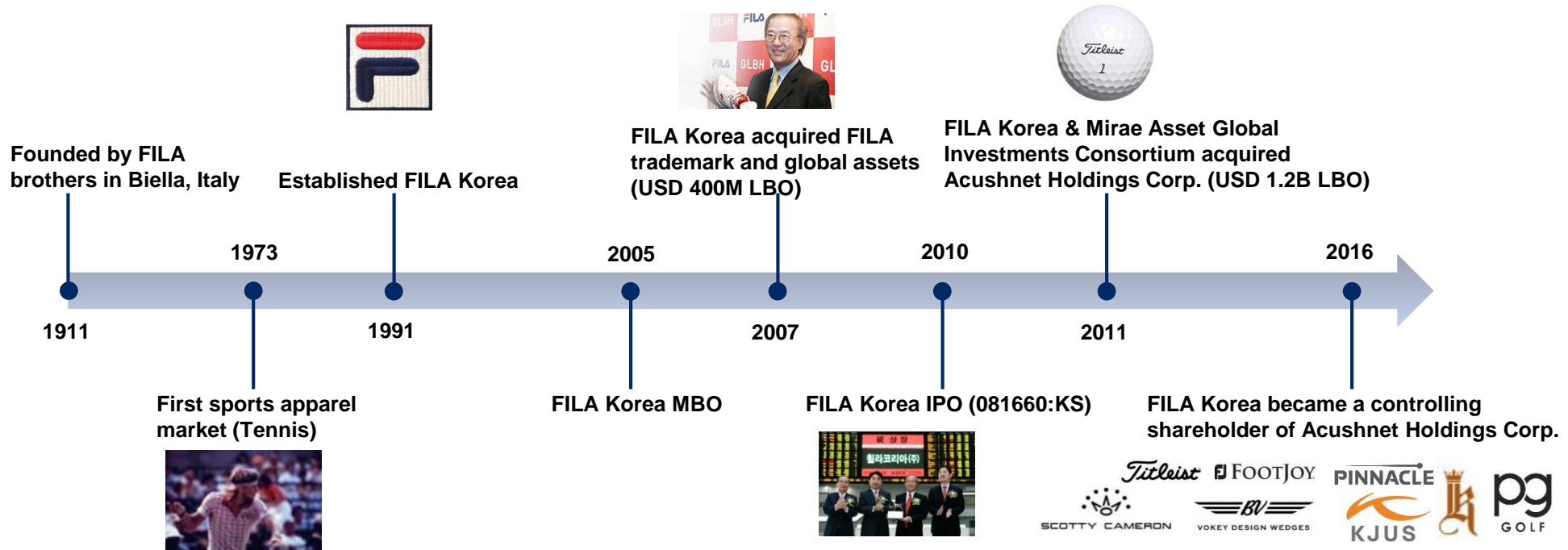


Investor Relations
2Q 2019

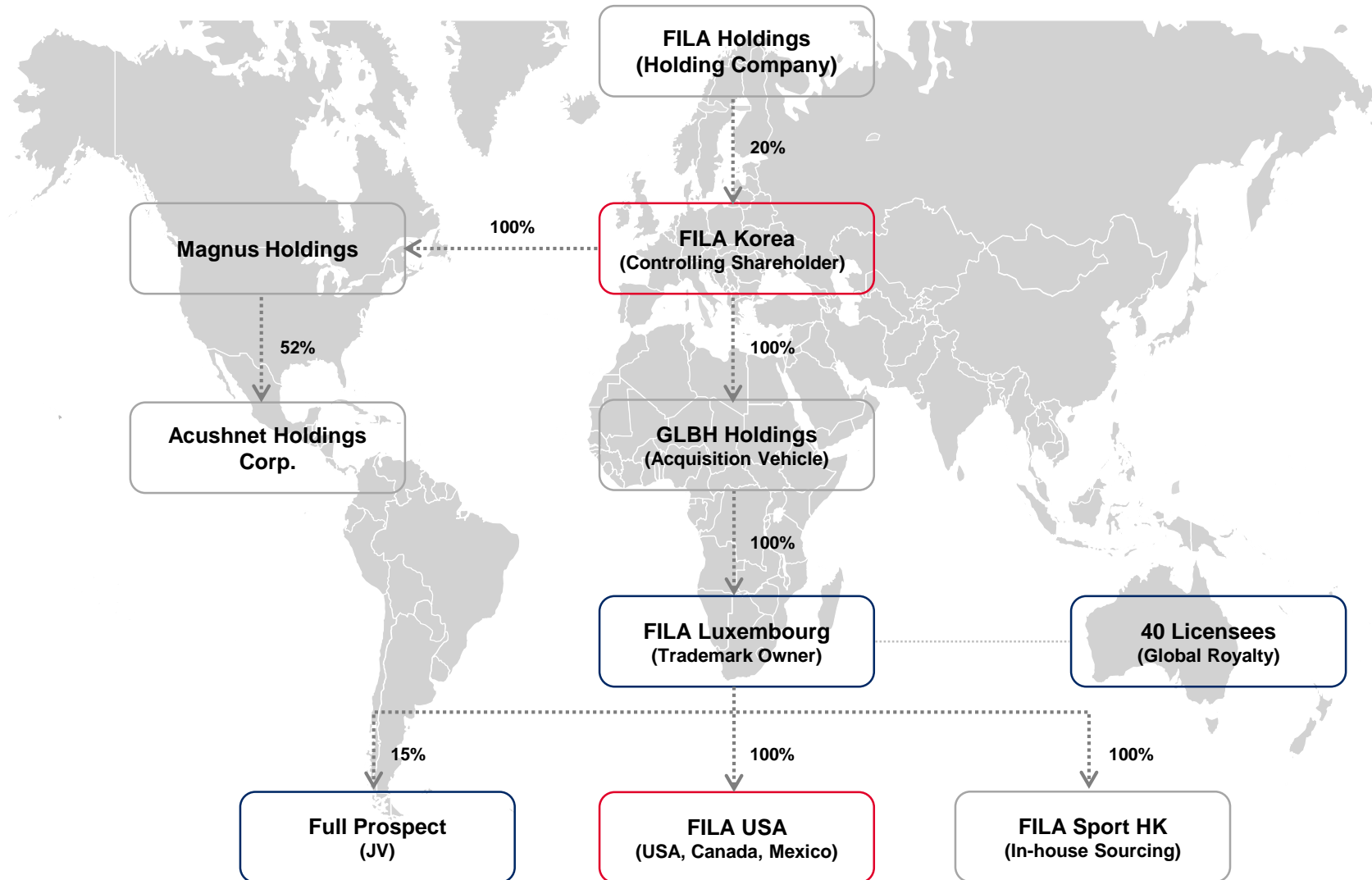
History



**“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, Bloomingdale's, Neiman Marcus etc.

- ✓ **Successful product collaborations** including MSGM, Fendi, Urban Outfitters, Baja East, Gosha Rubchinskiy, Marion Bartoli (LOVE FILA by Marion Bartoli), Nas (Nas x Ghostbusters footwear collection, Mountain Dew, Staples etc.)

- ✓ **Brand renewal in Korea**

- ✓ **Distribution channel re-structuring process**

- ✓ **Cost-competitiveness through product sourcing strategy**

- ✓ **Various collaboration reflecting global Heritage trends**

- ✓ **Successfully established FILA® as leading high-end lifestyle casual brand in China**

- ✓ **Collaborations with Anna Sui, Jason Wu and Ginny Hilfiger etc.**

■ Total of 40 licensees



FILA Group Business Overview

Direct

FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **546** (as of 2QE 2019)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

FILA USA

- **North America** (U.S.A., Canada, Mexico)
- Footwear based **wholesale** distributor

Indirect

FILA Licensee

- Total **40 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 Korea Co., Ltd., or FILA Korea, 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**

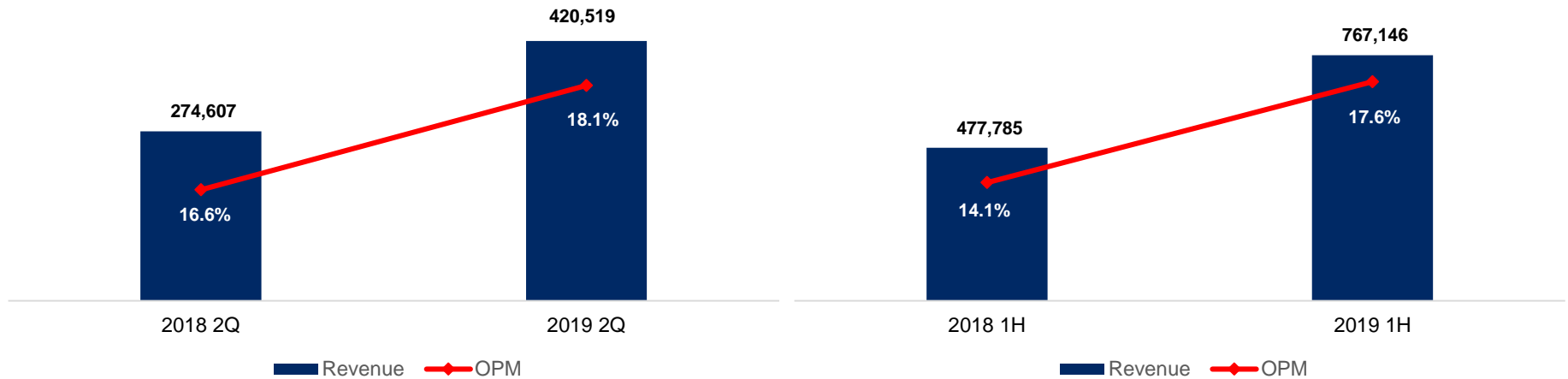
Consolidated Financial Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: KRW mn]										
Revenue	692,867	790,170	14.0%	959,303	21.4%	1,346,568	1,467,087	9.0%	1,793,879	22.3%
Gross Profit	351,629	404,293	15.0%	499,997	23.7%	659,205	746,291	13.2%	917,716	23.0%
G.P. %	50.7%	51.2%	0.4%p	52.1%	1.0%p	49.0%	50.9%	1.9%p	51.2%	0.3%p
O. Profit	81,561	115,654	41.8%	144,872	25.3%	130,443	200,586	53.8%	260,722	30.0%
O.P. %	11.8%	14.6%	2.9%p	15.1%	0.5%p	9.7%	13.7%	4.0%p	14.5%	0.9%p
Net Profit	46,760	81,139	73.5%	91,972	13.4%	72,299	160,875	122.5%	188,182	17.0%

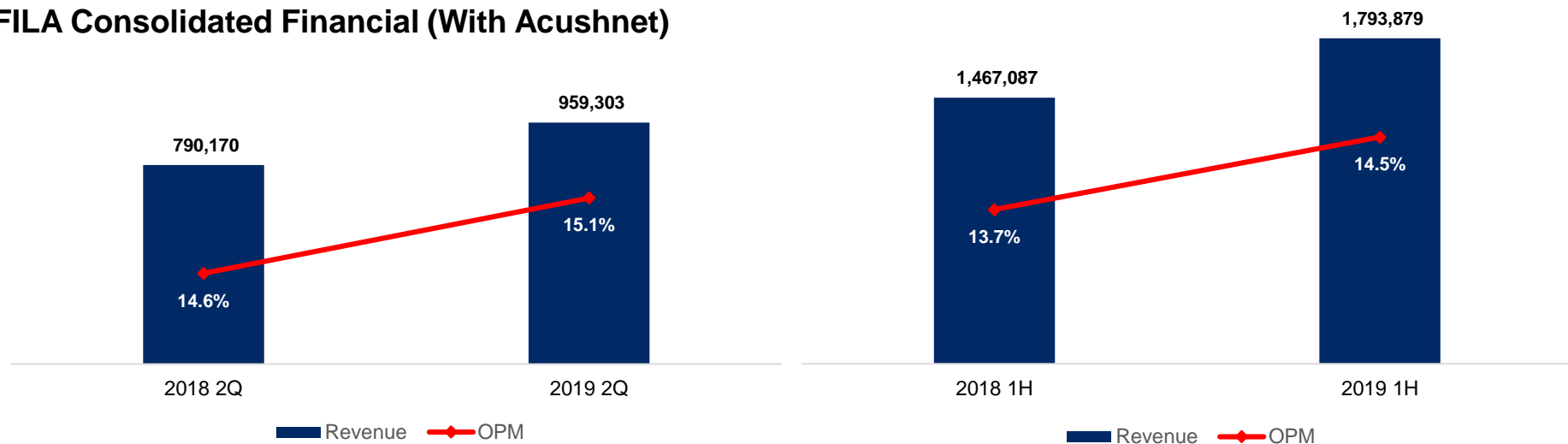
Consolidated Financial Summary (2Q 2018 & 2Q 2019)

FILA Group (Without Acushnet)

(Unit: KRW mn)



FILA Consolidated Financial (With Acushnet)



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FILA Korea Domestic Financial Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: KRW mn]										
Revenue	95,403	130,604	36.9%	160,756	23.1%	161,588	234,143	44.9%	299,819	28.0%
Gross Profit	58,019	78,973	36.1%	100,800	27.6%	90,771	138,347	52.4%	186,168	34.6%
G.P. %	60.8%	60.5%	(0.3%p)	62.7%	2.2%p	56.2%	59.1%	2.9%p	62.1%	3.0%p
O. Profit	5,213	18,506	255.0%	31,127	68.2%	(3,331)	26,723	N/A	55,295	106.9%
O.P. %	5.5%	14.2%	8.7%p	19.4%	5.2%p	(2.1%)	11.4%	N/A	18.4%	7.0%p
Net Profit	9,737	16,211	66.5%	21,155	30.5%	(3,271)	30,102	N/A	40,651	35.0%

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

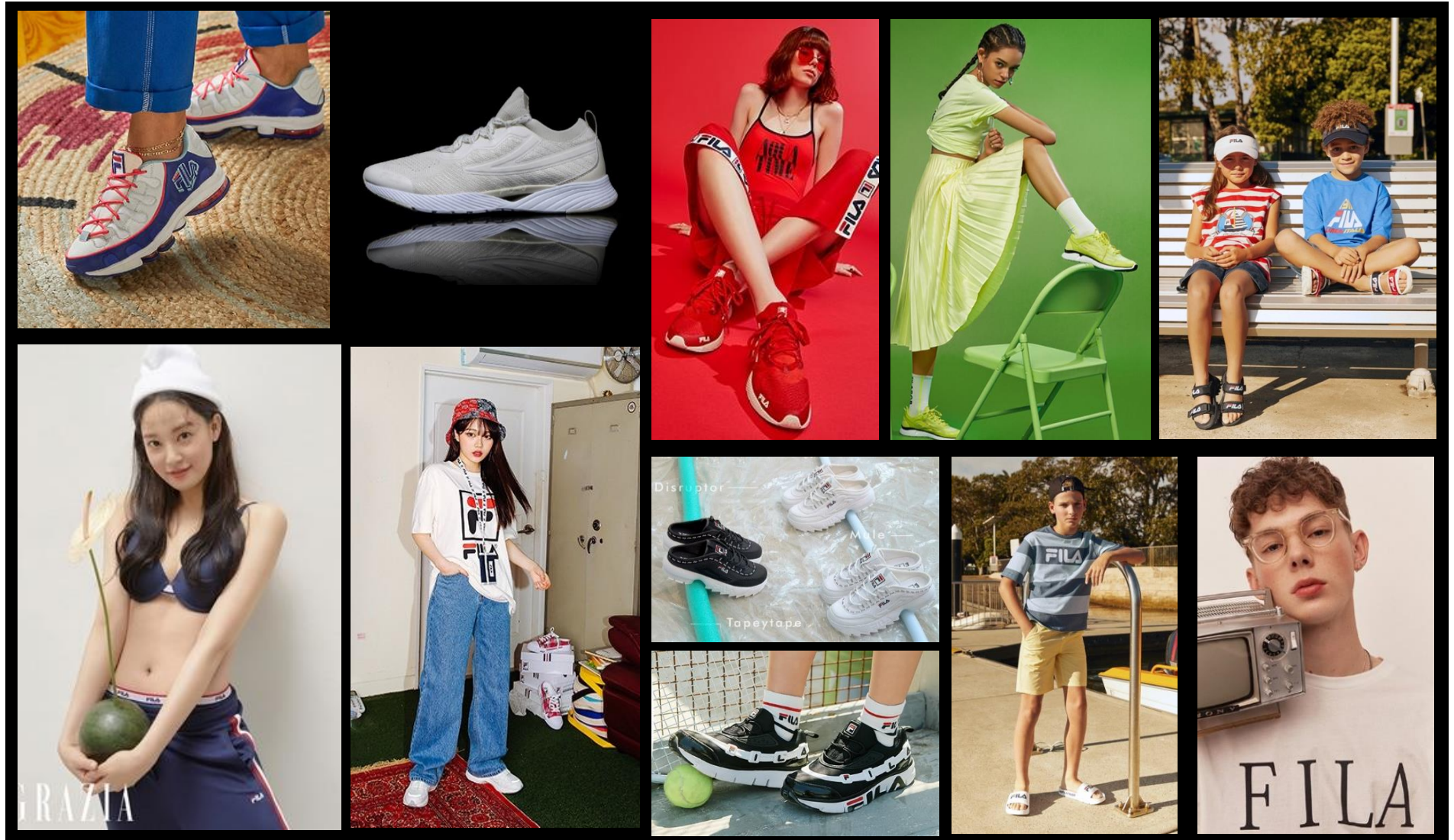
Full Prospect Design Service Fee Income Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: USD K]										
Design Service Fee Income	2,552	5,207	104.0%	8,235	58.2%	4,492	9,356	108.3%	14,708	57.2%

FILA Products Displayed at the Multi-Brand Stores



FILA Domestic Products



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FILA USA Consolidated Financial Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: USD K]										
Revenue	84,676	102,220	20.7%	141,568	38.5%	144,962	172,722	19.2%	281,583	63.0%
Gross Profit	25,087	32,137	28.1%	47,417	47.5%	42,416	53,534	26.2%	96,874	81.0%
G.P. %	29.6%	31.4%	1.8%p	33.5%	2.1%p	29.3%	31.0%	1.7%p	34.4%	3.4%p
O. Profit	3,817	6,801	78.2%	13,455	97.8%	689	8,106	1,076.4%	22,537	178.0%
O.P. %	4.5%	6.7%	2.1%	9.5%	2.9%p	0.5%	4.7%	4.2%p	8.0%	3.3%p
Net Profit	2,243	4,623	106.1%	9,564	106.9%	241	5,019	1,981.8%	15,475	208.3%

FILA USA Products



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- Total number of stores: **546** (as of 2QE 2019)
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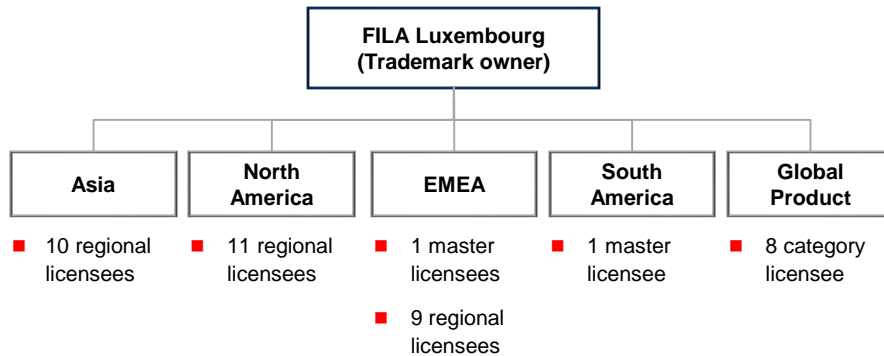
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

FILA Global Royalty Summary

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: USD K]										
Asia	2,864	3,532	23.3%	4,425	25.3%	5,907	7,067	19.6%	8,809	24.6%
North America	1,374	1,259	(8.4%)	1,892	50.3%	3,155	2,997	(5.0%)	3,511	17.2%
South America	396	767	93.6%	1,196	55.9%	714	1,452	103.4%	2,362	62.7%
EMEA	3,613	6,554	81.4%	9,429	43.9%	7,378	10,782	46.1%	18,381	70.5%
Category	495	481	(2.8%)	512	6.4%	893	984	10.2%	971	(1.4%)
Total (Int_Adj)	8,819	12,701	44.0%	17,557	38.2%	18,185	23,465	29.0%	34,260	46.0%

Global License Business

Global License Structure (40 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 2019	YE 2018	YE 2017
Assets	3,744,772	3,304,340	3,078,924
Current Assets	1,589,875	1,337,878	1,154,081
Cash and cash equivalents	195,861	149,001	107,696
Trade and other receivables	641,405	473,864	387,342
Inventories	669,079	632,237	578,367
Other current assets	83,529	82,776	80,676
Non-current Assets	2,154,897	1,966,462	1,924,843
Property and equipment	449,123	310,716	323,527
Intangible assets	1,530,527	1,491,948	1,440,427
Other non-current assets	175,248	163,797	160,889
Liabilities	2,028,658	1,797,846	1,844,594
Current Liabilities	920,776	672,316	694,581
Trade and other payables	442,969	405,997	330,386
Borrowings	302,285	174,426	212,671
Bonds	63,403	-	69,558
Other current liabilities	112,119	91,893	81,966
Non-current Liabilities	1,107,882	1,125,530	1,150,014
Borrowings	633,010	746,950	855,614
Bonds	-	61,175	-
Other non-current liabilities	474,872	317,405	294,400
Total Equity	1,716,114	1,506,494	1,234,330

Appendix – Financial Summary

I. FILA Korea

(unit: KRW mn)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Revenue	95,403	130,604	36.9%	160,756	23.1%	161,588	234,143	44.9%	299,819	28.0%
Gross Profit	58,019	78,973	36.1%	100,800	27.6%	90,771	138,347	52.4%	186,168	34.6%
G.P. %	60.8%	60.5%	(0.3%p)	62.7%	2.2%p	56.2%	59.1%	2.9%p	62.1%	3.0%p
O. Profit	5,213	18,506	255.0%	31,127	68.2%	(3,331)	26,723	N/A	55,295	106.9%
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Net Profit	9,737	16,211	66.5%	21,155	30.5%	(3,271)	30,102	N/A	40,651	35.0%

I-a. Full Prospect Design Service Fee Income

(unit: USD '000)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Design Service Fee Income	2,552	5,207	104.0%	8,235	58.2%	4,492	9,356	108.3%	14,708	57.2%

◆ 2Q Revenue (approx. +KRW 30.2bn)

- Increase in revenue mainly from FILA segment
- Increase in Design Service Fee Income contributed by Full Prospect (YoY approx. +58.2%)

◆ 2Q Operating Profit (approx. +KRW 12.6bn)

- Resulted from increase in revenue
- Resulted from increase in gross profit due to sales mix improvement with higher margin product sales
- Decrease in SG&A expense proportion to revenue (cost leverage effects) due to lower rate of increase in SG&A compared to revenue increase (46.3% → 43.3%)

◆ 2Q Net Profit (approx. +KRW 4.9bn)

- Resulted from increase in revenue

Appendix – Financial Summary

II. FILA USA Consolidated

(unit: USD '000)

	3 months (Apr.-Jun.) ended					6 months (Jan.-Jun.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Revenue	84,676	102,220	20.7%	141,568	38.5%	144,962	172,722	19.2%	281,583	63.0%
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G.P. %	29.6%	31.4%	1.8%p	33.5%	2.1%p	29.3%	31.0%	1.7%p	34.4%	3.4%p
O. Profit	3,817	6,801	78.2%	13,455	97.8%	689	8,106	1,076.4%	22,537	178.0%
O.P. %	4.5%	6.7%	2.1%	9.5%	2.9%p	0.5%	4.7%	4.2%p	8.0%	3.3%p
Net Profit	2,243	4,623	106.1%	9,564	106.9%	241	5,019	1,981.8%	15,475	208.3%

◆ 2Q Revenue (approx. +USD 39.3M)

- Sales mix has improved with higher margin product sales (i.e. heritage etc.) through upper tier distribution channel reflecting the continuing market trends for retro

◆ 2Q Operating Profit (approx. +USD 6.7M)

- Resulted from increase in revenue
- Annual bonus paid to the executive (approx. 2M) → Normalized OPM in 2Q'19: 10.9%

◆ 2Q Net Profit (approx. +USD 4.9M)

- Resulted from increase in revenue and margin

III. Global Royalty

(unit: USD '000)

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EMEA	3,613	6,554	81.4%	9,429	43.9%	7,378	10,782	46.1%	18,381	70.5%
Category	495	481	(2.8%)	512	6.4%	893	984	10.2%	971	(1.4%)
Total (Int_Adj)	8,819	12,701	44.0%	17,557	38.2%	18,185	23,465	29.0%	34,260	46.0%

◆ EMEA (approx. +USD 2.9M)

- Increase in revenue mainly from UK & Europe regions

◆ Asia (approx. +USD 0.9M)

- Increase in revenue mainly from Japan & Australia region

◆ South America (approx. +USD 0.4M)

- Increase in revenue mainly from Uruguay

Appendix – Financial Summary

IV. Consolidated Financial

(unit: KRW mn)

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Net Profit	46,760	81,139	73.5%	91,972	13.4%	72,299	160,875	122.5%	188,182	17.0%

◆ 2Q Revenue (approx. +KRW 169.1bn)

- Increase in revenue contribution from FILA Group (approx. +KRW 145.9bn)
- Increase in revenue contribution from Acushnet Holdings Corp. (approx. +KRW 23.2bn)

◆ 2Q Operating Profit (approx. +KRW 29.2bn)

- Increase in operating profit contribution from FILA Group (approx. +KRW 30.4bn)
- Decrease in operating profit from Acushnet Holdings Corp. (approx. -KRW 1.2bn)

◆ 2Q Net Profit (approx. +KRW 10.8bn)

- Increase in net profit contribution from FILA Group (approx. +KRW 29.4bn)
- Decrease in net profit from Acushnet Holdings Corp. (approx. -KRW 18.6bn)

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