

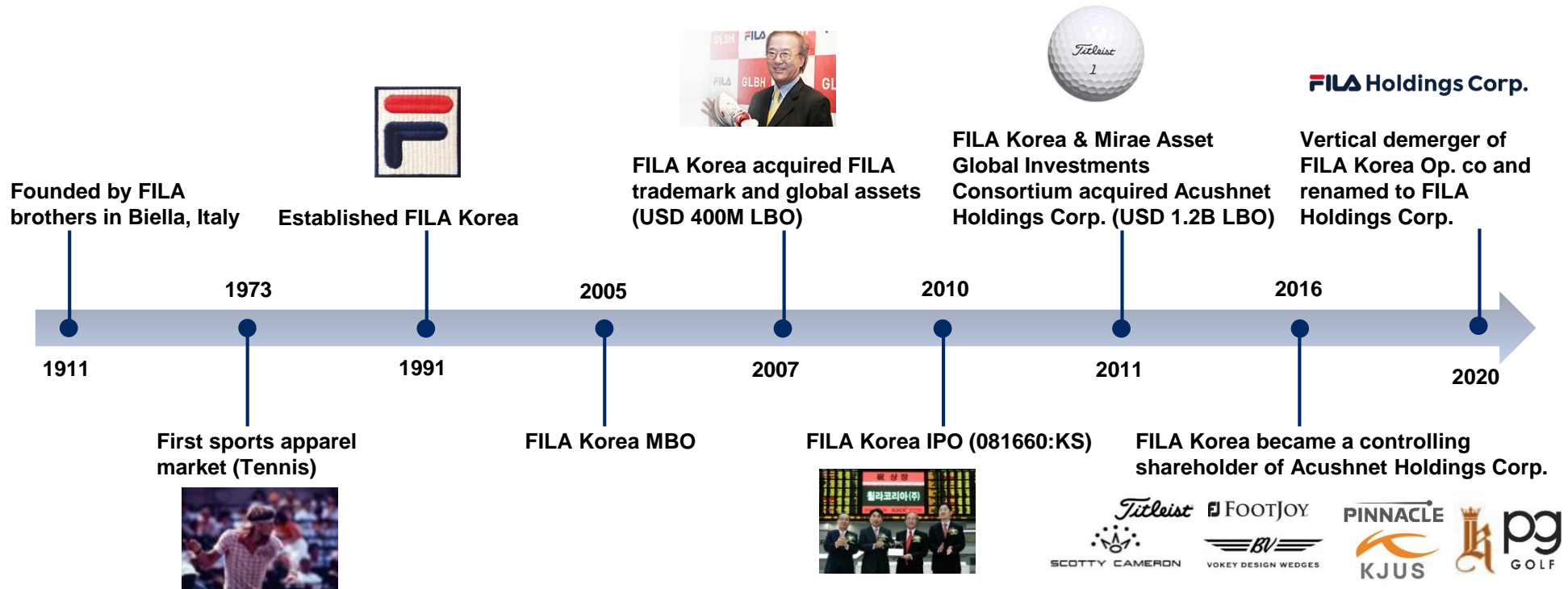


**Investor Relations**  
FY 2019

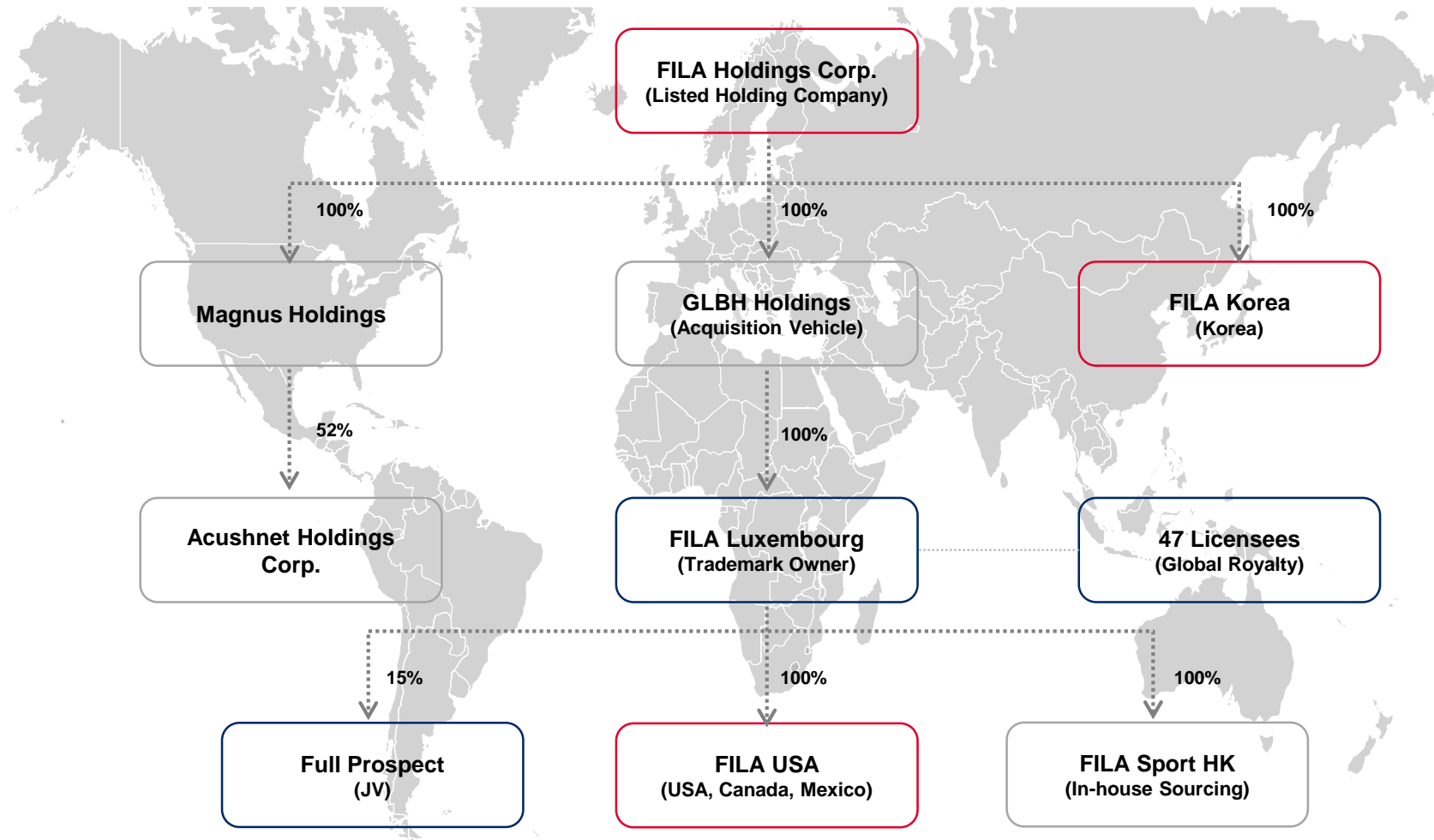
# History



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



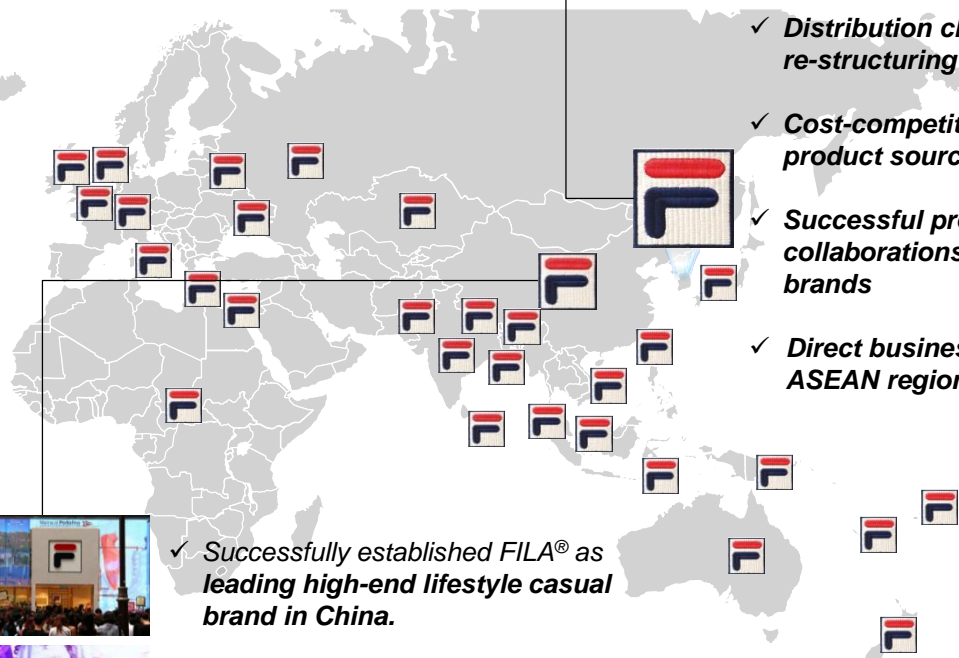
# Group Structure



# FILA – A Leading Authentic Global Sports Brand



- ✓ **Expanding into upper channels of distribution in the US:**  
Foot Locker, 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.**



- ✓ **Distribution channel re-structuring process**
- ✓ **Cost-competitiveness through product sourcing strategy**
- ✓ **Successful product collaborations with various brands**
- ✓ **Direct business opportunity in ASEAN region**
- ✓ **Successfully established FILA® as leading high-end lifestyle casual brand in China.**
- ✓ **Collaborations with Anna Sui, Jason Wu and Ginny Hilfiger etc.**



■ Total 47 licensees

# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **529** (as of YE 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 **47 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**

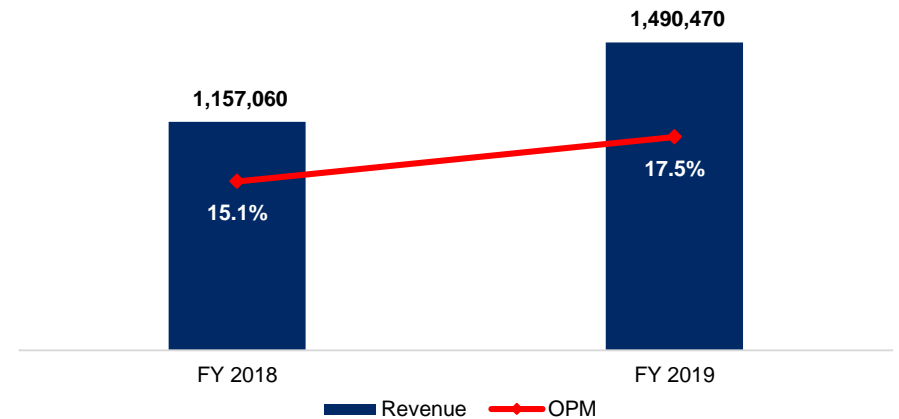
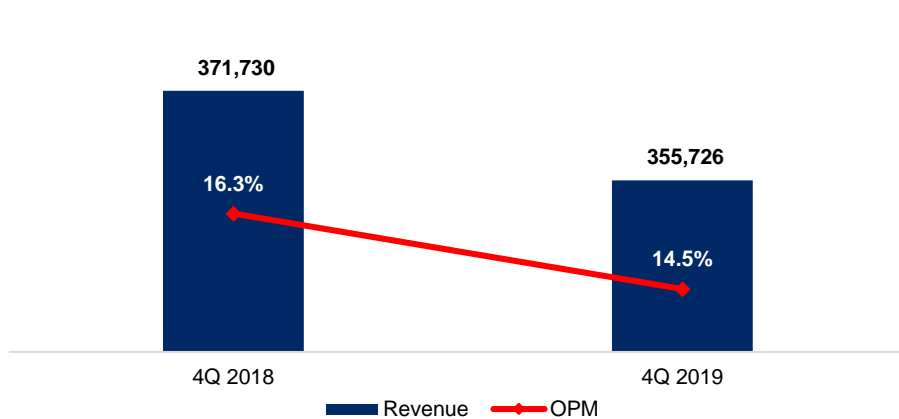
# Consolidated Financial Summary

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
[Unit: KRW mn]	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
<b>Revenue</b>	614,482	761,678	24.0%	789,557	3.7%	2,530,324	2,954,643	16.8%	3,450,422	16.8%
Gross Profit	304,045	367,385	20.8%	394,616	7.4%	1,240,530	1,467,537	18.3%	1,729,707	17.9%
G.P. %	49.5%	48.2%	(1.2%)p	50.0%	1.7%p	49.0%	49.7%	0.6%p	50.1%	0.5%p
<b>O. Profit</b>	51,453	82,603	60.5%	85,074	3.0%	217,466	357,102	64.2%	470,676	31.8%
O.P. %	8.4%	10.8%	2.5%p	10.8%	(0.1%)p	8.6%	12.1%	3.5%p	13.6%	1.6%p
<b>Net Profit</b>	15,128	3,873	(74.4%)	51,512	1,230.0%	108,110	210,050	94.3%	338,144	61.0%

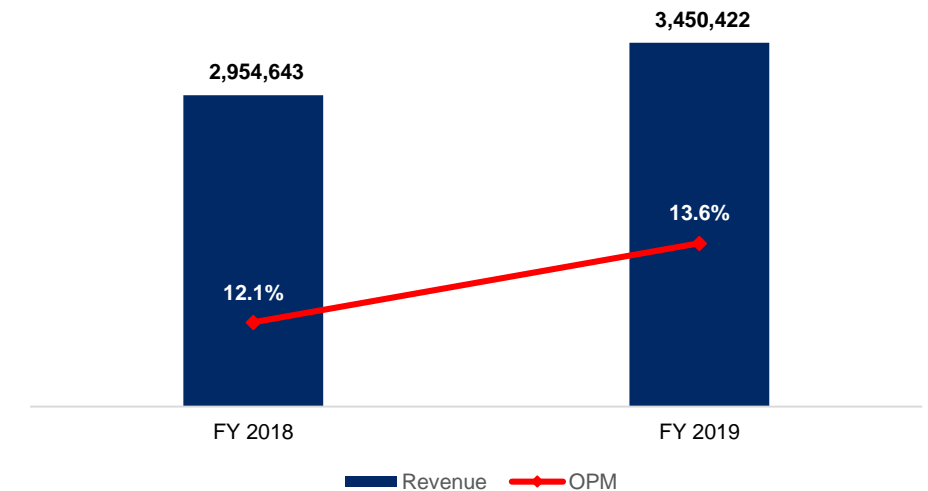
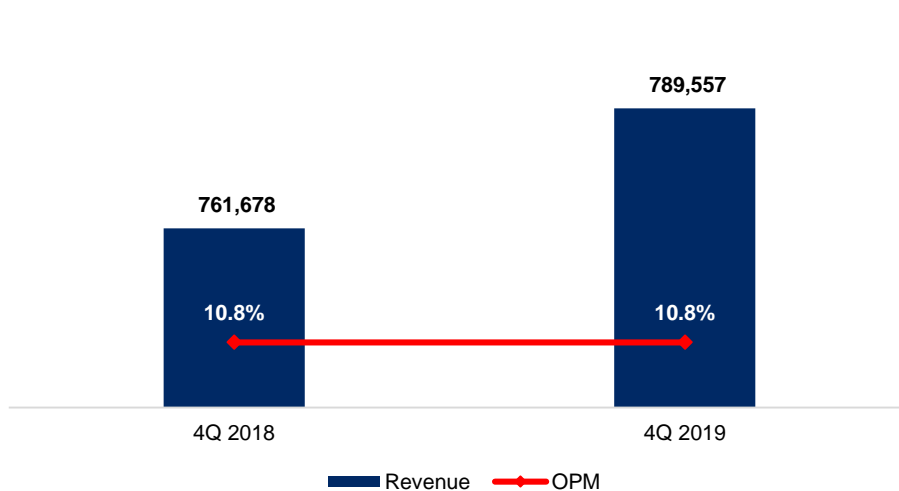
# Consolidated Financial Summary (4Q 2019 & FY 2019)

## FILA Group (Without Acushnet)

(Unit: KRW mn)



## FILA Consolidated Financial (With Acushnet)



# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **529** (as of YE 2019)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

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- Total **47 licensees** in Asia, North America, South America and EMEA
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**



# FILA Korea Domestic Financial Summary

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: KRW mn]										
<b>Revenue</b>	<b>101,835</b>	<b>132,222</b>	<b>29.8%</b>	<b>162,594</b>	<b>23.0%</b>	<b>342,462</b>	<b>499,913</b>	<b>46.0%</b>	<b>612,236</b>	<b>22.5%</b>
Gross Profit	59,584	79,728	33.8%	107,093	34.3%	195,485	297,369	52.1%	385,365	29.6%
G.P. %	58.5%	60.3%	1.8%p	65.9%	5.6%p	57.1%	59.5%	2.4%p	62.9%	3.5%p
<b>O. Profit</b>	<b>4,285</b>	<b>14,764</b>	<b>244.5%</b>	<b>30,474</b>	<b>106.4%</b>	<b>1,415</b>	<b>56,454</b>	<b>3,889.8%</b>	<b>112,224</b>	<b>98.8%</b>
O.P. %	4.2%	11.2%	7.0%p	18.7%	7.6%p	0.4%	11.3%	10.9%p	18.3%	7.0%p
<b>Net Profit</b>	<b>(28,915)</b>	<b>11,331</b>	<b>N/A</b>	<b>31,867</b>	<b>181.2%</b>	<b>(33,729)</b>	<b>59,872</b>	<b>N/A</b>	<b>108,121</b>	<b>80.6%</b>

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

## Full Prospect Design Service Fee Income Summary

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
[Unit: USD K]										
<b>Design Service Fee Income</b>	<b>3,901</b>	<b>7,325</b>	<b>87.8%</b>	<b>11,470</b>	<b>56.6%</b>	<b>10,686</b>	<b>21,248</b>	<b>98.8%</b>	<b>33,150</b>	<b>56.0%</b>

# FILA Domestic Products



# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **529** (as of YE 2019)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

### FILA USA

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

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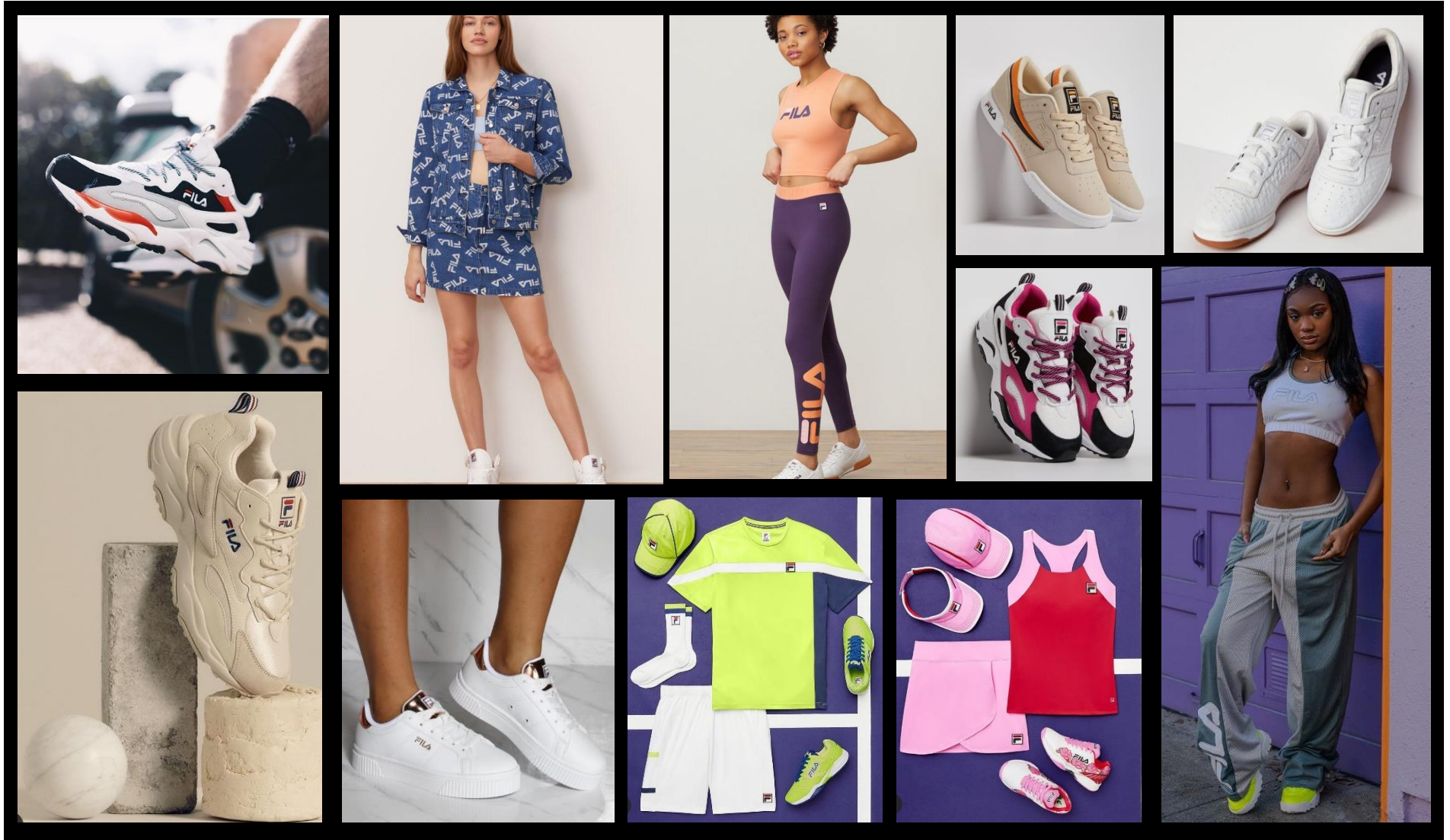
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

# FILA USA Consolidated Financial Summary

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
[Unit: USD K]	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
<b>Revenue</b>	<b>92,526</b>	<b>169,604</b>	<b>83.3%</b>	<b>107,978</b>	<b>(36.3%)</b>	<b>304,665</b>	<b>452,547</b>	<b>48.5%</b>	<b>536,589</b>	<b>18.6%</b>
Gross Profit	29,166	56,022	92.1%	27,997	(50.0%)	91,906	145,198	58.0%	169,677	16.9%
G.P. %	31.5%	33.0%	1.5%p	25.9%	(7.1%)p	30.2%	32.1%	1.9%p	31.6%	(0.5%)p
<b>O. Profit</b>	<b>6,422</b>	<b>17,054</b>	<b>165.6%</b>	<b>(582)</b>	<b>N/A</b>	<b>9,247</b>	<b>34,085</b>	<b>268.6%</b>	<b>32,310</b>	<b>(5.2%)</b>
O.P. %	6.9%	10.1%	3.1%	(0.5%)	N/A	3.0%	7.5%	4.5%p	6.0%	(1.5%)p
<b>Net Profit</b>	<b>(529)</b>	<b>11,836</b>	<b>N/A</b>	<b>(944)</b>	<b>N/A</b>	<b>1,136</b>	<b>23,262</b>	<b>1,947.2%</b>	<b>21,368</b>	<b>(8.1%)</b>



# FILA USA Products



# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
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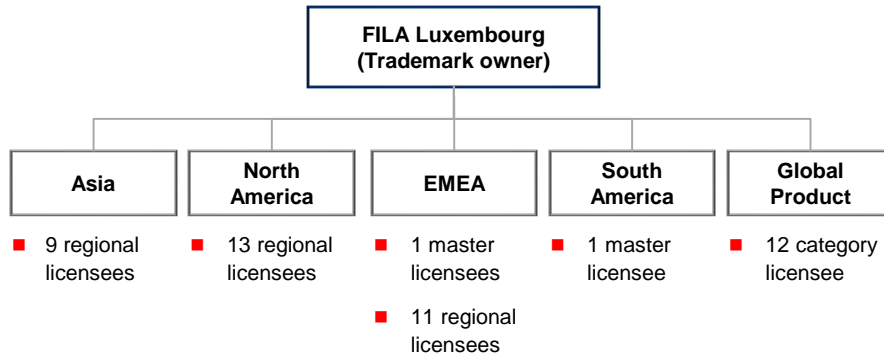
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

# FILA Global Royalty Summary

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
[Unit: USD K]	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Asia	2,615	3,692	41.2%	4,849	31.3%	11,017	14,228	29.1%	17,903	25.8%
North America	1,620	2,063	27.3%	2,730	32.3%	6,192	7,342	18.6%	7,982	8.7%
South America	501	813	62.3%	1,931	137.5%	1,754	2,941	67.7%	4,781	62.6%
EMEA	4,258	8,488	99.3%	8,887	4.7%	16,023	26,751	67.0%	39,186	46.5%
Category	388	284	(26.9%)	467	64.7%	1,654	1,616	(2.3%)	1,881	16.4%
<b>Total (Int_Adj)</b>	<b>9,478</b>	<b>15,432</b>	<b>62.8%</b>	<b>18,951</b>	<b>22.8%</b>	<b>36,954</b>	<b>53,241</b>	<b>44.1%</b>	<b>72,137</b>	<b>35.5%</b>

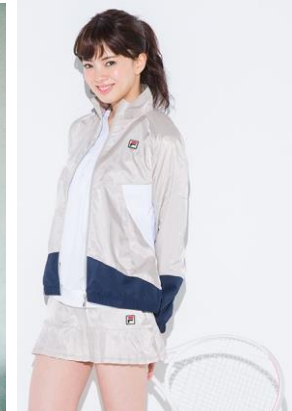
# Global License Business

## Global License Structure (47 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)

	YE 2019	YE 2018	YE 2017
<b>Assets</b>	<b>3,770,249</b>	<b>3,304,340</b>	<b>3,078,924</b>
Current Assets	1,586,810	1,337,878	1,154,081
Cash and cash equivalents	232,032	149,001	107,696
Trade and other receivables	521,047	473,864	387,342
Inventories	735,481	632,237	578,367
Other current assets	98,250	82,776	80,676
Non-current Assets	2,183,439	1,966,462	1,924,843
Property and equipment	439,052	310,716	323,527
Intangible assets	1,547,923	1,491,948	1,440,427
Other non-current assets	196,464	163,797	160,889
<b>Liabilities</b>	<b>1,969,306</b>	<b>1,797,846</b>	<b>1,844,594</b>
Current Liabilities	867,356	672,316	694,581
Trade and other payables	413,004	405,997	330,386
Borrowings	236,394	174,426	212,671
Bonds	63,568	-	69,558
Other current liabilities	154,389	91,893	81,966
Non-current Liabilities	1,101,950	1,125,530	1,150,014
Borrowings	611,690	746,950	855,614
Bonds	-	61,175	-
Other non-current liabilities	490,259	317,405	294,400
<b>Total Equity</b>	<b>1,800,944</b>	<b>1,506,494</b>	<b>1,234,330</b>

# Appendix – Financial Summary

## I. FILA Korea

(unit: KRW mn)

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Revenue	101,835	132,222	29.8%	162,594	23.0%	342,462	499,913	46.0%	612,236	22.5%
Gross Profit	59,584	79,728	33.8%	107,093	34.3%	195,485	297,369	52.1%	385,365	29.6%
G.P. %	58.5%	60.3%	1.8%p	65.9%	5.6%p	57.1%	59.5%	2.4%p	62.9%	3.5%p
O. Profit	4,285	14,764	244.5%	30,474	106.4%	1,415	56,454	3,889.8%	112,224	98.8%
O.P. %	4.2%	11.2%	7.0%p	18.7%	7.6%p	0.4%	11.3%	10.9%p	18.3%	7.0%p
Net Profit	(28,915)	11,331	N/A	31,867	181.2%	(33,729)	59,872	N/A	108,121	80.6%

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

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Design Service Fee Income	3,901	7,325	87.8%	11,470	56.6%	10,686	21,248	98.8%	33,150	56.0%

◆ 4Q Revenue (approx. +KRW 30.4bn)

- Increase in revenue mainly from FILA and FILA KIDS segment
- Increase in Design Service Fee Income contributed by Full Prospect (YoY approx. +56.6%)

◆ 4Q Operating Profit (approx. +KRW 15.7bn)

- Resulted from increase in revenue
- Resulted from similar SG&A expense compared to 4Q'18 (cost leverage effects)

◆ 4Q Net Profit (approx. +KRW 20.5bn)

- Resulted from increase in revenue and operating profit

# Appendix – Financial Summary

## II. FILA USA Consolidated

(unit: USD '000)

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
<b>Revenue</b>	<b>92,526</b>	<b>169,604</b>	<b>83.3%</b>	<b>107,978</b>	<b>(36.3%)</b>	<b>304,665</b>	<b>452,547</b>	<b>48.5%</b>	<b>536,589</b>	<b>18.6%</b>
Gross Profit	29,166	56,022	92.1%	27,997	(50.0%)	91,906	145,198	58.0%	169,677	16.9%
G.P. %	31.5%	33.0%	1.5%p	25.9%	(7.1%)p	30.2%	32.1%	1.9%p	31.6%	(0.5%)p
<b>O. Profit</b>	<b>6,422</b>	<b>17,054</b>	<b>165.6%</b>	<b>(582)</b>	<b>N/A</b>	<b>9,247</b>	<b>34,085</b>	<b>268.6%</b>	<b>32,310</b>	<b>(5.2%)</b>
O.P. %	6.9%	10.1%	3.1%	(0.5%)	N/A	3.0%	7.5%	4.5%p	6.0%	(1.5%)p
<b>Net Profit</b>	<b>(529)</b>	<b>11,836</b>	<b>N/A</b>	<b>(944)</b>	<b>N/A</b>	<b>1,136</b>	<b>23,262</b>	<b>1,947.2%</b>	<b>21,368</b>	<b>(8.1%)</b>

### ◆ 4Q Revenue (approx. - USD 61.6M)

- Decrease in revenue due to overall inventory issues from retail market disruption which caused order delay and cancellation
- Resulted from increased return and markdown from the customers

### ◆ 4Q Gross Profit (approx. - USD 28.0M)

- Resulted from decrease in revenue
- Lower sales proportion of higher margin distribution channels compared to 4Q'18

### ◆ 4Q Operating Profit (approx. - USD 17.6M)

- Resulted from decrease in revenue and gross profit
- Resulted from similar fixed costs despite of revenue decrease compared to 4Q'18 (adverse cost leverage effects)

## II-a. FUSA Sales Breakdown (Disruptor vs. Ex-Disruptor)

(%)	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
<b>Disruptor</b>	2%-4%	7%-9%	20%-22%	18%-20%	28%-30%	23%-26%	15%-17%	14%~16%
<b>Ex-Disruptor</b>	96%-98%	91%-93%	78%-80%	80%-82%	70%-72%	74%-77%	83%-85%	84%~86%

# Appendix – Financial Summary

## III. Global Royalty

(unit: USD '000)

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
Asia	2,615	3,692	41.2%	4,849	31.3%	11,017	14,228	29.1%	17,903	25.8%
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◆ 4Q Asia (approx. +USD 1.2M)

- Increase in revenue mainly from Japan & Philippines region

◆ 4Q EMEA (approx. +USD 0.4M)

- Increase in revenue mainly from Europe regions

◆ 4Q South America (approx. +USD 1.1M)

- Increase in revenue from Uruguay

# Appendix – Financial Summary

## IV. Consolidated Financial

(unit: KRW mn)

	3 months (Oct.-Dec.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2017	2018	Variance(%)	2019	Variance(%)
<b>Revenue</b>	<b>614,482</b>	<b>761,678</b>	<b>24.0%</b>	<b>789,557</b>	<b>3.7%</b>	<b>2,530,324</b>	<b>2,954,643</b>	<b>16.8%</b>	<b>3,450,422</b>	<b>16.8%</b>
Gross Profit	304,045	367,385	20.8%	394,616	7.4%	1,240,530	1,467,537	18.3%	1,729,707	17.9%
G.P. %	49.5%	48.2%	(1.2%)p	50.0%	1.7%p	49.0%	49.7%	0.6%p	50.1%	0.5%p
<b>O. Profit</b>	<b>51,453</b>	<b>82,603</b>	<b>60.5%</b>	<b>85,074</b>	<b>3.0%</b>	<b>217,466</b>	<b>357,102</b>	<b>64.2%</b>	<b>470,676</b>	<b>31.8%</b>
O.P. %	8.4%	10.8%	2.5%p	10.8%	(0.1%)p	8.6%	12.1%	3.5%p	13.6%	1.6%p
<b>Net Profit</b>	<b>15,128</b>	<b>3,873</b>	<b>(74.4%)</b>	<b>51,512</b>	<b>1,230.0%</b>	<b>108,110</b>	<b>210,050</b>	<b>94.3%</b>	<b>338,144</b>	<b>61.0%</b>

◆ 4Q Revenue (approx. +KRW 27.9bn)

- Increase in revenue contribution from Acushnet Holdings Corp. (approx. +KRW 43.9bn)
- Decrease in revenue from FILA Group (approx. -KRW 16.0bn)

◆ 4Q Operating Profit (approx. +KRW 2.5bn)

- Increase in operating profit from Acushnet Holdings Corp. (approx. +KRW 10.3bn)
- Decrease in operating profit from FILA Group (approx. -KRW 9.0bn)

◆ 4Q Net Profit (approx. +KRW 47.6bn)

- Increase in net profit contribution from FILA Group (approx. +KRW 29.0bn)
- Increase in net profit from Acushnet Holdings Corp. (approx. +KRW 8.5bn)
- Other consolidating adjustments (approx. +KRW10.0bn)

1) Non-recurring accounting adjustments (Increase in Deferred Tax Liability and Tax Expenses) were recognized in 4Q'18 resulted from EU tax regime changes.

(No actual tax payouts - accounting adjustments)

2) Impairment of goodwill (created from Acushnet business combination) recognized in 4Q'18

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