

A background image showing three runners (two men and one woman) running on a bridge with a metal railing. The image is semi-transparent and serves as a backdrop for the text. The runners are wearing athletic gear, including FILA-branded items.

**FILA Holdings Corp.**

# **WINNING TOGETHER**

**Q1 2022 Earnings Release**

[www.filaholdings.com](http://www.filaholdings.com)

## Disclaimer

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The financial information and statements included in the following presentation are unaudited and are presented here today solely for the purpose of helping investors better understand the current status of FILA Holdings Corporation and its subsidiaries. Part of the presentation is subject to change during the financial audit by an external independent auditor.

Also, the information described in this document contains “forward-looking statements”, and such forward-looking statements are made based on management’s current expectations, beliefs, plans, and assumptions based on information currently available to the management. These forward-looking statements relate to future events and address our expected future business condition and financial performance, and often contain words such as target, forecast, prospective, proceed, plan, strategy. Moreover, forward-looking statements contain risks and uncertainties, do not guarantee future performance, and are subject to change. Please note that forward-looking statements may differ from actual results depending on changes in economic status, market trends and tax and the other systems.

The financial information included in this document is in accordance with Korean IFRS.

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# 01

**Company  
Overview**



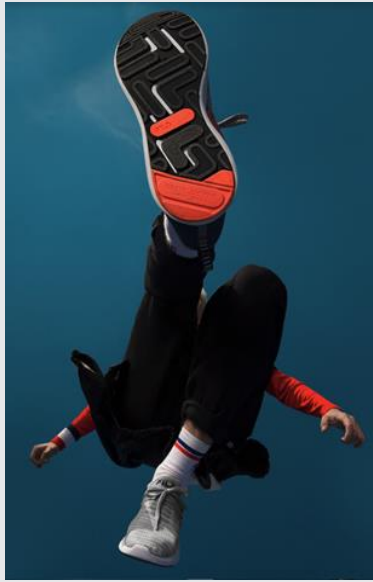





**FILA** is a ‘ **PREMIUM LIFESTYLE SPORTS BRAND** ’

**“ ITALIAN HERITAGE ”**

**“ TENNIS & OTHERS ”**

Key Brand Value

ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					



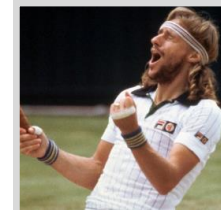


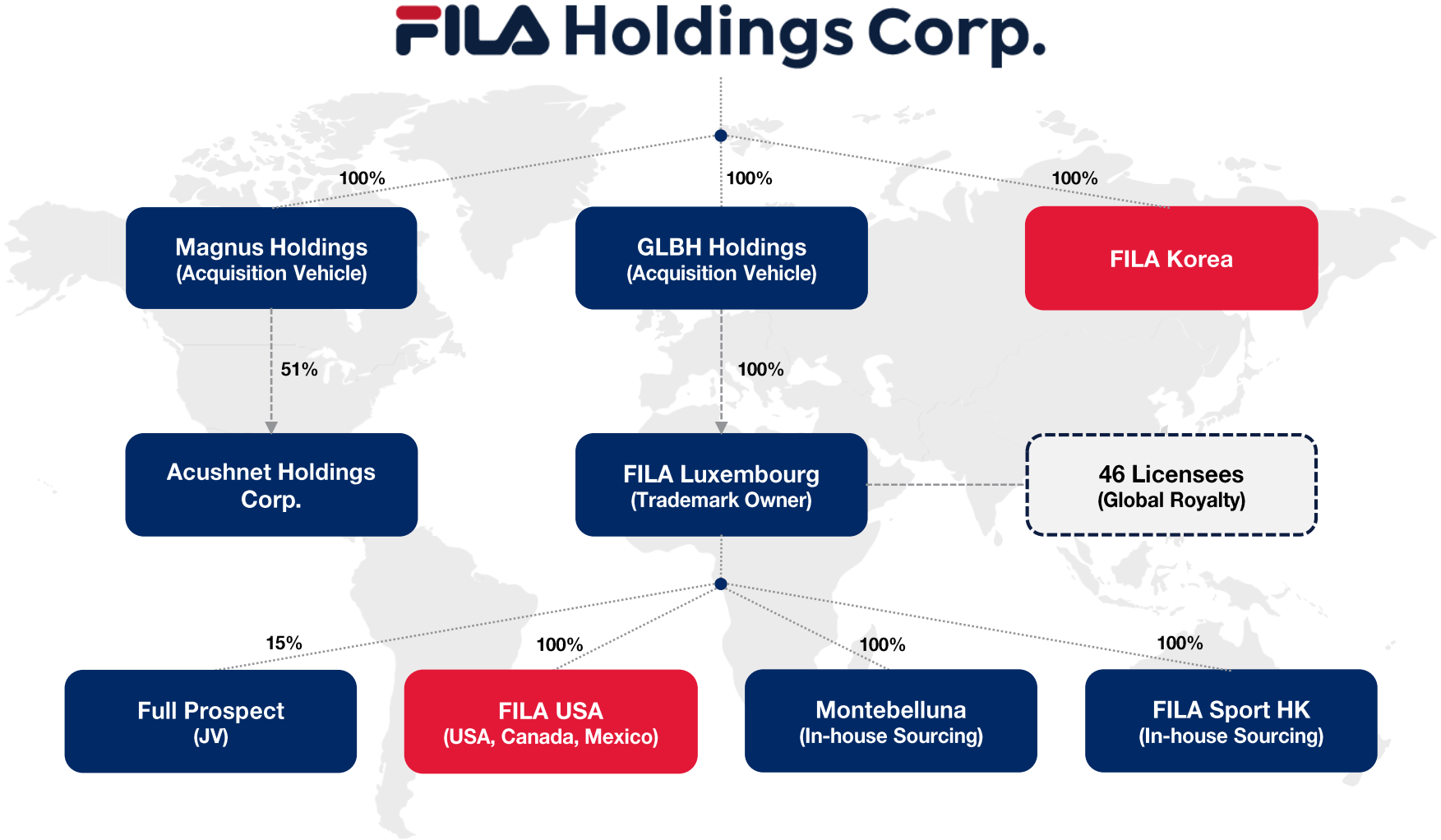


## “FILA’s 111-year Heritage in the History of Sports”

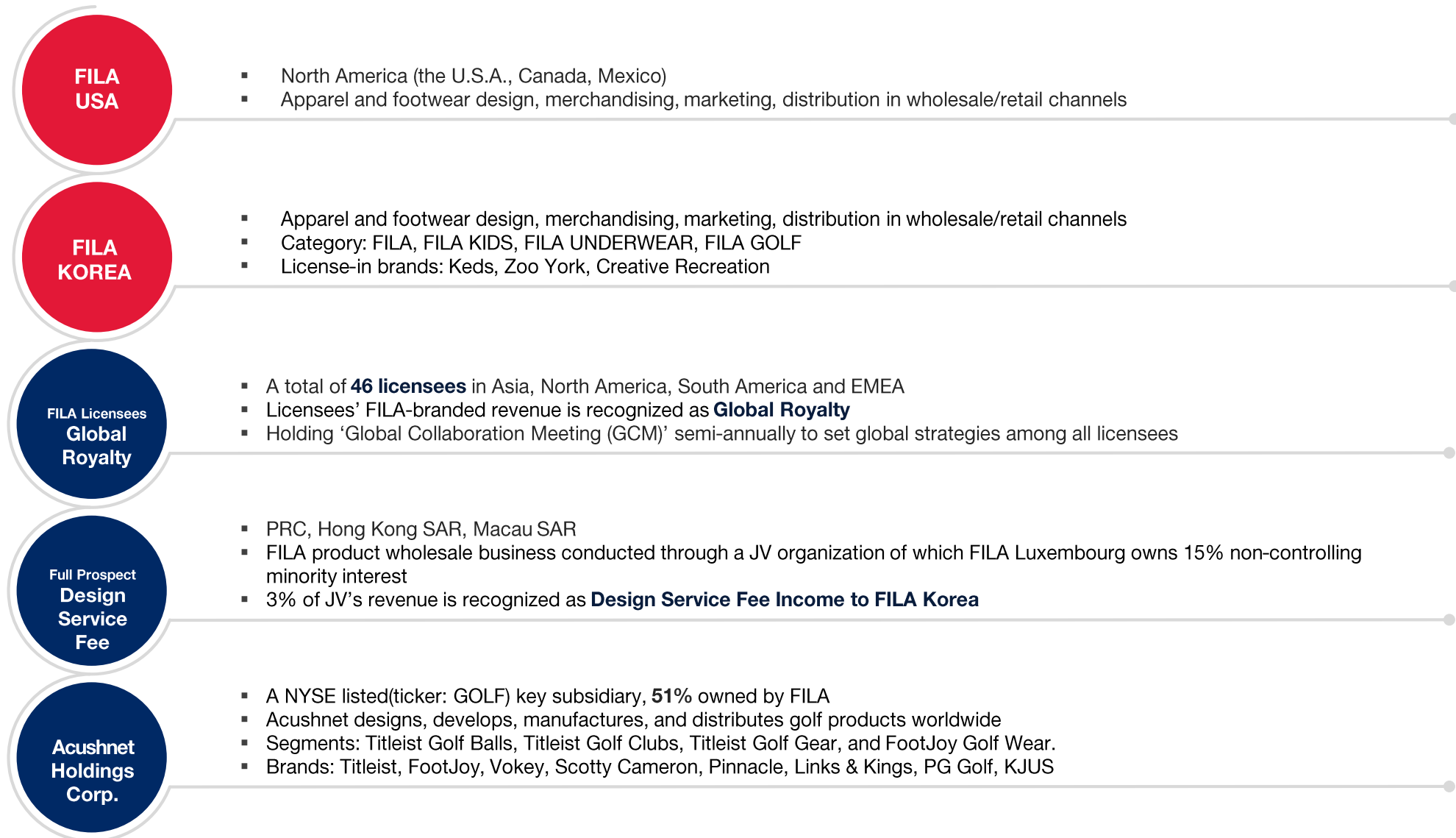
**FILA has been and will be there through all the moments of sweat and honor**

- 1911** - FILA is founded by the Fila brothers in Biella, Italy
- 1973** - Initiated sports marketing by sponsoring the legendary tennis player Björn Borg  
- Penetrated the luxury sports industry, including tennis, ski, golf, and yachting
- 1991** - Established FILA Korea
- 2005** - FILA Korea became an independent entity apart from FILA Global through management buyout(MBO)
- 2007** - Became the global headquarter by acquiring the entire global FILA business through leveraged buyout(LBO)
- 2010** - Listed FILA Korea Ltd. on the Korea Stock Exchange (KS 081660)
- 2011** - Acquired Acushnet Holdings Corp., owner of global top golf brands such as Titleist and FootJoy etc.
- 2016** - Acushnet was listed on the New York Stock Exchange (GOLF) and FILA became a controlling shareholder of Acushnet Holdings Corp.
- 2018** - Signature footwear ‘Disruptor 2’ crowned ‘The Shoe of the Year 2018’  
- First time participated in the Milan Fashion Week (2019 S/S collection)
- 2020** - FILA Korea Ltd. changed its name to FILA Holdings Corp. and established a new subsidiary, FILA Korea, via a vertical demerger to enhance transparency of corporate governance  
- Published the first FILA Sustainability Report
- 2021** - Held a virtual runway show at the Milan Fashion Week – 110th Anniversary Collection  
- Became a signatory of UN Global Compact (UNGC)
- 2022** - Signed a sponsorship agreement with Giovanni Soldini, the leader of Maserati’s yacht team  
- Announced FILA 5-year strategic plan ‘WINNING TOGETHER’





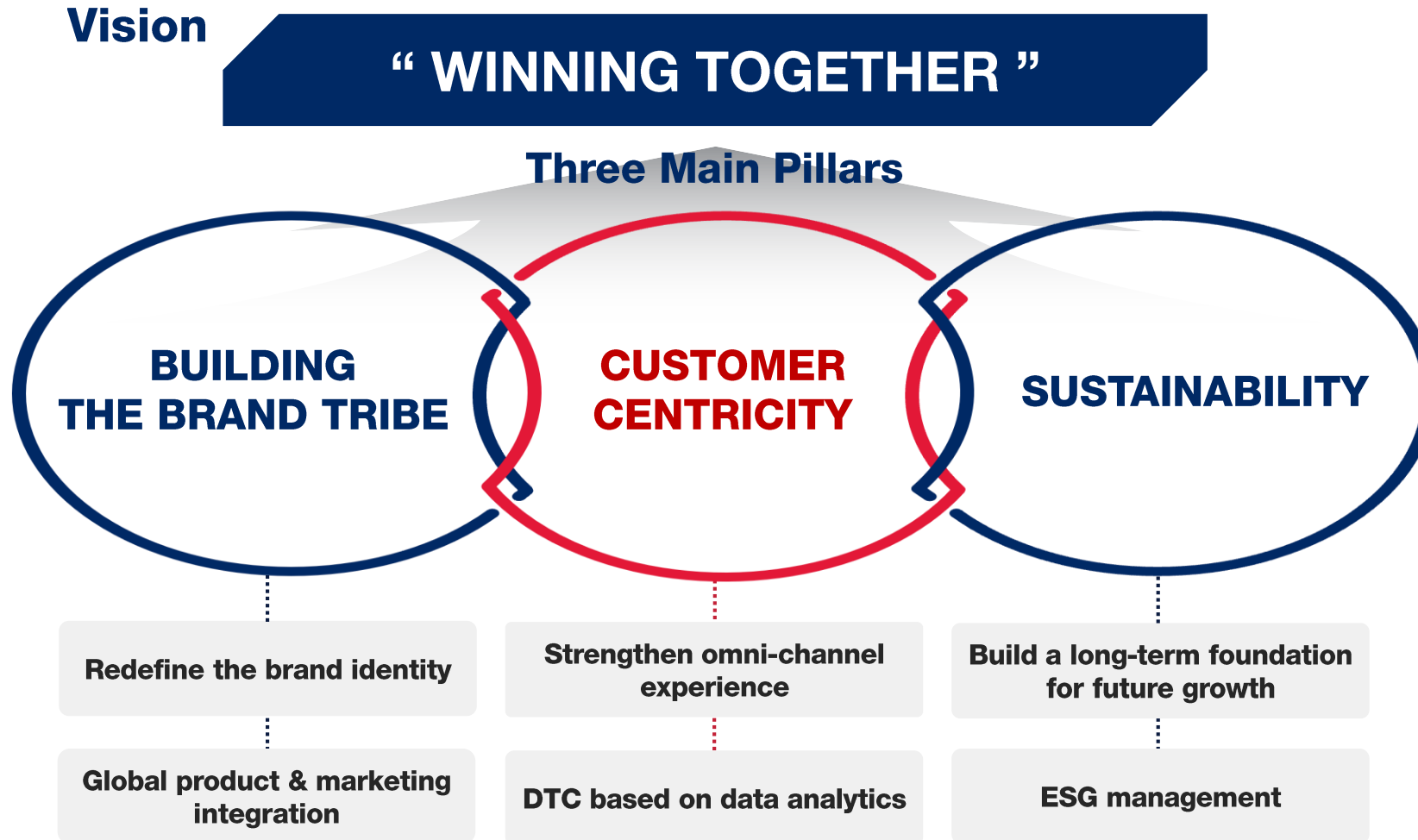




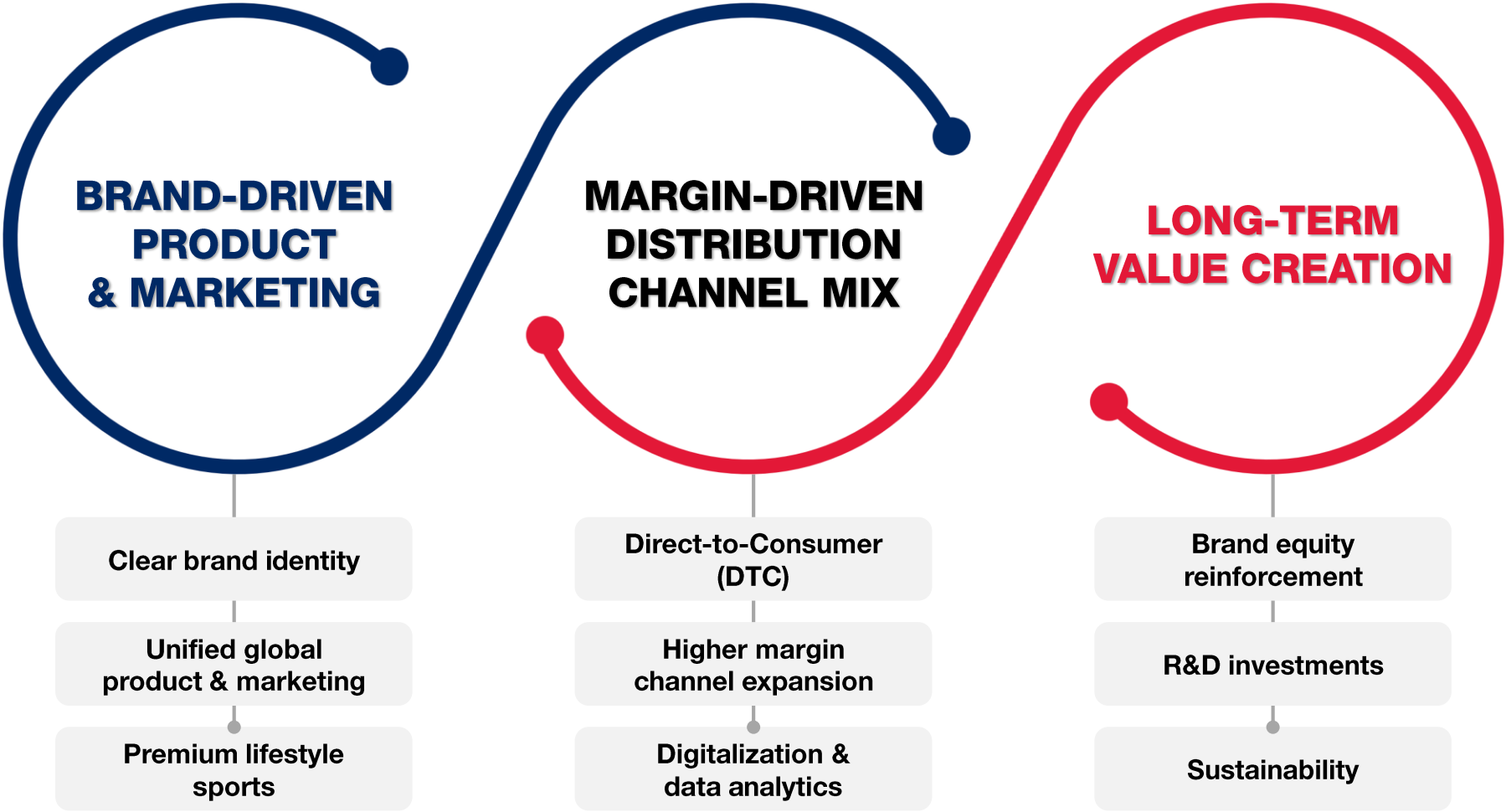


# 02

## Brand Strategy







### TENNIS



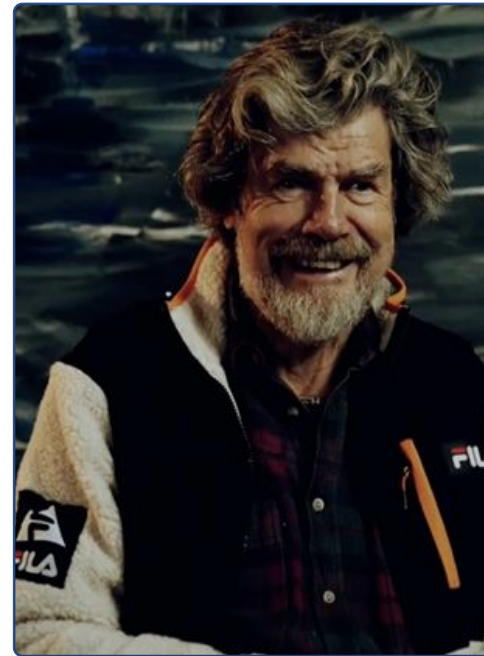
Our origin comes from tennis heritage. We have been a style leader and innovator since we introduced a new era in tennis with the cotton rib in 1973.

### WATER SPORTS



The sea has always been fundamental and iconic element of our DNA. The archived aesthetic products will recapture our former glory.

### OUTDOOR



Our birthright. Being born in the Italian Alps, we will use experience to push design and material innovations and take our place at the peak of mountain sports.

### TRAINING



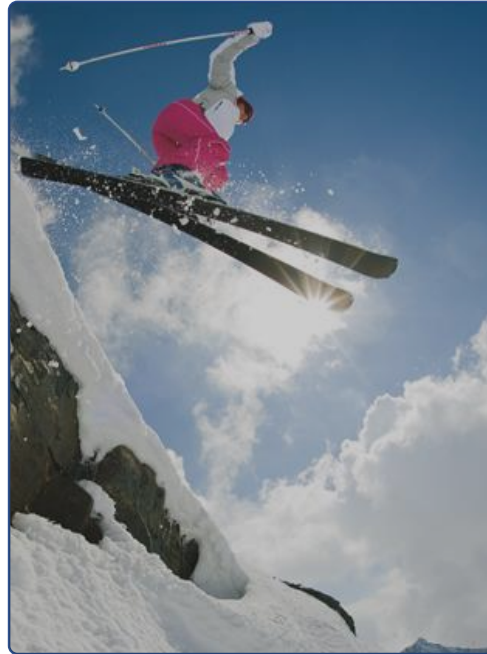
Fitness and wellness. We fully understand it is a combination that most people seek for balance. Design and quality driven strategy will take us to the front of the personal performance pack.

### MOTOR SPORTS



The brand credibility we have built as a first-mover into Motorsports sponsorships and our Italian DNA create the conditions for a strong comeback into this segment.

### WINTER SPORTS



Based on our past association with ski icons, we will strengthen strategic partnership through pursuing modern reinterpretation and technical innovation of winter sports

### RUNNING



Our innovative designs and rich materials bring new meaning to comfort and performance in running.

### SOCCER



As one of the aspirational Italian spirit sports, we leverage our wide-ranging soccer-related legacy from 1990s for innovative development on the products.





- International and diverse
- Fashion and pop culture

- Fashion trend-leading
- Purchasing and economic power

- Passion with personal style
- Influenced by social media, pop culture & friends

**Consolidated Revenue**

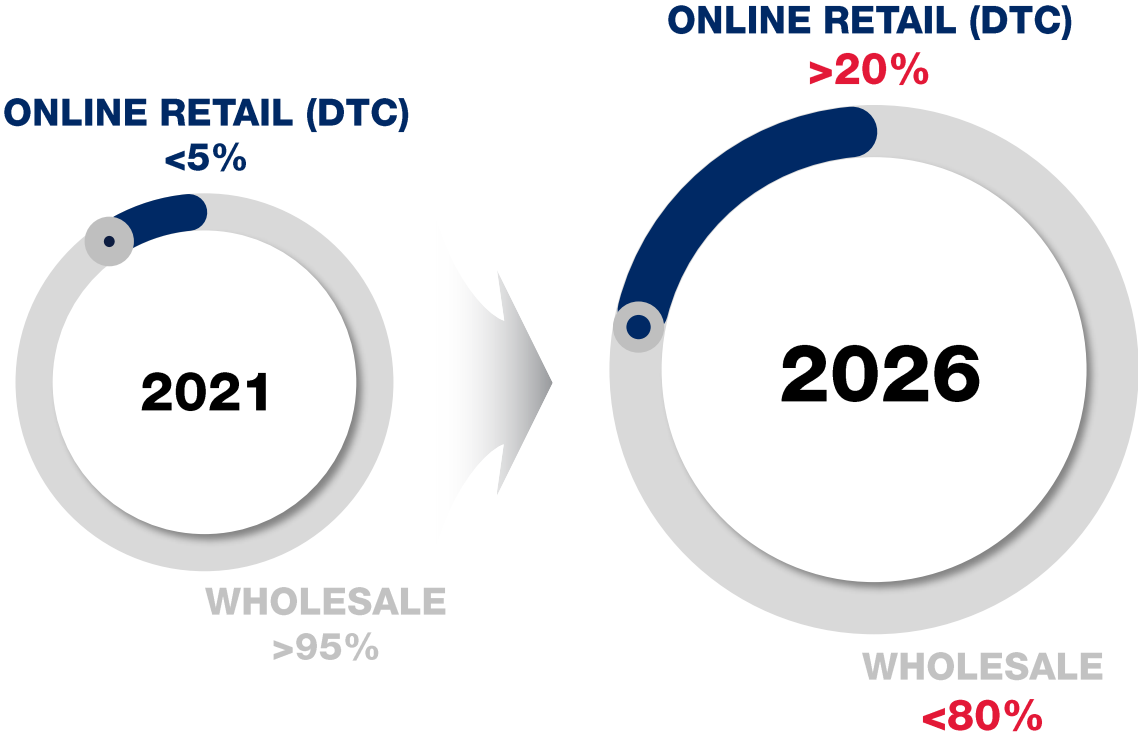
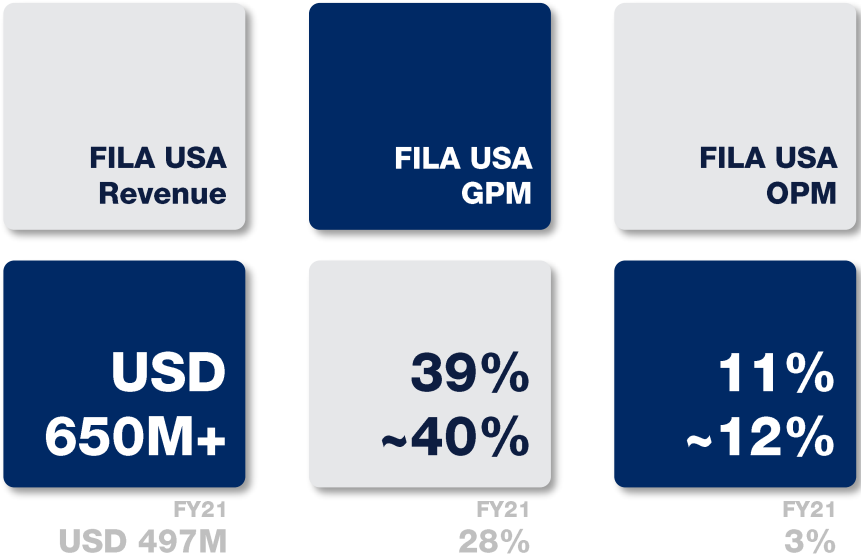
**KRW 4.4T+**

FY21  
KRW 3.8T

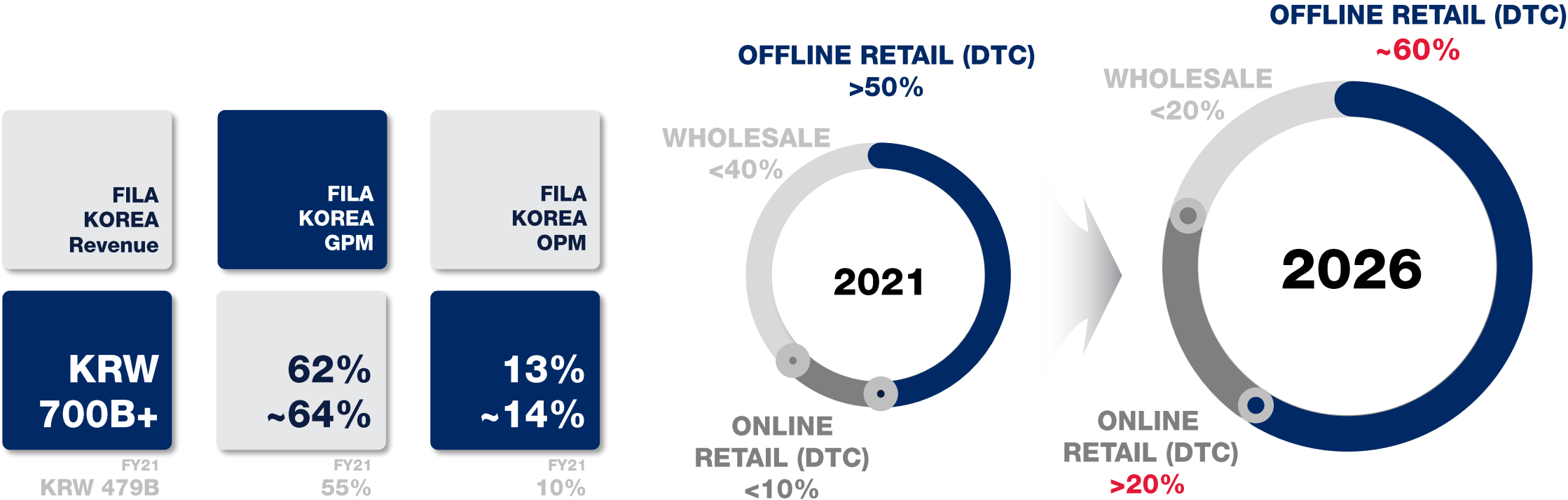
**Consolidated OPM**

**15%~16%**

FY21  
13%

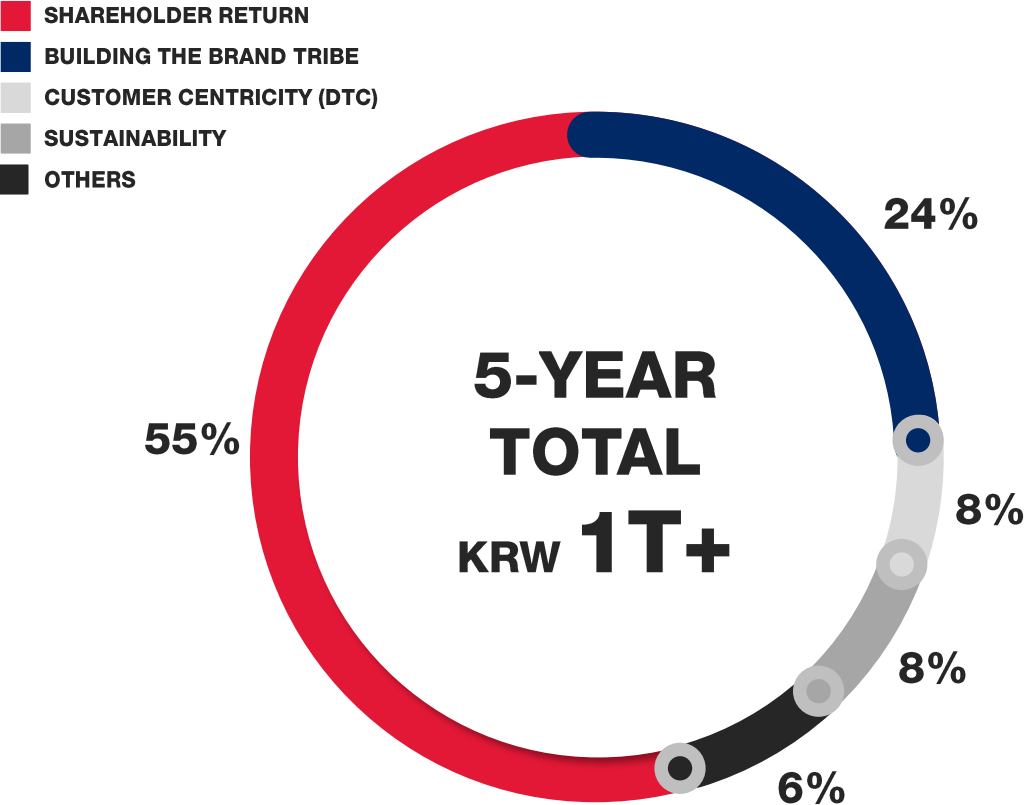






\* This page represents the operational targets of FILA Korea excluding design service fee income.

FOCUSING ON SHAREHOLDER RETURN  
& GLOBAL LONG-TERM STRATEGY



5-YEAR  
TOTAL  
SHAREHOLDER  
RETURN  
AMOUNT

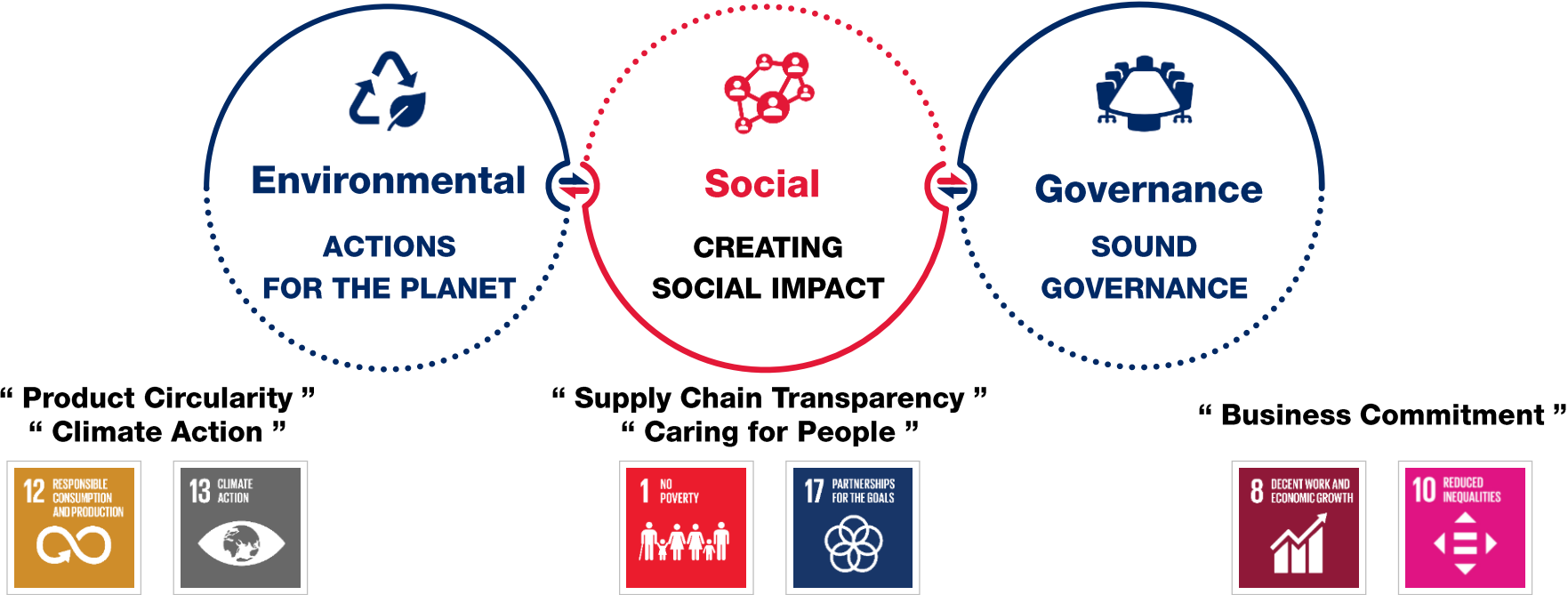
TOTAL  
SHAREHOLDER  
RETURN %\*  
in 2026

UP TO  
KRW  
600B

UP TO  
50%

\* Total shareholder return divided by profit attributable to Owners of the Controlling Company

# YOUR FILA IMPACT



2021 ESG ratings

KCGS  
**A**

Sustainvest  
**A**

Korea ESG Research Institute  
**A**





**03**

**Earnings  
Release**

## FILA x Motor sports

To celebrate its legacy in motor sports, FILA is joining forces with VR46 Riders Academy, founded by Valentino Rossi, to support the riders as they progress through the ranks and to the top of MotoGP.







## FILA x Water sports

Giovanni Soldini has returned to FILA, a sports style brand with a history of innovation lasting more than 110 years, and a partner of glorious oceanic enterprises since 1996.

## Consolidated Earnings in Q1

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 22	Q1 21		
<b>Revenue</b>	<b>1,073,563</b>	<b>988,281</b>	<b>8.6%</b>	<b>1.8%</b>
FILA	343,258	341,395	0.5%	(3.1%)
Acushnet	730,305	646,886	12.9%	4.3%
Gross profit	529,941	498,541	6.3%	(0.5%)
GPM%	49.4%	50.4%	(1.0%p)	(1.1%p)
SG&A	361,147	314,972	14.7%	7.5%
<b>Operating profit</b>	<b>168,794</b>	<b>183,569</b>	<b>(8.0%)</b>	<b>(14.3%)</b>
OPM%	15.7%	18.6%	(2.9%p)	(2.9%p)
FILA	46,150	52,526	(12.1%)	(14.8%)
Acushnet	122,644	131,043	(6.4%)	(12.2%)
<b>Net income</b>	<b>123,092</b>	<b>134,201</b>	<b>(8.3%)</b>	<b>(15.4%)</b>

- **Revenue KRW 1,074bn YoY +8.6%**
  - Resulted from the Acushnet sales recovery especially from the EMEA region
  - Resulted from the impact of the FILA sales channel adjustment to improve margin aligned with 5-year plan
  - Benefitted from the favorable FX rate  
Q1 22 Exchange rate(USD/KRW) 1,204.95  
Q1 21 Exchange rate(USD/KRW) 1,193.60
- **Operating profit KRW 169bn YoY -8.0%**
  - Resulted from the reduced gross margin by the supply chain constraints and sales channel adjustment process for FILA
  - Resulted from the increased cost to support the boosted demand of Acushnet sales

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 22	Q1 21		
Revenue	135,347	147,314	(8.1%)	(15.1%)
Gross profit	36,376	39,605	(8.2%)	(15.1%)
GPM%	26.9%	26.9%	N/A	N/A
SG&A	39,189	35,654	9.9%	1.6%
Operating profit	(2,812)	3,951	N/A	N/A
OPM%	(2.1%)	2.7%	N/A	N/A
Net income	(2,095)	2,129	N/A	N/A

- **Revenue KRW 135bn YoY -8.1%**
  - Resulted from the impact of the sales channel adjustment for the brand equity improvement aligned with 5-year plan
- **Operating loss KRW 3bn**
  - Resulted from the decreased sales
  - Resulted from the increased fixed SG&A proportion to revenue(cost leverage effect)



(KRW mn)	Three months ended Mar. 31		YoY
	Q1 22	Q1 21	
<b>Revenue</b>	<b>132,789</b>	<b>136,163</b>	<b>(2.5%)</b>
FILA Korea (excl. DSF)	116,911	122,947	(4.9%)
Design Service Fee Income (DSF)	15,878	13,216	20.1%
Gross profit	79,953	84,292	(5.1%)
GPM%	60.2%	61.9%	(1.7%p)
SG&A	54,389	58,363	(6.8%)
<b>Operating profit</b>	<b>25,564</b>	<b>25,929</b>	<b>(1.4%)</b>
OPM%	19.3%	19.0%	0.3%p
FILA Korea (excl. DSF)	9,687	12,713	(23.8%)
OPM%	8.3%	10.3%	(2.1%p)
<b>Net income</b>	<b>20,089</b>	<b>21,069</b>	<b>(4.7%)</b>

- **Revenue KRW 133bn YoY -2.5%**
  - Resulted from the impact of the sales channel adjustment for the brand equity improvement aligned with 5-year plan
  - Benefitted from the increase in Design Service Fee Income from Full Prospect
- **Gross profit KRW 80bn YoY -5.1%**
  - Resulted from the increase of raw material cost and unfavorable sales channel mix

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 22	Q1 21		
Asia	4,872	4,754	2.5%	(5.3%)
North America	1,352	1,746	(22.6%)	(28.4%)
South America	1,897	599	216.8%	192.8%
EMEA	8,240	7,444	10.7%	2.3%
Category	1,001	705	41.9%	31.2%
<b>Total (adj.)</b>	<b>17,360</b>	<b>15,247</b>	<b>13.9%</b>	<b>5.2%</b>

- **Asia USD 5mn YoY -5.3%**
  - Resulted from the slower recovery of the demand from the COVID-19 pandemic in Japan
  - Resulted from the relapse of COVID-19 in southeast asian countries
- **North America USD 1mn YoY -28.4%**
  - Resulted from the expiration of the royalty partnership contract with Kohl's
- **South America USD 2mn YoY +192.8%**
  - Resulted from the delayed Q1 21 royalty income recognition to Q2 21

(USD K)	Three months ended Mar. 31		YoY
	Q1 22	Q1 21	
<b>Revenue</b>	<b>606,087</b>	<b>580,885</b>	<b>4.3%</b>
Gross profit	316,999	310,739	2.0%
GPM%	52.3%	53.5%	(1.2%p)
<b>Operating profit</b>	<b>105,369</b>	<b>120,069</b>	<b>(12.2%)</b>
OPM%	17.4%	20.7%	(3.3%p)
<b>Net income</b>	<b>81,847</b>	<b>86,627</b>	<b>(5.5%)</b>
<b>Adj. EBITDA</b>	<b>119,998</b>	<b>135,284</b>	<b>(11.3%)</b>

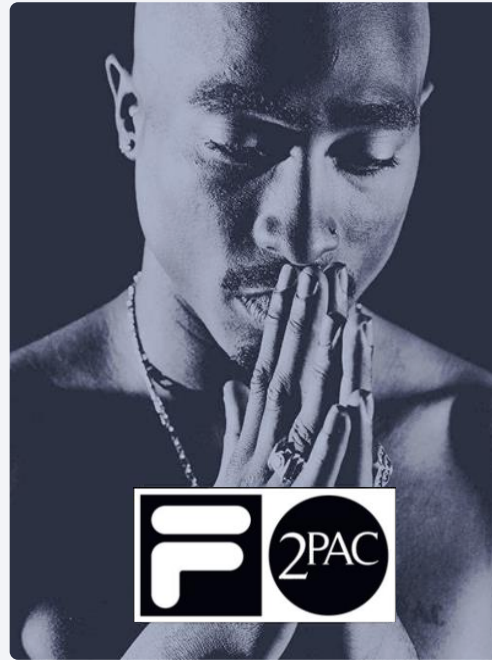
- **Revenue USD 606mn YoY +4.3%**
  - Resulted from the successful new launching of FootJoy golf wear
  - Resulted from the base effect in EMEA which had severe lockdown in prior year
- **Gross profit margin 52.3% YoY -1.2%p**
  - Resulted from the freight cost increase by global supply chain constraints
- **Operating profit USD 105mn YoY -12.2%**
  - Resulted from the cost increase to support boosted demand
- ※ **Market Consensus in Q1**
  - Revenue & Adj. EBITDA beat market consensus by 6.5%, +19.2%, respectively showing strong brand demand

## Operational Highlights



Y/PROJECT x FILA  
collaboration

[Link](#)



2PAC x FILA  
collaboration

[Link](#)

## Business Updates



Published FILA  
INTEGRATED REPORT 2021

[Kor](#)

[Eng](#)



Appointed Jiheon Jay Kim  
as the new CEO of  
FILA Korea

[Kor](#)

[Eng](#)

	Annual growth targets
<b>Consolidated revenue</b>	<b>-2% ~ +2%</b>
FILA USA	-2% ~ +1%
FILA Korea (incl. DSF)	-8% ~ -3%
FILA Korea (excl. DSF)	-10% ~ -6%
Global Royalty	+1% ~ +3%
Acushnet Holdings Corp.	+2.4% at the mid-point
<b>Consolidated operating profit</b>	<b>-2% ~ +2%</b>
FILA USA	-2% ~ +11%
FILA Korea (incl. DSF)	-10% ~ -4%
FILA Korea (excl. DSF)	-40% ~ -35%
Acushnet Holdings Corp. adj. EBITDA	+2.0% at the mid-point

- Annual growth guidance remains same as the initial estimates provided in March due to the uncertainties arisen globally including increase in freight costs and raw material expenses as well as supply chain disruption.

Note1) The guidance is provided based on Korean Won and the Korean International Financial Reporting Standards (K-IFRS) except for Acushnet Holdings Corp. based on constant currency.

Note2) Currency exchange rate of USD/KRW is 1,144.19 in 2021 (2021. 1. 1. ~ 2021. 12. 31.), and 1,165.00 in 2022 (2022. 1. 1. ~ 2022. 12. 31.).



### Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
<b>Revenue</b>	<b>988,281</b>	<b>1,019,354</b>	<b>927,065</b>	<b>859,258</b>	<b>1,073,563</b>
Cost of sales	489,740	496,927	473,900	453,141	543,622
Gross profit	498,541	522,427	453,165	406,118	529,941
Selling and administrative expenses	314,972	348,641	342,854	380,932	361,147
<b>Operating profit</b>	<b>183,569</b>	<b>173,786</b>	<b>110,311</b>	<b>25,186</b>	<b>168,794</b>
Other income	620	1,645	1,513	2,666	1,805
Other expenses	734	1,328	2,378	1,717	1,277
Financial income	11,175	7,461	6,889	(206)	7,509
Financial costs	20,616	14,926	13,713	4,961	12,285
Share of net profit of associates accounted for using the equity method	11,663	15,020	6,867	15,010	13,447
<b>Profit before income tax</b>	<b>185,677</b>	<b>181,658</b>	<b>109,488</b>	<b>35,977</b>	<b>177,993</b>
Income tax expense	51,476	45,908	33,564	44,043	54,902
<b>Profit for the year</b>	<b>134,201</b>	<b>135,750</b>	<b>75,924</b>	<b>(8,066)</b>	<b>123,092</b>
Other comprehensive income	68,050	7,480	79,818	(562)	40,779
Total comprehensive income for the year	202,251	143,229	155,743	(8,628)	163,871
<b>Profit attributable to Owners of the Controlling Company</b>	<b>84,985</b>	<b>90,448</b>	<b>53,851</b>	<b>5,947</b>	<b>76,015</b>
<b>Earnings per share (KRW)</b>	<b>1,414</b>	<b>1,505</b>	<b>896</b>	<b>99</b>	<b>1,265</b>

### Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
<b>Total assets</b>	<b>3,996,671</b>	<b>4,063,870</b>	<b>4,314,739</b>	<b>4,288,857</b>	<b>4,583,385</b>
Current assets	1,854,535	1,930,637	2,086,588	2,041,130	2,293,616
Cash and cash equivalents	467,169	593,499	726,346	699,204	608,966
Trade and other receivables	725,846	695,644	637,073	471,300	710,020
Inventories	587,721	552,331	618,172	757,797	865,434
Other current assets	73,799	89,163	104,996	112,830	109,196
Non-current assets	2,142,136	2,133,233	2,228,152	2,247,726	2,289,769
Property and equipment	414,935	411,352	419,850	418,218	425,564
Intangible assets	1,496,939	1,493,281	1,557,491	1,552,788	1,577,935
Other non-current assets	230,262	228,600	250,811	276,720	286,271
<b>Total liabilities</b>	<b>1,955,655</b>	<b>1,845,604</b>	<b>1,946,403</b>	<b>1,982,368</b>	<b>2,217,667</b>
Current liabilities	1,005,414	930,728	994,195	1,051,389	1,248,309
Trade and other payables	426,757	471,737	525,680	536,945	563,711
Borrowings	331,029	276,039	302,543	285,866	448,978
Other current liabilities	247,628	182,952	165,972	228,578	235,619
Non-current liabilities	950,241	914,876	952,208	930,979	969,358
Borrowings and bonds	516,383	414,250	425,937	421,068	423,406
Other non-current liabilities	433,858	500,626	526,271	509,911	543,953
<b>Total equity</b>	<b>2,041,016</b>	<b>2,218,266</b>	<b>2,368,337</b>	<b>2,306,489</b>	<b>2,365,718</b>

**WINNING TOGETHER**