

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

Q4 2022 Earnings Release

www.filaholdings.com

Disclaimer

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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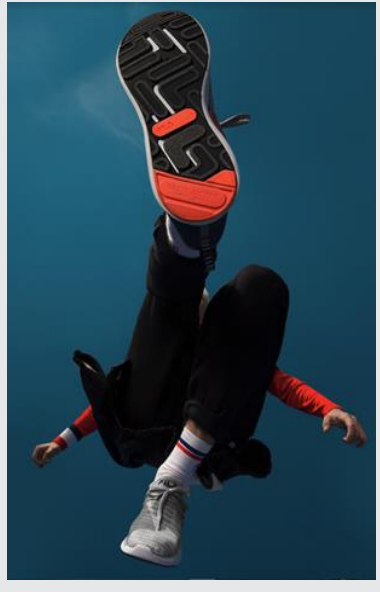



**Company
Overview**

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

“ **ITALIAN HERITAGE** ”

“ **TENNIS & OTHERS** ”

Key Brand Value

ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					

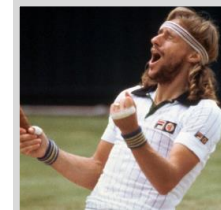


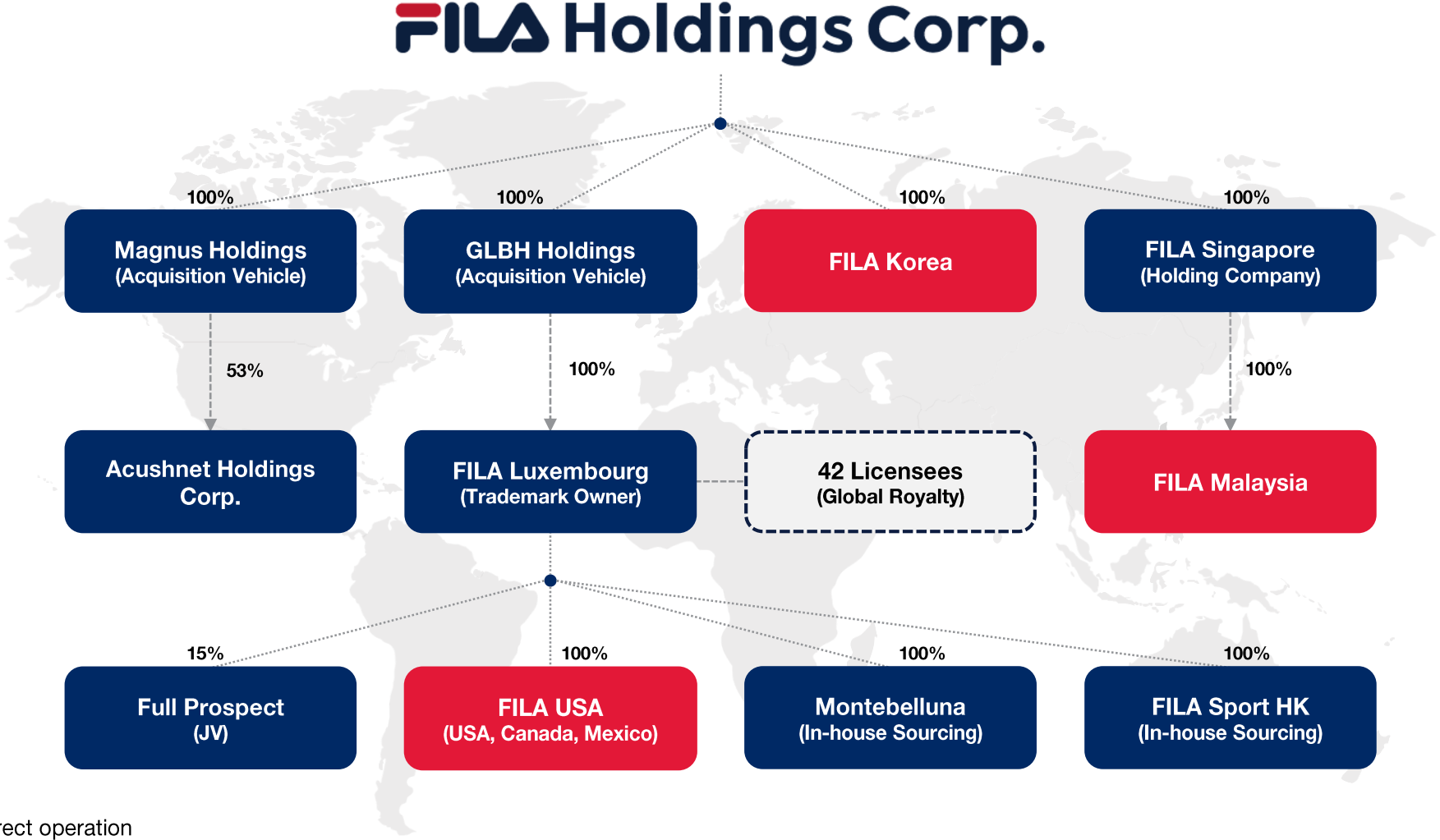


“FILA’s 111-year Heritage in the History of Sports”

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’





* This organization structure presented above is as of 31st December, 2022.

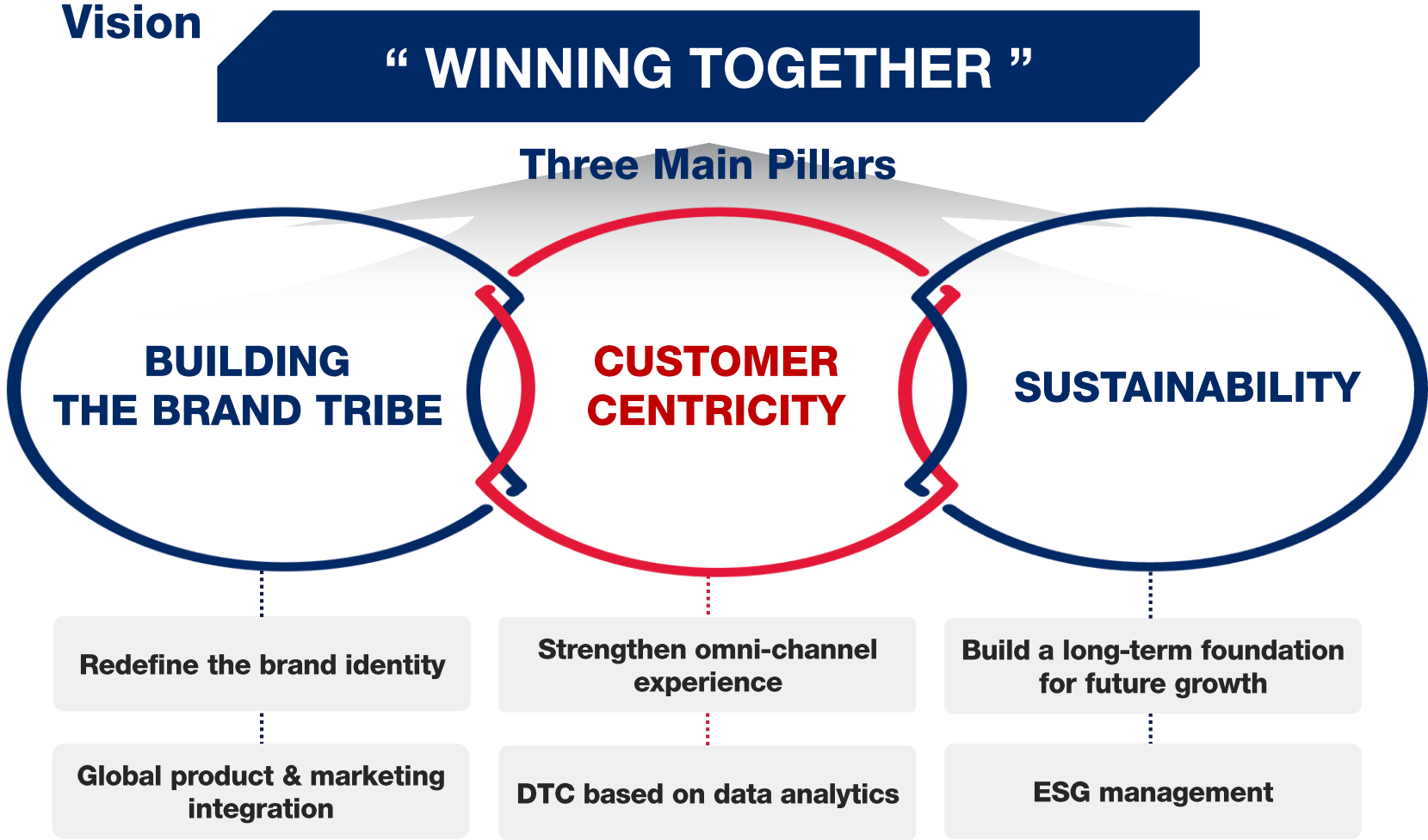
* The effective ownership stake of Acushnet Holdings Corp. presented above is as of 31st December, 2022 and ownership has updated to 52.18% as of 21st March, 2023.

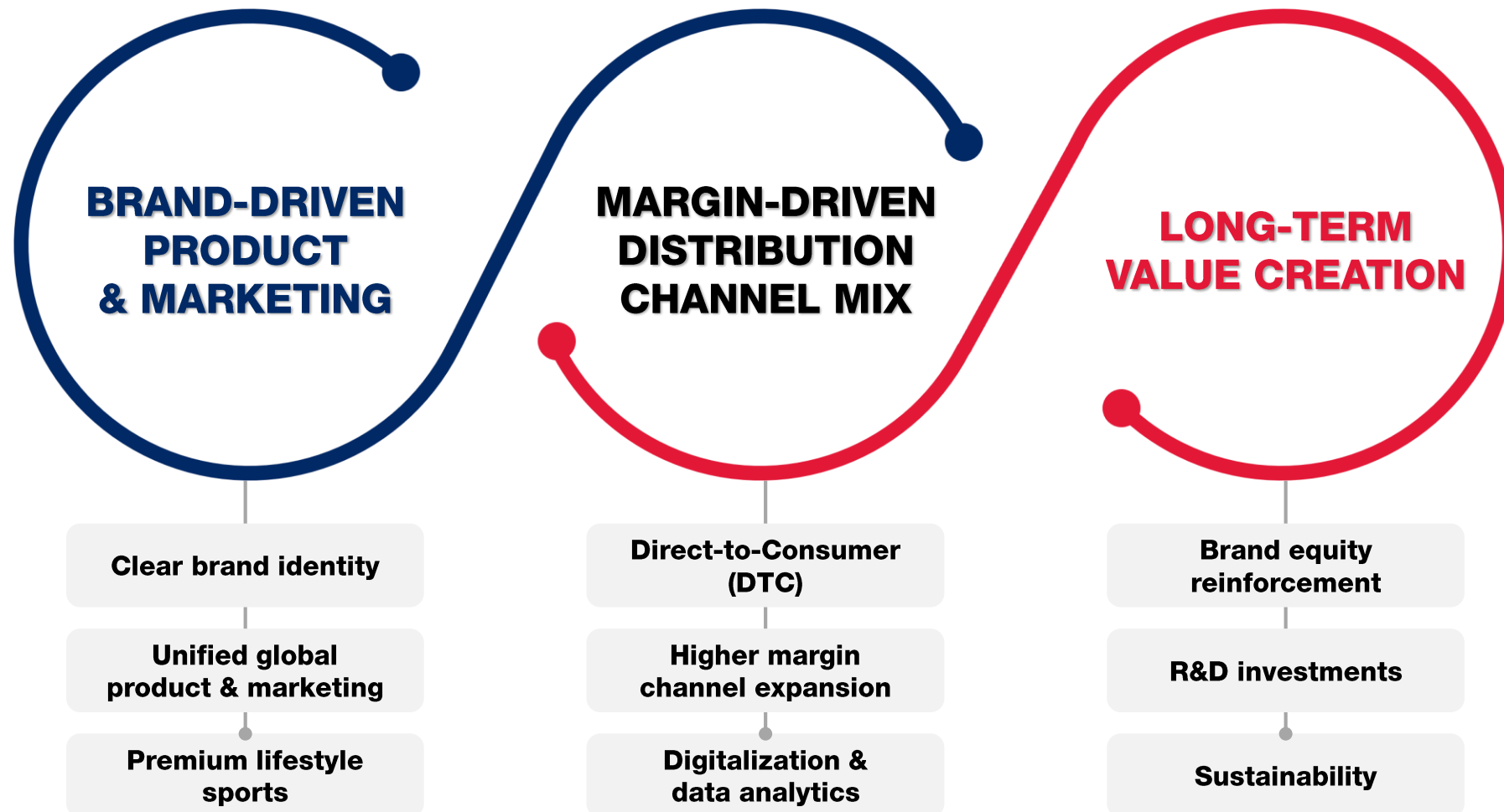




02

Brand Strategy





TENNIS



WATER SPORTS



MOTOR SPORTS



WINTER SPORTS



CORE



OUTDOOR



TRAINING

NON CORE



RUNNING



SOCCER



- **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

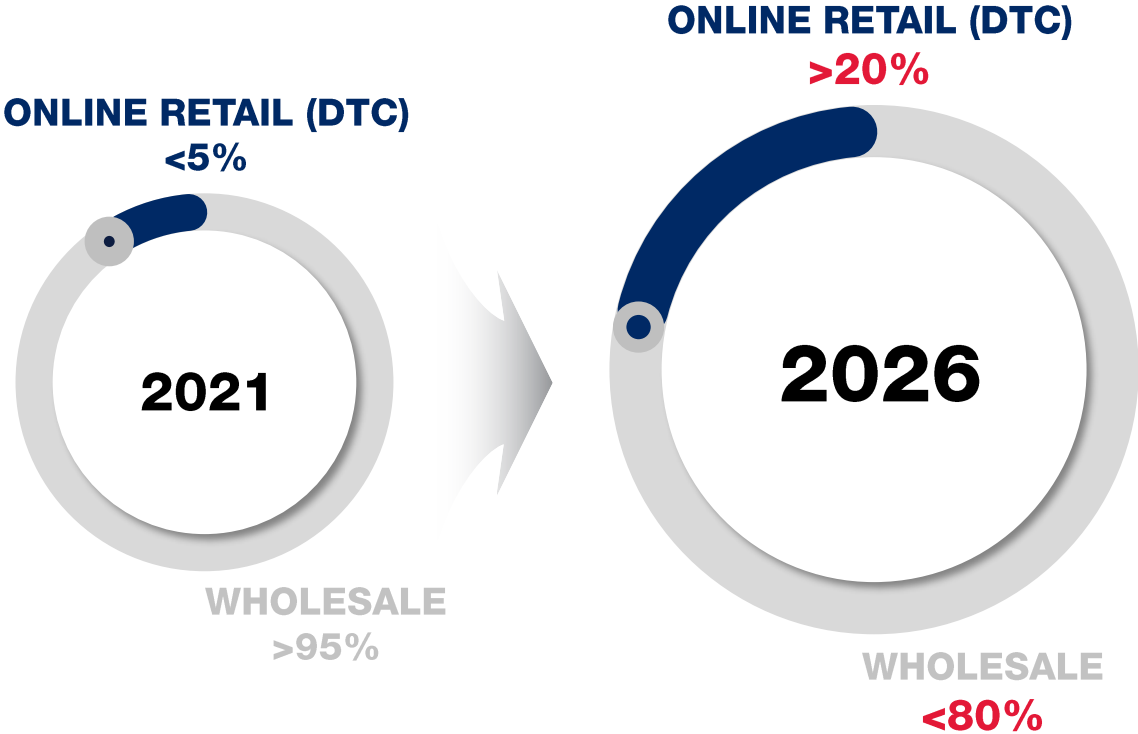
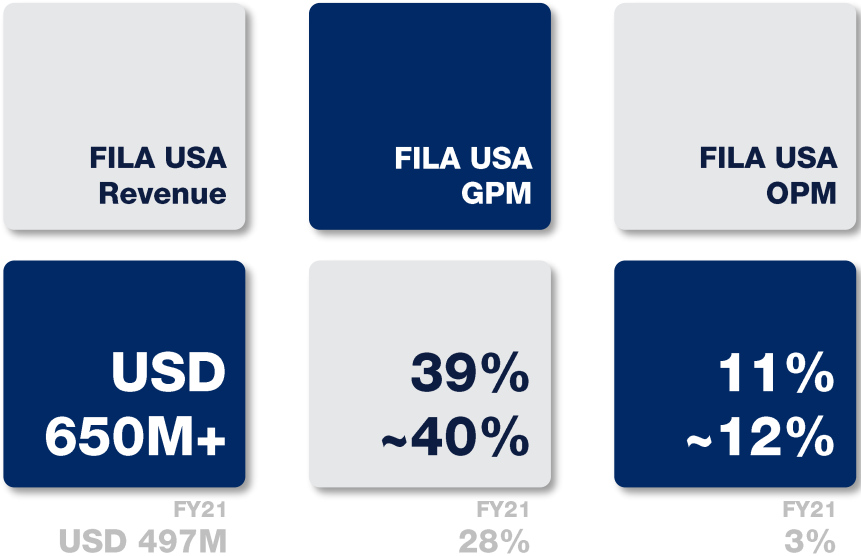
KRW 4.4T+

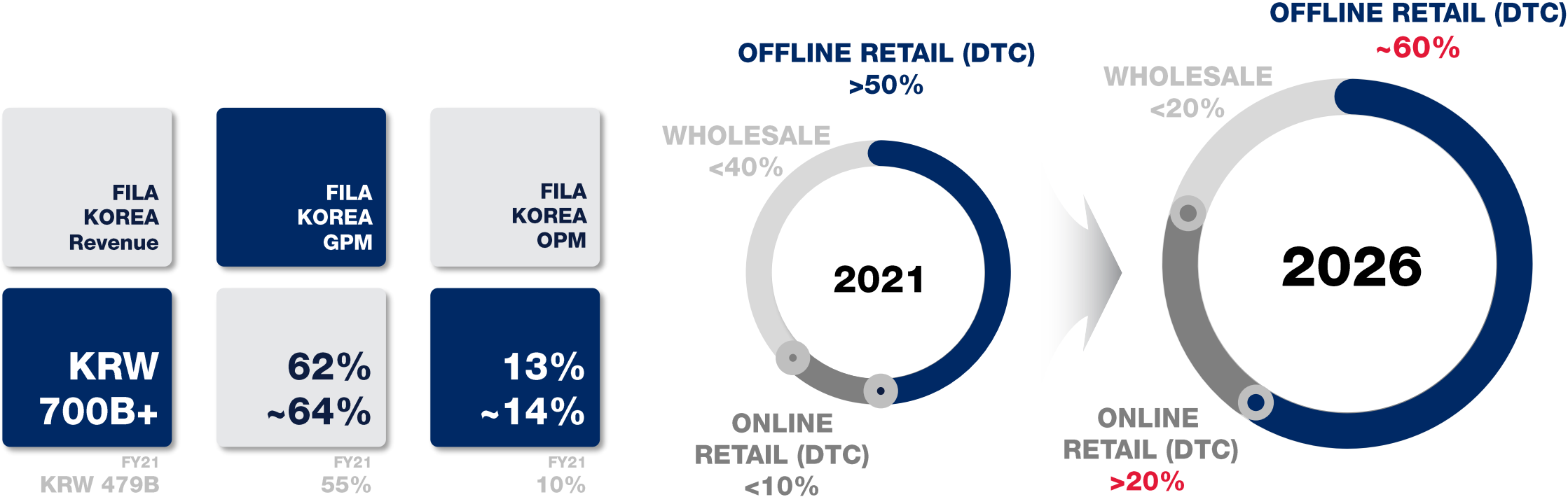
FY21
KRW 3.8T

Consolidated OPM

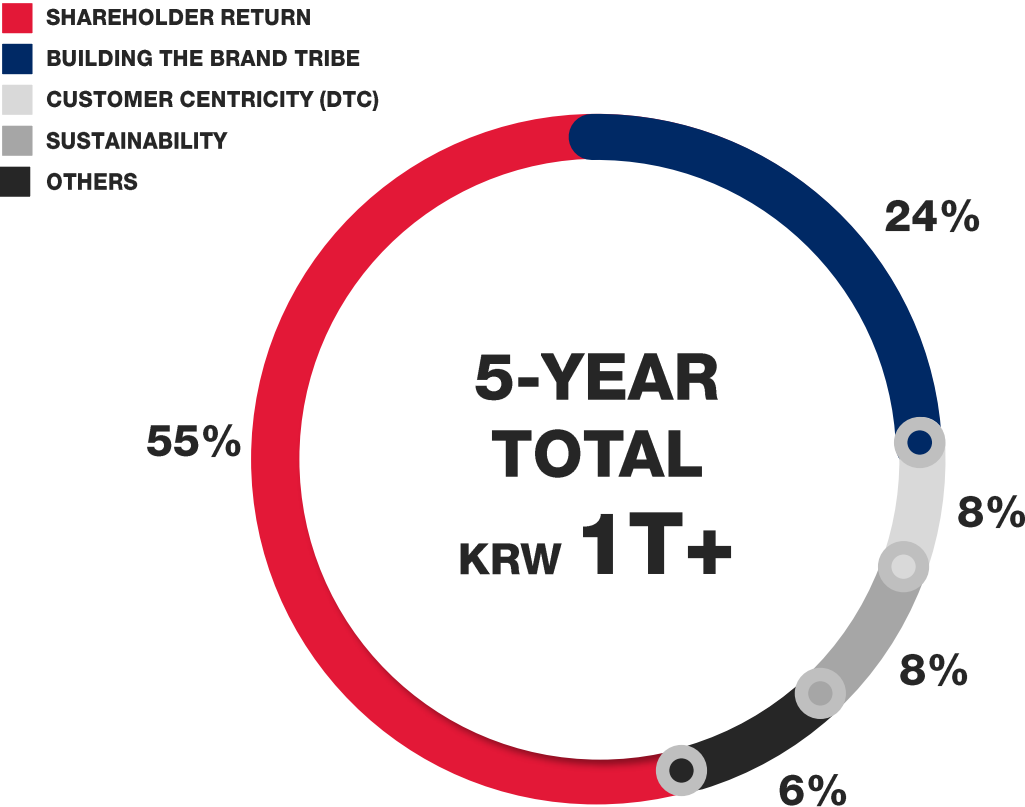
15%~16%

FY21
13%





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



5-YEAR TOTAL SHAREHOLDER RETURN UP TO KRW 600B

TOTAL SHAREHOLDER RETURN*% in 2026 UP TO 50%

	FY 2022	FY 2021
DIVIDEND PER SHARE	KRW 1,580	KRW 1,000
TOTAL DIVIDEND PAYOUT	KRW 95B	KRW 60B
PAYOUT RATIO**	27.6%	25.5%
DIVIDEND YIELD	4.6%	2.9%

* Total shareholder return divided by profit attributable to owners of the controlling company

** Calculated based on the profit attributable to owners of the controlling company

YOUR FILA IMPACT



“ Product Circularity ” “ Supply Chain Transparency ” “ Business Commitment ”
“ Climate Action ” “ Caring for People ”



	KCGS	Sustainvest	Korea ESG Research Institute	Sustaianalytics	Refinitiv
2022 ESG ratings	B+	A	S	15.3 _{/50} (LOW RISK)	72 _{/100}



03

**Earnings
Release**

Haider Ackermann X FILA at Manchester

The collaboration with FILA and Haider Ackermann was revealed at Manchester on Nov. 19th 2022.

With this collection, Ackermann expressed his own excitement and energy on FILA. The collection will be globally launched in May 2023.





NIP X FILA

New Partnership

FILA launched its new partnership with Esports legends, Ninjas in Pyjamas(NIP). With the collaboration with NIP, FILA hopes to see new avenues of interaction between esports and performance wear.

Consolidated Earnings in Q4

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Twelve months ended in Dec. 31		YoY	C/C
	Q4 22	Q4 21			FY 2022	FY 2021		
Revenue	896,740	859,258	4.4%	(7.3%)	4,221,750	3,793,959	11.3%	0.6%
FILA	276,697	354,886	(22.0%)	(26.6%)	1,288,589	1,336,318	(3.6%)	(8.7%)
Acushnet	620,043	504,372	22.9%	6.3%	2,933,161	2,457,641	19.3%	5.7%
Gross Profit	414,309	406,118	2.0%	(9.7%)	2,029,305	1,880,250	7.9%	(2.8%)
GPM%	46.2%	47.3%	(1.1%p)	(1.3%p)	48.1%	49.6%	(1.5%p)	(1.7%p)
SG&A	422,224	380,933	10.8%	(0.7%)	1,594,233	1,387,399	14.9%	3.9%
Operating profit	(7,915)	25,185	N/A	N/A	435,072	492,851	(11.7%)	(21.7%)
OPM%	(0.9%)	2.9%	N/A	N/A	10.3%	13.0%	(2.7%p)	(2.9%p)
FILA	(23,469)	46,956	N/A	N/A	85,312	201,473	(57.7%)	(65.1%)
Acushnet	15,555	(21,770)	N/A	N/A	349,761	291,377	20.0%	8.3%
Net Income	136,164	(8,066)	N/A	N/A	467,544	337,809	38.4%	24.7%

- **Revenue KRW 897bn YoY +4.4%**
 - **(FILA)** Resulted from the continued sales channel adjustment in Korea and promotional sales activities under challenging U.S. market, partially offset by strong royalty business performance
 - **(Acushnet)** Benefitted from a solid business operation especially in the U.S. region
 - Benefitted from favorable FX rate
Q4 22 Avg. FX rate (USD/KRW) 1,359.26
Q4 21 Avg. FX rate (USD/KRW) 1,183.17
- **Operating loss KRW 8bn**
 - **(FILA)** Resulted from decreased revenue and profit due to challenging market condition and increased cost in line with execution of 5-year strategy
 - **(Acushnet)** Benefitted from improved gross profit by ASP hike and cost leverage effect by effectively managing SG&A

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Twelve months ended in Dec. 31		YoY	C/C
	Q4 22	Q4 21			FY 2022	FY 2021		
Revenue	88,195	140,117	(37.1%)	(46.6%)	463,743	568,621	(18.4%)	(27.8%)
Gross Profit	6,897	37,488	(81.6%)	(87.0%)	96,195	157,739	(39.0%)	(46.0%)
GPM%	7.8%	26.8%	(19.0%p)	(20.2%p)	20.7%	27.7%	(7.0%p)	(7.0%p)
SG&A	44,181	39,099	13.0%	(1.7%)	162,391	142,450	14.0%	1.0%
Operating profit	(37,284)	(1,612)	N/A	N/A	(66,196)	15,288	N/A	N/A
OPM%	(42.3%)	(1.2%)	N/A	N/A	(14.3%)	2.7%	N/A	N/A
Net Income	(58,317)	(1,012)	N/A	N/A	(80,175)	10,358	N/A	N/A

- **Revenue KRW 88bn YoY -37.1%**
 - Resulted from relatively stronger headwinds due to weaker pricing power in the U.S. caused by excessive inventory situation in the overall U.S. market and harsher discounts from competitors
- **Gross profit KRW 7bn YoY -81.6%**
 - Resulted from the higher promotional activities triggered by excessive inventory situation in the overall U.S. market
 - Impacted by storage cost burden due to delayed shipment caused by supply chain constraints
- **Operating loss KRW 37bn**
 - Resulted from the decreased revenue and gross profit
 - Reflected one-off severance package payment from restructuring

(KRW mn)	Three months ended in Dec. 31		YoY	Twelve months ended in Dec. 31		YoY
	Q4 22	Q4 21		FY 2022	FY 2021	
Revenue	118,842	152,699	(22.2%)	496,315	538,991	(7.9%)
FILA Korea (excl. DSF)	99,110	132,321	(25.1%)	429,512	479,346	(10.4%)
Design Service Fee Income (DSF)	19,732	20,379	(3.2%)	66,803	59,646	12.0%
Gross Profit	63,979	89,001	(28.1%)	282,194	324,719	(13.1%)
GPM%	53.8%	58.3%	(4.4%p)	56.9%	60.2%	(3.3%p)
SG&A	49,147	56,290	(12.7%)	195,925	218,607	(10.4%)
Operating profit	14,832	32,711	(54.7%)	86,269	106,111	(18.7%)
OPM%	12.5%	21.4%	(8.9%p)	17.4%	19.7%	(2.3%p)
FILA Korea (excl. DSF)	(4,900)	12,332	N/A	19,466	46,466	(58.1%)
OPM%	(4.9%)	9.3%	N/A	4.5%	9.7%	(5.2%p)
Net Income	10,639	21,762	(51.1%)	64,736	76,995	(15.9%)

- **Revenue KRW 119bn YoY -22.2%**
 - Resulted from the continued efforts to sales channel adjustment which led to a revenue decline especially from online W/S channels
- **Gross profit 64bn YoY -28.1%**
 - Resulted from the accelerated promotional sales activities due to sales channel adjustment
 - Resulted from aged inventory write off
- **Operating profit KRW 15bn YoY -54.7%**
 - Resulted from the lower gross margin and fixed cost leverage effect triggered by decreased revenue and gross profit

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Twelve months ended in Dec. 31		YoY	C/C
	Q4 22	Q4 21			FY 2022	FY 2021		
Asia	6,071	5,554	9.3%	(5.2%)	21,202	17,477	21.3%	7.4%
North America	1,390	1,837	(24.3%)	(34.2%)	5,919	8,307	(28.7%)	(36.9%)
South America	2,580	1,413	82.6%	58.5%	10,380	5,639	84.1%	63.0%
EMEA	10,071	7,980	26.2%	9.9%	38,617	31,732	21.7%	7.8%
Category	697	616	13.1%	(2.1%)	3,277	2,961	10.6%	(2.0%)
Total (adj.)	20,810	17,400	19.6%	4.0%	79,395	66,115	20.1%	6.4%

- **Asia KRW 6.1bn YoY +9.3%**
 - Benefitted from the sales recovery after COVID-19 and strong U.S. currency effect
 - C/C decrease was driven by the depreciation of Japanese Yen
- **North America KRW 1.4bn YoY -24.3%**
 - Resulted from weakened consumption caused by high inflation in the U.S.
- **South America KRW 2.6bn YoY +82.6%**
 - Benefitted from the strong demand primarily on premium performance category (i.e. Running) with higher ASPs
 - Benefitted from strong U.S. currency effect
- **EMEA KRW 10.1bn YoY +26.2%**
 - Benefitted from the licensees' steady business operation growth after COVID-19

(USD K)	Three months ended in Dec. 31		YoY	Twelve months ended in Dec. 31		YoY
	Q4 22	Q4 21		FY 2022	FY 2021	
Revenue	447,404	420,566	6.4%	2,270,336	2,147,930	5.7%
Gross Profit	223,363	204,435	9.4%	1,179,233	1,118,437	5.4%
GPM%	50.0%	48.6%	1.4%p	51.9%	52.1%	(0.2%p)
Operating Profit	11,607	(21,923)	N/A	281,533	259,812	8.4%
OPM%	2.6%	(5.2%)	N/A	12.4%	12.1%	0.3%p
Net Income	1,674	(24,832)	N/A	205,084	184,240	11.3%
Adj. EBITDA	25,412	(4,965)	N/A	338,408	328,337	3.1%

- **Revenue USD 447mn YoY +6.4%**
 - Recorded sales growth across all reportable segments on a constant currency basis, primarily driven by the strong performance in the U.S.
- **Gross profit USD 223mn YoY +9.4%**
 - Resulted from higher sales volume and ASP of golf balls and golf gears and lower inbound freight cost as supply chain constraints soothed
- **Operating profit USD 12mn**
 - Resulted from improved gross profit and successful expense management

Annual Growth Targets in Korean Won	
Consolidated revenue	-5% ~ +5%
FILA USA	-25% ~ -20%
FILA Korea (incl. DSF)	-5% ~ +5%
FILA Korea (excl. DSF)	-5% ~ +5%
Global Royalty	-10% ~ +0%
Acushnet Holdings Corp.*	+3.5% at the mid-point
Consolidated operating profit	-20% ~ -10%
FILA USA	Operating loss 90B ~ 80B
FILA Korea (incl. DSF)	-5% ~ +5%
FILA Korea (excl. DSF)	+10% ~ +20%
Acushnet Holdings Corp. adj. EBITDA*	+4.9% at the mid-point

- FILA USA will focus on inventory clearance and cost restructuring in 2023 to build a concrete business structure foundation to achieve FILA's 5-year strategic plan.
- FILA Korea expects to materialize 'FILA 5-year strategic plan' in 2023. It aims long-term brand equity turnaround and profitability improvement via sales channel mix adjustment in line with the 5-year strategic plan.
- Global marketing expenses will increase as major initiatives for global marketing have launched from Q4 2022.
- F/X rate (USD/KRW) assumption
 - FY23(F) 1,250.00 YoY **-3.2%**
 - FY22(A) 1,291.95

* Acushnet Holdings Corp.'s annual growth target is based on US Dollar.

Recent Updates in Q1 2023

Kwon won Adelaide, makes history for Korean Tennis

Soonwoo Kwon, Korean tennis player sponsored by FILA, won his second ATP Tour title at Adelaide International 2. By winning this title, **he became the first Korean to win multiple ATP tour titles.** FILA will continue its support on Kwon to prolong and expand its dedication to tennis.

Recent Updates in Q1 2023

FILA celebrates its tennis heritage at BNP Paribas Open

FILA celebrates its **50-years heritage on tennis** at **2023 BNP Paribas Open**, as the Official Apparel and Footwear Supplier.

Since 1973, FILA has continued its commitment to the empowerment of tennis.

Debuting the new 'Tie Breaker Collection', BNP Paribas Open will be the great opportunity for FILA to promote its inspiration on tennis.

Recent Updates in Q1 2023

FILA teamed up with Red Bull Half Court

FILA announces its **official partnership** with Red Bull Half Court, the world's foremost 3x3 basketball competition. For the next three years, FILA will serve as the Official Global Apparel and Footwear Partner of the event. FILA expects it will **strengthen the brands' presence in street culture** via Red Bull Half Court.

Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Revenue	859,258	1,073,563	1,171,903	1,079,544	896,740
Cost of sales	453,141	543,622	606,586	559,806	482,431
Gross profit	406,118	529,941	565,318	519,738	414,309
Selling and administrative expenses	380,932	361,147	412,928	397,934	422,224
Operating profit	25,186	168,794	152,390	121,804	(7,915)
Other income	2,666	1,805	1,998	6,101	3,148
Other expenses	1,717	1,277	2,517	3,444	1,108
Financial income	(206)	7,509	11,278	17,269	17,846
Financial costs	4,961	12,285	25,958	34,346	13,556
Share of net profit of associates accounted for using the equity method	15,010	13,447	11,304	10,127	10,723
Profit before income tax	35,977	177,993	148,495	117,510	9,138
Income tax expense	44,043	54,902	34,054	23,664	(127,026)
Net profit	(8,066)	123,092	114,442	93,846	136,164
Other comprehensive income	(562)	40,779	119,360	195,690	(230,937)
Total comprehensive income for the year	(8,628)	163,871	233,801	289,536	(94,774)
Profit attributable to Owners of the Controlling Company	5,947	76,015	74,155	59,264	134,295
Earnings per share (KRW)	99	1,265	1,234	986	2,235

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Total assets	4,288,857	4,583,385	4,844,130	5,305,758	4,821,801
Current assets	2,041,130	2,293,616	2,415,891	2,628,761	2,293,320
Cash and cash equivalents	699,204	608,966	564,369	559,408	407,411
Trade and other receivables	471,300	710,020	767,535	712,578	480,836
Inventories	757,797	865,434	976,669	1,221,473	1,290,517
Other current assets	112,830	109,196	107,318	135,302	114,557
Non-current assets	2,247,726	2,289,769	2,428,239	2,676,996	2,528,481
Property and equipment	418,218	425,564	453,387	505,505	499,819
Intangible assets	1,552,788	1,577,935	1,666,453	1,828,466	1,740,938
Other non-current assets	276,720	286,271	308,399	343,025	287,725
Total liabilities	1,982,368	2,217,667	2,306,193	2,522,132	2,247,238
Current liabilities	1,051,389	1,248,309	1,244,532	1,175,626	1,092,678
Trade and other payables	536,945	563,711	601,063	621,106	529,205
Borrowings	285,866	448,978	428,868	348,380	377,004
Other current liabilities	228,578	235,619	214,601	206,140	186,469
Non-current liabilities	930,979	969,358	1,061,662	1,346,506	1,154,560
Borrowings and bonds	421,068	423,406	471,869	681,853	766,904
Other non-current liabilities	509,911	543,953	589,793	664,653	387,657
Total equity	2,306,489	2,365,718	2,537,937	2,783,626	2,574,563

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