

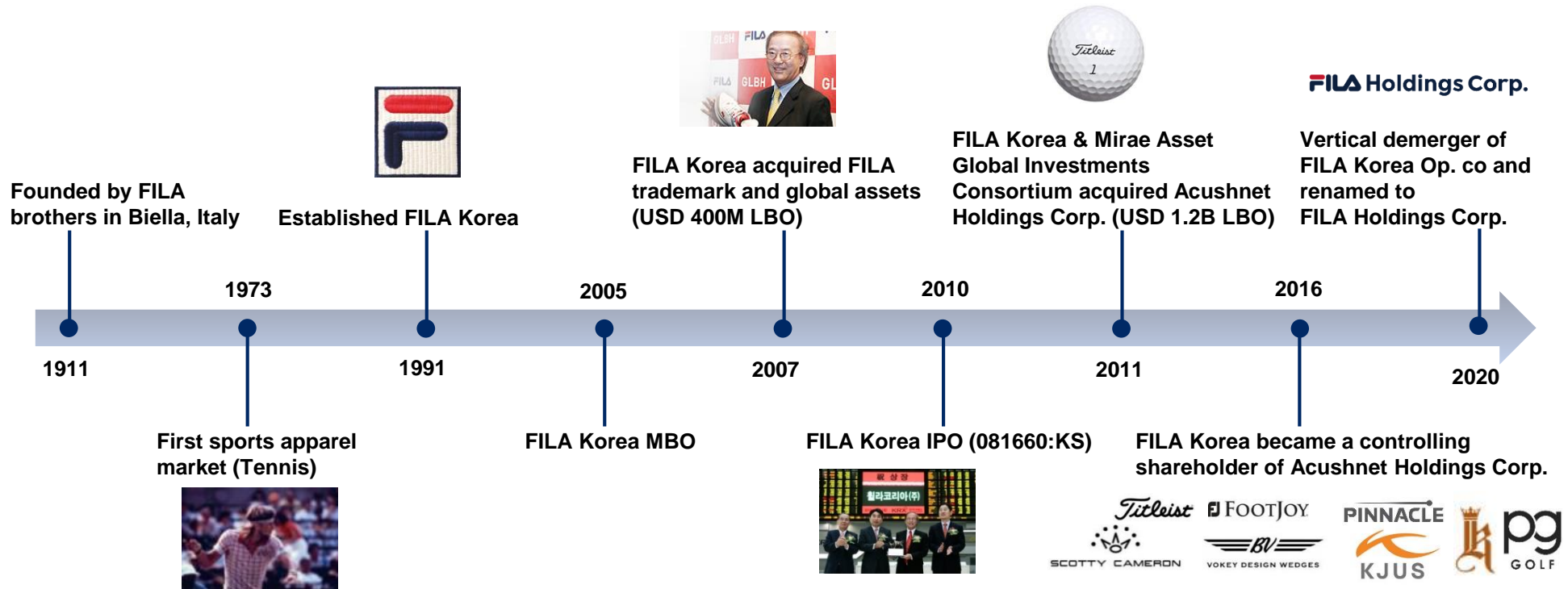


FY 2020 Earnings Result
Mar.19th 2021

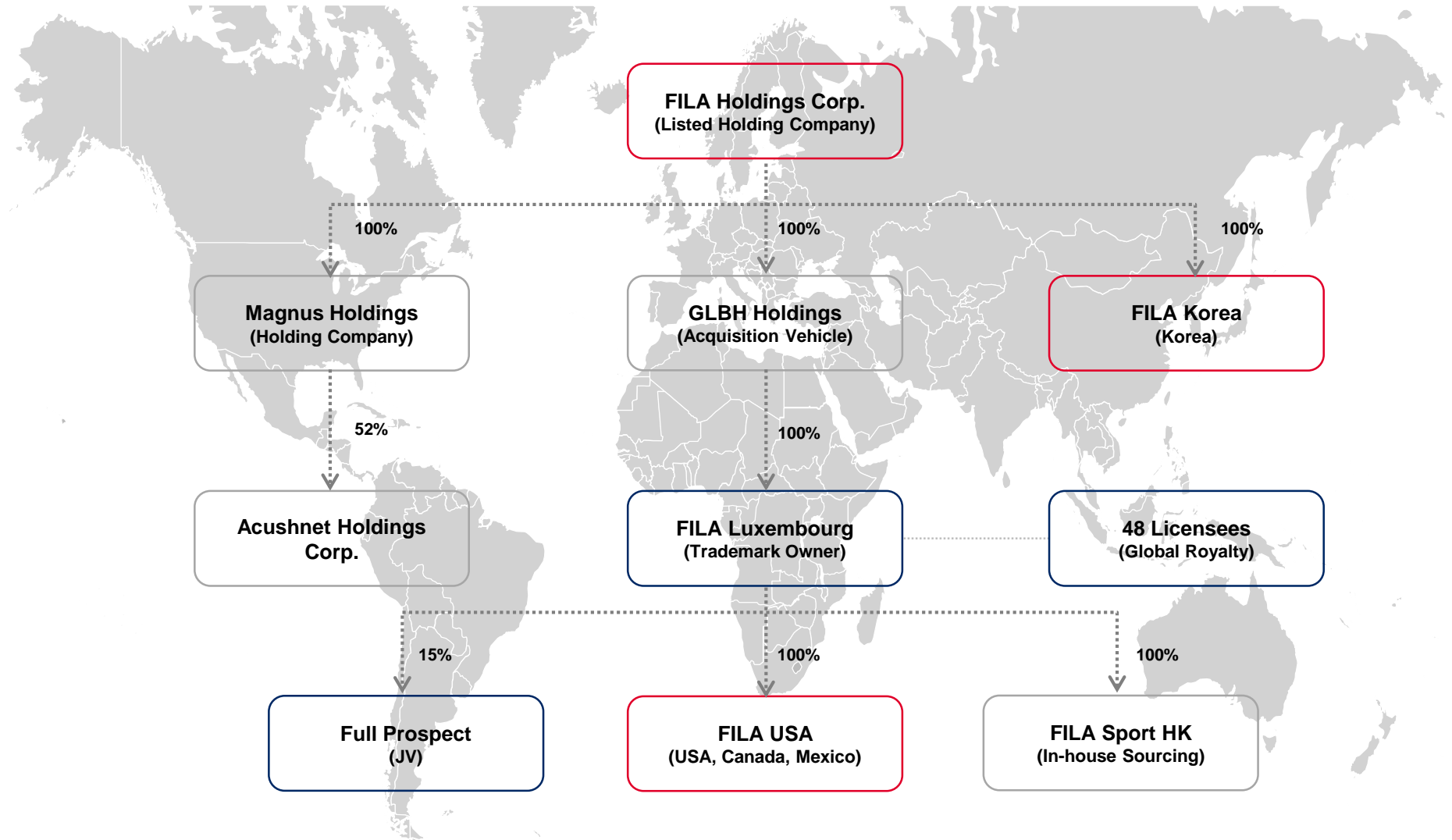
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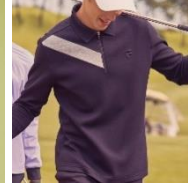
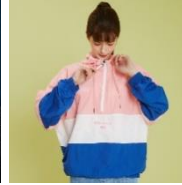
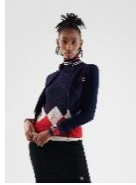
“Leading Authentic Sports Brand Inspired by
the Style, Elegance and Passion of our Italian Heritage”



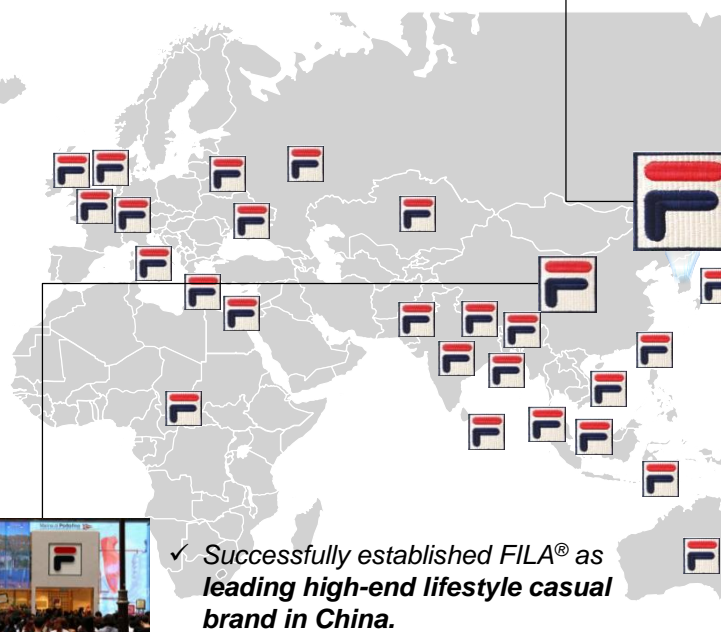
Group Structure



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 (Ash Barty, Timea Babos, Reilly Opelka, 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.**
- ✓ **Successfully launched Licensee business incl. Keds, Zoo York, Starter, Creative Recreation.**



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

■ Total 48 licensees

FILA Group Business Overview

Direct

FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **509** (as of FY 2020) vs. **535** (as of FY 2019)
- 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

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- Total **48 licensees** in Asia, North America, South America and EMEA
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Full Prospect

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

Acushnet Holdings Corp.

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- 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**

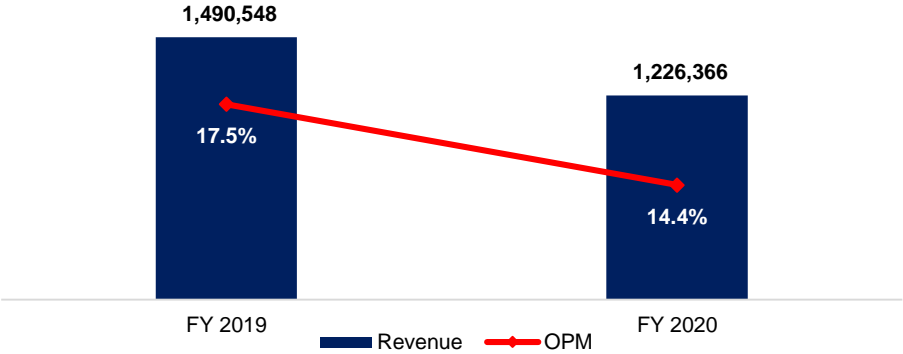
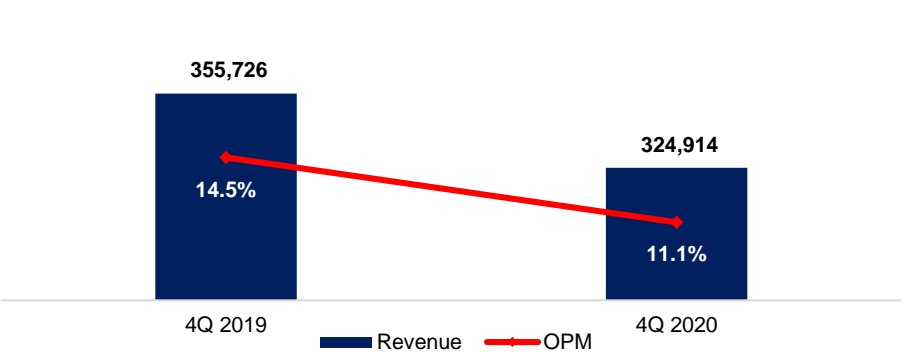
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[Unit: KRW mn]										
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Gross Profit	367,385	394,616	7.4%	390,049	(1.2%)	1,467,537	1,729,707	17.9%	1,544,641	(10.7%)
<i>G.P. %</i>	<i>48.2%</i>	<i>50.0%</i>	<i>1.8%p</i>	<i>49.0%</i>	<i>(1.0%)p</i>	<i>49.7%</i>	<i>50.1%</i>	<i>0.4%p</i>	<i>49.4%</i>	<i>(0.7%)p</i>
O. Profit	82,603	85,074	3.0%	68,072	(20.0%)	357,102	470,676	31.8%	341,078	(27.5%)
<i>O.P. %</i>	<i>10.8%</i>	<i>10.8%</i>	<i>-</i>	<i>8.5%</i>	<i>(2.3%)p</i>	<i>12.1%</i>	<i>13.6%</i>	<i>1.5%p</i>	<i>10.9%</i>	<i>(2.7%)p</i>
Net Profit	3,873	51,512	1,230.0%	17,604	(65.8%)	210,050	338,144	61.0%	197,739	(41.5%)

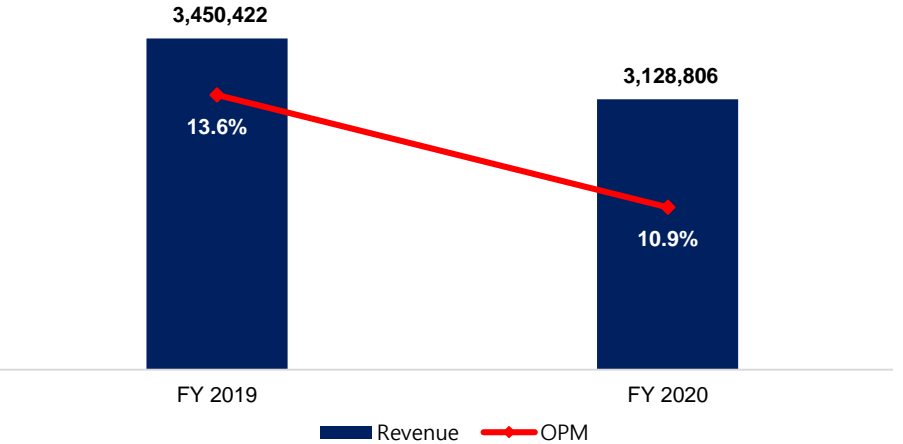
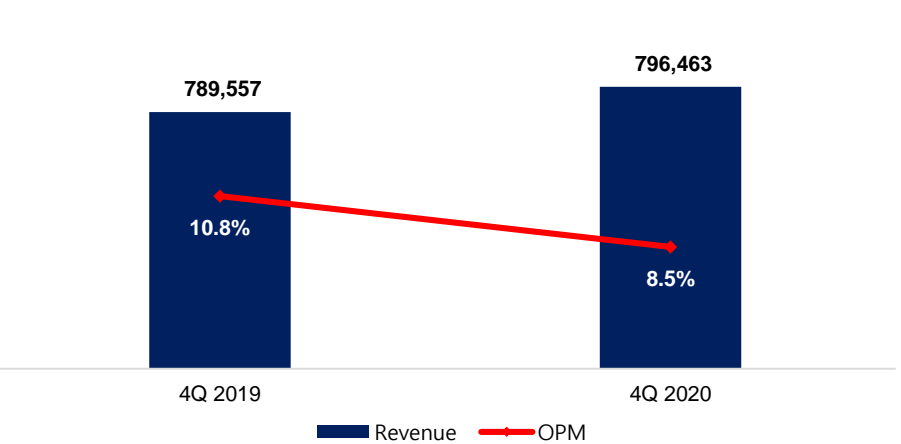
Consolidated Financial Summary (4Q 2020 & FY 2020)

FILA Group (Without Acushnet)

(Unit: KRW mn)



FILA Consolidated Financial (With Acushnet)



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FILA Korea Domestic Financial Summary

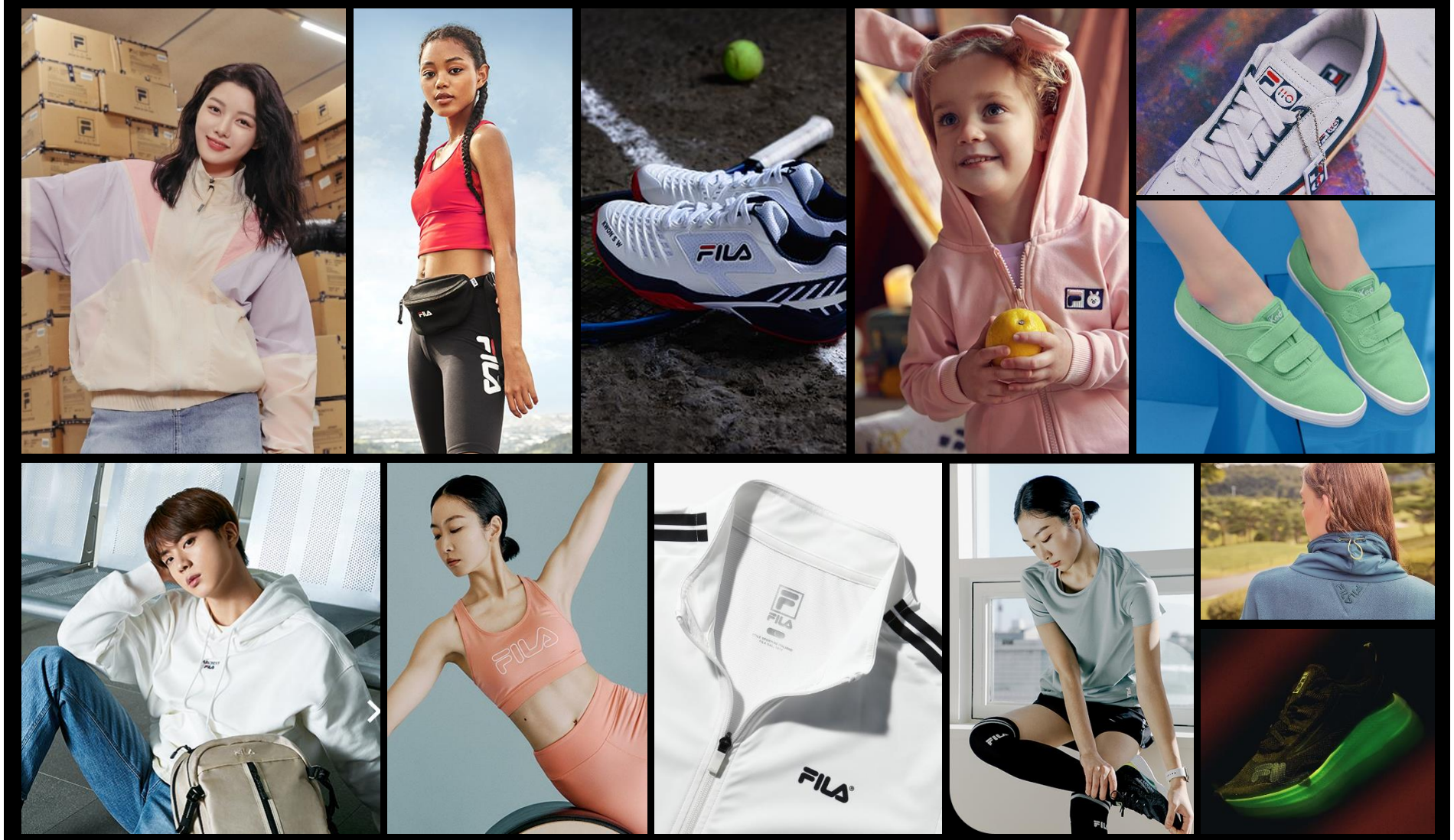
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	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
[Unit: KRW mn]										
Revenue	132,222	162,594	23.0%	136,176	(16.2%)	499,913	612,236	22.5%	528,848	(13.6%)
Gross Profit	79,728	107,093	34.3%	82,552	(22.9%)	297,369	385,365	29.6%	320,903	(16.7%)
G.P. %	60.3%	65.9%	5.6%p	60.6%	(5.3%)p	59.5%	62.9%	3.5%p	60.7%	(2.2%)p
O. Profit	14,764	30,474	106.4%	22,307	(26.8%)	56,454	112,224	98.8%	94,284	(16.0%)
O.P. %	11.2%	18.7%	7.6%p	16.4%	(2.3%)p	11.3%	18.3%	7.0%p	17.8%	(0.5%)p
Net Profit	11,331	31,867	181.2%	17,294	(45.7%)	59,872	108,121	80.6%	70,417	(34.9%)

* 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				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
[Unit: USD K]										
Design Service Fee Income	7,325	11,470	56.6%	15,101	31.7%	21,248	33,150	56.0%	39,800	20.1%

Product Portfolio in Korea



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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]	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Revenue	169,604	107,978	(36.3%)	135,221	25.2%	452,547	536,589	18.6%	432,162	(19.5%)
Gross Profit	56,022	27,997	(50.0%)	33,832	20.8%	145,198	169,677	16.9%	122,656	(27.7%)
G.P. %	33.0%	25.9%	(7.1%)p	25.0%	(0.9%)p	32.1%	31.6%	(0.5%)p	28.4%	(3.2%)p
O. Profit	17,054	(582)	N/A	(2,097)	N/A	34,085	32,310	(5.2%)	8,350	(74.2%)
O.P. %	10.1%	(0.5%)	N/A	(1.6%)	N/A	7.5%	6.0%	(1.5%)p	1.9%	(4.1%)p
Net Profit	11,836	(944)	N/A	(1,807)	N/A	23,262	21,368	(8.1%)	3,662	(82.9%)

Product Portfolio in USA



FILA Group Business Overview

Direct

FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **509** (as of FY 2020) vs. **535** (as of FY 2019)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

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- **North America** (U.S.A., Canada, Mexico)
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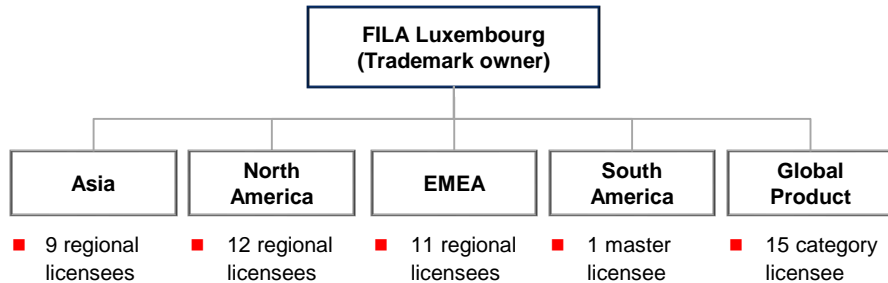
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle, Links & Kings, PG Golf, KJUS**

FILA Global Royalty Summary

	3 months (Oct. - Dec.) ended					12 months (Jan. - Dec.) ended				
[Unit: USD K]	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Asia	3,692	4,849	31.3%	4,735	(2.4%)	14,228	17,903	25.8%	15,337	(14.3%)
North America	2,063	2,730	32.3%	2,382	(12.7%)	7,342	7,982	8.7%	6,034	(24.4%)
South America	813	1,931	137.5%	1,190	(38.4%)	2,941	4,781	62.6%	3,547	(25.8%)
EMEA	8,488	8,887	4.7%	7,447	(16.2%)	26,751	39,186	46.5%	29,445	(24.9%)
Category	284	467	64.7%	510	9.2%	1,616	1,881	16.4%	1,909	1.5%
Total (Int_Adj)	15,432	18,951	22.8%	16,266	(14.2%)	53,241	72,137	35.5%	56,377	(21.8%)

Global License Business

Global License Structure (48 licensees)



General License Conditions

- Licensing contract period is 5 ~10 years
- 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 2020	YE 2019	YE 2018
Assets	3,758,441	3,770,249	3,304,340
Current Assets	1,686,064	1,586,810	1,337,878
Cash and cash equivalents	470,648	232,032	149,001
Trade and other receivables	518,469	521,047	473,864
Inventories	615,552	735,481	632,237
Other current assets	81,395	98,250	82,776
Non-current Assets	2,072,377	2,183,439	1,966,462
Property and equipment	405,236	439,052	310,716
Intangible assets	1,450,747	1,547,923	1,491,948
Other non-current assets	216,394	196,464	163,797
Liabilities	1,901,113	1,969,306	1,797,846
Current Liabilities	995,460	867,356	672,316
Trade and other payables	407,881	413,004	405,997
Borrowings	355,990	236,394	174,426
Bonds	-	63,568	-
Other current liabilities	231,589	154,389	91,893
Non-current Liabilities	905,654	1,101,950	1,125,530
Borrowings	507,117	611,690	746,950
Bonds	-	-	61,175
Other non-current liabilities	398,537	490,259	317,405
Total Equity	1,857,328	1,800,944	1,506,494

Appendix – Financial Summary

I. FILA Korea

(unit: KRWmn)

	3 months (Oct. - Dec.) ended					12 months (Jan. - Dec.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Revenue	132,222	162,594	23.0%	136,176	(16.2%)	499,913	612,236	22.5%	528,848	(13.6%)
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G.P. %	60.3%	65.9%	5.6%p	60.6%	(5.3%)p	59.5%	62.9%	3.5%p	60.7%	(2.2%)p
O.Profit	14,764	30,474	106.4%	22,307	(26.8%)	56,454	112,224	98.8%	94,284	(16.0%)
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Net Profit	11,331	31,867	181.2%	17,294	(45.7%)	59,872	108,121	80.6%	70,417	(34.9%)

I-a. Full Prospect Design Service Fee Income

(unit: USD'000)

	3 months (Oct. - Dec.) ended					12 months (Jan. - Dec.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Design Service Fee	7,325	11,470	56.6%	15,101	31.7%	21,248	33,150	56.0%	39,800	20.1%

- ◆ 4Q Revenue (approx. -KRW 26.4bn)
 - Resulted from decrease in revenue due to COVID-19 outbreak
 - Partially offset by increase in Design Service Fee Income from Full Prospect
- ◆ 4Q Gross Profit (approx. -KRW 24.5bn)
 - Resulted from decrease in revenue and increased promotional activities
 - Resulted from aged inventory write off(approx. KRW 5.8bn)
- ◆ 4Q Net Profit (approx. -KRW 14.6bn)
 - Resulted from decrease in revenue due to COVID-19 outbreak

Appendix – Financial Summary

II. FILA USA Consolidated

(unit: USD'000)

	3 months (Oct. - Dec.) ended					12 months (Jan. - Dec.) ended				
	2018	2019	Variance(%)	2020	Variance(%)	2018	2019	Variance(%)	2020	Variance(%)
Revenue	169,604	107,978	(36.3%)	135,221	25.2%	452,547	536,589	18.6%	432,162	(19.5%)
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O.P. %	10.1%	(0.5%)	N/A	(1.6%)	N/A	7.5%	6.0%	(1.5%)p	1.9%	(4.1%)p
Net Profit	11,836	(944)	N/A	(1,807)	N/A	23,262	21,368	(8.1%)	3,662	(82.9%)

◆ 4Q Revenue (approx. +USD 27.2M)

- Resulted from increase of Non-core business, partially offset by decrease in core business due to COVID-19 outbreak
- Revenue Increase from e-commerce : revenue contribution of e-commerce reached to low to mid single digit from the total

◆ 4Q Gross Profit (approx. +USD 5.8M)

- Resulted from increase of revenue
- Gross margin was decreased from increased sales mix of lower-ASP channe

◆ 4Q Operating Profit (approx. -USD 1.5M)

- Resulted from increase of SG&A

III. Global Royalty

(unit: USD'000)

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South America	813	1,931	137.5%	1,190	(38.4%)	2,941	4,781	62.6%	3,547	(25.8%)
EMEA	8,488	8,887	4.7%	7,447	(16.2%)	26,751	39,186	46.5%	29,445	(24.9%)
Category	284	467	64.7%	510	9.2%	1,616	1,881	16.4%	1,909	1.5%
Total(Int_Adj)	15,432	18,951	22.8%	16,266	(14.2%)	53,241	72,137	35.5%	56,377	(21.8%)

◆ 4Q All Regions (approx. -USD 2.7M)

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

◆ 4Q South America (approx. -USD 0.7M)

- Resulted from high based revenue in 4Q'19 due to delayed sales recognition from 3Q'19

Appendix – Financial Summary

IV. Consolidated Financial

(unit:KRWmn)

	3 months (Oct. - Dec.) ended					12 months (Jan. - Dec.) ended				
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Net Profit	3,873	51,512	1,230.0%	17,604	(65.8%)	210,050	338,144	61.0%	197,739	(41.5%)

◆ 4Q Revenue (approx. +KRW 6.9bn)

- Resulted from revenue decrease from FILA Group (approx. -KRW 30.8bn)
- Resulted from revenue increase from Acushnet Holdings Corp. (approx. + KRW 37.7bn)

◆ 4Q Operating Profit (approx. -KRW 17.0bn)

- Resulted from operating profit decrease from FILA Group (approx. -KRW 15.5bn)
- Resulted from operating profit decrease from Acushnet Holdings Corp. (approx. -KRW 1.5bn)

◆ 4Q Net Profit (approx. -KRW 33.9bn)

- Resulted from net profit decrease from FILA Group (approx. -KRW 42.7bn)
 - : Including tax expense recognition resulted from tax audit by National Tax Service for the period FY2015 ~ FY2019(approx. -KRW 26.0bn)
- Resulted from net profit increase from Acushnet Holdings Corp. (approx. +KRW 16.1bn)

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