

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**

**Q2 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**



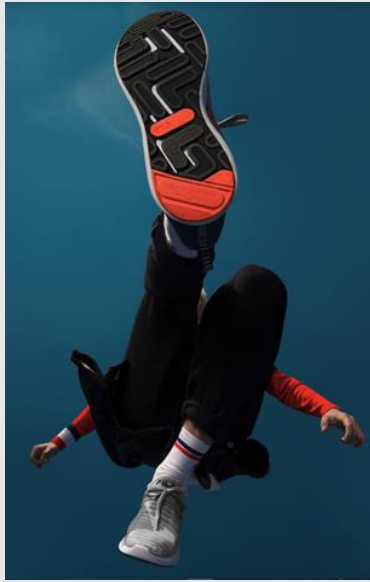





**FILA** is a ‘ **PREMIUM LIFESTYLE SPORTS BRAND** ’

**“ ITALIAN HERITAGE ”**

**“ TENNIS & OTHERS ”**

Key Brand Value

ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					



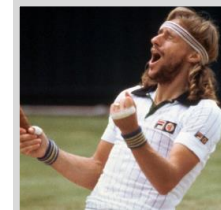


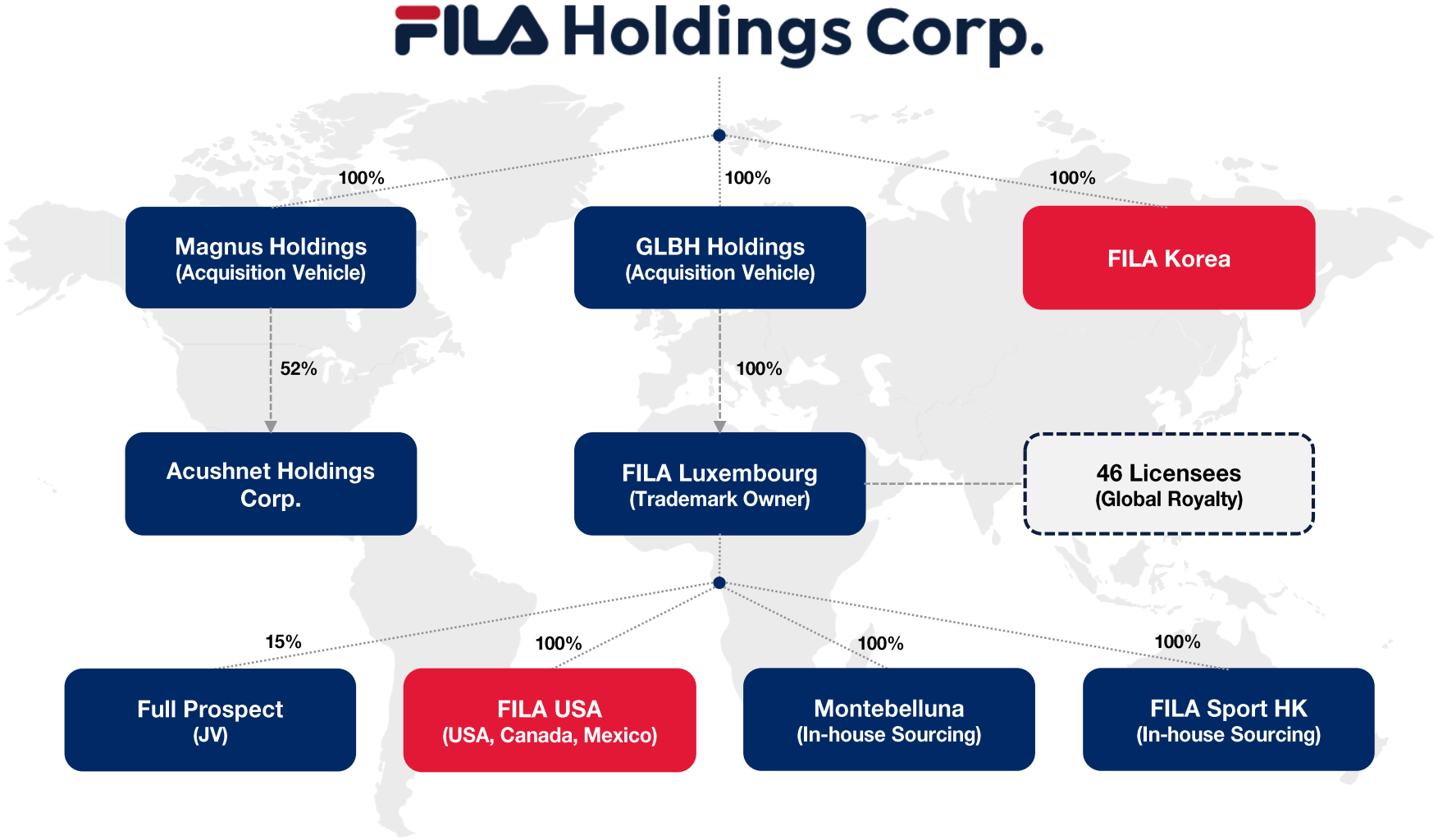


## “FILA’s 111-year Heritage in the History of Sports”

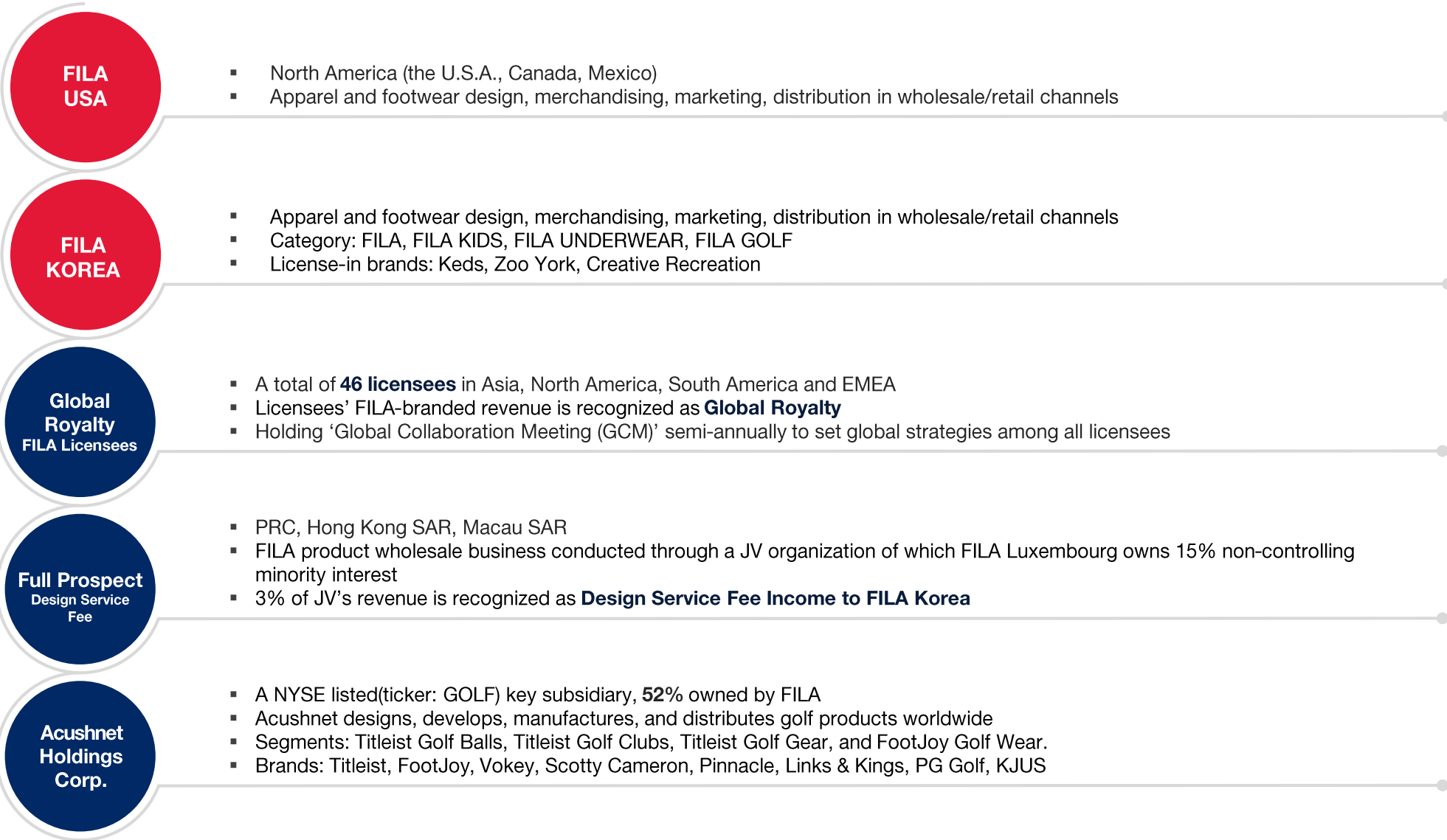
**FILA has been and will be there through all the moments of sweat and honor**

- 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’





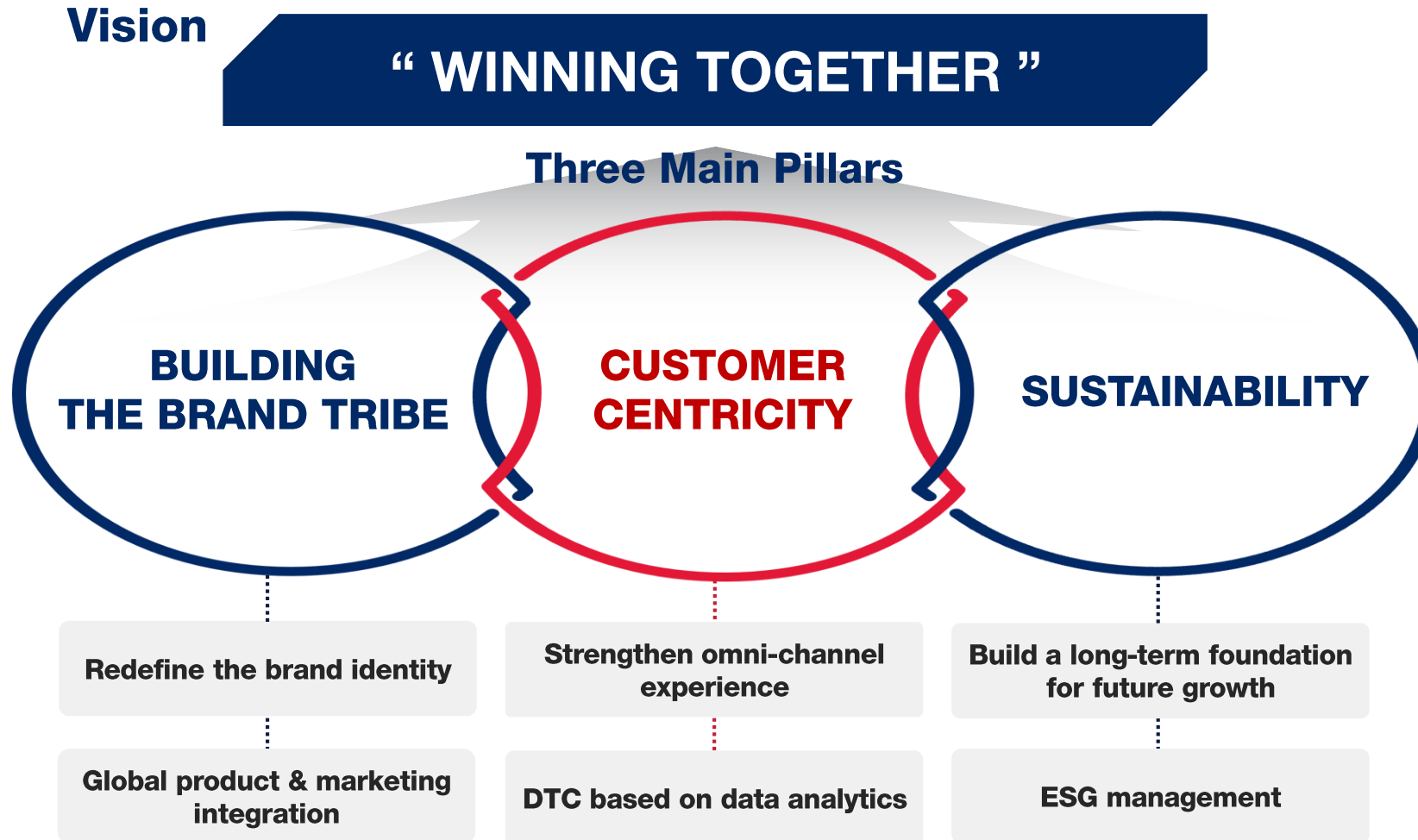




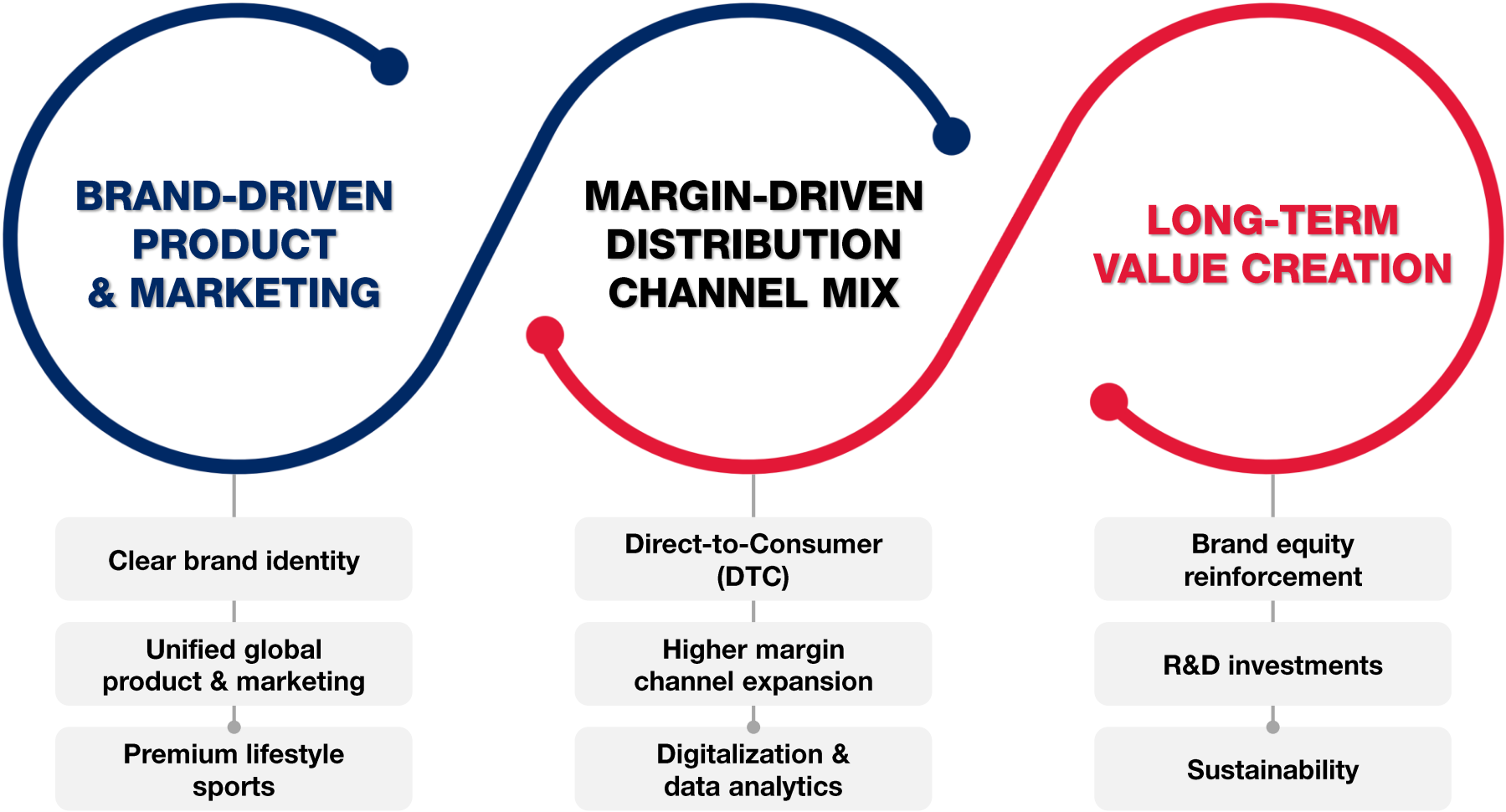


# 02

## Brand Strategy







### TENNIS



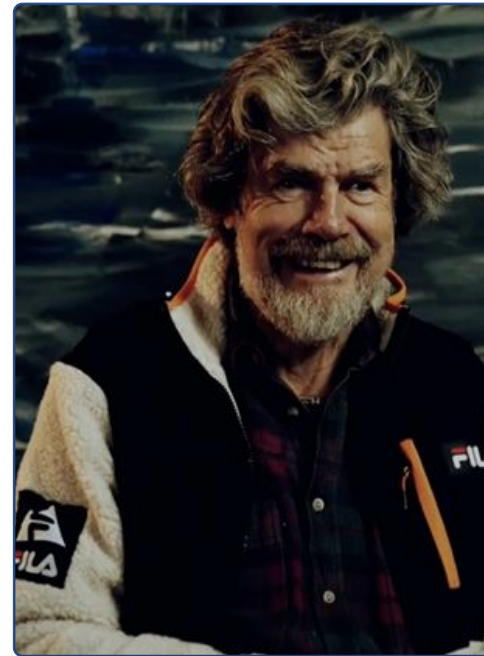
Our origin comes from tennis heritage. We have been a style leader and innovator since we introduced a new era in tennis with the cotton rib in 1973.

### 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



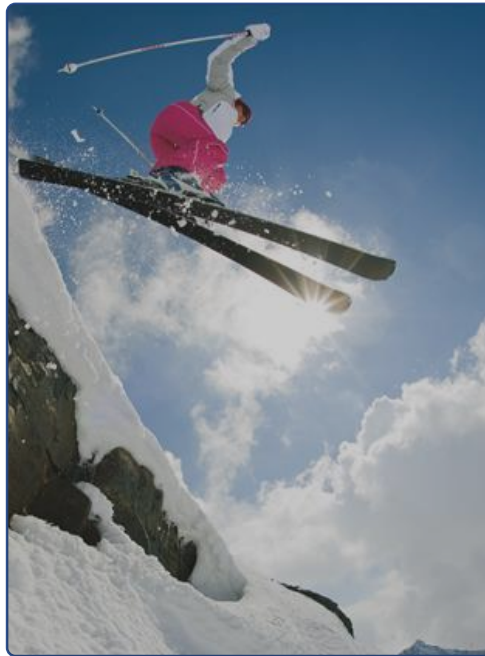
Fitness and wellness. We fully understand it is a combination that most people seek for balance. Design and quality driven strategy will take us to the front of the personal performance pack.

### 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**

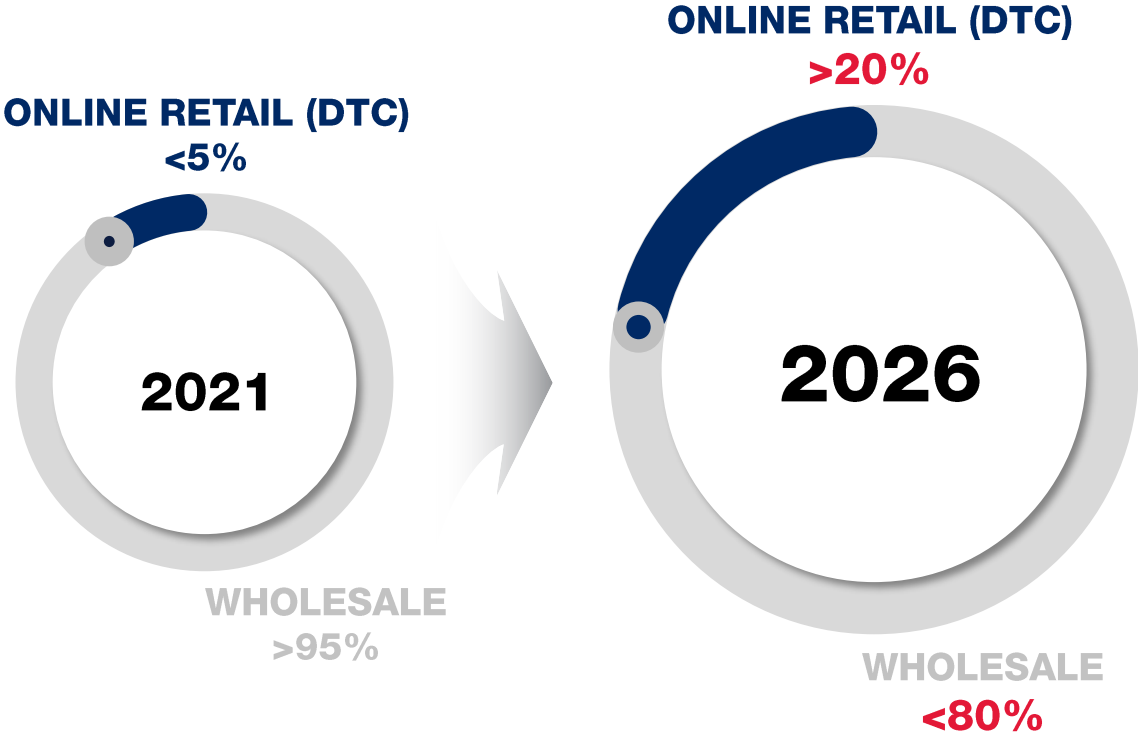
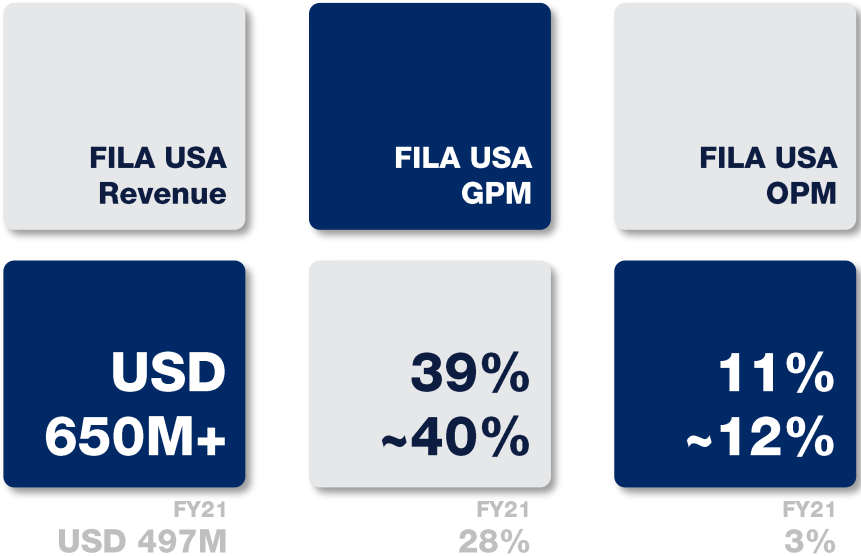
**KRW 4.4T+**

FY21  
KRW 3.8T

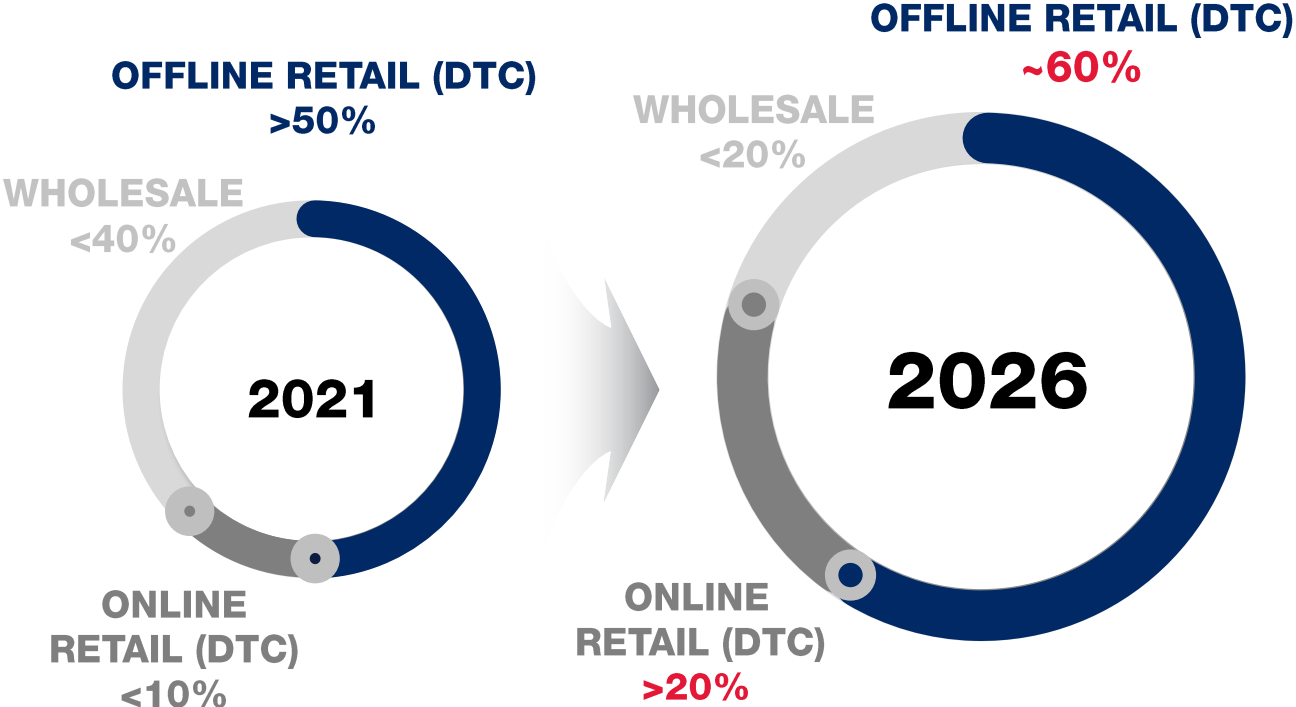
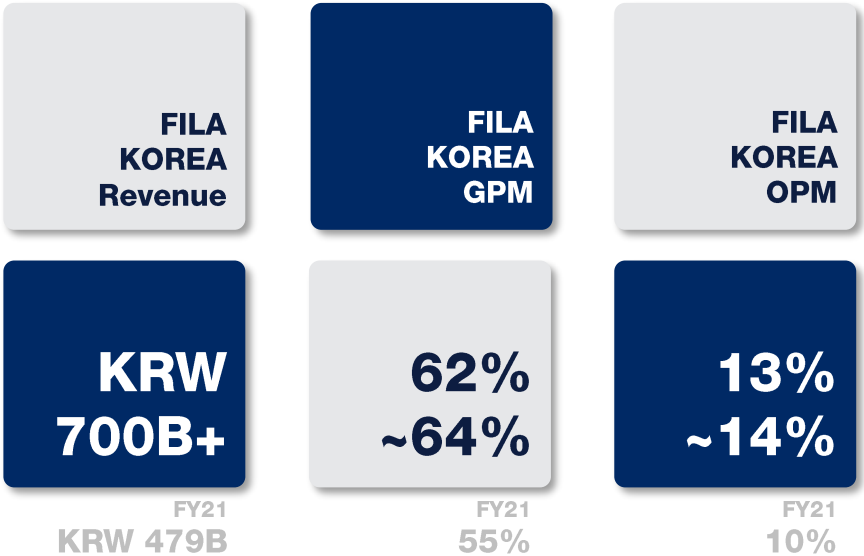
**Consolidated OPM**

**15%~16%**

FY21  
13%

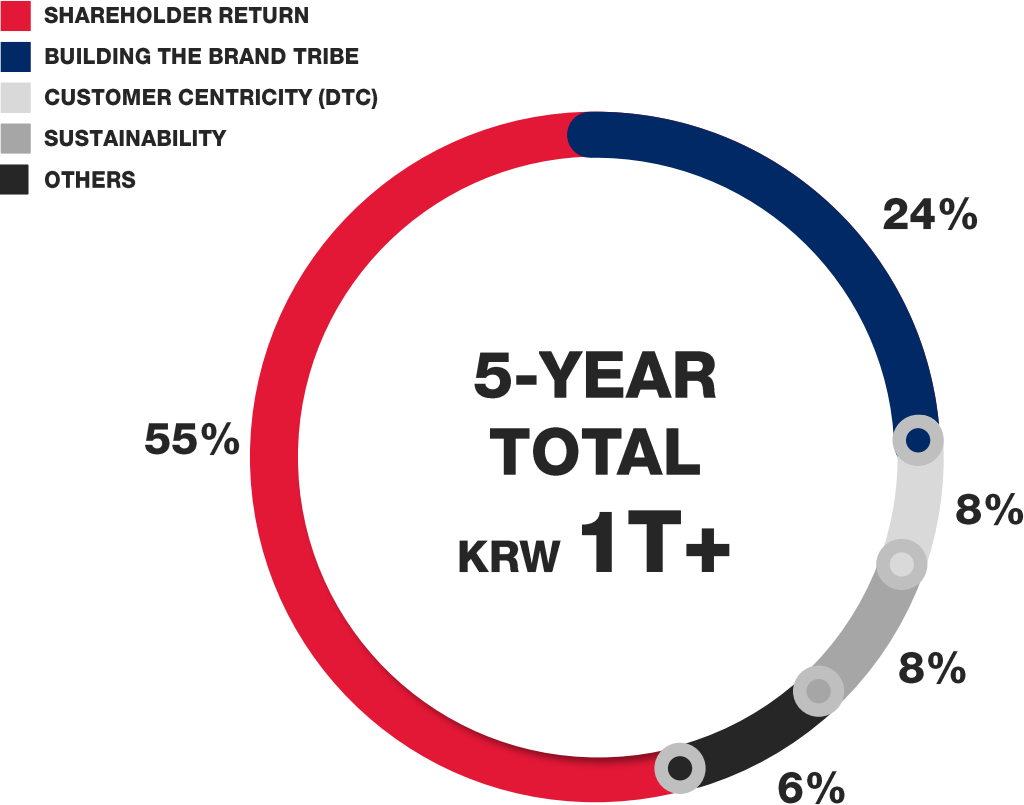






\* This page represents the operational targets of FILA Korea excluding design service fee income.

FOCUSING ON SHAREHOLDER RETURN  
& GLOBAL LONG-TERM STRATEGY



5-YEAR  
TOTAL  
SHAREHOLDER  
RETURN  
AMOUNT

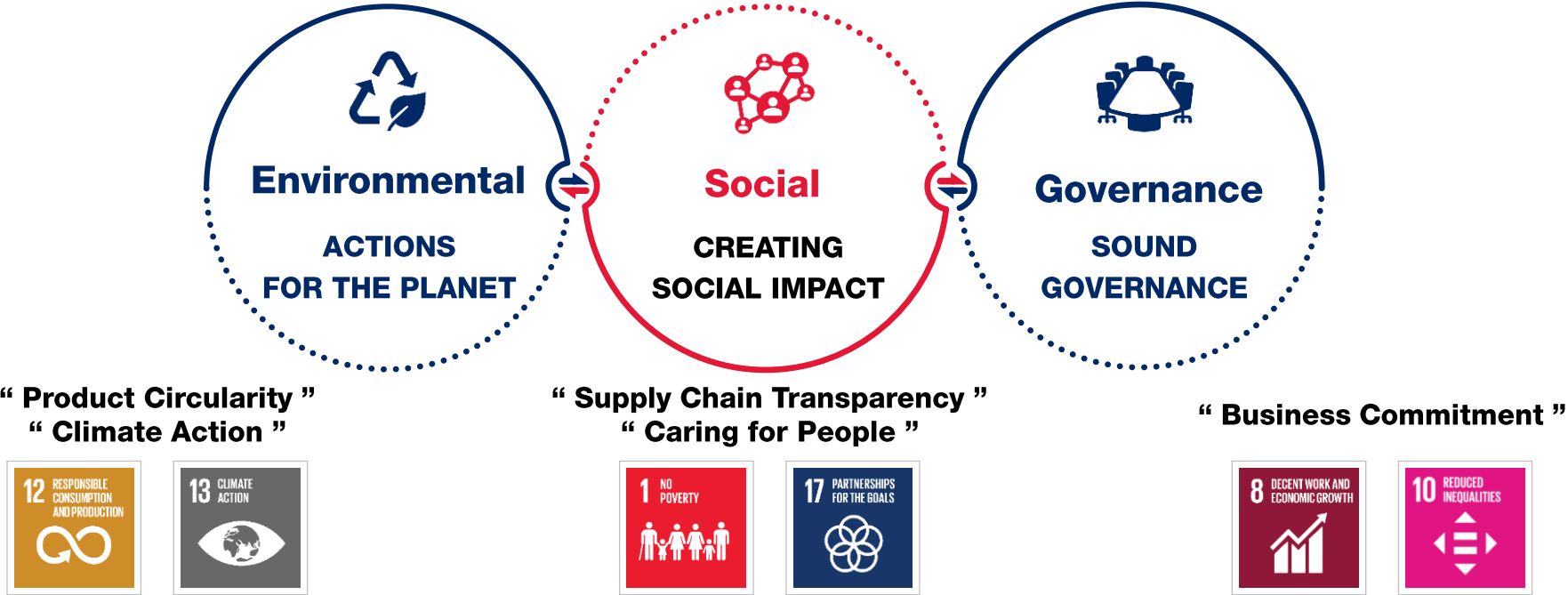
TOTAL  
SHAREHOLDER  
RETURN %\*  
in 2026

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 Y/PROJECT

FILA celebrate its innovative and daring spirit from the collaboration with Y/PROJECT, the renowned ANDAM Grand Prized brand in Paris. The new collection exudes a bold streetwear feel by unique graphic plays of two brand logos.





Operational Highlights in Q2

## FILA Speedserve

FILA introduced the new tennis shoes '**Speedserve**'. With great balance between high performance and style, it shows the next step of FILA history and heritage. Korean top tennis player **Soon-woo Kwon** chose Speedserve for his Wimbledon match in June.



## Consolidated Earnings in Q2

(KRW mn)	Three months ended in Jun. 30		YoY	C/C	Six months ended in Jun. 30		YoY	C/C
	Q2 22	Q2 21			1H 22	1H 21		
<b>Revenue</b>	<b>1,171,903</b>	<b>1,019,354</b>	<b>15.0%</b>	<b>4.3%</b>	<b>2,245,466</b>	<b>2,007,635</b>	<b>11.8%</b>	<b>3.1%</b>
FILA	342,926	318,843	7.6%	2.0%	686,184	660,238	3.9%	(0.6%)
Acushnet	828,977	700,511	18.3%	5.4%	1,559,282	1,347,397	15.7%	4.9%
Gross Profit	565,318	522,427	8.2%	(2.2%)	1,095,259	1,020,968	7.3%	(1.4%)
GPM%	48.2%	51.3%	(3.1%p)	(3.2%p)	48.8%	50.9%	(2.1%p)	(2.2%p)
SG&A	412,928	348,641	18.4%	7.4%	774,075	663,613	16.6%	7.5%
<b>Operating profit</b>	<b>152,390</b>	<b>173,786</b>	<b>(12.3%)</b>	<b>(21.5%)</b>	<b>321,184</b>	<b>357,355</b>	<b>(10.1%)</b>	<b>(17.8%)</b>
OPM%	13.0%	17.0%	(4.0%p)	(4.2%p)	14.3%	17.8%	(3.5%p)	(3.6%p)
FILA	39,920	51,965	(23.2%)	(29.5%)	86,070	104,491	(17.6%)	(22.9%)
Acushnet	112,470	121,821	(7.7%)	(18.1%)	235,114	252,864	(7.0%)	(15.7%)
<b>Net Income</b>	<b>114,442</b>	<b>135,750</b>	<b>(15.7%)</b>	<b>(25.2%)</b>	<b>237,534</b>	<b>269,951</b>	<b>(12.0%)</b>	<b>(20.3%)</b>

- **Revenue KRW 1,172bn YoY +15.0%**
  - Set a new record on quarterly revenue
  - Resulted from the FILA royalty income growth, partially offset by the impact from FILA's ongoing channel adjustment aligned with 5-year strategic plan
  - Resulted from the Acushnet sales growth led by strong demand in North America
  - Benefitted from the favorable FX rate  
1H 22 FX rate(USD/KRW) 1,232.94  
1H 21 FX rate(USD/KRW) 1,117.49
- **Operating profit KRW 152bn YoY -12.3%**
  - Resulted from the gross profit margin pressure from the supply chain constraints and sales channel adjustment for FILA
  - Resulted from the increase of the A&P and distribution cost to support higher demand and investment on distribution/fulfillment capabilities for Acushnet

(KRW mn)	Three months ended in Jun. 30		YoY	C/C	Six months ended in Jun. 30		YoY	C/C
	Q2 22	Q2 21			1H 22	1H 21		
Revenue	117,759	127,375	(7.5%)	(18.1%)	253,106	274,689	(7.9%)	(16.5%)
Gross Profit	25,167	33,779	(25.5%)	(34.5%)	61,543	73,384	(16.1%)	(24.0%)
GPM%	21.4%	26.5%	(5.1%p)	(5.3%p)	24.3%	26.7%	(2.4%p)	(2.4%p)
SG&A	35,941	32,332	11.2%	(1.4%)	75,131	67,986	10.5%	0.2%
Operating profit	(10,774)	1,447	N/A	N/A	(13,588)	5,398	N/A	N/A
OPM%	(9.1%)	1.1%	N/A	N/A	(5.4%)	2.0%	N/A	N/A
Net Income	(9,021)	526	N/A	N/A	(11,117)	2,655	N/A	N/A

▪ **Revenue KRW 118bn YoY -7.5%**

- Brand equity value improvement and channel mix adjustment is in progress aligned with 5-year strategic plan
- Resulted from the challenging market environment caused by inflation and weaker consumer spending in the US

▪ **Gross profit KRW 25bn YoY -25.5%**

- Resulted from the higher promotional activities due to competitive market condition with excessive industry-wide inventories
- Impacted by the increased storage costs and freight cost due to supply chain constraints

▪ **Operating loss KRW 11bn**

- Impacted by sales and gross profit decrease caused by supply chain constraints and channel mix adjustment



(KRW mn)	Three months ended in Jun. 30		YoY	Six months ended in Jun. 30		YoY
	Q2 22	Q2 21		1H 22	1H 21	
<b>Revenue</b>	<b>126,248</b>	<b>136,861</b>	<b>(7.8%)</b>	<b>259,037</b>	<b>273,024</b>	<b>(5.1%)</b>
FILA Korea (excl. DSF)	110,462	122,149	(9.6%)	227,373	245,095	(7.2%)
Design Service Fee Income (DSF)	15,786	14,713	7.3%	31,664	27,928	13.4%
Gross Profit	74,595	84,470	(11.7%)	154,547	168,762	(8.4%)
GPM%	59.1%	61.7%	(2.6%p)	59.7%	61.8%	(2.1%p)
SG&A	48,933	56,751	(13.8%)	103,321	115,114	(10.2%)
<b>Operating profit</b>	<b>25,662</b>	<b>27,719</b>	<b>(7.4%)</b>	<b>51,226</b>	<b>53,648</b>	<b>(4.5%)</b>
OPM%	20.3%	20.3%	-	19.8%	19.6%	0.2%p
FILA Korea (excl. DSF)	9,875	13,006	(24.1%)	19,562	25,719	(23.9%)
OPM%	8.9%	10.6%	(1.7%p)	8.6%	10.5%	(1.9%p)
<b>Net Income</b>	<b>20,039</b>	<b>20,946</b>	<b>(4.3%)</b>	<b>40,128</b>	<b>42,015</b>	<b>(4.5%)</b>

▪ **Revenue KRW 126bn YoY -7.8%**

- Resulted from the impact of the sales channel adjustment aligned with 5-year strategic plan
- Benefitted from the increase in Design Service Fee Income from Full Prospect

▪ **Operating profit KRW 26bn YoY -7.4%**

- Impacted by the revenue decrease from the sales channel adjustment, partially offset by cost-cutting efforts of reducing A&P expense
- Benefitted from the increase in Design Service Fee Income from Full Prospect

(KRW mn)	Three months ended in Jun. 30		YoY	C/C	Six months ended in Jun. 30		YoY	C/C
	Q2 22	Q2 21			1H 22	1H 21		
Asia	5,185	4,208	23.2%	9.7%	10,056	8,963	12.2%	1.7%
North America	1,383	2,781	(50.3%)	(55.8%)	2,735	4,527	(39.6%)	(45.2%)
South America	2,595	1,880	38.0%	23.1%	4,491	2,478	81.2%	64.3%
EMEA	9,744	7,560	28.9%	14.9%	17,983	15,003	19.9%	8.6%
Category	841	790	6.4%	(5.9%)	1,841	1,495	23.2%	11.6%
<b>Total (adj.)</b>	<b>19,747</b>	<b>17,218</b>	<b>14.7%</b>	<b>2.1%</b>	<b>37,107</b>	<b>32,466</b>	<b>14.3%</b>	<b>3.6%</b>

- **Asia KRW 5.2bn YoY +23.2%**
  - Resulted from the base effect of COVID-19 last year and recovery of consumer market in Southeast Asia
- **North America KRW 1.4bn YoY -50.3%**
  - Resulted from the expiration of the royalty partnership contract with Kohl's, supply chain constraints and high base effect from the revenge consumption in Q2 2021
- **South America KRW 2.6bn YoY +38.0%**
  - Resulted from the base effect of COVID-19 last year, strong demand on the performance categories including tennis, running with competitive sourcing capacity
- **EMEA KRW 9.7bn YoY +28.9%**
  - Resulted from the base effect of COVID-19 last year and licensees' competitive logistics supported licensees to recover

(USD K)	Three months ended in Jun. 30		YoY	Six months ended in Jun. 30		YoY
	Q2 22	Q2 21		1H 22	1H 21	
Revenue	659	625	5.4%	1,265	1,206	4.9%
Gross Profit	344	334	2.7%	661	645	2.4%
GPM%	52.2%	53.5%	(1.3%p)	52.2%	53.5%	(1.3%p)
Operating Profit	89	109	(18.9%)	194	229	(15.4%)
OPM%	13.4%	17.5%	(4.1%p)	15.3%	19.0%	(3.7%p)
Net Income	68	83	(17.3%)	150	169	(11.3%)
Adj. EBITDA	107	127	(16.7%)	227	263	(13.9%)

- **Revenue USD 659mn YoY +5.4%**
  - Resulted from the newly launched golf clubs and strong demand in FootJoy golf wear in North America
- **Gross profit USD 344mn YoY +2.7%**
  - Resulted from higher sales and ASPs of FootJoy, offset by higher inbound freight cost and higher manufacturing cost
- **Operating profit USD 89mn YoY -18.9%**
  - Resulted from the increase in distribution costs and investment in distribution and fulfillment capabilities



**Head of Global Strategic Marketing**

Luca Bertolino

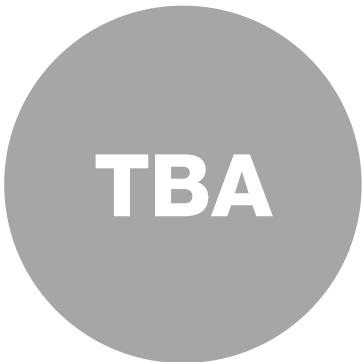
- (Former)
- Head of Product Management at Adidas
- EMEA Marketing Director at FILA



**Head of Global Design**

Torsten Hochstetter

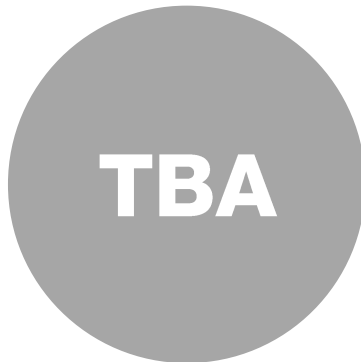
- (Former)
- Global Creative Director at PUMA
- Creative Director Sport Style at Adidas



**Head of Global Apparel & Accessories**

To be announced in Q3

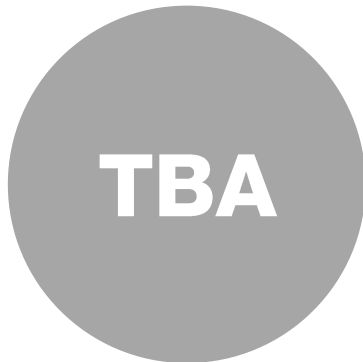
- (Former)
- Merchandising Director Apparel at Nike
- Sr. Merchandising Category Manager at Nike



**Head of Global Footwear**

To be announced in Q3

- (Current)
- SVP of Footwear & Apparel Design at FILA USA
- (Former)
- Sr. Footwear Designer at PUMA



**Global Innovation Team**

To be announced in Q3



Recent updates in Q3

## Sponsoring top tennis players

**Barbora Krejčíková** captured her eighth career Grand Slam Double title in Wimbledon. Krejčíková is the newest addition to FILA's roster of sponsored tennis players.

**John Isner**, the great tennis athlete FILA sponsors, has broken the all-time ATP tour ace record. John achieved his career milestone in his Wimbledon match against Jannik Sinner.







Recent updates in Q3

## Launching the New Tennis Collections

FILA sponsored tennis players will debut two new collections in time for the 2022 summer hardcourt swing: the **Deuce Court Collection** and **Heritage Collection**. FILA will open an on-site store at the U.S. Open.





Recent updates in Q3

## New History “Se-Hyuk Cho & Bruno Kuzuhara ”

The first Korean Wimbledon Champion Cho Se-Hyuk and No. 3 ranked junior tennis player Bruno Kuzuhara joined FILA tennis roster.





	Current Outlook (Aug. 12 <sup>th</sup> )	Previous Outlook (Feb. 24 <sup>th</sup> )
<b>Consolidated revenue</b>	<b>-2% ~ +2%</b>	<b>-2% ~ +2%</b>
FILA USA	-25% ~ -20%	-2% ~ +1%
FILA Korea (incl. DSF)	-8% ~ -3%	-8% ~ -3%
FILA Korea (excl. DSF)	-10% ~ -6%	-10% ~ -6%
Global Royalty	+5% ~ +10%	+1% ~ +3%
Acushnet Holdings Corp.	+3.6% at the mid-point	+2.4% at the mid-point
<b>Consolidated operating profit</b>	<b>-2% ~ +2%</b>	<b>-2% ~ +2%</b>
FILA USA	Operating loss* KRW 45B~40B	-2% ~ +11%
FILA Korea (incl. DSF)	-10% ~ -4%	-10% ~ -4%
FILA Korea (excl. DSF)	-40% ~ -35%	-40% ~ -35%
Acushnet Holdings Corp. adj. EBITDA	+2.0% at the mid-point	+2.0% at the mid-point

- Consolidated revenue remains same as the previous outlook reflecting strong momentum from the Acushnet business.
- Consolidated operating profit remains same as the previous outlook reflecting reduction of overhead costs and favorable currency exchange rate despite the adjusted guidance of operating profit of FILA USA caused by strategic channel adjustment and the competitive retail market condition.

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

Note2) Currency exchange rate of USD/KRW is 1,144.19 in 2021 (2021. 1. 1. ~ 2021. 12. 31.), and 1,250.00 in 2022 (2022. 1. 1. ~ 2022. 12. 31.).

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

(KRW mn)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
<b>Revenue</b>	<b>1,019,354</b>	<b>927,065</b>	<b>859,258</b>	<b>1,073,563</b>	<b>1,171,903</b>
Cost of sales	496,927	473,900	453,141	543,622	606,586
Gross profit	522,427	453,165	406,118	529,941	565,318
Selling and administrative expenses	348,641	342,854	380,932	361,147	412,928
<b>Operating profit</b>	<b>173,786</b>	<b>110,311</b>	<b>25,186</b>	<b>168,794</b>	<b>152,390</b>
Other income	1,645	1,513	2,666	1,805	1,998
Other expenses	1,328	2,378	1,717	1,277	2,517
Financial income	7,461	6,889	(206)	7,509	11,278
Financial costs	14,926	13,713	4,961	12,285	25,958
Share of net profit of associates accounted for using the equity method	15,020	6,867	15,010	13,447	11,304
<b>Profit before income tax</b>	<b>181,658</b>	<b>109,488</b>	<b>35,977</b>	<b>177,993</b>	<b>148,495</b>
Income tax expense	45,908	33,564	44,043	54,902	34,054
<b>Net profit</b>	<b>135,750</b>	<b>75,924</b>	<b>(8,066)</b>	<b>123,092</b>	<b>114,442</b>
Other comprehensive income	7,480	79,818	(562)	40,779	119,360
Total comprehensive income for the year	143,229	155,743	(8,628)	163,871	233,801
<b>Profit attributable to Owners of the Controlling Company</b>	<b>90,448</b>	<b>53,851</b>	<b>5,947</b>	<b>76,015</b>	<b>74,155</b>
<b>Earnings per share (KRW)</b>	<b>1,505</b>	<b>896</b>	<b>99</b>	<b>1,265</b>	<b>1,234</b>

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

(KRW mn)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
<b>Total assets</b>	<b>4,063,870</b>	<b>4,314,739</b>	<b>4,288,857</b>	<b>4,583,385</b>	<b>4,844,130</b>
Current assets	1,930,637	2,086,588	2,041,130	2,293,616	2,415,891
Cash and cash equivalents	593,499	726,346	699,204	608,966	564,369
Trade and other receivables	695,644	637,073	471,300	710,020	767,535
Inventories	552,331	618,172	757,797	865,434	976,669
Other current assets	89,163	104,996	112,830	109,196	107,318
Non-current assets	2,133,233	2,228,152	2,247,726	2,289,769	2,428,239
Property and equipment	411,352	419,850	418,218	425,564	453,387
Intangible assets	1,493,281	1,557,491	1,552,788	1,577,935	1,666,453
Other non-current assets	228,600	250,811	276,720	286,271	308,399
<b>Total liabilities</b>	<b>1,845,604</b>	<b>1,946,403</b>	<b>1,982,368</b>	<b>2,217,667</b>	<b>2,306,193</b>
Current liabilities	930,728	994,195	1,051,389	1,248,309	1,244,532
Trade and other payables	471,737	525,680	536,945	563,711	601,063
Borrowings	276,039	302,543	285,866	448,978	428,868
Other current liabilities	182,952	165,972	228,578	235,619	214,601
Non-current liabilities	914,876	952,208	930,979	969,358	1,061,662
Borrowings and bonds	414,250	425,937	421,068	423,406	471,869
Other non-current liabilities	500,626	526,271	509,911	543,953	589,793
<b>Total equity</b>	<b>2,218,266</b>	<b>2,368,337</b>	<b>2,306,489</b>	<b>2,365,718</b>	<b>2,537,937</b>

**WINNING TOGETHER**