

A background image showing three runners in motion on a bridge. The runner on the left is a Black man with short dreadlocks, wearing a black long-sleeved shirt and black shorts. The runner in the middle is a woman with blonde hair, wearing a white tank top and black shorts. The runner on the right is a man wearing a white t-shirt and black shorts. All three are wearing FILA-branded athletic gear. The background is a blurred cityscape with a bridge railing in the foreground.

FILA Holdings Corp.

WINNING TOGETHER

Q1 2023 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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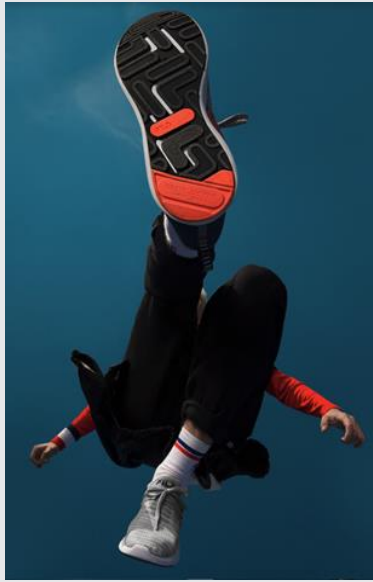



**Company
Overview**

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

“ ITALIAN HERITAGE ”

“ TENNIS & OTHERS ”

Key Brand Value

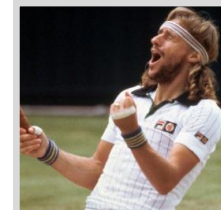
ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					



“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’





* as of Mar. 31st, 2023.

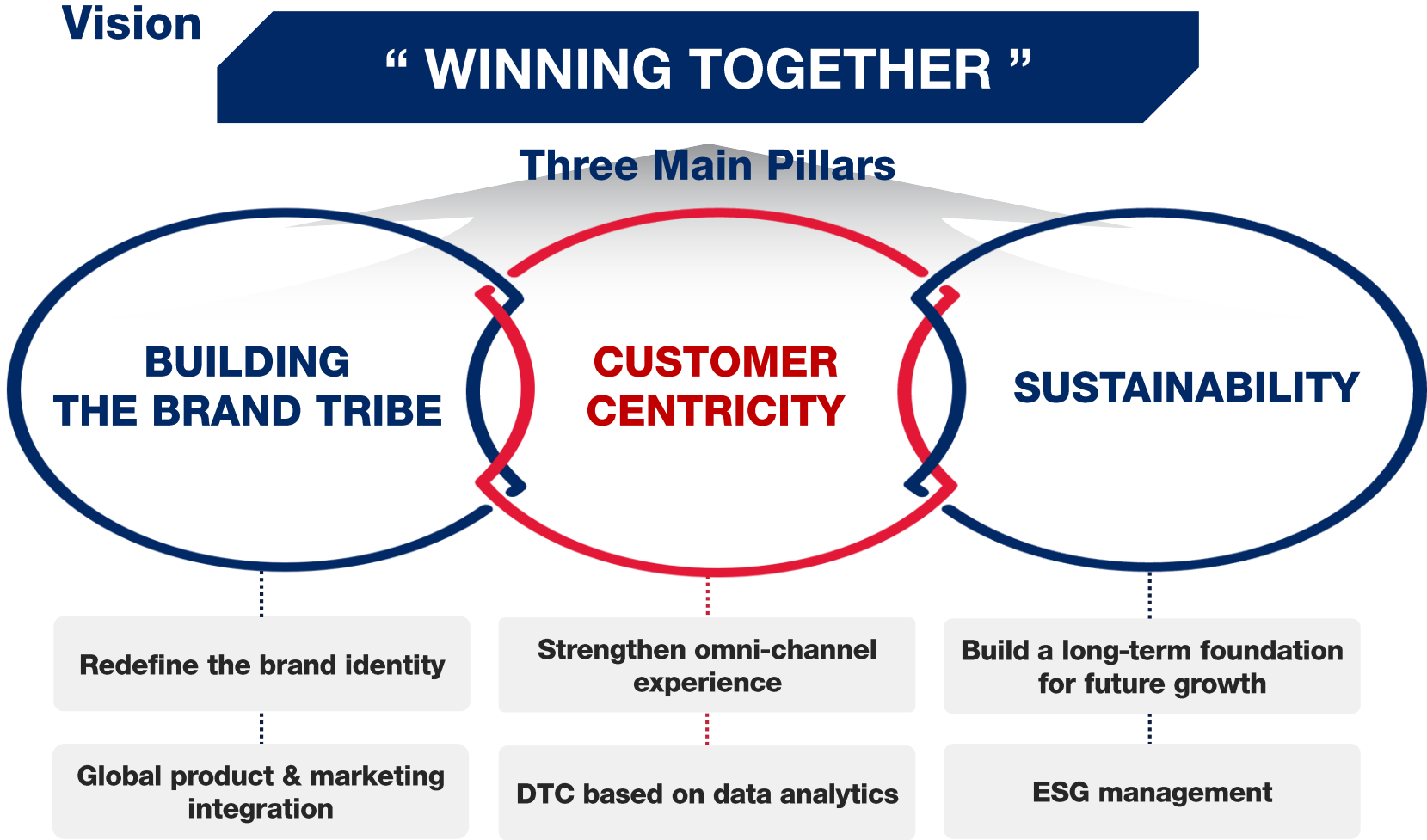


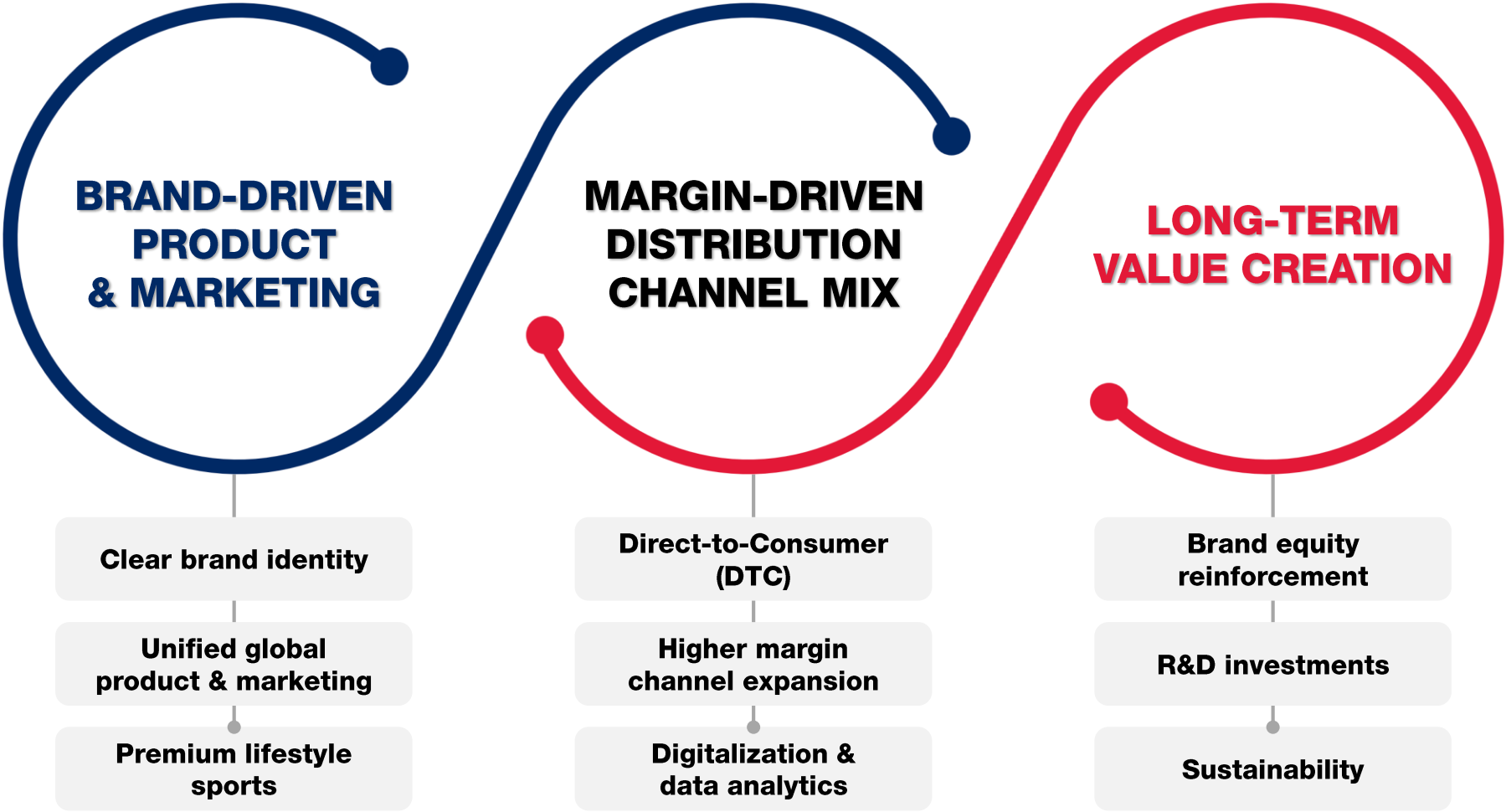
* as of Mar. 31st, 2023.



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

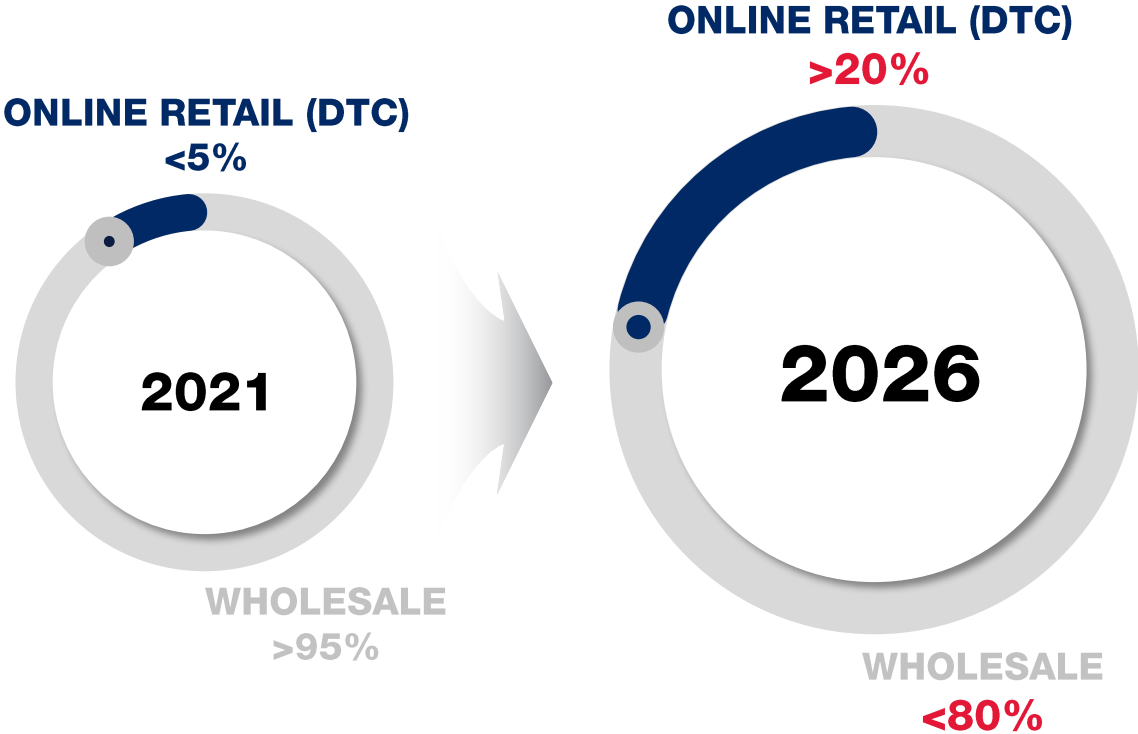
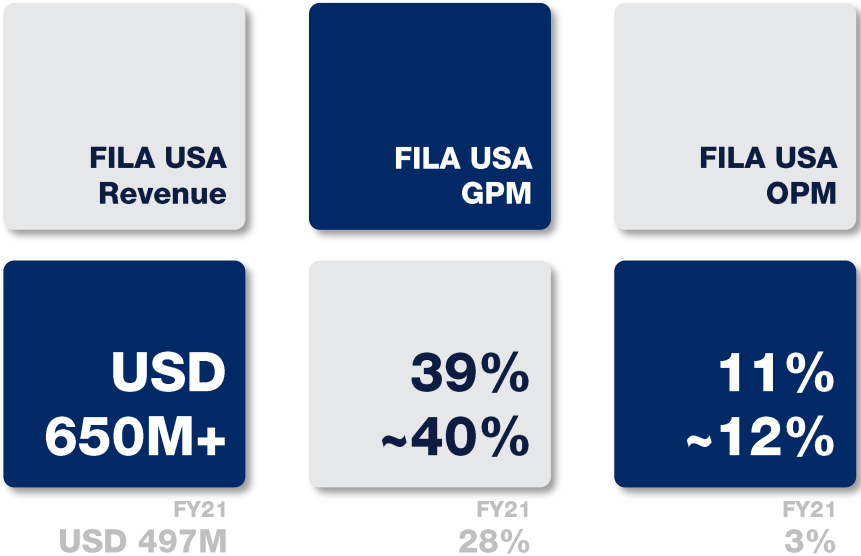
KRW 4.4T+

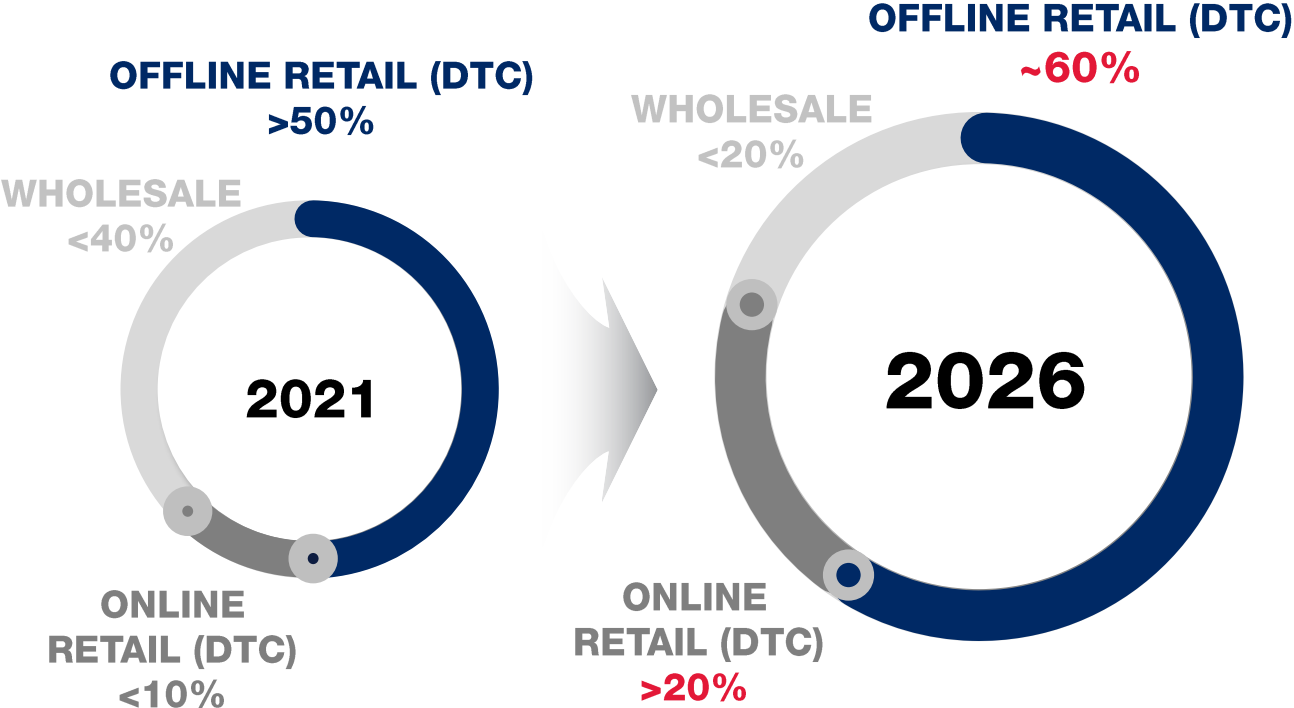
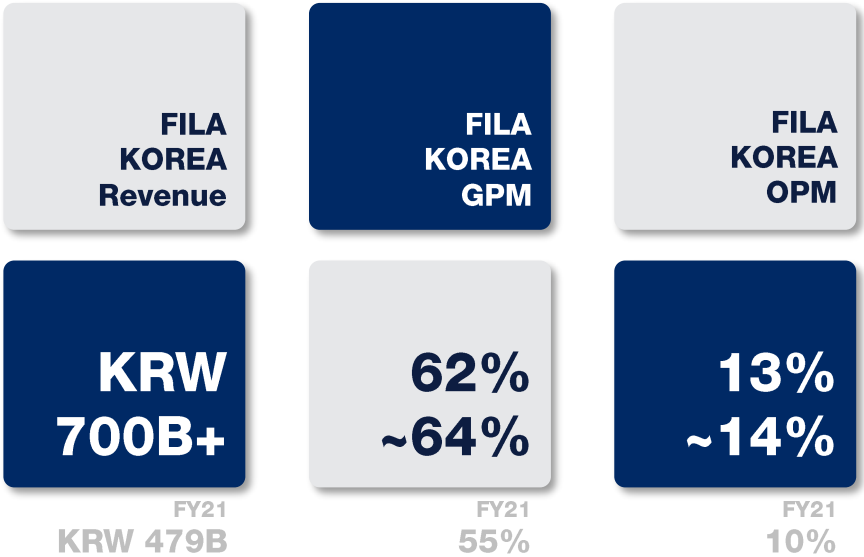
FY21
KRW 3.8T

Consolidated OPM

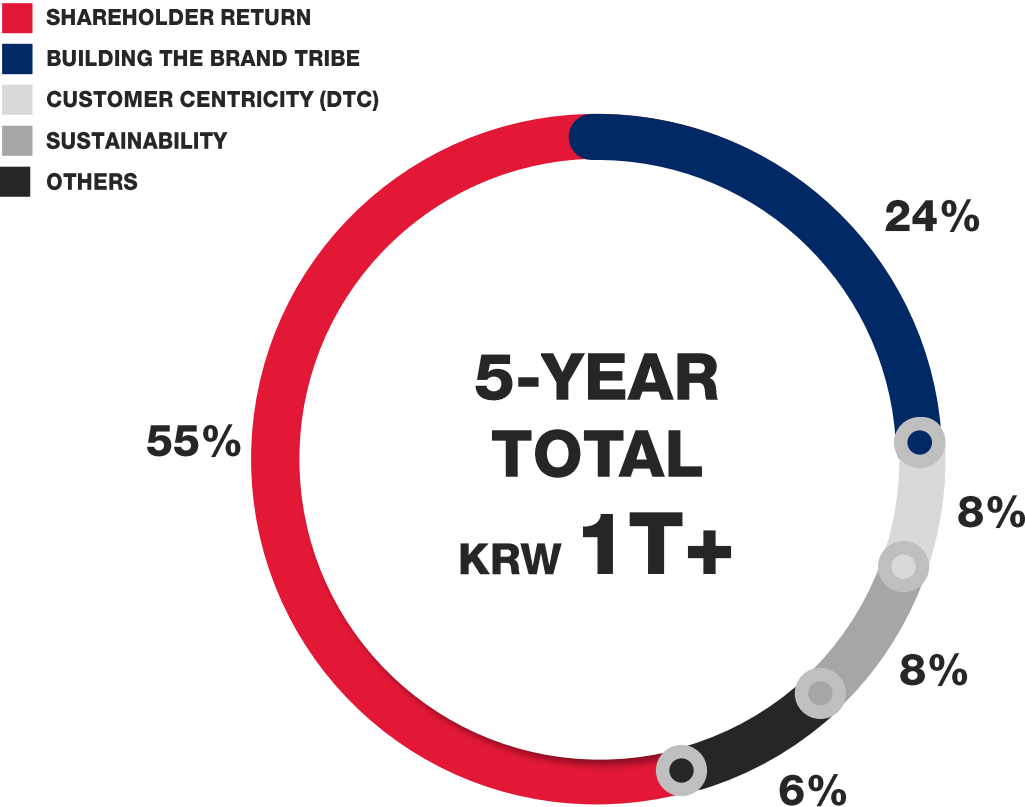
15%~16%

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



Environmental
ACTIONS FOR THE PLANET



Social
CREATING SOCIAL IMPACT



Governance
SOUND GOVERNANCE

5 Themes



Product Circularity



Supply Chain
Transparency



Climate Action



Caring for People



Business
Commitment

Achievements



Dow Jones
Sustainability Indexes

The first Korean fashion co.
included in S&P DJSI



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

The first Korean fashion co. to adhere the
declaration by the TCFD in 2022



United Nations
Global Compact

Joined in 2021



ESG ratings

Korea ESG
Research Institute

Sustainvest

KCGS

Korea

S

A

B+

MSCI

Sustaianalytics

Refinitiv

Global

A

LOW RISK

76/100



03

**Earnings
Release**

2023 BNP Paribas Open Sponsorship

- ✓ FILA-sponsored Barbora Krejčíková won Doubles title
- ✓ Over \$1M sales in 2 weeks @FILA pop-up store



New Campaign with Hailey Bieber

- ✓ Celebrating Hailey's homage to 90s fashion aesthetics, showcasing curated looks of FILA style



First Offline Store Renewal in Busan

- ✓ Designed a model with the goal of enhancing the customer experience
- ✓ Implementing the concept of 'Italian Piazza'





Consolidated Earnings in Q1

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 23	Q1 22		
Revenue	1,108,599	1,073,563	3.3%	(6.2%)
FILA	233,181	343,258	(32.1%)	(35.3%)
Acushnet	875,418	730,304	19.9%	7.5%
Gross profit	556,896	529,941	5.1%	(4.7%)
GPM%	50.2%	49.4%	0.8%p	0.7%p
SG&A	396,518	361,147	9.8%	0.0%
Operating profit	160,379	168,794	(5.0%)	(14.7%)
OPM%	14.5%	15.7%	(1.2%p)	(1.4%p)
FILA	4,094	46,151	(91.1%)	(91.8%)
Acushnet	156,285	122,643	27.4%	14.3%
Net profit	118,257	123,092	(3.9%)	(13.5%)

- **Revenue KRW 1,109bn YoY +3.3%**
 - **(FILA)** Global royalty income and design service fees were resilient despite of continuous sales channel adjustment efforts in Korea in line with the 5-year plan and challenging market conditions in the U.S. due to excessive inventories in the overall U.S. market.
 - **(Acushnet)** Record high quarterly sales driven by strong demand, particularly from the U.S. market
 - Benefitted from a favorable FX rate
Q1 23 Avg. FX rate (USD/KRW) 1,275.58
Q1 22 Avg. FX rate (USD/KRW) 1,204.95
(YoY +5.9%)
- **Operating profit KRW 160bn YoY -5.0%**
 - **(FILA)** Resulted from the gross profit margin pressure caused by inventory digestion in the U.S. and sales channel adjustment in Korea and unfavorable fixed cost leverage effect
 - **(Acushnet)** Benefited from the improved gross margin due to the sales increase and a reduction in freight costs

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 23	Q1 22		
Revenue	76,768	135,347	(43.3%)	(46.4%)
Gross profit	4,485	36,376	(87.7%)	(88.4%)
GPM%	5.8%	26.9%	(21.1%p)	(21.1%p)
SG&A	32,465	39,190	(17.2%)	(21.7%)
Operating profit	(27,980)	(2,814)	N/A	N/A
OPM%	N/A	N/A	N/A	N/A
Net profit	(30,091)	(2,095)	N/A	N/A

- **Revenue KRW 77bn YoY -43.3%**
 - The U.S. consumer market continued to weaken due to the ongoing issue of excessive inventory, resulting in increased promotional activities from most brands in the market.
 - Inventory digestion through discount channels continued
- **Gross profit KRW 4bn YoY -87.7%**
 - Mainly impacted by high freight and storage costs
- **Operating loss KRW 28bn**
 - Resulted from the decreased revenue and gross profit

(KRW mn)	Three months ended Mar. 31		YoY
	Q1 23	Q1 22	
Revenue	97,006	132,789	(26.9%)
FILA Korea (excl. DSF)	79,938	116,911	(31.6%)
Design Service Fee Income (DSF)	17,068	15,878	7.5%
Gross profit	57,903	79,953	(27.6%)
GPM%	59.7%	60.2%	(0.5%p)
SG&A	40,753	54,389	(25.1%)
Operating profit	17,150	25,564	(32.9%)
OPM%	17.7%	19.3%	(1.6%p)
FILA Korea (excl. DSF)	82	9,687	(99.2%)
OPM%	0.1%	8.3%	(8.2%p)
Net profit	12,282	20,089	(38.9%)

- **Revenue KRW 97bn YoY -26.9%**
 - Resulted from the continued impact of sales channel adjustments to enhance brand equity
 - Benefitted from the increase in DSF income due to the mild recovery of Chinese consumer market
- **Gross profit 58bn YoY -27.6%**
 - Despite the ASP increase, gross margin decreased due to a rise in product quality, raw material costs, and unfavorable exchange rates
- **Operating profit KRW 17bn YoY -32.9%**
 - Resulted from the margin pressure, partially offset by controlling SG&A expenses

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 23	Q1 22		
Asia	6,183	4,872	26.9%	19.9%
North America	1,178	1,352	(12.8%)	(17.7%)
South America	1,947	1,897	2.7%	(3.0%)
EMEA	8,902	8,240	8.0%	2.1%
Others	832	1,001	(16.9%)	(21.5%)
Total (adj.)	19,042	17,360	9.7%	3.6%

- **Asia KRW 6.2bn YoY +26.9%**
 - Benefitted from the recovery in Japan led by the successful marketing campaign
- **North America KRW 1.2bn YoY -12.8%**
 - Resulted from the weak demand in the U.S. due to the excessive inventory of the retail market
- **South America KRW 1.9bn YoY +2.7%**
 - Showed strong demand for running categories particularly in Brazil, partially offset by the import restrictions in Argentina
- **EMEA KRW 8.9bn YoY +8.0%**
 - Benefitted from the steady growth in licensees' business operations, which was partially offset by supply chain constraints

(USD K)	Three months ended Mar. 31		YoY
	Q1 23	Q1 22	
Revenue	686,290	606,087	13.2%
Gross profit	365,672	316,999	15.4%
<i>GPM%</i>	<i>53.3%</i>	<i>52.3%</i>	<i>1.0%p</i>
Operating profit	124,904	105,369	18.5%
<i>OPM%</i>	<i>18.2%</i>	<i>17.4%</i>	<i>0.8%p</i>
Net profit	93,619	81,847	14.4%
Adj. EBITDA	146,782	119,998	22.3%

- **Revenue USD 686mn YoY +13.2%**
 - Recorded growth across all segments driven by higher sales volume supported by strong demand, primarily in the U.S.
- **Gross profit USD 366mn YoY +15.4%**
 - Resulted from higher sales volume and lower inbound freight costs, partially offset by an unfavorable currency effect
- **Operating profit USD 125mn YoY +18.5%**
 - Resulted from improved gross profit offsetting the rise in sales-related expense

	Current Outlook (May. 12 th)	Previous Outlook (Mar. 21 st)
Consolidated revenue	-10% ~ -5%	-5% ~ +5%
FILA USA	-25% ~ -20%	-25% ~ -20%
FILA Korea (incl. DSF)	-15% ~ -10%	-5% ~ +5%
FILA Korea (excl. DSF)	-15% ~ -10%	-5% ~ +5%
Global Royalty	-10% ~ +0%	-10% ~ +0%
Acushnet Holdings Corp.	+3.5% at the mid-point	+3.5% at the mid-point
Consolidated operating profit	-20% ~ -10%	-20% ~ -10%
FILA USA	Operating loss 110B ~ 90B	Operating loss 90B ~ 80B
FILA Korea (incl. DSF)	-15% ~ -10%	-5% ~ +5%
FILA Korea (excl. DSF)	-70% ~ -60%	+10% ~ +20%
Acushnet Holdings Corp. adj. EBITDA	+4.9% at the mid-point	+4.9% at the mid-point

- Consolidated revenue outlook is adjusted from the previous outlook reflecting the impact of the continuous sales channel adjustment efforts in line with the 5-year strategy in Korea.
- Consolidated operating profit outlook is adjusted from the previous outlook reflecting the updated revenue outlook in FILA Korea and updated strategy in FILA USA to focus on acceleration of inventory digestion this year.

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 1,291.95 in 2021 (2022. 1. 1. ~ 2022. 12. 31.), and 1,250.00 in 2023 (2023. 1. 1. ~ 2023. 12. 31.).

Recent Updates in Q2 2023



‘2023 WHITE OPEN SEOUL’ at Gwanghwamun

FILA Korea hosted a tennis event '2023 WHITE OPEN SEOUL' to celebrate its 50-year contribution to tennis sports.

The company installed a tennis court in Gwanghwamun and invited tennis celebrities, including Hyung Taik Lee, a Korean tennis legend.

The event attracted over **6,000 people for two days**, and it was successful resulted in **a tripling of new sign-ups** on FILA.co.kr.

Recent Updates in Q2 2023



FILA celebrates the 50-year of F-BOX Logo

FILA presented the **'READING THE FILA F-BOX'** event to celebrate the 50th anniversary of the FILA F-BOX logo. Since its creation in 1973, the F-BOX logo has remained unchanged, representing FILA with its simple and high-impact characteristics. The event was a collaboration with Mal Disney, a New York-based video artist, and the work will be presented in Milan.

Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Revenue	1,073,563	1,171,903	1,079,544	896,740	1,108,599
Cost of sales	543,622	606,586	559,806	482,431	551,703
Gross profit	529,941	565,318	519,738	414,309	556,897
Selling and administrative expenses	361,147	412,928	397,934	422,224	396,518
Operating profit	168,794	152,390	121,804	(7,915)	160,379
Other income	1,805	1,998	6,101	3,148	960
Other expenses	1,277	2,517	3,444	1,108	1,585
Financial income	7,509	11,278	17,269	17,846	13,487
Financial costs	12,285	25,958	34,346	13,556	34,980
Share of net profit of associates accounted for using the equity method	13,447	11,304	10,127	10,723	16,399
Profit before income tax	177,993	148,495	117,510	9,138	154,660
Income tax expense	54,902	34,054	23,664	(127,026)	36,403
Net profit	123,092	114,442	93,846	136,164	118,257
Other comprehensive income	40,779	119,360	195,690	(230,937)	69,200
Total comprehensive income	163,871	233,801	289,536	(94,774)	187,456
Profit attributable to Owners of the Controlling Company	76,015	74,155	59,264	134,295	61,809
Earnings per share (KRW)	1,265	1,234	986	2,235	1,029

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Total assets	4,583,385	4,844,130	5,305,758	4,821,801	5,396,926
Current assets	2,293,616	2,415,891	2,628,761	2,293,320	2,710,569
Cash and cash equivalents	608,966	564,369	559,408	407,411	548,550
Trade and other receivables	710,020	767,535	712,578	480,836	787,474
Inventories	865,434	976,669	1,221,473	1,290,517	1,248,866
Other current assets	109,196	107,318	135,302	114,557	125,679
Non-current assets	2,289,769	2,428,239	2,676,996	2,528,481	2,686,356
Property and equipment	425,564	453,387	505,505	499,819	570,337
Intangible assets	1,577,935	1,666,453	1,828,466	1,740,938	1,820,265
Other non-current assets	286,271	308,399	343,025	287,725	295,754
Total liabilities	2,217,667	2,306,193	2,522,132	2,247,238	2,718,430
Current liabilities	1,248,309	1,244,532	1,175,626	1,092,678	1,142,953
Trade and other payables	563,711	601,063	621,106	529,205	515,972
Borrowings	448,978	428,868	348,380	377,004	381,727
Other current liabilities	235,619	214,601	206,140	186,469	245,254
Non-current liabilities	969,358	1,061,662	1,346,506	1,154,560	1,575,476
Borrowings and bonds	423,406	471,869	681,853	766,904	1,120,786
Other non-current liabilities	543,953	589,793	664,653	387,657	454,690
Total equity	2,365,718	2,537,937	2,783,626	2,574,563	2,678,496

WINNING TOGETHER