



9M 2016 FILA Group Results



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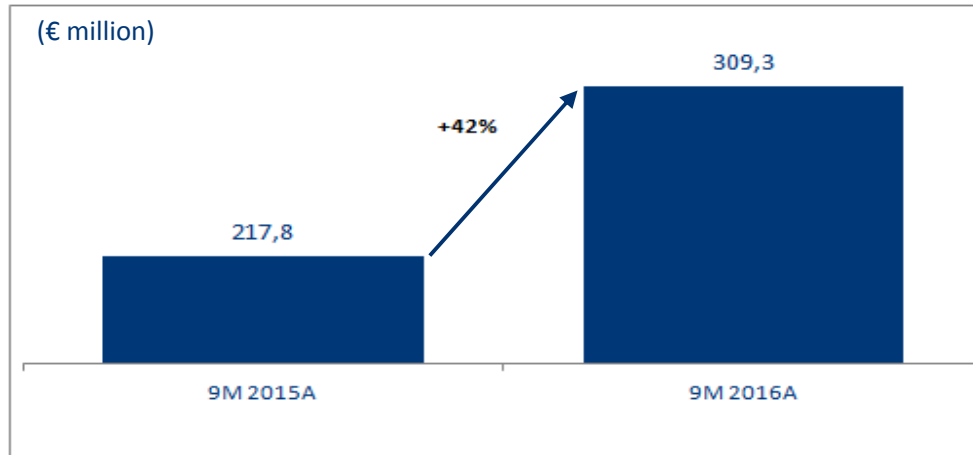
9M 2016 Highlights



FILA closes 9M 2016 with a increase of sales in all the reference markets, primarily Centre & South America, in particular Mexico, Europe and North America.

- **Core Business Sales** at 309,3mln €, +42,0% (organic growth, +8,2%)
 - increasing demand from Education and Art & Craft channels
 - Significant growth of the Other Creativity Instruments product line of +13,7%
 - Double digit growth confirmed in Indian market
 - Positive contribution of M&A of 82,7mln €
 - FX negative contribution of 9,0mln €
 - Market share consolidation in all the reference areas and market share increase in the emerging markets
- **Adjusted EBITDA** at 55,2mln €, +34,8%, with an organic growth of 12,0% registering an increase more than proportional than the Sales organic growth.
- **Adjusted Net Profit** +32,0%
- **Net financial position** at 175,8mln € at the end of September 2016, mainly affected by M&A effect related to Daler & Rowney Group (104,2mln €), fully consolidated from the beginning of February 2016 and to St. Cuthberts acquisition in mid September 2016 (6,5mln €).
- Completed at the beginning of October the acquisition of the Canson Group - the global leader of the high added value paper market for Fine Arts, schools and leisure. The EV (Enterprise Value) for acquisition of the Canson Group is Euro 85 million. An additional disbursement up to Euro 15 million may be due to the vendor where the 2017 EBITDA and 2018 EBITDA of the F.I.L.A. Group reaches certain thresholds.

9M 2016 Core Business Sales



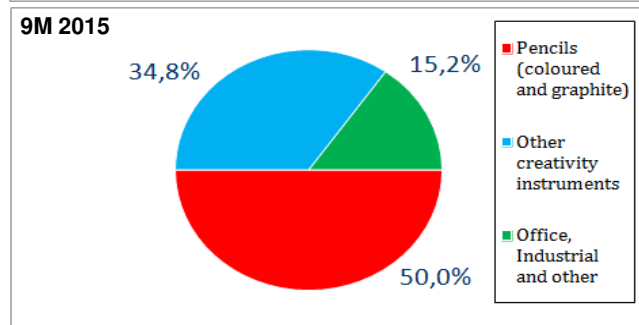
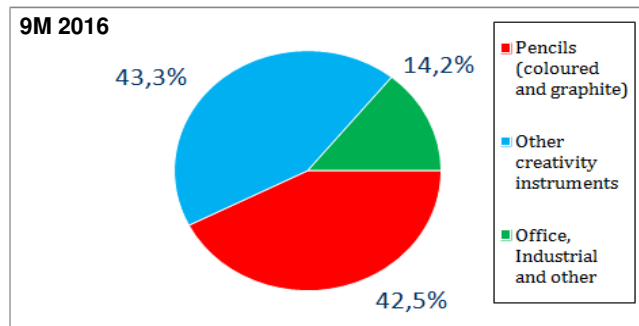
- Core Business Sales +42% (+91,5mln €). Organic growth, +17,9mln € (+8,2 %), net of M&A and FX effect, of which:

- By Geographic Area: mainly Centre-South America, +6,6mln € (+16,5%), Europe +6,4mln € (+6,4%) and North America +4mln € (+5,3%)

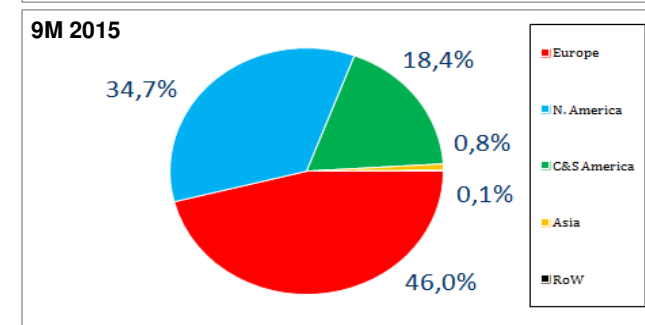
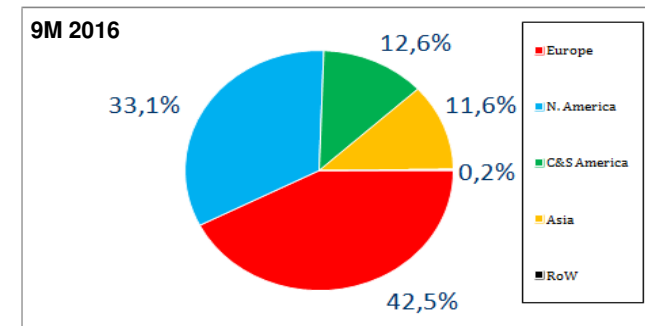
- By Product line: Other Creativity Instruments +10,4mln € (+13,7%), Pencils +5,2mln € (+4,8%), Office and Industrial Products of +2,3mln € (+6,9%)

- M&A effect 82,7mln € (33,8mln € WFPL/Pioneer, 48,3mln € D&R Group and 0,6mln € St Cuthberts Mill)

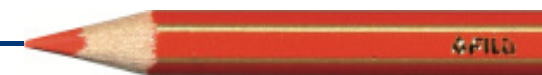
SALES BREAKDOWN BY PRODUCT LINE



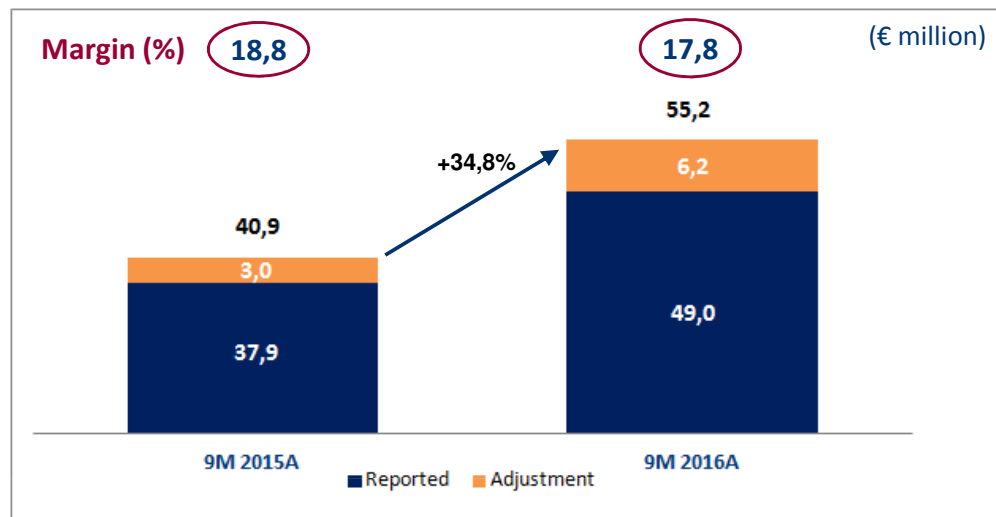
SALES BREAKDOWN BY GEOGRAPHICAL AREA



9M 2016 EBITDA

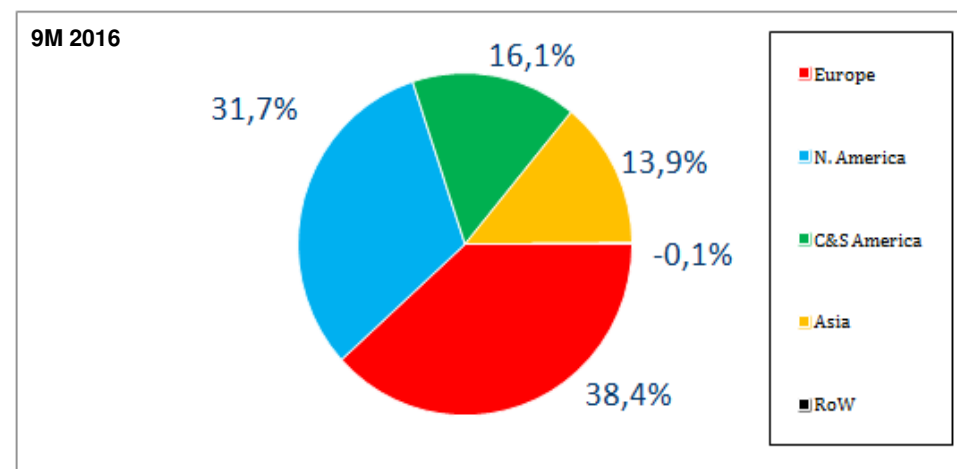
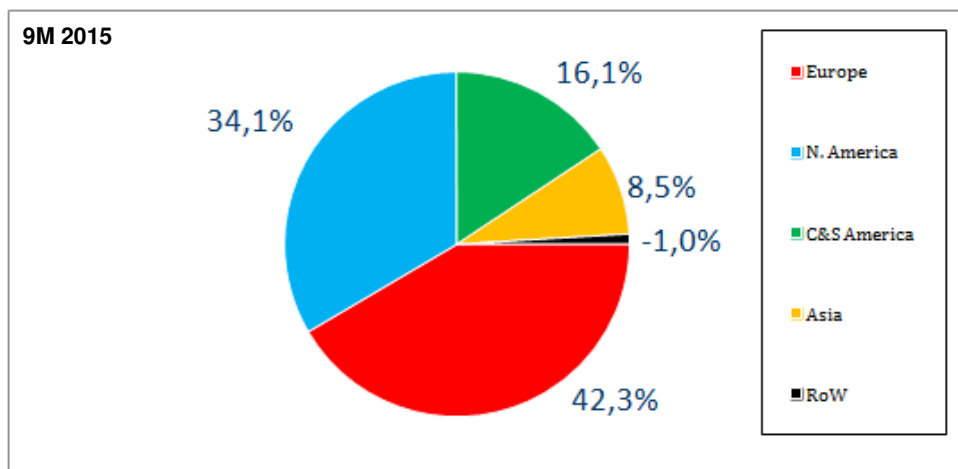


ADJUSTED EBITDA – 9M 2016

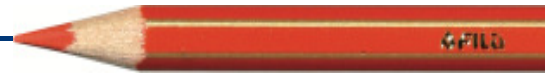


- **Adjusted EBITDA + 14,2mln € (+34,8 %), Organic Growth + 4,9mln € (+12%), net of M&A and main FX effect, more than proportional than the Organic Turnover Growth**
- **6,2mln € of extraordinary costs in FY2016**, mainly related to the M&A activities
- **3,0mln € of extraordinary costs in 9M2015**, mainly related to the Space S.p.A merger and listing expenses.
- **M&A effect of 10mln €** (5mln € WFPL/Pioneer, 4,8mln € D&R Group and 0,2mln € St Cuthberts Mill)

ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA

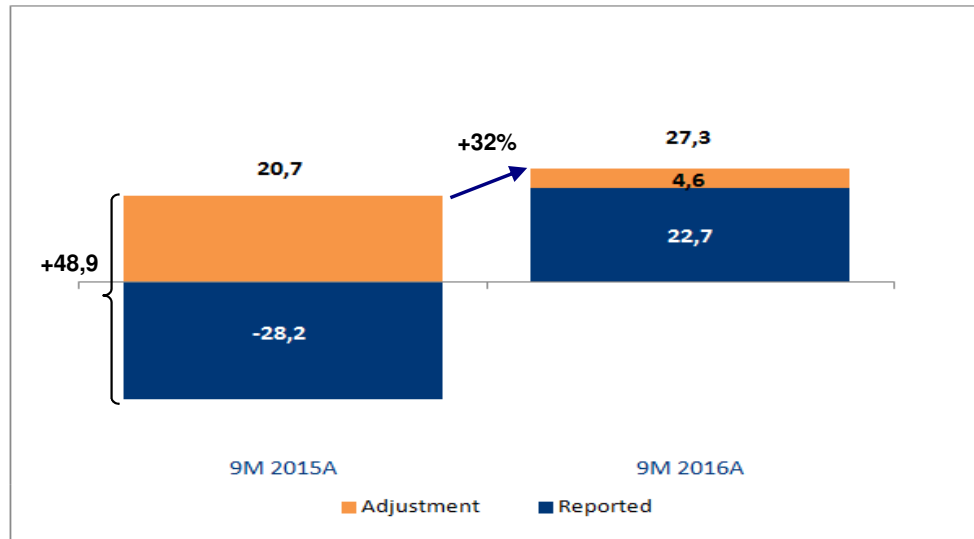


9M 2016 NET INCOME AND NET DEBT



(€ million)

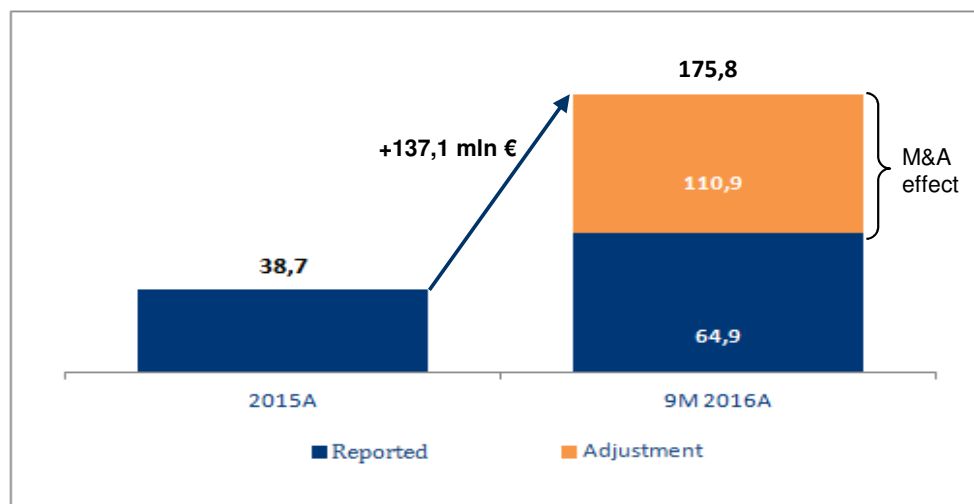
ADJUSTED NET INCOME – 9M 2016



- The normalization of the Group Result in 9M 2016 refers mainly to extraordinary operating costs, net of taxes effects
- Normalization made in 9M 2015 at the Group Result level refers to the non-recurring financial cashless charges related to the accounting of the fair value of Space S.p.A. equity at May 31st 2015 (45,8 mln €) and to the option stipulated by the parent company for the forward purchase of Indian rupees related to the WFPL deal (0,4 mln €) and to the extraordinary operating costs, net of taxes effects.

(€ million)

NET DEBT – FY 2015 and 9M 2016



Net debt Increase of 137,1mln € mainly due to:

- 110,9mln€ of M&A effect, mainly referred to shares acquisition (16,9mln € for Daler & Rowney Group and 6,5mln € for St Cuthberts Paper Mill €) and Daler & Rowney Group Net Debt contribution (87,3mln €)
- Operating CF before TWC adjustment equal to + 41mln €
- Trade working capital cash absorption of 53,8mln €, due to business seasonality
- Capex for 7,3mln € due to new investment in tangible and intangible assets
- Interest paid for 3,9mln €
- Dividend paid for 4,3mln €
- FX effect +3mln €



Appendix



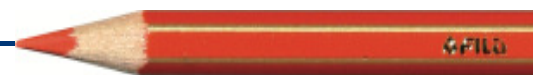
9M 2016 Income Statement



(€ million)	9M 2015A	% on Sales	9M 2016A	% on Sales
PROFIT & LOSS				
Core Business Sales	217,8		309,3	
Other revenues	5,5		7,0	
Total revenues	223,3		316,3	-
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(89,0)	(40,8%)	(131,9)	(42,6%)
Costs for Services and Use of Third parties Assets	(50,3)	(23,1%)	(73,0)	(23,6%)
Personnel Costs	(40,3)	(18,5%)	(54,8)	(17,7%)
Other Operating Costs	(5,8)	(2,7%)	(7,6)	(2,5%)
Total operating costs	(185,3)	(85,1%)	(267,3)	(86,4%)
EBITDA	37,9	17,4%	49,0	15,8%
Depreciation and Amortization	(5,1)	(2,3%)	(10,0)	(3,2%)
Write-Downs	(0,8)	(0,4%)	(0,2)	(0,1%)
EBIT	32,1	14,7%	38,8	12,5%
Financial income/expenses	(50,7)	(23,3%)	(3,7)	(1,2%)
Income/expenses from associates at equity method	0,5	0,2%	-	0,0%
PBT	(18,2)	(8,4%)	35,1	11,3%
Taxes	(10,2)	(4,7%)	(11,3)	(3,7%)
Net profit (loss) of continuing operating activities	(28,4)	(13,0%)	23,8	7,7%
Net profit (loss) of discontinued operating activities	0,5	0,2%	-	0,0%
Total net profit (loss) of the period	(27,9)	(12,8%)	23,8	7,7%
Total net profit (loss) attributable to non controlling interests	0,4	0,2%	1,0	0,3%
Fila Group's total net profit (loss) of the period	(28,2)	(13,0%)	22,7	7,4%

(€ million)	9M 2015A	% on Sales	9M 2016A	% on Sales
P&L ADJUSTMENTS				
REPORTED EBITDA	37,9	17,4%	49,0	15,8%
Total Adjustments	3,0		6,2	
ADJUSTED EBITDA	40,9	18,8%	55,2	17,8%
REPORTED NET PROFIT	(28,2)	(13,0%)	22,7	7,4%
Total Adjustments	48,9		4,6	
ADJUSTED NET PROFIT	20,7	9,5%	27,3	8,8%

9M 2016 Balance Sheet



(€ million)

	2015A	9M 2016A
BALANCE SHEET		
Intangible assets	88,2	152,9
Tangible Assets	47,9	61,7
Financial Fixed Assets	1,8	2,2
Fixed Assets	137,8	216,8
Other Non Current Assets/Liabilities	13,9	15,7
Inventory	118,5	152,2
Trade Receivables and Other receivables	77,7	135,9
Trade payables and Other Payables	(53,0)	(71,1)
Trade Working Capital	143,2	217,0
Other Current Assets and Liabilities	3,2	(0,6)
Net Working Capital	146,4	216,4
Provisions & Funds	(26,2)	(41,4)
Current and not Current Assets/Liabilities Intended for Disposal	-	-
NET CAPITAL EMPLOYED	272,0	407,5
Shareholders equity	(211,7)	(231,7)
Financial Instruments	(21,5)	-
Net Financial Position	(38,7)	(175,8)
TOTAL NET SOURCES	(272,0)	(407,5)

9M 2016 Cash Flow Statement



(€ million)

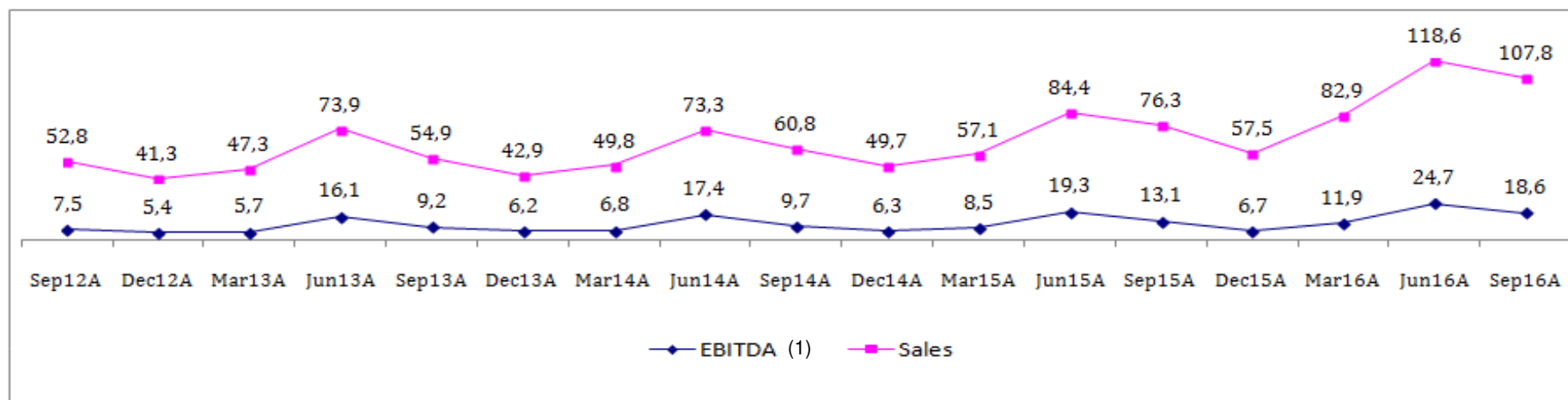
	9M 2015A	9M 2016A
CASH FLOW		
EBIT	32,1	38,8
Adjustments for non monetary costs	5,8	10,2
Adjustments for taxes	(10,6)	(8,0)
Cash-flow from operating activities before changes in NWC	27,3	40,9
<i>Changes in inventories</i>	<i>(10,8)</i>	<i>(15,6)</i>
<i>Changes in trade receivables & others</i>	<i>(40,5)</i>	<i>(46,4)</i>
<i>Changes in trade payables & others</i>	<i>(4,8)</i>	<i>7,2</i>
<i>Changes in other current assets/liabilities</i>	<i>(0,1)</i>	<i>1,0</i>
Changes in net working capital	(56,2)	(53,8)
Operating cash-flow	(28,9)	(12,9)
Investments in tangible and intangible assets	(5,7)	(7,3)
Other investments	0,3	(23,6)
Cash-flow from investments	(5,4)	(30,8)
Capital increase/reimbursement	(0,3)	(4,3)
Net interests	(3,0)	(3,9)
Cash-flow from financing	(3,3)	(8,2)
Other changes	(0,6)	(0,9)
Total cash-flow	(38,2)	(52,8)
Effect of FX rate movements	1,7	3,0
Net financial position of New Companies as at Acquisition Date	64,8	(87,2)
Changes in Net Financial Position	28,3	(137,1)

Quarterly CB Sales, EBITDA, TWC and NET DEBT



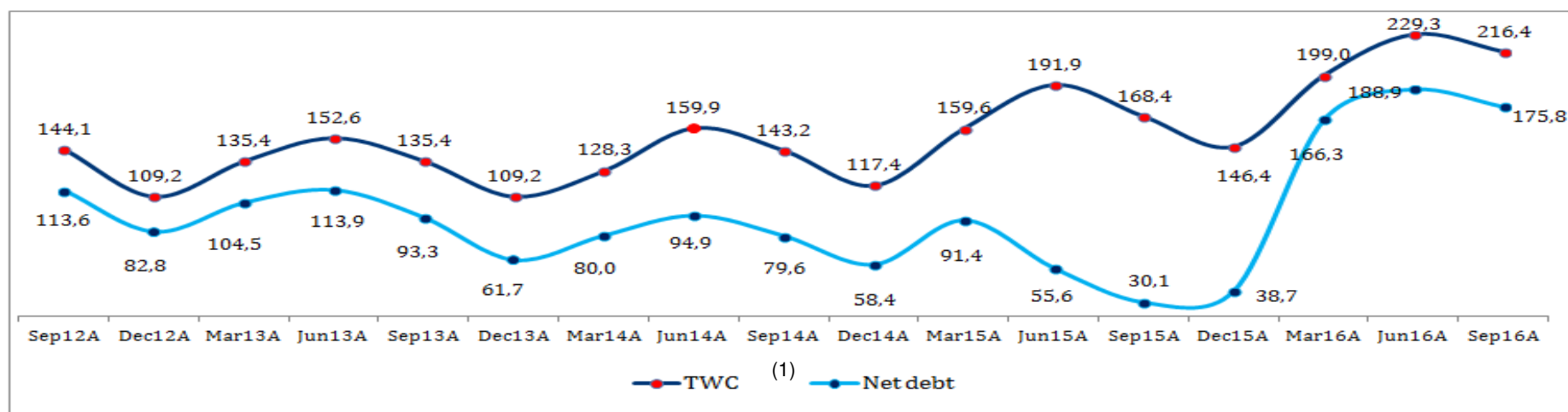
QUARTERLY CORE BUSINESS SALES AND ADJUSTED EBITDA

(€ million)



(€ million)

QUARTERLY TWC AND NET DEBT

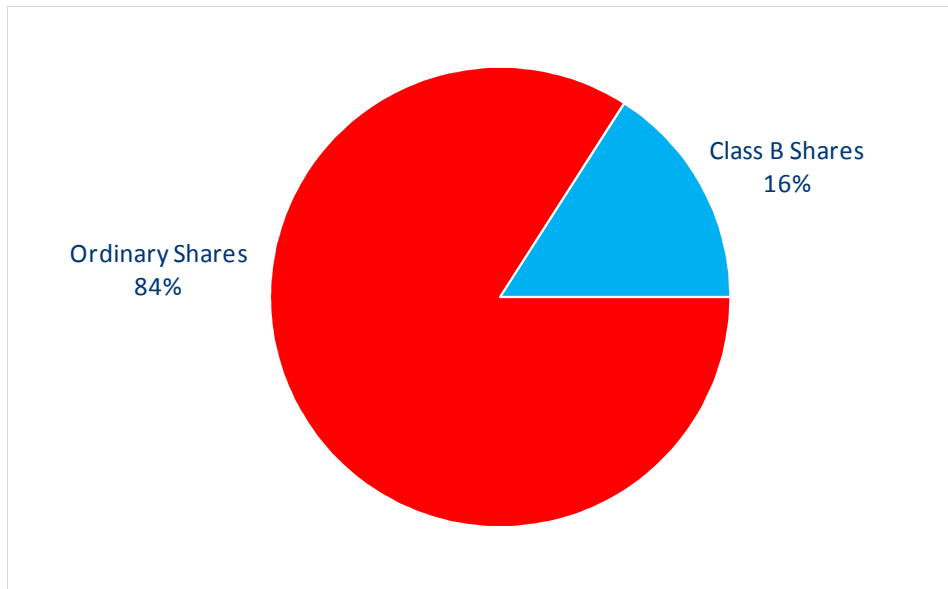


(1) Affected by extraordinary items

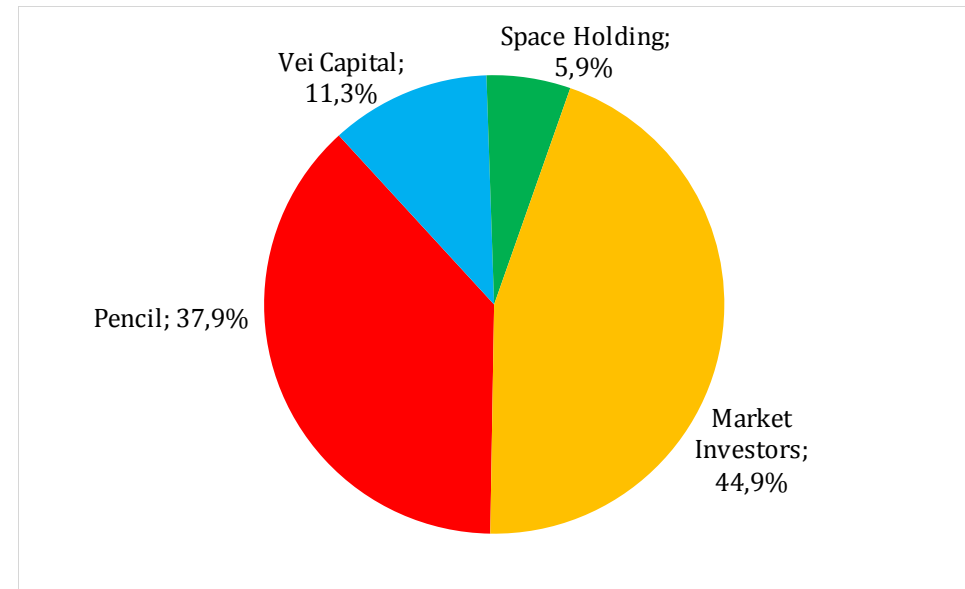
FILA Shareholders



Total shares *



Ordinary shares only



Total shares 41.232.296, of which : Ordinary shares 34.665.788, Class B shares 6.566.508 (enjoy three votes each in accordance with Article 127-sexies of Legislative Decree No. 58/1998).

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