



# 9M 2017 FILA Group Results



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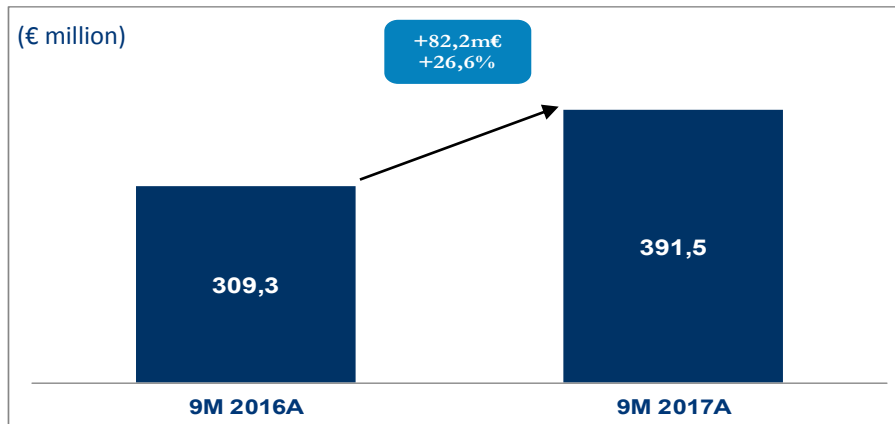
# 9M 2017 Highlights



## FILA: SALES RECOVERY IN NORD AMERICA AND FOCUS ON GROUP INTEGRATION AND MARGIN IMPROVEMENT

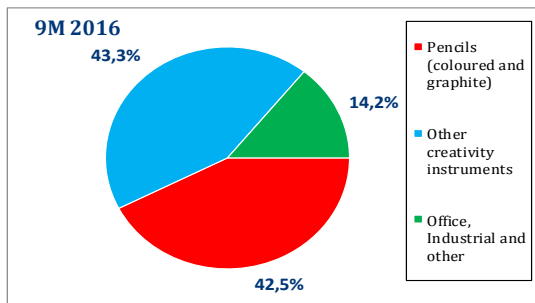
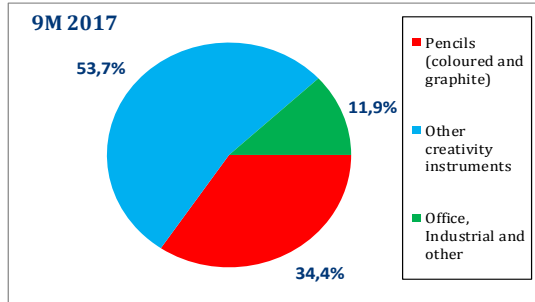
- 9M 2017 Core Business Revenue of Euro 391,5 million, up 26,6% on 9M 2016 (Euro 82,2 million), mainly due to 2016 M&A activity (acquisition of D&R Group, St Cuthberts and Canson) ;
- Organic revenue growth of 3%, net of acquisition and Fx effects. Revenues recovery coming from North America compared first half of the year and double digit increase confirmed in Asia, in particular India, and Centre & South America, in particular Mexico;
- Adjusted EBITDA of Euro 68,0 million, +23,2% on Euro 55,2 million in 9M 2016, of which +2,0% organic growth;
- Adjusted Net Profit at Euro 27,5 million (Euro 27,3 million in 9M 2016);
- Net Debt of Euro -276,5 million at September 30, 2017, in line with business seasonality impacts on net working capital that is slightly and temporarily worse than expected due to the strong revenues recovery in North America made in the last quarter.
- Flat European market in the first nine months 2017 with growth coming from the most recently established commercial companies

# 9M 2017 Core Business Sales

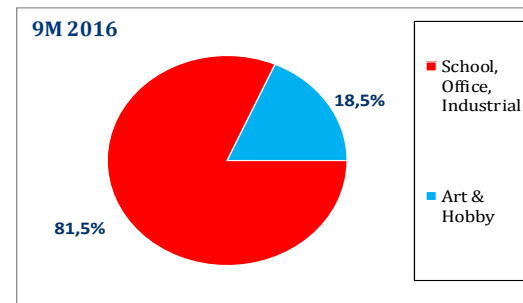
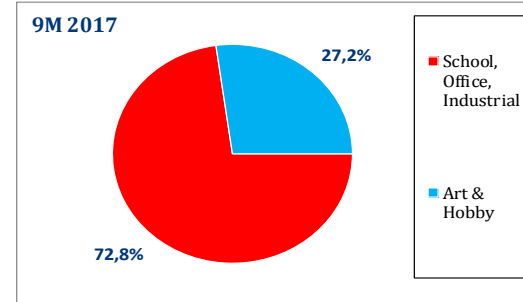


- Core Business Sales +26,6% (+82,2mln €). Organic growth, +9,2mln € (+3,0%), net of M&A and FX effect, of which:
  - By Geographic Area: mainly Asia +5,9mln € (+16,4%), Centre-South America +4,9mln € (+12,6%), +0,2 Other Countries (+30,9%), partially offset by North America -1,2mln € (-1,2%) and Europe -0,6mln € (-0,5%)
  - By Product line: Other Creativity Instruments +6,2mln € (+4,7%), Pencils +2,9mln € (+2,2%) Office and Industrial Products of +0,1mln € (+0,2%)
  - M&A effect 74,2mln € (mainly for 66,8mln € Canson Group, 4,6mln € D&R Group and 3,0mln € St Cuthberts)

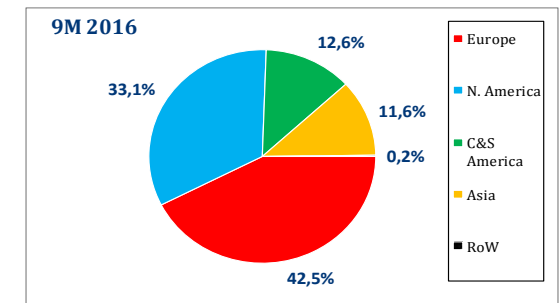
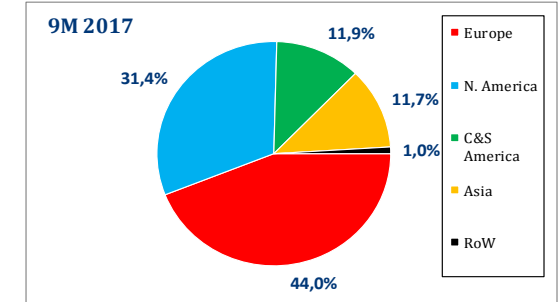
## SALES BY PRODUCT LINE



## SALES BY MARKETING DIVISION



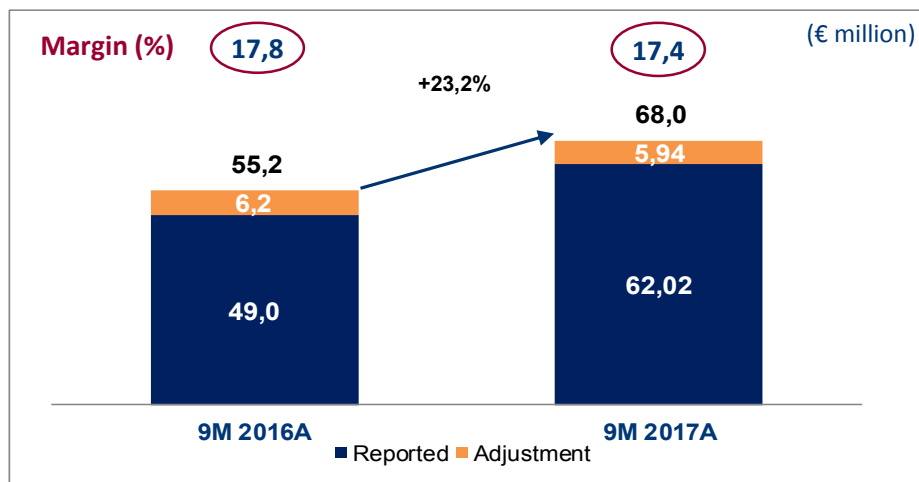
## SALES BY GEOGRAPHICAL AREA



# 9M 2017 EBITDA

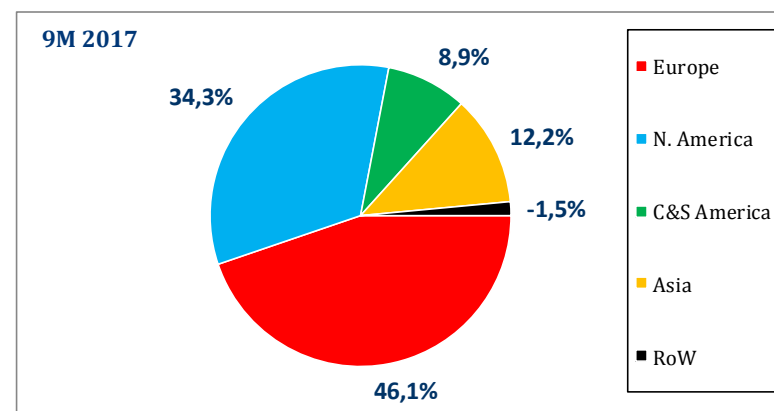
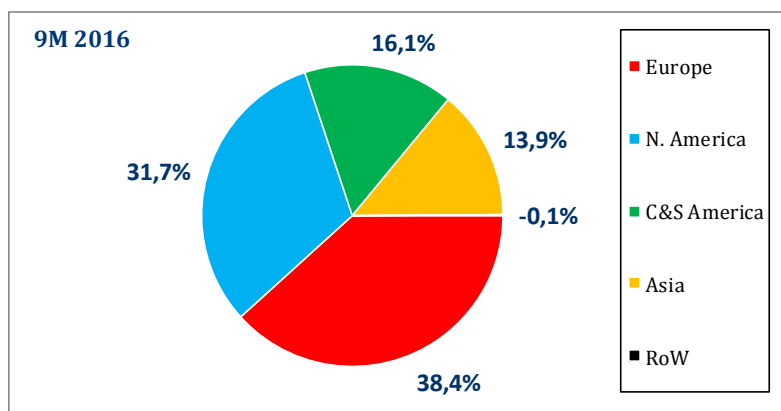


## ADJUSTED EBITDA



- Adjusted EBITDA + 12,8mln € (+23,2%), Organic Growth +1,1mln € (+2,0%), net of M&A and FX effect
- 5,94mln € of extraordinary costs in 9M 2017A, mainly related to reorganization and stock option costs
- 6,2mln € of extraordinary costs in 9M 2016A, mainly related to M&A activities.
- M&A effect of 11,2 mln € (mainly for 10,1mln € Canson Group, 0,5mln € D&R Group and 0,8mln € St Cuthberts)

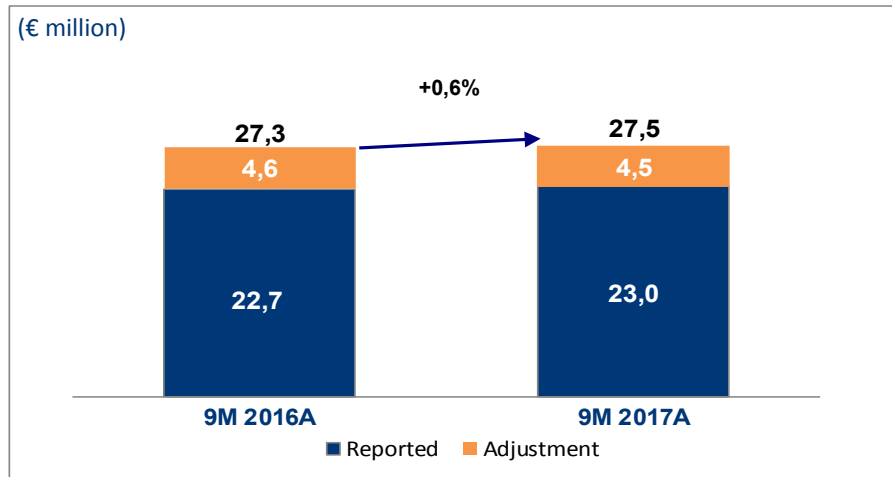
## ADJUSTED EBITDA BREAKDOWN BY GEOGRAPHICAL AREA



# 9M 2017 Net Income and Net Financial Position

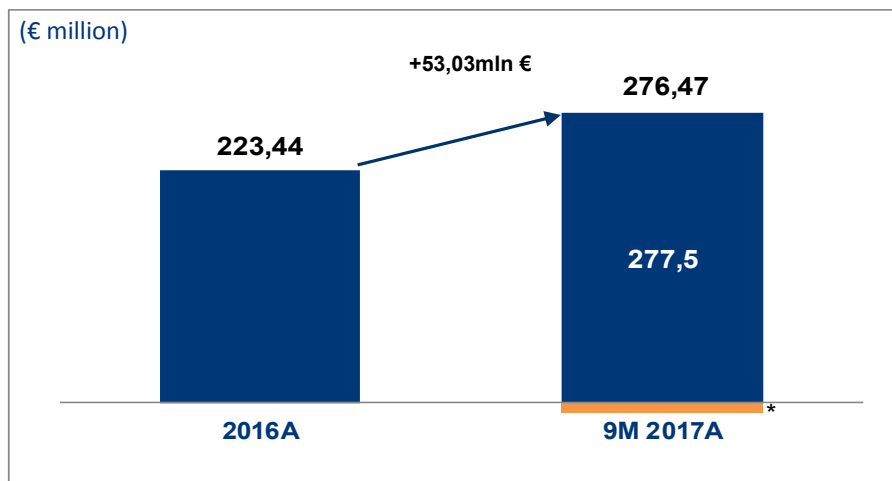


## ADJUSTED NET INCOME



- The normalization of the Group Result in 9M 2017A refers mainly to reorganization and stock options costs, net of taxes effects and partially offset by adjustments of 1mln € for financial proceeds coming from the disposal of 30% participation in FILA Nordic (Sweden)
- The normalization of the Group Result in 9M 2016 refers to extraordinary operating costs, net of taxes effects

## ADJUSTED NET FINANCIAL POSITION



### Net debt increase of 53,03mln € mainly due to:

- Operating CF -25,9 mln Euro, mainly due to business seasonability and sales increase
- Capex for 15,3mln €
- Dividend paid to shareholders for 3,8mln €
- Interest paid for 6,6mln €
- Cash in for disposal of 30% participation in FILA Nordic (Sweden) for 1mln €\*
- Negative FX effect of 2,3mln €



# Appendix



# 9M 2017 Income Statement



(€ million)	9M 2016A	% on Sales	9M 2017A	% on Sales
<b>PROFIT &amp; LOSS</b>				
Core Business Sales	309,3		391,5	
Other revenues	7,0		16,5	
<b>Total revenues</b>	<b>316,3</b>		<b>408,1</b>	-
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(131,9)	(42,6%)	(161,0)	(41,1%)
Costs for Services and Use of Third-Party Assets	(73,0)	(23,6%)	(87,2)	(22,3%)
Personnel Costs	(54,8)	(17,7%)	(80,5)	(20,6%)
Other Operating Costs	(7,6)	(2,5%)	(17,3)	(4,4%)
<b>Total operating costs</b>	<b>(267,3)</b>	<b>(86,4%)</b>	<b>(346,1)</b>	<b>(88,4%)</b>
<b>EBITDA</b>	<b>49,0</b>	<b>15,8%</b>	<b>62,0</b>	<b>15,8%</b>
Depreciation and Amortization	(10,0)	(3,2%)	(13,3)	(3,4%)
Write-Downs	(0,2)	(0,1%)	(0,9)	(0,2%)
<b>EBIT</b>	<b>38,8</b>	<b>12,5%</b>	<b>47,9</b>	<b>12,2%</b>
Financial income/expenses	(3,7)	(1,2%)	(11,3)	(2,9%)
Income/expenses from associates at equity method	-	0,0%	-	0,0%
<b>PBT</b>	<b>35,1</b>	<b>11,3%</b>	<b>36,5</b>	<b>9,3%</b>
Taxes	(11,3)	(3,7%)	(12,4)	(3,2%)
<b>Net profit (loss) of continuing operating activities</b>	<b>23,8</b>	<b>7,7%</b>	<b>24,1</b>	<b>6,2%</b>
Net profit (loss) of discontinued operating activities	-	0,0%	-	0,0%
<b>Total net profit (loss) of the period</b>	<b>23,8</b>	<b>7,7%</b>	<b>24,1</b>	<b>6,2%</b>
Total net profit (loss) attributable to non controlling interests	1,0	0,3%	1,2	0,3%
<b>Fila Group's total net profit (loss) of the period</b>	<b>22,7</b>	<b>7,4%</b>	<b>23,0</b>	<b>5,9%</b>

(€ million)	9M 2016A	% on Sales	9M 2017A	% on Sales
<b>P&amp;L ADJUSTMENTS</b>				
<b>REPORTED EBITDA</b>	<b>49,0</b>	<b>15,8%</b>	<b>62,02</b>	<b>15,8%</b>
<b>Total Adjustments</b>	<b>6,2</b>		<b>5,94</b>	
<b>ADJUSTED EBITDA</b>	<b>55,2</b>	<b>17,8%</b>	<b>68,0</b>	<b>17,4%</b>
<b>FILA GROUP REPORTED NET PROFIT</b>	<b>22,7</b>	<b>7,4%</b>	<b>23,0</b>	<b>5,9%</b>
<b>Total Adjustments</b>	<b>4,6</b>		<b>4,5</b>	
<b>FILA GROUP ADJUSTED NET PROFIT</b>	<b>27,3</b>	<b>8,8%</b>	<b>27,5</b>	<b>7,0%</b>



# 9M 2017 Balance Sheet



(€ million)

	2016A	9M 2017A
<b>BALANCE SHEET</b>		
Intangible assets	218,4	209,2
Tangible Assets	81,3	83,9
Financial Fixed Assets	3,7	4,2
<b>Fixed Assets</b>	<b>303,4</b>	<b>297,3</b>
<b>Other Non Current Assets/Liabilities</b>	<b>20,7</b>	<b>16,1</b>
Inventory	177,4	185,1
Trade Receivables and Other receivables	113,6	173,0
Trade Payables and Other Payables	(90,4)	(89,3)
<b>Trade Working Capital</b>	<b>200,5</b>	<b>268,7</b>
Other Current Assets and Liabilities	0,2	(1,6)
<b>Net Working Capital</b>	<b>200,7</b>	<b>267,2</b>
<b>Provisions &amp; Funds</b>	<b>(62,4)</b>	<b>(54,7)</b>
<b>Current and not Current Assets/Liabilities Intended for Disposal</b>	<b>-</b>	<b>-</b>
<b>NET CAPITAL EMPLOYED</b>	<b>462,4</b>	<b>525,9</b>
<b>Shareholders equity</b>	<b>(239,0)</b>	<b>(249,4)</b>
<b>Net Financial Position</b>	<b>(223,4)</b>	<b>(276,5)</b>
<b>TOTAL NET SOURCES</b>	<b>(462,4)</b>	<b>(525,9)</b>

# 9M 2017 Cash Flow Statement



(€ million)

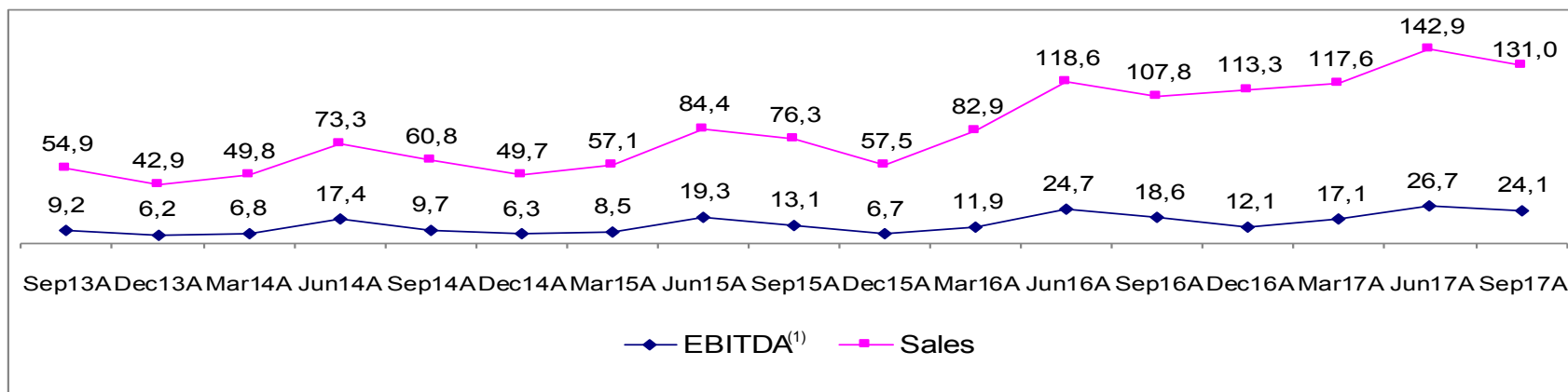
	9M 2016A	9M 2017A
<b>CASH FLOW</b>		
<b>EBIT</b>	<b>38,8</b>	<b>47,9</b>
Adjustments for non monetary costs	11,8	18,6
Adjustments for taxes	(8,0)	(10,9)
<b>Cash-flow from operating activities before changes in NWC</b>	<b>42,5</b>	<b>55,6</b>
<i>Changes in inventories</i>	<i>(15,6)</i>	<i>(15,9)</i>
<i>Changes in trade receivables &amp; others</i>	<i>(46,4)</i>	<i>(64,8)</i>
<i>Changes in trade payables &amp; others</i>	<i>7,2</i>	<i>1,8</i>
<i>Changes in other current assets/liabilities</i>	<i>(2,0)</i>	<i>(2,5)</i>
<b>Changes in net working capital</b>	<b>(56,8)</b>	<b>(81,4)</b>
<b>Operating cash-flow</b>	<b>(14,3)</b>	<b>(25,9)</b>
Investments in tangible and intangible assets	(7,3)	(15,3)
Other changes	(0,0)	(0,7)
<b>Free Cash Flow</b>	<b>(21,6)</b>	<b>(41,8)</b>
Capital increase/reimbursement/dividends	(4,3)	(3,8)
Net interests	(3,8)	(6,6)
Participation acquisition and disposal	(23,7)	0,8
Effect of FX rate movements	3,1	(2,3)
Net financial position due to consolidation area changes	(86,8)	0,7
<b>Changes in Net Financial Position</b>	<b>(137,1)</b>	<b>(53,0)</b>

# Quarterly CB Sales, EBITDA, TWC and NFP



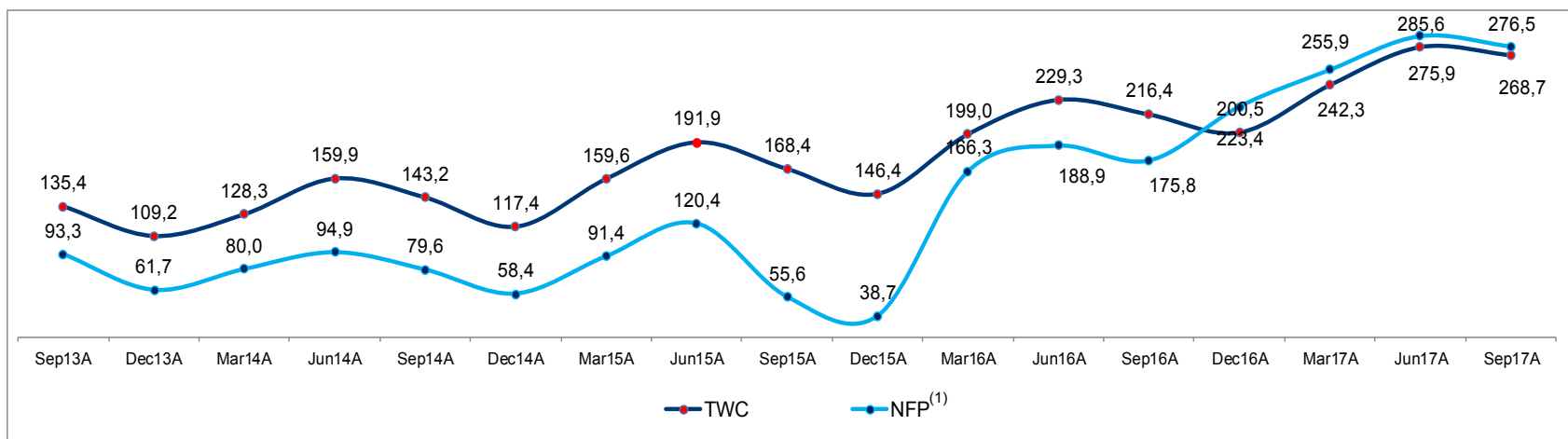
## QUARTERLY CORE BUSINESS SALES AND ADJUSTED EBITDA

(€ million)



(€ million)

## QUARTERLY TWC AND NFP

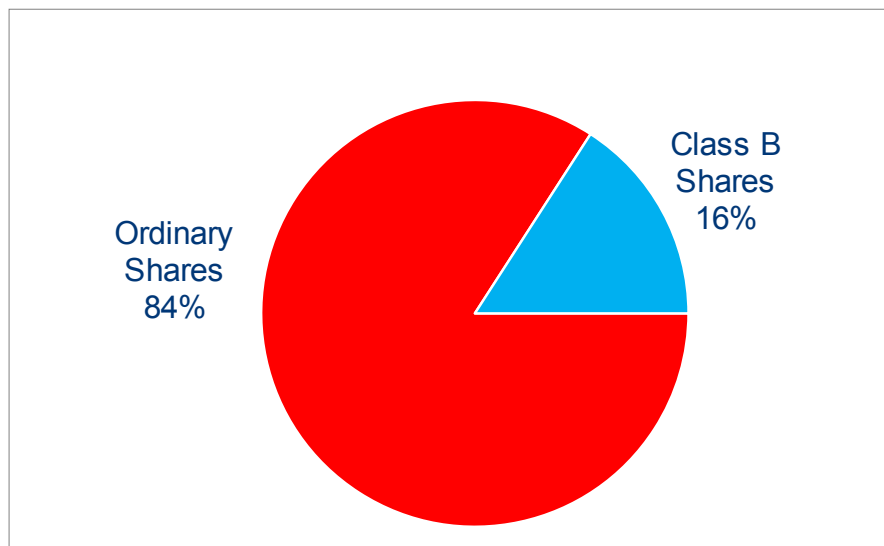


(1) Affected by extraordinary items

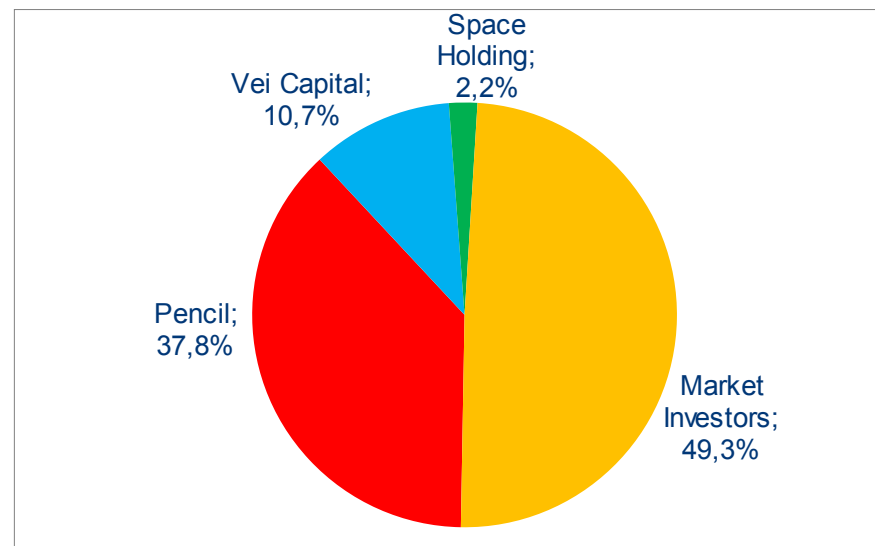
# FILA Shareholders



## Total shares \*



## Ordinary shares only



Total shares 41.332.477, of which : Ordinary shares 34.765.969, 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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Investor Relations F.I.L.A.

Stefano De Rosa CFO/IR Officer – Francesca Cocco IR

[ir@fila.it](mailto:ir@fila.it)

(+39) 02 38105206