



Il futuro ha i nostri colori. Da 100 anni.

9M 2020 FILA Group Results



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3Q & 9M 2020 Highlights



▶ 3Q 2020 results:

- Sales of 170,9mln € (185,1mln € in 3Q 2019), with comparable FX;
- Adjusted EBITDA, without IFRS 16 effects and with comparable FX, of 31,9mln €, improving on Q3 2019 (29,9mln €);
- EBITDA margin at 18,7% from 16,2% in 3Q2019;
- Strong growth in Fine Art worldwide (+30% vs 3Q 2019), with positive contribution on margins, that partially offset the effects of the school lockdown in India and Mexico.

▶ 9M 2020 results:

- Sales of 471,3mln € (535,9mln € in 9M 2019) with decline of -57,1mln € (-10,7%), with comparable FX, due to COVID-19 impacts and referred for 60% to India and Mexico. Fine Art +13,8% and School & Office -19,6% vs 9M 2019;
- Adjusted EBITDA, without IFRS 16 effects, of 78,1mln € (88,2mln € in 9M 2019) with a decrease of 10,9mln € (-12,4%), with comparable FX;
- EBITDA margin at 16,6 % from 16,5% in 9M2019;
- Net Bank Debt of 470,3mln € (493,3mln € as at September 2019) with a decrease of 23,0mln € in the last 12 months, notwithstanding the cash out for ARCHES® acquisition of 43,6mln € and 4,2mln € related to consulting fees and other closing expense => Net Bank Debt decrease in last twelve months of 70,8mln € including positive FX effect of approx. 22,5mln €;
- “Free Cash Flow to Equity” worse of 13,2mln compared 9M 2019 due to lower EBITDA, consultancy cash out for Arches consultancy fees and higher inventory level (in particular in North America and Mexico), but in line with expectations.

9M 2020 Highlights



COVID-19 impacts in the first 9M 2020 affected in particular India and Mexico for prolonged school lock-down and lack on line sales. Here under a 9M main economic and financial data comparison between 2020 and 2019:

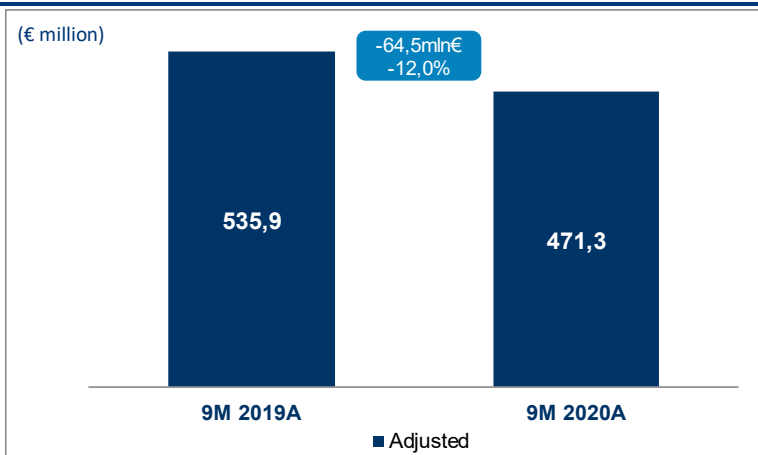
€ million

3rd PARTIES SALES	Actual 2020 YTD September	Actual 2019 YTD September	Var vs PY
Dixon (Mexico)	12,1	34,5	(22,4)
DOMS Industries PVT Ltd (India)	28,7	53,6	(24,9)

EBITDA	Actual 2020 YTD September	Actual 2019 YTD September	Var vs PY
Dixon (Mexico)	1,4	5,1	(3,6)
DOMS Industries PVT Ltd (India)	2,6	6,6	(4,0)

NFP IFRS 16 excluded	Actual 2020 YTD September	Actual 2019 YTD September	Var vs PY
Dixon (Mexico)	(35,2)	(42,9)	7,8
DOMS Industries PVT Ltd (India)	(7,7)	(4,3)	(3,4)

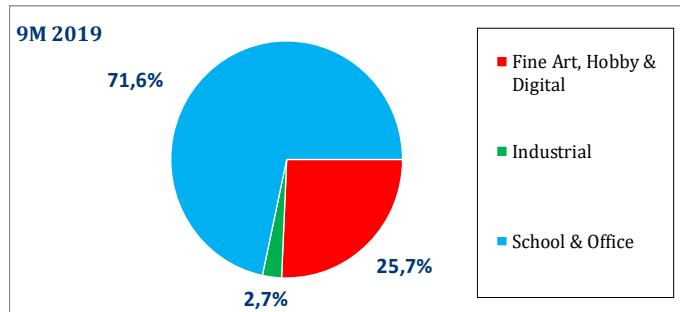
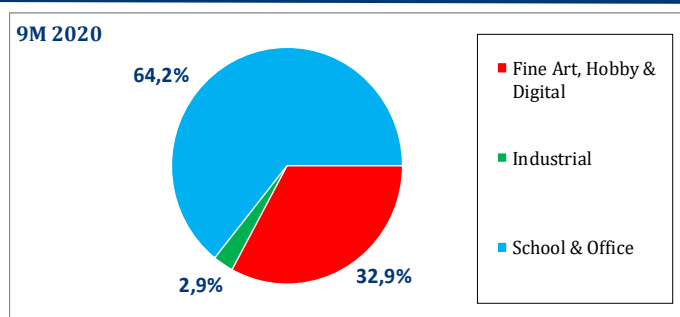
9M 2020 Core Business Sales



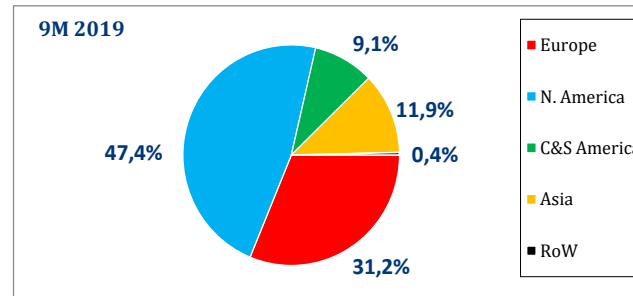
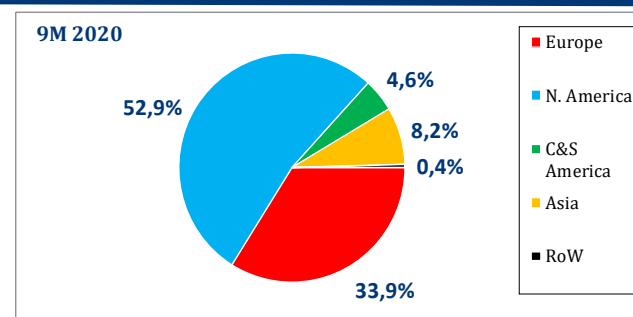
- **Core Business Sales of 471,3mln €, -64,5mln € (-12,0%) compared to 9M 2019 Results;**
- **Core Business Sales variation -57,1mln € (-10,7%), FX effects excluded, of which:**
 - By Geographic Area: Asia -24,0mln € (-37,6%), Centre & South America -22,1mln € (-45,6%), Europe -7,1mln € (-4,2%), North America -4,2mln € (-1,6%) partially offset by Other Countries +0,3mln € (+14,4%);
 - By Product line: School & Office -75,1mln € (-19,6%), Industrial -1,1mln € (-7,3%) partially offset by Fine Art, Hobby & Digital +19,1mln € (+13,8%).

Core Business Sales for 2020 include since March 2020 Arches sales for 3,1mln € and for 2019 include Superior sales for 5,4mln €, business sold in October 2019.

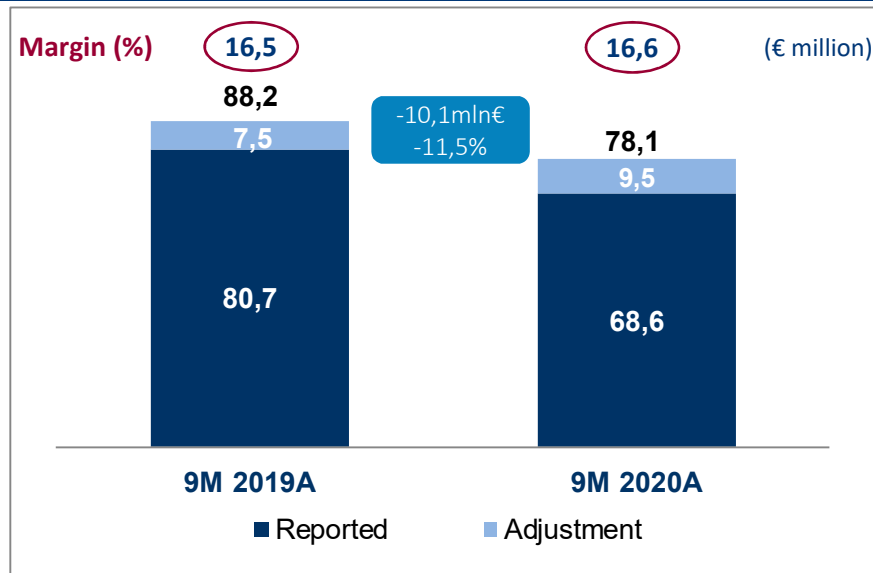
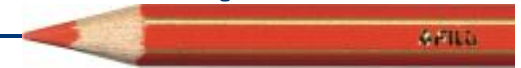
SALES BY PRODUCT LINE



SALES BY GEOGRAPHICAL AREA



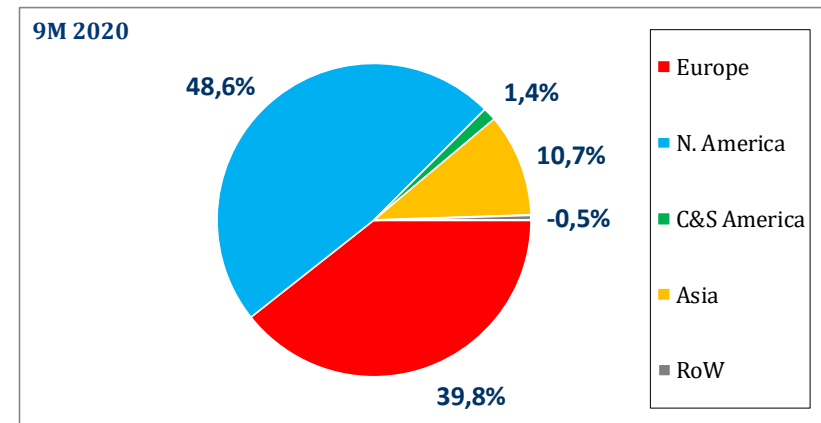
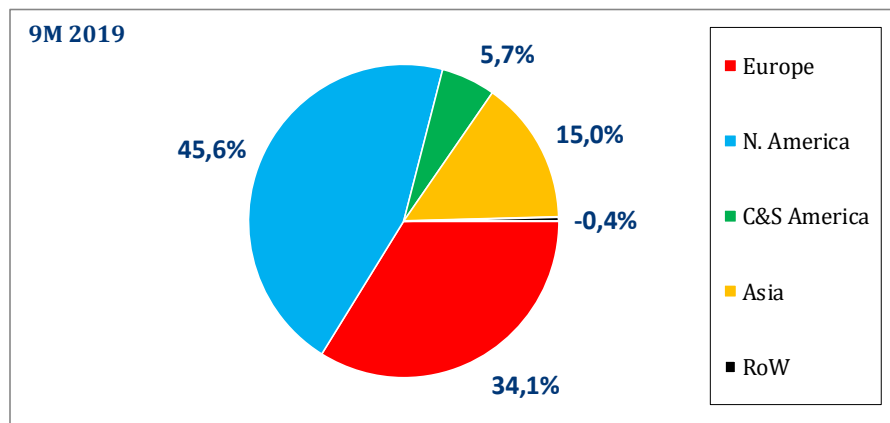
9M 2020 EBITDA Adjusted (Excluded IFRS 16)



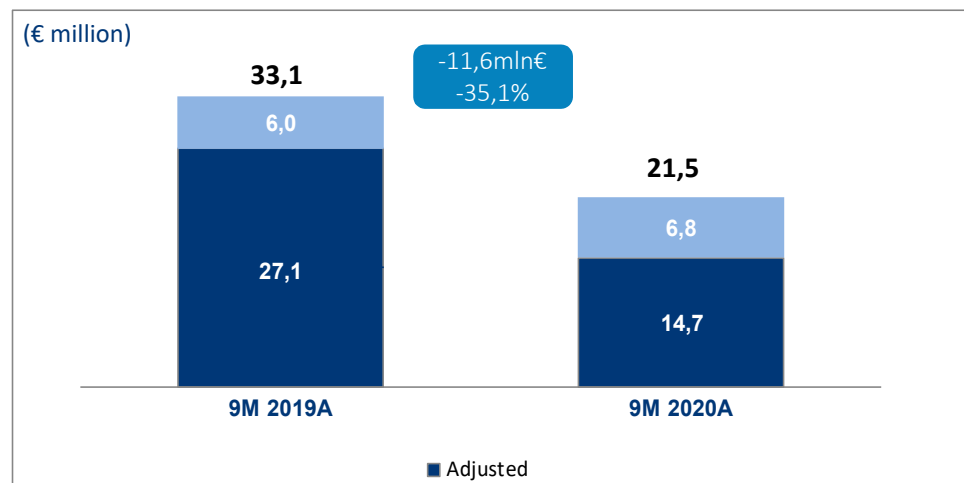
- Adjusted EBITDA of 78,1m€ (-10,1m€ (-11,5%)) compared to 9M 2019 Results;
- Adjusted EBITDA variation -10,9m€ (-12,4%), FX effects excluded;
- 9,5m€ of extraordinary costs in 9M 2020 mainly related to Fila Arches acquisition (4,7m€), COVID-19 pandemic (3,0m€) and FILA Group reorganization costs (1,5m€); 7,5m€ of extraordinary costs in 9M 2019 mainly due to reorganization costs;

Adjusted EBITDA for 2020 include since March 2020 Arches Ebitda for 1,5m€ and for 2019 include Superior Ebitda for 1,0 m€ , business sold in October 2019.

ADJUSTED EBITDA BY GEOGRAPHICAL AREA



9M 2020 Net Income Adjusted (Excluded IFRS 16)



- Adjusted Net Income of 21,5mln €, -35,1% compared to 9M 2019. Results mainly affected by higher financial costs related to negative FX effect;
- The adjustment of the Group Result in 9M 2020 for 6,8mln € mainly refers to extraordinary operating costs for Arches acquisition and COVID-19 pandemic, net of taxes effects;
- The adjustment of the Group Result in 9M 2019 for 6,0mln € mainly refers to group reorganization costs, net of taxes effects.

9M 2020 Net Financial Position



(€ million)	9M 2019A	2019A	9M 2020A
Cash and Cash Equivalents	26,8	85,6	79,4
Financial Liabilities	(520,1)	(489,1)	(549,6)
Net Bank Debt	(493,3)	(403,5)	(470,3)
Amortized cost	5,9	5,6	7,0
Financial Receivables	0,8	1,1	0,1
Mark to Market Hedging	(18,9)	(13,6)	(20,8)
NFP excluded IFRS 16	(505,6)	(410,4)	(483,9)
IFRS 16	(78,2)	(87,8)	(85,1)
NFP included IFRS 16	(583,8)	(498,2)	(569,0)

- **Net Bank Debt decrease of 23,0mln €** in the last twelve months, notwithstanding the **cash out for Arches acquisition of 43,6mln €** and related consultancy fees and other closing expenses for 4,2mln € => **Net Bank Debt decrease in last twelve months of 70,8mln €** excluding Arches Acquisition cash out, but including positive fx effect of approx. 22,5mln €;
- **9M 2020 Net Financial Position increase of 70,8mln €** compared to FY2019, below the main variations:
 - M&A Arches acquisition price for 43,6mln €;
 - Free Cash Flow to Equity negative for 30,7mln € (26,5mln € excluding consultancy fees and other closing expenses for 4,2mln €).

9M 2020 Cash Flow Statement



(€ million)		9M 2019A	9M 2020A
CASH FLOW			
EXCLUDED IFRS 16	EBIT	57,7	43,7
	Adjustments for non monetary costs	25,3	25,6
	Adjustments for taxes	(8,6)	(5,5)
	Cash-flow from operating activities before changes in NWC	74,4	63,8
	Changes in net working capital	(62,0)	(73,8)
	Operating cash-flow	12,4	(10,0)
	Investments in tangible and intangible assets	(14,1)	(7,5)
	Free Cash Flow	(1,6)	(17,5)
	Net financial expenses	(17,7)	(16,0)
	Other changes	(3,4)	(2,4)
	IFRS 16 Impact	5,2	5,2
	Free Cash Flow to Equity	(17,5)	(30,7)*
	Capital increase/reimbursement/dividends	(4,3)	(0,3)
	Adjustment mark to market hedging	(13,6)	(7,6)
Effect of FX rate movements	(14,6)	17,6	
IFRS 16 Net Financial Position	(78,2)	(6,3)	
M&A - Acquisition: 2019 Minority acquisition - 2020 Arches	(2,8)	(43,6)	
Changes in Net Financial Position	(131,0)	(70,8)	

*Including cash out of 4,2mIn € for consultancy fees and other closing expenses related to Arches acquisition.



Appendix



9M 2020 Income Statement Reported



(€ million)	9M 2019A	% on Sales	9M 2020A	% on Sales
PROFIT & LOSS				
Core Business Sales	535,9		471,1	
Other revenues	5,5		6,8	
Total revenues	541,4		477,9	
Cost for Raw Materials and Supplies net Increase(decrease) inventory	(248,3)	(46,3%)	(215,8)	(45,8%)
Costs for Services and Use of Third-Party Assets	(91,2)	(17,0%)	(79,4)	(16,9%)
Personnel Costs	(106,2)	(19,8%)	(98,2)	(20,8%)
Other Operating Costs	(5,5)	(1,0%)	(6,0)	(1,3%)
Total operating costs	(451,2)	(84,2%)	(399,4)	(84,8%)
EBITDA	90,2	16,8%	78,5	16,7%
Depreciation and Amortization	(29,8)	(5,6%)	(31,4)	(6,7%)
Write-Downs	(1,0)	(0,2%)	(1,5)	(0,3%)
EBIT	59,5	11,1%	45,6	9,7%
Financial income/expenses	(21,2)	(4,0%)	(27,7)	(5,9%)
Income/expenses from associates at equity method	0,1	0,0%	(0,0)	(0,0%)
PBT	38,4	7,2%	17,8	3,8%
Taxes	(11,9)	(2,2%)	(5,5)	(1,2%)
Total net profit (loss) of the period	26,5	4,9%	12,3	2,6%
Total net profit (loss) attributable to non controlling interests	1,3	0,2%	(0,5)	(0,1%)
Fila Group's total net profit (loss) of the period	25,2	4,7%	12,8	2,7%

9M 2020 Income Statement Adjusted



(€ million)	9M 2019A	% on Sales	9M 2020A	% on Sales
P&L ADJUSTMENTS				
REPORTED CORE BUSINESS SALES	535,9		471,1	
Total Adjustments			0,2	
ADJUSTED CORE BUSINESS SALES	535,9		471,3	
REPORTED EBITDA	90,2	<u>16,8%</u>	78,5	<u>16,7%</u>
IFRS 16 Impact	(9,6)		(9,9)	
Total Adjustments	7,5		9,5	
ADJUSTED EBITDA EXCLUDED IFRS 16	88,2	<u>16,5%</u>	78,1	<u>16,6%</u>
REPORTED FILA GROUP NET PROFIT	25,2	<u>4,7%</u>	12,8	<u>2,7%</u>
IFRS 16 Impact	1,9		1,9	
Total Adjustments	6,0		6,8	
ADJUSTED FILA GROUP NET PROFIT EXCLUDED IFRS 16	33,1	<u>6,2%</u>	21,5	<u>4,6%</u>

9M 2020 Balance Sheet Reported

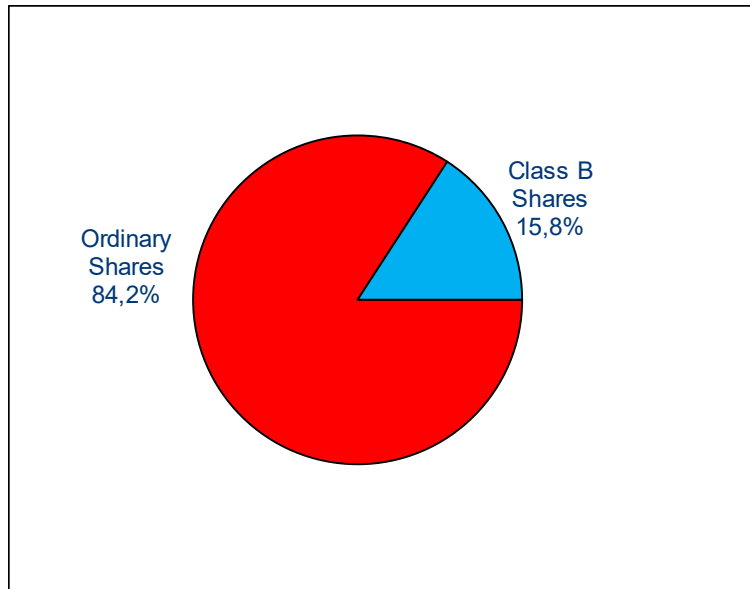


(€ million)	2019A	9M 2020A
BALANCE SHEET		
Intangible assets	430,6	449,6
Tangible Assets	186,0	175,2
Financial Fixed Assets	3,7	3,5
Fixed Assets	620,3	628,2
Other Non Current Assets/Liabilities	18,3	19,4
Trade Working Capital	291,1	341,6
Other Current Assets and Liabilities	3,8	1,3
Net Working Capital	294,9	343,0
Provisions & Funds	(78,0)	(80,1)
NET CAPITAL EMPLOYED	855,5	910,5
Shareholders equity	(357,3)	(341,5)
Net Financial Position	(498,2)	(569,0)
TOTAL NET SOURCES	(855,5)	(910,5)

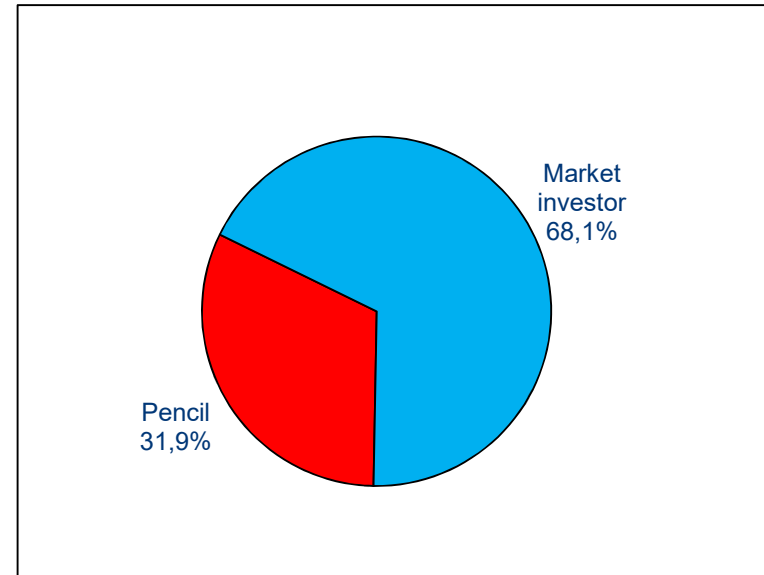
FILA Shareholders



Total shares *



Ordinary shares only



*Total shares 51.040.048 of which : Ordinary shares 42.958.192; Class B shares 8.801.856 (enjoy three votes each in accordance with Article 127-sexies of Legislative Decree No. 58/1998).

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