



FILA Holdings Corp.

WINNING TOGETHER

Q3 2023 Earnings Release

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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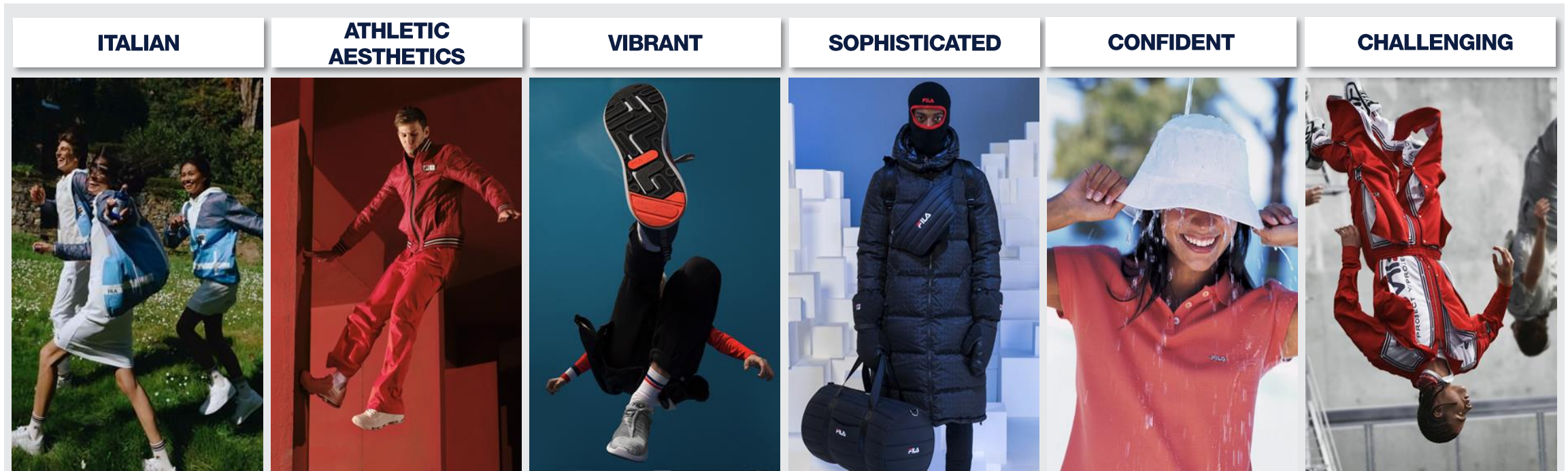
**Company
Overview**

FILA is a ' **PREMIUM LIFESTYLE SPORTS BRAND** '

“ ITALIAN HERITAGE ”

“ TENNIS & OTHERS ”

Key Brand Value

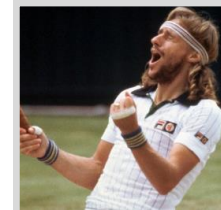


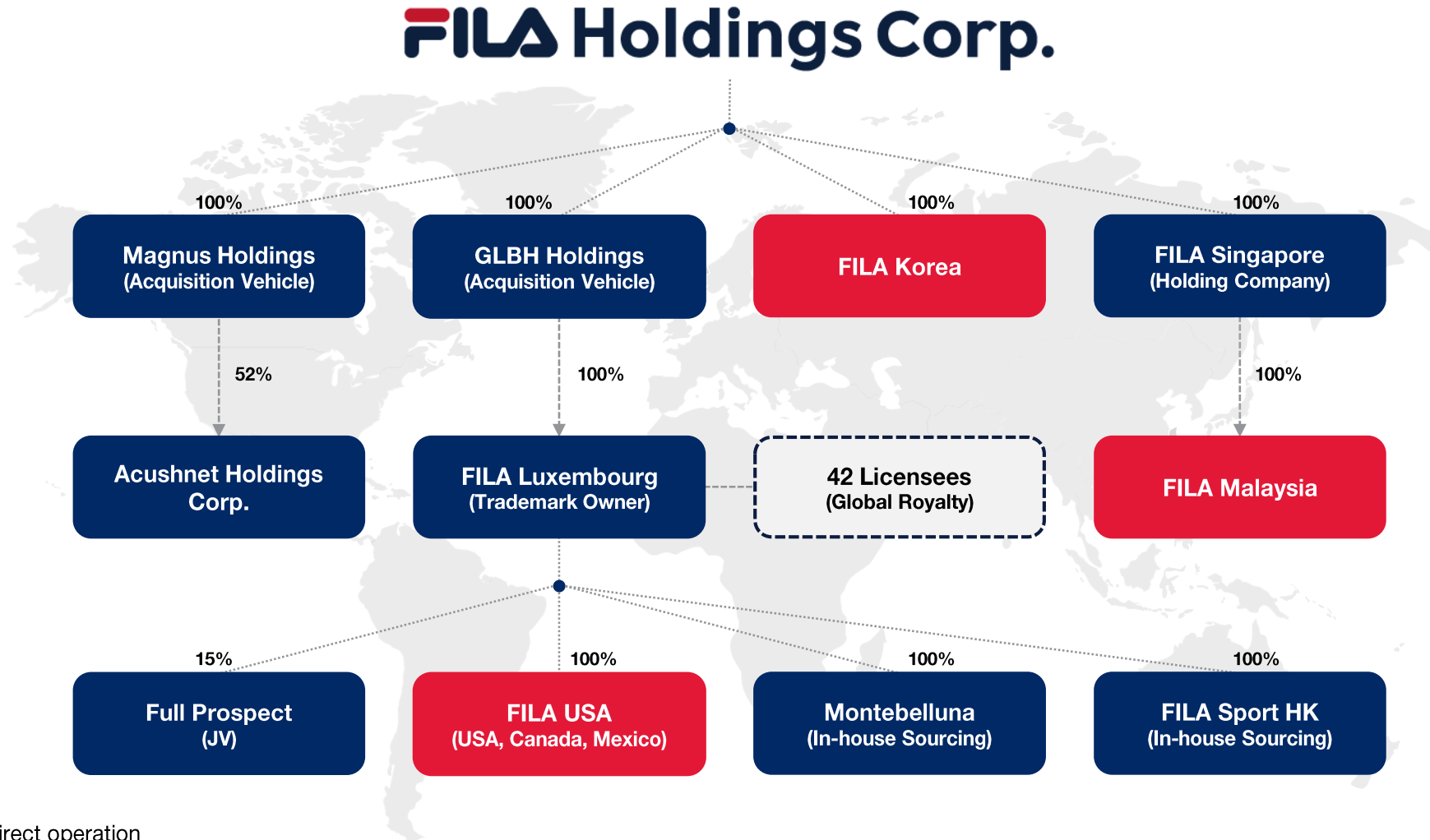


“FILA’s 111-year Heritage in the History of Sports”

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’





* The above organizational structure selectively presents the key subsidiaries as of September 30th, 2023.

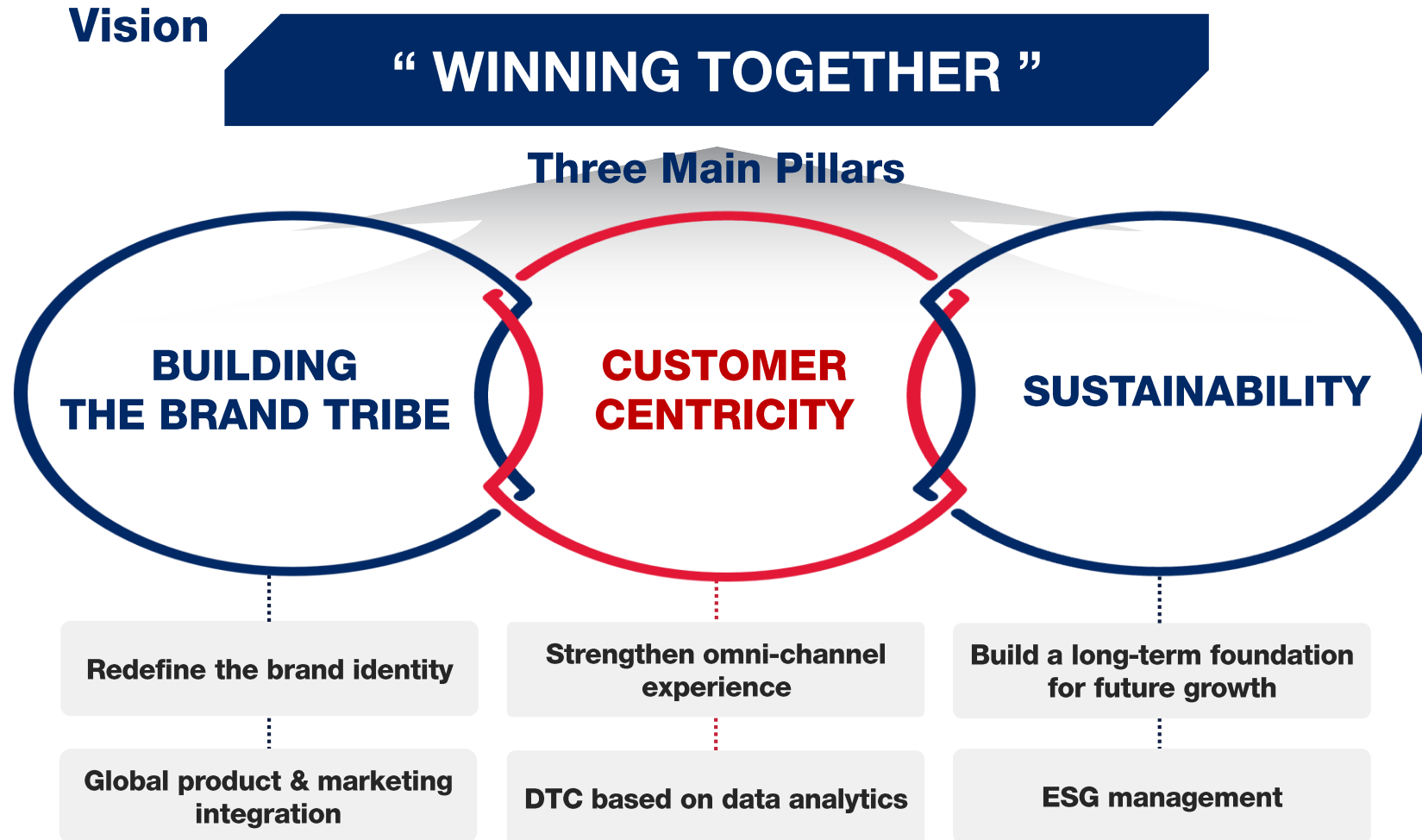


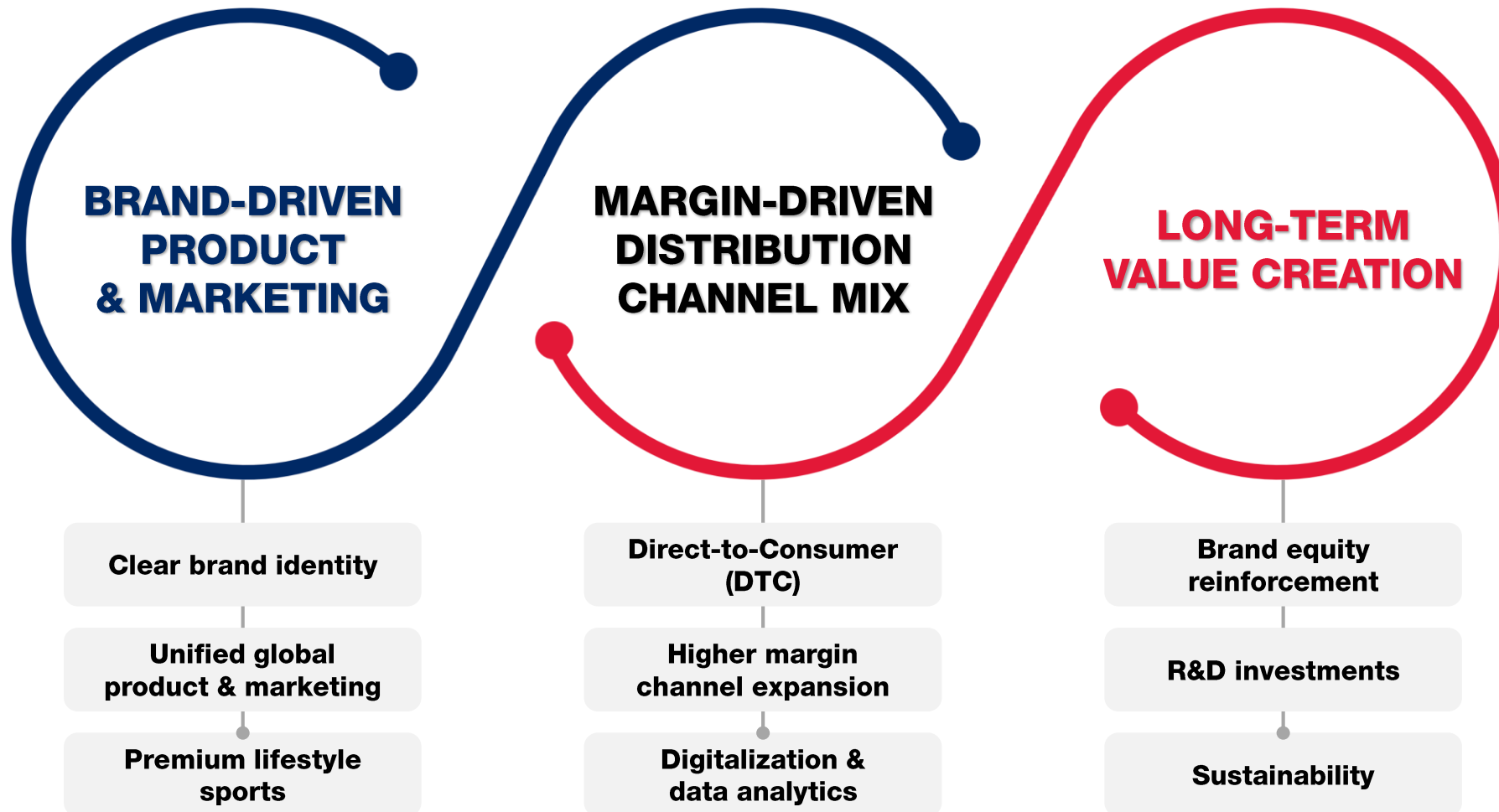
* as of September 30th, 2023



02

Brand Strategy





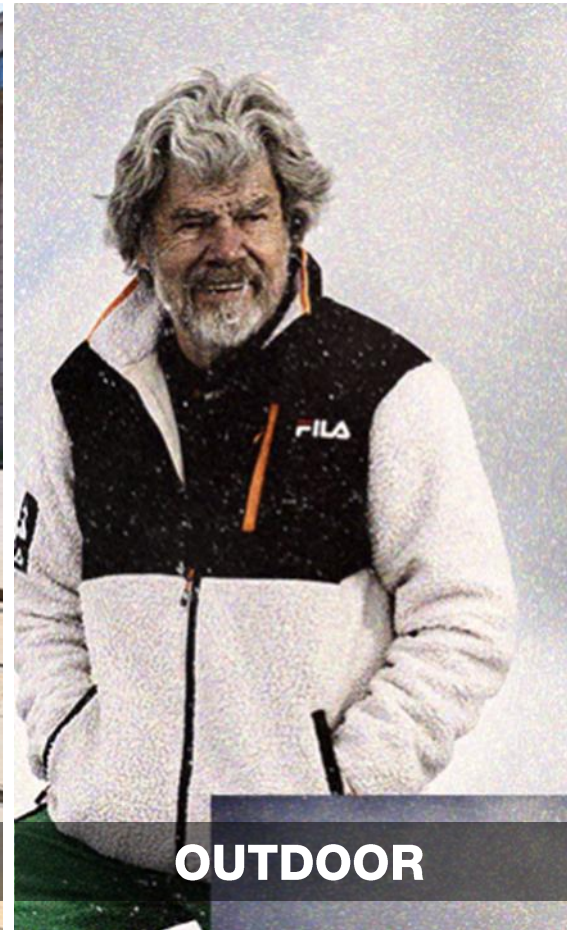
CORE SPORTS



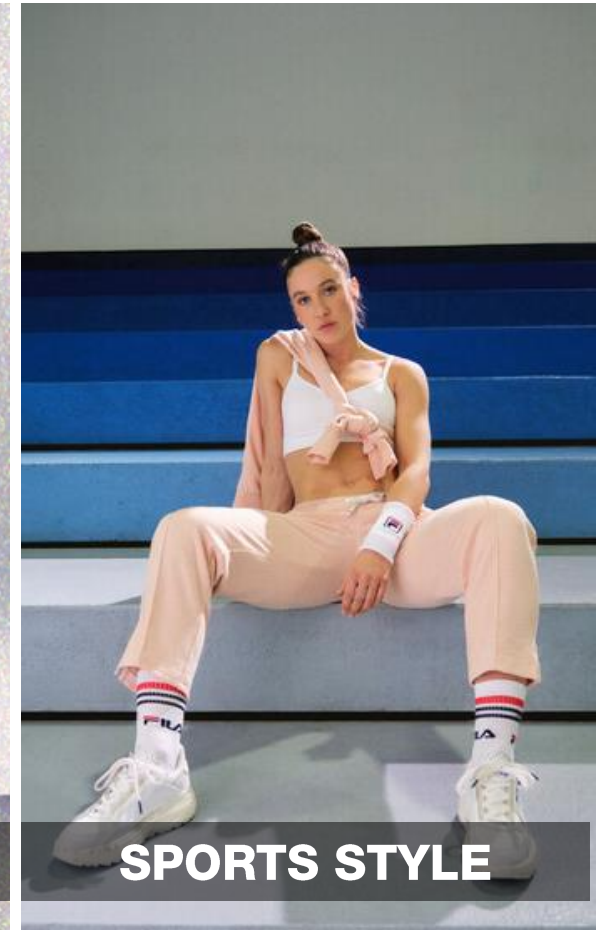
TENNIS



RUNNING/TRAINING



OUTDOOR



SPORTS STYLE

CORE 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

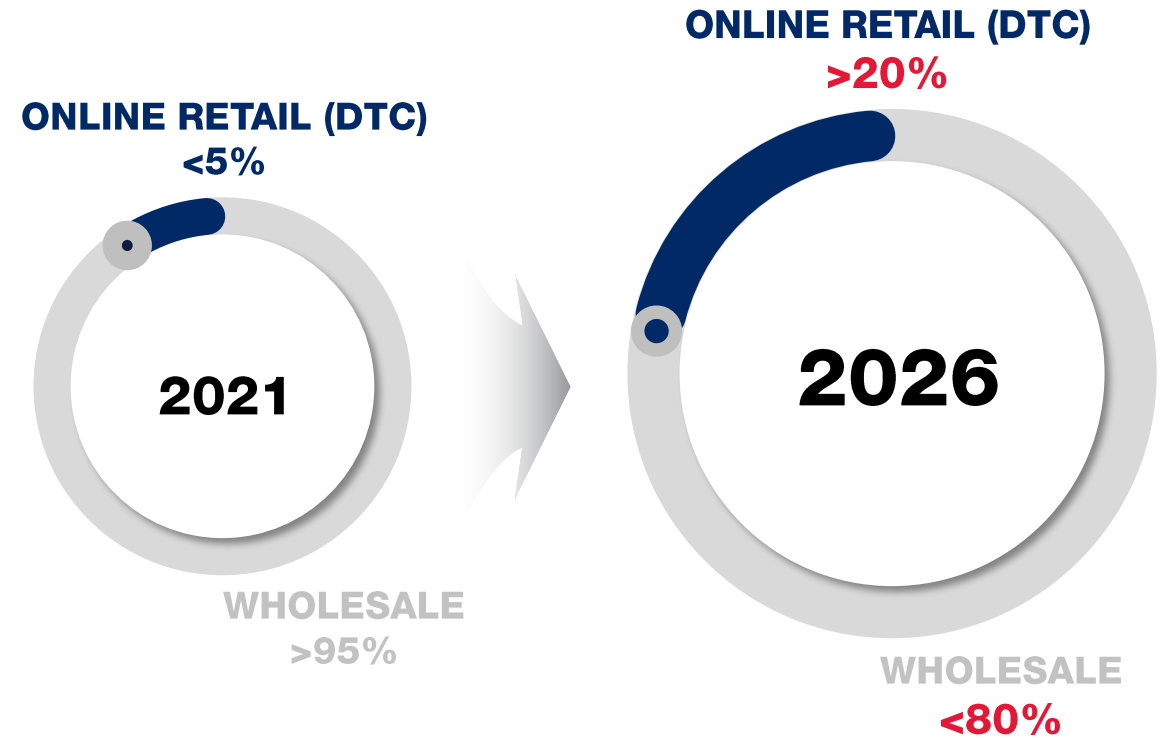
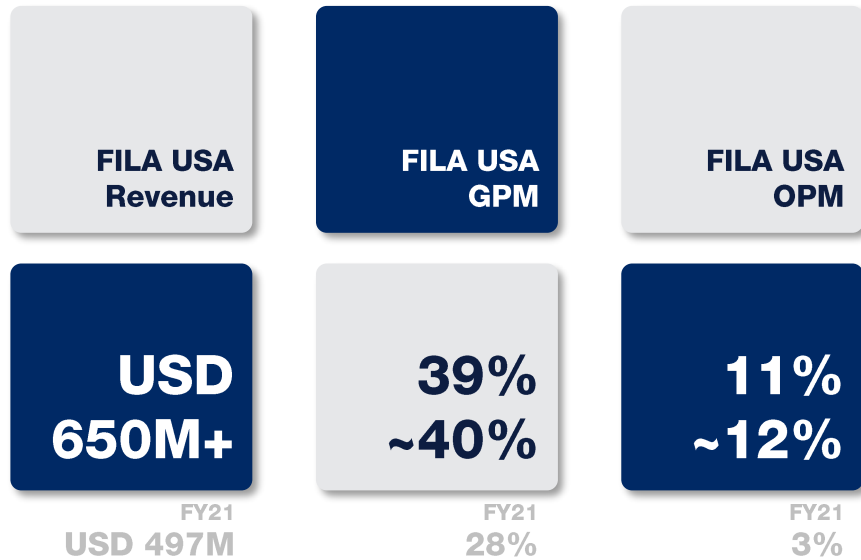
KRW 4.4T+

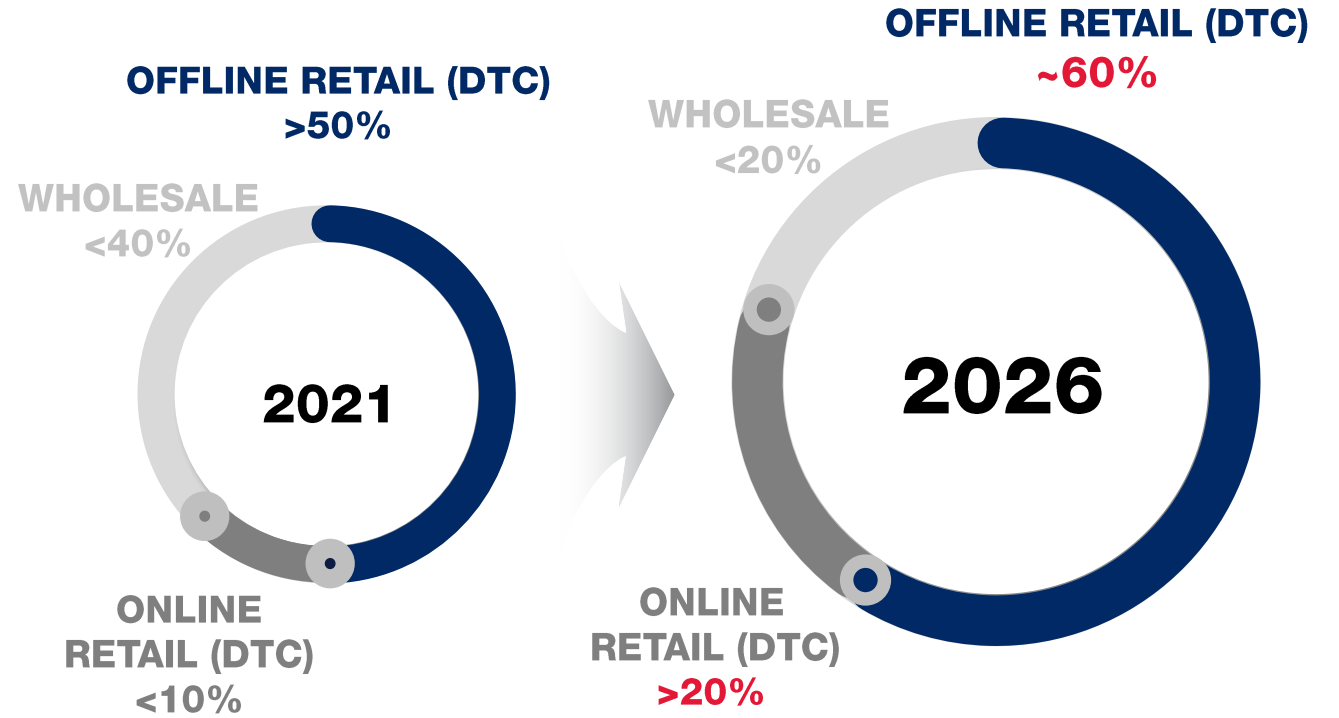
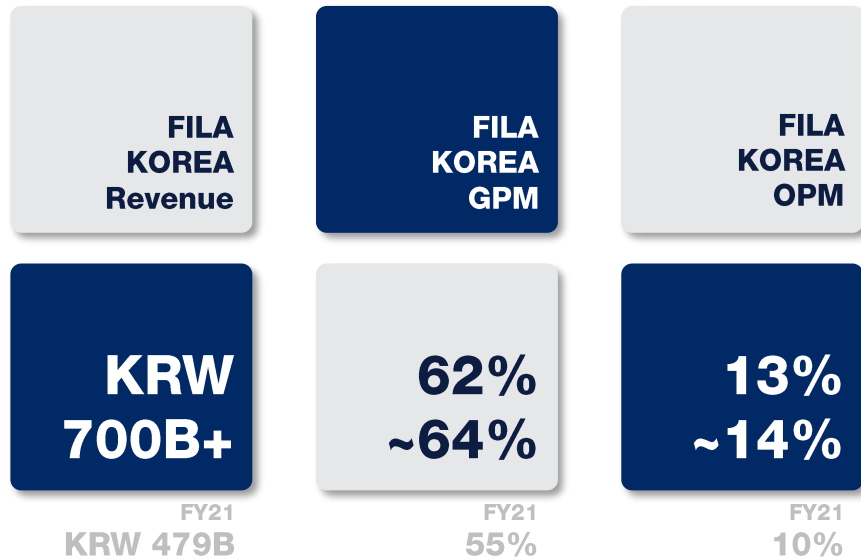
FY21
KRW 3.8T

Consolidated OPM

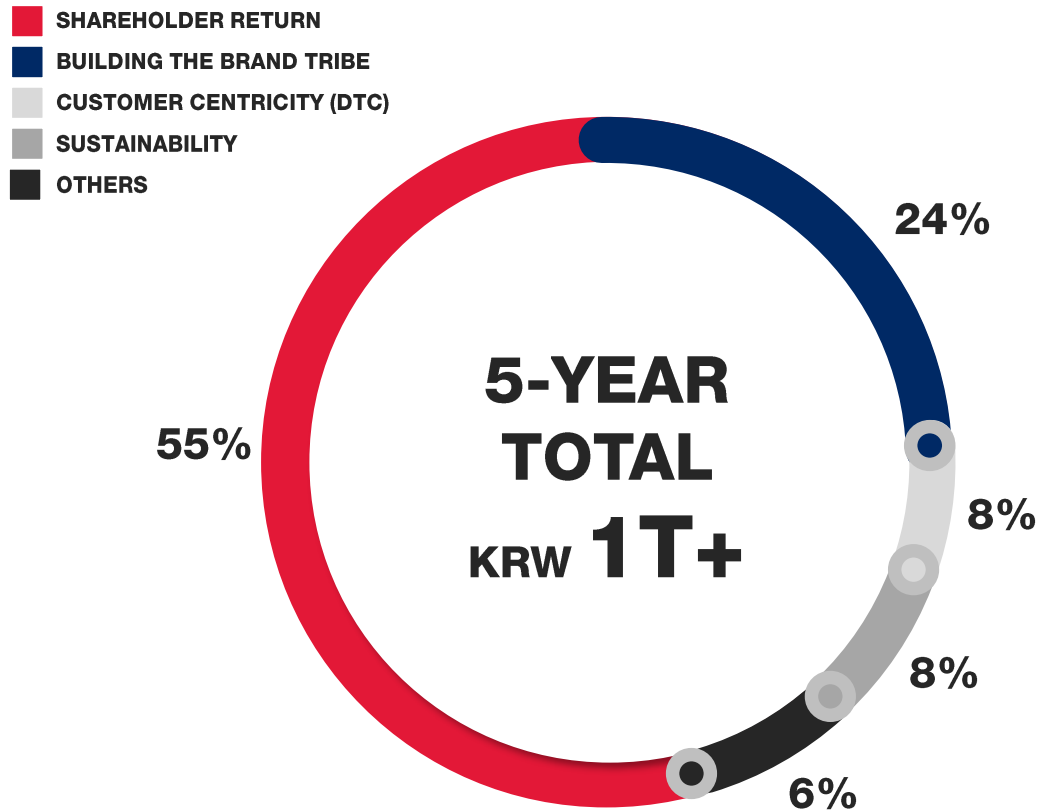
15%~16%

FY21
13%





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



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 company

** Calculated based on the profit attributable to owners of the company



**Environmental
ACTIONS FOR THE PLANET**



**Social
CREATING SOCIAL IMPACT**



**Governance
SOUND GOVERNANCE**

5 Themes



Product Circularity



**Supply Chain
Transparency**



**Business
Commitment**



Climate Action



Caring for People

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 company to adhere
the declaration by the TCFD in 2022



**United Nations
Global Compact**

Joined in 2021



ESG ratings

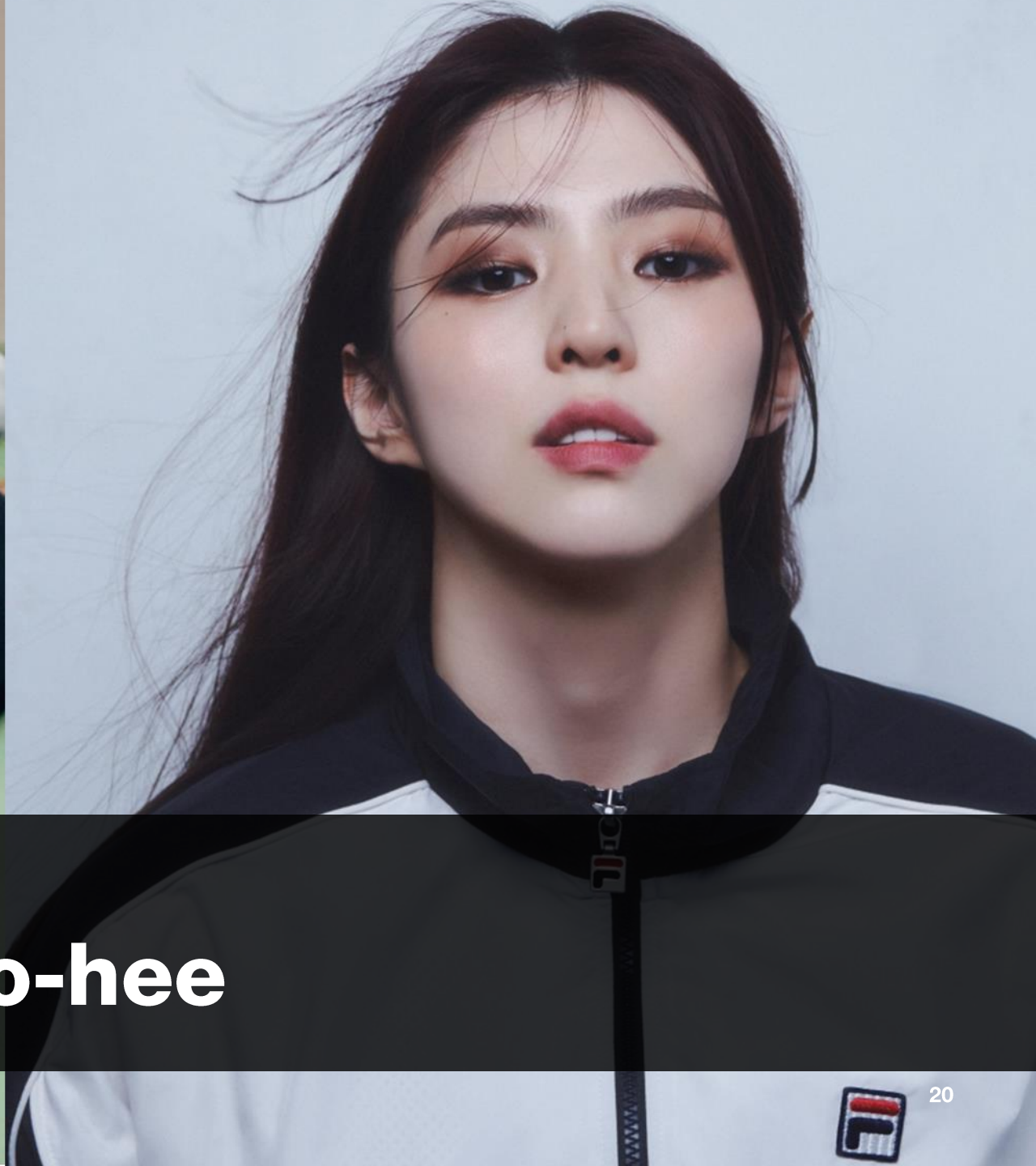
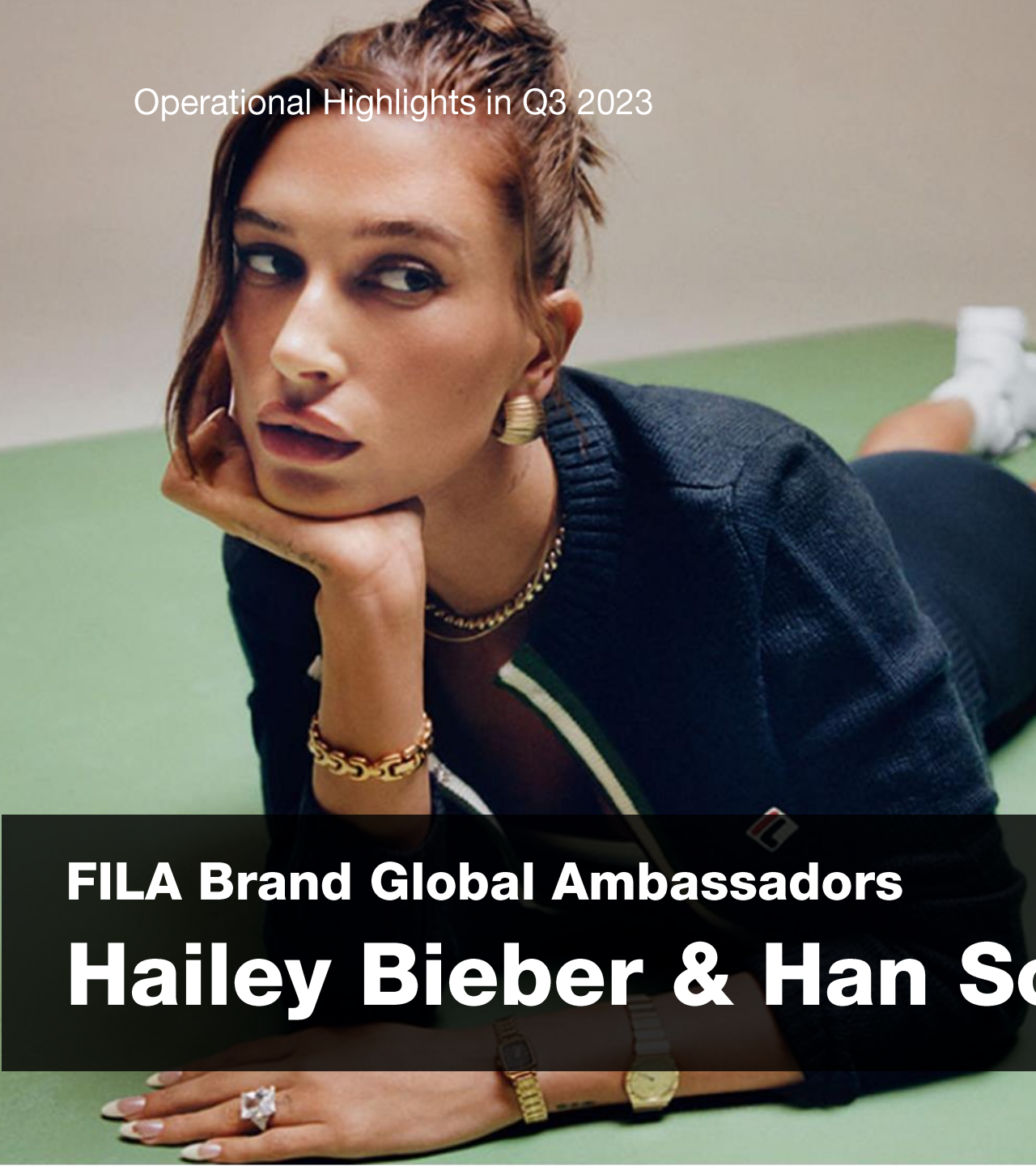
	Korea ESG Research Institute	Sustainvest	KCGS
Korea	S	A	A
	MSCI	Sustainalytics	Refinitiv
Global	A	LOW RISK	76/100



03

**Earnings
Release**

Operational Highlights in Q3 2023



FILA Brand Global Ambassadors
Hailey Bieber & Han So-hee



Mondo Forza

The first and new performance tennis shoe developed by the FILA Futura Innovation Team

Mondo Forza is specialized in the perfect balance of flexibility, support and style



Mondo Forza

Launched worldwide including the U.S., Korea, UK, Germany, Brazil, Argentina, and Japan



Milano Down Collection with Han So-hee

Just launched on November 9th
Leading the trend with the glossy short down jacket



SLANT SHOT

Reinterpreting tennis archive with a modern sensibility



INTERUN PINK

1st drop sold out in one week in Korea
20-34 female contributes 94% customers

Consolidated Earnings

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 23	Q3 22			YTD 23	YTD 22		
Revenue	990,192	1,079,544	(8.3%)	(5.7%)	3,245,797	3,325,010	(2.4%)	(4.5%)
FILA	211,247	325,708	(35.1%)	(33.9%)	685,423	1,011,892	(32.3%)	(33.0%)
Acushnet	778,946	753,836	3.3%	6.4%	2,560,374	2,313,118	10.7%	8.0%
Gross Profit	489,800	519,736	(5.8%)	(3.2%)	1,581,682	1,614,996	(2.1%)	(4.2%)
GPM%	49.5%	48.1%	1.4%p	1.3%p	48.7%	48.6%	0.1%p	0.1%p
SG&A	397,236	397,934	0.2%	2.1%	1,236,797	1,172,009	5.5%	3.3%
Operating profit	92,563	121,803	(24.0%)	(20.6%)	344,885	442,987	(22.1%)	(24.0%)
OPM%	9.3%	11.3%	(2.0%p)	(1.8%p)	10.6%	13.3%	(2.7%p)	(2.7%p)
FILA	(6,343)	(6,802)	N/A	N/A	(48,461)	108,781	N/A	N/A
Acushnet	98,906	103,506	(0.2%)	4.5%	393,347	334,206	17.7%	14.9%
Net Income	57,743	60,323	(38.5%)	(35.7%)	213,196	331,380	(35.7%)	(37.3%)

- **Revenue KRW 990bn YoY -8.3%**
 - **(FILA)** Due to ongoing sales channel adjustment in Korea to align with the ‘5-year strategic plan’ and challenging market conditions in the U.S. due to excessive inventories
 - **(Acushnet)** Led by strong performance of Titleist golf balls and clubs with newly-launched products such as ProV1 and T-series
- **Operating profit KRW 93bn YoY -24.0%**
 - **(FILA)** Impacted by the process of liquidating inventories in the U.S. and channel adjustment in Korea, which were in line with the expectations
 - **(Acushnet)** Increased in constant currency basis, benefited from the improved gross profit due to an increase in revenue

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 23	Q3 22			YTD 23	YTD 22		
Revenue	65,215	122,441	(46.7%)	(45.3%)	233,513	375,548	(37.8%)	(39.3%)
Gross Profit	5,977	27,755	(78.5%)	(76.9%)	(33,322)	89,298	N/A	N/A
GPM%	9.2%	22.7%	(13.5%p)	(13.1%p)	(14.3%)	23.8%	N/A	N/A
SG&A	29,421	43,079	(31.7%)	(30.4%)	95,180	118,210	(19.5%)	(21.4%)
Operating profit	(23,445)	(15,324)	N/A	N/A	(128,502)	(28,912)	N/A	N/A
OPM%	(35.9%)	(12.5%)	N/A	N/A	(55.0%)	(7.7%)	N/A	N/A
Net Income	(26,934)	(10,742)	N/A	N/A	(136,224)	(21,858)	N/A	N/A

- **Revenue KRW 65bn YoY -46.7%**
 - Continued promotional activities throughout the year and conservative orders from retailers
- **Gross profit KRW 6bn**
 - Mainly impacted by increased promotional activities aimed at normalizing inventory level
- **Operating profit KRW -23bn**
 - Due to a decrease in revenue and gross profit despite efforts to reduce SG&A
- **Inventories**
 - Inventory units decreased by -34.4% compared to YE2022, in line with the initiative to reduce inventories
 - Confident in achieving the YE2023 target of YoY -50% by deploying regular sales, discounted sales, and donations

(KRW mn)	Three months ended in Sep. 30		YoY	Nine months ended in Sep. 30		YoY
	Q3 23	Q3 22		YTD 23	YTD 22	
Revenue	77,073	118,436	(34.9%)	268,607	377,473	(28.8%)
FILA Korea (excl. DSF)	62,912	103,029	(38.9%)	220,088	330,402	(33.4%)
Design Service Fee Income (DSF)	14,161	15,407	(8.1%)	48,519	47,071	3.1%
Gross Profit	46,271	63,668	(27.3%)	163,218	218,215	(25.2%)
GPM%	60.0%	53.8%	6.3%p	60.8%	57.8%	3.0%p
SG&A	38,402	43,457	(11.6%)	123,702	146,779	(15.7%)
Operating profit	7,869	20,211	(61.1%)	39,515	71,437	(44.7%)
OPM%	10.2%	17.1%	(6.9%p)	14.7%	18.9%	(4.2%p)
FILA Korea (excl. DSF)	(6,292)	4,804	N/A	(9,003)	24,366	N/A
OPM%	(8.2%)	4.1%	N/A	(3.4%)	6.5%	N/A
Net Income	5,666	13,969	(59.4%)	29,799	54,097	(44.9%)

- **Revenue KRW 77bn YoY -34.9%**
 - Ongoing channel adjustments focused on online wholesale and de-branding channels throughout the year
 - Product quality improvement for the 23FW season has resulted in an ASPs increase
 - Launched a campaign with actress Han So-hee, who is influential in both domestic and APAC markets to elevate the brand equity
- **Gross profit KRW 46bn YoY -27.3%**
 - Margin improved due to price increases and product mix improvement
- **Operating profit KRW 8bn YoY -61.1%**
 - Mainly driven by a decrease in revenue and an increase in A&P expenses

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 23	Q3 22			YTD 23	YTD 22		
Asia	6,199	5,075	22.1%	25.5%	17,936	15,132	18.5%	15.7%
North America	1,272	1,794	(29.1%)	(28.2%)	3,646	4,529	(19.5%)	(21.4%)
South America	2,183	3,309	(34.0%)	(33.5%)	6,425	7,800	(17.6%)	(19.6%)
EMEA	8,216	10,562	(22.2%)	(20.9%)	27,239	28,545	(4.6%)	(6.9%)
Category	659	738	(10.7%)	(7.0%)	2,299	2,580	(10.9%)	(13.0%)
Total (adj.)	18,529	21,478	(13.7%)	(12.1%)	57,545	58,585	(1.8%)	(4.2%)

- **Asia KRW 6.2bn YoY +22.1%**
 - Continued local ambassador marketing efforts in Japan, store expansion and rebound in major countries including Thailand
- **North America KRW 1.3bn YoY -29.1%**
 - Primarily due to the conservative orders from retailers stemming from the weakened U.S. consumer market with excessive inventory
- **South America KRW 2.2bn YoY -34.0%**
 - Resulted from a challenging economic environment due to political instability, severe inflation, high interest rates, and currency depreciation
- **EMEA KRW 8.2bn YoY -22.2%**
 - Due to inflationary pressures, slow consumer sentiment, and industry-wide excessive inventory

(USD K)	Three months ended in Sep. 30		YoY	Nine months ended in Sep. 30		YoY
	Q3 23	Q3 22		YTD 23	YTD 22	
Revenue	593,381	558,246	6.3%	1,969,034	1,822,932	8.0%
Gross Profit	308,522	294,995	4.6%	1,042,717	955,600	9.1%
GPM%	52.0%	52.8%	(0.8%p)	53.0%	52.4%	0.5%p
Operating Profit	78,605	76,010	3.4%	309,999	269,926	14.8%
OPM%	13.2%	13.6%	(0.4%p)	15.7%	14.8%	0.9%p
Net Income	57,046	53,324	7.0%	225,029	203,410	11.3%
Adj. EBITDA	98,790	86,541	14.2%	377,637	312,996	20.7%

- **Revenue USD 593mn YoY +6.3%**
 - Driven by strong performance of Titleist Golf Balls and Golf Clubs, particularly newly-launched Pro V1/ProV1x and T-Series.
- **Gross Profit USD 309mn YoY +4.6%**
 - Increased promotional activity in footwear, offset by lower inbound freight costs and higher sales volumes in Golf Clubs, higher ASPs in Golf Balls
- **Operating Profit USD 79mn YoY +3.4%**
 - OPM declined due to higher ads and promotion expenses in Golf Balls and Clubs

Annual growth targets(YoY%)	Current Outlook (Nov. 14 th)
Consolidated revenue	-10% ~ -5%
FILA USA	-50% ~ -40%
FILA Korea (incl. DSF)	-30% ~ -20%
FILA Korea (excl. DSF)	-30% ~ -20%
Global Royalty	-10% ~ +0%
Acushnet Holdings Corp.	+4.6% at the mid-point
Consolidated operating profit	-40% ~ -30%
FILA USA	Operating loss 180B ~ 160B
FILA Korea (incl. DSF)	-45% ~ -35%
FILA Korea (excl. DSF)	Operating loss 20B ~ 15B
Acushnet Holdings Corp. adj. EBITDA	+9.3% at the mid-point

- Consolidated and individual earnings outlook, excluding Acushnet, remains unchanged, reflecting the ongoing competitiveness in the U.S. consumer market and the sales channel adjustment in line with the 'FILA 5-year strategic plan' in Korea.
- Acushnet's outlook was announced through an electronic filing on the NYSE on November 2nd.

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 Q4 2023



FILA 2023 UTS Seoul

FILA continues to expand its presence in Tennis sports by sponsoring Ultimate Tennis Showdown(UTS) Seoul, Korea. The Tennis entertaining show UTS Seoul, which will be held for the first time in Asia, is set to feature world top-ranked tennis players

Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Revenue	1,079,544	896,740	1,108,599	1,147,006	990,192
Cost of sales	559,806	482,431	551,703	612,020	500,392
Gross profit	519,738	414,309	556,897	534,986	489,800
Selling and administrative expenses	397,934	422,224	396,518	443,043	397,236
Operating profit	121,804	(7,915)	160,379	91,943	92,563
Other income	6,101	3,148	960	2,836	1,968
Other expenses	3,444	1,108	1,585	3,796	3,680
Financial income	17,269	17,846	13,487	9,755	17,975
Financial costs	34,346	13,556	34,980	30,911	33,545
Share of net profit of associates accounted for using the equity method	10,127	10,723	16,399	16,629	12,307
Profit before income tax	117,510	9,138	154,660	86,456	87,588
Income tax expense	23,664	(127,026)	36,403	49,259	29,846
Net profit	93,846	136,164	118,257	37,197	57,743
Other comprehensive income	195,690	(230,937)	69,200	(2,485)	52,886
Total comprehensive income	289,536	(94,774)	187,456	34,711	110,629
Profit attributable to Owners of the Controlling Company	59,264	134,295	61,809	(7,340)	26,329
Earnings per share (KRW)	986	2,235	1,029	(122)	438

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Total assets	5,305,758	4,821,801	5,396,926	5,179,808	5,083,609
Current assets	2,628,761	2,293,320	2,710,569	2,445,505	2,281,544
Cash and cash equivalents	559,408	407,411	548,550	463,282	463,234
Trade and other receivables	712,578	480,836	787,474	762,937	636,003
Inventories	1,221,473	1,290,517	1,248,866	1,040,307	1,000,476
Other current assets	135,302	114,557	125,679	178,980	86,527
Non-current assets	2,676,996	2,528,481	2,686,356	2,734,302	2,802,066
Property and equipment	505,505	499,819	570,337	579,333	45,717
Intangible assets	1,828,466	1,740,938	1,820,265	1,820,123	1,852,759
Other non-current assets	343,025	287,725	295,754	334,847	19,166
Total liabilities	2,522,132	2,247,238	2,718,430	2,493,127	2,371,162
Current liabilities	1,175,626	1,092,678	1,142,953	1,195,482	1,615,440
Trade and other payables	621,106	529,205	515,972	462,506	500,313
Borrowings	348,380	377,004	381,727	507,259	920,285
Other current liabilities	206,140	186,469	245,254	225,717	44,573
Non-current liabilities	1,346,506	1,154,560	1,575,476	1,297,645	755,722
Borrowings and bonds	681,853	766,904	1,120,786	841,830	285,347
Other non-current liabilities	664,653	387,657	454,690	455,816	148,341
Total equity	2,783,626	2,574,563	2,678,496	2,686,680	2,712,447

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