

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

Q4 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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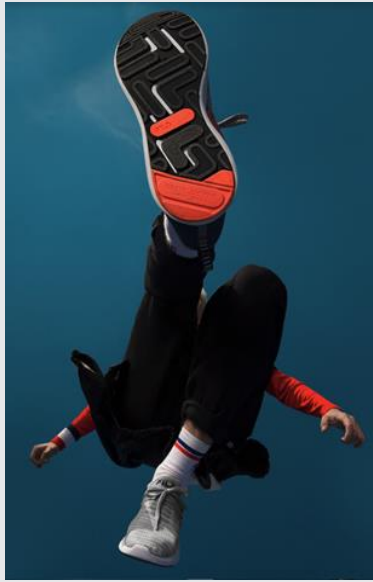



**Company
Overview**

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

“ ITALIAN HERITAGE ”

“ TENNIS & OTHERS ”

Key Brand Value

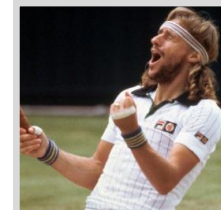
ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					

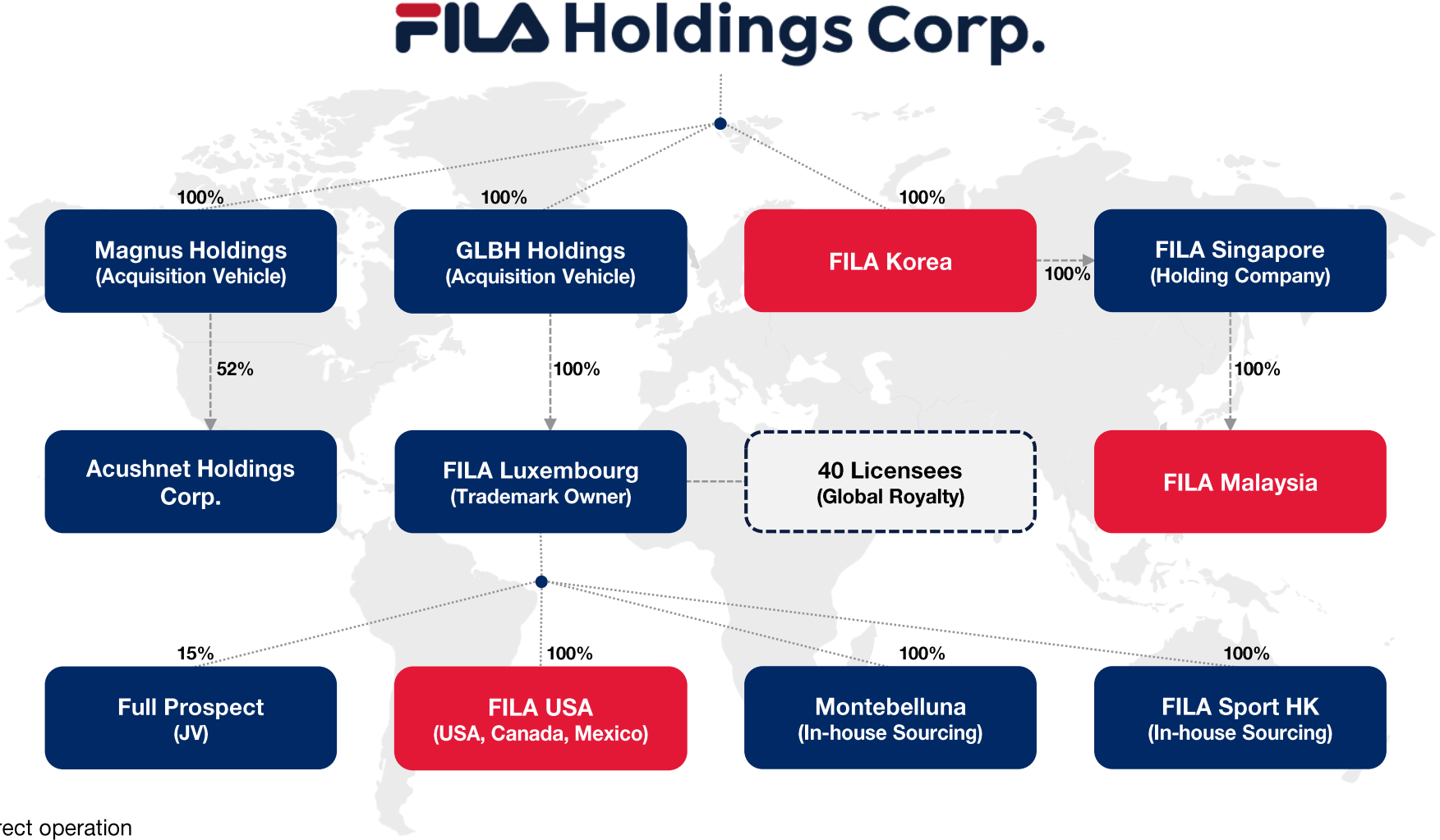


“FILA’s 111-year Heritage in the History of Sports”

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** - Announced FILA 5-year strategic plan ‘WINNING TOGETHER’
- 2024** - Appointed Lev Tanju, founder of Palace, as our Creative Director of a new premium line FILA+
- Todd Klein, CEO of FILA USA, has been appointed as the Global Brand President of FILA





* The above organizational structure selectively presents the key subsidiaries as of December 31st, 2023.

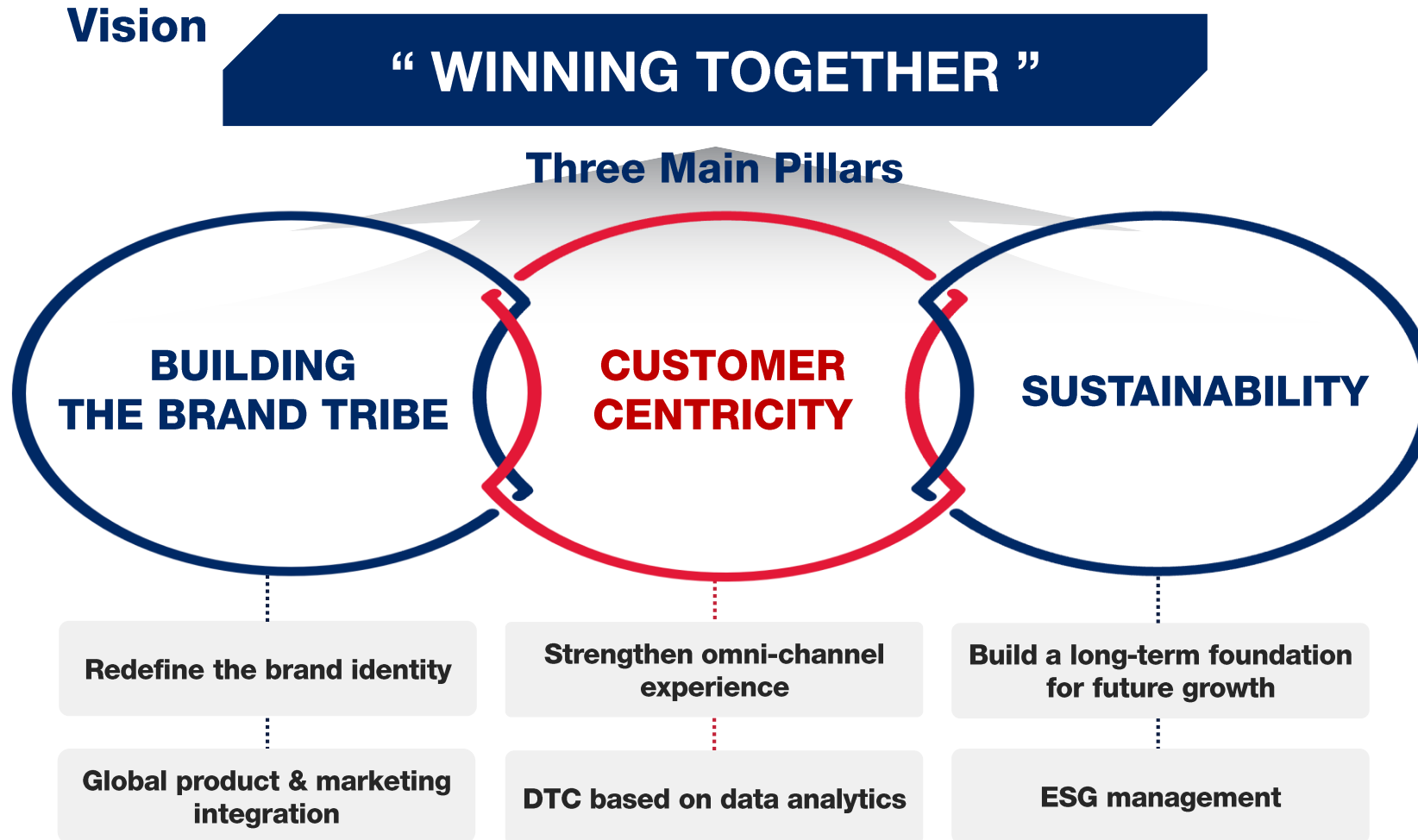


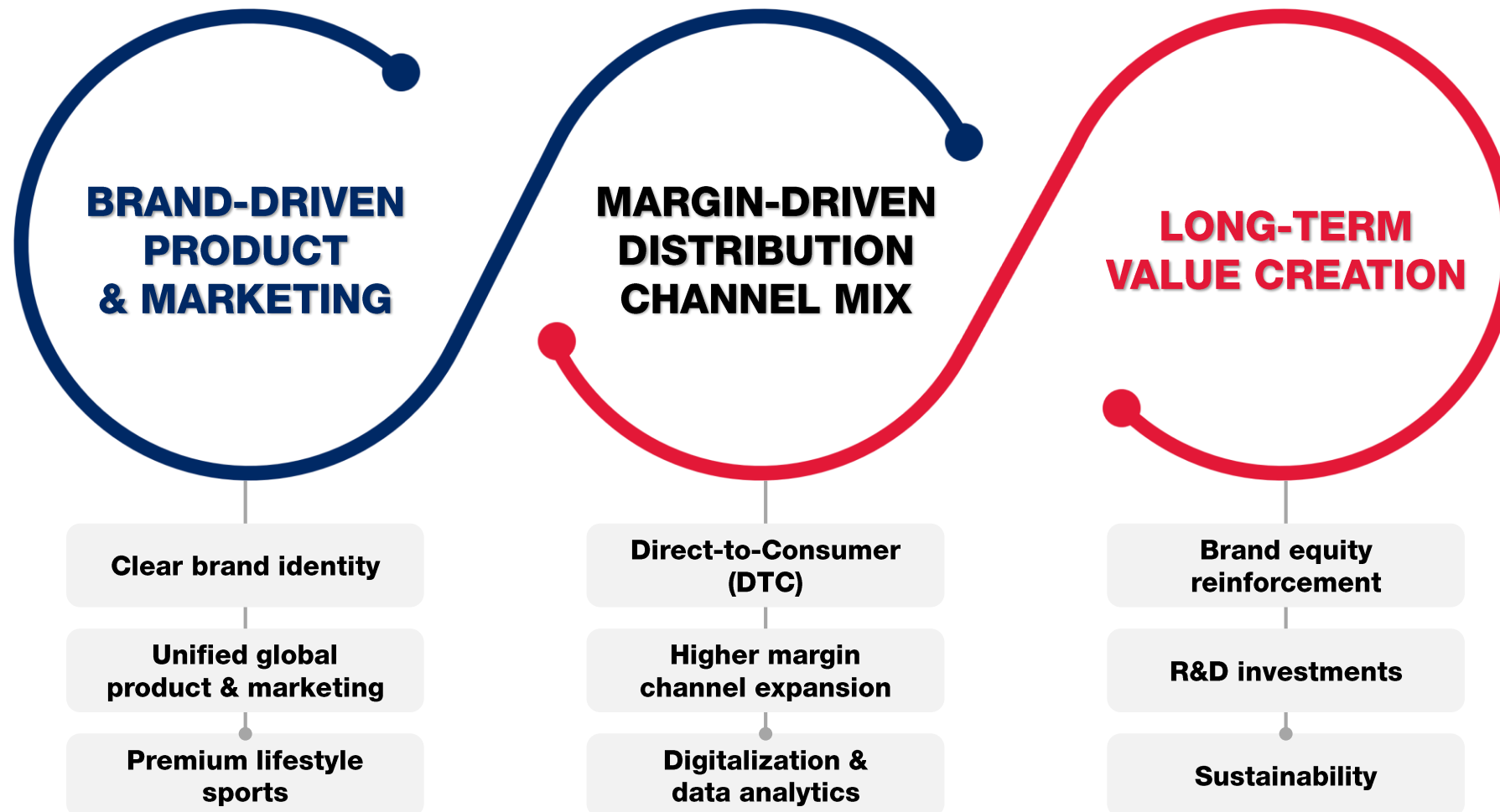
* as of December 31st, 2023



02

**Brand
Strategy**





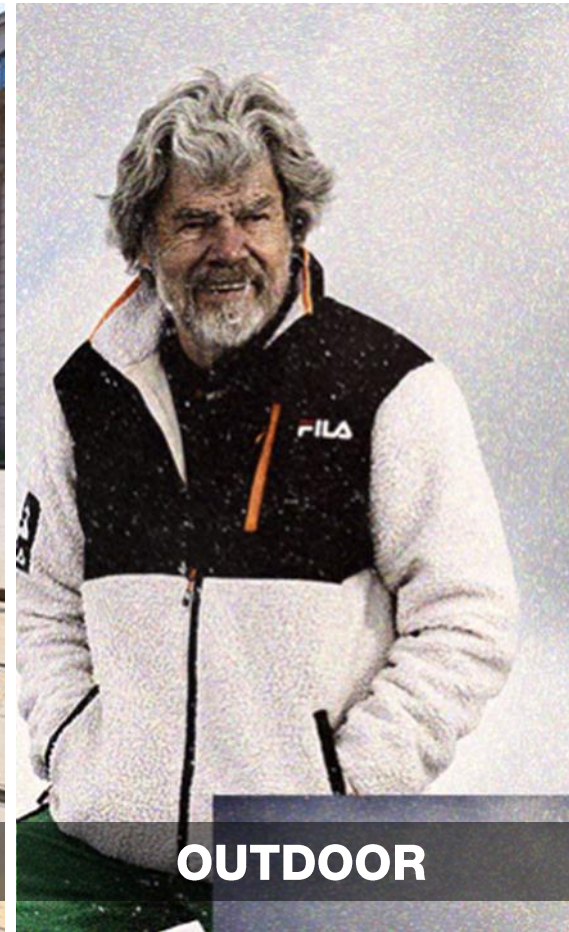
CORE SPORTS



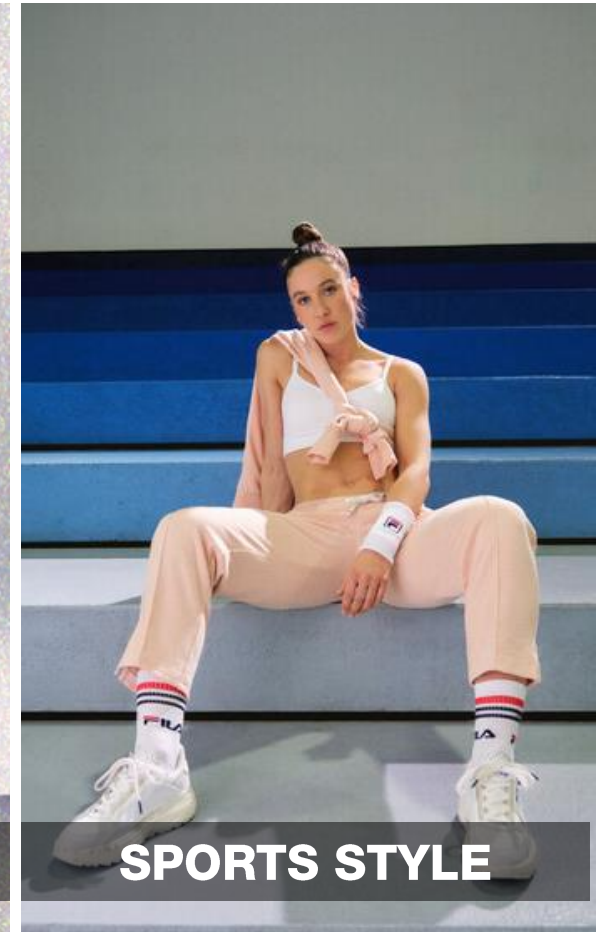
TENNIS



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

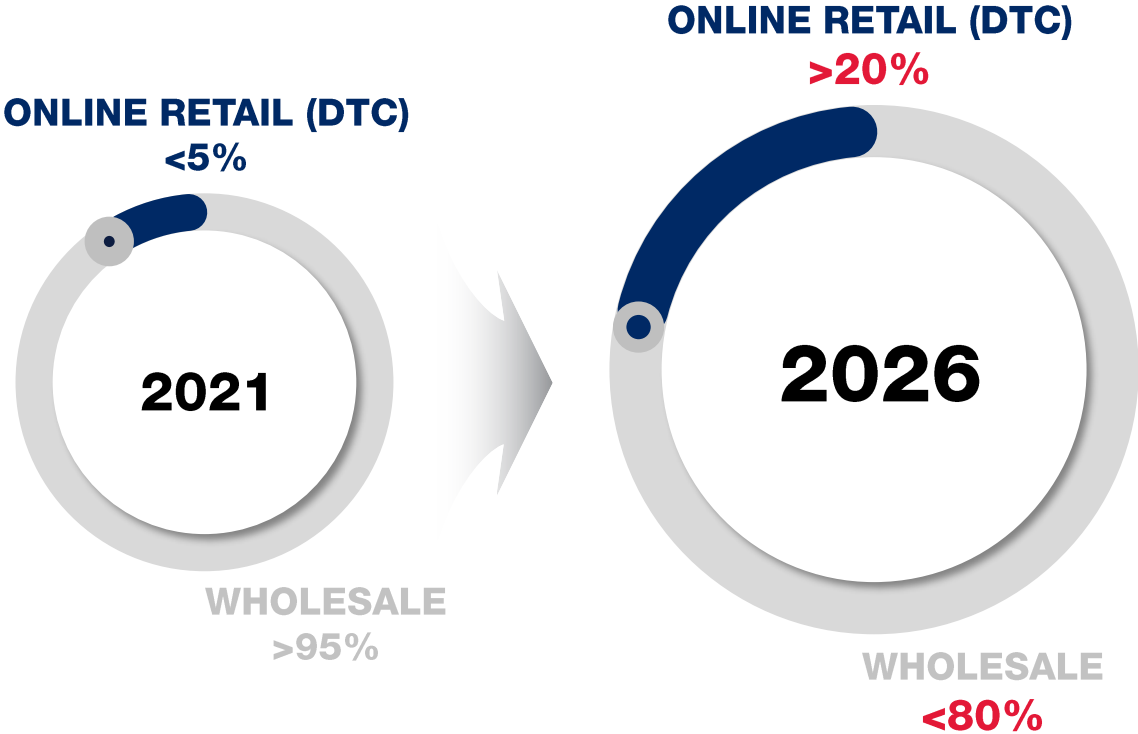
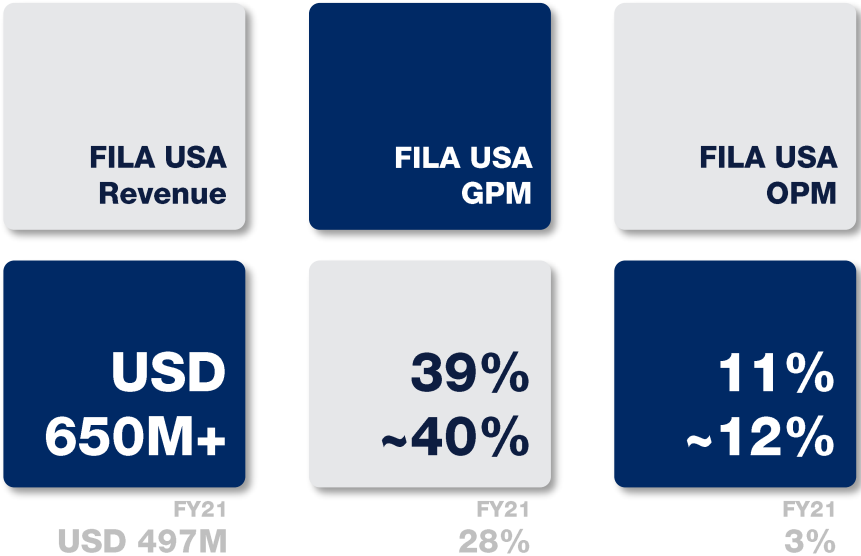
KRW 4.4T+

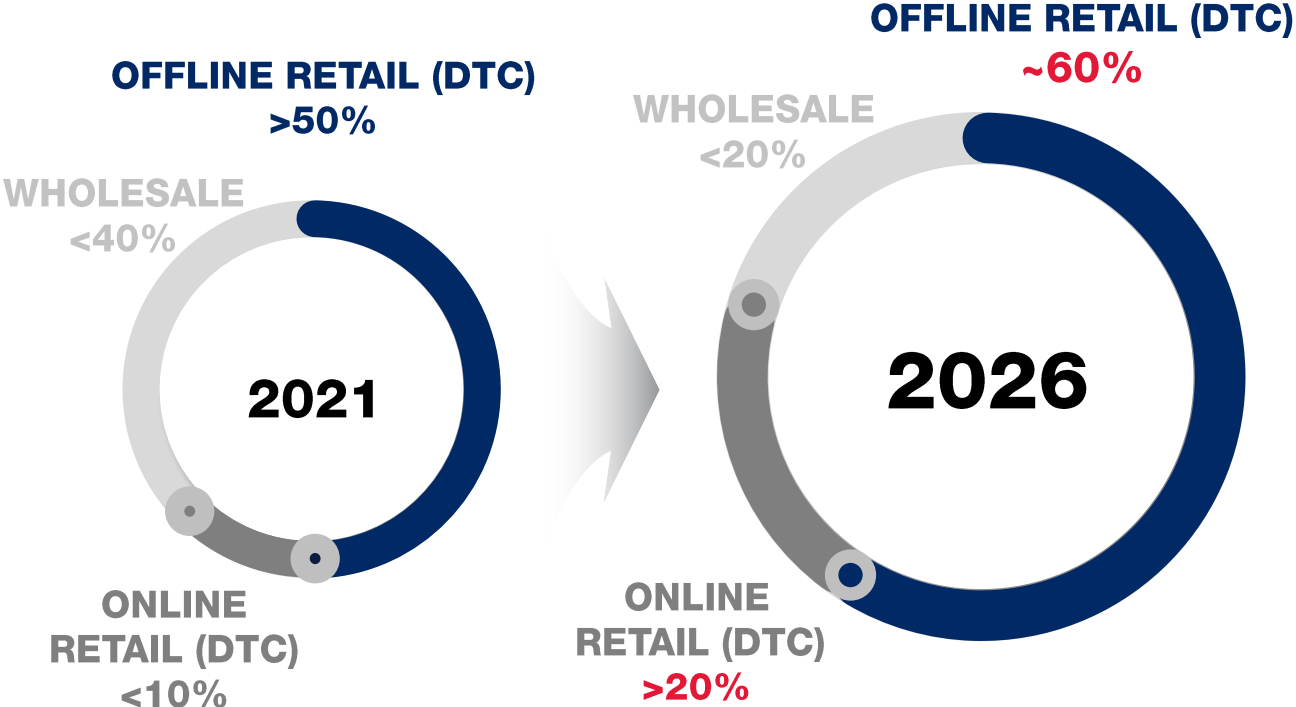
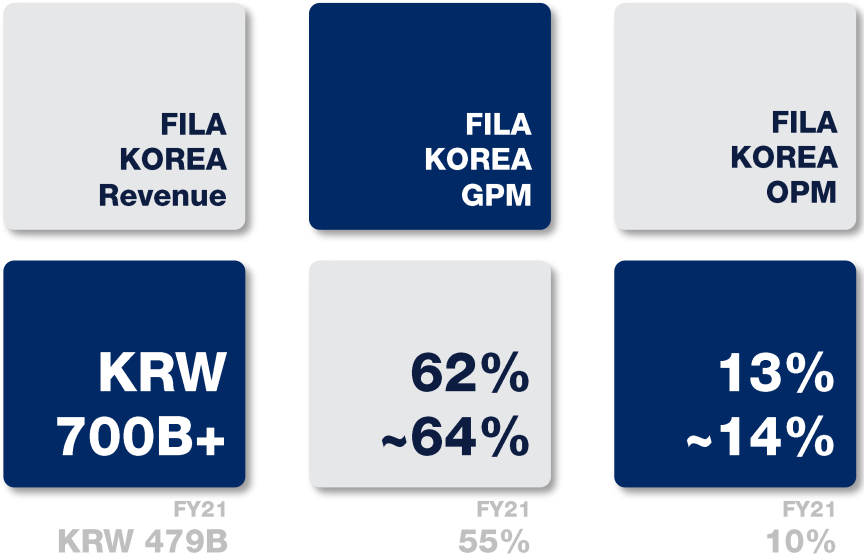
FY21
KRW 3.8T

Consolidated OPM

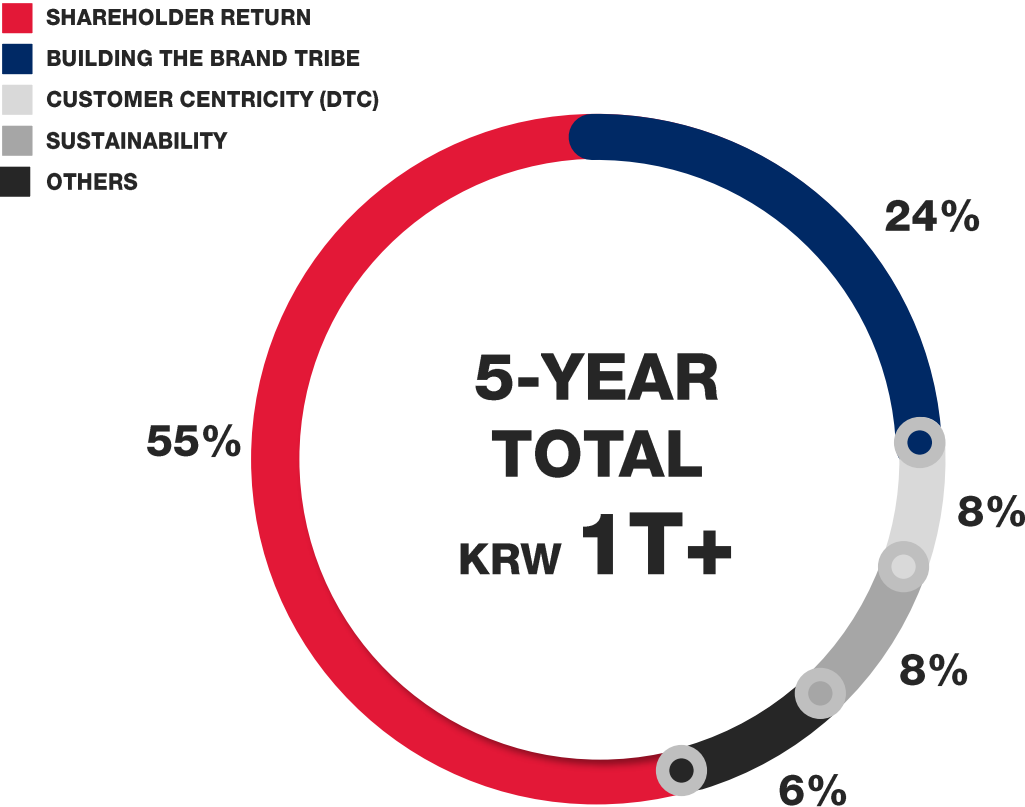
15%~16%

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 2023	FY 2022
DIVIDEND PER SHARE	KRW 1,090	KRW 1,580
TOTAL DIVIDEND PAYOUT	KRW 66B	KRW 95B
PAYOUT RATIO**	153.8%	27.6%
DIVIDEND YIELD	2.8%	4.6%

* 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



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 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	A	A	A
	MSCI	Sustaianalytics	Refinitiv
Global	A	LOW RISK	76/100



03

**Earnings
Release**

Operational Highlights in Q4 2023

FILA x Han So-hee

Launching FILA's 'Motorcore' collection and 'Milano down' with global brand ambassador Han So-hee
FILA puts Han So-hee's unique style into Milano down creating as FILA's new winter signature item

Operational Highlights in Q4 2023



FILA x THUG CLUB

Introducing experimental collaboration with luxury streetwear brand THUG CLUB.
FILA's heritage meets THUG CLUB's identity, sparking excitement among fashion enthusiasts.



Recent Updates in Q1 2024



FILA+

A new line FILA+ represents the brand's history in sportswear through the lens of modern design. Lev Tanju, founder of the skatewear brand Palace, as the Creative Director of FILA+, will play a pivotal role in leading FILA+.

Recent Updates in Q1 2024



FILA Global Brand President

Todd Klein, as global brand president and CEO of FILA USA, will be responsible for leading, unifying and elevating the FILA brand globally. At this exciting journey for FILA's 5-year plan, Todd Klein will deliver a sharper and more cohesive vision for brand and take FILA to new heights.



Recent Updates in Q1 2024

FILA x Aries

Introducing FILA's Italian heritage with modernized 70s and 80s tennis vibes, collaborating with luxury streetwear Aries

Recent Updates in Q1 2024

FILA x Hailey Bieber

Unveiled FILA's latest campaign celebrating the iconic Settanta jacket, featuring global brand ambassador Hailey Bieber. The campaign pays homage to a key piece that has bridged the worlds of tennis and fashion since its debut in 1976.

LIFESTYLE



24SS NEW INTERUN



24SS ECHAPPE MS



24SS ECHAPPE LACE



24SS WOVEN SWEATSHIRT

PERFORMANCE



MONDO FORZA



AXILUS 3



TIE BREAKER COLLECTION



TIE BREAKER COLLECTION

Consolidated Earnings

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Year ended in Dec. 31		YoY	C/C
	Q4 23	Q4 22			FY23	FY22		
Revenue	760,830	896,740	(15.2%)	(11.5%)	4,006,627	4,221,750	(5.1%)	(6.0%)
FILA	211,724	276,697	(23.5%)	(22.5%)	897,147	1,288,589	(30.4%)	(30.7%)
Acushnet	549,106	620,043	(11.4%)	(6.6%)	3,109,481	2,933,161	6.0%	4.9%
Gross Profit	388,540	414,309	(6.2%)	(2.5%)	1,970,222	2,029,305	(2.9%)	(3.8%)
GPM%	51.1%	46.2%	4.9%p	4.7%p	49.2%	48.1%	1.1%p	1.1%p
SG&A	429,932	422,224	1.8%	4.5%	1,666,729	1,594,233	4.5%	3.6%
Operating profit	(41,392)	(7,915)	N/A	N/A	303,494	435,072	(30.2%)	(31.2%)
OPM%	(5.4%)	(0.9%)	N/A	N/A	7.6%	10.3%	(2.7%p)	(2.8%p)
FILA	(8,260)	(23,469)	N/A	N/A	(56,722)	85,312	N/A	N/A
Acushnet	(33,131)	15,555	N/A	N/A	360,215	349,761	3.0%	1.9%
Net Income	(60,139)	136,164	N/A	N/A	153,057	467,544	(67.3%)	(67.8%)

- **Revenue KRW 761bn YoY -15.2%**
 - **(FILA)** This reflects a strategic recalibration of our Korean sales channels, pursuant to our 5-year strategic roadmap, and the impact of inventory adjustments in a challenging U.S. market.
 - **(Acushnet)** Acushnet has experienced a downturn in sales, attributable to the maturation of the current TSR driver cycle and a contraction in FootJoy golfwear demand.
- **Operating profit KRW -41bn**
 - **(FILA)** Influenced by the lower sales due to the U.S. inventory liquidation, sales channel recalibration, and inventory write-off.
 - **(Acushnet)** Affected by heightened staff costs and augmented advertising and promotion expenditures.

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Year ended in Dec. 31		YoY	C/C
	Q4 23	Q4 22			FY23	FY22		
Revenue	54,144	88,195	(38.6%)	(35.3%)	287,657	463,743	(38.0%)	54,144
Gross Profit	18,198	6,897	163.8%	243.9%	(15,124)	96,195	N/A	18,198
GPM%	33.6%	7.8%	25.8%p	27.9%p	(5.3%)	20.7%	N/A	33.6%
SG&A	31,672	44,181	(28.3%)	(26.3%)	126,851	162,391	(21.9%)	31,672
Operating profit	(13,473)	(37,284)	N/A	N/A	(141,975)	(66,196)	N/A	N/A
OPM%	(24.9%)	(42.3%)	N/A	N/A	(49.4%)	(14.3%)	N/A	N/A
Net Income	(15,417)	(58,317)	N/A	N/A	(151,642)	(80,175)	N/A	N/A

- **Revenue KRW 54bn YoY -38.6%**
 - Continued promotional activities throughout the year and conservative orders from retailers due to competitive market condition.
- **Gross profit KRW 18bn YoY +163.8%**
 - Due to low base impact caused by one-off freight cost recognized in FY22.
- **Operating profit KRW -13bn**
 - Underpinned by the revenue and gross profit downturn, despite aggressive cost management efforts.
- **Inventories**
 - Inventory units decreased YoY-53.9%, in line with the initiative to reduce inventories, achieving the target.

(KRW mn)	Three months ended in Dec. 31		YoY	Year ended in Dec. 31		YoY
	Q4 23	Q4 22		FY23	FY22	
Revenue	98,955	118,842	(16.7%)	367,562	496,315	(25.9%)
FILA Korea (excl. DSF)	75,205	99,110	(24.1%)	295,293	429,512	(31.2%)
Design Service Fee Income (DSF)	23,750	19,732	20.4%	72,269	66,803	8.2%
Gross Profit	54,305	63,978	(15.1%)	217,523	282,194	(22.9%)
GPM%	54.9%	53.8%	1.0%p	59.2%	56.9%	2.3%p
SG&A	47,393	49,146	(3.6%)	171,095	195,925	(12.7%)
Operating profit	6,912	14,832	(53.4%)	46,428	86,269	(46.2%)
OPM%	7.0%	12.5%	(5.5%p)	12.6%	17.4%	(4.8%p)
FILA Korea (excl. DSF)	(16,840)	(4,900)	N/A	(25,843)	19,466	N/A
OPM%	(17.0%)	(4.1%)	(12.9%p)	(7.0%)	3.9%	(11.0%p)
Net Income	5,997	10,384	(42.2%)	35,797	64,481	(44.5%)

- **Revenue KRW 99bn YoY -16.7%**
 - Continued refinement of our sales channels, optimizing both online/offline wholesale as well as scaling down de-branding channels throughout the year.
- **Gross profit KRW 54bn YoY -15.1%**
 - Cost increased due to inventory write-offs and valuation allowances in Q4 (approx. KRW 8B).
- **Operating profit KRW 7bn YoY -53.4%**
 - Mainly driven by a decrease in revenue and gross profit.
 - Increased investments in advertising and promotional activities, notably with the engagement of new brand ambassador Han So-Hee in the 2H, partially mitigated by the lower sales commission.

(KRW mn)	Three months ended in Dec. 31		YoY	C/C	Year ended in Dec. 31		YoY	C/C
	Q4 23	Q4 22			FY23	FY22		
Asia	5,628	6,071	(7.3%)	(5.1%)	23,564	21,202	11.1%	10.0%
North America	1,026	1,390	(26.2%)	(23.4%)	4,672	5,919	(21.1%)	(21.9%)
South America	2,098	2,580	(18.7%)	(15.9%)	8,523	10,380	(17.9%)	(18.7%)
EMEA	10,934	10,071	8.6%	12.2%	38,173	38,617	(1.1%)	(2.2%)
Category	734	697	5.3%	10.3%	3,033	3,277	(7.4%)	(8.4%)
Total (adj.)	20,420	20,810	(1.9%)	1.2%	77,965	79,395	(1.8%)	(2.8%)

▪ **Asia KRW 5.6bn YoY -7.3%**

- Due to the timing difference in revenue recognition from bulk purchase, and warm winter temperatures compared to the previous year.

▪ **North America KRW 1.0bn YoY -26.2%**

- Primarily due to the conservative order placement from the retailers stemming from the subdued consumer spending.

▪ **South America KRW 2.1bn YoY -18.7%**

- Due to political instability, economic volatility, hyperinflation, and currency devaluation.

(USD K)	Three months ended in Dec. 31		YoY	Year ended in Dec. 31		YoY
	Q4 23	Q4 22		FY23	FY22	
Revenue	412,961	447,404	(7.7%)	2,381,995	2,270,336	4.9%
Gross Profit	209,794	223,633	(6.2%)	1,252,511	1,179,233	6.2%
GPM%	50.8%	50.0%	0.8%p	52.6%	51.9%	0.6%p
Operating Profit	(24,690)	11,607	N/A	285,305	281,533	1.3%
OPM%	(6.0%)	2.6%	(8.6%p)	12.0%	12.4%	(0.4%p)
Net Income	(26,103)	53,324	N/A	198,607	205,084	(3.2%)
Adj. EBITDA	(1,499)	25,412	N/A	376,138	338,408	11.1%

- **Revenue USD 413mn YoY -7.7%**
 - Due to reduced sales of the second-year model TSR drivers and TSR fairways introduced in Q3 FY22, coupled with decreased FootJoy golf wear sales, primarily footwear.
- **Gross Profit USD 210mn YoY -6.2%**
 - Gross profit decreased despite favorable manufacturing costs in Titleist golf balls and lower inbound freight costs.
- **Operating Profit USD -25mn**
 - Affected by heightened staff costs and augmented advertising and promotion expenditures.

Annual growth targets (YoY%)	Current Outlook (Mar. 20 th)
Consolidated revenue	-5% ~ +5%
FILA USA	-5% ~ +5%
FILA Korea (excl. DSF)	0 ~ +10%
Global Royalty	-20% ~ -10%
Acushnet Holdings Corp.	+3.9% at the mid-point
Consolidated operating profit	+30% ~ +40%
FILA USA	Operating Loss 60B ~ 40B
FILA Korea (excl. DSF)	Operating Loss 15B ~ 5B
Acushnet Holdings Corp. adj. EBITDA	+5.0% at the mid-point

- Consolidated revenue is expected to be similar to the previous year, while consolidated operating profit is expected to grow by double-digit due to base effect and profitability improvement in FILA business.
- Both FILA USA and FILA Korea(excl. DSF) will focus on enhancing brand equity and improving profitability.
- Acushnet's outlook for FY2024 was publicly disclosed on February 29th.

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 1,305.41 in 2023 (2023. 1. 1. ~ 2023. 12. 31.), and 1,280.00 in 2024 (2024. 1. 1. ~ 2024. 12. 31.).

Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Revenue	896,740	1,108,599	1,147,006	990,192	760,830
Cost of sales	482,431	551,703	612,020	500,392	372,290
Gross profit	414,309	556,897	534,986	489,800	388,540
Selling and administrative expenses	422,224	396,518	443,043	397,236	429,932
Operating profit	(7,915)	160,379	91,943	92,563	(41,392)
Other income	3,148	960	2,836	1,968	109
Other expenses	1,108	1,585	3,796	3,680	4,071
Financial income	17,846	13,487	9,755	17,975	2,127
Financial costs	13,556	34,980	30,911	33,545	26,613
Share of net profit of associates accounted for using the equity method	10,723	16,399	16,629	12,307	18,576
Profit before income tax	9,138	154,660	86,456	87,588	(51,264)
Income tax expense	(127,026)	36,403	49,259	29,846	8,875
Net profit	136,164	118,257	37,197	57,743	(60,139)
Other comprehensive income	(230,937)	69,200	(2,485)	52,886	(37,240)
Total comprehensive income	(94,774)	187,456	34,711	110,629	(97,399)
Profit attributable to Owners of the Controlling Company	134,295	61,809	(7,340)	26,329	(38,218)
Earnings per share (KRW)	2,235	1,029	(122)	438	(636)

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Total assets	4,821,801	5,396,926	5,179,808	5,083,609	4,980,150
Current assets	2,293,320	2,710,569	2,445,505	2,281,544	2,241,653
Cash and cash equivalents	407,411	548,550	463,282	463,234	585,614
Trade and other receivables	480,836	787,474	762,937	636,003	456,203
Inventories	1,290,517	1,248,866	1,040,307	1,000,476	1,045,388
Other current assets	114,557	125,679	178,980	86,527	154,448
Non-current assets	2,528,481	2,686,356	2,734,302	2,802,066	2,738,497
Property and equipment	499,819	570,337	579,333	45,717	600,992
Intangible assets	1,740,938	1,820,265	1,820,123	1,852,759	1,777,538
Other non-current assets	287,725	295,754	334,847	19,166	359,968
Total liabilities	2,247,238	2,718,430	2,493,127	2,371,162	2,426,231
Current liabilities	1,092,678	1,142,953	1,195,482	1,615,440	1,161,274
Trade and other payables	529,205	515,972	462,506	500,313	504,323
Borrowings and bonds	377,004	381,727	507,259	920,285	442,847
Other current liabilities	186,469	245,254	225,717	44,573	701,496
Non-current liabilities	1,154,560	1,575,476	1,297,645	755,722	1,264,957
Borrowings and bonds	766,904	1,120,786	841,830	285,347	864,303
Other non-current liabilities	387,657	454,690	455,816	148,341	400,654
Total equity	2,574,563	2,678,496	2,686,680	2,712,447	2,553,919