

A background image showing three runners (two men and one woman) running on a bridge with a metal railing. The image is semi-transparent and serves as a backdrop for the text. The runners are wearing athletic gear, including FILA-branded items.

FILA Holdings Corp.

WINNING TOGETHER

Q1 2024 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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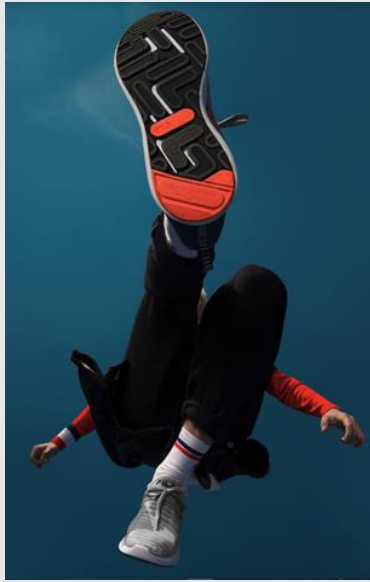



**Company
Overview**

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

“ ITALIAN HERITAGE ”

“ TENNIS & OTHERS ”

Key Brand Value

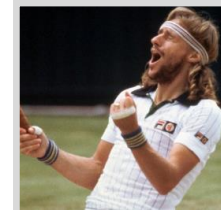
ITALIAN	ATHLETIC AESTHETICS	VIBRANT	SOPHISTICATED	CONFIDENT	CHALLENGING
					

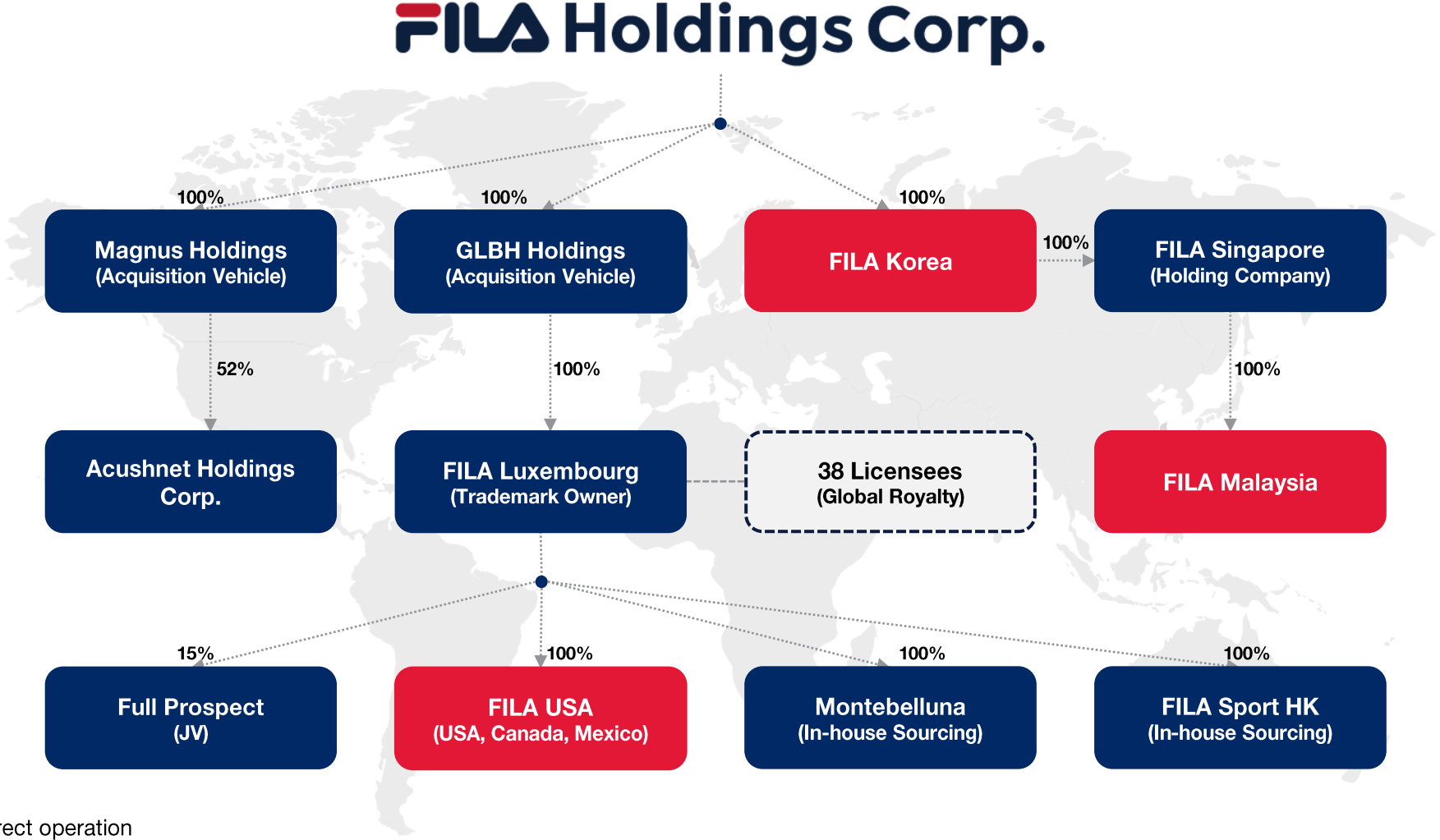


“FILA’s 113-year Heritage in the History of Sports”

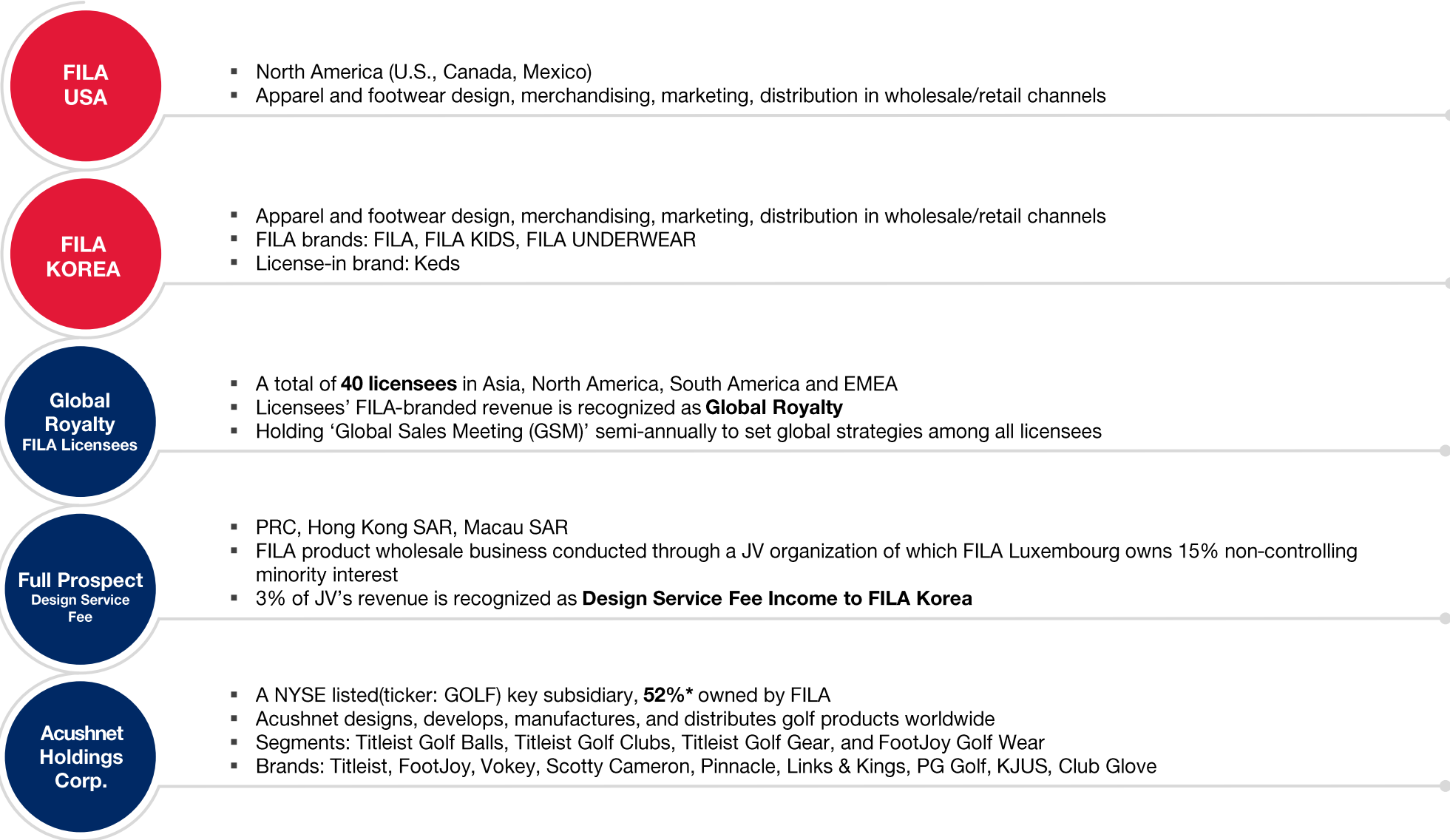
FILA has been and will be there through all the moments of sweat and honor

- 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** - 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 Mar. 31st, 2024.

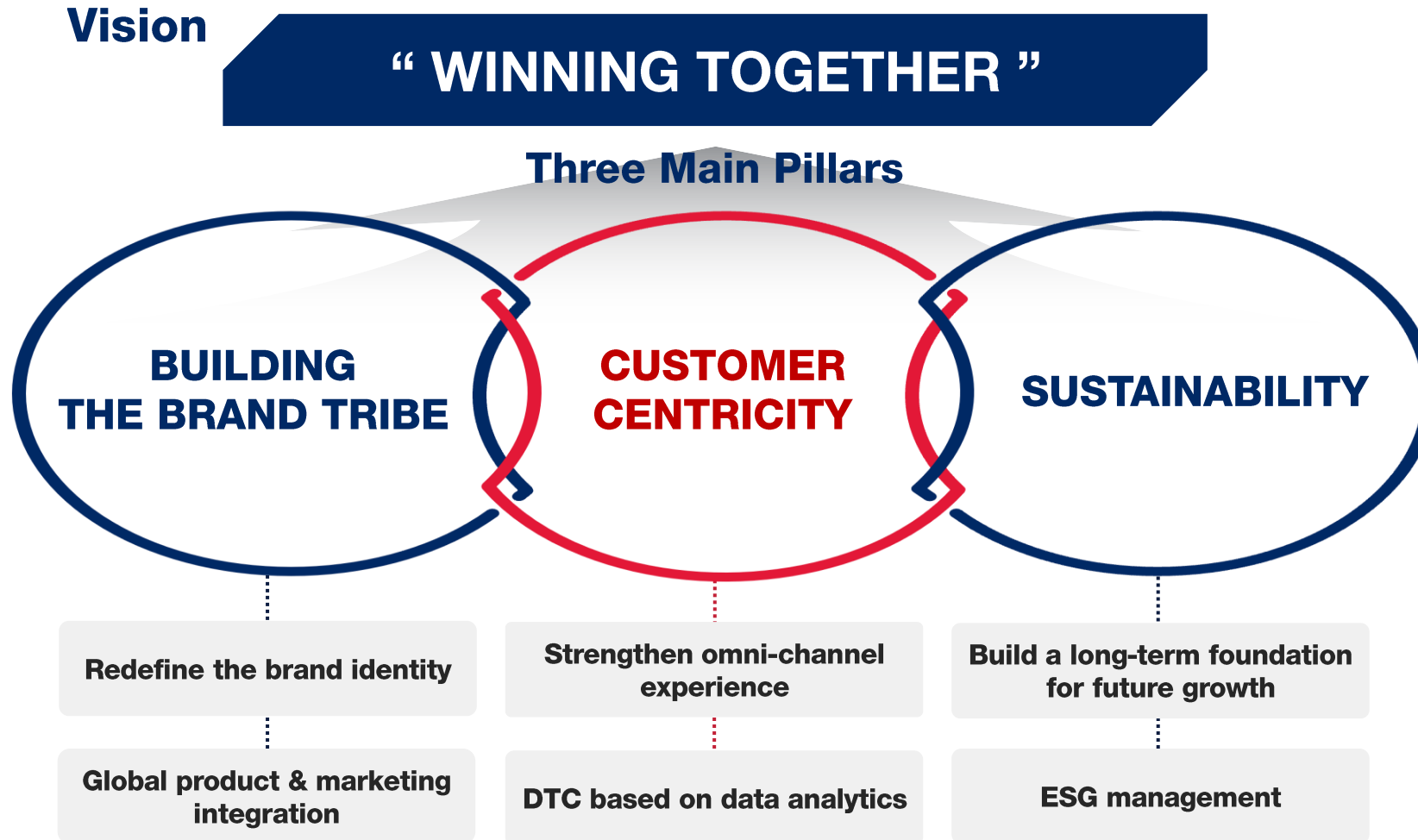


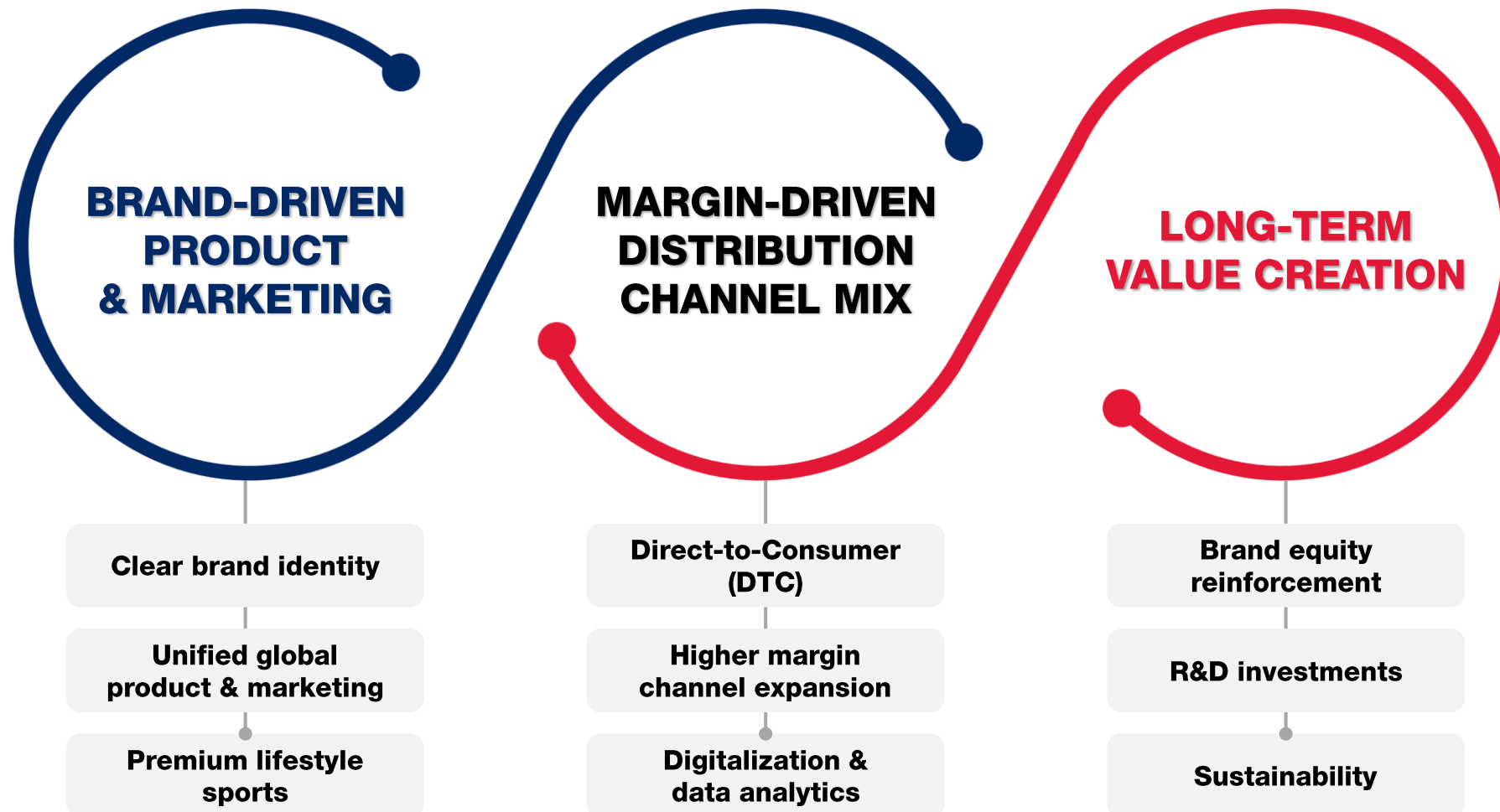
* as of Mar. 31st, 2024



02

**Brand
Strategy**





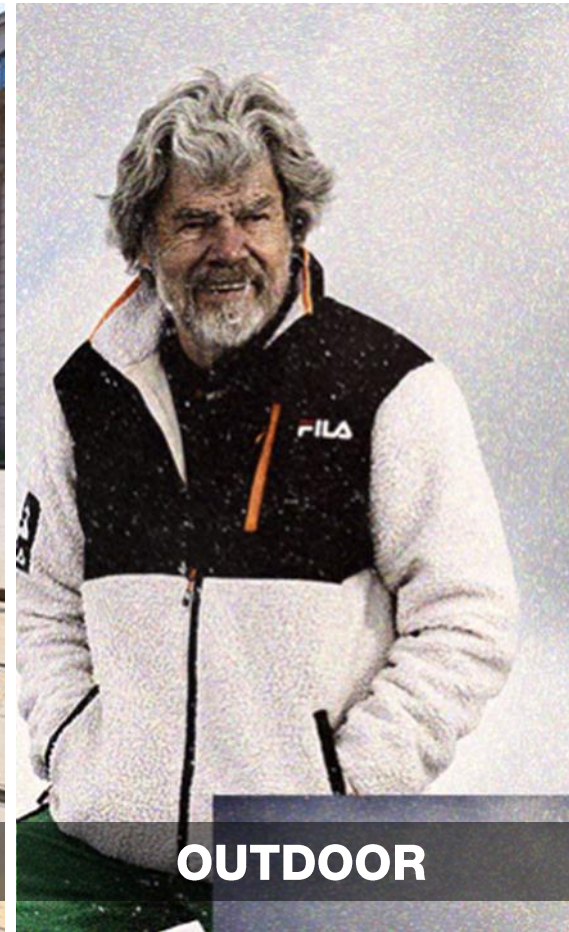
CORE SPORTS



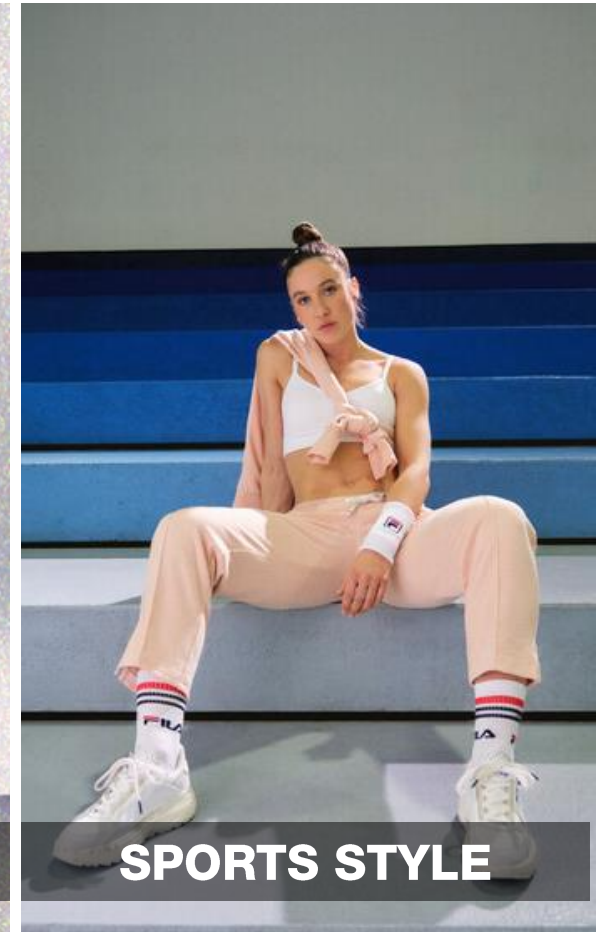
TENNIS



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

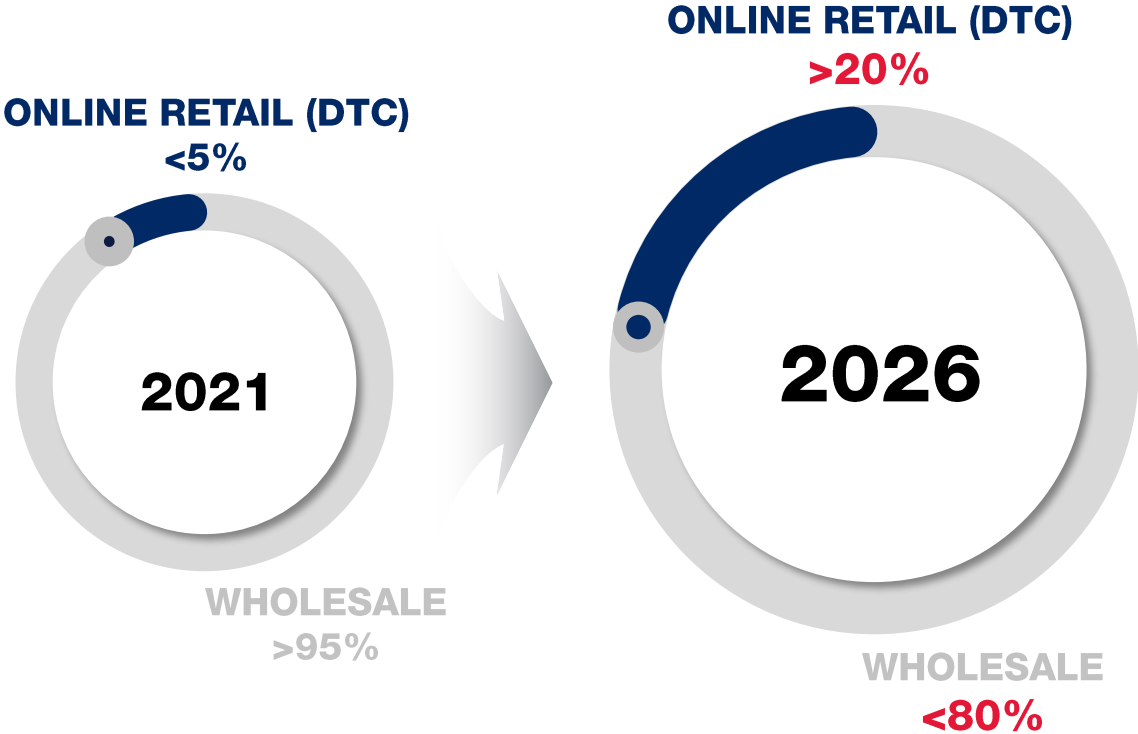
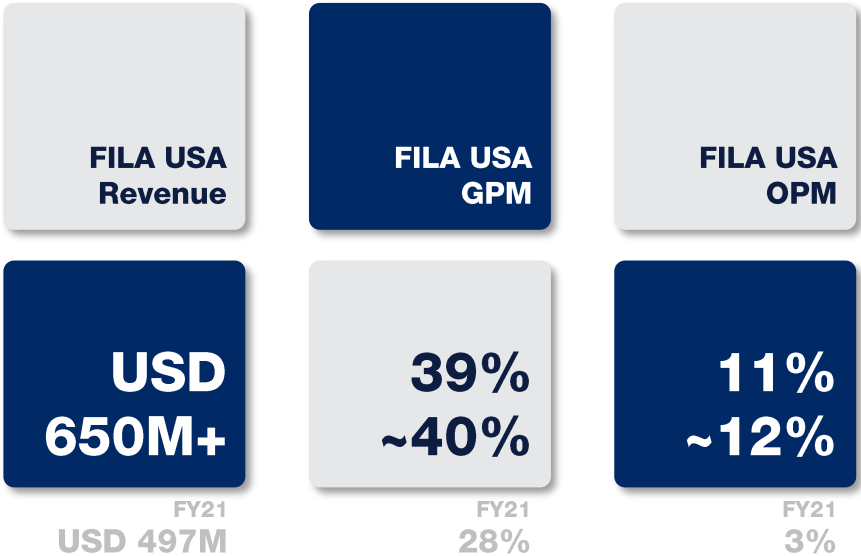
KRW 4.4T+

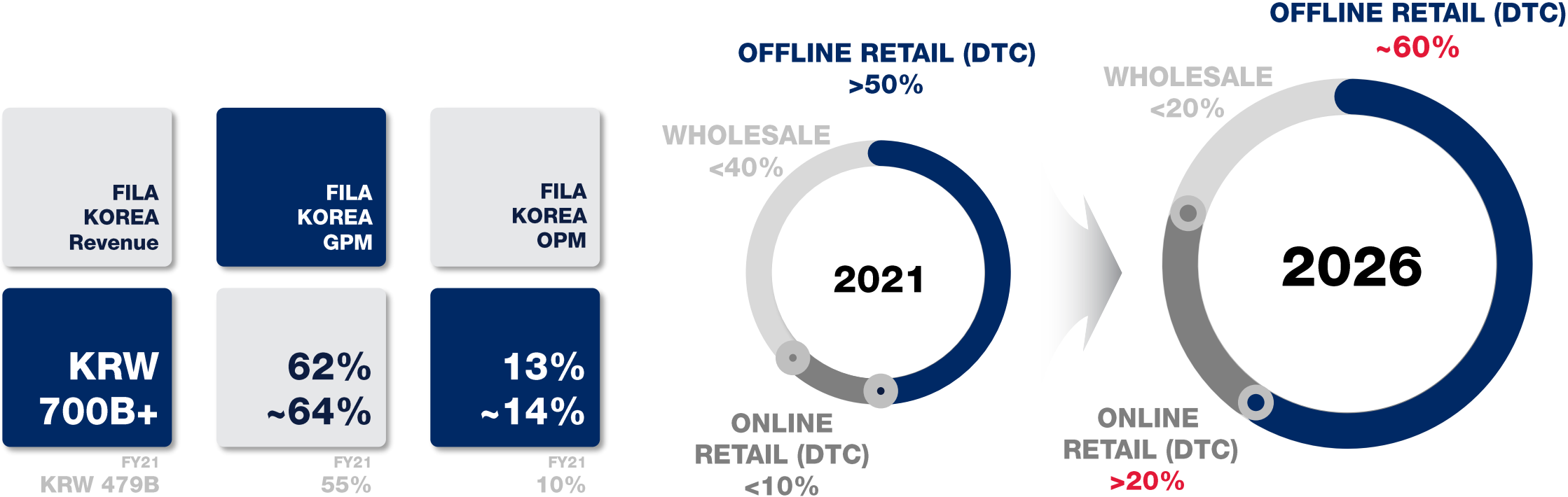
FY21
KRW 3.8T

Consolidated OPM

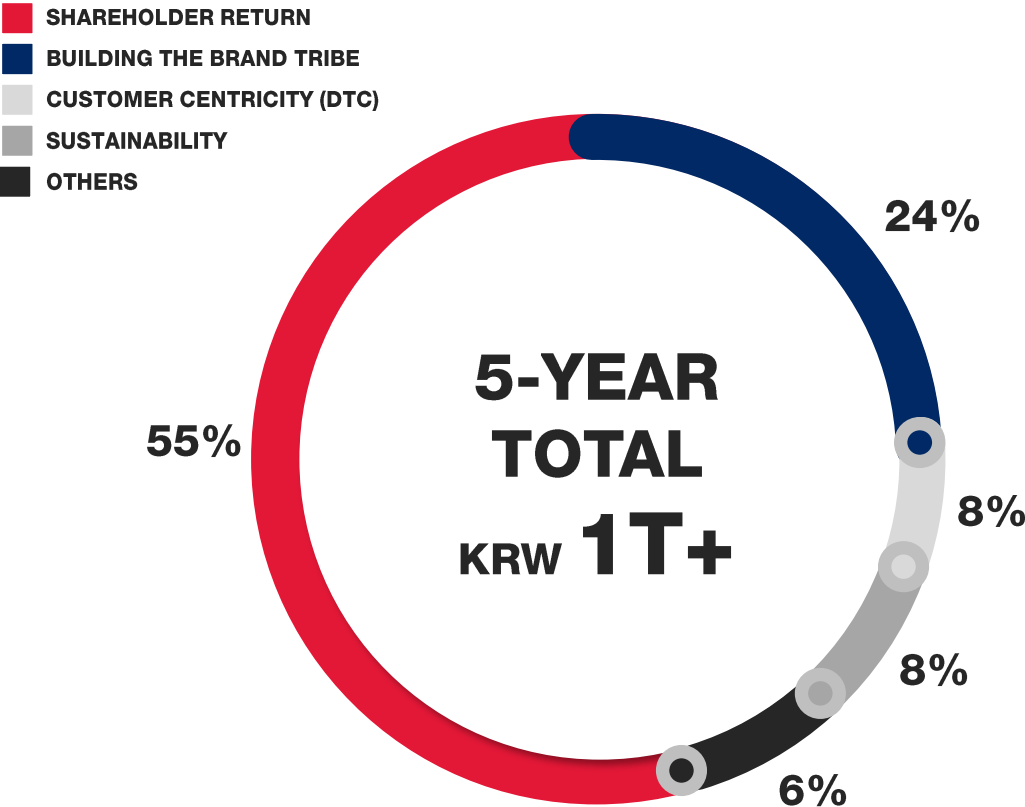
15%~16%

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

Korea

B+

Sustainvest

A

KCGS

A

Sustaianalytics

Global

LOW RISK

LSEG ESG

69/100

CDP

Climate change
Water security
disclosure



03

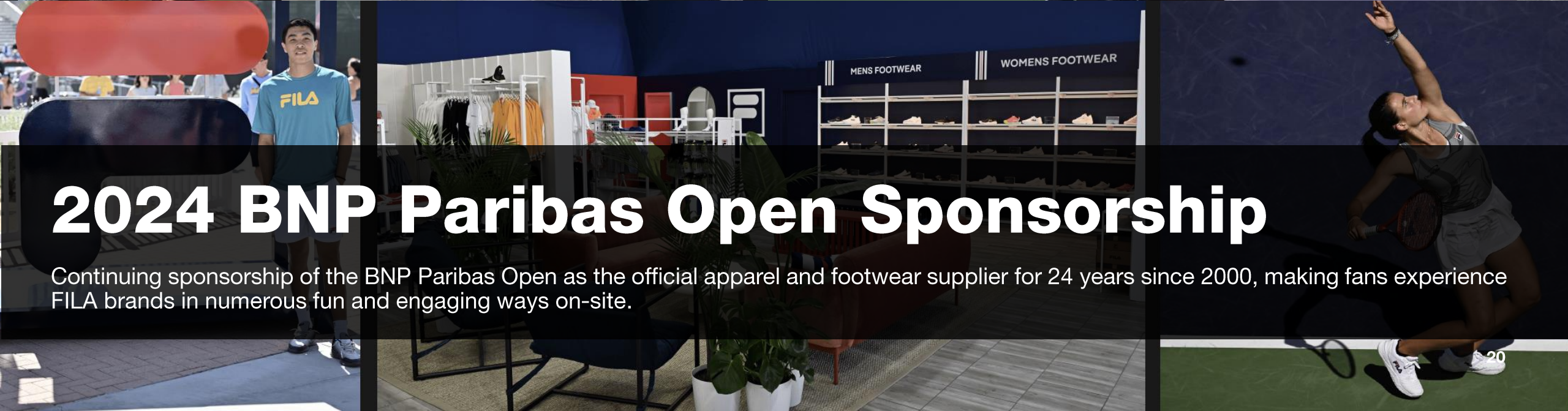
**Earnings
Release**

Operational Highlights in Q1 2024



2024 BNP Paribas Open Sponsorship

Continuing sponsorship of the BNP Paribas Open as the official apparel and footwear supplier for 24 years since 2000, making fans experience FILA brands in numerous fun and engaging ways on-site.



Recent Updates in Q2 2024



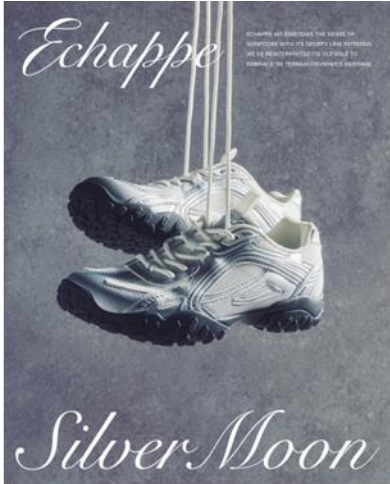
FILA 2024 White open Seoul

Marking the return of the new concept tennis festival to Korea for a second consecutive year, consisting of a variety of programs that any general citizen can participate in, as well as experiential programs for tennis enthusiasts.

LIFESTYLE



24SS NEW INTERUN



24SS ECHAPPE MS



24Summer PEITO SD



24Summer COLD WAVE

PERFORMANCE



WHITE LINE



AXILUS 3



BNP PARIBAS OPEN COLLECTION



(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 24	Q1 23		
Revenue	1,182,623	1,108,599	6.7%	2.9%
FILA	242,673	233,181	4.1%	2.1%
Acushnet	939,950	875,418	7.4%	3.1%
Gross profit	615,725	556,897	10.6%	6.6%
<i>GPM%</i>	<i>52.1%</i>	<i>50.2%</i>	<i>1.9%p</i>	<i>1.8%p</i>
SG&A	452,466	396,518	14.1%	10.3%
Operating profit	163,259	160,379	1.8%	(2.6%)
<i>OPM%</i>	<i>13.8%</i>	<i>14.5%</i>	<i>(0.7%p)</i>	<i>(0.8%p)</i>
FILA	5,969	4,094	45.8%	25.8%
Acushnet	157,290	156,285	0.6%	(3.4%)
Net profit	123,330	118,257	4.3%	0.1%

- **Revenue KRW 1,183bn YoY +6.7%**
 - **(FILA)** FILA USA's reduction in discounted sales and low base effect led to overall revenue improvement compared to last year. FILA KOREA has seen revenue growth in online retail/department store with new 24SS products.
 - **(Acushnet)** Acushnet reported solid earnings supported by brand momentum of newly launched Titleist golf balls/clubs.
 - Avg. KRW/USD 1,328.45 YoY +4.1%
- **Operating profit KRW 163bn YoY +1.8%**
 - **(FILA)** Reported double-digit% growth mainly driven by FILA USA's revenue improvement.
 - **(Acushnet)** Impacted by an increase in advertising and promotion expenses for demand creation and IT-related expenses.

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 24	Q1 23		
Revenue	85,902	76,768	11.9%	7.4%
Gross profit	22,386	4,486	399.1%	379.2%
<i>GPM%</i>	<i>26.1%</i>	<i>5.8%</i>	<i>20.3%p</i>	<i>20.3%p</i>
SG&A	33,131	32,465	2.1%	(2.0%)
Operating profit	(10,745)	(27,980)	N/A	N/A
<i>OPM%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Net profit	(13,298)	(30,091)	N/A	N/A

- **Revenue KRW 86bn YoY +11.9%**
 - Improved inventory management has allowed to better pricing negotiations, leading to higher-than-expected average selling prices (ASPs) for certain product categories.
- **Gross profit KRW 22bn YoY +399.1%**
 - The reduction in discounted sales, combined with enforcing a strict pricing policy, has contributed to an increase in gross profit and its margin.

(KRW mn)	Three months ended Mar. 31		YoY
	Q1 24	Q1 23	
Revenue	86,001	97,006	(11.3%)
FILA Korea (excl. DSF)	67,996	79,938	(14.9%)
Design Service Fee Income (DSF)	18,005	17,068	5.5%
Gross profit	53,522	57,903	(7.6%)
<i>GPM%</i>	62.2%	59.7%	2.5%p
SG&A	41,253	40,753	1.2%
Operating profit	12,269	17,150	(28.5%)
<i>OPM%</i>	14.3%	17.7%	(3.4%p)
FILA Korea (excl. DSF)	(5,735)	82	N/A
<i>OPM%</i>	(6.7%)	0.1%	N/A
Net profit	11,123	12,282	(9.4%)

- **Revenue KRW 86bn YoY -11.3%**
 - Despite domestic channel adjustment, particularly online wholesale/home-shopping wholesale channel, aligned with ‘FILA’s 5-year strategy’, online retail revenue increased supported by higher demand for 24SS new products, including Interun pink blossom and Echappe.
- **Operating profit KRW 12bn YoY -28.5%**
 - Despite an increase in DSF income with strong brand equity, channel adjustments in domestic business had an adverse effect on operating leverage

(KRW mn)	Three months ended Mar. 31		YoY	C/C
	Q1 24	Q1 23		
Asia	5,780	6,183	(6.5%)	(10.2%)
North America	1,162	1,178	(1.4%)	(5.3%)
South America	1,750	1,947	(10.1%)	(13.7%)
EMEA	7,421	8,902	(16.6%)	(20.0%)
Others	790	832	(5.0%)	(8.8%)
Total (adj.)	16,903	19,042	(11.2%)	(14.8%)

▪ **Asia KRW 5.7bn YoY -7.3%**

- As Japanese licensee is in the process of restructuring the current business operating format with core categories(footwear/apparel), the licensee is strategically taking a conservative approach with the sales activities at the moment.

▪ **South America KRW 1.8bn YoY -10.1%**

- Impacted due to political instability, economic volatility, hyperinflation, and currency devaluation in overall South America region.

▪ **EMEA KRW 7.4bn YoY -16.6%**

- Impacted due to changes in consumer sentiment stemming from prolonged war and inflationary pressures.

(USD K)	Three months ended Mar. 31		YoY
	Q1 24	Q1 23	
Revenue	707,554	686,290	3.1%
Gross profit	377,939	365,672	3.3%
<i>GPM%</i>	<i>53.4%</i>	<i>53.3%</i>	<i>0.1%p</i>
Operating profit	121,381	124,904	(2.8%)
<i>OPM%</i>	<i>17.2%</i>	<i>18.2%</i>	<i>(1.0%p)</i>
Net profit	84,559	93,619	(9.4%)
Adj. EBITDA	153,691	146,782	4.7%

Note) US-GAAP Basis

- **Revenue USD 708mn YoY +3.1%**
 - Mainly driven by successful new product launches of Titleist Ball/Club with strong brand momentum, supply chain enhancement, and operation execution.
- **Gross Profit USD 378mn YoY +3.3%**
 - Driven by sales increase in Titleist golf balls/clubs/gear.
- **Operating Profit USD 121mn YoY -2.8%**
 - Primarily due to increases in ad and promotional expense and IT-related expenses.

Annual growth targets (YoY%)	Previous Outlook (May 14 th)	Current Outlook (Mar. 20 th)
Consolidated revenue	-5% ~ +5%	-5% ~ +5%
FILA USA	-5% ~ +5%	-5% ~ +5%
FILA Korea (excl. DSF)	0 ~ +10%	0 ~ +10%
Global Royalty	-20% ~ -10%	-20% ~ -10%
Acushnet Holdings Corp.	+3.9% at the mid-point	+3.9% at the mid-point
Consolidated operating profit	+30% ~ +40%	+30% ~ +40%
FILA USA	Operating Loss 60B ~ 40B	Operating Loss 60B ~ 40B
FILA Korea (excl. DSF)	Operating Loss 15B ~ 5B	Operating Loss 15B ~ 5B
Acushnet Holdings Corp. adj. EBITDA	+5.0% at the mid-point	+5.0% at the mid-point

- Reaffirming consolidated and individual segment's earnings outlook, reflecting Q1 results, views on macroeconomics, and business projections for the whole year.
- Both FILA USA and FILA Korea(excl. DSF) will keep focusing on enhancing brand equity and improving profitability.
- Acushnet's outlook for FY2024 was publicly disclosed on May 7th on NYSE.

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)	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Revenue	1,108,599	1,147,006	990,192	760,830	1,182,623
Cost of sales	551,703	612,020	500,392	372,290	566,897
Gross profit	556,897	534,986	489,800	388,540	615,725
Selling and administrative expenses	396,518	443,043	397,236	429,932	452,466
Operating profit	160,379	91,943	92,563	(41,392)	163,259
Other income	960	2,836	1,968	109	951
Other expenses	1,585	3,796	3,680	4,071	1,062
Financial income	13,487	9,755	17,975	2,127	20,200
Financial costs	34,980	30,911	33,545	26,613	37,825
Share of net profit of associates accounted for using the equity method	16,399	16,629	12,307	18,576	17,291
Profit before income tax	154,660	86,456	87,588	(51,264)	162,814
Income tax expense	36,403	49,259	29,846	8,875	39,485
Net profit	118,257	37,197	57,743	(60,139)	123,330
Other comprehensive income	69,200	(2,485)	52,886	(37,240)	83,699
Total comprehensive income	187,456	34,711	110,629	(97,399)	207,029
Profit attributable to Owners of the Controlling Company	61,809	(7,340)	26,329	(38,218)	72,088
Earnings per share (KRW)	1,029	(122)	438	(636)	1,200

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Total assets	5,396,926	5,179,808	5,083,609	4,980,150	5,399,866
Current assets	2,710,569	2,445,505	2,281,544	2,241,653	2,547,603
Cash and cash equivalents	548,550	463,282	463,234	585,614	588,192
Trade and other receivables	787,474	762,937	636,003	456,203	842,144
Inventories	1,248,866	1,040,307	1,000,476	1,045,388	955,232
Other current assets	125,679	178,980	181,831	154,448	162,035
Non-current assets	2,686,356	2,734,302	2,802,066	2,738,497	2,852,263
Property and equipment	570,337	579,333	597,078	600,992	678,434
Intangible assets	1,820,265	1,820,123	1,852,759	1,777,538	1,841,572
Other non-current assets	295,754	334,847	352,229	359,968	332,257
Total liabilities	2,718,430	2,493,127	2,371,162	2,426,231	2,751,124
Current liabilities	1,142,953	1,195,482	1,615,440	1,161,274	1,217,192
Trade and other payables	515,972	462,506	500,313	504,323	535,264
Borrowings and bonds	381,727	507,259	920,285	442,847	441,838
Other current liabilities	245,254	225,717	194,842	214,104	240,090
Non-current liabilities	1,575,476	1,297,645	755,722	1,264,957	1,533,932
Borrowings and bonds	1,120,786	841,830	285,347	864,303	1,120,028
Other non-current liabilities	454,690	455,816	470,375	400,654	413,904
Total equity	2,678,496	2,686,680	2,712,447	2,553,919	2,648,742