

A background image showing three runners in motion on a bridge railing. The runner on the left is a Black man with 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 cityscape with a bridge railing in the foreground.

FILA Holdings Corp.

Q3 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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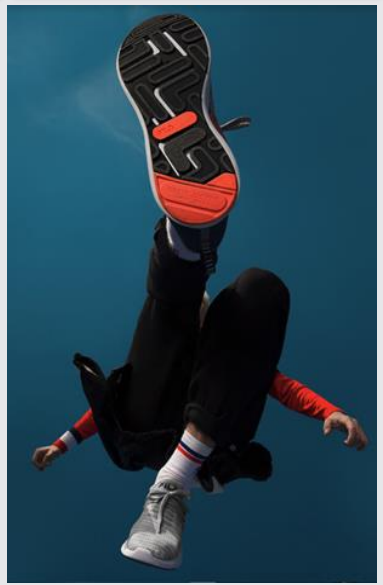



**Company
Overview**

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.

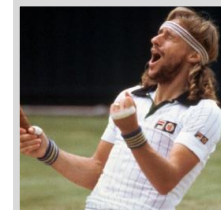
2018 - Signature footwear ‘Disruptor 2’ crowned ‘The Shoe of the Year 2018’
- First time participated in the Milan Fashion Week (2019 S/S collection)

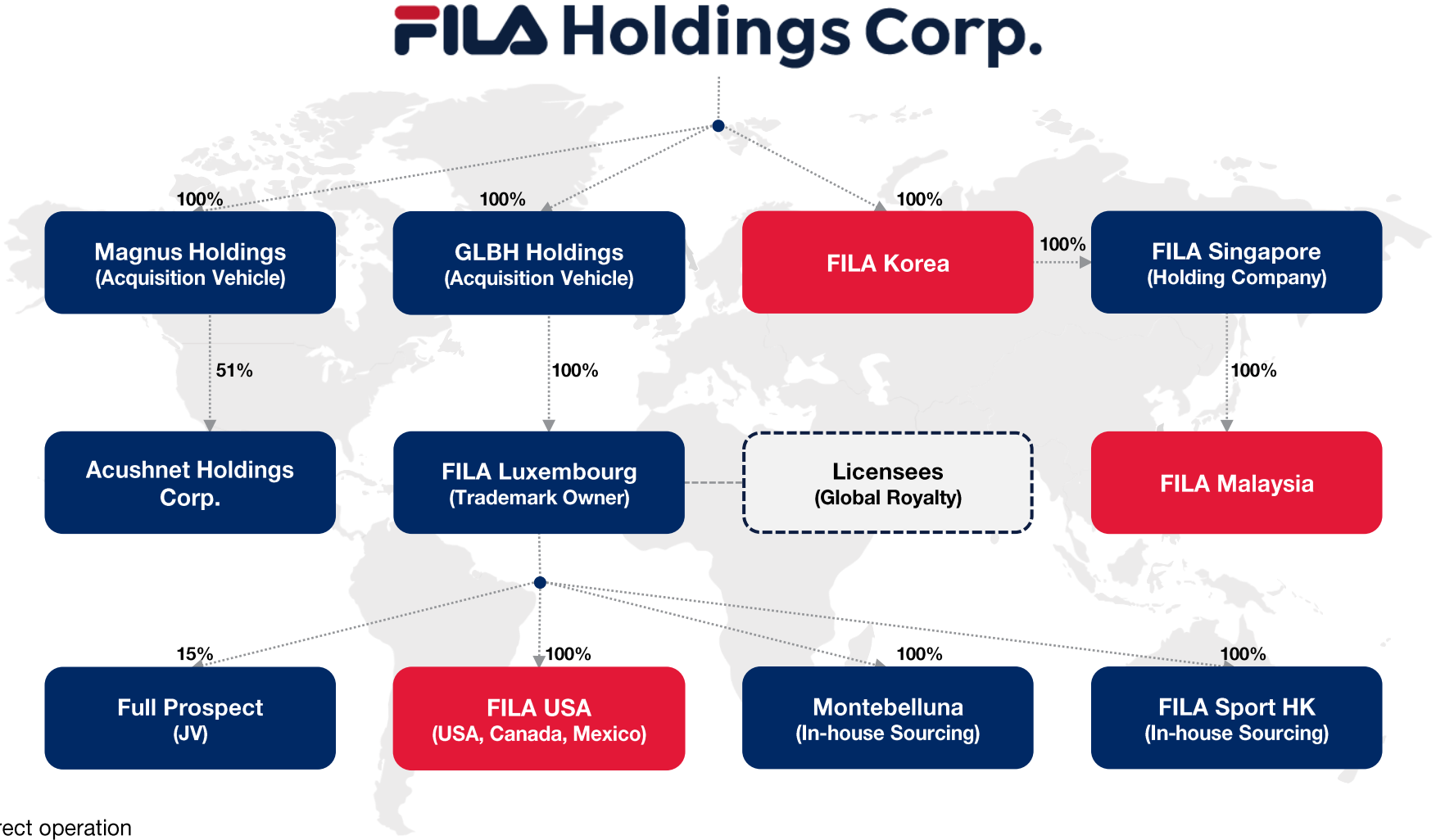
2020 - FILA Korea Ltd. changed its name to FILA Holdings Corp. and established a new subsidiary, FILA Korea, via a vertical demerger to enhance transparency of corporate governance
- Published the first FILA Sustainability Report

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’

2023 - Celebrated the 50th anniversary of tennis wear launch
- Named Han So-Hee and Hailey Bieber as global brand ambassadors





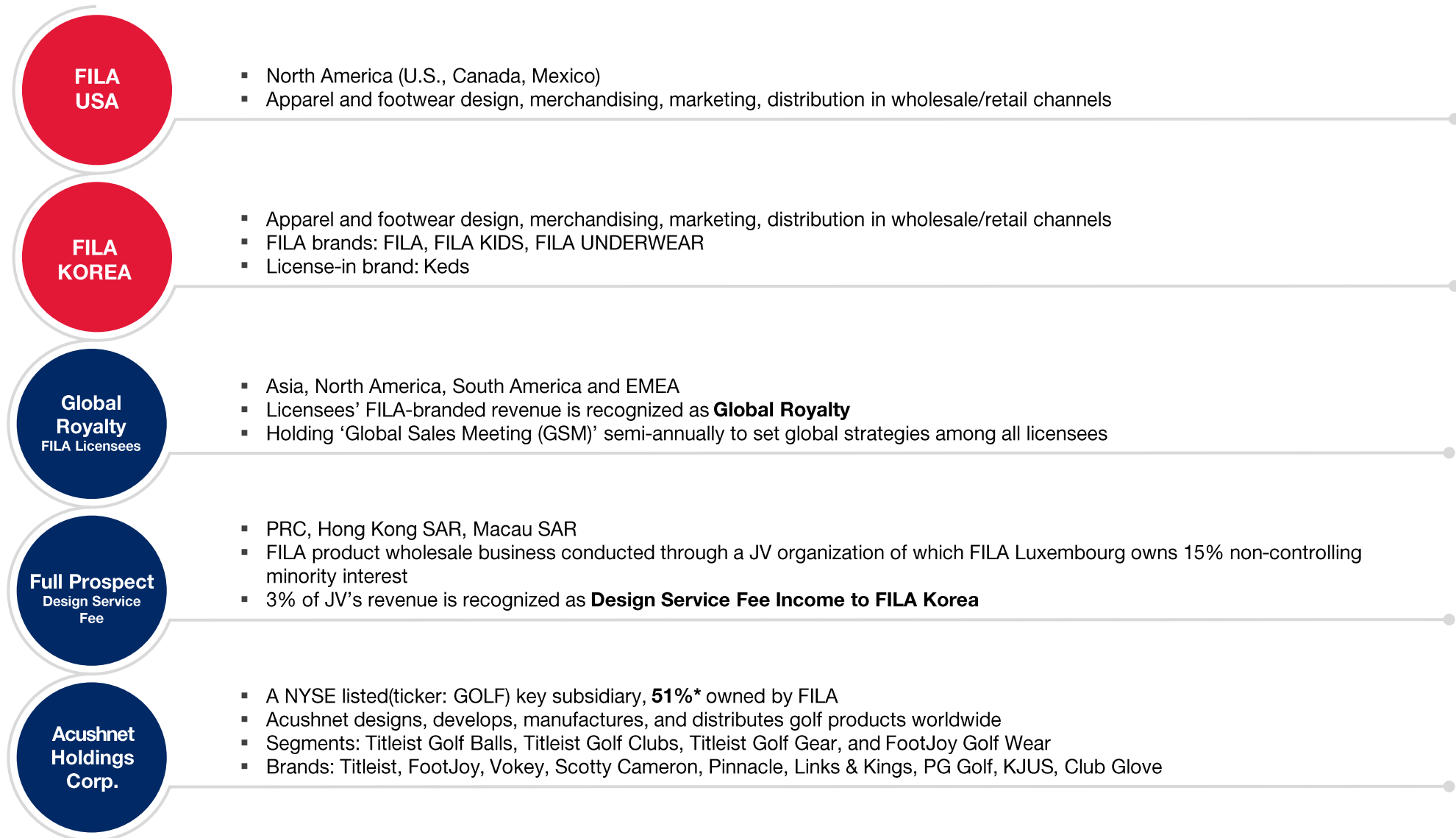
* The above organizational structure selectively presents the key subsidiaries as of September 30th, 2024.

FILA

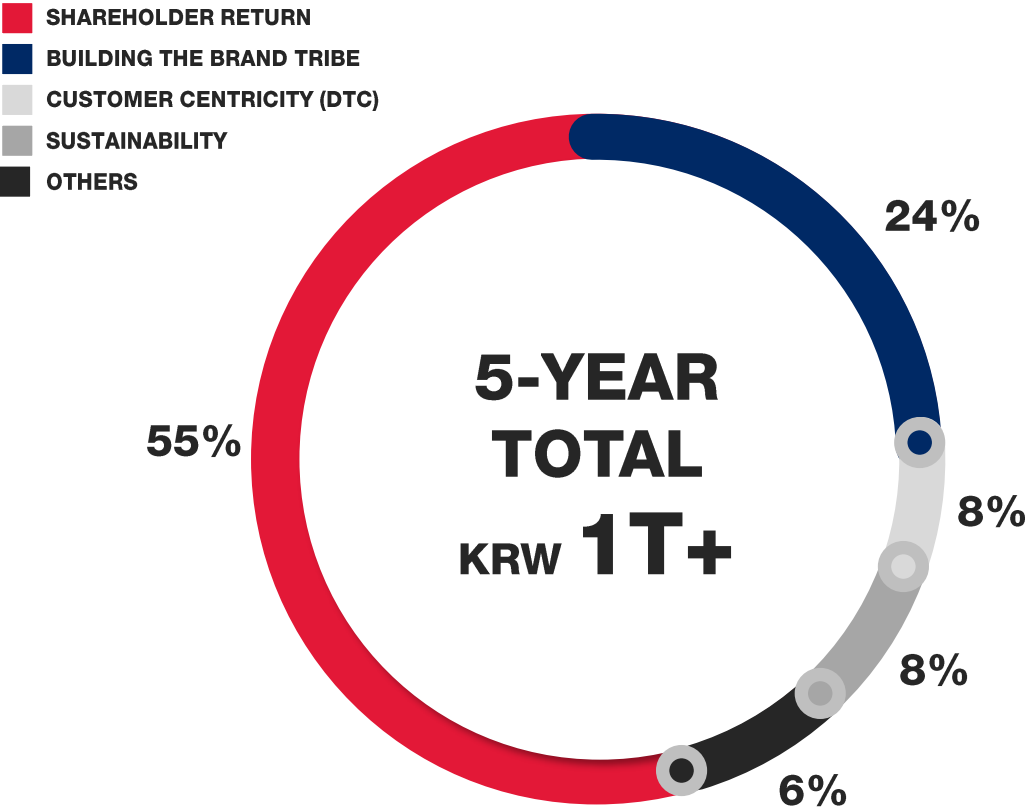


Acushnet





* as of September 30th, 2024



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



FTSE4Good

Included in the FTSE4Good Index Series



The first Korean fashion company to declare support for TCFD recommendations in 2022



United Nations
Global Compact

Joined since 2021



Reported in accordance with the SASB standard

ESG ratings

KCGS

Korea

B+

SUSTINVEST

A

Korea ESG
Research Institute

B+

Sustainalytics

LSEG ESG

CDP

Global

LOW RISK

68/100

Climate change
Water security
disclosure

* as of November 1st, 2024



02

**Earnings
Release**



Operational Highlights in Q3

- **Titleist golf ball** count takes up **over 70% global tour market share**, firmly maintaining its position as the market leader.
- Titleist to launch new club model '**WW GT Metals**' has showed strong sales across regions with healthy custom rates.
- Continuing robust demand of the franchise shoes of FILA – '**Echappe Choco**', **sold out three times** on our website on the release days in September and October.
- Echappe Choco boosted **FILA's search traffic** on Naver **by YoY +31%** in September, strengthening brand equity through high quality product offerings.
- Strong performance centered around footwear drove continued growth **in the 20s-30s target demographic**, achieving **54% of total shoe sales** in September.

Recent Updates in Q4

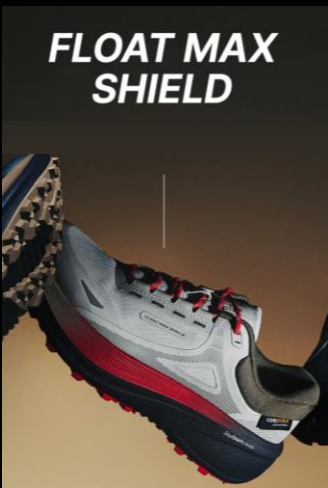
- FILA has launched its winter outerwear collection, "**Flow Down**", featuring premium functional materials "**Pertex Quantum Fabric**", elegant silhouettes, and the trendiest colors.
- FILA plans to capture attention this winter by featuring FILA's global brand ambassador Han So-Hee and renowned celebrities Ko Hyun-Jung, Joo Woo-Jae.



2024 Winter Flow Down



Puffer Mat



Float Max Running



ECHAPPE Choco

Product Updates in 2H

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 24	Q3 23			Q3 YTD 24	Q3 YTD 23		
Revenue	1,049,458	990,192	6.0%	2.8%	3,407,369	3,245,797	5.0%	1.4%
FILA	205,352	211,247	(2.8%)	(3.8%)	685,541	685,423	0.0%	(1.7%)
Acushnet	844,106	778,946	8.4%	4.5%	2,721,828	2,560,374	6.3%	2.2%
Gross Profit	567,166	489,800	15.8%	12.3%	1,806,047	1,581,682	14.2%	10.2%
GPM%	54.0%	49.5%	4.5%p	4.6%p	53.0%	48.7%	4.3%p	4.3%p
Operating profit	93,371	92,563	0.9%	(2.6%)	396,776	344,885	15.0%	10.2%
OPM%	8.9%	9.3%	(0.4%p)	(0.4%p)	11.6%	10.6%	1.0%p	1.0%p
FILA	(16,100)	(6,343)	N/A	N/A	(12,836)	(48,461)	N/A	N/A
Adj. FILA	1,979	(6,343)	N/A	N/A	5,243	(48,461)	N/A	N/A
Acushnet	109,470	98,906	10.7%	6.9%	409,612	393,347	4.1%	0.1%
Net Income	53,360	57,743	(7.6%)	(10.7%)	277,124	213,196	30.0%	24.9%

Note) 2023.3Q avg. USD/KRW = 1,310.95, 2024.3Q avg. USD/KRW = 1,359.38 YoY +3.7%

- **Revenue KRW 1,049bn YoY +6.0%**
 - **(FILA)** Impacted by ongoing market competitiveness in the U.S. market, offset by continued high demand of key items in Korea, and strong brand performance in China.
 - **(Acushnet)** Supported by strong brand momentum and higher sales of new Titleist golf clubs.
 - Avg. USD/KRW 1,359.38 YoY +3.7%
- **Operating profit KRW 93bn YoY +0.9%**
 - **(FILA)** Excluding one-off expense of approx. KRW 18bn, FILA's adj. OP turned profit benefitted by overall cost reduction effort.
 - **(Acushnet)** Benefited by continued strong brand momentum and higher sales of new Titleist golf clubs.

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 24	Q3 23			Q3 YTD 24	Q3 YTD 23		
Revenue	52,983	65,215	(18.8%)	(21.7%)	215,207	233,513	(7.8%)	(11.4%)
Gross Profit	17,126	5,977	186.6%	167.0%	46,931	(33,322)	N/A	N/A
GPM%	32.3%	9.2%	23.1%p	22.9%p	21.8%	(14.3%)	N/A	N/A
Operating profit	(25,471)	(23,445)	N/A	N/A	(65,396)	(128,502)	N/A	N/A
OPM%	(48.1%p)	(35.9%p)	N/A	N/A	(30.4%)	(55.0%)	N/A	N/A
Adj. operating profit	(7,480)	(23,445)	N/A	N/A	(47,404)	(128,502)	N/A	N/A
OPM%	(14.1%)	(35.9%)	N/A	N/A	(22.0%)	(55.0%)	N/A	N/A

- **Revenue KRW 53bn YoY -18.8%**
 - Mainly due to the competitive market environment caused by excessive inventory and promotional activities in the overall sports fashion market.
- **Gross profit KRW 17bn YoY +186.6%**
 - Primarily driven by less promotional activities and target margin management under the reduced inventory levels.
- **Operating loss KRW 25bn**
- **Adj. operating loss KRW 7bn**
 - Impacted by one-off severance cost of KRW 18bn due to business restructuring.
 - The strong U.S. dollar against the Korean won further exacerbated the negative impact on U.S. earnings.

Note) Consolidated financials of FILA U.S.A. Inc., FILA Canada, ULC, and Alife Holdings, LLC.

(KRW mn)	Three months ended in Sep. 30		YoY	Nine months ended in Sep. 30		YoY
	Q3 24	Q3 23		Q3 YTD 24	Q3 YTD 23	
Revenue	81,023	77,073	5.1%	262,070	268,607	(2.4%)
FILA Korea (excl. DSF Income)	65,977	62,912	4.9%	209,266	220,088	(4.9%)
Design Service Fee (DSF) Income	15,046	14,161	6.2%	52,806	48,519	8.8%
Gross Profit	49,621	46,271	7.2%	165,895	163,218	1.6%
GPM%	61.2%	60.0%	1.2%p	63.3%	60.8%	2.5%p
Operating profit	10,432	7,869	32.6%	41,811	39,516	5.8%
OPM%	12.9%	10.2%	2.7%p	16.0%	14.7%	1.2%p
FILA Korea (excl. DSF Income)	(4,613)	(6,292)	N/A	(10,993)	(9,003)	N/A
OPM%	(7.0%)	(10.0%)	N/A	(5.3%)	(4.1%)	N/A

- **Revenue KRW 81bn YoY +5.1%**
 - Despite challenging business conditions, including prolonged summer heat in September and soft domestic consumer sentiment, domestic sales recorded growth for the first time in two years, driven by continued high demand for the key footwear item, "Echappe Choco."
 - Outperformed design service fee income.
- **Gross profit KRW 50bn YoY +7.2%**
 - Primarily driven by strong demand for key footwear product, resulting in higher full-price sell-through and less markdowns.
 - Benefitted by increase in DSF income.
- **Operating profit KRW 10bn YoY +32.6%**
 - Significant improvement due to higher GPM and reduced SG&A expenses under the cost control.

(KRW mn)	Three months ended in Sep. 30		YoY	C/C	Nine months ended in Sep. 30		YoY	C/C
	Q3 24	Q3 23			Q3 YTD 24	Q3 YTD 23		
Asia	4,753	6,199	(23.3%)	(26.2%)	15,871	17,936	(11.5%)	(14.9%)
North America	941	1,272	(26.0%)	(28.8%)	3,002	3,646	(17.7%)	(20.9%)
South America	2,268	2,183	3.9%	0.3%	6,049	6,425	(5.8%)	(9.5%)
EMEA	8,924	8,216	8.6%	4.9%	24,697	27,239	(9.3%)	(12.9%)
Category	683	659	3.6%	0.1%	2,304	2,299	0.2%	(3.7%)
Total (adj.)	17,569	18,529	(5.2%)	(8.5%)	51,924	57,545	(9.8%)	(13.3%)

- **Asia KRW 4.8bn YoY -23.3%**
 - As Japanese licensee strategically taking a conservative approach as it is reorganizing business and investing in core categories(footwear/apparel) in '25.
- **North America KRW 0.9bn YoY -26.0%**
 - Mainly impacted by ongoing competitiveness and soft consumer spending.
- **South America KRW 2.3bn YoY +3.9%**
 - Stabilization in some major countries amid economic volatility in overall region.
- **EMEA KRW 8.9bn YoY +8.6%**
 - Revenue increased despite changes in consumer sentiment stemming from prolonged war and inflationary pressures.

(USD K)	Three months ended in Sep. 30		YoY	Nine months ended in Sep. 30		YoY
	Q3 24	Q3 23		Q3 YTD 24	Q3 YTD 23	
Revenue	620,501	593,381	4.6%	2,011,922	1,969,034	2.2%
Gross Profit	337,375	308,522	9.4%	1,087,068	1,042,717	4.3%
GPM%	54.4%	52.0%	2.4%p	54.1%	53.0%	1.1%p
Operating Profit	82,067	78,605	4.4%	309,471	309,999	(0.2%)
OPM%	13.2%	13.2%	(0.0%p)	15.4%	15.7%	(0.3%p)
Net Income	55,275	57,046	(3.1%)	209,998	225,029	(6.7%)
Adj. EBITDA	107,394	98,790	8.7%	392,098	377,637	3.8%

Note) US-GAAP Basis

- **Revenue USD 621mn YoY +4.6%**
 - Supported by higher sales of Titleist club sales, particularly the newly launched GT2, GT3, GT4 metals.
- **Gross Profit USD 337mn YoY +9.4%**
 - Improved due to higher sales and reduced customization costs for Titleist golf equipment, along with increased average selling prices for FootJoy golf apparel.
- **Operating Profit USD 82mn YoY +4.4%**
 - Primarily due to higher Titleist club sales, offset by increased advertising expenditures.

Annual growth targets(YoY%)	Current Outlook (Nov. 14 th)	Previous Outlook (Aug. 14 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
Adj. consolidated OP (excl. one-off restructuring expense)	+30% ~ +40%	+30% ~ +40%
Adj. FILA USA (excl. one-off restructuring expense)	Operating loss 70B ~ 50B	Operating loss 60B ~ 50B
FILA Korea (excl. DSF)	Operating loss 15B ~ 5B	Operating loss 15B ~ 5B
Acushnet Holdings Corp. adj. EBITDA	+6.3% at the mid-point	+5.0% at the mid-point

- Reaffirming revenue outlook for consolidated and individual segments, driven by positive performance in FILA and Acushnet, views on macroeconomics, and business projections for the whole year.
- Providing an adj. OP outlook excluding one-off expense of approx. KRW 18bn recognized in Q3.
- Acushnet's outlook for FY2024 was publicly disclosed on November 7th.
- Updating F/X rate to 1,352.14, reflecting the sustained strength of the U.S. dollar to Korean won throughout the year.

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 1,352.14 in 2024 (2024. 1. 1. ~ 2024. 12. 31.).

Note3) Previously disclosed consolidated OP, FILA USA OP are presented for comparison.

Consolidated Statements of Comprehensive Income (K-IFRS)

(KRW mn)	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Revenue	990,192	760,830	1,182,623	1,175,289	1,049,458
Cost of sales	500,392	372,290	566,897	552,133	482,292
Gross profit	489,800	388,540	615,725	623,156	567,166
Selling and administrative expenses	397,236	429,932	452,466	483,009	473,795
Operating profit	92,563	(41,392)	163,259	140,147	93,371
Other income	1,968	109	951	945	1,184
Other expenses	3,680	4,071	1,062	853	2,524
Financial income	17,975	2,127	20,200	14,642	5,793
Financial costs	33,545	26,613	37,825	39,740	34,415
Share of net profit of associates accounted for using the equity method	12,307	18,576	17,291	13,539	14,572
Profit before income tax	87,588	(51,264)	162,814	128,679	77,981
Income tax expense	29,846	8,875	39,485	28,245	24,620
Net profit	57,743	(60,139)	123,330	100,434	53,360
Other comprehensive income	52,886	(37,240)	83,699	42,735	(88,282)
Total comprehensive income	110,629	(97,399)	207,029	143,168	(34,922)
Profit attributable to Owners of the Controlling Company	26,329	(38,218)	72,088	56,001	13,311
Earnings per share (KRW)	438	(636)	1,200	1,676	223

Consolidated Statements of Financial Position (K-IFRS)

(KRW mn)	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Total assets	5,083,609	4,980,150	5,399,866	5,344,824	5,264,374
Current assets	2,281,544	2,241,653	2,547,603	2,511,690	2,517,934
Cash and cash equivalents	463,234	585,614	588,192	620,494	780,557
Trade and other receivables	636,003	456,203	842,144	809,026	647,732
Inventories	1,000,476	1,045,388	955,232	870,078	853,745
Other current assets	181,831	154,448	162,035	212,092	235,900
Non-current assets	2,802,066	2,738,497	2,852,263	2,833,134	2,746,440
Property and equipment	597,078	600,992	678,434	707,377	699,019
Intangible assets	1,852,759	1,777,538	1,841,572	1,885,876	1,790,627
Other non-current assets	352,229	359,968	332,257	239,881	256,794
Total liabilities	2,371,162	2,426,231	2,751,124	2,615,457	2,522,351
Current liabilities	1,615,440	1,161,274	1,217,192	1,179,787	1,190,787
Trade and other payables	500,313	504,323	535,264	532,724	556,935
Borrowings and bonds	920,285	442,847	441,838	431,685	421,136
Other current liabilities	194,842	214,104	240,090	215,378	212,716
Non-current liabilities	755,722	1,264,957	1,533,932	1,435,669	1,331,563
Borrowings and bonds	285,347	864,303	1,120,028	1,009,350	932,474
Other non-current liabilities	470,375	400,654	413,904	426,319	399,089
Total equity	2,712,447	2,553,919	2,648,742	2,729,367	2,742,023