



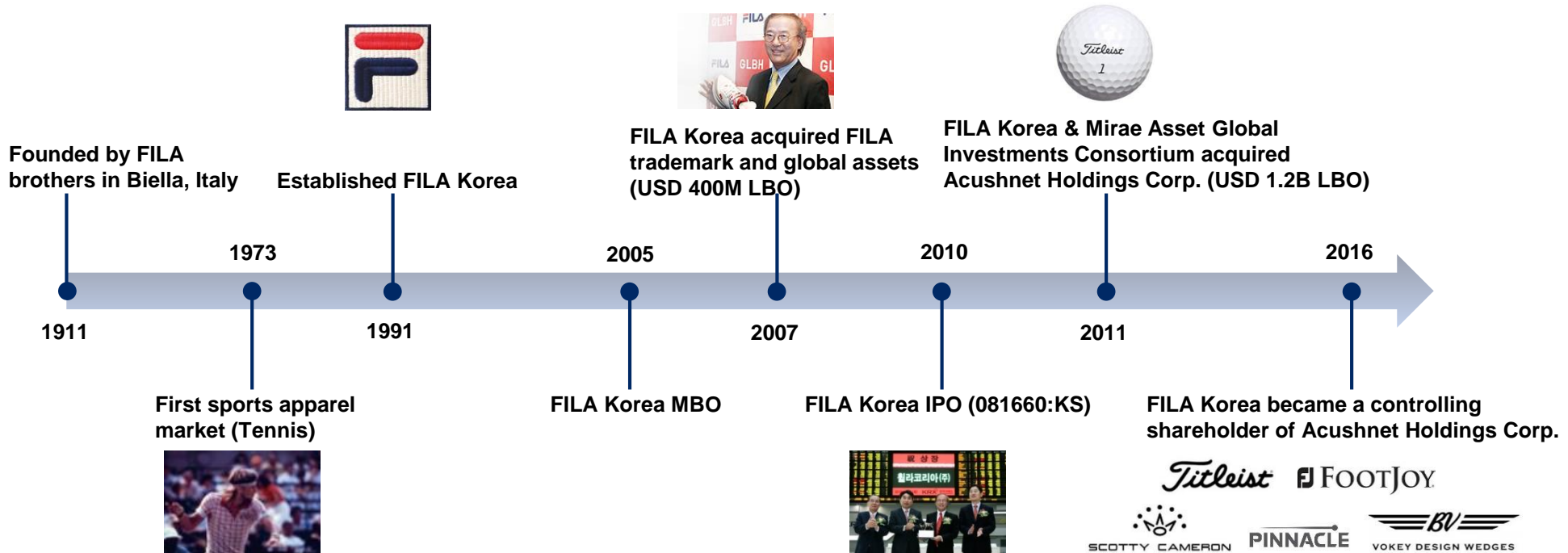
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**Investor Relations**  
1Q 2019

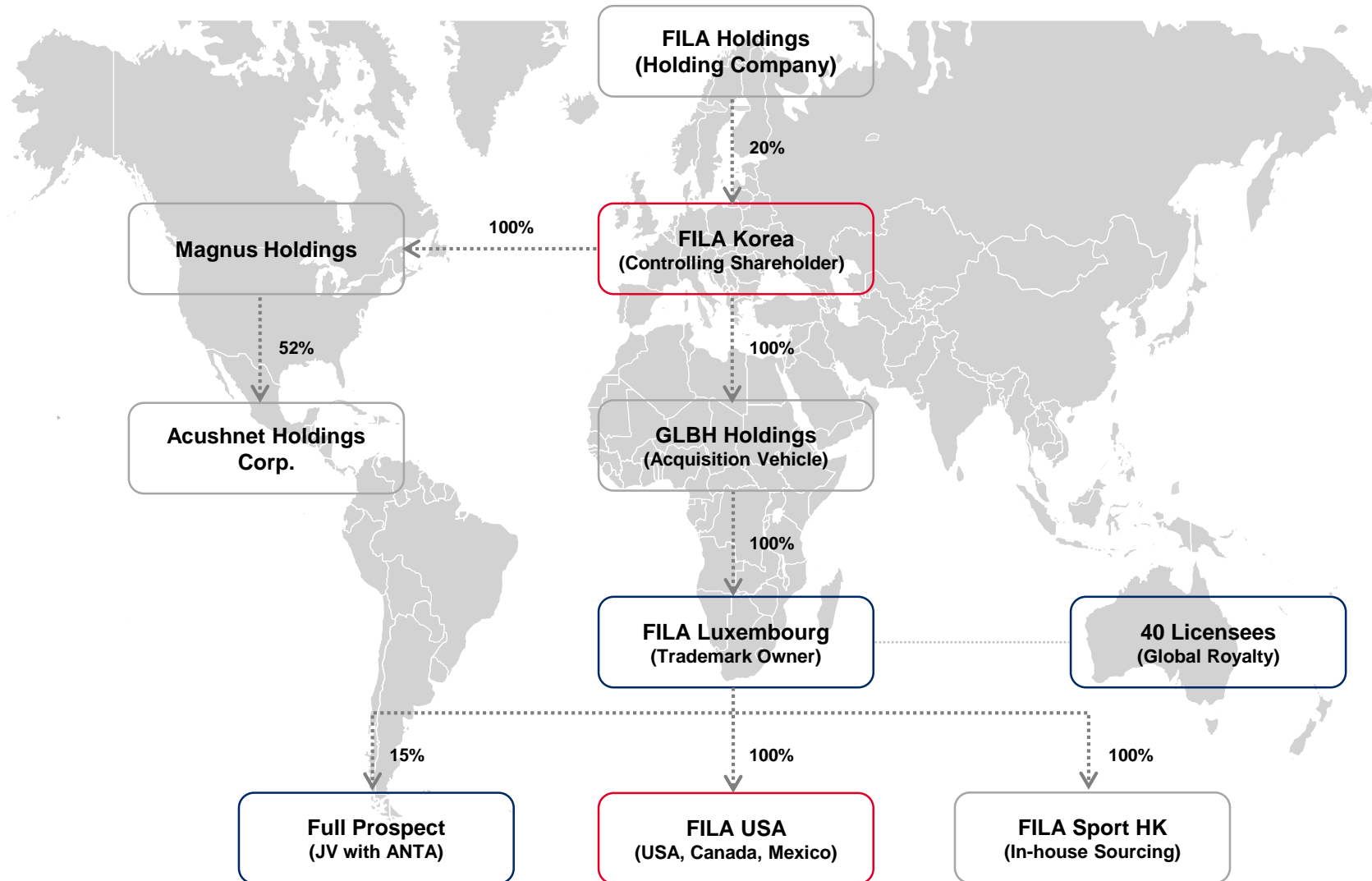
# History



“Leading Authentic Sports Brand Inspired by  
the Style, Elegance and Passion of our Italian Heritage”



# Group Structure



# FILA – A Leading Authentic Global Sports Brand



- ✓ **Expanding into upper channels of distribution in the US:**  
Foot Locker, Bloomingdale's, Neiman Marcus etc.

- ✓ **Successful product collaborations** including MSGM, Fendi, Urban Outfitters, Baja East, Gosha Rubchinskiy, Marion Bartoli (LOVE FILA by Marion Bartoli), Nas (Nas x Ghostbusters footwear collection, Mountain Dew, Staples etc.)

■ Total of 40 licensees

- ✓ **Brand renewal in Korea**
- ✓ **Distribution channel re-structuring process**

- ✓ **Cost-competitiveness through product sourcing strategy**

- ✓ **Various collaboration reflecting global Heritage trends**

- ✓ **Successfully established FILA® as leading high-end lifestyle casual brand in China**

- ✓ **Collaborations with Anna Sui, Jason Wu and Ginny Hilfiger etc.**

- ✓ **Led by Anta, a leading sports apparel company in China, FILA® has been expanding into major markets across China, Hong Kong, Macau and Singapore**



# FILA Group Business Overview

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## Direct

### FILA Korea

- Apparel and footwear based **retail and wholesale** distributor
- Total number of stores: **554** (as of 1QE 2019)
- Multi-category: FILA, FILA KIDS, FILA UNDERWEAR, FILA GOLF

### FILA USA

- **North America** (U.S.A., Canada, Mexico)
- Footwear based **wholesale** distributor

## Indirect

### FILA Licensee

- Total **40 licensees** in Asia, North America, South America and EMEA
- Revenue and profit contribution from licensee partners that operate the FILA branded products globally

### Full Prospect

- **Joint venture** (15% ownership) with ANTA Sports from 2009.
- Offering premium sports & lifestyle products in China, Hong Kong, Macau, and Singapore
- Contributes **3%** of its wholesale revenue as Design Service Fee to FILA Korea

### Acushnet Hold.

- Magnus Holdings Co., Ltd., a wholly-owned subsidiary of Fila Korea Co., Ltd., or Fila Korea, owns approximately **52%** of Acushnet Holdings Corp. as a controlling shareholder.
- Acushnet Holdings Corp. designs, develops, manufactures, and distributes golf products worldwide. The company operates through four segments: Titleist Golf Balls, Titleist Golf Clubs, Titleist Golf Gear, and FootJoy Golf Wear.
- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle**

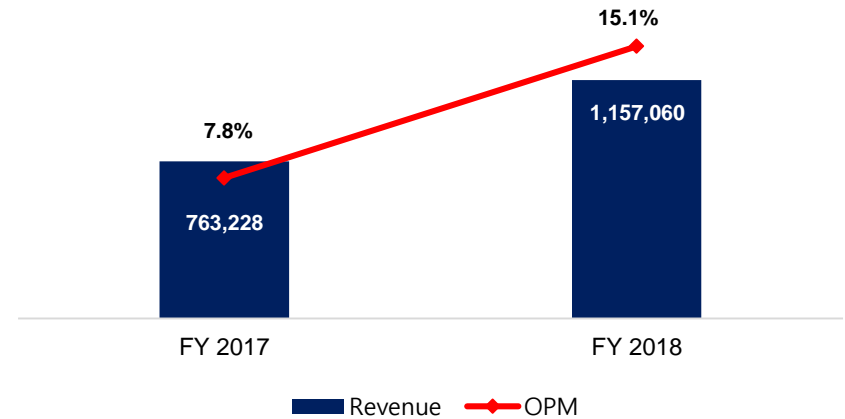
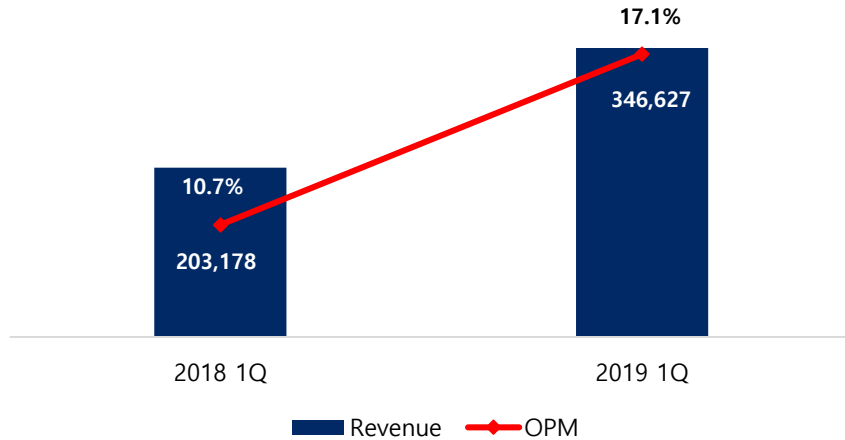
# Consolidated Financial Summary

	3 months (Jan. - Mar.) ended					12 months (Jan. - Dec.) ended				
	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
[Unit: KRW mn]										
Revenue	653,701	676,917	3.6%	834,576	23.3%	967,128	2,530,324	161.6%	2,954,643	16.8%
Gross Profit	307,576	341,998	11.2%	417,719	22.1%	418,971	1,240,530	196.1%	1,467,537	18.3%
<i>G.P.(%)</i>	47.1%	50.5%	3.5%p	50.1%	(0.5%)p	43.3%	49.0%	5.7%p	49.7%	0.6%p
Operating Profit	48,882	84,932	73.7%	115,850	36.4%	11,838	217,466	1,737.1%	357,102	64.2%
<i>O.P.(%)</i>	7.5%	12.5%	5.1%p	13.9%	1.3%p	1.2%	8.6%	7.4%p	12.1%	3.5%p
Net Income	25,539	79,736	212.2%	96,210	20.7%	311,126	108,110	(65.3%)	210,050	94.3%

# Consolidated Financial Summary (1Q 2018 & 1Q 2019)

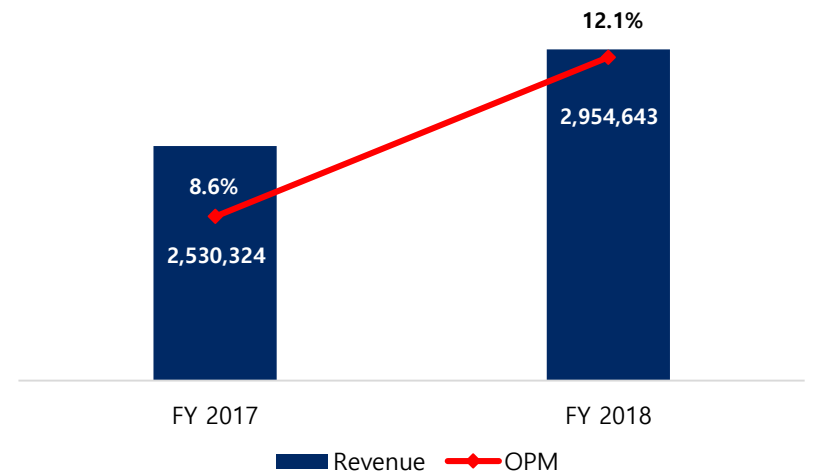
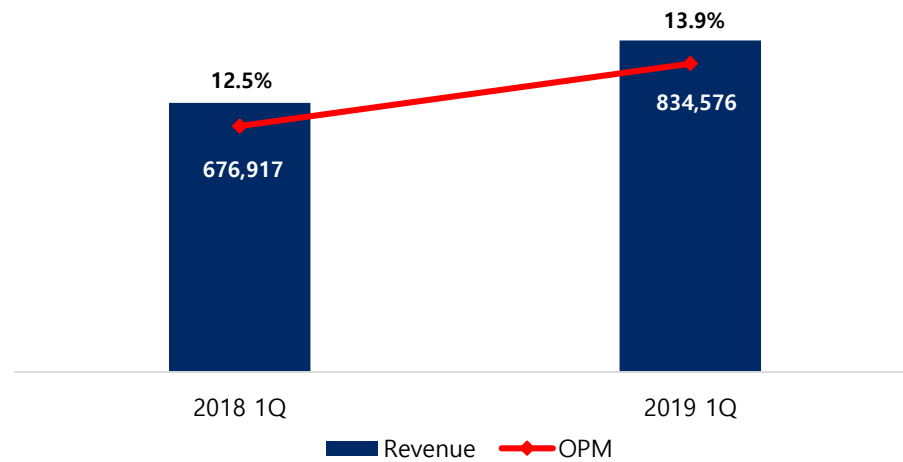
## Fila Group (Without Acushnet)

(Unit: KRW mn)



## Fila Consolidated Financial (With Acushnet)

(Unit: KRW mn)



# FILA Group Business Overview

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## Indirect



# FILA Korea Domestic Financial Summary

	3 months (Jan. - Mar.) ended					12 months (Jan. - Dec.) ended				
	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
[Unit: KRW mn]										
Revenue	66,185	103,539	56.4%	139,062	34.3%	306,179	342,462	11.9%	499,913	46.0%
Gross Profit	32,752	59,374	81.3%	85,368	43.8%	156,750	195,485	24.7%	297,369	52.1%
G.P.(%)	49.5%	57.3%	7.9%p	61.4%	4.0%p	51.2%	57.1%	5.9%p	59.5%	2.4%p
Operating Profit	(8,545)	8,218	N/A	24,168	194.1%	(31,021)	1,415	N/A	56,454	3,889.8%
O.P.(%)	(12.9%)	7.9%	N/A	17.4%	9.4%p	(10.1%)	0.4%	N/A	11.3%	10.9%p
Net Income	(13,008)	13,890	N/A	19,496	40.4%	(17,845)	(3,389)	N/A	59,017	N/A

\* DSF (Design Service Fee) from Full prospect (JV with Anta Sports) is included

## Full Prospect Design Service Fee Income Summary

	3 months (Jan. - Mar.) ended					12 months (Jan. - Dec.) ended				
	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
[Unit: USD K]										
Design Service Fee Income	1,940	4,149	113.9%	6,473	56.0%	6,811	10,686	56.9%	20,918	95.8%

# FILA Products Displayed at the Multi-Brand Stores



# FILA Domestic Products



# FILA Group Business Overview

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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle**

# FILA USA Consolidated Financial Summary

	3 months (Jan. - Mar.) ended					12 months (Jan. - Dec.) ended				
	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
[Unit: USD K]										
Revenue	59,872	70,502	17.8%	140,015	98.6%	319,928	304,665	(4.8%)	452,547	48.5%
Gross Profit	16,916	21,398	26.5%	49,457	131.1%	98,509	91,906	(6.7%)	145,198	58.0%
<i>G.P.(%)</i>	28.3%	30.4%	2.1% <i>p</i>	35.3%	5.0% <i>p</i>	30.8%	30.2%	(0.6%) <i>p</i>	32.1%	1.9% <i>p</i>
Operating Profit	(3,128)	1,305	N/A	9,082	595.9%	21,127	9,247	(56.2%)	34,085	268.6%
<i>O.P.(%)</i>	(5.2%)	1.9%	N/A	6.5%	4.6% <i>p</i>	6.6%	3.0%	(3.6%) <i>p</i>	7.5%	4.5% <i>p</i>
Net Income	(2,002)	396	N/A	5,911	1,392.7%	11,604	1,136	(90.2%)	23,262	1,947.2%

# FILA USA Products



# FILA Group Business Overview

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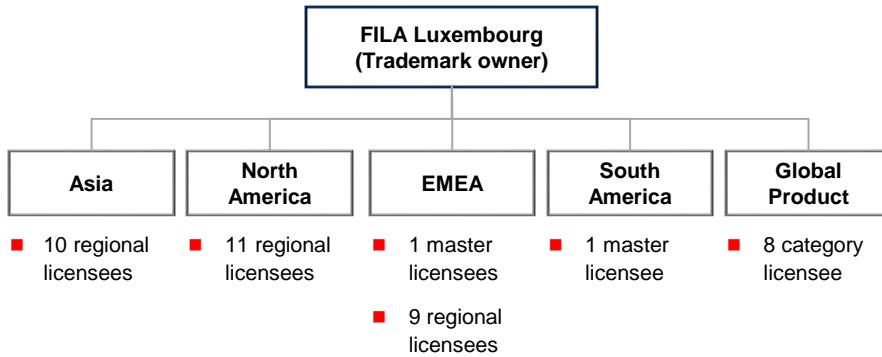
# FILA Global Royalty Summary

	3 months (Jan. - Mar.) ended					12 months (Jan. - Dec.) ended				
[Unit: USD K]	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
Asia	3,042	3,535	16.2%	4,433	25.4%	9,434	11,017	16.8%	14,228	29.1%
North America	1,780	1,738	(2.4%)	1,618	(6.9%)	7,620	6,192	(18.7%)	7,342	18.6%
South America	318	685	115.4%	1,167	70.4%	1,027	1,754	70.8%	2,941	67.7%
EMEA	3,765	4,228	12.3%	8,952	111.7%	14,073	16,023	13.9%	26,751	67.0%
Category	398	503	26.4%	459	(8.7%)	1,685	1,654	(1.8%)	1,616	(2.3%)
<b>Total (Adjusted)</b>	<b>9,366</b>	<b>10,764</b>	<b>14.9%</b>	<b>16,703</b>	<b>55.2%</b>	<b>34,305</b>	<b>36,954</b>	<b>7.7%</b>	<b>53,241</b>	<b>44.1%</b>



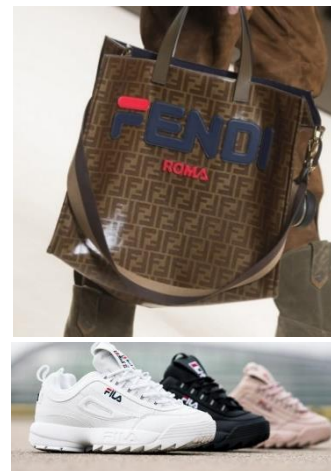
# Global License Business

## Global License Structure (40 licensees)



## General License Conditions

- License period is 5 years (10 years for master licensees)
- Based on the wholesale revenue from each licensee
- On average, 6-7% of FILA's wholesale revenue generated from each licensee
- Each licensee has minimum guaranteed royalty (MGR) based on the forecasted revenue
- Semi-annual Global Collaboration Meetings (GCM) held to set broad, global strategic guidelines among all licensees



# Consolidated Balance Sheet (K-IFRS)

## Consolidated Balance Sheet (K-IFRS)

(KRW mn)

	1Q 2019	FY 2018	FY 2017
<b>Assets</b>	<b>3,663,470</b>	<b>3,304,340</b>	<b>3,078,924</b>
Current Assets	1,556,141	1,337,878	1,154,081
Cash and cash equivalents	200,757	149,001	107,696
Trade and other receivables	650,916	473,864	387,342
Inventories	629,405	632,237	578,367
Other current assets	75,063	82,776	80,676
Non-current Assets	2,107,329	1,966,462	1,924,843
Property and equipment	424,872	310,716	323,527
Intangible assets	1,509,420	1,491,948	1,440,427
Other non-current assets	173,037	163,797	160,889
<b>Liabilities</b>	<b>2,057,268</b>	<b>1,797,846</b>	<b>1,844,594</b>
Current Liabilities	828,083	672,316	694,581
Trade and other payables	377,898	405,997	330,386
Borrowings	328,467	174,426	212,671
Bonds	-	-	69,558
Other current liabilities	121,717	91,893	81,966
Non-current Liabilities	1,229,185	1,125,530	1,150,014
Borrowings	734,617	746,950	855,614
Bonds	62,307	61,175	-
Other non-current liabilities	432,260	317,405	294,400
<b>Total Equity</b>	<b>1,606,203</b>	<b>1,506,494</b>	<b>1,234,330</b>

# Appendix – Financial Summary

## I. FILA Korea

(unit: KRW mn)

	3 months (Jan.-Mar.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2016	2017	Variance(%)	2018	Variance(%)
<b>Revenue</b>	<b>66,185</b>	<b>103,539</b>	<b>56.4%</b>	<b>139,062</b>	<b>34.3%</b>	<b>306,179</b>	<b>342,462</b>	<b>11.9%</b>	<b>499,913</b>	<b>46.0%</b>
Gross Profit	32,752	59,374	81.3%	85,368	43.8%	156,750	195,485	24.7%	297,369	52.1%
G.P. %	49.5%	57.3%	7.9%p	61.4%	4.0%p	51.2%	57.1%	5.9%p	59.5%	2.4%p
<b>O. Profit</b>	<b>(8,545)</b>	<b>8,218</b>	<b>N/A</b>	<b>24,168</b>	<b>194.1%</b>	<b>(31,021)</b>	<b>1,415</b>	<b>N/A</b>	<b>56,454</b>	<b>3,889.8%</b>
O.P. %	(12.9%)	7.9%	N/A	17.4%	9.4%p	(10.1%)	0.4%	N/A	11.3%	10.9%p
<b>Net Profit</b>	<b>(13,008)</b>	<b>13,890</b>	<b>N/A</b>	<b>19,496</b>	<b>40.4%</b>	<b>(17,845)</b>	<b>(3,389)</b>	<b>N/A</b>	<b>59,017</b>	<b>N/A</b>

### I-a. Full Prospect Design Service Fee Income

(unit: USD '000)

	3 months (Jan.-Mar.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2016	2017	Variance(%)	2018	Variance(%)
<b>Design Service</b>	<b>1,940</b>	<b>4,149</b>	<b>113.9%</b>	<b>6,473</b>	<b>56.0%</b>	<b>6,811</b>	<b>10,686</b>	<b>56.9%</b>	<b>20,918</b>	<b>95.8%</b>

- ◆ 1Q Revenue (approx. +KRW 35.5bn)
  - Increase in revenue mainly from FILA segment
  - Increase in Design Service Fee Income contributed by Full Prospect (YoY approx. +56.0%)
- ◆ 1Q Operating Profit (approx. +KRW 16.0bn)
  - Resulted from increase in revenue
  - Resulted from increase in gross profit due to sales mix improvement with higher margin product sales
  - Decrease in SG&A expense proportion to revenue (cost leverage effects) due to lower rate of increase in SG&A compared to revenue increase (49.4% → 44.0%)
- ◆ 1Q Net Profit (approx. +KRW 5.6bn)
  - Resulted from increase in revenue
  - Corporate tax return in 1Q 2018 (approx. KRW 7.7bn) → Normalized NI YoY +214.5%

# Appendix – Financial Summary

## II. FILA USA Consolidated

(unit: USD '000)

	3 months (Jan.-Mar.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2016	2017	Variance(%)	2018	Variance(%)
<b>Revenue</b>	<b>59,872</b>	<b>70,502</b>	<b>17.8%</b>	<b>140,015</b>	<b>98.6%</b>	<b>319,928</b>	<b>304,665</b>	<b>(4.8%)</b>	<b>452,547</b>	<b>48.5%</b>
Gross Profit	16,916	21,398	26.5%	49,457	131.1%	98,509	91,906	(6.7%)	145,198	58.0%
G.P. %	28.3%	30.4%	2.1%p	35.3%	5.0%p	30.8%	30.2%	(0.6%p)	32.1%	1.9%p
<b>O. Profit</b>	<b>(3,128)</b>	<b>1,305</b>	<b>N/A</b>	<b>9,082</b>	<b>595.9%</b>	<b>21,127</b>	<b>9,247</b>	<b>(56.2%)</b>	<b>34,085</b>	<b>268.6%</b>
O.P. %	(5.2%)	1.9%	7.1%	6.5%	4.6%p	6.6%	3.0%	(3.6%p)	7.5%	4.5%p
<b>Net Profit</b>	<b>(2,002)</b>	<b>396</b>	<b>N/A</b>	<b>5,911</b>	<b>1,392.7%</b>	<b>11,604</b>	<b>1,136</b>	<b>(90.2%)</b>	<b>23,262</b>	<b>1,947.2%</b>

◆ 1Q Revenue (approx. +USD 69.5M)

- Market headwind from the mid-market disruption has shown improvement on retailers compared to last year
- Sales mix has improved with higher margin product (i.e. heritage etc.) through upper tier distribution channel reflecting the continuing market trends for retro

◆ 1Q Operating Profit (approx. +USD 7.8M)

- Resulted from increase in revenue
- Severance package to former executive (approx. +USD 7.6M) → Normalized OPM in 1Q '19 : 11.9%

◆ 1Q Net Profit (approx. +USD 5.5M)

- Resulted from increase in revenue and margin

## III. Global Royalty

(unit: USD '000)

	3 months (Jan.-Mar.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2016	2017	Variance(%)	2018	Variance(%)
Asia	3,042	3,535	16.2%	4,433	25.4%	9,434	11,017	16.8%	14,228	29.1%
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EMEA	3,765	4,228	12.3%	8,952	111.7%	14,073	16,023	13.9%	26,751	67.0%
Category	398	503	26.4%	459	(8.7%)	1,685	1,654	(1.8%)	1,616	(2.3%)
<b>Total (Int_Adj)</b>	<b>9,366</b>	<b>10,764</b>	<b>14.9%</b>	<b>16,703</b>	<b>55.2%</b>	<b>34,305</b>	<b>36,954</b>	<b>7.7%</b>	<b>53,241</b>	<b>44.1%</b>

◆ EMEA (approx. +USD 4.7M)

- Increase in revenue mainly from UK & Europe regions

◆ Asia (approx. +USD 0.9M)

- Increase in revenue mainly from Japan region

◆ South America (approx. +USD 0.5M)

- Increase in revenue mainly from Uruguay

# Appendix – Financial Summary

## IV. Consolidated Financial

(unit: KRW mn)

	3 months (Jan.-Mar.) ended					12 months (Jan.-Dec.) ended				
	2017	2018	Variance(%)	2019	Variance(%)	2016	2017	Variance(%)	2018	Variance(%)
<b>Revenue</b>	<b>653,701</b>	<b>676,917</b>	<b>3.6%</b>	<b>834,576</b>	<b>23.3%</b>	<b>967,128</b>	<b>2,530,324</b>	<b>161.6%</b>	<b>2,954,643</b>	<b>16.8%</b>
Gross Profit	<b>307,576</b>	<b>341,998</b>	<b>11.2%</b>	<b>417,719</b>	<b>22.1%</b>	<b>418,971</b>	<b>1,240,530</b>	<b>196.1%</b>	<b>1,467,537</b>	<b>18.3%</b>
<i>G.P. %</i>	<i>47.1%</i>	<i>50.5%</i>	<i>3.5%p</i>	<i>50.1%</i>	<i>(0.5%p)</i>	<i>43.3%</i>	<i>49.0%</i>	<i>5.7%p</i>	<i>49.7%</i>	<i>0.6%p</i>
<b>O. Profit</b>	<b>48,882</b>	<b>84,932</b>	<b>73.7%</b>	<b>115,850</b>	<b>36.4%</b>	<b>11,838</b>	<b>217,466</b>	<b>1,737.1%</b>	<b>357,102</b>	<b>64.2%</b>
<i>O.P. %</i>	<i>7.5%</i>	<i>12.5%</i>	<i>5.1%p</i>	<i>13.9%</i>	<i>1.3%p</i>	<i>1.2%</i>	<i>8.6%</i>	<i>7.4%p</i>	<i>12.1%</i>	<i>3.5%p</i>
<b>Net Profit</b>	<b>25,539</b>	<b>79,736</b>	<b>212.2%</b>	<b>96,210</b>	<b>20.7%</b>	<b>311,126</b>	<b>108,110</b>	<b>(65.3%)</b>	<b>210,050</b>	<b>94.3%</b>

◆ 1Q Revenue (approx. +KRW 157.7bn)

- Increase in revenue contribution from FILA Group (approx. +KRW 143.5bn)
- Increase in revenue contribution from Acushnet Holdings Corp. (approx. +KRW 14.2bn)

◆ 1Q Operating Profit (approx. +KRW 30.9bn)

- Increase in operating profit contribution from FILA Group (approx. +KRW 37.5bn)
- Decrease in operating profit from Acushnet Holdings Corp. (approx. -KRW 6.6bn)

◆ 1Q Net Profit (approx. +KRW 16.5bn)

- Increase in net profit contribution from FILA Group (approx. +KRW 23.7bn)
- Decrease in net profit from Acushnet Holdings Corp. (approx. -KRW 7.2bn)

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