



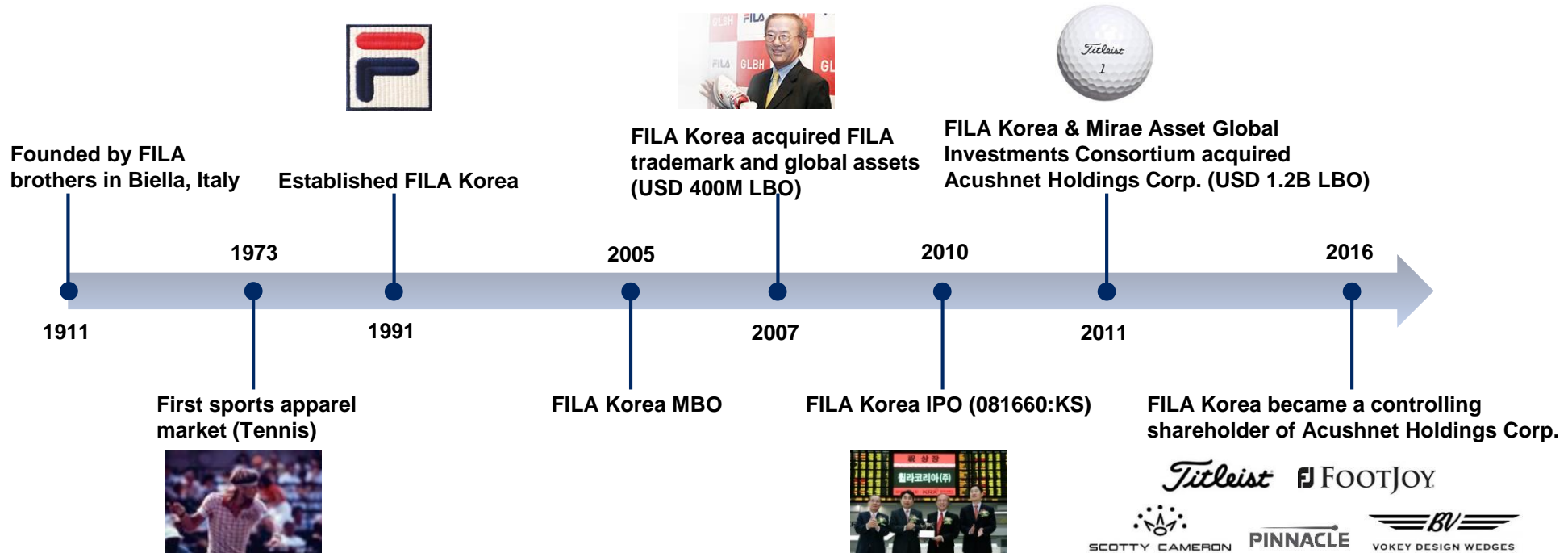
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Investor Relations
1Q 2019

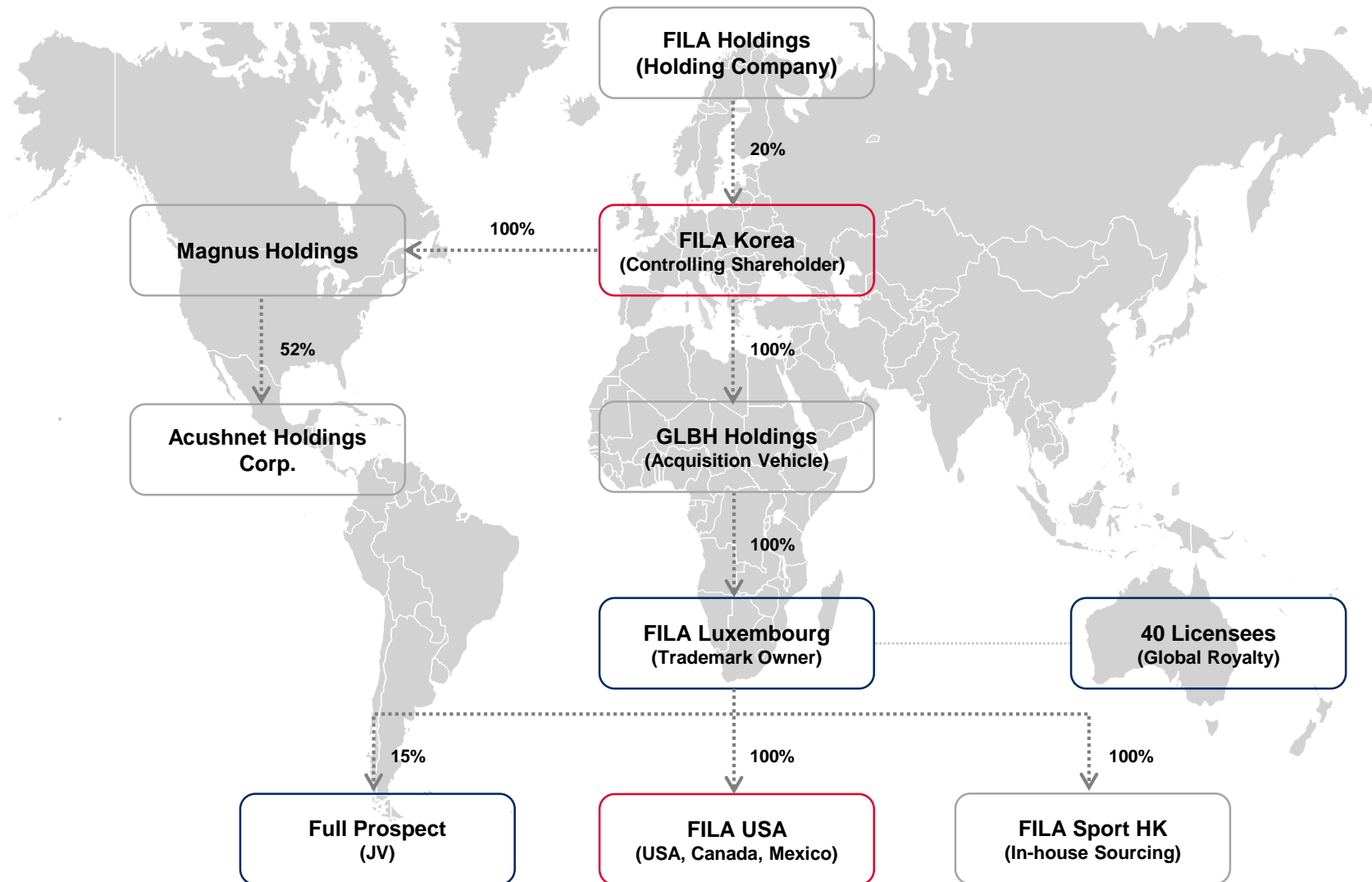
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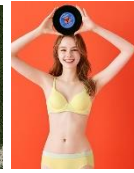
**“Leading Authentic Sports Brand Inspired by
the Style, Elegance and Passion of our Italian Heritage”**



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.)

- ✓ **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.**



■ Total of 40 licensees

FILA Group Business Overview

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)
- 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**

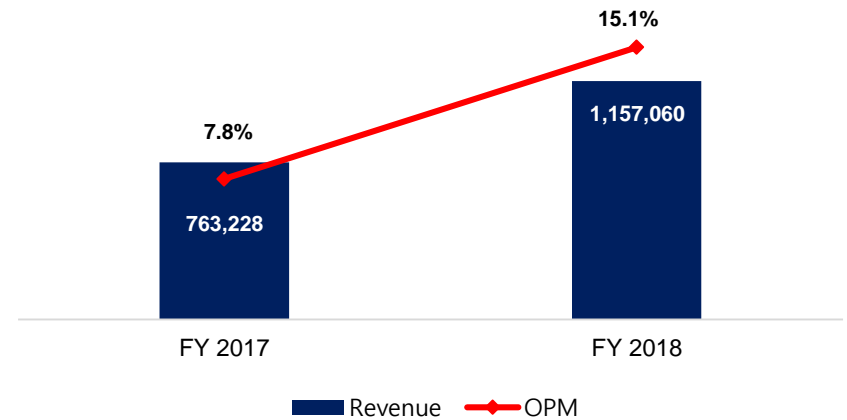
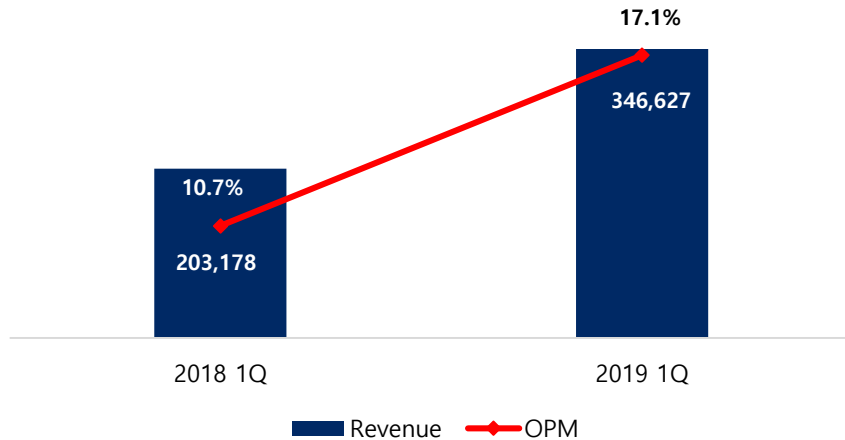
Consolidated Financial Summary

3 months (Jan. - Mar.) ended						12 months (Jan. - Dec.) ended				
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[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%
G.P.(%)	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%
O.P.(%)	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)

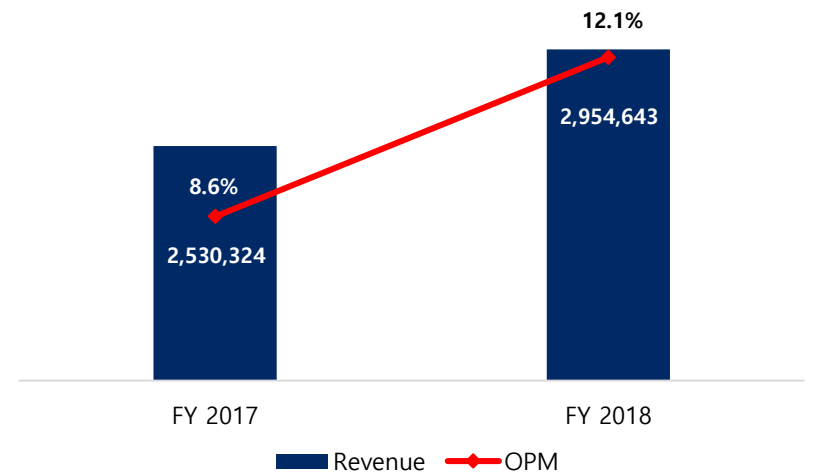
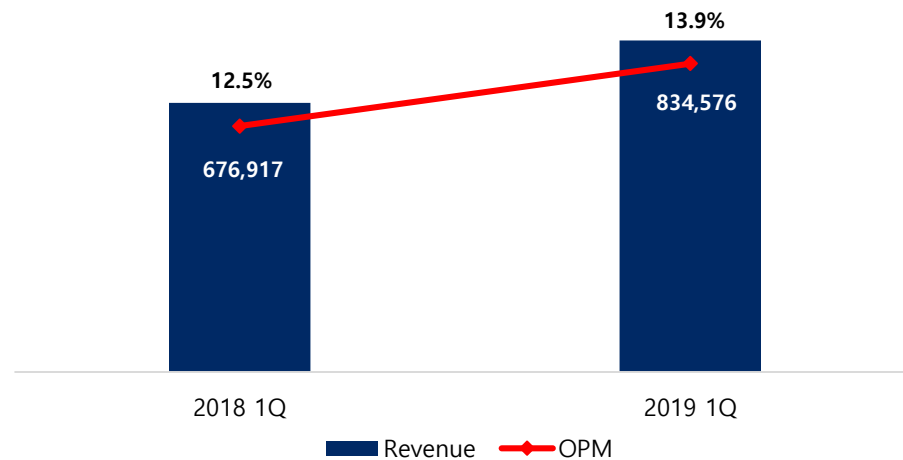
Fila Group (Without Acushnet)

(Unit: KRW mn)



Fila Consolidated Financial (With Acushnet)

(Unit: KRW mn)



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

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) 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



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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%
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
Operating Profit	(3,128)	1,305	N/A	9,082	595.9%	21,127	9,247	(56.2%)	34,085	268.6%
O.P.(%)	(5.2%)	1.9%	N/A	6.5%	4.6%p	6.6%	3.0%	(3.6%)p	7.5%	4.5%p
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



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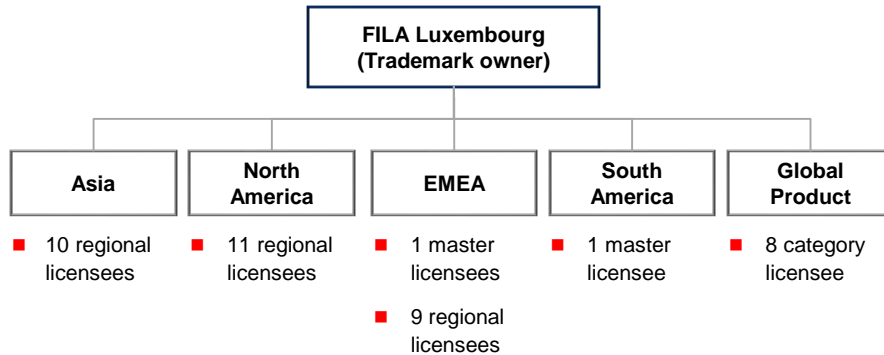
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- Owned brands: **Titleist, FootJoy, Vokey, Scotty Cameron, Pinnacle**

FILA Global Royalty Summary

3 months (Jan. - Mar.) ended						12 months (Jan. - Dec.) ended				
	2017	2018	Variance (%)	2019	Variance (%)	2016	2017	Variance(%)	2018	Variance(%)
[Unit: USD K]										
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%)
Total (Adjusted)	9,366	10,764	14.9%	16,703	55.2%	34,305	36,954	7.7%	53,241	44.1%

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	YE 2018	YE 2017
Assets	3,663,470	3,304,340	3,078,924
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
Liabilities	2,057,268	1,797,846	1,844,594
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
Total Equity	1,606,203	1,506,494	1,234,330

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(%)
Revenue	66,185	103,539	56.4%	139,062	34.3%	306,179	342,462	11.9%	499,913	46.0%
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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
O. 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 Profit	(13,008)	13,890	N/A	19,496	40.4%	(17,845)	(3,389)	N/A	59,017	N/A

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(%)
Design Service	1,940	4,149	113.9%	6,473	56.0%	6,811	10,686	56.9%	20,918	95.8%

◆ 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(%)
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%
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
O. Profit	(3,128)	1,305	N/A	9,082	595.9%	21,127	9,247	(56.2%)	34,085	268.6%
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
Net Profit	(2,002)	396	N/A	5,911	1,392.7%	11,604	1,136	(90.2%)	23,262	1,947.2%

◆ 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)

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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%)
Total (Int_Adj)	9,366	10,764	14.9%	16,703	55.2%	34,305	36,954	7.7%	53,241	44.1%

◆ 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)

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Net Profit	25,539	79,736	212.2%	96,210	20.7%	311,126	108,110	(65.3%)	210,050	94.3%

◆ 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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