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*Testo del comunicato*

Vedi allegato



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## PRESS RELEASE

### F.I.L.A. S.P.A.'S BOARD OF DIRECTORS APPROVES 2023 SEPARATE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

**REVENUE OF EURO 779.2 MILLION (+1.9% vs FY2022)  
(+6.3% NET OF CURRENCY EFFECT), DRIVEN BY  
ASIA (+21.3%) AND CENTRAL AND SOUTH AMERICA (+17.3%)**

**ADJUSTED EBITDA OF EURO 121.1 MILLION, +9.8% vs FY 2022 (+10.4% NET OF CURRENCY EFFECT),  
DUE TO SIGNIFICANT CONTRIBUTION FROM NORTH AMERICA, ASIA AND CENTRAL AND SOUTH AMERICA  
MARGIN ON REVENUE AT 15.5%, +110 BASIS POINTS ON FY2022 (14.4%)**

**ADJUSTED NET PROFIT OF EURO 40.6 MILLION**

**NET BANK DEBT OF EURO 229.5 MILLION, DECREASING EURO 51.2 MILLION, THANKS TO CORE  
OPERATIONS, EXCLUDING THE BENEFIT FROM THE CASH-IN FROM THE DOMS IPO OF APPROX. EURO 69  
MILLION AND EXCHANGE GAINS**

**PROCEEDS FROM THE INDIA TRANSACTION AND FREE CASH FLOW TO EQUITY ENABLE FILA TO FURTHER  
REDUCE THE LEVERAGE RATIO TO APPROX. 1.7X**

**MARKET VALUE OF 30.6% STAKE IN DOMS APPROX. EURO 308 MILLION<sup>1</sup>**

**DIVIDEND OF EURO 6 MILLION PROPOSED AND CONFIRMED THE BUY BACK PLAN**

### OUTLOOK 2024

**LOW SINGLE DIGIT PRO-FORMA REVENUE GROWTH FORECAST  
THANKS TO STRONG PERFORMANCE IN NORTH AMERICA AND MEXICO AND RECOVERY IN EUROPE  
SUPPORTED BY NEW SALES AND MARKETING INITIATIVES**

**MORE THAN PROPORTIONAL EBITDA GROWTH AND MARGIN IMPROVEMENT**

**FREE CASH FLOW TO EQUITY EXPECTED BETWEEN EURO 40.0 - 50.0 MILLION  
IN LINE WITH THAT ACHIEVED OVER THE PAST 5 FISCAL YEARS  
THROUGH OPERATING PERFORMANCE, EVER-MORE EFFICIENT MANAGEMENT  
OF WORKING CAPITAL AND THE REDUCTION OF FINANCIAL EXPENSES**

<sup>1</sup> Average market value over the past 30 days

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**Pero, March 19, 2024** – The Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“F.I.L.A.” or the “Company”), whose ordinary shares (ISIN Code IT0004967292) are listed on the Euronext Milan regulated market, organised and managed by Borsa Italiana S.p.A., Euronext STAR Milan segment, in a meeting today presided over by the Chairman Mr. Giovanni Gorno Tempini, approved the separate financial statements at December 31, 2023 and the consolidated financial statements at December 31, 2023, drawn up as per IFRS.

\* \* \*

*"We are very satisfied with the 2023 operating and financial performance, with cash generation exceeding our expectations, in particular, thanks to the excellent working capital management. The profitability achieved, improving over the previous year, is the result not only of the strong performance in North America, Central and South America and India, but also the process and overhead costs actions. EBITDA at like-for-like Budget exchange rates would have totalled approx. Euro 125 million". F.I.L.A. CEO Massimo Candela stated "The current general economic and social framework confirms that FY 2024 will be impacted by a still complex environment. We confirm the resilience of our industry against such a backdrop and expect "low single digit" revenue growth, supported by good market performance in North America and Mexico - which now account for more than two-thirds of the Group's turnover - and by the positive re-stocking process in Europe, after the considerable de-stocking in 2023, also thanks to new sales and marketing initiatives. With the deconsolidation of India, we expect a further significant increase in the Group's margins over the coming years, thanks to revenue growth and a reorganisation of production facilities, which we plan to adapt to weaker demand in Europe, allowing us to benefit from the efficient Indian platform to be increasingly competitive in the future. Finally, the leverage ratio that has reached approx. 1.7X, in addition to the expected cash generation in line with the past 5 years, allows us to look again at M&A driven growth".*

\* \* \*

### **The F.I.L.A. Group reports for 2023:**

**Consolidated Revenue:** Euro 779.2 million (Euro 764.6 million for 2022, +1.9%, +6.3% net of the currency effect);

**Adjusted EBITDA:** Euro 121.1 million (Euro 110.3 million in 2022, +9.8%, +10.4% net of the currency effect); margin on revenue of 15.5%;

**Adjusted EBIT:** Euro 90.3 million (Euro 78.7 million for 2022, +14.7%); margin on revenue of 11.6%;

**Adjusted Net Financial Expense:** Euro 31.2 million (Euro 24,7 million in 2022);

**Adjusted Net Profit:** Euro 40.6 million (Euro 42.8 million in 2022); This value is significantly affected by higher net financial expenses compared to the same period of the previous year and an increase in taxation.

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**Adjusted Net Financial Debt:** Euro 226.7 million (excluding IFRS 16 and Mark to Market Hedging); Euro 349.8 million at December 31, 2022. This figure includes the net effect of the DOMS transaction of Euro 69 million.

**The F.I.L.A. Group 2023 Proforma<sup>2</sup> figures (excluding the DOMS contribution from January 1, 2023) were:**

**Consolidated Revenue:** Euro 644.9 million (Euro 656.1 million in 2022);

**Adjusted EBITDA:** Euro 96.1 million (Euro 94.8 million for 2022); margin on revenue of 14.9%;

**Adjusted EBIT:** Euro 83.1 million (Euro 70.7 million for 2022); margin on revenue of 12.9%;

**Adjusted Net Profit:** Euro 27.4 million.

**Adjusted 2023 F.I.L.A. Group operating overview (excluding IFRS 16 effects)**

**Adjusted Revenue** at Euro 779.2 million increased on 2022 by Euro 14.6 million (+1.9%). Net of exchange losses of Euro 33.7 million (mainly concerning the Argentinean Peso, the Indian Rupee and the US Dollar), organic growth was Euro 48.3 million (+6.3%).

At geographical area level, this organic growth was seen in Asia for Euro 37.9 million (+30.9% on 2022), in Central-South America for Euro 22.9 million (+29.6% on 2022), and in North America for Euro 5.8 million (+1.8% on 2022) This progress was partially offset by the decrease in Europe of Euro 18.2 million (-7.8% compared to FY2022) and in the Rest of the World of Euro 0.1 million (-3.1% compared to FY 2022).

**Income** at Euro 8.7 million, decreasing Euro 0.2 million compared to the preceding year, mainly due to lower exchange gains on commercial transactions.

**Adjusted Operating Costs** at Euro 666.8 million, registering an increase of Euro 3.5 million compared with 2022. This change is mainly due to the higher personnel expense in Asia and in Central-South America, in addition to the general increase in service costs.

**Adjusted EBITDA** at Euro 121.1 million, +9.8% (+10.4% at like-for-like exchange rates) compared to 2022 (Euro 110.3 million), growing more proportionally than revenue, thanks to the improvement in North America, Asia and Central and South America. **Margin of 15.5%, up 110 basis points on the previous year (14.4%),** thanks to increased sales prices and the continued cost efficiencies, despite the increase in service costs in support of growth.

<sup>2</sup> Pro-forma figures prepared by the company and not subject to audit

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**Adjusted EBITDA would have amounted to approx. Euro 125 million at like-for-like budget exchange rates for FY2023.**

The adjustments to the 2023 Gross Operating Profit (EBITDA) concern non-recurring operating expense of approx. Euro 14.6 million regarding Group consultancy costs of Euro 8.5 million (mainly for the listing of the Indian company DOMS Industries Limited), reorganisation-restructuring charges for Euro 5.5 million, net of the portion for the year concerning the medium/long-term “2022-2026 Performance Shares” incentive plan for Euro 0.6 million.

**Adjusted EBIT** at Euro 90.3 million, up Euro 11.6 million (+14.7%) and includes amortisation, depreciation and impairments of Euro 30.8 million, decreasing Euro 0.7 million, mainly due to the lower impairments on trade receivables in the year.

**Revenue margin of 11.6%, increasing on the previous year (10.3% in 2022).**

The adjustment to Operating Profit (EBIT) was Euro 15.2 million, relating to the above-stated effects on EBITDA and the estimated impairments on doubtful accounts, mainly concerning the Russian subsidiary Fila Stationary O.O.O.

**Adjusted Net Financial Expense** at Euro 31.2 million, increasing by Euro 6.5 million, essentially due to exchange losses on financial transactions, in addition to higher net financial charges, mainly arising from the increase in variable interest rates and the use of credit lines, partially offset by the decrease in the amortised cost item and of other financial expense.

The adjustment to Net Financial Expense is Euro 167.6 million and refers to the profit from the loss of control of the Indian subsidiary DOMS Industries Limited.

**Adjusted Net Profit** at Euro 40.6 million, -5.1% on the previous year (Euro 42.8 million in 2022). This figure was significantly impacted by increased net financial expense on the previous year of Euro 31.2 million, of which Euro 29.2 million net interest, mainly concerning the increase in variable interest rates, and for the residual exchange losses on the major currencies and by the increase in taxation. **Adjusted Group Net Profit of Euro 32.6 million, due to the greater contribution of minorities (increasing from Euro 5.1 million in 2022 to Euro 8.0 million).**

**The Reported Net Profit in 2023 was Euro 180.5 million.** The adjustment to the Group Net Profit for 2023 of Euro -139.9 million mainly refers to the revaluation of the investment following the sale of DOMS shares of Euro -123.3 million, the gain on the sale of DOMS shares for Euro -67.3 million, the deconsolidation of the associate DOMS for Euro 23.0 million, withholding tax due on the sale of DOMS shares for Euro 13.6 million, consulting fees for Euro 8.5 million, and Group reorganisation/restructuring costs of Euro 5.5 million.

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## Equity and Financial Position of the F.I.L.A. Group at December 31, 2023

**Net Bank Debt** over the last 12 months of **Euro 229.5 million (Euro 351.6 million in FY2022), decreasing Euro 51.2 million**, adjusted by the positive Cash-In related to the DOMS IPO of approx. Euro 69.1 million and the positive effect of IPO financial receivables of approx. Euro 0.4 million, the positive effect of the deconsolidation process of DOMS NFP of approx. Euro 1.2 million, and exchange gains of approx. Euro 0.2 million.

**Free Cash Flow to Equity** at **Euro 60.3 million (Euro 23.2 million in FY2022), improving Euro 37.1 million on FY2022**, thanks to increasing operating cash generation and the reduced absorption of working capital of Euro 46.3 million, following the release of inventories, partially offset by increased Capex of Euro 13.6 million, almost entirely in Asia to support growth and higher net financial expense of Euro 3.7 million, due mainly to rising interest rates. **Proceeds from the India transaction and free cash flow to equity enabled FILA to further reduce the leverage ratio to approx. 1.7X**

**Adjusted Net Financial Debt** at **Euro 226.7 million** (excluding the negative IFRS 16 effect of Euro 75.9 million and the Mark to Market Interest Hedging for Euro 0.9 million), compared to Euro 349.8 million at December 31, 2022 (excluding the IFRS 16 effect of Euro 88.5 million and the positive effect of the Mark to Market Interest Hedging of Euro 3.2 million).

Net Financial Debt of **Euro 303.4 million, registering a significant improvement of Euro 131.7 million on December 31, 2022.**

**The net cash flow generated in the year from Operating Activities of Euro 120.0 million (Euro 68.9 million at December, 31 2022) concerns:**

- **Inflows of Euro 92.8 million** (Euro 88.0 million in 2022) from Operating Profit (EBIT), calculated as the difference of operating costs and revenue plus other operating items, excluding financial items;
- **Inflows of Euro 27.2 million** (outflows of Euro 19.1 million in 2022) attributable to working capital movements, and mainly to the decrease in Inventories and Trade and Other Receivables and the increase in Trade and Other Payables;
- Investing activities absorbed liquidity of **Euro 27.9 million** (Euro 16.4 million in 2022), mainly due to the use of cash for Euro 30.3 million (Euro 16.7 million in 2022) for net property, plant and equipment and intangible asset investment, particularly regarding DOMS Industries Pvt Ltd (India), Canson SAS (France), Dixon Ticonderoga Company (U.S.A.), Daler Rowney Ltd (United Kingdom) and F.I.L.A. S.p.A.

The net cash flow from Financing Activities reports outflows of **Euro 38.9 million** (outflows of Euro 40.3 million in 2022), **due to interest paid on loans and credit facilities granted to Group companies, amounting to Euro 29.8 million**, mainly concerning the parent F.I.L.A. S.p.A., Dixon Ticonderoga Company (U.S.A.) and Grupo F.I.L.A. – Dixon,



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S.A. de C.V. (Mexico), the dividends paid for Euro 8.0 million, of which F.I.L.A. S.p.A. shareholders for Euro 6.1 million and the minority shareholders of the subsidiaries for Euro 1.9 million and the purchase of treasury shares for Euro 1.2 million.

Net of the exchange gains relating to the translation of the Net Debt in currencies other than the Euro (Euro 0.2 million), the Mark to Market Hedging adjustment for a negative Euro 4.1 million, the improvement in the Net Financial Debt due to the application of IFRS 16 of Euro 12.6 million, the change in "Amortized cost", amounting to a positive Euro 1.1 million, in addition to the overall net decrease generated by the change in consolidation scope of Euro 70.8 million (cash in from the listing of the Indian associate DOMS Industries Limited for a positive Euro 69.1 million), **the F.I.L.A. Group Net Financial Debt improved by Euro 131.7 million (improving Euro 2.1 million at December 31, 2022).**

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### Impacts of events related to the conflict in Ukraine and Israel

On February 24, 2022, Russia launched a military operation in the east of Ukraine, resulting in the current conflict. The geo-political tensions involving Russia and Ukraine have prompted a major international humanitarian and social crisis, with significant impacts for internal economic activities and commercial trade in the area. These extraordinary events in terms of their nature and extent have prompted global repercussions on: i) supply chains, particularly with regard to raw material and energy supply and prices; ii) international market demand levels; iii) inflation and the consequent restrictive interest rate policies; iv) the strengthening of the dollar as a haven from risk and rising interest rates.

The operating and financial impacts of the conflict between Russia and Ukraine on the F.I.L.A. Group and on its Russian commercial subsidiary Fila Stationary O.O.O. are not considered significant, also in view of the fact that the revenue of the subsidiary accounts for approx. 0.1% of the Group's total.

The F.I.L.A. Group does not have suppliers or production plant in the area. The Russian subsidiary has a net commercial exposure to third parties at December 31, 2023 of Euro 2.4 million, fully written-down on the basis of assessments upon their recoverability. Group management continues to monitor the recoverability of the net exposure to third parties of the Russian subsidiary.

Activities are underway to conclude the 65% sale of the holding of the parent F.I.L.A. S.p.A. in the Russian subsidiary Fila Stationary O.O.O., to the current managing director of the latter.

In light of these serious events, the Group is in addition monitoring the short-term situation so as to be ready to offset the impacts of all future decisions upon the presence in Russia. There are no F.I.L.A. Group companies in Ukraine at December 31, 2023.

At Group level, the effects and the criticalities generated by the inflation of raw and ancillary materials for production continue to be monitored, assessing the possibility of identifying alternative procurement sources where needed or undertaking adequate compensatory measures.

With reference to the valuations made for the purposes of the financial statements (recoverability of intangible assets, recoverability of deferred tax assets, fair value of financial instruments, liabilities for employee defined benefits etc.), the Directors consider that, given the information currently available, these factors of uncertainty are already included in the main sensitivity analyses provided with reference to the main financial statement captions subject to estimates.

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A military conflict involving **Israel** has been ongoing since October 7, 2023. The operating and financial impacts of the conflict on the Israeli commercial subsidiary Fila Art and Craft Ltd are not considered significant, also in view of the fact that the revenue of the subsidiary accounts for approx. 0.4% of the Group's total.

The F.I.L.A. Group does not have suppliers or production plant in the area. The Israeli subsidiary has a net commercial exposure to third parties at December 31, 2023 of Euro 0,65 million. Group management continues to monitor the recoverability of the net exposure to third parties of the subsidiary, although currently no recoverability risks exist.

### Key events in the year

**On February 21, 2023**, the Indian subsidiary DOMS Industries Limited acquired 30% of the toy manufacturer and associated company Clapjoy Innovation Private Limited, for a total value of INR 15.0 million (Euro 0.20 million). The Indian subsidiary expects that, with this acquisition, it may repeat its success in the stationery business and become a major player in the toy industry by leveraging the synergies between the two companies;

**On March 28, 2023**, the Indian subsidiary DOMS Industries Limited divested at cost value its holdings in the associated companies Uniwrite Pens and Plastics Pvt Ltd, Fixy Adhesives Private Limited and Inxon Pens & Stationary Private;

**On May 24, 2023**, 10% of the investment held by the parent F.I.L.A. S.p.A. in the Turkish subsidiary FILA Stationery and Office Equipment Industry Ltd. Co. was transferred free of charge to the latter's current managing director;

**On July 20, 2023**, the Board of Directors of the Indian subsidiary, DOMS Industries Limited, approved the launch of its listing process. This will be conducted through an initial public offering of newly issued ordinary shares with a total value of approximately INR 350 crore (approximately Euro 39 million) and an offer for sale of ordinary shares for certain existing shareholders, in accordance with applicable Indian regulations;

**On July 21, 2023**, the Parent F.I.L.A. S.p.A., as the current controlling shareholder of the Indian company, approved participation in the transaction as a promoter by bringing a number of ordinary shares of DOMS Industries Limited totalling approximately INR 800 crore (corresponding to approximately Euro 90.0 million) for sale at the closing of the transaction, remaining the largest single shareholder of the company post-IPO;

**On August 1, 2023**, the Indian subsidiary DOMS Industries Limited acquired 75% of the associated company Micro Wood Private Limited, for a total value of INR 705.6 million (Euro 8.0 million). The company acquired is engaged in the production of packaging material and the manufactured products are sold principally to the parent;

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**Between August 7, 2023 and September 26, 2023**, the parent F.I.L.A. S.p.A. acquired treasury shares on the Euronext Milan regulated market, consisting of 143,875 F.I.L.A. S.p.A. ordinary shares for a total value of Euro 1.2 million. These transactions were carried out as part of the share buyback program, whose first tranche was approved by the Company's Board of Directors on August 3, 2023, and as per the authorisation of the Shareholders' Meeting of April 21, 2023. Prior to the launch of the Program, the company held 186,891 ordinary treasury shares;

**On September 26, 2023**, the liquidation (begun in January 2022) concluded of the Italian subsidiary Canson Italy S.r.l.;

**On December 4, 2023**, the parent F.I.L.A. S.p.A., following on from its announcement of July 21, 2023 regarding the commencement of the listing process of its Indian subsidiary DOMS Industries Limited ("DOMS"), informed that on December 2, 2023, DOMS filed its "Red Herring Prospectus" presenting information on the prospective initial public offering of DOMS shares (the "Offering") with the Gujarat Companies Registry in Ahmedabad. As part of the Offer, F.I.L.A. S.p.A. acted as the promoter of DOMS and, as the selling shareholder, it undertook to sell shares up to a maximum value of INR 8,000.00 million Indian Rupees (approx. Euro 90.0 million). The Public Offering began on Wednesday, December 13, 2023 and closed on Friday, December 15, 2023;

**On December 7, 2023**, following up on its announcement of December 4, 2023, F.I.L.A. S.p.A. informed that its Indian subsidiary DOMS Industries Limited ("DOMS") had launched an initial public offering ("IPO") and published the notice presenting the valuation range of its treasury shares for the purpose of the prospective IPO, which is between INR 750 and INR 790 per share;

**On December 14, 2023**, the parent F.I.L.A. S.p.A. announced that the Board of Directors, resolved to propose to the Shareholders' Meeting: (i) to distribute an extraordinary dividend of Euro 0.58 for each (ordinary and special) F.I.L.A. share in circulation on the coupon date (net of treasury shares in the portfolio on that date); (ii) to appoint the independent audit firm for the period 2024-2032 pursuant to Legislative Decree No. 39/2010 and Regulation (EU) No. 537/2014.

The proposed distribution of the extraordinary dividend is part of the listing process of the Indian investee DOMS Industries Limited. Considering the 51,058,297 F.I.L.A. shares outstanding as of today, less the 330,766 treasury shares held by F.I.L.A. S.p.A., the total maximum amount of the proposed dividend was Euro 29,421,967.98.

**On December 20, 2023**, F.I.L.A. S.p.A., following on from that announced on December 7, 2023, communicated the successful conclusion of the listing of its Indian subsidiary DOMS Industries Limited ("DOMS") on the National Stock Exchange of India.

DOMS shares were placed at a value of INR 790 (approx. Euro 8.64\*) per share, which is the maximum of the identified share valuation range. As part of the listing, F.I.L.A. S.p.A., as the selling shareholder, sold 10,126,582 DOMS shares for total consideration of INR 800 crore (corresponding to approx. Euro 88.0 million\*), while still remaining the largest single shareholder of the company post-listing, as it owns 18,561,153 DOMS shares, equivalent to 30.6% of DOMS' share capital. Finally, the effects of the Indian listing will allow F.I.L.A. S.p.A. to significantly reduce the leverage ratio to support future growth objectives;

*\*at the exchange rate of 91.43 INR/Euro*



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**On December 29, 2023**, F.I.L.A. S.p.A. announced to having purchased 143,875 F.I.L.A. ordinary shares (representing 0.282% of the share capital) on the Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A., during the period between August 7, 2023 and December 29, 2023, at an average price per share of Euro 8.15, for a total value of Euro 1,171,899. These transactions were carried out as part of the share buyback program tranche, approved by the Company's Board of Directors on August 3, 2023, and as per the authorisation of the Shareholders' Meeting of April 21, 2023 (the "Program"). As announced to the market, the Program concerned the purchase of a maximum 250,000 ordinary Fila shares, representing 0.4896% of the share capital.

**Therefore, as a result of the purchases made as of December 31, 2023, F.I.L.A. S.p.A. held a total of 330,766 treasury shares (approx. 0.648% of the Share capital), for a total value of Euro 3.0 million** (equal to the "Negative reserve for treasury shares in portfolio" deducted from consolidated equity).

### Subsequent events to December 31, 2023

**On January 22, 2024**, F.I.L.A. S.p.A. announced that the Shareholders' Meeting resolved: (i) the distribution of an extraordinary dividend of Euro 0.58 for each (ordinary and special) F.I.L.A. share in circulation on the coupon date (net of treasury shares in portfolio on that date); (ii) the appointment of Deloitte&Touche S.p.A. to undertake the legally-required audit for the period 2024-2032, pursuant to Legislative Decree No. 39/2010 and Regulation (EU) No. 537/2014.

With regard to the distribution of the extraordinary dividend, considering the 51,058,297 F.I.L.A. shares outstanding as of today, net of the 330,766 treasury shares held by the Company, the maximum total amount of the dividend will be Euro 29,421,967.98; this amount will be charged as a reduction of the Company's available and distributable reserves, and in particular of the "Retained Earnings" reserve.

### Outlook

The current general economic and societal framework confirms that 2024 shall be impacted by the still challenging environment. Against this backdrop, the F.I.L.A. Group confirms the resilience of its industry and expects good market performance in North America and Mexico and a positive re-stocking phenomenon in Europe, after the pronounced de-stocking in 2023, also thanks to new sales and marketing initiatives. The forecast growth across all markets mainly stems from increased volumes, considering stable cost-price dynamics, and will support EBITDA and margins improvement, despite increased marketing investments and the launch of new business initiatives to support medium to long-term development.

2024 will see the F.I.L.A. Group engaged in the launch of an organisational efficiency project to support cost-cutting, which will be rolled out over the next 30 months through operational and process optimisation activities. In particular, new logistics software was introduced in March in North America to support productivity improvements.

The Group expects a reduction in capex investment during the year, mainly due to the deconsolidation of DOMS. A major portion of FY2024 investments will be allocated to ESG topics, particularly in support of the 2027 CO2 emission reduction plan (the Annonay biomass plant in France and solar panels at the UK plant). Finally, cash generation is expected to be in line with the past 5 fiscal years, thanks to the operating performance, increasingly efficient working capital management, and reduced financial expenses.

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## Allocation of the profit for the year and dividend distribution proposal

The Board of Directors of F.I.L.A. proposed to the Shareholders' Meeting called for April 23, 2024:

1. to allocate the Net Profit for the year of Euro 51,824,079.24 as follows:
  - . to the distribution of a dividend to shareholders in the amount of Euro 0.12 for each of the 51,058,297 F.I.L.A. shares (ordinary and special) in circulation at the dividend coupon date (net of treasury shares in the portfolio at the record date), for a total maximum amount of Euro 6,126,995.64;
  - . to Retained earnings the residual profit, for a total minimum amount of Euro 45,697,083.60, which may be increased in relation to the dividend not distributed in respect of treasury shares held in portfolio at the record date.
2. to pay, gross of any withholding taxes, a dividend in the amount of Euro 0.12 for each of the F.I.L.A. shares (ordinary and special) in circulation at the ex-dividend date indicated below (net of treasury shares that will be in the portfolio at the record date indicated below), with ex-dividend date, record date and payment date on May 20, 21 and 22, 2024, respectively.

## Consolidated non-financial statement

The Board of Directors of F.I.L.A. today approved the consolidated non-financial statement (the "NFS") prepared in accordance with Legislative Decree No. 254 of December 30, 2016. The NFS outlines F.I.L.A. Group operations, its performances, results and the impact in terms of environmental, social, personnel, human rights and anti-active and passive corruption aspects.

## Remuneration Policy and Report

The Board of Directors of F.I.L.A. reviewed and approved, subject to the favourable opinion of the Remuneration Committee, the 2024 remuneration policy and 2023 report (the "**Remuneration Report**"), prepared as per Article 123-ter of the CFA and Article 84-*quater* of the Regulation approved by CONSOB Resolution No. 11971 of May 14, 1999. (the "**CONSOB Issuers' Regulation**").

Section I of the Remuneration Report (i.e. containing the remuneration policy of the company for 2024) shall be submitted for the consultative vote of the Shareholders' Meeting, called for April 23, 2024, as per Article 123-ter, paragraphs 3-bis and 3-ter of the CFA.

Section II of the Remuneration Report (i.e. the report on remuneration paid in 2023) will, however, be submitted to the non-binding vote of the Shareholders' Meeting, called for April 23, 2024, pursuant to Article 123-ter, paragraph 6, of the CFA.

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## Corporate Governance and Ownership Report

The Board of Directors of F.I.L.A. approved the 2023 Corporate Governance and Ownership Report drawn up pursuant to Article 123-*bis* of the CFA.

### Identification of beneficiaries for the third award cycle (2024-2026) of the "2022-2026 Stock Grant Plan"

With regard to the rolling "2022-2026 Stock Grant Incentive Plan" for employees and/or senior directors of the Company and/or the other F.I.L.A. companies, approved by the Shareholders' Meeting of April 27, 2022 (the "Plan"), the Board of Directors approved the identification of the following beneficiaries of the third grant cycle (2024-2026) of the Plan: (a) Massimo Candela, chief executive officer of the company; (b) Luca Pelosin, executive director of the company; (c) 5 senior executives, i.e. executives of the F.I.L.A. Group with the power and responsibility, directly or indirectly, for the planning, management and control of the operations of the company and/or of the F.I.L.A. Group; and (d) 36 senior managers, i.e. employees of the F.I.L.A. Group in positions identified for the growth and sustainability of the F.I.L.A. Group's business over the long-term.

In this regard, the Plan comprises 3 annual vestings of shares ("rolling" plan), each of which corresponds to a three-year performance period (2022-2024 for the first cycle, 2023-2025 for the second cycle and 2024-2026 for the third cycle). At the beginning of each three-year vesting period (i.e. January 1, 2022, 2023 and 2024), the Plan beneficiaries shall be freely granted the right to receive free of charge a certain number of ordinary F.I.L.A. ordinary shares subject to the verification, by the Board of Directors on conclusion of each three-year vesting period (i.e. December 31, 2024, December 31, 2025 and December 31, 2026), of the following conditions: (i) the continuance, on the Share vesting date, of the position of employment or management of the beneficiary with a F.I.L.A. Group company and the continued qualification, by the beneficiary, as a company executive director or as a senior executive or senior manager of the Group; and (ii) the achievement of the minimum qualitative and quantitative performance objectives.

The terms and conditions of the Plan are described in the disclosure document prepared as per Article 84-*bis* and in compliance with Annex 3A of the CONSOB Issuers' Regulation, made available to the public at the registered office and on the company website ([www.filagroup.it](http://www.filagroup.it)), in the "Governance" section, and the additional means and timings established by the applicable regulation.

**In this regard, it should be recalled that at the meeting of March 14. the BoD resolved to submit to the Shareholders' Meeting for approval a new buy-back plan to serve the aforementioned plan, for the implementation of which, moreover, the treasury shares currently in the portfolio are already earmarked, as well as the other purposes envisaged in the relevant explanatory report.**

### Filing of documentation

The statutory financial statements at December 31, 2023 and the consolidated financial statements at December 31, 2023, in addition to the documentation approved by the Board of Directors and concerning the Shareholders' Meeting called for April 23, 2024 in single call, shall be made available to the public according to the legal and regulatory deadlines at the registered office in Pero (Mi), via XXV Aprile No.5,

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on the company website [www.filagroup.it](http://www.filagroup.it) and on the “EMARKET STORAGE” authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)).

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The Executive Officer for Financial Reporting Cristian Nicoletti declares, in accordance with Article 154-bis, paragraph 2, of the CFA, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

\* \* \*

The IFRS consolidated and separate financial statements from the approved document are annexed.

\* \* \*

**F.I.L.A. (Fabbrica Italiana Lapis ed Affini)**, founded in Florence in 1920 and managed since 1956 by the Candela family, is a highly consolidated, dynamic and innovative Italian industrial enterprise and continues to grow market share. F.I.L.A. has been listed on EXM – Euronext STAR segment of the Italian Stock Exchange since November 2015. The company, with revenue of Euro 779.2 million in 2023, has grown significantly over the last twenty years and has achieved a series of strategic acquisitions, including the Italian Adica Pongo, the US Dixon Ticonderoga Company and Pacon Group, the German LYRA, the Mexican Lapiceria Mexicana, the English Daler-Rowney Lukas and the French Canson, founded by the Montgolfier family in 1557. F.I.L.A. is an icon of Italian creativity globally through its colouring, drawing, modelling, writing and painting tools, thanks to brands such as Giotto, Tratto, Das, Didò, Pongo, Lyra, Doms, Maimeri, Daler-Rowney, Canson, Princeton, Strathmore and Arches. Since its foundation, F.I.L.A. has chosen to focus on growth through continuous innovation, both in technological and product terms, in order to enable individuals to express their ideas and talent through tools of exceptional quality. In addition, F.I.L.A. and the Group companies work together with the Institutions to support educational and cultural projects which promote creativity and expression among individuals and make culture accessible to all.

At year-end, the F.I.L.A. Group operated through 25 production facilities (of which two in Italy) and 33 subsidiaries across the globe and employs over 11,800 (of which 8.423 related to DOMS).

\* \* \*

#### **For further information:**

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#### **F.I.L.A. Fabbrica Italiana Lapis ed Affini**

**GIOTTO**

**tratto**



**PONGO**

**DAS**

**LYRA**

**MAIMERI**

**DALER ROWNEY**

**LUKAS**

**ST CUTHBERTS MILL**

**CANSON**

**Strathmore**

**PRINCETON ARTIST BRUSH**

**ARCHES**





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**F.I.L.A. Fabbrica Italiana Lapis ed Affini**





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## Attachment 1 – F.I.L.A. Group Consolidated Income Statement

	December 2023	% revenue	December 2022	% revenue	Change 2023 - 2022	
<i>Euro millions</i>						
Revenue	779,183	100%	764,580	100%	14,603	1,9%
Income	8,732		10,053		(1,321)	-13,1%
<b>Total Revenue</b>	<b>787,914</b>		<b>774,633</b>		<b>13,281</b>	<b>1,7%</b>
Total operating expense	(665,562)	-85,4%	(655,402)	-85,7%	(10,160)	-1,6%
<b>EBITDA</b>	<b>122,352</b>	<b>15,7%</b>	<b>119,231</b>	<b>15,6%</b>	<b>3,121</b>	<b>2,6%</b>
Amortisation, depreciation and write-downs	(43,895)	-5,6%	(46,487)	-6,1%	2,592	5,6%
<b>EBIT</b>	<b>78,458</b>	<b>10,1%</b>	<b>72,744</b>	<b>9,5%</b>	<b>5,714</b>	<b>7,9%</b>
Net financial expense	130,863	16,8%	(34,122)	-4,5%	164,985	483,5%
<b>Pre-Tax Profit</b>	<b>209,320</b>	<b>26,9%</b>	<b>38,622</b>	<b>5,1%</b>	<b>170,698</b>	<b>442,0%</b>
Total income taxes	(30,684)	-3,9%	(8,347)	-1,1%	(22,337)	-267,6%
<b>Net profit - Continuing Operations</b>	<b>178,636</b>	<b>22,9%</b>	<b>30,275</b>	<b>4,0%</b>	<b>148,361</b>	<b>490,0%</b>
<b>Net Profit for the period</b>	<b>178,636</b>	<b>22,9%</b>	<b>30,275</b>	<b>4,0%</b>	<b>148,361</b>	<b>490,0%</b>
Non-controlling interest profit	7,988	1,0%	5,004	0,7%	2,984	59,6%
<b>F.I.L.A. Group Net Profit</b>	<b>170,648</b>	<b>21,9%</b>	<b>25,271</b>	<b>3,3%</b>	<b>145,378</b>	<b>575,3%</b>

## Attachment 2 – F.I.L.A. Group Adjusted Consolidated Income Statement

	December 2023	% revenue	December 2022	% revenue	Change 2023 - 2022	
<i>NORMALIZED - Euro millions</i>						
Revenue	779,183	100%	764,580	100%	14,603	1,9%
Income	8,732		8,966		(0,234)	-2,6%
<b>Total Revenue</b>	<b>787,914</b>		<b>773,546</b>		<b>14,368</b>	<b>1,9%</b>
Total operating expense	(666,810)	-85,6%	(663,293)	-86,8%	(3,517)	-0,5%
<b>EBITDA</b>	<b>121,104</b>	<b>15,5%</b>	<b>110,253</b>	<b>14,4%</b>	<b>10,851</b>	<b>9,8%</b>
Amortization, depreciation and write-downs	(30,787)	-4,0%	(31,508)	-4,1%	0,721	2,3%
<b>EBIT</b>	<b>90,317</b>	<b>11,6%</b>	<b>78,745</b>	<b>10,3%</b>	<b>11,572</b>	<b>14,7%</b>
Net financial expense	(31,156)	-4,0%	(24,665)	-3,2%	(6,491)	-26,3%
<b>Pre-Tax Profit</b>	<b>59,161</b>	<b>7,6%</b>	<b>54,080</b>	<b>7,1%</b>	<b>5,081</b>	<b>9,4%</b>
Total income taxes	(18,548)	-2,4%	(11,293)	-1,5%	(7,255)	-64,2%
<b>Net profit - Continuing Operations</b>	<b>40,613</b>	<b>5,2%</b>	<b>42,787</b>	<b>5,6%</b>	<b>(2,174)</b>	<b>-5,1%</b>
<b>Net Profit for the period</b>	<b>40,613</b>	<b>5,2%</b>	<b>42,787</b>	<b>5,6%</b>	<b>(2,174)</b>	<b>-5,1%</b>
Non-controlling interest profit	8,048	1,0%	5,108	0,7%	2,940	57,6%
<b>F.I.L.A. Group Net Profit</b>	<b>32,565</b>	<b>4,2%</b>	<b>37,679</b>	<b>4,9%</b>	<b>(5,114)</b>	<b>-13,6%</b>

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### Attachment 3 – F.I.L.A. Group Consolidated Statement of Financial Position

<i>Euro millions</i>	December 2023	December 2022	Change 2023 - 2022
Intangible Assets	378,031	446,497	(68,466)
Property, plant & equipment	123,325	166,185	(42,860)
Biological Assets	1,241	1,817	(0,576)
Financial assets	161,149	4,160	156,989
<b>Net Fixed Assets</b>	<b>663,746</b>	<b>618,659</b>	<b>45,087</b>
<b>Other non Current Asset/Liabilities</b>	<b>23,304</b>	<b>24,032</b>	<b>(0,728)</b>
Inventories	264,375	307,076	(42,701)
Trade and Other Receivables	99,821	115,376	(15,555)
Trade and Other Payables	(105,656)	(122,375)	16,719
Other Current Assets and Liabilities	4,476	2,833	1,643
<b>Net Working Capital</b>	<b>263,016</b>	<b>302,909</b>	<b>(39,893)</b>
<b>Provisions</b>	<b>(72,702)</b>	<b>(82,788)</b>	<b>10,086</b>
<b>Net Invested Capital</b>	<b>877,364</b>	<b>862,812</b>	<b>14,552</b>
<b>Equity</b>	<b>(573,953)</b>	<b>(427,653)</b>	<b>(146,300)</b>
<b>Net Financial Indebtness - F.I.L.A. Group</b>	<b>(303,412)</b>	<b>(435,159)</b>	<b>131,747</b>
<b>Net Funding Sources</b>	<b>(877,364)</b>	<b>(862,812)</b>	<b>(14,552)</b>

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## Attachment 4 – F.I.L.A. Group Consolidated Statement of Cash Flows

<i>Euro millions</i>	December 2023	December 2022
EBIT net of IFRS 16 effect	74,253	68,880
Non-monetary adjustments net of IFRS 16 effect	38,019	36,741
Income taxes	(19,427)	(17,645)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>92,844</b>	<b>87,975</b>
<b>Change NWC</b>	<b>27,197</b>	<b>(19,051)</b>
Change in Inventories	16,280	(28,009)
Change in Trade and Other Receivables	8,803	6,705
Change in Trade and Other Payables	3,801	4,619
Change in Other Current Assets/Liabilities	(1,687)	(2,367)
<b>Cash Flow from Operating Activities</b>	<b>120,041</b>	<b>68,924</b>
Investments in Property, Plant and Equipment and Intangible assets	(30,261)	(16,747)
Financial Income	2,408	0,390
<b>Cash Flow from Investing Activities</b>	<b>(27,853)</b>	<b>(16,357)</b>
Change in Equity	(9,167)	(15,169)
Financial Expense	(29,754)	(25,172)
<b>Cash Flow from Financing Activities</b>	<b>(38,921)</b>	<b>(40,341)</b>
Exchange differences and other variations	(1,790)	(4,196)
<b>Total Net Cash Flow</b>	<b>51,477</b>	<b>8,030</b>
Effect of exchange gains (losses)	0,152	(14,359)
Changes in Amortized cost	1,088	(1,916)
Mark to Market Hedging adjustment	(4,053)	13,033
NFI change due to IFRS16 FTA	12,632	(1,224)
NFI from M&A Operations	70,451	(1,470)
<b>Change in Net Financial Indebtness of F.I.L.A. Group</b>	<b>131,747</b>	<b>2,093</b>

### F.I.L.A. Fabbrica Italiana Lapis ed Affini



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