FILA

NEUTRAL

Sector: Consumers

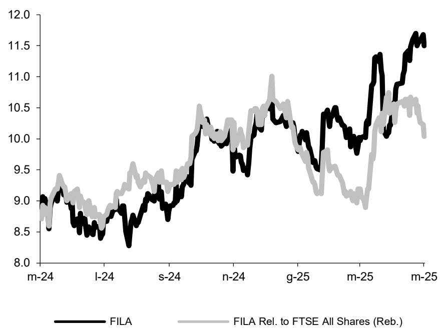
Price: Eu11.50 - **Target: Eu13.00**

Taking a More Conservative View Amid Rising Uncertainty

Pietro Nargi +39-02-77115.401
pietro.nargi@intermonte.it

Stock Rating			
Rating:			from BUY to NEUTRAL
Target Price (Eu):			from 14.00 to 13.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-9.8%	-8.3%	-8.0%

FILA - 12M Performance



Stock Data			
Reuters code:			FILA.MI
Bloomberg code:			FILA IM
Performance	**1M**	**3M**	**12M**
Absolute	12.5%	11.0%	30.4%
Relative	-5.1%	5.3%	15.6%
12M (H/L)			11.70/8.28
3M Average Volume (th):			100.62

Shareholder Data	
No. of Ord shares (mn):	51
Total no. of shares (mn):	51
Mkt Cap Ord (Eu mn):	585
Total Mkt Cap (Eu mn):	585
Mkt Float - Ord (Eu mn):	288
Mkt Float (in %):	49.3%
Main Shareholder:	
Pencil	37.8%

Balance Sheet Data	
Book Value (Eu mn):	620
BVPS (Eu):	12.21
P/BV:	0.9
Net Financial Position (Eu mn):	-177
Enterprise Value (Eu mn):	475

1Q showed slightly lower-than-expected revenue growth, offset by a solid improvement in margins. The company has reaffirmed its guidance, despite increased uncertainty, particularly regarding consumer trends in NA, where main customers are in "wait and see" mode and less inclined to rebuild inventories. In this update, assuming a potential demand slowdown in the US market and weaker exchange rates, we are lowering our estimates by 6% on EBITDA. While we continue to appreciate the strong deleveraging achieved in recent years, pending more visibility on estimates and in the absence of ST catalysts, we take a more conservative view on the stock, moving our rating to NEUTRAL (from BUY) and reducing our TP to €13 (from €14) following an update to our SOP analysis.

- **1Q25: lower revenue growth, but better margins.** Sales amounted to €136mn (+3.4% YoY, +4% organic) slightly below our estimate of €138mn / +5% organic. The performance was driven by North America (€63.5mn, +8% org.), which partially recovered from the weaker 1Q24 (-21% YoY), affected by the planned roll-out of SAP EWM. Europe was slightly up (+1.5% org.) driven by favourable commercial initiatives, while C&SA recorded the steepest decline (--14% YoY, -2% org.), significantly impacted by further depreciation of local currencies. Adj. EBITDA pre-IFRS16 stood at €19.5mn, with a 14.3% margin (14% in 1Q24), above our 13.8% margin, increasing +5.2% YoY. The bottom line came to €1.3mn (€6.7mn in 1Q24), as expected, affected by a non-cash item (mark-to-market on USD-denominated financial investments). FCFE was negative at -€56mn, while adj. net debt was €172mn, up from €125mn as at 24YE due to seasonal WC cash absorption (-€60mn).
- **FY25 outlook confirmed, but with heightened uncertainty**. The company has confirmed its guidance, albeit subject to potential adjustments during the year, with management underlining high volatility and uncertainty, particularly in the US market. The FY25 guidance aims to achieve, at a constant exchange rate, the following: i) low single-digit organic revenue; ii) improved margins, with mid-single-digit adjusted EBITDA growth; iii) FCFE of €40-50mn; iv) a dividend payout ratio between 20% and 40%.
- **Key comments from the confence call.** In the US, initial momentum was affected by destocking, as tariff-related uncertainty led customers to delay purchases and limit restocking. Despite a solid order book, visibility remains low, and WC discipline continues to weigh on replenishment activity at customer level. Market performance in Europe remains stable, supported by ongoing commercial initiatives and early indicators being tracked ahead of the back-to-school season. As regard the stake in DOMS, FILA has no intention to reduce this in the near short term, despite the lock-up expiry. Refinancing options are being evaluated, though any action is more likely in 2026; the announced price increase in North America will be fully effective from July.
- **Lowering our estimates to factor some slowdown in the US market and weaker FX.** We are revising our estimates for FY25E–27E to reflect a weaker market stance in the US market along with a weaker assumption on exchange rates for the US$ (moving our exchange rate from 1.08 to 1.12) as well as the Mexican and Argentine pesos. For the US market, we are also incorporating a 6% increase in selling prices effective in 2H. Overall, we are lowering our revenue and adj. EBITDA forecasts by 4% and 6% on average respectively over the forecast period. At the bottom line, we are including the mark-to-market impact of USD-denominated activities, with no effect on adj. metrics. At FCFE level, we are aligning our FY25 forecast to the mid-point of the guidance range.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	779	613	602	612	622
EBITDA Adj (Eu mn)	137	118	112	115	118
Net Profit Adj (Eu mn)	31	41	42	45	47
EPS New Adj (Eu)	0.606	0.802	0.821	0.886	0.921
EPS Old Adj (Eu)	0.638	0.802	0.910	0.966	1.001
DPS (Eu)	0.700	0.800	0.205	0.221	0.230
EV/EBITDA Adj	3.0	3.0	4.3	3.8	3.4
EV/EBIT Adj	4.3	4.3	6.2	5.5	5.0
P/E Adj	19.0	14.3	14.0	13.0	12.5
Div. Yield	6.1%	7.0%	1.8%	1.9%	2.0%
Net Debt/EBITDA Adj	2.2	1.5	1.6	1.2	0.9

Intermonte

DISCLAIMER (for more details go to DISCLAIMER)

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.
This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.
The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.
This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.
Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.
The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.
Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.
The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.
Explanation of our ratings system:
BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.
As at 31 March 2025 Intermonte's Research Department covered 131 companies.
As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:
Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, EL.EN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, TMP GROUP, UNIDATA, WEBUILD
Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ENERGY, ESPRINET, EVISO, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SG COMPANY, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA **in the last 12 months**
Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, FAE TECHNOLOGY, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA
Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of SAES GETTERS, TINEXTA
Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA
Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.
Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA IFIS, BANCO BPM, MAIRE, RETEX SPA, TINEXTA
Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD
Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED
Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SAES GETTERS, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT **with the obligation to disseminate studies**
Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.
Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website MiFID
Further information is available