Intermonte

Milan, 25 March 2026

Italian Equity Research – FY25 Results

FILA

NEUTRAL

Sector: Consumers

Price: Eu8.94 - **Target: Eu10.80**

Return to Organic Growth in FY26 After Two Tough Years

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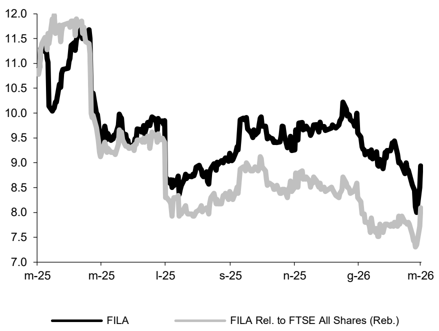
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2026E	**2027E**	**2028E**
Chg in Adj EPS	-6.2%	-7.2%	

Next Event
1Q26 Results Out on May 14

FILA - 12M Performance



Stock Data			
Reuters code:			FILA.MI
Bloomberg code:			FILA IM
Performance	**1M**	**3M**	**12M**
Absolute	-3.9%	-7.4%	-17.7%
Relative	3.7%	-3.8%	-28.3%
12M (H/L)			11.70/8.00
3M Average Volume (th):			184.77

Shareholder Data	
No. of Ord shares (mn):	51
Total no. of shares (mn):	51
Mkt Cap Ord (Eu mn):	455
Total Mkt Cap (Eu mn):	455
Mkt Float - Ord (Eu mn):	224
Mkt Float (in %):	49.3%
Main Shareholder:	
Pencil	37.8%

Balance Sheet Data	
Book Value (Eu mn):	605
BVPS (Eu):	11.95
P/BV:	0.7
Net Financial Position (Eu mn):	-218
Enterprise Value (Eu mn):	534

FY25 results showed FILA's ability to preserve profitability despite a challenging environment, which drove a high single-digit drop in revenues, hit by cuts to school incentives, tariffs and USD weakness in the key US market, still the main driver of both revenues and profitability. Early indications for 2026 point to a return to organic growth and cash generation in line with historical levels (c.10% FCF yield on FY26). Pending clearer signs of a top line recovery, we remain NEUTRAL on the stock.

- **FY results in line with estimates, margins and FCF as expected, hit by negative ForEx and duties.** 4Q/FY25 results were broadly in line with expectations, with both margins and FCF hit by the introduction of tariffs and the weakness of some currencies, especially the dollar and the Mexican peso. Net of tariffs and ForEx effects, FY25 adj. EBITDA would have been down -4.6% (vs. -11%) with FCF at €47mn (vs. €36mn).
- **Solid recovery in Europe, C&SA still suffering illegal competition:** net sales came to €111mn in 4Q (-7% YoY) almost flat org. (-1%), in line with our €113mn estimate, driven by i) a gradual recovery in Europe (+5% org.) confirming the positive trend already seen in previous quarters, chiefly in France, ii) a slight decline in NA (-2% org.) albeit improving QoQ, and iii) the negative market stance in C&SA (-11% org.) hit by hefty illegal imports.
- **FY26 guidance points at positive organic growth and FCF in the €45-50mn range.** As usual, FILA has announced guidance for the current year, with double-digit growth expected (positive organic growth along with the consolidation of Seven) and FCF expected in the €40-50mn range, based on an €/USD assumption of 1.15**.** During the call management highlighted that trading in Mexico has normalised in 1Q26 after disruption from significant illegal imports up to November 2025. For Seven, unlike FILA, a weaker dollar could support profitability, with the usual seasonality of a softer 1Q followed by a stronger performance in 2Q and 3Q. In North America, FY26 is expected to mark a return to more controlled growth. In the UK, FILA will move toward a more centralised approach with a stronger focus on cash generation and profitability; in this context, pressure from reduced school budgets and sharp wage increases is leading to a gradual shift of production towards Europe. On the financial side, WC is expected to absorb around €10mn due to higher inventories in FY26, with CapEx guided at around €20mn. Overall, consensus EBITDA pre-IFRS16 of €110mn is considered reasonable by management.
- **Estimates broadly unchanged, minor adjustments at the lower end of the P&L and FCF.** The top line and profitability remain in line with guidance, while we are now factoring in slightly lower income from associates. We are cutting FCF by ~8% to align with the mid-point of guidance and factor in higher WC needs. We are also fully reflecting the impact of the Seven acquisition on net debt, having previously only included the FY26 cash-out.
- **NEUTRAL confirmed; target still €10.8.** We reiterate our NEUTRAL rating and TP at €10.80, still considering the 26% stake in DOMS at book value, assuming the industrial rationale will prevail over purely financial considerations. Our view aligns with FILA's strategy of addressing the entry-level market in Europe through DOMS first, then following suit in the US. This strategy is further reinforced by the recent acquisition and the long-term potential of the Indian market, which management expects to become Seven's main revenue contributor in 5-7 years given its rapid growth trajectory.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	613	572	668	682	691
EBITDA Adj (Eu mn)	118	105	122	124	127
Net Profit Adj (Eu mn)	41	33	43	44	46
EPS New Adj (Eu)	0.802	0.647	0.848	0.872	0.900
EPS Old Adj (Eu)	0.802	0.672	0.904	0.939	
DPS (Eu)	0.800	0.239	0.297	0.305	0.315
EV/EBITDA Adj	4.3	5.2	4.4	4.0	3.7
EV/EBIT Adj	6.1	7.9	6.5	6.0	5.5
P/E Adj	11.1	13.8	10.5	10.3	9.9
Div. Yield	8.9%	2.7%	3.3%	3.4%	3.5%
Net Debt/EBITDA Adj	1.5	1.8	1.8	1.5	1.2

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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 between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 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

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As at 25 March 2026 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.58%
OUTPERFORM:	37.12%
NEUTRAL:	30.30%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

BUY:	54.55%
OUTPERFORM:	27.27%
NEUTRAL:	16.88%
UNDERPERFORM:	01.30%
SELL:	00.00%

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