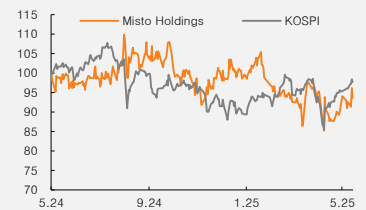


(Maintain)	Buy
Target price	₩47,000
Current price (5/15/25)	₩37,850
Upside	24.2%

OP (25F, Wbn)	455
Consensus OP (25F, Wbn)	490
EPS growth (25F, %)	175.3
Market EPS growth (25F, %)	25.0
P/E (25F, x)	9.8
Market P/E (25F, x)	9.5
KOSPI	2,621.36

Market cap (Wbn)	2,275
Shares (mn)	60
Free float (%)	56.8
Foreign ownership (%)	40.9
Beta (12M)	0.41
52-week low (W)	34,450
52-week high (W)	44,450

(%)	1M	6M	12M
Absolute	5.3	-4.8	-3.9
Relative	-0.5	-12.2	0.1



Mirae Asset Securities Co., Ltd.

Songyi Bae
songyi.bae@miraeasset.com

Misto Holdings

Profitability recovery stalls

1Q25 review: Earnings deterioration in the Misto division

For 1Q25, Misto Holdings (formerly FILA Holdings) announced revenue of ₩1.24tr (+5% YoY) and operating profit of ₩162.7bn (flat YoY), missing the consensus estimates due to earnings deterioration in the Misto division (formerly the FILA group; excluding Acushnet). While a decline in Misto revenue was anticipated due to the downsizing of US operations, the drop in profit suggests that efficiency improvements have yet to materialize.

The Misto division posted revenue of ₩215.7bn (-11% YoY) and operating profit of ₩2.3bn (-62% YoY; OP margin of 2.1%). By region/segment, we estimate revenue growth (YoY) at -2% in Korea, +23% in China, -54% in the US, and flat for royalties. While revenue was in line with expectations, operating profit fell sharply. The US business (currently undergoing restructuring) saw its net loss widen by ₩8bn YoY to ₩21.3bn, as revenue fell more sharply than costs (triggering negative operating leverage). In Korea, streamlining efforts are also underway, but there was no meaningful change in revenue or profits.

Meanwhile, revenue from non-FILA brands surged 120% YoY to ₩32.4bn. The firm has been strategically expanding its brand portfolio (Mardi Mercredi, Matin Kim, Marithe Francois Girbaud, Raive, and Rest & Recreation), and the solid growth of such brands should help to partially offset the decline in FILA brand revenue.

Acushnet reported decent results, with revenue of ₩1.02tr (+9% YoY) and operating profit of ₩158.1bn (+1% YoY). Due to the decreased contribution of FILA, Acushnet accounted for 97% of profits.

Still waiting for meaningful results from US restructuring

FILA USA announced an aggressive restructuring plan in Nov. 2024, but we have yet to see signs of meaningful improvement in operational efficiency. As such, we believe it is prudent to temper expectations for a rapid turnaround. Going forward, the US subsidiary will need to accelerate its inventory clearing and cost reduction efforts. (In 1Q25, FILA group (Misto division) saw a 10% YoY decline in inventory vs. an 11% YoY drop in revenue.) We expect earnings momentum to recover once the US business makes meaningful progress in inventory clearing and efficiency improvement.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	4,007	4,269	4,400	4,529	4,681
OP (Wbn)	303	361	455	520	598
OP margin (%)	7.6	8.5	10.3	11.5	12.8
NP (Wbn)	43	84	231	280	342
EPS (W)	701	1,398	3,848	4,664	5,692
ROE (%)	2.3	4.3	11.1	12.4	14.0
P/E (x)	55.2	28.8	9.8	8.1	6.6
P/B (x)	1.2	1.2	1.0	0.9	0.9
Dividend yield (%)	2.8	3.0	4.9	6.1	6.1

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

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Table 1. Annual earnings and forecasts

(Wbn)

	2022	2023	2024	2025F	2026F	2027F
Revenue	4,222	4,007	4,269	4,400	4,529	4,681
Misto	1,289	897	917	840	882	937
FILA Korea	430	295	284	284	286	295
FILA China	67	72	82	93	103	114
FILA USA	464	288	266	116	93	84
FILA royalties	79	78	67	72	74	78
Other	249	164	218	274	325	366
Acushnet	2,933	3,109	3,351	3,561	3,647	3,744
OP	435	303	361	455	520	598
Misto	85	(57)	(40)	36	87	150
FILA Korea	19	(26)	(15)	(13)	(5)	1
FILA China	67	72	82	93	103	114
FILA USA	(66)	(142)	(107)	(52)	(28)	2
FILA royalties	79	78	67	72	74	78
Acushnet	350	360	401	418	432	448
Pretax profit	453	277	339	482	558	645
NP (owners of the parent)	344	43	84	231	280	342
OP margin (%)	10.3	7.6	8.5	10.3	11.5	12.8
Misto	6.6	(6.3)	(4.4)	4.3	9.9	16.0
FILA Korea	4.5	(8.8)	(5.5)	(4.7)	(1.7)	0.3
FILA USA	(14.3)	(49.4)	(40.3)	(45.0)	(30.0)	2.5
Acushnet	11.9	11.6	12.0	11.7	11.9	12.0
Revenue growth (% YoY)	11.3	(5.1)	6.5	3.1	2.9	3.4
Misto	(3.6)	(30.4)	2.2	(8.5)	5.0	6.2
FILA Korea	(10.4)	(31.2)	(3.9)	0.2	0.6	3.0
FILA China	12.0	8.2	13.9	12.6	11.4	10.2
FILA USA	(18.4)	(38.0)	(7.6)	(56.2)	(20.0)	(10.0)
Royalties	20.1	(1.8)	(13.9)	6.6	4.0	4.8
Acushnet	19.3	6.0	7.8	6.2	2.4	2.7
OP growth (% YoY)	(11.7)	(30.2)	18.9	26.0	14.3	15.1
Misto	(57.7)	TTR	RR	TTB	138.6	71.9
FILA Korea	(58.2)	TTR	RR	RR	RR	TTB
FILA USA	TTR	RR	RR	RR	RR	TTB
Acushnet	20.0	3.0	11.3	4.2	3.4	3.7
NP growth (% YoY)	46.1	(87.6)	97.8	174.5	21.2	22.0

Source: Company data, Mirae Asset Securities Research

Table 2. Quarterly earnings and forecasts

(Wbn)

	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25F	3Q25F	4Q25F	2025F
Revenue	1,183	1,175	1,049	861	4,269	1,237	1,203	1,087	873	4,400
Misto	243	238	205	232	917	216	204	200	219	840
FILA Korea	68	75	66	75	284	67	74	67	76	284
FILA China	18	20	16	29	82	22	22	17	32	93
FILA USA	86	76	53	51	266	39	32	27	18	116
FILA royalties	17	17	18	15	67	19	18	19	16	72
Other	54	49	53	62	218	69	58	70	77	274
Acushnet	940	938	844	630	3,351	1,022	998	887	654	3,561
OP	163	140	93	(36)	361	163	155	118	19	455
Misto	6	(3)	(16)	(27)	(40)	2	8	7	17	36
FILA Korea	(6)	(1)	(5)	(4)	(15)	(7)	(1)	(3)	(3)	(13)
FILA China	18	20	16	29	82	22	22	17	32	93
FILA USA	(11)	(29)	(25)	(42)	(107)	(17)	(14)	(12)	(9)	(52)
FILA royalties	17	17	18	15	67	19	18	19	16	72
Acushnet	157	143	109	(9)	401	160	146	111	3	418
Pretax profit	163	129	78	(30)	339	191	149	110	33	482
NP (owners of the parent)	72	56	13	(57)	84	82	63	45	41	231
OP margin (%)	13.8	11.9	8.9	(4.2)	8.5	13.1	12.9	10.8	2.2	10.3
Misto	2.5	(1.1)	(7.8)	(11.9)	(4.4)	1.1	4.1	3.5	7.5	4.3
FILA Korea	(8.4)	(0.9)	(7.0)	(6.0)	(5.5)	(10.0)	(1.0)	(5.0)	(3.4)	(4.7)
FILA USA	(12.5)	(38.2)	(48.1)	(82.6)	(40.3)	(43.3)	(44.0)	(45.0)	(50.4)	(45.0)
Acushnet	16.7	15.2	13.0	(1.4)	12.0	15.7	14.7	12.5	0.4	11.7
Pretax margin (%)	13.8	10.9	7.4	(3.5)	7.9	15.4	12.4	10.1	3.8	11.0
Net margin (%)	6.1	4.8	1.3	(6.6)	2.0	6.6	5.2	4.2	4.7	5.3
Revenue growth (% YoY)	6.7	2.5	6.0	13.2	6.5	4.6	2.3	3.6	1.3	3.1
Misto	4.1	(1.4)	(2.8)	9.5	2.2	(11.1)	(14.0)	(2.5)	(5.4)	(8.5)
FILA Korea	(14.9)	(2.5)	4.9	(0.8)	(3.9)	(2.2)	(1.5)	2.0	2.5	0.2
FILA China	5.5	14.3	9.9	21.9	13.9	22.5	10.0	10.0	9.6	12.6
FILA USA	11.9	(16.6)	(18.8)	(6.6)	(7.6)	(54.3)	(58.6)	(48.4)	(64.1)	(56.2)
FILA Royalties	(11.2)	(12.6)	(5.2)	(25.7)	(13.9)	9.7	5.6	6.2	4.8	6.6
Acushnet	7.4	3.5	8.4	14.7	7.8	8.7	6.5	5.1	3.8	6.2
OP growth (% YoY)	1.8	52.4	0.9	TTB	18.9	(0.4)	10.3	26.3	TTB	26.0
Misto	45.6	TTB	TTB	TTB	TTB	(61.5)	TTB	TTB	TTB	TTB
FILA Korea	TTR	RR	RR	TTB	RR	RR	RR	RR	RR	RR
FILA USA	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR
Acushnet	0.6	3.4	10.7	RR	11.3	2.0	2.4	1.3	RR	4.2
NP growth (% YoY)	16.6	TTB	(49.4)	RR	97.8	13.5	12.5	239.9	TTB	174.5

Source: Company data, Mirae Asset Securities Research

Table 3. Valuation table

(Wbn)

	2025F	2026F	Notes
Misto operating value (A)	477	712	
Misto NP	80	119	Excl. Full Prospect design service fees
Target P/E (x)	6	6	
Value of Acushnet equity stake (B)	2,133	2,133	Value of 51% equity stake
Market cap	5,859	5,859	
Discount (%)	30	30	
Net cash (C)	78	78	
Fair value (A + B + C)	2,688	2,923	
No. of shares ('000)	58,822	58,822	
Fair price 1 (W)	45,705	49,694	
Fair price 2 (12MF, W)	47,367		
Target price (W)	47,000		
Current price (W)	37,850		
Upside (%)	24.2		

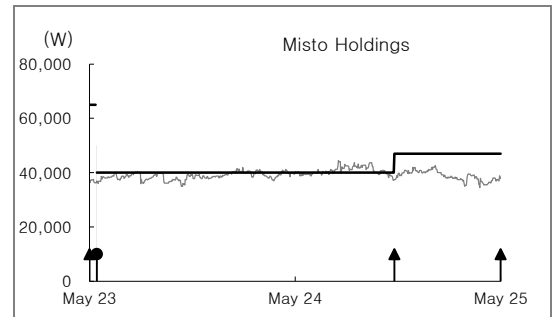
Source: Mirae Asset Securities Research

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Misto Holdings (081660)	11/08/24	Buy	47,000
	05/30/24	One year	40,000
	05/30/23	Hold	40,000
	05/29/23	No Coverage	
	09/30/22	Buy	65,000



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Ho Chi Minh Representative Office

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroov, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392
