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LONG TERM STRATEGIC PLAN

February 26, 2016

GEOX BY 2018: A CLEAR SET OF TARGETS

	2015	2018	CAGR
Sales €.Million	874,3	1.025 – 1.100	~ 6,5%
EBITDA % on sales	7,1%	~ 10% -11%	~ 22%
N. OF GEOX SHOPS DOS & FRANCHISING UNDER LICENCE AGREEMENT	1.161 1.019 142	1.190 -1.260 980-1.030 210-230	

THE PATH TO 2018: FLEXIBILITY TO REACT

ACCELERATE

2018

IMPACT

2017

BUILD
THE NEW

2016

SECURE
THE BUSINESS

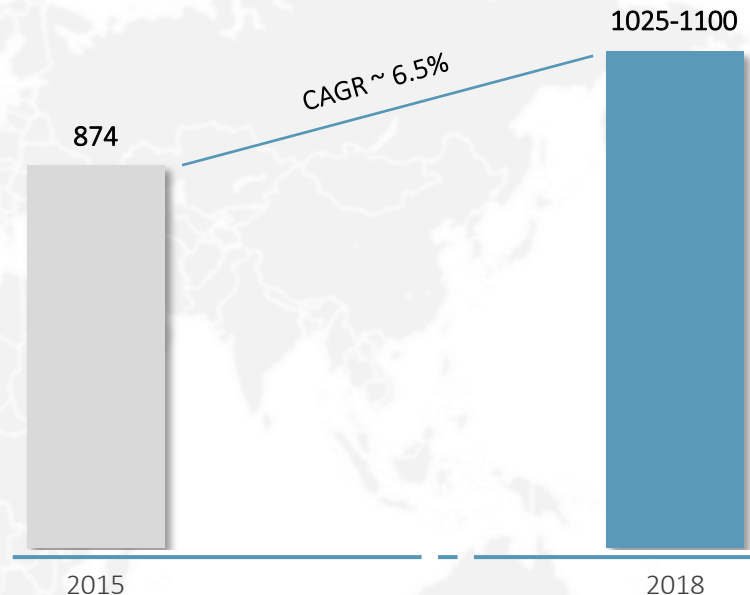
2014
2015

2013

KEY ASSUMPTIONS: TOP LINE HEALTHY GROWTH

TOTAL SALES

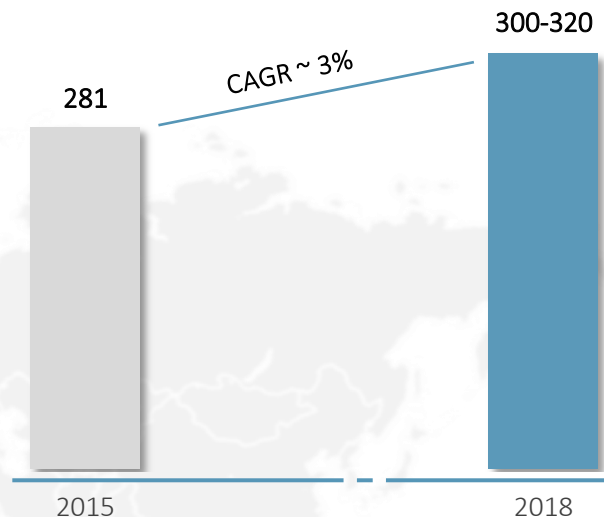
- Improved time to market and level of service
- Ahead of market standard in anticipating entire product ranges
- New products, projects
- Market share growth
- Exploit full potential of core markets
- Increase penetration in markets with healthy brand awareness
- New high potential market development
- Channel specialization
- Positive LFL
- Ecommerce management and development
- Implementing ideal channel mix per country



SALES BY REGION

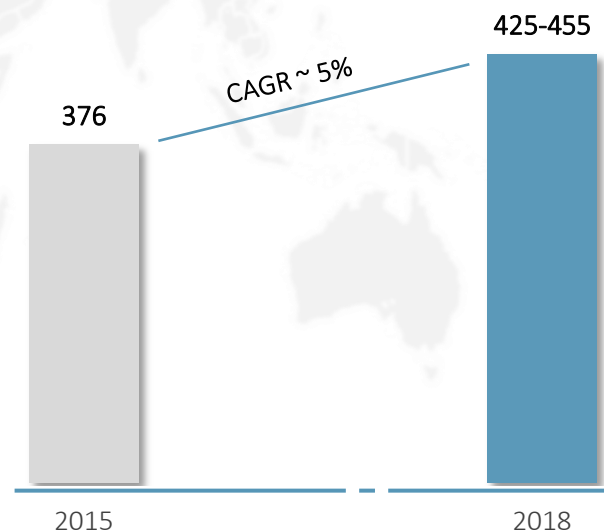
ITALY

- Retail growth mainly driven by LFL performance that will more than offset the residual portfolio optimization
- Exploit full potential of wholesale distribution through alliances with strategic key accounts



EUROPE (*)

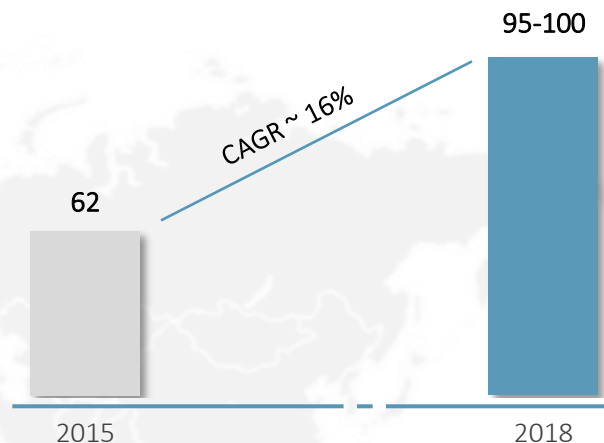
- Retail growth mainly driven by LFL performance
- Exploit full potential of core markets: Iberia, France, Germany, Austria, Switzerland
- Increase penetration in markets with healthy brand awareness: Belgium, Luxembourg
- Develop high potential markets: UK



SALES BY REGION

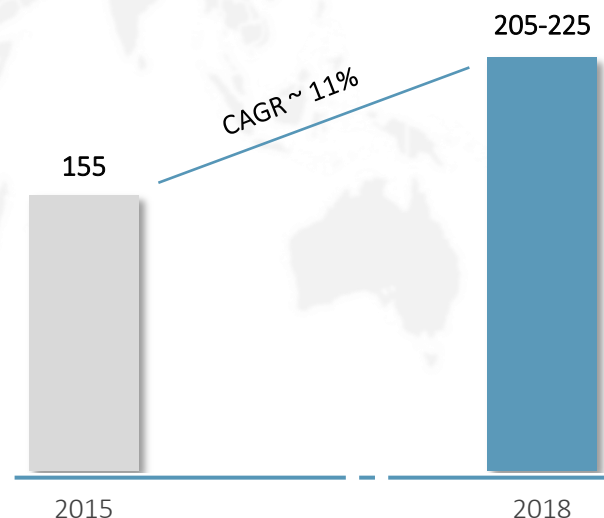
AMERICAS

- US and Canada growth mainly driven by wholesale expansion
- Selected DOS openings and high single digit positive LFL expected



ASIA & ROW

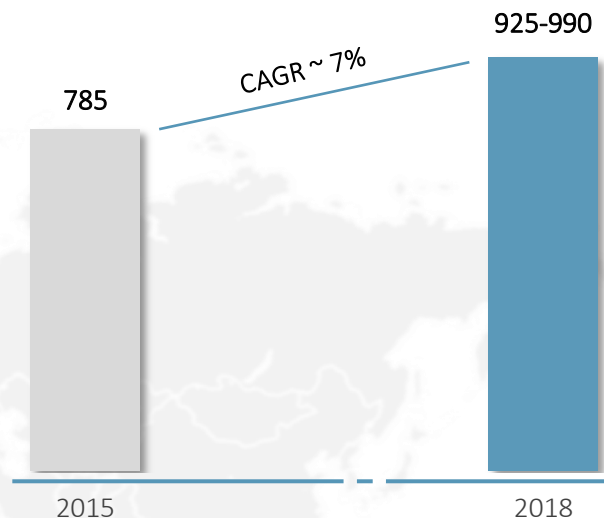
- Intensive roll out of off line business development:
 - ✓ DOS: add 40 net openings to target 140 stores
 - ✓ Wholesale: add 700 new doors to target 1.150 POS
- China roll out made by the two new distributors
- E-commerce development
- increase penetration in South Korea and Singapore and further expansion of Indonesia



SALES BY PRODUCT

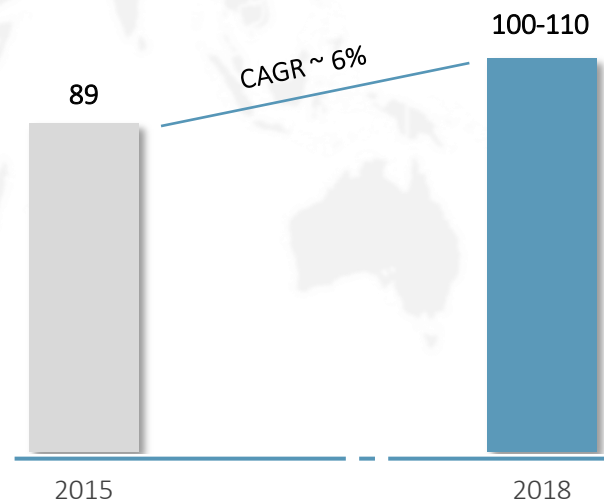
FOOTWEAR

- Focus on innovation and new products
- Product range extension
- Exploit “end user” categories still uncovered
- Development in new markets by means of winter collections for northern countries



APPAREL

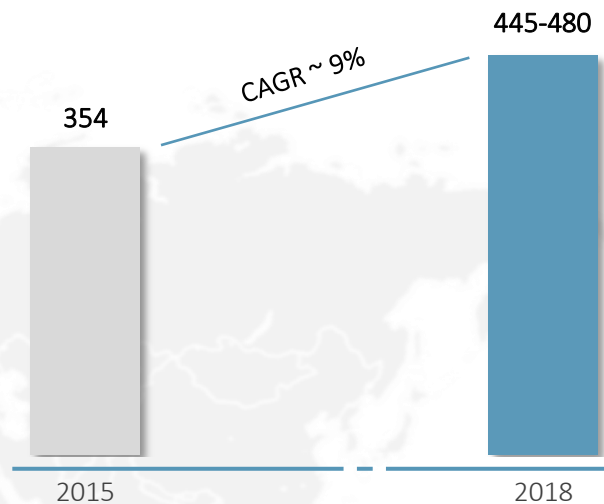
- Focus on outerwear
- Specialized sales force
- RTW retailer specialists
- Key cities strategy in key markets
- Alliances with RTW brand builders



SALES BY CHANNEL

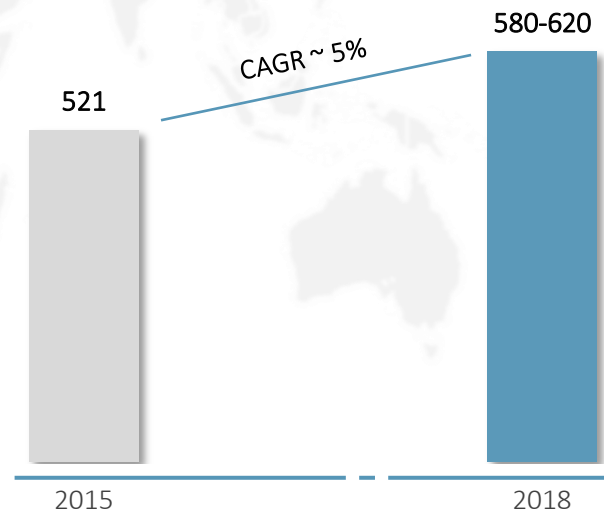
WHOLESALE

- Product offer and distribution segmentation
- Wholesale “retailization”
- Preparing “omnichannelling”
- Alliances, collaborations, integrations with strategic KA
- Retail best practice to wholesale: “branded space” management in SIS, concession and corners



RETAIL

- Brand presentation: unique shopping experience
- Customer centricity as top line driver
- Network rationalization and selective new openings
- Geox.com sales expansion
- Network refurbishment: new store concept to come



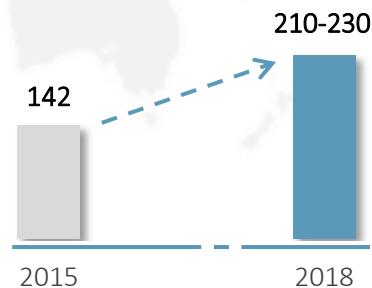
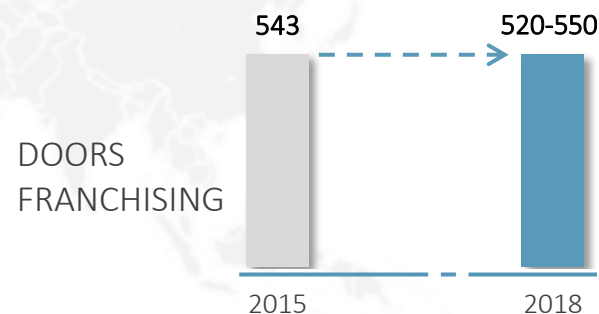
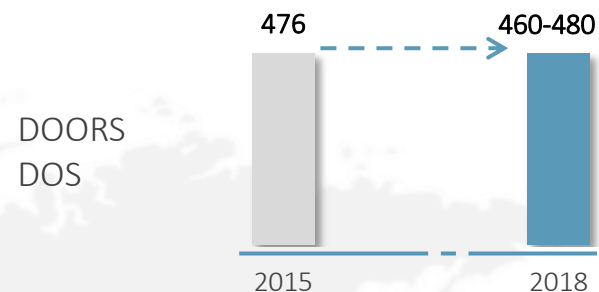
KEY ASSUMPTIONS: RETAIL SPACE

DOS & FRANCHISING

- Store footprint executed in core markets
- Strong focus on profitability and cash flow
- Stricter financial criteria
- Selected new openings in EMEA, Americas and ROW
- Planned development in China: 40 new openings
- Still room for portfolio optimization due to residual closures of non performing stores and lease expiry

UNDER LICENSE AGREEMENT

- China new distribution agreement
- Asian distributors



KEY ASSUMPTIONS: RETAIL PERFORMANCE

ENHANCED PROFITABILITY AND CASH FLOW

- New business model: a “buy less, sell more approach”
- Fast lane to catch trends
- New buying model to reduce stock on hands

SHARE OF VOLUME
SOLD AT FULL PRICE



RISK OF
OVERBUYING

INVENTORY
TURN



AVERAGE MARKDOWN
ON ARTICLES SOLD

LIKE FOR LIKE

- Mid single digit CAGR expected both in DOS and Franchising channel

AVERAGE MARKDOWN REDUCTION

- Increased share of full price sell through
- Aggressive in season management to chase customers demand

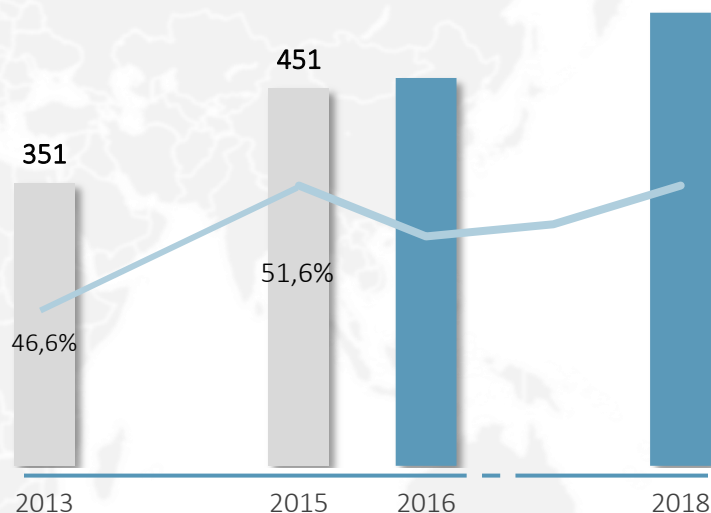
	2016	2017	2018	TOTAL
DOS	5%	6%	6%	19%
FRANCHISING	4%	5%	5%	15%

	2016	2017	2018	TOTAL
DOS	0%	-1%	-1%	-2%
FRANCHISING	0%	-2%	-1%	-3%

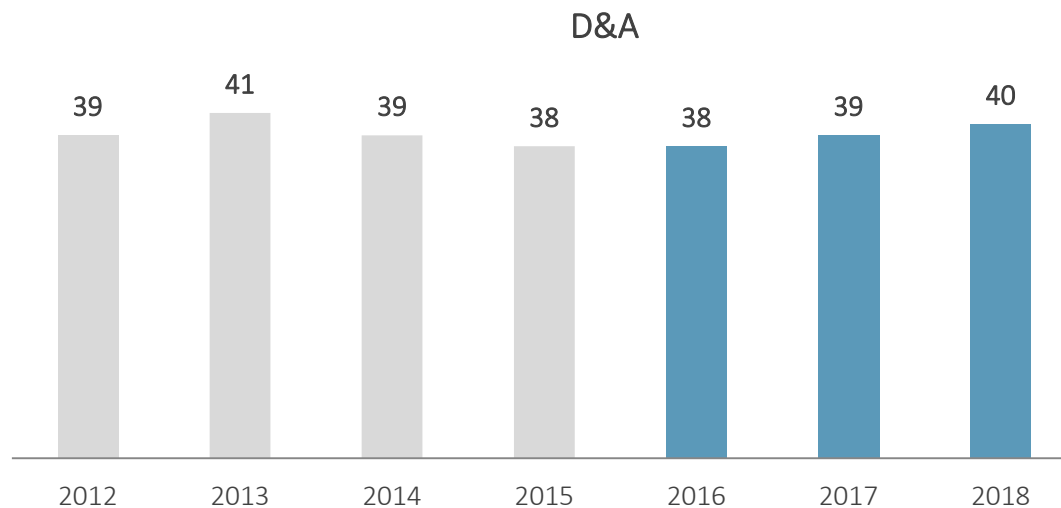
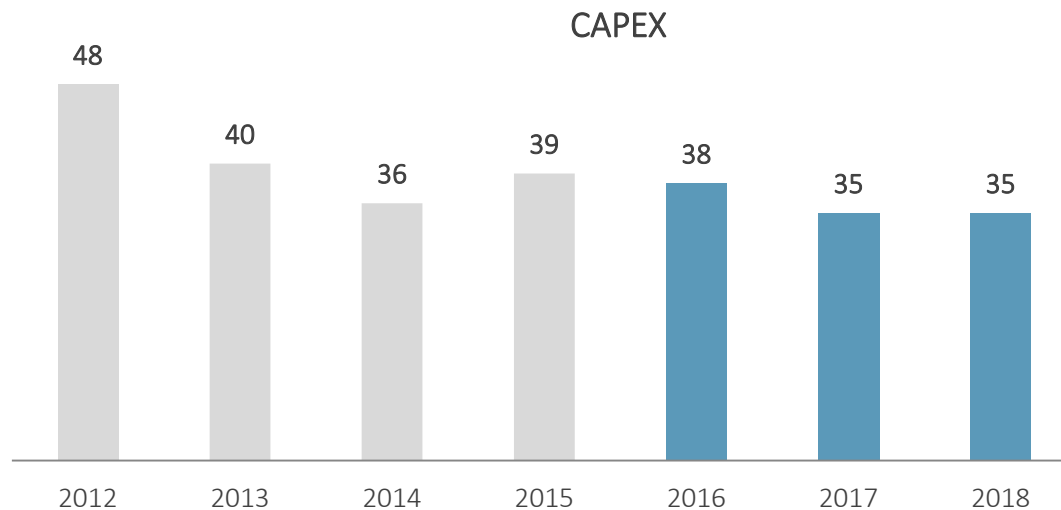
KEY ASSUMPTIONS: GROSS MARGIN

GROSS MARGIN

- Gross Margin dilution expected in 2016 due to USD strengthen (200-300 bps)
- Regain gross margin expansion 2017 onwards
- Sales Growth in USD based countries will rebalance currency geographic footprint improving the natural hedge.
- Pricing and product mix improvement in terms of profitability, sales dilution reduction
- Strategic sourcing evolution
- Opportunities from local currencies
- Opportunities from raw materials trends
- Strong commitment to reduce complexity
- Focus on existing structures to improve lines efficiencies and product lifecycle



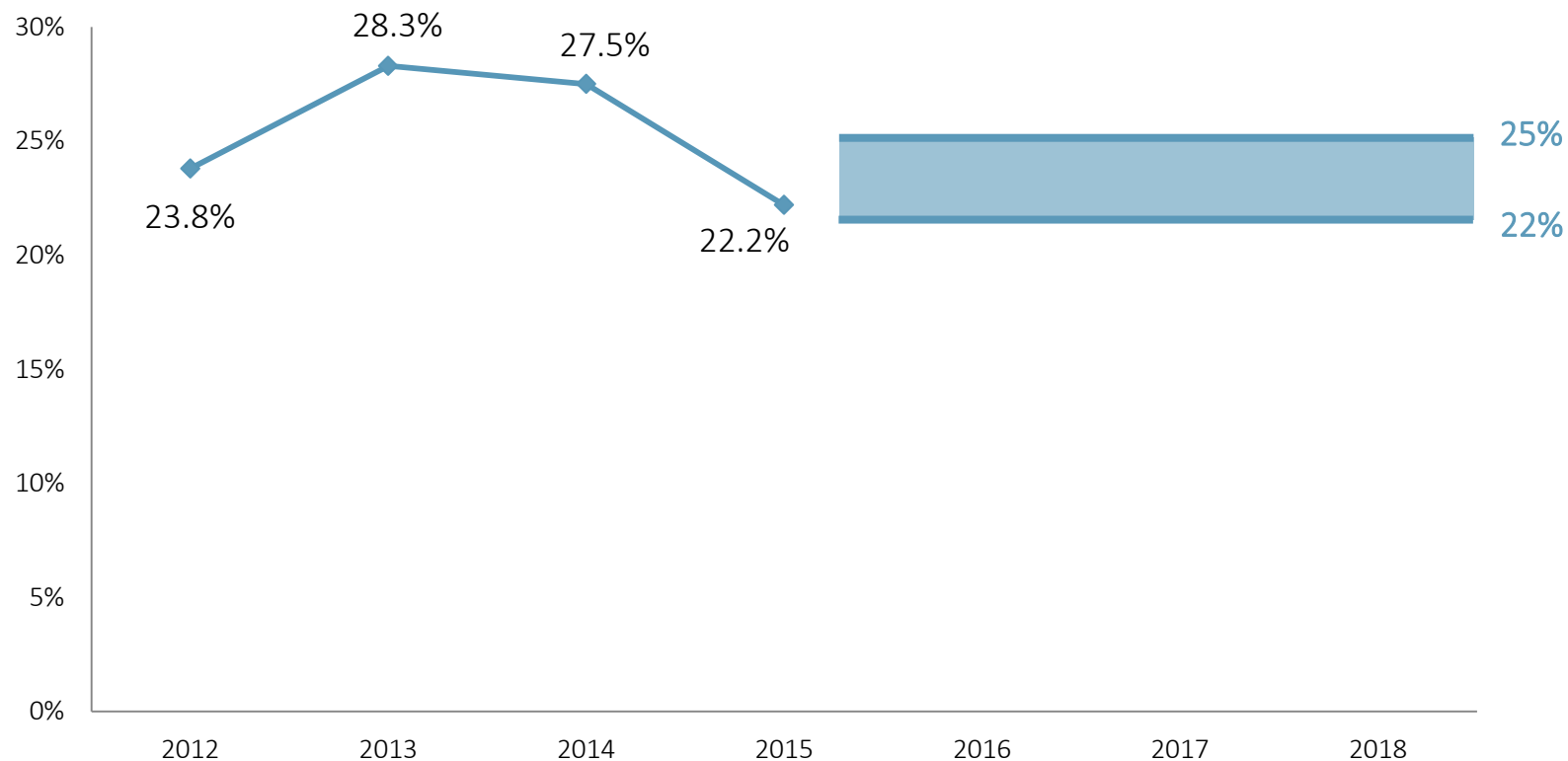
ALREADY BEYOND THE PEAK OF CAPEX CYCLE



2016-2018

- Approx. 17 mln each year for store new openings and restylings
- Approx. 17 mln each year for patents and trademarks, supply chain, IT, HQ, moulds and machinery
- Approx. 3million to complete the Serbian Plant
- The Group is planning to invest approximately an amount equal to D&A

OPERATING WORKING CAPITAL - % ON SALES





THANK YOU
