

GEOX REPORTS FIRST SIX MONTHS 2024 RESULTS:

- **SALES AT EURO 320.4 MILLION DOWN BY 9.4% AT CURRENT EXCHANGE RATES (8.0% AT CONSTANT EXCHANGE RATES) IN RESPECT TO THE SAME PERIOD OF THE PREVIOUS YEAR.**
- **DIRECT SALES ARE POSITIVE AND DRIVEN BY THE STRONG PERFORMANCE OF THE DOS DIGITAL CHANNEL WHICH, IN LINE WITH THE FIRST QUARTER, RECORDED POSITIVE COMPARABLE SALES (LFL) OF +8.5% COMPARED TO THE FIRST SIX MONTHS OF 2023.**
THE PERFORMANCE OF THE DOS B&M CHANNEL IMPROVED SLIGHTLY, DELIVERING COMPARABLE SALES (LFL) UP 0.7%.
- **WHOLESALE CHANNEL RECORDED AN OVERALL CONTRACTION OF 16.0% FOR THE SEMESTER (14.5% AT CONSTANT EXCHANGE RATES), WITH SECOND QUARTER SALES IN LINE WITH THE PREVIOUS FISCAL YEAR.**
- **THE GROSS MARGIN REACHED 51.2% (+20 BPS COMPARED TO JUNE 2023) THANKS TO THE CONSOLIDATION OF SUPPLY CHAIN EFFICIENCY ACHIEVED IN THE PREVIOUS FISCAL YEAR.**
- **WORKING CAPITAL STANDS AT EURO 126.7 MILLION (EURO 116.7 MILLION AS OF DECEMBER 31, 2023) AND REPRESENTS 18.5% OF SALES OVER THE LAST 12 MONTHS.**
- **THE NET FINANCIAL POSITION (PRE-IFRS 16) AS OF JUNE 30, 2024, STOOD AT EURO -109.0 MILLION (EURO -93.1 MILLION AS OF DECEMBER 31, 2023), WITH A POSITIVE VALUE OF HEDGING INSTRUMENTS AMOUNTING TO EURO 3.7 MILLION.**

Biadene di Montebelluna, July 31, 2024 – Geox S.p.A., leading brand in classic and casual footwear listed on the Euronext Milan (GEO.MI) market managed by Borsa Italiana, examines today first half 2024 results.

The Chief Executive Officer Enrico Mistrion commented: “The first half of 2024, consistent with what we have seen in the first months of the year, has proven extremely challenging due to the persistence of complex market conditions. Sales for the first six months of 2024 show a contraction of 9.4% compared to the first half of the previous year. The consolidation of the positive results achieved by the Direct Digital channel in the second quarter, along with a slight improvement in comparable sales of the Direct B&M channel, partially offset the sales results of the Wholesale channel. The latter, despite recording a second quarter essentially in line with the same period of previous year and thereby reducing the overall gap observed in the first quarter, continues to be penalized by an extremely challenging context in most of our key markets.

Additionally, sales were also impacted by a still negative "perimeter effect" primarily related to the closures of direct and franchised stores carried out in 2023, totaling Euro 11 million, and by a negative exchange rate effect amounting to Euro 5.3 million, mainly due to the different average exchange rate of the Ruble.

During the first six months of the year, we implemented specific actions aimed at reducing the cost base to adapt it to the changed context. Thanks to the adoption of these measures, which are also crucial in perspective, the overall performance of the period at the EBIT level was contained and amounted at Euro -5.5 million.

As previously announced, the management is working on the preparation of the new strategic plan 2025-2027, which will be presented during the year”.

GROUP OPERATING PERFORMANCE: SALES

Consolidated sales for the first six months of 2024 amounted to Euro 320.4 million, decreasing by 9.4% compared to the previous year (-8.0% at constant exchange rates), Such decline is primarily due to the negative performance of the Wholesale channel and Franchising, only partially offset by the positive trend of the Direct Digital channel.

Sales by Distribution Channel

(Thousands of Euro)	I half 2024	%	I half 2023	%	Var. %
Wholesale	155,989	48.7%	185,772	52.5%	(16.0%)
Franchising	23,405	7.3%	27,608	7.8%	(15.2%)
DOS* - B&M	110,462	34.5%	116,717	33.0%	(5.4%)
DOS* - Digital	30,529	9.5%	23,506	6.6%	29.9%
Geox Shops	164,396	51.3%	167,831	47.5%	(2.0%)
Total Sales	320,385	100.0%	353,603	100.0%	(9.4%)

Wholesales represent 48.7% of the Group's sales (52.5% in the first six months of 2023) and amount to Euro 156.0 million, down from Euro 185.8 million in June 2023 (-16.0% at current exchange rates, -14.5% at constant exchange rates). This result is primarily driven by the performance of the SS24, which collected fewer orders compared to the previous year's SS23 collection. In the second quarter, the "in season re-orders" activity, although slightly positive compared to the previous fiscal year, only partially mitigated the overall performance.

Franchising channel sales, accounting for 7.3% of the Group's sales, amount to Euro 23.4 million, showing a decline of 15.2% compared to the first six months of 2023. The performance was impacted by the reduction in the number of stores (negative perimeter effect of Euro 2.5 million) and negative comparable sales (LFL) of 3.3% compared to the previous year. The number of franchised stores decreased from 288 in June 2023 to 258 in June 2024.

Sales from directly operated stores (DOS), both B&M and digital, accounting for approximately 44.0% of the Group's sales, amounted to Euro 141.0 million, delivering a slight increase from Euro 140.2 million in the first six months of 2023. This performance resulted in a +0.5% increase at current exchange rates (+1.6% at constant exchange rates). Specifically, comparable sales (LFL) of B&M stores saw a slight growth of 0.7% compared to the first half of 2023. These performances, achieved in a rather challenging market context further penalized by unfavorable weather conditions, only partially compensated for the negative perimeter effect of Euro 8.5 million, which is still significant and largely attributable to closures in 2023 and, to a lesser extent, to those in the first half of 2024.

Regarding the distribution perimeter, the number of B&M DOS decreased from 277 in June 2023 to 249 in June 2024 (255 in December 2023).

Sales generated through directly managed digital channels (own website and directly managed spaces on third-party marketplaces) showed a positive performance with an increase of 29.9% compared to the first half of 2023. This

result, consistent with what was achieved in the previous quarter, was driven by excellent comparable sales LFL (+8.5%) and an expansion of the reference perimeter due to the opening of new marketplaces.

Sales by region

(Thousands of Euro)	I half 2024	%	I half 2023	%	Var. %
Italy	89,016	27.8%	98,788	27.9%	(9.9%)
Europe (*)	146,401	45.7%	148,958	42.1%	(1.7%)
North America	11,703	3.7%	13,554	3.8%	(13.7%)
Other countries	73,265	22.9%	92,303	26.1%	(20.6%)
Total Sales	320,385	100.0%	353,603	100.0%	(9.4%)

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

The sales mix by geography shows a greater concentration in European countries at the expense of all other regions.

Specifically, sales from the domestic market represent 27.8% of the Group's total sales (27.9% in the first six months of 2023), amounting to Euro 89 million, a decrease of 9.9% compared to Euro 98.8 million in the first half of 2023. This reduction is mainly due to the weak performance of the Wholesale channel (-22.3%) and the Franchised store network (-20.2%), only slightly offset by the positive performance of the Direct Digital store network (+21.7%).

Sales generated in European markets accounts for 45.7% of the Group's total sales (42.1% in the first six months of 2023), representing a larger share compared to the first half of 2023 and amounting to Euro 146.4 million, compared to Euro 149.0 million in 2023, showing a decrease of 1.7%.

Positive results were delivered in France and the Iberian Peninsula, mainly thanks to sales from direct channels, both physical and digital. However, overall performance in the area is still affected by negative results in the DACH region (Germany, Austria, and Switzerland) in physical channels (both Direct and Wholesale), only partially offset by good performances in direct digital channels.

Direct stores in Europe reported comparable sales growth by +6%, driven by positive performances in both physical and digital channels, delivering +4.2% and +11.4% respectively. Also, the franchisees in Europe recorded positive performance at 1.7%.

North America reports sales of Euro 11.7 million, down by 13.7% (-13.2% at constant exchange rates) compared to the first six months of 2023. This decline is seen across all major sales channels, except for the direct digital channel, which shows positive performance at +5.1%.

The "Other Countries" area reports a sales decrease by 20.6% compared to the first six months of 2023 (-15.5% at constant exchange rates), with negative performance across all distribution channels. In particular, the most significant negative performances were seen in Russia, China, and the Middle East, influenced by deteriorated macroeconomic conditions and ongoing tensions due to current conflicts.

Sales by product category

(Thousands of Euro)	I half 2024		I half 2023		Var. %
		%		%	
Footwear	291,858	91.1%	324,771	91.8%	(10.1%)
Apparel	28,527	8.9%	28,832	8.2%	(1.1%)
Total Sales	320,385	100.0%	353,603	100.0%	(9.4%)

Footwear represents 91.1% of consolidated sales, amounting to Euro 291.9 million, with a decrease of 10.1% (-8.7% at constant exchange rates) compared to the first six months of 2023. Apparel accounted for 8.9% of total sales amounting to Euro 28.5 million compared to Euro 28.8 million in the first six months of 2023 (-1.1% at current and constant exchange rates).

Mono-brand store network – Geox shops

As at 30 June 2024 the total number of “Geox Shops” was 630 of which 249 DOS. During the first six months of 2024, 13 new Geox Shops were opened and 38 were closed, in line with the planned optimization of shops in the more mature markets and an expansion in countries where the Group’s presence is still limited but developing positively.

	06-30-2024		12-31-2023		I half 2024		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Perimeter Change	Openings	Closings
Italy	172	107	174	107	(2)	2	(4)
Europe (*)	162	85	173	88	(11)	1	(12)
North America	11	11	11	11	-	-	-
Other countries (**)	285	46	297	49	(12)	10	(22)
Total	630	249	655	255	(25)	13	(38)

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

(**) Includes Under License Agreement Shops (123 as of June 30 2024, 120 as of December 31 2023). Sales from these shops are not included in the franchising channel.

GROUP OPERATING PERFORMANCE: OTHER INCOME STATEMENT ITEMS

The first half 2024 shows a decline in performance compared to the previous year. The decrease in sales of 9.4% and the gross margin as % of sales increased in respect to the previous year led the gross margin to a decrease of Euro 16.3 million. The operating cost structure was reduced by Euro 7.2 million thanks to specific and timely actions implemented by management. EBIT decreased by Euro 9.1 million to Euro -5.5 million consequently. We also highlight that the operating cost base includes non-recurring costs of approximately Euro 2 million.

COGS and gross margin

The cost of sales amounted to 48.8% of sales compared to 49.0% in the first semester of 2023, resulting in a gross margin of Euro 164.0 million.

Consequently, the slightly increased % gross margin (+20 bps compared to the previous year) confirms and consolidates the now stable supply chain conditions.

Operating expenses

Total operating expenses for the semester amount to Euro 169.5 million, compared to Euro 176.7 million in the first half of 2023, and include approximately Euro 2 million of non-recurring costs. Excluding these non-recurring costs, the incidence on sales stands at 52.3%, compared to 50% in the first half of 2023.

Management is currently focused on consolidating and implementing further actions to streamline and rationalize the cost base with the aim of reducing structural operating costs also in the remaining part of the financial year.

In details:

- selling and distribution costs amounted to Euro 17.3 million (Euro 18.6 million in the first half of 2023), accounting for 5.4% of sales (5.3% the incidence in the first half of 2023).
- advertising and promotion costs amounted to Euro 13.8 million with an incidence of 4.3% on sales, down from Euro 17.2 million in first half of 2023 (4.9% the incidence in the first half 2023) mainly due to the reduction in marketing costs.
- general and administrative expenses amounted to Euro 140.7 million with an incidence of 43.9% compared to Euro 144.0 million in the first half of 2023 (40.7% incidence in the first half of 2023). The item includes approximately Euro 2 million as non-recurring costs.
- other revenues amount to Euro 2.3 million, down from Euro 3.1 million in first half 2023.

EBITDA and EBIT

EBITDA decreased to Euro 29.1 million (9.1% of sales) compared to Euro 40.2 million in the first half of 2023 (11.4%). The EBITDA before IFRS 16 amounts to Euro 4.0 million (compared to Euro 13.9 million in the first half of 2023).

EBIT negative for Euro -5.5 million (compared to positive Euro 3.6 million in the first half of 2023).

Financial income and expenses

Net financial expenses amount to Euro -6.5 million, showing a significant decrease in respect to the first half of 2023 (Euro -13.3 million) and mainly refer to:

- positive exchange rate differences of about Euro 1.1 million (negative for Euro 5.9 million in the first half of 2023) arising from the subsidiary Geox RUS in relation to the different EUR/RUB exchange rate.
- cost of financial debt, for approximately Euro 3.7 million, slightly increasing in respect to first half 2023 (Euro 3.2 million) due to an increase in market interest rates (+1%) during the period and a higher average level of indebtedness of about Euro 11 million.
- IFRS 16 financial costs of Euro 2.3 million (Euro 2.0 million in the previous year).

Income taxes

Taxes for the first half of 2024 amount to Euro 3.5 million, compared to nearly zero in the first half of 2023. This cost is non-monetary and relates to the absorption of deferred taxes, mainly related to balance sheet provisions. It should be noted that the recorded amount of deferred tax assets does not include the tax benefits associated with the tax losses of the first half of 2024 and 2023, except for certain countries, amounting to Euro 6.2 million and Euro 2.0 million, respectively. This is because deferred tax assets have been recognized only to the extent of amounts considered recoverable as of the date of this report, pending the approval of the new industrial plan.

THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION

Net financial position at the end of June stood at to Euro -109.0 million (before IFRS 16 and after the fair value of hedging contracts), compared to Euro -93.1 million in December 2023 and Euro -89.5 million in June 2023. Net debt to banks, increasing by Euro 22.6 million, reached Euro -112.7 million (compared to Euro -90.1 million in December 2023 and Euro -100.5 million in June 2023). This increase is mainly attributable to the cash absorption from operating activities.

Operating working capital amounts to Euro 126.7 million, an increase of approximately Euro 10 million compared to Euro 116.7 million at December 2023.

Inventory levels are around Euro 270.3 million, in reduction by Euro 5.7 million from December 31, 2023. Trade receivables have decreased compared to both December 2023 (Euro -5.7 million) and June 2023 (Euro -10.6 million); considering the stability of DSO, the decrease is attributable to the lower sales volumes recorded. Trade payables amount to Euro 210.0 million, a reduction of Euro 21.4 million compared to December 31, 2023. The average DPO have slightly decreased compared to previous periods.

The trend in working capital is consistent with the sound efficiency of the supply chain, which has allowed to receive finish products on time while maintaining payment balance. However, it is affected by the lower volumes generated by operating activities. As a result, the incidence of net working capital on sales over the last 12 months stands at 18.5% (16.2% at the end of December 2023 and 15.1% in June 2023).

INTERNATIONAL AND MACROECONOMIC UPDATE

The international macroeconomic context remains characterized by significant uncertainty, which continues to significantly influence key variables in our target market and the consumer goods market in general. Although the slowdown in inflationary pressure shows positive signs for future developments, it is progressing more slowly than expected and still significantly affects the purchasing attitude in many of our key markets. Analyzing the domestic footwear market, consumer spending has declined for the fourth consecutive quarter compared to the previous year. Similarly, Italian exports of footwear products have seen double-digit declines in both value and volume over the past 12 months (source: Assocalzaturifici).

The international tension generated by the Russo-Ukrainian conflict and the Israeli-Palestinian conflict remains extremely high. The ongoing severe instability results in humanitarian and social repercussions, significantly impacting the living conditions of the populations in these countries, as well as their internal economic activities and commercial exchanges in these areas.

In the countries involved in these conflicts, Geox's business is primarily conducted through third parties, Wholesale, and Franchising channels, and can be considered not material in Ukraine, Israel, and Palestine. Regarding Russia, revenues in the area have contracted compared to the previous year, totaling approximately Euro 27 million in the first half (about 8.4% of consolidated revenue).

OUTLOOK

In analyzing forecasts for the current year, it remains crucial to deeply examine and consider the main variables that define the macroeconomic context, the sector dynamics of the market in which Geox operates, and the evolution of the international geopolitical situation in the coming months.

Inflationary pressure, although slowly decreasing, especially in the euro area, and the tight monetary policy adopted by central banks, continue to negatively influence market dynamics and consumer behavior. Consequently, both the semester and the forecasts for the rest of the year are heavily affected.

As previously highlighted, the results for the first half of 2024, despite being supported by encouraging like-for-like (LFL) sales in direct-operated stores (DOS), both physical and digital, remain significantly impacted by the difficulties of the Wholesale segment.

Given the context and the short-term uncertainty that still characterizes our main reference markets, the company expects sales for the full year 2024 to decrease by mid-single digits compared to 2023, with operating margins increasing by 50 basis points (for the full year).

These forecasts are, however, due to their nature, subject to significant uncertainties in terms of the geo-political and cost inflation environment.

DECLARATION BY THE MANAGER RESPONSIBLE FOR THE PREPARATION OF COMPANY ACCOUNTING DOCUMENTS

The manager responsible for the preparation of the company's financial documents, Dott. Massimo Nai, hereby declares, in accordance with paragraph 2, article 154 bis of the "Testo Unico della Finanza" (*Italian Consolidated Law on Financial Intermediation*), that, based on his knowledge, the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.

FOR MORE INFORMATION

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GEOX GROUP

Geox Group operates in the classic and casual footwear sector for men, women and children, with a medium/high price level, and in the apparel sector. The success of Geox is due to the constant focus on the application of innovative solutions and technologies on the product that guarantee both impermeability and breathability.

Geox is one of the leading brands in the "International Branded Casual Footwear Market". Geox technology is protected by 61 different patents and by 6 more recent patent applications.

DISCLAIMER

This document includes forward-looking statements, relative to future events and income and financial operating results of Geox Group. These forecasts, by their nature, include an element of risk and uncertainty, since they depend on the outcome of future events and developments. The actual results may differ even quite significantly from those stated due to a multiplicity of factors

ATTACHMENTS

- Reclassified consolidated income statement
- Reclassified consolidated balance sheet
- Reclassified consolidated cash flow statement
- Capex

Note: The 2023 figures are reported under IAS/IFRS. The figures for 2023 have been fully audited, while the figures for the first half of 2024 and 2023 have not been fully audited. Consolidated balance sheet and cash flow statement are reclassified with statements normally used by management and investors to assess the Group's results. The afore-mentioned reclassified financial statements do not meet the presentation standards set down by IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those required by International Accounting Standards.

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	I half 2024	%	I half 2023	%
Sales	320,385	100.0%	353,603	100.0%
Cost of sales	(156,398)	(48.8%)	(173,272)	(49.0%)
Gross profit	163,987	51.2%	180,331	51.0%
Selling and distribution costs	(17,329)	(5.4%)	(18,616)	(5.3%)
Advertising and promotion costs	(13,759)	(4.3%)	(17,160)	(4.9%)
General and administrative expenses	(138,411)	(43.2%)	(140,929)	(39.9%)
EBIT	(5,512)	(1.7%)	3,626	1.0%
Net financial expenses	(6,480)	(2.0%)	(13,264)	(3.8%)
PBT	(11,992)	(3.7%)	(9,638)	(2.7%)
Income tax	(3,453)	(1.1%)	(5)	(0.0%)
Net result	(15,445)	(4.8%)	(9,643)	(2.7%)
EBITDA	29,052	9.1%	40,207	11.4%
EBITDA excl. IFRS 16	4,013	1.3%	13,926	3.9%
EBITDA reconciliation:				
EBIT	(5,512)		3,626	
D&A and impairment tangible and intangible assets	11,740		12,278	
D&A and impairment Right-of-use ifrs 16	22,824		24,303	
EBITDA	29,052		40,207	
Rent under IFRS 16	(25,039)		(26,281)	
EBITDA excl. IFRS 16	4,013		13,926	

EBITDA is the operating result plus depreciation, amortization and impairments and is directly taken from the financial statements, supplemented by the relative Notes.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	June, 30 2024	Dec. 31, 2023	June, 30 2023
Intangible assets	27,697	30,433	30,582
Property, plant and equipment	29,784	31,269	32,461
Right-of-use assets	229,793	235,491	243,562
Other non-current assets - net	33,064	36,410	35,959
Total non-current assets	320,338	333,603	342,564
Net operating working capital	126,697	116,706	113,185
Other current assets (liabilities), net	(16,309)	(15,913)	(16,819)
Net invested capital	430,726	434,396	438,930
Equity	76,366	90,590	91,926
Provisions for severance indemnities, liabilities and charges	6,416	6,739	7,565
Net financial position	347,944	337,067	339,439
Net invested capital	430,726	434,396	438,930

NET OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	June, 30 2024	Dec. 31, 2023	June, 30 2023
Inventories	270,278	275,979	305,004
Accounts receivable	66,380	72,076	76,957
Trade payables	(209,961)	(231,349)	(268,776)
Net operating working capital	126,697	116,706	113,185
% of sales for the last 12 months	18.5%	16.2%	15.1%
Taxes payable	(7,849)	(6,564)	(15,650)
Other non-financial current assets	18,975	17,238	28,667
Other non-financial current liabilities	(27,435)	(26,587)	(29,836)
Other current assets (liabilities), net	(16,309)	(15,913)	(16,819)

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	I half 2024	IFRS 16 impact	I half 2024 excluding IFRS 16	I half 2023 excluding IFRS 16
Net result	(15,445)	101	(15,344)	(9,628)
Depreciation, amortization and impairment	34,564	(22,824)	11,740	12,278
Other non-cash items	(8,609)	-	(8,609)	2,595
Cash flow from economics	10,510	(22,723)	(12,213)	5,245
Change in net working capital	(2,549)	-	(2,549)	(35,140)
Change in other current assets/liabilities	(1,121)	-	(1,121)	14,798
Cash flow from operations	6,840	(22,723)	(15,883)	(15,097)
Capital expenditure	(7,212)	(19)	(7,231)	(8,276)
Disposals	4	-	4	0
Net capital expenditure	(7,208)	(19)	(7,227)	(8,276)
Free cash flow	(368)	(22,742)	(23,110)	(23,373)
Increase in right-of-use assets	(16,868)	16,868	-	-
Change in net financial position	(17,236)	(5,874)	(23,110)	(23,373)
Initial net financial position - prior to fair value adjustment of derivatives	(334,028)	243,945	(90,083)	(75,714)
Change in net financial position	(17,236)	(5,874)	(23,110)	(23,373)
Translation differences	(400)	862	462	(1,421)
Final net financial position - prior to fair value adjustment of derivatives	(351,664)	238,933	(112,731)	(100,508)
Fair value adjustment of derivatives	3,720	-	3,720	10,963
Final net financial position	(347,944)	238,933	(109,011)	(89,545)

CAPEX

(Thousands of Euro)	I half 2024	I half 2023	2023
Trademarks and patents	138	156	349
Opening and restructuring of Geox Shop	2,316	3,233	6,079
Industrial plant and equipment	1,560	1,270	3,208
Logistic	673	171	809
Information technology	2,163	2,170	7,058
Offices furniture, warehouse and fittings	362	376	1,199
Total cash capex	7,212	7,376	18,702
Right-of-Use	16,868	44,546	62,130
Total capex	24,080	51,922	80,832