

# GEOX

## 9m23 Sales Presentation

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Livio Libralesso, CEO

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*November 9<sup>th</sup> 2023*

**GEOX**



# Disclaimer



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# Executive Summary



## Business Update

- Penelope Cruz named GEOX's Global Ambassador in September '23

## 9m23 RESULTS

- NET SALES amount to €582.0 m (+2.3% vs LY or +4.1% Organic c.Fx) driven by WHOLESALE performance (+8.2% YoY) in accordance with the company strategy.
- NET WORKING CAPITAL amounts to €177.0m or 23.6% as % of LTM Net Sales (€122.8m or 17.2% at September 22).
- NFP (ante IFRS16) amounts to - €129.0m vs - €44.6m at Sept '22 (Net Bank debt €139.1m vs €114.2m at Sept LY – Fair Value of Hedging instruments +€10.1m vs €69.6m at Sept '22).

# Global Ambassador – A new chapter for the GEOX brand

*In coherence with the "Bigger and Better" business plan pillars, GEOX entered into a partnership with a well-known Spanish actress who most embodies the company's values*



## GOALS & AIMS

- **Grow Brand Awareness & Build Emotional Connection**
- Keep pursuing the path of "Premium Lifestyle Brand"
- Unlock the real business potential of woman market

**The Star who "fits" our shoes perfectly**

## GEOX

**BEAUTIFUL, WELL DESIGNED**

**What Geox does is crafting good looking creations**

**AT EASE, FOR YOUR WELLBEING**

**Geox works to make people feel good and confident in their shoes**

**ECLECTIC, FOR EVERY SITUATION**

**Geox shoes can fit every moment of people's lives**

**ROOTING ON A STORY OF GROWTH**

**Our heritage makes us what we are, and what we'll be**

## PENÉLOPE CRUZ

**A TIMELESS BEAUTY ICON**

**She is the kind of beauty everybody likes, no matter their gender or age**

**EASY GOING AND INCLUSIVE**

**On top of being a global star, Penelope gives a feeling of genuinely to everyone**

**AN INCREDIBLY VERSATILE ARTIST**

**Along her career, she played the most spared roles, being always credible**

**FROM NOWHERE TO THE OSCAR**

**A country girl who made her way to success**

# Current Trading



## CURRENT TRADING

- DOS (W44) LFL YTD: +3.0% vs 2022 (+4.3% vs 2019) with an ongoing improvement in markdowns.
- WHS 9m growth is 8.2% thanks to an easy comparison base due to early deliveries in comparison with the delays experienced last year. The difference has been reabsorbed in October resulting in a YTD growth of 3.0%. A low single digit growth may be assumed as proper proxy of the FY growth of the channel.

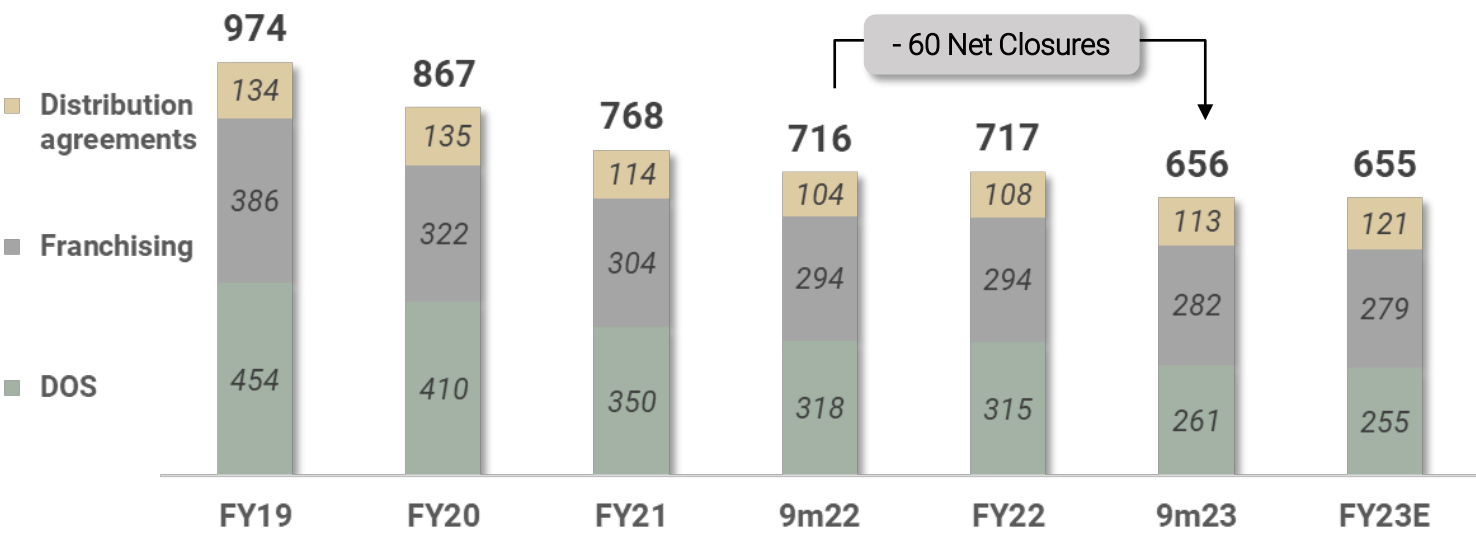
### Net sales - Current trading w44

		Retail		WHS	
		L4L vs 2022	L4L vs 2019	Net sales	vs 2022
1H 23		2.8%	3.1%		
	July	9.8%	15.0%		
	August	-1.5%	13.4%		
	September	-10.9%	-9.2%		
3Q 23		-0.9%	5.2%		
9m 23		1.6%	3.6%	324.4	8.2%
	October	13.1%	1.6%	9.6	-60.7%
	November (w44)	15.2%	29.4%		
w44 YTD		3.0%	4.3%	334.0	3.0%



# B&M Distribution network

*Rationalization of the Retail network almost completed led to overperforming margins*



## Perimeter effect

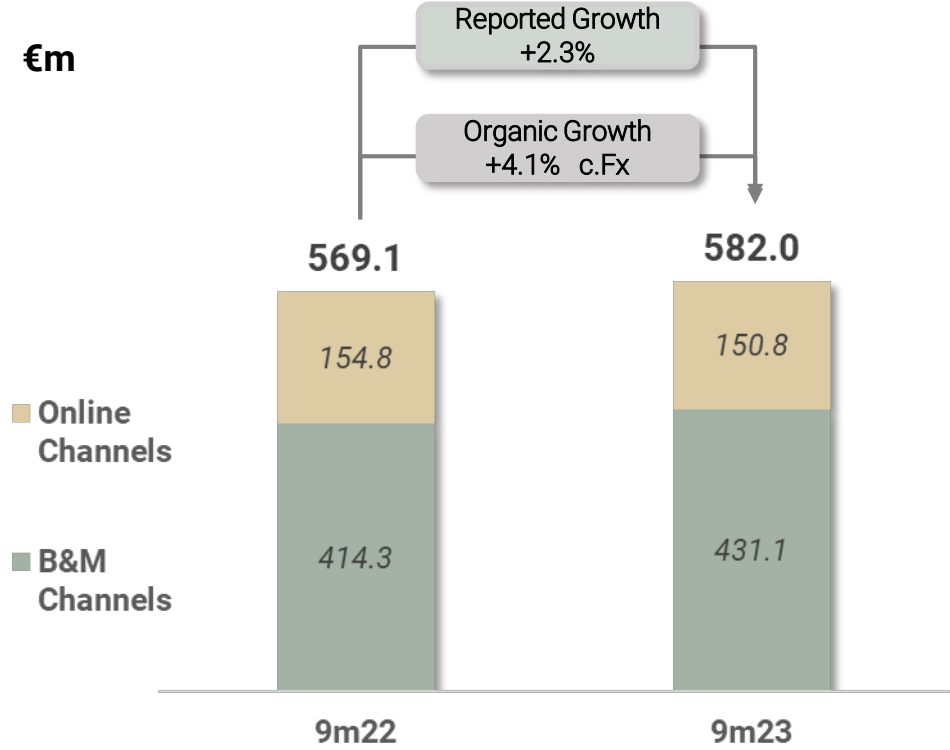
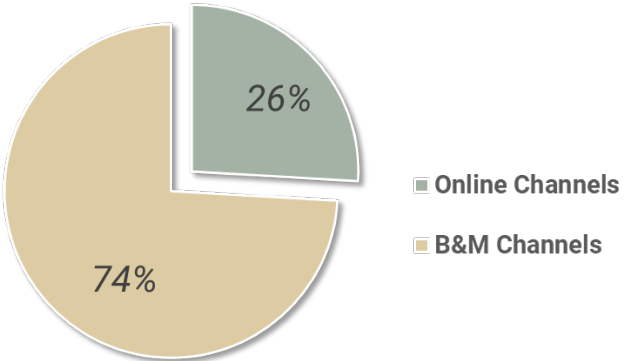
Footprint at 30 Sept.'23 results smaller than 30 Sept.'22 to due to:

- #57 DOS net closures caused a negative volume of sales of -€11.9 million. The positive B&M LFL +2.7% (€3.9m) only partially offsetting the perimeter effect.
- #12 Franchise net closures partially offset by new #9 doors opened under Distribution agreements signed mainly in new strategic regions

# Net sales – B&M and Digital

9m23 vs 9m22: +€12.9m:

- DOS + FR Perimeter Effect: - €12.6 m

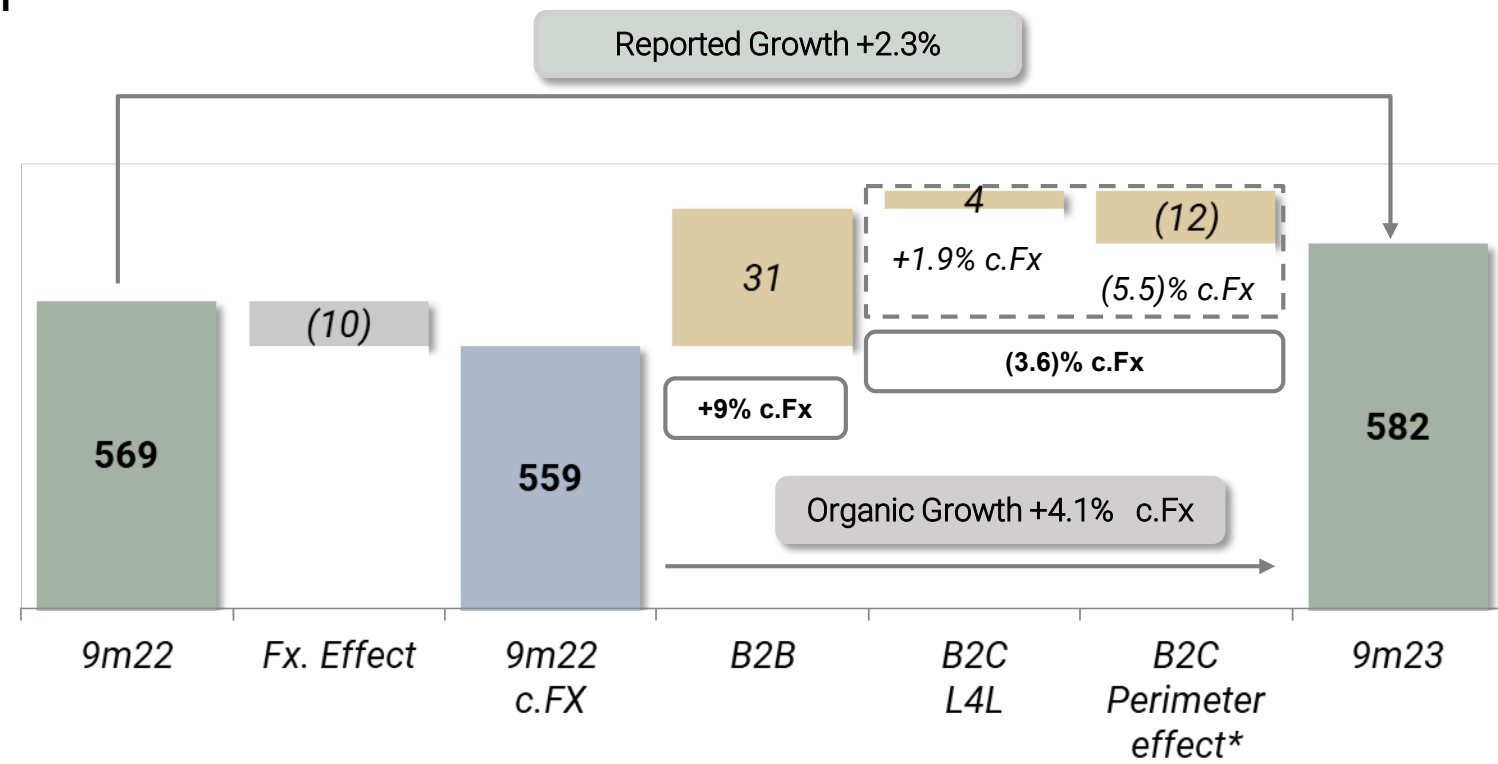


	9m23 vs 9m22	as % of Sales
Sales	2.3%	100.0%
B&M Channels	4.1%	74.1%
Wholesale B&M	15.2%	36.1%
Franchising	0.8%	8.4%
DOS B&M	-6.1%	29.6%
Online Channels	-2.6%	25.9%
Wholesale Online	-2.7%	19.6%
DOS Online	-2.3%	6.3%

# Net sales – B2C vs B2B

**Geox is delivering growth despite market headwinds, unfavorable weather conditions and an adverse currency effect.**

€m



**Net sales : +4.1% YoY c.Fx**

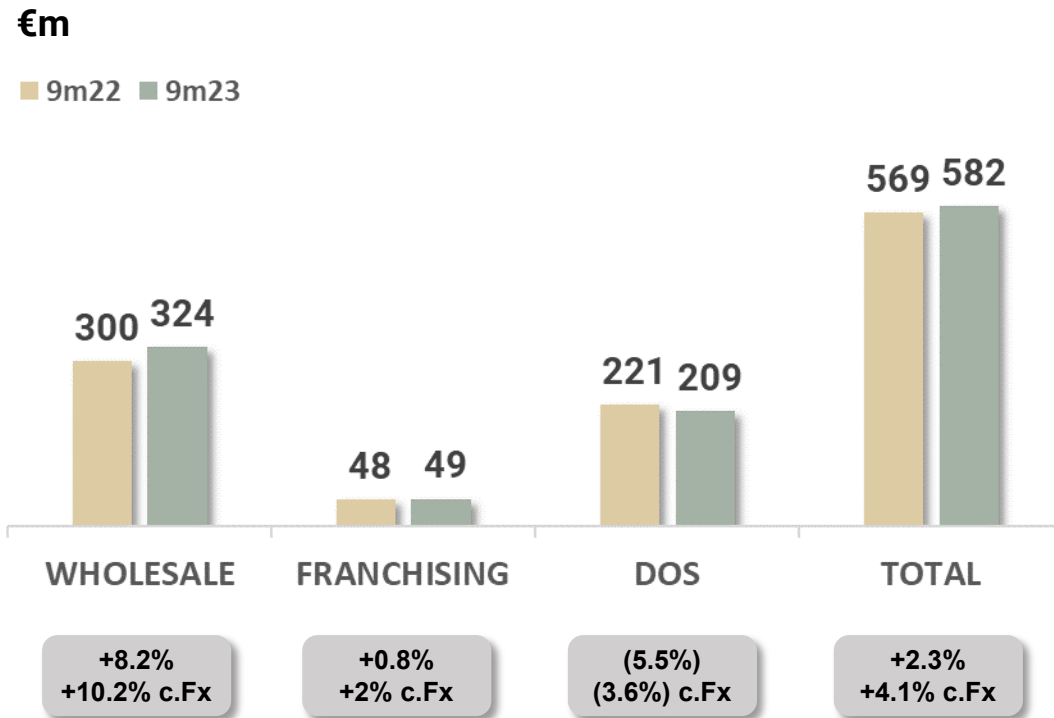
- **B2B: Includes WHS and Franchising. The channels together delivered 9% growth mainly as result of positive initial orders intake and improved level of service.**
- **B2C: -3.6%. Actually driven by positive L4L but more than offset by the planned perimeter reduction.**

• B2B relates to WHS and Franchising - Franchising perimeter effect amounts to €0.7m



# Net sales by channel

Wholesale channel's performance drives sales increase



## WHOLESALE (56% OF TOTAL SALES): +8.2% YoY

The high single digit increase mainly driven by:

- Positive both SS23 and FW23 initial order intake delivered on time, but negatively affected by lower in-season reorders as consequence of the un-favorable weather condition in May and September '23.

## FRANCHISING (8% OF TOTAL SALES): +0.8% YoY

- Perimeter is slightly negative (-1,4% vs 9m22) more than compensated by positive timing effect on deliveries.

## DOS (36% OF TOTAL SALES): - 5.5% YoY

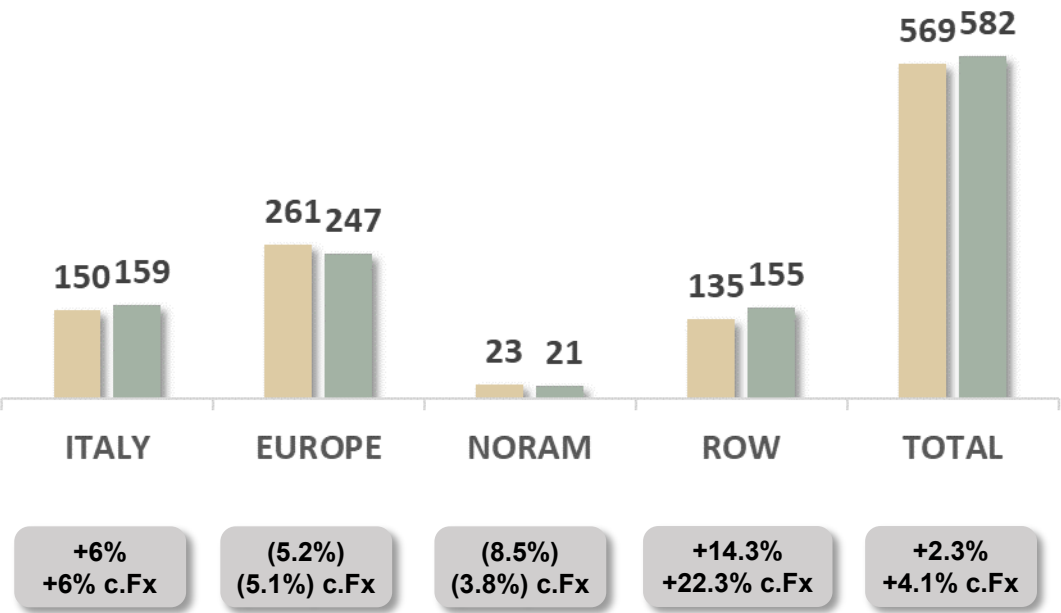
- Brick & Mortar: negative by 6.1% as result of a slightly positive LFL performance (+2.7%) that only partially offset the negative perimeter effect (- 57 DOS vs 9m22).
- ONLINE: negative by 2.3% mainly due to negative LFL by -3%. (YTD W44 the channel fully recovered the gap and turned positive).

# Net sales by region

**ROW countries well performed in 9m23 driving sales increase**

€m

9m22 9m23



**ITALY (27% OF TOTAL SALES): +6% YoY**

- Wholesale: double digit positive.
- Franchising and DOS driven by negative perimeter effect.

**EUROPE (42% OF TOTAL SALES): - 5.2% YoY**

- Wholesale: negative mid single digit mainly driven by online players' lower in-season re-orders and Germany weak performance.
- Franchising and DOS driven by negative perimeter effect.

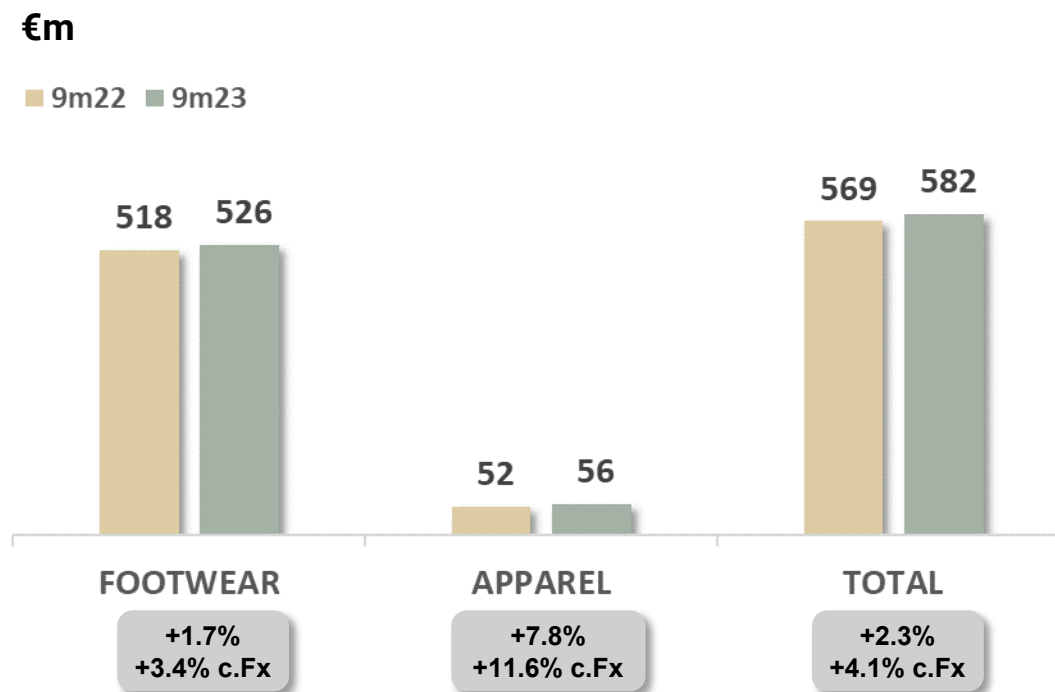
**NORAM (4% OF TOTAL SALES): - 8.5% YoY**

- Wholesale mid single digit positive.
- DOS LFL high single digit positive as well.
- Perimeter eff. is negative due to the completion of the rationalization in Canada.

**ROW (27% OF TOTAL SALES): +14.3% YoY**

- APAC: +10.7% driven by positive performance in both DOS and WHS
- MEA regions delivered strong positive performance thanks to new doors opened delivered together with local distributors

# Net sales by product

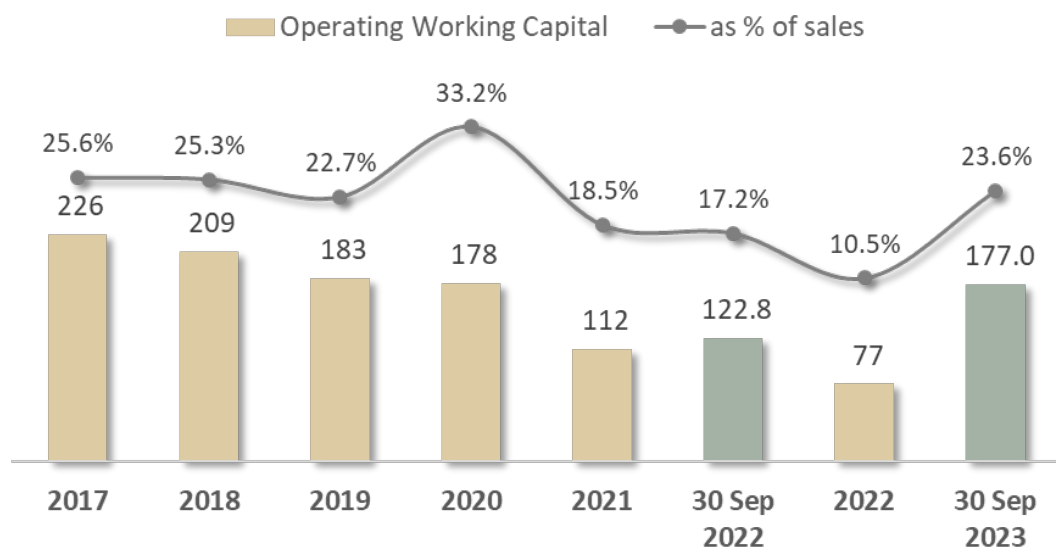


- Sales increase positive both in FOOTWEAR (+3.4% YoY c.FX) and Apparel (+11.6% c.Fx).
- Apparel performed double-digit positive performance as compared to 9m22. This relates to a positive performance coupled with a favorable comparative base characterized by RTW products being scarce as a result of the September '22 fire event.



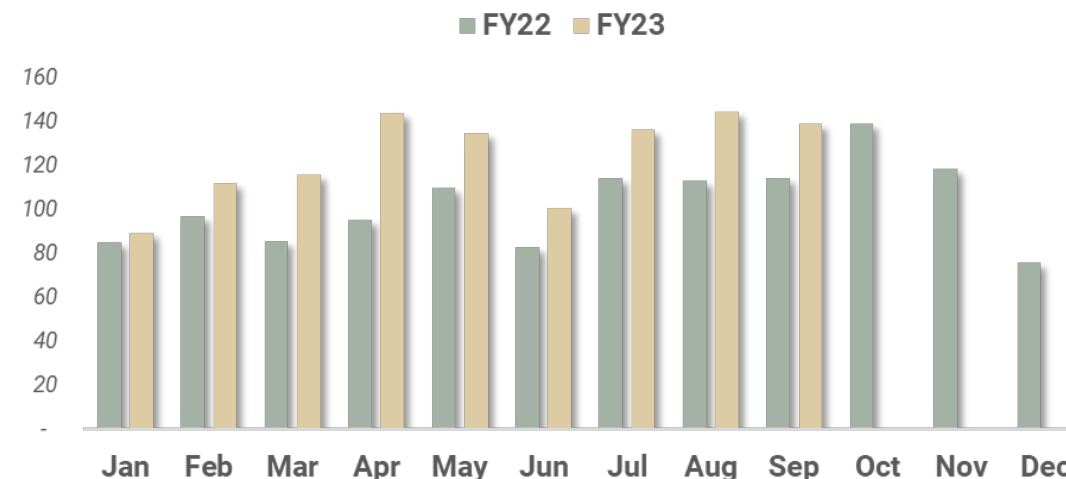
# Financials – Working capital & Bank Net Debt

## Operating Working Capital



	30 Sep 22	31 Dec 22	30 Sep 23	Δ vs Dec22
<b>Operating Working capital</b>	<b>122.8</b>	<b>77.1</b>	<b>177.0</b>	<b>99.9</b>
Inventories	259.1	290.2	259.0	(31.2)
Trade Receivables	144.4	84.0	151.0	67.0
Trade Payables	(280.7)	(297.1)	(233.0)	64.1
<b>as % of LTM Net sales</b>	<b>17.2%</b>	<b>10.5%</b>	<b>23.6%</b>	

## Bank Net Debt\*



- Bank Net Debt\* as of 30 Sept'23 amounts to €139.1 million, (€114.2m at 30 Sept 22).
- The positive fair value of derivatives amounted to €10.1 million (+€69.6m Sept 22) as of September 30, 2023. Consequently the negative NFP ante IFRS16 results equals to €129.0 million.
- The temporary cash absorption is primarily driven by the Net working capital's swing, linked to the seasonal dynamics.

\* Net debt ante IFRS16 ,excluding derivatives accounting

# Outlook

## FY23 TARGET

- Sales
  - Positive low to mid single digit (Organic - c.Fx)
  - Substantially FLAT (Reported)
- Gross Margin : guidance raised to:  
+250 / +300 BPS FY

PLEASE WOULD YOU CONSIDER VERY HIGH  
FORECAST UNCERTAINTY DUE TO GEO-POLITICAL  
SITUATION AND VARYING INFLATIONARY  
ENVIRONMENT

## Considering the followings:

- WHS: FW23 initial orders intake delivered low double-digit growth, however in-season re-orders are assumed to be lower vs last year due to Q3 (Sept) performance deeply affected by unusual and adverse weather condition with an impact both on LFL and on in-season re-orders from WHS.
- The supply chain improved reliability has driven to material early deliveries in Q1 and Q3 resulting in a positive alteration of the comparison base for WHS and Franchising channels then almost fully re-absorbed by a consequent negative timing in Q2 and Q4.
- Franchising and DOS channels are assumed to deliver in Q4 the same dynamics experienced in first nine months with positive LFL not fully offsetting the negative perimeter effect due to the completion of network rationalization.
- Consumer confidence is deeply concerned by the persistence of high inflation rates and the dramatic geo-political environment.

## And provided that:

- Continued reduction in rebates in DOS.
- Supply chain/transportation reliability continues to be in line with 2023 standards.
- No further impact on consumer confidence from the current macroeconomic scenario.
- No meaningful deterioration of current risks and uncertainties.
- No further material de-valuation currency exchange rates in the markets relevant to the group.

# Annexes

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**GEOX**

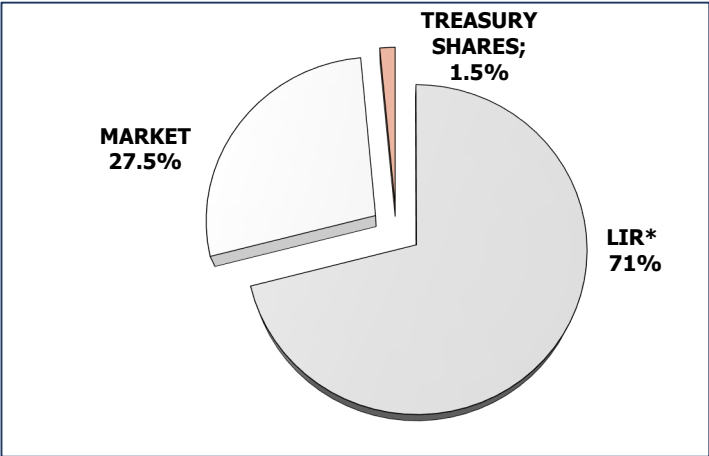




# Governance and Contacts



## SHAREHOLDERS



\*MORETTI POLEGATO'S FAMILY

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## BOARD OF DIRECTORS

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