

# GEOX

9M22 SALES PRESENTATION

Livio Libralesso, CEO



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# 9M22 SALES: EXECUTIVE SUMMARY

## 9M22 SALES

THE SECOND PHASE OF THE BP ("BIGGER & BETTER") IS CONTINUING TO BRING THE EXPECTED RESULTS. IT AIMS AT RELAUNCHING THE BRAND THROUGH A NEW STRATEGIC MARKETING PROJECT AND A NEW OMNICHANNEL BUSINESS MODEL FOCUSED ON THE CENTRALITY OF CUSTOMERS AND DISTRIBUTION

- **TOTAL SALES AT 569.1 MLN€ (+22.8%) DRIVEN BY A POSITIVE GROWTH IN ALL CHANNELS. LFL DOS IN 3Q22 IS +5% VS 3Q19**
- **NET WORKING CAPITAL AT 123 MLN€ (17.2% OF TOTAL SALES vs 157 MLN€, 27.6% IN SEP 2021)**
- **NFP (ANTE IFRS16\*) AT -44.6 MLN€ (-64.3 MLN€ IN DEC 21 AND -95.5 MLN€ IN SEP 21)**

## CURRENT TRADING

- **DOS (W44): LFL YTD DOS +21% VS 2021 (FLAT VS 2019) WITH A RELEVANT IMPROVEMENT IN MARKDOWNS. A SOFT START IN 4Q22 MAINLY DUE TO LATE RECEIVINGS AND UNUSUAL WEATHER CONDITIONS**
- **WHOLESALE: SS23 INITIAL ORDER COLLECTION CONCLUDED WITH A DOUBLE DIGIT GROWTH**
- **SUPPLY CHAIN ISSUES AS PORT CONGESTION AND UNUSUAL FREIGHT COSTS ARE PROGRESSIVELY IMPROVING**

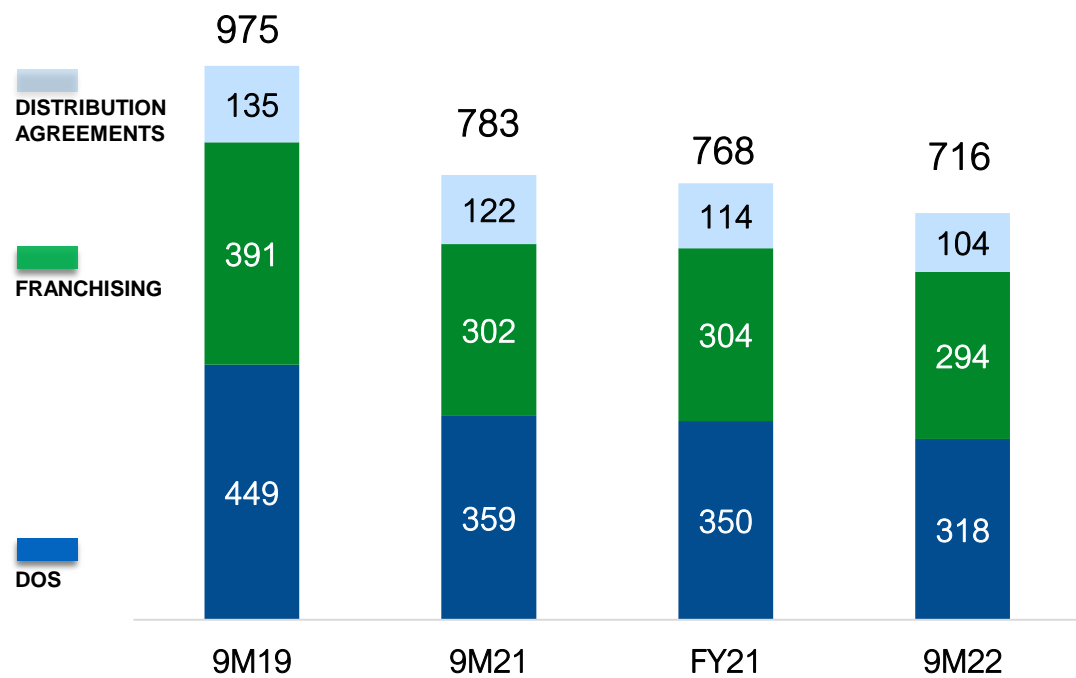


# 2019 -2022: DISTRIBUTION NETWORK RATIONALIZATION

## GEOX STORES EVOLUTION



NEW FLAGSHIP STORE IN CORSO VITTORIO EMANUELE, MILAN. OPENING SOON



## NET PERIMETER EFFECT

- 9M22 VS 9M21  
-67 STORES  
(-4.4 MLN€ IN TERMS OF SALES)
- 9M22 VS 9M19  
-259 STORES  
(-57.0 MLN€ IN TERMS OF SALES)

# COVID-19 IMPACTS: DOS LFL AND STATUS EVOLUTION

FY21 VS FY 20  
LFL +23%

FY21 VS FY 19  
LFL -20%

9M22 VS 9M21  
LFL +27%

9M22 VS 9M19  
LFL FLAT

LFL 3Q22

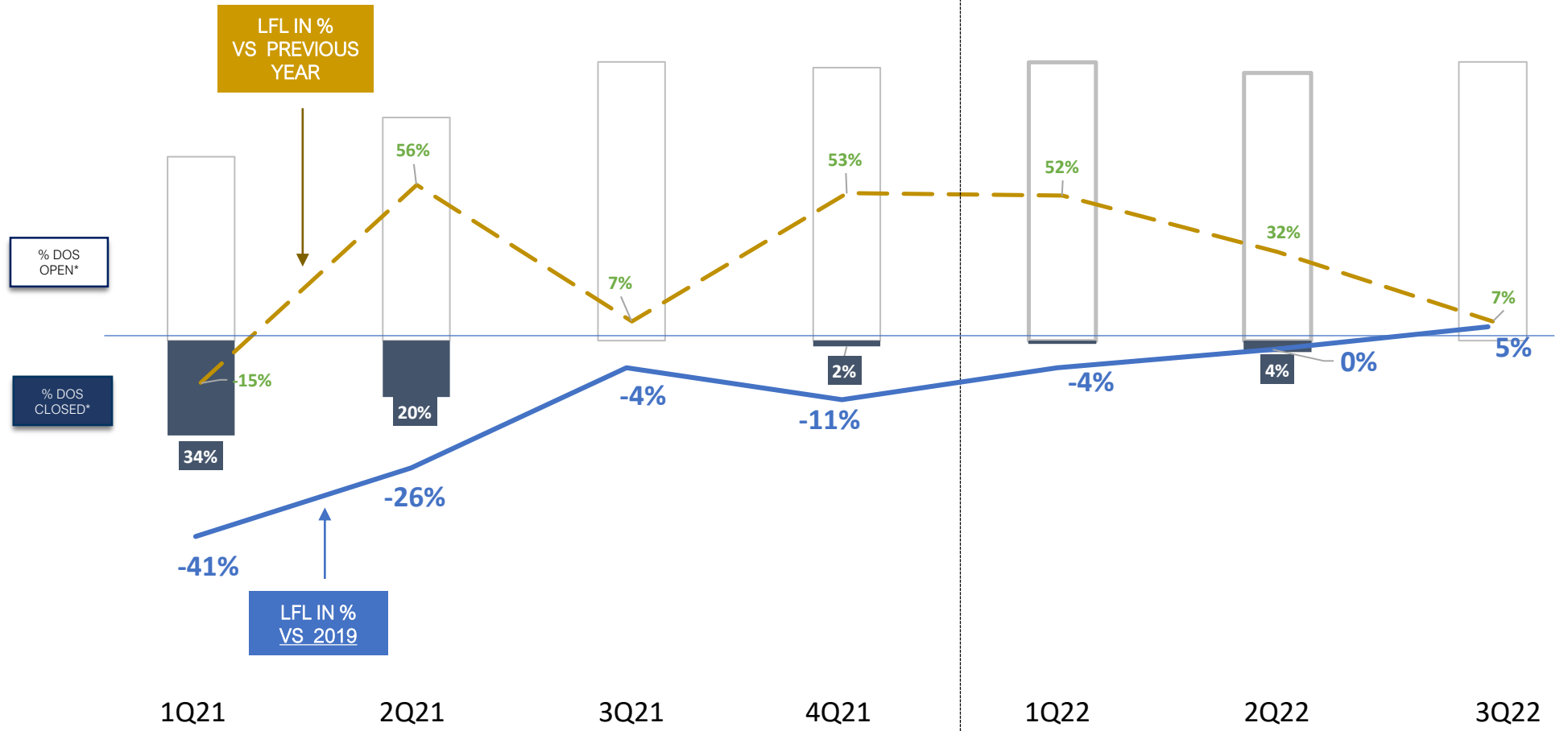
3Q22 vs 3Q21		3Q22 vs 3Q19	
LFL DOS	7%	LFL DOS	5%
B&M	10%	B&M	-1%
ONLINE	-9%	ONLINE	51%
% CLOSED	0%	% CLOSED	0%

LFL 9M22

9M22 VS 9M21		9M22 VS 9M19	
LFL DOS	27%	LFL DOS	0%
B&M	39%	B&M	-6%
ONLINE	-11%	ONLINE	56%
% CLOSED	1%	% CLOSED	1%

LFL YTD (W44):

- +21% VS 2021
- FLAT VS 2019



# 9M22 vs 9M21 NET SALES – B&M AND DIGITAL –



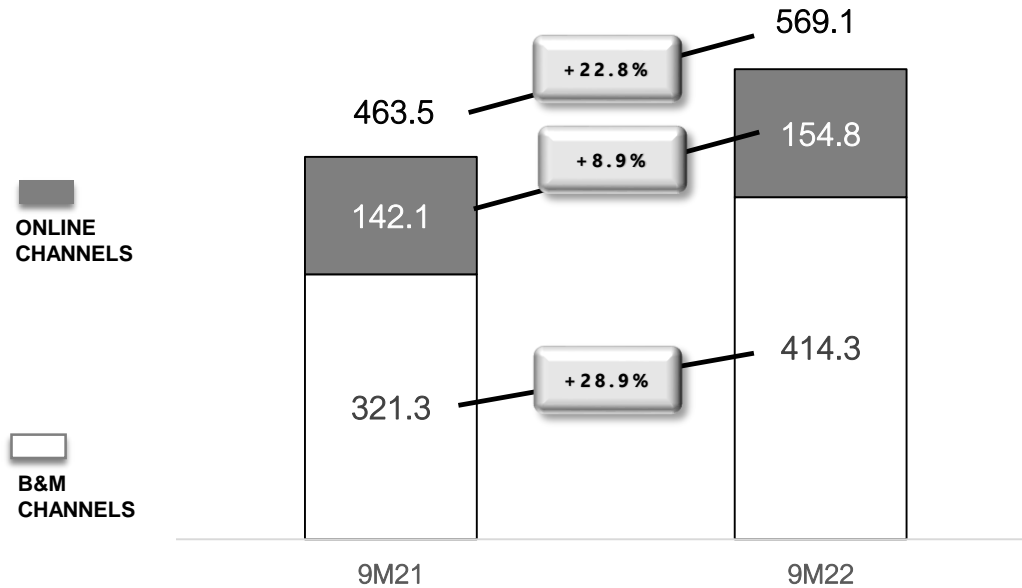
**DELTA 9M22 vs 9M21: +105.6 MLN€**

PERIMETER EFFECT\*: -4.4 MLN€  
PERFORMANCE: + 110 MLN€

## BREAKDOWN 9M22 SALES

**27%** DIGITAL

**73%** B&M



## DETAILS BY CHANNEL

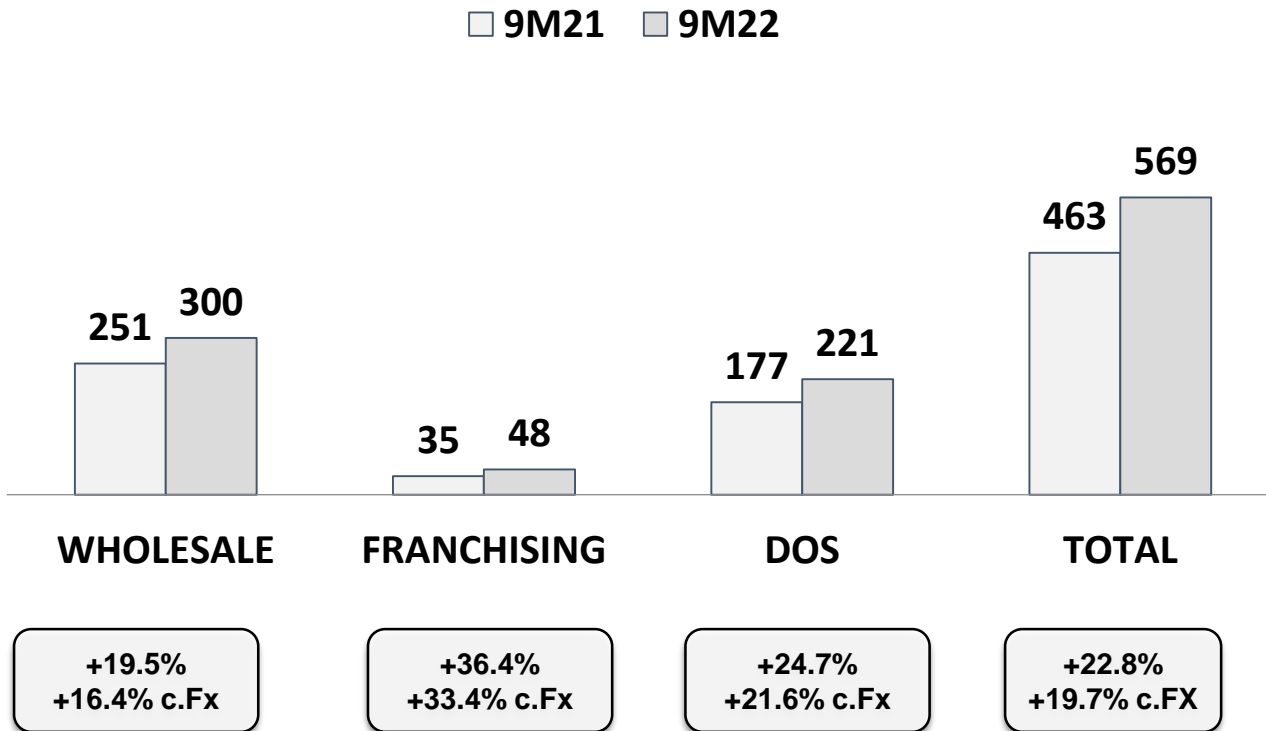
SALES BY CHANNEL	GROWTH	WEIGHT
	9M22 VS 9M21	% ON TOTAL SALES
WHOLESALE B&M	23.3%	32.1%
FRANCHISING	36.4%	8.5%
DOS B&M	33.0%	32.2%
<b>TOT. B&amp;M CHANNELS</b>	<b>28.9%</b>	<b>72.8%</b>
WHOLESALE ONLINE	14.0%	20.6%
DOS ONLINE	-4.3%	6.6%
<b>TOT. ONLINE CHANNELS</b>	<b>8.9%</b>	<b>27.2%</b>
<b>TOTAL SALES</b>	<b>22.8%</b>	<b>100.0%</b>

% DOS CLOSED FOR COVID 19 RESTRICTIONS

19%

1%

# 9M22 VS 9M21 NET SALES BY CHANNEL



**WHOLESALE (53% OF TOTAL REVENUES) : +19.5%**

- POSITIVE (DOUBLE- DIGIT) SS22 AND FW22 INITIAL ORDER INTAKE
- ORDERS CANCELLATIONS DUE TO SUPPLY CHAIN ISSUES HAVE BEEN SUBSTANTIALLY COMPENSATED BY A GOOD IN-SEASON MANAGEMENT (RE-ORDERS) SO FAR

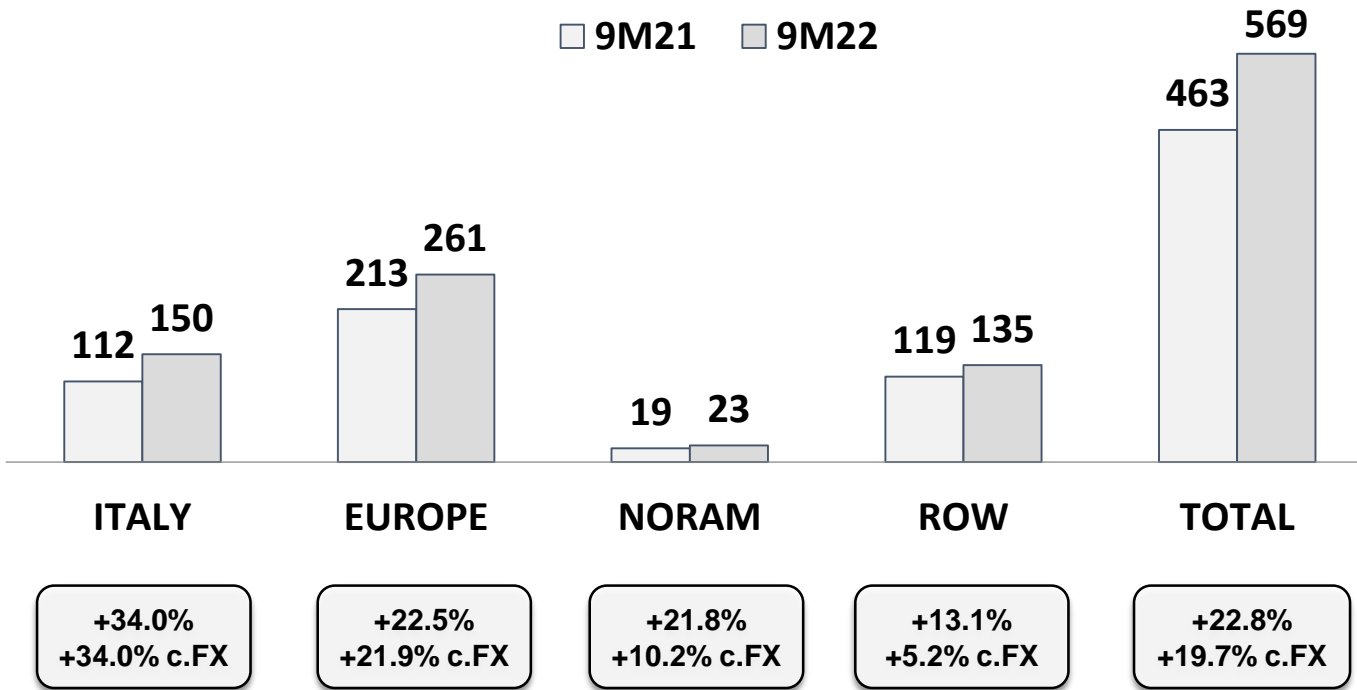
**FRANCHISING (8% OF TOTAL REVENUES): +36.4%**

- FRANCHISING (DEAL\*): +51% (LFL +32%)
- FRANCHISING (OUT OF DEAL\*): +11%

**DOS (39% OF TOTAL REVENUES): +24.7%**

- B&M: +33% (LFL +39%)
- ONLINE: -4% (LFL -11%, PERIMETER/MARKETPLACE +7%)

# 9M22 VS 9M21 NET SALES BY REGION



## ITALY (26% OF TOTAL REVENUES): +34.0%

- WHOLESALE: +28%
- FRANCHISING: +46% DRIVEN BY LFL +33% AND POSITIVE TIME EFFECTS ON DELIVERIES
- LFL DOS: +38% (B&M +42%; ONLINE SLIGHTLY NEGATIVE)

## EUROPE (46% OF TOTAL REVENUES): +22.5%

- WHOLESALE: +20%
- FRANCHISING: +49% (LFL +29% AND POSITIVE TIME EFFECTS ON DELIVERIES)
- LFL DOS: +26% (B&M +47%; ONLINE -15%)

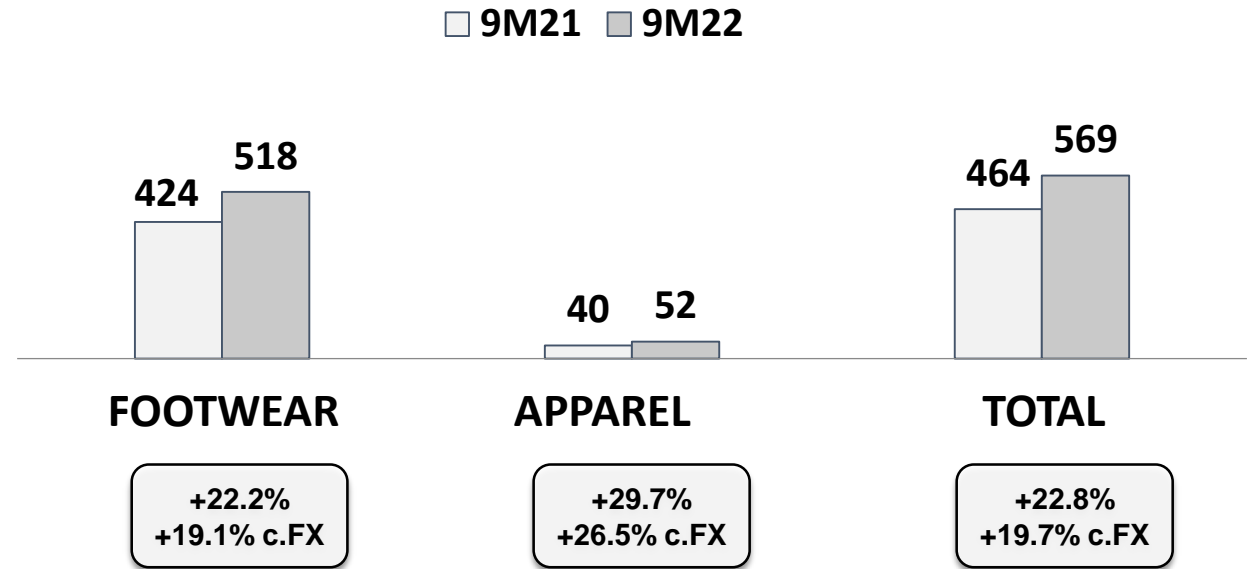
## NORAM (4% OF TOTAL REVENUES): +21.8%

- WHOLESALE: +8%
- LFL DOS: +28% (B&M +47%; ONLINE +4%)

## ROW (24% OF TOTAL REVENUES): +13.1%

- APAC FLAT IMPACTED BY THE RESTRUCTURING PROCESS IN JAPAN AND THE LOCKDOWN IN CHINA
- EASTERN EUROPE: +16% (LFL DOS +18%)

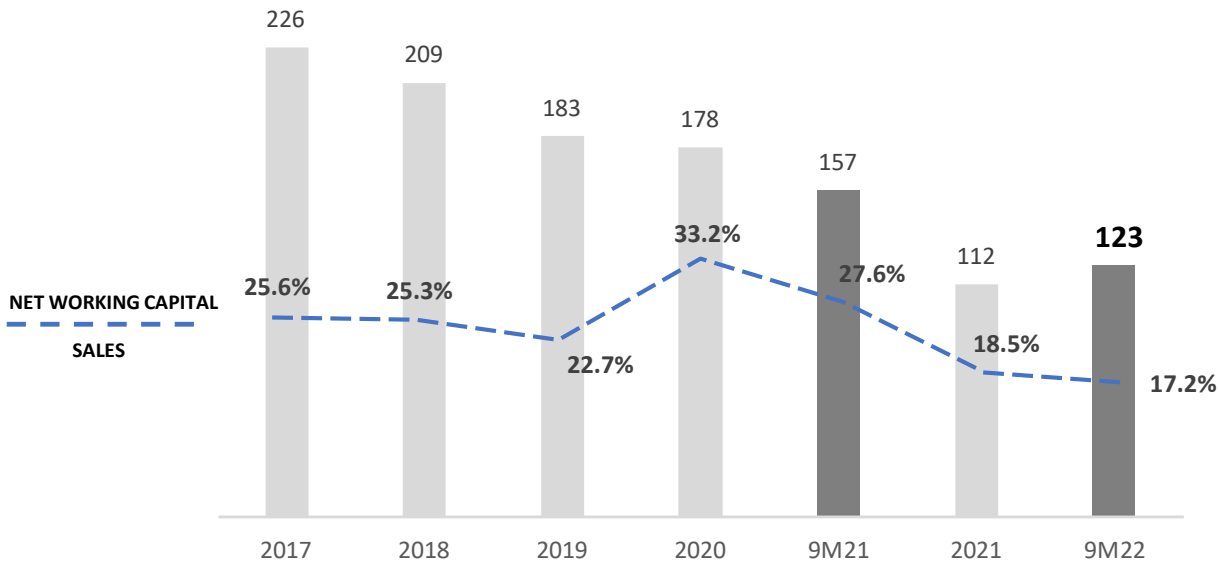
# 9M22 VS 9M21 NET SALES BY PRODUCT



● STRONGER PERFORMANCE FOR APPAREL, ALSO THANKS TO AN EASIER COMPARISON BASE  
 IN 4Q22, LOWER SALES ESTIMATED FOR APPAREL DUE TO THE FIRE THAT HIT THE WAREHOUSE (MORE DETAILS IN SLIDE 11 AND SLIDE 12)

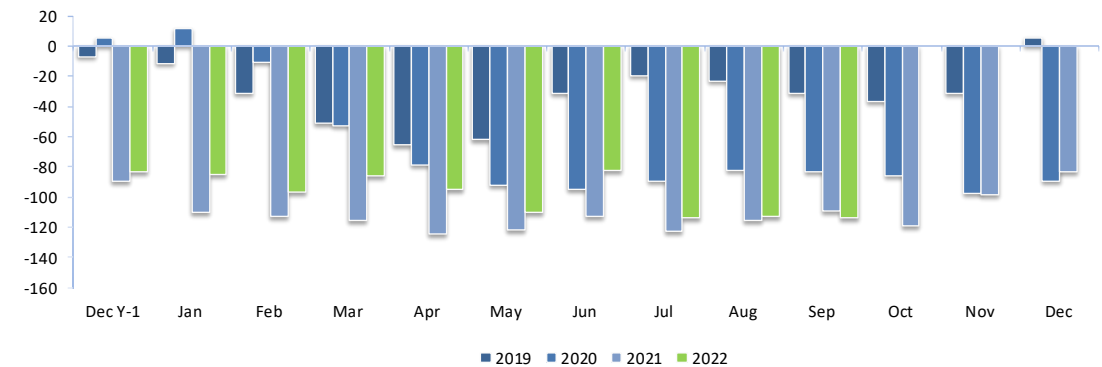
# 9M22 NET WORKING CAPITAL AND NET DEBT

## NET WORKING CAPITAL EVOLUTION (MLN€)



(EURO MLN)	SEP 30, 2022	DEC 31, 2021	SEP 30, 2021	DELTA 9M22 VS 9M21
INVENTORIES	259.1	240.3	241.4	17.6
ACCOUNT RECEIVABLES	144.4	68.9	129.5	14.9
ACCOUNT PAYABLES	(280.7)	(196.8)	(214.2)	(66.4)
<b>OP. WORKING CAPITAL</b>	<b>122.8</b>	<b>112.4</b>	<b>156.7</b>	<b>(33.9)</b>
<b>% ON SALES</b>	<b>17.2%</b>	<b>18.5%</b>	<b>27.6%</b>	<b>(10.6 p.p.)</b>

## NET DEBT (NFP ANTE IFRS 16 AND PRE FAIR VALUE ADJ OF DERIVATIVES)



- NET DEBT\* AT THE END OF SEPT 2022 AT -114.2 MLN€. IN Q3 GEOX ANTICIPATED PAYMENTS TO SUPPLIERS FOR 16 MLN€; THIS AMOUNT WILL BE FULLY REABSORBED WITHIN YEAR END.
- THE FAIR VALUE HEDGE OF DERIVATIVES WAS +69.6 MLN€ AT THE END OF SEPT
- OPERATING WORKING CAPITAL UNDER CONTROL AT 123 MLN€ (VS 112 MLN€ IN DECEMBER 2021 AND 157 MLN IN SEP 21)
- OPERATING WORKING CAPITAL AT 17.2% OF LTM SALES (18.5% IN DEC 2021)

# EVENT IN 4Q A FIRE HIT A THIRD-PARTY WAREHOUSE HANDLING PART OF THE CLOTHING PRODUCTS

- ❑ **EVENT:** AT THE END OF SEPTEMBER, A FIRE BROKE OUT AT A THIRD-PARTY WAREHOUSE. THIS LOGISTICS OPERATOR IS RESPONSIBLE FOR THE MANAGEMENT OF A SUBSTANTIAL PART OF GEOX APPAREL EXCLUDING E-COMMERCE. NO PEOPLE WERE HARMED AND, THANKS TO THE PROMPT INTERVENTION OF THE FIRE DEPARTMENT, THE FIRE WAS LIMITED TO A SMALL PART OF THE BUILDING
- ❑ **DAMAGE:** GARMENTS DESTROYED OR CONTAMINATED BY THE FUMES, HAVE NO POSSIBILITY FOR RECOVERY OR NEW PRODUCTION. THIS MAINLY AFFECTS THE REMAINING PART OF FW22 COLLECTION THAT HAD NOT YET BEEN DELIVERED TO CUSTOMERS AND DIRECTLY OPERATED STORES, AND TO A LESSER EXTENT, GARMENTS FROM PREVIOUS SEASONS.
- ❑ FW22 DELIVERIES WERE CLOSE TO COMPLETION AND OUR BEST ESTIMATE OF THE IMPACT IS:
  - AROUND 25% OF ORDERS FOR THE WHOLESALE AND FRANCHISING CHANNELS AND 30% OF ORDERS FOR OUR DIRECT STORES WILL NOT BE SHIPPED.
  - THEREFORE IT IS ESTIMATED THAT ABOUT EUR 12 MILLION OF LOST SALES AND 6 MILLION IN LOWER MARGINS WILL BE RECORDED **IN THE 4Q22**.
- ❑ **INSURANCE COVERAGE:** THE COMPANY HAS MORE THAN SUFFICIENT INSURANCE COVERAGE IN CASE OF SUCH EVENTS. FOR THE PART COVERED BY ORDERS, THE COMPANY IS INSURED AT NET “SELL IN” PRICE (ALSO INCLUDING ORDERS FROM ITS OWN RETAIL COMPANIES) WHILE FOR THE PART NOT COVERED BY ORDERS, MAINLY RELATING TO PREVIOUS COLLECTIONS, THE PRODUCTS ARE INSURED AT COST VALUE. IN ADDITION ALL THE OTHER DIRECT COSTS RELATING TO THE MANAGEMENT OF THE FIRE EVENT OR LINKED TO THE SAME WILL ALSO BE REIMBURSED, AS WELL AS ANY INDIRECT COSTS ON A FLAT-RATE BASIS.
  - THE TOTAL CLAIM PAID OUT WILL THUS BE HIGHER THAN THE AFOREMENTIONED ESTIMATE OF LOST SALES FOR 2022, SINCE IT INCLUDES GOODS THAT WOULD NOT HAVE BEEN SOLD IN 2022, DESTINED FOR JANUARY AND FEBRUARY SALES, AS WELL AS INVENTORY FROM PREVIOUS SEASONS THAT WAS DESTROYED. THE GROUP AND THE INSURANCE COMPANIES ARE STILL QUANTIFYING THE TOTAL AMOUNT.
  - **THE COMPANY THEREFORE ASSUMES THAT THIS EVENT WILL NOT IMPACT THE ECONOMIC RESULT OF THE YEAR.** ON THE OTHER HAND, THERE WILL BE SOME IMPACTS ON THE PRESENTATION OF THE INCOME STATEMENT ITEMS: (I) LOWER SALES TO THIRD PARTIES, (II) LOWER COMPARABLE SALES OF MONO-BRAND STORES, (III) LOWER MARGINS. THESE IMPACTS WILL BE FULLY OFFSET BY A SINGLE ITEM, PRESUMABLY STATED UNDER OTHER CHARGES AND INCOME. THE CORRECT AND BEST DISCLOSURE TO BE PROVIDED IN THE FINANCIAL STATEMENTS IS CURRENTLY UNDER DISCUSSION WITH THE AUDITING FIRM.
  - CASH WISE, THE COMPANY ASSUMES TO RECEIVE AN ADVANCE IN THE ORDER OF 25% OF THE INSURANCE REIMBURSEMENT WITHIN DECEMBER, WHILE THE RESIDUAL PART OF THE INSURANCE CLAIM COULD SHIFT TO THE BEGINNING OF 2023 WITH A POSSIBLE CONSEQUENT EFFECT ON THE NET FINANCIAL POSITION AS AT DECEMBER 2022.
- ❑ **ACTUAL SITUATION:** WAREHOUSE OPERATIONS FOR THE RECEIPT, QUALITY CONTROL, IRONING AND SHIPMENT OF GARMENTS NOT INVOLVED IN THE FIRE HAVE NOT BEEN IMPACTED, SINCE LOCATED IN A PART OF THE BUILDING NOT AFFECTED BY THE EVENT, WHILE WORK IS UNDERWAY TO RESTORE THE PART OF THE BUILDING THAT WAS AFFECTED BY THE FIRE AND FUMES IN ORDER TO RESTORE FULL STORAGE CAPACITY.

# FY22 OUTLOOK

## CONSIDERING THAT:

- ❑ Q3 DELIVERED A POSITIVE TREND ABOVE EXPECTATIONS (+15% ON LY)
- ❑ WEEK 44 (YTD) LFL IS +21% VS 2021 (FLAT VS 2019) WITH A RELEVANT IMPROVEMENT IN MARKDOWNS (-300 BPS VS 2021 AND -700 BPS VS 2019) DESPITE A SOFT START IN Q4 MAINLY DUE TO LATE RECEIVINGS AND UNUSUAL WEATHER CONDITIONS
- ❑ 4Q22 IS ASSUMED TO BE WEAKER THAN THE OTHER QUARTERS. THE TARGET IS TO BE FLAT ON LAST YEAR DUE TO:
  - LOWER SALES (12 MN€) AND LOWER MARGIN (6 MLN€) FOR APPAREL DUE TO THE FIRE THAT HIT THE WAREHOUSE. HOWEVER THE IMPACT ON P&L FROM THIS EVENT WILL BE TOTALLY OFFSET BY THE REIMBURSEMENT OF THE INSURANCE COMPANY CLASSIFIED UNDER OTHER INCOME
  - THE OVERALL IMPACT OF DELAYS ON DELIVERIES CAN BE ESTIMATED IN Q4 AT APPROXIMATELY 10 MLN€ OF LOWER REVENUES AND 8 MLN€ IN TERMS OF A LOWER GROSS MARGIN (5 MLN€ LINKED TO LOWER REVENUES AND 3MLN€ LINKED TO THE INCREASE IN AIR TRANSPORT COSTS).
  - THE GROUP IS PUSHING ON REORDERS AND THERE IS ROOM TO RECOVER A MATERIAL PART OF THE CANCELLATIONS GIVEN THE GOOD MOMENTUM OF THE BRAND ALSO SUPPORTED BY THE ADVERTISING CAMPAIGNS IN FW.
- ❑ THE MANAGEMENT IS CONTINUING TO IMPLEMENT AND REINFORCE ALL THE NECESSARY ACTIONS IN ORDER TO MITIGATE THE IMPACT, WITH A TIGHT COST CONTROL, OF THE WEAKER THAN EXPECTED GROWTH IN GROSS MARGIN DUE TO THE ONGOING GEO-POLITICAL, SUPPLY CHAIN AND ENERGY ISSUES

## THE MANAGEMENT REITERATES THE PREVIOUS GUIDELINES FOR THE FY22:

- ❑ TOP LINE: DOUBLE-DIGIT GROWTH IN ANNUAL REVENUES, > 700 MLN€.
- ❑ WHOLESALE: ESTIMATED AT A YEARLY GROWTH OF 15% (CLOSE TO FY19 LEVEL)
- ❑ GROSS MARGIN: AT LEAST FLAT ON LY WITH THE FULL RECOVERY IN 2H OF THE GAP (-60 BPS) REPORTED IN 1H.

## OTHER TOPICS:

- ❑ DOUBLE-DIGIT GROWTH FOR THE SS23 SALES CAMPAIGN INCLUDING A HIGH SINGLE DIGIT INCREASE IN SELLING PRICES AND SOME MARGIN EXPANSION
- ❑ SUPPLY CHAIN ISSUES (AS PORT CONGESTIONS AND A GREATER RECOURSE TO AIR FREIGHTS) THAT IMPACTED THE BUSINESS FOR A LARGE PART OF THIS YEAR ARE PROGRESSIVELY IMPROVING.

## THIS OUTLOOK IS BASED ON:

- 1) KEEP MAINTAINING A CAREFUL MANAGEMENT OF MARKDOWNS IN DOS
- 2) A PROGRESSIVE AND FURTHER IMPROVEMENT OF THE CONDITIONS IN THE SUPPLY CHAIN
- 3) NO MATERIAL CHANGE/WORSENING ON CONSUMER SPENDING



FORECAST UNCERTAINTY REMAINS VERY HIGH DUE TO THE EVOLUTION OF THE PANDEMIC, THE GEO-POLITICAL SITUATION AND THE INFLATIONARY ENVIRONMENT

# GEOX

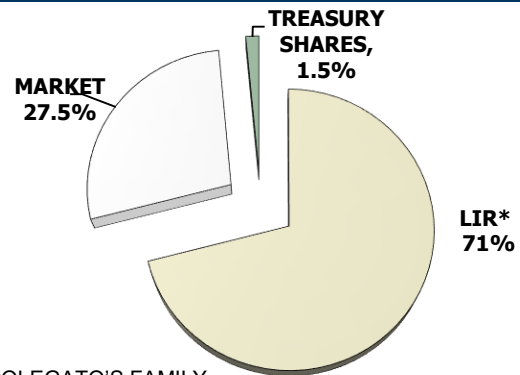
ANNEXES



# GEOX GOVERNANCE AND CONTACTS



## SHAREHOLDERS



\*MORETTI POLEGATO'S FAMILY

## BOARD OF DIRECTORS

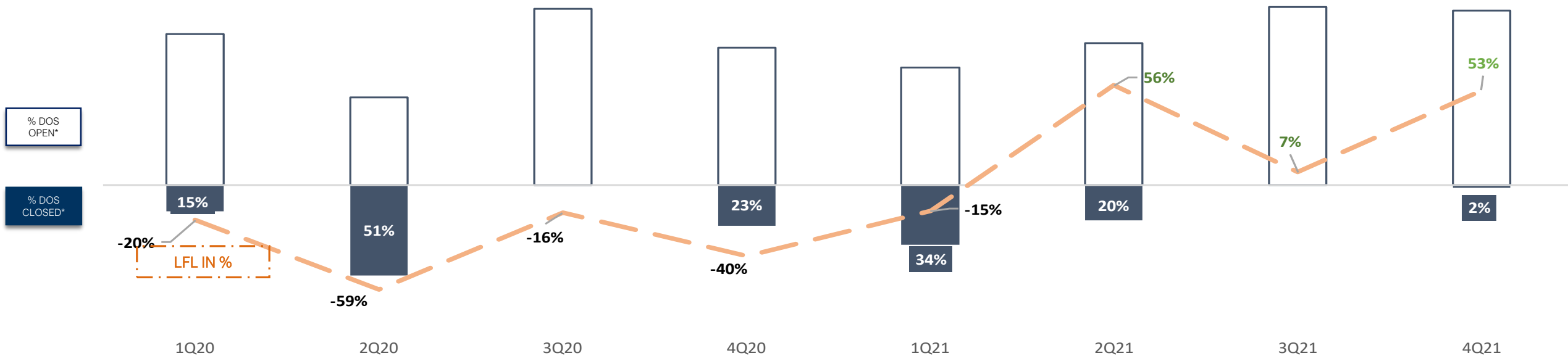
CHAIRMAN	MARIO MORETTI POLEGATO
CEO	LIVIO LIBRALESSO
DEPUTY CHAIRMAN	ENRICO MORETTI POLEGATO
DIRECTOR	CLAUDIA BAGGIO
DIRECTOR	ALESSANDRO GIUSTI
DIRECTOR	LARA LIVOLSI
INDIPENDENT DIRECTOR	SILVIA RACHELA
INDIPENDENT DIRECTOR	FRANCESCA MENEGHEL
INDIPENDENT DIRECTOR	SILVIA ZAMPERONI

## INVESTOR RELATIONS – CONTACTS -

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**TEL: +39 0423 282476**              **MOBILE:+39 335 1295349**

**GEOX S.P.A.**  
**VIA FELTRINA CENTRO, 16 - 31044 BIADENE DI MONTEBELLUNA,**  
**TREVISO (ITALY)**

# COVID-19 IMPACTS DOS LFL AND STATUS EVOLUTION



LFL VS 2019

	1Q20	2Q20	3Q20	4Q20
<b>LFL DOS</b>	<b>-20%</b>	<b>-59%</b>	<b>-16%</b>	<b>-40%</b>
<i>B&amp;M</i>	-25%	-72%	-21%	-55%
<i>ONLINE</i>	21%	59%	37%	45%
<b>%CLOSED</b>	<b>15%</b>	<b>51%</b>	<b>1%</b>	<b>23%</b>

	1Q21	2Q21	3Q21	4Q21
<b>LFL DOS</b>	<b>-38%</b>	<b>-25%</b>	<b>-3%</b>	<b>-9%</b>
<i>B&amp;M</i>	-55%	-33%	-11%	-13%
<i>ONLINE</i>	114%	48%	65%	24%
<b>%CLOSED</b>	<b>34%</b>	<b>20%</b>	<b>0%</b>	<b>2%</b>

LFL 2021 VS 2020

	1Q21	2Q21	3Q21	4Q21
<b>LFL DOS</b>	<b>-15%</b>	<b>56%</b>	<b>7%</b>	<b>53%</b>
<i>B&amp;M</i>	-32%	85%	6%	76%
<i>ONLINE</i>	85%	-7%	17%	-12%
<b>%CLOSED</b>	<b>34%</b>	<b>20%</b>	<b>0%</b>	<b>2%</b>

14% DOS CLOSED IN FY21  
 LFL +23% VS FY20 (B&M +25%, ONLINE +13%)  
 LFL -19% VS FY19 (B&M -28%, ONLINE +59%)

23% DOS CLOSED IN FY20  
 LFL -34% VS FY19 (B&M -41%, ONLINE +41%)

## GEOX DISTRIBUTION NETWORK RATIONALIZATION

	31-Dec-21	31-Dec-20	31-Dec-19	FY21 VS FY20 (DELTA STORES)	FY21 VS FY20 (PERIMETER EFFECT ON SALES, MLN€)	FY21 VS FY19 (DELTA STORES)	FY21 VS FY19 (PERIMETER EFFECT ON SALES, MLN€)
DOS	350	410	454	-60	-11	-104	-48.2
FRANCHISING	304	322	385	-18	-6.6	-81	-22.5
UNDER DISTRIBUTION AGREEMENTS	114	135	135	-21		-21	
<b>TOTAL</b>	<b>768</b>	<b>867</b>	<b>974</b>	<b>-99</b>	<b>-17.6</b>	<b>-206</b>	<b>-70.7</b>

## GEOX SHOPS NETWORK – EVOLUTION BY AREA -

	31-Dec-21		31-Dec-20		31-Dec-19	
	GEOX SHOPS	of which DOS	GEOX SHOPS	of which DOS	GEOX SHOPS	of which DOS
ITALY	200	128	226	139	272	148
EUROPE	210	117	246	142	270	159
NORTH AMERICA	20	20	24	24	37	37
ROW	338	85	371	105	395	110
<b>TOTAL</b>	<b>768</b>	<b>350</b>	<b>867</b>	<b>410</b>	<b>974</b>	<b>454</b>

## FY21 – EVOLUTION BY AREA -

	NET OPENINGS	OPENINGS	CLOSURES
ITALY	-26	4	-30
EUROPE	-36	2	-38
NORTH AMERICA	-4	-	-4
ROW	-33	27	-60
<b>TOTAL</b>	<b>-99</b>	<b>33</b>	<b>-132</b>