

9M 2014 Results Presentation

November 13, 2014



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9M 2014 key facts

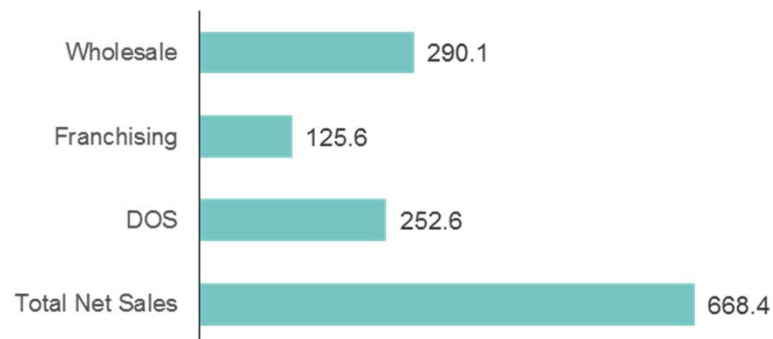
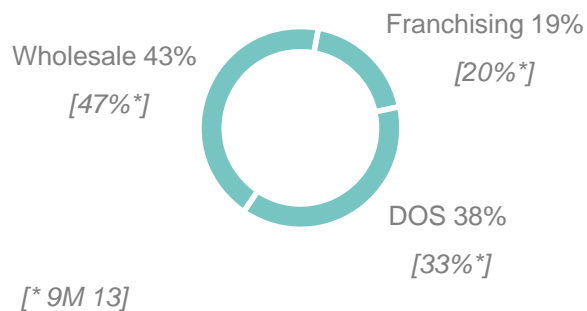
- Sales: Euro 668.4 million +8.1% (+8.8% constant FX)
- Directly Operated Stores Same Store Sales: +9.4% (vs -5.7% in 9M 13)
- EBITDA: Euro 46.3 million, 6.9% on sales (Euro 31.1 million in 9M 13*)
- EBIT: Euro 15.6 million (Euro -4.3 million in 9M 13**)
- Net Result: Euro 4.5 million (Euro -8.5 million in 9M 13)
- Net Financial Position: Euro -71.6 million
- 1,248 Geox Shops at the end of September



* 9M 2013 EBITDA includes non recurring costs, special items, equal to Euro 13.2 million

**9M 2013 EBIT includes special items (highlighted in the above note) and asset impairments (Euro 5.3 million) on investments made in the stores' network

Net sales breakdown by channel



Δ % 9M 2014	Current FX	Constant FX
Wholesale	-0.6%	+0.1%
Franchising	+2.4%	+3.8%
DOS	+24.1%	+24.2%
Total Net Sales	+8.1%	+8.8%

DOS: Directly Operated Stores

Wholesale: -0.6% (+0.1% at Constant FX) in particular:

- 1H 2014: -9.3% due to
 - ✓ a weak performance of Italy, Spain, Portugal
 - ✓ selective cancellation of orders of customers in financial difficulty
 - ✓ orders reduction due to a wide de-stocking process
- Trend reversed in 3Q14 with Fall/Winter 2014 season showing +13.1%**

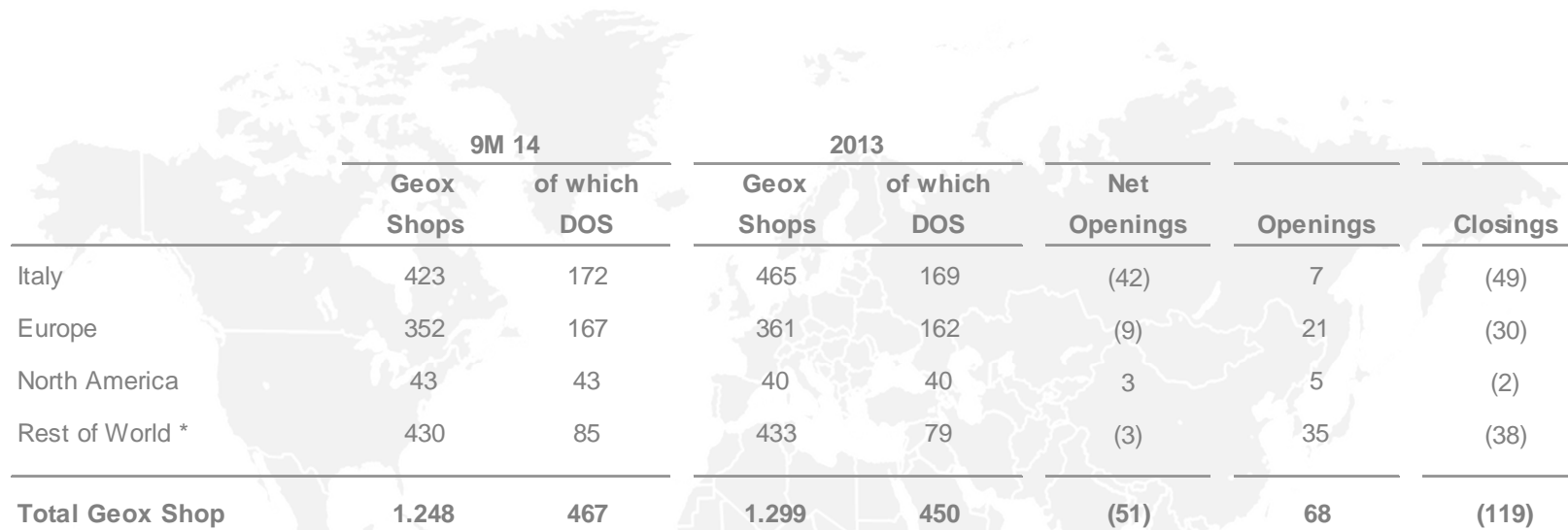
Franchising: +2.4% (+3.8% at Constant FX) due to:

- A positive comparable stores sales growth (+4.4% vs LY) partially offset by the expected closures of non performing stores and the conversions of Franchising locations to DOS, occurred during last year

DOS: +24.1% (+24.2% at Constant FX) due to space growth and comparable stores sales of +9.4% (9M2013: -5.7%)

- Fall/Winter 2014 season comparable store sales (from August 25 to November 9) +1.5% However the LFL STD of the Footwear products (excluding the Apparel one which have been discontinued) is up 7%
- Comparable store sales (from January 1 to November 9) +7.9%

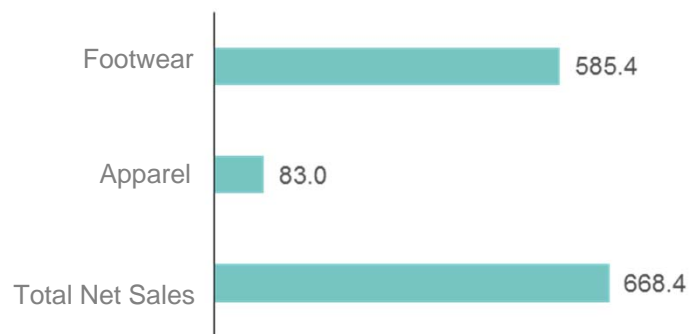
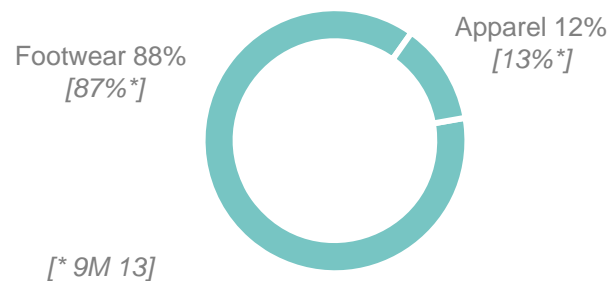
Geox shops network



	9M 14		2013		Net		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Openings	Openings	Closings
Italy	423	172	465	169	(42)	7	(49)
Europe	352	167	361	162	(9)	21	(30)
North America	43	43	40	40	3	5	(2)
Rest of World *	430	85	433	79	(3)	35	(38)
Total Geox Shop	1.248	467	1.299	450	(51)	68	(119)

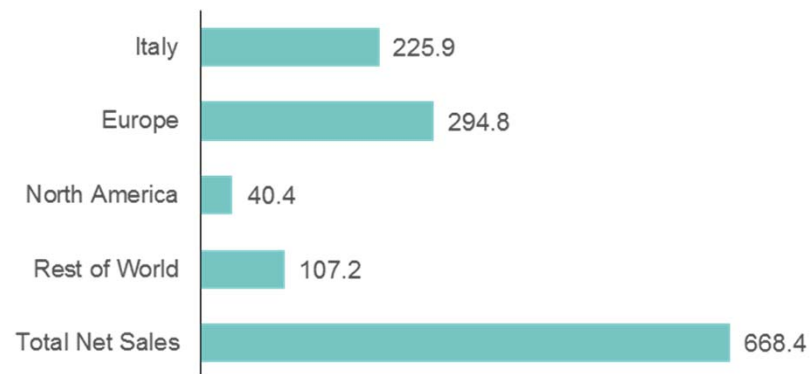
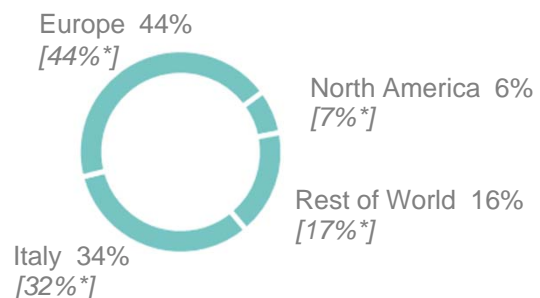
* includes Under Licence Agreement Shops (184 as of September 2014 and 176 as of December 2013) which are shops opened under license by partners in the Middle East and in the Far East. Sales from these shops are not included in the franchising channel.

Net sales breakdown by product



	Δ % 9M 2014	Current FX	Constant FX
Footwear		+8.7%	+9.4%
Apparel		+4.6%	+5.1%
Total Net Sales		+8.1%	+8.8%

Net sales breakdown by region



[* 9M 13]

	Δ % 9M 2014	Current FX	Constant FX
Italy		+13.6%	+13.6%
Europe		+8.5%	+8.4%
North America		-1.0%	+1.2%
Rest of World		+0.6%	+3.6%
Total Net Sales		+8.1%	+8.8%

Rest of World:

- Weak performance of Ukraine
- The APAC region, which represents 7% of 9M 14 Total Net Sales, reported a 3.2% growth (+5.1% in constant currency)

Europe includes: Germany, France, Spain, Portugal, Benelux, Austria, Switzerland, UK, Scandinavia

Summary income statement

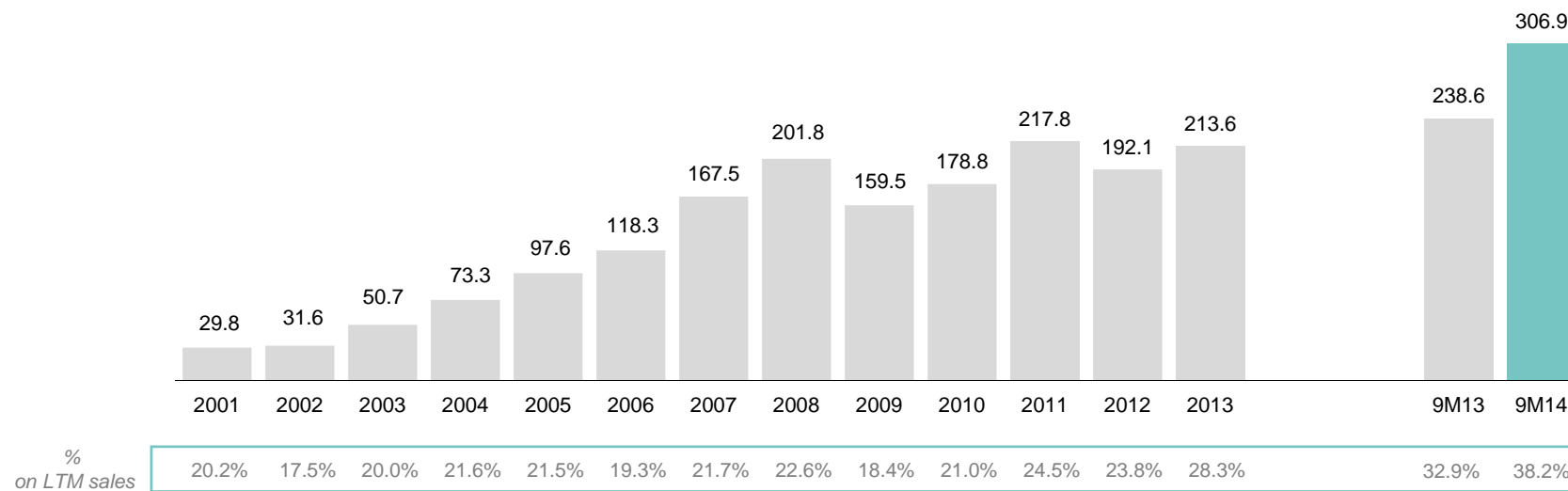
(Euro.m)	9M14	%	9M13	%
Net Sales	668.4	100%	618.1	100%
<i>YoY growth</i>	8.1%		(11.9%)	
Cost of sales	(351.6)	(52.6%)	(331.8)	(53.7%)
Gross Profit	316.8	47.4%	286.3	46.3%
Selling & Distribution	(39.1)	(5.9%)	(38.8)	(6.3%)
G&A	(231.3)	(34.6%)	(205.4)	(33.2%)
A&P	(30.7)	(4.6%)	(27.9)	(4.5%)
EBIT adj	15.6	2.3%	14.3	2.3%
Special items	-	0.0%	(13.2)	(2.1%)
Asset Impairment	-	0.0%	(5.3)	(0.9%)
EBIT	15.6	2.3%	(4.3)	(0.7%)
Net Interest	(5.3)	(0.8%)	(3.5)	(0.6%)
EBT	10.3	1.5%	(7.8)	(1.3%)
Income Taxes	(5.8)	(0.9%)	(0.7)	(0.1%)
<i>Tax rate</i>	56%		(9%)	
NET INCOME	4.5	0.7%	(8.5)	(1.4%)
EBITDA	46.3	6.9%	31.1	5.0%

- G&A increase mainly reflects the costs for the new Geox store openings and the conversions to directly operated stores of store locations previously managed by some franchisees, occurred in 2013

Summary balance sheet

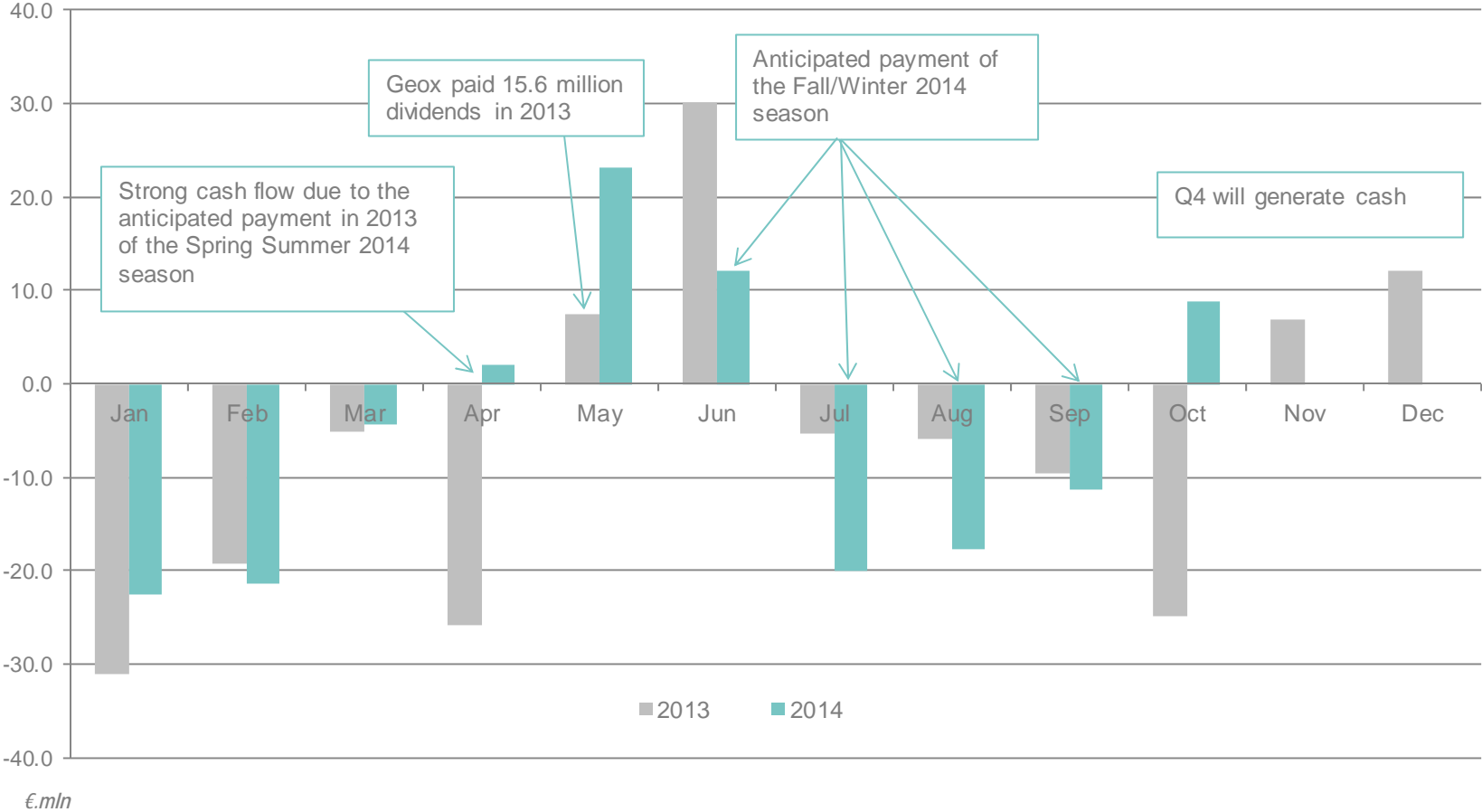
(Euro.m)	Sept, 2014	Dec, 2013	Sept, 2013
Intangible Assets	57.5	64.0	64.9
Tangible Assets	61.6	65.3	62.7
Other Fixed Assets, net	54.6	67.3	59.0
Total Fixed Assets	173.6	196.7	186.6
Operating Working Capital	306.9	213.6	238.6
Other current assets (liabilities), net	(21.2)	(18.4)	(21.2)
Invested Capital	459.3	391.9	403.9
Net Financial Position (Cash)	71.6	28.2	17.0
Staff Severance and Risk Fund	8.8	8.2	9.9
Shareholders' Equity	378.9	355.4	377.0
Invested Capital	459.3	391.9	403.9

Operating working capital



(Euro.m)	<u>9M13</u>	<u>9M14</u>
Inventories	205.2	242.2
Account receivables	166.0	180.0
Account payables	<u>(132.7)</u>	<u>(115.2)</u>
Operating Working Capital	<u>238.6</u>	<u>306.9</u>
<i>% on LTM sales</i>	32.9%	38.2%

Cash Flow



Summary Cash Flow Statement

(Euro.m)	9M 14	9M 13	2013
Net result	4.5	(8.5)	(29.7)
Depreciation & Amortization	30.7	35.3	45.3
Other Non-Cash Items	15.4	10.9	(5.1)
Funds from Operations	50.6	37.7	10.4
Change in Operating Working Capital	(105.9)	(72.5)	(40.1)
Change in Other Current Assets, net	3.2	8.0	7.9
Operating Cash Flow	(52.1)	(26.7)	(21.7)
Capital Expenditures	(22.7)	(28.1)	(40.1)
Disposals	2.8	0.6	0.6
Capital expenditures, Net	(19.9)	(27.5)	(39.5)
Free Cash Flow	(72.1)	(54.2)	(61.2)
Dividends	0.0	(15.6)	(15.6)
Change in Net Financial Position	(72.1)	(69.8)	(76.7)
Net Financial Position prior to fair value adj, beg. of the period	(18.3)	57.8	57.8
Changes in Net Financial Position	(72.1)	(69.8)	(76.7)
Effect of translation differences	(1.7)	0.5	0.6
Net Financial Position prior to fair value adj, end of the period	(92.1)	(11.5)	(18.3)
Fair value adjustment of derivative contracts	20.5	(5.5)	(9.9)
Net Financial Position	(71.6)	(17.0)	(28.2)

Includes CAPEX for new stores and store refurbishment (11.8 million in 9M14)

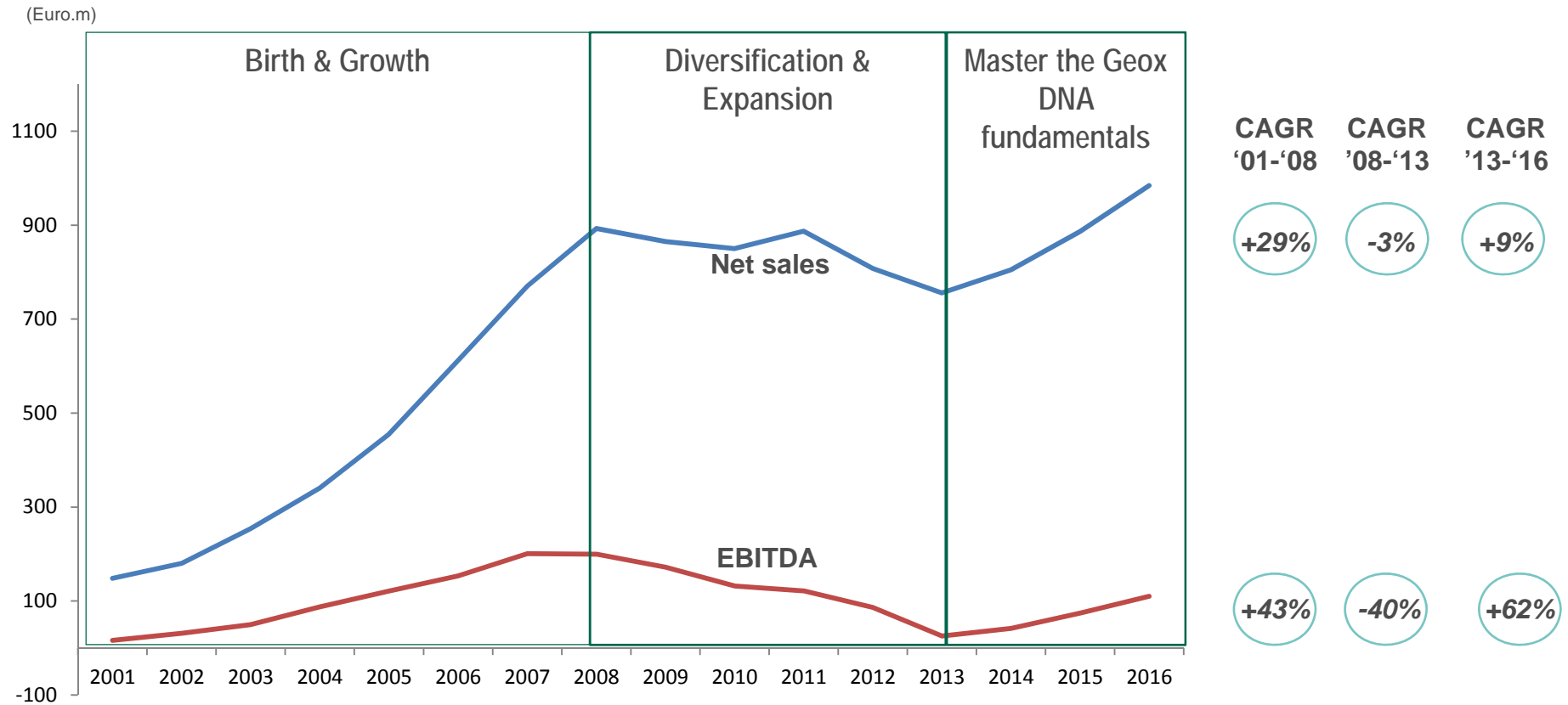
Outlook

- The 2014-2016 Business Plan is based on steps aimed to:
 - ✓ focus on our core brand identity and core promise
 - ✓ focus on the core business: everyday business and leisure shoes and outerwear
 - ✓ invest on core product innovation
 - ✓ simplify the business complexity to become more effective and cost efficient
 - ✓ specialize the organization:
 - in terms of product and supply chain, from design through factories to stores
 - in terms of channel: retail specialization vs wholesale specialization (from HQ through territory)
 - ✓ rationalize the network of monobrand stores in EMEA and expanding in APAC
 - ✓ improve the Gross Margin

- Thanks to the results achieved in the first nine months and to expectations of a positive fourth quarter compared with the same period last year, management confirms the objectives laid down in the Business Plan for 2014 with an increase in **turnover to around Euro 800 million** and a return to **break-even in terms of EBIT**. These results depend on the following events taking place:
 - ✓ confirmation of the growth in the **DOS channel**, thanks to around 10 additional net openings and an increase in comparable sales by the existing stores;
 - ✓ stabilization of the **wholesale channel**, which by now has already been achieved, thanks to the growth in orders for the 2014 Fall/Winter season, which compensates for the weakness seen in the first half of the year;
 - ✓ these positive performances by the wholesale channel and directly operated stores are sufficient to offset the slight decline expected in the **franchising channel**, mainly due to the slowdown in new openings envisaged in the Business Plan and an acceleration of the rationalization process by closing non-performing stores. The Geox Group is implementing the techniques and processes that have already been applied to the network of directly operated stores also in the franchising channel and consequently management is assuming that the improvement in comparable sales already achieved in this channel during the nine months will continue in the fourth quarter as well;
 - ✓ confirmation, also in the fourth quarter, of the improvement in **gross margins** already reflected in the order book, thanks to a combination of pricing, fewer sales promotions and reduced operational complexity;
 - ✓ the current context of unfavourable **exchange rates** for Groups that consolidate their foreign sales in euro does not produce any significantly adverse translation effect as it did in the first nine months.

- With regard to the **first half of 2015**, orders from the **wholesale channel** are confirming the expected growth in the EMEA region, which represents the Group' main market, and a strong performance of Eastern Europe countries, but are also showing a reduction in the visibility and performance, in the short term, in China and Hong Kong, that are experiencing a consumption slowdown. **The order backlog for Spring/Summer 2015 season is confirming the expected increase of gross margin.**

2014-2016 Geox business plan



Financial targets

(Euro.m)	2013	2014E	2015E	2016E
Net Sales	754	~805	~887	~985
Growth Rate %		~+6%	~+10%	~+11%
EBITDA%	3.3%	~ 5%	~ 8%	~ 11%
EBIT%	-2.1%	~ b.e. ^(*)	~ 4%	~ 7%
CAPEX	40	~45	~42	~42

* Break even

Annex



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Key assumptions to achieve financial targets

Retail Key Assumptions

Net new openings

	2014	2015	2016	Total
DOS	17	34	36	87
FRA	4	37	36	77
OUTLET	7	1	1	9
Total	28	72	73	173

→ Space effect
Margin effect

Like for like

	2014	2015	2016	Total	CAGR 2013-2016
DOS	4%	5%	6%	16%	5%
FRA	3%	2%	4%	9%	3%
OUTLET	5%	5%	4%	14%	4%

→ Full price sell-through increase

Markdown reduction

	2014	2015	2016	Total
DOS	-1%	-1%	-1%	-3%
FRA	-2%	-2%	-1%	-5%

→ Retail margin increase

Key assumptions to achieve financial targets

Wholesale Growth rates

	2014	2015	2016	TOTAL	CAGR 2013-2016
EMEA + NA	-4%	9%	11%	17%	5%
APAC	27%	32%	29%	117%	29%
TOTAL	-1%	12%	14%	25%	8%

→ Operating leverage effect

Gross Margin Increase

	2014	2015	2016	TOTAL	AVERAGE
Commercial Policy and COGS reduction	1.1%	1.6%	0.6%	3.3%	1.1%
Channel mix effect	0.8%	-0.1%	0.0%	0.7%	0.2%
Total	1.9%	1.5%	0.6%	4.0%	1.3%

Shareholders		Board of Directors	
Lir S.r.l. (**)	71%	Chairman	Mario Moretti Polegato
Market	29%	CEO	Giorgio Presca
		Deputy Chairman	Enrico Moretti Polegato
		Director	Claudia Baggio
		Director	A. Antonio Giusti
Total N° of Shares	259,207,331	Independent Director	Duncan L. Niederauer
		Independent Director	Roland Berger
		Independent Director	Fabrizio Colombo
		Independent Director	Lara Livolsi

(**) Moretti Polegato's family

2014 Financial Calendar		Investor Relations Contacts	
March 6	BoD - FY2013	Marina Cargnello - IR	ir@geox.com
April 16	Shareholders' meeting - FY2013	Tel: +39 0423 282476	Mobile: +39 334 6535536
May 15	BoD - 1Q2014	Livio Libralesso - CFO	
July 31	BoD - 1H2014		
November 13	BoD - 9M2014		
		Geox S.p.A.	www.geox.biz
		Via Feltrina Centro, 16	
		31044 Biadene di Montebelluna, Treviso (Italy)	

Note and Disclaimer

2014-2004 figures are reported under IAS/IFRS; 2003-2001 figures under Italian GAAP. Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward looking statements. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Geox S.p.A. shares. Any reference to past performance is not a guide to future performance.

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