PRESS RELEASE - FIRST HALF 2019 RESULTS[1]

# SALES OF EURO 399.4 MILLION RECORDED IN THE FIRST HALF OF THE YEAR (-3.5% AT CURRENT FOREX, -3.6% AT CONSTANT FOREX), FOLLOWING THE OPTIMISATION OF THE SALES NETWORK AND THE UNFAVOURABLE WEATHER CONDITIONS IN THE SECOND QUARTER. SALES GENERATED BY THE DIRECT E-COMMERCE CHANNEL CONTINUED TO RECORD STRONG GROWTH (+26%).

## GROSS MARGIN PERFORMANCE IMPROVED SLIGHTLY (+50 BPS).

## EBITDA[2] AT EURO 18.7 MILLION (EURO 25.2 MILLION IN THE FIRST HALF OF 2018).

## NET FINANCIAL POSITION[1] (PRIOR TO THE EFFECTS OF IFRS 16) AT EURO – 30.8 MILLION (EURO - 19.7 MILLION IN JUNE 2018).

## NEW IMPORTANT PARTNERSHIPS WITH WWF AND DISNEY FOR THE UPCOMING CHILDREN'S COLLECTIONS.

**Biadene di Montebelluna, July 30, 2019** – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), today approved its consolidated results for the first half of 2019.

Matteo Mascazzini, Chief Executive Officer of Geox, commented: "The first half of 2019 presented particularly challenging conditions, characterised by extremely unusual weather in April and May (cold and rain), which led to a delayed start to the 2019 spring-summer season, forcing all the major brands to intensify and bring forward their promotional activities in order to counter the decline in sales at the start of the season.

In this context, Geox recorded a 3.5% decrease in revenues, with volatile like-for-like sales performance in directly-operated stores (positive in the first quarter, negative in the second) and a drop in sales in the wholesale and franchising channels, which were affected, respectively, by the ongoing rationalisation process, aimed at reducing the financial risk of the business and supporting the brand's image, and the optimisation of the store network.

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[1] The IFRS 16 reporting standard came into force on January 1, 2019. The figures in this press release and the relative comments, unless otherwise specified, **exclude** the effects of applying this standard in order to allow for a correct comparison with the previous year.
The new standard provides a new definition of a lease and introduces criteria based on the control (right of use) of an asset in order to distinguish between lease contracts and service provision contracts, identifying the following determining factors: identification of the asset, the right to replace the asset, the right to obtain substantially all economic benefits from using the asset and, lastly, the right to direct the use of the asset underlying the contract.
The standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which states that leased assets, including those under operating leases, must be recognised under assets with a corresponding entry under financial payables.
The attached tables show the individual effects of applying the new standard for Geox Group at June 30, 2019.

[2] Calculated using the same reporting standards as the previous year, and therefore excluding the effects of adopting the new IFRS 16 reporting standard.

The e-commerce channel, on the other hand, recorded double-digit growth in both the first quarter (+25%) and second quarter (+26%) and only seems to have been marginally affected by the adverse weather conditions.

The Group continued to focus on optimisation initiatives, in terms of both industrial and operating margins. During the first half of 2019, actions continued to improve the industrial margin; despite being partially offset by the decline in margin performance resulting from the higher number of promotional sales in the second quarter, the effects of these actions nonetheless led the gross margin to increase slightly.

With regard to the operating margin, measures continued to keep a tight control over costs, also to limit any higher expenses resulting from the increase in the number of directly operated stores, which went from 436 at the end of June 2018 to 448 at the end of June 2019. However, these actions were not able to fully offset the fall in profitability caused by the decline in sales.

With regard to balance sheet performance, the Group has confirmed its solidity. Debt is contained at Euro 30.8 million (Euro 19.7 million in the first half of 2018) and the working capital to sales ratio reduced slightly (29.0% vs. 29.8% as at June 2018). This solid financial position has allowed the Group to continue with its investment programme, aimed at: (i) progressively converting mono-brand stores to the new "X-Store" concept (the total had increased to 180 by the end of June 2019), (ii) completely redefining the digital presence strategy, with the e-commerce channel also being insourced in North America (following the success in Europe), and (iii) gradually rolling out the main omnichannel services throughout the network.

When faced with continuing difficult market conditions and decidedly important challenges, the Group is even more focused on pursuing, with determination, the strategic lines set by the 2019-2021 Business Plan. Remaining in line with this plan's mission and the Group's values, two new, important partnerships were recently signed (with WWF and Disney), which will expand our children's collections in the forthcoming seasons."

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## GROUP PERFORMANCE

### Sales

Consolidated sales in the first half of 2019 amounted to Euro 399.4 million, down 3.5% compared with the previous year (-3.6% at constant forex). Results for the first half of the year were mainly affected by performance in the second quarter (characterised by unusual weather conditions in April and May) and by the lower number of franchised stores, which reduced by approximately 10% over the last year.

*Sales by distribution channel*

| (thousands of euro) | I half 2019 | % | I half 2018 | % | Var. % |
|---|---|---|---|---|---|
| **Wholesale** | **185,765** | **46.5%** | **191,166** | **46.2%** | **(2.8%)** |
| Franchising | 37,898 | 9.5% | 48,549 | 11.7% | (21.9%) |
| DOS* | 175,779 | 44.0% | 174,366 | 42.1% | 0.8% |
| **Geox Shops** | **213,677** | **53.5%** | **222,915** | **53.8%** | **(4.1%)** |
| **Net Sales** | **399,442** | **100.0%** | **414,081** | **100.0%** | **(3.5%)** |

*Directly Operated Store

Sales generated by wholesale stores, representing 46.5% of Group revenues (46.2% in the first half of 2018), amounted to Euro 185.8 million (-2.8% at current forex, -2.7% at constant forex). Performance was mainly affected by the rationalisation over the last quarters, aimed at supporting the Group's margin performance and image, in line with the Strategic Business Plan. The positive performance of stock replenishment during the season and higher sales of goods from previous seasons (linked to the increase in inventories at the end of 2018), nonetheless allowed for improved performance compared with the indications given by initial order collection for the SS19 season (-9.1%).

Sales generated by directly operated stores (DOS), representing 44.0% of Group sales, increased slightly to Euro 175.8 million (+0.8% at current forex, +0.5% at constant forex), due to slightly negative like-for-like sales performance (-2.2%) being more than compensated for by a positive network effect. The like-for-like sales trend was strongly affected by performance in April and May, characterised by highly unusual weather conditions in the Group's main markets, which offset the positive performance recorded in the first quarter (+3.4%). Despite a positive trend returning in June, this was not enough to make up for the negative performance of the previous two months. The direct e-commerce channel, on the other hand, continued to grow (+26% compared with the first half of 2018).

Sales in the franchising channel, which account for 9.5% of Group revenues, amounted to Euro 37.9 million, reporting a decline of 21.9% (21.8% at constant forex). Performance in the franchising channel was mainly affected by three factors: the reduction in the number of stores (48 closures and conversions over the last 12 months, equal to approximately 10% of the network at June 2018), like-for-like sales performance that was weaker than the performance reported by directly-operated stores, and a different timing in deliveries, which will be partially recovered in the second half of the year.

*Sales by region*

| (thousands of euro) | I half 2019 | % | I half 2018 | % | Var. % |
|---|---|---|---|---|---|
| Italy | 116,221 | 29.1% | 124,331 | 30.0% | (6.5%) |
| Europe (*) | 174,846 | 43.8% | 179,907 | 43.4% | (2.8%) |
| North America | 22,053 | 5.5% | 24,132 | 5.8% | (8.6%) |
| Other Countries | 86,322 | 21.6% | 85,711 | 20.7% | 0.7% |
| **Net Sales** | **399,442** | **100.0%** | **414,081** | **100.0%** | **(3.5%)** |

(*) Europe includes: Austria, Benelux, France, Germany, Great Britain, Iberian Peninsula, Scandinavia, Switzerland.

Sales generated in Italy, representing 29.1% of Group revenues (30.0% in the first half of 2018), amounted to Euro 116.2 million, compared with Euro 124.3 million in the first half of 2018 (-6.5%). This trend is mainly due to the performance in the wholesale and franchising channels, which were affected by the rationalisation and distribution optimisation process, as described previously. Like-for-like sales generated by directly operated stores were down slightly, in line with the overall Group figure. With regard to the network, there were seven net closures during the first half of the year.

Sales generated in Europe, representing 43.8% of Group revenues (43.4% in the first half of 2018), amounted to Euro 174.8 million, compared to Euro 179.9 million in the first half of 2018, recording a decline of 2.8%, mainly due to the effects of the rationalisation of the wholesale and franchising channel, as was the case in Italy. The like-for-like sales trend for directly operated stores remained substantially stable. During the first six months of the year, the total distribution network was reduced by 11 stores.

North America recorded a turnover equal to Euro 22.1 million, reporting a decline of 8.6% (-10.0% at constant forex), mainly due to the negative performance of the wholesale channel, which has been subject of a careful review and selection process for partners, with a focus on players more in line with the Group's planned strategy to improve brand perception. Like-for-like sales performance for directly operated stores was negative and slightly below the Group's overall performance. The network was reduced by one store compared with the end of last year.
In June 2019, the direct e-commerce channel was successfully insourced. The e-commerce channel is also showing strong growth in North America (+36% compared with the end of the first half of 2018).

A 0.7% increase in sales was recorded in the Rest of the World compared with the first half of 2018 (+1.0% at constant forex), with double-digit growth in sales for directly operated stores and the wholesale channel in Eastern Europe. The Asia Pacific area reported a slight increase in sales in the wholesale channel, with a mid-single digit decline in sales being recorded by directly operated stores, also due to the protests in Hong Kong and the reorganisation of the direct e-commerce channel in China.

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*Sales by product category*

| (thousands of euro) | I half 2019 | % | I half 2018 | % | Var. % |
|---|---|---|---|---|---|
| Footwear | 364,251 | 91.2% | 376,723 | 91.0% | (3.3%) |
| Apparel | 35,191 | 8.8% | 37,358 | 9.0% | (5.8%) |
| **Net Sales** | **399,442** | **100.0%** | **414,081** | **100.0%** | **(3.5%)** |

Footwear sales represented 91.2% of consolidated sales, amounting to Euro 364.3 million, down 3.3% (-3.4% at constant forex) compared with the first half of 2018. Apparel sales represented 8.8% of consolidated sales, amounting to Euro 35.2 million, compared with Euro 37.4 million in the first half of 2018 (-5.8% at current forex, -5.6% at constant forex). The performance of apparel in directly operated stores was particularly positive (+18% in the first half of the year).

*Mono-brand store network - Geox shops*

As of June 30, 2019, there was a total of 987 "Geox Shops", of which 448 DOS. During the first half of 2019, 28 new Geox Shops were opened and 56 were closed, in line with the store network optimization planned in more mature markets and the expansion in countries where the Group's presence is still limited but developing well.

| | 06-30-2019 | | 12-31-2018 | | I half 2019 | | |
|---|---|---|---|---|---|---|---|
| | Geox Shops | of which DOS | Geox Shops | of which DOS | Net Openings | Openings | Closings |
| Italy | 279 | 149 | 286 | 143 | (7) | 1 | (8) |
| Europe (*) | 274 | 156 | 285 | 154 | (11) | 4 | (15) |
| North America | 36 | 36 | 37 | 37 | (1) | - | (1) |
| Other Countries (**) | 398 | 107 | 407 | 110 | (9) | 23 | (32) |
| **Total** | **987** | **448** | **1,015** | **444** | **(28)** | **28** | **(56)** |

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

(**) Includes Under Licence Agreements (133 as of June 30, 2019 and 138 as of December 31, 2018). Sales from these shops are not included in the franchising channel.

## Cost of sales and gross profit

The cost of sales was equal to 49.1% of sales, compared with the 49.6% recorded in the first half of 2018, producing a gross margin of 50.9% (50.4% in the first half of 2018).

The improvement in gross margin is mainly due to the specific actions taken to improve supply chain efficiency and the greater weighting of sales generated by DOS, which are characterised by a higher gross margin, the positive effects of which were partially offset by the increase in promotional sales during the first six months of the year.

## Operating expenses and EBIT

Sales and distribution expenses were equal to 5.6% of sales, recording a decrease in both percentage and absolute value terms compared with the same period in the previous year (5.7% in the first half of 2018).

General and administrative costs amounted to Euro 166.3 million, compared with Euro 161.6 million in the first half of 2018, equal to 41.6% of sales (39.0% in the first half of 2018). This increase is mainly due to higher logistics costs and the higher number of DOS compared with the same period of the previous year. Including the effects of the IFRS 16 reporting standard, general and administrative costs amounted to Euro 165.1 million in the first half of 2019.

Advertising and promotion expenses amounted to Euro 13.0 million, up slightly compared to the Euro 12.8 million recorded in the same period of the previous year. This increase is linked to the fact that more marketing initiatives were implemented to support sales and the brand's image.

EBIT amounted to Euro 1.6 million compared with Euro 8.8 million in the first half of 2018, mainly due to the effects of the reduction in sales.

Including the effects of the IFRS 16 reporting standard, EBIT amounted to Euro 2.8 million in the first half of 2019.

## EBITDA

EBITDA, excluding the effects of the IFRS 16, amounted to Euro 18.7 million (4.7% of sales), compared with Euro 25.2 million in the first half of 2018 (equal to 6.1% of sales).

Including the effects of the IFRS 16 reporting standard, EBITDA amounted to Euro 54.0 million in the first half of 2019.

## Taxes and tax rate

Income taxes for the first half of 2019 are equal to Euro 3.2 million, compared with Euro 4.8 million in the same period of the previous year. It should be noted that the tax amount has been penalised by approximately Euro 2.5 million for the non-recognition of deferred tax assets relating to certain foreign subsidiaries.

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## THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet and financial position shows a negative net financial position, before the fair value adjustment of derivatives and the effects of the IFRS 16 standard, equal to Euro 31.5 million (Euro -20.5 million at June 30, 2018).

Net operating working capital as a percentage of revenues was equal to 29%, compared to 29.8% in the same period of the previous year. This change is mainly due to the reduction in trade receivables, linked to turnover performance.

During the first half of the year, investments were made for a total of Euro 12.5 million, compared with Euro 12.2 million in the first half of 2018, mainly linked to the store restyling programme aimed at improving performance.

## BUSINESS OUTLOOK AND SIGNIFICANT SUBSEQUENT EVENTS

With regard to full-year performance, please find below the main factors to be taken into consideration:

1. The prudent and selective approach and rationalisation of the wholesale channel, aimed at supporting the Group's solidity and image, have also characterised initial order collection for the 2019 autumn/winter season. Management believes that annual sales in the wholesale channel will show a *low to mid-single digit* decline compared with 2018 figures. These expectations shall nonetheless be defined by the actual performance of additional restocking orders during the season, which are gradually assuming an increasingly significant role in terms of final sales figures
2. The optimisation of the network of franchised stores, managed by third parties, shall continue in the second half of the year, albeit with less intensity than in the previous two quarters. Full-year sales in the franchising channel are therefore expected to fall as a result of the network effect (-10%) and like-for-like sales performance. The effect of different delivery timings, on the other hand, would be reabsorbed, meaning that the trend is expected to improve compared with the first half of the year.
3. A number of new directly operated stores (DOS) will be opened (especially in China), a limited and lower number of franchised stores will be converted into DOS and certain non-performing DOS will be closed. Overall, these initiatives would lead to a slight increase in the size of the network (*low to mid-single digit)* compared to 2018. The ongoing restyling plan will continue, aimed at improving performance, with the introduction of new window displays, new assortment strategies and new policies for in-store visuals. After a slightly negative first half, the like-for-like sales trend is expected to improve in the second half, thanks also to the increasing impact of the Retail Excellence programmes that are currently underway. These expectations must nonetheless grapple with the overall performance of key retail dynamics in the group's main markets (footfall, propensity to make purchases, the rate of promotional sales, etc.), giving forecasts a high level of volatility.
4. Total number of mono-brand stores (DOS and franchising) is expected to remain substantially stable compared to the end of June 2019, so confirming the perimeter effects seen in the first half of 2019.
5. The direct e-commerce channel is expected to continue to grow at a strong pace and will also benefit from a number of advanced CRM tools that have been launched.
6. IT projects and investments will also continue, in line with the Strategic Business Plan, in order to support the business and guarantee a truly omnichannel operating model.
7. The initiatives to further increase productivity, ensure a lean organization and boost operating efficiency, which were successfully implemented in 2018, will continue also in 2019.

Based on the above estimates and assumptions, management would therefore like to stress that 2019 is to be considered a year of transition, characterized by network optimization in the wholesale and franchising channels and by the implementation of projects to improve the business model, in accordance with the new strategic business plan. Total sales at the end of the year will therefore substantially depend on this rationalization process and on like-for-like sales performance for directly-operated and franchised stores. As a result, and considering the high level of volatility in the industry, it is assumed that a certain degree of prudence is necessary for annual sales forecasts compared with 2018.

The actual incidence of promotional sales in the second half of the year will also contribute to defining the improvements in industrial margin achieved to date; depending on the extent to which markdowns are applied in the second half of the year compared with the first half, the expected improvement in gross margin may therefore be confirmed.

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

The manager responsible for the preparation of the company's financial documents, Mr. Livio Libralesso, hereby declares, in accordance with paragraph 2, article 154 bis of the "Testo Unico della Finanza" *(Italian Consolidated Law on Finance)*, 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 Lifestyle Casual Footwear Market". Geox technology is protected by 38 different patents and by 24 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

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

N.B.: figures relating to 2019 and 2018 have been drawn up according to the IAS/IFRS accounting standards Fiscal year 2018 results have been audited, while the first half 2019 and the first half 2018 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 the IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those envisaged by the International Accounting Standards.

## CONSOLIDATED INCOME STATEMENT

| (Thousands of Euro) | I Half 2019 | IFRS 16 impact | I Half 2019 excluding IFRS 16 | % | I Half 2018 | % |
|---|---|---|---|---|---|---|
| **Net sales** | **399,442** | **-** | **399,442** | **100.0%** | **414,081** | **100.0%** |
| Cost of sales | (196,114) | - | (196,114) | (49.1%) | (205,226) | (49.6%) |
| **Gross profit** | **203,328** | **-** | **203,328** | **50.9%** | **208,855** | **50.4%** |
| Selling and distribution costs | (22,428) | (30) | (22,458) | (5.6%) | (23,570) | (5.7%) |
| General and administrative expenses | (165,137) | (1,158) | (166,295) | (41.6%) | (161,589) | (39.0%) |
| Advertising and promotion | (12,987) | - | (12,987) | (3.3%) | (12,786) | (3.1%) |
| **Operating result** | **2,776** | **(1,188)** | **1,588** | **0.4%** | **10,910** | **2.6%** |
| Restructuring charges | - | - | - | - | (2,098) | (0.5%) |
| **EBIT** | **2,776** | **(1,188)** | **1,588** | **0.4%** | **8,812** | **2.1%** |
| Net interest | (4,901) | 2,575 | (2,326) | (0.6%) | (2,445) | (0.6%) |
| **PBT** | **(2,125)** | **1,387** | **(738)** | **(0.2%)** | **6,367** | **1.5%** |
| Income tax | (2,858) | (333) | (3,191) | (0.8%) | (4,848) | (1.2%) |
| **Net result** | **(4,983)** | **1,054** | **(3,929)** | **n.s.** | **1,519** | **0.4%** |
| **EBITDA** | **54,031** | **(35,362)** | **18,669** | **4.7%** | **25,240** | **6.1%** |

EBITDA: is the EBIT plus depreciation, amortization and can be directly calculated from the financial statements as integrated by the notes.

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

| (Thousands of Euro) | June 30, 2019 | IFRS 16 impact | June 30, 2019 excluding IFRS 16 | December 31, 2018 | June 30, 2018 |
|---|---|---|---|---|---|
| Intangible assets | 47,156 | - | 47,156 | 50,161 | 47,941 |
| Property, plant and equipment | 377,203 | (312,976) | 64,227 | 65,826 | 60,014 |
| Other non-current assets - net | 36,410 | 1,521 | 37,931 | 39,085 | 36,963 |
| **Total non-current assets** | **460,769** | **(311,455)** | **149,314** | **155,072** | **144,918** |
| **Net operating working capital** | **235,450** | **-** | **235,450** | **209,115** | **252,623** |
| **Other current assets (liabilities), net** | **(16,753)** | **(1,149)** | **(17,902)** | **(17,665)** | **(22,822)** |
| **Net invested capital** | **679,466** | **(312,604)** | **366,862** | **346,522** | **374,719** |
| Equity | 326,596 | 1,054 | 327,650 | 340,760 | 347,604 |
| Provisions for severance indemnities, liabilities and charges | 8,429 | - | 8,429 | 8,054 | 7,438 |
| Net financial position | 344,441 | (313,658) | 30,783 | (2,292) | 19,677 |
| **Net invested capital** | **679,466** | **(312,604)** | **366,862** | **346,522** | **374,719** |

## OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

| (Thousands of Euro) | June 30, 2019 | Dec. 31, 2018 | June 30, 2018 |
|---|---|---|---|
| Inventories | 292,408 | 312,052 | 303,972 |
| Accounts receivable | 148,582 | 133,090 | 182,290 |
| Accounts payable | (205,540) | (236,027) | (233,639) |
| **Net operating working capital** | **235,450** | **209,115** | 252,623 |
| ***% of sales for the last 12 months*** | ***29.0%*** | ***25.3%*** | ***29.8%*** |
| Taxes payable | (9,538) | (8,723) | (10,069) |
| Other non-financial current assets | 28,468 | 30,637 | 26,240 |
| Other non-financial current liabilities | (35,683) | (39,579) | (38,993) |
| **Other current assets (liabilities), net** | **(16,753)** | **(17,665)** | **(22,822)** |

## RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

| (Thousands of Euro) | I half 2019 | IFRS 16 impact | I half 2019 excluding IFRS 16 | I half 2018 | 2018 |
|---|---|---|---|---|---|
| **Net result** | **(4,983)** | **1,054** | **(3,929)** | **1,519** | **(5,291)** |
| Depreciation, amortization and impairment | 51,255 | (34,174) | 17,081 | 16,428 | 32,984 |
| Other non-cash items | 3,980 | 333 | 4,313 | 1,742 | 1,449 |
| | **50,252** | **(32,788)** | **17,464** | **19,689** | **29,142** |
| Change in net working capital | (22,149) | - | (22,149) | (31,274) | 7,061 |
| Change in other current assets/liabilities | (1,213) | 420 | (793) | 3,820 | (5,018) |
| **Cash flow from operations** | **26,890** | **(32,368)** | **(5,478)** | **(7,765)** | **31,185** |
| Capital expenditure | (12,517) | - | (12,517) | (12,213) | (37,358) |
| Disposals | 311 | - | 311 | 350 | 458 |
| **Net capital expenditure** | **(12,206)** | **-** | **(12,206)** | **(11,863)** | **(36,900)** |
| **Free cash flow** | **14,684** | **(32,368)** | **(17,684)** | **(19,628)** | **(5,715)** |
| Treasury shares | (685) | - | (685) | - | - |
| Dividends | (6,480) | - | (6,480) | (15,552) | (15,552) |
| **Change in net financial position** | **7,519** | **(32,368)** | **(24,849)** | **(35,180)** | **(21,267)** |
| **Initial net financial position - prior to fair value adjustment of derivatives** | **(6,810)** | **-** | **(6,810)** | **15,148** | **15,148** |
| IFRS 16 First time adoption - effect on financial debt | (325,932) | 325,932 | - | - | - |
| **Initial net financial position - prior to fair value adjustment of derivatives** | **(332,742)** | **325,932** | **(6,810)** | **15,148** | **15,148** |
| Change in net financial position | 7,519 | (32,368) | (24,849) | (35,180) | (21,267) |
| Translation differences | 295 | (169) | 126 | (418) | (691) |
| Effect increase in Right of Use | (20,263) | 20,263 | - | - | - |
| **Final net financial position - prior to fair value adjustment of derivatives** | **(345,191)** | **313,658** | **(31,533)** | **(20,450)** | **(6,810)** |
| Fair value adjustment of derivatives | 750 | - | 750 | 773 | 9,102 |
| **Final net financial position** | **(344,441)** | **313,658** | **(30,783)** | **(19,677)** | **2,292** |

## CAPEX

| (Thousands of Euro) | I half 2019 | I half 2018 | 2018 |
|---|---|---|---|
| Trademarks and patents | 140 | 223 | 656 |
| Opening and restructuring of Geox Shop | 8,561 | 7,849 | 21,162 |
| Production plant | 190 | 330 | 494 |
| Industrial plant and equipment | 1,235 | 1,292 | 2,788 |
| Logistic | 195 | 435 | 2,321 |
| Information technology | 1,564 | 1,730 | 6,769 |
| Offices furniture, warehouse and fittings | 632 | 354 | 3,168 |
| **Total cash capex** | **12,517** | **12,213** | **37,358** |
| Right of Use | 20,263 | - | - |
| **Total capex** | **32,780** | **12,213** | **37,358** |