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Testo del comunicato

Vedi allegato.

GEOX

PRESS RELEASE - 2015 RESULTS

GEOX RECORDED A 6.1% GROWTH IN TURNOVER FOR 2015, WHICH RESULTED IN A 45% INCREASE IN EBITDA AND A FIVE FOLD INCREASE IN EBIT TO EURO 24.9 MILLION.

THESE RESULTS ENABLED TO THE COMPANY TO GENERATE NET FREE CASH FLOW OF EURO 47 MILLION.

GEOX BOARD HAS PROPOSED AN ANNUAL DIVIDEND OF EURO 0.06 PER SHARE.

- **Sales: Euro 874.3 million (Euro 824.2 million in 2014)**
- **EBITDA: Euro 61.8 million, +45% (Euro 42,6 million in 2014)**
- **EBIT: Euro 24.9 million (Euro 4.9 million in 2014)**
- **Net Result: Euro 10.0 million (Euro -2.9 million in 2014)**
- **Positive Net Financial Position: Euro 20.8 million (Euro -13 million as of December 31,2014)**

Milan, February 25, 2016 – The Board of Directors of Geox S.p.A., one of the leading brands worldwide in the classic and casual footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the 2015 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "I am satisfied with the results achieved in 2015, with Geox recording a growth in revenues and an increase in profitability. Turnover grew by 6.1% thanks to the excellent performance of the multi-brand channel (+7.2%) and the increase in comparable sales for both directly operated mono-brand stores (+4.2%) and franchised mono-brand stores (+3.9%).

Positive business performance and operational efficiency allowed the group to achieve strong cash generation of Euro 47 million, following Euro 39 million of capex, thus closing the year with a sound cash position of Euro 21 million.

The fact that these results have been achieved despite challenging macroeconomic conditions is a clear demonstration of the strength of our brand, the distinctive nature of our technical know-how and the fact that our products are popular with consumers, who appreciate their style and comfort. This makes me confident that the strategy being followed, based on continuous innovation, the creation of a flexible supply chain and focus on boosting efficiency across all departments, is undoubtedly on the right track.

With reference to the first half of 2016, the multi-brand channel has recorded a solid 10% increase in orders for the Spring/Summer season and directly operated stores are currently boasting an 8% growth in comparable sales.

However, macro conditions remain volatile, presenting us with a number of challenges that we must transform into opportunities. It is therefore essential that we pursue our goals with conviction: on the one hand, boosting sales and having the right geographic balance to mitigate the effects of currency volatility; and, on the other hand, ensuring appropriate levels of production efficiency and effective retail management in order to further improve performance. Given these objectives, we have formalized the company's strategy in a newly developed 2016-2018 Strategic Plan, which will address the initiatives we intend to implement to achieve solid and sustainable growth, profitability and cash flows."

GEOX

THE GROUP'S ECONOMIC PERFORMANCE

Sales

2015 consolidated net sales increased by 6.1% to Euro 874.3 million. Footwear sales represented 90% of consolidated sales, amounting to Euro 785.0 million, with a 8.8% increase compared to 2014. Apparel sales accounted for 10% of consolidated sales amounting to Euro 102.6 million.

(Thousands of Euro)	2015	%	2014	%	Var. %
Footwear	784,983	89.8%	721,686	87.6%	8.8%
Apparel	89,321	10.2%	102,557	12.4%	(12.9%)
Net sales	**874,304**	**100.0%**	**824,243**	**100.0%**	**6.1%**

Sales in Italy, the Group's main market, which accounted for 32% of sales (33% in 2014) amounted to Euro 281.1 million showing a 3.1% increase compared with 2014.

Sales in Europe, which accounted for 43% of sales increased by 4.6% to Euro 375.6 million, compared with Euro 359.3 million in 2014.

North American sales amounted to Euro 62.8 million, showing an increase of 13.1% (+2.8% at constant exchange rates). Sales in Other Countries increased by 13.1% compared to 2014 (+5.8% at constant exchange rates).

(Thousands of Euro)	2015	%	2014	%	Var. %
Italy	281,095	32.2%	272,666	33.1%	3.1%
Europe (*)	375,647	43.0%	359,273	43.6%	4.6%
North America	62,795	7.2%	55,512	6.7%	13.1%
Other countries	154,767	17.7%	136,792	16.6%	13.1%
Net sales	**874,304**	**100.0%**	**824,243**	**100.0%**	**6.1%**

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

In 2015, sales of the DOS channel, which represent 43% of Group revenues, grew 9.5% to Euro 378.5 million. The improvement is mainly driven by new openings and by comparable store sales growth recorded on DOS channel (+4.2%).

Sales of the franchising channel, which account for 16% of Group revenues, amount to Euro 142.0 million, with a decrease of 4.4%. This trend is due to the effect of closing of shops not in line with the expected profitability standards which has been partially offset by the positive trend in comparable store sales at locations that have been opened for at least 12 months (+3.9%).

Multibrand stores representing 41% of Group revenues (40% in 2014) amount to Euro 353.8 million, with an increase of 7.2%, thanks to a good performance in the second half (+8.0%).

(Thousands of Euro)	2015	%	2014	%	Var. %
Multibrand	**353,796**	**40.5%**	**329,920**	**40.0%**	**7.2%**
Franchising	142,021	16.2%	148,575	18.0%	(4.4%)
DOS*	378,487	43.3%	345,748	42.0%	9.5%
Geox Shops	**520,508**	**59.5%**	**494,323**	**60.0%**	**5.3%**
Net sales	**874,304**	**100.0%**	**824,243**	**100.0%**	**6.1%**

* Directly Operated Store

As of December 31, 2015, the overall number of Geox Shops was 1,161 of which 476 DOS. During 2015, 121 new Geox Shops were opened and 185 have been closed, mainly franchising stores, in line with the rationalization plan of the DOS network.

	12-31-2015		12-31-2014		2015		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	360	131	421	173	(61)	11	(72)
Europe (*)	348	179	350	167	(2)	22	(24)
North America	47	47	44	44	3	7	(4)
Other countries (**)	406	119	410	93	(4)	81	(85)
Total	**1,161**	**476**	**1,225**	**477**	**(64)**	**121**	**(185)**

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

(**) Includes Under License Agreement Shops (142 as of December 31 2015, 161 as of December 31 2014). Sales from these shops are not included in the franchising channel.

Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 48.4% compared to 51.0% of 2014, producing a gross margin of 51.6% (49.0% in 2014).

The increase in gross profit is explained by the increased profitability in sales and the steps taken in terms of product mix, channels, prices.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.6% (5.9% in 2014).

General and administrative expenses were equal to Euro 334.3 million, compared with Euro 308.3 million of 2014. General and administrative expenses, as a percentage of sales, were 38.2%.

The increase in these costs is mainly due to:

- the implementation of projects designed to generate greater efficiency on the part of the production and distribution structure, new hires at management level and strengthening of the structures in the business areas that are growing, those in strategic countries and those with significant development potential;
- costs of opening and running of new directly operated stores (DOS) including the conversion to directly operated stores of stores previously managed by some franchisees.

Advertising and promotions expenses were equal to Euro 42.3 million, in line with 2014.

The operating result (EBIT) is equal to Euro 24.9 million (2.8% on sales) compared with Euro 4.9 million of 2014 (0.6% on sales).

EBITDA

EBITDA was Euro 61.8 million, 7.1% of sales, compared to Euro 42.6 million (5.2% on sales) of 2014.

Income taxes and tax rate

Income taxes were equal to Euro 9.1 million, with a 47.6% tax rate, compared to Euro 1.5 million of 2014

It is to be noted that Italian Law no. 208 dated 28/12/2015 (the so-called '2016 Stability Law') introduced a reduction in the IRES (Italian Corporate Income Tax) rate from 27.5% to 24%, valid from the 2017 tax year onwards. As a result, adjustments were made to deferred tax assets and liabilities relating to 2017 and following tax years. The effect of this tax rate alteration has led the company's tax liability for the year to increase by Euro 1,947 thousand, equal to 10.2%. Without this effect, the tax rate for the year would have been 37.4%.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a positive financial position of Euro 20.8 million, with a significant improvement compared to 2014 negative financial position (Euro -13.0 million), thanks to a the strong cash generation of Euro 46.6 million, after Euro 39.2 million of Capex.

The ratio of net working capital on sales comes to 22.2% compared with 27.5% of 2014. This improvement is mainly due to the strengthening of the long-term partnerships with suppliers, making it possible to optimize payments. The increase in accounts receivable is in line with sales trend and the increase in inventory is mainly due 2016 Spring/Summer season.

Before the fair value adjustment of derivatives, net financial position was Euro 4.2 million, compared to Euro -41.0 million of 2014. After fair value adjustment of derivatives, which positively affected 2015 for Euro 16.6 million (Euro 28.0 at the end of 2014), net financial position was equal to Euro 20.8 million (Euro -13.0 million at the end of 2014).

FINANCIAL STATEMENT OF THE PARENT COMPANY, GEOX S.P.A.

The Board of Directors also approved the financial results of Geox S.p.A., the group's parent company, for the year ending December 31, 2015 and the annual corporate governance report.

Sales equal to Euro 596.5 million, from Euro 559.4 million in 2014. Net result was Euro 10.3 million (Euro -7.6 million in 2014), 1.7% on sales.

Shareholders' equity at the end of December 2015 amounted to Euro 392.1 million from Euro 392.4 million at the end of 2014. Net financial position was positive for Euro 76.5 million.

The Board of Directors has agreed to convene the General Meeting of Shareholders on April 19 to approve the 2015 Statutory Financial Statements.

PROPOSED DIVIDEND

The Board of Directors has decided to propose to the Shareholders' Meeting the distribution of a dividend of Euro 0.06 per share for a total amount of Euro 15.6 million. The dividend payment, if approved at the Shareholders' Meeting, will start from May 25, 2016 (with coupon presentation on May 23 and record date on May 24).

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FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The Group continued to record positive performance trends in 2015. Despite some lingering uncertainties surrounding global economic growth overall reasonable signs of improvement are to be seen, making the Group's management even more confident that solid sales growth and increased profitability can be achieved going forward. The strategy being followed appears to be the right one, solid growth is being recorded on the company's main markets and operating profitability is also moving in the right direction, thanks in part to the rationalisation of the store network and the success of actions taken by the management in terms of efficiency and specialisation.

With regard to business outlook, the management team would like to stress that a number of important factors should be taken into consideration:

i. with reference to the first half of 2016, the multi-brand channel has confirmed solid growth trends, with an order book for the Spring/Summer season recording an increase of 10% to date;
ii. management is also in the process of implementing plans to increase margins through targeted actions regarding product, sales channel and price mix and the improvement of comparable sales for both directly operated and franchised stores.

The management believes that these highly positive factors reinforce and confirm the fact that the Group is following the right strategy. Furthermore, should the expected growth in turnover and improvement in business efficiency be achieved, this would mitigate the reduction in industrial margin that has been brought about by the increase in product costs caused by the appreciation of the US dollar against the Euro. In any case, achieving these results would lead to a slight margin increase in absolute terms compared to the previous year.

The Board of Directors has also approved the 2016-2018 Strategic Plan, which will be presented to the financial community tomorrow, 26th February 2016. This Strategic Plan focuses on developing the Brand's strategic vision, product innovation, accelerating company growth, ensuring the business has well-balanced geographical coverage with an expansion into areas linked to the US dollar, on the positive results of the ramp-up for the new European production platform and obtaining further savings by streamlining the Group's international sourcing strategy, all with the aim of achieving sustainable, profitable growth.

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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 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 INFORMATIONS

INVESTOR RELATIONS
Marina Cargnello: ph. +39 0423 282476; ir@geox.com
Livio Libralesso, CFO

UFFICIO STAMPA
Juan Carlos Venti: ph: +39 0423 281914; mobile +39 335 470641; juancarlos.venti@geox.com

GEOX GROUP

The 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 over 60 different patents registered in Italy and extended internationally.

DISCLAIMER

This document includes forward-looking statements, relative to future events and income and financial operating results of the 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.

ANNEXES

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

2015 and 2014 results are reported under IAS/IFRS and have been 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.

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CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2015	%	2014	%
Net sales	**874,304**	**100.0%**	**824,243**	**100.0%**
Cost of sales	(423,492)	(48.4%)	(420,451)	(51.0%)
Gross profit	**450,812**	**51.6%**	**403,792**	**49.0%**
Selling and distribution costs	(49,378)	(5.6%)	(48,519)	(5.9%)
General and administrative expenses	(334,252)	(38.2%)	(308,257)	(37.4%)
Advertising and promotion	(42,292)	(4.8%)	(42,126)	(5.1%)
EBIT	**24,890**	**2.8%**	**4,890**	**0.6%**
Net interest	(5,806)	(0.7%)	(6,335)	(0.8%)
PBT	**19,084**	**2.2%**	**(1,445)**	**(0.2%)**
Income tax	(9,076)	(1.0%)	(1,496)	(0.2%)
Tax rate	*47.6%*		*-104%*	
Net result	**10,008**	**1.1%**	**(2,941)**	**(0.4%)**
EPS (Earnings per shares)	**0.04**		**(0.01)**	
EBITDA	**61,829**	**7.1%**	**42,643**	**5.2%**

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)	**Dec. 31, 2015**	**Dec. 31, 2014**
Intangible assets	57,751	60,150
Property, plant and equipment	68,373	64,497
Other non-current assets - net	51,695	54,802
Total non-current assets	**177,819**	**179,449**
Net operating working capital	**193,763**	**226,651**
Other current assets (liabilities), net	**(13,649)**	**(10,625)**
Net invested capital	**357,933**	**395,475**
Equity	370,863	373,680
Provisions for severance indemnities, liabilities and charges	7,859	8,813
Net financial position	(20,789)	12,982
Net invested capital	**357,933**	**395,475**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	**Dec. 31, 2015**	**Dec. 31, 2014**
Inventories	304,810	287,732
Accounts receivable	112,978	106,517
Accounts payable	(224,025)	(167,598)
Net operating working capital	**193,763**	**226,651**
% of sales for the last 12 months	***22.2%***	***27.5%***
Taxes payable	(7,473)	(6,439)
Other non-financial current assets	35,958	40,958
Other non-financial current liabilities	(42,134)	(45,144)
Other current assets (liabilities), net	**(13,649)**	**(10,625)**

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2015	2014
Net result	**10,008**	**(2,941)**
Depreciation, amortization and impairment	36,939	37,753
Other non-cash items	(9,037)	(1,483)
	37,910	**33,329**
Change in net working capital	43,272	(15,434)
Change in other current assets/liabilities	3,578	(6,842)
Cash flow from operations	**84,760**	**11,053**
Capital expenditure	(39,244)	(35,754)
Disposals	1,118	2,912
Net capital expenditure	**(38,126)**	**(32,842)**
Free cash flow	**46,634**	**(21,789)**
Change in net financial position	**46,634**	**(21,789)**
Initial net financial position - prior to fair value adjustment of derivatives	**(41,012)**	**(18,339)**
Change in net financial position	46,634	(21,789)
Translation differences	(1,405)	(884)
Final net financial position - prior to fair value adjustment of derivatives	**4,217**	**(41,012)**
Fair value adjustment of derivatives	16,572	28,030
Final net financial position	**20,789**	**(12,982)**

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