

Bit Market Services

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Oggetto : Geox group: 2016-18 Strategic Plan
approved

Testo del comunicato

Vedi allegato.



GEOX GROUP: 2016-2018 STRATEGIC PLAN APPROVED

Milan, February 25, 2016

The Board of Directors of Geox S.p.A. has approved the Strategic Plan 2016-2018 of the Geox Group. The Plan will be presented in detail by the CEO Giorgio Presca and the management team during a meeting with the financial community to be held tomorrow in Milan from 9.00am CET and which can be followed via webcast from the company's website www.geox.biz from 9.30am CET.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "I am pleased with the course of action taken during 2014 and 2015 and with the results achieved. We implemented considerable changes across our organization, positioning us to be well prepared for the future. Focusing on medium to long term partnerships in our multi-brand channel has improved the level of service and enhanced our credibility, leading to solid growth. We rationalized our network of mono-brand stores, where we are also generating excellent results. We continued to invest in innovation, creating products that are not only breathable and comfortable, but also iconic, such as our Amphibiox and Nebula offerings. This focus on innovation, supported by an effective marketing strategy, has not only increased the GEOX brand awareness, but its stature and strength as well.

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."

MAIN DEVELOPMENT GUIDELINES

The three-year business plan is based on a number of key principles that underpin the Group's strategic vision, including:

1. Sustainable product development characterized by relentless innovation, comfort, breathability, Italian style and quality and wearable well being
2. Channel specialization. Development of the opportunities presented by integrating sales channels (multi-brand, retail, online), with further channel specialization
3. Product, price point and channel optimization. Plans aimed at increasing margins through targeted actions regarding product, sales channel and price mix

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4. Brand affinity. Reinforcing leadership in core markets by leveraging the strength and stature of our brand
5. Process enhancements. Improvement of company processes in order to reduce structural costs and boost the Group's profitability
6. International sourcing. Savings deriving from the optimization of international sourcing
7. Revenue diversification. Significant expansion in emerging markets and in markets with high potential such as the UK, US, Russia and China, reducing our reliance on Europe
8. Retail channel efficiency. Aim to make retail management as efficient as possible.

MAIN FINANCIAL AND ECONOMIC TARGETS

The three year business plan is driven by a number of financial objectives that underpin the Group's strategic vision, including:

1. Growth in net sales at an average annual rate of 6.5% (2015-2018). The Group is expected to achieve a turnover between 1.025 -1.100 million in 2018;
2. A steady improvement in profitability (EBITDA) that will equate 10% – 11% of sales in 2018;
3. A well managed capital expenditure plan that consistently invests around €35 million annually.

The 2016-2018 Strategic Plan will be illustrated to the financial community during a presentation scheduled for tomorrow at 9.00am CET.

The presentation slides, with an opportunity to follow the event in audio and video streaming, will be available at www.geox.biz from 9.30am CET.



FOR MORE INFORMATIONS

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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 brand 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.

Fine Comunicato n.0742-6

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