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preliminary sales; resignation of CEO
Gregorio Borgo; Cooptation of Matteo
Mascazzini; Financial Calendar

Testo del comunicato

Vedi allegato.



PRESS RELEASE - INSIDE INFORMATION

THE BOARD OF DIRECTORS OF GEOX S.P.A:

I. EXAMINED FY 2017 PRELIMINARY SALES AND NET FINANCIAL POSITION

- **SALES AT EURO 884.5 MILLION, SUBSTANTIALLY IN LINE WITH LAST YEAR (-1.8% AT CURRENT FOREX, -1.7% AT CONSTANT FOREX) THANKS TO THE GROWTH OF THE WHOLESALE CHANNEL AND THE POSITIVE PERFORMANCE OF THE COMPARABLE SALES GENERATED BY DIRECTLY OPERATED STORES IN THE SECOND HALF (+2%) PARTIALLY COMPENSATING FOR THE PLANNED OPTIMIZATION OF THE MONO-BRAND STORE NETWORK**
- **THE E-COMMERCE CHANNEL CONTINUES TO RECORD DOUBLE-DIGIT GROWTH (+26%) AND RUSSIA, EASTERN EUROPE AND CHINA ALSO CONTINUE TO PERFORM WELL**
- **NET FINANCIAL POSITION AT EURO -5.4 MILLION THANKS TO THE STRONG CASH GENERATION (+66.8 MILLION) AFTER EURO 30 MILLION CAPEX**

2. ACKNOWLEDGED THE RESIGNATION OF THE CEO GREGORIO BORGIO AS AN EMPLOYEE AND DIRECTOR OF GEOX GROUP

3. RESOLVED ON THE COOPTATION OF MATTEO MASCAZZINI ONTO THE BOARD OF DIRECTORS WITH PROPOSAL TO APPOINT HIM AS CEO OF THE COMPANY DURING THE NEXT BOARD MEETING TO BE HELD ON FEBRUARY 1, 2018

4. APPROVED THE FY2018 FINANCIAL CALENDAR

Biadene di Montebelluna, January 18, 2018 – 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), met today under the chairmanship of Mario Moretti Polegato.

“The expected figures for 2017,” commented Mario Moretti Polegato, “reflect the first concrete results of our new strategy focused on boosting profitability and achieving a healthy and profitable business.

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Geox has closed 2017 with a substantially stable turnover compared with the previous year, thanks to the growth of the wholesale channel, with good performance in Russia, Eastern Europe and China, double-digit growth recorded by the e-commerce channel and improved like-for-like sales in directly operated stores which recorded a growth of 2% in the second half of the year, exceeding expectations. These positive results have partially compensated for the planned rationalization of the mono-brand store network.

As already disclosed, plans to increase operating efficiency are also underway, with the expected growth in industrial margin and tight cost control. Together with the improved performance of directly operated stores, this will allow us to record increasing profitability compared with 2016, substantially in line with market expectations. Furthermore, the focus on management efficiency and tight control of working capital have also led to the excellent cash generation of Euro 67 million, after making investments for Euro 30 million. The group is therefore in a very solid financial position, with net debt of just 5 million at year end, in line with expectations. This profitability, together with our good cash flow, makes me confident that we can continue our policy of distributing dividends to shareholders.

I am therefore confident that these results, together with the investments made in style, new products, the new store concept, marketing focused on the combination of technology and style, and a strong commercial presence in high-potential markets, will allow us to achieve profitable, solid and long-term growth soon.

On behalf of the entire Board, I would therefore like to take this opportunity to thank Gregorio Borgo for his commitment and valuable contribution to the Company, for the projects undertaken and for the results achieved this year and make my best wishes for his new professional opportunity that will allow him to better combine personal and professional aspects.

I also welcome Matteo Mascazzini who will be the new CEO with effect from February 1, 2018. Matteo Mascazzini boasts a twenty-year career in the global fashion and luxury industry, with experience in retail and international development. Thanks to his relevant expertise, I am sure that he will be able to boost the growth of the Group and align marketing strategy, communication, brand, product and commercial distribution in order to allow Geox to achieve important results in terms of growth and profitability.”



1. FY 2017 PRELIMINARY SALES AND NET FINANCIAL POSITION

CONSOLIDATED NET SALES

2017 consolidated net sales amount to Euro 884.5 million, substantially in line with last year (-1.8% at current forex, -1.7% at constant forex) with the growth of the wholesale channel partially compensating for the planned optimization of the mono-brand store network.

Revenues by Distribution Channel (preliminary and unaudited figures)

(Thousands of Euro)	2017	%	2016	%	Var. %
Wholesale	400,995	45.3%	395,318	43.9%	1.4%
Franchising	121,404	13.7%	134,621	14.9%	(9.8%)
DOS*	362,130	40.9%	370,824	41.2%	(2.3%)
Geox Shops	483,534	54.7%	505,445	56.1%	(4.3%)
Net sales	884,529	100.0%	900,763	100.0%	(1.8%)

* Directly Operated Store

Wholesale revenues, representing 45% of Group revenues (44% in 2016) amount to Euro 401.0 million in line with expectations (+1.4% at current forex, +1.6% at constant forex). This trend is due to a substantially stable performance in Italy and in the rest of Europe, double-digit growth recorded in Russia, Eastern Europe, China and by the online channel.

Sales of the DOS channel, which represent 41% of Group revenues, declined to Euro 362.1 million (-2.3% at current forex, -2.1% at constant forex). This trend is due to:

- the planned network optimization in Europe and expansion in more responsive markets such as Russia, Eastern Europe and China (overall -16 net closures).
- stable LFL sales (+0.5%) generated by the directly operated stores (*comparable store sales*) (-1.0% in 2016). In particular comparable sales in the third quarter grew by 3.2% thanks to the good performance reported in September in all main markets. The fourth quarter was positive thanks to November and December that reversed the trend recorded in October (affected by unusual weather conditions in key markets, as already reported in the last press release and by the industry's players). The overall second half was up 2%.

Sales of the franchising channel, which account for 14% of the Group revenues, amount to Euro 121.4 million, with a decrease of 9.8% (-10.3% at constant forex). This trend reflects the dynamics reported above and is also due to the store network rationalization plan (-62 net closures) and the slight decline in comparable sales.

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Monobrand Stores Distribution Network - Geox Shops

As of December 31, 2017, the overall number of Geox Shops was 1,095 of which 439 DOS. During 2017, 70 new Geox Shops were opened and 136 were closed in line with the rationalization plan of the DOS network in more mature markets and the expansion in countries where the Group's presence is still limited but developing well.

	12-31-2017		12-31-2016		2017		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	304	137	352	129	(48)	4	(52)
Europe (*)	310	155	346	173	(36)	5	(41)
North America	42	42	48	48	(6)	1	(7)
Other countries (**)	439	105	415	105	24	60	(36)
Total	1,095	439	1,161	455	(66)	70	(136)

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

(**) Includes Under License Agreement Shops (168 as of December 31 2017, 156 as of December 31 2016). Sales from these shops are not included in the franchising channel.

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Revenues by Region (preliminary and unaudited figures)

(Thousands of Euro)	2017	%	2016	%	Var. %
Italy	257,520	29.1%	270,118	30.0%	(4.7%)
Europe (*)	382,893	43.3%	396,565	44.0%	(3.4%)
North America	56,893	6.4%	60,678	6.7%	(6.2%)
Other countries	187,223	21.2%	173,402	19.3%	8.0%
Net sales	884,529	100.0%	900,763	100.0%	(1.8%)

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

Sales in Italy, which accounted for 29% of sales (30% in 2016) amounted to Euro 257.5 million, compared to Euro 270.1 million in 2016. This trend is mainly due to the planned optimization of the retail network (-48 net closures), the slight reduction in LFL sales recorded by DOS and a stable wholesale channel.

Sales in Europe, which accounted for 43% of Group sales, amounted to Euro 382.9 million, compared to Euro 396.6 million in 2016. The 3.4% decrease is mainly due to the planned rationalization of the mono-brand store network (-36 net closures), the slight increase in the LFL sales recorded by DOS and a stable wholesale channel.

North American sales amounted to Euro 56.9 million, down 6.2% (-5.6% at constant forex) mainly due to the performance on the Canadian market, the stable LFL sales recorded by DOS and the rationalization of the mono-brand stores (-6 net closures).

Sales in other Countries increased by 8.0% compared to 2016 (+7.9% at constant exchange rates) with positive performance both in the wholesale channel and in terms of LFL sales recorded by DOS with a particularly strong growth in Russia, Eastern Europe and China.

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Revenues by Product (preliminary and unaudited figures)

(Thousands of Euro)	2017	%	2016	%	Var. %
Footwear	796,664	90.1%	815,538	90.5%	(2.3%)
Apparel	87,865	9.9%	85,225	9.5%	3.1%
Net sales	884,529	100.0%	900,763	100.0%	(1.8%)

Footwear sales represented 90% of consolidated sales amounting to Euro 796.7 million, -2.3% (-2.1% at constant forex). Apparel sales accounted for 10% of consolidated sales at Euro 87.9 million, compared to Euro 85.2 million (+3.1% at current forex, + 3.0% at constant forex).

NET FINANCIAL POSITION

The Group balance sheet shows a net financial position of Euro -5.4 million strongly improving from Euro -35.9 million as of December 31, 2016.

This result is mainly due to the profitability improvement, the strict control of the net working capital and in particular to the decrease of inventories. Capex at Euro 30 million, in line with 2016.

Please note that the figures related to 2017 sales and net financial position are preliminary and unaudited. Financial statements for the Fiscal Year 2017 will be approved by Board of Directors next February 23, 2018.



2. RESIGNATION OF MR GREGORIO BORGIO AS AN EMPLOYEE AND DIRECTOR

The Board of Directors of Geox S.p.A. has acknowledged the resignation of Mr. Gregorio Borgo as CEO with effect from today and his resignation as an employee with effect from January 31, 2018 in order to pursue a new professional journey. The BoD has expressed full gratitude and appreciation for his high professionalism and the precious contribution given to the Group and the positive results achieved in the year.

After the resignation as an employee and Director, Mr Borgo will receive the payment of what has already been accrued as provided by the national labour law at the date of resignation as remuneration, fixed emoluments, accruals and retirement allowance.

As a consequence of his resignation, Mr Gregorio Borgo has not maintained any rights in the Company long – term incentive plans (monetary incentives and stock options). Mr Borgo does not hold any Company shares to date. Finally a non-competition agreement and a non-solicitation agreement for employees and collaborators, different from what provided by law, have not been taken into consideration.

The above is in line with the Group remuneration policy and has been approved by the Remuneration and Appointments Committee.

3. COOPTATION OF MATTEO MASCAZZINI ONTO THE BOARD OF DIRECTORS WITH PROPOSAL TO APPOINT HIM AS CEO OF THE COMPANY DURING THE NEXT BOARD MEETING TO BE HELD ON FEBRUARY 1, 2018.

Geox S.p.A. Board of Directors has appointed Mr. Matteo Mascazzini as Board Member today, with the favourable opinion of the Board of Statutory Auditors, and has made the proposal to appoint him as CEO of the Company during the next Board Meeting to be held on February 1, 2018.

Matteo Mascazzini, 48 years old, boasts a twenty-year career in the global fashion and luxury industry, with experience in retail and international development. He comes from the Gucci Group where, for over ten years, he held leading roles in EMEA, US, Japan and Hong Kong and in the retail and consumer management. Previously, from 2003 to 2007, he was COO/CFO in the US and Japan for Giorgio Armani and, from 1995 to 2002, for Gianni Versace Group he held the position of Controller in the US and then in the group.

On behalf of the entire Board of Directors, the Chairman of Geox S.p.A. has expressed his strong appreciation for the appointment of Matteo Mascazzini, highlighting his extensive international experience in the luxury and retail sector.

Matteo Mascazzini does not hold Company shares; his curriculum vitae is available below.



2018 FINANCIAL CALENDAR

FEBRUARY 23	Board of Directors: Financial statements for the Fiscal Year 2017
APRIL 17	Shareholders' meeting: Approval of the financial statements for the Fiscal Year 2017
MAY 15	Board of Directors: Approval of the <i>Interim Management Statement</i> as of March 31, 2018
JULY 31	Board of Directors: Half Year Report for the six-month period as of June 30, 2018
NOVEMBER 13	Board of Directors: Approval of the <i>Interim Management Statement</i> as of September 30, 2018

The company informs that the Interim Management Statement includes information on revenue trends.

After each of these Board of Director meetings, a press release will be distributed and an **investor conference call to present results for the relevant period to the financial community will be held at 5:30 pm CET**. Any amendment to the aforesaid dates will be duly communicated.

In compliance with the Instructions accompanying the market Rules as organised and monitored by Borsa Italiana S.p.A., (art. IA.2.1.3) Geox S.p.A. notifies that, subject to approval by the shareholders' meeting, any dividends for fiscal year 2017 will be paid in May 2018.

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MATTEO C. MASCAZZINI

Curriculum vitae

BUSINESS EXPERIENCE

KERING GROUP, GUCCI DIVISION (SEP. 2007- JAN. 2018)

- Apr 16-Jan 18 **Chief Operating Officer – Gucci America – New York, US**
- Jan 15-Mar 16 **WW SVP Retail & Consumer Management – Gucci Worldwide – Milan, Italy**
From Sep 15, also dubbed as **President, Gucci HK & Macau**
- Jan 13-Dec 14 **President & CEO – Gucci Japan – Tokyo, Japan**
- Jun 10-Dec 12 **Associate President & COO – Gucci America – New York, US**
- Apr 09-Jun 10 **Associate President – Gucci Europe, Middle East & India – Florence, Italy**
- Sep 07-Apr 09 **Worldwide Controller, Associate CFO – Gucci Division – Florence, Italy**

GIORGIO ARMANI GROUP - (APR. 2003-AUG. 2007)

- Mar 06-Aug 07 **COO – Giorgio Armani Corporation – New York, US**
- Apr 04-Feb 06 **CEO – Giorgio Armani Australia Pty Ltd – Sydney, Australia**
- Apr 03-Feb 06 **Chief Financial Officer – Giorgio Armani Japan Co. Ltd. – Tokyo, Japan**

GIANNI VERSACE GROUP - (JUN. 1995 – MAR. 2003)

- Jul 99 - Mar 03 **Group Controller - Worldwide Headquarters - Milan, Italy**
- Jun 95 - Jul 98 **Corporate Controller and Treasurer for the US subsidiaries - New York, NY**

TETRA PAK, INC., CHICAGO, IL, USA - (OCT. 1993 – JUN. 1995)

Market analyst and Sales Administration Coordinator

EDUCATION

- 1998 - 1999 **London Business School - London, UK**
Masters of Science in Finance - Graduated with Distinction
- 1988 - 1993 **Universita' Commerciale Luigi Bocconi, Milan, Italy**
Laurea in Economia Aziendale (BA in Business Administration)



NOTES AND DISCLAIMER

The preliminary results for 2017 included in this press release, which have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standard Board (IASB), have not been audited. The final results could differ from the preliminary results as a result of events and circumstances that are currently not predictable.

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.

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 INFORMATION

INVESTOR RELATIONS

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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 that guarantee both waterproof and breathable products. Geox is one of the leading brands in the "International Lifestyle Casual Footwear Market". Geox technology is protected by 35 different patents and by 10 more recent patent applications

Fine Comunicato n.0742-2

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