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Testo del comunicato

Vedi allegato.

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PRESS RELEASE – 2022 RESULTS

GEOX STARTS THE "*BIGGER & BETTER*" PHASE OF THE 2022-2024 BUSINESS PLAN STRONGLY WITH RESULTS AHEAD OF EXPECTATIONS:

- **SALES OF EURO 735.5 MILLION (+21% ON 2021), WITH DOUBLE-DIGIT GROWTH ACROSS ALL DISTRIBUTION CHANNELS AND ALL THE MAIN REGIONS, THANKS TO INVESTMENTS IN STYLE, PRODUCT AND COMMUNICATION**
- **RETURN TO A POSITIVE OPERATING PROFIT (EBIT) AT EURO 4.3 MILLION (EURO -44.9 MILLION IN 2021), BENEFITING FROM A MAJOR OPTIMISATION AND EVOLUTION OF THE BUSINESS MODEL**
- **NET FINANCIAL POSITION (PRE IFRS 16) OF EURO -49.8 MILLION (EURO -64.3 MILLION AT THE END OF 2021), THANKS TO STRICT WORKING CAPITAL CONTROL, WHICH ACCOUNTS FOR 10.5% OF REVENUES (18.5% IN 2021).**

2023 SALES WERE AGAIN STRONG, IMPROVING AGAINST BOTH THE PREVIOUS YEAR AND THE SAME PERIOD IN 2019. MULTIBRAND CHANNEL ORDERS ARE UP BY DOUBLE DIGIT FOR BOTH SPRING/SUMMER AND FALL/WINTER.

THESE RESULTS RECONFIRM THE BUSINESS PLAN FORECASTS AND EXPECTATIONS FOR 2023 AND 2024.

Biadene di Montebelluna, March 9, 2023 – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), today reviewed the 2022 Draft Financial Statements and the 2022 Consolidated Financial Statements, in addition to the non-financial statement.

Mario Moretti Polegato, Chairman and Founder of Geox, stated: "I am satisfied. 2022 was for us truly a key year. Not only in view of the results, which exceeded expectations - having returned to an operating profit and with sales up 21%, despite the highly challenging environment - but particularly as the strategy outlined for the 2022-2024 "*Bigger & Better*" growth phase of the Strategic Plan is proving effective and returning significant results. This phase is focused on relaunching the brand, on major product investment and on style, on a renewed focus on multibrand distribution, on digital and on monobrand store productivity. These results were particularly achieved thanks to the ability, cohesion and commitment of all of us who face each challenge with great passion and professionalism. We are a future-focused company, thanks also to significant investments in training our people, in their skills and on a push towards adopting new technologies for the digital transformation of the business model.

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This is a path that started in 2020, when we comprehensively rationalised non-profitable activities, allowing us to both structurally streamline the Group and free up additional resources to boost investment in the most strategic activities for the development of the business model and revenue growth. This path - together with a particular focus on strict working capital control - has allowed us to improve also the net financial position, fully self-fund growth and investment and reduce the debt. We can now reap the first major benefits from this intense effort.
Sales are growing at double-digit rates across all distribution channels and in all major regions, reflecting the increasing appreciation of our products among customers. Operating expenses are down 14% on 2019, supported by a more efficient and flexible business model.

The good beginning of 2023 confirms our expectations for both sales and profitability growth.

Although a complex geopolitical and economic environment, which induces to maintain a prudent approach with a focus on close cost control, we can look confidently to the future and confirm the growth and profitability forecasts of the Business Plan for both 2023 and 2024."

GROUP OPERATING PERFORMANCE: SALES

2022 consolidated sales totalled Euro 735.5 million, up 20.8% on the previous year (+17.8% at constant forex), thanks to the strong performance across all the main distribution channels. Q4 also reported a strong performance, with sales of Euro 166 million (growth of 14% on Q4 2021), thanks to the full return of supply chain reliability, allowing us to fully satisfy customer product delivery demand.

Sales by Distribution channel

(Euro thousands)	2022	%	2021	%	% Change
Multibrand	**369,507**	**50.2%**	**306,256**	**50.3%**	**20.7%**
Franchising	63,583	8.7%	43,137	7.1%	47.4%
DOS*	302,427	41.1%	259,522	42.6%	16.5%
Total Geox Shop	**366,010**	**49.8%**	**302,659**	**49.7%**	**20.9%**
Total sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

* Directly Operated Stores

Multibrand store sales, accounting for 50.2% of Group sales (50.3% in 2021), amounted to Euro 369.5 million (+20.7% at current forex, +17.5% at constant forex), compared to Euro 306.3 million in 2021. Sales benefited from the increased initial order intake for the SS22 and FW22 collections and good levels of in-season re-stocking. In addition, in December, a number of counterparties requested the early shipment of SS23, which was possible thanks to the significant improvement in transport and supply chain conditions in the final part of the year.

Franchising channel sales (9% of Group sales) amounted to Euro 63.6 million (+47.4% on 2021). The performance benefited from the gradual reopening of stores, together with the favourable timing of shipments. Total franchising sales points decreased from 304 stores in December 2021 to 294 stores in December 2022.

Directly-operated store (DOS) sales accounted for 41% of the Group total, amounting to Euro 302.4 million, compared to Euro 259.5 million in 2021 (+16.5% at current forex and +13.8% at constant forex). Comparable sales (LFL) were up 18%, thanks both to the re-opening of all stores in the second half of 2021 (in 2021 approx. 14% of direct stores were temporarily closed due to pandemic restrictions) and the gradual roll-out of the Strategic Plan initiatives. Physical stores in particular reported an increase in comparable sales of approx. 27% on 2021, while the online channel saw a decline of approx. 13% (as a result of the stabilisation of performances following the lockdowns). Direct online channel growth was however particularly strong (approx. +63%) over 2019.

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The uptick in COVID-19 infections in April in Asia resulted in a temporary closure for approx. two months of 19 directly-operated stores in Shanghai.
Finally, in terms of the distribution scope, the number of DOS decreased from 350 stores in December 2021 to 315 in December 2022. This reduction was the main cause of the overall change in channel sales, which despite an increase in comparable sales (LFL) of 18%, increased in the period by 16.5%.

Sales by region

(Euro thousands)	**2022**		**2021**	**%**	**% Change**
Italy	194,754	26.5%	153,801	25.3%	26.6%
Europe (*)	327,901	44.6%	278,283	45.7%	17.8%
North America	30,271	4.1%	26,827	4.4%	12.8%
Other countries	182,591	24.8%	150,004	24.6%	21.7%
Total sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

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

Sales generated in Italy, representing 26.5% of the Group total (25.3% in 2021), amounted to Euro 194.8 million (+26.6%), compared to Euro 153.8 million in 2021. Sales were driven by the directly-operated stores (+23%) and the franchising channel (+79%) and were supported also by the gradual reopening of the distribution network. The wholesale channel also returned an excellent performance (+21%).

Sales generated in Europe, accounting for 44.6% of the Group total (45.7% in 2021), totalled Euro 327.9 million, compared to Euro 278.3 million in 2021, up 17.8% and mainly due to (as in Italy) the strong retail channel performance.
Stores in Europe reported comparable sales growth of 19%. The franchising performance (+50.7%) was also strong.

North America returned sales of Euro 30.3 million, +12.8% (+3.0% at constant forex) on 2021. The direct stores performed well (+20%), while the wholesale channel (+2%) was impacted by the cancellation of a number of orders due to the supply chain difficulties (production and/or shipment delays).

The Other Countries reported sales growth of 21.7% on 2021 (+12.6% at constant forex).
Specifically, Asia Pacific sales were up 6%, thanks to the strong Q4 performance (+23%) which largely offset the impacts from the reorganisation in Japan, resulting in the branch's closure and the transfer of the business to a distributor.
Eastern European sales however were up 25.8%. Direct stores for the entire area reported an increase in comparable sales of +15%. The wholesale and franchising channels also delivered growth.

Sales by Product Category

(Euro thousands)	2022	%	2021	%	% Change
Footwear	663,066	90.1%	546,917	89.8%	21.2%
Apparel	72,451	9.9%	61,998	10.2%	16.9%
Total sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

Footwear accounted for 90% of consolidated sales, amounting to Euro 663.1 million, up 21.2% (+18.4% at constant forex) on 2021. Apparel accounted for 10% of consolidated sales, totalling Euro 72.5 million, compared to Euro 62.0 million in 2021 (+16.9% at current forex, +12.4% at constant forex).

GROUP OPERATING PERFORMANCE: OTHER INCOME STATEMENT ITEMS

The results for the year significantly improved on 2021 and outperformed expectations. In particular, the increase in sales (up nearly Euro 130 million), together with the higher gross margin (+80 bps vs 2021) and the major streamlining of the business model in the 2020-2022 period (costs dropping 14% on 2019) permitted the achievement of a positive operating profit (EBIT) of Euro 4.3 million (approx. Euro -45 million in 2021).

The main movements are presented below:

Cost of sales and gross margin

The cost of sales was 52.5% of sales, compared to 53.3% in 2021, resulting in a gross margin of 47.5% (46.7% in 2021).

The improved margin stems particularly from increased sales, reasoned price increases and the reduction in average markdowns at the direct stores (on average approx. 2 percentage points on 2021). These positive movements more than offset the impacts from the difficulties throughout the supply chain, the congestion at ports and the consequent increased use of air transport (air transport costs of approx. Euro 17 million in FY 2022), which particularly impacted the first half of the year. These criticalities, as previously reported, fortunately abated in the final part of the year and service levels of the entire supply chain remain good and in line with pre-pandemic levels.

Operating expenses

Total operating expenses (general and administrative expenses, the cost of sales and distribution and advertising and promotion expenses) in the year totalled Euro 345.0 million, compared to Euro 329.5 million in 2021. The decrease (approx. 14%) on the 2019 figures was particularly significant (operating expenses of approx. Euro 402 million). This was supported by the major streamlining actions introduced over the last three years.

In particular:

- Sales and distribution expenses were Euro 39.0 million (Euro 37.7 million in 2021), equal to 5.3% of sales (6.2% in 2021).
- General and administrative expenses (net of other revenues) totalled Euro 275.6 million, compared to Euro 262.7 million in 2021 (approx. Euro 332 million in 2019). This account includes a number of non-recurring positive items, such as the insurance payout from the fire at the third-party warehouse[1] for approx. Euro 6 million and supports (government grants, renegotiation of lease payments) related to the pandemic for approx. Euro 3 million. In 2021,

[1] For further details, reference should be made to the significant and/or subsequent events paragraph.

extraordinary pandemic-related grants totalled approx. Euro 26 million. Considering these extraordinary items, general and administrative expenses in 2022 would therefore decrease (approx. -1%) on 2021.
- Advertising and promotion expenses totalled Euro 30.4 million, increasing on Euro 29.2 million in the previous year. The increase is substantially due to the increased marketing initiatives undertaken in the period, in line with the strategic plan.

EBIT

The operating result returned to a profit at Euro 4.3 million (loss of Euro 44.9 million in 2021).

Income taxes

Income taxes in 2022 totalled Euro 4.6 million, compared to Euro 6.4 million in 2021. It should be noted that the total amount of the deferred tax assets does not include the tax benefits associated with the tax losses of fiscal years 2021 and 2022, which amounted to respectively Euro 19.5 million and Euro 5.5 million. For such amounts, as at the date of this report, there is no reasonable certainty that taxable income, over the period of the Strategic Plan, will allow their recovery, in addition to the deferred tax assets already recorded in the financial statement. This valuation approach is due to the significant complexity and volatility related to the international geo-political situation which has required management to take a prudent approach and to await therefore the return also to a pre-tax profit, before recognizing additional deferred tax assets.

Mono-brand store network - Geox shops

At December 31, 2022, the total number of "Geox Shops" was 717 (of which 315 DOS). 38 new Geox Shops were opened in 2022, with the closure of 89, as per the planned optimisation of stores on the more mature markets and an expansion in those countries where the Group's presence is still limited although developing strongly.

	31-12-2022		31-12-2021		2022		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Openings Net**	**Openings**	**Closures**
Italy	189	116	200	128	(11)	5	(16)
Europe (*)	197	110	210	117	(13)	8	(21)
North America	17	17	20	20	(3)	-	(3)
Other Countries (**)	314	72	338	85	(24)	25	(49)
Total	**717**	**315**	**768**	**350**	**(51)**	**38**	**(89)**

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

(**) Includes the stores in countries with license contracts (108 stores at December 31, 2022 and 114 stores at December 31, 2021). Franchising channel sales do not include the stores in these countries.

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GROUP BALANCE SHEET AND FINANCIAL POSITION

The combination of streamlining measures, the strong sales performance, working capital control and the hedges on forex and interest rate risk have kept the net financial position under control, which (pre-IFRS 16 and applying the fair value of derivative contracts) was Euro -49.8 million (Euro -64.3 million in December 2021). The net bank debt was Euro -75.7 million (Euro -82.9 million in December 2021). The fair value of hedges in place at December 31 was a positive Euro 25.9 million.

This strong financial performance is due both to improved cash flows from economics and those from net working capital, which amounts to approximately Euro 77 million (Euro 112 million in December 2021 and Euro 94 million in June 2022), accounting for 10.5% revenues.
The reduction in working capital is mainly due to the sale of inventories from previous seasons. Current inventories refer mainly to the current and future seasons and thus with a higher incidence of accounts payable (about Euro 100 million more). The receivables portfolio is healthy and increasing in line with sales. As a result, cash flows generated from working capital were positive and enabled the company to fully finance capital expenditures of about Euro 25 million and reduce bank debt by about Euro 7 million. This result is particularly strong in view of the considerable sales growth achieved of nearly Euro 130 million.

FINANCIAL STATEMENTS OF THE PARENT COMPANY GEOX S.P.A.

The Board of Directors also approved the results of the financial statements 2022 of the parent company Geox S.p.A. and the corporate governance and ownership structure report.

Sales amounted to Euro 525.2 million, compared to Euro 424.8 million in 2021. A loss of Euro 12.2 million is reported for 2022, due for Euro 8.3 million to the impairment of equity investments and of financial receivables from a number of overseas subsidiaries. In 2021, the Company reported a loss of Euro 64.8 million, due for Euro 5.8 million to the impairment of equity investments and of financial receivables from a number of overseas subsidiaries.

Equity at December 31, 2022 was Euro 104.9 million, compared to Euro 119.6 million at the end of 2021, with a negative net financial position of Euro 81.4 million, excluding the IFRS 16 impact (negative for Euro 95.0 million at December 31, 2021).

The financial statements at December 31, 2022 shall be submitted for the approval of the Shareholders' Meetings scheduled for April 20, 2023.

SIGNIFICANT AND/OR SUBSEQUENT EVENTS

INTERNATIONAL TENSIONS AND UPDATE ON COVID-19 IMPACT ON STORE OPERATIONS AND THE SUPPLY OF RAW MATERIAL AND FINISHED PRODUCTS

Russia's invasion of Ukraine continues to create a major international humanitarian and social crisis, with significant impacts primarily for the living conditions of the populations of these countries, but also for internal economic activities and commercial trade in the area. These extraordinary events in terms of their nature and extent, added to those stemming from COVID-19 and have had global repercussions in 2022 on: i) supply chains, particularly with regard to raw material and energy supply and prices; ii) international market demand levels; iii) inflation and the consequent restrictive interest rate policies; iv) the strengthening of the dollar as a haven from risk, the divergent performance of the US economy and rising interest rates.
Geox mainly operates through third parties in both countries, wholesale and franchising (100% in Ukraine and 70% in Russia). In view of these events, the Group suspended fresh direct investment in Russia shortly after the outbreak of the conflict, withdrawing European management and is managing the short-term situation so as to be prepared to mitigate the impacts from any future decisions regarding its presence in Russia.

Sales in the area in 2022 (Russia and Ukraine) were substantially in line with the Plan at approx. Euro 74 million (approx. 10% of consolidated sales). The invested capital of the Russian subsidiary comprises mainly fast-moving net working capital and accounted for in December 2022 approximately 6% of the Group total. These figures include the incremental effects of the significant revaluation of the Rouble against the Euro, which at December reported an average annual exchange rate of 73 against 87 in 2021.

The Group does not have suppliers or production plant in the area. The company is involved in Banca Intesa's and Caritas Italiana's Golden Links project and supports Civil Protection, a number of humanitarian associations, the Ukrainian Ambassador in Italy and the Ukrainian consulate in Venice for the supply of basic necessities such as clothing and footwear to people on the ground and refugees in Italy.

In terms of the COVID-19 pandemic, all Group stores are currently operational despite the still unstable situation and especially in the Far East.

The difficult public health situation in the Far East in the first half of 2022 was in fact the cause of the major criticalities affecting the Group's supply chain for most of the year. On the one hand, all economic operators have experienced a lengthening of sea freight transportation times due to the reduced frequency in departures and increased stops in order to optimise space. On the other hand, there have been less opportunities to recover production delays through air shipments due to the limited number of cargo and passenger flights.
Conditions in the final part of the year improved significantly and across the board. In particular, sea freight costs and delivery times decreased. This improvement has continued into 2023, with significant development in terms of full supply chain reliability.

RESOLUTION OF THE ISSUES STEMMING FROM THE FIRE IN SEPTEMBER 2022

In late September, a fire broke out at a third-party warehouse located in Levada (TV). This logistics operator handled a substantial portion of Geox brand apparel, except for e-commerce. No personal injuries were reported and the fire was confined to a small part of the building. The smoke however affected about half of the warehouse.
Items destroyed or contaminated by the fumes could not be recovered or put back into production. These mainly concerned the final part of the Fall/Winter 2022 collection that had not yet been shipped to customers and directly-owned stores, and to a lesser extent prior season items.
The best estimate of the effect on FY 2022 is that approx. 25% of orders to wholesale and franchising channels and 30% of orders for our directly-operated stores have not been shipped. In FY 2022, it is estimated that approx. 12 million sales and **6 million in margins** were lost in the fourth quarter.
The Company is insured with adequate coverage against such events and by December 2022 had signed an agreement with the Insurance Company to quantify the compensation at sales value (including orders from its own retail companies) for the amount of destroyed products subject to unfulfilled orders and at cost value for those not subject to orders, relating mainly to prior seasons. All direct costs related to the handling of the claim or related claims were also included, as well as indirect costs on a lump-sum basis.
As a result, **there was no impact on the operating result for the year**, while there were effects on certain income statement items. The impacts in terms of reduced sales to third parties, the lower comparable sales of the monobrand stores and the resulting reduced industrial margin were offset by a single net positive amount of approx. Euro 6 million included in a line presented separately in the financial statements.
From a financial viewpoint, we highlight the collection by December 2022 of an advance of 30% of the insurance compensation, while the balance was collected in February 2023.
Product receipts and shipments for the new Spring/Summer 2023 collection are proceeding as expected.

OUTLOOK

The Geox Board of Directors' meeting of February 2, 2023 reviewed and approved the 2023 budget, which confirms the Strategic Plan objectives in terms of both sales and key earnings indicator growth.

These forecasts are based on the following results and assumptions:

1) The DOS channel currently (week 9) indicates higher comparable sales (LFL) (approx. +4% on 2022 and +3% on 2019), with a continuing decrease in discounts (approx. 4 percentage points on 2022)
2) The multibrand channel, following the strong orders received for SS23 (double-digit growth), also reports robust FW23 orders, (order intake not yet concluded).
3) The transport situation, after a highly challenging 2022, saw significant improvements from year-end both in terms of costs and delivery times (now close to pre-pandemic levels). In particular, the better sea freight

situation should significantly cut the use of air transport. The Group in 2022 - in order to overcome supply chain difficulties and port congestion - relied on air transport to a significant and extraordinary extent, with a negative impact of approx. Euro 17 million on the cost of sales.

4) Group management continues to closely control costs in view of the difficulties arising from the geo-political situation and inflation.

On the basis of that outlined above, management **confirms** the guidelines of the Strategic Plan to 2024. In greater detail, the 2023 forecasts are for:

1) Sales growth of approx. 6/8% on 2022.

2) Gross margin improvement of approx. +100/+130 bps on 2022

The above annual forecasts are also based on the following future performance assumptions:

1) consumers' behaviour allows the continuation of the careful discount management implemented so far in monobrand stores;
2) no relevant change in consumer spending as a result of the softening of inflation and an impact of the recession limited to the first half of the year;
3) continuation of the trend of improving supply chain reliability and reduced transportation costs compared to the past fiscal year;
4) the difficult geopolitical situation in some markets relevant to the Group does not lead to significant deterioration from what was recorded in 2022 in those areas and/or significant impacts of devaluation of their currencies against the Euro.

These performance forecasts are however, due to their nature, subject to significant uncertainties in terms of the geo-political and cost inflation environment.

OTHER RESOLUTIONS PASSED BY THE BOD

AUTHORISATION TO BUY BACK AND HOLD TREASURY SHARES IN ACCORDANCE WITH ARTICLES 2357 AND 2357-*TER* OF THE (ITALIAN) CIVIL CODE

The Board of Directors has passed a resolution to submit a plan to buy back and hold treasury shares to the Shareholders' Meeting for approval. The aim of this plan is to provide the issuer with shares for both the allocation of stock options, in view of said options being exercised as part of the Stock Option Plan approved by the shareholders' meeting to the benefit of employees, and for current and any future Stock Grant Plans in line with the Company's development strategy.

The Company may buy a number of ordinary shares not exceeding 10% of the share capital for a period of 18 months from the date that the shareholders' meeting passes the relative resolution (therefore with a deadline of 20 October 2024), subject to the revocation of the previous plan authorized by the Shareholders' Meeting on 14 April 2022.

Purchases must be made at a price per share that is no more than 10% higher or lower than the closing price posted on the business day prior to the purchase date. Maximum daily purchase volumes cannot exceed 25% of the average volumes traded during the 20 Stock Exchange sessions preceding the purchase date. The share buy-back must be carried out on regulated markets in accordance with the procedures provided for by applicable regulations (in particular, pursuant to art. 144-bis, para. 1, letter b) of the Issuers' Regulation and the provisions that are in any case applicable in order to meet the requirement to treat all shareholders equally, as stated by art. 132 of the 'TUF' – *Italian consolidated law on financial intermediation*, and in accordance with applicable legislation and market practices permitted by CONSOB pursuant to article 13 of (EU) Regulation no. 596/2014), following the operating procedures set forth by the markets' own organisational and operating rules, in order to ensure that all shareholders are treated equally.

It should be noted that, as of today, the Company holds 3,996,250 treasury shares.

APPROVAL OF THE NON-FINANCIAL CONSOLIDATED STATEMENT

The Board of Directors of Geox S.p.A. today closely reviewed and subsequently approved the Non-financial Consolidated Statement for 2022, drawn up as a separate report to the Financial Statements, as per Legislative Decree No. 254 of December 30, 2016, in implementation of EU Directive 2014/95.
This statement was drawn up as per the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and outlines the main activities undertaken in 2022 in the social, environmental and economic spheres, in addition to the results achieved. Furthermore, in view of the major commitment made by the Geox Group in this area, the Statement also outlines the medium/long-term objectives which embody the Geox Group's focus on growing and developing, while also considering the interests of the full range of stakeholders.

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Declaration of the Executive Officer for Financial Reporting

The Executive Officer for Financial Reporting, Mr. Massimo Nai, states in accordance with paragraph 2, Article 154-*bis* of the Consolidated Finance Act that, as far as he is aware, the accounting information in this press release corresponds to the underlying accounting documents, records and entries.

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The 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 product solutions and technologies that guarantee both impermeability and breathability, and on future growth through continued technological innovation.
Geox is one of the leading brands in the "International Branded Casual Footwear Market". Geox technology is protected by 61 different patents and by 5 more recent patent applications.

Disclaimer

This document contains forward-looking statements relating to future events and results of operations, financial position and cash flows of the Geox Group. These statements by nature contain an element of risk and uncertainty in that they depend on future events and developments. The actual results may even diverge significantly from those announced, due to a range of factors.

Attachments

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

Note: the 2022 and 2021 figures were drawn up as per IAS/IFRS and were fully audited. The Balance Sheet and the Cash Flow Statement were reclassified according to a format commonly used by the management and investors to assess the Group results. These reclassified financial statements do not meet the presentation standards required by the International Financial Reporting Standards (IFRS) and should therefore not be used as a substitute for such. However, as they have the same content, they are easily reconciled with those under International Financial Reporting Standards.

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro thousands)	2022	%	2021	%
Sales	**735,517**	**100.0%**	**608,915**	**100.0%**
Cost of sales	(386,287)	(52.5%)	(324,653)	(53.3%)
Gross profit	**349,230**	**47.5%**	**284,262**	**46.7%**
Selling and distribution costs	(38,998)	(5.3%)	(37,659)	(6.2%)
General and administrative expenses	(288,974)	(39.3%)	(274,393)	(45.1%)
Other revenues	13,364	1.8%	11,702	1.9%
Advertising and promotion costs	(30,358)	(4.1%)	(29,195)	(4.8%)
Restructuring charges	-	0.0%	351	0.1%
EBIT	**4,264**	**0.6%**	**(44,932)**	**(7.4%)**
Net financial expenses	(12,660)	(1.7%)	(8,336)	(1.4%)
PBT	**(8,396)**	**(1.1%)**	**(53,268)**	**(8.7%)**
Income tax	(4,625)	(0.6%)	(6,419)	(1.1%)
Net result from continuing operations	**(13,021)**	**(1.8%)**	**(59,687)**	**(9.8%)**
Net result from discontinued operations	-	0.0%	(2,460)	(0.4%)
Net result	**(13,021)**	**(1.8%)**	**(62,147)**	**(10.2%)**
EBITDA	**79,428**	**10.8%**	**30,803**	**5.1%**
EBITDA excl. IFRS 16	**26,550**	**3.6%**	**(22,909)**	**(3.8%)**

Reconciliation of EBITDA:

Operating result	4,264	(44,932)
Depreciation, amortisation and impairment	23,938	26,789
Depreciation and impairment Right-of-use	51,226	48,946
EBITDA	**79,428**	**30,803**
Rents related to IFRS 16	(52,878)	(53,712)
EBITDA BEFORE IFRS 16	**26,550**	**(22,909)**

EBITDA is the operating result plus depreciation, amortisation and impairments and is directly taken from the financial statements, supplemented by the relative Notes.

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Euro thousands)	**31-12-2022**	**31-12-2021**
Intangible assets and goodwill	34,190	31,853
Property, plant and equipment	34,477	35,873
Right-of-use assets	224,273	203,674
Other non-current assets - net	34,631	36,567
Non-current assets	**327,571**	**307,967**
Net operating working capital	**77,102**	**112,435**
Other current assets (liabilities), net	**(6,601)**	**(10,219)**
Net invested capital	**398,072**	**410,183**
Equity	108,210	124,582
Provisions for severance indemnities, liabilities and charges	7,701	8,908
Net financial position	282,161	276,693
Net invested capital	**398,072**	**410,183**

NET OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Euro thousands)	**31-12-2022**	**31-12-2021**
Inventories	290,165	240,320
Accounts receivable	83,998	68,927
Trade payables	(297,061)	(196,812)
Net operating working capital	**77,102**	**112,435**
% of sales for the last 12 months	***10.5%***	***18.5%***
Taxes payable	(9,732)	(10,079)
Other non-financial current assets	32,021	31,025
Other non-financial current liabilities	(28,890)	(31,165)
Other current assets (liabilities), net	**(6,601)**	**(10,219)**

EMARKET SDIR CERTIFIED

GEOX

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Euro thousands)	2022	IFRS 16 impact	2022 excluding IFRS 16	2021 excluding IFRS 16
Net result	**(13,021)**	**2,130**	**(10,891)**	**(70,820)**
Depreciation, amortization and impairment	75,164	(51,226)	23,938	36,199
Other non-cash items	(14,744)	-	(14,744)	(19,449)
Cash flow from economics	**47,399**	**(49,096)**	**(1,697)**	**(54,070)**
Change in net working capital	41,381	(3,382)	37,999	71,479
Change in other current assets/liabilities	(4,837)	-	(4,837)	2,635
Cash flow from operations	**83,943**	**(52,478)**	**31,465**	**20,044**
Capital expenditure	(25,237)	-	(25,237)	(18,989)
Disposals	45	-	45	6,505
Net capital expenditure	**(25,192)**	**-**	**(25,192)**	**(12,484)**
Free cash flow	**58,751**	**(52,478)**	**6,273**	**7,560**
Increase in right-of-use assets	(72,087)	72,087	-	-
Change in net financial position	**(13,336)**	**19,609**	**6,273**	**7,560**
Initial net financial position - prior to fair value adjustment of derivatives	**(295,230)**	**212,374**	**(82,856)**	**(89,792)**
Change in net financial position	(13,336)	19,609	6,273	7,560
Translation differences	528	341	869	(624)
Final net financial position - prior to fair value adjustment of derivatives	**(308,038)**	**232,324**	**(75,714)**	**(82,856)**
Fair value adjustment of derivatives	25,877	-	25,877	18,537
Final net financial position	**(282,161)**	**232,324**	**(49,837)**	**(64,319)**

INVESTMENTS

(Euro thousands)	2022	2021
Trademarks and patents	382	396
Openings and restructurings of Geox Shops	8,539	4,494
Industrial plant & equipment	3,510	2,631
Logistics	2,729	1,347
Information technology	9,151	8,713
Other investments	926	1,408
Total cash capex	**25,237**	**18,989**
Right-of-Use	72,616	4,015
Total capex	**97,853**	**23,004**

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