

<p>Informazione Regolamentata n. 0742-17-2024</p>	<p>Data/Ora Inizio Diffusione 14 Maggio 2024 17:34:05</p>	<p>Euronext Milan</p>
---	---	-----------------------

Societa' : GEOX

Identificativo Informazione Regolamentata : 190666

Utenza - Referente : GEOXN04 - -

Tipologia : REGEM; 3.1

Data/Ora Ricezione : 14 Maggio 2024 17:34:05

Data/Ora Inizio Diffusione : 14 Maggio 2024 17:34:04

Oggetto : Q1 2024 SALES RESULTS - Notice of filing of the minutes of the Shareholders' meeting held on 19 April 2024

*Testo del comunicato*

Vedi allegato



PRESS RELEASE – Q1 2024 SALES RESULTS

## **GEOX REPORTS FIRST THREE MONTHS 2024 RESULTS:**

- **SALES AT EURO 193.6 MILLION DOWN BY 13.5% AT CURRENT EXCHANGE RATES (-11.7% AT CONSTANT EXCHANGE RATES). THIS PERFORMANCE WAS MAINLY ATTRIBUTABLE TO WEAKNESS IN THE WHOLESALE CHANNEL, WHICH DECREASED BY 21.6% (-19.7% AT CONSTANT EXCHANGE RATES) IN RESPECT TO PREVIOUS YEAR.**

**SOLID PERFORMANCE OF THE PHYSICAL DOS CHANNEL, WITH COMPARABLE SALES (LFL) INCREASED BY +4.4%, AND IN PARTICULAR OF THE DIGITAL DOS, WHICH SHOW AN INCREASE OF 41.9% COMPARED TO THE FIRST THREE MONTHS OF 2023.**

- **WORKING CAPITAL IS IN LINE WITH SEASONAL DYNAMICS AND STANDS AT EURO 163.0 MILLION (COMPARED TO EURO 116.7 MILLION AS OF DEC. 31, 2023). THE INCIDENCE OF NET WORKING CAPITAL ON SALES FOR THE LAST TWELVE MONTHS ACCOUNTS FOR 23.6%.**
- **NET FINANCIAL POSITION (PRE-IFRS 16) STANDS AT EURO -134.9 MILLION (EURO -93.1 MILLION AT 31 DECEMBER 2023) WITH A POSITIVE FAIR VALUE OF HEDGING INSTRUMENTS OF EURO 1.9 MILLION.**

**Biadene di Montebelluna, May, 14 2024** – Geox S.p.A., leading brand in classic and casual footwear listed on the Euronext Milan (GEO.MI) market managed by Borsa Italiana, examines today consolidated sales figures and net financial position for the first quarter of 2024.

The Chief Executive Officer Enrico Mistrion commented: “The first quarter of 2024 has proven to be extremely challenging and complex as highlighted by numerous market indicators already emerged towards the end of last year. Sales for the first three months of 2024 experienced a decline by 13.5% compared to the same period last year, which, on the opposite, had been characterized by very positive performance.

This decrease is primarily attributable to the Wholesale channel and is largely due to difficulties that several operators have been facing in many of our reference markets.

Nevertheless, there are positive signals regarding the performance of our direct-to-consumer (DOS) channels. Comparable sales (LFL) from physical DOS confirm positive trend, reflecting the impact of investments in product and positioning towards a premium segment. In this regard, we are pleased to announce the continuation of our collaboration with the Oscar-winning actress Penélope Cruz in her role as Global Ambassador for Geox, also for the upcoming FW24 season.

Furthermore, we would like to emphasize in this context the excellent performance of digital DOS sales, which underscore and confirm the quality of investments made in this direction, providing us with further confidence for future endeavors.

The persistence of the complexity and uncertainty observed in all our major reference markets in these first months of 2024 lead us to maintain a prudent and focused approach to the growth of the most profitable markets, the streamlining of processes, and the optimization of cost structures.”

# GEOX

## RESPIRA

As previously announced, since my appointment I am fully engaged, together with the Top management in actively working on the development of the new strategic plan for 2025-2027, which will be presented during the fiscal year.

### **GROUP OPERATING PERFORMANCE: SALES**

Consolidated sales for the first three months of 2024 amounted to Euro 193.6 million, decreasing by 13.5% compared to the previous year (-11.7% at constant exchange rates). Such decline is primarily due to the performance of the Wholesale channel and Franchising, only partially offset by the positive trend of the Digital DOS channel.

#### Sales by Distribution Channel

(Thousands of Euro)	I Quarter 2024	%	I Quarter 2023	%	% Change
<b>Wholesale</b>	<b>106,806</b>	<b>55.2%</b>	<b>136,148</b>	<b>60.8%</b>	<b>(21.6%)</b>
Franchising	16,198	8.4%	20,612	9.2%	(21.4%)
DOS* - B&M	53,466	27.6%	54,908	24.5%	(2.6%)
DOS* - Digital	17,132	8.8%	12,077	5.4%	41.9%
<b>Geox Shops</b>	<b>86,796</b>	<b>44.8%</b>	<b>87,597</b>	<b>39.2%</b>	<b>(0.9%)</b>
<b>Total Sales</b>	<b>193,602</b>	<b>100.0%</b>	<b>223,745</b>	<b>100.0%</b>	<b>(13.5%)</b>

\* Directly Operated Store

Wholesale, which accounted for 55.2% of the Group's sales (compared to 60.8% in the first three months of 2023), amounted to Euro 106.8 million (-21.6% at current exchange rates, -19.7% at constant exchange rates) compared to Euro 136.1 million in March 2023. This negative performance is mainly attributable to significantly lower SS24 order intake than expected, especially compared to the extremely positive performance recorded in the previous year for the SS23 collection.

Franchising channel sales, accounting for 8.4% of the Group's sales, amounted to Euro 16.2 million, marking a decrease of 21.4% compared to the first three months of 2023. The performance of the quarter was affected by the reduction in the number of stores, associated with negative like-for-like (LFL) performance of 2.5% compared to the previous fiscal year. Stores under franchising agreement decreased from 284 stores in March 2023 to 263 in March 2024.

The sales from physical and digital DOS, that represent 36.4% of the total Group's sales, amounted to Euro 70.6 million, compared to Euro 67 million recorded in the first three months of 2023 (+5.4% at current exchange rates, +6.9% at constant exchange rates). Comparable sales (LFL) from physical stores witnessed a growth of 4.4% compared to 2023, albeit only partially offsetting the negative perimeter effect (Euro 4.6 million), still evident but primarily attributable to closures in the fiscal year 2023 and to a lesser extent, those in the first quarter of 2024.

Sales generated through DOS digital channels (company-owned website and directly managed spaces within Marketplaces) demonstrated exceptional performance, recording a remarkable increase of 41.9% compared to the first quarter of 2023. This result, consistent with previous quarters, was achieved due to both excellent LFL performance and an increase in the number of new Marketplaces.

Regarding the distribution perimeter, the number of DOS decreased from 291 stores in March 2023 to 251 in March 2024 (255 in December 2023).

# GEOX RESPIRA

## Sales by region

(Thousands of Euro)	I Quarter 2024	%	I Quarter 2023	%	% Change
Italy	55,046	28.4%	63,402	28.3%	(13.2%)
Europe (*)	84,077	43.4%	93,697	41.9%	(10.3%)
North America	5,971	3.1%	7,538	3.4%	(20.8%)
Other countries	48,508	25.1%	59,108	26.4%	(17.9%)
<b>Total Sales</b>	<b>193,602</b>	<b>100.0%</b>	<b>223,745</b>	<b>100.0%</b>	<b>(13.5%)</b>

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

The sales recorded in Italy account for 28.4% of the Group's sales (28.3% in the first three months of 2023) and amounted to Euro55 million, showing a decrease by 13.2% from Euro63.4 million in 2023. This reduction was mainly driven by the weak performance of the Wholesale channel (-23.8%) and Franchisee shops (-31.8%), only partially offset by the positive performances of the physical (+0.9%) and digital (+39.1%) DOS.

Sales generated in Europe represent 43.4% of the Group's (compared to 41.9% in the first three months of 2023), equal to Euro 84.1 million, down from Euro 93.7 million in 2023, defining a decrease by 10.3%, mainly driven by negative performances in the DACH region (Germany, Austria, and Switzerland), particularly in the Wholesale channel. Direct stores (physical and digital) reported LFL sales growth of +16%, primarily driven by the good performance of the physical store in France and by the digital stores. Franchisee experienced negative performances of approximately 10.3%.

North America recorded revenue of Euro 6.0 million, down by 20.8% (-20.0% at constant exchange rates) compared to the first three months of 2023, primarily influenced by the negative results of the Wholesale channel (-33.2% compared to the first three months of 2023). The DOS channel remained substantially flat, with the positive performances of the digital stores offsetting the decline in the physical stores.

Other countries reported a revenue decline of 17.9% compared to the first three months of 2023 (-10.7% at constant exchange rates). In the Middle East region, revenue experienced a significant decrease, consistent with the trends observed in the previous quarter due to geopolitical tensions and the outbreak of the Israeli-Palestinian conflict.

## Sales by product category

(Thousands of Euro)	I Quarter 2024	%	I Quarter 2023	%	% Change
Footwear	174,053	89.9%	202,370	90.4%	(14.0%)
Apparel	19,549	10.1%	21,375	9.6%	(8.5%)
<b>Total Sales</b>	<b>193,602</b>	<b>100.0%</b>	<b>223,745</b>	<b>100.0%</b>	<b>(13.5%)</b>

Footwear represents 89.9% of consolidated sales, amounting to Euro 174.1 million, with a decrease of 14% (-12.5% at constant exchange rates) compared to the first three months of 2023. Apparel accounted for 10.1% of total sales

# GEOX

## RESPIRA

amounting to Euro 19.5 million; were Euro 21.4 million in the first three months of 2023 (-8.5% at current exchange rates, -3.6% at constant exchange rates).

### Mono-brand store network – Geox shops

As at 31 March 2024 the total number of “Geox Shops” was 635 of which 251 DOS. During the first three months of 2024, 7 new Geox Shops were opened and 27 were closed, in line with the planned optimization of shops in the more mature markets and an expansion in countries where the Group’s presence is still limited but developing positively.

	03-31-2024		12-31-2023		1° Q 2024		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Perimeter Change	Openings	Closings
Italy	172	107	174	107	(2)	1	(3)
Europe (*)	162	85	173	88	(11)	1	(12)
North America	11	11	11	11	-	-	-
Other countries (**)	290	48	297	49	(7)	5	(12)
<b>Total</b>	<b>635</b>	<b>251</b>	<b>655</b>	<b>255</b>	<b>(20)</b>	<b>7</b>	<b>(27)</b>

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

(\*\*) Includes Under License Agreement Shops (121 as of March 31 2024, 120 as of December 31 2023). Sales from these shops are not included in the franchising channel.

## **THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION**

The rationalization actions undertaken, as well as the derivative hedges carried out on exchange rate and interest rate risk, enabled the net financial position to be kept under control, which at the end of March stood (pre - IFRS 16 and after the fair value of derivative contracts) at Euro -134.9 million (Euro -93.1 million as of December 2023 and Euro -97.8 million at March 2023). Net debt to banks amounts to Euro -136.8 million (Euro -90.1 million at December 2023 and Euro -115.5 million at March 2023), reflecting the trend of Net Working Capital in the reference quarter.

Net Working Capital increased by Euro 46.3 million in the first quarter of 2024 compared to an increase of Euro 64.9 million recorded in the first quarter of 2023. This trend is consistent with the seasonality of the business resulting in the related cash absorption.

Inventories amount to approximately Euro 234.8 million, decreasing by Euro 41.2 million from 31 December 2023 (Euro -37.2 million in the first quarter of the previous fiscal year) because of the shipments of finished products of the SS24 collection mainly to Wholesale channel customers.

Accounts receivable amount to approximately Euro 115.8 million, increasing by Euro 43.7 million from 31 December 2023 (Euro 58.3 million in the first quarter of the previous fiscal year). This increase is mainly attributable to the shipments of finished products mentioned above. Average collection days are in line with the previous quarter. Accounts payable amount to Euro 187.7 million, decreasing by Euro 43.7 million from 31 December 2023 (Euro 43.8 million in the first quarter of the previous fiscal year). This decrease is consistent with the improved efficiency of the supply chain, resulting in earlier receipt of finished products compared to the previous fiscal year, with a rebalancing of payment deadlines and lower purchase volumes.



The Net Working Capital Operating Ratio to sales is therefore influenced by the seasonality dynamics described above and by the decrease in sales for the reference quarter. The incidence of Net Working Capital on the last 12 months' revenues is 23.6% (16.2% at the end of December 2023 and 18.3% at March 2023).

## **INTERNATIONAL AND MACROECONOMIC UPDATE**

Even in the early months of fiscal year 2024, the international tension generated by the Russian-Ukrainian conflict and by the outbreak of the Israeli-Palestinian conflict, remains extremely high. The persistence and escalation of this unstable situation is causing strong social and humanitarian impacts, first of all for the living conditions of the populations of these countries, but also on their domestic economic activity and on trade in these areas.

In the countries involved in such conflicts Geox's business is mainly developed through third parties, Wholesale and Franchising and it may be considered not material in Ukraine, Israel and Palestine. With regards of Russia, sales are substantially in line with the forecast at approximately Euro 19 million (about 9.8% of consolidated sales).

## **OUTLOOK**

With reference to the forecasts for the current year, it is essential to carefully consider the international and geopolitical landscape, which remains characterized by persistent uncertainty and volatility, as well as by an inflationary context, though expected to improve from the second half of the year. These factors have a significant impact on market dynamics and consumer behavior, influencing the first quarter just ended and forecasts for the entire fiscal year.

The results achieved in the first quarter of 2024, while well supported by encouraging comparable sales (LFL) in both physical and, especially, digital DOS, were influenced by the weak performance of the Wholesale channel. Considering the uncertain geopolitical and macroeconomic short-term scenario, which still characterizes our major reference markets, the company confirms the increasing operating margin of 50 bps (for the entire year) compared to the previous year and revises downwards the revenue forecasts for the entire year 2024, expecting a mid-single digit reduction compared to year 2023.

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

\*\*\*\*\*

## **NOTICE OF FILING OF THE MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING HELD ON APRIL 19, 2024**

Notice is hereby given that the minutes of the Ordinary Shareholders' Meeting of Geox S.p.A., held on April 19, 2024, are publicly available at the company's registered office in Via Feltrina Centro 16, 31044 Biadene di Montebelluna (TV), and on the authorised storage system eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)). The documents are also available on the Company's website [www.geox.biz](http://www.geox.biz), in the Governance section under "Shareholders' Meeting 2024".

\*\*\*\*\*

## **INFORMATION REGARDING EQUITY (STOCK GRANT) & CASH BASED PLAN 2021-2023**

With reference to the incentive plan of Geox S.p.A. ('Geox' or the 'Company') called 'Equity (Stock Grant) & Cash-Based Plan 2021-2023' (the 'Plan'), approved by the Shareholders' Meeting on 22 April 2021, it is hereby acknowledged that on 8 May 2024, in compliance with the provisions of the Plan regulation, a total of 3,239,944 Geox shares were assigned (free of charge) to the Beneficiaries of the Plan and the due monetary component was paid.

It is also acknowledged that, on 14 May 2024, a further 22,265 shares were assigned (free of charge), completing the assignment of a total of 3,262,209 shares in accordance with the resolution passed by Geox's Board of Directors on 19 April 2024.



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

---

The manager responsible for the preparation of the company's financial documents, Dott. Massimo Nai, hereby declares, in accordance with paragraph 2, article 154 bis of the "Testo Unico della Finanza" (*Italian Consolidated Law on Financial Intermediation*), 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

Luca Amadini: tel. +39 0423 282476; cell. +39 349 930 2858; investor.relations@geox.com

#### UFFICIO STAMPA

Juan Carlos Venti: tel: +39 0423 281914; cell. +39 335 47 0641; juancarlos.venti@geox.com

### **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 Branded Casual Footwear Market". Geox technology is protected by 61 different patents and by 5 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

---

Fine Comunicato n.0742-17-2024

Numero di Pagine: 8