Genesco Inc. Reports Fiscal 2019 Third Quarter Results

December 6, 2018

--Highest Comp Gain in More Than Two Years, Including Positive Store Comps--
--Company Narrows Fiscal 2019 Guidance Range and Reiterates Mid-Point--

NASHVILLE, Tenn., Dec. 6, 2018 /PRNewswire/ --

Third Quarter Fiscal 2019 Financial Summary

- Net sales were $713 million
- Comparable sales increased 4%
- GAAP EPS from continuing operations was $0.74
- Non-GAAP EPS from continuing operations was $0.95[1]

Genesco Inc. (NYSE: GCO) today reported GAAP earnings from continuing operations per diluted share of $0.74 for the three months ended November 3, 2018, compared to a loss per diluted share of $(8.55) in the third quarter last year. Adjusted for the Excluded Items in both periods, the Company reported third quarter earnings from continuing operations per diluted share of $0.95, compared to earnings per diluted share of $1.02 last year.

Robert J. Dennis, Chairman, President and Chief Executive Officer, said:

"We achieved our highest quarterly comparable sales increase in more than two years driven by the ongoing strength of our U.S. footwear businesses. Journeys and Johnston & Murphy delivered strong performances both in-store and online, which fueled an acceleration in our combined consolidated store and digital comps on a sequential basis. While still negative, sales trends at both the Lids Sports Group and Schuh Group continued to improve following a very challenging start to the year. Even with the strong comp result, sales were down year-over-year due primarily to the calendar shift that moved an important back-to-school sales week out of the third quarter into the second quarter. At the same time, a change in timing of catalog expenses due to new revenue recognition standards contributed to an increase in operating costs. All of this resulted in earnings per share that were slightly ahead of our expectations but below last year's level.

"The fourth quarter has started well, highlighted by solid results during the Black Friday through Cyber Monday period. While we are optimistic about continued strength at Journeys and Johnston & Murphy, the persistent negative comps at Lids and Schuh keep us cautious for the balance of the year, with the greater part of holiday shopping ahead of us. Looking further ahead, we believe the many initiatives we've recently executed have the Company well positioned to generate increased profitability and deliver greater shareholder value in fiscal 2020."

Third Quarter Review

Net sales for the third quarter of Fiscal 2019 decreased 1% to $713 million from $717 million in the third quarter of Fiscal 2018. Comparable sales increased 4%, with stores up 4% and direct up 9%. Direct-to-consumer sales were 11% of total retail sales for the quarter, compared to 10% last year.

Comparable Sales

Comparable Same Store and Direct Sales:	**3QFY19**	**3QFY18**
Journeys Group	9%	4%
Schuh Group	(4)%	4%
Lids Sports Group	(2)%	(6)%
Johnston & Murphy Group	10%	(1)%
Total Genesco Comparable Sales	4%	1%
Same Store Sales	4%	(2)%
Comparable Direct Sales	9%	24%

Third quarter gross margin this year was 49.5% compared with 49.4% last year.

Selling and administrative expense for the third quarter this year was 45.9%, up 90 basis points, compared to 45.0% of sales for the same period last year. The increase as a percentage of sales reflects higher bonus accruals and the shift in timing of catalog expenses, partially offset by the leveraging of rents and several other expense categories.

Genesco's GAAP operating income for the third quarter was $19.5 million this year compared with an operating loss of $152.4 million last year. Adjusted for the Excluded Items in both periods, operating income for the third quarter was $26.0 million this year compared with operating income of $31.3 million last year. Adjusted operating margin was 3.7% of sales in the third quarter of Fiscal 2019 and 4.4% last year.

The effective tax rate for the quarter was 22.1% in Fiscal 2019 compared to -7.1% last year. The adjusted tax rate, reflecting Excluded Items, was 25.9% in Fiscal 2019 compared to 33.9% last year. The lower adjusted tax rate for this year reflects the lower U.S. federal income tax rate following the passage of the Tax Cut and Jobs Act in December 2017, partially offset by the inability to recognize a tax benefit for certain overseas losses.

GAAP earnings from continuing operations were $14.5 million in the third quarter of Fiscal 2019, compared to a loss of $164.8 million in the third quarter last year. Adjusted for the Excluded Items in both periods, third quarter earnings from continuing operations were $18.7 million in Fiscal 2019, compared to earnings from continuing operations of $19.7 million last year.

Cash, Borrowings and Inventory

Cash and cash equivalents at November 3, 2018 were $53.4 million, compared with $50.7 million at October 28, 2017. Total debt at the end of the third quarter of Fiscal 2019 was $81.8 million compared with $223.6 million at the end of last year's third quarter, a decrease of 63%. Inventories decreased 5% in the third quarter of Fiscal 2019 on a year-over-year basis.

Capital Expenditures and Store Activity

For the third quarter, capital expenditures were $16 million, which consisted of $10 million related to store remodels and new stores and $6 million related to direct to consumer, omnichannel, information technology, distribution center and other projects. Depreciation and amortization was $19 million. During the quarter, the Company opened 15 new stores and closed 19 stores. Excluding Locker Room by Lids in Macy's stores, the Company ended the quarter with 2,534 stores compared with 2,604 stores at the end of the third quarter last year, or a decrease of 3%. Square footage was down 2% on a year-over-year basis, both including and excluding Lids Locker Room departments in Macy's stores.

Fiscal 2019 Outlook

For Fiscal 2019, the Company is narrowing its previously announced guidance range for adjusted diluted earnings per share and reiterating its expectation that earnings for the year will be near the midpoint of the range. The Company expects:

- Comparable sales to be up 2% to 3%, and
- Adjusted diluted earnings per share in the range of $3.10 to $3.40.[2]

Access the conference call below for details regarding guidance assumptions.

Conference Call, Management Commentary and Investor Presentation

The Company has posted detailed financial commentary and a supplemental financial presentation of third quarter results on its website, www.genesco.com, in the investor relations section. The Company's live conference call on December 6, 2018, at 7:30 a.m. (Central time), may be accessed through the Company's website, www.genesco.com. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software.

Safe Harbor Statement

This release contains forward-looking statements, including those regarding the performance outlook for the Company and its individual businesses (including, without limitation, sales, expenses, margins and earnings) and all other statements not addressing solely historical facts or present conditions. Actual results could vary materially from the expectations reflected in these statements. A number of factors could cause differences. These include adjustments to estimates and projections reflected in forward-looking statements, including the level and timing of promotional activity necessary to maintain inventories at appropriate levels; the Company's ability to complete the sale of the Lids Sports Group business on acceptable terms and the timing of any sale transaction; the imposition of tariffs on imported products or the disallowance of tax deductions on imported products; disruptions in product supply or distribution; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs, and other factors affecting the cost of products; the effects of the British decision to exit the European Union, including potential effects on consumer demand, currency exchange rates, and the supply chain; the effectiveness of the Company's omnichannel initiatives; costs associated with changes in minimum wage and overtime requirements; cost associated with wage pressure associated with a full employment environment in the U.S. and the U.K.; weakness in the consumer economy and retail industry for the products we sell; competition in the Company's markets, including online and including competition from some of the Company's vendors in both the licensed sports and branded footwear markets; fashion trends, including the lack of new fashion trends or products, that affect the sales or product margins of the Company's retail product offerings; weakness in shopping mall traffic and challenges to the viability of malls where the Company operates stores, related to planned closings of department stores or other factors and the extent and pace of growth of online shopping; the effects of the implementation of federal tax reform on the estimated tax rate reflected in certain forward-looking statements; changes in buying patterns by significant wholesale customers; bankruptcies or deterioration in financial condition of significant wholesale customers or the inability of wholesale customers or consumers to obtain credit; the Company's ability to continue to complete and integrate acquisitions, expand its business and diversify its product base; changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons; and the performance of athletic teams, the participants in major sporting events such as the NBA finals, Super Bowl, World Series, and College Football Playoffs, developments with respect to certain individual athletes, and other sports-related events or changes that may affect period-to-period comparisons in the Company's Lids Sports Group retail businesses. Additional factors that could affect the Company's prospects and cause differences from expectations include the ability to build, open, staff and support additional retail stores and to renew leases in existing stores and control or lower occupancy costs, and to conduct required remodeling or refurbishment on schedule and at expected expense levels; deterioration in the performance of individual businesses or of the Company's market value relative to its book value, resulting in impairments of fixed assets or intangible assets or other adverse financial consequences and the timing and amount of such impairments or other consequences; unexpected changes to the market for the Company's shares or for the retail sector in general; costs and reputational harm as a result of disruptions in the Company's business or information technology systems either by security breaches and incidents or by potential problems associated with the implementation of new or upgraded systems; and the cost and outcome of litigation, investigations and environmental matters involving the Company. Additional factors are cited in the "Risk Factors," "Legal Proceedings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of, and elsewhere in, our SEC filings, copies of which may be obtained from the SEC website, www.sec.gov, or by contacting the investor relations department of Genesco via our website, www.genesco.com. Many of the factors that will determine the outcome of the subject matter of this release are beyond Genesco's ability to control or predict. Genesco undertakes no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Forward-looking statements reflect the expectations of the Company at the time they are made. The Company disclaims any obligation to update such statements.

About Genesco Inc.

Genesco Inc., a Nashville-based specialty retailer, sells footwear, headwear, sports apparel and accessories in more than 2,650 retail stores and leased departments throughout the U.S., Canada, the United Kingdom, the Republic of Ireland and Germany, principally under the names Journeys, Journeys Kidz, Shi by Journeys, Schuh, Schuh Kids, Little Burgundy, Lids, Locker Room by Lids, Johnston & Murphy, and on internet websites www.journeys.com, www.journeyskidz.com, www.journeys.ca, www.shibyjourneys.com, www.schuh.co.uk, www.littleburgundyshoes.com, www.johnstonmurphy.com, www.lids.com, www.lids.ca, www.lidslockerroom.com, www.trask.com, and www.dockersshoes.com. The Company's Lids Sports Group division operates the Lids headwear stores, the Locker Room by Lids and other team sports fan shops and single team clubhouse stores. In addition, Genesco sells wholesale footwear under its Johnston & Murphy brand, the Trask brand, the licensed Dockers brand, and other brands. For more information on Genesco and its operating divisions, please visit www.genesco.com.

[1] Excludes trademark and asset impairment charges, hurricane losses, and a gain related to Hurricane Maria, net of tax effect and other tax items ("Excluded Items"). A reconciliation of earnings/loss and earnings/loss per share from continuing operations in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") with the adjusted earnings/loss and earnings/loss per share numbers is set forth on Schedule B to this press release. The Company believes that disclosure of earnings and earnings per share from continuing operations adjusted for the items not reflected in the previously announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

[2] A reconciliation of the adjusted financial measures cited in the guidance to their corresponding measures as reported pursuant to GAAP is included in Schedule B to this press release.

GENESCO INC.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended		Three Months Ended	
	Nov. 3, 2018	**% of Net Sales**	Oct 28, 2017	% of Net Sales
Net sales	**$ 713,069**	**100.0%**	$ 716,759	100.0%
Cost of sales	**359,941**	**50.5%**	362,761	50.6%
Gross margin	**353,128**	**49.5%**	353,998	49.4%
Selling and administrative expenses	**327,099**	**45.9%**	322,719	45.0%
Goodwill impairment	**-**	**0.0%**	182,211	25.4%
Asset impairments and other, net	**6,558**	**0.9%**	1,446	0.2%
Earnings (loss) from operations	**19,471**	**2.7%**	(152,378)	-21.3%
Other components of net periodic benefit cost	**(2)**	**0.0%**	21	0.0%
Interest expense, net	**837**	**0.1%**	1,457	0.2%
Earnings (loss) from continuing operations before income taxes	**18,636**	**2.6%**	(153,856)	-21.5%
Income tax expense	**4,117**	**0.6%**	10,950	1.5%
Earnings (loss) from continuing operations	**14,519**	**2.0%**	(164,806)	-23.0%
Provision for discontinued operations, net	**(132)**	**0.0%**	(15)	0.0%
Net Earnings (Loss)	**$ 14,387**	**2.0%**	$(164,821)	-23.0%
Basic earnings (loss) per share:				
Before discontinued operations	**$ 0.75**		$ (8.55)	
Net earnings (loss)	**$ 0.74**		$ (8.56)	
Weighted-average shares outstanding - Basic	**19,462**		19,265	
Diluted earnings (loss) per share:				
Before discontinued operations	**$ 0.74**		$ (8.55)	
Net earnings (loss)	**$ 0.73**		$ (8.56)	
Weighted-average shares outstanding - Diluted	**19,637**		19,265	

GENESCO INC.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Nine Months Ended		Nine Months Ended	
	Nov. 3, 2018	**% of Net Sales**	Oct 28, 2017	% of Net Sales
Net sales	**$ 2,011,920**	**100.0%**	$ 1,976,633	100.0%
Cost of sales	**1,015,522**	**50.5%**	997,215	50.5%
Gross margin	**996,398**	**49.5%**	979,418	49.5%
Selling and administrative expenses	**968,265**	**48.1%**	947,122	47.9%

Goodwill impairment	**-**	**0.0%**	182,211	9.2%
Asset impairments and other, net	**9,149**	**0.5%**	1,623	0.1%
Earnings (loss) from operations	**18,984**	**0.9%**	(151,538)	-7.7%
Other components of net periodic benefit cost	**17**	**0.0%**	77	0.0%
Interest expense, net	**2,968**	**0.1%**	3,883	0.2%
Earnings (loss) from continuing operations before income taxes	**15,999**	**0.8%**	(155,498)	-7.9%
Income tax expense	**3,621**	**0.2%**	12,186	0.6%
Earnings (loss) from continuing operations	**12,378**	**0.6%**	(167,684)	-8.5%
Provision for discontinued operations, net	**(337)**	**0.0%**	(200)	0.0%
Net Earnings (Loss)	**$ 12,041**	**0.6%**	$ (167,884)	-8.5%
Basic earnings (loss) per share:				
Before discontinued operations	**$ 0.64**		$ (8.73)	
Net earnings (loss)	**$ 0.62**		$ (8.74)	
Weighted-average shares outstanding - Basic	**19,361**		19,202	
Diluted earnings (loss) per share:				
Before discontinued operations	**$ 0.63**		$ (8.73)	
Net earnings (loss)	**$ 0.62**		$ (8.74)	
Weighted-average shares outstanding - Diluted	**19,511**		19,202	

GENESCO INC.
Sales/Earnings Summary by Segment
(in thousands)
(Unaudited)

	Three Months Ended		Three Months Ended	
	Nov. 3, 2018	**% of Net Sales**	Oct 28, 2017	% of Net Sales
Sales:				
Journeys Group	**$ 345,702**	**48.5%**	$ 333,506	46.5%
Schuh Group	**95,567**	**13.4%**	101,489	14.2%
Lids Sports Group	**173,241**	**24.3%**	181,347	25.3%
Johnston & Murphy Group	**79,736**	**11.2%**	74,132	10.3%
Licensed Brands	**18,757**	**2.6%**	26,208	3.7%
Corporate and Other	**66**	**0.0%**	77	0.0%
Net Sales	**$ 713,069**	**100.0%**	$ 716,759	100.0%
Operating Income (Loss):				
Journeys Group	**$ 25,232**	**7.3%**	$ 24,283	7.3%
Schuh Group	**4,207**	**4.4%**	7,054	7.0%
Lids Sports Group	**(388)**	**-0.2%**	1,991	1.1%
Johnston & Murphy Group	**5,215**	**6.5%**	5,287	7.1%
Licensed Brands	**(189)**	**-1.0%**	1,153	4.4%
Corporate and Other[1]	**(14,606)**	**-2.0%**	(9,935)	-1.4%
Goodwill impairment charge	**-**	**0.0%**	(182,211)	-25.4%
Earnings (loss) from operations	**19,471**	**2.7%**	(152,378)	-21.3%
Other components of net periodic benefit cost	**(2)**	**0.0%**	21	0.0%
Interest, net	**837**	**0.1%**	1,457	0.2%
Earnings (loss) from continuing operations before income taxes	**18,636**	**2.6%**	(153,856)	-21.5%
Income tax expense	**4,117**	**0.6%**	10,950	1.5%
Earnings (loss) from continuing operations	**14,519**	**2.0%**	(164,806)	-23.0%
Provision for discontinued operations, net	**(132)**	**0.0%**	(15)	0.0%
Net Earnings (Loss)	**$ 14,387**	**2.0%**	$(164,821)	-23.0%

[1]Includes a $6.5 million charge in the third quarter of Fiscal 2019 which includes $5.7 million for a trademark impairment, $1.5 million for asset impairments and $0.2 million in hurricane losses, partially offset by a $0.9 million gain related to Hurricane Maria. Includes a $1.4 million charge in the third quarter of Fiscal 2018 which includes $0.9 million for hurricane losses and $0.5 million for asset impairments.

GENESCO INC.
Sales/Earnings Summary by Segment
(in thousands)
(Unaudited)

	Nine Months Ended Nov. 3, 2018	% of Net Sales	Nine Months Ended Oct 28, 2017	% of Net Sales
Sales:				
Journeys Group	**$ 956,839**	**47.6%**	$ 876,578	44.3%
Schuh Group	**273,992**	**13.6%**	275,570	13.9%
Lids Sports Group	**498,858**	**24.8%**	538,478	27.2%
Johnston & Murphy Group	**223,861**	**11.1%**	211,785	10.7%
Licensed Brands	**58,158**	**2.9%**	73,915	3.7%
Corporate and Other	**212**	**0.0%**	307	0.0%
Net Sales	**$ 2,011,920**	**100.0%**	$ 1,976,633	100.0%
Operating Income (Loss):				
Journeys Group (1)	**$ 46,530**	**4.9%**	$ 29,561	3.4%
Schuh Group	**(360)**	**-0.1%**	10,905	4.0%
Lids Sports Group	**(4,598)**	**-0.9%**	3,245	0.6%
Johnston & Murphy Group	**11,149**	**5.0%**	10,654	5.0%
Licensed Brands	**(279)**	**-0.5%**	2,377	3.2%
Corporate and Other(2)	**(33,458)**	**-1.7%**	(26,069)	-1.3%
Goodwill impairment charge	**-**	**0.0%**	(182,211)	-9.2%
Earnings (loss) from operations	**18,984**	**0.9%**	(151,538)	-7.7%
Other components of net periodic benefit cost	**17**	**0.0%**	77	0.0%
Interest, net	**2,968**	**0.1%**	3,883	0.2%
Earnings (loss) from continuing operations before income taxes	**15,999**	**0.8%**	(155,498)	-7.9%
Income tax expense	**3,621**	**0.2%**	12,186	0.6%
Earnings (loss) from continuing operations	**12,378**	**0.6%**	(167,684)	-8.5%
Provision for discontinued operations, net	**(337)**	**0.0%**	(200)	0.0%
Net Earnings (Loss)	**$ 12,041**	**0.6%**	$ (167,884)	-8.5%

(1)Includes a $0.3 million charge for acquisition transition expenses in the first nine months of Fiscal 2018.
(2)Includes a $9.1 million charge in the first nine months of Fiscal 2019 which includes $5.7 million for a trademark impairment, $3.7 million for asset impairments,
$1.0 million in legal and other matters and $0.2 million in hurricane losses, partially offset by a $1.5 million gain related to Hurricane Maria. Includes a $1.6 million
charge in the first nine months of Fiscal 2018 which includes $0.9 million for hurricane losses and $0.7 million for asset impairments.

GENESCO INC.
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	Nov. 3, 2018	Oct. 28, 2017
Assets		
Cash and cash equivalents	**$ 53,423**	$ 50,740
Accounts receivable	**48,364**	52,704
Inventories	**666,166**	697,949
Other current assets	**75,149**	73,895
Total current assets	**843,102**	875,288
Property and equipment	**361,878**	378,483
Goodwill and other intangibles	**173,021**	180,910
Other non-current assets	**52,712**	63,802
Total Assets	**$ 1,430,713**	$ 1,498,483
Liabilities and Equity		
Accounts payable	**$ 257,504**	$ 244,366
Current portion long-term debt	**9,325**	2,207
Other current liabilities	**105,463**	132,921
Total current liabilities	**372,292**	379,494
Long-term debt	**72,455**	221,372
Pension liability	**-**	5,878

Deferred rent and other long-term liabilities		**144,205**		137,339
Equity		**841,761**		754,400
Total Liabilities and Equity	**$**	**1,430,713**	$	1,498,483

GENESCO INC.
Store Count Activity

	Balance 01/28/17	Open	Close	Balance 02/03/18	Open	Close	Balance 11/03/18
Journeys Group	1,249	45	74	1,220	21	22	**1,219**
Schuh Group	128	7	1	134	4	4	**134**
Lids Sports Group (1)	1,240	18	99	1,159	16	59	**1,116**
Johnston & Murphy Group	177	7	3	181	3	-	**184**
Total Retail Units	2,794	77	177	2,694	44	85	**2,653**

(1)Includes 119 Locker Room by Lids in Macy's stores as of November 3, 2018.

GENESCO INC.
Store Count Activity

	Balance 08/04/18	Open	Close	Balance 11/03/18
Journeys Group	1,215	8	4	**1,219**
Schuh Group	135	-	1	**134**
Lids Sports Group (1)	1,125	5	14	**1,116**
Johnston & Murphy Group	182	2	-	**184**
Total Retail Units	2,657	15	19	**2,653**

(1)Includes 119 Locker Room by Lids in Macy's stores as of November 3, 2018.

GENESCO INC.
Comparable Sales

	Three Months Ended		Nine Months Ended	
	Nov. 3, 2018	Oct. 28, 2017	**Nov. 3, 2018**	Oct. 28, 2017
Journeys Group	**9%**	4%	**8%**	0%
Schuh Group	**(4)%**	4%	**(8)%**	5%
Lids Sports Group	**(2)%**	(6)%	**(5)%**	(3)%
Johnston & Murphy Group	**10%**	(1)%	**8%**	(2)%
Total Comparable Sales	**4%**	1%	**2%**	0%
Same Store Sales	**4%**	(2)%	**1%**	(3)%
Comparable Direct Sales	**9%**	24%	**9%**	27%

Schedule B

Genesco Inc.
Adjustments to Reported Earnings (Loss) from Continuing Operations
Three Months Ended November 3, 2018 and October 28, 2017

In Thousands (except per share amounts)	Three Months Ended November 3, 2018 Pretax	Net of Tax	Per Share Amounts	October 28, 2017 Pretax	Net of Tax	Per Share Amounts
Earnings (loss) from continuing operations, as reported		**$ 14,519**	**$ 0.74**		$ (164,806)	$ (8.55)
Pretax adjustments:						
Impairment charges	**$ 1,522**	**1,072**	**0.05**	$ 510	332	0.02
Trademark impairment charge	**5,736**	**4,196**	**0.21**	-	-	-
Other legal matters	**-**	**(18)**	**-**	-	-	-
(Gain) loss on Hurricane Maria	**(884)**	**(636)**	**(0.03)**	936	619	0.03
Other hurricane losses	**184**	**135**	**0.01**	-	-	-
Goodwill impairment charge	**-**	**-**	**-**	182,211	156,924	8.13
Impact of additional dilutive shares	**-**	**-**	**-**	-	-	0.01
Total adjustments	**$ 6,558**	**4,749**	**0.24**	$ 183,657	157,875	8.19
Other tax items		**(605)**	**(0.03)**		26,632	1.38
Adjusted earnings from continuing operations[1] and [2]		**$ 18,663**	**$ 0.95**		$ 19,701	$ 1.02

[1]The adjusted tax rate for the third quarter of Fiscal 2019 is 25.9% including a FIN 48 discrete item of less than $0.1 million. The adjusted tax rate for the third quarter of Fiscal 2018 is 33.9% including a FIN 48 discrete item of less than $0.1 million.

[2]EPS reflects 19.6 million and 19.3 million share count for Fiscal 2019 and 2018, respectively, which includes common stock equivalents in both years.

The Company believes that disclosure of earnings and earnings per share from continuing operations adjusted for the items not reflected in the previously
announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

Genesco Inc.
Adjustments to Reported Operating Income (Loss)
Three Months Ended November 3, 2018 and October 28, 2017

In Thousands	Three Months Ended November 3, 2018 Operating Income (Loss)	Adjust	Adj Operating Income (Loss)
Journeys Group	**$ 25,232**	**$ -**	**$ 25,232**
Schuh Group	**4,207**	**-**	**4,207**
Lids Sports Group	**(388)**	**-**	**(388)**
Johnston & Murphy Group	**5,215**	**-**	**5,215**
Licensed Brands	**(189)**	**-**	**(189)**
Corporate and Other	**(14,606)**	**6,558**	**(8,048)**
Total Operating Income	**$ 19,471**	**$ 6,558**	**$ 26,029**

In Thousands	Three Months Ended October 28, 2017 Operating Income (Loss)	Adjust	Adj Operating Income (Loss)
Journeys Group	$ 24,283	$ -	$ 24,283
Schuh Group	7,054	-	7,054
Lids Sports Group	1,991	-	1,991
Johnston & Murphy Group	5,287	-	5,287
Licensed Brands	1,153	-	1,153
Corporate and Other	(9,935)	1,446	(8,489)
Goodwill impairment charge	(182,211)	182,211	-
Total Operating Income (loss)	$ (152,378)	$ 183,657	$ 31,279

Schedule B

Genesco Inc.
Adjustments to Reported Earnings (Loss) from Continuing Operations
Nine Months Ended November 3, 2018 and October 28, 2017

In Thousands (except per share amounts)	Nine Months Ended November 3, 2018 Pretax	Net of Tax	Per Share Amounts	October 28, 2017 Pretax	Net of Tax	Per Share Amounts
Earnings (loss) from continuing operations, as reported		**$ 12,378**	**$ 0.63**		$ (167,684)	$ (8.73)
Pretax adjustments:						
Impairment charges	**$ 3,724**	**2,724**	**0.14**	$ 687	454	0.02
Trademark impairment charge	**5,736**	**4,196**	**0.22**	-	-	-
Other legal matters	**992**	**726**	**0.04**	-	-	-
(Gain) loss on Hurricane Maria	**(1,487)**	**(1,088)**	**(0.06)**	936	619	0.03
Other hurricane losses	**184**	**135**	**0.01**	-	-	-
Acquisition transition expenses	**-**	**-**	**-**	288	190	0.01
Goodwill impairment charge	**-**	**-**	**-**	182,211	156,924	8.15
Impact of additional dilutive shares	**-**	**-**	**-**	-	-	0.03
Total adjustments	**$ 9,149**	**6,693**	**0.35**	$ 184,122	158,187	8.24
Tax impact for share-based awards		**452**	**0.02**		2,167	0.11
Other tax items		**(1,190)**	**(0.06)**		26,145	1.36
Adjusted earnings (loss) from continuing operations[1] and [2]		**$ 18,333**	**$ 0.94**		$ 18,815	$ 0.98

[1]The adjusted tax rate for the first nine months of Fiscal 2019 is 27.1% including a FIN 48 discrete item of less than $0.1 million. The adjusted tax rate for
the first nine months of Fiscal 2018 is 34.3% including a FIN 48 discrete item of less than $0.1 million.

[2]EPS reflects 19.5 million and 19.3 million share count for Fiscal 2019 and 2018, respectively, which includes common stock equivalents in both years.

The Company believes that disclosure of earnings and earnings per share from continuing operations adjusted for the items not reflected in the previously
announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

Genesco Inc.
Adjustments to Reported Operating Income (Loss)
Nine Months Ended November 3, 2018 and October 28, 2017

In Thousands	Nine Months Ended November 3, 2018 Operating Income (Loss)	Adjust	Adj Operating Income (Loss)
Journeys Group	**$ 46,530**	**$ -**	**$ 46,530**
Schuh Group	**(360)**	**-**	**(360)**
Lids Sports Group	**(4,598)**	**-**	**(4,598)**
Johnston & Murphy Group	**11,149**	**-**	**11,149**
Licensed Brands	**(279)**	**-**	**(279)**
Corporate and Other	**(33,458)**	**9,149**	**(24,309)**
Total Operating Income (Loss)	**$ 18,984**	**$ 9,149**	**$ 28,133**

In Thousands	Nine Months Ended October 28, 2017 Operating Income (Loss)	Adjust	Adj Operating Income (Loss)
Journeys Group	$ 29,561	$ 288	$ 29,849
Schuh Group	10,905	-	10,905
Lids Sports Group	3,245	-	3,245
Johnston & Murphy Group	10,654	-	10,654
Licensed Brands	2,377	-	2,377
Corporate and Other	(26,069)	1,623	(24,446)
Goodwill impairment charge	(182,211)	182,211	-
Total Operating Income (Loss)	$ (151,538)	$ 184,122	$ 32,584

Schedule B

Genesco Inc.
Adjustments to Forecasted Earnings from Continuing Operations
Fiscal Year Ending February 2, 2019

In Thousands (except per share amounts)	High Guidance Fiscal 2019		Low Guidance Fiscal 2019	
Forecasted earnings from continuing operations	$ 58,153	$ 2.98	$ 51,585	$ 2.64
Adjustments: [1]				
Store/Trademark impairments, other legal matters, gain/loss on hurricanes	7,780	0.40	8,510	0.44
Tax impact for share-based awards	452	0.02	452	0.02
Adjusted forecasted earnings from continuing operations [2]	$ 66,385	$ 3.40	$ 60,547	$ 3.10

(1)All adjustments are net of tax where applicable. The forecasted tax rate for Fiscal 2019 is approximately 27.0%.

(2)EPS reflects 19.5 million share count for Fiscal 2019 which includes common stock equivalents.

This reconciliation reflects estimates and current expectations of future results. Actual results may vary materially from these expectations and estimates, for reasons including those included in the discussion of forward-looking statements elsewhere in this release. The Company disclaims any obligation to update such expectations and estimates.

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