

FY21 Q3 GENESCO Summary Results

December 4, 2020



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Safe Harbor Statement

This presentation contains forward-looking statements, including those regarding the performance outlook for the Company 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 projections reflected in forward-looking statements, including as a result of the effects of COVID-19 on the Company's business including whether there are periods of increases in the number of COVID-19 cases in locations in which the Company operates, further closures of stores due to COVID-19, weakness in store and shopping mall traffic, restrictions on operations imposed by government entities and landlords, changes in public safety and health requirements, the Company's ability to adequately staff stores, limitations on the Company's ability to provide adequate personal protective equipment to employees, and the Company's ability to maintain social distancing requirements; stores closures and effects on the business as a result of civil disturbances; the level and timing of promotional activity necessary to maintain inventories at appropriate levels; the imposition of tariffs on products imported by the Company or its vendors as well as the ability and costs to move production of products in response to tariffs; the Company's ability to obtain from suppliers products that are in-demand on a timely basis and effectively manage disruptions in product supply or distribution, including disruptions as a result of COVID-19; 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 and other sources of weakness in the U.K. market; the effectiveness of the Company's omnichannel initiatives; costs associated with changes in minimum wage and overtime requirements; wage pressure in the U.S. and the U.K.; weakness in the consumer economy and retail industry; competition and fashion trends in the Company's markets; risks related to the potential for terrorist events; risks related to public health and safety events, including for example, the COVID-19 coronavirus; changes in buying patterns by significant wholesale customers; retained liabilities associated with divestitures of businesses including potential liabilities under leases as the prior tenant or as a guarantor of certain leases; and changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons. Additional factors that could cause differences from expectations include the ability 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; the Company's ability to eliminate stranded costs associated with dispositions, including the sale of the Lids Sport Group business; the Company's ability to realize anticipated cost savings, including rent savings; 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, operating lease right of use 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, the Company's 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 the Company's 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.



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Non-GAAP

Financial Measures

We report consolidated financial results in accordance with generally accepted accounting principles (“GAAP”). However, to supplement these consolidated financial results our presentation includes certain non-GAAP financial measures such as earnings and earnings per share and operating income. This supplemental information should not be considered in isolation as a substitute for related GAAP measures. We believe that disclosure of earnings and earnings per share from continuing operations and operating income 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. Reconciliations of the non-GAAP supplemental information to the comparable GAAP measures can be found in the Appendix.



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Q3 FY21

Key Earnings Highlights

\$479

MILLION IN SALES

+62%

GROWTH IN E-COMMERCE
COMP SALES

\$0.85

NON-GAAP EPS

\$178

MILLION OF DEBT
PAID DOWN IN Q3



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Q3 FY21

Key Earnings Highlights

	Quarter 3 October 31, 2020	Quarter 3 November 2, 2019
Total Net Sales Change	-11%	0%
Comparable Sales	-9% ⁽¹⁾	3%
Gross Margin %	47.1%	49.2%
Selling and Admin. Expenses %		
GAAP	44.0%	44.2%
Non-GAAP	44.1%	44.2%
Operating Income % ⁽²⁾		
GAAP	1.7%	4.8%
Non-GAAP	2.9%	5.0%
Earnings per Diluted Share ⁽²⁾		
GAAP	\$ 0.52	\$ 1.31
Non-GAAP	\$ 0.85	\$ 1.33

⁽¹⁾ Although the Company has disclosed comparable sales for the third quarter of Fiscal 2021, it believes that overall sales is a more meaningful metric during this period due to the impact of COVID-19.

⁽²⁾ See GAAP to Non-GAAP adjustments in appendix.



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YTD FY21

Key Earnings Highlights



	Nine Months Ended October 31, 2020	Nine Months Ended November 2, 2019
Total Net Sales Change	-24%	0%
Comparable Sales	NA ⁽¹⁾	4%
Gross Margin %	44.6%	49.1%
Selling and Admin. Expenses %		
GAAP	51.1%	46.5%
Non-GAAP	51.2%	46.5%
Operating Income (Loss) % ⁽²⁾		
GAAP	-14.8%	2.5%
Non-GAAP	-6.7%	2.6%
Earnings (Loss) per Diluted Share ⁽²⁾		
GAAP	\$ (10.29)	\$ 1.63
Non-GAAP	\$ (4.00)	\$ 1.72

⁽¹⁾ As a result of store closures in the first half of the year in response to COVID-19, the Company has not included year to date Fiscal 2021 comparable sales as it believes that overall sales is a more meaningful metric during this period.

⁽²⁾ See GAAP to Non-GAAP adjustments in appendix.

Q3 FY21

Total and Comparable Sales

	Quarter 3	Quarter 3	
	Total Sales	Comparable Sales	
	October 31,	October 31,	November 2,
	2020	2020 ⁽¹⁾	2019
Journeys Group	-10%	-6%	4%
Schuh Group	-3%	1%	3%
Johnston & Murphy Group	-45%	-43%	-6%
Licensed Brands	91%	NA	NA
Total Sales/ Comparable Sales	-11%	-9%	3%
Same Store Sales		-18%	1%
Comparable Direct Sales		62%	19%

⁽¹⁾ Although the Company has disclosed comparable sales for the third quarter of Fiscal 2021, it believes that overall sales is a more meaningful metric during this period due to the impact of COVID-19.

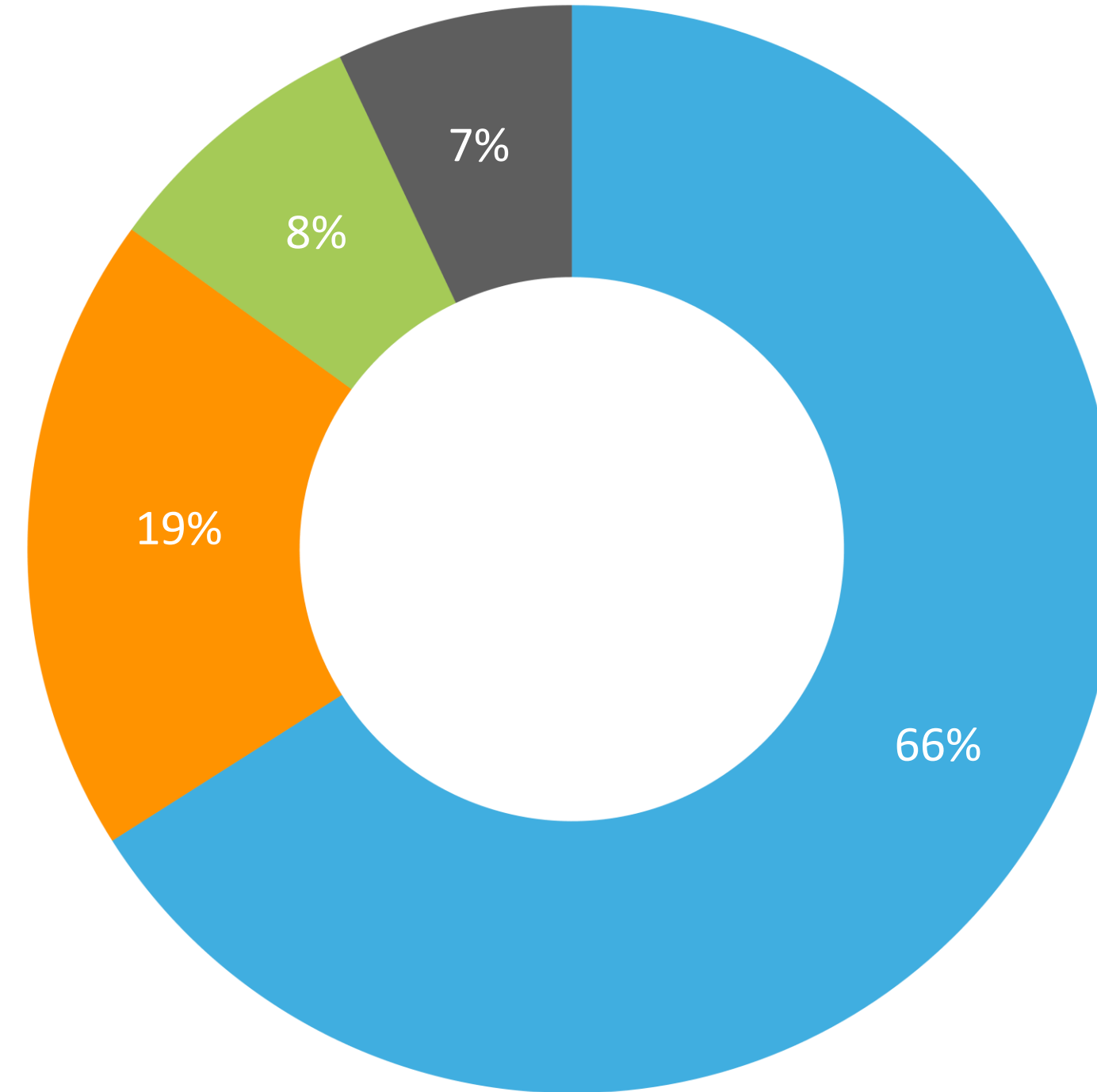


Q3 FY21

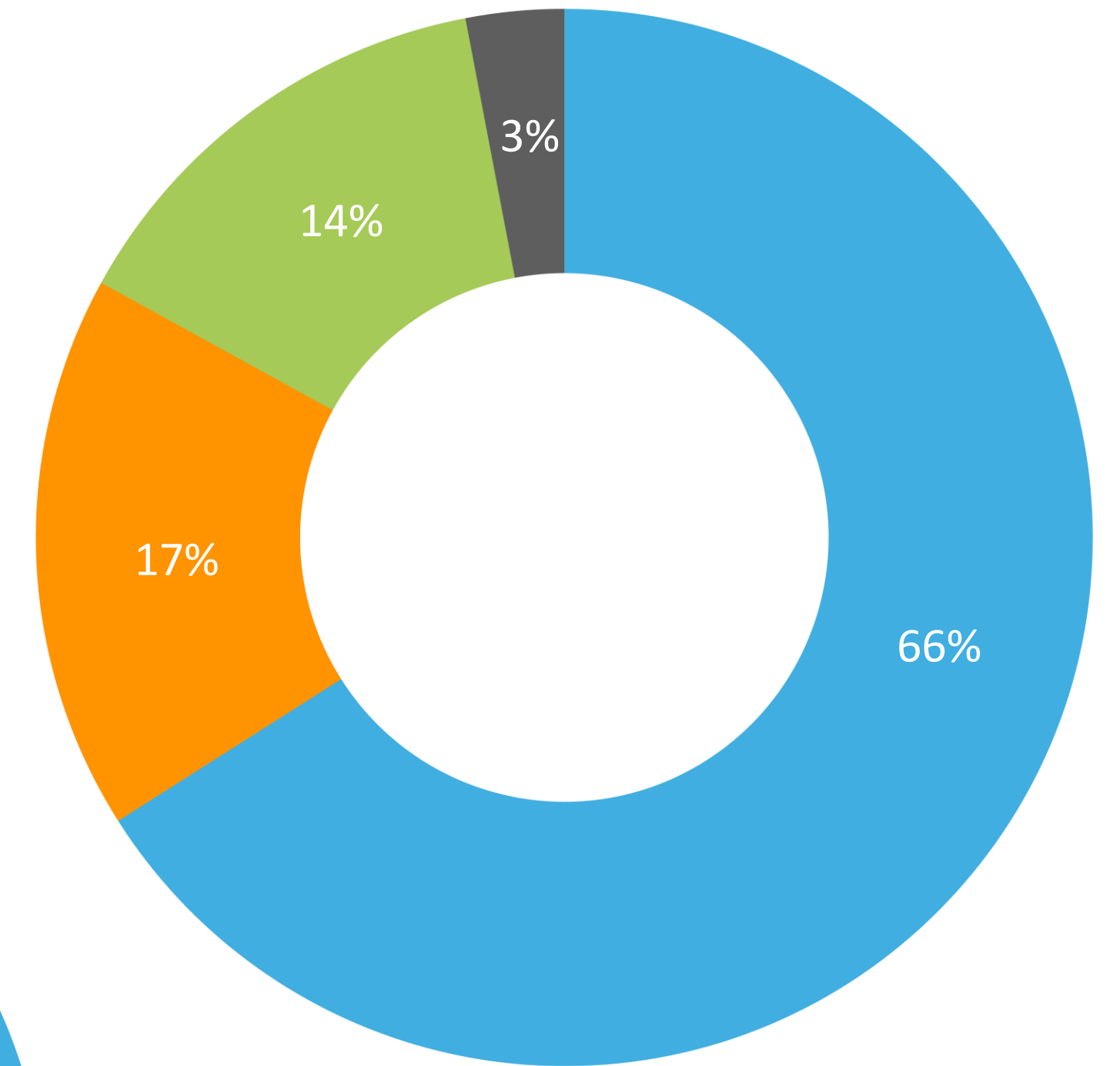
Sales by Segment



- Journeys Group
- Schuh Group
- Johnston & Murphy Group
- Licensed Brands



FY21
Net Sales
\$479.3 Million



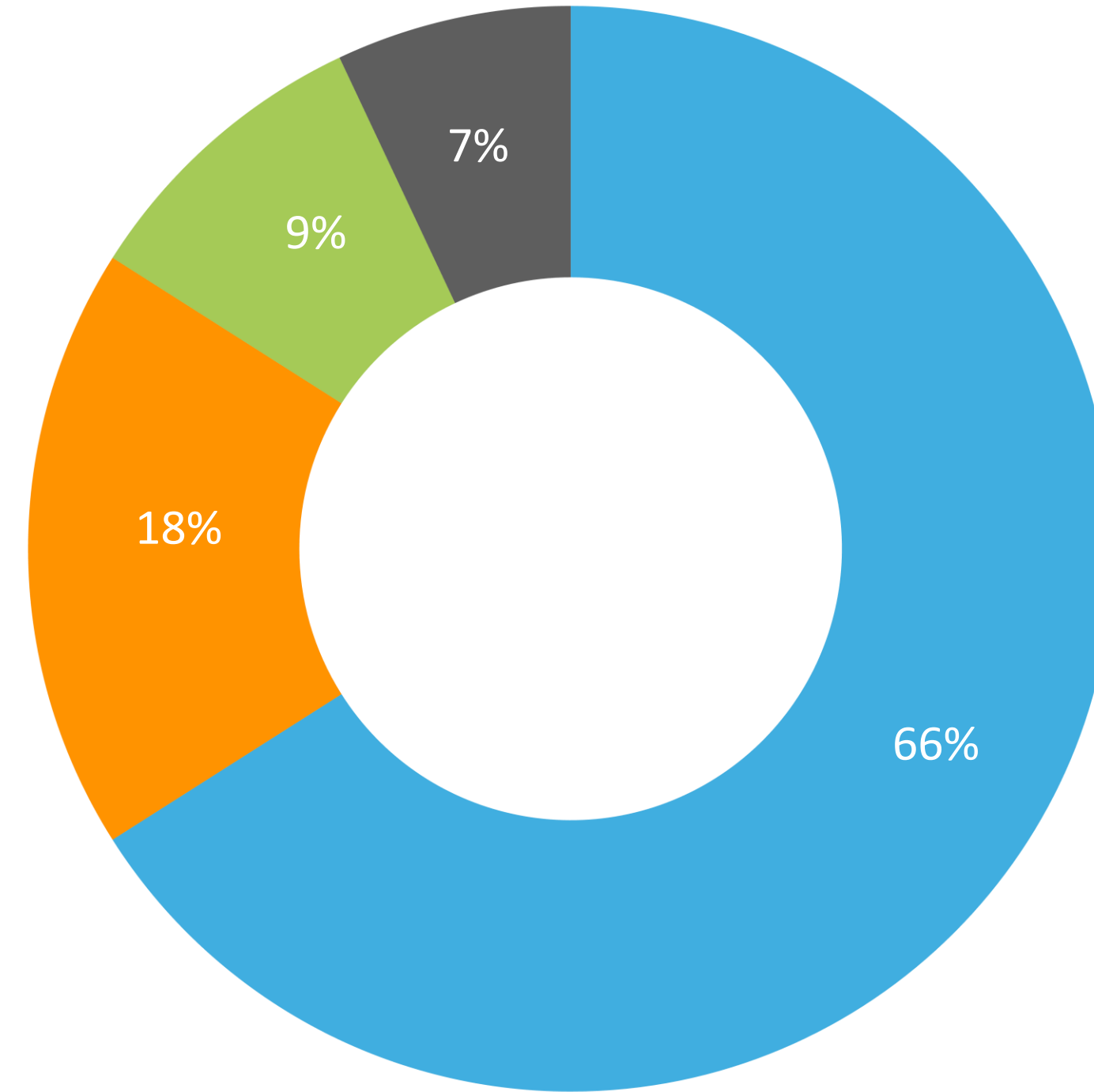
FY20
Net Sales
\$537.3 Million

YTD FY21

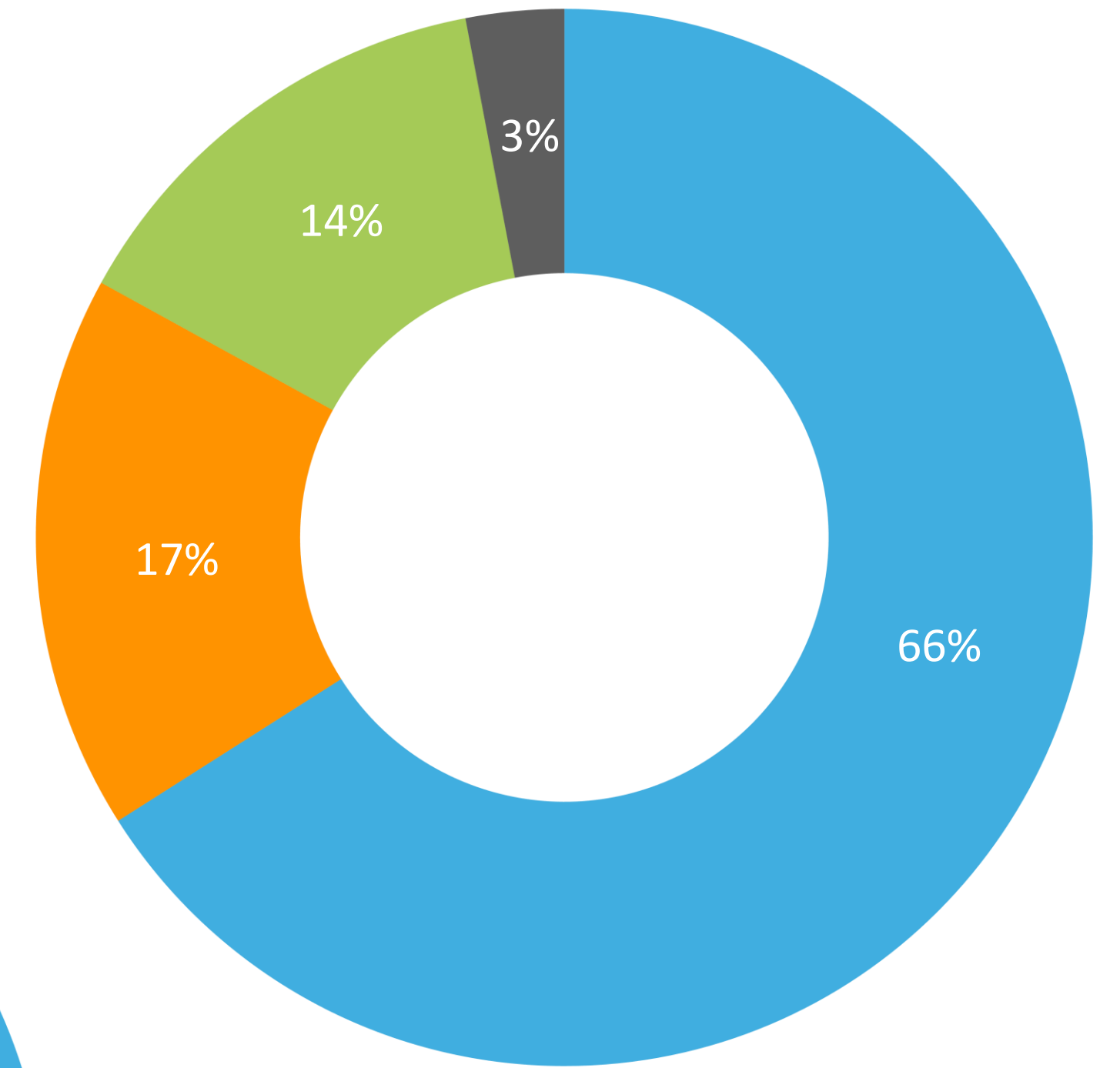
Sales by Segment



- Journeys Group
- Schuh Group
- Johnston & Murphy Group
- Licensed Brands



FY21
Net Sales
\$1.1 Billion



FY20
Net Sales
\$1.5 Billion

Q3 FY21

Adjusted Operating Income (Loss) by Segment ¹

(\$ in millions)

	Quarter 3 - October 31, 2020			Quarter 3 - November 2, 2019		
	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	\$ 24.0	\$ (0.3)	\$ 23.8	\$ 29.0	\$ -	\$ 29.0
Schuh Group	6.8	-	6.8	4.4	-	4.4
Johnston & Murphy Group	(11.1)	(0.1)	(11.2)	3.7	-	3.7
Licensed Brands	0.8	-	0.8	-	-	-
Corporate and Other	(12.3)	6.1	(6.1)	(11.1)	0.8	(10.3)
Total Operating Income	\$ 8.2	\$ 5.7	\$ 13.9	\$ 25.9	\$ 0.8	\$ 26.7
% of sales	1.7%		2.9%	4.8%		5.0%

(¹) See GAAP to Non-GAAP adjustments in appendix.



YTD FY21

Adjusted Operating Income (Loss) by Segment ¹

(\$ in millions)

	Nine Months Ended - October 31, 2020			Nine Months Ended - November 2, 2019		
	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	\$ (2.9)	\$ (0.8)	\$ (3.7)	\$ 59.3	\$ -	\$ 59.3
Schuh Group	(15.2)	-	(15.2)	(1.0)	-	(1.0)
Johnston & Murphy Group	(39.0)	(0.3)	(39.3)	10.3	-	10.3
Licensed Brands	(2.9)	(0.1)	(3.0)	0.2	-	0.2
Corporate and Other	(109.9)	94.6	(15.3)	(30.7)	1.8	(28.9)
Total Operating Income (Loss)	\$ (169.8)	\$ 93.4	\$ (76.5)	\$ 38.0	\$ 1.8	\$ 39.8
% of sales	-14.8%		-6.7%	2.5%		2.6%

⁽¹⁾ See GAAP to Non-GAAP adjustments in appendix.



Q3 FY21

Inventory/Sales Change by Segment



(\$ in millions)

	<u>Oct. 31, 2020</u>	<u>Q3 FY21</u>
Segment Inventory/Sales	<u>Inventory</u>	<u>Sales</u>
Journeys Group	-28%	-10%
Schuh Group ⁽¹⁾	-22%	-8%
Johnston & Murphy Group	3%	-45%
Licensed Brands	8%	91%
Total	\$ 371	\$ 479
% Change from prior year	-22%	-11%

⁽¹⁾ On a constant currency basis.

Q3 FY21

Retail Stores Summary

	Aug. 1, 2020	Open	Close	Oct. 31, 2020
Journeys Group	1,169	5	6	1,168
Journeys stores (U.S.)	852	2	6	848
Journeys stores (Canada)	47	-	-	47
Journeys Kidz stores	232	3	-	235
Little Burgundy	38	-	-	38
Schuh Group	127	-	-	127
Johnston & Murphy Group	180	2	1	181
Total Stores	1,476	7	7	1,476



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Q3 FY21

Retail Square Footage



(square feet in thousands)

Square Footage:

Journeys Group
 Schuh Group
 Johnston & Murphy Group
 Total Square Footage

Aug. 1, 2020	Net Change	Oct. 31, 2020	% Change
2,316	(1)	2,315	0.0%
616	-	616	0.0%
342	2	344	0.6%
3,274	1	3,275	0.0%

Year over year change in retail
 inventory per square foot

-18%

-25%

FY21

Projected Retail Store Count



	Actual 2020	Proj Open	Proj Close	Proj 2021
Journeys Group	1,171	9	14	1,166
Journeys stores (U.S.)	853	5	10	848
Journeys stores (Canada)	46	1	1	46
Journeys Kidz stores	233	3	2	234
Little Burgundy	39	-	1	38
Schuh Group	129	1	7	123
Johnston & Murphy Group	180	4	10	174
Total Stores	1,480	14	31	1,463
Estimated change in square feet				-1%



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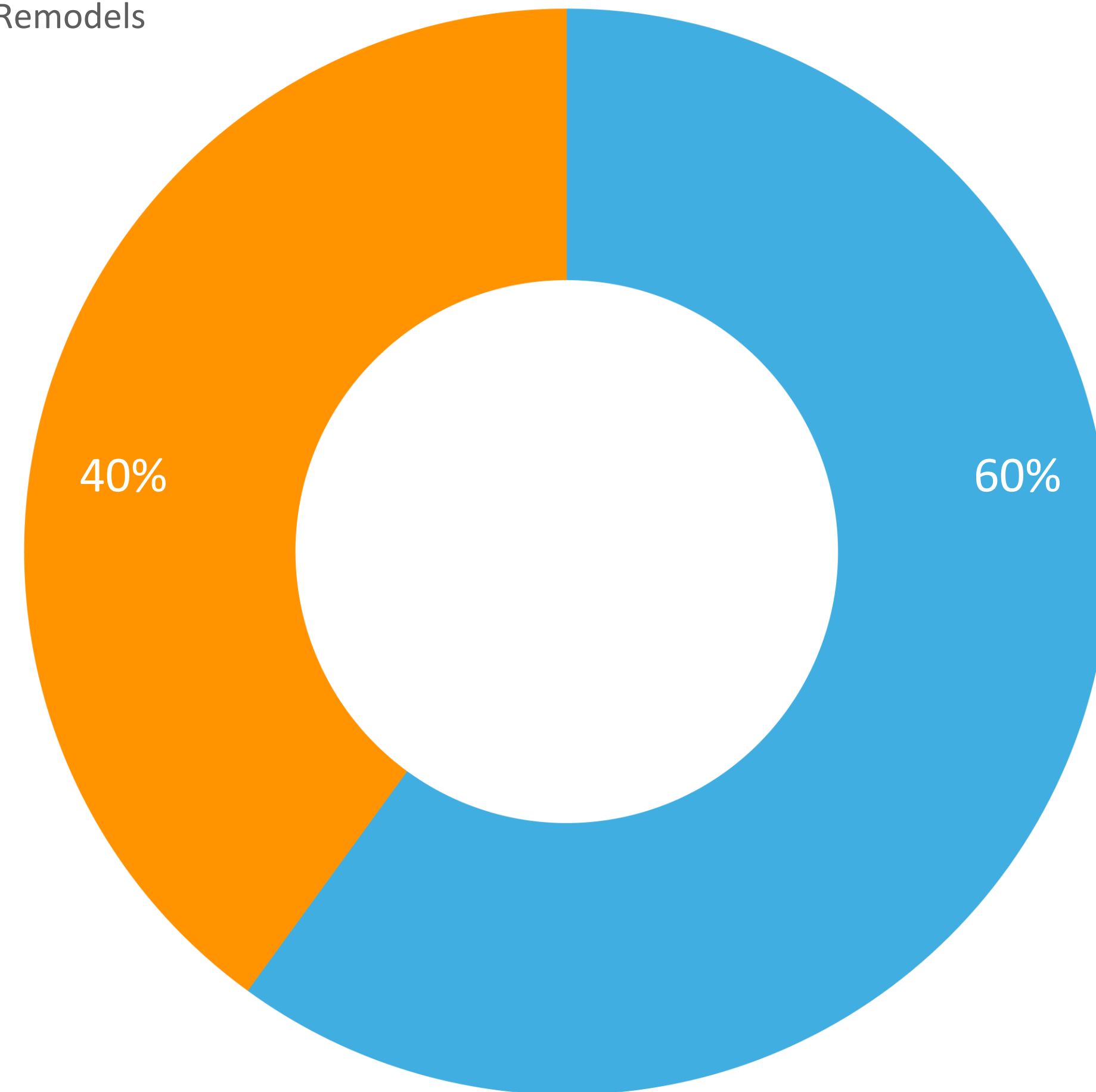
Q3 FY21

Projected Capital Spending



Projected FY21 CapEx \$25-30 Million

- Omni-channel, IT, DC & Other
- New Stores & Remodels



FY21 Projected Depreciation & Amortization = \$47 Million

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Appendix



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Q3 FY21

Non-GAAP Reconciliation

In Thousands (except per share amounts)	Quarter 3					
	October 31, 2020			November 2, 2019		
	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings from continuing operations, as reported		\$ 7,476	\$ 0.52		\$ 18,979	\$1.31
Asset impairments and other adjustments:						
Retail store and intangible asset impairment charges	\$ 6,359	4,337	0.30	\$ 799	633	0.04
Loss on lease terminations	-	-	0.00	-	3	0.00
Change in vacation policy	(616)	(394)	(0.02)	-	-	0.00
Gain on Hurricane Maria	-	-	0.00	-	(3)	0.00
Total asset impairments and other adjustments	\$ 5,743	3,943	0.28	\$ 799	633	0.04
Income tax expense adjustments:						
Other tax items		728	0.05		(245)	(0.02)
Total income tax expense adjustments		728	0.05		(245)	(0.02)
Adjusted earnings from continuing operations ^{(1) and (2)}		\$ 12,147	\$ 0.85		\$ 19,367	\$1.33

⁽¹⁾ The adjusted tax rate for the third quarter of Fiscal 2021 and 2020 is 4.4% and 26.2%, respectively.

⁽²⁾ EPS reflects 14.4 million and 14.5 million share count for the third quarter of Fiscal 2021 and 2020, respectively, which includes common stock equivalents in each period.



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YTD FY21

Non-GAAP Reconciliation

In Thousands (except per share amounts)	Nine Months Ended					
	October 31, 2020			November 2, 2019		
	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings (loss) from continuing operations, as reported		\$ (146,072)	\$ (10.29)		\$ 26,242	\$ 1.63
Asset impairments and other adjustments:						
Retail store and intangible asset impairment charges	\$ 11,134	7,878	0.55	\$ 1,837	1,296	0.08
Trademark impairment	5,260	5,153	0.36	-	-	0.00
Goodwill impairment	79,259	79,259	5.58	-	-	0.00
Loss on lease terminations	-	-	0.00	44	31	0.00
Release Togast earnout	(441)	(323)	(0.02)	-	-	0.00
Change in vacation policy	(1,848)	(1,308)	(0.09)	-	-	0.00
Gain on Hurricane Maria	-	-	0.00	(38)	(27)	0.00
Total asset impairments and other adjustments	\$ 93,364	90,659	6.38	\$ 1,843	1,300	0.08
Income tax expense adjustments:						
Tax impact for share-based awards		1,129	0.08		(54)	0.00
Other tax items		(2,433)	(0.17)		244	0.01
Total income tax expense adjustments		(1,304)	(0.09)		190	0.01
Adjusted earnings (loss) from continuing operations ^{(1) and (2)}		\$ (56,717)	\$ (4.00)		\$ 27,732	\$ 1.72

⁽¹⁾ The adjusted tax rate for the first nine months of Fiscal 2021 and 2020 is 29.2% and 29.5%, respectively.

⁽²⁾ EPS reflects 14.2 million and 16.1 million share count for the first nine months of Fiscal 2021 and 2020, respectively, which excludes common stock equivalents in the first nine months of Fiscal 2021 due to the loss from continuing operations and includes common stock equivalents in the first nine months of Fiscal 2020.



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