FY25 Q3 GENESCO

Genesco

Summary Results
December 6, 2024

Journeys
Journeys Kidz
LITTLE BURGUNDY
schuh
JOHNSTON & MURPHY
Genesco BRANDS GROUP

Safe Harbor Statement

This presentation contains forward-looking statements, including those regarding future sales, earnings, operating income, gross margins, expenses, capital expenditures, depreciation and amortization, tax rates, store openings and closures, cost reductions, ESG progress and all other statements not addressing solely historical facts or present conditions. Forward-looking statements are usually identified by or are associated with such words as “intend,” “expect,” “feel,” “should,” “believe,” “anticipate,” “optimistic,” “confident” and similar terminology. 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 those resulting from weakness in store and shopping mall traffic, restrictions on operations imposed by government entities and/or landlords, changes in public safety and health requirements, and limitations on the Company’s ability to adequately staff and operate stores. Differences from expectations could also result from store 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; our ability to pass on price increases to our customers; the imposition of tariffs on product 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 pandemics or geopolitical events, including shipping disruptions in the Red Sea; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs, and other factors affecting the cost of products; civil disturbances; our ability to renew our license agreements; impacts of the Russia-Ukraine war, and other sources of market weakness in the U.K. and Republic of Ireland; 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; 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; 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 secure allocations to refine product assortments to address consumer demand; the ability to renew leases in existing stores and control or lower occupancy costs, to open or close stores in the number and on the planned schedule, and to conduct required remodeling or refurbishment on schedule and at expected expense levels; the Company’s ability to realize anticipated cost savings, including rent savings; the amount and timing of share repurchases; the Company’s ability to achieve expected digital gains and gain market share; 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; our ability to meet our sustainability, stewardship, emission and diversity, equity and inclusion related ESG projections, goals and commitments; 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; the Company’s ability to realize any anticipated tax benefits in both the amount and timeframe anticipated; and the cost and outcome of litigation, investigations, environmental matters and other disputes 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.

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 adjusted earnings (loss) and adjusted earnings (loss) per share and adjusted operating income (loss). This supplemental information should not be considered in isolation as a substitute for related GAAP measures. We believe that disclosure of earnings (loss) and earnings (loss) per share from continuing operations and operating income (loss) 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.

Our Footwear Focused Vision & Strategy

Our Aspiration

Create and curate leading footwear brands that represent style, innovation and self-expression; be the destination for our consumers’ favorite fashion footwear

How We Will Achieve It

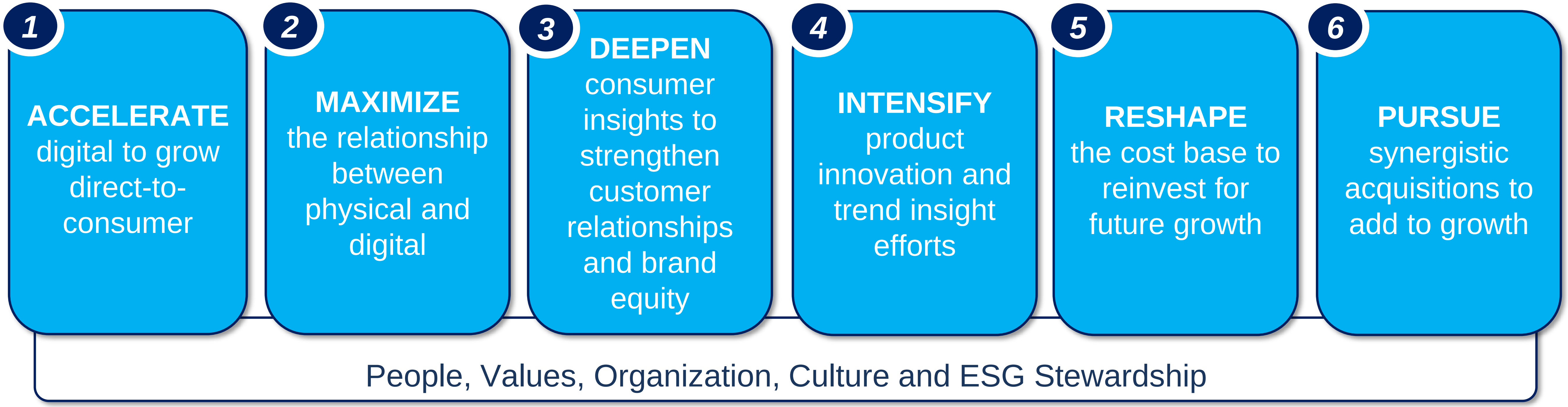
Build enduring relationships with our target customers, grounded in unparalleled consumer and market insights

Deliver exciting, distinctive experiences and products across digital and physical touchpoints

Our Footwear Focused Vision & Strategy

Strategic Initiatives/Pillars

Genesco’s strategy spans six strategic growth pillars



1 **ACCELERATE** digital to grow direct-to-consumer

2 **MAXIMIZE** the relationship between physical and digital

3 **DEEPEN** consumer insights to strengthen customer relationships and brand equity

4 **INTENSIFY** product innovation and trend insight efforts

5 **RESHAPE** the cost base to reinvest for future growth

6 **PURSUE** synergistic acquisitions to add to growth

People, Values, Organization, Culture and ESG Stewardship

Attract, Develop and Retain Consumer-Obsessed Talent

Genesco’s six strategic growth pillars are designed to accelerate our evolution, while leveraging digital and systems synergies to drive sustainable growth and enhanced profitability

Our Footwear Focused Vision & Strategy

Strategic Initiatives/Pillars

Strong Strategic Positioning

Retail Platform

Journeys

schuh

Branded Platform

JOHNSTON & MURPHY

Genesco BRANDS GROUP

The destination for young adult and teen fashion footwear and partner of choice for leading global brands

#1 omnichannel retailer of teen fashion footwear

#1 omnichannel retailer of youth fashion footwear

Portfolio of leading owned and licensed brands

Deep brand heritage and reputation for quality product

Deep brand heritage across portfolio

Q3 FY25 • Highlights

- Delivered results that exceeded expectations, marking another quarter of year-over-year increases for sales and a strong return to positive comps of 6% with Journeys up double digits to 11%
- Both store and e-commerce comps were nicely positive with the e-commerce business up 15% with penetration reaching over 24% of retail sales
- Journeys’ store traffic and sales nicely outpaced the broader market and comps sequentially improved and remained consistently strong throughout the quarter
- Adjusted EPS of $0.61 exceeded expectations and would have been stronger without the shift of an important back-to-school week into the second quarter this year
- Raising sales guidance to down 1% to flat compared to Fiscal 2024, or flat to up 1% excluding the 53rd week in Fiscal 2024
- Raising adjusted diluted earnings per share from continuing operations in the range of $0.80 to $1.00 versus $0.60 to $1.00

Q3 FY25

Key Earnings Highlights

$596

MILLION IN SALES

+15%

GROWTH IN COMPARABLE E-COMMERCE SALES vs. Q3 FY2024

24%

E-COMMERCE PENETRATION vs. 21% Q3 FY2024

($1.76)

GAAP EPS

$0.61

NON-GAAP EPS

Journeys Consumer - Centric Growth Strategy

Drive Product Leadership and Create Marketplace Differentiation

- Diversify and add new key styles with our existing brand partners
- Increase our leadership position with all our key brands
- Enhance in-store, social, and digital exposure for brands
- Work to add new brands

Build the Journeys Brand and Enhance the Omni-Experience

- Intensify efforts to build and promote Journeys as an industry leading retail brand
- Improve Journeys' brand presence and upgrade the customer experience in stores and online
- Personalize and improve the timeliness and relevancy of marketing communications
- Evolve the All Access loyalty program

Leverage the Power of Our People

- Leverage the expertise of our store employees for excellent service as a differentiator
- Maximize mobile POS and BOPIS, to improve efficiency and customer engagement
- Use data to improve training and execution

Optimize to Drive Operational and Cost Efficiencies

- Optimize the store footprint; close unproductive stores
- Strategically open mall and off-mall stores in data-informed sites
- Drive efficiencies in selling salaries, rent expense, and inventory management

Q3 FY25 • Key Earnings Highlights

		Quarter 3 November 2, 2024		Quarter 3 October 28, 2023
Total Sales Change [1]		**3%**		-4%
Comparable Sales		**6%**		-4%
Comparable E-commerce Sales		**15%**		8%
Gross Margin %		**47.8%**		48.1%
Selling and Admin. Expenses %		**46.1%**		46.2%
Operating Income % (1)&(2)				
GAAP		**1.7%**		1.9%
Non-GAAP		**1.7%**		1.9%
Earnings (Loss) per Diluted Share (1)&(2)				
GAAP	**$**	**(1.76)**	$	0.60
Non-GAAP	**$**	**0.61**	$	0.57

[1] Sales, operating income and EPS for the third quarter ended November 2, 2024 were negatively impacted by moving a strong week of back-to-school from the third quarter to the second quarter this year related to the 53-week calendar shift.

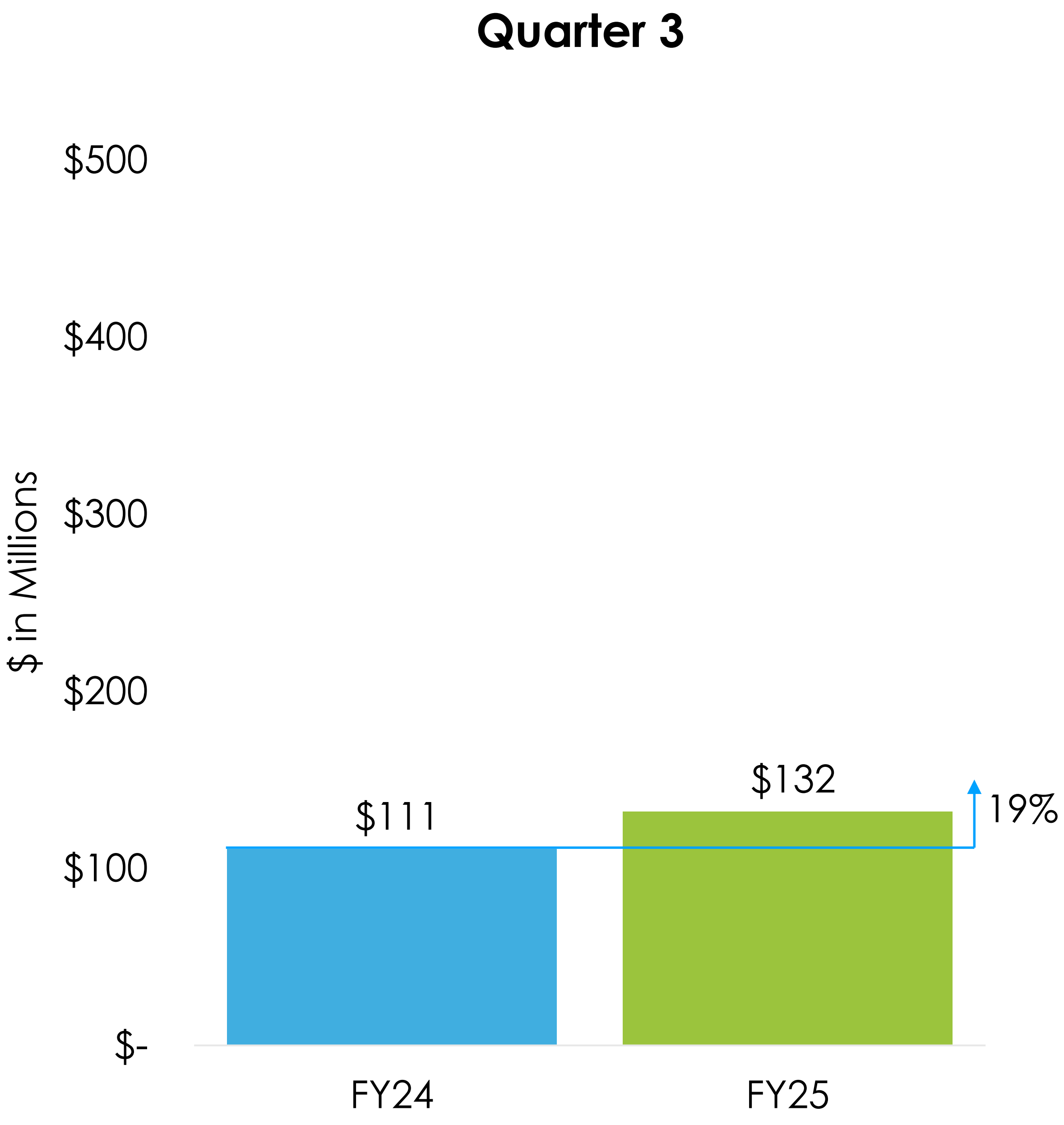
[2] See GAAP to Non-GAAP adjustments in appendix.

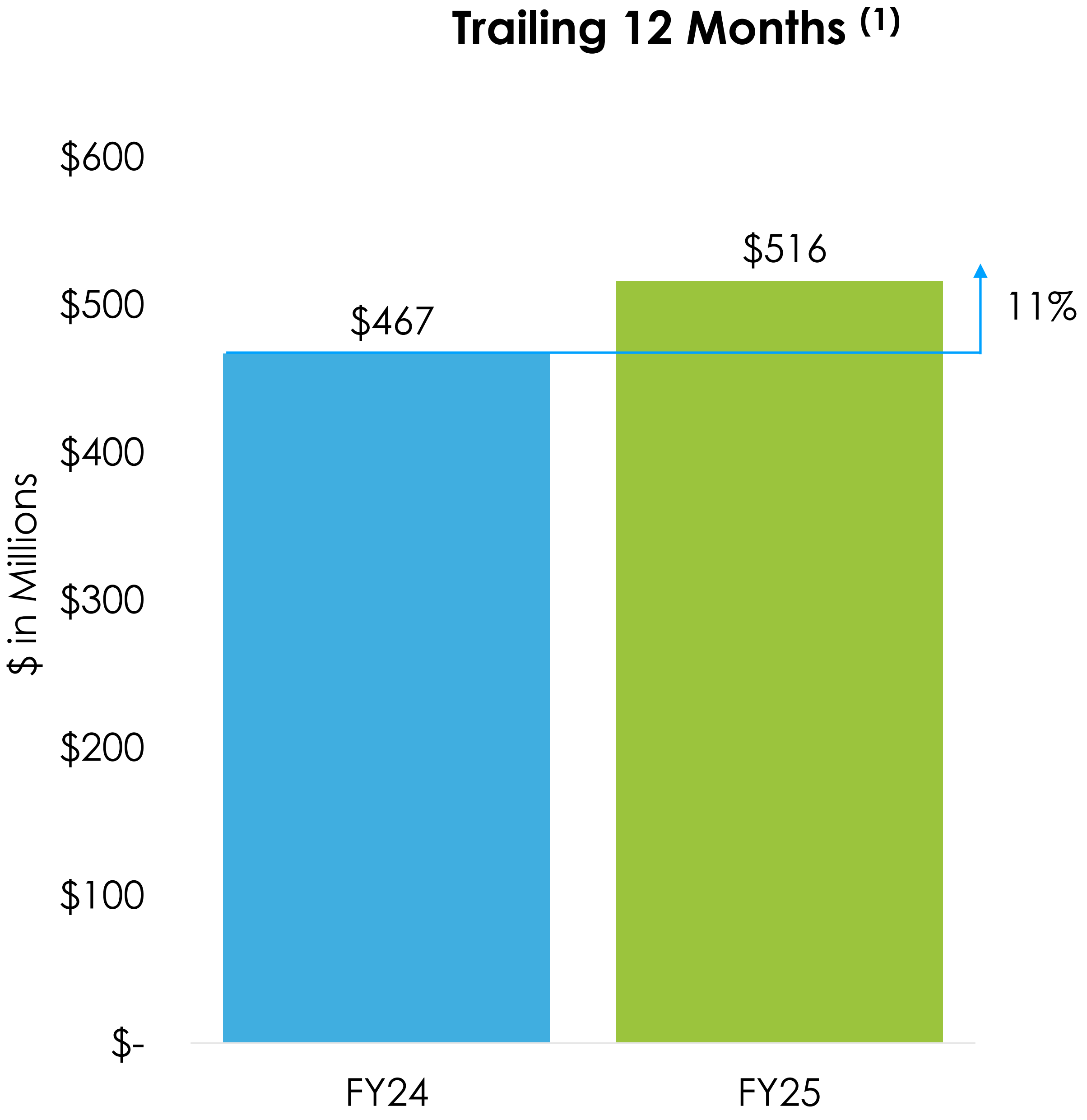
9mos FY25 • Key Earnings Highlights

	Nine Months Ended November 2, 2024		Nine Months Ended October 28, 2023	
Total Sales Change		**flat**		-4%
Comparable Sales		**0%**		-4%
Comparable E-commerce Sales		**9%**		10%
Gross Margin % (1)				
GAAP		**47.3%**		47.7%
Non-GAAP		**47.4%**		47.7%
Selling and Admin. Expenses %		**49.3%**		49.1%
Operating Loss % (1)				
GAAP		**-2.0%**		-3.2%
Non-GAAP		**-1.8%**		-1.4%
Loss per Diluted Share (1)				
GAAP	**$**	**(4.88)**	$	(3.87)
Non-GAAP	**$**	**(2.34)**	$	(1.95)

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

Q3 FY25 • E-Commerce Sales Highlights





	Quarter 3 FY24	Quarter 3 FY25	Trailing 12 Months FY24	Trailing 12 Months FY25
% of Retail Sales [2]	21%	24%	22%	24%

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[1] 53-week period for trailing twelve months ended November 2, 2024 and 52-week period for trailing twelve months ended October 28, 2023.

[2] Retail sales represent combined store sales and e-commerce sales

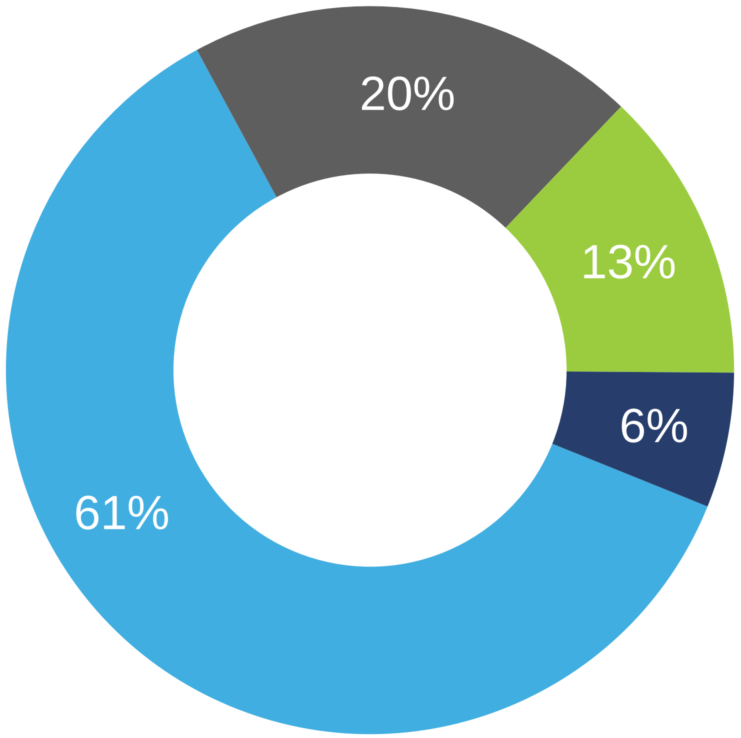
Q3 FY25 • Comparable Sales

	Quarter 3	
	November 2, 2024	October 28, 2023
Journeys Group	**11%**	-8%
Schuh Group	**-1%**	5%
Johnston & Murphy Group	**-1%**	1%
Total Comparable Sales	**6%**	-4%
Same Store Sales	**4%**	-7%
Comparable E-commerce Sales	**15%**	8%

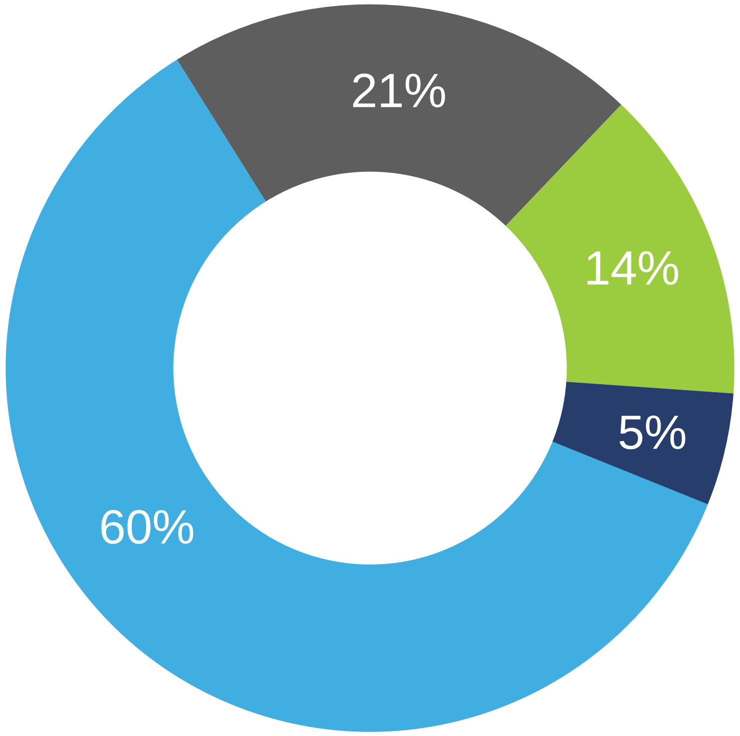
Q3 FY25

Sales by Segment

- 🟦 Journeys
- ⬛ Schuh
- 🟩 Johnston & Murphy Group
- 🟦 Genesco Brands Group



FY25
Net Sales
$596.3 Million



FY24
Net Sales
$579.3 Million

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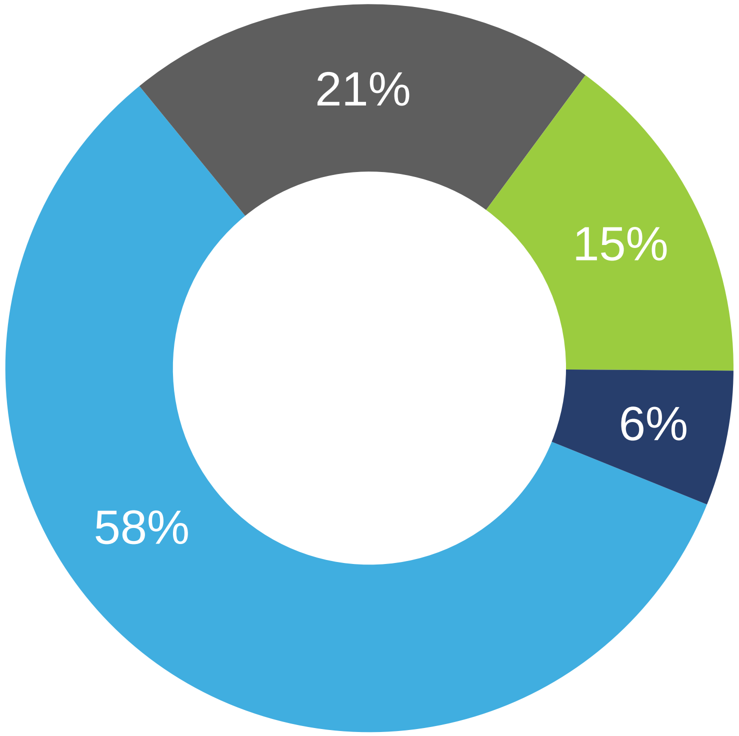
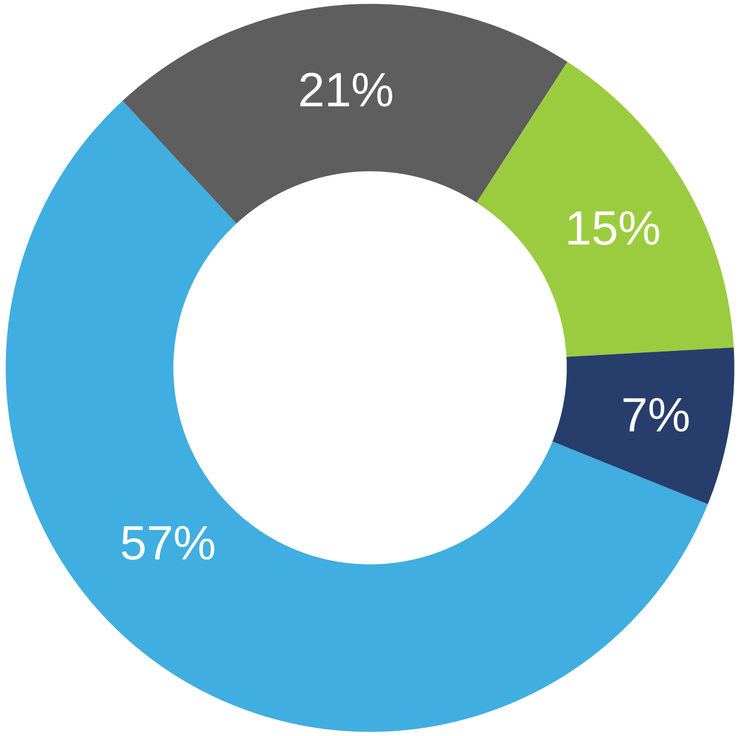
9mos FY25

Sales by Segment

🟦 Journeys
⬛ Schuh
🟩 Johnston & Murphy Group
🟦 Genesco Brands Group



FY25
Net Sales
$1.6 Billion



FY24
Net Sales
$1.6 Billion

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Q3 FY25 • Adjusted Operating Income Statement [1]

	Quarter 3					
	November 2, 2024			October 28, 2023		
$ in millions	**Oper Inc (Loss)**	**Adjust**	**Adj Oper Inc (Loss)**	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	**$ 13.2**	**$ -**	**$ 13.2**	$ 12.0	$ -	$ 12.0
Schuh Group	**3.1**	**-**	**3.1**	5.5	-	5.5
Johnston & Murphy Group	**(0.1)**	**-**	**(0.1)**	2.7	-	2.7
Genesco Brands Group	**3.7**	**-**	**3.7**	(1.6)	-	(1.6)
Corporate and Other	**(9.7)**	**0.1**	**(9.6)**	(7.8)	0.1	(7.7)
Total Operating Income	**$ 10.2**	**$ 0.1**	**$ 10.3**	$ 10.9	$ 0.1	$ 11.0
% of sales	**1.7%**		**1.7%**	1.9%		1.9%

[1] See GAAP to Non-GAAP adjustments in appendix.

9mos FY25 • Adjusted Operating Income Statement (1)

	Nine Months Ended					
	November 2, 2024			October 28, 2023		
$ in millions	**Oper Inc (Loss)**	**Adjust**	**Adj Oper Inc (Loss)**	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	**$ (16.8)**	**$ -**	**$ (16.8)**	$ (21.3)	$ -	$ (21.3)
Schuh Group	**4.6**	**-**	**4.6**	12.1	-	12.1
Johnston & Murphy Group	**1.9**	**-**	**1.9**	10.2	-	10.2
Genesco Brands Group	**5.4**	**1.8**	**7.2**	0.3	-	0.3
Goodwill Impairment	**-**	**-**	**-**	(28.5)	28.5	-
Corporate and Other	**(27.2)**	**1.5**	**(25.7)**	(23.6)	0.6	(23.0)
Total Operating Loss	**$ (32.2)**	**$ 3.2**	**$ (29.0)**	$ (50.8)	$ 29.0	$ (21.7)
% of sales	**-2.0%**		**-1.8%**	-3.2%		-1.4%

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

Q3 FY25

Inventory/Sales Change by Segment

$ in millions	Q3 FY25 Inventory	Q3 FY25 Sales [1]
Total Genesco	$ 523	$ 596
% Change vs. Q3 FY24	1%	3%
	Change vs. Q3 FY24	
Journeys Group	0%	4%
Schuh Group [2]	-10%	-2%
Johnston & Murphy Group	-12%	-4%
Genesco Brands Group [3]	108%	10%

(1) Sales for the third quarter ended November 2, 2024 were negatively impacted by moving a strong week of back-to-school from the third quarter to the second quarter this year related to the 53-week calendar shift.

(2) On a constant currency basis.

(3) Genesco Brands Group inventory increased $20 million related to a distribution model transition.

Q3 FY25 • Retail Store Summary

	Aug. 3, 2024	Open	Close	**Nov. 2, 2024**
Journeys Group	1,039	1	12	**1,028**
Journeys stores (U.S.)	749	1	7	**743**
Journeys stores (Canada)	39	-	2	**37**
Journeys Kidz stores	220	-	2	**218**
Little Burgundy	31	-	1	**30**
Schuh Group	123	1	2	**122**
Johnston & Murphy Group	152	-	-	**152**
Total Stores	1,314	2	14	**1,302**

Q3 FY25

Retail Square Footage

In Thousands	Oct. 28, 2023	Net Change	**Nov. 2, 2024**	**% Change**
Journeys Group	2,212	(93)	**2,119**	**-4.2%**
Schuh Group	611	(7)	**604**	**-1.1%**
Johnston & Murphy Group	302	(11)	**291**	**-3.8%**
Total Square Footage	3,125	(111)	**3,014**	**-3.6%**

Year over year change in retail inventory per square foot			**4%**	

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FY25 Outlook(1)

Note: See earnings call transcript for important details regarding guidance assumptions.

Non-GAAP EPS [2]	$0.80 to $1.00 per share
Total Sales [2] vs. FY2024	down 1% to flat, or flat to up 1% excluding the 53rd week in FY2024
Gross Margin vs. FY2024	down 10 to 20 basis points
SG&A Expenses vs. FY2024	flat to 10 basis points leverage
Tax Rate	~ 27%
CapEx	~ $45 - $50 million
Depreciation & Amortization	~ $52 million
Avg Shares Outstanding	11.0 million *(assumes no further repurchases)*

Additional color on anticipated sales growth by business:

- Journeys Group: Low-single digit percentage increase
- Schuh Group: Low-single digit percentage decline
- Johnston & Murphy Group: Mid-single digit percentage decline
- Genesco Brands Group: Low-double digit percentage decline

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(1) On a Non-GAAP basis

[2] Versus prior guidance of Non-GAAP EPS $0.60 to $1.00 per share and total sales decrease of 1% to 2%, or flat to down 1% excluding the 53rd week in FY2024

FY25

Projected Retail Store Count

	Actual 2024	Proj Open	Proj Close	**Proj 2025**
Journeys Group	1,063	8	49	**1,022**
Journeys stores (U.S.)	769	6	38	**737**
Journeys stores (Canada)	39	-	2	**37**
Journeys Kidz stores	222	2	6	**218**
Little Burgundy	33	-	3	**30**
Schuh Group	122	4	2	**124**
Johnston & Murphy Group	156	3	10	**149**
Total Stores	1,341	15	61	**1,295**

Estimated change in square feet	**-2%**

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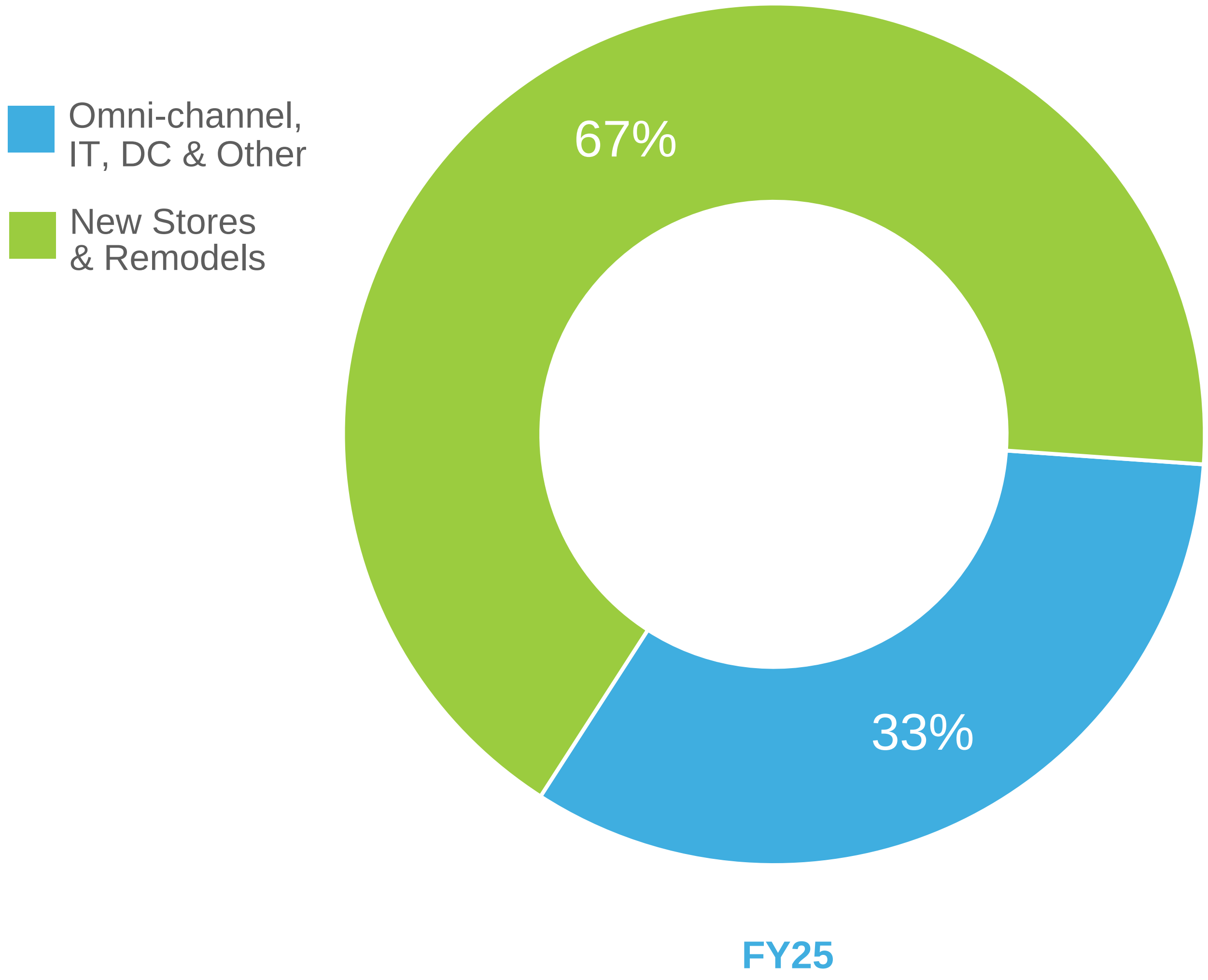
FY25 Projected Capital Spending

Projected FY25 CapEx approx. $45 - 50 Million



Projected Depreciation & Amortization = $52 Million

Appendix

Q3 FY25 • Non-GAAP Reconciliation

	Quarter 3					
	November 2, 2024			October 28, 2023		
In Thousands (except per share amounts)	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings (loss) from continuing operations, as reported		$ (18,848)	$ (1.76)		$ 6,589	$ 0.60
Gross margin adjustment:						
Charges related to distribution model transition	$ -	6	0.00	$ -	-	0.00
Asset impairments and other adjustments:						
Asset impairment charges	$ 134	103	0.01	$ 99	79	0.01
Severance	-	3	0.00	-	-	0.00
Impact of additional dilutive shares	-	-	0.02	-	-	0.00
Total asset impairments and other adjustments	$ 134	106	0.03	$ 99	79	0.01
Income tax expense adjustments:						
Tax impact share based awards		-	0.00		48	0.00
U.S. valuation allowance		26,250	2.42		-	0.00
Other tax items		(920)	(0.08)		(509)	(0.04)
Total income tax expense adjustments		25,330	2.34		(461)	(0.04)
Adjusted earnings from continuing operations (1) and (2)		$ 6,594	$ 0.61		$ 6,207	$0.57

(1) The adjusted tax rate for the third quarter of Fiscal 2025 and 2024 is 27.1% and 27.8%, respectively.

(2) EPS reflects 10.9 million and 11.0 million share count for the third quarter of Fiscal 2025 and 2024, respectively, which includes common stock equivalents in both periods for adjusted earnings from continuing operations. The loss from continuing operations, as reported for the third quarter of Fiscal 2025, excludes common stock equivalents.

9mos FY25 • Non-GAAP Reconciliation

	Nine Months Ended					
	November 2, 2024			October 28, 2023		
In Thousands (except per share amounts)	**Pretax**	**Net of Tax**	**Per Share Amounts**	Pretax	Net of Tax	Per Share Amounts
Loss from continuing operations, as reported		**$ (53,065)**	**$ (4.88)**		$ (43,918)	$ (3.87)
Gross margin adjustment:						
Charges related to distribution model transition	**$ 1,750**	**1,333**	**0.12**	$ -	-	0.00
Asset impairments and other adjustments:						
Asset impairment charges	**$ 494**	**376**	**0.03**	$ 581	446	0.04
Severance	**996**	**758**	**0.07**	-	-	0.00
Goodwill Impairment	**-**	**-**	**0.00**	28,453	21,858	1.93
Total asset impairments and other adjustments	**$ 1,490**	**1,134**	**0.10**	$ 29,034	22,304	1.97
Income tax expense adjustments:						
Tax impact share based awards		**722**	**0.07**		1,059	0.09
U.S. valuation allowance		**26,250**	**2.42**		-	0.00
Other tax items		**(1,842)**	**(0.17)**		(1,578)	(0.14)
Total income tax expense adjustments		**25,130**	**2.32**		(519)	(0.05)
Adjusted loss from continuing operations (1) and (2)		**$ (25,468)**	**$ (2.34)**		$ (22,133)	($1.95)

(1) The adjusted tax rate for the first nine months of Fiscal 2025 and 2024 is 22.1% and 22.0%, respectively.

(2) EPS reflects 10.9 million and 11.4 million share count for the first nine months of Fiscal 2025 and 2024, respectively, which excludes common stock equivalents in the first nine months of each period due to the loss from continuing operations each year.

9mos FY25 • Adjusted Gross Margin

In Thousands	Nine Months Ended November 2, 2024	 October 28, 2023
Gross margin, as reported	**$ 747,176**	$ 756,753
% of sales	**47.3%**	47.7%
Charges related to distribution model transition	**1,750**	-
Total adjustments	**1,750**	-
Adjusted gross margin	**$ 748,926**	$ 756,753
% of sales	**47.4%**	47.7%

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