

FY21 First Quarter



June 9, 2020



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Genesco Inc. FY21 Q1 Earnings Summary Results June 9, 2020



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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, earnings and those regarding its ability to reopen stores, operate the stores safely and ensure the safety of customers and employees) 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 as a result of the effects of COVID-19 on the Company's business including whether there is a second wave or periods of increases in the number of COVID-19 cases in locations in which the Company operates, 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 timing and amount of any share repurchases by the Company; 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; closure of stores due to COVID-19 and weakness in traffic at shopping malls and at our stores that are open; 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; the Company's ability to continue to complete and integrate acquisitions, expand its business and diversify its product base; 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 open 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; 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.



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.



Key Earnings Highlights Q1 FY21



	Quarter 1 May 2, 2020	Quarter 1 May 4, 2019
Total Net Sales Change	-44%	2%
Comparable Sales	NA ⁽²⁾	5%
Gross Margin %	43.0%	49.4%
Selling and Admin. Expenses %	67.7%	47.7%
Operating Income (Loss) % ⁽¹⁾		
GAAP	-55.9%	1.8%
Non-GAAP	-24.9%	1.7%
Earnings (Loss) per Diluted Share ⁽¹⁾		
GAAP	\$(9.54)	\$0.36
Non-GAAP	\$(3.65)	\$0.33

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

⁽²⁾ As a result of the store closures in response to COVID-19, the Company has not included first quarter Fiscal 2021 comparable sales as it feels that overall sales is a more meaningful metric during this period.



Comparable Sales Q1 FY21



	Quarter 1	
	May 2, 2020 ⁽¹⁾	May 4, 2019
Journeys Group	NA	7%
Schuh Group	NA	2%
Johnston & Murphy Group	NA	0%
Total Comparable Sales	NA	5%
Same Store Sales	NA	4%
Comparable Direct Sales	64%	15%

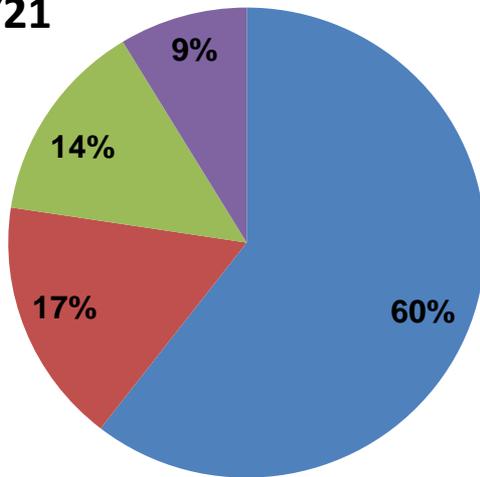
⁽¹⁾ As a result of the store closures in response to COVID-19, the Company has not included first quarter Fiscal 2021 comparable sales, except for comparable direct sales, as it feels that overall sales is a more meaningful metric during this period.



Sales by Segment Q1 FY21 and FY20

Net Sales \$279.2 million

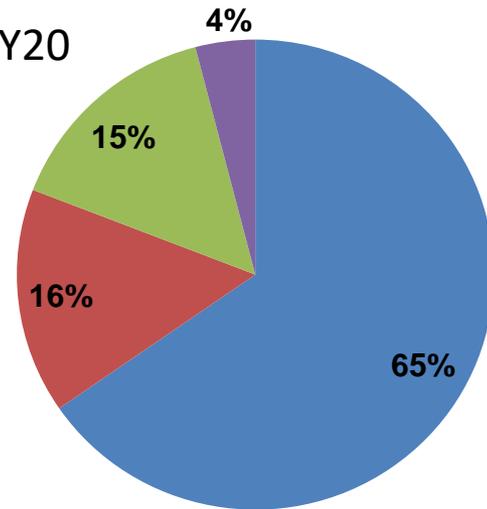
FY21



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

Net Sales \$495.7 million

FY20



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



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Adjusted Operating Income (Loss) by Segment Q1 FY21⁽¹⁾

(\$ in millions)



	Quarter 1 - May 2, 2020			Quarter 1 - May 4, 2019		
	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	\$ (37.1)	\$ (0.3)	\$ (37.3)	\$ 19.0	\$ -	\$ 19.0
Schuh Group	(15.1)	-	(15.1)	(5.4)	-	(5.4)
Johnston & Murphy Group	(9.6)	(0.1)	(9.7)	5.1	-	5.1
Licensed Brands	(2.5)	-	(2.5)	0.4	-	0.4
Corporate and Other	(91.8)	86.9	(4.9)	(10.0)	(0.7)	(10.7)
Total Operating Income (Loss)	\$ (156.0)	\$ 86.5	\$ (69.5)	\$ 9.1	\$ (0.7)	\$ 8.4
% of sales						
			-55.9%			1.7%

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



Inventory/Sales Change by Segment Q1 FY21

(\$ in millions)



Segment Inventory/Sales	May 2, 2020	Q1 FY21
	Inventory	Sales
Journeys Group	14%	-48%
Schuh Group ⁽¹⁾	-11%	-36%
Johnston & Murphy Group	-8%	-48%
Licensed Brands	65%	21%
Total	\$ 392	\$ 279
% Change from prior year	6%	-44%

⁽¹⁾ On a constant currency basis.



Retail Stores Summary Q1 FY21



	Feb. 1, 2020	Open	Close	May 2, 2020
Journeys Group	1,171	1	1	1,171
Journeys stores (U.S.)	853	1	1	853
Journeys stores (Canada)	46	-	-	46
Journeys Kidz stores	233	-	-	233
Little Burgundy	39	-	-	39
Schuh Group	129	-	2	127
Johnston & Murphy Group	180	2	1	181
Total Stores	1,480	3	4	1,479



Retail Square Footage Q1 FY21



Square feet in thousands	Feb. 1, 2020	Net Change	May 2, 2020	% Change
<u>Square Footage:</u>				
Journeys Group	2,316	2	2,318	0.1%
Schuh Group	629	(11)	618	-1.7%
Johnston & Murphy Group	342	2	344	0.6%
Total Square Footage	3,287	(7)	3,280	-0.2%

Year over year change in retail
inventory per square foot

5%

7%



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FY21 Projected Retail Store Count

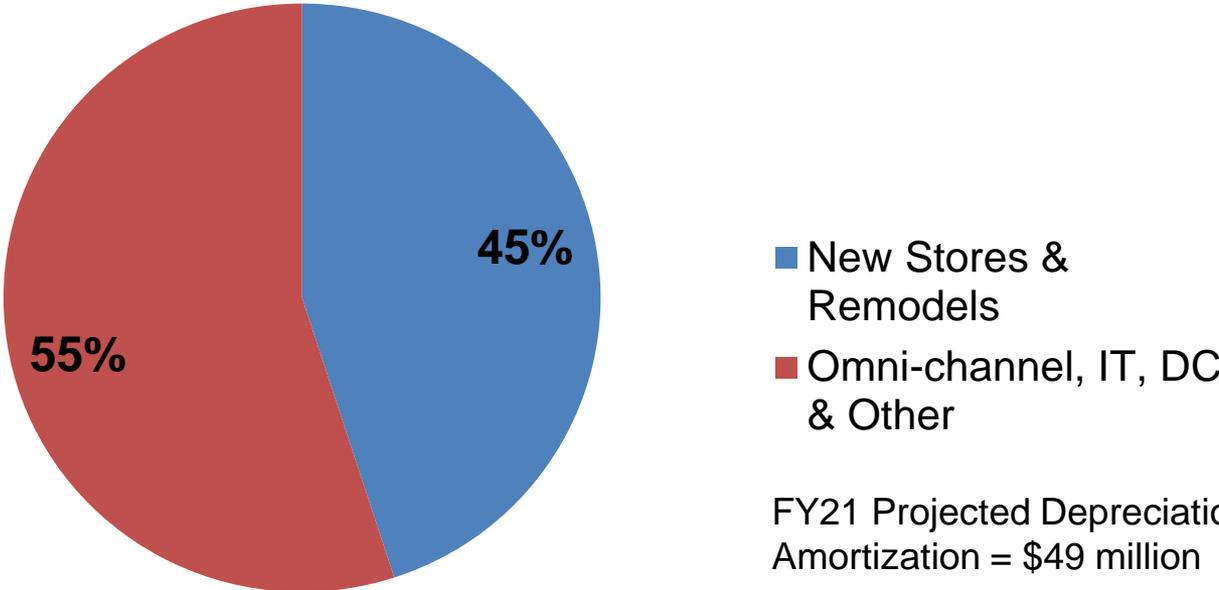


	Actual 2020	Proj Open	Proj Close	Proj 2021
Journeys Group	1,171	11	13	1,169
Journeys stores (U.S.)	853	7	9	851
Journeys stores (Canada)	46	1	1	46
Journeys Kidz stores	233	3	3	233
Little Burgundy	39	-	-	39
Schuh Group	129	1	4	126
Johnston & Murphy Group	180	3	3	180
Total Stores	1,480	15	20	1,475
Estimated change in square feet				-1%



FY21 Projected Capital Spending

Projected FY21 CapEx \$30 million



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Non-GAAP Reconciliation – Q1 FY21



In Thousands (except per share amounts)	Quarter 1					
	May 2, 2020			May 4, 2019		
	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings (loss) from continuing operations, as reported		\$ (134,624)	\$ (9.54)		\$ 6,470	\$0.36
Asset impairments and other adjustments:						
Retail store asset impairment charges	\$ 3,042	2,228	0.16	\$ 307	212	0.01
Trademark impairment	5,260	5,153	0.37	-	-	0.00
Goodwill impairment	79,259	79,259	5.62	-	-	0.00
Gain on lease terminations	-	-	0.00	(1,000)	(689)	(0.04)
Release Togast earnout	(441)	(323)	(0.02)	-	-	0.00
Change in vacation policy	(616)	(451)	(0.03)	-	-	0.00
Gain on Hurricane Maria	-	-	0.00	(38)	(26)	0.00
Impact of additional dilutive shares	-	-	(0.02)	-	-	0.00
Total asset impairments and other adjustments	\$ 86,504	85,866	6.08	\$ (731)	(503)	(0.03)
Income tax expense adjustments:						
Other tax items		(2,690)	(0.19)		(58)	0.00
Total income tax expense adjustments		(2,690)	(0.19)		(58)	0.00
Adjusted earnings (loss) from continuing operations ^{(1) and (2)}		\$ (51,448)	\$ (3.65)		\$ 5,909	\$0.33

⁽¹⁾ The adjusted tax rate for the first quarter of Fiscal 2021 and 2020 is 26.8% and 31.3%, respectively.

⁽²⁾ EPS reflects 14.1 million and 17.9 million share count for the first quarter of Fiscal 2021 and 2020, respectively, which excludes common stock equivalents in the first quarter of Fiscal 2021 due to the loss from continuing operations and includes common stock equivalents in the first quarter of Fiscal 2020.

