

FY20 Fourth Quarter



March 12, 2020



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GENESCO



Genesco Inc.

FY20 Q4 Earnings

Summary Results and Guidance

March 12, 2020



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Safe Harbor Statement



This presentation 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 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; 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; weakness in shopping mall traffic; risks related to the potential for terrorist events; risks related to public health and safety events, including for example, the COVID-19 coronavirus outbreak which began in 2019; 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; 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, 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.



Non-GAAP Financial Measures



The Company reports consolidated financial results in accordance with generally accepted accounting principles (“GAAP”). However, to supplement these consolidated financial results the Company’s 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. The Company believes 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 Q4 FY20



	Quarter 4 February 1, 2020	Quarter 4 February 2, 2019⁽¹⁾
Total Net Sales Change	0%	(2)%
Comparable Sales	1%	4%
Gross Margin %	46.9%	46.7%
Selling and Admin. Expenses %	38.5%	38.9%
Operating Income % ⁽²⁾		
GAAP	6.7%	7.5%
Non-GAAP	8.8%	8.7%
Earnings per Diluted Share ⁽²⁾		
GAAP	\$2.49	\$1.53
Non-GAAP	\$3.09	\$2.18

⁽¹⁾ 13 weeks in FY19 vs 14 weeks in FY18.

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



Key Earnings Highlights YTD FY20



	Fiscal Year Ended February 1, 2020	Fiscal Year Ended February 2, 2019⁽¹⁾
Total Net Sales Change	0%	3%
Comparable Sales	3%	5%
Gross Margin %	48.4%	47.8%
Selling and Admin. Expenses %	44.0%	44.0%
Operating Income % ⁽²⁾		
GAAP	3.8%	3.7%
Non-GAAP	4.5%	4.1%
Earnings per Diluted Share ⁽²⁾		
GAAP	\$3.94	\$2.63
Non-GAAP	\$4.58	\$3.28

⁽¹⁾ 52 weeks in FY19 vs 53 weeks in FY18.

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



Comparable Sales Q4 FY20

	Quarter 4	
	Feb. 1, 2020	Feb. 2, 2019
Journeys Group	1%	7%
Schuh Group	3%	(8)%
Johnston & Murphy Group	(3)%	4%
Total Comparable Sales	1%	4%
Same Store Sales	(2)%	3%
Comparable Direct Sales	19%	10%



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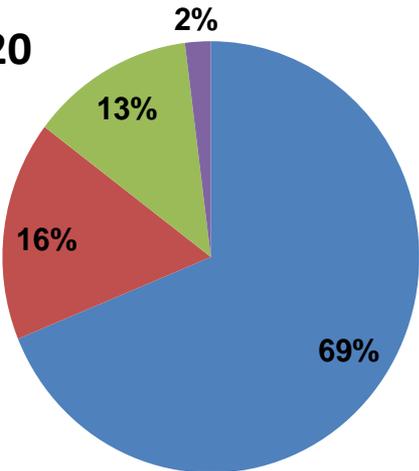
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Sales by Segment Q4 FY20 and FY19

Net Sales \$677.6 million

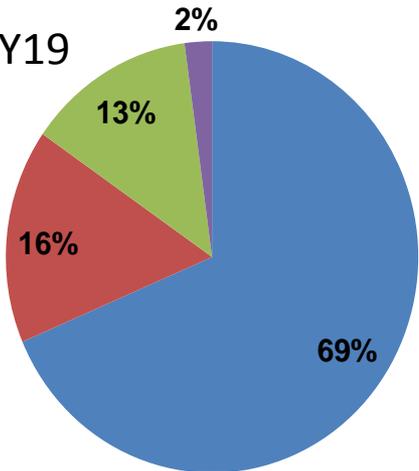
FY20



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

Net Sales \$675.5 million

FY19

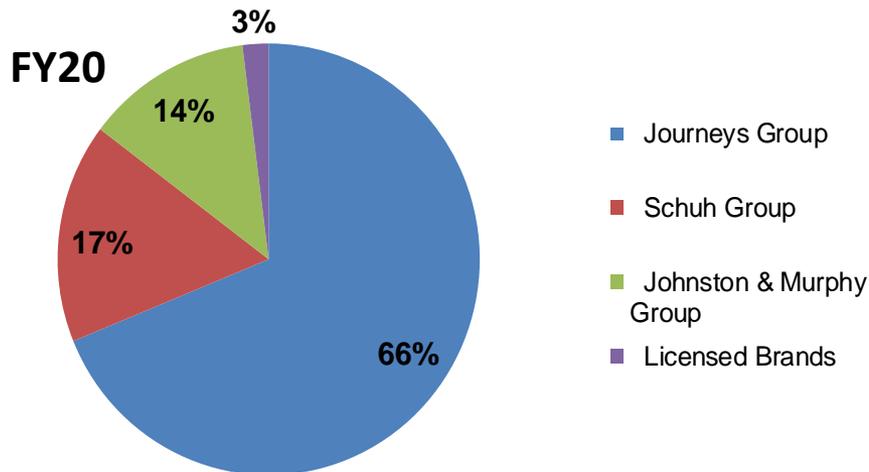


- Journeys Group
- Schuh Group
- Johnston & Murphy Group
- Licensed Brands

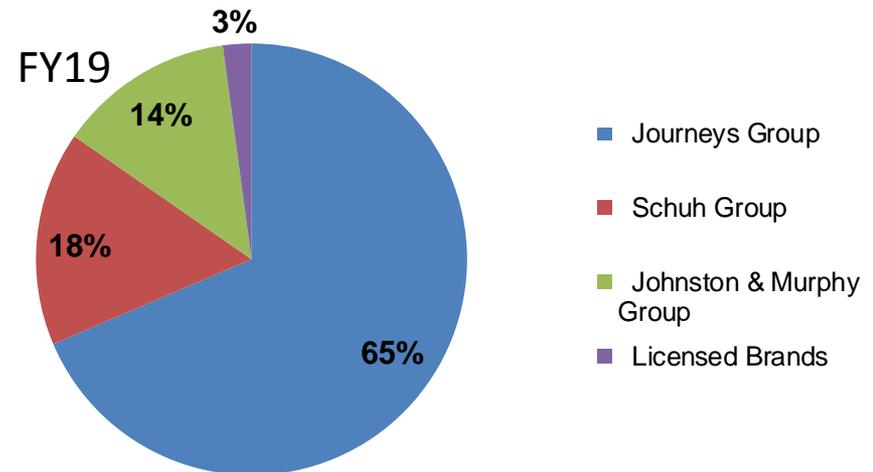


Sales by Segment YTD FY20 and FY19

Net Sales \$2.2 billion



Net Sales \$2.2 billion



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Adjusted Operating Income by Segment Q4 FY20⁽¹⁾

(\$ in millions)



	Quarter 4 - February 1, 2020			Quarter 4 - February 2, 2019		
	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	\$ 55.7	\$ -	\$ 55.7	\$ 56.1	\$ -	\$ 56.1
Schuh Group	5.7	-	5.7	4.1	-	4.1
Johnston & Murphy Group	7.4	-	7.4	9.7	-	9.7
Licensed Brands	(0.8)	-	(0.8)	(0.1)	-	(0.1)
Corporate and Other	(22.5)	14.0	(8.5)	(19.2)	7.9	(11.3)
Total Operating Income	\$ 45.3	\$ 14.0	\$ 59.3	\$ 50.6	\$ 7.9	\$ 58.5
% of sales			8.8%			8.7%

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



Adjusted Operating Income by Segment YTD FY20⁽¹⁾

(\$ in millions)



	Fiscal Year Ended - Feb. 1, 2020			Fiscal Year Ended - Feb. 2, 2019		
	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)	Oper Inc (Loss)	Adjust	Adj Oper Inc (Loss)
Journeys Group	\$ 114.9	\$ -	\$ 114.9	\$ 100.8	\$ -	\$ 100.8
Schuh Group	4.7	-	4.7	3.8	-	3.8
Johnston & Murphy Group	17.7	-	17.7	20.4	-	20.4
Licensed Brands	(0.7)	-	(0.7)	(0.5)	-	(0.5)
Corporate and Other	(53.3)	15.8	(37.4)	(42.6)	8.9	(33.8)
Total Operating Income	\$ 83.3	\$ 15.8	\$ 99.2	\$ 81.8	\$ 8.9	\$ 90.7
% of sales	3.8%		4.5%	3.7%		4.1%

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



Inventory/Sales Change by Segment Q4 FY20

(\$ in millions)



Segment Inventory/Sales	Feb. 1, 2020	Q4 FY20
	Inventory	Sales
Journeys Group	1%	1%
Schuh Group ⁽¹⁾	15%	1%
Johnston & Murphy Group	-14%	-4%
Licensed Brands	0%	-7%
Total	\$ 365	\$ 678
% Change from prior year	0%	0%

⁽¹⁾ On a constant currency basis.



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Retail Stores Summary Q4 FY20



	Nov 2, 2019	Open	Close	Feb. 1, 2020
Journeys Group	1,182	2	13	1,171
Journeys stores (U.S.)	859	2	8	853
Journeys stores (Canada)	46	-	-	46
Journeys Kidz stores	237	-	4	233
Little Burgundy	40	-	1	39
Schuh Group	131	-	2	129
Johnston & Murphy Group	179	1	-	180
Total Stores	1,492	3	15	1,480



Retail Square Footage Q4 FY20

Square feet in thousands

Square Footage:

	Nov 2, 2019	Net Change	Feb. 1, 2020	% Change
Journeys Group	2,332	(16)	2,316	-0.7%
Schuh Group	643	(14)	629	-2.2%
Johnston & Murphy Group	341	1	342	0.3%
Total Square Footage	3,316	(29)	3,287	-0.9%

Year over year change in retail
inventory per square foot

9%

5%



FY21 Outlook⁽¹⁾



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

Non-GAAP EPS	\$4.90 - \$5.40 per share, expectations near mid-point
Total Sales	3% to 6%
Comparable Sales	-1% to +2%
Gross Margin	30 to 50 basis points reduction
SG&A Expense	20 to 40 basis points leverage
Tax Rate	~ 26.5%
CapEx	\$60 to 65 million Includes ~ \$15 million for New HQ
Depreciation & Amortization	~ \$52 million
Avg Shares Outstanding	14.4 million <i>(assumes no further repurchases)</i>

⁽¹⁾ On a Non-GAAP basis, see GAAP to Non-GAAP adjustments in appendix



FY21 Comparable Sales Guidance



	Guidance Q1	Guidance Q2	Guidance Q3	Guidance Q4	Guidance FY21
Journeys Group	(7) - (3)%	(3) - 1%	0 - 2%	2 - 4%	(1) - 1%
Schuh Group	0 - 4%	(1) - 3%	1 - 3%	2 - 4%	0 - 3%
Johnston & Murphy Group	(4) - 0%	(4) - 0%	4 - 6%	3 - 5%	0 - 3%
Total Genesco	(6) - (2)%	(3) - 1%	1 - 3%	2 - 4%	(1) - 2%



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FY21 Projected Retail Store Count



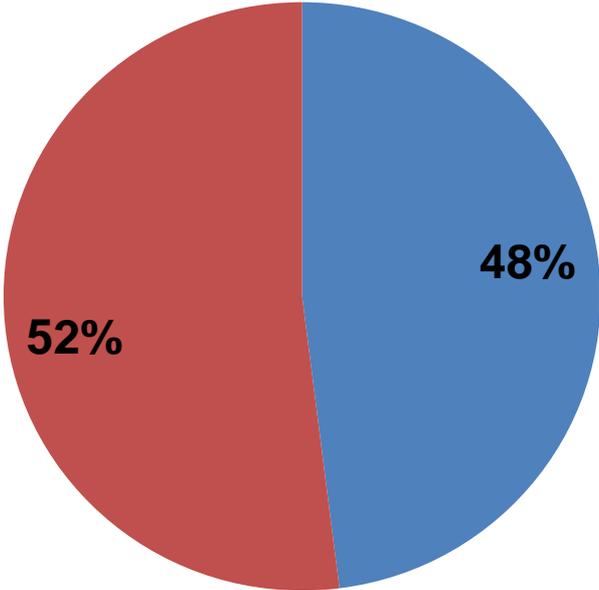
	Actual 2020	Proj Open	Proj Close	Proj 2021
Journeys Group	1,171	20	14	1,177
Journeys stores (U.S.)	853	10	10	853
Journeys stores (Canada)	46	3	1	48
Journeys Kidz stores	233	5	3	235
Little Burgundy	39	2	-	41
Schuh Group	129	1	4	126
Johnston & Murphy Group	180	11	3	188
Total Stores	1,480	32	21	1,491

Estimated change in square feet **0%**



FY21 Projection Capital Spending

Projection FY21 CapEx \$60-65 million



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

FY21 Projection
Depreciation = \$52 million



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Non-GAAP Reconciliation – Q4 FY20



Quarter 4

In Thousands (except per share amounts)	February 1, 2020			February 2, 2019		
	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings from continuing operations, as reported		\$ 35,515	\$ 2.49		\$ 29,699	\$ 1.53
Asset impairments and other adjustments:						
Impairment charges	\$ 1,258	965	0.07	\$ 2,099	1,521	0.08
Pension settlement	11,510	8,409	0.59	-	-	0.00
Gain on lease terminations	(502)	(366)	(0.03)	-	-	0.00
Acquisition expenses	2,474	1,808	0.13	-	-	0.00
Gain on sale of Lids building	(586)	(428)	(0.03)	-	-	0.00
Bonus related to sale of Lids Sports Group	-	-	0.00	5,707	4,136	0.21
Loss on early retirement of debt	-	-	0.00	597	433	0.02
Gain on Hurricane Maria	(149)	(110)	(0.01)	-	-	0.00
Other hurricane losses	-	-	0.00	45	33	0.00
Total asset impairments and other adjustments	\$ 14,005	10,278	0.72	\$ 8,448	6,123	0.31
Income tax expense adjustments:						
Other tax items		(1,719)	(0.12)		6,537	0.34
Total income tax expense adjustments		(1,719)	(0.12)		6,537	0.34
Adjusted earnings from continuing operations ^{(1) and (2)}		\$ 44,074	\$ 3.09		\$ 42,359	\$ 2.18

⁽¹⁾ The adjusted tax rate for the fourth quarter of Fiscal 2020 and 2019 is 25.3% and 27.5%, respectively.

⁽²⁾ EPS reflects 14.3 million and 19.4 million share count for the fourth quarter of Fiscal 2020 and 2019, respectively, which includes common stock equivalents in each period.



Non-GAAP Reconciliation – YTD FY20

In Thousands (except per share amounts)	Fiscal Year Ended					
	February 1, 2020			February 2, 2019		
	Pretax	Net of Tax	Per Share Amounts	Pretax	Net of Tax	Per Share Amounts
Earnings from continuing operations, as reported		\$ 61,757	\$ 3.94		\$ 51,224	\$ 2.63
Asset impairments and other adjustments:						
Impairment charges	\$ 3,095	2,261	0.14	\$ 4,153	3,032	0.15
Pension settlement	11,510	8,409	0.54	-	-	0.00
Gain on lease terminations	(458)	(335)	(0.02)	-	-	0.00
Acquisition expenses	2,474	1,808	0.12	-	-	0.00
Gain on sale of Lids building	(586)	(428)	(0.03)	-	-	0.00
Bonus related to sale of Lids Sports Group	-	-	0.00	5,707	4,166	0.21
Loss on early retirement of debt	-	-	0.00	597	436	0.02
Legal and other matters	-	-	0.00	270	197	0.01
Gain on Hurricane Maria	(187)	(137)	(0.01)	(1,419)	(1,036)	(0.05)
Other hurricane losses	-	-	0.00	160	117	0.01
Total asset impairments and other adjustments	\$ 15,848	11,578	0.74	\$ 9,468	6,912	0.35
Income tax expense adjustments:						
Tax impact for share-based awards		(54)	0.00		452	0.02
Other tax items		(1,475)	(0.10)		5,399	0.28
Total income tax expense adjustments		(1,529)	(0.10)		5,851	0.30
Adjusted earnings from continuing operations ^{(1) and (2)}		\$ 71,806	\$ 4.58		\$ 63,987	\$ 3.28

⁽¹⁾ The adjusted tax rate for Fiscal 2020 and 2019 is 26.9% and 27.1%, respectively.

⁽²⁾ EPS reflects 15.7 million and 19.5 million share count for Fiscal 2020 and 2019, respectively, which includes common stock equivalents in each period.

