UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the Quarter Ended August 3, 2024**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from to**

Commission File No. 1-3083

Genesco Inc.

(Exact name of registrant as specified in its charter)

Tennessee	**62-0211340**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
535 Marriott Drive	**37214**
Nashville, Tennessee	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code: (615) 367-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 par value	**GCO**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer; an accelerated filer; a non-accelerated filer; a smaller reporting company; or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of August 30, 2024, there were 11,221,864 shares of the registrant's common stock outstanding.

INDEX

Part I. Financial Information

Item 1. Financial Statements:

Condensed Consolidated Balance Sheets - August 3, 2024, February 3, 2024 and July 29, 2023	4
Condensed Consolidated Statements of Operations - Three and Six Months ended August 3, 2024 and July 29, 2023	5
Condensed Consolidated Statements of Comprehensive Loss - Three and Six Months ended August 3, 2024 and July 29, 2023	6
Condensed Consolidated Statements of Cash Flows - Three and Six Months ended August 3, 2024 and July 29, 2023	7
Condensed Consolidated Statements of Equity - Three and Six Months ended August 3, 2024 and July 29, 2023	8
Notes to Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Quantitative and Qualitative Disclosures about Market Risk	23
Item 4. Controls and Procedures	23
Part II. Other Information	24
Item 1. Legal Proceedings	24
Item 1A. Risk Factors	24
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 5. Other Information	24
Item 6. Exhibits	25
Signature	26

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q include certain forward-looking statements, which include statements regarding our intent, belief or expectations and all statements other than those made solely with respect to historical fact. Actual results could differ materially from those reflected by the forward-looking statements in this Quarterly Report on Form 10-Q and a number of factors may adversely affect the forward-looking statements and our future results, liquidity, capital resources or prospects. These include, but are not limited to, 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 our ability to adequately staff and operate stores. Differences from expectations could also result from our 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; the level of consumer spending on our merchandise and interest in our brands and in general; 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 timing and amount of any share repurchases by us; the imposition of tariffs on products imported by us or our vendors as well as the ability and costs to move production of products in response to tariffs; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs; a disruption in shipping or increase in cost of our imported products, and other factors affecting the cost of products; our dependence on third-party vendors and licensors for the products we sell; our ability to renew our license agreements; impacts of the Russia-Ukraine war, and other sources of market weakness in the U.K. and the Republic of Ireland; the effectiveness of our omni-channel initiatives; costs associated with changes in minimum wage and overtime requirements; wage pressure in the U.S. and the U.K.; labor shortages; the effects of inflation; the evolving regulatory landscape related to our use of social media; the establishment and protection of our intellectual property; weakness in the consumer economy and retail industry; competition and fashion trends in our markets, including trends with respect to the popularity of casual and dress footwear; any failure to increase sales at our existing stores, given our high fixed expense cost structure, and in our e-commerce businesses; risks related to the potential for terrorist events; store closures and effects on the business as a result of civil disturbances; changes in buying patterns by significant wholesale customers; changes in consumer preferences; our ability to continue to complete and integrate acquisitions; our ability to expand our business and diversify our product base; impairment of goodwill in connection with acquisitions; payment related risks that could increase our operating cost, expose us to fraud or theft, subject us to potential liability and disrupt our business; 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 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; our ability to realize anticipated cost savings, including rent savings; our ability to make our occupancy costs more variable, realize any anticipated tax benefits in both the amount and timeframe anticipated, and achieve expected digital gains and gain market share; deterioration in the performance of individual businesses or of our market value relative to our 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 our 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 our 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, disputes and environmental matters that involve us. For a full discussion of risk factors, see Item 1A, "Risk Factors".

Readers are cautioned not to place undue reliance on forward-looking statements as such statements speak only as of the date they were made and involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. The most important factors which could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors in Item 1A contained in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024 which should be read in conjunction with the forward-looking statements in this Quarterly Report on Form 10-Q. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

The events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. As a result, our actual results may differ materially from the results contemplated by these forward-looking statements.

We maintain a website at *www.genesco.com* where investors and other interested parties may obtain, free of charge, press releases and other information as well as gain access to our periodic filings with the Securities and Exchange Commission ("SEC"). The information contained on this website should not be considered to be a part of this or any other report filed with or furnished to the SEC.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements (unaudited)

Genesco Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share amounts)

Assets	**August 3, 2024**	February 3, 2024	July 29, 2023
Current Assets:			
Cash	**$ 45,855**	$ 35,155	$ 37,416
Accounts receivable, net of allowances of $2,409 at August 3, 2024,			
$4,266 at February 3, 2024 and $4,536 at July 29, 2023	**57,497**	53,618	50,351
Inventories	**450,187**	378,967	491,118
Prepaids and other current assets	**53,181**	39,611	45,983
Total current assets	**606,720**	507,351	624,868
Property and equipment, net	**229,116**	240,266	244,090
Operating lease right of use assets	**402,715**	436,896	476,715
Non-current prepaid income taxes	**58,051**	56,839	55,028
Goodwill	**9,284**	9,565	9,717
Other intangibles	**27,162**	27,250	27,952
Deferred income taxes	**25,287**	26,230	30,623
Other noncurrent assets	**25,416**	25,493	25,766
Total Assets	**1,383,751**	1,329,890	1,494,759
Liabilities and Equity			
Current Liabilities:			
Accounts payable	**187,439**	114,621	166,504
Current portion - operating lease liabilities	**122,527**	129,189	137,369
Other accrued liabilities	**85,697**	75,727	78,707
Total current liabilities	**395,663**	319,537	382,580
Long-term debt	**77,839**	34,682	131,544
Long-term operating lease liabilities	**329,773**	359,073	403,413
Other long-term liabilities	**47,854**	45,396	44,203
Total liabilities	**851,129**	758,688	961,740
Commitments and contingent liabilities	**—**	—	—
Equity			
Non-redeemable preferred stock	**812**	813	812
Common equity:			
Common stock, $1 par value:			
Authorized: 80,000,000 shares			
Issued common stock	**11,707**	11,961	11,996
Additional paid-in capital	**325,775**	319,143	313,019
Retained earnings	**251,351**	296,766	263,081
Accumulated other comprehensive loss	**(39,166)**	(39,624)	(38,032)
Treasury shares, at cost (488,464 shares)	**(17,857)**	(17,857)	(17,857)
Total equity	**532,622**	571,202	533,019
Total Liabilities and Equity	**$ 1,383,751**	$ 1,329,890	$ 1,494,759

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Genesco Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	**August 3, 2024**	July 29, 2023
Net sales	**$ 525,188**	$ 523,027	**$ 982,785**	$ 1,006,359
Cost of sales	**279,549**	273,507	**520,865**	528,031
Gross margin	**245,639**	249,520	**461,920**	478,328
Selling and administrative expenses	**255,135**	259,520	**502,966**	511,017
Goodwill impairment	**—**	28,453	**—**	28,453
Asset impairments and other, net	**778**	174	**1,356**	482
Operating loss	**(10,274)**	(38,627)	**(42,402)**	(61,624)
Other components of net periodic benefit cost	**86**	148	**195**	240
Interest expense, net	**1,345**	2,383	**2,235**	4,034
Loss from continuing operations before income taxes	**(11,705)**	(41,158)	**(44,832)**	(65,898)
Income tax benefit	**(1,776)**	(9,526)	**(10,615)**	(15,391)
Loss from continuing operations	**(9,929)**	(31,632)	**(34,217)**	(50,507)
Loss from discontinued operations, net of tax	**(63)**	(33)	**(122)**	(48)
Net Loss	**$ (9,992)**	$ (31,665)	**$ (34,339)**	$ (50,555)
Basic loss per common share:				
Continuing operations	**$ (0.91)**	$ (2.79)	**$ (3.13)**	$ (4.36)
Discontinued operations	**0.00**	0.00	**(0.01)**	(0.01)
Net loss	**$ (0.91)**	$ (2.79)	**$ (3.14)**	$ (4.37)
Diluted loss per common share:				
Continuing operations	**$ (0.91)**	$ (2.79)	**$ (3.13)**	$ (4.36)
Discontinued operations	**0.00**	0.00	**(0.01)**	(0.01)
Net loss	**$ (0.91)**	$ (2.79)	**$ (3.14)**	$ (4.37)
Weighted average shares outstanding:				
Basic	**10,942**	11,344	**10,936**	11,581
Diluted	**10,942**	11,344	**10,936**	11,581

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Genesco Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)

	Three Months Ended		Six Months Ended	
	August 3, 2024	July 29, 2023	**August 3, 2024**	July 29, 2023
Net loss	**$ (9,992)**	$ (31,665)	**$ (34,339)**	$ (50,555)
Other comprehensive income:				
Postretirement liability adjustments, net of tax	**21**	62	**59**	91
Foreign currency translation adjustments	**1,372**	2,643	**399**	3,088
Total other comprehensive income	**1,393**	2,705	**458**	3,179
Comprehensive Loss	**$ (8,599)**	$ (28,960)	**$ (33,881)**	$ (47,376)

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Genesco Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended	
	August 3, 2024	July 29, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	**$ (34,339)**	$ (50,555)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**26,406**	23,119
Deferred income taxes	**1,535**	(1,576)
Goodwill impairment	**—**	28,453
Impairment of long-lived assets	**360**	482
Share-based compensation expense	**6,760**	7,925
Other	**204**	686
Changes in working capital and other assets and liabilities:		
Accounts receivable	**(3,619)**	(9,623)
Inventories	**(70,873)**	(30,237)
Prepaids and other current assets	**(13,492)**	(19,901)
Accounts payable	**73,636**	23,394
Other accrued liabilities	**9,032**	(1,076)
Other assets and liabilities	**(1,639)**	3,774
Net cash used in operating activities	**(6,029)**	(25,135)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	**(14,274)**	(35,298)
Proceeds from asset sales	**—**	87
Net cash used in investing activities	**(14,274)**	(35,211)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facility	**197,610**	244,452
Payments on revolving credit facility	**(154,376)**	(158,405)
Shares repurchased related to share repurchase plan	**(9,349)**	(32,027)
Shares repurchased related to taxes for share-based awards	**(2,074)**	(2,205)
Change in overdraft balances	**(889)**	(2,707)
Net cash provided by financing activities	**30,922**	49,108
Effect of foreign exchange rate fluctuations on cash	**81**	664
Net increase (decrease) in cash	**10,700**	(10,574)
Cash at beginning of period	**35,155**	47,990
Cash at end of period	**$ 45,855**	$ 37,416
Supplemental information:		
Interest paid	**$ 1,995**	$ 3,380
Income taxes paid	**1,581**	3,813

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Genesco Inc. and Subsidiaries
Condensed Consolidated Statements of Equity
(In thousands)

	Non-Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Total Equity
Balance January 28, 2023	$ 815	$ 13,089	$ 305,260	$ 346,870	$ (41,211)	$ (17,857)	$ 606,966
Net loss	—	—	—	(18,890)	—	—	(18,890)
Other comprehensive income	—	—	—	—	474	—	474
Share-based compensation expense	—	—	3,772	—	—	—	3,772
Restricted stock issuance	—	234	(234)	—	—	—	—
Restricted shares withheld for taxes	—	(13)	13	(449)	—	—	(449)
Shares repurchased	—	(255)	—	(8,915)	—	—	(9,170)
Excise taxes related to repurchases of common stock	—	—	—	(78)	—	—	(78)
Other	(3)	(3)	6	—	—	—	—
Balance April 29, 2023	812	13,052	308,817	318,538	(40,737)	(17,857)	582,625
Net loss	—	—	—	(31,665)	—	—	(31,665)
Other comprehensive income	—	—	—	—	2,705	—	2,705
Share-based compensation expense	—	—	4,153	—	—	—	4,153
Restricted stock issuance	—	40	(40)	—	—	—	—
Shares repurchased	—	(1,006)	—	(21,851)	—	—	(22,857)
Excise taxes related to repurchases of common stock	—	—	—	(185)	—	—	(185)
Restricted shares withheld for taxes	—	(72)	72	(1,756)	—	—	(1,756)
Other	—	(18)	17	—	—	—	(1)
Balance July 29, 2023	$ 812	$ 11,996	$ 313,019	$ 263,081	$ (38,032)	$ (17,857)	$ 533,019

	Non-Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Total Equity
Balance February 3, 2024	$ 813	$ 11,961	$ 319,143	$ 296,766	$ (39,624)	$ (17,857)	$ 571,202
Net loss	—	—	—	(24,347)	—	—	(24,347)
Other comprehensive loss	—	—	—	—	(935)	—	(935)
Share-based compensation expense	—	—	3,307	—	—	—	3,307
Restricted stock issuance	—	198	(198)	—	—	—	—
Restricted shares withheld for taxes	—	(29)	29	(773)	—	—	(773)
Other	(1)	(8)	7	1	—	—	(1)
Balance May 4, 2024	812	12,122	322,288	271,647	(40,559)	(17,857)	548,453
Net loss	—	—	—	(9,992)	—	—	(9,992)
Other comprehensive income	—	—	—	—	1,393	—	1,393
Share-based compensation expense	—	—	3,453	—	—	—	3,453
Restricted stock issuance	—	37	(37)	—	—	—	—
Shares repurchased	—	(382)	—	(8,967)	—	—	(9,349)
Excise taxes related to repurchases of common stock	—	—	—	(35)	—	—	(35)
Restricted shares withheld for taxes	—	(49)	49	(1,301)	—	—	(1,301)
Other	—	(21)	22	(1)	—	—	—
Balance August 3, 2024	**$ 812**	**$ 11,707**	**$ 325,775**	**$ 251,351**	**$ (39,166)**	**$ (17,857)**	**$ 532,622**

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

Note 1
Summary of Significant Accounting Policies

Basis of Presentation

These Condensed Consolidated Financial Statements should be read in conjunction with our Consolidated Financial Statements and Notes for Fiscal 2024, which are contained in our Annual Report on Form 10-K as filed with the SEC on March 27, 2024. The Condensed Consolidated Financial Statements and Notes contained in this report are unaudited but reflect all adjustments, including normal recurring adjustments, necessary for a fair presentation of the results for the interim periods of the fiscal year ending February 1, 2025 ("Fiscal 2025"), which is a 52-week year, and of the fiscal year ended February 3, 2024 ("Fiscal 2024"), which was a 53-week year. All subsidiaries are consolidated in the Condensed Consolidated Financial Statements. All significant intercompany transactions and accounts have been eliminated. The results of operations for any interim period are not necessarily indicative of results for the full year. The Condensed Consolidated Financial Statements and the related Notes have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and notes required by U.S. Generally Accepted Accounting Principles ("GAAP") for complete financial statements. The Condensed Consolidated Balance Sheet as of February 3, 2024 has been derived from the audited financial statements at that date.

Nature of Operations

Genesco Inc. and its subsidiaries (collectively the "Company", "Genesco," "we", "our", or "us") business includes the sourcing and design, marketing and distribution of footwear and accessories through retail stores in the U.S., Puerto Rico and Canada primarily under the Journeys®, Journeys Kidz®, Little Burgundy® and Johnston & Murphy® banners and under the Schuh® banner in the United Kingdom ("U.K.") and the Republic of Ireland ("ROI"); through e-commerce websites including the following: journeys.com, journeyskidz.com, journeys.ca, littleburgundyshoes.com, schuh.co.uk, schuh.ie, schuh.eu, johnstonmurphy.com, johnstonmurphy.ca, nashvilleshoewarehouse.com and dockersshoes.com as well as catalogs. We also source, design, market and distribute footwear and accessories at wholesale, primarily under our Johnston & Murphy brand, the licensed Levi's® brand, the licensed Dockers® brand, the licensed G.H. Bass® brand and other brands that we license for footwear. At August 3, 2024, we operated 1,314 retail stores in the U.S., Puerto Rico, Canada, the U.K. and the ROI.

During the three and six months ended August 3, 2024 and July 29, 2023, we operated four reportable business segments (not including corporate): (i) Journeys Group, comprised of the Journeys, Journeys Kidz and Little Burgundy retail footwear chains and e-commerce operations; (ii) Schuh Group, comprised of the Schuh retail footwear chain and e-commerce operations; (iii) Johnston & Murphy Group, comprised of Johnston & Murphy retail operations, e-commerce operations and wholesale distribution of products under the Johnston & Murphy brand; and (iv) Genesco Brands Group, comprised of the licensed Dockers, Levi's, and G.H. Bass brands, as well as other brands we license for footwear.

Selling and Administrative Expenses

Wholesale costs of distribution are included in selling and administrative expenses on the Condensed Consolidated Statements of Operations in the amount of $2.6 million and $2.5 million for the second quarters of Fiscal 2025 and Fiscal 2024, respectively, and $5.0 million and $6.0 million for the first six months of Fiscal 2025 and Fiscal 2024, respectively.

Retail occupancy costs recorded in selling and administrative expenses were $73.5 million and $76.4 million for the second quarters of Fiscal 2025 and Fiscal 2024, respectively, and $149.0 million and $152.8 million for the first six months of Fiscal 2025 and Fiscal 2024, respectively.

Advertising Costs

Advertising costs were $27.7 million and $28.1 million for the second quarters of Fiscal 2025 and Fiscal 2024, respectively, and $51.4 million and $51.7 million for the first six months of Fiscal 2025 and Fiscal 2024, respectively.

Vendor Allowances

Vendor reimbursements of cooperative advertising costs recognized as a reduction of selling and administrative expenses were $2.7 million and $1.9 million for the second quarters of Fiscal 2025 and Fiscal 2024, respectively, and $4.6 million and $6.6 million for the first six months of Fiscal 2025 and Fiscal 2024, respectively. During the first six months of each of Fiscal 2025 and Fiscal 2024, our cooperative advertising reimbursements received were not in excess of the costs incurred.

Note 1
Summary of Significant Accounting Policies, Continued

New Accounting Pronouncements

We continuously monitor and review all current accounting pronouncements and standards from the FASB of U.S. GAAP for applicability to our operations and financial reporting. As of August 3, 2024, there were no other new pronouncements or interpretations, other than those disclosed in the Annual Report on Form 10-K for the fiscal year ended February 3, 2024, that had or were expected to have a significant impact on our financial reporting.

Note 2
Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the Journeys Group segment were as follows:

(In thousands)	Total Goodwill
Balance, February 3, 2024	$ 9,565
Effect of foreign currency exchange rates	(281)
Balance, August 3, 2024	**$ 9,284**

Other intangibles by major classes were as follows:

	Trademarks		Customer Lists		Other		Total	
(In thousands)	**Aug. 3, 2024**	Feb. 3, 2024	**Aug. 3, 2024**	Feb. 3, 2024	**Aug. 3, 2024**	Feb. 3, 2024	**Aug. 3, 2024**	Feb. 3, 2024
Gross other intangibles	**$ 24,659**	$ 24,464	**$ 6,516**	$ 6,501	**$ 400**	$ 400	**$ 31,575**	$ 31,365
Accumulated amortization	**—**	—	**(4,013)**	(3,715)	**(400)**	(400)	**(4,413)**	(4,115)
Net Other Intangibles	**$ 24,659**	$ 24,464	**$ 2,503**	$ 2,786	**$ —**	$ —	**$ 27,162**	$ 27,250

Note 3
Inventories

(In thousands)	**August 3, 2024**	February 3, 2024
Wholesale finished goods	**$ 71,514**	$ 57,678
Retail merchandise	**378,673**	321,289
Total Inventories	**$ 450,187**	$ 378,967

Note 4
Fair Value

Fair Value of Financial Instruments

The carrying amounts and fair values of our financial instruments at August 3, 2024 and February 3, 2024 are:

(In thousands)	**August 3, 2024**		February 3, 2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
U.S. Revolver Borrowings	**$ 77,839**	**$ 78,291**	$ 34,682	$ 34,638
Total Long-Term Debt	**$ 77,839**	**$ 78,291**	$ 34,682	$ 34,638

Debt fair values were determined using a discounted cash flow analysis based on current market interest rates for similar types of financial instruments and would be classified in Level 2 within the fair value hierarchy. We did not have any debt classified as current portion as of August 3, 2024 or February 3, 2024.

As of August 3, 2024, we have $1.1 million of long-lived assets held and used which were measured using Level 3 inputs within the fair value hierarchy. As of August 3, 2024, we have $6.7 million of investments held and used which were measured using Level 1 inputs within the fair value hierarchy.

Note 5
Long-Term Debt

The revolver borrowings outstanding under the Credit Facility as of August 3, 2024 included $75.1 million U.S. revolver borrowings and $2.7 million (C$3.8 million) related to GCO Canada ULC. We were in compliance with all the relevant terms and conditions of the Credit Facility and Facility Agreement as of August 3, 2024. Excess availability under the Credit Facility was $219.4 million at August 3, 2024.

Note 6
Earnings Per Share

Weighted-average number of shares used to calculate earnings per share are as follows:

	Three Months Ended		**Six Months Ended**	
(Shares in thousands)	**August 3, 2024**	July 29, 2023	**August 3, 2024**	July 29, 2023
Weighted-average number of shares - basic	**10,942**	11,344	**10,936**	11,581
Common stock equivalents	**-**	-	**-**	-
Weighted-average number of shares - diluted	**10,942**	11,344	**10,936**	11,581

Common stock equivalents of 0.1 million shares and less than 0.1 million shares are excluded for the three months ended August 3, 2024 and July 29, 2023, respectively, and 0.2 million shares and 0.1 million shares are excluded for the six months ended August 3, 2024 and July 29, 2023, respectively, due to the loss from continuing operations in all periods, because to do so would be anti-dilutive.

We repurchased 381,711 shares during the second quarter and first six months of Fiscal 2025 at a cost of $9.3 million, or $24.49 per share. We have $42.8 million remaining as of August 3, 2024 under our expanded share repurchase authorization announced in June 2023. In addition, we recorded an accrual for excise tax on stock repurchases of less than $0.1 million in other accrued liabilities in our condensed consolidated balance sheets as of August 3, 2024. We repurchased 1,006,295 shares during the second quarter of Fiscal 2024 at a cost of $22.9 million, or $22.71 per share, and repurchased 1,261,295 shares during the first six months of fiscal 2024 at a cost of $32.0 million, or $25.39 per share.

During the third quarter of Fiscal 2025, through September 11, 2024, we have not repurchased any shares.

Note 7
Legal Proceedings

Environmental Matters

The Company has legacy obligations including environmental monitoring and reporting costs related to: (i) a 2016 Consent Judgment entered into with the United States Environmental Protection Agency involving the site of a knitting mill operated by a former subsidiary from 1965 to 1969 in Garden City, New York; and (ii) a 2010 Consent Decree with the Michigan Department of Natural Resources and Environment relating to our former Volunteer Leather Company facility in Whitehall, Michigan. We do not expect that future obligations related to either of these sites will have a material effect on our consolidated financial condition or results of operations.

Accrual for Environmental Contingencies

Related to all outstanding environmental contingencies, we had accrued $2.0 million as of August 3, 2024, $2.0 million as of February 3, 2024 and $1.7 million as of July 29, 2023. All such provisions reflect our estimates of the most likely cost (undiscounted, including both current and noncurrent portions) of resolving the contingencies, based on facts and circumstances as of the time they were made. There is no assurance that relevant facts and circumstances will not change, necessitating future changes to the provisions. Such contingent liabilities for discontinued operations are included in other accrued liabilities and other long-term liabilities on the accompanying Condensed Consolidated Balance Sheets because they relate to former facilities operated by us. We have made pretax accruals for certain of these contingencies which were not material for the second quarter or first six months of Fiscal 2025 or Fiscal 2024. These charges are included in loss from discontinued operations, net of tax in the Condensed Consolidated Statements of Operations and represent changes in estimates.

In addition to the matters specifically described in this Note, we are a party to other legal and regulatory proceedings and claims arising in the ordinary course of our business. While management does not believe that our liability with respect to any of these other matters is likely to have a material effect on our condensed consolidated financial statements, legal proceedings are subject to inherent uncertainties, and unfavorable rulings could have a material adverse impact on our condensed consolidated financial statements.

Note 8
Business Segment Information

Three Months Ended August 3, 2024

(In thousands)	Journeys Group	Schuh Group	Johnston & Murphy Group	Genesco Brands Group	Corporate & Other	Consolidated
Sales	$ 298,846	$ 124,561	$ 71,037	$ 30,755	$ —	$ 525,199
Intercompany sales elimination	—	—	—	(11)	—	(11)
Net sales to external customers[1]	298,846	124,561	71,037	30,744	—	525,188
Segment operating income (loss)	(11,151)	7,339	(403)	2,672	(7,953)	(9,496)
Asset impairments and other[2]	—	—	—	–	778	778
Operating income (loss)	(11,151)	7,339	(403)	2,672	(8,731)	(10,274)
Other components of net periodic benefit cost	—	—	—	–	86	86
Interest expense, net	—	—	—	–	1,345	1,345
Earnings (loss) from continuing operations before income taxes	$ (11,151)	$ 7,339	$ (403)	$ 2,672	$ (10,162)	$ (11,705)
Total assets [3]	$ 668,528	$ 205,488	$ 157,936	$ 80,954	$ 270,845	$ 1,383,751
Depreciation and amortization	8,540	1,849	1,394	331	1,055	13,169
Capital expenditures	4,313	1,764	1,461	304	55	7,897

[1] Net sales in North America and in the U.K., which includes the ROI, accounted for 76% and 24%, respectively, of our net sales in the second quarter of Fiscal 2025.
[2] Asset impairments and other includes a $0.1 million charge for asset impairments in Journeys Group and $0.7 million for severance.
[3] Of our $631.8 million of long-lived assets, $92.1 million and $11.0 million relate to long-lived assets in the U.K. and Canada, respectively.

Note 8
Business Segment Information, Continued

Three Months Ended July 29, 2023

(In thousands)	Journeys Group	Schuh Group	Johnston & Murphy Group	Genesco Brands Group	Corporate & Other	Consolidated
Sales	$ 287,275	$ 122,799	$ 77,788	$ 35,461	$ —	$ 523,323
Intercompany sales elimination	—	—	(3)	(293)	—	(296)
Net sales to external customers[1]	287,275	122,799	77,785	35,168	—	523,027
Segment operating income (loss)	(14,878)	8,416	2,666	1,851	(8,055)	(10,000)
Goodwill impairment [2]	—	—	—	—	28,453	28,453
Asset impairments and other [3]	—	—	—	—	174	174
Operating income (loss)	(14,878)	8,416	2,666	1,851	(36,682)	(38,627)
Other components of net periodic benefit cost	—	—	—	—	148	148
Interest expense, net	—	—	—	—	2,383	2,383
Earnings (loss) from continuing operations before income taxes	$ (14,878)	$ 8,416	$ 2,666	$ 1,851	$ (39,213)	$ (41,158)
Total assets [4]	$ 769,844	$ 218,913	$ 187,379	$ 56,977	$ 261,646	$ 1,494,759
Depreciation and amortization	7,810	1,624	1,137	201	1,061	11,833
Capital expenditures	11,193	3,845	2,097	623	305	18,063

[1] Net sales in North America and in the U.K., which includes the ROI, accounted for 77% and 23%, respectively, of our net sales for the second quarter of Fiscal 2024.
[2] Goodwill impairment of $28.5 million is related to Genesco Brand Group.
[3] Asset impairments and other includes a $0.2 million charge for asset impairments in Journeys Group.
[4] Of our $720.8 million of long-lived assets, $94.4 million and $14.7 million relate to long-lived assets in the U.K. and Canada, respectively.

Six Months Ended August 3, 2024

(In thousands)	Journeys Group	Schuh Group	Johnston & Murphy Group	Genesco Brands Group	Corporate & Other	Consolidated
Sales	**$ 558,291**	**$ 216,910**	**$ 150,244**	**$ 55,354**	**$ —**	**$ 980,799**
Intercompany sales elimination[1]	**—**	**—**	**—**	**1,986**	**—**	**1,986**
Net sales to external customers[2]	**558,291**	**216,910**	**150,244**	**57,340**	**—**	**982,785**
Segment operating income (loss)	**(29,973)**	**1,443**	**1,952**	**1,686**	**(16,154)**	**(41,046)**
Asset impairments and other[3]	—	—	—	—	**1,356**	**1,356**
Operating income (loss)	**(29,973)**	**1,443**	**1,952**	**1,686**	**(17,510)**	**(42,402)**
Other components of net periodic benefit cost	—	—	—	—	**195**	**195**
Interest expense, net	—	—	—	—	**2,235**	**2,235**
Earnings (loss) from continuing operations before income taxes	**$ (29,973)**	**$ 1,443**	**$ 1,952**	**$ 1,686**	**$ (19,940)**	**$ (44,832)**
Depreciation and amortization	**$ 17,160**	**$ 3,718**	**$ 2,778**	**$ 645**	**$ 2,105**	**$ 26,406**
Capital expenditures	**7,804**	**2,497**	**3,176**	**535**	**262**	**14,274**

[1] Intercompany sales for the first six months of Fiscal 2025 reflect net intercompany returns.
[2] Net sales in North America and in the U.K., which includes the ROI, accounted for 78% and 22%, respectively, of our net sales in the first six months of Fiscal 2025.
[3] Asset impairments and other includes a $0.4 million charge for asset impairments in Journeys Group and $1.0 million for severance.

Note 8
Business Segment Information, Continued

Six Months Ended July 29, 2023

(In thousands)	Journeys Group	Schuh Group	Johnston & Murphy Group	Genesco Brands Group	Corporate & Other	Consolidated
Sales	$ 559,465	$ 215,904	$ 160,418	$ 71,325	$ —	$ 1,007,112
Intercompany sales elimination	—	—	(6)	(747)	—	(753)
Net sales to external customers[1]	559,465	215,904	160,412	70,578	—	$ 1,006,359
Segment operating income (loss)	(33,240)	6,626	7,472	1,819	(15,366)	$ (32,689)
Goodwill impairment[2]	—	—	—	—	28,453	28,453
Asset impairments and other[3]	—	—	—	—	482	482
Operating income (loss)	(33,240)	6,626	7,472	1,819	(44,301)	(61,624)
Other components of net periodic benefit cost	—	—	—	—	240	240
Interest expense	—	—	—	—	4,034	4,034
Earnings (loss) from continuing operations before income taxes	$ (33,240)	$ 6,626	$ 7,472	$ 1,819	$ (48,575)	$ (65,898)
Depreciation and amortization	$ 15,157	$ 3,185	$ 2,257	$ 404	$ 2,116	$ 23,119
Capital expenditures	24,212	5,996	3,302	1,078	710	35,298

(1) Net sales in North America and in the U.K., which includes the ROI, accounted for 79% and 21%, respectively, of our net sales for the first six months of Fiscal 2024.

(2) Goodwill impairment of $28.5 million is related to Genesco Brand Group.

(3) Asset impairments and other includes a $0.5 million charge for asset impairments in Journeys Group.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This section discusses management's view of the financial condition, results of operations and cash flows of the Company. This section should be read in conjunction with the information contained in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024, including the Risk Factors section, and information contained elsewhere in this Quarterly Report on Form 10-Q, including the Condensed Consolidated Financial Statements and notes to those financial statements. The results of operations for any interim period may not necessarily be indicative of the results that may be expected for any future interim period or the entire fiscal year.

Summary of Results of Operations

Our net sales increased 0.4% to $525.2 million in the second quarter of Fiscal 2025 compared to $523.0 million in the second quarter of Fiscal 2024. The sales increase compared to last year's second quarter included approximately $20 million to $25 million due to the move of a strong week of back-to-school sales from the third quarter last year to the second quarter this year related to the 53-week calendar shift along with an 8% increase in e-commerce comparable sales, partially offset by a decline in comparable store sales, the impact of net store closings and decreased wholesale sales. The consumer environment remains choppy with consumers selective about what to buy and not buy and continuing to show a willingness to shop when there's a reason, like back-to-school, and shopping almost exclusively for key footwear items and brands. In addition, ongoing inflationary pressures continue to impact discretionary spending behavior. Journeys Group sales increased 4%, Schuh Group sales increased 1%, Johnston & Murphy Group sales decreased 9% and Genesco Brands Group sales decreased 13%, or an aggregate of $4.4 million for the second quarter of Fiscal 2025 compared to the second quarter of Fiscal 2024. Schuh's sales also increased 1% on a local currency basis for the second quarter of Fiscal 2025. Total comparable sales decreased 2% for the second quarter of Fiscal 2025, with same store sales down 4% and comparable e-commerce sales up 8%.

Gross margin decreased 1.6% to $245.6 million in the second quarter of Fiscal 2025 from $249.5 million in the second quarter of Fiscal 2024 and decreased as a percentage of net sales from 47.7% to 46.8% reflecting decreased gross margin as a percentage of net sales in all of our operating business units except Johnston & Murphy Group. The decreased gross margin as a percentage of net sales reflects primarily a higher mix of sale product at Schuh and a change in product mix at Journeys.

Selling and administrative expenses in the second quarter of Fiscal 2025 decreased 1.7% to $255.1 million from $259.5 million compared to the second quarter of Fiscal 2024, reflecting the impact of our cost savings initiatives, including net store closures. Selling and administrative expenses also decreased as a percentage of net sales in the second quarter of Fiscal 2025 compared to the second quarter of Fiscal 2024 from 49.6% to 48.6%, reflecting decreased expenses as a percentage of net sales in all of our operating business units except Johnston & Murphy Group. The overall decrease in expenses as a percentage of net sales reflects a decrease in occupancy expense, a favorable change in certain non-income taxes, decreased royalty expense and decreased performance-based compensation expense, partially offset by increased selling salaries and depreciation expense.

Operating margin was a loss of 2.0% in the second quarter of Fiscal 2025 compared to a loss of 7.4% in the second quarter of Fiscal 2024 reflecting improved operating margin at Journeys Group and Genesco Brands Group, partially offset by decreased operating margin at Schuh Group and Johnston & Murphy Group. The overall improvement in operating margin for the second quarter this year compared to the second quarter last year primarily reflects a non-cash goodwill impairment charge of $28.5 million in the second quarter of Fiscal 2024 as well as decreased expenses as a percentage of net sales, partially offset by decreased gross margin as a percentage of net sales.

The loss from continuing operations before income taxes ("pretax loss") for the second quarter of Fiscal 2025 was $11.7 million compared to a pretax loss of $41.2 million for the second quarter of Fiscal 2024. The pretax loss for the second quarter of Fiscal 2025 included a $0.2 million charge for a distribution model transition in the Genesco Brands Group and asset impairment and other charges of $0.8 million for severance and asset impairments. The pretax loss for the second quarter of Fiscal 2024 included a non-cash goodwill impairment charge of $28.5 million and asset impairment and other charges of $0.2 million for asset impairments.

We had an effective income tax rate of 15.2% and 23.1% in the second quarter of Fiscal 2025 and Fiscal 2024, respectively. The lower tax rate for the second quarter this year compared to the second quarter last year reflects a reduction in the tax benefit recorded year to date due to lower projected earnings and taxes from our foreign jurisdictions.

The net loss in the second quarter of Fiscal 2025 was $10.0 million, or $0.91 diluted loss per share, compared to a net loss of $31.7 million, or $2.79 diluted loss per share, in the second quarter of Fiscal 2024.

Critical Accounting Estimates

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024. We describe our significant accounting policies in Note 1, "Summary of Significant Accounting Policies", of the Notes to Consolidated Financial Statements included in our Annual Report on

Form 10-K for the fiscal year ended February 3, 2024. There have been no other significant changes in our definition of significant accounting policies or critical accounting estimates since the end of Fiscal 2024.

Key Performance Indicators

In assessing the performance of our business, we consider a variety of performance and financial measures. The key performance indicators we use to evaluate the financial condition and operating performance of our business are comparable sales, net sales, gross margin, operating income and operating margin. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the U.S. GAAP financial measures presented herein. These measures may not be comparable to similarly titled performance indicators used by other companies.

Comparable Sales

We consider comparable sales to be an important indicator of our current performance, and investors may find it useful as such. Comparable sales results are important to achieve leveraging of our costs, including occupancy, selling salaries, depreciation, etc. Comparable sales also have a direct impact on our total net revenue, working capital and cash. We define "comparable sales" as sales from stores open longer than one year, beginning with the first day a store has comparable sales (which we refer to as "same store sales"), and sales from websites operated longer than one year and direct mail catalog sales (which we refer to in this report as "comparable e-commerce sales"). Temporarily closed stores are excluded from the comparable sales calculation if closed for more than seven days. Expanded stores are excluded from the comparable sales calculation until the first day an expanded store has comparable prior year sales. Current year foreign exchange rates are applied to both current year and prior year comparable sales to achieve a consistent basis for comparison.

Results of Operations – Second Quarter of Fiscal 2025 Compared to Second Quarter of Fiscal 2024

Journeys Group

	Three Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 298,846**	$ 287,275	4.0%
Operating loss	**$ (11,151)**	$ (14,878)	25.1%
Operating margin	**(3.7)%**	(5.2)%	

Net sales from Journeys Group increased 4.0% to $298.8 million in the second quarter of Fiscal 2025, compared to $287.3 million in the second quarter of Fiscal 2024. Net sales for the second quarter this year included approximately $19 million to $24 million due to the move of a strong week of back-to-school sales from the third quarter last year to the second quarter this year related to the 53-week calendar shift and an increase in e-commerce comparable sales, partially offset by decreased comparable store sales and a 6% decrease in the average number of stores in the second quarter this year. Total comparable sales for Journeys decreased 1% for the second quarter this year. We believe our teen customers' preference has shifted away from primarily vulcanized product in favor of a more diversified assortment. We added significant fresh product across casual and athletic brands and styles during the quarter. As a result, we saw an increase in store traffic that accelerated throughout the second quarter and drove a sequential improvement in Journeys Group comparable sales. We closed 12 Journeys Group stores in the second quarter of Fiscal 2025 and continue to evaluate up to 50 Journeys store closures in total in Fiscal 2025. Journeys Group operated 1,039 stores at the end of the second quarter of Fiscal 2025, including 220 Journeys Kidz stores, 39 Journeys stores in Canada and 31 Little Burgundy stores in Canada, compared to 1,095 stores at the end of the second quarter of last year, including 229 Journeys Kidz stores, 41 Journeys stores in Canada and 34 Little Burgundy stores in Canada.

Journeys Group had an operating loss of $11.2 million in the second quarter of Fiscal 2025 compared to an operating loss of $14.9 million in the second quarter of Fiscal 2024. The improvement in the operating loss for Journeys Group was due to (i) increased net sales and (ii) decreased selling and administrative expenses as a percentage of net sales reflecting a decrease in occupancy, marketing and compensation expenses as well as a favorable change in certain non-income taxes, partially offset by increased selling salaries. The decrease in selling and administrative expenses as a percentage of net sales demonstrates the impact of our cost savings initiatives and closing underperforming stores. Gross margin as a percentage of net sales decreased for the second quarter of Fiscal 2025, reflecting changes in product mix and increased shipping and warehouse expense as a result of increased e-commerce penetration, partially offset by decreased markdowns.

Schuh Group

	Three Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 124,561**	$ 122,799	1.4%
Operating income	**$ 7,339**	$ 8,416	(12.8)%
Operating margin	**5.9%**	6.9%	

Net sales from Schuh Group increased 1.4% to $124.6 million in the second quarter of Fiscal 2025 compared to $122.8 million in the second quarter of Fiscal 2024. Net sales for the second quarter this year included an increase in e-commerce comparable sales, approximately $2 million due to the move of a strong week of back-to-school sales from the third quarter last year to the second quarter this year related to the 53-week calendar shift and a favorable impact of $0.7 million due to changes in foreign exchange rates, partially offset by decreased comparable store sales. Total comparable sales for Schuh decreased 2% for the second quarter this year. Schuh continued to contend with a challenging U.K. macro environment in the second quarter this year and the consumer continued to be selective in their purchases. In addition, Schuh Group sales in the second quarter of Fiscal 2025 compares against strong sales growth in the second quarters of Fiscal 2024 and Fiscal 2023. Schuh's e-commerce business remains a key channel for consumer engagement, accounting for nearly 40% of its sales in the second quarter of Fiscal 2025. Schuh's sales increased 1% on a local currency basis for the second quarter of Fiscal 2025. Schuh Group operated 123 stores at the end of the second quarter of Fiscal 2025, compared to 124 stores at the end of the second quarter of Fiscal 2024.

Schuh Group had operating income of $7.3 million in the second quarter of Fiscal 2025 compared to $8.4 million in the second quarter of Fiscal 2024. The 12.8% decrease in operating income compared to last year reflects decreased gross margin as a percentage of net sales reflecting a more promotional environment at Schuh during the second quarter this year, partially offset by decreased shipping and warehouse expenses. Selling and administrative expenses decreased as a percentage of net sales, reflecting decreased performance-based compensation expense, occupancy expense and professional fees, partially offset by increased compensation expenses, selling salaries and depreciation expense. In addition, operating income included a favorable impact of $0.1 million due to changes in foreign exchange rates compared to last year.

Johnston & Murphy Group

	Three Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 71,037**	$ 77,785	(8.7)%
Operating income (loss)	**$ (403)**	$ 2,666	NM
Operating margin	**(0.6)%**	3.4%	

Johnston & Murphy Group net sales decreased 8.7% to $71.0 million for the second quarter of Fiscal 2025 from $77.8 million for the second quarter of Fiscal 2024, primarily due to a 5% decrease in comparable sales, reflecting decreased comparable store sales and comparable e-commerce sales, and decreased wholesale sales as well as a 4% decrease in the average number of stores in the second quarter this year. In addition, Johnston & Murphy Group sales in the second quarter of Fiscal 2025 compares against strong sales growth in the second quarters of Fiscal 2024 and Fiscal 2023. The softening in men's premium non-athletic footwear market made for a difficult operating environment in the second quarter. Consumers are very selective with their spend on premium priced product. The brand's apparel and accessories continue to resonate well with its consumers and Johnston & Murphy intends to continue to capitalize on opportunities beyond footwear. Retail operations accounted for 80.5% of Johnston & Murphy Group's sales in the second quarter of Fiscal 2025, down from 81.2% in the second quarter of Fiscal 2024. The store count for Johnston & Murphy retail operations at the end of the second quarter of Fiscal 2025 was 152 stores, including five stores in Canada, compared to 156 stores, including six stores in Canada, at the end of the second quarter of Fiscal 2024.

Johnston & Murphy Group had an operating loss of $0.4 million for the second quarter of Fiscal 2025 compared to operating income of $2.7 million in the second quarter of Fiscal 2024. The decrease in operating income compared to last year reflects decreased net sales and increased selling and administrative expenses as a percentage of net sales for the second quarter of Fiscal 2025 reflecting the deleverage of expenses, especially selling salaries and compensation expense in part as a result of decreased revenue in the second quarter of Fiscal 2025 and increased marketing expense as a result of a new marketing campaign, partially offset by decreased performance-based compensation. Gross margin as a percentage of net sales increased for the second quarter of Fiscal 2025, reflecting a comparison against increased inventory reserves last year, partially offset by higher retail markdowns and a lower mix of direct-to-consumer sales volume.

Genesco Brands Group

	Three Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 30,744**	$ 35,168	(12.6)%
Operating income	**$ 2,672**	$ 1,851	44.4%
Operating margin	**8.7%**	5.3%	

Genesco Brands' net sales decreased 12.6% to $30.7 million for the second quarter of Fiscal 2025 from $35.2 million for the second quarter of Fiscal 2024 due primarily to the repositioning of the business to a more refined portfolio of licenses, partially offset by increased sales of Dockers footwear.

Genesco Brands' operating income was $2.7 million in the second quarter of Fiscal 2025 compared to $1.9 million in the second quarter of Fiscal 2024. The 44.4% increase in operating income was primarily due to decreased selling and administrative expenses as a percentage of net sales in the second quarter of Fiscal 2025 reflecting decreased royalty and marketing expenses as a result of an amendment to the Levi's license agreement, partially offset by increased performance-based compensation expense, warehouse and freight costs, compensation expense and depreciation expense. Gross margin decreased as a percentage of net sales reflecting primarily a channel sales mix shift.

Corporate, Interest Expenses and Other Charges

Corporate and other expense for the second quarter of Fiscal 2025 was $8.7 million compared to $36.7 million for the second quarter of Fiscal 2024. Corporate expense in the second quarter of Fiscal 2025 included a $0.8 million charge in asset impairment and other charges for severance and asset impairments. Corporate expense in the second quarter of Fiscal 2024 included non-cash impairment charges of $28.5 million related to goodwill and a $0.2 million charge in asset impairment and other charges for asset impairments. Corporate expenses were basically flat for the second quarter of Fiscal 2025 compared to the second quarter of Fiscal 2024, excluding asset impairment and other charges in Fiscal 2025 and Fiscal 2024 and goodwill impairment in Fiscal 2024.

Net interest expense decreased 43.6% to $1.3 million in the second quarter of Fiscal 2025 compared to $2.4 million in the second quarter of Fiscal 2024 primarily reflecting decreased average borrowings in the second quarter this year compared to the second quarter last year.

Results of Operations – First Six Months of Fiscal 2025 Compared to First Six Months of Fiscal 2024
Our net sales decreased 2.3% to $982.8 million in the first six months of Fiscal 2025 compared to $1.006 billion in the first six months of Fiscal 2024. The sales decrease compared to last year's first six months was driven by decreased comparable store sales, decreased wholesale sales and the impact of net store closings, partially offset by the inclusion this year of approximately $30 million to $35 million in sales due to the calendar shift because Fiscal 2024 was a 53-week year, a 6% increase in e-commerce comparable sales and a favorable impact of $2.6 million in sales due to foreign exchange rates. Journeys Group sales and Schuh Group sales were flat for the first six months while Johnston & Murphy Group sales decreased 6% and Genesco Brands Group sales decreased 19%, or an aggregate of $13.2 million for the first six months of Fiscal 2025 compared to the first six months of Fiscal 2024. Schuh's sales decreased 1% on a local currency basis for the first six months of Fiscal 2025. Total comparable sales decreased 3% for the first six months of Fiscal 2025, with same store sales down 6% and comparable e-commerce sales up 6%.

Gross margin decreased 3.4% to $461.9 million in the first six months of Fiscal 2025 from $478.3 million in the first six months of Fiscal 2024 and decreased as a percentage of net sales from 47.5% to 47.0% reflecting decreased gross margin as a percentage of net sales in all business units except Johnston & Murphy Group. The decreased gross margin as a percentage of net sales reflects primarily a higher mix of sale product at Schuh, partially offset by an overall change in sales mix.

Selling and administrative expenses in the first six months of Fiscal 2025 decreased 1.6% to $503.0 million from $511.0 million compared to the first six months of Fiscal 2024, reflecting the impact of our cost savings initiatives, including net store closures. Selling and administrative expenses increased as a percentage of net sales in the first six months of Fiscal 2025 compared to the first six months of Fiscal 2024 from 50.8% to 51.2%, reflecting increased expenses as a percentage of net sales at Schuh Group and Johnston & Murphy Group, partially offset by decreased expenses as a percentage of sales at Journeys Group and Genesco Brands Group. The overall increase in expenses as a percentage of net sales reflects increased selling salaries, depreciation expense and professional fees, partially offset by decreased royalty expense and a favorable change in certain non-income taxes.

Operating margin was a loss of 4.3% in the first six months of Fiscal 2025 compared to a loss of 6.1% in the first six months of Fiscal 2024 reflecting improved operating margin at Journeys Group and Genesco Brands Group, partially offset by decreased operating margin at Schuh Group and Johnston & Murphy Group. The overall improvement in operating margin for the first six months this year compared to the first six months last year is primarily reflects a non-cash goodwill impairment charge of $28.5 million in the second quarter of Fiscal 2024, partially offset

by decreased gross margin as a percentage of net sales and increased selling and administrative expenses as a percentage of net sales in the first six months of Fiscal 2025 compared to the first six months of Fiscal 2024.

The pretax loss for the first six months of Fiscal 2025 was $44.8 million compared to a pretax loss of $65.9 million for the first six months of Fiscal 2024. The pretax loss for the first six months of Fiscal 2025 included a $1.8 million charge for a distribution model transition in the Genesco Brands Group and asset impairment and other charges of $1.4 million for severance and asset impairments. The pretax loss for the first six months of Fiscal 2024 included a non-cash goodwill impairment charge of $28.5 million and asset impairment and other charges of $0.5 million for asset impairments.

We had an effective income tax rate of 23.7% and 23.4% in the first six months of Fiscal 2025 and Fiscal 2024, respectively.

The net loss in the first six months of Fiscal 2025 was $34.3 million, or $3.14 diluted loss per share, compared to a net loss of $50.6 million, or $4.37 diluted loss per share, in the first six months of Fiscal 2024.

Journeys Group

	Six Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 558,291**	$ 559,465	(0.2)%
Operating loss	**$ (29,973)**	$ (33,240)	9.8%
Operating margin	**(5.4)%**	(5.9)%	

Net sales from Journeys Group decreased 0.2% to $558.3 million in the first six months of Fiscal 2025, compared to $559.5 million in the first six months of Fiscal 2024. Net sales for the first six months this year included approximately $25 million to $29 million due to the calendar shift because Fiscal 2024 was a 53-week year. Journeys total comparable sales decreased 3%, with a decrease in comparable store sales, partially offset by increased e-commerce comparable sales. In addition, the average number of Journeys stores decreased 6% in the first six months this year. We believe our teen customers' preference has shifted away from primarily vulcanized product in favor of a more diversified assortment. We added a significant amount of fresh product to our assortment in the later part of our first six months and store traffic has increased as a result and drove a sequential improvement in Journeys Group comparable sales. We closed 29 Journeys Group stores in the first six months of Fiscal 2025 and continue to evaluate up to 50 Journeys store closures in total in Fiscal 2025.

Journeys Group had an operating loss of $30.0 million in the first six months of Fiscal 2025 compared to an operating loss of $33.2 million in the first six months of Fiscal 2024. The improvement in the operating loss for Journeys Group was due to decreased selling and administrative expenses as a percentage of net sales reflecting a decrease in occupancy, compensation and marketing expenses, partially offset by increased selling salaries and depreciation expense. The decrease in selling and administrative expenses, in both absolute dollars and as a percentage of sales, demonstrates the impact of our cost savings initiatives and closing underperforming stores. Gross margin as a percentage of net sales decreased for the first six months of Fiscal 2025, reflecting changes in product mix and increased shipping and warehouse expense as a result of increased e-commerce penetration, partially offset by decreased markdowns.

Schuh Group

	Six Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 216,910**	$ 215,904	0.5%
Operating income	**$ 1,443**	$ 6,626	(78.2)%
Operating margin	**0.7%**	3.1%	

Net sales from Schuh Group increased 0.5% to $216.9 million in the first six months of Fiscal 2025 compared to $215.9 million in the first six months of Fiscal 2024. Net sales for the first six months this year included approximately $4 million to $5 million due to the calendar shift because Fiscal 2024 was a 53-week year, a favorable impact of $3.3 million due to changes in foreign exchange rates and increased e-commerce comparable sales, partially offset by decreased comparable store sales. Total comparable sales for Schuh decreased 4% for the first six months this year. Schuh continued to contend with a challenging U.K. macro environment in the first six months this year and the consumer continues to be selective in their purchases. In addition, Schuh Group sales in the first six months of Fiscal 2025 compares against strong sales growth in

the first six months of Fiscal 2024. Schuh's e-commerce business remains a key channel for consumer engagement, accounting for nearly 40% of its sales in the first six months of Fiscal 2025. Schuh's sales decreased 1% on a local currency basis for the first six months of Fiscal 2025.

Schuh Group had operating income of $1.4 million in the first six months of Fiscal 2025 compared to $6.6 million in the first six months of Fiscal 2024. The decrease in operating income compared to last year reflects decreased gross margin as a percentage of net sales reflecting a more promotional environment at Schuh during the first six months this year, partially offset by decreased shipping and warehouse expenses. Selling and administrative expenses increased as a percentage of net sales, reflecting increased compensation expense, selling salaries, marketing and depreciation expenses, partially offset by decreased occupancy and performance-based compensation expenses. In addition, operating income included an unfavorable impact of $0.1 million due to changes in foreign exchange rates compared to last year.

Johnston & Murphy Group

	Six Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 150,244**	$ 160,412	(6.3)%
Operating income	**$ 1,952**	$ 7,472	(73.9)%
Operating margin	**1.3 %**	4.7%	

Johnston & Murphy Group net sales decreased 6.3% to $150.2 million for the first six months of Fiscal 2025 from $160.4 million for the first six months of Fiscal 2024, primarily due to a 4% decrease in comparable sales, reflecting decreased comparable store sales and comparable e-commerce sales, and decreased wholesale sales as well as a 3% decrease in the average number of stores in the first six months this year. In addition, Johnston & Murphy Group sales in the first six months of Fiscal 2025 compares against strong sales growth in the first six months of Fiscal 2024. The softening in men's premium, non-athletic, footwear market made for a difficult operating environment in the first six months this year. Consumers are very selective with their spend on premium priced product. Retail operations accounted for 77.1% of Johnston & Murphy Group's sales in the first six months of Fiscal 2025, up slightly from 77.0% in the first six months of Fiscal 2024.

Johnston & Murphy Group had operating income of $2.0 million for the first six months of Fiscal 2025 compared to $7.5 million in the first six months of Fiscal 2024. The decrease in operating income compared to last year reflects decreased net sales and increased selling and administrative expenses as a percentage of net sales for the first six months of Fiscal 2025, reflecting the deleverage of expenses, especially selling salaries, compensation and occupancy expenses in part as a result of decreased revenue and increased marketing expense as a result of a new marketing campaign in the first six months of Fiscal 2025, partially offset by decreased performance-based compensation expense. Gross margin as a percentage of net sales increased for the first six months of Fiscal 2025, primarily reflecting lower warehouse costs.

Genesco Brands Group

	Six Months Ended		
	August 3, 2024	July 29, 2023	% Change
	(dollars in thousands)		
Net sales	**$ 57,340**	$ 70,578	(18.8)%
Operating income	**$ 1,686**	$ 1,819	(7.3)%
Operating margin	**2.9 %**	2.6%	

Genesco Brands' net sales decreased 18.8% to $57.3 million for the first six months of Fiscal 2025 from $70.6 million for the first six months of Fiscal 2024 due primarily to the repositioning of the business to a more refined portfolio of licenses, partially offset by increased sales of Dockers footwear.

Genesco Brands' operating income was $1.7 million in the first six months of Fiscal 2025 compared to $1.8 million in the first six months of Fiscal 2024. The 7.3% decrease in operating income was primarily due to decreased net sales and decreased gross margin as a percentage of net sales reflecting a $1.8 million inventory provision for a distribution model transition, partially offset by a favorable brand sales mix shift. Selling and administrative expenses decreased as a percentage of net sales in the first six months of Fiscal 2025 reflecting decreased royalty and marketing expenses as a result of an amendment to the Levi's license agreement and decreased bad debt expenses, partially offset by increased performance-based compensation expense, compensation expense and depreciation expense.

Corporate, Interest Expenses and Other Charges

Corporate and other expense for the first six months of Fiscal 2025 was $17.5 million compared to $44.3 million for the first six months of Fiscal 2024. Corporate expense in the first six months of Fiscal 2025 included a $1.4 million charge in asset impairment and other charges for severance and asset impairments. Corporate expense in the first six months of Fiscal 2024 included non-cash impairment charges of $28.5 million related to goodwill and a $0.5 million charge in asset impairment and other charges for asset impairments. The corporate expense increase, excluding asset impairment and other charges in Fiscal 2025 and Fiscal 2024 and goodwill impairment in Fiscal 2024, primarily reflects an increase in professional fees and compensation expense, partially offset by decreased performance-based compensation expense in the first six months this year compared to the first six months last year.

Net interest expense decreased 44.6% to $2.2 million in the first six months of Fiscal 2025 compared to $4.0 million in the first six months of Fiscal 2024 primarily reflecting decreased average borrowings in the first six months this year compared to the first six months last year.

Liquidity and Capital Resources

Working Capital

Our business is seasonal, with our investment in working capital normally reaching peaks in the summer and fall of each year in anticipation of the back-to-school and holiday selling seasons. Historically, cash flows from operations typically have been generated principally in the fourth quarter of each fiscal year.

	Six Months Ended		
Cash flow changes: (in thousands)	August 3, 2024	July 29, 2023	Increase (Decrease)
Net cash used in operating activities	**$ (6,029)**	$ (25,135)	$ 19,106
Net cash used in investing activities	**(14,274)**	(35,211)	20,937
Net cash provided by financing activities	**30,922**	49,108	(18,186)
Effect of foreign exchange rate fluctuations on cash	**81**	664	(583)
Net increase (decrease) in cash	**$ 10,700**	$ (10,574)	$ 21,274

Reasons for the major variances in cash provided by (used in) the table above are as follows:

Cash used in operating activities was $19.1 million lower in the first six months of Fiscal 2025 compared to the first six months of Fiscal 2024, reflecting primarily the following factors:

•a $50.2 million increase in cash flow from changes in accounts payable, primarily reflecting changes in buying patterns in the first six months of Fiscal 2025; partially offset by
•a $40.6 million decrease in cash flow from changes in inventory, primarily reflecting an increase in Genesco Brands Group inventory and a larger increase year over year in Journeys Group inventory, partially offset by a lower increase year over year in Schuh Group inventory in the first six months of Fiscal 2025.

Cash used in investing activities was $20.9 million lower for the first six months of Fiscal 2025 as compared to the first six months of Fiscal 2024 reflecting decreased capital expenditures primarily related to omni-channel capabilities and investments in retail stores.

Cash provided by financing activities was $18.2 million lower in the first six months of Fiscal 2025 as compared to the first six months of Fiscal 2024 reflecting decreased net borrowings partially offset by decreased share repurchases this year compared to the same period last year.

Sources of Liquidity and Future Capital Needs

We have three principal sources of liquidity: cash flow from operations, cash on hand and our credit facilities discussed in Item 8, Note 8, "Long-Term Debt", to our Consolidated Financial Statements included in our Annual Report on Form 10-K for Fiscal 2024.

As of August 3, 2024, we have borrowed $75.1 million U.S. revolver borrowings and $2.7 million (C$3.8 million) related to GCO Canada ULC. We were in compliance with all the relevant terms and conditions of the Credit Facility and the Facility Agreement as of August 3, 2024.

We believe that cash on hand, cash provided by operations and borrowings under our Credit Facility and the Facility Agreement will be sufficient to support our liquidity needs in Fiscal 2025 and the foreseeable future.

In the fourth quarter of Fiscal 2021, we implemented tax strategies allowed under the 5-year carryback provisions in the CARES Act which we believe will generate approximately $55 million of net tax refunds. We received approximately $26 million of such net tax refunds in Fiscal 2022 and anticipated receipt of the remaining outstanding net tax refund in Fiscal 2023. However, in the third quarter of Fiscal 2023, we were notified the IRS would conduct an audit of the periods related to the outstanding net tax refund. While we do not believe any uncertainty with the technical merits of the positions generating the net tax refunds exists, we do anticipate the timing of the net tax refund will be extended as a result of the audit process. Accordingly, we have recorded the outstanding refund to non-current prepaid income taxes on the Condensed Consolidated Balance Sheets as of August 3, 2024.

Contractual Obligations

Our contractual obligations at August 3, 2024 decreased 1% compared to February 3, 2024, primarily due to decreased lease obligations and purchase obligations, partially offset by increased long-term debt.

Capital Expenditures

Total capital expenditures in Fiscal 2025 are expected to be approximately $52 million to $57 million of which approximately 63% is for new stores and remodels and 37% is for computer hardware, software and warehouse enhancements for initiatives to drive traffic and omni-channel capabilities. We do not currently have any longer-term capital expenditures or other cash requirements other than as set forth above and in the contractual obligations table as disclosed in Item 7 of our Fiscal 2024 Form 10-K. We also do not currently have any off-balance sheet arrangements.

Common Stock Repurchases

We repurchased 381,711 shares during the second quarter and first six months of Fiscal 2025 at a cost of $9.3 million, or $24.49 per share. We have $42.8 million remaining as of August 3, 2024 under our expanded share repurchase authorization announced in June 2023. In addition, we recorded an accrual for excise tax on stock repurchases of less than $0.1 million in other accrued liabilities in our condensed consolidated balance sheets as of August 3, 2024. We repurchased 1,006,295 shares during the second quarter of Fiscal 2024 at a cost of $22.9 million, or $22.71 per share, and repurchased 1,261,295 shares during the first six months of Fiscal 2024 at a cost of $32.0 million, or $25.39 per share.

During the third quarter of Fiscal 2025, through September 11, 2024, we have not repurchased any shares.

Environmental and Other Contingencies

We are subject to certain loss contingencies related to environmental proceedings and other legal matters, including those disclosed in Item 1, Note 7, "Legal Proceedings", to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

New Accounting Pronouncements

Descriptions of recently issued accounting pronouncements, if any, and the accounting pronouncements adopted by us during the second quarter of Fiscal 2025 are included in Note 1 to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We incorporate by reference the information regarding market risk appearing in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under the heading “Financial Market Risk” in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024. There have been no material changes to our exposure to market risks from those disclosed in the Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures designed to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is made known to the officers who certify our financial reports and to other members of senior management. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving desired objectives.

Based on their evaluation as of August 3, 2024, the principal executive officer and principal financial officer of the Company have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within time periods specified in SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our second quarter of Fiscal 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We incorporate by reference the information regarding legal proceedings in Item 1, Note 7, "Legal Proceedings", to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

You should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in the Annual Report on Form 10-K for the fiscal year ended February 3, 2024, which could materially affect our business, financial condition or future results. The risks described in this report, and in our Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases (shown in thousands except share and per share amounts):

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
May 2024				
5-5-24 to 6-1-24[1]	7,700	$ 24.90	7,700	$ 51,917
June 2024				
6-2-24 to 6-29-24[1]	180,853	$ 24.63	180,853	$ 47,463
July 2024				
6-30-24 to 8-3-24 [1]	193,158	$ 24.35	193,158	$ 42,760
6-30-24 to 8-3-24 [2]	49,199	$ 26.45	—	—
Total	430,910	$ 24.72	381,711	$ 42,760

[1] Share repurchases were made pursuant to a $100.0 million share repurchase program approved by the Board of Directors and announced in February 2022, and in June 2023, the Board of Directors approved an additional $50.0 million for share repurchases. We expect to implement the balance of the repurchase program through purchases made from time to time either in the open market or through private transactions, in accordance with the regulations of the SEC and other applicable legal requirements.

[2] These shares represent shares withheld from vested restricted stock to satisfy the minimum withholding requirement for federal and state taxes.

Item 5. Other Information

(c) During the second quarter of Fiscal 2025, no director or Section 16 officer of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408 (a) of Regulation S-K).

Item 6. Exhibits

Exhibit Index

(31.1)	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Genesco Inc.'s Quarterly Report on Form 10-Q for the quarter ended August 3, 2024, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at August 3, 2024, February 3, 2024 and July 29, 2023, (ii) Condensed Consolidated Statements of Operations for each of the three and six months ended August 3, 2024 and July 29, 2023, (iii) Condensed Consolidated Statements of Comprehensive Loss for each of the three and six months ended August 3, 2024 and July 29, 2023, (iv) Condensed Consolidated Statements of Cash Flows for each of the three and six months ended August 3, 2024 and July 29, 2023, (v) Condensed Consolidated Statements of Equity for each of the three and six months ended August 3, 2024 and July 29, 2023, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Genesco Inc.

By: /s/ Thomas A. George

Thomas A. George
Senior Vice President - Finance and
Chief Financial Officer

Date: September 12, 2024