



MOVADO GROUP

JANUARY 2022

SAFE HARBOR STATEMENT

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as “expects,” “anticipates,” “believes,” “targets,” “goals,” “projects,” “intends,” “plans,” “seeks,” “estimates,” “may,” “will,” “should” and variations of such words and similar expressions. Similarly, statements in this presentation that describe the Company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements and levels of future dividends to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties may include, but are not limited to general economic and business conditions which may impact disposable income of consumers in the United States and the other significant markets (including Europe) where the Company's products are sold, uncertainty regarding such economic and business conditions including inflation and tightness in the labor market, trends in consumer debt levels and bad debt write-offs, general uncertainty related to possible terrorist attacks, natural disasters, pandemics, including the effect of the COVID-19 pandemic and other diseases on travel and traffic in the Company's retail stores and the stores of its wholesale customers, supply disruptions, delivery delays and increased shipping costs as a result of the COVID-19 pandemic and power outages in China, adverse impact on the Company's wholesale customers and customer traffic in the Company's stores as a result of increased uncertainty and economic disruption caused by the COVID-19 pandemic, uncertainty relating to the availability and efficacy of vaccines and treatments for COVID-19, the impact of the United Kingdom's exit from the European Union, defaults on or downgrades of sovereign debt and the impact of any of those events on consumer spending, changes in consumer preferences and popularity of particular designs, new product development and introduction, decrease in mall traffic and increase in e-commerce, the ability of the Company to successfully implement its business strategies, competitive products and pricing including price increases to offset increased costs, the impact of “smart” watches and other wearable tech products on the traditional watch market, seasonality, availability of alternative sources of supply in the case of the loss of any significant supplier or any supplier's inability to fulfill the Company's orders, the loss of or curtailed sales to significant customers, the Company's dependence on key employees and officers, the ability to successfully integrate the operations of acquired businesses without disruption to other business activities, the possible impairment of acquired intangible assets including goodwill if the carrying value of any reporting unit were to exceed its fair value, volatility in reported earnings resulting from changes in the estimated fair value of contingent acquisition consideration, the continuation of the Company's major warehouse and distribution centers, the continuation of licensing arrangements with third parties, losses possible from pending or future litigation and administrative proceedings, the ability to secure and protect trademarks, patents and other intellectual property rights, the ability to lease new stores on suitable terms in desired markets and to complete construction on a timely basis, the ability of the Company to successfully manage its expenses on a continuing basis, information systems failure or breaches of network security, complex and quickly-evolving regulations regarding privacy and data protection, the continued availability to the Company of financing and credit on favorable terms, business disruptions, and general risks associated with doing business outside the United States including, without limitation, import duties, tariffs (including retaliatory tariffs), quotas, political and economic stability, changes to existing laws or regulations, and success of hedging strategies with respect to currency exchange rate fluctuations, and the other factors discussed in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These statements reflect the Company's current beliefs and are based upon information currently available to it. Be advised that developments subsequent to this presentation are likely to cause these statements to become outdated with the passage of time. The Company assumes no duty to update its forward-looking statements and this presentation shall not be construed to indicate the assumption by the Company of any duty to update its outlook in the future.



COMPANY OVERVIEW

- Strongly positioned in the global watch and accessory market
- Possesses many of the world's most sought-after brands
- World class global infrastructure – systems, talent & processes
- Successful track record of driving change

OWNED BRANDS

MOVADO

EBEL



OLIVIA · BURTON
LONDON

CONCORD

MVMTM

LICENSED BRANDS


COACH
NEW YORK

TOMMY HILFINGER
WATCHES

BOSS
WATCHES

SCUDERIA
FERRARI

Calvin Klein

LACOSTE 



MOVADO AT A GLANCE

- MOV (NYSE), market cap \$958m as of Dec 27, 2021
- Expects record Fiscal 22 sales, gross margin and earnings
- Outlook* for FY'22 for sales \$715 million to \$720 million has us on track to exceed pre-pandemic revenue of \$701 million
 - Op profit margin* of 15.0 – 15.5% versus FY'20 op margin of 7.1%
 - EPS* of \$3.35 to \$3.45 above FY'20 diluted EPS of \$1.57
- Strong balance sheet and cash flow
- Additional share repurchase program approved in November '21



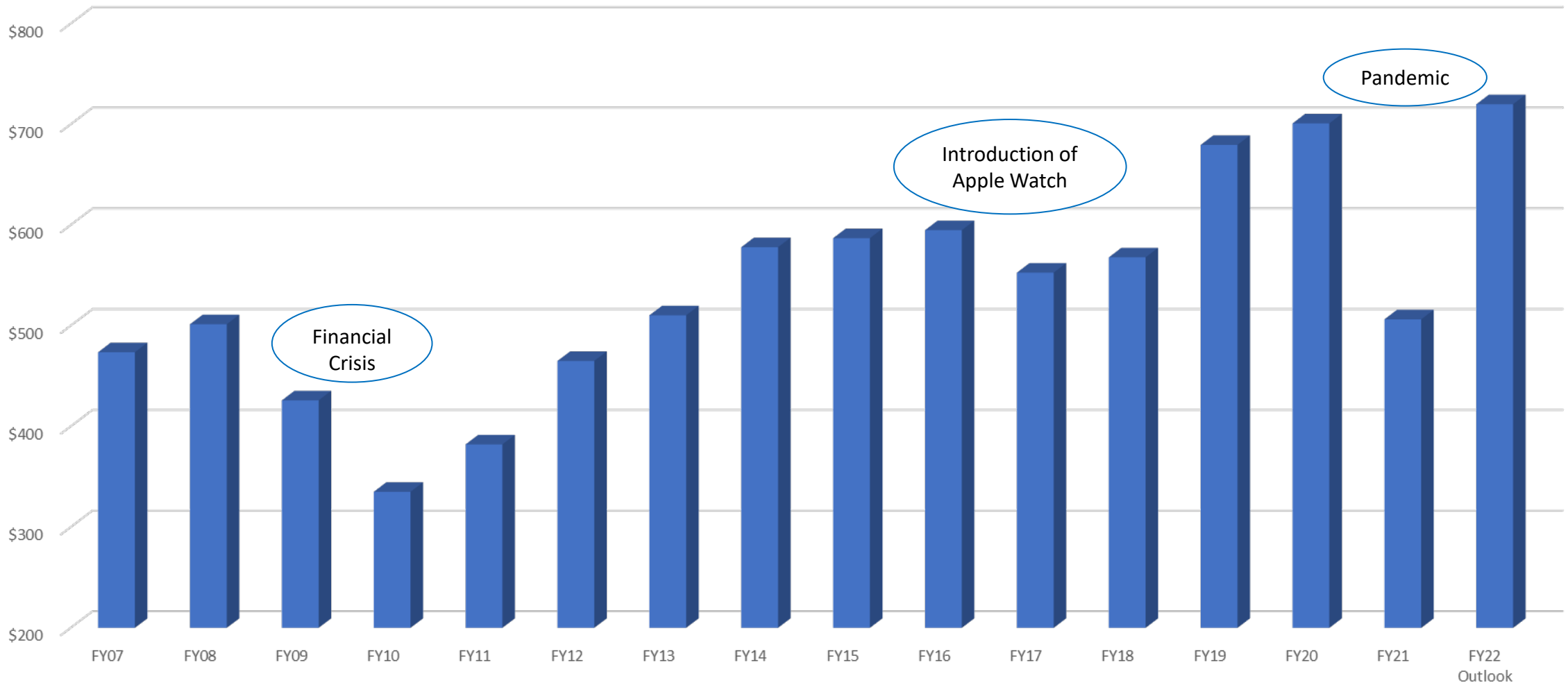
*Adjusted for unusual items. See GAAP reconciliations in our FY22 earnings release at www.movadogroup.com/investor.

Movado Group Sales History*

FY 2007 – FY 2022 Outlook

in \$ millions

A Resilient & Innovational Company

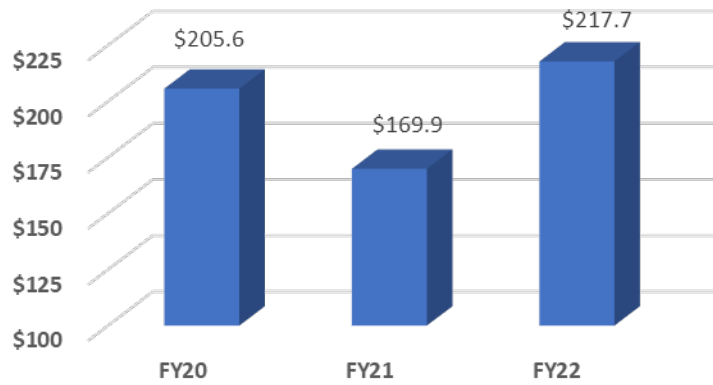


* Continuing operations. Excludes non-recurring adjustments.

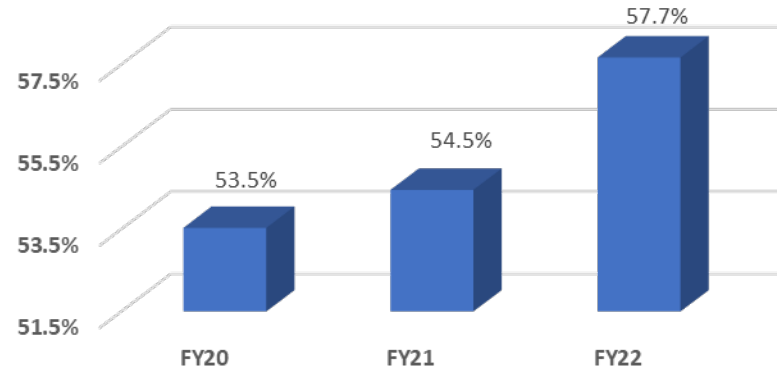
Strong Recent Results*

in \$ millions

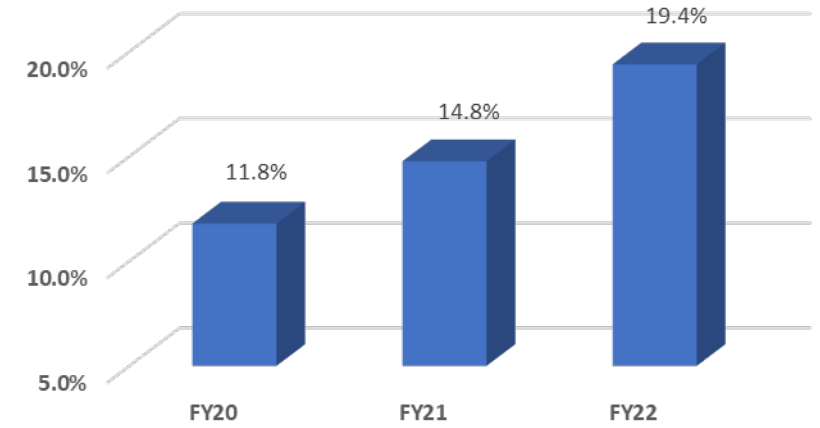
Q3 Net Sales



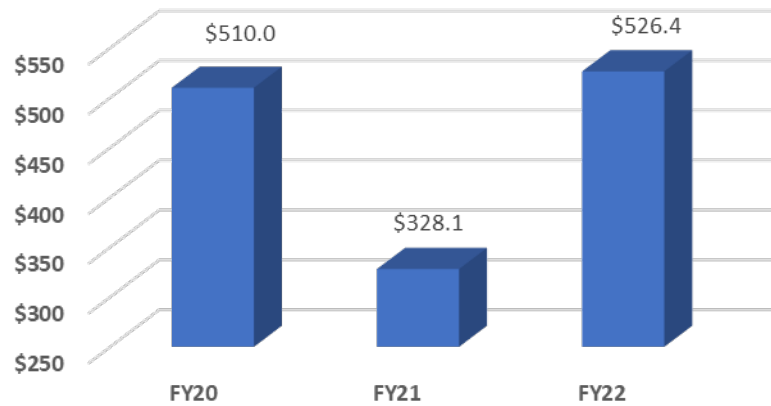
Q3 Gross Margin



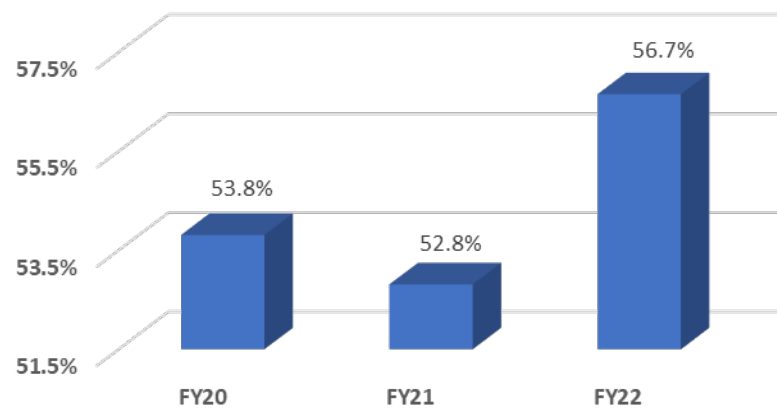
Q3 Operating Margin



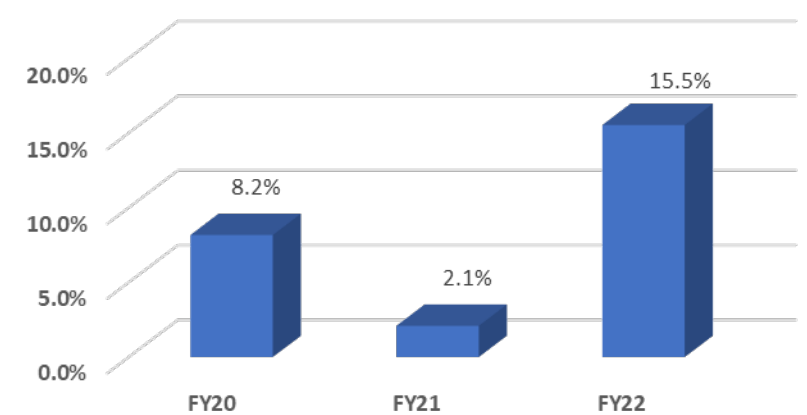
Q3 YTD Net Sales



Q3 YTD Gross Margin



Q3 YTD Operating Margin



* Excludes non-recurring adjustments.

WHY WE SUCCEED

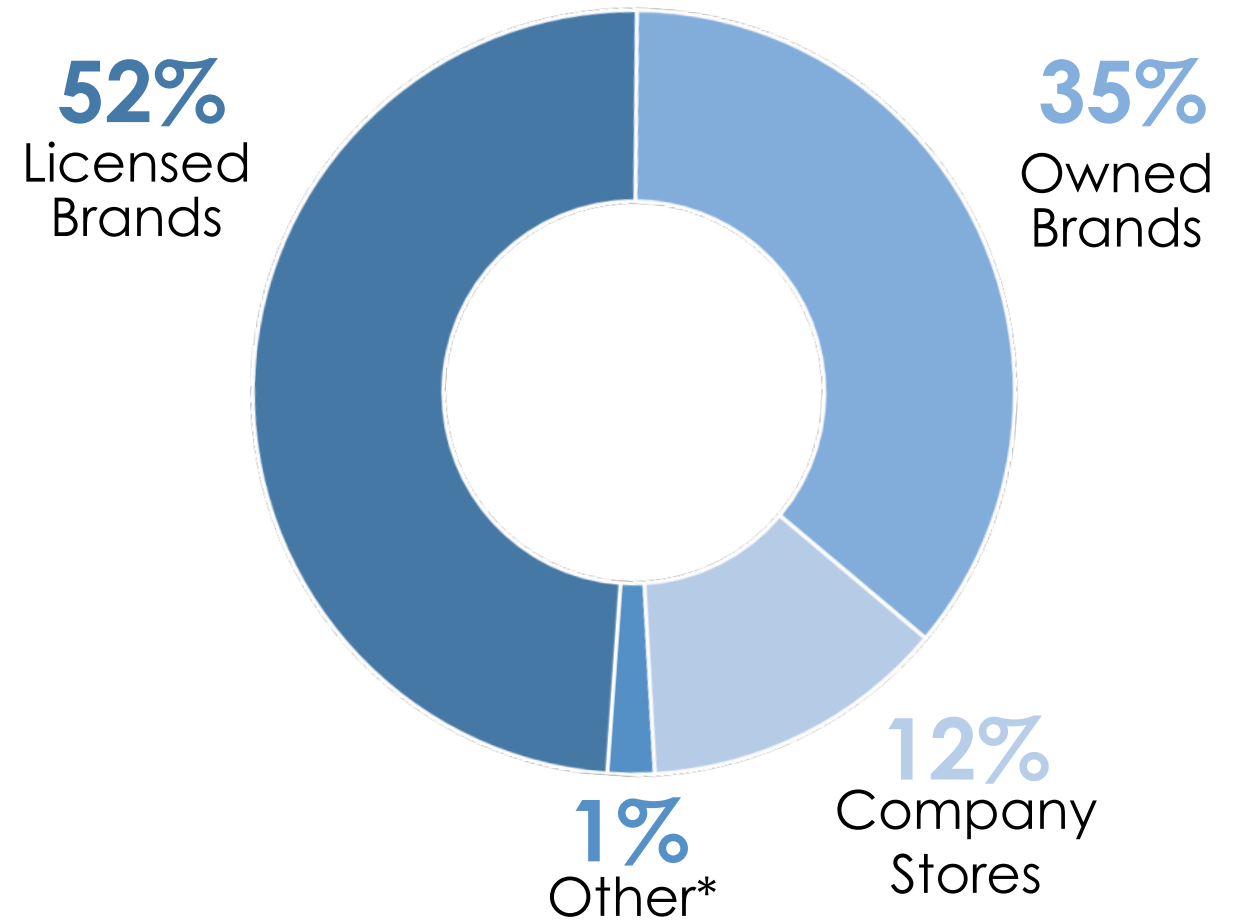
- Iconic and innovative designs drives growing interest in watches
- Driving growth by:
 - Engaging with consumers in new ways, leveraging technology
 - Maximizing both online and in-store consumer experience
 - Distributing across channels, geographies and consumer types
 - Increasing Direct-To-Consumer business



DIVERSE BRAND PORTFOLIO

Presence in all market segments

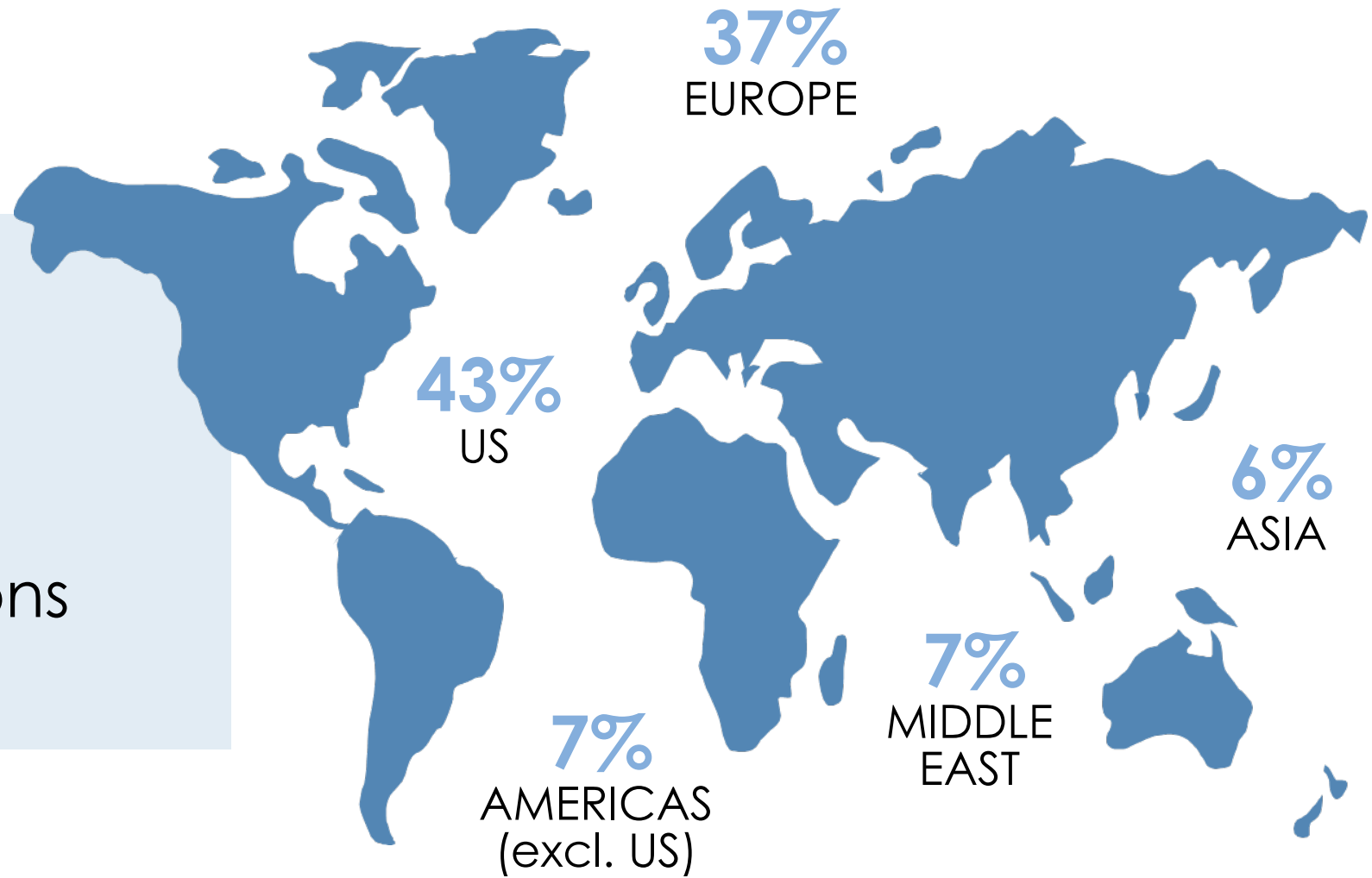
Percent of Total MOV Revenue (FY '21)



* Includes after-sales service and all other.

BROAD GEOGRAPHIC REACH

Presence in all regions
(FY '21)



CORPORATE PRIORITIES

BRANDS
Realize Each
Brand's Potential

REGIONS
Capture Significant
Market Opportunity

INNOVATION
Lead With
Innovation

DIGITAL
Connect Directly
With Our Consumers



Financial and operating goals

- Driving omni-channel growth
- Improving gross margin
- Delivering 15% operating income
- Efficiently invest in growth
- Successful launch of Calvin Klein
- Support growing jewelry business across our portfolio
- Environmental, Social, Governance priorities
- Working with a sense of urgency
- Drive culture of engagement at all levels of the company





MOVADO GROUP

JANUARY 2022

APPENDIX

- Reconciliations of Non-GAAP Measures

In this presentation, the Company presents certain financial measures that are not calculated according to generally accepted accounting principles in the United States (“GAAP”). Specifically, the Company is presenting adjusted gross profit, adjusted gross margin, adjusted operating expenses and adjusted operating income, which are gross profit, gross margin, operating expenses and operating income, respectively, under GAAP, adjusted to eliminate the amortization of acquisition accounting adjustments related to the Olivia Burton and MVMT acquisitions, corporate initiatives and the impairment of goodwill and certain intangible assets. The Company is also presenting adjusted tax provision, which is the tax provision under GAAP, adjusted to eliminate the impact of charges for the Olivia Burton and MVMT acquisitions, corporate initiatives, the impairment of goodwill and certain intangible assets and the gain on the sale of a non-operating asset. The Company believes these adjusted measures are useful because they give investors information about the Company’s financial performance without the effect of certain items that the Company believes are not characteristic of its usual operations. The Company is also presenting adjusted net income, adjusted earnings per share and adjusted effective tax rate, which are net income, earnings per share and effective tax rate, respectively, under GAAP, adjusted to eliminate the after-tax impact of amortization of acquisition accounting adjustments related to the Olivia Burton and MVMT acquisitions, corporate initiatives, the impairment of goodwill and certain intangibles and the gain on the sale of a non-operating asset. The Company believes that adjusted net income, adjusted earnings per share and adjusted effective tax rate are useful measures of performance because they give investors information about the Company’s financial performance without the effect of certain items that the Company believes are not characteristic of its usual operations. Additionally, the Company is presenting constant currency information to provide a framework to assess how its business performed excluding the effects of foreign currency exchange rate fluctuations in the current period. Comparisons of financial results on a constant dollar basis are calculated by translating each foreign currency at the same U.S. dollar exchange rate as in effect for the prior-year period for both periods being compared. The Company believes this information is useful to investors to facilitate comparisons of operating results. These non-GAAP financial measures are designed to complement the GAAP financial information presented in this release. The non-GAAP financial measures presented should not be considered in isolation from or as a substitute for the comparable GAAP financial measures, and the methods of their calculation may differ substantially from similarly titled measures used by other companies.



MOVADO GROUP, INC.
GAAP AND NON-GAAP MEASURES
(In thousands, except per share data)
(Unaudited)

	<u>Net Sales</u>	<u>Gross Profit</u>	<u>Operating Income/(Loss)</u>	<u>Pre-tax Income/(Loss)</u>	<u>Provision/(Benefit) for Income Taxes</u>	<u>Net Income/(Loss) Attributable to Movado Group, Inc.</u>	<u>Diluted EPS</u>
Three Months Ended October 31, 2021							
As Reported (GAAP)	\$ 217,746	\$ 125,574	\$ 41,403	\$ 41,356	\$ 9,561	\$ 31,405	\$ 1.33
Olivia Burton Costs (1)	-	-	714	714	136	578	0.03
MVMT Costs (2)	-	-	103	103	26	77	0.00
Adjusted Results (Non-GAAP)	<u>\$ 217,746</u>	<u>\$ 125,574</u>	<u>\$ 42,220</u>	<u>\$ 42,173</u>	<u>\$ 9,723</u>	<u>\$ 32,060</u>	<u>\$ 1.36</u>
Three Months Ended October 31, 2020							
As Reported (GAAP)	\$ 169,863	\$ 92,453	\$ 23,067	\$ 22,467	\$ 7,524	\$ 14,825	\$ 0.63
Olivia Burton Costs (1)	-	-	677	677	128	549	0.02
MVMT Costs (2)	-	-	555	555	211	344	0.02
Corporate Initiatives (3)	-	43	781	781	143	638	0.03
Adjusted Results (Non-GAAP)	<u>\$ 169,863</u>	<u>\$ 92,496</u>	<u>\$ 25,080</u>	<u>\$ 24,480</u>	<u>\$ 8,006</u>	<u>\$ 16,356</u>	<u>\$ 0.70</u>
Three Months Ended October 31, 2019							
As Reported (GAAP)	\$ 205,618	\$ 110,069	\$ 22,638	\$ 22,416	\$ 4,955	\$ 17,765	\$ 0.76
Olivia Burton Costs (1)	-	-	676	676	128	548	0.03
MVMT Costs (2)	-	-	936	936	225	711	0.03
Adjusted Results (Non-GAAP)	<u>\$ 205,618</u>	<u>\$ 110,069</u>	<u>\$ 24,250</u>	<u>\$ 24,028</u>	<u>\$ 5,308</u>	<u>\$ 19,024</u>	<u>\$ 0.82</u>

(1) Related to the amortization of acquired intangible assets for Olivia Burton.

(2) Related to the amortization of acquired intangible assets, accounting adjustments and the MVMT brand's deferred compensation, where applicable.

(3) Related to provision due to the impact to the business of the COVID-19 pandemic, including restructuring plan.



MOVADO GROUP, INC.
GAAP AND NON-GAAP MEASURES
(In thousands, except per share data)
(Unaudited)

	Net Sales	Gross Profit	Operating Income/(Loss)	Pre-tax Income/(Loss)	Provision/(Benefit) for Income Taxes	Net Income/(Loss) Attributable to Movado Group, Inc.	Diluted EPS
Nine Months Ended October 31, 2021							
As Reported (GAAP)	\$ 526,418	\$ 298,229	\$ 79,292	\$ 79,153	\$ 18,206	\$ 60,224	\$ 2.54
Olivia Burton Costs (1)	-	-	2,161	2,161	411	1,750	0.08
MVMT Costs (2)	-	-	335	335	84	251	0.01
Adjusted Results (Non-GAAP)	<u>\$ 526,418</u>	<u>\$ 298,229</u>	<u>\$ 81,788</u>	<u>\$ 81,649</u>	<u>\$ 18,701</u>	<u>\$ 62,225</u>	<u>\$ 2.63</u>
Nine Months Ended October 31, 2020							
As Reported (GAAP)	\$ 328,067	\$ 169,702	\$ (168,012)	\$ (168,133)	\$ (26,365)	\$ (141,783)	\$ (6.11)
Olivia Burton Costs (1)	-	-	2,033	2,033	386	1,647	0.07
MVMT Costs (2)	-	-	1,536	1,536	584	952	0.04
Corporate Initiatives (3)	-	3,551	15,389	15,389	4,735	10,654	0.46
Goodwill and Intangible Asset Impairment (4)	-	-	155,919	155,919	24,867	131,052	5.64
Gain On Sale of a Non-Operating Asset (5)	-	-	-	(1,317)	(474)	(843)	(0.03)
Adjusted Results (Non-GAAP)	<u>\$ 328,067</u>	<u>\$ 173,253</u>	<u>\$ 6,865</u>	<u>\$ 5,427</u>	<u>\$ 3,733</u>	<u>\$ 1,679</u>	<u>\$ 0.07</u>
Nine Months Ended October 31, 2019							
As Reported (GAAP)	\$ 509,983	\$ 274,281	\$ 36,388	\$ 49,389	\$ 10,543	\$ 39,195	\$ 1.68
Olivia Burton Costs (1)	-	-	2,078	2,078	395	1,683	0.07
MVMT Costs (2)	-	140	3,534	3,534	848	2,686	0.11
Change In Contingent Consideration (6)	-	-	-	(13,627)	(3,270)	(10,357)	(0.44)
Cost Savings Initiatives (7)	-	-	(320)	(320)	(77)	(243)	(0.01)
Adjusted Results (Non-GAAP)	<u>\$ 509,983</u>	<u>\$ 274,421</u>	<u>\$ 41,680</u>	<u>\$ 41,054</u>	<u>\$ 8,439</u>	<u>\$ 32,964</u>	<u>\$ 1.41</u>

(1) Related to the amortization of acquired intangible assets for Olivia Burton.

(2) Related to the amortization of acquired intangible assets, accounting adjustments and the MVMT brand's deferred compensation, where applicable.

(3) Related to provision due to the impact to the business of the COVID-19 pandemic, including restructuring plan.

(4) Related to the impairment of goodwill and impairment of certain of MVMT's intangible assets.

(5) Related to a gain on sale of a non-operating asset in Switzerland.

(6) Remeasurement of contingent consideration liability.

(7) Change in estimate in Fiscal 2020 for severance and occupancy expenses.

