

# Movado Group, Inc.

## Shareholder Meeting

June 13, 2013



# SAFE HARBOR STATEMENT

*This presentation contains certain “forward-looking statements” for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, forecasts and projections about the Company, its future performance, the industry in which the Company operates and management’s assumptions. Words such as “expects”, “anticipates”, “targets”, “goals”, “projects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “will”, “should” and variations of such words and similar expressions are also intended to identify such forward-looking statements. The Company cautions readers that forward-looking statements include, without limitation, those relating to the Company’s future business prospects, projected operating or financial results, revenues, working capital, liquidity, capital needs, plans for future operations, expectations regarding capital expenditures and operating expenses, effective tax rates, margins, interest costs, and income as well as assumptions relating to the foregoing. Forward-looking statements are subject to certain risks and uncertainties, some of which cannot be predicted or quantified. Actual results and future events could differ materially from those indicated in the forward-looking statements, due to several important factors herein identified, among others, and other risks and factors identified from time to time in the Company’s reports filed with the SEC including, without limitation, the following: 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, trends in consumer debt levels and bad debt write-offs, general uncertainty related to possible terrorist attacks, natural disasters, the stability of the European Union and 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, competitive products and pricing, 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 continuation of licensing arrangements with third parties, 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, potential effects of economic and currency instability in Europe and countries using the Euro as their functional currency, the ability of the Company to successfully manage its expenses on a continuing basis, the continued availability to the Company of financing and credit on favorable terms, business disruptions, disease, general risks associated with doing business outside the United States including, without limitation, import duties, tariffs, quotas, political and economic stability, and success of hedging strategies with respect to currency exchange rate fluctuations. All forward-looking statements speak only as of the date of this presentation or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statements in this section. The Company undertakes no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this presentation.*

# COMPANY OVERVIEW

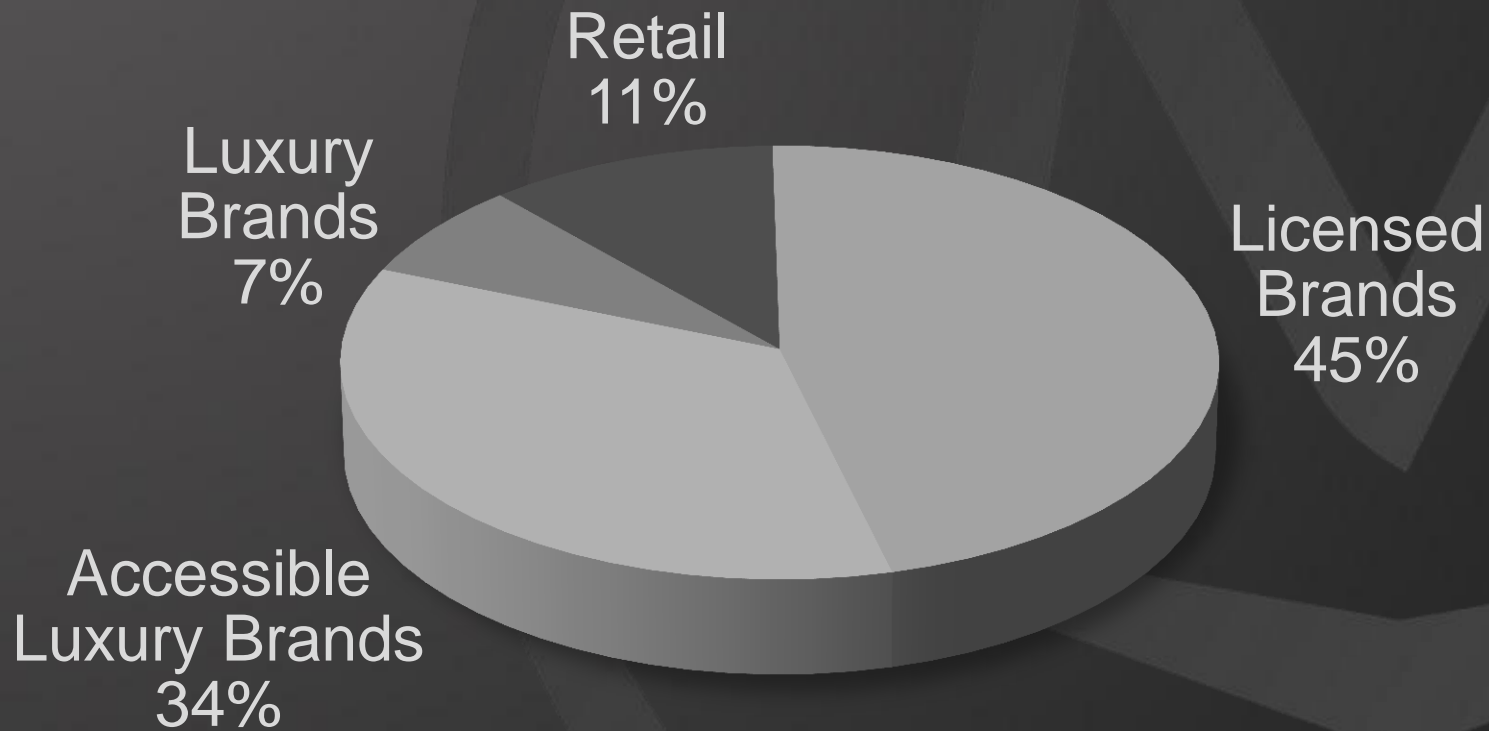
- Compelling portfolio of watch brands
- Diversified across brands, price points and geographies
- Strong infrastructure – systems, talent & processes
- Initiatives driving consistent increases in financial results
- Significant future growth opportunities
- Strong balance sheet and cash flow



# DIVERSE BRAND PORTFOLIO

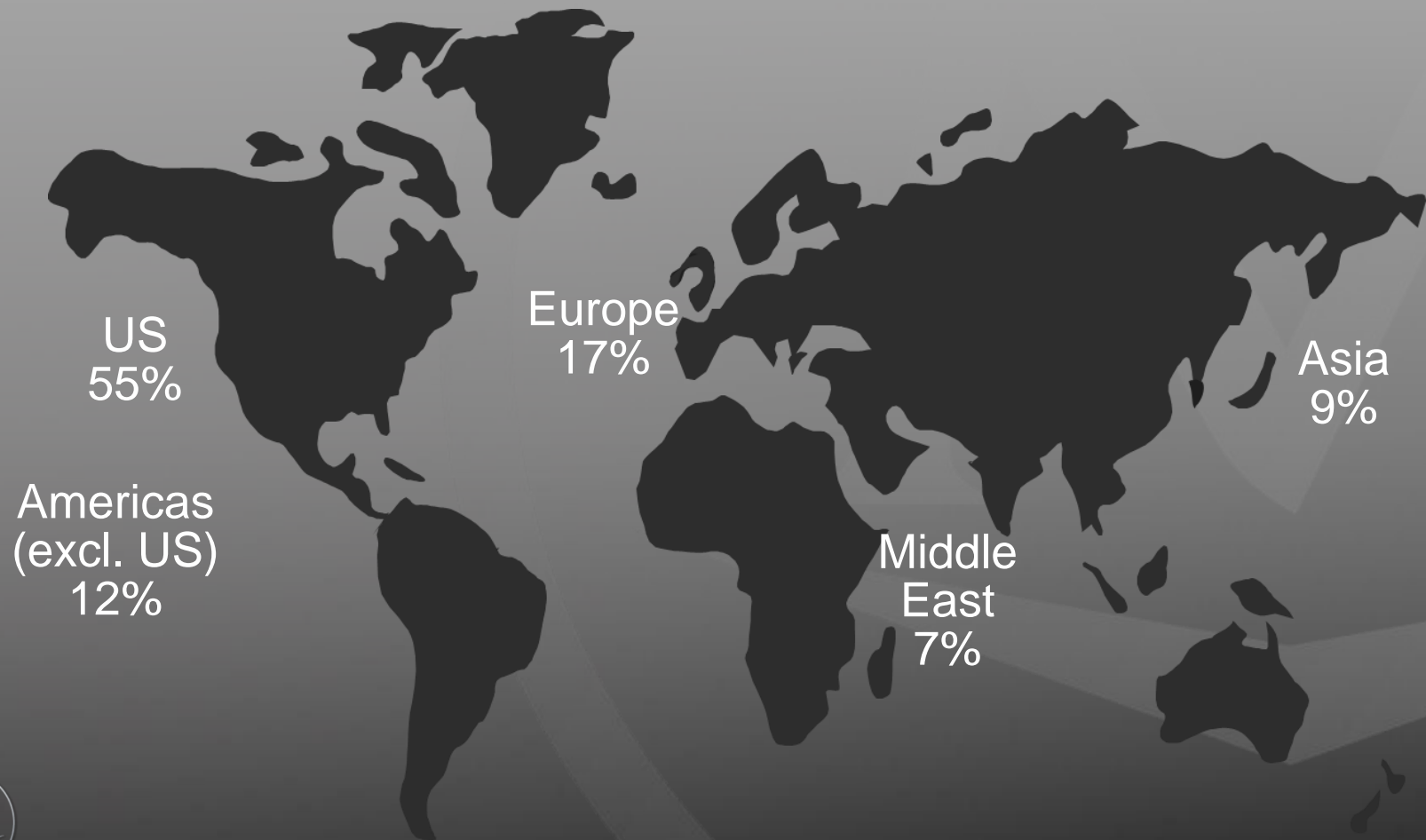
Presence in all key market segments

Percent of Total MOV Revenue (FY '13)



# BROAD GEOGRAPHIC REACH

Presence and opportunity in all regions (FY '13)



# RECENT FINANCIAL RESULTS\*

## FY12 & FY13

- Strong sales growth +33% since FY11
  - Movado brand growth +52%
  - Licensed brand growth +50%
- Operating income growth
  - From \$10.8M in FY11 to \$57.2M in FY13
- Healthy balance sheet
  - \$168M cash, post \$32M special dividend payments
  - No debt outstanding

\* Adjusted for nonrecurring items

# Key Organic Growth Drivers

- New product innovation - strong price/value equation
- Comprehensive 360° marketing
- Increased SKU productivity
- Stronger retailer metrics
- Selective customer and POS expansion

# COMPANY FINANCIAL PERFORMANCE

	FY11	FY12	FY13
Sales (\$000)	\$382,190	\$465,079	\$510,378
Operating Income	10,789	34,274	57,246
Net Income	\$4,827	\$27,237	\$42,135
EPS	\$0.19	\$1.08	\$1.64

\*All numbers are adjusted for nonrecurring items.





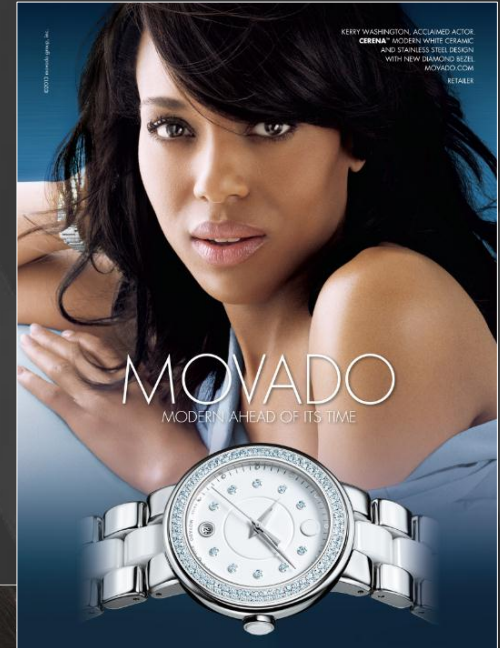
# Q1 FY14 FINANCIAL RESULTS

- Built on momentum of past 3 years; consistent positive results for past 13 quarters
- Strong sales growth >6% increase over last year
- Operating income of \$10M compared to \$8.5M last year
- Net income of \$8.2M compared to \$6.6M last year
- EPS \$0.32 vs. \$0.26 last year



# Accessible Luxury Strategy

- Build on Movado North America momentum
- China market expansion
- Key account customer focus (Europe, Middle East and South America)
- Execution of ESQ Movado strategy



# MOVADO

- Movado has leading US market share within its segment
- Strong sales growth
- Quality distribution
- New distribution via Movado BOLD
- Great new product pipeline
- International growth potential



# DYNAMIC ADVERTISING

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WYNTON MARSALIS, COMPOSER/PERFORMER, VIOLINIST  
**MOVADO TC™** ULTRA-THIN CASE DESIGN IN STAINLESS STEEL WITH MODERN BLACK DIAL. MOVADO.COM  
 RETAILER

**MOVADO**  
 MODERN AHEAD OF ITS TIME

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**MOVADO TC™** ULTRA-THIN CASE DESIGN IN STAINLESS STEEL WITH MODERN BLACK DIAL. MOVADO.COM  
 RETAILER

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DEREK JETER, HUMANITARIAN, LEADER, ATHLETE  
**SERIES 800™** PERFORMANCE STEEL™ BRACELET CHRONOGRAPH WITH 42MM CASE, BLACK ALUMINUM TACHYMETR BEZEL. MOVADO.COM  
 RETAILER

**MOVADO**  
 MODERN AHEAD OF ITS TIME



# DYNAMIC ADVERTISING



©2011 Movado Group, Inc.

**INTRODUCING THE BOLD CERAMICS**  
TIME SHINES WITH BOLD NEW CONTRAST.  
34MM MOVADO BOLD™ BRACELET  
WATCH IN BLACK CERAMIC/YELLOW  
GOLD-TONED STAINLESS STEEL.  
MOVADO.COM

RETAILER

MOVADO  
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**THE BOLD TITANIUMS**  
TIME REVEALS A NEW MASCULINITY.  
MOVADO BOLD™ BRACELET WATCH  
WITH 46MM TITANIUM CASE,  
BLUE DIAL/ORANGE ACCENTS.  
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# INFLUENTIAL EDITORIAL



Not every actress loves dyeing her hair for a role, but Lily Collins is more than happy to oblige. For one thing, it allows this savvy jewelry collector to check out a gemstone or two to see what



ESQ MOVADO

esq  
MOVADO

powered by  
MOVADO

modern design

great value

swiss engineering



# HIGH IMPACT ADVERTISING

esq  
MOVADO



Powered by  
Movado

ESQ FUSION  
A NEW PERSPECTIVE  
ON MODERN DESIGN.  
ESQMOVADO.COM

esq  
MOVADO

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# HIGH IMPACT ADVERTISING

esq  
one

MEET THE NEW ESQ ONE™  
ONE GREAT WATCH.  
TWELVE COOL COLORS.  
EVERYBODY WANTS ONE.  
SEE THEM ALL ON YOUTUBE.  
ESQMOVADO.COM

YouTube

esq  
MOVADO  
Powered by Movado

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# LICENSED BRANDS

- Continued growth of existing world class global brands
- Focus on key owned markets
- Greater investment in Retailer shop in shops
- Continued enhancement in productivity improvements



EST. 1941

**BOSS**  
HUGO BOSS

watches

*Juicy Couture*<sup>®</sup>

T I M E P I E C E S

T O M M Y  H I L F I G E R

W A T C H E S

**LACOSTE**

*SCUDERIA  
FERRARI*



# COACH



# HUGO BOSS



# TOMMY HILFIGER



# LACOSTE



UNCONVENTIONAL CHIC LACOSTE 



CELEBRATING 80TH



UNCONVENTIONAL CHIC LACOSTE 



CELEBRATING 80TH



FEATURING MONTRÉAL ARTIST COSMETICS  
Musical make up artist



UNCONVENTIONAL CHIC  
Unconventional Talents on Lacostelive.com

# JUICY COUTURE

## NEW CALIFORNIA GIRL



# NEW LICENSE - SCUDERIA FERRARI



- Iconic sports car manufacturer and racing team
- Worldwide licensing agreement
- Watches inspired by Ferrari Formula 1 cars and Ferrari Road cars
- Up to 1,500 Euros
- Launches in FY14





# NEW LICENSE - SCUDERIA FERRARI



# LUXURY BRANDS

- Position Luxury Brands for growth
- Re-launch and reinvigorate EBEL core collections
- Seize Concord expansion opportunities



CONCORD



# EBEL ONDE



# CONCORD

CONCORD SARATOGA CHRONOGRAPH

# CONCORD



# OUTLET RETAIL STORES STRATEGY

- Continue growth in comp store sales
- Selectively expanding
  - Premier outlet centers
  - Reflect brand image
- Primary channel for end of lifestyle product management



# FY14 – FY17 Strategic Plan



# FOCUSED STRATEGY

- Unleash Movado brand potential
- Realize the ESQ Movado potential
- Continue momentum of Licensed Brands
- Launch Ferrari and reposition Coach to the fashion watch category
- Position EBEL and Concord for growth
- Capture growth opportunity in China, Brazil
- Grow Outlet stores comp sales



# Core Pillars of Growth FY14-FY17

- Continued globalization of the Movado brand
- Market growth and business expansion in our Licensed Brand division
- Greater direct International distribution
- Continued leveraging of our strong global infrastructure
- Consistent cash flow from operations generation slightly greater than profitability



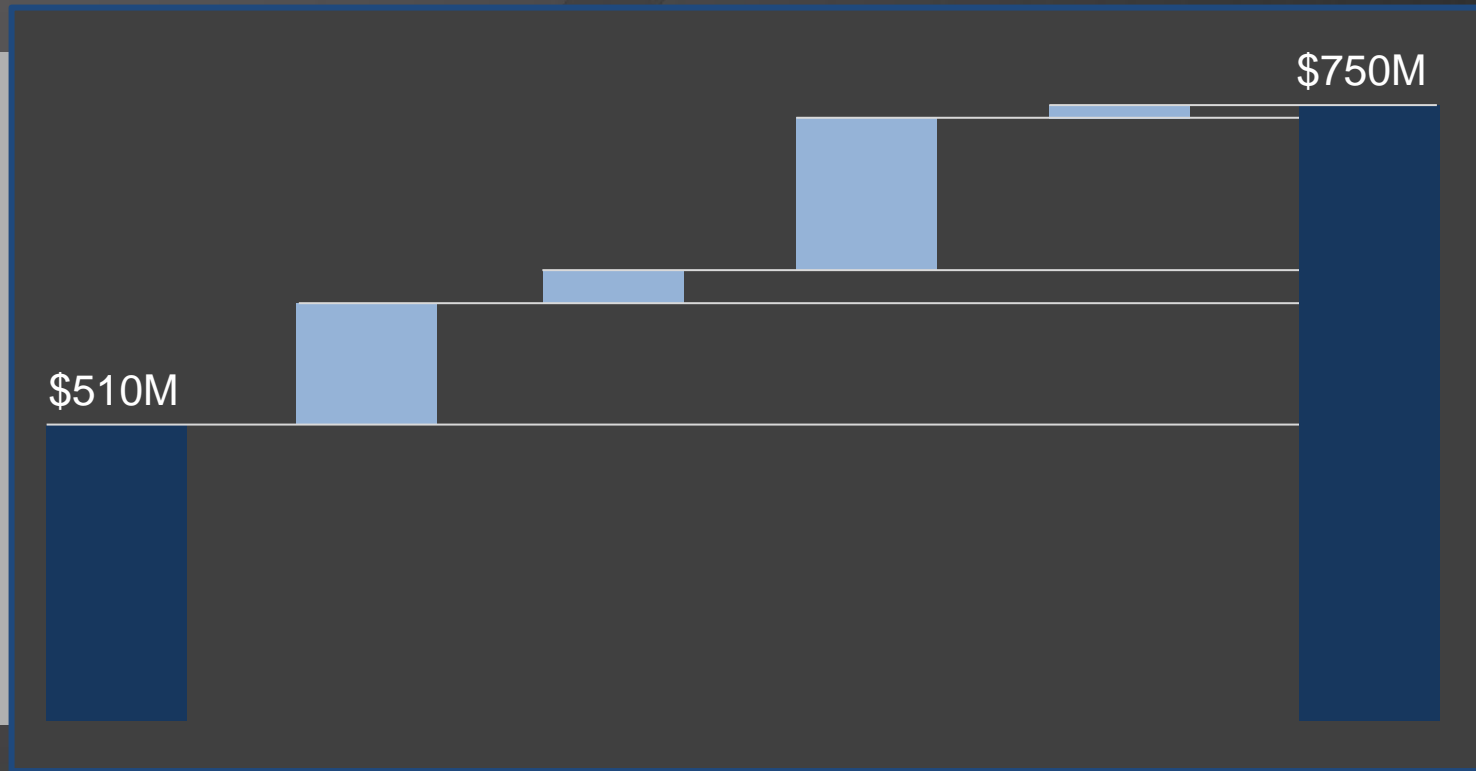


# FY14 – FY17 Strategic Plan

- Grow sales annually ~10%
  - FY14 above 10% due to Ferrari launch
- Grow Operating Profit ~20% per annum
- FY17 expectations
  - Sales at ~\$750 Million (FY13 \$510M)
  - Operating Profit doubling to ~\$115 Million; growing to 15% of sales
- EPS planned to slightly exceed \$3 per share



# STRATEGIC PLAN SALES GROWTH



FY13 Act

Accessible  
Luxury

Luxury

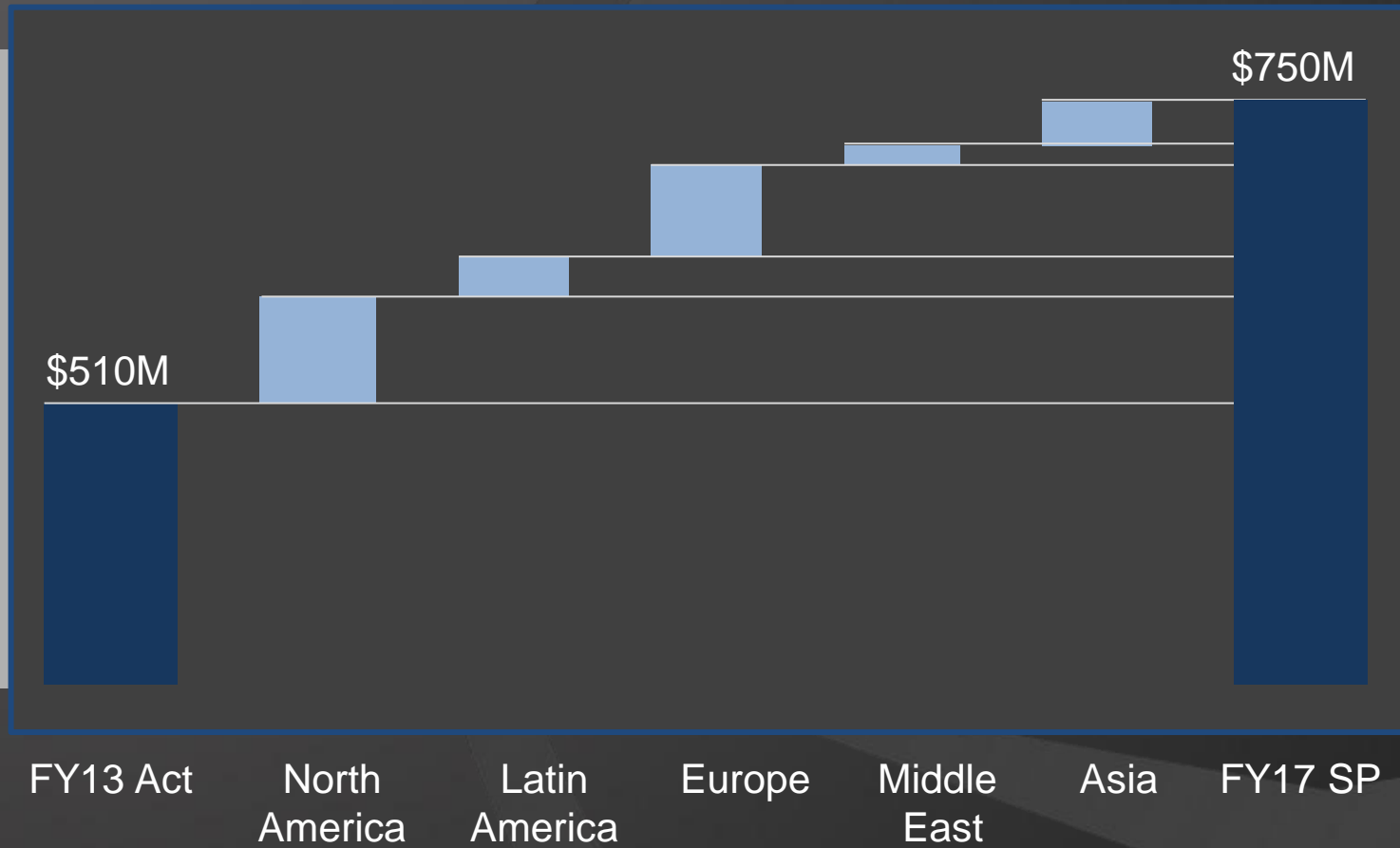
Licensed  
Brands

Outlets

FY17 SP



# GEOGRAPHIC SALES GROWTH



# FY14 FINANCIAL GUIDANCE

	<b>FY13 Actual</b> @ 25% Tax	<b>FY14 Guidance</b> @ 28% Tax	<b>% Δ</b>
Sales	\$510,378	\$575,000	12.7%
Operating Inc.	57,246	68,000	18.8%
% of sales		11.8%	
Net Income	\$42,135	\$48,000	13.9%
% of sales		8.3%	
EPS	\$1.64	\$1.80	9.8%

All numbers are adjusted for nonrecurring items.

# SUMMARY

**MOV is a globally diversified company with continued great growth potential**

- Strong brand portfolio across all major segments
- Global reach with expansion opportunity
- Driving superior new product designs
- Consistent positive financial performance
- Globally integrated operations
- Positioned to deliver sustainable, profitable growth



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