

Dear Shareholders,

Following a challenging fiscal 2025, we were pleased to return to growth in fiscal 2026, delivering results that exceeded our expectations and strengthened as the year progressed.

At the center of this progress was the continued momentum of the Movado brand—our most important and iconic asset. Our strategy is grounded in a clear principle: putting the consumer at the center of everything we do, and leveraging those insights to elevate Movado’s positioning, product offering, and storytelling. These efforts are gaining traction across both wholesale and direct-to-consumer channels.

For the full year, Movado Group revenue increased 2.7% to \$671.3 million, while adjusted operating income¹ grew 28.7% to \$34.8 million. We also generated strong operating cash flow of \$57.9 million and ended the year with \$230.5 million in cash and no debt, providing significant financial flexibility as we continue to invest in our brands—led by Movado.

Our performance reflects disciplined execution against our strategic priorities.

Leading with the Movado Brand and the Consumer

Movado is the primary driver of our brand elevation strategy, and our progress reflects a deeper understanding of today’s consumer.

In the fourth quarter, Movado wholesale sales grew over 25%, while e-commerce increased 18%, reflecting the success of our brand refresh initiatives implemented over the past 18 months. These initiatives are rooted in consumer insights—from the shift toward smaller case sizes and jewelry-inspired design to increasing demand for higher-quality, Swiss-made timepieces.

We saw strong performance across key product categories, including the mini bangle collection, the 1917 Heritage line, and automatic watches such as the Museum Classic Automatic. We are also seeing encouraging traction in jewelry, particularly within the Ono collection.

Our connection with consumers is further strengthened through storytelling. Our holiday campaign featuring Ludacris, Christian McCaffrey, Julianne Moore, Jessica Alba, and Tyrese Haliburton resonated strongly by focusing on authenticity and personal expression. As we celebrate Movado’s 145th anniversary this year, we will continue to highlight our Swiss heritage, craftsmanship, and the growing appeal of our vintage timepieces.

¹ Adjusted operating income is a non-GAAP financial measure calculated by adjusting GAAP operating income to eliminate the effect of the establishment of a provision associated with a cost-savings initiative and professional fees related to the investigation that led to the restatement of financial results.

Looking ahead, we are excited about our innovation pipeline, including the launch of Velura for her, expansion of Movado Bold with Verso S, a new Heritage model inspired by vintage Kingmatic, and growth in women's jewelry with the Curve collection.

Delivering a Customer-Centered Experience Across Channels

Our commitment to the consumer extends across all touchpoints, and we delivered a strong holiday season throughout our retail footprint. Fourth quarter sales at our company-operated stores increased 9%, driven by higher average selling prices, improved merchandising, and enhanced in-store execution. At the same time, our digital capabilities continue to advance, enabling a more seamless omnichannel experience.

We are encouraged by the renewed strength in the fashion watch and accessible luxury segments in the U.S., particularly among younger consumers and the return of women to the category—driven by the same trends shaping Movado's success.

We are investing in enhanced consumer insights capabilities to ensure we remain deeply aligned with evolving customer preferences across our brand portfolio.

Strength Across Our Brand Portfolio

In addition to Movado, our **fashion** brand portfolio delivered solid performance:

- **Coach** benefited from strong Gen Z engagement and continued success of the Sammy family.
- **Hugo Boss** saw momentum with Grand Prix for him and growth in our women's Mae.
- **Lacoste** performed well with the LC33 sports watch collection and men's jewelry.
- **Tommy Hilfiger** gained traction with new shapes and smaller case sizes.
- **Calvin Klein** saw positive response to Pulse mini for her and growing opportunity in men's.
- **Olivia Burton** continued its expansion in both the U.K. and U.S.

We believe this diversified portfolio positions us well to capture the renewed consumer interest in our categories.

Driving Profitability and Margin Expansion

Improving profitability remains a key focus. Despite external pressures, including increased tariffs, we maintained stable gross margins while significantly increasing operating income. This reflects disciplined execution across pricing, sourcing, product mix, and cost management.

Our path forward is clear:

- Continue elevating Movado through a consumer-led strategy.
- Shift toward higher-margin products across our brands.
- Increase full-price selling through stronger brand positioning.

- Improve operational and supply chain efficiency.

These initiatives are designed to support sustained margin expansion.

Driving Performance Through People and Values

Our results are a direct reflection of the dedication of our global workforce and highly disciplined execution across teams. We remain committed to investing in our people through leadership development, skills-building, and fostering a culture of accountability and continuous improvement. We also continue to support our communities through targeted partnerships aligned with our values.

Looking Ahead

We are encouraged by the momentum in our business, particularly the strength of the Movado brand and our growing connection with consumers. Our investments are delivering tangible results, and we believe we are well positioned for continued growth.

At the same time, we remain mindful of the broader macroeconomic and geopolitical environment, including ongoing uncertainty in the Middle East. We are closely monitoring developments while supporting our teams and partners in the region.

I would like to thank our employees for their dedication, our partners for their collaboration, and our shareholders for their continued support.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Grinberg', with a stylized flourish at the end.

Efraim Grinberg
Chairman and Chief Executive Officer
Movado Group, Inc.

[This page intentionally left blank]

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For fiscal year ended January 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-16497

MOVADO GROUP, INC.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation or Organization)

13-2595932
(IRS Employer
Identification No.)

650 From Road, Ste. 375
Paramus, New Jersey
(Address of Principal Executive Offices)

07652-3556
(Zip Code)

Registrant's Telephone Number, Including Area Code: (201) 267-8000

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, par value \$0.01 per share	MOV	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 reports), 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 the 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 31, 2025, was approximately \$237 million (based on the closing sale price of the registrant's Common Stock on that date as reported on the New York Stock Exchange). For purposes of this computation, each share of Class A Common Stock is assumed to have the same market value as one share of Common Stock into which it is convertible and only shares of stock held by directors, executive officers and holders of greater than 10% of the registrant's total voting power were excluded.

The number of shares outstanding of the registrant's Common Stock and Class A Common Stock as of March 13, 2026, were 15,622,386 and 6,455,602, respectively.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement relating to registrant's 2026 annual meeting of shareholders (the "Proxy Statement") are incorporated by reference in Part III hereof.

[This page intentionally left blank]

FORWARD-LOOKING STATEMENTS

Statements in this annual report on Form 10-K, including, without limitation, statements under Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this report, as well as statements in future filings by the Company with the Securities and Exchange Commission (the “SEC”), in the Company’s press releases and oral statements made by or with the approval of an authorized executive officer of the Company, which are not historical in nature, are intended to be, and are hereby identified as, “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, inventory levels, plans for future operations, expectations regarding capital expenditures, operating efficiency initiatives and other items, cost-savings initiatives, 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: the Company’s ability to implement and maintain effective internal control over financial reporting in the future; plans to remediate the material weakness with respect to the Company’s internal control over financial reporting and disclosure controls and procedures; 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 elevated interest rates; increased commodity prices and tightness in the labor market; trends in consumer debt levels and bad debt write-offs; general uncertainty related to geopolitical concerns; the increase of tariffs and other trade barriers; the impact of international hostilities, including the Russian invasion of Ukraine and war in the Middle East, on global markets, economies and consumer spending, on energy and shipping costs, and on the Company’s supply chain and suppliers; supply disruptions, delivery delays and increased shipping costs; defaults on or downgrades of sovereign debt and the impact of any of those events on consumer spending; evolving stakeholder expectations and emerging complex laws on environmental, social and governance matters; 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; risks associated with the Company’s minority investments in early-stage growth companies and venture capital funds that invest in such companies; 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 internationally including, without limitation, import duties, tariffs (including retaliatory tariffs), quotas, political and economic stability, changes to existing laws or regulations, and impacts of currency exchange rate fluctuations and the success of hedging strategies related thereto.

These risks and uncertainties, along with the risk factors discussed under Item 1A. “Risk Factors” in this Annual Report on Form 10-K, should be considered in evaluating any forward-looking statements contained in this report or incorporated by reference herein. All forward-looking statements speak only as of the date of this report 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 report.

Item 1. Business

GENERAL

In this Form 10-K, all references to the “Company,” “Movado Group,” “we,” “us” or “our” include Movado Group, Inc. and its subsidiaries, unless the context requires otherwise. The Company’s common stock is traded on the NYSE under the trading symbol MOV.

Movado Group designs, sources, markets and distributes quality watches globally. Its portfolio of watch brands is currently comprised of owned brands MOVADO®, CONCORD®, EBEL®, OLIVIA BURTON® and MVMT® as well as licensed brands COACH®, TOMMY HILFIGER®, HUGO BOSS®, LACOSTE®, CALVIN KLEIN® and KATE SPADE NEW YORK®. The Company is a leader in the design, development, marketing and distribution of watch brands sold in almost every major category comprising the watch industry. The Company also designs, sources, markets and distributes jewelry and other accessories under most of its brands.

The Company was incorporated in New York in 1967 under the name North American Watch Corporation to acquire Piaget Watch Corporation and Corum Watch Corporation, which had been, respectively, the exclusive importers and distributors of Piaget and Corum watches in the United States since the 1950’s. Since then, strategic acquisitions of watch brands and their subsequent growth, along with license agreements, have played an important role in the expansion of the Company’s brand portfolio. Over time, the Company has developed its brand-building reputation and approach across an expanding number of brands and geographic markets.

In 1970, the Company acquired the Concord brand and the Swiss company that had been manufacturing Concord watches since 1908. In 1983, the Company acquired the U.S. distributor of Movado watches and substantially all of the assets related to the Movado brand from the Swiss manufacturer of Movado watches. The Company changed its name to Movado Group, Inc. in 1996. The Company sold its Piaget and Corum distribution businesses in 1999 and 2000, respectively, to focus on its own portfolio of brands. In March 2004, the Company completed its acquisition of EBEL, one of the world’s premier luxury watch brands which was established in La Chaux-de-Fonds, Switzerland in 1911. In July 2017, the Company completed its acquisition of Olivia Burton, which was one of the United Kingdom’s fastest-growing fashion watch and jewelry brands since its founding in 2011. In October 2018, the Company completed its acquisition of MVMT, which was founded in 2013, offering watches and accessories designed for the millennial consumer largely through a direct-to-consumer business model.

The Company is highly selective in its licensing strategy and chooses to enter into long-term agreements with only powerful brands which it believes have strong positions in their respective businesses.

The following table sets forth the brands licensed by the Company and the year in which the Company launched each licensed brand for watches. In addition, in July 2025 the Company signed a license agreement with Coach Services, Inc. pursuant to which the Company has the exclusive right to manufacture, market and distribute watches globally under the Kate Spade New York brand name, with the first collection planned to launch in the spring of 2027.

Brand	Licensor	Calendar Year Launched
COACH	Tapestry, Inc.	1999
TOMMY HILFIGER	Tommy Hilfiger Licensing LLC	2001
HUGO BOSS	Hugo Boss Trade Mark Management GmbH & Co	2006
LACOSTE	Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A.	2007
CALVIN KLEIN	Calvin Klein, Inc.	2022

INDUSTRY OVERVIEW

The largest markets for watches are North America, Europe, the Middle East, Latin America and Asia. The Company divides the watch market into five principal categories as set forth in the following table.

Market Category	Suggested Retail Price Range	Primary Category of Movado Group, Inc. Brands
Exclusive	\$10,000 and over	—
Luxury	\$1,300 to \$9,900	Concord and EBEL
Accessible Luxury	\$395 to \$3,995	Movado
Moderate and Fashion	\$75 to \$595	Coach, Hugo Boss, Lacoste, Olivia Burton, MVM, Tommy Hilfiger, Calvin Klein and Kate Spade New York
Mass Market	Less than \$75	—

Exclusive Watches

Exclusive watches are usually made of precious metals, including 18 karat gold or platinum, and are often set with precious gems. These watches are primarily mechanical or quartz-analog watches. Mechanical watches keep time with intricate mechanical movements consisting of an arrangement of wheels, jewels and winding and regulating mechanisms. Quartz-analog watches have quartz movements in which time is precisely calibrated to the regular frequency of the vibration of quartz crystal. Exclusive watches are manufactured almost entirely in Switzerland. Well-known brand names of exclusive watches include Audemars Piguet, Rolex, Patek Philippe, Piaget and Vacheron Constantin. The Company does not compete in the exclusive watch category.

Luxury Watches

Luxury watches are either quartz-analog or mechanical watches. These watches typically are made with either stainless steel, ceramic, 14 or 18 karat gold, or a combination of gold and stainless steel, and are occasionally set with precious gems. Luxury watches are primarily manufactured in Switzerland. In addition to a majority of the Company's EBEL and Concord watches, well-known brand names of luxury watches include Rolex, Breitling, Cartier, Omega and TAG Heuer.

Accessible Luxury Watches

The majority of accessible luxury watches are quartz-analog watches, occasionally including connected technology for transmitting data wirelessly between the watch and a smartphone or other device. These watches typically are made with stainless steel, ceramic, gold plating or a combination of gold plating and stainless steel. Accessible luxury watches are manufactured primarily in Switzerland, although some are manufactured in Asia. In addition to a majority of the Company's Movado watches, well-known brand names of accessible luxury watches include Gucci, Rado, Michele and Raymond Weil.

Moderate and Fashion Watches

Most moderate and fashion watches are quartz-analog watches, some of which may also include connected technology for transmitting data wirelessly between the watch and a smartphone or other device. These watches typically are made with stainless steel, brass, plastic, gold plating, or a combination of gold plating and stainless steel. Moderate and fashion watches are manufactured primarily in Asia and Switzerland. In addition to the Company's Calvin Klein, Coach, Hugo Boss, Kate Spade New York, Lacoste, MVM, Olivia Burton and Tommy Hilfiger brands, well-known brand names of watches in the moderate and fashion category include Anne Klein, Bulova, Citizen, Fossil, Guess, Seiko, Michael Kors, Daniel Wellington and Swatch. Market leaders for smartwatches include Apple, Huawei and Samsung.

Mass Market Watches

Mass market watches typically consist of digital watches and analog watches made from stainless steel, brass and/or plastic and are manufactured in Asia. Well-known brands include Casio, Pulsar, Seiko and Timex. The Company does not compete in the mass market watch category.

Jewelry and Other Fashion Accessories

In addition to its core watch business, the Company also designs, sources, markets and distributes jewelry and, to a lesser extent, other fashion accessories such as sunglasses. The Company's jewelry offerings consist mostly of fashion jewelry, although some fine jewelry pieces are also included in certain collections. The Company generally markets its fashion accessories through the same distribution channels as its watches and use similar marketing approaches. Sales of jewelry accounted for 10.2% of its consolidated net sales in fiscal year 2026.

BRANDS

The Company designs, develops, sources, markets and distributes products under the following brands:

Owned Brands

Concord

Concord was founded through the harmonious collaboration of five Swiss visionaries in 1908. In 1979, Concord spearheaded the Swiss quartz revolution with one of the most important watches of the twentieth century: the Concord Delirium - the world's thinnest watch. To mark its 110th anniversary, Concord introduced a new logo depicting a knot in 2018. The knot signifies the brand's foundation through harmonious unity and its laudable technical achievements and distinctive designs. The contemporary Mariner SL watch embodies this spirit and contributes to Concord's strong legacy.

EBEL

EBEL's success has been built upon the fusion of technical excellence and a passion for aesthetically daring and timeless, distinctive design. A passion for innovation and excellence in watch design has always been at the heart of the EBEL brand. EBEL was founded in 1911 by husband and wife Eugène Blum and Alice Lévy, in La Chaux-de-Fonds, Switzerland. Since its inception, EBEL has remained true to its core values, manufacturing fine Swiss watches that marry beauty and function. In 2017 EBEL successfully relaunched its most iconic collection, the EBEL Sport Classic, which is renowned for its iconic bracelet design with signature wave-shaped links that helped to establish the sport-chic category in the late 70's. EBEL continues to create timepieces that embody luxury and contemporary elegance.

Movado

The Movado brand is renowned for its iconic Museum® dial and modern design aesthetic. Since its founding in La Chaux-de-Fonds, Switzerland in 1881, Movado has earned more than 100 patents and 200 international awards for artistry and innovation in watch design and technology, and Movado timepieces have won world renown for their unique beauty and timeless design. The Movado jewelry collection reflects the same timeless modern design aesthetic as its watches.

Movado is a hallmark of some of the most famous timepieces ever created, most notably, the Movado Museum® Watch. Designed in 1947 by Bauhaus-influenced artist Nathan George Horwitt, the watch dial defined by a solitary dot at 12 o'clock, symbolizing the sun at high noon, has been acclaimed for purity of design unrivaled in the history of time keeping. When Horwitt's dial was selected for the permanent design collection of the Museum of Modern Art, New York, in 1960, it became the first watch dial ever awarded this distinction. This legendary dial is regarded as an icon of Modernism. A trademarked and award-winning design, the celebrated single dot dial now distinguishes a wide range of Movado timepieces.

Along with its long, rich heritage of design innovation, the Movado brand experience is also defined by a close, enduring association with the arts. Expressions of Movado's commitment to the fine and cultural arts encompass commissioned watch designs by famed artists, affiliations with talented brand ambassadors, sponsorship of major arts institutions and support of emerging artists.

MVMT

The MVMT brand was founded in a Southern California apartment in 2013 by two entrepreneurs. Originally empowered by crowdfunding and built digitally with a community of social media followers, their philosophy was to create a brand offering quality, sleek watches that are accessible to young consumers. MVMT's designs and messaging embody the spirit of adventuring, creating, and daring to disrupt the norm.

Olivia Burton

Olivia Burton was founded in London by two friends who recognized a gap in the market for unique, feminine women's watches. Inspired by the eclecticism of British culture and design, the Olivia Burton team takes inspiration from contemporary trends, vintage designs, architecture and nature to create beautiful watch and jewelry collections. With a sophisticated, feminine aesthetic, special details and an uplifting approach to life, the brand aims to surprise and delight with pieces that will be enjoyed for years to come.

Licensed Brands

Below is a description of the Company's licensed brands.

Coach Watches

Coach is a global fashion house founded in New York City in 1941. This ever-expanding global brand is known for making beautiful pieces, crafted to last, for everyone to be themselves in. Coach defines expressive luxury. As an extension of the brand, Coach watches offer a fresh and compelling assortment of timepieces for women and men, with a wide variety of metal bracelets and genuine Coach leather straps.

Tommy Hilfiger Watches and Jewelry

Reflecting the fresh, fun, all-American style for which Tommy Hilfiger is known, Tommy Hilfiger watches are water resistant and feature quartz, digital or analog-digital movements, with stainless steel, aluminum, gold plated or two-tone cases and bracelets. Straps may feature genuine leather, leather alternatives, fabric, silicone or recycled or other plastics. The watch line includes fashion and sport models and the Company also produces and markets jewelry under the brand as well.

Hugo Boss Watches and Jewelry

Hugo Boss is one of the market leaders in the global apparel market. Hugo Boss focuses on developing and marketing premium fashion and accessories for men and women under the Hugo and the Boss brands. Licensed products such as watches, jewelry and other accessories complement the apparel collections. Boss watches and jewelry reflect the sophisticated character and craftsmanship for which all Boss products are known. Hugo watches accessorize the open-minded, fashion-forward consumer.

Lacoste Watches and Jewelry

The Lacoste watch and jewelry collections fully embody the Lacoste lifestyle, blending French elegance, sporting spirit and innovation to support style and freedom of movement. Reflecting the brand's key attributes, the collections feature contemporary, stylish timepieces and jewelry inspired by sport and free movement - all expressed through a distinctive French flair.

Calvin Klein Watches and Jewelry

The Calvin Klein collection of watches and jewelry was created with the modern customer in mind. Featuring timeless, minimalist designs that highlight Calvin Klein's globally recognized aesthetic, the collection of men's and women's accessories reflects the sensuality and boldness that has come to define the brand for over 50 years.

DESIGN AND PRODUCT DEVELOPMENT

The Company's offerings undergo two phases before they are produced for sale to customers: design and product development. The design phase includes the creation of artistic and conceptual renderings while product development involves the construction of prototypes. The Company's licensed brand watches, Olivia Burton watches, MVMT watches and certain Movado brand watch styles are designed by in-house design teams in cooperation with outside sources, including (in the case of the licensed brands) licensors' design teams. Watch product development for these brands is managed through the Company's Asia operations. For the Company's EBEL and Concord watch brands and various Movado brand watch styles, the watch design phase is performed by a combination of in-house and freelance designers in Europe and the United States, while product development is managed through the Company's Swiss operations. The Company's jewelry and other accessories are designed by in-house design teams in cooperation with outside sources and are manufactured by independent contractors in Asia and, to a lesser extent, the United States.

MARKETING

The Company's marketing strategy is to communicate a consistent, brand-specific message to consumers. As consumer engagement continues to evolve, the Company focuses on expanding its digital marketing and online reach, including social media platforms, influencer partnerships, retail media networks and other digital advertising channels, while enhancing the customer experience through innovative technologies and consumer-facing initiatives. Advertising is an integral component of the Company's marketing efforts, and the Company maintains an in-house marketing department responsible for implementing and managing global marketing and advertising strategies for each brand to ensure consistent presentation. Advertising campaigns are developed individually by brand, utilizing outside agencies as appropriate, and are directed primarily to the end consumer rather than trade customers. Marketing expenses totaled 19.5%, 22.4%, and 19.4% of net sales in fiscal 2026, 2025 and 2024, respectively.

OPERATING SEGMENTS

The Company conducts its business in two operating segments: Watch and Accessory Brands and Company Stores. For operating segment data and geographic segment data for the years ended January 31, 2026, 2025 and 2024, see Note 18 to the Consolidated Financial Statements regarding Segment and Geographic Information.

The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches and, to a lesser extent, jewelry and other accessories, of quality owned and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet business.

The Company divides its business into two major geographic locations: United States operations, and International, which includes the results of all non-U.S. Company operations. The vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries. For a discussion of the risks associated with the Company's operations conducted outside the United States, see "A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business" under Item 1A. *Risk Factors*, below.

Watch and Accessory Brands

Watch and Accessory Brands Business in the United States

The Company sells all of its brands in the U.S. Watch and Accessory Brands market primarily to department stores, including Macy's and Nordstrom; major jewelry store chains, including Signet Jewelers, Ltd. and Helzberg Diamonds Corp.; independent jewelers; and third-party e-commerce retailers, including Amazon; as well as directly to consumers through the Company's owned e-commerce websites, including www.movado.com and www.mvmt.com. Sales to trade customers in the United States are made directly by the Company's U.S. sales force and, to a lesser extent, independent sales representatives. Sales representatives are responsible for a defined geographic territory, generally specialize in a particular brand and sell to and service independent jewelers within their territory. The sales force also consists of account executives and account representatives who, respectively, sell to and service chain and department store accounts.

Watch and Accessory Brands Business in International Markets

Internationally, the Company's brands are sold to department stores, jewelry chains, independent jewelers and third-party e-commerce retailers, as well as directly to consumers through the Company's owned e-commerce websites, including www.oliviaburton.com. The Company employs its own international sales force operating at the Company's sales and distribution offices in Australia, Canada, Mainland China, France, Germany, Hong Kong, India, Malaysia, Mexico, Singapore, Spain, Switzerland, the United Kingdom and the United Arab Emirates. In addition, the Company sells all of its brands through a network of independent distributors operating in numerous countries around the world. A majority of the Company's arrangements with its international distributors are long-term, generally require certain minimum purchases and minimum advertising expenditures and impose restrictions on the distributor's sale of competitive products.

Company Stores

The Company's subsidiary, Movado Retail Group, Inc., operates 53 retail outlet locations in outlet centers across the United States and four retail outlet locations in outlet centers in Canada, as well as an online outlet store at www.movadocompanystore.com. These stores serve as effective channels to sell current and discontinued models of the Company's watches, jewelry, and other accessories.

SEASONALITY

The Company's sales are traditionally greater during the Christmas and holiday season. Consequently, the Company's net sales historically have been higher during the second half of its fiscal year. The amount of net sales and operating profit generated during the second half of each fiscal year depends upon the general level of retail sales during the Christmas and holiday season, as well as economic conditions and other factors beyond the Company's control. Major selling seasons in certain international markets center on significant local holidays that occur in late winter or early spring. The second half of each of the fiscal years ended January 31, 2026, 2025 and 2024 accounted for 56.3%, 55.4% and 54.2% of the Company's net sales, respectively.

BACKLOG

At March 13, 2026, the Company had unfilled orders of \$46.9 million compared to \$56.8 million at April 11, 2025 and \$41.0 million at March 20, 2024. Unfilled orders include both confirmed orders and orders that the Company believes will be confirmed based on the historical experience with the customers. It is customary for many of the Company's customers not to confirm their future orders with formal purchase orders until shortly before their desired delivery dates.

CUSTOMER SERVICE, WARRANTY AND REPAIR

The Company assists in the retail sales process of its wholesale customers by monitoring their sales and inventories by product category and style. The Company also assists in the conception, development and implementation of customers' marketing vehicles. The Company participates in cooperative advertising programs and retail media network programs with certain wholesale customers to support brand visibility and consumer engagement. The Company's assistance in the retail sales process has resulted in close relationships with its principal customers, often allowing for influence on the mix and quantity. The Company believes that customers' familiarity with its sales approach has facilitated, and should continue to facilitate, the introduction of new products through its distribution network.

The Company permits the return of defective products. In addition, although the Company generally has no obligation to do so, it accepts other returns from customers in certain instances.

The Company has service facilities around the world, including four Company-owned service facilities and a number of independent service centers which are authorized to perform warranty repairs. A list of authorized service centers can be accessed online at www.mgiservice.com. In order to maintain consistency and quality at its service facilities and authorized independent service centers, the Company conducts training sessions and distributes technical information and updates to repair personnel. All watches sold by the Company come with limited contractual warranties covering the movement against defects in material and workmanship for periods ranging from two to three years from the date of purchase. Products that are returned under warranty to the Company are generally serviced by the Company's employees at its service facilities.

The Company generally retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches.

The Company makes available a web-based system at www.mgiservice.com providing immediate access for the Company's retail partners to information they may want or need about after sales service issues. The website allows the Company's retailers to track their repair status online 24 hours a day. The system also permits customers to authorize repairs, track repair status through the entire repair life cycle, view repair information and obtain service order history.

SOURCING, PRODUCTION AND QUALITY

The Company does not manufacture any of the products it sells. The Company employs a flexible manufacturing model that relies on independent manufacturers to meet shifts in marketplace demand and changes in consumer preferences. All product sources must achieve and maintain the Company's high-quality standards and specifications. With strong supply chain organizations predominantly in Switzerland, Mainland China and Hong Kong, the Company maintains control over the quality of its products, wherever they are manufactured. Compliance is monitored with strictly enforced quality control standards, including on-site quality inspections.

The Swiss watch movements used in the manufacture of Movado, EBEL and Concord watches are purchased from three suppliers, with all mechanical movements coming from a single supplier. The Company obtains other watch components for all of its brands, including, cases, hands, dials, bracelets, straps and non-Swiss movements from a number of other suppliers. The Company generally does not have long-term supply commitments with any of its component parts suppliers.

Movado (with the exception of certain Movado collections), EBEL and Concord watches, as well as certain Calvin Klein watch styles, are manufactured in Switzerland by independent third-party assemblers using Swiss movements and other parts sourced by the Company's Swiss operations. All of the Company's products are manufactured using components obtained from third party suppliers. Certain Movado collections of watches are manufactured by independent contractors in Switzerland and Asia using Swiss movements. Coach, Hugo Boss, Lacoste, Olivia Burton, MVMT, Tommy Hilfiger and most Calvin Klein watches are manufactured by independent contractors in Asia.

TRADEMARKS, PATENTS AND LICENSE AGREEMENTS

The Company owns the trademarks CONCORD®, EBEL®, MOVADO®, MVMT® and OLIVIA BURTON®, as well as trademarks for the Movado Museum® dial design, and related trademarks for watches and jewelry in the United States and in numerous other countries.

The Company licenses the trademark COACH® and related trademarks on an exclusive worldwide basis for use in connection with the manufacture, distribution, advertising and sale of watches pursuant to a license agreement with Tapestry, Inc. with a term through June 30, 2028.

Under a license agreement with Tommy Hilfiger Licensing LLC ("Tommy Hilfiger"), the Company has the exclusive license to use the trademark TOMMY HILFIGER® and related trademarks in connection with the manufacture, marketing, advertising, sale and distribution of watches and jewelry worldwide (excluding sales to certain accounts in Japan) through December 31, 2029.

Under a license agreement with Hugo Boss Trade Mark Management GmbH & Co., the Company has exclusive worldwide licenses to use trademarks containing the names "HUGO" or "BOSS" in connection with the production, promotion and sale of watches and to use trademarks containing the name "BOSS" in connection with the production, promotion and sale of jewelry. The license agreement continues through December 31, 2026, subject to certain rights of the Company to extend for an additional five years upon satisfaction of specified conditions.

Under a license agreement with Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A. the Company has a worldwide exclusive license to use the LACOSTE® name and the distinctive "crocodile" logo to design, produce, market and distribute watches and jewelry through December 31, 2031.

Under a license agreement with Calvin Klein, Inc., the Company has a worldwide license to use the trademarks CALVIN KLEIN and CK/CALVIN KLEIN in connection with the development, manufacture, distribution, advertising, promotion and sale of watches and jewelry. The license is exclusive, subject to limited exceptions. The term of the license continues through December 31, 2026, and preparations are underway for an extension.

On July 1, 2026, the Company executed a license agreement with Coach Services, Inc. pursuant to which the Company licenses the trademark Kate Spade New York® and related trademarks on an exclusive worldwide basis for use in connection with the manufacture, distribution, advertising and sale of watches with a term through June 30, 2030. The first collection is expected to launch in the spring of 2027.

The Company also owns a number of design patents and other design rights in the United States and internationally for various watch designs, as well as designs of watch dials, cases, bracelets and jewelry.

The Company actively seeks to protect and enforce its intellectual property rights by working with industry associations, anti-counterfeiting organizations, private investigators and law enforcement authorities, including customs authorities in the United States and internationally, and, when necessary, suing infringers of its intellectual property rights. Consequently, the Company is involved from time to time in litigation or other proceedings to determine the enforceability, scope and validity of these rights. The Company has registered certain of its brands' trademarks with customs authorities in the United States and certain other countries in order to assist such authorities in their efforts to prevent the importation of counterfeit goods or goods bearing confusingly similar trademarks. Customs regulations generally do not, however, protect against the unauthorized importation of genuine products.

COMPETITION

The markets for each of the Company's watch and jewelry brands are highly competitive. Except for Swatch Group, Ltd., a large Swiss-based competitor, no single company directly competes with the Company across all of its brands. Multiple companies, however, compete with Movado Group with respect to one or more of its brands. Certain of these companies have, and other companies that may enter the Company's markets in the future may have, greater financial, distribution, marketing and advertising resources than the Company. The Company's future success will depend, to a significant degree, upon its continued ability to compete effectively regarding, among other things, the style, quality, price, advertising, marketing, distribution and availability of supply of the Company's watches and other products.

HUMAN CAPITAL

The Company believes that trust, respect, ethical conduct, passion, creativity, ambition, innovation, determination, action and teamwork are critical to achieving its goals and therefore promotes a culture built around these values.

Demographics

The following table summarizes the Company's global workforce as of January 31, 2026:

	Full-Time Employees	Part-Time Employees	Temporary Employees	Total
Global	991	363	32	1,386
Americas	558	335	28	921
Asia-Pacific	191	1	1	193
Europe, Middle East & Africa	242	27	3	272

Attraction and Retention of Employees

The Company strives to attract and retain a highly talented and engaged workforce and believes that its supportive culture, dedication to employee well-being, competitive compensation and benefits programs, employee development and training offerings, inclusion initiatives, and philanthropic and community engagement help in this endeavor. Approximately 37% of the Company's non-retail employees have been with the Company for more than 10 years, and approximately 59% have been with the Company for at least five years.

Employee Well-Being

The Company offers programs and benefits to support its employees' physical, financial, and emotional well-being, including medical coverage, domestic partner benefits, dental and vision coverage, health savings and flexible spending accounts, paid time off, employee assistance programs, voluntary short-term and long-term disability insurance, and supplemental life insurance, among others. Programs vary by location and are designed to meet or exceed local laws and to be competitive in the marketplace.

Compensation and Financial Benefits

The Company strives to offer competitive compensation packages. The Company uses a combination of fixed and variable pay including base salary, bonus, commissions, and merit increases that vary across the business. The Company also offers defined contribution savings plans to eligible employees.

In addition, as part of its long-term incentive plan for executives and key employees, the Company provides stock-based compensation to foster its pay-for-performance culture and to attract, retain, and motivate participants.

Other financial benefits available to eligible employees include financial wellness planning and pre-retirement workshops, discounts on insurance and other products and services, and friends and family sales. Non-management employees may also receive bonuses for referring prospective new employees.

Benefits vary by location and are designed to meet or exceed local legal requirements and to be competitive in the marketplace.

Employee Education, Training and Development

The Company encourages employees to be responsible for managing their own career goals and provides support and resources to aid employee progression. These resources vary by location and generally include annual development reviews, ongoing courses and resources, corporate development programs, and departmental development programs. The Company also partners with local colleges to promote deeper learning on specific topics. Tuition reimbursement is available to full-time employees in the United States.

Inclusion

The Company seeks to provide a work environment in which all employees are treated with dignity and respect and are not discriminated against on the basis of age, color, disability, marital or parental status, national origin, race, religious beliefs, sexual orientation, gender

identity, veteran status, or any other legally protected status. The Company recognizes that embracing an inclusive workforce leads to greater innovation, increased productivity, and higher job satisfaction. Accordingly, the Company strives to welcome and foster ideas and to create workplaces that bring together people with different perspectives.

Community Engagement

The Company is committed to engaging with and giving back to its communities and facilitates opportunities for its brands and employees to donate time and make monetary contributions to charitable organizations. The Company is the corporate sponsor of The Movado Group Foundation, a nonprofit organization that supports philanthropic campaigns in the United States with particular emphasis on sustaining the arts. Programs and support vary by year, need and available resources.

REGULATION

The Company is subject to laws and regulations regarding customs (including tariffs and retaliatory tariffs), tax, employment, privacy, data protection, truth-in-advertising, consumer product safety, the environment, waste management, zoning and occupancy and other laws and regulations that regulate and/or govern the importation, packaging, promotion, sale and disposal of consumer products and its corporate, retail and distribution operations. Changes in such laws and regulations could have a material adverse effect on the Company's results of operations and financial condition, although the Company is not aware of any such pending changes that would have a material adverse effect on the Company's capital expenditures, including capital expenditures for environmental control facilities, earnings or competitive position. For a discussion of certain risks related to compliance with laws and regulations, see "A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business", "Additional U.S. tariffs and other trade restrictions, along with retaliatory measures by other countries, could materially adversely affect the Company's business, financial condition and results of operations", "Regulatory restrictions and a changing marketing environment could materially and adversely affect the Company's ability to penetrate key market segments, resulting in the loss of market share and revenue", "Failure to meet environmental, social and governance regulations, expectations or standards could adversely affect the Company's business, reputation, results of operations and financial condition", "The Company's e-commerce business is subject to numerous risks that could have an adverse effect on the Company's business and results of operations", "Changes to laws or regulations impacting the industries in which the Company operates could require it to alter its business practices which could have a material adverse effect on its results of operations", "Changes to tax laws or regulations could have a material adverse effect on the Company's financial condition and results of operations" and "The Company is subject to complex and evolving laws and regulations regarding privacy and data protection that could result in legal claims, changes to business practices and increased costs that could materially and adversely affect the Company's results of operations", under Item 1A. *Risk Factors*, below.

AVAILABLE INFORMATION

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Company's website, located at www.movadogroup.com, as soon as reasonably practicable after the same are electronically filed with, or furnished to, the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding the Company at www.sec.gov.

Investors and others should note that the Company announces material financial information to its investors using its press releases, SEC filings and public conference calls and webcasts. The Company intends to also use the "Investors" section of its corporate website at <https://www.movadogroup.com> as a means of disclosing information about the Company, its services and other matters and for complying with its disclosure obligations under Regulation FD. The information the Company posts on the Investors section of its corporate website may be deemed material. Accordingly, investors should monitor the Investor section, in addition to following the Company's press releases, SEC filings and public conference calls and webcasts. The information posted on the Investors section of its corporate website is not a part of this Annual Report or any other document the Company files with the SEC, and its inclusion is as an inactive textual reference only.

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees, including the Company's Chief Executive Officer, Chief Financial Officer and principal accounting and financial officers, which is posted on the Company's website. The Company will post any amendments to the Code of Business Conduct and Ethics and any waivers that are required to be disclosed by SEC regulations on the Company's website. In addition, the committee charters for the Audit Committee, the Compensation and Human Capital Committee and the Nominating, Governance and Corporate Responsibility Committee of the Board of Directors of the Company and the Company's corporate governance guidelines have been posted on the Company's website.

Item 1A. Risk Factors

The following risk factors should be read carefully in connection with evaluating Movado Group's business. These risks and uncertainties could cause actual results and events to differ materially from those anticipated. Additional risks which the Company does not presently consider material, or of which it is not currently aware, may also have an adverse impact on the business. Please also see "Forward-Looking Statements" on page 1.

Risks Related to Macroeconomic Conditions and International Operations

Adverse economic conditions in key markets, and the resulting declines in consumer confidence and spending, could have a material adverse effect on the Company's operating results.

The Company's results are dependent on a number of factors impacting consumer confidence and spending in key markets, including, but not limited to, general economic and business conditions; wages and employment levels; volatility in the stock market; home values and housing costs; inflation; consumer debt levels; availability and cost of consumer credit; economic uncertainty; solvency concerns of major financial institutions; fluctuations in foreign currency exchange rates; commodity prices; fuel and energy costs and/or shortages; tax issues; and general political conditions, both domestic and abroad.

Adverse economic conditions, including declines in employment levels, disposable income, consumer confidence and economic growth could result in decreased consumer spending that would adversely affect sales of consumer goods, particularly those, such as the Company's products, that are viewed as discretionary items. In addition, events such as international hostilities (including the Russian invasion of Ukraine and war in the Middle East), terrorism, natural disasters or outbreaks of disease may further suppress consumer spending on discretionary items. If any of these events should occur or intensify, the Company's future sales could decline and the Company's results of operations could be materially adversely affected. This could also result in the potential for impairment surrounding the Company's long-lived assets.

Recent escalations in hostilities involving Iran, as well as the risk of a broader regional conflict in the Middle East, have increased geopolitical uncertainty and volatility in the region. The Middle East represents a significant market for the Company, and further deterioration in regional stability could adversely affect consumer confidence, tourism, retail traffic, and overall demand for discretionary consumer products in that market. In addition, expanded military activity, sanctions, trade restrictions, shipping disruptions, port closures, airspace restrictions, or damage to critical infrastructure could disrupt the Company's distribution channels, supply chain operations, logistics providers, and retail partners in the region.

Escalation of the conflict could also result in higher energy prices, currency volatility, inflationary pressures, or broader global economic instability, any of which could negatively impact consumer spending and the Company's operating costs. To the extent that hostilities persist or expand, the Company could experience reduced sales, delays in product deliveries, inventory imbalances, increased costs, asset impairment charges, or other adverse effects on its business, financial condition, and results of operations.

A significant portion of the Company's business is conducted outside of the United States. Many factors affecting business activities outside the United States could adversely impact this business.

Over 80% of the Company's product unit volume originates from Asia, with the vast majority coming from China. Substantially all of the remaining products originate from Europe.

The Company also generates approximately 56.7% of its revenue from international sources.

Factors that could affect this business activity vary by region and market and generally include, without limitation:

- instability or changes in social, political, public health, environmental, and/or economic conditions that could disrupt the production or trade activity in the countries where the Company's manufacturers, suppliers and customers are located;
- supply chain disruptions related to global, regional or local circumstance that fall outside of the Company's control;
- the imposition of additional trade restrictions, duties, taxes and other charges on imports and exports;
- changes in foreign laws and regulations;
- inflation and increases in commodity prices (including energy);
- the adoption or expansion of trade sanctions;

- recessions in foreign economies; and
- a significant change in currency valuation in specific countries or markets.

Any of these factors could result in a material adverse effect on the Company's results of operations and financial condition.

Since the Company operates in numerous foreign jurisdictions and relies on distributors, agents, and other third parties, it is subject to anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and similar laws in other countries. Violations of these laws, whether by the Company or its third-party intermediaries, could result in significant civil or criminal penalties, investigations, reputational harm, and restrictions on the Company's ability to conduct business in certain markets.

The Company's business is subject to foreign currency exchange rate risk.

A significant portion of the Company's inventory purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risks through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, the Company has the ability under a hedging program to utilize forward exchange contracts and purchased foreign currency options to mitigate foreign currency risk. If the Company does not utilize hedge instruments or if such instruments are unsuccessful at minimizing the risk or are deemed ineffective, any fluctuation of the Swiss Franc, Euro, British Pound, Chinese Yuan, Hong Kong Dollar or Japanese Yen exchange rates could impact the future results of operations. Changes in currency exchange rates may also affect relative prices at which the Company and its foreign competitors sell products in the same market. Additionally, a portion of the Company's net sales are recorded in its foreign subsidiaries in a currency other than the local currency of that subsidiary. This predominantly occurs in the Company's Hong Kong and Swiss subsidiaries when they sell to Euro and British Pound based customers. The Company utilizes forward exchange contracts to mitigate this exposure. To the extent not hedged, any fluctuation in the Euro and British Pound exchange rates in relation to the Hong Kong dollar and Swiss Franc would have an effect on these sales that are recorded in Euros and British Pounds. The currency effect on these sales has an equal effect on their recorded gross profit since the costs of these sales are recorded in the entities' respective local currency. As a result of these and other foreign currency sales, certain of the Company's subsidiaries have outstanding foreign currency receivables. Furthermore, since the Company's consolidated financial statements are presented in U.S. dollars, revenues, income and expenses, as well as assets and liabilities of foreign currency denominated subsidiaries must be translated into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Fluctuations in foreign currency exchange rates could adversely affect the Company's reported revenues, earnings, financial position and the comparability of results of operations from period to period.

Additional U.S. tariffs and other trade restrictions, along with retaliatory measures by other countries, could materially adversely affect the Company's business, financial condition and results of operations.

The United States has imposed, and may in the future impose, additional tariffs and other trade restrictions on imported goods. These measures increase the Company's product and input costs, disrupt sourcing and logistics, require pricing adjustments that may reduce demand, and adversely affect margins and operating performance. Because the United States is the Company's single largest market, increases in duties applicable to products imported into the United States could have a disproportionate impact on the Company's results of operations.

Products the Company sources from China are subject to additional duties under Section 301 of the Trade Act of 1974, which are imposed in addition to ordinary U.S. customs duties. For example, packaging and point-of-sale materials are subject to 25% Section 301 duties, and watch bands (whether as spare parts or as components of complete watches produced in the Far East) and jewelry are subject to 7.5% Section 301 duties. Any increase in these duties, or adverse changes to rules of origin or customs treatment, could materially increase the Company's costs.

In 2025, the United States imposed additional "reciprocal" and other tariffs under the International Emergency Economic Powers Act ("IEEPA"). The U.S. Supreme Court subsequently ruled that those IEEPA-based tariffs were unlawful. However, uncertainty remains regarding the timing, scope and administrative process for obtaining refunds of tariffs previously paid, as well as the potential financial statement impact of any refunds or denials thereof.

Following the Supreme Court's decision, the Trump Administration replaced the IEEPA-based tariffs with tariffs imposed under Section 122 of the Trade Act of 1974. As of the date of this Annual Report, Section 122 tariffs impose an incremental 10% ad valorem duty on covered imports, and the Administration has announced its intent to increase this rate to 15%. Section 122 tariffs expire after 150 days absent Congressional approval; however, the Administration has announced plans to conduct investigations into trade practices in order

to enable the imposition of tariffs under other statutory authorities. As a result, there can be no assurance that tariff levels will decrease when Section 122 authority expires, or that new or higher duties will not be imposed.

In response to tariff increases, the Company may seek to raise prices, which could reduce demand and result in loss of customers, or may over time attempt to shift sourcing or manufacturing to other countries or suppliers. Such actions may require significant time and expense, cause supply disruption, and increase operational complexity. In addition, further U.S. trade actions could lead to retaliatory tariffs or other measures by China or other countries, potentially resulting in broader trade conflicts that further disrupt supply chains and demand.

Any of the foregoing developments could materially adversely affect the Company's business, financial condition and results of operations.

There are inherent limitations in all control systems, and misstatements due to error or fraud may occur and not be detected.

The Company is subject to the ongoing internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002. These provisions provide for the identification of material weaknesses in internal control over financial reporting, which is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. The Company's management does not expect that our internal controls and disclosure controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, in the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Further, controls can be circumvented by individual acts, by collusion of two or more persons, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may be inadequate because of changes in conditions, such as growth of the Company or increased transaction volume, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

In addition, discovery and disclosure of a material weakness, by definition, could have a material adverse impact on our financial statements. Such an occurrence could discourage certain customers or suppliers from doing business with us, result in higher borrowing costs and affect how our stock trades. This could in turn negatively affect our ability to access public debt or equity markets for capital.

If the Company identifies a material weakness in its internal control over financial reporting, or if its internal controls are otherwise ineffective, the Company may not be able to accurately report its financial results, which could materially adversely affect the Company's business, financial condition and results of operations.

The Company is required to maintain effective internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. generally accepted accounting principles. Although management regularly evaluates the effectiveness of ICFR, there can be no assurance that the Company will not identify a material weakness or significant deficiency in the future.

A material weakness could result in delays in the preparation or filing of financial statements, the need to restate previously issued financial statements, increased audit and compliance costs, and increased scrutiny from regulators, investors and other stakeholders. The existence of a material weakness could also adversely affect investor confidence in the Company's financial reporting and the market price of the Company's securities.

Remediating any identified material weakness may require significant management time and resources and may not be completed in a timely manner, which could further adversely affect the Company's business, financial condition and results of operations.

Although the Company believes that it has successfully remediated the material weakness in ICFR discussed below in Item 9A. Controls and Procedures, with the passage of time it is possible that additional vulnerabilities related to the matters that gave rise to the previously identified material weakness could emerge, or that inadequacies in the Company's remediation could be identified. In addition, as a result of the related restatements of financial results, the Company has received and responded to information requests from the SEC and could become subject to inquiries from other regulatory or governmental authorities. These inquiries could result in reputational harm, criminal and civil fines, and penalties. Such outcomes could have a material adverse effect on the Company's business, financial position and results of operations.

The Company's inability to successfully recover from extreme weather conditions, natural disasters or other catastrophic events or developments impacting business continuity or sales opportunities could result in loss of human capital, revenue, production capability, logistics efficiency, reputational harm or legal liability, any of which could materially harm its financial condition and results or operations.

The Company has a complex global operations, supply chain and distribution network. If the Company or key participants in its value chain were to experience a local or regional natural disaster or other development impacting business continuity, such as an earthquake, hurricane, flood, wildfire, tsunami, other natural or man-made disaster, political crisis such as terrorist attacks, war, and other political instability, public health crisis including infectious disease outbreaks, pandemics, and endemics, or other catastrophic event, its continued success will depend, in part, on the safety and availability of personnel, facilities, and raw materials, and on the proper functioning of manufacturing, transportation, computer, telecommunication and other systems and services. Climate change exacerbates these risks by increasing the frequency and severity of extreme weather events and natural disasters. If the Company cannot efficiently respond to disruptions in its operations, for example, by finding alternative suppliers or distributors or quickly repairing damaged systems, it may be late in fulfilling customer orders, thereby resulting in reputational damage, lost sales, or cancellation charges, any of which could materially harm its financial condition and results of operations. In addition, natural disasters may disrupt purchasing behaviors, negatively impacting revenue generation.

Risks Related to the Company's Business

The Company's wholesale business could be negatively affected by the consumer shift toward online shopping, as well as by further changes of ownership, contraction and consolidation in the retail industry.

Consumers' growing preference for purchasing products online may continue to reduce foot traffic at traditional retail stores and increase price competition for the Company's products, which could discourage traditional retailers from investing in sales support for those products. This could reduce consumer demand for the Company's products and thereby materially adversely affect the Company's wholesale business.

In addition, a large portion of the Company's wholesale business is based on sales to major jewelry store chains and department stores. The retail industry has experienced changes in ownership, contraction and consolidations. Future reorganizations, changes of ownership and consolidations could further reduce the number of retail doors in which the Company's products are sold and increase the concentration of sales among fewer large regional retailers, which could materially adversely affect the Company's wholesale business.

The Company faces intense competition in the worldwide watch industry not only from competitors selling traditional watches but also from those selling smart watches and other wearables.

The watch industry is highly competitive and the Company competes globally with numerous manufacturers, importers, distributors and Internet-based retailers, some of which are larger than the Company and have greater financial, distribution, advertising and marketing resources. The Company's products compete on the basis of price, features, brand image, design, perceived desirability and reliability. However, there can be no assurance that the Company's products will compete effectively in the future and, unless the Company remains competitive, its future results of operations and financial condition could be adversely affected. The Company also faces significant competition from companies introducing and selling smart wearable devices including smart watches. Many of these companies have significantly greater financial, distribution, advertising and marketing resources than does the Company. The sale of these smart products could materially adversely impact the traditional watch market and the Company's results of operations and financial condition.

The design, sourcing, marketing, distribution and after-sales servicing of smart watches involve additional challenges to those applicable to traditional watches.

Although the Company is not currently manufacturing new smart watch models, to the extent the Company elects to launch or maintain smart watch offerings, important differences in the way smart watches are designed, sourced, marketed, distributed, and serviced as compared to traditional watches may make it more difficult to compete successfully in the smart watch market, particularly for competitors such as the Company that must rely on the expertise of third parties who are active in this market. For example, smart watches are subject to significant intellectual property infringement risks, greater fixed costs than traditional watches, and the need to satisfy consumer expectations for compatibility with third-party smartphone operating systems over the life of the watch. If the Company fails to meet consumers' expectations regarding smart watches, the Company's reputation, results of operations and financial condition could be adversely affected.

Maintaining favorable brand recognition is essential to the Company's success, and failure to do so could materially and adversely affect the Company's results of operations.

Favorable brand recognition is an important factor to the future success of the Company. The Company sells its products under a variety of owned and licensed brands. Factors affecting brand recognition are often outside the Company's control, and the Company's efforts to create or enhance favorable brand recognition, such as making significant investments in marketing and advertising campaigns (including increased exposure through social media, influencer messaging and other digital advertising channels and retail media platforms operated by key customers), product design and anticipation of fashion trends, may not have their desired effects. Additionally, the Company relies on its licensors to maintain favorable brand recognition of their respective brands, and the Company has little or no control over the brand management efforts of its licensors. Finally, although the Company's independent distributors are subject to contractual requirements to protect the Company's brands, it may be difficult to monitor or enforce such requirements, particularly in foreign jurisdictions.

Any decline in perceived favorable recognition of the Company's owned or licensed brands and any negative response to social media, influencer or other digital media campaigns could materially and adversely affect future results of operations and profitability. If the Company is unable to respond to changes in consumer demands and fashion trends in a timely manner, sales and profitability could be adversely affected.

Fashion trends and consumer demands and tastes often shift quickly. The Company attempts to monitor these trends in order to adapt its product offerings to suit customer demand. There is a risk that the Company will not properly perceive changes in trends or tastes, which may result in the failure to adapt the Company's products accordingly. In addition, new model designs are regularly introduced into the market for all brands to keep ahead of evolving fashion trends as well as to initiate new trends. The public may not favor these new models or the models may not be ready for sale until after the trend has passed. If the Company fails to respond to and keep up to date with fashion trends and consumer demands and tastes, its brand image, sales, profitability and results of operations could be materially and adversely affected.

Regulatory restrictions and a changing marketing environment could materially and adversely affect the Company's ability to penetrate key market segments, resulting in the loss of market share and revenue.

The Company utilizes various marketing service providers and technologies, including third-party cookies, pixels, and other automated means ("Third-Party Cookies"), to provide a data-driven, personalized consumer experience online. In response to privacy regulations and consumer preferences, technology companies have begun moving toward a "cookieless future," web browsers are implementing certain cookie-blocking measures, and ecommerce sites are offering various privacy settings options. Scrutiny of consumer marketing practices is increasing, and regulatory expectations and oversight are expanding, especially around product sustainability claims. These shifts are changing how the Company markets to and engages with consumers. If the Company's adjustments are delayed or are not as effective as current advertising and marketing strategies, the Company's conversion rate may be adversely affected, brand recognition may decline, market share may be negatively impacted, and sales, profitability and results of operations could be materially and adversely affected. In addition, a small number of large digital advertising companies control a majority of the digital advertising market in many countries, and continued consolidation in the industry could further increase those companies' market share. Digital advertising has become more expensive in recent years and further industry consolidation or the tightening of regulatory restrictions could accelerate this trend. Increased advertising costs could materially and adversely affect the Company's profitability and results of operations.

Requirements to meet environmental, social and governance regulations, expectations or standards could adversely affect the Company's business, reputation, results of operations and financial condition.

Many governments, regulators, investors, employees, customers, and other stakeholders are focused on the environmental, social and governance (ESG) performance of companies, including climate change, greenhouse gas emissions, product safety, waste management, toxins (including PFAS), human and civil rights, diversity, equity and inclusion initiatives, and supply chain conditions. In addition to the rapidly developing legal obligations imposed by governmental and self-regulatory organizations, a variety of third-party bodies and institutional investors evaluate the performance of companies on ESG topics. Understanding, developing, and acting on ESG matters, complying with legal obligations, and collecting, measuring, validating, and reporting ESG-related information and metrics can be costly, difficult, and time-consuming, especially as requirements and expectations continue to evolve. As a responsible corporate citizen, the Company actively evaluates the impacts, risks and opportunities that ESG issues may present and makes statements about its ESG policies and initiatives through its annual Corporate Responsibility Report and various other communications; however, the Company cannot guarantee that it will achieve any goals it may announce. In addition, the Company could be criticized for the nature and scope of any goals set or not set or for the accuracy, adequacy, or completeness of the Company's disclosures. Conversely, so-called "anti-ESG" and "anti-DEI" sentiment has also gained momentum across the United States, with several states and federal authorities having enacted or proposed "anti-ESG" policies, legislation or issued executive orders and legal opinions and engaged in related investigations and litigation. Additionally, a regulatory framework that opposes ESG policies and initiatives may also make it harder for the Company

to operate across jurisdictions. The Company's failure or perceived failure to comply with any such ESG or "anti-ESG" framework could harm the Company's reputation, adversely impact its ability to attract and retain customers and talent, impair its access to or cost of capital, and expose it to legal and regulatory proceedings and increased scrutiny thereby adversely affecting the Company's business, results of operations and financial condition.

If the Company loses any of its license agreements, there may be significant loss of revenues and a negative effect on business.

The Company's license agreements include certain minimum royalty payments and other material requirements. Failure to meet any of these requirements could result in the loss of the license. Additionally, after the term of any license agreement has concluded, the licensor may decide not to renew with the Company. For the fiscal year ended January 31, 2026, the Company's licensed brands represented 58.3% of the Company's net sales. While the Company is not substantially dependent on any one licensed brand, the loss of a single licensed brand could have a material adverse effect on the Company's results of operations and financial condition. In addition, the Company's revenues and profitability under its various license agreements may change from period to period due to various factors, including the maturity of the Company's relationship with the respective licensor, changes in consumer preferences, brand repositioning activities and other factors, some of which are outside of the Company's control.

Changes in the sales or channel mix of the Company's products could impact gross profit margins.

The individual brands that are sold by the Company are sold at a wide range of price points and yield a variety of gross profit margins. In addition, sales of excess and/or discontinued inventory into liquidation channels generate a lower gross profit margin than non-liquidation sales. Thus, the mix of sales by brand as well as by distribution channel can have an impact on the gross profit margins of the Company. If the Company's sales mix shifts unfavorably toward brands with lower gross profit margins than the Company's historical consolidated gross profit margin or if a greater proportion of liquidation sales are made, it could have an adverse effect on the results of operations.

The Company's business is seasonal, so events and circumstances that adversely affect holiday consumer spending will have a disproportionately adverse effect on the Company's results of operations.

The Company's sales are seasonal by nature. The Company's U.S. sales are traditionally greater during the Christmas and holiday season. Internationally, major selling seasons center on significant local holidays that occur in late winter or early spring. The amount of net sales and operating income generated during these seasons depends upon the general level of retail sales at such times, as well as economic conditions and other factors beyond the Company's control. The second half of each of the fiscal years ended January 31, 2026, 2025 and 2024 accounted for 56.3%, 55.4% and 54.2% of the Company's net sales, respectively. If events or circumstances were to occur that negatively impact consumer spending during such holiday seasons, it could have a material adverse effect on the Company's sales, profitability and results of operations.

Sales in the Company's retail outlet locations are dependent upon customer foot traffic and average order size.

The success of the Company's retail outlet locations is, to a certain extent, dependent upon the amount of customer foot traffic generated by the outlet centers in which those stores are located.

Factors that can affect customer foot traffic include:

- changes in consumer discretionary spending;
- the location of the outlet center;
- the location of the Company's store within the outlet center;
- the other tenants in the outlet center;
- the occupancy rate of the outlet center;
- the success of the outlet center and tenant advertising to attract customers;
- changes in competition in areas surrounding the outlet center;
- increased competition from shopping over the internet and other alternatives such as mail-order; and
- desirability of the Company's brands and products.

Additionally, since many of the Company's retail outlets are located near vacation destinations, factors that affect travel could decrease outlet center traffic. Such factors include the price and supply of fuel, travel concerns and restrictions (including those due to disease outbreaks such as COVID 19), international instability, terrorism and inclement weather. Future closures of the Company's retail stores or reductions in foot traffic could have a material adverse effect on retail sales and the profitability of the Company Stores segment.

The success of the Company's retail outlet locations is also dependent, to a certain extent, upon the average order size at its outlet stores. Factors that can affect average order size include product mix, promotional activities, and number of units sold per transaction. If adverse changes in product mix or pricing were to reduce the average sales price of the Company's products, or if the average number of units per transaction were to decrease, whether due to a reduction in sales to volume buyers who resell the Company's products or otherwise, there could be a material adverse effect on the Company Stores segment.

If the Company is unable to maintain existing space or to lease new space for its retail outlets in prime outlet center locations or is unable to complete construction on a timely basis, the Company's ability to achieve favorable results in its retail business could be adversely affected.

The Company's outlet stores are strategically located in top outlet centers in the United States and Canada, many of which are located near vacation destinations. Due to significant industry consolidation in recent years, the remaining outlet center operators use their significant market power to increase rents in prime locations when existing leases are renewed or new leases are executed.

If the Company cannot maintain and secure locations in prime outlet centers for its outlet stores on acceptable lease terms, it could jeopardize the operations of the stores and business plans for the future. Additionally, if the Company cannot complete construction in new stores within the planned timeframes, cost overruns and lost revenue could adversely affect the profitability of the Company Stores segment.

The Company's e-commerce business is subject to numerous risks that could have an adverse effect on the Company's business and results of operations.

Although sales through the Company's e-commerce channels have constituted a minority of its net sales historically, such sales are growing, and the Company expects to continue to grow its e-commerce business in the future. Though direct-to-consumer sales generally have higher profit margins and provide the Company with useful insight into the impact of its marketing campaigns, further development of the Company's e-commerce business also subjects the Company to a number of risks. The Company's online sales may negatively impact the Company's relationships with wholesale customers and distributors and their willingness to invest in the Company's brands if they perceive that the Company is competing with them. In addition, the Company's sales via major online marketplaces have grown significantly in recent years, and these sales could be adversely impacted by changes in the marketplace operators' strategies regarding the sale of the Company's products or product categories. There also is a risk that the Company's e-commerce business may divert sales from the Company's own brick and mortar stores. The Company's failure to successfully respond to these risks might adversely affect sales in the Company's e-commerce business as well as damage its reputation and brands.

In addition, online commerce is subject to increasing privacy regulation by states, the U.S. federal government, and various foreign jurisdictions. Compliance with these laws may increase the Company's costs of doing business, and the Company's failure to comply with these laws may subject the Company to potential fines, claims for damages and other remedies, any of which would have an adverse effect on the Company's financial condition and results of operations.

If the technology-based systems that give the Company's customers the ability to shop online do not function effectively, the Company's operating results could be materially adversely affected.

Many customers shop with the Company through its online platforms, often through mobile devices. The Company is increasingly using social media and proprietary mobile applications to interact with the Company's customers and to enhance their shopping experience. Any failure on the Company's part to provide attractive, effective, reliable, user-friendly e-commerce platforms that offer a wide assortment of merchandise with rapid delivery options and that continually meet the changing expectations of online shoppers could place the Company at a competitive disadvantage, result in the loss of e-commerce and other sales, harm the Company's reputation with customers, and have a material adverse impact on the growth of the Company's e-commerce business globally and its results of operations.

Furthermore, the Company's e-commerce operations subject the Company to risks related to the computer systems that operate the Company's websites and related support systems, such as system failures, viruses, computer hackers and similar disruptions. If the Company is unable to continually add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of its systems, system interruptions or delays could occur that adversely affect the Company's operating

results and harm the Company's brands. The Company depends on its technology vendors to manage "up time" of the front-end e-commerce stores, manage the intake of orders, and export orders for fulfillment. Any failure on the part of the Company's third-party e-commerce vendors or in the Company's ability to transition third-party services effectively could result in lost sales and harm the Company's brands.

Environmental factors, including climate change, and related regulatory action and consumer response, could substantially and negatively affect the Company's financial results.

The intensifying effects of climate change present physical, liability, and transition risks with both macro and micro implications for companies and financial markets. Extreme weather events may cause shipping delays, result in property damage, and affect supply chains. As countries seek to address risks associated with climate change, laws and regulations may be adopted or strengthened. The Company's failure to identify climate and other environmental risks, to mitigate these risks, or to meet consumer expectations regarding sustainability may adversely affect the Company's ability to attract and retain top talent, negatively impact the Company's and its brands' reputation and consumer loyalty, disrupt the Company's supply chain, and result in lost sales. In addition, implementing changes to mitigate these risks may result in substantial short and long-term additional operational expenses, which may materially affect the Company's profitability.

If the Company misjudges the demand for its products, high inventory levels could adversely affect future operating results and profitability.

Consumer demand for the Company's products can affect inventory levels. If consumer demand is lower than expected, inventory levels can rise, causing a strain on operating cash flows. If the inventory cannot be sold through the Company's wholesale channel or retail outlet locations, additional write-downs or write-offs to future earnings could be necessary. Conversely, if consumer demand is higher than expected, insufficient inventory levels could result in unfilled customer orders, loss of revenue and an unfavorable impact on customer relationships. Volatility and uncertainty related to macro-economic factors make it difficult for the Company to forecast customer demand in its various markets. Failure to properly judge consumer demand and properly manage inventory could have a material adverse effect on profitability and liquidity.

If the Company were to lose its relationship with any of its key customers or distributors or any of such customers or distributors were to experience financial difficulties, there may be a significant loss of revenue and operating results.

The Company's customer base covers a wide range of distribution including national jewelry store chains, department stores, independent regional jewelers, online marketplaces, licensors' retail stores and a network of independent distributors in many countries throughout the world. Except for its agreements with independent distributors, the Company does not have long-term sales contracts with its customers. Customer purchasing decisions could vary with each selling season. A material change in customers' purchasing decisions could have an adverse effect on the Company's revenue and operating results.

The Company extends credit to its customers based on an evaluation of each customer's financial condition, usually without requiring collateral. Should any of the Company's larger customers experience financial difficulties, it could result in the Company curtailing business with them, an increased rate of product returns or an increase in the Company's accounts receivable exposure. The inability to collect on these receivables could have an adverse effect on the Company's financial results and cash flows.

In many countries, independent distributors are entitled to seek compensation from the entity that granted them distribution rights upon termination of the parties' contractual relationship. Such compensation can equal or exceed one year's worth of the distributor's profits attributable to the distribution of the relevant goods. Although the Company generally renews its agreements with most of its distributors at the end of the then-current contractual term, if the Company elects not to renew its distribution agreements with large distributors or with multiple smaller distributors, it may be required to make material termination payments to such distributors, which would have an adverse effect on its operating results.

The inability or difficulty of the Company's customers, suppliers and business partners to obtain credit could materially and adversely affect its results of operations and liquidity.

Many of the Company's customers, suppliers and business partners rely on a stable, liquid and well-functioning financial system to fund their operations, and a disruption in their ability to access liquidity could cause serious disruptions to or an overall deterioration of their businesses which could impair their ability to meet their obligations to the Company, including delivering product ordered by the Company and placing or paying for future orders of the Company's products, any of which could have a material adverse effect on the Company's results of operations and liquidity. The tightening of monetary policies of countries throughout the world in recent years in response to inflationary pressures have resulted in elevated interest rates and could reduce availability of credit.

An increase in product returns or lost product could negatively impact the Company's operating results and profitability.

The Company permits the return of defective products and accepts limited amounts of non-defective product returns in certain instances. Accordingly, the Company provides allowances for the estimated amounts of these returns at the time of revenue recognition based on historical experience. While such returns have historically been relatively consistent with management's expectations and the provisions established, in recent years the number and frequency of consumer reports of lost packages or delivery delays have increased, and national carriers have changed their policies to make it more difficult for companies to recover the value of associated losses. In addition, future return rates may differ from those experienced in the past. Any significant increase in damaged or defective products, expected returns or carrier-related losses could have a material adverse effect on the Company's operating results for the period or periods in which such returns materialize.

The Company relies on independent parties to manufacture its products. Any loss of an independent manufacturer, or the Company's inability to deliver quality goods in a timely manner, could have an adverse effect on customer relations, brand image, net sales and results of operations.

The Company employs a flexible manufacturing model that relies on independent manufacturers to meet shifts in marketplace demand. Most of these manufacturers rely on third-party suppliers for the various component parts needed to assemble finished watches sold to the Company. All such independent manufacturers and suppliers must achieve and maintain the Company's high-quality standards and specifications. Their inability to do so could cause the Company to miss committed delivery dates with customers, which could result in cancellation of the customers' orders. In addition, delays in delivery of satisfactory products could have a material adverse effect on the Company's profitability, particularly during the fourth quarter. The Company generally does not have long-term supply commitments with its manufacturers and thus competes for production facilities with other organizations, some of which are larger and have greater resources. Any loss of an independent manufacturer or disruption in the supply chain with respect to critical component parts may result in the Company's inability to deliver quality goods in a timely manner and could have an adverse effect on customer relations, brand image, net sales and results of operations. In this regard, the Company relies on only three Swiss watch movement manufacturers, one of which is a wholly owned subsidiary of a competitor of the Company, and only one of which supplies mechanical movements. The elimination or disruption of any of these manufacturers could disrupt the Company's Swiss watch operations. This is particularly true for mechanical movements given the single source of supply, although mechanical movements are only used in a relatively small number of the Company's watch styles.

The Company expects its independent finished goods manufacturers to adhere to the Company's vendor code of conduct and similar codes of conduct adopted by the Company's trademark licensors, and the Company monitors for compliance following a risk-based model that may include conducting periodic factory audits. There can be no assurance, however, that all of the Company's manufacturers will consistently comply with labor and other laws and operate in accordance with ethical standards. Deviations from these laws and standards could interrupt the shipment of finished products and damage the Company's reputation and could have a material adverse effect on the Company's financial condition and results of operations.

The Company is also subject to laws and regulations relating to supply chain transparency and forced labor, including laws that may restrict or prohibit the importation of goods manufactured, in whole or in part, in certain regions or under certain labor conditions. Increased regulatory scrutiny or enforcement actions, including shipment detentions, seizures, or import bans, could disrupt the Company's supply chain, delay product availability, increase compliance costs, and adversely affect results of operations.

Interruptions at any of the Company's major warehouse and distribution centers could materially adversely affect its business.

The Company operates one distribution facility in New Jersey that is responsible for importing and warehousing products as well as fulfilling and shipping most orders by the Company's customers in the United States, Canada and the Caribbean and by many of the Company's customers in Latin America. The Company operates smaller, similar facilities in Bienne, Switzerland for the distribution of its Swiss watch brands throughout Europe and the Middle East, and in Australia and India through its joint ventures there. In addition, the Company has contracted with third-party warehouse and fulfillment providers in the Netherlands, Hong Kong, mainland China, Czech Republic, the U.K and Mexico. The complete or partial loss or temporary shutdown of any of the Company's or third-parties' warehouse and distribution facilities (including as a result of fire or other casualty or labor or other disturbances) could have a material adverse effect on the Company's business. In addition, the Company's New Jersey warehouse and distribution facility is operated in a special purpose sub-zone established by the U.S. Department of Commerce Foreign Trade Zone Board and is highly regulated by U.S. Customs and Border Protection, which, under certain circumstances, has the right to shut down the entire sub-zone and, therefore, the entire warehouse and distribution facility. If that were to occur, the Company's ability to fill orders for its U.S., Canadian, Latin American and Caribbean customers would be significantly impacted, which could have a material adverse effect on the Company's results of operations and financial condition.

Current or future cost reduction, streamlining, restructuring or business optimization initiatives could result in the Company incurring significant charges.

In adapting to changing economic and industry conditions, the Company may be required to incur severance and relocation expenses, write-offs or write-downs of assets, impairment charges, facilities closure costs or other business optimization costs. These costs will reduce the Company's operating income and net income (along with the associated per share measures) and could have a material adverse effect on the Company's results of operations. In addition, the anticipated future cost savings from these initiatives may not materialize.

The Company depends on its information systems to run its business and any significant breach of or disruption to those systems could materially disrupt the Company's business.

The Company relies on its information systems to operate all aspects of its business, including, without limitation, order processing, inventory and supply chain management, customer communications, purchasing and financial reporting. Although the Company attempts to take reasonable steps to mitigate the risks to its computer hardware and software systems, including such measures as the use of firewalls, automatically expiring passwords, encryption technology and periodic vulnerability tests, no system can be completely secure, particularly given the increasing threat posed by computer hackers and cyber terrorists. Hackers and data thieves are increasingly sophisticated and operate large-scale and complex attacks that may include computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks and large-scale automated attacks, phishing, social engineering, hacking and other cyber-attacks. These risks may increase as the Company continues to expand its reliance on cloud services and as generative artificial intelligence expands in its use and capabilities. Breaches of the Company's network or databases, or those of its third-party providers, may result in the loss of valuable business data, misappropriation of consumers' or employees' personal information, or a disruption of the Company's business, which could give rise to unwanted media attention, impair the Company's ability to place and fulfill orders and process payments, materially damage the Company's customer relationships and reputation, and result in lost sales, fines or lawsuits. The Company's information systems could also experience system failures, viruses, power outages, network and telecommunications failures, usage errors by its employees, or other events which could disable or significantly impair the systems' functionality. Additionally, the Company's systems may fail to operate properly or effectively, experience problems transitioning to upgraded or replacement systems or difficulties in integrating new systems. In that regard, the Company is currently migrating many of its IT systems and applications to the cloud, including its global enterprise resource planning system, which is designed to efficiently maintain its financial records and provide information important to the operation of its business. Although the Company anticipates that these cloud migrations will increase efficiency and functionality, such migrations entail risks in implementation and make the Company more reliant on third party service providers. Any material disruption or slowdown of the Company's information systems could result in the loss of critical data, the inability to process and properly record transactions and the material impairment of the Company's ability to conduct business, leading to cancelled orders and lost sales. In addition, the Company's e-commerce business is vulnerable to additional risks associated with the Internet, including changes in required technology interfaces, website downtime and other technical failures, security breaches and consumer privacy concerns. A breach and loss of data could also subject the Company to liability to its customers or suppliers and could also cause competitive harm if sensitive information is publicized. In the event the Company is not successful in responding to these risks and uncertainties, its online sales may decline, the associated costs with its e-commerce activity may increase and its reputation may be damaged. Although the Company maintains an information security risk insurance policy to address many of these risks, such policy may not suffice to prevent a cyber-incident from resulting in a material adverse effect on its business, financial condition and operating results due to various policy limitations and exclusions.

If the Company is unable to successfully implement its growth strategies, its future operating results could suffer.

There are risks associated with the Company's expansion through acquisitions, license agreements, joint ventures and similar initiatives. New brands may not complement the brands in the Company's existing portfolio and may not be viewed favorably by the consuming public. In addition, the integration of a new business or licensed brand into the Company's existing business can strain the Company's resources and infrastructure and increase inter-brand competition, and there can be no assurance that the integration will be successful or generate sales increases. The inability to successfully implement its growth strategies could adversely affect the Company's future financial condition and results of operations.

Acquisitions inherently involve significant risks and uncertainties.

The Company continually reviews acquisition opportunities that will enhance its market position, expand its product lines and provide synergies. Any of the following risks associated with the Company's past acquisitions or future acquisitions, individually or in aggregate, may have a material adverse effect on its business, financial condition and operating results:

- difficulties in realizing anticipated financial or strategic benefits of such acquisition;
- diversion of capital from other uses and potential dilution of stockholder ownership;
- risks related to increased indebtedness;
- significant capital and other expenditures may be required to integrate the acquired business into the Company's operations;

- disruption of the Company's ongoing business or the ongoing acquired business, including impairment or loss of existing relationships with its employees, distributors, suppliers or customers or those of the acquired companies;
- diversion of management's attention and other resources from current operations, including potential strain on financial and managerial controls and reporting systems and procedures;
- difficulty in integrating acquired operations, including restructuring and realigning activities, personnel, technologies and products;
- assumption of known and unknown liabilities, some of which may be difficult or impossible to quantify; and
- non-cash impairment charges or other accounting charges relating to the acquired assets.

Impairment charges could have an adverse impact on the Company's results of operations.

The Company is required to test property plant and equipment and other long-lived assets for impairment as facts and circumstances warrant. Such long-lived assets include significant minority investments by the Company in early-stage growth companies and venture capital funds that invest in such companies, which investments are highly unpredictable. Impairment may result from any number of factors, including adverse changes in assumptions used for valuation purposes, such as actual or projected net sales, growth rates, profitability or discount rates, or other variables. If testing indicates that impairment has occurred, the Company is required to record a non-cash impairment charge. Should the value of the Company's finite-lived intangible assets, property, plant and equipment and other long-lived assets become impaired, it could have a material adverse effect on the Company's results of operations.

The loss or infringement of the Company's trademarks or other intellectual property rights could have an adverse effect on future results of operations.

The Company's trademarks and other intellectual property rights are vital to the competitiveness and success of its business and it therefore takes actions to register and protect them. Such actions may not be adequate to prevent imitation of the Company's products or infringement of its intellectual property rights, or to assure that others will not challenge the Company's rights, or that such rights will be successfully defended. Moreover, the laws of some foreign countries, including some in which the Company sells its products, do not protect intellectual property rights to the same extent as do the laws of the United States, which could make it more difficult to successfully defend such challenges to them. The Company's inability to obtain or maintain rights in its trademarks, or the inability of the Company's licensors to obtain or maintain rights in their trademarks, could have an adverse effect on brand image and future results of operations.

In addition, the Company's brands are subject to risks from counterfeiting, product diversion, unauthorized resellers, and grey market sales. The availability of counterfeit or unauthorized products, including through online marketplaces and digital platforms, may adversely affect the Company's brand reputation, pricing integrity, relationships with authorized retailers, and sales, and may increase enforcement and brand protection costs. The Company's efforts to prevent and mitigate these activities may not be successful in all jurisdictions.

Changes to laws or regulations impacting the industries in which the Company operates could require it to alter its business practices which could have a material adverse effect on its results of operations.

The Company conducts business, either directly or indirectly, in numerous countries and accordingly is subject to a multitude of legal requirements impacting the industries in which it operates. Changes to existing laws and regulations or new laws and regulations could impose new requirements and additional costs on the Company and its suppliers, making the Company's products or packaging more costly to produce and forcing the Company to change its existing business practices. Any resulting costs increases could place the Company at a competitive disadvantage and sales of its products could decline, adversely affecting its financial condition and results of operations.

Changes to tax laws or regulations could have a material adverse effect on the Company's financial condition and results of operations.

Changes in U.S. federal, state and international tax laws and regulations, including changes suggested by the U.S. presidential administration, could have an adverse impact on the Company's tax liabilities and effective tax rate. In addition, the overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty around taxation in many jurisdictions. For example, the Organization for Economic Cooperation and Development, ("OECD"), which represents a coalition of western countries, including the U.S., is implementing changes to numerous long-standing tax principles, including enacting a global

minimum tax and expanding the digital taxing rights of market countries. Furthermore, a number of countries where the Company does business, including many European countries, are considering changes in relevant tax, accounting and other laws, regulations and interpretations, including changes to tax laws applicable to multinational corporations. Foreign countries may decide to enact tax laws that may negatively affect the Company's foreign tax liabilities in response to any real or perceived negative effects of the U.S. tax changes on their countries, and/or states or local governments may decide to enact additional tax laws that may increase tax liabilities for companies doing business in those jurisdictions as they see opportunities to capitalize on the reduction in the federal corporate tax rate. Finally, while the Company believes its tax positions are consistent with the tax laws in the jurisdictions in which the Company conducts business, the final outcome of tax audits or disputes could result in adjustments to the Company's tax liabilities which could have a material adverse effect on the Company's effective tax rate, results of operations, cash flows and financial condition.

The Company is subject to complex and evolving laws and regulations regarding privacy and data protection that could result in legal claims, changes to business practices and increased costs that could materially and adversely affect the Company's results of operations.

The Company is subject to a variety of U.S and foreign laws and regulations governing privacy and data protection. The shift in the Company's business toward e-commerce, and the expansion of its business in certain jurisdictions, and its greater reliance on cloud services may subject it to additional such laws and regulations. These U.S. federal and state and foreign laws and regulations are evolving, may increase restrictions relating to the receipt, transfer, processing and retention of personal data, and the restrictions imposed thereby are not always clear. In addition, foreign court decisions and regulatory actions could impact the Company's ability to receive, transfer and process personal data relating to its employees and direct and indirect customers. The Company may need to update its data map or take other measures to comply with these requirements and interpretive guidance, a process that is complex, time consuming, and complicated by rapidly evolving and expanding cloud services and solutions. Existing and proposed privacy and data protection laws and regulations around the world result and may continue to result in significant compliance risks, operating costs, diverted resources from other initiatives and projects, marketing restrictions, limitations on service offerings, and negative publicity for the Company and may subject it to remedies that may harm its business, including fines, regulatory penalties, orders to modify or cease existing business practices, and significant legal liability. Any of the foregoing could materially adversely affect the Company's results of operations and financial condition.

If the Company were to experience a significant privacy breach, it could be subject to costly government enforcement actions and private litigation and suffer significant negative publicity which could materially and adversely affect the Company's results of operations.

As part of the normal course of business the Company is involved in the receipt and storage of electronic information about customers and employees, as well as proprietary financial and non-financial data. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet and mobile platforms have recently been subject to increased public scrutiny. Although the Company believes it has taken reasonable and appropriate actions to protect the security of this information, if the Company were to experience a security breach, acts of vandalism, ransomware attacks, computer viruses, misplaced or lost data, programming and/or human errors or other similar events, it could result in government enforcement actions and private litigation, attract a substantial amount of media attention, and damage the Company's reputation and its relationships with its customers and employees, materially adversely affecting the Company's sales and results of operations. This risk has increased with the Company's increased focus on direct-to-consumer sales and increased reliance on cloud services.

From time to time the Company is subject to legal proceedings that could result in significant expenses, fines and reputational damage.

The Company is involved in legal proceedings and other disputes from time to time, including those involving consumers, employees and contractual counterparties, as well as governmental audits and investigations. The most significant of these proceedings are described in Item 3 "Legal Proceedings" of this report. The Company cannot predict the ultimate outcome of legal disputes. The Company could in the future be required to pay significant amounts as a result of settlements, judgments or fines in these matters, potentially in excess of accruals. The resolution of, or increase in accruals for, one or more of these matters could have a material adverse effect on the Company's results of operations and cash flows.

If the Company were to lose key members of management or be unable to attract and retain the talent required for the business, operating results could suffer.

The Company's ability to execute key operating initiatives as well as to deliver product and marketing concepts appealing to target consumers depends largely on the efforts and abilities of key executives and senior management's competencies. The unexpected loss of one or more of these individuals could have an adverse effect on the future business. The Company cannot guarantee that it will be able to attract and retain the talent and skills needed in the future.

If the Company cannot secure and maintain financing and credit on favorable terms, the Company's financial condition and results of operations may be materially adversely affected.

Credit and equity markets remain sensitive to world events and macro-economic developments. Therefore, the Company's cost of borrowing may increase and it may be more difficult to obtain financing for the Company's operations or to refinance long-term obligations as they become payable. In addition, the Company's borrowing costs can be affected by independent rating agencies' short and long-term debt ratings which are based largely on the Company's performance as measured by credit metrics including interest coverage and leverage ratios. A decrease in these ratings would likely also increase the Company's cost of borrowing and make it more difficult for it to obtain financing. A significant increase in the costs that the Company incurs to finance its operations may have a material adverse impact on its business results and financial condition. In addition, any failure by the Company to comply with the various covenants contained in its corporate credit facility, including financial maintenance covenants, could result in the termination of the facility and the acceleration of the Company's repayment obligations thereunder, which could have a material adverse effect on the Company's financial condition and liquidity.

Risks Related to an Investment in the Company's Common Stock

The Grinberg family owns a majority of the voting power of the Company's stock.

Each share of common stock of the Company is entitled to one vote per share while each share of class A common stock of the Company is entitled to ten votes per share. While the members of the Grinberg family do not own a majority of the Company's outstanding common stock, by their significant holdings of class A common stock they control a majority of the voting power represented by all outstanding shares of both classes of stock. Consequently, the Grinberg family is in a position to determine or significantly influence any matters that are brought to a vote of the shareholders including, but not limited to, the election of the Board of Directors, any amendments to the Company's certificate of incorporation, mergers or sales of all or substantially all of the Company's assets. This concentration of ownership also may delay, defer or even prevent a change in control of the Company and make some transactions more difficult or impossible without the support of the Grinberg family. These transactions might include proxy contests, tender offers, mergers or other purchases of shares of common stock that could give stockholders the opportunity to realize a premium over the then-prevailing market price for shares of the Company's common stock.

The Company's stock price could fluctuate and possibly decline due to changes in revenue, operating results and cash flows.

The Company's revenue, results of operations and cash flows can be affected by several factors, some of which are not within its control. Those factors include, but are not limited to, those described as risk factors in this Item 1A. and under "Forward-Looking Statements" on page 1.

Any or all of these factors could cause a decline in revenues or an increase in expenses, either of which would have an adverse effect on the results of operations. If the Company's earnings failed to meet the expectations of the investing public in any given period, the Company's stock price could fluctuate and decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company recognizes the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things: operational risks, intellectual property theft, fraud, extortion, harm to employees or customers, and violation of data privacy laws.

Identifying and assessing cybersecurity risk is integrated into the Company's overall risk management processes. Cybersecurity risks are identified and addressed through internal information technology security, governance, risk and compliance reviews, as well as periodic third-party assessments. To defend, detect and respond to cybersecurity incidents, the Company maintains technical and organizational safeguards, including employee training, incident response capability reviews and exercises, cybersecurity insurance and disaster recovery plans. The Company also performs penetration testing to test security controls and monitors emerging laws and regulations related to data protection and information security. In addition, the Company performs third-party risk management (including gathering information via questionnaires and/or service organization controls (SOC) reports) to identify and mitigate risks from third parties such as vendors, suppliers and major customers that process the Company's employee, business or customer data.

The Company's cybersecurity incident response and breach management processes are intended to detect and analyze security incidents; to contain, eradicate and recover from such incidents; and to conduct a post-incident analysis to determine whether any changes to processes or security measures are merited. Such incident responses are overseen by a Breach Response Team consisting of leaders from the Company's Information Technology, Legal, Finance, Risk Management and Human Resources departments, with the assistance of external technical, legal and law enforcement support, as and when appropriate. Security events and data incidents are evaluated, ranked by severity and prioritized for response and remediation. Incidents are evaluated to determine materiality and operational, business and privacy impact, as well as the potential need for timely public disclosure.

From time to time the Breach Response Team conducts tabletop exercises to simulate responses to cybersecurity incidents, including the analysis of risks and the development of detection, mitigation and remediation strategies. The Breach Response Team also uses these exercises as an opportunity to discuss other topics related to cybersecurity, including notable developments in this area.

In the last three fiscal years, the Company has not experienced any material cybersecurity incidents or incurred any material expenses related to cybersecurity incidents. For a discussion of whether and how any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition, see Item 1A. Risk Factors – *“The Company depends on its information systems to run its business and any significant breach of or disruption to those systems could materially disrupt the Company's business”* and *“If the Company were to experience a significant privacy breach, it could be subject to costly government enforcement actions and private litigation and suffer significant negative publicity which could materially and adversely affect the Company's results of operations,”* which are incorporated by reference into this Item 1C.

Governance

The Audit Committee of the Board of Directors has assumed responsibility for the oversight of management's strategies and processes for addressing risks from cybersecurity threats. The Audit Committee or the full Board receives quarterly updates regarding cybersecurity and data privacy matters from senior management, including leaders from the Information Technology and Legal teams. This generally includes briefings regarding existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any), a cybersecurity maturity scorecard, status of key information security initiatives, and significant developments in data privacy regulations.

The Company's cybersecurity risk management and strategy processes are overseen by leaders from the Information Technology team (specifically, the Company's chief technology officer, its chief information officer, and its senior manager for cybersecurity) who collectively have over 75 years of prior work experience in various information technology roles, including security, auditing, compliance, systems and programming, and whose credentials have included Certified in the Governance of Enterprise IT (CGEIT), Certified in Risk and Information Systems Control (CRISC) and Certified Information Systems Security Professional certifications. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of, cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of the Company's incident response plan. Potentially significant cybersecurity incidents are reported to the Breach Response Team. If the Breach Response Team deems the incident material, it will promptly notify the Audit Committee or the full Board of Directors. The Audit Committee or Board receives updates regarding other incidents during management's regular quarterly cybersecurity updates. In addition, the Company's Internal Audit function, whose leader possesses a Certified Information System Auditor (CISA) certification, reviews certain cybersecurity controls in connection with its information technology audit procedures.

Item 2. Properties

The Company leases various facilities in North America, Europe, the Middle East and Asia for its corporate, watch assembly, distribution and sales operations. As of January 31, 2026, the Company's leased facilities individually comprising more than 20,000 square feet were as follows:

Location	Function	Square Footage	Lease Expiration
Moonachie, New Jersey	Watch distribution and repair	100,000	August 2035
Paramus, New Jersey	Executive offices	90,100	June 2030
Bienne, Switzerland	Corporate and sales functions and watch distribution, assembly and repair	56,700	December 2032
Hong Kong	Watch distribution	44,800	April 2027

The foregoing facilities, as well as 14 additional leased facilities worldwide averaging approximately 4,100 square feet, are used exclusively in connection with the Watch and Accessory Brands segment of the Company's business except that a portion of the Company's executive office space in Paramus, New Jersey is used in connection with management of its retail business.

Since acquiring EBEL in 2004, the Company owns an architecturally significant building in La Chaux-de-Fonds, Switzerland.

The Company also leases retail space averaging 1,700 square feet per store with leases expiring with various dates through August 2034 for the operation of the Company's 57 retail outlet locations.

The Company believes that its existing facilities are suitable and adequate for its current operations.

Item 3. Legal Proceedings

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made.

On April 28, 2025, the Company received a voluntary request from the Division of Enforcement of the Securities and Exchange Commission (the "SEC") for documents and information relating to the restatement previously reported in fiscal year 2025. The Company is cooperating with the SEC in responding to those requests.

In December 2016, U.S. Customs and Border Protection ("CBP") issued an audit report regarding the Company's methodology for allocating the cost of certain watch styles imported into the United States among their component parts for tariff purposes. The report challenged the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would have implied approximately \$5.1 million of underpaid duties for entries during the audit period (August 1, 2011 through July 15, 2016), plus potential penalties and interest. The statute of limitations has lapsed for all entries within the audit period. While the Company believes its cost allocation methodology is reasonable, its application involves significant judgment, including estimates and assumptions related to (i) allocations for imported watches purchased by the Company's foreign subsidiaries as complete watches, for which component cost detail is not fully available, and (ii) the allocation among component parts of intercompany overhead and profit and of assembly costs. If CBP were to disagree with the Company's judgments in these areas, the Company could be exposed to assessments for underpayment of tariffs.

In addition to the above matters, the Company is involved in other legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations, or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of March 13, 2026, there were 38 holders of record of the Company's class A common stock and 338 holders of record of the Company's common stock (including nominee holders such as banks and brokerage firms who hold shares for beneficial owners), although the Company believes that the number of beneficial owners is much higher. The Company's common stock is traded on the New York Stock Exchange under the symbol "MOV" and on March 13, 2026, the closing price of the Company's common stock was \$23.14. Each share of common stock is entitled to one vote per share and each share of class A common stock is entitled to 10 votes per share on all matters submitted to a vote of the shareholders. Each holder of class A common stock is entitled to convert, at any time, any and all such shares into the same number of shares of common stock. Each share of class A common stock is converted automatically into common stock in the event that the beneficial or record ownership of such shares of class A common stock is transferred to any person, except to certain family members or affiliated persons deemed "permitted transferees" pursuant to the Company's Restated Certificate of Incorporation as amended. There is currently no established public trading market for the class A common stock.

During each quarter of fiscal 2026, the Company declared cash dividends on its common stock and class A common stock. Although the Company currently expects to continue to declare cash dividends in the future, the decision as to whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board of Directors, in its sole discretion. For dividends declared and paid during fiscal 2026, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

On December 5, 2024, the Board approved a share repurchase program under which the Company is authorized to purchase up to \$50.0 million of its outstanding stock through December 5, 2027, depending on market conditions, share price and other factors. Under the share repurchase program, the Company is permitted to purchase shares of its common stock through open market purchases, repurchase plans, block trades or otherwise. During the fiscal year ended January 31, 2026, the Company repurchased a total of 208,000 shares of its common stock at a total cost of \$3.9 million, or an average of \$18.75 per share.

At the election of an employee, upon the vesting of a stock award or the exercise of a stock option, shares of common stock having an aggregate value on the vesting of the award or the exercise date of the option, as the case may be, equal to the employee's withholding tax obligation may be surrendered to the Company by netting them from the vested shares issued. Similarly, shares having an aggregate value equal to the exercise price of an option may be tendered to the Company in payment of the option exercise price and netted from the shares of common stock issued upon the option exercise. An aggregate of 27,479 shares were repurchased during the fiscal year ended January 31, 2026, as a result of the surrender of shares of common stock in connection with the vesting of restricted stock awards or stock options.

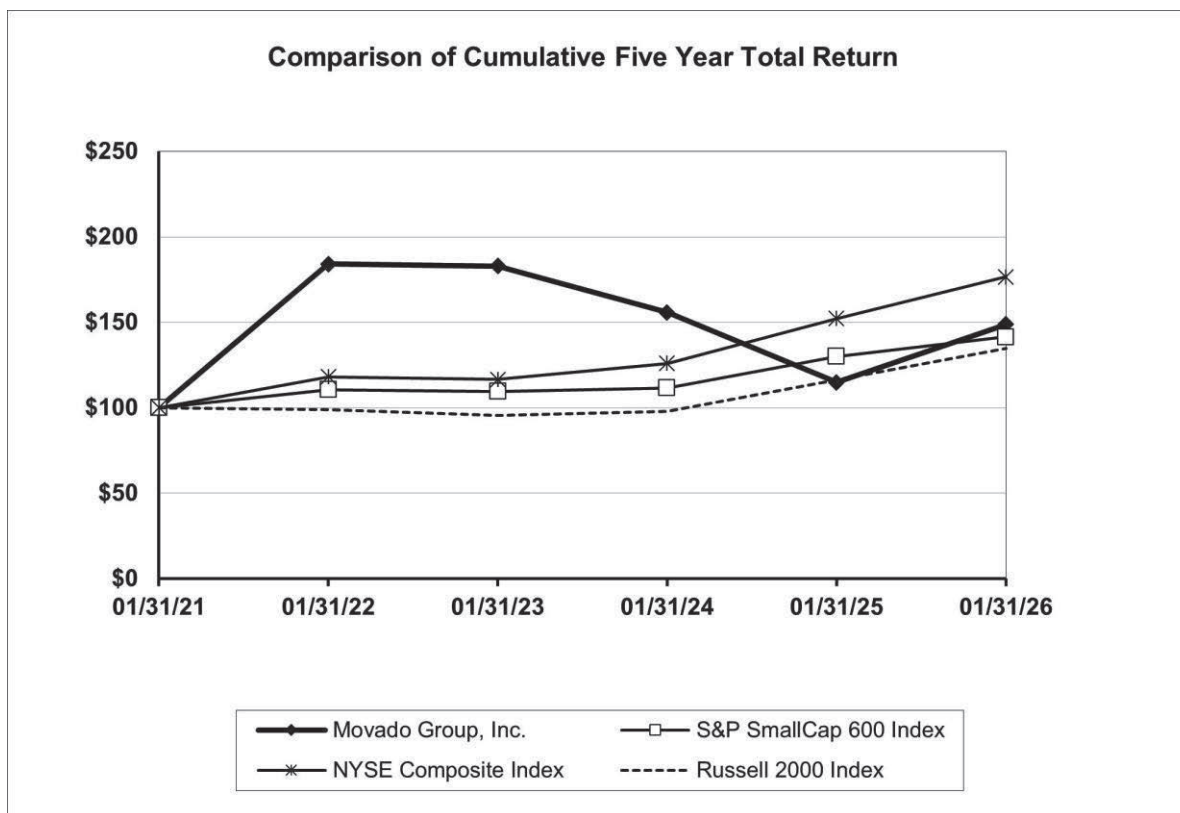
The following table summarizes information about the Company's purchases of shares of its common stock in the fourth quarter of fiscal 2026.

Issuer Repurchase of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Amount that May Yet Be Purchased Under the Plans or Programs
November 1, 2025 – November 30, 2025	—	—	—	\$ 48,405,884
December 1, 2025 – December 31, 2025	73,000	\$ 21.27	73,000	\$ 46,852,998
January 1, 2026 – January 31, 2026	35,000	\$ 21.53	35,000	\$ 46,099,368
Total	108,000	\$ 21.36	108,000	\$ 46,099,368

PERFORMANCE GRAPH

The performance graph set forth below compares the cumulative total shareholder return of the Company's shares of common stock for the last five fiscal years through the fiscal year ended January 31, 2026 with that of the S&P SmallCap 600 Index, the Broad Market (NYSE Stock Market – U.S. Companies) and the Russell 2000 Index. Each index assumes an initial investment of \$100 on January 31, 2021 and the reinvestment of dividends (where applicable).



Company Name / Index	1/31/21	1/31/22	1/31/23	1/31/24	1/31/25	1/31/26
Movado Group, Inc.	100.00	184.09	182.94	155.72	114.84	148.82
S&P SmallCap 600 Index	100.00	110.65	109.61	111.59	129.96	141.39
NYSE (U.S. Companies)	100.00	118.17	116.56	126.00	152.25	176.67
Russell 2000 Index	100.00	98.79	95.45	97.75	116.41	134.81

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Net Sales

The Company operates and manages its business in two principal business segments: Watch and Accessory Brands and Company Stores. The Company also operates in two geographic locations: United States and International.

The Company divides its watch and accessory business into two principal categories: the owned brands category and the licensed brands category. The owned brands category consists of the Movado®, Concord®, EBEL®, Olivia Burton® and MVMT® brands. Products in the licensed brands category include the following brands manufactured and distributed under license agreements with the respective brand owners: Coach®, Tommy Hilfiger®, Hugo Boss®, Lacoste®, Calvin Klein® and, beginning spring 2027, Kate Spade New York®.

The primary factors that influence annual sales are general economic conditions in the Company's U.S. and international markets, new product introductions, the level and effectiveness of advertising and marketing expenditures and product pricing decisions.

56.7% of the Company's total sales are from international markets (see Note 18 to the Consolidated Financial Statements), and therefore reported sales made in those markets are affected by foreign exchange rates. The Company's international sales are primarily billed in local currencies (predominantly Euros, British Pounds and Swiss Francs) and translated to U.S. dollars at average exchange rates for financial reporting purposes. The Company reduces its exposure to exchange rate risk through a hedging program.

The Company divides its business into two major geographic locations: United States operations, and International, which includes the results of all other non-U.S. Company operations. The allocation of geographic revenue is based upon the location of the customer. The Company's International operations in Europe, the Americas (excluding the United States), Asia and the Middle East accounted for 34.1%, 9.7%, 7.0% and 5.9%, respectively, of the Company's total net sales for fiscal 2026. A vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries.

The Company's business is seasonal. There are two major selling seasons in the Company's markets: the spring season, which includes school graduations and several holidays and, most importantly, the Christmas and holiday season. Major selling seasons in certain international markets center on significant local holidays that occur in late winter or early spring. The Company's net sales historically have been higher during the second half of the fiscal year. The second half of each fiscal year accounted for 56.3% and 55.4% of the Company's net sales for the fiscal years ended January 31, 2026 and 2025, respectively.

The Company's retail operations consist of 53 retail outlet locations in the United States and four locations in Canada.

The significant factors that influence annual sales volumes in the Company's retail operations are similar to those that influence U.S. wholesale sales. In addition, most of the Company's retail outlet locations are near vacation destinations and, therefore, the seasonality of these stores is driven by the peak tourist seasons associated with these locations.

Gross Margins

The Company's overall gross margins are primarily affected by four major factors: channel and product sales mix, product pricing strategy, manufacturing costs and fluctuation in foreign currency exchange rates, in particular the relationship between the U.S. dollar and the Swiss Franc, British Pound and the Euro. Gross margins for the Company may not be comparable to those of other companies, since some companies include all the costs related to their distribution networks in cost of sales whereas the Company does not include the costs associated with its warehousing and distribution facilities nor the occupancy costs for the Company Stores segment in the cost of sales line item. Those costs are included in selling, general and administrative expenses.

Gross margins vary among the brands included in the Company's portfolio and also among watch models within each brand. Watches in the Company's owned brands category generally earn higher gross margin percentages than watches in the licensed brands category. The difference in gross margin percentages within the licensed brands category is primarily due to the impact of royalty payments made on the licensed brands. Gross margins in the Company's e-commerce business generally earn higher gross margin percentages than those of the traditional wholesale business. Gross margins in the Company's outlet business are affected by the mix of product sold and may exceed those of the wholesale business since the Company earns margins on its outlet store sales from manufacture to point of sale to the consumer.

All of the Company's brands compete with a number of other brands not only on styling but also on wholesale and retail price. The Company's ability to improve margins through price increases is therefore, to some extent, constrained by competitors' actions.

Cost of sales of the Company's products consists primarily of costs for raw materials, component costs, royalties, depreciation, amortization, assembly costs, shipping to customers, import duties, design costs and unit overhead costs associated with the Company's supply chain operations predominately in Switzerland and Asia. The Company's supply chain operations consist of logistics management of assembly operations and product sourcing predominately in Switzerland and Asia and minor assembly in Switzerland. Through productivity improvement efforts, the Company has controlled the level of overhead costs and maintained flexibility in its cost structure by outsourcing a significant portion of its component and assembly requirements.

Since a significant amount of the Company's product costs are incurred in Swiss Francs, fluctuations in the U.S. dollar/Swiss Franc exchange rate can impact the Company's cost of goods sold and, therefore, its gross margins. The Company reduces its exposure to the Swiss Franc exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, the Company has the ability to hedge its Swiss Franc purchases using a combination of forward contracts and purchased currency options. The Company's hedging program mitigated the impact of the exchange rate fluctuations on product costs and gross margins for fiscal years 2026 and 2025.

Selling, General and Administrative ("SG&A") Expenses

The Company's SG&A expenses consist primarily of marketing, selling, distribution, general and administrative expenses.

Marketing expenditures are based principally on overall strategic considerations relative to maintaining or increasing market share in markets that management considers to be crucial to the Company's continued success as well as on general economic conditions in the various markets around the world in which the Company sells its products. Marketing expenses include salaries, various forms of media advertising, digital advertising (including social media), customer acquisition costs and cooperative advertising and retail media network programs with certain wholesale customers and distributors and other point of sale marketing and promotional spending.

Selling expenses consist primarily of salaries, sales commissions, sales force travel and related expenses, credit card fees, depreciation and amortization, expenses associated with the Company's customer conferences and industry trade shows and operating costs incurred in connection with the Company's retail business. Sales commissions vary with overall sales levels. Retail selling expenses consist primarily of payroll related and store occupancy costs.

Distribution expenses consist primarily of costs of running distribution centers and customer service and include salaries, rental and other occupancy costs, security, depreciation and amortization of furniture and leasehold improvements and shipping supplies.

General and administrative expenses consist primarily of salaries and other employee compensation including performance-based compensation, employee benefit plan costs, office rent, management information systems costs, professional fees, bad debts, depreciation and amortization of furniture, computer software, leasehold improvements, amortization of finite lived intangible assets, patent and trademark expenses and various other general corporate expenses.

Other Non-Operating Income, net

Other non-operating income, net consist primarily of interest income and the non-service components of the Company's Swiss pension plan. In addition, for the fiscal year ended January 31, 2026, the Company recorded a \$0.4 million impairment related to one of its investments in a venture capital fund in which the Company has a limited partnership interest. The write-down was a result of a decline in the fair value of the investment primarily attributable to a deterioration in the financial condition and operating performance of certain of the underlying portfolio companies within the fund that was determined to be other than temporary. Also, for the fiscal year ended January 31, 2024, the Company recorded a \$0.5 million impairment related to an equity investment in a consumer products company that sold its business and assets in which the Company expects to receive little or no return on its investment.

Interest Expense

To the extent it borrows, the Company records interest expense on its revolving credit facility. Additionally, interest expense includes the amortization of deferred financing costs, and unused commitment fees associated with the Company's revolving credit facility.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes as prescribed under the Accounting Standards Codification guidance for Income Taxes (“ASC Topic 740”). ASC Topic 740 requires the Company to recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and tax bases of existing assets and liabilities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company’s Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States and those significant policies are more fully described in Note 1 to the Company’s Consolidated Financial Statements. The preparation of these financial statements and the application of certain critical accounting policies require management to make judgments based on estimates and assumptions that affect the information reported. On an on-going basis, management evaluates its estimates and judgments, including those related to sales returns, markdown allowances, inventories, income taxes, useful lives of property, plant and equipment, impairments of long-lived assets and stock-based compensation. Management bases its estimates and judgments about the carrying values of assets and liabilities that are not readily apparent from other sources on historical experience, contractual commitments and on various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Management believes the following are the critical accounting policies requiring significant judgments and estimates used in the preparation of its Consolidated Financial Statements.

Revenue Recognition

In the wholesale channel, revenue is recognized and recorded when a contract is in place, obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. Such revenue is measured as the ultimate amount of consideration the Company expects to receive in exchange for transferring goods including variable consideration. The Company has determined that transfer of control passes to the wholesale customer upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Factors considered in the transfer of control include the right to payment, transfer of legal title, physical possession and customer acceptance of the goods and whether the significant risks and rewards for the goods belong with the customer. The Company records estimates of variable consideration, which includes sales returns and markdown allowances as a reduction of revenue in the same period that the sales are recorded. These estimates are based upon the expected value method considering all reasonably available information including historical analysis, customer agreements and/or currently known factors that arise in the normal course of business. Discounts, returns and allowances have historically been within the Company’s expectations and the provisions established. The future provisional rates may differ from those experienced in the past. Taxes imposed by governmental authorities on the Company’s revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Inventories

The Company values its inventory at the lower of cost or net realizable value. Cost is determined using the average cost method. The Company performs reviews of its on-hand inventory to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. Inventory classified as discontinued, together with the related component parts that can be assembled into saleable finished goods, is sold primarily through the Company’s retail outlet locations. The Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Long-Lived Assets

Intangible assets consist primarily of trade names, customer relationships and trademarks. In accordance with applicable guidance, the Company estimates and records the fair value of purchased intangible assets at the time of their acquisition. The fair values of these intangible assets are estimated at the time of acquisition based on independent third-party appraisals. Finite-lived intangible assets are amortized over their respective estimated useful lives, typically ten years, and are evaluated for impairment whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. The Company determined that there was no impairment in fiscal 2026, fiscal 2025 or in fiscal 2024.

The Company periodically reviews the estimated useful lives of its depreciable assets based on factors including historical experience, the expected beneficial service period of the asset, the quality and durability of the asset and the Company’s maintenance policy

including periodic upgrades. Changes in useful lives are made on a prospective basis unless factors indicate the carrying amounts of the assets may not be recoverable and an impairment is necessary.

The Company performs an impairment review of its long-lived assets once events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. When such a determination has been made, management compares the carrying value of the asset groups with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the fair value of the asset group is determined and compared to its carrying value. The excess of the carrying value over the fair value, if any, is recognized as a loss during that period. The impairment is calculated as the difference between asset carrying values and their estimated fair values. No impairment charge was recorded in fiscal 2026, fiscal 2025 or fiscal 2024.

Stock-Based Compensation

The Company may grant stock awards to employees and directors. The stock awards are generally in the form of time-vesting restricted stock unit awards (pursuant to which unrestricted shares of Common Stock are issued to the grantee when the award vests) or performance-based awards (under which vesting occurs only if one or more predetermined financial goals are achieved within the relevant performance period); both are subject to the participant's continued employment (or board service) with the Company through such vesting date. Stock awards generally are cliff-vested after three years from the date of grant (one year in the case of directors' awards). The fair value of stock awards is generally equal to the closing price of the Company's publicly-traded common stock on the grant date.

Compensation expense for the awards is accrued based on the estimated number of instruments for which the requisite service is expected to be rendered. This estimate is reflected in the period the stock awards are either granted or canceled. Expense related to stock award compensation is recognized on a straight-line basis over the vesting term and only if the performance condition is probable of being achieved.

Income Taxes

The Company, under ASC Topic 740, follows the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax laws and tax rates, in each jurisdiction where the Company operates, and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more-likely-than-not basis. The Company calculates estimated income taxes in each of the jurisdictions in which it operates. This process involves estimating actual current tax expense along with assessing temporary differences resulting from differing treatment of items for both book and tax purposes.

The Company follows guidance for accounting for uncertainty in income taxes. This guidance clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. This guidance also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions.

RECENT DEVELOPMENTS AND INITIATIVES

Tariffs

The United States has imposed, and may in the future impose, additional tariffs and other trade restrictions on imported goods. These measures increase the Company's product and input costs, disrupt sourcing and logistics, require pricing adjustments that may reduce demand, and adversely affect margins and operating performance. Because the United States is the Company's single largest market, increases in duties applicable to products imported into the United States could have a disproportionate impact on the Company's results of operations.

The majority of the Company's products are sourced from Switzerland, Japan, and China. For U.S. customs purposes, the Company's Swiss watches are classified as products of Switzerland. Watches produced in the Far East generally consist of watch heads that originate in Japan and bands that originate in China. In addition, most of the Company's jewelry and packaging is of Chinese origin.

Since February 2020, the Company's U.S. imports of Chinese-origin watch bands and jewelry have been subject to a special incremental tariff of 7.5% under Section 301 of the Trade Act of 1974, and imports of Chinese-origin packaging have been subject to a 25% Section 301 tariff.

In calendar year 2025, the United States imposed additional "reciprocal" and other tariffs under the International Emergency Economic Powers Act ("IEEPA"). The U.S. Supreme Court subsequently ruled that those IEEPA-based tariffs were unlawful. However, uncertainty remains regarding the timing, scope and administrative process for obtaining refunds of tariffs previously paid, as well as the potential financial statement impact of any refunds or denials thereof.

The Company incurred \$12.7 million of IEEPA tariffs in fiscal year 2026. Of this amount, \$9.6 million was recognized in cost of sales in the Company's Consolidated Statements of Operations, and \$3.1 million was capitalized as a component of inventory in the Company's Consolidated Balance Sheets at January 31, 2026. Of the total tariffs incurred, \$8.7 million was paid in fiscal year 2026, with the remaining amount recorded as an accrued liability at January 31, 2026.

The Company has not recognized a receivable related to potential tariff refunds, as realization remains uncertain. The ultimate resolution of this matter could have a positive material impact on the Company's results of operations, financial position, and cash flows in future periods.

Following the Supreme Court's decision, the Trump Administration replaced the IEEPA-based tariffs with tariffs imposed under Section 122 of the Trade Act of 1974. As of the date of this Annual Report, Section 122 tariffs impose an incremental 10% ad valorem duty on covered imports, and the Administration has announced its intent to increase this rate to 15%. Section 122 tariffs expire after 150 days absent Congressional approval; however, the Administration has announced plans to conduct investigations into trade practices in order to enable the imposition of tariffs under other statutory authorities. As a result, there can be no assurance that tariff levels will decrease when Section 122 authority expires, or that new or higher duties will not be imposed.

In response to tariff increases, the Company may seek to raise prices, which could reduce demand and result in loss of customers, or may over time attempt to shift sourcing or manufacturing to other countries or suppliers. Such actions may require significant time and expense, cause supply disruption, and increase operational complexity. In addition, further U.S. trade actions could lead to retaliatory tariffs or other measures by China or other countries, potentially resulting in broader trade conflicts that further disrupt supply chains and demand.

Cost-Savings Initiative

During fiscal year 2025, in light of the ongoing challenging consumer-spending environment, the Company committed to a cost-savings initiative to reduce operating expenses through headcount reductions, bringing them more in line with sales. As a result of this initiative, during fiscal year 2025, the Company recorded \$4.6 million in accruals for severance and employee-related charges and early lease termination charges and an additional \$1.5 million was recorded in accruals for severance and employee-related charges during fiscal year 2026. Of the total amount recorded, \$1.3 million was paid related to severance and employee related charges during fiscal year 2025, and \$3.5 million paid related to severance and employee-related charges and \$0.5 million of early lease termination related fees and costs were paid/utilized during fiscal year 2026, with the balance expected to be paid during the remainder of fiscal year 2027. The Company expects go-forward annual savings from the cost-savings initiatives of approximately \$10.0 million.

One Big Beautiful Bill Act

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law by President Trump. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The OBBBA did not have a material impact on the Company's Consolidated Financial Statements for fiscal 2026. The Company will continue to evaluate and monitor potential impacts on future periods and does not expect the OBBBA to have a material impact on its Consolidated Financial Statements.

RESULTS OF OPERATIONS

The following is a discussion of the results of operations for fiscal 2026 compared to fiscal 2025 along with a discussion of the changes in financial condition during fiscal 2026. For a discussion of our results of operations in fiscal year 2025 compared to fiscal year 2024, please see "Results of Operations" in Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) of our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, filed with the SEC on April 16, 2025.

The following are net sales by business segment and geographic location (in thousands):

	Fiscal Year Ended January 31,	
	2026	2025
Watch and Accessory Brands:		
United States	\$ 193,178	\$ 186,523
International	375,088	369,863
Total Watch and Accessory Brands	568,266	556,386
Company Stores		
United States	97,370	92,009
International	5,674	4,983
Total Company Stores	103,044	96,992
Net sales	<u>\$ 671,310</u>	<u>\$ 653,378</u>

The following are net sales by category (in thousands):

	Fiscal Year Ended January 31,	
	2026	2025
Watch and Accessory Brands:		
Owned brands category	\$ 172,487	\$ 183,622
Licensed brands category	391,398	365,216
After-sales service and all other	4,381	7,548
Total Watch and Accessory Brands	568,266	556,386
Company Stores	103,044	96,992
Consolidated total	<u>\$ 671,310</u>	<u>\$ 653,378</u>

The following table presents the Company's results of operations expressed as a percentage of net sales for the fiscal years indicated:

	Fiscal Year Ended January 31,	
	2026	2025
Net sales	100.0%	100.0%
Gross margin	54.2%	54.0%
Selling, general and administrative expenses	49.7%	51.0%
Operating income	4.4%	3.1%
Other income, net	0.7%	1.1%
Interest expense	0.1%	0.1%
Provision for income taxes	1.1%	1.1%
Noncontrolling interests	0.0%	0.1%
Net income attributable to Movado Group, Inc.	4.0%	2.8%

Fiscal 2026 Compared to Fiscal 2025

Net Sales

Net sales for fiscal 2026 were \$671.3 million, representing a \$17.9 million or 2.7% increase from the prior year. For fiscal 2026, fluctuations in foreign currency exchange rates positively impacted net sales by \$11.6 million when compared to the prior year. Excluding this \$11.6 million impact, net sales would have increased by 1.0% as compared to the prior year.

Watch and Accessory Brands Net Sales

Net sales for fiscal 2026 in the Watch and Accessory Brands segment were \$568.3 million, above the prior year by \$11.9 million, or 2.1%. The increase in net sales was primarily due to the positive impact of fluctuations in foreign exchange rates and increased volumes resulting from higher demand in the Company's wholesale customers, with an increase in net sales recorded in the licensed brands category of \$26.2 million, or 7.2%, partially offset by a decrease in net sales recorded in the owned brands category of \$11.1 million, or 6.1%.

United States Watch and Accessory Brands Net Sales

Net sales for fiscal 2026 in the United States locations of the Watch and Accessory Brands segment were \$193.2 million, above the prior year by \$6.7 million, or 3.6%, resulting primarily from increased volumes resulting from higher demand in the Company's wholesale customers. The net sales recorded in the licensed brands category increased \$10.9 million, or 22.3%, partially offset by a decrease in net sales recorded in the owned brands category of \$4.1 million, or 3.1%.

International Watch and Accessory Brands Net Sales

Net sales for fiscal 2026 in the International locations of the Watch and Accessory Brands segment were \$375.1 million, above the prior year by \$5.2 million, or 1.4%, which included fluctuations in foreign currency exchange rates that positively impacted net sales by \$11.6 million when compared to the prior year. The increase in net sales was primarily due to the positive impact of fluctuations in foreign exchange rates and increased volumes resulting from higher demand in the licensed brands category in the Company's wholesale customers, partially offset by lower demand in the owned brands category in the Company's wholesale customers. The net sales increase recorded in the licensed brands category was \$15.2 million, or 4.8%, primarily due to net sales increases in Europe and the Americas (excluding the United States), partially offset by net sales decreases in Asia and the Middle East. The net sales decrease recorded in the owned brands category was \$7.0 million, or 14.1%, primarily due to net sales decreases in the Middle East, Asia and Europe, partially offset by a net sales increase in the Americas (excluding the United States).

Company Stores Net Sales

Net sales for fiscal 2026 in the Company Stores segment were \$103.0 million, \$6.1 million or 6.2% above the prior year. The net sales increase was primarily due to increased volumes mainly due to higher foot traffic in the Company's stores, a new store opening and an increase in sales from the Company's online outlet store at www.movadocompanystore.com. As of January 31, 2026 and 2025, the Company operated 57 and 56 retail outlet locations, respectively.

Gross Profit

Gross profit for fiscal 2026 was \$363.6 million or 54.2% of net sales as compared to \$353.1 million or 54.0% of net sales in the prior year. The increase in gross profit of \$10.5 million was due to higher net sales combined with a higher gross margin percentage. The increase in the gross margin percentage of approximately 20 basis points for fiscal 2026 reflected a favorable sales mix (approximately 180 basis points) and the increased leveraging of certain reduced costs over higher sales (approximately 40 basis points), partially offset by the negative impact due to increased U.S. tariffs (approximately 150 basis points), a negative impact of fluctuations in foreign exchange rates (approximately 40 basis points) and higher shipping costs (approximately 10 basis points).

Selling, General and Administrative ("SG&A")

SG&A expenses for fiscal 2026 were \$333.8 million, representing an increase from the prior year of \$0.6 million, or 0.2%. The increase in SG&A expenses was primarily due to (i) an increase in performance-based compensation of \$12.0 million, (ii) a \$3.6 million increase in foreign exchange losses mainly due to a highly volatile foreign currency environment, (iii) a \$1.2 million increase in accounts receivable reserve, (iv) an increase in costs of \$1.1 million related to the internal investigation of allegations of misconduct within the Dubai branch of the Company's Swiss subsidiary that resulted in a restatement of previously issued financial statements, (v) a \$0.9 million increase in donations primarily to the Movado Group Foundation, (vi) a \$0.8 million increase in professional service fees, and (vii) an increase of \$0.7 million in rent-related expenses due to a new store opening. These increases were partially offset by lower marketing expenses of \$14.1 million, a decrease in payroll-related expense of \$5.7 million (which included a decrease of \$3.1 million related to the cost-savings initiative, mainly due to a decrease in severance costs, discussed under "Recent Developments and Initiatives") and a decrease in information technology-related charges of \$0.8 million. For the year ended January 31, 2026, fluctuations in foreign currency rates related to the foreign subsidiaries unfavorably impacted SG&A expenses by \$9.7 million when compared to the prior year period.

Watch and Accessory Brands Operating Income

For fiscal 2026, the Company recorded operating income of \$15.0 million in the Watch and Accessory Brands segment which includes \$37.7 million of unallocated corporate expenses as well as \$66.4 million of certain intercompany profits related to the Company's supply chain operations. For fiscal 2025, the Company recorded operating income of \$7.7 million in the Watch and Accessory Brands segment which included \$30.0 million of unallocated corporate expenses as well as \$67.0 million of certain intercompany profits related to the Company's supply chain operations. The \$7.3 million increase in operating income was the result of an increase in gross profit of \$6.7 million, combined with lower SG&A expenses of \$0.6 million when compared to the prior year period. The increase in gross profit was the result of higher net sales while the gross margin percentage was unchanged primarily due to a favorable impact of sales mix and the increased leveraging of certain reduced costs over higher sales, offset by increased U.S. tariffs, a negative impact of fluctuations in foreign exchange rates and higher shipping costs. The decrease in SG&A expenses was primarily due to (i) lower marketing expenses of \$14.2 million, (ii) a decrease in payroll-related expense of \$5.7 million (which included a decrease of \$3.1 million related to the cost-savings initiative mainly due to a decrease in severance costs) and (iii) a decrease in information technology-related charges of \$0.8

million. These decreases were partially offset by an increase in performance-based compensation of \$11.7 million, a \$3.6 million increase in foreign exchange losses mainly due to a highly volatile foreign currency environment, a \$1.2 million increase in accounts receivable reserve, an increase in costs of \$1.1 million related to the internal investigation of allegations of misconduct within the Dubai branch, an increase in donations primarily to the Movado Group Foundation of \$0.9 million and a \$0.8 million increase in professional service fees.

U.S. Watch and Accessory Brands Operating Loss

In the United States locations of the Watch and Accessory Brands segment, for the twelve months ended January 31, 2026, the Company recorded an operating loss of \$44.0 million which includes unallocated corporate expenses of \$37.7 million. For the twelve months ended January 31, 2025 the Company recorded an operating loss of \$40.1 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of \$30.0 million. The increase in operating loss was the result of a decrease in gross profit of \$6.5 million partially offset by a decrease in SG&A expenses of \$2.6 million when compared to the prior year period. The decrease in gross profit of \$6.5 million was the result of higher net sales offset by a lower gross margin percentage primarily due to increased U.S. tariffs and the negative impact of fluctuations in foreign exchange rates, partially offset by the increased leveraging of certain reduced costs over higher sales. The decrease in SG&A expenses was primarily due to (i) a \$7.6 million decrease in marketing expenses, (ii) a decrease in payroll-related expense of \$3.5 million (which included a decrease of \$1.6 million related to the cost-savings initiative mainly due to a decrease in severance costs) and (iii) a decrease in information technology-related charges of \$2.6 million. These decreases were partially offset by an increase in performance-based compensation of \$8.6 million, a \$0.9 million increase in donations primarily to the Movado Group Foundation, a \$0.7 million increase in accounts receivable reserve, an increase in costs of \$0.7 million related to the internal investigation of allegations of misconduct within the Dubai branch and a \$0.6 million increase in professional service fees.

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the twelve months ended January 31, 2026, the Company recorded operating income of \$59.0 million which includes \$66.4 million of certain intercompany profits related to the Company's International supply chain operations. For the twelve months ended January 31, 2025, the Company recorded operating income of \$47.8 million in the International locations of the Watch and Accessory Brands segment which included \$67.0 million of certain intercompany profits related to the Company's supply chain operations. The increase in operating income was the result of a higher gross profit of \$13.2 million partially offset by higher SG&A expenses of \$2.0 million. The increase in gross profit of \$13.2 million was primarily the result of higher sales and a higher gross margin percentage primarily due to a favorable impact of sales mix, the increased leveraging of certain reduced costs over higher sales and the positive impact of fluctuations in foreign exchange rates. The increase in SG&A expenses was primarily due to (i) a \$3.6 million increase in foreign exchange losses mainly due to a highly volatile foreign currency environment, (ii) an increase in performance-based compensation of \$3.1 million, (iii) an increase in information-technology related charges of \$1.8 million, (iv) a \$0.5 million increase in accounts receivable reserve, and (v) an increase in costs of \$0.4 million related to the internal investigation of allegations of misconduct within the Dubai branch. These increases were partially offset by lower marketing expenses of \$6.6 million and a decrease in payroll-related expense of \$2.2 million (which included a decrease of \$1.5 million related to the cost-savings initiative, mainly due to a decrease in severance costs).

Company Stores Operating Income

The Company recorded operating income of \$14.8 million and \$12.3 million in the Company Stores segment for fiscal 2026 and 2025, respectively. The increase in operating income of \$2.5 million was primarily related to an increase in gross profit of \$3.7 million mainly due to higher sales, partially offset by higher SG&A expenses of \$1.2 million primarily due to an increase in rent-related expenses of \$0.7 million due to a new store opening and an increase in performance-based compensation of \$0.3 million. As of January 31, 2026, and 2025, the Company Stores segment operated 57 and 56 retail outlet locations, respectively.

Other Non-Operating Income, net

The Company recorded other income, net of \$5.0 million for the twelve months ended January 31, 2026, primarily due to interest income, partially offset by a non-cash impairment charge of \$0.4 million related to one of its investments in a venture capital fund in which the Company has a limited partnership interest. The write-down was a result of a decline in the fair value of the investment

primarily attributable to a deterioration in the financial condition and operating performance of certain of the underlying portfolio companies within the fund that was determined to be other than temporary.

The Company recorded other income, net of \$7.1 million primarily due to interest income for the twelve months ended January 31, 2025.

Interest Expense

Interest expense was \$0.5 million primarily due to the payment of unused commitment fees for both fiscal 2026 and 2025. There were no borrowings under the Company's revolving credit facility during fiscal 2026 and 2025.

Income Taxes

The Company recorded an income tax provision of \$7.5 million and \$7.4 million for fiscal 2026 and 2025, respectively.

The effective tax rate for fiscal 2026 was 21.8% and differed from the U.S. statutory tax rate of 21.0% primarily due to nondeductible items, partially offset by the deduction of Foreign-Derived Intangible Income and foreign profits being taxed in lower taxing jurisdictions. The effective tax rate for fiscal 2025 was 27.9% and differed from the U.S. statutory tax rate of 21.0% primarily due to the tax consequences of a foreign currency gain related to an extraordinary intercompany dividend and an increase in valuation allowances against certain foreign losses, partially offset by foreign profits being taxed in lower taxing jurisdictions.

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of \$26.6 million and \$18.4 million for fiscal 2026 and 2025, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2026 and January 31, 2025, the Company had \$230.5 million and \$208.5 million, respectively, of cash and cash equivalents. Of this total, \$136.2 million and \$83.3 million, respectively, consisted of cash and cash equivalents at the Company's foreign subsidiaries.

The Company believes that based on the Company's current expectations, cash flows from operations and its credit lines and cash on-hand, the Company has adequate funds to support its operating, capital and debt service requirements and expects to maintain compliance with its debt covenants for the next twelve months subsequent to the issuance of the accompanying Consolidated Financial Statements.

At January 31, 2026 the Company had working capital of \$404.2 million as compared to \$377.0 million at January 31, 2025. The increase in working capital was primarily the result of an increase in cash and trade receivables, net and a decrease in accounts payable, partially offset by an increase in accrued liabilities and accrued payroll and benefits. The Company defines working capital as the difference between current assets and current liabilities.

Net cash provided by operating activities was \$57.9 million for fiscal 2026, compared to net cash used in operating activities of \$1.5 million for fiscal 2025, an increase of approximately \$59.4 million. The increase was primarily driven by favorable changes in working capital and a \$7.7 million increase in net income.

The most significant favorable changes in working capital items were:

- Inventories, which generated \$21.6 million of additional cash, primarily reflecting lower inventory levels driven by disciplined inventory management and improved alignment of inventory levels with current demand trends;
- Income taxes payable, which used \$17.4 million less cash due to higher tax payments in the prior year;
- Trade receivables, which used \$11.3 million less cash, reflecting improved collections;
- Accrued payroll and benefits, which generated \$9.0 million of additional cash, primarily due to higher performance-based compensation accruals; and
- Other current assets, which provided \$6.1 million of additional cash, primarily due to timing of prepayments.

These favorable impacts were partially offset by:

- Accounts payable, which used \$17.3 million more cash, primarily due to the timing of supplier payments; and

- Income taxes receivable, which provided \$4.7 million less cash, reflecting the earlier receipt of refunds in the prior year.

Cash used in investing was \$8.1 million for fiscal 2026 as compared to \$13.7 million for fiscal 2025. The cash used in fiscal 2026 was primarily related to capital expenditures of \$4.5 million mainly due to expenditures related to Company stores, shop-in-shops and computer hardware and software costs and \$3.4 million of long-term investments. Cash used in investing activities for fiscal 2025 included \$8.0 million of capital expenditures and \$5.7 million of long-term investments.

The Company expects that capital expenditures in fiscal 2027 will be approximately \$9.0 million as compared to \$4.5 million in fiscal 2026. The capital spending will be primarily for projects in the ordinary course of business including facilities improvements, shop-in-shops, website development, computer hardware and software and tooling costs. The Company has the ability to manage its capital expenditures on discretionary projects.

Cash used in financing activities was \$36.3 million for fiscal 2026 as compared to \$35.4 million for fiscal 2025. The cash used in fiscal 2026 included \$31.1 million in dividends paid, \$3.9 million in stock repurchased in the open market, \$0.5 million of shares repurchased as a result of the surrender of shares by employees in connection with the vesting of certain stock awards and \$1.4 million paid for the distribution of noncontrolling interest earnings, partially offset by \$0.5 million received in connection with stock options exercised. Cash used in financing activities in fiscal 2025 included \$31.1 million in dividends paid, \$2.6 million in stock repurchased in the open market, \$1.2 million of shares repurchased as a result of the surrender of shares by employees in connection with the vesting of certain stock awards and \$0.6 million paid for the distribution of noncontrolling interest earnings.

The Company and its U.S. and Swiss subsidiaries (collectively, the "Borrowers") are parties to an Amended and Restated Credit Agreement originally dated October 12, 2018 (as subsequently amended, the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement provides for a \$100.0 million senior secured revolving credit facility (the "Facility") and has a maturity date of October 28, 2026. The Facility includes a \$15.0 million letter of credit subfacility, a \$25.0 million swingline subfacility and a \$75.0 million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to \$50.0 million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrower is not liable for, nor does it guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both January 31, 2026, and January 31, 2025, there were no amounts of loans outstanding under the Facility. Availability under the Facility was reduced by the aggregate amount of letters of credit outstanding, issued in connection with retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada, totaling approximately \$0.3 million at both January 31, 2026, and January 31, 2025. At January 31, 2026, the letters of credit have expiration dates through June 1, 2026. As of both January 31, 2026, and January 31, 2025, availability under the Facility was \$99.7 million. For additional information regarding the Facility, see Note 7 – Debt and Lines of Credit to the Consolidated Financial Statements.

The Company had weighted average borrowings under the Facility of zero during both fiscal 2026 and fiscal 2025, respectively.

Borrowings under the Credit Agreement bear interest at rates generally based on either the Term Secured Overnight Financing Rate ("SOFR") as administered by the Federal Reserve Bank of New York or a specified base rate, as selected periodically by the Company. The SOFR-based loans bear interest at SOFR plus a spread ranging from 1.00% to 1.75% per annum and the base rate loans bear interest at the base rate plus a spread ranging from 0% to 0.75% per annum, with the spread in each case being based on the Company's consolidated leverage ratio (as defined in the Credit Agreement). As of both January 31, 2026, and 2025, the Company's spreads were 1.00% over SOFR and 0% over the base rate.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of January 31, 2026, and 2025, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of \$8.4 million and \$7.1 million, respectively. As of January 31, 2026, and 2025, there were no borrowings against these lines. As of January 31, 2026, and 2025, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of \$1.6 million and \$1.3 million, respectively, in various foreign currencies, of which \$0.8 million and \$0.7 million, respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees, was \$0.3 million during both fiscal 2026 and 2025, respectively.

From time to time the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. During fiscal 2022, the Company committed to invest up to \$21.5 million in such investments. The Company funded approximately \$14.1 million of these commitments through fiscal 2025 and an additional \$3.4 million during fiscal 2026 and may be called upon to satisfy capital calls in respect of the remaining \$4.0 million in such commitments at any time during a period generally ending ten years after the first capital call in respect of a given commitment. During the three-month period ended July 31, 2025, the Company recorded a non-cash impairment charge of \$0.4 million related to one of its investments in a venture capital fund in which the Company has a limited partnership interest. The write-down was a result of a decline in the fair value of the investment primarily attributable to a deterioration in the financial condition and operating performance of certain of the underlying portfolio companies within the fund that was determined to be other than temporary. The Company will continue to regularly evaluate the carrying value of its investments.

During fiscal 2026, the Company declared and paid four separate cash dividends of \$0.35 per share aggregating to \$31.1 million. During fiscal 2025, the Company declared and paid four separate cash dividends of \$0.35 per share aggregating to \$31.1 million. Although the Company currently expects to continue to declare cash dividends in the future, the decision of whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board of Directors, in its sole discretion.

On November 23, 2021, the Board approved a share repurchase program under which the Company was authorized to purchase up to \$50.0 million of its outstanding common stock through November 23, 2024, depending on market conditions, share price and other factors. On December 5, 2024, the Board approved a new share repurchase program under which the Company is authorized to purchase up to \$50.0 million of its outstanding common stock through December 5, 2027, depending on market conditions, share price and other factors. These repurchases may be made through open market purchases, repurchase plans, block trades or otherwise. During fiscal 2026, the Company repurchased a total of 208,000 shares of its common stock under the December 5, 2024 share repurchase program at a total cost of \$3.9 million, or an average of \$18.75 per share. During fiscal 2025, the Company repurchased a total of 120,000 shares of its common stock under the November 23, 2021 share repurchase program at a total cost of \$2.6 million, or an average of \$21.90 per share. At January 31, 2026, \$46.1 million remains available for purchase under the Company's December 5, 2024 repurchase program.

The Company has various contractual obligations as part of its ordinary course of business. The Company's obligations include operating lease obligations (see Note 11- Leases), licensing agreements (see Note 10 - Commitments and Contingencies), purchase obligations (see Note 10 - Commitments and Contingencies) and transition tax obligation (see Note 10 - Commitments and Contingencies).

Accounting Changes and Recent Accounting Pronouncements

See Note 2 to the accompanying audited Consolidated Financial Statements for a description of recent accounting pronouncements which may impact the Company's Consolidated Financial Statements in future reporting periods.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

Foreign Currency Exchange Rate Risk

The Company's primary market risk exposure relates to foreign currency exchange risk (see Note 8 – Derivative Financial Instruments to the Consolidated Financial Statements). A significant portion of the Company's purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro, Swiss Franc and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, from time to time the Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. Certain of these contracts meet the requirements of qualified hedges. In these circumstances, the Company designates and documents these derivative instruments as a cash flow hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. Changes in the fair value of hedges designated and documented as a cash flow hedge and which are highly effective, are recorded in other comprehensive income until the underlying transaction affects earnings, and then are later reclassified into earnings in the same account as the hedged transaction. The earnings impact is mostly offset by the effects of currency movements on the underlying hedged transactions. To the extent that the Company does not engage in a hedging program, any change in the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rates to local currency would have an equal effect on the Company's earnings.

From time to time the Company uses forward exchange contracts, which do not meet the requirements of qualified hedges, to offset its exposure to certain foreign currency receivables and liabilities. These forward contracts are not designated as qualified hedges and, therefore, changes in the fair value of these derivatives are recognized in earnings in the period they arise, thereby offsetting the current earnings effect resulting from the revaluation of the related foreign currency receivables and liabilities.

As of January 31, 2026, the Company's entire net forward contracts hedging portfolio consisted of 18.0 million Swiss Francs equivalent, 31.7 million U.S. Dollars equivalent, 25.7 million Euros equivalent (none designated as cash flow hedges) and 2.6 million British Pounds equivalent with various expiry dates ranging through May 15, 2026, compared to a portfolio of 28.0 million Swiss Francs equivalent, 32.5 million U.S. Dollars equivalent, 25.3 million Euros equivalent (none designated as cash flow hedges) and 1.5 million British Pounds equivalent with various expiry dates ranging through July 17, 2025, as of January 31, 2025. If the Company were to settle its Swiss Franc forward contracts at January 31, 2026, the result would be a \$0.5 million gain. As of January 31, 2026, the Company's British Pound, Chinese Yuan, U.S. Dollar and Euro forward contracts had no gain or loss.

Commodity Risk

The Company considers its exposure to fluctuations in commodity prices to be primarily related to gold used in the manufacturing of the Company's watches. Under its hedging program, the Company can purchase various commodity derivative instruments, primarily futures contracts. When held, these derivatives are documented as qualified cash flow hedges, and the resulting gains and losses on these derivative instruments are first reflected in other comprehensive income, and later reclassified into earnings, partially offset by the effects of gold market price changes on the underlying actual gold purchases. The Company did not hold any future contracts in its gold hedge portfolio as of January 31, 2026 and 2025; thus, any changes in the gold purchase price will have an equal effect on the Company's cost of sales.

Debt and Interest Rate Risk

Floating rate debt at January 31, 2026 and 2025 was zero for both periods. During fiscal 2026, the Company had no borrowings. The Company does not hedge interest rate risks.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Schedule Number</u>	<u>Page Number</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)		49
Consolidated Balance Sheets at January 31, 2026 and 2025		51
Consolidated Statements of Operations for the fiscal years ended January 31, 2026, 2025 and 2024		52
Consolidated Statements of Comprehensive Income (Loss) for the fiscal years ended January 31, 2026, 2025 and 2024		53
Consolidated Statements of Cash Flows for the fiscal years ended January 31, 2026, 2025 and 2024		54
Consolidated Statements of Changes in Equity for the fiscal years ended January 31, 2026, 2025 and 2024		55
Notes to Consolidated Financial Statements		57
Valuation and Qualifying Accounts for the fiscal years ended January 31, 2026, 2025 and 2024	II	S-1

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Background of the ICFR Matter Identified in Fiscal 2025

As disclosed in the Company's Fiscal 2025 Form 10-K, in January 2025 the Company became aware of allegations of misconduct within the Dubai branch of its Swiss subsidiary, MGI Luxury Group Sàrl, relating to sales to certain customers in the Middle East, India & Asia Pacific region (the "Affected Region"). Following an internal investigation conducted with the assistance of external counsel, the Company determined that certain former employees in the Dubai Branch engaged in actions that resulted in overstated sales, premature revenue recognition and underreporting of credit notes owed (e.g., sales discounts) to customers in the Affected region. The conduct occurred over multiple years and involved use of a third-party warehouse and falsified documentation intended to circumvent the Company's internal controls. No similar issues were identified in other regions of the Company's operations.

In connection with the investigation, management identified a material weakness in internal control over financial reporting, wherein the Company's risk-assessment process did not properly assess the risks associated with the lack of functional segregation of duties in the Company's Dubai Branch. As a result of this material weakness, the Company restated previously issued financial statements for fiscal years 2024, 2023 and 2022, as well as the interim periods within fiscal year 2025 and fiscal year 2024.

As discussed below, the Company completed the remediation of the material weakness identified in fiscal 2025, and, accordingly, the circumstances that contributed to the ineffectiveness of disclosure controls and procedures as of January 31, 2025, have been addressed.

Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, it should be noted that a control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that its objectives will be met and may not prevent all errors or instances of fraud.

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such terms are defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective at a reasonable assurance level as of the end of the period covered by this report.

The Company's Chief Executive Officer and Chief Financial Officer have furnished the certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act in connection with this annual report on Form 10-K.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"), as such term is defined in Rule 13a-15(f) under the Exchange Act, for the Company. With the participation of the Chief Executive Officer and the Chief Financial Officer, management conducted an evaluation of the effectiveness of the Company's ICFR based on the framework and criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, the Company's management has concluded that the Company's internal control over financial reporting was effective as of January 31, 2026.

The effectiveness of the Company's internal control over financial reporting as of January 31, 2026, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears under "Index to Consolidated Financial Statements - Report of Independent Registered Public Accounting Firm."

Remediation of Previously Reported Material Weakness

As previously disclosed, management had concluded that ICFR was not effective as of January 31, 2025, due to a material weakness in its internal control over financial reporting, wherein the Company's risk-assessment process did not properly assess the risks associated with the lack of functional segregation of duties in the Company's Dubai Branch.

During fiscal 2026, the Company completed a series of remediation measures designed to address the root causes of the material weakness. These remediation measures included:

- Redesigning the organizational structure in the affected region to eliminate the concentration of authority and ensure appropriate segregation of duties;
- Implementing revised reporting lines and governance protocols to increase independent oversight over regional sales, finance and operational functions; and
- Establishing recurring management review controls, including an annual review of reporting lines, an annual turnover-risk assessment and an annual exit-interview risk assessment, each designed to identify conditions that could indicate elevated risk of management override or weakened oversight.

Management tested the design and operating effectiveness of the remediated controls and determined that they were designed effectively and operated effectively for a sufficient period of time to demonstrate sustained improvement and the remediation of the material weakness.

Supplemental Enhancements

Separately from the required remediation actions described above, the Company also undertook a number of supplemental enhancements to support a stronger ethics and compliance culture. These enhancements included expanded ethics communications by senior leadership; updates to the Company's Code of Conduct and related training programs; enhancements to its whistleblower reporting processes, including implementation of a third-party whistleblower hotline; and updates to the Company's corporate policy framework. These actions were undertaken to reinforce the control environment but were not required to remediate the material weakness.

Changes in Internal Control Over Financial Reporting

During the fiscal quarter ended January 31, 2026, the Company completed the remediation of the material weakness described above. Specifically, the Company finalized the control changes related to its annual turnover and exit-interview risk assessments. There were no other changes in the Company's internal control over financial reporting during the quarter that have materially affected, or that are reasonably likely to materially affect, the Company's ICFR.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the quarterly period ended January 31, 2026, none of the Company's directors or officers informed the Company of the adoption, modification or termination of a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the captions "Election of Directors" and "Management" and is incorporated herein by reference.

Information on the beneficial ownership reporting for the Company's directors and executive officers will be contained in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

Information on the Company's Audit Committee and Audit Committee Financial Expert will be contained in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the caption "Information Regarding the Board of Directors and Its Committees" and is incorporated herein by reference.

The Company has adopted and posted on its website at www.movadogroup.com a Code of Business Conduct and Ethics that applies to all directors, officers and employees, including the Company's Chief Executive Officer, Chief Financial Officer and principal financial and accounting officers. The Company will post any amendments to the Code of Business Conduct and Ethics, and any waivers that are required to be disclosed by SEC regulations, on the Company's website.

Item 11. Executive Compensation

The information required by this item will be included in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the captions "Executive Compensation" and "Compensation of Directors" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the caption "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item will be included in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the caption "Certain Relationships and Related Transactions" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this item will be included in the Company's Proxy Statement for the 2026 annual meeting of shareholders under the caption "Fees Paid to PricewaterhouseCoopers LLP" and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report

1. Financial Statements:

See Index to Consolidated Financial Statements on page 40 included in Item 8 of Part II of this annual report.

2. Financial Statement Schedule:

Schedule II Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

3. Index to Exhibits:

Exhibit Number	Description
3.1	Restated By-Laws of the Registrant. Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on July 14, 2014.
3.2	Restated Certificate of Incorporation of the Registrant as amended. Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2019 filed on March 28, 2019.
4.1	Specimen Common Stock Certificate. Incorporated herein by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 1997 filed on April 18, 1997.
4.2	Description of Securities. Incorporated herein by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2020 filed on March 26, 2020.
10.1	Amended and Restated Credit Agreement, dated as of October 12, 2018, among the Company, certain U.S., Swiss and Dutch subsidiaries thereof, the lenders party thereto and Bank of America, N.A. as administrative agent (the "Corporate Credit Agreement"), as amended through and including the Fourth Amendment thereto dated August 2, 2022. Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 4, 2022.*
10.2	Fifth Amendment, dated as of January 30, 2024, to the Corporate Credit Agreement. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.*
10.3	Sixth Amendment, dated as of May 15, 2024, to the Corporate Credit Agreement. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2024, filed on September 5, 2024.*
10.4	Security and Pledge Agreement, dated as of January 30, 2015, by and among Movado Group, Inc., Movado Group Delaware Holdings Corporation, Movado Retail Group, Inc. and Movado LLC, as Grantors, and Bank of America, N.A., as administrative agent (the "Corporate Pledge Agreement"). Incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed February 5, 2015. *
10.5	Amendment No.1 to the Corporate Pledge Agreement, dated as of August 2, 2022. Incorporated herein by reference to Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.*
10.6	Amendment No.2 to the Corporate Pledge Agreement, dated as of January 30, 2024. Incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.*
10.7	Movado Group, Inc. 1996 Stock Incentive Plan, Amended and Restated as of April 4, 2023. Incorporated herein by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on May 11, 2023. **
10.8	Form of Stock Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, amended and restated as of April 4, 2013. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2015. **

- 10.9 Form of Option Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, amended and restated as of April 4, 2013. Incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2015. **
- 10.10 Form of Stock Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, effective March 27, 2023. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023.**
- 10.11 Form of Performance Share Award Agreement under the Movado Group, Inc. 1996 Stock Incentive Plan, effective March 27, 2023. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023.**
- 10.12 Movado Group Inc. Amended and Restated Deferred Compensation Plan for Executives, effective January 1, 2022. Incorporated herein by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on May 12, 2022. **
- 10.13 Lease made December 21, 2000 between the Registrant and Mack-Cali Realty, L.P. for premises in Paramus, New Jersey together with First Amendment thereto made December 21, 2000. Incorporated herein by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2001.
- 10.14 Second Amendment of Lease dated July 26, 2001 between Mack-Cali Realty, L.P., as landlord, and Movado Group, Inc., as tenant, further amending lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed for the quarter ended October 31, 2001.
- 10.15 Third Amendment of Lease dated November 6, 2001 between Mack-Cali Realty, L.P., as lessor, and Movado Group, Inc., as lessee, for additional space at Mack-Cali II, One Mack Drive, Paramus, New Jersey. Incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed for the quarter ended October 31, 2001.
- 10.16 Fifth Amendment of Lease dated October 20, 2003 between Mack-Cali Realty, L.P. as landlord, and the Registrant as tenant further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2004.
- 10.17 Tenth Amendment to Lease dated March 10, 2011 between Mack-Cali Realty, L.P., as landlord, and the Registrant, as tenant, further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2011.
- 10.18 Thirteenth Amendment to Lease dated October 24, 2017 between Mack-Cali Realty, L.P., as landlord, and the Registrant, as tenant, further amending the lease dated as of December 21, 2000. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2017 filed on November 21, 2017.
- 10.19 Lease Agreement dated May 22, 2000 between Forsgate Industrial Complex and the Registrant for premises located at 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2000.
- 10.20 First Amendment dated as of February 27, 2009 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2009.
- 10.21 Third Amendment dated as of November 14, 2019 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2020 filed on March 26, 2020.
- 10.22 Fourth Amendment dated as of August 24, 2023 to Lease dated May 22, 2000 between Forsgate Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey. Incorporated herein by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.
- 10.23 Amended and Restated License Agreement dated January 13, 2015 between the Registrant, Swissam Products Limited and Coach, Inc. Incorporated herein by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.

- 10.24 First Amendment dated January 6, 2020, to the Amended and Restated License Agreement dated January 13, 2015 between the Registrant, Swissam Products Limited and Tapestry, Inc. (f/k/a Coach, Inc.). Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 8, 2020.
- 10.25 Second Amendment dated August 25, 2021, to the Amended and Restated License Agreement with Tapestry, Inc. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed August 31, 2021.
- 10.26 Third Amendment dated February 2, 2023, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, filed December 5, 2024.
- 10.27 Fourth Amendment dated August 31, 2023, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, filed December 5, 2024.
- 10.28 Fifth Amendment dated September 12, 2024, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc. Incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, filed December 5, 2024.
- 10.29 Amended and Restated License Agreement between MGI Luxury Group, S.A., a wholly-owned Swiss subsidiary of Movado Group, Inc., Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A., dated August 30, 2022. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed November 22, 2022.
- 10.30 License Agreement among Tommy Hilfiger Licensing LLC, Movado Group, Inc. and Swissam Products Limited, effective as of January 1, 2020, amending and restating the prior license agreement among such parties dated September 16, 2009. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2020 filed on June 9, 2020.
- 10.31 Extension letter, dated October 16, 2024, extending the term of the January 1, 2020, License Agreement among Tommy Hilfiger Licensing LLC, Movado Group, Inc. and Swissam Products Limited. Incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, filed December 5, 2024.
- 10.32 License Agreement, dated as of August 19, 2020, among Calvin Klein, Inc., Movado Group, Inc. and Swissam Products Limited. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2020 filed on November 24, 2020.
- 10.33 Amended and Restated License Agreement dated March 17, 2022 between MGI Luxury Group S.A. and Hugo Boss Trade Mark Management GmbH & Co. KG. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed May 26, 2022.
- 10.34 First Amendment dated September 17, 2024, to the Amended and Restated License Agreement dated March 17, 2022, between the Company and HUGO BOSS AG Branch CH-Zug. Incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, filed December 5, 2024.
- 19.1 Movado Group Insider Trading Policy. Incorporated herein by reference to Exhibit 19.1 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2025, filed on April 16, 2025.
- 21.1 Subsidiaries of the Registrant. ***
- 23.1 Consent of PricewaterhouseCoopers LLP. ***
- 31.1 Certification of Chief Executive Officer. ***
- 31.2 Certification of Chief Financial Officer. ***
- 32.1 Certification of 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 Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ***

- 97.1 Policy relating to recovery of erroneously awarded compensation, as required by applicable listing standards adopted pursuant to 17 CFR 240.10D-1. Incorporated herein by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 10-K for the year ended January 31, 2024, filed on March 26, 2024.
- 101 The following financial information from Movado Group, Inc.'s Form 10-K for the year ended January 31, 2026, filed with the SEC, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Income (Loss); (iv) the Consolidated Statements of Cash Flows; (v) Consolidated Statements of Changes in Equity; (vi) the Notes to the Consolidated Financial Statements and (vii) Schedule II – Valuation and Qualifying Accounts and Reserves. XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.
- 104 Cover Page Interactive Data File, formatted in Inline Extensible Business Reporting Language (iXBRL).

* Pursuant to Item 601(b)(4) of Regulation S-K, certain instruments with respect to long-term debt not exceeding 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis are not filed as exhibits to this report. Registrant agrees to furnish a copy of any such instrument to the Commission upon request.

** Constitutes a compensatory plan or arrangement.

*** Filed herewith.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MOVADO GROUP, INC.

(Registrant)

Dated: March 19, 2026

By: /s/ Efraim Grinberg

Efraim Grinberg
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Dated: March 19, 2026

/s/ Efraim Grinberg

Efraim Grinberg
Chairman of the Board of Directors, Director
and Chief Executive Officer

Dated: March 19, 2026

/s/ Sallie A. DeMarsilis

Sallie A. DeMarsilis
Executive Vice President and Chief Financial
Officer

Dated: March 19, 2026

/s/ Linda Feeney

Linda Feeney
Senior Vice President, Principal Accounting
Officer

Dated: March 19, 2026

/s/ Peter Bridgman

Peter Bridgman
Director

Dated: March 19, 2026

/s/ Alex Grinberg

Alex Grinberg
Director

Dated: March 19, 2026

/s/ Alan H. Howard

Alan H. Howard
Director

Dated: March 19, 2026

/s/ Richard D. Isserman

Richard D. Isserman
Director

Dated: March 19, 2026

/s/ Ann Kirschner

Ann Kirschner
Director

Dated: March 19, 2026

/s/ Maya Peterson

Maya Peterson
Director

Dated: March 19, 2026

/s/ Stephen Sadove

Stephen Sadove
Director

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Movado Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Movado Group, Inc. and its subsidiaries (the “Company”) as of January 31, 2026 and 2025, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended January 31, 2026, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended January 31, 2026 appearing on page S-1 (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Component Parts Inventory

As described in Notes 1 and 5 to the consolidated financial statements, inventory is valued at the lower of cost or net realizable value. The Company performs reviews of its on-hand inventory, including component parts, to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. As of January 31, 2026, the Company's component parts inventory balance was \$27.1 million. As disclosed by management, the Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

The principal considerations for our determination that performing procedures relating to the valuation of component parts inventory is a critical audit matter are (i) the significant judgment by management when determining the valuation of component parts inventory and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and in evaluating the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of component parts inventory. These procedures also included, among others, testing management's process for determining the valuation of component parts inventory, which included (i) evaluating the appropriateness of management's valuation methodology; (ii) testing the completeness and accuracy of underlying data used in the valuation; and (iii) evaluating the reasonableness of the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service. Evaluating the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service involved evaluating the reasonableness considering (i) management's process for determining the timing of when a component part is no longer associated with a watch that is being manufactured; (ii) historical utilization of component parts for after-sales service; (iii) the Company's objectives and strategies; (iv) consistency with external market and industry data; and (v) consistency with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
New York, New York
March 19, 2026

We have served as the Company's auditor since 1976.

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	January 31, 2026	January 31, 2025
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 230,541	\$ 208,501
Trade receivables, net	102,037	93,382
Inventories	158,331	156,738
Other current assets	22,208	21,786
Income taxes receivable	4,118	9,534
Total current assets	517,235	489,941
Property, plant and equipment, net	17,105	19,920
Operating lease right-of-use assets	67,873	86,009
Deferred and non-current income taxes	45,917	41,330
Other intangibles, net	4,162	5,537
Other non-current assets	90,329	86,494
Total assets	<u>\$ 742,621</u>	<u>\$ 729,231</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 21,138	\$ 34,312
Accrued liabilities	49,748	42,610
Accrued payroll and benefits	17,896	7,840
Current operating lease liabilities	20,603	19,263
Income taxes payable	3,663	8,935
Total current liabilities	113,048	112,960
Deferred and non-current income taxes payable	1,030	1,008
Non-current operating lease liabilities	58,063	75,508
Other non-current liabilities	60,220	56,176
Total liabilities	232,361	245,652
Commitments and contingencies (Note 10)		
Equity:		
Preferred Stock, \$0.01 par value, 5,000,000 shares authorized; no shares issued	—	—
Common Stock, \$0.01 par value, 100,000,000 shares authorized; 29,347,358 and 29,178,287 shares issued, respectively	293	292
Class A Common Stock, \$0.01 par value, 30,000,000 shares authorized; 6,455,602 and 6,458,376 shares issued, respectively	64	64
Capital in excess of par value	249,108	243,355
Retained earnings	442,204	446,704
Accumulated other comprehensive income	110,614	79,981
Treasury Stock, 13,725,962 and 13,490,483 shares, respectively, at cost	(293,441)	(289,067)
Total Movado Group, Inc. shareholders' equity	508,842	481,329
Noncontrolling interest	1,418	2,250
Total equity	510,260	483,579
Total liabilities and equity	<u>\$ 742,621</u>	<u>\$ 729,231</u>

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Fiscal Year Ended January 31,		
	2026	2025	2024
Net sales	\$ 671,310	\$ 653,378	\$ 664,389
Cost of sales	307,707	300,238	300,230
Gross profit	363,603	353,140	364,159
Selling, general and administrative	333,774	333,125	315,689
Operating income	29,829	20,015	48,470
Non-operating income/(expense):			
Other income, net	5,033	7,125	5,994
Interest expense	(507)	(489)	(497)
Income before income taxes	34,355	26,651	53,967
Provision for income taxes (Note 12)	7,487	7,442	11,792
Net income	26,868	19,209	42,175
Less: Net income attributable to noncontrolling interest	316	845	830
Net income attributable to Movado Group, Inc.	<u>\$ 26,552</u>	<u>\$ 18,364</u>	<u>\$ 41,345</u>
Basic income per share:			
Weighted basic average shares outstanding	22,243	22,268	22,221
Net income per share attributable to Movado Group, Inc.	\$ 1.19	\$ 0.82	\$ 1.86
Diluted income per share:			
Weighted diluted average shares outstanding	22,614	22,603	22,641
Net income per share attributable to Movado Group, Inc.	\$ 1.17	\$ 0.81	\$ 1.83

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Fiscal Year Ended January 31,		
	2026	2025	2024
Net income	\$ 26,868	\$ 19,209	\$ 42,175
Other comprehensive income/(loss):			
Net unrealized (loss)/gain on investments, net of tax (benefit)/provision of (\$6), \$15 and (\$4), respectively	(19)	46	(13)
Amortization of prior service cost, net of tax provision of \$14, \$19 and \$16, respectively	54	49	60
Net actuarial (loss)/gain arising during the period, net of tax (benefit)/provision of (\$485), (\$29) and (\$15), respectively	(1,855)	(85)	(56)
Foreign currency translation adjustments	32,453	(12,321)	10,835
Cash flow hedges:			
Accumulated other comprehensive (loss)/income before reclassification, net of tax (benefit)/provision of (\$327), \$1 and \$42, respectively	(1,656)	3	214
Amounts reclassified from accumulated other comprehensive income/(loss), net of tax provision/(benefit) of \$327, (\$9) and \$0, respectively	1,656	(46)	—
Total other comprehensive (loss)/income, net of taxes	30,633	(12,354)	11,040
Less:			
Comprehensive income/(loss) attributable to noncontrolling interests:			
Net income	316	845	830
Foreign currency translation adjustments	211	(150)	(178)
Total comprehensive income attributable to noncontrolling interests	527	695	652
Total comprehensive income attributable to Movado Group, Inc.	<u>\$ 56,974</u>	<u>\$ 6,160</u>	<u>\$ 52,563</u>

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended January 31,		
	2026	2025	2024
Cash flows from operating activities:			
Net income	\$ 26,868	\$ 19,209	\$ 42,175
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,416	9,312	9,644
Transactional losses/(gains)	743	(388)	722
Provision for inventories and accounts receivable	5,684	4,588	5,418
Deferred income taxes	(2,827)	827	319
Stock-based compensation	5,156	4,108	7,442
Other	1,045	413	1,020
Changes in assets and liabilities:			
Trade receivables	(276)	(11,550)	(899)
Inventories	9,834	(11,725)	35,675
Other current assets	1,467	(4,589)	5,962
Accounts payable	(15,451)	1,842	1,541
Accrued liabilities	3,381	3,102	(6,011)
Accrued payroll and benefits	9,461	475	(9,922)
Income taxes receivable	4,832	9,532	(3,744)
Income taxes payable	(4,562)	(21,971)	(13,832)
Other non-current assets	2,225	(4,278)	1,877
Other non-current liabilities	925	(411)	(609)
Net cash provided by/(used in) operating activities	57,921	(1,504)	76,778
Cash flows from investing activities:			
Capital expenditures	(4,512)	(7,966)	(8,223)
Long-term investments	(3,440)	(5,667)	(3,107)
Trademarks and other intangibles	(138)	(109)	(144)
Net cash used in investing activities	(8,090)	(13,742)	(11,474)
Cash flows from financing activities:			
Dividends paid	(31,052)	(31,069)	(53,146)
Stock repurchases	(3,900)	(2,628)	(3,116)
Distribution of noncontrolling interest earnings	(1,359)	(604)	(1,431)
Stock awards and options exercised and other changes	32	(1,101)	97
Net cash used in financing activities	(36,279)	(35,402)	(57,596)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	8,616	(2,952)	2,927
Net increase/(decrease) in cash, cash equivalents and restricted cash	22,168	(53,600)	10,635
Cash, cash equivalents and restricted cash at beginning of year	209,214	262,814	252,179
Cash, cash equivalents and restricted cash at end of year	\$ 231,382	\$ 209,214	\$ 262,814
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 230,541	\$ 208,501	\$ 262,059
Restricted cash included in other non-current assets	841	713	755
Cash, cash equivalents, and restricted cash	\$ 231,382	\$ 209,214	\$ 262,814

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except per share amounts)

	Preferred Stock	Common Stock Shares (1)	Common Stock Amount	Class A Common Stock Shares (2)	Class A Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Noncontrolling Interests	Total Movado Group, Inc. Shareholders' Equity
Balance, January 31, 2023	\$ —	28,807	\$ 288	6,525	\$ 65	\$ 230,782	\$ 471,210	\$ 81,295	\$ (281,576)	\$ 2,938	\$ 505,002
Net income attributable to Movado Group, Inc.							41,345			830	42,175
Dividends (\$2.40 per share)							(53,146)				(53,146)
Distribution of noncontrolling interest earnings										(1,431)	(1,431)
Stock awards and options exercised		153	1			673			(578)		96
Stock repurchases									(3,116)		(3,116)
Conversion of Class A Common Stock to Common Stock		42	1	(42)	(1)						-
Supplemental executive retirement plan		2				165					165
Stock-based compensation expense						7,442					7,442
Net unrealized loss on investments, net of tax benefit of (\$4)								(13)			(13)
Net change in effective portion of hedging contracts, net of tax provision of \$42								214			214
Amortization of prior service cost, net of tax provision of \$16								60			60
Net actuarial loss during period, net of tax benefit of (\$15)								(56)			(56)
Foreign currency translation adjustment (3)								10,835		(178)	10,657
Balance, January 31, 2024	\$ —	29,004	\$ 290	6,483	\$ 64	\$ 239,062	\$ 459,409	\$ 92,335	\$ (285,270)	\$ 2,159	\$ 508,049
Net income attributable to Movado Group, Inc.							18,364			845	19,209
Dividends (\$1.40 per share)							(31,069)				(31,069)
Distribution of noncontrolling interest earnings										(604)	(604)
Stock awards and options exercised		145	2			66			(1,169)		(1,101)
Stock repurchases									(2,628)		(2,628)
Conversion of Class A Common Stock to Common Stock		25		(25)							-
Supplemental executive retirement plan		4				119					119
Stock-based compensation expense						4,108					4,108
Net unrealized gain on investments, net of tax provision of \$15								46			46
Net change in effective portion of hedging contracts, net of tax benefit of (\$8)								(43)			(43)
Amortization of prior service cost, net of tax provision of \$19								49			49
Net actuarial loss during period, net of tax benefit of (\$29)								(85)			(85)
Foreign currency translation adjustment (3)								(12,321)		(150)	(12,471)
Balance, January 31, 2025	\$ —	29,178	\$ 292	6,458	\$ 64	\$ 243,355	\$ 446,704	\$ 79,981	\$ (289,067)	\$ 2,250	\$ 483,579

	Preferred Stock	Common Stock Shares (1)	Common Stock Amount	Class A Common Stock Shares (2)	Class A Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Noncontrolling Interests	Total Movado Group, Inc. Shareholders' Equity
Net income attributable to Movado Group, Inc.							26,552			316	26,868
Dividends (\$1.40 per share)							(31,052)				(31,052)
Distribution of noncontrolling interest earnings										(1,359)	(1,359)
Stock awards and options exercised		158	1			505			(474)		32
Stock repurchases									(3,900)		(3,900)
Conversion of Class A Common Stock to Common Stock		3									-
Supplemental executive retirement plan		8		(3)		92					92
Stock-based compensation expense						5,156					5,156
Net unrealized loss on investments, net of tax benefit of (\$6)								(19)			(19)
Net change in effective portion of hedging contracts, net of tax provision of \$0											-
Amortization of prior service cost, net of tax provision of \$14								54			54
Net actuarial loss during period, net of tax benefit of (\$485)								(1,855)			(1,855)
Foreign currency translation adjustment (3)								32,453		211	32,664
Balance, January 31, 2026	\$ —	29,347	\$ 293	6,455	\$ 64	\$ 249,108	\$ 442,204	\$ 110,614	\$ (293,441)	\$ 1,418	\$ 510,260

(1) Each share of common stock is entitled to one vote per share on all matters submitted to a vote of the shareholders.

(2) Each share of class A common stock is entitled to 10 votes per share on all matters submitted to a vote of the shareholders. Each holder of class A common stock is entitled to convert, at any time, any and all of such shares into the same number of shares of common stock. Each share of class A common stock is converted automatically into common stock in the event that the beneficial or record ownership of such shares of class A common stock is transferred to any person, except to certain family members or affiliated persons deemed "permitted transferees" pursuant to the Company's Restated Certificate of Incorporation as amended. The class A common stock is not publicly traded and consequently, there is currently no established public trading market for these shares.

(3) The currency translation adjustment is not adjusted for income taxes to the extent that it relates to permanent investments of earnings in international subsidiaries.

See Notes to Consolidated Financial Statements

NOTES TO MOVADO GROUP, INC.'S CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Movado Group, Inc. (together with its subsidiaries, the "Company") designs, sources, markets and distributes quality watches with prominent brands across most price categories of the watch industry. The Company's fiscal year ends on January 31st of each year, and references to fiscal 2026 relate to the year ended January 31, 2026. In fiscal 2026, the Company marketed the following distinct brands of watches: Movado, Concord, EBEL, Olivia Burton, MVMT, Coach, Tommy Hilfiger, Hugo Boss, Lacoste and Calvin Klein. The Company also designs, sources, markets and distributes jewelry and other accessories under certain of its brands.

Movado (with the exception of certain Movado collections), EBEL and Concord watches, as well as certain Calvin Klein watch styles, are manufactured in Switzerland by independent third-party assemblers using Swiss movements and other parts sourced by the Company's Swiss operations. All of the Company's products are manufactured using components obtained from third party suppliers. Certain Movado collections of watches are manufactured by independent contractors in Switzerland and Asia using Swiss movements. Coach, Hugo Boss, Lacoste, Olivia Burton, MVMT, Tommy Hilfiger and most Calvin Klein watches are manufactured by independent contractors in Asia. The Company's jewelry and other accessories are manufactured by independent contractors in Asia and, to a lesser extent, the United States.

In addition to its sales to trade customers and independent distributors, the Company sells directly to consumers via its e-commerce platforms and also operates 53 retail outlet locations throughout the United States and four in Canada, through which it sells current and discontinued models and factory seconds of all of the Company's watch brands.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated. To the extent a subsidiary is not wholly-owned, any related noncontrolling interests are included as a separate component of Shareholders' Equity.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. These estimates and assumptions are based on management's best estimates and judgment. On an on-going basis, the Company evaluates its estimates and judgment. These estimates include accounting for sales discounts, returns, markdowns, allowance for expected credit losses, allowances and incentives, warranties, income taxes, depreciation, amortization, inventory write-downs, stock-based compensation, pensions, contingencies and impairments of long-lived assets. Actual results could differ from those estimates.

Translation of Foreign Currency Financial Statements and Foreign Currency Transactions

The financial statements of the Company's international subsidiaries have been translated into United States dollars by translating balance sheet accounts at year-end exchange rates and the weighted average exchange rate for each period for revenues, expenses, gains, losses and cash flows. Foreign currency transaction gains and losses are charged or credited to earnings as incurred. Foreign currency translation gains and losses are reflected in the equity section of the Company's Consolidated Balance Sheets in accumulated other comprehensive income.

Cash and Cash Equivalents and Restricted Cash

Cash equivalents include all highly liquid investments with original maturities at date of purchase of three months or less.

Restricted cash is comprised of cash or cash equivalents which has been placed into an account that is restricted for a specific use and from which the Company cannot withdraw the cash on demand.

Trade Receivables

Trade receivables as shown on the Consolidated Balance Sheets are net of various allowances. The Company utilizes a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its trade accounts receivables. The Company writes off uncollectible trade receivables once collection efforts have been exhausted and third parties confirm the balance is not recoverable.

Included in Trade receivables are amounts due from trade customers including department stores, jewelry store chains, independent jewelers, third-party e-commerce retailers and payment processors used by the Company's owned e-commerce websites. All of the Company's watch brands are also marketed outside the U.S. through a network of independent distributors. Trade receivables, net are stated net of reserves for expected credit losses, returns and allowances of \$31.7 million and \$26.1 million at January 31, 2026 and 2025, respectively. Trade receivables, net are also stated net of certain cooperative advertising allowances of \$6.6 million and \$4.2 million at January 31, 2026 and 2025, respectively. Cooperative advertising allowances are credits to be taken by the customer at a future date on previously executed cooperative advertising.

The Company's concentrations of credit risk arise primarily from accounts receivable related to trade customers during the peak selling seasons. The Company has significant accounts receivable balances due from major national chain and department stores and third-party e-commerce retailers. The Company's results of operations could be materially adversely affected in the event any of these customers or a group of these customers defaulted on all or a significant portion of their obligations to the Company. As of January 31, 2026, except for those accounts provided for in the allowance for expected credit losses, the Company knew of no situations with any of the Company's major customers which would indicate any such customer's inability to make its required payments.

No single customer accounted for more than 10% of net sales during any of the years in the three-year period ended January 31, 2026. At January 31, 2026, accounts receivable included amounts due from a significant e-commerce retail customer and certain of its affiliates representing approximately 25% of total net accounts receivable. Revenue attributable to this customer represented less than 10% of consolidated net sales for the fiscal year. The concentration at year-end was primarily due to the timing of shipments in the fourth quarter and related collections in the ordinary course of business. This e-commerce retail commerce company is an investment-grade rated customer with substantial liquidity and a strong history of payment performance. The Company monitors credit exposure on an ongoing basis and has not experienced material credit losses related to this customer.

Inventories

The Company values its inventory at the lower of cost or net realizable value. Cost is determined using the average cost method. The Company performs reviews of its on-hand inventory to determine amounts, if any, of inventory that is deemed discontinued, excess, or unsaleable. Inventory classified as discontinued, together with the related component parts that can be assembled into saleable finished goods, is sold primarily through the Company's retail outlet locations. The Company retains adequate levels of component parts to facilitate both the manufacturing of its watches as well as the after-sales service of its watches for an extended period of time after the discontinuance of the manufacturing of such watches. The adjustment to reduce the value of component parts below their cost to their net realizable value is based on the timing of when a component part is no longer associated with a watch that is being manufactured as well as the significant assumption related to the anticipated utilization of component parts for after-sales service.

Property, Plant and Equipment

Property, plant and equipment, including computer software, are stated at cost less accumulated depreciation. The Company capitalizes certain computer software costs after technological feasibility has been established. Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets. The cost of property, plant and equipment and related depreciation and amortization are removed from the accounts upon the disposition or retirement of such assets and the resulting gain or loss is reflected in operating income.

Intangibles

Intangible assets consist primarily of trade names, customer relationships and trademarks. In accordance with applicable guidance, the Company estimates and records the fair value of purchased intangible assets at the time of their acquisition. The fair values of these intangible assets are estimated at the time of acquisition based on independent third-party appraisals. Finite-lived intangible assets are amortized over their respective estimated useful lives, typically ten years, and are evaluated for impairment whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. The Company determined that there was no impairment in fiscal 2026, fiscal 2025 or in fiscal 2024.

Noncontrolling Interest

Noncontrolling interest is recognized as equity in the Company's Consolidated Balance Sheets and represents ownership interests in the Company's subsidiaries held by third parties.

Long-Lived Assets

The Company periodically reviews the estimated useful lives of its depreciable assets based on factors including historical experience, the expected beneficial service period of the asset, the quality and durability of the asset and the Company's maintenance policy including periodic upgrades. Changes in useful lives are made on a prospective basis unless factors indicate the carrying amounts of the assets may not be recoverable and an impairment is necessary.

The Company performs an impairment review of its long-lived assets once events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. When such a determination has been made, management compares the carrying value of the asset groups with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the fair value of the asset group is determined and compared to its carrying value. The excess of the carrying value over the fair value, if any, is recognized as a loss during that period. The impairment is calculated as the difference between asset carrying values and their estimated fair values. No impairment charge was recorded in fiscal 2026, fiscal 2025 or in fiscal 2024.

Investments Without Readily Determinable Fair Values

From time to time the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. The Company has evaluated and will regularly evaluate the carrying value of its investments. The carrying value of the investments are recorded in Other non-current assets in the Consolidated Balance Sheets at January 31, 2026 and 2025.

Derivative Financial Instruments

The Company accounts for its derivative financial instruments in accordance with the accounting guidance which requires that an entity recognize all derivatives as either assets or liabilities in the Consolidated Balance Sheets and measure those instruments at fair value. A significant portion of the Company's purchases are denominated in Swiss Francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro, Swiss Franc and the British Pound. The Company reduces its exposure to the Swiss Franc, Euro, British Pound, Chinese Yuan and Japanese Yen exchange rate risks through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, from time to time the Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. Certain of these contracts meet the requirements of qualified hedges. In these circumstances, the Company designates and documents these derivative instruments as a cash flow hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. Changes in the fair value of hedges designated and documented as a cash flow hedge and which are highly effective, are recorded in other comprehensive income until the underlying transaction affects earnings, and then are reclassified into earnings in the same account as the hedged transaction. The earnings impact is mostly offset by the effects of currency movements on the underlying hedged transactions. The Company formally assesses, both at the inception and at each fiscal quarter thereafter, the effectiveness of the derivative instrument hedging the underlying forecasted cash flow transaction. The Company does not exclude any designated cash flow hedges from its effective testing. Hedge accounting is discontinued if it is determined that the derivative is not highly effective.

From time to time the Company uses forward exchange contracts, which do not meet the requirements of qualified hedges, to offset its exposure to certain foreign currency receivables and liabilities. These forward contracts are not designated as qualified hedges and, therefore, changes in the fair value of these derivatives are recognized in earnings in the period they arise, thereby offsetting the current earnings effect resulting from the revaluation of the related foreign currency receivables and liabilities.

All of the Company's derivative instruments have fair values which can be determined directly or indirectly based on available market data. The Company does not enter into any derivative instruments for trading purposes.

Revenue Recognition

Wholesale revenue is recognized and recorded when a contract is in place, obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. Such revenue is measured as the ultimate amount of consideration the Company

expects to receive in exchange for transferring goods including variable consideration. The Company has determined that transfer of control passes to the wholesale customer upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Factors considered in the transfer of control include the right to payment, transfer of legal title, physical possession and customer acceptance of the goods and whether significant risks and rewards for the goods belong with the customer. The Company records estimates of variable consideration, which includes sales returns and markdown allowances as a reduction of revenue in the same period that the sales are recorded. These estimates are based upon the expected value method considering all reasonably available information including historical analysis, customer agreements and/or currently known factors that arise in the normal course of business. Discounts, returns and allowances have historically been within the Company's expectations and the provisions established. The future provisional rates may differ from those experienced in the past. Taxes imposed by governmental authorities on the Company's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Cost of Sales

Cost of sales of the Company's products consist primarily of costs for raw materials, component costs, royalties, depreciation, amortization, assembly costs, shipping to customers, design costs and unit overhead costs associated with the Company's supply chain operations predominately in Switzerland and Asia. The Company's supply chain operations consist of logistics management of assembly operations and product sourcing predominately in Switzerland and Asia and minor assembly in Switzerland. The Swiss watch movements used in the manufacture of Movado, EBEL and Concord watches, as well as certain Calvin Klein watch styles, are purchased from three suppliers, one of which is a wholly-owned subsidiary of a competitor of the Company, and only one of which supplies mechanical movements. The elimination or disruption of any of these manufacturers could disrupt the Company's Swiss watch operations. This is particularly true for mechanical movements given the single source of supply, although mechanical movements are only used in a relatively small number of the Company's watch styles.

Selling, General and Administrative ("SG&A") Expenses

The Company's SG&A expenses consist primarily of marketing, selling, distribution, general and administrative expenses.

Marketing expenditures are based principally on overall strategic considerations relative to maintaining or increasing market share in markets that management considers to be crucial to the Company's continued success as well as on general economic conditions in the various markets around the world in which the Company sells its products. Marketing expenses include salaries, various forms of media advertising, digital advertising (including social media), customer acquisition costs and cooperative advertising and retail media network programs with certain wholesale customers and distributors and other point of sale marketing and promotional spending.

Selling expenses consist primarily of salaries, sales commissions, salesforce travel and related expenses, credit card fees, depreciation and amortization and operating costs incurred in connection with the Company's retail business. Sales commissions vary with overall sales levels. Retail selling expenses consist primarily of payroll and related expenses and store occupancy costs.

Distribution expenses consist of costs of running distribution centers and customer service, and include primarily salaries, rental and other occupancy costs, security, depreciation and amortization of furniture and leasehold improvements and shipping supplies.

General and administrative expenses consist primarily of salaries and other employee compensation including performance-based compensation, employee benefit plan costs, office rent, management information systems costs, professional fees, bad debts, depreciation and amortization of furniture, computer software, leasehold improvements, amortization of finite-lived intangible assets, patent and trademark expenses and various other general corporate expenses.

Warranty Costs

All watches sold by the Company come with limited warranties covering the movement against defects in material and workmanship for periods generally ranging from two to three years from the date of purchase. When changes in warranty costs are experienced, the Company will adjust the warranty liability as required. The Company records an estimate for future warranty costs based on historical repair costs. Warranty costs have historically been within the Company's expectations and the provisions established. If such costs were to substantially exceed estimates, they could have an adverse effect on the Company's operating results.

The warranty liability, included in accrued liabilities in the Consolidated Balance Sheets, and activity for the fiscal years ended January 31, 2026, 2025 and 2024 was as follows (in thousands):

	2026	2025	2024
Balance, beginning of year	\$ 1,859	\$ 1,910	\$ 1,882
Provision charged to operations	1,298	1,440	1,864
Settlements made	(1,246)	(1,491)	(1,836)
Balance, end of year	<u>\$ 1,911</u>	<u>\$ 1,859</u>	<u>\$ 1,910</u>

Pre-opening Costs

Marketing and administrative costs associated with the opening of retail stores are expensed in the period incurred.

Marketing

The Company expenses advertising production costs at the commencement date of the advertising campaign. Marketing expenses are included within selling, general and administrative expenses and consist primarily of media advertising, digital advertising, retail media network programs, cooperative advertising arrangements, customer acquisition costs, production costs, point-of-sale materials and displays, and related internal payroll costs.

The Company participates in cooperative advertising and retail media programs with certain customers, including programs operated through customers' digital and in-store platforms. In exchange for the consideration paid, the Company receives advertising and marketing services that it has concluded are distinct and separately identifiable from the sale of its products. The Company evaluates these arrangements in accordance with ASC 606, Revenue from Contracts with Customers, including the guidance on consideration payable to a customer.

The Company has determined that the fair value of the advertising and marketing services received is reasonably estimable. Because the consideration paid does not exceed the fair value of the services received, such amounts are recorded as marketing expense within selling, general and administrative expenses rather than as a reduction of revenue.

Marketing expense for fiscal 2026, 2025 and 2024 was \$130.8 million, \$146.5 million and \$129.1 million, respectively.

Included in other non-current assets in the Consolidated Balance Sheets are the costs of certain prepaid advertising, including principally product displays and point of sale materials. Prepaid advertising accounted for \$4.8 million and \$6.5 million in other non-current assets at January 31, 2026 and 2025, respectively.

Shipping and Handling Costs

Amounts charged to customers for shipping and handling were \$1.7 million, \$1.6 million and \$1.8 million for fiscal 2026, 2025 and 2024, respectively. The costs related to shipping and handling were \$11.5 million, \$12.3 million and \$12.0 million for fiscal 2026, 2025 and 2024, respectively. The amounts charged and incurred by the Company related to shipping and handling are included in net sales and cost of sales in the Consolidated Statements of Operations, respectively.

Income Taxes

The Company, under ASC Topic 740, follows the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax laws and tax rates in each jurisdiction where the Company operates and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more-likely-than-not basis. The Company calculates estimated income taxes in each of the jurisdictions in which it operates. This process involves estimating actual current tax expense along with assessing temporary differences resulting from differing treatment of items for both book and tax purposes.

The Company follows guidance for accounting for uncertainty in income taxes. This guidance clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement standard for

an income tax position taken or expected to be taken in a tax return. This guidance also provides instructions for de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions. Interest and penalties, if any, related to unrecognized tax benefits are recorded as income tax expense in the Consolidated Statement of Operations and as deferred tax liabilities in the Consolidated Balance Sheet.

Earnings Per Share

The Company presents net income attributable to Movado Group, Inc. after adjusting for noncontrolling interests, as applicable, per share on a basic and diluted basis. Basic earnings per share is computed using weighted average shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for dilutive common stock equivalents.

The number of shares used in calculating basic and diluted earnings per share is as follows (in thousands):

	Fiscal Years Ended January 31,		
	2026	2025	2024
Weighted average common shares outstanding:			
Basic	22,243	22,268	22,221
Effect of dilutive securities:			
Stock awards and options to purchase shares of common stock	371	335	420
Diluted	22,614	22,603	22,641

For the fiscal years ended January 31, 2026, 2025 and 2024, approximately 463,000, 681,000 and 682,000 respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

Stock-Based Compensation

The Company utilizes the Black-Scholes option-pricing model which requires that certain assumptions be made to calculate the fair value of each option at the grant date. The expected life of stock option grants is determined using historical data and represents the time period during which the stock option is expected to be outstanding until it is exercised. The risk-free interest rate is based on the U.S. treasury note interest rate in effect on the date of grant for the expected life of the stock option. The expected stock price volatility is derived from historical volatility and calculated based on the estimated term structure of the stock option grant. The expected dividend yield is calculated using the Company's expected average of annualized dividend yields and applied over the expected term of the option. Management monitors stock option exercises and employee termination patterns to estimate forfeitures rates within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes.

In addition to stock options, the Company may also grant stock awards to employees and directors. The stock awards are generally in the form of time-vesting restricted stock unit awards (pursuant to which unrestricted shares of Common Stock are issued to the grantee when the award vests) or performance-based awards (under which vesting occurs only if one or more predetermined financial goals are achieved within the relevant performance period); both are subject to the participant's continued employment (or board service) with the Company through such vesting date. Stock awards generally are cliff-vested after three years from the date of grant (one year in the case of directors' awards). The fair value of stock awards is generally equal to the closing price of the Company's publicly-traded common stock on the grant date.

Compensation expense for all awards is accrued based on the estimated number of instruments for which the requisite service is expected to be rendered. This estimate is reflected in the period the stock option and stock awards are either granted or canceled. Expense related to stock options and stock awards compensation is recognized on a straight-line basis over the vesting term and, as applicable, only if the performance condition is probable of being achieved.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) attributable to the Movado Group, Inc. and other gains and losses that are not included in net income (loss), but are recorded directly in the Consolidated Statements of Changes in Equity, such as the unrealized gains and losses on the translation of the assets and liabilities of the Company's foreign operations and net unrealized gains and losses, net of tax, on derivatives designated as cash flow hedges, the Company's defined benefit plan and available for sale securities.

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

In November 2024, the FASB issued ASU 2024-03 "Disaggregation of Income Statement Expenses" which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company's annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the timing and impact of adoption in its Consolidated Financial Statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05 "Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326)", which allows entities to elect a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset in the development of a reasonable and supportable forecast as part of estimating expected credit losses. Entities electing the practical expedient are still required to adjust historical loss information to reflect current conditions to the extent that historical information does not reflect current conditions. An entity that elects to use the practical expedient is required to disclose that fact. This ASU is effective for annual periods beginning after December 15, 2025, with early adoption permitted. Entities should apply the practical expedient, if elected, prospectively to financial statements issued for reporting periods after the effective date. The Company is currently evaluating this ASU to determine the impact of adoption on its Consolidated Financial Statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06 "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)", which amends the guidance for capitalizing internal-use software developments costs. The ASU is effective for annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adoption on its Consolidated Financial Statements and related disclosures.

In November 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815)" which provides targeted improvements to hedge accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. The Company is currently evaluating the impact of adoption on its Consolidated Financial Statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11 "Interim Reporting (Topic 270): Narrow-Scope Improvements", which clarifies the application of interim reporting disclosure requirements and introduces a principle requiring disclosure of material events and changes since the most recent annual reporting period. The ASU is effective for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of adoption on its Consolidated Financial Statements and related disclosures.

The Company has reviewed other recently issued accounting standards and determined that they are either not applicable or are not expected to have a material impact on its Consolidated Financial Statements.

NOTE 3 - COST SAVINGS INITIATIVE

During fiscal year 2025, in light of the ongoing challenging consumer-spending environment, the Company committed to a cost-savings initiative to reduce operating expenses through headcount reductions, bringing them more in line with sales.

During fiscal year 2026, the Company recorded \$1.5 million in accruals for severance and employee-related charges which are included in Selling, general and administrative in the Consolidated Statements of Operations. During fiscal year 2025, the Company recorded \$4.6 million in accruals for severance and employee-related charges and early lease termination charges which were included in Selling, general and administrative in the Consolidated Statements of Operations. The amounts recorded in fiscal year 2026 and fiscal year 2025 are included in both the United States and International locations in the Watch and Accessory segment.

Of the total amount recorded, \$1.3 million related to severance and employee-related charges was paid during fiscal year 2025, and \$3.5 million related to severance and employee-related charges and \$0.5 million of early lease termination related fees and costs were paid/utilized during fiscal year 2026. The remaining amount of \$0.8 million is included in Accrued payroll and benefits in the Consolidated Balance Sheet at January 31, 2026. The Company expects the remaining severance and employee-related expenses to be paid during fiscal year 2027.

NOTE 4 – INTANGIBLE ASSETS

The changes in the carrying amount of other intangible assets during the fiscal years ended January 31, 2026, 2025 and 2024 are as follows (in thousands):

	Trade names	Customer relationships	Other (1)	Total
Weighted Average Amortization Period (in years)	10	10	10	
Balance at January 31, 2023	\$ 6,903	\$ 1,728	\$ 1,011	\$ 9,642
Additions	—	—	144	144
Amortization	(1,504)	(729)	(248)	(2,481)
Foreign exchange impact	140	(4)	52	188
Balance at January 31, 2024	5,539	995	959	7,493
Additions	—	—	109	109
Amortization	(1,535)	(158)	(238)	(1,931)
Foreign exchange impact	(63)	(26)	(45)	(134)
Balance at January 31, 2025	3,941	811	785	5,537
Additions	—	—	138	138
Amortization	(1,587)	(168)	(236)	(1,991)
Foreign exchange impact	267	77	134	478
Balance at January 31, 2026	<u>\$ 2,621</u>	<u>\$ 720</u>	<u>\$ 821</u>	<u>\$ 4,162</u>

(1) Other includes fees paid related to trademarks.

The estimated future amortization expense during each of the next five fiscal years is as follows:

For the fiscal year ending January 31,	(in thousands)
2027	\$ 2,021
2028	1,232
2029	494
2030	109
2031	108
Thereafter	198
Total estimated future amortization expense	<u>\$ 4,162</u>

NOTE 5 – INVENTORIES

Inventories consisted of the following (in thousands):

	As of January 31,	
	2026	2025
Finished goods	\$ 128,192	\$ 129,204
Component parts	27,127	23,905
Work-in-process	3,012	3,629
	<u>\$ 158,331</u>	<u>\$ 156,738</u>

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

A summary of the components of property, plant and equipment and their estimated useful lives is as follows (in thousands):

	As of January 31,		Estimated Useful Lives
	2026	2025	
Land and buildings	\$ 1,559	\$ 1,323	40 years for buildings
Furniture and equipment	47,805	46,039	3 to 7 years
Computer software	35,899	34,972	5 to 10 years
Leasehold improvements	36,834	35,982	Lesser of lease term or useful life
Design fees and tooling costs	1,854	1,782	3 years
	123,951	120,098	
Less: Accumulated depreciation and amortization	(106,846)	(100,178)	
Property, plant and equipment, net	<u>\$ 17,105</u>	<u>\$ 19,920</u>	

Depreciation and amortization expense from operations related to property, plant and equipment for fiscal 2026, 2025 and 2024 was \$7.2 million, \$7.2 million and \$7.0 million, respectively, which includes computer software amortization expense for fiscal 2026, 2025 and 2024 of \$1.6 million, \$2.0 million and \$2.0 million, respectively.

NOTE 7 – DEBT AND LINES OF CREDIT

The Company and its U.S. and Swiss subsidiaries (collectively, the "Borrowers") are parties to an Amended and Restated Credit Agreement originally dated October 12, 2018 (as subsequently amended, the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement provides for a \$100.0 million senior secured revolving credit facility (the "Facility") and has a maturity date of October 28, 2026. The Facility includes a \$15.0 million letter of credit subfacility, a \$25.0 million swingline subfacility and a \$75.0 million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to \$50.0 million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrower is not liable for, nor does it guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both January 31, 2026, and January 31, 2025, there were no amounts of loans outstanding under the Facility. Availability under the Facility was reduced by the aggregate number of letters of credit outstanding, issued in connection with retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada, totaling approximately \$0.3 million at both January 31, 2026, and January 31, 2025. At January 31, 2026, the letters of credit have expiration dates through June 1, 2026. As of both January 31, 2026, and January 31, 2025, availability under the Facility was \$99.7 million.

The Company had weighted average borrowings under the Facility of zero during both fiscal 2026 and fiscal 2025, respectively.

Borrowings under the Credit Agreement bear interest at rates generally based on either the Term Secured Overnight Financing Rate ("SOFR") as administered by the Federal Reserve Bank of New York or a specified base rate, as selected periodically by the Company. The SOFR-based loans bear interest at SOFR plus a spread ranging from 1.00% to 1.75% per annum and the base rate loans bear interest at the base rate plus a spread ranging from 0% to 0.75% per annum, with the spread in each case being based on the Company's consolidated leverage ratio (as defined in the Credit Agreement). As of both January 31, 2026, and 2025, the Company's spreads were 1.00% over SOFR and 0% over the base rate.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of January 31, 2026, and 2025, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of \$8.4 million and \$7.1 million, respectively. As of January 31, 2026, and 2025, there were no borrowings against these lines. As of January 31, 2026, and 2025, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of \$1.6 million and \$1.3 million, respectively, in various foreign currencies, of which \$0.8 million and \$0.7 million, respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitment fees, was \$0.3 million during fiscal 2026, 2025 and 2024, and amortization of debt fees was \$0.2 million during fiscal 2026, 2025 and 2024.

NOTE 8 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company addresses certain financial exposures that include the use of derivative financial instruments. The Company enters into foreign currency forward contracts to reduce the effects of fluctuating foreign currency exchange rates. As of January 31, 2026 and 2025, the Company did not have any net forward contracts in its hedging portfolio that qualified as cash flow hedging instruments. The net gain or loss on the derivatives is reported as a component of accumulated other comprehensive income/(loss) and reclassified into earnings in the same period during which the hedged transaction affects earnings using the same revenue or expense category that the hedged item impacted. The Company also enters into foreign currency forward contracts not designated as qualified hedges in accordance with ASC 815, *Derivatives and Hedging*. As of January 31, 2026, the Company's net forward contracts hedging portfolio not designated as qualified hedges consisted of 18.0 million Swiss Francs equivalent, 31.7 million U.S. dollars equivalent, 25.7 million Euros equivalent and 2.6 million British Pounds equivalent with various expiry dates ranging through May 15, 2026. Changes in the fair value of these derivatives are recognized in earnings in the period they arise. Net gains or losses related to these forward contracts are included in Cost of sales, Selling and general and administrative expenses in the Consolidated Statements of Operations. The cash flows related to these foreign currency contracts are classified in operating activities.

The following table presents the fair values of the Company's derivative financial instruments included in the Consolidated Balance Sheets as of January 31, 2026 and 2025 (in thousands):

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	January 31, 2026 Fair Value	January 31, 2025 Fair Value	Balance Sheet Location	January 31, 2026 Fair Value	January 31, 2025 Fair Value
Derivatives designated as hedging instruments:						
Foreign Exchange Contracts	Other Current Assets	\$ —	\$ —	Accrued Liabilities	\$ —	\$ —
Total Derivative Instruments		<u>\$ —</u>	<u>\$ —</u>		<u>\$ —</u>	<u>\$ —</u>
	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	January 31, 2026 Fair Value	January 31, 2025 Fair Value	Balance Sheet Location	January 31, 2026 Fair Value	January 31, 2025 Fair Value
Derivatives not designated as hedging instruments:						
Foreign Exchange Contracts	Other Current Assets	\$ 484	\$ 13	Accrued Liabilities	\$ 10	\$ 1,111
Total Derivative Instruments		<u>\$ 484</u>	<u>\$ 13</u>		<u>\$ 10</u>	<u>\$ 1,111</u>

As of January 31, 2026 and 2025, the balance of net deferred gains on derivative financial instruments designated as cash flow hedges included in accumulated other comprehensive income/(loss) was zero for both periods. For the fiscal years ended January 31, 2026 and 2025, the Company reclassified (\$1.7) million and \$46,000, respectively, from accumulated other comprehensive (loss)/income to Net sales in the Consolidated Statements of Operations. No amounts associated with ineffectiveness were recorded in fiscal year 2026.

See Note 9 - Fair Value Measurements for further information about how fair value of derivative assets and liabilities are determined.

NOTE 9 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3 - Unobservable inputs based on the Company's assumptions.

The guidance requires the use of observable market data if such data is available without undue cost and effort.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of January 31, 2026 and 2025 (in thousands):

		Fair Value at January 31, 2026			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	\$ 281	\$ —	\$ —	\$ 281
Short-term investment	Other current assets	153	—	—	153
SERP assets - employer	Other non-current assets	607	—	—	607
SERP assets - employee	Other non-current assets	55,739	—	—	55,739
Defined benefit plan assets (1)	Other non-current liabilities	—	—	40,045	40,045
Hedge derivatives	Other current assets	—	484	—	484
Total		<u>\$ 56,780</u>	<u>\$ 484</u>	<u>\$ 40,045</u>	<u>\$ 97,309</u>
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	\$ 55,739	\$ —	\$ —	\$ 55,739
Hedge derivatives	Accrued liabilities	—	10	—	10
Total		<u>\$ 55,739</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ 55,749</u>

		Fair Value at January 31, 2025			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	\$ 306	\$ —	\$ —	\$ 306
Short-term investment	Other current assets	143	—	—	143
SERP assets - employer	Other non-current assets	605	—	—	605
SERP assets - employee	Other non-current assets	53,442	—	—	53,442
Defined benefit plan assets (1)	Other non-current liabilities	—	—	34,313	34,313
Hedge derivatives	Other current assets	—	13	—	13
Total		<u>\$ 54,496</u>	<u>\$ 13</u>	<u>\$ 34,313</u>	<u>\$ 88,822</u>
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	\$ 53,442	\$ —	\$ —	\$ 53,442
Hedge derivatives	Accrued liabilities	—	1,111	—	\$ 1,111
Total		<u>\$ 53,442</u>	<u>\$ 1,111</u>	<u>\$ —</u>	<u>\$ 54,553</u>

(1) See Note 17 for a discussion of the fair value of the assets held in the Company's defined benefit plan in Switzerland and rollforward of beginning and ending balances.

The fair values of the Company's available-for-sale securities are based on quoted market prices. The fair value of the short-term investment, which is a guaranteed investment certificate, is based on its purchase price plus one half of one percent calculated annually. The assets related to the Company's defined contribution supplemental executive retirement plan ("SERP") consist of both employer (employee unvested) and employee assets which are invested in investment funds with fair values calculated based on quoted market prices. The SERP liability represents the Company's liability to the employees in the plan for their vested balances. The hedge derivatives consist of cash flow hedging instruments and forward contracts (see Note 8 for further discussion) and are entered into by the Company principally to reduce its exposure to Swiss Franc and Euro exchange rate risks. Fair values of the Company's hedge derivatives are calculated based on quoted foreign exchange rates and quoted interest rates.

The Company sponsors a defined benefit pension plan in Switzerland. The plan covers certain eligible employees and provides benefits based on years of service and compensation on a career-average pay basis. The assets within the plan are classified as Level 3 within the fair value hierarchy and consist primarily of investments in pooled funds, including separate employee accounts invested in equity securities, debt securities and real estate. The fair values of these investments are based on valuations provided by the fund administrators, which are not readily observable and cannot be corroborated by observable market data; accordingly, these investments are classified within Level 3 of the fair value hierarchy. The net funded status of the plan, which reflects the fair value of plan assets less the projected benefit obligation, is included in Other non-current liabilities in the Consolidated Balance Sheets at January 31, 2026 and January 31, 2025, respectively.

There were no transfers between any levels of the fair value hierarchy for any of the Company's fair value measurements.

Investments Without Readily Determinable Fair Values

From time to time, the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. Through fiscal 2025, the Company invested approximately \$14.1 million and during fiscal 2026 the Company invested an additional \$3.4 million in venture capital funds (see Note 10 - Commitments and Contingencies for discussion of commitments made related to venture capital funds). During fiscal year 2026, the Company recorded a non-cash impairment charge of \$0.4 million (recorded in Other income, net in the Consolidated Statements of Operations) related to one of its investments in a venture capital fund in which the Company has a limited partnership interest. The write-down was a result of a decline in fair value primarily attributable to a deterioration in the financial condition and operating performance of certain of the underlying portfolio companies within the fund that was determined to be other than temporary. In addition, one consumer products company in which the Company made an equity investment in fiscal year 2022 sold its business and assets in fiscal year 2024 in a transaction that yielded little return for equity holders. As a result, the Company fully impaired its \$0.5 million investment in this entity in fiscal 2024 which is recorded in Other income, net in the Consolidated Statements of Operations. The Company will continue to regularly evaluate the carrying value of its investments. The carrying value of the investments is recorded in Other non-current assets in the Consolidated Balance Sheets at January 31, 2026 and January 31, 2025.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Licensing Agreements:

The Company has minimum commitments related to the Company's license agreements and endorsement agreements with brand ambassadors, and also includes service agreements. The Company sources, distributes, advertises and sells watches and jewelry pursuant to its exclusive license agreements with unaffiliated licensors. Royalty amounts under the license agreements are generally based on a stipulated percentage of revenues, although most of these agreements contain provisions for the payment of minimum annual royalty amounts. The license agreements have various terms, and some have renewal options, provided that minimum sales levels are achieved. Additionally, the license agreements require the Company to pay minimum annual advertising amounts. As of January 31, 2026, the total amount of the Company's minimum commitments related to its license agreements and endorsement agreements, which includes service agreements, was \$269.6 million, payable in the next six years.

Purchase Obligations:

The Company had outstanding purchase obligations of \$92.6 million with suppliers at the end of fiscal 2026 primarily for raw materials, finished watches, jewelry and packaging in the normal course of business. These purchase obligation amounts do not represent total anticipated purchases but represent only amounts to be paid for items required to be purchased under agreements that are enforceable, legally binding and specify minimum quantity, price and term.

Tax:

The Company believes that income tax reserves are adequate; however, amounts asserted by taxing authorities could be greater or less than amounts accrued and reflected in the Consolidated Balance Sheet. Accordingly, the Company could record adjustments to the amounts for federal, state, and foreign liabilities in the future as the Company revises estimates or settles or otherwise resolves the underlying matters. In the ordinary course of business, the Company may take new positions that could increase or decrease unrecognized tax benefits in future periods. See Note 12 – Income Taxes for more information.

Investments:

From time to time, the Company may make minority investments in growth companies in the consumer products sector and other sectors relevant to its business, including certain of the Company's suppliers and customers, as well as in venture capital funds that invest in companies in media, entertainment, information technology and technology-related fields and in digital assets. During fiscal 2022, the Company committed to invest up to \$21.5 million in such investments. Through fiscal 2026, the Company invested approximately \$17.5 million and may be called upon to satisfy capital calls in respect of the remaining \$4.0 million in such commitments at any time during a period generally ending ten years after the first capital call in respect of a given commitment.

Litigation:

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made.

On April 28, 2025, the Company received a voluntary request from the Division of Enforcement of the Securities and Exchange Commission (the "SEC") for documents and information relating to the restatement previously reported in fiscal year 2025. The Company is cooperating with the SEC in responding to those requests.

In December 2016, U.S. Customs and Border Protection ("CBP") issued an audit report regarding the Company's methodology for allocating the cost of certain watch styles imported into the United States among their component parts for tariff purposes. The report challenged the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would have implied approximately \$5.1 million of underpaid duties for entries during the audit period (August 1, 2011 through July 15, 2016), plus potential penalties and interest. The statute of limitations has lapsed for all entries within the audit period. While the Company believes its cost allocation methodology is reasonable, its application involves significant judgment, including estimates and assumptions related to (i) allocations for imported watches purchased by the Company's foreign subsidiaries as complete watches, for which component cost detail is not fully available, and (ii) the allocation among component parts of intercompany overhead and profit and of assembly costs. If CBP were to disagree with the Company's judgments in these areas, the Company could be exposed to assessments for underpayment of tariffs.

In addition to the above matters, as of January 31, 2026, the Company is party to legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations beyond the amounts accrued, or cash flows.

NOTE 11 – LEASES

The Company leases certain real estate properties, vehicles and equipment in various countries around the world. Leased properties are typically used for retail space, office, warehouse and distribution.

The Company evaluates contractual arrangements at inception to determine if individual agreements are a lease or contain an identifiable lease component. When evaluating contracts to determine appropriate classification and recognition, significant judgment may be necessary to determine, among other criteria, if an embedded leasing arrangement exists, the length of the term, classification as either an operating or financing lease and whether renewal or termination options are reasonably certain to be exercised. Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are recognized on the lease commencement date based on the present value of lease payments over the lease term calculated using the Company's incremental borrowing rate, adjusted for the lease term and lease country, unless the implicit rate is readily determinable. Lease assets also include any up front lease payments made and are reduced by lease incentives. The Company's leases are classified as operating leases with remaining terms of 1 to 9 years, some of which include an option to extend or renew. If the exercise of an option to extend or renew is determined to be reasonably certain, the associated right-of-use asset and liability reflects the extended period of payments.

Lease expense for operating leases consist of both fixed and variable components. Expenses related to fixed lease payments are recognized on a straight-line basis over the lease term. Variable lease payments are generally expensed as incurred and include certain index-based changes in rent, certain non-lease components such as maintenance and other services provided by the lessor and other

charges included in the lease. The variable portion of lease payments is not included in the Company's lease liabilities. Short-term leases are leases having a term of 12 months or less at inception. The Company does not record a related lease asset or liability for short-term leases. The depreciable life of lease assets and leasehold improvements is limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company did not have any material finance leases during fiscal 2026, 2025 or 2024.

The components of lease expense were as follows (in thousands):

Lease Expense	Consolidated Statements of Operation Location	For the Year Ended January 31, 2026	For the Year Ended January 31, 2025	For the Year Ended January 31, 2024
Operating lease expense	SG&A	\$ 22,041	\$ 21,919	\$ 20,404
Short-term lease cost	SG&A	561	698	746
Variable lease cost	SG&A	9,914	9,319	10,536
Total operating lease expense		\$ 32,516	\$ 31,936	\$ 31,686

The following table discloses supplemental balance sheet information for the Company's leases (in thousands):

Leases	Consolidated Balance Sheets Location	January 31, 2026	January 31, 2025
Assets			
Operating	Operating lease right-of-use assets	\$ 67,873	\$ 86,009
Liabilities			
Current:			
Operating	Current operating lease liabilities	\$ 20,603	\$ 19,263
Noncurrent:			
Operating	Non-current operating lease liabilities	\$ 58,063	\$ 75,508

The following table discloses the weighted average remaining lease term and weighted average discount rate for the Company's leases:

Lease Term and Discount Rate	January 31, 2026	January 31, 2025	January 31, 2024
Weighted-average remaining lease term - in years			
Operating leases	5.4	5.8	6.7
Weighted-average discount rate:			
Operating leases	4.14%	4.13%	3.86%

Future minimum lease payments by year as of January 31, 2026 is as follows (in thousands):

Fiscal Year	Operating Leases
2027	\$ 23,342
2028	16,875
2029	12,845
2030	10,685
2031	7,299
Thereafter	17,132
Total lease payments	\$ 88,178
Less: Interest	(9,512)
Total lease obligations	\$ 78,666

Supplemental cash flow information related to leases was as follows (in thousands):

	Year Ended January 31, 2026	Year Ended January 31, 2025	Year Ended January 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 22,262	\$ 21,679	\$ 20,103
Leased assets obtained in exchange for new operating lease liabilities	368	21,463	17,341

As of January 31, 2026, the Company did not have any material operating or finance leases that have been signed but not commenced.

NOTE 12 - INCOME TAXES

Income/(loss) before provision/(benefit) for income taxes for the fiscal year ended January 31, 2026, 2025 and 2024 on a legal entity basis consists of the following (in thousands):

	2026	2025	2024
U.S. (loss)/ income before taxes	\$ 5,617	\$ (4,974)	\$ (3,126)
Non-U.S. income before taxes	28,738	31,625	57,093
Income before income taxes	<u>\$ 34,355</u>	<u>\$ 26,651</u>	<u>\$ 53,967</u>

The provision/(benefit) for income taxes for the fiscal years ended January 31, 2026, 2025 and 2024 consists of the following components (in thousands):

	2026	2025	2024
Current:			
U.S. Federal	\$ 2,010	\$ 997	\$ 165
U.S. State and Local	681	165	201
Non-U.S.	7,623	5,453	11,107
	<u>10,314</u>	<u>6,615</u>	<u>11,473</u>
Deferred:			
U.S. Federal	(733)	285	(58)
U.S. State and Local	(245)	171	1,024
Non-U.S.	(1,849)	371	(647)
	<u>(2,827)</u>	<u>827</u>	<u>319</u>
Provision for income taxes	<u>\$ 7,487</u>	<u>\$ 7,442</u>	<u>\$ 11,792</u>

Significant components of the Company's deferred income tax assets and liabilities for the fiscal years ended January 31, 2026 and 2025 are as follows (in thousands):

	2026 Deferred Taxes		2025 Deferred Taxes	
	Assets	Liabilities	Assets	Liabilities
Net operating loss carryforwards	\$ 4,519	\$ —	\$ 5,351	\$ —
Inventory	1,919	—	1,280	—
Unprocessed returns	1,970	—	1,292	—
Receivables allowances	943	—	656	—
Deferred compensation	20,989	—	17,418	—
Depreciation/amortization	13,356	—	14,039	—
Other provisions/accruals	1,612	—	1,252	—
Deferred occupancy costs	17,276	14,918	19,968	17,678
Miscellaneous	1,852	—	1,204	—
	<u>64,436</u>	<u>14,918</u>	<u>62,460</u>	<u>17,678</u>
Valuation allowance	(3,744)	—	(3,679)	—
Total deferred tax assets and liabilities	<u>\$ 60,692</u>	<u>\$ 14,918</u>	<u>\$ 58,781</u>	<u>\$ 17,678</u>

As of January 31, 2026, the Company had U.S. state and foreign net operating loss carryforwards of \$0.7 million and \$3.9 million, respectively, with expiration dates ranging from 1-10 years and, with respect to some foreign jurisdictions, an indefinite carryforward period. Of the foreign net operating losses, \$1.7 million is related to the United Kingdom, \$1.2 million is related to China and the remaining is related to other foreign countries.

A valuation allowance is required to be established unless management determines it is more likely than not that the Company will ultimately utilize the tax benefit associated with a deferred tax asset. The Company has foreign valuation allowances of \$3.7 million, which are primarily related to net operating loss carryforwards.

Management will continue to evaluate the appropriate level of valuation allowance on all deferred tax assets considering such factors as prior earnings history, expected future earnings, carryback and carryforward periods and tax and business strategies that could potentially enhance the likelihood of realization of the deferred tax assets.

The Company elected to account for the tax on Global Intangible Low-Taxed Income ("GILTI") as a period cost and therefore has not recorded deferred taxes related to GILTI. The One Big Beautiful Bill Act ("OBBBA") renamed the provision for taxes on foreign earnings from GILTI to net controlled foreign corporation tested income ("NCTI").

Beginning with fiscal 2026, the Company adopted ASU 2023-09 "Improvement to Income Tax Disclosures" on a prospective basis. The provision/(benefit) for income taxes for the fiscal year ended January 31, 2026, differs from the U.S. federal statutory rate after the adoption of ASU 2023-09 due to the following (dollars in thousands):

	Fiscal Year Ended January 31, 2026	
	Dollars	Percent
U.S. Federal Statutory Tax Rate	\$ 7,215	21.0%
State and Local Income Tax, Net of Federal Benefit (a)	344	1.0
Foreign Tax Effects		
Germany	450	1.3
Hong Kong		
Statutory Rate Difference Between Hong Kong and United States	(665)	(1.9)
Other	(118)	(0.3)
Switzerland	(576)	(1.7)
United Kingdom		
Changes in Valuation Allowances	392	1.1
Other	(128)	(0.3)
Other Foreign Jurisdictions	355	1.0
Effect of Cross-Border Tax Laws		
Foreign-Derived Intangible Income	(644)	(1.9)
Other	16	0.0
Tax Credits	(48)	(0.1)
Nontaxable or Nondeductible Items		
Officer's Compensation	635	1.8
Other	286	0.8
Changes in Unrecognized Tax Benefits	90	0.3
Other Adjustments	(117)	(0.3)
Effective Tax Rate	<u>\$ 7,487</u>	<u>21.8%</u>

(a) State taxes in New Jersey made up the majority of the tax effect in this category.

The provision/(benefit) for income taxes for the fiscal years ended January 31, 2025 and 2024 differs from the U.S. federal statutory rate before the adoption of ASU 2023-09 due to the following (in thousands):

	Fiscal Year Ended January 31,	
	2025	2024
Provision for income taxes at the U.S. statutory rate	\$ 5,591	\$ 11,333
Lower effective non-U.S. income tax rate	(1,755)	(1,984)
State and local taxes, net of federal benefit	265	974
Valuation allowance	955	277
Compensation and benefits	668	(48)
Cross-border tax effects	1,762	1,032
Other, net	(44)	208
Total provision for income taxes	<u>\$ 7,442</u>	<u>\$ 11,792</u>

The effective tax rate for fiscal 2026 was 21.8% and differed from the U.S. statutory tax rate of 21.0% primarily due to nondeductible items, partially offset by the deduction of Foreign-Derived Intangible Income and foreign profits being taxed in lower taxing jurisdictions. The effective tax rate for fiscal 2025 was 27.9% and differed from the U.S. statutory tax rate of 21.0% primarily due to the tax consequences of a foreign currency gain related to an extraordinary intercompany dividend and an increase in valuation allowances against certain foreign losses, partially offset by foreign profits being taxed in lower taxing jurisdictions.

Cash paid for income taxes, net of refunds received, during fiscal 2026 is as follows (in thousands):

	Fiscal Year Ended January 31, 2026
U.S. Federal	\$ 6,196
U.S. State and Local	(353)
Non - U.S.:	
Hong Kong	3,150
Switzerland	(1,311)
France	777
Other Non-U.S.	755
Income taxes, net of refund received	<u>\$ 9,214</u>

\$6.9 million of the U.S. Federal payments listed above was the final payment for the one-time mandatory deemed repatriation tax on cumulative undistributed foreign earnings which have not been previously taxed. \$3.9 million of the Hong Kong payments listed above was related to fiscal 2025. Cash paid for income taxes, net of refunds received, during fiscal 2025 and 2024 was \$28.4 million and \$28.7 million, respectively.

On July 4, 2025, the OBBBA was signed into law by President Trump. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The OBBBA did not have a material impact on the Company's Consolidated Financial Statements for fiscal 2026. The Company will continue to evaluate and monitor potential impacts on future periods and does not expect the OBBBA to have a material impact on its Consolidated Financial Statements.

The Organization for Economic Cooperation and Development ("OECD") has issued Pillar Two model rules implementing a new global minimum tax of 15%, which was intended to be effective on January 1, 2024. While several countries have adopted and enacted changes to their legislation in response to Pillar Two, in January 2025, the President of the United States issued an executive order announcing the United States' opposition to aspects of these rules. The Company's revenue currently does not meet the minimum requirements that were set by OECD inclusive framework and rules. Although the Company will continue to evaluate and monitor the enactments of Pillar Two, to the extent that Pillar Two becomes applicable, the Company does not expect a material impact on its Consolidated Financial Statements.

The Company conducts business globally and, as a result, is subject to income taxes in the U.S. federal, state, local and foreign jurisdictions. In the normal course of business, the Company is subject to examinations by taxing authorities in many countries, such as Germany, Hong Kong, Switzerland and the United States. The Company is no longer subject to income tax examination for years ended prior to January 31, 2022, with few exceptions.

A reconciliation of the beginning and ending amounts of gross unrecognized tax benefits (exclusive of interest) for the fiscal years ended January 31, 2026, 2025 and 2024 are as follows (in thousands):

	2026	2025	2024
Beginning balance	\$ 551	\$ 547	\$ 569
Tax positions taken in the current year	58	48	38
Tax positions taken in prior years	—	—	36
Lapse of statute of limitations	(21)	(38)	(71)
Settlements	—	(1)	(25)
Non-U.S. currency exchange fluctuations	16	(5)	—
Ending balance	<u>\$ 604</u>	<u>\$ 551</u>	<u>\$ 547</u>

Included in the balances at January 31, 2026, January 31, 2025 and January 31, 2024 are \$0.5 million for each period of unrecognized tax benefits which would impact the Company's effective tax rate, if recognized. As of January 31, 2026, January 31, 2025, and January 31, 2024, the Company had \$0.3 million, \$0.3 million and \$0.2 million, respectively, of accrued interest (net of tax benefit) and penalties related to unrecognized tax benefits. Interest (net of tax benefit) and penalties accrued in fiscal years 2026, 2025 and 2024 were immaterial.

At January 31, 2026, the Company had no deferred tax liability for substantially all of the undistributed foreign earnings of approximately \$253.4 million because the Company intends to permanently reinvest such earnings in its foreign operations. It is not practicable to estimate the tax liability related to a future distribution of these permanently reinvested foreign earnings.

NOTE 13 – TREASURY STOCK

On November 23, 2021, the Board approved a share repurchase program under which the Company was authorized to purchase up to \$50.0 million of its outstanding common stock through November 23, 2024, depending on market conditions, share price and other factors. On December 5, 2024, the Board approved a new share repurchase program under which the Company is authorized to purchase up to \$50.0 million of its outstanding common stock through December 5, 2027, depending on market conditions, share price and other factors. These repurchases may be made through open market purchases, repurchase plans, block trades or otherwise.

During the fiscal year ended January 31, 2026, the Company repurchased a total of 208,000 shares of its common stock under the December 5, 2024 share repurchase program at a total cost of \$3.9 million, or an average of \$18.75 per share. During the fiscal year ended January 31, 2025, the Company repurchased a total of 120,000 shares of its common stock under the November 23, 2021 share repurchase program at a total cost of \$2.6 million, or an average of \$21.90 per share. There were no shares repurchased under the December 5, 2024 share repurchase program during the fiscal year ended January 31, 2025. During the fiscal year ended January 31, 2024, the Company repurchased a total of 111,722 shares of its common stock under the November 23, 2021 share repurchase program at a total cost of \$3.1 million, or an average of \$27.89 per share.

At January 31, 2026, \$46.1 million remains available for purchase under the Company's December 5, 2024 repurchase program.

There were 27,479, 42,388 and 22,034 shares of common stock repurchased during the fiscal years ended January 31, 2026, 2025 and 2024, respectively, as a result of the surrender of shares in connection with the vesting of restricted stock awards or stock options. At the election of an employee, shares having an aggregate value on the vesting date equal to the employee's withholding tax obligation may be surrendered to the Company.

NOTE 14 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated balances at January 31, 2026, 2025 and 2024, related to each component of accumulated other comprehensive income are as follows (in thousands):

	2026	2025	2024
Foreign currency translation adjustments	\$ 113,972	\$ 81,519	\$ 93,840
Available-for-sale securities	196	215	169
Cash flow hedges	—	—	43
Unrecognized prior service cost related to defined benefit pension plan	(68)	(122)	(171)
Net actuarial loss related to defined benefit pension plan	(3,486)	(1,631)	(1,546)
Total accumulated other comprehensive income	<u>\$ 110,614</u>	<u>\$ 79,981</u>	<u>\$ 92,335</u>

Amounts reclassified from accumulated other comprehensive (loss)/income to operating income in the Consolidated Statements of Operations were (\$1.7) million during fiscal 2026 and immaterial amounts during fiscal 2025 and fiscal 2024.

NOTE 15 – REVENUE

Disaggregation of Revenue

The following table presents the Company's net sales disaggregated by customer type. Sales and usage-based taxes are excluded from net sales (in thousands).

	Fiscal Year Ended January 31, 2026	Fiscal Year Ended January 31, 2025	Fiscal Year Ended January 31, 2024
Customer Type			
Wholesale	\$ 503,925	\$ 491,870	\$ 496,845
Direct to consumer	164,145	158,153	164,201
After-sales service	3,240	3,355	3,343
Net Sales	<u>\$ 671,310</u>	<u>\$ 653,378</u>	<u>\$ 664,389</u>

The Company's revenue from contracts with customers is recognized at a point in time. The Company's net sales disaggregated by geography are based on the location of the Company's customer (see Note - 18 Segment and Geographic Information).

Wholesale Revenue

The Company's wholesale revenue consists primarily of revenues from independent distributors, department stores, chain stores, independent jewelry stores and third-party e-commerce retailers. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, and control is transferred to the customer. Transfer of control passes to wholesale customers upon shipment or upon receipt depending on the agreement with the customer and shipping terms. Wholesale revenue is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Wholesale revenue is included entirely within the Watch and Accessory Brands segment (see Note 18 – Segment and Geographic Information), consistent with how management makes decisions regarding the allocation of resources and performance measurement.

Direct to Consumer Revenue

The Company's direct to consumer revenue primarily consists of revenues from the Company's outlet stores, the Company's owned e-commerce websites and concession stores, and consumer repairs. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, and control is transferred to the customer. Control passes to outlet store customers at the time of sale and to substantially all e-commerce customers upon shipment. Direct to Consumer revenue is included in either the Watch and Accessory Brands Segment or Company Stores Segment based on how the Company makes decisions about the allocation of resources and performance measurement. Revenue derived from outlet stores and related e-commerce is included within

the Company Stores Segment. Other Direct to Consumer revenue (i.e., revenue derived from other Company-owned e-commerce websites, concession stores and consumer repairs) is included within the Watch and Accessory Brands segment. (See Note 18 – Segment and Geographic Information.)

After-sales service

All watches sold by the Company come with limited warranties covering the movement against defects in materials and workmanship.

The Company's after-sales service revenues consists of out of warranty service provided to customers and authorized third party repair centers, and sale of watch parts. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied and control is transferred to the customer. After-sales service revenue is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Revenue from after sales service, including consumer repairs, is included entirely within the Watch and Accessory Brands segment, consistent with how management makes decisions about the allocation of resources and performance measurement.

NOTE 16 – STOCK-BASED COMPENSATION

Under the Company's Stock Incentive Plan, as amended and restated as of June 22, 2023 (the "Plan"), the Compensation and Human Capital Committee of the Board of Directors, which consists of three of the Company's non-employee directors, has the authority to grant participants incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights and stock awards, for up to 12,000,000 shares of common stock.

Stock Options:

Stock options granted to participants under the Plan generally become exercisable after three years and remain exercisable until the tenth anniversary of the date of grant. All stock options granted under the Plan have an exercise price equal to or greater than the fair market value of the Company's common stock on the grant date. There were no stock options granted during the fiscal years ended January 31, 2026, January 31, 2025 and January 31, 2024.

The fair value of the stock options, less expected forfeitures, is amortized on a straight-line basis over the vesting term. Total compensation expense for stock option grants recognized during the fiscal years ended January 31, 2026, 2025 and 2024 was \$0.1 million, \$0.9 million and \$2.1 million, respectively. As of January 31, 2026, there was no unrecognized compensation cost related to unvested stock options. Total cash consideration received for stock option exercises during the fiscal years ended January 31, 2026, 2025 and 2024 was \$0.5 million, \$0.1 million and \$0.7 million, respectively. The shortfall tax expense on these exercises for fiscal 2026 was approximately \$0.1 million.

The following table summarizes the Company's stock option plan as of January 31, 2026 and changes during each of the fiscal years in the three-year period ended January 31, 2026:

	Outstanding Options	Weighted Average Exercise Price per Option	Option Price Per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value \$(000)
Options outstanding at January 31, 2023 (183,101 options exercisable)	1,085,029	\$ 23.84			
Granted	—	—			
Exercised	(51,840)	\$ 13.02			
Forfeited	(19,000)	\$ 34.13			
Options outstanding at January 31, 2024 (662,375 options exercisable)	1,014,189	\$ 24.20			
Granted	—	—			
Exercised	(4,000)	\$ 16.87			
Forfeited	(58,700)	\$ 42.12			
Options outstanding at January 31, 2025 (951,489 options exercisable)	951,489	\$ 23.13	\$12.42-\$38.04	5.5	\$ 1,775
Granted	—	—	—		
Exercised	(30,000)	\$ 16.87	\$ 16.87		
Forfeited	(22,140)	\$ 30.36	\$ 30.36		
Options outstanding at January 31, 2026	899,349	\$ 23.16	\$12.42-\$38.04	4.6	\$ 3,372
Exercisable at January 31, 2026	899,349	\$ 23.16		4.6	\$ 3,372

The table below presents information related to stock option activity for the years ended January 31, 2026, 2025 and 2024:

	Fiscal Year Ended January 31,		
	2026	2025	2024
	(in thousands)		
Total fair value of stock options exercised	\$ 163	\$ 22	\$ 212
Total fair value of stock options vested	\$ 2,201	\$ 2,117	\$ 2,756

Non-vested Stock Options

The Company had 148,639 of non-vested stock options at January 31, 2025 with a weighted average grant date fair value of \$14.81. All of these shares vested in fiscal 2026.

Stock Awards:

Under the Plan, the Company can also grant stock awards to employees and directors. For fiscal years 2026, 2025 and 2024, compensation expense for stock awards was \$5.0 million, \$3.2 million and \$5.3 million, respectively. As of January 31, 2026, there was approximately \$5.7 million of unrecognized compensation cost related to unvested stock awards. These costs are expected to be recognized over a weighted average period of 1.9 years.

Transactions for stock awards under the Plan since fiscal 2023 are summarized as follows:

	Number of Stock Award Units	Weighted- Average Grant Date Fair Value	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (\$'000's)
Units outstanding at January 31, 2023	294,148	\$ 28.84		
Units granted	300,633	\$ 28.60		
Units vested	(104,379)	\$ 22.04		
Units forfeited	(4,446)	\$ 28.78		
Units outstanding at January 31, 2024	485,956	\$ 30.15		
Units granted	311,786	\$ 27.78		
Units vested	(138,274)	\$ 28.19		
Units forfeited	(2,106)	\$ 30.70		
Units outstanding at January 31, 2025	657,362	\$ 29.43		
Units granted	508,428	\$ 13.53		
Units vested	(127,000)	\$ 34.65		
Units forfeited	(44,805)	\$ 24.13		
Units outstanding at January 31, 2026	993,985	\$ 20.87	1.3	\$ 22,663

Stock awards granted by the Company can be classified as either time-based stock awards or performance-based stock awards. Time-based stock awards vest over time in the number of shares established at grant date, subject to continued employment. Performance-based stock awards vest over time subject both to continued employment and to the achievement of corporate financial performance goals. Upon the vesting of a stock award, shares are issued from the pool of authorized shares. The number of shares to be issued related to the outstanding performance-based stock awards can vary from 0% to 200% of the target number of underlying stock award units, established at grant date, depending on the particular stock awards and the extent of the achievement of the predetermined financial goals. The total fair value of stock award units that vested during fiscal 2026, 2025 and 2024 was \$4.4 million, \$3.9 million and \$2.3 million, respectively. There were 27,479, 42,388 and 22,034 shares of common stock of the Company tendered by the employee for the payment of the employee's withholding tax obligation totaling \$0.5 million, \$1.2 million and \$0.6 million during the fiscal years ended January 31, 2026, 2025 and 2024, respectively. Unvested stock award units had a total fair value of \$20.7 million, \$19.3 million and \$14.7 million, for fiscal 2026, 2025 and 2024, respectively. The shortfall tax expense on the vested stock awards for fiscal 2026 was approximately \$0.5 million. The number of shares issued related to the remaining stock awards are established at grant date.

NOTE 17 – PENSION AND RETIREMENT SAVINGS PLAN

Defined Contribution Plans

401(k) Savings Plan

All employees in the United States are eligible to participate in the Company's Employee Savings and Investment Plan ("401(k) Plan"), a tax-qualified defined contribution retirement savings plan. The Company matches 50% of each 1% contributed by the employee up to a maximum of 8% of pay (totaling a Company maximum match of 4%). Employees vest in the Company match after three years of service. In fiscal 2026, 2025 and 2024, the Company contributed \$1.4 million, \$1.5 million and \$1.6 million, respectively, in cash to the 401(k) Plan.

Other Defined Contribution Plans

The Company sponsors defined contribution benefit plans for certain of its employees located outside of the United States. Company contributions and expenses of administering the plans were \$0.9 million, \$1.0 million and \$1.2 million in fiscal 2026, 2025 and 2024, respectively.

The Company maintains a defined contribution deferred compensation plan (also known as a supplemental employee retirement plan or SERP). The SERP provides eligible executives with supplemental retirement benefits in addition to amounts received under the Company's other retirement plans. The Company makes a matching contribution, up to either 5% or 10% of the executive's salary, which vests in equal annual installments over five years. Twenty percent of the Company's matching contribution is in the form of rights to the Company's common stock. During fiscal 2026, 2025 and 2024, the Company recorded expenses related to the SERP of \$0.5 million, \$0.6 million and \$0.8 million, respectively.

Defined Benefit Plan

The Company sponsors a defined benefit plan in Switzerland. The plan covers certain international employees and is based on years of service and compensation on a career-average pay basis.

The components of the net periodic pension costs for the fiscal years ended January 31, 2026, 2025 and 2024 are as follows:

<i>(Amounts in thousands)</i>	2026	2025	2024
Service cost	\$ 1,217	\$ 1,146	\$ 1,069
Interest cost	372	505	593
Expected return on assets	(1,187)	(998)	(754)
Actuarial loss/(gain) recognized due to partial settlement	470	(114)	-
Amortization of prior service costs	68	68	76
Net Periodic Pension Cost	<u>\$ 940</u>	<u>\$ 607</u>	<u>\$ 984</u>

The other components of the net periodic pension costs, including interest cost, expected return on assets, actuarial loss/(gain) recognized due to partial settlement and the amortization of the prior service costs, are all included in other income, net in fiscal 2026, fiscal 2025 and fiscal 2024 in the Consolidated Statement of Operations.

During fiscal 2024 there was a plan amendment resulting in a new conversion rate at normal retirement age for retirements in 2025 or later. This plan amendment resulted in a prior service credit of \$0.1 million and will be amortized over 5.4 years.

During fiscal 2026 and 2025, partial settlements, including lump-sum payments, exceeded the combined current service cost and interest cost for those years. As a result, because only a portion of the related benefit obligation was settled, the Company recognized a pro rata portion of the associated unamortized net loss in fiscal 2026 and the unamortized net gain in fiscal 2025. These amounts were recorded as an addition and a reduction, respectively, to other components of net periodic pension cost.

The estimated prior service cost and actuarial loss that will be amortized from accumulated other comprehensive income into net periodic pension cost in the fiscal year ended January 31, 2027 is \$0.1 million.

A reconciliation of the change in benefit obligation, the change in plan assets and the net amount recognized in the Consolidated Balance Sheets are shown below (based on a January 31 measurement date):

<i>(Amounts in thousands)</i>	2026	2025
Change in benefit obligation:		
Pension benefit obligation at beginning of period	\$ 34,428	\$ 34,424
Service cost	1,217	1,146
Interest cost	372	505
Benefits paid	(4,270)	(1,798)
Employee contributions	837	887
Actuarial losses	2,948	1,200
Foreign currency exchange rate impact	6,201	(1,936)
Pension benefit obligation at end of year	41,733	34,428
Change in plan assets:		
Fair value of plan assets at beginning of period	\$ 34,313	\$ 33,731
Company contributions	1,245	1,333
Benefits paid	(4,270)	(1,798)
Actual return on plan assets	1,825	2,075
Employee contributions	837	887
Foreign currency exchange rate impact	6,095	(1,915)
Fair value of plan assets at end of year	40,045	34,313
Funded status - consolidated	<u>\$ (1,688)</u>	<u>\$ (115)</u>
Amounts recognized in the Consolidated Balance Sheets consist of:		
Other non-current liabilities	(1,688)	(115)
Amounts recognized in accumulated other comprehensive income/(loss):		
Prior service cost	15	83
Net actuarial loss	4,485	2,145
Tax effect	(946)	(475)
Net amount recognized, after tax	<u>\$ 3,554</u>	<u>\$ 1,753</u>
Accumulated benefit obligation	<u>\$ 41,423</u>	<u>\$ 34,142</u>

Investment Policy:

It is the objective of the plan sponsor to maintain an adequate level of diversification to balance market risk, to prudently invest to preserve capital and to provide sufficient liquidity while maximizing earnings for near-term payments of benefits accrued under the plan and to pay plan administrative expenses. The assumption used for the expected long-term rate of return on plan assets is based on the long-term expected returns for each investment category currently in the portfolio. Historical return trends for the various asset classes in the class portfolio are combined with current and anticipated future market conditions to estimate the rate of return for each class. These rates are then adjusted for anticipated future inflation to determine estimated nominal rates of return for each class.

The assets within the plan are classified as Level 3 within the fair value hierarchy and consist primarily of investments in pooled funds, including separate employee accounts invested in equity securities, debt securities and real estate. The fair values of these investments are based on valuations provided by the fund administrators, which are not readily observable and cannot be corroborated by observable market data; accordingly, these investments are classified within Level 3 of the fair value hierarchy.

The weighted average assumptions that were used to determine the Company's benefit obligations as of the measurement date (January 31) were as follows:

	2026	2025	2024
Discount rate	1.00%	1.00%	1.50%
Salary progression rate	1.10%	1.10%	1.10%
Expected long-term rate of return on plan assets	3.25%	3.20%	3.00%

The discount rates used are based on high quality AAA- and AA-rated corporate bonds with durations corresponding to the expected durations of the benefit obligations and service time.

The weighted average assumptions that were used to determine the Company's net periodic pension cost were as follows:

	2026	2025	2024
Discount rate	1.00%	1.50%	1.90%
Salary progression rate	1.10%	1.10%	1.10%
Expected long-term rate of return on plan assets	3.20%	3.00%	2.50%

The overall expected long-term rate of return on plan assets is a weighted average expectation based on the targeted portfolio composition. Historical experience and current benchmarks are considered to arrive at expected long-term rates of return in each asset category.

The Company expects the following benefit payments to be paid out for the fiscal years indicated. The expected benefit payments are based on the same assumptions used to measure the Company's benefit obligation at January 31, 2026 and include estimated future employee service. The Company does not expect any plan assets to be returned to it during the fiscal year ending January 31, 2027. Payments from the pension plan are made from the plan assets.

Fiscal Year ending January 31,	(in thousands)
2027	\$ 715
2028	702
2029	847
2030	1,695
2031	1,952
2032-2036	4,289

During fiscal 2027, the Company expects to contribute \$1.3 million to its Swiss defined benefit plan.

NOTE 18 – SEGMENT AND GEOGRAPHIC INFORMATION

The Company follows accounting guidance related to disclosures about segments of an enterprise and related information. This guidance requires disclosure of segment data based on how management makes decisions about allocating resources to segments and measuring their performance.

The Company conducts its business in two operating segments: Watch and Accessory Brands and Company Stores. The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches and, to a lesser extent, jewelry and other accessories, of owned and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet business. The Chief Executive Officer of the Company is the CODM and regularly reviews operating results for each of the two operating segments to assess performance and makes operating decisions about the allocation of the Company's resources. The Company's CODM evaluates operating results based on gross profit, defined as net sales less cost of sales, and operating income, defined as gross profit less selling, general and administrative expenses. The CODM uses gross profit and operating income in the budgeting and forecasting process. The CODM considers budget-to-current forecast and prior forecast-to-current forecast variances for gross profit and operating income for evaluating performance of the segments and making decisions about allocating capital and other resources to each segment.

The Company divides its business into two major geographic locations: United States operations and International, which includes the results of all non-U.S. Company operations. The allocation of geographic revenue is based upon the location of the customer. A vast majority of the Company's tangible International assets are owned by the Company's Swiss and Hong Kong subsidiaries.

The following table summarizes the Company's net sales in the International locations by region as a percentage of the Company's total net sales for the fiscal years ended 2026, 2025 and 2024.

Twelve Months Ended January 31,		
2026	2025	2024

Europe	34.1%	31.0%	30.9%
Americas (excluding the United States)	9.7%	9.9%	9.4%
Asia	7.0%	8.9%	8.1%
Middle East	5.9%	7.6%	7.9%
Total International Operations	56.7%	57.4%	56.3%

Operating Segment Data as of and for the Fiscal Year Ended January 31, (in thousands):

	Net Sales		
	2026	2025	2024
Watch and Accessory Brands:			
Owned brands category	\$ 172,487	\$ 183,622	\$ 198,612
Licensed brands category	391,398	365,216	354,099
After-sales service and all other	4,381	7,548	7,743
Total Watch and Accessory Brands	568,266	556,386	560,454
Company Stores	103,044	96,992	103,935
Consolidated total	\$ 671,310	\$ 653,378	\$ 664,389

	Watch and Accessory Brands	Company Stores	Consolidated Total	Watch and Accessory Brands	Company Stores	Consolidated Total	Watch and Accessory Brands	Company Stores	Consolidated Total
	2026	2026	2026	2025	2025	2025	2024	2024	2024
Net sales	\$ 568,266	\$ 103,044	\$ 671,310	\$ 556,386	\$ 96,992	\$ 653,378	\$ 560,454	\$ 103,935	\$ 664,389
Cost of sales	266,977	40,730	307,707	261,774	38,464	300,238	259,269	40,961	300,230
Gross profit	301,289	62,314	363,603	294,612	58,528	353,140	301,185	62,974	364,159
Selling, general and administrative	286,286	47,488	333,774	286,874	46,251	333,125	269,882	45,807	315,689
Operating income (1) (2)	\$ 15,003	\$ 14,826	\$ 29,829	\$ 7,738	\$ 12,277	\$ 20,015	\$ 31,303	\$ 17,167	\$ 48,470
Other income, net			5,033			7,125			5,994
Interest expense			(507)			(489)			(497)
Income before income taxes			\$ 34,355			\$ 26,651			\$ 53,967
Depreciation and amortization	\$ 7,208	\$ 2,208	\$ 9,416	\$ 7,096	\$ 2,216	\$ 9,312	\$ 7,266	\$ 2,378	\$ 9,644

	Total Assets		Capital Expenditure		
	2026	2025	2026	2025	2024
Watch and Accessory Brands	\$ 690,068	\$ 668,403	\$ 3,194	\$ 5,740	\$ 7,784
Company Stores	52,553	60,828	1,318	2,226	439
Consolidated total	\$ 742,621	\$ 729,231	\$ 4,512	\$ 7,966	\$ 8,223

- (1) The operating income in the Watch and Accessory Brands segment included \$37.7 million, \$30.0 million and \$30.8 million of unallocated corporate expenses for the fiscal years ended January 31, 2026, 2025 and 2024, respectively, and \$66.4 million, \$67.0 million and \$71.5 million of certain intercompany profits related to the Company's supply chain operations for the fiscal years ended January 31, 2026, 2025 and 2024, respectively.
- (2) The operating income in the Watch and Accessory Brands segment for the fiscal year ended January 31, 2026, included a pre-tax charge of \$1.5 million related to the Company's cost-savings initiative and a pre-tax charge of \$3.6 million of costs related to the investigation of allegations of misconduct within the Dubai branch of the Company's Swiss subsidiary. The operating income in the Watch and Accessory Brands segment for the fiscal year ended January 31, 2025, included a pre-tax charge of \$4.6 million

related to the Company's cost-savings initiative and a pre-tax charge of \$2.5 million of costs related to the investigation of allegations of misconduct within the Dubai branch of the Company's Swiss subsidiary.

Geographic Location Data as of and for the Fiscal Year Ended January 31, (in thousands):

	Net Sales (3)		
	2026	2025	2024
United States	\$ 290,548	\$ 278,532	\$ 290,256
International	380,762	374,846	374,133
Consolidated total	<u>\$ 671,310</u>	<u>\$ 653,378</u>	<u>\$ 664,389</u>

United States and International net sales are net of intercompany sales of \$269.7 million, \$287.6 million and \$260.1 million for the fiscal years ended January 31, 2026, 2025 and 2024, respectively.

Long-Lived Assets consist of Operating Right-of-Use Assets and Property, Plant and Equipment, Net.

	Long-Lived Assets		Operating Lease Right-of-Use Assets		Property, Plant and Equipment, Net	
	2026	2025	2026	2025	2026	2025
United States	\$ 62,267	\$ 75,160	\$ 50,705	\$ 61,916	\$ 11,562	\$ 13,244
International	22,711	30,769	17,168	24,093	5,543	6,676
Consolidated total	<u>\$ 84,978</u>	<u>\$ 105,929</u>	<u>\$ 67,873</u>	<u>\$ 86,009</u>	<u>\$ 17,105</u>	<u>\$ 19,920</u>

NOTE 19 – SUBSEQUENT EVENT

U.S. Tariff Update:

On February 20, 2026, the United States Supreme Court issued a ruling striking down “reciprocal” and other tariffs imposed during fiscal 2026 under the International Emergency Economic Powers Act (“IEEPA”). The timing, scope and administrative process for obtaining refunds of tariffs previously paid is uncertain, as is the potential financial statement impact of any refunds or denials thereof. The amount of IEEPA tariffs paid by the Company in fiscal year 2026 was \$8.7 million.

The Company incurred \$12.7 million of IEEPA tariffs in fiscal year 2026. Of this amount, \$9.6 million was recognized in cost of sales in the Company’s Consolidated Statements of Operations, and \$3.1 million was capitalized as a component of inventory in the Company’s Consolidated Balance Sheets at January 31, 2026. Of the total tariffs incurred, \$8.7 million was paid in fiscal year 2026, with the remaining amount recorded as an accrued liability at January 31, 2026.

The Company has not recognized a receivable related to potential tariff refunds, as realization remains uncertain. The ultimate resolution of this matter could have a positive material impact on the Company’s results of operations, financial position, and cash flows in future periods.

Following the Supreme Court’s decision, the Trump Administration replaced the IEEPA-based tariffs with tariffs imposed under Section 122 of the Trade Act of 1974. As of the date of this Annual Report, Section 122 tariffs impose an incremental 10% ad valorem duty on covered imports, and the Administration has announced its intent to increase this rate to 15%. Section 122 tariffs expire after 150 days absent Congressional approval; however, the Administration has announced plans to conduct investigations into trade practices in order to enable the imposition of tariffs under other statutory authorities.

The duration, scope, and applicability of existing and newly announced tariffs remain subject to ongoing legal, regulatory, and administrative developments. At this time, the Company is unable to reasonably estimate the potential impact of these actions on its business, financial condition, or results of operations. The Company will continue to monitor developments and evaluate their potential effects.

Schedule II
MOVADO GROUP, INC.
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Description	Balance at Beginning of Year	Net Provision/(Benefit) Recognized in Earnings	Foreign Currency	Utilization/Write- Offs	Balance at end of year
Year ended January 31, 2026:					
Allowance for expected credit losses	\$ 3,091	\$ 1,603	\$ 241	\$ (183)	\$ 4,752
Returns	17,069	24,538	660	(27,508)	14,759
Other sales allowances	5,941	25,013	387	(19,118)	12,223
Deferred tax asset valuation allowance	3,679	196	306	(437)	3,744
Total	<u>\$ 29,780</u>	<u>\$ 51,350</u>	<u>\$ 1,594</u>	<u>\$ (47,246)</u>	<u>\$ 35,478</u>
Year ended January 31, 2025:					
Allowance for expected credit losses	\$ 3,266	\$ 261	\$ (78)	\$ (358)	\$ 3,091
Returns	12,773	33,457	(456)	(28,705)	17,069
Other sales allowances	6,875	25,150	(185)	(25,899)	5,941
Deferred tax asset valuation allowance	3,298	636	(91)	(164)	3,679
Total	<u>\$ 26,212</u>	<u>\$ 59,504</u>	<u>\$ (810)</u>	<u>\$ (55,126)</u>	<u>\$ 29,780</u>
Year ended January 31, 2024:					
Allowance for expected credit losses	\$ 4,977	\$ 1,375	\$ 173	\$ (3,259) ⁽¹⁾	\$ 3,266
Returns	13,087	30,515	216	(31,045)	12,773
Other sales allowances	8,494	19,470	104	(21,193)	6,875
Deferred tax asset valuation allowance	4,041	372	(185)	(930)	3,298
Total	<u>\$ 30,599</u>	<u>\$ 51,732</u>	<u>\$ 308</u>	<u>\$ (56,427)</u>	<u>\$ 26,212</u>

(1) Activity in fiscal year 2024 includes approximately \$2.5 million of write-offs associated with a fully reserved non-current asset that occurred in fiscal year 2022.

