

Movado Group, Inc. Announces Date of Conference Call and Webcast for Fourth Quarter and Fiscal Year 2025 Results

2025-04-11

Provides Preliminary Net Sales, Gross Margin, and Operating Income Results for the Fourth Quarter and Fiscal Year 2025

~ Board Declares Quarterly Dividend of \$0.35 Per Share ~

PARAMUS, N.J.--(BUSINESS WIRE)-- Movado Group, Inc. (NYSE: MOV) invites investors to listen to a broadcast of the Company's conference call to discuss fourth quarter and fiscal year 2025 earnings results on Wednesday, April 16, 2025 at 9:00 a.m. Eastern Time. A press release detailing the Company's fourth quarter and fiscal year 2025 results will be issued before the market opens and prior to the call. The conference call will be hosted by Efraim Grinberg, Chairman and Chief Executive Officer, and Sallie DeMarsilis, Executive Vice President, Chief Operating Officer and Chief Financial Officer.

Investors and analysts interested in participating on the call are invited to dial (877) 407-0784 and reference conference ID number 13752902 approximately ten minutes prior to the start of the call. The conference call will also be webcast live at www.movadogroup.com. The webcast will be archived online within one hour of the completion of the conference call and remain available for 90 days. Additionally, a telephonic re-play of the call will be available at 1:00 p.m. ET on April 16, 2025 until 11:59 p.m. ET on April 30, 2025 and can be accessed by dialing (844) 512-2921 and entering replay pin number 13752902.

Separately, in a Current Report on Form 8-K filed earlier today, the Company provided restated unaudited consolidated financial information for each of the three fiscal years ended January 31, 2024, and the interim periods within fiscal years 2025 and 2024, following an investigation into allegations of misconduct within the Dubai branch

of the Company's Swiss subsidiary, MGI Luxury Group S arl, related to sales to certain customers in the Middle East, India & Asia Pacific region. The Company also provided certain preliminary unreviewed and unaudited net sales, gross margin, and operating income results for the fourth quarter and fiscal year ended January 31, 2025. These preliminary results follow below.

For the fourth quarter of fiscal year 2025, the Company expects:

- Net sales of \$181.5 million, as compared to \$175.8 million (restated) in the prior year period;
- Gross margin of 54.2% as compared to 53.5% (restated) in the prior year period; and
- Operating income of \$9.2 million, as compared to \$10.8 million (restated) in the prior year period. Operating income for the fourth quarter of fiscal year 2025 was negatively impacted by \$4.3 million as a result of provisions associated with cost savings initiatives as well as professional fees related to the investigation described above resulting in adjusted operating income of \$13.5 million in the fourth quarter of fiscal year 2025.

For fiscal year 2025, the Company expects:

- Net sales of \$653.4 million, as compared to \$664.4 million (restated) in the prior year period;
- Gross margin of 54.0% as compared to 54.8% (restated) in the prior year period; and
- Operating income of \$20.0 million, as compared to \$48.5 million (restated) in the prior year period. Operating income for the fiscal year 2025 was negatively impacted by \$7.1 million as a result of provisions associated with cost savings initiatives as well as professional fees related to the investigation resulting in adjusted operating income of \$27.1 million for fiscal year 2025.

In addition, the Company maintained a strong balance sheet with \$208.5 million of cash and no debt as of January 31, 2025.

The select fourth quarter and fiscal year 2025 results included above in this press release are based upon preliminary financial results. These preliminary financial results are based upon information available to management as of the date of this press release. The Company's actual results may differ significantly from these results due to final adjustments and developments that may arise or information that may become available between now and the time the Company's financial results for fourth quarter and fiscal year 2025 are finalized and included in the Company's Annual Report on Form 10-K. These preliminary results may be subject to further adjustment as a result of the restatements of historical results. These preliminary financial results should not be viewed as a substitute for the Company's audited consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States. The Company's independent registered public accounting firm has not audited, reviewed, or performed any procedures with respect to the preliminary financial results, nor has it expressed any opinion or any other form of assurance on such results.

Quarterly Dividend

The Company also announced today that on April 11, 2025, the Board of Directors approved the payment on May 6, 2025, of a cash dividend in the amount of \$0.35 for each share of the Company's outstanding common stock and class A common stock held by shareholders of record as of the close of business on April 22, 2025.

Movado Group, Inc. designs, sources, and globally distributes and sells MOVADO®, MVMT®, OLIVIA BURTON®, EBEL®, CONCORD®, CALVIN KLEIN®, COACH®, TOMMY HILFIGER®, HUGO BOSS® and LACOSTE® watches and, to a lesser extent, jewelry and other accessories, and operates Movado Company Stores in the United States and Canada.

In this release, the Company presents adjusted operating income, which is a financial measure that is not calculated according to generally accepted accounting principles in the United States ("GAAP"). Adjusted operating income eliminates the establishment of a provision associated with cost savings initiatives as well as professional fees related to the internal investigation mentioned above. The Company believes this adjusted measure is useful because it gives investors information about the Company's financial performance without the effect of certain items that the Company believes are not characteristic of its usual operations. This non-GAAP financial measure is designed to complement the GAAP financial information presented in this release. The non-GAAP financial measure presented should not be considered in isolation from or as a substitute for the comparable GAAP financial measure, and the methods of its calculation may differ substantially from similarly titled measures used by other companies.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "expects," "anticipates," "believes," "targets," "goals," "projects," "intends," "plans," "seeks," "estimates," "may," "will," "should" and variations of such words and similar expressions. Similarly, statements in this press release that describe the Company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements and levels of future dividends to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties may include, but are not limited, to the significance and scope of the restatement, the timing of completion of the restatement, the effects of the restatement on the prior financial statements or financial results, our 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, 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 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, and the other factors discussed in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These statements reflect the Company's current beliefs and are based upon information currently available to it. Be advised that developments subsequent to this press release are likely to cause these statements to become outdated with the passage of time. The Company assumes no duty to update its forward-looking statements and this release shall not be construed to indicate the assumption by the Company of any duty to update its outlook in the future.

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