

# FOSSIL GROUP

**March 2025 Investor Deck**

**FOSSIL**  
GROUP

# Safe Harbor Statement

Certain statements contained herein that are not historical facts, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. The actual results of the future events described in such forward-looking statements could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are: risks related to the success of our restructuring and turnaround plans; increased political uncertainty, the effect of worldwide economic conditions; the effect of a pandemic; significant changes in consumer spending patterns or preferences; interruptions or delays in the supply of key components or products; acts of war or acts of terrorism; loss of key facilities; data breach or information systems disruptions; changes in foreign currency valuations in relation to the U.S. dollar; lower levels of consumer spending resulting from a general economic downturn or generally reduced shopping activity caused by public safety or consumer confidence concerns; the performance of our products within the prevailing retail environment; customer acceptance of both new designs and newly-introduced product lines; changes in the mix of product sales; the effects of vigorous competition in the markets in which we operate; compliance with debt covenants and other contractual provisions and meeting debt service obligation; risks related to the success of our business strategy; the termination or non-renewal of material licenses; risks related to foreign operations and manufacturing; changes in the costs of materials and labor; government regulation and tariffs; our ability to secure and protect trademarks and other intellectual property rights; levels of traffic to and management of our retail stores; loss of key personnel and the outcome of current and possible future litigation, as well as the risks and uncertainties set forth in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”). These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. Readers of this release should consider these factors in evaluating, and are cautioned not to place undue reliance on, the forward-looking statements contained herein. The Company assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

# Table of Contents

## Section

Pg. #

Company Overview

1

Q4 Results

10

Turnaround Plan

12

Outlook

19

*Appendix*

21

# Company Overview

**FOSSIL**  
GROUP



# Company Overview



MICHAEL KORS



EMPORIO ARMANI



For 40 years, FOSSIL GROUP has been a *purpose-driven design and innovation* company, with a *consumer-first mindset* and approach.

Our diverse portfolio of *world-class brands* includes both brands we own and partnerships with incredible brands around the world, giving us a unique position to create and distribute traditional watches and accessories across a *powerful global footprint*.

Our brand portfolio and product assortment covers a *broad spectrum of ages, tastes and price points*, for both male and female consumers.

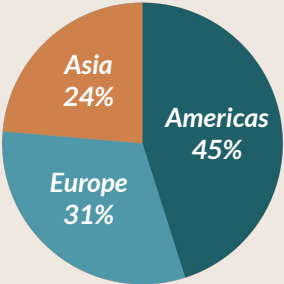
## 2024 Net Sales in Constant Currency

We create distinctive watches and accessories with some of the greatest brands in the world.

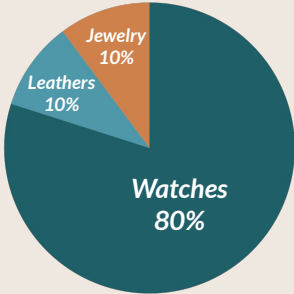
We bring them to life for our customers across over 30,000 points of distribution and 140 countries



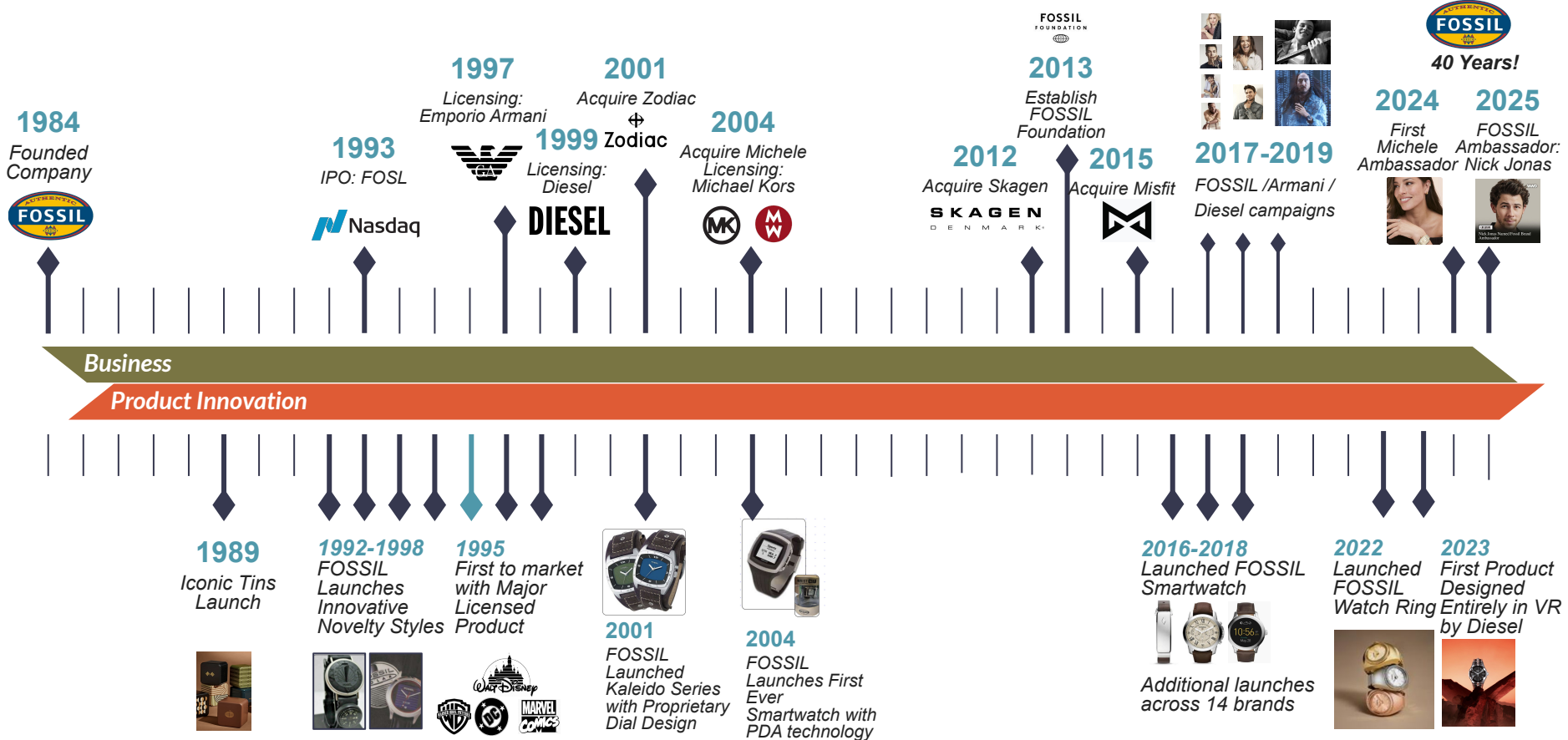
Segment



Category



# Company History





**We have the foundational assets to drive the business forward**

*Iconic Brands*

*Innovative Designs*

*Global Reach*

*Talented Teams*



**40-year history & rich brand heritage**

# Recent Global Rankings



The FOSSIL Brand is Garnering Global Recognition



## World's Best Brands

*FOSSIL Brand ranked #4 in global watch market 2024, Time Magazine*



## Fashion Jewelry of the Year

*Raquel Watch Ring won the 'Fashion Jewelry of the Year' award at Inhorgenta in Munich, Germany*



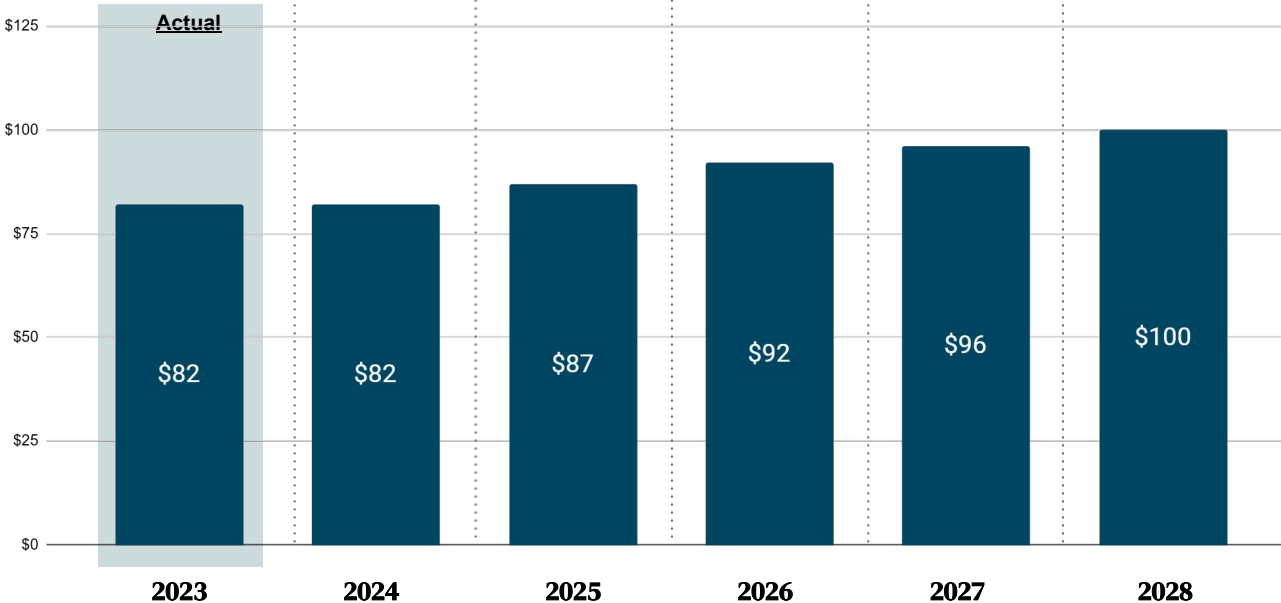
# The Global Market for Traditional Watches is Growing

## Key Highlights

In addition to our recent accolades, and our foundation assets, the traditional watch growth projections lead us to believe there are additional tailwinds:

- Global market for Traditional Watches forecasted **growth of 4.1% CAGR** 2024 - 2028
- Expected growth of 3.4% in **US** and 9.5% in **India**
- Global Traditional Watch **Average Unit Retail** expected to grow at **+0.8% CAGR**

Size (\$B) <sup>(2)</sup>	\$82B	\$82B	\$87B	\$92B	\$96B	\$100B
% YoY	+10.3%	+0.1%	+6.2%	+5.2%	+4.6%	+4.5%



(1) Euromonitor Data as of Dec-2024 – addressable traditional watch market dollar value for mid watch price segment (\$150 - \$1,000)

(2) Market size in \$ billions based on retail value RSP using historic currency exchange rates

# Fourth Quarter 2024 Highlights

**FOSSIL**  
GROUP

# Q4 2024 Results

## Sales and Adjusted Operating Income<sup>1</sup> Above Expectations

### Worldwide Net Sales

**\$342M**

-18% Constant Currency vs prior year period

- Fossil traditional watches **+2% globally**, excluding the impact of store closures
- **Improved performance** in US wholesale
- 600 basis points of net sales decline attributable to connected watch exit and store closures

### Gross Margin

**53.9%**

+630 Basis Points vs prior year period

#### Drivers of improvement include:

- Improved product margins
- Connected watch exit
- Reduced promotional activity in e-commerce channel

### Selling, General & Administrative Expenses

**\$172M**

-17% vs prior year period

#### Drivers of improvement include:

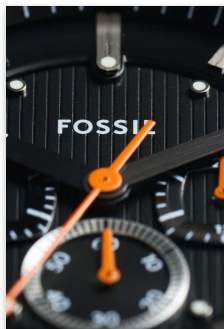
- Lower store operating costs on fewer stores
- Lower compensation and administrative expenses
- Planned decreases in marketing

### Adjusted Operating Income<sup>1</sup> Margin

**5.9%**

+790 Basis Points vs prior year period  
**Achieved profitability** versus an expected loss

<sup>1</sup>A reconciliation of Adjusted operating income, a non-GAAP financial measure, to operating income is included in the Appendix.



# FOSSIL GROUP Turnaround Plan

FOSSIL  
GROUP



# Three Turnaround Pillars Designed to Return FOSSIL GROUP to Profitable Growth



## Refocus our Core

- Launch a new FOSSIL Brand Platform
- Leverage our core licensed brands
- Optimize our global wholesale footprint
- Drive channel profitability



## Right-Size our Cost Structure

- Align cost structure to new strategy, scope and scale
- Approximately \$100m of expected SG&A savings in 2025 versus 2024
- Pursue non-core asset sales



## Strengthen our Balance Sheet

- \$177 million of liquidity at 12/28/24
- Pursue non-core asset sales
- Address upcoming debt maturities

# Refocus our Core: Launch A New FOSSIL Brand Platform

Actions are underway to engage consumers with a new FOSSIL Brand Platform



Reimagine  
FOSSIL.com website



Leverage FOSSIL  
Innovation Labs



Emphasize heritage  
brand storytelling



Launch a global,  
omnichannel campaign  
featuring celebrity  
ambassador Nick Jonas,  
summer 2025

# Refocus our Core: Leverage Core Licensed Brands

## Prioritizing our Core Licensed Brand Partners

### Fossil Group extends licensing agreement with Michael Kors through 2027

Fossil Group announced on Thursday an extension of its long-standing licensing agreement with luxury fashion brand Michael Kors, securing their partnership through 2027.



Extended our license agreement for Michael Kors



Lowering minimum royalties with key partners



**NEW!**  
Michael Kors  
Wholesale  
Fixture

### Reinvigorating wholesale presence

1. Invest in POS
2. Renewed focus on Specialty Watch Retail

# Refocus our Core: Optimize Global Wholesale Footprint

## Global Market Priorities

- **Prioritizing scalable markets**, including the US, France, Germany and India, where we have a strong presence, brand awareness and long-term partners
- Transitioning to a **distributor model in smaller geographies** within Europe and Asia
  - Near-term headwind to sales
  - Lower operating costs
  - Greater flow-through to profit
- Positioned to drive **long-term, scalable growth**
- Five markets transitioned to a distributor model thus far: Denmark, Finland, Norway, Poland, Sweden



# Refocus our Core: Drive Channel Profitability

## Prioritizing Wholesale

### Prioritizing Wholesale

- Enhancing visual merchandising, point of sale and sales education
- Reducing e-commerce promotions, which is strengthening partner relationships and creating a halo effect across all channels



## Transforming Direct-to-Consumer

- Opportunity to become a smaller, more profitable business
- Provide a seamless omni-channel experience
- Deliver personalized customer journeys



### E-commerce Actions

- Reduced promotions driving higher quality traffic and increased Average Unit Retail
- Integrated Amazon's Buy with Prime features into FOSSIL.com



### Fossil Retail Stores Strategy

- Emphasize traditional watches
- Highlight personalization
- Upgrade the store operating model
- Optimize the portfolio with approximately 50 closures in 2025



# Talented and Committed Management Team

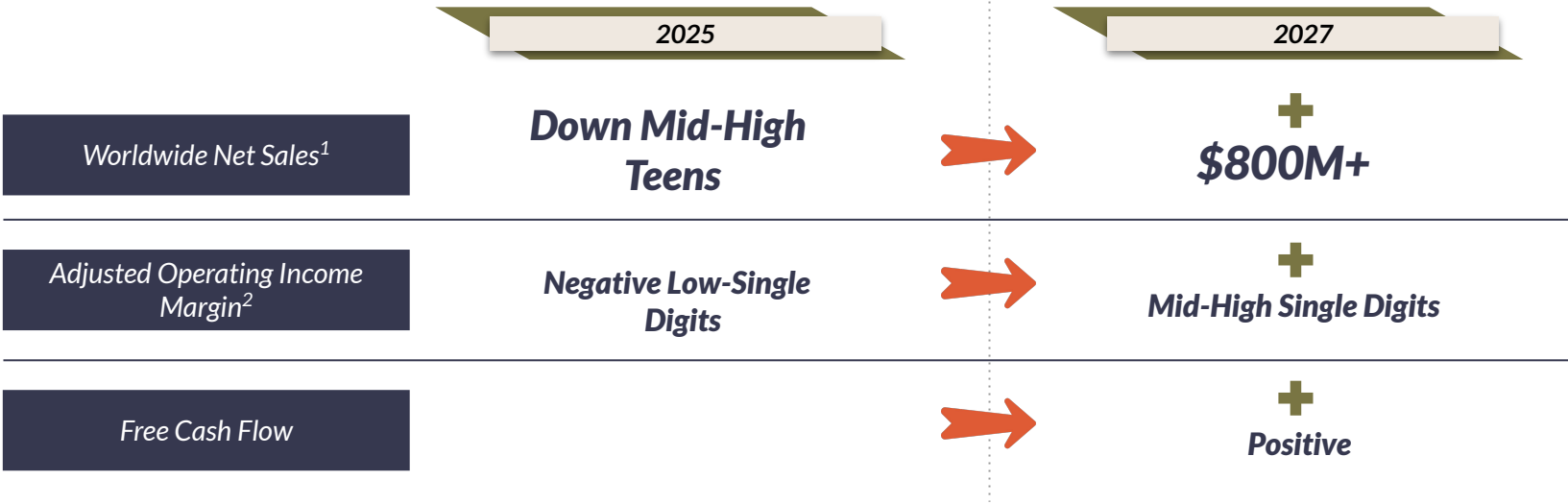
<p>Franco Fogliato, Chief Executive Officer</p>	
<p>Randy Greben, Chief Financial Officer</p>	
<p>Joe Martin, Chief Commercial Officer</p>	
<p>Melissa Lowenkron, Chief Brand Officer</p>	
<p>Antonio Carriero, Chief Digital Information Officer, General Manager EMEA</p>	

# Financial Outlook

**FOSSIL**  
GROUP



# Multi-Year Financial Outlook



<sup>1</sup> Includes approximately \$45 million or 4 points of expected impact related to store closures.

<sup>2</sup> A reconciliation of Adjusted operating income, a non-GAAP financial measure, to a corresponding GAAP measure is not available on a forward-looking basis without unreasonable efforts due to the high variability and low visibility of certain income and expense items that are excluded in calculating Adjusted operating income.



# Appendix

**FOSSIL**  
GROUP

# Q4/Full Year Financial Results - Net Sales

(S in millions)	Net Sales For the 13 Weeks Ended				Net Sales For the 52 Weeks Ended					
	28-Dec-24			30-Dec-23	28-Dec-24			30-Dec-23		
	As Reported	Impact of Foreign Currency Exchange Rates	Constant Currency	As Reported	As Reported	Impact of Foreign Currency Exchange Rates	Constant Currency	As Reported		
<b>Segment:</b>										
Americas	\$ 164.2	\$ 2.7	\$ 166.9	\$ 203.7	\$ 515.2	\$ 2.9	\$ 518.1	\$ 640.8		
Europe	\$ 107.0	\$ -	\$ 107.0	\$ 135.7	\$ 357.6	\$ (1.9)	\$ 355.7	\$ 437.4		
Asia	\$ 70.4	\$ -	\$ 70.4	\$ 80.9	\$ 270.1	\$ 4.3	\$ 274.4	\$ 328.2		
Corporate	\$ 0.7	\$ -	\$ 0.7	\$ 1.0	\$ 2.1	\$ -	\$ 2.1	\$ 6.0		
<b>Total net sales</b>	<b>\$ 342.3</b>	<b>\$ 2.7</b>	<b>\$ 345.0</b>	<b>\$ 421.3</b>	<b>\$ 1,145.0</b>	<b>\$ 5.3</b>	<b>\$ 1,150.3</b>	<b>\$ 1,412.4</b>		
<b>Product Categories:</b>										
<b>Watches:</b>										
Traditional watches	\$ 268.8	\$ 2.4	\$ 271.2	\$ 300.9	\$ 872.6	\$ 4.2	\$ 876.8	\$ 1,015.1		
Smartwatches	\$ 3.6	\$ -	\$ 3.6	\$ 21.5	\$ 24.9	\$ -	\$ 24.9	\$ 80.9		
<b>Total Watches</b>	<b>\$ 272.4</b>	<b>\$ 2.4</b>	<b>\$ 274.8</b>	<b>\$ 322.4</b>	<b>\$ 897.5</b>	<b>\$ 4.2</b>	<b>\$ 901.7</b>	<b>\$ 1,096.0</b>		
Leathers	\$ 32.4	\$ 0.1	\$ 32.5	\$ 51.8	\$ 111.1	\$ 0.4	\$ 111.5	\$ 158.5		
Jewelry	\$ 32.5	\$ 0.2	\$ 32.7	\$ 40.4	\$ 114.5	\$ 0.6	\$ 115.1	\$ 131.4		
Other	\$ 5.0	\$ -	\$ 5.0	\$ 6.7	\$ 21.9	\$ 0.1	\$ 22.0	\$ 26.5		
<b>Total net sales</b>	<b>\$ 342.3</b>	<b>\$ 2.7</b>	<b>\$ 345.0</b>	<b>\$ 421.3</b>	<b>\$ 1,145.0</b>	<b>\$ 5.3</b>	<b>\$ 1,150.3</b>	<b>\$ 1,412.4</b>		

# Q4/Full Year Financial Results - Consolidated Income Statement

Consolidated Income Statement Data	For the 13 Weeks Ended 28-Dec-24	For the 13 Weeks Ended 30-Dec-23	For the 52 Weeks Ended 28-Dec-24	For the 52 Weeks Ended 30-Dec-23
(\$ in millions, except per share data):				
Net sales	\$ 342.3	\$ 421.3	\$ 1,145.0	\$ 1,412.4
Cost of sales	\$ 157.7	\$ 220.8	\$ 547.8	\$ 732.8
Gross profit	\$ 184.6	\$ 200.5	\$ 597.2	\$ 679.6
Gross margin (% of net sales)	53.9%	47.6%	52.2%	48.1%
Operating expenses:				
Selling, general and administrative expenses	\$ 172.1	\$ 207.7	\$ 638.8	\$ 777.2
Other long-lived asset impairments	\$ 0.6	\$ 1.3	\$ 2.5	\$ 2.1
Restructuring charges	\$ 28.2	\$ 15.5	\$ 59.8	\$ 43.3
Total operating expenses	\$ 200.9	\$ 224.5	\$ 701.1	\$ 822.6
Total operating expenses (% of net sales)	58.7%	53.3%	61.2%	58.2%
Operating income (loss)	\$ (16.3)	\$ (24.0)	\$ (103.9)	\$ (143.0)
Operating margin (% of net sales)	-4.8%	-5.7%	-9.1%	-10.1%
Interest expense	\$ 4.9	\$ 5.7	\$ 19.0	\$ 21.8
Other income (expense) - net	\$ (4.1)	\$ 1.9	\$ 4.9	\$ 8.7
Income (loss) before income taxes	\$ (25.2)	\$ (27.8)	\$ (118.1)	\$ (156.1)
Provision for income taxes	\$ (14.0)	\$ 0.6	\$ (11.8)	\$ 0.5
Less: Net income attributable to noncontrolling interest	\$ (3.6)	\$ (0.2)	\$ (3.6)	\$ 0.4
Net income attributable to Fossil Group, Inc.	\$ (7.6)	\$ (28.2)	\$ (102.7)	\$ (157.0)
Earnings per share:				
Basic	\$ (0.14)	\$ (0.54)	\$ (1.94)	\$ (3.00)
Diluted	\$ (0.14)	\$ (0.54)	\$ (1.94)	\$ (3.00)
Weighted average common shares outstanding:				
Basic	53.2	52.5	53.0	52.3
Diluted	53.2	52.5	53.0	52.3

# Q4/Full Year Financial Results - Adjusted EBITDA

(\$ in millions):	Fiscal 2024				Total
	Q1	Q2	Q3	Q4	
Income (loss) before income taxes	\$ (30.4)	\$ (36.6)	\$ (25.8)	\$ (25.2)	\$ (118.1)
Plus:					
Interest expense	\$ 5.1	\$ 4.1	\$ 4.9	\$ 4.9	\$ 19.0
Amortization and depreciation	\$ 4.5	\$ 3.9	\$ 3.8	\$ 3.8	\$ 16.0
Impairment expense	\$ 0.4	\$ 0.6	\$ 1.0	\$ 0.6	\$ 2.5
Other non-cash charges	\$ (0.1)	\$ 0.1	\$ (0.5)	\$ 3.7	\$ 3.3
Stock-based compensation	\$ 1.0	\$ 0.6	\$ 0.6	\$ 0.7	\$ 2.9
Restructuring expense	\$ 10.1	\$ 16.7	\$ 4.8	\$ 28.2	\$ 59.8
Restructuring cost of sales	\$ (0.2)	\$ —	\$ —	\$ 7.5	\$ 7.3
Less:					
Interest Income	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 4.3
Adjusted EBITDA	\$ (10.7)	\$ (11.7)	\$ (12.3)	\$ 23.1	\$ (11.6)

(\$ in millions):	Fiscal 2023				Total
	Q1	Q2	Q3 <sup>(1)</sup>	Q4	
Income (loss) before income taxes	\$ (39.6)	\$ (33.5)	\$ (55.2)	\$ (27.8)	\$ (156.1)
Plus:					
Interest expense	\$ 5.0	\$ 5.3	\$ 5.8	\$ 5.7	\$ 21.8
Amortization and depreciation	\$ 5.1	\$ 4.8	\$ 4.5	\$ 4.6	\$ 19.1
Impairment expense	\$ 0.1	\$ 0.2	\$ 0.6	\$ 1.3	\$ 2.2
Other non-cash charges	\$ (0.2)	\$ (0.5)	\$ (0.2)	\$ 0.1	\$ (0.9)
Stock-based compensation	\$ 1.4	\$ 1.6	\$ 1.5	\$ 1.1	\$ 5.7
Restructuring expense	\$ 7.1	\$ 4.6	\$ 16.0	\$ 15.5	\$ 43.3
Restructuring cost of sales	\$ 5.3	\$ 2.9	\$ (1.3)	\$ (1.3)	\$ 5.5
Less:					
Interest Income	\$ 0.6	\$ 0.8	\$ 1.0	\$ 0.9	\$ 3.2
Adjusted EBITDA	\$ (16.4)	\$ (15.4)	\$ (29.3)	\$ (1.6)	\$ (62.6)

(1) Prior period amounts have been adjusted to conform to the current period presentation.

# Q4/Full Year Financial Results - GAAP to Non-GAAP Financial Measures

(\$ in millions, except per share data):	Fiscal Year 2024				
	As Reported	Restructuring Cost of Sales	Long-lived Asset Impairment	Restructuring Expenses	As Adjusted
Operating income (loss)	\$ (103.9)	\$ 7.3	\$ 2.5	\$ 59.8	\$ (34.3)
Operating margin (% of net sales)	-9.10%				-3.00%
Interest expense	\$ 19.0	—	—	—	\$ 19.0
Other income (expense) - net	\$ 4.9	—	—	—	\$ 4.9
Income (loss) before income taxes	\$ (118.1)	\$ 7.3	\$ 2.5	\$ 59.8	\$ (48.5)
Provision for income taxes	\$ (11.8)	\$ 1.5	\$ 0.5	\$ 12.6	\$ 2.8
Less: net income attributable to non-controlling interest	\$ (3.6)	—	—	—	\$ (3.6)
Net income (loss) attributable to Fossil Group, Inc.	\$ (102.7)	\$ 5.8	\$ 2.0	\$ 47.2	\$ (47.7)
Diluted earnings (loss) per share	\$ (1.94)	\$ 0.11	\$ 0.04	\$ 0.89	\$ (0.90)

# Q4/Full Year Financial Results - Consolidated Balance Sheet

Consolidated Balance Sheet Data (\$ in millions):	28-Dec-24	30-Dec-23
<b>Assets:</b>		
Cash and cash equivalents	\$ 123.6	\$ 117.2
Accounts receivable - net	\$ 162.2	\$ 187.9
Inventories	\$ 178.6	\$ 252.8
Other current assets	\$ 90.1	\$ 152.8
<b>Total current assets</b>	<b>\$ 554.5</b>	<b>\$ 710.7</b>
Property, plant and equipment - net	\$ 41.6	\$ 57.2
Operating lease right-of-use assets	\$ 121.4	\$ 151.0
Intangible and other assets - net	\$ 46.1	\$ 59.1
<b>Total long-term assets</b>	<b>\$ 209.1</b>	<b>\$ 267.3</b>
<b>Total assets</b>	<b>\$ 763.6</b>	<b>\$ 978.0</b>
<b>Liabilities and stockholders' equity:</b>		
Accounts payable, accrued expenses and other current liabilities	\$ 324.4	\$ 342.0
Short-term debt	\$ 2.2	\$ 0.5
<b>Total current liabilities</b>	<b>\$ 326.6</b>	<b>\$ 342.5</b>
Long-term debt	\$ 162.7	\$ 207.0
Long-term operating lease liabilities	\$ 113.7	\$ 137.6
Other long-term liabilities	\$ 23.9	\$ 39.2
<b>Total long-term liabilities</b>	<b>\$ 300.3</b>	<b>\$ 383.8</b>
Stockholders' equity	\$ 136.7	\$ 251.7
<b>Total liabilities and stockholders' equity</b>	<b>\$ 763.6</b>	<b>\$ 978.0</b>

**FOSSIL**  
GROUP