REFINITIV

DELTA REPORT

10-Q

MOV - MOVADO GROUP INC

10-Q - JULY 31, 2024 COMPARED TO 10-Q - APRIL 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	912
CHANGES	369
DELETIONS	132
ADDITIONS	411

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended April 30, July 31, 2024

☐ **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	**13-2595932**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
650 From Road, Ste. 375 Paramus, New Jersey	**07652-3556**
(Address of Principal Executive Offices)	**(Zip Code)**

(201) 267-8000

(Registrant's telephone number, including area code)

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

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 that 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, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's Common Stock and Class A Common Stock as of May 24, 2024 August 30, 2024 were 15,726,641 15,763,218 and 6,483,116 6,458,376 respectively.

MOVADO GROUP, INC.

Index to Quarterly Report on Form 10-Q

April 30, July 31, 2024

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	April 30, 2024	January 31, 2024	April 30, 2023	July 31, 2024	January 31, 2024	July 31, 2023
ASSETS						
Current assets:						
Cash and cash equivalents	$ 225,372	$ 262,059	$ 198,257	$ 198,251	$ 262,059	$ 218,909
Trade receivables, net	101,722	104,472	94,037	109,784	104,472	95,821
Inventories	159,618	148,031	195,235	176,396	148,031	181,448
Other current assets	22,258	17,962	25,804	26,421	17,962	25,206
Income taxes receivable	8,336	11,354	12,057	13,088	11,354	12,988
Total current assets	517,306	543,878	525,390	523,940	543,878	534,372
Property, plant and equipment, net	19,037	19,436	19,075	20,315	19,436	19,740
Operating lease right-of-use assets	89,155	82,661	76,194	85,350	82,661	71,358
Deferred and non-current income taxes	43,280	43,016	45,049	42,685	43,016	45,004
Other intangibles, net	6,935	7,493	8,996	6,645	7,493	8,432
Other non-current assets	75,702	72,598	66,792	80,253	72,598	70,791
Total assets	$ 751,415	$ 769,082	$ 741,496	$ 759,188	$ 769,082	$ 749,697
LIABILITIES AND EQUITY						
Current liabilities:						
Accounts payable	$ 32,999	$ 32,775	$ 24,443	$ 36,769	$ 32,775	$ 28,435
Accrued liabilities	41,976	38,695	48,858	45,074	38,695	47,135
Accrued payroll and benefits	7,340	7,591	7,597	9,778	7,591	10,976
Current operating lease liabilities	18,192	15,696	17,558	18,352	15,696	17,069
Income taxes payable	6,459	18,318	17,557	8,962	18,318	18,078
Total current liabilities	106,966	113,075	116,013	118,935	113,075	121,693
Deferred and non-current income taxes payable	8,143	8,234	14,540	1,028	8,234	8,321
Non-current operating lease liabilities	79,749	76,396	66,743	76,314	76,396	63,565
Other non-current liabilities	52,877	52,420	49,287	56,336	52,420	52,220
Total liabilities	247,735	250,125	246,583	252,613	250,125	245,799
Commitments and contingencies (Note 8)						
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; 29,131,595, 29,004,001 and 28,824,156 shares issued and outstanding, respectively	291	290	288			
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,483,116, 6,483,116 and 6,524,805 shares issued and outstanding, respectively	64	64	65			
Common Stock, $0.01 par value, 100,000,000 shares authorized; 29,169,952, 29,004,001 and 28,876,211 shares issued and outstanding, respectively	292	290	289			
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,458,376, 6,483,116 and 6,483,116 shares issued and outstanding	64	64	64			
Capital in excess of par value	240,923	239,062	232,419	242,039	239,062	234,443
Retained earnings	465,435	470,317	455,979	461,382	470,317	456,279
Accumulated other comprehensive income	82,073	92,335	85,177	87,838	92,335	91,810
Treasury Stock, 13,404,954, 13,328,095 and 13,208,339 shares, respectively, at cost	(287,414)	(285,270)	(281,957)			

Treasury Stock, 13,408,334, 13,328,095 and 13,213,877 shares, respectively, at cost	(287,499)	(285,270)	(282,101)			
Total Movado Group, Inc. shareholders' equity	501,372	516,798	491,971	504,116	516,798	500,784
Noncontrolling interest	2,308	2,159	2,942	2,459	2,159	3,114
Total equity	503,680	518,957	494,913	506,575	518,957	503,898
Total liabilities and equity	$ 751,415	$ 769,082	$ 741,496	$ 759,188	$ 769,082	$ 749,697

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended April 30,		Three Months Ended July 31,		Six Months Ended July 31,	
	2024	2023	2024	2023	2024	2023
Net sales	$ 136,669	$ 144,905	$ 159,313	$ 160,390	$ 295,982	$ 305,295
Cost of sales	61,156	62,902	72,948	71,104	134,104	134,006
Gross profit	75,513	82,003	86,365	89,286	161,878	171,289
Selling, general and administrative	72,202	71,104	83,335	79,638	155,537	150,742
Operating income	3,311	10,899	3,030	9,648	6,341	20,547
Non-operating income/(expense):						
Other income, net	2,172	1,025	1,877	1,537	4,049	2,562
Interest expense	(118)	(113)	(110)	(113)	(228)	(226)
Income before income taxes	5,365	11,811	4,797	11,072	10,162	22,883
Provision for income taxes (Note 9)	2,302	2,534	936	2,885	3,238	5,419
Net income	3,063	9,277	3,861	8,187	6,924	17,464
Less: Net income attributable to noncontrolling interests	172	149	140	138	312	287
Net income attributable to Movado Group, Inc.	$ 2,891	$ 9,128	$ 3,721	$ 8,049	$ 6,612	$ 17,177
Basic income per share:						
Weighted basic average shares outstanding	22,253	22,226	22,303	22,231	22,278	22,229
Net income per share attributable to Movado Group, Inc.	$ 0.13	$ 0.41	$ 0.17	$ 0.36	$ 0.30	$ 0.77
Diluted income per share:						
Weighted diluted average shares outstanding	22,673	22,672	22,658	22,616	22,665	22,642
Net income per share attributable to Movado Group, Inc.	$ 0.13	$ 0.40	$ 0.16	$ 0.36	$ 0.29	$ 0.76

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

(Unaudited)

	Three Months Ended April 30,		Three Months Ended July 31,		Six Months Ended July 31,	
	2024	2023	2024	2023	2024	2023
Net income	$ 3,063	$ 9,277	$ 3,861	$ 8,187	$ 6,924	$ 17,464
Other comprehensive income/(loss):						
Net unrealized gain/(loss) on investments, net of tax provision/(benefit) of $1 and ($11), respectively	4	(32)				
Amortization of prior service cost, net of tax provision of $3 and $4, respectively	12	15				
Net unrealized gain/(loss) on investments, net of tax provision/(benefit) of $6, $1, $7 and ($10), respectively	16	3	20	(29)		
Amortization of prior service cost, net of tax provision of $4, $4, $7 and $8, respectively	12	15	24	30		
Foreign currency translation adjustments	(10,339)	4,002	5,826	6,320	(4,513)	10,322
Cash flow hedges:						
Accumulated other comprehensive income/(loss) before reclassification, net of tax provision/(benefit) of $22 and ($64)	111	(323)				
Amounts reclassified from accumulated other comprehensive (loss)/income, net of tax (benefit)/provision of ($10) and $44	(50)	220				
Total other comprehensive (loss)/income, net of taxes	(10,262)	3,882				
Accumulated other comprehensive income/(loss) before reclassification, net of tax provision/(benefit) of $16, $59, $38 and ($5), respectively	79	299	190	(24)		
Amounts reclassified from accumulated other comprehensive (loss)/income, net of tax (benefit)/provision of ($33), ($1), ($43) and $43, respectively	(168)	(4)	(218)	216		
Total other comprehensive income/(loss), net of taxes	5,765	6,633	(4,497)	10,515		
Less:						
Comprehensive income/(loss) attributable to noncontrolling interests:						
Net income	172	149	140	138	312	287
Foreign currency translation adjustments	(23)	(145)	11	34	(12)	(111)
Total comprehensive income attributable to noncontrolling interests	$ 149	$ 4	$ 151	$ 172	$ 300	$ 176
Total comprehensive (loss)/income attributable to Movado Group, Inc.	$ (7,348)	$ 13,155				
Total comprehensive income attributable to Movado Group, Inc.	$ 9,475	$ 14,648	$ 2,127	$ 27,803		

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended April 30,		Six Months Ended July 31,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Net income	$ 3,063	$ 9,277	$ 6,924	$ 17,464
Adjustments to reconcile net income to net cash used in operating activities:				
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:				
Depreciation and amortization	2,288	2,557	4,582	5,039

Transactional gains	(1,434)	(114)		
Transactional (gains)/losses	(75)	849		
Provision for inventories and accounts receivable	1,210	904	2,292	1,916
Deferred income taxes	(457)	(1,029)	(553)	(1,564)
Stock-based compensation	1,838	1,597	2,855	3,579
Other	82	559	171	647
Changes in assets and liabilities:				
Trade receivables	1,094	415	(6,864)	(827)
Inventories	(15,990)	(8,149)	(31,401)	6,935
Other current assets	(5,090)	(1,985)	(8,375)	(700)
Accounts payable	1,082	(7,949)	3,493	(2,995)
Accrued liabilities	3,067	3,739	6,608	2,206
Accrued payroll and benefits	(107)	(9,844)	2,243	(6,529)
Income taxes receivable	4,462	(1,166)	4,126	(5,981)
Income taxes payable	(13,264)	(11,083)	(22,218)	(12,108)
Other non-current assets	95	635	276	1,003
Other non-current liabilities	(13)	139	6	292
Net cash used in operating activities	(18,074)	(21,497)		
Net cash (used in)/provided by operating activities	(35,910)	9,226		
Cash flows from investing activities:				
Capital expenditures	(1,624)	(2,257)	(3,913)	(4,620)
Long-term investments	(3,123)	(600)	(4,310)	(1,407)
Trademarks and other intangibles	(49)	(26)	(82)	(54)
Net cash used in investing activities	(4,796)	(2,883)	(8,305)	(6,081)
Cash flows from financing activities:				
Dividends paid	(7,773)	(29,901)	(15,547)	(37,650)
Stock repurchases	(1,086)	(381)	(1,086)	(433)
Stock awards and options exercised and other changes	(1,058)	—	(1,075)	(92)
Net cash used in financing activities	(9,917)	(30,282)	(17,708)	(38,175)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(3,948)	1,349	(1,900)	3,131
Net decrease in cash, cash equivalents and restricted cash	(36,735)	(53,313)	(63,823)	(31,899)
Cash, cash equivalents, and restricted cash at beginning of year	262,814	252,179	262,814	252,179
Cash, cash equivalents, and restricted cash at end of period	$ 226,079	$ 198,866	$ 198,991	$ 220,280
Reconciliation of cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	$ 225,372	$ 198,257	$ 198,251	$ 218,909
Restricted cash included in other non-current assets	707	609	740	1,371
Cash, cash equivalents, and restricted cash	$ 226,079	$ 198,866	$ 198,991	$ 220,280

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying interim unaudited Consolidated Financial Statements have been prepared by Movado Group, Inc. (the "Company"), in a manner consistent with that used in the preparation of the annual audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2024 (the "2024 Annual Report on Form 10-K"). The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the unaudited Consolidated Financial Statements and the reported amounts of revenues and expenses during the periods reported. Actual results could differ from those estimates. In the opinion of management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair statement of the financial position and results of operations for the periods presented. The Consolidated Balance Sheet data at January 31, 2024 is derived from the audited annual financial statements, which are included in the Company's 2024 Annual Report on Form 10-K and should be read in connection with these interim unaudited financial statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year.

NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07 "Improvements to Reportable Segment Disclosures" which requires expanded disclosures about an entity's reportable segments, including more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how an entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within the fiscal years beginning after December 15, 2024. ASU 2023-07 should be adopted on a retrospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its Consolidated Financial Statements and related disclosures.
In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" which requires expanded income tax disclosures primarily related to an entity's effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and should be adopted on a prospective basis. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact of adoption on its Consolidated Financial Statements and related disclosures.

NOTE 3 – EARNINGS PER SHARE AND CASH DIVIDENDS

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 weighted-average shares outstanding during the period. Diluted earnings per share is computed using the weighted average 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):

	Three Months Ended April 30,		Three Months Ended July 31,		Six Months Ended July 31,	
	2024	2023	2024	2023	2024	2023
Weighted average common shares outstanding:						
Basic	22,253	22,226	22,303	22,231	22,278	22,229
Effect of dilutive securities:						
Stock awards and options to purchase shares of common stock	420	446	355	385	387	413
Diluted	22,673	22,672	22,658	22,616	22,665	22,642

For the three months ended April 30, 2024 July 31, 2024 and 2023, approximately 590,000 715,000 and 345,000 505,000, respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive. For both the six months ended July 31, 2024 and 2023, approximately 668,000 of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

On May 30, 2024, the Company declared a quarterly cash dividend of $
0.35 per share payable on June 26, 2024, to shareholders of record on June 12, 2024. The total dividend of $7.8 million was paid on June 26, 2024. On March 26, 2024, the Company declared a quarterly cash dividend of $0.35 per share payable on April 23, 2024, to shareholders of record on April 9, 2024. The total dividends dividend of $7.8 million

were was paid on April 23, 2024. During the three months ended April 30, 2023, the Company paid a special cash dividend of $1.00 per share, as well as a quarterly cash dividend of $0.35 per share, for a total of $29.9 million. During the three months ended July 31, 2023, the Company paid a quarterly cash dividend of $0.35 per share, or $7.7 million.

NOTE 4 – INVENTORIES

Inventories consisted of the following (in thousands):

	April 30, 2024	January 31, 2024	April 30, 2023	July 31, 2024	January 31, 2024	July 31, 2023
Finished goods	$ 129,316	$ 117,909	$ 158,206	$ 145,418	$ 117,909	$ 147,003
Component parts	26,697	26,386	34,174	27,573	26,386	30,653
Work-in-process	3,605	3,736	2,855	3,405	3,736	3,792
	$ 159,618	$ 148,031	$ 195,235	$ 176,396	$ 148,031	$ 181,448

NOTE 5 – 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' Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both April 30, 2024 July 31, 2024, and April 30, 2023 July 31, 2023, 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 April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023. At April 30, 2024 July 31, 2024, the letters of credit have expiration dates through April 28, June 2, 2025. As of both April 30, 2024 July 31, 2024, and April 30, 2023 July 31, 2023, availability under the Facility was $99.7 million.

The Company had weighted average borrowings under the Facility of zero during both the three and six months ended April 30, 2024 July 31, 2024 and 2023. 2023, respectively.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of April 30, 2024 July 31, 2024, and 2023, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of $7.1 7.4 million and $7.3 7.5 million, respectively. As of April 30, 2024 July 31, 2024, and 2023, there were no borrowings against these lines. As of April 30, 2024 July 31, 2024 and 2023, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of $1.3 1.4 million for both periods, and $2.0 million, respectively, in various foreign currencies, of which $0.7 million and $0.6 1.4 million ($0.5 million was refunded in August 2023), respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees, was $0.1 million for both the six month periods ended July 31, 2024 and July 31, 2023 and amortization of debt fees was $0.1 million for both the three six month periods ended April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023.

NOTE 6 – 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 April 30, 2024 July 31, 2024, the Company's net forward contracts hedging portfolio designated as qualified cash flow hedging instruments consisted of 6.0 17.0 million Euros equivalent with various expiry dates ranging through May 31, October 22, 2024. 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. Hedging.* As of April 30, 2024 July 31, 2024, the Company's net forward contracts hedging portfolio not designated as qualified hedges consisted of 2.8 25.0 million Chinese Yuan equivalent, 22.0 million Swiss Francs equivalent, 22.2 30.0 million US U.S. dollars equivalent, 12.2 18.9 million Euros equivalent and 1.2 2.7 million British Pounds equivalent with various expiry dates ranging through October 3, 2024 January 9, 2025. 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. activities.

The following table presents the fair values of the Company's derivative financial instruments included in the Consolidated Balance Sheets as of April 30, 2024 July 31, 2024, January 31, 2024 and April 30, 2023 July 31, 2023 (in thousands):

	Asset Derivatives				Liability Derivatives				Asset Derivatives				Liability Derivatives			
	Balance Sheet Location	April 30, 2024 Fair Value	January 31, 2024 Fair Value	April 30, 2023 Fair Value	Balance Sheet Location	April 30, 2024 Fair Value	January 31, 2024 Fair Value	April 30, 2023 Fair Value	Balance Sheet Location	July 31, 2024 Fair Value	January 31, 2024 Fair Value	July 31, 2023 Fair Value	Balance Sheet Location	July 31, 2024 Fair Value	January 31, 2024 Fair Value	July 31, 2023 Fair Value
Derivatives designated as hedging instruments:																
Foreign Exchange Contracts	Other Current Assets	$ 112	$ 26	$ —	Accrued Liabilities	$ —	$ 11	$ 351	Other Current Assets	$ 25	$ 26	$ 50	Accrued Liabilities	$ 24	$ 11	$ 101
Total Derivative Instruments		$ 112	$ 26	$ —		$ —	$ 11	$ 351		$ 25	$ 26	$ 50		$ 24	$ 11	$ 101

	Asset Derivatives				Liability Derivatives				Asset Derivatives				Liability Derivatives			
	Balance Sheet Location	April 30, 2024 Fair Value	January 31, 2024 Fair Value	April 30, 2023 Fair Value	Balance Sheet Location	April 30, 2024 Fair Value	January 31, 2024 Fair Value	April 30, 2023 Fair Value	Balance Sheet Location	July 31, 2024 Fair Value	January 31, 2024 Fair Value	July 31, 2023 Fair Value	Balance Sheet Location	July 31, 2024 Fair Value	January 31, 2024 Fair Value	July 31, 2023 Fair Value
Derivatives not designated as hedging instruments:																
Foreign Exchange Contracts	Other Current Assets	$ —	$ 528	$ 591	Accrued Liabilities	$ 697	$ —	$ —	Other Current Assets	$ 384	$ 528	$ 360	Accrued Liabilities	$ —	$ —	$ 44
Total Derivative Instruments		$ —	$ 528	$ 591		$ 697	$ —	$ —		$ 384	$ 528	$ 360		$ —	$ —	$ 44

As of April 30, 2024 July 31, 2024, January 31, 2024 and April 30, 2023 July 31, 2023, the balance of net deferred gains on derivative financial instruments designated as cash flow hedges included in accumulated other comprehensive income/(loss) income were $0.1 15,000 million, , $43,000 and ($ $0.3 21,000) million, , respectively. For the three months ended April 30, 2024 July 31, 2024, and April 30, 2023 July 31, 2023, the Company reclassified $0.1 0.2 million and $4,000, respectively, from accumulated other comprehensive income to Net sales in the Consolidated Statements of Operations. For the six months ended July 31, 2024, and July 31, 2023, the Company reclassified $0.2 million and ($0.2) million, respectively, from accumulated other comprehensive income/(loss) to Net sales in the Consolidated Statements of Operations. No ineffectiveness has been recorded for the three and six months ended April 30, 2024 July 31, 2024.

See Note 7 - Fair Value Measurements for fair value and presentation in the Consolidated Balance Sheets for derivatives.

NOTE 7 – 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 April 30, 2024 July 31, 2024 and 2023 and January 31, 2024 (in thousands):

		Fair Value at April 30, 2024					Fair Value at July 31, 2024			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:										
Available-for-sale securities	Other current assets	$ 251	$ —	$ —	$ 251	Other current assets	$ 272	$ —	$ —	$ 272
Short-term investment	Other current assets	151	—	—	151	Other current assets	151	—	—	151
SERP assets - employer	Other non-current assets	559	—	—	559	Other non-current assets	659	—	—	659
SERP assets - employee	Other non-current assets	49,093	—	—	49,093	Other non-current assets	52,511	—	—	52,511
Defined benefit plan assets	Other non-current liabilities	—	—	32,996	32,996	Other non-current liabilities	—	—	34,109	34,109
Hedge derivatives	Other current assets	—	112	—	112	Other current assets	—	409	—	409
Total		$ 50,054	$ 112	$ 32,996	$ 83,162		$ 53,593	$ 409	$ 34,109	$ 88,111
Liabilities:										
SERP liabilities - employee	Other non-current liabilities	$ 49,093	$ —	$ —	$ 49,093	Other non-current liabilities	$ 52,511	$ —	$ —	$ 52,511
Hedge derivatives	Accrued liabilities	—	697	—	697	Accrued liabilities	—	24	—	24
Total		$ 49,093	$ 697	$ —	$ 49,790		$ 52,511	$ 24	$ —	$ 52,535

		Fair Value at January 31, 2024			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	$ 246	$ —	$ —	$ 246
Short-term investment	Other current assets	155	—	—	155
SERP assets - employer	Other non-current assets	510	—	—	510
SERP assets - employee	Other non-current assets	48,800	—	—	48,800
Defined benefit plan assets	Other non-current liabilities	—	—	33,731	33,731
Hedge derivatives	Other current assets	—	554	—	554
Total		$ 49,711	$ 554	$ 33,731	$ 83,996
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 48,800	$ —	$ —	$ 48,800
Hedge derivatives	Accrued liabilities	—	11	—	11
Total		$ 48,800	$ 11	$ —	$ 48,811

	Fair Value at April 30, 2023					Fair Value at July 31, 2023				
	Balance Sheet Location	Level 1	Level 2	Level 3	Total	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:										
Available-for-sale securities	Other current assets	$ 219	$ —	$ —	$ 219	Other current assets	$ 225	$ —	$ —	$ 225
Short-term investment	Other current assets	153	—	—	153	Other current assets	158	—	—	158
SERP assets - employer	Other non-current assets	467	—	—	467	Other non-current assets	554	—	—	554
SERP assets - employee	Other non-current assets	45,302	—	—	45,302	Other non-current assets	48,046	—	—	48,046
Defined benefit plan assets	Other non-current liabilities	—	—	29,508	29,508	Other non-current liabilities	—	—	31,192	31,192
Hedge derivatives	Other current assets	—	591	—	591	Other current assets	—	410	—	410
Total		$ 46,141	$ 591	$ 29,508	$ 76,240		$ 48,983	$ 410	$ 31,192	$ 80,585
Liabilities:										
SERP liabilities - employee	Other non-current liabilities	$ 45,302	$ —	$ —	$ 45,302	Other non-current liabilities	$ 48,046	$ —	$ —	$ 48,046
Hedge derivatives	Accrued liabilities	—	351	—	351	Accrued liabilities	—	145	—	145
Total		$ 45,302	$ 351	$ —	$ 45,653		$ 48,046	$ 145	$ —	$ 48,191

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 a 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 6 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 international employees and is based on years of service and compensation on a career-average pay basis. The assets within the plan are classified as a Level 3 asset within the fair value hierarchy and consist of an investment in pooled assets and include separate employee accounts that are invested in equity securities, debt securities and real estate. The values of the separate accounts invested are based on values provided by the administrator of the funds that cannot be readily derived from or corroborated by observable market data. The value of the assets is part of the defined benefit plan and included in other non-current liabilities in the Consolidated Balance Sheets at April 30, 2024 July 31, 2024, January 31, 2024, and April 30, 2023 July 31, 2023.

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 2024, the Company invested approximately $8.4 million and during the first quarter six months of fiscal 2025, the Company invested an additional $3.1 4.3 million in venture capital funds. The Company has evaluated and will regularly evaluate the carrying value of its investments. One consumer products company in which the Company made an equity investment in fiscal year 2022 sold its business and assets in the first quarter of fiscal 2024 in a transaction that is expected to yield yielded little or no return for equity holders. As a result, the Company has fully impaired its $0.5 million investment in this entity in the first quarter of fiscal 2024, and the impairment is recorded in Other income, net in the Consolidated Statements of Operations. The carrying value of the investments are recorded in Other non-current assets in the Consolidated Balance Sheets at April 30, 2024 July 31, 2024, January 31, 2024 and April 30, 2023 July 31, 2023.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

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.

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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

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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.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputed the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would imply $5.1 million in underpaid duties for all imports that entered the United States during the audit period which extended from August 1, 2011 through July 15, 2016, plus possible penalties and interest. Although the Company believes that U.S. Customs' alternative duty methodology and estimate are were not consistent with the Company's facts and circumstances and has consistently disputed U.S. Customs' position, the Company previously established reserves for a portion of the alleged underpayment indicated in the audit report. Between February 2017 and January 2021, the Company made numerous submissions to U.S. Customs containing supplemental analyses and information in response to U.S. Customs' information requests. On May 1, 2023, the statute of limitations lapsed with respect to all entries encompassed by the audit period. As a result, during the second quarter of fiscal 2024, the Company released the reserves that it had established in respect of those entries.

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. As of April 30, 2024 July 31, 2024, 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 9 – INCOME TAXES

The Company recorded an income tax provision of $2.3 0.9 million and $2.5 2.9 million for the three months ended April 30, 2024 July 31, 2024 and 2023, respectively.

The effective tax rate was 42.9 19.5% and 21.5 26.1% for the three months ended April 30, 2024 July 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to a limitation on a portion of the foreign tax credits and deductions related to the tax on Global Intangible Low-Taxed Income ("GILTI") and no tax benefit being recognized on a reduction in valuation allowances against certain foreign losses.

The Company recorded an income tax provision of $3.2 million and $5.4 million for the six months ended July 31, 2024 and 2023, respectively.

The effective tax rate was 31.9% and 23.7% for the six months ended July 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to a limitation on a portion of the foreign tax credits and deductions related to the tax on GILTI and an increase in valuation allowances against certain foreign losses.

At April 30, 2024 July 31, 2024, the Company had no deferred tax liability for substantially all of the undistributed foreign earnings of approximately $305.2 309.6 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 10 – EQUITY

The components of equity for the three and six months ended April 30, 2024 July 31, 2024 and 2023 are as follows (in thousands):

	Movado Group, Inc. Shareholders' Equity											
	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 Interest	Total Movado Group, Inc. Shareholders' Equity	Pref St
Balance, January 31, 2024	$ —	29,004	$ 290	6,483	$ 64	$ 239,062	$ 470,317	$ 92,335	$ (285,270)	$ 2,159	$ 518,957	
Balance, April 30, 2024	$ —	29,132	$ 291	6,483	$ 64	$ 240,923	$ 465,435	$ 82,073	$ (287,414)	$ 2,308	$ 503,680	
Net income attributable to Movado Group, Inc.							2,891			172	3,063	
Dividends ($0.35 per share)							(7,773)				(7,773)	
Stock awards and options exercised		127	1			(1)			(1,058)		(1,058)	
Stock repurchases									(1,086)		(1,086)	
Conversion of Class A Common Stock to Common Stock		25		(25)							-	
Supplemental executive retirement plan						32					32	
Stock-based compensation expense						1,017					1,017	
Net unrealized gain on investments, net of tax provision of $6								16			16	

Net change in effective portion of hedging contracts, net of tax benefit of ($17)								(89)			(89)
Amortization of prior service cost, net of tax provision of $4								12			12
Foreign currency translation adjustment (3)								5,826		11	5,837
Balance, July 31, 2024	$ —	29,170	$ 292	6,458	$ 64	$ 242,039	$ 461,382	$ 87,838	$ (287,499)	$ 2,459	$ 506,575

	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 Interest	Total Movado Group, Inc. Shareholders' Equity
Balance, April 30, 2023	$ —	28,824	$ 288	6,525	$ 65	$ 232,419	$ 455,979	$ 85,177	$ (281,957)	$ 2,942	$ 494,913
Net income attributable to Movado Group, Inc.							8,049			138	8,187
Dividends ($0.35 per share)							(7,749)				(7,749)
Stock awards and options exercised		10							(92)		(92)
Stock repurchases									(52)		(52)
Conversion of Class A Common Stock to Common Stock		42	1	(42)	(1)						-
Supplemental executive retirement plan		1				24					24
Stock-based compensation expense						1,838					1,838

Net unrealized gain on investments, net of tax provision of $1								4			4
Net change in effective portion of hedging contracts, net of tax provision of $12								61			61
Amortization of prior service cost, net of tax provision of $3								12			12
Foreign currency translation adjustment (3)								(10,339)		(23)	(10,362)
Balance, April 30, 2024	$ —	29,132	$ 291	6,483	$ 64	$ 240,923	$ 465,435	$ 82,073	$ (287,414)	$ 2,308	$ 503,680

	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 Interest	Total Movado Group, Inc. Shareholders' Equity
Balance, January 31, 2023	$ —	28,807	$ 288	6,525	$ 65	$ 230,782	$ 476,752	$ 81,295	$ (281,576)	$ 2,938	$ 510,544
Net income attributable to Movado Group, Inc.							9,128			149	9,277
Dividends ($1.35 per share)							(29,901)				(29,901)
Stock awards and options exercised		17									—
Stock repurchases									(381)		(381)
Supplemental executive retirement plan						40					40

Stock-based compensation expense						1,597					1,597
Net unrealized loss on investments, net of tax benefit of ($11)								(32)			(32)
Net change in effective portion of hedging contracts, net of tax benefit of ($20)								(103)			(103)
Net change in effective portion of hedging contracts, net of tax provision of $58								295			295
Amortization of prior service cost, net of tax provision of $4								15			15
Foreign currency translation adjustment (3)								4,002		(145)	3,857
Balance, April 30, 2023	$ —	28,824	$ 288	6,525	$ 65	$ 232,419	$ 455,979	$ 85,177	$ (281,957)	$ 2,942	$ 494,913
Balance, July 31, 2023	$ —	28,876	$ 289	6,483	$ 64	$ 234,443	$ 456,279	$ 91,810	$ (282,101)	$ 3,114	$ 503,898

	Movado Group, Inc. Shareholders' Equity for the six months ended July 31, 2024 and 2023										
	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 Interest	Total Movado Group, Inc. Shareholders' Equity
Balance, January 31, 2024	$ —	29,004	$ 290	6,483	$ 64	$ 239,062	$ 470,317	$ 92,335	$ (285,270)	$ 2,159	$ 518,957

Net income attributable to Movado Group, Inc.							6,612			312	6,924
Dividends ($0.70 per share)							(15,547)				(15,547)
Stock awards and options exercised		140	2			66			(1,143)		(1,075)
Stock repurchases									(1,086)		(1,086)
Conversion of Class A Common Stock to Common Stock		25		(25)							-
Supplemental executive retirement plan		1				56					56
Stock-based compensation expense						2,855					2,855
Net unrealized gain on investments, net of tax provision of $7								20			20
Net change in effective portion of hedging contracts, net of tax benefit of ($5)								(28)			(28)
Amortization of prior service cost, net of tax provision of $7								24			24
Foreign currency translation adjustment (3)								(4,513)		(12)	(4,525)
Balance, July 31, 2024	$ —	29,170	$ 292	6,458	$ 64	$ 242,039	$ 461,382	$ 87,838	$ (287,499)	$ 2,459	$ 506,575

	Prefer red Stock	Common Stock Shares (1)	Common Stock Amount	Class A Common Stock Shares (2)	Class A Common Stock A mount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Noncontrolling Interest	Total Movado Group, Inc. Shareholders' Equity
Balance, January 31, 2023	$ —	28,807	$ 288	6,525	$ 65	$ 230,782	$ 476,752	$ 81,295	$ (281,576)	$ 2,938	$ 510,544
Net income attributable to Movado Group, Inc.							17,177			287	17,464
Dividends ($1.70 per share)							(37,650)				(37,650)
Stock awards and options exercised		27							(92)		(92)
Stock repurchases									(433)		(433)
Conversion of Class A Common Stock to Common Stock		42	1	(42)	(1)						-
Supplemental executive retirement plan						82					82
Stock-based compensation expense						3,579					3,579
Net unrealized loss on investments, net of tax benefit of ($10)								(29)			(29)
Net change in effective portion of hedging contracts, net of tax provision of $38								192			192
Amortization of prior service cost, net of tax provision of $8								30			30
Foreign currency translation adjustment (3)								10,322		(111)	10,211
Balance, July 31, 2023	$ —	28,876	$ 289	6,483	$ 64	$ 234,443	$ 456,279	$ 91,810	$ (282,101)	$ 3,114	$ 503,898

(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.

NOTE 11 – TREASURY STOCK

On November 23, 2021, the Board approved a share repurchase program under which the Company is 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. Under the share repurchase program, the Company is permitted to purchase shares of its common stock from time to time through open market purchases, repurchase plans, block trades or otherwise.

During the three six months ended April 30, 2024 July 31, 2024, the Company repurchased a total of 39,000 shares of its common stock at a total cost of $1.1 million, or an average of $27.85 per share. During the three six months ended April 30, 2023 July 31, 2023, the Company repurchased a total of 14,000 16,000 shares of its common stock at a total cost of $0.4 million, or an average of $27.24 27.04 per share.

At April 30, 2024 July 31, 2024, $16.8 million remains available for purchase under the Company's November 23, 2021 repurchase program.

There were 37,859 41,239 and zero 3,538 shares of common stock repurchased during the three six months ended April 30, 2024 July 31, 2024 and 2023, 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 12 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated balances at April 30, 2024 July 31, 2024 and 2023, and January 31, 2024, related to each component of accumulated other comprehensive income are as follows (in thousands):

	April 30, 2024	January 31, 2024	April 30, 2023	July 31, 2024	January 31, 2024	July 31, 2023
Foreign currency translation adjustments	$ 83,501	$ 93,840	$ 87,007	$ 89,327	$ 93,840	$ 93,327
Available-for-sale securities	173	169	150	189	169	153
Cash flow hedges	104	43	(274)	15	43	21
Unrecognized prior service cost related to defined benefit pension plan	(159)	(171)	(216)	(147)	(171)	(201)
Net actuarial loss related to defined benefit pension plan	(1,546)	(1,546)	(1,490)	(1,546)	(1,546)	(1,490)
Total accumulated other comprehensive income	$ 82,073	$ 92,335	$ 85,177	$ 87,838	$ 92,335	$ 91,810

Amounts reclassified from accumulated other comprehensive income/(loss) to operating income in the Consolidated Statements of Operations during the three six months ended April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023 were $0.1 0.2 million and ($0.2) million, respectively.

NOTE 13 – 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):

	For the Three Months Ended April 30,		For the Three Months Ended July 31,		For the Six Months Ended July 31,	
Customer Type	2024	2023	2024	2023	2024	2023
Wholesale	$ 107,760	$ 114,848	$ 116,219	$ 117,589	$ 223,979	$ 232,437
Direct to consumer	28,147	29,169	42,206	41,847	70,353	71,016
After-sales service	762	888	888	954	1,650	1,842
Net Sales	$ 136,669	$ 144,905	$ 159,313	$ 160,390	$ 295,982	$ 305,295

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 15 – 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 15 – 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 15 – 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 14 – 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 three six months ended April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023.

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 three months ended April 30, 2024 July 31, 2024 and 2023 was $0.3 0.2 million and $0.6 million, respectively. Total compensation expense for stock option grants recognized during the six months ended July 31, 2024 and 2023 was $0.5 million and $1.2 million, respectively. As of April 30, 2024 July 31, 2024, there was $0.7 0.5 million of unrecognized compensation cost related to unvested stock options. These costs are expected to be recognized over a weighted-average period of 0.9 0.7 years. There were noTotal cash consideration received for stock options exercised option exercises during each of the three six months ended April 30, 2024 July 31, 2024 and 2023. 2023 was $0.1 million and zero, respectively.

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The following table summarizes the Company's stock options activity during the first quarter six months of fiscal 2025:

	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, 2024 (662,375 options exercisable)	1,014,189	$ 24.20	$12.42-$42.12	6.2	$ 6,049
Granted	—	—	—		
Exercised	—	—	—		
Expired	(58,700)	$ 42.12	$ 42.12		
Options outstanding at April 30, 2024	955,489	$ 23.10	$12.42-$38.04	6.3	$ 4,948
Exercisable at April 30, 2024	798,500	$ 20.17		6.0	$ 4,948
Expected to vest at April 30, 2024	154,388	$ 38.04		7.9	$ -

	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, 2024 (662,375 options exercisable)	1,014,189	$ 24.20	$12.42-$42.12	6.2	$ 6,049
Granted	—	—	—		
Exercised	(4,000)	$ 16.87	$ 16.87		
Forfeited	(58,700)	$ 42.12	$ 42.12		
Options outstanding at July 31, 2024	951,489	$ 23.13	$12.42-$38.04	6.0	$ 5,136
Exercisable at July 31, 2024	802,850	$ 20.37		5.6	$ 5,136
Expected to vest at July 31, 2024	147,342	$ 38.04		7.7	$ -

Stock Awards:

Under the Plan, the Company can also grant stock awards to employees and directors. For the three months ended April 30, 2024 July 31, 2024 and 2023, compensation expense for stock awards was $1.5 0.8 million and $1.0 1.4 million, respectively. For the six months ended July 31, 2024 and 2023, compensation expense for stock awards was $2.3 million and $2.4 million, respectively. As of April 30, 2024 July 31, 2024, there was approximately $12.6 9.4 million of unrecognized compensation cost related to unvested stock awards. These costs are expected to be recognized over a weighted-average period of 2.3 2.1 years.

The following table summarizes the Company's stock awards activity during the first quarter six months of fiscal 2025:

	Number of Stock Award Units	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value $(000's)	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, 2024	485,956	$	30.15				485,956	$	30.15
Units granted	311,366	$	27.78				311,786	$	27.78
Units vested	(126,302)	$	27.85				(135,743)	$	28.10
Units forfeited	—		—				—		—
Units outstanding at April 30, 2024	671,020	$	29.48	2.2	$	17,091			
Units outstanding at July 31, 2024	661,999	$	29.45	1.9	$	17,146			

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. There were 37,859 41,239 and zero 3,538 shares of common stock of the Company tendered by the employee for the payment of the employee's withholding tax obligation totaling $1.1 million and $zero 0.1 million for the three six months ended April 30, 2024 July 31, 2024 and 2023, respectively. The total fair value of stock award units that vested during the first three six months of fiscal 2025 was $3.5 3.8 million.

NOTE 15 – SEGMENT AND GEOGRAPHIC INFORMATION

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 chief operating decision maker ("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 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. The Company's International operations in Europe, Asia, the Americas (excluding the United States) and the Middle East accounted for 29.4%, 9.5%, 9.0% and 7.8%, respectively, of the Company's total net sales for the three months ended July 31, 2024. For the three months ended July 31, 2023, the Company's International operations in Europe, Asia, the Middle East and the Americas (excluding the United States) accounted for 29.1%, 9.1%, 9.0% and 8.6%, respectively, of the Company's total net sales. The Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 32.1 30.7%, 10.0 9.4%, 9.8 8.7% and 7.4 8.6%, respectively, of the Company's total net sales for the three six months ended April 30, 2024 July 31, 2024. For the three six months ended April 30, 2023 July 31, 2023, the Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 30.4 29.8%, 12.0 10.2%, 9.5 9.2% and 7.2 8.2%, respectively, of the Company's total net sales.

Certain prior year reclassifications have been made to the allocation of geographic revenue between the Middle East and Asia.

Operating Segment Data for the Three Months Ended July 31, 2024 and 2023 (in thousands):

	Net Sales	
	2024	2023
Watch and Accessory Brands:		
Owned brands category	$ 45,466	$ 48,888
Licensed brands category	86,600	84,450
After-sales service and all other	1,858	782
Total Watch and Accessory Brands	133,924	134,120
Company Stores	25,389	26,270
Consolidated total	$ 159,313	$ 160,390

	Operating (Loss)/Income

	2024	2023
Watch and Accessory Brands	$ (650)	$ 4,589
Company Stores	3,680	5,059
Consolidated total	$ 3,030	$ 9,648

Operating Segment Data as of and for the Three Six Months Ended April 30, 2024 July 31, 2024 and 2023 (in thousands):

	Net Sales	
	2024	2023
Watch and Accessory Brands:		
Owned brands category	$ 39,947	$ 45,132
Licensed brands category	76,357	80,207
After-sales service and all other	3,098	220
Total Watch and Accessory Brands	119,402	125,559
Company Stores	17,267	19,346
Consolidated total	$ 136,669	$ 144,905

	Operating Income		Net Sales	
	2024	2023	2024	2023
Watch and Accessory Brands	$ 2,853	$ 8,829		
Watch and Accessory Brands:				
Owned brands category	$ 85,413	$ 94,020		
Licensed brands category	162,957	164,657		
After-sales service and all other	4,956	1,002		
Total Watch and Accessory Brands	253,326	259,679		
Company Stores	458	2,070	42,656	45,616
Consolidated total	$ 3,311	$ 10,899	$ 295,982	$ 305,295

	Total Assets		
	April 30, 2024	January 31, 2024	April 30, 2023
Watch and Accessory Brands	$ 691,039	$ 710,067	$ 674,964
Company Stores	60,376	59,015	66,532
Consolidated total	$ 751,415	$ 769,082	$ 741,496

	Operating Income	
	2024	2023
Watch and Accessory Brands	$ 2,203	$ 13,418
Company Stores	4,138	7,129
Consolidated total	$ 6,341	$ 20,547

	Total Assets		
	July 31, 2024	January 31, 2024	July 31, 2023
Watch and Accessory Brands	$ 699,729	$ 710,067	$ 687,745
Company Stores	59,459	59,015	61,952
Consolidated total	$ 759,188	$ 769,082	$ 749,697

Geographic Location Data for the Three Months Ended July 31, 2024 and 2023 (in thousands):

	Net Sales		Operating (Loss)/Income	
	2024	2023	2024	2023
United States (1)	$ 70,575	$ 70,818	$ (5,293)	$ (5,711)
International (2)	88,738	89,572	8,323	15,359
Consolidated total	$ 159,313	$ 160,390	$ 3,030	$ 9,648

United States and International net sales are net of intercompany sales of $73.5 million and $48.9 million for the three months ended July 31, 2024 and 2023, respectively.

Geographic Location Data as of and for the Three Six Months Ended April 30, 2024 July 31, 2024 and 2023 (in thousands):

	Net Sales		Operating (Loss)/Income		Net Sales		Operating (Loss)/Income	
	2024	2023	2024	2023	2024	2023	2024	2023
United States (1)	$ 55,564	$ 59,209	$ (9,036)	$ (6,961)	$ 126,139	$ 130,027	$ (14,330)	$ (12,672)
International (2)	81,105	85,696	12,347	17,860	169,843	175,268	20,671	33,219
Consolidated total	$ 136,669	$ 144,905	$ 3,311	$ 10,899	$ 295,982	$ 305,295	$ 6,341	$ 20,547

United States and International net sales are net of intercompany sales of $70.5 144.0 million and $64.6 113.5 million for the three six months ended April 30, 2024 July 31, 2024 and 2023, respectively.

(1) The United States operating loss included $10.9 7.2 million and $11.4 10.2 million of unallocated corporate expenses for the three months ended April 30, 2024 July 31, 2024 and 2023, respectively. The United States operating loss included $18.1 million and $21.7 million of unallocated corporate expenses for the six months ended July 31, 2024 and 2023, respectively.

(2) The International operating income included $14.2 14.1 million and $17.3 15.3 million of certain intercompany profits related to the Company's supply chain operations for the three months ended April 30, 2024 July 31, 2024 and 2023, respectively. The International operating income included $28.3 million and $32.5 million of certain intercompany profits related to the Company's supply chain operations for the six months ended July 31, 2024 and 2023, respectively.

	Total Assets			Total Assets		
	April 30, 2024	January 31, 2024	April 30, 2023	July 31, 2024	January 31, 2024	July 31, 2023
United States	$ 347,020	$ 361,980	$ 364,485	$ 349,562	$ 361,980	$ 359,233
International	404,395	407,102	377,011	409,626	407,102	390,464
Consolidated total	$ 751,415	$ 769,082	$ 741,496	$ 759,188	$ 769,082	$ 749,697

	Property, Plant and Equipment, Net			Property, Plant and Equipment, Net		
	April 30, 2024	January 31, 2024	April 30, 2023	July 31, 2024	January 31, 2024	July 31, 2023
United States	$ 11,865	$ 11,950	$ 12,982	$ 13,088	$ 11,950	$ 12,502
International	7,172	7,486	6,093	7,227	7,486	7,238
Consolidated total	$ 19,037	$ 19,436	$ 19,075	$ 20,315	$ 19,436	$ 19,740

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q, including, without limitation, statements under Item 2 “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: 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.

These risks and uncertainties, along with the risk factors discussed under Item 1A. “Risk Factors” in the Company’s 2024 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.

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 and contained in the Company's 2024 Annual Report on Form 10-K and are incorporated by reference herein. 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 discounts and markdowns, product returns, bad debt, inventories, income taxes, warranty obligations, useful lives of property, plant and equipment, impairments of long-lived assets, stock-based compensation and contingencies and litigation. 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.

Critical accounting policies are those that are most important to the portrayal of the Company's financial condition and the results of operations and require management's most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company's most critical accounting policies have been discussed in the Company's 2024 Annual Report on Form 10-K and are incorporated by reference herein. As of April 30, 2024 July 31, 2024, there have been no material changes to any of the Company's Company's critical accounting policies.

Overview

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 in the United States and Canada. The Company also operates in two major geographic locations: United States and International, the latter of which includes the results of all non-U.S. Company operations.

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® and Calvin Klein®.

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.

Recent Developments and Initiatives

The Inflation Reduction Act of 2022

In August 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into law by President Biden. Among other things, the IR Act implemented a 1% excise tax on the fair market stock repurchases by covered corporations, a 15% minimum tax based on adjusted financial statement income of certain large corporations, and several tax incentives to promote clean energy. Although the Company is continuing to evaluate the IR Act and its potential impact on future periods, to date, the IR Act has not had a material impact on its Consolidated Financial Statements.

The OECD has issued Pillar Two model rules implementing a new global minimum tax of 15%, which is intended to be effective on January 1, 2024. While the U.S. has not yet adopted the Pillar Two rules, several other countries have adopted and enacted changes to their legislation in response to Pillar Two. The Company's turnover 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.

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Results of Operations Overview

The following is a discussion of the results of operations for the three and six months ended April 30, 2024 July 31, 2024 compared to the three and six months ended April 30, 2023 July 31, 2023, along with a discussion of the changes in financial condition during the first three six months of fiscal 2025. The

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Company's results of operations for the first three six months of fiscal 2025 should not be deemed indicative of the results that the Company will experience for the full year of fiscal 2025. See "Recent Developments and Initiatives" above. See also "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended January 31, 2024 filed with the Securities and Exchange Commission on March 26, 2024.

Results of operations for the three months ended July 31, 2024 as compared to the three months ended July 31, 2023

Net Sales: Comparative net sales by business segment were as follows (in thousands):

	Three Months Ended April 30,		Three Months Ended July 31,	
	2024	2023	2024	2023
Watch and Accessory Brands:				
United States	$ 39,114	$ 40,744	$ 46,508	$ 45,879
International	80,288	84,815	87,416	88,241
Total Watch and Accessory Brands	119,402	125,559	133,924	134,120
Company Stores:				
United States	16,450	18,465	24,067	24,939
International	817	881	1,322	1,331
Total Company Stores	17,267	19,346	25,389	26,270
Net Sales	$ 136,669	$ 144,905	$ 159,313	$ 160,390

Comparative net sales by categories were as follows (in thousands):

	Three Months Ended April 30,		Three Months Ended July 31,	
	2024	2023	2024	2023
Watch and Accessory Brands:				
Owned brands category	$ 39,947	$ 45,132	$ 45,466	$ 48,888
Licensed brands category	76,357	80,207	86,600	84,450
After-sales service and all other	3,098	220	1,858	782
Total Watch and Accessory Brands	119,402	125,559	133,924	134,120
Company Stores	17,267	19,346	25,389	26,270
Net Sales	$ 136,669	$ 144,905	$ 159,313	$ 160,390

Net Sales

Net sales for the three months ended April 30, 2024 July 31, 2024 were $136.7 million $159.3 million, representing a $1.1 million or 0.7% decrease from the prior year period. This decrease is attributable to the Company Stores segment and, to a lesser extent, the Watch and Accessory Brands segment. For the three months ended July 31, 2024, fluctuations in foreign currency exchange rates negatively impacted net sales by $0.6 million when compared to the prior year period. Excluding this $0.6 million impact, net sales would have decreased by 0.3% as compared to the prior year period.

Watch and Accessory Brands Net Sales

Net sales for the three months ended July 31, 2024 in the Watch and Accessory Brands segment were $133.9 million, below the prior year period by $0.2 million, or 0.1%. The decrease in net sales was primarily due to unfavorable sales mix in the Company's wholesale customers, mainly in the International locations, and the negative impact of fluctuations in foreign exchange rates, partially offset by an increase in online retail in the United States locations.

United States Watch and Accessory Brands Net Sales

Net sales for the three months ended July 31, 2024 in the United States locations of the Watch and Accessory Brands segment were $46.5 million, above the prior year period by $0.6 million, or 1.4%, resulting primarily from an increase in online retail. The net sales recorded in the licensed brands category increased $1.3 million, or 13.1%, partially offset by a decrease in net sales recorded in the owned brands category of $1.0 million, or 2.9%.

International Watch and Accessory Brands Net Sales

Net sales for the three months ended July 31, 2024 in the International locations of the Watch and Accessory Brands segment were $87.4 million, below the prior year by $0.8 million, or 0.9%, which included fluctuations in foreign currency exchange rates that negatively impacted net sales by $0.6 million when compared to the prior year period. The decrease in net sales was primarily due to unfavorable sales mix in the Company's wholesale customers and the negative impact of fluctuations in foreign exchange rates. The net sales decrease recorded in the owned brands category was $2.4 million, or 18.1%, due to net sales decreases across all regions. The net sales increase recorded in the licensed brands category was $0.9 million, or 1.2%, primarily due to net sales increases in the Americas (excluding the United States), Europe and Asia, partially offset by a net sales decrease in the Middle East.

Company Stores Net Sales

Net sales for the three months ended July 31, 2024 in the Company Stores segment were $25.4 million, $0.9 million or 3.4% below the prior year period. The net sales decrease was primarily due to unfavorable sales mix in the Company stores, partially offset by an increase in sales from the Company's online outlet store at www.movadocompanystore.com. As of July 31, 2024 and 2023, the Company operated 56 and 55 retail outlet locations, respectively.

Gross Profit

Gross profit for the three months ended July 31, 2024 was $86.4 million or 54.2% of net sales as compared to $89.3 million or 55.7% of net sales in the prior year period. The decrease in gross profit of $2.9 million was primarily due to lower net sales combined with a lower gross margin percentage. The decrease in the gross margin percentage of approximately 150 basis points for the three months ended July 31, 2024 was primarily due to an unfavorable impact of sales mix.

Selling, General and Administrative (“SG&A”)

SG&A expenses for the three months ended July 31, 2024 were $83.3 million, representing an $8.2 million increase from the prior year period of $3.7 million, or 5.7% 4.6%. The increase in SG&A expenses was primarily due to higher marketing expenses of $5.0 million, partially offset by a decrease in performance-based compensation of $0.9 million and a decrease of $0.2 million in amortization expense related to certain intangible assets being fully amortized. For the three months ended July 31, 2024, fluctuations in foreign currency rates related to the foreign subsidiaries favorably impacted SG&A expenses by $0.3 million when compared to the prior year period.

Watch and Accessory Brands Operating (Loss)/Income

For the three months ended July 31, 2024 the Company recorded operating loss of $0.6 million in the Watch and Accessory Brands segment which includes $7.2 million of unallocated corporate expenses as well as $14.1 million of certain intercompany profits related to the Company’s supply chain operations. For the three months ended July 31, 2023, the Company recorded operating income of $4.6 million in the Watch and Accessory Brands segment which included $10.2 million of unallocated corporate expenses as well as $15.3 million of certain intercompany profits related to the Company’s supply chain operations. The change to operating loss from operating income of $5.2 million was the result of a decrease in gross profit of $1.9 million combined with higher SG&A expenses of $3.3 million when compared to the prior year period. The decrease in gross profit was primarily the result of a lower gross margin percentage primarily due to an unfavorable impact of sales mix. The increase in SG&A expenses of $3.3 million was primarily due to higher marketing expenses of $4.8 million, partially offset by a decrease in performance-based compensation of $0.9 million and a decrease of $0.2 million in amortization expense related to certain intangible assets being fully amortized.

U.S. Watch and Accessory Brands Operating Loss

In the United States locations of the Watch and Accessory Brands segment, for the three months ended July 31, 2024, the Company recorded an operating loss of $8.6 million which includes unallocated corporate expenses of $7.2 million. For the three months ended July 31, 2023 the Company recorded an operating loss of $10.4 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of $10.2 million. The decrease in operating loss was the result of an increase in gross profit of $1.6 million combined with a decrease in SG&A expenses of $0.2 million when compared to the prior year period. The increase in gross profit of $1.6 million was primarily the result of higher net sales combined with a higher gross margin percentage primarily due to the favorable impact of sales mix. The decrease in SG&A expenses of $0.2 million was primarily due to a decrease in performance-based compensation and payroll related expenses of $1.5 million offset by higher marketing expenses of $1.5 million.

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the three months ended July 31, 2024, the Company recorded operating income of $8.0 million which includes $14.1 million of certain intercompany profits related to the Company's International supply chain operations. For the three months ended July 31, 2023 the Company recorded operating income of $15.0 million in the International locations of the Watch and Accessory Brands segment which included $15.3 million of certain intercompany

profits related to the Company's supply chain operations. The decrease in operating income was the result of lower gross profit of $3.4 million combined with higher SG&A expenses of $3.6 million. The decrease in gross profit of $3.4 million was primarily the result of lower net sales, combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix. The increase in SG&A expenses of $3.6 million was primarily due to the following factors: higher marketing expenses of $3.3 million and an increase in payroll related expenses of $0.5 million. These increases in SG&A expenses were partially offset by a decrease of $0.2 million in amortization expense related to certain intangible assets being fully amortized.

Company Stores Operating Income

The Company recorded operating income of $3.7 million and $5.1 million in the Company Stores segment for the three months ended July 31, 2024 and 2023, respectively. The decrease in operating income of $1.4 million was primarily related to a decrease in gross profit of $1.0 million, mainly due to lower sales combined with a lower gross margin percentage, and higher SG&A expenses of $0.4 million primarily due to higher marketing expenses of $0.2 million and an increase in payroll related expenses of $0.2 million. As of July 31, 2024, and 2023, the Company Stores segment operated 56 and 55 retail outlet locations, respectively.

Other Non-Operating Income, net

The Company recorded other income, net of $1.9 million primarily due to interest income for the three months ended July 31, 2024.

The Company recorded other income, net of $1.5 million primarily due to interest income for the three months ended July 31, 2023.

Interest Expense

Interest expense was $0.1 million primarily due to the payment of unused commitment fees for both the three months ended July 31, 2024 and 2023. There were no borrowings under the Company's revolving credit facility during the three months ended July 31, 2024 and 2023.

Income Taxes

The Company recorded an income tax provision of $0.9 million and $2.9 million for the three months ended July 31, 2024 and 2023, respectively.

The effective tax rate was 19.5% and 26.1% for the three months ended July 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to a limitation on a portion of the foreign tax credits and deductions related to the tax on Global Intangible Low-Taxed Income ("GILTI") and a reduction in valuation allowances against certain foreign losses.

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of $3.7 million and $8.0 million for the three months ended July 31, 2024 and 2023, respectively.

Results of operations for the six months ended July 31, 2024 as compared to the six months ended July 31, 2023

Net Sales: Comparative net sales by business segment were as follows (in thousands):

	Six Months Ended July 31,	
	2024	2023
Watch and Accessory Brands:		
United States	$ 85,622	$ 86,623
International	167,704	173,056
Total Watch and Accessory Brands	253,326	259,679
Company Stores:		
United States	40,517	43,404
International	2,139	2,212
Total Company Stores	42,656	45,616
Net Sales	$ 295,982	$ 305,295

Comparative net sales by categories were as follows (in thousands):

	Six Months Ended July 31, 2024	Six Months Ended July 31, 2023
Watch and Accessory Brands:		
Owned brands category	$ 85,413	$ 94,020
Licensed brands category	162,957	164,657
After-sales service and all other	4,956	1,002
Total Watch and Accessory Brands	253,326	259,679
Company Stores	42,656	45,616
Net Sales	$ 295,982	$ 305,295

Net Sales

Net sales for the six months ended July 31, 2024 were $296.0 million, representing a $9.3 million or 3.1% decrease from the prior year period. This decrease is attributable to the Watch and Accessory Brands segment and the Company Stores segment. For the three six months ended April 30, 2024 July 31, 2024, fluctuations in foreign currency exchange rates positively impacted net sales by $0.6 million had an immaterial impact when compared to the prior year period. Excluding this $0.6 million impact, net sales would have decreased by 6.1% as compared to the prior year period.

Watch and Accessory Brands Net Sales

Net sales for the three six months ended April 30, 2024 July 31, 2024 in the Watch and Accessory Brands segment were $119.4 million $253.3 million, below the prior year period by $6.2 million $6.4 million, or 4.9% 2.4%. The decrease in net sales was primarily due to unfavorable sales mix in the Company's wholesale customers, mainly in the International locations, and decreased volumes resulting from lower demand in the Company's wholesale customers in both the United States and International locations, partially offset by an increase in online retail in the United States locations and the positive impact of fluctuations in foreign exchange rates. locations.

United States Watch and Accessory Brands Net Sales

Net sales for the three six months ended April 30, 2024 July 31, 2024 in the United States locations of the Watch and Accessory Brands segment were $39.1 million $85.6 million, below the prior year period by $1.6 million $1.0 million, or 4.0% 1.2%, resulting primarily from decreased volumes due to lower demand in the Company's wholesale customers, mainly in the owned brands category, partially offset by an increase in online retail. The net sales recorded in the owned brands category decreased $2.8 million $3.8 million, or 8.7% 5.6%, partially offset by an increase in net sales recorded in the licensed brand category of $0.2 million $1.4 million, or 2.0% 7.9%.

International Watch and Accessory Brands Net Sales

Net sales for the three six months ended April 30, 2024 July 31, 2024 in the International locations of the Watch and Accessory Brands segment were $80.3 million $167.7 million, below the prior year by $4.5 million $5.4 million, or 5.3% 3.1%, which included an immaterial impact of fluctuations in foreign currency exchange rates that positively impacted net sales by $0.6 million when compared to the prior year period. The decrease in net sales was across most brands in both the owned and licensed brand categories primarily due to decreased volumes resulting from lower demand unfavorable sales mix in the Company's wholesale customers, partially offset by the positive impact of fluctuations in foreign currency exchange rates. customers. The net sales decrease recorded in the owned brands category was $2.4 million $4.8 million, or 18.4% 18.2%, due to net sales decreases across all regions. The net sales decrease in the licensed brands category was $4.0 million $3.1 million, or 5.6% 2.1%, primarily due to net sales decreases in the Americas (excluding the United States) and Asia, the Middle East, partially offset by net sales increases in the Middle East Europe and Europe.
Asia.

Company Stores Net Sales

Net sales for the three six months ended April 30, 2024 July 31, 2024 in the Company Stores segment were $17.3 million $42.7 million, $2.1 million $3.0 million or 10.7% 6.5% below the prior year period. The net sales decrease was primarily due to unfavorable sales mix in the Company stores, and, to a lesser extent, a decrease partially offset by an increase in sales from the Company's online outlet store at www.movadocompanystore.com. As of April 30, 2024 July 31, 2024 and 2023, the Company operated 56 and 55 retail outlet locations. locations, respectively.

Gross Profit

Gross profit for the three six months ended April 30, 2024 July 31, 2024 was $75.5 million $161.9 million or 55.3% 54.7% of net sales as compared to $82.0 million $171.3 million or 56.6% 56.1% of net sales in the prior year period. The decrease in gross profit of $6.5 million $9.4 million was primarily due to lower net sales combined with a lower gross margin percentage. The decrease in the gross margin percentage of approximately 130 140 basis points for the three six months ended April 30, 2024 July 31, 2024 reflected an unfavorable impact of sales mix of approximately 70 110 basis points, the decreased leveraging of certain fixed costs as a result of lower sales of approximately 60 30 basis points and a negative impact of fluctuations in foreign exchange rates of approximately 10 basis points, partially offset by decreased shipping costs of approximately 10 basis points.

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

SG&A expenses for the three six months ended April 30, 2024 July 31, 2024 were $72.2 million $155.5 million, representing an increase from the prior year period of $1.1 million $4.8 million, or 1.5% 3.2%. The increase in SG&A expenses was primarily due to the following factors: higher marketing expenses of $5.3 million and an increase in payroll related expenses of $1.3 million $1.7 million. These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of $0.3 million $1.4 million and a decrease of $0.6 million in amortization expense related to certain intangible assets being fully amortized. For the three six months ended April 30, 2024 July 31, 2024, fluctuations in foreign currency rates related to the foreign subsidiaries unfavorably favorably impacted SG&A expenses by $0.2 million $0.1 million when compared to the prior year period.

Watch and Accessory Brands Operating Income

For the three six months ended April 30, 2024, July 31, 2024 the Company recorded operating income of $2.9 million $2.2 million in the Watch and Accessory Brands segment which includes $10.9 million $18.1 million of unallocated corporate expenses as well as $14.2 million $28.3 million of certain intercompany profits related to the Company's supply chain operations. For the three six months ended April 30, 2023 July 31, 2023, the Company recorded operating income of $8.8 million $13.4 million in the Watch and Accessory Brands segment which included $11.4 million $21.7 million of unallocated corporate expenses as well as $17.3 million $32.5 million of certain intercompany profits related to the Company's supply chain operations. The decrease in operating income was the result of a decrease in gross profit of $5.4 million $7.3 million combined with higher SG&A expenses of $0.5 million $3.9 million when compared to the prior year period. The decrease in gross profit was primarily the result of lower net sales combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix, the decreased leveraging of certain fixed costs as a result of lower sales and a negative impact of fluctuations in foreign exchange rates, partially offset by lower shipping costs. The increase in SG&A expenses of $0.5 million $3.9 million was primarily due to the following factors: higher marketing expenses of $5.0 million and an increase in payroll related expenses of $0.9 million $1.3 million. These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of $0.3 million $1.5 million and decrease of $0.6 million in amortization expense related to certain intangible assets being fully amortized.

U.S. Watch and Accessory Brands Operating Loss

In the United States locations of the Watch and Accessory Brands segment, for the three six months ended April 30, 2024 July 31, 2024, the Company recorded an operating loss of $9.5 million $18.1 million which includes unallocated corporate expenses of $10.9 million $18.1 million. For the three six months ended April 30, 2023 July 31, 2023 the Company recorded an operating loss of $9.0 million $19.4 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of $11.4 million $21.7 million. The increase decrease in operating loss was the result of an increase in gross profit of $1.5 million, partially offset by an increase in SG&A expenses of $0.4 million combined with a decrease in gross profit of $0.1 million $0.2 million when compared to the prior year period. The increase in SG&A expenses of $0.4 million was primarily due to an increase in payroll related expenses of $0.6 million. The decrease in gross profit of $0.1 million $1.5 million was primarily the result of lower net sales, partially offset by a higher gross margin percentage primarily due to the favorable impact of sales mix and lower shipping costs, partially costs. The increase in SG&A expenses of $0.2 million was primarily due to the following factors: higher marketing expenses of $0.8 million and an increase in payroll related expenses of $0.6 million. These increases in SG&A expenses were offset by the decreased leveraging a decrease in performance-based compensation of certain fixed costs as a result of lower sales. $1.4 million.

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the three six months ended April 30, 2024 July 31, 2024, the Company recorded operating income of $12.4 million $20.3 million which includes $14.2 million $28.3 million of certain intercompany profits related to the Company's International supply chain operations. For the three six months ended April 30, 2023 July 31, 2023 the Company recorded operating income of $17.8 million $32.8 million in the International locations of the Watch and Accessory Brands segment which included $17.3 million $32.5 million of certain intercompany profits related to the Company's supply chain operations. The decrease in operating income was the result of lower gross profit of $5.3 million $8.8 million combined with higher SG&A expenses of $0.1 million $3.7 million. The decrease in gross profit of $5.3 million $8.8 million was primarily the result of lower net sales, combined with a lower gross margin percentage primarily due to an unfavorable impact of sales mix, the decreased leveraging of certain fixed costs as a result of lower sales and a negative impact of fluctuations in foreign exchange rates, partially offset by lower shipping costs. The increase in SG&A expenses of $3.7 million was primarily due was primarily due to the following factors: higher marketing expenses of $4.2 million and an increase in payroll related expenses of $0.7 million. These increases in SG&A expenses were partially offset by a decrease of $0.6 million in amortization expense related to certain intangible assets being fully amortized and a decrease in performance-based compensation of $0.1 million.

Company Stores Operating Income

The Company recorded operating income of $4.1 million and $7.1 million in the Company Stores segment for the six months ended July 31, 2024 and 2023, respectively. The decrease in operating income of $3.0 million was primarily related to a decrease in gross profit of $2.1 million, mainly due to lower sales combined with a lower gross margin percentage, and higher SG&A expenses of $0.9 million primarily due to an increase in payroll related expenses of $0.3 million offset by a decrease $0.4 million and higher marketing expenses of $0.3 million in amortization expense related to certain intangible assets being fully amortized.

Company Stores Operating Income

The Company recorded operating income of $0.5 million and $2.1 million in the Company Stores segment for the three months ended April 30, 2024 and 2023, respectively. The decrease in operating income of $1.6 million was primarily related to a decrease in gross profit of $1.1 million, mainly due to lower sales, partially offset by a higher gross margin percentage, and higher SG&A expenses of $0.5 million primarily due to an increase in payroll related expenses of $0.4 million. As of April 30, 2024 July 31, 2024, and 2023, the Company Stores segment operated 56 and 55 retail outlet locations. locations, respectively.

Other Non-Operating Income, net

The Company recorded other income, net of $2.2 million $4.0 million primarily due to interest income for the three six months ended April 30, 2024 July 31, 2024.

For the three six months ended April 30, 2023 July 31, 2023, the Company recorded other income, net of $1.0 million $2.6 million primarily due to interest income, partially offset by 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 a transaction that yielded little or no return on its investment. for equity holders.

Interest Expense

Interest expense was $0.1 million $0.2 million primarily due to the payment of unused commitment fees for both the three six months ended April 30, 2024 July 31, 2024 and 2023. There were no borrowings under the Company's revolving credit facility during the three six months ended April 30, 2024 July 31, 2024 and 2023.

Income Taxes

The Company recorded an income tax provision of $2.3 million $3.2 million and $2.5 million $5.4 million for the three six months ended April 30, 2024 July 31, 2024 and 2023, respectively.

The effective tax rate was 42.9% 31.9% and 21.5% 23.7% for the three six months ended April 30, 2024 July 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to a limitation on a portion of the foreign tax credits and deductions related to the tax on GILTI and no tax benefit being recognized on an increase in valuation allowances against certain foreign losses.

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of $2.9 million $6.6 million and $9.1 million $17.2 million for the three six months ended April 30, 2024 July 31, 2024 and 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023, the Company had $225.4 million $198.3 million and $198.3 million $218.9 million, respectively, of cash and cash equivalents. Of this total, $155.5 million $142.4 million and $117.9 million $133.8 million, respectively, consisted of cash and cash equivalents at the Company's foreign subsidiaries.

At April 30, 2024 July 31, 2024 the Company had working capital of $410.3 million $405.0 million as compared to $409.4 million $412.7 million at April 30, 2023 July 31, 2023. The increase decrease in working capital was primarily the result of a decrease in cash and an increase in cash, accounts payable, partially offset by an increase in trade receivables and a decrease in income taxes payable and an increase in trade receivables, partially offset by a decrease in inventories and an increase in accounts payable. The Company defines working capital as the difference between current assets and current liabilities.

The Company had $18.1 million $35.9 million of cash used in operating activities for the three six months ended April 30, 2024 July 31, 2024 as compared to $21.5 million $9.2 million of cash used in provided by operating activities for the three six months ended April 30, 2023 July 31, 2023. Cash used in operating activities for the three six months ended April 30, 2024 July 31, 2024 included net income of $3.1 million $6.9 million, positively adjusted by $3.5 million $9.3 million related to non-cash items. Cash used in operating activities for the three six months ended April 30, 2024 July 31, 2024 included a $16.0 million $31.4 million increase in investment in inventories primarily due to timing of receipts to align with sales levels, a $6.9 million increase in trade receivables due to timing of sales during the quarter and increases in net tax payments related payments of $8.8 million to taxes, other current assets, accrued liabilities and accrued payroll and benefits totaling $17.6 million primarily due to timing. Cash used in provided by operating activities for the three six months ended April 30, 2023 was primarily due July 31, 2023 included net income of $17.5 million, positively adjusted by $10.5 million related to an $11.1 million non-cash items. Cash provided by operating activities for the six months ended July 31, 2023 included a $6.9 million decrease in income taxes payable, a decrease in accrued payroll of $9.8 million primarily as a result of payments of performance-based compensation, an $8.1 million increase in investment in inventories primarily due to timing of receipts to align with sales levels, partially offset by a change in income taxes of $18.1 million primarily due to timing of payments and a $7.9 million decrease in accounts payable accrued payroll and benefits of $6.5 million primarily as a result of timing payments of payments. performance-based compensation.

Cash used in investing activities was $4.8 million $8.3 million for the three six months ended April 30, 2024 July 31, 2024 as compared to cash used in investing activities of $2.9 million $6.1 million for the three six months ended April 30, 2023 July 31, 2023. The cash used in the three six months ended April 30, 2024 July 31, 2024 was primarily related to $3.1 million $4.3 million of long-term investments and capital expenditures of $1.6 million $3.9 million primarily due to shop-in-shops and construction in progress mainly related to Company stores. stores and shop-in-shops. Cash used in investing activities for the three six months ended April 30, 2023 was primarily due to $2.3 million July 31, 2023 included $4.6 million of capital expenditures and $0.6 million $1.4 million of long-term investments.

Cash used in financing activities was $9.9 million $17.7 million for the three six months ended April 30, 2024 July 31, 2024 as compared to cash used in financing activities of $30.3 million $38.2 million for the three six months ended April 30, 2023 July 31, 2023. The cash used in the three six months ended April 30, 2024 July 31, 2024 included $7.8 million $15.5 million in dividends paid, $1.1 million in stock repurchased in the open market and $1.0 million $1.1 million of shares repurchased as a result of the surrender of shares by employees in connection with the vesting of certain stock awards. The cash Cash used in financing activities for the three six months ended April 30, 2023 July 31, 2023 included $29.9 million $37.7 million in dividends paid, which included a special cash dividend of $1.00 per share, and $0.4 million in stock repurchased in the open market.

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

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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' Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' Borrowers' assets other than certain excluded assets. The Swiss Borrower does not provide collateral to secure the obligations under the Facility.

As of both April 30, 2024 July 31, 2024, and April 30, 2023 July 31, 2023, 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 April 30, 2024 July 31, 2024 and April 30, 2023 July 31, 2023. At April 30, 2024 July 31, 2024, the letters of credit have expiration dates through April 28, 2025 June 2, 2025. As of both April 30, 2024 July 31, 2024, and April 30, 2023 July 31, 2023, availability under the Facility was $99.7 million. For additional information regarding the Facility, see Note 5 – - Debt and Lines of Credit to the Consolidated Financial Statements.

The Company had weighted average borrowings under the Facility of zero during both the three and six months ended April 30, 2024 July 31, 2024 and 2023. 2023, respectively.

The Company's Swiss subsidiary maintains unsecured lines of credit with a Swiss bank that are subject to repayment upon demand. As of April 30, 2024 July 31, 2024, and 2023, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of $7.1 million $7.4 million and $7.3 million $7.5 million, respectively. As of April 30, 2024 July 31, 2024, and 2023, there were no borrowings against these lines. As of April 30, 2024 July 31, 2024 and 2023, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of $1.3 million $1.4 million and $2.0 million, for both periods, respectively, in various foreign currencies, of which $0.7 million and $0.6 million $1.4 million ($0.5 million was refunded in August 2023), respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees, and amortization of debt fees, was $0.1 million for both the three six month periods ended April 30, 2024 July 31, 2024 and April 30, 2023. July 31, 2023, 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 $8.4 million of these commitments through fiscal 2024 and an additional $3.1 million $4.3 million during the first quarter six months of fiscal 2025 and may be called upon to satisfy capital calls in respect of the remaining $10.0 million $8.8 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. One consumer products company in which the Company made an equity investment in fiscal year 2022 sold its business and assets in the first quarter of fiscal 2024 in a transaction that is expected to yield yielded little or no return for equity holders. As a result, the Company fully impaired its $0.5 million investment in this entity in the first quarter of fiscal 2024.

The Company paid cash dividends of $0.35 per share, or $7.8 million, during the three months ended April 30, 2024 and $0.35 per share, or $7.8 million, during the three months ended July 31, 2024. During the three months ended April 30, 2023, the Company paid a special cash dividend of $1.00 per share, as well as a quarterly cash dividend of $0.35 per share, for a total amount of $29.9 million and $0.35 per share, or $7.7 million, during the three months ended July 31, 2023. 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 is 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. Under the share repurchase program, the Company is permitted to purchase shares of its common stock from time to time through open market purchases, repurchase plans, block trades or otherwise. During the three six months ended April 30, 2024 July 31, 2024, the Company repurchased a total of 39,000 shares of its common stock at a total cost of $1.1 million, or an average of $27.85 per share. At April 30, 2024 July 31, 2024, $16.8 million remains available for purchase under the Company's November 23, 2021 repurchase program. During the three six months

ended April 30, 2023 July 31, 2023, the Company repurchased a total of 14,000 16,000 shares of its common stock at a total cost of $0.4 million, or an average of $27.24 $27.04 per share.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet financing or unconsolidated special-purpose entities.

Accounting Changes and Recent Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Rate Risk

The Company's primary market risk exposure relates to foreign currency exchange risk (see Note 6 – 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 April 30, 2024 July 31, 2024, the Company's entire net forward contracts hedging portfolio consisted of 2.8 million 25.0 million Chinese Yuan equivalent, 22.0 million Swiss Francs equivalent, 22.2 million 30.0 million U.S. dollars equivalent, 18.2 million 35.9 million Euros equivalent (including 6.0 million 17.0 million Euros designated as cash flow hedges) and 1.2 million 2.7 million British Pounds equivalent with various expiry dates ranging through October 3, 2024 January 9, 2025, compared to a portfolio of 24.7 million 17.3 million Chinese Yuan equivalent, 24.0 million 20.0 million Swiss Francs equivalent, 17.1 million 20.7 million U.S. dollars equivalent, 38.4 million 29.8 million Euros equivalent (including 21.0 million 14.0 million Euros designated as cash flow hedges) and 2.8 million 2.0 million British Pounds equivalent with various expiry dates ranging through September 14, 2023 December 7, 2023, as of April 30, 2023 July 31, 2023. If the Company were to settle its Swiss Franc forward contracts at April 30, 2024 July 31, 2024, the result would be a $0.7 million loss. $0.4 million gain. If the Company were to settle its Euro forward contracts at April 30, 2024 July 31, 2024, the result would be a $0.1 million an immaterial gain. As of April 30, 2024 July 31, 2024, the Company's British Pound, Chinese Yuan and US Dollar 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 April 30, 2024 July 31, 2024 and 2023; 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 April 30, 2024 July 31, 2024 and 2023 was zero for both periods. During the three six months ended April 30, 2024 July 31, 2024, the Company had no weighted average borrowings. The Company does not hedge these interest rate risks.

Item 4. Controls and Procedures

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.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the three months ended April 30, 2024 July 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. 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.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputed the reasonableness of the Company's historical allocation formulas and proposed an alternative methodology that would imply $5.1 million in underpaid duties for all imports that entered the United States during the audit period which extended from August 1, 2011 through July 15, 2016, plus possible penalties and interest. Although the Company believes that U.S. Customs' alternative duty methodology and estimate are were not consistent with the Company's facts and circumstances and has consistently disputed U.S. Customs' position, the Company previously established reserves for a portion of the alleged underpayment indicated in the audit report. Between February 2017 and January 2021, the Company made numerous submissions to U.S. Customs containing supplemental analyses and information in response to U.S. Customs' information requests. On May 1, 2023, the statute of limitations lapsed with respect to all entries encompassed by the audit period. As a result, during the second quarter of fiscal 2024, the Company released the reserves that it had established in respect of those entries.

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 1A. Risk Factors

As of April 30, 2024 July 31, 2024, there have been no material changes to any of the risk factors previously reported in the Company's 2024 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On November 23, 2021, the Board approved a share repurchase program under which the Company is authorized to purchase up to $50.0 million of its outstanding common stock from time to time through November 23, 2024, 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 three months ended April 30, 2024 July 31, 2024, the Company repurchased a total of 39,000 did not repurchase any shares of its common stock at a total cost of $1.1 million, or an average of $27.85 per share. stock.

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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 37,859 3,380 shares were repurchased during the three months ended April 30, 2024 July 31, 2024 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 for the three months ended April 30, 2024 July 31, 2024 of equity securities that are registered by the Company pursuant to Section 12 of the Securities Exchange Act of 1934, as amended:

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
February 1, 2024 – February 29, 2024	20,352	$ 28.28	20,000	$ 17,307,201
March 1, 2024 – March 31, 2024	19,000	27.40	19,000	16,786,673
April 1, 2024 – April 30, 2024	37,507	27.93	—	16,786,673
Total	76,859	$ 27.89	39,000	$ 16,786,673

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
May 1, 2024 – May 31, 2024	—	$ —	—	$ 16,786,673
June 1, 2024 – June 30, 2024	—	—	—	16,786,673
July 1, 2024 – July 31, 2024	3,380	25.21	—	16,786,673
Total	3,380	$ 25.21	—	$ 16,786,673

Item 5. Other Information

During the quarterly period ended April 30, 2024 July 31, 2024, 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 6. Exhibits

10.1	Sixth Amendment, dated as of May 15, 2024, to the Corporate Credit Agreement.***
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***
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.***
101	The following financial information from Movado Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2024 July 31, 2024 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; (iv) the Consolidated Statements of Cash Flows; and (v) the Notes to the Consolidated Financial Statements. 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).

*** Filed herewith

SIGNATURE

Pursuant to the requirements 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.

Dated: May 30, 2024 September 5, 2024

By: /s/ Linda Feeney

Linda Feeney
Senior Vice President,
Principal Accounting Officer
(duly authorized signatory and principal accounting officer)

Exhibit 10.1

Movado Group, Inc.
650 From Road
Suite 375

Paramus, NJ 07652-3556
May 15, 2024

Bank of America, N.A.
Agency Management
2380 Performance Drive
Building C
Mail Code: TX2-984-03-26
Richardson, TX 75082
Attention: DeWayne D. Rosse

Re: Amendment No. 6 - Termination of Ability to Borrow in Canadian Dollars

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (as amended, modified, extended, restated, replaced, or supplemented from time to time and in effect immediately prior to this Letter, the "Existing Credit Agreement", and as amended pursuant hereto and as further amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"), by and among Movado Group, Inc., a New York corporation ("Parent"), Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, MovadoRetail Group, Inc., a New Jersey corporation, MGI Luxury Group GmbH, a limited liability company organized and existing under the laws of Switzerland (collectively, with Parent, the "Borrowers"), Movado Group Nederland B.V., a private company with limited liability incorporated under the laws of the Netherlands ("Nederland BV", and, in its capacity as a guarantor, the "Guarantor" and, collectively with the Borrowers, the "Loan Parties"), the Lenders party thereto, and Bank of America, N.A., in its capacity as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Credit Agreement. This Letter serves as an amendment to the Credit Agreement ("Amendment No. 6") and is a Loan Document effective as of the date first written above.

The Borrowers have requested, and the Loan Parties, the Administrative Agent, the L/C Issuer and the Lenders each hereby agree that, from and after the date hereof, no Credit Extension, Borrowing, L/C Credit Extension, Loan, Letter of Credit, or any other Obligations under the Credit Agreement, may be denominated in Canadian Dollars, and all references to "Canadian Dollar(s)", "CDOR", "CDOR Rate", and all provisions to the extent related thereto, in each case, in the Credit Agreement shall be disregarded.

This Amendment No. 6 shall not, by implication or otherwise, constitute a waiver of any Default or Event of Default or limit, impair, constitute a waiver of or otherwise affect any rights or

remedies of the Administrative Agent, the L/C Issuer or the Lenders under the Credit Agreement or the other Loan Documents, nor alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the Loan Documents, all of which shall continue in full force and effect, except to the extent expressly amended hereby. The Loan Parties hereby acknowledge that the Administrative Agent, the L/C Issuer and the Lenders have not made any agreement or commitment to modify the Loan Documents other than as expressly set forth herein, and nothing in this Amendment No. 6 shall be construed to imply any willingness on the part of the Administrative Agent, the L/C Issuer or the Lenders to grant any future consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents. The Lender Parties hereby reserve all rights and remedies available to them under the Loan Documents and applicable law.

Except as expressly amended hereby, the Credit Agreement and all other Loan Documents are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Amendment No. 6 and the Credit Agreement shall hereafter be read and construed together as a single document, and all references thereto in the Credit Agreement, or any other agreements or instruments related to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Amendment No. 6.

The jurisdiction, service of process, waiver of jury trial, and electronic execution provisions set forth in Sections 11.14, 11.15, and 11.18 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.

THIS AMENDMENT NO. 6 SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Remainder of Page Intentionally Left Blank]

BORROWERS: MOVADO GROUP, INC.

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Sr. Vice President and Secretary

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: President and Secretary

MOVADO, LLC

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: President and Secretary

MOVADO RETAIL GROUP, INC.

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Secretary

MGI LUXURY GROUP GMBH

By: /s/ Sallie DeMarsilis
Name: Sallie A. DeMarsilis
Title: Director

By: /s/ Jochen Schulz
Name: Jochen Schulz
Title: Vice President Finance

GUARANTOR MOVADO GROUP NEDERLAND, B.V.

By: /s/ James Halpin
Name: James Edward Halpin
Title: Director A

By: /s/ Sebastian Donner
Name: Jan Sebastian Donner
Title: Director B

[SIGNATURE PAGE TO AMENDMENT NO. 6 (BOA-MOVADO 2024)]

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ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,

as Administrative Agent
By: /s/ DeWayne D. Rosse
Name: DeWayne D. Rosse
Title: Assistant Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6 (BOA-MOVADO 2024)]

LENDERS: BANK OF AMERICA, N.A.,

as a Lender, L/C Issuer and Swingline Lender
By: /s/ Jana Baker
Name: Jana L. Baker
Title: Senior Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6 (BOA-MOVADO 2024)]

PNC BANK, NATIONAL ASSOCIATION

as a Lender
By: /s/ Kristin Wenslau
Name: Kristin Wenslau
Title: Senior Vice President

[SIGNATURE PAGE TO AMENDMENT NO. 6 (BOA-MOVADO 2024)]

*DOCVARIABLE ndGeneratedStamp * MERGEFORMAT 4886-7900-1784, v. 3*

EXHIBIT 31.1

CERTIFICATIONS

I, Efraim Grinberg, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, res operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that m information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in whi report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reas assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted acco principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disc controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the regis fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over fi reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors a audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely aff registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: May 30, 2024 September 5, 2024

/s/ Efraim Grinberg

Efraim Grinberg

Chairman of the Board of Directors and Chief

Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Sallie A. DeMarsilis, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, res operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that m information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in whi report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reas assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted acco principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disc controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the regis fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over fi reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors a audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely aff registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: May 30, 2024 September 5, 2024

/s/ Sallie A. DeMarsilis

Sallie A. DeMarsilis

Executive Vice President,

Chief Operating Officer and

Chief Financial Officer

Chief Financial Officer

EXHIBIT 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

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the "Company") for the quarter ended April 30, 2024 July 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report") the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2024 September 5, 2024

/s/ Efraim Grinberg

Efraim Grinberg

Chairman of the Board of Directors and Chief

Executive Officer

EXHIBIT 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

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the "Company") for the quarter ended April 30, 2024 July 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report") the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2024 September 5, 2024	/s/ Sallie A. DeMarsilis
	Sallie A. DeMarsilis Executive Vice President, Chief Operating Officer and Chief Financial Officer

DISCLAIMER