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 October 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 December 2, 2024 were

15,684,480
and

6,458,376
respectively.

MOVADO GROUP, INC.

Index to Quarterly Report on Form 10-Q
October 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)

	October 31, 2024	January 31, 2024	October 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	$ 181,548	$ 262,059	$ 200,965
Trade receivables, net	139,163	104,472	135,523
Inventories	168,929	148,031	171,966
Other current assets	22,625	17,962	18,856
Income taxes receivable	7,922	11,354	11,135
Total current assets	520,187	543,878	538,445
Property, plant and equipment, net	20,480	19,436	19,458
Operating lease right-of-use assets	88,892	82,661	84,212
Deferred and non-current income taxes	43,767	43,016	44,814
Other intangibles, net	6,192	7,493	7,688
Other non-current assets	86,358	72,598	68,780
Total assets	$ 765,876	$ 769,082	$ 763,397
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$ 29,429	$ 32,775	$ 22,998
Accrued liabilities	51,245	38,695	57,165
Accrued payroll and benefits	12,541	7,591	10,317
Current operating lease liabilities	18,851	15,696	15,885

Income taxes payable	9,760	18,318	20,024
Total current liabilities	121,826	113,075	126,389
Deferred and non-current income taxes payable	1,188	8,234	7,966
Non-current operating lease liabilities	79,410	76,396	76,929
Other non-current liabilities	57,028	52,420	49,195
Total liabilities	259,452	250,125	260,479
Commitments and contingencies (Note 9)			
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; 29,174,709 , 29,004,001 and 28,879,497 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	243,311	239,062	236,438
Retained earnings	458,660	470,317	465,919
Accumulated other comprehensive income	90,323	92,335	81,727
Treasury Stock, 13,490,483, 13,328,095 and 13,282,860 shares, respectively, at cost	(289,067)	(285,270)	(283,998)
Total Movado Group, Inc. shareholders' equity	503,583	516,798	500,439
Noncontrolling interest	2,841	2,159	2,479
Total equity	506,424	518,957	502,918
Total liabilities and equity	$ 765,876	$ 769,082	$ 763,397

See Notes to Consolidated Financial Statements

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

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023	Nine Months Ended October 31, 2024	Nine Months Ended October 31, 2023
Net sales	$ 182,727	$ 187,686	$ 478,709	$ 492,981
Cost of sales	84,331	85,358	218,435	219,364
Gross profit	98,396	102,328	260,274	273,617
Selling, general and administrative	91,846	81,636	247,383	232,378
Operating income	6,550	20,692	12,891	41,239
Non-operating income/(expense):				
Other income, net	1,522	1,632	5,571	4,194
Interest expense	(144)	(135)	(372)	(361)
Income before income taxes	7,928	22,189	18,090	45,072
Provision for income taxes (Note 10)	2,495	4,519	5,733	9,938
Net income	5,433	17,670	12,357	35,134
Less: Net income attributable to noncontrolling interests	383	281	695	568
Net income attributable to Movado Group, Inc.	$ 5,050	$ 17,389	$ 11,662	$ 34,566
Basic income per share:				
Weighted basic average shares outstanding	22,283	22,209	22,280	22,222
Net income per share attributable to Movado Group, Inc.	$ 0.23	$ 0.78	$ 0.52	$ 1.56
Diluted income per share:				
Weighted diluted average shares outstanding	22,559	22,677	22,627	22,641
Net income per share attributable to Movado Group, Inc.	$ 0.22	$ 0.77	$ 0.52	$ 1.53

See Notes to Consolidated Financial Statements

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2024	**2023**	**2024**	**2023**
Net income	$ 5,433	$ 17,670	$ 12,357	$ 35,134
Other comprehensive income/(loss):				
Net unrealized gain/(loss) on investments, net of tax provision/(benefit) of $1, ($3), $8 and ($13), respectively	4	(9)	24	(38)
Amortization of prior service cost, net of tax provision of $3, $4, $10 and $12, respectively	13	15	37	45
Foreign currency translation adjustments	2,266	(10,066)	(2,247)	256
Cash flow hedges:				
Accumulated other comprehensive (loss)/income before reclassification, net of tax (benefit)/provision of ($37), $56, $1 and $51, respectively	(186)	284	4	260
Amounts reclassified from accumulated other comprehensive income/(loss), net of tax provision/(benefit) of $76, ($61), $33 and ($18), respectively	388	(307)	170	(91)
Total other comprehensive income/(loss), net of taxes	2,485	(10,083)	(2,012)	432
Less:				
Comprehensive income/(loss) attributable to noncontrolling interests:				

Net income	383	281	695	568
Foreign currency translation adjustments	(1)	(136)	(13)	(247)
Total comprehensive income attributable to noncontrolling interests	$ 382	$ 145	$ 682	$ 321
Total comprehensive income attributable to Movado Group, Inc.	$ 7,536	$ 7,442	$ 9,663	$ 35,245

See Notes to Consolidated Financial Statements

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

	Nine Months Ended October 31, 2024	Nine Months Ended October 31, 2023
Cash flows from operating activities:		
Net income	$ 12,357	$ 35,134
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:		
Depreciation and amortization	6,960	7,278
Transactional losses	594	204
Provision for inventories and accounts receivable	4,489	3,803
Deferred income taxes	(1,582)	(2,032)
Stock-based compensation	4,094	5,529
Other	265	754
Changes in assets and liabilities:		
Trade receivables	(37,026)	(42,027)
Inventories	(24,697)	10,758
Other current assets	(4,675)	4,107
Accounts payable	(3,709)	(7,492)
Accrued liabilities	11,974	12,336
Accrued payroll and benefits	4,994	(7,039)
Income taxes receivable	8,374	(4,494)
Income taxes payable	(19,855)	(10,014)
Other non-current assets	(3,141)	1,293
Other non-current liabilities	(43)	(730)

Net cash (used in)/provided by operating activities		(40,627)		7,368
Cash flows from investing activities:				
Capital expenditures		(6,368)		(6,627)
Long-term investments		(5,467)		(2,040)
Trademarks and other intangibles		(86)		(113)
Net cash used in investing activities		(11,921)		(8,780)
Cash flows from financing activities:				
Dividends paid		(23,319)		(45,399)
Stock repurchases		(2,628)		(2,349)
Distribution of noncontrolling interest earnings		—		(780)
Stock awards and options exercised and other changes		(1,101)		(73)
Net cash used in financing activities		(27,048)		(48,601)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash		(917)		(377)
Net decrease in cash, cash equivalents and restricted cash		(80,513)		(50,390)
Cash, cash equivalents, and restricted cash at beginning of year		262,814		252,179
Cash, cash equivalents, and restricted cash at end of period	$	182,301	$	201,789
Reconciliation of cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	$	181,548	$	200,965
Restricted cash included in other non-current assets		753		824
Cash, cash equivalents, and restricted cash	$	182,301	$	201,789

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 plans to adopt ASU 2023-07 in the fourth quarter of fiscal year 2025 and the adoption will result in additional segment-related footnote disclosures within the notes to the Consolidated Financial Statements.

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 timing and impact of adoption on its Consolidated Financial Statements and related disclosures.

NOTE 3 - COST-SAVINGS INITIATIVE

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

During the third quarter of fiscal year 2025, the Company recorded to date $

2.7
million in severance and payroll related charges which are included in Selling, general and administrative in the Consolidated Statements of Operations for the three and nine months ended October 31, 2024. The amounts are included in the Watch and Accessory segment with $

1.5
million in the United States locations and $

1.2
million in the International locations.

The Company expects the severance and payroll related expenses to be paid out within the next twelve months. $

0.3
million was paid during the third quarter of fiscal 2025 and the remaining $

2.4
million is included in Accrued payroll and benefits in the Consolidated Balance Sheet at October 31, 2024.

NOTE 4 – 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 shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of shares outstanding adjusted for dilutive common stock equivalents.

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

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023	Nine Months Ended October 31, 2024	Nine Months Ended October 31, 2023
Weighted average common shares outstanding:				
Basic	22,283	22,209	22,280	22,222
Effect of dilutive securities:				
Stock awards and options to purchase shares of common stock	276	468	347	419
Diluted	22,559	22,677	22,627	22,641

For the three months ended October 31, 2024 and 2023, approximately 751,000 and 497,000, 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 the nine months ended October 31, 2024 and 2023, approximately 694,000 and 671,000, respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

During the nine months ended October 31, 2024, the Company has declared and paid a total of three separate cash dividends of $0.35 per share aggregating to $23.3 million. During the nine months ended October 31, 2023, the Company declared and paid three separate cash dividends of $0.35 per share and a special cash dividend of $1.00 per share aggregating to $45.4 million.

NOTE 5 – INVENTORIES

Inventories consisted of the following (in thousands):

	October 31, 2024	January 31, 2024	October 31, 2023
Finished goods	$ 139,501	$ 117,909	$ 141,109
Component parts	25,802	26,386	27,217
Work-in-process	3,626	3,736	3,640

$ 168,929	$ 148,031	$ 171,966

NOTE 6 – DEBT AND LINES OF CREDIT

The Company and its U.S. and Swiss subsidiaries (collectively, the "Borrowers") are parties to an Amended and Restated Credit Agreement originally dated October 12, 2018 (as subsequently amended, the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement provides for a $

100.0

million senior secured revolving credit facility (the "Facility") and has a maturity date of October 28, 2026 . The Facility includes a $

15.0

million letter of credit subfacility, a $

25.0

million swingline subfacility and a $

75.0

million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to $

50.0

million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

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

As of both October 31, 2024, and October 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 October 31, 2024 and October 31, 2023. At October 31, 2024, the letters of credit have expiration dates through June 2, 2025 . As of both October 31, 2024, and October 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 nine months ended October 31, 2024 and 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 October 31, 2024, and 2023, these lines of credit totaled

6.5

million Swiss Francs for both periods, with a dollar equivalent of $

7.5
million and $

7.1
million, respectively. As of October 31, 2024, and 2023, there were

no

borrowings against these lines. As of October 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 $

1.4
million and $

1.5
million, respectively, in various foreign currencies, of which $

0.8
million and $

0.8
million ($

0.1
million was refunded in November 2023), respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees, was $

0.2

million for both the nine month periods ended October 31, 2024 and October 31, 2023 and amortization of debt fees was $

0.2

million for both the nine month periods ended October 31, 2024 and October 31, 2023.

NOTE 7 – 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 October 31, 2024, the Company's net forward contracts hedging portfolio designated as qualified cash flow hedging instruments consisted of

9.0
million Euros equivalent with various expiry dates ranging through November 27, 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.* As of October 31, 2024, the Company’s net forward contracts hedging portfolio not designated as qualified hedges consisted of

7.3
million Chinese Yuan equivalent,

30.0
million Swiss Francs equivalent,

29.6
million U.S. dollars equivalent,

24.0
million Euros equivalent and

4.8
million British Pounds equivalent with various expiry dates ranging through April 10, 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.

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

		Asset Derivatives				Liability Derivatives		
	Balance Sheet Location	October 31, 2024 Fair Value	January 31, 2024 Fair Value	October 31, 2023 Fair Value	Balance Sheet Location	October 31, 2024 Fair Value	January 31, 2024 Fair Value	October 31, 2023 Fair Value
Derivatives designated as hedging instruments:								
Foreign Exchange Contracts	Other Current Assets	$ 219	$ 26	$ —	Accrued Liabilities	$ —	$ 11	$ 5
Total Derivative Instruments		$ 219	$ 26	$ —		$ —	$ 11	$ 5

		Asset Derivatives				Liability Derivatives		
	Balance Sheet Location	October 31, 2024 Fair Value	January 31, 2024 Fair Value	October 31, 2023 Fair Value	Balance Sheet Location	October 31, 2024 Fair Value	January 31, 2024 Fair Value	October 31, 2023 Fair Value
Derivatives not designated as hedging instruments:								
Foreign Exchange Contracts	Other Current Assets	$ 154	$ 528	$ —	Accrued Liabilities	$ 77	$ —	$ 650
Total Derivative Instruments		$ 154	$ 528	$ —		$ 77	$ —	$ 650

As of October 31, 2024, January 31, 2024 and October 31, 2023, the balance of net deferred gains on derivative financial instruments designated as cash flow hedges included in accumulated other comprehensive income/(loss) were $

0.2
million, $

43,000
and ($

2,000
), respectively. For the three months ended October 31, 2024, and October 31, 2023, the Company reclassified ($

0.4
) million and $

0.3
million, respectively, from accumulated other comprehensive (loss)/income to Net sales in the Consolidated Statements of Operations.

For the nine months ended October 31, 2024, and October 31, 2023, the Company reclassified ($

0.2
) million and $

0.1
million, respectively, from accumulated other comprehensive (loss)/income to Net sales in the Consolidated Statements of Operations.

No

ineffectiveness has been recorded for the three and nine months ended October 31, 2024.

See Note 8 - Fair Value Measurements for fair value and presentation in the Consolidated Balance Sheets for derivatives.

NOTE 8 – 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 October 31, 2024 and 2023 and January 31, 2024 (in thousands):

		Fair Value at October 31, 2024			
	Balance Sheet Location	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:					
Available-for-sale securities	Other current assets	$ 278	$ —	$ —	$ 278
Short-term investment	Other current assets	149	—	—	149
SERP assets - employer	Other non-current assets	737	—	—	737
SERP assets - employee	Other non-current assets	53,869	—	—	53,869
Defined benefit plan assets	Other non-current liabilities	—	—	35,524	35,524
Hedge derivatives	Other current assets	—	373	—	373
Total		$ 55,033	$ 373	$ 35,524	$ 90,930
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 53,869	$ —	$ —	$ 53,869

Hedge derivatives	Accrued liabilities	—	77	—	77
Total		$ 53,869	$ 77	$ —	$ 53,946

	Balance Sheet Location	Fair Value at January 31, 2024 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

	Balance Sheet Location	Fair Value at October 31, 2023 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	$ 213	$ —	$ —	$ 213
Short-term investment	Other current assets	150	—	—	150
SERP assets - employer	Other non-current assets	591	—	—	591
SERP assets - employee	Other non-current assets	45,534	—	—	45,534
Defined benefit plan assets	Other non-current liabilities	—	—	29,712	29,712
Hedge derivatives	Other current assets	—	—	—	—
Total		$ 46,488	$ —	$ 29,712	$ 76,200
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 45,534	$ —	$ —	$ 45,534
Hedge derivatives	Accrued liabilities	—	655	—	655
Total		$ 45,534	$ 655	$ —	$ 46,189

The fair values of the Company's available-for-sale securities are based on quoted market prices. The fair value of the short-term investment, which is a guaranteed investment certificate, is based on its purchase price plus one half of one percent calculated annually. The assets related to the Company's defined contribution supplemental executive retirement plan ("SERP") consist of both employer (employee unvested) and employee assets which are invested in investment funds with fair values calculated based on quoted market prices. The SERP liability represents the Company's liability to the employees in the plan for their vested balances. The hedge derivatives consist of cash flow hedging instruments and forward contracts (see Note 7 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 October 31, 2024, January 31, 2024, and October 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 nine months of fiscal 2025, the Company invested an additional $

5.5

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 yielded little 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, 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 October 31, 2024, January 31, 2024 and October 31, 2023.

NOTE 9 – 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.

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

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 were not consistent with the Company's facts and circumstances and 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 October 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 10 – INCOME TAXES

The Company recorded an income tax provision of $2.5 million and $4.5 million for the three months ended October 31, 2024 and 2023, respectively.

The effective tax rate was 31.5% and 20.4% for the three months ended October 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to the tax consequences of a foreign currency gain related to an extraordinary intercompany dividend, an increase in valuation allowances against certain foreign losses and a limitation on a portion of the foreign tax credits and deductions related to the tax on Global Intangible Low-Taxed Income ("GILTI").

The Company recorded an income tax provision of $5.7 million and $9.9 million for the nine months ended October 31, 2024 and 2023, respectively.

The effective tax rate was 31.7% and 22.0% for the nine months ended October 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to the tax consequences on a foreign currency gain related to an extraordinary intercompany dividend, 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 October 31, 2024, the Company had no deferred tax liability for substantially all of the undistributed foreign earnings of approximately $246.5 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 11 – EQUITY

The components of equity for the three and nine months ended October 31, 2024 and 2023 are as follows (in thousands):

Movado Group, Inc. Shareholders' Equity for the three months ended October 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, July 31, 2024	$ —	29,170	$ 292	6,458	$ 64	$ 242,039	$ 461,382	$ 87,838	$ (287,499)	$ 2,459	$ 506,575
Net income attributable to Movado Group, Inc.							5,050			383	5,433
Dividends ($0.35 per share)							(7,772)				(7,772)
Stock awards and options exercised		5							(26)		(26)
Stock repurchases									(1,542)		(1,542)
Conversion of Class A Common Stock to Common Stock											-
Supplemental executive retirement plan						33					33
Stock-based compensation expense						1,239					1,239
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 $39								202			202
Amortization of prior service cost, net of tax provision of $3								13			13
Foreign currency translation adjustment (3)								2,266		(1)	2,265
Balance, October 31, 2024	$ —	29,175	$ 292	6,458	$ 64	$ 243,311	$ 458,660	$ 90,323	$ (289,067)	$ 2,841	$ 506,424

	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, July 31, 2023	$ —	28,876	$ 289	6,483	$ 64	$ 234,443	$ 456,279	$ 91,810	$ (282,101)	$ 3,114	$ 503,898

Net income attributable to Movado Group, Inc.							17,389			281	17,670
Dividends ($0.35 per share)							(7,749)				(7,749)
Distribution of noncontrolling interest earnings										(780)	(780)
Stock awards and options exercised		3							19		19
Stock repurchases									(1,916)		(1,916)
Supplemental executive retirement plan						45					45
Stock-based compensation expense						1,950					1,950
Net unrealized loss on investments, net of tax benefit of ($3)								(9)			(9)
Net change in effective portion of hedging contracts, net of tax benefit of ($5)								(23)			(23)
Amortization of prior service cost, net of tax provision of $4								15			15
Foreign currency translation adjustment (3)								(10,066)		(136)	(10,202)
Balance, October 31, 2023	$ —	28,879	$ 289	6,483	$ 64	$ 236,438	$ 465,919	$ 81,727	$ (283,998)	$ 2,479	$ 502,918

Movado Group, Inc. Shareholders' Equity for the nine months ended October 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.							11,662			695	12,357
Dividends ($1.05 per share)							(23,319)				(23,319)
Stock awards and options exercised		145	2			66			(1,169)		(1,101)
Stock repurchases									(2,628)		(2,628)
Conversion of Class A Common Stock to Common Stock		25		(25)							-
Supplemental executive retirement plan		1				89					89
Stock-based compensation expense						4,094					4,094
Net unrealized gain on investments, net of tax provision of $8								24			24
Net change in effective portion of hedging contracts, net of tax provision of $34								174			174
Amortization of prior service cost, net of tax provision of $10								37			37
Foreign currency translation adjustment (3)								(2,247)		(13)	(2,260)
Balance, October 31, 2024	$ —	29,175	$ 292	6,458	$ 64	$ 243,311	$ 458,660	$ 90,323	$ (289,067)	$ 2,841	$ 506,424

	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.							34,566			568	35,134
Dividends ($2.05 per share)							(45,399)				(45,399)
Distribution of noncontrolling interest earnings										(780)	(780)
Stock awards and options exercised		30							(73)		(73)
Stock repurchases									(2,349)		(2,349)
Conversion of Class A Common Stock to Common Stock		42	1	(42)	(1)						-
Supplemental executive retirement plan						127					127
Stock-based compensation expense						5,529					5,529
Net unrealized loss on investments, net of tax benefit of ($13)								(38)			(38)
Net change in effective portion of hedging contracts, net of tax provision of $33								169			169
Amortization of prior service cost, net of tax provision of $12								45			45
Foreign currency translation adjustment (3)								256		(247)	9
Balance, October 31, 2023	$ —	28,879	$ 289	6,483	$ 64	$ 236,438	$ 465,919	$ 81,727	$ (283,998)	$ 2,479	$ 502,918

(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 12 – 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. On December 5, 2024, the Board approved an additional share repurchase program under which the Company is authorized to purchase up to $ 50.0 million of its outstanding common stock through December 5, 2027, depending on market conditions, share price and other factors. Under both share repurchase programs, 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 nine months ended October 31, 2024, the Company repurchased a total of 120,000 shares of its common stock under the November 23, 2021 share repurchase program at a total cost of $ 2.6 million, or an average of $ 21.90 per share. During the nine months ended October 31, 2023, the Company repurchased a total of 85,722 shares of its common stock at a total cost of $ 2.3 million, or an average of $ 27.40 per share.

At October 31, 2024, $ 15.2 million remains available for purchase under the Company's November 23, 2021 repurchase program and all $ 50.0 million remains available for purchase under the Company's December 5, 2024 repurchase program.

There were 42,388 and 2,799 shares of common stock repurchased during the nine months ended October 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 13 – ACCUMULATED OTHER COMPREHENSIVE INCOME

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

	October 31, 2024	January 31, 2024	October 31, 2023
Foreign currency translation adjustments	$ 91,593	$ 93,840	$ 83,261
Available-for-sale securities	193	169	144
Cash flow hedges	217	43	(2)
Unrecognized prior service cost related to defined benefit pension plan	(134)	(171)	(186)

Net actuarial loss related to defined benefit pension plan	(1,546)	(1,546)	(1,490)
Total accumulated other comprehensive income	$ 90,323	$ 92,335	$ 81,727

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

NOTE 14 – 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 October 31,		For the Nine Months Ended October 31,	
Customer Type	**2024**	**2023**	**2024**	**2023**
Wholesale	$ 150,321	$ 154,330	$ 374,300	$ 386,767
Direct to consumer	31,578	32,602	101,931	103,618
After-sales service	828	754	2,478	2,596
Net Sales	$ 182,727	$ 187,686	$ 478,709	$ 492,981

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 16 – 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 16 – 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 16 – 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 15 – 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 nine months ended October 31, 2024 and October 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 October 31, 2024 and 2023 was $

0.2
million and $

0.5
million, respectively. Total compensation expense for stock option grants recognized during the nine months ended October 31, 2024 and 2023 was $

0.7
million and $

1.7
million, respectively. As of October 31, 2024, there was $

0.3
million of unrecognized compensation cost related to unvested stock options. These costs are expected to be recognized over a weighted-average period of 0.4 years. Total cash consideration received for stock option exercises during the nine months ended October 31, 2024 and 2023 was $

0.1
million and

zero
, respectively.

The following table summarizes the Company's stock options activity during the first nine 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	(4,000)	$ 16.87	$ 16.87		
Forfeited	(58,700)	$ 42.12	$ 42.12		
Options outstanding at October 31, 2024	951,489	$ 23.13	$ 12.42 -$ 38.04	5.7	$ 1,462
Exercisable at October 31, 2024	802,850	$ 20.37		5.4	$ 1,462
Expected to vest at October 31, 2024	148,142	$ 38.04		7.4	$ -

Stock Awards:

Under the Plan, the Company can also grant stock awards to employees and directors. For the three months ended October 31, 2024 and 2023, compensation expense for stock awards was $ 1.0 million and $ 1.4 million, respectively. For the nine months ended October 31, 2024 and 2023, compensation expense for stock awards was $ 3.4 million and $ 3.8 million, respectively. As of October 31, 2024, there was approximately $ 7.1 million of unrecognized compensation cost related to unvested stock awards. These costs are expected to be recognized over a weighted-average period of 1.9 years.

The following table summarizes the Company's stock awards activity during the first nine 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)
Units outstanding at January 31, 2024	485,956	$ 30.15		

Units granted	311,786	$ 27.78		
Units vested	(138,274)	$ 28.19		
Units forfeited	—	—		
Units outstanding at October 31, 2024	659,468	$ 29.44	1.7	$ 12,180

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 42,388 and 2,799 shares of common stock of the Company tendered by the employee for the payment of the employee's withholding tax obligation totaling $ 1.2 million and $ 0.1 million for the nine months ended October 31, 2024 and 2023, respectively. The total fair value of stock award units that vested during the first nine months of fiscal 2025 was $ 3.9 million.

NOTE 16 – 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 33.6%, 9.9%, 8.8% and 8.8%, respectively, of the Company's total net sales for the three months ended October 31, 2024. For the three months ended October 31, 2023, the Company's International operations in Europe, the Middle East, Asia and the Americas (excluding the United States) accounted for 34.0%, 8.8%, 8.4% and 8.0%, respectively, of the Company's total net sales. The Company's International operations in Europe, the Americas (excluding the United States), Asia and the Middle East accounted for 31.8%, 9.2%, 9.1% and 8.7%, respectively, of the Company's total net sales for the nine months ended October 31, 2024. For the nine months ended October 31, 2023, the Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 31.4%, 9.4%, 9.1% and 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 October 31, 2024 and 2023 (in thousands):

	Net Sales	
	2024	**2023**
Watch and Accessory Brands:		
Owned brands category	$ 50,389	$ 55,416
Licensed brands category	111,402	107,355
After-sales service and all other	72	2,368
Total Watch and Accessory Brands	161,863	165,139

	2024	2023
Company Stores	20,864	22,547
Consolidated total	$ 182,727	$ 187,686

	Operating Income (3)	
	2024	2023
Watch and Accessory Brands	$ 5,272	$ 18,489
Company Stores	1,278	2,203
Consolidated total	$ 6,550	$ 20,692

Operating Segment Data as of and for the Nine Months Ended October 31, 2024 and 2023 (in thousands):

	Net Sales	
	2024	2023
Watch and Accessory Brands:		
Owned brands category	$ 135,802	$ 149,436
Licensed brands category	274,359	272,012
After-sales service and all other	5,028	3,370
Total Watch and Accessory Brands	415,189	424,818
Company Stores	63,520	68,163
Consolidated total	$ 478,709	$ 492,981

	Operating Income (3)	
	2024	2023
Watch and Accessory Brands	$ 7,475	$ 31,907
Company Stores	5,416	9,332
Consolidated total	$ 12,891	$ 41,239

	Total Assets		
	October 31, 2024	January 31, 2024	October 31, 2023
Watch and Accessory Brands	$ 700,388	$ 710,067	$ 703,253
Company Stores	65,488	59,015	60,144

Consolidated total	$ 765,876	$ 769,082	$ 763,397

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

	Net Sales		Operating (Loss)/Income (3)	
	2024	2023	2024	2023
United States (1)	$ 71,147	$ 76,575	$ (15,117)	$ (5,256)
International (2)	111,580	111,111	21,667	25,948
Consolidated total	$ 182,727	$ 187,686	$ 6,550	$ 20,692

United States and International net sales are net of intercompany sales of $ 82.5 million and $ 86.8 million for the three months ended October 31, 2024 and 2023, respectively.

Geographic Location Data as of and for the Nine Months Ended October 31, 2024 and 2023 (in thousands):

	Net Sales		Operating (Loss)/Income (3)	
	2024	2023	2024	2023
United States (1)	$ 197,286	$ 206,602	$ (29,447)	$ (17,928)
International (2)	281,423	286,379	42,338	59,167
Consolidated total	$ 478,709	$ 492,981	$ 12,891	$ 41,239

United States and International net sales are net of intercompany sales of $ 226.5 million and $ 200.3 million for the nine months ended October 31, 2024 and 2023, respectively.

(1) The United States operatin g loss i ncluded $ 11.9 million and $ 14.3 million of unallocated corporate expenses for the three months ended October 31, 2024 and 2023, respectively. The United States operating loss include d $ 30.0 million and $ 36.0 million of unallocated corporate expenses for the nine months ended October 31, 2024 and 2023, respectively.

(2) The International operating income included $ 20.5 million and $

22.9 million of certain intercompany profits related to the Company’s supply chain operations for the three months ended October 31, 2024 and 2023, respectively. The International operating income included $ 48.8 million and $ 55.4 million of certain intercompany profits related to the Company’s supply chain operations for the nine months ended October 31, 2024 and 2023, respectively.

(3) The operating (loss)/income in the United States and International locations of the Watch and Accessory Brands segment included a pre-tax charge of $ 1.5 million and $ 1.2 million, respectively, related to the Company’s cost-savings initiative for the three and nine months ended October 2024.

	Total Assets		
	October 31, 2024	January 31, 2024	October 31, 2023
United States	$ 426,642	$ 361,980	$ 373,812
International	339,234	407,102	389,585
Consolidated total	$ 765,876	$ 769,082	$ 763,397

	Property, Plant and Equipment, Net		
	October 31, 2024	January 31, 2024	October 31, 2023
United States	$ 13,403	$ 11,950	$ 12,212
International	7,077	7,486	7,246
Consolidated total	$ 20,480	$ 19,436	$ 19,458

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 October 31, 2024, there have been no material changes to any of the 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

Cost-Savings Initiative

During the third quarter of fiscal year 2025, in light of the ongoing challenging consumer-spending environment, the Company committed to a cost-savings initiative to reduce operating expenses through headcount reductions, bringing them more in line with sales and recorded $2.7 million in severance and payroll related charges. The Company expects the severance and payroll related expenses to be paid out within the next twelve months; $0.3 million of which was paid during the third quarter of fiscal year 2025. The Company expects go-forward annual savings from the cost-savings initiatives of approximately $6.5 million.

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 was 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.

Results of Operations Overview

The following is a discussion of the results of operations for the three and nine months ended October 31, 2024 compared to the three and nine months ended October 31, 2023, along with a discussion of the changes in financial condition during the first nine months of fiscal 2025. The Company’s results of operations for the first nine 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 October 31, 2024 as compared to the three months ended October 31, 2023

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

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023
Watch and Accessory Brands:		
United States	$ 51,596	$ 55,295
International	110,267	109,844
Total Watch and Accessory Brands	161,863	165,139
Company Stores:		
United States	19,551	21,280
International	1,313	1,267
Total Company Stores	20,864	22,547
Net Sales	$ 182,727	$ 187,686

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

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023
Watch and Accessory Brands:		
Owned brands category	$ 50,389	$ 55,416
Licensed brands category	111,402	107,355
After-sales service and all other	72	2,368
Total Watch and Accessory Brands	161,863	165,139
Company Stores	20,864	22,547
Net Sales	$ 182,727	$ 187,686

Net Sales

Net sales for the three months ended October 31, 2024 were $182.7 million, representing a $5.0 million or 2.6% decrease from the prior year period. Both of the Company's operating segments experienced net sales declines. For the three months ended October 31, 2024, fluctuations in foreign currency exchange rates positively impacted net sales by $1.7 million when compared to the prior year period. Excluding this $1.7 million impact, net sales would have decreased by 3.5% as compared to the prior year period.

Watch and Accessory Brands Net Sales

Net sales for the three months ended October 31, 2024 in the Watch and Accessory Brands segment were $161.9 million, below the prior year period by $3.3 million, or 2.0%. The decrease in net sales was primarily due to unfavorable sales mix and decreased volumes resulting from lower demand in the Company's wholesale customers, mainly in the United States locations, partially offset by an increase in online retail in the United States locations and the positive impact of fluctuations in foreign exchange rates.

United States Watch and Accessory Brands Net Sales

Net sales for the three months ended October 31, 2024 in the United States locations of the Watch and Accessory Brands segment were $51.6 million, below the prior year period by $3.7 million, or 6.7%, resulting primarily from unfavorable sales mix and decreased volumes resulting from lower demand in the Company's wholesale customers, partially offset by an increase in online retail. The net sales recorded in the owned brands category decreased $5.4 million, or 13.1%, partially offset by an increase in net sales recorded in the licensed brands category of $2.8 million, or 20.6%.

International Watch and Accessory Brands Net Sales

Net sales for the three months ended October 31, 2024 in the International locations of the Watch and Accessory Brands segment were $110.3 million, above the prior year by $0.4 million, or 0.4%, which included fluctuations in foreign currency exchange rates that positively impacted net sales by $1.7 million when compared to the prior year period. The increase in net sales was primarily due to the positive impact of fluctuations in foreign exchange rates, partially offset by unfavorable sales mix. The net sales increase recorded in the owned brands category was $0.3 million, or 2.3%, due to net sales increases in Asia and Europe, partially offset by net sales decreases in the Middle East and the Americas (excluding the United States). The net sales increase recorded in the licensed brands category was $1.3 million, or 1.3%, primarily due to net sales increases in the Americas (excluding the United States), Asia and the Middle East, partially offset by a net sales decrease in Europe.

Company Stores Net Sales

Net sales for the three months ended October 31, 2024 in the Company Stores segment were $20.9 million, $1.7 million or 7.5% 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 October 31, 2024 and 2023, the Company operated 56 and 55 retail outlet locations, respectively.

Gross Profit

Gross profit for the three months ended October 31, 2024 was $98.4 million or 53.8% of net sales as compared to $102.3 million or 54.5% of net sales in the prior year period. The decrease in gross profit of $3.9 million was due to lower net sales combined with a lower gross margin percentage. The decrease in the gross margin percentage of approximately 70 basis points for the three months ended October 31, 2024 reflected an unfavorable impact of sales mix of approximately 40 basis points, the decreased leveraging of certain fixed costs as a result of lower sales of approximately 20 basis points and a negative impact of fluctuations in foreign exchange rates of approximately 10 basis points.

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

SG&A expenses for the three months ended October 31, 2024 were $91.8 million, representing an increase from the prior year period of $10.2 million, or 12.5%. The increase in SG&A expenses was primarily due to the following factors: higher marketing expenses of $5.8 million and an increase in payroll related expenses of $3.0 million (which included severance and payroll related costs of $2.7 million related to the cost-savings initiative discussed above under the "Recent Developments and Initiatives"). For the three months ended October 31, 2024, fluctuations in foreign currency rates related to the foreign subsidiaries unfavorably impacted SG&A expenses by $0.9 million when compared to the prior year period.

Watch and Accessory Brands Operating Income

For the three months ended October 31, 2024 the Company recorded operating income of $5.3 million in the Watch and Accessory Brands segment which includes $11.9 million of unallocated corporate expenses as well as $20.5 million of certain intercompany profits related to the Company’s supply chain operations. For the three months ended October 31, 2023, the Company recorded operating income of $18.5 million in the Watch and Accessory Brands segment which included $14.3 million of unallocated corporate expenses as well as $22.9 million of certain intercompany profits related to the Company’s supply chain operations. The decrease in operating income of $13.2 million was the result of a decrease in gross profit of $2.8 million combined with higher SG&A expenses of $10.4 million when compared to the prior year period. The decrease in gross profit was 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. The increase in SG&A expenses of $10.4 million was primarily due to the following factors: higher marketing expenses of $5.7 million and an increase in payroll related expenses of $2.9 million (which included severance and payroll related costs of $2.7 million related to the cost-savings initiative).

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 October 31, 2024, the Company recorded operating loss of $16.0 million which includes unallocated corporate expenses of $11.9 million. For the three months ended

October 31, 2023 the Company recorded an operating loss of $7.3 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of $14.3 million. The increase in operating loss was the result of a decrease in gross profit of $2.7 million combined with an increase in SG&A expenses of $6.0 million when compared to the prior year period. The decrease in gross profit of $2.7 million was the result of lower net sales combined with a lower gross margin percentage primarily due to the unfavorable impact of sales mix and the decreased leveraging of certain fixed costs as a result of lower sales. The increase in SG&A expenses of $6.0 million was primarily due to the following factors: higher marketing expenses of $5.1 million and an increase in payroll related expenses of $0.7 million (which included severance and payroll related costs of $1.5 million related to the cost-savings initiative).

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the three months ended October 31, 2024, the Company recorded operating income of $21.3 million which includes $20.5 million of certain intercompany profits related to the Company's International supply chain operations. For the three months ended October 31, 2023 the Company recorded operating income of $25.8 million in the International locations of the Watch and Accessory Brands segment which included $22.9 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 $0.2 million combined with higher SG&A expenses of $4.3 million. The decrease in gross profit of $0.2 million was primarily the result of a lower gross margin percentage primarily due to an unfavorable impact of sales mix and a negative impact of fluctuations in foreign exchange rates. The increase in SG&A expenses of $4.3 million was primarily due to the following factors: an increase in payroll related expenses of $2.2 million (which included severance and payroll related costs of $1.2 million related to the cost-savings initiative) and higher marketing expenses of $0.6 million.

Company Stores Operating Income

The Company recorded operating income of $1.3 million and $2.2 million in the Company Stores segment for the three months ended October 31, 2024 and 2023, respectively. The decrease in operating income of $0.9 million was primarily related to a decrease in gross profit of $1.1 million, due to lower sales combined with a lower gross margin percentage, partially offset by lower SG&A expenses of $0.2 million. As of October 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 $1.5 million and $1.6 million for the three months ended October 31, 2024 and October 31, 2023, respectively, primarily due to interest income.

Interest Expense

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

Income Taxes

The Company recorded an income tax provision of $2.5 million and $4.5 million for the three months ended October 31, 2024 and 2023, respectively.

The effective tax rate was 31.5% and 20.4% for the three months ended October 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to the tax consequences of a foreign currency gain related to an extraordinary intercompany dividend, an increase in valuation allowances against certain foreign losses and a limitation on a portion of the foreign tax credits and deductions related to the tax on Global Intangible Low-Taxed Income ("GILTI").

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of $5.1 million and $17.4 million for the three months ended October 31, 2024 and 2023, respectively.

Results of operations for the nine months ended October 31, 2024 as compared to the nine months ended October 31, 2023

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

	Nine Months Ended October 31,			
	2024		2023	
Watch and Accessory Brands:				
United States	$	137,218	$	141,918
International		277,971		282,900
Total Watch and Accessory Brands		415,189		424,818
Company Stores:				
United States		60,068		64,684
International		3,452		3,479
Total Company Stores		63,520		68,163
Net Sales	$	478,709	$	492,981

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

	Nine Months Ended October 31,			
	2024		2023	
Watch and Accessory Brands:				
Owned brands category	$	135,802	$	149,436
Licensed brands category		274,359		272,012
After-sales service and all other		5,028		3,370
Total Watch and Accessory Brands		415,189		424,818
Company Stores		63,520		68,163
Net Sales	$	478,709	$	492,981

Net Sales

Net sales for the nine months ended October 31, 2024 were $478.7 million, representing a $14.3 million or 2.9% decrease from the prior year period. Both of the Company's operating segments experienced net sales declines. For the nine months ended October 31, 2024, fluctuations in foreign currency exchange rates had positively impacted net sales by $1.7 million when compared to the prior year period. Excluding this $1.7 million impact, net sales would have decreased by 3.2% as compared to the prior year period.

Watch and Accessory Brands Net Sales

Net sales for the nine months ended October 31, 2024 in the Watch and Accessory Brands segment were $415.2 million, below the prior year period by $9.6 million, or 2.3%. The decrease in net sales was primarily due to unfavorable sales mix and decreased volumes resulting from lower demand in the Company's wholesale customers, mainly in the United States locations, partially offset by an increase in online retail in the United States locations and the positive impact of fluctuations in foreign exchange rates.

United States Watch and Accessory Brands Net Sales

Net sales for the nine months ended October 31, 2024 in the United States locations of the Watch and Accessory Brands segment were $137.2 million, below the prior year period by $4.7 million, or 3.3%, resulting primarily from unfavorable sales mix and decreased volumes due to lower demand in the Company's wholesale customers, partially offset by an increase in online retail. The net sales recorded in the owned brands category decreased $9.2 million, or 8.4%, partially offset by an increase in net sales recorded in the licensed brand category of $4.2 million, or 13.3%.

International Watch and Accessory Brands Net Sales

Net sales for the nine months ended October 31, 2024 in the International locations of the Watch and Accessory Brands segment were $278.0 million, below the prior year by $4.9 million, or 1.7%, which included fluctuations in foreign currency exchange rates that positively impacted net sales by $1.7 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, partially offset by the positive impact of fluctuations in foreign exchange rates. The net sales decrease recorded in the owned brands category was $4.5 million, or 10.9%, due to net sales decreases in the Middle East, Europe and the Americas (excluding the United States), partially offset by an increase in Asia. The net sales decrease in the licensed brands category was $1.9 million, or 0.8%, primarily due to net sales decreases in Europe, the Middle East and the Americas (excluding the United States), partially offset by a net sales increase in Asia.

Company Stores Net Sales

Net sales for the nine months ended October 31, 2024 in the Company Stores segment were $63.5 million, $4.6 million or 6.8% 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 October 31, 2024 and 2023, the Company operated 56 and 55 retail outlet locations, respectively.

Gross Profit

Gross profit for the nine months ended October 31, 2024 was $260.3 million or 54.4% of net sales as compared to $273.6 million or 55.5% of net sales in the prior year period. The decrease in gross profit of $13.3 million was due to lower net sales combined with a lower gross margin percentage. The decrease in the gross margin percentage of approximately 110 basis points for the nine months ended October 31, 2024 reflected an unfavorable impact of sales mix of approximately 80 basis points, the decreased leveraging of certain fixed costs as a result of lower sales of approximately 20 basis points and a negative impact of fluctuations in foreign exchange rates of approximately 10 basis points.

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

SG&A expenses for the nine months ended October 31, 2024 were $247.4 million, representing an increase from the prior year period of $15.0 million, or 6.5%. The increase in SG&A expenses was primarily due to the following factors: higher marketing expenses of $11.1 million and an increase in payroll related expenses of $4.5 million (which included severance and payroll related costs of $2.7 million related to the cost-savings initiative). These increases in SG&A expenses were partially offset by a decrease of $0.5 million in amortization expense related to certain intangible assets being fully amortized and a decrease in performance-based compensation of $0.4 million. For the nine months ended October 31, 2024, fluctuations in foreign currency rates related to the foreign subsidiaries unfavorably impacted SG&A expenses by $0.8 million when compared to the prior year period.

Watch and Accessory Brands Operating Income

For the nine months ended October 31, 2024 the Company recorded operating income of $7.5 million in the Watch and Accessory Brands segment which includes $30.0 million of unallocated corporate expenses as well as $48.8 million of certain intercompany profits related to the Company’s supply chain operations. For the nine months ended October 31, 2023, the Company recorded operating income of $31.9 million in the Watch and Accessory Brands segment which included $36.0 million of unallocated corporate expenses as well as $55.4 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 $10.2 million combined with higher SG&A expenses of $14.2 million when compared to the prior year period. The decrease in gross profit was 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. The increase in SG&A expenses of $14.2 million was primarily due to the following factors: higher marketing expenses of $10.8 million and an increase in payroll related expenses of $4.1 million (which included severance and payroll related costs of $2.7 million related to the cost-savings initiative). These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of $0.5 million and a decrease of $0.5 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 nine months ended October 31, 2024, the Company recorded an operating loss of $34.1 million which includes unallocated corporate expenses of $30.0 million. For the nine months ended October 31, 2023 the Company recorded an operating loss of $26.7 million in the United States locations of the Watch and Accessory Brands segment which included unallocated corporate expenses of $36.0 million. The increase in operating loss was the result of a decrease in gross profit of $1.2 million combined with an increase in SG&A expenses of $6.2 million when compared to the prior year period. The decrease in gross profit of $1.2 million was the result of lower net sales, partially offset by a higher gross margin percentage primarily due to the favorable impact of sales mix, partially offset by the decreased leveraging of certain fixed costs as a result of lower sales. The increase in SG&A expenses of $6.2 million was primarily due to the following factors: higher marketing expenses of $5.9 million and an increase in payroll related expenses of $1.3 million (which included severance and payroll related costs of $1.5 million related to the cost-savings initiative). These increases in SG&A expenses were partially offset by a decrease in performance-based compensation of $0.5 million.

International Watch and Accessory Brands Operating Income

In the International locations of the Watch and Accessory Brands segment, for the nine months ended October 31, 2024, the Company recorded operating income of $41.6 million which includes $48.8 million of certain intercompany profits related to the Company's International supply chain operations. For the nine months ended October 31, 2023 the Company recorded operating income of $58.6 million in the International locations of the Watch and Accessory Brands segment which included $55.4 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 $9.0 million combined with higher SG&A expenses of $8.0 million. The decrease in gross profit of $9.0 million was 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. The increase in SG&A expenses of $8.0 million was primarily due was primarily due to the following factors: higher marketing expenses of $4.9 million and an increase in payroll related expenses of $2.8 million (which included severance and payroll related costs of $1.2 million related to the cost-savings initiative). These increases in SG&A expenses were partially offset by a decrease of $0.5 million in amortization expense related to certain intangible assets being fully amortized.

Company Stores Operating Income

The Company recorded operating income of $5.4 million and $9.3 million in the Company Stores segment for the nine months ended October 31, 2024 and 2023, respectively. The decrease in operating income of $3.9 million was primarily related to a decrease in gross profit of $3.2 million, mainly due to lower sales combined with a lower gross margin percentage, and higher SG&A expenses of $0.7 million primarily due to an increase in payroll related expenses of $0.4 million and higher marketing expenses of $0.3 million. As of October 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 $5.6 million primarily due to interest income for the nine months ended October 31, 2024.

For the nine months ended October 31, 2023, the Company recorded other income, net of $4.2 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 a transaction that yielded little return for equity holders.

Interest Expense

Interest expense was $0.4 million primarily due to the payment of unused commitment fees for both the nine months ended October 31, 2024 and 2023. There were no borrowings under the Company's revolving credit facility during the nine months ended October 31, 2024 and 2023.

Income Taxes

The Company recorded an income tax provision of $5.7 million and $9.9 million for the nine months ended October 31, 2024 and 2023, respectively.

The effective tax rate was 31.7% and 22.0% for the nine months ended October 31, 2024 and 2023, respectively. The significant components of the effective tax rate changed primarily due to the tax consequences of a foreign currency gain related to an extraordinary intercompany dividend, 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.

Net Income Attributable to Movado Group, Inc.

The Company recorded net income attributable to Movado Group, Inc. of $11.7 million and $34.6 million for the nine months ended October 31, 2024 and 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2024 and October 31, 2023, the Company had $181.5 million and $201.0 million, respectively, of cash and cash equivalents. Of this total, $68.3 million and $130.5 million, respectively, consisted of cash and cash equivalents at the Company's foreign subsidiaries.

At October 31, 2024 the Company had working capital of $398.4 million as compared to $412.1 million at October 31, 2023. The decrease in working capital was primarily the result of a decrease in cash and an increase in accounts payable, partially offset by an increase in trade receivables and a decrease in income taxes payable. The Company defines working capital as the difference between current assets and current liabilities.

The Company had $40.6 million of cash used in operating activities for the nine months ended October 31, 2024 as compared to $7.4 million of cash provided by operating activities for the nine months ended October 31, 2023. Cash used in operating activities for the nine months ended October 31, 2024 included net income of $12.4 million, positively adjusted by $14.8 million related to non-cash items. Cash used in operating activities for the nine months ended October 31, 2024 included a $37.0 million increase in trade receivables due to timing of receipts and change in sales mix during the quarter, a $24.7 million increase in investment in inventories primarily due to timing of receipts to align with sales levels and increases in net payments related to taxes, other current assets, accrued liabilities, accrued payroll and benefits and accounts payable totaling $2.9 million primarily due to timing. Cash provided by operating activities for the nine months ended October 31, 2023 included net income of $35.1 million, positively adjusted by $15.5 million related to non-cash items. Cash provided by operating activities for the nine months ended October 31, 2023 included an increase in accrued liabilities of $12.3 million primarily as a result of timing of payments and a $10.8 million decrease in investment in inventories primarily due to timing of receipts to align with sales levels, partially offset by an increase of $42.0 million in trade receivables a a result of timing of receipts and change in sales mix, a change in income taxes of $14.5 million primarily due to timing of payments, a decrease in accounts payable of $7.5 million primarily due to timing of payments and a decrease in accrued payroll and benefits of $7.0 million primarily as a result of payments of performance-based compensation.

Cash used in investing activities was $11.9 million for the nine months ended October 31, 2024 as compared to cash used in investing activities of $8.8 million for the nine months ended October 31, 2023. The cash used in the nine months ended October 31, 2024 was primarily related to capital expenditures of $6.4 million mainly due to expenditures related to Company stores and shop-in-shops and $5.5 million of long-term investments. Cash used in investing activities for the nine months ended October 31, 2023 included $6.6 million of capital expenditures and $2.0 million of long-term investments.

Cash used in financing activities was $27.0 million for the nine months ended October 31, 2024 as compared to cash used in financing activities of $48.6 million for the nine months ended October 31, 2023. The cash used in the nine months ended October 31, 2024 included $23.3 million in dividends paid, $2.6 million in stock repurchased in the open market and $1.2 million of shares repurchased as a result of the surrender of shares by employees in connection with the vesting of certain stock awards. Cash used in financing activities for the nine months ended October 31, 2023 included $45.4 million in dividends paid, which included a special cash dividend of $1.00 per share, and $2.3 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 Bank of America, N.A. as administrative agent (in such capacity, the “Agent”). The Credit Agreement provides for a $100.0 million senior secured revolving credit facility (the “Facility”) and has a maturity date of October 28, 2026. The Facility includes a $15.0 million letter of credit subfacility, a $25.0 million swingline subfacility and a $75.0 million sublimit for borrowings by the Swiss Borrower, with provisions for uncommitted increases to the Facility of up to $50.0 million in the aggregate subject to customary terms and conditions. The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

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

As of both October 31, 2024, and October 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 October 31, 2024 and October 31, 2023. At October 31, 2024, the letters of credit have expiration dates through June 2, 2025. As of both October 31, 2024, and October 31, 2023, availability under the Facility was $99.7 million. For additional information regarding the Facility, see Note 6 - 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 nine months ended October 31, 2024 and 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 October 31, 2024, and 2023, these lines of credit totaled 6.5 million Swiss Francs for both periods, with a dollar equivalent of $7.5 million and $7.1 million, respectively. As of October 31, 2024, and 2023, there were no borrowings against these lines. As of October 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 $1.4 million and $1.5 million, respectively, in various foreign currencies, of which $0.8 million and $0.8 million ($0.1 million was refunded in November 2023), respectively, was a restricted deposit as it relates to lease agreements.

Cash paid for interest, including unused commitments fees, was $0.2 million for both the nine month periods ended October 31, 2024 and October 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 $5.5 million during the first nine months of fiscal 2025 and may be called upon to satisfy capital calls in respect of the remaining $7.7 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 yielded little 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.

During the nine months ended October 31, 2024, the Company has declared and paid a total of three separate cash dividends of $0.35 per share aggregating to $23.3 million. During the nine months ended October 31, 2023, the Company declared and paid three separate cash dividends of $0.35 per share and a special cash dividend of $1.00 per share aggregating to $45.4 million. Although the Company currently expects to continue to declare cash dividends in the future, the decision of whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board of Directors, in its sole discretion.

On November 23, 2021, the Board approved a share repurchase program under which the Company 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. On December 5, 2024, the Board approved an additional share repurchase program under which the Company is authorized to purchase up to $50.0 million of its outstanding common stock through December 5, 2027, depending on market conditions, share price and other factors. Under both share repurchase programs, 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 nine months ended October 31, 2024, the Company repurchased a total of 120,000 shares of its common stock at a total cost of $2.6 million, or an average of $21.90 per share. During the nine months ended October 31, 2023, the Company repurchased a total of 85,722 shares of its common stock at a total cost of $2.3 million, or an average of $27.40 per share. At October 31, 2024, $15.2 million remains available for purchase under the Company's November 23, 2021 repurchase program and all $50.0 million remains available for purchase under the Company's December 5, 2024 repurchase program.

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 7 – 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 October 31, 2024, the Company's entire net forward contracts hedging portfolio consisted of 7.3 million Chinese Yuan equivalent, 30.0 million Swiss Francs equivalent, 29.6 million U.S. dollars equivalent, 33.0 million Euros equivalent (including 9.0 million Euros designated as cash flow hedges) and 4.8 million British Pounds equivalent with various expiry dates ranging through April 10, 2025, compared to a portfolio of 20.7 million Chinese Yuan equivalent, 28.0 million Swiss Francs equivalent, 24.7 million U.S. dollars equivalent, 27.6 million Euros equivalent (including 3.0 million Euros designated as cash flow hedges) and 5.8 million British Pounds equivalent with various expiry dates ranging through April 4, 2024, as of October 31, 2023. If the Company were to settle its Swiss Franc forward contracts at October 31, 2024, the result would be a $0.1 million gain. If the Company were to settle its Euro forward contracts at October 31, 2024, the result would be a $0.2 million gain. As of October 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 October 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 October 31, 2024 and 2023 was zero for both periods. During the nine months ended October 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 October 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 were not consistent with the Company's facts and circumstances and 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 October 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. On December 5, 2024, the Board approved an additional share repurchase program under which the Company is authorized to purchase up to $50.0 million of its outstanding common stock through December 5, 2027, depending on market conditions, share price and other factors. Under both share repurchase programs, 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 October 31, 2024, the Company repurchased a total of 81,000 shares of its common stock under the November 23, 2021 share repurchase program at a total cost of $1.5 million, or an average of $19.03 per share.

At the election of an employee, upon the vesting of a stock award or the exercise of a stock option, shares of common stock having an aggregate value on the vesting of the award or the exercise date of the option, as the case may be, equal to the employee's withholding tax obligation may be surrendered to the Company by netting them from the vested shares issued. Similarly, shares having an aggregate value equal to the exercise price of an option may be tendered to the Company in payment of the option exercise price and netted from the shares of common stock issued upon the option exercise. An aggregate of 1,149 shares were repurchased during the three months ended October 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 October 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
August 1, 2024 – August 31, 2024	626	$ 25.54	—	$ 16,786,673
September 1, 2024 – September 30, 2024	45,523	19.07	45,000	15,928,307
October 1, 2024 – October 31, 2024	36,000	18.98	36,000	15,245,148
Total	82,149	$ 19.08	81,000	$ 15,245,148

Item 5. Other Information

During the quarterly period ended October 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	Third Amendment dated February 2, 2023, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc.***
10.2	Fourth Amendment dated August 31, 2023, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc.***
10.3	Fifth Amendment dated September 12, 2024, to the Amended and Restated License Agreement dated January 13, 2015, between the Company and Tapestry, Inc.***
10.4	First Amendment dated September 17, 2024, to the Amended and Restated License Agreement dated March 17, 2022, between the Company and HUGO BOSS AG Branch CH-Zug.***
10.5	Extension letter, dated October 16, 2024, extending the term of the January 1, 2020, License Agreement among Tommy Hilfiger Licensing LLC, Movado Group, Inc. and Swissam Products Limited.***
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 October 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: December 5, 2024

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

EXHIBIT 10.1

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

THIRD AMENDMENT TO LICENSE AGREEMENT

Reference is made to the Amended and Restated License Agreement dated January 13, 2015 between Tapestry, Inc. ("Licensor") and Movado Group, Inc. and Swissam Products Limited (collectively "Licensee"), as amended by the First Amendment dated January 6, 2020 and the Second Amendment dated August 25, 2021 (collectively, the "License Agreement"). This third amendment to the License Agreement ("Third Amendment") is effective as of July 1, 2022 (the "Third Amendment Effective Date"). Capitalized terms used but not defined in this Third Amendment have the meanings given to such terms in the License Agreement. Each of Licensor and Licensee is a "Party" and are collectively the "Parties."

WHEREAS the Parties desire to amend certain provisions of the License Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Marketing and Advertising**. From and after the Third Amendment Effective Date, Section 12.13 of the License Agreement is deleted in its entirety and replaced with the following new Section 12.13:

   12.13 During the term, Licensee shall create and provide Licensor and each approved Retailer (including Online Watch Retailers) with such photographs of each SKU of Licensed Products as are necessary for Licensor and such Retailers to advertise the Licensed Products on the Websites, including one hero image and two alternative images (the "Product Images"). During the term, Licensor shall create and provide Licensee (which in turn shall provide each approved Retailer (including Online Watch Retailers)) with artwork, photographs (excluding the Product Images), lists, and descriptions of Licensed Products, editorial content, product sequencing, and related products (i.e., "suggested sells"), approved forms of Licensor's logos, trademarks, trade names, and other materials reasonably necessary for Licensor and any Retailers (including Online Watch Retailers) to advertise the Licensed Products on the Websites (collectively, together with the Product Images, "Content"). All Content shall be owned by Licensor. Any display of Content on the Websites or otherwise shall be subject to Licensor's prior written consent. In respect of Licensor's costs associated with creating, producing and delivering the Content, Licensee shall pay to Licensor [***] (the "Content Fee"), to be paid within thirty (30) days after receipt of invoice from Licensor; provided that Licensee shall be entitled to deduct from the Content Fee its costs of producing the Product Images. If, in connection with the production of such Product Images, Licensee expends an amount exceeding [***] for a particular quarter, Licensee may carry over any excess to be used as a Content Fee deduction in the succeeding quarter; provided that the total amount of Content Fee deductions may not exceed [***]. Licensee may request that Licensor provide to Licensee Content that is being used by Licensor on its Coach websites (including, without limitation, Coach.com and Coachoutlet.com), and any other Coach website operated by or for Licensor, which request Licensor shall evaluate in its sole reasonable discretion on a case-by-case basis.

Licensee will comply with all reasonable timelines and guidelines established by Licensor and provided to Licensee in writing from time to time, with respect to any Licensee requests for and/or use of any Content.

Content shall also be used in connection with Licensee's sale and distribution of Licensed Products via drop shipment pursuant to the Licensee Dropship Agreement dated [***] (the "Drop Ship Agreement, attached as Exhibit 1). Licensee shall produce the Product Images in a manner consistent with the technical specifications set forth in the Drop Ship Agreement, and with Licensor's creative instructions and direction.

Licensee and Licensor agree and intend that all elements of the Content are Works Made For Hire within the meaning of the United States Copyright Act of 1976 and shall be the property of Licensor, who shall be entitled to use and license others to use such works of authorship. To the extent such works of authorship are not Works Made For Hire as defined by the United States Copyright Act of 1976, Licensee shall assign to Licensor copyright in such works of authorship, and Licensee irrevocably appoints Licensor as its attorney-in-fact to execute such documents if Licensee fails to return executed copies of such documents to Licensor within five (5) days following submission. Licensee waives all moral rights in works of authorship created pursuant to this Agreement. Licensee is responsible for obtaining all rights, permissions, and clearances necessary to create, copy, reproduce, display, disseminate, and otherwise use the Content, to allow Licensor and any Retailers to use the Content, and to transfer and assign all rights in the Content to Licensor.

2. **No Modification**. Except as expressly modified by this Third Amendment, all terms and conditions of the License Agreement are incorporated by reference and remain in full force and effect. The License Agreement is amended as required to give effect to the terms of this Third Amendment.

3. **Counterparts**. This Third Amendment may be executed in electronic counterparts, each of which is deemed an executed original even if all signatures do not appear on the same counterpart. The Parties may sign and deliver this Third Amendment via electronic transmission (via DocuSign or PDF) and agree that delivery of this Third Amendment by DocuSign/PDF is as legally binding as if physically signed in writing and has, for all purposes, the same force and effect as delivery of original signatures. No certification or authority or other third-party verification is necessary to validate an electronic signature; however, at the request of any Party, the Parties will confirm such electronic transmission by signing a duplicate original document.

4. **Governing Law**. This Third Amendment is governed by the laws of the State of New York applicable to contracts made and performed in the state of New York, without regard to its conflicts of law principles.

5. **Severability**. If any provision of this Third Amendment is held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Third Amendment, and this Third Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been included.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized officers to execute this Third Amendment as of the dates set forth below.

Remainder of page intentionally left blank; signatures on following page.

AGREED AND ACCEPTED:

TAPESTRY, INC.		MOVADO GROUP, INC.	
By:	/s/ Judith Allan	By:	/s/ Mitchell Sussis
Name:	Judith Allan	Name:	Mitchell Sussis
Title:	VP, GM Lifestyle, License, Collaborations	Title:	Senior VP MGI/Director Swissam
Date:	2/2/2023	Date:	1/20/2023

SWISSAM PRODUCTS LIMITED

By:	/s/ Mitchell Sussis
Name:	Mitchell Sussis
Title:	Senior VP MGI/Director Swissam
Date:	1/20/2023

EXHIBIT 10.2

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

August 16, 2023

President – Coach Watches Movado Group, Inc.
650 From Road, Ste 3765
Paramus NJ 07652

Re: Audit Settlement and Fourth Amendment Dear Movado Team,

Reference is made to the license agreement between Tapestry, Inc. ("Licensor") and Movado Group, Inc. and Swissam Products Limited (collectively, "Licensee") dated January 13, 2015, as amended by the First Amendment dated January 6, 2020, the second amendment dated August 25, 2021, and the Third Amendment dated July 1, 2022 (collectively, the "License Agreement"). This Audit Settlement and Fourth Amendment is made and effective as of August 16, 2023 ("Fourth Amendment Effective Date"), but with the understanding that the terms of this Audit Settlement and Fourth Amendment apply retroactively to govern the Parties' performance under the License Agreement from and after July 1, 2022. Each of Licensor and Licensee is a "Party" and are collectively the "Parties." Capitalized terms used but not defined in this letter have the respective meanings given to them in the License Agreement.

As you are aware, Licensor's outside auditors [***] (the "Auditor") conducted an audit of Licensee (the "Audit") for the period beginning July 1, 2014 and ending June 30, 2022 (the "Audit Period"). The initial Auditor's report ("Report") disclosed certain findings, which, after discussion, the Parties have agreed to value as set forth below; provided that such agreement shall not constitute an admission by either Party regarding the accuracy or inaccuracy of any of the Audit findings. The Parties now further agree to settle the findings, and to amend the License Agreement, on the following terms:

A. **Audit Findings**

1. Excess/Unauthorized Discounts

a. [***] The Audit disclosed that Licensee exceeded the maximum allowable discounts on certain [***]channel sales during the Audit Period. The excess discounts totaled [***], resulting in a royalty underpayment to Coach totaling [***].

After discussion, the Parties agree to settle this finding in consideration of a payment from Licensee in the amount of [***].

Excess/Unauthorized Discounts – [***] Customer Sales. The Audit initially disclosed that Licensee exceeded the maximum allowable discounts on certain [***]Customer Sales during the Audit Period. The excess discounts totaled [***], resulting in a royalty underpayment to Coach totaling [***]. After discussion, the Parties agreed to settle this finding [***].

b. *Calculation and Alignment.* The amounts disclosed in the findings regarding excess discounting were calculated on a per-SKU basis, rather than on a per-channel basis. From and after July 1, 2022, the Parties will calculate discounts on a per-sales channel basis, by which the aggregate discount on sales of all Licensed Products will be calculated as a percentage of all sales within the [***] channels respectively.

2. One Percent (1.0%) Credit Not Given – [***] Stores.

a. *Finding.* The Audit disclosed that Licensee has failed to issue a credit of [***] on Licensor's purchases of Licensed Products for sale through [***] Stores, as required pursuant to Section 6.4 of the License Agreement. Licensee's failure to issue such credit has resulted in an amount owed to Licensor in the amount of [***].

b. *Settlement and Alignment.* After discussion, the Parties agree to settle this finding in consideration of a credit from Licensee to Licensor in the amount of [***]. From and after July 1, 2022, the Parties agree that Licensee shall no longer be required to grant Licensor the [***] credit, and Section 6.4 of the License Agreement is deleted in its entirety and replaced with the following new Section 6.4:

"Licensee shall handle all customer inquiries and complaints relating to the Licensed Products in a manner substantially consistent with its present practice and shall provide substantially the same service, warranties, and repair and replacement rights to wholesale purchases and consumers of the Licensed Products as Licensee presently provides. Licensee shall be solely responsible for all costs associated with (a) the handling of customer inquiries and complaints relating to the Licensed Products, and (b) the provision of service, warranties, repair and replacement relating to the Licensed Products, provided however that Licensor shall be solely responsible for all costs associated with the handling of all returns of such Licensed Products to the Licensor's factory outlet stores. Notwithstanding the foregoing, Licensee shall remain responsible for any general quality issues with respect to the Licensed Products.

3. Unreported Coach Parts and Component Sales.

a. *Finding.* The Audit disclosed that Licensee excluded sales of Coach-branded [***]from its calculation of sales of Licensed Products, resulting in an underpayment of [***].

b. *Settlement*. After discussion, the Parties agree to settle this finding in consideration of a payment from Licensee in the amount of [***].

4. Unauthorized Markdowns and Allowances Deducted from Sales.

a. *Finding.* The Audit disclosed that Licensee deducted certain markdown allowances granted by Licensee on sales to [***]customers in the amount of [***].

b. *Settlement.* The Parties agree that [***] additional payments are due from Licensee in connection with the deduction of such markdown allowances from Licensee's calculation of sales and royalties. The Parties further acknowledge and agree that markdown allowances are permissible discounts under Section 11.1 of the License Agreement, provided however that such discounts (including, without limitation, any markdown allowances) shall not exceed the discount cap established in Section 11.1.

5. Advertising Expenditure Shortfalls.

a. *Finding.* The Audit disclosed that Licensee failed to make all required advertising expenditures due under Section 12 of the License Agreement during the Audit Period.

b. *Settlement and Alignment.* Following discussions the Parties agreed that Licensee's advertising expenditure shortfall totaled [***]. The Parties further agree that Licensee has exceeded its required advertising expenditures in Contract Year [***] by at least the amount of such shortfall, and therefore that Licensee has satisfied all obligations with respect to its underspend of required advertising expenditures.

The Parties further acknowledge and agree that Licensee's expenditures on employee salaries shall not count toward the satisfaction of Licensee's required advertising and marketing expenditures under the License Agreement.

6. Cost of Audit.

a. *Finding*. The Audit findings disclosed that License underpaid royalties to Licensor by a margin exceeding [***] and as such the costs of the Audit are payable by Licensee.

b. *Settlement.* The Parties agree to settle this finding by a payment of [***].

B. **Total Settlement**. The Parties now agree to settle the above findings with payment and credits totaling [***] ("Settlement Amount"), consisting of:

a. Payment to Licensor in the amount of [***] (inclusive of the payment due in connection with the cost of the Audit). Payment terms are net thirty (30) days from the date of full execution of this Fourth Amendment;

b. A credit to Licensor in the amount of [***]; and

c. the Parties' understanding that Licensee has overspent its required advertising and marketing spend for Contract Year [***] by more than [***].

The Audit Settlement and Fourth Amendment is without waiver of or prejudice to any other rights, remedies, claims, or defenses that Licensor may have with respect to the License Agreement, each of which are expressly reserved; provided that Licensor acknowledges that payment of the Settlement Amount by Licensee resolves all outstanding claims that may or may not have been discovered during the Audit against Licensee and any of its parents, subsidiaries, successors, or affiliates. Licensor acknowledges that it has completed its Audit and Licensor waives any and all rights to conduct any additional audits under the License Agreement with respect to the Audit Period.

C. **No Other Modification.** Except as expressly modified by this Audit Settlement and Fourth Amendment, all terms and conditions of the License Agreement remain in full force and effect. The License Agreement stands amended to the extent required to give effect to the terms stated in this Audit Settlement and Fourth Amendment.

D. **Miscellaneous.** The Parties may execute this Audit Settlement and Fourth Amendment in electronic counterparts, each of which is deemed an executed original even if all signatures do not appear on the same counterpart. The Parties may sign and deliver this Audit Settlement and Fourth Amendment via electronic transmission (via DocuSign or PDF) and agree that delivery of the Audit Settlement and Fourth Amendment by DocuSign/PDF is as legally binding as if physically signed in writing, and has, for all purposes, the same force and effect as delivery of original signatures. No certification or authority or other third-party verification is necessary to validate an electronic signature; however, at the request of any Party, the Parties will confirm such electronic transmission by signing a duplicate original document. This Audit Settlement and Fourth Amendment is governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and to be performed in the state of New York, without regard to conflicts of law principles. If one or more provisions of this Audit Settlement and Fourth Amendment are for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Audit Settlement and Fourth Amendment, and this Audit Settlement and Fourth Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never appeared. This Audit Settlement and Fourth Amendment reflects the Parties' entire agreement with respect to the settlement of the Audit.

Remainder of page intentionally left blank; signatures to follow.

AGREED AND ACCEPTED

TAPESTRY, INC.		MOVADO GROUP, INC.	
By:	/s/ Diana Svoboda	By:	/s/ Mitchell Sussis
Name:	Diana Svoboda	Name:	Mitchell Sussis
Title:	Director, Licensing	Title:	Senior VP MGI - Director Swissam
Date:	8/31/2023	Date:	8/31/2023

SWISSAM PRODUCTS LIMITED

By: /s/ Mitchell Sussis

Name: Mitchell Sussis

Title: Senior VP MGI - Director Swissam

Date: 8/31/2023

EXHIBIT 10.3

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

FIFTH AMENDMENT TO LICENSE AGREEMENT

Reference is made to the license agreement between Coach Services, Inc. ("Licensor")[1] and Movado Group, Inc. and Swissam Products Limited (collectively, "Licensee") dated January 13, 2015, as amended by the First Amendment dated January 6, 2020, the second amendment dated August 25, 2021, the Third Amendment dated July 1, 2022, and the Fourth Amendment dated August 16, 2023 (collectively, the "License Agreement"). This Fifth Amendment is made and effective as of January 1, 2024 ("Fifth Amendment Effective Date"), but with the understanding that the terms of this Fifth Amendment apply retroactively to govern the Parties' performance under the License Agreement from and after July 1, 2023. Each of Licensor and Licensee is a "Party" and are collectively the "Parties." Capitalized terms used but not defined in this letter have the respective meanings given to them in the License Agreement.

[1] Licensor and Coach IP Holdings, Inc. are subsidiaries of Tapestry, Inc. Licensor holds the exclusive right to use, exploit, and sublicense all trademark rights owned by Coach IP Holdings, Inc., including, without limitation, the Licensed Marks in connection with the manufacture and sale of Licensed Products within the Territory.

WHEREAS, the Parties now desire to amend certain provisions of the License Agreement, on and subject to the terms and conditions set forth in this Fifth Amendment.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Deletion of Factory Outlet Stores Credit**. From and after July 1, 2022, the reference in Section 6.4(i) to the credit granted by Licensee to Licensor in connection with the sale of Licensed Products to Licensor for sale in Licensor's factory outlet stores is deleted. From and after the July 1, 2022, Section 6.4 reads as follows:

> 6.4 Licensee shall handle all customer inquiries and complaints relating to the Licensed Products in a manner substantially consistent with its present practice and shall provide substantially the same service, warranties, and repair and replacement rights to wholesale purchasers and consumers of the Licensed Products as Licensee presently provides. Licensee shall be solely responsible for all costs associated with (a) the handling of customer inquiries and complaints relating to the Licensed Products, and (b) the provision of service, warranties, repair and replacement relating to the Licensed Products, provided, however, that for Licensed Products purchased by Licensor from Licensee for sale in Licensor's factory outlet stores, Licensor shall be solely responsible for all costs associated with the handling of all returns of such Licensed Products to Licensor's factory outlet stores. Notwithstanding the foregoing, Licensee shall remain responsible for any general quality issues with respect to the Licensed Products.

2. **<u>Sales Targets and Minimums</u>**. From and after the Fifth Amendment Effective Date, Section 10.1 is amended to incorporate the following terms (which supersedes the corresponding term present in the Second Amendment to the extent such term applies to Contract Years FY 2024 and 2025):

Contract Year	Minimum Non-Licensor Channel Sales
[***]	[***]

3. **<u>Royalty & Other Payments</u>**.

a. **Net Sales; Deductions.** From and after the Fifth Amendment Effective date, Section 11.1 is deleted in its entirety and replaced with the following new Section 11.1:

11.1 Licensee shall pay to Licensor a royalty based on Licensee's Net Sales (defined as invoice price less Deductions) of the Licensed Products to all Non-Licensor Channels. If in any Contract Year the aggregate Deductions (as defined below) on sales of Licensed Products in Non-Licensor Channels exceed [***] of Licensee's total gross sales of Licensed Products, Licensee shall pay a royalty on the amount of such excess Deductions. In addition, if in any Contract Year the aggregate Discounts (as defined below) on sales of Licensed Products in any Non-Licensor Channel specified in the table below exceed the applicable Discount Cap indicated in such table, Licensee shall pay a royalty on the amount of such excess Discounts.

Channel	Discount Cap
[***]	[***]

"Deductions" consist of credits for returns of Licensed Products; and allowances, markdowns, rebates, pricing adjustments, shortage credits and damage allowances, in each case granted after the initial invoice is issued. "Deductions" exclude taxes, freight charges, prepayment terms (including any added charge or price load charge), operational, administrative, or logistical chargebacks, and debt reconciliation, co-op expenses, and/or any advertising or marketing relating expenses, unless pre-authorized in writing by Licensor.

"Discounts" consist of the aggregate amount by which the initial invoice price of Licensed Products sold by Licensee falls short of the suggested local retail price of such products.

Additional Definitions. The following terms appearing in Section 11.1 are defined as follows:

Allowances	Debits taken by customers (e.g., markdown allowances)
Credits	Accounts receivable credit
Damage allowances	Credits for documented damaged Licensed Products, subject to a prior negotiated rate
Markdowns	Markdowns on Licensed Products (e.g., markdowns based on date and style list)
Operational, Administrative, or Logistical Chargebacks	Chargebacks from customers based on administrative or logistical issues (e.g., ASN, no packing slip, fill rate violations)
Prepayment terms	Discounts or allowances based on payment timing

b. **Royalty Rate**. From and after the Fifth Amendment Effective Date, Section 11.3 is amended to incorporate the following terms (which supersede the corresponding terms present in the First Amendment to the extent such terms apply to Contract Year FY 2024 and 2025):

"Subject to Sections 11.1 and 11.2, for Contract Years FY 2024-2028 the base royalty rate applied to Licensee's sales shall be [***] on Net Sales of all Licensed Products sold to Non-Licensor Channels."

c. **Guaranteed Minimum Royalties.** From and after the Fifth Amendment Effective Date, Section 11.5 is deleted in its entirety and replaced with the following terms (which supersede the corresponding terms present in the First Amendment to the extent such terms apply to Contract Year FY 2024 and 2025):

"Licensee shall make the following guaranteed minimum royalty payments ("**GMR**") in each Contract Year:

Contract Year	**Guaranteed Minimum Royalty**
[***]	[***]

d. **Timing of Payments**. From and after the Fifth Amendment Effective Date, Section 11.6 is deleted in its entirety and replaced with the following new Section 11.6:

"Licensee shall make its Royalty payments to Licensor on a quarterly basis, together with a statement setting forth the quarterly sales of the Licensed Products to Non-Licensor Channels and by Licensee-Affiliated Retailers. All Royalty payments shall be made in U.S. Dollars. Licensee shall not pay royalties on its sale of Licensed Products to Licensor Channels. Licensee's GMR payments are due and payable in equal quarterly installments within thirty (30) days of the later of (i) the beginning of each Contract Year quarter beginning July 1, 2024 or (ii) the date on which Licensor submits the related invoice to Licensee. If Licensee's Royalty payment obligations exceed Licensee's required GMR payments for any Contract Year, Licensee shall pay such amounts within thirty (30) days of the end of the Contract Year.

e. **Brand Fee**. From and after the Fifth Amendment Effective Date, the following new Section 11.7 is added to the License Agreement:

"In respect of Licensor's costs associated with, and in support of Licensor's sales of Licensed Products through Licensor Channels (including, without limitation, via Dropship, as set forth in Section 12.13), Licensee shall pay to Licensor [***]."

4. **<u>Marketing and Advertising</u>**.

a. **Marketing Spend.** From and after the Fifth Amendment Effective Date, Section 12.4 is deleted in its entirety and replaced with the following new Section 12.4:

12.4 Beginning with Contract Year 2021, Licensee agrees that at a minimum it will make the following advertising expenditures in connection with the Licensed Products:

Contract Years	Minimum Advertising Expenditures	Additional Requirements
[***]	[***]	[***]

In the event Licensee fails to make the foregoing minimum advertising expenditures in connection with the Licensed Products in any Contract Year, Licensee shall have [***] to make advertising expenditures sufficient to cover the shortfall. Any such advertising expenditures made to cover a previous Contract Year's shortfall shall not be credited toward Licensee's minimum required advertising expenditures for the Contract Year in which such shortfall expenditures are made. "Net sales" as used in this paragraph shall mean all sales on the basis of which the royalty is calculated under Paragraphs 11.1 and 11.2 hereof. All amounts are shown in U.S. Dollars.

Deletions and Clarifications.

• Effective as of the First Amendment Effective Date, the last two bullets in Section 12.4 of the License Agreement (regarding [***] in upgrades and replacements of Licensed Product fixtures and displays in Licensor Channels and [***] in Licensed Product fixtures and displays in Non-Licensor Channel doors) are deleted.

• Effective as of the Fourth Amendment Effective Date, the Parties acknowledge and agree that Licensee's expenditures on employee salaries shall not count toward the satisfaction of Licensee's required advertising and marketing expenditures under the License Agreement.

• Effective as of the Fifth Amendment Effective Date, the reference in Section 12.4 as amended by the First Amendment to additional advertising expenditures by Licensee due in Contract Years 2021 and 2022 is deleted.

• From and after the Fifth Amendment Effective Date, the Parties acknowledge and agree that the following count toward the calculation of Licensee's minimum required advertising expenditures in each Contract Year: (a) marketing expenditures by distributors in support of the Licensed Products at Licensee's express direction, and (b) marketing expenditures by Licensee in support of the sale of Licensed Products via Licensor Channels (such as, by way of example only, paid social media linking to online Licensor Channels and the "Brand Fee" specified in Section 11.7).

• From and after the Fifth Amendment Effective Date, all references to the “Content Fee” are deleted form Section 12.13 of the License Agreement. In addition, Section 12.13 is deleted in its entirety and replaced with the following new Section 12.13:

“During the term, Licensee shall create and provide Licensor and each approved Retailer (including Online Watch Retailers) with such photographs of each SKU of Licensed Products as are necessary for Licensor and such Retailers to advertise the Licensed Products on the Websites, including one hero image and two alternative images (the “Product Images”). During the term, Licensor shall create and provide Licensee (which in turn shall provide each approved Retailer (including Online Watch Retailers)) with artwork, photographs (excluding the Product Images), lists, and descriptions of Licensed Products, editorial content, product sequencing, and related products (i.e., “suggested sells”), approved forms of Licensor’s logos, trademarks, trade names, and other materials reasonably necessary for Licensor and any Retailers (including Online Watch Retailers) to advertise the Licensed Products on the Websites (collectively, together with the Product Images, “Content”). All Content shall be owned by Licensor. Any display of Content on the Websites or otherwise shall be subject to Licensor’s prior written consent. Licensee may request that Licensor provide to Licensee Content that is being used by Licensor on its Coach websites (including, without limitation, Coach.com and Coachoutlet.com), and any other Coach website operated by or for Licensor, which request Licensor shall evaluate in its sole reasonable discretion on a case-by-case basis. Licensee will comply with all reasonable timelines and guidelines established by Licensor and provided to Licensee in writing from time to time, with respect to any Licensee requests for and/or use of any Content.

Content shall also be used in connection with Licensee’s sale and distribution of Licensed Products via drop shipment pursuant to the Licensee Dropship Agreement dated October 1, 2021 (the “Drop Ship Agreement, attached as Exhibit 1). Licensee shall produce the Product Images in a manner consistent with the technical specifications set forth in the Drop Ship Agreement, and with Licensor’s creative instructions and direction.

Licensee and Licensor agree and intend that all elements of the Content are Works Made For Hire within the meaning of the United States Copyright Act of 1976 and shall be the property of Licensor, who shall be entitled to use and license others to use such works of authorship. To the extent such works of authorship are not Works Made For Hire as defined by the United States Copyright Act of 1976, Licensee shall assign to Licensor copyright in such works of authorship, and Licensee irrevocably appoints Licensor as its attorney-in- fact to execute such documents if Licensee fails to return executed copies of such documents to Licensor within five (5) days following submission. Licensee waives all moral rights in works of authorship created pursuant to this Agreement. Licensee is responsible for obtaining all rights, permissions, and clearances necessary to create, copy, reproduce, display, disseminate, and otherwise use the Content, to allow Licensor and any Retailers to use the Content, and to transfer and assign all rights in the Content to Licensor.”

5. **Audit Rights**.

a. **Time Period**: The second sentence of Section 13.1 is amended to provide that

“Licensor shall keep and maintain at its regular place of business, or at such off site document storage facility as Licensor shall use from time to time for the retention of business records generally, complete and accurate records and accounts in accordance with Generally Accepted Accounting Principles substantiating the information required to be reported by Licensor under Paragraphs 8.2 and 12.7 hereof, for at least [***] years following the creation of such record or account or for such other period of time as specified in Licensor’s written record retention policy. The audit look-back period shall not exceed [***] Contract Years. By way of illustration, if an audit is conducted in 2028, then the audit period may only go back to the beginning of [***]. ”

b. **Interest Rate**: From and after the Fifth Amendment Effective Date, the first sentence of the second paragraph of Section 13.3 is amended to provide that:

“Should an audit disclose that Licensee underpaid royalties for any given year, Licensee shall forthwith and upon written demand pay Licensor the amount owed, together with interest thereon, at a rate of [***] per annum calculated from the due date of such royalties unless Licensee shall, by written notice sent to Licensor within [***] days after notice to Licensee of such audit results, reasonably dispute the same in which event the parties shall each name an independent auditor who shall together appoint a third auditor to make a determination as to the matter, which determination shall be binding on the parties.”

6. **Term and Termination**. From and after the Fifth Amendment Effective Date, the first sentence of Section 14.4 is amended to provide that:

“Notwithstanding anything to the contrary in Paragraph 14.2, if Licensee files a petition in bankruptcy, or by an equivalent proceeding is adjudicated a bankrupt, or if a petition in bankruptcy is filed against Licensee and is not dismissed within sixty (60) days, or if Licensee becomes insolvent or makes an assignment for the benefit of creditors or any arrangement pursuant to any bankruptcy law, or if Licensee discontinues its business or if a receiver is appointed for Licensee, or if Licensee assigns, sublicenses, transfers, or otherwise encumbers its rights, duties, and obligations under this Agreement without the written consent of Licensor in violation of Section 18, this Agreement shall automatically terminate without any notice whatsoever being necessary, to the full extent allowed by applicable law.”

7. [***]**Licensed Product**. The Parties acknowledge and agree that from and after the Fifth Amendment Effective Date, Licensee is authorized to sell certain approved [***]Licensed Products (as specified in one or more separate writings) to [***] for sale exclusively in the following stores, which are considered Authorized COACH Retailers:

Account	Mall	Country	City
[***]	[***]	[***]	[***]

8. **No Other Modification.** Except as expressly modified by this Fifth Amendment, all terms and conditions of the License Agreement remain in full force and effect. The License Agreement stands amended to the extent required to give effect to the terms stated in this Fifth Amendment. The Parties further acknowledge and agree that Licensee shall not request and Licensor shall not grant any reduction of Minimum Non-Licensor Channel Sales (and any corresponding reduction in Royalty due) except as expressly set forth in this Fifth Amendment.

9. **Miscellaneous.** The Parties may execute this Fifth Amendment in electronic counterparts, each of which is deemed an executed original even if all signatures do not appear on the same counterpart. The Parties may sign and deliver this Fifth Amendment via electronic transmission (via DocuSign or PDF) and agree that delivery of the Fifth Amendment by DocuSign/PDF is as legally binding as if physically signed in writing, and has, for all purposes, the same force and effect as delivery of original signatures. No certification or authority or other third-party verification is necessary to validate an electronic signature; however, at the request of any Party, the Parties will confirm such electronic transmission by signing a duplicate original document. This Fifth Amendment is governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and to be performed in the state of New York, without regard to conflicts of law principles. If one or

more provisions of this Fifth Amendment are for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Fifth Amendment, and this Fifth Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never appeared.

Remainder of page intentionally left blank; signatures to follow.

AGREED AND ACCEPTED

COACH SERVICES, INC.,
for the Coach brand

By: /s/ Diana Svoboda

Name: Diana Svoboda

Title: Senior Director, Licensing

Date: 9/12/2024

MOVADO GROUP, INC.

By: /s/ Mitchell Sussis

Name: Mitchell Sussis

Title: Senior VP MGI - Director Swissam

Date: 9/12/2024

SWISSAM PRODUCTS LIMITED

By: /s/ Mitchell Sussis

Name: Mitchell Sussis

Title: Senior VP MGI - Director Swissam

Date: 9/12/2024

EXHIBIT 10.4

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

AUDIT SETTLEMENT AGREEMENT

AND

FIRST AMENDMENT

---

by and between

HUGO BOSS AG
Holy-Allee 3
72555 Metzingen
Germany

with its branch

HUGO BOSS AG, D-Metzingen, Branch CH Zug
Baarerstrasse 135
6300 Zug
Switzerland

- hereinafter "**HUGO BOSS"** -

and

MGI Luxury Group SÁRL
Aarbergstrasse 107A
2502 Bienne
Switzerland

- hereinafter the **"Licensee"** -

- each separately referred to as the "**Party**", or together as the **"Parties"** -

PREAMBLE

(A) The Parties have previously concluded a term sheet of October 11, 2017 reinstating and amending the license agreement, dated March 9, 2012 (“**Original Agreement**”), which has been reinstated and amended by the license agreement, dated March 17, 2022 (“**Agreement**”).

(B) HUGO BOSS Trade Mark Management GmbH & Co. KG was merged with HUGO BOSS AG on 01 September 2023, so that HUGO BOSS AG Branch CH-Zug took over all its rights and obligations of the Agreement.

(C) Following a Licensee Inspection by Deloitte GmbH for the years 2018, 2019, and 2020, it became apparent that Licensee applied a smaller amount of discounts on sales to the HUGO BOSS Group than agreed and the Parties disagreed on the interpretation of certain provisions of the Original License Agreement, which have substantially also been included in the Agreement, in particular regarding the net sales calculation (“**Disagreement**”).

(D) The Parties now wish to settle the Disagreement and amend and extend the Agreement.

(E) In consideration of the above and without prejudice to the actual and legal situation, the Parties agree to the following settlement agreement and first amendment to the Agreement (“**First Amendment**”):

1. SETTLEMENT

1.1. Licensee owes to HUGO BOSS a total amount of CHF [***] as compensation for missed discounts on sales to the HUGO BOSS Group (“**Settlement Amount**“). The Settlement Amount has already been paid by Licensee on 24 August 2023 based on the invoice by HUGO BOSS, issued on 10 August 2023.

1.2. Under the condition precedent of payment of the Settlement Amount, all claims made by HUGO BOSS in connection with the Disagreement are finally released, settled and discharged. The Parties waive all claims or rights of legal actions which they have or may have against each other in connection with the Disagreement. Nothing in this Section shall, however, be construed as a waiver of any claims, entitlements or rights that either Party has arising under the terms of this Settlement Agreement.

2. JUBILEE FEE

In light of the 100th birthday of HUGO BOSS following the foundation by Hugo Ferdinand Boss, Licensee shall owe to HUGO BOSS a non-creditable and non-refundable fee of [***] ("**Jubilee Fee**"). The Jubilee Fee shall be invoiced upon signing is this First Amendment and shall be payable within 14 days upon receipt of a valid invoice.

3. AMENDMENTS

CLAUSE 1

3.1. Starting retroactively on January 01, 2023, the following changes shall be made to Clause 1 Definitions of the Agreement:

3.1.1. Clause 1.13 shall be replaced in its entirety by the following clause:

"1.13 "**Gross Sales**" shall mean the quantity of all sales of Licensed Products sold by Licensee or by any Affiliate of Licensee in arms-length transactions (a) to Wholesale Partners; (b) in Licensee Retail Stores; and (c) to HUGO BOSS and HUGO BOSS Group; each multiplied by the RRP of Licensee."

3.1.2. Clause 1.30 shall be replaced in their entirety by the following clause:

"1.30 "**Net Sales**" shall mean the Gross Sales after the deduction of sales or value added tax and Reductions; provided that, for purposes of this definition, the weighted average Reductions among all sales channels excluding sales to HUGO BOSS and the HUGO BOSS Group shall not exceed in any year an amount equal to [***] per cent ([***]%) of the relevant Gross Sales under this definition.

3.1.3. Clause 1.34 shall be replaced in its entirety by the following clause:

"1.34 "**RRP**" shall mean Licensee's published recommended retail price including sales or value added tax for a given Licensed Product in the applicable country."

3.1.4. The following definitions shall be added to the section of Definitions:

""**Reductions**" shall mean actual credits for returns that Licensee actually authorizes and receives ("**Returns**"); and actual, reasonable and normal trade discounts and allowances to Wholesale Partners (including without limitation volume and early payment rebates) ("**Discounts**"); provided that any Returns and Discounts are sufficiently specified and documented and can be allocated to the Licensed Products by brand and product category; and provided, further, that Marketing Spending, cooperative advertising and/or any other costs incurred in the manufacture, sale, distribution, marketing or promotion of Licensed Products may not be deducted from the calculation of Net Sales.

For the purpose of clarification, (i) uncollected receivables, (ii) accruals (such as e.g. for expected but not yet incurred returns or discounts), and (iii) employee rebates and discounts to the extent such employee rebates and discounts exceed [***] in aggregate in any given year are not deductible. In case such accruals have been made during the course of Licensee's Fiscal Year, these accruals have to be reversed at the end of Licensee's Fiscal Year closing at the latest."

"Wholesale Partners" shall mean wholesale customers (including distributors and retailers) other than Licensee Affiliate.

CLAUSE 2

The Parties agree that clause 2.5 also applies to the subcategory of Jewelry.

CLAUSE 4

3.2. The following new clause 4.4 shall be added to the Agreement after clause 4.3 of the Agreement:

"4.4 The Licensee shall ensure that its organization is prepared to meet design trends for Licensed Products globally, with a particular focus on Europe. To achieve this, the Licensee shall [***]."

CLAUSE 5

3.3. Starting on January 01, 2023, clause 5.2 of the Agreement shall be replaced in its entirety by the following new clause 5.2:

"5.2 As compensation for the rights and opportunities for use provided in this Agreement, Licensee shall pay to HUGO BOSS a license fee each year equal to the greater of

(i) in the period 01 January 2023 until 31 December 2023 the amount of [***] percent ([***]%) of Net Sales (excluding sales to HUGO BOSS and the HUGO BOSS Groupe) and from 01 January 2024 onwards the amount of [***] percent ([***]%) of Net Sales (including sales to HUGO BOSS and the HUGO BOSS Group) ("**License Fee**") or

(ii) the guaranteed minimum license fee calculated on the basis of the Minimum Net Sales as set forth in the Business Plan in Annex 5 ("**Guaranteed Minimum License Fee**")."

CLAUSE 10

3.4. Starting on January 01, 2024, clause 10.2 of the Agreement shall be replaced in its entirety by the following new clause 10.2:

"10.2 All sales by Licensee to HUGO BOSS and the HUGO BOSS Group shall be at [***] and delivered within the European Union according to the ICC's INCOTERMS® 2020 [***] and outside the European Union according to the ICC's INCOTERMS® 2020 [***], unless expressly agreed otherwise."

3.5. Licensee shall send HUGO BOSS an RRP list on a yearly basis and communicate any changes thereto during the year for the purpose of assessing the calculation of the License Fee and Advertising Fee. Such list is non-binding for HUGO BOSS and HUGO BOSS is free to set its own price of Licensed Products.

CLAUSE 12

3.6. Clause 12.12 of the Agreement shall be replaced in its entirety by the following new clause 12.12:

"In the years 2021, 2022, and 2023, Licensee will invest additional funds at a minimum percentage of Net Sales as agreed by the Parties to support Licensee's marketing activities referred to in this Clause 12 in order to ensure driving sales and brand messaging while giving due consideration to prevailing market conditions in each Key Market and to the financial implications for both Parties ("**Additional Marketing Investment**"). The Additional Marketing Investment is set out for the respective year in the Business Plan in Annex 5, subject to the Second Amendment, dated 23 December 2021, to the Term Sheet dated 11 October 2017. The investment in the years 2021, 2022, and 2023 will be covered by a guarantee of Movado Group, Inc., the ultimate mother company of Licensee, as per Annex 9.

Any such Additional Marketing Investment (if applicable) shall be made in close co-operation with and upon prior approval of the marketing plans by HUGO BOSS in [***].

The Additional Marketing Investment (if applicable) referred to in this Clause 12.12 shall not count towards the Marketing Spending."

CLAUSE 19

3.7. Clauses 19.1 and 19.2 of the Agreement shall be replaced in its entirety by the following new clauses 19.1 and 19.2:

"19.1 This Agreement enters into force and effect on January 1, 2022, and, unless sooner terminated as herein provided, expires on December 31, 2031. Between [***] before the final expiration of the Agreement, Licensee may request an extension of this Agreement by submitting to HUGO BOSS [***] (the "**Extended Business Plan**") in the format of the Business Plan but covering the period from January 1, 2032 through December 31, 2036 (the "**Extension Period**"). In such case, the Parties will, no later than June 30, 2031, [***] an extension of this Agreement for the Extension Period [***]. Such extension (if any) shall be effective only upon the physical or digital signature, extending the term of this Agreement. If [***], the Agreement ends December 31, 2031 at the latest.

19.2 HUGO BOSS may terminate the Agreement

(a) if [***]. In this case the notice of termination must be provided in writing no later than [***] before the end of [***] and will be effective as of the end of the calendar year following the relevant time periods. For the avoidance of doubt, all payment obligations of Licensee under this Agreement shall continue until such calendar year end.
(b) for the category of Jewelry only, if [***]. In this case the Business Plan in Annex 5 as well as the guarantee in Annex 9 shall be reduced by the part attributed to Jewelry as set out in Annex 14. Notice of termination must be provided in writing no later than [***] before and will be effective as of the end of the calendar year following the relevant time periods. For the avoidance of doubt, all payment obligations of Licensee under this Agreement shall continue until such calendar year end.

ANNEXES

3.8. Annex 5 (Business Plan) shall be replaced by Annex 5 as attached to this First Amendment.

3.9. Starting on January 01, 2024, Annex 6 of the Agreement shall be replaced by Annex 6 as attached to this First Amendment.

3.10. Starting on January 01, 2024, Annex 9 of the Agreement shall be replaced by Annex 9 as attached to this First Amendment.

3.11. Annex 14 as attached to this First Amendment shall be added to the Agreement and shall be added to the list in clause 21.5 of the Agreement.

4. MISCELLANEOUS

4.1. All capitalized terms in this First Amendment shall have the same meaning as in the Agreement.

4.2. All provisions of the Agreement except as amended in this First Amendment shall remain in full force and effect and shall apply to this First Amendment.

4.3. The Parties agree that this First Amendment may be signed and delivered digitally using a recognized digital signature tool (e.g. AdobeSign). Each Party agrees that the digital signature shall have the same force and effect as delivery of original signatures and that each Party may use such digital signatures as evidence of the execution and delivery of this First Amendment to the same extent as an original signature could be used.

On behalf of HUGO BOSS

17 September 2024 /s/ Paul Daly /s/ S. Frowerk________________
Date Managing Director or 1. Authorized Representative and 2. Authorized Representative

On behalf of Licensee

16 September 2024 /s/ Xavier Gauderlot /s/ Flavio Pellegrini_________
Date Name(s) & Signature(s) of the Authorized Representative(s)

Annex 5: Business Plan

[***]

Annex 6. Net Sales Monthly Statement Template

[***]

Annex 9: Guarantee Movado Group Inc.

Movado Group Inc. irrevocably guarantees by way of a bank guarantee or, at Licensee's election, personal guarantee for the Guaranteed Minimum License Fees and Guaranteed Minimum Advertising Fees according to clauses 5.2 and 5.3 amounting to total EUR [***] for the term 2024 until 2031.

[***]

Date, September 16, 2024 Place Paramus, NJ USA

/s/ Mitchell Sussis
Movado Group Inc.
Mitchell Sussis
Senior Vice President

Annex 14: Jewelry Business Plan

[***]

*CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

TOMMY HILFIGER

October 16, 2024

MOVADO GROUP, INC.
650 From Road, Ste. 375
Paramus, NJ 07652-3556
Attention: President – Tommy Hilfiger Watches
President – Licensed Brands
General Counsel

To Whom It May Concern:

Reference is made herein to the License Agreement dated as of January 1, 2020, between Tommy Hilfiger Licensing, LLC and Movado Group, Inc. (the "TH License Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the TH License Agreement.

This is to confirm that Licensee has met the conditions necessary to extend the TH License Agreement for the Renewal License Period. As such, the TH License Agreement is extended through December 31, 2029, on the terms and conditions set forth therein; provided, however, that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties have agreed that:

- In addition to the amounts which Licensee is required to spend pursuant to Section 7.2 of the TH License Agreement (including subsections thereof), Licensee shall budget [***] to be spent on advertising, marketing and promoting the Licensed Products during the course of the Renewal License Period, as agreed upon in good faith by Licensee and THL; and

- The Watch Minimum Sales and the Jewelry Minimum Sales for each Annual Period during the Renewal License Period shall be as follows:

Annual Period		Watch Minimum Sales	Jewelry Minimum Sales
6th	2025	[***]	[***]
7th	2026	[***]	[***]
8th	2027	[***]	[***]
9th	2028	[***]	[***]
10th	2029	[***]	[***]

Please confirm your understanding of and agreement to the foregoing by signing and dating this letter in the place indicated below and returning the executed original to us.

TOMMY HILFIGER LICENSING, LLC

By: /s/ Mark Fischer________________

Mark D. Fischer
Executive Vice President

ACKNOWLEDGED AND AGREED:

MOVADO GROUP, INC	SWISSAM PRODUCTS LIMITED
By: /s/ Mitchell Sussis_____________	By: /s/ Mitchell Sussis_____________
Name: Mitchell Sussis	Name: Mitchell Sussis
Title: Senior VP and General Counsel	Title: Director
Date: November 12, 2024	Date: November 12, 2024

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 of the 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, results of 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(e) and 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting 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 disclosure 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 registrant's 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 financial 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 and the 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 affect the 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: December 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 of the 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, results of 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(e) and 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting 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 disclosure 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 registrant's 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 financial 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 and the 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 affect the 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: December 5, 2024

/s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Executive Vice President,
Chief Operating Officer and
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 October 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: December 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 October 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: December 5, 2024

/s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Executive Vice President,
Chief Operating Officer and
Chief Financial Officer