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Ad hoc announcement pursuant to Art. 53 of the Listing Rules

## SWATCH GROUP: Key Figures 2021

- Net sales of CHF 7 313 million, +30.7% to the previous year at current exchange rates, or +29.6% at constant rates.
- Operating profit of CHF 1 021 million (previous year: CHF 52 million).  
Operating margin of 14.0% (previous year: 0.9%).
- Watches & Jewelry segment (excluding Production) with a strong operating margin of 17.7% for the entire year and 18.4% in the second half.
- Net income of CHF 774 million compared with net loss of CHF -53 million in the previous year. Net margin of 10.6%.
- Strong operating cash flow of CHF 1 298 million (previous year: CHF 819 million).  
Free cash flow<sup>1)</sup> of CHF 1 033 million (previous year: CHF 675 million).
- High net liquidity<sup>2)</sup> of CHF 2 558 million (previous year: CHF 1 700 million).
- At its next meeting, the Board of Directors will decide on the dividend proposal to the Annual General Meeting.
- For 2022, the Group anticipates double-digit sales growth in local currencies.

1) Cash flow from operating activities minus cash flow from investing activities (without financial assets and securities)

2) Cash and cash equivalents as well as financial assets, securities and derivative financial instruments minus current financial debts and derivative financial liabilities

## KEY FIGURES 2021

## Group Key Figures

(CHF million)	2021	2020	Change in %		Total
			at constant rates	currency effect	
<b>Net sales</b>	<b>7 313</b>	5 595	29.6%	1.1%	<b>30.7%</b>
<b>Operating result</b>	<b>1 021</b>	52			
– In % of net sales	14.0%	0.9%			
<b>Net result</b>	<b>774</b>	–53			
– In % of net sales	10.6%	–0.9%			
<b>Equity</b>	<b>11 605</b>	10 965			
– As % of balance sheet total	84.8%	85.0%			

Unaudited figures

## Highlights of the financial year 2021

Comparisons have been made with 2019, which was not impacted by Covid-19.

**Strong Watches & Jewelry segment**

At constant exchange rates, Group net sales were -7.4% below 2019 (second half: -2.6% below 2019). Net sales for the 4<sup>th</sup> quarter even exceeded 2019 levels, at constant exchange rates. Brands in all price segments contributed to this result. The negative currency impact on sales was CHF -322 million or -3.9% compared with 2019. The Watches & Jewelry segment (excluding Production) realized an operating margin of 17.7%, considerably higher than the 15.2% recorded in 2019.

The travel activity, which was still severely restricted in some cases, led to regional shifts in sales compared with 2019. Mainland China and the USA realized historical record sales levels.

Despite a retail network reduced by 22%, equally high sales levels as in 2019 were realized in the Group's own retail business. In particular, the strong performance of e-commerce was a contributing factor.

**Normalization in the Production sector**

Sales in the Production sector almost reached 2019 levels in the last months of the year. Order books were considerably higher than at the end of 2019, and production capacity utilization normalized, whereby strong product demand for some brands far exceeded available capacity.

**Upturn in Electronic Systems**

The long-term Group strategy to strengthen "Workplace Switzerland" through targeted investment in local production sites paid off in particular for the Electronic Systems segment. Strong demand for electronic components and button cell batteries led to increased sales of +14.8% at constant exchange rates compared with 2019. Operating result reached CHF 27 million, corresponding to a margin of 8.6%. Swiss Timing, particularly as official timekeeper for the Olympic Summer Games in Tokyo, also contributed to the result.

## KEY FIGURES 2021

### Research and development

Intensive research and development activities led to 202 new patent applications in the year under review (previous year: 205).

### Personnel

The number of employees decreased slightly in comparison with the previous year by -3.0% to 31 444 persons. The reduction related in particular to the closing of 172 retail stores and the discontinuation of Calvin Klein activities. In the year under review, 55 new stores in prime locations were opened.

### Cash flow and net liquidity

After-tax operating cash flow was CHF 1 298 million (+58.5% against the previous year). Free cash flow<sup>1)</sup> amounted to CHF 1 033 million, or 14.1% of net sales. Net liquidity<sup>2)</sup> increased by CHF 858 million or +50.5% to CHF 2 558 million.

1) Cash flow from operating activities minus cash flow from investing activities (without financial assets and securities)

2) Cash and cash equivalents as well as financial assets, securities and derivative financial instruments minus current financial debts and derivative financial liabilities

## Outlook 2022

Group Management anticipates double-digit sales growth in local currencies in 2022. This will be ensured by numerous, and in some cases, spectacular new products from the brands in all segments. Omega, as timekeeper for the Olympic Winter Games in Beijing, will be present worldwide in the media in February, and in September, Tissot, as timekeeper for the Asian Games in Hangzhou, will be visible far beyond the Chinese market.

At the end of 2021, order books in the Electronic Systems segment were twice as high as at the end of 2019, which will lead to sales growth in the current year.

## Tentative next publications / events:

<b>17.03.2022</b>	Publication of the annual report 2021 Press conference (conditional, based on Covid-19 restrictions in force)
<b>24.05.2022</b>	Annual General Meeting
<b>29.07.2022</b>	Publication of 2022 half-year results

Original:	German
Translations:	English, French and Italian

## CONTACTS

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## KEY FIGURES 2021

## Consolidated Income Statement

	2021		2020	
	CHF million	%	CHF million	%
<b>Net sales</b>	<b>7 313</b>	<b>100.0</b>	5 595	100.0
Other operating income	281	3.8	122	2.2
Changes in inventories	19	0.3	-364	-6.5
Material purchases	-1 524	-20.8	-983	-17.6
Personnel expense	-2 206	-30.2	-1 972	-35.2
Depreciation and impairment on property, plant and equipment	-396	-5.4	-420	-7.5
Amortization and impairment on intangible assets	-42	-0.6	-43	-0.8
Other operating expenses	-2 424	-33.1	-1 883	-33.7
<b>Operating result</b>	<b>1 021</b>	<b>14.0</b>	52	0.9
Other financial income and expense	4	0.0	-3	-0.0
Interest expense	-5	-0.1	-3	-0.0
Share of result from associates and joint ventures	-9	-0.1	-10	-0.2
<b>Ordinary result</b>	<b>1 011</b>	<b>13.8</b>	36	0.7
Non-operating result	0	0.0	0	0.0
<b>Result before income taxes</b>	<b>1 011</b>	<b>13.8</b>	36	0.7
Income taxes	-237	-3.2	-89	-1.6
<b>Net result</b>	<b>774</b>	<b>10.6</b>	-53	-0.9
<i>Attributable to shareholders of The Swatch Group Ltd</i>	<i>765</i>		<i>- 51</i>	
<i>Attributable to non-controlling interests</i>	<i>9</i>		<i>- 2</i>	
<b>Earnings per share in CHF</b>				
<b>Registered shares</b>				
Basic earnings per share	<b>2.96</b>		-0.20	
Diluted earnings per share	<b>2.95</b>		-0.20	
<b>Bearer shares</b>				
Basic earnings per share	<b>14.78</b>		-0.99	
Diluted earnings per share	<b>14.77</b>		-0.99	

Unaudited figures

## KEY FIGURES 2021

## Consolidated Balance Sheet

Assets	31.12.2021		31.12.2020	
	CHF million	%	CHF million	%
<b>Current assets</b>				
Cash and cash equivalents	1 979	14.5	1 585	12.3
Financial assets, securities and derivative financial instruments	677	4.9	207	1.6
Trade receivables	710	5.2	685	5.3
Other current assets	136	1.0	212	1.6
Inventories	6 389	46.7	6 315	49.0
Prepayments and accrued income	216	1.6	234	1.8
<b>Total current assets</b>	<b>10 107</b>	<b>73.9</b>	<b>9 238</b>	<b>71.6</b>
<b>Non-current assets</b>				
Property, plant and equipment	2 771	20.3	2 929	22.7
Intangible assets	144	1.0	144	1.1
Investments in associates and joint ventures	21	0.1	29	0.2
Other non-current assets	186	1.4	106	0.9
Deferred tax assets	449	3.3	451	3.5
<b>Total non-current assets</b>	<b>3 571</b>	<b>26.1</b>	<b>3 659</b>	<b>28.4</b>
<b>Total assets</b>	<b>13 678</b>	<b>100.0</b>	<b>12 897</b>	<b>100.0</b>

Unaudited figures

## KEY FIGURES 2021

## Consolidated Balance Sheet

Equity and liabilities	31.12.2021		31.12.2020	
	CHF million	%	CHF million	%
<b>Current liabilities</b>				
Financial debts and derivative financial instruments	98	0.7	92	0.7
Trade payables	313	2.3	281	2.2
Other liabilities	258	1.9	182	1.4
Provisions	112	0.8	69	0.5
Accrued expenses	596	4.4	588	4.6
<b>Total current liabilities</b>	<b>1 377</b>	<b>10.1</b>	1 212	9.4
<b>Non-current liabilities</b>				
Financial debts	2	0.0	3	0.0
Deferred tax liabilities	430	3.2	465	3.6
Retirement benefit obligations	42	0.3	43	0.3
Provisions	68	0.5	51	0.4
Accrued expenses	154	1.1	158	1.3
<b>Total non-current liabilities</b>	<b>696</b>	<b>5.1</b>	720	5.6
<b>Total liabilities</b>	<b>2 073</b>	<b>15.2</b>	1 932	15.0
<b>Equity</b>				
Share capital	118		118	
Capital reserves	-971		-970	
Treasury shares	-131		-141	
Goodwill recognized	-1 370		-1 372	
Translation differences	-442		-490	
Retained earnings	14 336		13 752	
<b>Equity of The Swatch Group Ltd shareholders</b>	<b>11 540</b>	<b>84.4</b>	10 897	84.5
Non-controlling interests	65	0.4	68	0.5
<b>Total equity</b>	<b>11 605</b>	<b>84.8</b>	10 965	85.0
<b>Total equity and liabilities</b>	<b>13 678</b>	<b>100.0</b>	12 897	100.0

Unaudited figures

## KEY FIGURES 2021

## Consolidated Statement of Cash Flows

(CHF million)	2021	2020
<b>Operating activities</b>		
Net result	774	-53
Share of result from associated companies and joint ventures	9	10
Income taxes	237	89
Depreciation on non-current assets	437	463
Impairment on non-current assets	1	0
Changes in provisions and retirement benefit obligations	54	-23
Gains/losses on sale of non-current assets	2	-16
Other non-cash items	-1	73
Changes in net current assets:		
- Trade receivables	-19	124
- Inventories	-19	370
- Other current assets, prepayments and accrued income	0	67
- Trade payables	27	-12
- Other liabilities and accrued expenses	51	-45
Dividends received from associated companies and joint ventures	1	1
Income tax paid	-256	-229
<b>Cash flow from operating activities</b>	<b>1 298</b>	<b>819</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	-251	-208
Proceeds from sale of property, plant and equipment	10	7
Investments in intangible assets	-44	-41
Proceeds from sale of intangible assets	1	19
Investments in other non-current assets	-8	-4
Proceeds from other non-current assets	27	83
Investments in current financial assets	-388	0
Purchase of marketable securities	-139	-132
Sale of marketable securities	65	150
<b>Cash flow from investing activities</b>	<b>-727</b>	<b>-126</b>
<b>Financing activities</b>		
Dividends paid to shareholders	-181	-284
Dividends paid to non-controlling interests	-15	-11
Repurchase of treasury shares	-12	0
Sale of treasury shares	12	24
Change in non-current financial debts	-1	0
Change in current financial debts	-37	20
Repurchase of non-controlling interests	0	0
<b>Cash flow from financing activities</b>	<b>-234</b>	<b>-251</b>
<b>Net impact of foreign exchange rate differences on cash</b>	<b>10</b>	<b>-50</b>
<b>Change in cash and cash equivalents</b>	<b>347</b>	<b>392</b>
<b>Change in cash and cash equivalents</b>		
- Balance at beginning of year	1 540	1 148
- Balance at end of year	<b>1 887</b>	<b>1 540</b>

Unaudited figures

## KEY FIGURES 2021

## Segment information

2021 (CHF million)	Watches & Jewelry	Electronic Systems	Corporate	Elimination	Total
- Third parties	7 011	297	5		7 313
- Group	3	17	4	-24	0
<b>Net sales</b>	<b>7 014</b>	<b>314</b>	<b>9</b>	<b>-24</b>	<b>7 313</b>
<b>Operating result</b>	<b>1 117</b>	<b>27</b>	<b>-123</b>	<b>0</b>	<b>1 021</b>
- In % of net sales	15.9%	8.6%			14.0%
<b>2020 (CHF million)</b>	<b>Watches &amp; Jewelry</b>	<b>Electronic Systems</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Total</b>
- Third parties	5 335	256	4		5 595
- Group	2	12	4	-18	0
Net sales	5 337	268	8	-18	5 595
Operating result	179	-6	-121	0	52
- In % of net sales	3.4%	-2.2%			0.9%

Unaudited figures

## Statistical Information

	2021 Basic	2020 Basic
<b>Average number of registered shares outstanding</b>	<b>114 471 966</b>	114 169 222
<b>Average number of bearer shares outstanding</b>	<b>28 883 462</b>	28 872 923
<b>Key data per registered share (nom. CHF 0.45) in CHF</b>		
Consolidated net result attributable to shareholders	2.96	-0.20
Cash flow from operating activities 1)	5.01	3.17
Consolidated equity 1)	44.82	42.41
<b>Key data per bearer share (nom. CHF 2.25) in CHF</b>		
Consolidated net result attributable to shareholders	14.78	-0.99
Cash flow from operating activities 1)	25.06	15.83
Consolidated equity 1)	224.12	212.07
<b>Share capital in CHF</b>	<b>117 719 775</b>	117 719 775

1) Calculation based on average share capital per share category or average number of shares outstanding

Unaudited figures