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

## SWATCH GROUP: Key Figures 2023

- Net sales up by 12.6% at constant exchange rates, or 5.2% at current rates to CHF 7 888 million. Sales growth of over 8% in the fourth quarter in local currencies.
- Despite huge exchange rate impacts, the Watches & Jewelry segment (including Production) achieved the same strong operating margin of 17.2%.
- Operating profit of CHF 1 191 million (previous year: CHF 1 158 million). Operating margin of 15.1% (previous year: 15.4%).
- Net income up by 8.1% to CHF 890 million (previous year: CHF 823 million). Net margin of 11.3% (previous year: 11.0%).
- Investments doubled to CHF 803 million, of which over CHF 300 million invested in production equipment and CHF 220 million in retail properties in prime locations.
- Operating cash flow of CHF 615 million (previous year: CHF 724 million).
- Net liquidity<sup>1)</sup> of CHF 1 988 million (previous year: CHF 2 540 million).
- Creation of 1 541 additional jobs, of which 802 in Switzerland.
- The Board of Directors of the Swatch Group will propose a 8.3% higher dividend of CHF 1.30 per registered share (previous year: CHF 1.20) and CHF 6.50 per bearer share (previous year: CHF 6.00) at the Annual General Meeting on 8 May 2024.
- Excellent growth prospects in 2024, especially also in the lower and medium price segments, despite the problematic strength of the Swiss franc. The brand Swatch started the year very strongly with the worldwide launch on 11 January 2024 of the Scuba Fifty Fathoms "Ocean of Storms".

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

## KEY FIGURES 2023

## Group Key Figures

(CHF million)	2023	2022	Change in %		Total
			at constant rates	currency effect	
<b>Net sales</b>	<b>7 888</b>	7 499	12.6%	-7.4%	<b>5.2%</b>
<b>Operating result</b>	<b>1 191</b>	1 158			<b>2.8%</b>
- In % of net sales	15.1%	15.4%			
<b>Net result</b>	<b>890</b>	823			<b>8.1%</b>
- In % of net sales	11.3%	11.0%			
<b>Equity</b>	<b>12 258</b>	12 051			<b>1.7%</b>
- As % of balance sheet total	86.1%	86.7%			

Unaudited figures

## Highlights of the financial year 2023

At constant exchange rates, Group sales for the full year were 12.6% above the previous year. The hugely negative currency impact was CHF 554 million or 7.4%, which weighed on profitability accordingly. The rapid erosion of major currencies against the Swiss franc could not be offset by continuous price adjustments.

## Watches &amp; Jewelry

Despite the challenging currency environment and the deliberate increased investments in marketing, the Watches & Jewelry segment (including Production) maintained the same strong operating margin as in the previous year, at 17.2%.

The segment's export figures, at +11.9% as at the end of November 2023, were well above those published by the Federation of the Swiss Watch Industry, at +7.9%. This confirms the market share gains of the Group brands in all regions, and especially in the lower price segment thanks to Swatch. In Asia, double-digit growth was achieved in Hong Kong SAR, Macao, Thailand, India, Japan, and China. Europe posted single-digit sales growth, though sales sky-rocketed in Switzerland with a rise of over 30%. In North America, the strong growth trend continued, with the Omega, Tissot and Swatch brands breaking records.

Demand for the MoonSwatch, the iconic, non-limited collection from Omega and Swatch, remained very high all year. Sales figures reached new heights all over the world. Swatch stores were virtually besieged by customers during the monthly sales of the Moonshine Gold editions. The new collaboration between Blancpain and Swatch launched in September with the Scuba Fifty Fathoms collection, was also a huge success globally. Blancpain subsequently recorded a strong increase of traffic in its own stores and is currently unable to meet the massive demand for original Fifty Fathoms models.

The share of the segment's total sales attributed to retail rose to almost 45%. Average sales per store were up 20% year on year. Swatch posted record growth of over 60%, followed by Longines, Tissot, and Harry Winston with growth in the high double digits.

## KEY FIGURES 2023

### Production

Good utilization of the Group's own production facilities improved profitability.

### Electronic Systems

Despite sales erosion due to the persistent weakness of the major currencies USD and EUR, the segment maintained sales at practically the same level as in the previous year, at CHF 359 million (+1.1% at constant rates, -3.2% at current rates). Micro Crystal, the highly profitable player in the automotive and medical industries, suffered a temporary fall in profits in 2023. The high volume of catch-up orders it had benefited from in the previous year, due to the shortage of chips, dropped off in 2023. For 2024, Micro Crystal is expecting a return to growth and increased profitability.

### Investments

Investments totaling CHF 803 million in 2023 reflects the Group's long-term strategy both to improve its own distribution network on an ongoing basis and to maximize its own production to remain independent of third parties.

The Group continued to renew parts of its machinery, investing over CHF 300 million in new, innovative production equipment and cutting-edge technologies (e.g. around CHF 20 million was spent on a cleanroom for watches with the Group's own solar cell technology, especially for the new Tissot T-Touch Connect Sport). In addition, EM Microelectronic-Marin invested more than CHF 60 million in production facilities to fulfill a major medical contract spanning several years.

The Group also invested around CHF 360 million in its own retail, in keeping with the strategy it has pursued for decades. Of this, over CHF 220 million was allocated to the acquisition of multiple properties in prime locations, securing strategic locations for the Group's own retail network.

All in all, the real estate of the Swatch Group has a historical acquisition value of around CHF 3 billion, though the net value after depreciation stands at just CHF 1.8 billion. The Group has no mortgages on its properties, and their current market value is around CHF 4 billion.

### Inventories

Inventories increased by CHF 436 million or 6.3%, in the categories of raw materials, work in progress, and semi-finished goods. Safeguarding production with sufficient raw materials and components is a top priority for the Group. The deliberate creation of safety stocks allows it to meet demand for the brands at times when there are bottlenecks in the delivery of individual materials and when temporary transport issues arise, as is currently the case in the Middle East for example.

### Research and Development

Intensive research and development activities in the year under review led to 188 new patent applications (previous year: 209).

### Personnel

802 new jobs were created in Switzerland. The number of employees globally increased in comparison with the previous year by 1 541, of whom over 600 in retail, to 33 602 persons as at the end of 2023.

## KEY FIGURES 2023

### Outlook 2024

The Group anticipates excellent opportunities for further growth in local currencies in 2024. The jewelry brand Harry Winston will surpass one billion in turnover in 2024. The brands Swatch and Tissot, as well as Longines, will continue to develop strongly in the lower and medium price segments. Omega will benefit from a global media presence as the official timekeeper of the Olympic Games in Paris. America and Japan will continue to offer great growth prospects for the Group's brands. In China, the Swatch Group will enjoy additional demand with its strong brands in the lower and medium price segments. Exchange rate movements will continue to impact the Group's results due to its strong industrial base in Switzerland.

### Tentative next publications / events:

<b>21.03.2024</b>	Publication of the annual report and the sustainability report 2023 Press conference
<b>08.05.2024</b>	Annual General Meeting
<b>31.07.2024</b>	Publication of 2024 half-year results

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## KEY FIGURES 2023

## Consolidated Income Statement

	2023		2022	
	CHF million	%	CHF million	%
<b>Net sales</b>	<b>7 888</b>	<b>100.0</b>	7 499	100.0
Other operating income	136	1.7	244	3.2
Changes in inventories	687	8.7	538	7.2
Material purchases	-1 864	-23.6	-1 847	-24.6
Personnel expense	-2 550	-32.3	-2 363	-31.5
Depreciation and impairment on property, plant and equipment	-346	-4.4	-366	-4.9
Amortization and impairment on intangible assets	-44	-0.6	-41	-0.6
Other operating expenses	-2 716	-34.4	-2 506	-33.4
<b>Operating result</b>	<b>1 191</b>	<b>15.1</b>	1 158	15.4
Other financial income and expense	-36	-0.5	-38	-0.5
Interest expense	-4	-0.0	-3	-0.0
Share of result from associates and joint ventures	-1	-0.0	-21	-0.3
<b>Ordinary result</b>	<b>1 150</b>	<b>14.6</b>	1 096	14.6
Non-operating result	2	0.0	0	0.0
<b>Result before income taxes</b>	<b>1 152</b>	<b>14.6</b>	1 096	14.6
Income taxes	-262	-3.3	-273	-3.6
<b>Net result</b>	<b>890</b>	<b>11.3</b>	823	11.0
<i>Attributable to shareholders of The Swatch Group Ltd</i>	<i>869</i>		<i>807</i>	
<i>Attributable to non-controlling interests</i>	<i>21</i>		<i>16</i>	
<b>Earnings per share in CHF</b>				
<b>Registered shares</b>				
Basic earnings per share	3.35		3.11	
Diluted earnings per share	3.35		3.11	
<b>Bearer shares</b>				
Basic earnings per share	16.76		15.57	
Diluted earnings per share	16.75		15.56	

Unaudited figures

## KEY FIGURES 2023

## Consolidated Balance Sheet

Assets	31.12.2023		31.12.2022	
	CHF million	%	CHF million	%
<b>Current assets</b>				
Cash and cash equivalents	1 683	11.8	2 176	15.6
Financial assets, securities and derivative financial instruments	380	2.7	372	2.7
Trade receivables	672	4.7	663	4.8
Other current assets	195	1.4	103	0.7
Inventories	7 309	51.4	6 873	49.5
Prepayments and accrued income	263	1.8	206	1.5
<b>Total current assets</b>	<b>10 502</b>	<b>73.8</b>	<b>10 393</b>	<b>74.8</b>
<b>Non-current assets</b>				
Property, plant and equipment	3 029	21.3	2 706	19.5
Intangible assets	153	1.1	146	1.1
Investments in associates and joint ventures	13	0.1	19	0.1
Other non-current assets	84	0.6	181	1.3
Deferred tax assets	448	3.1	448	3.2
<b>Total non-current assets</b>	<b>3 727</b>	<b>26.2</b>	<b>3 500</b>	<b>25.2</b>
<b>Total assets</b>	<b>14 229</b>	<b>100.0</b>	<b>13 893</b>	<b>100.0</b>

Unaudited figures

## KEY FIGURES 2023

## Consolidated Balance Sheet

Equity and liabilities	31.12.2023		31.12.2022	
	CHF million	%	CHF million	%
<b>Current liabilities</b>				
Financial debts and derivative financial instruments	75	0.5	8	0.1
Trade payables	317	2.2	298	2.1
Other liabilities	164	1.2	193	1.4
Provisions	97	0.7	94	0.7
Accrued expenses	567	4.0	533	3.8
<b>Total current liabilities</b>	<b>1 220</b>	<b>8.6</b>	1 126	8.1
<b>Non-current liabilities</b>				
Financial debts	2	0.0	2	0.0
Deferred tax liabilities	516	3.6	459	3.3
Retirement benefit obligations	42	0.3	43	0.3
Provisions	64	0.5	61	0.5
Accrued expenses	127	0.9	151	1.1
<b>Total non-current liabilities</b>	<b>751</b>	<b>5.3</b>	716	5.2
<b>Total liabilities</b>	<b>1 971</b>	<b>13.9</b>	1 842	13.3
<b>Equity</b>				
Share capital	118		118	
Capital reserves	-971		-971	
Treasury shares	-114		-123	
Goodwill recognized	-1 352		-1 350	
Translation differences	-900		-547	
Retained earnings	15 416		14 858	
<b>Equity of The Swatch Group Ltd shareholders</b>	<b>12 197</b>	<b>85.7</b>	11 985	86.2
Non-controlling interests	61	0.4	66	0.5
<b>Total equity</b>	<b>12 258</b>	<b>86.1</b>	12 051	86.7
<b>Total equity and liabilities</b>	<b>14 229</b>	<b>100.0</b>	13 893	100.0

Unaudited figures

## KEY FIGURES 2023

## Consolidated Statement of Cash Flows

(CHF million)	2023	2022
<b>Operating activities</b>		
Net result	890	823
Share of result from associated companies and joint ventures	1	21
Income taxes	262	273
Depreciation on non-current assets	390	406
Impairment on non-current assets	0	1
Changes in provisions and retirement benefit obligations	16	-23
Gains/losses on sale of non-current assets	-2	-9
Fair value gains/losses on marketable securities	-12	37
Expenses for employee stock option plan	8	9
Other non-cash items	81	30
Changes in net current assets:		
- Trade receivables	-72	33
- Inventories	-698	-548
- Other current assets, prepayments and accrued income	-73	38
- Trade payables	25	-3
- Other liabilities and accrued expenses	26	-88
Dividends received from associated companies and joint ventures	1	1
Income tax paid	-228	-277
<b>Cash flow from operating activities</b>	<b>615</b>	<b>724</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	-730	-339
Proceeds from sale of property, plant and equipment	20	5
Investments in intangible assets	-55	-48
Proceeds from sale of intangible assets	1	2
Investments in other non-current assets	-18	-12
Proceeds from other non-current assets	12	10
Acquisition of subsidiaries - net of cash	-2	0
Investments in current financial assets and securities	-439	-1 655
Proceeds from current financial assets and securities	443	1 923
<b>Cash flow from investing activities</b>	<b>-768</b>	<b>-114</b>
<b>Financing activities</b>		
Dividends paid to shareholders	-311	-285
Dividends paid to non-controlling interests	-17	-15
Repurchase of treasury shares	0	-2
Sale of treasury shares	1	1
Change in non-current financial debts	0	0
Change in current financial debts	0	1
<b>Cash flow from financing activities</b>	<b>-327</b>	<b>-300</b>
<b>Net impact of foreign exchange rate differences on cash</b>	<b>-80</b>	<b>-21</b>
<b>Change in cash and cash equivalents</b>	<b>-560</b>	<b>289</b>
<b>Change in cash and cash equivalents</b>		
- Balance at beginning of year	2 176	1 887
- Balance at end of year	<b>1 616</b>	<b>2 176</b>

Unaudited figures



## KEY FIGURES 2023

## Segment information

2023 (CHF million)	Watches & Jewelry	Electronic Systems	Corporate	Elimination	Total
- Third parties	7 544	340	4		7 888
- Group	2	19	5	-26	0
<b>Net sales</b>	<b>7 546</b>	<b>359</b>	<b>9</b>	<b>-26</b>	<b>7 888</b>
<b>Operating result</b>	<b>1 298</b>	<b>27</b>	<b>-134</b>	<b>0</b>	<b>1 191</b>
- In % of net sales	17.2%	7.5%			15.1%
2022 (CHF million)	Watches & Jewelry	Electronic Systems	Corporate	Elimination	Total
- Third parties	7 141	353	5		7 499
- Group	4	18	4	-26	0
Net sales	7 145	371	9	-26	7 499
Operating result	1 232	47	-121	0	1 158
- In % of net sales	17.2%	12.7%			15.4%

Unaudited figures

## Statistical Information

	2023 Basic	2022 Basic
<b>Average number of registered shares outstanding</b>	<b>114 847 344</b>	114 658 893
<b>Average number of bearer shares outstanding</b>	<b>28 886 000</b>	28 888 308
<b>Key data per registered share (nom. CHF 0.45) in CHF</b>		
Consolidated net result attributable to shareholders	3.35	3.11
Cash flow from operating activities 1)	2.37	2.79
Consolidated equity 1)	47.28	46.51
<b>Key data per bearer share (nom. CHF 2.25) in CHF</b>		
Consolidated net result attributable to shareholders	16.76	15.57
Cash flow from operating activities 1)	11.86	13.96
Consolidated equity 1)	236.39	232.55
<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