

SIGNET JEWELERS LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)

	Fiscal 2020	Fiscal 2019	Fiscal 2018	Notes
Sales	\$ 6,137.1	\$ 6,247.1	\$ 6,253.0	3
Cost of sales	(3,904.2)	(4,024.1)	(4,063.0)	
Restructuring charges - cost of sales	(9.2)	(62.2)	—	7
Gross margin	2,223.7	2,160.8	2,190.0	
Selling, general and administrative expenses	(1,918.2)	(1,985.1)	(1,872.2)	
Credit transaction, net	—	(167.4)	1.3	4
Restructuring charges	(69.9)	(63.7)	—	7
Goodwill and intangible impairments	(47.7)	(735.4)	—	18
Other operating income (loss)	(29.6)	26.2	260.8	13
Operating income (loss)	158.3	(764.6)	579.9	6
Interest expense, net	(35.6)	(39.7)	(52.7)	
Other non-operating income, net	7.0	1.7	—	
Income (loss) before income taxes	129.7	(802.6)	527.2	
Income taxes	(24.2)	145.2	(7.9)	12
Net income (loss)	105.5	(657.4)	519.3	
Dividends on redeemable convertible preferred shares	(32.9)	(32.9)	(32.9)	9
Net income (loss) attributable to common shareholders	\$ 72.6	\$ (690.3)	\$ 486.4	
Earnings (loss) per common share:				
Basic	\$ 1.40	\$ (12.62)	\$ 7.72	10
Diluted	\$ 1.40	\$ (12.62)	\$ 7.44	10
Weighted average common shares outstanding:				
Basic	51.7	54.7	63.0	10
Diluted	51.8	54.7	69.8	10

The accompanying notes are an integral part of these consolidated financial statements.

SIGNET JEWELERS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal 2020			Fiscal 2019			Fiscal 2018		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
(in millions)									
Net income (loss)			\$ 105.5			\$ (657.4)			\$ 519.3
Other comprehensive income (loss):									
Foreign currency translation adjustments	\$ (1.7)	\$ —	\$ (1.7)	\$ (35.9)	\$ —	\$ (35.9)	\$ 50.9	\$ —	\$ 50.9
Available-for-sale securities:									
Unrealized gain (loss)	(0.2)	—	(0.2)	0.6	(0.2)	0.4	0.5	(0.2)	0.3
Reclassification adjustment for (gains) losses to net income	1.0	—	1.0	—	—	—	—	—	—
Impact from adoption of new accounting pronouncements ⁽¹⁾	—	—	—	(1.1)	0.3	(0.8)	—	—	—
Cash flow hedges:									
Unrealized gain (loss)	14.8	(3.6)	11.2	6.2	(1.4)	4.8	3.4	(1.6)	1.8
Reclassification adjustment for (gains) losses to net income	(3.4)	0.7	(2.7)	(2.1)	0.6	(1.5)	(4.6)	1.1	(3.5)
Pension plan:									
Actuarial gain (loss)	0.5	(0.1)	0.4	(4.1)	0.7	(3.4)	—	—	—
Reclassification adjustment to net income for amortization of actuarial (gains) losses	1.2	(0.2)	1.0	0.9	(0.2)	0.7	2.8	(0.6)	2.2
Prior service costs	—	—	—	(8.1)	1.6	(6.5)	(0.6)	0.1	(0.5)
Reclassification adjustment to net income for amortization of net prior service credits	—	—	—	—	—	—	(1.4)	0.3	(1.1)
Net curtailment gain and settlement loss	—	—	—	—	—	—	(3.7)	0.7	(3.0)
Total other comprehensive income (loss)	\$ 12.2	\$ (3.2)	\$ 9.0	\$ (43.6)	\$ 1.4	\$ (42.2)	\$ 47.3	\$ (0.2)	\$ 47.1
Total comprehensive income (loss)			\$ 114.5			\$ (699.6)			\$ 566.4

⁽¹⁾ Adjustment reflects the reclassification of unrealized gains related to the Company's available-for-sale equity securities as of February 3, 2018 from AOCI into retained earnings associated with the adoption of ASU 2016-01.

The accompanying notes are an integral part of these consolidated financial statements.

SIGNET JEWELERS LIMITED
CONSOLIDATED BALANCE SHEETS

<i>(in millions, except par value per share amount)</i>	February 1, 2020	February 2, 2019	Notes
Assets			
Current assets:			
Cash and cash equivalents	\$ 374.5	\$ 195.4	1
Accounts receivable	38.8	23.7	14
Other current assets	403.5	244.0	
Income taxes	6.3	5.8	
Inventories, net	2,331.7	2,386.9	15
Total current assets	3,154.8	2,855.8	
Non-current assets:			
Property, plant and equipment, net	741.9	800.5	16
Operating lease right-of-use assets	1,683.3	—	17
Goodwill	248.8	296.6	18
Intangible assets, net	263.8	265.0	18
Other assets	201.8	181.2	
Deferred tax assets	4.7	21.0	12
Total assets	\$ 6,299.1	\$ 4,420.1	
Liabilities, Redeemable convertible preferred shares, and Shareholders' equity			
Current liabilities:			
Loans and overdrafts	\$ 95.6	\$ 78.8	23
Accounts payable	227.9	153.7	
Accrued expenses and other current liabilities	697.0	502.8	24
Deferred revenue	266.2	270.0	3
Operating lease liabilities	338.2	—	17
Income taxes	27.7	27.7	
Total current liabilities	1,652.6	1,033.0	
Non-current liabilities:			
Long-term debt	515.9	649.6	23
Operating lease liabilities	1,437.7	—	17
Other liabilities	116.6	224.1	25
Deferred revenue	731.5	696.5	3
Deferred tax liabilities	5.2	—	12
Total liabilities	4,459.5	2,603.2	
Commitments and contingencies			27
Series A redeemable convertible preferred shares of \$0.01 par value: 500 shares authorized, 0.625 shares outstanding	617.0	615.3	8
Shareholders' equity:			
Common shares of \$0.18 par value: authorized 500 shares, 52.3 shares outstanding (2019: 51.9 outstanding)	12.6	12.6	9
Additional paid-in capital	245.4	236.5	
Other reserves	0.4	0.4	
Treasury shares at cost: 17.7 shares (2019: 18.1 shares)	(984.9)	(1,027.3)	9
Retained earnings	2,242.9	2,282.2	9
Accumulated other comprehensive loss	(293.8)	(302.8)	11
Total shareholders' equity	1,222.6	1,201.6	
Total liabilities, redeemable convertible preferred shares and shareholders' equity	\$ 6,299.1	\$ 4,420.1	

The accompanying notes are an integral part of these consolidated financial statements.

SIGNET JEWELERS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in millions)</i>	Fiscal 2020	Fiscal 2019	Fiscal 2018
Cash flows from operating activities:			
Net income (loss)	\$ 105.5	\$ (657.4)	\$ 519.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	178.0	183.6	203.4
Amortization of unfavorable leases and contracts	(5.5)	(7.9)	(13.0)
Share-based compensation	16.9	16.5	16.1
Deferred taxation	21.5	(105.6)	(33.4)
Credit transaction, net	—	160.4	(30.9)
Goodwill and intangible impairments	47.7	735.4	—
Restructuring charges	25.9	84.9	—
Net gain on extinguishment of debt	(6.2)	—	—
Other non-cash movements	(4.3)	(3.4)	2.6
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable	(15.2)	45.7	242.1
Proceeds from sale of in-house finance receivables	—	445.5	952.5
Decrease (increase) in other assets and other receivables	(184.2)	0.7	(6.0)
Decrease (increase) in inventories	48.8	(194.3)	210.9
Increase (decrease) in accounts payable	77.2	(78.5)	(51.4)
Increase (decrease) in accrued expenses and other liabilities	232.9	55.9	3.9
Change in operating lease assets and liabilities	(9.4)	—	—
Increase in deferred revenue	30.8	9.7	10.0
Increase (decrease) in income taxes payable	0.6	10.9	(82.4)
Pension plan contributions	(5.3)	(4.4)	(3.2)
Net cash provided by operating activities	555.7	697.7	1,940.5
Investing activities			
Purchase of property, plant and equipment	(136.3)	(133.5)	(237.4)
Proceeds from sale of assets	0.5	5.5	—
Purchase of available-for-sale securities	(13.3)	(0.6)	(2.4)
Proceeds from sale of available-for-sale securities	8.3	9.6	2.2
Acquisition of R2Net Inc., net of cash acquired	—	—	(331.8)
Net cash used in investing activities	(140.8)	(119.0)	(569.4)
Financing activities			
Dividends paid on common shares	(77.4)	(79.0)	(76.5)
Dividends paid on redeemable convertible preferred shares	(31.2)	(31.2)	(34.7)
Repurchase of common shares	—	(485.0)	(460.0)
Proceeds from term and bridge loans	100.0	—	350.0
Repayments of term and bridge loans	(294.9)	(31.3)	(372.3)
Settlement of Senior Notes, including third party fees	(241.5)	—	—
Proceeds from securitization facility	—	—	1,745.9
Repayments of securitization facility	—	—	(2,345.9)
Proceeds from revolving credit facilities	858.3	787.0	814.0
Repayments of revolving credit facilities	(588.3)	(787.0)	(870.0)
Payment of debt issuance costs	(9.3)	—	—
Increase (decrease) of bank overdrafts	47.5	25.9	(0.1)
Other financing activities	(0.2)	(2.1)	(4.0)
Net cash used in financing activities	(237.0)	(602.7)	(1,253.6)
Cash and cash equivalents at beginning of period	195.4	225.1	98.7
Increase (decrease) in cash and cash equivalents	177.9	(24.0)	117.5
Effect of exchange rate changes on cash and cash equivalents	1.2	(5.7)	8.9

Cash and cash equivalents at end of period	\$ 374.5	\$ 195.4	\$ 225.1
--	----------	----------	----------

The accompanying notes are an integral part of these consolidated financial statements.

SIGNET JEWELERS LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<i>(in millions)</i>	Common shares at par value	Additional paid-in capital	Other reserves	Treasury shares	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance at January 28, 2017	\$ 15.7	\$ 280.7	\$ 0.4	\$ (1,494.8)	\$ 3,995.9	\$ (307.7)	\$ 2,490.2
Net income (loss)	—	—	—	—	519.3	—	519.3
Other comprehensive income (loss)	—	—	—	—	—	47.1	47.1
Dividends on common shares	—	—	—	—	(77.5)	—	(77.5)
Dividends on redeemable convertible preferred shares	—	—	—	—	(32.9)	—	(32.9)
Repurchase of common shares	—	—	—	(460.0)	—	—	(460.0)
Net settlement of equity based awards	—	(6.5)	—	12.3	(8.6)	—	(2.8)
Share options exercised	—	(0.1)	—	0.4	—	—	0.3
Share-based compensation expense	—	16.1	—	—	—	—	16.1
Balance at February 3, 2018	\$ 15.7	\$ 290.2	\$ 0.4	\$ (1,942.1)	\$ 4,396.2	\$ (260.6)	\$ 2,499.8
Impact from adoption of new accounting pronouncements ⁽¹⁾	—	—	—	—	(15.7)	(0.8)	(16.5)
Net income (loss)	—	—	—	—	(657.4)	—	(657.4)
Other comprehensive income (loss)	—	—	—	—	—	(41.4)	(41.4)
Dividends on common shares	—	—	—	—	(79.4)	—	(79.4)
Dividends on redeemable convertible preferred shares	—	—	—	—	(32.9)	—	(32.9)
Repurchase of common shares	—	—	—	(485.0)	—	—	(485.0)
Treasury share retirements	(3.1)	(58.4)	—	1,391.0	(1,329.5)	—	—
Net settlement of equity based awards	—	(11.8)	—	8.8	0.9	—	(2.1)
Share-based compensation expense	—	16.5	—	—	—	—	16.5
Balance at February 2, 2019	\$ 12.6	\$ 236.5	\$ 0.4	\$ (1,027.3)	\$ 2,282.2	\$ (302.8)	\$ 1,201.6
Net income (loss)	—	—	—	—	105.5	—	105.5
Other comprehensive income (loss)	—	—	—	—	—	9.0	9.0
Dividends on common shares	—	—	—	—	(77.4)	—	(77.4)
Dividends on redeemable convertible preferred shares	—	—	—	—	(32.9)	—	(32.9)
Net settlement of equity based awards	—	(8.0)	—	42.4	(34.5)	—	(0.1)
Share-based compensation expense	—	16.9	—	—	—	—	16.9
Balance at February 1, 2020	\$ 12.6	\$ 245.4	\$ 0.4	\$ (984.9)	\$ 2,242.9	\$ (293.8)	\$ 1,222.6

⁽¹⁾ Reflects reclassifications to retained earnings related to 1) unrealized gains related to the Company's equity security investments as of February 3, 2018 from AOCI associated with the adoption of ASU 2016-01 and 2) deferred costs associated with the sale of extended service plans due to the adoption of ASU 2014-09.

The accompanying notes are an integral part of these consolidated financial statements.