Fourth Quarter & Fiscal 2017 Results

Thursday, March 9, 2017

Forward Looking Statements & Other Disclosure Matters

Forward-Looking Statements - This presentation contains statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, based upon management's beliefs and expectations as well as on assumptions made by and data currently available to management, include statements regarding, among other things, Signet's results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which Signet operates. The use of the words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "forecast," "objective," "plan," or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including but not limited to general economic conditions, regulatory changes following the United Kingdom's announcement to exit from the European Union, risks relating to Signet being a Bermuda corporation, the merchandising, pricing and inventory policies followed by Signet, the reputation of Signet and its brands, the level of competition in the jewelry sector, the cost and availability of diamonds, gold and other precious metals, regulations relating to customer credit, seasonality of Signet's business, financial market risks, deterioration in customers' financial condition, exchange rate fluctuations, changes in Signet's credit rating, changes in consumer attitudes regarding jewelry, management of social, ethical and environmental risks, security breaches and other disruptions to Signet's information technology infrastructure and databases, inadequacy in and disruptions to internal controls and systems, changes in assumptions used in making accounting estimates relating to items such as extended service plans and pensions, the impact of the acquisition of Zale Corporation on relationships, including with employees, suppliers, customers and competitors, and our ability to successfully integrate Zale's operations and to realize synergies from the transaction. For a discussion of these and other risks and uncertainties which could cause actual results to differ materially from those expressed in any forward-looking statement, see the "Risk Factors" section of Signet's Fiscal 2016 Annual Report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC on March 24, 2016. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Non-GAAP Measures - Certain financial measures used during this presentation are considered to be 'non-GAAP financial measures'. For a reconciliation of these to the most directly comparable GAAP financial measures, please refer to slide 11 and Signet's Fiscal 2016 Annual Report on Form 10-K available on Signet's website, www.signetjewelers.com.

Remarks by Signet Jewelers Chairman, Todd Stitzer

Slide intentionally blank

Key Take-Aways

1. Fourth quarter financials in-line with our revised expectations.
2. Solid expense and working capital management helped drive $400M of free cash flow*.
3. Achieved annual goal of synergies protecting profitability and cash in challenging year.
4. Several business initiatives to support strategic growth initiatives. Adapting to retail environment with extensive omni-channel focus.
5. Capital allocation: Stock repurchases and dividend increase.
6. Initiation of annual guidance.

* Free cash flow is a non-GAAP measure and is reconciled on slide 18.

Fourth Quarter Fiscal 2017 Sales Drivers

Favorable:

- **Categories**. Diamond fashion jewelry, bracelets, earrings.
- **Collections**. Ever Us, Vera Wang Love.
- **Channels**. Kay off-mall, Piercing Pagoda kiosks.

Unfavorable:

- **Retail.** Highly promotional environment. Signet did not engage in discounted selling as much leading to share-of-wallet loss among consumers.
- **Jewelry.** Our industry did not perform as well as retail overall.
- **Company.** Sterling division online tech issues. Mall underperformance.


ERNEST JONES LOVE & LIFE | H.SAMUEL THE JEWELLER | JARED The Galleria Of Jewelry | KAY JEWELERS | PIERCING Pagoda | PEOPLES | ZALES THE DIAMOND STORE | SIGNET JEWELERS

Fiscal 2017 Accomplishments

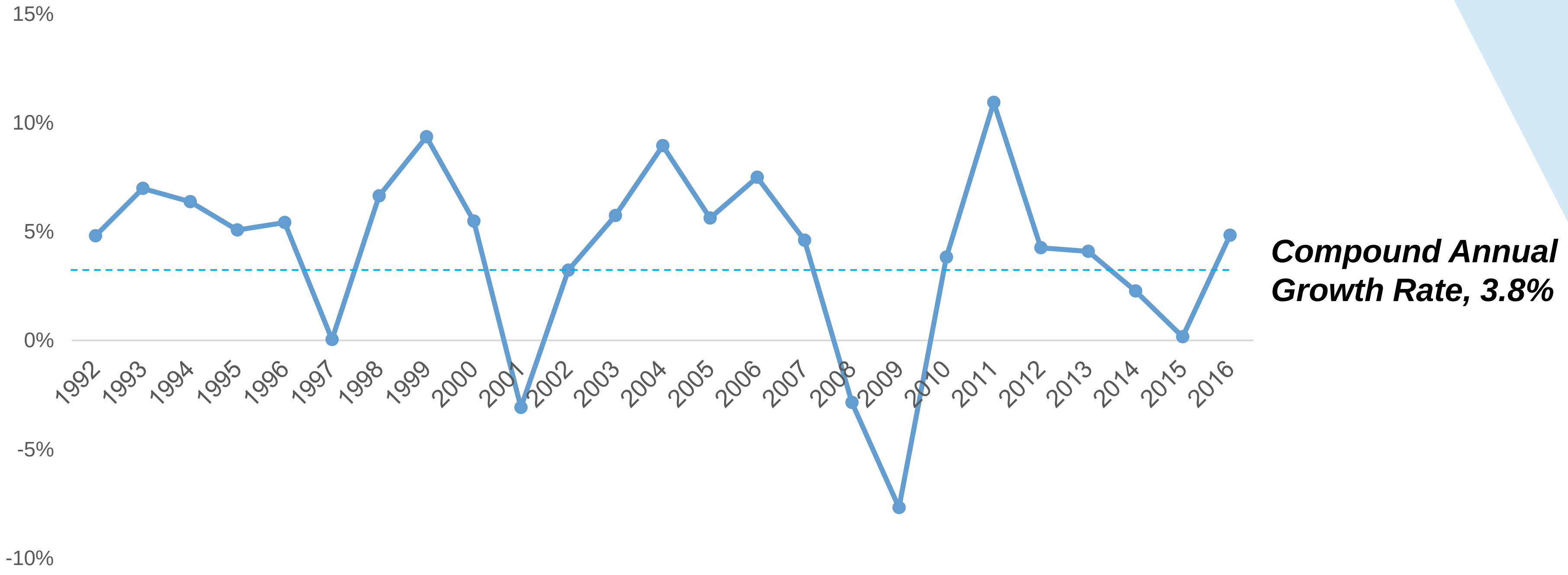
- Select merchandise and selling channel wins
- Good expense management
- Strong cash generation and inventory management
- Material stock repurchases
- Insider net-buying
- Increased dividend for 6th year in a row
- Strategic equity investment
- Delivered on synergies: financial and process benefits

Zale Profitability Increasing Driven by Synergies

Integration Activities Led to 110 Basis Point Increase in Zale Division Operating Margin

- In-sourcing repair
- Discount controls
- Cross-selling brands
- Centralized diamond procurement (direct sourcing)
- Non-merchandise procurement (indirect sourcing)
- Licensor contracts
- Inventory turn improvement
- Organization design changes
- 2nd look credit
- Digital marketing optimization
- Centralized real estate and rent savings
- Distribution center operations
- Special events
- Corporate expenses
- Store ops and compensation

Annual Jewelry and Watch Growth



Source: US Bureau of Economic Analysis, March 1, 2017

Opportunities for Fiscal 2018

Merchandise lines, selling channels, capital allocation, real estate prioritization…

1. Omni-channel development. Immediately improving websites.
    - E-commerce technology investments
    - Substantially increasing digital marketing investment
    - Data analytics to achieve more comprehensive view of customers
2. Innovation.
    - Building on existing trends (e.g. earrings, bracelets)
    - New merchandise line extensions and redesigns
    - Pipeline stocked with strong test ideas
3. I/T modernization providing backbone for future success and efficiency: HR, finance, e-comm, distribution
4. Focus on best store IRR opportunities – Kay off-mall – with added scrutiny on marginal stores. Accelerate regional closures.
5. Strengthen store operations execution. Validate delivery of consistently strong experience through improved data-driven metrics.

Fourth Quarter Sales

	Same Store Sales %[1]	Non-same store sales %, net[2]	Total sales % at constant exchange rate	Exchange translation impact %	Total sales %	Total sales (in millions $)
Kay	-5.0	2.3	-2.7		-2.7	915.2
Jared	-3.2	1.2	-2.0		-2.0	430.6
Regional brands	-16.4	-11.2	-27.6		-27.6	52.3
Sterling Jewelers division	-4.9	1.2	-3.7		-3.7	1,398.1
Zales Jewelers	-4.5	2.6	-1.9		-1.9	452.5
Gordon’s Jewelers	-13.3	-17.7	-31.0		-31.0	18.7
Zale US Jewelry	-4.9	1.4	-3.5		-3.5	471.2
Peoples Jewellers	-7.6	0.5	-7.1	2.2	-4.9	73.2
Mappins	-3.9	-8.6	-12.5	2.2	-10.3	10.5
Zale Canada Jewelry	-7.2	-0.6	-7.8	2.2	-5.6	83.7
Zale Jewelry	-5.2	1.0	-4.2	0.4	-3.8	554.9
Piercing Pagoda	5.7	1.5	7.2		7.2	83.7
Zale division	-3.9	1.1	-2.8	0.3	-2.5	638.6
H.Samuel	-5.3	0.4	-4.9	-15.9	-20.8	119.7
Ernest Jones	-2.1	0.6	-1.5	-16.4	-17.9	107.9
UK Jewelry division	-3.8	0.5	-3.3	-16.2	-19.5	227.6
Other segment[3]		NMF	NMF		NMF	5.6
Signet	**-4.5**	**1.2**	**-3.3**	**-1.8**	**-5.1**	**2,269.9**
Adjusted Signet[4]					-5.2	2,272.5

Notes: 1=For stores open for at least 12 months. 2=For stores not open in the last 12 months. 3= Not meaningful figure. 4= Includes $2.6 million deferred revenue adjustment related to acquisition accounting which resulted in a reset of deferred revenue associated with extended service plans sold by Zale Corporation prior to the acquisition on May 29, 2014.

Fourth Quarter Non-GAAP Reconciliation (in millions of $ except per share data)

Fourth Quarter	Signet	Adjustments: Purchase Accounting	Adjustments: Integration Costs	Adjusted Signet
Sales	2,269.9	(2.6)	-	2,272.5
Cost of sales	(1,324.4)	0.9	-	(1,325.3)
Gross margin	945.5	(1.7)	-	947.2
SG&A	(615.3)	(1.6)	(9.9)	(603.8)
Other operating income, net	69.0	-	-	69.0
Operating income	399.2	(3.3)	(9.9)	412.4
Interest expense, net	(13.0)	-	-	(13.0)
Income before income taxes	386.2	(3.3)	(9.9)	399.4
Income taxes	(88.7)	1.1	3.8	(93.6)
Net income	297.5	(2.2)	(6.1)	305.8
Earnings per share – diluted	3.92	(0.03)	(0.08)	4.03

Adjusted Highlights – Percentage of Adjusted Sales

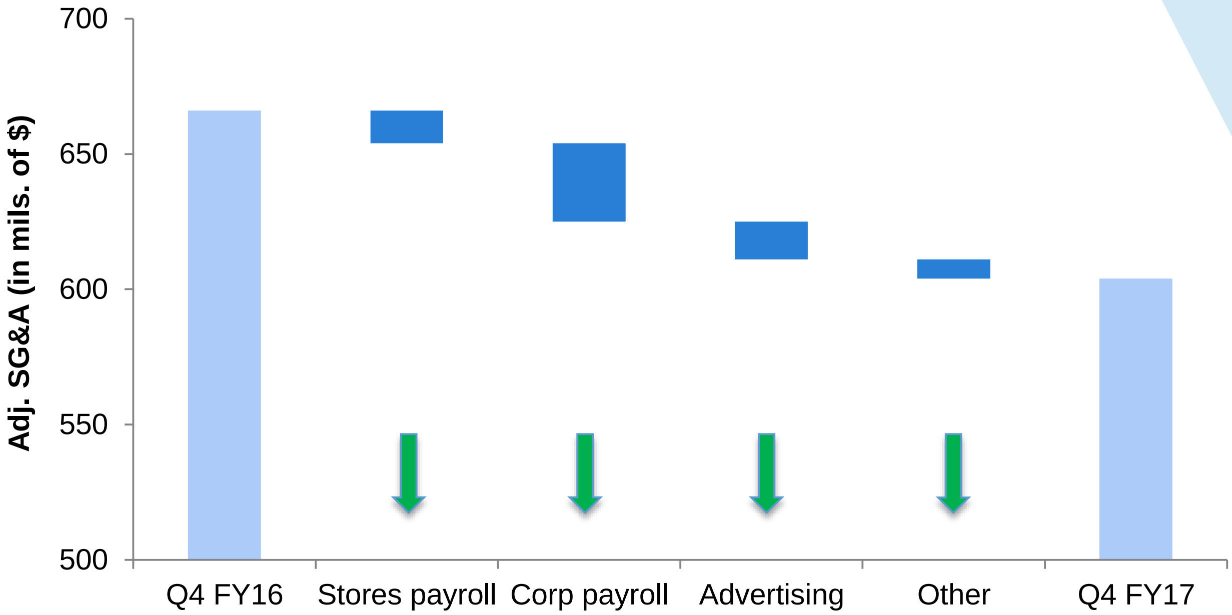
	4Q Fiscal 2017	4Q Fiscal 2016	Difference
Adjusted gross margin	41.7%	42.6%	(90) bps
Adjusted SG&A	26.6%	27.8%	(120) bps
Other operating income[1]	3.0%	2.6%	40 bps
Adjusted operating income	18.1%	17.4%	70 bps
Adjusted earnings per share	$4.03	$3.63	$0.40

[1] Other operating income is a GAAP measure.
Note: Adjusted measures are non-GAAP and reconciled on slide 11.

Adjusted SG&A Expense Deeper Dive

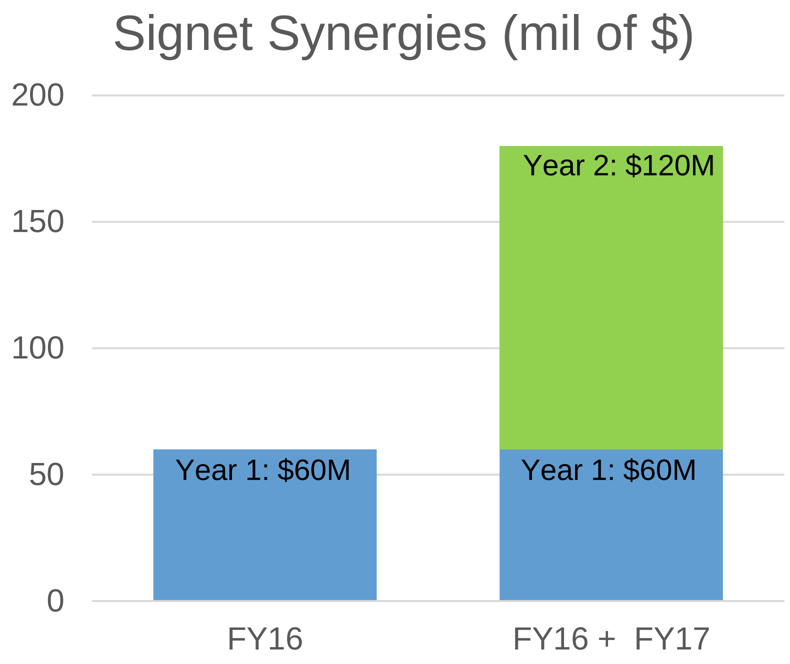
Fourth quarter year-over-year changes

- Continued focus on operating expenses in lower sales environment
- Synergy expense savings included



Non-GAAP measure. See slide 11.

Signet Synergies Achieved Through Acquisition of Zale



- Cumulative synergies of $180M through two full years of integration.
  - Synergies protected profit and cash generation in challenging year
  - General business slowdown in FY17 combined with I/T investments largely offset net operating profit contribution of synergies.

Inventory

- Inventory of $2.45 billion flat to prior year
- Sound inventory management particularly Zale
- F/X benefit
- Slower total sales offset benefits

Sterling Division Credit Metrics (in millions except percentages)

	FY 2017	FY 2016	Difference
Credit sales	$2,438	$2,451	($13)
In-house credit participation	62.0%	61.5%	50 bps
Accounts receivable	$1,952	$1,856	$96
Average monthly payment collection rate	11.0%	11.5%	(50) bps
Interest income from in-house finance program	$278	$253	$25
Net bad debt	$212	$191	$21
Net Impact	**$66**	**$62**	**$4**

Sterling Division Allowance Metrics

	4Q Fiscal FY 2017		3Q Fiscal FY 2017	4Q Fiscal FY 2016		3Q Fiscal FY 2016
Total valuation allowance as % of gross receivables	**7.1%**	80 bps difference	7.9%	7.0%	80 bps difference	7.8%
Non-performing receivables[1] as % of gross receivables	**4.1%**	80 bps difference	4.9%	4.0%	90 bps difference	4.9%

- Sequentially, fourth quarter compared to third quarter:
  - Allowance ratio difference remained same year-over-year
  - Non-performing receivable 10 bps year-over-year unfavorable
- Year-over-year, allowance ratio and non-performing receivable ratio 10 bps higher

1 = In-house finance receivables past due, aged more than 90 days

Fiscal 2017 Capital

- **Capital Allocation.** Tenets of strategy remain unchanged: strong balance sheet that provides flexibility; maintain investment grade; adjusted leverage ratio goal $\leq$3.5x; distribute 70%-80% of free cash flow in form of dividends and buybacks.

- **Free Cash Flow*.** Cash from operations less capital expenditures $400 million, up $184 million.

  - **Share Buyback.** Repurchased 11.2M shares for $1 billion partly to offset dilution from preferred offering inclusive of $525M accelerated stock repurchase program. Remaining authorization $511M.

  - **Dividend.** Increased sixth consecutive year. $0.31 per share quarterly, up 19.2%.

* Free cash flow, a non-GAAP measure, is calculated as FY17: $678M – $278M = $400M; FY16: $443M - $227M = $216M. Difference: $400M - $216M = $184M

Financial Guidance

Fiscal 2018	
Same store sales	Down low-to-mid single-digit %
EPS	$7.00 to $7.40
Effective tax rate	24% to 25%
Weighted average common shares	74 million to 75 million
Capital expenditures	$260 million to $275 million
Net square footage change	-1% to 0%

- Gross margin expected to leverage; SG&A expected to deleverage.
- Continued incremental capital and operating investments in long-term omni-channel growth.

Signet Jewelers Ltd.

ERNEST JONES LOVE & LIFE | H.SAMUEL THE JEWELLER | JARED The Galleria Of Jewelry | KAY JEWELERS | PIERCING Pagoda | PEOPLES | ZALES THE DIAMOND STORE | SIGNET JEWELERS