SIGNET JEWELERS

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ERNEST JONES LOVE & LIFE | H.SAMUEL THE JEWELLER | PEOPLES CANADA'S #1 DIAMOND STORE

Fiscal 2018 Holiday Sales Results

Wednesday, January 10, 2018

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, appear in a number of places throughout this document and 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, the effect of federal tax reform and adjustments relating to such impact on the completion of our fourth quarter and year-end financial statements, changes in interpretation or assumptions, and/or updated regulatory guidance regarding the U.S. tax reform, the benefits and outsourcing of the credit portfolio sale including future financial and operating results, the timing and expected completion of the second phase of the credit outsourcing, general economic conditions, the impact of weather-related incidents on Signet's business, the benefits and integration of R2Net, regulatory changes following the United Kingdom's announcement to exit from the European Union, a decline in consumer spending, 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, risks related to Signet being a Bermuda corporation, the impact of the acquisition of Zale Corporation on relationships, including with employees, suppliers, customers and competitors, and our ability to successfully integrate Zale Corporation's operations and to realize synergies from the transaction.

Signet will continue to analyze the full effects of the U.S. tax reform on its financial statements and operations, and will provide you more detail on our fourth quarter earnings call. The impact of the U.S. tax reform may differ from this estimate, possibly materially, due to, among other things, changes in interpretations and assumptions Signet has made, guidance that may be issued and actions Signet may take as a result of the U.S. tax reform. 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 2017 Annual Report on Form 10-K filed with the SEC on March 16, 2017 and quarterly reports on Form 10-Q. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Holiday Season Summary

- ***Same store sales ("SSS") down 5.3%, reflecting positive progress on strategic priorities, offset primarily by the credit outsourcing transition impact:***
  - eCommerce sales growth of 48%, driven by R2Net and Sterling division
  - Zale division SSS growth of 4.0%, with Zales banner up 4.6%
  - Sterling division SSS down 8.5%, primarily due to credit outsourcing transition
- ***Continuing to address transition issues related to credit outsourcing:***
  - System disruptions largely resolved – application volumes and approval rates have returned to pre-conversion levels
  - Transitional issues, such as changes in operating process, taking longer to normalize
  - Sales at Kay stores and in bridal category disproportionately impacted

Key Holiday Sales Drivers

- ***Innovation and Newness across Product Assortment:***
  - Strong bridal sales at Zale driven by new solitaire designs and fancy cut diamonds
  - New Enchanted Disney collection and line extensions in Vera Wang Love and Chosen delivered strong results
  - Successful trend identification and fresh assortment drove solid fashion performance, with sales from new fashion merchandise up double-digits in Signet's North America banners
  - Assortments in stacking and layering, diamond bracelets and yellow gold and at price points under $1,000 were top performers in fashion
- ***Marketing and Promotional Strategies:***
  - Shifted marketing strategy to higher ROI digital advertising, increasing digital spend by 35%, to 29% of total spend
  - Investments in paid digital marketing and search engine optimization improved traffic and customer engagement
  - Social media drove 55% increase in impressions and 146% increase in click-through rates
  - Targeted promotions supported by cohesive omnichannel messaging worked well at Zale

Looking Ahead

- ***Fiscal 2018 guidance updated reflecting positive impact from U.S. tax reform:***
  - SSS down mid-single digit, in line with November 21 guidance
  - EPS of $6.17 to $6.22, within previous guidance range, excluding the impact of U.S. tax reform
  - EPS of $6.45 to $6.50 reflecting the expected benefit of U.S. tax reform[1]
- ***Committed to strong execution of strategic priorities:***
  - Addressing transition issues related to credit outsourcing remains a top priority
  - Continuing to take action to drive Customer First, OmniChannel and Culture of Agility and Efficiency objectives to lead growth in the industry over time

(1) Excludes the impact of tax reform in the United States related to revaluation of net deferred tax liabilities estimated to have a favorable impact of $0.50 to $0.67 on EPS.

Sales Performance

Holiday Season	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	-10.8	2.0	-8.8		-8.8	723.1
Jared	-5.9	0.9	-5.0		-5.0	345.6
R2Net	38.6					50.6
Regional brands	-29.1	-10.5	-39.6		-39.6	27.1
Sterling Jewelers division	-8.5	4.0	-4.5		-4.5	1,146.4
Zales Jewelers	4.6	-2.4	2.2		2.2	401.5
Gordon's Jewelers	-12.6	-22.9	-35.5		-35.5	10.7
Zale US Jewelry	4.2	-3.5	0.7		0.7	412.2
Peoples Jewellers	3.8	-2.9	0.9	4.9	5.8	66.0
Mappins	-14.5	-32.3	-46.8	2.4	-44.4	5.0
Zale Canada Jewelry	2.4	-7.5	-5.1	4.5	-0.6	71.0
Zale Jewelry	3.9	-4.1	-0.2	0.7	0.5	483.2
Piercing Pagoda	4.9	0.0	4.9	0.0	4.9	73.0
Zale division	4.0	-3.6	0.4	0.7	1.1	556.2
H.Samuel	-10.2	0.0	-10.2	6.3	-3.9	95.3
Ernest Jones	-10.5	0.3	-10.2	6.3	-3.9	81.8
UK Jewelry division	-10.3	0.1	-10.2	6.3	-3.9	177.1
Other segment		-61.5	-61.5		-61.5	2.0
Signet	-5.3	1.4	-3.9	0.8	-3.1	1,881.7

(1) For stores open for at least 12 months.
(2) For stores not open in the last 12 months.

A Closer Look at Sterling Division Credit Transition

- ***Credit was a material driver of holiday sales decline in Sterling***
  - Sterling credit sales declined $102.1 million, or 14.4% over prior year
  - Lease sales of $13.4 million, partially offsetting credit sales decline
  - New customers and existing accounts contributed about equally to overall declines
- ***Application volumes and approval rates gradually moved to be more in-line with pre-conversion levels, while process-related issues persist***
- ***Continuing to take action to address outstanding issues and strengthen credit program***
  - Adjustments to the in-store process and credit programs
  - More real-time and detailed reporting
  - Increased communications and marketing related to credit
- ***Zale US jewelry credit sales were up $1.6 million, or 0.8% over prior year***

Q4 & FY 2018 Sales and Earnings Guidance

Q4 Fiscal 2018	Previous	Updated (Excluding U.S. Tax Reform)	Updated (Including U.S. Tax Reform)[2]
Same store sales	Down low to mid single-digit %	Down mid single-digit %	Down mid single-digit %
EPS[1]	$3.86 to $4.26	$3.93 to $3.98	$4.21 to $4.26
Weighted average common shares		67 million	67 million
Fiscal Year 2018	**Previous**	**Updated (Excluding U.S. Tax Reform)**	**Updated (Including U.S. Tax Reform)[2]**
Same store sales	Down mid single-digit %	Down mid single-digit %	Down mid single-digit %
EPS[1]	$6.10 to $6.50	$6.17 to $6.22	$6.45 to $6.50
Effective tax rate	22%	18%	14% - 15%
Weighted average common shares	69 million to 70 million	69 million to 70 million	69 million to 70 million

(1) Includes net impact of outsourcing the credit portfolio and related transaction costs, net impact of R2Net acquisition, separation costs, and share repurchases associated with the credit transaction proceeds. (2) Excludes the impact of tax reform in the United States related to revaluation of net deferred tax liabilities estimated to have a favorable impact of $0.50 to $0.67 on EPS.

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