Fourth Quarter & Fiscal 2018 Results

Wednesday, March 14, 2018

Forward Looking Statements & Other Disclosure Matters

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, our ability to implement Signet's transformation initiative, 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 I/T disruptions, future financial results and operating results, the timing and expected completion of the second phase of the credit outsourcing, the impact of weather-related incidents on Signet's business, the benefits and integration of R2Net, general economic conditions, 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, the development and maintenance of Signet's omni-channel retailing, 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. 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 filed with the SEC. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law. 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 slides 14-15.

Key Take-Aways

- Fiscal 2018 was a challenging year as Signet executed a complex credit outsourcing and experienced operational issues

- Strong cash flow in 2018 supported significant cash returns to shareholders and debt repayment

- Implementing a three year Company-wide comprehensive strategy – the “*Signet Path to Brilliance”*– to reposition the Company to be a share gaining, OmniChannel jewelry category leader while addressing cost structure

- Fiscal 2019 will be an important transition year where we begin our transformation to set the stage for improved operational and financial performance beginning in Fiscal 2020

- Announcing agreement to complete outsourcing of Signet’s credit portfolio through sale of nonprime receivables and 5 year committed forward flow purchase program

Signet Path to Brilliance Transformation Plan

Customer First

- Aggressively address customer relevance and value
- Differentiated brand positioning for each banner
- Drive more incremental innovation
- Greater targeting, personalization and efficiency in media spend
- Invest in data analytics

OmniChannel

- Develop best in class mobile experience and seamless integration across digital platforms and our stores
- Expand R2Net technology to other banners
- Increase personalized content
- Digital journey tracking
- Expand and enhance tools such as online appointment booking, bridal configurator and ability to view local store inventory

Agility and Efficiency

- Organizational change to banner focus in new North America segment
- Reigniting employee engagement
- Aggressively reduce costs customers do not see or care about
- Transform real estate footprint

Strategic Benefits of Credit Portfolio Outsourcing

1. Allows Signet to focus on core retail business
2. Significantly reduces balance sheet exposure to consumer credit risk
3. Maintains full spectrum of financing and leasing options for Customers
4. Expected to generate over $1.3 billion in proceeds from Phase I and Phase II, used to fund debt repayment and share buybacks
5. Reduces future working capital needs

Full Spectrum of Financing and Leasing Coverage

	Phase I		Completion of Phase II	
	Servicing	Funding	Servicing	Funding
Prime	Alliance Data Card Services	Alliance Data Card Services	Alliance Data Card Services	Alliance Data Card Services
Non-Prime	Genesis Financial Solutions	Signet Jewelers	Genesis Financial Solutions	CarVal Investors
Lower Tier	Progressive Leasing	Progressive Leasing	Progressive Leasing	Progressive Leasing

New Signet Board Members

Sharon McCollam

- From 2012-2016, Sharon served as Executive Vice President, Chief Administrative and Chief Financial Officer of Best Buy
- Previously served as executive vice president, chief operating and chief financial officer of Williams-Sonoma, Inc., and chief financial officer of Dole Fresh Vegetables, Inc., a division of Dole Food Company Inc.
- Currently a member of the board of directors of Stitch Fix, Inc. Also serves on the privately held boards of PetSmart, Inc., Hallmark Cards, Inc., Art.com, in addition to the nonprofit boards of Sutter Health and ALSAC/St. Jude Children's Research Hospital
- Recognized as the co-pilot of Best Buy's successful "Renew Blue" turnaround strategy, and oversaw Williams-Sonoma's operational transformation

Nancy Reardon

- From 2004-2012, Nancy served as Senior Vice President and Chief Human Resources and Communications Officer of Campbell Soup Company
- Previously served as Executive Vice President of Human Resources for Comcast Cable Communications Inc. and EVP HR and Communications for Duracell
- Currently a member of the board of directors of Big Lots Inc. and Kids II, Inc.
- Led major organization and culture changes at three Fortune 500 companies, including Campbell Soup

Fourth Quarter Sales

Fourth Quarter	Same store sales %[1]	Non-same store sales %, net[2]	Impact of 14th week to y/y total sales, %	Total sales % at constant exchange rate	Exchange translation impact %	Total sales %	Total sales (in millions $)
Kay	-11.0	2.1	3.1			-5.8	862.0
Jared	-6.4	0.8	4.2			-1.4	424.5
R2Net	35.0						64.4
Regional brands	-27.9	-13.4	2.1			-39.2	31.8
Sterling Jewelers division	-8.6	4.2	3.3			-1.1	1,382.7
Zales	5.1	-2.8	4.5			6.8	483.2
Gordon's	-9.7	-28.0	3.5			-34.2	12.3
Zale US Jewelry	4.7	-3.9	4.4			5.2	495.5
Peoples	3.8	-3.5	4.6	4.9	5.6	10.5	80.9
Mappins	-12.5	-35.6	3.1	-45.0	3.1	-41.9	6.1
Zale Canada Jewelry	2.5	-8.4	4.5	-1.4	5.3	3.9	87.0
Zale Jewelry	4.3	-4.6	4.4	4.1	0.9	5.0	582.5
Piercing Pagoda	4.6	-0.6	4.8			8.8	91.1
Zale division	4.4	-4.2	4.5	4.7	0.8	5.5	673.6
H.Samuel	-9.2	-0.3	3.9	-5.6	7.8	2.2	122.3
Ernest Jones	-9.3	0.2	4.5	-4.6	8.0	3.4	111.6
UK Jewelry division	-9.2	-0.2	4.2	-5.2	8.0	2.8	233.9
Other segment						-48.2	2.9
Signet	-5.2	1.5	3.7	0.0	1.0	1.0	2,293.1

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

Q4 Financial Highlights

(percentages as % of sales)	14 Weeks 4Q Fiscal 2018	13 Weeks 4Q Fiscal 2017	Difference
Gross margin	40.1%	41.7%	(160) bps
SG&A	27.7%	27.1%	60 bps
Other operating income	1.7%	3.0%	(130) bps
Operating income	14.1%	17.6%	(350) bps
Earnings per share (diluted)	$5.24	$3.92	$1.32
Free cash flow (in mils.)	$1,703	$400	$1,303

Path to Fully Outsourced Credit Model

	Fiscal 2018	Fiscal 2019
Primary Program	▪ Alliance Data purchased prime-only credit quality accounts receivables ▪ Seven year agreement to provide credit to prime-only credit quality customers	▪ Investment funds managed by CarVal Investors to purchase non-prime back book receivables ▪ Investment funds managed by CarVal Investors to purchase add-on receivables and forward receivables originated by Signet as part of a five-year agreement ▪ Signet to continue to fund new non-prime account originations as a licensed retail installment lender and sell to CarVal within 2 business days ▪ Genesis to continue to service all non-prime receivables on behalf of CarVal and provide support to Signet for account origination activity under five-year agreements ▪ Signet has the right to identify a third-party minority investor to participate alongside CarVal on similar terms
Non-Prime Program	▪ Transition servicing operations for non-prime accounts receivable to Genesis as part of a five-year agreement ▪ Signet retained non-prime receivables on balance sheet and continued to fund new account originations	
Lease-Purchase	▪ Launched Lease-Purchase option with Progressive Leasing under a seven-year agreement ▪ Provides financing alternative for guests that do not wish to pursue a credit option or do not qualify for credit offerings	

Credit Outsourcing Financial Impact

(in millions)	FY 2018	FY 2019E	FY 2020E
Operating Profit Impact*	$18	($100-$115)	($100-$110)
Operating Profit Impact* YoY Change	($21)	($118-$133)	$0-$5
Proceeds	$952	$401-$435	–

*From a P&L perspective, after the prime and non-prime portfolio of receivables are sold, Signet will no longer earn finance or late charge income on those accounts and no longer incur bad debt expense. Signet will continue to pay some minimal fees directly to Genesis for new account originations, while all other servicing costs are included in the discount on forward receivables sold to investment funds managed by CarVal. The discount on forward receivables will be partially offset by the elimination of the costs related to our former in-house credit operations.

Financial Guidance

Fiscal 2019	
Same store sales (excludes impact of revenue recognition changes)	Down low-to-mid single-digit %
Total sales	$5.9 billion to $6.1 billion
GAAP diluted EPS	$0.00 to $0.60
Non-GAAP diluted EPS	$3.75 to $4.25

Weighted average common shares - basic	55 million to 56 million
Weighted average common shares - diluted	62 million to 63 million
Capital expenditures	$165 million to $185 million
Net selling square footage	-4.0% to -5.0%

Appendix

Non-GAAP Financial Measures – 1 of 2

Free cash flow is a non-GAAP measure defined as the net cash provided by operating activities less purchases of property, plant and equipment. Adjusted free cash flow is a non-GAAP measure defined as the net cash provided by operating activities less purchases of property, plant and equipment and less proceeds from the sale of in-house finance receivables. Management considers adjusted free cash flow as helpful in understanding how the business is generating cash from its operating and investing activities that can be used to meet the financing needs of the business. Adjusted free cash flow is an indicator used by management frequently in evaluating its overall liquidity and determining appropriate capital allocation strategies. Free cash flow and adjusted free cash flow do not represent the residual cash flow available for discretionary expenditure.

(in millions)	**Fiscal 2018**	**Fiscal 2017**	**Fiscal 2016**
Net Cash Provided by Operating Activities	$1,940.5	$678.3	$443.3
Purchase of Property, Plant and Equipment	($237.4)	($278.0)	($226.5)
Free Cash Flow	$1,703.1	$400.3	$216.8
Proceeds from sale of in-house finance receivables	($952.5)	--	--
Adjusted free cash flow (excluding sale of in-house finance receivables)	$750.6	$400.3	$216.8

Non-GAAP Financial Measures – 2 of 2

(in millions)	14 weeks ended February 3, 2018	53 weeks ended February 3, 2018
GAAP Diluted EPS	$5.24	$7.44
Impact of revaluation of deferred taxes under Tax Cut and Jobs Act	($0.96)	($0.93)
Non-GAAP Diluted EPS	$4.28	$6.51

Guidance

(in millions)	Fiscal 2019 Low End	Fiscal 2019 High End
2019 GAAP Diluted EPS	--	$0.60
Charges related to transformation plan	$1.61	$1.56
Loss related to sale of non-prime receivables	$2.14	$2.09
2019 Non-GAAP Diluted EPS	$3.75	$4.25

Signet Jewelers Ltd.

SIGNET JEWELERS

ERNEST JONES LOVE & LIFE

H.SAMUEL THE JEWELLER

JAMES ALLEN

JARED The Galleria Of Jewelry

KAY JEWELERS

PIERCING Pagoda

PEOPLES CANADA'S #1 DIAMOND STORE

ZALES THE DIAMOND STORE SINCE 1924