Biel / Bienne, 21 July 2026

SWATCH GROUP

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

SWATCH GROUP: Half-Year Report 2026

Strong sales growth and important gains in market shares

Swatch Group recorded a strong increase in sales, driven by a solid momentum across all price segments and on every continent. The diversified portfolio of brands, the launch of innovative new products and the increasing efficiency of the Retail business supported this performance. The strongly marked acceleration observed in May and June, confirmed in July, enables better utilization of production capacity and will lead to a significant improvement in profitability in the second half of the year.

Highlights

- Net sales up +8.5% at constant exchange rates, despite the geopolitical challenges in the Middle East. An increase of +2.0% at current rates, impacted by negative currency effects of almost CHF -200 million. In the second quarter, the sales were up by +9.4% at constant exchange rates.
- Very important global market shares gains (vs watch exports according to the Federation of the Swiss Watch Industry after six months: -0.7%)
- Operating profit of CHF 52 million (operating margin of 1.7%), of course burdened by negative currency effects and the results from the Production segment, still due to the deliberate decision to maintain the production capacities and jobs, without resorting to compensation for reduced working hours.
- Net income of CHF 16 million. Net margin of 0.5%.
- Operating cash flow of CHF 304 million, up +68.9%, supported by rigorous working capital management.
- Net liquidity[1] of CHF 1 125 million.
- Equity of CHF 11.5 billion with an exceptional equity ratio of 85.3%
- Strong acceleration in May and June with sales up +13.1% at constant exchange rates and an operating margin of 8.6%, pointing to continued growth and improved profitability in the second half of the year.

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

HALF-YEAR REPORT

Group Key Figures

(CHF million)	1st half 2026	1st half 2025	Change in % at constant rates	Change in % currency effect	Change in % Total
Net sales	**3 121**	3 059	8.5%	–6.5%	**2.0%**
Operating result	**52**	68			
– in % of net sales	1.7%	2.2%			
Net result	**16**	17			
– in % of net sales	0.5%	0.6%			
Investments in non-current assets	**170**	229			
Equity, 30 June	**11 496**	11 681			
Market capitalization, 30 June	**10 307**	6 855			
Basic earnings per share in CHF					
– Registered shares	**0.04**	0.01			
– Bearer shares	**0.18**	0.06			

Unaudited figures

HALF-YEAR REPORT

Highlights of the first half 2026

Watches & Jewelry
The Watches & Jewelry segment (excluding Production) performed strongly, with sales up +9.5% at constant exchange rates and an operating margin of 9.0%. In May and June, the operating margin was 15.0%.

Regions
Sales growth at constant exchange rates was realized across every continent. The United States recorded a growth of +27%. A positive trend is reported in most European markets, such as in Spain (+28%) and in Italy (+12%). Sales in Asia and Oceania also increased, notably in Japan (+20%), South Korea (+12%), and Australia (+5%). A very strong growth was achieved in high-potential markets such as India (+38%), Mexico (+26%) and Saudi Arabia (+41%). In China (including Hong Kong SAR and Macau SAR), Retail business continues progression with an increase in sales of +9% with a stable number of points of sale. The third party retailer's replenishment orders on the other hand remained modest. Furthermore, the chronical instability in the Middle East impacted negatively the Group's more than 200 point of sales in the region.

Distribution channels
With a comparable number of stores and a +18% growth at constant exchange rates, Swatch Group recorded important productivity gains in its own boutiques. Almost half of the segment Watches & Jewelry sales are now made through this channel. Online sales continued to grow by +30% at constant exchange rates.

Brands
Breguet had an excellent half year in a challenging environment for luxury brands, capitalizing on the bold innovations launched during its 250th anniversary. This momentum was further strengthened in the first half of 2026.

Harry Winston achieved outstanding sales in all regions, with a remarkable increase of nearly +20% at constant exchange rates in China (including Hong Kong SAR and Macau SAR).

Omega recorded a strong growth of +20% at constant rates in the Retail business which weight now 42% of the total turnover, mainly thanks to its marketing investment notably as Official Timekeeper of the Olympic Winter Games in Milan and Cortina.

With two digit turnover increases, Longines, Tissot and Hamilton experienced impressive growth, reflecting the robust performance from entry-level and mid-range brands which have won significant market shares. These segments provide excellent visibility for Swiss watches among a growing middle class in many countries and which may convert into future customers.

Swatch has once again shaken up the world of watchmaking. The innovative Audemars Piguet X Swatch collaboration has been a resounding global success since its launch on 16 May. From day one, demand for Royal Pop far exceeded supply and this frenzy will continue for months to come. The campaign Royal Pop has generated more than 25 billion views on social media. Royal Pop also boosted sales of the MoonSwatch and Scuba Fifty Fathoms, Swatch's watchmaking collaborations with Omega and Blancpain. Swatch enjoys since the launch of Royal Pop a huge flow of new consumers around the world, sometimes very young and who take interest for the first time in a mechanical watchmaking product. This product, which aims to change the customers' habit of wearing watches only at their wrist, gives the opportunity to the entire Swiss Made watch industry to create a new market.

HALF-YEAR REPORT

Production
The increase in volumes sold, particularly for entry-level and mid-range brands, gradually generated additional orders for the production companies, resulting in an improvement in operating profit.

Electronic Systems
The Electronic Systems segment, and in particular EM Microelectronic-Marin, saw a strong demand, notably for the integrated circuits, but suffered from the decrease of the USD and the increase in raw material prices. The operational situation of this Segment should improve during the second half of the year with the invoicing in CHF for most of the contracts instead of the USD.

Personnel
The Group's workforce shrank by 1.5% in the first half of 2026 due to natural fluctuations and stood at 31 331 employees at the end of June.

Outlook for the second half of 2026

The strong sales acceleration in May and June, which is confirmed during the first weeks of July, augurs an important sales growth in the second half of 2026. Thanks to its verticalized production capabilities and to the deliberately maintaining of jobs in this area, the Group can rapidly react to this situation with the final customers, and this in all price segments.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Income Statement

	1st half 2026		1st half 2025	
	CHF million	**%**	CHF million	%
Net sales	**3 121**	**100.0**	3 059	100.0
Other operating income	90	2.9	68	2.2
Changes in inventories	–29	–0.9	43	1.4
Material purchases	–538	–17.2	–549	–17.9
Personnel expense	–1 207	–38.7	–1 227	–40.1
Depreciation and impairment on property, plant and equipment	–182	–5.8	–186	–6.1
Amortization and impairment on intangible assets	–22	–0.7	–22	–0.7
Other operating expenses	–1 181	–37.9	–1 118	–36.6
Operating result	**52**	**1.7**	68	2.2
Other financial income and expense	–4	–0.1	–8	–0.2
Interest expense	–2	–0.1	–1	–0.0
Share of result from associates and joint ventures	5	0.2	4	0.1
Ordinary result	**51**	**1.7**	63	2.1
Non-operating result	1	0.0	9	0.3
Result before income taxes	**52**	**1.7**	72	2.4
Income taxes	–36	–1.2	–55	–1.8
Net result	**16**	**0.5**	17	0.6
Attributable to shareholders of The Swatch Group Ltd	*9*		*3*	
Attributable to non-controlling interests	*7*		*14*	
Earnings per share in CHF				
Registered shares				
Basic earnings per share	**0.04**		0.01	
Diluted earnings per share	**0.04**		0.01	
Bearer shares				
Basic earnings per share	**0.18**		0.06	
Diluted earnings per share	**0.18**		0.06	

Unaudited figures

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Balance Sheet

Assets	30.06.2026 CHF million	%	31.12.2025 CHF million	%
Current assets				
Cash and cash equivalents	1 132	8.4	1 010	7.5
Financial assets, securities and derivative financial instruments	227	1.7	221	1.7
Trade receivables	618	4.6	594	4.4
Other current assets	184	1.4	182	1.4
Inventories	7 303	54.1	7 295	54.5
Prepayments and accrued income	272	2.0	295	2.2
Total current assets	**9 736**	**72.2**	9 597	71.7
Non-current assets				
Property, plant and equipment	3 088	22.9	3 121	23.4
Intangible assets	133	1.0	143	1.1
Investments in associates and joint ventures	36	0.3	30	0.2
Other non-current assets	80	0.6	83	0.6
Deferred tax assets	407	3.0	402	3.0
Total non-current assets	**3 744**	**27.8**	3 779	28.3
Total assets	**13 480**	**100.0**	13 376	100.0

Unaudited figures

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Balance Sheet

Equity and liabilities	30.06.2026 CHF million	%	31.12.2025 CHF million	%
Current liabilities				
Financial debts and derivative financial instruments	234	1.8	36	0.3
Trade payables	255	1.9	245	1.8
Other liabilities	193	1.4	191	1.4
Provisions	84	0.6	90	0.7
Accrued expenses	498	3.7	421	3.2
Total current liabilities	**1 264**	**9.4**	983	7.4
Non-current liabilities				
Financial debts	2	0.0	2	0.0
Deferred tax liabilities	479	3.5	505	3.8
Retirement benefit obligations	43	0.3	42	0.3
Provisions	88	0.7	80	0.6
Accrued expenses	108	0.8	110	0.8
Total non-current liabilities	**720**	**5.3**	739	5.5
Total liabilities	**1 984**	**14.7**	1 722	12.9
Equity				
Share capital	118		118	
Capital reserves	–995		–994	
Treasury shares	–76		–81	
Goodwill recognized	–1 416		–1 416	
Translation differences	–1 054		–1 109	
Retained earnings	14 818		15 043	
Equity of The Swatch Group Ltd shareholders	**11 395**	**84.6**	11 561	86.4
Non-controlling interests	101	0.7	93	0.7
Total equity	**11 496**	**85.3**	11 654	87.1
Total equity and liabilities	**13 480**	**100.0**	13 376	100.0

Unaudited figures

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

(CHF million)	1st half 2026		1st half 2025	
Operating activities				
Net result	16		17	
Share of result from associated companies and joint ventures	–5		–4	
Income taxes	36		55	
Depreciation on non-current assets	204		208	
Impairment	0		0	
Changes in provisions and retirement benefit obligations	1		–1	
Gains/losses on sale of non-current assets	0		–16	
Fair value gains/losses on marketable securities	–1		–20	
Expenses for employee stock option plan	4		3	
Other non-cash items	–3		59	
Changes in net working capital:				
– Trade receivables	–21		–22	
– Inventories	33		–39	
– Other current assets, prepayments and accrued income	29		–11	
– Trade payables	18		–12	
– Other liabilities and accrued expenses	47		35	
Dividends received from associated companies and joint ventures	0		1	
Income taxes paid	–54		–73	
Cash flow from operating activities		**304**		180
Investing activities				
Investments in property, plant and equipment	–151		–199	
Proceeds from sale of property, plant and equipment	0		13	
Government grants related to assets	0		0	
Investments in intangible assets	–13		–23	
Proceeds from sale of intangible assets	9		1	
Investments in other non-current assets	–6		–7	
Proceeds from other non-current assets	7		5	
Investments in current financial assets and securities	–79		–107	
Proceeds from current financial assets and securities	74		167	
Cash flow from investing activities		**–159**		–150
Financing activities				
Dividends paid to shareholders	–234		–234	
Dividends paid to non-controlling interests	–1		–21	
Purchase of treasury shares	0		0	
Sale of treasury shares	0		29	
Change in non-current financial debts	0		0	
Change in current financial debts	199		169	
Cash flow from financing activities		**–36**		–57
Net impact of foreign exchange rate differences on cash		**14**		–52
Change in cash and cash equivalents (net cash)		**123**		–79
Change in cash and cash equivalents (net cash)				
– Balance at beginning of year	1 000		1 097	
– Balance at 30 June	**1 123**	**123**	1 018	–79

Unaudited figures

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

(CHF million)	Share capital	Capital reserves	Treasury shares	Goodwill recognized	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to The Swatch Group Ltd shareholders								
Balance at 31 December 2024	**118**	**–978**	**–132**	**–1 416**	**–754**	**15 274**	**12 112**	**105**	**12 217**
Net result						3	**3**	14	**17**
Currency translation of foreign entities					–320		**–320**	–11	**–331**
Change in goodwill				0			**0**		**0**
Dividends paid						–234	**–234**	–21	**–255**
Employee stock option plan		0	4				**4**		**4**
Sale of treasury shares		–13	42				**29**		**29**
Balance at 30 June 2025	**118**	**–991**	**–86**	**–1 416**	**–1 074**	**15 043**	**11 594**	**87**	**11 681**
Net result						0	**0**	8	**8**
Currency translation of foreign entities					–35		**–35**	–1	**–36**
Change in goodwill				0			**0**		**0**
Dividends paid						0	**0**	–1	**–1**
Employee stock option plan		–3	5				**2**		**2**
Balance at 31 December 2025	**118**	**–994**	**–81**	**–1 416**	**–1 109**	**15 043**	**11 561**	**93**	**11 654**
Net result						9	**9**	7	**16**
Currency translation of foreign entities					55		**55**	2	**57**
Change in goodwill							**0**		**0**
Dividends paid						–234	**–234**	–1	**–235**
Employee stock option plan		–1	5				**4**		**4**
Balance at 30 June 2026	**118**	**–995**	**–76**	**–1 416**	**–1 054**	**14 818**	**11 395**	**101**	**11 496**

Unaudited figures

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

1. Basis of preparation

a. Basic accounting principles
These interim financial statements cover the unaudited half-year results for the six months ended 30 June 2026. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations). The consolidated half-year closing 2026 was prepared in accordance with FER 31 "Complementary recommendation for listed companies". This half-year report does not include all the information and disclosures which are required in the annual report. It should therefore be viewed in connection with the annual report at 31 December 2025.

b. Estimates and judgments
In these interim financial statements, Management has reviewed and, if necessary, adapted accounting estimates and judgements. These are based on historical experience as well as other factors such as expectations and assessments of future events, and mainly impact the following areas:

Inventories. Group products have an extremely long life. According to Group policies, inventories with sales risks or insufficient turnover were written down to their realizable net market value. In the first half of 2026, this impairment amounted to CHF 23 million (previous year: CHF 19 million).

Impairment. The recoverable value and the remaining useful life of non-current assets are verified regularly. If there are indications of a sustained impairment and the book value of an asset exceeds the recoverable amount, an impairment loss is recognized and booked. In the first half of 2026, no impairment was recognized (previous year: none).

Provisions. Provisions are recognized and adjusted on an ongoing basis, according to Group policies. For warranty provisions, calculation parameters, such as expected repairs and return volumes, are adjusted to current empirical values at least four times a year. Provisions for dismantling and restoration obligations are reviewed and updated at least once a year. Restructuring provisions are recognized when a management decision raises valid expectations of third parties that a restructuring will be carried out. Such provisions are subsequently adjusted on an ongoing basis to reflect current estimates.

Income taxes. Current and deferred tax positions are reviewed on an ongoing basis and adjusted if necessary. These include the effects of changes in tax rates, the impact of ongoing tax audits and the assessment of carryforward tax losses. Deferred tax assets for carryforward tax losses are recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

The BEPS 2.0 project launched by the OECD regarding global minimum taxation of companies with an annual turnover of over EUR 750 million came into force in various countries on 1 January 2024, including Switzerland. From 2025, Switzerland has introduced the international top-up tax IIR (Income Inclusion Rule) and can therefore levy additional taxes on profits of Swatch Group companies abroad that are taxed locally at a lower rate than 15%. The Group has accrued the estimated additional top-up taxes of less than CHF 1 million in current taxes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

2. Segment information

1st half 2026 (CHF million)	**Watches & Jewelry**	**Electronic Systems**	**Corporate**	**Elimination**	**Total**
– Third parties	2 950	169	2		**3 121**
– Group	1	5	2	–8	**0**
Net sales	**2 951**	**174**	**4**	**–8**	**3 121**
Operating result	**120**	**–5**	**–63**	**0**	**52**
– in % of net sales	4.1%	–2.9%			**1.7%**

1st half 2025 (CHF million)	Watches & Jewelry	Electronic Systems	Corporate	Elimination	Total
– Third parties	2 886	171	2		3 059
– Group	1	7	2	–10	0
Net sales	2 887	178	4	–10	3 059
Operating result	127	3	–62	0	68
– in % of net sales	4.4%	1.7%			2.2%

3. Group structure

	2026
Number of companies at 1 January	144
Foundations	1
Group internal mergers	–1
Liquidations	0
Number of companies at 30 June	**144**
of which associates	*4*
of which joint ventures	*2*

4. Key exchange rates

Currency	Unit	**Average rates 01.01.-30.06.2026**	**Prevailing rates 30.06.2026**	Average rates 01.01.-30.06.2025	Prevailing rates 31.12.2025	Prevailing rates 30.06.2025
CNY	1	0.1153	0.1194	0.1186	0.1136	0.1116
EUR	1	0.9197	0.9230	0.9430	0.9316	0.9382
HKD	1	0.1009	0.1033	0.1101	0.1020	0.1018
JPY	100	0.4997	0.4990	0.5823	0.5070	0.5550
USD	1	0.7898	0.8100	0.8587	0.7942	0.7995

5. Treasury shares

In the first half of 2026, there were no purchases or sales of treasury shares. In the first six months of the previous year, Swatch Group sold 192 706 bearer shares with a market value of CHF 29 million. In addition, 1 963 bearer shares with a value of less than CHF 1 million were delivered, in connection with the purchase in 2024 of minority interests in Belenos Clean Power Holding Ltd.

As in the previous year, registered shares were sold for less than CHF 1 million as part of the employee stock option plan.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

6. Dividend

The Company pays one dividend per fiscal year. For fiscal year 2025, the dividend agreed at the Annual General Meeting on 12 May 2026, with a value date of 19 May 2026, was distributed as follows:

	Dividend per share CHF	Total dividend CHF million
Registered shares	0.90	105
Bearer shares	4.50	130
Total dividend		**235**
Dividend not paid out on treasury shares		–1
Total dividend paid		**234**

7. Significant events and business transactions

During the period under review, no material events or business transactions occurred that might have an impact on the critical estimates, appraisals and assumptions to be found in the consolidated financial statements as at 31 December 2025. Also, there were no further material events or business transactions that might impact upon other positions in the consolidated financial statements (such as, for example, changes to contingent liabilities and receivables or business transactions involving associated enterprises and persons).

8. Events after the closing date

At the publish date of this press release, the Company is not aware of any significant new event that would affect the half-year financial statements at 30 June 2026.

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