Richardson, Texas-based watch specialist Fossil Group, Inc. announced on Monday that it has commenced an underwritten registered public offering of $125 million in senior notes due 2026. In relation to this filing, the company also published preliminary financial estimates for Q3, revealing that it currently expects to see year-over-year growth of approximately 13% in its quarterly revenues.

For the third quarter ended October 2, 2021, the group is predicting net sales in the range of $490 million to $494 million, compared to $435 million in the same period in the previous year.

On a trailing 12-month basis, Fossil is expecting to see revenues of between $1.792 billion and $1.796 billion in the 12-month period ended October 2.
Income before taxes for the third quarter is expected to be in the range of $38 million to $43 million, representing growth of between 322% and 378% when compared to the $9 million reported by the company in the prior-year period.

Fossil also said that it predicts that its quarterly adjusted EBITDA will total between $59 million and $64 million, an increase in the range of 37% to 49% compared to $43 million last year.

The company’s offering of senior notes has been underwritten by B. Riley Securities, Inc., Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc. and William Blair & Co., L.L.C.. The group intends to use the net proceeds from the transaction to repay outstanding borrowings under its term credit agreement.

As well as its namesake label, Fossil also owns the Michele, Misfit, Relic, Skagen and Zodiac brands, and makes products under license for the likes of Emporio Armani, Diesel, DKNY, Michael Kors and Puma, among others. Watches are the company’s core category, but it also produces jewelry, leather goods and other accessories.

In the second quarter, the company reported sales of $410.9 million, an increase of 59% compared to $259 million in the prior-year period.