



The Watches of Switzerland Group

FY24 Results

June 2024

52 weeks ended 28 April 2024



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

Disclaimer

Cautionary note regarding forward-looking statements

This presentation has been prepared by Watches of Switzerland Group PLC (the “Company”). It includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this presentation and the information incorporated by reference into this presentation and may include statements regarding the intentions, beliefs or current expectations of the Company Directors or the Group concerning, amongst other things: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies, the expansion and growth of the Group's business operations; and (iii) the effects of government regulation and industry changes on the business of the Company or the Group.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition, liquidity, and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this presentation and/or the information incorporated by reference into this presentation.

Any forward-looking statements made by or on behalf of the Company or the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this presentation, and are subject to risks relating to future events, other risks, uncertainties and assumptions relating to the Company’s operations and growth strategy, and a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Undue reliance should not be placed on any forward-looking statements.

Before making any investment decision in relation to the Company you should specifically consider the factors identified in this document, in addition to the risk factors that may affect the Company’s or the Group’s operations which are described in the FY24 Preliminary Announcement.

Subject to the requirements of the FCA, the London Stock Exchange, the UK Market Abuse Regulation, the Listing Rules and the Disclosure, Guidance and Transparency Rules (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to update or revise release the result of any revisions any forward-looking statements in this presentation. No statement in this document is intended as a profit forecast or profit estimate and no statement in this document should be interpreted to mean that the earnings per share of the Company, as altered by the presentation will necessarily match or exceed the historical or published earnings per share of the Company.

Agenda

CEO Update

Brian Duffy
Chief Executive Officer

US

David Hurley
President North America & Deputy CEO

UK

Craig Bolton
President UK

Financial Review & Outlook

Anders Romberg
Chief Financial Officer

Long Range Plan

Brian Duffy/Anders Romberg

Q&A



American Dream, New Jersey – Opened May 2023



The Watches of Switzerland Group

CEO Update
Brian Duffy, CEO



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

Luxury Watch Market Strong and Resilient

- **Luxury watch market robust and resilient and continues to be characterised by demand exceeding supply**
- **FY24 – a year of market ‘normalisation’ following a period of unusually high growth**
- **On average, market remains strong within this period - Swiss Watch Export CAGR % Calendar 23/19**
 - **US 14.6%**
 - **UK 6.3% (Despite little tourism since 2019 due to VAT situation)**
- **UK market impacted by cumulative product price increases at a time of high interest cost and other inflation**



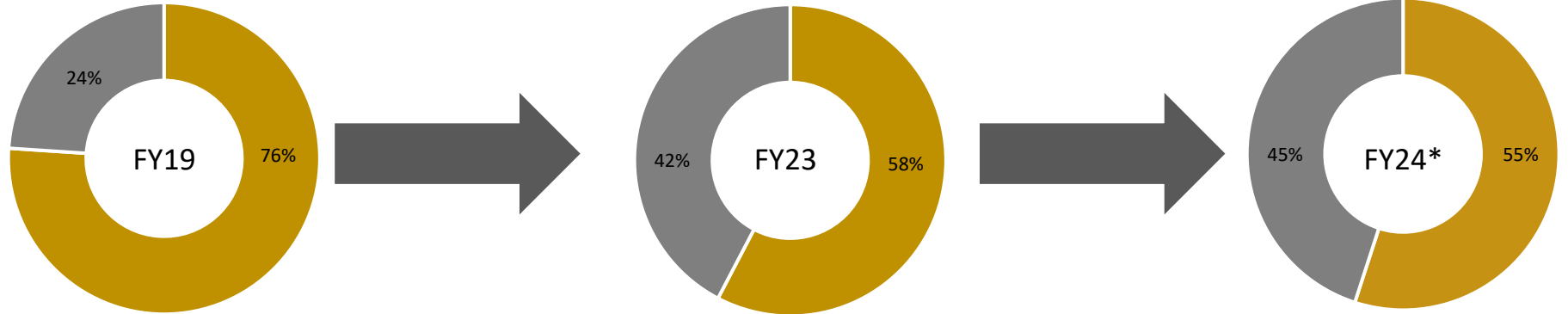
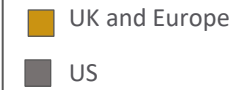
Watches of Switzerland Group Model Success – Market Share Gains

- Differentiated WOS Group model continues to succeed with market share gain in US and UK
- Acquisition of Roberto Coin Inc. offers exciting growth prospects in branded luxury jewellery and profit accretion
- Pre-Owned category both Rolex Certified Pre-Owned and other brands – exceeding expectations and offering accelerated growth
- Strong pipeline of showroom development
- FY25 Guidance/Long Range Plan Targets confirmed

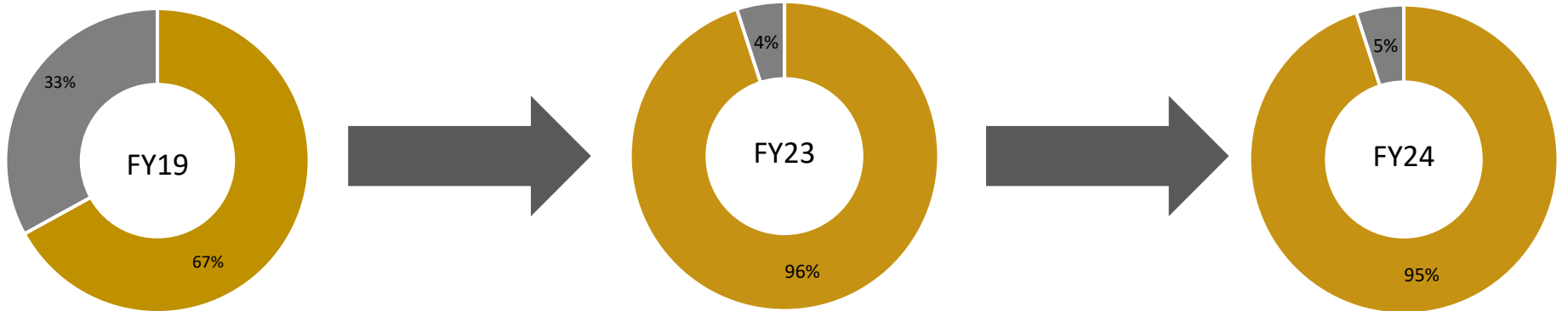
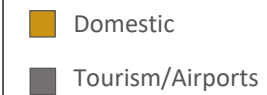


WOSG US Share of Sales Growing, and Performance Led by Domestic Clientele

Revenue mix by market

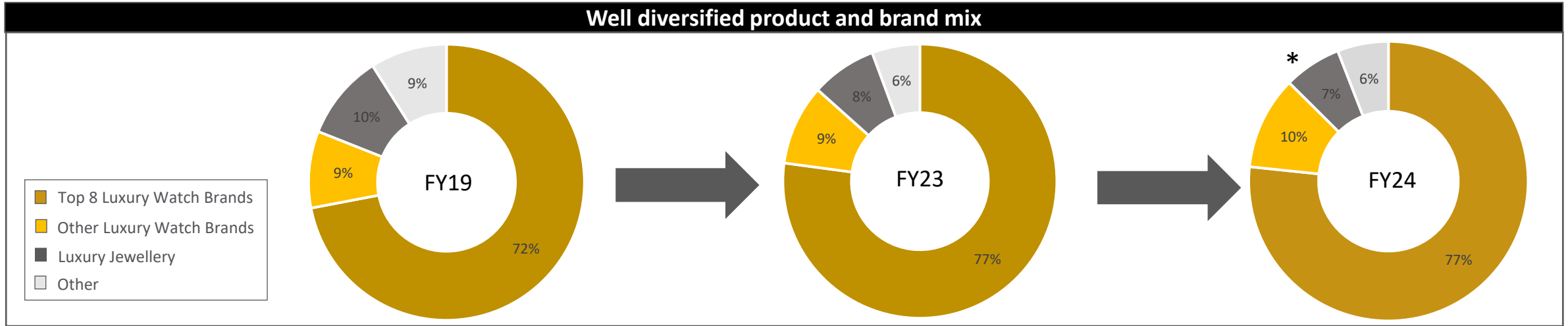


Revenue mix by customer segment



* With Roberto Coin Inc. CY23 sales: US 49%

Robust and Flexible Business Model



* With Roberto Coin Inc. CY23 sales jewellery is 14%

Accelerated Growth in Dynamic Pre-Owned Market

Rolex Certified Pre-Owned - US

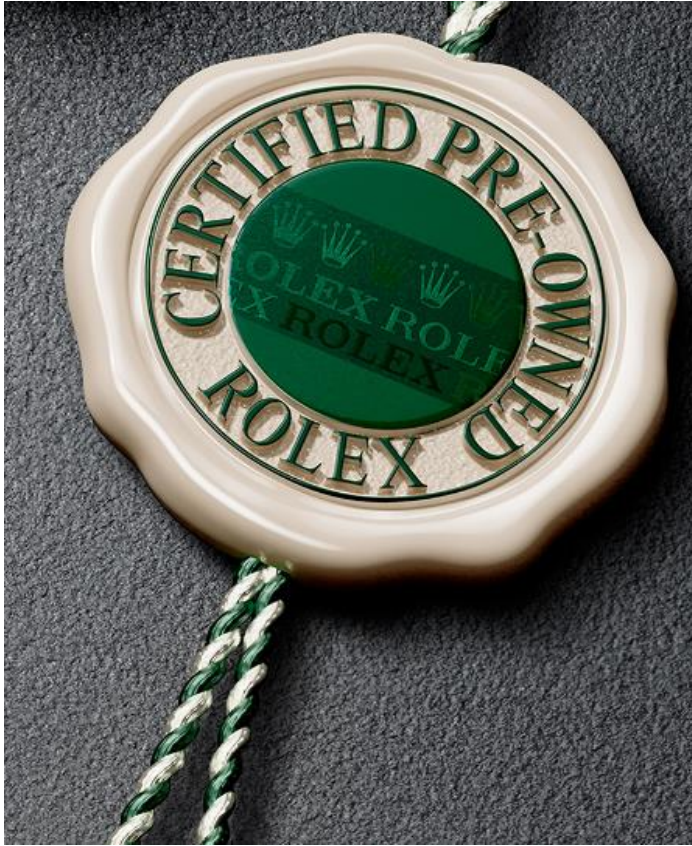
July 2023: Launched online and in 7 showrooms, now in 19

Rolex Certified Pre-Owned - UK

September 2023: Launched online and now in 17 showrooms

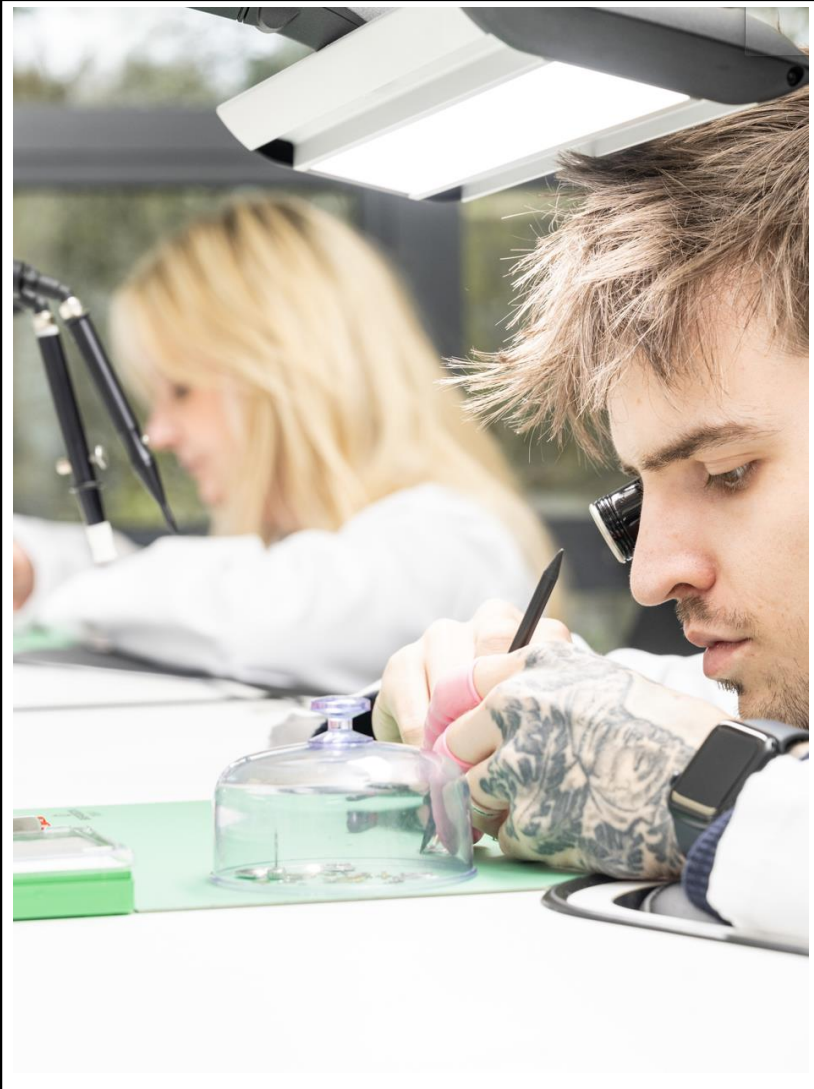
US: Analog:Shift – 22 showrooms

UK: WOSG Certified Pre-Owned – 17 showrooms



Expanding Service Centres – Pre-Owned Support and Client Service

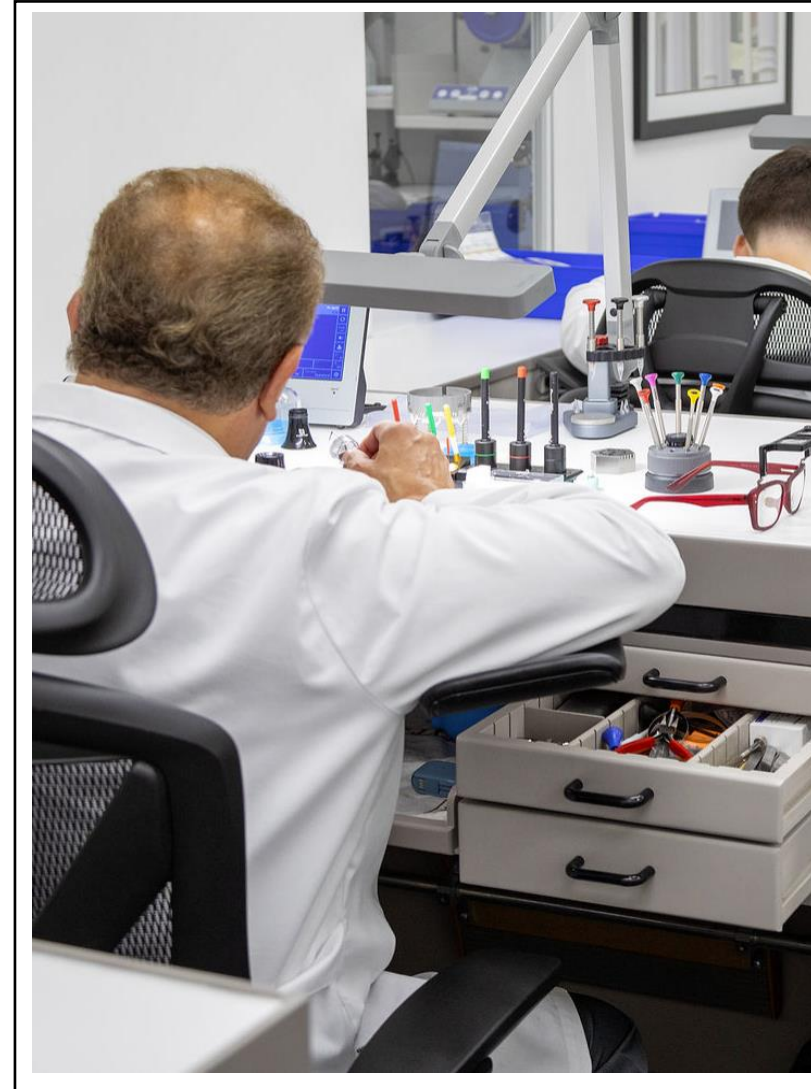
Leicester



Manchester



Fort Lauderdale



Multiple Growth Initiatives to Expand Luxury Jewellery Offering

Roberto Coin Inc. acquisition



New multi-brand luxury jewellery boutique investment in Mappin & Webb



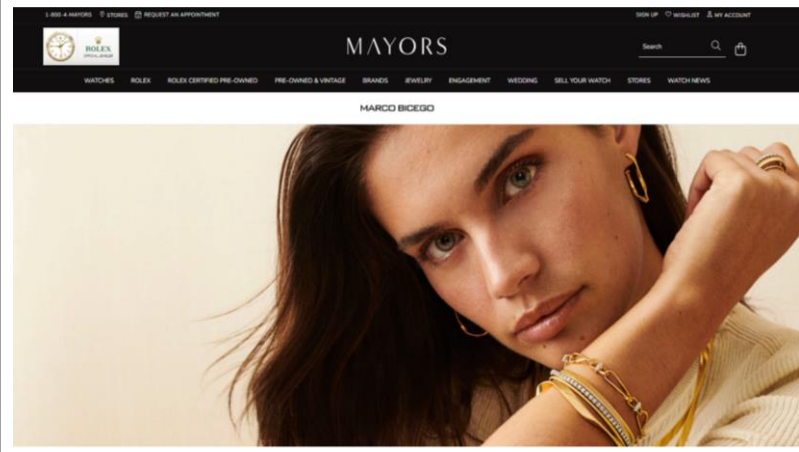
New/expanded portfolio of brand partnerships



Showroom designs with dedicated jewellery rooms/galleries/hospitality



Online growth



Client Reach Out 13,000+ Clients Hosted – Launch of Amex Centurion, Increase in CRM Activity Increase in Virtual Boutique Resources



People



Planet

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

WATCH & JEWELLERY
INITIATIVE 2030

ENVIRONMENTAL
QUALITYSCORE
HIGHEST RANKED BY ISS ESG



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Community



FOUNDATION
Helping our communities



£7.5m cumulative donations to
the Foundation

The use by Watches of Switzerland Group (WOSG) of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, enforcement, recommendation, or promotion of WOSG by MSCI. MSCI services and data are the property of MSCI or its information providers and provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Continue to Advance the ESG Agenda: The Watches of Switzerland Group Foundation and Volunteering

FOUNDATION
Helping our communities



FOOD BANKS UK/US – FUEL BANK

Birmingham Central foodbank
 South Liverpool foodbank
 Leicester South foodbank
 Newcastle West End foodbank
 Glasgow SE foodbank
 Euston foodbank
 Manchester Central foodbank
 the trussell trust Stop UK Hunger
 fuelbank FOUNDATION

PRINCE'S TRUST UK & US

Prince's Trust
IN PARTNERSHIP WITH THE PRINCE'S TRUST

HABITAT FOR HUMANITY US

Habitat
for Humanity

CRISIS UK

Crisis



The Watches of Switzerland Group



US
David Hurley, President of North America & Deputy CEO



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

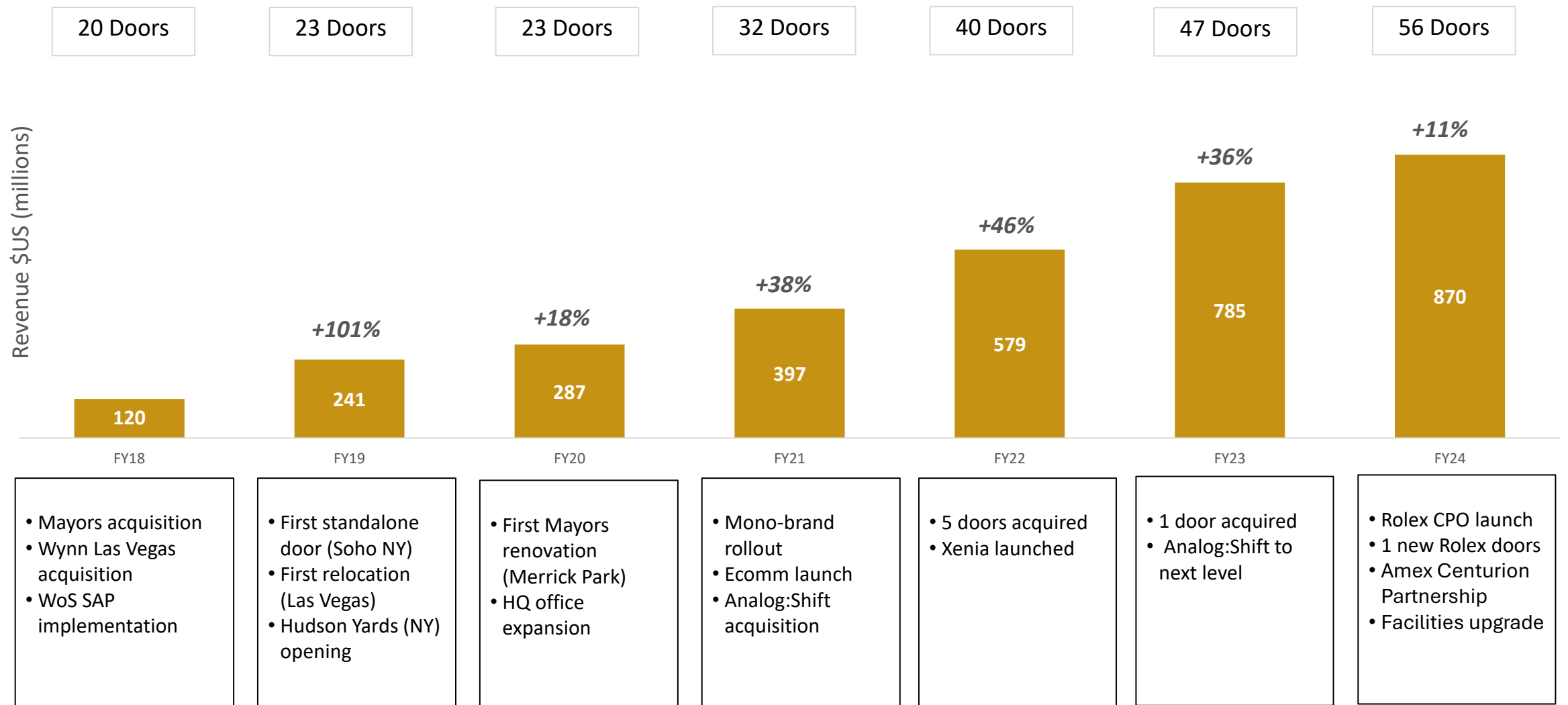
BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

Exceptional US Growth Since Inception



Sustained Investment in People, Process and Technology

New Watches of Switzerland American Dream: Opened May 2023



Rolex Mono-Brand Boutique Orlando Expansion: Opened November 23



New Watches of Switzerland One Vanderbilt, New York: Opened February 24



Betteridge: Greenwich Expansion



- Additional 2,200 sq ft
- Significant expansion agreed for both Rolex & Patek Philippe
- Patek Philippe space to open August FY24

Plano (Dallas), Texas Relocation and Expansion: Opening November 2024



- **New Flagship space secured**
- **Introduction of Rolex and Cartier**



ROBERTO COIN

- **WOSG acquires Roberto Coin Inc. for \$130m**
- **Rights in perpetuity for the distribution of the Roberto Coin brand in the US, Canada, Central America and the Caribbean**
- **Acceleration of WOSG strategy of growing presence in luxury branded jewellery sector**
- **US is the #1 luxury jewellery market globally. TAM of \$66bn (Roberto Coin 6th largest brand in the US)**
- **WOSG growth at combined retail/wholesale margin**
- **Immediately margin enhancing and EPS accretive. Attractive ROIC**

About Roberto Coin

Based in Vicenza

Located in the heart of Vicenza, otherwise known as the **City of Gold**, the heart of Jewellery manufacture in Italy



Product



Ruby



Support business momentum and drive incremental growth through:



- **Mono-brand boutiques – owned and franchised with wholesale partners**
- **Develop online direct and with existing partners**
- **Enhanced in-store presentation with existing wholesale partners**
- **Expand and elevate brand in WOS Group distribution**
- **Growing the high-end Roberto Coin Collection**
- **Increased brand marketing**
- **Develop export markets**



The Watches of Switzerland Group

UK
Craig Bolton - President UK



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

Goldsmiths Liverpool Expansion: Opened September 23



Goldsmiths Trafford Expansion, Manchester: Opened May 2024



Mappin & Webb Bluewater: Opened December 2023



Mappin & Webb Edinburgh: Opened June 2024



Watches of Switzerland 155 Regent Street Patek Philippe Expansion: Opened January 2024



Expanding Our Partnership With Rolex: Old Bond Street, London



- **Completes March 25**
- **Four floors of retailing space**
- **Dedicated Rolex Certified Pre-Owned area and aftersales service lounge**

Expanding Our Partnership With Rolex: Expansion of Glasgow Boutique



- **Work commencing FY25**
- **Circa 3,000 sq ft sales area**
- **Dedicated Rolex Certified Pre-Owned area and aftersales service lounge**

Audemars Piguet: Manchester Town House



Opening
Spring 2025

The House of Luxury Jewellery Brands



Opening
Spring 2025



Acquisition of Ernest Jones Luxury Showrooms



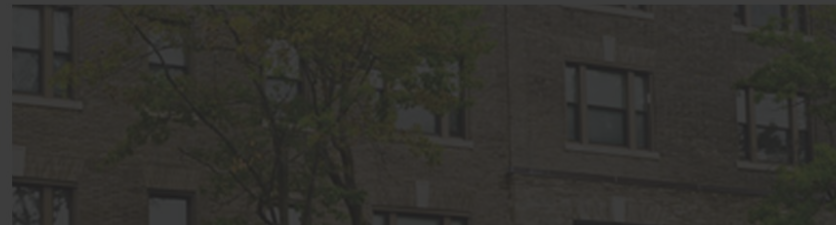
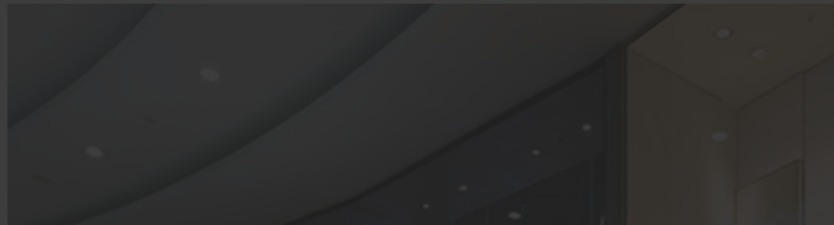
- Previously part of Signet Group
- 15 Luxury showrooms acquired in November 2023
- Fully integrated into WOSG estate in April 2024
- Trading in line with expectations



The Watches of Switzerland Group



Financial Results & Outlook Anders Romberg, CFO



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

<p>Revenue</p> <p>£1,538m</p> <p>+2% constant currency Flat at reported rates</p>	<p>Adjusted EBIT</p> <p>£135m</p> <p>(18%) vs FY23 Adjusted EBIT 8.8% (190bps) vs FY23</p>
<p>Free cash flow</p> <p>£118m</p> <p>66% free cash flow conversion (19%) vs FY23</p>	<p>ROCE</p> <p>19.5%</p> <p>(840bps) vs FY23</p>

Income Statement

Income Statement (£million)	FY24	FY23	YoY %
Revenue	1,538	1,543	-%
Net margin	562	576	(2%)
Net margin %	36.6%	37.4%	(80bps)
Adjusted EBITDA	179	201	(11%)
Adjusted EBITDA %	11.6%	13.1%	(150bps)
Adjusted EBIT	135	165	(18%)
Adjusted EBIT %	8.8%	10.7%	(190bps)
Adjusted PBT	129	159	(19%)
Effective tax rate	30.3%	21.4%	890bps
Adjusted EPS	38.0p	52.7p	(28%)

Refer to Glossary in Appendix for definitions

Income Statement presented pre-IFRS 16 and pre-exceptional items

- **Revenue flat on prior year, +2%** in constant currency
- **Net margin % adverse 80bps** with headwinds from product mix and Interest Free Credit partially offset by reduced promotional activity on jewellery
- **Adjusted EBITDA -11% to £179 million**, achieving margin of 11.6%
- **Adjusted EBIT -18% to £135 million**, achieving margin of 8.8%
- **Effective tax rate of 30.3%**
- **Adjusted EPS at 38.0p** – decrease of 14.7p
- **Statutory Profit Before Tax is £92 million**

Balance Sheet Strength

Balance Sheet (£million)	FY24	FY23	YoY %
Goodwill & intangibles	216	200	8%
PP&E	191	154	24%
Right-of-use assets	382	359	6%
Inventory	393	356	10%
Receivables	25	20	24%
Payables	(217)	(220)	(1%)
Lease liabilities	(460)	(410)	12%
Net cash	1	16	
Other	(8)	(6)	
Net assets	523	469	

Refer to Glossary in Appendix for definitions

- Balance sheet is presented on a post IFRS-16 basis
- Continued investment with **£78 million of expansionary capex** (FY23: £68 million)
- **Inventory levels +£37 million (+10%)** – reflects Ernest Jones acquisition (£25 million) and pre-owned. Underlying inventory levels and turns healthy
- **Right-of-use assets and lease liabilities** increased due to the expansion of the showroom portfolio
- **Net cash position of £1 million** following £44 million outflow for Ernest Jones (30 April 2023: net cash of £16 million)

Excellent Free Cash Flow

Cash flow (£million)	FY24	FY23	YoY %
Adjusted EBITDA	179	201	(11%)
Working capital	(20)	(23)	10%
Tax	(34)	(27)	(26%)
Other	2	4	
Cash generated from operating activities	127	155	(18%)
Maintenance capex	(3)	(4)	
Interest	(6)	(5)	
Free cash flow	118	146	(19%)
Free cash flow conversion	66%	72%	(60bps)
Expansionary capex	(78)	(68)	(16)%
Acquisitions, including exceptional costs	(47)	(25)	
Purchase of own shares	(7)	(21)	
Refinancing costs	(2)	-	
Other	-	(1)	
(Increase)/reduction in net debt	(16)	31	

Free cash flow of £118 million; 66% free cash flow conversion, ahead of guidance

- Adjusted EBITDA decreased by 11%
- Working capital outflow supporting growth in pre-owned inventory
- £78 million of expansionary capex
- £47 million spent on acquisitions

Refer to Glossary in Appendix for definitions

New Facility	Expiring	Amount
Multicurrency revolving loan facility – UK SONIA +1.50% to 2.55%	May-28	£225m
Term loan – UK SONIA +1.50% to 2.55%	Feb-26	\$115m

- On the 9 May 2023, the Group secured a new £225 million multicurrency revolving loan facility replacing the prior multiple facilities
- Liquidity headroom increased by £55 million following the refinancing
- On 8 May 2024, drew down on a \$115 million term loan to finance the acquisition of Roberto Coin Inc.
 - Interest rates and covenant conditions are identical to the multicurrency revolving loan facility
 - Term of 12 months with two 6-monthly extension options
 - Maintains Group’s liquidity and financial flexibility
- Following the Roberto Coin Inc. acquisition leverage is 0.6x EBITDA on a pro-forma basis



The Watches of Switzerland Group

Long Range Plan
Brian Duffy, CEO



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

- Strong new project programme

- Luxury Jewellery
 - Roberto Coin
 - New jewellery concept

- Accelerated Pre-Owned concept

- US ecommerce

- Acquisitions and new projects – US profitability gain through leverage and cost management



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

 ROBERTO COIN
(North America)

Analog:Shift

MONO-BRAND
BOUTIQUES

Strong US Project Pipeline Through FY28

Completion of:

- Mayors
- Betteridge
- Marlton, New Jersey
- Plano, Texas
- Minneapolis, Minnesota



St Johns Town Centre, Jacksonville



Betteridge Vail



Plano Texas



Mayors Tampa International

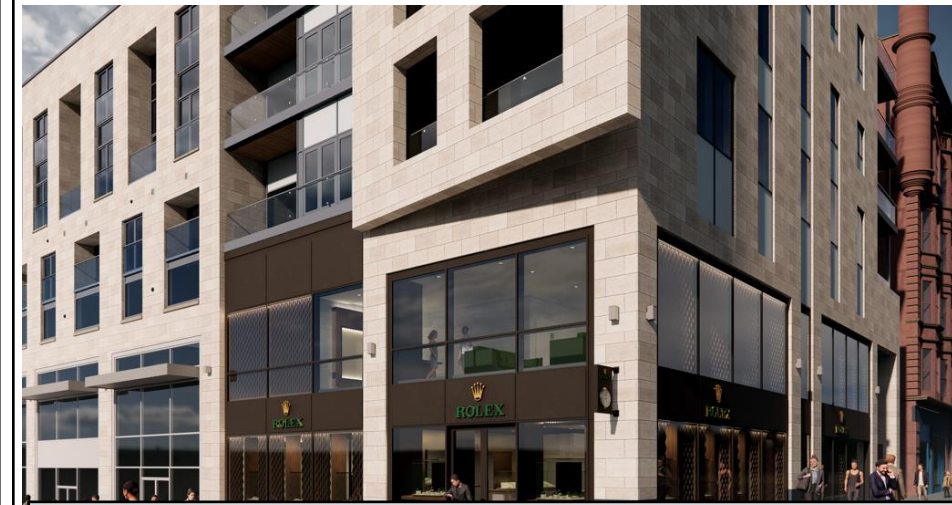
Major Project Pipeline UK Through FY28

Completion of:

- M&W contemporary
- Goldsmiths Luxury



Rolex Old Bond Street



Rolex Glasgow



Audemars Piguet Town House



Manchester Mappin & Webb Luxury Jewellery



- **Very positive market reaction to new designs at Couture 2024**
 - **WOS CEO meetings with key partners as well as wider Roberto Coin team**
- **First Roberto Coin mono-brand boutique locations being secured**
- **Early discussion with potential franchise partners**
- **Roberto Coin Italy and US marketing teams aligned and reviewing marketing and online opportunities**
- **Full online capability review ongoing**
- **All WOSG Roberto Coin locations being expanded and re-merchandised**

COUTURE

MAY 29 | 6PM - JUNE 2, 2024

WYNN LAS VEGAS

COUTURE is held annually at the luxurious Wynn Las Vegas, and is the most exclusive and intimate destination for the designer fine jewelry and luxury timepiece market. Catering to an elite community of renowned heritage brands, emerging design talent, the finest retailers and award-winning media from around the globe, COUTURE is the premier event where the jewelry industry gathers to connect, collaborate and conduct business.



New Luxury Jewellery Showroom Concept



DAVID YURMAN

Mappin & Webb

VICENZA

MESSIKA
PARIS

Pomellato

FOPE
DAL 1929

FRED

6 PLACE VENDÔME
REPOSSI
PARIS

FABERGÉ

Jenny Holzman

DE BEERS
JEWELLERS

PASQUALE BRUNI

ROBERTO COIN





- Sales/conversion ahead of expectation
- Increased sourcing and improved product logistics
- Marketing, in store branding, and window displays
- Online development

WATCHES OF
SWITZERLAND

MAYORS

BETTERIDGE

Analog:Shift

 ROBERTO COIN

- UK ecommerce sales >8%
- US ecommerce sales <2%
- No significant luxury watch multibrand player
- New dedicated US team in place
- Investment in technology
- Investment in marketing
- Expand online brand portfolio in watches and jewellery
- Pre-Owned potential

Acquisitions and New Projects



Mayors



Wynn Resort, Las Vegas



Betteridge



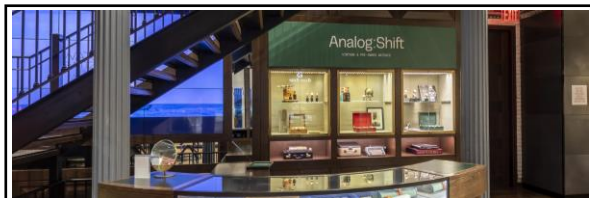
Timeless Plano



Minneapolis



Marlton



Analog:Shift

- US market is underdeveloped
- Brand consolidation/elevation in the US market continues
- WOS fully established as a leading US Retail Group with recent investment/elevation in infrastructure
- Roberto Coin acquisition completed in May 2024

The Revised Sales Plan Growth Matrix



Indicative only

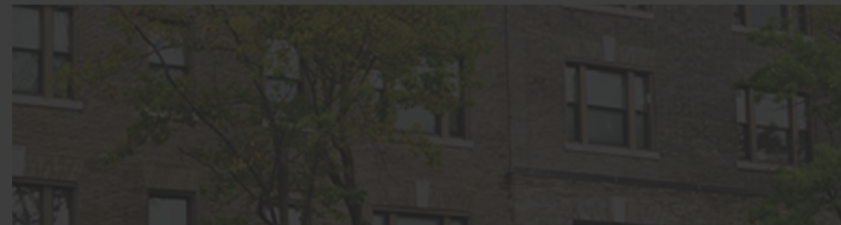
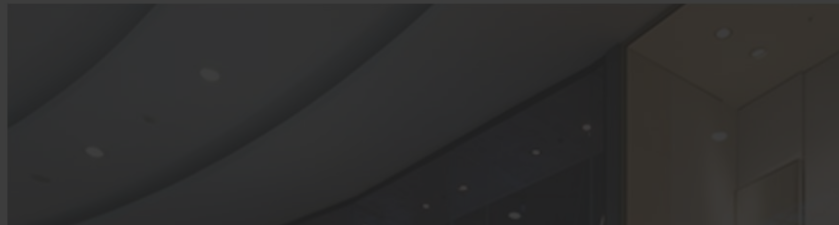
Summary

- The Watches of Switzerland Group model works and we continue with our strategy of investment for profitability
- The luxury watch market is strong and resilient with demand continuing to exceed supply
- We have a very strong programme of major projects in the coming years offering incremental sales and profit growth
- The pre-owned segment is dynamic and has been positively impacted by the introduction of Rolex Certified Pre-Owned. Watches of Switzerland performance in this segment to date is ahead of expectation
- The luxury jewellery market offers significant growth potential through the Roberto Coin Inc. acquisition in the US and other strong initiatives
- US market remains underdeveloped with the Group, with growth potential from acquisitions and new projects
- Our Group remains focussed on our wider responsibility to our colleagues and community and our environmental projects and goals
- Both FY25 guidance and Long Range Plan goals are confirmed



The Watches of Switzerland Group

Q&A
Brian Duffy - CEO
Anders Romberg - CFO



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

Analog:Shift

MONO-BRAND BOUTIQUES

ROBERTO COIN

ANNOUNCEMENT	TIMING
AGM Trading Update	September
Half Year Results	December
Holiday Trading Update	January
Full Year Results	July

Glossary

Adjusted EBIT: Adjusted Earnings Before Interest and Tax is operating profit before exceptional items and IFRS-16 impact

Adjusted EBIT margin: Adjusted EBIT divided by revenue

Adjusted EBITDA: Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation is shown before exceptional items a before the impact of IFRS-16

Adjusted EBITDA margin: Adjusted EBITDA divided by revenue

Adjusted EPS: Basic Earnings Per Share before exceptional items and IFRS-16 impact

Exceptional items: Items that in the judgement of the Directors need to be disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group

Free cash flow: Cash flow shown on a pre-IFRS 16 basis (including any lease cash payments) excluding expansionary capex, acquisitions of subsidiaries and financing activities

Free cash flow conversion: Free cashflow divided by Adjusted EBITDA

Net cash: Total borrowings (excluding capitalised transaction costs) less cash and cash equivalents and excludes IFRS-16 leases

ROCE: Return on Capital Employed is defined as Adjusted EBIT divided by average capital employed. Average capital employed is total assets less current liabilities excluding IFRS-16 lease liabilities.