

18 January 2024



Watches of Switzerland Group PLC Trading Update

Despite a positive start to the early part of Q3 FY24, WOSG then experienced a volatile trading performance in the run-up to and beyond Christmas, as the challenging macro-economic conditions impacted consumer spending in the luxury retail sector. We now expect these challenging conditions to remain for the balance of our fiscal year.

Across the UK and US, demand for our key brands continues to be strong with net increases to Registration of Interest lists. By market, sales in the US remained strong with continued double-digit growth. The UK was more challenged, and this impacted a broad range of luxury watch brands and non-branded jewellery. There was an unusually high level of promotional activity in non-branded jewellery.

In light of the recent challenging trading conditions and based on a more cautious view of the outlook for the remainder of the fiscal year, management is now providing revised full year guidance for FY24, which assumes no recovery in consumer demand and reflects discussions with key brands.

Brian Duffy, Chief Executive Officer, said:

“The festive period was particularly volatile this year for the luxury sector, with consumers allocating spend to other categories such as fashion, beauty, hospitality and travel. Whilst we are disappointed with this trend, we are encouraged by our market share gains in both the US and UK.

“I would like to thank our colleagues for continuing to provide high quality service and support to our clients against this challenging backdrop.

“We remain confident in the markets in which we operate, our model and the delivery of our Long Range Plan announced to the market in November 2023.”

FY24 Guidance

Organic on a pre-IFRS 16 basis	Previous Guidance	Revised Guidance
Revenue	£1.65 - £1.70 billion	£1.53 - £1.55 billion
Constant currency revenue growth	8-11%	2-3%
EBIT margin %	In line with FY23	8.7% to 8.9%
Total finance costs	c.£5 million	c.£6 million
Underlying tax rate	27% - 28% reflecting the increase in UK corporation tax	c28%
Capex	£70 – £80 million	£70 – £80 million
Operating cash conversion	c70% weighted towards H2 in line with seasonal pattern	c50%

This announcement contains information which is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No.596/2014. Upon the publication of this announcement via the Regulatory Information Service, the inside information is now considered to be in the public domain.

The person responsible for arranging the release of this information on behalf of the Company is Laura Battley, Company Secretary and General Counsel.

Conference call

A conference call for analysts and investors will be held at 9.00am (UK time) today. To join the call, please use the following details:

Dial-in: +44 800 358 1035

Conference access code: 236695

Q3 Trading Update

The Group will announce a Q3 Trading Update for the 13 and 39 weeks ended 28 January 2024 on Thursday 8 February 2024.

A conference call for analysts and investors on the Group's Q3 Trading Update will be held at 9.00am (UK time) on 8 February, details for which will be provided in the announcement.

Contacts

The Watches of Switzerland Group

Anders Romberg, CFO

+44 (0) 207 317 4600

Caroline Browne, Group Finance Director

+44 (0) 1162 817 420

investor.relations@thewosgroup.com

Headland

Lucy Legh / Rob Walker / Joanna Clark

+44 (0) 20 3805 4822

wos@headlandconsultancy.com

About the Watches of Switzerland Group

The Watches of Switzerland Group is the UK's largest luxury watch retailer, operating in the UK, US and Europe comprising five prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US) and Betteridge (US), with a complementary jewellery offering.

As at 29 October 2023, the Watches of Switzerland Group had 211 showrooms across the UK, US and Europe including 97 dedicated mono-brand boutiques in partnership with Rolex, OMEGA, TAG Heuer, Breitling, TUDOR, Audemars Piguet, Longines, Grand Seiko, BVLGARI and FOPE and has a leading presence in Heathrow Airport with representation in Terminals 2, 3, 4 and 5 as well as seven retail websites.

The Watches of Switzerland Group is proud to be the UK's largest retailer for Rolex, OMEGA, Cartier, TAG Heuer and Breitling watches.

www.thewosgroupplc.com

Disclaimer

This announcement 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 announcement and the information incorporated by reference into this announcement 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 announcement and/or the information incorporated by reference into this announcement.

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 announcement, 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 and, except as required by law or regulation, the Company undertakes no obligation to update these forward-looking statements. No statement in this announcement should be construed as a profit forecast or profit estimate.

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 or the Group's operations as detailed above.