



Watches of Switzerland Group PLC Q3 FY22 Trading

for the 13 weeks (Q3 FY22) and 39 weeks (9M FY22) to 30 January 2022

***Strong Q3 FY22 trading, outlook now expected to be towards the top end of guidance
Entrance into the European market securing six mono-brand boutiques***

Watches of Switzerland Group PLC ('the Group') today provides the following trading update for the 13 and 39 weeks ending 30 January 2022.

- **Q3 FY22 Group revenue £348.1 million (Q3 FY21: £272.6 million), +27.9% vs Q3 FY21 and +36.5% vs Q3 FY20 (both in constant currency). YTD Group revenue £934.3 million +38.0% vs FY21 and +39.2% vs FY20 (both in constant currency)**
 - Q3 FY22 luxury watches +21.0% on last year. Demand for luxury watches continues to be very strong in both the UK and the US consistently exceeding supply
 - Sales of "Super High Demand" (Rolex, Patek Philippe and Audemars Piguet) watches reflected the timing of intake in the quarter. Full year intake continues to be in line with our expectations
 - Growth in other luxury watches (i.e. excluding Rolex, Patek Philippe and Audemars Piguet) was +111.9% on last year
 - Q3 FY22 luxury jewellery +88.4% on last year reflecting a strong market, continued improvement in ranging and the incremental growth from the Betteridge acquisition and the opening of our first Bvlgari boutique
 - Q3 FY22 Group ecommerce sales -1.1% on last year when UK stores were open for four weeks out of thirteen due to COVID-19 lockdowns (+123.1% vs Q3 FY20)
 - Group's strategy to expand in Europe progressed, securing six mono-brand boutiques in Sweden, Denmark and Republic of Ireland. These boutiques will open in H1 FY23
 - Previously committed donation of £3.0 million paid to The Watches of Switzerland Foundation of which £1.5 million was accrued in FY21 and £1.5 million in H1 FY22
 - The Group granted a free gift of 50 shares to all colleagues and launched employee share save schemes in the UK and the US to further incentivise colleagues
- **Q3 FY22 US revenue £124.6 million (Q3 FY21: £86.5 million), +44.6% vs Q3 FY21 and +72.3% vs Q3 FY20 (both in constant currency)**
 - Luxury watch growth of +32.4% on last year, with 214.3% growth in other luxury watch brands (i.e. excluding Rolex, Patek Philippe and Audemars Piguet)
 - Exceptional luxury jewellery growth of +172.6% on last year, benefiting from the Betteridge acquisition on 1 December 2021 and the opening of our first Bvlgari boutique, adjacent to the refurbished Mayors Aventura, Florida
 - Store network further enhanced with:
 - Refurbished Rolex boutique in Wynn Resort, Las Vegas
 - Further progress on our Mayors refurbishment programme with the reopening of Mayors Millenia, Florida
 - Expansion of the mono-brand boutique channel with the opening of Breitling Short Hills, New Jersey and Tudor Millenia, Florida

- **Q3 FY22 UK revenue £223.5 million (Q3 FY21: £186.1 million), +20.1% vs Q3 FY21 and +22.0% vs Q3 FY20**
 - UK performance continues to be driven by a thriving domestic clientele
 - Sales driven through our omni-channel approach supported by increased digital marketing
 - Luxury watches +15.2% on last year, with +77.9% growth in other luxury watch brands (i.e. excluding Rolex, Patek Philippe and Audemars Piguet)
 - Luxury jewellery +55.7% on last year reflecting continued market demand and continued improvement in ranging
 - Continued investment in store network:
 - Roll out of the Goldsmiths Luxury concept to a further five stores
 - Mono-brand boutique network enhanced with three further TAG Heuer boutiques (Guildford, Brighton and Southampton) and refurbishment of Breitling Trafford
 - Refurbishment of Mappin & Webb Regent Street

Outlook

- Reflecting strong trading in Q3 FY22, margin accretive sales growth of other luxury watch brands and price increases implemented by certain brands, the Group now expects full year revenue and profit to be towards the top end of the upgraded guidance announced at 9 November 2021. Other guidance remains unchanged
- Our guidance reflects that we do not expect any significant change in market conditions in the balance of the fiscal year
- The Group has an exciting pipeline of confirmed store projects for the remainder of the fiscal year:
 - Mayors Boca Raton, Florida refurbishment
 - Opening of new flagship store in Kenwood Towne Center, Cincinnati, Ohio
 - Three new mono-brand boutiques in the UK
- Furthermore, the Group has committed to the following projects in FY23:
 - New flagship store in American Dream, New Jersey
 - Watches of Switzerland store in Battersea, London
 - Continued roll out of UK Goldsmiths Luxury elevated store formats
 - Further elevation of the Mayors network in Florida
 - Expansion of the mono-brand footprint in the UK and US
 - Entry into the European market through the opening of six mono-brand stores in Sweden, Denmark and Republic of Ireland

Brian Duffy, Chief Executive Officer, said:

“I am pleased to report continued strong momentum for our Group following a successful Christmas trading period. We have delivered impressive growth in both luxury watches and luxury jewellery in both the UK and US markets demonstrating the value of our portfolio of world leading partner brands.

“I am also pleased to report a strong sales performance of the five stores acquired in the year and a great contribution from our new colleagues.

“We have announced today our entry into the European market with mono-brand boutiques agreed in Sweden, Denmark and Republic of Ireland providing our Group with further geographic diversification in line with our Long Range Plan.

“Having received its £3.0 million donation in the period, The Watches of Switzerland Foundation has now begun putting the proceeds towards providing essential support in the communities where we live and work in the UK and in the US.

“Furthermore, in recognition of our colleagues’ hard work and to ensure they have the opportunity to share in the success we deliver as a business, we are pleased to have provided all our colleagues with a gift of 50 free shares and access to employee share save schemes in the UK and US.

“Strong trading to date, revised pricing by certain brands and visibility of supply for calendar 2022 all support our expectation to perform towards the top end of our full year guidance. Demand in our category continues to outstrip supply and we remain confident in the future of our business and achieving the goals laid out in our Long Range Plan.”

Q3 FY22 Revenue performance by geography

	Q3 FY22	Q3 FY21	Q3 FY22 vs Q3 FY21		Q3 FY22 vs Q3 FY20	
	13 weeks to 30 Jan 2022	13 weeks to 24 Jan 2021	Reported YoY %	Constant currency YoY %	2-year reported YoY %	2-year constant currency YoY %
(£million)						
UK	223.5	186.1	+20.1%	+20.1%	+22.0%	+22.0%
US	124.6	86.5	+44.0%	+44.6%	+67.0%	+72.3%
Group Revenue	348.1	272.6	+27.7%	+27.9%	+35.0%	+36.5%

Q3 FY22 and 9M FY22 Revenue performance by category (reported)

	Q3			9M		
	13 weeks to 30 Jan 2022	13 weeks to 24 Jan 2021	YoY %	39 weeks to 30 Jan 2022	39 weeks to 24 Jan 2021	YoY %
(£million)						
Luxury watches	279.8	231.3	+21.0%	788.7	593.4	+32.9%
Luxury jewellery	41.8	22.2	+88.4%	82.5	48.5	+70.2%
Other	26.5	19.1	+38.6%	63.1	44.9	+40.4%
Group Revenue	348.1	272.6	+27.7%	934.3	686.8	+36.0%

YTD FY22 Revenue performance by geography

	9M FY22	9M FY21	9M FY22 vs 9M FY21		9M FY22 vs 9M FY20	
	39 weeks to 30 Jan 2022	39 weeks to 24 Jan 2021	Reported YoY %	Constant currency YoY %	2-year reported YoY %	2-year constant currency YoY %
(£million)						
UK	642.2	480.2	+33.7%	+33.7%	+28.2%	+28.2%
US	292.1	206.6	+41.4%	+47.8%	+57.4%	+69.0%
Group Revenue	934.3	686.8	+36.0%	+38.0%	+36.1%	+39.2%

Q3 FY22 Results Conference call

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

Conference call: United Kingdom (Local): 020 3936 2999
 All other locations: +44 20 3936 2999
 Participant access code: 866937

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About the Watches of Switzerland Group

The Watches of Switzerland Group is the UK's largest luxury watch retailer, operating in both the UK and US, 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 30 January 2022, the Watches of Switzerland Group has 171 stores across the UK and US including 51 dedicated mono-brand boutiques in partnership with Rolex, TAG Heuer, Breitling, OMEGA, Tudor, Audemars Piguet, 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, Cartier, OMEGA, TAG Heuer and Breitling watches.

Mappin & Webb holds Royal warrants as goldsmiths, silversmiths and jeweller to Her Majesty The Queen and silversmiths to His Royal Highness The Prince of Wales. The Mappin & Webb master jeweller has been Crown Jeweller, custodian of the Crown Jewels of Her Majesty The Queen since 2012.

<https://www.thewosgroupplc.com>

Cautionary note regarding forward-looking statements

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 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 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 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.

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 which are described in the Annual Report and Accounts 2021 in Risk Management and Principal Risks and Uncertainties.