

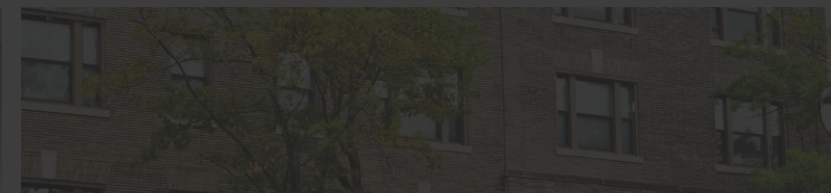
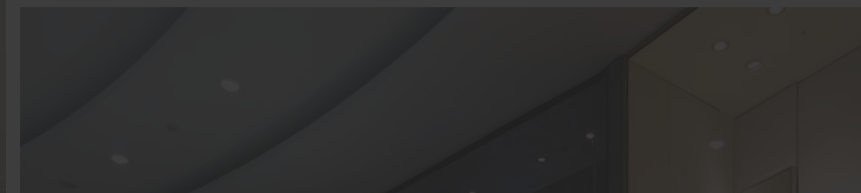


The Watches of Switzerland Group

FY23 Results

July 2023

52 weeks ended 30 April 2023



WATCHES of SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE
EST 1897

Analog:Shift

MONO-BRAND
BOUTIQUES

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.

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Agenda

CEO Update

Brian Duffy

Chief Executive Officer

UK & Europe

Craig Bolton

President UK & Europe

US

David Hurley

President North America &
Deputy CEO

Financial Review & Outlook

Anders Romberg

Chief Financial Officer

Q&A



American Dream, New Jersey – Opened May 2023

A Year of Record Performance

Record Revenue achieved
Group Revenue +25% vs FY22 at reported rates

Adjusted EBIT £165m: +27% vs FY22
Adjusted EBIT margin 10.7%: +20bps vs FY22

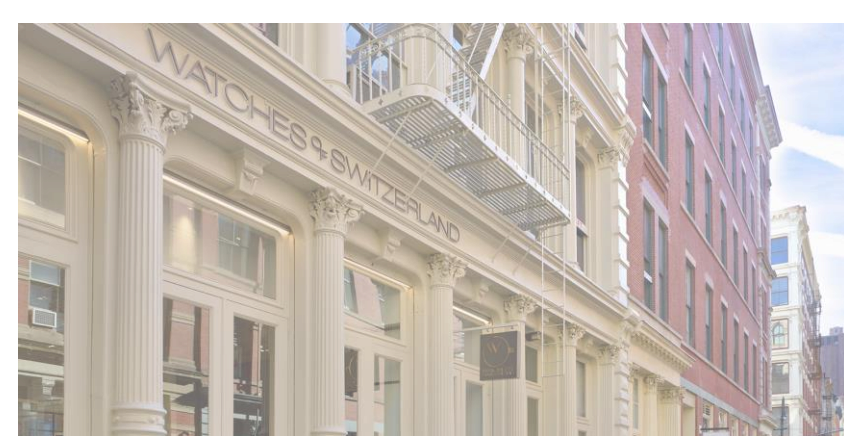
ROCE 27.9%: +50bps vs FY22

28 showrooms opened across the UK, US and Europe
Upgraded a further 13 showrooms with the rollout of Goldsmiths Luxury and Mayors refurbishment programme

Enter FY24 significantly ahead of Long Range Plan with a strong pipeline of showroom projects to support ongoing growth

Continued focus across ESG reflected in AAA rating from MSCI

All metrics shown on a pre-IFRS 16 and pre-exceptional basis



The Watches of Switzerland Group

CEO Update
Brian Duffy - CEO



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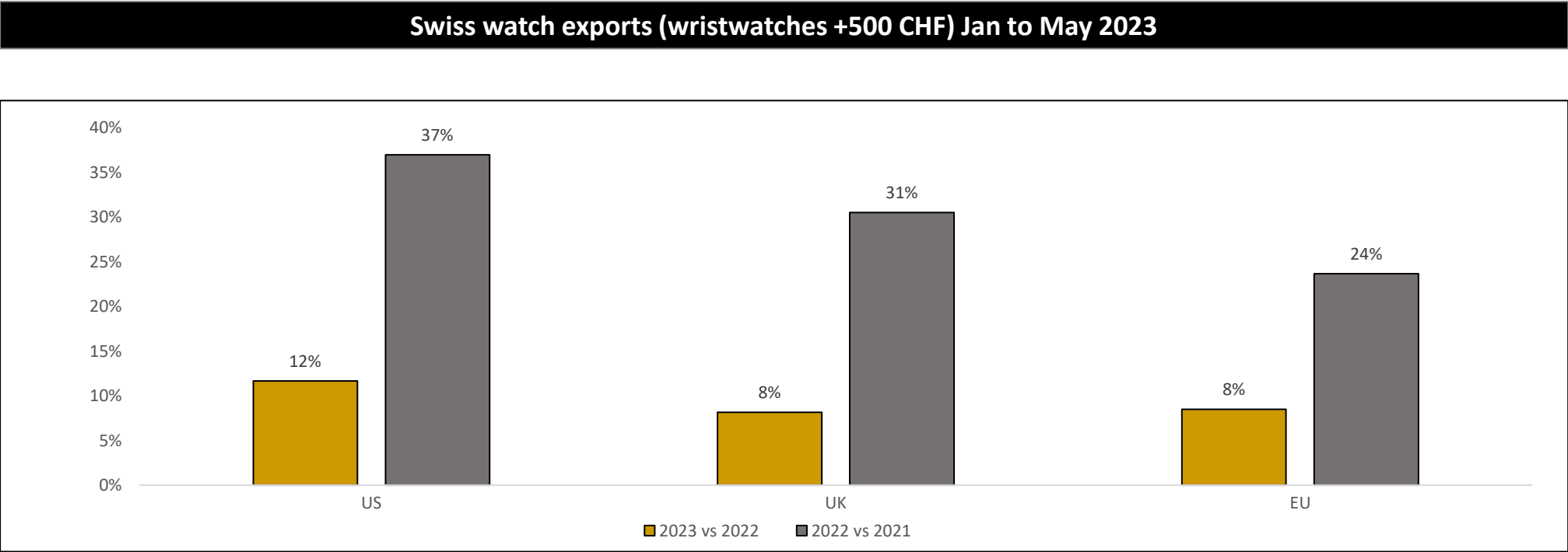
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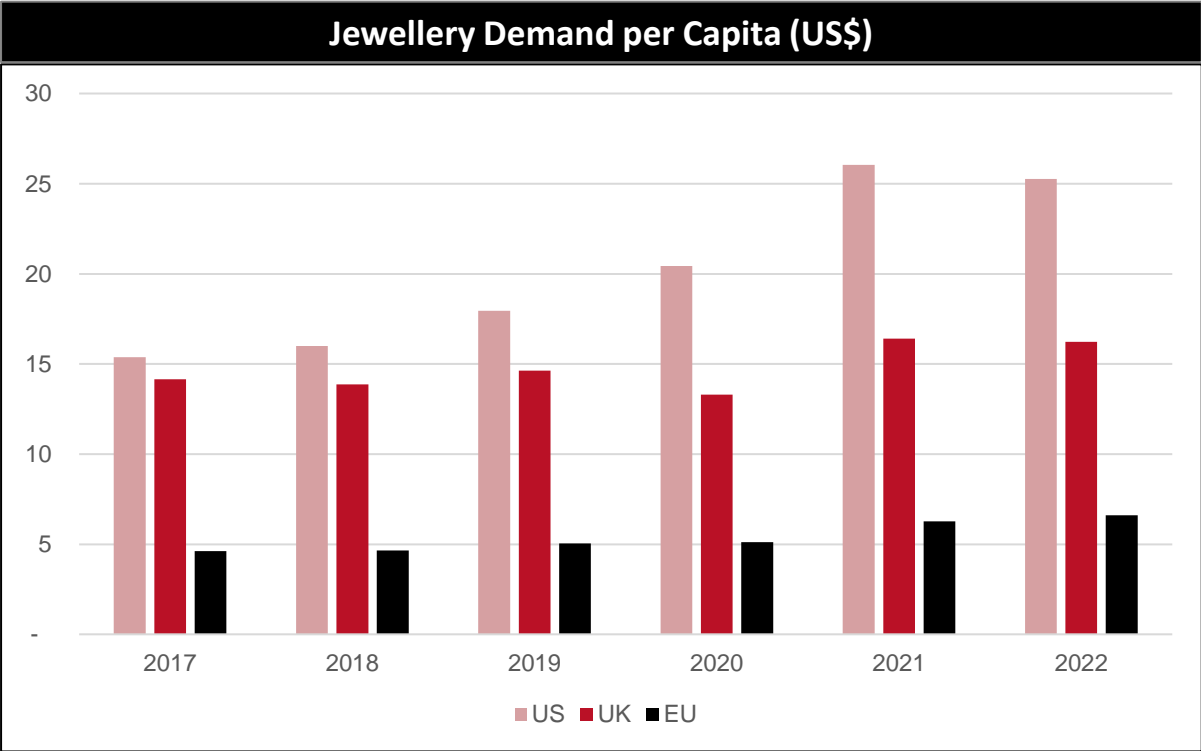
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Luxury Watch Market remains strong after a period of exceptional growth



Source: Swiss Watch Federation

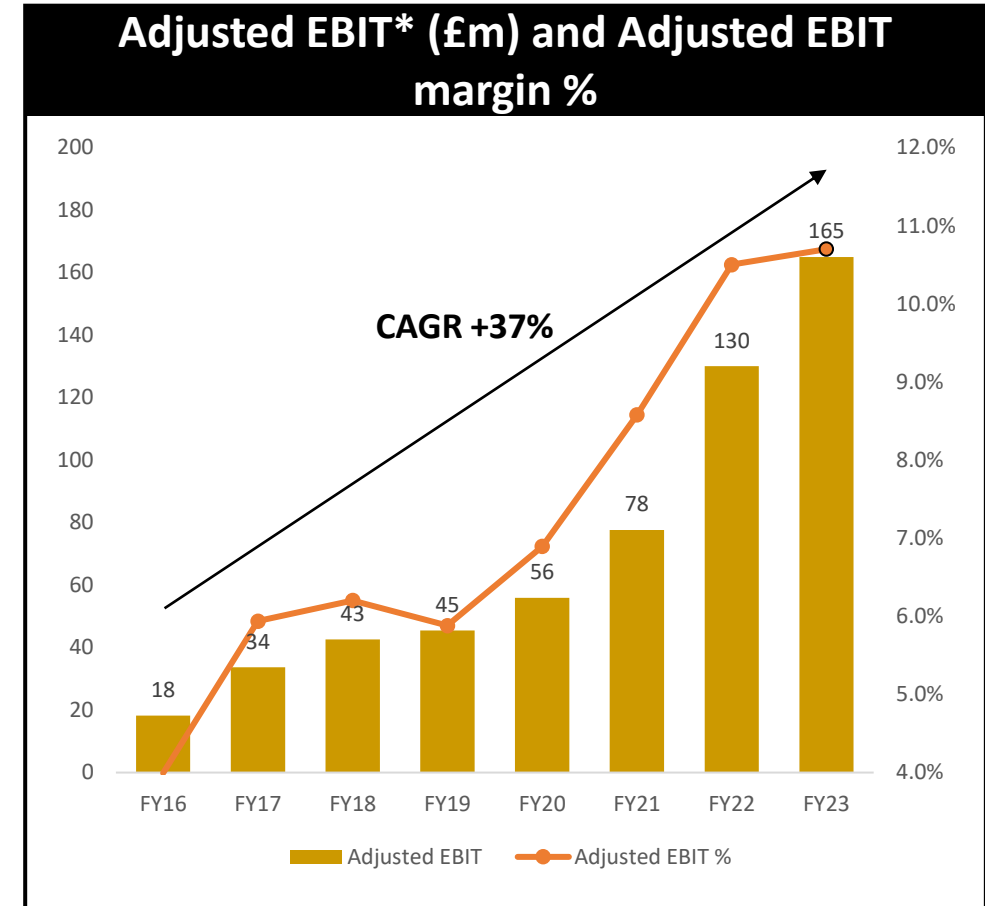
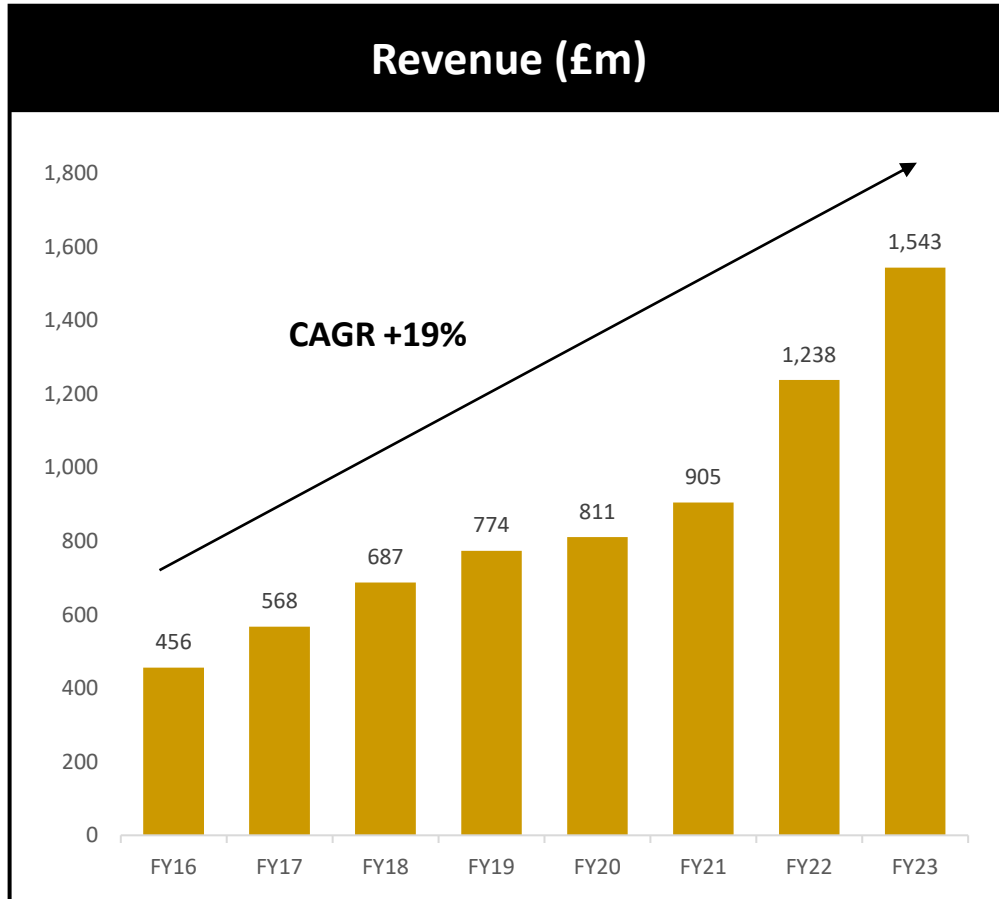
Luxury Jewellery Market resilient after a period of exceptional growth



- Resilient category
- Trend towards branded Jewellery
- Strong growth across North America
- Moderate growth in UK and EU
- Bridal makes up a significant part of the market

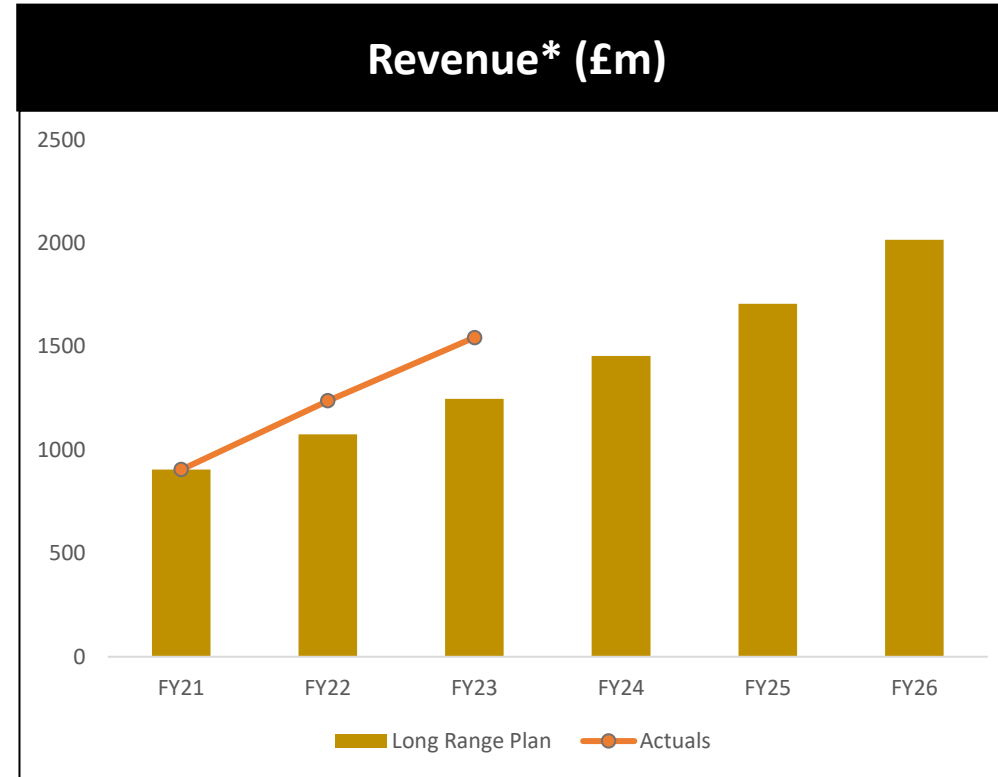
Source: Metals Focus, Refinitiv GFMS, ICE Benchmark Administration, World Gold Council

Another year of record sales and profitability



* Adjusted EBIT (before exceptional items and IFRS 16 impact)

And ahead of where we expected to be vs our Long Range Plan



*Revenue at Reported Rates

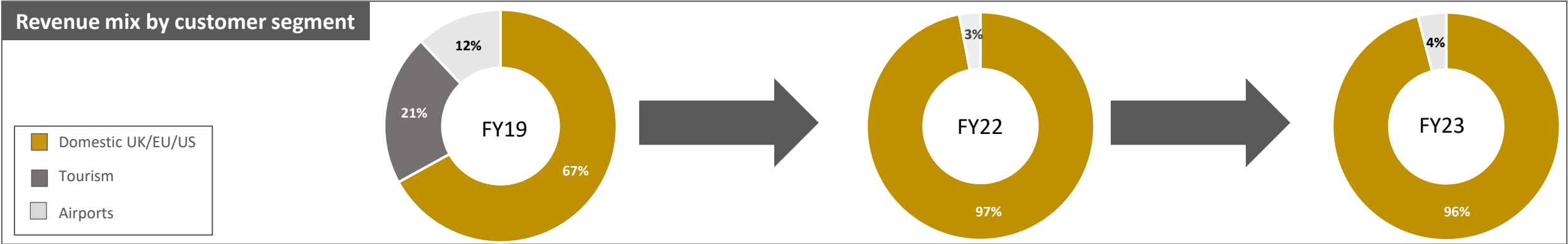
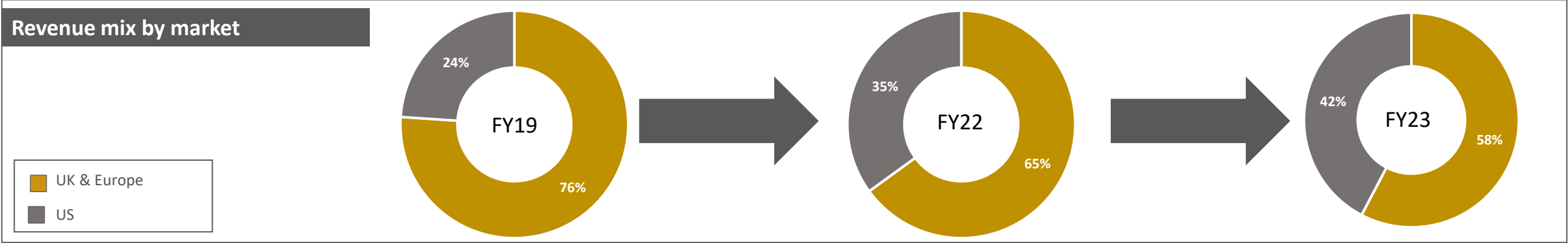
Long Range Plan Revenue* CAGR FY21 to FY23

+17%

Actual Revenue* CAGR FY21 to FY23

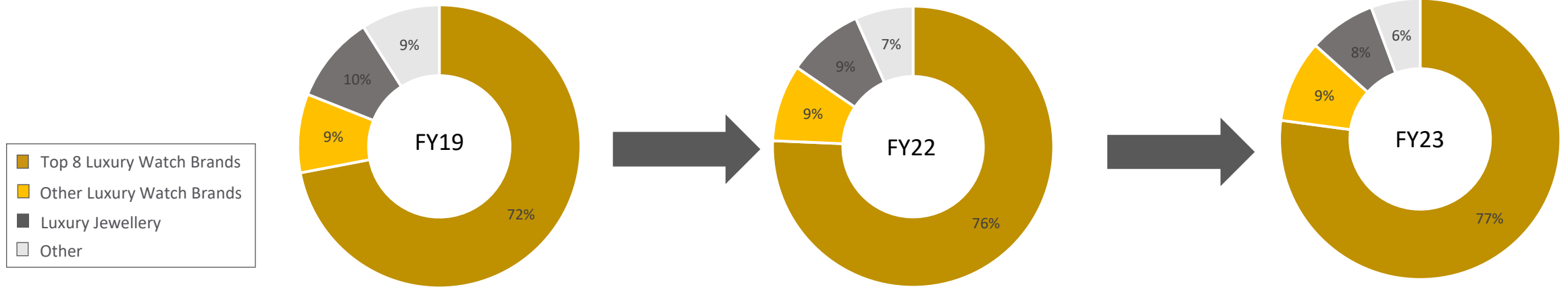
+31%

WOSG US share of sales growing and performance led by domestic clientele



Robust and Flexible Business Model

Well diversified product and brand mix



Sustained Investment in Brand Relationships

Luxury Watch & Jewellery Events



Exclusive Product



Client Events



Grand Prix d'Horlogerie de Genève Awards



Xenia – Delivering an Exceptional Client Experience



UK Client Experience

Showrooms

Over 93% of occasions our clients are made to feel at ease before the consultation had commenced

Clients state our colleagues show expertise, confidence, and passion in over 90% of occasions

Online

9 out of 10 clients rating our website 'very easy to use'

9 out of 10 clients rating our website 'very easy to complete their purchase'


UK: 4.5 out of 5


UK: 4.5 out of 5

US Client Experience

Showrooms

Showrooms scored 97% in making positive first impressions with clients


Clients state our showrooms present a luxury environment and atmosphere in over 92% of occasions

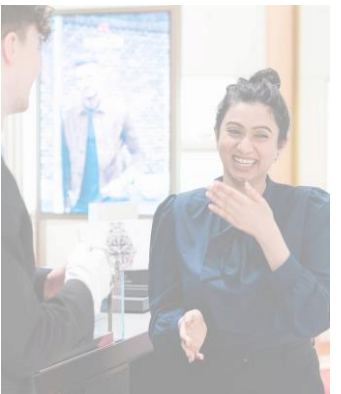
Online

9 out of 10 clients expressed they found our U.S. website easy to use

9 out of 10 clients rated their experience as excellent


US: 4.9 out of 5


US: 4.7 out of 5



UK: Impactful Digital and PR Activity Driving Awareness and Sales



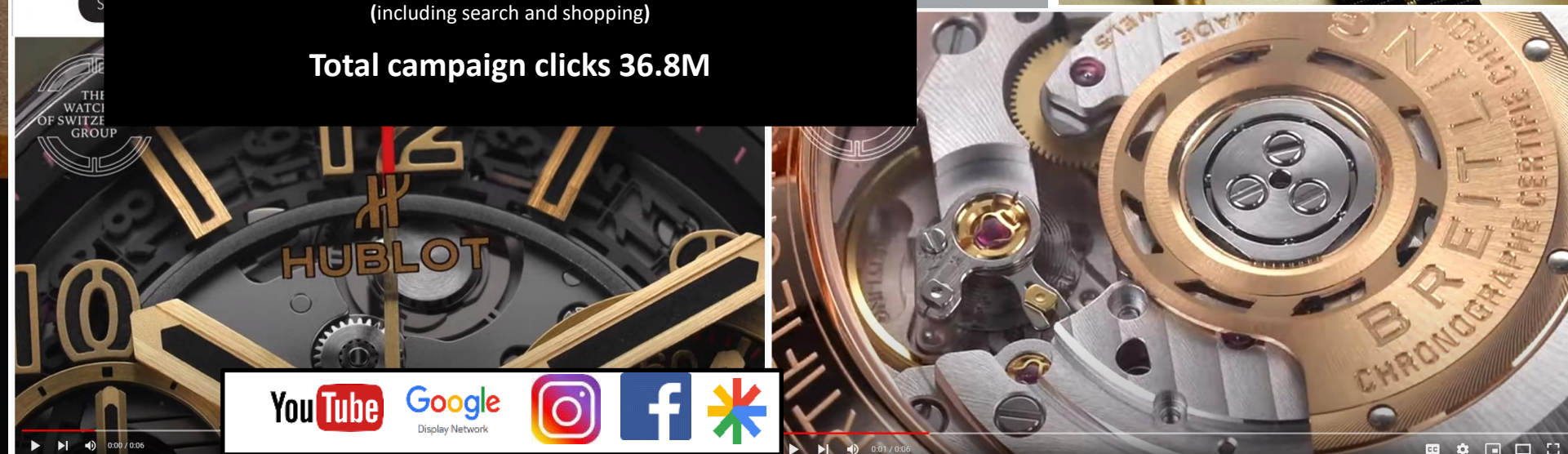
Digital Reach FY23

Monthly reach on social 58.7M

Total campaign Impressions 4.4BN
(including search and shopping)

Total campaign clicks 36.8M

YouTube Google Display Network Instagram Facebook



US: Impactful Digital and PR Activity Driving Awareness and Sales

Digital Reach FY23

Monthly impressions on Social 13.5M

Digital campaign Impressions 990M
(including search and shopping)

PR impressions 9.1BN

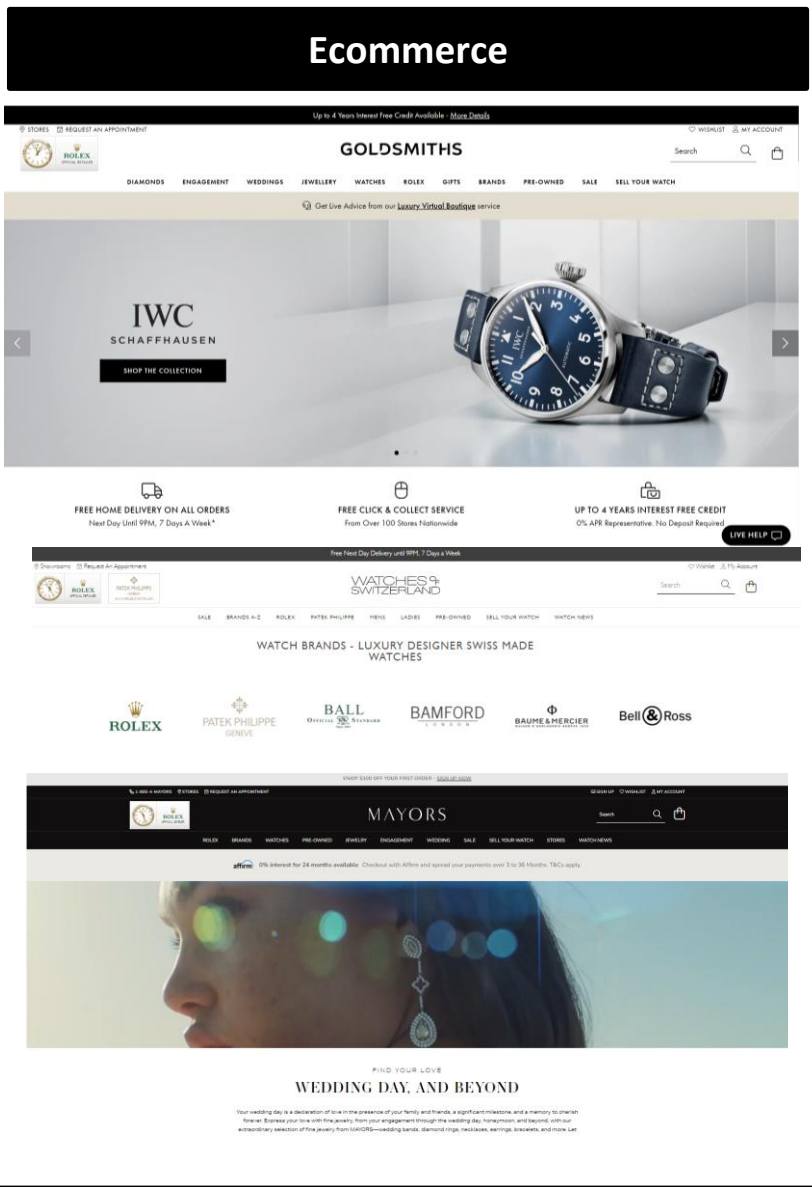
Expand Multi-Channel Leadership: Ongoing Investment into digital and technology



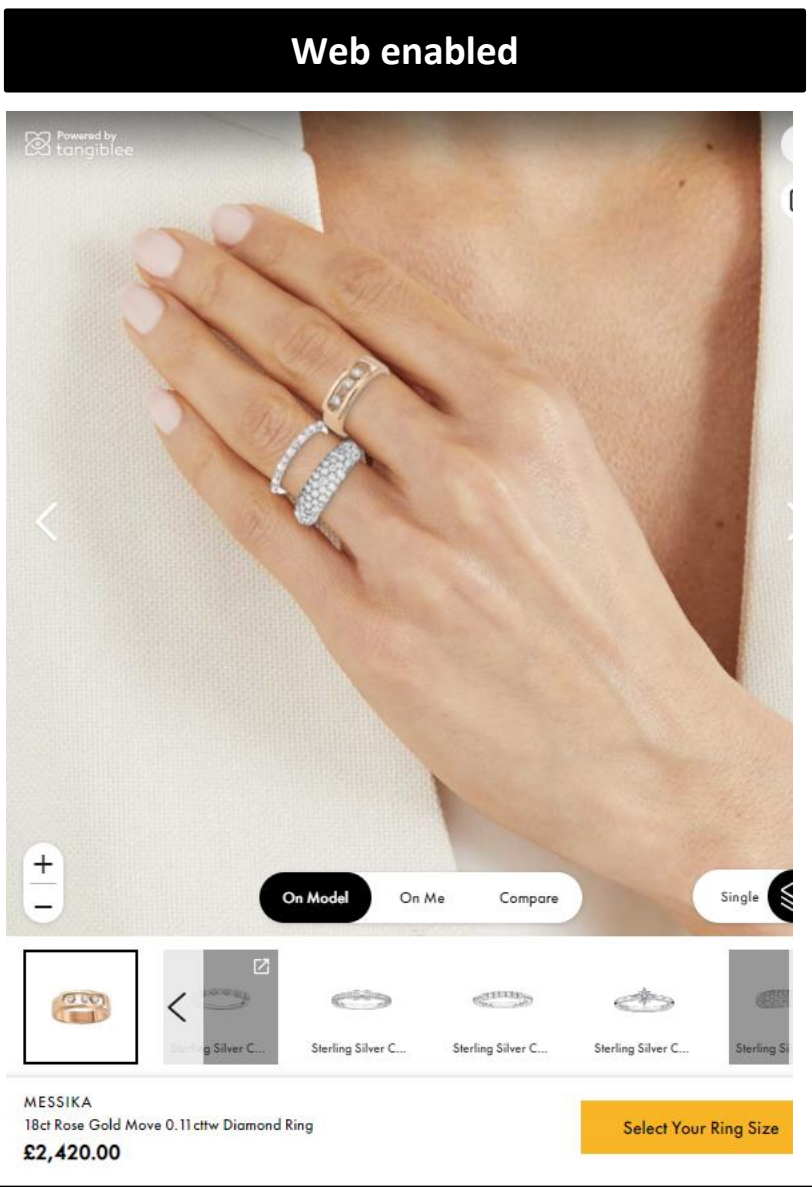
Luxury Watch & Jewellery Virtual Boutique



Ecommerce



Web enabled



Pre-Owned is continuing to develop



- Expanded pre-owned into new doors in both UK and US, more than doubled showroom footprint in the US and rolled out across online platforms
- Ongoing investment into Analog:Shift
- Investing and expanding capacity in both UK and US to repair and service timepieces
- Launching Rolex Certified Pre-Owned; US next week, UK in September
- Introduced new ESG Circularity Key Performance Indicator



People



Planet

MSCI

ESG RATINGS

CCC

B

BB

BBB

A

AA

AAA

AAA

CDP

DISCLOSURE

2022

WATCH & JEWELLERY

INITIATIVE 2030

ENVIRONMENTAL

QUALITYSCORE

HIGHEST RANKED BY ISS ESG

1

SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS
AMBITION FOR

1.5°C






Responsible Sourcing


WOSG ESG PARTNER
STANDARDS

THE ESSENTIAL GUIDE
FOR EVERYONE WHO
WORKS WITH US

ENVIRONMENT:
OUR APPROACH




UNITED NATIONS
SUSTAINABLE
DEVELOPMENT
GOALS



S

SLAVE-FREE
ALLIANCE

Working Towards a
Slave-free Supply Chain



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Continue to advance the ESG Agenda: The Watches of Switzerland Group Foundation





FOUNDATION
Helping our communities



£6.0 million cumulative donations to Foundation




Strategic Partners

FOOD BANKS UK & US



FUEL BANK FOUNDATION UK



PRINCE'S TRUST UK & US



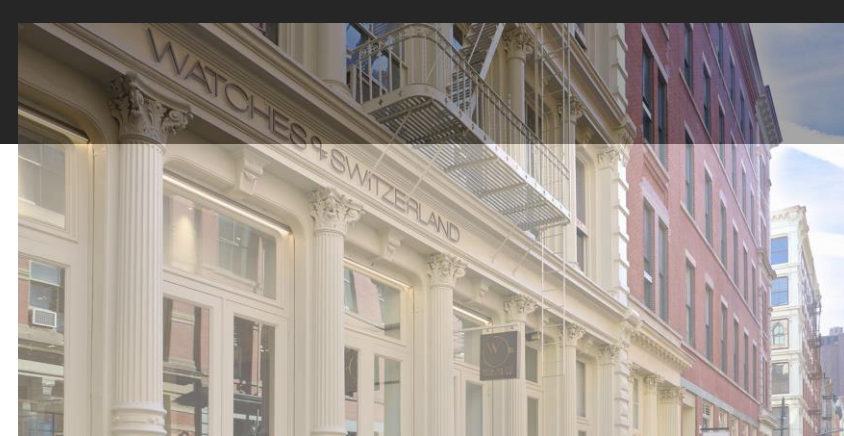
IN PARTNERSHIP WITH
THE PRINCE'S TRUST

HABITAT FOR HUMANITY US



CRISIS UK





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UK & Europe

Craig Bolton - President UK & Europe



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FY23 UK Showroom Development



Goldsmiths Luxury Roll-out: Cribbs Causeway – Pre-Refit



Goldsmiths Luxury Roll-out: Cribbs Causeway – Post-Retrofit



Mappin & Webb: York Pre Refit



Mappin & Webb: New Contemporary Concept York



Watches of Switzerland Battersea, London



Opened October 2022

First UK Breitling Café and 3 other mono-brand boutiques



Watches of Switzerland: Stratford - Pre Refit



Watches of Switzerland: Stratford - Post Refit



UK: Driving expansion through Mono-Brand Boutiques



FY23
UK Mono-Brand Boutiques
51



Expanding our partnership with Rolex: Old Bond Street, London



- Opening Summer 2024
- Three floors of retailing space
- Dedicated Rolex Certified Pre-owned area and service lounge

Expanding our partnership with Rolex: Glasgow



- Opening Autumn 2024
- Circa 3,000 sq ft Sales area
- Dedicated Rolex Certified Pre-owned area and service lounge

Audemars Piguet: Manchester Town House

Renders Indicative



Estimated Opening
Autumn 2024



European expansion: Mono-Brand Boutiques Stockholm



Stockholm June 2022



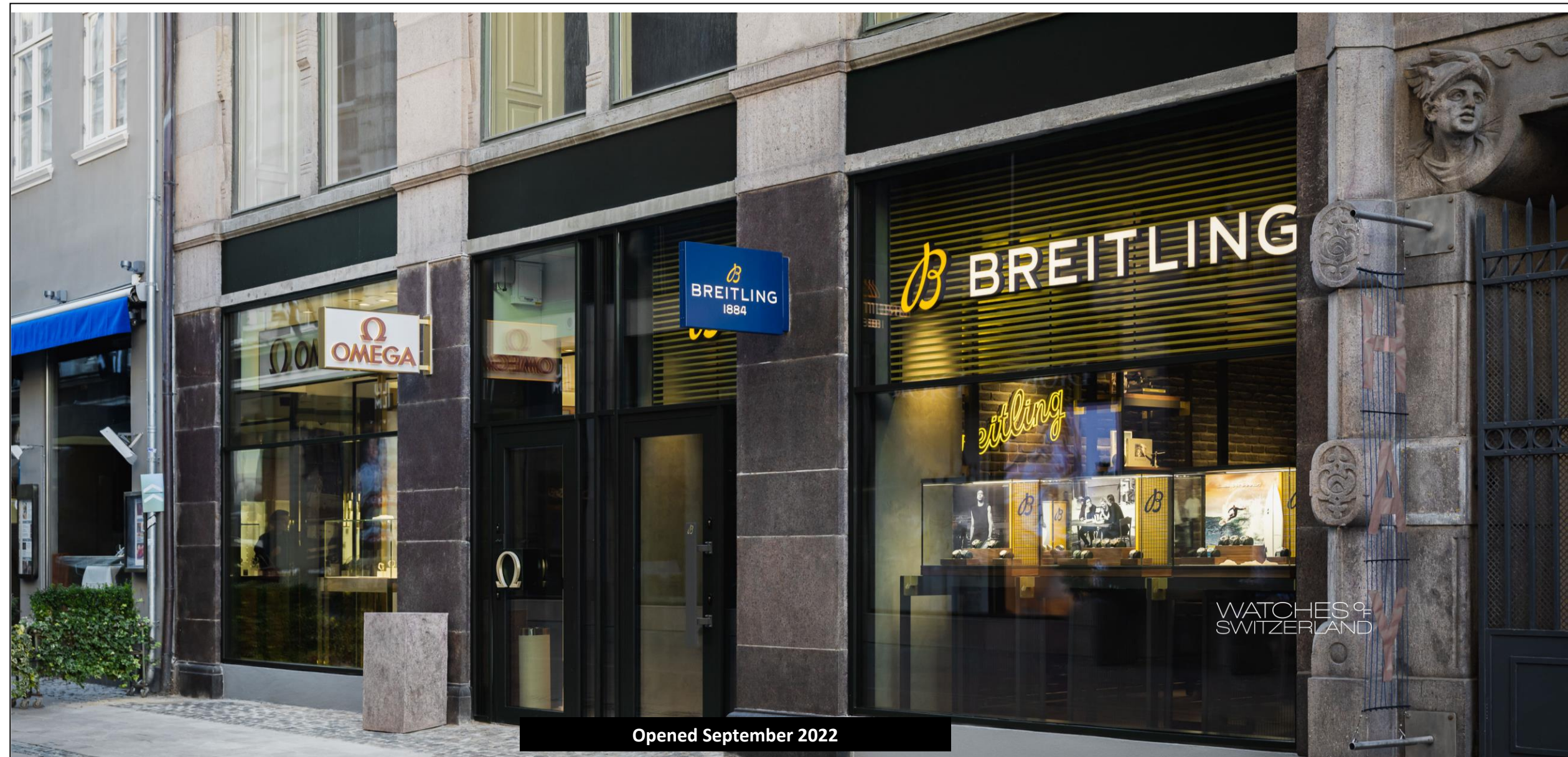
Stockholm December 2022



Mall of Scandinavia October 2022



European expansion: Mono-Brand Boutiques Copenhagen



Opened September 2022

European expansion: Mono-Brand Boutique Dublin



Mono-Brand Boutiques FY24

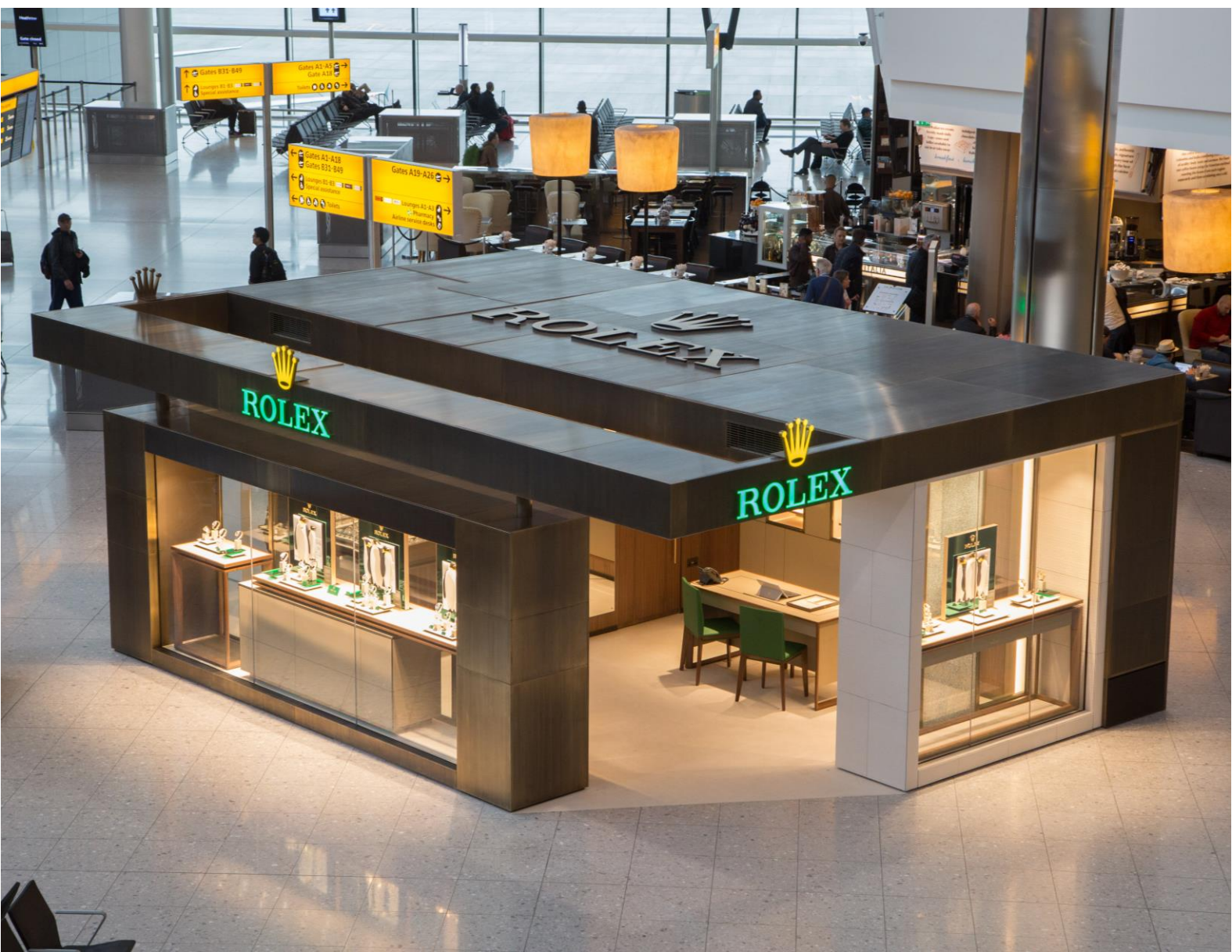


Berlin, Germany - Opened June 2023



Mall of Scandinavia, Stockholm - Opened June 2023

The Return of Travel Retail: Heathrow & Gatwick



Heathrow



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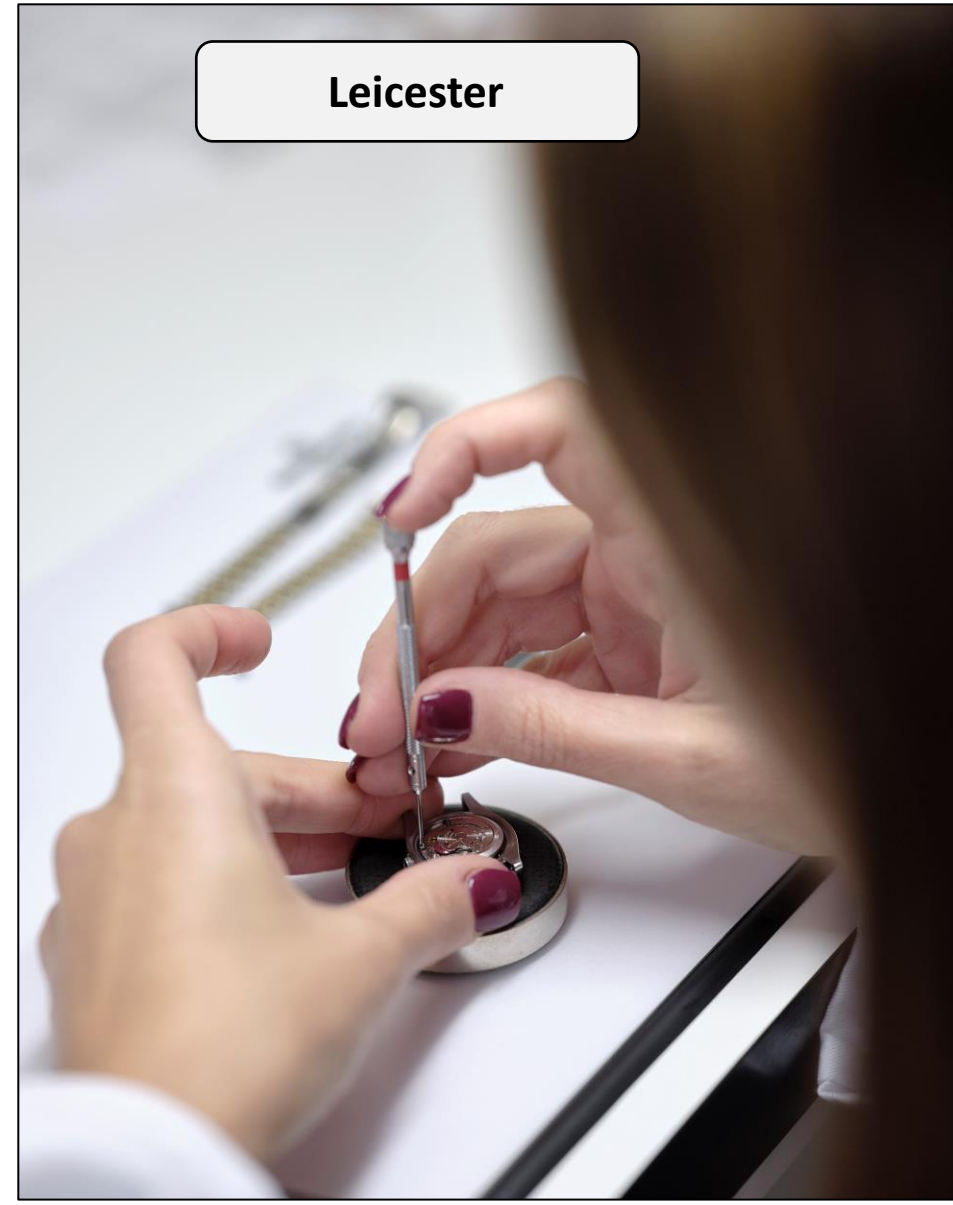


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Expanding Aftersales Service Centres

Manchester

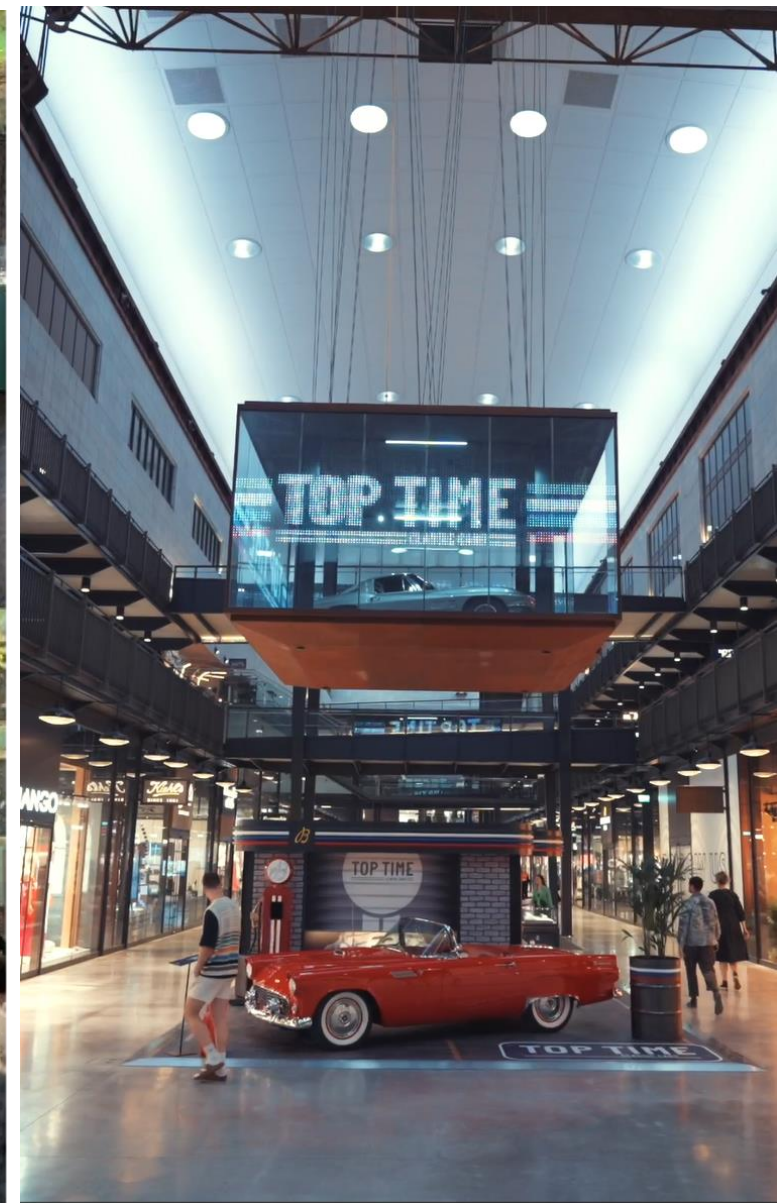
Leicester

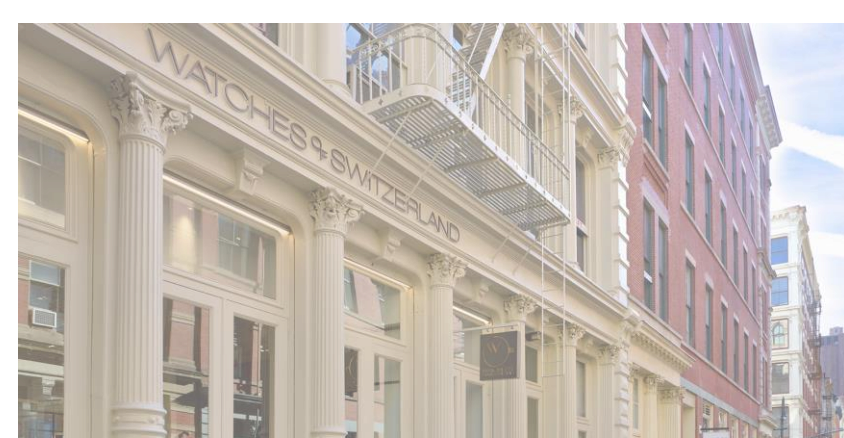


Client Experience Events



**FY23:
169 Events
Over 7,500+ Clients Hosted**





The Watches of Switzerland Group

US

David Hurley - President of North America & Deputy CEO



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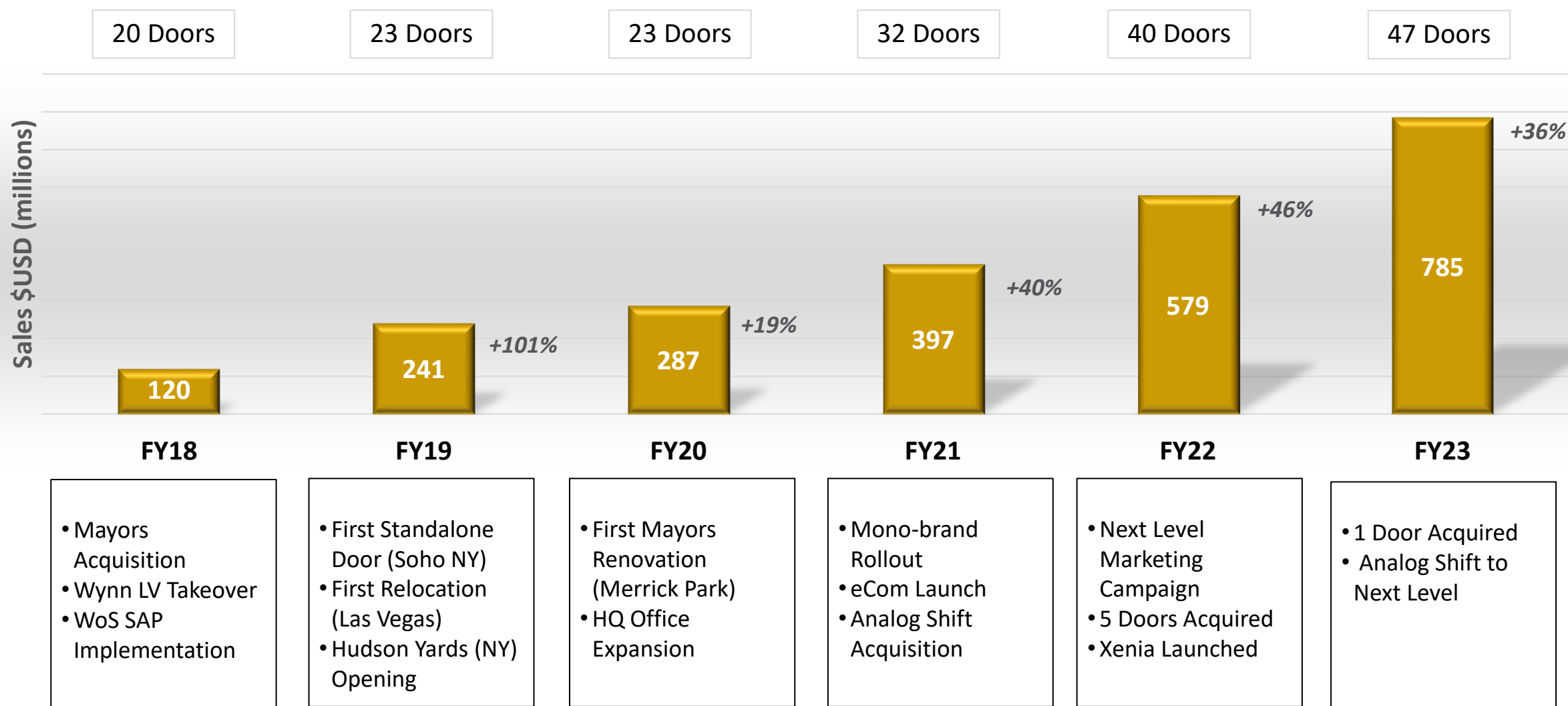
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Exceptional US Growth Since Inception



Sustained Investment in People, Process and Technology

US: New Mono-Brand Boutiques FY23



Acquisition: Betteridge



- Acquired December 2021
- Strong local clientele
- Affluent market
- Embedding Xenia across new showrooms

Betteridge: Greenwich Expansion



- Additional 4,500 sq ft leased
- Significant expansion agreed for both Rolex & Patek Philippe
- Patek Philippe espace to open FY24

Plano (Dallas), Texas Relocation and Expansion



- New Flagship space secured
- Showroom to be anchored by Rolex & Cartier
- Opening FY25

American Dream: Opened May 2023



Cartier

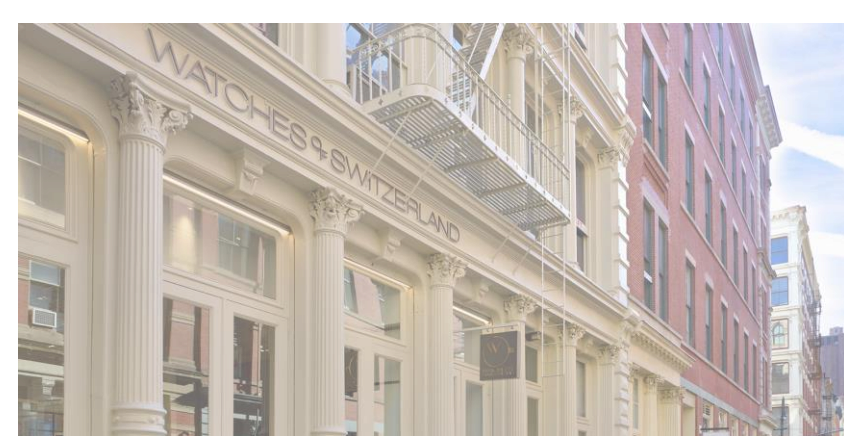
Cartier to Open prior to end Q1 FY24

Mayors Dadeland: Opened May 2023





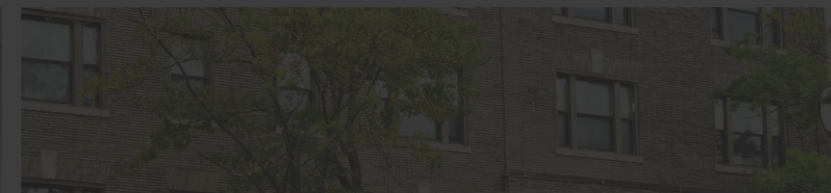
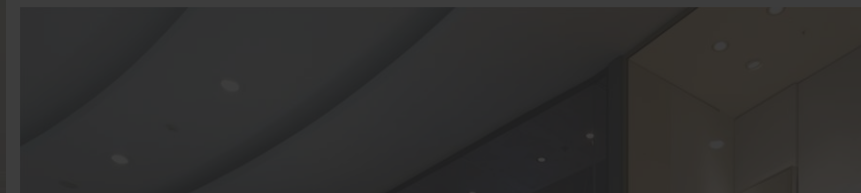
- **Grand Seiko / Breitling / TAG Heuer**
Canal Place, New Orleans – Q2 FY24
- **Grand Seiko / Breitling / TAG Heuer**
Fashion Place, Salt Lake City – Q2 FY24
- **Rolex Boutique Millenia Orlando Expansion**
Q2 FY24
- **Watches of Switzerland One Vanderbilt New York**
Q3 FY24
- **Mayors Tampa Expansion**
Q4 FY24 / Q1 FY25



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Financial Results & Outlook

Anders Romberg - CFO



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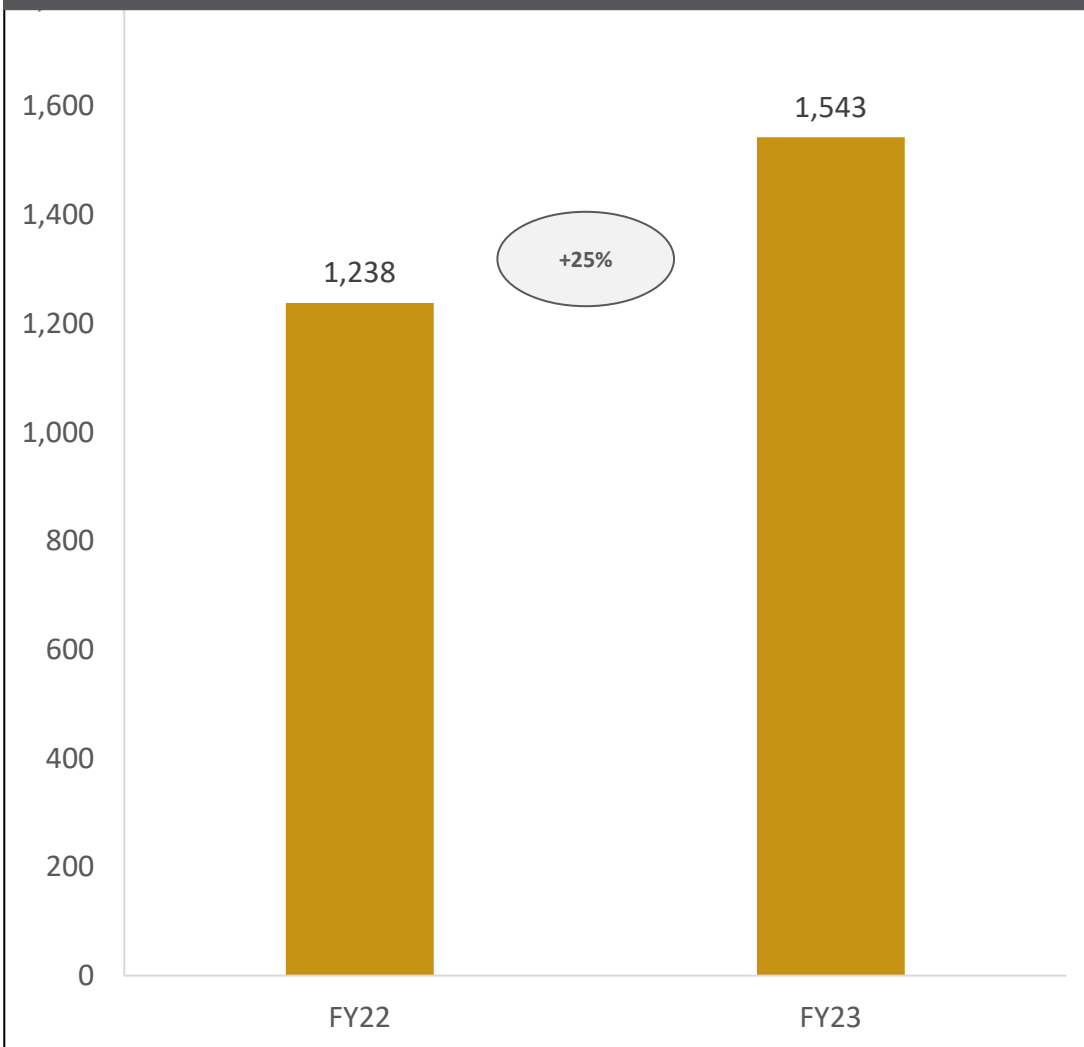
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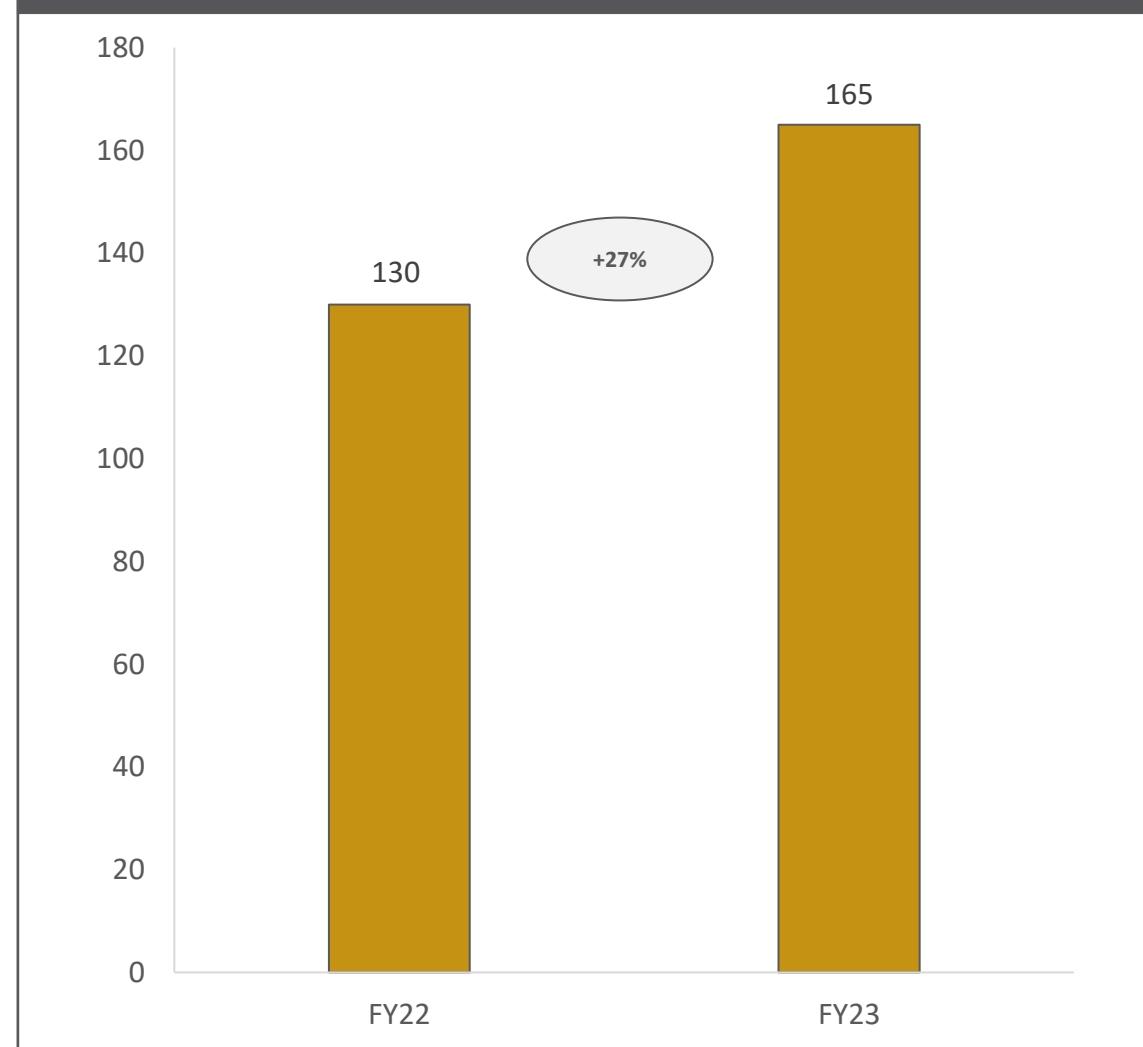
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BOUTIQUES

Financial KPIs – Revenue and Adjusted EBIT

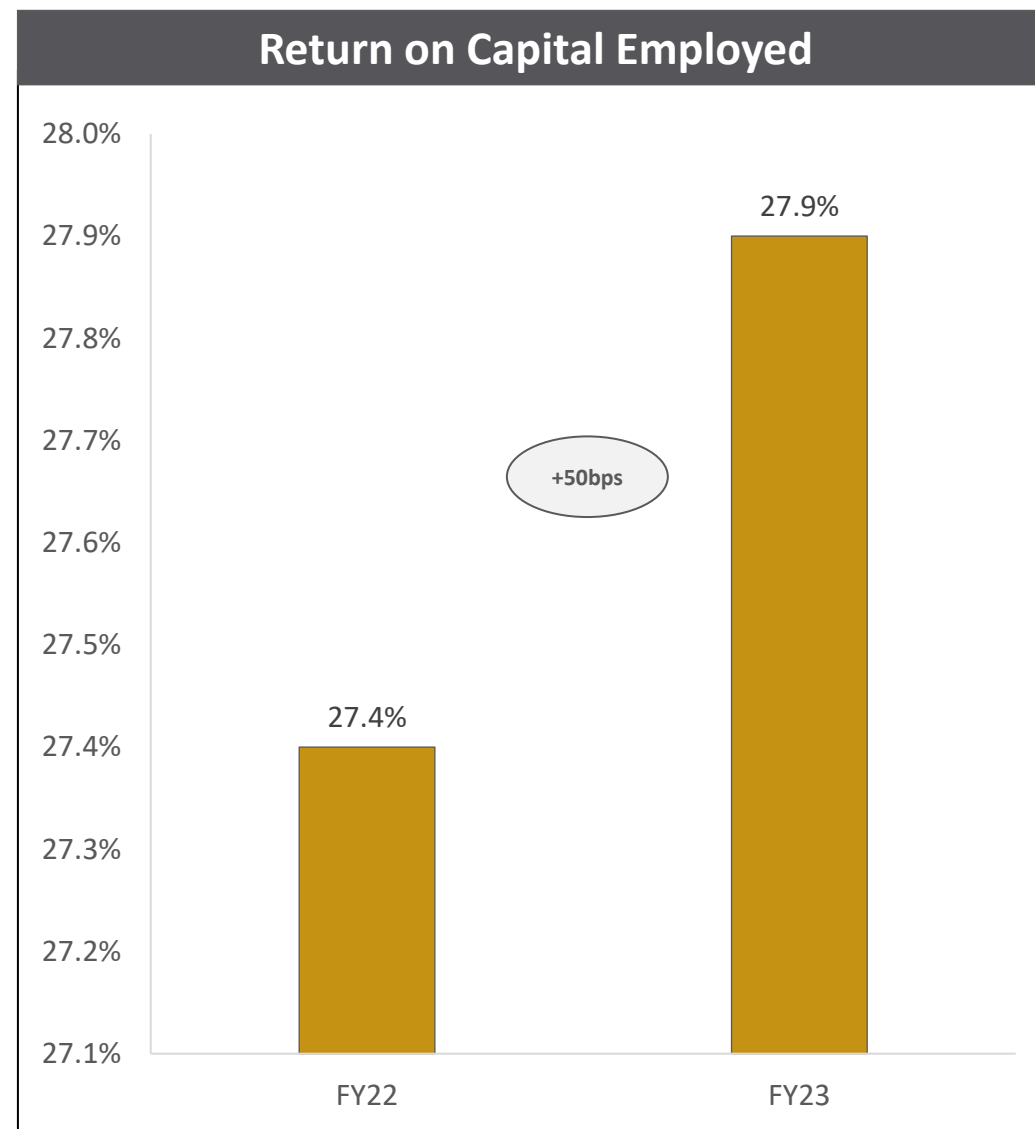
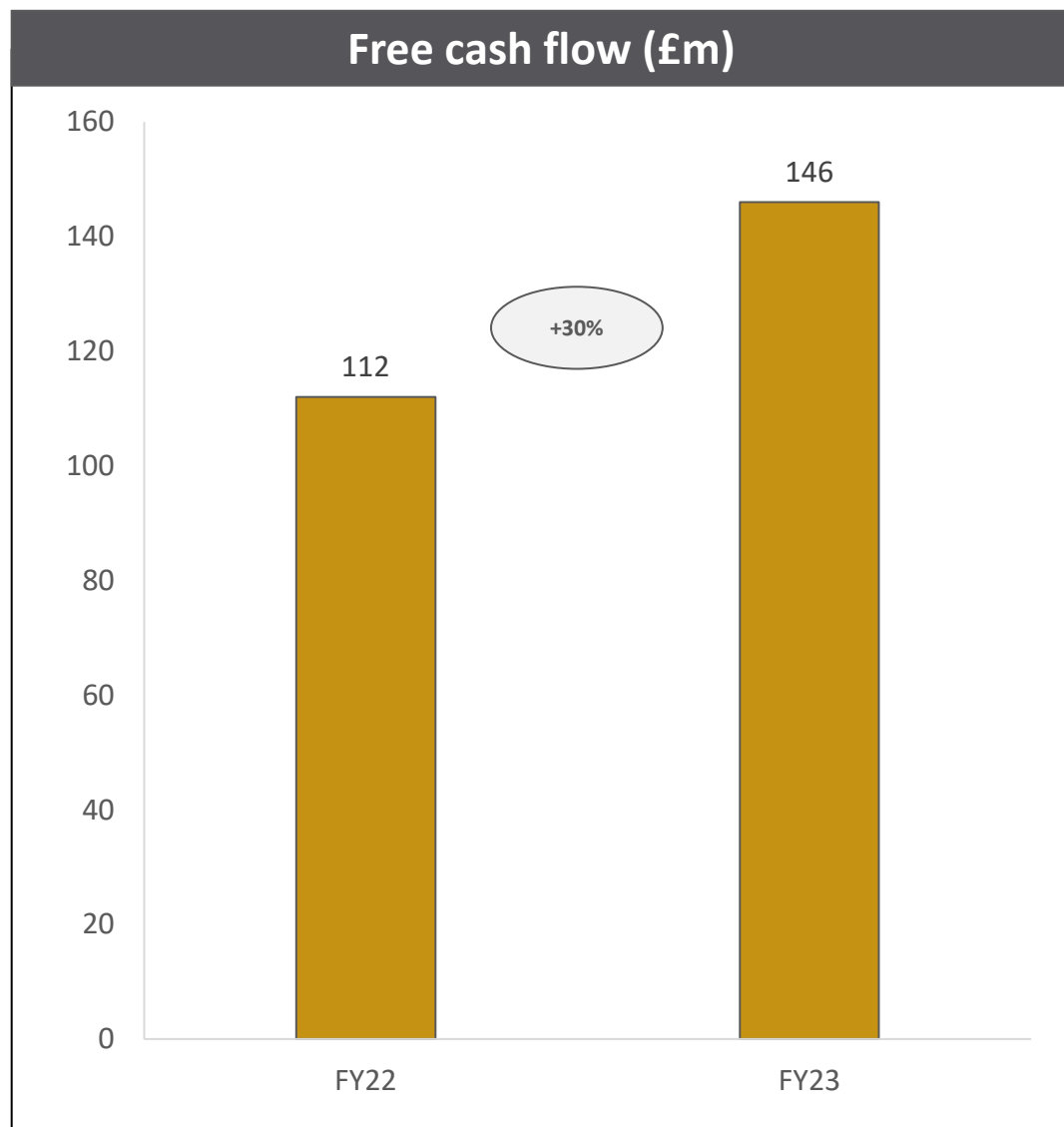
Revenue (£m)



Adjusted EBIT (£m)



Financial KPIs – Free cash flow and ROCE



Record sales and profitability

| Income Statement (£million) | FY23 | FY22 | YoY % |
|--------------------------------|-------|-------|---------|
| Revenue | 1,543 | 1,238 | 25% |
| Net margin | 576 | 471 | 22% |
| Net margin % | 37.4% | 38.0% | (60bps) |
| Adjusted EBITDA | 201 | 162 | 24% |
| Adjusted EBITDA % | 13.1% | 13.1% | - |
| Adjusted EBIT | 165 | 130 | 27% |
| Adjusted EBIT % | 10.7% | 10.5% | 20bps |
| Adjusted PBT | 159 | 127 | 26% |
| Effective tax rate | 21.4% | 20.8% | (60bps) |
| Adjusted EPS | 52.7p | 41.8p | 26% |

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

- **Revenue +25% on prior year, +19%** in constant currency
- **Net margin % adverse 60bps** with headwinds from product mix and Interest Free Credit partially offset by reduced promotional activity on jewellery
- **Adjusted EBITDA +24% to £201 million**, achieving margin of 13.1% flat to prior year despite impact of net margin mix
- **Adjusted EBIT +27% to £165 million, Adjusted EBIT margin +20bps**
- **Effective tax rate of 21.4%**
- **Adjusted EPS at 52.7p** – increase of 10.9p
- **Statutory Profit After Tax is £122 million**

Balance sheet strength

| Balance Sheet (£million) | FY23 | FY22 | YoY % |
|--------------------------|------------|------------|-------|
| Goodwill & intangibles | 200 | 183 | 9% |
| PP&E | 154 | 113 | 37% |
| Right-of-use assets | 359 | 294 | 22% |
| Inventory | 356 | 303 | 18% |
| Receivables | 20 | 22 | (11%) |
| Payables | (220) | (201) | 9% |
| Lease liabilities | (410) | (341) | 20% |
| Net debt | 16 | (14) | |
| Other | (6) | 2 | |
| Net assets | 469 | 361 | |

Post IFRS16 balance sheet

- Continued investment with **£68 million of expansionary capex** (FY22: £41 million)
- **Inventory levels +£53 million (+18%)** – reflects increased number of showrooms and higher unit prices
- **Right-of-use assets and lease liabilities** increased due to the expansion of the showroom portfolio
- **Payables +£19 million (+9%)** largely due to increase in inventory levels
- **Net cash position of £16 million** (1 May 2022: net debt of £14 million)

Excellent free cash flow

| Cash flow (£million) | FY23 | FY22 | YoY % |
|---|------------|------------|---------------|
| Adjusted EBITDA | 201 | 162 | 24% |
| Working capital | (23) | (30) | 25% |
| Tax | (27) | (16) | (70%) |
| Other | 4 | 2 | |
| Cash generated from operating activities | 155 | 118 | 32% |
| Maintenance capex | (4) | (3) | |
| Interest | (5) | (3) | |
| Free cash flow | 146 | 112 | 30% |
| Free cash flow conversion | 72% | 69% | 300bps |
| Expansionary capex | (68) | (41) | (65)% |
| Acquisitions | (25) | (44) | 44% |
| Purchase of own share | (21) | - | |
| Other | (1) | - | |
| Reduction in net debt | 31 | 27 | 18% |

Free cash flow of £146m; 72% free cash flow conversion, +300bps to FY22

- Adjusted EBITDA increased by 24%
- Working capital outflow supporting growth (investment in inventory)
- £68 million of expansionary capex
- £25 million spent on acquisitions

| New Facility | Expiring | Amount |
|--|----------|--------|
| Multicurrency revolving loan facility – UK SONIA +1.50% to 2.55% | May-28 | £225m |

- Net cash position of £16m, an inflow of £31m in the year
- On the 9th May 2023, post year end, the Group entered into a new £225m multicurrency revolving loan facility replacing the prior multiple facilities
- Liquidity headroom increased by £55m following the refinancing

No change to FY24 guidance

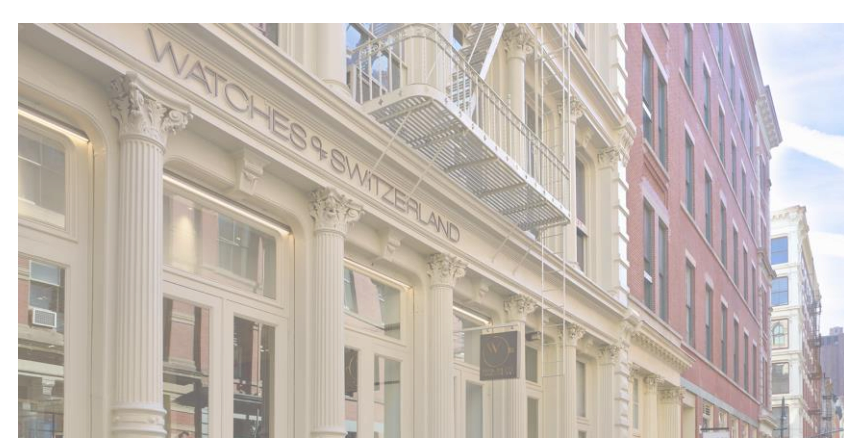
| FY24 guidance (pre-IFRS 16) | |
|-------------------------------------|---|
| Revenue | £1.65 - £1.70 billion |
| Revenue growth at constant currency | 8 - 11% |
| Adjusted EBIT margin % | In line with FY23 |
| Total finance costs | c.£3 million |
| Underlying tax rate | 27% - 28% reflecting increased UK corporation tax |
| Capital expenditure | £70 - £80 million |
| Cash conversion | c.70% H2 weighted |

FY24 guidance assumes:

- **Visibility of supply of key brands** with no disruption to supply anticipated
- Reflects **confirmed showroom refurbishments, openings** and closures
- Organic basis, excludes **uncommitted capital projects and acquisitions**
- Continued **CAPEX** investment programme

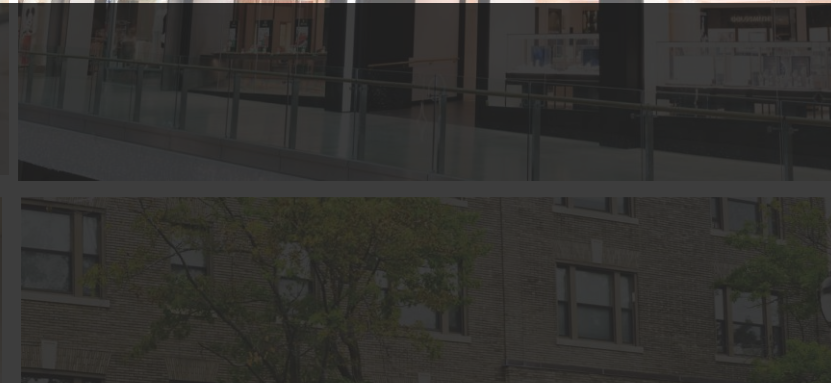
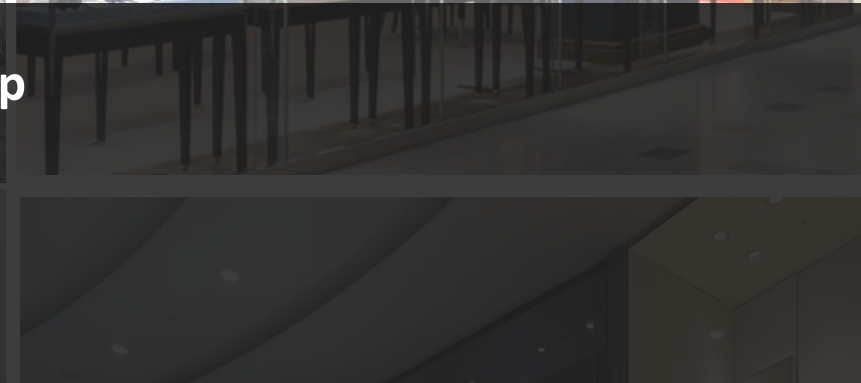
The equivalent guidance on an IFRS 16 basis is:

- EBIT margin % In line with FY23
- Finance costs £23 - £27 million



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Summary
Brian Duffy - CEO



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A record year of revenue and profitability

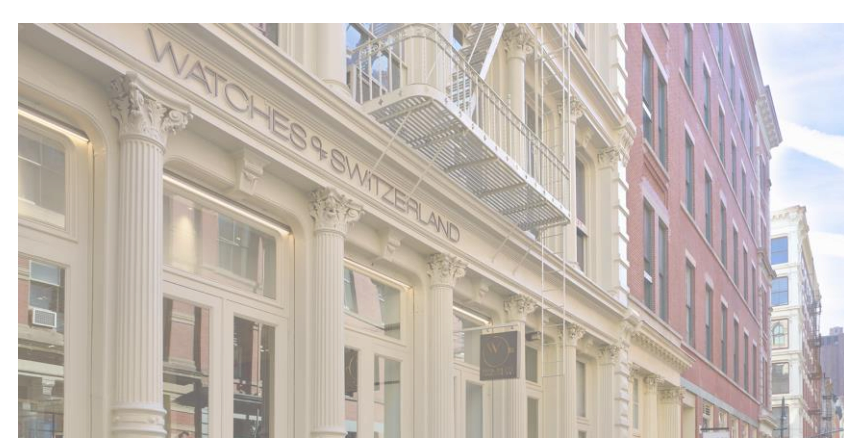
193 well invested showrooms across the UK, US and Europe with over 2,800 fantastic colleagues

Xenia Programme positively impacting client relations and sales conversions

Further progression on ESG commitments and the WOSG Group Foundation is working well with chosen partners

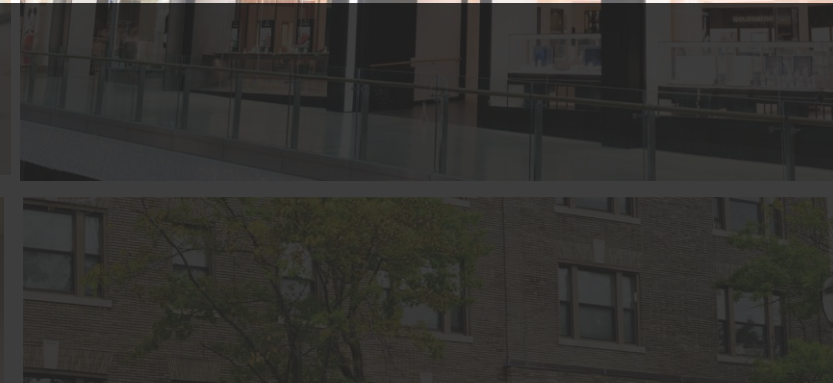
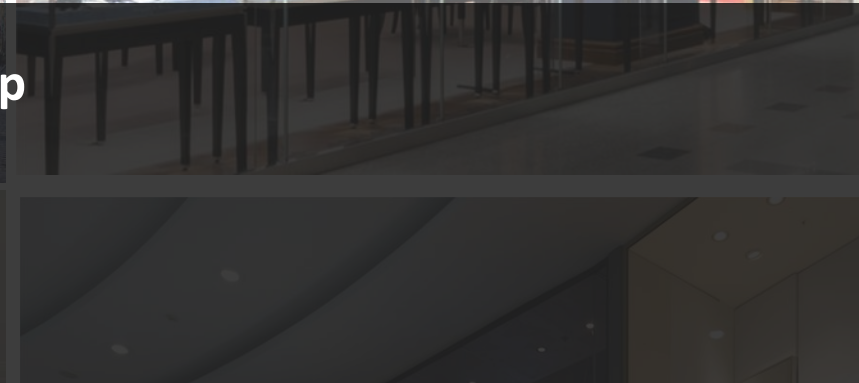
Looking ahead, continuing with investment led growth strategies in UK/US/Europe with a strong pipeline of projects

Entering FY24 significantly ahead of Long Range Plan with guidance reflecting continued confidence



The Watches of Switzerland Group

Q&A
Brian Duffy and Anders Romberg



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