

# COMPANY FACT SHEET

AUGUST 2020



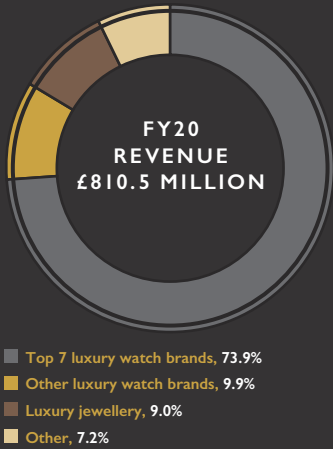


PURPOSE

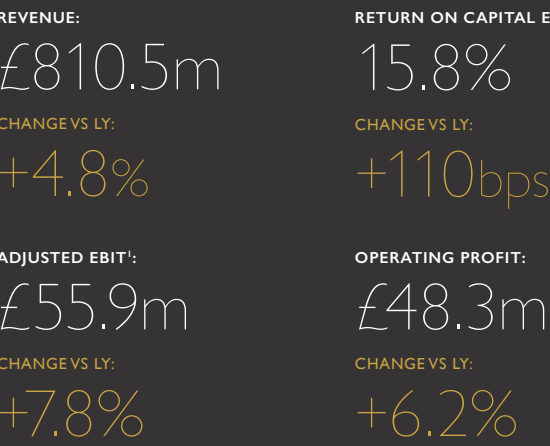
To provide the highest level of customer service by well-trained, expert colleagues in modern, luxurious and welcoming store environments and state-of-the-art online sites, and by partnering with the most prestigious luxury watch brands and jewellery brands, all supported by leading-edge technology and bold, impactful marketing.

AT A GLANCE

The Watches of Switzerland Group has built on a rich history of long-standing brand partnerships – such as Rolex, Patek Philippe, Audemars Piguet, Cartier, OMEGA, TAG Heuer and Breitling – to become a globally recognised specialist of Swiss luxury watches with a complementary luxury jewellery offering. Since launching its transformation programme during 2014, the Group has enjoyed a multi-year period of strong, sustained, profitable growth to build a leading position in the UK while establishing a significant presence in the highly fragmented US market, where it aims to become a leader.



HIGHLIGHTS



WELL-INVESTED SHOWROOM NETWORK



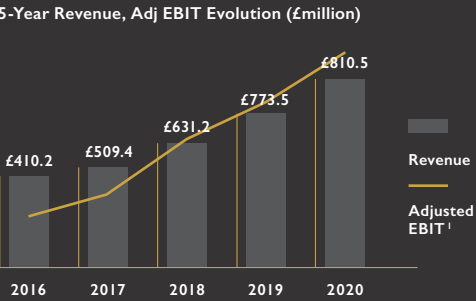
<sup>1</sup>Adjusted EBIT is pre-exceptional and non-underlying items. Adjusted EBIT and ROCE are Alternative Performance Measures.



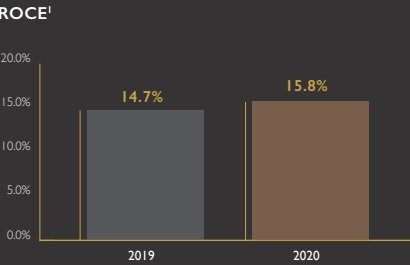
PROVEN TRACK RECORD AND MARKET LEADING PROPOSITION

- 1 Proven track record of delivering a strong, consistent financial performance with robust like-for-like sales, sustained profitable growth, elevated returns on capital and strong cash generation
- 2 Long-standing, collaborative partnerships with the most prestigious and recognised Swiss luxury watch brands. The top seven brands account for c. 74% of FY20 Group revenue
- 3 Multi-channel specialist of Swiss luxury watches with a leading UK position and significant and growing position in the US in a category with high barriers to entry which is underpinned by robust demand, proven value creation and supply-driven dynamics
- 4 Scale and national coverage in the UK and a significant presence in the US, with a well-invested store network which provide an exceptional customer experience through welcoming and expert service and luxurious, open, contemporary, spacious and browsable environments
- 5 Operational excellence with bold, impactful, digitally-driven marketing and best in class merchandising capabilities, powered by leading-edge, sophisticated and fully integrated IT systems
- 6 Well positioned to continue to build its leading position in the robust UK market and to become a leader in the US, a highly fragmented and under-invested market for luxury watches

STRONG LONG TERM PROFITABLE GROWTH



ELEVATED RETURN ON CAPITAL EMPLOYED<sup>1</sup>



BUSINESS MODEL

INPUTS

Brand Partnerships

Colleagues

Customers

Showrooms

Technology and digital capabilities

BRAND PARTNERSHIPS

Long-standing, collaborative partnerships with the most prestigious Swiss luxury watch brands and luxury Jewellery brands; identify distribution opportunities and partner on-demand forecasting, product development, store projects, online platform, clienteling initiatives and marketing activities.

STORE ENVIRONMENT

Well-invested stores feature luxurious environments which are open, welcoming, contemporary, spacious, non-intimidating and browsable.

CUSTOMER EXPERIENCE

Extensive learning and development training provided to our store colleagues to provide exceptional customer experience

**People:** 2,000+ dedicated colleagues working in our stores, head offices and distribution centres in the UK and the US.

MARKETING

Impactful, bold marketing focused on digital communications, CRM, client experiences, co-operative activity with brand partners.

MULTI-CHANNEL

Market presence adapted according to consumer dynamics across broad reaching store network, with flagships, regional stores, travel retail, mono-brand boutiques; complemented by a leading ecommerce platform.

OPERATIONAL EXCELLENCE

**Technology:** leading edge IT systems based on a single SAP platform powering CRM, reporting solutions, live inventory availability and operations

**Merchandising:** dynamic inventory management optimises stock availability, enhances store productivity and allows for nationwide coverage

**Retail operations:** continually drive productivity and profitability, with a high level of accountability and performance management

SCALE

High barrier to entry created through national coverage in the UK with a portfolio of 113 stores (excluding non-core) and a growing presence in the US with 22 stores

**Fully resourced:** experts in our category through investments focused on Learning and Development and technical capability

FINANCIAL DISCIPLINE

**Financial performance:** all store profitability, leveraging store and central overheads through topline growth with strict investment criteria on projects

**Cash generation:** strong, consistent cash generation, fuelled by strict working capital management, with sufficient liquidity to fund growth and to provide for potential acquisition opportunities

VALUE

Long term relationships with our brand partners, for instance in 2019 we celebrated our centenary with Rolex

**REVENUE:**  
£810.5m

**RETURN ON CAPITAL EMPLOYED:**  
15.8%

**ADJUSTED EBIT:**  
£55.9m

**NUMBER OF COLLEAGUES:**  
2,000+

**NUMBER OF STORES:**  
135  
(excluding non-core stores, as at 26 April 2020)

**CASH GENERATED FROM OPERATIONS:**  
£102.0m

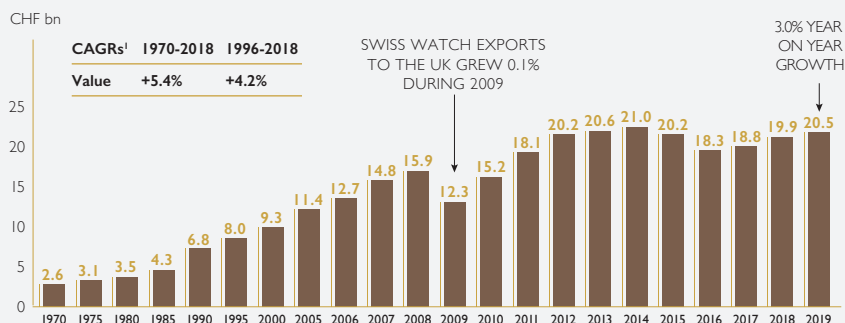
Highly standardised and scalable platform to facilitate future growth

## STRATEGIC PRIORITIES

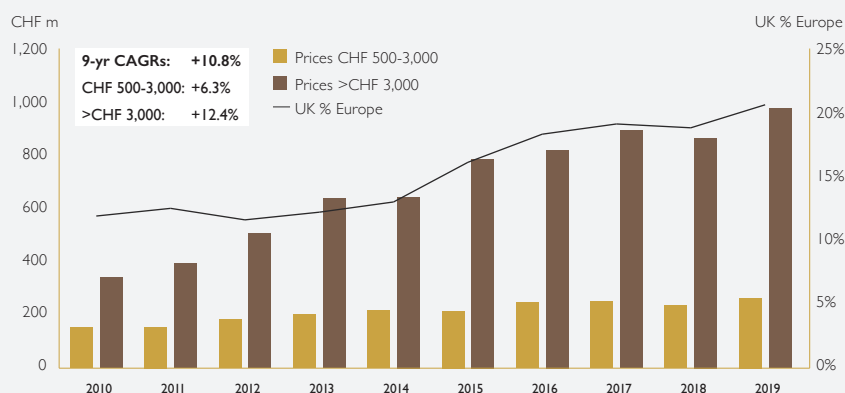
01 GROW REVENUE, PROFIT AND RETURN ON CAPITAL EMPLOYED	02 ENHANCE STRONG BRAND PARTNERSHIPS	03 DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE	04 DRIVE CUSTOMER AWARENESS AND BRAND IMAGE THROUGH MULTIMEDIA WITH BOLD, IMPACTFUL MARKETING	05 LEVERAGE BEST IN CLASS OPERATIONS	06 EXPAND MULTI-CHANNEL LEADERSHIP
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## LUXURY WATCHES IS A CATEGORY UNDERPINNED BY STRONG FUNDAMENTALS

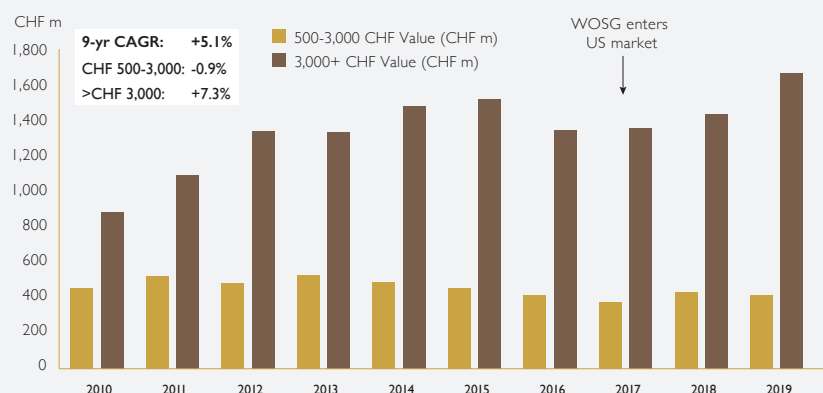
### RESILIENT LONG-TERM GROWTH IN SWISS WATCH EXPORTS



### VALUE OF SWISS WATCH EXPORTS<sup>1</sup> TO THE UK



### VALUE OF SWISS WATCH EXPORTS<sup>1</sup> TO THE US



## MANAGEMENT TEAM



**DENNIS MILLARD**  
CHAIRMAN



**BRIAN DUFFY**  
CEO



**ANDERS ROMBERG**  
CFO



**CRAIG BOLTON**  
EXECUTIVE DIRECTOR,  
UK



**DAVID HURLEY**  
EXECUTIVE VICE  
PRESIDENT, USA

## FURTHER INFORMATION

If you would like any information on the Watches of Switzerland Group's performance or recent financial results, please contact our Investor Relations team on:  
[Investor.relations@thewosgroup.com](mailto:Investor.relations@thewosgroup.com)

<sup>1</sup>Compounded Annual Growth Rate