



Watches of Switzerland Group PLC
Q1 FY22 Trading
for the 13 weeks (Q1 FY22) to 1 August 2021

***Accelerated momentum into FY22 with demand continuing to outpace supply
Strong growth achieved in the UK and the US, underpinning confidence for FY22***

Watches of Switzerland Group PLC (“the Group”) today provides the following update relating to the 13 weeks ending 1 August 2021.

- **Group revenue £297.5 million (Q1 FY21: £151.6 million), +101.9% in constant currency, +96.2% in reported terms relative to Q1 FY21 and +45.8% in constant currency relative to Q1 FY20**
 - Continued high conversion and strong domestic sales despite subdued store traffic
 - In the prior year period (Q1 FY21), COVID-19 lockdowns resulted in store closures of six weeks in the UK and four weeks in the US
 - Luxury watches +97.1% to £259.3 million, representing 87.1% of revenue (Q1 FY21: 86.8%)
 - Luxury jewellery also performing well +98.9% to £20.1 million
 - Group ecommerce sales +15.9% vs last year, maintaining strong momentum despite UK stores being open during the period
 - Digital marketing, CRM and clienteling continue to play an important role in driving customer engagement and business performance
 - Q1 FY22 benefitted from reduction of in-store stock on key brands
 - Net cash¹ of £23.2 million as at 1 August 2021 (Net debt as at 26 July 2020: £(92.1) million)
- **Further acceleration in the US with revenue of £75.8 million, +95.0% vs Q1 FY21 and +53.6% vs Q1 FY20 (both in constant currency)**
 - Continuing the trend seen in Q4 FY21, growth has been driven by higher volumes
 - Recovery of traffic into Las Vegas and New York is driving accelerated momentum in our stores
 - Eight mono-brand boutiques recently opened are performing strongly and gathering pace
 - Ecommerce sales continue to gain momentum following recent online launch
- **Significant step change in UK sales growth with revenue of £221.7 million, +104.7% vs Q1 FY21, and +43.0% vs Q1 FY20**
 - In addition to positive mix effects, growth has also been supported by higher volumes
 - Sustained high demand from domestic clientele has continued to drive performance
 - Multi-channel strategy continues to deliver strong results
 - Store development programme continues to work well with a number of projects completed in the period including a new Goldsmiths store and two new mono-brand boutiques (OMEGA, Breitling) in Edinburgh and one new TAG Heuer mono-brand boutique in Manchester

Outlook

- Strong performance in both the US and the UK during Q1 FY22 supports the Group’s confidence in the outlook for the remainder of the full year and underpins its existing FY22 guidance
- The Group has an exciting pipeline of store projects planned:
 - Continued refurbishment of the Mayors and Wynn network

¹ Net cash/(debt) is total borrowings before adjusting for capitalised transaction costs less cash and cash equivalents

- Commencement of roll out of Goldsmiths Luxury elevated store formats
- Opening of new Watches of Switzerland stores in Cincinnati, Ohio and American Dream, New Jersey
- Further mono-brand activity in the UK and the US
- Opening of new Watches of Switzerland store in Battersea

Brian Duffy, Chief Executive Officer, said:

“We have had a very good start to the new financial year with a further acceleration in momentum, versus pre COVID-19 pandemic growth levels, underpinned by diversified growth across our markets and categories.

“Our US business goes from strength to strength, with excellent, broad-based growth continuing to characterise our performance in this market. Both luxury watches and luxury jewellery are performing strongly and our refurbished Mayors stores have continued to generate significant sales uplifts. We continue to invest in digital marketing initiatives to drive brand awareness, including through our recently introduced ‘Anywhere, Anytime’ campaign.

“Trading in the UK has been extremely strong, driven by sustained high demand from domestic clientele. Our newly opened and refurbished stores have performed well, whilst our ecommerce business has also continued to grow impressively, proving the effectiveness of our multi-channel model despite the strong prior-year comparator.

“Looking ahead, we are excited about the planned launch in September 2021 of our Xenia project to further advance the customer experience. We will continue to invest for growth and to advance our strategy to further enhance our leading position in the UK and become a leader in the US luxury watch market.”

Q1 FY22 Revenue Performance by Geography

(£m)	Q1 FY22	Q1 FY21	Q1 FY22 vs Q1 FY21		Q1 FY22 vs Q1 FY20	
	13 weeks to 1 August 2021	13 weeks to 26 July 2020	YoY %	Constant currency YoY %	2-year YoY %	2-year constant currency YoY %
UK	221.7	108.3	104.7%	104.7%	43.0%	43.0%
US	75.8	43.3	75.0%	95.0%	39.4%	53.6%
Group Revenue	297.5	151.6	96.2%	101.9%	42.1%	45.8%

Q1 FY22 Revenue Performance by Category

(£m)	Q1 FY22	Q1 FY21	Q1 FY22 vs Q1 FY21	Q1 FY22 vs Q1 FY20
	13 weeks to 1 August 2021	13 weeks to 26 July 2020	YoY %	2-year YoY %
Luxury watches	259.3	131.6	97.1%	46.1%
Luxury jewellery	20.1	10.0	98.9%	25.3%
Other	18.1	10.0	82.3%	14.5%
Group Revenue	297.5	151.6	96.2%	42.1%

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 (0)330 336 9424

Conference access code: 6253100

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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 four prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK) and Mayors (US), with a complementary jewellery offering.

As at 1 August 2021, the Watches of Switzerland Group has 153 stores across the UK and US (including 42 dedicated mono-brand stores in these two markets in partnership with Rolex, TAG Heuer, OMEGA, Breitling, Audemars Piguet, Tudor and FOPE) and has a leading presence in Heathrow Airport with representation in Terminals 2, 3, 4 and 5 as well as six transactional 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.

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