



Watches of Switzerland Group PLC Q3 FY21 Trading

for the 13 weeks (Q3) and 39 weeks (9M) to 24 January 2021

Continued strong growth in the US and robust UK ecommerce performance Full year guidance maintained despite UK store closures

Watches of Switzerland Group PLC (“the Group”) today provides the following update relating to the 13 and the 39 weeks ending 24 January 2021.

Q3 trading remained strong despite extended period of UK store closures due to COVID-19

- **Group revenue £272.6 million, +6.6% in constant currency, +5.7% in reported terms vs last year**
 - Leading multi-channel business model advanced, with significant further development of the mono-brand network, ecommerce, customer relationship management (“CRM”) and clienteling, digital marketing
 - Luxury watch sales continue to drive performance and in the first nine months of FY21 represent 86% of Group revenue (9M FY20: 84%), with no disruption to supply experienced
 - Higher conversion continues to more than offset lower traffic across both the UK and US
- **UK revenue £186.1 million, +1.5% vs last year**
 - Domestic sales remain strong and continue to offset lower tourist and airport business (6.6% of Group revenue (Q3 FY20: 22.2%))
 - Very strong ecommerce sales +121.1% vs last year, with newly launched luxury concierge and collect service delivering robust initial results and helping to offset the impact of store closures
 - UK stores traded 37% of potential trading hours reflecting eight weeks of national lockdown
 - No disruption to supply experienced from Brexit during the initial transition period
- **US revenue £86.5 million, +19.2% in constant currency, +16.0% in reported terms vs last year**
 - Successful launch of mono-brand network with the opening of eight boutiques (two OMEGA, three TAG Heuer, three Breitling), despite pandemic-related challenges
 - Mayors stores in Florida and Georgia and Watches of Switzerland stores in New York continue to see strong momentum whilst trends in Las Vegas stores moderated, due to lower domestic tourism
 - CRM and clienteling continue to play an important role in driving business performance
 - Ecommerce delivering according to plan following recent launch

Outlook

- The Group maintains its guidance for FY21 despite UK market conditions having worsened since announcing H1 FY21 results on 17 December 2020, with the national lockdown introduced in England on 26 December 2020
- The Group has assumed a continued high level of uncertainty in the UK where stores are not expected to reopen until late March 2021 at the earliest; no impact is assumed from any lockdown on US retail activities and on production in Switzerland
- Continued development of the mono-brand channel with five new boutiques to open in the UK:
 - Two mono-brand boutiques in Cardiff are expected to open immediately following the current lockdown (TAG Heuer, Breitling)
 - Three mono-brand boutiques (OMEGA, TAG Heuer, Breitling) are planned to open in Plymouth (Summer 2021)

Brian Duffy, Chief Executive Officer, said:

“We delivered another strong performance, driven by continued strong growth in the US and a surge in UK online sales, which mitigated the significant headwinds, the extended period of store closures and the continued very low level of international business in the UK.

We continue to provide an exceptional customer service during these unusual circumstances, making further enhancements to our customer relationship management, ecommerce and clienteling capabilities through the introduction of our luxury concierge and collect service and the launch of our new virtual boutique. Our performance is underpinned by the strengths of our leading multi-channel business model and the uniquely attractive qualities of the luxury watch category, where demand continues to outpace supply. The experience of prior lockdowns in the UK has given our teams the tools to optimise commercial opportunities through online and clienteling, whilst in the US we are driving fantastic conversion levels with continued subdued traffic.

Tax-free shopping for tourists in the UK was removed from 1 January 2021. We continue to support all efforts to have the UK Government review and change this policy.

Through maintaining consistent investment and adapting with agility to changing conditions, we have shown our strategy is working well, with initial findings suggesting we have gained further market share in luxury watches in the UK over the last year.

With a strong plan for continued investment and future growth, we are well positioned to further enhance our leading position in the UK and become a leader in the US luxury watch market.”

Q3 FY21 and 9M FY21 Revenue Performance by Geography

(€m)	Q3				9M			
	13 weeks to 24 Jan 2021	13 weeks to 26 Jan 2020	YoY variance %	Constant currency YoY variance %	39 weeks to 24 Jan 2021	39 weeks to 26 Jan 2020	YoY variance %	Constant currency YoY variance %
UK	186.1	183.3	1.5%	1.5%	480.2	500.9	(4.1)%	(4.1)%
US	86.5	74.6	16.0%	19.2%	206.6	185.7	11.3%	14.3%
Group Revenue	272.6	257.9	5.7%	6.6%	686.8	686.6	0.0%	0.9%

Q3 FY21 Revenue Performance by Category

(€m)	Q3			9M		
	13 weeks to 24 Jan 2021	13 weeks to 26 Jan 2020	YoY variance %	39 weeks to 24 Jan 2021	39 weeks to 26 Jan 2020	YoY variance %
Luxury watches	231.3	209.8	10.2%	593.4	575.3	3.1%
Luxury jewellery	22.2	27.8	(20.1)%	48.5	59.3	(18.2)%
Other	19.1	20.3	(5.9)%	44.9	52.0	(13.7)%
Group Revenue	272.6	257.9	5.7%	686.8	686.6	0.0%

Q3 FY21 % Total Potential Traded Hours

	Q3
UK	37%
US	78%
Group	50%

Conference call

A webcast 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 20 3936 2999

Conference access code: 127487

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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 complementary jewellery offering.

As at 24 January 2021, the Watches of Switzerland Group has 146 core stores across the UK and US (which includes 35 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 five 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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