

9 May 2024
FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION



The Watches of Switzerland Group PLC
Acquisition of Roberto Coin Inc. for a total consideration of \$130 million

Transaction represents significant milestone in the Watches of Switzerland Group's luxury branded jewellery strategy

On 8 May 2024, the Watches of Switzerland Group ('WOSG' or the 'Group') signed and completed the acquisition of the entire share capital of Roberto Coin Inc., an associate company of Roberto Coin S.p.A. from Roberto Coin S.p.A., Pilar Coin and Peter Webster, Co-Founder and President of Roberto Coin Inc., for a total consideration of \$130 million (the 'Acquisition').

Background on Roberto Coin and Roberto Coin Inc.

- Roberto Coin S.p.A., founded in the Italian city of Vicenza, designs and manufactures delicately handcrafted jewellery with a unique ruby signature under the world-renowned Roberto Coin brand
- Roberto Coin is the sixth largest jewellery brand in the US by sales at retail value¹
- Roberto Coin Inc. has exclusive perpetual rights to import and distribute Roberto Coin jewellery throughout the US, Canada, Caribbean and Central America
- The US precious jewellery market is by far the world's largest jewellery market, and the Roberto Coin brand has developed a strong position in it, competing successfully with other top 10 industry leading brands such as Cartier, Tiffany, Van Cleef & Arpels, Bvlgari and David Yurman¹
- Roberto Coin Inc. sells to major department stores, jewellery chains, and independent jewellers in more than 400 points of sale
- The Acquisition builds on the Group's successful partnership with Roberto Coin, which spans over a decade; Roberto Coin is currently available in 16 WOSG showrooms in the US

Strategic rationale

- Luxury branded jewellery is a core pillar of the Group's growth strategy; the trend within the global luxury jewellery market is towards branded jewellery which made up 27% of the market in 2024, up from 17% in 2019²
- The Acquisition builds on the Group's proven capabilities in showcasing luxury brands across both watches and jewellery and will significantly enhance our strategic positioning in the luxury branded jewellery category in the US, the world's largest luxury jewellery market on a per capita basis³
- The Group will leverage its operational and retailing expertise to drive incremental growth in the Roberto Coin Inc. business, both across Roberto Coin Inc.'s wholesale distribution and well as direct to consumer ('DTC') in the Group's retail boutiques and online:

- Expansion opportunities in wholesale
 - Grow the wholesale business under the leadership of Peter Webster, who will remain President of Roberto Coin Inc., reporting to David Hurley, President North America and Deputy CEO of the Watches of Switzerland Group
 - Expand the wholesale network with independent retailers
 - Develop joint business plans with wholesale partners
 - Grow the export market outside of the US
- DTC through the Group's showroom portfolio and online
 - Vertical margin gains through securing product direct from Roberto Coin S.p.A.
 - Increasing the number of points-of-sale within the showroom portfolio
 - Using the Group's CRM and clienteling capabilities to drive sales
 - Growing the high-end Roberto Coin Collection
- Opportunities for both DTC and wholesale
 - Elevating the showroom presentation of the brand through the development of market leading shop-in-shop display formats
 - Opening mono-brand boutiques and franchise stores
 - Investing in brand marketing, including digital, to drive brand awareness
 - Developing the online proposition

Value enhancing financial effects

The Acquisition completed for a total cash consideration of \$130 million (of which \$10 million is deferred for one year and contingent on the future profitability of the acquired business), subject to working capital adjustments.

Roberto Coin Inc. achieved annual revenue of \$146.2 million and profit before taxation of \$30.1 million for the audited financial year ended 31 December 2022. Gross assets at that date were \$87.9 million. 2023 preliminary and unaudited revenue was \$138.7 million and profit before taxation \$30.2 million.

The Acquisition was financed via a new \$115 million term loan facility. At the date of the Acquisition, the transaction increased the Group's leverage to c.0.8x Net Debt⁴/Adjusted EBITDA⁵ (pre-IFRS 16 at mid-point of FY24 guidance). Covenants are identical to the Group's existing multicurrency revolving loan facility.

The Acquisition will be margin enhancing and EPS accretive from the date of acquisition.

In line with the Group's track record of successful previous acquisitions, we expect to deliver a smooth integration of Roberto Coin Inc. into the Group.

Roberto Coin Inc. will continue to operate as an independent, standalone company within the Watches of Switzerland Group. The Coin family will retain a seat on the Board of Directors of Roberto Coin Inc. and Peter Webster will remain as President of Roberto Coin Inc., supported by the exceptional, experienced and dedicated team he has built over nearly 30 years.

Brian Duffy, Chief Executive Officer of the Watches of Switzerland Group, said:

"We have partnered with Roberto Coin for over a decade in the US, retailing its elegant jewellery in a number of our Mayors' showrooms. It is a hugely popular, growing brand, occupying a strong position in the market, underpinned by product quality, design creativity and imagination.

"We believe there is significant opportunity to leverage our proven retail expertise in luxury branded jewellery. The luxury branded jewellery category has consistently outperformed the wider jewellery sector, and we see further strategic and operational opportunities for the business within the broader Group. We are committed to our new wholesale partners and excited to work with them and help them grow with Roberto Coin.

"Today's strategically and financially attractive acquisition is indicative of our ambition and the momentum we are building in this exciting category. It will allow us to take one of the fastest growing jewellery brands in the US and use our retail and operational expertise to accelerate growth and further elevate the Roberto Coin proposition in North and Central America.

"It has been a great pleasure getting to know Roberto and Peter over the last 18 months while we have been discussing this

exciting opportunity. We are enormously appreciative of the trust Roberto, his family and Peter Webster have placed in us for this important next stage of the brand's development. We are delighted to welcome Roberto Coin Inc. colleagues into the Group and look forward to working closely with Roberto and Peter going forwards."

Roberto Coin, Founder and CEO of Roberto Coin, said:

"Today's announcement marks a significant step change in the development of Roberto Coin Inc.

"Roberto Coin is synonymous with design creativity, diversity, innovation and imagination. We are delighted to have partnered with the Watches of Switzerland Group, who have a real understanding and appreciation of our unique, world-class brand and products, and can accelerate our retail strategy in North and Central America.

"We look forward to benefitting from their wealth of luxury retail and digital experience to unleash the growth potential of the Roberto Coin brand across our chosen markets."

Conference call

A conference call and presentation for analysts and investors will be held at 10.30am (UK time) today. To participate in the conference call, register using the link or dial in details below:

Registration Link: <https://www.netroadshow.com/events/login?show=429f4187&confId=64861>

Dial in: +44 20 3936 2999

Conference access code: 179311

Notes:

¹Source: WOSG research

²Source: McKinsey, Euromonitor

³Source: Euromonitor, WOSG research

⁴Net Debt is defined as total borrowings (excluding capitalised transaction costs) less cash and cash equivalents and excludes IFRS 16 lease liabilities

⁵Adjusted EBITDA is defined as operating profit before exceptional items and IFRS 16 impact

This announcement contains information which is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No.596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, the inside information is now considered to be in the public domain.

The person responsible for arranging the release of this information on behalf of the Company is Laura Battley, Company Secretary and General Counsel.

Contacts

The Watches of Switzerland Group

Anders Romberg, CFO

+44 (0) 207 317 4600

Caroline Browne, Group Finance & Investor Relations Director

+44 (0) 1162 817 420

investor.relations@thewosgroup.com

Headland

Lucy Legh / Rob Walker / Joanna Clark

+44 (0) 20 3805 4822

wos@headlandconsultancy.com

The Group plans to announce Q4 FY24 results on 16 May 2024.

About the Watches of Switzerland Group

The Watches of Switzerland Group is the UK's largest luxury watch retailer, operating in the UK, US and Europe comprising six prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US), Betteridge (US), and Analog:Shift (US), with a complementary jewellery offering.

As at 28 January 2024, the Watches of Switzerland Group had 222 showrooms across the UK, US and Europe including 98 dedicated mono-brand boutiques in partnership with Rolex, OMEGA, TAG Heuer, Breitling, 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, OMEGA, Cartier, TAG Heuer and Breitling watches.

www.thewosgroupplc.com

About Roberto Coin

Roberto Coin is a brand of fine jewellery whose operational and production headquarters are located in Vicenza, the jewellery capital of Italy. The brand has become famous throughout the world for its collections' design and technological innovation, which pay homage to, and revolutionise ancient Italian manufacturing techniques, as well as for its particular "art of creating new authenticity".

Roberto Coin, the brand's founder, designer and eclectic businessman, defines his desire to make collections that are always distinct and to guarantee that each piece of jewellery is perceived as unique. Far from standardised, the brand avoids aesthetic traits that would make it easily recognisable.

Roberto Coin prefers that the details of artisanship tell the story of his mission to create beauty - mixing the past with the present and the codes of elegance with the forms of art and architecture that inspire him, particularly as he's walking through the alleyways of Venice, the city where he was born.

Another fundamental element that ties the collections together and has made the brand an icon of refinement throughout the world is a small signature ruby found inside every piece. It's positioned so that it's in contact with the wearer's skin, respecting the ancient legend that rubies could confer a long and happy life. This precious signature has always been the message that the brand dedicates to each of its clients. Loved by movie and fashion stars, Roberto Coin's jewellery takes centre stage on international red carpets and countless editorial pages. In part, this is a result of the brand's tireless ethical commitment, a beacon that has illuminated Roberto Coin since its foundation; a commitment that includes the activities of the Kimberley Process, World Diamond Council, Dodd Frank Act, RJC, CIBJO and carbon offsetting.

Today Roberto Coin is universally recognised as a pioneering talent in conceiving new trends and as a man capable of balancing creativity and commerce in the name of a success that is as brilliant as it is responsible.

His creations have conquered more than 60 countries around the world, the United States being the largest market, where the brand is a leader in the jewellery industry along with the most important brands.

Disclaimer

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 as detailed above.

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