RNS Number : 0553U
Watches of Switzerland Group PLC
27 June 2024

27 June 2024

Watches of Switzerland Group PLC
FY24 Results
for the 52 weeks ended 28 April 2024

Continued market share gains and strategic progress
Re-iterating confidence in FY25 full year guidance and Long Range Plan targets

Brian Duffy, Chief Executive Officer, said:
"I am proud of the performance that our team delivered this year in what was undoubtedly a more challenging market. We cemented our position as a leading international luxury watch and jewellery retailer and delivered further market share gains in both the UK and US, driven by our proven, differentiated business model. In particular, our US business went from strength to strength, growing 11% and will soon represent half of Group sales.

"The UK market is starting to show signs of stabilisation. In FY24, UK and Europe sales were down 5% impacted by significant price increases overall at a time of reduced consumer confidence influencing discretionary spending, and we see these pressures easing in FY25.

"During the year, we continued to invest for high-quality growth across showroom projects and strategic acquisitions including the 15 Ernest Jones showrooms acquired last November, and the acquisition of Roberto Coin Inc. post year end, which dramatically accelerates our luxury branded jewellery strategy.

"We have an impressive programme of showroom developments on both sides of the Atlantic and our strongest ever pipeline of committed projects, which includes the flagship Rolex boutique on Old Bond Street, London, Audemars Piguet Townhouse in Manchester, Rolex boutique in Atlanta, Georgia and a Rolex anchored multi-brand in Plano, Texas.

"Pre-owned represents a significant opportunity for our Group, with pre-owned luxury watch sales doubling year-on-year in Q4 FY24. Within this category, the new Rolex Certified Pre-Owned programme is performing ahead of our expectations in both the US and UK and is set for further roll-out in FY25 with improved methods of supply in the UK.

"Our strategic momentum underpins our confidence in our FY25 guidance and Long Range Plan objectives of doubling sales and profit by 2028, capitalising on our leading market positions and the unique growth opportunities ahead."

£million	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY change Reported rates	YoY change Constant currency[1]
Group revenue	**1,538**	**1,543**	**-%**	**+2%**
US	692	653	+6%	+11%
UK and Europe	846	890	-5%	-5%
Adjusted EBITDA[1]	**179**	**201**	**-11%**	
Adjusted EBITDA margin[1]	*11.6%*	*13.1%*	*-150bps*	
Adjusted EBIT[1]	**135**	**165**	**-18%**	
Adjusted EBIT margin[1]	*8.8%*	*10.7%*	*-190bps*	
Adjusted EPS[1] (p)	38.0	52.7	-28%	
Statutory operating profit	**120**	**179**	**-33%**	
Statutory basic EPS (p)	25.0	51.2	-51%	
Statutory profit before tax	**92**	**155**	**-40%**	
Free cash flow[1]	118	146	-19%	
Free cash flow conversion[1]	66%	72%	-60bps	
Return On Capital Employed[1]	19.5%	27.9%	-840bps	
Net cash[1]	1	16		

FY24 Financial Highlights

- Group revenue of £1,538 million, +2% at constant currency, flat at reported rates on prior year
  - Luxury watches revenue +3% in constant currency, +1% reported, with a particularly strong performance in the US
    - Luxury watches[2] represents 87% of Group revenue
    - Demand for our key brands, particularly products on the Registration of Interest lists, continued to be strong and outstripping supply, with consistent additions and conversions

and outstripping supply, with consistent additions and conversions

  - Market share gains in the luxury watch market in both the UK and US as a result of our differentiated offering and investments
  - Our markets were characterised by significant average selling price increases in a time of reduced consumer confidence, particularly in the UK market
- Luxury jewellery[2] revenue -13% in constant currency, -14% reported, but sequential improvement through the year with Q4 FY24 the best performing period
  - Luxury branded jewellery significantly outperformed non-branded jewellery
  - Post year end, on 8 May 2024, the Group acquired the entire share capital of Roberto Coin Inc., the exclusive distributor for Roberto Coin in the USA, Canada, Central America and Caribbean, for $130 million[3], representing a significant milestone in the Group's luxury branded jewellery strategy as outlined in the Long Range Plan
  - Addition of prestigious luxury jewellery brands within the UK and US portfolios, including the introduction of David Yurman, Pomellato, FRED, Repossi, Pasquale Bruni and Faberge and expansion with existing brands such as Messika
- Rolex Certified Pre-Owned launched in the US in July 2023 and the UK in September 2023
  - Performing ahead of expectations, with further roll out planned in FY25 as supply conditions in the UK improve
  - Total pre-owned and vintage revenue (including Rolex Certified Pre-Owned) doubled against the prior year in Q4 FY24 to become the second biggest brand within the Group
- Excellent progress with showroom expansion and refurbishment programme
  - Expansionary capex[2] of £78 million, with 22 new showrooms opened and 15 showrooms refurbished

FY24 Operating Highlights

- Continued strong momentum in the US, with revenue of £692 million (FY23: £653 million), +11% at constant currency, +6% at reported rates
  - Sustained growth reflecting the success of our model and strength of client demand
  - Showroom development programme continues:
    - New Watches of Switzerland multi-brand showrooms in American Dream, New Jersey and One Vanderbilt, New York
    - Relocation and expansion of Mayors Dadeland, Florida and Rolex Millenia mono-brand boutique, Florida
    - Eight mono-brand boutiques opened for Breitling, TAG Heuer and Grand Seiko
    - Secured a new Rolex mono-brand boutique in Lenox, Atlanta; opening in FY25 replacing the existing Mayors multi-brand showroom
    - Significant programme of showroom investment projects agreed with Rolex and other brands through to FY27
  - FY24 ended with 25 multi-brand showrooms (FY23: 24) and 31 mono-brand boutiques (FY23: 23)

- UK and Europe revenue £846 million, -5%, impacted by macroeconomic conditions in the UK
  - UK performance continues to be driven by a domestic clientele with minimal return of tourist spending due to lack of VAT free shopping
  - Acquisition of 15 luxury watch showrooms from Ernest Jones. Rebranding, colleague training and system conversions complete. Early trading from these showrooms is in line with our expectations
  - Ecommerce revenue[4] -11% on last year, impacted by the mix of products through this channel and performance of the UK regional market
  - Showroom development programme continues with several projects completed during the year:
    - Major expansion of the Patek Philippe space in Watches of Switzerland 155 Regent Street, London
    - Continued rollout of the Goldsmiths Luxury concept with seven showrooms refurbished/expanded in FY24 including Liverpool, Birmingham Bullring and Manchester Trafford Centre
    - Mappin & Webb contemporary concept launched in Glasgow, York, Guernsey and Bluewater
    - One multi-brand Goldsmiths showroom opened (Bromley) along with eight mono-brand boutiques
    - Progress made on important projects, including the flagship Rolex boutique on Old Bond Street, London, Audemars Piguet Townhouse, Manchester and Mappin & Webb luxury jewellery boutique, Manchester; all opening in FY25
  - In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group intends to reallocate investment from the European market into these higher returning regions over the period of the Long Range Plan. We are in negotiations with our brand partners for the transfer of certain existing European mono-brand boutiques
  - FY24 ended with 99 multi-brand showrooms (FY23: 89) and 68 mono-brand boutiques (FY23: 57)

Outlook for FY25

- Reiteration of FY25 outlook and guidance provided at Q4 Trading Update on 16 May 2024:
  - Following the more challenging trading conditions of FY24, we are cautiously optimistic about trading in FY25. The industry as a whole is being more conservative on production, which we believe is a responsible approach to the long-term stability of the luxury watch market
  - FY25 guidance reflects current visibility of supply from key brands and confirmed showroom refurbishments, openings and closures, and excludes uncommitted capital projects and acquisitions
  - FY25 guidance includes the annualisation of the Ernest Jones acquisition, and Roberto Coin Inc. from 9 May 2024

- The Group provides the following FY25 guidance on a pre-IFRS 16 basis, assuming a £/$1.26 exchange rate:

Revenue:	£1.67 - £1.73 billion, growth of 9% - 12% at constant currency
Adjusted EBIT margin %:	+0.2 to +0.6 percentage points expansion from FY24
Total finance costs:	c.£13 million, reflecting additional financing for Roberto Coin Inc. acquisition
Underlying tax rate:	28% - 30%
Capex:	£60 - £70 million
Free cash flow conversion:	c.70%

The equivalent guidance on an IFRS 16 basis is:

Adjusted EBIT margin %:	+0.2 to +0.6 percentage points expansion from FY24
Total finance costs:	£37 - £41 million

- The Group is exposed to movements in the £/$ exchange rate when translating the results of its US operations into

- The Group is exposed to movements in the £/$ exchange rate when translating the results of its US operations into Sterling. The Actual average exchange rate for FY24 was $1.26. FY25 guidance assumes a £/$1.25 exchange rate, with a five cent move resulting in an adjustment of c.£30 million to full year Group revenue and c.£4 million on full year Adjusted EBIT, on a pre-IFRS 16 basis

- The Group has an exciting pipeline of new showroom projects planned in FY25:
  - Flagship Rolex boutique on Old Bond Street, London
  - New Audemars Piguet Townhouse, operated as a joint venture, Manchester
  - New Mappin & Webb luxury jewellery boutique, Manchester
  - New Mappin & Webb, Edinburgh
  - New Watches of Switzerland Ross Park, Pittsburgh
  - Relocation and addition of Rolex to Watches of Switzerland Legacy West, Plano, Texas
  - Relocation/expansion of Mayors Tampa, Mayors St Johns and Mayors Sarasota, Florida
  - Expansions of Betteridge Greenwich, including enhanced Patek Philippe space and Betteridge Vail, Colorado
  - Conversion of Mayors multi-brand Lenox, Atlanta into a Rolex mono-brand boutique

Reporting timetable

As the Company enters its sixth year listed on the London Stock Exchange, the Board has reviewed its reporting schedule and has decided it is in the best interests of the Company and shareholders to align its reporting calendar more closely with luxury and non-luxury retail peers. Routine updates will occur as part of the half year and full year results, normally in December and July each year, as well as two qualitative trading updates normally in January and September each year.

Webcast and conference call

A webcast presentation and conference call for analysts and investors will be held at 9.00am (UK time) today to announce the FY24 results. To join the call, please use the following details:

Webcast link: https://brrmedia.news/WOSG_FY_24
Conference call dial-in: +44 (0) 33 0551 0200
Password: WOSG FY24

Contacts

The Watches of Switzerland Group

Anders Romberg, CFO	+44 (0) 207 317 4600
Caroline Browne, Group Finance and Investor Relations Director	+44 (0) 116 281 7420
investor.relations@thewosgroup.com	

Headland

Lucy Legh / Rob Walker / Joanna Clark	+44 (0) 20 3805 4822
wos@headlandconsultancy.com	

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. From 8 May 2024, the Group also owns the exclusive distribution rights for Roberto Coin in the USA, Canada, Central America and the Caribbean.

As at 28 April 2024, the Watches of Switzerland Group had 223 showrooms across the UK, US and Europe including 99 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

CEO Review

FY24 was a more challenging year for the Group, but despite this we delivered revenue growth of +2% in constant currency. Profitability was impacted by the lack of leverage and the headwinds of Interest Free Credit costs. Our US performance was particularly strong, at +11% in constant currency, demonstrating the strength and opportunity of the US market. In both the UK and US markets we have been pleased to see growth in our Registration of Interest lists for key products in limited supply.

The macroeconomic backdrop in the UK resulted in a more unpredictable year for the Group, and sales in the UK and Europe declined -5% year on year. The UK luxury watch market is going through a period of normalisation following the COVID boom, where consumers had more disposal income to spend on watches and jewellery. High inflation and interest rates resulted in increased cost-of-living for the UK consumer and this coupled with significant price increases, mainly due to the strength of the Swiss Franc, from luxury watch brands meant that the aspirational customer was more squeezed and inclined to defer purchases. The UK market is now almost entirely domestic, following the withdrawal of VAT free shopping for tourists following Brexit, resulting in very low levels of overseas shoppers.

In both the US and the UK we have continued to gain market share, driven by our proven, differentiated business model which sets us apart in the industry. We have continued to drive high quality growth including showroom enhancement, strategic acquisitions and building infrastructure across our markets but particularly in our US business, which now makes up 45% of Group sales.

As outlined in our Long Range Plan, luxury branded jewellery has become a key part of our strategy for growth. We have built strategic partnerships defined at the Global level to support our ambitious growth plans. We are continuing to add prestigious luxury jewellery brands to our portfolio, including David Yurman, Pomellato, FRED, Repossi, Pasquale Bruni and Faberge. In addition we are expanding key existing brands within our portfolio of Roberto Coin, Chopard, Messika and Fope. We have also made significant progress with our Mappin & Webb luxury jewellery boutique in Manchester, which opens in FY25 and includes the first DeBeers mono-brand boutique in the UK outside of London.

Post year end, we completed our acquisition of Roberto Coin Inc. - the exclusive North American distributor of Roberto Coin - dramatically accelerating our luxury jewellery branded strategy, and we see enormous potential in bringing together this iconic brand with our retailing expertise and resources. Going forward we will work with our new retail partners to improve the point-of-sale experience through shop-in-shop design, develop mono-brand retailing and invest in online and marketing.

This year saw the launch of the Rolex Certified Pre-Owned programme and we are highly encouraged by the extremely strong performance. During FY25 we will continue to roll this out to further locations and we expect that our sales will benefit from dedicated shop-in-shop formats, window displays and increased marketing. Pre-owned sales of other brands also performed well and we are extending this offering in our showroom portfolio in FY25.

Over the year, we have continued to invest for high quality growth across showroom projects and strategic acquisitions, whilst building resources and infrastructure within our US business. We have made excellent progress on our showroom expansion and refurbishment programme, with 22 new showrooms opened and 15 refurbished. Our showroom design is a key part of our client appeal, where we focus on welcoming, browsable, modern showrooms. In the US we opened two multi-brand showrooms in American Dream, New Jersey and One Vanderbilt, New York. We also relocated our Mayors Dadeland, Florida showroom and expanded the Rolex Millenia mono-brand boutique, Orlando, Florida. In the UK, we continued our rollout of the Goldsmiths Luxury concept with seven showrooms either expanded or refurbished including some of our larger showrooms such as Liverpool, Birmingham Bullring and Manchester Trafford Centre. We expanded our new Mappin & Webb contemporary concept with refurbishments of Glasgow, York, Guernsey and Bluewater. This new concept modernises the showroom environment, whilst maintaining the sense of heritage with the Mappin & Webb brand. We also completed the major expansion of the Patek Philippe space in Watches of Switzerland 155 Regents Street, London.

We are excited about the strong pipeline of showroom projects we have planned in FY25, including the flagship Rolex boutique on Old Bond Street, London, Audemars Piguet Townhouse, Manchester, introduction of Rolex into Watches of Switzerland Plano, Texas, relocations of Mayors Tampa, St Johns and Sarasota, Florida and expansion of Betteridge Vail, Colorado. We have also recently secured the conversion of our existing multi-brand Mayors Lenox, Atlanta into a Rolex mono-brand boutique, which will open in FY25 and are expanding the Patek Philippe space in Betteridge Greenwich, Connecticut.

In November 2023, we completed the acquisition of 15 luxury watch showrooms from Ernest Jones. The rebranding, colleague training and system conversions are now complete, and these showrooms are trading in line with our expectations.

One of our key strengths is client experience, which is underpinned by our 'Xenia' client service programme. Xenia is at the heart of everything that we do and is based on three pillars: Know Me; WOW Me; Remember Me. This year we have maintained our focus on embedding these fundamental pillars across our showrooms and online proposition. We also recognise that client service goes beyond our external clients, and this year we started to embed Xenia into our Support Centre, driving client service at the centre of all stakeholder interactions.

Our partnerships with the most recognised and prestigious luxury watch brands have continued to strengthen throughout FY24. In 2024, Watches of Switzerland celebrates its centenary year and with it we have showcased a number of exclusive products with key brands such as Cartier, Girard-Perregaux and BVLGARI.

We were delighted to host a Grand Prix d'Horologie De Geneve (GPHG) exhibition in New York at our Soho flagship for the second year running. This event, which took place in October 2023, aimed to highlight the most remarkable contemporary second year running. This event, which took place in October 2023, aimed to highlight the most remarkable contemporary watch designs in the world, while celebrating horology culture and excellence.

In April 2024, we secured a three-year partnership with Academie Hologere des Createurs Independants (AHCI), which exists to preserve traditional watchmaking, support talented watch makers and promote quality, innovation and creativity. This non-profit organisation provides watchmaking's rising stars with a platform, as well as support and guidance, as they hone their craft and begin their careers.

In February 2024, we commenced our new partnership with American Express Centurion in the US, which offers an exclusive concierge programme to US Centurion members. The partnership was celebrated with a launch party at the Amex Centurion Club at One Vanderbilt, New York.

Environmental, Social and Governance

We have continued to stay true to our ESG pillars of people, planet and product throughout FY24. Highlights during the year include:

- Expanded our repairs and servicing capacity in the UK and US as part of our focus on the circular economy. This has doubled watchmaking capability in the UK. We also increased our circularity KPI of the number watches repaired, serviced or resold as a percentage of new watch sales to 46% from 44% in the prior year
- UK accredited as Real Living Wage Employer
- Met the recommendations of the FTSE Women Leaders Review and ranked top 10 for the FTSE 250
- Maintained the recommendations for the Parker Review for the Board
- Improved our CDP Climate Change score year-on-year from a 'C' to a 'B'
- Launched a colleague incentive to encourage and reward eco-friendly behaviours
- Mappin & Webb named as CSR Jewellery Retailer of the Year in the 2023 Professional Jeweller Awards
- £7.5 million to date donated to The Watches of Switzerland Group Foundation, the aim of which is to provide essential support to charities located in the communities in which we operate, focusing on poverty, the advancement of education and relief to those in need
- We have strengthened our relationship with the Prince's Trust and the Group was the headline sponsor for the Prince's Trust Palace to Palace Bike Ride for the second year
- Linked our existing loan facility to the achievement of our near-term science-based emission reduction targets and circularity goals

Long Range Plan

Looking forward, we remain confident in the LRP targets to more than double sales and Adjusted EBIT by the end of FY28, from an FY23 base. Going into FY25, we have the strongest ever pipeline of committed Rolex and other key brand projects through to FY28. The initial performance of Rolex Certified Pre-Owned has been ahead of our expectations, and we now expect Rolex Certified Pre-Owned to outperform the targets previously outlined in the LRP in November 2023.

The recent acquisition of Roberto Coin Inc. will spearhead our luxury branded jewellery strategy and we see further potential above and beyond what was incorporated in our LRP.

In line with our disciplined approach to capital allocation and given the pipeline of high ROI opportunities in the UK and US, we have announced our intention to reallocate investment from the European market into these higher returning regions over the period of the LRP. We are in negotiations with our brand partners for the transfer of certain existing European mono-brand boutiques. The additional growth from Rolex Certified Pre-Owned and Roberto Coin Inc., together with acquisition opportunities in the US, is expected to offset the reduction from European sales within the life of the LRP.

Guidance for FY25

Following the more challenging trading conditions of FY24, we are cautiously optimistic about trading in FY25. The industry as a whole is more conservative on production given the current volatility in the market, which we believe is a responsible approach to the long-term growth trend of the luxury watch market. Our FY25 guidance, as issued on 16 May 2024, projects full year revenue of between £1.67 and £1.73 billion, reflecting constant currency sales growth of 9% - 12%. We expect Adjusted EBIT margin expansion of +0.2 to +0.6 percentage points from FY24. We will continue to invest in our showroom portfolio, with a capex spend of £60 - £70 million.

Given the strength of our model and continued investment in the right areas for growth, I am confident that our business can come out of a difficult trading period stronger and well positioned to capitalise when the market conditions improve. We believe fundamentally in the resilience and long-term strength of the luxury watch and jewellery markets.

Finally, we have over 2,900 colleagues at the Watches of Switzerland Group and I would like to thank all of them for their continued hard work and dedication, which is definitely the key to our success. I would also like to welcome our new colleagues from Roberto Coin Inc. and look forward to working with them on the future growth of this iconic brand.

colleagues from Roberto Coin Inc. and look forward to working with them on the future growth of this iconic brand.

Financial Review

The Group's Consolidated Income Statement is shown below which is presented including IFRS 16 'Leases' and includes exceptional items.

Income Statement - post-IFRS 16 and exceptional items (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY variance
Revenue	**1,537.9**	**1,542.8**	**-%**
Operating profit	**120.0**	**178.6**	**-33%**
Net finance cost	(27.9)	(23.8)	-17%
Profit before taxation	**92.1**	**154.8**	**-40%**
Taxation	(33.0)	(33.0)	-%
Profit for the financial period	**59.1**	**121.8**	**-51%**
Basic earnings per share	**25.0p**	**51.2p**	**-51%**

Management monitors and assesses the business performance on a pre-IFRS 16 and exceptional items basis, which is shown below. This aligns to the reporting used to inform business decisions, investment appraisals, incentive schemes and debt covenants. A full reconciliation between the pre- and post-IFRS 16 results is shown in the Glossary.

Income Statement - pre-IFRS 16 and exceptional items (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY variance
Revenue	**1,537.9**	**1,542.8**	**-%**
Net margin[1]	**562.2**	**576.3**	**-2%**
Showroom costs	(289.1)	(279.2)	4%
4-Wall EBITDA[1]	**273.1**	**297.1**	**-8%**
Overheads	(85.3)	(84.1)	-1%
EBITDA[1]	**187.8**	**213.0**	**-12%**
Showroom opening and closing costs	(8.9)	(11.6)	-24%
Adjusted EBITDA	**178.9**	**201.4**	**-11%**
Depreciation, amortisation and loss on disposal of fixed assets	(44.2)	(36.3)	-22%
Adjusted EBIT (Segment profit)	**134.7**	**165.1**	**-18%**
Net finance costs	(5.8)	(5.9)	-2%
Adjusted profit before taxation[1]	**128.9**	**159.2**	**-19%**
Adjusted earnings per share	**38.0p**	**52.7p**	**-28%**

Revenue

Revenue by geography and category

52 weeks ended 28 April 2024 (£million)	UK and Europe	US	Total	Mix
Luxury watches	709.4	635.3	1,344.7	87%
Luxury jewellery	62.1	40.3	102.4	7%
Services/other	74.6	16.2	90.8	6%
Total revenue	**846.1**	**691.8**	**1,537.9**	**100%**

52 weeks ended 30 April 2023 (£million)	UK and Europe	US	Total	Mix
Luxury watches	749.6	586.5	1,336.1	87%
Luxury jewellery	67.8	51.4	119.2	7%
Services/other	72.5	15.0	87.5	6%
Total revenue	**889.9**	**652.9**	**1,542.8**	**100%**

Group revenue was flat on last year at £1,537.9 million (+2% on a constant currency basis).

Group revenue from luxury watches grew by +1% (+3% in constant currency) on the prior year and made up 87% of revenue in line with the prior year. Demand for our key brands, particularly products on Registration of Interest lists, continues to be strong, with consistent additions and conversions. Recent price increases across luxury watch brands, driven by cost inflation and foreign currency movements, have impacted affordability for some consumers, particularly in the UK, where the challenging macroeconomic backdrop was more pronounced as inflation remained higher through the year. We believe this has led to a deferral of purchases amongst a certain cohort of consumers.

The Rolex Certified Pre-Owned programme was launched in the US in July 2023 and in the UK in September 2023. Rolex Certified Pre-Owned is currently available in 19 agencies in the UK and 17 in the US and also available online. The performance of this programme has exceeded our expectations, and we will be rolling it into more showrooms during FY25. The sourcing of product for the UK market has become easier as we have continued to look for opportunities to grow. Total pre-owned and vintage (including Rolex Certified Pre-Owned) sales doubled year-on-year by Q4 FY24 and we see pre-owned as being a major growth factor for the Group.

Group luxury jewellery revenue declined by -14% (-13% in constant currency) on the prior year. This reflected market trends impacted by overall consumer sentiment, particularly within the bridal category, although we did see improving trends in

Q4 FY24 with Group luxury jewellery revenue -1%. The majority of luxury jewellery sold by the Group is retailed under our house brands of Goldsmiths, Mappin & Webb, Mayors and Betteridge. Our strategy is to grow our luxury branded jewellery offering, where we partner with other major luxury jewellery brands. Luxury branded jewellery sales continue to significantly outperform non-branded jewellery.

Services/other revenue, consisting of servicing, repairs, insurance services and the sale of fashion and classic watches and other non-luxury jewellery grew by +4%. During the year we expanded our Manchester servicing and repairs centre, which is now dedicated to Rolex, and opened a new servicing and repairs centre in Leicester.

Group ecommerce sales declined by -11% compared to the prior year, impacted by the mix of products sold through this channel and performance of the UK market. We continue to be the market leader in ecommerce for luxury watches and jewellery in the UK and are growing our proposition in the US.

US revenue increased by +6% year-on-year (+11% on a constant currency basis) and the US business made up 45% of the Group's revenue in FY24 (FY23: 42%). Underlying growth was strong across all locations with continued consumer appetite for high demand products. New York and the Wynn Resort, Las Vegas performed particularly strongly. This was accomplished through a combination of our quality product offering and superior client experience and backed up by strong marketing campaigns which had significant reach across offline and online channels.

During the year, the US opened ten showrooms. This included eight mono-brand boutiques in three locations: Topanga, California; New Orleans, Louisiana; and Murray, Utah. A further two multi-brand showrooms were opened, being a Rolex-anchored multi-brand Watches of Switzerland showroom at American Dream, New Jersey which was fully completed in October 2023 with the opening of a large Cartier space, and our third Watches of Switzerland showroom in Manhattan, at One Vanderbilt in March 2024.

UK and Europe revenue declined by -5% during the year. Sales in the UK were driven by a domestic clientele and the Group continued to grow market share. Tourist sales continue to remain low, particularly on account of the removal of VAT free shopping for tourists. Interest in the category remains high and showroom colleagues continued to build strong client relationships, but the overall market was challenging with a reduction in spend across the category.

During the year, we opened eight mono-brand boutiques in the UK, and a further multi-brand Goldsmiths showroom in Bromley. In November 2023, the Group completed the acquisition of 15 luxury watch showrooms from Ernest Jones, comprised of fourteen multi-brand and one mono-brand showrooms. Since acquisition the showrooms have been rebranded and updated with new systems and merchandising, with training and marketing taking place to gain the full beneficial impact of the acquisition in FY25. Six non-core showrooms were closed giving a net increase of 18 in the UK.

In the period, 15 projects were completed enhancing our existing estate to further elevate the partner brands we display in those showrooms and advance our client experience; this included a number of high-turnover Goldsmith showrooms in the Trafford Centre, Manchester; the Bullring, Birmingham; and Metrocentre, Newcastle. The new contemporary concept Mappin & Webb showrooms were opened in York, Guernsey, Bluewater and Glasgow.

Three showrooms were opened in Europe taking the total number to nine. In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group announced on 16 May 2024 that it intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of certain existing mono-brand boutiques.

Profitability

	Profitability as a % of revenue		
Income Statement - pre-IFRS 16 and exceptional items (£million)	**52 weeks ended 28 April 2024**	**52 weeks ended 30 April 2023**	**YoY variance**
Net margin	36.6%	37.4%	(80bps)
Showroom costs	18.8%	18.1%	70bps
4-Wall EBITDA	17.8%	19.3%	(150bps)
Adjusted EBITDA	11.6%	13.1%	(150bps)
Adjusted EBIT	8.8%	10.7%	(190bps)

Net margin as a % of revenue was 36.6% in the year. This was 80bps lower than the prior year driven by product mix and the higher cost of Interest Free Credit due to the annualisation of interest rate rises.

Showroom costs increased by £9.9 million (+3.5%) from the prior year, to £289.1 million. Showroom costs as a percentage of revenue increased by 70bps from 18.1% to 18.8%. This reflects the opening of new showrooms, the annualisation of prior year openings, showroom costs relating to the Ernest Jones acquisition and annual pay rises to colleagues. This was partly offset by a reduction in business rates and efficiencies found within showroom payroll, and digital marketing investment which continues to maximise traffic and conversion versus cost.

Overheads increased by £1.2 million (+1%) due to IT investment to support future growth, annual pay rises to colleagues along with the opening of our new support centre in Leicester. This was partly offset by efficiencies within marketing and a reduction in colleague incentive payments.

Showroom opening and closing costs include the cost of rent (pre-IFRS 16), rates and payroll prior to the opening or closing of showrooms, or during closures when refurbishments are taking place. This cost will vary annually depending on the scale of expansion in the year. Total costs for the year were £8.9 million versus £11.6 million in FY23, reflecting the decreased number of refurbishments and openings undertaken.

Exceptional items

Exceptional items are defined by the Group as those which are significant in magnitude or are linked to events which are expected to be infrequent in nature. The majority of the items below do not have a cash impact.

Exceptional items (£million)	**52 weeks ended 28 April 2024**	**52 weeks ended 30 April 2023**
Business acquisitions costs	3.3	0.9
Rolex Old Bond Street	2.5	-
European showroom impairment	8.6	-
Showroom impairment		
- Impairment of property, plant and equipment	7.2	-
- Impairment of right-of-use assets	13.0	-
- Other onerous contracts	1.0	-
- Reversal of impairment	-	(0.7)
Reversal of inventory provision created on acquisition	(2.4)	-
Amortisation of capitalised transaction costs	-	0.7
Total exceptional items	**33.2**	**0.9**
Of which impacts:		
Adjusted EBIT	31.9	0.2
Finance costs	1.3	0.7

Business acquisition costs

Professional and legal expenses and integration costs on business combinations have been expensed to the Consolidated Income Statement as an exceptional cost as they are regarded as non-trading, non-underlying costs and are considered to be material by nature. The total cost shown here also includes expenses incurred in the year in relation to the Roberto Coin Inc. acquisition which completed post year end.

Rolex Old Bond street

A new 7,200 sq. ft showroom is being built in partnership with Rolex. This new flagship will be our largest Rolex showroom and reflects the importance of the London market and the special relevance of London to the history of Rolex. The cost shown here is the IFRS 16 depreciation charge and other costs whilst the showroom is being constructed. They are deemed to be exceptional in nature given that this unique proposition results in a project size and complexity significantly outside of a standard build, coupled with documented project delays outside of the Group's control.

European showroom impairment

The exceptional costs are reflective of both asset write downs and onerous contracts in relation to the European showrooms. In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group announced after the year end date, it intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of a number of our existing European mono-brand boutiques.

Showroom impairment

The current macroeconomic environment, increased interest rates, and inflationary trends gave rise to indicators of impairment in the current period. Consequently, discounted cashflows were performed on all Cash Generating Units (CGUs) with indicators of impairment. This resulted in a non-cash impairment charge of £26.2 million of which £16.4 million related to right-of-use assets (ROU assets). A significant proportion of the ROU assets impairment arose due to the differences between the interest rates used to initially recognise the ROU asset and the much higher interest rates in place at the year-end used in formulating the discount rates to value the future cash flows. A further provision of £1.0 million relates to the associated onerous contracts. See note 4 of the Condensed Consolidated Financial Statements for further details.

Reversal of inventory provision created on acquisition

In the prior period, for the Betteridge acquisition, an estimate was made of the fair value of inventory acquired with a provision recorded in goodwill. During the year, the Group achieved higher product margins on a number of these inventory lines through maximisation of our CRM database. The gain is deemed to be exceptional in nature.

Adjusted EBIT and statutory operating profit

As a result of the items noted above, Adjusted EBIT was £134.7 million, a decrease of £30.4 million -18% on the prior year.

After accounting for exceptional costs of £31.9 million and IFRS 16 adjustments of +£17.2 million, statutory operating profit (EBIT) was £120.0 million, a decrease of 33% on the prior year.

Finance costs

Net finance costs (£million)	**52 weeks ended 28 April 2024**	**52 weeks ended 30 April 2023**
Pre-IFRS 16 net finance costs, excluding exceptionals	**5.8**	**5.9**
IFRS 16 interest on lease liabilities	20.8	17.2
Total net finance costs, excluding exceptionals	**26.6**	**23.1**

Interest payable on borrowings increased in the period, reflecting higher market lending rates and further borrowing to fund the acquisition of 15 showrooms from Ernest Jones. This was offset by higher interest rates earned on cash balances held, and the ability to be more flexible throughout the year with the new multicurrency revolving credit facility. The impact was a net reduction in the pre-IFRS 16 interest charge of £0.1 million to £5.8 million. The IFRS 16 interest on lease liabilities increased by £3.6 million due to recent additions to the lease portfolio as we continue to invest in showroom portfolio expansion.

Details of a further £1.3 million of exceptional finance costs are given in note 4 of the Condensed Consolidated Financial Statements.

Taxation

The pre-IFRS 16 Effective Tax Rate (ETR) for the period before exceptional items was 30.3%. The increase versus our guided ETR is partly driven by the impact of the reduced share price on the share based payments charge. Full detail can be found in note 5 within the Condensed Consolidated Financial Statements.

The statutory (post-IFRS 16 and including exceptionals) effective tax rate was 35.8%. This is higher than the applicable UK corporation tax rate for the year of 25.0% as a result of higher chargeable taxes on US profits, the impact of expenses disallowed for corporation tax, and non-recognition of deferred taxes in Europe.

Balance Sheet

Balance Sheet (£million)	**28 April 2024**	**30 April 2023**
Goodwill and intangibles	215.7	200.4
Property, plant and equipment	191.4	154.4
Right-of-use assets	381.8	359.1
Inventories	393.3	356.0
Trade and other receivables	24.6	19.8
Trade and other payables	(216.5)	(219.6)
Lease liabilities	(460.4)	(410.4)
Net cash	0.7	16.4
Other	(7.6)	(6.8)
Net assets	**523.0**	**469.3**

Goodwill increased as a result of the Ernest Jones showroom acquisition in the year which gave rise to £16.0 million of goodwill, together with a £0.5 million favourable exchange impact. A further £2.4 million of computer software additions were made in the year as part of ongoing IT developments, offset by amortisation of £2.8 million.

Property, plant and equipment increased by £37.0 million in the year. Additions of £87.4 million (including £5.8 million from the Ernest Jones acquisition) were offset by depreciation of £39.7 million, impairments of £9.8 million, and a loss on disposal and foreign exchange movements of £0.9 million.

Including software costs, which are disclosed as intangibles, capital additions (including accruals) were £84.0 million in the year of which £81.3 million (FY23: £73.0 million) was expansionary. Expansionary capex relates to new showrooms, relocations or major refurbishments (defined as costing over £0.25 million). In the year, the Group opened 22 new showrooms, and refurbished 15 showrooms. Investment in our portfolio is paramount to our strategy and the Group follows a disciplined payback policy when making capital investment decisions.

Right-of-use assets increased by £22.7 million in the year, to £381.8 million. Additions to the lease portfolio along with lease renewals or other lease changes were £94.5 million. This has been offset by depreciation of £56.0 million and impairments of £16.4 million. The remaining movement is a £0.6 million favourable foreign exchange impact.

Lease liabilities increased by £50.0 million in the year. The portfolio changes noted above increased the lease liability by £95.5 million. Interest charged on the lease liability was £22.1 million and there was a £0.5 million adverse foreign exchange impact. Lease payments were £68.1 million, giving a final lease liability balance of £460.4 million.

Inventory levels increased by £37.3 million (+10%) compared to the prior year. £25.3 million of inventory was acquired as part of the Ernest Jones acquisition, and the Group increased pre-owned watches and Rolex Certified Pre-Owned volume by £26.9 million. This has been offset through a reduction in underlying inventory to maintain stock turn at appropriate levels. The inventory obsolescence risk remains low for the Group.

Trade and other receivables increased by £4.8 million compared to FY23. Overall the balance remains relatively low and represents prepayments, rebate receivables, rent deposits and other ad hoc receivables such as property contributions.

Trade and other payables decreased by £3.1 million. The balance remains in line with FY23 as a result of focus on inventory management and ongoing cost control.

Other includes taxation balances, defined benefit pension and capitalised finance costs.

Net cash/debt and financing

Net cash on 28 April 2024 was £0.7 million, a decrease of £15.7 million since 30 April 2023. The strong free cash flow of £117.6 million being utilised for £78.0 million of expansionary capex, £44.2 million relating to the Ernest Jones acquisition and £7.2 million for the purchase of own shares to satisfy future management incentives.

Net debt post-IFRS 16 was £458.0 million. The value comprises the pre-IFRS 16 net cash of £0.7 million and the £460.4 million lease liability, offset by capitalised transaction costs of £1.7 million. The balance increased by £64.0 million (from £394.0 million) in the period, principally driven by additions to the lease portfolio.

The Group's maximum amount available under its committed facility was £225.0 million at 28 April 2024.

Facility from 9 May 2023	Expiring	Amount (million)
Multicurrency revolving loan facility - UK SONIA +1.50% to +2.55%	May 2028	£225.0

During the year, on 9 May 2023, the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The new facility uses UK SONIA +1.50% to +2.55%. The existing facilities were repaid and extinguished on this date. £115.0 million of these facilities were drawn down at 28 April 2024. Liquidity headroom (defined as unrestricted cash plus undrawn available facilities) was £209.3 million. Further detail with regards to covenant tests and liquidity headroom can be found in borrowings note 7 within the Condensed Consolidated Financial Statements.

Post year-end, the Group drew down on a new loan facility to fund the acquisition of Roberto Coin Inc. This $115.0 million loan facility has the same interest rate and covenants as our existing RCF facility and has a term of one year, with two six-month extension periods taking the maximum term length to two years. In taking out this additional facility we have maintained our financial flexibility to pursue further acquisitions in the future.

Cash Flow

Cash Flow (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
Adjusted EBITDA	**178.9**	**201.4**
Share-based payments	2.1	3.5
Working capital	(20.3)	(22.5)
Pension contributions	(0.7)	(0.7)
Tax	(33.5)	(26.6)
Cash generated from operating activities	**126.5**	**155.1**
Maintenance capex	(2.7)	(4.6)
Net interest	(6.2)	(4.7)
Free cash flow	**117.6**	**145.8**
Free cash flow conversion	**66%**	**72%**
Expansionary capex	(78.0)	(67.5)
Acquisitions	(44.2)	(24.9)
Purchase of own shares	(7.2)	(21.3)
Refinancing costs	(2.2)	-

Exceptional items - expenses on business acquisitions	(2.5)	(0.9)
Cash flow	**(16.5)**	**31.2**
Net repayment of borrowings	(5.0)	-
Net (decrease)/increase in cash and cash equivalents	**(21.5)**	**31.2**

Free cash flow decreased by £28.2 million to £117.6 million in the year to 28 April 2024 and free cash flow conversion was 66% compared to 72% in the prior year.

Cash flow from trading reduced (Adjusted EBITDA decreased by £22.5 million), in addition to a £20.3 million adverse working capital movement, driven by the inventory increase in the year as noted above. Tax cash payments increased to £33.5 million in line with the tax charge in the year.

Expansionary cash capex of £78.0 million was higher than the prior year due to an increase in new showroom openings and refurbishments. FY24 had a higher proportion of capex spend in the first half of the year, as we looked to complete significant projects ahead of the holiday season. Showrooms will therefore benefit from a full year of opening in FY25.

£7.2 million of shares were purchased in the period to satisfy management incentive schemes, which will vest in the future periods.

Exceptional cash items of £2.5 million principally relates to professional and legal expenses in relation to actual and future acquisitions, including the acquisition of Roberto Coin Inc. which took place post year end.

Return on Capital Employed (ROCE)[1]

	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
ROCE	19.5%	27.9%

FY24 ROCE is 19.5%, a decrease of 840bps in comparison to the prior year. This is as a consequence of Adjusted EBIT decreasing by -18% compared to the prior period.

Roberto Coin Inc. Acquisition

On 8 May 2024, the Group signed and completed the acquisition of the entire share capital of Roberto Coin Inc., the exclusive distributor of Roberto Coin in the US, Canada, Central America and the Caribbean.

The acquisition completed for a total cash consideration of $130.0 million (of which $10.0 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 $137.2 million and profit before taxation of $29.8 million for the audited financial year ended 31 December 2023. Gross assets at that date were $102.4 million.

The acquisition was financed via a new $115.0 million term loan facility. At the date of the acquisition, the transaction increased the Group's leverage to c.0.8x Net Debt/Adjusted EBITDA at the year-end date and c0.6x on a pro-forma basis.

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

Capital Allocation

The Group has a clear framework of capital allocation and is focused on optimising capital deployment for the benefit of all our stakeholders, with a focus on long-term sustainable growth in the business. It is also important for the Group to maintain financial and operational flexibility to be able to react tactically to opportunities, such as strategic acquisitions, at speed. Our capital allocation framework is as follows:

1. Showroom investments - given the attractive returns from showroom investments, this is our key focus area to allocate capital to
2. Strategic acquisitions - this is a key pillar of our growth strategy, as outlined in our Long Range Plan to FY28. Acquisitions must deliver return on investment in line with our disciplined financial criteria, within an appropriate timeframe
3. Returns to shareholders - in the event of surplus capital/cash flow above and beyond the requirements of the business for investment into showrooms or strategic acquisitions, we would consider returns to shareholders either through ordinary dividends or share buy backs, with the appropriate mechanism to be decided at the appropriate time by the Board

Showroom Portfolio

As at the 28 April 2024, the Group had 223 showrooms. The movement in showroom numbers is included below:

	UK multi-brand showrooms	UK mono-brand boutiques	Europe mono-brand	Total UK and Europe	US multi-brand showrooms	US mono-brand boutiques	Total US	Total Group

			boutiques					
30 April 2023	89	51	6	146	24	23	47	**193**
Openings	1	8	3	12	2	8	10	**22**
Acquisitions	14	1	-	15	-	-	-	**15**
Closures	(5)	(1)	-	(6)	(1)	-	(1)	**(7)**
28 April 2024	**99**	**59**	**9**	**167**	**25**	**31**	**56**	**223**

Footnote references

[1] This is an Alternative Performance Measure and is shown on a pre-IFRS 16 basis. Refer to the Glossary for definition, purpose and reconciliation to statutory measures where relevant.

[2] Refer to the Glossary for definition.

[3] $10 million is deferred and contingent on the future profitability of the business, subject to working capital adjustments

[4] Ecommerce sales are sales which are transacted online.

Certain financial data within this announcement has been rounded. Growth rates are calculated on unrounded numbers.

Principal and emerging risks and uncertainties

The Group is exposed to a number of risks and uncertainties in its business which could impact its ability to effectively execute its strategy and cause actual results to differ materially from expected and/or historical results. The Board has undertaken a robust assessment of the principal and emerging risks and uncertainties facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The risks presented in the 2023 Annual Report and Accounts, described as follows, remain unchanged: Business strategy execution and development; Key suppliers and supply chain; Client experience and market risks; Colleague talent and capability; Data protection and cyber security; Business interruption; Regulatory and compliance; Economic and political; Brand and reputational damage; Financial and treasury; and Climate change. These are detailed on pages 116 to 121 of the 2023 Annual Report, a copy of which is available on the Watches of Switzerland Group PLC (the 'Company') website at www.thewosgroupplc.com.

A full disclosure of the Group's principal risks and emerging risks and uncertainties, including the factors which mitigate them, will be set out within the Strategic Report of the 2024 Annual Report and Accounts.

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, 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.

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 announcement.

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 and, except as required by law or regulation, the Company undertakes no obligation to update these forward-looking statements. No statement in this announcement should be construed as a profit forecast or profit estimate.

Before making any investment decision in relation to the Company you should specifically consider the factors identified in

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.

Watches of Switzerland Group PLC
Preliminary results
For the 52 week period ended 28 April 2024

Registered number: 11838443

CONSOLIDATED INCOME STATEMENT
FOR THE 52 WEEKS ENDED 28 APRIL 2024

	Note	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Revenue	2,3	**1,537.9**	**1,542.8**
Cost of sales		(1,348.5)	(1,324.1)
Exceptional cost of sales	4	0.5	-
GROSS PROFIT		189.9	218.7
Administrative expenses		(37.5)	(39.9)
Exceptional (impairment)/reversal of impairment of assets	4	(26.2)	0.7
Exceptional other administrative expenses	4	(6.2)	(0.9)
OPERATING PROFIT		**120.0**	**178.6**
Finance costs		(29.5)	(24.0)
Finance income		2.9	0.9
Exceptional finance costs	4	(1.3)	(0.7)
NET FINANCE COST		(27.9)	(23.8)
Profit before taxation		**92.1**	**154.8**
Taxation	5	(33.0)	(33.0)
Profit for the financial period		**59.1**	**121.8**
EARNINGS PER SHARE			
Basic	6	**25.0p**	**51.2p**
Diluted	6	**24.8p**	**50.9p**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 28 APRIL 2024

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit for the financial period	**59.1**	**121.8**
Other comprehensive income/(expense):		
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		

Foreign exchange gain/(loss) on translation of foreign operations	1.7	(3.1)
Related current tax movements	(0.1)	0.1
	1.6	**(3.0)**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
Actuarial movements on defined benefit pension scheme	(0.9)	0.3
Related deferred tax movements	0.2	(0.1)
	(0.7)	**0.2**
Other comprehensive income/(expense) for the period	**0.9**	**(2.8)**
Total comprehensive income for the period	**60.0**	**119.0**

The notes are an integral part of these Condensed Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
AS AT 28 APRIL 2024

	Note	28 April 2024 £m	30 April 2023 £m
ASSETS			
NON-CURRENT ASSETS			
Goodwill		199.3	182.8
Intangible assets		16.4	17.6
Property, plant and equipment		191.4	154.4
Right-of-use assets		381.8	359.1
Deferred tax assets		0.4	6.2
Post-employment benefit asset		-	0.1
Trade and other receivables		2.1	2.1
		791.4	**722.3**
CURRENT ASSETS			
Inventories		393.3	356.0
Current tax asset		4.5	2.6
Trade and other receivables		22.5	17.7
Cash and cash equivalents		115.7	136.4
		536.0	**512.7**
Total assets		**1,327.4**	**1,235.0**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		(215.4)	(218.7)
Current tax liability		-	(4.9)
Lease liabilities		(57.0)	(47.4)
Provisions		(1.9)	(1.8)
		(274.3)	**(272.8)**
NON-CURRENT LIABILITIES			
Trade and other payables		(1.1)	(0.9)
Deferred tax liabilities		(3.4)	(3.0)
Lease liabilities		(403.4)	(363.0)
Borrowings	7	(113.3)	(120.0)
Post-employment benefit obligations		(0.2)	-
Provisions		(8.7)	(6.0)
		(530.1)	**(492.9)**
Total liabilities		**(804.4)**	**(765.7)**
Net assets		**523.0**	**469.3**
EQUITY			
Share capital		3.0	3.0
Share premium		147.1	147.1
Merger reserve		(2.2)	(2.2)
Other reserves		(23.4)	(18.4)
Retained earnings		394.1	337.0
Foreign exchange reserve		4.4	2.8
Total equity		**523.0**	**469.3**

The notes are an integral part of these Condensed Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 28 APRIL 2024

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Foreign exchange reserve £m	Total equity attributable to owners £m
Balance at 1 May 2022	**3.0**	**147.1**	**(2.2)**	**(6.7)**	**214.3**	**5.8**	**361.3**
Profit for the financial period	-	-	-	-	121.8	-	121.8
Other comprehensive income, net of tax	-	-	-	-	0.2	(3.0)	(2.8)
Total comprehensive income	**-**	**-**	**-**	**-**	**122.0**	**(3.0)**	**119.0**

Purchase of own shares	-	-	-	(14.5)	-	-	(14.5)
Share-based payment charge	-	-	-	-	3.5	-	3.5
Share-based payments	-	-	-	2.8	(2.8)	-	-
Tax on items credited to equity	-	-	-	-	(0.5)	-	(0.5)
Tax on vested shares moved to current tax	-	-	-	-	0.5	-	0.5
Total other transactions	**-**	**-**	**-**	**(11.7)**	**0.7**	**-**	**(11.0)**
Balance at 30 April 2023	**3.0**	**147.1**	**(2.2)**	**(18.4)**	**337.0**	**2.8**	**469.3**
Profit for the financial period	-	-	-	-	59.1	-	59.1
Other comprehensive income, net of tax	-	-	-	-	(0.7)	1.6	0.9
Total comprehensive income	**-**	**-**	**-**	**-**	**58.4**	**1.6**	**60.0**
Purchase of own shares	-	-	-	(7.2)	-	-	(7.2)
Share-based payment charge	-	-	-	-	2.1	-	2.1
Share-based payments	-	-	-	2.2	(2.2)	-	-
Tax on items credited to equity	-	-	-	-	(1.1)	-	(1.1)
Tax on vested shares moved to current tax	-	-	-	-	(0.1)	-	(0.1)
Total other transactions	**-**	**-**	**-**	**(5.0)**	**(1.3)**	**-**	**(6.3)**
Balance at 28 April 2024	**3.0**	**147.1**	**(2.2)**	**(23.4)**	**394.1**	**4.4**	**523.0**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 28 APRIL 2024

	Note	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**59.1**	**121.8**
Adjustments for:			
Depreciation of property, plant and equipment		39.7	32.3
Depreciation of right-of-use assets		54.8	50.3
Depreciation of right-of-use assets - exceptional items (note 4)		1.2	-
Amortisation of intangible assets		3.6	3.2
Impairment of property, plant and equipment		-	0.4
Impairment of right-of-use assets - exceptional items (note 4)		16.4	-
Impairment of property, plant and equipment - exceptional items (note 4)		9.8	-
Reversal of impairment of property, plant and equipment - exceptional items (note 4)		-	(0.5)
Reversal of impairment of right-of-use assets - exceptional items (note 4)		-	(0.2)
Loss on disposal of property, plant and equipment		1.1	0.8
Gain on lease modifications		(0.8)	(1.3)
Share-based payment charge		2.1	3.5
Finance income		(2.9)	(0.9)
Finance costs		29.5	24.0
Finance costs - exceptional items (note 4)		1.3	0.7
Taxation	5	33.0	33.0
Increase in inventory		(11.3)	(51.5)
(Increase)/decrease in debtors		(4.4)	1.5
(Decrease)/increase in creditors, provisions and pensions		(6.7)	22.1
Cash generated from operations		**225.5**	**239.2**
Pension scheme contributions		(0.7)	(0.7)
Tax paid		(33.5)	(26.6)
Total net cash generated from operating activities		**191.3**	**211.9**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets:			
Property, plant and equipment additions		(81.6)	(75.0)
Intangible asset additions		(2.4)	(2.7)
Movement on capital expenditure accrual		4.1	7.1
Cash outflow from purchase of non-current assets		**(79.9)**	**(70.6)**
Interest received		3.0	-
Acquisition of subsidiaries net of cash acquired		(44.2)	(24.9)
Total net cash outflow from investing activities		**(121.1)**	**(95.5)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of own shares		(7.2)	(21.3)
Repayment of term loan	7	(120.0)	-
Proceeds from multicurrency revolving loan facility	7	115.0	-
Costs directly attributable to raising new loan facility	7	(2.2)	-
Payment of capital element of leases		(46.0)	(42.0)
Payment of interest element of leases		(22.1)	(17.2)
Interest paid		(9.2)	(4.7)
Net cash outflow from financing activities		**(91.7)**	**(85.2)**
Net (decrease)/increase in cash and cash equivalents		**(21.5)**	**31.2**
Cash and cash equivalents at the beginning of the period		136.4	105.9
Exchange gains/(losses) on cash and cash equivalents		0.8	(0.7)

Cash and cash equivalents at the end of period	**115.7**	**136.4**
Comprised of:		
Cash at bank and in hand	93.8	120.7
Cash in transit	21.9	15.7
Cash and cash equivalents at end of period	**115.7**	**136.4**

1. ACCOUNTING POLICIES

GENERAL INFORMATION
The Condensed Consolidated Financial Statements, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, do not constitute full accounts within the meaning of s435 (1) and (2) of the Companies Act 2006. The auditor has reported on the Group's statutory accounts for the 52 week period ended 28 April 2024 and 52 week period ended 30 April 2023, which do not contain any statement under s498 (2) or (3) of the Companies Act 2006 and were unqualified. The statutory accounts for the 52 week period ended 30 April 2023 have been delivered to the Registrar of Companies and the statutory accounts for the 52 week period ended 28 April 2024 will be filed with the Registrar in due course.

This announcement was approved by the Board of Directors on 26 June 2024.

BASIS OF PREPARATION
Whilst the financial information has been prepared in accordance with the recognition and measurement criteria of UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain all the disclosures required to comply with UK adopted international accounting standards. The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements are the same as those set out in the Group's Annual Financial Statements for the 52 weeks ended 28 April 2024 and 52 weeks ended 30 April 2023. The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not effective.

The Condensed Consolidated Financial Statements have been prepared under the historical cost convention except for pension assets which are measured at fair value.

GOING CONCERN
On 9 May 2023, the Group signed a new five year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date. Further, on 23 February 2024, the Group agreed a new $115.0 million term facility agreement for use in relation to the Roberto Coin Inc. acquisition. This facility was drawn down post year end to allow cash settlement of the acquisition consideration on 8 May 2024. As a result, the going concern assessment has been carried out taking into account all facilities now in place.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA, and the Fixed Charge Cover Ratio (FCCR) at each April and October. The facility covenants are on a pre-IFRS 16 basis and exclude share-based payment costs. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 month Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. At 28 April 2024 the Group comfortably satisfied the covenant tests with net debt to EBITDA being less than 3 and the FCCR exceeding 1.6.

At the balance sheet date, the Group had a total of £225.0 million in available committed facilities, of which £115.0 million was drawn down. Net cash at this date was £0.7 million with liquidity headroom (defined as unrestricted cash plus undrawn available facilities) of £209.3 million. The UK bank facility of £225.0 million is due to expire in May 2028. The new $115.0 million term facility is a 12-month facility with two six-month extension options within the Group's control to bring the expiry date to February 2026. This facility did not increase the year-end liquidity balance as its use was restricted to the acquisition of Roberto Coin Inc. Further detail with regards to covenant tests and liquidity headroom can be found in borrowings note 7 within the Condensed Consolidated Financial Statements.

In assessing whether the going concern basis of accounting is appropriate, the Directors have reviewed various trading scenarios for the period to 31 October 2025 from the date of this report. These included:

- The base case forecast which used the FY25 budget approved by the Board in May 2024 and six-months of the Long Range Plan. These included the following key assumptions:
    - The more challenging trading environment of FY24 will continue into FY25 with improvement into FY26 in line with market sentiment
    - Revenue forecast supported by expected luxury watch supply
    - Increased cost base in line with macroeconomic environment and environmental targets
    - Inclusion of Roberto Coin Inc. results at historical levels

The budget aligns to the Guidance given in this announcement. Under this budget, the Group has significant liquidity and complies with all covenant tests to 31 October 2025. Our Guidance reflects current visibility of supply from key brands and confirmed showroom refurbishments, openings and closures, and excludes uncommitted capital projects and acquisitions which would only occur if expected to be incremental to the business.

- Severe but plausible scenarios of:
    - 20% reduction in sales against the budget due to reduced consumer confidence and lower disposable income due to the cost-of-living challenges. This scenario did not include cost mitigations which are given below
    - The realisation of material risks detailed within the Principal Risks and Uncertainties (including potential data breaches and non-compliance with laws and regulations), and also environmental risks

  Under these scenarios the net debt to EBITDA and the FCCR covenants would be complied with.
- Reverse stress-testing of cashflows during the going concern period was performed. This determined what level of reduced EBITDA and worst case cash flows would result in a breach of the liquidity or covenant tests. The likelihood of this level of reduced EBITDA is considered remote taking into account liquidity and covenant headroom, as well as mitigating actions within management's control (as noted below), and that this would represent a significant reduction in sales and margin from prior financial years.
- Should trading be worse than the outlined severe but plausible scenarios, the Group has the following mitigating actions within management's control:
    - Reduction of marketing spend
    - Reduction in the level of inventory holding and purchases
    - Restructuring of the business with headcount and showroom operations savings
    - Redundancies and pay freezes
    - Reducing the level of planned capex

The directors also considered whether there were any events or conditions occurring just outside the going concern period that should be considered in their assessment, including whether the going concern period needed to be extended. The scenarios modelled by the directors confirmed the ability, under the base and severe but plausible downsides, for the Group to repay the new $115.0 million term facility at the end of the going concern period.

As a result of the above analysis, including potential severe but plausible scenarios and the reverse stress test, the Board believes that the Group and Company is able to adequately manage its financing and principal risks, and that the Group believes that the Group and Company is able to adequately manage its financing and principal risks, and that the Group and Company will be able to operate within the level of its facilities and meet the required covenants for the period to 31 October 2025. For this reason, the Board considers it appropriate for the Group and Company to adopt the going concern basis in preparing the Condensed Consolidated Financial Statements.

CLIMATE CHANGE

In preparing the Condensed Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report. These considerations did not have a material impact on the Condensed Consolidated Financial Statements, including the Group's going concern assessment to 31 October 2025 and the viability of the Group over the next three years.

EXCEPTIONAL ITEMS

The Group presents as exceptional items on the face of the Consolidated Income Statement those items of income and expense which, because of their size, nature or the expected infrequency of the events giving rise to them, merit separate presentation to provide a better understanding of the elements of financial performance in the financial period, so as to assess trends in financial performance. Further details on exceptional items are given within note 4.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs.

The key APMs that the Group uses include: Net margin, Adjusted EBITDA, Adjusted EBIT and Adjusted Earnings Per Share. These APMs are set out in the Glossary, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

The Group makes certain adjustments to the statutory profit measures in order to derive many of these APMs. The Group's policy is to exclude items that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operating costs of the Group. Treatment as an adjusting item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group but should not be considered in isolation of statutory measures.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following standards, amendments and interpretations were early adopted by the Group for the 52-week period ended 28 April 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

This had no material impact on the Group.

The following standards, amendments and interpretations were adopted by the Group for the 52-week period ended 28 April 2024:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
- International Tax Reform-Pillar Two Model Rules - Amendments to IAS 12

IFRS 17 INSURANCE CONTRACTS

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. The amendments did not have a material impact on the Group's Condensed Consolidated Financial Statements.

DISCLOSURE OF ACCOUNTING POLICIES - AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's Condensed Consolidated Financial Statements.

INTERNATIONAL TAX REFORM-PILLAR TWO MODEL RULES - AMENDMENTS TO IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Further amendments to and the interpretation of existing accounting standards that became effective during the period, did not have a material impact on the Condensed Consolidated Financial Statements.

Significant accounting estimates, assumptions and judgements

The preparation of consolidated financial information requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Actual results may differ from these estimates.

Significant estimates and assumptions

Estimates and underlying assumptions are reviewed by management on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future period affected.

The areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Post-employment benefit obligations

The Group's accounting policy for the defined benefit pension scheme requires management to make judgements as to the nature of benefits provided by each scheme and thereby determine the classification of each scheme. For the defined benefit scheme, management is required to make annual estimates and assumptions about future returns on classes of scheme assets, future remuneration changes, employee attrition rates, administration costs, changes in benefits, inflation rates, life expectancy and expected remaining periods of service of employees and the determination of the pension cost and defined benefit obligation of the Group's defined benefit pension scheme depends on the selection of these assumptions. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value, on a weighted average cost basis. Provisions are recognised where the net realisable value is assessed to be lower than cost. The calculation of this provision requires estimation of the eventual sales price and sell-through of goods to customers in the future. The inventory provision held at the year-end was £6.4 million (2023: £5.2 million). A 20% reduction in the showroom sell-through of slow moving stock would impact the net realisable value by c.£4.4 million.

Impairment of property, plant and equipment and right-of-use assets
Property, plant and equipment and right-of-use assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. For the impairment test, the value-in-use method requires the Group to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to the cash flow projections over the strategic plan period, the long-term growth rate to be applied beyond this period and the risk-adjusted pre-tax discount rate used to discount those cash flows. The key assumptions relate to sales growth rates and discount rates used to discount the cash flows. Climate risk and near-term environmental actions that the Group is taking, have been considered in future cash flows used in the impairment review. This includes unavoidable future costs such as price increases, together with the cost of mitigating climate risks, and consideration of quantified climate-related risks on future cash flows. Showroom related property, plant and equipment and right-of-use assets are tested for impairment at a showroom-by-showroom level, including an allocation of overheads related to showroom operations.

Significant judgements
The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

Classification of exceptional items and presentation of non-GAAP measures
The Directors exercise their judgement in the classification of certain items as exceptional and outside the Group's underlying results. The determination of whether an item should be separately disclosed as an exceptional item, non-underlying or non-trading requires judgement on its size, nature or expected infrequency, as well as whether it provides clarity on the Group's underlying trading performance. In exercising this judgement, the Directors take appropriate regard of IAS 1 'Presentation of financial statements' as well as guidance from the Financial Reporting Council and the European Securities Market Authority on the reporting of exceptional items and APMs. The overall goal of the Directors is to present the Group's underlying performance without distortion from one-off or non-trading events regardless of whether they are favourable or unfavourable to the underlying result. Further details on exceptional items are provided in note 4.

Lease term (IFRS 16)
IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option.

Where a lease includes the option for the Group to terminate the lease before the term end, the Group makes a judgement as to whether it is reasonably certain that the option will or will not be taken.

On entering into a lease, the Group assesses how reasonably certain it is to exercise these options. The default position is that the Group will determine that the lease term is to the end of the lease (i.e. will not include break-clauses or options to extend) unless there is clear evidence to the contrary.

The lease term of each lease is reassessed if there is specific evidence of a change in circumstance such as:

- A decision has been made by the business to exercise a break or option
- The trading performance significantly changes
- Planned future capital expenditure suggests that the option to extend will be taken

Discount rates (IFRS 16)
The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. Management uses the rate implicit in the lease in relation to the Group's 'Other' leases and the lessee's incremental borrowing rate for all property leases.

Incremental borrowing rates are determined on entering a lease and depend on the term, country, currency and start date of the lease. The incremental borrowing rate used is calculated based on a series of inputs including:

The risk-free rate based on country specific swap markets

A credit risk adjustment based on country specific corporate indices; and

A Group specific adjustment to reflect the Group's specific borrowing conditions

As a result, reflecting the breadth of the Group's lease portfolio, judgements on the lease terms and the international spread of the portfolio, there are a large number of discount rates applied to the leases within the range of 2.1% to 7.7%.

Substantive substitution rights (IFRS 16)
The Group has applied judgement to four (2023: three) contractual agreements and has judged that they do not meet the definition of a lease under IFRS 16. In these cases, the Group has judged that the lessor has a substantive right to substitute the asset and as such, there is no asset identified within the contract. The Group judges that the lessor has the practical ability to substitute; the Group cannot prevent the lessor from proposing the substitution; and the costs of substitution are assessed to be low.

If substituted, the lessor is able to give 14 days written notice to the Group indicating that the sales area will be changed and the costs incurred to move the sales area would be low to the lessor. As a result, the Group has deemed that the lessor has a substantive right to substitute the asset and as such there is no asset identified within the contract. Given this, the Group does not recognise lease liabilities or right-of-use assets in relation to these leases and continues to account for these on a straight-line basis.

2. SEGMENT REPORTING

The key Group performance measures are Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) and Adjusted Earnings Before Interest and Tax (Adjusted EBIT), both shown pre-exceptional items, as detailed below. The segment profit/loss is disclosed on a pre-IFRS 16 basis reflecting how results are reported to the Chief Operating Decision Makers (CODMs) and how they are measured for the purposes of covenant testing. Both Adjusted EBITDA and Adjusted EBIT are APMs and these measures provide stakeholders with additional useful information to assess the year-on-year trading performance of the Group but should not be considered in isolation of statutory measures.

Adjusted EBITDA represents profit for the period before finance costs, finance income, taxation, depreciation, amortisation, exceptional items presented in the Group's Consolidated Income Statement (consisting of exceptional administrative expenses, exceptional finance costs and exceptional impairment) on a pre-IFRS 16 basis. UK and Europe operating segments are aggregated into one reporting segment, which is reflective of the management structure in place and meets the aggregation criteria of IFRS 8.

	52 week period ended 28 April 2024			
	UK and Europe £m	**US £m**	**Corporate £m**	**Total £m**
Revenue	846.1	691.8	-	**1,537.9**
Net margin	307.3	254.9	-	**562.2**
Less:				
Showroom costs	(162.6)	(126.5)	-	**(289.1)**
Overheads	(50.2)	(32.8)	(2.3)	**(85.3)**
Showroom opening and closing costs	(5.6)	(3.3)	-	**(8.9)**
Adjusted EBITDA	**88.9**	**92.3**	**(2.3)**	**178.9**

Depreciation, amortisation, impairment and loss on disposal of assets	(27.6)	(15.2)	(1.4)	**(44.2)**
Segment profit/(loss)*	**61.3**	**77.1**	**(3.7)**	**134.7**
Impact of IFRS 16 (excluding interest on leases)				**17.2**
Net finance costs				**(26.6)**
Exceptional cost of sales (note 4)				**0.5**
Exceptional administrative expenses (note 4)				**(6.2)**
Exceptional impairment of assets (note 4)				**(26.2)**
Exceptional finance costs (note 4)				**(1.3)**
Profit before taxation for the financial period				**92.1**

* Segment profit/(loss) is defined as being Earnings Before Interest, Tax, exceptional items and IFRS 16 adjustments (Adjusted EBIT).

	52 week period ended 30 April 2023			
	UK and Europe £m	**US £m**	**Corporate £m**	**Total £m**
Revenue	889.9	652.9	-	**1,542.8**
Net margin	330.0	246.3	-	**576.3**
Less:				
Showroom costs	(153.6)	(125.6)	-	**(279.2)**
Overheads	(47.8)	(30.9)	(5.4)	**(84.1)**
Showroom opening and closing costs	(7.3)	(3.4)	(0.9)	**(11.6)**
Adjusted EBITDA	**121.3**	**86.4**	**(6.3)**	**201.4**
Depreciation, amortisation, impairment and loss on disposal of assets	(23.2)	(13.1)	-	**(36.3)**
Segment profit/(loss)*	**98.1**	**73.3**	**(6.3)**	**165.1**
Impact of IFRS 16 (excluding interest on leases)				**13.7**
Net finance costs				**(23.1)**
Exceptional administrative expenses (note 4)				**(0.9)**
Exceptional reversal of impairment of assets (note 4)				**0.7**
Exceptional finance costs (note 4)				**(0.7)**
Profit before taxation for the financial period				**154.8**

Entity-wide revenue disclosures

	52 week period ended 28 April 2024 £m	**52 week period ended 30 April 2023 £m**
UK AND EUROPE		
Luxury watches	709.4	749.6
Luxury jewellery	62.1	67.8
Services/other	74.6	72.5
Total	**846.1**	**889.9**
US		
Luxury watches	635.3	586.5
Luxury jewellery	40.3	51.4
Services/other	16.2	15.0
Total	**691.8**	**652.9**
GROUP		
Luxury watches	1,344.7	1,336.1
Luxury jewellery	102.4	119.2
Services/other	90.8	87.5
Total	**1,537.9**	**1,542.8**

'Services/other' consists of the sale of fashion and classic watches and jewellery, the sale of gifts, servicing, repairs and product insurance.

Information regarding geographical areas, including revenue from external customers, is disclosed above.

No single customer accounted for more than 10% of revenue in any of the financial periods noted above.

Entity-wide statutory non-current asset disclosures

	28 April 2024 £m	**30 April 2023 £m**
UK AND EUROPE		
Goodwill	137.6	121.6
Intangible assets	5.1	5.0
Property, plant and equipment	115.7	100.2
Right-of-use assets	252.3	244.0
Total	**510.7**	**470.8**

US		
Goodwill	61.7	61.2
Intangible assets	11.3	12.6
Property, plant and equipment	65.2	54.2
Right-of-use assets	124.3	115.1
Total	**262.5**	**243.1**

CORPORATE		
Property, plant and equipment	10.5	-
Right-of-use assets	5.2	-
Total	**15.7**	**-**

GROUP		
Goodwill	199.3	182.8
Intangible assets	16.4	17.6
Property, plant and equipment	191.4	154.4
Right-of-use assets	381.8	359.1
Total	**788.9**	**713.9**

3. REVENUE

The Group's disaggregated revenue recognised under contracts with customers relates to the following categories and operating segments:

	52 week period ended 28 April 2024		
	Sale of goods £m	**Rendering of services £m**	**Total £m**
UK and Europe	810.6	35.5	846.1
US	678.8	13.0	691.8
Total	**1,489.4**	**48.5**	**1,537.9**

	52 week period ended 30 April 2023		
	Sale of goods £m	**Rendering of services £m**	**Total £m**
UK and Europe	855.4	34.5	889.9
US	641.2	11.7	652.9
Total	**1,496.6**	**46.2**	**1,542.8**

4. EXCEPTIONAL ITEMS

Exceptional items are those that in the judgement of the Directors need to be separately disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group. Such items are included within the Income Statement caption to which they relate and are separately disclosed on the face of the Consolidated Income Statement.

	52 week period ended 28 April 2024 £m	**52 week period ended 30 April 2023 £m**
EXCEPTIONAL COST OF SALES		
Acquisition integration costs(i)	(0.7)	-
Rolex Old Bond Street (IFRS 16 depreciation)(ii)	(1.2)	-
Reversal of inventory provision created on acquisition(iii)	2.4	-
Total exceptional cost of sales	**0.5**	**-**
EXCEPTIONAL ADMINISTRATIVE COSTS		
Showroom impairment(iv)		
Impairment of property, plant and equipment	(7.2)	-
Impairment of right-of-use assets	(13.0)	-
Other onerous contracts	(1.0)	-
European showroom impairment(v)		
Impairment of property, plant and equipment	(2.6)	-
Impairment of right-of-use assets	(3.4)	-
Other costs	(2.6)	-
Reversal of impairment of property, plant and equipment	-	0.5
Reversal of impairment of right-of-use assets	-	0.2
Professional and legal expenses on actual and prospective business acquisitions(vi)	(2.6)	(0.9)
Total exceptional administrative costs	**(32.4)**	**(0.2)**
EXCEPTIONAL FINANCE COSTS		
Rolex Old Bond Street (IFRS 16 interest)(ii)	(1.3)	-
Amortisation of capitalised transaction costs	-	(0.7)
Total exceptional finance costs	**(1.3)**	**(0.7)**
Total exceptional items	**(33.2)**	**(0.9)**

(i) Acquisition integration costs
Costs associated with the integration of Ernest Jones showrooms acquired in the year are treated as exceptional as they are regarded as non-trading, non-underlying costs. The costs were incurred in the period between acquisition and showroom opening.

(ii) Rolex Old Bond Street
A new 7,200 sq. ft showroom is being built in partnership with Rolex. This new flagship will be Europe's largest Rolex showroom and reflects the importance of the London market and the special relevance of London to the history of Rolex. The cost shown here is the IFRS 16 depreciation charge and other costs whilst the showroom is being constructed. They are deemed to be exceptional in nature given that this unique proposition results in a project size and complexity significantly outside of a standard build, coupled with documented project delays outside of the Group's control.

(iii) Reversal of inventoryprovision created on acquisition

In the prior period, for the Betteridge acquisition, an estimate was made of the fair value of inventory acquired with a provision recorded in goodwill. During the year, the Group achieved higher product margins on a number of these inventory lines through maximisation of our CRM database. The gain is deemed to be exceptional in nature.

(iv) Showroom impairment

The current macroeconomic environment, increased interest rates, and inflationary trends gave rise to indicators of impairment in the current period. Consequently, discounted cashflows were performed on all Cash Generating Units with indicators of impairment. This resulted in an impairment charge of £20.2 million being recorded in the period. This is allocated over the property, plant and equipment, and the right-of-use assets of those showrooms as required by IAS 36 Impairment of Assets. A further provision of £1.0 million relates to associated onerous contracts.

(v) European showroom impairment
The exceptional costs are reflective of both asset write downs and other onerous costs. As announced after the year end date, the Group intends to reallocate investment from the European market into the UK and US.

(vi) Professional and legal expenses on actual and prospective business acquisitions
Professional and legal expenses on business combinations have been expensed to the Consolidated Income Statement as an exceptional cost as they are regarded as non-trading, non-underlying costs and are considered to be material by nature. The total cost shown here also includes expenses incurred in the year in relation to the Roberto Coin Inc. acquisition which closed post year end.

All of these items are considered exceptional as they are linked to unique non-recurring events and do not form part of the underlying trading of the Group.

5. TAXATION

The tax charge for the period is shown below. Tax is made up of current and deferred tax. Current tax is the amount payable on the taxable income in the period and any adjustments to tax payable in previous periods.

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
CURRENT TAX:		
Current UK tax on profits for the period	8.7	13.0
Current US tax on profits for the period	16.9	16.5
Adjustments in respect of prior periods - UK and Europe	1.1	(1.8)
Adjustments in respect of prior periods - US	0.1	0.2
Total current tax	**26.8**	**27.9**
DEFERRED TAX:		
Origination and reversal of temporary differences	5.2	5.7
Impact of change in tax rate	0.1	(0.5)
Adjustments in respect of prior periods	0.9	(0.1)
Total deferred tax	**6.2**	**5.1**
Tax expense reported in the Income Statement	**33.0**	**33.0**

The tax rate for the current period varied from the standard rate of corporation tax in the UK due to the following factors:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit before taxation	92.1	154.8
Notional taxation at standard UK corporation tax rate of 25.0% (2023: 19.5%)	23.0	30.2
Non-deductible expenses - recurring	2.5	1.4
Non-deductible expenses - exceptional items	1.9	-
Overseas tax differentials	1.9	4.6
Deferred tax not recognised - European subsidiaries	1.5	-
Adjustments in respect of prior periods	2.1	(1.7)
Super-deduction on fixed assets	-	(1.9)
Current/deferred tax rate difference on current year movements	-	0.9
Adjustments due to deferred tax rate change	0.1	(0.5)
Tax expense reported in the Income Statement	**33.0**	**33.0**

6. EARNINGS PER SHARE (EPS)

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
BASIC		
EPS	**25.0p**	**51.2p**
EPS adjusted for exceptional items	36.8p	51.5p
EPS adjusted for exceptional items and pre-IFRS 16	38.0p	52.7p
DILUTED		
EPS	**24.8p**	**50.9p**
EPS adjusted for exceptional items	36.6p	51.2p
EPS adjusted for exceptional items and pre-IFRS 16	37.7p	52.3p

Basic EPS is based on the profit for the year attributable to the equity holders of the Parent Company divided by the weighted average number of shares.

Diluted EPS is calculated by adjusting the weighted average number of shares used for the calculation of basic EPS as increased by the dilutive effect of potential ordinary shares.

The following table reflects the profit and share data used in the basic and diluted EPS calculations:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit after tax attributable to equity holders of the Parent Company	59.1	121.8
ADJUST FOR EXCEPTIONAL ITEMS:		
Exceptional items	33.2	0.9
Tax on exceptional items	(5.2)	(0.2)
Profit adjusted for exceptional items	**87.1**	**122.5**
Pre-exceptional IFRS 16 adjustments, net of tax	2.8	2.7
Profit adjusted for exceptional items and IFRS 16	**89.9**	**125.2**

The following table reflects the share data used in the basic and diluted EPS calculations:

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
WEIGHTED AVERAGE NUMBER OF SHARES:	'000	'000
Weighted average number of ordinary shares in issue	236,753	237,641
Weighted average shares for basic EPS	**236,753**	**237,641**
Weighted average dilutive potential shares	1,446	1,713
Weighted average shares for diluted EPS	**238,199**	**239,354**

The weighted average number of shares takes into account the weighted average effect of changes in own shares during the period. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Condensed Consolidated Financial Statements.

7. BORROWINGS

	28 April 2024 £m	30 April 2023 £m
NON-CURRENT		
Term loan	-	(120.0)
Multicurrency revolving loan facility	(115.0)	-
Associated capitalised transaction costs	1.7	-
Total borrowings	**(113.3)**	**(120.0)**

Analysis of net debt

	1 May 2023 £m	Cash flow £m	Non-cash changes[1] £m	Foreign exchange £m	28 April 2024 £m
Cash and cash equivalents	136.4	(21.5)	-	0.8	115.7
Term loan	(120.0)	120.0	-	-	-
Multicurrency revolving loan facility	-	(115.0)	-	-	(115.0)
Net cash/(debt) excluding capitalised transaction costs (pre-IFRS 16)	**16.4**	(16.5)	-	0.8	**0.7**
Capitalised transaction costs	-	2.2	(0.5)	-	1.7
Net cash/(debt) (pre-IFRS 16)	**16.4**	(14.3)	(0.5)	0.8	**2.4**
Lease liabilities	(410.4)	68.1	(117.6)	(0.5)	(460.4)
Total net debt	**(394.0)**	53.8	(118.1)	0.3	(458.0)

1 Non-cash charges are principally a release of capitalised finance costs and lease liability interest charges, additions and revisions.

Cash and cash equivalents consist of cash at bank and in hand of £93.8 million (2023: £120.7 million) and cash in transit of £21.9 million (2023: £15.7 million).

On 9 May 2023 the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA and the Fixed Charge Cover Ratio (FCCR) at each April and October on a pre-IFRS 16 basis. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 months Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. The covenant tests at October 2023 and April 2024 were fully met.

8. FINANCIAL INSTRUMENTS

Categories

	28 April 2024 £m	30 April 2023 £m
FINANCIAL ASSETS - HELD AT AMORTISED COST		
Trade and other receivables*	17.4	13.9

Cash and cash equivalents	115.7	136.4
Total financial assets	**133.1**	**150.3**
FINANCIAL LIABILITIES - HELD AT AMORTISED COST		
Interest-bearing loans and borrowings:		
Term loan (net of capitalised transaction costs)	-	(120.0)
Multicurrency revolving loan facility (net of capitalised transaction costs)	(113.3)	-
Multicurrency revolving loan facility interest payable	(1.4)	-
Trade and other payables**	(188.4)	(193.8)
	(303.1)	**(313.8)**
Lease liability (IFRS 16)	(460.4)	(410.4)
Total financial liabilities	**(763.5)**	**(724.2)**

* Excludes prepayments of £7.2 million (2023: £5.9 million) that do not meet the definition of a financial instrument.

** Trade payables excludes customer deposits of £6.0 million (2023: £7.9 million) and deferred income of £20.7 million (2023: £17.9 million) that do not meet the definition of a financial instrument.

Fair values

At 28 April 2024, the fair values of each category of the Group's financial instruments are materially the same as their carrying values in the Group's Balance Sheet based on either their short maturity or, in respect of long-term borrowings, interest being incurred at a floating rate.

9. BUSINESS COMBINATIONS

Ernest Jones Limited and Signet Trading Limited

On 17 November 2023, the Group acquired the trade and assets of 15 showrooms from retailers' Ernest Jones Limited and Signet Trading Limited for a cash consideration of £44.2 million. The acquisition further advances the Group's expansion strategy.

The business contributed revenue of £8.2 million from the 17 November 2023 acquisition date to 28 April 2024. The profit before tax contribution was not material to the Group result in this initial start up period.

The following table summarises the consideration paid for the acquisition, and the provisional fair value of assets acquired at the acquisition date:

	£m
Total cash consideration	**44.2**

Initial assessment of values on acquisition

Inventories	25.3
Fixed assets	5.8
Right-of-use asset	14.5
Lease liabilities	(18.5)
Deferred tax asset	1.1
Total identifiable net assets	**28.2**
Goodwill	16.0
Total assets acquired	**44.2**

An amount of £1.0 million is held with a third-party on retention and is reported within debtors in these accounts. This will be paid by the Group within 12 months of the acquisition date.

The goodwill recognised is attributable to the profitability of the acquired showrooms and is expected to be deductible for tax purposes.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, with an adjustment required to reflect the terms of the lease relative to market terms.

If the business combination had taken place at the beginning of FY24, the Group's revenue would have been £1,559.9 million. The contribution to profit before tax is not material to the results of the Group and therefore has not been disclosed separately.

Acquisition-related costs have been charged to exceptional items in the Consolidated Income Statement for the 52-week period ended 28 April 2024, as disclosed in note 4 to these Condensed Consolidated Financial Statements.

The values stated above are the initial assessment of the fair values of assets and liabilities on acquisition. These will be finalised within 12 months of the acquisition date.

10. CONTINGENT LIABILITIES

There are a number of contingent liabilities that arise in the normal course of business, which if realised, are not expected to result in a material liability to the Group.

11. POST-BALANCE SHEET EVENTS

Closure of European Division

In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of a number of our existing European mono-brand boutiques. The announcement and decision to exit the showrooms took place post year end, and for this reason assets have not been re-classified as held-for-sale as at 28 April 2024.

Acquisition of Roberto Coin Inc.

On 8 May 2024, 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., Peter Webster, Co-Founder and President of Roberto Coin Inc., and Pilar Coin. The acquisition completed for a total cash consideration of $130.0 million (of which $10.0 million is deferred for one year and contingent on the future profitability of the acquired business), subject to working capital adjustments.

The acquisition was financed via a new $115.0 million term loan facility which expires in February 2026. Covenants are identical to the Group's existing multicurrency revolving loan facility.

Luxury branded jewellery is a core pillar of the Group's growth strategy and the acquisition 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 basis.

The assets and liabilities acquired principally comprise working capital balances of inventory, debtors and creditors. Due to the proximity of the acquisition date to the date of approval these Condensed Consolidated Financial Statements, the initial accounting for the business combination is incomplete and the Group is unable to provide a quantification of the fair values of the assets and liabilities acquired. The Group will include an acquisition balance sheet within the Group's Interim Financial Statements for the 26 weeks to 27 October 2024.

No further post balance sheet events have been identified.

GLOSSARY

ALTERNATIVE PERFORMANCE MEASURES

The Directors use Alternative Performance Measures (APMs) as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measures.

The majority of the Group's APMs are on a pre-IFRS 16 basis. This aligns with the management reporting used to inform business decisions, investment appraisals, incentive schemes and banking covenants.

4-Wall EBITDA
Net margin less showroom costs.

Why used
4-Wall EBITDA is a direct measure of profitability of the showroom operations.

Reconciliation to IFRS measures

£million	**FY24**	**FY23**
Revenue	1,537.9	1,542.8
Cost of inventory expensed	(981.6)	(972.2)
Other inc. supplier incentives	5.9	5.7
Net margin	**562.2**	**576.3**
Showroom costs	(289.1)	(279.2)
4-Wall EBITDA	**273.1**	**297.1**

Showroom costs includes rental costs on a pre-IFRS 16 basis (i.e. under IAS 17). Refer to the IFRS 16 reconciliations below for further details.

4-Wall EBITDA, EBITDA, Adjusted EBITDA and Adjusted EBIT Margin
For each of these areas as defined above, the Group shows the measures as a percentage of Group revenue.

Why used
Profitability as a percentage of Group revenue is shown to understand how effectively the Group is managing its cost base.

Reconciliation to IFRS measures

£million	**FY24**	**FY23**
Revenue	**1,537.9**	**1,542.8**
4-Wall EBITDA	273.1	**297.1**
	17.8%	***19.3%***
EBITDA (Unadjusted)	187.8	213.0
	12.2%	***13.8%***
Adjusted EBITDA	178.9	201.4
	11.6%	*13.1%*
Adjusted EBIT	134.7	165.1
	8.8%	*10.7%*

Adjusted Earnings Before Interest and Tax (Adjusted EBIT)
Operating profit before exceptional items and IFRS 16 impact.

Why used
Measure of profitability that excludes one-off exceptional costs and IFRS 16 adjustments to allow for comparability between years.

This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures
Reconciled in note 2 to the Condensed Consolidated Financial Statements.

Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA)
EBITDA before exceptional items presented in the Group's Consolidated Income Statement. Shown on a continuing basis and before the impact of IFRS 16.

Why used
Measure of profitability that excludes one-off exceptional and non-underlying items and IFRS 16 adjustments to allow for comparability between years.

Reconciliation to IFRS measures
Reconciled in note 2 of the Condensed Consolidated Financial Statements.

Adjusted Earnings Per Share (Adjusted EPS)
Basic Earnings Per Share before exceptional items and IFRS 16 impact.

Why used
Measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to provide comparability between

years. This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures
Reconciled within note 6 of the Condensed Consolidated Financial Statements.

Adjusted profit before tax (Adjusted PBT)
Profit before tax before exceptional items and IFRS 16 impact.

Why used
Measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to provide comparability between years.

Reconciliation to IFRS measure

£million	**FY24**	**FY23**
Segment profit (as reconciled in note 2 of the Financial Statements)	134.7	165.1
Net finance costs excluding exceptional items	(26.6)	(23.1)
IFRS 16 lease interest	20.8	17.2
Adjusted profit before tax	**128.9**	**159.2**

Average selling price (ASP)
Revenue (including sales related taxes) generated in a period from sales of a product category divided by the total number of units of such products sold in such period.

Why used
Measure of sales performance.

Reconciliation to IFRS measures
Not applicable.

Constant currency basis
Results for the period had the exchange rates remained constant from the comparative period.

Why used
Measure of revenue growth that excludes the impact of foreign exchange.

Reconciliation

	(£/US$ million)
FY24 Group revenue (£)	1,537.9
FY24 US revenue ($)	870.3
FY24 US revenue (£) @ FY24 exchange rate	691.8
FY24 US revenue (£) @ FY23 exchange rate	723.4
FY24 Group revenue (£) at constant currency	**1,569.5**
FY24 exchange rate	£1: $1.258
FY23 exchange rate	£1: $1.203

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
EBITDA before exceptional items presented in the Group's Consolidated Income Statement. Shown on a continuing basis before the impact of IFRS 16 and showroom opening and closing costs. These costs include rent (pre-IFRS 16), rates, payroll and other costs associated with the opening or closing of showrooms, or during closures when refurbishments are taking place.

Why used
Measure of profitability that excludes one-off exceptional and non-underlying items, IFRS 16 adjustments and showroom opening and closing costs to allow for comparability between years.

Reconciliation to IFRS measures

£million	**FY24**	**FY23**
Adjusted EBITDA	178.9	201.4
Showroom opening and closing costs	8.9	11.6
EBITDA	**187.8**	**213.0**

Exceptional items
Items that in the judgement of the Directors need to be disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group.

Why used
Draws the attention of the reader and to show the items that are significant by virtue of their size, nature or incidence.

Reconciliation to IFRS measures
Disclosed in note 4 of the Group's Condensed Consolidated Financial Statements.

Free cash flow
Cash flow shown on a pre-IFRS 16 basis excluding expansionary capex, acquisitions of subsidiaries, exceptional items, financing activities and the purchase of own shares.

Why used
Represents the cash generated from operations including maintenance of capital assets. Demonstrates the amount of available cash flow for discretionary activities such as expansionary capex, dividends or acquisitions.

Reconciliation to IFRS measures

£million	**FY24**	**FY23**
Net (decrease)/increase in cash and cash equivalents	(21.5)	31.2
Net financing cash flow	91.7	85.2
Interest paid	(9.2)	(4.7)
Lease payments	(68.1)	(59.2)
Acquisitions	44.2	24.9
Exceptional costs - professional and legal expenses on actual and prospective business acquisitions	2.5	0.9
Expansionary capex	78.0	67.5
Free cash flow	**117.6**	**145.8**

Free cash flow conversion
Free cash flow divided by Adjusted EBITDA.

Why used
Measurement of the Group's ability to convert profit into free cash flow.

Reconciliation to IFRS measures
Free cash flow of £117.6 million divided by Adjusted EBITDA of £178.9 million shown as a percentage.

Liquidity headroom
Liquidity headroom is unrestricted cash plus undrawn available facilities.

Why used
Liquidity headroom shows the amount of unrestricted funds available to the Group.

Reconciliation to IFRS measures

£million	**FY24**	**FY23**
Total facility (RCF)	225.0	170.0
Facility drawn	(115.0)	(120.0)
Unrestricted cash	99.3	121.6
Total headroom	**209.3**	**171.6**

Net cash/(debt)
Total borrowings (excluding capitalised transaction costs) less cash and cash equivalents and excludes IFRS 16 lease liabilities.

Why used
Measures the Group's indebtedness.

Reconciliation to IFRS measures
Reconciled in note 7 of the Condensed Consolidated Financial Statements.

Net margin
Revenue less inventory recognised as an expense, commissions paid to the providers of interest-free credit and inventory provision movements.

Why used
Measures the profit made from the sale of inventory before showroom or overhead costs.

Reconciliation to IFRS measures
Refer to 4-Wall EBITDA.

Return on Capital Employed (ROCE)
Return on Capital Employed (ROCE) is defined as Adjusted EBIT divided by average capital employed, calculated on a Last Twelve Months (LTM) basis. Average capital employed is total assets less current liabilities excluding IFRS 16 lease liabilities.

Why used
ROCE demonstrates the efficiency with which the Group utilises capital. This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures
Adjusted EBIT of £134.7 million divided by the average capital employed, which is calculated as follows:

£million	**FY24**	**FY23**
Pre-IFRS 16 total assets	958.9	882.6
Pre-IFRS 16 current liabilities	(229.7)	(231.6)
Capital employed	729.2	651.0
Average capital employed	**690.1**	**591.4**

OTHER DEFINITIONS

Expansionary capital expenditure/capex
Expansionary capital expenditure relates to new showrooms, offices, relocations or refurbishments greater than £250,000.

Luxury watches
Watches that have a Recommended Retail Price greater than £1,000.

Luxury jewellery
Jewellery that has a Recommended Retail Price greater than £500.

Showroom maintenance capital expenditure/capex
Capital expenditure which is not considered expansionary.

IFRS 16 Adjustments
The following tables reconcile from pre-IFRS 16 balances to statutory post-IFRS 16 balances.

FY24 Consolidated Income Statement

£million	**Pre-IFRS 16 and exceptional items**	**IFRS 16 adjustments**	**Exceptional items**	**Statutory**
Revenue	**1,537.9**	-	-	1,537.9
Net margin	**562.2**	-	**1.7**	**563.9**
Showroom costs	(289.1)	64.9	-	(224.2)
4-Wall EBITDA	**273.1**	**64.9**	**1.7**	**339.7**
Overheads	(85.3)	-	(6.2)	(91.5)
EBITDA	**187.8**	**64.9**	**(4.5)**	**248.2**
Showroom opening and closing costs	(8.9)	5.3	-	(3.6)
Adjusted EBITDA	**178.9**	**70.2**	**(4.5)**	**244.6**
Depreciation, amortisation, loss on disposal, impairment of fixed assets and lease modifications	(44.2)	(53.0)	(27.4)	(124.6)
Adjusted EBIT (Segment profit)	**134.7**	**17.2**	**(31.9)**	**120.0**

Net finance costs	(5.8)	(20.8)	(1.3)	(27.9)
Adjusted profit before tax	**128.9**	**(3.6)**	**(33.2)**	**92.1**
Adjusted basic Earnings Per Share	38.0p	(1.2)p	(11.8)p	25.0p

FY24 Balance Sheet

£million	**Pre-IFRS 16**	**IFRS 16 adjustments**	**Post-IFRS 16**
Goodwill and intangibles	215.7	-	215.7
Property, plant and equipment	193.1	(1.7)	191.4
IFRS 16 right-of-use assets	-	381.8	381.8
Inventories	393.3	-	393.3
Trade and other receivables	36.2	(11.6)	24.6
Trade and other payables	(263.3)	46.8	(216.5)
IFRS 16 lease liabilities	-	(460.4)	(460.4)
Net cash	0.7	-	0.7
Other	(29.2)	21.6	(7.6)
Net assets	**546.5**	**(23.5)**	**523.0**

FY23 Consolidated Income Statement

£million	**Pre-IFRS 16 and exceptional items**	**IFRS 16 adjustments**	**Exceptional items**	**Statutory**
Revenue	**1,542.8**	**-**	**-**	**1,542.8**
Net margin	**576.3**	**-**	**-**	**576.3**
Showroom costs	(279.2)	56.2	-	(223.0)
4-Wall EBITDA	**297.1**	**56.2**	**-**	**353.3**
Overheads	(84.1)	-	(0.9)	(85.0)
EBITDA	**213.0**	**56.2**	**(0.9)**	**268.3**
Showroom opening and closing costs	(11.6)	7.1	-	(4.5)
Adjusted EBITDA	**201.4**	**63.3**	**(0.9)**	**263.8**
Depreciation, amortisation, loss on disposal, impairment of fixed assets and lease modifications	(36.3)	(49.6)	0.7	(85.2)
Adjusted EBIT (Segment profit)	**165.1**	**13.7**	**(0.2)**	**178.6**
Net finance costs	(5.9)	(17.2)	(0.7)	(23.8)
Adjusted profit before tax	**159.2**	**(3.5)**	**(0.9)**	**154.8**
Adjusted basic Earnings Per Share	**52.7p**	**(1.2)p**	**(0.3)p**	**51.2p**

FY23 Balance Sheet

£million	**Pre-IFRS 16**	**IFRS 16 adjustments**	**Post-IFRS 16**
Goodwill and intangibles	200.4	-	200.4
Property, plant and equipment	159.9	(5.5)	154.4
IFRS 16 right-of-use assets	-	359.1	359.1
Inventories	356.0	-	356.0
Trade and other receivables	29.4	(9.6)	19.8
Trade and other payables	(259.0)	39.4	(219.6)
IFRS 16 lease liabilities	-	(410.4)	(410.4)
Net cash	16.4	-	16.4
Other	(15.3)	8.5	(6.8)
Net assets	**487.8**	**(18.5)**	**469.3**

END

FR QKABNDBKBNAB