

WATCHPRO

Rolex SA and Swatch Group are neck and neck in race to be world's largest watchmaker (bar Apple)

By Rob Corder - March 9, 2021



Rolex Acacias headquarters in Geneva.

Apple Watch is estimated to be generating sales of almost \$10 billion per year for the tech giant.

Not bad for a line of business that only launched in 2015, and a result that makes it the world's largest watchmaker by a considerable margin.

Swatch Group has been the biggest traditional watchmaking company for the whole of this century, and its accounts show turnover of CHF 5.6 billion (\$6bn) for 2020.

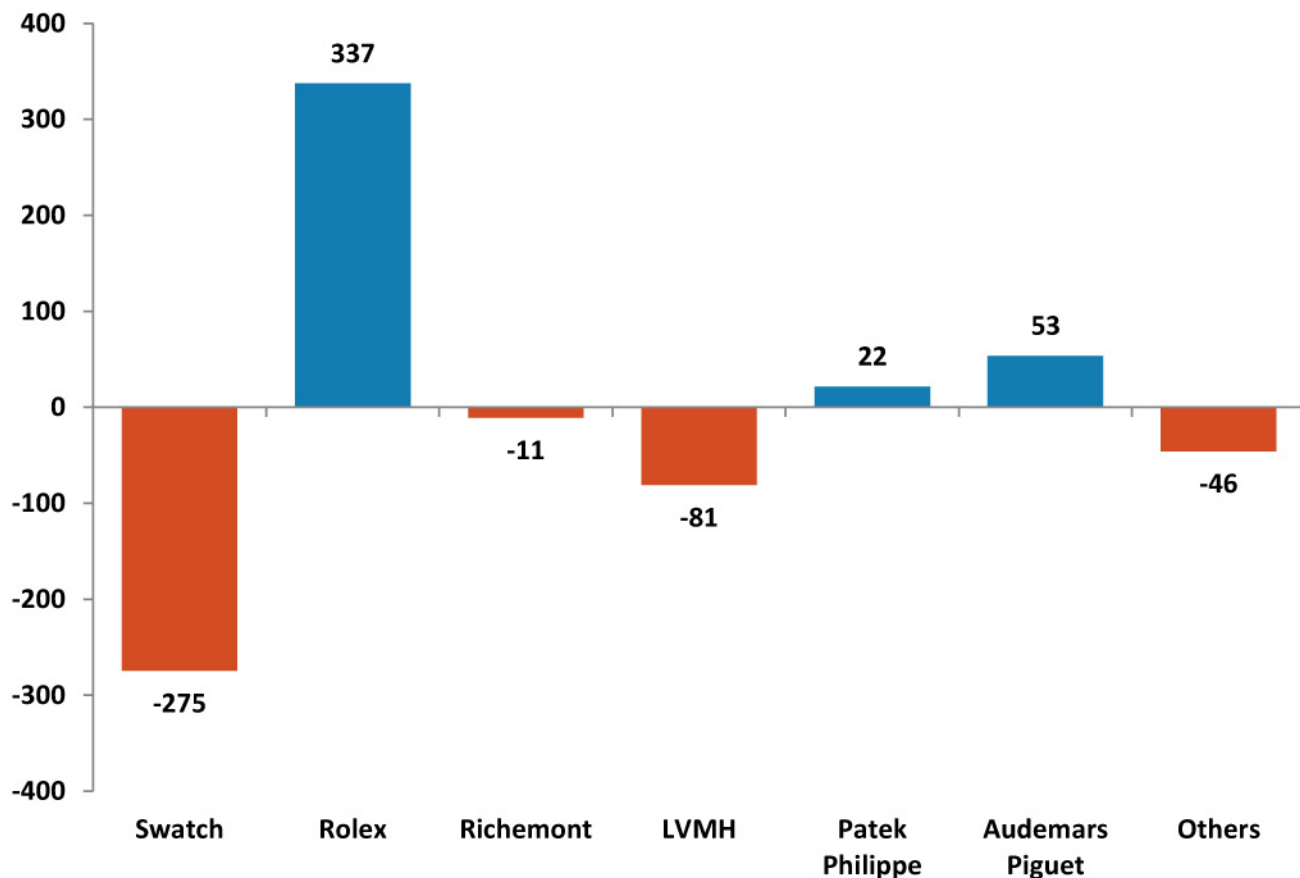
Rolex SA, home to Rolex and Tudor, is estimated to have notched combined sales of CHF 4.81

billion (\$5.2bn), according to investment bank Morgan Stanley in association with LuxeConsult.

However, Swatch Group’s turnover includes production for third parties through business units like movement-maker ETA, electronic systems and retailers including Tourbillon and Hour Passion.

Rolex SA gained 337 basis points of market share in 2020 while Swatch Group lost 275 bps.

Estimated change in market share in 2020 by Group

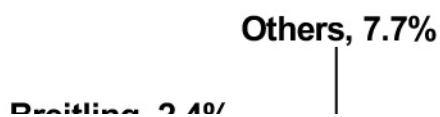


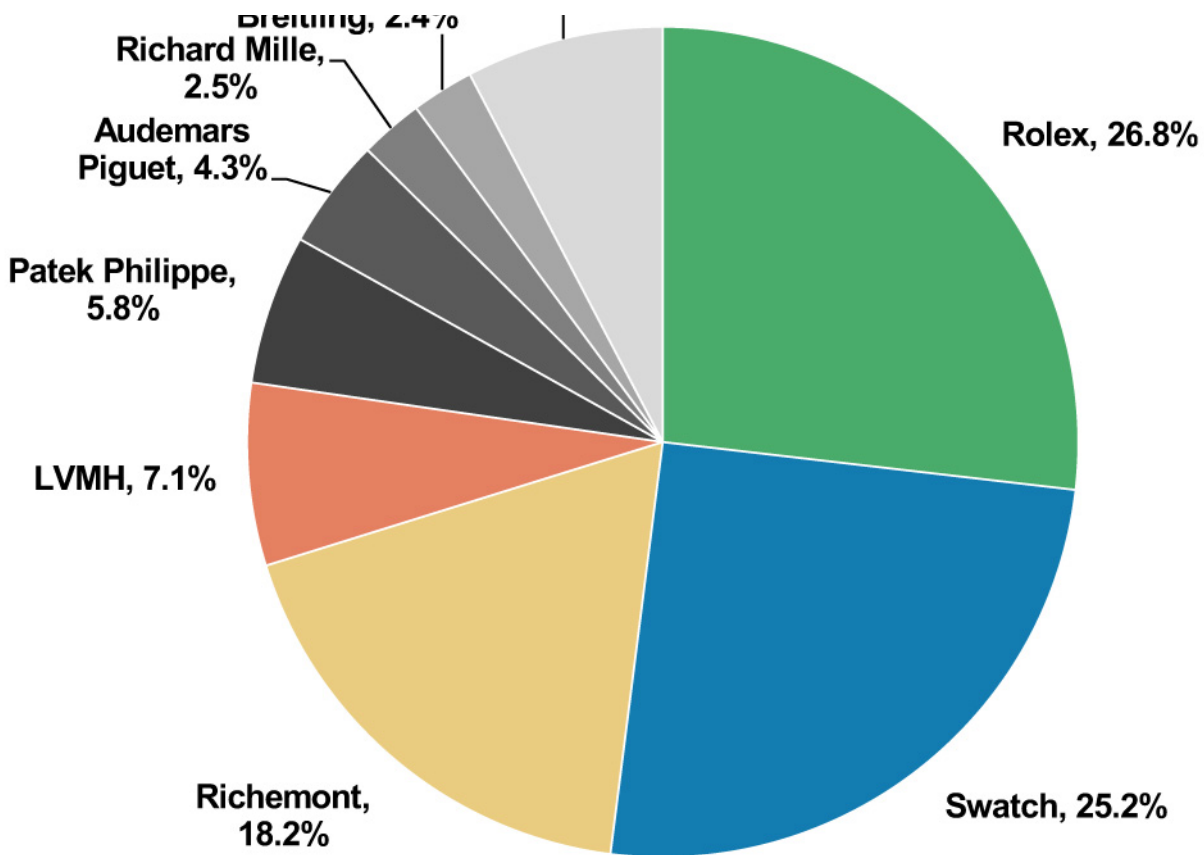
Source: LuxeConsult, Morgan Stanley Research estimates

Private ownership appeared to offer an advantage last year, because publicly traded Swatch Group, LVMH, Richemont and Kering all lost ground in the global watch market while Rolex SA, Patek Philippe and Audemars Piguet gained share.

Swiss watches: Retail market share by group in 2020

Watches: Retail Market share 2020 (By Group)



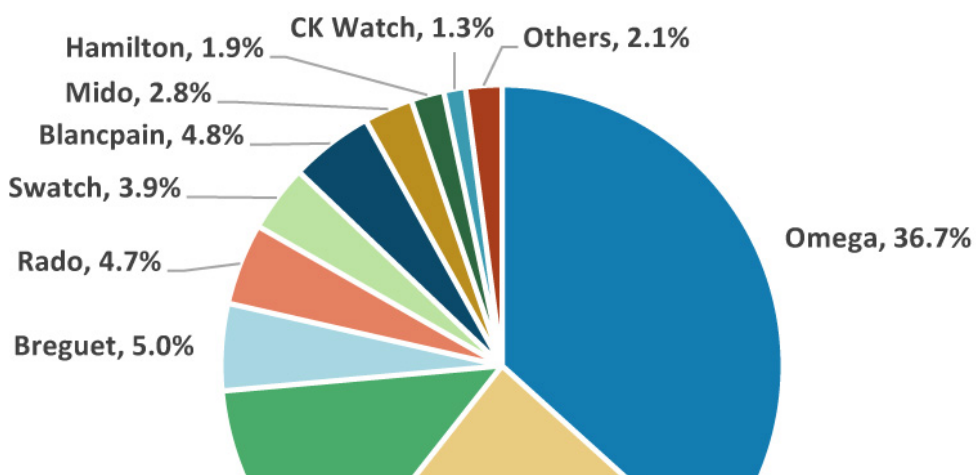


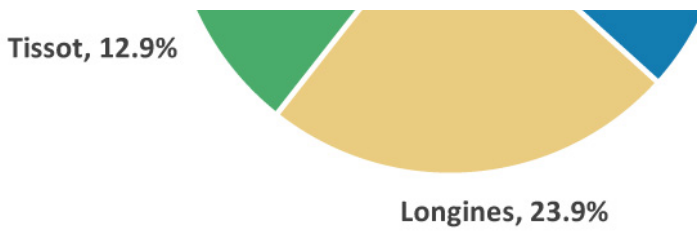
Source: LuxeConsult, Morgan Stanley Research

Totting up sales from watches, alone, Rolex SA sales totaled CHF 4.42 billion (\$4.74bn) from Rolex and CHF 390 million (\$419m) from Tudor.

Among Swatch Group's biggest brands, Omega sold watches in 2020 worth CHF 1.8 billion (\$1.9bn), Longines revenue was CHF 1.15 billion (\$1.24bn) and Tissot's was CHF 620 million (\$666 million). These three brands accounted for 74% of a total for Swatch Group's watch brands.

Swatch Group: Estimated breakdown of sales in 2020



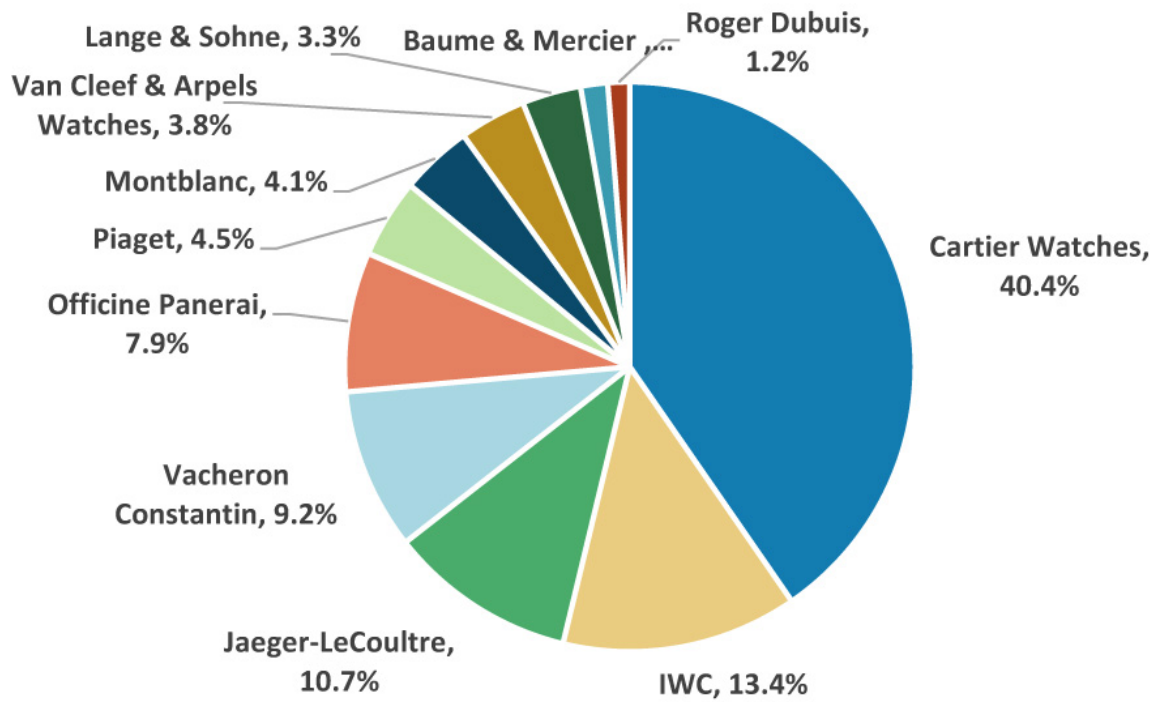


Source: LuxeConsult, Morgan Stanley Research estimates

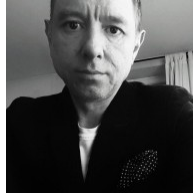
All this number crunching leads Morgan Stanley to report that Rolex SA is now the world's largest Swiss watchmaking group with 26.8% market share compared to Swatch Group's 25.2%.

Richemont, where Cartier accounts for 40% of watch sales, has a market share of 18.2%.

Richemont Group: Estimated breakdown of sales by brand in 2020



Source: LuxeConsult, Morgan Stanley Research



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