

# WHO OWNS WHAT

*Our latest handy, dandy guide to the watch groups*

BY JOE THOMPSON

It's been three years since *WatchTime* has updated its list of brands owned by the world's major watch groups. Since then, a couple of bold-faced watch names have been added to the list. Bulgari is now in the LVMH fold and Girard-Perregaux is now part of the PPR Group. Here are the lineups as of December 2011.

## SWATCH GROUP

(Switzerland)

**Breguet, Blancpain, Glashütte Original, Jaquet Droz, Omega, Tiffany & Co\*\*, Léon Hatot, Longines, Rado, Union Glashütte, Tissot, ck/Calvin Klein, Balmain, Certina, Mido, Hamilton, Swatch, Flik Flak**

The Swatch Group, headquartered in Bienne, Switzerland, is the world's largest watch company. Publicly traded, it reported total sales in 2010 of 6.44 billion Swiss francs (\$6.85 billion). The overwhelming majority of that revenue comes from watches and watch components. According to the company, 85 percent of total sales came from complete watches and jewelry. (The company does not break down the figures but jewelry accounts for a tiny fraction of the amount.) Another 12 percent comes from production of watch movements and components. The company's 18 watch brands span the price spectrum from Flik Flak and Swatch at the bottom to Breguet at the top. Its power

brand is Omega, the world's second or third largest watch brand after Rolex. It also makes watches for third parties through its private label company, Endura.

In addition to its watch brands, the Swatch Group is a vertically integrated manufacturer with numerous subsidiary production companies manufacturing virtually every component required to produce a watch. The components are sold to brands inside and outside the group. The Swatch Group is by far the top supplier of watch movements and parts to the Swiss watch industry. Its giant movement production company, ETA, is the dominant supplier of mechanical movements. Its Nivarox-FAR subsidiary supplies more than 90 percent of hairsprings used in Swiss mechanical watches. The Swatch Group 2010 annual report lists a total of 160 subsidiary companies engaged in various watch industry activities (production, wholesale, retail, etc.). The group employed 24,240 people as of December 31, 2010.

## RICHEMONT GROUP

(Switzerland)

**Vacheron Constantin, Piaget, A. Lange & Söhne, Jaeger-LeCoultre, Roger Dubuis, IWC Schaffhausen, Officine Panerai, Baume & Mercier, Ralph Lauren Watch & Jewelry\*\*, Cartier, Van Cleef & Arpels, Montblanc, Dunhill**

Richemont is the world's second largest luxury products group, after LVMH, with total sales of 6.89 billion euros (\$9.11 billion) for the fiscal year ended March 31, 2011. It owns 17 brands, 12 of which produce watches. (Those that don't are Chloé, Lancel, Shanghai Tang, Azzedine Alaïa and Purdey.) In addition, it has a 50 percent share in the Ralph Lauren Watches company. Publicly traded, it is headquartered in Geneva.



Richemont segments its business by brands. The first nine brands on the list comprise the Specialized Watchmakers division. Cartier and Van Cleef & Arpels comprise the Jewelry Maisons division. Montblanc is a division unto itself; formerly called the Writing Instruments Maison, the designation has been dropped in recognition of the brand's significant growth in the watch category. Menswear brand Dunhill is

part of the Other Businesses division. Also included in the Other Businesses division are the group's watch-component manufacturing operations, including Manufacture Horlogère Valfleurier, a movement-manufacturing firm.

Richemont is the world's second largest watch group, with total watch sales of €3.32 billion (\$4.39 billion) in fiscal 2011, ended March 31. Richemont is overwhelmingly a luxury-watch group.

Most of its brands are *manufactures*. Watches accounted for nearly half (48 percent) of Richemont's total sales. Slightly more than half (53 percent) of the group's watch sales came from the Specialist Watchmakers division, which has sales of €1.77 billion (\$2.34 billion). The remaining €1.55 billion (\$2.05 billion) in watch sales came from Cartier, Montblanc, Van Cleef & Arpels and Dunhill. Cartier accounted for the li-



on's share of that amount. It is the group's power brand; it vies with Omega as the world's second best-selling luxury watch brand after Rolex. Across all categories, Cartier is Richemont's best-selling single brand by far.

Richemont employed 21,387 people as of March 31, 2011.



#### LVMH GROUP

(France)

TAG Heuer, Zenith, Hublot, Bulgari, Dior, Fred, Chaumet, Louis Vuitton



LVMH is the world's largest luxury goods group. Paris-based and publicly held, it owns 60-something brands in various product categories, which generated sales of €20.3 billion (\$26.84 billion) in 2010. Historically, however, LVMH has not been a watch-industry power player. In 1999, it acquired TAG Heuer and Zenith. Still, watches represented a tiny fraction of the group's total sales. Recently, though, LVMH has expanded its watch division. It took over Hublot in 2008. Earlier this year it purchased a controlling interest (50.4 percent) in Bulgari for \$5.2 billion.

LVMH has emerged as a solid #3 Swiss luxury watch group behind Swatch and Richemont. The addition of Bulgari, which had €215 million (\$284.3 million) in watch sales in 2010, puts group sales in the vicinity of \$1.5 billion, according to *WatchTime* estimates. (The group does not disclose sales by brand or by product category.) The group's leading watch brand by far is TAG Heuer, whose annual watch sales are between SF800 and SF900 million, according to Swiss estimates. TAG Heuer ranks among Switzerland's top five watch brands in sales.

#### PPR GROUP

(France)

Girard-Perregaux, JeanRichard, Gucci, Boucheron, Yves Saint Laurent

PPR, formerly called Pinault Printemps Redoute, is a Paris-based, publicly traded holding company specializing primarily in luxury fashion brands and retail shops. Total revenues for 2010 amounted to €14.6 billion (\$19.3 billion). Its list of luxury brands includes Gucci, Bottega Veneta, Alexander McQueen, Balenciaga, Sergio Rossi, and Stella McCartney. Until this year, its only significant watch connection was through Gucci, whose watch sales

amounted to €133.5 million (\$176.5 million), five percent of the brand's total. (PPR sold the Bédar & Co. brand in 2009.) Earlier this year it raised its watch industry profile by acquiring a majority share (50.1 percent) of the Sowind Group from the family of the late Gino Macaluso. That added Girard-Perregaux and JeanRichard to the PPR lineup and gave the group a mechanical-movement-manufacturing base in Switzerland.





**SEIKO GROUP**

(Japan)

Grand Seiko, Credor,  
Seiko, Pulsar, Lorus,  
Alba

Japan's Seiko Group is a vertically integrated manufacturer of mechanical and quartz watches and movements, with products in virtually every price segment. Seiko produces nearly every component required for a watch, including hairsprings for mechanical watches. The Seiko Group, consisting of Seiko Epson and Seiko Holdings, is a giant manufacturing conglomerate, producing a variety of consumer and industrial products. Both companies are publicly held.

It employed 92,319 people as of March 31, 2011. Total group revenues amounted to \$15.5 billion for the fiscal year ended March 2011 (Epson revenues: ¥973.7 billion, or \$11.7 billion; Seiko Holdings revenues: ¥313.8 billion, or \$3.77 billion). Total group timepiece revenues amounted to about \$2 billion, slightly more than 10 percent of the group's total sales. The group's hero brand, Seiko, accounts for the vast majority of its watch revenue.



**CITIZEN GROUP**

(Japan)

Campanola, Citizen, Q&Q,  
Accutron, Wittnauer, Bulova,  
Caravelle, Frank Lloyd  
Wright\*, Harley-Davidson\*

Japan's Citizen is a vertically integrated manufacturer of watches and watch movements. Its two top brands, Citizen and Bulova (Citizen acquired U.S.-based Bulova Corp. in 2008) are powers in the mid-priced segment of the global watch market. Watches and clocks account for nearly half (48 percent) of the total revenues of Citizen Holdings Co., Ltd., a public company headquartered in Tokyo. Group revenues for the fiscal year ended in March 2011 totaled ¥285 billion (\$3.43 billion). Watch and clock revenue amounted to ¥137.4 billion (\$1.65 billion). Citizen is also a major supplier of quartz watch movements to third parties through its Miyota division. Citizen had 19,484 employees as of March 31, 2011.

**FOSSIL, INC.**

(USA)

Fossil, Relic,  
Michele, MW,  
Zodiac, Abacus,  
Mobilewear,  
Adidas\*, Burberry\*,  
Diesel\*, DKNY\*,  
Michael Kors\*,  
Marc Jacobs\*,  
Emporio Armani\*

Fossil, Inc., based in Richardson, TX, is a long-time power player in the fashion-watch market. Publicly held, Fossil sales exceeded \$2 billion (\$2.03 billion) for the first time in 2010. Watches are the company's primary product: watch sales in 2010 amounted to \$1.42 billion, 70 percent of the company's total sales. The company owns a half dozen of its own brands, including Switzerland-based Zodiac. It also has licensing agreements to produce and market watches for various fashion labels.



**MOVADO GROUP**

(USA)

Ebel, Concord,  
Movado, ESQ by Mova-  
do\*, Coach\*, Hugo  
Boss\*, Juicy Couture\*,  
Tommy Hilfiger\*,  
Lacoste\*

The Movado Group, based in Paramus, NJ, is a power in the middle and upper price segments of the watch market. It owns a trio of Swiss luxury brands — Movado, Concord and Ebel. It also produces and markets a half dozen fashion brands under licensing agreements. A public company, the Movado Group reported sales of \$382 million for the fiscal year ended January 31, 2011.



**TIMEX GROUP**

(USA)

**Timex, Marc Ecko\*, Nautica\*, Opex\*, GC\*, Guess\*, Salvatore Ferragamo\*, Valentino\*, Versace\*, Versus\***

The Timex Group consists of the legendary king of the mass-market watch segment, Timex, as well as numerous fashion brands that Timex produces and markets under license agreements with the brand owners. Timex, headquartered in Middlebury, CT, is a private company and releases no sales or production data. The license deals give Timex a presence in market segments outside its traditional strength in the under-\$150 category. A recent foray into the luxury mechanical watch market with Vincent Bérard, a brand it acquired in 2006, was unsuccessful. Timex folded that company in 2010.

**BINDA GROUP**

(Italy)

**Breil, Freestyle, Vetta, Hip Hop, D&G\*, Moschino\*, Ducati\*, Freestyle, Kenneth Cole\*, Tommy Bahama\*, Ted Baker London\*, Speedo\*, Mexx\***

Milan-based Binda is a private watch-and-jewelry company specializing in the distribution of fashion brands, many under licensing deals arranged through the Milan company or its U.S. subsidiary, Geneva Watch Co., which it acquired in 2008. The group's top brand is Breil, which it owns. Its Wyler Genève brand was a casualty of the recent recession. In 2008, the Binda Group claimed total sales of \$585 million.

**FESTINA GROUP**

(Spain)

**Perrelet, L. Leroy, Candino, Festina, Lotus, Jaguar\*, Calypso\***

The Festina Group is a private company owned by Miguel Rodriguez of Barcelona, Spain, with watch holdings in Spain and Switzerland. The group is a mid-range watch powerhouse in Europe on the strength of the Festina brand. Jaguar, Candino, Lotus and Calypso are also mid-priced brands. The group also has a presence in the luxury Swiss mechanical market through the H5 Groupe, its Bienne, Switzerland-based subsidiary, whose chief brand is Perrelet. The group also has a Swiss subsidiary, H1 Holding, with five Swiss companies engaged in watch movement and component production.



**FRANCK MULLER GROUP**

(Switzerland)

**Franck Muller, Pierre Kunz, European Company Watch, Rodolphe, Martin Braun, Barthelay, Backes & Strauss\*\*, Pierre Michael Golay, Smalto Timepieces\***



Franck Muller Watchland is a group of luxury Swiss watch brands headquartered in Genthod, outside Geneva. The hero brand is Franck Muller, founded in 1992. Over the years, the owners added additional brands, most (the bottom six on the list) since 2005.

The Franck Muller brand is the group's biggest seller by far. Privately owned, the group releases no sales figures. Kepler Capital Markets estimated in 2009 that the Franck Muller brand had revenues of SF500 million (\$467.3 million) in 2008. ○

\* Watches are produced under a license agreement with the brand owner  
 \*\* The company is a joint venture between the group and the brand