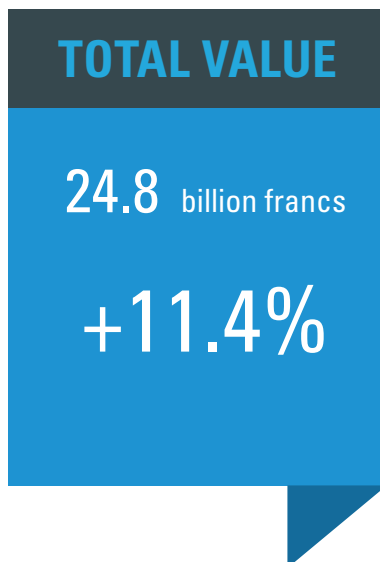




WORLD WATCHMAKING INDUSTRY IN 2022

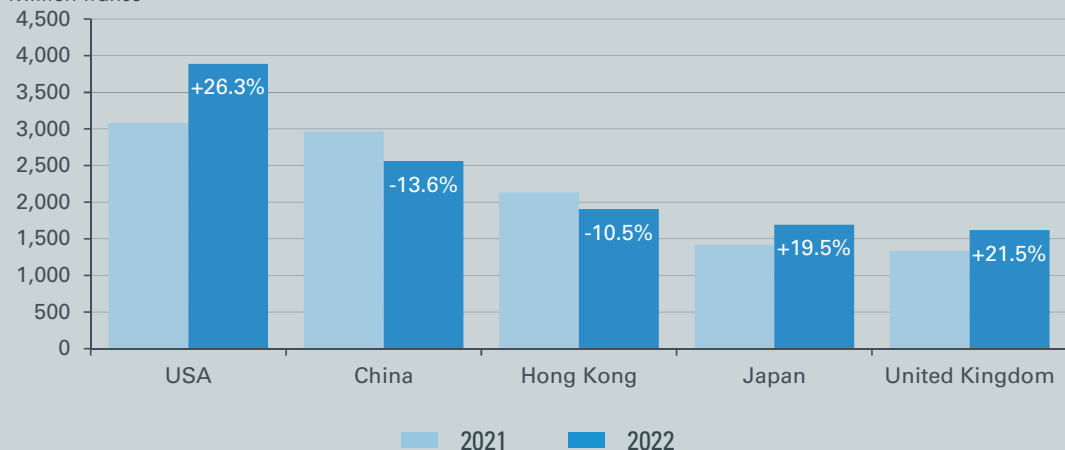
SWISS WATCH EXPORTS



Swiss watchmaking had an excellent year in 2022. Following the return to pre-Covid levels seen in 2021, the sector has been on a path of solid growth that allowed it to achieve record performance, despite the significant decline in two of its three main markets. Swiss watch exports rose to 24.8 billion francs in 2022, exceeding their 2021 performance by 11.4%. Watches benefited in broad terms from the strong demand for luxury products and the increase in global wealth. 'Swiss made' entry-level watches were also a resounding success and ended the year on a positive result.

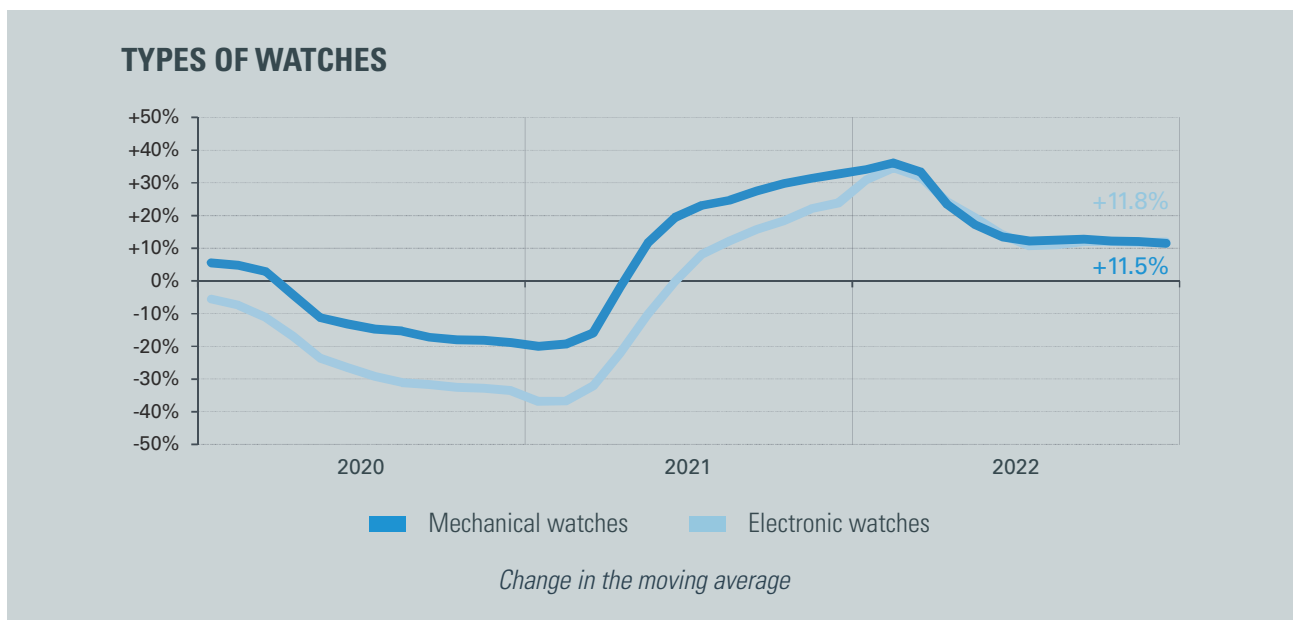
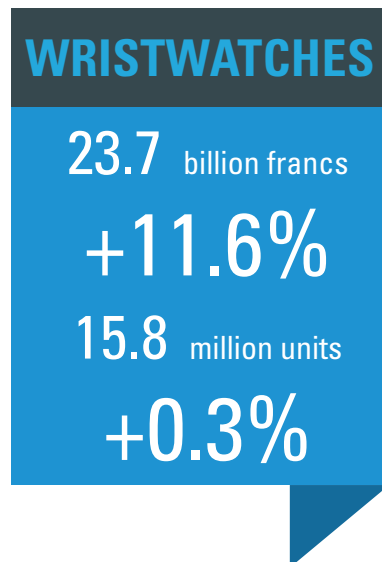
MAIN MARKETS

Million francs



SWISS EXPORTS OF WATCHES

Wristwatches represented over 95% of export value and generated 23.7 billion francs, 11.6% more than in 2021. The number of items rose to 15.8 million, 50,000 (+0.3%) more than the previous year.



Export prices

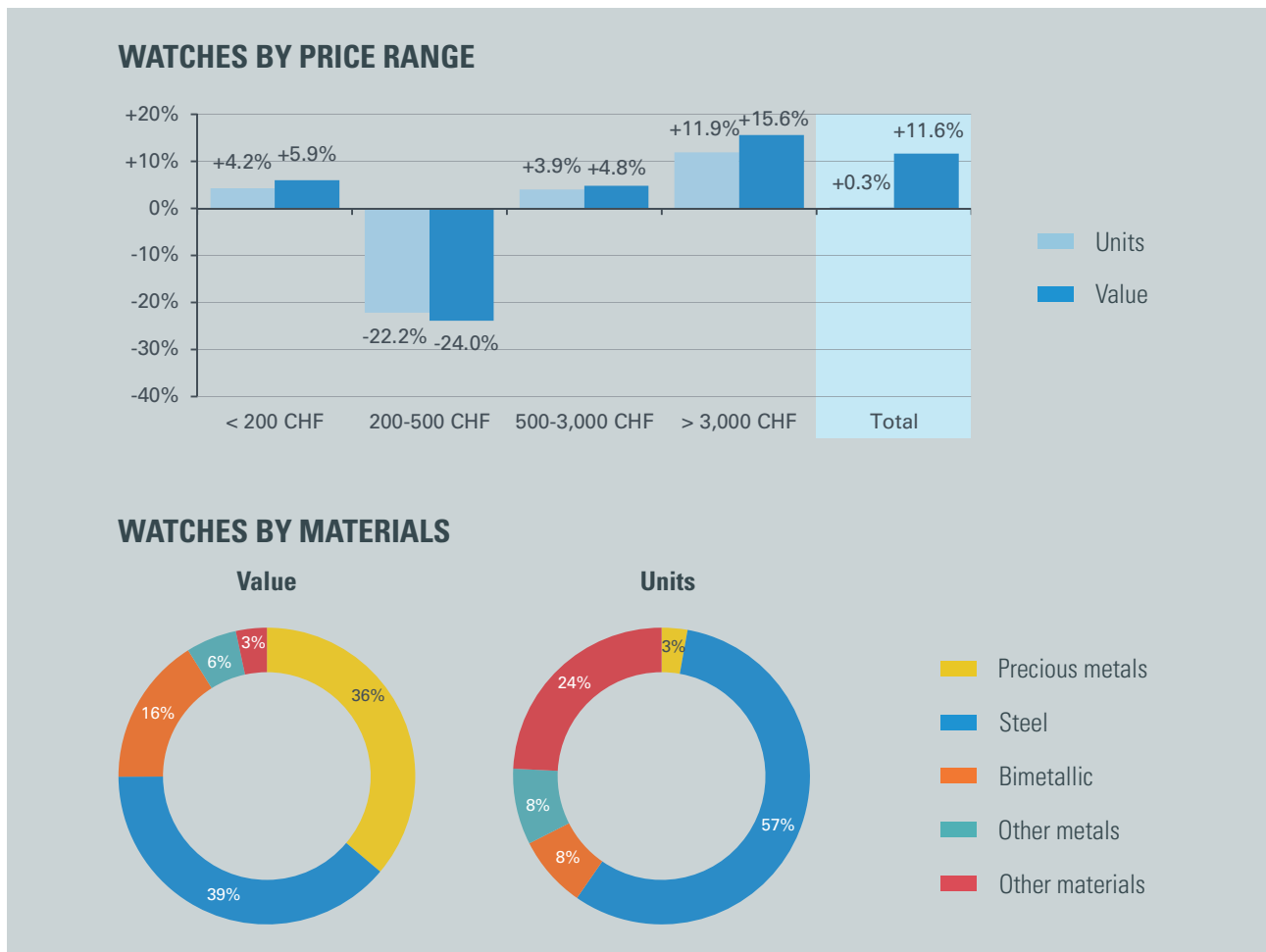
All the values stated in the watch industry statistics are export prices and not the sale price to the final consumer (retail price).

WATCHES BY PRICE RANGE

The main price segments all increased, except for the 200-500 francs (export price) range. While the latter fell by 24.0%, its value represents less than 3% of export turnover and only accounted for one growth point in the overall result. Nonetheless, this long-term trend is a worry for the volumes concerned, which also fell by 22.2%, or 625,000 items. This decline was offset by other price segments, with the final result in line with 2021. Growth by value came almost exclusively from watches priced at over 3,000 francs (export price), with a sharp rise of 15.6% compared with 2021. This was accompanied by an 11.9% rise in the corresponding number of items.

TREND OF THE DIFFERENT MATERIALS

While all groups of materials increased by value in 2022, this was not true for the number of items, with sometimes diametrically opposed trends. Watches made from precious metals (+13.9% by value) were the main contributors to growth, despite representing less than 3% of export volumes. Steel watches also made a significant contribution to the overall result but saw a marked contraction by number of items (-7.8%). This decline was offset by the striking upturn in the Other materials category (+32.3%), whose value increased in parallel by 40.3%.



MAIN MARKETS

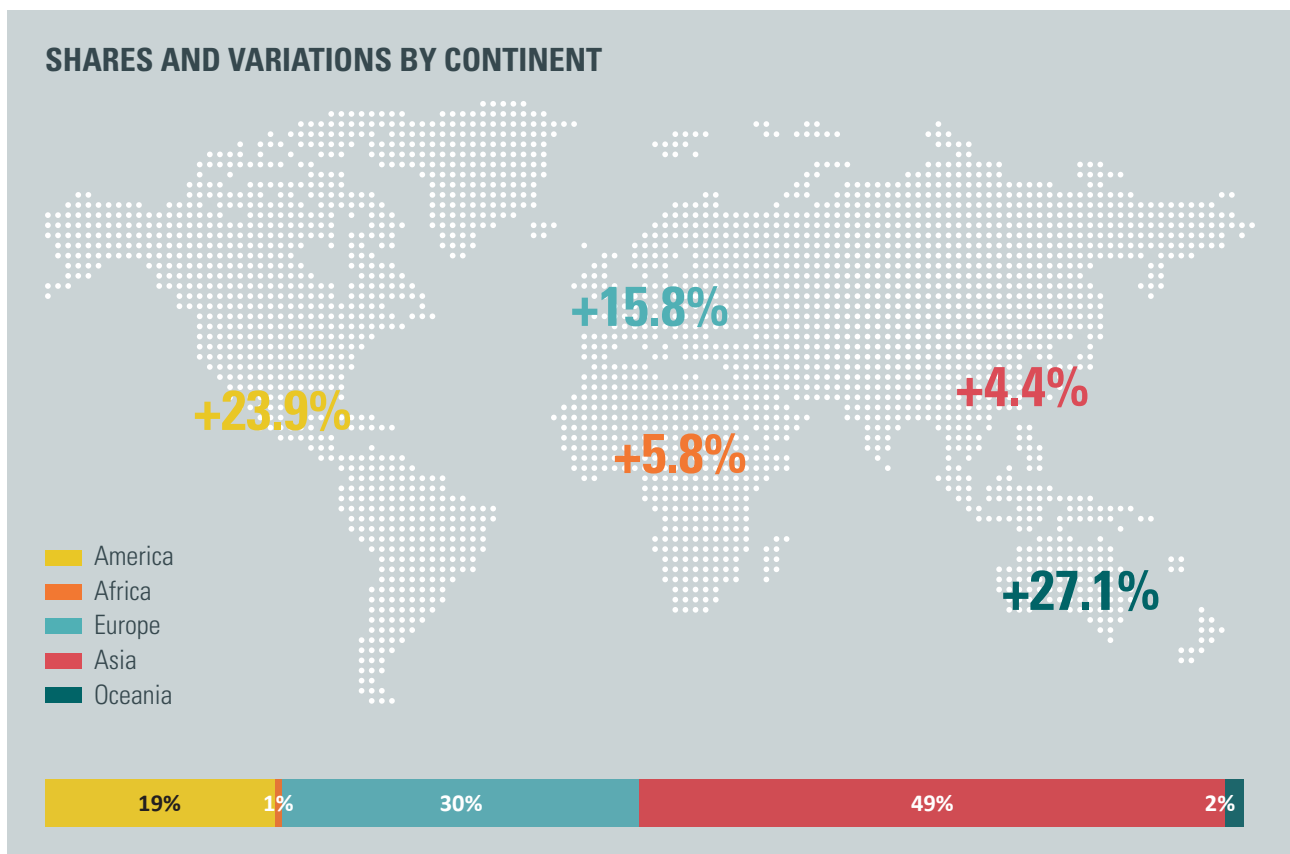
North and South America achieved the highest level of growth (+23.9%) and accounted for 19% of Swiss watch exports in 2022. Asia (+4.4%) was held back by the decline in its two leading markets. After five years above 50%, it represented less than half (49%) of global exports. Growth in Europe (+15.8%) was closer to the average and increased its share to 30%.

The United States (+26.3%) saw very strong growth for the second consecutive year, taking it to a particularly high level.

Asia was split between the decline in China (-13.6%) and Hong Kong (-10.5%) on the one hand, and the steady growth in other markets, such as Japan

(+19.5%), Singapore (+26.4%), the United Arab Emirates (+12.7%) and Taiwan (+15.0%) on the other. South Korea (+1.9%) recorded more moderate growth due to the absence of Chinese tourists. The fall in China was largely due to measures to combat the pandemic, particularly the lockdown in Shanghai in the second quarter. The situation in Hong Kong, which has declined by more than half in eight years (-53.7%), reflects a long-term market adjustment, combined with the consequences of the pandemic.

All the major European markets grew, thanks to strong local demand and the return of tourists from the United States and the Middle East, and elsewhere.



WORLD WATCH EXPORTS

The figures shown here illustrate watch exports and imports from the world’s main players, excluding connected watches. These are not global watch production data. The results for exports and imports are higher, since a single product can be re-exported and is therefore counted twice. This is particularly true in Hong Kong, which re-exports most of the watches that enter its territory. Nonetheless, these data are an accurate reflection of the key players involved and therefore highlight global trends in the sector.

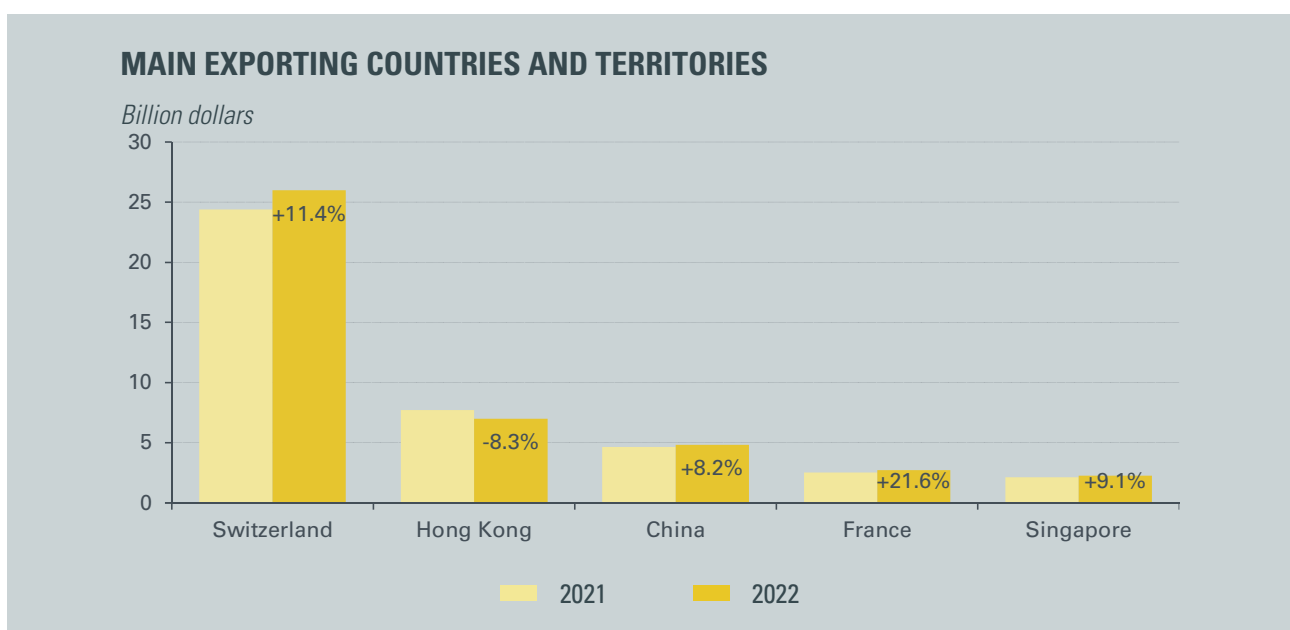
Switzerland extended its lead with higher-than-average growth (+11.4% compared with 2021, in local currency), shipping the equivalent of 26.0 billion dollars across all its markets in 2022.

Activity in Hong Kong continued to weaken as a result of stringent health restrictions, which were ongoing. Its watch exports, which are comparable

to goods in transit, decreased by 8.3% compared with 2021, excluding exchange rate fluctuations. Exports stood at 7.0 billion francs and were mainly destined for the United States, China, Switzerland, Macao and Japan.

Chinese watch exports grew significantly in 2022. The increase in local currency was 8.2%, to 4.8 billion francs. Goods transiting via Hong Kong decreased by 8.0%, representing just 30% of Chinese shipments. The remainder was shipped to the United States, Japan, Switzerland and Singapore, which saw a fourfold increase compared with 2021.

French watch exports and re-exports bounced back strongly in 2022 (+21.6%), following the marked decline seen in the previous year. At the same time, Singapore strengthened its role as a redistribution platform, with a 9.1% increase in re-exports in local currency.



WORLD WRISTWATCH EXPORTS

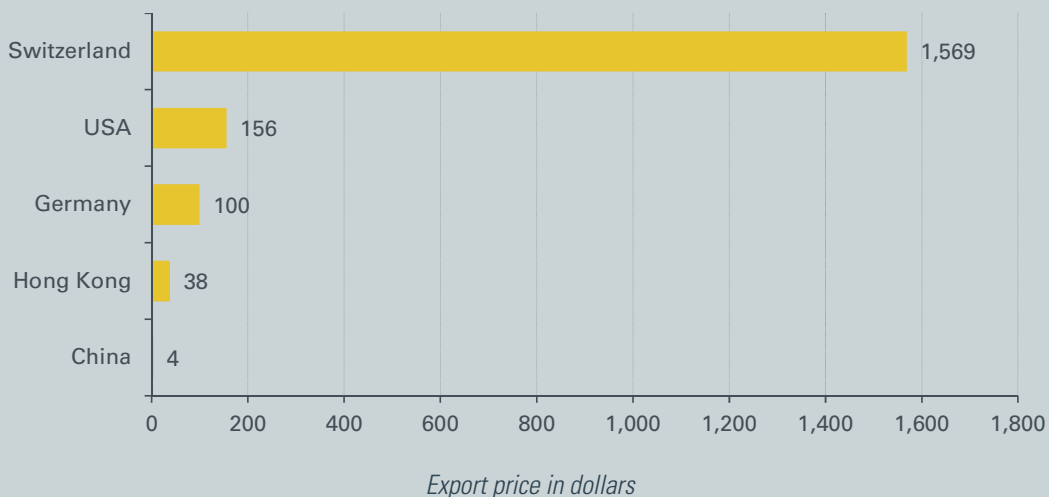
China exported over half a billion watches in 2022 (540.5 million items). This represents a 26.7% increase compared with the previous year. The average export price of these products was 4 dollars.

Conversely, Switzerland saw its volumes stagnate at 15.8 million units (+0.3%), at an average price of 1,569 dollars.

MAIN WRISTWATCH EXPORTING COUNTRIES AND TERRITORIES

	Million units	Variation
China	540.5	+26.7%
Hong Kong	137.3	-14.3%
Germany	16.5	+17.2%
Switzerland	15.8	+0.3%
United States	9.6	+8.4%

AVERAGE PRICE OF EXPORTED WATCHES



GLOBAL WATCH IMPORTS

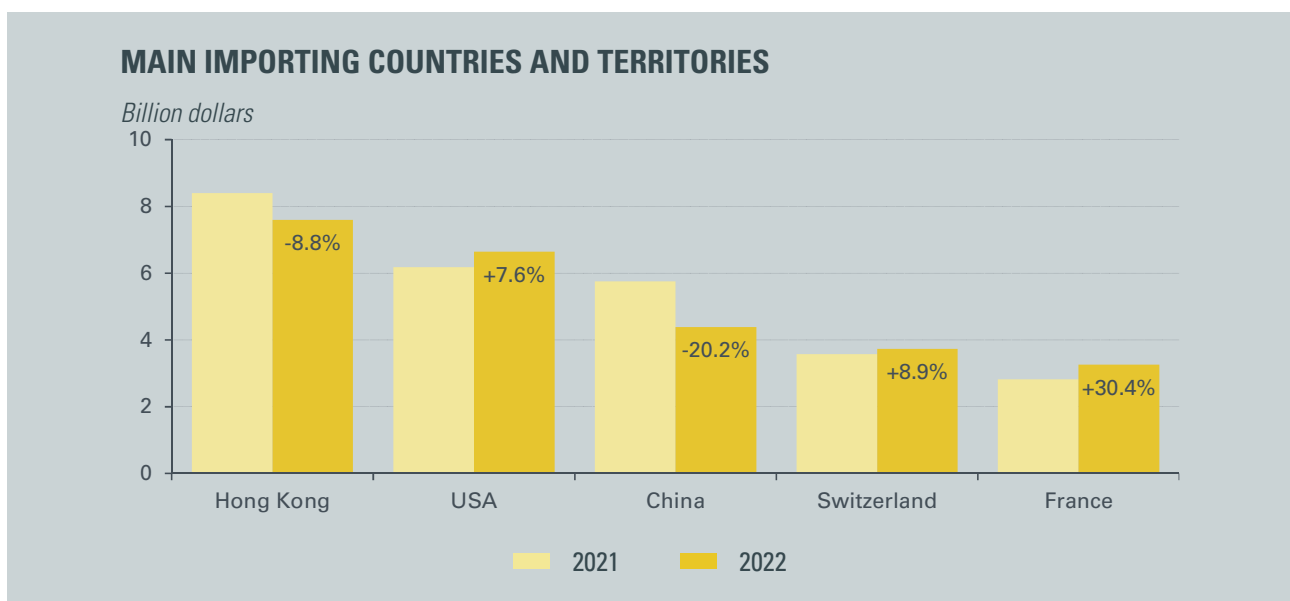
Excluding Hong Kong and the 7.6 billion dollars of watch imports that largely transited through it, the United States was the world’s largest market for watches. It imported the equivalent of 6.6 billion dollars, an increase of 7.6% compared with 2021.

China lost ground due to its various lockdowns. Watch imports to the country fell by 20.2% in local currency, to 4.4 billion dollars.

Like exports, Swiss watch imports far outstripped the level seen in 2021, to stand at 3.7 billion

dollars (+8.9% excluding exchange rate fluctuations). Finished products (watches, alarm clocks and other clocks) accounted for 58% of imports and increased by 5.4% on average. Purchases of components grew even more strongly (+14.3%).

The sharp recovery in France drove watch imports to 3.3 billion dollars, a 30.4% increase compared with 2021. Some of this trade, however, continued on to other countries.



Values and variations

Results of watch industry exports and imports at global level are expressed here in dollars to facilitate comparison between the main players. On the other hand, the variation rates are calculated using data stated in local currencies in order to eliminate foreign exchange effects.