

Groundbreaking moment: Estée Lauder begins work on new travel retail distribution centre in Switzerland

The Estée Lauder Companies' (ELC) success in, and ~~WOODVIEW~~ the travel retail channel was underlined on 6 July when Swiss subsidiary Estée Lauder Lachen AG broke ground on a new distribution centre in Galgenen, Switzerland.

ELC described the centre as “state-of-the-art”, noting that it expands the company’s existing travel retail supply chain presence in Switzerland.

The facility creates a modular distribution network ~~built to react rapidly to a dynamic retail environment~~, ELC said. ~~ELC~~ quarter ended 31 March maintained an impressive, sustained momentum in the channel.

The centre was designed in partnership with New York-based architect and long-time collaborator of The Estée Lauder Companies Richard Dattner. ~~Double-digit travel retail sales growth was a key factor in~~ helping ELC to an +18% year-on-year rise in net sales to

The three-storey, 20,000sq m facility features the latest in automated supply chain mechanics. It is ELC’s third wholly owned and operated distribution center in Switzerland. ~~US\$3.37 billion and a +25% hike in net earnings to US\$372 million.~~

It complements the company’s existing site in Lachen, allowing the two distribution centres to work in partnership to ensure easy scalability based on business demand. ~~momentum, generating double-digit sales rises in~~ “virtually every brand”, ELC noted. Stars of the show were Estée

Over 300 guests, including local authorities, representatives of The Estée Lauder Companies and employees, joined the groundbreaking ceremony, which celebrated the beauty house’s long-term commitment to the region. ~~benefited from growth in global air passenger traffic, new launches and expanded consumer reach, the company said.~~ The Galgenen site is expected to be completed by the end of 2021.

The Lachen facility is slated for a similar modular and automated upgrade following the completion of the Galgenen facility. ~~The Estée Lauder Companies President and Chief Executive Officer Fabrizio Freda commented,~~ “Among our multiple engines of growth, travel retail, online and Asia again were

ELC established a manufacturing plant in Switzerland ~~standouts.”~~ over 40 years ago.

Switzerland serves as the global distribution hub for what the company described as its “high-growth travel retail channel”, supplying duty free and travel retail ~~doors in over 120 countries.~~ Nowhere in the world perhaps is the conduit between travel retail and local market performance stronger in fact than

Most recently, ELC opened a new supply chain hub in 2017 in Wilherod, Switzerland to service ELC-Europe, Middle East and Africa. ~~Asia (particularly China and South Korea), underlining even more the pivotal role of the channel for ELC-Europe, Middle East and Africa.~~

Seeing double: Recent ELC performance in travel retail

- **Q3 17/18** – Double-digit sales increase
- **Q2 17/18** – Double-digit sales increase. “Exceptional strength in travel retail” – Fabrizio Freda
- **Q1 17/18** – Double-digit sales increase. “Continued acceleration in travel retail” – Fabrizio Freda
- **Q4 and FY 16/17** – Double-digit sales increase. “Our business accelerated in our online direct-to-consumer and retailer e-commerce sites, as well as in the travel retail and specialty-multi channels” – Fabrizio Freda



Breaking new ground: Executives from The Estée Lauder Companies celebrate the groundbreaking of the new distribution center in Galgenen. Pictured left to right are Ron Norris, Vice President, Global Finance and Strategic Planning, Travel Retail Worldwide; Sascha Trabelsi, Vice President, Supply Chain, Travel Retail Worldwide; and Jamal Chamariq, Senior Vice President, Global Supply Chain, Europe, the Middle East and Africa.



The new facility, set for completion in 2021, will service the US beauty giant's burgeoning global travel retail presence.



The strong performance of key brands such as Estée Lauder and Jo Malone (all pictured at Ever Rich Duty Free's downtown store in Neihu, Taipei this week) has helped drive travel retail to new heights for the beauty house. [Pictures: Martin Moodie].

