

## Upbeat Summit of the Americas exceeds expectations- visitors up 34% and buyers up by 45% as America returns to growth

There was a decidedly positive buzz throughout the Palm Beach County Convention Center during last week's IAADFS Summit of the Americas, as the International Association of Airport and Duty Free Stores returned to a trade market format for the annual show following last year's more limited format post-COVID.

The 77 exhibitors participating in the event, which took place from April 16-19, spanned a major turnout from top spirits, confectionery and tobacco companies, along with quite a few jewelry and service brands. The key beauty companies were not on hand, however.

The number of exhibitors represented a strong comeback from the 45 companies exhibiting in 2022—although space had been restricted last year, noted Michael Payne, IAADFS President and CEO, at the closing press conference.

In addition, there were nearly 300 suppliers attending who were not formally exhibiting – including such major companies as Edrington, Moët Hennessy and Go Travel, each of which attended to show support for the event.

In total, Payne reported that 1,178 people attended the show, up 34% from 878 in 2022. The Association had been targeting around 1,000 attendees this year, said Payne.

Most importantly, 389 buyers were on hand, a 45% increase compared to last year.

"This figure represents 33% of the total number of attendees and is the 1/3-/2/3 ration that we aim for," he said.

Visitors included a very visible contingent of Canadian buyers, and according to exhibitors speaking to *TMI*, there were quite a few very welcome Caribbean buyers as well.

Latin America was also well represented, including a large group of more than 35 from Dufry.

Leading exhibiting companies included Diageo, Beam Suntory, Bacardi, Brown-Forman, Pernod Ricard Travel Retail Americas, JTI International, Tito's Handmade Vodka, Duty Free Global, WEBB Banks, Nestlé International Travel Retail, Lindt & Sprüngli, and a major presence from US-based distributors Otis McAllister and worldclassbrands. The team from GMAX Travel Retail—Garry Maxwell and Tim Young—were there from the UK. And familiar faces like Sandro Bottega from Bottega SpA, Patrick Nilson from Haleybrooke International, Bart Collins from CITRA, and returning after several years away, Bryan Crisfield from Crislu were also participating.

In general, the exhibitors *TMI* spoke with were very pleased with the number of visitors, the contacts made and opportunity to create or reestablish business connections. The networking area within the trade market floor also got high marks of appreciation both from exhibitors and suppliers who did not have formal stands.



Michael Payne

The evening social events were well attended – although rain storms at the start of the week forced the first two events to be held indoors.

Payne announced that the IAADFS has one more year on its contract with the Palm Beach County Convention Center and that **next year's shows is scheduled for April 14-17, 2024**. The Association also has a "space hold" with the convention Center for 2025, but has not yet signed a contract.



The buying team from Argentina-based London Supply with Maira Silva Musetti of Nestle Travel Retail Americas (purple shirt).

## TFWA announces social program for Asia Pacific Exhibition & Conference

TFWA has confirmed a busy networking schedule for TFWA Asia Pacific Exhibition & Conference 2023, to be held at Singapore's Marina Bay Sands from May 7-11.

This year's event – which returns to a full-scale format – will offer participants a wide range of networking opportunities for formal and informal meetings.

The Welcome Cocktail on Sunday evening takes place at the Flower Dome, at the Gardens by the Bay at 7:30 p.m. From 9 p.m. (21:00) delegates attending will have the chance to enjoy exclusive night-time access to the Flower Dome's stunning display of over 32,000 plants.

The **TFWA Asia Pacific Lounge**, held in partnership with **Qatar Duty Free**, will welcome delegates on Level 4 of the Marina Bay Sands from 5:00 to 9:00 p.m. on Monday, and from 6:00 to 9:00 p.m. on Tuesday and Wednesday, concluding with a live music performance on Wednesday evening. This year's TFWA Asia Pacific Lounge occupies a larger space and features a generous balcony from which delegates can enjoy impressive views across the bay. Drinks and snacks will be served courtesy of sponsors Heineken, Korea Ginseng Corp., BlackBall, Duty Free Global, Brown-Forman, Crafter's, Mondelēz International, Wonderful Pistachios, Perfetti Van Melle, and Valrhona.

All delegates and exhibitors will have free access to these social events.

In addition to the meetings held on the exhibition floor, TFWA's ONE2ONE meeting services organizes introductory encounters between exhibiting brands, key buyers, airports, cruise & ferry operators and airlines. For more information on this service, go to link: <https://www.tfw.com/tfw-asia-pacific-exhibition-conference/one2one-meeting-service-100005884>.

## ASUTIL reveals 2023 Conference details

The 2023 ASUTIL Conference, managed by TFWA, will feature a series of in-depth sessions on the Latin American duty free and travel retail business, a Gala Dinner, a Closing Cocktail and a spectacular Social day and excursion, as the Association's very popular event returns to its original format on June 7-8 at the Hotel Hilton in Puerto Madero, Buenos Aires, in Argentina.

ASUTIL General Secretary, José Luis Donagaray tells *TMI* that as of the Summit of the Americas, 180 people had registered for the event, which is still more than a month away.

"Our target is to have it between 250 to 300 people. That is the normal amount we used to have. So everything is on track. The hotel is very good and the Puerto Madero location offers many excellent restaurants. So everything is moving forward," he says.

The Conference program will feature opening remarks and an overview from ASUTIL President, Gustavo Fagundes and Donagaray, with the keynote address from Dufry CEO Xavier Rossinyol, who will outline the company's vision for the future of travel retail and duty free in Latin America. *The Moodie Davitt Report* Founder & Chairman, Martin Moodie will moderate.

1st-set Founder & CEO Dr Peter Mohn will then present the findings of a new study conducted exclusively for ASUTIL on the behavior of the Latin American shopper.

A panel session on the importance of border stores and their growing share of the Latin American duty free market as foreign travel becomes more frequent will feature speakers including Neutral CEO Marcelo Montico; BAH Free Shop CEO

Paulo Pavin; Director of Trade Policy at the Uruguayan Ministry of Economy and Finance, Juan Alfonso Labraga Brea; Federal Revenue of Brazil Regional Superintendent, Altemir Linhares de Melo and will be moderated by CEFSU General Secretary, Carlos Loaiza.

Day two of the Conference will explore economic challenges facing the industry, current traffic patterns in the region, the role of travel retail in Latin America's travel ecosystem, utilizing technology effectively in duty free, and emerging digital trends.

Speakers include leading Latin American economist Carlos Melconian, Vice President of Macroview S.A; Corporacion America CEO, Martin Eurnekian; Latin American and Caribbean Air Transport Association (ALTA) Executive Director & CEO, José Ricardo Botelho; Meta's Pan-

Latam Regional Director, Daniella Valeriano; and Pernod Ricard Travel Retail Americas General Manager, Gregory Ford. Dufry Latin America CEO and ASUTIL Vice President, Enrique Urioste, will close the event.

### Social events, Colonia excursion

ASUTIL's packed social program will include a Gala Dinner on Wednesday, sponsored by Duty Free Shop Argentina, and closing cocktail on Thursday hosted by Colonia Express.

The lunches are sponsored by Japan Tobacco International (JTI) and Rio de la Plata, and the networking coffee breaks are sponsored by Mondelēz International. Further support and product distribution will be provided by B+D, The Hershey Company, Essence Corp, and Travel Blue.

On Friday, the social activities—another traditional high-point of the ASUTIL Conferences—will include a ferry excursion by Colonia Express to picturesque Colonia del Sacramento, one of the oldest towns in Uruguay whose historic quarter is a UNESCO World Heritage Site. Located on the Rio de la Plata, Colonia is only 31 miles from Buenos Aires. The day will also include a visit to a winery, says Donagaray.

"We are very pleased to be back. We have an agreement with TFWA to provide us with back office help. We are also very pleased about the support of the press, the sponsors, and the brands. Latin America is in recovery—we still have some problems with international traffic after the pandemic, but that should be solved by next year. Meanwhile, we must understand how far we've come from two years ago. We are so grateful and very positive for the future," said Donagaray.

## The Bluedog Group acquires TR PR specialist agency Essential Communications

Two of the travel retail industry's most iconic service brands have joined forces. Global event, retail, and creative specialist The Bluedog Group has acquired Travel Retail PR agency Essential Communications to meet increasing levels of client interest in PR alignment with its wider group service offer.

The deal follows the group's successful 2021 launch of Kounter, doplr and HEX agencies to focus respectively on international retail campaigns and activations, live experiences and digital, design, and content solutions. Since then, the business has grown exponentially and counts clients that include Dufry, Bacardi, Pernod Ricard,

Ritter Sport, Lindt & Wella as long-term partners.

Essential Communications was founded in 1994 as the first specialist travel retail agency by Rowena Holland, after a career in travel retail journalism. Nestlé International Travel Retail was a founding client and remains on the roster after an admirable 29 years, alongside (amongst others) Accolade Wines, Imperial Brands, Champagne Lanson, Mars Wrigley ITR, Molton Brown and William Grant & Sons.

Bluedog Group CEO Nick King explains, "Shared clients, a shared 'extra mile ethos', and shared ambitions to give clients creativity fueled by common sense and layers

of channels working smartly alongside each other is at the core of this new acquisition.

We are seeing clients asking us not just about the where, what, and why of a campaign or activation, but increasingly about how we get the fame factor and engagement flowing through media and wider comms channels too."

Rowena Holland, who will continue in her role as Managing Director for Essential Communications as the business runs autonomously alongside Bluedog's other agencies, adds "We saw a gap in the market when we launched our agencies, and in collectively listening and responding to our clients, we are now seeing and answering another one."

## Gebr. Heinemann returns to pre-crisis level profitability during successful financial year 2022

The Gebr. Heinemann Group closed fiscal year 2022 year with total turnover of 3.8 billion euros, up 81% compared with 2.1 billion euros earned in 2021. This is 79% of the turnover of 2019 (4.8 billion euros), and drove Heinemann's profitability back to the level of 2019 – its most successful year to date.

Turnover in the **retail segment** accounted for 80% of total turnover (2021: 76%). Turnover in the **distribution segment** accounted for 18% of total turnover (2021: 20%).

With a 77 percent share of turnover, Heinemann's business at **airports** was the strongest sales channel, and accounts for 77% of the company's turnover, (2021: 73%).

The airport channel was followed by the **border shop business** with 9% of total turnover (2021: 13%), **cruise ships and ferries** generated a 5% share of turnover (2021: 4%), and airlines with 3% of total turnover (2021: 1%).

Another 6% of total turnover (2021: 9%) were distributed among **other channels**, such as diplomatic business, free trade zones, or military bases.

### Regions & Categories

Europe remained the region with the largest share of turnover at 58% (2021: 62%), followed by the Middle East & Africa at 36% (2021: 33%), AsiaPacific at 4% (2021: 4%), and the Americas at 2% (2021: 1%).

Heinemann reports that Istanbul Airport was by far its strongest growth driver last year, and has performed exceptionally well since its opening in 2019.

By **category**, Liquor, Tobacco, and Confectionery accounted for 52% of turnover (2021: 52%), Perfume & Cosmetics followed with 34% (2021: 33%) and Fashion, Accessories & Watches and Jewelry generated 9% of turnover (2021: 10%).

### Corporate responsibility

In 2018, the company joined the United Nations Global Compact (UNGC), the world's largest and most important initiative for responsible corporate governance. Gebr. Heinemann has anchored sustainable development goals in its corporate strategy and is committed to achieving them by 2030 in the fields of action Energy & Emissions, Waste & Packaging, Product Portfolio, and People.

"In each of our four fields of action, we were able to take important steps in 2022 to implement our targets as planned," explains **Raoul Spanger, Co-Chief Executive Officer**. Having already switched to green electricity in 2021, Gebr. Heinemann used 94% renewable energy in 2022.

In addition, the company opened its Norway HUB, the first regional warehouse near Oslo, in November 2022. The new warehouse will save around 300,000 transport kilometers per year between Germany and Norway – equivalent to around 570 tons of carbon dioxide.

In 2021, Gebr. Heinemann was the first travel retailer to offer a sustainable category concept to travelers. Last year, this future-friendly concept was expanded to locations outside of Germany with an extended range.

Gebr. Heinemann has also replaced 25% of the consumables in the Hamburg headquarters and the logistics centers with sustainable alternatives.

The company was also able to significantly increase the proportion of women in top management positions year-on-year from 14 to 21% within the Gebr. Heinemann SE & Co. KG. While the company has had to cut jobs in recent years due to the crisis, a total of 7,344 employees (2021: 6,700) from 56 nations worked in more than 100 countries for the Group in 2022.

### Concessions

Gebr. Heinemann opened or renovated 27 shops at airports, border crossings, and on cruise ships and ferries in 2022.

In June, the company won the tender for four duty free and travel value shops at Düsseldorf Airport, representing a "homecoming" after 10 years. After completion of the refurbishments, an official opening of the shops is planned for later in the year.

In March 2022, Royal Caribbean International's *Wonder of the Seas* – currently the world's largest cruise ship – set sail on her maiden voyage. Gebr. Heinemann operates seven shops on board. The company has also been awarded the concession for RCL's new *Icon of the Seas*, which is launching in 2024 and will then be the largest cruise ship in the world.

The company opened or remodeled several border shops, in some cases doubling the retail space. It also won inflight tenders for Polish airline LOT and Uzbekistan Airways.

### Transformed mission statement from theory to practice

In keeping with its mission statement formulated in 2021, Gebr. Heinemann has drawn up six specific promises vis-à-vis customers and travelers: Gebr. Heinemann promises a spectacular product assortment, unforgettable experiences, and activating price advantages, while being a valuable travel companion with impressive employees and delivering a sustainable impact.

"The promises set out our priorities for the coming years. Everything we did last year and will do this year is aimed at implementing them," says Max Heinemann. "The task now is to transfer the promises into our shops and make them visible and tangible for our customers and the travelers."

## Dufry upgraded by Moody's

Moody's Investors Service upgraded Dufry's credit rating to Ba3 from B1 and changed the outlook to positive from stable.

The rating actions reflect the strong trading in 2022 and solid recovery in credit ratios, the completion of the first step of the credit-enhancing business combination with Autogrill as well as the prospects for sustainable revenue and earnings growth, with expectations of deleveraging, says Moody's.

In the rating report published on April 27, 2023, Moody's referred to Dufry's results delivery ahead of both Moody's forecasts and global air passenger volumes, with profitability closely tracking revenue recovery amidst cost discipline.

In addition, the rating report mentions the improved leverage level of Dufry (stand-alone), further supported by the very low net debt of Autogrill and the conservative funding structure for the business combination.

Moody's comments on good headroom in regard to covenant testing as well as sufficient liquidity for both concluding the Mandatory Tender Offer (MTO) as well as to address the maturity of Dufry's 2024 EUR 800 million bond.

Moody's bases the positive outlook on the material opportunity from the ongoing recovery in air passenger traffic and the expectation that Dufry's credit ratios have the potential to further improve as a result.

Yves Gerster, CFO of Dufry Group, commented: "We appreciate the rating actions published by Moody's following the upgrade already received by S&P Global Ratings in March.

The improvements in rating and outlook by both agencies confirm our strong performance, positive expectations as well as solid financial position with more than CHF 2.3 billion available liquidity and the lowest net debt level since 2015. As commented by Moody's, we have sufficient liquidity for any financing requirements, which might come up during the MTO process as well as to address our 2024 maturities. The MTO progresses fully in accordance with the timeline laid out to the market, and we confirm the expected closing by the end of Q2 2023. We are pleased that the rating upgrades by both agencies improves our margin for borrowings under the RCF by 50bps."



## Enthusiastic WiTR gathering kicks off Summit of the Americas

The Summit of the Americas got off to a rousing start at the Palm Beach County Convention Center when as many as 50 people gathered for a Women in Travel Retail networking session prior to the official Opening Cocktail on April 16.

The event welcomed quite a few first time attendees, who represented a wide range of product categories and positions. Three members of the WiTR Steering Board were also onhand, including chair Sarah Branquinho, Nina Semprecht (Gebr. Heinemann) and TMI's Lois Pasternak as the board member responsible for the Americas.

Branquinho gave a brief presentation, introducing the WiTR charity for 2023, and talked about the possibility of offering company-wide corporate member-ships to WiTR for larger companies, which was enthusiastically endorsed.

The Summit WiTR event was organized under the auspices of the International Association of Airport & Duty Free Stores, who graciously donated the meeting space, a lovely selection of crudités and covered various other fees. Wine was generously donated by spirits distribution company WEBB Banks.

The WiTR meeting was also sponsored by California-based Saybrex International, with a donation made in memory of industry pioneer George Mannina, who passed away in February. The group offered a special toast in George Mannina's honor. WiTR offers Ari Bussel of Saybrex International great thanks for the donation.

The event also kicked off this year's WiTR fundraiser with a raffle with a chance to win one of FlyWithWine's wonderful Vin-Garde wine suitcases. The raffle – along with the Saybrex donation and a personal donation made by Patricia Bona of Essence Corp. – raised more than \$1,300 for this year's designation WiTR charity: the KOMA KARANTH Foundation.

Founded by actor, producer, writer, humanitarian and stand-up comedian Maitreyi Karanth, the foundation is on a mission to build a KOMA community in the impoverished municipality of Gloria, Philippines. To learn more about the foundation, visit:

<https://www.komakaranthfoundation.org>



*Laura Shirk, Goba TR magazine; Nina Semprecht, Gebr. Heinemann; Veronica Huber, Waldemar Behn; Hibah Noor, Global TR magazine; Charlotte Savage, Altria; and Brittany Williams Leverett, Legacy Consulting Group. Right: WiTR+ Chair Sarah Branquinho introduces the group's 2023 Charity.*



*FlyWithWine's Director of Sales Marlene Hulten—who donated a fantastic wine suitcase to WiTR, TMI's Lois Pasternak and raffle winner Ginger Diaz, Logistics Manager at WTDC.*

### WiTR+ in Singapore.

**Maitreyi Karanth will attend and talk about her foundation and its purpose at the next WiTR cocktail, on May 9 at the TFWA APAC Conference in Singapore.**

### WiTR+ Steering Committee

The WiTR Steering Committee:

Sarah Branquinho (Chair) – [Sarah.Branquinho@dufry.com](mailto:Sarah.Branquinho@dufry.com)  
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### Women in Travel Retail adds a plus as it becomes more inclusive

The Women in Travel Retail networking group is recognizing the contribution made to WiTR by its other industry colleagues and has added a + to its WiTR name and logo.

Membership will still be specifically for women, but the change, which was recently approved by the WiTR Steering Committee, signals a more inclusive approach and allows for non-member guests of other genders to join some of WiTR's meetings and events at key trade events throughout the year, such as ASUTIL, IAADFS, MEADFA, TFWA Asia Pacific and TFWA World Exhibition.

The successful webinar program will also be broadened to include male speakers.

"Whilst still very much a group which assists women to network and thrive in the world of duty free and travel retail, WiTR has been and will continue, now as WiTR+, to be deeply grateful for the support that our male colleagues in the industry have given, particularly in raising funds for the various charities we've supported over the years. In fact, we could not have done what we've done without them," says WiTR+ chair Sarah Branquinho.

"We all felt it was time that we opened our doors to become more inclusive – at least two or three times a year!"

The Committee is also launching **corporate memberships** for companies operating within the duty free and travel retail channel. This will allow companies to extend their diversity and inclusion programs by enrolling as members their female GTR staff members.

Details of this new scheme will be announced shortly, but any interested companies should contact any member of the WiTR Steering Committee.

## WHSmith reports strong performance and plans for further expansion in North America

UK-based airport retailer WHSmith has called out its strong performance in North America – where it owns and operates airport electronics retailer InMotion and Las Vegas-headquartered Marshall Retail Group – and says that it is well-placed for significant growth in this market.

First half revenue in North America for the six months ended February 2023 was \$220 million (£177 million) up by 53% (20% of which was due to changes in exchange rates). Trading profit was £14 million (US\$17.5 million), which the company says reflected the recovery in passenger numbers, improved margins, and the foreign exchange benefit.

WHSmith says that it is expecting to generate over £50m of trading profit from this division despite the disruption caused by the pandemic, which is double the pro forma profits at the time of acquisition.

The second half has started well with total sales in North America, 33% ahead of 2019.

WHSmith Group CEO Carl Cowling commented: “In North America, we continue to open new stores with 29 opened in the period and these are performing well. At the same time, we have grown our new store pipeline with significant tender wins. We have won a further 28 stores so far this year, including 11 in Canada across Calgary and Edmonton airports, as well as further stores in Oakland, Palm Springs, Washington Reagan and Las Vegas airports.

“In the current financial year, we expect this division to generate over £50m profit – making it our second largest division,” he said.

“Our North America business has become an increasingly significant part of the Group and at the end of this financial year will be our second largest division in profit terms, after Travel UK. The growth prospects are substantial and we are excited by the significant opportunities to grow this business further,” said the company in its earnings report.



*City Arts Market is one of four new concepts that WHSmith North America's Marshall Retail Group opened in Orlando International Airport's South Terminal in April.*

The U.S. is the largest travel retail market in the world with annual sales, pre-pandemic, at \$3.2bn, says the company.

WHSmith's analysis of the North American market shows that there were approximately 2,000 news and gift and specialty retail stores in the top 70 airports, which gives its North America business a market share of c.13%.

“With our continued success rate of winning new tenders and our expectation of the amount of space likely to come to the market for tender over the medium-term, we are well placed to significantly grow our North America market share,” it says.

The company says that it is seeing good results from applying its forensic approach to retailing from the UK to the U.S. market. This includes, space management, category development to higher margin products such as health and beauty and tech, enhanced promo-

tional activity and increased operational efficiencies, for example self-scan tills which it started to introduce earlier this financial year.

During the first half, WHSmith opened “significant” new stores at Kansas City, Nashville and Newark airports. Following the opening of its stores at LaGuardia in 2021, they now opened 7 of the 13 stores in Newark which are part of a 15 year contract.

“These stores operate under a number of different brands, showcasing the location of the airport and have a uniquely curated localized product offering. Early results are good, and customer and landlord feedback has been positive,” says the company.

Including the 29 store openings in the first half, WHSmith now has 222 stores in Air (including 120 InMotion stores) and 97 stores in Resorts, along with the 28 stores now in the pipeline.

### Riedi calls for optimism

Rene Riedi, IAADFS Chairman, said that the Americas region has reason for optimism, with air traffic in North America making a full recovery by the end of this year.

During his opening remarks at the opening session of the Summit of the Americas conference, Riedi presented an overview of the passenger rebound globally and in the region.

“It is expected that 92% of global passenger traffic will return in 2023, with a full recovery in 2024,” said Riedi.

Riedi noted that some destinations, such as Mexico, Colombia and the Dominican Republic, passenger numbers have already surpassed 2019 levels.

“In North America, it looks like passenger number will make a full recovery by the end of 2023.”

“Uncertainty remains omnipresent,” he stressed. “But we have reason to be optimistic about the future.”

## Santiago duty free airport tender announced

After almost four years of delays, Chile's Ministry of Defense and the Finance Ministry have published details of the long-awaited tender for the duty free shops at Arturo Merino Benítez International Airport (SCL).

Located in Pudahuel just over 20kms from the center of Santiago, the airport is Chile's biggest international gateway.

Although SCL has been managed by the Nuevo Pudahuel consortium (Groupe ADP (45%), VINCI Airports (40%) and Astaldi Concessioni (15%)) since April 2015, the duty free concession is still controlled by the Chilean government.

Interested parties will be invited to visit the airport from now until the end of May. Questions from interested operators must be submitted within 49 days from publication of the tender details and these will be answered within 70 days from the tender publication. Full offers must be submitted by day 90 of the tender process. The evaluation committee will meet and study proposals and announce a winner within 30 days of the submission of offers.

Interested parties expect this timetable to be slightly modified as questions are submitted to the Chilean authorities over the next few months. However, the winner will be announced in the second half of the year and the new concessionaire should begin operations at the beginning of 2024.

The concession contract is for a period of 12 years with possible three-year extension.

Duty free stores at Santiago have been managed by Aldeasa Chile / Dufry since 1994. As one of Latin America's biggest concessions (Aldeasa reported annual sales of \$90m in 2017), Dufry should want to hold on to this concession. However, they are expected to face fierce competition. Lagardère, who already operates food & beverage concessions at the airport and took over the duty free operation at Lima, Peru in January 2021, has made no secret of its interest in competing in the tender.



## The Estée Lauder Companies completes acquisition of the Tom Ford

The Estée Lauder Companies Inc. completed its acquisition of the TOM FORD brand on Friday, April 28, and is now the sole owner of the brand and all its intellectual property.

ELC has licensed the TOM FORD trademark to Zegna Group for fashion and accessories and Marcolin Group for eyewear.

ELC's stewardship and its licenses with Ermenegildo Zegna and Marcolin Group provide continuity and allow for the further evolution of the TOM FORD brand as one of the "preeminent global luxury brands of the twenty-first century," said the company in its official statement.

The deal values the total enterprise at \$2.8 billion. At closing, ELC paid approximately \$2.25 billion. This amount was funded by cash on hand and proceeds from the issuance of commercial paper, as well as \$250 million received from Marcolin.

An additional \$300 million in deferred payments from ELC to the sellers becomes due beginning in July 2025. The remainder of the total enterprise valuation is reflected in the acquisition of TOM FORD FASHION by Zegna Group.

### New executive leadership announced

The TOM FORD brand, now owned by ELC, has named two experienced Tom Ford executives to lead the business: **Guillaume Jesel** is President and CEO, TOM FORD, and **Peter Hawkings** is Creative Director, TOM FORD, effective at the closing of the acquisition.

**Ermenegildo Zegna** has appointed a CEO of TOM FORD FASHION who is expected to be announced in July and assume the role in the third quarter of calendar 2023. These leaders will work together to ensure a consistent and cohesive image across all products, brand communication and retail.

**Tom Ford** and **Domenico De**

**Sole** will serve as brand advisors through the end of calendar 2023.

About the new leadership appointments, Tom Ford said, "I could not be happier with the acquisition of the TOM FORD brand by The Estée Lauder Companies. The team there has been a great partner and Guillaume is an exceptional leader, with not only a strong business understanding of beauty, but a great understanding of fashion as well.

"I am also pleased that the Zegna Group will continue to manufacture and distribute TOM FORD fashion and accessories, and operate retail for TOM FORD FASHION. I have worked closely with Zegna for more than 30 years, first at Gucci, then at Yves Saint Laurent. When contemplating the creation of the TOM FORD brand there was simply no other partner that we would have turned to, to produce high quality fashion products and a flawless retail experience.

"Marcolin has been an excellent partner in producing and distributing TF eyewear since the inception of the brand and I have enjoyed close collaboration with Maurizio Marcolin and his talented team for many years now.

"These companies, under the brand stewardship of The Estée Lauder Companies, provide me with confidence that the TOM FORD brand will continue to be something that I will be proud of for many years to come."

**Guillaume Jesel** brings nearly a decade of successful brand leadership of TOM FORD BEAUTY to his new executive leadership position at the TOM FORD brand. As President and CEO of TOM FORD, Guillaume will have oversight across all verticals and set a holistic luxury strategy for the brand. Guillaume will report to ELC executive leaders Jane Hertzmark Hudis, Executive Group President, and Tracey T. Travis, Executive Vice President and Chief Financial Officer.

Jesel originally joined TOM FORD BEAUTY in 2014, where he worked directly with Tom Ford and his team, helping to establish TOM FORD BEAUTY as a powerhouse in luxury beauty.

**Peter Hawkings** has been working alongside Tom Ford for nearly twenty-five years, beginning his career in 1998 at Gucci.

Most recently, he was Senior Vice President of TOM FORD Menswear. In his ascension to Creative Director, Hawkings will succeed Tom Ford with respect to his responsibilities as Creative

Director of Fashion, including womenswear, menswear and accessory categories, assuming the role of lead designer for the fashion segment and fashion shows.

Hawkings will be responsible for upholding the TOM FORD brand's vision, ensuring consistency of creative direction and decisions across all fashion categories and ushering the TOM FORD brand into its next chapter.

He will report directly to Jesel and matrix report to the CEO of TOM FORD FASHION.



### Marcolin launches Max Mara sunglasses through partnership with MSC Cruises

Max Mara Eyewear has inaugurated a new partnership with MSC Cruises, through which the Max Mara Eyewear Travel collection will be available aboard *MSC Euribia*, MSC Cruises' newest ship; on *MSC Bellissima*; and in the boutique on the promenade of *MSC Virtuosa*, a ship conceived with great attention to technological research.

The collection comprises 15 models with the elegant, eye-catching Max Mara styles that feature refined surfaces, shapes, and luminous details, says the company.

Art and design inspire styles through oversized silhouettes made of acetate and metal (MM0006, MM0040, MM0060, MM0062, MM0063, MM0067) or create a more comfortable, contemporary design with trendy, and sophisticated frames (MM0024, MM0051, MM0058, MM0073).

Max Mara reports that it also presents iconic frames that celebrate the brand's personality and are embellished with distinctive elements of style onboard MSC Cruises ships, (MM0030, MM0035, MM0036, MM0056, MM0064).