

Lagardère Travel Retail records strong organic growth of 8.8% in 2018

By **Elena Owyong** on February, 7 2019 | Retailers



Dag Rasmussen, Lagardère Travel Retail's Chairman and CEO attributes the good performance of the company to multiple factors including successful acquisitions, new concepts and dynamic initiatives

Lagardère Travel Retail has announced today that its revenue reached €3.673 million (US\$4.166 million), which was a rise of 8.8% like-for-like and of 7.7% based on consolidated figures. Additionally, its duty free and fashion's sales reached €2 billion (US\$2.27 billion) of managed sales for the first time.

Commenting on the results, Dag Rasmussen, Lagardère Travel Retail's Chairman and CEO said: "Our organic growth has been strong in 2018 at +8.8% versus 2017, pushed by sustained traffic growth, the success of our new concepts, innovative and dynamic commercial initiatives, and the development of the network. We also had a very successful year in terms of acquisitions, in particular HBF in North America, that we were able to integrate in December."

Lagardère Travel Retail attributed the stunning results for Duty Free and Fashion to "steady like-for-like growth and the integration of several major contracts won in 2017". These include contracts for Geneva, Senegal, Saudi Arabia, Hong Kong. The group also launched the Beauty New Age concept in Paris airports, which includes a new "phygital" experience for travelers. Additionally, new duty-free contracts were inked for Gabon's Libreville airport, and in Fashion in Vienna and Beijing Daxing Airport in China.

Lagardère Travel Retail's Asia Pacific revenue continues to grow

According to the luxury retailer, the Asia Pacific region continued to perform well, with revenue rising by 7.6%. Lagardère explained that the growth was “driven by a sustained network effect in China (Beijing, Shanghai, Wuhan), which more than offset contrasting performances in the Pacific region.” The fourth quarter marks one year since the launch of the liquor and tobacco concession at Hong Kong airport in partnership with China Duty Free Group.

Dag Rasmussen concluded that the travel retail sector benefitted from conducive environmental factors.

“Within this favorable environment, we have shown superior growth which proves not only that our three-business line strategy is paying off, but also that our investments on concepts, innovation, staff training & development, and customer services - are meeting passenger and landlord expectations,” he said. Lagardère Travel Retail’s three-business line strategy refers to Travel Essentials, Duty-Free and Fashion and Foodservice.