

Estée Lauder Companies opens TR distribution center



Strengthening its global fulfillment network, ELC has opened a new, state-of-the-art distribution center in Galgenen, Switzerland, dedicated to the travel retail channel; above is a snapshot of the ribbon-cutting ceremony



The Estée Lauder Companies (ELC) has announced the opening of its new, state-of-the-art distribution center located in Galgenen, Switzerland, to accommodate the dynamic and future growth of its global travel retail business. This 300,000-sft facility expands upon the company's existing distribution footprint in Switzerland and will enable ELC to remain at the forefront of delivering its prestige beauty products and high-touch services to traveling consumers around the world. The center is equipped to support the continued growth of travel retail and will further drive the company's sustainability efforts. The opening ceremony was attended by special guests including retailers, suppliers, local government officials, media and ELC employees.

"Travel retail continues to demonstrate its resilience, driving tremendous growth over the last decade for The Estée Lauder Companies. We remain extremely confident in the channel for the long-term, especially as travel restrictions ease globally and people start traveling again.

"The opening of our new Galgenen distribution center will enable us to adapt even better to ever-changing retail needs and growth opportunities for the channel, and expand upon our existing distribution presence in Switzerland," says Fabrizio Freda, President & CEO, Estée Lauder Companies.

The Estée Lauder Companies' Travel Retail division is the market share leader in the channel within the total beauty category across skin care, makeup, fragrance and hair care. With a strong brand portfolio that resonates with consumers globally, ELC's Travel Retail division continually demonstrates best-in-class marketing activations tailored to travelers' needs, recruits new consumers and builds brand equity around the world. Accounting for 28% of ELC's sales in fiscal year 2021, Travel Retail is uniquely positioned to win in this high growth environment with the company's recent investment to expand its distribution network to meet the demands of the traveling consumer population.

"As we mark the 30th anniversary of The Estée Lauder Companies' Travel Retail business, we are incredibly proud of our track record of exciting and delighting travelers all over the world with our exclusive products and high-touch experiences for the travel retail industry and having made the channel an integral engine of growth for ELC.

"As we look to the future, this investment here at Galgenen is a testament to our belief in the long-

term growth potential of this channel and that by investing in these capabilities and with our retailers, we can capture the next generation of growth in this dynamic, prestige,” adds Israel Assa, Executive Vice President, Travel Retail Worldwide, ELC.

The company currently has four distribution centers in Switzerland. The country is also home to ELC’s EMEA and TR Supply Chain Management Hub in Wollerau, which drives agility, speed, and collaboration across our EMEA and Travel Retail supply chain teams. With the addition of the new facility in Galgenen, the travel retail business will double its total output capacity, enabling the flexibility necessary to adapt to the channel’s high growth potential.

“Galgenen will serve as a cornerstone of The Estée Lauder Companies’ agile, global fulfillment network. This distribution center will not only significantly enhance our capacity but enable operational efficiencies, speed-to-market and resiliency through innovative, highly automated equipment and technologies. Additionally, we are proud that Galgenen is also a shining example of ELC’s commitment to safety, quality, and sustainability,” concludes Roberto Canevari, Executive Vice President, Global Supply Chain, ELC.