

RETAIL

## Richemont acquires 5pc stake in Dufry

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*Image source Dufry*

By STAFF REPORTS

Swiss luxury conglomerate Richemont is investing in duty-free retail, banking on the category's projected growth.

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The group's has taken a 5 percent stake in Dufry, which is valued at about \$470 million. Courtesy of more accessible travel, duty-free retailing's sales have been rising at a rate far faster than the overall luxury market and luxury ecommerce ([see story](#)).

En route

Dufry, established in 1865 with its Weitnauer brand, has been operating in travel retail for more than six decades. The largest travel retail group, its brands include World Duty Free, Nuance and Hudson, and it operates in 64 countries.

In 2016, the group's turnover was 7.829 billion Swiss francs, or about \$8 billion, up 27.5 percent over the previous year.



*Image source Dufry*

As [Bloomberg](#) notes, Richemont chairman Johann Rupert said on the group's annual results conference call that he anticipates affluent humans will have more time to travel as technology reduces their workload, giving them more

time for leisure.

Fellow luxury group LVMH is also in the duty-free game, with the travel retail chain DFS under its umbrella.

A combination of increased demand for high-end brands and low-cost tourism is expected to drive the global duty-free retail market until 2019, according to a new report by Technavio.

Due to high consumer demand and affordable travel rates, the duty-free retail sector is expected to reach approximately \$98 billion in revenue by 2019. As such, Technavio's "[Global Duty-Free Retailing Market 2015-2019](#)" examines market growth by revenue and tracks emerging trends for the sector to illustrate why having a duty-free strategy can be profitable for global luxury brands ([see story](#)).

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