

RETAIL

Lagardre looks to grow travel retail business with acquisition

July 25, 2019



IDF's The Luxury Hall at Brussels Airport. Image credit: Brussels Airport

By STAFF REPORTS

French media group Lagardre is acquiring Belgium-based International Duty Free (IDF), in a move that will make it the second largest travel retail operator and third largest duty-free airport retailer.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

IDF has shops under a number of its own brand names, including Fashion Studio, The Luxury Hall, Summer Time and Precious Time and Epicure, in Belgium, Luxembourg and Kenya. Travel retail is growing at a rapid pace, with double-digit growth to 2021 ([see story](#)).

Taking off

Lagardre is purchasing IDF, a subsidiary of holding company Compagnie Nationale Portefeuille, for 250 million euros, or about \$279 million. The transaction is subject to regulatory approvals, but is expected to close in the fourth quarter of this year.

IDF was founded in 1958, and was the first to offer duty-free shopping in Brussels Airport through Belgian Sky Shops, which it still operates today. Currently, the retailer has 30 stores in its portfolio, 25 of which are duty-free concessions in Brussels Airport.

[View this post on Instagram](#)

We are celebrating our 60th anniversary! Throwback to 1958 when our first duty free shop opened at Brussels Airport . . . #internationaldutyfree #brusselsairport60years #1958

A post shared by Internationaldutyfree (@internationaldutyfree) on Sep 11, 2018 at 8:01am PDT

Instagram post from IDF

Outside of Brussels Airport, IDF has two stores in the airport in Charleroi, Belgium and confectioneries in the Brussels train station Gare du Midi, in Antwerp and Luxembourg. Along with Europe, IDF has a footprint in Kenya, operating a boutique in the African nation.

IDF has relationships with luxury brands such as Longchamp and Hugo Boss, as well as premium beauty labels such as Jo Malone and M.A.C.

In 2018, IDF's revenues were 183 million, or about \$204 million. With this transaction, Lagardre's travel retail business will rise to 5.3 billion euros, or \$5.9 billion.

"The acquisition has cemented our position as the world's third-largest operator of duty free airport points of sale and as the European leader in travel retail," said Dag Rasmussen, chairman/CEO of Lagardre Travel Retail, in a statement. "We're delighted to be entering both the Belgian and Kenyan markets, which offer wonderful development opportunities, and at the same time stepping up our operations in Luxembourg.

"Above all, we are confident that IDF's operational expertise and entrepreneurial mind-set will ensure its successful integration into Lagardre Travel Retail and contribute to the achievement of our strategic objectives," he said.

As the duty-free market grows, other recent M&A activity has centered on travel retail.

In 2017, Swiss luxury conglomerate Richemont invested in duty-free retail, banking on the category's projected growth.

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](#)).