

Dufry reorganizes to foster 'full customer focus'



Julián Díaz, CEO, Dufry Group, says: "Going forward, we need to get even closer to the market, to respond quicker to customer needs and increase flexibility to better react to the dynamic environment"

Dufry has announced it is to simplify its organization to drive market agility with full customer focus, generate additional efficiencies at headquarter level and drive strong organic growth.

This follows its transformation process, started with the integration of three major players of the industry and culminating with the implementation of the new business operating model standardizing the company.

The main changes, implemented with immediate effect, are: reorganization of geographical business into four divisions, combining current divisions 1 and 2 into a new division, Europe & Africa; integration of global and division commercial and corporate teams; investing in sales staff and sales incentive programs; reactivating small and medium size M&A activities; new members joining the Global Executive Committee; and appointment of a new CFO.

Julián Díaz, CEO, Dufry Group, said: "In the past years, Dufry has gone through a complete transformation as a company by consolidating the industry with several acquisitions and the standardization of the business operating model. In parallel, we have built a solid financial base, allowing us to both drive further growth through acquisitions, while also returning capital to shareholders with a sustainable dividend payment.

"Going forward, we need to get even closer to the market, to respond quicker to customer needs and increase flexibility to better react to the dynamic environment. By further simplifying our organization, we will further reduce central costs and increase agility to drive customer focus and

return to a strong organic growth.”

New division Europe & Africa

The current divisions Southern Europe & Africa as well as UK & Central Europe will be combined into the new division, Europe & Africa, headed by Eugenio Andrades, CEO Europe, Africa and Strategy. The current divisional CEOs Pedro J. Castro Benitez, (Southern Europe and Africa), and Fred Creighton (UK and Central Europe), will continue to lead their regions and report to Andrades.

The scope of the other divisions Eastern Europe, Middle East, Asia and Australia, headed by Andrea Belardini; Latin America, headed by Rene Riedi; as well as North America, headed by the new Hudson Group CEO Roger Fordyce, will remain unchanged. All three will also join the Global Executive Committee.

Integration of commercial and corporate teams

The integration of the global commercial and corporate teams will allow Dufry to further increase agility and customer focus while at the same time reduce central costs at headquarter level.

The consolidation of the global and divisional structures will allow Dufry to reduce complexity and reaction time for commercial and corporate decisions with respect to assortment, pricing policies, promotion and supply chain.

Focus will be on further alignment and coordination of commercial and corporate aspects across all geographies, the company said.

Investing in sales staff

To drive customer focus and improve sales, Dufry will invest in sales staff and the further implementation of the digital E-Motion project (new generation stores, reserve & collect, Red by Dufry, Forum by Dufry) and the use of digital tools at shop level.

Additionally, Dufry will introduce new incentive and reward programs for sales staff. Both initiatives aim at better engaging with customers and drive organic growth.

Resume M&A activities

Based on its solid financial structure and resilient cash flow generation, Dufry will resume in 2019 M&A activities to acquire small and medium size companies that are easy to integrate into the group. This will allow it to further leverage the organization and generate additional synergies at gross profit margin level.

Senior management changes

As a consequence of the reorganization, Dufry's Global Executive Committee will have three new members.

Divisional CEOs Belardini, Riedi and Fordyce will join the committee and report to the group CEO, Julian Diaz. Andrades is already a member of the GEC and will continue to report to the CEO in his new role.

Andreas Schneiter, CFO, has resigned for personal reasons and will step down from his position on March 31, 2019. His successor will be Yves Gerster, who will join the Global Executive Committee as

new CFO from April 1, 2019.

Gerster started at Dufry in 2006 and has been acting as Global Treasury and SSC Director. In this role, he has been reporting directly to the CFO.

Diaz said: "Dufry's Board of Directors and management would like to thank Andreas Schneiter for his outstanding commitment, dedication and performance in Dufry. Andreas joined Dufry in 2003 and since then, he contributed to transform Dufry into a leading global travel retailer. He has been instrumental in shaping and driving both, the finance and investor relation strategies and functions as part of the overall business model."

He added: "We are pleased that we have found with Yves Gerster a strong internal candidate to follow as CFO and we wish him all the best in his new role."