

Media Release

## **Oettinger Davidoff reports the second straight record year and strengthens its leading position in the handmade premium cigar business**

- **Total sales turnover for the year 2023 increased by 10.5% to CHF 546.2 million**
- **Production of handmade cigars increased by 13.3% to 48.8 million cigars**
- **Largest growth contributor is the group's core brand Davidoff (+ 32.3%)**
- **Another strong result for the Zino brand (+ 32.2%) in its third year after relaunch**
- **Turnover of the company's own-brand business is up by 18.2%**
- **Strong performance and gain of market share across most markets**
- **Strengthening of leading position in the handmade premium cigar business**
- **Expansion of production site in Dominican Republic has started and will be officially inaugurated in February 2025**

**Basel, Switzerland, 20 June 2024 – Oettinger Davidoff reports another record year in the company's history. Despite the difficult and volatile business environment and the many challenges and crises that shaped the world's economy, the Basel-based family-owned company succeeded in surpassing the record results of 2022 and delivered the strongest year to date in this millennium with sales of CHF 546.2 million, representing an increase of 10.5% compared to the previous year.**

**Thanks to the important demand for the group's own brand portfolio, in particular for the core brand Davidoff, Oettinger Davidoff increased its total cigar production in the Dominican Republic and Honduras by 13.3% compared to the prior-year volume, reaching a production of 48.8 million handmade cigars in 2023. To meet the increased demand, the company has started the expansion of its manufacturing facilities in the Dominican Republic and will soon be opening a new Blending Center, a new Short Filler Center as well as a new cafeteria/lounge for its employees.**

Turnover developments were encouraging for all the group's own brands (+18.2%), especially for the global core brands Davidoff and Zino which both registered sales increases of over +32% compared to 2022. These favourable results derived from an extremely positive development across all markets, with a stellar year for Asia and for Global Travel Retail/Partner Markets. The outstanding performance of the Davidoff brand (+32.3%) is built on the success of its "The Difference" campaign celebrating the Davidoff White Band Collection and its "Cigar History Re-Rolled" concept which brings back some of the most iconic cigars of the company's past as Limited Editions. The Zino brand (+32.2%) has meanwhile become the second global brand of the company after its global relaunch in 2021 thanks to an extension of its distribution, very strong activation at trade and consumer level as well as the introduction of the Zino Half Corona Pre-Cut cigar. In addition, the development of the third-party business continued to show solid performance, especially for the company's sole-agency products.



## Oettinger Davidoff

CEO Beat Hauenstein comments the financial results: "The year 2023 was another record year for Oettinger Davidoff in its almost 150-year history. We over-delivered against all financial targets, enhanced our EBIT and further improved our cash situation, despite a global economy which continued to face the challenge of inflation and low growth prospects. The encouraging 2023 results prove that we are doing things in the right way and that our continued investments in innovation, marketing and trade, in particular for our two global brands, Davidoff and Zino have paid off. Another important investment in our future was the preparation and efforts to comply with the European TPDII Track & Trace requirements which entered into force in May 2024. The changeover and delivery to all European customers has been successfully completed and these efforts will enable us to continue to manufacture products for our customers in line with the market and deliver them as requested by the new regulation. This makes a difference and confirms our leading position as the indispensable business partner in our industry".

### **Innovation remains key**

To continue meeting customers' needs and deliver on the promise to the customer, strong product and commercial innovation are key for the company and its brands. Davidoff Cigars and Zino will both continue to delight their customers with innovative new product launches also in 2024 and complement the cigar offers with exquisite accessories. Trade innovation allowing the best shopping and brand experiences is another important part of the company's strategy. In summer 2023, the company expanded its footprint in Asia by opening a new "Davidoff of Geneva since 1911" flagship store at the Harbour City Mall in Hong Kong, and just recently it opened the doors to the renovated Davidoff flagship store in its hometown in Basel, Switzerland.

### **ESG Roadmap**

In 2023, the company further enhanced its ESG commitment while focusing on children's rights and education as well as on eliminating any suspicion of child labour in its supply chain. The company rolled-out its Supplier Code of Conduct and conducted a risk assessment with all its suppliers located in countries with an enhanced risk of child labour. Oettinger Davidoff also conducted a Human Rights Gap Analysis and Human Rights Risk Assessment and will publish its first Human Rights Policy and Human Rights Report in June this year. Further, the company opened a Learning Center at its manufacturing site in the Dominican Republic for the employees' children where, by the end of 2023, over 100 pupils between the age of 6 and 14 attended complimentary and extracurricular English classes given by a renowned local English Institute.

### **Aspire727 - Embarking into the future**

In May 2023, Oettinger Davidoff launched its five-year strategic growth program, called Aspire727. Together as one Davidoff family, the company aims at sustainably growing its sales and profits by the year 2027 and to further strengthen and expand Oettinger Davidoff Group's position as the world's leading manufacturer of premium handmade cigars. CEO Beat Hauenstein comments: "To achieve our ambitious goals, we will focus on the consistent execution of the defined strategies in the four aspiration areas – Brand, Commercial, Execution, Leadership and Culture. Our company is stronger than ever, and as we head towards our company's 150 year jubilee in 2025, we will continue making a difference in our aficionados' lives by delighting our



## Oettinger Davidoff

customers with innovative product launches in the known and highest quality and consistency paired with best brand and shopping experiences."

### **About Oettinger Davidoff**

Oettinger Davidoff Group, with sales of over half a billion Swiss francs and over 4,000 employees around the world, traces its roots back to 1875 and remains family-owned to this day. The company is dedicated to the business of producing, marketing, distributing, and retailing premium-branded cigars, tobacco products and accessories. The premium-branded cigar business includes Davidoff, AVO, Camacho, Cusano, Griffin's, Private Stock, Zino and Zino Platinum. Oettinger Davidoff Group is also the sole agent of many brands in several countries such as Haribo in Switzerland. Its business is anchored in a strong "crop to shop" philosophy, having pursued vertical integration from the tobacco fields in the Dominican Republic and Honduras to its global network of 65 Davidoff flagship stores/satellites and over 700 strong appointed merchants in more than 130 countries.

### **Further information**

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