



Oettinger Davidoff

Media Release

Oettinger Davidoff reports a record financial year 2022 and reveals plans to extend its manufacturing facilities in the Dominican Republic

- **Total sales turnover increased by 8.2% in 2022 to CHF 494.1 million**
- **Production of handmade cigars increased by 26.3% (to 43.1 million sticks)**
- **Double digit percentage growth (+28%) for core brand Davidoff**
- **Strong results for the Zino brand (+84%) in its second year after relaunch**
- **Turnover of the company's own-brand cigar business is up +15%**
- **Strong performance and gain of market share across all markets**
- **Strengthening of leading position in the handmade premium cigar business**

Basel, Switzerland, 21 June 2023 – Oettinger Davidoff looks back on a challenging, yet memorable year 2022. The Basel-based family company succeeded in surpassing the good results of 2021 and presents a record year. The total annual sales turnover of 2022 increased by 8.2% compared to the previous year reaching CHF 494.1 million. In addition, thanks to maintaining highest consistency in quality and availability of its handmade premium cigar brands the company increased its cigar production in the Dominican Republic and Honduras by 26.3% compared to the prior-year volume accounting to 43.1 million sticks. To respond to the increased consumer driven demand, the company will further expand its manufacturing facilities in the Dominican Republic.

Turnover developments were especially encouraging for Davidoff cigars which recorded another double-digit growth of 28% compared to 2021, resulting from an extremely positive development across all markets (including Global Travel Retail) and successful product launches supported by enhanced digital consumer engagement. The Davidoff brand will continue to build on its excellent results, and this year has unveiled "The Difference" campaign celebrating the Davidoff White Band Collection as well as launched its "Cigar History Re-Rolled" by bringing back some of the most legendary cigars of the company's past as Limited Editions.

After its successful relaunch in 2021, the Zino brand experienced another stellar growth of 84% in 2022 compared to the previous year, driven by a strong distribution build-up and trade marketing support complemented by two new line extensions.

In the own-brand handmade cigar segment, the Basel-based family company achieved another strong increase of 15%, while the development of its third-party business continued to show encouraging performance, especially for the company's sole-agency products.



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CEO Beat Hauenstein comments the financial results: "2022 was a challenging, yet memorable year. It started with very encouraging signs of post-pandemic recovery which were unfortunately tempered by a rise in inflation rates and supply chain challenges worsened by unspeakable war in Ukraine. Nevertheless, from an economic standpoint, the year 2022 was a record year for Oettinger Davidoff in its 148-year history. We were able to over-deliver against all financial targets set for 2022 and further enhance our EBIT as well as our cash situation. Key contributors for the extraordinary results were continued innovations in marketing and trade for our key brands, namely Davidoff and Zino, while the well-established management of our "Crop to Shop" philosophy allowed us to react swiftly and in an agile manner to ensure the compliant availability of our products in-time, in-full and in highest quality in over 130 markets."

ESG Roadmap

In 2022, the company continued enhancing its commitment to ESG along its entire value chain focusing its activities on six of the 17 UN Sustainable Development Goals where the company can make a difference. Further focus was given to prepare for upcoming new ESG related regulations, in particular the preparation of the "Swiss Ordinance on Due Diligence and Transparency in relation to Child Labor", which requires the Swiss-based company to rule out any suspicion of child labour in its supply chain. The company established a Supplier Code of Conduct outlining the employment and working conditions, workplace and ethical business practices as well as environment management practices that Oettinger Davidoff expects and requests from its suppliers. To give voice to concerns related to compliance and governance topics, the company incorporated a digital whistleblowing platform on its corporate website where concerns can be reported anonymously and at any time. In its tobacco growing sites in the Dominican Republic, the company introduced drip-irrigation systems which lead to savings in the water consumption of up to 82% and has intensified its efforts to further assess and evaluate natural alternatives to Crop Protection Agents for its tobacco growing process. Finally, earlier this year, the company inaugurated the "Centro de Enseñanza Tabadom", a Learning Center located at its manufacturing facilities in the Dominican Republic where the children of the almost 2'000 employees can attend complimentary extracurricular English lessons.

Aspire727 - Embarking into the future

At the end of 2022, Oettinger Davidoff successfully accomplished its five-year "Way Forward" Transformation Program launched in 2018 ahead of schedule. Within the 5-year transformation program, the company executed fifty ambitious and complex projects to ensure the long-term sustainability of the company and the brands. "This achievement has only been possible thanks to the outstanding commitment and dedication of our almost 4'000 employees around the globe.



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Together as a Davidoff family we were able to even surpass the ambitious goals set for EBIT and cashflow", comments CEO Beat Hauenstein. The company will now embark on its next five-year strategic growth program, called Aspire727. "With Aspire727 we aim at sustainably growing our sales and profits by the year 2027. Oettinger Davidoff stands on very solid grounds and we will continue making a difference in our aficionados' lives and underpin our aspiration in remaining the innovation leader in the global handmade premium cigar business."

About Oettinger Davidoff

Oettinger Davidoff Group, with sales of around 500 million Swiss francs and almost 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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