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## CHALHOUB GROUP ANNOUNCES ITS NEW ORGANISATION OF THE FUTURE

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Whilst the retail industry has suffered under the weight of enforced lockdowns and social distancing, the COVID-19 pandemic has also created a new reality with many opportunities to be seized.

The outbreak has impacted the luxury consumer's behaviour in many ways: consumers are becoming increasingly confident with anything digital as recently pointed out by a market research by Chalhoub Group. Not only have 30% of GCC consumers bought luxury items from a website for the first time but it also raised the level of expectations on-line and in the stores; categories' preferences have evolved with more appetite for casualwear, skincare and wellness.

### REIMAGINING THE FUTURE

In this context, the Chalhoub Group's journey to become a hybrid retailer took on even more relevance. Building on the strong foundation of its 900-day digital transformation project, the Group had to accelerate its plans and find new ways to adapt to the shifting sands brought about by COVID-19. It accelerated the process of adjusting to the changing customer behaviour and re-thinking the new way of staying connected and engaged with their guests and loyal partners, employees and customers.

The Group will continue to work on being more customer-centric and focus on growth and innovation whilst creating more efficiency, synergies, collaboration and building a thriving culture for its employees. This movement of transformation and acceleration will include a digital and e-commerce drive, investment in tech, data, supply chain to continue enhancing the customer & employee experience. Chalhoub Group will further develop and create its own brands, concepts and products and have a dedicated focus on the Saudi Arabia market.

The new Chalhoub Group's organisation will be simpler with 4 verticals reporting into the Group CEO, Patrick Chalhoub: Managed Companies, JV and Strategy, Growth, Innovation and Investment, Operations and Enablers, and finally People and Culture.

"I am convinced that the future is full of opportunities for our Group, and I am confident that the new organisation will enable us to unleash all the potential and energy of our people. This structure will allow us to drive growth and sustainability, be innovative and creative, foster synergies, cooperation and drive efficiency, have more ownership and accountability for our initiatives." Said Patrick Chalhoub, CEO of the Chalhoub Group.

### ATTRACTING AND PROMOTING TALENT

Chalhoub Group is always aiming to attract the right talents, develop skills, competences and processes; bringing external expertise and leadership to drive growth and innovation, while leveraging internal talents by promoting those who are eager and ready to take on new challenges. The Group will be a launching pad for talents starting their careers, by creating a dynamic environment with opportunities to develop, grow and lead. Diversity & inclusion is on top of the Group's priorities.

Some of the Group's long-standing leaders will be passing the baton to new leaders that will introduce new energy in this new reality.

Chalhoub Group is thrilled to welcome on board two key new leaders:



**David Vercruysse** who started his career with the Group, for over 10 years, operating in many several roles, including General Manager Sephora ME and then moved to Europe in different groups. He will be re-joining from 1<sup>st</sup> December 2020 to lead the Managed Companies vertical, encompassing our beauty and fashion distribution and franchise businesses as well as all Group's own concepts (Level Shoes, Faces, Tryano, Tanagra)

"I am looking forward to working with all our People to accelerate this transformation by strengthening our brands equity, building winning teams obsessed in delighting our consumers and driving our E commerce initiatives. I am thrilled to be taking the Group to the next level with the support of all our team members." Said David Vercruysse, future President of the Managed Companies vertical.



**Michael Chalhoub**, whose experience in corporate finance, strategic consulting and in launching and developing businesses will be valuable as the Group embarks on this new journey. Michael will lead Strategy, Growth, Innovation and Investment as well as overlook the Joint Venture businesses. By welcoming Michael, the Group is integrating the third generation to drive its long-term sustainability.

"There are great opportunities to be found in challenging times like the ones we are currently going through; this is why I am honoured to be back in the Group and very excited to support with some of the strategic issues and finding some relays of growth through innovation and investments, amongst others. I am also thrilled to continue developing the Joint Venture business and looking forward to building a bright future for the Group with its talented people." said Michael Chalhoub, VP JV and President Strategy and Growth.

Throughout its transformation journey the Chalhoub Group has been laying the ground for a more agile workforce, an innovative and digitally minded organisation, a people centric and customer focused company, that will travel towards the next phase of growth, a new era in Retail.

"In the long term, we reaffirm our goal of future-proofing the Chalhoub Group adapting to the new norm of retail by becoming an agile hybrid network that fosters a culture of innovation and risk taking" said Patrick Chalhoub, CEO Chalhoub Group.

## ABOUT CHALHOUB GROUP

The Chalhoub Group is the leading partner for luxury across the Middle East since 1955. As an expert in retail, distribution and marketing services based in Dubai, the Group has become a major player in the beauty, fashion and gift sectors regionally.

By blending its expertise of the Middle East and intimate knowledge of luxury, the Chalhoub Group is building brands in the region by offering service excellence to all its partners and a unique experience to its customers. The Group is moving fast from a traditional distributor and retailer for luxury to a hybrid retailer bringing luxury experiences to the fingertips of customers everywhere.

With a growing workforce of more than 12,000 people, in 14 countries, as well as operating over 700 retail stores, the Group's success comes from its most valued asset: highly skilled and dedicated teams. Professionalism and passion are what fuel the Chalhoub Group's competitive edge in today's market.

By being committed to implementing further sustainable practices into their business, the Chalhoub Group is a member of the United Nations Global Compact Community, signatory of the Women's Empowerment Principles and was awarded its seventh CSR Label from the Dubai Chamber of Commerce.

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