

CIGARS INTERNATIONAL PLANS NEW PENNSYLVANIA HEADQUARTERS WITH ATTACHED RETAIL STORE

There will be a new Cigars International headquarters and, eventually, an attached retail store and cigar bar.

Last week, Bethlehem Shared Services—one of the legal entities for Cigars International, the world's largest cigar retailer—received approval for the construction of a three-story building at 1810 Spillman Drive in Bethlehem, Pa. That building includes nearly 40,000-square-feet of office space and roughly 6,000-square-feet of space earmarked for a retail space and cigar bar.

Sarah Santos, president of Cigars International, told halfwheel that the company plans on using the new space for pretty much everything other than as a warehouse and distribution facility. That will mean office space for roughly 250 employees, which Santos said will support future growth including potential acquisitions.

The new site is across the street from the company's warehouse, which will remain the distribution center for Cigars International and its associated businesses like Cigar.com, CigarBird, PipesandCigars and Thompson Cigar. Earlier this year, Cigars International went fully operational with its updated warehouse, a \$20 million upgrade that included the implementation of AutoStore, a robotic picking system.

Following that upgrade, Scandinavian Tobacco Group (STG)—the parent company of Cigars International—moved the warehouse and fulfillment operations of General Cigar Co., another STG company, to the Pennsylvania warehouse.

Santos says that the company is planning to move into the new offices in Q4 2023, though acknowledged that there's uncertainty due to supply chain issues that could affect construction.

As part of the new headquarters, Cigars International gained approval for 5,986-square-feet of retail and tavern space, which will eventually turn into a Cigars International Super Store complete with a walk-in humidor, lounge, a covered patio, and cigar bar.

Santos said an opening date for the retail store is "TBD" given that the company is focusing on expansion in other regions first. In March, STG disclosed that it plans 6-8 new Cigars International stores by the end of 2025. The company recently opened

a store in San Antonio and has announced stores in Conroe and Katy, Texas—two cities outside of Houston.

Cigars International has two stores in Bethlehem, though both are different from the company's other stores in Pennsylvania, Florida, and Texas. There is a small store in downtown Bethlehem and then the company's first Super Store concept at 4078 Nazareth Pike. Both stores are BYOB, whereas other Cigars International locations include a bar.

In addition to the aforementioned stores, the company also has a location in Hamburg, Pa. and two stores in the Tampa area in Florida.

Santos told *halfwheel* that, as of now, there are no plans to close either Bethlehem location.