ICR Conference

Discussion Materials

January 2019

Disclaimer




This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (Reform Act). Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “seek,” “anticipate,” “estimate,” “predict,” “potential,” “assume,” “continue,” “may,” “will,” “should,” “could,” “shall,” “risk” or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Factors that may cause our actual results to differ materially from those expressed or implied by the forward-looking statements in this presentation, or that may impact our business and results more generally, include, but are not limited to, the risks described under “Item 3. Key Information—D. Risk factors” of our Annual Report on Form 20-F for the year ended December 31, 2017 which may be accessed through the SEC’s website at https://www.sec.gov/edgar. You should read these risk factors before making an investment in our shares.

This presentation contains a discussion of Adjusted EBITDA, a non-IFRS financial measure. We define Adjusted EBITDA as net earnings adjusted for certain items, as set forth in the reconciliation to the most directly comparable IFRS measure in the Appendix. Adjusted EBITDA is not a substitute for IFRS measures in assessing our overall financial performance. Because Adjusted EBITDA is not determined in accordance with IFRS, and is susceptible to varying calculations, Adjusted EBITDA may not be comparable to other similarly titled measures presented by other companies. Adjusted EBITDA is included in this presentation because it is a measure of our operating performance and we believe that Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to ours. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS as issued by IASB

This presentation also includes our expectation with respect to our net sales for Q4 2018. Our expectation is based on preliminary estimates and has not been audited. As such, it may be subject to change once our financial statements for 2018 are finalized. Moreover, our expectation for Q4 2018 net sales should not be taken as an indication of our expectation of Q4 or FY 2018 results of operations more generally.

1 COMPANY OVERVIEW

Hudson Group is an Industry Leader in North American Travel Retail

Broad geographic footprint spanning four corners of North America

87
Locations in transportation terminals & travel destinations

1,000+
Stores in airports and other major transportation centers

Over
120 million
transactions

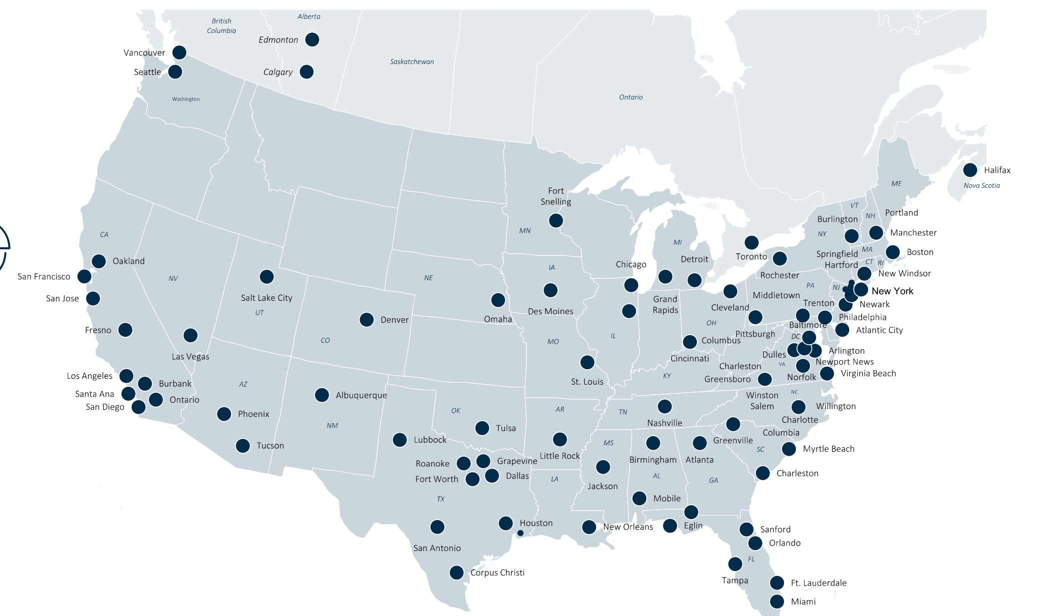
200+
concession agreements

9,600+
Employees and more than 50 nationalities represented(1)

76%
of net sales from Duty Paid 1

Turnover of
$1.9 billion
7.7% y/y growth

Adj. EBITDA 2 of
$225million
11.8% margin



Note: Unless otherwise noted data presented as of or for the twelve months ended, September 30, 2018.
Anchorage, Alaska location not pictured in map.
(1) As of December 31, 2017
(2) Adjusted EBITDA is a non-IFRS measure. See reconciliation at the end of this presentation for a reconciliation to the most comparable IFRS measure.

Diversified set of highly recognized concepts

Hudson Group
Retail Specialists
A DUFRY Company

Travel Essentials & Bookstores

- Hudson
- ink by Hudson
- Hudson News
- Hudson Booksellers
- CNN
- FOX NEWS channel

Proprietary Duty Free

- DUFRY
- NUANCE
- WORLD DUTY FREE

Branded Specialty

Over 75 specialty brands including:

- TUMI
- COACH
- F·A·O SCHWARZ
- vineyard vines
- FILSON SINCE 1897
- Eddie Bauer
- kate spade NEW YORK
- Desigual
- Victoria's Secret
- BALLY SWITZERLAND
- Fred Segal
- BOSS HUGO BOSS

Proprietary Specialty

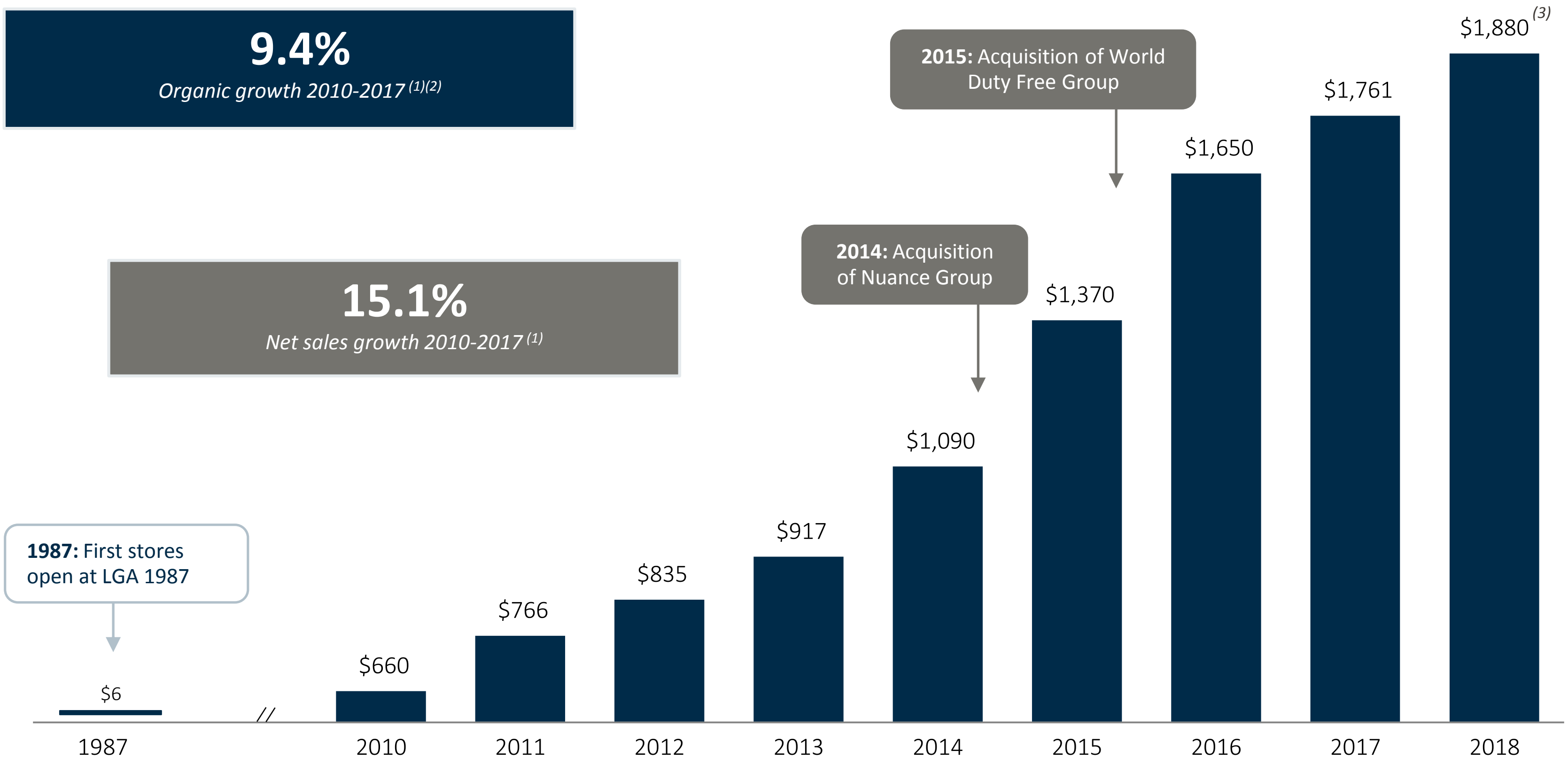
- Chill Hudson
- tech on the go
- 5TH & SUNSET LUXURY EYEWEAR
- DAY+NIGHT
- spirit of the red horse
- RADIO ROAD
- Shine
- SUNGLASS ICON
- DISCOVER
- THE ATRIUM AT THE PALAZZO
- KIDS WORKS

Quick-Service Food & Beverage

- DUNKIN' DONUTS
- Jason's deli
- pinkberry
- Euro Cafe

Portfolio of brands underpins go-to market strategy

Long and consistent record of impressive net sales growth



Note: $ in millions.
Represents net sales (i.e., turnover minus advertising income).
2011 onwards reflects consolidation of Dufry North America assets owned prior to acquisition of Hudson.

(1) Year-over-year average for the years ended 12/31/2010 through 12/31/2016.
(2) Excludes growth attributable to specific stores acquired in the acquisition of Nuance Group or World Duty Free Group that management expected, at the time of the applicable acquisition, to wind down.
(3) Our expectation is based on preliminary estimates and has not been audited.

Travel Retail Has Distinct Advantages

Captive Audience

- Passengers arrive at airports earlier due to travel unknowns
- Average dwell time between 90 – 105 minutes increases spend

Propensity to Spend

- Passenger spend increased at a 4% CAGR from 2007 to 2017
- The median passenger is 45 – 54 years old
- $100k - $125k median household income

Immediate Needs and Wants

- Customer driven by a combination of impulses and immediate needs
- Need exacerbated by lack of in-flight services onboard airlines

Limited E-Commerce Competition

- Airport retailers face limited competition from Internet retailers

Regulatory Environment

- Complex operating environment
- Controlled by government and airport authorities

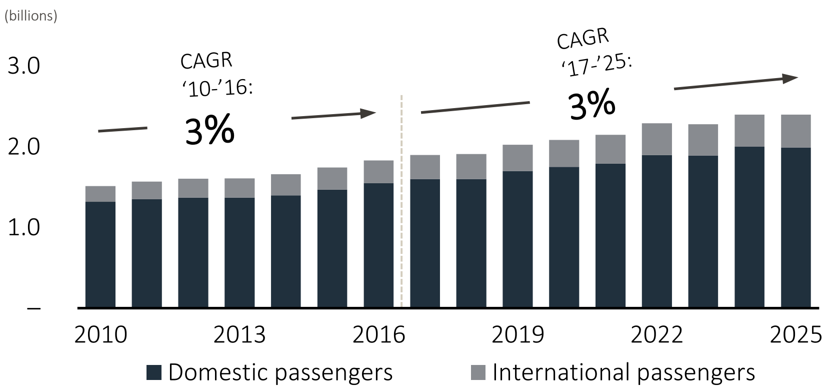
Landlord Relationships

- Longstanding relationships with airports and landlords drive contract extensions and new business wins
- Consistent execution and scale are required to grow

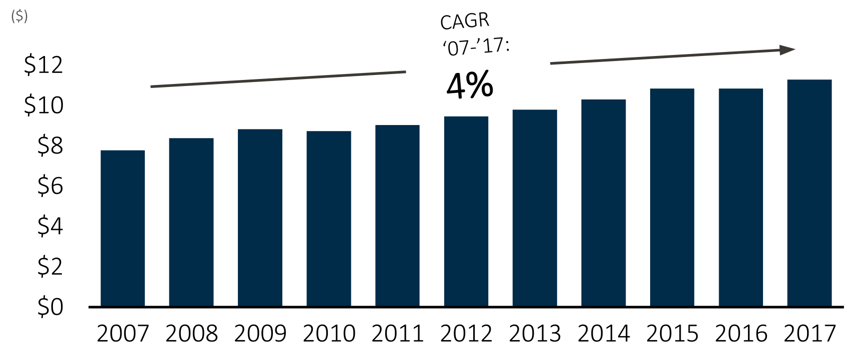
Overall the competitive landscape for travel retail remains unchanged.
Unique challenges and complexity of travel retail environment combined with years required to scale serve as barriers to entry.

The North American Travel Concessions Market is Expected to Continue Growing

Historical and projected North American passenger volumes



Historical spend per passenger



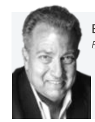
Air travel is a way of life

Source: ACI-NA Concessions Benchmarking Survey, Airport Revenue News (ARN).

Organizational Structure That Delivers Value to Key Constituents

Commercial Support


Roger Fordyce
Chief Executive Officer
30+


Brian Quinn
EVP & Chief Operations Officer
27+


Hope Remoundos
EVP & Chief Marketing Officer
26+


Adrian Bartella
Chief Financial Officer
13+


Michael Levy
SVP & Chief Merchandising Officer
10+

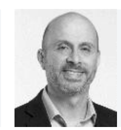

Dave Stubbs
SVP & Chief Information Officer
18+


Andy Rattner
EVP, Duty Free Operations
13+


Michael Mullaney
EVP, Corporate Strategy & Development
14+


Brad Lenz
SVP, Design, Facilities & Store Devp.
4+


Rick Yockelson
SVP, People & Administration
13+


Adam Ratner
General Counsel
1+

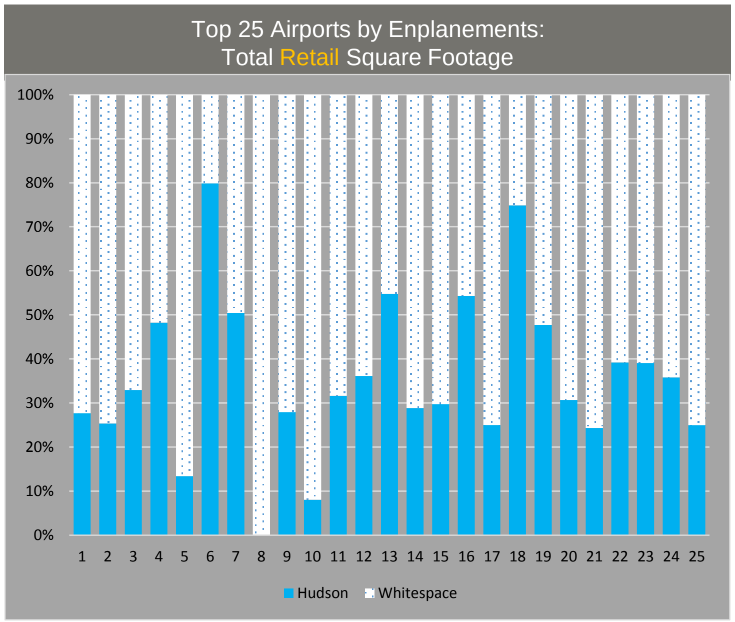
170+ years of management experience

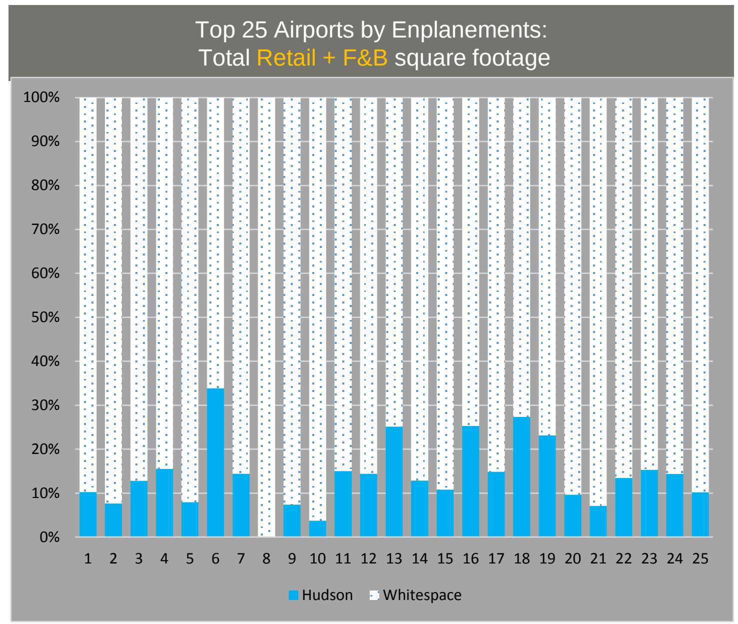
Strong Market Share with Room to Grow

While we are in 24 of the top 25 airports, we are not in every terminal

Top 25 airports represent ~59% of total N.A. travel retail market1

We have significant room to grow sales, not only in travel retail but also in food & beverage, a category that is a natural extension of our business





For illustrative purposes only. Revenue opportunities in particular airports may be limited by airport policies

(1) Based on square feet available for retail and food & beverage operations
Source: ARN, company data and N.A. airport data

2 THIRD QUARTER HIGHLIGHTS

Q3 2018 Highlights

- **Organic net sales growth of 6.5%** [1]
  - Includes 90 bps currency headwind
  - Like-for-like net sales growth of 3.3% (4.2% CC)
  - Net new business and expansions in **Ft. Lauderdale, Seattle, JFK and LAX**
- **Gross profit margin expanded 160 bps to 63.7%**
  - Continued impact of successful vendor negotiations
  - Ongoing positive sales mix shift to higher margin categories
- **Adjusted EBITDA growth of 27.6% (9.3% assuming reduced franchise fee in effect in 3Q17)**
  - Driven primarily by higher gross profit
- **Variability in net new business growth**
  - Typical in travel retail industry
  - Timing of new store openings varies from period to period
  - Function of RFP cycle, airport construction

Note: All figures compared to Q3 2017

[1] See slide 19 for a description of organic net sales growth

2018 Wins and Extensions

New Wins		Extensions (1) + Expansions	
New Market	Existing Market	Existing Market	
Billy Bishop Toronto *January 2018*	Seattle-Tacoma Int'l Airport *March 2018*	Clinton National Airport *January 2018*	Greater Rochester Int'l Airport *April 2018*
	Phoenix Sky Harbor Int'l Airport *March 2018*	Pittsburgh Int'l Airport *March 2018*	Burlington Int'l Airport *June 2018*
	Boston Logan Int'l Airport *April 2018*	JFK Terminal 7 *March 2018*	Baltimore/Washington Int'l Thurgood Marshall Airport *June 2018*
	Philadelphia International Airport *July 2018*	Orlando Int'l Airport *April 2018*	LaGuardia Airport Terminal B *June 2018*
	Salt Lake City *December 2018*		Chicago CitiGroup Center *August 2018*

(1) An extension is defined as a continuation in the same market whether the Company won through an RFP process or extended an existing contract.

Store Openings Q3 2018

BNA

ONT


PIT

ATL

RDU

JFK T7

LAS

DFW

Food & Beverage – A Leading Category of Growth

Continue to see strong results in stores with open in-line and island coolers driving sales of grab and go food

Accelerating installation of open island and wall coolers due to early success

Sales of grab and go food line grew **49%** YoY

Electronics – An Evolving Category

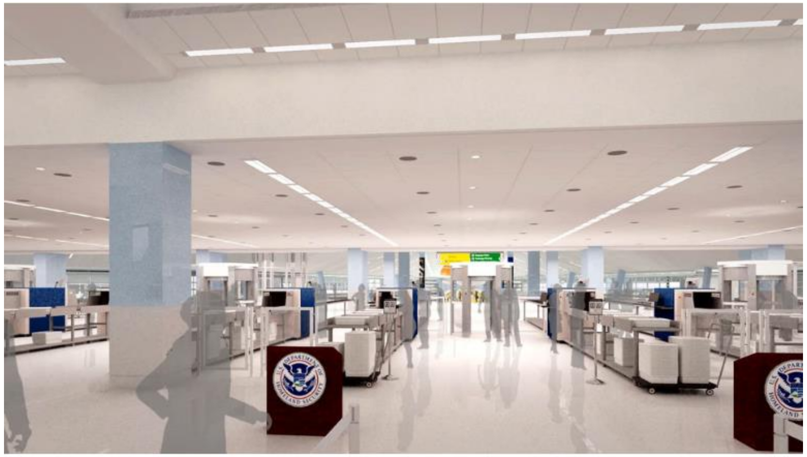
Capitalizing on innovation and hot trends:

- Bluetooth headphones
    - True wireless
    - Active noise cancelling
- Power stations
- Adapters

Whitespace Growth Continues to Present Opportunities

Recent Announcements of Airport Expansion Projects

JFK - $13B makeover (w/4 million addt'l sq.ft.)	EWR - $3B terminal renovation



3 Q3 2018 FINANCIAL RESULTS

Financial Highlights Q3 2018

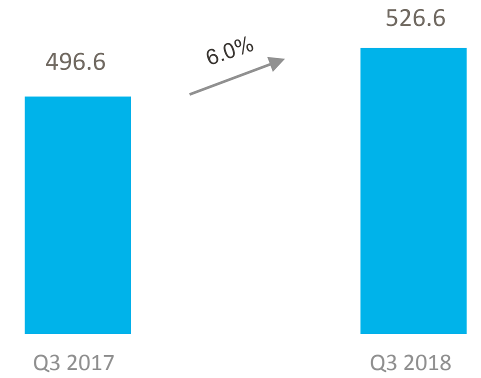
Solid 6.0% turnover growth and 6.5% organic net sales growth[1]

160bps gross margin improvement

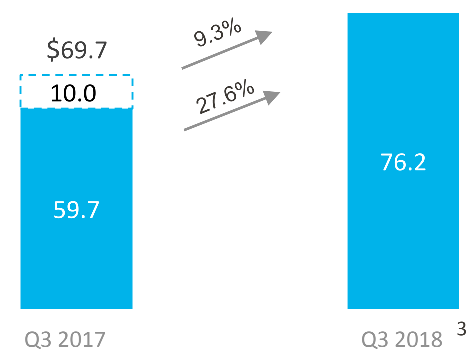
Adjusted EBITDA growth of 27.6% (9.3% assuming lower franchise fee structure was in place in 3Q17)

Adjusted EBITDA margin of 14.5% and 250 bps Adjusted EBITDA margin improvement (50 bps improvement pro forma)

Turnover ($M)



Adjusted EBITDA [2] ($M)



	Q3 2017	Q3 2018
Reported Margin	12.0%	14.5%
Pro Forma Margin	14.0%	

Note: All figures compared to Q3 2017

(1) See reconciliation to Turnover in Appendix. Organic net sales growth represents the combination of growth from (i) like-for-like net sales growth and (ii) net new stores and expansions. Organic net sales growth excludes growth attributable to (i) acquired stores until such stores have been part of our business for at least 12 months and (ii) eight stores acquired in the 2014 acquisition of Nuance and 46 stores acquired in the 2015 acquisition of World Duty Free Group that management expected, at the time of the applicable acquisition, to wind down.

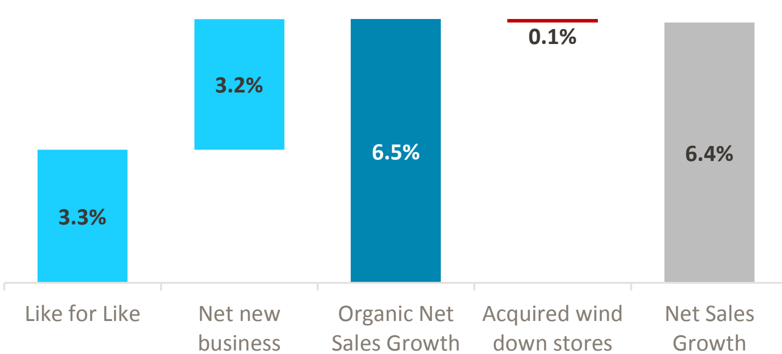
(2) For a reconciliation of adjusted EBITDA to net earnings for the periods presented see Appendix.

(3) Q3 2018 includes $2.7 million incremental public company related costs as compared to Q3 2017.

Organic Net Sales Growth Components Q3 2018

Growth components

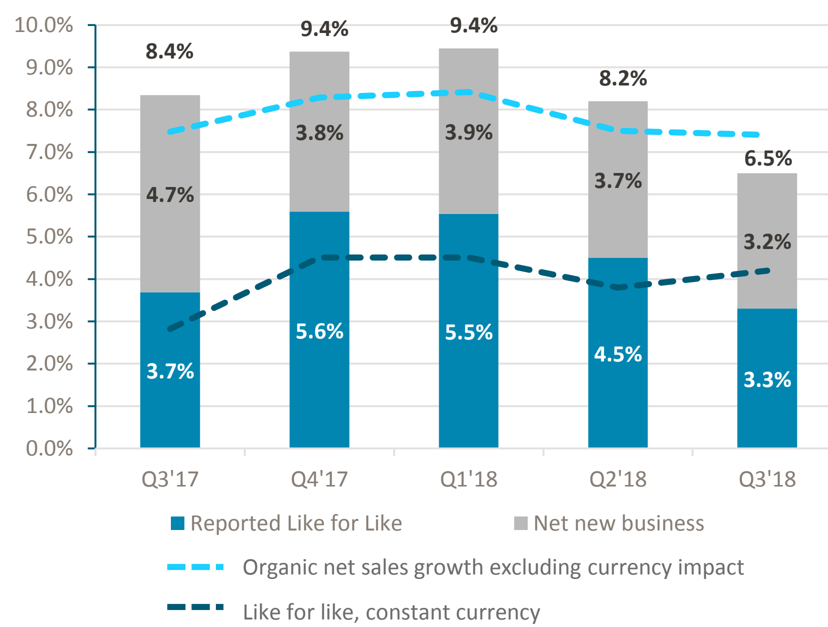
Net Sales growth components	Q3 18 / Q3 17
Like for Like @ constant FX	4.2%
Like for Like FX effect	-0.9%
Like for Like @ reported rates	3.3%
Net new business	3.2%
Organic Net Sales Growth @ reported rates	**6.5%**
Acquired wind down stores	-0.1%
Net Sales Growth	6.4%



Quarterly evolution

Q3 18 Like for like growth negatively impacted 90 bps due to stronger USD. Canadian dollar depreciated 4.1% over Q3 2017.

Net new business includes new operations in Ft. Lauderdale, JFK, LAX, & Seattle.

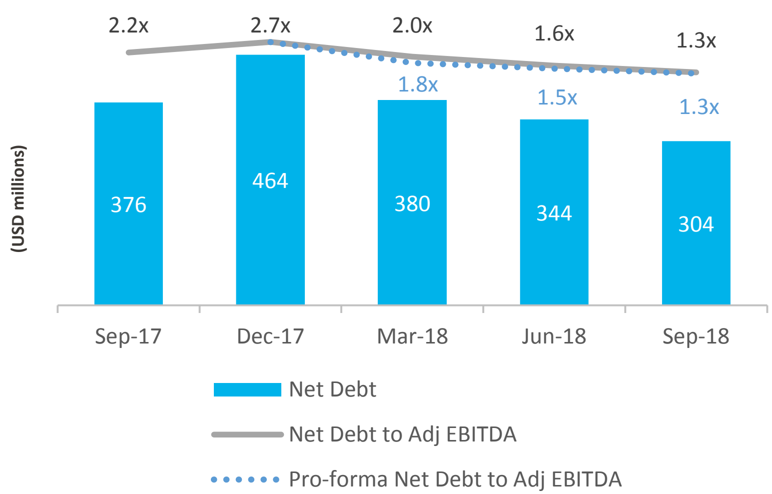


Quarterly Summary – Q3

(in millions USD)	Q3 2018 *% of turnover*	Q3 2017 *% of turnover*	% Change
Turnover	**$526.6** ***100%***	**$496.6** ***100%***	**6.0%**
Gross Profit	$335.5 *63.7%*	$308.5 *62.1%*	8.8%
Selling Expenses	$121.7 *23.1%*	$113.5 *22.9%*	7.2%
Personnel expenses	$105.4 *20.0%*	$95.7 *19.3%*	10.1%
General and administrative expenses	$32.3 *6.1%*	$39.5 *8.0%*	(18.2%)
Share of result of associates	$0.1 -	$(0.1) -	NM
Adjusted EBITDA	**$76.2** ***14.5%***	**$59.7** ***12.0%***	**27.6%**
Depreciation & Amortization	$30.2 *5.7%*	$26.0 *5.2%*	16.2%
Other Operational Result	$1.6 *0.3%*	$(7.2) *(1.4)%*	(122.2%)
Operating Profit (EBIT)	$44.4 *8.4%*	$40.9 *8.2%*	8.6%

Balance Sheet and Cash Flow

Net Debt and Leverage[1] Evolution



- Increase in net debt in Q4 '17 driven by payment of 100m outstanding Franchise fees to Dufry
- Reduction in Q1'18 net debt due to receipt of $60M pre-IPO restructuring proceeds from sales of non-Hudson US assets to Dufry International
- Pro Forma leverage based on Adjusted EBITDA further adjusted for the new reduced Franchise fee payable to Dufry as if it applied for the entire 12-month period

Cash Flow Statement

	Quarter Ended	
IN MILLIONS OF USD	**9/30/2018**	**9/30/2017**
Net cash flows from operating activities	$75.2	$88.0
Net cash flows used in investing activities	(20.7)	(17.3)
Net cash flows (used in) / from financing activities	(24.8)	(74.4)
Currency translation on cash	1.0	5.1
(Decrease) / increase in cash and cash equivalents	30.7	1.4
Cash and cash equivalents at the		
– beginning of the period	239.0	219.1
– end of the period	269.7	220.5

(1) Net debt leverage represents total debt less cash at the end of the period presented divided by Adj. EBITDA for the last 12 mo. For a reconciliation to the nearest IFRS measure, see Appendix.

Components of Target Revenue Growth and Long-Term Financial Framework

Like-for-like net sales growth
Growth in aggregate monthly net sales in the applicable period at stores that have been operating for at least 12 months

+

Net new business
Conversions + New Concessions – Lost Concessions & Closed Stores

Total organic net sales growth — High single digit

Adj. EBITDA growth — Low double digit
Operational initiatives, scale and operating leverage benefits

Net income growth — High teens

Q4/FY18 Preliminary Results:

	4Q 2018	FY 2018
Net Sales	$459.8M or 4.5%	$1,882.0M or 6.9%
Organic Net Sales Growth	4.6%	7.1%
Like-for-Like Sales Growth [1]	1.7% (2.5% CC)	3.7% (3.7% CC)

(1) 4Q 2018 includes currency headwind of 80 bps headwind

CEO Transition

Announced January 9, 2019

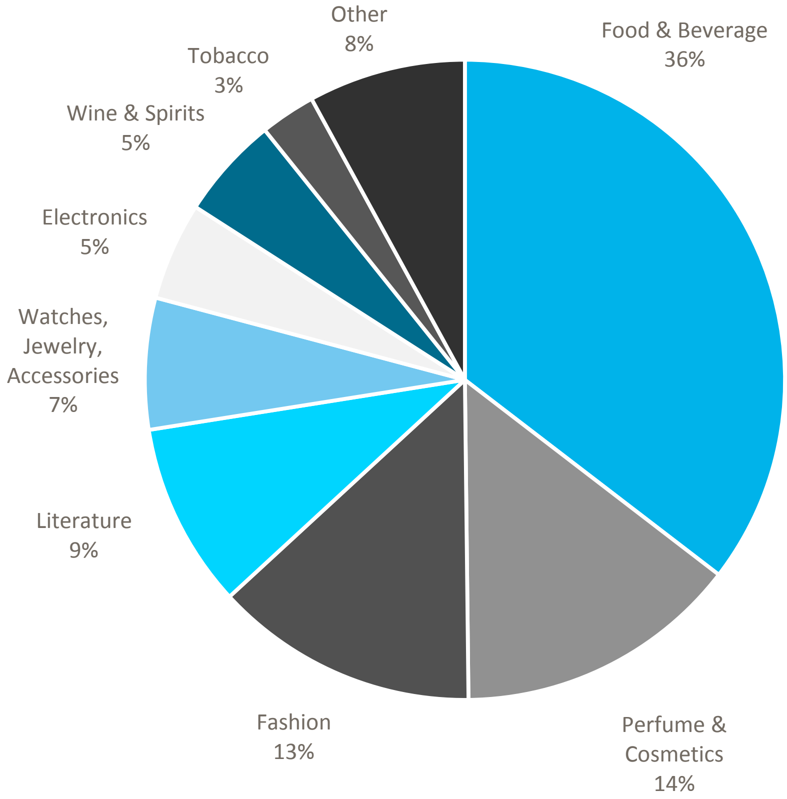
Roger Fordyce succeeds Joe DiDomizio as CEO

- Roger has worked hand-in-hand with Joe over the previous 30+ years across the full spectrum of CEO demands including company management, RFP process and being deeply involved in the company's IPO process
- Prior to his appointment as CEO, Roger served as EVP & COO and was responsible for the day-to-day general management of the company
- His prior responsibilities continue to be fulfilled by Brian Quinn who has been co-COO since 2008
- Prior to joining Hudson Group, Mr. Fordyce held positions as manager at Dobbs/Aeroplex, WH Smith, and Greenman Bros.
- Roger has a long-standing relationship with Dufry and the company's BOD, who extend their enthusiastic support for him as the new CEO
- Dufry and the BOD thank Joe for his many contributions to Hudson Group's development over the years and wishes Joe all the best in his future endeavors
- Joe's employment agreement included two-year non-compete and non-solicitation provisions upon leaving the company

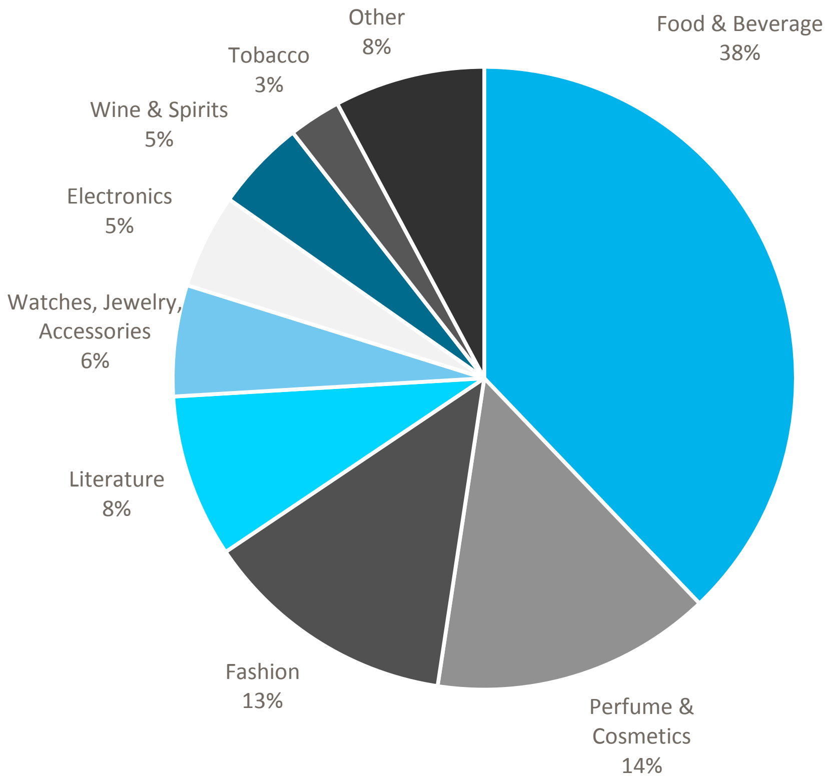
4 APPENDIX

Q3 Net Sales Breakdown – by product category

Q3 2017



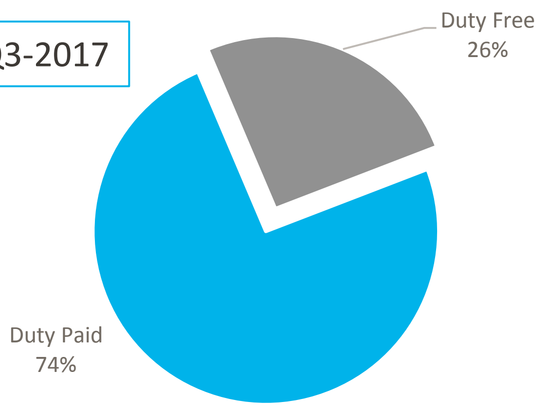
Q3 2018



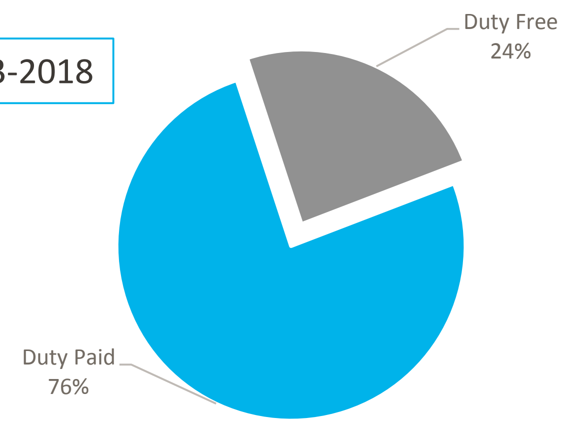
Q3 Sales Breakdown

Net Sales By Sector

Q3-2017

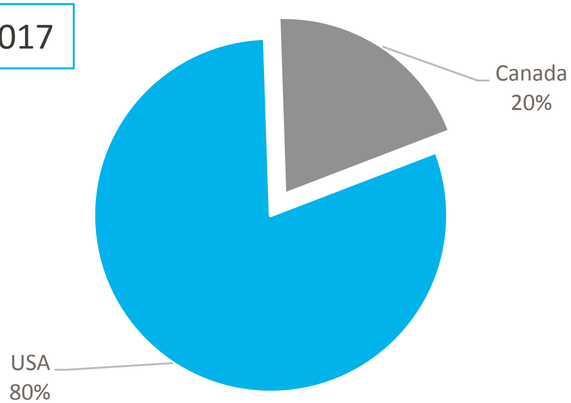


Q3-2018

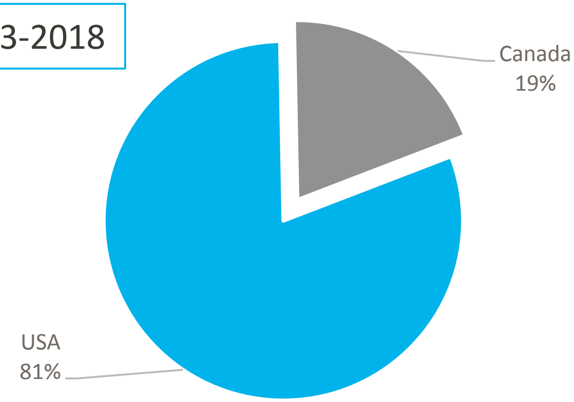


Turnover By Country

Q3-2017



Q3-2018



Turnover to Organic Net Sales Growth Reconciliation

	Organic	Acquired Wind Down Stores	Reported Growth
Like for Like	3.3%	0.0%	3.3%
Net New Business	3.2%	-0.1%	3.1%
Organic Net Sales Growth	6.5%	-0.1%	6.4%
Advertising Income			-0.4%
Total Turnover Growth			**6.0 %**

Adjusted EBITDA Reconciliation

	QUARTER ENDED	QUARTER ENDED	NINE MONTHS ENDED	NINE MONTHS ENDED
IN MILLIONS OF USD	**9/30/2018**	**9/30/2017**	**9/30/2018**	**9/30/2017**
Net earnings	36.8	22.5	63.0	24.2
Income tax expense	0.7	11.0	4.1	8.0
Earnings before taxes (EBT)	37.5	33.5	67.1	32.2
Foreign exchange gain / (loss)	(0.2)	(0.4)	0.3	(0.8)
Interest income	(0.6)	(0.4)	(1.7)	(1.4)
Interest expenses	7.7	8.2	23.3	22.7
Operating Profit (EBIT)	44.4	40.9	89.0	52.7
Depreciation, amortization and impairment	30.2	26.0	89.6	79.3
Other operational result [1]	1.6	(7.2)	6.6	(0.9)
Adjusted EBITDA	**76.2**	**59.7**	**185.2**	**131.1**

For the quarter ended September 30, 2018, other operational result consisted of $1.2 million of litigation reserve and $0.4 million of other non-recurring items. For the quarter ended September 30, 2017, other operational result included $9.9 million of other operating income resulting from forgiveness of certain intercompany payables due to Dufry and $0.5 million of other non-recurring income items, partially offset by $3.2 million of IPO transaction costs. For the nine months ended September 30, 2018, other operational result consisted of $2.2 million of litigation reserve, $0.8 million of asset write-offs related to conversions and store closings, $0.8 million of uncollected receivables, $0.7 million of IPO transaction costs, $0.6 million of restructuring expenses and $1.5 million of other non-recurring items. For the nine months ended September 30, 2017, other operational result consisted primarily of $9.9 million of other operating income resulting from forgiveness of certain intercompany payables due to Dufry, which was partially offset by other operating expenses including $3.2 million of IPO transaction costs, $3.0 million of restructuring costs associated with the World Duty Free Group acquisition, $1.5 million of asset write-offs and $1.3 million of other non-recurring items.

Pro Forma Net Debt Reconciliation

MILLIONS OF USD	QUARTER ENDED 9/30/18
Financial debt	573
Less: Cash and cash equivalents	(269)
Net debt	304
Adj. EBITDA (Trailing 12 mo)	227
Add: reduction in franchise fees to Dufry	9
Pro forma Adj EBITDA (Trailing 12 mo)	236
Pro forma net debt / Adj. EBITDA ratio	1.3