



A  DUFRY Company

2019

Third Quarter
Results

November 4, 2019

#PITSTOP by Hudson

MEDIA

ESSENTIALS

MARKETPLACE

THE TRAVELER'S
BEST

RFF #

WE'VE GOT YOU COVERED
NEVER
TRAVEL WITHOUT US

A vertical advertisement on the right side of the store entrance. It features a heart shape at the top containing the text 'THE TRAVELER'S BEST'. Below this, there is a small image of a person and some text, including 'RFF #' and 'WE'VE GOT YOU COVERED NEVER TRAVEL WITHOUT US'. At the bottom, there is a small image of a product.



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, 2018 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.

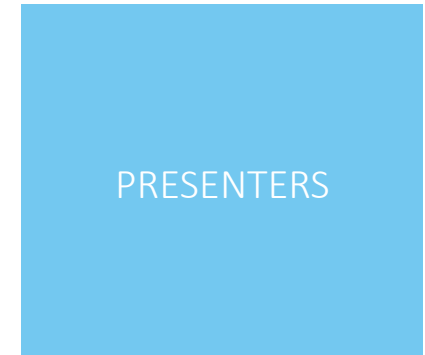
This presentation contains a discussion of Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent, which are non-IFRS financial measures. We define Adjusted EBITDA as net profit adjusted for certain items and we define adjusted net profit attributable to equity holders of the parent as net profit attributable to equity holders of the parent adjusted for certain items, each as set forth in the reconciliation to the most directly comparable IFRS measure in the Appendix. Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent are not substitutes for IFRS measures in assessing our overall financial performance. Because Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent are not determined in accordance with IFRS, and are susceptible to varying calculations, Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent may not be comparable to other similarly titled measures presented by other companies. Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent are included in this presentation because they are measures of our operating performance and we believe that Adjusted EBITDA and adjusted net profit attributable to equity holders of the parent are useful to investors because they are 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 and adjusted net profit attributable to equity holders of the parent have limitations as analytical tools, and you should not consider these measures in isolation, or as a substitute for an analysis of our results as reported under IFRS as issued by IASB.



Roger Fordyce
Chief Executive Officer



Adrian Bartella
Chief Financial Officer



On Today's Call:

- Third Quarter Highlights
- Operational Highlights
- M&A Updates
- Financial Results



1 THIRD QUARTER HIGHLIGHTS

- **Macro headwinds continued to hamper top line growth**
 - Organic net sales¹ declined 1%
 - Like-for-like net sales declined 1.1% (0.9% constant currency)
 - Duty-paid (77% of net sales) like-for-like: grew 1.7% constant currency
 - Impacted by Hurricane Dorian and continued grounding of 737 MAX
 - Duty-free (23% of net sales) like-for-like: declined 8.0% constant currency
 - Challenged by trends in Chinese tourism / spending
 - Net new business remained flat at 0.1%
- **Gross profit margin expansion**
 - Gross margin expanded 80 bps to 64.5%
 - Continued benefit of improved vendor terms and positive sales mix shift
 - Limited promotional activity in duty-free in order to maintain margin
- **Two strategic acquisitions expand portfolio and complement existing capabilities**
 - OHM Concession Group – F&B acquisition key step in expansion strategy
 - Brookstone – Hudson is now the exclusive retailer for Brookstone in airports

¹ See slide 17 for the components of organic net sales growth

² See Appendix for reconciliation to most directly comparable IFRS measure

2 OPERATIONAL HIGHLIGHTS

YTD Wins and Extensions

New Wins		Extensions ⁽¹⁾ + Expansions
New Market	Existing Market	Existing Market
<p>Indianapolis Int'l Airport <i>January 2019</i></p> 	<p>Newark Int'l Airport TB <i>October 2019</i></p> 	<p>Philadelphia Int'l Airport <i>February 2019</i></p> 
<p>St. Pete-Clearwater Int'l Airport <i>May 2019</i></p> 		<p>San Francisco Int'l Airport – T1 <i>March 2019</i></p> 
		<p>Seattle-Tacoma Int'l Airport <i>August 2019</i></p> 

(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.

Recent Store Openings

Vancouver International Airport



Our first Joe & The Juice + Hudson combo store



Recent Store Openings

Indianapolis International Airport



Our first six stores in IND Airport



New market for Hudson in 2019



3 M&A Updates

OHM Concession Group

Deal Highlights

- In October 2019, we signed an agreement to acquire a controlling stake in OHM Concession Group
- Expands our food & beverage (F&B) service footprint and enhances capabilities with full service restaurants
- 59 stores in 13 airports; adds to Hudson's existing 50+ F&B service outlets
- Deal economics:
 - \$50-70M estimated sales contribution for 2020;
 - \$80-90M for 2021 once fully integrated
 - Consideration of \$50M for controlling stake

Closing

- Expected to close in Q4 2019 or Q1 2020, subject to customary closing conditions



Deal Highlights

- In October 2019, we signed agreements:
 - To acquire assets to operate 34 U.S. airport Brookstone stores
 - To obtain rights to be the exclusive airport retailer for the Brookstone brand
- Hudson is currently operating existing stores under temporary management agreements until all airport consents are obtained
- Deal economics:
 - Consideration of \$7 million
 - \$25-30 million estimated sales contribution for 2020

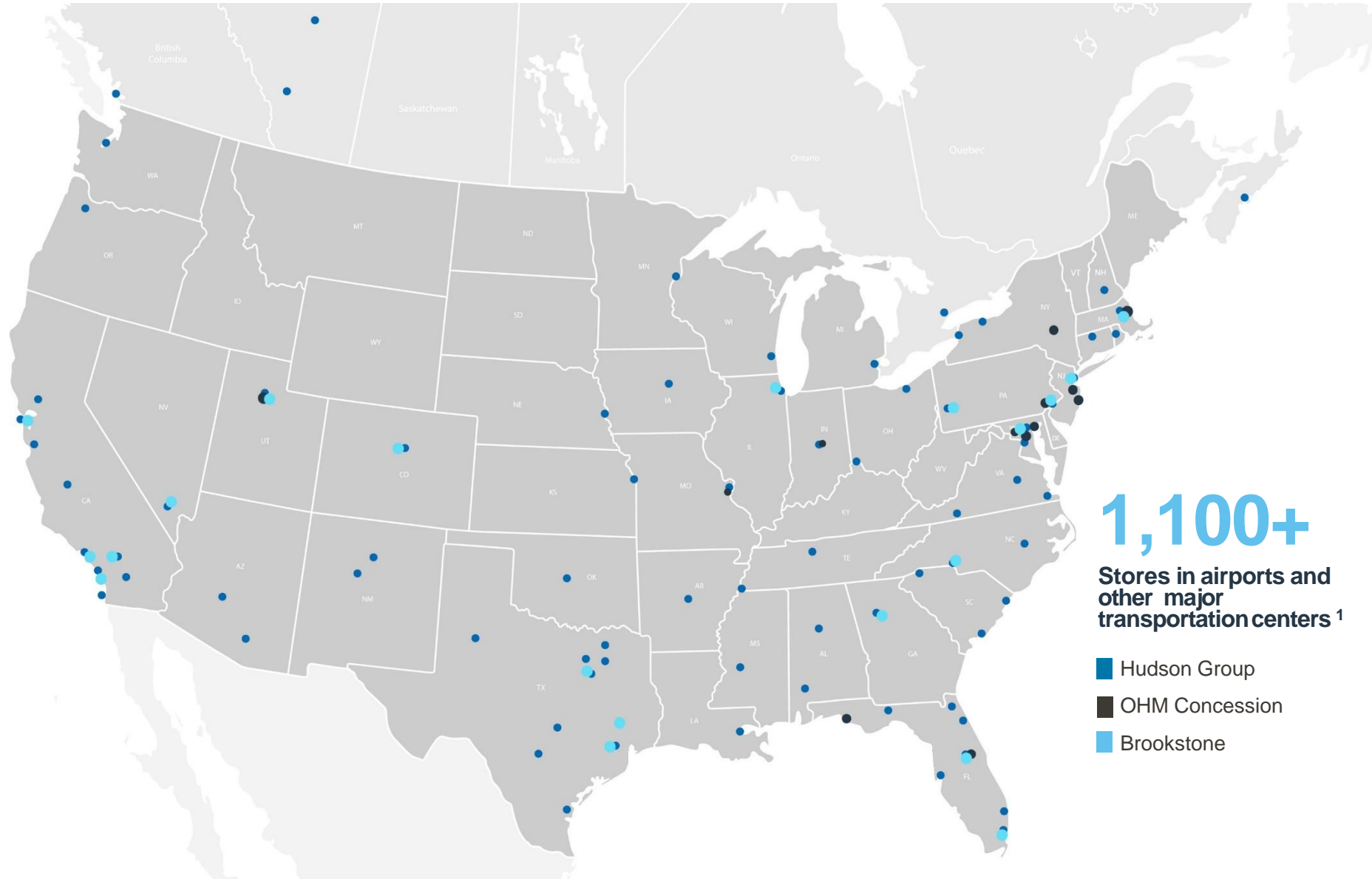
Airport	# of stores	Airport	# of stores
ATL	6	LAX	1
BOS	1	MCO	1
CLT	1	MIA	1
DEN	2	ORD	3
DFW	2	PHL	1
EWR	1	PIT	1
HOU	2	SAN	1
IAD	1	SFO	2
IAH	3	SLC	2
LAS	1	SNA	1

Closing

- Expected to close in Q4 2019 or Q1 2020, subject to customary closing conditions



Expanded Presence



¹ Estimated # of stores after acquisitions are fully integrated

4 FINANCIAL RESULTS

Financial Highlights Q3 2019

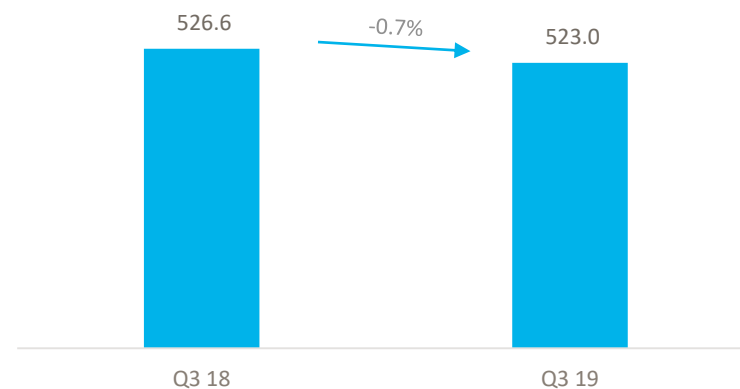
Turnover declined 0.7% and organic net sales¹ declined 1.0% driven by macro headwinds and temporary disruptions

80 bps gross margin expansion to 64.5%

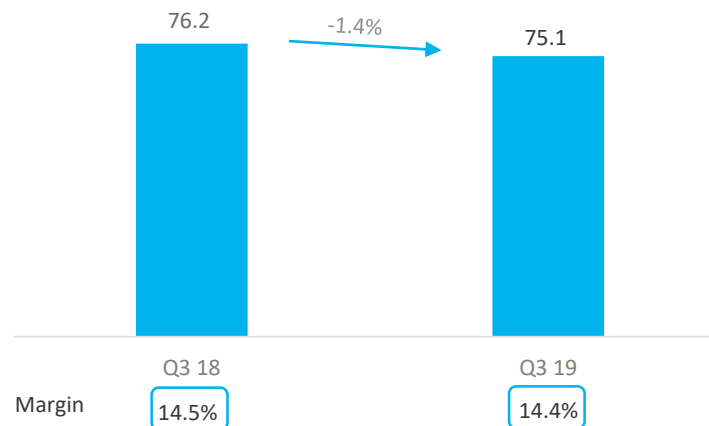
Adjusted EBITDA² \$75.1M;
Adj. EBITDA margin 14.4%

Adjusted EPS² of \$0.26 (ex IFRS 16 impact) vs. \$0.30 in Q2 18

Turnover (\$M)



Adjusted EBITDA (\$M)²



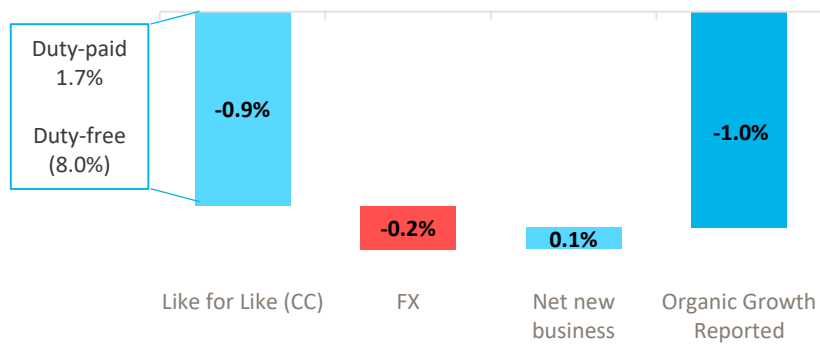
(1) See reconciliation to Turnover on Slide 17. Organic net sales growth represents the combination of growth from (i) like-for-like net sales growth and (ii) net new stores and expansions.

(2) For a reconciliation of non-IFRS measures for the periods presented see Appendix.

Organic Net Sales Growth Components Q3 2019

Q3 2019 Growth Components

Net Sales Growth Components	Q3 19 / Q3 18
Like-for-Like @ constant currency	-0.9%
Like-for-Like FX effect	(0.2%)
Like-for-Like @ reported currency rates	-1.1%
Net New Business	0.1%
Organic Net Sales Growth as reported	-1.0%
Advertising Income	0.3%
Turnover Growth	-0.7%



Quarterly Evolution

- Duty-paid like-for-like growth of 1.7% offset by (8.0%) like-for-like in Duty-free.
- Duty-free continued to face macroeconomic pressures; Duty-paid impacted by travel disruptions due to Hurricane Dorian and the continued 737 MAX groundings
- Net new business includes BOS, PHL, LAS and PIE, offset by closures in SEA, EWR and DFW

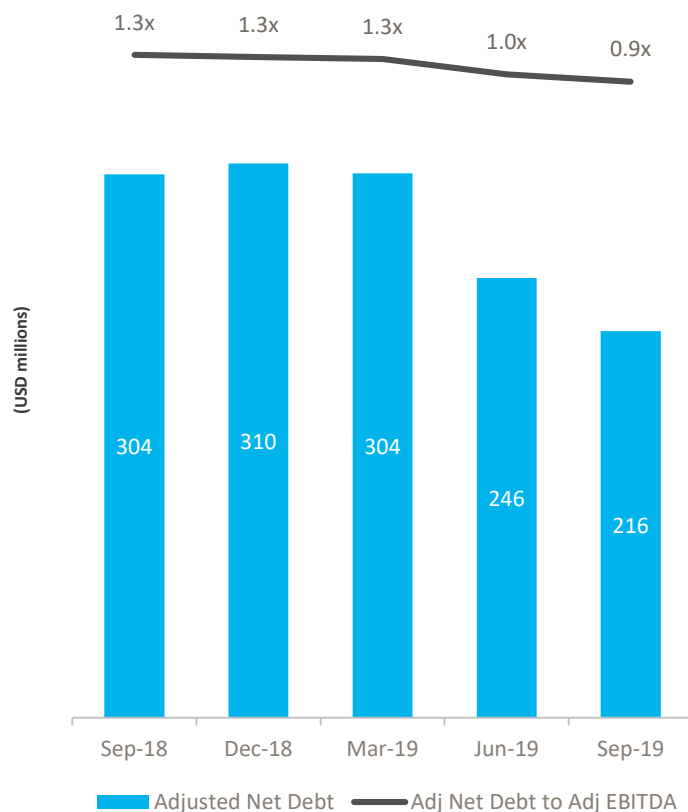
Like-For-Like @ Constant Currency

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Total	4.2%	2.5%	3.2%	1.2%	(0.9%)
Duty-paid	5.0%	3.2%	4.2%	3.4%	1.7%
Duty-free	2.1%	0.3%	0.5%	(5.4%)	(8.0%)

Summary Q3 2019

(in millions USD)	Q3 2019 % of Turnover	IFRS 16 Impact	Pre-IFRS 16 Q3 2019 % of Turnover	Q3 2018 % of Turnover	% Change
Turnover	523.0 100%		523.0 100%	526.6 100%	(0.7)%
Gross Profit	337.4 64.5%		337.4 64.5%	335.5 63.7%	0.6%
Lease Expenses (formerly Selling)	(40.1) 7.7%	(73.5)	(113.6) 21.7%	(115.5) 21.9%	(65.3%) (1.6%) pre-IFRS 16
Personnel expenses	(109.2) 20.9%		(109.2) 20.9%	(105.4) 20.0%	3.6%
Other expenses (formerly G&A)	(40.3) 7.7%		(40.3) 7.7%	(40.0) 7.6%	0.8%
Depreciation & Amortization	(91.1) 17.4%	61.8	(29.3) 5.6%	(30.2) 5.7%	201.7% (3.0%) pre-IFRS 16
Operating Profit (EBIT)	56.7 10.8%	(11.7)	45.0 8.6%	44.4 8.4%	27.7% 1.4% pre-IFRS 16
Finance income	1.9 0.4%	(0.1)	1.8 0.3%	0.6 0.1%	216.7% 200.0% pre-IFRS 16
Finance costs	(21.6) 4.1%	12.9	(8.7) 1.7%	(7.7) 1.5%	180.5% 13.0% pre-IFRS 16
Foreign exchange gain (loss)	0.2 0.0%		0.2 0.0%	0.2 0.0%	0%
Profit (loss) before taxes (EBT)	37.2 7.1%	1.1	38.3 7.3%	37.5 7.1%	(0.8%) 2.1% pre-IFRS 16
Income tax benefit (expense)	(12.5) 2.4%	(0.4)	(12.9) 2.5%	(0.7) 0.1%	
Net profit (loss)	24.7 4.7%	0.7	25.4 4.9%	36.8 7.0%	(32.9%) (31.0%) pre-IFRS 16

Adjusted Net Debt and Leverage ¹ Evolution



Cash Flow Statement

In millions USD	YTD 9/30/19	YTD 9/30/18
Net cash flows from operating activities	\$409.1 ²	\$197.1
Net cash flows used in investing activities	(50.7)	(54.1)
Net cash flows used in financing activities	(262.4) ²	(10.2)
Currency translation on cash	0.7	(0.5)
Increase / (decrease) in cash and cash equivalents	96.7	132.3
Cash and cash equivalents at the		
– beginning of the period	234.2	137.4
– end of the period	330.9	269.7

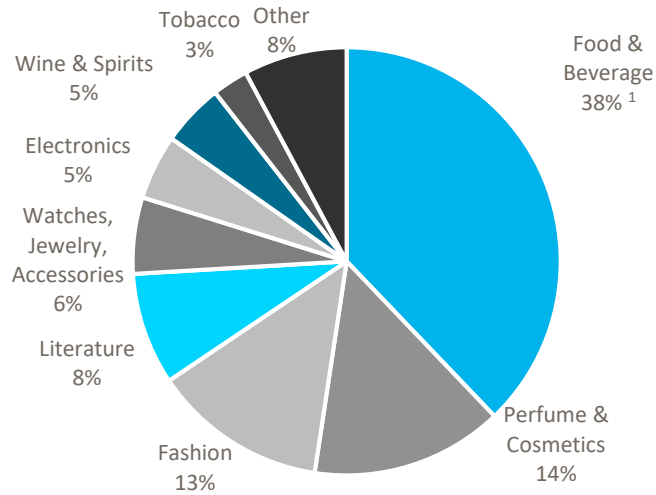
- (1) Adjusted net debt leverage, a non-IFRS measure, represents total borrowings of \$547.1M (excludes IFRS 16 obligations) less cash of \$330.9M at the end of the period presented divided by Adj. EBITDA for the last 12 mo of \$236.2M.
- (2) Due to adoption of IFRS 16 on January 1, 2019, \$225.5M in lease payments during the nine months ended September 30, 2019 is now classified as financing activities rather than operating activities

Q & A

3 APPENDIX

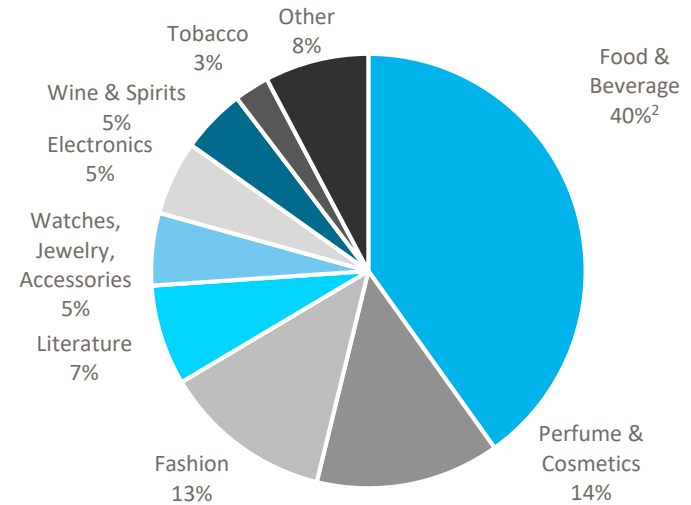
Sales Breakdown by Product Category

Q3 2018



¹ F&B Retail 36 % / F&B Service 2 %

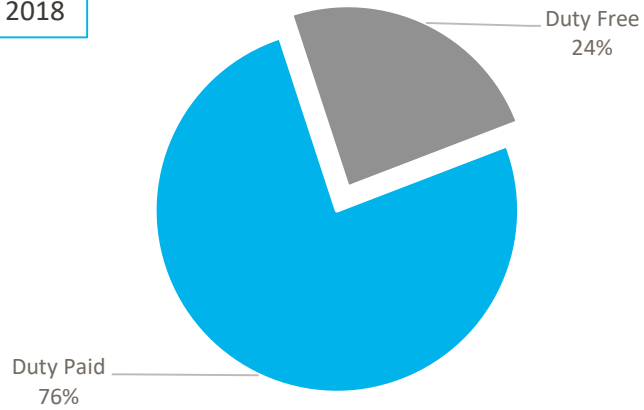
Q3 2019



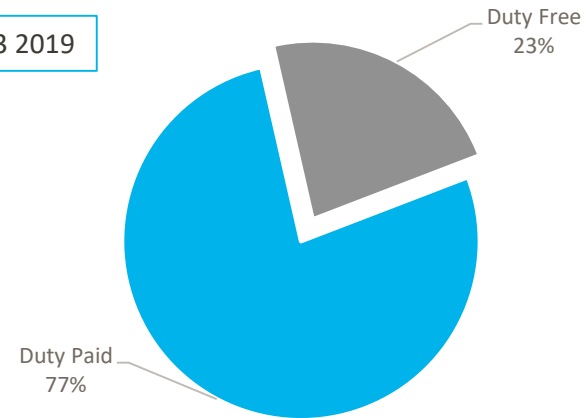
² F&B Retail 38 % / F&B Service 2 %

By Sector

Q3 2018

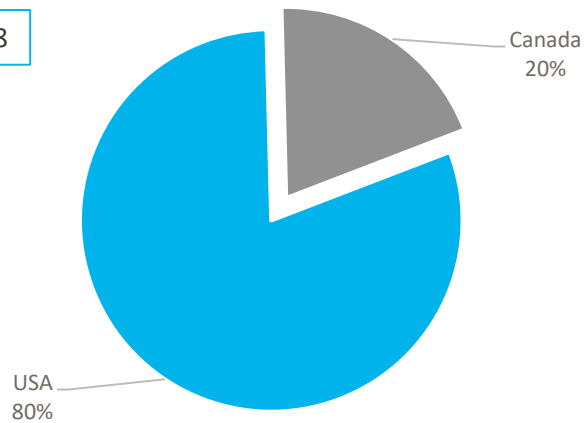


Q3 2019

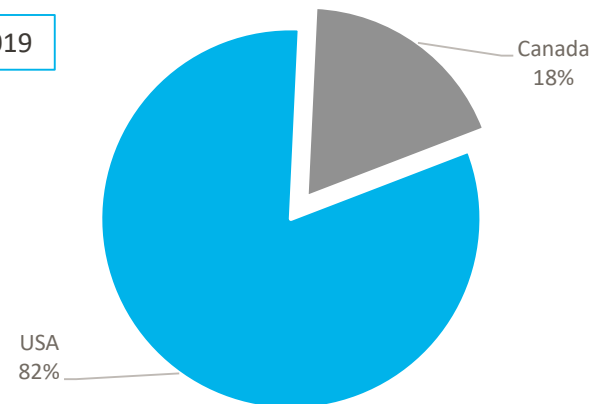


By Country

Q3 2018



Q3 2019



Adjusted EBITDA Reconciliation ⁽¹⁾

IN MILLIONS OF USD	QUARTER ENDED 9/30/2019	QUARTER ENDED 9/30/2018	NINE MONTHS ENDED 9/30/2019	NINE MONTHS ENDED 9/30/2018
Net profit (loss)	24.7	36.8	48.6	63.0
Income tax expense (benefit)	12.5	0.7	17.0	4.1
Profit (loss) before taxes (EBT)	37.2	37.5	65.6	67.1
Finance income	(1.9)	(0.6)	(4.3)	(1.7)
Finance costs	21.6	7.7	64.6	23.3
Foreign exchange gain (loss)	(0.2)	(0.2)	(0.2)	0.3
Operating Profit (EBIT)	56.7	44.4	125.7	89.0
Depreciation, amortization and impairment	91.1	30.2	269.1	89.6
Charge related to capitalized right of use assets ⁽²⁾	(73.5)	-	(220.7)	-
Other operational charges ⁽³⁾	0.8	1.6	9.3	6.6
Adjusted EBITDA	75.1	76.2	183.4	185.2

(1) The company has revised the calculation of Adjusted EBITDA to exclude charge related to capitalized right of use assets. The company believes this useful to investors in order to provide better comparability to prior periods as IFRS 16 was adopted on January 1, 2019.

(2) Represents lease payments that would have been expensed, but for the adoption of IFRS 16 related to capitalized right of use assets and payments received for capitalized sublease receivables.

(3) For the quarters ended September 30, 2019 and September 30, 2018, other operational charges consisted of \$0.8 million and \$1.6 million, respectively, of generally non-recurring items. For the nine months ended September 30, 2019, other operational charges consisted of \$8.6 million of primarily executive separation expense and \$0.7 million of other generally non-recurring items. 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.

Adjusted Profit & Adjusted EPS Reconciliation ⁽¹⁾

IN MILLIONS OF USD (EXCEPT PER SHARE DATA)	QUARTER ENDED 9/30/2019	QUARTER ENDED 9/30/2018	NINE MO ENDED 9/30/2019	NINE MO ENDED 9/30/2018
Net profit (loss) attributable to equity holders of the parent	14.5	26.6	21.5	35.2
Amortization related to acquisitions ⁽²⁾	9.5	9.8	28.5	29.6
Impairment of assets	2.4	2.6	3.3	4.0
Other operational charges ⁽³⁾	0.8	1.6	9.3	6.6
Income tax adjustment and one-off income tax items ⁽⁴⁾	(3.5)	(12.7)	(9.6)	(20.9)
Adjusted net profit attributable to equity holders of the parent	23.7	27.9	53.0	54.5
Adjusted net profit attributable to equity holders of the parent - Ex IFRS 16 Impact	24.6		55.4	
Adjusted diluted earnings per share to equity holders of the parent	0.26	0.30	0.57	0.59
Adjusted diluted earnings per share to equity holders of the parent - Ex IFRS 16 Impact	0.26		0.60	

- (1) Beginning in Q1 2019, the company has revised the calculation of Adjusted Net Profit Attributable to Equity Holders of the Parent to exclude not only amortization related to acquisitions and other operational charges (net of income tax), but also to exclude impairment of assets, income tax adjustment on amortization related to acquisitions and impairment and other one-off income tax items. The company believes the new calculation is useful to investors because it removes the effects of purchase accounting for acquired intangible assets (primarily concessions), non-recurring transactions and impairments of assets.
- (2) Although the values assigned to the concession rights during the purchase price allocation are fair values, we believe that their additional amortization doesn't allow a fair comparison with our existing business previous to the business combination, as the costs of the intangible assets have been incurred.
- (3) For the quarters ended September 30, 2019 and September 30, 2018, other operational charges consisted of \$0.8 million and \$1.6 million, respectively, of generally non-recurring items. For the nine months ended September 30, 2019, other operational charges consisted of \$8.6 million of primarily executive separation expense and \$0.7 million of other generally non-recurring items. 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.
- (4) Beginning in Q1 2019, this line item has been revised to include the following:

	QUARTER ENDED 9/30/2019	QUARTER ENDED 9/30/2018	NINE MONTHS ENDED 9/30/2019	NINE MONTHS ENDED 9/30/2018
One-off non-cash change in valuation of deferred tax assets	-	(9.0)	(0.1)	(10.3)
Income tax adjustment amortization and impairment	(3.2)	(3.3)	(8.5)	(8.9)
Income tax adjustment other operational charges	(0.3)	(0.4)	(1.0)	(1.7)