

Dufry builds positive momentum with \$3bn turnover

Dufry Groups turnover reached CHF 2,922.5 million/\$3,068.8 for the first half of 2022, representing growth of 146.2% year-on-year and 75.5% of 2019s turnover in constant currency (69.9% in reported currency).

In the period Dufry said it saw gradual improvements in nearly all its operations in line with the easing of travel protocols, with a pick up noted particularly since the second quarter of the year. Dufrys duty free operations represented 58.3% of net sales vs 41.7% in duty paid.

Breaking the performance down into retail channels, 91.2% of net sales were registered at airports; 3% on cruise liners and at sea ports; 3% at border stores and 3% at railway stations and other.

Newly appointed Dufry CEO, Xavier Rossinyol said: "We have seen positive momentum over the recent months, reflected in solid performance for June of 85.5% and for July of already around 90% of 2019 turnover levels in constant currency.

"Regions like North America, Central America and the Caribbean, as well as some of the Southern European and Mediterranean countries perform in line or above 2019.



Dufry CEO, Xavier Rossinyol.

Financial Highlights

HY 2022



2,922.5
TURNOVER

MILLION
CHF

CHF 4,180.1 MILLION 2019

227.0

MILLION
CHF

**CORE EBITDA /
7.8 % MARGIN**

CHF 353.6 MILLION 2019

196.7

MILLION
CHF

**EQUITY FREE
CASH FLOW**

CHF 140.4 MILLION 2019



Organic growth of plus 147.2% in HY 2022 vs prior year, reaching 75.5 % of 2019 levels (current FX)

July periodic net sales stood at around 90% of 2019 levels



Introduction of IAS17 EBITDA

Profitability mainly driven by gross profit, with concessions in % of turnover at same level as 2019



Performance supported by phasing including Capex and working capital inflows

Normalized HY 2022 EFCF of around CHF 30-50 million

Note: FX impact on net sales in July 2022 vs 2019 at current FX rate: -3.8%

"At the same time, we continue to remain attentive given the current geopolitical and health situation, and we monitor closely consumer sentiment and the propensity for travel-related spending over the next months.

We will count on the agility and talent of our teams to react accordingly and to further strengthen our global position in the long-term despite potential temporary or geographically limited volatility."

Since Dufry announced that it was joining forces with multinational catering company, Autogrill (11 July),

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Rossinyol said that the company has extensively engaged with its employees and stakeholders to 'redefine the boundaries of the industry'.

Dufry & Autogrill Join Forces to Redefine Travel Experience Globally



Reimagine the Boundaries of our Industry	United, Strong Team & Positive Market Impact	Increased Diversification & Unlocked Growth Opportunities	Large & Strengthened Group with an Operational Improvement Culture
CONSUMER RETAIL AND F&B DIGITAL - Uncompromised consumer focus, anticipating trends for: - Enhanced experience for passengers - Greater benefits for landlords and brands - With new, digitally-enabled global platform	AIRPORT RELATIONSHIPS BRAND PORTFOLIO & COLLABORATIONS - One highly motivated and united team: - Led by the industry's most experienced and skilled management - Long-lasting airport relationships and high-quality concessions portfolio - Unparalleled brand access	US MARKET & INTERNATIONAL EXPANSION - Significantly strengthening presence in: - Highly attractive & resilient US market - While unlocking opportunities in other key geographies including LATAM, MEA & APAC - Across channels & categories	SYNERGIES, PROFITABILITY, DELEVERAGING - Global leader in Travel Experience: - Addressing approx. 2.3 billion passengers - CHF 13.6 billion net sales* - CHF 1.4 billion EBITDA* - With a strengthened balance sheet, decreased leverage, material synergies and a dedicated improvement culture
Accelerated Growth, Improved Profitability and better Capital Allocation Reinforced Long Term Strategic Shareholder Basis to Create Sustainable Value for Shareholders while fully Committing to our ESG Principles			

* Numbers as of 2019, EBITDA corresponds to pre-IFRS 16 (approximation)

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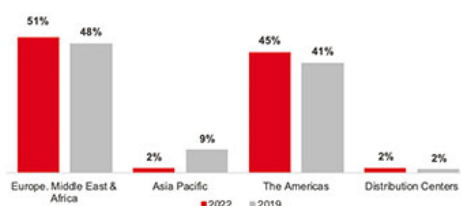
Dufry said it will strive to enrich the passenger journey by providing unique integrated and digitalised offerings for travellers across travel retail and food & beverage.

"We are more than ever excited about the opportunities ahead of us, as we are progressing with the transaction as planned. We expect to close the first stage, the transfer of Edizione's 50.3% stake in Autogrill to Dufry, by Q1 2023, subject to our shareholders' approval at the upcoming EGM," added the CEO.

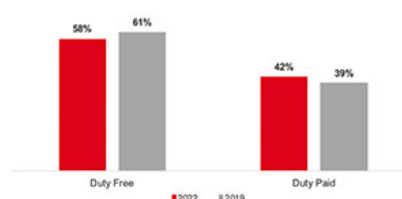
Yves Gerster, CFO of Dufry Group, provided an update on the company's reporting methods: "With half-year 2022, we introduce an EBITDA concept and related performance indicators on top of our IFRS results.

Net Sales Segmentation HY 2022 & HY 2019

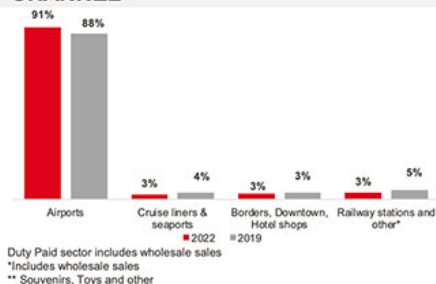
REGION



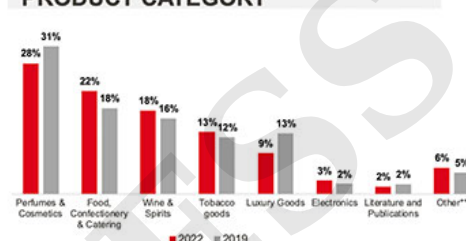
FORMAT



CHANNEL



PRODUCT CATEGORY



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Those CORE figures consider all our concession fees and corresponding payments as a part of our operational activities. Therefore, they better reflect the actual performance of our business, the reality of our concession contracts and are best equipped to follow and evaluate our performance, while we are continuing with our IFRS reporting. We have published also historical figures in a consistent manner to allow clear comparisons.”

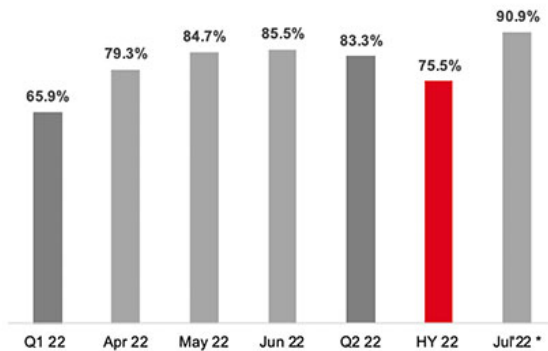
“Our results improved versus the previous year across all performance indicators,” said Yves Gerster, CFO of Dufry Group. “Gross Profit margin stood at 60.9% for half-year 2022 versus 56.1% in half-year 2021.”

As Gerster mentioned, this results statement coincides with the introduction of a new reporting format for its alternative performance measures (APM).

CORE figures represent the full business. The result excludes the impact from IFRS16 lease accounting standard, and as done so far, adjustments for acquisition-related amortisations and expenses.

Organic Growth Evolution Group

ORGANIC GROWTH EVOLUTION in % OF 2019 LEVEL



*July NS based, estimate as of 24.07.2022. Organic Growth at constant FX of 2022.
In HY 2022 FX effect on Turnover in 2021 is +1.7% against HY 2022 and -5.9% against HY 2019

DUFRY

HY22 TURNOVER

2,923 MILLION CHF

Positive trend in travel demand in general, and travel retail specifically, with all regions contributing positively since the second quarter

Best performing regions already at or ahead of 2019 including North America, Central America and the Caribbean as well as the Mediterranean and South European regions

APAC still impacted by restrictive measures but soft openings started

CORE EBITDA reached CHF 227.0 million with a margin of 7.8%. Drivers for the improved performance versus prior year have been gross profit margin recovery as well as moderate personnel and other expenses, partly related to some delay in hiring, offsetting impacts from current inflationary environment. Concession fees on a pre-IFRS16 basis are in line with 2019 levels as a percentage over turnover.

Dufry estimates July net sales performance at a level of 90% of 2019, in constant currency. At the end of June around 2,078 shops were open and at the end of July, more than 2,091, representing above 90% of sales capacity.



Dufry CEO, Xavier Rossinyol said: “We have seen positive momentum over the recent months, reflected in solid performance for June of 85.5% and for July of already around 90% of 2019 turnover levels in constant currency.

Dufry sees strong demand and positive trends on all key indicators; however, we remain vigilant given limited visibility regarding the geo-political environment, pandemic-related developments, the economic situation and consumer sentiment going forward, added the retailer.

Turnover in Europe, Middle East and Africa reached CHF 1,457.8 million HY 2022 from CHF 376.0 million one year ago, while organic growth versus 2021 was 303.4%, with turnover reaching a level of 78.1% of 2019 (*in constant FX*).

Mediterranean countries stood out for their performances, including Turkey, Greece, and the Middle East. In addition, UK, France, Spain, Eastern Europe, and Africa made significant progress, benefiting especially from growing leisure demand, said Dufry.

Asia-Pacific's turnover reached CHF 55.4 million in HY 2022 from CHF 52.1 million in HY 2021. Organic growth versus 2021 was 5.4%, with turnover reaching a level of 16.3% of 2019 (*in constant FX*).

Whilst selected countries like Australia, Bali, Cambodia have started to re-open, other governments still adhered to a zero-Covid approach or restrictive measures during the first half of the year. This specifically relates to China, also affecting overall travel in the region.

Americas turnover stood at CHF 1,304.2 million in HY 2022 versus CHF 637.9 million in HY 2021, while organic growth versus 2021 was 97.2%, with turnover reaching a level of 81.9% of 2019 (*in constant FX*). The region has seen a rapid rebound since February, according to the retailer.

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This refers especially to US domestic, intra-regional and increasingly transatlantic travel, as well as tourist travel to Mexico and Central America, including the Caribbean Islands and the Dominican Republic. South America also started to trend upwards, especially in Argentina, Colombia, and Ecuador, with the wider region having followed most recently.

Dufry said it will hold a Capital Markets Day in London on September 6, 2022 (with an optional site visit to Dufry's operations at London Heathrow on September 7, 2022) to inform about its long-term strategy.

TRB BUSINESS