9M 2016 Results

Organic growth, strong cash generation and deleveraging

November 3, 2016

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AGENDA

1. 9M 2016 Results
    - Highlights 9M 2016
    - Positive Organic growth with World Duty Free
    - New contracts and significant extensions
    - Update on World Duty Free Integration
2. Financials 9M 2016
3. Conclusion

1 9M 2016 Results

Focus on key initiatives

- Acceleration of organic growth
- Integration of WDF and implementation of business model
- Increased free cash flow generation and deleveraging

Dufry returns to positive organic growth in Q3 2016: +1.3%

High number of extensions and new contracts won

Considerable amount of refurbishments executed

WDF integration on track

Improved management of core net working capital

Reduction of net debt by CHF 390 million

Highlights 9M 2016

Organic growth with WDF of 1.3% in Q3

Free cash flow reaches CHF 536 million

- Turnover of CHF 5,877.2 million in 9M 2016; growth of 39.4%
  - Organic growth including WDF in Q3 2016 of +1.3%
- Gross profit margin improves to 58.4% from 58.1% in 9M 2015
- EBITDA grows by 34.9% and reaches CHF 685.4 million
  - EBITDA margin at 11.7%
- Free cash flow grows significantly by 64.1% to CHF 535.7 million in 9M 2016 versus CHF 326.4 million in 9M 2015
  - Net debt reduced by CHF 390 million since December 2015, to CHF 3,566 million at the end of September 2016
- Cash EPS in the 9M 2016 grows by 48% to CHF 4.55, versus CHF 3.08 in 9M 2015
- World Duty Free integration work-streams in line or ahead of plan
  - Full synergies of CHF 105 million confirmed

Turnover analysis

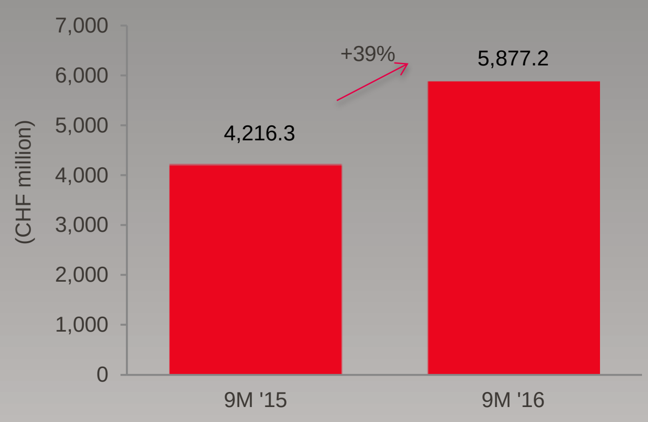
Turnover growths by 39%

Distinct improvement of business in Brazil

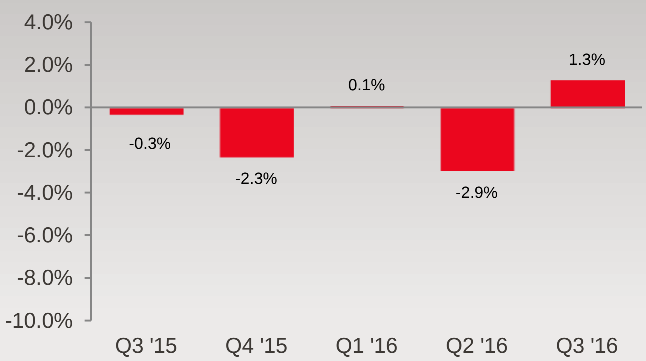
Ongoing strong performance in Spain

Organic growth acceleration in the UK

Turnover evolution



Organic growth including WDF



- Turnover grows by 39%
- Pro-forma organic growth incl. World Duty Free back to positive in Q3 with +1.3 %
- Ongoing strong performance in Spain
- UK with strong organic growth post GBP devaluation
- Negative performance of Russian travellers continued; particularly in Turkey
- Strong recovery in Brazil and return to positive organic growth in Q3
- First weeks of October further confirm improving of trends

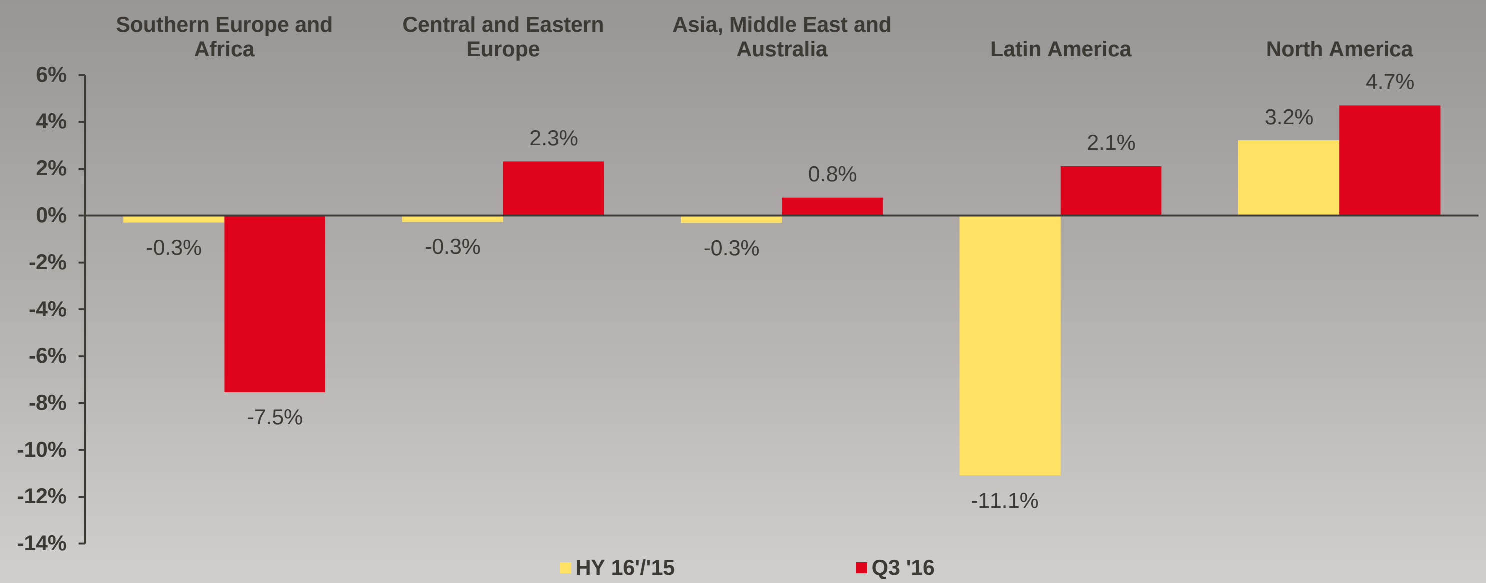
Organic growth evolution by division

Pro-forma organic growth back to positive in Q3

Improvement seen in all Divisions

Positive signs seen in October

Organic growth evolution



- Trading update

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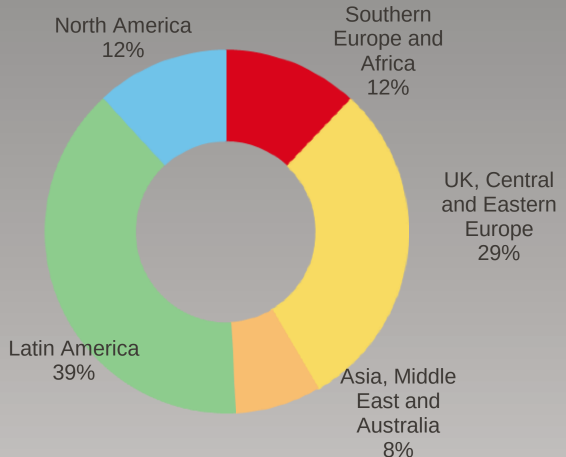
Considerable amount of contract extensions and shop refurbishments

66,500 m² of contracts renewed

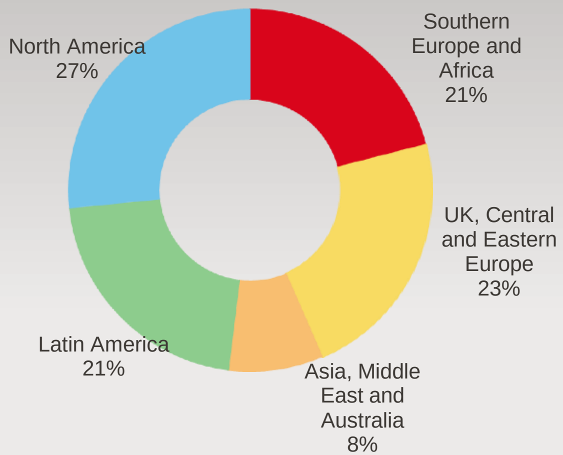
66,500 m² of extensions signed YTD



Region	Selected Locations
Southern Europe and Africa	Guadalupe, Casablanca
UK, Central and Eastern Europe	Zurich, Basel, Birmingham, Bristol
Asia, Middle East and Australia	Melbourne, Singapore
Latin America	Sao Paolo, Viracopos, Cancun, Cozumel
North America	Cleveland, Calgary, St. Louis

22,500 m² of retail space refurbished

22,500 m² of shops refurbished in the first nine month 2016



Region	Selected Locations
Southern Europe and Africa	Lisbon, Madeira, Naples
UK, Central and Eastern Europe	Birmingham, Heathrow T4, Basel
Asia, Middle East and Australia	Cambodia
Latin America	Rio de Janeiro, Lima, Mexico City
North America	Toronto, Vancouver, Seattle

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Organic growth: Positive forecasts for ongoing passenger growth

Healthy international PAX growth

International PAX Forecast

	2016	2017	2018
Europe	4.8%	6.0%	4.4%
Africa	-3.4%	1.0%	2.2%
Asia/Pacific	10.6%	9.5%	8.1%
Middle East	9.9%	9.8%	8.3%
LatAm/Caribbean	8.5%	6.9%	6.6%
North America	6.3%	5.3%	3.3%
World in total	**6.7%**	**7.0%**	**5.7%**

Source: Air4casts (31/10/2016)

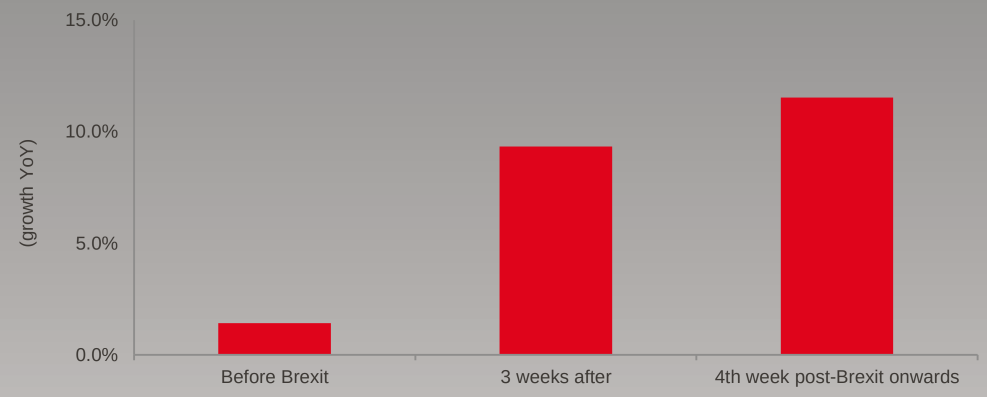
Expectations continue strong with growth of 5-7% p.a.

- PAX expectations for next years show strong, continued growth in all regions
- PAX growth to continue to be the most important component of organic growth

Update on BREXIT

GBP devaluation drives business performance in the UK

Sales evolution in the UK



- Business in the UK continues to benefit from the GBP devaluation
  - Increase in spending seen since Brexit vote
- Long-term base case of Brexit discussion could mean the re-introduction of a separate market for the UK
  - Entire business would become duty-free

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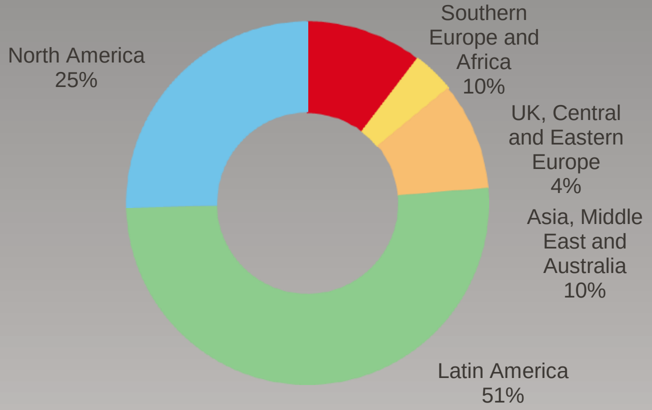
Dufry has opened 27,100 m² in the first 9M 2016

27,100 m²
of gross retail space opened in 9M 2016

26,800 m²
additional retail space already signed for 2016/17

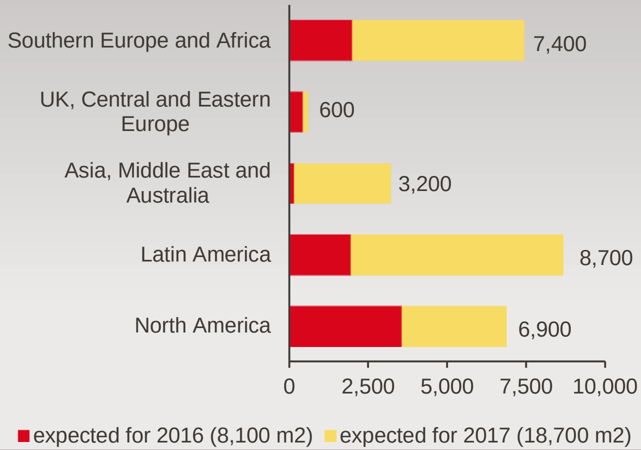
Strong pipeline of potential new projects

Openings 9M 2016

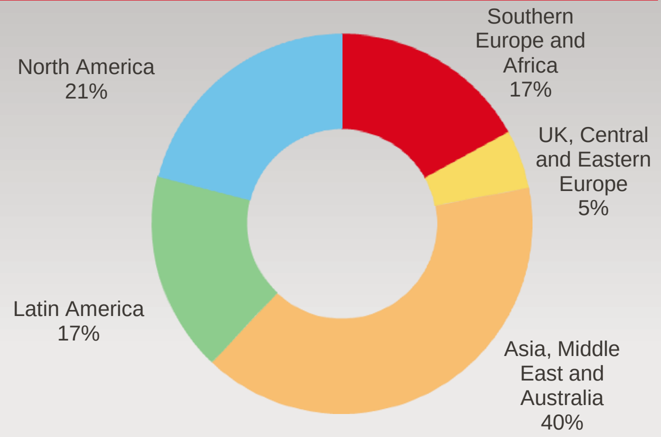


- Dufry opened a total of 153 new shops in 9M 2016
  - Openings represent close to 7% of total retail space

26,800 m² signed space



Project Pipeline: 43,000 m²



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World Duty Free integration well on track

Integration of World Duty Free on track

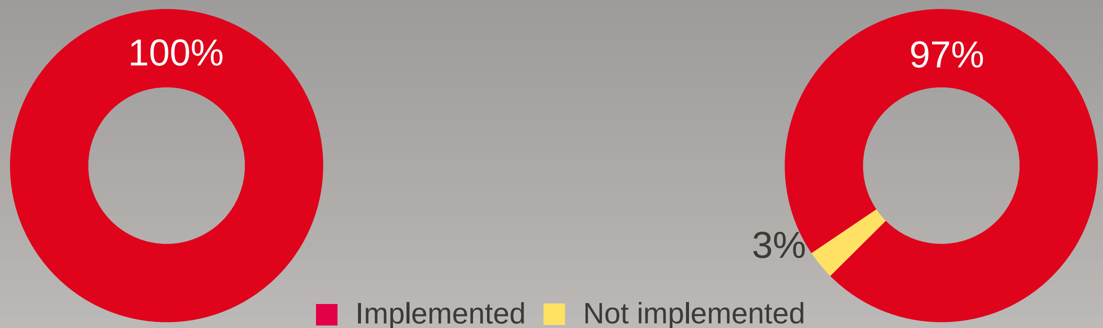
WDF synergy potential of

EUR 100 million confirmed

Expected implementation of synergies by FY ‘16

EUR 50-60 million cost synergies

EUR 40-50m gross margin synergies



Synergies reflected in income statement

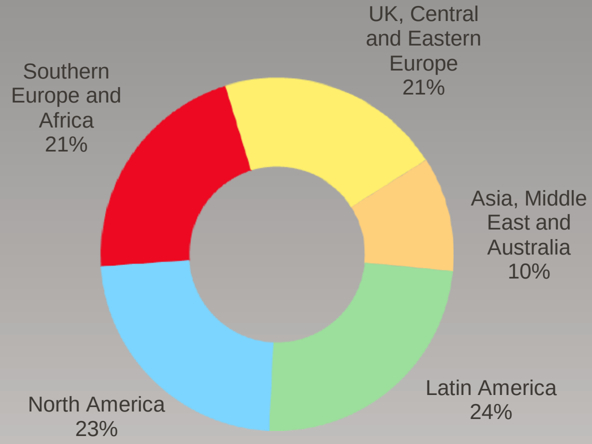
- Integration of World Duty Free continues on track
- On the cost side, initiatives largely completed
  - Expected benefit of CHF 59 million, at the upper end of the estimated range
- Gross profit margin synergies currently being finalized
  - Synergies will materialize along 2017
- Total of EUR 100 million synergies confirmed, to build up sequentially in the financials over the coming quarter and in 2017

Dufry's Segmentation (1/2)

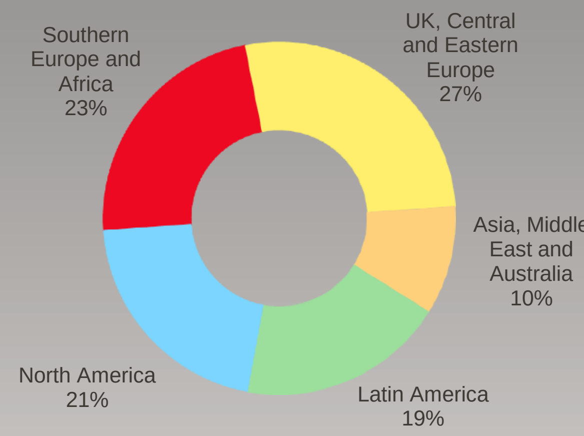
Balanced concession portfolio across regions

Increased presence in Europe with WDF

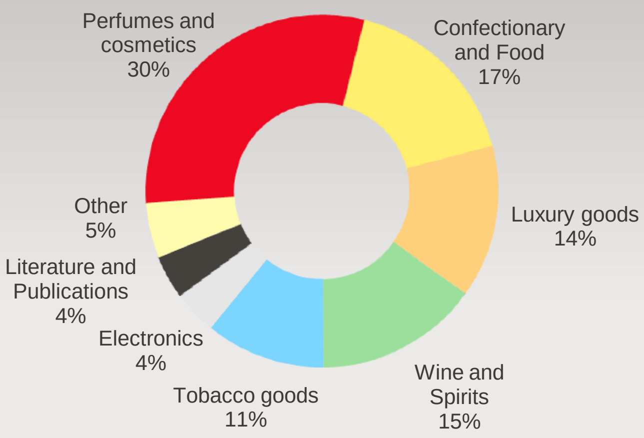
Dufry by Region 9M 2015



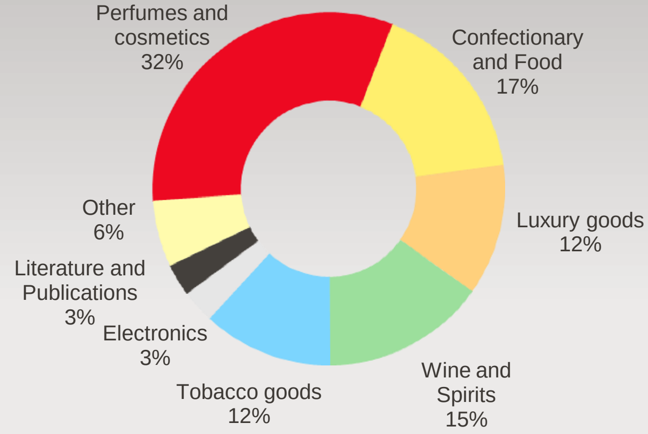
Dufry by Region 9M 2016



Dufry by Category 9M 2015



Dufry by Category 9M 2016



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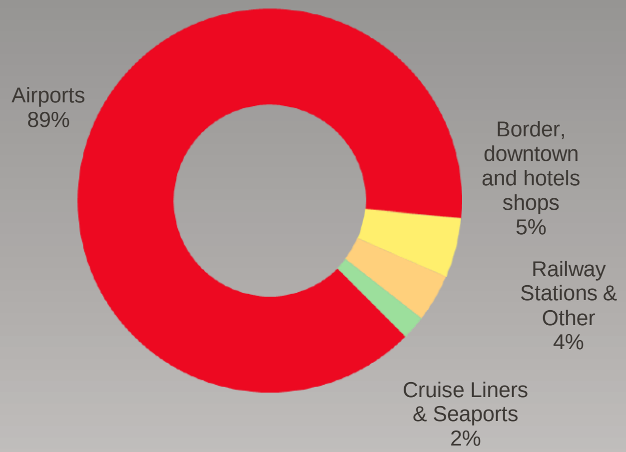
Dufry's Segmentation (2/2)

Airports remain major channel

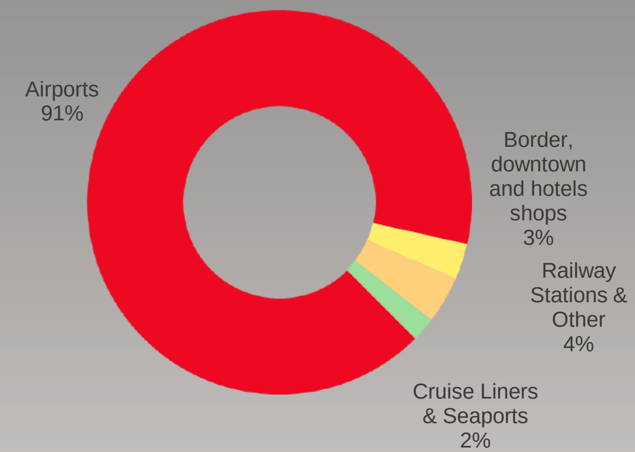
Opportunities in additional channels

Further expansion in duty-free and duty-paid

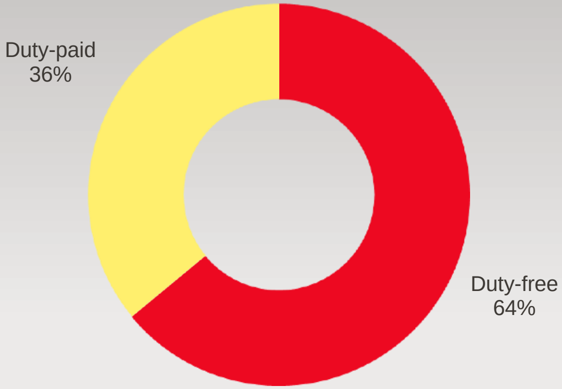
Dufry by Channel 9M 2015



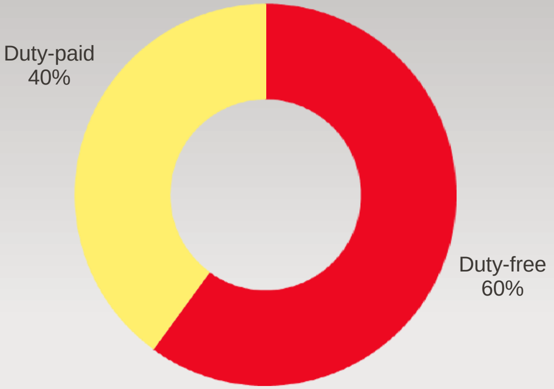
Dufry by Channel 9M 2016



Dufry by Sector 9M 2015



Dufry by Sector 9M 2016



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2 FINANCIALS 9M 2016

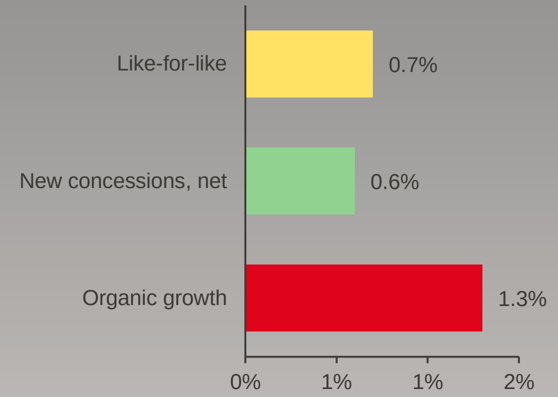
Growth performance by division

Positive like-for-like and organic growth in Q3, incl. WDF

Improvements in all Divisions

October with supportive trends

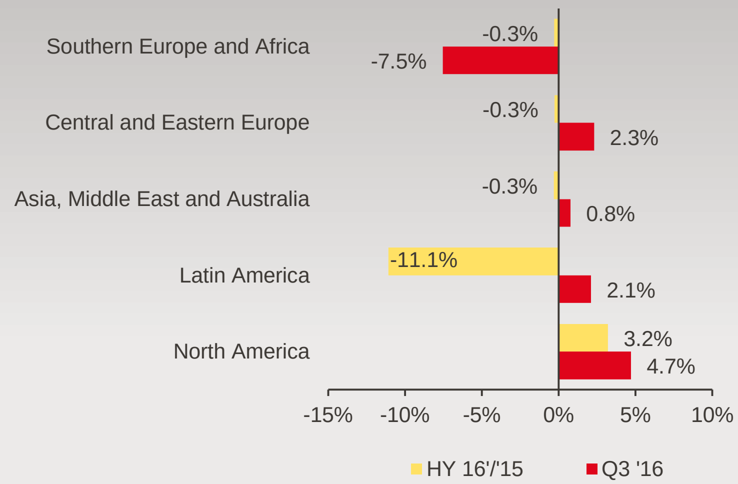
Q3 2016 including WDF



Reported Growth Components

	Q1 '16	Q2 '16	Q3 '16	9M '16
Like for Like	-6.2%	-7.7%	-0.6%	-4.0%
New concessions, net	1.3%	0.5%	0.5%	0.6%
Wholesale	-0.3%	-0.1%	0.4%	0.2%
Organic growth	**-5.2%**	**-7.3%**	**0.3%**	**-3.2%**
Changes in scope	63.0%	68.5%	15.2%	42.0%
Growth in constant FX	**57.8%**	**61.2%**	**15.5%**	**38.8%**
FX impact	2.2%	2.5%	-1.4%	0.6%
Reported Growth	**60.0%**	**63.7%**	**14.1%**	**39.4%**
Organic growth including WDF	**0.1%**	**-2.9%**	**1.3%**	**-0.5%**

Organic Growth HY vs Q3 '16 incl. WDF



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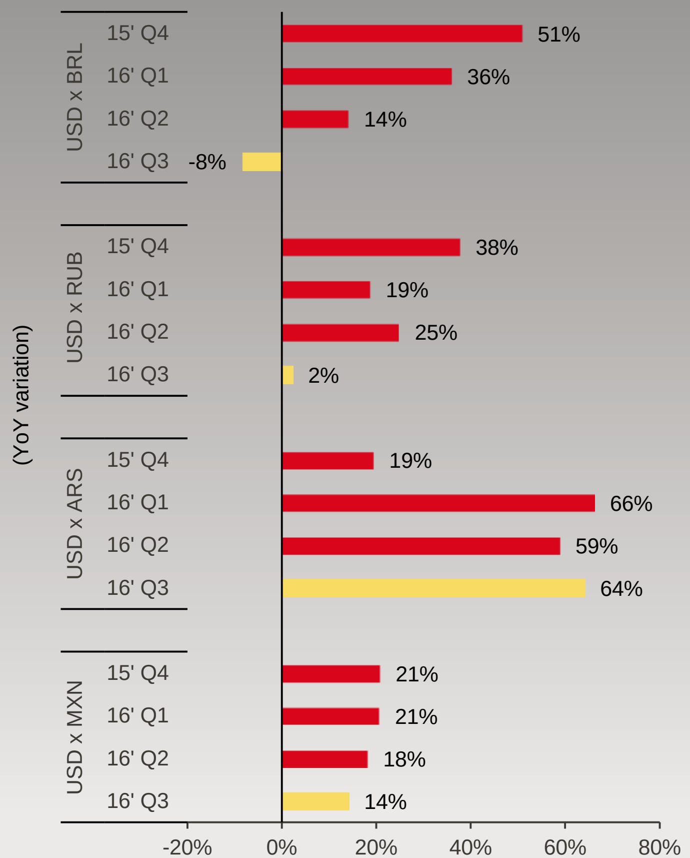
Organic growth: Ongoing reduction of currency volatility impact

Volatility continues to reduce in most markets

Devaluation peak of Real and Ruble annualized in Q3

Brazilian Real turn positive vs USD in Q3 2016

Local currencies vs USD



- Currency volatility slightly improved and showing stabilizing trends in most markets
- Brazilian Real and Russian Ruble devaluation annualize in Q3
- Brazilian Real turned positive to US dollar in Q3
- Negative impact on the Argentinean Peso to continue until Q4

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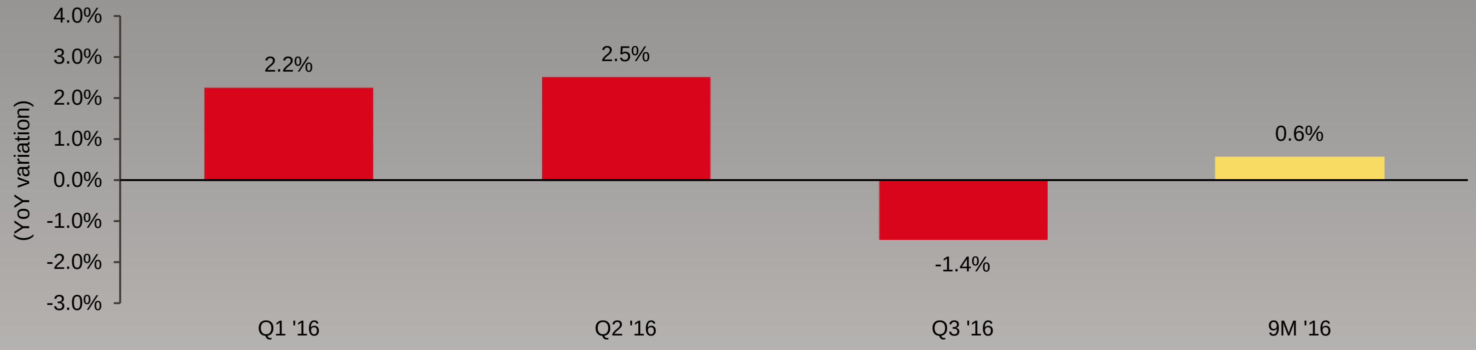
Aggregated FX development

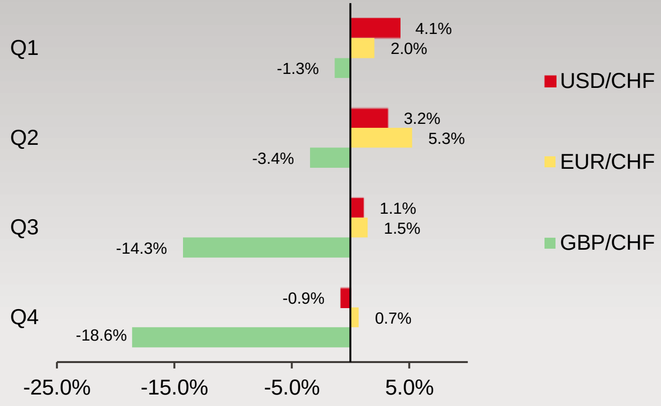
Translational FX impact turned negative in Q3 due to the GBP

GBP impact to continue in the next quarters

Translational FX impact in 2016

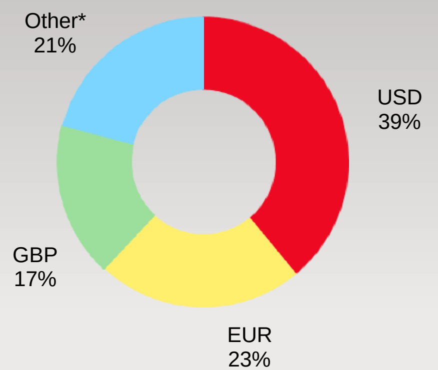


Main Currencies Development



Note: Q4 '15 until 17/Oct '16

Turnover by currency



* Other includes CHF, CAD, AUD, HKD, etc.

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Income statement

WDF consolidation effect has annualized in Q3 2016 (August)

Income statement

(CHF million)	9M '16	%	9M '15	%
Turnover	**5,877.2**	*100.0%*	**4,216.3**	*100.0%*
Gross profit	**3,434.7**	*58.4%*	**2,449.5**	*58.1%*
Concession fees	(1,601.2)	*-27.2%*	(1,074.4)	*-25.5%*
Personnel expenses	(792.8)	*-13.5%*	(585.9)	*-13.9%*
Other expenses	(358.0)	*-6.1%*	(285.6)	*-6.8%*
Share of result of associates	2.7	*0.0%*	4.4	*0.1%*
EBITDA[(1)]	**685.4**	*11.7%*	**508.0**	*12.0%*
Depreciation	(118.4)	*-2.0%*	(90.4)	*-2.1%*
Amortization	(285.2)	*-4.9%*	(214.5)	*-5.1%*
Linearization	(45.3)	*-0.8%*	9.1	
Other operational result	(42.9)	*-0.7%*	(78.0)	*-1.8%*
EBIT	**193.6**	*3.3%*	**134.2**	*3.2%*
Financial result	(151.6)	*-2.6%*	(117.4)	*-2.8%*
EBT	**42.0**	*0.7%*	**16.8**	*0.4%*
Income tax	(12.1)	*-0.2%*	(26.0)	*-0.6%*
Net Earnings	**29.9**	*0.5%*	**(9.1)**	*-0.2%*
Non-controlling interests	(29.7)	*-0.5%*	(28.2)	*-0.7%*
Net Earnings to equity holders	**0.2**	*0.0%*	**(37.3)**	*-0.9%*
Cash Earnings	**244.5**	*4.2%*	**132.9**	*3.2%*

1 Before other operational results

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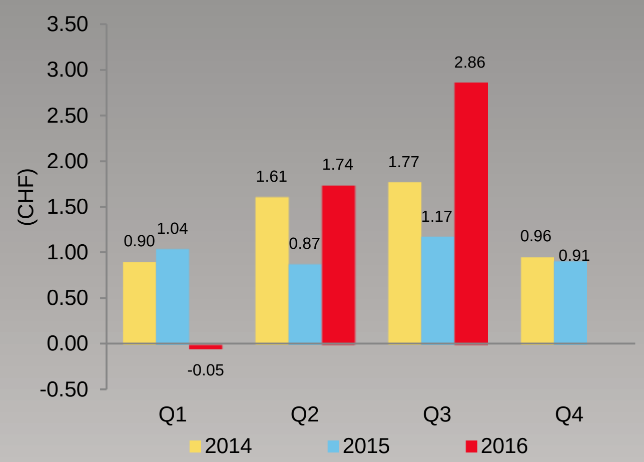
Cash earnings – strong growth in Q3

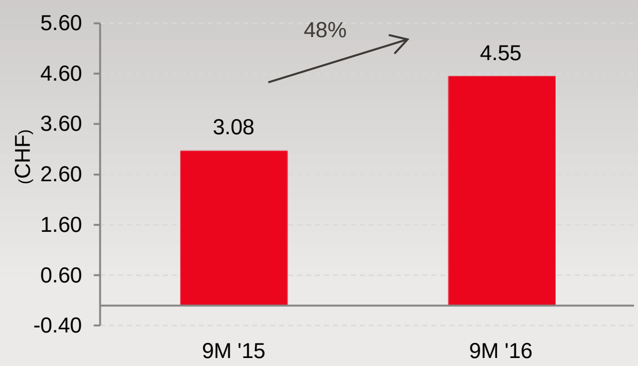
Cash EPS increases by 47.5% in 9M 2016

Q3 is the strongest quarter due to business seasonality

Cash EPS by quarter



Cash EPS 9M



Cash EPS analysis

	9M '16	9M '15
Cash EPS	**4.55**	**3.08**
Deffered taxes on acquisition-related amortization	-1.06	-0.65
Linearization	0.84	-0.21

- Pronounced increase in earnings and cash EPS growth in the second and third quarter
- Seasonality of earnings to remain more pronounced going forward due to WDF consolidation

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Cash flow statement

Strong free cash flow generation increasing by 64%

Cash flow statement

(CHF million)	9M 2016	9M 2015
EBITDA before other operational result	**685.4**	**508.0**
Changes in net working capital	143.2	(21.2)
Taxes paid	(65.2)	(52.7)
Other operational items	(53.3)	(10.0)
Dividends from associates	4.9	4.8
Net cash flow from operating activities	**715.0**	**428.9**
Capex	(197.6)	(108.6)
Interest received	18.3	6.1
Free cash flow	**535.7**	**326.4**
Restructuring and transaction costs of acquisitions	(15.8)	(57.8)
Proceeds from sale of interests / (investments) in subsidiaries and associates	3.8	(1,482.8)
Cash flow after investing activities	**523.7**	**(1,214.2)**
Interest paid	(173.8)	(85.4)
Proceeds from issuance of new shares, gross / Mandatory convertible notes, net	-	2,122.6
Arrangement fees paid, acquisition related financing costs and other	(1.0)	(45.3)
Cash flows related to minorities	(39.3)	(393.2)
Financial Investments	17.5	(13.9)
Cash flow used for financing	**(196.6)**	**1,584.8**
Change in Net Debt, before currency translation	**327.1**	**370.6**
Net debt from WDF		(988.5)
Currency translation	62.7	167.3
Net debt		
– at the begining of the period	3,955.9	2,354.5
– at the end of the period	3,566.1	2,805.0

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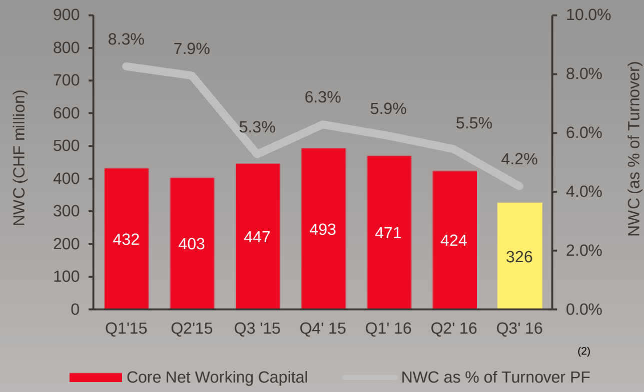
Capex & Net Working Capital

Core Net Working Capital continues at reduced levels

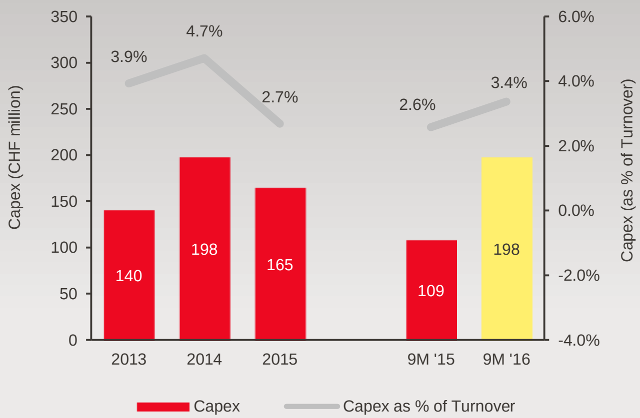
Capex in line with target

Core Net Working Capital[1] Evolution



(1) Inventories + Trade and credit card receivables - Trade payables (2) Adds LTM Turnover of acquisitions

Capex Evolution 9M 2016



- Improvement in net working capital management key for cash generation
- Core Net Working Capital behaves seasonally

- Overall capex target range of 3.0% - 3.5% of turnover confirmed.

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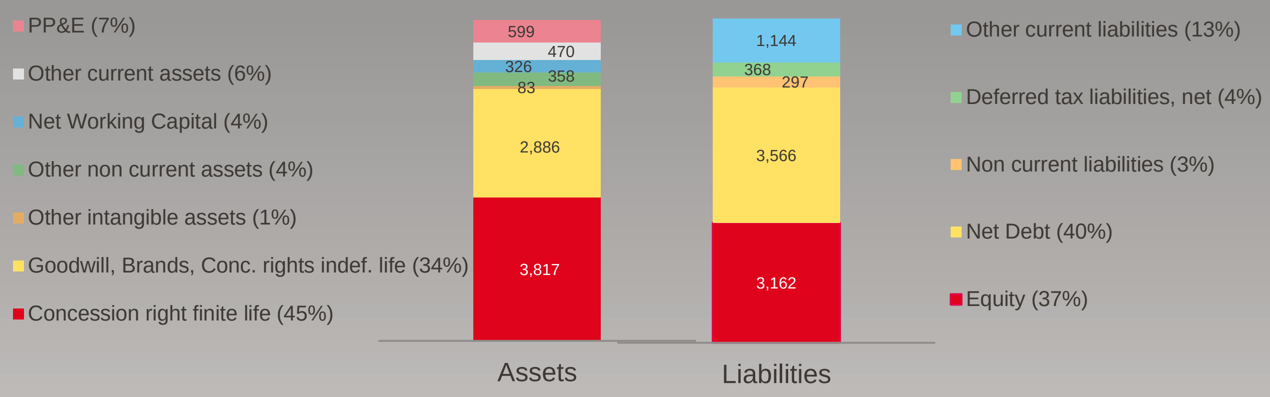
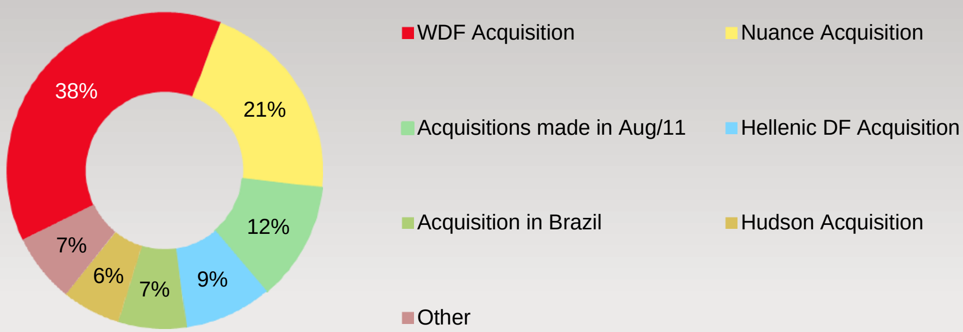
Balance sheet

Intangible assets mainly generated by acquisitions

Balance sheet as per 30.09.2016 (CHF million)



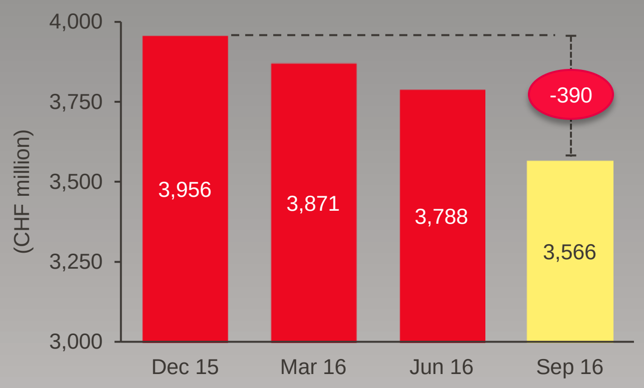
Intangible assets by transaction



Financing & Covenants

Net debt reduction of CHF 390 million since beginning of the year incl. CHF 221 million in the third quarter 2016

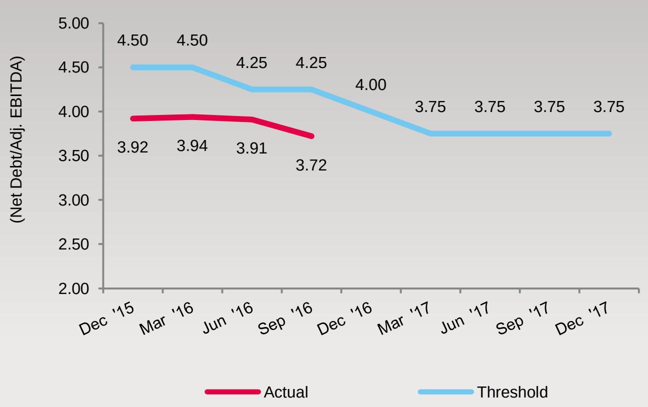
Net Debt Evolution



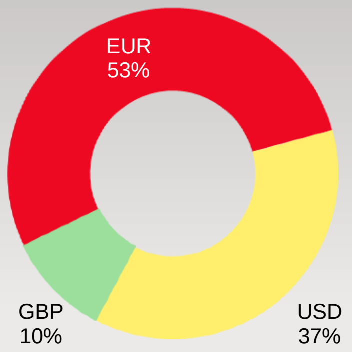
- Net debt further reduced by CHF 222.2 million in Q3 2016
- Covenants reduced to 3.72x below long-term threshold

Debt structure well reflecting revenue currencies

Covenants evolution



Debt by currency



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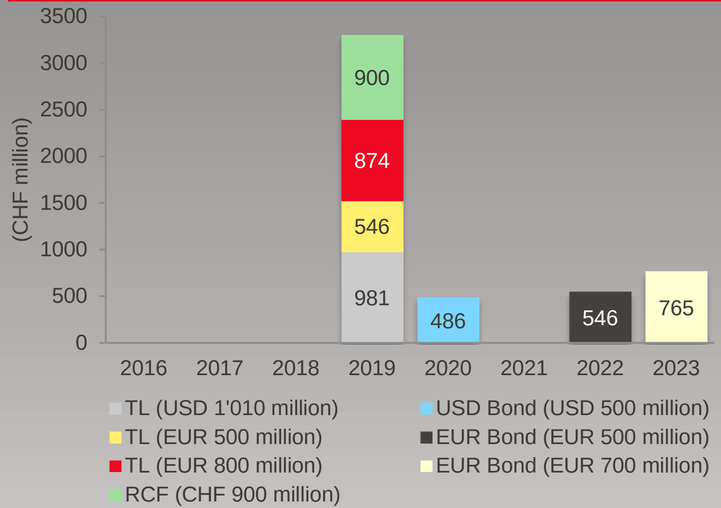
Debt structuring

No debt maturity until 2019

Cash flow allows for comfortable repayment of bond expiring in 2020

Debt maturity profile



- High cash position of CHF 816.6 million, which is only partly required operationally
- Repayment of 2020 USD bond (500 million) on December 2, 2016
- 5.5% coupon: annual interest costs of CHF 27.5 million to be saved
- Savings until maturity in excess of CHF 80 million
- One-off costs to be charged to Q4 2016 financial result:
  - CHF 13.5 million in cash
  - CHF 4.8 million non-cash

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3 CONCLUSION

Conclusion

Accelerate organic growth	• Continue to accelerate organic growth by:
	  • Driving sales
	  • Increasing retail space
	  • Refurbishing existing operations
	  • Accelerating commercial initiatives
	• Focus on cash generation and deleveraging

Drive cash generation and deleveraging	• World Duty Free integration
	  • Complete integration by end 2016; ahead of schedule
	  • Implement synergies of EUR 100 million;

World Duty Free integration to be completed ahead of plan	• Seasonality of the business accentuated going forward
	  • Q1 and Q4 to continue to be less important
	  • Q2 and Q3 to concentrate margins, cash generation and earnings
	• Going forward business performance to be less impacted by single markets due to successful diversification strategy and well balanced portfolio

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Thank you

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4 Appendix

Travel Industry Forecasts – Trends expect positive growth going forward

Positive prospects for the travel industry

Euro monitor

- Travel and tourism demand is expected to grow **4%** by **2020**
- Spain, Portugal and Croatia benefited from the shift of tourists flow from Middle East and Africa to the Mediterranean
- EU markets such as Ireland, Germany and Spain, along with the US, will experience the sharpest forecast change in volume
- Outbound flows from China will continue to be towards Asia Pacific

Verdict

- Global duty free market expected to expand to USD 64 billion by 2020, outpacing historic expansion levels: annual CAGR of 6.7% between 2015–2020.
- Asia Pacific as the most dynamic region 2010-2020: to expand share by 16%.
- Global growth will mainly be driven by an increase of international travellers, expansion of low cost airlines and new air routes across the world.

M1nd-set Generation

- Duty free industry to double until 2025 (~US$ 62 bn in 2015), **CAGR of 6.8%**
  - Acceleration in the growth of travelers from emerging countries and in international travel
  - innovation from within the industry;
  - and improved marketing and premiumization of the offer.
- Border, port and cruise ship outlets and downtown shops will see the fastest growth

IATA

- Annual traffic forecasts to grow at **CAGR 5.3%** during **2015-2019**
- RPKs are forecast to slow in **2016** but remain above-trend at **6.2%**, even though a sluggish world economy

DUFRY