9M 2017 Results

Ongoing strong growth and acceleration of cash flow generation

October 31, 2017

DUFRY

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AGENDA

1. Nine Months 2017 Results

2. Financials 9M 2017

3. Considering IPO of North American Business

4. Conclusion

1 Nine Months Results 2017

Strong organic growth of 7.9% in the 9M ‘17

Gross profit margin expands by 100 bps to 59.4% in the 9M ‘17

EBITDA grows to CHF 743.6 million in the 9M ’17; 9.3% growth in Q3 ‘17

Robust free cash flow of CHF 464.6 million in the 9M ‘17 (CHF 337.1 million in Q3)

Highlights 9M 2017

Strong organic growth in the 9M 2017: 7.9%

WDF synergies driving gross profit margin

Deleveraging ongoing with net debt reducing of close to CHF 275 million YTD

- Organic growth reaches +7.9% in the 9M 2017
  - Turnover increased by 6.7% and reached CHF 6,270.5 million in the first nine months of 2017
  - Organic growth in Q3 2017 of +7.6%
- Gross profit margin expands by 100 bps to 59.4% from 58.4% in the 9M 2016
- EBITDA grows by 8.5% and reaches CHF 743.6 million
  - EBITDA margin expands to 11.9%
- Cash EPS in the 9M 2017 grows by close to 28% to CHF 5.81 from CHF 4.55 in the 9M 2016
- Free cash flow of CHF 464.6 million in the first nine months of 2017
  - Strong free cash flow in the third quarter of CHF 337.1 million, a record for the company
- Net debt reduced by nearly CHF 275 million by September 2017 compared to December 2016
- Over 20,500 m^2 of retail space opened across 135 shops, through new openings and expansions
- Over 23,000 m^2 of commercial area refurbished in 60 shops
- Contracts signed that will add 18,000 m^2 to the portfolio in the remainder of 2017 and in 2018

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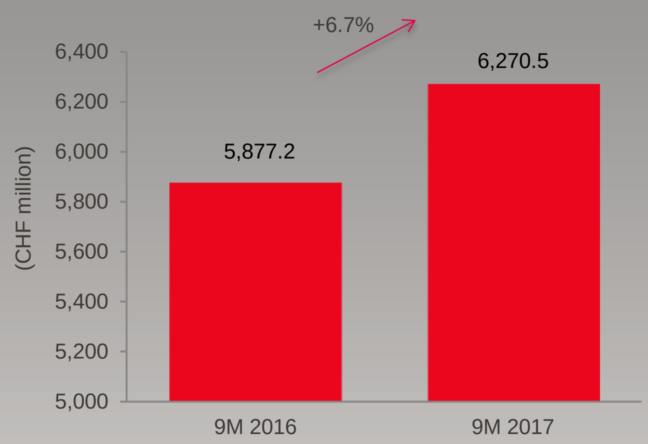
Turnover analysis

Turnover growths by 6.7%

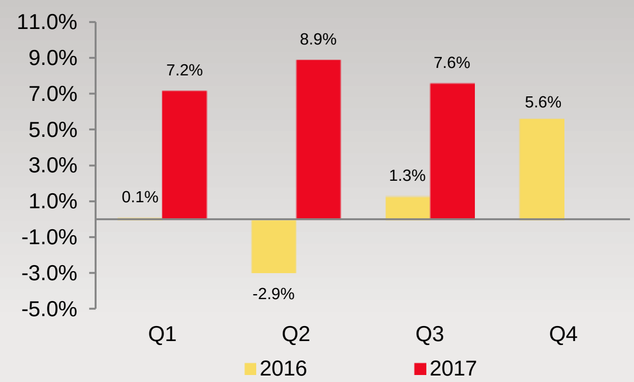
All divisions with positive organic growth YTD

Brazilian and Russian travellers impacting organic growth positively

Turnover evolution



Organic growth evolution



Note: Until Q3 '16 pro-forma including WDF

- Strong organic growth in 9M 2017 at +7.9%
- Good performance in all locations
  - Strong summer in the Mediterranean
  - UK confirms good performance post Brexit
  - Ongoing strong performance in Brazil
  - Russian passengers drive growth in Russian market as well as Turkey; also support growth in Greece
  - Middle East and Asia returning to positive organic growth through strong Q3
- Trading Update
  - Positive trends in most operations continue
  - Q4 2017 with higher comparison base

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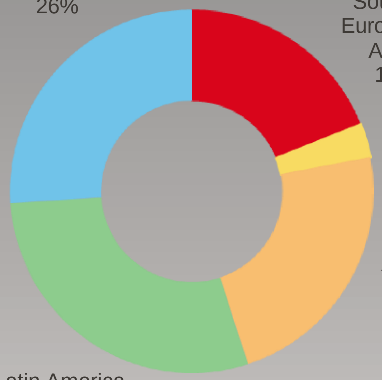
Dufry has opened close to 20,500 m² of gross retail space in 9M 2017

Over 20,500 m² of gross retail space opened in the 9M 2017

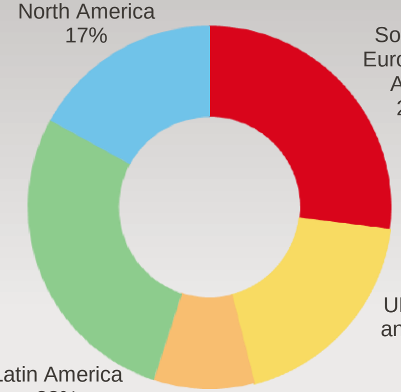
Openings - 9M 2017



- Over 20,500 m² of gross retail space opened, including new shops and expansions

Over 23,000 m² of retail space refurbished in the 9M 2017

Over 23,000 m² of shops refurbished in 9M 2017



Region	Selected Locations
Southern Europe and Africa	Madrid, Athens, Guadeloupe
UK, Central and Eastern Europe	Gatwick, Bristol, Heathrow
Asia, Middle East and Australia	Melbourne
Latin America	Barbados, Buenos Aires
North America	Vancouver, Toronto, Las Vegas, Los Angeles

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18,000 m² additional retail space signed for 17/18

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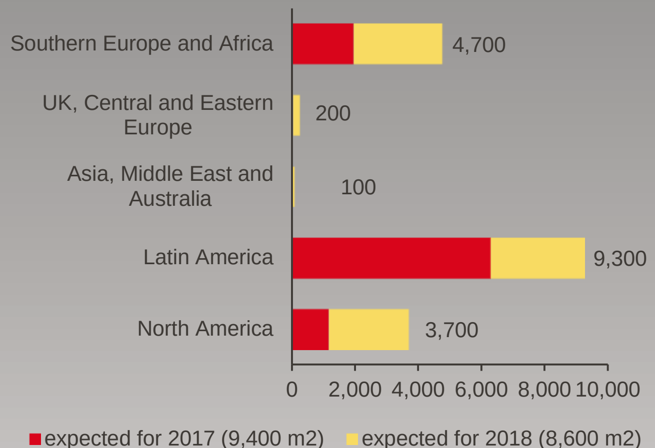
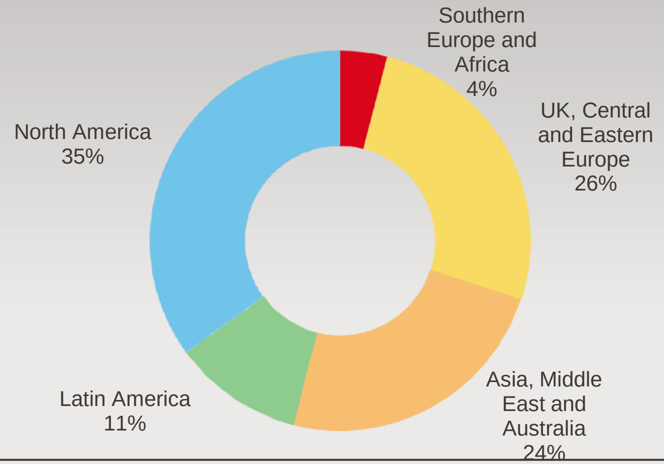
Strong pipeline
of potential new
projects

18,000 m² signed space



Project Pipeline: 38,000 m²



- Contract renewals and pursue of new concession is an important part of our activities
- 18,000 m² of new contracts signed to be opened in 2017 and 2018

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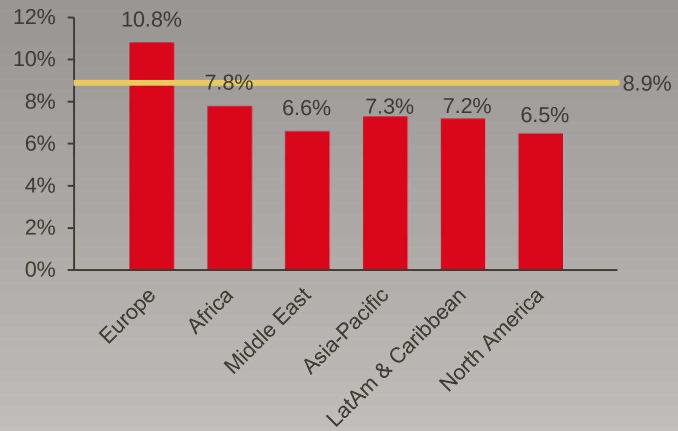
Organic growth: Positive forecasts for ongoing passenger growth

Healthy international PAX growth

International PAX growth - 2017*



* August YTD
Source: ACI

International PAX growth forecast

	2017	2018	2019
Europe	8.6%	8.0%	5.2%
Africa	2.8%	3.4%	2.3%
Asia/Pacific	9.5%	8.2%	7.4%
Middle East	7.7%	5.8%	5.4%
LatAm/Caribbean	5.3%	5.9%	5.4%
North America	6.2%	5.8%	4.4%
World in total	**8.1%**	**7.4%**	**5.6%**

Source: Air4casts (01/10/2017)

- Strong passenger growth so far in 2017

Expectations continue strong

- 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

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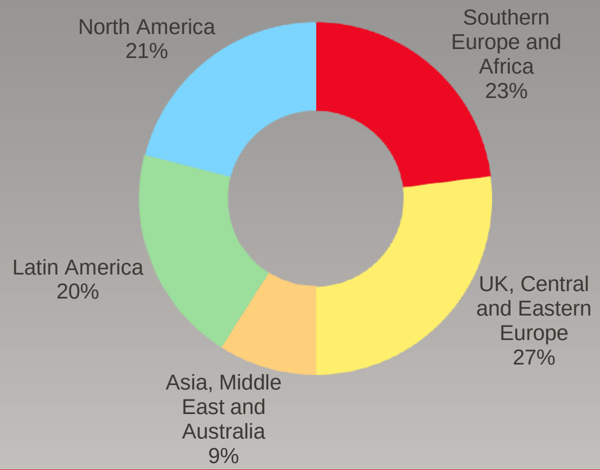
Dufry's Segmentation

Balanced concession portfolio across divisions

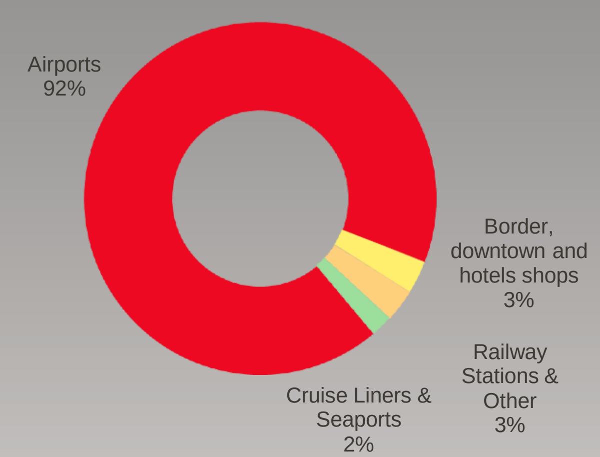
Airport is the most important channel

Further opportunities in duty-free and duty-paid

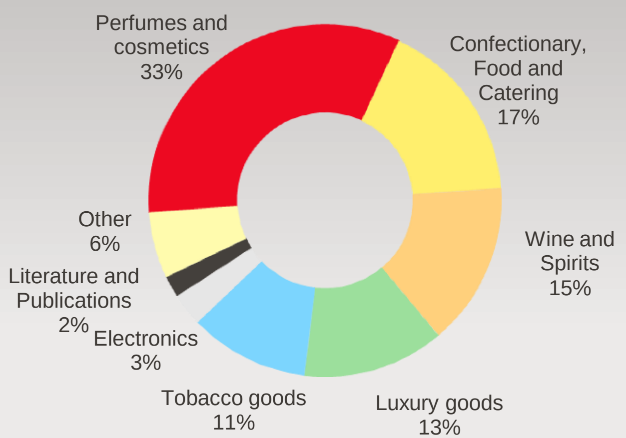
Dufry by Division 9M 2017



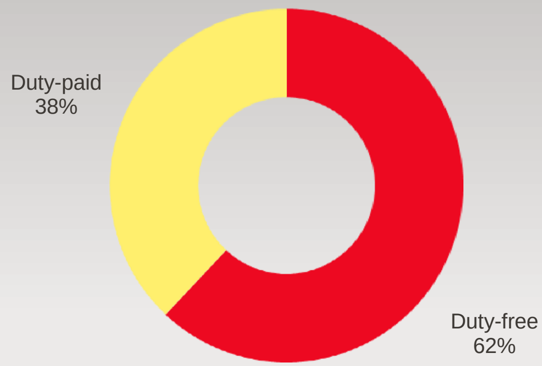
Dufry by Channel 9M 2017



Dufry by Category 9M 2017



Dufry by Sector 9M 2017



Note: Based on net sales

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Priorities going forward

Ongoing focus on driving organic growth

BOM implementation progressing according to plan

Cash generation and deleveraging remain priorities

- **Drive organic growth**
  - Increase spend per passenger
    - Accelerate commercial initiatives
    - Shop Development Plan: 70,000 m^2 to be opened or refurbished in 2017
    - Digitalization (New Generation Store, Digitalization of Employees, RED by Dufry, Reserve & Collect)
  - New concessions and expansions
- **Focus on cash generation & deleverage:** Medium-term leverage of below 3x net debt/EBITDA remains unchanged
- **Implementation of new Business Operating Model (BOM)**
  - First two countries (Mexico and Switzerland) completed and certified
  - 17 further countries currently implementing
- **First New Generation Stores opened**
  - New Generation stores in Melbourne and Madrid already opened
  - Heathrow, Zurich and Cancun to be opened in the next quarters


Productos exclusivos para viajeros como tú
BAILEYS
The ORIGINAL Irish Cream
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Nossa prioridade
é que você leve a
melhor recordação
ckIN2U
Calvin Klein
eau de toilette spray/vaporisateur
3.4 FL OZ 100 ml e
ck
Nossa prioridade
é que você leve a
melhor recordação
ckIN2U
ck
Nossa prioridade
é que você leve a
melhor recordação
ckIN2U
ck


VERSACE
pour homme
DYLAN
BLUE
VERSACE
pour homme
DYLAN
BLUE
VERSACE
pour homme
DYLAN
BLUE
A RITUAL
PROCESS
THAT RESULTS IN OUR
COMPLEX
FLAVOR
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FLAVOR


elhor recordação
ossa prioridade
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melhor recordação
Dior
Nossa prioridade
é que você leve a
melhor recordação


Productos exclusivos
para viajeros
como tú
BAILEYS
The ORIGINAL
Irish Cream
Dior
O·P·I

2 FINANCIALS
9M 2017

Growth performance by division

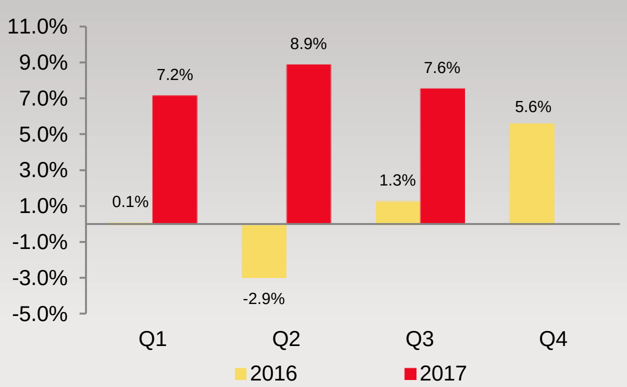
Strong organic growth in Q3 2017, despite higher comparables

Asia, Middle East and Australia with strong organic growth in Q3

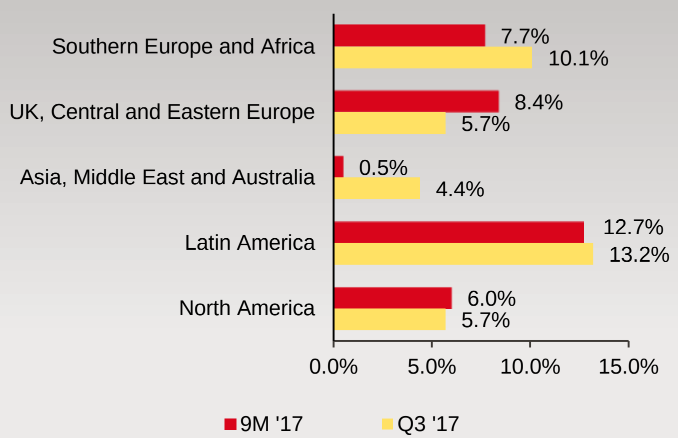
Reported growth components

	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17
Like for Like	-6.2%	-7.7%	-0.6%	5.0%	7.2%	8.7%	6.4%
New concessions, net	1.0%	0.4%	0.9%	0.6%	0.0%	0.2%	1.2%
Organic growth	**-5.2%**	**-7.3%**	**0.3%**	**5.6%**	**7.2%**	**8.9%**	**7.6%**
Changes in scope	63.0%	68.5%	15.2%	-0.8%	-0.6%	-0.5%	0.0%
Growth in constant FX	**57.8%**	**61.2%**	**15.5%**	**4.8%**	**6.6%**	**8.4%**	**7.6%**
FX impact	2.2%	2.5%	-1.4%	-3.3%	-1.9%	-1.6%	0.5%
Reported Growth	**60.0%**	**63.7%**	**14.1%**	**1.5%**	**4.7%**	**6.8%**	**8.1%**
Organic growth including WDF	**0.1%**	**-2.9%**	**1.3%**	**5.6%**	**7.2%**	**8.9%**	**7.6%**

Organic growth evolution



Organic growth 9M 2017



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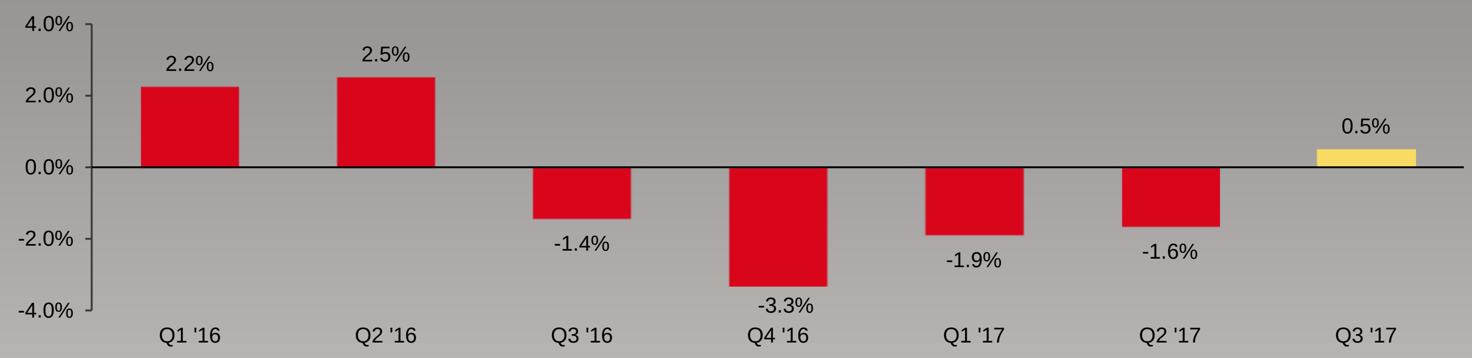
Aggregated FX development

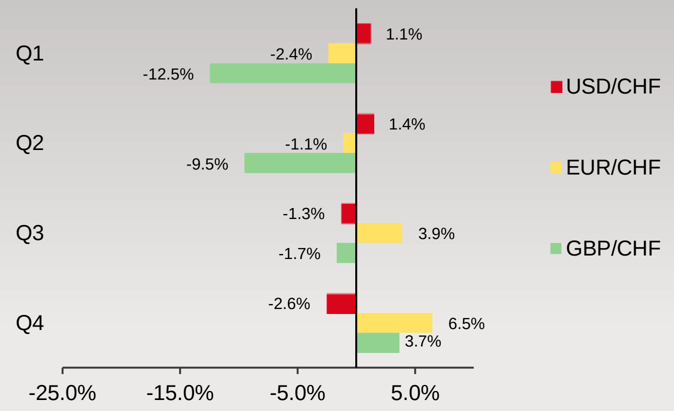
Translational FX impact turned negative in Q3 2016 due to GBP

Appreciation of EUR benefits FY impact

Translational FX impact

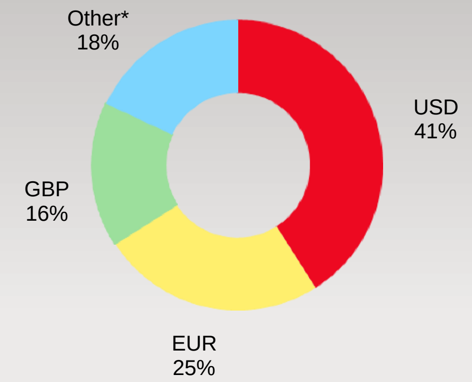


Main currencies development



Note: Q4 until 16/10/2017

Turnover by currency 9M '17



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

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Income statement 9M 2017

Strong turnover growth driven by organic growth

Cash earnings adds back the portion of amortization related to acquisitions

Income statement 9M 2017

(CHF million)	9M 2017	%	9M 2016	%
Turnover	**6,270.5**	100.0%	**5,877.2**	100.0%
Gross profit	**3,726.4**	59.4%	**3,434.7**	58.4%
Concession fees	(1,741.2)	-27.8%	(1,601.2)	-27.2%
Personnel expenses	(844.7)	-13.5%	(792.8)	-13.5%
Other expenses	(394.5)	-6.3%	(358.0)	-6.1%
Share of result of associates	(2.4)	0.0%	2.7	0.0%
EBITDA[(1)]	**743.6**	11.9%	**685.4**	11.7%
Depreciation	(120.7)	-1.9%	(118.4)	-2.0%
Amortization	(268.3)	-4.3%	(285.2)	-4.9%
Linearization	(35.1)	-0.6%	(45.3)	-0.8%
Other operational result	(27.5)	-0.4%	(42.9)	-0.7%
EBIT	**292.0**	4.7%	**193.6**	3.3%
Financial result	(132.9)	-2.1%	(151.6)	-2.6%
EBT	**159.1**	2.5%	**42.0**	0.7%
Income tax	(37.1)	-0.6%	(12.1)	-0.2%
Net Earnings	**122.0**	1.9%	**29.9**	0.5%
Non-controlling interests	(37.3)	-0.6%	(29.7)	-0.5%
Net Earnings to equity holders	**84.7**	1.4%	**0.2**	0.0%
Cash Earnings	**312.3**	5.0%	**244.5**	4.2%

(1) Before other operational results

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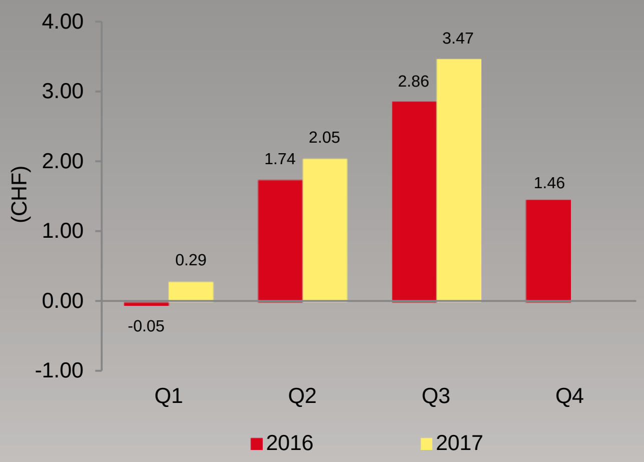
Cash earnings – strong growth in 9M 2017

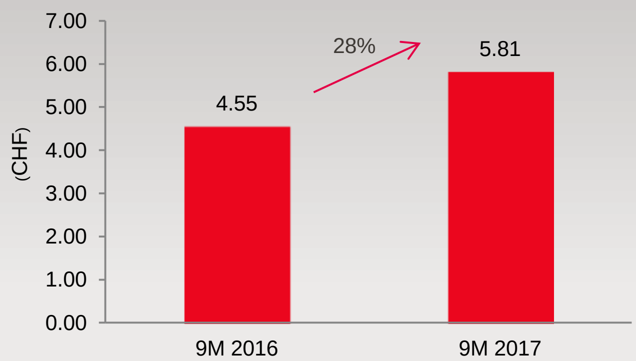
Cash EPS improves from CHF 4.55 in 9M 2016 to CHF 5.81 in 9M 2017

Pronounced seasonality of earnings to remain unchanged

Cash EPS by quarter



Cash EPS 9M



Cash EPS analysis

	9M 2017	9M 2016
Cash EPS	**5.81**	**4.55**
Deffered taxes on acquisition-related amortization	-0.79	-1.06
Linearization	0.65	0.84

- Strong growth of earnings and cash EPS
- Seasonality of earnings to remain more pronounced going forward

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Cash flow statement

Strong cash generation in the 9M 2017

Cash conversion of 62% (free cash flow / EBITDA)

Tight working capital and Capex management drove positive results

Cash flow statement

(CHF million)	9M 2017	9M 2016
EBITDA before other operational result	**743.6**	**685.4**
Changes in net working capital	(6.5)	143.2
Taxes paid	(69.4)	(65.2)
Other operational items	(10.0)	(53.3)
Dividends from associates	4.9	4.9
Net cash flow from operating activities	**662.6**	**715.0**
Capex	(217.3)	(197.6)
Interest received	19.3	18.3
Free cash flow	**464.6**	**535.7**
Restructuring and transaction costs of acquisitions	0.1	(15.8)
Proceeds from sale of interests / (investments) in subsidiaries and associates	-	3.8
Cash flow after investing activities	**464.7**	**523.7**
Interest paid	(159.1)	(173.8)
Arrangement fees paid, acquisition related financing costs and other	(0.7)	(1.0)
Cash flows related to minorities	(34.3)	(39.3)
Financial investments	(0.1)	17.5
Cash flow used for financing	**(194.2)**	**(196.6)**
Change in Net Debt, before currency translation	**270.5**	**327.1**
Currency translation	4.2	62.7
Net debt		
– at the begining of the period	3,750.4	3,955.9
– at the end of the period	3,475.7	3,566.1

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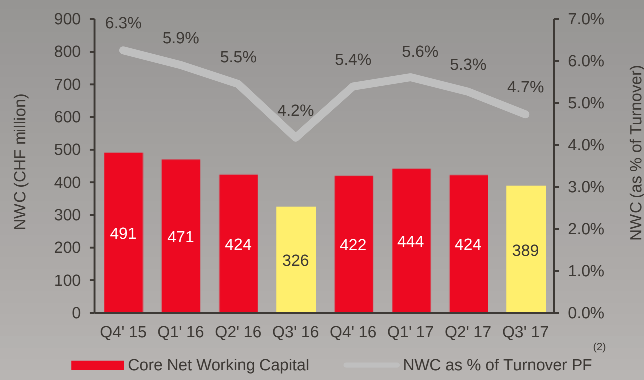
Capex & Net Working Capital

Core Net Working Capital continues at reduced levels

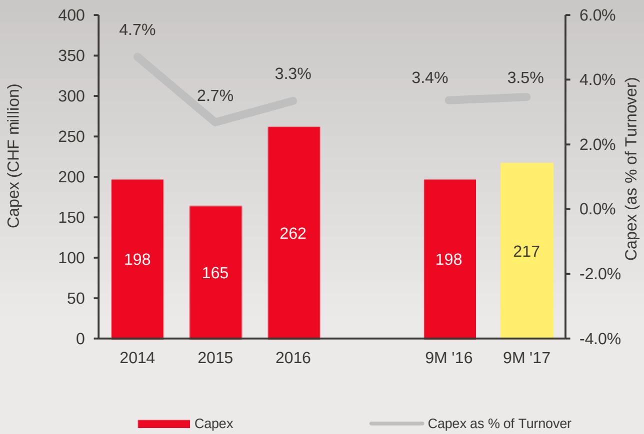
Core Net Working Capital(1)



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

Capex in line with target

Capex evolution



- Core net working capital within expected levels
- Expectation for FY 2017 core net working capital of 5-6% of turnover
- Capex target for FY 2017 of 3.0% - 3.5% of turnover confirmed

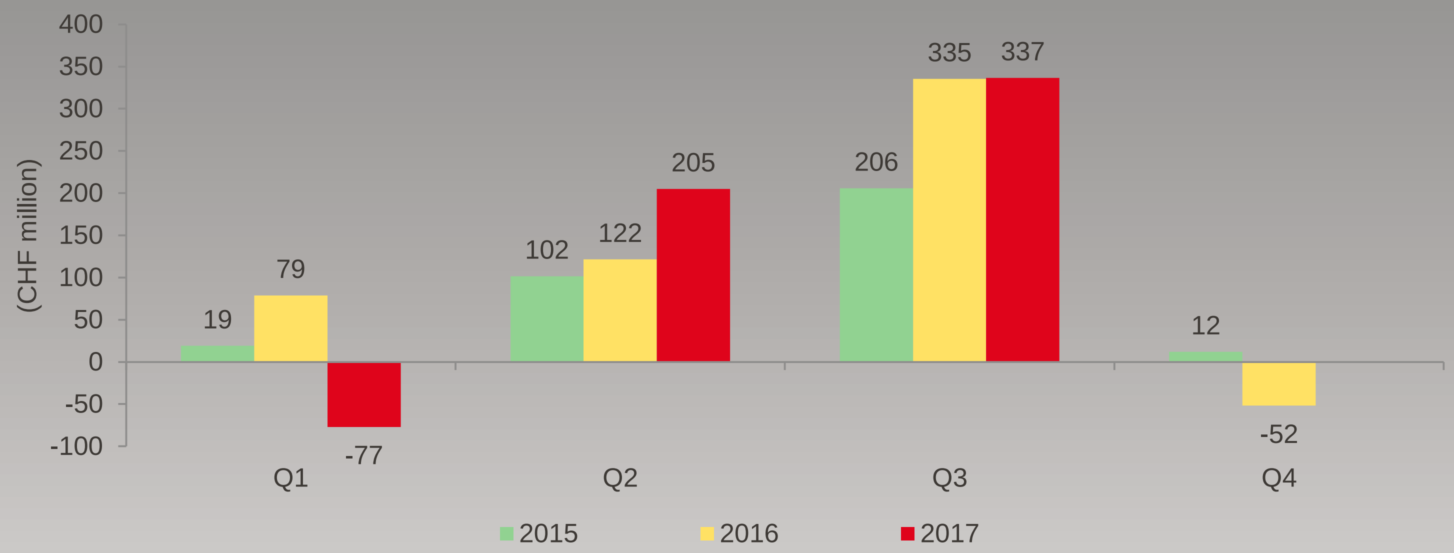
Seasonality of cash generation

Strong seasonality in cash generation

Q3 typically strongest quarter

Positive trends point to higher free cash flow for FY 2017

Seasonality of cash generation – Free cash flow



- Due to seasonality, biggest cash generation in Q3
- Strong cash generation in Q3, maintaining high levels of 2016

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Balance sheet

No significant changes in the balance sheet 9M 2017

Intangible assets mainly generated by acquisitions

Summary balance sheet as per 30.09.2017

(CHF million)	30.09.2017	31.12.2016	Variation
Concession right finite life	3,584	3,780	-196
Goodwill, Brands, Conc. rights indef. life	2,960	2,923	37
Other intangible assets	102	84	18
Other non current assets	379	336	43
Core Net Working Capital	389	422	-33
Other current assets	540	528	12
PP&E	631	629	1
Total	**8,585**	**8,702**	**-117**
Equity	3,356	3,271	85
Net Debt	3,476	3,750	-275
Non current liabilities	334	346	-11
Deferred tax liabilities, net	301	339	-38
Other current liabilities	1,118	996	122
Total	**8,585**	**8,702**	**-117**

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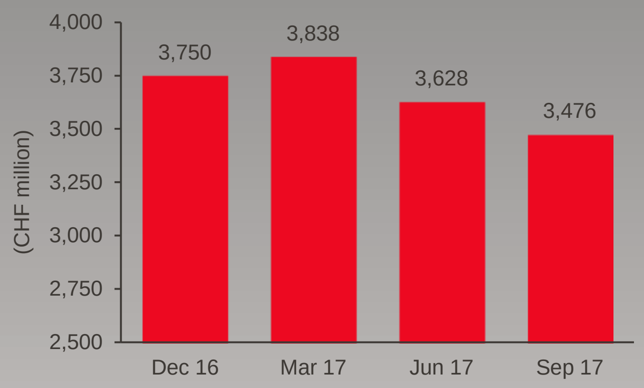
Financing & Covenants

No debt maturity until 2019

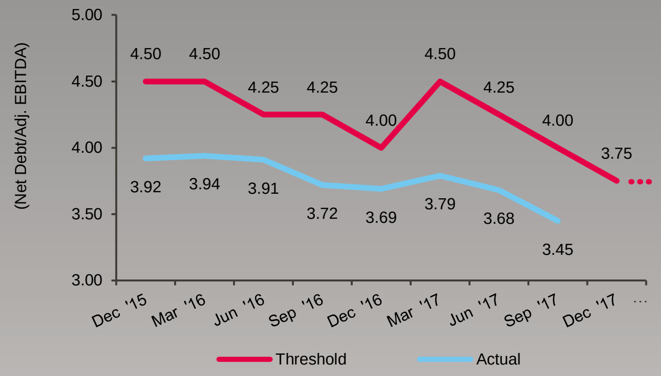
Deleveraging to continue in 2017

Comfortable headroom on covenants

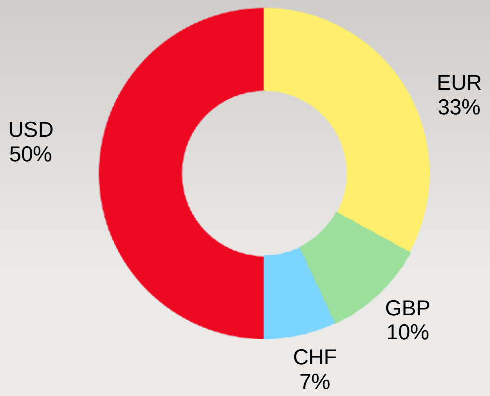
Net Debt Evolution



Covenants evolution



Debt by currency



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New EUR 800 million Senior Notes in place and bank financing under review

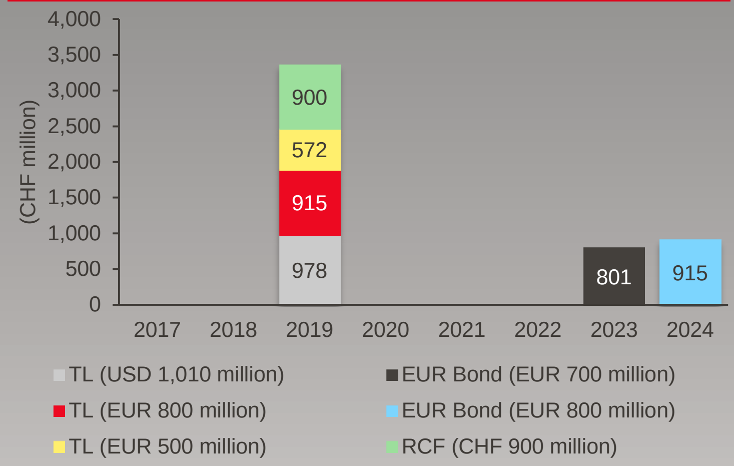
New Senior Notes with coupon of 2.5%

Proceeds to be used for the repayment of 2022 Senior Notes and reduce bank debt

Refinancing of bank debt sought for the near future

- New EUR 800 million Senior Notes launched in October 2017
  - Maturity in 2024
  - Coupon of 2.5%
  - Proceeds used to repay former EUR 500 million Senior Notes expiring 2022 with a coupon of 4.5% as well as reduce bank debt

Debt maturity profile



- The new EUR 800 million Senior notes Dufry reduces the like-for-like interest cost by CHF 10 million as compared to the cost of the previous bond.

- Dufry is currently working on the refinancing of its bank facilities.

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3 Dufry Considering IPO of North American Business

Potential listing of North American business

Dufry considering an IPO of its North American business

No final decision taken yet

Dufry would retain majority interest and continue to consolidate

- IPO of the North American business of Dufry remains under consideration
- IPO considerations:
  - Dufry would keep a majority ownership stake in the business
  - Dufry would continue to consolidate the business
  - North American business will remain highly integrated, thus sustaining the efficiencies in place for both units
- IPO would allow to reflect difference of North American travel retail market and accelerate financial flexibility
  - In North America F&B is a more significant opportunity as compared to other regions of the world. There are a range of concepts, many of which close to retail (grab & go, prepared food)
  - Different airport management model as compared to other geographic region with Developers vs. Master Operators vs. Fee Managers
  - ACDBE requirements for minority partners

Retain control to continue to harvest global synergies

Dufry Group

Global leader in travel retail operating in 64 countries in 380 locations

- Keep majority stake in the North American division and continue to consolidate it
- Group to continue sharing best practices and overall global efficiencies to North American division
- Proceeds from IPO would allow Dufry to deleverage faster, increase flexibility for further M&A and for returning cash to shareholders

The IPO of Dufry's North American division enables each company to focus on its respective growth objectives and distinct business drivers

Dufry North America

Leader in North America with 947 shops in 86 locations

- Increased strategic and financial flexibility to pursue growth opportunities non-core to Dufry Group, e.g., food and beverages and master airport concessions

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4 CONCLUSION

Conclusion

Continue organic growth acceleration	• Strong organic growth : 7.9% in 9M 2017
	  • Pursue initiatives to further drive spend per passenger
	    • Accelerating commercial initiatives
	    • Digitalization of business
	    • Refurbishing existing operations
	  • New concessions and expansions

Drive cash generation and deleveraging	• Implementation of new business operating model (BOM) on track: • First wave includes 17 countries; implementation to be completed FY 2018

Execute implementation of Business Operating Model	• Implement digital strategy to drive sales by increasing conversion rates and spend per passenger; key elements of the strategy are:
	  • Intensified customer research
	  • Store & employee digitalization: Melbourne and Madrid T4 opened; Cancun, Zurich and Heathrow coming soon
	  • Omni-channel communication to customers
	  • RED by Dufry and Reserve & Collect service
	• Focus on cash generation and deleveraging

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Thank you

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