HY 2018 Results

Record EBITDA & free cash flow generation

August 3, 2018

DUFRY

Legal Disclaimer

Information in this presentation may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to Dufry AG (the “Company”) as of the date of this release, and we assume no duty to update any such forward-looking statements. Factors that could affect the Company’s forward-looking statements include, among other things: global GDP trends, competition in the markets in which the Company operates, unfavorable changes in airline passenger traffic, unfavorable changes in taxation and restrictions on the duty-free sale in countries where the company operates.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. There can be no assurance that any transaction will be pursued or consummated.

AGENDA

1. HY 2018 Results

2. HY 2018 Financials

3. Conclusion

DUFRY

1 HY 2018 results

Strong turnover growth of 7.2%, with organic growth at 5.5% in HY 2018

Gross profit reaches CHF 2,450.6 million with gross margin at 59.8%, an increases of 30 bps

EBITDA reaches CHF 464.1 million and EBITDA margin expands to 11.3% (+50 bps YoY), benefitted by gross profit margin improvements and BOM efficiencies

Record free cash flow of CHF 330.2 million from CHF 127.6 million in H1 2017

Record equity free cash flow of CHF 222.2 million, from CHF 16.5 million in H1 2017

Highlights HY 2018

Strong organic growth of 5.5% despite higher comparables

EBITDA margin expands by 50 bps

Cash EPS grows by 14.5% to CHF 2.68

- Turnover increased by 7.2% to CHF 4,097.1 million
- Strong organic growth of +5.5% in the first half of 2018
  - 13,200 m^2 of retail space opened across 109 shops, through new openings and expansions
  - 22,400 m^2 of commercial area refurbished in 41 shops
  - Contracts signed that will add 14,100 m^2 to the portfolio in the remainder of 2018 and 2019
- Gross profit margin expands by 30 bps to 59.8% from 59.5% in HY 2017
- EBITDA margin expands by 50 bps to 11.3% from 10.8% in HY 2017
  - EBITDA grows by 12.9% and reaches CHF 464.1 million
- Cash EPS in HY 2018 grows by 14.5% to CHF 2.68 from CHF 2.34 in HY 2017
- Free cash flow in HY 2018 of CHF 330.2 million; more than doubled as compared to HY 2017 (CHF 127.6 million)
- Equity free cash flow of CHF 222.2 million in HY 2018 versus CHF 16.5 million in the previous year

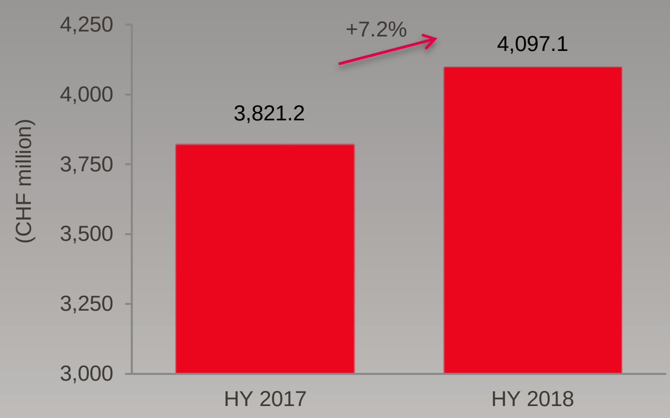
DUFRY

Turnover analysis

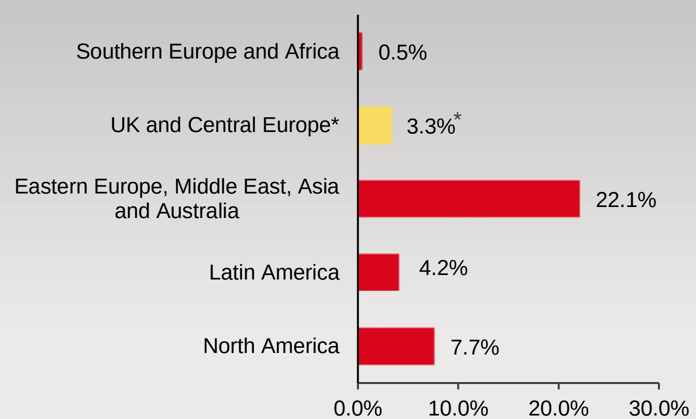
Turnover grows by 7.2%

Solid contribution of net new concessions

Turnover evolution



Organic growth by division HY 2018



* Excluding the loss of Geneva. Including Geneva, organic growth of -1.2%.

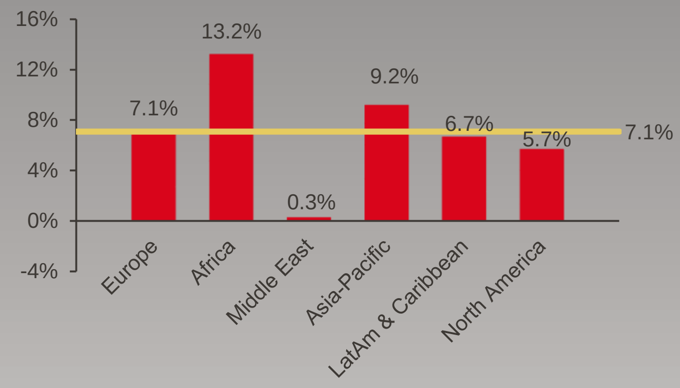
- Turnover grew by 7.2%
- Turnover expansion supported by both like-for-like and net new concessions contributions
  - Solid contribution of net new concessions (+2.0%)
- All divisions with positive organic growth*
  - Brazil and Argentina impacted by USD appreciation
  - Spain seeing tourist shift to Turkey and Greece; overall increase in PAX driven by domestic passengers
- Trading Update

DUFRY

Resilient passenger traffic

Healthy international PAX growth

International PAX growth – HY 2018*



Source: ACI
* Until April 2018

International PAX growth forecast

	2018	2019	2020
Europe	7.1%	6.1%	5.4%
Africa	10.3%	4.1%	3.3%
Asia/Pacific	9.3%	8.4%	7.6%
Middle East	3.4%	4.6%	4.6%
LatAm/Caribbean	6.0%	5.2%	5.2%
North America	4.5%	4.5%	4.1%
World in total	**7.2%**	**6.3%**	**5.7%**

Source: Air4casts (01/08/2018)

Forecast continue strong

- Strong passenger growth in HY 2018
- 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

PAX = Passengers

DUFRY

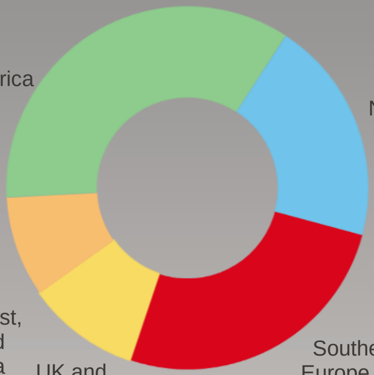
Dufry has opened 13,200 m² of gross retail space in HY 2018

13,200 m² of gross retail space opened in HY 2018

22,400 m² of retail space refurbished in HY 2018

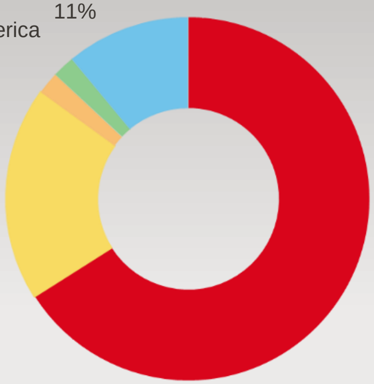
446,700 m² of retail space operated in total

13,200 m² of gross retail space opened



- Madrid: 4 new stores (500 m²)
- Malaysia: 1 new store (1,000 m² – partially open)
- Cruise: 12 new ships / 38 stores (3,500 m²)
- Several locations in North America: 23 new stores (2,100 m²)

22,400 m² of shops refurbished



- Malaga: 3 stores (2,900 m²)
- Heraklion (Greece): Main store (1,600 m²)
- Toulouse: Main store (1,700 m²)
- Malta: Main store (1,100 m²)
- Heathrow T3: New generation store (2,500 m²)
- Liverpool: Main store (800 m²)

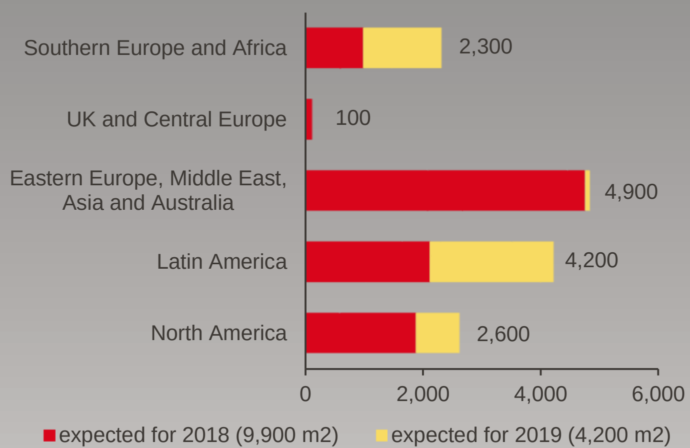
DUFRY

14,100 m² of signed space to be opened in 2018/19

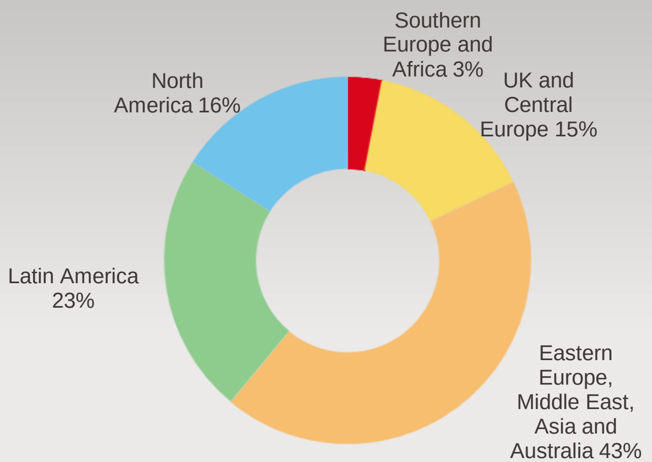
14,100 m² of signed space to be opened in 2018/19

40,800 m² of retail space in the pipeline

14,100 m² signed space



Project Pipeline: 40,800 m²



- MTR railway station (Hong Kong): 2 stores (1,500 m²)
- Perth (Australia): 4 stores (2,800 m²)
- Chicago Midway: 13 stores (1,500 m²)
- Boston Logan: 11 stores (700 m²)

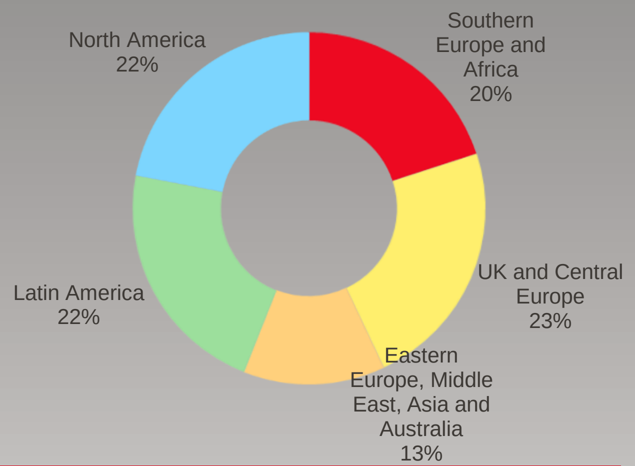
- Pipeline includes projects Dufry is currently actively working at
- Most opportunities in Eastern Europe, Middle East, Asia and Australia and the Americas
- Opportunities across different channels

DUFRY

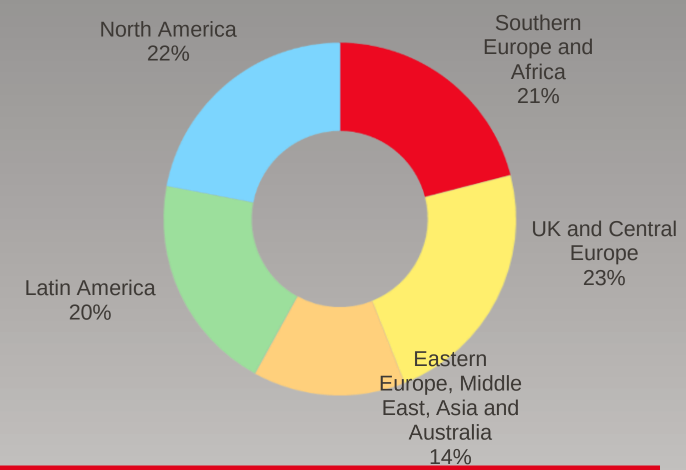
Comparison Dufry's Segmentation 2017 / 2018 (1)

Balanced concession portfolio across divisions

Dufry by Division HY 2017

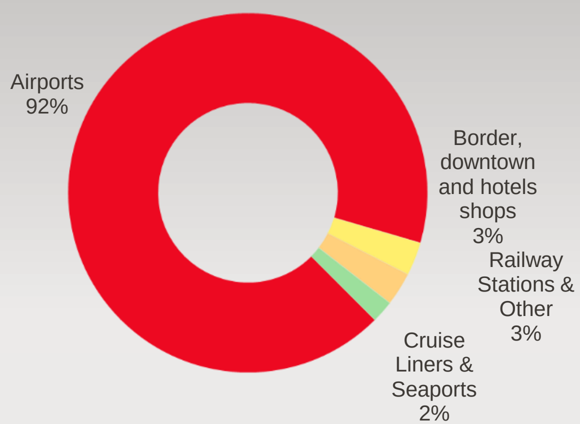


Dufry by Division HY 2018

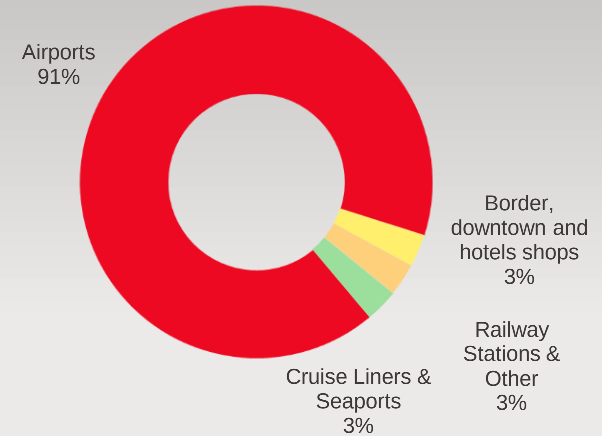


Increasing importance of Cruise Liners

Dufry by Channel HY 2017



Dufry by Channel HY 2018



Note: Based on net sales

DUFRY

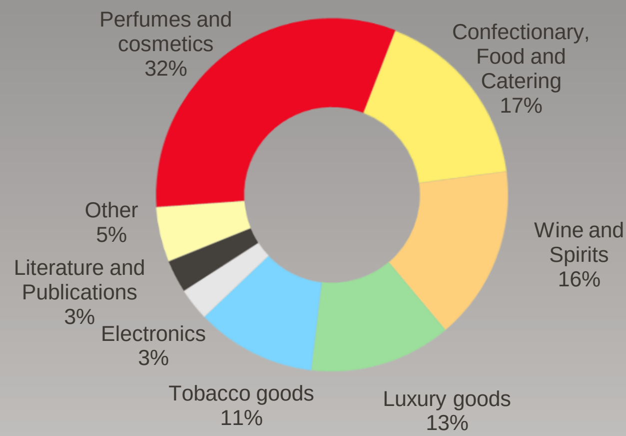
Comparison Dufry's Segmentation 2017 / 2018 (2)

Further increase of P&C

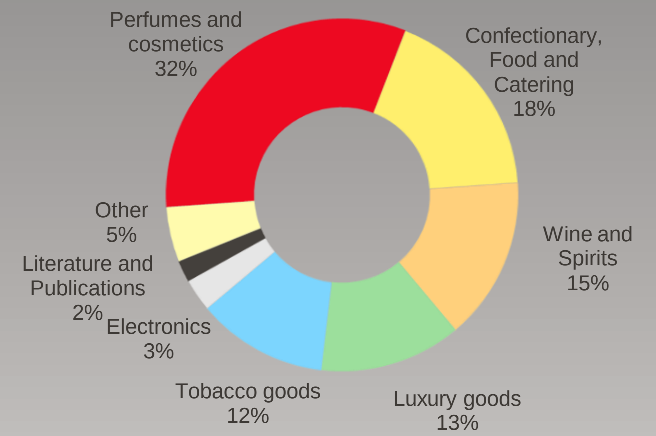
Reduced share of "Literature and Publications"

Further opportunities in duty-free and duty-paid

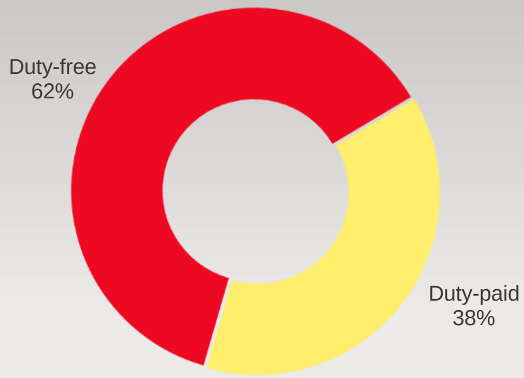
Dufry by Category HY 2017



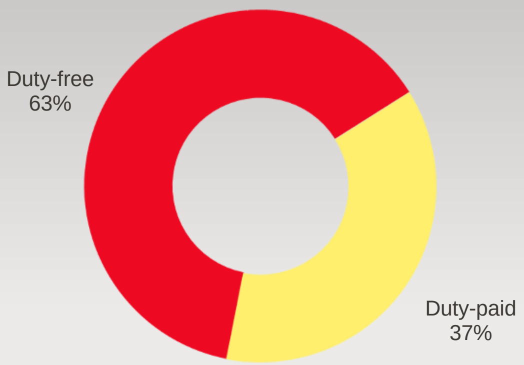
Dufry by Category HY 2018



Dufry by Sector HY 2017



Dufry by Sector HY 2018



Note: Based on net sales

DUFRY

Business Operating Model (BOM) implementation on track

BOM roll out being executed according to plan

First efficiencies of CHF 26 million expected for FY 2018

- Business operating model (BOM) implementation according to plan
  - Currently being implemented in Europe, Middle East and South America
  - BOM launched in 39 countries in total; of which already 14 are certified
- Expected efficiencies of CHF 50 million; of which CHF 26 million for FY 2018
  - BOM implementation delivers first efficiencies in HY 2018
- Scope of the business operating model:
  - Focus on standardization across the Group
    - IT systems (ERP)
    - Organization
    - Process and procedures
    - Supply Chain
      - Leverage full buying and logistics scale
      - Advertising & promotion;
      - Masterdata / Global catalogue homogenization
    - Global implementation of E-Motion
  - Strengthened role of divisions through division BOM implementation teams

DUFRY

Update on Dufry Digital Strategy

E-Motion strategy focused on driving sales

Initiatives	Core functionalities
Reserve & Collect (E-Commerce)	Online site • Content management / RED integration / Customer Service Online assortment Online Payments Reserve & Collect (Pick-up on departures/arrivals)
RED by Dufry (loyalty programme)	• Earn & burn startegy • Personalized benefits depending on traveler profile • Awareness in-store
Sales Tablet	• Mobile payments and training resources • Personalization engine (cross & up sell)
Social Media & Forum	• Connection to airport's and brand's social channels • Content aggregator and reputation management
New Generation Store (NGS)	New Generation Stores – «experienced based stores» • Self-check-out at stores • Plug & Play solution

Ongoing roll-out and extension of in-shop and online services for customers

E-Motion further execution

- Successful launch of NGS stores during 2017; Melbourne, Madrid, Cancun T4, Zurich. London Heathrow opened in Q1 2018; Cancun T3 planned for 2018; Buenos Aires and Amman for 2019
- Strengthen communication of brand stories, novelties, exclusives etc.
- Reserve & Collect launched in over 20 countries. In 2018 further increase catalogue relevancy, value proposition and user experience
- CRM and RED by Dufry present in more than 32 countries, global roll-out plan
- In Social Media deployment of FORUM; increase content support from brands and paid campaigns
- Continue roll-out of sales tablet for shop floor employees

DUFRY

Update on Dufry shareholder returns

Basic dividend of CHF 3.75 for 2017 business year

Share buy back program of up to CHF 400 million under execution

Dufry Shareholder Cash Returns by HY 2018

Dividend for 2017 business year

- Cash dividend of CHF 3.75 per share for 2017 business year paid on May 17, 2018
- Total dividend payment of CHF 198.7 million
- For future years at least same level as previous year reaching at least CHF 200 million
- Target sustainable return to shareholders of 40% of cash net earnings

Share buyback program of up to CHF 400 million being executed

- **Share buy back program 2018/19**:
  - Share buy back for up to CHF 400 million lasting up to 12 months, launched May 11, 2018
  - Shares purchased until 27July 2018: 1,352,141 shares
  - Total amount of share buyback program executed until 27 July 2018: CHF 182.1 million
  - Intention to cancel shares bought back

DUFRY

2 HY 2018 FINANCIALS

Turnover growth

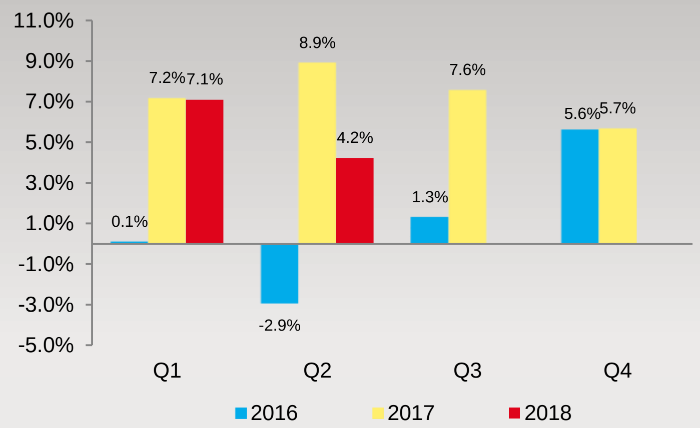
Easter effect of 70-80 bps positively impacted Q1 and negatively Q2

Very strong comparables in 2017

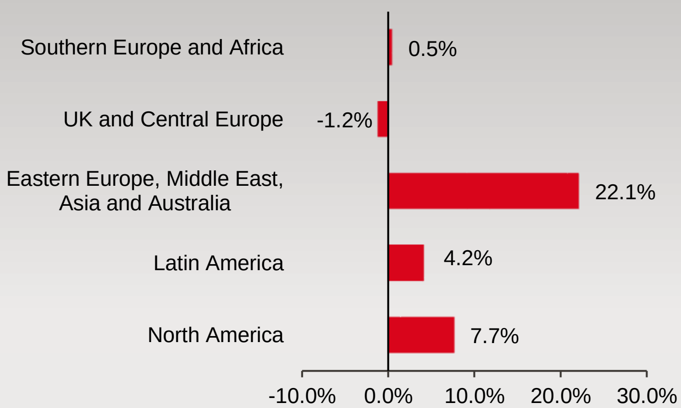
Growth components

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	HY '17	HY '18
Like for Like	7.2%	8.7%	6.4%	5.5%	4.9%	2.3%	8.0%	3.5%
New concessions, net	0.0%	0.2%	1.2%	0.2%	2.2%	1.9%	0.1%	2.0%
Organic growth	**7.2%**	**8.9%**	**7.6%**	**5.7%**	**7.1%**	**4.2%**	**8.1%**	**5.5%**
Changes in scope	-0.6%	-0.5%	0.0%	0.0%	0.0%	0.0%	-0.5%	0.0%
Growth in constant FX	**6.6%**	**8.4%**	**7.6%**	**5.7%**	**7.1%**	**4.2%**	**7.6%**	**5.5%**
FX impact	-1.9%	-1.6%	0.5%	2.3%	-0.5%	3.5%	-1.8%	1.7%
Reported Growth	**4.7%**	**6.8%**	**8.1%**	**7.9%**	**6.6%**	**7.7%**	**5.8%**	**7.2%**

Organic growth evolution



Organic growth by division HY '18



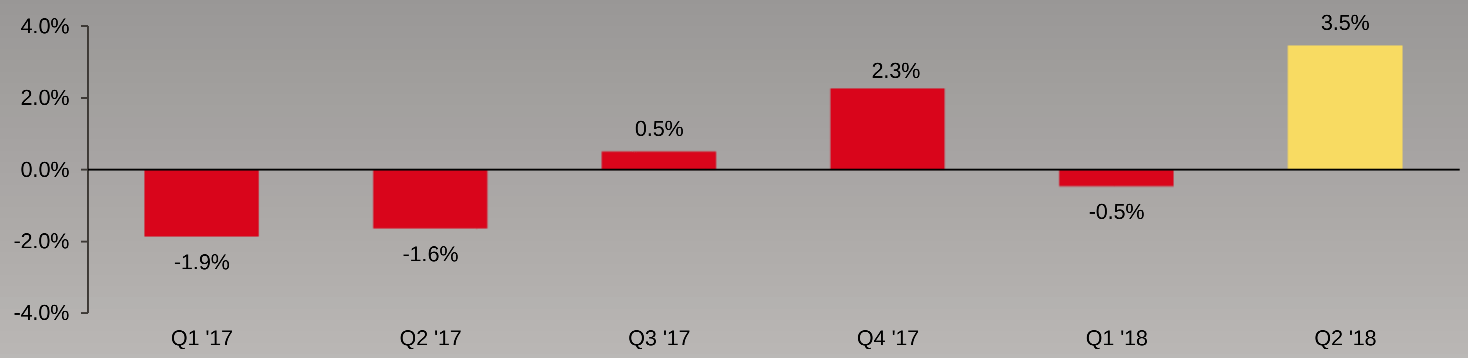
DUFRY

FX development

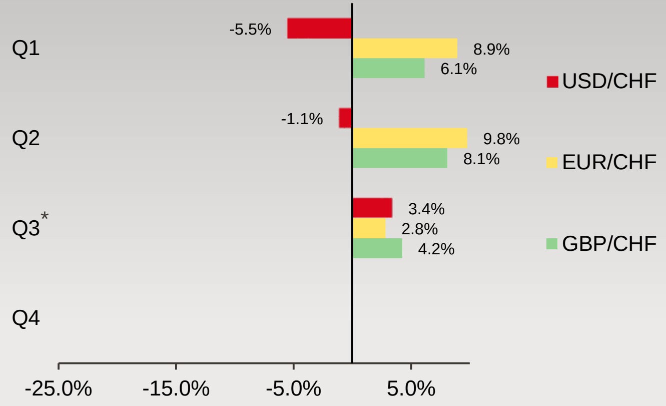
Translational FX turned positive in Q2 2018 due to weakening of the CHF against all major currencies

At current rates, translational FX impact to be positive in 2018

Translational FX impact

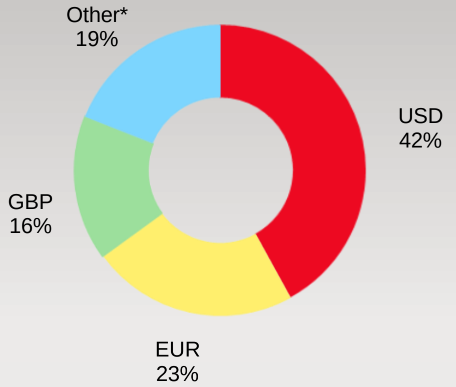


Main currencies development



* Until 01st August

Turnover by currency HY'18



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

DUFRY

Income statement HY 2018

Strong turnover growth driven by organic growth

EBITDA margin improved by 50 bps

Income tax increase driven by non-cash deferred taxes

Income statement HY 2018

(CHF million)	HY 2018	%	HY 2017	%
Turnover	**4,097.1**	100.0%	**3,821.3**	100.0%
Gross profit	**2,450.6**	59.8%	**2,274.6**	59.5%
Concession fees	(1,135.0)	-27.7%	(1,047.7)	-27.4%
Personnel expenses	(584.9)	-14.3%	(550.4)	-14.4%
Other expenses	(267.8)	-6.5%	(260.8)	-6.8%
Share of result of associates	1.2	0.0%	(4.5)	-0.1%
EBITDA[(1)]	**464.1**	11.3%	**411.2**	10.8%
Depreciation & impairment of PP&E	(92.9)	-2.3%	(80.5)	-2.1%
Amortization & impairment of intangibles	(183.3)	-4.5%	(179.7)	-4.7%
Linearization	(40.5)	-1.0%	(46.3)	-1.2%
Other operational result	(22.8)	-0.6%	(14.7)	-0.4%
EBIT	**124.6**	3.0%	**90.0**	2.4%
Financial result	(64.1)	-1.6%	(90.3)	-2.4%
EBT	**60.5**	1.5%	**(0.3)**	0.0%
Income tax	(46.8)	-1.1%	(0.6)	0.0%
Net Earnings	**13.7**	0.3%	**(0.9)**	0.0%
Non-controlling interests	(23.3)	-0.6%	(24.0)	-0.6%
Net Earnings to equity holders	**(9.6)**	-0.2%	**(24.9)**	-0.7%
Acquisition-related amortization	151.4		150.9	
Cash Net Earnings	**141.8**	3.5%	**126.0**	3.3%

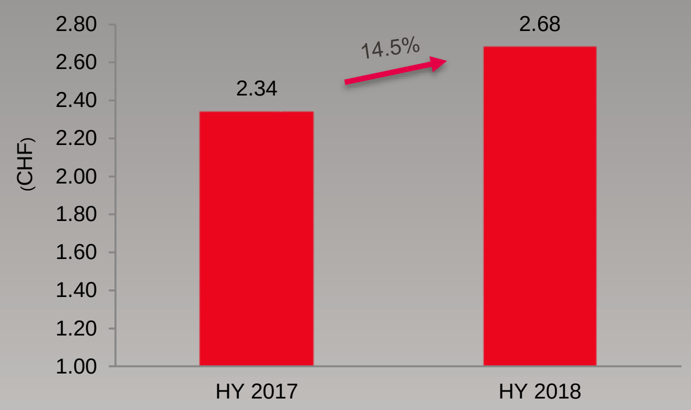
[(1)] Before other operational results

DUFRY

Cash earnings – ongoing positive evolution

Cash EPS improved 14.5% to CHF 2.68 in HY'18 from CHF 2.34 in HY'17

Cash EPS Evolution



Cash EPS analysis

(CHF million)	HY 2018	HY 2017
Net earnings to equity holders	**-9.6**	**-24.9**
Acquisition-related amortization	151.4	150.9
Cash net earnings	**141.8**	**126.0**
Weighted number of shares (m)	53.0	53.8
Cash EPS (CHF)	**2.68**	**2.34**
Additional possible adjustments (CHF)		
Deferred taxes effect on acquisition-related amortization	-0.50	-0.48
Linearization	0.76	0.86

- Cash EPS grows by 14.5%
- Cash EPS only adds back the portion of amortization related to acquisitions
  - Additional possible adjustments for better proxy of economic profit

DUFRY

Cash flow statement

Improved cash generation in HY '18

Cash flow statement

(CHF million)	HY 2018	HY 2017
EBITDA before other operational result	**464.1**	**411.2**
Changes in net working capital	41.9	(73.1)
Taxes paid	(51.2)	(42.1)
Other operational items	(11.7)	(28.9)
Net cash flow from operating activities	**443.1**	**267.1**
Capex	(127.3)	(152.0)
Interest received	14.8	12.5
Increase in participation in associates	(0.4)	-
Free Cash Flow	**330.2**	**127.6**
Interest paid	(83.1)	(88.7)
Cash flows related to minorities	(17.4)	(22.1)
Other financing items	(7.5)	(0.3)
Equity Free Cash Flow	**222.2**	**16.5**
Net proceeds from Hudson IPO	665.2	-
Net purchase of treasury shares / Share buyback	(222.8)	-
Dividends to Group shareholders	(198.7)	-
Transaction / Reestructuring costs	(5.8)	(1.9)
Decrease in Net Debt, before currency translation	**460.1**	**14.6**
Currency translation	82.7	114.8
Arrangement fees amortization and other non cash items	(6.8)	(6.6)
Decrease in Net Debt, reported	**536.0**	**122.8**
Net debt		
– at the begining of the period	3,686.9	3,750.4
– at the end of the period	3,150.9	3,627.6

DUFRY

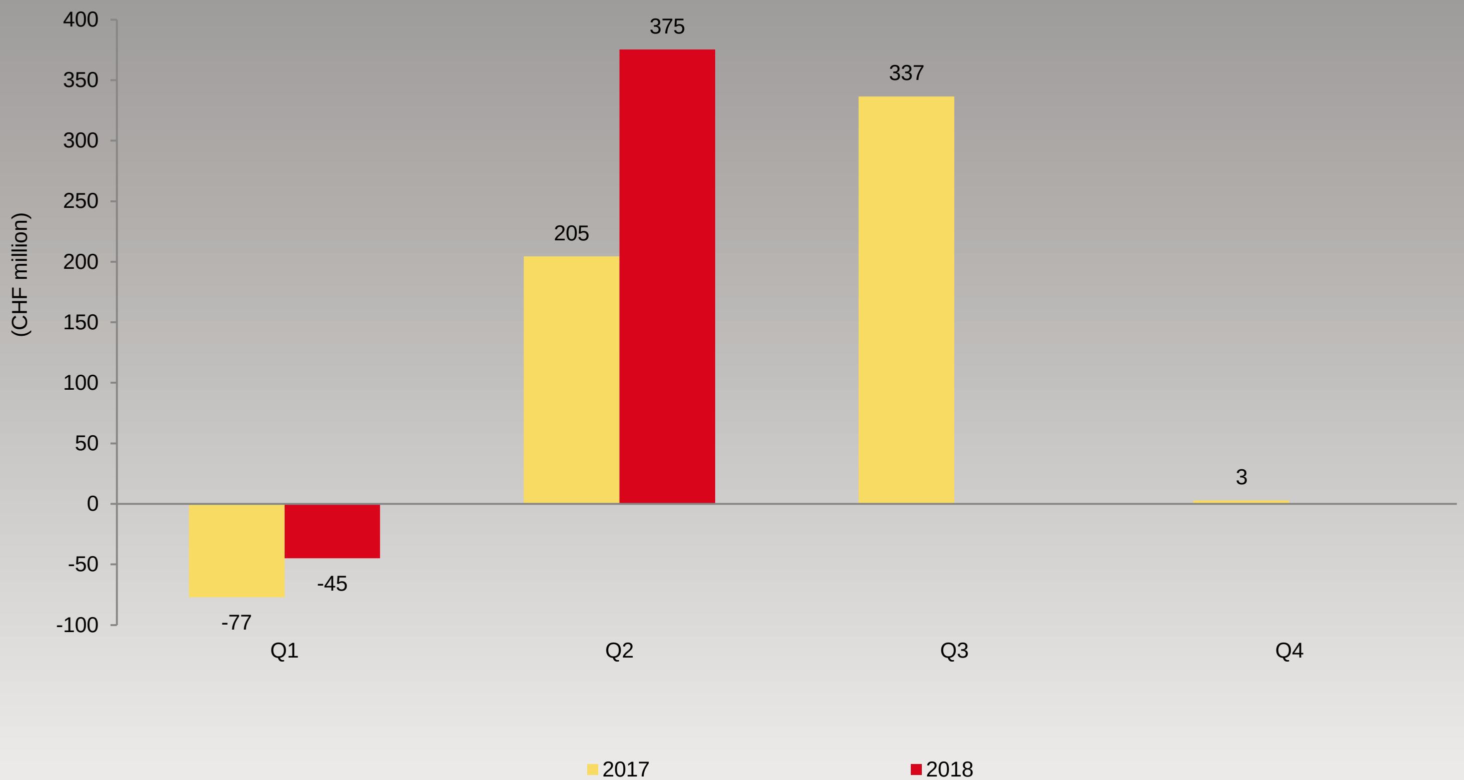
Schematic cash flow changes

Strong seasonality in cash generation

Q2 and Q3 typically strongest quarters

Expectations for FY 2018 remain unchanged

Seasonality of cash flow by quarter

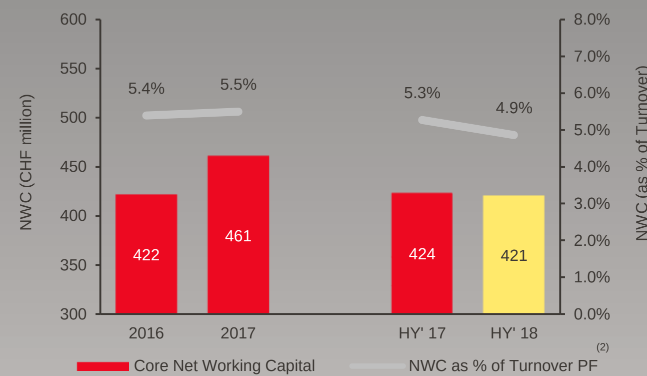


DUFRY

Capex & Net Working Capital

Core Net Working Capital within expected range

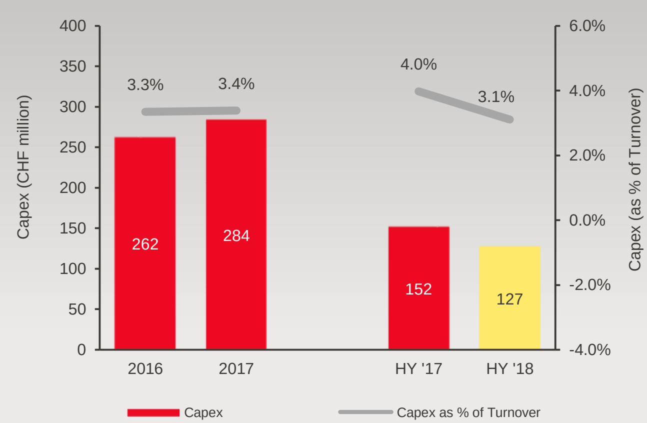
Core Net Working Capital[1]



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

Capex in line with target range

Capex evolution



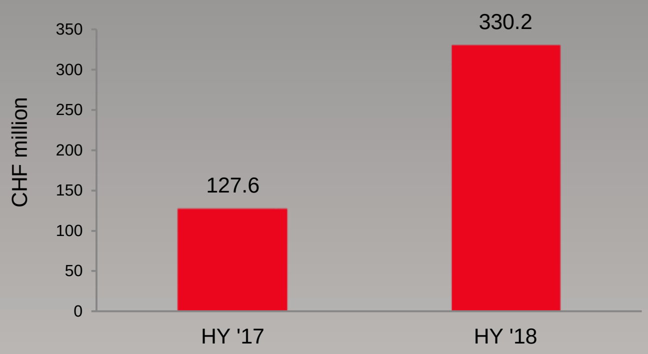
- Core net working capital within expected levels
- Going forward, expectation for core net working capital to stabilize around 5% of turnover confirmed
- Capex target of 3.0% - 3.5% of turnover maintained and confirmed going forward

DUFRY

Cash Flow Metrics

Free cash flow more than doubles YoY

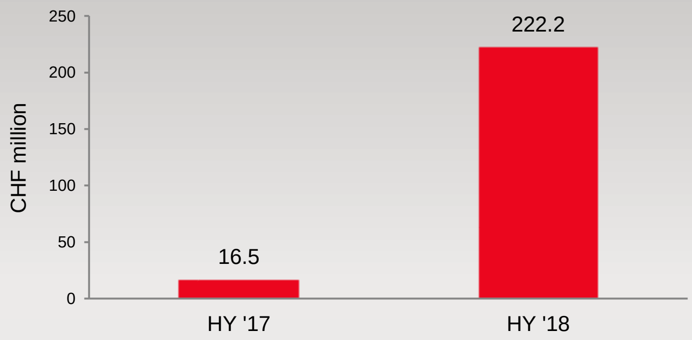
Free cash flow (before int./ minorities)



- Strong free cash flow in HY 2018 mainly due to:
  - EBITDA growth
  - Working capital management

Equity free cash flow considerably improvement

Equity free cash flow



- Equity Free cash flow of CHF 222.2 million, a record for HY
- Free cash flow and equity free cash flow expectation for FY 2018 remains unchanged

DUFRY

Balance sheet

Intangible assets mainly generated by acquisitions

Hudson IPO impacting Equity to equity holders and Equity to minorities

Summary balance sheet as per 30.06.2018

(CHF million)	30.06.2018	31.12.2017	Variation
Concession right finite life	3,340	3,499	-159
Goodwill, Brands, Conc. rights indef. life	2,982	2,991	-9
Other intangible assets	102	108	-6
Other non current assets	355	373	-18
Core Net Working Capital	421	461	-40
Other current assets	505	549	-44
PP&E	658	668	-10
Total	**8,363**	**8,648**	**-285**
Equity	3,643	3,356	287
Net Debt	3,151	3,687	-536
Non current liabilities	249	256	-7
Deferred tax liabilities, net	318	334	-15
Other current liabilities	1,001	1,016	-15
Total	**8,363**	**8,648**	**-285**

DUFRY

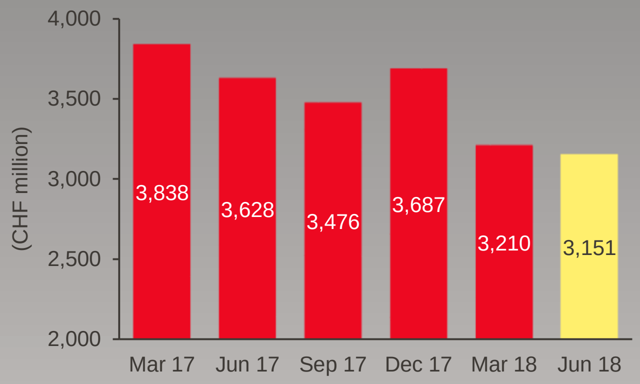
Financing & Covenants

Net debt reduced to CHF 3,151 million

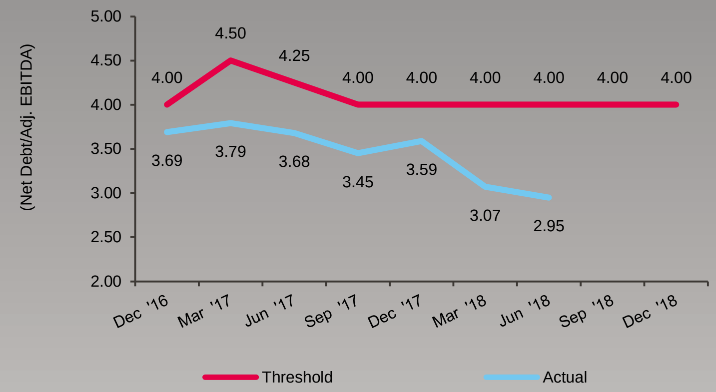
Net debt/ EBITDA reduced to 2.95x

No debt maturities until 2022

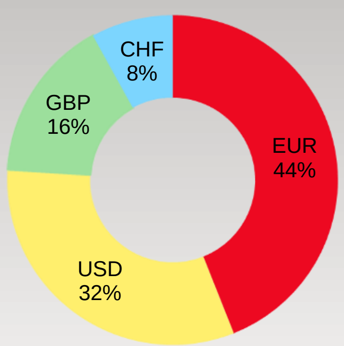
Net Debt Evolution



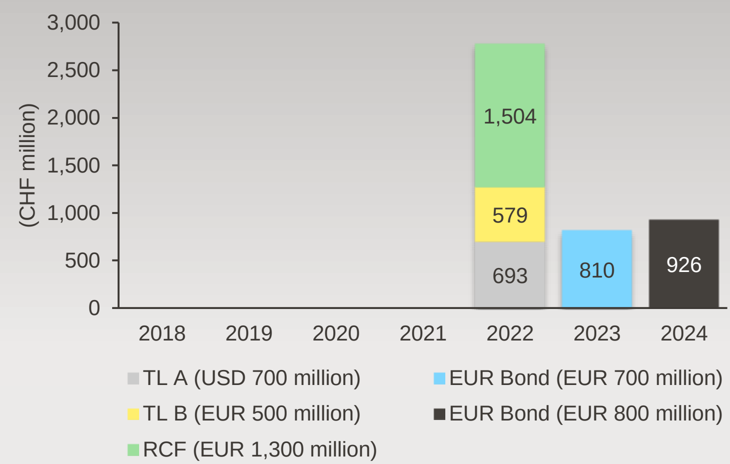
Covenants evolution



Debt by currency



Debt maturity profile



DUFRY

3 CONCLUSION

Conclusion

Successful HY and progress on targets for the year

Priorities for 2018 confirmed

Share buyback program being executed

- Good first half of the year
  - Strong turnover growth
  - Organic growth continues
  - Margin improvement
  - Record cash generation
- Important series of new contract wins across all channels
- First BOM efficiencies as well as Gross Profit Margin improvements reflected in P&L
- Share buyback programm under execution
- Priorities set for 2018 to be continued
  - Implementation of new business operating model (BOM) on track; full implementation by end 2018
  - Drive new strategic initiatives to expand business across sectors and channels
  - Accelerate implementation of customer focused and digital initiatives to drive sales
  - Focus on cash generation and deleveraging

Thank you

DUFRY