

NEWS RELEASE

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Dufry Accelerates in HY 2022 with Turnover Growth of 146.2% and CORE EBITDA of CHF 227.0 million

HIGHLIGHTS:

- Positive momentum continues into the third quarter with July net sales estimated at 90% of 2019 in constant FX
- Despite all current events, revenue recovery is stronger than anticipated, and combined with continuous cost control supports solid HY 2022 results while ongoing vigilant approach
- Dufry reports HY 2022 Operating Profit of CHF 152.4 million
- Equity Free Cash Flow of CHF 196.7 million performed above 2019 levels, partly supported by phasing including Capex, with Cash Flow before Financing improving to CHF 256.7 million
- Dufry introduces IAS17¹ EBITDA (Core EBITDA) as a key performance metric², reaching 7.8% margin in HY 2022
- Combination with Autogrill advancing as planned

Xavier Rossinyol, CEO of Dufry Group, commented:

“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.

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.

¹ IAS 17 refers to the superseded IFRS standard in connection with leasing, which was replaced by IFRS16.

² For further details and the definition of all Dufry's alternative performance measures, please refer to Dufry's HY 2022 report, pages I-VII. Historical CORE results from 2016 onwards are published on Dufry's IR website.

We have extensively engaged with our employees and stakeholders following the announcement on Dufry joining forces with Autogrill to redefine the boundaries of the industry and to enrich the passenger journey by providing unique integrated and digitalized 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."

Yves Gerster, CFO of Dufry Group, added:

"With half-year 2022, we introduce an EBITDA concept and related performance indicators on top of our IFRS results. 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."

FINANCIAL SUMMARY

In the first half-year 2022, Dufry has seen gradual improvements in nearly all its operations in line with the easing of travel protocols, with a pick up especially since the second quarter of the year. Turnover reached CHF 2,922.5 million, representing growth of 146.2%, of which 147.2% organic compared to the same period 2021, and reaching a level of 75.5% of 2019 turnover in constant currency (69.9% in reported currency). In HY 2022, the FX effect on Turnover was -1.0% versus HY 2021, and -5.9% versus HY 2019, mainly related to the effects of the stronger key currencies USD, EUR and GBP.

Turnover Growth	HY 2022 versus 2021 ³	HY 2022 versus 2019 ²
Like for Like	143.6%	n/a
New concessions, net	3.6%	n/a
Organic Growth	147.2%	-24.5%
Change in Scope	0	0.33%
Growth in constant FX	147.2%	-24.2%
FX Impact	-1.0%	-5.9%
Reported Growth	146.2%	-30.1%

The category mix mirrors the continued normalization of travel including inter-regional and international routes across all regions except for APAC. Duty-free accounted for 58.3% of net sales vs 41.7% duty-paid; the airport channel contributed with 91.2%.

Our results improved versus the previous year across all performance indicators. Gross Profit margin stood at 60.9% for half-year 2022 versus 56.1% in half-year 2021.

³ Organic growth adjusted for FX and regional revenue allocation. Comparison to 2021 at the FX rates of 2021. Comparison to 2019 at current FX rate, which will be method going forward, currently under implementation

With the half-year results 2022, Dufry introduces 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 amortizations and expenses. Please see our [IR website](#) for historical half-year and full-year figures from 2016 onwards.

IN CHF MILLION	IFRS 6M 2022	Acquisition- related Adjustments	IFRS16- related Adjustments	CORE 6M 2022	CORE 6M 2021 ⁴
Net sales	2,854.6	-	-	2,854.6	1,155.4
Advertising income	67.9	-	-	67.9	31.8
Turnover	2,922.5	-	-	2,922.5	1,187.2
Cost of sales	-1,143.6	-	-	-1,143.6	-521.1
Gross Profit	1,778.9	-	-	1,778.9	666.1
<i>Margin</i>	60.9%	-	-	60.9%	56.1%
Leases expenses (IFRS)/Concessions (CORE)	-408.0	-	-450.0	-858.0	-262.1
Personnel expenses	-440.7	-	-	-440.7	-258.4
<i>% Turnover</i>	-15.1%	-	-	-15.1%	-21.8%
Depreciation and amortization	-561.0	80.4	480.6	-	-
Impairments, net	15.0	-	-15.0	-	-
Other expenses, net	-231.8	-	-21.4	-253.2	-149.9
<i>% Turnover</i>	-7.9%	-	-	-8.7%	-12.6%
Operating Profit/EBITDA	152.4	80.4	-5.8	227.0	-4.3
<i>Margin</i>	5.2%	-	-	7.8%	-0.4%
CORE Depreciation, amortization and impairment	-	-	-67.2	-67.2	-99.6
Operating Profit/EBIT	152.4	80.4	-73.0	159.8	-103.9
<i>Margin</i>	5.2%	-	-	5.5%	-8.8%
Financial result	-129.5	-	74.5	-55.0	-140.6
EBT	22.9	80.4	1.5	104.8	-244.6
Income tax	-10.8	-18.9	1.2	-28.5	-9.3
Net Profit	12.1	61.5	2.7	76.3	-253.9
Non-controlling interests	29.7	1.9	1.7	33.3	0.9
Net Profit to equity holders of the parent	-17.6	59.6	1.0	43.0	-254.8
Earnings per Share in CHF	-0.2			0.5	-2.8
Cash Flow (in CHF million)					
Capex	-46.7				
NWC Changes	88.6				
Cash Flow before Financing	256.7				
Equity Free Cash Flow	196.7				
Net Debt	2,903.4				

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's CORE operating and net results were impacted by lower D&A related to prior year pandemic related impairments as well as lower depreciation of PP&E due to lower CAPEX spend.

⁴ 2021 reconciliation provided in Dufry's HY 2022 report pages I-VII.

CORE EBIT reached CHF 159.8 million versus CHF -103.9 million last year and CORE net profit to equity holders CHF 43.0 million versus CHF -254.8 million in HY 2021.

Looking at IFRS results, Operating Profit reached CHF 152.4 million in HY 2022, an improvement from CHF -368.5 million in HY 2021. Reported Net Profit to equity holders was negative with CHF -17.6 million in HY 2022 versus CHF -499.2 million in the same period of last year. Basic earnings per share stood at CHF -0.2, versus CHF -5.9 in HY 2021.

Dufry introduces Cash Flow before Financing as important KPI, reflecting the operational performance of our business. For HY 2022, it amounted to CHF 256.7 million versus CHF -213.8 million in the previous year. Dufry concluded the half year with an EFCF of CHF 196.7 million. The solid performance was supported by some phasing, including Capex, as well as inflows from working capital. Capex will phase into the second half, working capital is expected to see an increase in inventory and decrease in payables. Taking out above-mentioned effects, EFCF would have been around CHF 30-50 million.

Net Debt amounted to CHF 2,903.4 million at the end of June 2022 compared to CHF 3,079.5 million in December 2021 and came in again at a lower level as compared to December 2019 pre-crisis (CHF 3,101.9 million). Dufry's Liquidity Position amounted to CHF 2,254.8 million as of June 30, 2022. The full set of financial information is provided in [Dufry's HY 2022 Financial Report](#).

RECENT DEVELOPMENTS

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

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.

On 11 July, 2022, Dufry announced to join forces with Autogrill. The transaction is expected to set a new industry standard and anticipate consumer trends through an enhanced experience for passengers and greater benefits for landlords and brands, with a new global platform generating immediate value for consumers and shareholders. Please [see here](#) the announcement and presentation. Dufry will hold an Extraordinary General Meeting on August 31, 2022, seeking approval from its shareholders for items related to the business combination. All information can be found [here](#). The closing of the first stage of the transaction is still expected by Q1 2023, subject to shareholder approval at the upcoming EGM.

Moreover, Dufry 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.

UPDATE ON ESG

Dufry continues to focus on strengthening its sustainability approach and has officially submitted its emission reduction targets to SBTi (Science Based Targets Initiative) for approval. Further information is provided in [Dufry's 2021 Sustainability Report](#).

BUSINESS DEVELOPMENT

During HY 2022, Dufry succeeded in winning several attractive new concessions and extending contracts of overall 49,558 m², thus adding solid contributors to the resilience of the business. Among others, Dufry successfully extended its [Heathrow](#) concession contract for three years until 2029, which is the largest single location fully operated by Dufry serving 80.9 million passengers (2019 level). Furthermore, Dufry secured concessions at [Helsinki Airport in Finland](#), at [Sofia International Airport in Bulgaria](#), at [Gusti Ngurah Rai International Airport in Bali](#), at [Felipe Ángeles International Airport in Santa Lucia, México](#), and at [Recife International Airport in Brazil](#). Dufry was awarded contract extensions with [La Romana International Airport and Seaport](#) in the Dominican Republic, at [Ontario International Airport \(CA, US\)](#), and at [Salvador International Airport in Brazil](#). Dufry announced a partnership with Starbucks with the first stores opening later this year at [LaGuardia Airport \(NY, US\)](#). In addition, Dufry opened new Hudson Nonstop travel convenience stores in both [Nashville International Airport](#) and Dallas Fort Worth International Airport, adding to its other Hudson Nonstop locations in the US. Total gross retail space opened during HY 2022 amounted to 6,678 m², refurbishments amounted to 13,300 m².

REGIONAL PERFORMANCE

Turnover in Europe, Middle East and Africa was CHF 1,457.8 million HY 2022 from CHF 376.0 million one year ago. Organic growth versus 2021 was 303.4%, with turnover reaching a level of 78.1% of 2019 (in constant FX). Best performing were Mediterranean countries, 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.

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.

The America's turnover stood at CHF 1,304.2 million in HY 2022 versus CHF 637.9 million in HY 2021. 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. This refers especially to US domestic, intra-regional and increasingly transatlantic travel, as well as touristic 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.

Turnover, in CHF million	HY 2022	Reported Growth vs 2021	Organic Growth ⁵ 2021	Reported Growth vs 2019	Organic Growth ⁴ 2019
Europe, Middle East and Africa	1,457.8	287.7%	303.4%	-26.7%	-21.9%
Asia Pacific	55.4	6.3%	5.4%	-84.7%	-83.7%
The Americas	1,304.2	104.4%	97.2%	-24.0%	-18.1%
Distribution Centers	105.2	-13.2%	-42.3%	-8.1%	-2.3%
Dufry Group	2,922.5	146.2%	147.2%	-30.1%	-24.5%

Turnover, in CHF million	Q2 2022	Reported Growth vs 2021	Organic Growth ⁴ 2021	Reported Growth vs 2019	Organic Growth ⁴ 2019
Europe, Middle East and Africa	951.9	294.2%	314.5%	-18.7%	-13.0%
Asia Pacific	33.3	19.6%	16.7%	-80.6%	-80.0%
The Americas	759.1	91.3%	82.1%	-14.6%	-10.2%
Distribution Centers	59.7	-2.2%	-39.3%	-10.6%	-15.1%
Dufry Group	1,803.9	148.1%	148.9%	-21.5%	-16.7%

For the HY 2022 Results Presentation, the HY 2022 Financial tables, details of the HY 2022 Presentation and Conference Call and other related information, please visit our dedicated page: www.dufry.com/en/HY2022

⁵ Organic growth adjusted for FX and regional revenue allocation. Comparison to 2021 at the FX rates of 2021. Comparison to 2019 at current FX rates, which will be method going forward, currently under implementation.

For further information:

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DUFY GROUP – A LEADING GLOBAL TRAVEL RETAILER

Dufry AG (SIX: DUFN) is the leading global travel retailer operating over 2,300 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas, in more than 420 locations in 66 countries across all six continents.

The Company, founded in 1865 and headquartered in Basel, Switzerland, is offering customers a first-class shopping experience, global brands, a unique market access and landlords a reliable, value-enhancing partnership. To learn more about Dufry, please visit www.dufry.com.



**SOS CHILDREN'S
VILLAGES**

Social Responsibility

Dufry cares for children and supports social projects from SOS Kinderdorf in Brazil, Mexico, Kenya, Russia, Jordan and Spain. SOS Children's Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.