HUDSON GROUP
Retail Specialists
A DUFRY Company

2017 Year-End Results

March 15th, 2018

Disclaimer



This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (Reform Act). Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "seek," "anticipate," "estimate," "predict," "potential," "assume," "continue," "may," "will," "should," "could," "shall," "risk" or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Factors that may cause our actual results to differ materially from those expressed or implied by the forward-looking statements in this presentation, or that may impact our business and results more generally, include, but are not limited to, the risks described under "Item 3. Key Information—D. Risk factors" of our Annual Report on Form 20-F for the year ended December 31, 2017 which may be accessed through the SEC's website at https://www.sec.gov/edgar. You should read these risk factors before making an investment in our shares.

This presentation contains a discussion of Adjusted EBITDA, a non-IFRS financial measure. We define Adjusted EBITDA as net earnings adjusted for certain items, as set forth in the reconciliation to the most directly comparable IFRS measure on slide [XX]. Adjusted EBITDA is not a substitute for IFRS measures in assessing our overall financial performance. Because Adjusted EBITDA is not determined in accordance with IFRS, and is susceptible to varying calculations, Adjusted EBITDA may not be comparable to other similarly titled measures presented by other companies. Adjusted EBITDA is included in this presentation because it is a measure of our operating performance and we believe that Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to ours. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for an analysis of our results as reported under IFRS as issued by IASB

Introduction

PRESENTERS

Joseph DiDomizio
President & CEO

Adrian Bartella
Chief Financial Officer

Our core purpose:

To be the Traveler’s Best Friend

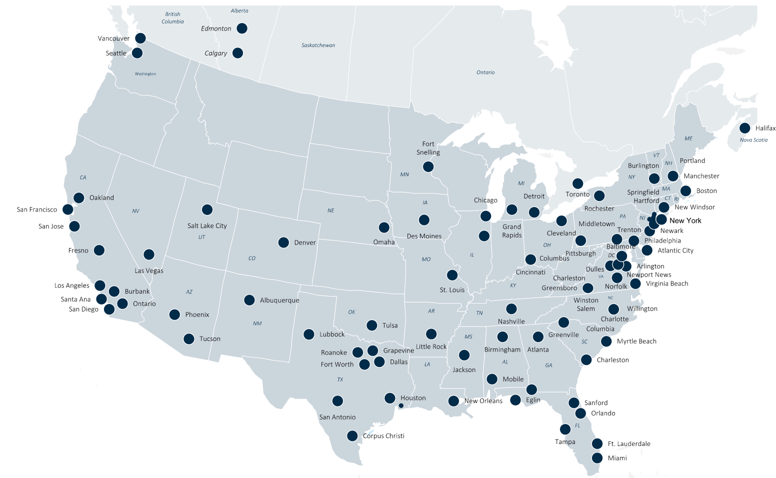

HUDSON GROUP
A DUFRY Company
HUD LISTED NYSE
The Traveler's Best Friend
HUD LISTED NYSE
STOCK EXCHANGE

1 HUDSON TODAY

Hudson Group is an Industry Leader in North American Travel Retail

Broad geographic footprint spanning four corners of North America

88 Locations in transportation terminals & travel destinations	**996** Stores in airports and other major transportation centers	Over **120 million** transactions
200+ concession agreements	**9,600+** Employees and more than 50 nationalities represented	**76%** of net sales from Duty Paid
Turnover of **$1.8 billion** 6.8% growth	Adj. EBITDA[1] of **$173 million** 9.6% margin	

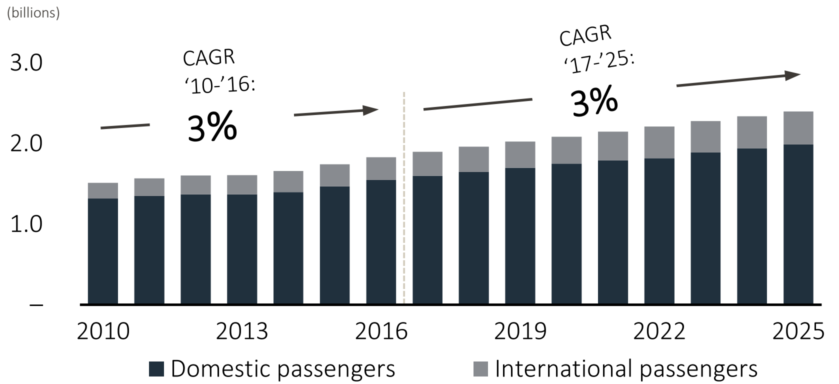


Travel Essentials & Bookstores	Proprietary Duty Free	Branded Specialty	Proprietary Specialty	Quick-Service Food & Beverage
Hudson, Hudson News, Fox News Channel, Hudson Booksellers, CNN, ink by Hudson	Dufry, Nuance, World Duty Free	Victoria's Secret, Eddie Bauer, Bally, Boss Hugo Boss, kate spade New York, Tumi, Coach, Desigual, Fred Segal, vineyard vines	Chill Hudson, Shine, The Atrium at the Palazzo, tech on the go, Day+Night	Dunkin' Donuts, Jason's deli, pinkberry, Euro Cafe

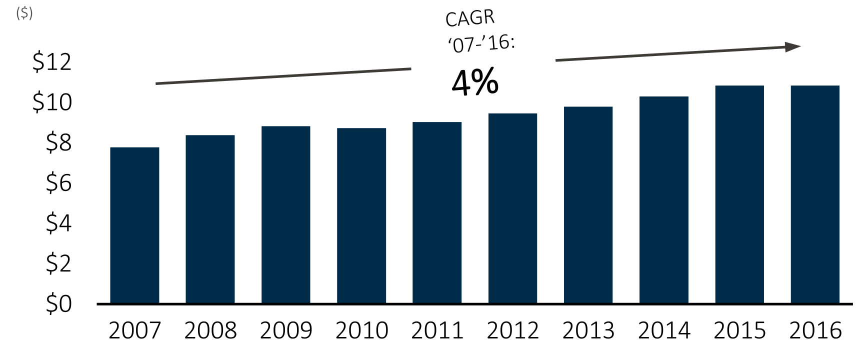
Note: Unless otherwise noted data presented as of or for the twelve months ended, December 31, 2017.
Anchorage, Alaska location not pictured in map.
(1) Adjusted EBITDA is a non-IFRS measure. See reconciliation at the end of this presentation for a reconciliation to the most comparable IFRS measure.

The North American Travel Concessions Market is Expected to Coninue Growing

Historical and projected North American passenger volumes



Historical spend per passenger



Air travel is a way of life

Source: ACI-NA Concessions Benchmarking Survey, Airport Revenue News (ARN).

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Travel Retail Has Distinct Advantages

Captive audience

- Passengers arrive at airports earlier due to travel unknowns
- Average dwell time between 66 – 75 minutes increases spend

Propensity to spend

- Favorable customer demographics
- The median passenger is 45 – 54 years old
- $75k – $100k median household income

Immediate needs and wants

- Customer driven by a combination of impulses and immediate needs
- Need exacerbated by lack of in-flight services onboard airlines

Insulated from e-commerce

- Airport retailers face limited competition from Internet retailers

Regulatory environment

- Complex operating environment
- Controlled by government and airport authorities

Landlord relationships

- Longstanding relationships with airports and landlords drive contract extensions and new business wins
- Consistent execution and scale are required to grow

2 OPERATIONAL UPDATE

The Hudson Group Sales Growth Algorithm

Our proven method to grow existing business and expand our concession portfolio

8.8%
2017

Total organic net sales growth

Like-for-like growth
Growth in aggregate monthly net sales in the applicable period at stores that have been operating for at least 12 months

- Passenger volume
- \+ Pricing
- \+ Productivity initiatives

\+

Net new business
Conversions + New Concessions – Lost Concessions & Closed Stores

- Conversions
- \+ New concessions

2017 Productivity Initiatives

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Food & Beverage Expansion

- Continued expansion of our “marketplace” category to address strong demand for food & beverage
- Continued expansion of grab and go offerings in the convenience shops (nearly 100 new food coolers added in 2017, a 67% increase).
- Final development and rollout of “Traveler’s Best” snack line

Impulse and Promotional Items

- Numerous “Hot Market” impulse items added to cash desk areas (e.g. JamEmoji speakers, Pop Sockets)
- Worked with Book team to create unique displays to feature books closer to the storefront or cash desk to take advantage of “hot” titles and key releases.
- Big push on standalone promo hooded fleece program year-round

Store Formats

- Leverage our ability to operate a wide variety of store formats
- Experiment with formats like pop-up shops and wall displays to capture passenger traffic flow and maximize selling space in a terminal

2017 Wins and Extensions

New Wins

New Market	Existing Market
Tulsa *March 2017*	Phoenix Duty Free *September 2017*
Des Moines *November 2017*	Dallas Ft. Worth *October 2017*
	LAX – Terminal 3 *October 2017*

Extensions[1] + Expansions

- Grand Rapids
  January 2017
- Norfolk
  January 2017
- Jackson
  March 2017
- Raleigh-Durham
  March 2017
- Las Vegas
  April 2017
- San Jose
  April 2017
- Chicago Midway
  May 2017
- Ontario, CA
  August 2017

(1) An extension is defined as a continuation in the same market whether the Company won through an RFP process or extended an existing contract.

Key Strategic Initiatives and Opportunities

Expand F&B offerings

- Further develop grab-and-go and food & beverage offerings in Hudson stores
- Continue to look at café expansions/additions as part of our retail contracts and smaller F&B RFP opportunities
- Leverage our strong relationship and operational expertise with the Dunkin Donuts brand to expand and grow F&B use in our contracts

Create and rollout new concepts

- Develop and expand new concepts, such as Ink and Tech on the Go, to serve evolving consumer demand and create revenue-generating opportunities

Explore opportunities to leverage digital technology and data

- Goal is to enhance the customer experience and drive sales
- Mobile POS, self-checkout, evaluation of an App use (in house, third party)

Continue to evaluate expansion opportunities beyond airports

- Utilize our core competencies to reach attractive customer demographics we already serve in other channels of travel (hotels, resorts, tourist destinations, etc.)

Leverage our scale

- Utilize store volume to improve vendor terms and COGS to improve gross margins

3 2017 FINANCIAL RESULTS

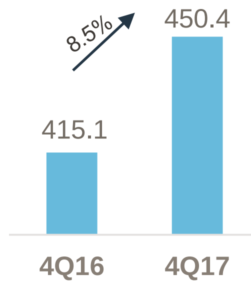
2017 Financial Highlights

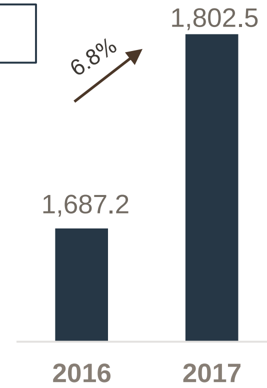
Turnover growth of 6.8% to $1.8B

Adjusted EBITDA growth of 10.4% to $173M

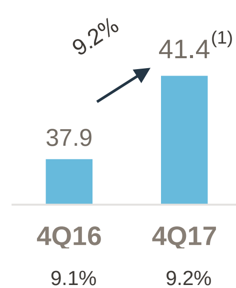
Adjusted EBITDA margin of 9.6%

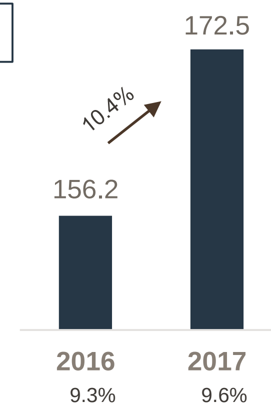
Turnover





Adj. EBITDA





Strong 8.8% organic sales growth

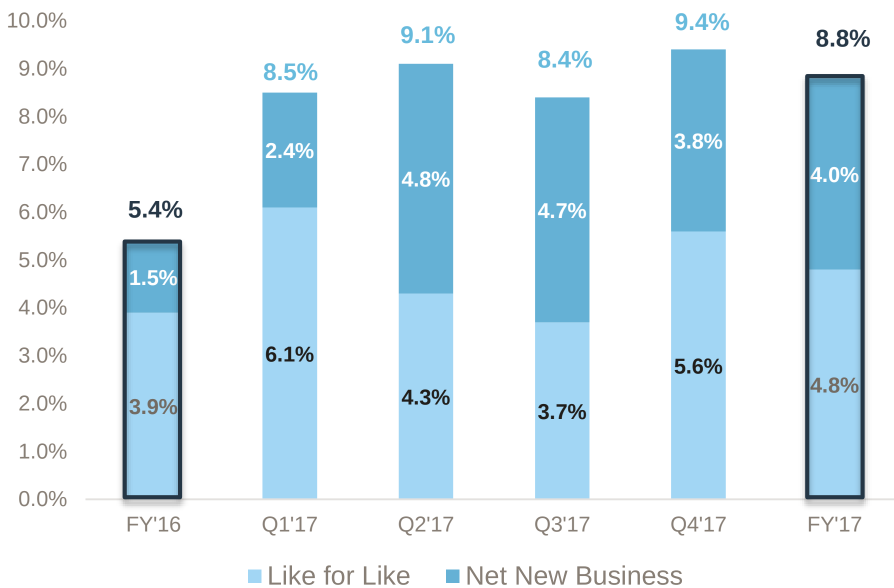
50bps gross margin improvement driven by beneficial changes in sales mix and WDFG synergies

30bps Adj. EBITDA margin improvement

(1) 4Q17 includes $1M in IPO / public company related costs

Key Net Sales Growth Drivers

Evolution of Organic Growth (2)



Full Year 2017

	Organic Growth (1)	Acquisition Effect	Reported Growth
Like for Like	4.8%	-0.1%	4.7%
Net New Business	4.0%	-2.0%	1.9%
Organic Net Sales Growth	8.8%	-2.1%	6.7%

(1) Organic growth represents the combination of growth from (i) like-for-like growth and (ii) net new stores and expansions. Organic growth excludes growth attributable to (i) acquired stores until such stores have been part of our business for at least 12 months and (ii) eight stores acquired in the 2014 acquisition of Nuance and 46 stores acquired in the 2015 acquisition of World Duty Free Group that management expected, at the time of the applicable acquisition, to wind down.

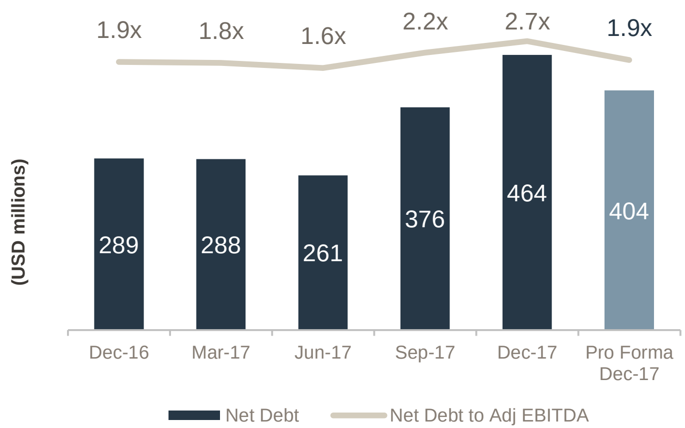
(2) Percentages reflect the amount of sales growth attributable to like for like growth and net new business relative to the same period in the prior year

Full Year Summary

(in millions USD)	2016 % of turnover	2017 % of turnover	% Change
Turnover	$1,687 100%	$1,803 100%	6.8%
Gross Profit	1,042 61.8%	1,122 62.3%	7.7%
Selling Expenses	396 23.5%	421 23.4%	6.4%
Personnel	337 20.0%	371 20.6%	10%
General & Administrative	152 9.0%	157 8.7%	3.4%
Adjusted EBITDA	156 9.3%	173 9.6%	10.4%
Depreciation & Amortization	104 6.1%	109 6.0%	4.8%
Other Operational Result	9 0.6%	4 0.2%	(60%)
Operating Profit (EBIT)	43 2.6%	60 3.3%	39.1%

Balance Sheet and Cash Flow

Net Debt and Leverage Evolution [1]



- Increase in net debt in Q3 '17 linked to pre-IPO restructuring in Canada and new CAD195m
- Increase in net debt in Q4 '17 driven by payment of USD100m outstanding franchise fees to Dufry
- Pro forma net debt includes USD60m of pre-IPO restructuring proceeds from sale of non-Hudson US assets to Dufry International
- Pro forma leverage based on Adjusted EBITDA adjusted to apply newly reduced franchise fee to Dufry as if it applied for all of 2017

Cash Flow Statement

	Year Ended	Year Ended
IN MILLIONS OF USD	**12/31/2017**	**12/31/2016**
Net cash flows from operating activities	$130.8	$169.8
Net cash flows used in investing activities	(86.1)	(92.4)
Net cash flows (used in) / from financing activities	(95.8)	(51.3)
Currency translation on cash	0.9	1.1
(Decrease) / increase in cash and cash equivalents	(50.2)	27.2
Cash and cash equivalents at the		
– beginning of the period	187.6	160.4
– end of the period	137.4	187.6

(1) Net debt leverage represents total debt less cash as the end of the period presented divided by Adj. EBITDA for the last 12 mo.

4 OUTLOOK

Components of Revenue Growth and Long-Term Financial Framework

Like-for-like growth
Growth in aggregate monthly net sales in the applicable period at stores that have been operating for at least 12 months

+

Net new business
Conversions + New Concessions – Lost Concessions & Closed Stores

Total organic net sales growth	High single digit
Adj. EBITDA growth Operational initiatives, scale and operating leverage benefits	Low double digit
Net income growth	High teens

Q&A

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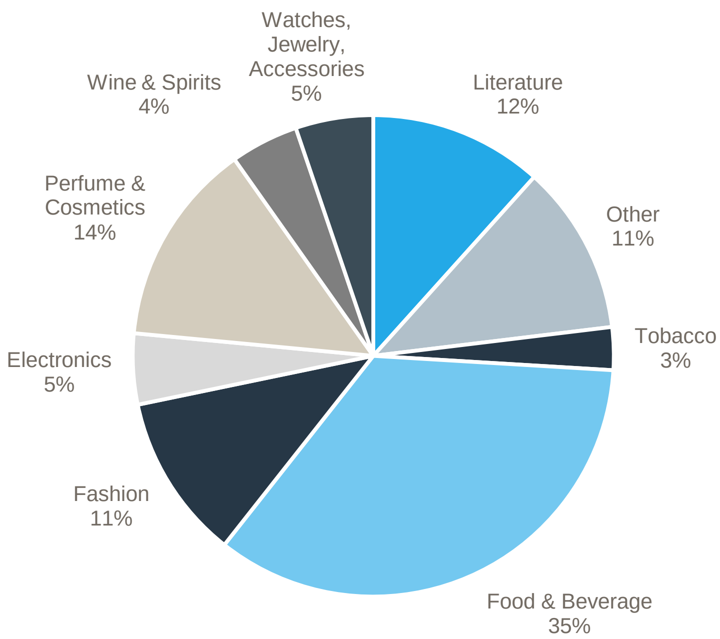
APPENDIX

Well-positioned To Drive Long-term Shareholder Value

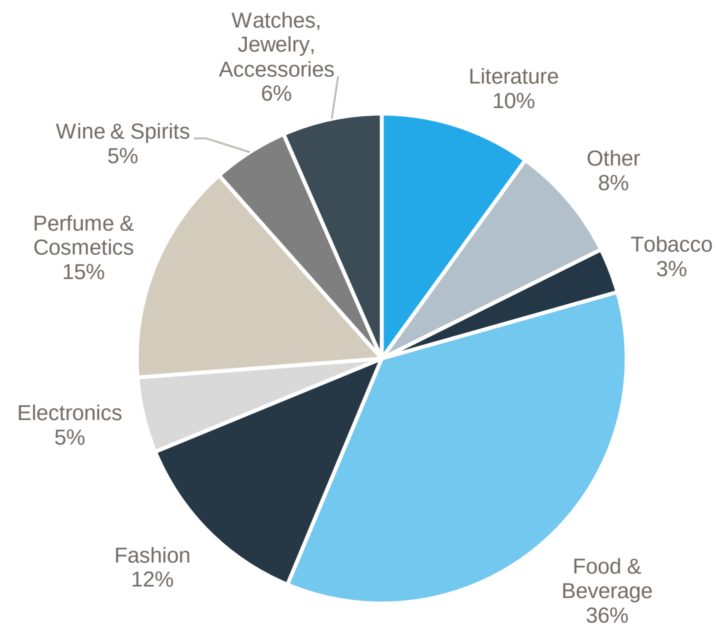
BRAND	Anchored by the iconic Hudson brand
INDUSTRY	Attractive industry that is growing and resilient
PARTNER	Distinct commercial approach makes us the partner of choice for landlords
GROWTH	Multiple levers to grow existing business and expand concession portfolio
LEADERSHIP	Experienced, service-driven, cohesive leadership team complemented by global travel retailer Dufry

Net Sales Breakdown – By Product Category

2016

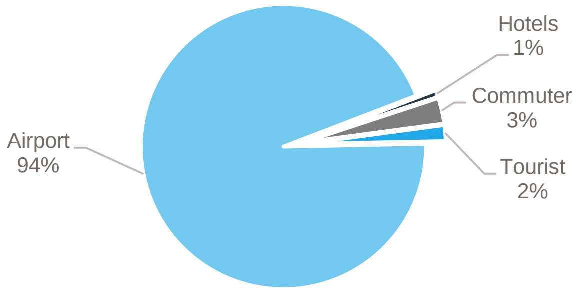


2017

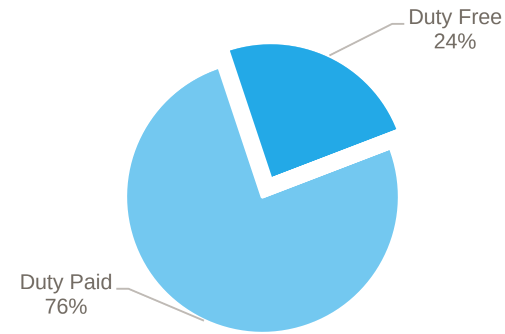


2017 Sales Breakdown

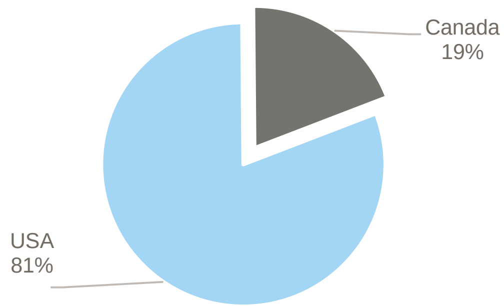
By Channel



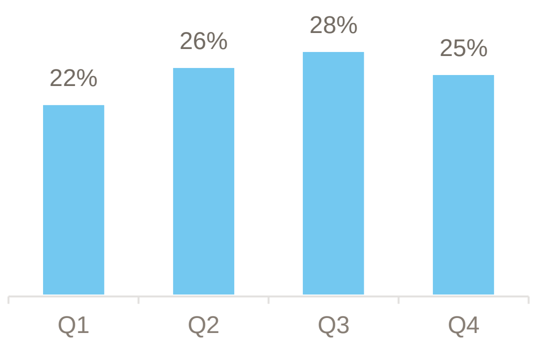
By Sector



By Country



By Quarter



Dufry, A Leading Global Travel Retailer, Is A Synergistic Partner To Hudson

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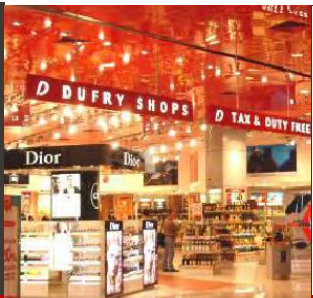
Alignment with parent creates value for core and luxury brands



64 countries

Dufry is a global business operating around the world

$8bn

Market cap.

DUFRY

32,000+ employees

From more than 70 different nationalities from around the world

Economies of scale and purchasing power

Relationships with global brands

Adjusted EBITDA Reconciliation

	QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
IN MILLIONS OF USD	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**
Net earnings	(34.8)	34.1	(10.6)	49.8
Income tax expense	34.9	(36.0)	42.9	(34.3)
Earnings before taxes (EBT)	0.1	(1.9)	32.3	15.5
Foreign exchange gain / (loss)	0.3	(0.1)	(0.5)	-
Interest income	(0.5)	(0.4)	(1.9)	(2.1)
Interest expenses	7.5	7.5	30.2	29.8
Operating Profit (EBIT)	7.4	5.1	60.1	43.2
Depreciation, amortization and impairment	29.4	31.2	108.7	103.7
Other operational result (1)	4.6	1.6	3.7	9.3
Adjusted EBITDA	41.4	37.9	172.5	156.2

(1)For the year ended December 31, 2017, other operational result consisted of $9.4 million of other operating income resulting from a related party loan waiver due to Dufry and other operating expenses including $3.4 million of audit and consulting costs related to preparatory work in connection with our initial public offering, $4.1 million of restructuring expenses associated with the World Duty Free Group acquisition and $5.5 million of other operating expenses including restructuring and non-recurring items. For the year ended December 31, 2016, other operational result consisted primarily of $8.3 million of restructuring expenses associated with the World Duty Free Group acquisition. See note 13 to our audited Combined Financial Statements.

Pro Forma Net Debt Reconciliation

MILLIONS OF USD	YEAR ENDED 12/31/2017
Financial debt	601
Less: Cash and cash equivalents	(137)
Net debt	464
Less: Pre-IPO restructuring proceeds	(60)
Pro forma net debt	404
Adj. EBITDA	173
Add: reduction in franchise fees to Dufry	36
Pro forma Adj EBITDA	209
Pro forma net debt / Adj. EBITDA ratio	1.9