HUDSON GROUP
Retail Specialists
A DUFRY Company

2018
Third Quarter Results

November 5, 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 in the Appendix. 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

Joseph DiDomizio
President & CEO

Adrian Bartella
Chief Financial Officer

PRESENTERS

On Today's Call:

- Third Quarter Highlights
- RFP Wins and New Stores
- Product Category Initiatives
- Industry Whitespace Growth Continues
- Financial Results

1 THIRD QUARTER HIGHLIGHTS

Q3 2018 Highlights

Hudson Group
Retail Specialists
A Dufry Company

- Organic net sales growth of 6.5% [1]
  - Includes 90 bps currency headwind
  - Like-for-like net sales growth of 3.3% (4.2% CC)
  - Net new business and expansions in **Ft. Lauderdale, Seattle, JFK and LAX**
- Gross profit margin expanded 160 bps to 63.7%
  - Continued impact of successful vendor negotiations
  - Ongoing positive sales mix shift to higher margin categories
- Adjusted EBITDA growth of 27.6% (9.3% assuming reduced franchise fee in effect in 3Q17)
  - Driven primarily by higher gross profit
- Variability in net new business growth
  - Typical in travel retail industry
  - Timing of new store openings varies from period to period
  - Function of RFP cycle, airport construction

Note: All figures compared to Q3 2017
[1] See slide 14 for a description of organic net sales growth

2018 YTD Wins and Extensions

New Wins		Extensions (1) + Expansions	
New Market	Existing Market	Existing Market	
Billy Bishop Toronto *January 2018*	Seattle-Tacoma Int'l Airport *March 2018*	Clinton National Airport *January 2018*	Greater Rochester Int'l Airport *April 2018*
	Phoenix Sky Harbor Int'l Airport *March 2018*	Pittsburgh Int'l Airport *March 2018*	Burlington Int'l Airport *June 2018*
	Boston Logan Int'l Airport *April 2018*	JFK Terminal 7 *March 2018*	Baltimore/Washington Int'l Thurgood Marshall Airport *June 2018*
	Philadelphia International Airport *July 2018*	Orlando Int'l Airport *April 2018*	LaGuardia Airport Terminal B *June 2018*
			Chicago CitiGroup Center *August 2018*

Denotes Q3 2018

(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.

Store Openings Q3 2018

BNA

ONT


PIT

ATL

RDU

JFK T7

LAS

DFW

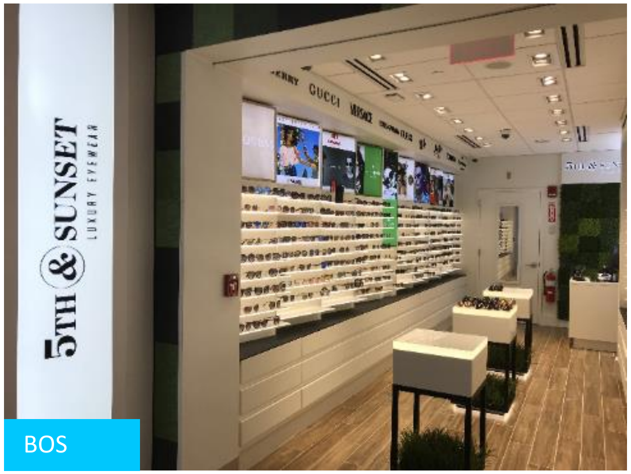
Boston: Filling the New Space

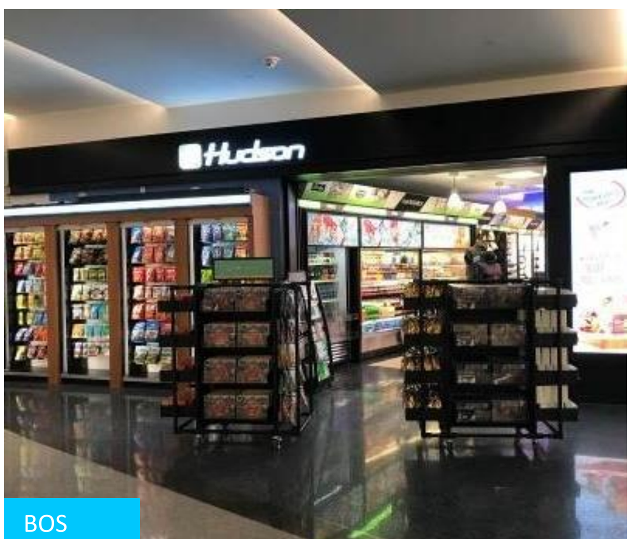
Hudson Group Retail Specialists A Dufry Company

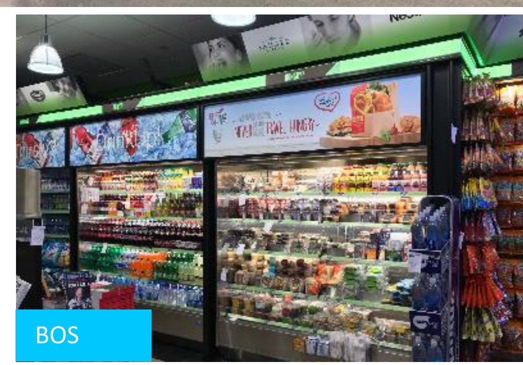
5TH & SUNSET LUXURY EYEWEAR

Hudson

DUNKIN' DONUTS







Food & Beverage – A Leading Category of Growth

Continue to see strong results in stores with open in-line and island coolers driving sales of grab and go food

Accelerating installation of open island and wall coolers due to early success

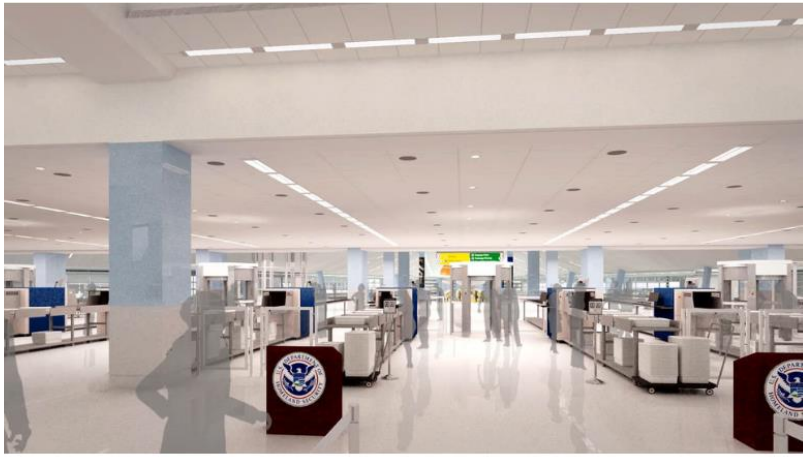
Sales of grab and go food line grew **49%** YoY

Electronics – An Evolving Category

Capitalizing on innovation and hot trends:
- Bluetooth headphones
    - True wireless
    - Active noise cancelling
- Power stations
- Adapters

Whitespace Growth Continues to Present Opportunities

Recent Announcements of Airport Expansion Projects

JFK - $13B makeover (w/4 million addt'l sq.ft.)	EWR - $3B terminal renovation
	
	

2 FINANCIAL RESULTS

Financial Highlights Q3 2018

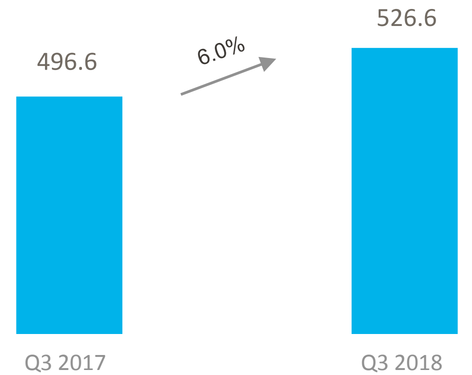
Solid 6.0% turnover growth and 6.5% organic net sales growth[1]

160bps gross margin improvement

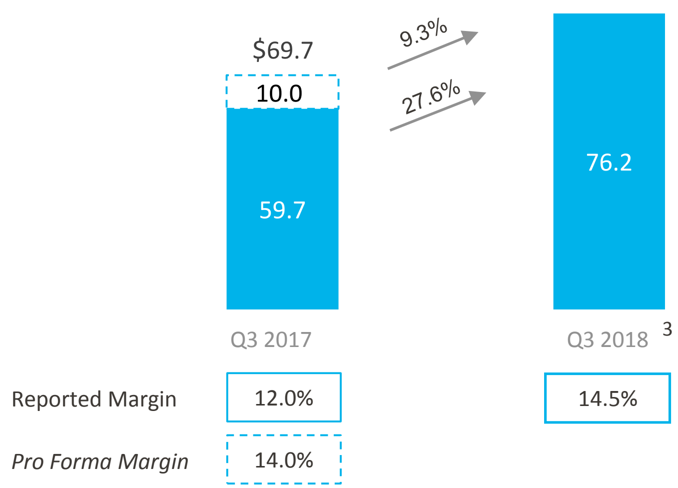
Adjusted EBITDA growth of 27.6% (9.3% assuming lower franchise fee structure was in place in 3Q17)

Adjusted EBITDA margin of 14.5% and 250 bps Adjusted EBITDA margin improvement (50 bps improvement pro forma)

Turnover ($M)



Adjusted EBITDA [2] ($M)



Note: All figures compared to Q3 2017

(1) See reconciliation to Turnover in Appendix. Organic net sales growth represents the combination of growth from (i) like-for-like net sales growth and (ii) net new stores and expansions. Organic net sales 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.

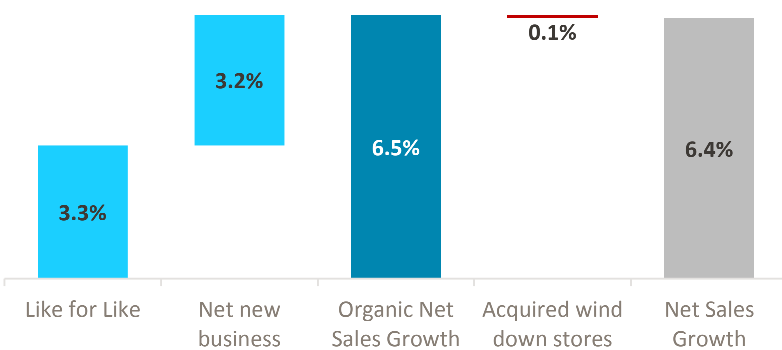
(2) For a reconciliation of adjusted EBITDA to net earnings for the periods presented see Appendix.

(3) Q3 2018 includes $2.7 million incremental public company related costs as compared to Q3 2017.

Organic Net Sales Growth Components Q3 2018

Growth components

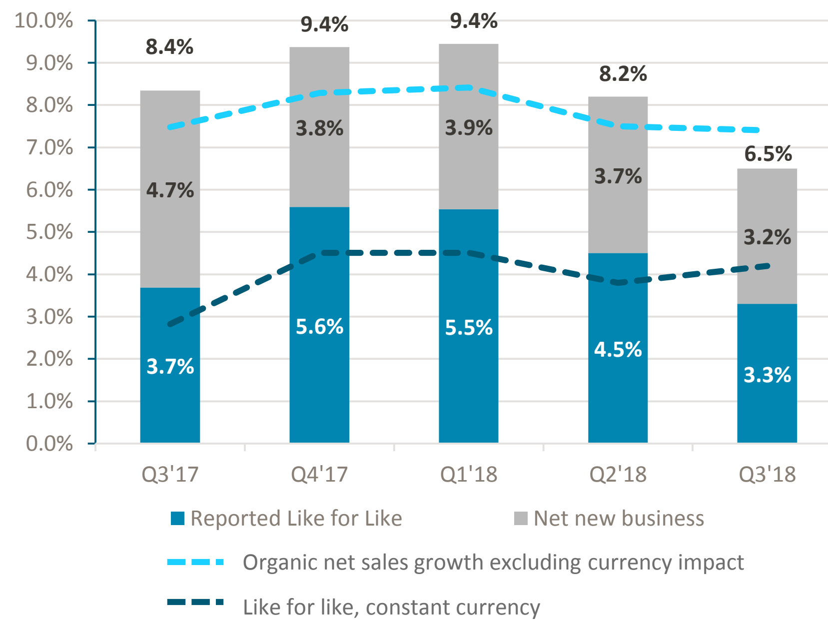
Net Sales growth components	Q3 18 / Q3 17
Like for Like @ constant FX	4.2%
Like for Like FX effect	-0.9%
Like for Like @ reported rates	3.3%
Net new business	3.2%
Organic Net Sales Growth @ reported rates	**6.5%**
Acquired wind down stores	-0.1%
Net Sales Growth	6.4%



Quarterly evolution

Q3 18 Like for like growth negatively impacted 90 bps due to stronger USD. Canadian dollar depreciated 4.1% over Q3 2017.

Net new business includes new operations in Ft. Lauderdale, JFK, LAX, & Seattle.

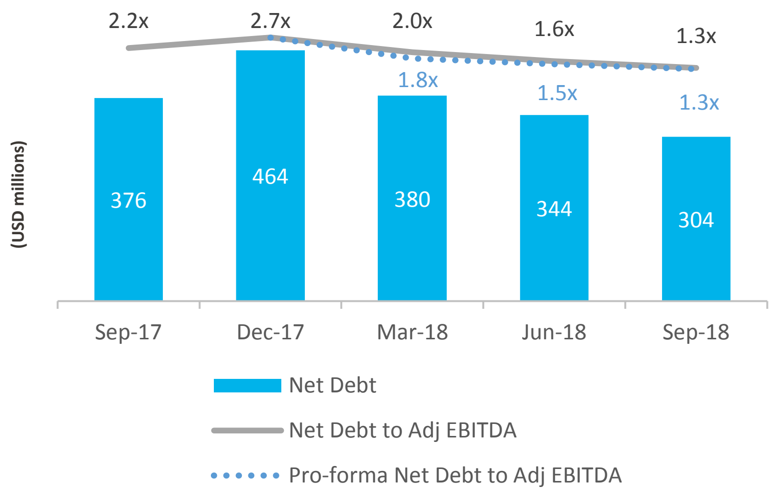


Quarterly Summary – Q3

(in millions USD)	Q3 2018 *% of turnover*	Q3 2017 *% of turnover*	% Change
Turnover	**$526.6** ***100%***	**$496.6** ***100%***	**6.0%**
Gross Profit	$335.5 *63.7%*	$308.5 *62.1%*	8.8%
Selling Expenses	$121.7 *23.1%*	$113.5 *22.9%*	7.2%
Personnel expenses	$105.4 *20.0%*	$95.7 *19.3%*	10.1%
General and administrative expenses	$32.3 *6.1%*	$39.5 *8.0%*	(18.2%)
Share of result of associates	$0.1 -	$(0.1) -	NM
Adjusted EBITDA	**$76.2** ***14.5%***	**$59.7** ***12.0%***	**27.6%**
Depreciation & Amortization	$30.2 *5.7%*	$26.0 *5.2%*	16.2%
Other Operational Result	$1.6 *0.3%*	$(7.2) *(1.4)%*	(122.2%)
Operating Profit (EBIT)	$44.4 *8.4%*	$40.9 *8.2%*	8.6%

Balance Sheet and Cash Flow

Net Debt and Leverage[1] Evolution



- Increase in Net-debt in Q4 ‘17 driven by payment of 100m outstanding Franchise fees to Dufry
- Reduction in Q1’18 net debt due to receipt of $60M pre-IPO restructuring proceeds from sales of non-Hudson US assets to Dufry International
- Pro Forma leverage based on Adjusted EBITDA further adjusted for the new reduced Franchise fee payable to Dufry as if it applied for the entire 12-month period

Cash Flow Statement

	Quarter Ended	
IN MILLIONS OF USD	**9/30/2018**	**9/30/2017**
Net cash flows from operating activities	$75.2	$88.0
Net cash flows used in investing activities	(20.7)	(17.3)
Net cash flows (used in) / from financing activities	(24.8)	(74.4)
Currency translation on cash	1.0	5.1
(Decrease) / increase in cash and cash equivalents	30.7	1.4
Cash and cash equivalents at the		
– beginning of the period	239.0	219.1
– end of the period	269.7	220.5

(1) Net debt leverage represents total debt less cash at the end of the period presented divided by Adj. EBITDA for the last 12 mo. For a reconciliation to the nearest IFRS measure, see Appendix.

Components of Target Revenue Growth and Long-Term Financial Framework

Like-for-like net sales 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

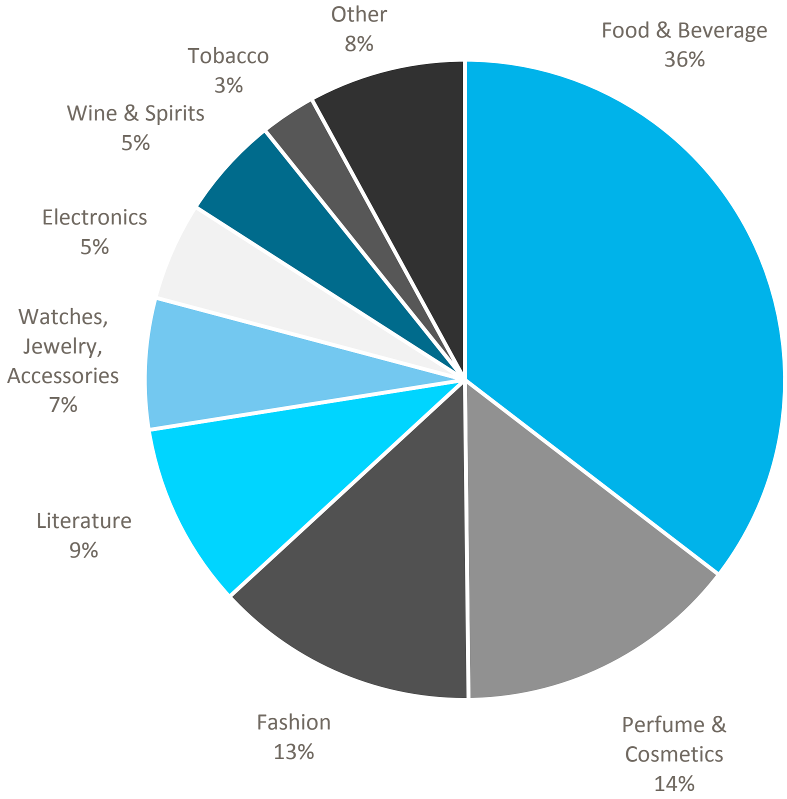
Adj. EBITDA growth
Operational initiatives, scale and operating leverage benefits — Low double digit

Net income growth — High teens

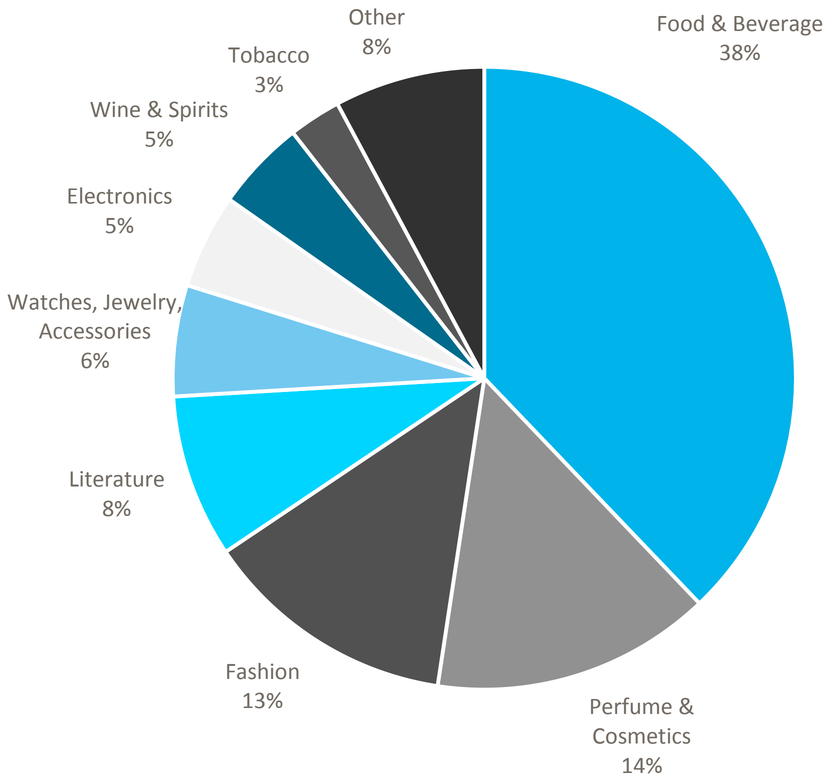
4 APPENDIX

Q3 Net Sales Breakdown – by product category

Q3 2017



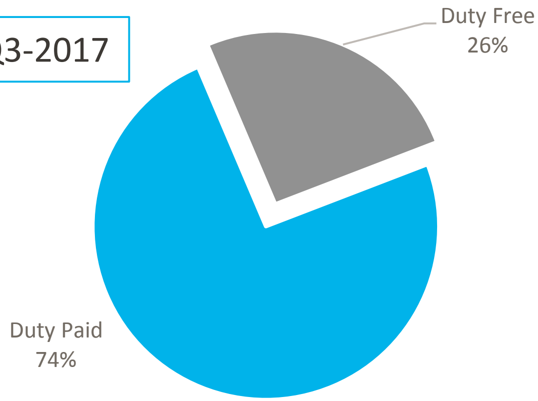
Q3 2018



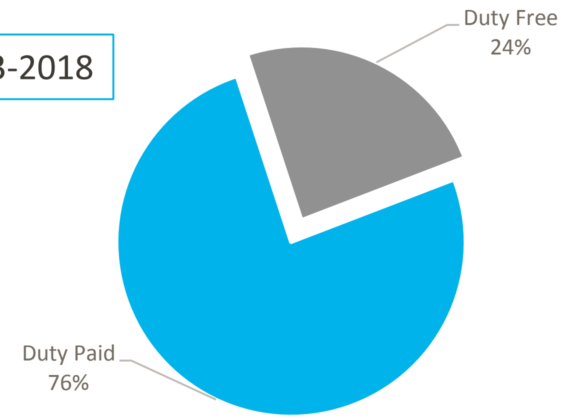
Q3 Sales Breakdown

Net Sales By Sector

Q3-2017

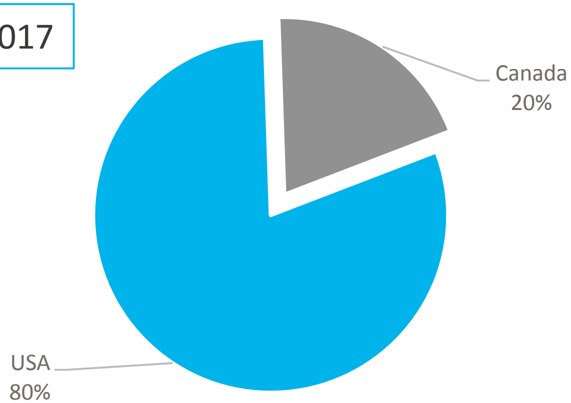


Q3-2018

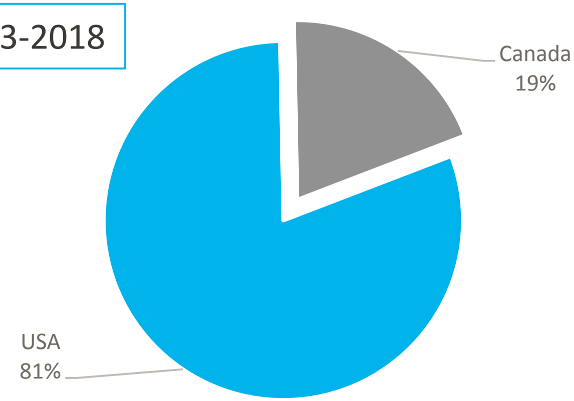


Turnover By Country

Q3-2017



Q3-2018



Turnover to Organic Net Sales Growth Reconciliation

	Organic	Acquired Wind Down Stores	Reported Growth
Like for Like	3.3%	0.0%	3.3%
Net New Business	3.2%	-0.1%	3.1%
Organic Net Sales Growth	6.5%	-0.1%	6.4%
Advertising Income			-0.4%
Total Turnover Growth			**6.0 %**

Adjusted EBITDA Reconciliation

	QUARTER ENDED	QUARTER ENDED	NINE MONTHS ENDED	NINE MONTHS ENDED
IN MILLIONS OF USD	**9/30/2018**	**9/30/2017**	**9/30/2018**	**9/30/2017**
Net earnings	36.8	22.5	63.0	24.2
Income tax expense	0.7	11.0	4.1	8.0
Earnings before taxes (EBT)	37.5	33.5	67.1	32.2
Foreign exchange gain / (loss)	(0.2)	(0.4)	0.3	(0.8)
Interest income	(0.6)	(0.4)	(1.7)	(1.4)
Interest expenses	7.7	8.2	23.3	22.7
Operating Profit (EBIT)	44.4	40.9	89.0	52.7
Depreciation, amortization and impairment	30.2	26.0	89.6	79.3
Other operational result (1)	1.6	(7.2)	6.6	(0.9)
Adjusted EBITDA	**76.2**	**59.7**	**185.2**	**131.1**

For the quarter ended September 30, 2018, other operational result consisted of $1.2 million of litigation reserve and $0.4 million of other non-recurring items. For the quarter ended September 30, 2017, other operational result included $9.9 million of other operating income resulting from forgiveness of certain intercompany payables due to Dufry and $0.5 million of other non-recurring income items, partially offset by $3.2 million of IPO transaction costs. For the nine months ended September 30, 2018, other operational result consisted of $2.2 million of litigation reserve, $0.8 million of asset write-offs related to conversions and store closings, $0.8 million of uncollected receivables, $0.7 million of IPO transaction costs, $0.6 million of restructuring expenses and $1.5 million of other non-recurring items. For the nine months ended September 30, 2017, other operational result consisted primarily of $9.9 million of other operating income resulting from forgiveness of certain intercompany payables due to Dufry, which was partially offset by other operating expenses including $3.2 million of IPO transaction costs, $3.0 million of restructuring costs associated with the World Duty Free Group acquisition, $1.5 million of asset write-offs and $1.3 million of other non-recurring items.

Pro Forma Net Debt Reconciliation

MILLIONS OF USD	QUARTER ENDED 9/30/18
Financial debt	573
Less: Cash and cash equivalents	(269)
Net debt	304
Adj. EBITDA (Trailing 12 mo)	227
Add: reduction in franchise fees to Dufry	9
Pro forma Adj EBITDA (Trailing 12 mo)	236
Pro forma net debt / Adj. EBITDA ratio	1.3

Q & A