



A  DUFRY Company

Goldman Sachs Global Retailing Conference

September 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

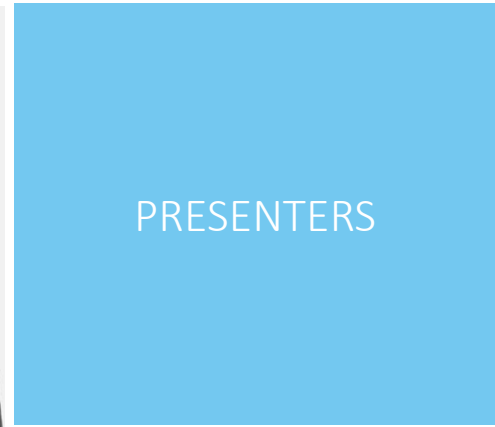
Introduction



Joseph DiDomizio
President & CEO



Roger Fordyce
Chief Operating Officer



1 INTRODUCTION











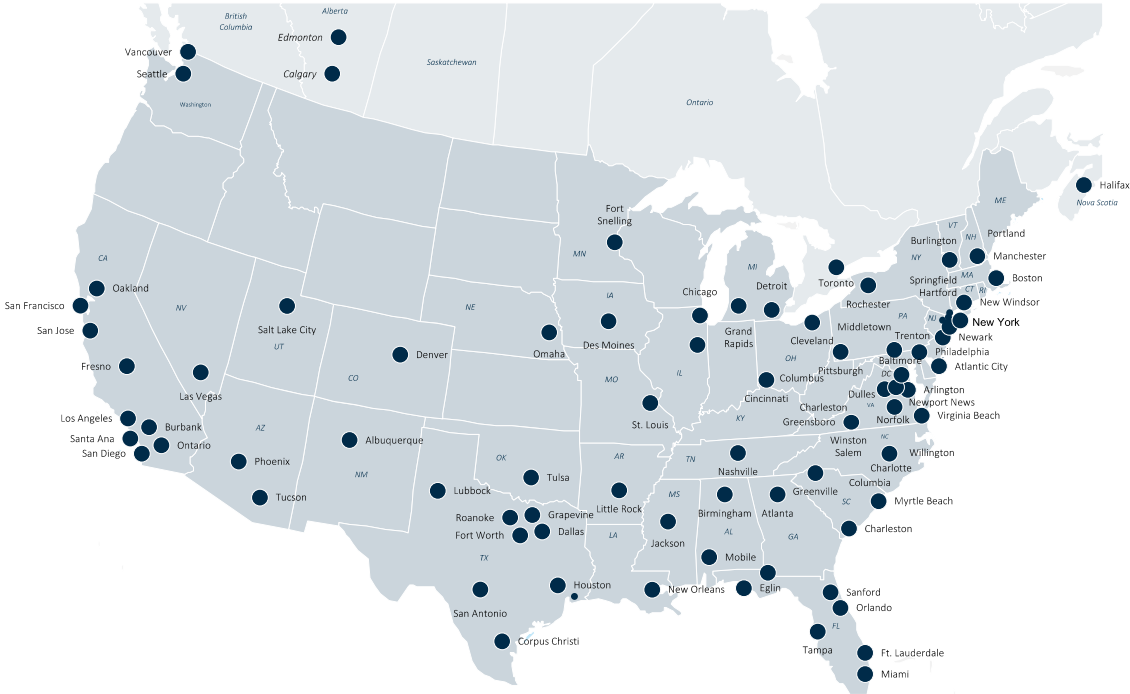
Our core purpose:
To be the Traveler's
Best Friend

Hudson Group is an Industry Leader in North American Travel Retail



Broad geographic footprint spanning four corners of North America

 <p>88 Locations in transportation terminals & travel destinations</p>	 <p>1,000+ Stores in airports and other major transportation centers</p>	 <p>Over 120 million transactions</p>
 <p>200+ concession agreements</p>	 <p>9,600+ Employees and more than 50 nationalities represented⁽¹⁾</p>	 <p>76% of net sales from Duty Paid¹</p>
 <p>Net sales of \$1.9 billion 7.8% y/y growth</p>		 <p>Adj. EBITDA² of \$210million 11.2% margin</p>



Note: Unless otherwise noted data presented as of or for the twelve months ended, June 30, 2018.
Anchorage, Alaska location not pictured in map.

(1) As of December 31, 2017
(2) Adjusted EBITDA is a non-IFRS measure. See reconciliation at the end of this presentation for a reconciliation to the most comparable IFRS measure.

Diversified set of highly recognized concepts

Travel Essentials & Bookstores

Proprietary Duty Free

Branded Specialty

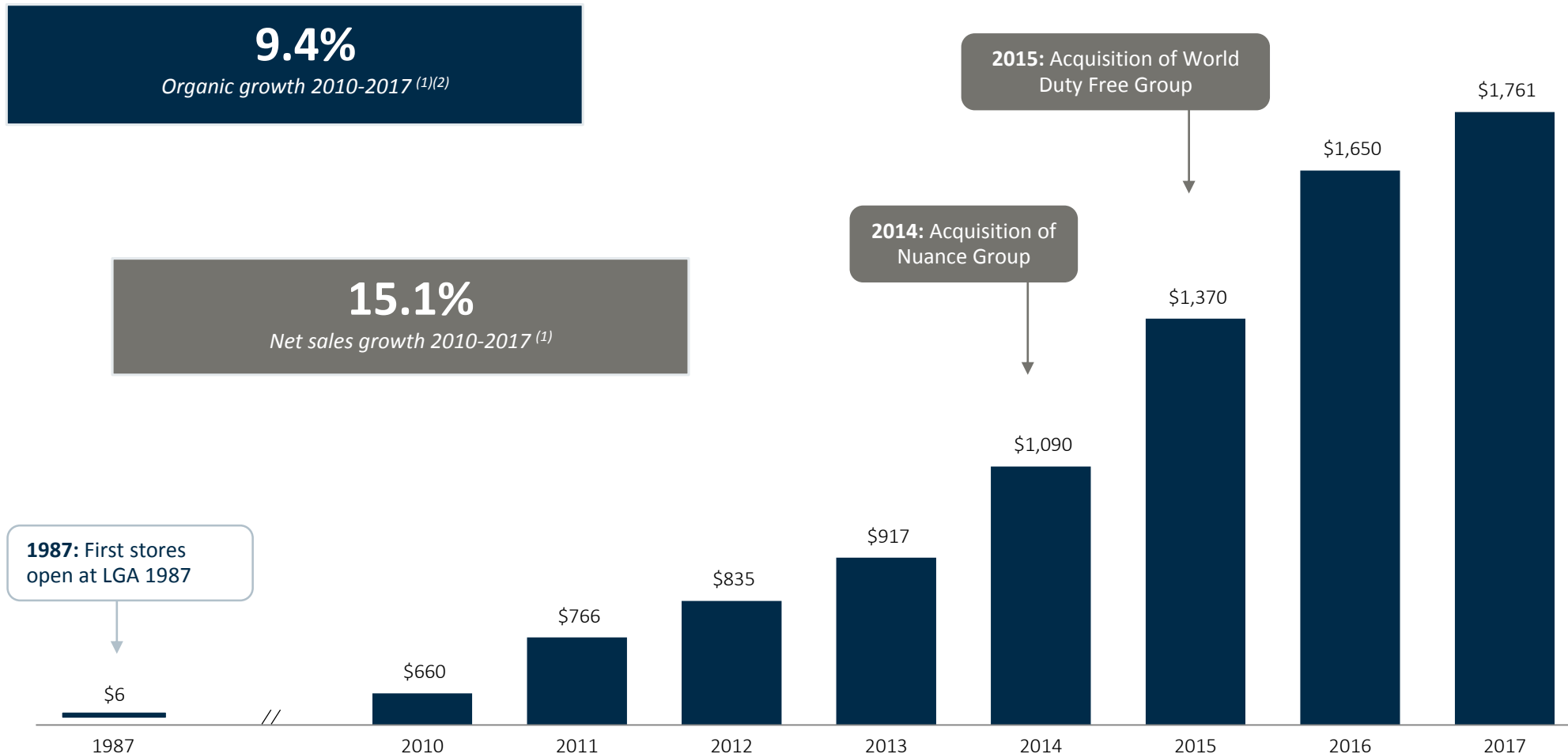
Over 75 specialty brands including:

Proprietary Specialty

Quick-Service Food & Beverage

Portfolio of brands underpins go-to market strategy

Long and consistent record of impressive net sales growth



Note: \$ in millions.

Represents net sales (i.e., turnover minus advertising income).

2011 onwards reflects consolidation of Dufry North America assets owned prior to acquisition of Hudson.

(1) Year-over-year average for the years ended 12/31/2010 through 12/31/2016.

(2) Excludes growth attributable to specific stores acquired in the acquisition of Nuance Group or World Duty Free Group that management expected, at the time of the applicable acquisition, to wind down.

2 INVESTMENT HIGHLIGHTS

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

LEADERSHIP

Experienced, service-driven, cohesive **leadership team** complemented by global travel retailer Dufry

GROWTH

Multiple levers to **grow** existing business and expand concession portfolio

Our iconic anchor brand, Hudson, is the Traveler's Best Friend

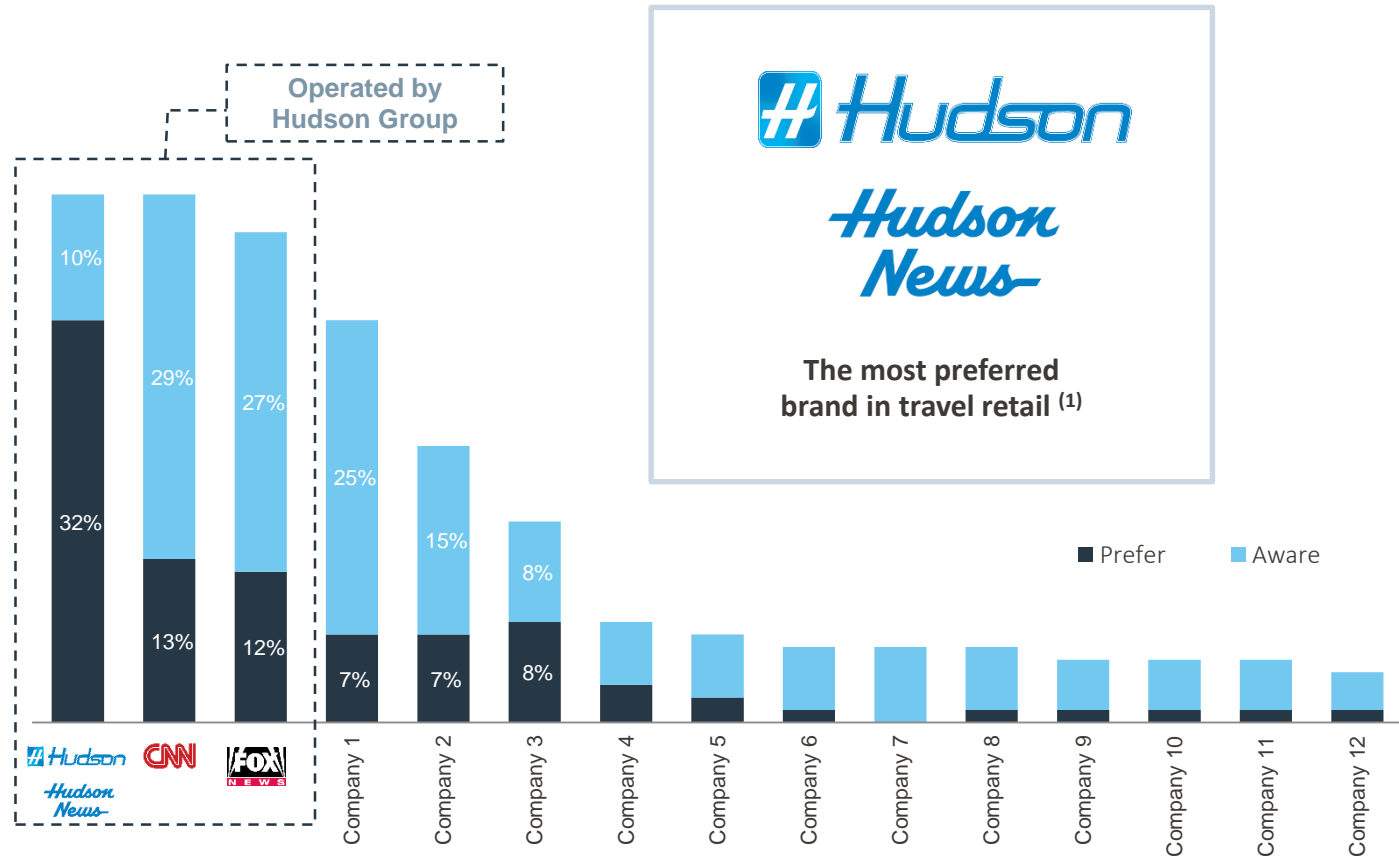


Consistency
in an environment of stress

Well-organized
comfortable, and easy to shop

Broad assortment
of merchandise

Customized & local
approach increases relevance
to customers



(1) 2017 Ipsos study confirms that more airport shoppers prefer to shop at Hudson than any other travel news, gift and convenience retailer.

Travel Retail Has Distinct Advantages



Captive Audience

- Passengers arrive at airports earlier due to travel unknowns
- Average dwell time between 90 – 105 minutes increases spend

Propensity to Spend

- Passenger spend increased at a 4% CAGR from 2007 to 2017
- The median passenger is 45 – 54 years old
- \$100k - \$125k 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

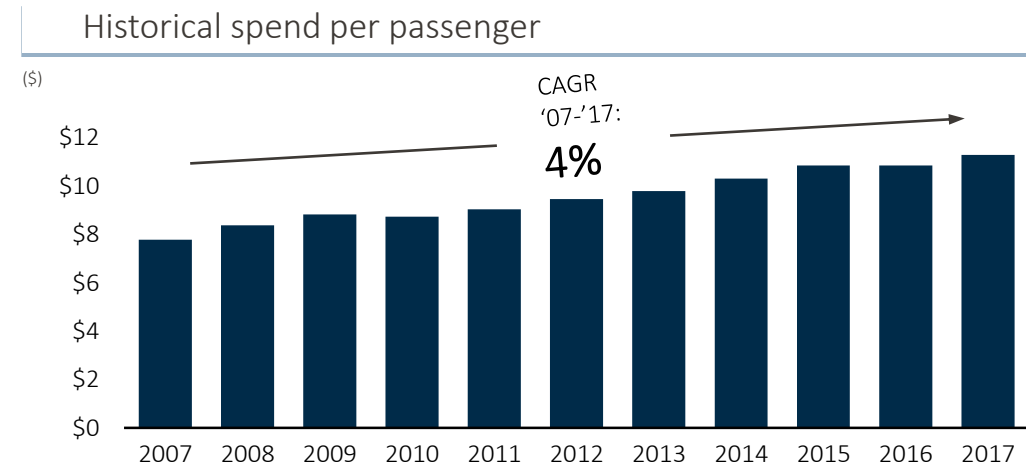
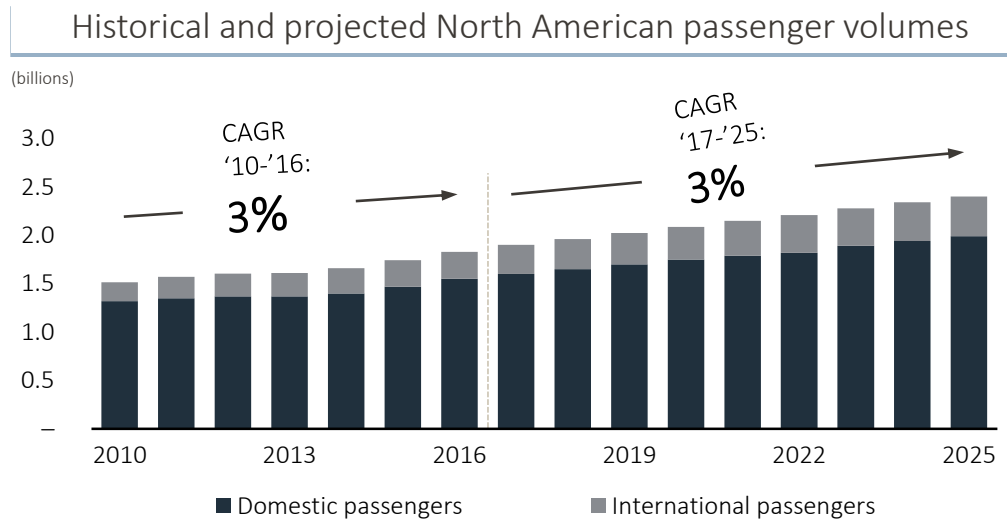
Regulatory Environment

- 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

The North American Travel Concessions Market is Expected to Continue Growing

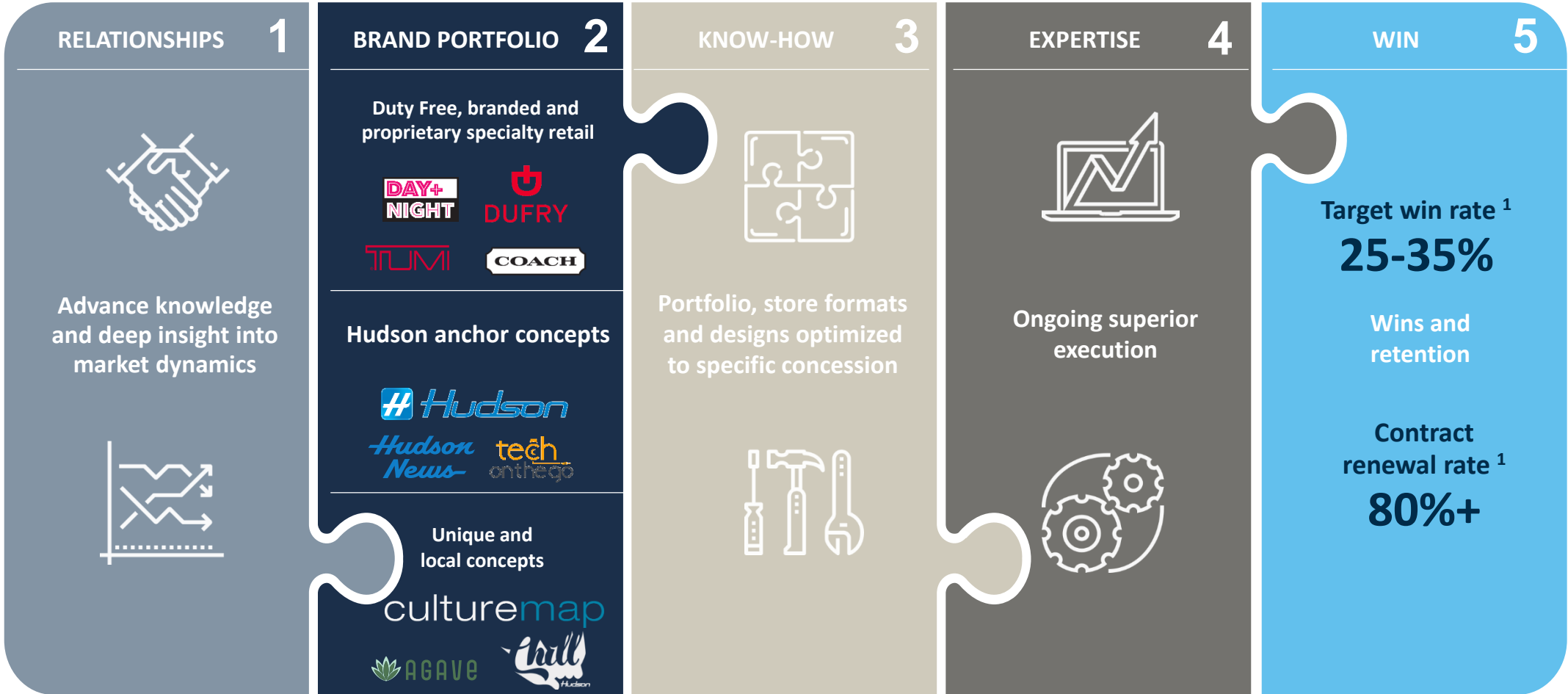


Air travel is a way of life

Our distinct commercial approach makes us the partner of choice for landlords

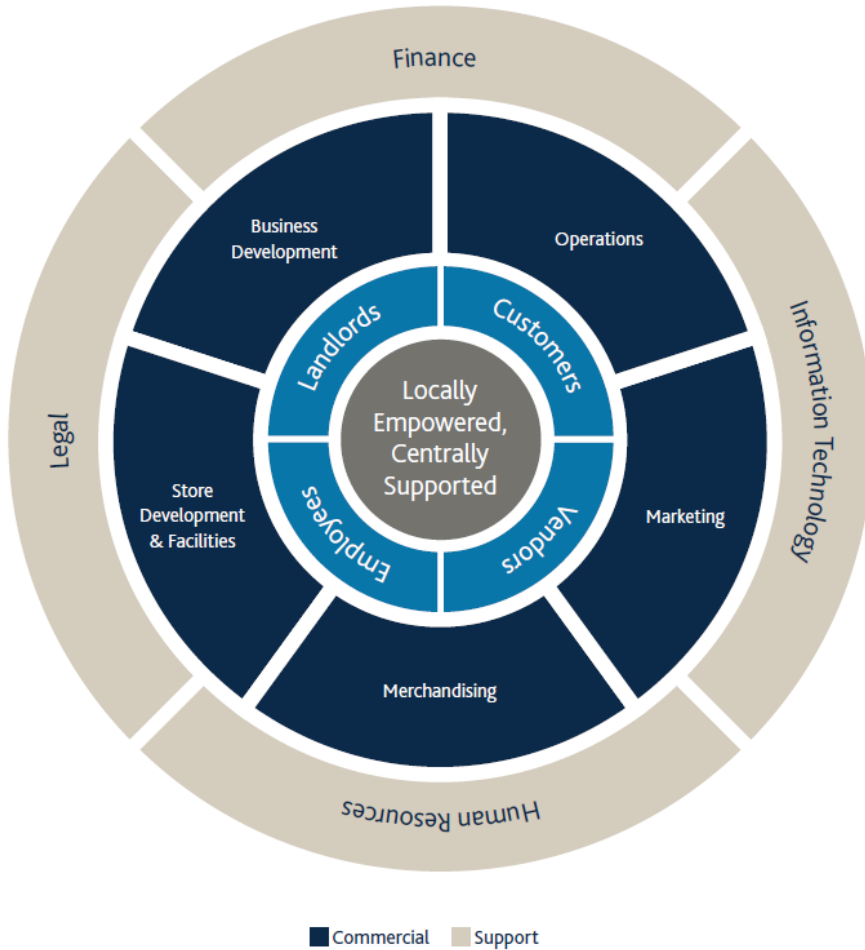


We apply a consistent “playbook” across a broad range of concessions



(1) Over the past 5 years as of December 31, 2017.

Organizational Structure That Delivers Value to Key Constituents



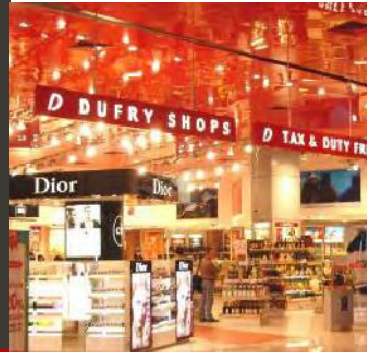
<p>Joseph DiDomizio President & Chief Executive Officer 26+</p>		
<p>Roger Fordyce EVP & Chief Operations Officer 29+</p>	<p>Brian Quinn EVP & Chief Operations Officer 27+</p>	<p>Hope Remoundos EVP & Chief Marketing Officer 26+</p>
<p>Adrian Bartella Chief Financial Officer 13+</p>	<p>Michael Levy SVP & Chief Merchandising Officer 10+</p>	<p>Dave Stubbs SVP & Chief Information Officer 18+</p>
<p>Andy Rattner EVP, Duty Free Operations 13+</p>	<p>Michael Mulaney EVP, Corporate Strategy & Development 14+</p>	<p>Brad Lenz SVP, Design, Facilities & Store Devp. 4+</p>
<p>Rick Yockelson SVP, People & Administration 13+</p>		<p>Jay Marshall General Counsel 18+</p>

200+ years of management experience

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



Alignment with parent creates value for core and luxury brands



64 countries

Dufry is a global business operating around the world



\$7.5bn
Market cap.



32,000+ employees

From more than 70 different nationalities from around the world



Economies of scale and purchasing power



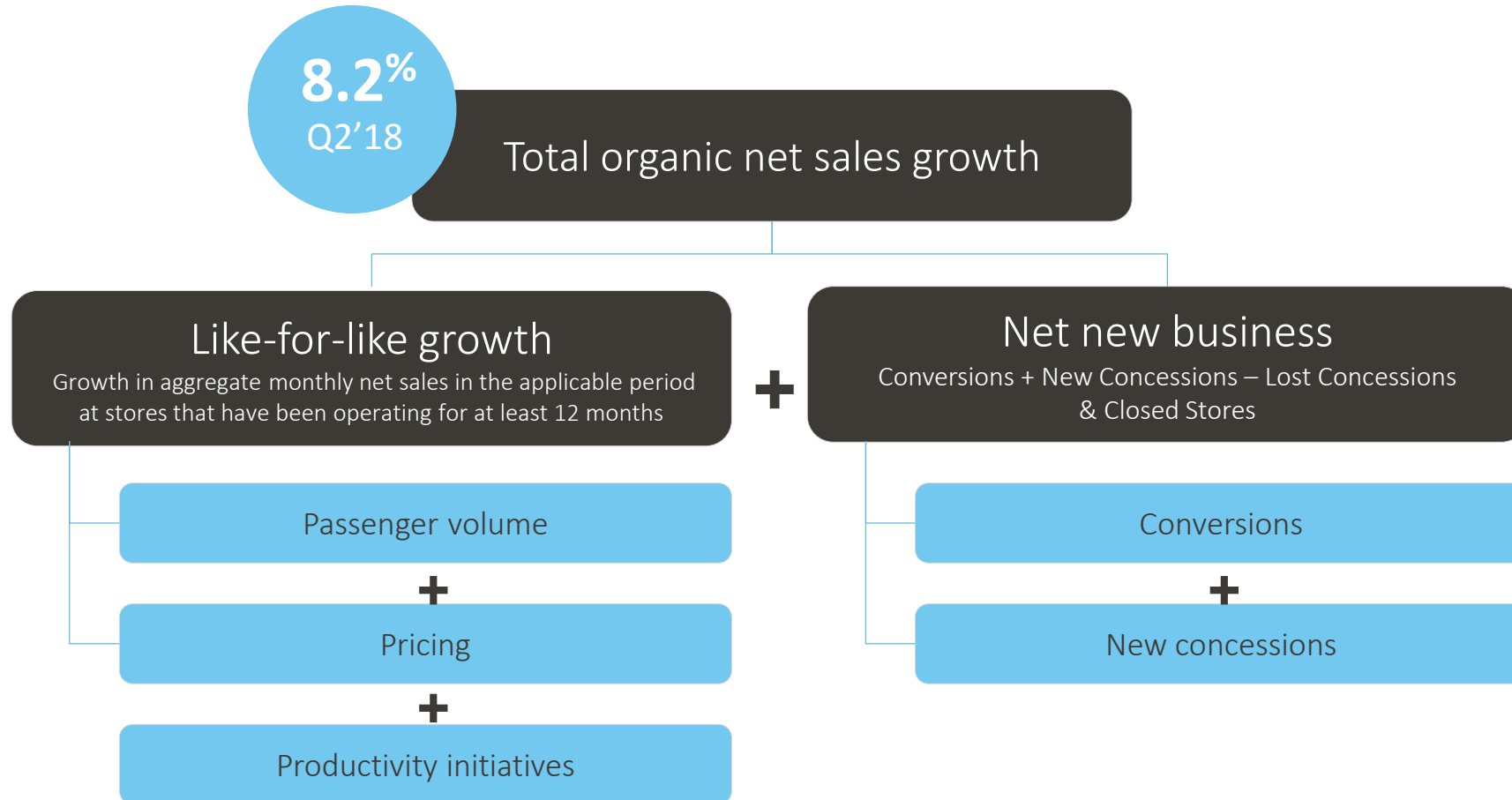
Relationships with global brands



The Hudson Group Sales Growth Algorithm



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



3 OPERATIONAL INITIATIVES

2018 Productivity Initiatives – Food & Beverage Expansion

Continued expansion of the Marketplace category to address traveler's demands for higher quality grab and go foods



F&B Sales Strong
2Q Update:

- Overall F&B sales up 14% YoY
- Grab and go segment up 53%
- Our proprietary Traveler's Best product line up 79%



Installing island coolers in new stores and conversions in order to increase awareness and visibility



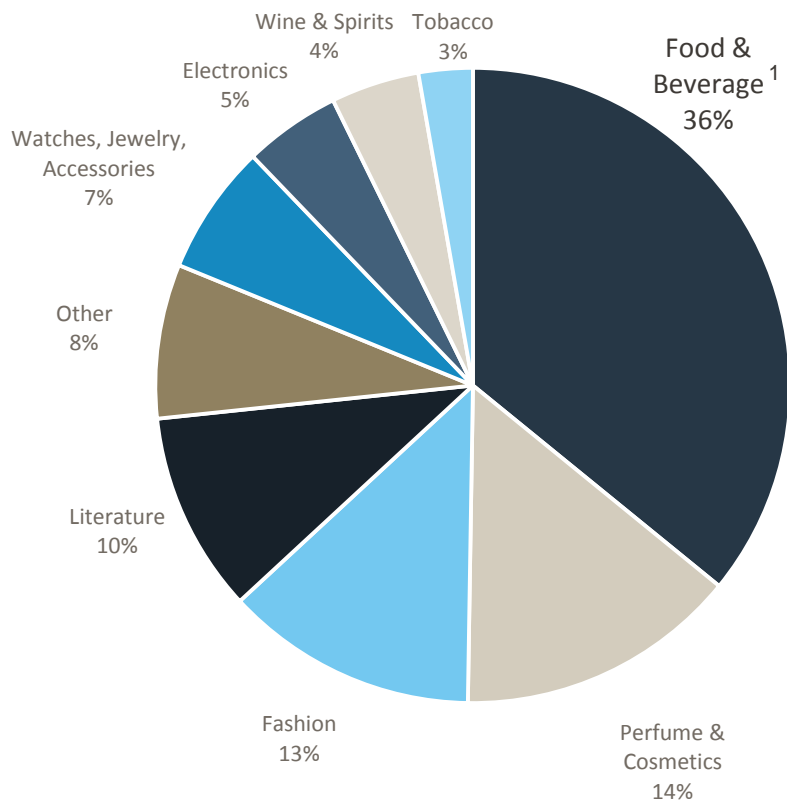
We are seeing 3x higher grab & go food sales in stores with open island coolers
On track to have 45 installed by end of 2018

Sales Breakdown – by product category

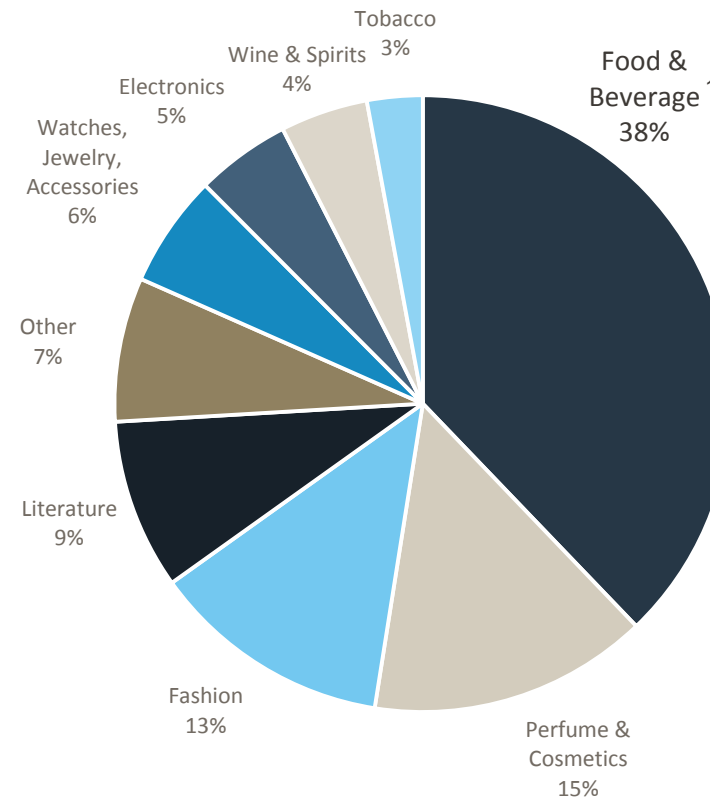


Today, food & beverage comprises the majority of our sales

2017 Q2



2018 Q2



(1) The Food and Beverage category includes packaged snacks and candy, beverages and grab & go options, as well as sales from our quick service concepts

Digital Development Milestones

Expanding mobile payment options

ApplePay, GooglePay and SamsungPay now available in all U.S. duty paid stores

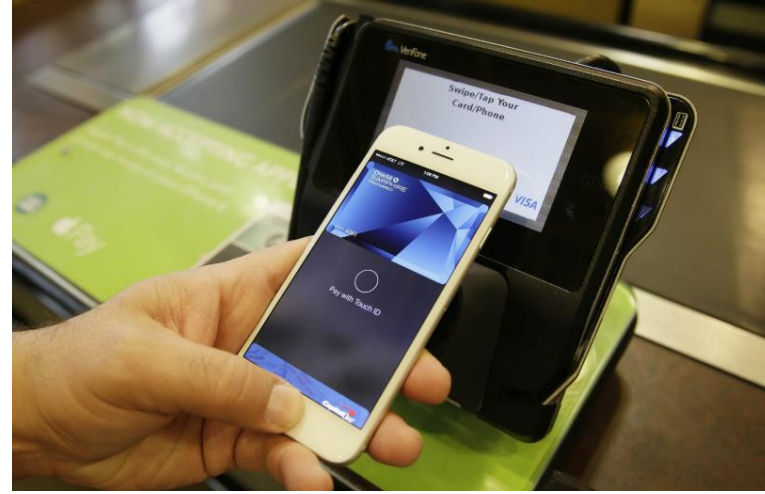
Enabling multi-currency payments

Customers can now pay in their home currency

Streamlined payment systems

Converted all our duty free stores to one point of sale system, removing previous legacy systems

“Making payments more efficient and getting our customers on their way faster”



Notable Store Openings Q2 2018: Spotlight on McCarran International Airport

Rotunda - Before



Identified vacant space and worked with airport management to transform this into productive retail concession space

By Q3 2018 we will have added a total of five stores in this area

“Adding whitespace where whitespace didn’t exist”

Rotunda - After



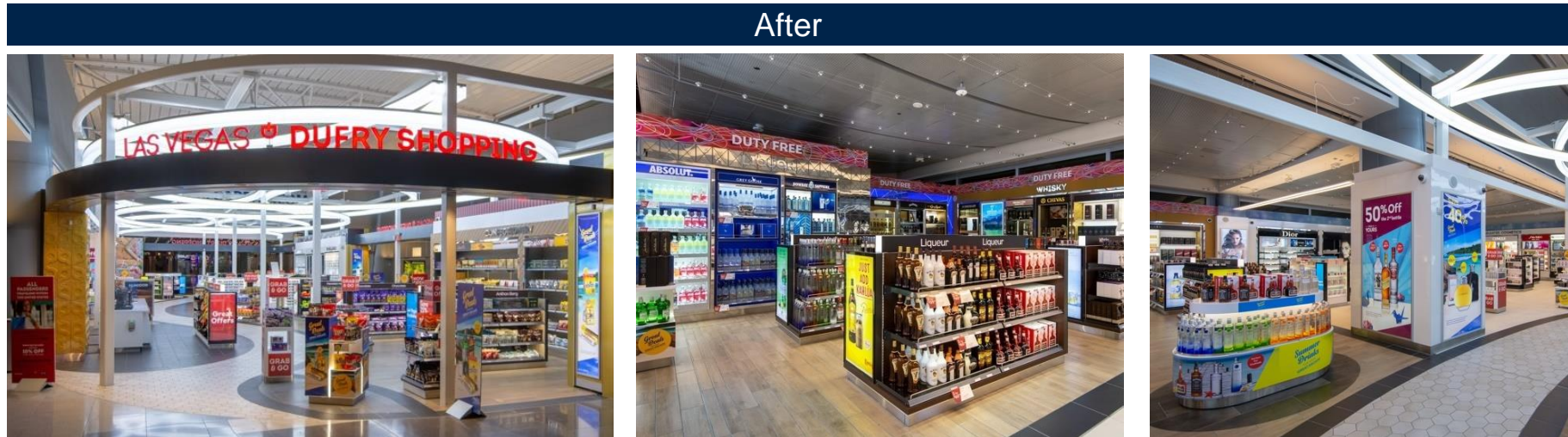
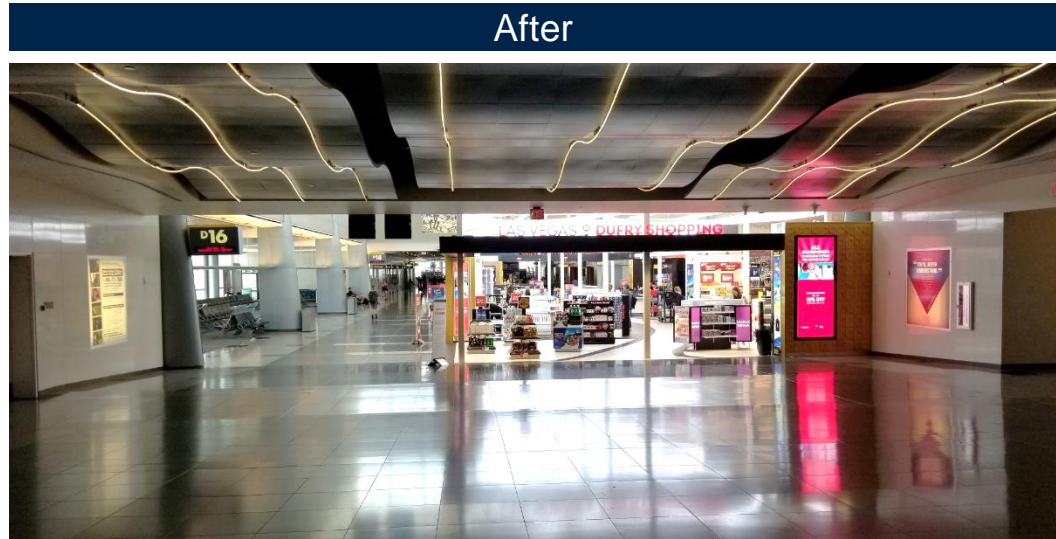
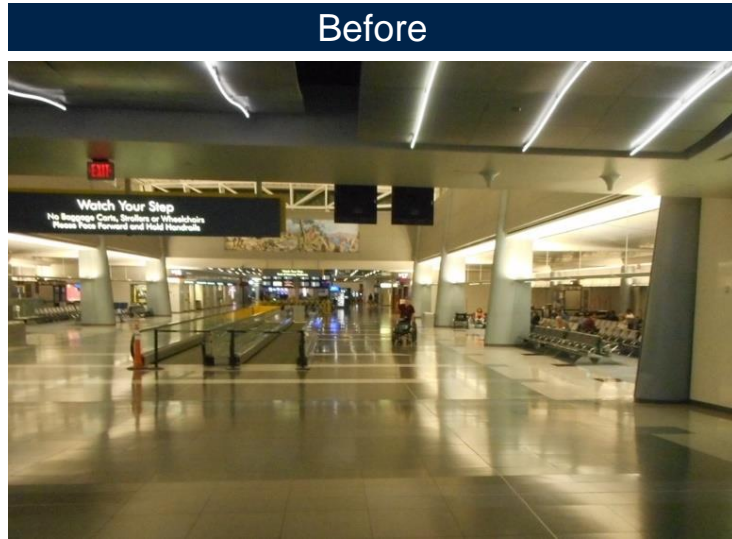
Notable Store Openings Q2 2018: Spotlight on McCarran International Airport

Rotunda - After



Notable Store Openings Q2 2018: Spotlight on McCarran International Airport

Duty Free



Notable Store Openings Q2 2018: Spotlight on Hartsfield–Jackson Atlanta International Airport



“Another example of how we partner with airports to transform whitespace into productive real estate”

2018 YTD Wins and Extensions

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

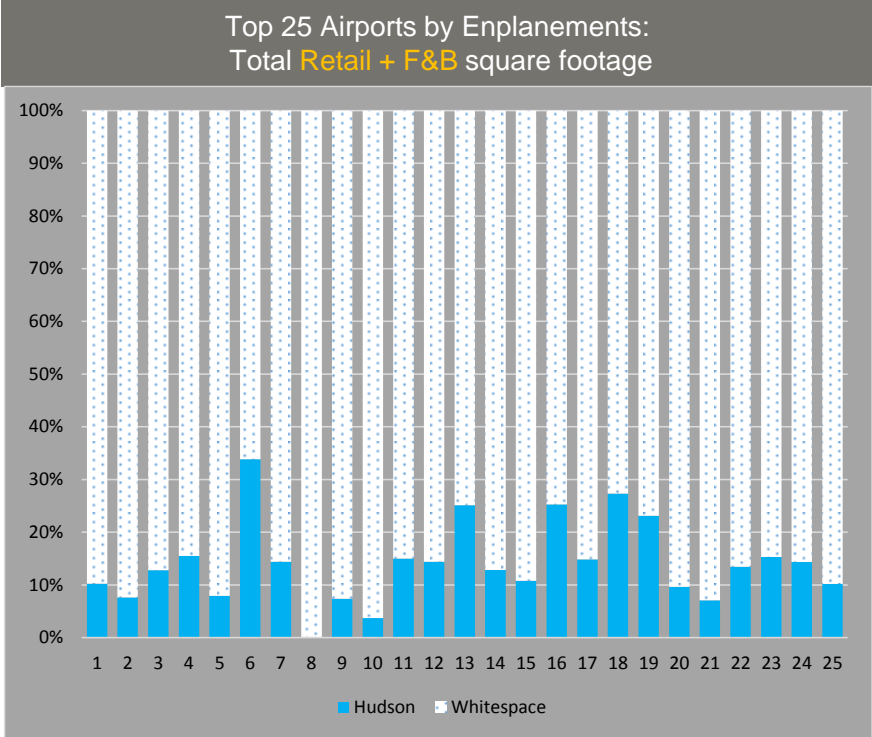
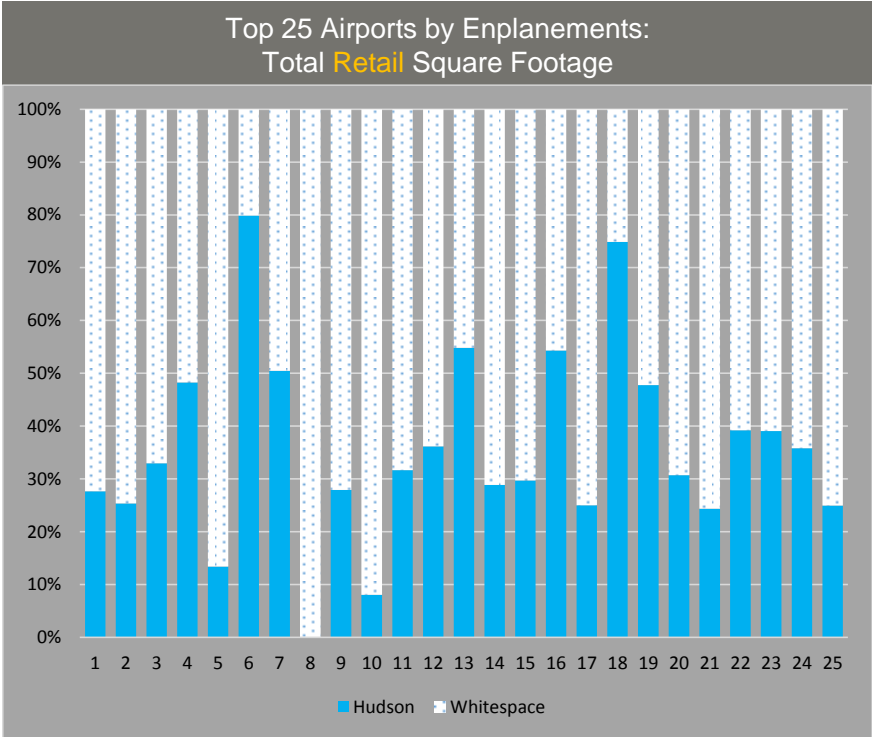
(1) An extension is defined as a continuation in the same market whether the Company won through an RFP process or extended an existing contract.

Strong Market Share with Room to Grow

While we are in 24 of the top 25 airports, we are not in every terminal

Top 25 airports represent ~59% of total N.A. travel retail market¹

We have significant room to grow sales, not only in travel retail but also in food & beverage, a category that is a natural extension of our business



For illustrative purposes only. Revenue opportunities in particular airports may be limited by airport policies

(1) Based on square feet available for retail and food & beverage operations
 Source: ARN, company data and N.A. airport data

4 LATEST FINANCIAL RESULTS

Financial Highlights Q2 2018



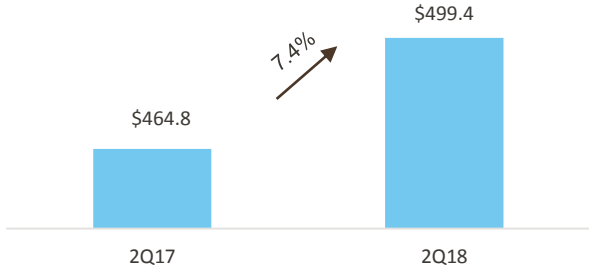
Strong turnover growth
7.4% and 8.2% organic
net sales growth ¹

170 bps gross margin
improvement ²

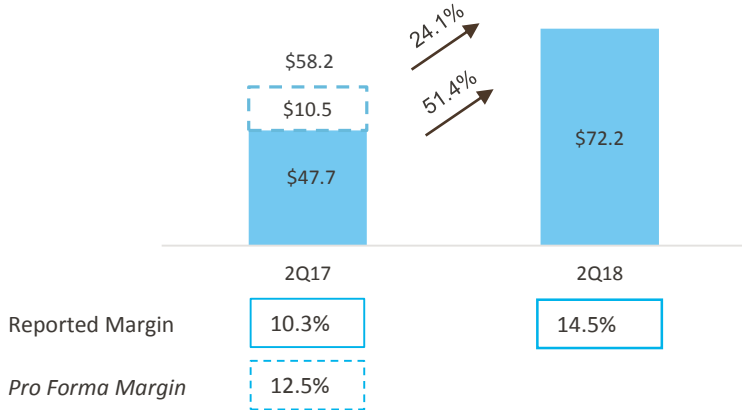
Adjusted EBITDA growth
YoY of 51.4% (24.1%
assuming lower
franchise fee structure
was in place in 2Q17)

Adjusted EBITDA margin
of 14.5% and 420 bps
Adjusted EBITDA margin
improvement (200 bps
improvement pro forma)

Turnover



Adjusted EBITDA ³



(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.

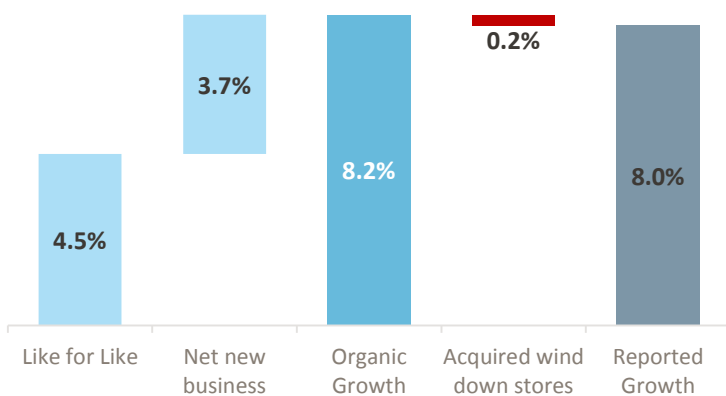
(2) Includes 70 bps attributable to Q1 2018 as change in vendor terms retroactive to Jan 1 2018

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

Net Sales Growth Components 2018

Growth components

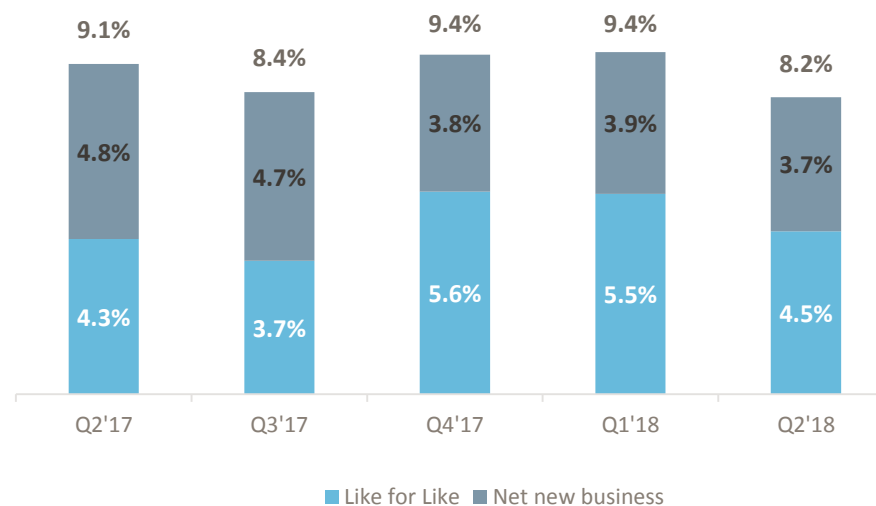
Net Sales growth components	Q2'18 / Q2'17
Like for Like @ constant FX	3.8%
Like for Like FX effect	0.7%
Like for Like @ reported rates	4.5%
Net new business	3.7%
Organic Growth @ reported rates	8.2%
Acquired wind down stores	-0.2%
Reported Growth	8.0%



Quarterly evolution

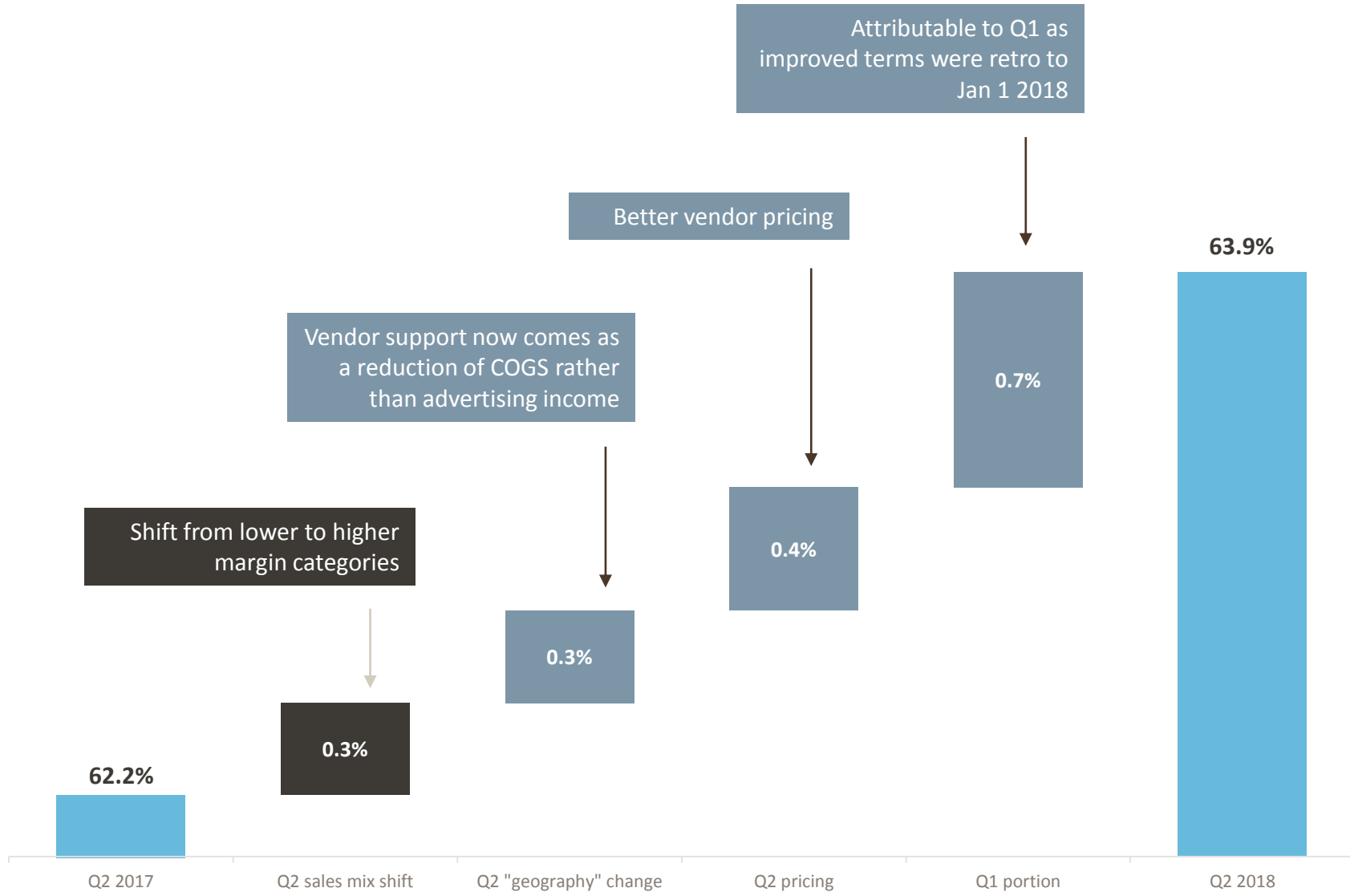
Q2'18 Solid like for like results driven by healthy results in the US and continued growth in Canada, despite the Easter shift.

Net new business includes new shops in Ft Lauderdale, Seattle, JFK, Vancouver, & Des Moines



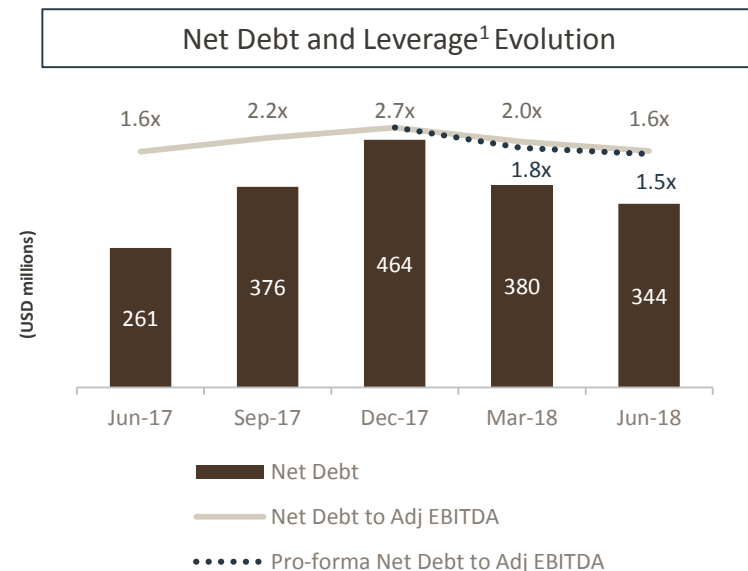
- (1) Percentages reflect the amount of sales growth attributable to like for like growth and net new business relative to the same period in the prior year
- (2) Acquired wind down stores consist of eight stores acquired in the 2014 acquisition of Nuance and 46 stores acquired stores in the 2015 acquisition of World Duty Free Group that management expected, at the time of the applicable acquisition, to wind down.

Gross Margin Components



Quarterly Summary

(in millions USD)	Q2 2018 <i>% of turnover</i>	Q2 2017 <i>% of turnover</i>	% Change
Turnover	\$499.4 100%	\$464.8 100%	7.4%
Gross Profit	\$319.3 63.9%	\$288.9 62.2%	10.5%
Selling Expenses	\$114.1 22.8%	\$107.2 23.1%	6.4%
Personnel expenses	\$100.8 20.2%	\$92.1 19.8%	9.4%
General and administrative expenses	\$32.1 6.4%	\$41.8 9.0%	(23.2%)
Share result of associates	\$(0.1) -	\$(0.1) -	NM
Adjusted EBITDA	\$72.2 14.5%	\$47.7 10.3%	51.4%
Depreciation & Amortization	\$30.6 6.1%	\$26.3 5.7%	16.3%
Other Operational Result	\$2.4 0.5%	\$4.5 1.0%	(46.7%)
Operating Profit (EBIT)	\$39.2 7.8%	\$16.9 3.6%	132.0%



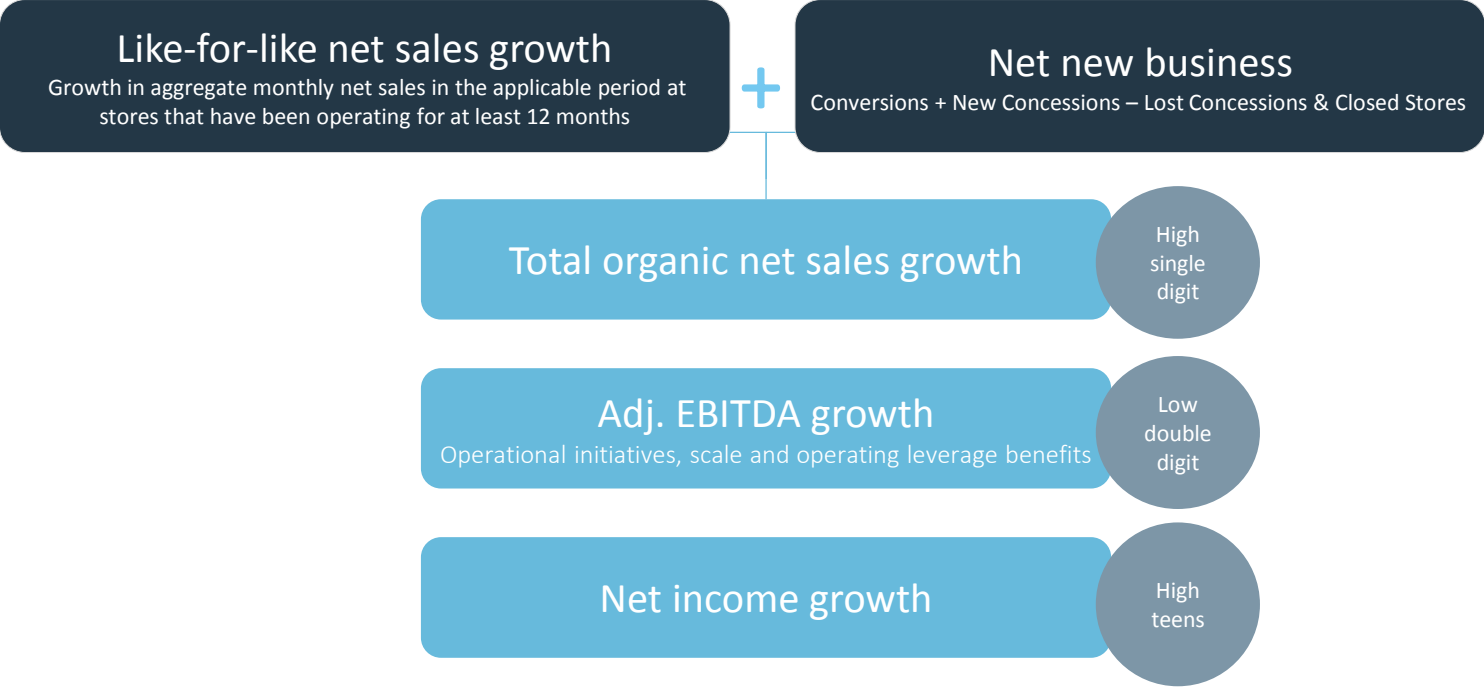
- Increase in net debt in Q3 '17 linked to pre-IPO restructuring in Canada and new \$195m CAD financing in Canada
- Increase in net-debt in Q4 '17 driven by payment of \$100m outstanding Franchise fees to Dufrey
- Reduction in Q1'18 net debt due to receipt of \$60m pre-IPO restructuring proceeds from sales of non-Hudson US assets to Dufrey International
- Pro Forma leverage based on Adjusted EBITDA, which reflects reduced franchise fee to Dufrey

Cash Flow Statement

IN MILLIONS OF USD	Quarter Ended	
	6/30/2018	6/30/2017
Net cash flows from operating activities	\$71.4	\$58.4
Net cash flows used in investing activities	(19.8)	(34.3)
Net cash flows (used in) / from financing activities	(22.7)	8.6
Currency translation on cash	4.8	(2.6)
(Decrease) / increase in cash and cash equivalents	33.7	30.1
Cash and cash equivalents at the		
– beginning of the period	205.3	189.0
– end of the period	239.0	219.1

(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





APPENDIX



Adjusted EBITDA Reconciliation

	QUARTER ENDED	QUARTER ENDED	SIX MONTHS ENDED	SIX MONTHS ENDED
IN MILLIONS OF USD	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Net earnings	26.2	7.1	26.2	1.7
Income tax expense	<u>5.8</u>	<u>3.2</u>	<u>3.4</u>	<u>(3.0)</u>
Earnings before taxes (EBT)	32.0	10.3	29.6	(1.3)
Foreign exchange gain / (loss)	0.1	(0.2)	0.5	(0.4)
Interest income	(0.6)	(0.5)	(1.1)	(1.0)
Interest expenses	<u>7.7</u>	<u>7.3</u>	<u>15.6</u>	<u>14.5</u>
Operating Profit (EBIT)	39.2	16.9	44.6	11.8
Depreciation, amortization and impairment	30.6	26.3	59.4	53.3
Other operational result ⁽¹⁾	<u>2.4</u>	<u>4.5</u>	<u>5.0</u>	<u>6.3</u>
Adjusted EBITDA	72.2	47.7	109.0	71.4

(1) For the quarter ended June 30, 2018, other operational result consisted of \$1.0 million of litigation reserve, \$0.4 million of IPO transaction costs, \$0.2 million of restructuring expenses and \$0.8 million of the non-recurring items. For the quarter ended June 30, 2017, other operational result included \$2.3 million of restructuring expenses, \$1.5 million of asset write-offs related to conversions and store closings and \$0.7 million of other non-recurring items. For the six months ended June 30, 2018, other operational result consisted of \$1.0 million of litigation reserve, \$0.8 million of asset write-offs related to conversions and store closings, \$0.7 million of IPO transaction costs, \$0.7 million of uncollected receivables, \$0.6 million of restructuring and \$1.2 million of other non-recurring items. For the six months ended June 30, 2017, other operational results included \$3.3 million of restructuring expenses, \$1.5 million of asset write-offs and \$1.5 million of other non-recurring items.

Pro Forma Net Debt Reconciliation

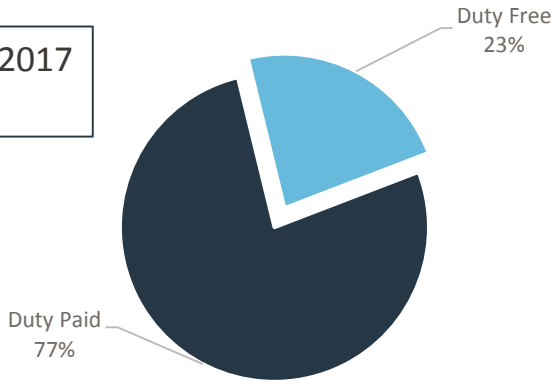
	QUARTER ENDED
MILLIONS OF USD	6/30/18
Financial debt	583
Less: Cash and cash equivalents	<u>(239)</u>
Net debt	344
Adj. EBITDA (Trailing 12 mo)	210
Add: reduction in franchise fees to Dufrey	19
Pro forma Adj EBITDA (Trailing 12 mo)	229
Pro forma net debt / Adj. EBITDA ratio	1.5

Sales Breakdown – By Sector - QTD

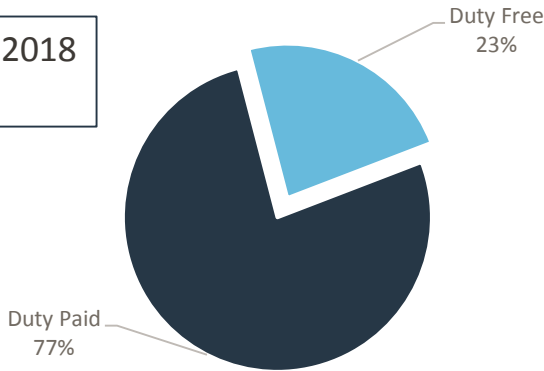


Net Sales By Sector

Q2-2017

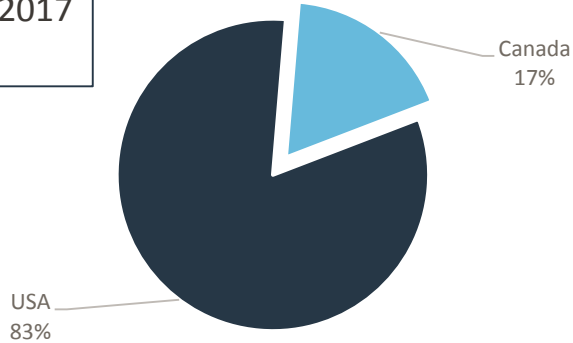


Q2-2018



Turnover By Country

Q2-2017



Q2-2018

