News Release

Basel, March 09, 2021

Dufry concludes challenging year 2020 with strong liquidity, full cash flow control and strategic initiatives to drive recovery and growth

- **FY 2020 turnover of CHF 2,561.1 million and organic growth[1] of -69.8% year-on-year, with encouraging re-initiation of travel upon easing of restrictions**
- **FY 2020 savings of CHF 1,312.1 million, significantly over-achieving the communicated target of CHF 1 billion**
- **Decisive actions resulted in lower than targeted cash consumption in H2 2020 of CHF -45.7 million vs expected CHF 60 million monthly average**
- **Successful execution of various financial initiatives in FY 2020 including share placement, convertible bond, bank loans and rights issue with CHF 1,992.9 million gross proceeds**
- **Strong liquidity position of CHF 1,905.7 million as of end-2020, providing sufficient liquidity for driving re-openings and growth acceleration**
- **Sustainable, recurring fixed cost savings of CHF 400 million expected (excluding rent reliefs)**
- **FY 2021 Equity Free Cash Flow break-even expected at -40% turnover level vs FY 2019**
- **Group reorganization and restructuring implemented, with Hudson reintegration and delisting successfully executed**
- **As per end-February, almost 55% of stores open, representing 60% of sales capacity, including successful partnership-opening of strategically important duty-free operation in Hainan**
- **ESG strategy revised and set of new initiatives implemented**

Julián Díaz, CEO of Dufry Group, commented: "While Dufry has evidently been impacted by the COVID-19 pandemic as have many other companies in the travel and tourism industry, I have seen a deep emotional engagement and a strong determination by all our employees to overcome this challenging situation. From the Board of Directors, to our management teams and throughout all levels of our organization, we have worked in close alignment to find, plan and implement the right solutions to mitigate the impact of this crisis and lay the foundations upon which we will emerge as a stronger company.

This positive attitude and dedication has allowed us both, to adapt the company to the new market environment very quickly and to implement important and resilient cost savings, thus preparing our organization for the recovery and beyond. In parallel, we have succeeded in putting the company on

[1] Organic growth at constant exchange rate (CER)

solid financial ground and seized opportunities, which provide remarkable growth potential and contribute to the future development of Dufry.

With the successful financing measures implemented in 2020, the support of existing and important new shareholders, the finalization of our reorganization as well as the financial and managerial flexibility to engage in strategically relevant initiatives and growth opportunities Dufry is well positioned to drive recovery and growth acceleration beyond the current crisis.

More than ever, my immense gratitude goes to our employees and management teams for their ongoing motivation, dedication and extraordinary efforts, in supporting the restructuring, negotiating with our business partners and securing the financial strength of the company. We have created a solid and resilient base on which we can build going forward.

On behalf of the whole company, we also want to remember the colleagues we have sadly lost and extend our condolences to their families, while wishing any colleagues who suffered with the virus a swift and full recovery."

FINANCIAL SUMMARY[2]
In 2020, Dufry's performance was impacted by the unprecedented level of disruption in its retail operations, driven by international travel restrictions implemented by governments worldwide and temporary operational shut-downs of airports, cruise lines and other channels.

In CHF million	**2020**	**2019**	**Var.**
Turnover	2,561.1	8,848.6	-71.1%
Gross Profit	1,377.3	5,323.2	-74.1%
Gross Profit Margin	53.8%	60.2%	-6.4p.p
Lease Expenses	8.0	-1,372.9	1,380.9
thereof MAG Relief[3]	*380.3*	-	-
Personnel Expenses	-716.0	-1,243.3	-42.4%
Other Expenses, net[4]	-328.2	-561.6	-41.6%
Depreciation & Amortization	-1,648.7	-1,722.7	-4.3%
Impairment	-1,193.2	-54.3	-1,138.9
Operating Profit (EBIT)	-2,500.8	432.8	-2,933.6
Net Profit to Equity Holders	-2,513.7	-26.5	-2,487.2
Basic EPS	-43.0	-0.5	-42.5
Adjusted Operating Profit (Adj. EBIT)	-1,561.6	767.7	-2,329.3
Adjusted Net Profit	-1,658.4	349.3	-2,007.7
Adjusted EPS	-28.4	7.00	-35.4
Adjusted Operating Cash Flow	-405.9	960.0	-1,365.9
Lease Payments, net	-401.8	-1,263.7	-68.2%
Capex	-106.0	-245.3	-56.8%
NWC Changes	-313.9	-24.4	-289.5
Equity Free Cash Flow	-1,027.3	383.3	-1,410.6
Net Debt	3,344.2	3,101.9	242.3

[2] Adjusted results exclude exceptional expenses and income such as acquisitions and divestitures, impairments and amortization of acquisition-related intangible assets, as well as recurring solely IFRS 16 accounting-related items such as interest on lease obligations. Please see the details on page 239 of the 2020 Annual Report
[3] Refers to amount of MAG relief recognized in P&L only due to IFRS 16 treatment; overall MAG relief of CHF 551.4 million for FY 2020.
[4] Reported FY 2019 other expenses, net of CHF -497.2 million include CHF 64.4 million non-recurring income.

In 2020, turnover reached -69.8% versus 2019 at constant currency, mainly impacted by the pandemic-related travel restrictions. Organic growth for the year stood at -69.8% with like-for-like at -67.2% due to reduced passenger traffic across most airports and other travel-related channels globally. Net new concessions represented -2.6%. The translational FX effect in the period was -1.3% mainly as a result of the USD weakness. Despite the shift in travel behavior due to restrictive measures – more domestic and intra-regional travel, strongest decline in international and business – the category mix remained nearly unchanged compared to FY 2019 with highest demand for perfumes & cosmetics, followed by food & confectionary. Duty paid gained in demand driven by domestic and intra-regional travel, with no significant channel shift despite travel restrictions.

Turnover Growth	**Q4 '20**	**Q4 '19**	**FY '20**	**FY '19**
Like for Like	-74.5%	2.2%	-67.2%	0.6%
New concessions, net	-1.6%	0.9%	-2.6%	2.4%
Organic Growth	**-76.0%**	**3.1%**	**-69.8%**	**3.0%**
Change in Scope[5]	0.0%	0.4%	0.0%	0.1%
Growth in constant FX	**-76.0%**	**3.5%**	**-69.8%**	**3.1%**
FX Impact	-1.5%	-1.5%	-1.3%	-1.2%
Reported Growth	**-77.5%**	**2.0%**	**-71.1%**	**1.9%**

Cash flow metrics proved relatively resilient considering the significant drop in sales caused by the pandemic-related shop closures. Adjusted operating cash flow reached CHF -405.9 million in 2020 compared to CHF 960.0 million in 2019. Equity Free Cash Flow stood at CHF -1,027.3 million in 2020 compared to CHF 383.3 million in the previous year. Cash outflow during the first half 2020 was mainly attributable to concession fee payments, inventory build and tax, whereas during the rest of the year, cash consumption, defined as EFCF, was significantly reduced with a monthly average cash consumption of CHF 45.7 million in the second half of 2020. Contributing were overall savings of CHF 1,312.1 million in FY 2020 with MAG relief of CHF 551.4 million, personnel and other expense savings CHF 527.3 million and CHF 233.4 million respectively, significantly overachieving the previously communicated target of around CHF 1 billion.

Net debt amounted to CHF 3,344.2 million at the end of December 2020 compared to CHF 3,102.0 million in December 2019. Dufry's liquidity position amounted to CHF 1,905.7 million as of December 31, 2020, including:

- Cash and cash equivalents of CHF 360.3 million
- Available credit lines of CHF 1,441.3 million
- Available uncommitted lines of CHF 104.1 million

The strong liquidity position was, in addition to significant cost savings and tight cash flow management, also achieved through the successful execution of a series of financial initiatives in 2020, including a share placement, convertible bond issuances, access to additional bank loans and a rights issue. Overall, gross proceeds amounted to CHF 1,992.9 million. Part of the proceeds, CHF 279.9 million including transaction-related costs, were used for the acquisition of all remaining equity interest in Hudson, Dufry's North America business, and its delisting from the New York Stock Exchange. The transaction successfully closed in December 2020, and the re-organization and restructuring to materialize the above-mentioned cost savings were finalized in early 2021.

[5] No changes in overall retail space ("scope") in 2020, as positive contribution of the acquisitions of RegStaer Vnukovo (Russia) and the Brookstone airport stores (US), conducted in November and October 2019 respectively, offset by disinvestments in 2019 (defined as closure of all operations in a specific location).

BUSINESS DEVELOPMENT
Dufry continued to deploy capital expenditures (Capex) in accordance with its business requirements and recovery trajectory, which reached CHF -106.0 million for the full-year 2020 compared to CHF -245.3 million in full-year 2019, in line with the revised Capex target announced previously.

The total gross retail space opened during 2020 accounted for 9,600 m² representing 2% of the overall retail space operated by Dufry. Highlights included the opening of Dufry's new brand paradise ANECDOTE at the Circle, Zurich Airport (CH), an exclusive duty-paid landside store, as well as the start of new operations at Istanbul's Sabiha Gökçen International Airport in Q4 2020. Dufry won this twelve-years concession contract at Turkey's second largest and most conveniently placed capital city airport at the end of the year. At Dallas Love Field Airport (US), as the first of several locations across the US, Dufry opened most recently the Hudson Nonstop store with Amazon's Just Walk Out technology for convenient, contactless shopping. The concession contract at St. Petersburg Pulkovo Airport was successfully renewed for another seven years.

Further new shops have been opened, among others, in Helsinki (FI), Bergamo (IT), Singapore (CN), Perth (AU), Florianopolis (BR), Fortaleza (BR), Puerto Vallarta (MX), and several location in the US, e.g. Salt Lake City, New York, Nashville. Refurbished and expanded shops accounted for 12,800 m² representing almost 3% of overall retail space operated by Dufry, and included among others, Dufry's operations in Genova (IT), London Stansted (UK), Corfu (GR), Athens (Greece), Belgrade (RS), Thessaloniki (GR), Antalya (TR), Guayaquil (EC), Los Angeles (US), and Atlanta (US).

In January 2021, Dufry announced a cooperation agreement with Hainan Development Holdings (HDH). The first shop of the collaboration is the Global Duty Free Plaza at the Mova Mall in the city-center of Hainan's capital Haikou in China, which opened on January 31, 2021, and with further extensions planned for Q3 2021 and in Q1 of 2022. The full complex, once fully completed, will span 38,920 m² of retail space, offering over 350 brands. The opening of the new Mova Mall duty-free shop represents Dufry's first involvement in a duty-free operation in mainland China and is an important development in the attractive Hainan market.

In March 2021, Dufry has been awarded a new concession license at Sangster International Airport in Montego Bay, Jamaica, for duty-free and duty-paid operations, increasing its current retail space from 1,800 m² to 2,260 m² in total. Current pipeline opportunities stand at around 31,500m² as of end-February 2021.

OUTLOOK
Considering all measures taken throughout 2020, Dufry expects to be well positioned for the re-opening and growth acceleration beyond the current crisis. For 2021, the Company provides again, as for FY 2020, turnover scenarios to the market, which are in line with estimates of leading industry associations. Scenarios and respective sensitivities for concession fees, personnel expenses, other expenses, Capex as well Equity Free Cash Flow are provided in Dufry's FY 2020 investor presentation.

Based on its re-organization and restructuring with decisive measures taken, Dufry expects recurring fixed cost savings of around CHF 400 million, with sustainable reduction of around CHF 280 million from personnel expenses and around CHF 120 million from other expenses (excluding inflation). In addition, Dufry remains in negotiations with its lessors reviewing lease terms, in order to accommodate these according to market circumstances created by COVID-19 for and beyond 2020.

In line with travel restrictions and resuming of operations by airports and other landlords, Dufry is re-opening its retail businesses gradually, following single-location productivity scenarios. As per end February, around 1,300 shops globally were open, representing around 60% in sales capacity compared to full-year 2019. Most currently re-opened shops include locations in the US, among others, Denver, Atlanta, Miami, Tampa, in UK, Greece, Spain, Morocco, Chile, Colombia, and in Puerto Rico. At the end of March, Dufry expects to operate around 60% of shops, representing 65% of sales capacity.

In February, Dufry estimates organic growth to have reached -77.7% compared to February 2019[6]. Dufry expects an improvement of the business in 2021, however, visibility on the shape and pace of the recovery is still limited. Consequently, Dufry focuses on the protection of its liquidity while creating shareholder value through organic growth opportunities – e.g. by accelerating expansion in Asia, through digitalization or further channel diversification – with a mid-term focus on deleveraging, opportunistic M&A if accretive and a re-initiation of dividend payments depending on the recovery trajectory. Therefore, the Board of Directors will propose to the 2021 Annual General Meeting to keep the dividend payment for the business year 2020 suspended.

Based on the efficiencies created through Dufry's re-organization, its cost saving targets and tight cash management, Dufry expects a return to 2019 profitability and cash generation levels even before full turnover recovery. Industry associations are estimating a full recovery of passenger numbers to a 2019 level between the end of 2022 and 2024.

Throughout 2020, Dufry continued to focus on strengthening its sustainability approach by revising its ESG strategy and introducing new initiatives around customer experience, environmental protection, employee relations and trustful partnerships. Further information is provided in Dufry's 2020 Sustainability Report.

FY 2020 PERFORMANCE IN DETAIL

Regional performance

Following the reorganization announced in June, Dufry started to report under a new organizational setup as of September 1, 2020. Headquarters and divisions were integrated and countries have been grouped into a reduced number of clusters to better align the organization to the new business environment, to increase efficiencies and simplify the decision-making processes. In line with operational management, Dufry reported the aligned regional setup from Q3 2020 onwards. Historical information under the new organizational setup has already been published and is available on Dufry's website.

Europe, Middle East and Africa

Turnover in the region was CHF 1,144.5 million in 2020 from CHF 4,434.2 million one year ago. Organic growth in the division reached -73.2% in the year and -81.3% in the fourth quarter.

Performance improved in July and August across Europe, especially in Southern Europe with the peak of the summer holidays and supported by the lifting of travel restrictions. From end-August onwards, some countries such as Spain, France and the UK saw increased COVID-19 cases, resulting in renewed travel limitations put in place more broadly from end of September onwards. The Mediterranean region, but also Eastern Europe, Russia, the Middle East and Africa performed above average for the region, driven by less restrictions and available travel corridors, e.g. between Russia and Turkey.

Asia-Pacific

Turnover amounted to CHF 160.0 million in 2020 from CHF 691.6 million in 2019 and organic growth for the year stood at -75.4% and -83.8% in the fourth quarter, as Dufry's footprint in the region is geared towards international travel, which is still highly impacted. The APAC region was the first impacted and closing borders for inbound and outbound travel as the pandemic appeared in the region.

[6] Organic growth February 2021, preliminary number (unaudited).

The majority of the shops in Dufry's Asia-Pacific locations were closed, including Australia, Hong Kong, Indonesia, Malaysia, South Korea, as conditions were not beneficial for international travel.

Central & South America

Turnover stood at CHF 497.3 million in 2020 versus CHF 1,536.1 million in 2019, with organic growth in the region reaching -65.8% in the year and -69.5% in the fourth quarter.

Central America and Caribbean, including Mexico, Dominican Republic and the Caribbean Islands, were performing more robustly compared to all other regions, driven by travel from the US and South America as well as international travel as more flexible travel conditions met continued demand. The cruise business, located in the region, was heavily impacted. South America saw demand pick-up in the fourth quarter amid border shop openings and increase of domestic and intra-regional travel, with re-openings in Argentina, Brazil, Peru, among others.

North America

Turnover amounted to CHF 644.4 million compared to CHF 1,935.8 million in 2019 and organic growth came in at -65.3% in the year and -69.7% in the fourth quarter. The region, especially the US, performed above group average due to the higher exposure to domestic travel. Intra-regional travel from the US to Central America was also supportive. Our operations in Canada remained negatively impacted due to a higher exposure to international flights and ongoing restrictive measures. The performance was driven by Hudson convenience stores, food and beverage and other duty-paid offerings.

Turnover, in CHF million	**Q4 2020**	**Q4 2019**	**Reported Growth**	**Organic Growth**
Europe, Middle East and Africa	192.5	1,069.4	-82.0%	-81.3%
Asia Pacific	25.5	166.3	-84.7%	-83.8%
Central and South America	106.7	465.9	-73.2%	-69.5%
North America	130.6	398.4	-72.0%	-69.7%
Distribution Centers	31.9	66.5	-52.0%	-42.5%
Dufry Group	**487.2**	**2,166.6**	**-77.5%**	**-76.0%**

Turnover, in CHF million	**FY 2020**	**FY 2019**	**Reported Growth**	**Organic Growth**
Europe, Middle East and Africa	1,144.5	4,434.2	-74.2%	-73.2%
Asia Pacific	160.0	691.6	-76.9%	-75.4%
Central and South America	497.3	1,536.1	-67.6%	-65.8%
North America	644.4	1,935.8	-66.7%	-65.3%
Distribution Centers	114.9	250.9	-54.2%	-40.4%
Dufry Group	**2,561.1**	**8,848.6**	**-71.1%**	**-69.8%**

FY 2020 FINANCIAL RESULTS IN DETAIL

Gross Profit margin (GPM)

Gross profit reached CHF 1,377.3 million in 2020 compared to CHF 5,323.2 million in the previous year, reaching a Gross profit margin of 53.8%. Margin was affected by the turnover mix from the retail versus the wholesale business, short-term inventory management through wholesale and promotions, and a higher duties and freight ratio. One-time inventory write-offs related to the heavily impacted cruise business and liquidation programs performed during 2020 accounted for 350 basis points. Purchasing prices have not been affected by the pandemic and Dufry expects a normalization of its Gross profit margin in line with sales recovery.

Adjusted Operating Profit (Adjusted EBIT)
Adjusted operating profit (adjusted EBIT) reached CHF -1,561.6 million in 2020 versus CHF 767.7 million the same period of 2019.

Lease expenses reflected an income of CHF 8.0 million in 2020 compared to CHF -1,372.9 million in 2019. Expenses decreased due to lower level of sales and COVID-19 related reliefs of minimal guaranteed amounts (MAG) negotiated with airport authorities and landlords. MAG reliefs refer to waiving of fixed rent components and implementing variable concession schemes instead, or to adjusting fixed MAGs to lower passenger numbers as well as reduced flights and operating hours. Up to December 31, 2020 Dufry was able to close several agreements releasing about CHF 551.4 million of lease obligations, thereof CHF 380.3 million recognized in the 2020 P&L statement as MAG reliefs, with the remainder subject to different IFRS-16 accounting treatments and recognition over time.

Personnel expenses amounted to CHF -716.0 million in 2020, from CHF -1,243.3 million one year earlier, thus representing a decrease of -42.4% compared to 2019. Savings were driven by Dufry's efficiency program, which included reducing costs at all levels, making use of government support schemes whenever possible, as well as the implementation of voluntary salary reduction schemes, also supported by Dufry's Global Executive Committee and Board of Directors. Personnel expenses include CHF 73.3 million for restructuring, accrued in 2020.

Other expenses net reached CHF -328.2 million in 2020 versus CHF -561.6 million[7] in the same period last year. The decrease of -41.6% compared to 2019 reflects the initiatives to reduce as much as possible all operating expenses, as well as the effect of implementing the centralized OPEX management as part of the Group re-organization.

Depreciation, amortization and impairments amounted to CHF -2,841.9 million in 2020 versus CHF -1,777.0 million last year. The increase is related to the recognition of impairments of CHF -1,193.2 million in 2020 as a consequence of the pandemic, whereof CHF -443.1 million are impairments on right-of-use assets and CHF -712.8 million refer to impairments on acquisition-related intangible assets. Nearly all Dufry shops worldwide were required to close to help curb the spread of COVID-19 or have been subject to very low passenger traffic, all these affecting severally the actual turnover, as well as projections. An overall amount of CHF 1,024.8 million of impairments is related to depreciable and amortizable assets, and represent a timing shift in this regard. Only CHF 131.1 million are related to goodwill impairments, which were already disclosed with half-year 2020.

Net Profit
Net profit to equity holders of the parent was CHF -2,513.7 million in 2020 versus CHF -26.5 million in the same period last year. Financial results (excluding lease interest and FX) amounted to CHF -191.8 million versus CHF -127.6 million in the previous period, due to one-off expenses related to financing measures, as well as lower interest income.

Income tax reached CHF 130.7 million versus CHF -78.2 million last year, driven by the loss situation of most of operations. Minorities participated with CHF -226.8 million for 2020 in the net profit of the Group (versus CHF 56.6 million last year).

Adjusted net profit was CHF -1,658.4 million in 2020 versus CHF 349.3 million last year. The respective adjusted Earnings per Share (EPS) based on 58.5 million weighted average number of ordinary shares outstanding was CHF -28.4 in the period versus CHF 7.00 in the previous year.

---

[7] Reported FY 2019 other expenses, net of CHF -497.2 million include CHF 64.4 million non-recurring income.

Cash Flow
Adjusted operating cash flow was CHF -405.9 million in 2020 compared to CHF 960.0 million in 2019. Equity Free Cash Flow stood at CHF -1,027.3 million in 2020 compared to CHF 383.3 million in the previous year.

Net lease payments in full-year 2020 amounted to CHF -401.8 to million versus CHF -1,263.7 million last year. The reduction was driven by reliefs received from landlords. Changes in working capital reached CHF -313.9 million in 2020, compared to CHF -24.4 million in 2019; changes in core working capital amounted to CHF -73.2 million compared to CHF 22.4 million in 2019. The main drivers for the variation were the decrease in trade payables of CHF -490.7 million with full payments to suppliers in Q4 2020 as well as other accounts payable due to a decrease in accrued concession fee payables of CHF -98.4 million. Inventories decreased by CHF -390.4 million due to inventory restructuring and efficiencies in liquidations. Dufry expects a working capital inflow in 2021, with a full reversal with sales normalization.

Capex was significantly reduced from CHF -245.3 million in 2019 to CHF -106.0 million in 2020, as the company put Capex investments on hold as much as possible since March 2020 and by adapting its overall Capex deployment approach. Therefore, Dufry expects no catch-up in Capex in the short- or mid-term.

The full set of financial information are provided in Dufry's 2020 Annual Report.

For further information, please contact:

Dr. Kristin Köhler
Global Head Investor Relations
Phone: +41 79 563 18 09
kristin.koehler@dufry.com

Renzo Radice
Global Head Corporate Communications
& Public Affairs
Phone : +41 61 266 44 19
renzo.radice@dufry.com

Dufry 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 430 locations in 64 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, Cambodia, Mexico, Morocco and Ivory Coast. SOS Children's Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.