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NEWS RELEASE

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Dufry reports acceleration on turnover and strong positive cash flow in Q3 2021

Dufry’s third quarter 2021 was characterized by a re-bound of travel, predominantly in the Western hemisphere, with turnover at 55.6% of 2019 levels and reaching CHF 1,349.5 million for Q3 2021. Turnover for the nine-month period 2021 stood at CHF 2,536.8 million, plus 23.6% organic growth as compared to the same period 2020. The Group reported a strong positive Q3 Equity Free Cash Flow generation, and further upgraded the 2021 scenarios provided to the market.

FURTHER Q3 HIGHLIGHTS:

- Performance during Q3 continued to be driven by the US and Central America & Caribbean businesses, and significant progress across EMEA with all regions contributing positively
- Around 1,850 stores open, representing 84% of 2019 sales capacity
- Further progress to align concession fees to the pandemic situation, with minimum annual guarantees (MAG) reliefs for 2021 expected to reach CHF 1,059.6 million, including the law amendment in Spain
- Savings scenarios for 2021 expected to reach up to CHF 1,870 million compared to 2019, considering reliefs of MAG, personnel and other expenses
- Equity Free Cash Flow of CHF 253.7 million during Q3 2021, reaching similar levels as in Q3 2019
- Net debt decreased to CHF 3,086 million, reaching same level as in September 2019, and sufficient liquidity position of CHF 2,347.8 million for driving re-openings and growth acceleration
- October net sales performance trends at 60.6% of 2019 levels

JULIÁN DÍAZ, CEO of Dufry Group, commented: “The third quarter has trended further upwards and gives us confidence for the ongoing re-openings and growth opportunities beyond. We have seen continued progress in the US and Central America including the Caribbean Islands. The most significant uptake was reported across Europe, Middle East and Africa as vaccination campaigns have been progressing and authorities have started to focus on an alignment of travel protocols and the practicality of measures. For October, we are already trading at a level of 60.6% of 2019. We have more than 80% of our shops open – only considering re-opened locations, our trading reaches around 75% of 2019 already. Looking at the most progressed regions, we are even relatively close to normalization. For example, Central America & the Caribbean trades at 90.4%, Mediterranean, Eastern Europe and Middle East at 89.1% of 2019 levels.

The positive sales trend is also reflected in our strong cash flow generation for the quarter. Equity Free Cash Flow reached plus CHF 253.7 million – for comparison, Q3 cash flow generation was at a similar level in the years 2017 to 2019. Our cash flow has been positive since May this year and shows our strong cash conversion capabilities even in a volatile environment. The fourth quarter will naturally see some outflow related to the seasonality of our business, but we are nonetheless in a position to further upgrade our cash flow scenarios for the second half. We are now expecting to have a cash inflow of around plus CHF 125 million in the second half of 2021 in a minus 55% turnover environment for the Full-Year 2021 compared to Full-Year 2019.

Dufry's cost management is clearly supporting this positive development. We are expecting to overachieve our overall cost savings target for 2021 of initially around CHF 970 million and are estimating now to reach around CHF 1,870 million savings for Full-Year 2021, compared to 2019. We continue with our close interactions with our landlords and airport partners to find viable solutions for the significant drop in passengers since last year, and we have also seen an alignment of concession fees to passenger numbers. Further reliefs of minimum annual guarantees were achieved, acknowledging the severeness of the situation travel retail operators and other concessionaires are operating in.

Our net debt position stands at a similar level as in September and December 2019 pre-crisis, and liquidity increased to CHF 2,347.8 million. Our financial position gives us the flexibility to focus on the continued re-opening, to implement commercial and operational excellence initiatives, while driving diversification and digitalization and sustaining our efforts in regard to sustainability as a main pillar of our growth strategy going forward."

TURNOVER

Summarizing the first nine months of 2021, turnover reached CHF 2,536.8 million, with a third quarter performance of CHF 1,349.5 million. Organic growth for the third quarter 2021 stood at -44.4% versus Q3 2019. The translational FX effect versus 2019 was -1.9% mainly as a result of the USD depreciation, the currency in which most of turnover was generated in Q3 2021.

Turnover Growth	**Q3 2021 vs 2020**	**Q3 2021 vs 2019**	**Q3 2020** (yoy)	**Q3 2019** (yoy)
Like for Like	**142.0%**	-	-76.9%	1.3%
New concessions, net	32.7%	-	-2.8%	2.8%
Organic Growth	**174.7%**	**-44.4%**	**-79.7%**	**4.1%**
Change in Scope[1]	-	0.3%	-	-
Growth in constant FX	**174.7%**	**-44.1%**	**-79.7%**	**4.1%**
FX Impact	2.4%	-1.9%	-0.8%	-2.5%
Reported Growth	**177.1%**	**-46.1%**	**-80.5%**	**1.6%**

[1] No changes in overall retail space ("scope"), 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).

Turnover Growth	9M 2021 vs 2020	9M 2021 vs 2019	9M 2020 (yoy)	9M 2019 (yoy)
Like for Like	11.8%	-	-64.9%	0.1%
New concessions, net	11.8%	-	-2.9%	2.8%
Organic Growth	**23.6%**	**-60.1%**	**-67.8%**	**2.9%**
Change in Scope[2]	0.0%	0.1%	-	-
Growth in constant FX	**23.6%**	**-60.0%**	**-67.8%**	**2.9%**
FX Impact	-1.3%	-2.0%	-1.2%	-1.1%
Reported Growth	**22.3%**	**-62.0%**	**-69.0%**	**1.8%**

The category mix reflects the current re-opening patterns with domestic and intra-regional travel recovering earlier, resulting in some stronger demand for duty-paid and the respective food & confectionery and convenience product offerings. During Q3, perfume & cosmetics increased its share and strongly improved performance, underlining its position as one of the core categories within travel retail and continued high demand among customers. The airport channel also gained share in line with continued travel uptake. Spend per passenger and average ticket value remain elevated on a location-by-location comparison.

REGIONAL PERFORMANCE

Turnover, in CHF million	Q3 2021	Q3 2019	Reported Growth	Organic Growth[3]
Europe, Middle East and Africa	692.9	1,376.6	-49.7%	-48.8%
Asia Pacific	23.1	164.3	-85.9%	-85.6%
The Americas	499.1	891.1	-44.0%	-39.9%
Distribution Centers	134.4	69.9	92.3%	228.5%
Dufry Group	**1,349.5**	**2,501.9**	**-46.1%**	**-44.5%**

Turnover, in CHF million	9M 2021	9M 2019	Reported Growth	Organic Growth[3]
Europe, Middle East and Africa	1,068.9	3,364.9	-68.2%	-68.0%
Asia Pacific	75.2	525.3	-85.7%	-84.8%
The Americas	1,137.0	2,607.4	-56.4%	-52.7%
Distribution Centers	255.7	184.4	138.7%	134.2%
Dufry Group	**2,536.8**	**6,682.0**	**-62.0%**	**-60.1%**

[2] No changes in overall retail space (“scope”), 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).

[3] Organic growth adjusted for FX and regional revenue allocation.

Europe, Middle East and Africa
Turnover amounted to CHF 692.9 million in Q3 2021, versus CHF 274.5 million in the same period in 2020 and CHF 1,376.6 million in the same period of 2019. The third quarter 2021 saw an organic growth performance of 149.5% versus Q3 2020 and of -48.8% versus Q3 2019. Performance increased significantly compared to the first half of 2021 with all regions contributing positively. Best performing were Mediterranean, including Turkey and Greece, Eastern Europe, Russia, Middle East and Africa benefitting from leisure demand and more flexible travel protocols compared to other countries in the region. Also France, Portugal, Italy, Spain, Switzerland and the UK saw an uptake since July as vaccination campaigns are progressing and authorities are implementing more convenient intra-European travel protocols. Departure destinations with inbound travel to UK benefitted from new regulations related to Brexit and duty-free quotas.

Asia-Pacific
Turnover amounted to CHF 23.1 million in Q3 2021, versus CHF 17.1 million in the same period in 2020 and CHF 164.3 million in Q3 2019. Organic growth reached 27.2% compared to 2020 and -85.6% compared to 2019 as international travel is still highly impacted. Due to a zero-Covid approach in the region, travel continues to be impacted with a slight decrease in Q3 due to renewed restrictions in some countries, which have already started to re-open for domestic travel such as China and Australia. As soon as restrictions are lifted, demand is expected to show a fast rebound.

The Americas
Turnover was CHF 499.1 million in Q3 2021 as compared to CHF 182.6 million one year earlier and CHF 891.1 million in Q3 2019. Organic growth came in at 174.5% vs 2020 and at -39.9% vs 2019. North America has seen further improvements driven by US domestic as well as intra-regional travel, especially to Central America and the Caribbean destinations, including Mexico, the Dominican Republic and the Caribbean Islands. Canada has started to contribute positively, and further openings are expected towards the end of the year including intercontinental travel. South America started to trend upwards, especially in Colombia and Ecuador, even though the health situation and vaccination progress were still at a level below many Western countries.

The regional net sales split saw Europe, Middle East and Africa contributing with 52.1%, Asia Pacific with 1.7% and the Americas with 37.4%. Global distribution centers accounted for 8.7% of Q3 2021 net sales, which was mostly related to the Hong Kong operations temporarily providing supply to the Mova Mall shop in Hainan until the end of 2021.

BUSINESS DEVELOPMENT

During Q3 2021, Dufry reported several concession wins. Dufry has, among others, successfully extended for another ten years its duty-free concession at Santiago International Airport (AIC) in the Dominican Republic, adding to its presence at the other international airports of this important tourist destination. Dufry has also successfully extended its contract to operate the tax- and duty-free store at Cardiff Airport in Wales for a further twelve years, the only major passenger airport in Wales. Furthermore, Dufry extended for five and a half years its duty-free concession at Cambodia's three international airports in Phnom Penh, Siem Reap and Sihanoukville, which in 2019 welcomed 11.6 million international travelers.

Total gross retail space opened during Q3 amounted to 2,208 m², predominantly related to several openings in the US. Dufry opened its first-ever full-service restaurant and bar, Plum Market, at Dallas Fort Worth International Airport (DFW), which is part of the company's continued strategic execution on growing its food and beverage business. In addition, Dufry introduced its reimagined Brookstone stores concepts including immersive digital elements, an ultra-modern design and expanded product assortment, which has been incorporated into the recent openings at Nashville International Airport (BNA), Norman Y. Mineta San Jose International Airport (SJC), Seattle-Tacoma International Airport (SEA), and the Virgin Hotels Las Vegas.

Refurbishments during the third quarter amounted to 4,263 m², including stores in Manchester (UK), Athens, Mykonos (Greece), Vancouver (Canada), and several locations in the US, among others, Nashville, New York, Seattle, Los Angeles, and Salt Lake City. The current pipeline of opportunities stands at approximately 35,200 m² as of end September 2021.

Dufry's Hainan collaboration entered its second phase with the grand opening of an additional 30,000 m² during the third quarter, featuring more than 200 renowned international brands at the Global Duty Free Plaza at the Mova Mall in the city-center of Hainan's capital Haikou in China. The full retail space covering around 39,000 m² will be open for travelers in 2022.

FINANCIAL UPDATE

As of September 2021, net debt amounted to CHF 3,086.0 million. This compares to CHF 3,351.5 million as of June 2021, and to CHF 3,344.0 million at the end of December 2020. Net debt stands at a similar level as in September 2019 pre-crisis, with at the time a position of CHF 3,066.5 million.

Equity Free Cash Flow, stood at positive CHF 253.7 million for the third quarter 2021. The measures on cost and cash flow management successfully implemented during 2020 and 2021 supported the strong cash generation in a still impacted turnover environment. Dufry's liquidity position amounted to CHF 2,347.8 million as of September 30, 2021.

Based on information available to management, Dufry expects to receive in 2021 MAG reliefs of currently confirmed CHF 1,059.6 million, related to the period affected by the pandemic. Thereof, CHF 825.3 million will be accounted as "MAG reliefs" under "lease expenses" and the remaining part as modification accounting leading to lower depreciation of Right of Use assets and lease interest. Dufry expects a total impact on 2021 Net Profit of CHF 975.9 million; with the remaining CHF 83.7 million benefitting future years. All information is preliminary and subject to auditor review.

OUTLOOK

Dufry provided the market with turnover scenarios for 2021 and respective sensitivities for concession fees, personnel expenses, other expenses, Capex as well as Equity Free Cash Flow. Based on information available to management, Dufry upgrades its previously communicated cost and cash flow scenarios, which are included in Dufry's Q3 2021 investor presentation.

In line with the easing of travel restrictions by governments and resuming of operations by airports and other landlords, Dufry re-opens its retail businesses gradually, following single-location productivity scenarios. At the end of September, more than 1,850 shops globally were open, representing around 84% in sales capacity compared to full-year 2019. Newly re-opened locations include, among others, shops in Argentina, Armenia, Canada, Chile, Russia, Serbia, Spain, the UK, and several locations in the US, for example the flagship Hudson News store at New York City's world-famous Grand Central Terminal. At the end of October, Dufry expects to operate around 80% of shops, representing more than 85% of sales capacity.

For October 2021, Dufry estimates net sales to reach 60.6% of the October 2019 level. Only considering opened shops, trading as of October is expected to be at around 75% of 2019 levels already. By region, net sales estimates for Europe, Middle East and Africa are at 61.7%, for Asia Pacific at 7.7%, and for The Americas at 60.5% of the October 2019 level. Locations with stronger exposure to domestic and intra-regional travel and more flexible travel protocols performed well above group average. Dufry's operations in the US, for example, reached net sales of 74.1% of 2019, and Central America, including Mexico, the Dominican Republic and the Caribbean Islands, stood at 90.4% of 2019 (excluding cruises). Within EMEA, Turkey, Greece, Eastern Europe and Middle East advanced most with October net sales at 89.1% of 2019.

Current sales trends are encouraging and Dufry will continue to manage re-openings in line with travel uptake and customer demand while driving commercial and operational excellence, engaging in diversification and digitalization initiatives, increasing efficiencies and further strengthening its ESG engagement.

DUFRY

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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.