

## NEWS RELEASE

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# Dufry presents new strategy «Destination 2027» at Capital Markets Day

At today's Capital Markets Day in London, Dufry presents the new company strategy «Destination 2027» including the related Financial Plan. As global leading travel experience player, Dufry's new purpose is to make travellers happier.

## NEW STRATEGY FOCUSED ON FOUR PILLARS

The airport travel market has proven to be a resilient and attractive space, showing a strong rebound after the COVID crisis. Passenger volume is bound to resume growth in line with the historical trajectory, after a steady acceleration of demand over the past six months.

While the fundamentals of the market are solid, the industry is experiencing a significant shift in consumer behaviour and in travel patterns. Consumer demographics have changed, bringing about, amongst other things, a stronger demand for personalized experiences, a greater influence of online media in purchasing decisions, and stronger interest for sustainable, healthy, eco-friendly products.

Travel patterns are also changing, with stronger rebound of domestic and short-haul routes, increasing share of low-cost service, acceleration of leisure vs. business travel, and different mix in the origin of international travellers, especially on the path to full recovery after COVID.

To cater to the needs of these “new” travellers, and continue to lead the Travel Experience space, Dufry developed a new strategy, “**DESTINATION 2027**”, built around four pillars.

**1 | Launch a TRAVEL EXPERIENCE REVOLUTION** by creating – together with brand and landlord partners – a unique, new value proposition for customers.

The new value proposition is based on customized offering for travellers, including elements of experience, new categories, and exclusive products. This experience will be delivered both in physical “smart” stores, with a modular concept that allows to customize the offering to different passengers, routes and nationalities, as well as through digital channels, with extensive digital engagement before and after travel, to drive consideration and loyalty.

Pushing beyond the boundaries of retail, the travel experience revolution brings together travel retail and food & beverage, with the transformative business combination with Autogrill, which will allow to engage consumers with a broader set of products and a wider range of experiences, providing a platform to make travellers happier during travel.

**2 | Continue the journey to DIVERSIFY ITS GEOGRAPHICAL PRESENCE** to tap into fast-growing markets and hedge against regional economic cycles and shocks.

Building on a strong portfolio of international airport locations and global brands, Dufry will continue to expand its footprint, with strong focus on the highly attractive and resilient US market,

and a dedicated strategy for Asia-Pacific, building a team focused on a set of strategic markets in the region and on the fast-growing cohort of the Chinese traveller. In Europe and Rest of the World, Dufry will accelerate its business development process and set clear priorities and targets.

The combination of travel experience revolution and geographical expansion will drive passenger acquisition, spend per passenger and net new concessions, which is expected to translate into annual turnover growth of 5% to 7% in 2025-2027. The years 2023-2024 are considered a transition period, for which we expect an annual turnover growth of 7% to 10%. Both annual growth rates refer to an unaffected environment and to the pro-forma combined company, pending regulatory and other approvals.

**3 | Foster a CULTURE OF OPERATIONAL IMPROVEMENT** to fuel profitability, accelerate cash-flow generation, and reinvest in growth.

Dufry will continue to strive for superior profitability with a logic of zero-based budgeting, focused on disproportionately allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations.

In addition to budgeting discipline, Dufry will systematically and actively manage its portfolio of concessions, with stronger focus on the evaluation of full profitability and cash flow contribution.

For the years 2025-2027, Dufry expects gross 30 to 40 bps annual CORE EBITDA margin improvements for the combined entity, partially reinvested, with expected cost synergies from the Autogrill combination of approx. CHF 85 million p.a. on CORE EBITDA level to come on top. CORE EBITDA margin improvements in the years 2023-2024 should amount to net 75 to 100 bps annually for the pro-forma combined group, pending regulatory and other approvals.

We further expect a sustainable strong cash flow generation, targeting an Equity Free Cash Flow conversion on CORE EBITDA for the combination of Dufry and Autogrill of above 20% in 2023-2024, and above 30% in the medium term 2025-2027.

**4 | Connecting the other three pillars of the strategy, ESG continues to be a defining ambition for Dufry** and a strong lighthouse for our day-to-day business, providing a source of inspiration of what to do best for our customers, our employees, and the world at large.

Xavier Rossinyol said: «The new company strategy has been crafted based on a deep understanding of our stakeholders' needs, customer insights and the current market trends evolution. Our new strategy «Destination 2027» will be delivered by further empowering our already excellent teams and reinforcing them when needed. As a team, we are in a position to generate sustainable long-term value for all our stakeholders, including employees, landlords, brand partners, and, finally, our shareholders. This is supported by the transformative business combination with Autogrill as an inherent part of our vision to deliver a holistic travel experience and to make travellers happier.»

The short-term outlook 2023-2024 and mid-term outlook 2024-2027 are based on current visibility and exchange rates, with external factors impacting performance and outlook.

Dufry is holding its Capital Markets Day in London today, with members of Dufry's Board of Directors and Global Executive Committee participating. For full details of the new strategy and information on how to watch the Webcast of the Capital Markets Day 2022 please click [here](#).

BASEL,  
September 06, 2022



## DISCLAIMER

*The proposed transaction between Dufry, Autogrill and Edizione is subject to merger control and other regulatory approvals as well as other customary conditions. Any statements relating to Dufry and Autogrill as a combined entity are subject to the transaction receiving those regulatory approvals, and completion of the transaction. Before the regulatory approvals are received, Dufry and Autogrill are separate entities pursuing their own, independent commercial activities and strategies.*

For further information:

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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 420 locations in 66 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](http://www.dufry.com).



**SOS CHILDREN'S  
VILLAGES**

#### Social Responsibility

Dufry cares for children and supports social projects from SOS Kinderdorf in Brazil, Mexico, Kenya, Russia, Jordan and Spain. SOS Children's Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.