



**DUFRY**

**Capital Markets  
Day 2022**

6<sup>th</sup> September 2022,  
London



## Legal Disclaimer

The proposed transaction between Dufry, Autogrill and Edizione is subject to merger control and other regulatory approvals.

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.

We crafted our new strategy based on a deep understanding of our stakeholders and the evolving market trends

## Where do we stand today



 **DESTINATION 2027**

We developed our 5-year **strategy** and translated it into a concrete actionable **financial plan**

## What comes next

We will bring our **strategy to life** through **uncompromised execution**

# Your detailed program over the next two days



## 6<sup>th</sup> September, The Londoner

|                 |  |
|-----------------|--|
| 10:45 - 11:30am | Door opening, coffee & snacks, and engagement at venue   |
| 11:30 - 1:00pm  | <b>Management presentation (Part 1)</b> <ul style="list-style-type: none"> <li>• Chairman opening note</li> <li>• Stakeholder &amp; Market Insights</li> <li>• New Dufry Strategy</li> </ul> |
| 1:00 - 2.30pm   | Immersive experience and lunch break   |
| 2.30 - 4:00pm   | <b>Management presentation (Part 2)</b> <ul style="list-style-type: none"> <li>• Financials</li> <li>• Conclusion</li> <li>• Q&amp;A</li> </ul>  |
| 4:15 - 5:30pm   | Apéro & networking   |



## 7<sup>th</sup> of September, Heathrow

### Group 1: Heathrow Terminal 5 visit

|                 |                                |
|-----------------|--------------------------------|
| 8:45 – 10:30am  | Tour of Terminal 5             |
| 10:30 - 11:00am | Light refreshment (at Sofitel) |

### Group 2: Heathrow Terminal 5 visit

|                 |                                |
|-----------------|--------------------------------|
| 10:45 - 12:30pm | Tour of Terminal 5             |
| 12:30 - 1:00pm  | Light refreshment (at Sofitel) |

# Agenda

## Market and Traveler Insights

### Travel Experience Revolution

### Geographical Diversification

### Operational Improvement Culture

### ESG

 DESTINATION 2027

### Financials

### Conclusion

### Q&A

MAKING  
TRAVELERS  
HAPPIER

# Agenda



**Market and Traveler Insights**



**Travel Experience Revolution**



**Geographical Diversification**



**Operational Improvement Culture**



**ESG**

 **DESTINATION 2027**



**Financials**



**Conclusion**



**Q&A**



# Agenda



## Market and Traveler Insights



## Travel Experience Revolution



## Geographical Diversification



## Operational Improvement Culture



## ESG

DESTINATION 2027



## Financials



## Conclusion



## Q&A

## Focus

### ▼ Addressable Market Evolution

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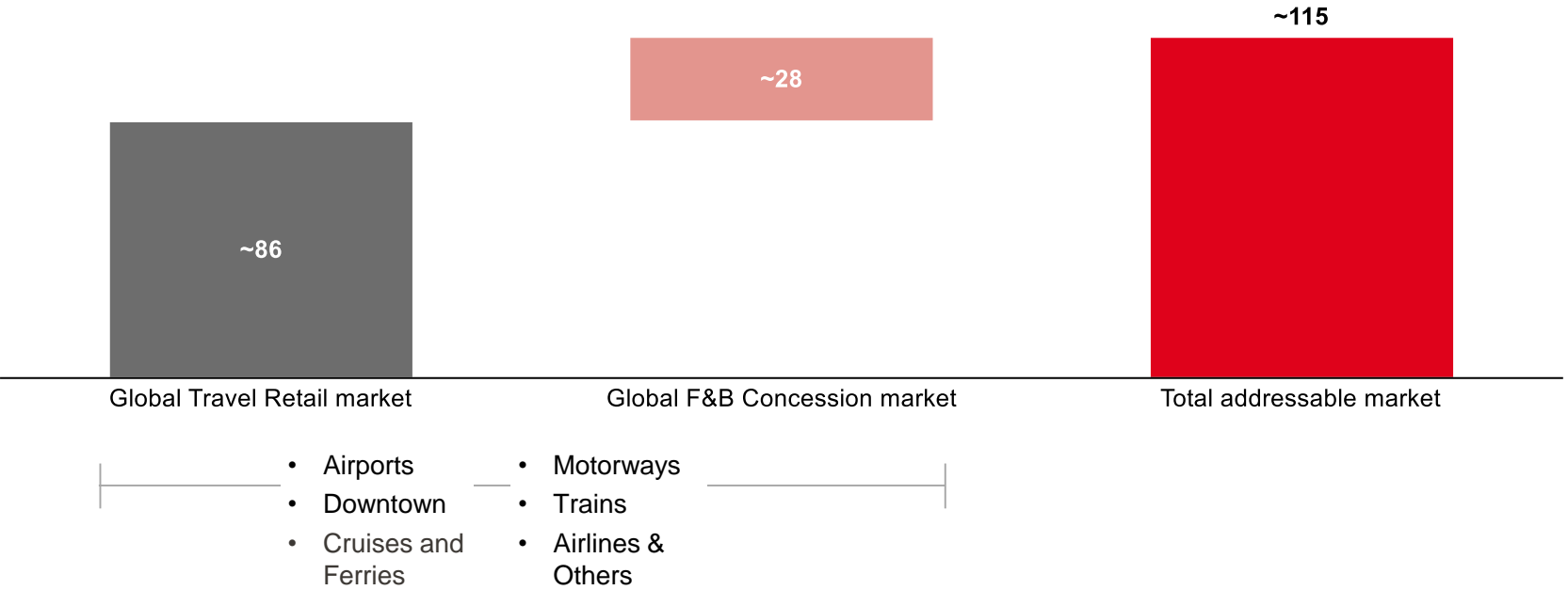
- Large addressable **market**
- Healthy **fundamentals**
- Resilient customer **target segment**
- Strong **recovery**, at different paces in different markets

### ▶ Consumer & Traveler Insights



# We serve a large Travel Retail market, expanding further with Travel Food & Beverage

Global market size of Travel Concession market (2019, in B \$)



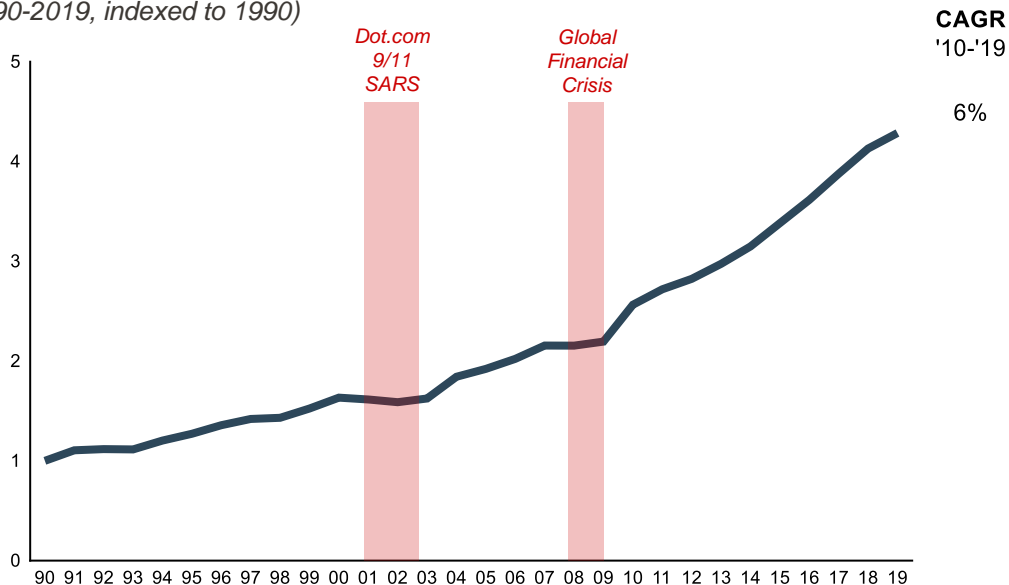
Note: Global Travel Retail market excl. roads and railway; F&B defined as F&B concession market at airports, motorways and railways; Deviations in total due to rounding  
 Source: Travel Retail Model by leading external party; Generation Data



# Air Traffic market has proven resilient to different shocks

## Relative number of airline passengers' growth

Worldwide number of airline passengers<sup>1</sup>  
(1990-2019, indexed to 1990)



## PAX and flights

**10-20%** world population estimated to have taken **at least one flight** in their lives

In developed countries, i.e., the US **>35%**

**4.6** Average number of air trips in 2015 among US air travelers

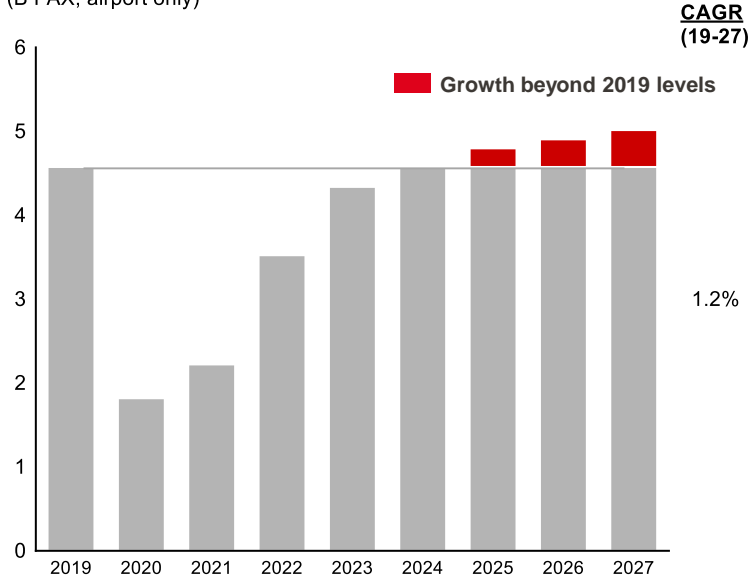
Note: (1) Total pax including int'l and domestic; Source: Airline Monitor; World Bank; IMF; IATA; Gallup; CNBC; Lit. Search

# Global traveler volume will return to pre-COVID levels by 2024, with different speed by geography



## Air traffic total

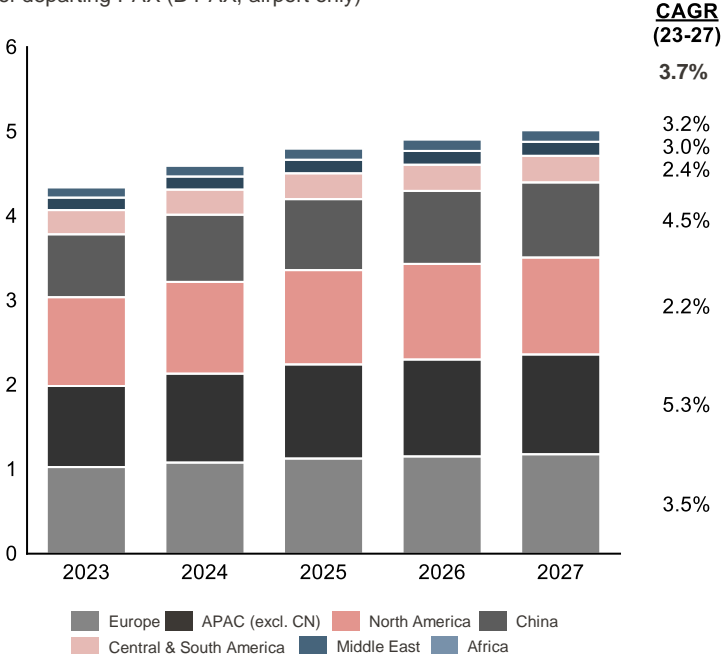
Air traffic - origin & destination # of departing PAX (B PAX, airport only)



Source: Travel Retail Model by leading external party

## Air traffic by region

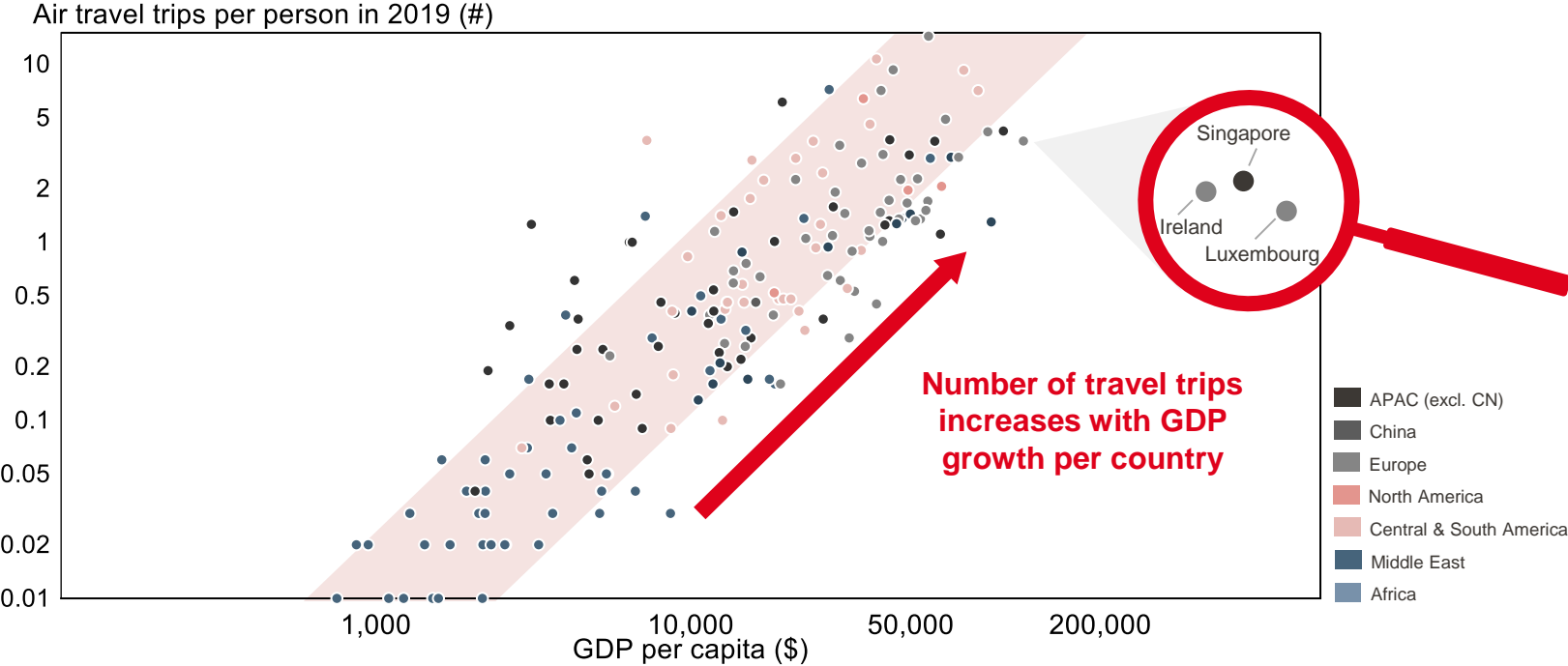
Air traffic - origin & destination # of departing PAX (B PAX, airport only)



# Airline PAX continue to be an attractive segment as number of trips per person grows with GDP per capita



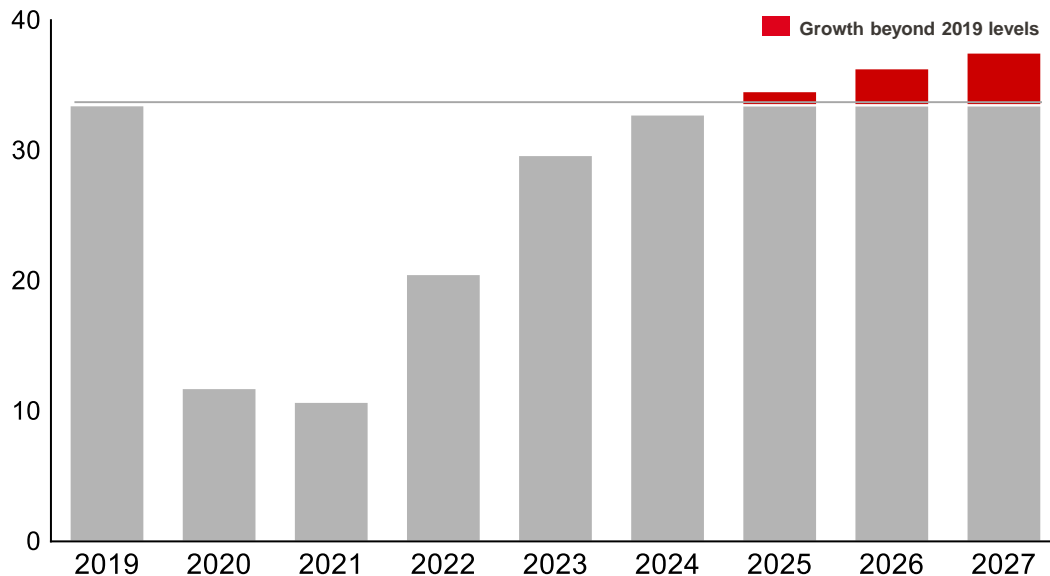
/ INDICATIVE



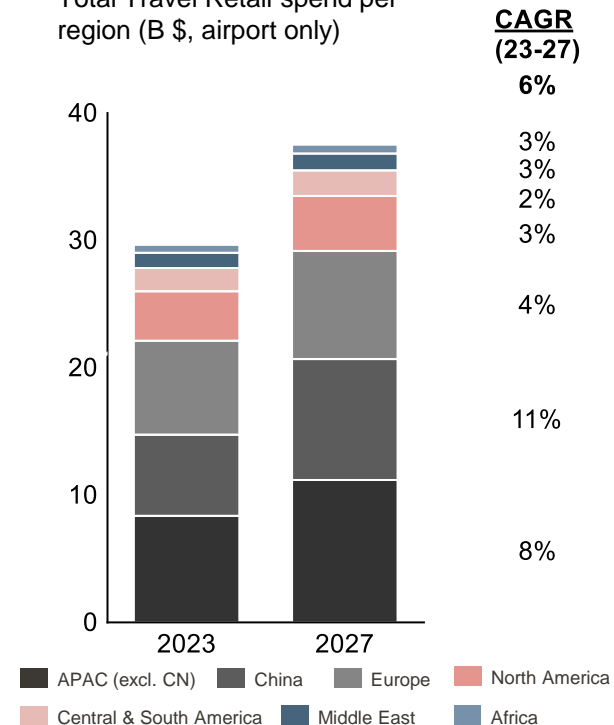
Note: Year under consideration 2019; GDP adjusted for inflation, however, not for price levels between countries; GDP per capita used as proxy for purchasing power of travelers; normative band indicative only  
Source: Our world in Data – Oxford Martin School

# Airport Travel Retail market to reach pre-COVID levels by 2024/25

Total Travel retail spend (B \$, airport only)



Total Travel Retail spend per region (B \$, airport only)



Note: Market size based on real GDP growth and excluding F&B  
 Source: Travel Retail Model by leading external party

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## Market and Traveler Insights



## Travel Experience Revolution



## Geographical Diversification



## Operational Improvement Culture



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### ▼ Consumer & Traveler Insights

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- **Consumers** are changing
  - **Travel** is changing
  - **New travel “personas”** emerge demanding new experience and a **different value proposition**
- 



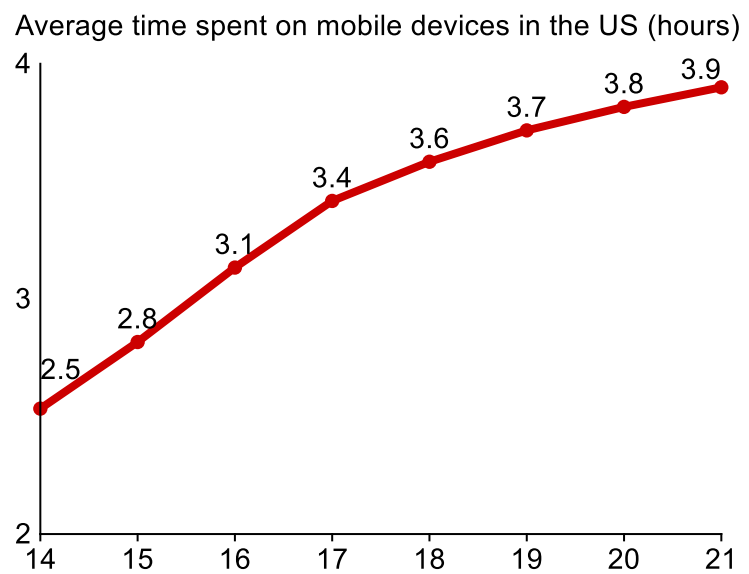
# Consumer and traveler mix is changing, driving different and new behaviors

|  | <u>2019</u> | <u>2025</u> |
|--|-------------|-------------|
|  <p>Generation Y and Z<sup>1</sup></p>                | ~40%        | >70%        |
|  <p>Sales directly influenced by online</p>           | >10%        | >30%        |
|  <p>Share of Chinese luxury shopping within China</p> | >33%        | >50%        |

Note: 1) Quantified based on luxury goods shopper profiles; Generation Y = 1980-2000; Generation Z = >2000  
 Source: IATA; NPS Prism; Bain/ROI Rocket COVID-19 Travel & Leisure Survey 6 September 2020 release; Expert Interviews; Literature search; Dufry analysis

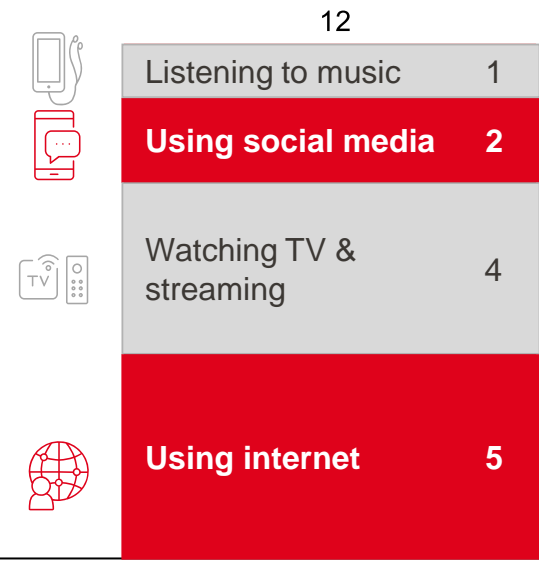
# People spend more time on personal devices, especially for using the internet and social media

## Time on mobile devices increased to ~4h / day



Source: eMarketer; uSwitch; Common Sense Media 2019

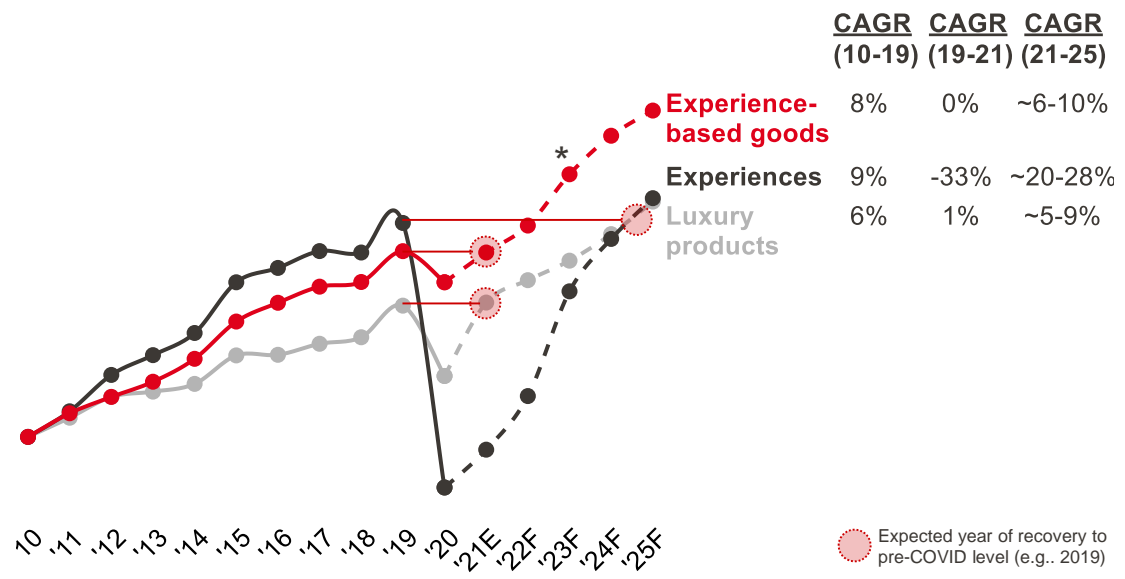
## 7+h / day spent on internet and social media



Average screen time per day in UK in 2020 (h)

# Consumers overindulged on products, but the willingness to go back to experiences is at an all-time high

Global Luxury markets (Index = 2010 | 2010-2025)



**Experience-based goods**

Experience-based goods almost fully recovering to 2019 levels, favored by positive consumer traction across categories

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**Experiences**

Experiences show highest impact and will be last to recover as they strongly depend on return of touristic flows and business travel

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**Luxury products**

Products first to recover to 2019 levels, driven by earlier onset of ease of restrictions

Note: At current exchange rates; Luxury products include high-quality design furniture and Personal luxury goods; Experience-based goods include Fine Art, Luxury cars, Private Jets and Yachts, Fine Wines & Spirits and Gourmet Food; Experiences include Luxury hospitality, Cruises and Fine dining; (\*) 2023 acceleration driven by (hoped) end of supply chain disruption in cars market



# Consumer expectations on F&B are evolving



## Better for me

Seek for **food that suits personal lifestyle** (e.g., vegetarian, paleo, whole foods, etc.)



## Better for the world

Consciousness about impact on environment leading to **demand for sustainable alternatives** (e.g., reduced energy and water use)



## Enhanced transparency

Demand for transparency in **sourcing** of ingredients (e.g., desire for local, organic products)

Source: Lit. research

# Personalization, convenience & experience increasingly important for both F&B and Retail customers



## Next-gen personalization

Use of new technology to personalize consumer experiences



### Personalized experiences:

Expectation of unprecedented **control over every aspect of the restaurant experience** requiring tools that allow to customize offerings



### 1:1 Marketing:

Demand for **personalized experiences / offerings** requires digital tools and advanced analytics to connect on a 1:1 level with the customers



### Effortless ordering:

Search for **new and simplified forms of ordering and payment** requires deep understanding of consumers' digital communication habits



## Disruption to store experience

Opportunities to redefine store experiences



### Seamless pick-up:

Relevance for **seamless and time efficient in-restaurant pick-up** requires solutions and technology that enable guest recognition on arrival



### Smart automation:

Expectation of a **consistent and high-quality experience** (also at lower cost) triggers deployment of smart robotics



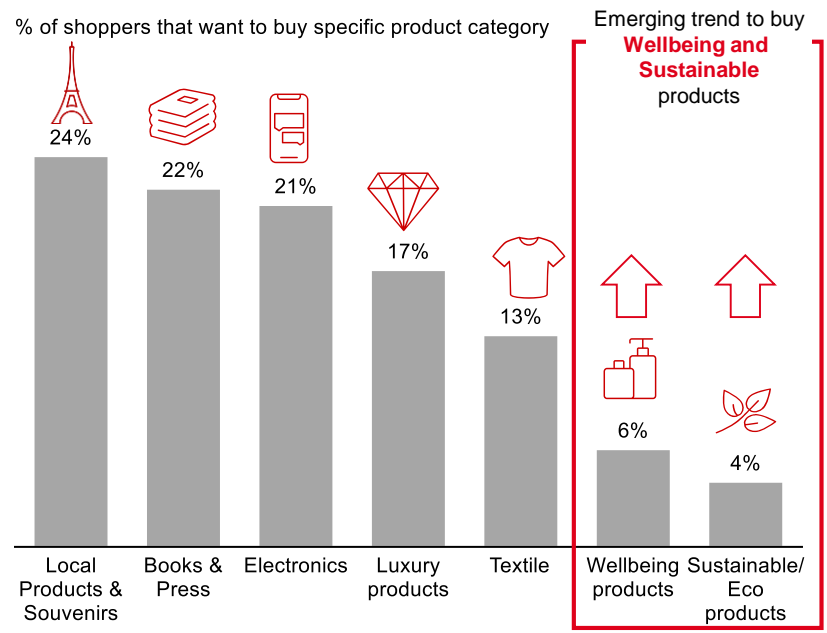
### Modern workforce:

Expectation of a **consistent service level** requires new learning opportunities and flexible schedules to attract, retain, and empower the frontline

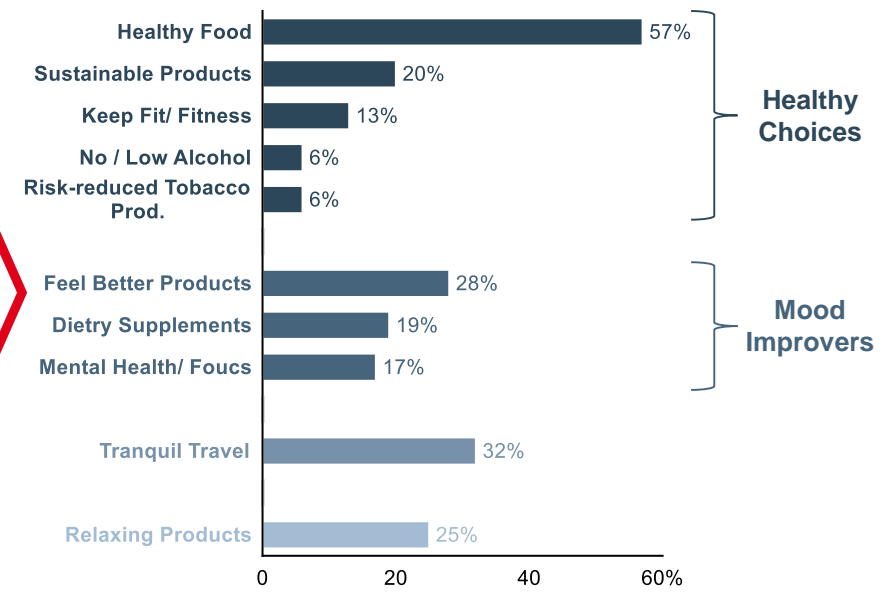
Source: Lit. research

# Emerging consumer interest for wellbeing / eco products

## Especially local products and souvenirs are interesting for airport shoppers



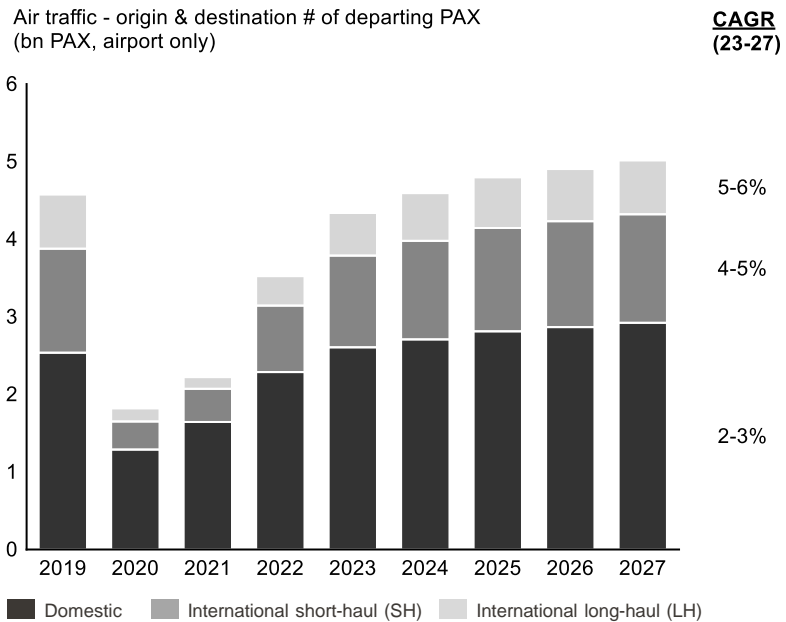
## Which products from the wellbeing and sustainable category would you most like to buy in this shop?<sup>1</sup>



Note: Based on +11K exit interviews at stores in 17 airports, results of 10.2K Dufry visitors (buyers and browsers); 1) Multiple mentions possible

# Traffic patterns and preferences are evolving

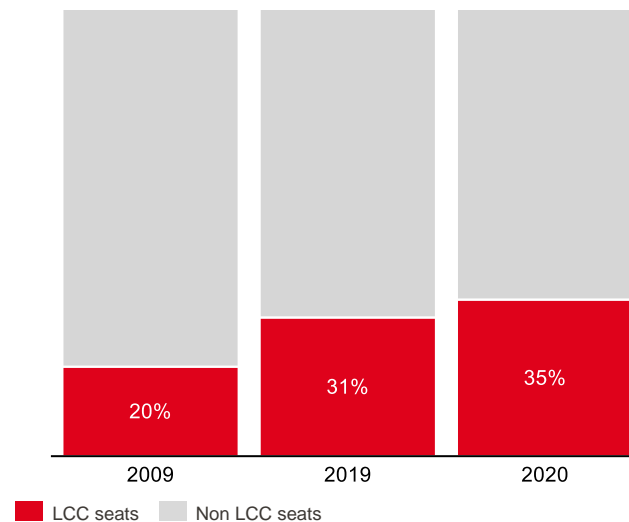
## Long-haul traffic recovery starting later but quicker



Source: Travel Retail Model by leading external party; Statista Research Department

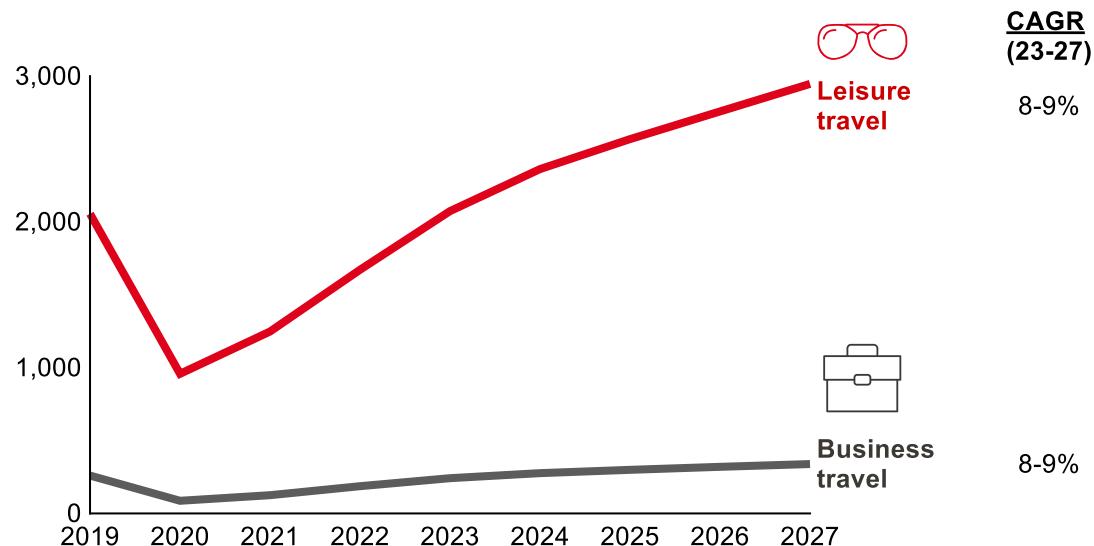
## LCC traffic growing more than total

LCC capacity share evolution (worldwide)



## Leisure travel spend is recovering faster

Business and leisure travel spend (B \$)



### Leisure travel

- **Pent-up leisure demand** drives rapid travel recovery
- Customers use "long-term savings" to **spend for missed trips**
- **Domestic / regional travel** remains popular due to lower uncertainties

### Business travel

- **Slower upturn in business travel**, (cost savings, technological advances, environmental considerations)
- Travel to **visit clients and conferences** likely to return strongest vs. internal meetings

Source: Euromonitor International; Deloitte; Kepler Chevreux Research; Ernst & Young; Deloitte; Sabre

# Despite current disruptions, the “Airport of the Future” will have more predictable dwell time

From operational disruption & staffing challenges driven by accelerating pax return today...



## Weakened operational capabilities

- Depleted resources due to collapse in airport traffic during COVID
- Insufficient and late financial aid



## Long lead times for additional staff deployment

- Training and security clearance requirements (up to 16 weeks)



## Tight labor market

- Coupled low compensation and long work shifts in security and ground handling jobs
- Handicapped in attracting people in the current inflationary environment



Increased delays and cancellations of flights post-COVID

... to seamless airport of the future in a few years from now with evolving airport operations

## Seamless fully digital traveler experience



- Predictable processes with curb-to-plane in <15 min
- Focus on entertainment and affordable retail offers/promo (to compete with city-based retail centers)



## 'Airport services' unlinked from traveler journey

- Travelers engaged in advance of their travel (omni-channel sales)



## Airport as leader of aviation ecosystem effectiveness

- Data integration and analytics for CRM-based hyper-personalized service offering to consumers
- Efficient operations and asset management utilization across aviation partners

**-30%**

Boarding time









**~5-10s**

Boarding time per PAX



# Old traveler segments have limited value to predict preference and behavior

## Traditional segments based on travel needs and demographics

|                          | Researchers<br> | Independent travelers<br> | Premium travelers<br> | Budget travelers<br> | Group travelers<br> | Habitual travelers<br> |
|--------------------------|--|--|--|---|---|---|
| <b>Main travel needs</b> | "Plan perfect trip"  | "Find my own way"  | "Enjoy and spend money"  | "Make most of vacation"   | "Share & engage w/ others"  | "Minimise effort but keep peace of mind"  |
| <b>Age</b>               | 25-49  | 25-49  | 25-49  | 25-34   | 25-49   | 35-64   |
| <b>Income</b>            | High   | Medium   | High   | Medium  | Medium  | Low   |
| <b>Common Companion</b>  | Spouse/partner   | Solo   | Spouse/partner   | Children  | Children  | Solo  |

## New travel personas identified through social media listening

- Analysis of **15m travel-related posts** in the last 3 years
- From global profiles scouted and validated as influencers / early adopters on **Twitter, Instagram, Reddit, Tumblr, and Pinterest**
- Insights generated by applying **AI and machine learning** and predicting **patterns and behavioral shifts**



Source: IPSOS TripBarometer 2016 Traveler trends and motivations, global findings; Proprietary research supported by external agency; Lit. research

# Our social media research identified trending topics like brain boosters in F&B, sensory retail experience, regenerative consumption

/ EXAMPLES

**Trending topics (examples)**

There's a continual pursuit for **effective brain boosters in F&B** I

After a long period of restrictions, **sensory retail experiences have surged in popularity** II

The travel industry is moving on to a new buzzword, **replacing "sustainable" with "regenerative"** III

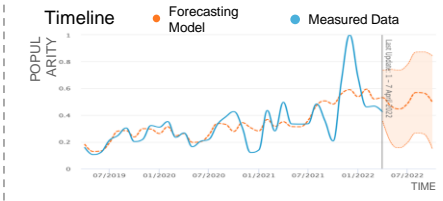
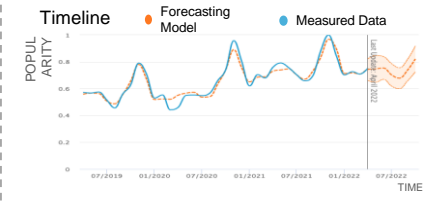
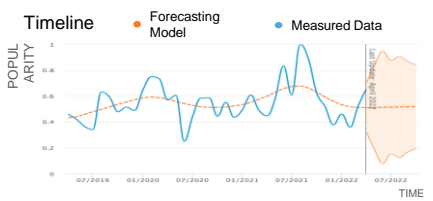
**Emerging tags**

|            |            |            |
|------------|------------|------------|
| Nootropic  | Adaptogens | Boosting   |
| Superfoods | Brain      | Cognitive  |
| Caffeine   | Nutrients  | Supplement |

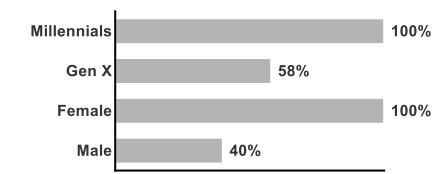
|               |           |         |
|---------------|-----------|---------|
| Limited       | Numbered  | Capsule |
| Exclusively   | Collector | Signed  |
| Collaboration | Teamed    | Edition |

|               |           |         |
|---------------|-----------|---------|
| Limited       | Numbered  | Capsule |
| Exclusively   | Collector | Signed  |
| Collaboration | Teamed    | Edition |

**Topic popularity**



**Posting demographics / targets**



Source: Proprietary research supported by external agency



# Three new travel “personas” with different behaviors and needs emerge from market research – future evolution to be observed

## Working Wanderers

Remote schooling and work are freeing families and professionals from homes, providing opportunity to fulfill travel dreams and career aspirations

Hybrid working is becoming norm, with more **people looking for flexible, productive workplaces**

With remote work here to stay, **a lot of focus has turned toward portable, lightweight tech**

**Subscription and membership models** are coming to travel

There’s a continual pursuit for **effective brain boosters in F&B**

## Experience Seekers

Curated travel deals are catching the attention of consumers who look for premium, personalized experiences

**Surge in luxury travel coming** amid stabilizing health situation and loosening border restrictions

Luxury lovers are increasingly looking for carefully **curated travel experiences**

**Appreciation for slow travel** is far from fading away

**Limited editions are thriving**, indicating a continuous interest in exclusive, context-specific offers

After a long period of restrictions, **sensory retail experiences have surged in popularity**

## Young Explorers

Tech-savvy, disruptive young travelers seek for travel experiences providing social, meaningful, joyful moments w/o neglecting sustainable / ethical values

Travelers want to get back on the road, but they are **looking for budget-friendly options**

For Gen Z and Millennials, **traveling is a shared experience by definition**

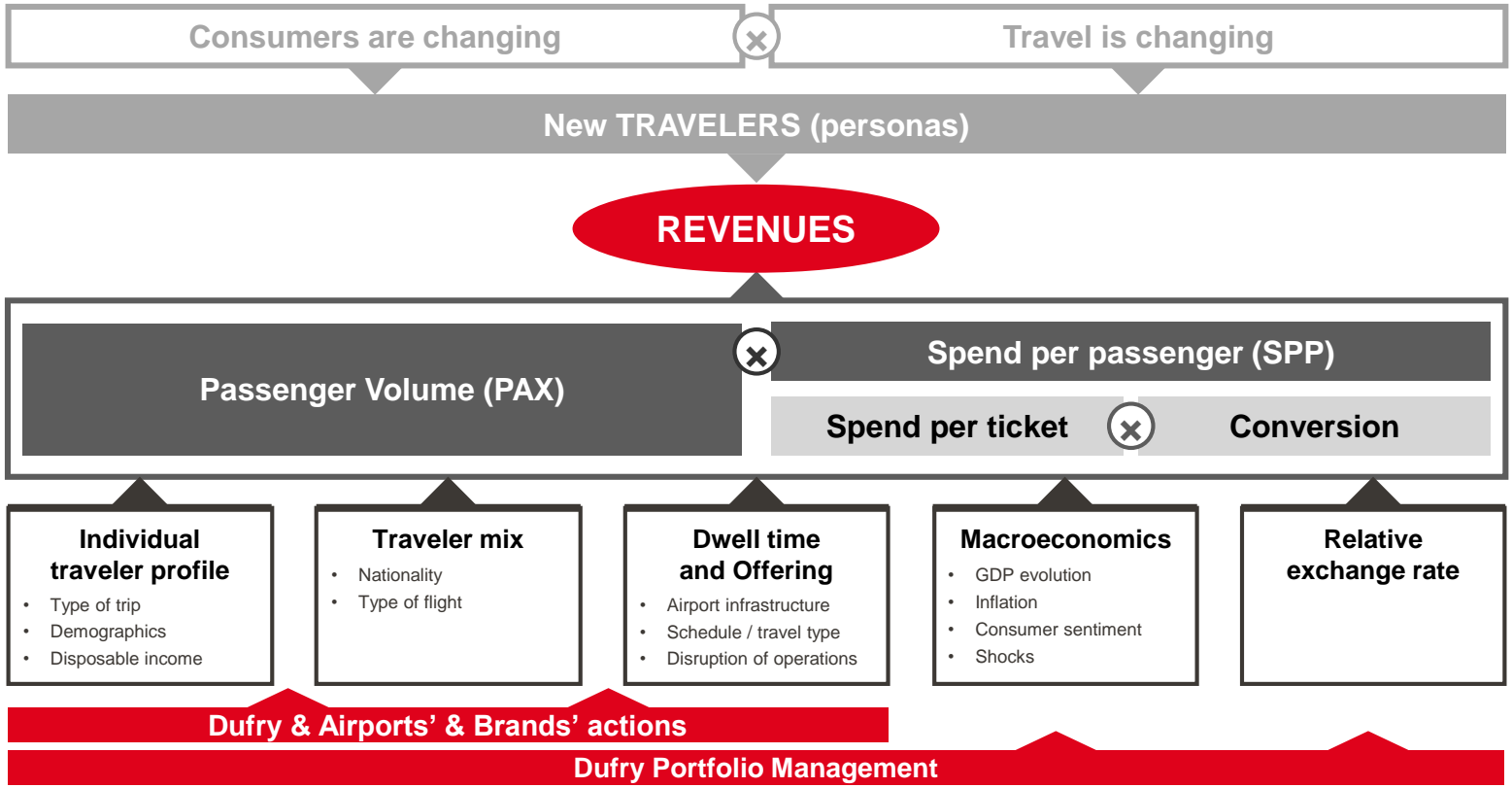
The travel industry is moving on to a new buzzword, **replacing “sustainable” with “regenerative”**

Popularity of **community-based tourism is spreading** (experiences owned, led, and run by local communities)



Note: Baby-boomers = <1965; Generation X = 1965-1980; Generation Y (Millennials) = 1980-2000; Generation Z = 2000+; Source: Proprietary research supported by external agency

# How do we address new personas and drive our business results



# Traveler and market insights used to develop our new strategy “DESTINATION 2027” and enable sustainable profitability



**DESTINATION 2027**

*Revolutionize travel experience by addressing evolving consumer trends, driving spend per passenger and responding to changing needs of airports*

# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

 **Q&A**

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 **Travel Experience Revolution**

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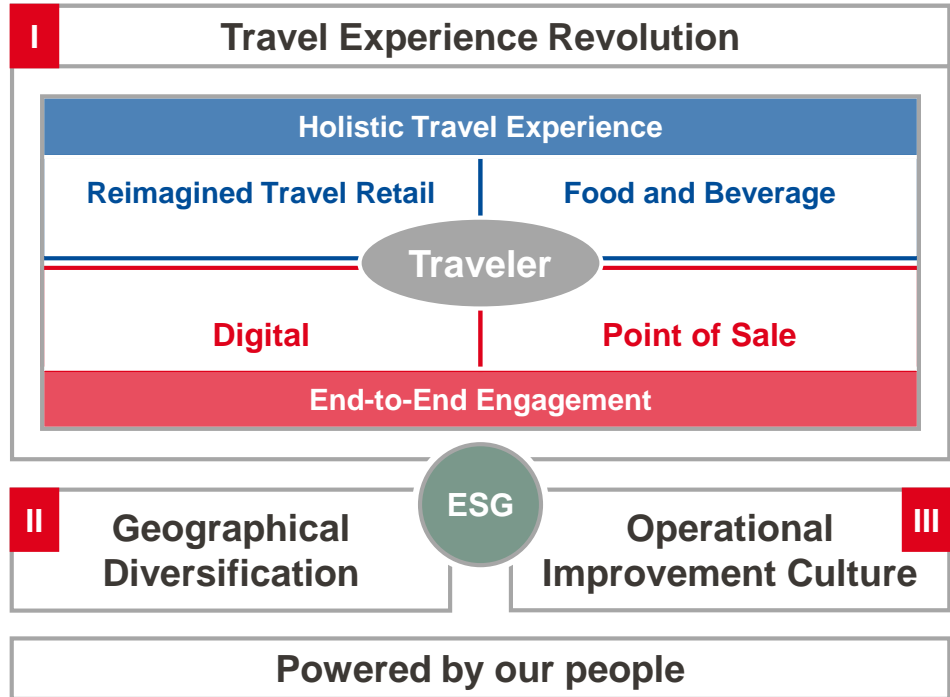
 DESTINATION 2027

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## DESTINATION 2027



# Destination 2027 will have impact on our most important performance indicators

|                                 | Accelerate revenue growth |                           |              | Sustainable profitability | Improved risk profile |
|---------------------------------|---------------------------|---------------------------|--------------|---------------------------|-----------------------|
|                                 | Passenger volume          | Spend per passenger (SPP) |              |                           |                       |
|                                 |                           | Conversion                | Spend/ticket |                           |                       |
| Reimagined Travel Retail        |                           | ✓                         | ✓            |                           |                       |
| Food and Beverage               | ✓                         | ✓                         | ✓            |                           | ✓                     |
| Digital                         |                           | ✓                         | ✓            | ✓                         |                       |
| Point of Sale                   |                           | ✓                         | ✓            | ✓                         |                       |
| Geographical Diversification    | ✓                         |                           |              |                           | ✓                     |
| Operational Improvement Culture |                           |                           |              | ✓                         |                       |
| ESG                             |                           |                           |              |                           | ✓                     |



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# Agenda

 Market and Traveler Insights



Travel Experience Revolution



Geographical Diversification



Operational Improvement Culture



ESG

 DESTINATION 2027



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Q&A

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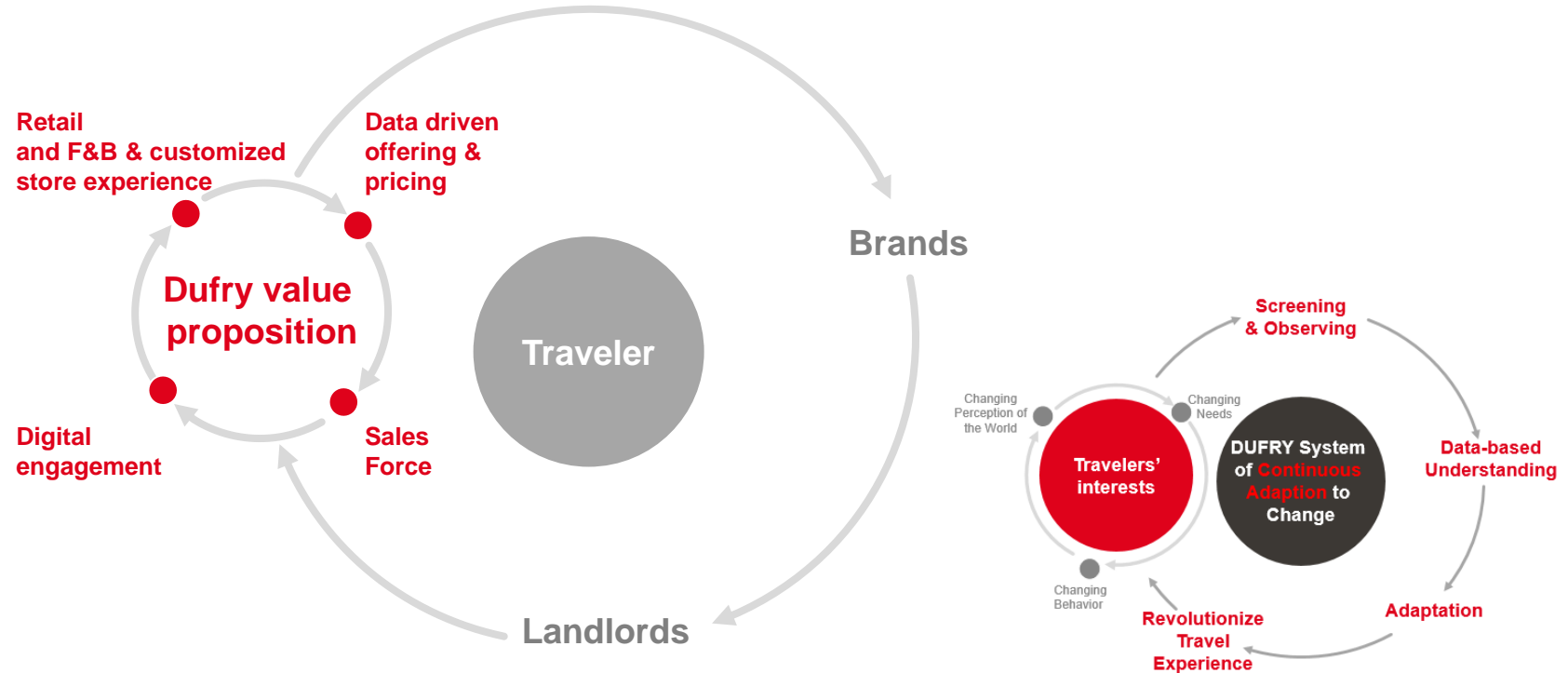
## Focus

- We **continue to adapt** our **value proposition**
- We **redesign our space** dynamically to **customize the experience**
- We **evolve our offering dynamically** based on **data** and consumer insights
- We engage travelers on **digital channels** to enhance the experience



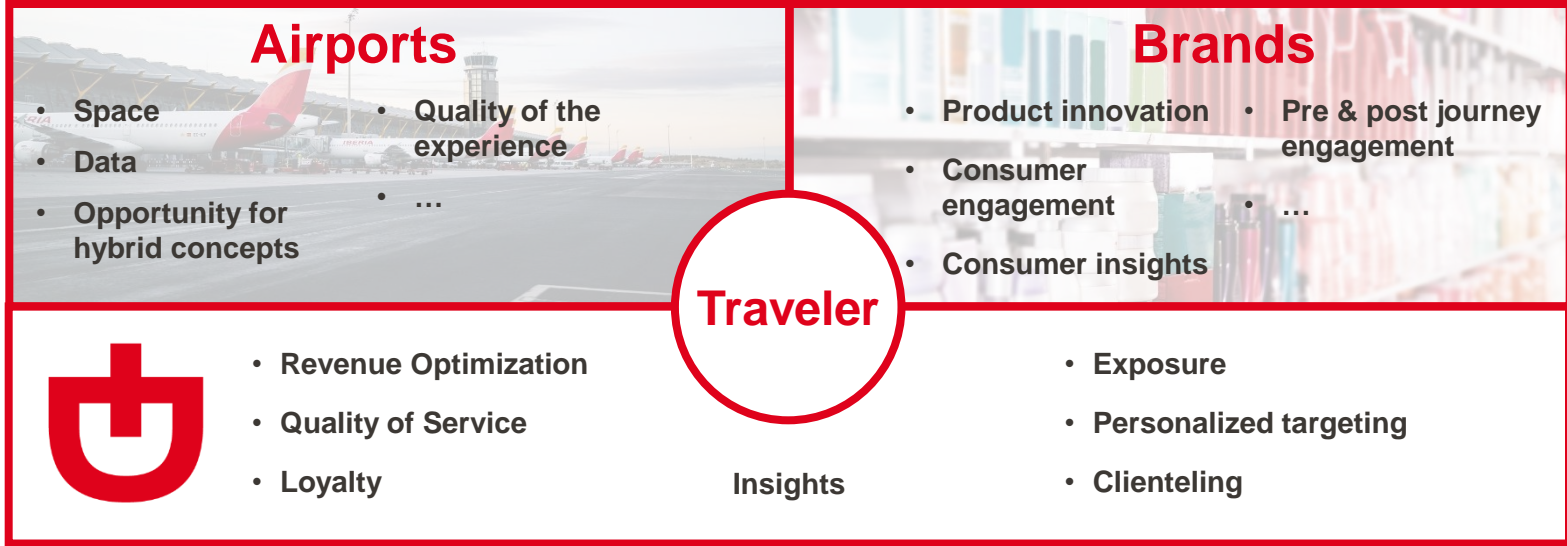


# We customize our value proposition based on traveler profile and needs



Re-imagined value proposition

We work together with our Airport and Brand partners to deliver value to travelers



- External & internal data
- Artificial intelligence analytical engines



Space optimization to maximize SPP and PAX satisfaction



Store concept and design to maximize traffic and sales



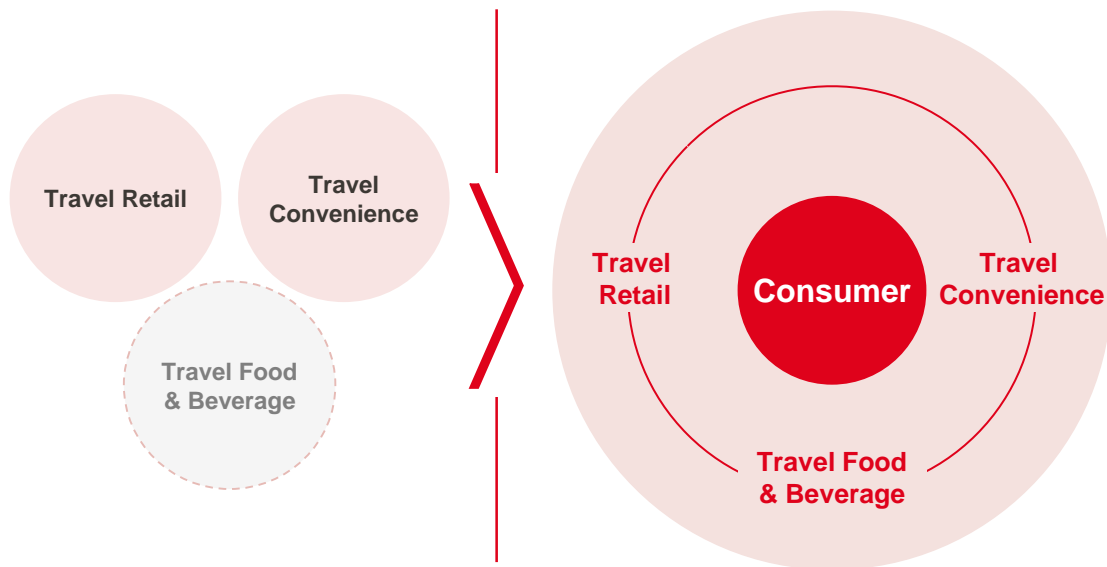
Constant monitoring of Airport / Terminal and Stores performance



Travel Retail and F&B experience

# Making Travel Experience holistic by including Food & Beverage

F&B is the key enabler to transition to a holistic Travel Experience...



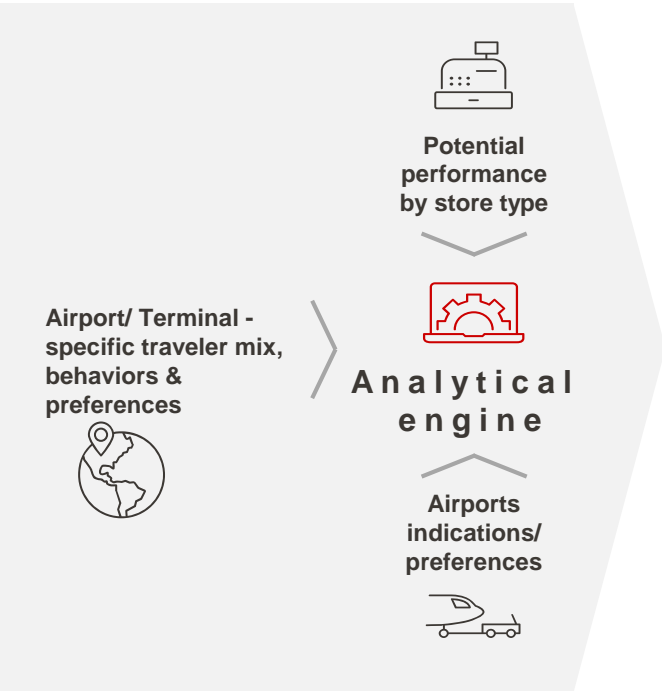
Convergence is already happening

Value for stakeholders

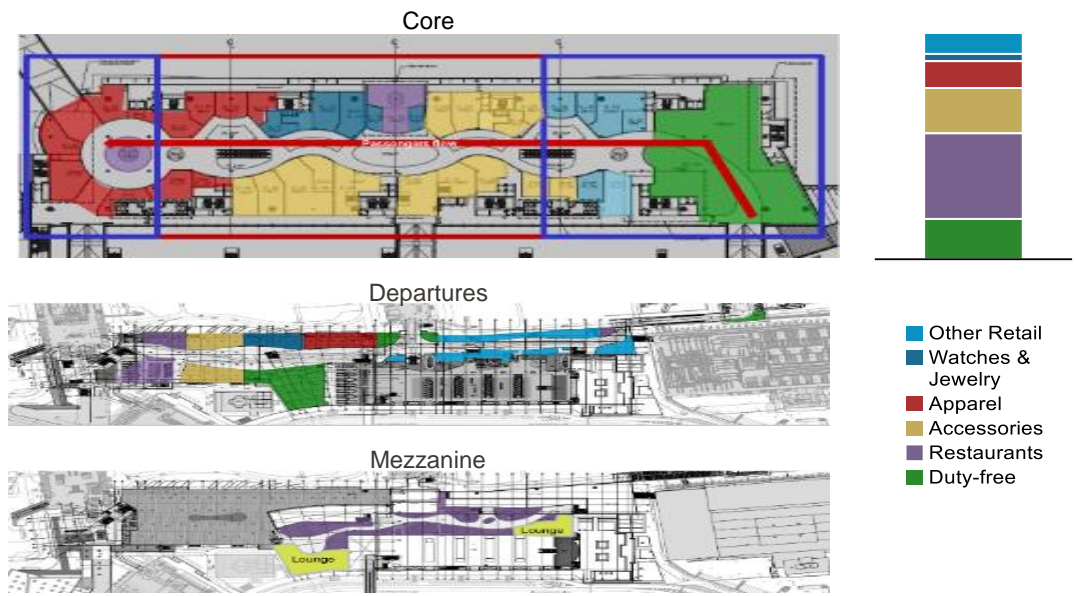
- Cross-selling opportunities**  
 Physical and digital cross-selling promotions in overlap terminals (e.g., vouchers, digital offers)
- Mixed store formats (hybrid concepts)**  
 (Travel-) F&B, Convenience, and Retail are **mutually enhancing through a hybrid store format & experience**
- Increase digital engagement**  
 Combined digital engagement to **increase touch points and CRM opportunities**

# Data driven flow and space management

## Partnering with airports for space management according to traveler flows



### Space allocation (example)



Source: Lit. research

Stores customized for traveler mix

Analysis of store & customer data allows to create modular store components / "bricks"

Customized Stores



Analytical engine



1 Standardization:

Mix of existing standardized "bricks"



2 Flexibility:

"Bricks" allocation can be changed in time with minimum capex



3 Materiality:

Customization only where really relevant for store economics

Source: Lit. research

Self-learning  
smart storeTechnology exists to constantly monitor  
detailed store performance

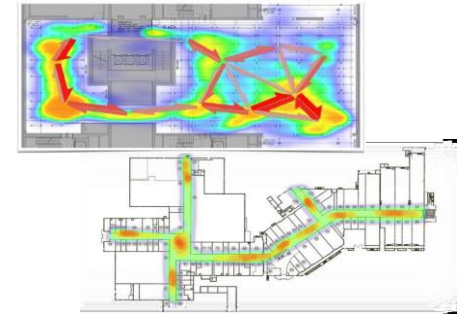
## Cameras



## Travelers mapping w / unique ID



## Insights on store performance



- Identify **hot / cold areas** or shelves that are not **interesting / engaging**
- Identify shelves with **high browsing but low conversion** (need for more customer service)
- Measure impact of **in-store communication** as well as **customer service effectiveness**

Source: Lit. research

**All measures specific by destination, demographics, macro-micro seasonality, ...**

## Dynamic assortment and pricing

## Dynamic range management opens opportunities in existing categories



### Examples



Beauty

Indie brands, clean beauty, grooming, ...



Tobacco

Vaping, heat-not-burn, ...



Liquor

NoLo, Limited Editions, Super Premium, ...



Food

Health & Well-being, Foodies, Supplements, ...



Electronics

Shop-in-shop modular concept, ...

## Concept Innovation

# Opportunities in existing categories are complemented by concept innovation



### Private label *“Around the World”*

- Souvenirs and food destination products, with focus on airports with leisure PAX
- Category where “brand” is not sought by customers



### Multi-category concept for *“Well-being”* and *“Sustainable”*

- Dedicated space for well-being, health and sustainable products
- Separate marketing communication to target relevant customer group



### In-store Entertainment – Unique in-store experiences

- Attract people
- Increase dwell time
- Drive advertising

## / EXAMPLES

### Successfully launched:

- Confectionery in Canada
- Souvenirs in Mexico

Successfully launched in Amman and Rio

Local cultural events, sweepstakes, raffles, live handcrafting, ...



Sales force, customized service level delivery

Customer service levels tailored to store concept, geography, PAX mix, and retail added value



Supported by advanced engagement, training, incentives, and technology

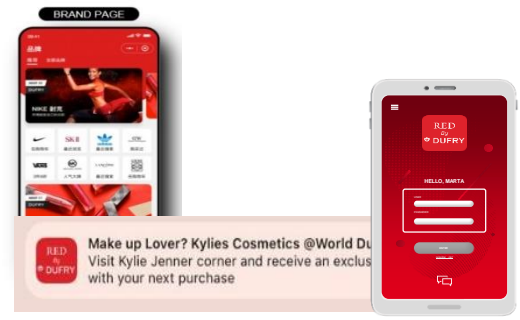
Digital engagement of (non-) customers

Three main goals for our consumer-facing digital

1

Further engage with frequent travelers and establish deeper connections

CRM, personalization, mobile app, and partnerships for increased loyalty



2

Excel in sales influenced by digital along the traveler journey

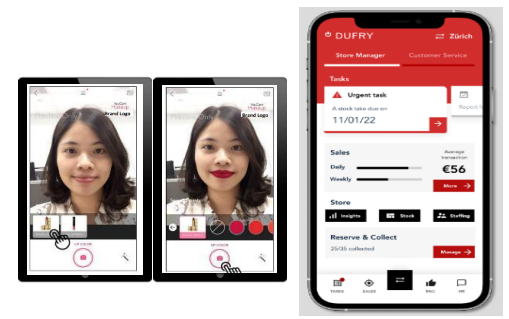
New touchpoints with partners in traveler journey, Reserve and Collect, Omnichannel



3

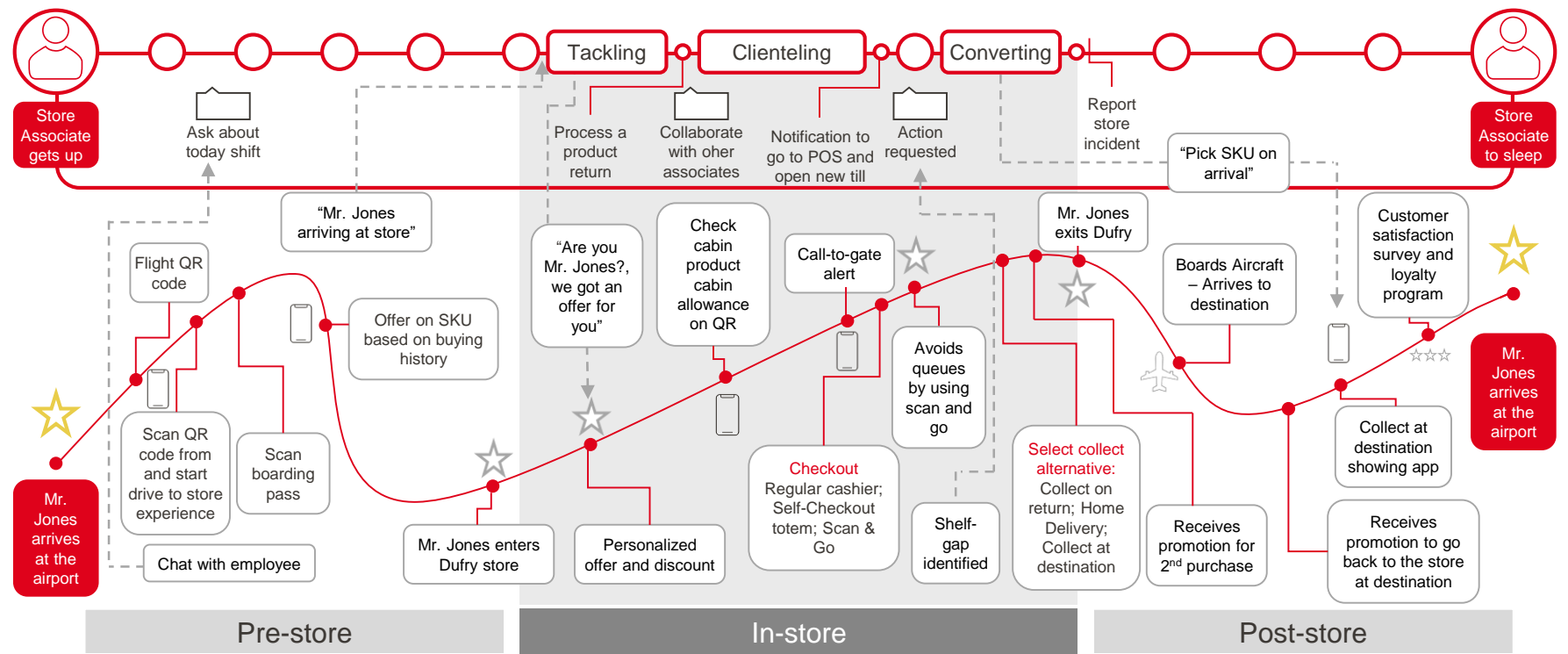
Transform the shopping experience in-store

Technology for enhanced engagement and experience, Dufry employee app



Digital engagement pre-, post- and in-store

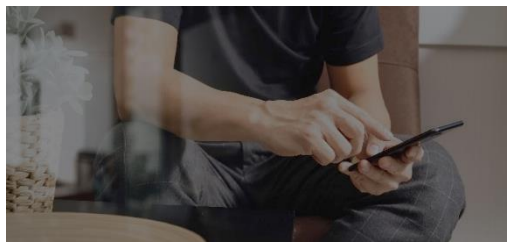
Example: Digital traveler journey in the airport



# Digital engagement pre-, post- and in-store

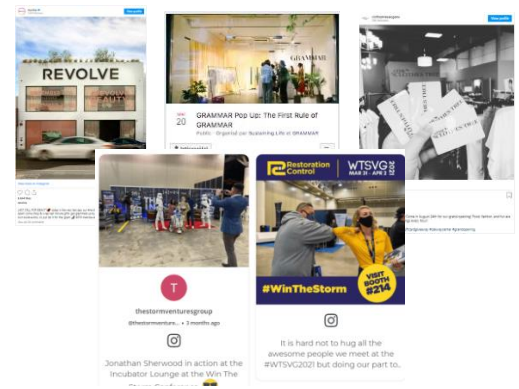
# Example: Store experience linked to pre- and post-store traveler journey

68% of consumers expect online experiences to be linked to offline



## Social media marketing

- Notify what's new in store: pop-up events, promotions, contests
- Live tweets, videos, photos, polling during events
- Attendee-created content



## CRM communication



Event app push notifications and email



Pre-, post-event surveys, feedback collection



Exclusive invites for members

Source: Eventbrite research "Fueling the experience economy"; Manhattan Associates; MBLM; Brand Intimacy Study (US data); Lit. search

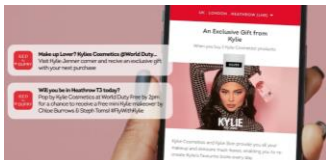
## Digital engagement for brands

# We promote our Brands throughout the passenger journey

## / EXAMPLES

### Before departure

Web impression in collaboration with Adara and other partners to **address PAX before trip**; navigating them to Reserve & Collect at stores



### In-store

In our store, **campaign is played on screens** creating an immersive experience



### Post-trip

Reports created with **data / customer behavior and brand KPIs** on- and offline. Adding value for brands and Dufry



### Arrival at airport

Loyalty members receive a **push notification** on the campaign while in the airport incl. exclusive gifts or benefits



### In-store areas

Special high-performance areas present the products with **in-store activities, make ups, tests** etc.

# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

 DUFRY

## How it creates value

- 1 Grow revenues by driving **SPP increase** through **better conversion** and **increased spend per ticket**
- 2 Engage with airports in a way that can **mitigate the increase of concession fees**
- 3 Give brands a broader consumer platform and greater engagement to tackle **gross profit margin** and **advertising income**



# Agenda

 Market and Traveler Insights



Travel Experience Revolution



Geographical Diversification



Operational Improvement Culture



ESG

 DESTINATION 2027



Financials



Conclusion



Q&A

 DUFRY

## What is going to change

- 1 50%+ of our stores to be **smart stores** by 2025
- 2 50% of our customers with **digital engagement** by 2025
- 3 **New loyalty program** deployed through **100% of our points of sale** (~5.500)
- 4 New **enhanced and dedicated digital team** for the combined business
- 5 **Additional 50bps** on revenues **of investment** to drive travel experience revolution



# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

 **Q&A**





# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

 DUFRY

## Focus

- Develop **North America's** footprint
- Top **Asia Pacific** countries and **Chinese travelers**
- Foster and grow strong positions in **Rest of the World**
- **Combine Duty-Free, Duty-Paid, Food & Beverage**, adding Autogrill and Dufry geos
- Combination of **BD, JV, and M&A**

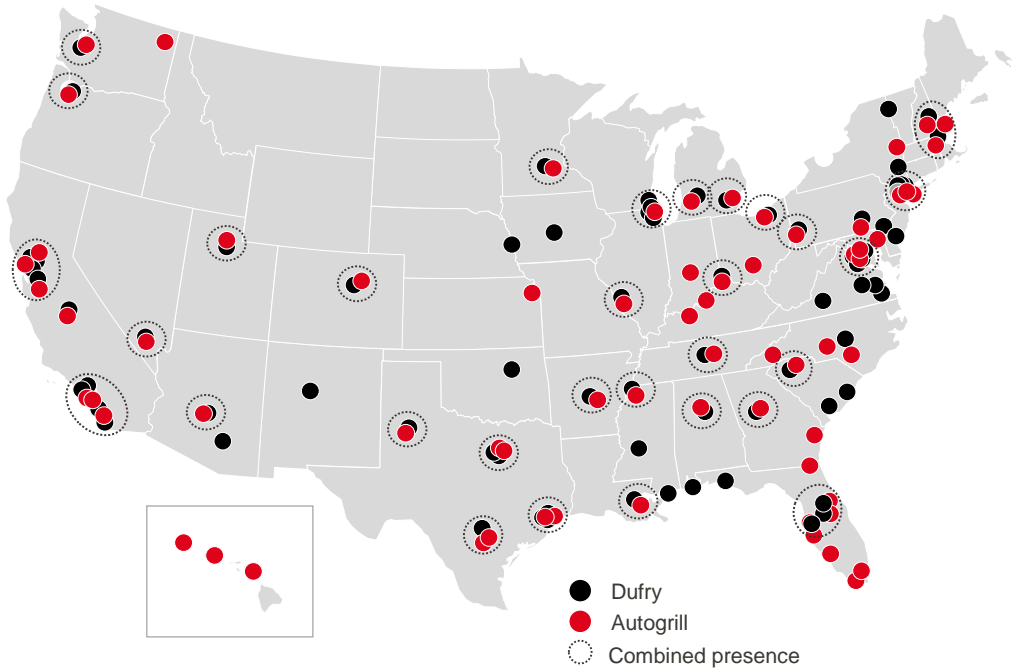


# Large, resilient market with strategically good positioning to grow for the combined company

North America airport travel retail, convenience and F&B market (B \$, 2019)



# Autogrill integration will lead to strengthened footprint in US and Canada

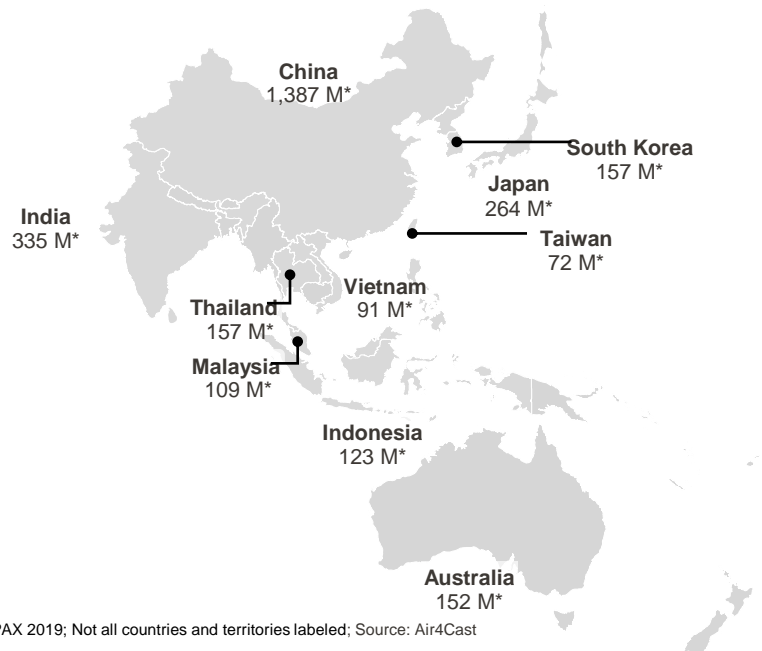


Combined presence in  
**~100** airports in US  
and Canada

Source: Dufry data; Autogrill data

## Strategic focus on a selection of important APAC markets

### 10 biggest countries in APAC by PAX (2019)



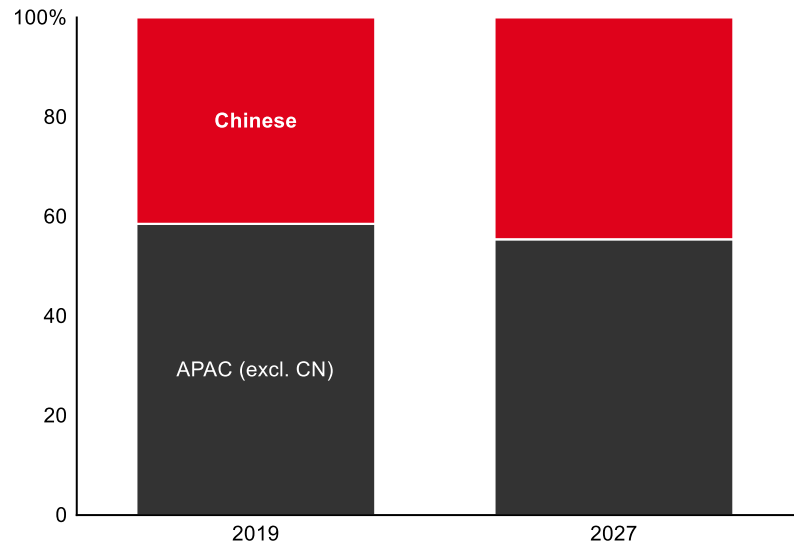
Note: \* PAX 2019; Not all countries and territories labeled; Source: Air4Cast

- Total APAC TR market ~46 B \$ and 3.2 B PAX in 2019
- 10 biggest countries / territories in APAC account for 86% of TR market and 90% of total PAX

# Chinese nationality represents a large part of APAC PAX, with strong growth especially in domestic

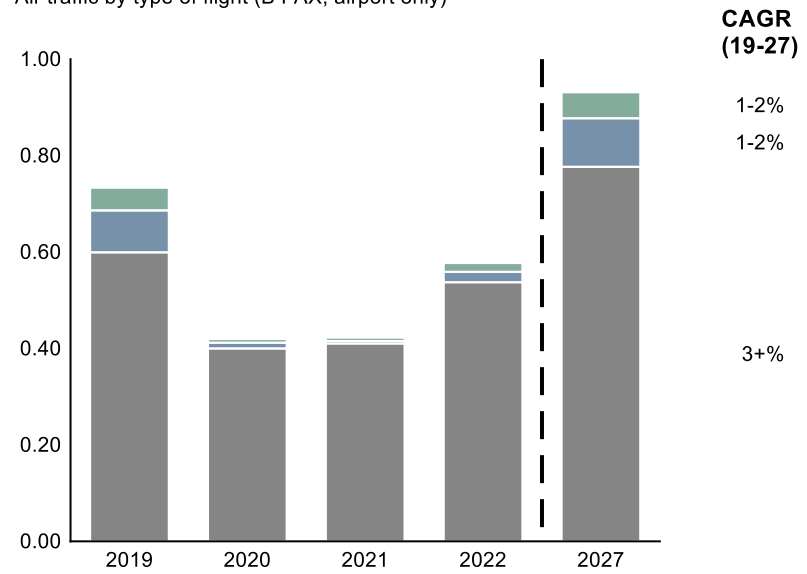
## Chinese PAX in APAC

Split of PAX in APAC (in %)



## Chinese PAX development

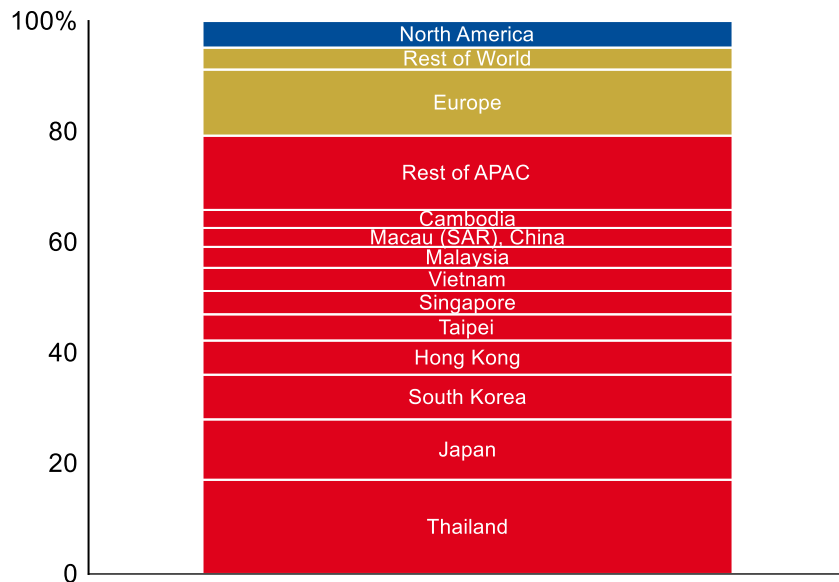
Air traffic by type of flight (B PAX, airport only)



Note: PAX growth rate for 2027 same as for 2026; Departing PAX; Source: Travel Retail Model by leading external party; Generation Research; Air4Cast; Dufy data

# Key destinations for Chinese outside China are Thailand, Japan, and South Korea

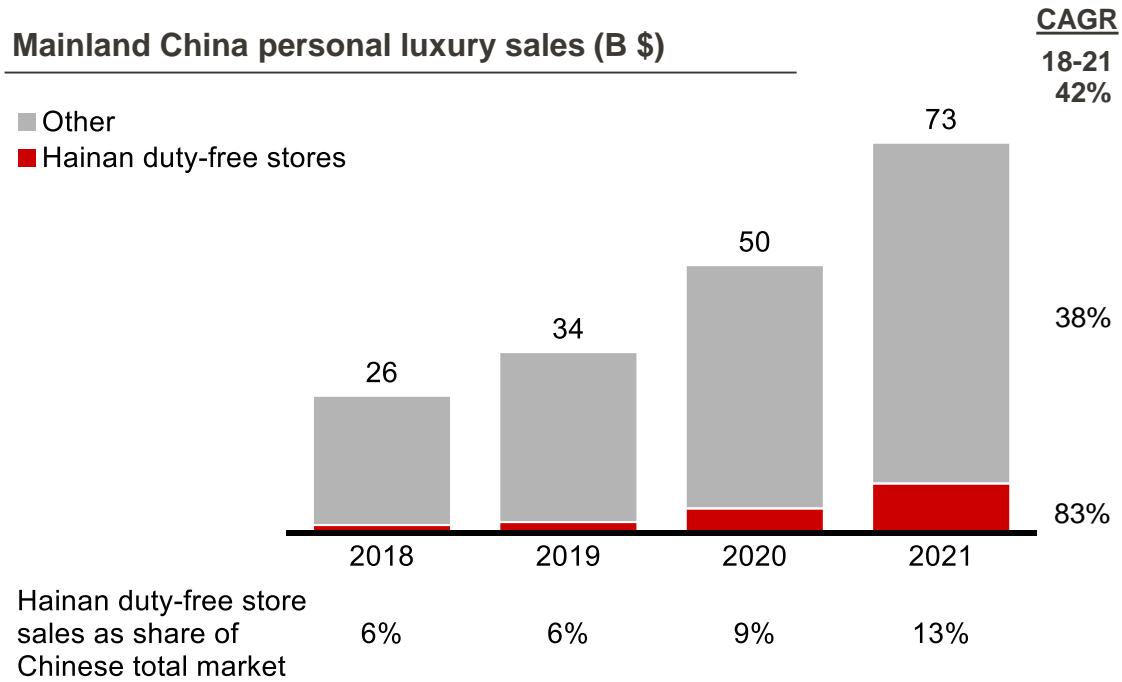
Destinations of Chinese PAX outside China (2019)



Source: Travel Retail Model by leading external party; MarketIS Data

- **APAC** accounts for ~80% of Chinese travelers' destinations in 2019
- Presence in key APAC destinations critical to capture Chinese travelers' spending

# Hainan continues to be fastest growing duty-free location



- Total duty-free store sales were about 9 B \$ in 2021, about 8 B \$ from duty-free sales
- Personal luxury comprises ~95% of Hainan duty-free store sales
- Luxury beauty comprises ~50% of Hainan duty-free store sales
- Government targets 300 BRMB/ ~50 B \$ duty-free sales by 2025

Source: Bain-Altgamma 2021 Worldwide Luxury Market Monitor; expert interviews; WIND; lit research; Bain analysis; IHS

# Partnership with Alibaba to develop Travel Retail in China and to drive online engagement globally



**Partnership with Alibaba** since November 2020, including **equity stake** by Alibaba



**Governance structure and JV leadership team** with both Alibaba and Dufry representatives **established**, headquartered in **Haikou, Hainan**



**Initial projects successfully established**, e.g., JV participating in **Mova Mall Shopping Center in Haikou, Hainan**, at more than 30,000 sqm and representing several hundred international brands



**Online collaboration progressing:** Alibaba extended its ecosystem to travel retail and starts **engagement with Chinese travelers**



## 1 Pre-order & buy before trip

- Push with hotel, air & train tickets, or tour bookings
- Proactive visit through content, ads & coupon

## 2 Collect & buy during trip

- Location-based services (LBS) push
- Digitally enhanced experience at store
- Possibility for pickup at airport, ferry or store

## 3 Re-purchase after trip

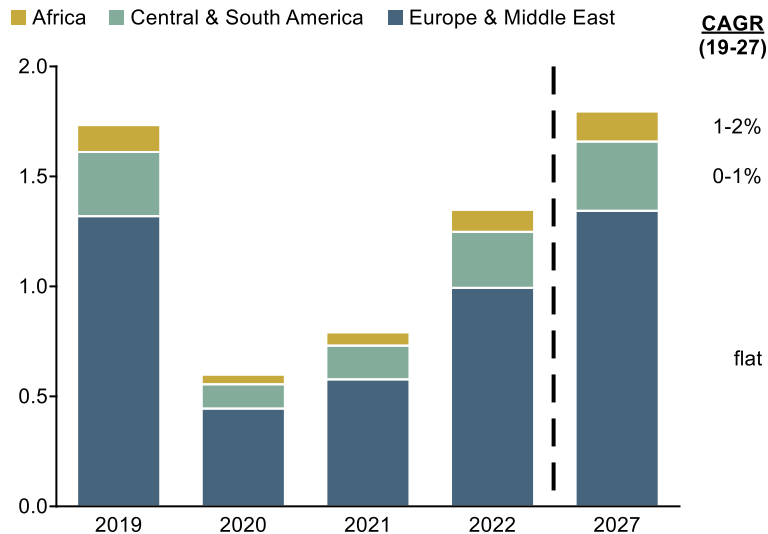
- Continued push based on traveler's individual features
- Proactive visit through content, ads & coupon
- Shipping post-Hainan visit



# Continue to defend and grow our established positions, also including Autogrill's footprint

Europe & ME with large scale; Central & South America and Africa with PAX growth

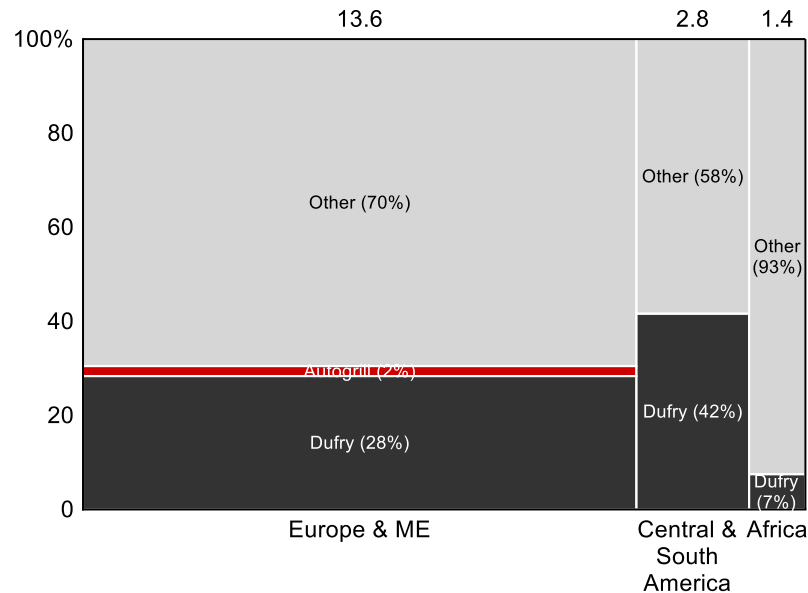
Air traffic by departing region (B PAX, airport only)



Source: Travel Retail Model by leading external party; Dufyry Data

Dufyry well positioned in Europe & ME and Central & South America with ~30+% market share

Total TR, convenience and F&B spend (B \$, 2019, airport only)



# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

 DUFRY

## How it creates value

- 1 Improved **risk profile** diversifying for local / regional economic cycles and shocks
- 2 Accelerated **passenger growth** by serving fast-growing geographies
- 3 More **reliable revenue growth** with differentiated geographic portfolio
- 4 Higher **conversion** based on learning from different consumer patterns
- 5 Accelerate **digital revenues** through new touchpoints



# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

 DUFRY

## What is going to change

- 1 Combined Dufry-Autogrill team in North America
- 2 New **enhanced** and **dedicated APAC team**
- 3 **New business development approach** with defined priorities



# Agenda



**Market and Traveler Insights**



**Travel Experience Revolution**



**Geographical Diversification**



**Operational Improvement Culture**



**ESG**

**DESTINATION 2027**



**Financials**



**Conclusion**



**Q&A**



# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

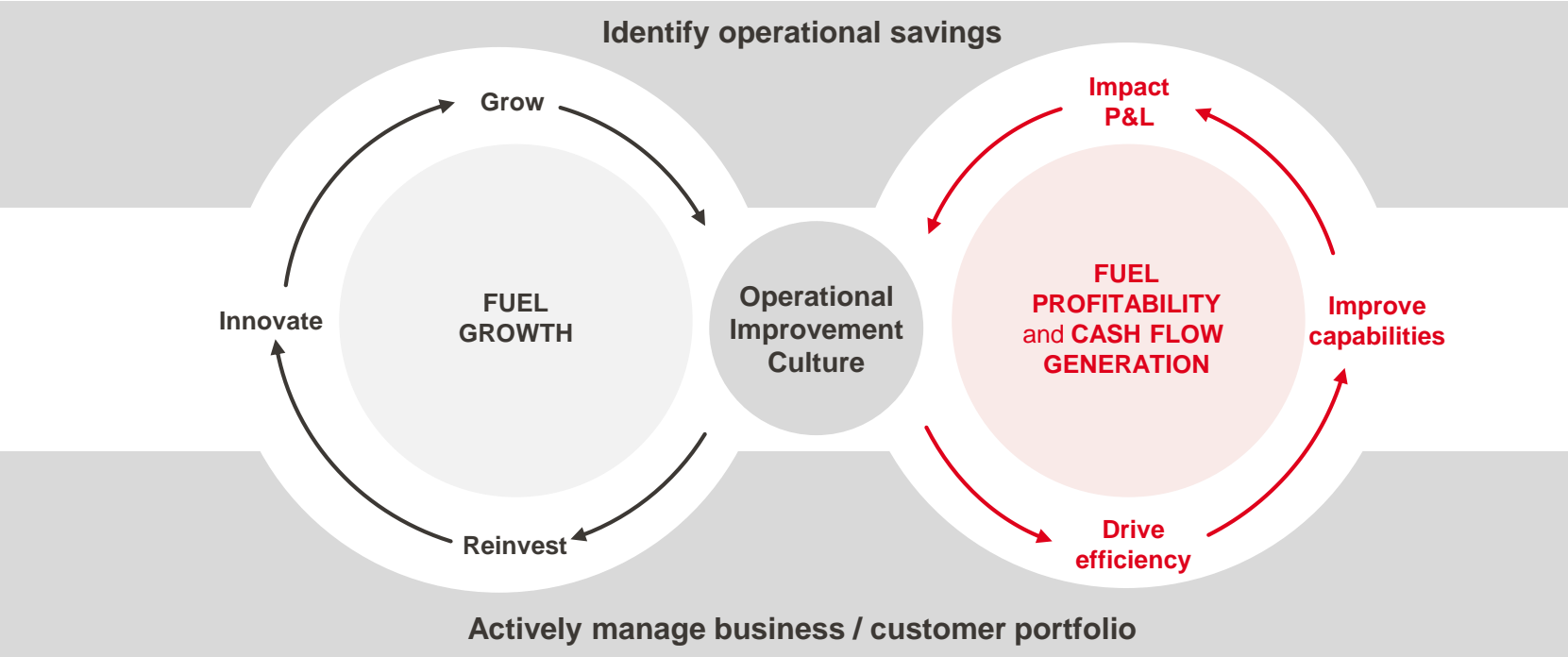
 **Q&A**

## Focus

- **Operational improvement culture**
- **Zero-Based Budgeting**
- **Active portfolio management**



# Establish an Operational Improvement Culture to fuel growth, profitability and cash flow generation



# We are leveraging ZBB methodology to ensure constant operational improvement

## Leading trends driving a cost reset

Keep only what is **critical** and **necessary** to run the business

**New technological frontiers** for how to get the work done

The value of **flexibility** and **agility**

The power of **data** and **digital tools**



### ① **Simplicity**

Eliminate unnecessary complexity in offerings, structures, and processes to focus on highest value areas



### ② **Automation & Digitization**

Harness automation, analytics, core systems, and data to improve efficiency, and enhance performance and customer experience



### ③ **New Ways of Working**

Streamline organizational structure, processes, talent, and tools to increase flexibility, remote collaboration, and variabilization



### ④ **Visibility & Accountability**

Adjust control, decision rights, and end-to-end visibility to enhance cost accountability



### ⑤ **Operational Resilience**

Build process / operational resilience to lower total cost of ownership and improve response to rapid changes

# Active portfolio management to increase profitability and focus efforts on right targets

## Key principles

- **Full profitability evaluation** for each concession contract (including allocation of country G&A<sup>1</sup>, ...)
- In the right timing, **renegotiation or exit from any concession** that does not match our concession-specific objectives



Note: 1) General and administrative expenses

## On-going activities

- On-going evaluations and **discussions with some of the most critical airports** to identify potential actions
- **Continuous update** (single source of truth) and **regular review of portfolio** (incl. post opening performance review)





# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

## How it creates value

- 1 Sustain **margins**
- 2 **Reinvest** in business
- 3 Share with Airport partners making **concession fees competitive**



# Agenda

 Market and Traveler Insights

 Travel Experience Revolution

 Geographical Diversification

 Operational Improvement Culture

 ESG

 DESTINATION 2027

 Financials

 Conclusion

 Q&A

 DUF<sup>RY</sup>

## What is going to change

- 1 **Zero-based budgeting** discipline for budget 2023
- 2 Dedicated **integration team** focused on **synergy delivery**
- 3 Active management of **concession portfolio** with stronger focus on **full profitability evaluation**



# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

 **Q&A**



# Agenda

## Market and Traveler Insights

### Travel Experience Revolution

### Geographical Diversification

### Operational Improvement Culture

### ESG

 DESTINATION 2027

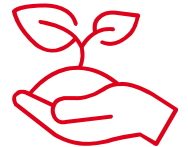
### Financials

### Conclusion

### Q&A

## Focus

- **Comprehensive ESG strategy** focused on four areas
- **Science-Based Targets** (SBTi) in place
- Broad **portfolio of local projects** with real impact



## Dufry's ESG strategy is structured along 4 focus areas

- Product sustainability & safety
- Customer service & safety


- Corporate & sustainability governance
- Legal requirements
- Shareholder engagement



- Employee retention
- Diversity & Inclusion

- Emissions and consumption
- Sustainable logistics & supply chain

# Science Based Target initiative (SBTi) emission reduction targets released



**Scope 1 & 2 emissions<sup>1</sup>**

Reduce electricity emissions and use “Green Energy”

Compensate residual amount of “non-avoidable emissions”



Achieve **Climate Neutrality by 2025**



Reduce and compensate approx. **40,000t CO<sub>2</sub>**



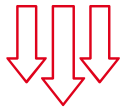
**Scope 3 emissions<sup>2</sup>**

Reduce carbon footprint of purchased goods with **brand partners**

Reduce carbon footprint of upstream logistics with **logistic partners**



Reach **50% of COGS by SBTi\* committed suppliers by 2027**



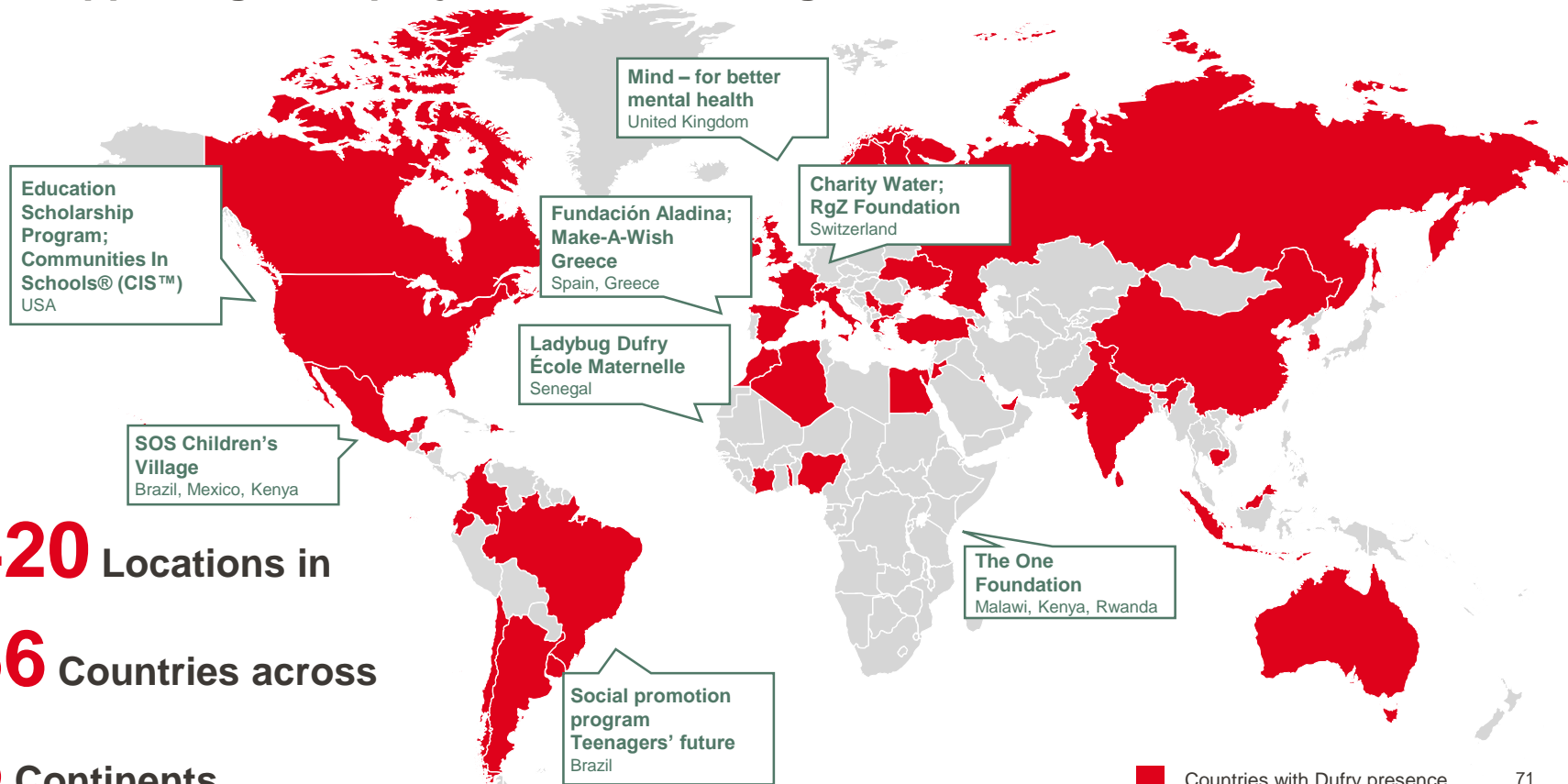
Reduce approx. **3,800,000t CO<sub>2</sub>\*\***



Reduce **carbon footprint** of logistics partners **by 28% by 2030\***

Note: 1) Directly controlled by Dufry; 2) Indirectly controlled by Dufry; \* Based on 2019 emission levels; \*\* Result of first estimate of most significant scope 3 emissions; Source: Dufry data

# Positive impact on society by being a good employer and supporting local projects – make it tangible and visible



**420** Locations in  
**66** Countries across  
**6** Continents

# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 DESTINATION 2027

 **Financials**

 **Conclusion**

 **Q&A**

 DESTINATION 2027





# Evolving consumer / traveler, airport and brand expectations have been reflected in our Destination 2027 strategy

**Traveler**

- Consumers change
- Travel change
- Revenues = PAX + SPP  
(Conversion + SPT)

**Airports**

- PAX satisfaction
- Growth
- Financial targets

**Brands**

- Cust engagement
- Advertising
- Passenger exposure



# Destination 2027 will have impact on our most important performance indicators

|                                 | Accelerate revenue growth |                           |              | Sustainable profitability | Improved risk profile |
|---------------------------------|---------------------------|---------------------------|--------------|---------------------------|-----------------------|
|                                 | Passenger volume          | Spend per passenger (SPP) |              |                           |                       |
|                                 |                           | Conversion                | Spend/ticket |                           |                       |
| Reimagined Travel Retail        |                           | ✓                         | ✓            |                           |                       |
| Food and Beverage               | ✓                         | ✓                         | ✓            |                           | ✓                     |
| Digital                         |                           | ✓                         | ✓            | ✓                         |                       |
| Point of Sale                   |                           | ✓                         | ✓            | ✓                         |                       |
| Geographical Diversification    | ✓                         |                           |              |                           | ✓                     |
| Operational Improvement Culture |                           |                           |              | ✓                         |                       |
| ESG                             |                           |                           |              |                           | ✓                     |



# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

 **Q&A**



# Agenda

## Market and Traveler Insights



Travel Experience Revolution



Geographical Diversification



Operational Improvement Culture



ESG

 DESTINATION 2027



Financials



Conclusion



Q&A

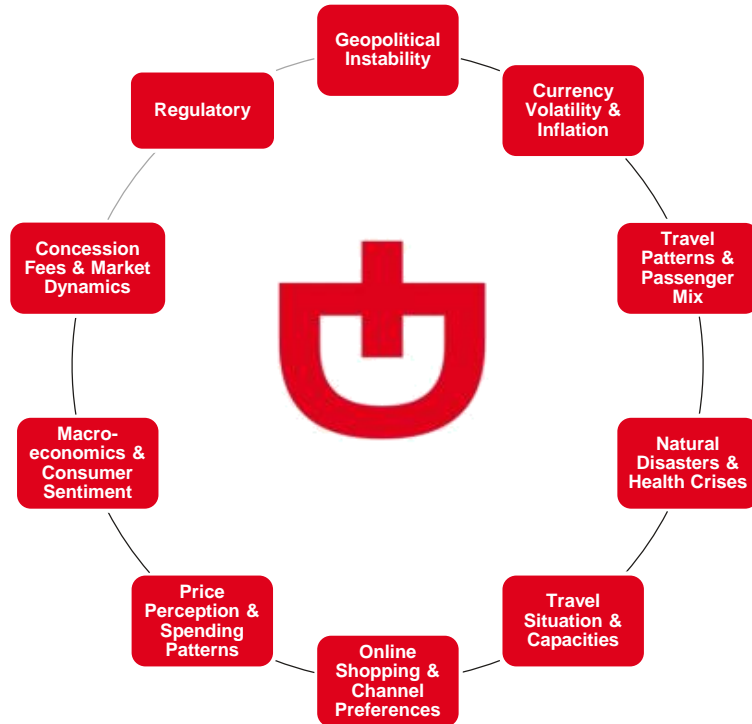
- **Shareholder value creation through delivering:**
  - Long-term **top-line growth**
  - **Sustainable profits**
  - Strong risk-adjusted **cash flow** generation
- **Increasing clarity through:**
  - Providing **building blocks** on performance
  - Introducing **financial profile of combined group**
  - **Giving meaningful** performance metrics with **CORE financials**



# DESTINATION 2027 Strengthens Dufry's Investment Case

|   |  |   |
|---|--|---|
| 1 | <b>Long-term top-line growth</b>                 | <ul style="list-style-type: none"> <li>• Underlying passenger growth</li> <li>• Spend per Passenger increase, driven by Travel Experience Revolution</li> <li>• Business Development through diversification and hybrid concepts</li> <li>• Selected acquisitions / industry consolidation</li> </ul> |
| 2 | <b>Sustainable profits</b>                       | <ul style="list-style-type: none"> <li>• Operational improvement culture</li> <li>• Highly variable cost structure and continuous efficiencies</li> <li>• Re-investment in business and concession competitiveness</li> </ul>   |
| 3 | <b>Strong risk-adjusted cash flow generation</b> | <ul style="list-style-type: none"> <li>• Asset-light business model</li> <li>• Sustainable cash flows</li> <li>• Quick deleveraging capability</li> </ul>   |
| 4 | <b>Resilient business</b>                        | <ul style="list-style-type: none"> <li>• Secular growth and resilient spending as inherent part of travel</li> <li>• Diversification across geographies, channels, formats and concepts</li> <li>• Strong stakeholder relations including landlords, brands, share- and debtholders, banks</li> </ul> |
| 5 | <b>Shareholder Value</b>                         | <ul style="list-style-type: none"> <li>• Strong cash flow generation, available for capital allocation             <ul style="list-style-type: none"> <li>• Fostering growth and innovation</li> <li>• Focusing on deleveraging</li> <li>• Shareholder return</li> </ul> </li> </ul>                  |

# DESTINATION 2027 Addresses Potential Challenges



## Outlook impacted by external factors

- Geopolitical, COVID19/health, economical environment and consumer sentiment impact business
- Passenger mix of particular importance

## Current impacts

- Airport disruptions and passenger caps
- Difficult labor market with thousands of vacancies worldwide
- Supply chain constraints and disruptions, while also pressure on transportation and logistic costs
- Continued lack of Chinese passengers globally

# 1 Long Term Top Line Growth

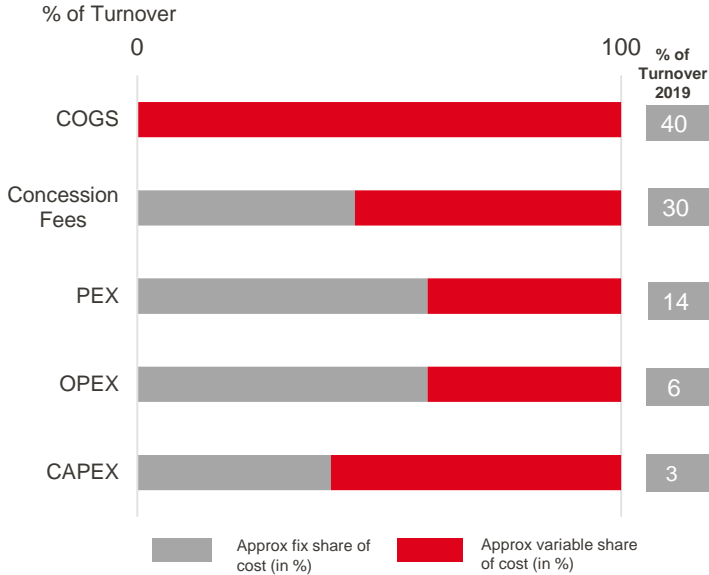
## Levers for Dufry's top line growth

| Sales Lever          | Impacting Factors                   |                                   | Growth Contribution |   |   |   |   |
|----------------------|-------------------------------------|-----------------------------------|---------------------|---|---|---|---|
| Passengers           | GDP per Capita                      | Government Restrictions           | ●                   | ● | ● | ○ | ○ |
| Spend per Passenger  | Traveler profile evolution          | Traveler mix                      | ●                   | ● | ○ | ○ | ○ |
|                      | Dwell time & offering               | Macroeconomics & FX impacts       |                     |   |   |   |   |
| Net, new concessions | Differentiated offering, innovation | Brand and Landlords Relationships |                     |   |   |   |   |
|                      | Experience and Scale                | Competition                       | ●                   | ○ | ○ | ○ | ○ |
| M&A                  | Available Opportunities             | Strategic Fit                     |                     |   |   |   |   |
|                      | Liquidity                           | Value Creation Potential          |                     |   |   |   |   |

Evaluate small & mid-size opportunities for bolt-on acquisitions

## 2 Sustainable Profits

Dufry's variable cost base creates a flexible business model



- **COGS** are by nature entirely variable
- **Concession fees:** Significant part of concession fees are variable in nature with proportion of MAGs per PAX having increased since 2019
- **PEX** has proven to be relatively flexible in prolonged downturns; in 2020 PEX were reduced by more than 42% when Turnover declined by 71%
- Around 1/3 of **OPEX** is variable (including Freight, Credit Cards) whereas a significant share of other costs have variable elements (e.g., advertising, marketing expenses)
- Whilst some **CAPEX** is contractual, there is considerable flexibility for managing the actual CAPEX spend

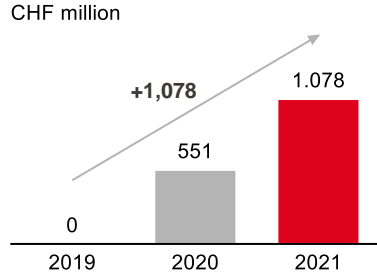
This is a key element of our sustainable profits. Maintaining cost discipline will remain a focus.



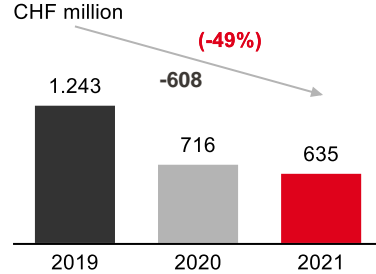
## 2 Sustainable Profits

### Case Study Pandemic Years - Flexible Cost Structure

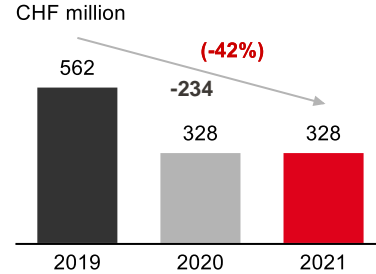
#### MAG WAIVER



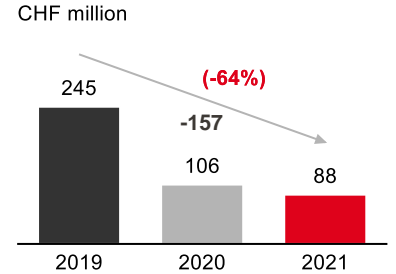
#### PEX



#### OPEX\*



#### CAPEX



- Dufry's business model has confirmed its resilience even under extreme situations like the pandemic
- Rigorous liquidity and cash management and dedicated actions across the group to manage cost and cash flow

\* Reported FY 2019 other expenses, net of CHF -497.2 million include CHF 64.4 million non-recurring income (Brazil tax refund)

## 2 Sustainable Profits

### Different concepts with different cost structure

/ ILLUSTRATIVE

|                     | Duty Free/Paid | Convenience | F&B  | Inflation Impact                    |
|---------------------|----------------|-------------|------|-------------------------------------|
| Gross Profit Margin | 59%            | 65%         | 70%  | Marginal                            |
| Concession Fees     | -32%           | -21%        | -16% | Reflected in sales,<br>MAG adjusted |
| Personnel Expenses  | -12%           | -25%        | -32% | Relevant                            |
| Other Expenses      | -6%            | -9%         | -13% | Relevant                            |

- P&L of combined Group looks different vs Dufry standalone, with overall profitability comparable
  - F&B with significant higher gross profit margin and lower concession fees, but higher Personnel and OPEX charges
  - Travel Retail with moderate Gross Profit Margin, low PEX and OPEX, but higher concession fees
  - Convenience concept in between Duty Free/Paid and F&B
- Overall setup adds to balanced cost structure and resilient approach

3

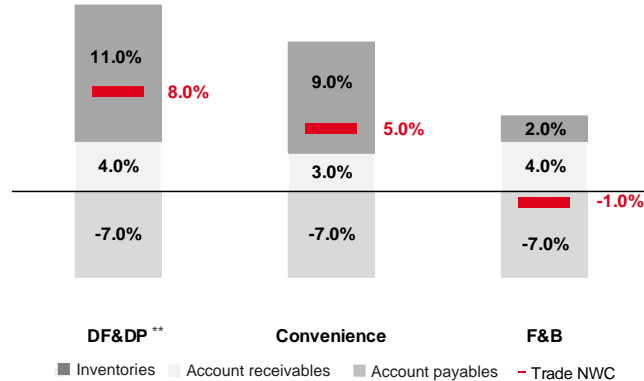
## Strong risk-adjusted Cash Flow of Combined Business

### Concepts with differences in cash flow profile

/ ILLUSTRATIVE

#### Trade Net Working Capital (TNWC)\*

% of Turnover\*



- Travel Retail (Duty-free & Duty-paid and Convenience) requires more investments in trade net working capital compared to F&B
- F&B with lower level of investment given limited inventory level

#### Minorities

- Mainly relevant for the US market
- Combined group greater exposure to the US, however, relative minority contribution expected to be stable

#### Taxes

- Effective tax rate expected to increase to 25%-30% due to increase of income tax rate in some relevant countries

\*Trade Net Working Capital defined as Accounts Receivables plus Inventory less Accounts Payables. All Values expressed in percentage of Revenues. Values are Average over the period of 2016-2019, peer group based, for F&B consider B2C businesses only

\*\* Duty Free and Duty Paid

3

## Strong risk-adjusted Cash Flow of Combined Business

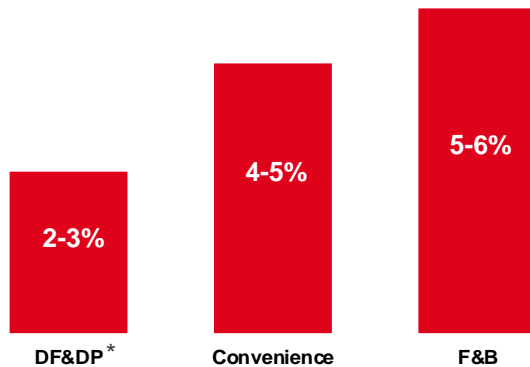
Concepts with differences in cash flow profile



/ ILLUSTRATIVE

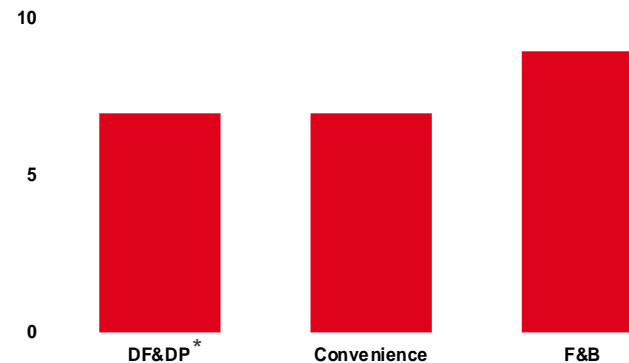
### CAPEX

% on Turnover



### Average Contract Duration

Years



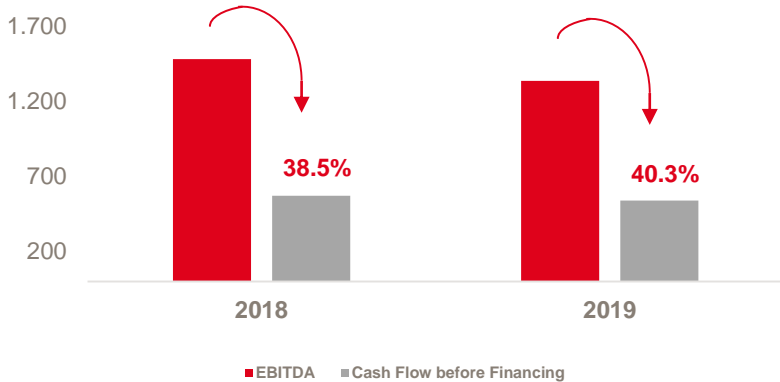
- Dufry's historical CAPEX ratio between 2.8-3.3% in line with Travel Retail profile
- In comparison, F&B has a higher CAPEX ratio
- Combined groups CAPEX expected to be at the higher end of weighted range due to investments in digital transformation (around 50bps increase)
- Duty-free & Duty-paid and Convenience with similar contract durations on average
- F&B with longer-term contracts, offsetting initial investments in setup and fit-out, while relatively low maintenance CAPEX

### 3 Strong risk-adjusted Cash Flow of Combined Business

## Cash Flow Conversion

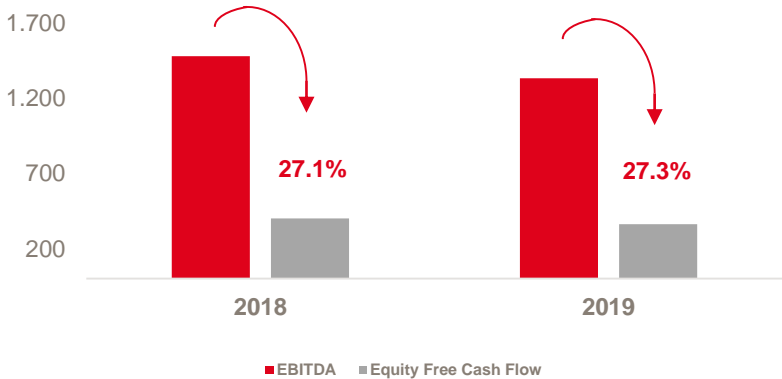
#### Cash Flow before Financing Conversion

CHF million, Conversion in %



#### Equity Free Cash Flow Conversion

CHF million, Conversion in %



- Asset light model results in strong cash flow conversion for combined business
  - Swings in cash flow mainly related to change in working capital due to one-offs and timing shifts of payments
  - Cash conversion with unusual pattern during COVID crisis
  - Financial items expected to slightly decrease in absolute terms and relatively, as a consequence of the combination with Autogrill and deleveraging

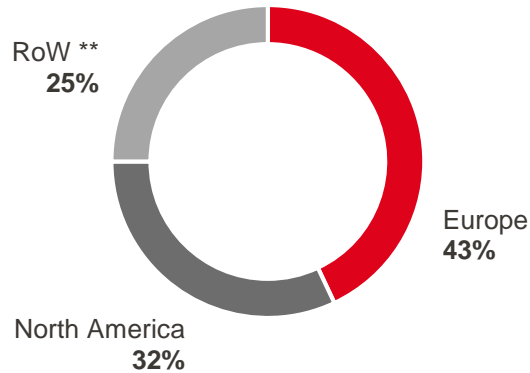
Financials are based on Dufry's Core EBITDA (for 2019 excluding one-offs) and Autogrill reported underlying figures excluding disposed motorway business

4

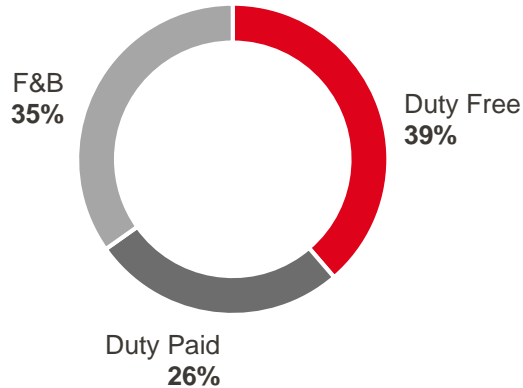
# Resilient Business

Diversification strategy of combined business (sales profile as of 2019)\*

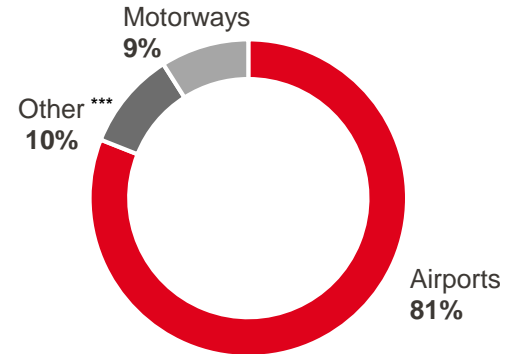
**Geography Combined**



**Format Combined**



**Channel Combined**



Source: Company information

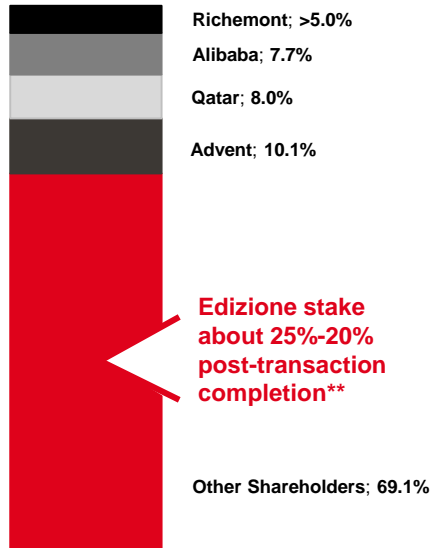
Note: Historical CHF/EUR exchange rate of 1.09 applied to Autogrill reported net sales 2019

\* Pro-forma for disposed Autogrill assets (Motorways business North America, Spain and Czech Republic)

\*\* RoW = Rest of the World

\*\*\* Comprises cruise lines & seaports, borders, downtown & hotel shops and railway stations & other

## Shareholder Base\*



## Governance

- Strong commitment to Swiss Code of Best Practice for Corporate Governance
- Commitment to **Board Independence & Diversity** while securing **necessary skill sets and representation of anchor shareholders**
  - Majority of non-executive Board members
  - Above 30% female representation
  - Highly diverse in terms of nationalities, professional and personal background, expertise and skill set, reflecting key markets in Travel Retail, Convenience and F&B globally
- **Lead Independent Director**, who is also chairing Nomination & ESG Committee
- **Strategy and Integration Committee** formed to advise on combined group
- Management of combined entity to comprise of and benefit from experience of senior members from both Dufry and Autogrill
- Renewed **corporate culture with strong focus on team**

\* Dufry Shareholder Structure as of 15 July 2022 as disclosed at SIX

\*\* 25% stake of Edizione prior to completion of mandatory tender offer and pro-forma for the full conversion of the mandatory convertible notes issued to Edizione

4

## Resilient Business: Strong Relationships with Stakeholders

Stakeholder support particularly visible during health crisis

### CONCESSION PARTNERS

Agreeing to minimum annual guarantee (“MAG”) reliefs in the total amount of approx. CHF 2 billion for Covid-impacted years

### SUPPLIERS

Providing flexibility in respect to payment terms, assortment and order timelines, simplifying returning merchandise and supporting promotional activities

### EMPLOYEES

High engagement to support business, and necessary initiatives taken to mitigate impact on business in all areas



DUFRY

### INVESTORS

Total capital raised through equity-linked investors of ~CHF 1.9bn, including convertible bonds issued in 2020 and 2021, with support from new strategic long-term investors (Advent 10.1%, Alibaba 5.4%) and additional support from bondholders to refinance debt (CHF 1.1b issued)

### BANKS

Provided additional liquidity facility of CHF 397m in Q2 2020, now cancelled with successful execution of in total CHF 1.6bn refinancing, extension of maturity of term loan to 2024 and extension of covenant holiday until Q2 2023

### GOVERNMENT

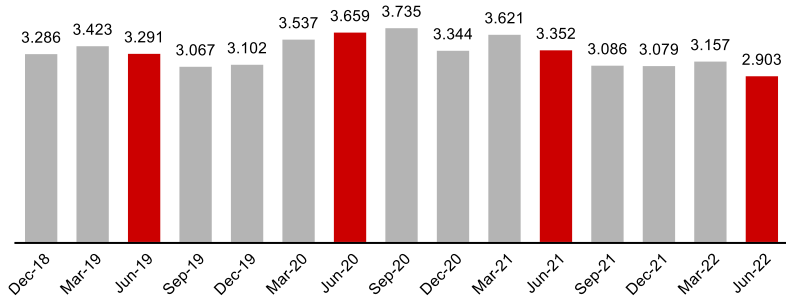
Secured government backed loans in the total amount of approx. CHF 200m and government related personnel support of approx. CHF 110m



# 4 Resilient Business Solid Financing Strategy

## Net Debt Evolution

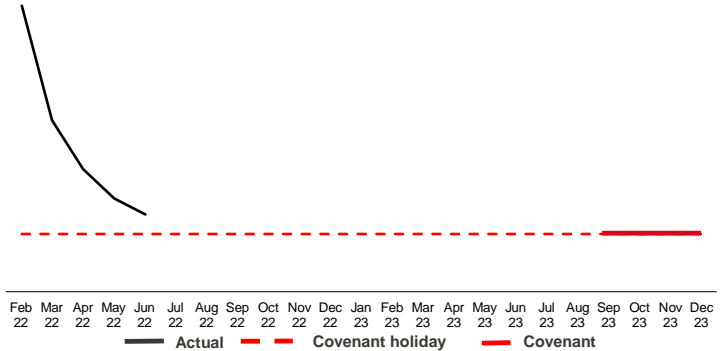
CHF million



- Net debt below pre-Covid levels
- Leverage will further decrease, supported by business acceleration as well as combination with Autogrill
- Available liquidity of CHF 2,254.8 million\*
- Rating Agencies: S&P with B+ / Outlook stable, Moody's with B1 / Outlook CreditWatch positive

Note: \*Includes only committed lines

## Covenant Evolution

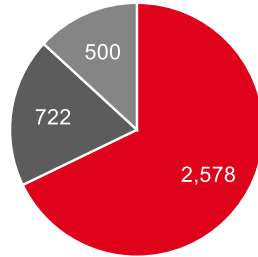


- Normalization towards covenant threshold well on track
- Covenant holiday until and including Q2 2023
  - First testing in September 2023
  - Threshold of 5.0x for Q3 and Q4 2023 and 4.5x thereafter
- Target of below 3x by 2024 or 2025, depending on closing of transaction

# 4 Resilient Business

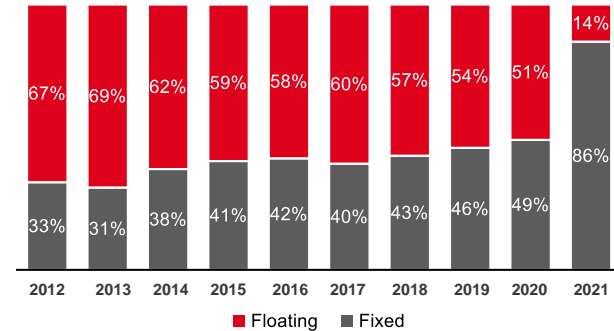
## High Visibility on Financing Costs

Debt by Product (CHF million)\*



■ Bonds ■ Loans ■ Convertible bond

Fixed Floating Rate Mix Evolution\*\*



### Well-balanced debt profile

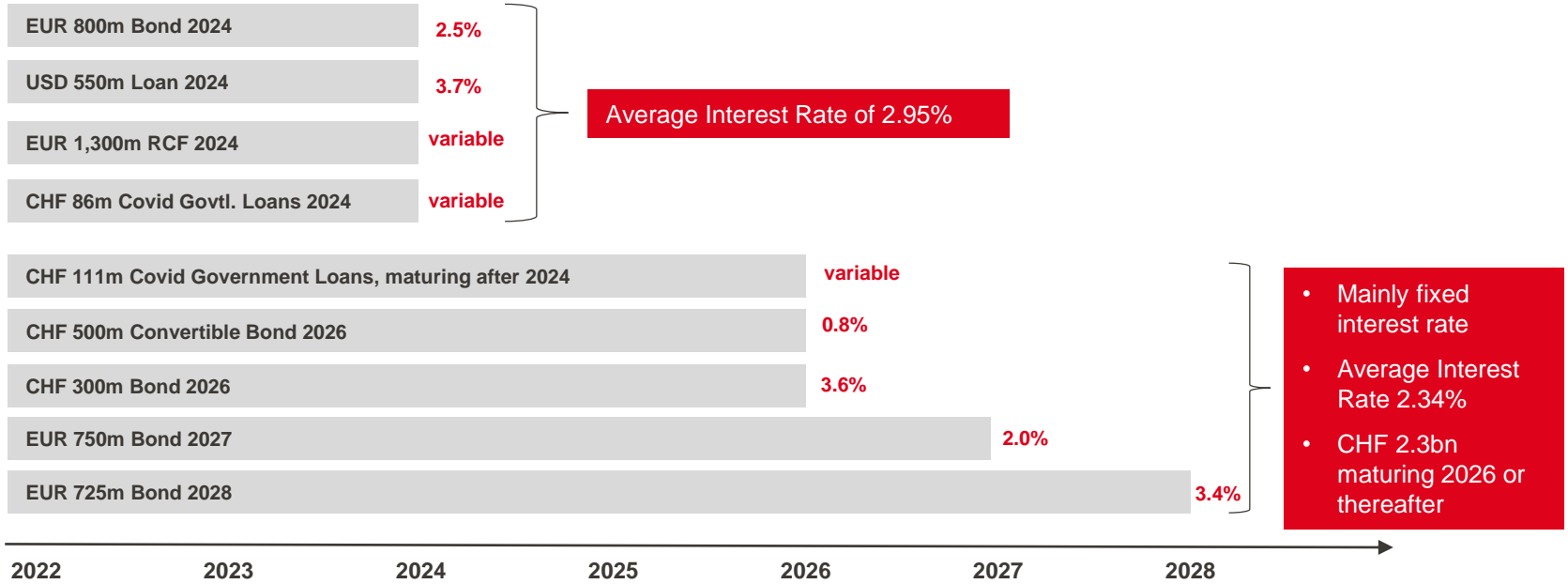
- Access to different financing products
- Product mix geared towards fixed rate products with high visibility on interest rates
- Weighted average maturity of 3.4 years

\* As of 30.06.2022


\*\* Product mix over time


# 4 Resilient Business


## Well-balanced Maturity & Interest Profile



# 5 Shareholder Value & Capital Allocation Strategy

 Sustainable Free Cash Flow Generation

 Target Leverage of  
below 3x Net Debt/Adj. Oper. Cash Flow  
(allow to temporarily increase for strategic M&A)

 Capital allocation securing financial flexibility

 Accelerate company development through organic growth & innovation

 Considering return cash to shareholders in line with growth acceleration

 Support development through M&A, primarily bolt-on

5

# Mid-term Outlook Combined Business

(All Values in CHF, constant FX)

|               |                                | 2023 – 2024 p.a. (Transition)  | 2025 – 2027 p.a. (base 2024)   |
|---------------|--------------------------------|--|--|
| Turnover      | PAX                            | 7.0% to 10.0%  | 3.5% to 4.0%<br>1.5% to 2.0%<br>0.0% to 1.0%<br><b>CAGR ~5% to 7%</b>            |
|               | SPP                            |  |  |
|               | Business Development           | Spain effect   |  |
| Profitability | CORE EBITDA Margin Improvement | Continued improvements, partly offset by integration costs<br>Phase-out of MAG relief<br><b>Net + 75 to 100 bps (on H1 22)</b> | <b>Gross + 30 to 40 bps (partially re-invested)</b><br><b>Net + 15 to 25 bps</b> |
|               | Synergies                      | -100m (integration cost)   | 85m  |
| Cash Flow     | CAPEX                          | ~ 5.0% (incl. carried-over CAPEX)  | ~ 4.5%   |
|               | Change in Working Capital      | Cash out (due to growth pattern)   | Neutral to slightly negative (depending on growth profile)                       |
|               | Other items                    | 25% to 30% (tax rate)<br><b>Leverage: Covenant 5x / 4.5x</b>   | 25% to 30% (tax rate)<br><b>Leverage below 3x (2024/25)</b>                      |
|               | EFCF Conversion                | 2024: >20% (on CORE EBITDA)  | >30% (on CORE EBITDA)  |

# Agenda

 **Market and Traveler Insights**

 **Travel Experience Revolution**

 **Geographical Diversification**

 **Operational Improvement Culture**

 **ESG**

 **DESTINATION 2027**

 **Financials**

 **Conclusion**

 **Q&A**





## Large and healthy addressable market

- Travel Retail & F&B is a **large market (115 B\$)**
- Air Traffic is **historically resilient**
- **PAX volumes** expected to be back to **pre-COVID by 2024**
- From 2024, Air Travel will **continue to grow in line with GDP**
- Travel Retail & F&B is **expected to get back to pre-COVID level by 2024/25**



## Changing Consumer

- **PAX mix** changes
- More time is spent on **personal devices**
- Personalization, convenience & **experience** are **major trends**
- Increasing interest for **wellbeing/ sustainable products**



## Changing Travel

- **Traffic patterns** and preferences are **evolving**
- **Leisure travel** spend recovering faster
- More **predictable dwell time**

# Conclusion (2/2)



## 2024-2027

- Sales growth:
  - Passengers
  - + SPP
  - + New Concessions
  - + M&A
- Improved margins  
(% CORE EBITDA)
- Focus on Cash Flow generation
- To deliver Sustainable Shareholder Value



# Agenda

## Market and Traveler Insights

### Travel Experience Revolution

### Geographical Diversification

### Operational Improvement Culture

### ESG

 DESTINATION 2027

### Financials

### Conclusion

### Q&A


MAKING  
TRAVELERS  
HAPPIER

 DUFRY

ANNEX



## New Financial Reporting CORE P&L

- **IFRS 16 added significant complexity to Dufry's financial reporting**
  - IFRS EBITDA and EBIT approach provides no longer meaningful KPIs for Dufry's performance
  - P&L develops quite dynamically depending on renewals and wins of concessions
  - Capitalized amount on balance sheet does not state anything about quality or profitability of a contract
  - Frontloading effect – negative effect on net earnings in initial years and positive impact in late years of a contract
- 

## CORE

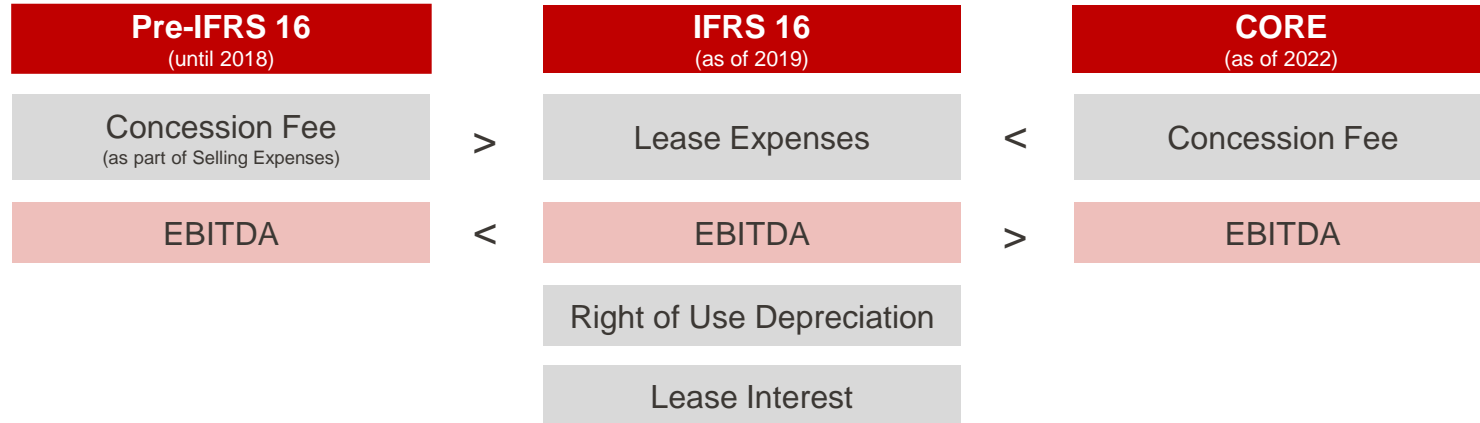
**Introduction of CORE P&L providing meaningful performance metrics**

CORE based on IFRS except for

- Concessions (principles following former IAS 17)
- Acquisition-related adjustments in line with previous and current practice (no changes for consistency and reconciliation)

# Details to the Concession Line

## P&L Charges in different concepts



- Concessions part of operational performance
- All concession payments deemed operational cash flows
- All expenses reflected on P&L in our view relevant period
  - No IFRS 16 front-load effect
  - Prospective MAG reliefs reflected in the period for which they are granted for

## CORE Reporting – Bridge to IFRS

| CHF million                       | IFRS<br>6M2022 | Acquisition<br>related<br>Adjustments | CORE<br>Adjustments | CORE<br>6M2022 |
|-----------------------------------|----------------|---------------------------------------|---------------------|----------------|
| <b>Turnover</b>                   | <b>2'923</b>   |                                       |                     | <b>2'923</b>   |
| Cost of sales                     | -1'144         |                                       |                     | -1'144         |
| <b>Gross profit</b>               | <b>1'779</b>   |                                       |                     | <b>1'779</b>   |
| Concession Expenses               | -408           |                                       | -450                | -858           |
| Personnel Expenses                | -441           |                                       |                     | -441           |
| Depreciation and Amortization     | -561           | 80                                    | 481                 | 0              |
| Impairment                        | 15             |                                       | -15                 | 0              |
| Other Expenses, net               | -232           |                                       | -21                 | -253           |
| <b>CORE EBITDA</b>                |                |                                       |                     | <b>227</b>     |
| D&A*                              | -546           | 80                                    | 398                 | -67            |
| <b>Operating profit/CORE EBIT</b> | <b>152</b>     |                                       |                     | <b>160</b>     |
| Financial result                  | -130           |                                       | 75                  | -55            |
| <b>Profit Before Taxes</b>        | <b>23</b>      | <b>80</b>                             | <b>1</b>            | <b>105</b>     |
| Income tax                        | -11            | -19                                   | 1                   | -29            |
| <b>Net Profit</b>                 | <b>12</b>      | <b>62</b>                             | <b>3</b>            | <b>76</b>      |
| ATTRIBUTABLE TO                   |                |                                       |                     |                |
| Non-controlling interests         | 30             | 2                                     | 2                   | 33             |
| Equity holders of the parent      | -18            | 60                                    | 1                   | 43             |

Note: \*Including Impairment

### Acquisition related Adjustments

- D&A: Excluding CHF 80m amortization in relation to concession rights recognized during previous acquisitions (mainly Nuance and WDFG)
- Income Tax: Adjusting for the deferred tax impact on the above expenses.

### CORE Adjustments

- Concession Expenses: including the MAG component of our concession agreements back to the concession line
- Other Expenses: moving IFRS 16 leases in relation to offices and warehouses from depreciation of right of use to OPEX
- Financial Result adjusted for Lease Interest of CHF 75m

## CORE Reporting – Historical P&L 2016 - 2021

| CHF million                       | 2016         |             | 2017         |             | 2018         |             | 2019         |             | 2020          |             | 2021         |             |
|-----------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|---------------|-------------|--------------|-------------|
| <b>Turnover</b>                   | <b>7'829</b> | <b>100%</b> | <b>8'377</b> | <b>100%</b> | <b>8'685</b> | <b>100%</b> | <b>8'849</b> | <b>100%</b> | <b>2'561</b>  | <b>100%</b> | <b>3'915</b> | <b>100%</b> |
| Cost of sales                     | -3'245       | -41%        | -3'399       | -41%        | -3'489       | -40%        | -3'525       | -40%        | -1'184        | -46%        | -1'704       | -44%        |
| <b>Gross profit</b>               | <b>4'584</b> | <b>59%</b>  | <b>4'979</b> | <b>59%</b>  | <b>5'196</b> | <b>60%</b>  | <b>5'323</b> | <b>60%</b>  | <b>1'377</b>  | <b>54%</b>  | <b>2'211</b> | <b>56%</b>  |
| Concession expenses               | -2'144       | -27%        | -2'323       | -28%        | -2'465       | -28%        | -2'655       | -30%        | -1'162        | -45%        | -815         | -21%        |
| Personnel expenses                | -1'055       | -13%        | -1'135       | -14%        | -1'175       | -14%        | -1'243       | -14%        | -716          | -28%        | -635         | -16%        |
| Other expenses, net               | -497         | -6%         | -459         | -5%         | -556         | -6%         | -540         | -6%         | -376          | -15%        | -375         | -10%        |
| <b>CORE EBITDA</b>                | <b>889</b>   | <b>11%</b>  | <b>1'062</b> | <b>13%</b>  | <b>1'000</b> | <b>12%</b>  | <b>885</b>   | <b>10%</b>  | <b>-877</b>   | <b>-34%</b> | <b>386</b>   | <b>10%</b>  |
| D&A*                              | -225         | -3%         | -272         | -3%         | -260         | -3%         | -272         | -3%         | -282          | -11%        | -256         | -7%         |
| <b>CORE EBIT</b>                  | <b>664</b>   | <b>8%</b>   | <b>790</b>   | <b>9%</b>   | <b>740</b>   | <b>9%</b>   | <b>613</b>   | <b>7%</b>   | <b>-1'159</b> | <b>-45%</b> | <b>130</b>   | <b>3%</b>   |
| Financial result                  | -212         | -3%         | -218         | -3%         | -133         | -2%         | -143         | -2%         | -247          | -10%        | -253         | -6%         |
| <b>CORE Profit before taxes</b>   | <b>452</b>   | <b>6%</b>   | <b>572</b>   | <b>7%</b>   | <b>606</b>   | <b>7%</b>   | <b>470</b>   | <b>5%</b>   | <b>-1'406</b> | <b>-55%</b> | <b>-124</b>  | <b>-3%</b>  |
| Income tax                        | -64          | -14%        | -156         | -27%        | -158         | -26%        | -155         | -33%        | -49           | 3%          | -71          | 57%         |
| <b>CORE Net profit</b>            | <b>389</b>   | <b>5%</b>   | <b>415</b>   | <b>5%</b>   | <b>449</b>   | <b>5%</b>   | <b>315</b>   | <b>4%</b>   | <b>-1'454</b> | <b>-57%</b> | <b>-194</b>  | <b>-5%</b>  |
| ATTRIBUTABLE TO                   |              |             |              |             |              |             |              |             |               |             |              |             |
| CORE Non-controlling interests    | 54           | 14%         | 73           | 18%         | 83           | 19%         | 79           | 25%         | -132          | 9%          | 42           | -21%        |
| CORE Equity holders of the parent | 334          | 4%          | 343          | 4%          | 366          | 4%          | 236          | 3%          | -1'323        | -52%        | -236         | -6%         |

Note: \*Including Impairment

All as % of Turnover except for Income Taxes (% of CORE EBT) and Non-Controlling interest (% of CORE Net Profit). All numbers rounded.

# CORE Reporting vs pre IFRS16 Reporting

## Example 2018

| CHF million                              | IAS 17       | Reclass    | Acquisition related Expenses | Linearization | CORE         |
|--|--------------|------------|------------------------------|---------------|--------------|
| Turnover                                 | 8,685        |            |                              |               | 8,685        |
| Gross Profit                             | 5,196        |            |                              |               | 5,196        |
| Selling Expenses/<br>Concession Expenses | -2,581       | 116        |                              |               | -2,465       |
| Personnel Expenses                       | -1,175       |            |                              |               | -1,175       |
| General Expenses/<br>Other expenses_net* | -400         | -169       | 12                           |               | -556         |
| <b>EBITDA</b>                            | <b>1,040</b> | <b>-53</b> | <b>12</b>                    | <b>-</b>      | <b>1,000</b> |
| D&A**                                    | -572         |            | 312                          |               | -260         |
| Linearization                            | -48          |            |                              | 48            | -            |
| Other Operational Result                 | -49          | 49         |                              |               | -            |
| <b>EBIT</b>                              | <b>371</b>   | <b>-4</b>  | <b>325</b>                   | <b>48</b>     | <b>740</b>   |
| Financial result                         | -137         | 4          |                              |               | -133         |
| <b>EBT</b>                               | <b>234</b>   | <b>0</b>   | <b>325</b>                   | <b>48</b>     | <b>606</b>   |
| Income tax                               | -99          |            | -59                          |               | -158         |
| <b>Net Profit</b>                        | <b>135</b>   | <b>0</b>   | <b>265</b>                   | <b>48</b>     | <b>449</b>   |
| Non-controlling interests                | 64           |            |                              |               | 64           |
| <b>Net Profit equity holders</b>         | <b>72</b>    |            | <b>265</b>                   | <b>48</b>     | <b>385</b>   |
| Acquisition related amortization         | 307          |            |                              |               |              |
| <b>Cash Net Earnings*</b>                | <b>379</b>   |            |                              |               |              |

Note: \*Including share of result of associates of CHF 3.8m; \*\*Including impairments

### Reclasses

- Presenting concession fees separately from other selling expenses
- Including all operations expenses in EBITDA

### Acquisition Related Expenses

- D&A: Excluding CHF 312m amortization in relation to concession rights recognized during previous acquisitions (mainly Nuance and WDFG)
- Income Tax: Adjusting for the deferred tax impact on the above expenses

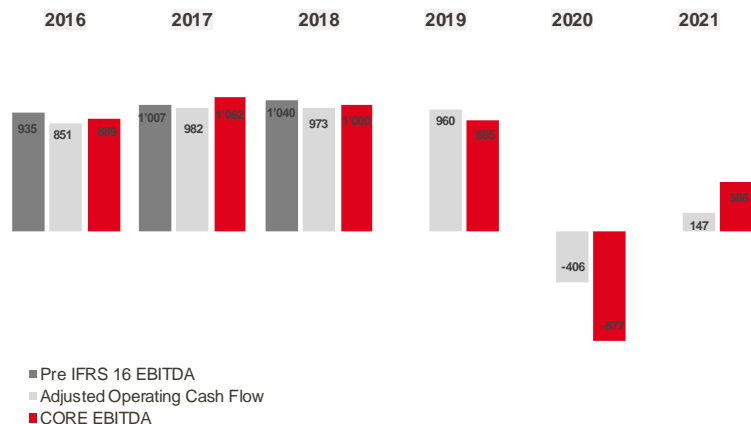
### Linearization

- As part of our CORE numbers, we accrue the concession expenses according to our agreements and ignore the linearization impact pre- and post IFRS 16

## Reconciliation CORE EBITDA to Adjusted Operating Cash Flow

- Pre-IFRS 16 EBITDA, CORE EBITDA and Adjusted Operating Cash Flow are highly correlated
- Deviation mainly due to MAG cash flow timing shifts and MAG reliefs during pandemic
- Deviation to former pre-IFRS16 reported EBITDA (2016-2018) solely related to reclassifications between P&L lines

CHF million



| CHF million                       | 2019       | 2020        | 2021       |
|-----------------------------------|------------|-------------|------------|
| CORE EBITDA                       | 885        | -877        | 386        |
| Adjusted Operating Cash Flow      | 960        | -406        | 147        |
| <b>Variance</b>                   | <b>-75</b> | <b>-471</b> | <b>239</b> |
| ■ thereof, MAG payments deferrals | -59        | -432        | 287        |
| ■ thereof, others*                | -16        | -39         | -48        |

\* Others include Other non cash items (i.e. Allowances and Provisions, Gain and loss on sale of PP&E and RoU non-cash)



## Cash Flow Structure under CORE

| CHF million                                       | June 2022  | June 2021   | June 2019  |
|---|------------|-------------|------------|
| <b>CORE EBITDA</b>                                | <b>227</b> | <b>-4</b>   | <b>354</b> |
| Other non-cash items*                             | 23         | -43         | 55         |
| Changes in net working capital                    | 89         | -121        | -17        |
| Capital expenditures                              | -47        | -34         | -125       |
| Cash flow related to minorities                   | -23        | -5          | -26        |
| Income taxes paid                                 | -13        | -6          | -28        |
| <b>Cash flow before financing</b>                 | <b>257</b> | <b>-214</b> | <b>213</b> |
| Interest, net                                     | -62        | -64         | -72        |
| Other financing items                             | 2          | 3           | -1         |
| <b>Equity free cash flow</b>                      | <b>197</b> | <b>-275</b> | <b>140</b> |
| Dividends paid to shareholders of the parent      | 0          | 0           | -200       |
| Financing activities, net                         | 0          | 346         | 60         |
| Foreign exchange adjustments and other            | -21        | -79         | -5         |
| <b>Decrease/ (Increase) in Financial net debt</b> | <b>176</b> | <b>-8</b>   | <b>-5</b>  |
| <b>Net Debt</b>                                   |            |             |            |
| – at the beginning of the period                  | 3'079      | 3'344       | 3'286      |
| – at the end of the period                        | 2'903      | 3'352       | 3'291      |



- CORE has no impact on cash flow
- Cash Flow to start with CORE EBITDA
- Other non-cash items and changes in lease obligations largely related to MAG relief and IFRS 16 contract modifications including de-recognition of IFRS 16 contracts
- Introduce Cash flow before Financing to focus on operational performance
- EFCF remains unchanged

\*Other non-cash items: Changes in lease obligation (MAG related): main driver in 2022 vs 2021 reduction in MAG relief, main driver versus in 2022 vs 2019: de-recognition of IFRS16 contracts

## 2019 excluding one-offs

Base year 2019 adjusted for non-recurring items

| Dufry (CHF million)                 | 2019         | One-off    | Comment                    | 2019 excluding one-offs |
|-------------------------------------|--------------|------------|----------------------------|-------------------------|
| <b>Turnover</b>                     | <b>8'849</b> | -          |                            | <b>8'849</b>            |
| Gross Profit                        | 5'323        | -          |                            | 5'323                   |
| Concession Fees                     | -2'655       | -          |                            | -2'655                  |
| Personnel Expenses                  | -1'243       | -          |                            | -1'243                  |
| Other Expenses                      | -541         | -64        | Brazil tax refund <b>1</b> | -605                    |
| <b>CORE EBITDA</b>                  | <b>885</b>   | <b>-64</b> |                            | <b>820</b>              |
| <b>CORE EBITDA Margin</b>           | <b>10.0%</b> |            |                            | <b>9.3%</b>             |
| <b>CORE EBITDA</b>                  | <b>885</b>   | <b>-64</b> |                            | <b>820</b>              |
| Change in Working Capital & Other * | 5            | 64         | Brazil tax refund <b>1</b> | 70                      |
| Minorities                          | -69          | -          |                            | -69                     |
| CAPEX                               | -245         | -          |                            | -245                    |
| Income tax paid                     | -97          | -18        |                            | -115                    |
| Interest paid, net                  | -147         | -          | Spain tax impact <b>2</b>  | -147                    |
| <b>Equity Free Cash Flow **</b>     | <b>332</b>   | <b>-18</b> |                            | <b>314</b>              |

**1** 2019 includes a one off tax recovery in Brazil

**2** Income tax was positively impacted by a tax refund in Spain

\*Change in WC & other in 2019 excl. one-offs: Change in WC CHF -24.4m, Dividends from Associates CHF 5.6m, Other non-cash items CHF 24.0m and reversal of Brazil tax refund payable in WC of CHF 64.4m

\*\*EFCF of CHF 332m is based on CORE EBITDA and includes Spain prepayment in 2013 of CHF 50m

## Pro-forma Combined Financials w/o Synergies

| 2019 (CHF million)                | Dufry stand-alone<br>excl. one-offs |             | Impact in combined ratio<br>vs. Dufry stand-alone | Proforma estimate<br>based on CHF 14bn<br>combined Turnover |
|-----------------------------------|-------------------------------------|-------------|---|---|
| <b>Turnover</b>                   | 8'849                               | 100.0%      |   | 100.0%  |
| Gross Profit                      | 5'323                               | 60.2%       | ↗   | 64.0%   |
| Concession Fees                   | -2'655                              | -30.0%      | ↘   | -24.9%  |
| Personnel Expenses                | -1'243                              | -14.1%      | ↗   | -20.7%  |
| Other Expenses, net               | -605                                | -6.8%       | ↗   | -9.2%   |
| <b>CORE EBITDA</b>                | <b>820**</b>                        | <b>9.3%</b> |   | <b>9.2%</b>   |
| Change in Working Capital & Other | 70                                  | 0.8%        | ↔   | 0.2%  |
| Minorities                        | -69                                 | -0.8%       | ↔   | -0.7%   |
| CAPEX                             | -245                                | -2.8%       | ↗   | -4.0%   |
| Income tax paid                   | -115                                | -1.3%       | ↔   | -1.0%   |
| Interest paid, net                | -147                                | -1.7%       | ↘   | -1.2%   |
| <b>EFCF</b>                       | <b>314</b>                          | <b>3.6%</b> |   | <b>2.5%</b>   |
| <i>EFCF conversion</i>            |                                     | 38.3%       |   | 27.5%   |

- The P&L and Cash Flow of the combined entity will differ given the characteristics of the two businesses
- The combination will provide a more balanced, resilient profile
- On top, CHF 85 million total synergies per annum at CORE EBITDA-level\*

Note: Proforma estimate of CHF 14bn excludes businesses disposed by Autogrill in 2019. EFCF normalized for non-recurring expense and income. See appendix for reconciliation

\*Before tax and minority interests, which account for approximately 35%. Expected to be fully achieved in the two-year period post-transaction

\*\*Change in WC & other in 2019 excl. one-offs: Change in WC CHF -24.4m, Dividends from Associates CHF 5.6m, Other non-cash items CHF 24.0m and reversal of Brazil tax refund payable in WC of CHF 64.4m

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