

A black and white photograph of a person from the waist down, wearing a white t-shirt and dark pants, holding several shopping bags. The background is a blurred indoor setting, likely a store or mall, with other people and lights visible.

## Octavian Seminar 2021

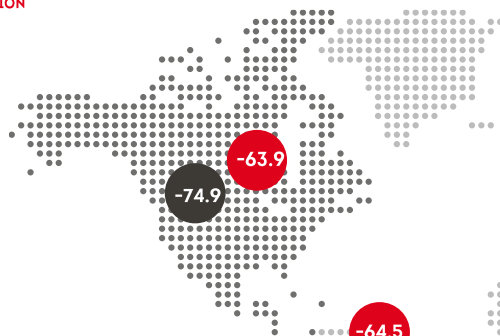
# TURNOVER AND ORGANIC GROWTH BY REGION

9M 2020

## NORTH AMERICA

**513.8** MILLION CHF

**121.6** MILLION CHF



## CENTRAL & SOUTH AMERICA

**390.6** MILLION CHF

**61.0** MILLION CHF

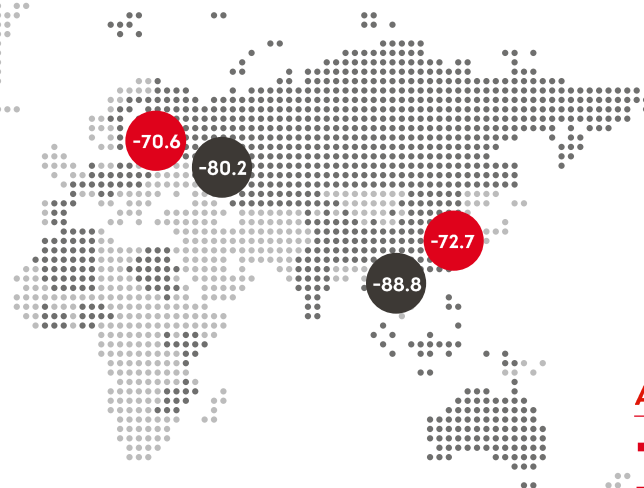


- 9M 2020 turnover & organic growth year-on-year (in %)
- Q3 2020 turnover & organic growth year-on-year (in %)

## EUROPE, MIDDLE EAST & AFRICA

**952.1** MILLION CHF

**274.5** MILLION CHF



## ASIA PACIFIC

**134.5** MILLION CHF

**17.1** MILLION CHF

Distribution Centers: 9M 2020 CHF 82.9 million turnover and organic growth of -39.4%; Q3 2020 CHF 12.8 million turnover and organic growth of -78.0%  
Note: Please see [here](#) further details on the historical information under the new regional setup

# FINANCIAL HIGHLIGHTS

9M 2020

**CHF 2,074  
million**

**TURNOVER IN  
9M 2020**

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CHF 487 million turnover in Q3 with encouraging re-initiation of travel in July and August, plateauing since September caused by renewed restrictions

**~CHF 760  
million**

**COSTS SAVINGS  
IN 9M 20<sup>1</sup>**

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Savings target of around CHF 1 billion for FY 2020 yoy confirmed and permanent reductions of at least CHF 400 million for FY 2021

**CHF ~51  
million**

**Q3 2020 CASH  
CONSUMPTION**

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Decisive actions resulted in better than expected cash consumption in Q3 2020, with cash flow guidance for H2 2020 confirmed

**CHF 890  
million**

**GROSS PROCEEDS  
CAPITAL INCREASE <sup>2</sup>**

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Successful execution of rights issue, with proceeds used to finance Hudson buy-out and for strategic growth opportunities

**CHF 2,065  
million**

**PRO-FORMA  
LIQUIDITY<sup>3</sup>**

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Comprehensive set of initiatives to strengthen capital structure and liquidity position earlier this year, enhanced by further initiatives in Q3

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<sup>1</sup> Savings include cost reductions in personnel expenses, other expenses and MAG reliefs in 9M 2020

<sup>2</sup> Including gross proceeds from rights issue of CHF 820.4 million and CHF 69.5 million from mandatory convertible notes

<sup>3</sup> Pro-forma as of September 30, 2020, including net proceeds from rights issue and mandatory convertible notes of around CHF 867 million, cash and cash equivalents of CHF 748 million, and available credit lines of CHF 745 million, including Hudson Transaction related cash outflow of CHF 295 million

# BUSINESS HIGHLIGHTS

9M 2020

## Final Stage Group Reorganization & Alignment

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New regional setup implemented since 1 September and restructuring largely completed to increase efficiencies, simplify operational management and decision-making

## Reintegration & Delisting of Hudson on Track

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Part of re-organization to further simplify corporate structure and to achieve material structural savings, with Transaction and delisting expected to close in Q4 2020

## Advent & Alibaba Group Join as Significant Shareholders

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Advent and Alibaba Group have taken 11.4% and 8.5%<sup>1</sup> equity stake respectively, joining Dufry's long-standing shareholders and supporting the business going forward

## Dufry & Alibaba Group Form Strategic Joint Venture

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Partnership to operate travel retail in China by merging Alibaba Group's leadership in Chinese consumer retail and digital transformation with Dufry's global travel retail expertise

## More than 1,350 of Dufry's Shops Have Reopened Globally

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As of end-October, almost 55% of Dufry stores are open, representing 72% of sales capacity

<sup>1</sup>Based on the number of new registered shares outstanding with Alibaba having a 6.1% stake directly following rights issue, increasing to 8.5% stake including the mandatory convertible notes (Transaction pending final documentation and closing); number of registered shares following rights issue of 80,263,682 (including 24,696,516 new shares), and of 82,357,621 including mandatory convertible notes (2,093,939 new shares)

# CONFIRMING COST REDUCTION AND CASH FLOW SCENARIOS

Having put initiatives in place to flexibly manage 2020 challenges

Sensitivity Analysis	Turnover Scenarios for 2020		
	-40%	-55%	-70%
Concession Fees (Pre-IFRS 16)	~33% of turnover	~36% of turnover	~39% of turnover
Personnel Expenses <sup>1</sup>	Reduced by ~20% yoy	Reduced by ~30% yoy	Reduced by ~35% yoy
Other Expenses, net	Reduced by ~30% yoy	Reduced by ~40% yoy	Reduced by ~43% yoy
Capex	CHF ~-100 million	CHF ~-100 million	CHF ~-100 million
Average monthly cash flow H2 2020 <sup>2</sup>	CHF ~+60 million	CHF ~+10 million	CHF ~-60 million

<sup>1</sup> Including restructuring-related one-off costs of CHF 62.7 million, provisioned as of September 30, 2020

<sup>2</sup> Scenarios include changes in trade payables, trade receivables and inventory, but no other working capital changes

# UPDATE ON GLOBAL AIR TRAVEL PAX RECOVERY FORECASTS

Leading associations and data providers with limited visibility for 2021+

Data provider	Recovery 2019 level	Forecasts			Date of publication
		2020 vs. 2019	2021 vs. 2019	2021 vs. 2020	
ACI	2023	-63%	-37%	72%	08/12/20
IATA (RPK)	2024	-66%	-49%	50%	24/11/20
IATA (PAX)	2024	-61%	-38%	56%	24/11/20
ICAO	not provided	-59% to -60%	-	-	30/12/20
Air4cast	2022	-62%	-46%	40%	08/01/21
InterVistas	2022-2023	-44% to -73% <sup>1</sup>	-	-	24/04/20

Latest forecasts on PAX (number of passengers) provided by industry associations International Air Transport Association (IATA), Airports Council International (ACI), International Civil Aviation Organization (ICAO), and independent data providers Air4Cast, InterVistas

<sup>1</sup>Versus 2020 pre-Covid: 2019: +3.5% in global passenger traffic (ACI); 2020 global passenger growth forecast pre-Covid: +4.6% compared to 2019 (ACI)

# ENCOURAGING CUSTOMER INSIGHTS FOR ACCELERATING RECOVERY

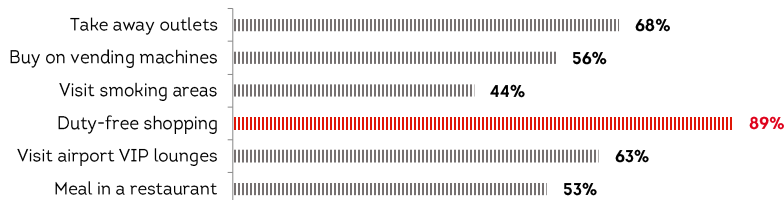
Customers engage mostly the same with travel retail, supported by promotions

## WHAT WILL MOTIVATE YOU THE MOST TO PURCHASE FOR YOUR NEXT FLIGHT?\*



## HOW ARE YOU GOING TO ENGAGE WITH THE FOLLOWING SERVICES?\*

I will engage the same or more...



\*Online survey August 2020, 1,145 contacts from Dufry's customer data base, predominantly Europe. 2.9% error margin

## Customers post-Covid...

- Are motivated by store discounts, and new and exclusive products
- Stay away from crowded areas and buy in lower extent if need to queue
- Mostly avoid touching or picking items, or trying product samples
- To a higher extent go straight to items they have planned to purchase, with lower time spent in-store
- Continue to interact with staff

# PILLARS TO RECOVERY AND GROWTH ACCELERATION

Preparing the organization to re-initiate profitable growth

## 01 IMMEDIATE CRISIS ACTION PLAN

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- Liquidity position secured
- Tight cost control and cash management implemented
- Reduction of personnel costs at all levels, incl. Global Executive Committee (GEC) & Board of Directors
- Agreements with landlords to waive MAGs
- Measures to reduce general expenses, net working capital and Capex

## 02 RE-ORGANIZATION AND BUSINESS RE-OPENING

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- Introducing a new, reduced GEC to reflect new reality of the business
- Integration of headquarters and divisions, simplifying the first management level for more flexibility and agility
- Detailed re-opening plan based on single-location productivity scenarios

## 03 RE-DEFINING LONG-TERM STRATEGY & RESUMING PROFITABLE GROWTH

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- Clear commitment to continue generating synergies in global travel retail
- Focus on strong cash generation and securing profitability
- Dufry risk diversification strategy
- Strengthening both duty-free and duty-paid offer
- Increasing geographical footprint, especially into Asia
- Continued digitalization and strengthening omni-channel approach





Global travel retail leader with over 2,500 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas, in more than 420 locations in 65 countries across all six continents.

The Company 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

1865

2020

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Alternative Performance Measures:

This Presentation contains information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their IFRS counterparts if not defined in the Presentation may be found on pages I to II of the Dufry AG Six Month 2020 Report available on our [website](#).