

# Dufry announces solid rebound in 2021, growth of 53.2%

Dufry has announced strong double-digit organic growth in 2021, with Organic Growth of 53.2% and Adjusted Operating Profit of CHF 374.9 million (US\$403.75 million) while turnover reached CHF 3,915.4 million (US\$4,216.69 million).

The company's cash flow improved dramatically, at CHF -33.4 million (US\$35.97 million) for full-year 2021, a 73.4% conversion rate on incremental turnover 2020 to 2021.

Other financial highlights for 2021 include

- A substantial improvement of the Adjusted Operating Profit, to CHF 374.9 million (US\$ 403.75 million)
- Savings of CHF 1,919.7 million versus 2019 (US\$2067.42 million)
- Equity Cash Flow in the latter part of the year reaching 2019 value
- Reduction of Net Debt to below pre-crisis level, standing now at CHF 3,079.5 million (US\$3,316.47 million)
- Liquidity position of CHF 2,243.9 million (US\$2,416.57 million)
- Cost Savings for the year overall CHF 841.9 million (US\$ 906.25 million) compared to 2019, overachieving the initially expected CHF 670 million (US\$ 721.21)

Additional positive notes include that, by end of March 2022, 1,970 Dufry shops the world over will be open, which equals over 90% of sales capacity; also, the company announces making considerable progress on its ESG strategy.

	<b>FY 2021 (yoy)</b>	<b>FY 2020 (yoy)</b>
<b>Turnover Growth</b>		
Like for Like	39.0%	-67.2%
New concessions, net	14.2%	-2.6%
<b>Organic Growth</b>	<b>53.2%</b>	<b>-69.6%</b>
Change in Scope	-	-
<b>Growth in constant FX</b>	<b>53.2%</b>	<b>-69.6%</b>
FX Impact	-0.3%	-1.3%
<b>Reported Growth</b>	<b>52.9%</b>	<b>-71.1%</b>

<b>In CHF million</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>2021 vs 2020</b>
<b>Turnover</b>	<b>3,915.4</b>	<b>2,561.1</b>	<b>1,354.3</b>
<i>vs. previous year</i>	52.9%	-71.1%	-
<b>Gross Profit</b>	<b>2,211.0</b>	<b>1,377.3</b>	<b>833.7</b>
<i>Gross Profit Margin</i>	56.5%	53.8%	2.7pp
Lease Expenses	176.4	8.0	-168.4
<i>thereof MAG Relief</i>	847.1	380.3	466.8
Personnel Expenses	-635.4	-716.0	-80.6
Other Expenses, net	-327.7	-328.1	-0.6
D&A (incl. Impairment)	-1,490.5	-2,841.9	-1,351.4
<i>thereof Impairments, net</i>	-280.5	-1,193.1	-912.6
<b>Operating Profit (EBIT)</b>	<b>-66.2</b>	<b>-2,500.8</b>	<b>2,434.6</b>
<b>Adjusted Operating Profit</b>	<b>374.9</b>	<b>-1,561.6</b>	<b>1,936.5</b>
<b>Net Profit to Equity Holders</b>	<b>-385.4</b>	<b>-2,513.7</b>	<b>2,128.3</b>
<b>Adjusted Net Profit</b>	<b>23.4</b>	<b>-1,658.4</b>	<b>1,681.8</b>
<b>Basic EPS</b>	<b>-4.39</b>	<b>-43.0</b>	<b>38.6</b>
<b>Adjusted EPS</b>	<b>0.27</b>	<b>-28.4</b>	<b>28.7</b>
<b>Adjusted Operating Cash Flow</b>	<b>147.1</b>	<b>-405.9</b>	<b>553.0</b>
Lease Payments, net	-475.3	-401.8	-73.5
Capex	-88.1	-106.0	-17.9
NWC Changes	75.7	-314.0	389.7
<b>Equity Free Cash Flow</b>	<b>-33.4</b>	<b>-1,027.3</b>	<b>993.9</b>
<b>Net Debt</b>	<b>3,079.5</b>	<b>3,343.9</b>	<b>-264.4</b>

Julián Díaz, CEO of Dufry Group, commented: “In an environment of gradual recovery for the industry and with travel resuming at different speeds in individual countries and regions, Dufry has continued to flexibly adapt its ways of working to the ever-changing requirements. Supported by the resilient willingness of our customers to travel and their ongoing propensity to visit our stores, our Turnover saw a reassuring acceleration through the course of the year and amounted to CHF 3,915.4 million, equal to an Organic Growth of 53.2% compared to 2020.

“We had already defined initiatives in 2020, such as negotiating MAG reliefs and tightly controlling Personnel and Other Expenses, and continuously applied these in 2021 as well. This allowed us to save CHF 1,919.7 million in total in 2021, well ahead of the expected levels. We achieved a remarkable Equity Free Cash Flow (ECFC) of CHF -33.4 million for the full year 2021, and even a strong positive performance of CHF 241.7 million in the second half of the year, same as 2019 levels, thus underpinning the resilient Cash Flow generation capability. We also reached a very solid liquidity position at year-end of CHF 2,243.9 million.

“We see encouraging signs for the ongoing recovery of the industry and our business performance as vaccination levels increase, passenger traffic accelerates, and our sales improve – also supported by higher spend-per-passenger compared to before the pandemic. The overall trends to ease cross-country and domestic air travel continued and were gradually extended.

“With the successful re-financing measures implemented in 2021, the consolidation of our company organization and the further enhanced financial and managerial flexibility to engage in strategically relevant initiatives and growth opportunities, Dufry is well positioned to drive recovery and accelerate growth going forward.”

Julián Díaz further commented:

“On a more personal note, as communicated on 21. February 2022, I will step down from my position as CEO on May 31, 2022. I would like to express my gratitude to all our stakeholders and particularly to the Board of Directors and all colleagues at Dufry for the support I have received during the past eighteen years. Without the strong dedication for execution and tireless commitment of every single employee, we could not have built the leading player of our industry. I am immensely grateful for the opportunity I had to lead and contribute to the development of this great company, and I wish the Dufry family a prosperous future.”

### **Current outlook**

As of December 31, 2021, approximately 1,900 of Dufry’s shops were open, representing approximately 88% of the company’s sales capacity. By end of March 1,970 shops will be open, representing about 90% of capacity.

While Omicron and the resultant restrictions caused a slowdown in early 2022, all regions have once again settled on an upwards trend.

Dufry sees a strong demand for the resumption of travel and travel shopping, noting that this can be impacted by the geo-political environment, pandemic-related developments, government responses and timeline for lifting of measures.

Dufry continues to focus on strengthening its sustainability approach and has defined science-based-targets (SBT) to achieve climate neutrality by 2025 for scopes 1 + 2 and to considerably reduce carbon footprint of scope 3 emissions by cooperating with suppliers and logistic partners by 2027 and 2030 respectively. Dufry also launched a new sustainable product identification initiative across 128 airports and 171 shops globally, and evolved its diversity & inclusion engagement, among other major initiatives. Further information is provided in Dufry’s 2021 Sustainability Report.

### **Business development in 2021 and future**

At the end of 2021, Dufry’s pipeline included projects covering 38,700 square meters of potential additional retail space. During the calendar year, Dufry opened 9,800 square meters of new shops and refurbished 19,250 square meters of sales space, corresponding to 2% and 4% of total space respectively. In collaboration with Alibaba and Hainan Development Holdings, Dufry was also involved in the opening of the Global Duty Free Plaza at the Mova Mall in Hainan.

Dufry won several new concessions in 2021, expanding in all regions with strong contributors to the business. Reported as some of the more important include a 12-year contract at Teesside International Airport; a 10-year new-concession contract at Martinique Aimé Césaire International Airport; a 5-year contract at Cayenne Felix Eboué International Airport in French Guiana; new 5-year and 6-year contracts for duty free and duty paid at Sangster International Airport in Montego Bay,

Jamaica; a 6-year contract at Salgado Filho International Airport in Porto Alegre (BR).

Extensions of existing contracts include those awarded at Santiago International Airport in Dominican Republic for 10 years; Cardiff Airport (UK) for 12 years; and the airports of Phnom Penh, Siem Reap and Sihanoukville in Cambodia for 5½ years.

Refurbishments and new openings in 2021 included the Rio Galeão Dufry Shopping Megastore (BR); several shops at Pulkovo Airport in St. Petersburg (RU); the extensive redesign at Milano Linate International Airport (IT) and the completely renewed Brookstone shop concept in the US.

The company also opened its first full-seated restaurant concept “Plum Market” at Dallas Fort Worth International Airport, and also in the US, launched the new Hudson Nonstop shop concept.

## REGIONAL PERFORMANCE

Turnover, in CHF million	Q4 2021	Q4 2020	Reported Growth Q4 (vs 2020)	Organic Growth Q4 (vs 2020)*
Europe, Middle East and Africa	654.9	192.4	240.4%	235.0%
Asia Pacific	23.8	25.5	-6.7%	-8.9%
The Americas	591.5	237.3	149.3%	140.3%
Distribution Centers	108.5	32	239.1%	367.4%
<b>Dufry Group</b>	<b>1,378.7</b>	<b>487.1</b>	<b>183.0%</b>	<b>179.5%</b>

Turnover, in CHF million	FY 2021	FY 2020	Reported Growth FY (vs. 2020)	Organic Growth FY (vs 2020)*
Europe, Middle East and Africa	1,723.8	1,144.5	50.6%	49.0%
Asia Pacific	99.0	160.0	-38.1%	-38.9%
The Americas	1,728.5	1,141.7	51.4%	53.4%
Distribution Centers	364.1	114.9	216.9%	302.1%
<b>Dufry Group</b>	<b>3,915.4</b>	<b>2,561.1</b>	<b>52.9%</b>	<b>53.2%</b>

\*Organic growth adjusted for FX and regional revenue allocation

For the FY 2021 Results Presentation, the FY 2021 Financial tables, details of the FY 2021 Presentation and Conference Call and other related information, please visit our dedicated page: [www.dufry.com/en/FY2021](http://www.dufry.com/en/FY2021)