

Dufry reports strong quarter results, ahead of projections



Dufry is reporting today (in an ad hoc announcement pursuant to Art. 53 LR) strong quarter results well ahead of projections in the first nine months of 2022. The retailer says positive momentum continues into Q4.

Highlights include:

- CHF 5,038 million (US\$ 5,041 million) turnover (+99% versus 2021)
- EFCF (equity free cash flow) of CHF 337.4 million (US\$ 337.6 million)
- Positive momentum continues into the fourth quarter with October net sales plus 34.5% versus 2021 in constant currency
- CORE EBITDA reached CHF 463.7 million (US\$ 464 million) for the nine-months 2022, with a margin of 9.2% despite challenging macroeconomics
- Equity Free Cash Flow (EFCF) performed above target reaching CHF 337.4 million (US\$ 337.65 million) for September YTD 2022
- Net debt position further decreased ahead of plan to now only CHF 2,778.5 million (US\$ 2780.5) as of September 2022, meeting covenant thresholds well ahead of the required timing
- Dufry well positioned to reach turnover of around CHF 6.6-6.7 billion (US\$6.6-6.8 billion) for FY 2022, with CORE EBITDA of CHF 560-580 million (US\$560.4-580.4 million) and EFCF of CHF 250-270 million (US\$250.1-270.1 million)
- Autogrill transaction advancing as planned, with regulatory approvals achieved ahead of plan in important jurisdictions and, subject to the receipt of all outstanding regulatory approvals, expected closing of first stage – transfer of Edizione’s 50.3% stake in Autogrill to Dufry – by the end of Q1 2023

According to the Dufry report, the summer months were characterized by strong performance for holiday travel with Dufry achieving CHF 5,037.7 million (US\$5,041.4 million) for the nine-month period of 2022, doubling turnover with plus 98.8% organic growth (in constant exchange rate CER) versus 2021. For the third quarter, turnover stood at CHF 2,115.2 million (US\$ 2116.7 million), representing an organic growth of 58.6% versus previous year (CER).

Xavier Rossinyol, CEO of Dufry Group, said: “We continue to see strong demand during the third quarter 2022 at attractive margins. In particular, holiday destinations in the Mediterranean region, Southern Europe, Middle East, Central America and the Caribbean were driving our performance. The USA remained strong, with South American countries having traded upwards. Even in the APAC region, we saw an increase in activity, specifically in Australia and parts of South-East Asia. For the nine months 2022 period, we are now trading at CHF 5,037.7 million (US\$ 5041.3 million) representing plus 98.8% organic growth versus 2021 (in constant currency).

“We achieved this strong performance despite travel disruptions and capacity caps at airports over the summer months, rising inflation and energy prices, FX moves and geopolitical uncertainties. We are confident to achieve a strong Full-Year 2022 result despite of the ongoing macro-economic, geopolitical and health-related developments. We continue to see strong demand into the fourth quarter. As a team, we have determinedly worked on our long-term strategy. We remain convinced about the long-term opportunities ahead of us, further enhanced by the planned combination with Autogrill.”

“The transaction is progressing as planned with closing expected in the first half 2023 and we have received regulatory approvals in important jurisdictions ahead of plan. We are thanking our shareholders for their strong support at our most recent EGM. Thanks also to all Dufry employees for their great commitment to deliver on our vision and strategy, and our financial targets in the short-, mid- and long-term. A warm welcome to our new Chief People Officer Katrin Volery who recently joined us and will be part of Dufry’s Group Executive Committee reporting to the CEO. We hereby further strengthen our focus on our people, culture and the talent development. The team is at the center of all what we do.”

Trading update

During the third quarter 2022, positive momentum for travel and travel retail continued and Dufry has seen a strong performance over the summer months. Turnover reached CHF 2,115.2 million (US\$ 2116.7), representing growth of 56.7%, of which 58.6% (CER) is organic compared to the same period in 2021.



Recent developments

Dufry estimates October net sales performance of 34.5% versus 2021 (CER). As per end of September, more than 2,090 shops globally were open, representing 83% of total stores. Dufry has seen ongoing demand over the last months despite airport disruptions and passenger caps, an accelerating inflationary environment and worsening consumer sentiment.

- Excluding currently unforeseen circumstances, Dufry expects to achieve in Full-Year 2022 (based on FX rates as of September 30th):
- Turnover of CHF 6.6-6.7 billion (US\$6.6-6.7 billion)
- CORE EBITDA of CHF 560-580 million (US\$560.4-580.4 million)
- EFCF of CHF 250-270 million (US\$250.1-270.1 million)

Business development

During Q3 2022, Dufry succeeded in winning several attractive new concessions and extending contracts of overall 13,404 meters-squared. Among others, Dufry won the tender for a five-year duty-paid contract at Chongqing International Airport, China.

In North America, Dufry secured new concessions at Colorado Springs Airport (CO), and contract extensions at BirminghamShuttlesworth (AL), and Harry Reid International Airport (Las Vegas). Ushering into an entirely new era of retail and dining convenience for travelers, Dufry opened an integrated “Decanted” wine bar and Hudson Nonstop concept at Dallas Fort Worth International Airport.

Total gross retail space opened during Q3 2022 amounted to 2,745 meters-squared, and refurbishments to 10,139 meters-squared.

Regional performance

Turnover in Europe, Middle East and Africa amounted to CHF 1,194.0 million (US\$1194.8 million) in Q3 2022 from CHF 692.9 million (US\$693.4 million) one year ago. Organic growth versus 2021 was 86.4% in constant FX. During the summer months, best performing were Dufry’s operations in Turkey, Greece, Middle East, Southern Europe, and Africa driven by strong leisure demand. The strong EMEA performance came in despite flight disruptions and capacity cuts across European airports and by airlines throughout the quarter. Asia-Pacific continues to improve from very low levels despite still being affected by the lack of passengers due to travel restrictions. Turnover reached CHF 50.3 million (US\$50.3 million) in Q3 2022 from CHF 23.1 million (US\$23.1 million) in Q3 2021.



Organic growth versus 2021 was 114.6% in constant FX. The region saw a steep increase compared to last year, driven by our locations in Macau, Australia, Indonesia and China (domestic). As of November, Hong Kong is expected to resume operations, while China is still adhering to COVID restrictive measures, affecting overall travel in the region and internationally.

The America's turnover stood at CHF 814.1 million (US\$814.6 million) in Q3 2022 versus CHF 499.1 million (US\$499.4 million) in Q3 2021. Organic growth versus 2021 was 52.4%, in constant FX. Best performing regions were the US, Mexico, Dominican Republic and Argentina. Especially the South American locations have progressed during the third quarter, while the US had already seen a rapid rebound in the same period last year. Dufry is engaging with airports in the region on combined Travel Retail and F&B offerings to enhance the travelers' experience.