

Year starts strong as Hudson Group reports 4% turnover upswing in Q1

North American travel retailer Hudson Group has announced its results for the first quarter ended March 31, 2019.

Turnover climbed 4.3% year-on-year to US\$445 million, while organic sales growth stood at 4.7%, compared to 9.4% in the year-ago period.

First-quarter like-for-like sales growth was 2.2% (3.2% in constant currency), compared to 5.5% (4.5% in constant currency) in the year-ago period.

Gross margin increased 100 bps to 63.8% for Q1 due to improved vendor terms, as well as continued sales mix shift to higher margin categories.

Adjusted EBITDA rose 2.4% year-on-year to US\$37.7 million.

Roger Fordyce, CEO of Hudson Group, said: "Performance started out strong in the first quarter of 2019, as demonstrated by our progress in driving growth in both turnover and profitability. We are particularly pleased with our solid organic sales growth, the increase in net new business, and the improvement in gross margin.

"We continue to be successful growing our footprint and partnerships with new brands and remain excited about the opportunities with our landlord partners. We have a robust pipeline of projects that we are working on as well as future opportunities in both retail and food & beverage. Finally, our strong reputation of offering a best-in-class merchandising product selection, unique store formats and digital enhancements position us well to drive long-term growth and profitability."

As of March 31, 2019, Hudson Group operated 1,012 stores, across 88 locations, totaling 1.1 million square feet of retail space.

During the first quarter, the company retained and expanded business through an RFP win in Philadelphia International Airport, bringing the total footprint in this airport to approximately 17,000 square feet.

Additionally, it won an RFP at Indianapolis International, a new market, which includes around 9,000 incremental square feet.

Hudson also extended a lease at San Francisco International Airport during the quarter.

In separate news, Hudson Group has announced a partnership with Joe & The Juice, a Scandinavian juice retailer, to open two locations at Vancouver International Airport (YVR) as part of the company's accelerated food and beverage expansion.

Hudson Group will license and operate Joe & the Juice at the two new locations, which are expected to open in summer and fall 2019 in the Domestic Terminal and Transborder Terminal Buildings, respectively.

Joe & The Juice will serve signature organic coffee, fresh fruit and vegetable juices and made-to-order sandwiches.