RESILIENT 2022 PERFORMANCE AND ATTRACTIVE MID-TERM OUTLOOK

DEAR ALL

We are looking back at a successful 2022 and I am happy to share with you my highlights from a CFO perspective. Our turnover for the year progressed strongly and reached CHF 6,878.4 million, representing organic growth of 76.1% versus the previous year (in constant FX). Despite a turbulent year, demand for travel and travel retail returned strongly and we expect it to be sustainable as proven already in the past. Dufry has demonstrated its resilience, which we will further enhance through the combination with Autogrill and the implementation of our strategy «Destination 2027».

EBITDA and Cash flow performance above expectations.

Before turning to key initiatives from a finance perspective, I am proud to present our profitability and Equity Free Cash Flow (EFCF) achievements. Despite an environment impacted by inflation, rising interest rates and ongoing travel disruptions, Dufry has delivered a solid EBITDA performance – reaching CHF 606.2 million with a 8.8% margin. EFCF came in at CHF 305.2 million – equal to a conversion of 50.3% from EBITDA – and performed well above our expectations at the beginning of the year. With increased visibility as of Q3 2022, we also provided an outlook to the market. Supported by continued robust travel spending – even in the normally weaker fourth quarter – and ongoing cost discipline and cash flow focus, we delivered on our goal presented to the market.

With the half-year results 2022, we have introduced a CORE EBITDA concept and related performance indicators on top of our IFRS results – following best practice and as suggested by various market participants. The finance teams have undertaken some tremendous work to provide internally and externally meaningful P&L metrics, which fully reflect our business operations including concessions. These CORE figures consider all our concession fees and corresponding payments as a part of our operational results. They better reflect the actual performance of our business, the reality of our concession contracts and are best equipped to follow and evaluate our performance, while we are continuing with our IFRS reporting. We have published historical CORE figures in a consistent manner on our IR website to allow clear comparisons. CORE figures will be applied for the combined business with Autogrill through full consolidation.

We made further progress on strengthening our financing. Net debt amounted to CHF 2,810.7 million as of December 31, 2022 – the lowest level since 2015. Covenants will be tested again after the end of the covenant holidays in June 2023, with the first testing in September 2023 requiring a 5x leverage level. We reached this level already in December 2022 – well ahead the required deadline – and the combination with Autogrill will improve our leverage profile even further. Moreover, we have closed the 2022 business year with CHF 854.7 million cash on the balance sheet, and additional liquidity of CHF 1,488.3 million resulting from undrawn credit facilities. We are very confident to achieve any required thresholds in 2023. With the introduction of CORE EBITDA, we agreed with our banking consortium to also base our leverage calculation on net debt/CORE EBITDA. The covenant thresholds will remain unchanged.

Dufry has a history to address debt financing well ahead of maturity by aligning products and timing to the respective market environment to achieve the best possible financing. Accordingly, we have already started the refinancing of our 2024 maturities at the end of 2022, and have successfully concluded an agreement with our lending banks consortium for a new EUR 2,085 million Revolving Credit Facility (RCF), replacing the existing EUR 1,300 million RCF and
Dufry delivered on its 2022 targets, even in a challenging environment. With our Destination 2027 strategic focus on long-term top-line growth, sustainable profits and strong risk-adjusted cash flow generation and solid balance sheet, we are well positioned to create sustainable value for our shareholders.

Yves Gerster
USD 550 million Term Loan. The new RCF is maturing in 2027 and comes at attractive terms considering the recent market environment. Covenant requirements are the same as for Dufry’s other outstanding debt.

The refinancing of our main bank credit facilities is an important achievement in many aspects. We have delivered on our commitment to address upcoming maturities significantly ahead of maturity, providing additional flexibility with the higher RCF while maintaining interest expenses stable. With the executed refinancing, we are well positioned for any upcoming financing requirements in 2023, both related to the combination with Autogrill or for addressing Dufry’s EUR 800 million 2024 bond maturity. Dufry has access to a range of products and strives to balance financing security, maturity profile and cost aspects while also considering market developments. The current available liquidity position of CHF 2,343.0 million, thereof CHF 854.7 million available cash and cash equivalents, provides additional flexibility.

Successful refinancing.

The current debt profile consists of 84% fixed rate debt at attractive rates of 3.1% on a weighted average, while only 16% of our debt has floating rates. Our ratings in 2022 improved to B1 Outlook Stable by Moody’s and B+ CreditWatch Positive by S&P.

During 2022, we have continued the close relationship and ongoing interaction with our shareholders, investors, bondholders, equity and debt analysts as well as banks and rating agencies in more than 1,850 interactions, thereof 9 roadshows, 8 conferences, 843 meetings, 1,012 calls and, last but not least, at our Capital Markets Day (CMD) in September 2022. Around 100 capital market participants have joined us in person, and another 200 attended virtually when we presented our new strategy in London at this event. It was among my personal highlights during the year to contribute to presenting Destination 2027 while re-connecting with familiar faces and meeting new ones after a break of more than three-years due to the corona pandemic.

Destination 2027.

Our new long-term strategy to revolutionize the travel retail experience will impact the financial profile of the company. First, the combination with Autogrill and expansion into travel F&B will change our P&L and cash flow while delivering similar returns as the combined entity will have higher gross profit margins and lower concession fees with longer contract durations. Personnel and other expenses as well as CAPEX requirements will be higher due to the different profile of the F&B business.

Second, our company will become more resilient with new growth opportunities in adjacent markets and geographies as we target a higher conversion rate through the combination of enhanced store concepts, data-driven customer insights and digitalization.

Third, and very importantly, we are fostering a culture of operational improvement to fuel profitability, accelerate cash flow generation, and reinvest in growth. Hereby, the finance teams will support our strive for superior profitability driven by a logic of zero-based budgeting, focused on disproportionally allocating resources to activities that make the most impact for the customer, while leveraging technology to simplify work and operations. In addition to the budgeting discipline, Dufry will systematically and actively manage its concession portfolio, with stronger focus on the evaluation of full profitability and cash flow contribution. On top, the combination with Autogrill is expected to generate cost synergies of approx. CHF 85 million at EBITDA level, with an annual conversion to EFCF of around CHF 55 million.
The finance teams are highly committed to contribute to the strategy implementation, including the integration work over the coming years. As a combined entity, we will deliver a very attractive growth, profitability and cash flow generation profile in the mid-term as we target 5-7% p.a. topline growth, 30-40 basis points CORE EBITDA improvements (gross) and above 30% EFCF conversion. We expect 2023 to be a transition year with an impact on profitability and cash flow, while we continue to grow organically.

As our several ESG achievements in 2022 underline, we will keep our commitment to create value for all our stakeholders going forward by further strengthening the implementation of our holistic ESG strategy. In this context, we have also made an additional step in increasing transparency on risks and opportunities of our business with the publication of Dufry’s first TCFD-Report (Task-Force on Climate-Related Financial Disclosures). We have also progressed with our Diversity & Inclusion initiatives, having set the strategic framework and started to implement company-wide trainings and specific programs. D&I complements the range of other training initiatives at Dufry to act as a responsible retailer in all our 62 countries and more than 2,200 locations globally. Personally close is our reinforced community engagement approach with which Dufry intends to make a positive impact across our global network.

Managing short-term impacts.

We expect 2023 to be a transition year. Macroeconomic and geopolitical developments remain a concern in the short-term with limited visibility on how inflation, rising energy prices as well as potential other disruptions might impact consumer sentiment in general, and travel-related specifically.

Looking at former crises, travel retail has been more resilient compared to other areas of discretionary spending, and has especially seen a faster rebound versus passenger numbers. We are cautiously optimistic going into 2023 while we continue our diligent approach on cost and cash flow management. With our global exposure, we are naturally well hedged with respect to FX fluctuations from an operational perspective, however it is important to consider translational effects from currency developments when comparing turnover with previous years.

Despite challenges in the short-term, we are excited about the mid- and long-term opportunities ahead of us and convinced that we can generate value for our shareholders and other stakeholders. We have proven in the past – including the most recent history of Dufry – that we can well manage volatile environments and are therefore confident on 2023. With the full combination with Autogrill and the acceleration of our strategy implementation, we will deliver sustainable cash flows for continued growth and value generation.

I would like to thank our customers, shareholders, bondholders, banks, analysts, rating agencies, business partners and key advisors for their continued trust in Dufry and their ongoing support to initiate and execute the right measures helping us to emerge stronger and be in the best position to take advantage of the opportunities we see on our way ahead.

Kind regards,

Yves Gerster
## CORE AND IFRS PROFIT OR LOSS

<table>
<thead>
<tr>
<th></th>
<th>CORE 2022</th>
<th>CORE 2021</th>
<th>IFRS 2022</th>
<th>IFRS 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>6,878.4</td>
<td>3,915.4</td>
<td>6,878.4</td>
<td>3,915.4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(2,684.6)</td>
<td>(1,704.4)</td>
<td>(2,684.6)</td>
<td>(1,704.4)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>4,193.8</td>
<td>2,211.0</td>
<td>4,193.8</td>
<td>2,211.0</td>
</tr>
<tr>
<td>Concession expenses (CORE) / Lease expenses (IFRS)</td>
<td>(2,029.9)</td>
<td>(815.0)</td>
<td>(1,081.9)</td>
<td>176.4</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(997.9)</td>
<td>(635.4)</td>
<td>(997.9)</td>
<td>(635.4)</td>
</tr>
<tr>
<td>Depreciation and amortization (IFRS)</td>
<td>–</td>
<td>–</td>
<td>(1,111.5)</td>
<td>(1,210.0)</td>
</tr>
<tr>
<td>(Impairment) / Reversal of impairment, net (IFRS)</td>
<td>–</td>
<td>–</td>
<td>16.9</td>
<td>(280.5)</td>
</tr>
<tr>
<td>Other expenses (CORE) / Other expenses (IFRS)</td>
<td>–</td>
<td>–</td>
<td>(578.7)</td>
<td>(381.6)</td>
</tr>
<tr>
<td>Other income (CORE) / Other income (IFRS)</td>
<td>60.9</td>
<td>53.9</td>
<td>61.7</td>
<td>53.9</td>
</tr>
<tr>
<td><strong>CORE EBITDA / Operating profit / (loss) (IFRS)</strong></td>
<td>606.2</td>
<td>386.0</td>
<td>502.4</td>
<td>(66.2)</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment (CORE)</td>
<td>(135.5)</td>
<td>(256.1)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>CORE EBIT / Operating profit / (loss) (IFRS)</strong></td>
<td>470.7</td>
<td>129.9</td>
<td>502.4</td>
<td>(66.2)</td>
</tr>
<tr>
<td>Financial result (CORE) / Financial result (IFRS)</td>
<td>(175.6)</td>
<td>(253.4)</td>
<td>(305.6)</td>
<td>(341.6)</td>
</tr>
<tr>
<td><strong>CORE Profit before taxes / Profit / (loss) before taxes (IFRS)</strong></td>
<td>295.1</td>
<td>123.5</td>
<td>196.8</td>
<td>(407.8)</td>
</tr>
<tr>
<td>Income tax (CORE) / Income tax (IFRS)</td>
<td>(105.5)</td>
<td>(71.0)</td>
<td>(76.2)</td>
<td>42.6</td>
</tr>
<tr>
<td><strong>CORE Net profit / (loss) / Net profit / (loss) (IFRS)</strong></td>
<td>189.6</td>
<td>(194.5)</td>
<td>120.6</td>
<td>(365.2)</td>
</tr>
</tbody>
</table>

## CORE CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORE EBITDA</strong></td>
<td>606.2</td>
<td>386.0</td>
</tr>
<tr>
<td>Other non-cash items and changes in lease obligations (MAG related)</td>
<td>79.6</td>
<td>(238.9)</td>
</tr>
<tr>
<td>Changes in net working capital</td>
<td>(4.6)</td>
<td>75.7</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(110.1)</td>
<td>(88.1)</td>
</tr>
<tr>
<td>Cash flow related to minorities</td>
<td>(65.0)</td>
<td>(24.4)</td>
</tr>
<tr>
<td>Dividends from associates</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(76.1)</td>
<td>(19.8)</td>
</tr>
<tr>
<td><strong>Cash flow before financing</strong></td>
<td>432.7</td>
<td>90.5</td>
</tr>
<tr>
<td>Interest, net</td>
<td>(134.1)</td>
<td>(129.9)</td>
</tr>
<tr>
<td>Other financing items</td>
<td>6.6</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Equity free cash flow</strong></td>
<td>305.2</td>
<td>(33.4)</td>
</tr>
<tr>
<td>Financing activities, net</td>
<td>(20.3)</td>
<td>343.8</td>
</tr>
<tr>
<td>Foreign exchange adjustments and other</td>
<td>(16.1)</td>
<td>(45.7)</td>
</tr>
<tr>
<td><strong>Decrease / (Increase) in net debt</strong></td>
<td>268.8</td>
<td>264.7</td>
</tr>
<tr>
<td>– at the beginning of the period</td>
<td>3,079.5</td>
<td>3,344.2</td>
</tr>
<tr>
<td>– at the end of the period</td>
<td>3,348.7</td>
<td>3,079.5</td>
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