

HUDSON

2020 FIRST QUARTER RESULTS

JUNE 17, 2020



A [☐] DUF[☐]RY Company



INTRODUCTION



ROGER FORDYCE
CHIEF EXECUTIVE OFFICER



ADRIAN BARTELLA
CHIEF FINANCIAL OFFICER





DISCLAIMER

THIS PRESENTATION CONTAINS "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 (REFORM ACT). FORWARD-LOOKING STATEMENTS ARE BASED ON OUR BELIEFS AND ASSUMPTIONS AND ON INFORMATION CURRENTLY AVAILABLE TO US, AND INCLUDE, WITHOUT LIMITATION, STATEMENTS REGARDING OUR BUSINESS, FINANCIAL CONDITION, STRATEGY, RESULTS OF OPERATIONS, CERTAIN OF OUR PLANS, OBJECTIVES, ASSUMPTIONS, EXPECTATIONS, PROSPECTS AND BELIEFS, THE EFFECTS OF THE NOVEL CORONAVIRUS (COVID-19) ON THE DEMAND FOR AIR AND OTHER TRAVEL, OUR SUPPLY CHAIN, AS WELL AS THE IMPACT ON OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND STATEMENTS REGARDING OTHER FUTURE EVENTS OR PROSPECTS. FORWARD-LOOKING STATEMENTS INCLUDE ALL STATEMENTS THAT ARE NOT HISTORICAL FACTS AND CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS THE WORDS "BELIEVE," "EXPECT," "PLAN," "INTEND," "SEEK," "ANTICIPATE," "ESTIMATE," "PREDICT," "POTENTIAL," "ASSUME," "CONTINUE," "MAY," "WILL," "SHOULD," "COULD," "SHALL," "RISK" OR THE NEGATIVE OF THESE TERMS OR SIMILAR EXPRESSIONS THAT ARE PREDICTIONS OF OR INDICATE FUTURE EVENTS AND FUTURE TRENDS. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES BECAUSE THEY RELATE TO EVENTS AND DEPEND ON CIRCUMSTANCES THAT MAY OR MAY NOT OCCUR IN THE FUTURE. WE CAUTION YOU THAT FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND THAT OUR ACTUAL RESULTS OF OPERATIONS, FINANCIAL CONDITION AND LIQUIDITY, THE DEVELOPMENT OF THE INDUSTRY IN WHICH WE OPERATE AND THE EFFECT OF ACQUISITIONS ON US MAY DIFFER MATERIALLY FROM THOSE MADE IN OR SUGGESTED BY THE FORWARD LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION. IN ADDITION, EVEN IF OUR RESULTS OF OPERATIONS, FINANCIAL CONDITION AND LIQUIDITY, THE DEVELOPMENT OF THE INDUSTRY IN WHICH WE OPERATE AND THE EFFECT OF ACQUISITIONS ON US ARE CONSISTENT WITH THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION, THOSE RESULTS OR DEVELOPMENTS MAY NOT BE INDICATIVE OF RESULTS OR DEVELOPMENTS IN SUBSEQUENT PERIODS. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE, AND WE DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE THEM IN LIGHT OF NEW INFORMATION OR FUTURE DEVELOPMENTS OR TO RELEASE PUBLICLY ANY REVISIONS TO THESE STATEMENTS IN ORDER TO REFLECT LATER EVENTS OR CIRCUMSTANCES OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS IN THIS PRESENTATION, OR THAT MAY IMPACT OUR BUSINESS AND RESULTS MORE GENERALLY, INCLUDE, BUT ARE NOT LIMITED TO, THE RISKS DESCRIBED UNDER "ITEM 3. KEY INFORMATION—D. RISK FACTORS" OF OUR ANNUAL REPORT ON FORM 20-F FOR THE YEAR ENDED DECEMBER 31, 2019 WHICH MAY BE ACCESSED THROUGH THE SEC'S WEBSITE AT [HTTPS://WWW.SEC.GOV/EDGAR](https://www.sec.gov/edgar). YOU SHOULD READ THESE RISK FACTORS BEFORE MAKING AN INVESTMENT IN OUR SHARES.

THIS PRESENTATION CONTAINS A DISCUSSION OF ADJUSTED EBITDA AND ADJUSTED NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT, WHICH ARE NON-IFRS FINANCIAL MEASURES. WE DEFINE ADJUSTED EBITDA AS NET PROFIT (LOSS) ADJUSTED FOR CERTAIN ITEMS AND WE DEFINE ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AS NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ADJUSTED FOR CERTAIN ITEMS, EACH AS SET FORTH IN THE RECONCILIATION TO THE MOST DIRECTLY COMPARABLE IFRS MEASURE IN THE APPENDIX. ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ARE NOT SUBSTITUTES FOR IFRS MEASURES IN ASSESSING OUR OVERALL FINANCIAL PERFORMANCE. BECAUSE ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ARE NOT DETERMINED IN ACCORDANCE WITH IFRS, AND ARE SUSCEPTIBLE TO VARYING CALCULATIONS, ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT MAY NOT BE COMPARABLE TO OTHER SIMILARLY TITLED MEASURES PRESENTED BY OTHER COMPANIES. ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ARE INCLUDED IN THIS PRESENTATION BECAUSE THEY ARE MEASURES OF OUR OPERATING PERFORMANCE AND WE BELIEVE THAT ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ARE USEFUL TO INVESTORS BECAUSE THEY ARE FREQUENTLY USED BY SECURITIES ANALYSTS, INVESTORS AND OTHER INTERESTED PARTIES IN THEIR EVALUATION OF THE OPERATING PERFORMANCE OF COMPANIES IN INDUSTRIES SIMILAR TO OURS. ADJUSTED EBITDA AND ADJUSTED NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT HAVE LIMITATIONS AS ANALYTICAL TOOLS, AND YOU SHOULD NOT CONSIDER THESE MEASURES IN ISOLATION, OR AS A SUBSTITUTE FOR AN ANALYSIS OF OUR RESULTS AS REPORTED UNDER IFRS AS ISSUED BY IASB.



On Today's Call

1. COVID-19 Impact/Q1 Sales
2. Operational Highlights
3. Financial Results

COVID-19 IMPACT/ FIRST QUARTER SALES

COVID-19 IMPACT / FIRST QUARTER SALES

- **COVID-19 SIGNIFICANTLY IMPACTED Q1 SALES, PARTICULARLY IN LAST TWO WEEKS OF QUARTER**
 - Q1 turnover decreased by 23.3% due to the significant reduction in travel related to COVID-19
 - Organic net sales¹ declined by 24.2%
 - Like-for-like net sales decreased by 22.5% (22.4% in constant currency)
 - Duty paid (79% of net sales) decreased 19.4% (constant currency)
 - Duty free (21% of net sales) decreased 31.1% (constant currency)
- **SWIFT ACTIONS TAKEN TO HELP OFFSET REDUCED TRAVELER VOLUME**
 - Closed over 700 stores and reduced majority of workforce
 - Implemented salary reductions for corporate team members and field leadership
 - Negotiated agreements with many landlords to abate or defer rents and other payments
 - Reduced operating expenses and capital spend to minimal levels
 - Tightly managed inventory to reduce working capital needs
- **ENSURED HEALTH AND SAFETY OF TEAM MEMBERS AND CUSTOMERS**
 - Implemented new health and safety protocols, signage, equipment and PPE across all stores
 - Enhanced contactless pay capabilities
 - Introduced “Stay Safe Stations” in stores, stocked with masks, wipes and hand sanitizers for purchase
- **ENTERED CRISIS IN STRONG FINANCIAL POSITION**
 - Remain focused on maximizing cash flow and preserving liquidity to withstand crisis

(1) SEE SLIDE 15 FOR THE COMPONENTS OF ORGANIC NET SALES

OPERATIONAL HIGHLIGHTS

BUSINESS HIGHLIGHTS

- **OPENED TWO NEW YORK FOCUSED STORES IN LAGUARDIA'S NEW TERMINAL B**
 - NYC Aglow by Hudson – inspired by NYC skylines
 - Mad Ave Market by Hudson – reimagines the Golden Age of Advertising in the 1920's
- **ANNOUNCED ROLL-OUT OF PPE VENDING MACHINES IN 27 AIRPORTS**
 - Vending machines will feature Hudson's proprietary "Traveler's Best" PPE product line
 - Portable and rechargeable UV-C sanitizers will also be offered
 - Vending machines in certain airports will also carry name brand electronic essentials
- **ANNOUNCED NEW BRAND PARTNERSHIP WITH SUNGLASS HUT**
 - Introducing SunGloss Hut "Shop-in-Shops" in Hudson's travel convenience stores
- **REOPENING STORES IN PHASED APPROACH AS PASSENGER TRAVEL SLOWLY BEGINS TO RESUME**
 - Beginning in mid-May, as stay-at-home restrictions were lifted, travel started to increase
 - As of June 15, Hudson had re-opened over 100 stores

YTD WINS AND EXTENSIONS

RETAIL

	New Wins		Extensions ⁽¹⁾ + Expansions
	New Market	Existing Market	Existing Market
		LaGuardia Airport TB <i>January 2020</i>	Charleston Int'l Airport <i>April 2020</i>
		Los Angeles Int'l Airport Midfield <i>January 2020</i>	Des Moines Int'l Airport <i>May 2020</i>
			Myrtle Beach Int'l Airport <i>June 2020</i>
			Atlantic City Int'l Airport <i>June 2020</i>

(1) AN EXTENSION IS DEFINED AS A CONTINUATION IN THE SAME MARKET WHETHER THE COMPANY WON THROUGH AN RFP PROCESS OR EXTENDED AN EXISTING CONTRACT.

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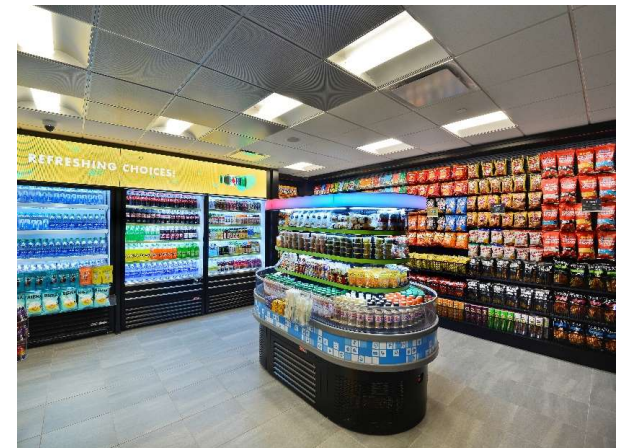
NOTABLE STORE OPENINGS

LAGUARDIA AIRPORT – TERMINAL B



NYC AGLOW BY HUDSON

TRAVEL CONVENIENCE STORE DESIGNED TO REFLECT THE LUMINATING NEW YORK CITY SKYLINE, WITH LOCALLY-SOURCED SOUVENIRS AND CONFECTIONS.



NOTABLE STORE OPENINGS

LAGUARDIA AIRPORT – TERMINAL B



MAD AVE MARKET BY HUDSON

TRAVEL CONVENIENCE STORE INSPIRED BY THE ARCHITECTURAL GRANDEUR OF MADISON AVENUE IN 1920, FEATURING LOCAL BRANDS AND SELF-CHECKOUT CAPABILITIES.



ROLL-OUT OF PPE VENDING MACHINES

PERSONAL PROTECTION EQUIPMENT (PPE) VENDING MACHINES



PPE VENDING MACHINES

PPE VENDING MACHINES, FEATURING HUDSON'S PROPRIETARY "TRAVELER'S BEST" HEALTH AND SAFETY PRODUCT LINE, WILL BE ROLLING OUT IN 27 AIRPORTS ACROSS NORTH AMERICA.



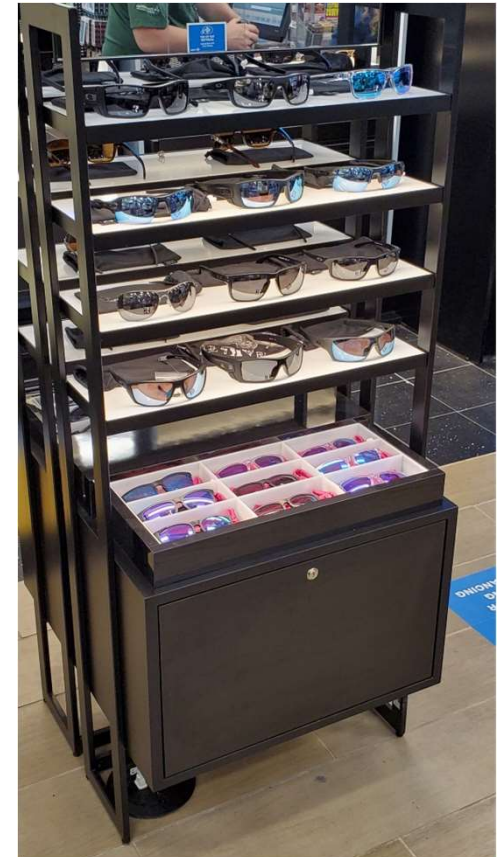
SUNGLASS HUT PARTNERSHIP

RICHMOND INTERNATIONAL AIRPORT



SUNGLASS HUT SHOP-IN-SHOPS

HUDSON IS PARTNERING WITH LUXURY EYEWEAR MAKER SUNGLASS HUT TO OFFER ICONIC RAY-BAN AND OAKLEY EYEWEAR IN HUDSON'S TRAVEL CONVENIENCE STORES, PROVIDING PREMIUM EYEWEAR FOR TRAVELERS ON THE GO.



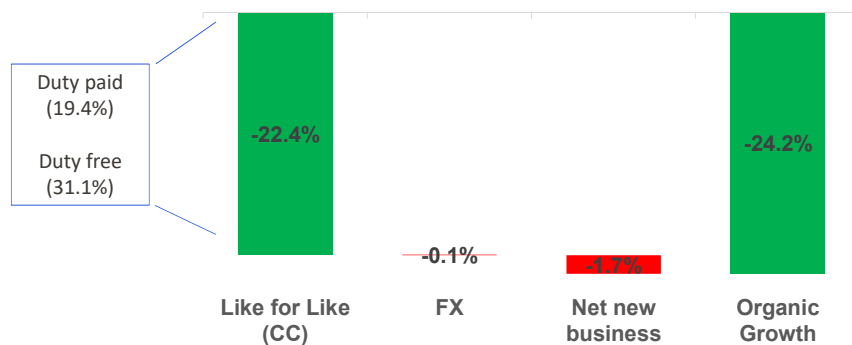
FINANCIAL RESULTS



ORGANIC NET SALES GROWTH COMPONENTS

Q1 2020 GROWTH COMPONENTS

Net Sales Growth Components	Q1'20 / Q1'19
Like-for-Like @ constant currency	-22.4%
Like-for-Like FX effect	-0.1%
Like-for-Like @ reported currency rates	-22.5%
Net New Business	-1.7%
Organic Net Sales Growth as reported	-24.2%
Acquisition Growth	0.8%
Advertising Income	0.1%
Turnover Growth	-23.3%



QUARTERLY EVOLUTION

- COVID-19-related concerns, event cancellations and business and government imposed restriction led to a significant reduction in passenger travel, which resulted in reduced customer traffic and spending across Hudson's retail stores in North America in the first quarter.
- Net new business was soft due to the previously announced New Orleans store closures in November 2019

QUARTERLY LIKE-FOR-LIKE @ CONSTANT CURRENCY

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
Total	3.2%	1.2%	(0.9%)	1.1%	(22.4%)
Duty paid	4.2%	3.4%	1.7%	2.2%	(19.4%)
Duty free	0.5%	(5.4%)	(8.0%)	(2.1%)	(31.1%)

SUMMARY FINANCIALS

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(in millions USD, except for EPS)	Q1 2020	Q1 2019
TURNOVER	341.5	445.0
GROSS PROFIT	213.3	283.8
<i>Gross Margin</i>	62.5%	63.8%
<i>Lease expenses excl. benefit related to capitalized right of use</i>	(87.6)	(101.7)
<i>Benefit related to capitalized right of use</i>	74.1	74.0
Lease expenses	(13.5)	(27.7)
<i>% of turnover</i>	4.0%	6.2%
Personnel expenses ⁽¹⁾	(96.7)	(115.0)
<i>% of turnover</i>	28.3%	25.8%
Other expenses	(37.3)	(40.1)
<i>% of turnover</i>	10.9%	9.0%
Other income	2.5	2.7
<i>% of turnover</i>	0.7%	0.6%
Depreciation, amortization and impairment	(144.6)	(88.6)
OPERATING PROFIT (LOSS)	(76.3)	15.1
Finance expenses, net ⁽²⁾	(21.3)	(20.5)
PROFIT (LOSS) BEFORE TAXES	(97.6)	(5.4)
Income tax benefit	18.9	5.4
NET PROFIT (LOSS)	(78.7)	0.0
Adjusted EBITDA ⁽³⁾	(5.4)	37.7
Adjusted Net Profit (Loss) Attributable to Equity Holders of the Parent	(25.8)	8.7
Adjusted EPS Attributable to Equity Holders of the Parent	(0.28)	0.09

COVID-19 IMPACT IN Q1 2020

Includes \$4.7 million of additional inventory allowance for slow-moving and obsolete items

Includes \$3.3 million of rent waivers and lower variable rent based on the decline in sales

Includes goodwill impairment of \$52.3 million

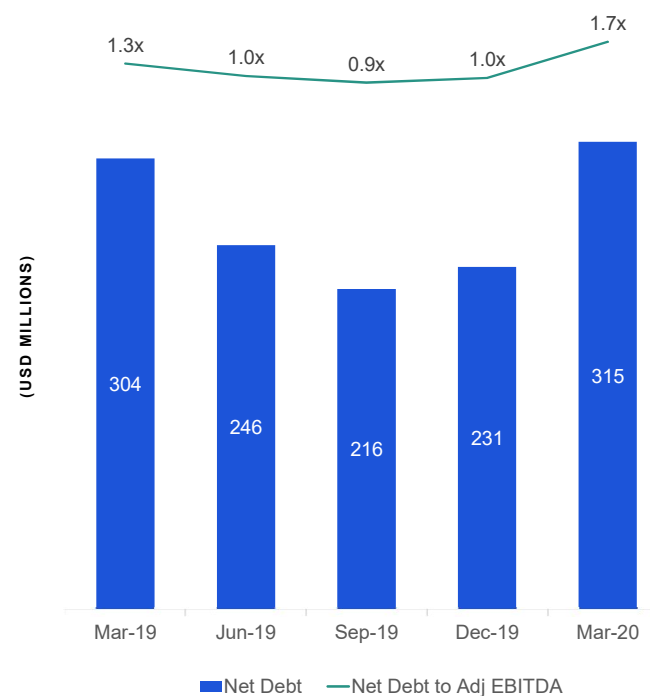
- (1) PERSONNEL EXPENSES IN Q1 2019 INCLUDE \$7.6 MILLION OF EXECUTIVE SEPARATION EXPENSE.
(2) FINANCE EXPENSE, NET, INCLUDES FINANCE INCOME, FINANCE EXPENSE AND FOREIGN EXCHANGE GAIN/(LOSS).
(3) FOR A RECONCILIATION OF NON-IFRS MEASURES FOR THE PERIODS PRESENTED, SEE APPENDIX.

BALANCE SHEET AND CASH FLOW

CASH FLOW STATEMENT

	Q1 2020	Q1 2019
In millions USD		
Net cash flows from operating activities	\$24.9	\$111.2
Net cash flows used in investing activities	(19.4)	(18.8)
Net cash flows used in financing activities	(94.9)	(85.2)
Currency translation on cash	(3.0)	0.5
Increase / (decrease) in cash and cash equivalents	(92.4)	7.7
Cash and cash equivalents at the		
– beginning of the period	318.0	234.2
– end of the period	225.6	241.9

ADJUSTED NET DEBT AND LEVERAGE ⁽¹⁾ EVOLUTION



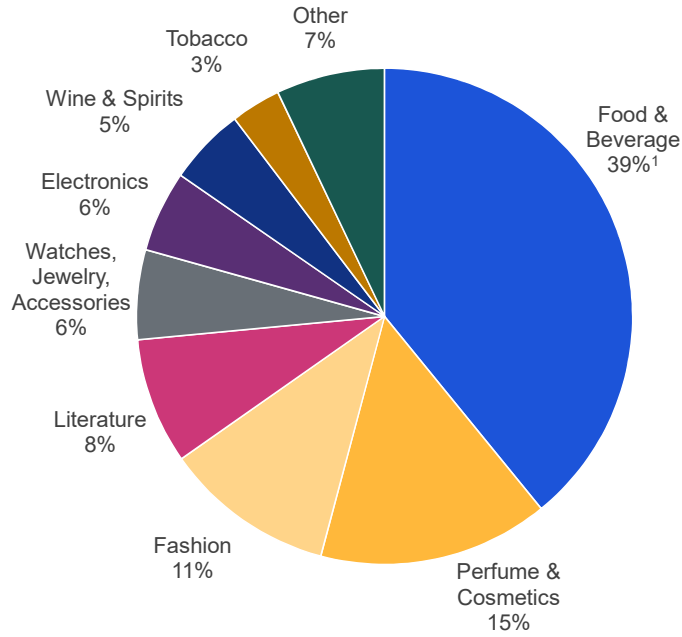
(1) ADJUSTED NET DEBT LEVERAGE, A NON-IFRS MEASURE, REPRESENTS TOTAL BORROWINGS OF \$541.0 M (EXCLUDES IFRS 16 OBLIGATIONS) LESS CASH OF \$225.6M AT THE END OF THE PERIOD PRESENTED DIVIDED BY ADJ. EBITDA FOR THE LAST 12 MONTHS OF \$187.5M.

Q&A

APPENDIX

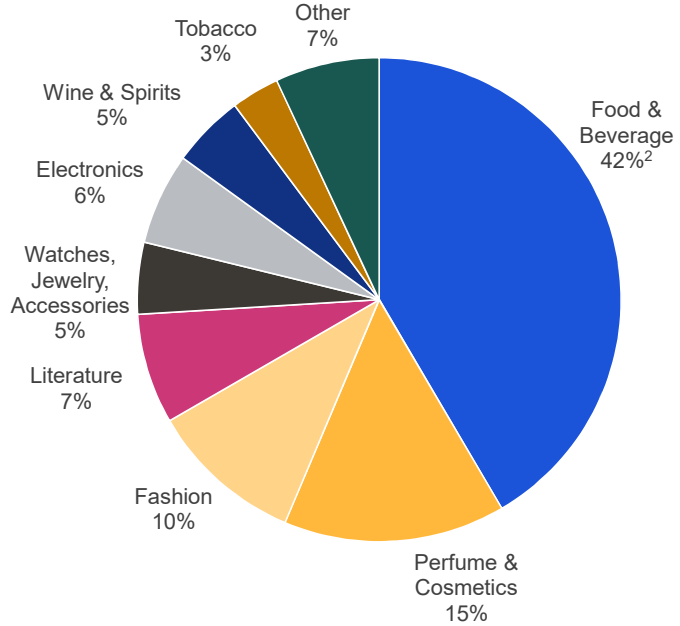
SALES BREAKDOWN – BY PRODUCT CATEGORY

Q1 2019



* F&B RETAIL 36.5% / F&B SERVICE 2.5%

Q1 2020

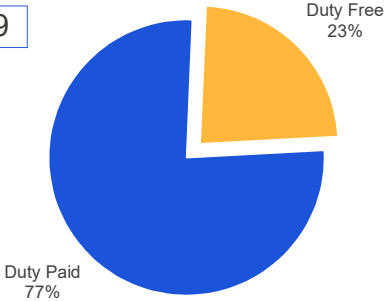


** F&B RETAIL 39.9% / F&B SERVICE 2.1 %

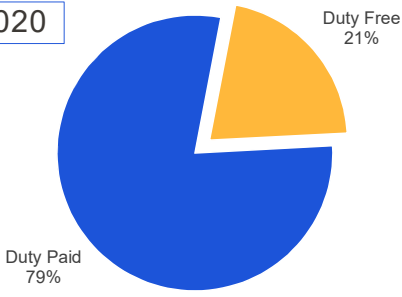
SALES BREAKDOWN – BY SECTOR AND COUNTRY

NET SALES BY SECTOR

Q1 2019

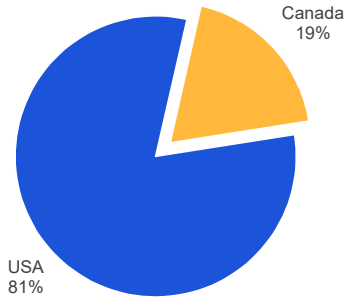


Q1 2020

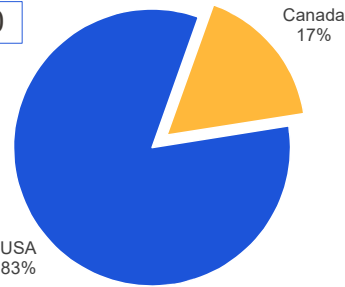


NET SALES BY COUNTRY

Q1 2019



Q1 2020



ADJUSTED EBITDA RECONCILIATION

IN MILLIONS OF USD	QUARTER ENDED 3/31/2020	QUARTER ENDED 3/31/2019 ⁽³⁾
Net profit (loss)	(78.7)	0.0
Income tax expense (benefit)	(18.9)	(5.4)
Profit (loss) before taxes (EBT)	(97.6)	(5.4)
Finance income	(1.0)	(1.1)
Finance expenses	22.3	21.9
Foreign exchange gain (loss)	-	(0.3)
Operating profit (loss) (EBIT)	(76.3)	15.1
Depreciation, amortization and impairment	144.6	88.6
Charge related to capitalized right of use assets ⁽¹⁾	(74.1)	(74.0)
Other operational charges ⁽²⁾	0.4	8.0
Adjusted EBITDA	(5.4)	37.7

(1) Represents lease payments that would have been expensed, but for the adoption of IFRS 16 related to capitalized right of use assets and payments received for capitalized sublease receivables.

(2) For the quarter ended March 31, 2020, other operational charges consisted of \$1.4 million of one-time items and other charges that are not reflective of our ongoing financial and business performance, offset by \$1.0 million of other operational income. For the quarter ended March 31, 2019, other operational charges consisted of \$7.6 million of executive separation expense and \$0.4 million of other non-recurring items.

(3) The amounts presented differ from the information reported in the interim consolidated financial statements for the period ended March 31, 2019 due to correction of an error identified in the accounting adopted on transition to IFRS 16 Leases. For details please refer to the Company's interim consolidated financial statements for the nine months ended September 30, 2019 (note 2.2).

ADJUSTED PROFIT AND ADJUSTED EPS RECONCILIATION

IN MILLIONS OF USD	QUARTER ENDED 3/31/2020	QUARTER ENDED 3/31/2019 ⁽³⁾
Net profit (loss) attributable to equity holders of the parent	(77.2)	(5.8)
Amortization related to acquisitions ⁽¹⁾	9.4	9.5
Impairment of assets	52.3	0.2
Other operational charges ⁽²⁾	0.4	8.0
Income tax adjustment and one-off income tax items ⁽³⁾	(10.7)	(3.2)
Adjusted net profit (loss) attributable to equity holders of the parent	(25.8)	8.7
Diluted earnings / (loss) per share	(0.84)	(0.06)
Adjusted diluted earnings (loss) per share to equity holders of the parent	(0.28)	0.09
Weighted average number of shares outstanding (000's)	92,650	92,818

(1) Although the values assigned to the concession rights during the purchase price allocation are fair values, we believe that their additional amortization doesn't allow a fair comparison with our existing business previous to the business combination, as the costs of the intangible assets have been incurred.

(2) For the quarter ended March 31, 2020, other operational charges consisted of \$1.4 million of one-time items and other charges that are not reflective of our ongoing financial and business performance, offset by \$1.0 million of other operational income. For the quarter ended March 31, 2019, other operational charges consisted of \$7.6 million of executive separation expense and \$0.4 million of other non-recurring items.

(3) This line item includes the following:

	QUARTER ENDED 3/31/2020	QUARTER ENDED 3/31/2019
Income tax adjustment amortization and impairment	(10.6)	(2.6)
Income tax adjustment other operational charges	(0.1)	(0.6)

(4) The amounts presented differ from the information reported in the interim consolidated financial statements for the period ended March 31, 2019 due to correction of an error identified in the accounting adopted on transition to IFRS 16 Leases. For details please refer to the Company's interim consolidated financial statements for the nine months ended September 30, 2019 (note 2.2).