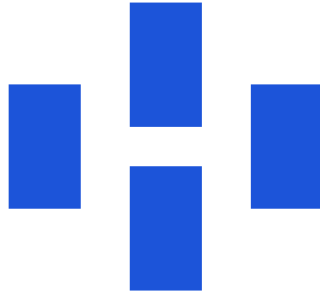




Turning the World of Travel Into a World of Opportunity

We're the experts
in travel experience
because we put
travelers first.



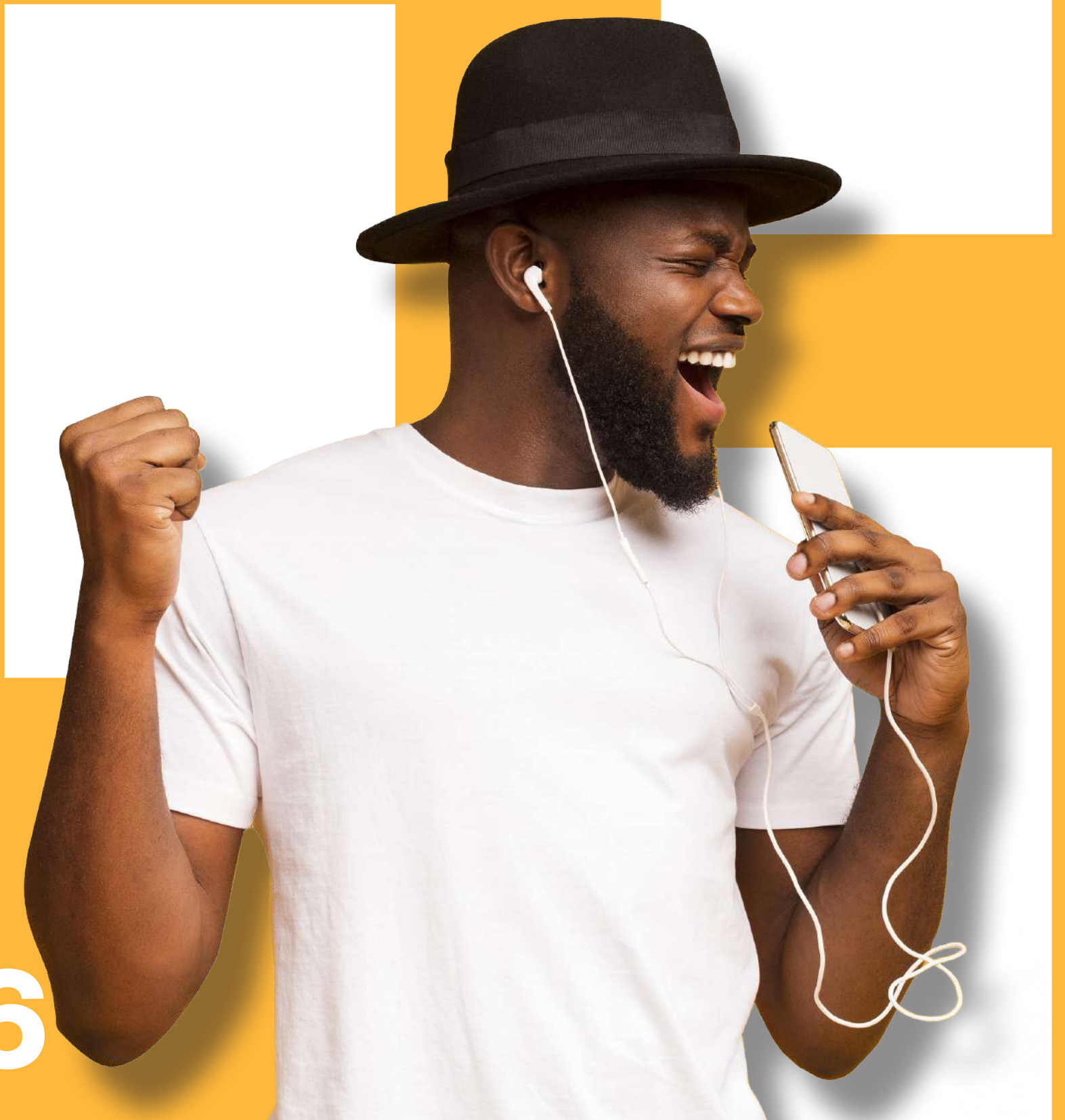
We empower every member of our team to innovate to improve our travelers' experience. In doing so, we drive shareholder value and return from the inside out. By exceeding our travelers' expectations, we have unrivaled credibility with brands and our partners. All of which means we turn the world of travel into a world of opportunity for our investors.



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Together, We Are Creating New Opportunities In Travel Retail

Hudson Ltd. (HUD: NYSE), a Dufry Company, is a travel experience company turning the world of travel into a world of opportunity by being the Traveler's Best Friend in more than **1,000 stores** in airports, commuter hubs, landmarks and tourist locations. Our **10,000+ team** members care for travelers as friends at our travel convenience, specialty retail, duty free and food & beverage destinations. At the intersection of travel and retail, we partner with landlords and vendors, and take innovative, commercial approaches to deliver exceptional value.

2019 HIGHLIGHTS

Achieved Record Turnover and Solid Organic Growth

Reached record full year turnover of **\$1.95 billion**, **1.5%** year-over-year increase. Delivered **1.4%** organic sales growth

New Partnership with Food & Beverage Brand

Announced a partnership and license agreement with Joe & The Juice, a Scandinavian juice bar and coffee shop phenomenon

Opened a location at Vancouver International Airport (YVR) as part of the Company's accelerated food & beverage expansion

Expanded Brand Portfolio Through Acquisitions

Announced agreement to acquire a controlling stake in the assets of food & beverage operator **OHM Concession Group**, accelerating expansion into food & beverage service

Acquired the airport store assets for **Brookstone**, adding a strong, well-known and trusted brand to specialty retail portfolio

Growth through Market Expansions & Store Openings

Added new markets with RFP wins in Indianapolis International Airport and St. Pete-Clearwater International Airport

Launched new local concepts including "Empire on Fifth" and "Holidays by Hudson"





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CEO's Letter

DEAR FELLOW SHAREHOLDERS,

Reflecting on my first year as Hudson's CEO, it has been an honor to help lead Hudson into the next era as we continue to evolve the travel retail experience. I am fortunate to have been part of Hudson's rich **30+ year** history serving as the industry travel retail leader, and I am proud to lead the company in its transformation from being a travel retail pioneer to leading travel concessionaire.

As I look back on 2019, while we faced several challenges outside of our control, we accomplished much in the year. Thanks to the unwavering dedication of our team, we continued to win new and extend existing contracts, added exciting new brands to our portfolio, and expanded our footprint.

ACQUISITIONS OF OHM CONCESSION GROUP AND BROOKSTONE EXPAND OUR PORTFOLIO

2019 was a transformative year driven by two major acquisitions that strengthen our food & beverage and specialty retail portfolios. In October, we announced the acquisition of a controlling stake in the assets of food & beverage operator **OHM Concession Group**, which accelerates our expansion into food & beverage service. With **OHM**, we've added new food & beverage capabilities to our business, including full-service, fast casual, sports restaurants and fine dining locations, and notable brands like Chick-fil-A, Wolfgang Puck, Einstein Bagels and Jamba Juice. **OHM** has a long track record as a successful restaurant operator and perfectly complements our quick service restaurant and grab & go expertise. Together, our combined capabilities better position us to compete for the strong pipeline of food & beverage opportunities.

During October, we also announced a deal to acquire the airport store assets for **Brookstone stores**, adding a strong, well-known and trusted brand to our specialty retail portfolio. Furthermore, we also acquired the right to be the exclusive airport retailer for the **Brookstone** brand, which gives us the opportunity to add exclusive **Brookstone** products to our travel convenience stores. We will be rolling out **Brookstone**-branded travel, electronics, and everyday gadgets to Hudson stores this year.

Both these transactions support our long-term growth strategy by broadening our portfolio and solidifying our position as a leader in the travel retail landscape.

MARKET EXPANSIONS AND NEW STORE OPENINGS FUEL GROWTH

With the awarding of new key markets and contracts, Hudson provided travelers with new store concepts that brought a sense of place to local airports, commuter hubs, and tourist landmarks throughout 2019.

During the year, we announced our expansion into Indianapolis, and St. Pete Clearwater, two new markets for us. We secured a partnership with Joe & The Juice, adding an exciting new brand to our portfolio. We opened our first Joe & The Juice store in Vancouver International Airport, which is also the brand's first location in Canada, and look forward to exploring opportunities for future locations. We also have been innovating our store formats and have seen great success with our combination concepts like Ink by Hudson, which is a Hudson combined Dunkin' in Boston Logan Airport. In the Empire State Building, we developed a store-in-store experience "Empire on Fifth" that featured exclusive destination mementos, fine art collection, and curated souvenirs including King Kong and Empire State Doorman Bear merchandise. We also launched our first pop-up shop, "Holidays by Hudson," in JFK Terminal 4's Retail Lounge, that was inspired by well-known Bryant Park Holiday Village in New York City that brought together locally curated products that included ornaments, holiday sweaters, FAO Schwartz toys, and other gift items.

With new store concepts, new brands, and expansions across our store portfolio, today we have expanded our reach to more than **1,000 stores** across **88 locations** totalling **1.1 million square feet**. While we already have a strong presence in North America's largest airports, we not yet in all terminals. We believe that there is significant whitespace to capture as airports continue to invest in infrastructure projects to keep up with growing passenger volumes. Given our position as the market leader in travel retail and our expanding capabilities in food & beverage, we are well positioned to capture a sizeable portion of this whitespace and further grow our market share.

UNVEILED NEW CORPORATE BRAND IDENTITY

Our rebrand journey began more than two years ago as an effort to educate our customers, landlord partners, vendors and investors on the diverse portfolio of concepts we operate, while also leveraging the iconic, deeply trusted brand we have created in Hudson. Our business model has shifted from being purely a travel retailer to becoming the leading travel concessionaire across four key areas: travel convenience, specialty retail, duty

free, and food & beverage. Our new corporate brand will allow us to better leverage our strong travel convenience reputation in order to generate deeper awareness and loyalty to our other specialty retail, duty free and food & beverage concepts.

SOLID RESULTS DESPITE TEMPORARY MACROECONOMIC FACTORS

In 2019, we reached record level turnover of **\$1.95 billion**, a **1.5% year-over-year** increase, and expanded our gross profit margin by **50 basis points**. We reported like-for-like sales growth of **0.6% (1.1% in constant currency)**. Our organic sales were up **1.4%** driven by a combination of slightly positive like-for-like sales growth from our existing stores and a small increase in net new business. We were pleased to see like-for-like improvement in the last quarter of 2019, driven by a rebound in duty paid and duty free.

In closing, I thank all of our Hudson team members for their dedication and passion to our company and our customers; our landlords for their continued partnership; our customers for continuing to let us serve your needs and wants when you travel; and our investors for supporting us on our path to deliver long term growth.

Looking ahead to 2020, there is much to be excited about at Hudson. We are in an attractive and growing industry with significant whitespace. We have a strong track record of growing existing business and expanding our concession portfolio and proven industry reputation as a partner of choice for landlords. Hudson is operating from a position of financial strength with a solid balance sheet and healthy free cash flow generation. While we may face short-term headwinds that impact our industry from time-to-time, we are confident in the resiliency of the travel industry and its long-term passenger growth forecasts. More importantly, we remain confident that our strong business fundamentals coupled with our exciting growth initiatives and robust 2020 pipeline position Hudson well for the future.



Chief Executive Officer



TRAVEL CONVENIENCE

Our travel essentials and convenience stores consistently offer items that appeal to the wants and needs of passengers. As one of the premier operators in this category, we provide travelers with both a nationally and locally-curated product assortment, which includes a wide variety of healthy grab & go meals and snacks, portable electronics, travel essentials and accessories, gifts and souvenirs, reading materials and more. Our award-winning Hudson concept is not only trusted by travelers but is also known for being well organized and easy to shop. We continued to expand our proprietary grab & go branded products - "Traveler's Best". The Hudson branded concept includes over 30 fresh food combinations, including sandwiches, wraps, salads and meats & cheese platters all sold in highly visible coolers to draw customers into our stores. We also continue to develop our transactional capabilities including self check-out, mobile wallet options, and tap & go technology to evolve with changing customer needs and demographics.





SPECIALTY RETAIL

Hudson operates airport stores for many of the world's most prestigious brands, including Tumi, Coach, Kate Spade, Michael Kors, FAO Schwarz and most recently, Brookstone, which are designed seamlessly to reflect each brand's identity, from store design to customer service. These stores are operated by our employees and provide travelers with the same experience as the flagship locations. In order to best meet the needs of each airport's customer demographic, we design these stores as standalone concepts or integrate them as a shop-in-shop in our general travel convenience stores, which exist in both duty free and duty paid store concepts.

Hudson also operates a diversified portfolio of proprietary specialty brands including Tech on the Go, 5th & Sunset, Ink by Hudson, among others. These stores are located in airports, transportation terminals, and hotels throughout the continental United States and Canada, in locations where we see a strong potential for a store to carry a broad product range tied to a specific theme. The key to operating successful proprietary brands is to cater to the needs and wants of travelers. Tech on the Go, for example, has been highly successful at providing customers with a one stop shop for all of their tech needs.



stone



DUTY FREE

Throughout the United States and Canada, we offer a wide range of traditional retail products for travelers under the duty free banners of Dufry, World Duty Free and Nuance. Our stores are often designed to direct the entire passenger flow through the store, also referred to as “walkthrough” stores, that allow travelers to explore our products we sell without needing to deviate from their way to and from the gate. As the majority of passengers in the U.S. are domestic, we also promote awareness that domestic passengers can buy in duty free shops despite only traveling domestically.





FOOD & BEVERAGE

Our food & beverage portfolio is comprised of roughly 50 quick-service, casual dining and coffee concepts, including Dunkin' Donuts, Baskin Robbins, Quiznos, Jason's Deli, and Pinkberry. Strengthening our F&B offerings, in 2019, we announced an agreement to acquire a controlling stake in the assets of food & beverage concessions operator OHM Concession Group, which accelerates our expansion into food & beverage service. With OHM, we've added new food & beverage capabilities to our business, including full-service, fast casual, sports restaurants and fine dining locations and notable brands like Chick-fil-A, Wolfgang Puck, Einstein Bagels and Jamba Juice, perfectly complementing our QSR and grab & go expertise. Food & beverage is a growing business in airports, and we see an enormous whitespace opportunity for us to expand in this category.





