

Dufry to acquire remaining Hudson stake, to delist it from NYSE



“The delisting of Hudson emphasizes the strategic importance of the North American business for the overall Dufry Group and the integration of the duty free and duty paid businesses globally” - Dufry CEO Julian Diaz

Swiss operator Dufry is to acquire all the equity interests in Hudson Ltd it does not already own and to delist the US travel retailer from the New York Stock Exchange.

Under the agreement struck by the two companies, Dufry will acquire the remaining interest in Hudson for US\$7.70 in cash per Class A share. Dufry currently owns 57.4% of Hudson Ltd.

The delisting of Hudson is part of Dufry’s current reorganization and is intended to further simplify its corporate structure and align its operations to the new business environment.

Dufry expects to realize annual cost savings of at least CHF 20 million (US\$22 million), thereby further supporting its comprehensive cost-saving measures, and to improve cash flows.

Dufry intends to finance the proposed transaction through an equity capital increase by way of a rights issue upon approval of Dufry’s shareholders at an extraordinary general meeting. The transaction has been fully underwritten by a bank consortium.

The transaction has been unanimously approved and recommended by the Board of Directors of Dufry and a special committee of independent directors of Hudson, as well as the Board of Directors of Hudson.

Considerable cost savings

Dufry CEO Julian Diaz commented: “The delisting of Hudson is an important part of our reorganization. It is expected to allow Dufry to realize considerable cost savings, both through synergies generated by simplifying our organizational structure and operating processes as well as by eliminating the costs and complexities of the separate listing. The stronger integration will further accelerate the decision-making process by adding more flexibility and efficiency to our business.

“The delisting of Hudson emphasizes the strategic importance of the North American business for the

overall Dufry Group and the integration of the duty free and duty paid businesses globally, with the Hudson convenience stores being an established brand across our operations worldwide. We will continue with the successful execution of our strategy for the North American travel retail market, which focuses on operating duty free and duty paid convenience shops, as well as the further penetration of the food & beverage market. The closer alignment with headquarters and with other global operations will support the North American business during the recovery period, and the fast implementation of the full reorganization will help Dufry to focus the business on the reopening and growth acceleration.”

The delisting and full reintegration of Hudson is expected to further reduce operating complexity, simplify governance and unlock synergies, while also eliminating costs associated with Hudson’s separate listing at the New York Stock Exchange and related regulatory requirements, which are no longer justified in light of the limited trading liquidity of Hudson and the changed business environment due to the COVID-19 pandemic, Dufry said.

Hudson's ability to implement its strategy will not be impacted by the delisting, which is expected to strengthen both Dufry's and Hudson's position in the changed business environment, and will reinforce the group’s competitive positioning in the longer term, according to Dufry.

Upon completion of the transaction, Hudson will become an indirect wholly owned subsidiary of Dufry and will be delisted from the New York Stock Exchange.

Hudson shareholders will receive US\$7.70 per Hudson Class A share in cash, without interest, corresponding to a total purchase price of approximately US\$311 million for the shares not already owned by Dufry. The price represents a premium of 50.1% to Hudson’s closing share price as of August 18, 2020.

The transaction is expected to close in the fourth quarter of 2020.