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NEWS RELEASE

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Avolta takes off: After a successful 2023, strong performance continues into the new year, management remains confident in long-term growth

2023 was a transformative and successful year for Avolta. The company completed a game-changing business combination, delivering its synergy targets in combination with an impressive set of financials in its first year. More resilient and diversified, Avolta continues to execute its Destination 2027 strategy with purpose. Avolta's robust 2023 performance is reflected in a conservative 2.6x leverage. Under its new capital allocation policy a 2023 dividend of CHF 0.70/share is proposed, while targeting medium term leverage of 1.5-2.0x.

2023 HIGHLIGHTS:

- Strong overall business momentum with global passenger growth continuing in 2024; February year-to-date net sales growth estimated at 7% year-on-year (CER[1], proforma).
- Growth across all regions contribute to Avolta's CORE organic growth of 21.6% proforma[2].
- CORE EBITDA margin of 9%, significantly exceeds target.
- Reported Turnover reached CHF 12,789.5 million, with CHF 3,210.6 million in Q4. CORE Turnover[3] CHF 12,534.6 million, increased 16% compared to 2022 proforma[4]. CORE proforma organic growth totalled 21.6% (Q4 2023 13.1%).
- Integration completed successfully, with synergies of CHF 30.0 million achieved in 2023 and run-rate synergies of CHF 85.0 million in 2024 confirmed in line with prior guidance.
- Operating profit of CHF 865.1 million. CORE EBITDA to CHF 1,129.6 million with a margin of 9.0% (2022 Proforma CHF 941.4 million and 8.7% margin respectively). Net profit of CHF 216.4 million.
- EFCF of CHF 323.0 million reflects the strong operational execution and successful working capital and capex control.

Note: Reconciliation of Avolta's Alternative Performance Measures are disclosed in Full Year Report 2023, pages 271-277, published on Avolta's website. <u>All 2022 proforma figures for the combined Group within this release are approximations, not audited, not reviewed.</u>

[1] CER Constant Exchange Rate.

[2] Refers to combined Organic Growth (proforma) versus 2022, assuming 11 months contribution of Autogrill from February 2022 onwards for the comparable period. Across this release, all growth comparisons refer to 2022 combined proforma comparable period.

[3] CORE Turnover throughout this news release is excluding net sales from motorway fuel business; income from fuel sales included in CORE other operating income (see reconciliation table within this release).

[4] Proforma assuming 11 months contribution of Autogrill from February onwards for the comparable period.

- Net Debt CHF 2,696.1 million implying 2.6x leverage with available liquidity of CHF 2,637.9 million and comfortable room to optimally address our 2.5% EUR 800 million October 2024 maturity. Target to further de-lever to 1.5-2.0x in the medium term.
- New capital allocation policy aims to realize profitable growth, stable cash flow management, value creation; CHF 0.70/share dividend to be proposed at May 2024 AGM.
- Good progress on “Destination 2027” strategy with newly integrated organizational structure supporting all pillars of growth. New ESG Strategy House, built on an evolved and integrated Materiality Matrix.

Xavier Rossinyol, CEO of Avolta, stated: "2023 was a very successful year for Avolta. The company completed a transformational business combination redefining the global travel retail and food & beverage industry. This success is further reflected in Avolta delivering CHF 30 million of synergies, which are set to increase to CHF 85 million in 2024. With the launch of Avolta, the successful opening of our first hybrid stores and early signs of innovation initiatives, we have set the course for continued profitable growth and are driving the travel experience revolution.

Throughout our transformation, our focus on consistent growth and cash generation remained resolute. Further enhancing our geographical diversification, Avolta achieved particular success this year in strengthening our footprint around the world. Highlights include the significant renewal of the vast majority of Avolta’s Spanish airport contracts for twelve years, our fifteen-year contract extension at Harry Reid International Airport in Las Vegas, alongside many other activities across Europe, Middle East, Asia Pacific, Latin America and North America.

2023 saw Avolta meet our financial targets, setting the foundations for sustainable, profitable growth as the globally leading Travel Experience player. Looking ahead, the robust long-term global passenger outlook (4.3%[5] CAGR 2023 – 2042) – is also seen in January and February – and is testimony to our enhanced market position to deliver profitable growth in 2024 and beyond. This, coupled with our strategic initiatives for passenger conversion, increased spend per head, and our strengthened diversification across geographies and business lines, bolsters our confidence to deliver in our strategic direction and our financial outlook.

Our journey towards Destination 2027 is supported by a proven track record of meeting goals and redefining what is possible in our industry. Our success is truly powered by our people. To our more than 76,000 Team Members across the world, committed to elevating the travelers’ experience: thank you. Your extraordinary dedication and the hard work that you have given this year, on the back of so much change, is remarkable and so very clearly contributes to the success of our company. Avolta’s success is our shared success.

Our transformation to Avolta is a key milestone in our Destination 2027 strategy. It marked the emergence of a new and united company, standing as a distinct counterpart for our business partners and a new home for all our team members around the world. 2023 has delivered, and 2024 holds potential. #JourneyOn!”

RECENT DEVELOPMENTS:

Trading update

The strong performance in 2023 continues into 2024. Avolta estimates February year-to-date constant currency net sales growth of 7% proforma year-on-year, driven by strong passenger growth trends and continued execution on its travel revolution initiatives. While Avolta remains

[5] Source: ACI World Airport Traffic Forecasts 2023-2052.

vigilant as regards the geopolitical environment and the broader economic backdrop, the company is optimistic on its outlook.

Integration and synergies

As part of the business combination, Avolta has implemented a new geographical organisation. The resulting scale, enhanced operating model and integrated customer position gives Avolta significant competitive advantages. The company delivered cost synergies of CHF 30 million in 2023, with full run rate synergies of CHF 85 million expected as of 2024. Integration related costs amount to CHF 50 million, and are equally split between 2023 and 2024.

Capital Allocation Policy and Dividend

In November 2023, Avolta announced its new capital allocation policy, as part of which the company intends to distribute one-third of future annual EFCF as dividends. A 2023 dividend of CHF 0.70 per share will be proposed at the Annual General Meeting this May. The remaining two-thirds of the annual EFCF will be directed towards deleveraging the balance sheet while retaining the flexibility to invest in strategic business development and small bolt-on acquisitions aimed at bolstering its long-term competitiveness. In total, the company has set a medium-term leverage target of 1.5-2.0x financial net debt/CORE EBITDA, with flexibility up to 2.5x. Avolta is confident in its ability to achieve this deleverage target in the near-term.

OUTLOOK:

Avolta expects the positive underlying trends supporting the FY 2023 results to continue into 2024 and beyond. Over the medium-term, the company anticipates CORE Turnover to grow at constant exchange rates 5%-7% per year on average, underpinned by its global diversification, which in turn reinforces its resilience. Avolta is committed to deliver +20-40bps of CORE EBITDA margin improvement p.a. as it continues to increase its operational efficiency, and +100bps-150bps EFCF conversion, with a circa 4% CAPEX on CORE Turnover p.a.

At current rates, Avolta estimates -2% to -3% 2024 currency translation impact on its CORE Turnover, with no impact on profitability levels.

2023 FINANCIAL SUMMARY:

CORE TURNOVER GROWS 21.6% CONSTANT CURRENCY WITH STRONG EXIT RATE

FY 2023 consolidated Turnover reached CHF 12,789.5 million. CORE Turnover came in at CHF 12,534.6 million, with CORE Organic Growth of 21.6%. New concessions (net) contributed positively at 1.4% while currency translation, mainly related to depreciation of USD, EUR and GBP against the Swiss Franc, was a 5.6% headwind.

The category split was very balanced with Duty-free accounting for 37% of CORE turnover, Duty-paid 31% and F&B 32%, while the airport channel, at 82%, represented the lion's share of its 2023 CORE turnover.

Q4 2023 Turnover of CHF 3,210.6 million. Q4 2023 CORE Turnover reached CHF 3,151.3 million, with 13.1% organic growth. All regions contributed positively reflecting continued momentum across the quarter driven by solid leisure demand.

CORE Turnover Growth	**FY 2023 versus FY 2022 Proforma**	**Q4 2023 versus Q4 2022 Proforma**
Like for Like	20. 2%	14.0%
New concessions, net	1.4%	-0.8%
Organic Growth	**21.6%**	**13.1%**
Change in Scope	0.0%	0.0%
Growth (CER)[6]	**21.6%**	**13.1%**
FX Impact	-5.6%	-5.8%
Growth (AER)[7]	**16.0%**	**7.3%**

[6] CER Constant Exchange Rate.
[7] AER Actual Exchange Rate.

STRONG PROFIT AND CASH GENERATION KPI'S

IFRS / CORE Profit and Loss statement **IN MILLIONS OF CHF**	**IFRS FY 2023**	**Adjustments** **Acquisition related**	**Fuel sales**	**Leases**	**CORE FY 2023**	**CORE proforma FY 2022[8]**	**CORE FY 2022[9]**
Net sales	12,583.7	-	-254.9	-	12,328.8	10,647.6	6,721.2
Advertising income	205.8	-	-	-	205.8	157.2	157.2
Turnover	**12,789.5**	**-**	**-254.9**	**-**	**12,534.6**	**10,804.8**	**6,878.4**
Cost of sales	-4,716.0	-	239.0	-	-4,477.0	-3,914.4	-2,684.6
Gross profit	**8,073.5**	**-**	**-15.9**	**-**	**8,057.6**	**6,890.4**	**4,193.8**
% Margin	*63.1%*	-	-	-	*64.3%*	*63.8%*	*61.0%*
Leases expenses (IFRS) / Concession expenses (CORE)	-1,875.5	-	-	-1,303.2	-3,178.7	-2,618.6	-2,029.9
Personnel expenses	-2,539.3	-	-	-	-2,539.3	-2,278.5	-997.9
Other expenses, net (IFRS) / Other expenses, net (CORE)	-1,183.8	18.8	15.9	-60.9	-1,210.0	-1,051.9	-559.8
Operating profit before D&A / CORE EBITDA	**2,474.9**	**18.8**	**-**	**-1,364.1**	**1,129.6**	**941.4**	**606.2**
% Margin	*19.4%*				*9.0%*	*8.7%*	*8.8%*
Depreciation & impairment of PP&E	-277.4	-	-	-0.1	-277.5	-329.5	-113.9
Amortization & impairment of intangibles (CORE)/(IFRS)	-242.8	208.3	-	-	-34.5	-21.7	-21.7
Depreciation & impairment right-of-use assets (IFRS)	-1,089.6	-	-	1,089.6	-	-	-
Operating profit / CORE EBIT	**865.1**	**227.1**	**-**	**-274.6**	**817.6**	**590.2**	**470.7**
% Margin	*6.8%*	-	-	-	*6.5%*	*5.5%*	*6.8%*
Financial result	-567.1	15.7	-	350.1	-201.3	-192.3	-175.6
Profit before Taxes/CORE Profit before Taxes	**298.0**	**242.8**	**-**	**75.5**	**616.3**	**397.9**	**295.1**
% Margin	*2.3%*	-	-	-	*4.9%*	*3.7%*	*4.3%*
Income tax	-81.6	-53.3	-	-24.6	-159.5	-153.8	-105.5
Net Profit/CORE Net Profit	**216.4**	**189.5**	**-**	**50.9**	**456.8**	**244.1**	**189.6**
Non-controlling interests	-129.1	-10.9	-	-8.9	-148.9	-118.4	-83.9
Net Profit/CORE Net Profit to equity holders of the parent	**87.3**	**178.6**	**-**	**42.0**	**307.9**	**125.7**	**105.7**
Basic Earnings/CORE Basic Earnings per share (in CHF)	**0.64**				**2.26**		**1.14**
Diluted Earnings/CORE Diluted Earnings per share (in CHF)	**0.63**				**2.21**		**1.12**

On an IFRS basis, Operating Profit reached CHF 865.1 million in 2023, an improvement from CHF 502.4 million reported in 2022. Reported Net Profit to equity holders also increased to CHF 87.3 million in 2023 (basic EPS of 0.64), versus CHF 58.2 million Net Profit to equity holders reported in the same period of last year.

As for Avolta's APM[10], 2023 CORE gross profit margin reached 64.3% compared to 63.8% 2022 proforma, supported by solid consumer demand, tight inventory management and the introduction of new product lines, over and above geographic and channel mix effect.

CORE EBITDA increased to CHF 1,129.6 million in 2023 with a margin of 9.0% (compared to 8.7% 2022 proforma), driven by continued cost efficiency and synergies arising from the integration of Autogrill and despite CHF 25 million of integration costs.

CORE EBIT reached CHF 817.6 million in FY 2023, a 6.5% margin compared to 5.5% of FY 2022 proforma, benefitting from higher EBITDA margin and lower D&A mainly driven by a reduced level of PP&E amortization. CORE net profit to equity holders of the parent came in at CHF 307.9 million in FY 2023, significantly above FY 2022 proforma despite a slightly higher CORE financial result

[8] Proforma assuming 11 months contribution of Autogrill from February 2022 onwards for the comparable period.
[9] 2022 reconciliation provided in Avolta's FY 2023 financial report pages 273.
[10] APM = Alternative Performance Measures.

(CHF 201.3 million) and CORE income tax (CHF 159.5 million). CORE Basic Earnings per share stood at CHF 2.26.

CORE Cash Flow[11] **in CHF million**	**FY 2023**	**FY 2022 proforma**[12]	**FY 2022**
CORE EBITDA	**1,129.6**	**941.4**	**606.2**
Other non-cash items and changes in lease obligation	80.7	94.3	79.6
Changes in net working capital	-44.0	29.0	-4.6
Capital expenditures	-432.7	-302.1	-110.1
Cash flow related to minorities and dividends from associates[13]	-100.7	-97.8	-62.3
Income taxes paid	-129.2	-81.6	-76.1
Cash flow before financing	**503.7**	**583.3**	**432.7**
Interest, net and other financing items	-180.7	-141.9	-127.5
Equity free cash flow	**323.0**	**441.4**	**305.2**
Acquisition & financing activities, net[14]	-268.4		-20.3
Transaction costs	-34.5		-
FX effect on net debt and other non-cash items	94.5		-16.1
Decrease/ (Increase) in Financial net debt	**114.6**		**268.8**
Net Debt			
- Beginning of the period	2,810.7		3,079.5
- End of the period	2,696.1		2,810.7

Avolta's 2023 EFCF reached CHF 323.0 million. This solid performance was underpinned by strong CORE EBITDA performance as well as all other lines of the cash flow. 2023 year-end net debt totalled CHF 2,696.1 million, down from CHF 2,810.7 million a year ago and at its lowest level since 2015. This brings the company's leverage to 2.6x Net Debt/EBITDA, close to the mid-term target ratio as disclosed in Avolta's updated capital allocation policy.

Available liquidity amounted to CHF 2,638 million, including CHF 715 million in cash and cash equivalents and CHF 1,923 million undrawn debt under the existing Revolving Credit Facility (RCF).

[11] IFRS reconciliation provided in Avolta's FY 2023 financial report pages 275-276.
[12] Proforma assuming 11 months contribution of Autogrill from February 2022 onwards for the comparable period. FY 2022 adjusted excluding one-off MAG relief of CHF 78 million and US tax refund of CHF 90 million.
[13] Includes CHF -133.9 million dividends paid to non-controlling interests, CHF 31.4 million contribution from non-controlling interests and CHF 1.9 million dividends from associates.
[14] Acquisition & financing activities, net, consist mainly of the acquisition of net debt from Autogrill, the cash portion of the MTO consideration and the purchase of treasury shares.

REGIONAL PERFORMANCE AND BUSINESS DEVELOPMENT 2023

CORE Turnover, in CHF million	FY 2023	FY 2022 proforma	Growth vs 2022 proforma	FX Impact vs 2022 proforma	Organic Growth vs 2022 proforma
Europe, Middle East and Africa	6,265.4	5,387.8	16.3%	-3.7%	20.0%
North America	3,971.4	3,683.0	7.8%	-6.4%	14.3%
Latin America	1,653.7	1,310.5	26.2%	-6.3%	32.5%
Asia Pacific	557.8	314.9	77.1%	-7.3%	84.4%
Distribution Centers	86.2	108.7	-20.7%	-0.2%	-20.4%
Avolta Group	**12,534.6**	**10,804.8**	**16.0%**	**-5.6%**	**21.6%**
CORE Turnover, in CHF million	**Q4 2023**	**Q4 2022 proforma**	**Growth vs 2022 proforma**	**FX Impact vs 2022 proforma**	**Organic Growth vs 2022 proforma**
Europe, Middle East and Africa	1,518.3	1,406.6	7.9%	-3.6%	11.6%
North America	1,025.1	1,025.6	-0.1%	-7.9%	7.8%
Latin America	455.3	377.2	20.7%	-8.0%	28.7%
Asia Pacific	138.2	108.9	26.9%	-8.2%	35.1%
Distribution Centers	14.5	19.0	-23.8%	-0.2%	-23.6%
Avolta Group	**3,151.3**	**2,937.2**	**7.3%**	**-5.8%**	**13.1%**

IFRS/CORE TURNOVER RECONCILIATION

FY 2023, in CHF million	Turnover IFRS	Fuel Sales Adjustments	Turnover CORE
Europe, Middle East and Africa	6,520.2	-254.8	6,265.4
North America	3,971.4	0.0	3,971.4
Latin America	1,653.7	0.0	1,653.7
Asia Pacific	557.8	0.0	557.8
Distribution Centers	86.2	0.0	86.2
Avolta Group	**12,789.5**	**-254.8**	**12,534.6**
Q4 2023, in CHF million	**Turnover IFRS**	**Fuel Sales Adjustments**	**Turnover CORE**
Europe, Middle East and Africa	1,577.5	-59.3	1,518.3
North America	1,025.1	0.0	1,025.1
Latin America	455.3	0.0	455.3
Asia Pacific	138.2	0.0	138.2
Distribution Centers	14.5	0.0	14.5
Avolta Group	**3,210.6**	**-59.3**	**3,151.3**

REGIONAL PERFORMANCE AND BUSINESS DEVELOPMENT Q4 2023

Europe, Middle East and Africa (EMEA)

Reported Turnover in Q4 2023 reached CHF 1,577.5 million, with CORE Turnover[15] at CHF 1,518.3 million representing proforma Organic Growth of 11.6% year-on-year (YoY). This healthy performance was underpinned by continued strong leisure demand, benefitting holiday traffic destinations in Southern Europe, Middle East and Africa in both Travel Retail and F&B. In addition, the UK, Nordics and Central Europe benefitted from the continued recovery in international travel.

During the quarter, Avolta continued to progress on new openings and significant store upgrades in the region, including, for example, opening the company's first innovative hybrid concept, Hudson Cafè with Baci at Milan Malpensa Airport (Italy). Other examples include the extension of the company's operations at Abu Dhabi's new International Airport Terminal A in the UAE with the opening of 13 new F&B concepts as well as a new opening of a special edition Le CroBag flagship store airside at Düsseldorf Airport.

North America (NA)

Turnover reached CHF 1,025.1 million in Q4 2023 with proforma Organic Growth of 7.8% year-on-year. In the US, growth across both F&B and Travel Retail was robust, supported by traffic trends and solid demand from domestic and international passengers. Canada continued to benefit from the progressive recovery of Asian travelers over the quarter.

During the quarter Avolta expanded its presence in the US with the win of a 15-year contract at Fresno Yosemite International Airport (California) for three travel convenience stores. HMSHost opened The Wise Omega Bodega at Memphis International Airport, Queen Charlotte's Kitchen at Charlotte Douglas International Airport, Tacos Locos at Birmingham-Shuttlesworth International Airport, and Circle City Beer Garden at Indianapolis International Airport, among other dining venues. Hudson introduced six travel convenience and specialty retail shops at Chicago Midway airport, including its largest "Evolve By Hudson" concept store in North America, as well as an outpost of French luxury fashion house Chloé at Vancouver International Airport.

Latin America (LATAM)

Turnover in Q4 2023 came in at CHF 455.3 million with year-on-year proforma Organic Growth of 28.7%. Best performing markets were Argentina, positively impacted by local currency developments, as well as Mexico and the Caribbean, especially benefitting from leisure demand. Brazil continued to improve as international traffic further returned. The cruise line business progressed further.

During the quarter Avolta achieved significant progress in the LATAM region including the renewal of the 06/03/2024Duty-paid contract at Santiago del Chile airport. This renewal is set to lead to a walkthrough shop spanning over 900 square meters in the domestic terminal, along with a Beauty Studio concept and additional arrivals shops covering more than 500 square meters of retail space. The region also confirmed an important extension of São Paolo Congonhas airport, as well as new contract wins and extensions across the Caribbean. The LATAM team held openings in Puerto Rico, the Dominican Republic, as well as in Aruba and the Bahamas.

Asia-Pacific (APAC)

Turnover totalled CHF 138.2 million in Q4 2023 with year-on-year proforma Organic Growth 35.1%. Trends across the quarter in the region continued to improve from the Q4 2022 low base. These were underpinned by domestic and intra-regional travel as well as the gradual recovery of inbound and outbound international travel. While Chinese intercontinental travel continued to be impacted

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[15] Fuel net sales part of EMEA; in all other regions reported and CORE Turnover are identical.

by air capacity constraints and reduced group travel volumes, intra-regional travel continued to accelerate during the quarter.

During the quarter, Avolta boosted the company's footprint in India with a new contract in Hyderabad, India. The APAC team successfully opened new or refreshed stores this quarter, notably including a wide array of new retail and F&B stores at Bangalore International Airport (India), as well as Diptyque boutique and Crystal Jade restaurant in Shanghai Hongqiao Airport (China), F&B stores Open House, The Loaf, Ahh Yum and Tealive in Kuala Lumpur, Malaysia, and Schnitz in the Gold Coast, Australia.

NEW INTEGRATED ESG SRATEGY HOUSE

Avolta's ESG Strategy is an inherent part of the company's «Destination 2027» strategy and contributes to the delivery of its financial and non-financial goals. In 2023, Avolta has further evolved its ESG strategy to enhance its relevance with a new, integrated ESG Strategy House.

This new ESG Strategy House, supervised by the Board of Director's dedicated ESG Committee, is structured in four focus areas (and 13 ESG material matters), as determined by Avolta's recently updated Materiality Matrix:

- Create Sustainable Travel Experiences: ensuring sustainable ways of traveling. With partners and for customers
- Respect Our Planet: reducing our footprint, increasing our consciousness
- Empower Our People: making our people part of the journey by creating a more diverse and equitable workplace
- Engage Local Communities: connecting with our communities, enhancing social and economic development

Avolta achieved significant improvements during 2023 in each of the four focus areas, for example: 40% of the company's total electricity consumption (base 2019) was sourced from reusable sources; the Company introduced a new Avolta Supplier Code of Conduct and recertified it with suppliers globally; and partnered with Oceana to support marine habitats through the sale of reusable bags in 22 countries worldwide.

Avolta has also evolved its TCFD Report by not only considering the scope of the new joint entity but also by providing three severity scenarios for climate-related risks and opportunities. Last but not least, Avolta has finalized its Community Engagement strategy creating a base for the implementation of initiatives in the communities where the company operates.

For the Annual Report 2023 including the ESG Report, the FY 2023 Results Presentation, the FY 2023 Financial tables, details of the FY 2023 Presentation and Conference Call and other related information, please visit Avolta's dedicated page: https://annualreport.avoltaworld.com/2023/en

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About Avolta

Avolta AG, (SIX: AVOL) is a leading global travel experience player. With the traveler at its strategic core, Avolta maximizes every moment of the traveler's journey through its combination of travel retail and travel food & beverage, passion for innovation and excellent execution. Avolta's well-diversified business across geographical, channel and brand portfolio pillars operates in 73 countries and 1,000 locations, with over 5,100 points of sale across three segments – duty-free, food & beverage and convenience – and various channels, including airports, motorways, cruises ferries, railway, border shops and downtown. An inherent element of Avolta's business strategy is found in ESG, aiming for sustainable and profitable growth of the company while fostering high standards of environmental stewardship and social equity – making meaningful impact in the local communities. The company's access to 2.3 billion passengers each year reinforces the power of it's more than 76,000 people, committed to surprising guests and delivering solid execution, supporting the company in creating value for all stakeholders.

To learn more about Avolta, please visit avoltaworld.com