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NEWS RELEASE

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Avolta's strong performance in Q1 2024 confirms positive outlook for the full year and beyond

Building on a transformative 2023, Avolta continues to deliver strong organic growth in Q1 of 8.6% and a further step-up across all financial indicators. Avolta's Destination 2027 strategy is yielding results, supported by an enhanced customer experience and strong execution. Avolta delivers growth with resilience.

HIGHLIGHTS:

- Avolta's CORE organic growth amounted to 8.6% year-on-year (YoY) with all regions contributing to this growth.
- Reported Turnover reached CHF 2,838.4 million. CORE Turnover[1] of CHF 2,784.2 million, increased 18% compared to Q1 2023.
- CORE EBITDA totalled CHF 168.6 million with an EBITDA margin of 6.1%, +40bps year-on-year (YoY).
- Equity Free Cash Flow (EFCF) of CHF -80.4 million clearly ahead of expectations.
- Strong overall business momentum continues with April YTD organic growth at around +7.0% year-on-year (CER2) comparable with Easter included in both years.
- Progressed the Destination 2027 strategy by harnessing our integrated capabilities in travel retail, convenience and F&B to unlock cross-selling potential and pioneering hybrid concepts.
- Further strengthened the balance sheet providing for ample liquidity. The successful issuance of EUR 500 million Senior Notes at attractive terms was used to refinance the maturing EUR 800 million Senior Notes.
- Moody's and S&P Global Ratings upgrades of Avolta's credit rating to Ba2 Stable Outlook and BB+ Outlook Stable respectively, reflecting our positive outlook and consistent financial policy. These upgrades drove a further 50bps improvement to Avolta's RCF margin, bringing the total improvement to 125bps since the beginning of 2023.
- New capital allocation policy established to realize profitable growth, stable cash flow management, value creation; CHF 0.70/share dividend approved at the 2024 AGM.

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[1] CORE Turnover throughout this news release is excluding fuel sales from motorway business; income from fuel sales included in CORE other operating income (see reconciliation table within this release).
[2] CER Constant Exchange Rate.

Xavier Rossinyol, CEO of Avolta, stated: "The first quarter of 2024 not only marks a strong beginning of our first full calendar year as Avolta but supports our outlook for 2024 and beyond. We are pleased to report that our strong trajectory continues into Q1 2024, underlining our confidence as we head into the summer season, with KPIs including an organic growth rate of 8.6%, an EBITDA margin of 6.1% and uninterrupted growth trends across the remainder of 2024 and beyond.

Looking ahead, market conditions remain promising, supporting our commitment to deliver best in class execution and performance. Collectively, the commitment to and execution of our Destination 2027 strategy continues to deliver attractive growth in combination with resilience. Our industry offers prime exposure to travel and long-term consumption trends. Avolta stands out with a uniquely stable and global platform with more than 5,100 Points of Sale across 73 countries.

The strength of our platform has also been recognized with Moody's upgrading Avolta's credit rating from Ba3 to Ba2 and Stable Outlook and S&P's ratings increase in Q2 from BB to BB+ with a Stable Outlook. Both agencies acknowledged the strength of our business model and sustainable competitive edge in travel retail and F&B, as well as our successful deleveraging efforts of recent months.

With a strong start in the first quarter and continued positive trends in the second, we confidently prepare for the upcoming summer season. 2024 holds great prospects, underpinned by highly attractive long-term global air passenger traffic trends, expected to double by 2042. The Avolta management team remains confident to deliver on 2024 and beyond. Journey On!"

RECENT DEVELOPMENTS AND OUTLOOK:

Underlying demand for travel retail, convenience and F&B across the quarter continued to be strong with Group Q1 organic growth up 8.6%. These positive organic growth trends have continued through April, with the company estimating April YTD organic growth at around +7.0% year-on-year (CER) comparable with Easter included in both years.

Over the medium-term, the company confirms its previously announced CORE Turnover growth target of 5%-7% per year on average at constant exchange rates. This medium-term growth is underpinned by Avolta's global diversification, which in turn bolsters its resilience. Beyond, 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 c. 4% CAPEX on CORE Turnover p.a.

As part of the Dufry-Autogrill business combination, Avolta reconfirms its target of achieving full run rate synergies of CHF 85 million in 2024, and integration related costs to reach CHF 25 million during the year.

Assuming current exchange rates remain stable for the remaining part of 2024, Avolta expects 2024 currency translation to be at the lower-end of the previously communicated -2% to -3% range.

CORE ORGANIC TURNOVER UP 8.6% CONSTANT CURRENCY

Q1 2024 consolidated Turnover reached CHF 2,838.4 million with CORE Turnover of CHF 2,784.2 million, reflecting 8.6% organic growth. All regions contributed positively, reflecting continued strong momentum in leisure demand. The additional Autogrill month contribution (January 2024) boosted Turnover by 13.8%, while the currency translation headwind, mainly related to depreciation of USD, EUR and GBP against the Swiss Franc, totalled -4.4%.

CORE Turnover Growth	Q1 2024 vs Q1 2023
Like for Like	8.9%
New concessions, net	-0.3%
Organic Growth	**8.6%**
Change in Scope	13.8%
Growth (CER)[3]	**22.4%**
FX Impact	-4.4%
Growth (AER)[4]	**18.0%**

Avolta's CORE EBITDA for the first quarter 2024 came in at CHF 168.6 million with an EBITDA margin of 6.1%, +40bps YoY, driven by commercial performance, productivity increases and earlier than expected synergy execution from the business combination.

EFCF amounted to CHF -80.4 million in the first quarter of 2024, reflecting the normal seasonality and benefitting from some timing shift in CAPEX.

The combined Group's financial net debt stood at CHF 2,915.3 million as at end-March 2024, implying a leverage of 2.5x net debt/CORE EBITDA. Available liquidity amounted to CHF 2,700.1 million, including CHF 847.2 million in cash and cash equivalents and CHF 1,852.8 million undrawn debt under the existing Revolving Credit Facility (RCF).

In the first quarter, Avolta secured a rating upgrade from Moody's from Ba3 to Ba2 and Stable Outlook, followed early in the second quarter by an increase from S&P Global Ratings from BB to BB+ with a Stable Outlook. These upgrades drove a further 50bps improvement to Avolta's RCF margin, bringing the total improvement to 125bps since the beginning of 2023.

In April, Avolta successfully issued EUR 500 million Senior Notes, due in 2031, at attractive terms. This was used to refinance the maturing EUR 800 million Senior Notes further enhancing the financial flexibility of the group by extending its average maturity while maintaining ample liquidity buffer.

[3] CER Constant Exchange Rate.
[4] AER Actual Exchange Rate.

REGIONAL PERFORMANCE AND BUSINESS DEVELOPMENT Q1 2024

CORE Turnover, in CHF million	Q1 2024	Q1 2023	Growth vs 2023	FX Impact vs 2023	Organic Growth vs 2023
Europe, Middle East and Africa	1,269.9	1,045.6	21.5%	-3.4%	11.7%
North America	973.6	781.6	24.6%	-5.0%	7.3%
Latin America	374.5	376.3	-0.5%	-5.5%	5.0%
Asia Pacific	144.3	131.1	10.1%	-7.1%	5.5%
Avolta Group[5]	**2,784.2**	**2,359.3**	**18.0%**	**-4.4%**	**8.6%**

IFRS/CORE TURNOVER RECONCILIATION

Q1 2024, in CHF million	Turnover IFRS	Fuel Sales Adjustments	Turnover CORE
Europe, Middle East and Africa	1,324.1	-54.2	1,269.9
North America	973.6	0.0	973.6
Latin America	374.5	0.0	374.5
Asia Pacific	144.3	0.0	144.3
Avolta Group[6]	**2,838.4**	**-54.2**	**2,784.2**

REGIONAL PERFORMANCE AND BUSINESS DEVELOPMENT Q1 2024

Europe, Middle East and Africa (EMEA)

Reported Turnover reached CHF 1,324.1 million, with CORE Turnover[7] of CHF 1,269.9 million representing organic growth of 11.7% (YoY). The performance was mainly driven by the persistence of strong leisure demand, benefitting holiday destinations in Southern Europe (with Italy and Greece as stand outs), and Morocco. In addition, performances in the UK, Nordics and Central Europe were solid mainly thanks to the continued recovery of international traffic.

Avolta secured new wins and extensions in the region in Q1 2024 including a nine-year contract for 26 F&B stores at Sabiha Gökçen International Airport (Türkiye), a seven-year contract extension at Edinburgh Airport (UK) including 30% additional commercial space, and a new ten-year partnership with Cologne-Bonn Airport (Germany) with the award of 17 new F&B stores. Avolta also expanded its presence in Bulgaria with an eight-year contract extension as Master Retail Concessionaire air-side, including additional six new stores at Burgas and Varna Airports (Bulgaria), corresponding to 2,707m^2 retail space, as well as securing a seven-year concession at Belgrade's Nikola Tesla Airport (Serbia).

New openings and significant store upgrades in the region included the following highlights; the opening of eight F&B stores in Helsinki (Finland), the launch of locally iconic 12Oz store in Milan (Italy), the addition of proprietary brand Burger Federation in Düsseldorf (Germany), Yardbird's opening in Zurich (Switzerland), the newest Jones the Grocer opening in Abu Dhabi's Zayed

[5] Including Distribution Centers with CHF 22.0 million for Q1 2024, and CHF 24.6 million for Q1 2023.

[6] Including Distribution Centers with CHF 22.0 million Turnover IFRS and Turnover CORE.

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

International Airport (UAE), as well as the inauguration of Eataly at the Autogrill Motorway in Dorno (Italy).

North America (NA)

Turnover reached CHF 973.6 million with organic growth of 7.3% YoY. In the US, growth across both travel retail and F&B was robust, underpinned by solid traffic trends and strong demand for the duty-free segment. Canada continued to benefit from the progressive recovery of international traffic volumes.

Over the quarter, Avolta invested in enhancing its duty free and F&B offerings throughout North America. Hudson opened its first duty free store in Halifax Stanfield International Airport and a Hermès boutique at Vancouver International Airport, as well as introducing the locally inspired Bryant Park Market by Hudson to Terminal 5 at John F. Kennedy International Airport and numerous travel convenience and retail stores to Dulles International Airport. In F&B, HMSHost brought a sense of place to the terminal with the opening of Angie's Subs at Jacksonville International Airport and Summit House at Calgary International Airport, and introduced a unique Chick-fil-A quick-service restaurant that serves both landside and airside travelers at Charleston International Airport.

Latin America (LATAM)

Turnover came in at CHF 374.5 million with YoY organic growth of 5.0%. Growth in Brazil, Chile, Colombia and Uruguay was solid thanks to international traffic recovery. This went someway to offset the negative trend in Argentina as a result of the unfavourable macroeconomic scenario. Mexico and Caribbean continued to enjoy leisure-driven demand.

Avolta grew in the region in the first quarter, with the award of a new six-year duty-paid contract at Maceió-Zumbi dos Palmares International Airport (Brazil), as well as establishing an innovative collaboration agreement with Corporación America Airports, a leading private airport operator managing 53 airports in six countries, to elevate the airport retail experience in Uruguay. This collective effort aims to design, implement, and operate duty-free stores that significantly enhance the overall airport experience for travelers through an innovative digitalized and data-driven approach.

Asia-Pacific (APAC)

Turnover totalled CHF 144.3 million with YoY organic growth 5.5%. Like-for-like trends remained solid benefitting from the intra-regional traffic recovery (Covid-related travel restrictions were still in place in Q1 2023), and sustained leisure traffic towards main holiday destinations during the quarter. This like-for-like was partially offset by the ongoing contract portfolio optimization in the region.

During the quarter, Avolta expanded the company's footprint in India to more than 100 stores with the award of a ten-year contract at the soon-to-be-opened Noida International Airport, adding eight new F&B stores to its portfolio. Newly opened or refreshed stores this quarter include the opening of a premium Bangalore Duty Free shopping experience, as well as Jones the Grocer and Royal Challengers Bangalore Sports Bar at Bangalore International Airport (India), the addition of iconic Diptyque boutique as well as a Wolfgang Puck restaurant and four Hudson stores in Shanghai Pudong Airport (China), Chongqing's Chanel boutique (China), the opening of Hungry Jacks at Gold Coast Airport (Australia), as well as the opening of a Pizza Hut and two Ahh Yum stores, a local favourite, in Kuala Lumpur International Airport (Malaysia).

For further information

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Alternative Performance Measures: This document contains information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their IFRS counterparts if not defined in the document may be found on pages 271 to 277 of the Annual Report 2023 available on our website at https://www.avoltaworld.com/en/investors.

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