Dufry and Autogrill join forces to redefine Travel Experience globally

Setting a new industry standard and anticipating consumer trends through an enhanced experience for passengers and greater benefits for landlords and brands, with a new global platform generating immediate value for consumers and shareholders.

- Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage (F&B), are combining to create a new, integrated global Travel Experience player.
- The combined entity will address 2.3 billion passengers in more than 75 countries in around 5,500 outlets across around 1,200 airport and other locations with CHF 13.6 billion revenue (2019 pro-forma) and CHF 1.4 billion EBITDA (2019 pro-forma, pre-IFRS 16).
- The transformational combination represents a complementary strategic fit and will support Dufry’s new long-term strategy.
- The enlarged Group redefines the boundaries of the industry and will focus on enriching the passenger journey based on experience and innovation.
- More integrated and digitalized offerings across Travel Retail & F&B provide landlords, airport partners and brands with an enhanced service portfolio.
- Dufry significantly strengthens its presence in the highly attractive and resilient US market, while adding opportunities in other key geographies including APAC, Latin America, the Middle East and Africa.
- The combination brings together two groups of highly experienced and strongly engaged professionals with complementary skill sets, led by Xavier Rossinyol as CEO of the combined Group.
- Dufry shareholders will benefit from EFCF per share accretion in the first year post-closing based on cost synergies with annual run-rate of approx. CHF 85 million.
- The enlarged entity will have a strengthened balance sheet with lower financial leverage compared to Dufry on a standalone basis, targeting a below 3x leverage level.
- Edizione, through a wholly owned subsidiary, will transfer its entire stake of 50.3% in Autogrill to Dufry at an exchange ratio of 0.158 new Dufry shares for each Autogrill share (referenced to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022) (the “Transfer”).

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1 In the first year post-closing, including phased-in synergies of CHF 85m at adj. OpCF level (pre-tax, pre-minorities) and excluding one-off transaction costs of CHF 100m and integration costs of CHF 100m.
2 At Adj. OpCF level: synergies of CHF 85m have been calculated before tax and minority interests, which account for approximately 35%. Expected to be fully achieved in the two-year period post-transaction.
3 Depending on completion of transaction by 2024-2025.
4 Volume-weighted average price.
Following the closing of the Transfer, Dufry will launch a mandatory tender offer for the remaining Autogrill shares, offering Autogrill shareholders the ability to participate in the future of the combined entity by receiving 0.158 new Dufry shares for each Autogrill share (same exchange ratio as offered to Edizione). Alternatively, Autogrill shareholders are offered a cash alternative equivalent to of EUR 6.33 per Autogrill share.

At closing, Edizione will become the major shareholder in the combined entity.

The closing of the transaction is subject to regulatory approvals, the approval by Dufry’s shareholders at the Extraordinary General Meeting, as well as other conditions.

Xavier Rossinyol, CEO of Dufry, commented: "I am very happy to lead this transformative combination, which I am sure will reinforce the new Group strategy and will create sustainable long-term value for our customers and shareholders.

We are transforming our industry and redefining its boundaries, and we will create a new corporate identity to reflect this fundamental move. By executing on this unique opportunity, we will accelerate growth by fully focusing on consumers and the digital revolution, by offering additional value to landlords and airport partners with an expanded service portfolio, while further diversifying the Group and increasing our resilience.

With a culture of prioritizing serving customers while relentlessly driving operational efficiencies and actively managing our portfolio of concessions, we will be able to drive growth and innovation as well as profitability.

We remain committed to our ESG principles and contributing to the communities and environments we work in.

I am impressed by the know-how, skills and – above all – the passion of the teams, both at Dufry and Autogrill. I am sure that together we will build the next generation of travel experience.

I want to express my admiration for what Gianmario Tondato da Ruos has achieved over the last two decades at Autogrill and his passion for the business. I thank him for continuing to support the company and me going forward.

I thank Edizione and its Chairman Alessandro Benetton for their trust, full alignment on the strategy and long-term commitment to the new combined company, with great vision and precise execution."

Gianmario Tondato da Ruos, CEO Autogrill, added: "A new cycle opens that will allow us to unleash a whole array of options centered around the needs of travelers worldwide. The business combination will enable a flurry of innovations in its offerings, which will translate into more enjoyable travel experiences across various geographies and channels. It represents an outstanding value creation opportunity for our stakeholders."
COMBINED GROUP IN FIGURES

The combined Group will be able to serve over 2.3 billion passengers across all continents in around 5,500 outlets at around 1,200 airport and other locations generating CHF 13.6 billion revenues (2019 pro-forma) and CHF 1.4 billion of EBITDA (2019 pro-forma, pre-IFRS 16). The Group’s global footprint and presence in more than 75 countries will provide an exceptional experience and knowledge within the industry and enable strong, mutual value-creating relationships with landlords, airport partners and suppliers. The Group will employ around 60,000 people from over 150 nationalities globally, united as one team.

COMPELLING STRATEGIC RATIONALE

Enhanced travel experience including F&B and digital engagement to serve passengers: The combined entity is well positioned to provide travelers with a redefined, holistic travel experience that reflects evolving consumer trends. Complementing Dufry's portfolio with F&B broadens our offering and gives us more contact points with travelers. In addition, the integrated Group will have greater resource to grow its digital capabilities, focused on delivering tailored passenger experiences. Dufry’s strategy has always been to serve the traveler along its journey, adapting our offers and concepts to accommodate its changing needs.

Holistic service portfolio for landlords and brands: The integration of Travel Retail, Convenience and F&B allows the combined entity to improve the commercial setup and revenue generation for landlords. This also includes bidding to act as Master Concessionaire/Terminal Manager, guaranteeing the best commercial setup and efficient handling to landlords and airport partners.

Business diversification and expansion in the highly attractive and resilient US market: The combined entity will benefit from an increased level of diversification by geography, business type and channel, driven by Autogrill's strong position in the highly attractive and resilient US F&B market, as well as its current exposure to the duty paid market and multi-channel approach. In particular, the US has proven to recover quicker and to be less volatile than the rest of the world due to the high share of domestic passengers. The combined Group will be present in more than 100 airports in the US, and with a shared presence in 17 of the country's top 20 largest airports.

Increased business development opportunities: Moreover, the transaction will expand Dufry’s growth opportunities in other attractive international markets including Asia-Pacific, the Middle East, Latin America and Africa. F&B is expected to be supported by future industry dynamics that can further drive growth, e.g. limited offerings on board, increasing travelers' propensity to grab drinks and foods before boarding, rising interest in regional food, and demand for new experiences and concepts.

Supportive for deleveraging: The combined entity is expected to benefit from a materially strengthened balance sheet and lower financial leverage compared to Dufry as a stand-alone business. Dufry agreed to reduce its leverage to below 3x between 2024 and 2025, depending on the timing of the completion of the overall transaction.

Compelling cost synergies potential: Dufry and Autogrill will integrate into one organization and expect to generate cost synergies with an annual run-rate of approx. CHF 85 million5, comprising both cost reductions and gross profit improvements. First, Dufry expects to realize optimization measures at cost of goods sold level in F&B and convenience with focus on the US.

5 At Adj. OpCF level (pre-tax, pre-minorities)
Secondly, Dufry expects to optimize support function costs and reduce business related operating expenses. Synergies are planned to be fully realized in the first two years post-transaction. A dedicated team will focus on the delivery on a zero-based budgeting approach.

**Value enhancing transaction for shareholders:** As a consequence of all the above, the transaction is expected to create sustainable value to shareholders. Despite the significantly lower leverage level, Dufry expects to achieve an EFCF per share accretion in the first year-post-closing. The EFCF conversion from the targeted cost synergies amounts to approx. 65%. In addition, the business combination is expected to generate new revenue opportunities going forward through diversification and innovation. The combined entity will continue to foster its ESG commitments and engagement for all stakeholders.

**TRANSACTION OVERVIEW**

Pursuant to the Combination Agreement, Edizione will transfer its entire 50.3% stake of the issued share capital of Autogrill to Dufry. Edizione will ultimately become Dufry’s largest shareholder with a stake of between about 25% and 20% at the end of the transaction, depending on the level of Autogrill shareholders choosing to receive Dufry shares in the mandatory tender offer. For technical reasons, Dufry will issue mandatory convertible notes to Edizione convertible into an aggregate of 30,663,329 newly issued Dufry shares, at an implied exchange ratio of 0.158 new Dufry shares for each Autogrill share. The mandatory convertible notes will be convertible at any time at Edizione’s option and mandatorily convert six months after issuance; they carry no coupon.

The exchange ratio has been agreed by reference to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and EUR 39.71 (CHF 40.96) per share for Dufry.

The closing of the Transfer is subject to regulatory approvals, including clearance from the relevant antitrust authorities, the approval by Dufry’s shareholders at the Extraordinary General Meeting, as well as other conditions including requisite lender consent under Dufry’s existing multicurrency term and revolving credit facilities.

Following completion of the Transfer, Dufry will launch a mandatory tender offer for the remaining Autogrill shares, offering 0.158 new Dufry shares for each Autogrill share. In compliance with Italian takeover law, Dufry will offer a cash alternative equivalent to EUR 6.33 per Autogrill share in the mandatory tender offer. Neither the exchange ratio, nor the cash alternative will be subject to any adjustment (assuming no dividends will be paid nor distributions will be made by Dufry). The mandatory tender offer will aim at ultimately delisting the Autogrill shares from Euronext Milan. Dufry will publish the relevant announcements and documentation with further details related to the mandatory tender offer in due course after the closing of the Transfer.

Dufry expects to refinance any cash consideration in the mandatory tender offer with equity and/or debt instruments.

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6 Excluding one off transaction costs of CHF 100m and integration costs of CHF 100m
7 Pro-forma for the full conversion of the mandatory convertible notes issued to Edizione
8 For Dufry, each daily closing share price has been converted from CHF to EUR using the spot CHF/EUR FX rate at the end of that trading day
9 Other than any treasury shares held at the end of the offer acceptance period
The Transfer is currently expected to close in Q1 2023, subject to regulatory approvals, while the transaction inclusive of mandatory takeover offer settlement is expected to be completed by Q2 2023.

Effective upon completion of the Transfer, Dufry and Edizione will enter into a long-term Relationship Agreement, which underlines the commitment of Edizione as long-term strategic anchor shareholder supporting the enhanced strategy of the combined entity. Edizione will be entitled to designate three representatives on the Board of Directors out of eleven. Edizione will enter into a lock-up for a period of two years after closing, subject to customary exceptions.

**LEADERSHIP AND GOVERNANCE OF THE COMBINED GROUP**

The Board of Directors of the combined entity will be chaired by Juan Carlos Torres. Assuming shareholder approval at Dufry’s Extraordinary General Meeting on August 31, 2022, the Board of Directors will comprise of Dufry’s current Board members as well as two representatives of Edizione, Alessandro Benetton (Chairman of Edizione) as Honorary Chairman and Enrico Laghi (CEO of Edizione) as Vice Chairman. Edizione has indicated its intention to nominate Paolo Roverato (Chairman of Autogrill) as additional Vice Chairman for election at the Dufry 2023 Annual General Meeting.

Xavier Rossinyol will lead the combined Group as CEO, with his extensive skills in both travel retail and travel food & beverage.

Moreover, at the closing of the Transfer, Gianmario Tondato da Ruos, Autogrill’s current CEO, will assume the position of Executive Chairman of the North American business of the combined entity, contributing with his wealth of experience, and be succeeded in his current function by Paolo Roverato.

The senior management team of the combined entity will comprise of members from both companies’, ensuring all necessary skills are represented. Yves Gerster will continue as the Group’s CFO.

A Strategy and Integration Committee – including directors representing both legacies – will be set up to advise on the integration process and on the strategy of the combined Group.

Juan Carlos Torres, Executive Chairman of Dufry added: “As a leader of travel retail, Dufry has strived to be at the forefront of services and products offered to travelers, airports and brands for years. Now, Dufry pledges to define the travel experience in a manner that creates value for all stakeholders.

The combination of the two groups will create a new leader in travel experience and will allow us to significantly increase our presence in core markets, such as the US, and in the sector of Travel F&B. In addition, this transaction will strengthen our balance sheet, reduce our leverage and create meaningful synergies.

The Board of Directors unanimously approved the business combination, recognizing the strategic fit and value generation. We encourage our shareholders to support this truly transformative, growth-enhancing and value-accretive transaction. On behalf of the board and myself, I would like to thank the Autogrill, Dufry, and Edizione management teams for their hard work and effort to make this strategic combination happen.”
Alessandro Benetton, Chairman of Edizione, confirmed: “This agreement allows the continuation of Autogrill’s growth and development path, an asset that will remain strategic for Edizione. The union between Autogrill and Dufry will allow the creation of the world champion in the sector, with a leadership position in different geographies and on different services, also favored by important synergies within the new Group. In this new reality, Autogrill will play a leading role, bringing with it its values and corporate culture, particularly in the areas of sustainable development and innovation. In Dufry and its current management, we immediately recognized a common vision and values, combined with a management culture and skills of the highest level recognized throughout the industry.”

EXTRAORDINARY GENERAL MEETING

In order to implement the combination, Dufry will hold an Extraordinary General Meeting, which is scheduled to take place on August 31, 2022.

The Board of Directors will propose to the Extraordinary General Meeting among other things to create additional conditional capital and authorized share capital allowing it to issue the required shares to Edizione and the free float shareholders of Autogrill and to conduct a rights offering (if any), to elect Alessandro Benetton and Enrico Laghi as representatives of Edizione to the Board of Directors, and to amend its Articles of Incorporation. In addition to the increase in the maximum size of the Board of Directors and certain other transaction-related amendments, it is proposed to limit the exercise of voting rights by any shareholder or shareholders acting in concert to 25.1% of the Company's registered share capital until June 30, 2029.

The invitation, together with the detailed proposals of the Board of Directors, will be published in due course.

CURRENT TRADING

Dufry continued to see positive trend in travel demand in general, and travel retail specifically, with all regions contributing positively during the second quarter.

For the second quarter, net sales performed around -17% vs 2019, and for half-year 2022 around -25% vs 2019. Compared to 2019, net sales April periodic were around -23%; May periodic around -15%; June periodic around -13%, all figures are at constant FX.

Half-year 2022 performance stood at around +145% in net sales compared to 2021 at constant FX. Best performing regions already at or even ahead of 2019 have been the US due to the strong domestic market as well as uptake in intra-regional and transatlantic travel, Central America and the Caribbean as well as the Mediterranean and South European regions.

Dufry expects to have achieved a strong EFCF in the area of CHF 150 million during the first half 2022, which is in line with the performance in the same period 2019.

Dufry will publish its Half-Year Results 2022 and full set of financials on August 9, 2022.

Moreover, Dufry will hold a Capital Markets Day in London on September 6, 2022 (with an optional site visit to Dufry’s operations at London Heathrow on September 7, 2022).
INVITATIONS TO MEDIA CONFERENCE & ANALYST / INVESTOR CONFERENCE CALL

*Invitation to Media Conference, Monday, 11 July 2022:*
Dufry will hold a physical Media conference and presentation on Monday, July 11, 2022, at 10.00 CEST in the Shanghai Meeting Room at the **Hyatt Zurich Hotel** (Beethoven-Strasse 21, 8002 Zurich).

Speakers will be Xavier Rossinyol, CEO Dufry, and Yves Gerster, CFO Dufry. The presentation will be held in English, followed by a Q&A session.

Participants are welcome to attend in person, or alternatively can attend remotely, either via telephone or online webcast through our website: [https://www.dufry.com/en/DufryAutogrill](https://www.dufry.com/en/DufryAutogrill)

A playback option will be available on our website until August 11, 2022.

If you are unable to register through the link, please send an e-mail to ir@dufry.com.

*Invitation to Investors and Analysts Conference, Monday, 11 July 2022:*
Dufry is delighted to invite you to the physical Investors and Analysts Conference, on Monday, July 11, 2022, at 14.30 CEST in the Shanghai meeting room at the **Hyatt Zurich Hotel** (Beethoven-Strasse 21, 8002 Zurich).

Speakers will be Xavier Rossinyol, CEO Dufry, and Yves Gerster, CFO Dufry. The presentation will be held in English, followed by a Q&A session.

Participants are welcome to attend in person, or alternatively can attend remotely, either via telephone or online webcast through our website: [https://www.dufry.com/en/DufryAutogrill](https://www.dufry.com/en/DufryAutogrill)

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**About Dufry**
Dufry AG (SIX: DUFN) is the leading global travel retailer operating over 2,300 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas, in more than 420 locations in 66 countries across all six continents.

The Company, founded in 1865 and headquartered in Basel, Switzerland, is offering customers a first-class shopping experience, global brands, a unique market access and landlords a reliable, value-enhancing partnership. To learn more about Dufry, please visit [www.dufry.com](http://www.dufry.com).

**About Autogrill**
Autogrill S.p.A. (XMIL: AGL) is a leading global provider of food & beverage services for travelers, operating mainly in airports, motorways and railway stations with a broad geographical reach. It has a presence in 30 countries on 4 continents, through more than 800 locations and managing approx. 3,300 points of sale. Autogrill, headquartered in Milan, Italy, employs over 34,000 employees. The company manages a wide portfolio of owned and licensed brands (>300), to satisfy the changing needs of customers and landlords. To learn more about Autogrill, please visit [https://www.autogrill.com](https://www.autogrill.com).
Advisors
UBS and Credit Suisse acted as financial advisors to Dufry on this transaction. Homburger AG, Chiomenti and Davis Polk & Wardwell LLP are acting as legal advisors to Dufry. Morrow Sodali is acting as Information Agent on this transaction and can be reached on +442080893286.

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The offers referred to herein, when made in member states of the European Economic Area ("EEA") and the United Kingdom, is only addressed to and directed to “qualified investors” within the meaning of Article 2(e) the Prospectus Regulation ("Qualified Investors"). For these purposes, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and includes any relevant delegated regulations.

If located in a relevant state, each person who initially acquires any securities, and to the extent applicable any funds on behalf of which such person acquires such securities that are located in a relevant state, or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor as defined above.

For readers in the United Kingdom, this announcement is only being distributed to and is only directed at Qualified Investors who are (i) outside the United Kingdom or (ii) investment professionals falling within Article 19(5) ("Investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) certain high value persons and entities who fall within Article 49(2)(a) to (d) ("High net worth companies, unincorporated associations etc.") of the Order; or (iv) any other person to whom it may lawfully be communicated (all such persons in (i) to (iv) together being referred to as "relevant persons").

This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. This document is not a prospectus within the meaning of the Swiss Financial Services Act and not a prospectus under any other applicable laws.

This press release may contain certain forward-looking statements relating to Dufry and its business. Such statements involve certain risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Dufry to be materially different from those expressed or implied by such statements. Readers should therefore not place undue reliance on these statements, particularly not in connection with any contract or investment decision. Dufry disclaims any obligation to update any such forward-looking statements.
DUFRY GROUP – A LEADING GLOBAL TRAVEL RETAILER

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Social Responsibility
Dufry cares for children and supports social projects from SOS Kinderdorf in Brazil, Mexico, Kenya, Russia, Jordan and Spain. SOS Children’s Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.