

## NEWS RELEASE

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# Strong start to the year with 51.5% Turnover Organic Growth in Q1 2023

Dufry's successful combination with Autogrill gave a solid start to the year reflecting a resilient market, growing global demand for travel and strong execution. Fully consolidated since February 2023, the combined Group is set to deliver a global revolution in travel experience through Dufry's Destination 2027 strategy.

### HIGHLIGHTS:

- Turnover of CHF 2,359.3 million achieved by the consolidated business, representing an increase of 113.4% vs 2022 in constant exchange rate (CER)
- Organic growth, excluding business combination benefits, at 51.5% year-on-year
- Underlying momentum for travel into Q2, with April net sales (periodic) estimated at plus 30.2% versus 2022 and plus 2.3% versus 2019<sup>1</sup>
- Dufry remains vigilant on geo-political, macro-economic, inflation, operational or consumer sentiment changes
- CORE EBITDA for Q1 2023, seasonally the lowest quarter, came in strongly above prior years' levels with CHF 134.1 million
- Equity Free Cash Flow (EFCF) outperforming typical seasonal pattern resulting in CHF -137.8 million for Q1 2023
- Autogrill integration and initiatives to realise full synergies underway; with Mandatory Takeover Offer (MTO) completion progressing as planned
- Net debt of CHF 3,029.0 million and leverage further reduced to 3.1x net debt/CORE EBITDA as of 31 March 2023 (including last twelve months of Autogrill)
- Comfortable available liquidity position of CHF 2,706.9 million<sup>2</sup> to facilitate future needs including MTO financing and 2024 senior notes maturity
- S&P Global Ratings and Moody's upgraded Dufry's credit rating to BB- CreditWatch Positive and Ba3 Outlook Positive respectively

<sup>1</sup> Growth refers to proforma Dufry and Autogrill combined in CER

<sup>2</sup> Including commitments signed in April 2023

**Xavier Rossinyol, CEO of Dufrey Group, commented:** “Today is momentous for Dufrey, for our people and our investors. This is our first report as a combined Group; Dufrey and Autogrill are now one united company, creating value for all stakeholders together. In our first quarter as a combined business, working together towards our Destination 2027 strategy, we have capitalized on the continued momentum of the travel sector to deliver CHF 2,359.3 million Turnover versus CHF 1,118.5 million last year. This was a solid performance, organically and supported by the business combination. Moreover, April net sales stood at plus 30.2% versus 2022 for the combined Group and were – at constant exchange rates – tracking ahead of 2019 levels over the past two months.

We are well positioned for quarter two while we maintain our discipline, both in new business development and in cost and cash management. On an external level, our teams closely monitor any potential geo-political, macro-economic, inflation, operational and airport capacity changes, as well as changes in consumer sentiment, adjusting our course to mitigate risk and take advantage of opportunities.

With leadership representative of both companies, our teams are on track to generate synergies and new commercial concepts, with initial benefits as early as this year. We are committed to realizing our business integration while continuing to deliver outstanding service experiences for our customers. This traveler-centric approach benefits more than just our customers, flowing on to our concession, brand and business partners alike.

Thanks to all members of our Board of Directors for their guidance and steering of the integration process, and in particular to Dufrey’s Chairman Juan Carlos Torres Carretero for his vision and tireless support.

The new combined group has a stronger financial position, lower leverage and more financial flexibility. At the same time, the new shareholder structure benefits our integrated company with a strong core of stable shareholders with strategic and industrial focus, in particular those represented in our Board of Directors, Advent and our largest shareholder Edizione who bring in long-term planning and vision. Our thanks go to the Benetton family and our Honorary Chairman Alessandro Benetton for their support, direction and ongoing strategic commitment to our combined Group’s shared future.

Above all, I want to thank our employees for their extraordinary motivation and hard work. We remain convinced that by revolutionizing the travel experience globally, we will continue our growth trajectory and track record of delivery.”

## TRADING UPDATE

Dufrey reports continued positive momentum and resilient demand throughout Q1 2023, despite the period being historically the lowest season for the travel sector. Consolidated Turnover reached CHF 2,359.3 million, translating to Turnover growth of 113.4% (CER), with 51.5% organic growth against Q1 2022, which was still impacted by Covid-related restrictions on travel. New concessions (net) contributed positively with 3.3%. Currency effects on Turnover stood at -2.5% for the quarter, mainly related to EUR and GBP.

<b>Turnover Growth</b>	<b>Q1 2023 versus 2022<sup>3</sup></b>
Like for Like	48.1%
New concessions, net	3.3%
<b>Organic Growth</b>	<b>51.5%</b>
Change in Scope	61.9%
<b>Growth (CER)</b>	<b>113.4%</b>
FX Impact	-2.5%
<b>Reported Growth</b>	<b>110.9%</b>

The combined Group benefits from a balanced split of business lines. Duty-free accounted for 38% of Turnover, duty-paid/convenience for 26% and food & beverage for 36%. The airport channel contributed 84% in a more diversified portfolio including motorways, railways, ferries, cruise ships, ports and other channels.

CORE EBITDA for the first quarter 2023 came in strongly with CHF 134.1 million, above prior years' levels. EFCF performed in line with seasonal patterns, amounting to CHF -137.8 million. The solid performance was driven by strong EBITDA and Working Capital movements, typical for the first quarter, including inventory build-up in preparation of increased demand across the high season throughout Q2 and Q3. Based on current visibility, Dufry reiterates its outlook for Full-Year 2023 provided to the market.

The combined Group's net debt stood at CHF 3,029.0 million as of end-March 2023. Available liquidity amounted to CHF 2,528.4 million, including CHF 1,164.5 million in cash and cash equivalents and CHF 1,363.9 million undrawn debt under the existing Revolving Credit Facility (RCF) at the end of March 2023. In April, Dufry employed the RCF's "Accordion" feature for increased flexibility and to on-board some of Autogrill's lending banks alongside Dufry's existing providers. Thereby, Dufry increased the facility by CHF 178.5 million (EUR 180 million) and as a consequence its total available liquidity to CHF 2,706.9<sup>4</sup>. The RCF can be further enlarged and, based on interest received, Dufry expects to make further use of this option later this year. The same terms and conditions as the initial RCF amount apply.

Dufry's margin on borrowings under its RCF improved by 50bps related to rating upgrades by S&P Global Ratings and Moody's. The agencies upgraded Dufry's credit rating to BB-CreditWatch Positive and Ba3 Outlook Positive respectively. The combined Group is well positioned for any upcoming financing requirements.

## RECENT DEVELOPMENTS

Dufry has continued to see strong demand for travel retail and travel F&B into Q2, affirming the Group's confidence in its near-term outlook. The company estimates April net sales performance of 30.2% versus 2022 (proforma, CER) and of plus 2.3% versus 2019 (proforma, CER). Dufry expects continued positive developments throughout 2023 based on current trading and visibility

<sup>3</sup> Organic Growth adjusted for FX and regional revenue allocation

<sup>4</sup> Including Accordion signed in April as disclosed to the market on May, 5<sup>th</sup> 2023

on consumer behaviour; however, it maintains a prudent approach considering potential changes in the macro-economic environment, operational challenges and impacts on consumer sentiment and travel-related spending. Dufry reiterates its outlook for Full-Year 2023 provided to the market.

Dufry has successfully closed the business combination with Autogrill by transferring the 50.3% stake in Autogrill, formerly held by Edizione, and began fully consolidating the business as of February 2023. The integration process began immediately with all pre-requisites met to deliver the previously identified expected run-rate cost synergies of CHF 85 million. Independently from the fast-progressing integration and pursuant to Italian law, Dufry launched a MTO on the remaining Autogrill shares, with closing expected towards the end of Q2 2023.

The transformative combination is part of Dufry's new strategy "Destination 2027" to revolutionize the travel experience. In line with its strategy, Dufry formed a new Global Executive Committee, which includes representatives and expertise from both companies. At [Dufry's Ordinary General Meeting 2023](#), Dufry's shareholders voted in favour of Mr. Alessandro Benetton (Chairman of Edizione and former Board member of Autogrill), Mr. Enrico Laghi (CEO of Edizione) and Mr. Sami Kahale to represent Edizione on Dufry's Board of Directors, supporting the integration and long-term strategy of the combined Group with their knowledge and experience.

As a core pillar of its long-term strategy, Dufry continues to focus on strengthening its sustainability engagement. Progress achieved in the period includes advances in its Community Engagement Strategy and related initiatives, Diversity & Inclusion trainings and awareness campaigns as well as the roll-out of internal communication channels across the combined Group to engage employees globally. Dufry also improved its Moody's ESG scoring, reaching an above sector average performance. Further information is provided in [Dufry's 2022 Sustainability Report](#).

## REGIONAL PERFORMANCE

With the consolidation of Autogrill as of February 2023, Dufry amended its segment reporting to four regions in line with its leadership and management structure: Europe, Middle East and Africa (EMEA), North America (NA), Latin America (LATAM) and Asia-Pacific (APAC).

Turnover in **Europe, Middle East and Africa** amounted to CHF 1,045.6 million in Q1 2023 from CHF 505.8 million one year ago. Organic growth versus 2022 was 58.0% (CER). The EMEA region's continued healthy performance was largely driven by leisure demand. Best performing included leisure destinations such as Turkey, Greece & Morocco. During Q1 2023, Dufry succeeded in winning or extending retail and F&B concessions at airports such as [Helsinki](#) (Finland), as well as had openings at, among others, locations including [Brussels](#) (Belgium), East Midlands Airport and Stansted (UK), Düsseldorf (Germany) as well as across The Netherlands.

**North America's** Turnover stood at CHF 781.6 million in Q1 2023 versus 298.1 million in Q1 2022. Organic growth versus 2022 was 33.8%, (CER). The main performance driver was the strong domestic market in the United States, while Canada continued to be impacted by the lower levels of Chinese travellers. In retail, a new Hudson Nonstop, powered by Amazon's Just Walk Out technology, opened in Charleston International Airport (USA), bringing the total number of Hudson Nonstop stores to eight, and five stores were opened in the brand new Newark Liberty

International Airport Terminal A (USA). In F&B, openings included LaGuardia Airport (USA) and Jacksonville International Airport (USA). Additionally, Dufry was awarded a new long-term duty-free contract for Boston Logan International Airport (USA), along with an extension for its duty-paid business there, and was also awarded long-term contracts for both retail and food & beverage at Oakland International Airport (USA).

**Latin America** turnover stood at CHF 376.3 million in Q1 2023 versus CHF 254.3 million in Q1 2022. Organic growth versus 2022 was 47.8%, (CER). Best performing markets were Argentina, Mexico and the Caribbean. The cruise line continued to recover. New or extended concessions include Vitória Airport (Brazil).

Following the easing of restrictions in China at the beginning of the year, **Asia-Pacific** saw a significant improvement from its previous year's low base. China's re-opening started to benefit from domestic and intra-regional travel, with international travel remaining temporarily impacted by capacity constraints and backlogs in passport issuance. Turnover reached CHF 131.1 million in Q1 2023 from CHF 31.6 million in Q1 2022. Organic growth versus 2022 was 276.9% (CER). New, newly opened or extended concessions include Bangalore (India), Bali (Indonesia) and Kuala Lumpur (Malaysia).

Turnover, in CHF million	Q1 2023	Q1 2022	Reported Growth vs 2022	Organic Growth <sup>5</sup> 2022
Europe, Middle East and Africa	1,045.6	505.8	106.7%	58.0%
North America	781.6	298.1	162.2%	33.8%
LATAM	376.3	254.3	48.0%	47.8%
Asia Pacific	131.1	31.6	314.9%	276.9%
Distribution Centers	24.6	28.8	-14.6%	-14.4%
<b>Dufry Group</b>	<b>2,359.3</b>	<b>1,118.5</b>	<b>110.9%</b>	<b>51.5%</b>

For the Q1 2023 Trading Update Presentation and Conference Call, please visit our dedicated page: <https://www.dufry.com/en/Q1-23>

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<sup>5</sup> Organic Growth is adjusted for FX and regional revenue allocation

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#### DUFRY GROUP – A LEADING GLOBAL TRAVEL RETAILER

Dufry AG (SIX: DUFN), founded in 1865 and headquartered in Basel, Switzerland, delivers a revolutionary Travel Experience to consumers worldwide by uniquely combining retail, food & beverage and digital. Our company addresses 2.3 billion passengers in more than 75 countries in 5,500 outlets across 1,200 airports, motorways, cruise lines, seaports, railway stations and other locations across all six continents. With the traveler at our core, we are creating value for all our stakeholders including concession and brand partners, employees, communities, and finally, our shareholders.

Sustainability is an inherent element of Dufry's business strategy aiming for sustainable and profitable growth of the company while fostering high standards of environmental stewardship and social equity.

To learn more about Dufry, please visit [www.dufry.com](http://www.dufry.com)

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