



Avolta



**Q1 2024
Trading Update**

16 May, 2024



AGENDA

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- 02 Financials
- 03 Conclusion
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01

Highlights & Business Update



Clear Strategy (1/2)

Avolta's unique foundations strongly positions it to capture growth



Scale and resilience

- Uncontested leader in Travel Retail and Food & Beverage
- Diversification underpins resilience and reinforces growth potential
- A truly distinct counterpart for our business partners
- Travel share of wallet continues to grow
- Sustainable and resilient passenger growth (expected to double by 2042)

73 Countries
1,000+ locations
5,100+ outlets



Fully Integrated proposition

- 2024 first full calendar year as Avolta
- Barriers to entry stronger than ever
- Differentiated value proposition including Hybrid Concepts and Smart Stores
- Capacity to alternate and combine retail and F&B underpins strong SPP dynamic

>95%
Retention rate at renewal of existing concessions



Customer Knowledge

- Global Network and Data Powerhouse offers unique traveler insight
- Capture travelers' data throughout the journey bolsters conversion
- Focus on customer-centricity and the digital revolution enhancing traveler experience

>477,000m²
Total retail space



Financial discipline

- Accelerate operational leverage on Asset-Light Model
- Active portfolio management
- Flexible cost structure mitigates risk
- Capital Allocation Policy with balanced approach between deleveraging and growth
- Focus on shareholder return with established dividend policy

2.3bn
Passengers access annually

1,000+
Brand partners

Clear Strategy (2/2)

Destination 2027 gained momentum in 2023, continued execution in 2024

“MAKING TRAVELERS HAPPIER”



TOP LINE GROWTH AND RESILIENCE

PROFITABILITY & MARGIN IMPROVEMENT

INCREASE CASH FLOW CONVERSION

STRONG BALANCE SHEET & LIQUIDITY

Highlights Q1 2024

Solid Q1 2024 Results

CORE Turnover CHF 2,784.2m with **Organic Growth** of 8.6%¹

Positive momentum continues with April YTD organic growth estimated at around +7.0% year-on-year CER² comparable with Easter included in both years

CORE EBITDA CHF 168.6m with EBITDA margin of **6.1%**, **+40bps** YoY

EFCF CHF -80.4 m, clearly ahead of expectations

Buoyant Market and Strong Execution

Solid travel demand despite macroeconomic and geopolitical uncertainty

CHF 85m run-rate synergies fully implemented following successful integration

Delivering on our Travel Experience Revolution journey. Hybrid and Smart Stores roll-out on track with FY targets

Confirmed mid-term outlook of profitable, cash generative, growth

Key Business Developments

Successful 10 year extension of Athens concession including 31 retail stores over 4,900 m² floorspace

Norwegian Cruise Line selected Avolta as exclusive retail partner for 4 new ships. Contract for 14 existing ships renewed

Sabiha Gökçen International Airport contract for 22 F&B stores extended by 9 years. 4 additional stores added

New partnership with Corporación America Airports to elevate the airport retail experience in Uruguay

Refinancing and Credit Rating Upgrades

New EUR 500m senior notes, due 2031, **issued** further enhancing financial flexibility of the Group

Majority of EUR 800m senior notes due in 2024 **repaid ahead of maturity**

Credit rating upgrades by Moody's (**Ba2, Outlook Stable**) and S&P Global Ratings (**BB+, Stable Outlook**) reflecting the solidity of our strategy

Ample liquidity to sustain future growth opportunity

Key Financials (1/2)

In CHFm, CORE Numbers	Q1 2024	Q1 2023	YoY
Turnover	2,784.2	2,359.3	+8.6% Organic +18.0% Reported
EBITDA	168.6	134.1	+25.7% YoY
EBITDA Margin (%)	6.1%	5.7%	+40 bps
EFCF	-80.4	-137.8	+57.4

April YTD organic growth estimated at around +7.0% year-on-year
CER¹ comparable with Easter included in both years

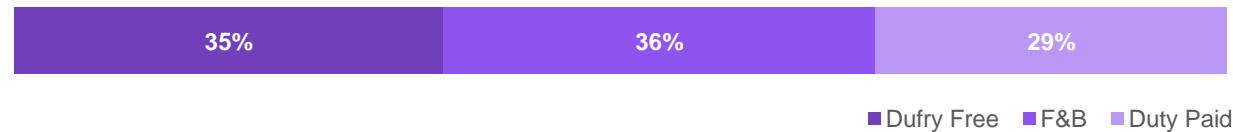
Key Financials (2/2)

Regional Performance and Segmentation

Geographic mix¹



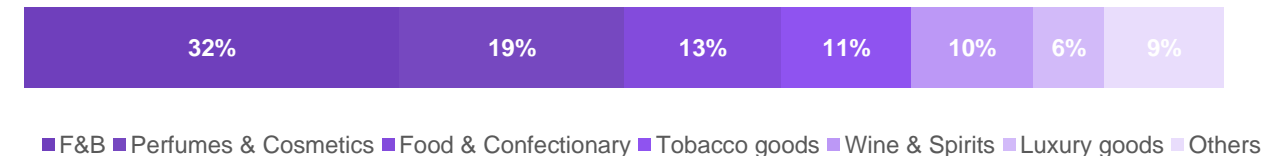
Business Lines



Channels



Category Mix



EUROPE, MIDDLE EAST & AFRICA

TURNOVER

1,269.9 CHF m

11.7% Organic Growth

Positive performance mainly driven by **strong leisure demand**, boosting holiday destinations in Southern Europe and Morocco. UK, Nordics, and Central Europe also showed solid trends mainly thanks to the **recovery of international traffic**.

NORTH AMERICA

TURNOVER

973.6 CHF m

7.3% Organic Growth

US **growth** in both **F&B** and **Travel Retail robust** thanks to solid domestic and international traffic trends. **Canada** trends improving with progressive return of **Asian travelers**

LATIN AMERICA

TURNOVER

374.5 CHF m

5.0% Organic Growth

Strongest markets: **Brazil, Chile, Colombia and Uruguay; Mexico** and the **Caribbean** continued to enjoy leisure-driven demand

ASIA PACIFIC

TURNOVER

144.3 CHF m

5.5% Organic Growth

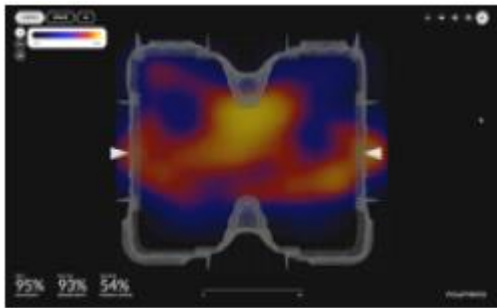
Like-for-like trends remained solid and consistent with recent quarters. Boost from intra-regional traffic recovery partially offset by the ongoing **contract portfolio optimization** in the region

Delivering on the Travel Experience – Commercial Initiatives (1/2)

FLEX Framework for Customer Engagement & Conversion through the Journey

Flexible

Ensuring agility, adaptability and scalability with new concepts/changing assortment, digital and consumer experience



→ Elevating travel retail with flexible spaces and conserve capital

Loyalty

Generating additional value and elevating the customer experience for our loyal clientele



→ Improve app and elevate experience through new loyalty program

Entertainment

Creating opportunities for fun and entertainment through gamification and in store activations



→ Customer activations through entertaining moments

Xfactor

Integrating hybrid concepts, Smart store technology and cross-category concepts



→ Continued rollout of hybrid concepts, Pre-loved and Smart Store technology

Delivering on the Travel Experience – Commercial Initiatives (2/2)



HYBRID
(Combining Retail with F&B)



PRE-LOVED
(New Category)

Mid-Term Outlook Confirmed

Outlook provided in CER *(and not withstanding any unforeseeable global shocks)*

Mid-Term Outlook (per annum at CER)	
Organic Growth	+5% - 7%
EBITDA Margin	+20 - 40bp
EFCF Conversion	+100 - 150bp
CAPEX (% of Turnover)	~4.0%

Capital Allocation Policy	
Leverage target	1.5x-2.0x
Dividend	1/3 of EFCF
Deleveraging & Profitable Growth	2/3 of EFCF

02

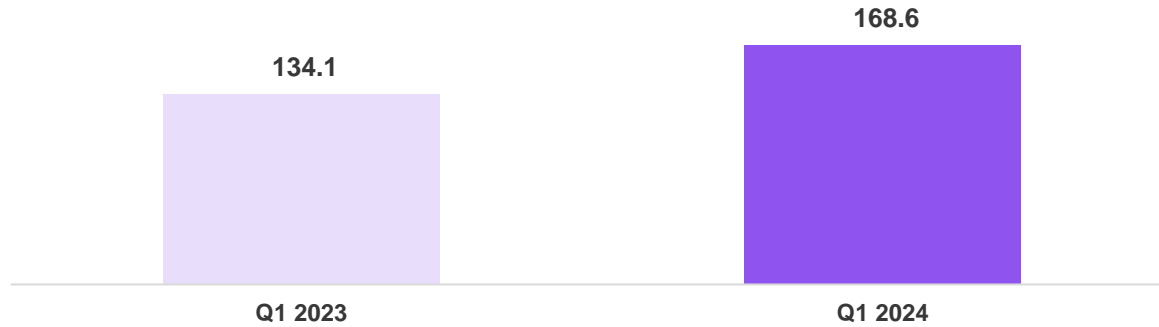
Financials



Margin Expansion and Improved EFCF

EBITDA

CHFm



Margin %

5.7%

6.1%

EFCF

CHFm



EBITDA margin +40bp YoY reflecting

- Commercial performance
- Productivity increases
- Synergy delivery and some integration costs
- Active portfolio management

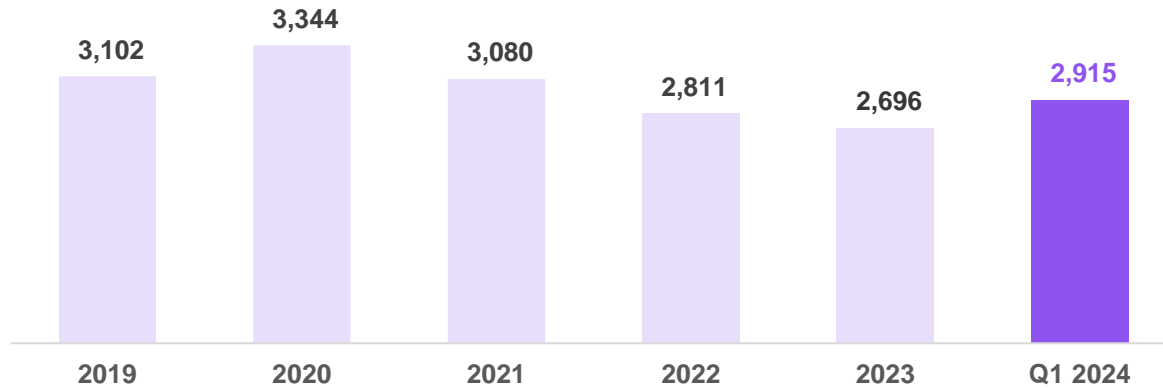
Strong EFCF performance

- Typical WC seasonality
- Benefit from some timing shifts in CAPEX
- EFCF and Capex expectations confirmed and in line with the mid-term guidance range
- Continued focus on cash flow optimization and efficiency enhancements

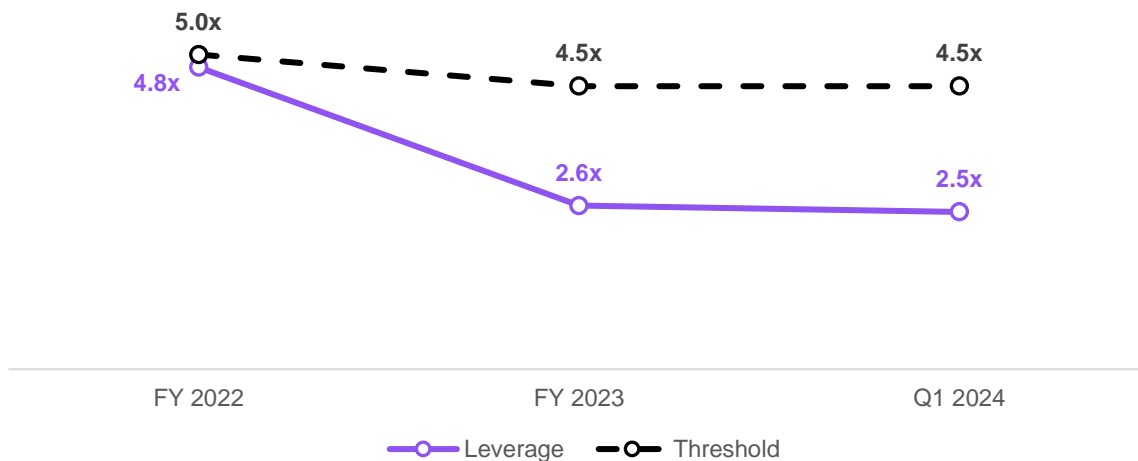
Financial Net Debt and Leverage

Financial Net Debt

CHFm



Leverage



Financial net debt incorporates normal seasonal effects and FX translation

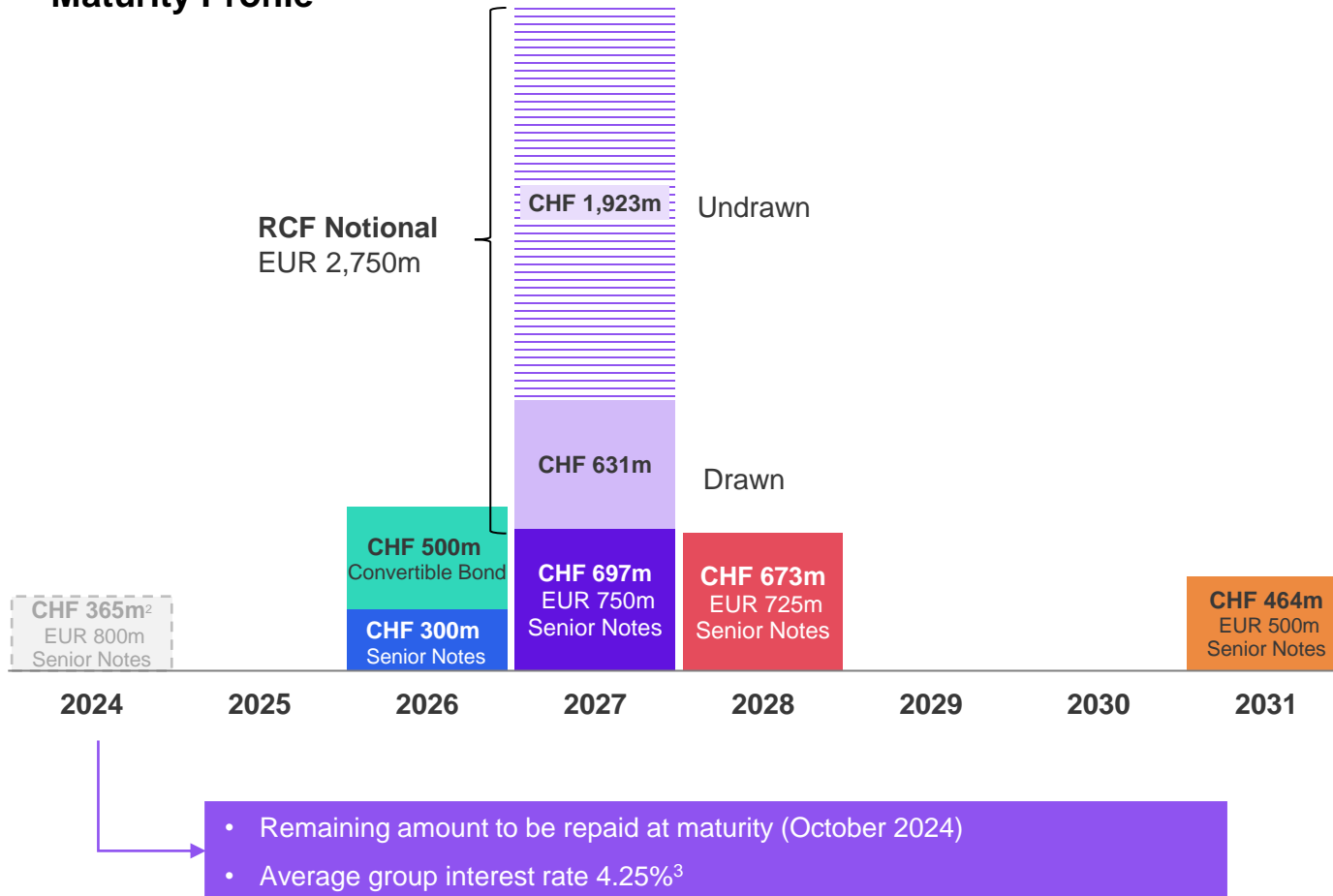
- **Net Debt CHF 2,915m**
- **FX** impact led to approximately **CHF 100m** increase in net debt
- **Debt split:** USD: 36%, EUR: 32%, CHF: 25%, GBP: 4%, Others: 3%

Leverage¹ of 2.5x Net Debt/ CORE EBITDA

- Mid-term target leverage 1.5x-2.0x
- Healthy headroom to 4.5x threshold

Maturity Profile & Liquidity Position

Maturity Profile¹



Successful refinancing initiative

- **New 2031 EUR 500m senior notes** issued at 4.75% coupon
- 51% of notional taken up in April 2024 tender of EUR 800m senior notes. Remaining amount to be repaid in cash in October 2024
- **Weighted average maturity extended** to 3.8 years following refinancing initiatives
- **Balance fixed (81%) and floating rate (19%) debt**
- **Strong liquidity** at CHF 2,700m as of Q1-24

15 ¹ Situation following the refinancing initiatives finalized on 19 April 2024

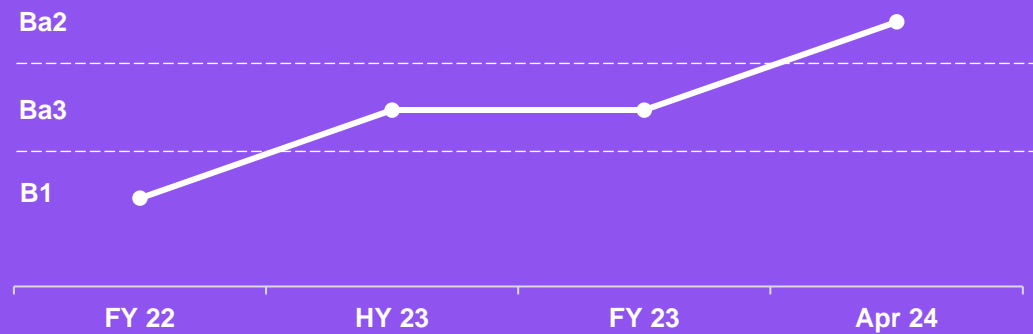
² Outstanding amount of initial EUR 800m Senior Notes

³ Proforma FY2023

Credit Rating Upgrades

Moody's

Rating Evolution



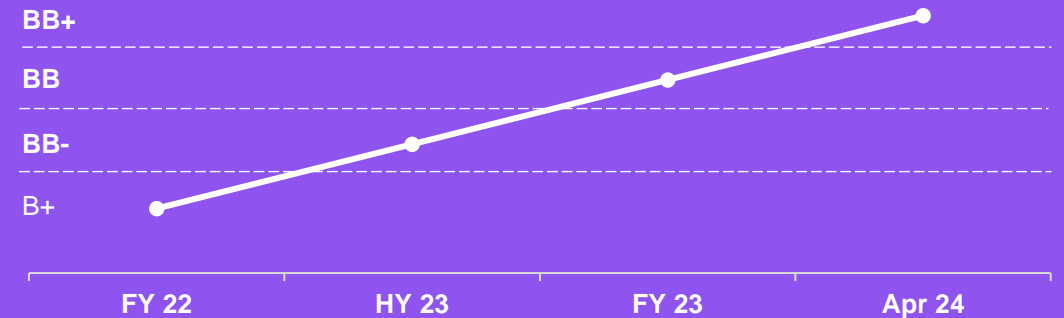
- **Rating action:** 27 March 2024
- **Current rating:** Ba2, Outlook Stable

Rating rationale

- Strong performance in 2023 and solid trading environment continuing in 2024
- The credit-enhancing and deleveraging combination with Autogrill
- A balanced financial policy, including a target of further deleveraging

S&P Global Ratings

Rating Evolution



- **Rating action:** 3 April 2024
- **Current rating:** BB+, Outlook Stable

Rating rationale

- Strong operating performance in 2023 on the back of sound operating performance
- Renewal of AENA concession contract as a demonstration of business strength
- Tightening of Avolta's financial policy parameters (capital allocation)

Collective upgrades led to aggregate RCF margin improvement of 125bps since beginning 2023

03

Conclusion



CONCLUSION

Strong Sales

Strong organic sales growth in Q1 (8.6%) driven by contribution from all regions
Positive momentum continues with April YTD organic growth estimated at around +7.0% year-on-year
CER¹ comparable with Easter included in both years

Margin Expansion

Driven by **earlier than expected synergy execution** from the business combination and **cost discipline**

Balance Sheet Strength

Continued **progress on de-leveraging path** towards mid-term target evidenced further by recent **credit rating upgrades**

Cash Generation

EFCF Q1 of CHF -80.4 million, clearly ahead of expectations, driven by **increased profitability**

Scale and Resilience

Contract wins and extensions in Q1 across all segments (DF, DP, F&B) and new hybrid concepts strengthening global market leadership and portfolio resilience

MID-TERM OUTLOOK CONFIRMED - JOURNEY ON!

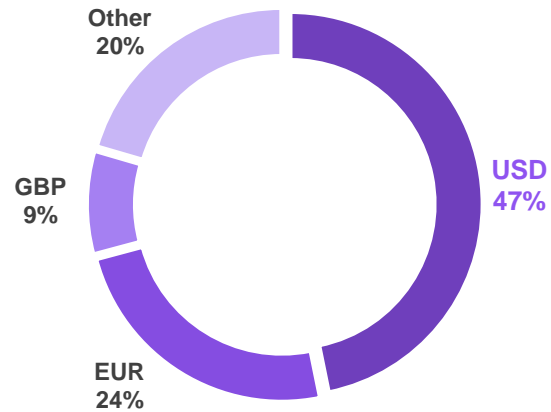
04

Appendix

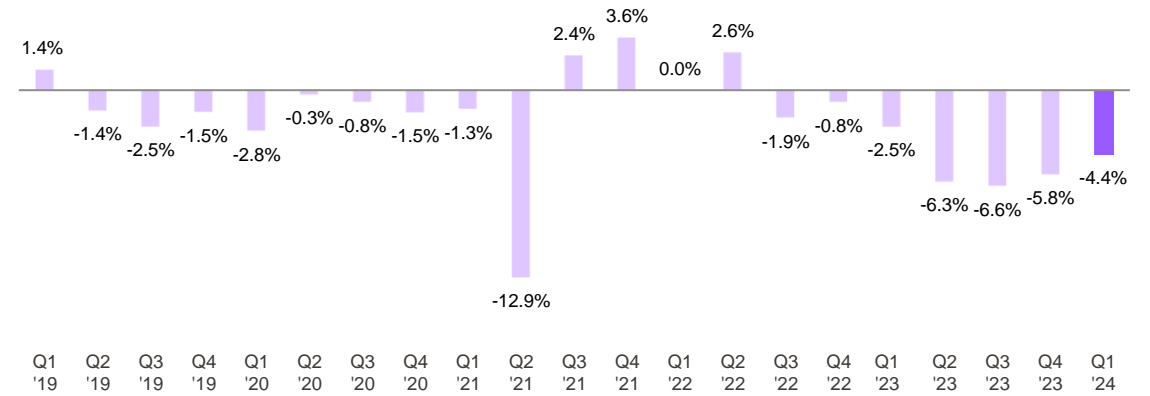


FX Q1 2024

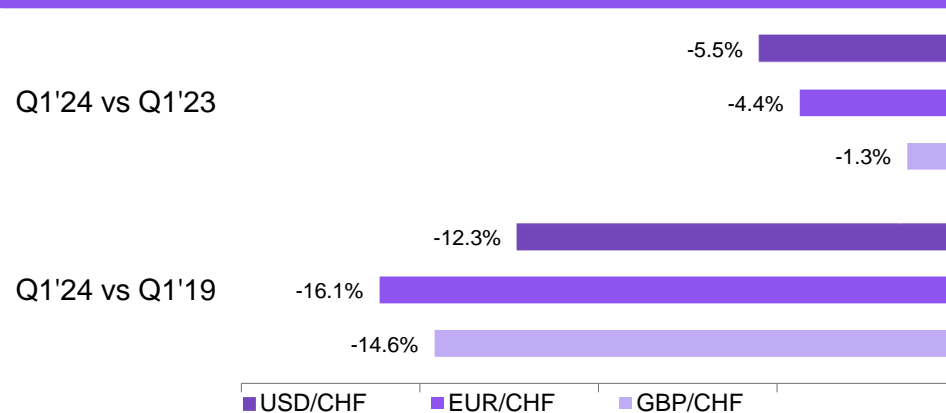
Turnover by currency Q1 2024



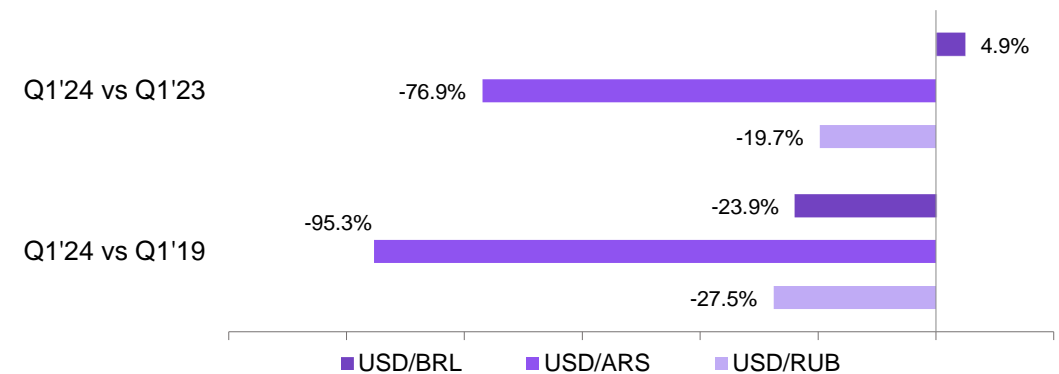
FX Translation impact on turnover (vs previous year)



Development of main currencies



Development of other key currencies





Selected Events

- 13 June** 4th Annual Evercore ISI Consumer and Retail Conference
- 25 June** GS Building Services, Transport & Leisure, London
- 30 July** HY Results
- 31 October** Q3 Trading Update

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