



Avolta

Q3 2024

Trading Update

31 October 2024



AGENDA

- 01** **9M 2024**
 - Highlights
 - Financials
- 02** **Strategic Update**
 - Key Initiatives
 - Reinforced Capital Allocation
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9M 2024



9M in a Nutshell

CORE KPIs

<i>CHFm</i>	9M 2024	9M 2023	% Var
Turnover	10,172	9,383	8.4%
EBITDA	1,012	894	13.2%
EBITDA Margin	9.9%	9.5%	40 bps
EFCF	445	305	45.9%

Growth Contribution

	9M 2024
<i>L-f-L w/o Argentina</i>	8.0%
L-f-L	6.8%
New concessions, net	-0.3%
Organic Growth	6.6%
Change in Scope	3.5%
Growth (CER)	10.0%
FX effect	-1.6%
Growth (AER)	8.4%

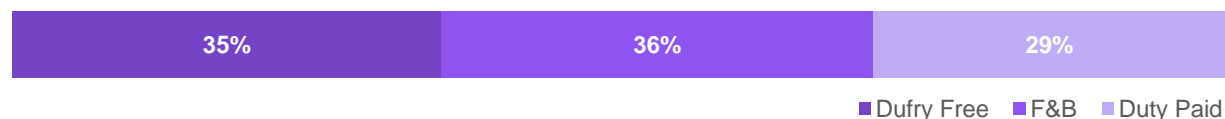
- Seventh consecutive quarter of strong performance in Turnover, EBITDA and EFCF
- Confidence in medium-term targets reaffirmed
- **EBITDA & EBITDA Margin**
 - EBITDA 9M CHF 1,012m, margin +40 bps
 - Focused execution and reinforced cost discipline
- **Cash Flow**
 - EFCF 9M CHF 445m, +46% YoY
 - Comfortably ahead of expectations
- **Leverage**
 - Leverage 2.16x
 - RCF refinancing - CHF10m expected savings p.a.

Region & Category Performance

Geographic Mix¹



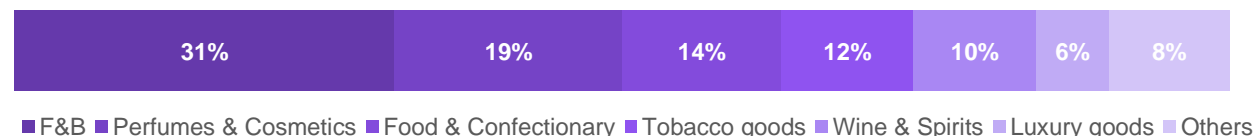
Business Lines



Channels



Category Mix



5 ¹ Excl. Distribution Centers

² Without Argentinean effect, Latin America 9M Like-for-Like Growth would be +7.2% vs 2023

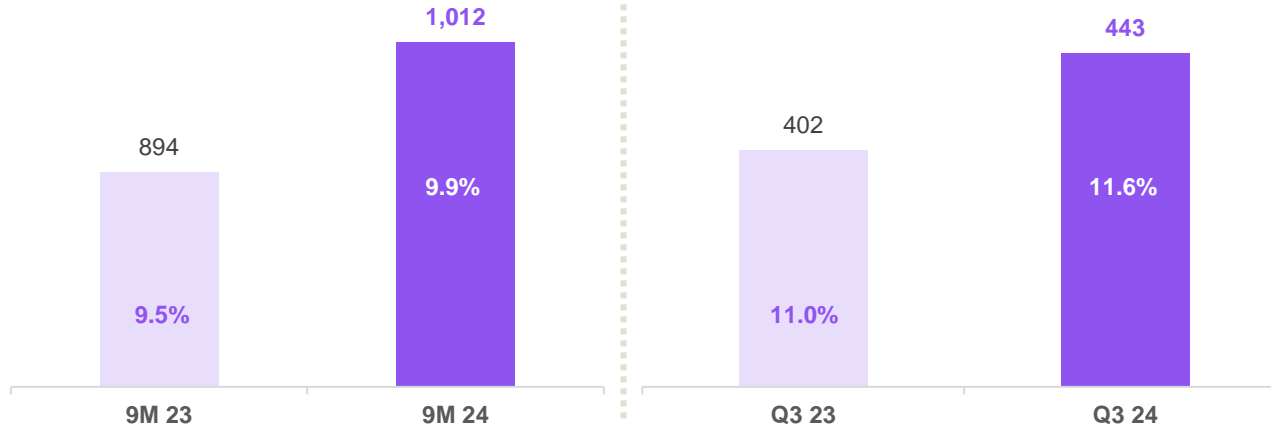
CORE Turnover (CHFm)	9M 2024	L-f-L	OG YoY	Q3 2024	L-f-L	OG YoY
EMEA	5,268	9.4%	9.2%	2,156	8.9%	8.5%
N. America	3,242	5.7%	6.1%	1,109	4.6%	4.7%
LATAM ²	1,159	-2.8%	-1.0%	392	-5.8%	-5.0%
APAC	425	12.4%	1.1%	143	11.3%	8.3%
Group	10,172	6.8%	6.6%	3,830	5.9%	5.7%

L-f-L = Like for Like
OG = Organic Growth

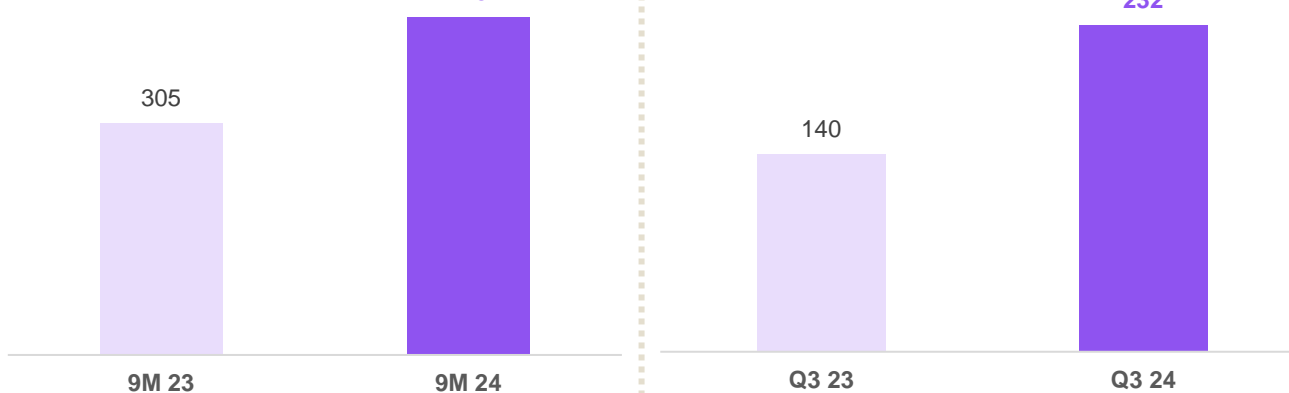
- **Key Awards:** Çukurova Airport, Salt Lake City Airport, Pittsburgh Airport, Phoenix Sky Harbor Airport
- **Key Extensions:** Milwaukee Mitchell Airport, Stavanger Airport
- **Openings:**
 - **New:** Çukurova, Fannie Mae (Chicago Midway), Hudson Nonstop (Washington Dulles) Charlotte New Concourse (3), Las Vegas Bars (2), Santiago de Chile DP
 - **Refurbishment:** Madrid (T1), Barcelona Sky Center, Vancouver DF, Chicago F&B, Savannah F&B, Mexico City Airport, MTR Hong Kong

Margin Expansion and Improved EFCF

EBITDA CHFm



EFCF CHFm



EBITDA Margin

- Commercial performance
- Heightened cost discipline
- Productivity increases
- Active portfolio management

EFCF performance

- CAPEX phasing
- Ahead of expectations

EFCF Seasonality

Q2 and Q3 being the strongest quarters, Q1 negative and Q4 historically negative/neutral

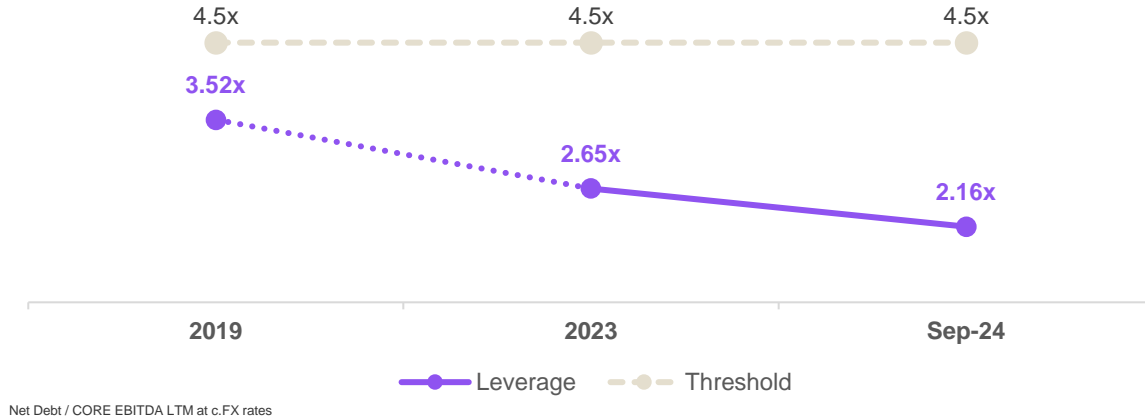
(CHFm)



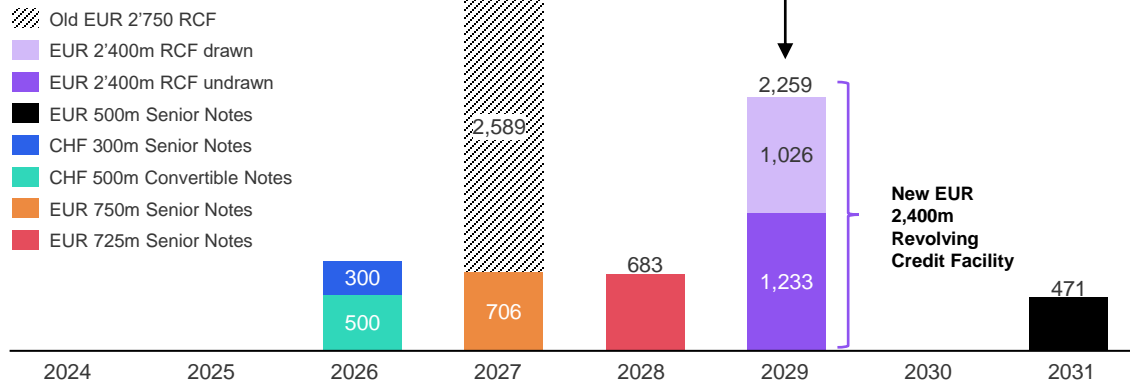
* Dufry Standalone

Financial Net Debt and Leverage

Leverage



Maturity Profile¹



7 ¹ Post RCF refinancing and full repayment of remainder of EUR 800m Bond

Leverage of 2.16x Net Debt/ CORE EBITDA

- Medium-term target leverage 1.5x-2.0x

Net Debt CHF 2,617m

RCF extension

- Maturity extended by 2 years from 2027 to 2029
- Margin reduction anticipating interest savings of CHF 10m p.a.

Well diversified financing structure

- Weighted average maturity 4.1 years
- Balance fixed/floating rate 70% / 30%
- Debt split: USD 25%, EUR 32%, CHF 35%, GBP 4%, Others 4%

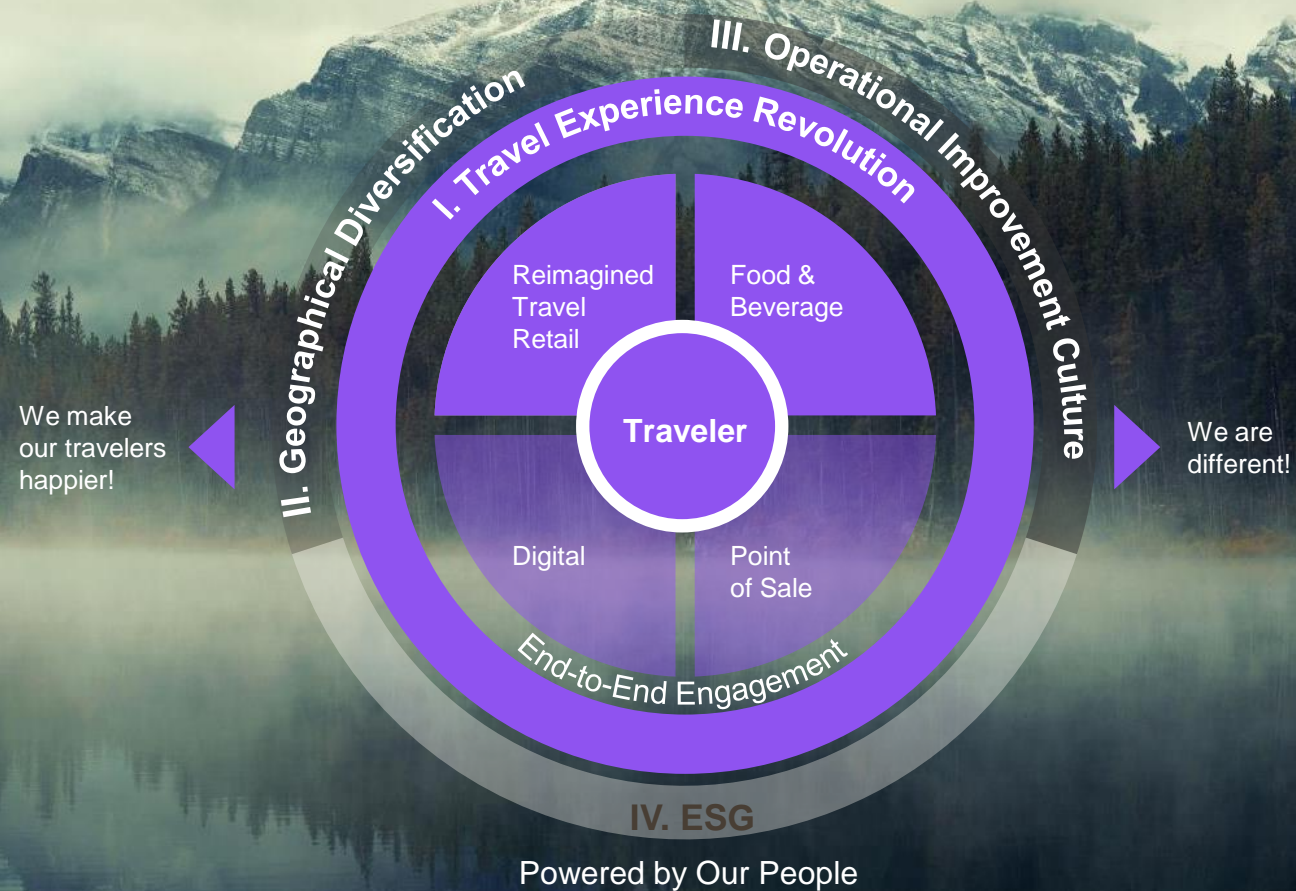
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Strategic Update



Our NorthStar – Strategy

“Destination 2027”



TOP LINE GROWTH, SPP GROWTH & RESILIENCE / PREDICTABILITY

PROFITABILITY & MARGIN IMPROVEMENT

INCREASE CASH FLOW CONVERSION

STRONG BALANCE SHEET & LIQUIDITY

Hybrid Developments

25% U.S. tenders with hybrid concepts in 2024

34 Hybrid stores up and running

+40 Additional stores in various stages of tender process promising robust growth



Madrid T4



Madrid T1 & T2

Welcome to Club Avolta

Our **loyalty program**, with first-class treatment every step of the journey at 5,100 outlets across 73 countries.

What to expect:

- Member pricing at participating Avolta travel retail shops (in-store, online and app)
- Partner benefits including access to airport lounges, earning airline points and discounts at local travel destinations
- Gifts and unique experiences with top brands
- Savings across Avolta dining outlets

[Join Now](#)

Registration Growth

Loyalty recruitment in 2024 YTD is **50%** ahead of last year.

New members YTD +18% higher than FY2023

Loyalty Share of Sales

October 2024, loyalty share over group revenue reached 6.3%

App Engagement

Q3 downloads **+20%** > Q2

Loyalty Impact

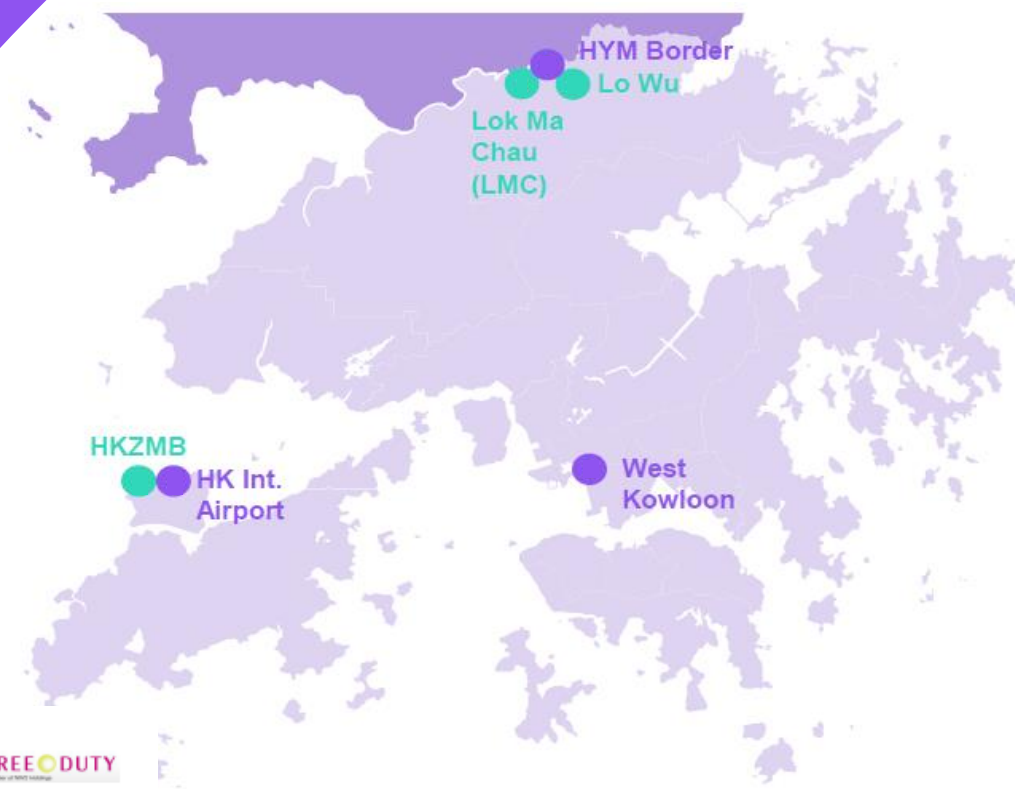
A loyalty transaction every **4.6 seconds** in Q3

Destination 2027 – Delivering on Targeted Geographical Expansion

Free Duty Acquisition

- Acquisition of Free Duty - Closing of transaction subject to CPs
- Incremental revenues in APAC **CHF 250m** at attractive margins
- Takes presence to six locations (+**150m travelers**)
- Builds on relationship with existing landlords
- Completes our Hong Kong footprint
- Deal fully funded with cash
- Right timing

Avolta's Hong Kong footprint post deal



Reinforced Capital Allocation

((|) Avolta)

Reinforced Capital Allocation Policy

1 Invest In Growth (Organic & Inorganic)

- Store Network Upgrading
- Digital and Technology Transformation
- Business Development in new locations

- **Small/medium size selective M&A**
 - Value accretive, cash funded

*Capex to drive growth
(~4% of turnover)*

2 Balance Sheet Efficiency

- Strong Credit Rating
- Target net debt / EBITDA 1.5x - 2.0x (flexibility up to 2.5x for selective M&A)

3 Capital Returns

- Pay a Progressive Dividend
 - ~1/3 of EFCF, Growing in line with EFCF
- Distribution of Excess Cash
 - Medium term excess cash returned via potential share buybacks

Mid-Term Outlook Unchanged

Organic Growth

+5% - 7%

EBITDA Margin (%)

+20 – 40 bps

EFCF Conversion (%)

+100 – 150 bps

Cancellation of Treasury Shares 2024

- **Approx. 6.1m treasury shares** (4% of issued share capital), to be cancelled in 2024
- Supported by company's **strong balance sheet and financial performance** in line with Destination 2027

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Conclusion



Conclusion

Key Financial Highlights

- Strong 9M 2024 – organic growth of +6.6%, Q3 of +5.7%
- 9M EFCF CHF 445m (+46% YoY), Q3 CHF 232m, ahead of expectations
- Focused execution and reinforced cost discipline
- RCF refinanced
- Confidence in medium-term targets reiterated

Key Operational Highlights

- Increased proportion of tenders won with hybrid concepts (Retail + F&B)
- Launched Club Avolta loyalty program to enhance customer experiences and drive retention and cross-selling
- Agreed deal to acquire 100% of Free Duty

Strategic Update

- Reinforced Capital Allocation Policy
- Cancellation of approx. 6.1m treasury shares (4% of issued share capital) in 2024
- Return medium-term excess cash

JOURNEY ON!

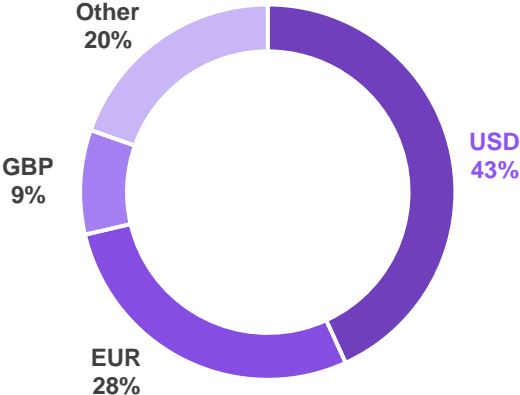
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Appendix

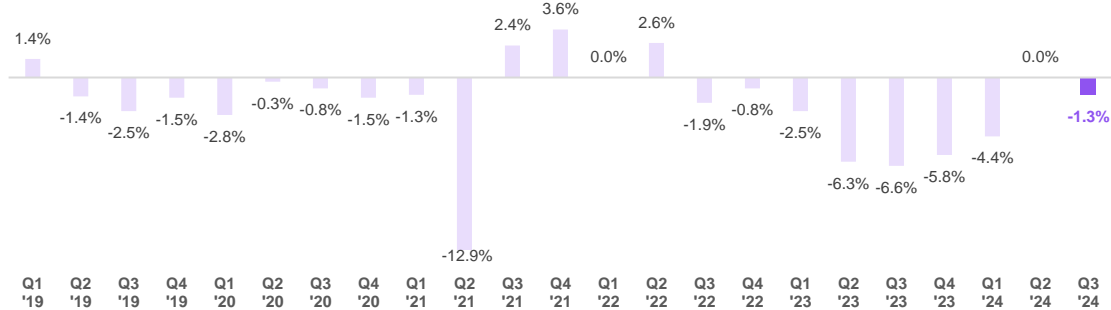


FX Q3 2024

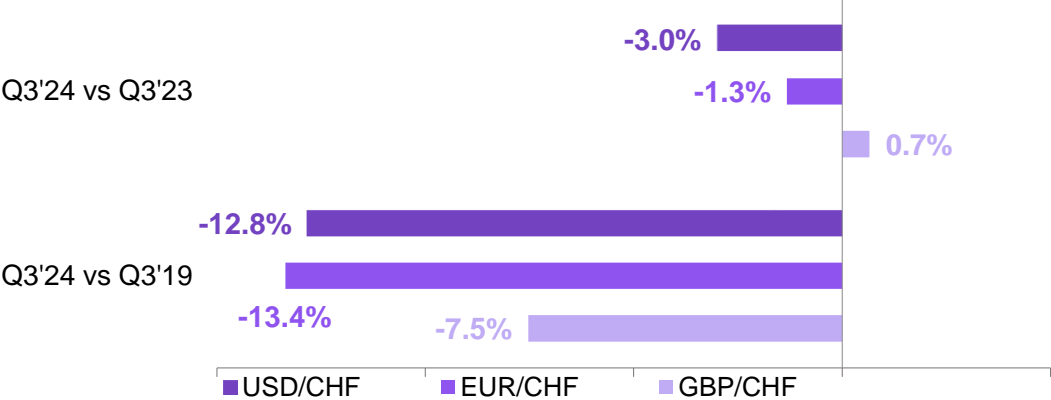
Turnover by currency Q3 2024



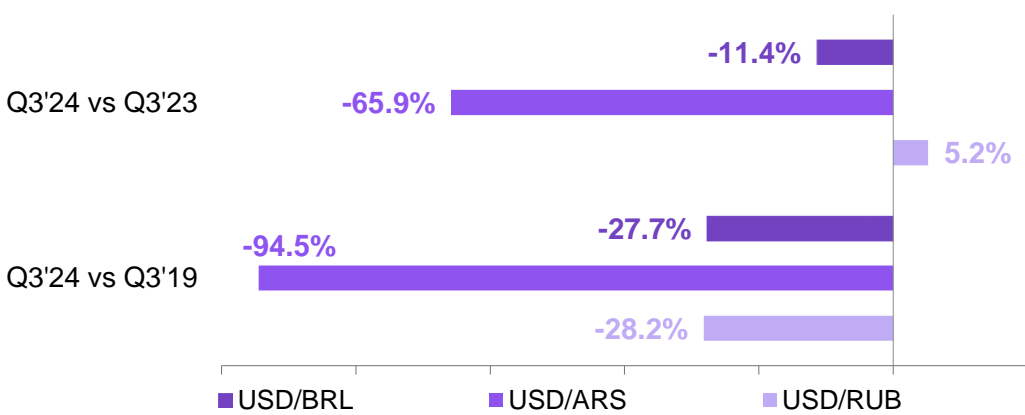
FX Translation impact on turnover (vs previous year)



Development of main currencies



Development of other key currencies



Selected Events

- 19 November** Jefferies Consumer Conference Miami
- 3-4 December** Morgan Stanley, Global Consumer & Retail Conference, NYC
- 9 January** Baader Swiss Equities Conference 2025, Bad Ragaz
- 10 January** Octavian Seminar 2025, Davos

Contact



Rebecca McClellan
Global Head Investor Relations

+44 7543 800 405
Rebecca.McClellan@avolta.net

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Alternative Performance Measures: This Presentation contains information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their IFRS counterparts if not defined in the Presentation may be found on pages 29-34 of the Avolta Half-Year Report available on our [website](#).