

BASEL,

July 30, 2024

NEWS RELEASE

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Avolta reports strong H1 turnover growth of +11% with uninterrupted positive momentum into H2

Supported by a strong global business model, Avolta reports for the sixth consecutive quarter a strong performance across all KPIs. In H1, the company delivers an impressive CORE turnover growth of +11.0%, organic growth of +7.1%, with the EBITDA margin increasing by +40bps year-on-year to 9.0% and an EFCF of CHF 213.5 million. The strong H1 performance reinforces Avolta's confidence for H2 and beyond as it delivers on its Destination 2027 strategy.

H1 2024 HIGHLIGHTS

- Avolta's CORE turnover at CHF 6,342.6 million, increased +11.0% year-on-year (YoY).
- CORE organic growth rose +7.1% while reported turnover increased to CHF 6,462.7 million over the period.
- CORE EBITDA increased to CHF 568.3 million, with a CORE EBITDA margin of 9.0%, +40bps YoY.
- EFCF grew by +29.3% YoY to CHF 213.5 million, reflecting tight cost control.
- Leverage continues to materially decrease to 2.35x from 2.62x a year ago.
- Looking ahead, Avolta is confident in the continued delivery and strong execution of its Destination 2027 strategy and the outlook as provided previously.

Xavier Rossinyol, CEO of Avolta, stated: “Today, in our sixth consecutive quarterly reporting as one group, we continue to deliver against our plan thanks to the strength of our proven, global business model, delivering strong financial performance across all key KPIs.

Avolta’s half year tells the story of continued successful delivery of our Destination 2027 strategy. Across the board, our key performance indicators show a very positive development – from our reported CORE turnover growth of +11.0%, and organic growth rate of +7.1%, through to our CORE EBITDA margin of 9.0% and EFCF of CHF 213.5 million, +29.3% YoY, despite a more challenging base of comparison. Our focus on consistent cash-generative growth remains resolute. Market conditions continue to be favorable, and we see our strong performance continuing into H2 2024, reinforcing our confidence and positive outlook for 2024 and beyond.

With strong business development across all regions delivering on our goal of consistent strong financial performance, we keep the traveler and their travel experience across our product and service offering at the centre of our attention. In Milan, we launched an innovative pilot program with Utu where travelers can convert VAT refunds into vouchers redeemable exclusively in our duty-free shops. With a global rollout, this VAT program presents the opportunity to unlock over a billion in estimated unclaimed VAT refunds and open up a new, substantial revenue and income stream for Avolta.

Avolta stands out with its diversified global platform, boasting more than 5,100 points of sale across 73 countries. Powered by our people, our half yearly results make 76,000 of us proud today, and I thank all our team members for their contributions around the world. Thank you for making the journeys of our travelers as rewarding as their destinations.

With a global commitment to delivering best-in-class execution and performance, our teams continue to drive our operational improvement culture, integrating leading global systems and being recognized for both by the ACI North America Excellence in Airport Concession Awards as well as by the Moodie Davitt F&B Airport Awards. Avolta’s ESG house has established an important foundation, honoring Eugenio Andrades, a leader in the travel industry, with the intention of supporting children with neurological disabilities. We have also partnered with DB Schenker to pioneer low-emission marine biofuel between Europe and the USA.

We are delighted that our strong momentum continues into H2. We are confident of the way forward and in our ability to deliver strong results. While 2024 holds great promise, with long-term global air passenger traffic trends expected to grow 2.5x by 2050, the best is yet to come. Journey On!”

RECENT DEVELOPMENTS AND OUTLOOK

Avolta has continued to see strong demand into summer, especially across all key holiday destinations. Avolta continues to believe that these positive trends will persist throughout the remainder of 2024, underpinning expectations that 2024 organic growth and CORE EBITDA margin will come in at the top-end of mid-term trends.

In the medium-term, the company reiterates its previously stated goal for CORE turnover to grow at a constant exchange rate of 5%-7% annually on average, bolstered by its global diversification. Avolta remains dedicated to achieving an annual improvement of +20-40bps in CORE EBITDA margin as it enhances operational efficiency and aims to increase EFCF conversion by +100 to +150bps p.a., all the while reiterating its expectation of c. 4% CAPEX on CORE turnover annually.

At current rates, Avolta continues to expect 2024 currency translation on CORE turnover to be at the lower end of the -2% to -3% range, as previously communicated.

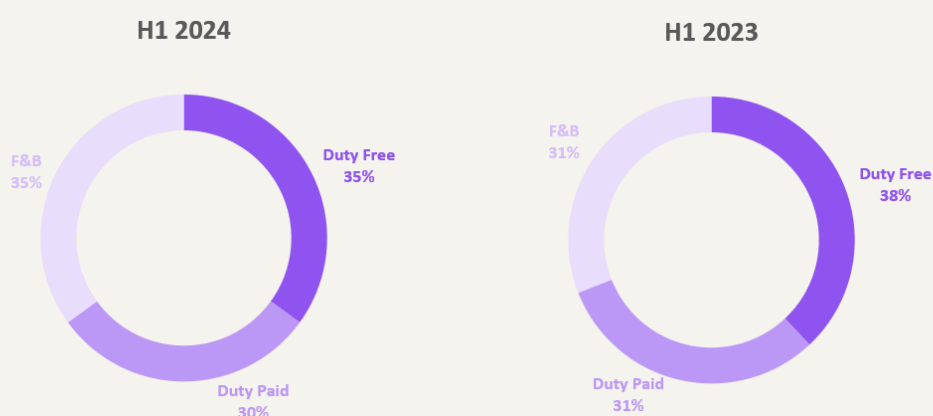
H1 2024 FINANCIAL SUMMARY

CORE TURNOVER +11.0% ACTUAL EXCHANGE RATE (AER)

H1 2024 reported turnover increased to CHF 6,462.7 million, +11.0% YoY, with CORE turnover also +11.0% at CHF 6,342.6 million. CORE organic growth totalled +7.1% and +6.0% in half year and second quarter respectively and bearing in mind the shift in the timing of Easter. The continued strong growth is underpinned by broad based customer demand. In H1 2024, new concessions (net) contributed -0.1% as Avolta continues to grow and actively optimize its concession portfolio, while currency translation, mainly related to depreciation of USD, EUR and GBP against the Swiss Franc, was a -1.8% headwind. This headwind eased sequentially with Q2 flat vs. -4.4% in Q1.

CORE Turnover Growth	HY 2024 vs HY 2023	Q2 2024 vs Q2 2023	Q1 2024 vs Q1 2023
Like for Like	7.2%	6.1%	8.9%
New concessions, net	-0.1%	-0.1%	-0.3%
Organic Growth	7.1%	6.0%	8.6%
Change in Scope	5.7%	0.0%	13.8%
Growth (CER)	12.8%	6.0%	22.4%
FX Impact	-1.8%	0.0%	-4.4%
Growth (AER)	11.0%	6.0%	18.0%

Avolta continues to benefit from a diversified global business mix. In total, duty-free accounted for 35.1% of net sales, duty-paid 30.3% and F&B 34.5%. By channel, airports continue to represent the lion's share of net sales at 82.0%, with motorways at 9.9%, while Avolta's other businesses (railways, ferries, cruise ships, ports, etc) represented 8.1% of net sales.



STRONG H1 2024 PROFIT AND CASH GENERATION KPIS

IN CHF MILLION	IFRS 6M 2024	Adjustments			CORE 6M 2024	CORE 6M 2023
		Acquisition related	Leases	Fuel sales		
Net sales (IFRS) / (CORE)	6,354.6			-120.1	6,234.5	5,623.2
Advertising income	108.1				108.1	92.0
Turnover (IFRS) / (CORE)	6,462.7			-120.1	6,342.6	5,715.2
Cost of sales	-2,296.6			111.5	-2,185.1	-2,035.8
Gross profit (IFRS) / (CORE)	4,166.1			-8.6	4,157.5	3,679.4
<i>% Margin</i>	64.5%				65.5%	64.4%
Leases expenses (IFRS) / Concession expenses (CORE)	-903.8		-683.7		-1,587.5	-1,435.5
<i>% Turnover</i>	-14.0%				-25.0%	-25.1%
Personnel expenses	-1,359.3				-1,359.3	-1,167.9
<i>% Turnover</i>	-21.0%				-21.4%	-20.4%
Other expenses, net (IFRS) / Other expenses, net (CORE)	-622.5		-28.5	8.6	-642.4	-584.2
<i>% Turnover</i>	-9.60%				-10.1%	-10.2%
Operating profit bef D&A / CORE EBITDA	1,280.5		-712.2		568.3	491.8
<i>% Margin</i>	19.8%				9.0%	8.6%
Depreciation, amortization and impairment (CORE)	-146.6				-146.6	-129.9
Amortization & impairment of intangibles (IFRS) / (CORE)	-136.7	117.1			-19.6	-18.0
Depreciation & impairment right-of-use assets (IFRS)	-588.4		588.4		-	-
Operating profit / CORE EBIT	408.8	117.1	-123.8		402.1	343.9
<i>% Margin</i>	6.3%				6.3%	6.0%
Financial result	-286.8		206.4		-80.4	-82.9
Profit before Taxes/CORE Profit before Taxes	122.0	117.1	82.6		321.7	261.0
<i>% Margin</i>	1.9%				5.1%	4.6%
Income tax	-43.0	-23.3	-2.2		-68.5	-66.5
<i>% Profit before Taxes/CORE Profit before Taxes</i>	-35.2%				-21.3%	-25.5%
Net Profit/CORE Net Profit	79.0	93.8	80.4		253.2	194.5
Non-controlling interests	67.5	1.0	2.8		71.3	-70.6
<i>% Net Profit/CORE Net Profit</i>	85.4%				28.2%	-36.3%
Net Profit/CORE Net Profit to equity holders of the parent	11.5	92.8	77.6		181.9	124.0
Basic Earnings/CORE Basic Earnings per share (EPS) (in CHF)	0.08				1.22	1.01
Diluted Earnings/CORE Diluted Earnings per share (in CHF)	0.07				1.19	1.00

CORE gross profit increased to CHF 4,157.5 million, with a margin of 65.5%, +110bps vs. 64.4% reported in H1 2023. This improvement was supported by solid consumer demand and mix effects as well as active and improved commercial management.

CORE EBITDA of CHF 568.3 million, was equally strong and implies a margin of 9.0%, +40bps YoY. This was driven by higher CORE turnover and gross profit, cost discipline and synergies, and is despite integration costs.

CORE operating and net results represent strong business execution. CORE EBIT increased to CHF 402.1 million (+16.9% YoY) while CORE net profit to equity holders reached CHF 181.9 million (+46.7% YoY). Diluted CORE EPS stood at CHF 1.19.

Looking at IFRS results, operating profit improved to CHF 408.8 million in H1 2024. Reported net profit to equity holders stood at CHF 11.5 million and diluted EPS at CHF 0.07.

CORE Cash Flow		
in CHF million	HY 2024	HY 2023
CORE EBITDA	568.3	491.8
Other non-cash items and changes in lease obligation	31.7	25.4
Changes in net working capital	12.5	26.1
Capital expenditures	-223.3	-184.6
Cash flow related to minorities and dividends from associates	-62.2	-34.5
Income taxes paid	-40.9	-33.4
Cash flow before financing	286.1	290.9
Interest, net and other financing items	-72.6	-125.8
Equity free cash flow	213.5	165.1
Dividend to Group shareholders	-104.2	0.0
Purchase of Treasury Shares	-128.6	-5.0
Other Financing Activities	-22.7	3.0
Foreign exchange adjustments and other	-122.9	-157.7
Decrease/ (Increase) in Financial net debt	-164.9	5.4
Net Debt		
- Beginning of the period	2,696.1	2,810.8
- End of the period	2,861.0	2,805.4

Avolta's half year EFCF grew by an impressive +29.3% YoY to CHF 213.5 million. This very solid performance was underpinned by strong CORE EBITDA further enhanced by the tight EFCF focus of the business. Avolta's net debt at the end of June 2024 stood at CHF 2,861.0 million, end-June LTM leverage totalled 2.35x Net Debt/EBITDA, down from 2.62x H1 2023 and close to the mid-term target ratio as disclosed in Avolta's updated capital allocation policy of 1.5x-2.0x.

Available liquidity amounted to CHF 2,731.5 million, including CHF 850.7 million in cash and cash equivalents and CHF 1,880.7 million undrawn debt under the existing Revolving Credit Facility (RCF).

Reconciliation of AVOLTA's Alternative Performance Measures and IFRS figures are provided in the Half-Year 2024 Report [here](#)

H1 2024 REGIONAL PERFORMANCE AND BUSINESS DEVELOPMENT

CORE Turnover, in CHF million	HY 2024	HY 2023	Growth vs HY 2023	FX Impact vs HY2023	Organic Growth vs HY 2023
Europe, Middle East and Africa	3,112.3	2,744.9	13.4%	-1.4%	9.8%
North America	2,132.6	1,865.1	14.3%	-1.9%	6.9%
Latin America	766.7	776.5	-1.3%	-2.3%	1.2%
Asia Pacific	282.2	284.8	-0.9%	-3.8%	-2.5%
Avolta Group	6,342.6	5,715.2	11.0%	-1.8%	7.1%

CORE Turnover, in CHF million	Q2 2024	Q2 2023	Growth vs Q2 2023	FX Impact vs Q2 2023	Organic Growth vs Q2 2023
Europe, Middle East and Africa	1,842.4	1,699.3	8.4%	-0.2%	8.7%
North America	1,159.0	1,083.5	7.0%	0.4%	6.6%
Latin America	392.2	400.2	-2.0%	0.6%	-2.6%
Asia Pacific	137.9	153.7	-10.3%	-1.1%	-9.2%
Avolta Group	3,558.4	3,355.9	6.0%	0.0%	6.0%

CORE Turnover, in CHF million	Q1 2024	Q1 2023	Growth vs Q1 2023	FX Impact vs Q1 2023	Organic Growth vs Q1 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	2,784.2	2,359.3	18.0%	-4.4%	8.6%

Europe, Middle East and Africa (EMEA)

H1 2024 reported turnover increased to CHF 3,232.4 million, with CORE turnover¹ at CHF 3,112.3 million representing organic growth of +9.8% YoY (+9.7% LfL). Trends in EMEA remain solid with an exit rate in line with H1 organic growth. This healthy performance is underpinned by continued strong leisure demand, benefitting holiday traffic destinations in Southern Europe, Middle East and Africa in both Travel Retail and F&B. In addition, the UK, Nordics and Central Europe continue to benefit from the recovery in international travel.

During the second quarter, Avolta extended its partnership with Athens International Airport (Greece) with a ten-year extension for more than 30 travel retail stores, as well as confirming an additional store for six years in Copenhagen (Denmark). New openings and significant store upgrades in the region included, among others, Feistritz's opening on Germany's motorways, national convenience favorite Febo, as well as Deli and Grand Café in Amsterdam (Netherlands), Samla and Bread in Stockholm (Sweden), KFC in Rome (Italy), plus a Ferragamo as well as Naughty Burgers in Helsinki (Finland). Notably, this quarter included the opening of Taberna Atlántica at Tenerife, the company's first F&B outlet in Spain, as well as Avolta's first Costa Coffee in Rome as it brings the brand to Italy, and an impressive walk-through store in Sofia (Bulgaria) featuring integrated hybrid concepts.

North America (NA)

CORE turnover increased to CHF 2,132.6 million in H1 2024 with organic growth of +6.9% YoY (+6.3% LfL). In the US, growth across both F&B and Travel Retail was robust, supported by traffic trends and solid demand from domestic and international passengers. Canada continued to benefit from the progressive recovery of Asian travelers over the quarter.

During the second quarter, Avolta expanded its presence in the US significantly. Hudson's Travel Retail and HMSHost's F&B secured 15-year contracts with California's John Wayne Airport, for five new travel retail stores, including travel convenience and specialty retail, and more than a dozen new dining venues respectively, corresponding to nearly 3,500 m² of combined concession space. HMSHost's F&B business further won a 15-year contract to bring nine F&B concepts in Sacramento (USA). In Travel Retail, Hudson had new openings and significant store upgrades including a Hudson Nonstop in Dulles. HMSHost's F&B business opened a bar in collaboration with BrewDog in Ohio, as well as local empanadas hero Half Moon in Chicago. Of note was the star-studded local concept, NASCAR Draffhouse at St. Louis, home of the world-famous racecourse.

Latin America (LATAM)

CORE turnover in HY 2024 came in at CHF 766.7 million with YoY organic growth of +1.2% (-1.3% LfL). Trends in this region continue to be impacted by the adverse situation in Argentina while all other markets continue to see positive growth momentum. In particular, Central America and the Caribbean benefitted from leisure demand while Brazil continued to improve as international traffic further returned. The cruise line business progressed further.

During the second quarter, Avolta was awarded as Norwegian Cruise Lines main retail partner, significantly strengthening the company's position in cruise channel. The contract extends to include the renewal of current contracts across 14 ships, as well as new contracts for four ships, resulting in an operational footprint in 18 of NCL's 19 ships globally.

¹ Fuel net sales part of EMEA; in all other regions reported and CORE turnover are identical.

Asia-Pacific (APAC)

CORE turnover totalled CHF 282.2 million in H1 2024 with YoY performance of -2.5% (+13% LfL). Q2 2024 continued to be adversely impacted by the exit of Melbourne while a challenging high-end liquor market on top of a tough basis of comparison proved a drag on sales in Hong Kong and Macau. Trends in Indonesia, Vietnam, India, amongst other countries, remain robust.

During the second quarter, Avolta successfully grew its footprint in the region, with a seven-year contract for two new Travel Retail stores, including key categories, at Macau Airport (Macau SAR), as well as entering a new airport with a seven-year contract for two Travel Retail stores in Medan (Indonesia). New openings and significant store upgrades in the region included, among others, the opening of four Hudson travel convenience stores, plus Wolfgang Puck Kitchen + Bar and Fresh & Healthy concepts in Bangalore (India), traveler favorites Taste of India and Café Espresso in Kuala Lumpur (Malaysia), and Hungry Jacks, Artisan Kitchen + Bakery, Fresh, Asia Street Cooking, Schnitz and Two Tigers at Gold Coast (Australia). Notably, this quarter included the opening of the company's two new Travel Retail stores at the Macau Ferry Terminal in downtown Hong Kong.

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 29 to 34 of Avolta's Half Year Report 2024 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 its 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](https://www.avoltaworld.com)