

six months Report 2024



Interim condensed consolidated financial statements June 2024

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Interim consolidated statement of profit or loss

for the six months ended June 30, 2024

In millions of CHF	Note	Unaudited 6M 2024	Unaudited 6M 2023
Net sales	6	6,354.6	5,731.6
Advertising income		108.1	92.0
Turnover		6,462.7	5,823.6
Cost of sales		(2,296.6)	(2,137.8)
Gross profit		4,166.1	3,685.8
Lease expenses	7	(903.8)	(841.3)
Personnel expenses	8	(1,359.3)	(1,167.9)
Depreciation and amortization	9	(869.6)	(804.6)
Impairment	9	(2.1)	(14.5)
Reversal of impairment	9	–	36.0
Other expenses	11	(672.4)	(651.5)
Other income	12	49.9	80.0
Operating profit		408.8	322.0
Finance expenses	13	(374.1)	(276.0)
Finance income	13	98.8	80.3
Foreign exchange (loss)/gain		(11.5)	(52.8)
Profit before tax		122.0	73.4
Income tax expenses		(43.0)	(34.8)
Net profit		79.0	38.6
Attributable to			
Non-controlling interests		67.5	66.2
Equity holders of the parent		11.5	(27.6)
Earnings per share attributable to equity holders of the parent			
Basic earnings per share in CHF		0.08	(0.23)
Diluted earnings per share in CHF		0.07	(0.23)

Interim consolidated statement of other comprehensive income

for the six months ended June 30, 2024

In millions of CHF	Note	Unaudited 6M 2024	Unaudited 6M 2023
Net profit		79.0	38.6
Other comprehensive income			
Remeasurement of post-employment benefit plans		0.7	14.5
Income tax		(0.1)	(6.8)
Items not being reclassified to net income in subsequent periods, net of tax		0.6	7.7
Exchange differences on translating foreign operations		204.6	(95.4)
Net gain/(loss) on hedge of net investment in foreign operations	18	(12.5)	14.6
Items to be reclassified to net income in subsequent periods, net of tax		192.1	(80.9)
Total other comprehensive income, net of tax		192.7	(73.2)
Total comprehensive income, net of tax		271.7	(34.5)
Attributable to			
Non-controlling interests		84.7	67.3
Equity holders of the parent		187.0	(101.8)

Interim consolidated statement of financial position

at June 30, 2024

In millions of CHF	Note	Unaudited 30.06.2024	31.12.2023
Assets			
Property, plant and equipment	14	1,228.9	1,131.4
Right-of-use assets	15	7,671.0	7,237.0
Intangible assets		2,126.4	2,144.3
Goodwill		3,119.4	2,978.6
Investments in associates		36.6	33.7
Deferred tax assets		169.4	164.7
Net defined benefit assets		37.2	36.0
Other non-current assets		290.7	312.1
Non-current assets		14,679.6	14,037.8
Inventories		1,258.6	1,062.0
Trade and credit card receivables		75.7	41.3
Current investments		122.7	54.9
Other accounts receivable		577.0	576.2
Income tax receivables		29.4	28.1
Cash and cash equivalents		850.7	714.6
Current assets		2,914.1	2,477.1
Total assets		17,593.7	16,514.9
Liabilities and shareholders' equity			
Equity attributable to equity holders of the parent		2,319.4	2,360.8
Non-controlling interests		155.1	134.5
Total equity		2,474.5	2,495.3
Borrowings	19	3,000.2	2,520.6
Lease obligations	19	7,087.7	6,750.8
Deferred tax liabilities		397.6	410.4
Provisions		85.7	74.1
Net defined benefit obligation		43.9	43.5
Other non-current liabilities		81.0	80.4
Non-current liabilities		10,696.1	9,879.8
Trade payables		995.5	873.7
Borrowings	19	695.8	819.4
Lease obligations	19	1,322.0	1,102.6
Income tax payables		80.1	45.3
Provisions		92.7	105.7
Other liabilities		1,237.0	1,193.1
Current liabilities		4,423.1	4,139.8
Total liabilities		15,119.2	14,019.6
Total liabilities and shareholders' equity		17,593.7	16,514.9

Interim consolidated statement of changes in equity

for the six months ended June 30, 2024

In millions of CHF	Note	Attributable to equity holders of the parent						Total	Non-controlling interest	Total equity
		Share capital	Share premium	Treasury shares	Employee benefit reserve	Translation reserve	Retained earnings			
Balance at January 1, 2024		763.1	6,832.8	(90.4)	12.8	(770.9)	(4,386.6)	2,360.8	134.5	2,495.3
Net earnings		-	-	-	-	-	11.5	11.5	67.5	79.0
Other comprehensive income		-	-	-	0.6	174.9	-	175.5	17.2	192.7
Total comprehensive income for the period		-	-	-	0.6	174.9	11.5	187.0	84.7	271.7
Transactions with or distributions to shareholders										
Treasury shares additions		-	-	(132.9)	-	-	-	(132.9)	-	(132.9)
Dividends to shareholders	15	-	-	-	-	-	(104.2)	(104.2)	-	(104.2)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(71.1)	(71.1)
Share-based payments		-	-	15.4	-	-	(6.7)	8.7	-	8.7
Total transactions with or distribution to owners		-	-	(117.5)	-	-	(110.9)	(228.4)	(71.1)	(299.5)
Changes in ownership interests in subsidiaries										
Other participation interest/ NCI share capital changes		-	-	-	-	-	-	-	7.0	7.0
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	7.0	7.0
Balance at June 30, 2024 (unaudited)		763.1	6,832.8	(207.9)	13.4	(596.0)	(4,486.0)	2,319.4	155.1	2,474.5

Interim consolidated statement of changes in equity

for the six months ended June 30, 2023

In millions of CHF	Note	Attributable to equity holders of the parent							Total	Non-controlling interest	Total equity
		Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Translation reserve	Retained earnings			
Balance at January 1, 2023		454.0	4,542.2	(22.9)	60.3	1.7	(543.4)	(3,598.9)	893.0	73.1	966.1
Net earnings		-	-	-	-	-	-	(27.6)	(27.6)	66.2	38.6
Other comprehensive income/(loss)		-	-	-	-	7.7	(65.5)	-	(57.8)	(15.4)	(73.2)
Total comprehensive income/(loss) for the period		-	-	-	-	7.7	(65.5)	(27.6)	(85.4)	50.8	(34.5)
Transactions with or distributions to shareholders											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(36.9)	(36.9)
Issuance of shares		286.0	2,143.7	-	-	-	-	-	2,429.6	-	2,429.6
Purchase of treasury shares		-	-	(4.6)	-	-	-	-	(4.6)	-	(4.6)
Share-based payments		-	-	-	-	-	-	12.2	12.2	-	12.2
Total transactions with or distribution to owners		286.0	2,143.7	(4.6)	-	-	-	12.2	2,437.2	(36.9)	2,400.3
Changes in ownership interests in subsidiaries											
Acquired non-controlling interests of Autogrill		-	-	-	-	-	-	-	-	448.5	448.5
Changes in participation of non-controlling interests of Autogrill		-	-	-	-	-	-	(800.3)	(800.3)	(362.7)	(1,163.0)
Other changes in participation of non-controlling interests		-	-	-	-	-	-	(3.2)	(3.2)	17.1	13.9
Changes in participation of non-controlling interests		-	-	-	-	-	-	(803.5)	(803.5)	102.9	(700.6)
Balance at June 30, 2023 (unaudited)		739.9	6,685.9	(27.5)	60.3	9.4	(608.9)	(4,417.9)	2,441.3	189.9	2,631.2

Interim consolidated statement of cash flows

for the six months ended June 30, 2024

In millions of CHF	Note	Unaudited 6M 2024	Unaudited 6M 2023
Cash flows from operating activities			
Profit before tax		122.0	73.4
Adjustments for:			
Depreciation and amortization	9	869.6	804.6
Impairment	9	2.1	14.6
Reversal of impairment	9	–	(36.0)
Increase/(decrease) in allowances and provisions		2.7	(16.8)
Other non-cash items		7.0	11.1
Loss/(gain) on sale of non-current assets		2.0	(0.5)
Loss/(gain) on foreign exchange differences		11.5	52.7
Finance expenses	13	374.1	276.0
Finance income	13	(98.8)	(80.3)
Cash flow before working capital changes		1,292.2	1,098.7
Decrease/(increase) in trade and other accounts receivable		11.7	22.0
Decrease/(increase) in inventories		(149.2)	(213.0)
(Decrease)/increase in trade and other accounts payable		150.0	217.1
Cash generated from operations		1,304.7	1,124.8
Income tax paid		(40.9)	(33.4)
Net cash flows from operating activities¹		1,263.8	1,091.5
Cash flow used in investing activities			
Purchase of property, plant and equipment		(207.4)	(171.7)
Purchase of intangible assets		(17.9)	(17.9)
Purchase of financial assets		(139.2)	(48.3)
Proceeds from lease income		12.9	9.6
Loans receivable (granted)/repaid		1.8	2.0
Proceeds from sale of property, plant and equipment		2.0	4.8
Proceeds from sale of financial assets		113.9	0.2
Interest received ²		43.1	51.3
Business combination, net of cash		(1.9)	452.6
Net cash flows used in investing activities		(192.7)	282.6

¹ Include variable lease payments of CHF 900.1 (6M 2023: 665.5) million.

² Interest received are disclosed in cash flow from investing activities (consistent to prior year).

Interim consolidated statement of cash flows (continued)

for the six months ended June 30, 2024

In millions of CHF	Note	Unaudited 6M 2024	Unaudited 6M 2023
Cash flow from financing activities			
Transaction costs for financial instruments	19	(3.1)	(6.0)
Proceeds from/(repayment of) 3 rd party loans	19	(0.9)	(0.3)
Proceeds from borrowings	19	805.2	178.4
Repayment of borrowings	19	(570.6)	(573.3)
Purchase of non-controlling interests Autogrill		–	(12.3)
Dividends paid to shareholders	16	(104.2)	–
Dividends paid to non-controlling interests		(68.6)	(45.6)
Purchase of treasury shares		(128.6)	(4.6)
Contribution from non-controlling interests		6.4	11.1
Lease payments	19	(705.2)	(604.1)
Interest paid ³		(118.7)	(146.4)
Net cash flow used in financing activities		(888.3)	(1,203.1)
Currency translation on cash	19	(46.7)	(18.7)
Increase/(decrease) in cash and cash equivalents		136.1	152.2
Cash and cash equivalents at the			
– beginning of the period		714.6	854.7
– end of the period		850.7	1,006.9

³ Interest paid are disclosed in cash flow from financing activities (consistent to prior year).

Notes to the interim consolidated financial statements

for the six months ended June 30, 2024

1. Corporate Information

Avolta AG (the “Company”) is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world’s leading travel retail and food & beverage company. It operates in more than 5,100 outlets worldwide. The shares of the Company are listed on the SIX Swiss Exchange in Zürich.

The interim consolidated financial statements of Avolta AG and its subsidiaries (“Avolta” or the “Group”) for the period ended June 30, 2024 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated July 29, 2024.

2. Basis of Preparation

The interim consolidated financial statements for the period ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Avolta’s annual consolidated financial statements as of December 31, 2023. There have been no significant changes in estimates compared to December 31, 2023. These interim consolidated financial statements have been prepared on a going concern basis.

2.1 New standards, interpretations and amendments adopted

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of Avolta's annual consolidated financial statements as of December 31, 2023, except for the following new or revised standards and interpretations adopted in these interim consolidated financial statements.

New and amended standards adopted by the Group

- IAS 12: Deferred tax related to assets and liabilities arising from a single transaction
- Amendment to IFRS 16: Leases on sale and leaseback
- Amendment to IAS 1: Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7: Supplier finance

The amendments apply for the first time in 2024, but do not have a material impact on the consolidated financial statements of the Group.

New and amended standards issued not yet effective

The Group has not early adopted any of the amendments that have been issued but are not yet effective:

- Amendment to IAS 21: Lack of Exchangeability
- Amendment to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these above mentioned new or amended standards.

Apart from the adoption of IFRS 18, the Group does not expect these new or amended standards to have material impact on the financials at initial adoption.

3. Segment information

Unaudited 6M, 2024 In millions of CHF	With external customer	With other divisions	Turnover		Core EBITDA (unaudited)
			Total		
Europe, Middle East and Africa (EMEA) ^{1,2}	3,232.4	–	3,232.4		354.2
North America ¹	2,132.6	–	2,132.6		278.7
Latin America (LATAM)	766.7	–	766.7		86.5
Asia Pacific (APAC)	282.2	–	282.2		22.1
Global Distribution Centers ³	48.8	751.5	800.3		(173.3)
Total divisions	6,462.7	751.5	7,214.2		568.3
Eliminations	–	(751.5)	(751.5)		–
Total	6,462.7	–	6,462.7		568.3

Unaudited 6M, 2023 In millions of CHF	With external customer	With other divisions	Turnover		Core EBITDA (unaudited)
			Total		
Europe, Middle East and Africa (EMEA) ^{1,2}	2,853.4	–	2,853.4		304.3
North America ¹	1,865.1	–	1,865.1		271.9
Latin America (LATAM)	776.5	–	776.5		110.1
Asia Pacific (APAC)	284.8	–	284.8		22.3
Global Distribution Centers ³	43.9	756.9	800.8		(216.8)
Total divisions	5,823.6	756.9	6,580.5		491.8
Eliminations	–	(756.9)	(756.9)		–
Total	5,823.6	–	5,823.6		491.8

¹ The Group generated 30.2% (6M 2023: 29.2%) of its turnover in the US, 10.7% (6M 2023: 10.5%), in the United Kingdom and 11.0% (6M 2023: 10.4%) in Italy.

² Avolta generated 3.1% (6M 2023: 3.0%) of its turnover with external customers in Switzerland (domicile).

³ Global Distribution Center and corporate entities have global functions that cannot be allocated to the other segments.

Profit or loss reconciliation IFRS / CORE

Please refer to pages 31–32 in Avolta's alternative performance measures chapter for more details on the reconciliation between the IFRS and CORE profit or loss.

6M 2024 In millions of CHF	IFRS (unaudited)	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS)/(CORE)	6,354.6	–	–	(120.1)	6,234.5
Advertising income	108.1	–	–	–	108.1
Turnover (IFRS)/(CORE)	6,462.7	–	–	(120.1)	6,342.6
Cost of sales (IFRS)/(CORE)	(2,296.6)	–	–	111.5	(2,185.1)
Gross profit (IFRS)/(CORE)	4,166.1	–	–	(8.6)	4,157.5
Leases expenses (IFRS)/Concession expenses (CORE)	(903.8)	–	(683.7)	–	(1,587.5)
Personnel expenses	(1,359.3)	–	–	–	(1,359.3)
Other expenses (IFRS)/(CORE)	(672.4)	–	(28.5)	–	(700.9)
Other income (IFRS)/(CORE)	49.9	–	–	8.6	58.5
Operating profit before D&A/CORE EBITDA	1,280.5	–	(712.2)	–	568.3
Depreciation & impairment of PP&E	(146.6)	–	–	–	(146.6)
Amortization & impairment of intangibles (IFRS)/(CORE)	(136.7)	117.1	–	–	(19.6)
Depreciation & impairment right-of-use assets (IFRS)	(588.4)	–	588.4	–	–
Operating profit/CORE EBIT	408.8	117.1	(123.8)	–	402.1
Financial result (IFRS)/(CORE)	(286.8)	–	206.4	–	(80.4)
Profit before taxes / CORE EBT	122.0	117.1	82.6	–	321.7
Income tax (IFRS)/(CORE)	(43.0)	(23.3)	(2.2)	–	(68.5)
Net profit / CORE Net profit	79.0	93.8	80.4	–	253.2

6M 2023 In millions of CHF	IFRS (unaudited)	Acquisition rel. adj. (unaudited)	Lease Adjustments (unaudited)	Fuel sales adjustments (unaudited)	CORE (unaudited)
Net sales (IFRS)/(CORE)	5,731.6	–	–	(108.4)	5,623.2
Advertising income	92.0	–	–	–	92.0
Turnover (IFRS)/(CORE)	5,823.6	–	–	(108.4)	5,715.2
Cost of sales (IFRS)/(CORE)	(2,137.8)	–	–	102.0	(2,035.8)
Gross profit (IFRS)/(CORE)	3,685.8	–	–	(6.4)	3,679.4
Leases expenses (IFRS)/Concession expenses (CORE)	(841.3)	–	(594.2)	–	(1,435.5)
Personnel expenses	(1,167.9)	–	–	–	(1,167.9)
Other expenses (IFRS)/(CORE)	(651.5)	13.0	(31.9)	–	(670.4)
Other income (IFRS)/(CORE)	80.0	–	(0.2)	6.4	86.2
Operating profit before D&A/CORE EBITDA	1,105.1	13.0	(626.3)	–	491.8
Depreciation & impairment of PP&E	(129.9)	–	–	–	(129.9)
Amortization & impairment of intangibles (IFRS)/(CORE)	(102.8)	84.8	–	–	(18.0)
Depreciation & impairment right-of-use assets (IFRS)	(550.4)	–	550.4	–	–
Operating profit/CORE EBIT	322.0	97.8	(75.9)	–	343.9
Financial result (IFRS)/(CORE)	(248.6)	15.7	150.0	–	(82.9)
Profit before taxes / CORE EBT	73.4	113.5	74.1	–	261.0
Income tax (IFRS)/(CORE)	(34.8)	(20.0)	(11.7)	–	(66.5)
Net profit / CORE Net profit	38.6	93.5	62.4	–	194.5

Financial position and other disclosures

In millions of CHF	Unaudited 30.06.2024		31.12.2023	
	Total assets	Total liabilities	Total assets	Total liabilities
Europe, Middle East and Africa (EMEA) ¹	10,315.7	8,368.5	9,792.3	7,677.1
North America ²	4,285.6	2,854.7	4,085.3	2,698.3
Latin America (LATAM)	1,640.0	1,731.7	1,620.8	1,572.6
Asia Pacific (APAC)	368.0	573.9	369.5	538.0
Global Distribution Centers ³	1,880.0	3,430.1	1,246.1	3,431.5
Total divisions⁴	18,489.3	16,958.9	17,114.0	15,917.5
Unallocated positions ⁵	47.9	3,171.1	79.1	3,006.4
Eliminations	(943.4)	(5,010.8)	(678.2)	(4,904.3)
Total	17,593.7	15,119.2	16,514.9	14,019.6

¹ Within the Group, 5.2% (December 31, 2023: 5.5%) of the total non-current assets are located in Switzerland (domicile) and 28.8% (December 31, 2023: 28.6%) in Spain.

² Within the Group, 14.3% (December 31, 2023: 13.7%) of the total non-current assets are located in the US.

³ Global Distribution Centers and corporate entities have global functions and cannot be allocated to the other segments.

⁴ Before inter-segment elimination.

⁵ Total liabilities contain 3rd-party financing.

4. Acquisitions of businesses

4.1 2024 Transactions

There were no significant transactions as of June 30, 2024.

4.2 2023 Transactions

On February 3, 2023, Dufry, global leader in Travel Retail, successfully closed the business combination with Autogrill, global leader in Travel Food & Beverage to become Avolta Group. Refer to the 2023 consolidated financial statements for further information about the business combination.

5. Seasonality

Usually Avolta has its strongest months of net sales and operating profit between July and September corresponding to the summer time in the Northern hemisphere, whereas the first quarter is the weakest. These seasonality effects are more prominent on the operating profit level than in net sales. The straight-line depreciation of right-of-use assets further accentuated the volatility of operating profit.

6. Net sales

Net sales by product categories

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2024
Perfumes and Cosmetics	729.8	85.8	244.4	42.5	30.7	1,133.2
Food, Confectionery & Catering	1,003.8	1,652.4	86.4	107.9	1.8	2,852.3
Wine and Spirits	310.0	33.1	199.9	62.5	7.1	612.6
Luxury goods	136.0	84.3	119.6	21.7	–	361.6
Tobacco goods	635.0	17.9	49.0	39.8	0.5	742.2
Electronics	6.7	63.9	15.3	0.4	–	86.3
Literature and Publications	5.8	44.4	2.3	–	–	52.5
Fuel	120.1	–	–	–	–	120.1
Other	233.8	132.2	27.0	0.8	–	393.8
Total	3,181.0	2,114.0	743.9	275.6	40.1	6,354.6

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2023
Perfumes and Cosmetics	665.4	76.6	243.0	53.9	32.0	1,070.9
Food, Confectionery & Catering	936.2	1,401.3	81.9	81.2	2.1	2,502.7
Wine and Spirits	300.6	31.6	207.5	77.2	6.0	622.9
Luxury goods	128.6	88.2	124.0	31.5	–	372.4
Tobacco goods	550.2	16.9	45.9	34.2	0.2	647.4
Electronics	6.0	61.7	35.1	0.9	–	103.7
Literature and Publications	5.0	47.4	2.0	–	–	54.4
Fuel	108.4	–	–	–	–	108.4
Other	105.3	125.1	17.0	1.5	–	248.8
Total	2,805.8	1,848.8	756.3	280.5	40.2	5,731.6

Net sales by market sector

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2024
Duty-free	1,261.7	129.6	670.3	170.5	–	2,232.1
Duty-paid	943.1	854.8	73.6	16.5	40.1	1,928.1
Food & Beverage	976.1	1,129.6	–	88.6	–	2,194.3
Total	3,181.0	2,114.0	743.9	275.6	40.1	6,354.6

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2023
Duty-free	1,154.8	119.0	689.6	199.3	–	2,162.7
Duty-paid	849.2	818.1	66.7	18.5	40.2	1,792.7
Food & Beverage	801.8	911.7	–	62.7	–	1,776.2
Total	2,805.8	1,848.8	756.3	280.5	40.2	5,731.6

Net sales by channel

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2024
Airports	2,308.3	2,047.4	658.3	197.3	–	5,211.3
Motorways	628.6	–	–	–	–	628.6
Border, downtown & hotel shops	67.2	24.0	26.2	23.1	–	140.5
Cruise liners and seaports	33.6	–	59.2	0.3	–	93.1
Railway stations and other	143.3	42.6	0.2	54.9	40.1	281.1
Total	3,181.0	2,114.0	743.9	275.6	40.1	6,354.6

In millions of CHF	EMEA	North America	LATAM	APAC	Global DC	Unaudited 6M 2023
Airports	2,049.2	1,787.3	668.0	202.0	–	4,706.5
Motorways	544.7	–	–	–	–	544.7
Border, downtown & hotel shops	53.7	23.9	26.9	27.8	–	132.2
Cruise liners and seaports	29.8	–	61.0	–	–	90.8
Railway stations and other	128.4	37.6	0.5	50.6	40.2	257.4
Total	2,805.8	1,848.8	756.3	280.5	40.2	5,731.6

7. Lease (expenses) / income

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Lease expenses	(914.6)	(836.8)
Lease expenses short-term contracts	(19.5)	(20.1)
Lease expenses low value contracts	(6.7)	(6.1)
Sublease income	35.9	21.7
Change in provision for onerous contract	1.1	–
Total	(903.8)	(841.3)

8. Personnel expenses

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Salaries and wages	(1,046.2)	(912.8)
Social security expenses	(168.8)	(130.1)
Retirement benefits	(29.6)	(22.8)
Other personnel expenses	(114.7)	(102.2)
Total	(1,359.3)	(1,167.9)

9. Depreciation, amortization and impairment

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Depreciation of property, plant and equipment	(145.5)	(131.4)
Impairment of property, plant and equipment	(1.1)	–
Reversal of impairment of property, plant and equipment	–	1.5
Depreciation & impairment of PP&E	(146.6)	(129.9)
Depreciation of right-of-use assets	(587.4)	(539.8)
Impairment of right-of-use assets	(1.0)	(14.5)
Reversal of impairment of right-of-use assets	–	3.9
Depreciation & impairment of RoU assets	(588.4)	(550.4)
Amortization of intangibles	(136.7)	(133.4)
Impairment of intangibles	–	–
Reversal of impairment of intangibles	–	30.6
Amortization & impairment of intangibles	(136.7)	(102.8)
Total	(871.7)	(783.0)

Aggregated information of impairments per division (segment)

In millions of CHF	Unaudited 6M 2024			Unaudited 6M 2023		
	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	(1.1)	(1.0)	–	–	–	–
North America	–	–	–	–	–	–
Latin America (LATAM)	–	–	–	–	(14.4)	–
Asia Pacific (APAC)	–	–	–	–	–	–
Global Distribution Centers	–	–	–	–	–	–
Total	(1.1)	(1.0)	–	–	(14.4)	–

Aggregated information of reversal of impairments per division (segment)

In millions of CHF	Unaudited 6M 2024			Unaudited 6M 2023		
	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill	Property, plant and equipment	Right-of-use assets	Intangible assets and goodwill
Europe, Middle East and Africa (EMEA)	–	–	–	0.3	–	–
North America	–	–	–	–	–	–
Latin America (LATAM)	–	–	–	1.2	–	30.6
Asia Pacific (APAC)	–	–	–	–	3.9	–
Global Distribution Centers	–	–	–	–	–	–
Total	–	–	–	1.5	3.9	30.6

10. Goodwill impairment test

Management assessed internal and external indicators in the half-year economic performance. Management believes that as of June 30, 2024, considering existing head-rooms, there are no observable impairment indicators for goodwill.

11. Other expenses

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Repairs and maintenance	(94.4)	(87.1)
Utilities	(58.5)	(63.6)
Credit card expenses	(112.2)	(102.8)
Professional advisors	(70.2)	(66.1)
IT expenses	(51.1)	(31.2)
Freight & packaging	(37.1)	(35.9)
Acquisition related transaction costs ¹	–	(37.3)
Consulting expenses for projects	(0.4)	(7.1)
Other operational expenses	(30.3)	(30.5)
Advertising expenses	(20.0)	(15.5)
Office and admin expenses	(23.8)	(16.0)
Travel, car, entertainment and representation	(23.1)	(22.8)
Royalties, franchise fees and commercial services	(79.7)	(68.9)
Public relations expenses	(7.7)	(10.7)
Taxes other than income taxes	(44.1)	(38.3)
Ancillary premises expenses	(2.6)	(3.8)
Insurances	(11.4)	(8.9)
Bank expenses	(5.8)	(5.1)
Total	(672.4)	(651.5)

¹ 6M 2023: CHF 13.0 million financial-related transaction costs directly linked to the closing of the combination with Autogrill.

12. Other income

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Selling Income	27.7	27.7
Airport services income ¹	14.0	45.5
Other operational income ²	8.2	6.8
Total	49.9	80.0

¹ Services provided in airline lounges ended in March 2024. Related costs are recognized in the corresponding expense line items.

² No significant individual items are included.

13. Finance income and finance expenses

13.1 Finance income

In millions of CHF

Income on financial assets

	Unaudited 6M 2024	Unaudited 6M 2023
Interest income on current deposits	36.6	34.9
Interest income on 3 rd party loans	–	1.5
Other finance income ^{1,2,3}	58.0	41.8
Interest income on financial assets	94.6	78.1

Income from financial investments and associates

Share of result in associates	4.2	2.1
Gain on disposal of financial investments	–	–
Income from financial investments and associates	4.2	2.1

Total

98.8 **80.3**

¹ 6M 2024: CHF 0.1 (6M 2023: 25.0) million gains of interest financial derivatives.

² 6M 2024: CHF 1.9 million of gain in relation to modifications of lease contracts.

³ 6M 2024: CHF 49.6 million net gain relating to the revaluation of financial investments.

13.2 Finance expenses

In millions of CHF

Expenses on financial liabilities

Interest expense	(366.8)	(227.0)
of which lease interest	(250.0)	(106.1)
of which bank interest	(53.1)	(65.2)
of which notes interest	(44.2)	(36.0)
of which bank commitment fees	(8.6)	(14.1)
of which bank guarantees commission expense	(4.2)	(2.5)
of which related to other financial liabilities	(0.8)	(0.3)
Amortization/write off of arrangement fees	(5.9)	(2.8)
Impairment on other financial assets	(3.3)	1.1
Other finance costs ^{1,2}	(4.0)	(50.2)
Interest expense on financial liabilities	(374.1)	(276.0)

Expenses on non-financial liabilities

Interest expense	–	–
Interest and other finance expenses	–	–

Total

(374.1) **(276.0)**

¹ 6M 2024: CHF 0.6 (6M 2023: 31.1) million losses of interest financial derivatives.

² 6M 2023: CHF 15.7 million financing related transaction costs in connection with the closing of the Autogrill transaction (Bridge financing).

14. Property, plant and equipment

2024 In millions of CHF	Leasehold improvements	Buildings	Furniture fixtures	Computer hardware	Vehicles	Work in progress	Total
Carrying amounts							
Balance at January 1	552.9	49.7	305.4	18.6	2.8	202.0	1,131.4
Additions	31.8	1.0	23.8	5.7	0.2	127.7	190.2
Disposals	(0.7)	(0.4)	–	(0.5)	–	(0.2)	(1.8)
Depreciation	(78.3)	(1.4)	(59.6)	(5.5)	(0.8)	–	(145.6)
Impairment	(1.0)	–	(0.1)	–	–	–	(1.1)
Reversal of impairment	–	–	–	–	–	–	–
Reclassification within classes	64.1	1.7	39.5	11.9	0.6	(117.8)	–
Business combinations	1.1	–	0.3	–	–	–	1.4
Currency translation adjustments	26.2	1.4	14.6	1.2	0.2	10.8	54.4
At June 30, 2024 (unaudited)	596.1	52.0	323.9	31.4	3.0	222.5	1,228.9

15. Right-of-use assets

2024 In millions of CHF	Shops	Other Buildings	Vehicles	Other	Total
At cost					
Balance at January 1	11,095.7	258.9	9.9	3.3	11,367.8
Business combinations	–	–	–	–	–
Decrease in scope of consolidation	–	–	–	–	–
Additions ¹	126.4	1.5	2.1	–	130.0
Disposals ²	(116.8)	(10.1)	(0.6)	(1.0)	(128.5)
Lease modifications ³	571.0	7.2	0.3	1.5	580.0
Currency translation adjustments	492.4	12.6	0.5	0.2	505.7
Balance at June 30	12,168.7	270.1	12.2	4.0	12,455.0
Accumulated depreciation					
Balance at January 1	(3,708.2)	(114.3)	(5.7)	(1.9)	(3,830.1)
Business combinations	–	–	–	–	–
Decrease in scope of consolidation	–	–	–	–	–
Additions (note 9)	(569.3)	(16.2)	(1.4)	(0.5)	(587.4)
Disposals ²	111.3	9.6	0.4	–	121.3
Lease modifications ³	–	–	–	–	–
Currency translation adjustments	(168.5)	(5.8)	(0.3)	(0.1)	(174.7)
Balance at June 30	(4,334.7)	(126.7)	(7.0)	(2.5)	(4,470.9)
Impairment					
Balance at January 1	(294.8)	(5.9)	–	–	(300.7)
Impairment (note 9)	(1.0)	–	–	–	(1.0)
Reversal of impairment (note 10)	–	–	–	–	–
Disposals ²	2.3	0.3	–	–	2.6
Currency translation adjustments	(13.8)	(0.2)	–	–	(14.0)
Balance at June 30	(307.3)	(5.8)	–	–	(313.1)
Carrying amount					
At June 30, 2024 (unaudited)	7,526.7	137.6	5.2	1.5	7,671.0

¹ New contracts.

² Ending of lease contracts.

³ Relates to contractual lease term change of existing right-of-use assets in relation to duration, scope and commercial terms.

16. Equity

16.1 Fully paid ordinary shares

In millions of CHF	Number of shares	Share capital	Share premium
Balance at January 1, 2023	90,797,007	454.0	4,542.2
Conversion of mandatory convertible notes to equity	2,092,113	10.5	49.8
Share capital increase	59,725,131	298.6	2,240.8
Balance at December 31, 2023	152,614,251	763.1	6,832.8
Balance at June 30, 2024 (unaudited)	152,614,251	763.1	6,832.8

The ordinary general assembly of May 15, 2024 approved a dividend of CHF 0.70 per share, which the Company paid as a total of CHF 104.2 million on May 22, 2024.

On February 3, 2023, Dufry and Edizione successfully closed the transfer of the 50.3% stake in Autogrill held by Edizione S.p.A (through a wholly owned subsidiary) to Dufry.

In accordance with the Combination Agreement entered into on July 11, 2022, and in consideration for the transfer of the 50.3% stake in Autogrill to Dufry, Edizione (through its wholly owned subsidiary Schema Beta S.p.A.) was issued mandatory convertible non-interest bearing notes 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. Edizione exercised its conversion right following closing on February 3, 2023, of the transfer and was issued 30,663,329 Dufry shares. Additional 29,061,802 Dufry shares were issued in several steps in context of the MTO for the outstanding Autogrill shares at the Milan Stock Exchange.

17. Share-based payment plans

In the first six months of 2024, Avolta recorded CHF 28.5 million in relation to its PSU plans under personnel expenses, out of which CHF 7.5 million are recorded as other liabilities (personnel payables). In the first six months of 2023, Avolta recorded CHF 22.3 million in relation to its PSU plans under Personnel Expenses, whereas CHF 3.4 million are recorded as other liabilities (personnel payables). Amounts recorded in other payables include charges for cash settled portions CHF 4.2 million (2022: CHF 1.4 million) and accruals for social security charged CHF 3.3 million (2022: CHF 2.0 million).

2024 Plan

During the first half of 2024, Avolta granted to selected members of the management the award 2024 consisting of 799,367 performance share units (PSU). The PSU award 2024 will vest on June 1, 2027 and has a contractual life between 39 and 41 months. At grant dates, the fair values of one PSU award 2024 was calculated applying a combination of market share price and applying a Monte Carlo simulation. The range of fair values was determined between CHF 30.88 and CHF 34.54 for the respective grant dates, with a weighted average fair value of CHF 33.16. As part of this plan, 226,180 PSU will be settled in cash. The PSU granted in 2024 are subject to three performance conditions (unchanged to the previous year): Cumulative CORE EPS with a 50% weighting, Relative TSR with a 25% weighting and an ESG target with a 25% weighting. On the vesting date, the PSU vest and are converted into shares based on the achievement of the performance targets. Each PSU may provide between zero share (50% targets achievement or less) and 2 shares (150% or more targets achievement). Holders of PSU are not entitled to vote or receive dividends like shareholders do.

2023 & 2022 Plan

There were no changes.

2021 Plan

On June 6, 2024, the PSU plan 2021 vested and the company assigned and delivered, free of charge 525,194 Avolta shares to the holders of these certificates. In addition, the equivalent of 244,620 shares were settled in cash. A total of 9,900 PSUs have forfeited. The PSU award 2021 was measured against the targets (cumulative adjusted EPS, and the cumulative Equity Free Cash Flow) and achieved a payout ratio of 2.0 shares per PSU.

As of June 30, 2024, none of the PSU awards 2024, 2023 and 2022 have forfeited and 2,215,777 PSU remain outstanding.

18. Hedge of net investments in foreign operations

In millions of	CHF	USD
Balance at January 1, 2023	270.7	292.9
Currency translation adjustments	(14.3)	–
Balance at December 31, 2023	256.4	292.9
Currency translation adjustments	12.5	–
Discontinuation	(268.9)	(292.9)
Balance at June 30, 2024 (unaudited)	–	–

Avolta had a hedge relationship with Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services SA and Duty Free Ecuador SA in the past, which are no longer designated, but for which the originally hedged foreign operation is still part of the Group.

19. Borrowings

In millions of CHF	Cash and cash equivalents	Lease obligations	Financial derivatives asset-borrowings	Financial derivatives liability-borrowings	Borrowings	Net debt
Balance at January 1, 2024	714.6	7,853.4	9.3	80.0	3,340.0	10,549.5
Cash flows from operating, financing and investing activities	182.8	-	-	-	-	(182.8)
Proceeds from/(repayment of) 3 rd party loans payable	-	-	-	-	(0.9)	(0.9)
Transaction costs for financial instruments	-	-	-	-	(3.1)	(3.1)
Repayment of borrowings	-	-	-	0.6	(571.2)	(570.6)
Proceeds from borrowings	-	-	-	-	805.2	805.2
Lease payments	-	(705.2)	-	-	-	(705.2)
Cash flow	182.8	(705.2)	-	0.6	230.0	(657.4)
Other	-	-	-	-	(45.7)	(45.7)
Additions to lease obligations	-	140.1	-	-	-	140.1
Interest on lease obligations	-	249.8	-	-	-	249.8
Modification of lease obligations	-	579.1	-	-	-	579.1
Early termination of lease obligations	-	(8.1)	-	-	-	(8.1)
Arrangement fees amortization	-	-	-	-	5.9	5.9
Discounted interests	-	-	-	-	5.4	5.4
Currency translation adjustments	(46.7)	300.6	(3.4)	(59.0)	160.4	452.1
Other non-cash movements	(46.7)	1,261.5	(3.4)	(59.0)	126.0	1,378.6
Balance at June 30, 2024 (unaudited)	850.7	8,409.7	5.9	21.6	3,696.0	11,270.7

In April 2024, Avolta placed an offering of EUR 500 million aggregate principal amount of 4.750% Senior Notes due 2031 (the “Notes”) including EUR 2.0 million of transaction costs. Avolta used the proceeds from the offering to complete the refinancing initiatives with the closing of a cash tender offer to existing bondholders of the outstanding EUR 800 million Senior Notes due 2024. The tender offer resulted in bondholders tendering 50.9%, or EUR 407.0 million, of the outstanding aggregate principal amount of the Senior Notes due 2024 and was financed with the new issuance. The remaining outstanding Senior Notes will be kept until maturity and repaid in cash. Similar to all notes outstanding per December 31, 2023, the senior note placed in April 2024 is not to subject to any particular debt covenant.

Detailed credit facilities

Avolta negotiates and manages its main credit facilities centrally. As of June 30, 2024, the total amount of the Revolving Credit Facility (RCF) is EUR 2,750 (CHF 2,649) million, with CHF 587.1 million drawn cumulatively to date (thereof CHF 317.5 million during 2024).

In December 2023, the margin of the RCF was 2.75% based on Avolta’s rating. Following upgrades by Moody’s / S&P Global, the margin improved to 2.25% as of June 30, 2024.

20. Fair value measurement

Fair value of financial instruments carried at amortized cost

Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets below, Avolta considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

The following tables provide the fair value measurement hierarchy of Avolta's assets and liabilities, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the put option related to unlisted shares is derived from the proportional share of the net assets. The movement of the put option is recorded through equity instead of through profit or loss.

Quantitative disclosures fair value measurement hierarchy for assets

Unaudited June 30, 2024 In millions of CHF	Total	Fair value measurement using			Carrying amounts
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign exchange forward contracts – USD	0.3	–	0.3	–	0.3
Foreign exchange swaps contracts – EUR	0.5	–	0.5	–	0.5
Foreign exchange swaps contracts – OTHER	0.1	–	0.1	–	0.1
Cross currency swaps contracts – EUR	5.0	–	5.0	–	5.0
Subtotal	5.9	–	5.9	–	5.9
Short-term investments – USD	118.3	118.3	–	–	118.3
Short-term investments – ARS	4.4	4.4	–	–	4.4
Money market deposits – USD	1.1	–	1.1	–	1.1
Total	129.7	122.7	7.0	–	129.7
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	75.4	–	75.4	–	75.7

December 31, 2023 In millions of CHF	Total	Fair value measurement using			Carrying amounts
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign exchange forward contracts – USD	–	–	–	–	–
Foreign exchange swaps contracts – EUR	–	–	–	–	–
Foreign exchange swaps contracts – OTHER	4.4	–	4.4	–	4.4
Cross currency swaps contracts – EUR	4.9	–	4.9	–	4.9
Subtotal	9.3	–	9.3	–	9.3
Short-term investments – ARS	54.9	54.9	–	–	54.9
Money market deposits – USD	16.8	–	16.8	–	16.8
Total	81.0	54.9	26.1	–	81.0
Assets for which fair values are disclosed					
Loans and receivables					
Trade and credit card receivables	4.7	–	4.7	–	4.7

There were no transfers between Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

Unaudited June 30, 2024 In millions of CHF	Total	Fair value measurement using			Carrying amounts
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign exchange swaps contracts – USD	0.5	–	0.5	–	0.5
Foreign exchange swaps contracts – EUR	0.4	–	0.4	–	0.4
Foreign exchange swaps contracts – OTHER	2.1	–	2.1	–	2.1
Cross currency swaps contracts – EUR	18.6	–	18.6	–	18.6
Put option Dufry Staer Holding Ltd	27.6	–	–	27.6	27.6
Total	49.2	–	21.6	27.6	49.2
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	302.2	302.2	–	–	297.9
Senior notes EUR 500	476.6	476.6	–	–	478.6
Senior notes EUR 800	376.0	376.0	–	–	378.6
Senior notes EUR 750	678.1	678.1	–	–	715.9
Senior notes EUR 725	671.5	671.5	–	–	694.9
Convertible notes CHF 500	481.3	481.3	–	–	482.9
Total	2,985.7	2,985.7	–	–	3,048.8
RCF – multicurrency – USD	270.1	–	270.1	–	269.6
RCF – multicurrency – CHF	317.5	–	317.5	–	317.5
Related deferred arrangement fees	–	–	–	–	(15.1)
Total	587.6	–	587.6	–	572.0

There were no transfers between Level 1 and 2 during the period.

December 31, 2023 In millions of CHF	Fair value measurement using				Carrying amounts
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign exchange forward contracts – USD	0.1	–	0.1	–	0.1
Foreign exchange swaps contracts – EUR	4.8	–	4.8	–	4.8
Foreign exchange forward contracts – OTHER	–	–	–	–	–
Cross currency swaps contracts – EUR	75.3	–	75.3	–	75.3
Put option Dufry Staer Holding Ltd	26.8	–	–	26.8	26.8
Total	107.0	–	80.2	26.8	107.0
Liabilities for which fair values are disclosed					
At amortized cost					
Senior notes CHF 300	297.3	297.3	–	–	299.4
Senior notes EUR 800	730.6	730.6	–	–	745.9
Senior notes EUR 750	650.7	650.7	–	–	692.0
Senior notes EUR 725	643.6	643.6	–	–	672.1
Convertible notes CHF 500	470.4	470.4	–	–	471.6
Total	2,792.6	2,792.6	–	–	2,881.0
RCF – multicurrency – USD	311.8	–	311.8	–	311.4
RCF – multicurrency – EUR	46.5	–	46.5	–	46.4
Related deferred arrangement fees	–	–	–	–	(18.1)
Total	358.3	–	358.3	–	339.7

There were no transfers between Level 1 and 2 during the period.

21. Principal exchange rates

In CHF	Average rate		Closing rate		
	6M 2024	6M 2023	30.06.2024	30.06.2023	31.12.2023
1 USD	0.8893	0.9120	0.8987	0.8953	0.8415
1 EUR	0.9615	0.9856	0.9631	0.9771	0.9288
1 GBP	1.1251	1.1249	1.1364	1.1378	1.0714

22. Events after reporting date

No significant events occurred after June 30, 2024 up to July 29, 2024 that would have a material impact on these financial statements.

Deloitte.

Deloitte AG
Pfingstweidstrasse 11
8005 Zürich
Schweiz

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

To the Board of Directors of
Avolta AG, Basel

Basel, July 29, 2024

Report on the review of interim condensed consolidated financial statements

Introduction

We have reviewed the interim condensed consolidated financial statements of Avolta AG, which comprise the interim consolidated statement of financial position as at June 30, 2024, and the interim consolidated statement of profit or loss, interim consolidated statement of other comprehensive income, interim consolidated statement of changes in equity, interim consolidated statement of cash flows, for the six-months period then ended and the notes to the interim consolidated financial statements presented on pages 3 to 27. The Board of Directors is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 – “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements for the six months ended June 30, 2024 are not prepared, in all material respects, in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting”.

Deloitte AG



Andreas Bodenmann
Licensed audit expert



Fabian Hell
Licensed audit expert

Avolta's alternative performance measures

Avolta believes that disclosing adjusted results of the Group's performance enhances the financial markets' understanding of the company because the adjusted results enable better comparison across years. These CORE figures exclude exceptional acquisition respective disposal related expenses and income, and also exclude impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year.

Avolta's profit or loss statement in accordance with IFRS is materially impacted by IFRS 16 lease accounting. CORE figures exclude the accounting impact resulting from IFRS 16 lease accounting standard. This is achieved by reversing IFRS 16 related profit or loss line items (i.e. depreciation of right-of-use assets and lease interest) and adding the relevant concession fee owed based on the corresponding concession agreement. For this same reason, we consider all our concession fees and corresponding payments as CORE to our business, in contrast to IFRS 16, which treats fixed payments as a financing activity. In addition, we believe that the straight-line depreciation of right-of-use assets does not reflect the economic reality of our business and the operational performance of our Group. Avolta uses these adjusted results in addition to IFRS as important factors in internally assessing the Group's performance.

In addition, Avolta, in continuance with Autogrill's previous practice, reclasses net sales and respective cost of sales in relation to fuel sales to other income.

Organic growth

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Like-for-like	7.4%	32.7%
Net new concessions	(0.3%)	2.8%
Organic growth	7.1%	35.5%

Organic growth describes the turnover growth of the Company in CHF excluding turnover from acquisition and disinvestments to allow for annual comparison of Avolta Group's operational performance. Turnover, consisting of net sales and advertising income, is converted at constant previous year exchange rates.

Organic growth is further split into Like-for-Like (LFL) growth and Net new concessions. LFL growth considers only shops that were open and comparable under same conditions with last year. Shops that are not comparable are adjusted as scope effects and are being reported as Net new concessions.

CORE profit or loss

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Net sales (CORE)	6,234.5	5,623.2
Advertising income	108.1	92.0
Turnover (CORE)	6,342.6	5,715.2
Cost of sales (CORE)	(2,185.1)	(2,035.8)
Gross profit (CORE)	4,157.5	3,679.4
Concession expenses (CORE)	(1,587.5)	(1,435.5)
Personnel expenses	(1,359.3)	(1,167.9)
Other expenses (CORE)	(700.9)	(670.4)
Other income (CORE)	58.5	86.2
CORE EBITDA	568.3	491.8
Depreciation, amortization and impairment (CORE)	(166.2)	(147.9)
CORE EBIT	402.1	343.9
Financial result (CORE)	(80.4)	(82.9)
CORE Profit before tax	321.7	261.0
Income tax (CORE)	(68.5)	(66.5)
CORE Net profit	253.2	194.5
Attributable to		
Non-controlling interests	71.3	70.6
Equity holders of the parent	181.9	124.0
Earnings per share attributable to equity holders of the parent		
CORE basic earnings/(loss) per share in CHF	1.22	1.02
CORE diluted earnings/(loss) per share in CHF	1.19	1.01

Avolta's CORE profit or loss statement replaces the IFRS related lease expense lines with our concession fees as per the contracts and moves non-shop related leases back to other expenses. Also, we remove the FX impact on our lease obligations and the financing component of IFRS 16. In addition, all depreciation and amortization expenses related to previous acquisitions are removed to enable a better view of the performance of the current year. CORE EBITDA is used by Avolta's lenders to calculate covenants under the bank financing agreements.

Profit or loss reconciliation IFRS / CORE

6M 2024 In millions of CHF	IFRS (unaudited)	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited) ¹	CORE (unaudited)
Net sales (IFRS)/(CORE)	6,354.6	-	-	(120.1)	6,234.5
Advertising income	108.1	-	-	-	108.1
Turnover (IFRS)/(CORE)	6,462.7	-	-	(120.1)	6,342.6
Cost of sales (IFRS)/(CORE)	(2,296.6)	-	-	111.5	(2,185.1)
Gross profit (IFRS)/(CORE)	4,166.1	-	-	(8.6)	4,157.5
Leases expenses (IFRS)/Concession expenses (CORE)	(903.8)	-	(683.7)	-	(1,587.5)
Personnel expenses	(1,359.3)	-	-	-	(1,359.3)
Other expenses (IFRS)/(CORE) ²	(672.4)	-	(28.5)	-	(700.9)
Other income (IFRS)/(CORE)	49.9	-	-	8.6	58.5
Operating profit bef D&A/ CORE EBITDA	1,280.5	-	(712.2)	-	568.3
Depreciation & impairment of PP&E	(146.6)	-	-	-	(146.6)
Amortization & impairment of intangibles (IFRS)/(CORE) ³	(136.7)	117.1	-	-	(19.6)
Depreciation & impairment right-of-use assets (IFRS)	(588.4)	-	588.4	-	-
Operating profit/CORE EBIT	408.8	117.1	(123.8)	-	402.1
Financial result (IFRS)/(CORE) ⁴	(286.8)	-	206.4	-	(80.4)
Profit before taxes/CORE EBT	122.0	117.1	82.6	-	321.7
Income tax (IFRS)/(CORE) ⁵	(43.0)	(23.3)	(2.2)	-	(68.5)
Net profit/CORE Net profit	79.0	93.8	80.4	-	253.2
Attributable to					
Non-controlling interests	67.5	1.0	2.8	-	71.3
Equity holders of the parent	11.5	92.8	77.6	-	181.9
Earnings per share attributable to equity holders of the parent					
Basic Earnings per share in CHF (IFRS/CORE)	0.08				1.22
Diluted Earnings per share in CHF (IFRS/CORE)	0.07				1.19

¹ Net sales (CORE) and cost of sales (CORE) differ from the IFRS amounts because they do not include fuel sales and fuel cost of sales. The net amount is classified as other income (CORE) in accordance with management's protocol for the analysis of Group figures.

² CHF 28.5 million non-shop leases included in other expenses (CORE).

³ CHF 117.1 million amortization of acquisition related concession rights.

⁴ CHF 206.4 million lease interest expenses and IFRS 16 related foreign exchange effect.

⁵ CHF 23.3 million deferred taxes on acquisition related concession rights and CHF 2.2 million deferred taxes related to IFRS 16.

6M 2023 In millions of CHF	IFRS (unaudited)	Acquisition rel. adj. (unaudited)	Lease adjustments (unaudited)	Fuel sales adjustments (unaudited) ¹	CORE (unaudited)
Net sales (IFRS)/(CORE)	5,731.6	–	–	(108.4)	5,623.2
Advertising income	92.0	–	–	–	92.0
Turnover (IFRS)/(CORE)	5,823.6	–	–	(108.4)	5,715.2
Cost of sales (IFRS)/(CORE)	(2,137.8)	–	–	102.0	(2,035.8)
Gross profit (IFRS)/(CORE)	3,685.8	–	–	(6.4)	3,679.4
Leases expenses (IFRS)/Concession expenses (CORE)	(841.3)	–	(594.2)	–	(1,435.5)
Personnel expenses	(1,167.9)	–	–	–	(1,167.9)
Other expenses (IFRS)/(CORE) ^{2,3}	(651.5)	13.0	(31.9)	–	(670.4)
Other income (IFRS)/(CORE)	80.0	–	(0.2)	6.4	86.2
Operating profit bef D&A / CORE EBITDA	1,105.1	13.0	(626.3)	–	491.8
Depreciation & impairment of PP&E	(129.9)	–	–	–	(129.9)
Amortization & impairment of intangibles (IFRS)/(CORE) ⁴	(102.8)	84.8	–	–	(18.0)
Depreciation & impairment right-of-use assets (IFRS)	(550.4)	–	550.4	–	–
Operating profit / CORE EBIT	322.0	97.8	(75.9)	–	343.9
Financial result (IFRS)/(CORE) ^{5,6}	(248.6)	15.7	150.0	–	(82.9)
Profit before taxes / CORE EBT	73.4	113.5	74.1	–	261.0
Income tax (IFRS)/(CORE) ⁷	(34.8)	(20.0)	(11.7)	–	(66.5)
Net profit / CORE Net profit	38.6	93.5	62.4	–	194.5
Attributable to					
Non-controlling interests	66.2	2.0	2.4	–	70.6
Equity holders of the parent	(27.6)	91.5	60.1	–	124.0
Earnings per share attributable to equity holders of the parent					
Basic Earnings per share in CHF (IFRS/CORE)	(0.23)				1.02
Diluted Earnings per share in CHF (IFRS/CORE)	(0.23)				1.01

¹ Net sales (CORE) and cost of sales (CORE) differ from the IFRS amounts because they do not include fuel sales and fuel cost of sales. The net amount is classified as other income (CORE) in accordance with management's protocol for the analysis of Group figures.

² Other expenses (CORE) exclude CHF 13.0 million financial related transaction cost directly linked to the closing of the combination with Autogrill.

³ CHF 18.5 million non-shop leases included in other expenses (CORE).

⁴ CHF 84.8 million amortization and impairment of acquisition related concession rights.

⁵ Financial result (CORE) exclude CHF 15.7 million in connection with a Bridge financing, directly linked to the closing of the combination with Autogrill.

⁶ CHF 150.0 million lease interest expenses and IFRS 16 related foreign exchange effect.

⁷ CHF 20 million deferred taxes on acquisition related concession rights and CHF 11.7 million deferred taxes related to IFRS 16.

CORE cash flow

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 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 ¹	(62.2)	(34.5)
Income taxes paid	(40.9)	(33.4)
Cash flow before financing	286.1	290.9
Interest, net	(75.6)	(95.1)
Other financing items	3.0	(30.7)
Equity free cash flow	213.5	165.1
Acquisition & financing activities, net	(255.5)	(2.0)
Foreign exchange adjustments and other	(122.9)	(157.7)
Decrease / (Increase) in financial net debt	(164.9)	5.4
– at the beginning of the period	2,696.1	2,810.8
– at the end of the period	2,861.0	2,805.4

¹ Includes CHF (68.6) million dividends paid to non-controlling interests and CHF 6.4 million contribution from non-controlling interests.

Cash flow before financing is calculated from CORE EBITDA, corrected by changes in net working capital and concession related non-cash items (such as prepayments). In addition, capital expenditure (Capex), cash flows to minorities and income taxes are deducted. Cash flow before financing provides an effective measure of Avolta's cash flow generation from operations and investing activities.

Equity free cash flow measures the relevant cash generation of the Company and provides the basis for further capital allocation decisions. It therefore can be considered the single-most important KPI from a shareholder perspective, reflecting the amount of cash available for creating value to investors.

Financial net debt

In millions of CHF	30.06.2024	31.12.2023
Borrowings (current and non-current)	3,696.0	3,340.0
Financial derivatives liability – Borrowings	21.6	80.0
Less financial derivatives assets – Borrowings	(5.9)	(9.3)
Less cash and cash equivalents	(850.7)	(714.6)
Financial net debt	2,861.0	2,696.1

Avolta's financial net debt is not considering IFRS 16 related lease obligations.

Trade net working capital

In millions of CHF	30.06.2024	31.12.2023
Inventories	1,258.6	1,062.0
Trade and credit card receivables	75.7	41.3
Less trade payables	(995.5)	(873.7)
Trade net working capital	338.8	229.6

Capital expenditure (Capex)

In millions of CHF	Unaudited 6M 2024	Unaudited 6M 2023
Purchase of property, plant and equipment	(207.4)	(171.7)
Purchase of intangible assets	(17.9)	(17.9)
Proceeds from sale of property, plant and equipment	2.0	4.8
Capex	(223.3)	(184.8)

Capex includes purchase of property, plant, equipment, intangible assets, other investing activities and proceeds from sale of property, plant, equipment on cash basis. Any purchase or proceeds related to financial assets are not included within the definition as not considered core to Avolta's business operations and as those activities might differ over time.