

## Dufry and Autogrill join forces to redefine Travel Experience globally and create a “world champion” in the sector

With the news that Edizione S.p.A., the majority shareholder of Autogrill S.p.A., has signed a strategic agreement with Dufry Group, travel retail can be on the verge of a major transformation.

Dufry, global leader in Travel Retail, and Autogrill, global leader in Travel Food & Beverage (F&B), are combining to create a new, integrated global Travel Experience player that the companies say can “redefine the travel experience globally.”

“The union between Autogrill and Dufry will allow the creation of the world champion in the sector, with a leadership position in different geographies and on different services...” commented Alessandro Benetton, Edizione’s Chairman, in the official Autogrill statement.

### Terms of the agreement

The enlarged Group, which will offer more integrated and digitalized offerings across Travel Retail & F&B to provide landlords, airport partners and brands with an enhanced service portfolio, redefines the boundaries of the industry and will focus on enriching the passenger journey based on experience and innovation, said the formal Dufry announcement.

When completed, the strategic business combination will cover 2.3 billion passengers in more than 75 countries in around 5,500 outlets across some 1,200 airport and other locations.

A global player, the new company will encompass combined revenues of more than € 12 billion and a combined EBITDA of about € 1.3 billion (2019 figures - pre-pandemic). It would have a market value of around \$6bn, according to *Bloomberg*.

Edizione, which currently owns a 50.3% stake in Autogrill, will become the largest shareholder of the new Group, in which it will hold a stake of between about 25% and 20% at the end of the transaction.

Edizione, through a wholly owned subsidiary, will transfer its entire stake of 50.3% in Autogrill to Dufry at an exchange ratio of 0.158 new Dufry shares for each Autogrill share.

Following the closing of the transfer, Dufry will launch a mandatory tender offer for the remaining Autogrill shares, offering Autogrill shareholders to exchange Autogrill shares for Dufry shares or, alternatively, for cash -- 0.158 new Dufry shares for each Autogrill share (which is the same exchange ratio as offered to Edizione) -- or a cash alternative equivalent of Eur 6.33 per Autogrill share.

According to the financial presentation on July 11, the objective will be to ultimately delist Autogrill.

Dufry says that the deal will significantly strengthen its presence in the highly attractive and resilient U.S. market, while adding opportunities in other key

geographies including APAC, Latin America, the Middle East and Africa.

Financially, the enlarged entity will have a strengthened balance sheet with lower financial leverage compared to Dufry on a standalone basis, targeting a below 3x leverage level, says Dufry.

Upon completion of the transaction, the Group will adopt a new name, in order to reinforce the new identity created by the combination of the two industry leaders.

### Leadership and Governance of the combined group

The Board of Directors of the combined entity will be chaired by Dufry’s current Executive Chairman, **Juan Carlos Torres**.

Assuming shareholder approval at Dufry’s Extraordinary General Meeting on August 31, 2022, the Board of Directors will comprise of Dufry’s current Board members as well as two representatives of Edizione. **Alessandro Benetton** will join the new Group Board of Directors as Honorary Chairman with the task of promoting and coordinating institutional relations with the Group’s main shareholders. **Enrico Laghi** (CEO of Edizione) will join as Vice Chairman. Edizione will also nominate **Paolo Roverato** (Chairman of Autogrill) as Vice Chairman.

Dufry’s current CEO, **Xavier Rossinyol** will lead the combined Group as CEO.

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*“As a leader of travel retail, Dufry has strived to be at the forefront of services and products offered to travelers, airports and brands for years. Now, Dufry pledges to define the travel experience in a manner that creates value for all stakeholders.*

*“The combination of the two groups will create a new leader in travel experience and will allow us to significantly increase our presence in core markets, such as the U.S., and in the sector of Travel F&B. In addition, this transaction will strengthen our balance sheet, reduce our leverage and create meaningful synergies.*

*“The Board of Directors unanimously approved the business combination, recognizing the strategic fit and value generation. We encourage our shareholders to support this truly transformative, growth-enhancing and value-accretive transaction. On behalf of the board and myself, I would like to thank the Autogrill, Dufry, and Edizione management teams for their hard work and effort to make this strategic combination happen.”*

**Juan Carlos Torres,**  
*Executive Chairman of Dufry*



*“This agreement allows the continuation of Autogrill’s growth and development path, an asset that will remain strategic for Edizione. The union between Autogrill and Dufry will allow the creation of the world champion in the sector, with a leadership position in different geographies and on different services, also favored by important synergies within the new Group.*

*“In this new reality, Autogrill will play a leading role, bringing with it its values and corporate culture, particularly in the areas of sustainable development and innovation. In Dufry and its current management, we immediately recognized a common vision and values, combined with a management culture and skills of the highest level recognized throughout the industry.”*

**Alessandro Benetton,**  
*Chairman of Edizione*

## Compelling reasons behind the Dufry and Autogrill merger

### Dufry and Autogrill join forces to redefine Travel Experience globally



\* Numbers as of 2019. EBITDA corresponds to pre-IFRS 16 (approximation)

Dufry spells out the compelling rational it sees to pursue the new merger. The company summarized the benefits it sees developing from the combined Group.

**Enhanced travel experience including F&B and digital engagement to serve passengers:**

### Dufry and Autogrill join forces

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**Gianmario Tondato da Ruos**, Autogrill's current CEO, will assume the position of Executive Chairman of the North American business of the combined entity. He will be succeeded in his current function by **Paolo Roverato**.

The senior management team of the combined entity will comprise of members from both companies', ensuring all necessary skills are represented.

**Yves Gerster** will continue as the Group's CFO.

A Strategy and Integration Committee – including directors representing both legacies – will be set up to advise on the integration process and on the strategy of the combined Group.

The combined entity is well positioned to provide travelers with a redefined, holistic travel experience that reflects evolving consumer trends. Complementing Dufry's portfolio with F&B broadens its offering and gives the Group more contact points with travelers.

In addition, the integrated Group will have greater resource to grow its digital capabilities, focused on delivering tailored passenger experiences.

**Holistic service portfolio for landlords and brands:** The integration of Travel Retail, Convenience and F&B allows the combined entity to improve the commercial setup and revenue generation for landlords. This also includes bidding to act as Master Concessionaire/Terminal Manager, guaranteeing the best commercial setup and efficient handling to landlords and airport partners.

**Business diversification and expansion in the highly attractive and resilient U.S. market:** The combined entity will benefit from an increased level of diversification by geography, business type and channel, driven by Autogrill's

strong position in the highly attractive and resilient U.S. F&B market, as well as its current exposure to the duty paid market and multi-channel approach.

In particular, the U.S. has proven to recover quicker and to be less volatile than the rest of the world due to the high share of domestic passengers.

The combined Group will be present in more than 100 airports in the US, and with a shared presence in 17 of the country's top 20 largest airports.

**Increased business development opportunities:** The transaction will expand Dufry's growth opportunities in other attractive international markets including Asia-Pacific, the Middle East, Latin America and Africa.

F&B is expected to be supported by future industry dynamics that can further drive growth, e.g. limited offerings on board, increasing travelers' propensity to grab drinks and foods before boarding, rising interest in regional food, and demand for new experiences and concepts.

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*"I am very happy to lead this transformative combination, which I am sure will reinforce the new Group strategy and will create sustainable long-term value for our customers and shareholders.*

*"We are transforming our industry and redefining its boundaries, and we will create a new corporate identity to reflect this fundamental move. By executing on this unique opportunity, we will accelerate growth by fully focusing on consumers and the digital revolution, by offering additional value to landlords and airport partners with an expanded service portfolio, while further diversifying the Group and increasing our resilience.*

*"With a culture of prioritizing serving customers while relentlessly driving operational efficiencies and actively managing our portfolio of concessions, we will be able to drive growth and innovation as well as profitability.*

*"We remain committed to our ESG principles and contributing to the communities and environments we work in.*

*"I am impressed by the know-how, skills and – above all – the passion of the teams, both at Dufry and Autogrill. I am sure that together we will build the next generation of travel experience.*

*"I want to express my admiration for what Gianmario Tondato da Ruos has achieved over the last two decades at Autogrill and his passion for the business. I thank him for continuing to support the company and me going forward.*

*"I thank Edizione and its Chairman Alessandro Benetton for their trust, full alignment on the strategy and long-term commitment to the new combined company, with great vision and precise execution."*

**Xavier Rossinyol,  
CEO of Dufry**

## Compelling reasons behind the Dufry and Autogrill merger Continued from page 2

### Supportive for deleveraging:

The combined entity is expected to benefit from a materially strengthened balance sheet and lower financial leverage compared to Dufry as a stand-alone business. Dufry agreed to reduce its leverage to below 3x between 2024 and 2025, depending on the timing of the completion of the overall transaction.

### Compelling cost synergies

**potential:** Dufry and Autogrill will integrate into one organization and expect to generate cost synergies with an annual run-rate of approx. CHF 85 million, comprising both cost reductions and gross profit improvements.

First, Dufry expects to realize optimization measures at cost of goods sold level in F&B and convenience with focus on the U.S.

Secondly, Dufry expects to optimize support function costs and reduce business related operating expenses. Synergies are planned to be fully realized in the first two years post-transaction.

A dedicated team will focus on the delivery on a zero-based budgeting approach.

**Value enhancing transaction for shareholders:** As a consequence of all the above, the transaction is expected to create sustainable value to shareholders.

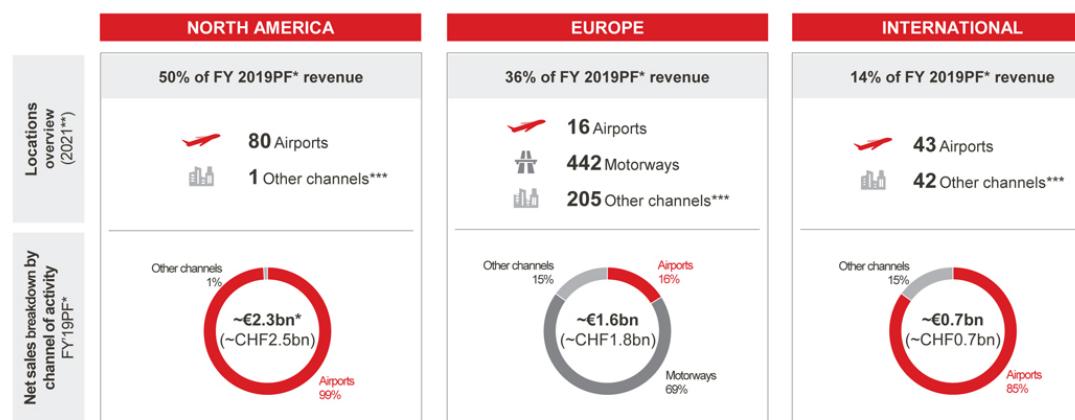
Despite the significantly lower leverage level, Dufry expects to achieve an EFCF per share accretion in the first year-postclosing.

The EFCF conversion from the targeted cost synergies amounts to approx. 65%.

In addition, the business combination is expected to generate new revenue opportunities going forward through diversification and innovation. The combined entity will continue to foster its ESG commitments and engagement for all stakeholders, says Dufry.

Dufry went into further details about the strategy behind the merger during a media presentation on Monday morning. Among the highlights detailed was the opportunity to Develop a Holistic Travel Experience, Autogrill's strong portfolio of ongoing contracts –more than half, 53%, of which of not maturing for at least five years – and Autogrill's strong presence in North America, which in FY2019 generated 50% of its net sales, as well as Europe (accounting for 36% of net sales).

### Autogrill Operates Through Three Business Units



Source: Company information  
Note: Historical exchange rates CHF/EUR of 1.09 and USD/EUR of 1.12 applied to Autogrill reported financials  
\* Pro-forma disposed Autogrill assets (Motorways business North America, Spain and Czech Republic)  
\*\* Except for financials, data as of Dec-2021, excluding the 79 US motorways disposed in 2021  
\*\*\* Includes locations in railway stations, cities, shopping mall, trade fairs and museums

### Autogrill is a Leader in the Travel Food & Beverage Market



World's leading provider of F&B services for travelers...

delivering variety, high quality, and convenience...

to close to a billion customers...

each year around the world.

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The merger between Dufry and Autogrill provides both companies with the means to meet key pillars of their growth strategy.

## Preview of Key Pillars of our Strategy



*"A new cycle opens that will allow us to unleash a whole array of options centered around the needs of travelers worldwide."*



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## I. Travel Experience Revolution

From Travel Retail & Convenience to holistic Travel Experience

F&B is the key enabler to transition to a holistic Travel Experience...



...and can add value in multiple ways

- Better **dwell time** and optimized airport **space and flow** – enhance combined **conversion**
- Reinvented **in-store experience**, sense of place and hybrid store concepts
- **Brand partnerships** led by consumer insights
- Advanced analytics and integrated consumer **digital engagement**
- **Dynamic salesforce**

*"The business combination will enable a flurry of innovations in its offerings, which will translate into more enjoyable travel experiences across various geographies and channels."*

*"It represents an outstanding value creation opportunity for our stakeholders."*

**Gianmario Tondato da Ruos**  
**CEO of Autogrill**



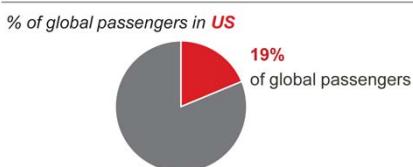
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## II. Geographical Diversification

Realigning growth and resilience

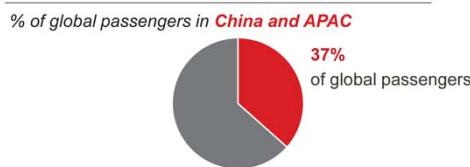
Accelerate growth in highly attractive & resilient **US market**



**High resilience**

72% of 2019 passengers in 2021 (vs. 45% RoW)

Dedicated focus on **China and APAC**



**Fast-growing**

9% CAGR 2015-2019 (vs. 5% RoW excl. APAC)

Continue strengthening position in **Rest of World**

Source: Air4Cast  
 Note: all data as of 2019, if not otherwise stated

To download the full Dufry presentation, click here:

<https://www.dufry.com/en/DufryAutogrillMediaConference>

To download the full Autogrill presentation, click here:

<https://www.autogrill.com/en/documents/autogrill-group-writing-next-chapter-travel-industry>

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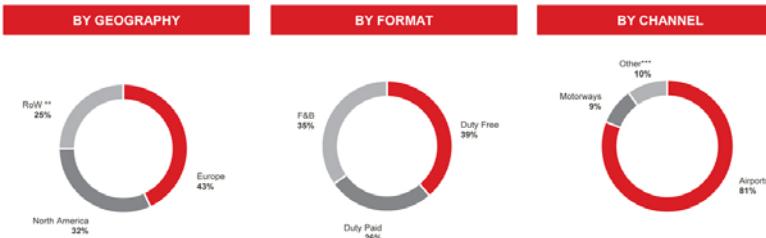
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Dufry also discussed how the combined Group would be stronger than each company individually, and greater than the sum of their parts.

### Integrated Global Player Across Travel Retail and Travel F&B

(Combined sales profile\* as of 2019)



Source: Company information  
 Note: Historical CHF/EUR exchange rate of 1.00 applied to Autogrill reported financials  
 \* 2019 sales based on 2019 Autogrill assets (Motorways business North America, Spain and Czech Republic)  
 \*\* RoW = Rest of the World  
 \*\*\* Comprises cruise lines & seaports, borders, downtown & hotel shops and railway stations & other

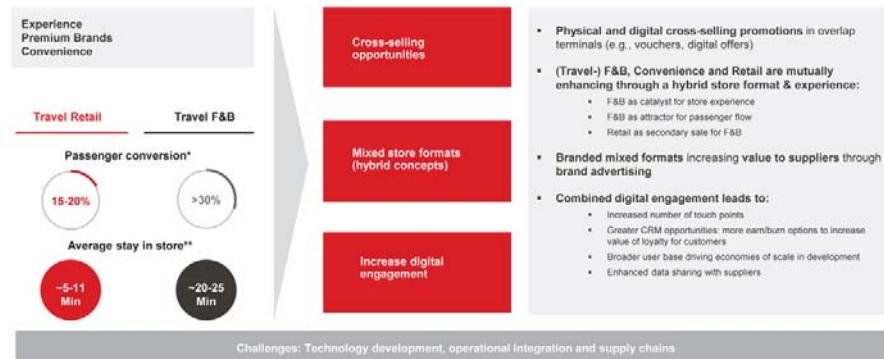
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### Significant Opportunities through Joint F&B/Retail Commercial Initiatives

Develop a holistic Travel Experience



Source: DufryAutogrill market study 2020, Senn Networks, Forrester, Google survey, Market experience.  
 \* Departing passengers at airports  
 \*\* Time range of browsers and buyers

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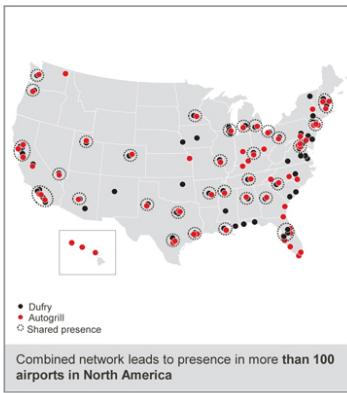
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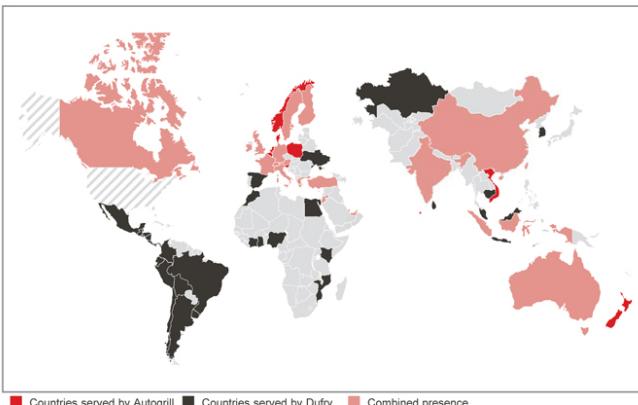
### Strengthen Presence in US, and Expand Globally

Geographical Diversification

#### Strengthened Presence in the US



#### Expansion in Rest of the World



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