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Reshaping Travel Retail: The Dufry-Autogrill Deal in a Challenging Era

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**Abstract:**

This case analyses the strategic combination between Autogrill and the Swiss-based company Dufry. The case raises certain issues pertaining to Dufry's recent history, which has been significantly impacted by the Covid-19 pandemic. These problems help explaining the rationale behind the structure used in the deal and whether it was the right moment to acquire a new company in an already well-diversified company's portfolio or not. Additionally, the case provides information regarding the future outlook of the combined entity. Lastly, the merger is evaluated considering the characteristics of the travel-retail industry, the firm's peers and the potential risks associated with the two market leaders.

**Keywords:** Mergers and Acquisitions, Mandatory Tender Offer, Financial Instability, Deal Structure, Stock Exchange, EPS accretion and dilution, Multiple Analysis, Past Transactions, Comparable Companies, Synergies

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## **Introduction:**

On the 3rd February 2023, Mr. Rossi, a shareholder in Autogrill, found himself immersed in the tranquility of an Alpine vacation when a sudden message disrupted his reprieve. It bore the extraordinary news of Dufry's triumphant acquisition of Autogrill. While this transaction had been publicly disclosed several months prior, the travel retail industry was undergoing a gradual recovery following the financial instability caused by the Covid-19 pandemic and the turn of events was nothing short of unexpected for Mr. Rossi. However, in a move that deserves a deep understanding of the rationale behind it as it goes beyond a simple narrative of international expansion, Mr. Rossi now stood at a significant crossroads. In accordance with the offer extended to Autogrill's principal shareholder, Edizione Holding, he was faced with a pivotal decision—choosing between a cash or stock proposal, each laden with its distinct advantages and disadvantages. In a story of different company cultures, experienced professionals coming together and a multitude of other factors that led two market leaders to merge in a unique company, Mr. Rossi would have needed to make a decision soon.

## **From tobacco to the world:**

Dufry, headquartered in Basel, Switzerland, stands as a global leader within the travel retail industry, with operations spanning across 75 countries. Established in 1865 by the Weitnauer family, the company initially embarked on its journey in the tobacco industry, inaugurating its first tobacco shop in Basel. By the turn of the century, Weitnauer had firmly established itself as a prominent importer and distributor of tobacco products throughout Switzerland. Leveraging its extensive knowledge of the duty-free supply chain, as well as its relationships with cigarette and beverage suppliers, the company embarked on a progressive expansion into duty-free retailing, marking its formal entry into the industry as a wholesaler with the inauguration of the world's first duty-free airport shop in Ireland in 1947. This strategic move

coincided with the growing popularity of international travel, with Weitnauer building a significant duty-free wholesale business catering to retailers operating in major European seaports. Subsequently, in 1952, Weitnauer took its initial steps as a retail entity by opening its first store at Le Bourget airport in Paris on its own<sup>i</sup>.

The 1950s and 1960s witnessed a surge in global tourism, a trend that the company leveraged by expanding even more its presence at airports and other key travel destinations. During this period, Weitnauer gained renown for its extensive selection of high-quality products catered to the needs of travelers, concurrently solidifying its partnerships with various suppliers. In 1960, Weitnauer introduced a novel venture in the form of a duty-paid business centered on cigarette vending machines in Switzerland, under the brand name Restomat, which held a dominant position within the Swiss domestic market<sup>ii</sup>.

During the 1980s and 1990s the company aggressively pursued opportunities in diverse regions, entering markets across Europe, the Americas, Asia and the Middle East, marking a phase of international expansion; by diversifying and expanding geographically Weitnauer became a leading international entity providing duty-free marketing services, comprehensive sales and distribution resources to major brand owners, with its retail store portfolio experiencing rapid growth and the distribution business gradually assuming a more specialized niche market<sup>iii</sup>.

Throughout 2002 and 2003, the group initiated a significant restructuring of its corporate structure thanks to the leadership of CEO Gauchet, who implemented a series of sweeping changes, spinning off the distribution arm, reorganizing procurement processes, decentralizing regional headquarters, renegotiating contracts and reducing workforce at the Basel headquarter. His visionary figure played a key role in revitalizing the company, which had been going through a rollercoaster journey, including financial instability, the risk of bankruptcy and controversies coming from past distribution activities within the tobacco sector. Gauchet's

primary objectives included restoring profitability, modernizing business practices and reestablishing Dufry as a respected leader in the travel retail industry, culminating in 2003 with the name of the group finally changing to Dufry. Moreover, the ownership of the Weitnauer name was transferred to the new owner of the divested distribution business<sup>1</sup> and, concurrently, Dufry headquarters found a new home in a different building in Basel<sup>iv</sup>.

### **Advent International and the Initial Public Offering:**

In 2004 Advent International, one of the private equity industry's oldest-established businesses, acquired a majority stake in Dufry, capitalizing on the recent measures implemented to enhance the company's efficiency and profitability. Advent International became the principal shareholder for a sum estimated at around \$200 million, paving the way for Dufry's IPO in November 2005, when the company's shares were listed on the Swiss stock market. This marked a significant milestone in the company's history, providing it with access to capital markets to fund further growth and expansion initiatives. The Basel-based duty-free retailer originally priced 4.1m shares at CHF 80, raising CHF 328m and recording a market capitalization of CHF 1.1bn. According to reports, the sale raised about CHF 175m for Advent, with its remaining stake said to be worth around CHF 500m<sup>v</sup>.

In the subsequent period, Advent International maintained its majority ownership of Dufry. However, the landscape began to change in 2007 when Advent initiated a gradual process of divestiture, starting with the divestment of 16.3% of the company and concluding it in 2013, when it raised CHF 442 million from the successful sale of its remaining 13% stake in the Swiss travel retailer<sup>2</sup>. However, this would have not been the end of the story between Dufry and the private equity firm<sup>vi & vii</sup>.

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<sup>1</sup> operating under the name "Weitnauer Distribution"

<sup>2</sup> Propelling a huge free float worth \$ 3.3 billion and equal to 88% of Dufry's share capital

### **A phase of international growth and diversification offerings:**

In the 21st century, Dufry embarked on a new journey of expansion driven by a series of strategic acquisitions in various countries and channels. The purchase of the U.S.-based travel retailer Hudson Group in 2008 stands out as one of the most noteworthy, bringing more than 500 shops between Canada and the United States into Dufry's fold. The company's growth trajectory continued with the acquisition of the Nuance Group<sup>3</sup> in 2014 and World Duty Free<sup>4</sup> in 2015. Furthermore, recognizing the potential in the South American market, Dufry made a significant move by acquiring Brasif in 2006, highlighting its strength into the South American market and aligning with its vision for further market expansion.

In details, Hudson Group was initially owned by Advent International, but in 2006 Dufry acquired firstly a 11.2% stake in it and, later on in the same year, the remaining 88%. By doing so, Hudson became an indirect wholly owned subsidiary of Dufry, which in turn was owned by Advent International itself<sup>5</sup>. After a few years, Hudson would have been listed on the NYSE (2018), but the presence on the public market didn't last long, since in 2020 Dufry decided to delist it from the U.S. market through a precise strategy: it firstly announced a round of rights offering to the already existing shareholders of approximately CHF 500 million but, at the same time, securing a CHF 415 million commitment from Advent International. By doing so, Dufry had raised enough capital to successfully advance a \$311 million bid to buy the shares it didn't already own in Hudson. In conclusion, Dufry increased its stake in Hudson from 57,4% to 100%, successfully delisting it. Nonetheless, Advent International had clearly stated its intention not to obtain a controlling stake in Dufry, announcing that following the closing of the rights offering, its shareholding would have never exceeded 19.99%<sup>xiii & ix</sup>.

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<sup>3</sup> Former Dufry's Swiss competitor

<sup>4</sup> Previously owned by Autogrill Group

<sup>5</sup> Before the whole divestment in 2013

In conclusion, Dufry's evolution wasn't limited to geographical expansion alone; it also encompassed diversification in its product offerings. Beyond the traditional duty-free items, Dufry broadened its portfolio to embrace fashion, cosmetics, electronics and other luxury goods. This strategic diversification allowed the company to cater to a wider range of travelers' preferences and needs.

### **Challenging times ahead:**

Despite the travel retail industry faced several challenges in the 2010s, including economic downturns and the rise of e-commerce, Dufry adapted its operations to this changing environment by embracing digital technology to enhance the shopping experience for travelers. Additionally, it reinforced its global market leadership in 2006, ending up being included in the Swiss Leader Index<sup>6</sup>. But a new challenge was ahead and, like many businesses in the travel and retail industry, Dufry was significantly impacted by the COVID-19 pandemic, figuring out that short-term problems were ongoing, while mid-term impacts were unpredictable. However, the company accelerated a process of reorganization and improved efficiency already planned in 2019, implementing cost-saving measures and shaping its operations to navigate the crisis in the best way possible. After cutting jobs in March 2020<sup>7</sup>, Dufry announced a set of initiatives to counteract the effect of an unprecedented level of disruption of retail operations, globally driven by international travel restrictions and operational shutdowns of airports, cruise lines and other channels. Firstly, Dufry focused on making the business more profitable by trying to accelerate sales volume and stop inventory build. Moreover, the company took up a process to strengthen its capital structure and liquidity position, which culminated with the creation of an agreement<sup>8</sup> with banks to waive the existing financial covenants until end of June 2021 and

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<sup>6</sup> compiled of the 30 largest Swiss Corporations listed on the Swiss Exchange

<sup>7</sup> 42,4% decrease in personnel expenses from 2019 to 2020

<sup>8</sup> Waiver for existing financial covenants of 4.5x net debt/adjusted operating cash flow until end of June 2021 and a higher leverage covenant of 5x for the September and December 2021 testing periods.

assign a higher level for the September and December 2021 testing periods. **Exhibit 1** shows a more detailed view of the measures adopted while **Exhibit 2** shows Dufry's credit ratings throughout the years<sup>x</sup>.

At the HY Press Conference Julián Díaz, CEO of Dufry Group, showed a high level of confidence even before signs of improvement, commenting: “This is certainly a difficult time for both the travel retail industry and our company. However, since mid-June we have started to see first signs towards a recovery, with travel resuming gradually and more than 1,000 of our shops globally in operation again at the end of July, based on our shop-by-shop re-opening plan. In the first half-year 2020, we have implemented a whole array of initiatives (...) to reduce costs at all levels, to strengthen Dufry's financial structure, as well as a restructuring of the company and the implementation of a new simplified organization. I am confident that we have taken the right initiatives and that they will help us to emerge from the crisis with a solid position”<sup>xi</sup>.

Effectively, despite the pandemic and the problems caused during HY2020, the measures taken paid off. During the second half of the year Dufry was able to reduce its cash consumption to a monthly average of CHF 47,5 million, bringing cost savings of CHF 1,312 million mainly consisting of MAG<sup>9</sup> reliefs. Overall, for the FY 2020 Net Debt amounted to CHF 3,344.2 million (CHF 3,101.9 million in December 2019) and, in total, all the measures improved Dufry's liquidity position (**Exhibit 3**) from CHF 1,258.5 million as of December 31, 2019 to CHF 1905,7 million as of December 31, 2020. Finally, **Exhibit 4 and 5** provide the financials for Dufry from 2019 to 2022 <sup>xii</sup>.

Nonetheless, not everything was bright for Dufry, with its turnover declining by 69.8% versus 2019. In general, the most affected region was EMEA with a decline in sales of 73,2%; despite

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<sup>9</sup> Minimum annual guarantee= the minimum amount of money that is due annually and payable monthly to an authority (airports, shopping malls, etc.) from a concessionaire

this figure improved in August, a re-bounce in covid-19 cases in September required new restrictions to be put in place. However, Southern Europe performed above the average thanks to softer restrictions. APAC, South America and North America saw a decrease by 75,4%, 65,8% and 65,3%, respectively. Overall, APAC saw the worst decline, mainly because Dufry set a business centered on international travel and the area was the first impacted and to close borders for inbound and outbound travel as the pandemic started spreading (see Exhibit 6). In terms of channel, no significant shift was recorded despite travel restrictions, with airports taking the lead and recording a massive share equal to 86% of total Dufry's sales (see Exhibit 7). Finally, although a shift in travel behavior took place<sup>10</sup> due to restrictive measures, Dufry's category mix remained nearly unchanged compared to FY 2019 with the highest demand for perfumes & cosmetics, followed by food & confectionary (see Exhibit 8). In conclusion, even if the operating cash flow drastically declined in line with the decrease in sales, the CEO looked, again, very confident in the final year letter, defining the Cash flow metrics "relatively resilient". In conclusion, Julián Díaz stated that a stabilization of the business in 2021 was expected<sup>xiii</sup>.

With the visibility regarding a full recovery to 2019 turnover levels looking everything but clear and with industry associations estimating a full recovery of passenger numbers to a 2019 level between the end of 2022 and 2024, it would have been a challenging period for Dufry and its CEO, that through reorganization and cost saving measures expected a return to 2019 profitability and cash generation levels even before full turnover recovery<sup>xiv</sup>.

### **The Italian Empire:**

The renowned Autogrill concept-based restaurant was born in the immediate post-war period, conceived by a young industrialist, the son of a baker. His idea was a stroke of genius: at that

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<sup>10</sup> more domestic travels rather international and business ones

time, more than half of Italians still lived in rural areas and there was perhaps only one car for every hundred inhabitants. It was during those times that Mario Pavesi opened a small biscuit shop on the Milan-Turin highway. The precursor to modern Autogrills was a café with tables and armchairs, showcasing the biscuits produced in the nearby family factory. However, within a few years, that invention became a million-dollar business, also thanks to the country's economic growth. With the war seeming a distant memory and the economic boom just around the corner, by the 1950s more and more cars and trucks appeared on the roads, with the highway also introducing the passing lane. In response to this changing environment, the Autogrill Bar Pavesi on the Milan-Turin highway changed, including a restaurant area, becoming the first true rest area for Italian drivers. As a result, the transformation was complete: Italy had its first real Autogrill, which would have served as a model for all the others to come<sup>xv</sup>.

Between the late 1950s and the 1960s, Italy experienced an economic boom. The compact car became a symbol of a country on the move, exploring new consumption patterns and lifestyles; these were the years of mass motorization and in the midst of this transformative period, highway service areas multiplied. Additionally, this era gave birth to the "bridge" Autogrills (see **Exhibit 9**) that, from then on, changed everything for Italian drivers, since the highway was no longer just a mean of transportation but also a destination which symbolized an optimistic and futuristic Italy<sup>xvi</sup>.

As mass motorization become a reality, the Italian highway network counted more than 200 service stations in the 1970s. During this period the traveler's dining sector appeared to be on the brink of endless growth. However, due to the oil crisis, Motta, Pavesi, and Alemagna<sup>11</sup> began encountering difficulties. It was at this juncture that the Italian government stepped in, merging the dining operations of these three companies to form a new entity called Autogrill

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<sup>11</sup> the three companies that had defined the history of highway dining in Italy until that point

S.p.A in 1977. Concurrently, as the 1980s approached, Italy experienced its second economic miracle, with a surge in GDP and a significant shift towards mass-oriented consumption. Every day 3 million people poured onto the 5,600 kilometers of highways, with Autogrill experiencing a "rebirth" thanks to a strategy that once again reflected a broader social change. Diversification of offerings and a multi-brand strategy became the cornerstones of an approach that effectively catered to the segmentation and diversification of consumer tastes<sup>xvii</sup>.

In the early 1990s, the highway dining market in Italy was thriving and stood as the largest in Europe. Nevertheless, within the company there was a growing belief that only expansion into other channels and beyond national borders could have ensured Autogrill's independence from dynamics too closely tied to the fate of one country, Italy, and one channel, the highway. It was in this direction that the operations led to entry into France and Spain in 1993. In the meanwhile, Italy was witnessing the era of privatization: in 1995, the Benetton family became Autogrill's majority shareholder through Edizione Holding and two years later, following the listing on the stock exchange in August 1997, the Group renewed its internationalization strategy with even greater vigor, expanding into Belgium, the Netherlands, Austria and Germany<sup>xviii</sup>.

However, it was in 1999 that Autogrill made its definitive leap into a truly global dimension. With the acquisition of HMSHost, an undisputed leader in highway and airport dining in the United States, Autogrill became a player in dining across four continents. It emerged as the market leader with a unique offering of products and services in all travel channels, from highways to airports, railway stations and city center museums. Subsequently, Autogrill began seeking further development opportunities in airports, that were experiencing significant increases in passenger numbers, making them the most promising channel for long-term growth. The idea was to diversify activities into businesses adjacent to Food & Beverage, transforming the Group into a global player in traveler services. This marked the entry into the Travel Retail & Duty-Free sector. The acquisition of Aldeasa in 2005 was the first step,

followed by Alpha Group in 2007 and World Duty Free in 2008, with Autogrill expanding its leadership from the Food & Beverage sector into Travel Retail & Duty-Free. However, this story came to a conclusion in October 2013, when Autogrill entirely transferred the Travel Retail & Duty-Free business unit to World Duty Free S.p.A . This strategic move allowed both entities to better pursue their development strategies in their respective sectors, without any contamination that could have generated value creation distraction<sup>xix</sup>.

Nowadays, a profoundly transformed society presents new challenges to an operator like Autogrill. Nonetheless, the group is still resilient, being the first restaurant chain for drivers worldwide. Additionally, Autogrill Group is present in 30 countries with around 3,300 shops and 46,000 employees in several channels, recording revenues for € 4,184.3 million (see **Exhibit 10-11**). **Exhibit 12 and 13** provide the financials of Autogrill from 2019 to 2022<sup>xx</sup>.

In this changing environment Autogrill, drawing on its long-standing experience in the on-the-move dining sector, leverages its distinctive competencies with a strategy articulated around three fundamental pillars: consolidation in mature economies and development in emerging ones, reposition in activity channels and transformation of offerings and services.

### **The deal:**

On 11<sup>th</sup> July 2022, Dufry announced the acquisition of Autogrill with the aim of redefining the “Travel Experience” globally. Edizione Holding, main Autogrill’s shareholder, would have transferred its entire stake of 50.3% into Dufry at an exchange ratio of 0.1583 new Dufry shares for each Autogrill share. In exchange, the family’s Edizione holding company would have become Dufry’s major shareholder with a stake of up to 25% in the combined business. The deal valued Autogrill’s equity at between €2bn and €2.2bn and news of talks between the companies emerged far before the formal announcement; nonetheless, shares in Dufry rose 4.7% at opening in response to the proposed deal, while Autogrill’s stock falling by 8% (see

**Exhibits 14 & 15).** Following the closing of the transfer, Dufry was expected to launch a mandatory tender offer for the remaining Autogrill shares, offering two alternative options to its shareholders:

- The ability to participate in the future of the combined entity by receiving 0.1583 new Dufry shares for each Autogrill share<sup>12</sup>.
- Or, in compliance with the Italian takeover law, a Cash offer equivalent to of EUR 6.33<sup>13</sup> for each Autogrill share.

Considering the substantial transaction, Dufry announced since the very beginning the possibility to refinance any cash consideration in the mandatory tender offer with debt instruments. The ultimate aim of the offer was to definitively delist Autogrill shares from Euronext Milan. Finally, the closing of the transaction was subject to regulatory approvals, the approval by Dufry's shareholders at the extraordinary general meeting and other parallel conditions. The transfer was expected to close in Q1 2023, while the transaction inclusive of mandatory takeover offer settlement to be completed by Q2 2023<sup>xxi & xxii</sup>.

After receiving the final regulatory approvals on the 6<sup>th</sup> January 2023, the transfer occurred on the 3<sup>rd</sup> February 2023, closing the transaction, with the Mandatory Tender Offer for all the remaining shares not held by Dufry being the first of a multiple series of following steps<sup>xxiii</sup>. Now Mr. Rossi, together with millions of shareholders, was put in front of a crucial decision.

The tender period started on the 14<sup>th</sup> April and would have lasted for 21 trading days, ended up being extended to 24 to let Dufry and Autogrill release updates on their performance. At the end of the period, the results looked promising for Dufry: 141,743,925 ordinary shares of Autogrill were tendered, representing approximately 74.3% of the Autogrill shares subject to

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<sup>12</sup> same exchange ratio as offered to Edizione Holding

<sup>13</sup> agreed by reference to the 3-month VWAP of Autogrill and Dufry shares prior to April 14, 2022, equal to EUR 6.33 per share for Autogrill and EUR 39.71 (CHF 40.96) per share for Dufry.

the offer. Overall, the Swiss company reached a total of 336,071,900 shares, equal to 87.29% of the share capital of Autogrill. Although the significant shareholding achieved, Dufry held directly and indirectly<sup>14</sup> a percentage below the 90% of Autogrill's share capital, that based on the Italian law doesn't allow for a squeeze-out procedure or an "Obligation to Purchase". Nonetheless, due to the size of the shareholding reached after the completion of the tender period, a reopening of 5 additional trading days was planned, bringing soothing signals: 27,801,682 ordinary shares of Autogrill were tendered that, at closing, led Dufry to hold a considerable Autogrill's share capital, amounting to 94.5044%<sup>xxiv, xxv & xxvi</sup>.

However, this was not enough for the delisting. Dufry reached a shareholding of more than 90% but less than 95%, solely meeting the legal requirements for the fulfillment of the "Obligation to Purchase". As a consequence, Dufry didn't restore a free float sufficient to ensure the regular trading of Autogrill shares and went ahead with the Obligation to Purchase for the remaining 5.5% of Autogrill's share capital. In details, Autogrill shareholders submitted requests relating to 7,244,025 remaining shares, leading Dufry to hold 96.4% of the share capital of Autogrill at the end of the procedure<sup>xxvii</sup>.

Once the 95% threshold was reached, Dufry was ready for the Squeeze Out Procedure and, concurrently, complying with the Obligation to Purchase vis-à-vis the remaining shareholders of Autogrill through a specific Joint Procedure, making effective the delisting<sup>xxviii</sup>. **Exhibits 16, 17, 18, and 19** provide a comprehensive breakdown of each step involved in the takeover process.

Finally, on July 6th 2023 Borsa Italiana S.p.A. ordered the delisting of the Autogrill shares from the Euronext Milan as from July 24, 2023, after suspending the trading of Autogrill shares during the sessions of July 20 and 21, 2023<sup>xxix</sup>.

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<sup>14</sup> Direct and indirect shareholding refer to whether count or not the treasury shares

### **Setting high expectations:**

Leading up to and following the completion of the deal, enthusiasm ran high among analysts, executives and individuals associated with both companies. In its initial press release, Dufry had declared that the unified entity would have served 2.3 billion passengers in over 75 countries through approximately 5,500 outlets spanning around 1,200 airports and other travel strategic points, generating CHF 13.6 billion in revenues. The ultimate aim of the combined entity was to deliver travelers with a comprehensive travel experience in line with evolving consumer trends. Additionally, the key move was the integration of the F&B branch to Dufry's portfolio, which not only expanded and enhanced it but also provided more touchpoints with travelers, giving access to an ultra-competitive industry such as the F&B/Restaurant one. **Exhibit 20-21-22** show Autogrill's competitors details and past transactions (i.g. mergers) of the industry.

By bringing together two groups of highly experienced and strongly engaged professionals, Dufry's goal was to strengthen its long-term strategy goals, redefining the boundaries of the industry and enriching the passenger journey thanks to a deep experience in the sector and a forward-looking digital implementation. Xavier Rossinyol<sup>15</sup> would have kept on leading the group, while Autogrill chief executive Gianmario Tondato da Ruos would have been appointed as executive chair of the group's North American division, pivotal for the post-closing success of the deal itself. Finally, Alessandro Benetton and Enrico Laghi (Chairman and CEO of Edizione) would have joined the Board of Directors at closing.

Dufry executives and the new Board's members expected to benefit from an increased level of diversification by geography and channel, mainly driven by Autogrill's strong position in the highly attractive and resilient US F&B market, along with its exposure to the duty paid market

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<sup>15</sup> Dufry CEO

and a multi-channel approach. The optimism was rooted in light of the fact that the US proved to recover quicker than the EU and to be less volatile than the rest of the world due to the high share of domestic passengers. The company planned to capitalize on this favorable condition, leveraging its presence in more than 100 airports in the US, including shared presence in 17 of the country's top 20 largest airports.

In terms of capital structure, the combined entity was expected to benefit from a materially strengthened balance sheet and lower financial leverage compared to Dufry as a stand-alone business. As a result, Dufry agreed to reduce its leverage to below 3x between 2024 and 2025.

In terms of synergies, the new group was expected to generate cost savings at an annual run-rate of CHF 85 million starting from 2025, while generating synergies equal to CHF 70 million for the 2023-24 period. The synergies would both be achieved in terms of cost reductions and gross profit improvements through:

- Optimization measures at cost of goods sold level in F&B and convenience with focus on the US.
- Optimization of support function costs and reduction in business related operating expenses.

Finally, the deal was expected to create sustainable value to shareholders. Despite the significant portion of debt expected to be paid, an EFCF per share accretion in the first year-post closing was foreseeable, amounting to +65%. **Exhibit 23** shows the historic price per share and EPS of the two companies<sup>xxx</sup>.

### **The future to come:**

Immediately after the delisting Dufry showed positive and promising half year results, delivering Turnover of CHF 5.7 billion and a 31,5% organic growth, while successfully completing the Autogrill integration in its realm. Xavier Rossinyol, CEO of Dufry Group,

commented: “Today’s results underline the solid performance of Dufry and Autogrill and our potential as One Company. They are an early indication of what we can achieve when acting as One Team, united by a shared vision and led by clear objectives. (...) We are rapidly advancing on the integration and we have defined the combined Group’s organization, ways of working and we are well on track to generate the cost synergies. The benefits of combining our expertise are starting to show off. (...) The combined Group is more diversified, creating scope to address projects on Duty Free and F&B, while exploring combined and hybrid initiatives. Our journey remains clear; by revolutionizing the travel experience globally we will continue along our growth trajectory and reinforce our track record of delivery”<sup>xxxix</sup>.

Furthermore, somewhat unexpectedly, Dufry embraced a name change to Avolta during an extraordinary general meeting held on November 3<sup>rd</sup>. This move underscores a "Federalist"<sup>xxxix</sup> approach to the integration process, where the identities of the merged organizations are preserved while simultaneously crafting an overarching identity that each entity can associate with. This strategy is distinct from completely absorbing Autogrill's identity into Dufry's, instead opting to maintain the uniqueness of each while fostering a new, shared culture (i.g. LVMH).

In a world marked by constant change and unpredictability, filled with uncertainties, conflicts and disruptions on various fronts, what will the future of the Travel Retail industry look like with a new confident leader taking the lead? But, more importantly, what about Mr. Rossi? Did he see enough potential in the combined entity or he decided to accept the cash consideration and to exit from his ownership?

**Exhibit 1** – Summary of Dufry’s initiatives to strengthen capital structure and liquidity position

in million

12-month credit facilities	390,00 CHF
Covid-19 government backed-loans	142,60 CHF
Placement of new ordinary shares	5 mil
Placement of new treasury shares	0,5 mil
Placement in senior bonds due in 2023	350,00 CHF

Source: “Letter of the CFO”. Dufry Annual Report 2020

**Exhibit 2** – Dufry’s Credit Ratings throughout the years

S&P	
2012-10-15	BB+
2015-06-30	BB
2020-03-18	BB-
2020-10-01	B+
2023-03-28	BB-
2023-07-11	BB

Moody's	
2012-10-17	Ba3
2017-05-15	Ba2
2020-03-25	Ba3
2020-06-19	B1
2023-04-27	Ba3

Source: Refinitiv

**Exhibit 3** – Dufry Liquidity position as of 31/12/2020

in million

	31/12/20
Cash and Cash Equivalents	360,3 CHF
Available Credit lines	1.441,3 CHF
Available Uncommitted lines	104,1 CHF

Source: Dufry Annual Report 2020.

## Exhibit 4 –Dufry’s Balance Sheet from 2019 to 2022

in million of CHF

ASSETS	2019	2020	2021	2022
<b>Current Assets</b>	2.096	1.387	1.978	2.335
Cash and cash equivalents	554	360	794	855
Income tax assets	26	35	35	22
Other account receivables	422	315	372	468
Trade and credit card receivables	44	17	85	62
Inventories	1.050	660	692	928
<b>Non Current Assets</b>	11.263	9.868	8.013	6.975
Property, plant and equipment	627	453	329	314
Right-of-use assets	4.328	4.439	3.121	2.568
Goodwill	2.611	2.369	2.360	2.272
Intangible assets	3.236	2.197	1.737	1.478
Investments in associates	32	7	15	24
Other non-current assets	303	257	215	156
Net defined benefit assets	3	0	55	17
Deferred tax assets	122	146	180	145
<b>TOTAL ASSETS</b>	<b>13.359</b>	<b>11.255</b>	<b>9.990</b>	<b>9.310</b>
<b>LIABILITIES AND EQUITY</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>LIABILITIES</b>	10.251	10.337	8.956	8.344
<b>Current liabilities</b>	2.756	2.223	2.261	2.574
Trade payables	646	155	335	486
Income tax payables	88	34	61	42
Provisions	57	50	88	89
Borrowings	53	54	45	123
Lease obligations	1.086	1.398	1.078	992
Other liabilities	827	533	653	841
<b>Non-current liabilities</b>	7.495	8.114	6.695	5.770
Borrowings	3.602	3.651	3.772	3.452
Lease Obligations	3.319	4.023	2.559	2.010
Provisions	41	43	31	44
Other non-current liabilities	88	44	47	29
Employee Benefits Obligation	47	33	12	12
<b>EQUITY</b>	3.108	918	1.035	966
attributable to owners of the parent	2.645	839	957	893
attributable to non-controlling interests	463	79	78	73
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13.359</b>	<b>11.255</b>	<b>9.990</b>	<b>9.310</b>

Source: Dufry Annual Reports

## Exhibit 5 – Dufry’s Income Statement from 2019 to 2022

in million of CHF		2019	2020	2021	2022
	Net sales	8.610	2.478	3.827	6.721
	Advertising income	239	84	89	157
<b>Turnover</b>		8.849	2.561	3.915	6.878
	Cost of sales -	3.525 -	1.184 -	1.704 -	2.685
<b>Gross profit</b>		5.323	1.377	2.211	4.194
	Lease expenses -	1.373	8	176 -	1.082
	Personnel expenses -	1.243 -	716 -	635 -	998
	Depreciation, amortization and impairment -	1.777 -	2.842 -	1.673 -	1.161
	Reversal of Impairment			183	66
	Other expenses -	619 -	362 -	382 -	579
	Other income	122	33	54	62
<b>Operating Profit (loss)</b>		433 -	2.501 -	66	502
	Finance expenses -	387 -	385 -	365 -	351
	Finance income	72	15	26	69
	Foreign exchange gain / (loss) -	9	0 -	3 -	23
<b>Profit / (loss) before taxes</b>		108 -	2.871 -	408	197
	Income tax -	78	131	43 -	76
<b>Net profit / (loss)</b>		30 -	2.741 -	365	121

Source: Dufry Annual Reports

## Exhibit 6 – Dufry Turnover and Organic Growth by Region

in million	2019 Turnover	2020 Turnover	Organic Growth
EMEA	4.434,2 CHF	1.144,5 CHF	-81,3%
Asia-Pacific	691,6 CHF	160,0 CHF	-75,4%
Central and South America	1.536,1 CHF	497,3 CHF	-65,8%
Central America	1.935,8 CHF	644,4 CHF	-65,3%
Turnover	8.597,7 CHF	2.446,2 CHF	-69,8%

Source: “Letter of the CFO”. Dufry Annual Report 2020.

**Exhibit 7 – Dufry Net Sales and Performance by Channel in 2020**

	% by Channel	Change in Net Sales vs 2019
Airports	86%	-72%
Railway station & other	6%	-63%
Border, downtown & hotel shops	5%	-61%
Cruise liners and seaports	3%	-75%

Source: “Letter of the CFO”. Dufry Annual Report 2020.

**Exhibit 8 – Dufry Net Sales and Performance by Category in 2020**

	% by Category	Change in Net Sales vs 2019
Perfumes & cosmetics	31%	-71,8%
Food, confectionery & catering	19%	-69,4%
Wine and spirits	17%	-71,0%
Luxury goods	11%	-73,6%
Tobacco goods	12%	-71,0%
Electronics	2%	-68,5%
Literature & publications	2%	-72,8%
Other	5%	-70,4%

Source: “Letter of the CFO”. Dufry Annual Report 2020.

**Exhibit 9 – Historical “Bridge Autogrill”**



Source: Autogrill’s Website

**Exhibit 10** – Autogrill Net Sales by Channel as of 2022

Airports	67%
Highways	26%
Other channels	7%

**Source:** Autogrill Annual Report 2022.

**Exhibit 11** – Autogrill Net Sales by Region as of 2022

in million

Nord America	€	2.150,0	51,8%
Europe	€	503,0	12,1%
International	€	1.495,0	36,0%
Total Revenues	€	4.148,0	100,0%

**Source:** Autogrill Annual Report 2022.

**Exhibit 12 – Autogrill’s Balance Sheet from 2019 to 2022**

ASSETS	2019	2020	2021	2022
<b>Current Assets</b>	679.338	952.738	745.011	863.106
Cash and cash equivalents	284.091	613.545	343.208	531.946
Lease receivables	16.842	15.003	15.964	15.614
Other financial assets	64.181	48.129	36.340	41.834
Tax assets	3.051	6.132	68.013	795
Other receivables	121.999	135.789	119.172	88.961
Trade receivables	55.424	36.696	45.774	50.665
Inventories	133.750	97.444	116.540	133.291
<b>Non Current Assets</b>	4.611.458	3.293.565	3.373.886	3.275.228
Property, plant and equipment	1.090.913	967.946	778.193	800.122
Right-of-use assets	2.358.973	1.748.787	1.487.463	1.385.059
Goodwill	854.976	819.473	816.944	844.202
other intangible assets	130.816	105.706	92.917	89.089
Investments	3.708	885	961	5.325
Lease receivables	66.083	61.808	59.890	58.840
Other financial assets	41.775	37.350	30.895	34.533
Deferred tax assets	61.204	76.694	62.279	50.312
Other receivables	3.010	104.916	44.344	7.746
<b>Assets classified as held for sale</b>	-	-	-	-
<b>TOTAL ASSETS</b>	<b>5.290.796</b>	<b>4.876.303</b>	<b>4.118.897</b>	<b>4.138.334</b>
<b>LIABILITIES AND EQUITY</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>LIABILITIES</b>	4.354.872	4.476.611	3.144.742	3.170.393
<b>Current liabilities</b>	1.250.735	1.277.433	1.107.466	1.705.134
Trade payables	397.183	292.097	357.609	416.193
Tax liabilities	14.070	1.176	1.164	6.354
Other payables	362.790	266.363	378.993	389.564
Bank loans and borrowings	56.333	265.129	38.121	559.461
Lease liabilities	373.966	377.289	309.098	308.764
Other financial liabilities	9.479	15.340	1.589	3.507
Bonds	22.254	32.806	-	-
Provision for risk and charges	14.660	27.233	20.892	21.291
<b>Non-current liabilities</b>	3.104.137	3.199.178	2.037.276	1.465.259
Tax liabilities	6.584	-	-	-
other payables	17.440	29.177	16.166	19.188
loans, net of current portion	532.090	1.197.101	544.244	28.316
lease liabilities	2.100.406	1.590.384	1.383.163	1.339.031
other financial liabilities	925	1.283	922	1.922
Bonds	291.181	239.687	-	-
Deferred tax liabilities	48.257	46.241	16.243	9.903
Defined benefit plans	68.001	60.082	44.905	31.202
Provision for risk and charges	39.253	35.223	31.633	36.697
<b>Liabilities classified as held for sale</b>	-	-	-	-
<b>EQUITY</b>	935.924	399.692	974.155	967.941
attributable to owners of the parent	858.304	339.811	923.153	910.795
attributable to non-controlling interests	77.620	59.881	51.002	57.146
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5.290.796</b>	<b>4.876.303</b>	<b>4.118.897</b>	<b>4.138.334</b>

Source: Autogrill Annual Reports

## Exhibit 13 – Autogrill’s Income Statement from 2019 to 2022

in thousand of €	2019	2020	2021	2022
Revenue	5.393.753	2.215.774	2.882.634	4.461.359
Other operating income	210.611	113.118	177.028	225.723
<b>Total revenue and other operating income</b>	<b>5.604.364</b>	<b>2.328.892</b>	<b>3.059.662</b>	<b>4.687.082</b>
Raw materials, supplies and goods	1.911.394	935.177	1.169.964	1.644.329
Personnel expense	1.674.800	773.183	820.079	1.370.898
Leases, rentals, concessions and royalties	578.422	64.288	151.978	469.996
Other operating expense	607.986	416.332	395.606	574.428
Depreciation and amortization	612.367	609.442	522.362	513.364
Impairment losses on property, plant and equipment, intangible assets and right-of-use assets	11.653	61.656	14.593	39.256
Gain (loss) on operating activity disposal	128.811	19.562	133.550 -	1.723
<b>Operating Profit (loss)</b>	<b>336.553 -</b>	<b>511.624</b>	<b>118.630</b>	<b>73.088</b>
Financial income	5.147	8.394	7.124	10.345
Financial expense -	104.121 -	121.320 -	108.049 -	69.576
Share of the profit (loss) of equity methods investments	36.357 -	192	122	654
Revaluations (writedowns) of financial assets	-	13.241	1.634 -	1.929
<b>Pre-tax profit (loss)</b>	<b>273.936 -</b>	<b>637.983</b>	<b>19.461</b>	<b>12.582</b>
Income tax -	47.654	134.094 -	39.976 -	32.507
<b>Profit (loss) for the year</b>	<b>226.282 -</b>	<b>503.889 -</b>	<b>20.515 -</b>	<b>19.925</b>
Profit (loss) for the year attributable to:				
Owners of the parent	205.188 -	479.868	37.846 -	53.657
non-controlling interest	21.094 -	24.021	17.331	33.732
<b>Earnings per share (in €)</b>				
basic	0,81 -	1,90 -	0,12	0,14
diluted	0,80 -	1,89 -	0,12	0,14

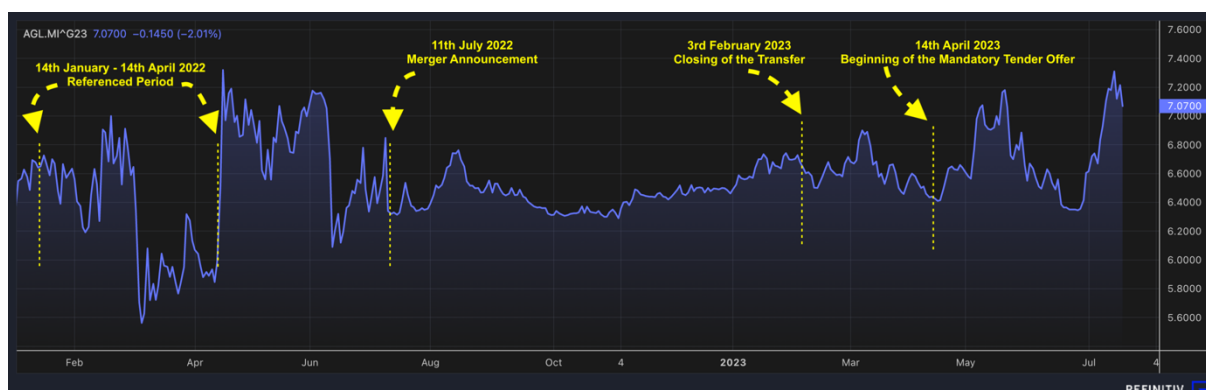
Source: Autogrill Annual Reports

## Exhibit 14 – Dufry Stock Price History



Source: Refinitiv.

## Exhibit 15 – Autogrill Stock Price History



Source: Refinitiv.

## Exhibit 16 – Summary of the Mandatory Tender Offer

	Shares Tendered out of Total Shares subject to the Offer	Number of Shares Tendered	Percentage of the total Shares Tendered	Percentage of Autogrill's Share Capital at the end of the step
Initial Tender Offer	74,33%	141.743.925	100,00%	87,28%
<i>Share Consideration</i>		139.818.649	98,64%	
<i>Cash Consideration</i>		1.925.276	1,36%	

Source: “Dufry secures 87% of Autogrill shares as initial tender period ends”. The Moodie Davitt Report.

## Exhibit 17 – Summary of the Reopening of the Tender Period

	Shares Tendered out of Total Shares subject to the Offer	Number of Shares Tendered	Percentage of the total Shares Tendered	Percentage of Autogrill's Share Capital at the end of the step
Reopening of the tender period	14,58%	27.801.682	100,00%	94,34%
<i>Share Consideration</i>		27.754.813	99,83%	
<i>Cash Consideration</i>		46.869	0,17%	

Source: “Reopening of the Tender Period - Final Results”. Dufry Press Release.

## Exhibit 18 – Summary of the Obligation to Purchase

	Shares Requested for Sale out of the Total Remaining Shares	Number of Shares Requested for Sale	Percentage of the total Shares Requested for Sale	Percentage of Autogrill's Share Capital at the end of the step
Obligation to Purchase	34,23%	7.244.025	100,00%	96,39%
<i>Share Consideration</i>		2.592.993	35,79%	
<i>Cash Consideration</i>		4.651.032	64,21%	

Source: “Final results of the Sell-Out Period”. *Dufry Press Release*.

## Exhibit 19 – Summary of the Squeeze Out and Joint Procedure

	Shares Requested for Sale out of the Total Remaining Shares	Number of Shares Requested for Sale	Percentage of the total Shares Requested for Sale	Percentage of Autogrill's Share Capital at the end of the step
Squeeze Out and Joint Procedure	63,91%	13.915.935	100,00%	100,00%
<i>Share Consideration*</i>		13.753.018	98,17%	
<i>Cash Consideration</i>		162.917	1,83%	

*\*of which 5,021,723 Residual Shares of Non-Requesting Shareholders that did not submit any Requests for Sale and accepted implicitly the share consideration*

Source: “Final results of the Joint Procedure”. *Dufry Press Release*.

## Exhibit 20 – Autogrill and its Competitors’ Main Figures

2021-Q1 2022, in EUR

Company Name	Normalized EBITDA	Common Shares Outstanding	Price Close	Debt including Preferred Equity & Minority Interest	Cash & Short Term Investments
Autogrill SpA	630.838.000	381.851.901	6,25	2.331.011.000	395.474.000
Dufry AG	1.201.688.223,21	90.785.726,00	43,66	7.262.643.453,19	765.194.266,61
SSP Group PLC	363.940.000,00	796.113.196,00	2,70	1.675.000.000,00	445.800.000,00
WH Smith PLC	231.720.000,00	130.910.434,00	19,44	950.457.000,00	105.260.000,00
Lagardere SA	714.000.000,00	139.973.783,00	24,38	4.497.000.000,00	937.000.000,00

## Exhibit 20 (cont.) - Description of Autogrill’s Competitors

<p>Dufry AG</p>	<p>Dufry AG is a Switzerland-based company engaged in the travel retail sector. The Company operates shops located at airports, cruise liners, seaports, railway stations and hotels. The Company’s shops are categorized under five retail concepts: General Travel Retail Shops, which offer the full range of categories, such as perfumes &amp; cosmetics, food &amp; confectionery, wines &amp; spirits, clothing &amp; accessories, tobacco goods, souvenirs &amp; electronics; Dufry Shopping, which provide travel retail duty-free shops; Brand Boutiques, which offer various boutiques of exclusive brands; Convenience Stores provide a wide assortment such as soft drinks, packaged food, travel accessories, electronics, personal items, souvenirs, newspapers, magazines and books and Specialized Stores offer products from a variety of different brands, belonging to one specific product category such as watches &amp; jewelry, sunglasses, spirits and destination products.</p>	<p>SSP Group PLC</p>	<p>SSP Group plc is a food and beverage provider in travel locations, principally within the air and rail channels. The Company operates outlets across five categories: cafes and bakeries; bars; casual dining restaurants; convenience retail, and quick service restaurants. It also serves motorway service areas, hospitals and shopping centers and provides onboard catering for airlines and tarin operators. It operates in 35 countries and territories, across four key operating regions. Its segments include North America, Continental Europe, UK and the Rest of the World (RoW). North America includes operations in the United States, Canada, and Bermuda; Continental Europe includes operations in the Nordic countries Western Europe and Southern Europe; the UK includes operations in the United Kingdom and the Republic of Ireland; and RoW includes operations in Eastern Europe, the Middle East, Asia Pacific, India, and Brazil. Its brands include Millie’s, point, Norge, and levito.</p>
<p>WH Smith PLC</p>	<p>WH Smith PLC is a global retailer for news, books and convenience. The Company operates through two divisions, which comprise four segments: Travel UK, North America, Rest of the World, and High Street. The Travel UK segment has a presence in a range of locations, including airports, hospitals, railway stations and motorway service areas across the United Kingdom. It offers a range of products, including books and magazines, health and beauty products, souvenirs, digital accessories and food and drink options for travelers. It operates over 590 stores in travel locations and hospitals in the United Kingdom. It sells a range of products in categories, such as Stationery (including greeting cards, general stationery, art and craft, and gifting), News and Impulse (including newspapers, magazines, confectionery and drinks) and Books on high streets. WHSmith High Street includes its online businesses, online personalized greeting cards site, personalized stationery sites and others.</p>	<p>Lagardere SA</p>	<p>Lagardere SA is a France-based global company that engages mainly in two business divisions: Lagardere Publishing and Lagardere Travel Retail. The Company group scope includes Lagardere News (Paris Match, Le Journal du Dimanche, JDD Magazine, Europe 1, Europe 2, RFM, the Elle license), Lagardere Live Entertainment (production of concerts and shows, management of performance halls) and Lagardere Paris Racing (sports club). Lagardere Publishing operates as a consumer and educational book publisher that contributes to their wider distribution on the digital and mobile uses of reading. Its activity also involves areas of publishing such as board games and mobile games. Lagardere Travel Retail is the retail operator in transport areas mainly in three business segments: Travel Essentials, Duty Free and Fashion, Food and Beverage. It has more than 4,890 stores located in a thousand airports, train stations and metro stations.</p>

Source: Refinitiv.

## Exhibit 21 – Normalized EBITDA of Autogrill’s Competitors from 2015 to 2021/Q1-2022

million, EUR		Normalized EBITDA Growth over the years						
Company Name	2015	2016	2017	2018	2019	2020	2021	Q1 2022
Autogrill SpA	368,1	410,28	397,6	383,13	643,06	165,18	630,84	
<i>growth</i>		11,5%	-3,1%	-3,6%	67,8%	-74,3%	281,9%	
Dufry AG	587,38	730,05	838,82	809,32	1913,12	182,17	1201,69	
<i>growth</i>		24,3%	14,9%	-3,5%	136,4%	-90,5%	559,7%	
SSP Group PLC	227,75	255,38	294,47	332,87	366,69	110,72	39,05	363,94
<i>growth</i>		12,1%	15,3%	13,0%	10,2%	-69,8%	-64,7%	832,0%
WH Smith PLC	214,32	229,81	217,83	222,64	233,09	112,96	94,58	231,72
<i>growth</i>		7,2%	-5,2%	2,2%	4,7%	-51,5%	-16,3%	145,0%
Lagardere SA	540	841	652	1269	1338	297	714	
<i>growth</i>		55,7%	-22,5%	94,6%	5,4%	-77,8%	140,4%	

Source: Refinitiv.

## Exhibit 22 – Restaurants/F&B Industry Precedent Transactions

PRECEDENT TRANSACTIONS				
Date	Acquirer	Target	Transaction Value (M€)	EV/EBITDA
Jul-22	Fomento Economico Mexicano SAB de CV	Valora Holding AG	2.260	9,8x
Dec-21	Jack in the Box Inc	Restaurants Inc	505	10,2x
Jul-21	Yadav Enterprises, Inc.	Taco Cabana, Inc.	72	10,0x
Jan-20	Yum! Brands Inc	Restaurants Inc	302	9,4x

Source: Refinitiv/Capital IQ

## Exhibit 23 – Historic evolution of share prices (last trading day of the year) and EPSs of Dufry and Autogrill

	2017		2018		2019		2020		2021		2022	
	Price per	EPS	Price per	EPS	Price per	EPS	Price per	EPS	Price per	EPS	Price per	EPS
Dufry	117,05	0,99	78,12	1,3	83,54	-0,5	51,31	-43,01	43,66	-4,39	38,93	0,62
Autogrill	10,2	0,33	6,51	0,24	8,25	0,71	4,83	-1,68	6,24	-0,12	6,46	-0,14

Source: Refinitiv.

**TN Exhibit 1 – Activity Ratios Analysis**

	2019	2020	2021	2022
Average Holding Period	108,71	203,37	148,24	126,23
Average Collection Period	19,23	47,33	42,61	28,12
Average Payable Period	66,84	47,76	71,76	66,13
Cash Conversion Cycle	61,10	202,94	119,09	88,21

**TN Exhibit 2 – Liquidity Ratios Analysis**

	2019	2020	2021	2022
Current Ratio	0,76	0,62	0,87	0,91
Quick Ratio	0,38	0,33	0,57	0,55
Cash Ratio	0,20	0,16	0,35	0,33

**TN Exhibit 3 – Dufry and Autogrill's Historical P/E Ratios**

<i>P/Eratios</i>	2017	2018	2019	2020	2021	2022
Dufry	118,2	60,1	-167,1	-1,2	-9,9	62,8
Autogrill	30,9	27,1	11,6	-2,9	-52,0	-46,1

**TN Exhibit 4 – Autogrill’s Comparable Companies Multiple Analysis**

Company Name	EV/EBITDA
Dufry AG	8,7x
SSP Group PLC	9,3x
WH Smith PLC	14,6x
Lagardere SA	9,8x
Average	10,6x
Median	9,5x

**TN Exhibit 5 – EBITDA Growth Analysis and Comps’ Multiple Selection**

	Average EBITDA Growth from 2015 to 2022/23	Median EBITDA Growth from 2015 to 2022/23
Autogrill SpA	46,69%	4,2%
Dufry AG	106,87%	19,6%
SSP Group PLC	106,87%	12,1%
WH Smith PLC	12,30%	2,2%
Lagardere SA	32,66%	30,6%

	Min	Q1	Median	Q3	Max
Comparables' EBITDA Median Growth	2,21%	9,65%	15,86%	22,34%	30,59%
Comparables' EV/EBITDA	8,7x	9,1x	9,5x	11,0x	14,6x

**TN Exhibit 6 – Multiple Analysis Implied Valuation (in €)**

<b>EBITDA</b>	630.838.000
<b>EV/EBITDA</b>	8,82x
<b>EV</b>	5.563.099.561

**TN Exhibit 7 – EBITDA Growth Analysis and Past Transactions’ Multiple Selection**

	Average EBITDA Growth from 2015 to 2022/23	Median EBITDA Growth from 2015 to 2022/23
Autogrill SpA	46,69%	4,2%
Dufry AG	106,87%	19,6%
SSP Group PLC	106,87%	12,1%
WH Smith PLC	12,30%	2,2%
Lagardere SA	32,66%	30,6%

	Min	Q1	Median	Q3	Max
Comparables' EBITDA Median Growth	2,21%	9,65%	15,86%	22,34%	30,59%
Precedent Transactions EV/EBITDA	9,4x	9,7x	9,9x	10,1x	10,2x

**TN Exhibit 8 – Past Transactions Multiple Analysis and Implied Valuation (in €)**

		EV/EBITDA Past Transactions		
Median		9,9x	EBITDA	630.838.000
Average		9,9x	EV/EBITDA Past Transactions	9,51x
			EV	6.002.200.253

**TN Exhibit 9 – Average and Weighted Average of the Implied Enterprise Values (in €)**

IMPLIED VALUATION	
Comparables	5.563.099.561
Precedent Transactions	6.002.200.253
Average	5.782.649.907
Weighted Average	5.790.985.593

**TN Exhibit 10 – Implied Offer Price of the Deal (in €)**

Edizione's Shares	192.072.000
# of shares tendered in the MTO	190.705.567
<i>Stock exchange</i>	183.919.473
<i>Cash payment</i>	6.786.094
Total Shares	382.777.567
Price paid per Cash Consideration	6,33
Implicit Monetary Value of the Stock Exchange	6,29
Total Implied Price Paid	2.407.942.340

**TN Exhibit 11 – Present Value of the expected post-merger synergies\***

€, mil	2023	2024	2025	2026	2027	2028	Total
Synergies	73,5	73,5	85,8	85,8	85,8	85,8	490,2
PV	67,06	61,19	65,17	59,46	54,25	49,50	356,64

*\*the discount rate used to discount the value of the synergies is 9,6%, a value in between the WACC of Autogrill and Dufry used by the financial advisors of the deal in the fairness opinion*

**TN Exhibit 12 – Maximum Premium Dufry would have paid for the acquisition (in €)**

Autogrill Equity Value based on Multiple Valuation + Synergies	3.627.562.918
Autogrill Share Price on 30th December	2.390.828.683
Maximum Premium	1.236.734.235

**TN Exhibit 13 – Implied Acquisition Premium (in €)**

Average Offer Price per Share	6,29
Autogrill Share Price on 30th December	6,25
Implied Premium	0,72%

## References

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- ii. This section was written using the same reference as in i.
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