AUTOGRILL GROUP
ANNUAL REPORT 2019

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(Translation from the original version issued in Italian)

LETTER TO SHAREHOLDERS

Dear Shareholders,

Looking to 2019, we have achieved very satisfactory results and we are convinced this is fundamental to face the future that awaits us. We have achieved all the targets we set ourselves: revenue, EBITDA and earnings per share are in line with the forecasts we had provided in mid-2019. More importantly, we have continued to strengthen our three strategic pillars based on growth, improved margins and capital allocation with a view to long-term value creation.

In terms of growth, we achieved revenues of 5 billion euros, in particular thanks to excellent like-for-like growth in the airport channel, new openings and targeted acquisitions over the last two years.

Secondly, margins were up, thanks to our ongoing commitment to product innovation and focus on cost efficiencies, mainly in Italy.

Finally, the capital allocation strategy: on the one hand, we generated significant cash flows thanks to the sale of the motorway business in Canada and, on the other hand, we acquired Pacific Gateway Concessions, a US-based airport retail concession company. We also speeded up investments in the motorway business, specifically in the New Jersey Turnpike, North America, where we see significant potential for value creation.

In 2019 we also reached levels of excellence in renewals and winnings of new contracts worth 3 billion euros, in 16 different countries around the world. In particular I would like to mention the renewals in Salt Lake City, Nashville, Indianapolis, Calgary, Las Vegas and Zurich, and the start of business in Langkawi (Malaysia), Mumbai (India) and Myrtle Beach (North America) airports. Today the value of our portfolio is around 35 billion euros.

We also want to reaffirm the Group's commitment to a business sustainability culture that takes into account all social and environmental aspects. We keep focusing on experimenting with innovative solutions within the circular economy, for example with the further development of the WASCOFFEE® project. These issues are and will be an increasingly important part of our way of doing business.

Today, talking to you about 2019 is like talking about a long time ago, since in recent months the whole world has been subjected to an economic and social shock difficult to imagine even at the beginning of this year, due to the pandemic caused by the COVID-19 virus.

Starting in February, first Italy and then all the other main countries in which the Group operates were strongly impacted by the pandemic.

The COVID-19 pandemic is an emergency that we are taking very seriously and we are constantly monitoring its development, so we have taken all the necessary measures to deal with it and, first and foremost, to make all our employees and consumers safe.

The proposal that we have made to Shareholders not to pay dividends is an important signal: we want to prepare ourselves in the best possible way to face the coming months while safeguarding the Group's liquidity as much as we can.

We believe that it is still too early to make a reliable forecast of the Group's performance for the year 2020, in a context that is constantly evolving and strongly negative for global traffic. Our presence in over 30 countries and, above all, the commitment, determination and unity that all Autogrill's employees are showing, and to whom I offer my sincere thanks, are the best guarantee that the Group is able to react adequately even in this very difficult context.

Gianmario Tondato Da Ruos

CEO

BOARDS AND OFFICERS

BOARD OF DIRECTORS [1]

Chairman [2, 3]
Paolo Zannoni [E]

CEO [4]
Gianmario Tondato Da Ruos [E]

Directors
Alessandro Benetton
Franca Bertagnin Benetton
Ernesto Albanese [7, I]
Francesco Umile Chiappetta [6, 7, I]
Cristina De Benetti [6, I]
Massimo Di Fasanella D'Amore di Ruffano [5, 8, I, L]
Catherine Gérardin-Vautrin [5, I]
Marco Patuano [12]
Maria Pierdicchi [8, I]
Elisabetta Ripa [5, 7, I]
Paolo Roverato [5, 6, 8]
Barbara Cominelli [13]

Secretary
Paola Bottero

BOARD OF STATUTORY AUDITORS [9]

Chairman
Marco Rigotti [10]

Standing auditor
Antonella Carù [10]
Massimo Catullo [10]

Alternate auditor
Roberto Miccù [10]
Patrizia Paleologo Oriundi [10]

Independent auditors [11]
Deloitte & Touche S.p.A.

1 Appointed during the annual general meeting of 25 May 2017; in office until approval of the 2019 financial statements
2 Appointed to the Board of Directors and named chairman of the board, to replace Gilberto Benetton, per board resolution of 7 February 2019. Confirmed as board member until approval of the 2019 financial statements, per shareholders' resolution of 23 May 2019 and as chairman per board resolution of the same date.
3 Powers of ordinary administration, with individual signing authority, per board resolutions of 7 February 2019 and 23 May 2019
4 Powers of ordinary administration, with individual signing authority, per board resolution of 25 May 2017 assigning the position of CEO
5 Member of the Strategies and Investments Committee
6 Member of the Internal Control, Risks and Corporate Governance Committee
7 Member of the Related Party Transactions Committee
8 Member of the Human Resources Committee
9 Elected by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements
10 Chartered accountant/auditor
11 Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements
12 Member of the Strategies and Investments Committee until resignation from the Board of Directors on 24 June 2019
13 Appointed to the Board of Directors per board resolution of 19 December 2019, in office until the next shareholders' meeting
E Executive director
I Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2018 by the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Articles 147-*ter* (4) and 148 (3) of Legislative Decree 58/1998
L Lead Independent Director

CONTENTS

DIRECTORS' REPORT

1

COMPARABILITY OF FIGURES, ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

COMPARABILITY OF FIGURES

As mentioned in the notes to the consolidated financial statements for the year ended 31 December 2019, estimation and measurement criteria are the same as those used the previous year, except for the adoption of the accounting standard IFRS 16 "Leases".

IFRS 16 provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the leased asset, and on the liabilities side, the lease liability determined on the basis of the net present value of future minimum guaranteed lease payments. Subsequently, the right-of-use asset is depreciated, while the lease liability accrues the corresponding financial charges.

This accounting model therefore entails a reduction in operating costs (lease and concession payments) and an increase in depreciation and financial charges. Based on the standard, the variable component of leases and concessions is still recognized in operating expense in the reporting period.

In the statement of cash flows, the repayment of the financial liability is shown in cash flow from financing activities, resulting in an increase of the same amount in net cash flow from operating activities.

The new standard has had a significant impact on the representation of operating leases, which for the Group consist mainly of concession and sublease agreements, but no material impact on finance leases.

The Autogrill Group has opted to apply IFRS 16 using the modified retrospective approach, whereby the right-of-use at 1 January 2019 is recognized in the same amount as the residual financial liability at that date, without restating comparative figures for the previous year. Therefore, the balances shown in the consolidated financial statements at 31 December 2019 are not comparable with the figures shown for 2018.

As in previous years, more than half of the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, Canada, Switzerland and the largest number of countries in the International division. Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk policy, financing a portion of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not entirely neutralize the impact of exchange rate fluctuations when translating individual financial statement items. Comparability could, therefore, also be affected by exchange rate trends.

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

The Directors' Report and the consolidated financial statements include the consolidated financial and economic measures used by management to monitor the Autogrill Group's performance. These measures are not defined or specified in the applicable regulations for financial reporting. As the composition of these measures is not governed by the accounting standards, the criteria used by the Autogrill Group to determine them could be different from those used by other groups, so they may not be comparable.

The alternative performance measures are calculated solely on the basis of the Group's historical financial figures and are determined in accordance with the Guidelines for Alternative Performance Indicators issued by ESMA on 5 October 2015 (2015/1415) as per Consob Communication no. 92543 of 3 December 2015.

The following alternative performance measures were used in this Directors' Report:

- 2019 excluding IFRS 16 and 31/12/2019 excluding IFRS 16: the Autogrill Group has applied the accounting standard IFRS 16 with effect from 1 January 2019. For a clearer view of performance and better comparability of data, the figures in the consolidated financial statements at 31 December 2019, determined using the new standard, have been adjusted to make them consistent with the measurement criteria used for last year's figures. Starting in 2020 it will no longer be necessary to represent prior-year figures adjusted for the effects of IFRS 16, as the amounts will be directly comparable.
- Change "at constant exchange rates": in comparisons with prior-year figures, the phrase "at constant exchange rates" signifies the increase or decrease that would have occurred had the comparative figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed in the previous year's consolidated financial statements.
- Change vs. 2018: measures the difference in absolute terms and/or as a percentage (at current and constant exchange rates) between 2019 figure excluding IFRS 16 and the corresponding figure for the previous year.
- Revenue: in the Directors' Report this refers to operating revenues, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. Fuel sales are classified net of the corresponding cost under "Other operating income".
- Organic revenue growth: this is calculated by adjusting sales for the two years for the effect of acquisitions, disposals and exchange rates (by translating prior-year sales at the current-year exchange rate) and then comparing the two figures. Organic revenue growth is expressed at constant exchange rates.
- Like-for-like revenue growth: calculated by adjusting organic revenue growth for the impact of new store openings and the revenue generated in the comparison period by stores that are no longer in the portfolio, as well as calendar differences which are shown separately. Like-for-like revenue growth is expressed at constant exchange rates.
- EBITDA: this is the sum of EBIT (earnings before interest and tax) and depreciation, amortization and impairment losses, and can be gleaned directly from the consolidated financial statements, as supplemented by the notes thereto. Because it is not defined in IFRS, it could differ from and therefore not be comparable with EBITDA reported by other companies.
- EBITDA margin: EBITDA expressed as a percentage of revenue.
- EBIT (earnings before interest and tax): the "Operating profit" gleaned directly from the consolidated income statement.
- Underlying alternative performance measures: results for the year and their comparison with other periods may include elements that are unusual or unrelated to normal operations which significantly impact the Group's results over time in an inconsistent, non-systematic way. This could hinder a correct interpretation of the Group's normalized profit when comparing it to the normalized figure for the previous year or future periods, which would limit the value of the information provided in the Group's comparative condensed consolidated income statement and the comparative consolidated income statement prepared in accordance with IAS 1. These elements, specified in Section 1.2.3 of the Directors' Report, can be grouped as follows:
  - capital gains and capital losses from the sale of businesses, with the relative ancillary expenses;
  - costs incurred for successful acquisitions, treated as transaction costs that do not penalize consolidated results;

- costs for stock option plans ("Phantom Stock Options" and "Performance Share Units"). The estimated cost of the "Phantom Stock Option" plan is heavily impacted by the performance of Autogrill shares and their fluctuation;
- the costs for strategic, non-recurring corporate reorganization and efficiency projects which temporarily penalize the performance measures gleaned from the consolidated income statement prepared in accordance with IAS 1.

These elements are identified separately and described in specific statements of reconciliation and result in the following underlying alternative performance measures:

- Underlying EBITDA: determined by excluding the impact of the above mentioned unusual or unrelated elements from EBITDA. These elements are identified separately and described in specific statements of reconciliation;
- Underlying EBITDA margin: underlying EBITDA expressed as a percentage of revenue;
- Underlying Operating Profit (EBIT): determined by excluding the impact of the above mentioned unusual or unrelated elements from EBIT. These elements are identified separately and described in specific statements of reconciliation;
- Underlying Operating Profit (EBIT) margin: underlying EBIT expressed as a percentage of revenue;
- Underlying net profit: determined by excluding the impact of the above mentioned unusual or unrelated elements from net profit. These elements are identified separately and described in specific statements of reconciliation;
- Underlying basic earnings per share: underlying net profit per share.

In the Directors' Report the following definitions are also used:

- Capital expenditure: the investments referred to in the notes "Property, plant and equipment" and "Other intangible assets" to the consolidated financial statements;
- Total net financial position: the sum of net debt, determined in accordance with Consob Communication of 28 July 2006 and the ESMA/2011/81 Guidelines, non-current "Finance lease receivables" and "Other financial assets", excluding "Security deposits" and "Interest-bearing sums with third parties";
- Net financial position: the total net financial position less non-current and current finance lease assets and liabilities recognized following the introduction of IFRS 16.

Unless otherwise specified, amounts in the Directors' Report are expressed in millions of euros (€m) or millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).

Where figures have been rounded to the nearest million, sums, changes and ratios are calculated using figures extended to thousands for the sake of greater accuracy.

1.1 THE AUTOGRILL GROUP

OPERATIONS

Autogrill is the world's largest provider of food & beverage services for travellers and the recognized leader of the North American and Italian markets.

Present in 31 countries with a workforce of more than 60,000, it manages about 4,000 establishments in approximately 1,000 locations. It operates mainly through concessions and sub concessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.

The Group manages a portfolio of over 300 brands, both international and local, and offers a highly varied selection including proprietary brands and concepts (including Ciao, Bistrot, Puro Gusto, Motta, Bubbles, Beaudevin, Burger Federation and Le CroBag) and others owned by third parties. The latter include international household names (Starbucks Coffee, Burger King, Prêt à Manger, etc.) as well as emerging national brands (such as Shake Shack, Chick-fil-A, Panera, Leon and Panda Express).

STRATEGY

Over the next few years, Autogrill aims to strengthen its global leadership by leveraging a clear, targeted strategy of:

- boosting revenue in traditional strategic channels (airports and railway stations) through both internal growth and extraordinary operations, while expanding its presence in adjacent markets (convenience retail);
- improving profitability through new concepts, innovations and actions targeting all components of the income statement;
- allocating funds in a disciplined manner, in light of strategic priorities; among these, Autogrill will evaluate new opportunities to capitalize on its long-term concessions in the motorway channel, as it did with the sale of its motorway travel center operations in Canada in the first half of the year, while also considering action in adjacent business areas (such as convenience retail) on the strength of its internal capacities and extensive network.

Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, India, Indonesia, Ireland, Italy, Malaysia, Maldives, New Zealand, Norway, Poland, Qatar,

990

LOCATIONS IN THE WORLD

Russia, Slovenia, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Arab Emirates United Kingdom, United States, Vietnam.

NORTH AMERICA

87

AIRPORTS

INTERNATIONAL

42

AIRPORTS

EUROPE

490

MOTORWAY AREAS

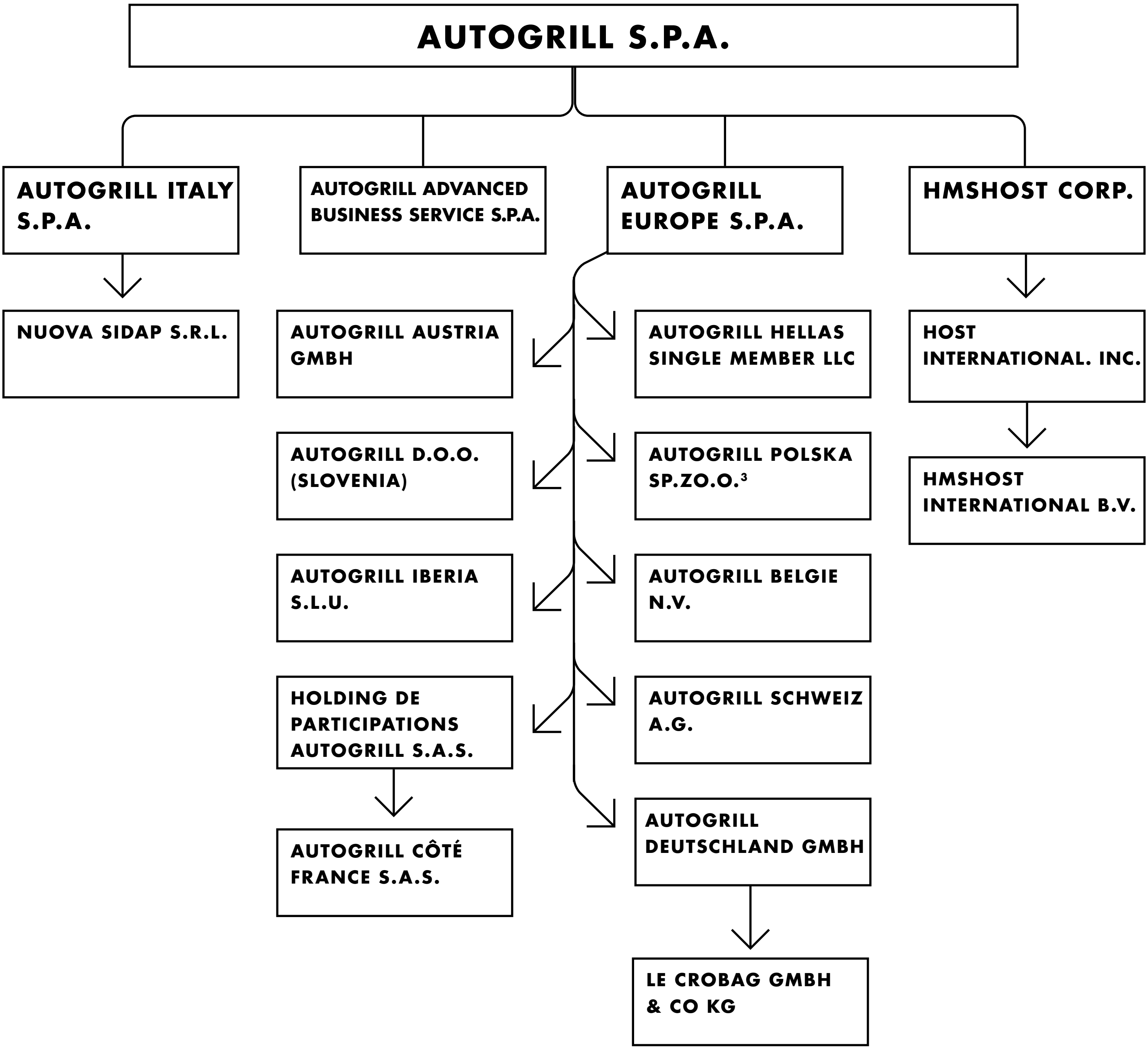
LOCATION BY CHANNEL

CHANNEL OF ACTIVITY	NORTH AMERICA	INTERNATIONAL	EUROPE	TOTAL
Airport	87	42	21	**150**
Motorways	82	-	490	**572**
Railway stations	-	34	151	**185**
Other	1	7	75	**83**
TOTAL	**170**	**83**	**737**	**990**

PROPRIETARY BRANDS

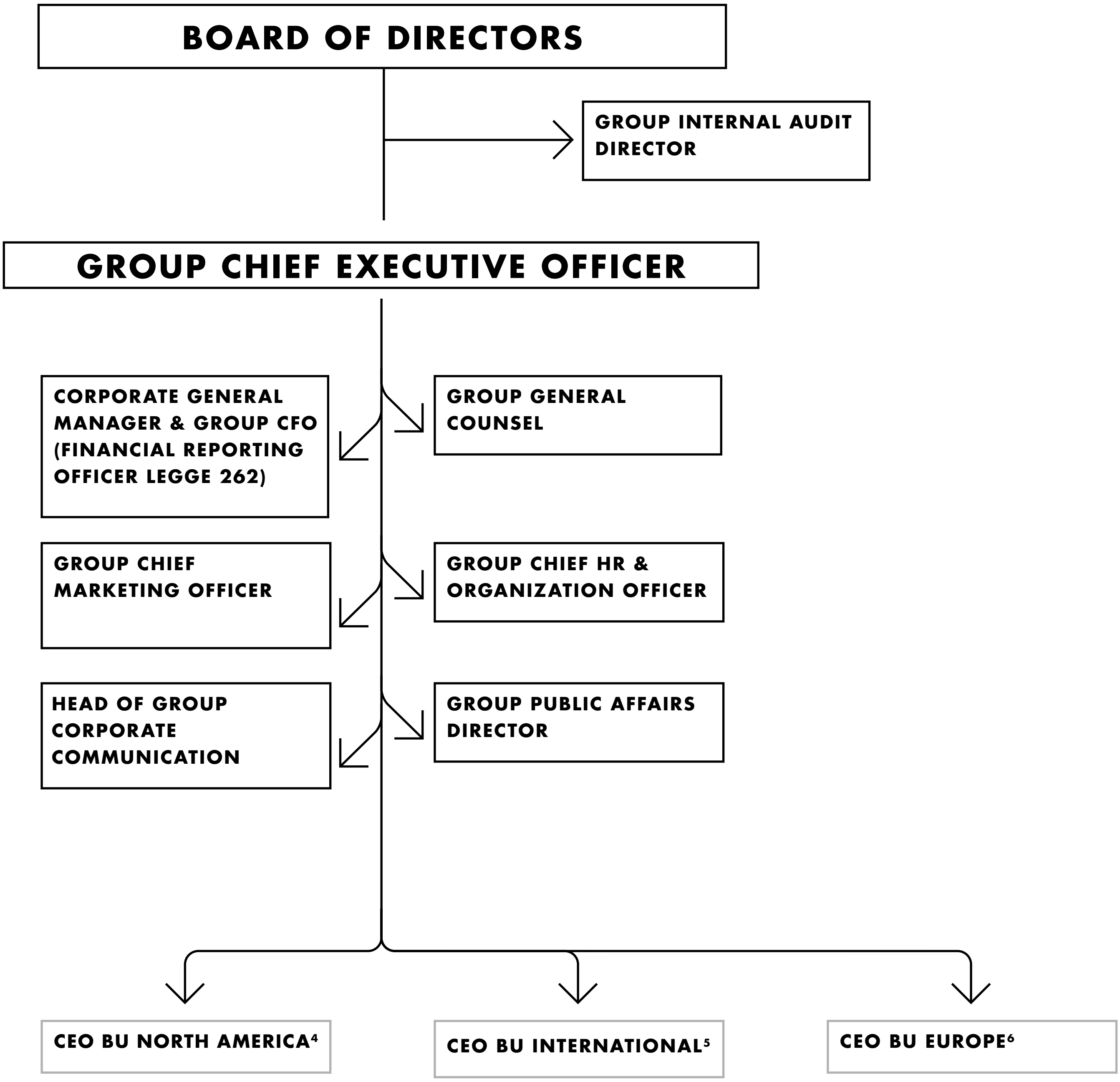
LICENSED BRANDS

SIMPLIFIED GROUP STRUCTURE[1-2]



1. Where not otherwise specified, all companies are wholly owned. See the annexes to the consolidated financial statements for a complete list of equity investments
2. Company names and the Group structure are up-to-date as of March 2020
3. Placed in liquidation in 2019

ORGANIZATIONAL STRUCTURE AS OF 12 MARCH 2020



4. USA and Canada
5. Northern Europe (Denmark, Finland, Ireland, Norway, Netherlands, United Kingdom and Sweden) and Rest of the World (Australia, China, United Arab Emirates, India, Indonesia, Malaysia, Maldives, New Zealand, Qatar, Russia, Turkey and Vietnam)
6. Italy and Other European Countries (Austria, Belgium, France, Germany, Greece, Poland, Slovenia, Spain and Switzerland)

1.2 GROUP PERFORMANCE[7]

1.2.1 GENERAL BUSINESS CONTEXT

1.2.1.1 THE TREND IN AIRPORT TRAFFIC[8]

Airports are the Group's primary channel and generate around 62% of total revenue, with a widespread presence in North America, Europe, Asia and the Pacific.

In North America, the Group's largest airport market, passengers increased by 3.2% over the previous year with similar growth rates for domestic and international traffic. In the United States, traffic in 2019 was up by 3.6%.[9]

In Europe there was a 4.4% increase in passengers with respect to 2018. Asia-Pacific saw traffic expand by 4.0%, while growth in the Middle East came to 3.7%.

1.2.1.2 THE TREND IN MOTORWAY TRAFFIC

In the motorway channel the Group operates mainly in Europe, with a strong presence in Italy, France, Belgium, Switzerland and Spain.

In Italy, the Group's largest motorway market, traffic in 2019 increased by 0.5%.[10] The growth was driven by heavy vehicles (+2.2%), while light vehicle traffic was stable.

In North America, Autogrill's presence in the motorway channel is concentrated in the eastern United States. Traffic in the USA showed an increase of 0.3%[11] with respect to 2018.

7 As discussed in the section "Comparability of data; alternative performance measures and definitions", the results for 2019 are influenced by the adoption of IFRS 16. Because Autogrill has applied the new standard using the modified retrospective approach, 2019 figures are not immediately comparable with those for the year ended 31 December 2018. Therefore, the financial statement tables in this report include an extra column for 2019 figures excluding IFRS 16 that factor out the effects of the new accounting standard (specified separately in the comments), giving readers a more precise representation of its impact on the Group's results and facilitating the comparison from year to year
8 Source: ACI - Airports Council International
9 Source: Bureau of Transportation Statistics (cumulative traffic data through November 2019)
10 Source: AISCAT Statistics (cumulative traffic data through September 2019)
11 Source: Federal Highway Administration (cumulative traffic data through November 2019)

1.2.2 CHANGE IN SCOPE OF CONSOLIDATION

In May 2019 the Group expanded its presence in the airport convenience retail sector by acquiring Pacific Gateway Concessions, which operates 51 locations at 10 airports in the United States. The acquisition, for $ 35.9m (€ 32.2m), also commits the Group to spending an additional $ 8.8m (€ 7.8m) to carry out investments the seller had already agreed to under contract. Pacific Gateway Concessions contributed $ 29.0m (€ 25.9m) to revenue in 2019.

In May 2019, the Group disposed of all of its motorway operations in Canada by selling its interests in the Canadian subsidiaries HMSHost Motorways Inc. and HMSHost Motorways L.P., along with its concession businesses at three Canadian rest stops owned and operated by SMSI Travel Centres, Inc., controlled by HMSHost. These sales took place for $ 183.6m (€ 164.0m). Until they were sold, they contributed $ 34.3m (€ 30.6m) to the Group's revenue in 2019, compared with $ 103m (€ 87.3m) for all of 2018. The capital gain net of transaction costs amounted to $ 176.4m (€ 157.6m).

Also in May 2019, the Group sold its interest in Autogrill Czech S.r.o., which operates at Prague's two railway stations and at one outlet in the Czech Republic. The sale price was € 9.5m for a capital gain of € 8.0m. For the five months before they were sold, these operations contributed € 3.1m to revenue in 2019, compared with € 8.0m the entire previous year.

Note that in 2019, Le CroBag GmbH & Co KG and Avila Retail Development & Management LLC earned revenue for the Group throughout the year, while in 2018 they only contributed for part of the year as they were acquired in February and August, respectively.

1.2.3 GROUP PERFORMANCE

In 2019 revenue increased by 3.5% (+6.4% at current exchange rates), with a 3.1% rise in like-for-like sales, driven by airports which are the Group's primary business channel.

Underlying EBITDA excluding IFRS 16 for the year was up 7.6% at constant exchange rates (+11.1% at current exchange rates) thanks to strong performance at North American airports and significant improvement in Europe, especially in the motorway channel in Italy, where product innovation, upgraded concepts and good management led to a notable increase in profitability especially in the second half of 2019. The International division, on the other hand, was faced with static airport traffic in Northern Europe and the Netherlands and costs to support operations in its newer markets.

Underlying EBIT excluding IFRS 16 in 2019 came to € 198m, compared with € 179.8m in 2018, for an increase of 6.1% at constant exchange rates (+10.1% at current exchange rates) and a margin of 4.0%, up from 3.8% the previous year.

The net profit attributable to shareholders of the parent company excluding IFRS 16 was € 236.8m, compared with € 68.7m in 2018. The net profit for the year, which includes capital gains from the sale of the motorway travel center operations in Canada and concession businesses in the Czech Republic, also reflects the improvement in operating performance mentioned above.

During the year the contracts portfolio continued to expand[12], reaching € 34.8 billion at the end of 2019 with an average duration of 6.6 years. In 2019 the Group obtained new contracts and contract renewals worth a total of € 2.8 billion.

12 Total value of contracts calculated as the sum of expected revenue from each throughout its duration. Also includes contracts held by equity-consolidated Group companies

Below are the details by geographical area.

NEW AND RENEWED CONTRACTS

(€m)	New	Renewed
North America	692	965
International	262	118
Europe	57	689
Total	**1,012**	**1,773**

Organic growth was concentrated on the Group's most strategically significant channel: 79% of new and renewed contracts in 2019 pertain to the airport channel.

In May 2019, the subsidiary HMSHost Corporation announced it was signing an agreement with American Airlines to be its exclusive provider of food & beverage services at airport lounges throughout North America, for a total of 51 lounges in 25 airports (24 in the USA and 1 in Canada). Revenue for the year came to $ 74.1m and is included under "Other operating income".

CONDENSED CONSOLIDATED INCOME STATEMENT[13]

(€m)	Full year 2019	% of revenue	Full year 2019 excluding IFRS 16 [14]	% of revenue	Full year 2018	% of revenue	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Revenue	4,996.8	100.0%	4,996.8	100.0%	4,695.3	100.0%	6.4%	3.5%
Other operating income	230.9	4.6%	249.3	5.0%	131.1	2.8%	90.2%	89.4%
Total revenue and other operating income	**5,227.7**	**104.6%**	**5,246.1**	**105.0%**	**4,826.4**	**102.8%**	**8.7%**	**5.8%**
Raw materials, supplies and goods	(1,534.8)	30.7%	(1,534.8)	30.7%	(1,445.6)	30.8%	6.2%	3.7%
Personnel expense	(1,673.8)	33.5%	(1,673.8)	33.5%	(1,557.0)	33.2%	7.5%	4.4%
Leases, rentals, concessions and royalties	(578.4)	11.6%	(983.4)	19.7%	(876.5)	18.7%	12.2%	9.2%
Other operating expense	(607.8)	12.2%	(607.7)	12.2%	(560.4)	11.9%	8.5%	5.4%
Gains on operating activity disposal[15]	127.6	2.6%	127.6	2.6%	-	-	-	-
EBITDA	**960.6**	**19.2%**	**574.0**	**11.5%**	**386.9**	**8.2%**	**48.4%**	**43.4%**
Depreciation, amortisation and impairment losses	(624.0)	12.5%	(267.7)	5.4%	(236.9)	5.0%	13.0%	9.9%
EBIT	**336.6**	**6.7%**	**306.3**	**6.1%**	**150.0**	**3.2%**	**104.1%**	**95.7%**
Net financial income (expense)	(99.0)	2.0%	(26.9)	0.5%	(29.1)	0.6%	-7.6%	-11.6%
Income (expense) from investments	36.4	0.7%	36.4	0.7%	-	0.0%	n.s.	n.s.
Pre-tax profit	**273.9**	**5.5%**	**315.8**	**6.3%**	**121.0**	**2.6%**	**161.0%**	**150.5%**
Income tax	(47.7)	1.0%	(56.3)	1.1%	(34.5)	0.7%	63.1%	55.0%
Result attributable to:	**226.3**	**4.5%**	**259.5**	**5.2%**	**86.5**	**1.8%**	**200.1%**	**189.0%**
- owners of the parent	205.2	4.1%	236.8	4.7%	68.7	1.5%	n.s.	n.s.
- non-controlling interests	21.1	0.4%	22.7	0.5%	17.8	0.4%	27.5%	21.1%
Earnings per share (€ cents.):								
- basic	80.7		93.1		27.0			
- diluted	80.7		93.1		27.0			

13 "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue and costs from fuel sales, the net amount of which is classified as "Other operating income" in accordance with management's protocol for the analysis of Group figures. This revenue came to € 397m in 2019 (€ 417.9m in 2018) and the cost to € 376.6m (€ 397.6m the previous year)

14 Adjusted excluding the effects of the first-time adoption of IFRS 16, namely: an increase of € 18.3m in "Other operating income" and of € 405m in "Leases, rentals, concessions and royalties"; a decrease of € 0.1m in "Other operating expense"; a decrease of € 356.3m in "Depreciation, amortization and impairment losses"; a decrease of € 72.1m in "Net financial income (expense)"; and an increase of € 8.6m in "Income tax", all of which reduced the net profit attributable to parent company shareholders by € 31.6m and non-controlling interests in the net profit by € 1.6m

15 Gains on operating activity disposal are net of € 1.2m in transaction costs

REVENUE

The Group earned consolidated revenue of € 4,996.8m in 2019, an increase of 3.5% at constant exchange rates (+6.4% at current exchange rates) on the previous year's revenue of € 4,695.3m.

(€m)	Full year 2019	Full year 2018	FX	Organic growth					Acquisitions	Disposals	Calendar
				Like-for-like		Openings	Closings				
North America *	2,635.6	2,389.1	125.0	87.5	3.9%	266.4	(269.2)		45.6	(59.7)	50.9
International	647.1	584.6	1.8	22.6	4.1%	66.7	(28.7)		-	-	-
Europe	1,714.1	1,721.6	5.8	26.1	1.6%	41.3	(83.3)		7.1	(4.5)	-
of which:											
Italy	*1,021.7*	*1,023.6*	-	*12.1*	*1.2%*	*17.2*	*(31.3)*		-	-	-
Other European countries	*692.4*	*698.0*	*5.8*	*13.9*	*2.2%*	*24.1*	*(52.0)*		*7.1*	*(4.5)*	-
Total Revenue	**4,996.8**	**4,695.3**	**132.6**	**136.2**	**3.1%**	**374.5**	**(381.2)**		**52.7**	**(64.1)**	**50.9**
* *North America ($m)*	*2,950.6*	*2,821.5*	*(7.0)*	*97.9*	*3.9%*	*298.3*	*(301.3)*		*51.0*	*(66.8)*	*57.0*

The increase is due mainly to the solid growth in like-for-like revenue (+3.1%). Like-for-like growth was especially strong in the airport channel (+4.6%), less so in the motorway channel (+1.1%). The difference between the two channels affected revenue growth by region: North America and International, where airports predominate, enjoyed like-for-like growth of 3.9% and 4.1%, respectively, while the more motorway-dependent Europe saw a like-for-like increase of 1.6%.

In 2019 revenue was boosted by new openings in North America (New York LaGuardia, Dallas Fort Worth, Orlando, Denver, Charlotte and San José airports), North Europe (Netherlands and Norway), Asia (Vietnam and India) and the Middle East (United Arab Emirates). Closures reflect the streamlining process underway in Europe (and particularly in Italy), as well as the Group's gradual exit from the Tank & Rast motorway business in Germany.

The extra revenue from acquisitions minus the lost revenue due to disposals produced a negative balance of € 11.4m, as a result of the following:

- North America: increased revenue of € 45.6m from Avila Retail Development & Management, LLC (consolidated since September 2018) and Pacific Gateway Concessions, LLC (acquired in late May 2019). This extra revenue was more than offset by the impact of the sale of motorway travel center operations, as from the end of May 2019, in Canada (€ 59.7m);
- Europe: increased revenue of € 7.1m from the full-year consolidation of Le CroBag, which in 2018 had contributed starting in March. This more than compensated for the impact of the sale of businesses in the Czech Republic as from May 2019 (€ 4.5m).

Note that revenue growth in 2019 benefited from the existence of week 53 in North America (there was no fifty-third week in 2018), which generated revenue of € 50.9m and from exchange gains of € 132.6m caused primarily by the depreciation of the euro against the US dollar.

REVENUE BY CHANNEL

(€m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Airports	3,080.8	2,742.2	12.3%	8.1%
Motorways	1,521.6	1,588.6	-4.2%	-5.5%
Other channels	394.3	364.5	8.2%	7.5%
Total Revenue	**4,996.8**	**4,695.3**	**6.4%**	**3.5%**

(€m)	Full year 2019	Full year 2018	FX	Organic growth Like-for-like		Organic growth Openings	Organic growth Closings	Acquisitions	Disposals	Calendar
Airports	3,080.8	2,742.2	108.3	119.4	4.6%	301.2	(279.8)	45.6	-	44.0
Motorways	1,521.6	1,588.6	22.2	15.5	1.1%	34.2	(85.3)	-	(59.7)	6.4
Other channels	394.3	364.5	2.1	1.4	0.4%	39.1	(16.0)	7.1	(4.5)	0.5
Total Revenue	**4,996.8**	**4,695.3**	**132.6**	**136.2**	**3.1%**	**374.5**	**(381.2)**	**52.7**	**(64.1)**	**50.9**

Overall revenue in the **airport channel** increased by 8.1% at constant exchange rates (+12.3% at current exchange rates), thanks to all regions served by the Group. The contribution of new openings more than offset the closures in this channel. Revenue included € 45.6m from Avila Retail Development & Management and Pacific Gateway Concessions in the United States, acquisitions that reflect the Group's capital allocation strategy. Week 53 in North America added € 44.0m revenue to the total.

In the **motorway channel**, revenue was down by 5.5% (-4.2% at current exchange rates), due mainly to the disposal of Canadian operations (-€ 59.7m) and the Group's gradual exit from the Tank & Rast business in Germany (-€ 38.9m). Like-for-like performance improved by 1.1%, reflecting modest traffic growth during the year.

Revenue in **other channels** showed a net increase of 7.5% (+8.2% at current exchange rates), mostly because of new openings in the railway channel, the strong performance of outlets in the Netherlands and the full-year consolidation of Le CroBag GmbH (€ 7.1m), which in 2018 contributed to revenue from the month of March only after its acquisition the previous February. As part of the streamlining policy, operations in the Czech Republic were sold (-€ 4.5m).

EBITDA

EBITDA in 2019 came to € 960.6m or 19.2% of revenue.

The adoption of IFRS 16 from 1 January 2019 limits the significance of this alternative performance measure, since the fixed portion of lease and concession fees is no longer classified under operating expenses. As better explained in the notes, in accordance with the new standard this fixed portion (amounting to € 386.7m)[16] was not recognized as a cost in 2019, while the Group did recognize the depreciation of right-of-use assets (€ 356.3m), other operating expenses (€ 0.1m) and financial expense in the form of implicit interest on leased goods (€ 72.1m).

16 The difference in "Leases, rentals, concessions and royalties" between 2019 and 2019 excluding IFRS 16 comes to € 386.7m: € 405m for a decrease in the recognition of the fixed components of leases and concession fees, partially offset by € 18.3m in lower income from sublease contracts included under "Other operating income"

EBITDA 2019 excluding IFRS 16 came to € 574.0m (€ 386.9m in 2018), or 11.5% of revenue, up from 8.2% the previous year. This year's figure was heavily influenced by the capital gains from the sale of operations on Canadian motorways and in the Czech Republic, which totalled € 127.6m net of transaction costs.

Unusual, non-recurring elements that affected 2019 or the previous year are as follows:

- for both years, costs for stock option plans ("Phantom Stock Options" and "Performance Share Units"). The estimated cost of the "Phantom Stock Option" plan is heavily impacted by the performance of Autogrill shares and their fluctuation;
- the capital gains realized in 2019 from the sale of motorway operations in Canada and all businesses operated by the Group in the Czech Republic, net of transaction costs;
- the costs incurred for the acquisitions of Pacific Gateway Concessions, LLC (in 2019) and Le CroBag GmbH (in 2018);
- the costs incurred in 2019 for efficiency programs in the United States, China and Italy;[17]
- early retirement costs and other expenses associated with the "intergenerational agreement" launched in Italy in 2018.[18]

The impact of these elements by business segment is broken down below.

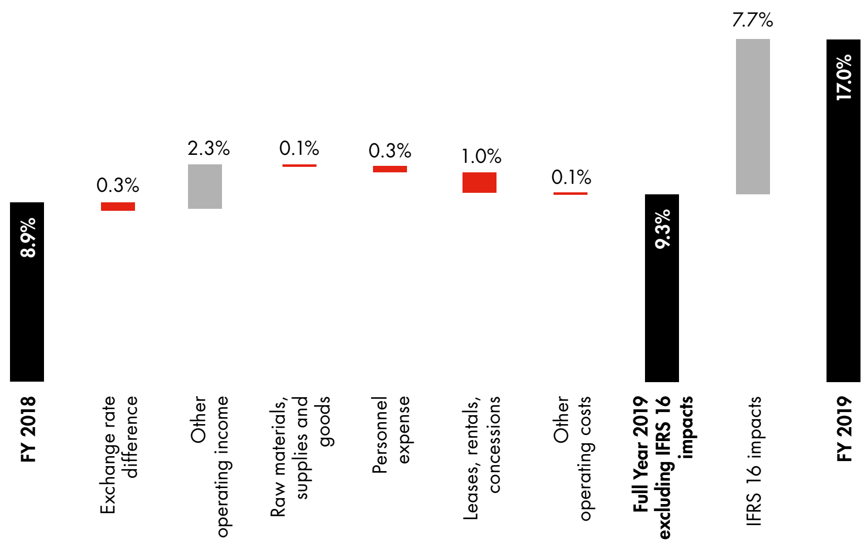
(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018
North America	**(111.0)**	**(111.0)**	**4.3**
Stock-based management incentive plans	2.9	2.9	0.7
Gain on operating activity disposal net of transaction costs	(119.6)	(119.6)	-
Efficiency projects costs	4.8	4.8	1.6
Acquisition fees	0.9	0.9	2.0
International	**2.2**	**2.2**	**0.5**
Stock-based management incentive plans	1.3	1.3	0.5
Efficiency projects costs	0.9	0.9	-
Europe	**(7.1)**	**(7.1)**	**24.3**
Stock-based management incentive plans	0.7	0.7	(0.0)
Gain on operating activity disposal net of transaction costs	(8.0)	(8.0)	-
Efficiency projects costs	0.2	0.2	-
Cross-generational deal and other efficiency project costs	-	-	23.4
Acquisition fees	-	-	0.9
Corporate	**4.8**	**4.8**	**0.6**
Stock-based management incentive plans	4.8	4.8	0.4
Cross-generational deal and other efficiency project costs	-	-	0.3
Total	**(111.1)**	**(111.1)**	**29.7**

17 Mostly for robot automation in the United States and the streamlining of channels in China
18 This initiative gave employees close to retirement the chance to enjoy an early and guaranteed pension while maintaining the company's momentum through the hiring of talented young workers

After factoring out these elements, underlying EBITDA excluding IFRS 16 amounts to € 462.9m (€ 416.7m in 2018), an increase of 7.6% at constant exchange rates (+11.1% at current exchange rates), or 9.3% of revenue compared with 8.9% the previous year. Most of the improvement is due to increased profitability in Europe and strong performance at North American airports.

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
EBITDA	**960.6**	**574.0**	**386.9**	**48.4%**	**43.4%**
EBITDA margin	**19.2%**	**11.5%**	**8.2%**		
Stock-based management incentive plans	9.6	9.6	1.5		
Gain on operating activity disposal net of transaction costs	(127.6)	(127.6)	-		
Acquisition fees	0.9	0.9	3.0		
Cross-generational deal and other efficiency project costs	5.9	5.9	25.3		
EBITDA underlying	**849.5**	**462.9**	**416.7**	**11.1%**	**7.6%**
EBITDA margin underlying	**17.0%**	**9.3%**	**8.9%**		

CHANGE IN UNDERLYING EBITDA MARGIN



DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

These came to € 624.0m in 2019, including € 356.3m for depreciation of right-of-use assets in accordance with the new accounting standard IFRS 16.

On the basis excluding IFRS 16, depreciation, amortization and impairment losses amount to € 267.7m, compared with € 236.9m in 2018, for an increase of 9.9% at constant exchange rates (+13.0% at current exchange rates); the trend reflects the start of depreciation of assets acquired in 2018 and 2019. Impairment losses in 2019 came to € 11.7m (€ 9.1m 2018) and were concentrated in the United States, Spain and China, where an impairment loss for various outlets at shopping centers has been reflected.

EBIT

EBIT stood at € 336.6m for the year, or 6.7% of revenue.

EBIT excluding IFRS 16 amounted to € 306.3m (€ 150.0m in 2018) and rose from 3.2% of revenue last year to 6.1%, due in large part to the capital gains on the sale of operations.

Underlying EBIT excluding IFRS 16 came to € 198.0m, up from € 179.8m in 2018, an increase of 6.1% at constant exchange rates (+10.1% at current exchange rates). This puts it at 4.0% of revenue, an improvement on the previous year's 3.8% despite the increased depreciation in connection with greater capital expenditure over the past two years.

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Operating profit (EBIT)	**336.6**	**306.3**	**150.0**	**104.1%**	**95.7%**
Stock-based management incentive plans	9.6	9.6	1.5		
Gain on operating activity disposal net of transaction costs	(127.6)	(127.6)	-		
Acquisition fees	0.9	0.9	3.0		
Cross-generational deal and other efficiency project costs	8.7	8.7	25.3		
Operating profit (EBIT) underlying	**228.2**	**198.0**	**179.8**	**10.1%**	**6.1%**
EBIT margin underlying	**4.6%**	**4.0%**	**3.8%**		

NET FINANCIAL EXPENSE AND INCOME (EXPENSE) FROM EQUITY INVESTMENTS

For 2019, net financial expense of € 99.0m includes € 72.1m in implicit interest on leased assets in accordance with IFRS 16.

Net financial expense excluding IFRS 16 comes to € 26.9m, down from € 29.1m in 2018. The average cost of debt was essentially unchanged at 3.4%.

Net income from equity investments, amounting to € 36.4m in 2019, mostly reflects the € 38.0m from the sale of joint ventures as part of the disposal of Canadian motorway business.

INCOME TAX

Income tax came to € 47.7m in 2019 (€ 34.5m the previous year). The 2019 figure includes a provision of € 29.6m for the capital gains tax on the sale of the motorway business in Canada. The total tax liability is reduced by benefits of € 16.4m in Italy: € 3.5m for the use of prior-year losses to offset taxable income for the year and € 12.9m in deferred tax assets on previously unused losses, in light of the improved earnings projections for the next five years. This item includes taxes charged on operating profit (IRAP in Italy and CVAE in France), amounting to € 4.5m (€ 3.1m in 2018).

Note than in 2018 the U.S. tax reform led to a non-recurring charge of € 4.4m.

The average tax rate, excluding IRAP, CVAE, the deferred tax assets recognized by the parent in 2019 on prior-year losses and the impact of the U.S. tax reform in 2018, was 21.7% in 2019 compared with 22.3% the previous year.

The adoption of IFRS 16 led to the recognition in 2019 of € 8.6m in deferred tax assets.

PROFIT FOR THE YEAR

The 2019 profit attributable to owners of the parent amounted to € 205.2m (€ 68.7m in 2018). Non-controlling interests came to € 21.1m (€ 17.8m the previous year).

The first time adoption of IFRS 16 reduced the net profit attributable to owners of the parent and non-controlling interests by € 33.2m compared to the result that would have been obtained by applying the accounting standard followed in 2018. The reason for this reduction is the increased depreciation relating to right-of-use assets and the implicit financial charges on leased goods, whose sum is greater than the fixed portion of lease and concession fees that would have been recognized under the previous standard.

The net profit attributable to owners of the parent excluding IFRS 16 came to € 236.8m, compared with € 68.7m in 2018. The 2019 net profit, which is heavily influenced by the capital gains on the sale of motorway travel center operations in Canada and businesses in the Czech Republic, also reflects an improvement in operating performance as discussed above.

The 2019 underlying net profit attributable to owners of the parent excluding IFRS 16 was € 116.6m (€ 101.6m in 2018), an increase of 11.7% at constant exchange rates and 14.8% at current exchange rates.

				Change vs. 2018	
(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	At current exchange rates	At constant exchange rates
Net profit (attributable to shareholders of the parent)	**205.2**	**236.8**	**68.7**	**n.s.**	**n.s.**
Stock-based management incentive plans	9.6	9.6	1.5		
Gain on operating activity disposal net of transaction costs	(127.6)	(127.6)	-		
Acquisition fees	0.9	0.9	3.0		
Cross-generational deal and other efficiency project costs	8.7	8.7	25.3		
Gain on interest in Canadian JV sold[19]	(38.0)	(38.0)	-		
Tax effect[20]	26.1	26.1	(1.2)		
US reform tax impact[21]	-	-	4.4		
Net profit underlying (attributable to shareholders of the parent)	**85.0**	**116.6**	**101.6**	**14.8%**	**11.7%**
Earnings per share – basic (€ cent.)	**80.7**	**93.1**	**27.0**		
Earnings per share underlying – basic (€ cent.)	**33.4**	**45.9**	**40.0**		

19 This refers to the disposal of the Canadian motorway travel center operations, for equity-measured investments only
20 The tax effect was not calculated in 2018 for non-recurring components concerning the Italian companies, due to the existence of tax losses
21 The tax charge for 2017 was calculated using the rules and rate in force as a result of the 2017 U.S. tax reform, which lowered the tax liability with respect to 2016. In light of later clarifications about the new rules, in 2018 the benefit estimated in 2017 was adjusted downward. The tax charge for 2018 was estimated on the same basis as the revised estimate for the previous year. See note XXXVII for a reconciliation between taxes recognized in the consolidated financial statements and the theoretical tax charge

1.2.4 FINANCIAL POSITION

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION[22]

Comments on changes in the consolidated statement of financial position can be found in the notes to the financial statements.

These changes are compounded by the effects of the first-time adoption of IFRS 16, as shown in the following table and by the impact of the acquisitions and disposals reflected in the statement of cash flows below.

(€m)	31.12.2019	31.12.2019 excluding IFRS 16[23]	31.12.2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Intangible assets	985.8	985.8	960.9	24.9	8.7
Property, plant and equipment	1,090.9	1,092.6	982.7	109.9	96.4
Right of use assets	2,359.0	-	-		
Financial assets	38.0	38.0	29.4	8.6	8.2
A) Non-current assets	**4,473.6**	**2,116.4**	**1,972.9**	**143.5**	**113.3**
Inventories	133.7	133.7	121.6	12.1	11.1
Trade receivables	55.4	55.4	48.0	7.5	6.1
Other receivables	125.1	152.9	166.6	(13.7)	(14.3)
Trade payables	(397.2)	(410.7)	(376.5)	(34.3)	(31.0)
Other payables	(391.5)	(396.0)	(390.4)	(5.6)	(0.5)
B) Working capital	**(474.5)**	**(464.7)**	**(430.7)**	**(34.0)**	**(28.6)**
Invested capital (A + B)	**3,999.2**	**1,651.7**	**1,542.2**	**109.5**	**84.7**
C) Other non-current non-financial assets and liabilities	**(115.3)**	**(124.1)**	**(130.1)**	**6.1**	**8.3**
D) Net invested capital (A + B + C)	**3,883.8**	**1,527.6**	**1,412.1**	**115.5**	**93.0**
Equity attributable to owners of the parent	858.3	889.8	685.9	204.0	188.8
Equity attributable to non-controlling interests	77.6	79.2	55.2	24.1	23.8
E) Equity	**935.9**	**969.1**	**741.0**	**228.0**	**212.6**
Non-current financial liabilities	2,924.6	826.2	860.4	(34.2)	(41.9)
Non-current financial assets	(73.6)	(7.5)	(15.5)	8.0	8.7
F) Non-current financial indebtedness	**2,851.0**	**818.7**	**844.9**	**(26.2)**	**(33.2)**
Current financial liabilities	462.0	88.2	77.3	10.9	6.8
Cash and cash equivalents and current financial assets	(365.1)	(348.3)	(251.1)	(97.1)	(93.2)
G) Current net financial indebtedness	**96.9**	**(260.1)**	**(173.9)**	**(86.3)**	**(86.4)**
Total net financial position (F + G)	**2,947.9**	**558.6**	**671.1**	**(112.5)**	**(119.6)**
Net finance lease liabilities	**(2,389.3)**	**-**	**-**		
Net financial position	**558.6**	**558.6**	**671.1**	**(112.5)**	**(119.6)**
H) Total (E + F + G), as in D)	**3,883.8**	**1,527.6**	**1,412.1**	**115.5**	**93.0**

As discussed at length in the notes to the financial statements, with the adoption of IFRS 16 the statement of financial position now includes a new asset item representing the right-of-use of goods operated under lease or concession contracts. These right-of-use assets, amounting to € 2,359.0m at 31 December 2019, were measured for

22 The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "Financial assets", which do not include "Financial receivables from third parties" (€ 5m) classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position

23 Adjusted excluding the effects of the first-time adoption of IFRS 16, namely: an increase in "Property, plant and equipment" of € 1.7m; a decrease in "Right of use" of € 2,359.0m, an increase in "Other receivables" of € 27.8m; an increase in "Trade payables" of € 13.5m; an increase in "Other payables" of € 4.5m; a decrease in "Other non-current non-financial assets and liabilities" of € 8.8m; a decrease in "Non-current financial liabilities" of € 2,098.4m; a decrease in "Non-current financial assets" of € 66.1m; a decrease in "Current financial liabilities" of € 373.8; a decrease in "Cash and cash equivalents and current financial assets" of € 16.8m, entirely attributable to current financial assets

the first time on 1 January 2019 on the basis of the present value of the future fixed or substantively fixed payments due under concession contracts and leases existing as of that date and revised during the year as new contracts were acquired.

The Group is also a party to various sublet agreements, mostly in North America, through which it has transferred some of these rights-of-use to third parties; accordingly, it has recognized € 16.8m in "Cash & cash equivalents and current financial assets" and € 66.1m in "Non-current financial assets".

The adoption of IFRS 16 has also led to the recognition of € 373.8m in "Current financial liabilities" and € 2,098.4m in "Non-current financial liabilities".

Therefore, the item "Net finance lease liabilities" can be broken down as follows:

(€m)	Full year 2019
Current financial liabilities	(373.8)
Non-current financial liabilities	(2,098.4)
Cash and cash equivalents and current financial assets	16.8
Non-current financial assets	66.1
Net finance lease liabilities	**(2,389.3)**

CASH FLOW

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change
EBITDA	960.6	574.0	386.9	187.1
Gain on operating activity disposal net of transaction costs	(127.6)	(127.6)	-	(127.6)
Change in net working capital	(9.7)	(16.9)	(6.4)	(10.5)
Principal repayment of lease liabilities	(325.0)	-	-	-
Other non cash items	(2.2)	(5.9)	(3.1)	(2.8)
Cash flow from operating activities	**496.1**	**423.7**	**377.4**	**46.3**
Tax paid	(27.0)	(27.0)	(30.3)	3.3
Net interest paid	(24.7)	(24.7)	(23.4)	(1.3)
Implicit interest in lease liabilities	(72.4)	-	-	-
Net cash flow from operating activities	**372.0**	**372.0**	**323.7**	**48.3**
Net operating investment	(332.7)	(332.7)	(290.3)	(42.4)
Net cash flow after operating investment	**39.3**	**39.3**	**33.4**	**5.9**
Cash flow generated from the sale of motorway travel center operations in Canada	164.2	164.2	-	164.2
Cash flow generated from the sale of Autogrill Czech S.r.o.	9.5	9.5	-	9.5
Cash flow absorbed by the acquisition of Pacific Gateway Concessions, LLC	(32.2)	(32.2)	-	(32.2)
Cash flow absorbed by the acquisition of Le CroBag GmbH	(6.0)	(6.0)	(59.0)	53.0
Cash flow absorbed by the acquisition of Avila, LLC	-	-	(17.3)	17.3
Free operating cash flow pre dividend	**174.7**	**174.7**	**(42.9)**	**217.6**
Dividend payment[24]	(43.5)	(43.5)	(55.8)	12.3
Free operating cash flow	**131.2**	**131.2**	**(98.7)**	**229.9**

24 Including dividends paid to non-controlling shareholders, net of capital increases

The following table summarizes "Net cash flow after operating investment", excluding the impact of the non-recurring transactions in the United States.

(€m)	Full year 2019	Full year 2018
Net cash flow after operating investment	**39.3**	**33.4**
Net cash flow after operating investment relating to non-recurring transactions carried out in the United States (for details see next table)	(18.1)	-
Net cash flow after operating investment excluding the effect relating to non-recurring transactions carried out in the United States	**57.4**	**33.4**

Cash flow from operating activities increased by € 46.3m, with strong cash generation partially offset by a negative change in net working capital.

Net cash flow after operating investment came to € 39.3m, due in part to an increase of € 42.4m in investment associated with the expansion of the contract portfolio.

Net cash flow after operating investments stemming from the non-recurring transactions in the United States was a negative € 18.1m, as detailed below:

(€m)	Full year 2019	Full year 2018
Tax paid on the capital gain from the disposal of the motorway travel center operations in Canada	(10.3)	-
Net cash flow from operating activities relating to non-recurring transactions carried out in the United States	**(10.3)**	**-**
Investments made following the commitment entered into as part of the purchase of Pacific Gateway Concessions, LLC for which the seller had agreed to under contract	(7.8)	-
Net cash flow after operating investment relating to non-recurring transactions carried out in the United States	**(18.1)**	**-**

The balance between the proceeds of disposals and outlays for acquisitions was strongly positive in 2019 (+€ 135.5m), due particularly to the disposal of the Canadian motorway travel center operations. In 2018 this figure was a negative € 76.3m because of the acquisitions of Le CroBag GmbH and Avila Retail Development & Management, LLC.

The combined effect of the above components means that in 2019 the Group generated net cash of € 174.7m pre-dividends, while in 2018 it absorbed € 42.9m.

In 2019 the Group paid € 50.8m in dividends (€ 48.3m the previous year). The balance between capital increases from non-controlling shareholders and dividends paid to them by the consolidated companies generated cash of € 7.3m, compared with the absorption of € 7.5m in 2018.

NET FINANCIAL POSITION

The total net financial position at 31 December 2019 amounted to € 2,947.9m, including € 2,389.3m in net lease liabilities.

As of the same date, the Group net financial position stood at € 558.6m, down from € 671.1m at 31 December 2018. The reduction is explained by the net generation of cash for the year.

At the close of 2019, 50% of net debt was denominated in US dollars (63% a year earlier) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 40% of the total compared with 33% at the end of 2018.

The fair value of interest rate hedging derivatives at 31 December 2019 was a positive € 2.8m, compared with a negative € 1.7m at the close of 2018.

Debt to banks and bondholders consists primarily of committed non-current credit lines from banks and of long-term bonds (private placements). Loans have an average remaining life of about 2 years and 10 months, compared with 3 years and 8 months at 31 December 2018.

In August 2019, Autogrill S.p.A. obtained two new credit lines:
- an amortizing term loan of € 50.0m maturing in August 2024, involving three annual payments of € 12.5m starting in August 2021, with reimbursement of the remaining € 12.5m on maturity;
- a revolving credit line of € 25.0m maturing in August 2024. The entire revolving credit commitment of € 25.0m will be settled at that time.

In 2019 the first $ 50.0m payment was made on the term loan contracted on 26 June 2018 by the subsidiary HMSHost Corp., originally due in June 2020. This loan consists of an amortizing term facility of an original $ 200.0m and a revolving facility of the same amount, valid until June 2023.

1.3 OPERATING SEGMENTS

REVENUE BY GEOGRAPHICAL AREA

(€m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
North America	2,635.6	2,389.1	10.3%	4.8%
International	647.1	584.6	10.7%	10.3%
Italy	*1,021.7*	*1,023.6*	*-0.2%*	*-0.2%*
Other European countries	*692.4*	*698.0*	*-0.8%*	*-1.6%*
Total Europe	1,714.1	1,721.6	-0.4%	-0.8%
Total Revenue	**4,996.8**	**4,695.3**	**6.4%**	**3.5%**

EBITDA BY GEOGRAPHICAL AREA

(€m)	Full year 2019	% on revenue	Full Year 2019 excluding IFRS 16	% on revenue	Full year 2018	% on revenue	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
North America	581.6	22.1%	403.8	15.3%	261.6	10.9%	54.4%	46.6%
International	107.6	16.6%	59.5	9.2%	60.0	10.3%	-0.8%	0.2%
Europe	301.2	17.6%	141.4	8.2%	89.5	5.2%	58.1%	56.9%
Corporate costs	(29.8)	-	(30.7)	-	(24.1)	-	-27.6%	-24.3%
Total EBITDA	**960.6**	**19.2%**	**574.0**	**11.5%**	**386.9**	**8.2%**	**48.4%**	**43.4%**

EBIT BY GEOGRAPHICAL AREA

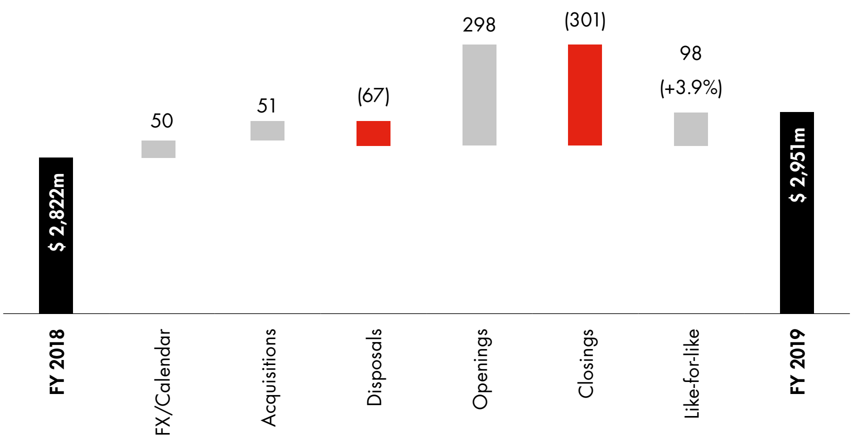
(€m)	Full year 2019	% on revenue	Full Year 2019 excluding IFRS 16	% on revenue	Full year 2018	% on revenue	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
North America	281.2	10.7%	260.5	9.9%	143.6	6.0%	81.4%	72.3%
International	26.4	4.1%	22.4	3.5%	24.5	4.2%	-8.9%	-5.3%
Europe	60.6	3.5%	55.4	3.2%	7.9	0.5%	604.8%	568.6%
Corporate costs	(31.7)	-	(32.0)	-	(26.0)	-	-23.4%	-20.4%
Total EBITDA	**336.6**	**6.7%**	**306.3**	**6.1%**	**150.0**	**3.2%**	**104.1%**	**95.7%**

CAPITAL EXPENDITURE BY GEOGRAPHICAL AREA

(€m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
North America	207.5	153.7	35.1%	28.2%
International	29.3	35.7	-18.1%	-18.6%
Europe	104.6	106.8	-2.0%	-4.8%
Corporate	2.0	4.7	-58.4%	-58.4%
Total Capital expenditure	**343.4**	**300.9**	**14.1%**	**9.9%**

NORTH AMERICA[25]

REVENUE



In 2019 North America generated revenue of $ 2,950.6m, an increase of 4.8% at constant exchange rates (+4.6% at current exchange rates of the Canadian vs. the US dollar[26]), compared with $ 2,821.5m the previous year.

Revenue growth in North America was driven by strong like-for-like performance (+3.9%), especially in the airport channel (+4.5%), while the motorway channel in the United States saw a more modest increase in traffic.

New airport openings, including at New York LaGuardia, Dallas Fort Worth, Orlando, Denver, Charlotte and San José, offset closures caused by normal contract turnover.

The acquisition of two airport convenience retail operators, Avila Retail Development & Management, LLC (consolidated since September 2018) and Pacific Gateway Concessions, LLC (with effect from June 2019), contributed revenue of $ 51.0m, while the disposal of Canadian motorway operations in May 2019 had a negative impact of $ 66.8m.

Another factor that added $ 57.0m to revenue was the fact that the 2019 calendar had 53 weeks, as opposed to 52 in 2018.

REVENUE BY GEOGRAPHY

			Change vs. 2018	
($m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
US	2,719.1	2,520.2	7.9%	7.9%
Canada	231.4	301.4	-23.2%	-21.4%
Total Revenue	**2,950.6**	**2,821.5**	**4.6%**	**4.8%**

25 This division includes operations in the United States and Canada
26 The change at current exchange rates includes the impact of the appreciation of the US dollar against the Canadian dollar

Revenue in the United States increased by 7.9%, thanks in particular to the airport channel. The decline in revenue in Canada (-21.4% at constant exchange rates) fully reflects the disposal of the motorway travel center operations in May 2019.

REVENUE BY CHANNEL

			Change vs. 2018	
($m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
Airports	2,527.1	2,330.9	8.4%	8.6%
Motorways	401.8	469.6	-14.4%	-14.0%
Other channels	21.7	21.1	2.7%	2.7%
Total Revenue	**2,950.6**	**2,821.5**	**4.6%**	**4.8%**

Airport revenue grew by 8.6% at constant exchange rates (+8.4% at current exchange rates), sustained by like-to-like growth of 4.5%. The solid performance in this channel is explained by a number of factors: increased passenger traffic, higher average receipts, the 53-week calendar, the acquisition of Avila Retail Development & Management, LLC and Pacific Gateway Concessions, LLC and new openings at New York LaGuardia, Dallas Fort Worth, Orlando, Denver, Charlotte and San José airports.

Conversely, revenue in the motorway channel was down by 14.0% at constant exchange rates (-14.4% at current exchange rates), due mostly to the disposal in May 2019 of the motorway operations in Canada, as well as various temporary closures during the year for renovations (e.g. at locations on the New Jersey Turnpike and the Garden State Parkway) and the modest rise in traffic.

EBITDA

				Change vs. 2018	
($m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	At current exchange rates	At constant exchange rates
EBITDA	**651.1**	**452.1**	**308.9**	**46.3%**	**46.6%**
% on revenue	*22.1%*	*15.3%*	*10.9%*		
EBITDA underlying	**526.9**	**327.9**	**314.0**	**4.4%**	**4.6%**
% on revenue	*17.9%*	*11.1%*	*11.1%*		

EBITDA in North America amounted to $ 651.1m, or 22.1% of revenue.

EBITDA excluding IFRS 16 came to $ 452.1m. As a percentage of revenue, EBITDA excluding IFRS 16 rose from 10.9% in 2018 to 15.3% in 2019. The profit for the year was heavily influenced by the capital gain on the sale of motorway travel center operations in Canada, which came to $ 133.9m net of ancillary costs.

Underlying EBITDA excluding IFRS 16 of $ 327.9m ($ 314m in 2018) increased by 4.6% at constant exchange rates (+4.4% at current exchange rates) and remained steady at 11.1% of revenue. Greater airport revenue and efficiency-boosting measures essentially offset the pressure on personnel expense.

EBIT

($m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
EBIT	**314.8**	**291.7**	**169.6**	**72.0%**	**72.3%**
% on revenue	*10.7%*	*9.9%*	*6.0%*		
EBIT underlying	**190.5**	**167.4**	**174.6**	**-4.1%**	**-3.9%**
% on revenue	*6.5%*	*5.7%*	*6.2%*		

EBIT in 2019 came to $ 314.8m, or 10.7% of revenue.

EBIT excluding IFRS 16 was $ 291.7m ($ 169.6m in 2018), for a margin of 9.9%, up from 6.0% the previous year.

Underlying EBIT excluding IFRS 16 in 2019 came to € 167.4m, compared with € 174.6m in 2018, for a decrease of 3.9% at constant exchange rates (-4.1% at current exchange rates) and a margin of 5.7%, down from 6.2% the previous year.

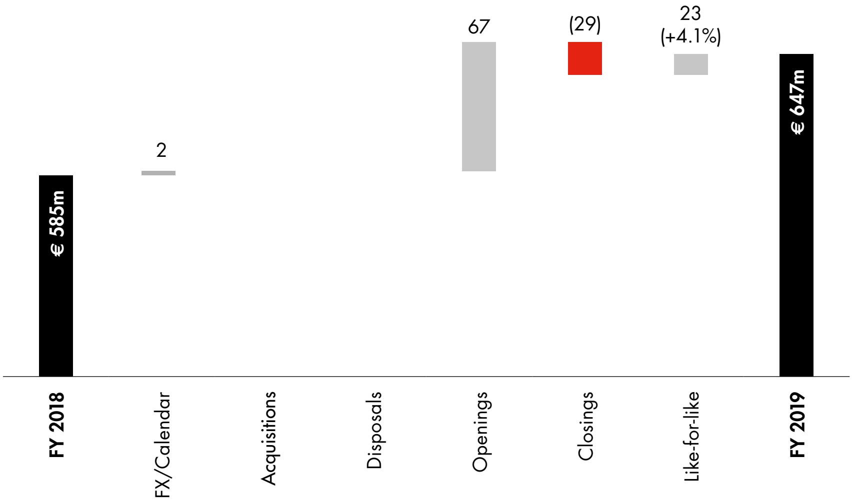
CAPITAL EXPENDITURE

($m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Capex	**232.3**	**181.5**	**28.0%**	**28.2%**
% on revenue	*7.9%*	*6.4%*		

Capital expenditure in 2019 amounted to $ 232.3m, up sharply on the previous year. A significant portion of the increase concerns the renovation of locations on the New Jersey Turnpike and the Garden State Parkway. The remaining investments went mostly toward the airports serving New Orleans, Minneapolis, Seattle, Boston, Fort Lauderdale, Detroit, Newark, San José and Austin.

INTERNATIONAL[27]

REVENUE



Revenue in the International area in 2019 amounted to € 647.1m, compared with € 584.6m in 2018, for an increase of 10.3% at constant exchange rates (+10.7% at current exchange rates).

Like-for-like revenue growth was 4.1% thanks to the airport channel, with a particularly strong performance in the Middle East and Asia, partially offset by weaker traffic trends at airports in Northern Europe and the Netherlands.

A significant contribution was made by new openings, particularly at airports in Norway (Oslo and Stavanger), Vietnam (Cam Ranh), India (New Delhi) and the United Arab Emirates, as well as Dutch railway stations.

REVENUE BY GEOGRAPHY

			Change vs. 2018	
(€m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
Northern Europe	449.4	415.7	8.1%	8.4%
Rest of the world	197.7	168.9	17.0%	15.0%
Total Revenue	**647.1**	**584.6**	**10.7%**	**10.3%**

By geographical area, revenue growth was strong in Northern Europe (+8.4% at constant exchange rates, +8.1% at current exchange rates) and the Rest of the world (+15.0% at constant exchange rates and +17.0% at current exchange rates).

REVENUE BY CHANNEL

			Change vs. 2018	
(€m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
Airports	549.3	516.9	6.3%	6.0%
Other channels	97.8	67.8	44.3%	43.8%
Total Revenue	**647.1**	**584.6**	**10.7%**	**10.3%**

27 This area covers locations in Northern Europe (Schiphol Airport in Amsterdam; railway stations and outlets in the Netherlands, the United Kingdom, Ireland, Sweden, Denmark, Finland and Norway) and other countries (United Arab Emirates, Turkey, Russia, India, Indonesia, Malaysia, Maldives, Vietnam, Australia, New Zealand and China)

The airport channel enjoyed revenue growth of 6.0% at constant exchange rates (+6.3% at current exchange rates), driven by performance in Vietnam and India as well as new openings.

In the other channels, growth reflects new openings at Dutch railway stations and improved performance at outlets in the Netherlands.

EBITDA

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
EBITDA	**107.6**	**59.5**	**60.0**	**-0.8%**	**0.2%**
% on revenue	*16.6%*	*9.2%*	*10.3%*		
EBITDA underlying	**109.8**	**61.7**	**60.4**	**2.1%**	**3.1%**
% on revenue	*17.0%*	*9.5%*	*10.3%*		

EBITDA for this area came to € 107.6m, or 16.6% of revenue.

EBITDA excluding IFRS 16 decreased from € 60.0m in 2018 to € 59.5m, an increase of 0.2% at constant exchange rates (-0.8% at current exchange rates). This reflects the costs incurred to support operations in the Group's newer markets. The EBITDA excluding IFRS 16 margin decreased from 10.3% in 2018 to 9.2% in 2019.

Underlying EBITDA excluding IFRS 16 of € 61.7m (€ 60.4m in 2018) increased by 3.1% at constant exchange rates (+2.1% at current exchange rates) and moved from 10.3% of revenue the previous year to 9.5% in 2019.

EBIT

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
EBIT	**26.4**	**22.4**	**24.5**	**-8.9%**	**-5.3%**
% on revenue	*4.1%*	*3.5%*	*4.2%*		
EBIT underlying	**31.4**	**27.3**	**25.0**	**9.3%**	**13.4%**
% on revenue	*4.8%*	*4.2%*	*4.3%*		

EBIT stood at € 26.4m for the year, or 4.1% of revenue.

EBIT excluding IFRS 16 was € 22.4m (€ 24.5m in 2018), for a margin of 3.5%, down from 4.2% the previous year.

Underlying EBIT excluding IFRS 16 in 2019 came to € 27.3m, compared with € 25.0m in 2018, for an increase of 13.4% at constant exchange rates (+9.3% at current exchange rates) and a margin of 4.2%, compared to 4.3% in 2018.

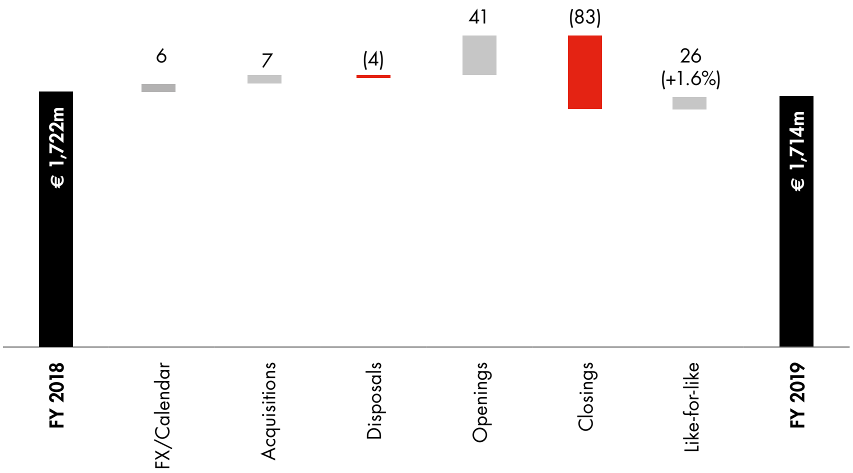
CAPITAL EXPENDITURE

(€m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	Change vs. 2018 At constant exchange rates
Capex	**29.3**	**35.7**	**-18.1%**	**-18.6%**
% on revenue	*4.5%*	*6.1%*		

The largest investments in this area concerned Beijing airport as a result of newly awarded contracts, Sabiha Gokcen airport in Istanbul for the completion of work begun in 2018 and the airports in India and Dubai, as well as new openings at Dutch railway stations.

EUROPE

REVENUE



Revenue in Europe came to € 1,714.1m (€ 1,721.6m the previous year), falling by 0.4% (-0.8% at constant exchange rates).

Like-for-like revenue increased by 1.6% thanks to outstanding performance in the airport channel (especially in Italy, Germany and Belgium). In the motorway channel in Italy, product innovation, upgraded concepts and good management also led to a notable increase in revenue, especially in the second half of 2019. There were likewise signs of improvement in France and in Belgium in the second part of the year.

Closures and new openings produced a net revenue decrease of € 42m due to selective renewals in the Italian motorway channel[28] and the gradual exit from Tank & Rast motorway operations in Germany (-€ 38.9m), as well as the decision to leave non-strategic businesses.

Acquisitions had a positive impact of € 7.1m with the full-year consolidation of Le CroBag GmbH, which in 2018 had contributed revenue from the month of March. This more than offset the decrease (-€ 4.5m) caused by the disposal of operations in the Czech Republic with effect from May 2019.

REVENUE BY GEOGRAPHY

			Change vs. 2018	
(€m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
Italy	1,021.7	1,023.6	-0.2%	-0.2%
Other European countries	692.4	698.0	-0.8%	-1.6%
Total Revenue	**1,714.1**	**1,721.6**	**-0.4%**	**-0.8%**

The slight downturn in revenue in Italy reflects the streamlining of the motorway channel, partially offset by new openings and the positive like-for-like performance especially in the second half of the year.

28 Including a negative impact of € 2.5m for temporary extraordinary closures in Italy

In other European countries, sales were limited mainly by the gradual exit from the Tank & Rast motorway business in Germany, the delicate economy, and unrest in France during the first half of the year, the effect of which was lessened by strong results at German and Belgian airports and by an upturn in French motorway traffic in the second half.

REVENUE BY CHANNEL

			Change vs. 2018	
(€m)	Full year 2019	Full year 2018	At current exchange rates	At constant exchange rates
Motorways	1,162.7	1,191.0	-2.4%	-2.6%
Airports	274.1	251.7	8.9%	8.0%
Other channels	277.2	278.9	-0.6%	-1.0%
Total Revenue	**1,714.1**	**1,721.6**	**-0.4%**	**-0.8%**

Decreased revenue in the motorway channel mostly reflects the situations described above for Italy, Germany and France.

Factors behind the strong performance in the airport channel include significant revenue growth in Belgium and in Germany, solid growth in Italy and additional locations in Spain.

In the other channels, while sales were up at railway stations, this was more than offset by selective closures in non-strategic businesses.

EBITDA

				Change vs. 2018	
(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	At current exchange rates	At constant exchange rates
EBITDA	**301.2**	**141.4**	**89.5**	**58.1%**	**56.9%**
% on revenue	*17.6%*	*8.2%*	*5.2%*		
EBITDA underlying	**294.1**	**134.3**	**113.8**	**18.1%**	**17.4%**
% on revenue	*17.2%*	*7.8%*	*6.6%*		

EBITDA in Europe in 2019 came to € 301.2m, or 17.6% of sales.

EBITDA excluding IFRS 16 of € 141.4m improved by € 51.9m on the previous year (+56.9% at constant exchange rates and +58.1% at current exchange rates).

The significant improvement in performance is mostly explained by product innovation, upgraded concepts and good management in Italy, with an improvement in the cost of goods sold and a strong focus on labour productivity. Profitability improved in the other European countries as well, thanks chiefly to the airport channel and the contribution of Le CroBag GmbH, acquired in 2018.

Beyond these operating results, the net profit also included a capital gain € 8.0m from the sale of operations in the Czech Republic. Also, in 2018 personnel expense factored in a non-recurring charge of € 23.4m for early retirement and the "intergenerational agreement" in Italy.

As a result of the above trends, underlying EBITDA excluding IFRS 16 in 2019 was € 134.3m, an increase of 17.4% at constant exchange rates (+18.1% at current exchange rates) compared with the prior-year figure of € 113.8m. As a percentage of revenue, underlying EBITDA excluding IFRS 16 also rose significantly, from 6.6% in 2018 to 7.8% this year.

EBIT

(€m)	Full year 2019	Full year 2019 excluding IFRS 16	Full year 2018	Change vs. 2018 At current exchange rates	At constant exchange rates
EBIT	**60.6**	**55.4**	**7.9**	**604.8%**	**568.6%**
% on revenue	*3.5%*	*3.2%*	*0.5%*		
EBIT underlying	**53.6**	**48.4**	**32.2**	**50.2%**	**48.3%**
% on revenue	*3.1%*	*2.8%*	*1.9%*		

EBIT stood at € 60.6m for the year, or 3.5% of revenue.

EBIT excluding IFRS 16 was € 55.4m (€ 7.9m in 2018), for a margin of 3.2%, up from 0.5% the previous year.

Underlying EBIT excluding IFRS 16 in 2019 came to € 48.4m, compared with € 32.2m in 2018, for an increase of 48.3% at constant exchange rates (+50.2% at current exchange rates) and a margin of 2.8%, compared to 1.9% in 2018.

CAPITAL EXPENDITURE

(€m)	Full year 2019	Full year 2018	Change vs. 2018 At current exchange rates	At constant exchange rates
Capex	**104.6**	**106.8**	**-2.0%**	**-4.8%**
% on revenue	*6.1%*	*6.2%*		

Most capital expenditure concerned Zurich airport, railway stations in Brussels and rest stops on Italian and French motorways, including some large ones taken over in recent bidding.

CORPORATE COSTS

In 2019, centralized corporate costs amounted to € 30.7m (€ 24.1m in 2018), an increase of 27.6% reflecting the Group's reinforcement of governance functions.

Underlying corporate costs rose from € 23.4m in 2018 to € 26.0m in 2019.

1.4 OUTLOOK[29]

Since early 2020 the Autogrill Group has been dealing with the impact of the coronavirus (COVID-19) crisis.

COVID-19 began to spread in the second half of January, followed by rapid worldwide contagion in February, affecting motorway, as well as, air traffic and leading to more serious consequences in a number of countries. The epidemic is evolving rapidly and at the moment it is extremely difficult to predict short-term developments with any reliability. The Autogrill Group has taken significant measures to protect the health and safety of its workers and customers, while continuing to provide an essential public service in accordance with each order issued by the competent authorities.

With revenue declining, the Group has taken a few steps to stem the impact of COVID-19 in the countries where it operates (modifying business hours, managing and optimizing locations, limiting overheads and administrative costs, etc.) and has set up a task force to stay abreast of the changing situation at all times.

As of the end of the first week of March 2020, the COVID-19 crisis had impacted Group revenue by about € 25-30m.

In light of persistent uncertainty as to the potential overall impact and duration of COVID-19, the Autogrill Group's guidance for the year 2020 will be announced when the situation is more stable.

Considering the short-term uncertainty of the situation, the Board of Directors is taking a prudent approach and proposing to the shareholders that the net profit for 2019 be carried forward instead of paying a dividend this year.

The Group, however, reiterates its commitment to managing operations with a view to creating value in the medium/long term and confirms the investment pipeline.

SUBSEQUENT EVENTS

Since 31 December 2019, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

29 This section includes forecasts and estimates that reflect management's current thinking (forward-looking statements), especially as regards future performance, capital expenditure, cash flow and changes in the financial structure. By nature, forward-looking statements have an element of risk and uncertainty because they depend on the occurrence of future events. Actual results may differ, even significantly, as a result of various factors such as travel trends in the countries and channels served; the outcome of concession contract renewals and bids for new concessions; how the competition develops; the trend in exchange rates against the euro, especially of the US dollar and British pound; the trend in interest rates on those currencies; future demand; the price of oil and food raw materials; general macroeconomic conditions; geopolitical factors and regulatory changes in the countries served; and other changes in business conditions. The Group's business volumes correlate with travel trends

1.5 CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ARTS. 3 AND 4 OF LEGISLATIVE DECREE 254/2016

CONTENTS

1.5.1 INTRODUCTION

Autogrill Group's consolidated non-financial statement (NFS) is structured according to the following four sustainability areas identified as material to its business.

A-Company: it covers the creation of economic value, the effectiveness and transparency of decision-making processes, anti-corruption measures and competitive practices.

Autogrill People: it expresses the Group's employee care policies and initiatives that put its team in a position to provide quality service to customers and the local community. It covers employee relations, human resource development and training, occupational health and safety, labor union relations, diversity and equal opportunity.

Autogrill Product: it describes the Group's commitment to offering safe, high-quality products that add value and content to the customer experience. It covers product quality and safety, product labeling and marketing, supply chain management, accessibility and quality of services.

Autogrill Planet: it represents the Group's policies and initiatives for protecting the environment and covers the management of energy, emissions and waste.

The document is introduced by chapters on the sustainability management model and stakeholder engagement.

The NFS provides the disclosures required by Legislative Decree 254/2016 (the "Decree"), sometimes by referencing other corporate documents drawn up in compliance with the law (the Consolidated Annual Report and Financial Statements and the Corporate Governance and Ownership Report) if the information is contained therein.

In particular:
- **the management and organizational model** on corporate liability is presented in the Directors' Report, in the sections "The Autogrill Group" and "Group performance";
- **risk management**, including with regard to non-financial risks, is described in the Directors' Report under "Financial and non-financial risk management" section;
- **Group policies and social and environmental performance indicators** are reported in the sections below.

The following table reconciles the disclosures required by the Decree (where identified as material) with the corporate documents that provide those disclosures.

REQUIRED DISCLOSURES (DECREE 254/2016) AND WHERE TO FIND THEM

Area covered by Decree 254/2016	Disclosures required by Decree 254/2016	2019 documents containing the disclosures	
Business model	Art. 3.1(a) Description of the business management and organizational model, including any corporate liability policies pursuant to Legislative Decree 231/2001	DR	pp. 15-47
		CGR	Sections 2, 4, 6-10, 13-14
		NFS	Socio-environmental policies and guidelines of the Autogrill Group
Policies	Art. 3.1(b) Description of corporate policies, including due diligence	NFS	Socio-environmental policies and guidelines of the Autogrill Group Anti-corruption People: the people of the Autogrill Group Planet: environmental protection Product: product quality and safety and focus on the customer
Risk management	Art. 3.1(b) Description of the main risks generated by or incurred in business operations	DR	p. 99-107
People	Art 3.2(d) Information on human resource management, including gender equality, adoption of international organization conventions and dialogue with workers' rights groups	NFS	People: the people of the Autogrill Group
	Art 3.2(c) Health and safety disclosures	NFS	People: occupational health and safety
Environment	Art 3.2(a)(b)(c) Use of energy, distinguishing between renewable and non-renewable sources; water consumption; emissions of greenhouse gases and pollutants; impact on the environment	NFS	Planet: environmental protection
Social	Art 3.2(d) Information on social aspects	NFS	Product: product quality and safety and focus on the customer Product: responsible supply chain management People: community development and engagement
Human rights	Art 3.2(e) Information on respect for human rights and measures taken to prevent violations and discrimination	NFS	People: protection of human rights Product: responsible supply chain management
Anti-corruption	Art 3.2(f) Disclosures on countering active and passive corruption	NFS	Anti-corruption

Key:
DR: Directors' report; CGR: Corporate governance and ownership report; NFS: Consolidated Non-financial statement

GRI Standard 103-2, 103-3

SOCIO-ENVIRONMENTAL POLICIES AND GUIDELINES OF THE AUTOGRILL GROUP

Autogrill Group has a system of socio-environmental policies and guidelines that start with the Group's Code of Ethics and the Sustainability Policy (approved by Autogrill S.p.A.'s Board of Directors in December 2018) and are also detailed in the Corporate Liability Policy and protocols pursuant to Law 231/01, the Anti-Corruption Policy and the Supply Chain Sustainability Guidelines of Autogrill S.p.A (hereinafter also mentioned as "the Parent company" or "the Company"). The Parent company, in its own Corporate Liability Policy pursuant to Legislative Decree 231/01, has also established a protocol for environmental compliance specifying the principles to be followed with respect to the environment and natural resources. The Sustainability Policy defines social and environmental standards and provide the business units with guidelines for defining a sustainable approach to their operations. It is the foundation of the Group's "Afuture" sustainability framework, which takes the outcome of the materiality analysis as a launching pad to define — consistently with the Code of Ethics and the Corporate Liability Policy pursuant to Law 231/01 — the long-term goals that help create shared value for all stakeholders.

Autogrill Group Sustainability Policy - key content

PEOPLE
We want to take care of our employees so that they can provide valuable services to customers and to the local community.

DIVERSITY
Autogrill respects the personality and dignity of each individual and believes in enhancing diversity without distinction

DISCRIMINATION
Autogrill rejects all forms of discrimination and abuse, including during the hiring process and along career paths.

FREEDOM OF ASSOCIATION
Autogrill protects the right to freedom of association and collective bargaining, recognizing the undeniable importance of these freedoms, in accordance with national laws

CHILD LABOUR
Autogrill rejects the use of child labour inside its structures nor will tolerate child labour as defined by international standards.

FORCED LABOUR
Autogrill is opposed to any exploitation of workers.

DEVELOPMENT
Autogrill believes in the value of human capital and seeks to enhance and support the development of each individual's expertise and the sharing of knowhow.

HEALTH AND SAFETY
Autogrill guarantees adequate standards for the protection of workplace health and safety and promotes responsible behavior by all employees at all company levels.

MINIMUM WAGE
Autogrill guarantees the respect of local minimum wage.

LOCAL CULTURES
Autogrill firmly believes that respecting and enhancing multiculturalism, contributes to the growth of a successful corporate culture.

COMPLIANCE
Autogrill complies with all current local, national and international laws regarding the protection of human rights.

AUTOGRILL AND THE ANTI-CORRUPTION

The Autogrill Group repudiates and prohibits corruption without exception (with respect to both public and private counterparties) and complies with anti-corruption laws in all the countries in which it operates.

All Autogrill Group employees are strongly committed to carrying out their activities ethically, correctly, transparently, honestly and lawfully, as well as in full compliance with the law, and must follow, apply and enforce the application of the rules included in the Anti-Corruption Policy when carrying out their duties.

Policies and guidelines are inspired by the principles of fairness, transparency, honesty and integrity that characterize the Group in all it does, in keeping with the main international guidelines and standards on responsible business management. The management of and responsibility for everyday operations are strongly local affairs. This is reflected at the procedural level, where observance of the Group's founding principles is balanced with consideration for the local setting and full compliance with the laws of the countries served. The policies and guidelines are enforced by the individual business units, which define the necessary processes, procedures, roles and responsibilities. Environmental policies and procedures are managed by the individual business units in relation to the specificities of the business and local laws and regulations.

Since early 2020, Autogrill Group has been dealing with the impact of the coronavirus (COVID-19) crisis. The Group has taken significant measures to protect the health and safety of its workers and customers, while continuing to provide an essential public service in accordance with each order issued by the competent authorities. Further details are disclosed in the section 1.4 of Directors' Report. An appropriate disclosure will be included in the Consolidated Non-Financial Statement 2020.

PRODUCT

We want to think innovatively in order to offer our customers products which guarantee safety and quality criteria and which allow them to enjoy and take away a positive memory of their experience in our points of sale.

FOOD QUALITY AND SAFETY

Autogrill guarantees every day the safety and quality of the products served from the raw materials to the finished product, following appropriate standards as well as using quality ingredients. It requires products to be prepared in sanitary, hygienic conditions which ensure protection from any and all risks and strives to involve the entire staff in activities designed to increase awareness and understanding of the regulations and conditions established by the Group.

CUSTOMERS

The Group listens to the needs and expectations of its customers, and is constantly looking for new consumer trends in order to understand how to innovate and increase the level of excellence of the food experience across all channels. Autogrill works with landlords and brand partners to share the know-how acquired in the promotion and management of the concession relationships.

SUPPLY CHAIN

Autogrill favours the creation of stable, long-term relationships with suppliers in order to create reciprocal value. It, therefore, acts with transparency, integrity, impartiality and contractual fairness. In addition, it fosters the adoption of socially responsible behaviour by suppliers, privileging commercial relationships with entities that comply with international regulations and principles relating to individual dignity, working conditions, health, safety and the environment. Recognizing how important the supply chain is, as a whole, to increasing the commitment to sustainability best practices, the Autogrill Group has released the Supply Chain Sustainability Guidelines that define the general standards to be used when assessing suppliers and the key principles underlying the Group's approach to sustainable management of its supply chain.

COMPLIANCE

Autogrill works in accordance with local laws and approved food safety standards.

PLANET

We want to protect the environment by engaging our partners, suppliers and with the contribution of our employees and customers.

ENERGY CONSUMPTION

Autogrill leads and contributes to reducing energy consumption, promotes the use of natural resources, as well as the use of clean energy, and researches strategies aimed at reducing environmental impacts, improving its performance and defining commercial concepts and innovative solutions according to the principles of energy efficiency.

WATER

Autogrill promotes responsible use of water.

WASTE & RECYCLING

The Group promotes and develops programs focused on reducing waste and responsible waste management, including projects to support circular economy practices in food chain.

FOOD WASTE

Autogrill is also committed to ensuring that consumption does not result in waste, adopting solutions that keep food waste to a minimum and supporting initiatives that support local communities.

COMPLIANCE

The Group carry out its activities in full compliance with all current local, national and international laws.

The following sections disclose the practices and procedures of the Group, of the business units and, where relevant, of the individual countries.

1.5.2 A-COMPANY: THE AUTOGRILL GROUP

OUR VISION

To be the undisputed traveler centric and trustful travel food&beverage company in the world.

OUR MISSION

Whether it's about eating, drinking or shopping, we want people on the move to reach their destination happier, safer, more satisfied thanks to our services. We make their time more effective and their journey more comfortable, adding value to their experience or shopping.

OUR VALUES

Every person the Group employs, in locations all over the world, has the same objective: their own and their customers' wellbeing. Be passionate, be open, set the pace, be reliable and keep it simple are the values which guide us everyday.

CREATING AND DISTRIBUTING ECONOMIC VALUE

GRI Standard 103-2, 103-3, 102-43, 201-1

Creating and distributing economic value is the ability to generate wealth and spread it among the stakeholders. In 2019, the Group created more than € 5.7 billion in economic value and distributed more than € 4.9 billion. Of all value created, 86% was distributed to the internal and external stakeholders, while the remaining 14% was retained within the Group.

Statement of economic value (k€)	2019	2018	2017	Stakeholder
Economic value created by the Group	**5,761,530**	**5,215,052**	**5,085,423**	
Revenue and other operating income	5,604,364	5,223,912	5,086,559	Consumers
Financial income	5,147	2,061	1,316	
Adjustment to the value of financial assets[30]	36,357	13	797	
Impairment losses on receivables	(1,496)	(1,859)	(2,170)	
Impairment losses[31]	117,158	(9,075)	(1,079)	
Economic value distributed	**4,933,000**	**4,956,642**	**4,811,249**	
Reclassified operating costs	3,075,627	3,253,606	3,140,167	Landlords, suppliers and brand partners
Remuneration of personnel	1,652,876	1,538,525	1,501,661	Personnel
Remuneration of lenders and shareholders[32]	125,215	99,840	93,822	Lenders and shareholders
Remuneration of public institutions	75,522	61,119	71,691	Government
Donations	3,760	3,552	3,909	Community
Economic value retained by the Group	**828,530**	**258,410**	**274,174**	
Depreciation and amortization	612,367	227,807	212,662	
Provisions	10,975	12,823	13,672	
Reserves	205,188	17,780	47,840	

GOVERNANCE AND COMPLIANCE

GRI Standard 103-2, 103-3

Autogrill has adopted a traditional governance system based on the proper balance between international best practices and the particularities of its business. The Group is geared toward transparency in managerial decisions and on behavioral practices that create a relationship of trust with the stakeholders. For all information on corporate governance matters, see the Corporate Governance and Ownership Report drawn up

30 Including profit/loss from discontinued operations
31 Net of any capital gains from the disposal of operations
32 The remuneration of shareholders consists of the share of profits of the year that will be paid as dividends in the following year, as proposed to the annual general meeting by the Board of Directors. Considering the short-term uncertainty due to the COVID-19 emergency, the Board of Directors is taking a prudent approach and proposing to the shareholders that the net profit for 2019 be carried forward instead of paying a dividend this year

in accordance with Art. 123 *bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors together with the Directors' Report (with reference to Legislative Decree 254/2016 in particular, see Section 4 "Board of Directors," Section 6 "Internal Board committees," Section 7 "Appointment Committee," Section 8 "Human Resources Committee," Section 10 "Control, Risk and Corporate Governance Committee," Section 13 "Appointment of Statutory Auditors," and Section 14, " Composition and operation of the Board of Statutory Auditors ").

GRI Standard 103-2, 103-3, 205-3

ANTI-CORRUPTION

In addition to the Corporate Liability Policy of Autogrill S.p.A. and its Italian subsidiaries, the Group has an Anti-corruption Policy, approved by the Board of Directors, which formalizes obligations and rules of conduct applying throughout the Group. Through this document, the Group confirms its across-the-board commitment to reject and prohibit corruption under all circumstances, with public officials and private parties alike and its promise to observe anti-corruption laws in every country served. Group General Counsel is in charge of monitoring proper enforcement of the policy, while the local Legal Counsels monitor its implementation and enforcement by other companies in the Group. The Group's Internal Audit department independently reviews and evaluates the internal control system to make sure the policy provisions are duly observed, on the basis of the annual audit program approved by the Board of Directors, while Group General Counsel goes over the policy periodically to ensure its effective enforcement. Group companies and their individual personnel must report any infringement (or reasonable suspicion of infringement) of the policy and/or anti-corruption laws, using the Group's whistleblowing system.

All new hires, during the induction or onboarding phase, are informed of the standards of conduct to be followed on the job in accordance with the Code of Ethics or Code of Conduct. In some countries the Group offers specific courses and information sessions on anti-corruption and ethics, as well as targeted instruction on individual pieces of legislation. This latter includes, in Italy, training every three years in the Corporate Liability Policy governed by Legislative Decree 231/01 (in 2019 this was part of the "School of Excellence" program for new managers and future store managers) and in North America and the International area (for positions considered at-risk), training in the Foreign Corrupt Practices Act (FCPA).[33]

GRI Standard 103-2, 103-3

SUSTAINABILITY FOR THE AUTOGRILL GROUP

The Autogrill Group is committed to doing business in a climate of dialogue and openness with all stakeholders and to fostering respect for individuals, their fundamental rights and the specifics of their local context. Over the years, Autogrill has developed projects regarding various aspects of sustainability, placing them conceptually within three broad areas: "People," "Planet," and "Product". Operations are defined within the A-future Roadmap, considering analyses of materiality and the international context as well as the United Nations Sustainable Development Goals. The Roadmap is part of the A-future Framework, the instrument the Group has created to define sustainability-related topics and set priorities for them within operational and reporting activities.

In this context, the role of the Autogrill Group's CSR department is to promote a shared philosophy of sustainable development and to facilitate stakeholder engagement. For every topic identified in the A-future Framework, Autogrill has also named a sustainability leader, responsible for implementing and monitoring the pertinent initiatives.

33 A legal corpus with rules to prevent American companies from bribing foreign public officials in order to create or maintain business relationships

STAKEHOLDER ENGAGEMENT

GRI Standard 102-40, 102-42, 102-43, 102-44

The Group's care for its stakeholders is based on the values laid down in the Code of Ethics, which sets guidelines for relations with each kind of stakeholder and the applicable priorities, principles and forms of conduct. The Group fosters ongoing dialogue and sets the conditions for lasting cooperation and partnerships with its stakeholders.

Stakeholders	Feedback and engagement
Autogrill for employees	Email address for reporting problems, SA8000 mailbox, Aconnect intranet portal, open line
Autogrill for consumers	Annual "Feel good?" customer satisfaction survey, CRM activities, market research
Autogrill for suppliers	Assessment and development process for new products/concepts, quality audits, one-on-one meetings
Autogrill for landlords and brand partners	Collaboration for the development of ad hoc projects, concepts and services; participation at trade events; one-on-one meetings; participation in socio-environmental surveys
Autogrill for shareholders and the financial community	Top executives meet regularly with investors and financial analysts to discuss the Group's strategy, objectives, risks and opportunities and to present its periodic results. The Group also pursues an active Investor Relations program to foster an understanding of what it does and put investors in direct contact with the people who work day in and day out in the service of consumers. The annual general meeting of Autogrill S.p.A. is a chance to interact with the shareholders and for the shareholders to meet the executive and non-executive members of the Board of Directors and the management of Autogrill
Autogrill for the community	Support and engagement projects; one-on-one meetings; participation in national and international events and conferences
Autogrill for the environment	Support and engagement projects; collaboration with partners and employee engagement; meetings with non-profits and participation in trade events/multi-stakeholder roundtables

MATERIALITY ANALYSIS

GRI Standard 102-11, 102-47, 103-1

Material topics are identified based on management's active participation in the analysis and discussion of results and on the outcome of stakeholder engagement activities. Through a management self-assessment survey, topics are analyzed from the point of view of their relevance for the company (internal perspective) and the importance given to them by the stakeholders (external perspective). The output is a list of topics that are "material" to Autogrill, including in consideration of the Global Reporting Initiative (GRI) topics and the relevant aspects of Legislative Decree 254/2016. The topics identified as material for the Autogrill Group are reported below.

In 2019 the Group began to revise its materiality analysis, starting with an assessment of the external context and changes in the market, through a process involving the entire management team through specially scheduled interactions. The process will be completed in 2020, also following any further assessments related to the effects of the COVID-19 pandemic and will give rise to a new materiality matrix.

MATERIAL TOPICS OF THE AUTOGRILL GROUP[34]

Business & Governance	Anti-corruption	Competitive practices
	Creation of economic value	Effectiveness and transparency of decision-making
A-People	Diversity and equal opportunity	Labour union relations
	Health and safety in the workplace	Quality of employee relations
	Human resource development and appraisal	
A-Product	Accessibility and quality of services	Product quality and safety
	Product labeling and marketing	Supply chain management
A-Planet	Climate change (energy efficiency and emissions)	
	Waste management	

Stakeholder engagement

34 In alphabetical order for each strategic area

GRI Standard
102-43, 102-44,
103-2, 103-3,
102-8, 405-1

1.5.3 PEOPLE: THE PEOPLE OF THE AUTOGRILL GROUP

Autogrill is a "people" company that offers products and services to the public: the centrality of the human being is the foundation of all its policies concerning employees, customers and the community. Be passionate, be open, set the pace, be reliable and keep it simple are the values the Group promotes in the management of activities and people.

Human resource management, based on principles laid down in the Code of Ethics and Sustainability Policy of the Group and in accordance with local laws and collective employment contracts, lets the Group instill good relationships with its employees and help them develop their skills and abilities so that individuals can grow professionally and share what they know. The human touch is a distinctive factor in Autogrill's employee relations: throughout the hiring process and along the entire career path, Autogrill promotes conduct shaped by dignity, protection and respect of the rights of each individual. The resulting corporate culture reflects this concern for individuals, wherever they are assigned and translates into a safe, healthy workplace free from discrimination.

The Group recognizes that valuing a diverse, multicultural workforce is a core trait of a successful business, one that makes the most of human capital to the benefit of the company climate. In every country where it operates, Autogrill welcomes the individuality of its people with interest and respect, fostering open, ongoing dialogue and building trust and mutual respect. As it expands internationally and adds to its human capital, the Group has not only grown in quantity but also diversified in terms of nationalities, cultures and skill sets.

About 60% of the more than 62 thousand people who work for the Group are women, demonstrating a proper gender balance, thanks to progressive policies especially at the middle management level. Ninety-seven percent of the workforce is employed at the approximately 4,000 locations, while the remaining 3% work in headquarters. The 3% growth in personnel throughout the Group reflects increases in all regions, due in part to the addition of stores through organic expansion and the integration of acquired companies[35], net of discontinued operations[36].

35 Stellar Partners Inc. in North America and Le Crobag GmbH in Europe
36 Motorway operations in Canada, Tank & Rast business on motorways in Germany, operations in the Czech Republic

North America

33,113 employees
40% under 30 years old
62% women

International

12,028 employees
67% under 30 years old
50% women

Europe

16,920 employees

22% under 30 years old

63% women

World

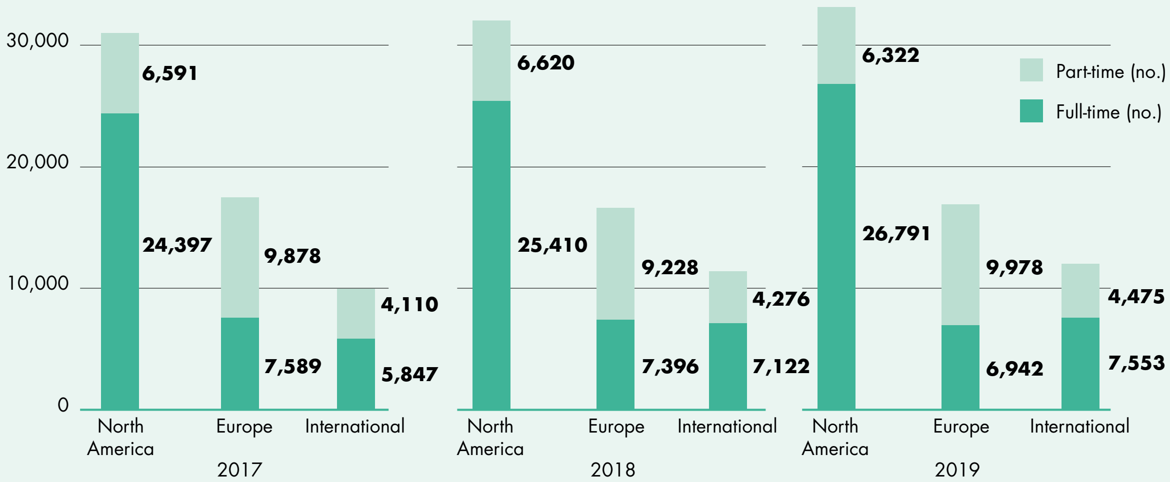
62,061 employees in the Group

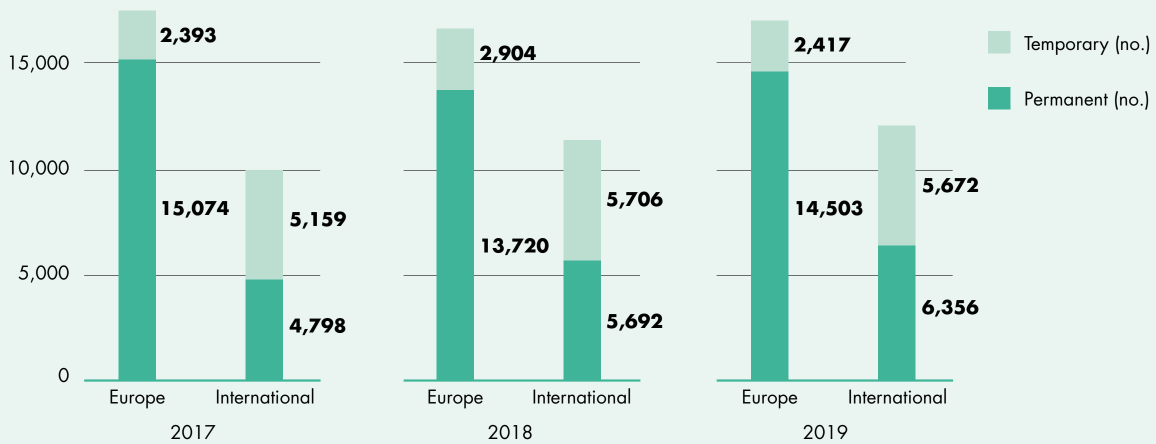
40% under 30 years old

60% women

PART-TIME VS. FULL-TIME AND PERMANENT VS. TEMPORARY EMPLOYEES[37]

GRI Standard
102-8, 405-1





Once again in 2019, permanent contracts outnumbered temporary ones, for both men (84%) and women (89%). As for part-time versus full-time contracts, there is a higher proportion of part-time employees in Europe (59%), due to the intrinsic characteristics of the business with its peaks in traffic and seasonal factors, especially in the Italian motorway channel.

HUMAN RESOURCE DEVELOPMENT, TRAINING AND APPRAISAL

GRI Standard
103-2, 103-3,
404-1, 404-2,
404-3

As Autogrill Group moves forward, employee training is constantly evolving through development plans built around the person, who takes an active role in professional growth through direct, proactive involvement. Training takes the form of traditional classroom lessons but also an increasing emphasis on online, social and interactive learning. Academy, for example, is the European training program designed to develop the abilities of each employee by offering specific learning opportunities according to the professional milestones reached. It is used to provide technical, behavioral and

37 The "Temporary" category does not apply to workers in North America, who are classified according to current legislation by which both parties can terminate employment at any time ("at-will employment")

managerial training; ease the business through change management processes; and develop "business partner" employees who act in constant synergy with the company's operational and organizational needs.

There are numerous leadership development programs, offered internally through coaching arrangements or in collaboration with institutes outside the Group, as well as induction and training programs for new hires in the form of group orientation days and online courses. In North America, for example, the "Unlocking Engagement" workshop has been taught for a few years now so managers can learn how to create a favorable working environment. Two other leadership development programs address Corporate Leadership Development for senior directors and vice presidents and Operations Leadership Development for future front-line managers. Both of these two-year programs provide instruction in leadership skills, the chance to work on interdepartmental projects, a mentoring system and the possibility to work and interact with higher levels of management.

Sales personnel receive on-the-job training to help them do their jobs and improve their service and product preparation skills. Content ranges from brand philosophy to customer relations, with a focus on the person-to-person element, storytelling, Autogrill's golden rules of service and individual on-the-job coaching to ensure concrete, high-quality learning on an ongoing basis.

School of excellence

In 2019 Autogrill Italy has been developing a new training program for store managers. Called the *Scuola di Eccellenza*, it lasts for 25 weeks, 10 of them in the classroom and the rest on the job. Topics range from hands-on store concept training to customer-centric managerial and administrative skills. The managerial courses address people management, leadership and team working, and are taught internally via coaching or in partnership with outside trainers. There are also team building activities to strengthen the soft skills of store managers in training. At the end of the program, future store managers are challenged to develop a commercial project for their store, making them genuine managers of the future.

On-the-job training, like the new "Salt Academy" in the Netherlands, not only improve individuals' skills and qualifications but help attract the very best talent. New hires go through induction and onboarding programs, in the form of group or individual orientation days and online courses, designed to foster a sense of inclusion and team spirit.

PER CAPITA TRAINING HOURS: STORES NETWORK [38]

(hours)	2019	2018	2017
Area managers	21.6	15.3	17.9
Store managers	38.3	31.8	27.7
Managers	30.4	32.2	29.0
Service supervisors	37.5	35.1	21.0
Crew members	41.7	18.0	35.9

38 The figures available as of this writing are partially estimated on the basis of the individual training plan for new hires. They do not include the newly or recently acquired companies, Stellar Partners Inc. and Le Crobag GmbH

In 2019 the Group provided more than 2.4 million hours of training. Consisting mostly of continuing education at food and beverage locations, training programs amounted to an average of more than 39.7 hours per employee. The changes from 2017 to 2019 are explained by constant improvements in the reporting system.

HUMAN RESOURCE DEVELOPMENT AND APPRAISAL

With a view to fostering professional growth, Autogrill uses a performance appraisal system that measures the skills applied in pursuit of assigned objectives, assessing the technical capacities specific to the role as well as managerial skills. In 2019 Autogrill Italy started to map store talent in a process involving area managers and the best store managers operating throughout the country. Starting from performance appraisal results for 2018, the project aims to achieve, by 2020, a thorough map of training needs and potential and to define a career plan for each of these high-performing store employees. The goal is to create tailor-made development plans for best performers that can be implemented during the course of 2020. In North America, the process of revising and improving the performance management system included a new slogan in 2019: “Helping Others Succeed Throughout the Year”. In the International area, the “Be Competent” program is being updated to render it more effective and in line with internal needs.

EMPLOYEE ENGAGEMENT AND TALENT ATTRACTION

The Group’s HR units work constantly to create a working environment that attracts and develops talented people, through team-building initiatives and employer branding activities at the global and local level. Over the last few years the Group has been gradually developing talent attraction strategies that give it greater visibility in its various markets, thanks to effective online communication and a number of employer branding campaigns on job boards, social networks and the major job search sites. Since November 2019 it has been using a new online recruitment system designed to make employment offers more visible and accessible to the new generations. This has involved simplifying the online application process while also making it possible to add video interviews in addition to the standard résumé.

In 2019, a large workplace survey was conducted in North America. In the second phase of this project, managers were invited on board to determine how to interpret the data, give constructive feedback and create virtuous employee development models for their teams.

REMUNERATION AND BENEFITS

GRI Standard 103-2, 103-3, 401-2

Autogrill’s remuneration policies are designed to ensure competitiveness in the labor market in line with its objectives of growth and employee retention and to differentiate pay according to skills and qualifications (job description, role and level), working constantly with market data and external benchmarks and ensuring compliance with collective employment agreements and local laws. Remuneration policies include salary adjustments that are likewise tied to performance and development targets, through a fixed and a variable component, which reinforce the equal opportunity principle and avoid the risk of discriminatory pay. In all countries with a local minimum wage, Autogrill complies with local laws and studies economic conditions and employment levels to ensure the mentioned stability. For years, Autogrill has followed policies and taken action for empowerment and gender equality in order to foster equal opportunity and diversity in every form, including through a merit-based compensation & benefit system that ensures fair and equal treatment in terms of gender, title and seniority. Entry-level wages are established in accordance with the local laws and collective bargaining agreements in the various countries.

Regarding benefits, too, the Group insists on treating employees with clarity and transparency and ensuring their welfare by promoting education and healthcare. Benefits are roughly the same for temporary and permanent contracts and for full- and part-time workers, but vary by geographical region, depending on laws that include or exclude certain benefits and/or social security and insurance coverage (health insurance, accident insurance, maternity and paternity leave, disability payments, etc.). They may include healthcare, life insurance, accident and disability insurance, parental leave, vouchers for cultural events or sports and discounts on public transportation. In some countries, there are retirement benefits such as the 401K Retirement Plan in the United States.

GRI Standard 102-13, 103-2, 103-3, 102-16

DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

As defined in the Group's policy documents like the Code of Ethics and the Sustainability Policy, in keeping with the highest standards of the International Labour Organization, respect for diversity and equal opportunity and the prevention of all forms of discrimination are the principles to which Autogrill is committed at every stage of the employment relationship: recruitment and selection, the salary offer, growth opportunities and the eventual parting of ways. This commitment is also recognized externally: in Italy Autogrill has had SA8000 certification since 2009. In an ongoing effort to encourage transparency and a sense of individual and collective responsibility, the Group has equipped its employees with various platforms (including "Open Line") as a means of reporting any conduct inconsistent with the Code of Ethics, and also of reporting virtuous behavior in the workplace, while ensuring the confidentiality of information and the privacy of individuals.[39]

Many initiatives are in place to promote a culture of tolerance and respect: targeted training and awareness programs, contractual provisions sometimes reflecting laws and regulations and participation in external initiatives that foster gender parity and non-discrimination. In Spain, for example, the Management Committee is tasked with enforcing the Equality Plan signed in 2009, which calls for equal treatment of women and men, a healthy work-life balance and zero discrimination based on gender or sexual orientation. In North America, a program called Women's Leadership network (WLN) provides women with opportunities for networking and improved leadership skills to enhance their personal and professional growth.

GRI Standard 102-41, 103-2, 103-3, 402-1

LABOR RELATIONS

Over the years the Group has maintained an open dialogue with the labor unions in the various countries served, so it can help find the best solutions to reconcile its needs with those of its people. All employees enjoy a transparent working relationship and full protection of their rights, regardless of the contracts typical of their countries. Autogrill protects their right to freedom of association and collective bargaining, recognizing the paramount importance of these freedoms, in accordance with national laws governing collective agreements, individual bargaining and freedom of association.

39 Open Line is currently available in Italy, Spain, France, Switzerland, Belgium, Germany and Greece and under development in the International area

This commitment to transparency translates to the management of various forms of contract: from national collective bargaining to collective agreements by company and/or location, to individually negotiated agreements. These figures reflect the legislation in different countries.[40] When it needs to make organizational changes, Autogrill complies with all provisions of laws and collective bargaining by informing the unions and involving them, where applicable, in talks. The minimum notice period in case of organizational changes thus depends on national and local laws and ranges from one to 16 weeks. Labor relations and talks follow the highest standards of transparency and fair dealing, in strict accordance with the law and promote constructive dialogue with a view to hearing feedback from workers' representatives and maintaining a mutually beneficial working environment.

	2019			2018			2017		
	North America	Europe	International	North America	Europe	International	North America	Europe	International
Employees covered by collective bargaining[41]	69% Canada 49% United States	99%	93%	39% Canada 48% United States	97%	91%	39% Canada 48% United States	98%	82%

OCCUPATIONAL HEALTH AND SAFETY

GRI Standard 103-2, 103-3, 403-2

The health and safety of its workers is a fundamental standard on which Autogrill places maximum emphasis by means of preventive measures, technological progress, training and day-to-day monitoring. In all of the main countries served, health and safety committees have been set up and include various positions (depending on local policies), from executives to workers' representatives, who monitor compliance with applicable laws. The committees review findings on health and safety issues in search of the best solutions to reduce the risk of injuries to a minimum. To make sure these efforts are effective and share insights and initiatives on health and safety, a system is in place to monitor the number and type of injuries in the main countries served by the Group.

The Group assures all employees high standards of health and safety in the workplace, in strict compliance with local laws and regulations. Operating principles are based on the measurement and monitoring of occupational risks, by way of certified management systems (in Italy, for example, Autogrill was one of the first airport operators worldwide to obtain ISO 45001 certification) as well as policies and manuals on preventing accident and illness and on virtuous behavior that reflects the Group's standards and values. In North America, individual locations have their own Safety Teams made up of managers and front-line personnel, who conduct audits to map the most frequent causes of injuries. There is also an app called Mobile Data Safety Tool that automates monthly self-assessments on in-store safety issues. This tool makes it possible to take corrective measures during the audit procedure itself, which reduces the frequency of accidents and promotes a safer workplace. Occupational health and safety is

40 Countries have their own worker protection policies and regulations. For example, Canada has the Provincial Employment Standards Act, in Great Britain the Works Council protects the rights of workers not covered by collective bargaining and in the United States disputes are resolved by arbitration committees
41 The percentage is partly estimated from the prior-year figure and refers to the countries where Group employees are covered by collective bargaining agreements. The 2019 figure does not include the newly or recently acquired companies Stellar Partners Inc. and Le Crobag GmbH; in Canada it is net of the employees of the now-disposed motorway operations

further assured by way of courses, audits and initiatives to foster workers' physical and mental wellbeing.

H&S Rates [42]	2019 North America	2019 Europe	2019 Interna-tional	2019 Total	2018 North America	2018 Europe	2018 Interna-tional	2018 Total	2017 North America	2017 Europe	2017 Interna-tional	2017 Total
Workplace injuries (no.)	**1,176**	**630**	**307**	**2,113**	**1,122**	**555**	**291**	**1,968**	**1,134**	**592**	**162**	**1,888**
Injury rate	28.5	29.4	22.2	27.6	28.1	25.0	22.9	26.3	27.8	26.4	25.1	27.1
Severity rate	0.14	0.62	0.12	0.27	0.20	0.50	0.10	0.20	0.10	0.60	0.10	0.30

H&S rates include workplace injuries only (not commuting accidents)
Injury rate: ((total number injuries + total number of deaths) / total hours worked) x 1,000,000
Severity rate: (total number of days lost due to injuries / total hours worked) x 1,000

The trend in the number of injuries, especially in Europe, should be considered in light of the overall increase in the population in 2019.

GRI Standard 103-2, 103-3, 414-1

PROTECTION OF HUMAN RIGHTS

In addition to respecting and protecting the rights of its own employees, Autogrill acknowledges its role and responsibilities as an international leader that does business around the world, promoting rights of all people. Following its Code of Ethics at all times and embracing the highest international standards, Autogrill works to instill a responsible business culture in everything it does and along the entire value chain, by building trust and mutual satisfaction with its trading partners and employees and observing all local, national and supranational laws for the protection of human rights.

Autogrill rejects the exploitation of children throughout its organization and does not use or support child labor, as defined by the ILO. In addition, Autogrill opposes all forced labor, including child labor, and all other forms of exploitation, abuse or psychological or physical coercion of its own employees and of workers employed along the production chain and strongly condemns human trafficking and exploitation in any form. In the materiality analysis, this issue did not emerge as being highly relevant, due in part to the fact that most operations take place under concession arrangements inside airports that are highly regulated and supervised by airport authorities. One aspect that is very relevant to the Group is the evaluation and monitoring of suppliers, governed by the Autogrill Group Supply Chain Sustainability Guidelines, which set the standards for a sustainable supply chain management approach.

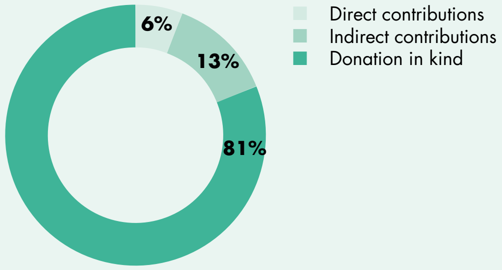
GRI Standard 102-13, 102-43, 102-44, 201-1

COMMUNITY DEVELOPMENT AND ENGAGEMENT

Autogrill believes firmly in respecting and valuing local cultures and works to protect traditions, customs, and environmental and cultural assets, thereby contributing to the economic wellbeing and growth of the communities it serves. Under its concession arrangements, the Group sometimes deals directly with local institutions and its widespread presence often makes it one of the leading employers in the region. Autogrill is increasingly involved in developing projects consistent with its own business, such as the donation of food and meals to non-profits serving the needy.

42 Injury rates for 2019 do not include the newly or recently acquired companies Le Crobag GmbH and Stellar Partners Inc. and as in 2018 they also exclude Canada, Germany and the Netherlands

GROUP DONATIONS BY TYPE



In 2019 the Group's donations exceeded € 4 million (6% direct, 13% indirect and 81% in kind). Donations in kind in 2019 went to a number of local and national food banks, mainly in North America. The amount of donations in kind in Europe benefitted from the resumption of work with a food bank (Banco Alimentare), where excess provisions are donated.

In North America the Group works with Food Donation Connection, which serves as the liaison between restaurants/food service companies interested in donating surplus food and local social service agencies that distribute it to people in need. About 121 locations at airports, rest stops and malls take part in the program, working with over 100 associations that in 2019 received more than 5.6 million servings of food. Around the world, Autogrill works with associations and foundations involved in healthcare and medical research, child welfare, and famine and poverty relief, with which it builds lasting relationships built on trust. In North America, HMSHost Foundation fights poverty in local communities and gives a boost to the new generations with training and development initiatives to help them find jobs. The Dutch subsidiary HMSHost International supports the Made Blue program, which offsets the use of fresh water by businesses with projects that ensure access to clean water in developing countries. These are in addition to associations the Group supports from year to year, thanks in part to contributions from employees and customers. In 2019, employees in the International area donated more than 1,500 hours of corporate volunteering.

GRI Standard 103-2, 103-3

1.5.4 PLANET: ENVIRONMENTAL PROTECTION

The Autogrill Group is fully aware that the environment is a global priority involving people, organizations and institutions around the world, which is why it takes responsibility for helping to reduce energy consumption and the use of natural resources in favor of clean energy, recycled materials and a lesser environmental impact. In practical terms, this means it promotes strategies to reduce its impact by improving environmental performance and finding innovative, energy-efficient concepts and solutions, while strictly complying with environmental laws and regulations in all parts of the world. Autogrill supports and develops programs for the reduction and correct management of waste, including circular economy initiatives along the food chain. At locations where it is not directly responsible for procuring energy and related services, the Group works to develop virtuous, cooperative relationships with landlords and business partners in order to find areas for improvement and greater efficiency.

In addition to improving its own performance, Autogrill promotes the responsible use of resources through internal awareness campaigns and imaginative ways of involving stakeholders in a philosophy of sustainability and care for the natural environment. "Startsomewhere" is a program in place in North America that aims to convince employees of the importance of their own contribution to environmental sustainability. The International business unit participates in Origin Green, the sustainability program of Bord Bia (Irish Food Board), promoted by Irish Government, through which it has devised a four-year plan of activities and targets in Sustainable Sourcing, Operations (environmental impact), Health & Nutrition and Social Sustainability.

GRI Standard 103-2. 103-3. 302-1

ENERGY AND EMISSIONS MANAGEMENT

Autogrill does all it can to eliminate energy waste. At new locations where the Group handles energy resources directly, it installs the latest-generation plants and monitoring systems to oversee efficiency and take corrective measures. Where utilities are managed by the concession grantor, as they are at many airport and railway locations, the Group does not always have access to consumption details. This reduces the Group's leverage considerably, although in recent years, concession grantors have become increasingly attentive to the subject.[43]

Autogrill is committed to creating stores with the latest-generation tools for the monitoring and reduction of waste, especially in the motorway and similar channels and to developing consumption curtailment plans in every country served. These efforts take several forms, such as equipment optimization (changing set point temperatures, using alarms), energy audits, training and information programs for

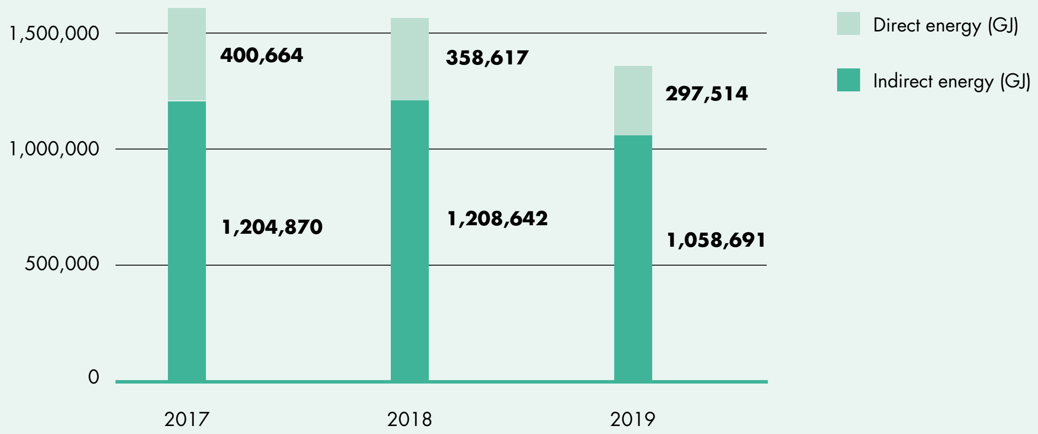
43 Given these circumstances, the Group's footprint depends strictly on the infrastructure where it operates (e.g. airports). On motorways, efforts are made to improve the overall efficiency of stores. For further information on the impact the Group creates or suffers in terms of climate change, see Section 1.6.1 of the Directors' Report

store employees and the development of increasingly accurate ways to measure and monitor consumption.

Autogrill Italia's Energy Saving Plan

The Energy Saving Plan developed in Italy is based on three pillars: efficient technological solutions, conservation awareness and the implementation of self-produced energy from renewable sources. To limit energy consumption at locations to be opened in the future, or that will be undergoing major renovations, an Energy Saving Book has been printed with design, construction, and management guidelines for the creation of more energy-efficient, environmentally sensitive locations. For locations not scheduled to be renovated, an investment plan aims to reduce consumption by replacing obsolete technology (e.g. with LED lighting), installing high-tech solutions like quality power systems, choosing optimal equipment settings (e.g. set point temperatures, regulation of lighting and air conditioning) and the use of remote monitoring and control technologies. As in 2018, an energy quiz ("Green Win") was designed for employees at all Italian locations to encourage virtuous behavior and reduce careless waste. Periodic reporting also helped raise awareness about consumption patterns. As for the third pillar, self-produced energy from renewable sources, there was a veritable boom in the number of installed solar panels in 2019 so we can further improve our carbon footprint.

GROUP ENERGY CONSUMPTION (EUROPE AND NORTH AMERICA)[44] - GJ



Direct energy[45] use consists of the primary consumption of diesel and gasoline for company vehicles and the consumption of natural gas for the heating systems in various countries. Indirect energy[46] consumption refers mainly to electricity, used for interior comfort (e.g. air conditioning), quality maintenance (e.g. refrigeration) and cooking and preparing foods for customers.

Indirect energy consumption decreased, especially in Europe, thanks in part to the Energy Saving Plan in Italy (which accounts for 66% of the region's consumption). The European figure also reflects the smaller number of locations due to the disposals of German motorway operations. In North America, data is available for motorway

44 Figures for direct and indirect energy consumption refer mainly to motorway locations where utilities are managed directly by the Group. In the other channels these figures are based on available data for each location. See the methodological note (section Preparation criteria) for further details
45 Direct energy is the use of energy sources like natural gas, diesel and gasoline, which generate emissions directly
46 Indirect energy is purchased externally, like electricity and generates emissions indirectly

locations only, where performance is linked to the smaller reporting boundary (from 107 stores in 2018 to 81 stores in 2019) due to the disposal of the motorway business in Canada.

In the International area data is only available for certain locations, for a 2019 total of 21,511 GJ of direct energy and 141,823 GJ of indirect energy consumption. To make data more comparable from one year to the next, this area is not included in the overall figures.

ENVIRONMENTAL CERTIFICATION

One natural consequence of Autogrill's care for the environment is the chance to obtain important certifications.

Certification	Applies to:
LEED® Gold	Italy – Autogrill Italia S.p.A.: Villoresi Est
	USA – HMSHost: Bethesda HQ
LEED® Silver	USA – HMSHost: Delaware House Travel Plaza
ISO 50001: 2015	Italy – Autogrill Italia S.p.A.: Villoresi Est
ISO 14001: 2015	Italy – Autogrill Italia S.p.A.: HQ, Villoresi Est, Brianza Sud and for locations at Caselle Airport in Turin, Nuova Sidap: HQ
	Greece – Athens Airport "El Venizelos"
EMAS	Italy – Autogrill Italia S.p.A.: HQ, Villoresi Est, Brianza Sud
ISO 14064 GHG	Italy – Autogrill Italia S.p.A.: Rozzano headquarters and Sebino
HQE (High Environmental Quality)	France – Autogrill Côté France: Canaver, Ambrussum
RT 2012 (Low Consumption Building)	France – Autogrill Côté France: Ambrussum, Manoirs du Perche Plaines de Beauce, Chartres Gasville, Chartres Bois Paris, Lochères, Miramas, Villeroy, JdArbres, Wancourt, Porte de la Drôme N&S, Granier
California Green Building Code - level I and California Energy Standard - title 24	USA – HMSHost: locations at Los Angeles International Airport
Energy Star	USA – Equipment at locations

Note also that the Adda Sud location in Italy has obtained energy rating A1.

GRI Standard 103-2, 103-3

WASTE MANAGEMENT AND PACKAGING

Waste is produced during food preparation and service: preparation requires the disposal of scraps and packaging, and once customers are served, there might be leftovers or disposable tableware. The right approach to each of these phases is a fundamental aspect of Autogrill's commitment to environmentally sound practices. The Group's business units have a country-by-country program for monitoring the volume of waste produced, based on local laws and the characteristics of each location, including the collection system. On motorways, Autogrill takes care of waste collection and disposal directly, using the public service and private collectors. At malls, railway stations and airports, it is almost always the infrastructure operator that takes care of collecting and disposing of waste.

The Group's waste management ethos is illustrated by its policies around the globe. An increasing number of locations separate frying oil (for the production of biodiesel and green energy), plastic and paper and have customers separate plastic and glass bottles wherever possible. There are numerous initiatives to reduce the quantity of waste: from initiatives with external partners, to employee awareness programs that help decrease the amount of packaging that will end up being discarded. The Group is always seeking new ways of evolving toward a more responsible, sustainable consumption model and works with brand partners, suppliers and landlords to find effective, scalable solutions. In 2019 there was a focus on using recyclable materials instead of plastic and making existing solutions more efficient, with a general emphasis on multi-use rather than single-use through the installation of water distributors, the reduced use of plastic bottles for soft drinks and water, etc. In North America, Autogrill will be implementing a no plastic straws policy by the end of 2020. Where waste management is handled directly, the Group is working to select collectors and disposal plants that can guarantee adequate rates of reuse and recycling.

Autogrill is also weighing new circular economy partnerships, similar to the WASCOFFEE® project that applies an ecodesign philosophy by making furnishings out of recycled coffee grounds. Together with various airports, the Group is testing new ideas to maximize the recycling rate of raw and other materials and to find new ways of transforming food waste into energy or ingredients for new products. Two examples are SOOP, a soap made from coffee grounds and orange peels, and the Soup & Bakery concept by De Verspillingsfabriek in the Netherlands, which serves dishes made from food scraps that are still perfectly good to eat. In Malaysia, the Environmental Management Recognition Scheme encourages all trading partners to implement green technologies for food & beverage, throw out less food and produce less waste in general while recycling more.

FOOD WASTE

Autogrill's internal management systems, developed and refined over the years thanks to experience and technology, allow it to calculate with a relatively low margin of error the number of people that each location should be ready to welcome on each day of the year. To reduce food waste to a minimum, Autogrill works constantly on several fronts. While making its back-end processes (recipe design, product preparation, etc.) as efficient as possible, it strives to find newer and better ways of cutting down waste, for example by improving production planning, creating incentives for consumers and partnering with external organizations.

Where possible and as already mentioned, the leftovers that remain inevitable are donated to food banks or sold at a discount at day's end. In some European countries, Autogrill has partnered with the app "Too Good to Go" that helps ensure food does not go to waste.

1.5.5 PRODUCT: PRODUCT QUALITY AND SAFETY AND FOCUS ON THE CUSTOMER

Autogrill Group is committed to ensuring the safety and quality of what it serves, day after day: from raw materials to the finished product, following the right preparation standards and using quality ingredients in accordance with all local regulations and food safety standards. The Group requires its foods to be prepared under the strictest hygiene and sanitary conditions and actively involves its employees in understanding and appreciating these rules. For Autogrill, serving quality products also means assuring food safety throughout the procurement and production chain. In this vein the Group develops concepts, menus and recipes made from safe, nutritious ingredients that meet different dietary needs and preferences.

GRI Standard 102-43, 102-44, 103-2, 103-3

FOCUS ON THE CUSTOMER

Autogrill encourages customer feedback and the development of innovative products and services that will meet society's demands over the long-term horizon. The new consumption patterns we seek constantly lead to ideas for increasing the excellence of the travel food experience and pursuing the utmost satisfaction of customers and all other stakeholders.

In every country served, the Group has set up customer survey and feedback mechanisms and systems for handling complaints; store employees are suitably trained in this respect and learn to handle the most delicate situations promptly and in accordance with protocols.

The annual customer satisfaction survey "Feel good?" switched to a new methodology in 2019 that provides a more accurate measure of the strength of customer relations, in order to guide strategic decisions and integrate the diverse approaches to customer understanding developed in different countries. In Europe, a new program called "Customer voice" uses an interactive platform where customers can share their experiences at food & beverage locations, providing the Group with information and tips for improvement. In North America customer satisfaction is tracked through a partnership with the Global Response agency and through sentiment analysis on social media. In 2019 the International area embarked on a major change management project, "Return on Attention," designed to lead store personnel through a process of improved quality of service and customer retention.

GRI Standard 103-2, 103-3

ACCESSIBILITY AND QUALITY OF SERVICES

The Group works hard to keep its services up to date and develops dedicated services and special formulas to meet the needs of its diverse clientele and help them select and order items more conveniently.

Digitalization has improved the ordering experience while also serving as a marketing tool: screens show photo and video content and messages can be customized depending on the target and time of day. Dedicated apps, virtual payment and digital kiosks have likewise enhanced the purchasing phase. In the United States Autogrill has also launched the Network Operation Center, a new system to ensure the highest level of security for electronic payments and the best customer experience for the wi-fi services offered at most locations.

PRODUCT QUALITY AND SAFETY

GRI Standard 103-2. 103-3. 416-1

Autogrill has a primary responsibility to ensure the safety and quality of what it serves, day after day: from raw materials to the finished product, following the right preparation standards and using quality ingredients in accordance with all local regulations and food safety standards.

The quality and safety of the products served is guaranteed by a management system that begins with the supplier selection process and is based on values and objectives that are strongly shared by the Group and its trading partners. To that end, suppliers are periodically screened by way of questionnaires, direct or indirect information gathering, spot checks and annual audits. In addition to these assessments and controls is a self-screening program falling within the management system used in the various countries, consisting of a set of centrally coordinated procedures carried out on-site to ensure compliance with all hygiene and sanitary standards. The results of HACCP[47] audits on individual locations count towards the MBO[48] system followed for store managers. In North America, the Group has a quality control and food safety program administered by an outside company, based on the Food and Drug Administration Food Code in the United States and the Safe Food for Canadians Act in Canada. Each location is inspected without notice at least twice a year and the Quality Assurance department reviews the audits and oversees implementation of the improvement plans proposed by the store managers.

Direct suppliers also go through a pre-approval process to test their level of compliance with the Group's HACCP standards, which call for strict microbiological, content and chemical/physical analyses along the entire supply chain, at intervals established according to a risk assessment approach. As a brand licensee, the Group itself is subject to audits by brand partners as well as concession grantors. Staff training in food safety standards and HACCP processes completes the Group's oversight program. Training is organized in accordance with local regulations and may be given internally or in collaboration with external providers.

47 HACCP: Hazard Analysis and Critical Control Points
48 MBO: Management by Objectives

GRI Standard 103-2, 103-3

HEALTHY, BALANCED MENUS

Offering quality menus also means demanding and ensuring food safety along the entire production chain, from farm to table. The Autogrill Group develops concepts, menus, and recipes made from safe, nutritious ingredients that meet a variety of dietary needs and preferences. Trends do indicate that consumers around the world are showing a growing preference for healthy, balanced lifestyles, starting with what they eat. Autogrill interprets travellers' needs so it can quickly respond to the complexity of these changes and translate them into innovative menus.

In all countries served, there are many different options for vegan and vegetarian diners and those who prefer a healthy, low-calorie lifestyle. New concepts like Leon and La Place focus on well-balanced menus, while at existing locations solutions are developed from simple, genuine ingredients and balanced menus are created with input from nutritionists and popular scientists, who help define new recipes and menu categories consistent with a healthy lifestyle. External partnerships are developed to guarantee a supply of quality gluten-free and organic foods. Many options are available throughout the Group for those who choose a vegan diet, and in some markets, where relevant, halal and gluten-free products are marked with their own sticker.

ANIMAL WELFARE

The Group acknowledges its responsibility to promote animal welfare as a key element in ensuring the safety and quality of its menus. Carefully considering its different markets and their cultures, Autogrill is committed to sustainable, responsible purchasing that protects animal welfare in accordance with laws, regulations and international best practices. In Italy, for its directly managed locations and proprietary brands, Autogrill only uses shell eggs and egg mixes sourced, at a minimum, from cage-free hens. In Italy, it was one of the first companies in the industry to promise not to use eggs from battery-grown hens, which in 2009 won it the Good Egg award from Compassion in World Farming, the largest international farm animal welfare organization.

In North America and Europe it has committed to using only cage-free eggs by 2025. In the Netherlands, an agreement has been struck with a zero-impact organic farm that guarantees the highest animal welfare standards.

GRI Standard 103-2, 103-3

PRODUCT LABELING AND MARKETING

Laws on disclosing the ingredients of food products are followed scrupulously in all countries served. In particular, information on allergens is a top priority at every location. In addition to local laws, each country develops its own initiatives for promoting a healthy lifestyle and a balanced diet. In the United States, in accordance with Food and Drug Administration rules, all pre-packaged, grab-and-go products are labelled for allergens and for their nutritional and calorie content. This also applies to northern Europe, on top of the allergen information required by law. Every International location keeps detailed pamphlets on allergens, including gluten and dairy and for some products the information can be viewed directly with a barcode reader.

Autogrill strictly complies with the laws in each country regarding alcohol and tobacco sales, and is committed to the responsible consumption of these products. In North America, the ServSafe Alcohol® program trains employees in the correct serving of alcoholic beverages. Marketing at U.S. locations includes the "We ID" message asking all customers to present identification when they purchase alcohol.

MAIN CERTIFICATIONS

The Group views the certifications it has obtained as proof of its successful business models and as encouragement to strive for constant improvement.

Certification	Applies to:
ISO 9001:2015 on Quality Management Systems	Italy: Autogrill Italia S.p.A. and Nuova Sidap
ISO 22000 on Food Safety Management	Italy: Autogrill Italia S.p.A. (HQ and MAO)
	Greece: Autogrill Hellas EpE
ISO 9001:2015 (provision of technical project management services)	Italy: Autogrill Italia S.p.A.
	Greece: Autogrill Hellas EpE
BS OHSAS 18001:2007, UNI ENI ISO 450001	Italy: Autogrill Italia S.p.A. – HQ and airport locations
Halal certification from MUI (Majelis Ulama Indonesia)	Pizza Hut at Bali airport, locations at Bangalore airport (HMSHost International), Majia Sumai (China), Pizza Hut and Burger King in Jakarta, airport locations at Bangalore and Hyderabad (HMSHost International)
Diverse Food Safety program	Locations in Bali (HMSHost International)
	Locations at Schiphol airport (HMSHost International)
FSSAI (Food Safety and Standards Authority of India)	Airport locations at Bangalore and Hyderabad (HMSHost International)
NVWA (Netherlands Food and Consumer Product Safety Authority)	Locations at Schiphol airport (HMSHost International)
EIQA Irish Food Safety Quality Awards	HMSHost Ireland

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

GRI Standard 102-9, 102-12, 103-2, 103-3, 308-1, 414-1

Relations with suppliers are key to obtaining products of consistently excellent quality and services that meet customers' expectations. The Group strives to create stable, long-term relationships where both partners share the same values and therefore acts with transparency, integrity, impartiality, and contractual fairness, favoring domestic suppliers wherever possible as a way of supporting each country's economy. Autogrill's supply chain is made up chiefly of food and beverage vendors: for fresh foods they are mostly local, while for general categories the Group takes advantage of its multinational dimension to enter into supply contracts in different countries. There is also a small number of providers of technical goods and services, such as maintenance and cleaning. The procurement processes and partnership arrangements with suppliers are guided by the Procurement units and by specialists working at head offices in the different countries, sometimes with support from specialized brokers as well as the supply chains of brand partners.

It is in Autogrill's interest to verify the suitability of suppliers for the sake of a long-term relationship. The care it takes in building solid relationships with providers is important on the ethical plane and also for the quality and safety of products. For this reason Autogrill has adopted the Group Supply Chain Sustainability Guidelines, developed with input from the Global Compact Network Italy Foundation, which defines general standards for the evaluation of suppliers and the basic principles reflecting the Group's sustainable supply chain management approach.

All suppliers sign the Group's Code of Ethics, or a specific Supplier Code of Conduct in North America, as part of the qualification process. This applies to suppliers the Group contracts directly and to any intermediaries that help it manage the procurement process. The International area has made the Supply Chain Sustainability Guidelines part and parcel of all new vendor contracts.

In Italy, suppliers are bound to the certification standards of SA8000. It is important to note that especially in countries where supplier quality cannot be audited, supply chain risk is managed by giving priority to large companies that are already certified and subject to external audits.

1.5.6 AUTOGRILL GROUP SOCIAL AND ENVIRONMENTAL DATA

EMPLOYEES BY AGE, GENDER AND PROFESSIONAL CATEGORY

GRI Standard 102-8, 405-1

	2019				2018				2017			
(no.)	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
TOTAL EMPLOYEES	**33,113**	**16,920**	**12,028**	**62,061**	**32,030**	**16,624**	**11,398**	**60,052**	**30,988**	**17,467**	**9,957**	**58,412**
Of which: women	20,575	10,637	6,021	37,233	19,581	10,417	5,699	35,697	18,813	10,912	5,205	34,930
	62%	*63%*	*50%*	60%	*61%*	*63%*	*50%*	59%	*61%*	*62%*	*52%*	60%
Headquarters	**603**	**682**	**711**	**1,996**	**604**	**651**	**731**	**1,986**	**578**	**671**	**729**	**1,978**
Top managers	**19**	**42**	**46**	**107**	**86**	**40**	**47**	**173**	**82**	**38**	**21**	**141**
Women	7	8	9	24	34	5	7	46	28	5	5	38
< 30 years	-	-	-	-	-	-	-	-	-	-	-	-
30-50 years	5	20	28	53	38	19	31	88	39	17	13	69
> 50 years	14	22	18	54	48	21	16	85	43	21	8	72
Senior managers	**77**	**51**	**55**	**183**	**128**	**47**	**59**	**234**	**130**	**52**	**70**	**252**
Women	27	16	22	65	55	18	24	97	58	16	25	99
< 30 years	-	2	2	4	1	2	2	5	1	1	3	5
30-50 years	36	35	45	116	77	32	48	157	79	41	56	176
> 50 years	41	14	8	63	50	13	9	72	50	10	11	71
Managers	**177**	**166**	**151**	**494**	**172**	**162**	**134**	**468**	**164**	**164**	**103**	**431**
Women	81	83	70	234	74	84	64	222	73	82	45	200
< 30 years	7	7	21	35	10	8	15	33	11	7	27	45
30-50 years	108	113	118	339	108	115	111	334	108	114	74	296
> 50 years	62	46	12	120	54	39	8	101	45	43	2	90
White collars	**330**	**423**	**459**	**1,212**	**218**	**402**	**491**	**1,111**	**202**	**417**	**535**	**1,154**
Women	206	269	241	716	149	260	207	616	129	269	282	680
< 30 years	35	52	206	293	35	48	233	316	35	55	318	408
30-50 years	180	234	230	644	112	233	237	582	111	242	194	547
> 50 years	115	137	23	275	71	121	21	213	56	120	23	199

For Headquarters personnel in North America, the differences between 2018 and 2019 reflect changes in the classification of professional categories for the sake of better consistency and harmonization throughout the Group.

	2019				2018				2017			
(no.)	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
LOCATIONS	**32,510**	**16,238**	**11,317**	**60,065**	**31,426**	**15,973**	**10,667**	**58,066**	**30,410**	**16,796**	**9,228**	**56,434**
Area managers	**136**	**64**	**95**	**295**	**137**	**56**	**80**	**273**	**116**	**60**	**72**	**248**
Women	40	14	18	72	41	10	15	66	32	11	22	65
< 30 years	-	-	8	8	-	-	8	8	-	3	8	11
30-50 years	68	38	81	187	66	36	70	172	51	34	63	148
> 50 years	68	26	6	100	71	20	2	93	65	23	1	89
Store managers	**1,254**	**549**	**290**	**2,093**	**1,219**	**517**	**243**	**1,979**	**1,076**	**537**	**205**	**1,818**
Women	596	203	111	910	577	178	91	846	510	165	83	758
< 30 years	183	22	74	279	155	19	64	238	106	18	48	172
30-50 years	733	373	201	1,307	708	361	168	1,237	644	361	148	1,153
> 50 years	338	154	15	507	356	137	11	504	326	158	9	493
Managers	**744**	**520**	**336**	**1,600**	**858**	**533**	**481**	**1,872**	**884**	**655**	**418**	**1,957**
Women	396	283	131	810	501	270	191	962	499	370	178	1,047
< 30 years	179	83	130	392	245	91	200	536	258	127	171	556
30-50 years	406	320	192	918	449	322	260	1,031	486	394	232	1,112
> 50 years	159	117	14	290	164	120	21	305	140	134	15	289
Service supervisor	**2,873**	**1,999**	**1,646**	**6,518**	**3,311**	**2,118**	**1,121**	**6,550**	**2,954**	**1,852**	**844**	**5,650**
Women	1,966	1,228	852	4,046	2,237	1,309	536	4,082	1,992	1,100	400	3,492
< 30 years	1,144	272	892	2,308	1,402	297	651	2,350	1,277	147	574	1,998
30-50 years	1,244	1,306	703	3,253	1,333	1,376	451	3,160	1,163	1,328	255	2,746
> 50 years	485	421	51	957	576	445	19	1,040	514	377	15	906
Crew members	**27,503**	**13,106**	**8,950**	**49,559**	**25,901**	**12,749**	**8,742**	**47,392**	**25,380**	**13,692**	**7,689**	**46,761**
Women	17,256	8,533	4,567	30,356	15,913	8,283	4,564	28,760	15,492	8,894	4,165	28,551
< 30 years	11,718	3,316	6,667	21,701	11,117	3,027	6,746	20,890	11,064	3,287	6,041	20,392
30-50 years	9,563	7,059	1,959	18,581	8,848	6,911	1,722	17,481	8,640	7,549	1,413	17,602
> 50 years	6,222	2,731	324	9,277	5,936	2,811	274	9,021	5,676	2,856	235	8,767
Protected categories/ employees with disabilities	**n.a.**	**488**	**73**	**561**	**n.a.**	**535**	**61**	**596**	**n.a.**	**580**	**106**	**686**

For North America, information on employees in protected categories is not available because of privacy laws.

EMPLOYEES BY TYPE OF CONTRACT[49]

GRI Standard 102-8, 405-1

(no.)	2019 North America	2019 Europe	2019 Interna-tional	2019 Total	2018 North America	2018 Europe	2018 Interna-tional	2018 Total	2017 North America	2017 Europe	2017 Interna-tional	2017 Total
Total employees	**33,113**	**16,920**	**12,028**	**62,061**	**32,030**	**16,624**	**11,398**	**60,052**	**30,988**	**17,467**	**9,957**	**58,412**
Of which: women	20,575	10,637	6,021	37,233	19,581	10,417	5,699	35,697	18,813	10,912	5,205	34,930
	62%	*63%*	*50%*	*60%*	*61%*	*63%*	*50%*	*59%*	*61%*	*62%*	*52%*	*60%*
Permanent	**33,113**	**14,503**	**6,356**	**53,972**	**32,030**	**13,720**	**5,692**	**51,442**	**30,988**	**15,074**	**4,798**	**50,860**
Of which: women	20,575	9,181	3,407	33,163	19,581	8,736	3,003	31,320	18,813	9,615	2,515	30,943
Temporary	**n/a**	**2,417**	**5,672**	**8,089**	**n/a**	**2,904**	**5,706**	**8,610**	**n/a**	**2,393**	**5,159**	**7,552**
Of which: women	n/a	1,456	2,614	4,070	n/a	1,681	2,696	4,377	n/a	1,297	2,690	3,987
Full time	**26,791**	**6,942**	**7,553**	**41,286**	**25,410**	**7,396**	**7,122**	**39,928**	**24,397**	**7,589**	**5,847**	**37,833**
Of which: women	16,438	3,624	3,174	23,236	15,455	3,771	3,050	22,276	14,706	3,869	2,613	21,188
Part time	**6,322**	**9,978**	**4,475**	**20,775**	**6,620**	**9,228**	**4,276**	**20,124**	**6,591**	**9,878**	**4,110**	**20,579**
Of which: women	4,137	7,013	2,847	13,997	4,126	6,646	2,649	13,421	4,107	7,043	2,592	13,742

PER CAPITA TRAINING HOURS BY EMPLOYEE CATEGORY [50]

GRI Standard 404-1

Group (hours)	2019	2018	2017
HEADQUARTERS			
Top managers	**14.4**	**8.3**	**12.4**
Women	25.0	11.2	17.5
Men	11.9	7.3	11.4
Senior managers	**8.0**	**10.2**	**24.3**
Women	10.0	11.0	22.4
Men	6.9	9.7	25.3
Managers	**7.2**	**12.9**	**18.5**
Women	8.3	15.3	21.0
Men	6.2	10.7	16.3
White collars	**6.7**	**9.3**	**8.3**
Women	6.9	8.9	8.4
Men	6.3	9.7	8.2

Group (hours)	2019	2018	2017
LOCATIONS			
Area managers	**21.6**	**15.3**	**17.9**
Women	15.1	8.8	15.0
Men	23.4	17.3	18.9
Store managers	**38.3**	**31.8**	**27.7**
Women	33.4	28.5	25.2
Men	42.1	34.3	29.4
Managers	**30.4**	**32.2**	**29.0**
Women	30.3	27.5	27.7
Men	30.6	37.1	30.5
Service Supervisors	**37.5**	**35.1**	**21.0**
Women	37.9	35.0	18.9
Men	36.9	35.1	24.4
Crew members	**41.7**	**18.0**	**35.9**
Women	43.4	17.8	35.2
Men	39.1	18.4	37.2

49 The "Temporary" category does not apply to workers in North America, who are classified according to current legislation by which both parties can terminate employment at any time ("at-will employment")
50 The figures available as of this writing are partially estimated on the basis of the individual training plan. Data does not include the newly or recently acquired companies, Stellar Partners, Inc. and Le Crobag GmbH

At headquarters, professional development (especially for top managers) often takes place in the form of workshops, conferences and seminars which are not subject to reporting and are therefore not included in the above numbers. The change in per capita training hours over the three-year period should also be viewed in light with an improvement on data collection and the expanded reporting boundary.

GRI Standard 404-3

EMPLOYEES RECEIVING REGULAR PERFORMANCE REVIEWS [51]

Group	2019	2018	2017
HEADQUARTERS			
Top managers			
Women	MBO	MBO	MBO
Men	MBO	MBO	MBO
Senior managers	**90%**	**90%**	**82%**
Women	88%	90%	84%
Men	91%	90%	81%
Managers	**87%**	**89%**	**88%**
Women	89%	90%	89%
Men	86%	88%	87%
White collars	**73%**	**86%**	**78%**
Women	75%	88%	77%
Men	69%	84%	78%

Group	2019	2018	2017
LOCATIONS			
Area managers	**72%**	**79%**	**89%**
Women	76%	80%	85%
Men	71%	79%	91%
Store managers	**77%**	**79%**	**90%**
Women	77%	79%	90%
Men	78%	79%	91%
Managers	**69%**	**81%**	**84%**
Women	70%	80%	87%
Men	68%	81%	81%
Service Supervisors	**44%**	**42%**	**38%**
Women	41%	40%	35%
Men	48%	47%	43%
Crew members	**9%**	**15%**	**15%**
Women	8%	14%	14%
Men	11%	17%	16%

Most of the change in the percentage of non-HQ employees who received performance reviews reflects turnover trends, especially in countries that only give reviews once an employee has been working for six months. Data for top managers is not included because it refers to a management by objectives approach that differs from the performance review programs in place for other employees. See the Remuneration Report for further information.

51 Employees who received a performance review/no. employees at 31 December in countries with a performance review system. Does not include some smaller payrolls such as Austria and Slovenia in Europe and China and the Maldives in the International area, or the newly acquired companies, Stellar Partners Inc. and Le Crobag GmbH. Some figures are estimates

EMPLOYEE TURNOVER

GRI Standard 401-1

	2019				2018				2017			
	North America	Europe	Interna-tional	Total	North America	Europe[52]	Interna-tional	Total	North America	Europe	Interna-tional	Total
Hires (no.)	**27,692**	**9,746**	**9,013**	**46,451**	**24,256**	**9,731**	**8,751**	**42,738**	**22,884**	**8,198**	**8,203**	**39,285**
Women	17,835	5,688	4,406	27,929	15,057	5,702	4,393	25,152	14,057	4,473	4,166	22,696
Men	9,857	4,058	4,607	18,522	9,199	4,029	4,358	17,586	8,827	3,725	4,037	16,589
< 30 years	18,906	5,765	7,186	31,857	17,177	5,838	7,204	30,219	16,714	5,027	6,919	28,660
30-50 years	6,863	3,479	1,635	11,977	5,602	3,424	1,395	10,421	4,808	2,806	1,194	8,808
> 50 years	1,923	502	192	2,617	1,477	469	152	2,098	1,362	365	90	1,817
Departures (no.)	**24,415**	**9,976**	**8,056**	**42,447**	**23,173**	**9,821**	**7,397**	**40,391**	**22,715**	**7,306**	**6,434**	**36,455**
Women	15,524	5,874	3,941	25,339	14,325	5,761	3,785	23,871	13,831	4,016	3,240	21,087
Men	8,891	4,102	4,115	17,108	8,848	4,060	3,612	16,520	8,884	3,290	3,194	15,368
< 30 years	16,242	5,435	6,395	28,072	15,976	5,326	6,078	27,380	16,032	4,092	5,494	25,618
30-50 years	6,160	3,597	1,521	11,278	5,486	3,588	1,181	10,255	4,998	2,583	875	8,456
> 50 years	2,013	944	140	3,097	1,711	907	131	2,749	1,685	631	65	2,381
Turnover, incoming (%)	**84%**	**58%**	**75%**	**75%**	**76%**	**59%**	**77%**	**71%**	**74%**	**47%**	**82%**	**67%**
Women	87%	53%	73%	75%	77%	55%	77%	70%	75%	41%	80%	65%
Men	79%	65%	77%	75%	74%	65%	76%	72%	73%	57%	85%	71%
< 30 years	143%	154%	90%	127%	132%	167%	91%	124%	131%	138%	96%	122%
30-50 years	56%	37%	46%	47%	48%	36%	45%	43%	42%	28%	49%	37%
> 50 years	26%	14%	41%	22%	20%	13%	40%	18%	20%	10%	28%	17%
Turnover, outgoing (%)	**74%**	**59%**	**67%**	**68%**	**72%**	**59%**	**65%**	**67%**	**73%**	**42%**	**65%**	**62%**
Women	75%	55%	65%	68%	73%	55%	66%	67%	74%	37%	62%	60%
Men	71%	65%	69%	69%	71%	65%	63%	68%	73%	50%	67%	65%
< 30 years	122%	145%	80%	112%	123%	153%	77%	112%	126%	112%	76%	109%
30-50 years	50%	38%	43%	44%	47%	38%	38%	42%	44%	26%	36%	35%
> 50 years	27%	26%	30%	27%	23%	24%	34%	24%	24%	17%	20%	22%

Percentages represent new employee turnover rates (incoming and outgoing) and are calculated in relation to the total number of employees for each area, gender and age range. The differences in turnover rates across regions is explained by the greater mobility of the American labor market and the different development activities countries have followed over the years.

52 The 2018 figures for Europe have been restated following an improvement to the turnover rate reporting and calculation systems, in order to harmonize data across the different regions

GRI Standard 403-2

INJURY RATES [53]

	2019				2018				2017			
	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
Workplace injuries (no)	**1,176**	**630**	**307**	**2,113**	**1,122**	**555**	**291**	**1,968**	**1,134**	**592**	**162**	**1,888**
Women	744	391	172	1,307	703	372	164	1,239	723	374	97	1,194
Men	432	239	135	806	419	183	127	729	411	218	65	694
Injury rate (IR)	**28.5**	**29.4**	**22.2**	**27.6**	**28.1**	**25.0**	**22.9**	**26.3**	**27.8**	**26.4**	**25.1**	**27.1**
Women	30.4	30.0	28.9	30.0	30.1	28.1	28.8	29.3	30.5	27.9	39.7	30.2
Men	25.8	28.5	17.1	24.4	25.4	20.5	18.2	22.5	24	24.3	16.2	23.1
Severity rate	**0.14**	**0.62**	**0.12**	**0.27**	**0.20**	**0.50**	**0.10**	**0.20**	**0.10**	**0.60**	**0.10**	**0.30**
Women	0.16	0.71	0.18	0.33	0.20	0.50	0.10	0.30	0.20	0.70	0.10	0.30
Men	0.13	0.48	0.07	0.21	0.10	0.40	0.10	0.20	0.10	0.50	0.10	0.20
Occupational disease rate	**0.00**	**0.02**	**0.04**	**0.01**	**0.00**	**0.04**	**0.16**	**0.04**	**0.00**	**0.03**	**0.03**	**0.01**
Women	0.00	0.03	0.10	0.02	0.00	0.03	0.21	0.04	0.00	0.03	0.08	0.02
Men	0.00	0.00	0.00	0.00	0.00	0.04	0.11	0.04	0.00	0.02	0.00	0.01

H&S rates include workplace injuries only (not commuting accidents).
Injury rate: ((total number injuries + total number of deaths) / total hours worked) * 1,000,000
Severity rate: (total number of days lost due to injuries / total hours worked) * 1,000
Occupational disease rate: number of cases of occupational disease/total hours worked) x 200,000

Because the reporting system in North America does not count commuting accidents, these are excluded from the injury rates of all regions shown. In any case, we note that there were 147 commuting accidents in Europe (128 in 2018), while the International area reported 23 commuting accidents and 1 traffic death, compared with 22 accidents and 2 deaths the previous year.

DONATIONS BY TYPE AND REGION

	2019				2018				2017			
Donations (€)	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America[54]	Europe	Interna-tional	Total
Direct donations	638	186,814	56,544	243,996	10,627	223,255	33,444	267,326	7,541	140,215	23,511	171,267
Indirect donations	520,780	-	30,526	551,306	438,142	23,968	37,542	499,653	381,415	2,042	36,125	419,582
Donations in kind	3,387,217	109,411	19,541	3,516,169	3,268,177	360	15,950	3,284,486	3,581,185	155,917	151	3,737,253
Total	**3,908,635**	**296,225**	**106,611**	**4,311,471**	**3,716,946**	**247,583**	**86,936**	**4,051,464**	**3,970,140**	**298,174**	**59,787**	**4,328,101**

53 The reporting area does not include Germany and the Netherlands where, although the reporting system has been implemented, it is not yet possible to extrapolate all the information needed to calculate injury rates. We note in any case that in 2019 there were 47 and 31 injuries in these countries, respectively, consisting primarily of cuts and burns. There were also 3 commuting accidents in Germany and 10 cases of occupational disease in the Netherlands. The recently acquired company Le Crobag GmbH is not included. In North America the figures do not cover the newly acquired company Stellar Partners Inc. or operations in Canada, where information is handled locally by the individual provinces. The Group is refining its injury monitoring software so it will report absences caused by injuries, which are partly estimated

54 Due to improvements in the reporting system, the 2017 figure for direct donations in North America has been restated. For data published previously, see the 2017 consolidated non-financial statement, at www.autogrill.com. The change has also affected the items "Reclassified operating costs" and "Donations" in the Statement of economic value.

ENVIRONMENT – ENERGY CONSUMPTION AND EMISSIONS[55]

GRI Standard 302-1, 305-1, 305-2

		North America		
		2019	2018	2017
HQ + LOCATIONS				
Total direct energy consumption	GJ	163,923	222,677	249,682
From non-renewable sources:				
Natural gas	m^3	4,121,667	5,560,750	6,091,829
Diesel	l	-	-	-
LPG	l	-	-	-
Propane	kg	-	-	-
By vehicle fleet:				
Gasoline	l	n.a.	n.a.	n.a.
Diesel	l	n.a.	n.a.	n.a.
Total indirect energy consumption	GJ	249,792	357,598	348,997
From non-renewable sources	MWh	69,387	99,333	96,944
From renewable resources	MWh	-	-	-
Emissions	$t\ CO_{2eq}$	42,955	60,891	61,114
Total direct emissions	$t\ CO_{2eq}$	8,369	11,379	12,793
From non-renewable sources:	$t\ CO_{2eq}$	8,369	11,379	12,793
By vehicle fleet:	$t\ CO_{2eq}$	-	-	-
Total indirect emissions	$t\ CO_2$	34,586	49,512	48,322
Electricity	$t\ CO_2$	34,586	49,512	48,322

		Europe		
		2019	2018	2017
HQ + LOCATIONS				
Total direct energy consumption	GJ	133,591	135,940	150,982
From non-renewable sources:				
Natural gas	m^3	1,591,106	1,659,503	1,816,721
Diesel	l	1,036,066	977,039	1,151,972
LPG	l	237,278	298,612	284,798
Propane	kg	-	-	828
By vehicle fleet:				
Gasoline	l	5,241	5,598	6,614
Diesel	l	643,392	639,128	658,939
Total indirect energy consumption	GJ	808,899	851,044	855,873
From non-renewable sources	MWh	223,599	236,323	237,539
From renewable resources	MWh	1,095	78	203
Emissions	$t\ CO_{2eq}$	79,430	86,046	88,265
Total direct emissions	$t\ CO_{2eq}$	7,960	8,076	8,934
From non-renewable sources:	$t\ CO_{2eq}$	6,279	6,385	7,217
By vehicle fleet:	$t\ CO_{2eq}$	1,681	1,691	1,717
Total indirect emissions	$t\ CO_2$	71,470	77,970	79,330
Electricity	$t\ CO_2$	71,470	77,970	79,330

55 Environmental data does not include the newly or recently acquired companies, Le Crobag GmbH and Stellar Partners Inc. The "market-based" calculation method is not applicable because for electricity contracts, managed at the individual country level, the Group refers to the corresponding market mix

		Total		
		2019	2018	2017
HQ + LOCATIONS				
Total direct energy consumption	**GJ**	**297,514**	**358,617**	**400,664**
From non-renewable sources:				
Natural gas	m^3	5,712,773	7,220,253	7,908,550
Diesel	l	1,036,066	977,039	1,151,972
LPG	l	237,278	298,612	284,798
Propane	kg	-	-	828
By vehicle fleet:				
Gasoline	l	5,241	5,598	6,614
Diesel	l	643,392	639,128	658,939
Total indirect energy consumption	**GJ**	**1,058,691**	**1,208,642**	**1,204,870**
From non-renewable sources	MWh	292,986	335,656	334,483
From renewable resources	MWh	1,095	78	203
Emissions	t CO_{2eq}	**122,385**	**146,937**	**149,379**
Total direct emissions	t CO_{2eq}	**16,330**	**19,455**	**21,727**
From non-renewable sources:	t CO_{2eq}	14,649	17,764	20,010
By vehicle fleet:	t CO_{2eq}	1,681	1,691	1,717
Total indirect emissions	t CO_2	**106,055**	**127,482**	**127,652**
Electricity	t CO_2	106,055	127,482	127,652

Data on direct and indirect energy consumption refers mainly to headquarters and motorway locations, where utilities are contracted directly by the Group. The Group will continue to build awareness and expand the reporting area, to the extent such data becomes available, wherever possible. At locations where utilities are included in the rent, it is not always possible to know how much is consumed; these locations, therefore, will continue to be excluded from reporting. This limitation applies mainly to airports and shopping centers in North America. In North America, therefore, data is limited to motorway locations, which decreased in number from 107 in 2018 to 81 due to the Group's disposal of Canadian operations.

In the International area, consumption data is available for a limited number of locations and shows direct energy consumption of 21,511 GJ and indirect energy consumption of 141,823 GJ in 2019.[56]

The factors used to compute indirect emissions were published by the Department for Business, Energy & Industrial Strategy (BEIS) in 2015 (complete with emissions factors by country), while for direct emissions, the Group used the more recent document published in 2019.

56 Consumption by the International area in 2018 is not comparable because of the different reporting boundaries in the two years

ENVIRONMENT – WASTE DISPOSAL

GRI Standard 306-2

	Europe		
Disposal method (t) [57]	2019	2018	2017
Hazardous waste	**17.6**	**17.0**	**16.5**
Recycled	8.3	7.5	8.5
Incinerator	9.3	9.5	7.8
Landfill	-	-	0.2
Non-hazardous waste	**35,793.6**	**30,608.0**	**19,464.0**
Recycled	9,661.7	9,470.9	5,661.9
Incinerator	7,954.8	7,057.6	6,566.5
Landfill	18,177.1	14,079.5	7,235.6

Because of the particularities of the Group's business, it is important to note that waste disposal data can only cover locations where the Group uses a private waste management firm. To give a more complete picture of the reporting area, since 2018 the Group has provided some estimates, mostly in the Italian motorway channel for waste collected by local public operators. The figures are thus partially estimated and do not include locations in Switzerland and Spain where all waste is collected by public entities. The change in performance over the three-year period should therefore be interpreted in light of the constant improvement in the calculation method. International and North American locations are not included because waste management is primarily handled by the infrastructure operators.

57 Hazardous waste includes electronic devices, batteries, waste oils, oil filters, absorbent materials and packaging containing hazardous substances (produced by the oil business)

GRI Standard 102-4, 102-10, 102-13, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 103-2, 103-3

1.5.7 PREPARATION CRITERIA

REPORTING STANDARDS

The Consolidated non-financial Statement (hereinafter also mentioned as "Statement"), of the Autogrill Group prepared in accordance with Arts. 3 and 4 of Legislative Decree 254/2016 (as amended and hereinafter also mentioned as "Decree"), contains disclosures on environmental, social, personnel, human rights, and anti-corruption topics to the extent needed to ensure a full understanding of what the Autogrill Group (hereinafter also mentioned as "the Group") does, how it has performed and the impact of its operations. The main risks generated or incurred in connection with these topics and arising from business activities are described in the "Financial and non-financial risk management" section of the Directors' Report.

This Statement, approved by the Board of Directors on 12 March 2020, will be published annually and has been prepared according to the GRI Sustainability Reporting Standards ("In accordance –Core" option) defined in 2016 by the Global Reporting Initiative. The GRI Standards are the most widely followed in the world for non-financial reporting and have been chosen by Autogrill as its reference standards for compliance with Decree 254/2016. To help readers locate information within the document, the GRI Content Index is provided below.

The non-financial disclosures in this Statement reflect the principle of materiality (relevance), as provided for by law and featured in the GRI standards: the issues discussed are those which, following a materiality analysis, were found to be relevant as they reflect the Group's social and environmental impact or influence the decisions of its stakeholders. Given the Group's operations, the materiality analysis did not find water consumption to have a significant environmental impact, so it is not a topic addressed in this Statement. The issue of human rights did not emerge as material, but is still highly important to the Group, especially in the selection and evaluation of suppliers and relations with employees and the community. These aspects are governed by policies and procedures such as the Group Sustainability Policy, the Code of Ethics and the Supply Chain Sustainability Guidelines. Materiality is reviewed with a frequency and according to a methodology defined on the basis of developments within and outside the Group. The document highlights the ways in which the Group's actions are connected with the United Nations Sustainable Development Goals (UN SDGs).

REPORTING BOUNDARY

The qualitative and quantitative disclosures in the Consolidated non-financial Statement refer to the Autogrill Group for the year ended 31 December 2019. As required by Art. 4 of Decree 254/2016, the Consolidated non-financial Statement includes data for the Parent company (Autogrill S.p.A.) and its wholly-owned subsidiaries, unless otherwise specified, and breaks down results for the Group's three business segments (North America, International and Europe, including Italy)

The boundary for income statement figures is the same as that for the Group's 2019 Annual Report. The boundary for non-financial disclosures consists of the companies consolidated on a line-by-line basis in the Autogrill Group's consolidated financial statements for the year ended 31 December 2019, except for dormant companies, those in liquidation and acquisitions finalized during the year. Since the previous reporting cycle the Group has disposed of operations in the Czech Republic and on Canadian motorways, through the sale of investments held by the Canadian companies

HMSHost Motorways Inc. and HMSHost Motorways L.P., as well as the motorway business Tank & Rast in Germany. Note, additionally, that headquarters and locations where the Group does not contract utilities directly and therefore has no precise consumption data—mostly at malls, railway stations and airports—are not always included in the reporting on environmental figures. This limitation primarily concerns North America and International BUs. Since the previous two years, the Group has continued to work with the different business units to improve and complete the data collection process and has managed to expand the perimeter for environmental data to a larger number of locations in Europe and the International area, using estimates where necessary and as duly noted. Any other boundary limitations are stated within the document. In 2019 it was also possible to integrate year-end staffing figures for Le Crobag GmbH and Stellar Partners Inc., which were excluded from the other performance indicators.

REPORTING PROCESS

The preparation of the Autogrill Group's 2019 Consolidated non-financial Statement was based on a structured reporting process entailing:

- the involvement of all units/departments responsible for the material topics included in the report and the pertinent disclosures. Each was responsible for its own area and was asked to help analyze and consolidate the relevant data and check and validate the information reported. More specifically, the disclosures in this Statement derive from the Group's IT system for management and accounting and from a non-financial reporting system (data collection forms) implemented for the sake of compliance with Decree 254/2016 and the GRI Standards. Individual data points were then extracted and run through calculations; where specifically noted, estimates were also used (see, for example, the section on Human resource development and appraisal). Data on economic performance, assets and liabilities was taken from the 2019 consolidated financial statements;
- approval of the Statement by the Board of Directors, called to approve the 2019 financial statements, after being reviewed by the Internal Control and Corporate Governance Committee;
- issuance of a conformity assessment by independent auditors Deloitte & Touche, following a limited inspection;
- publication of the Statement on the Parent company website www.autogrill.com, for consultation by all interested stakeholders.

GRI Standard 103-1

1.5.8 RECONCILIATION OF GRI/MATERIAL TOPICS

Area	Topic	GRI disclosure	Applies to: Where	Applies to: Type of impact
Economic & Governance	Anti-corruption	Anti-corruption	Autogrill Group	Direct
	Creation of economic value	Economic performance	Autogrill Group	Direct
	Competitive practices	Anti-competitive behaviour, Socioeconomic compliance	Autogrill Group	Direct
	Effectiveness and transparency of decision-making[58]	n.a.	Autogrill Group	Direct
People	Quality of employee relations	Employment	Autogrill Group	Direct
	Occupational health and safety	Occupational health and safety	Autogrill Group employees	Direct
	Human resource development and appraisal	Training and education	Autogrill Group	Direct
	Labor union relations	Labor/management relations	Autogrill Group	Direct
	Diversity and equal opportunity	Diversity and equal opportunity, Non-discrimination	Autogrill Group	Direct
Product	Product labeling and marketing	Marketing and labeling	Autogrill Group, consumers	Direct
	Supply chain management	Supplier environmental assessment, Supplier social assessment	Autogrill Group, supply chain	Direct and indirect
	Accessibility and quality of services[58]	n.a.	Autogrill Group, supply chain, consumers	Direct and indirect
	Product quality and safety	Customer health and safety	Autogrill Group, supply chain, consumers	Direct and indirect
Planet	Energy efficiency and emissions	Energy, Emissions, Environmental compliance	Autogrill Group, supply chain	Direct and indirect
	Waste management	Effluent and waste	Autogrill Group, consumers, community	Direct and indirect

58 For the material topics “Effectiveness and transparency of decision-making” and “Accessibility and quality of services,” not directly associated with GRI Standards, Autogrill reports its management approach

1.5.9 GRI CONTENT INDEX

GRI Standard 102-54, 102-55

The Autogrill Group's consolidated non-financial statement has been prepared in accordance with the GRI Standards: Core option. The table below shows Group disclosures based on the GRI Standards published in 2016 by the Global Reporting Initiative, with reference to Autogrill's materiality analysis and pertaining to 2017, 2018 and 2019.

UNIVERSAL STANDARDS

GRI Standard	Page no.	Disclosure
GRI 102: General Disclosures		
Organizational profile		
102-1	DR, Simplified Group structure, p. 20	Name of the organization
102-2	DR, The Autogrill Group, p. 15	Activities, brands, products and services
102-3	Centro Direzionale Milanofiori, Palazzo Z, Strada 5, 20089 Rozzano (MI) – Italy	Location of headquarters
102-4	DR, Autogrill around the world, p. 9; Preparation criteria, p. 85-86	Number of countries where the organization operates and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report
102-5	DR, Simplified Group structure, p. 10, DR, Organizational structure as of 12 March 2020, p. 21	Ownership and legal form
102-6	DR, Autogrill around the world, p. 9, DR, Group performance, p. 23, DR, Operating segments, p. 37	Markets served (including geographic locations, sectors served, types of customer and beneficiaries)
102-7	DR, The Autogrill Group, p. 8; DR, Condensed consolidated income statement, p. 14; DR, Revenue, p. 15; DR, Reclassified consolidated statement of financial position, p. 22	Scale of the organization
102-8	People: the people of the Autogrill Group, p. 57-60; Autogrill Group social and environmental data, p. 76-77	Information on employees and other workers
102-9	Responsible supply chain management, p. 74-75	Description of the organization's supply chain
102-10	DR, Change in scope of consolidation and other corporate actions, p. 12; Preparation criteria, p. 85-86	Significant changes to the organization and its supply chain
102-11	DR, Financial and non-financial risk management, p. 99-107; Sustainability for the Autogrill Group, p. 55, Materiality analysis, p. 56	Precautionary Principle or approach
102-12	Responsible supply chain management, p. 74-75	External initiatives: list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses
102-13	Diversity, equal opportunity and inclusion, p. 63; Community development and engagement, p. 65; Preparation criteria, p. 85-86	Memberships of associations
Strategy		
102-14	DR - Letter to the shareholders	Statement from senior decision-maker
102-15	DR, Financial and non-financial risk management, p. 99-107	Key impacts, risks and opportunities
Ethics and integrity		
102-16	Diversity, equal opportunity and inclusion, p. 63; Code of Ethics, www.autogrill.com/it/governance/modello-organizzativo-e-codice-etico	Values, principles, standards and norms of behavior
Governance		
102-18	CGR, pp. 21, 51, 53, 55, 63	Governance structure
Stakeholder engagement		
102-40	Stakeholder engagement, p. 56	List of stakeholder groups engaged by the organization
102-41	Labor relations, p. 63-64	Percentage of total employees covered by collective bargaining agreements
102-42	Stakeholder engagement, p. 56	Identifying and selecting stakeholders

GRI Standard	Page no.	Disclosure
102-43	Creating and distributing economic value p. 54; Stakeholder engagement, p. 56; People: the people of the Autogrill Group, p. 57; Community development and engagement, p. 66; Consumers: focus on the customer, p. 71	Approach to stakeholder engagement including frequency of engagement by type and by stakeholder group and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process
102-44	Stakeholder engagement, p. 56; People: the people of the Autogrill Group, p. 57; Consumers: focus on the customer, p. 71	Key topics and concerns raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting. The stakeholder groups that raised each of the key topics and concerns
Reporting practice		
102-45	Consolidated financial statements, list of consolidated companies and other investments, p. 210-215	Entities included in the consolidated financial statements or equivalent documents
102-46	Preparation criteria, p.85-86	Defining report content and topic boundaries
102-47	Materiality analysis, p. 56	List of material topics identified in the process for defining report content
102-48	Preparation criteria, p. 85-86	Effect of any restatements of information given in previous reports and the reasons for such restatements
102-49	Preparation criteria, p. 85-86	Significant changes from previous reporting periods in the list of material topics and topic boundaries
102-50	Preparation criteria, p. 85-86	Reporting period
102-51	Preparation criteria, p. 85-86	Date of most recent report (if applicable)
102-52	Preparation criteria, p. 85-86	Reporting cycle (annual, biennal)
102-53	RM&CSR department. Tel. (+39) 0248263490	Contact point for questions regarding the report
102-54	Preparation criteria, p. 85-87; GRI content index, p. 88-95	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index, p. 88-95	GRI content index
102-56	Independent auditors' report, p. 96-98	External assurance

TOPIC-SPECIFIC STANDARDS

GRI Standard	Page no.	Omission	Disclosure
GRI 200: ECONOMIC SERIES			
Economic performance			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Creating and distributing economic value, p. 54		The management approach and its components
103-3	Creating and distributing economic value, p. 54; Community development and engagement, p. 66		Evaluation of the management approach
GRI 201: Economic Performance			
201-1	Creating and distributing economic value, p. 54; Community development and engagement, p. 66		Direct economic value generated and distributed
Anti-corruption			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Anti-corruption, p. 55		The management approach and its components
103-3	Policies and guidelines of the Autogrill Group, p. 51-53; Anti-corruption, p. 55		Evaluation of the management approach

GRI Standard	Page no.	Omission	Disclosure
GRI 205: Anti-corruption			
205-3	In 2019 there were no definitive rulings against employees concerning active or passive corruption		Confirmed incidents of corruption and actions taken
Anti-competitive behaviour			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	DR, Financial and non-financial risk management, p. 99-107; Governance and compliance, p. 54-55		The management approach and its components
103-3	DR, Financial and non-financial risk management, p. 99-107; Governance and compliance, p. 54-55		Evaluation of the management approach
GRI 206: Anti-competitive behavior			
206-1	In 2019 no legal action was taken against the Group for anti-competitive behavior, antitrust and monopoly issues		Legal actions for anti-competitive behavior, antitrust and monopoly practices
GRI 300: ENVIRONMENTAL SERIES			
Energy			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Energy and emissions management, p. 67-69; Preparation criteria, p. 85-86		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Energy and emissions management, p. 67-69; Autogrill Group social and environmental data, p. 82-83; Preparation criteria, p. 85-86		Evaluation of the management approach
GRI 302: Energy			
302-1	Energy and emissions management, p. 67-69; Autogrill Group social and environmental data, p. 82-83		Energy consumption within the organization
Emissions			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Energy and emissions management, p. 67-69; Preparation criteria, p. 85-86		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Energy and emissions management, p. 67-69; Autogrill Group social and environmental data, p. 82-83; Preparation criteria, p. 85-86		Evaluation of the management approach
GRI 305: Emissions			
305-1	Autogrill Group social and environmental data, p. 82-83		Direct (Scope 1) GHG emissions
305-2	Autogrill Group social and environmental data, p. 82-83		Energy indirect (Scope 2) GHG emissions
Effluent and waste			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Waste management and packaging, p. 69-70; Preparation criteria, p. 85-86		The management approach and its components

GRI Standard	Page no.	Omission	Disclosure
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Waste management and packaging, p. 69-70; Social and environmental data, p. 63; Preparation criteria, p. 85-86		Evaluation of the management approach
GRI 306: Effluents and waste			
306-2	Autogrill Group social and environmental data, p. 84		Waste by type and disposal method
Environmental compliance			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Planet: environmental protection, p. 67		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Planet: environmental protection, p. 67		Evaluation of the management approach
GRI 307: Environmental compliance			
307-1	No significant fines or non-monetary sanctions were received in 2019.		Non-compliance with environmental laws and regulations
Supplier environmental assessment			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Planet: environmental protection, p. 67; Responsible supply chain management, p. 74		The management approach and its components
103-3	Planet: environmental protection, p. 67; Responsible supply chain management, p. 74		Evaluation of the management approach
GRI 308: Supplier environmental assessment			
308-1	Responsible supply chain management, p. 74	Supplier selection and assessment are based on specific policies applied at the regional level; all suppliers must strictly comply with local laws and regulations as well as established quality control procedures. The Group requires suppliers to sign onto its Code of Ethics and General Purchasing Conditions. In 2018, the implementation process began for the Autogrill Group *Supply Chain Sustainability Guidelines*, which set general standards for supplier assessment. The Code of Supplier Business Conduct has been published in North America. Once the guidelines are implemented locally, it will be possible to report the exact number of suppliers assessed	New suppliers that were screened using environmental criteria
GRI 400: SOCIAL SERIES			
Employment			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/material topics, p. 87		Explanation of the material topic and its Boundary

GRI Standard	Page no.	Omission	Disclosure
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Human resource development, training and appraisal, p. 60; Diversity, equal opportunity and inclusion, p. 63; Remuneration and benefits, p. 62		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Human resource development, training and appraisal, p. 60; Diversity, equal opportunity and inclusion, p. 63; Remuneration and benefits, p. 62; Autogrill Group social and environmental data, p. 67		Evaluation of the management approach
GRI 401: Employment			
401-1	Autogrill Group social and environmental data, p. 80		New employee hires and employee turnover.
401-2	Remuneration and benefits, p. 62		Benefits provided to full-time employees that are not provided to temporary or part-time employees
Labor/management relations			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Labor relations, p. 63-64		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Labor relations, p. 63-64		Evaluation of the management approach
GRI 402: Labor/management relations			
402-1	Labor relations, p. 63-64		Minimum notice periods regarding operational changes
Occupational health and safety			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Occupational health and safety, p. 64-65		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Occupational health and safety, p. 64-65		Evaluation of the management approach
GRI 403: Occupational health and safety			
403-2	Occupational health and safety, p. 64-65; Autogrill Group social and environmental data, p. 81	Absentee rates are not reported because workable hours are not available. The Group is working on a system that will gather that information by reporting year 2020. Data for external personnel is currently unavailable	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities
Training and education			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary

GRI Standard	Page no.	Omission	Disclosure
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Human resource development, training and appraisal, p. 60		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Human resource development, training and appraisal,p. 46-47; Autogrill Group social and environmental data, p. 76		Evaluation of the management approach
GRI 404: Training and Education			
404-1	Human resource development, training and appraisal, p. 60; Autogrill Group social and environmental data, p. 78		Average hours of training per year per employee
404-2	Human resource development, training and appraisal, p. 60		Programs for upgrading employee skills and transition assistance programs
404-3	Autogrill Group social and environmental data, p. 79		Percentage of employees receiving regular performance and career development reviews
Diversity and equal opportunity			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Diversity, equal opportunity and inclusion, p. 63		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Diversity, equal opportunity and inclusion, p. 63		Evaluation of the management approach
GRI 405: Diversity and equal opportunity			
405-1	People: the people of the Autogrill Group, p. 57; Autogrill Group social and environmental data, p. 76; CGR, pp. 24-41, 95-101		Diversity of governance bodies and employees
Non-discrimination			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Diversity, equal opportunity and inclusion, p. 48; Protection of human rights, p. 49		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; People: the people of the Autogrill Group, p. 57; Diversity, equal opportunity and inclusion, p. 63; Protection of human rights, p. 65		Evaluation of the management approach
GRI 406: Non-discrimination			
406-1	In 2019 there were no significant incidents of discrimination. Any complaints received through the dedicated channels were handled promptly by the units in charge		Incidents of discrimination and corrective actions taken
Supplier social assessment			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its boundary
103-2	Responsible supply chain management, p. 74; Protection of human rights, p. 65		The management approach and its components
103-3	Responsible supply chain management, p. 74; Protection of human rights, p. 65		Evaluation of the management approach

GRI Standard	Page no.	Omission	Disclosure
GRI 414: Supplier social assessment			
414-1	Responsible supply chain management, p. 74	Supplier selection and assessment are based on specific policies applied at the regional level; all suppliers must strictly comply with local laws and regulations as well as established quality control procedures. The Group requires suppliers to sign onto its Code of Ethics and General Purchasing Conditions. In 2018, the implementation process began for the Autogrill Group Supply Chain Sustainability Guidelines, which set general standards for supplier assessment. The Code of Supplier Business Conduct has been published in North America. Once the guidelines are implemented locally, it will be possible to report the exact number of suppliers assessed	New suppliers that were screened using social criteria
Customer health and safety			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Product quality and safety, p. 72		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Product quality and safety, p. 72		Evaluation of the management approach
GRI 416: Customer health and safety			
416-1	Product quality and safety, p. 72		Assessment of the health and safety impacts of product and service categories
Marketing and labelling			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Product labeling and marketing, p. 73-74		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Product labeling and marketing, p. 73-74		Evaluation of the management approach
GRI 417: Marketing and labelling			
417-3	In 2019 there were no significant incidents of non-compliance		Incidents of non-compliance concerning marketing communications
Socioeconomic compliance			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/ material topics, p. 87		Explanation of the material topic and its boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Governance and compliance, p. 54-55; DR, Financial and non-financial risk management, p.76-84		The management approach and its components

GRI Standard	Page no.	Omission	Disclosure
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Governance and compliance, p. 54-55; DR, Financial and non-financial risk management, p. 99-107		Evaluation of the management approach
GRI 419: Socioeconomic compliance			
419-1	In 2019 there were no fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic area		Non-compliance with laws and regulations in the social and economic area
Effectiveness and transparency of decision-making			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Governance and compliance, p. 54-55; DR, Financial and non-financial risk management, p. 99-107		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Governance and compliance, p. 54-55 DR, Financial and non-financial risk management, p. 99-107		Evaluation of the management approach
Accessibility and quality of services			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 56; Reconciliation of GRIs/material topics, p. 87		Explanation of the material topic and its Boundary
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Accessibility and quality of services, p. 71; Product labeling and marketing, p. 73-74		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 51-53; Accessibility and quality of services, p. 71; Product labeling and marketing, p. 73-74		Evaluation of the management approach

1.5.10 INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267/2018

To the Board of Directors of
Autogrill S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Autogrill S.p.A. and its subsidiaries (hereinafter "Autogrill Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on March 12, 2020 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established in 2016 by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.

2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.

3. Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Autogrill Group.

4. Understanding of the following matters:

   - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
   - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
   - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

   Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

   In particular, we carried out interviews and discussions with the management of Autogrill Italia S.p.A. and with the employees of Nuova Sidap S.r.l., HMSHost Corporation, Autogrill Schweiz A.G., HMSHost Services India Private, Ltd. and Autogrill Iberia S.L.U., as well as carrying out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

Deloitte.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:

  a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for the following companies, divisions and sites, Milan Headquarter for Autogrill Italia S.p.A. and Nuova Sidap S.r.l. and Olten site (Switzerland) for Autogrill Schweiz A.G., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Autogrill Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 9, 2020

This report has been translated into the English language solely for the convenience of international readers.

1.6 OTHER INFORMATION

1.6.1 FINANCIAL AND NON-FINANCIAL RISK MANAGEMENT

The Autogrill Group is exposed to external risks and uncertainties arising from general economic conditions or those specific to its industry, from the financial markets and from frequent changes in legislation, as well as to risks generated by strategic decisions and operating procedures.

The Group's Enterprise Risk Management department ensures the uniform handling of risks across the different organizational units. Autogrill has developed a model based on the systematic identification, analysis and assessment of the risk areas that may hinder the achievement of strategic goals. The model helps evaluate the Group's overall exposure to risks, orient the necessary mitigation efforts and reduce the volatility of business objectives.

The main risk areas — strategic, internal and external — are presented below. External risks include risks relating to social responsibility that are addressed in greater detail in Section 1.5 of the Directors' Report, in compliance with Arts. 3 and 4 of Legislative Decree 254/2016 on non-financial reporting.

Strategic risks	Mitigating factors
BUSINESS AND MARKET CONTEXT	
The Group's operations are influenced by exogenous (hence uncontrollable) factors that may affect traffic flows, travellers' propensity to consume and the ways they do so. These include: • the general macroeconomic situation and its contributing trends: consumer confidence, unemployment and cost-push inflation when it cannot be transferred to prices (mitigation); • rising transportation costs and consumers' growing awareness of social and environmental issues , which may affect their means of travel;	This risk is mitigated by the Group's diversified presence in terms of channels (airports, motorways and railway stations) and geographical regions. The Group also has a system for the constant monitoring of performance, the market and consumer behavior so that it can react quickly to signs of changes in exogenous factors by updating its menus or service propositions.

Strategic risks

- social and environmental concerns that change tastes and steer consumers toward healthier, more Earth-friendly choices (organic foods, locally sourced products, etc.);
- climate change, which is not expected to significantly affect the business and its finances in the short to medium term, based on today's knowledge of how these issues affect traffic flows and investments already in the pipeline. However, it is possible that in the medium to long term, the concession business could be exposed to new risks relating to both extreme climate events and regulatory changes in response to climate change, whose impact on operations and financial data will be examined as soon as it can be reasonably understood;
- legislative or regulatory changes affecting the channels served by the Group or the concession system;
- in the airport business, the introduction of more restrictive procedures, regulations and controls that could influence consumers' propensity to buy;
- competitive developments in the air traffic industry and changes in airline policies.

CONCESSION CONTRACTS

Most of the Group's operations are conducted under long-term contracts, awarded through competitive bidding, that grant it the right to operate in designated areas of airports, motorways and railway stations. Concessions are therefore fundamental to the Group for achieving its strategic goals.

Risks in this area concern:
- the Group's ability to renew concessions or win new ones;
- the risk that contracts will be less profitable than expected at the time they were awarded, which would reduce the return on investment given that many contracts include an obligation to pay minimum guaranteed rent regardless of the revenue earned;
- the possibility that contracts will be terminated or otherwise cease to be valid for various reasons — some of them beyond the Group's control — such as cancellation by the authorities or the courts, the loss of permits, licenses or certificates required by national laws, or counterparties' failure to obtain approval in the case of extraordinary operations;
- any clauses that place limits on Autogrill's management of local operations and prevent it, for example, from adapting menus or commercial practices to customers' changing needs and preferences;
- the option generally given to concession grantors, even without breach of contract by the operator, to change

Mitigating factors

The Group mitigates these risks by following an approach aimed at building and maintaining a collaborative partnership with concession grantors, based in part on the constant development of innovative concepts and commercial solutions that aim to improve infrastructure efficiency and reduce its environmental impact, in the interests of both parties and also of the public.

Strategic risks

certain conditions unilaterally (and sometimes without compensation for the operator) by invoking public interest or safety.

BRANDS AND CONCEPTS

The Group operates through proprietary brands and concepts as well as many owned by third parties, which range from local favorites to international household names.

The main risks concern:
- the loss of significant partnerships or the inability to strike up new ones allowing the Group to attract customers with concepts and brands;
- the decreased attractiveness of concepts or brands in the portfolio, both of which could affect the ability to compete for new contracts and therefore attain development goals.

COMPETITION

The food and beverage industry is growing and becoming ever more attractive to both long-standing operators and newer, smaller ones.

The growing demand for local as opposed to international brands also tilts the playing field towards local operators, which now have a better chance of closing deals and setting up in locations once reserved to globally recognized brands.

These factors increase competition, both real and potential and could therefore hamper the Group's growth and/or profitability.

INNOVATION

The Group's ability to maintain a constant process of innovation for its products, concepts and services allows it to react promptly to changes in the consumption habits and tastes of its clientele and is therefore key to increasing the satisfaction of customers and concession grantors.

The risk is that this ability would be diminished, especially given the greater speed with which new trends take root, including in light of the increasing focus on healthy food choices that are also ecologically sound.

Mitigating factors

The main mitigation factor is the breadth of the Group's portfolio, which limits its dependence on any third-party brand.

There are teams dedicated to keeping menus up-to-date through the development of new concepts consistent with emerging trends, the monitoring of up-and-coming brands and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.

Finally, this risk is mitigated by the Group's emphasis on building and maintaining good relationships with its partners and with licensors of the most popular brands.

Autogrill has a solid reputation with concession grantors, an important factor in the tendering and renewal process. In addition, the Group's broad range of proprietary and third-party brands, both local and international, enable it to compete successfully for commercially viable and profitable locations. In any case, the Group has a system for analyzing industry and channel trends so it can monitor its position at all times.

The Group mitigates this risk by:
- monitoring performance (quality of service, positioning, attractiveness of menus and of the brand and concept portfolio);
- constantly revising menus in terms of products, concepts and services, while adapting to the latest technologies and the digital world;
- reviewing the portfolio of partner brands to offer the most attractive, innovative names available on the market;
- developing customer retention initiatives and client satisfaction analyses;
- training workers periodically to ensure high standards of service.

Strategic risks

REPUTATION

It is important to protect our reputation with all stakeholders: customers, concession grantors, and licensors. An operator's reputation is an important factor in the tendering and renewal of concessions.

Serious reputation damage entails the risk of:
- making the brand less attractive to customers;
- harming relationships with grantors and licensors;
- threatening contract renewals.

The causes stem primarily from the perceived deterioration of service, an inability to satisfy contractual commitments with grantors and licensors and an inability to let the business model evolve in response to stakeholders' expectations of social and environmental sustainability

Loss of reputation can also have indirect causes beyond Autogrill's control. In Italy, the fact that many travelers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") may expose its operations in the motorway channel to reputation risk caused by any shortcomings in competitors' services that are mistakenly attributed to the Group.

Likewise, for operations involving the sale of third-party brands under license or commercial partnerships (a model used widely in emerging markets), any reputation damage suffered by the licensor or partner may expose Autogrill to a potential loss of business due to factors beyond its control.

The widespread and ever growing use of online channels (websites, social media, etc.) is a powerful communications tool because large numbers of people are reached very quickly, but it also means that false or defamatory news can be magnified.

Mitigating factors

The Group constantly monitors its quality of service with respect to customers (perceived satisfaction and product safety), concession grantors (quantitative and qualitative parameters set out in the contract) and licensors (observance of operating and development standards); for the largest and most sensitive brands, this includes brand champions hired by headquarters and assigned to support local teams. In addition, suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.

The Group's commitment to social and environmental sustainability is clear from the values espoused in its Code of Ethics.

On environmental issues in particular, it works to promote responsible behavior in the conviction that protecting our environment is a global priority for people, businesses and institutions all over the world.

To protect its web reputation, Autogrill has implemented specific policies designed to regulate interaction with the web community and to govern crisis management procedures.

DEVELOPMENT IN EMERGING MARKETS

The Group operates in various emerging markets through partnerships with local operators that in some cases require their active participation in store management; it hopes to expand into others.

In addition to the typical risks of such markets, it is possible that local partners will fail to meet their contractual obligations including in terms of the operating standards needed to ensure satisfactory quality and service, which could affect the Group's profitability and reputation.

Mitigating factors: The Group pursues and favors contracts that leave it in control of operations and commercial aspects. In any case, Autogrill is entitled by contract to perform audits ensuring compliance with service and quality standards.

Strategic risks

HUMAN CAPITAL

Autogrill believes that a transparent policy of responsibility toward its employees gives it a competitive edge, because employees are the Group's human capital: the wealth of skills, competencies and qualifications that make it stand out.

Therefore, any lessening of the Group's ability to attract, motivate and retain key employees would make it vulnerable to losing personnel with crucial expertise.

Furthermore, although Autogrill promotes behaviors that value the dignity and protect the rights of all individuals from the selection process throughout their careers, it cannot rule out the risk of discriminatory conduct in the workplace, which could damage the working environment, affect employee retention and harm its reputation.

Mitigating factors

To mitigate these risks, the Group:

- uses bonus systems designed to reward employee dedication and success, thereby fostering a sense of belonging, and follows salary policies that ensure constant comparison with multinational and Italian companies in the consumer goods industry whose complexity, distribution intensity and capital expenditure are comparable to Autogrill's. To foster fairer treatment among its companies, the Group distributes international guidelines on various aspects of compensation, while fully respecting national laws and local differences.
  It also adopts policies and initiatives designed to motivate and retain talent;
- has set up dedicated phone lines or email addresses in most of the countries where it operates, to receive any complaints of behavior that does not live up to its standards of fairness, integrity, transparency, honesty, ethics and legality. It has also created a European platform as a direct means of drawing attention to any conduct inconsistent with the Group's Code of Ethics, but also of signaling excellent behavior, while ensuring the confidentiality of information and the privacy of individuals;
- has designed a human resource management policy based on principles laid down in the Code of Ethics, which encourages the Group to instill good relationships with its employees and help them develop their skills and abilities;
- is committed, as enshrined in the Code of Ethics, to promoting a safe, healthy and non-discriminatory workplace that lets everyone reach their potential.

External risks

COUNTRY-SPECIFIC

Business may be interrupted briefly or for longer periods, generally as a result of uncontrollable events such as:

- natural disasters and weather emergencies;
- acts or threats of terrorism;
- pandemics;
- hostilities or wars;
- strikes;
- political instability.

Mitigating factors

To mitigate this kind of risk, the Group has security and prevention systems and emergency management plans specific to each type of event.

The "Outlook" paragraph of this report describes actions taken in connection with the coronavirus epidemic (COVID-19).

External risks

Such events could:
- involve Autogrill locations directly and force them to close;
- halt or significantly reduce traffic;
- hurt critical points of the supply chain (suppliers or partners interdependent with Autogrill);
- damage or affect the functioning of IT systems and network infrastructures that support key business processes.

In the case of IT systems, this can also take the form of cyber attacks.

Mitigating factors

Autogrill has Group-wide and local policies with major insurers, which include coverage for material damage and interruption of business and for third-party liability.

In addition, many concession agreements protect the Group against infrastructure closures (and therefore lost business) caused by force majeure.

FINANCIAL

Regarding the management of financial risks, consisting mostly of interest rate, exchange rate and liquidity risk, see the financial risk management section of the notes.

Autogrill manages its financial risks by defining Group-wide guidelines that inform financial management of its operating units, as part of an overall policy of financial independence.

The Finance department ensures that the financial risk management policies are harmonized, identifying the most suitable financial instruments and monitoring the effectiveness of the policies followed.

The Autogrill Group does not allow the use of speculative derivative instruments.

The Group also strives for a certain financial flexibility, maintaining enough cash and committed credit lines to constantly cover its refinancing needs for at least 12 to 18 months.

CORRUPTION

Violations of the Code of Ethics or of anti-corruption and other laws by Autogrill, its commercial partners, agents or other parties acting in its name or on its behalf may expose the Group and its employees to criminal or civil penalties and damage Autogrill's reputation.

The Group has adopted:
- its own Code of Ethics, which requires all Group companies along with their top executives, managers and employees to conduct themselves according to the principles of legality, fairness and integrity;
- an Anti-Corruption Policy that instructs all directors, managers, employees, and internal auditors of Group companies, and everyone who works in Italy or abroad in Autogrill's name or on its behalf, what principles and rules they must follow to ensure compliance with applicable anti-corruption laws. Through this policy, the Group formalizes its across-the-board commitment to reject and prohibit corruption under all circumstances, with public officials and private parties alike and its promise to observe anti-corruption laws in every country served.

Internal risks

Mitigating factors

DATA SECURITY

Cyber risks are exacerbated by the growing enjoyment and distribution of goods and services over expanding global networks and the use of information technologies to communicate and transfer data in real time with people all over the world.

The main cyber risks consist of:
- cyber attacks through the use of malware or ransomware;
- the hacking or counterfeiting of a company's e-mail in order to steal information or order payments to non-entitled parties.

The impact may extend to:
- reputation damage caused by an attack designed to steal sensitive data or identities;
- the loss of customer data and violation of customer privacy;
- difficulty with standard operations if the attack aims to thwart access to necessary computer systems by authorized users (e.g. supply chain management);
- fines, in the event that sensitive data has not been protected in accordance with the latest international directives.

The Group conducts periodic training programs on the risks of using internet, social media and e-mail, as well as a graduated system for evaluating threats and the resiliency of existing protections to cyber attacks, including through the use of vulnerability tests.

LABOR

Labor is a significant factor for the Group, whose business has a strong customer service component. The need to keep service quality up to customers' and concession grantors' standards, and the complexity of regulations in the many countries served by the Group, give it less flexibility to manage its workforce.

The main risk is a significant increase in the cost per employee, as a result of labor market trends caused by the economy or government regulations, with a consequent decline in productivity. For example, the recent "living wage laws" enacted in some states of the U.S. increase minimum wages and will be gradually extended to other states.

The human resource management policy is based on principles laid down in the Code of Ethics, which encourages the Group to instill good relationships with its employees and help them enhancement their skills and abilities.

The risks in question are mitigated through the constant review of operating procedures, including the incorporation of digital technologies, to make the best, most efficient use of labor by matching skills to the tasks at hand.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

Autogrill's industry is highly regulated in terms of operating practices and worker and customer health and safety. This applies to personal protections and product quality, from raw materials to the finished product, through the use of proper food preparation processes and quality ingredients in compliance with all local regulations and accepted standards of food and environmental safety.

Any violation of or non-compliance with these complex norms at the local, national or supranational level, as they

The Group has set up region-wide quality assurance systems to ensure high standards for all its products and services. These are based on risk assessment processes for raw materials, products and their suppliers to measure compliance with quality standards defined by the company following an HACCP approach; on systematic monitoring and control using specific KPIs; and on verifying the effectiveness of these measures through different kinds of specialized audits conducted periodically by internal and external industry professionals.

Internal risks

apply to concession operators or companies in the oil business, would not only expose the Group to lawsuits and civil or criminal penalties but could also diminish its reputation.

Mitigating factors

The Group is committed to the highest standards of health and safety for its employees, primarily through the ongoing review of policies and procedures, but also through technical improvements, constant technology upgrades, personal protective equipment and training on the job.

In almost all countries served, the Group has set up health and safety committees involving management and workers' representatives (depending on each country's policies), to monitor compliance with laws and regulations and take steps to reduce, if not eliminate, the risk of accidents.

On the environmental front, the Group has adopted high safety standards and solid, reliable practices to ensure compliance with laws and regulations and the proper handling of potential environmental emergencies, with a view to protecting people, natural settings, operations, property and the affected communities.

The Group is always on the lookout for ways to reduce its environmental impact by improving its energy performance and basing new commercial concepts on innovative solutions, inspired by energy efficiency and sustainability and the consequent lowering of emissions, in accordance with the legislation in force in all countries served.

In addition to improving its own performance, Autogrill promotes the responsible use of resources through internal awareness campaigns. The internal units, with assistance from experts on the various topics, thus stay constantly abreast of legal developments and adapt their procedures and control systems accordingly while bringing personnel up to date.

There is also a monitoring system that constantly audits the quality of service with respect to customers' expectations and contractual/legal requirements, as well as the controls in place with regard to reducing accidents in the workplace.

SUPPLY CHAIN

There are two main risks associated with the supply chain:

- events that might interfere with the proper functioning and continuity of the supply and logistics chain, hindering the Group's ability to provide a complete, balanced and effective assortment that meets the expectations of customers;

To counter procurement risks, the Group has continuity plans as mentioned in the "business interruption" section.

As for raw material prices, specialized internal units constantly strive to meet efficiency targets

Internal risks	Mitigating factors
• an increase in the cost of raw materials. Any circumstance that hurts a main supplier's ability to produce and/or distribute its products could result in Autogrill locations that are missing necessary ingredients or goods. The impact could be magnified if such problems affect suppliers of products that are not easily replaced, logistical service providers, or vendors to which the Group is highly exposed. Likewise, events interfering with the Group's internal distribution system could leave locations short on ingredients or goods. Rising globalization has also raised the risk that suppliers will not adopt socially responsible behavior in their commercial dealings or will ignore international standards and principles on matters of personal dignity, working conditions and health, safety and the environment.	by negotiating agreements with key suppliers; for strategic materials, prices may be indexed to protect the Group, at least temporarily, from spikes. On the topic of sustainability and human rights, the Group expects its suppliers to comply with the principles laid down in its Code of Ethics. In addition to supplier selection procedures based on a risk assessment approach, the Group has adopted the "Autogrill Group Supply Chain Sustainability Guidelines" that set general standards for the evaluation of vendors and instruct Group companies to work with suppliers that share its sustainability principles and run their businesses ethically and responsibly with respect to people and the environment. The Guidelines set supplier qualifications that are based on the most important international agreements, conventions and standards and are in line with Autogrill's Code of Ethics.

1.6.2 CORPORATE GOVERNANCE

All information on this subject is included in the Corporate Governance Report, prepared in accordance with Art. 123 *bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors along with the annual report. It is available at Autogrill's headquarters and secondary office, at the online market storage site *www.1info.it* and on the Group's website, www.autogrill.com (Governance section).

1.6.3 MANAGEMENT AND COORDINATION

At its meeting of 18 January 2007, the Board of Directors had decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Schematrentaquattro S.r.l. (Schematrentaquattro S.p.A. since 18 November 2013), pursuant to Art. 2497 bis and following articles of the Italian Civil Code.

In 2017, Autogrill S.p.A. began a process to evaluate whether the reasons for its decision of 18 January 2007 still applied. In a resolution of 28 September 2017, the Board of Directors confirmed the absence of elements that would suggest management and coordination by the direct parent, Schematrentaquattro S.p.A., or by the ultimate parent, Edizione S.r.l., including in light of the following:

1. the Company defines its own budgets and/or strategic, business and financial plans and carries them out independently;
2. the Company does not receive, and is not in any way subject to, directives or instructions in matters of finance or lending and borrowing;
3. commercial strategies are freely and independently assessed by the board of directors of the Company, which negotiates in full autonomy with customers and suppliers;

4. the Company is not subject to group policies for the purchase of goods or services in the market;
5. the Company does not receive directives or instructions with regarding to acquisitions and disposals;
6. the Company is not a party to any cash pooling agreement or other support or coordination arrangements of a financial nature;
7. the Company does not receive, and is in no way subject to, directives concerning extraordinary operations and/or investment initiatives;
8. the Company has independently drawn up and approved the organizational chart of Autogrill S.p.A. and the Autogrill Group; and
9. the Company has no obligation to comply with codes of conduct or policies imposed by Schematrentaquattro or other companies in the group headed up by Edizione S.r.l.

1.6.4 INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Transactions with the related parties, including intercompany transactions, do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Group companies on an arm's length basis.

See the section "Other information" in the Notes for further information on related party transactions, including the specific disclosures required by Consob Resolution 17221 of 12 March 2010, as amended. Autogrill S.p.A.'s procedures for related party transactions can be consulted on its website (www.autogrill.com – Governance/ Related Parties section).

1.6.5 STATEMENT PURSUANT TO ART. 2.6.2 (8) OF THE REGULATIONS FOR MARKETS ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

In respect of Art. 15 of Consob Regulation no. 20249 of 28 December 2017 on conditions for the listing of companies that control entities formed or governed under the laws of countries outside the European Union that are of material significance to the consolidated financial statements, we report that two companies fall under these provisions (HMSHost Corp. and Host International Inc.), that suitable procedures have been adopted to ensure total compliance with said rules and that the conditions stated in Art. 15 have been satisfied.

1.6.6 RESEARCH AND DEVELOPMENT

In relation to the nature of its activities, the Group invests in innovation, product development, improvements to the quality of service and operating systems.

It does not conduct technological research as such.

1.6.7 TREASURY SHARES

The annual general meeting of 23 May 2019, after revoking the authorization granted on 24 May 2018 and pursuant to Arts. 2357 et seq. of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary stock up to a maximum of 12,720,000 shares.

At 31 December 2019 Autogrill S.p.A. owned 181,641 treasury shares (unchanged since the end of 2018), with a carrying amount of € 720k and an average carrying amount of € 3.96 per share. No treasury shares were purchased or disposed of in 2019.

Autogrill S.p.A. does not own equities or other securities representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.6.8 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2019, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

1.6.9 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2019 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

1.6.10 INFORMATION PURSUANT TO ARTS. 70 AND 71 OF CONSOB REGULATION NO. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that exempts companies from issuing the public disclosure documents required by Arts. 70 and 71 of the Listing Rules (Consob Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions and transfers.

1.6.11 RECONCILIATION BETWEEN PARENT AND CONSOLIDATED EQUITY

(€k)	Equity at 31.12.2018	Changes in the equity	Profit for the year 2019 [59]	Equity at 31.12.2019
Autogrill S.p.A. separate financial statements [60]	469,545	(47,554)	35,447	457,438
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation	180,670	(405)	169,741	350,006
Translation reserve	35,662	15,198	-	50,860
Group consolidated financial statements	685,876	(32,760)	205,188	858,304
Equity attributable to non-controlling interests	55,159	1,367	21,094	77,620
Total consolidated equity	741,035	(31,393)	226,282	935,924

59 Net profit includes the combined effect of the contribution of subsidiaries (€ 221,268k) and the reversal of dividends distributed by various subsidiaries to Autogrill S.p.A. (€ 51,527k)
60 Changes in equity include dividends distributed by Autogrill S.p.A. (€ 50,844k)

CONSOLIDATED FINANCIAL STATEMENTS

2

2.1 CONSOLIDATED FINANCIAL STATEMENTS

2.1.1 STATEMENT OF FINANCIAL POSITION

Notes	(€k)	31.12.2019 *	Of which related parties	31.12.2018	Of which related parties
	ASSETS				
	Current assets	**679,338**		**587,290**	
I	Cash and cash equivalents	284,091		214,699	
XII	Finance lease receivables	16,842		-	
II	Other financial assets	64,181		36,424	
III	Tax assets	3,051		19,572	
IV	Other receivables	121,999	19,678	147,013	18,405
V	Trade receivables	55,424	565	47,971	1,526
VI	Inventories	133,750		121,611	
	Non current assets	**4,611,458**		**2,049,337**	
VII	Property, plant and equipment	1,090,913		982,682	
VIII	Right of use assets	2,358,973		-	
IX	Goodwill	854,976		839,666	
X	Other intangible assets	130,816		121,221	
XI	Investments	3,708		1,891	
XII	Finance lease receivables	66,083		-	
XIII	Other financial assets	41,775	7,591	42,949	7,272
XIV	Deferred tax assets	61,204		51,050	
XV	Other receivables	3,010		9,878	
	Assets for discontinued operation	**-**		**-**	
	TOTAL ASSETS	**5,290,796**		**2,636,627**	
	LIABILITIES AND EQUITY				
	LIABILITIES	**4,354,872**		**1,895,592**	
	Current liabilities	**1,250,735**		**844,130**	
XVI	Trade payables	397,183	24,196	376,460	32,043
XVII	Tax liabilities	14,070		4,726	
XVIII	Other payables	362,790	4,089	369,425	4,568
XXI	Bank loans and borrowings	56,333		68,968	
XXII	Finance lease liabilities	373,966	48,173	303	
XIX	Other financial liabilities **	9,479		7,991	
XXIV	Bonds	22,254		-	
XXVI	Provision for risks and charges	14,660		16,257	
	Non-current liabilities	**3,104,137**		**1,051,462**	
XVII	Tax liabilities	6,584		8,541	
XX	Other payables	17,440		29,495	
XXI	Loans, net of current portion	532,090		549,912	
XXII	Finance lease liabilities	2,100,406	248,797	4,069	
XXIII	Other financial liabilities **	925		3,409	
XXIV	Bonds	291,181		303,026	
XIV	Deferred tax liabilities	48,257		43,728	
XXV	Defined benefit plans	68,001		71,036	
XXVI	Provision for risks and charges	39,253		38,246	
	Liabilities for discontinued operation	**-**		**-**	
XXVII	**EQUITY**	**935,924**		**741,035**	
	– attributable to owners of the parent	858,304		685,876	
	– attributable to non-controlling interests	77,620		55,159	
	TOTAL LIABILITIES AND EQUITY	**5,290,796**		**2,636,627**	

* Refer to Note 2.2.1 "New accounting standard IFRS 16" for the information on impacts of the first application of the new accounting standard IFRS 16

** Please note that with respect to the consolidated financial statements published in 2018 the items "Other current financial liabilities" and "Other non-current financial liabilities" have been partially reclassified in the new items provided by the new accounting standard IFRS16 "Finance lease liabilities - current" and "Finance lease liabilities - non-current". The reclassification had no impact on shareholders' equity and the profit for the year approved by the Board

2.1.2 INCOME STATEMENT

Notes	(€k)	Full year 2019	Of which related parties	Full year 2018	Of which related parties
XXVIII	Revenue	5,393,753		5,113,140	59
XXIX	Other operating income	210,611	3,957	110,772	2,154
	Total revenue and other operating income	**5,604,364**		**5,223,912**	
XXX	Raw materials, supplies and goods	1,911,394	171	1,843,114	128
XXXI	Personnel expense	1,674,800	9,118	1,556,983	10,388
XXXII	Leases, rentals, concessions and royalties	578,422	36,881	876,522	78,986
XXXIII	Other operating expense	607,986	11,977	560,364	3,807
XXXIV	Depreciation and amortization	612,367		227,807	
XXXIV	Impairment losses on property, plant and equipment, intangible assets and right of use assets	11,653		9,075	
XXXV	Gain on operating activity disposal	128,811		-	
	Operating profit	**336,553**		**150,047**	
XXXVI	Financial income	5,147	114	2,061	101
XXXVI	Financial expense	(104,121)	(7,108)	(31,145)	
XI	Income (expense) from investments	36,357		13	
	Pre-tax profit	**273,936**		**120,976**	
XXXVII	Income tax	(47,654)		(34,501)	
	Profit (loss) for discontinued operations	-		-	
	Profit for the year	**226,282**		**86,475**	
	Profit for the year attributable to:				
	– owners of the parent	205,188		68,660	
	– non-controlling interests	21,094		17,815	
XXXVIII	**Earnings per share (in € cents)**				
	– basic	80.7		27.0	
	– diluted	80.7		27.0	

* Refer to Note 2.2.1 "New accounting standard IFRS 16" for the information on impacts of the first application of the new accounting standard IFRS 16

2.1.3 STATEMENT OF COMPREHENSIVE INCOME

Notes	(€k)	Full year 2019	Full year 2018
	Profit for the year	**226,282**	**86,475**
	Items that will never be reclassified to profit or loss		
XXVII	Remeasurements of the defined benefit (liabilities) asset	(463)	703
XXVII	Tax effect on items that will never be reclassified to profit or loss	287	(356)
		(176)	**347**
	Items that may be subsequently reclassified to profit or loss		
XXVII	Equity-accounted investee - share of other comprehensive income	49	(32)
XXVII	Foreign currency translation differences for foreign operations	14,017	15,964
XXVII	Gain (loss) on net investment hedge	(81)	423
XXVII	Tax effect on items that may be subsequently reclassified to profit or loss	20	(106)
		14,005	**16,249**
	Total other comprehensive income for the year	**240,111**	**103,071**
	– attributable to owners of the parent	220,210	81,785
	– attributable to non-controlling interests	19,901	21,286

2.1.4 STATEMENT OF CHANGES IN EQUITY (NOTE XXVII)

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2018	**68,688**	**13,738**	**35,662**	**499,848**	**(720)**	**68,660**	**685,876**	**55,159**
Total other comprehensive income for the year								
Profit for the year	-	-	-	-	-	205,188	205,188	21,094
Foreign currency translation differences for foreign operations	-	-	15,210	-	-	-	15,210	(1,193)
Gain (loss) on net investment hedge, net of the tax effect	-	-	(61)	-	-	-	(61)	-
Equity-accounted investee – share of other comprehensive income	-	-	49	-	-	-	49	-
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	(176)	-	-	(176)	-
Total other comprehensive income for the year	**-**	**-**	**15,198**	**(176)**	**-**	**205,188**	**220,210**	**19,901**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	3,294	-	-	3,294	-
Allocation of 2018 profit to reserves	-	-	-	68,660	-	(68,660)	-	-
Capital increase	-	-	-	-	-	-	-	42,800
Dividend distribution	-	-	-	(50,844)	-	-	(50,844)	(40,546)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**21,110**	**-**	**(68,660)**	**(47,550)**	**2,254**
Acquisition of non-controlling interests	-	-	-	(232)	-	-	(232)	306
Total transactions with owners of the parent	**-**	**-**	**-**	**20,878**	**-**	**(68,660)**	**(47,782)**	**2,560**
31.12.2019	**68,688**	**13,738**	**50,860**	**520,550**	**(720)**	**205,188**	**858,304**	**77,620**

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2017	**68,688**	**13,738**	**22,885**	**449,127**	**(720)**	**96,176**	**649,894**	**45,371**
Total other comprehensive income for the year								
Profit for the year	-	-	-	-	-	68,660	68,660	17,815
Foreign currency translation differences for foreign operations	-	-	12,493	-	-	-	12,493	3,471
Gain (loss) on net investment hedge, net of the tax effect	-	-	317	-	-	-	317	-
Equity-accounted investee – share of other comprehensive income	-	-	(32)	-	-	-	(32)	-
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	347	-	-	347	-
Total other comprehensive income for the year	**-**	**-**	**12,777**	**347**	**-**	**68,660**	**81,785**	**21,286**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	1,903	-	-	1,903	-
Allocation of 2017 profit to reserves	-	-	-	96,176	-	(96,176)	-	-
Capital increase	-	-	-	-	-	-	-	21,589
Dividend distribution	-	-	-	(48,300)	-	-	(48,300)	(33,164)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**49,779**	**-**	**(96,176)**	**(46,397)**	**(11,575)**
Sale of non-controlling interests	-	-	-	595	-	-	595	77
Total transactions with owners of the parent	**-**	**-**	**-**	**50,374**	**-**	**(96,176)**	**(45,802)**	**(11,498)**
31.12.2018	**68,688**	**13,738**	**35,662**	**499,848**	**(720)**	**68,660**	**685,876**	**55,159**

2.1.5 STATEMENT OF CASH FLOWS

(€k)	Notes	Full year 2019	Full year 2018
Opening net cash and cash equivalents		**166,315**	**141,693**
Pre-tax profit and net financial expense for the year		372,909	150,060
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	XXXIV	624,020	236,882
Adjustment and gains on disposal of financial assets	XI	(36,357)	(13)
Gain on disposal of Autogrill Czech S.r.o.	XXXV	(7,958)	-
Gain on disposal of Canadian Motorway Business	XXXV	(120,853)	-
Gain on disposal of non-current assets		(4,418)	(5,019)
Other non cash items		3,472	1,903
Change in working capital		2,084	6,681
Net change in non-current non-financial assets and liabilities		(11,761)	(13,033)
Cash flow from operating activities		**821,138**	**377,461**
Taxes paid		(27,051)	(30,326)
Interest paid		(24,670)	(23,424)
Implicit interest in lease liabilities		(72,409)	-
Net cash flow from operating activities		**697,008**	**323,711**
Acquisition of property, plant and equipment and intangible assets paid		(343,587)	(299,847)
Proceeds from sale of non-current assets		10,893	9,536
Cash flow absorbed by acquisition of consolidated equity investments		(2,869)	(5,989)
Cash flow generated form disposal of consolidated equity investments		-	672
Cash flow absorbed by acquisition Le CroBag GmbH ****		(6,022)	(59,026)
Cash flow generated from disposal of operation in Autogrill Czech S.r.o. **		9,453	-
Cash flow generated from disposal of Canadian Motorway Business **		164,193	-
Cash flow absorbed by acquisition of Pacific Gateway Concession, LLC ***		(32,176)	-
Cash flow absorbed by acquisition of Avila, LLC		-	(17,271)
Net change in non-current financial assets		(9,044)	(3,335)
Net cash flow used in investing activities		**(209,159)**	**(375,260)**
Issue of new non-current loans		-	394,602
Repayments of non-current loans		(21,963)	(247,078)
Issue of new current loans, net of repayments		(20,677)	(18,347)
Principal repayment of lease liabilities		(325,027)	-
Dividends paid		(50,844)	(48,300)
Other cash flows *		6,869	(5,907)
Net cash flow used in financing activities		**(411,642)**	**74,970**
Cash flow for the year		**76,207**	**23,421**
Effect of exchange on net cash and cash equivalents		1,261	1,201
Closing net cash and cash equivalents		**243,783**	**166,315**

* Includes dividend paid to minority shareholders in subsidiaries, net of capital increase
** See section 2.2.4 Disposals
*** See section 2.2.3 Acquisitions
**** € 6m are related to the deferred payment on the acquisition of 2018

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

(€k)	Full year 2019	Full year 2018
Opening — net cash and cash equivalents — balance as of 1st January 2019 and as of 1st January 2018	**166,315**	**141,693**
Cash and cash equivalents	214,699	169,590
Current account overdrafts	(48,384)	(27,897)
Closing — net cash and cash equivalents — balance as of 31 December 2019 and as of 31 December 2018	**243,783**	**166,315**
Cash and cash equivalents	284,091	214,699
Current account overdrafts	(40,308)	(48,384)

2.2 NOTES TO THE FINANCIAL STATEMENTS

GROUP OPERATIONS

The Autogrill Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, under contracts known as concessions.

2.2.1 NEW ACCOUNTING STANDARD IFRS 16

BACKGROUND

In January 2016, the IASB issued the new accounting principle IFRS 16 – Leases that will replace the previous standard IAS 17 – Leasing, as well as the interpretations IFRIC 4 - Determining whether an arrangement contains a lease, SIC 15 – Operating leases – Incentives and SIC 27 – Evaluating the substance of transactions in the legal form of a lease.

The new standard has introduced a new definition of lease based on the right to use an identified asset substantially obtaining all the economic benefits from the control and the direction of the use of the underlying asset, for a period of time in exchange for consideration. Therefore, IFRS 16 is not applicable to service contracts, but only to lease contracts or arrangements including lease components (for the Group, mainly concession contracts).

The new standard provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right-of-use of the lease assets ("right-of-use assets"), and on the liabilities side, the liability representing the financial obligation ("finance lease liabilities"), determined on the basis of the present value of future minimum annual guaranteed lease payments, thus eliminating the accounting distinction between operating and financial leases (from the lessee's side) as previously required under IAS 17. Therefore, the adoption of the new standard does not impact those arrangements previously qualified as finance leases, and the net assets and liabilities deriving from finance lease contracts already recognized at 31 December 2018 in accordance with IAS 17 are reclassified as right-of-use assets and finance lease liabilities, respectively, without any adjustment. The new standard does not entail significant changes for the lessor.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019.

The Group has opted to apply IFRS 16 using the modified retrospective approach. Therefore, on first-time application, Autogrill has reported the cumulative effect of applying the new standard to equity at 1 January 2019, without restating comparative figures for the previous year.

ACCOUNTING MODEL FOR THE LESSEE

As lessee, the Group classified its leases as operating leases or finance leases depending if the risk and rewards related to the ownership.

According to IFRS 16, the Group recognizes in separate items of its consolidated financial statement the right-of-use assets and the finance lease liabilities for all lease contracts in which it serves as lessee. However, the Group has elected not to recognize the right-of-use asset and the finance lease liability in case of lease contracts with a duration of less than 12 months ("short term") or those with underlying assets worth less than € 10,000 when new ("low value").

Therefore, for those lease contracts the Group will continue to recognize the lease instalments to profit or loss on a straight-line basis over the lease term.

The Group recognizes the right-of-use asset and the finance lease liability as of the date the lease commences.

The finance lease liability corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Group uses the incremental borrowing rate as discount rate. The finance lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The finance lease liability is remeasured (and the right-of-use asset is consequently adjusted) in the event of changes to the future minimum lease payments, for the following reasons:

- changes in the index or rate used to determine the lease payments: in such cases the finance lease liability is remeasured by discounting the new minimum lease payments at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The right-of-use asset shall include the initial measurement of the finance lease liability, the lease payments made before or at the commencement and any other initial direct cost.

The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the finance lease liability.

The right-of-use asset is depreciated over the lease term of the contract or the asset's residual useful life, whichever is shorter. Typically, in the Group, lease contracts do not provide for the transfer of ownership of the underlying asset and therefore depreciation is carried out over the contractual term. Depreciation begins as of the commencement date of the lease.

The Group applies IAS 37 – Onerous contracts to identify any impairment losses and includes the total value of the right-of-use in the asset amount attributed to the cash generating units for the purposes of impairment testing (IAS 36).

Variable lease payments, which are not determined on index or rate basis, are not included in the right-of-use asset and finance lease liability and the related payments shall be recorded to the item "Leases, rentals, concessions and royalties" of the income statement, in accordance with the accrual approach.

In the consolidated statement of cash flows, the minimum lease payments made are broken down into principal (recognized in cash flow from financing activities) and interest (recognized in cash flow from operating activities). Variable rents are included in the pre-tax result, consistently with the previous year.

ACCOUNTING MODEL FOR THE LESSOR

The Group has sub-leases (mostly in the United States) granting third parties the right to use leased assets, generally for the same length of time as the principal lease.

The Group's accounting policies in its role as lessor are essentially unchanged from IAS 17. However, when the Group acts as sub-lessor, the sub-leases are classified with reference to the right-of-use asset arising from the principal lease, not the underlying assets. For this reason, considering the recognition of a right-of-use asset under IFRS 16 and that the sub-leases typically have a duration equal to the principal lease, the Group has reduced the right-of-use amount for leased assets and recognized a "Finance lease receivable" as a counter-entry, classified under current and non-current financial assets.

FIRST-TIME ADOPTION AT THE TRANSITION DATE (1 JANUARY 2019)

At the transition date, for leases classified as operating under IAS 17, the finance lease liabilities have been measured at the present value of future minimum lease payments not yet paid at that date, discounted with the Group incremental borrowing rate at 1 January 2019 (as described below). The right-of-use assets have been initially set as equal to the lease liabilities, adjusted for any one-off lease payments made at or before the commencement date and any deferred charges already included in the statement of financial position at 31 December 2018, as well as any lease incentives obtained before 1 January 2019.

At the transition date, the Group decided to make use of some of the practical expedients envisaged under the transitional provisions of the new standard. Specifically:

- the contractual perimeter falling within the scope of IFRS 16 (lease contracts or contracts containing lease components) was identified based on the conclusions the Group reached in the past, pursuant to IAS 17 and IFRIC 4; therefore, the definition of lease included in IFRS 16 has been applied only to new or revised contracts signed on 1 January 2019 or later;
- for the purposes of onerous contracts accounting, and in alternative to the impairment testing of right-of-use assets at 1 January 2019, the assessment was based on the rules envisaged in IAS 37 - Provisions, contingent liabilities and contingent assets, thus adjusting right-of-use assets by any provision for onerous contracts outstanding at 31 December 2018;
- the Group has elected to exclude from the IFRS 16 perimeter not only leases on "low-value" assets, but also "short-term" leases, namely those expiring within 12

months from the transition date (31 December 2019); therefore, for those contracts the Group has not recognized the finance lease liability and corresponding right-of-use asset at 1 January, but will continue to recognize the lease instalments in profit or loss on a straight line basis over the lease term;
- the Group elected to exclude its initial direct costs (consulting, legal expenses, "key money," etc.) from right-of-use assets, therefore no reclassifications were made on first-time application.

The transition to IFRS 16 required certain professional judgments to be made, including the definition of some accounting policies and the use of assumptions and estimates. In this regard, the Group decided as follows:
- not to apply IFRS 16 to leases that have as underlying an intangible asset;
- not to apply IFRS 16 to some Italian contracts where Autogrill Italia S.p.A. already owns the land and buildings along the motorway and negotiates access rights with the concession grantor, with the commitment to sell fuel and lubricants and/or food and beverages to motorway users;
- for the purpose of determining the lease term, to analyze all lease agreements and define each one's term as the "non-cancellable" period, together with the effects of any extension or early termination option if the exercise of these is deemed reasonably certain using the information available at the transition date. in December 2019, the IFRS Interpretation Committee published its conclusions relating to an Agenda Decision concerning the lease term and the useful life of leasehold improvements (as well as assets to be transferred free of charge). As of this writing, the Group is evaluating the impacts that interpretation may have on the accurate estimation of the term of its lease contracts and on the useful life of leasehold improvements. In light of the contents of the Agenda Decision, while the Group does not foresee significant impacts on the determination of right-of-use assets and finance lease liabilities/assets, it expects to complete its analysis by the end of 2020;
- as the implicit interest rate is not available for all the Group's leases, to determine lease liabilities by applying to future minimum lease payments a discount rate equal to the risk-free rate of each country where the leases were drawn up, with maturities in line with the duration of the leases plus a country-specific credit spread referable to the subsidiary. The average weighted discounted rate applied to the lease liabilities as of 1 January 2019 is 2.99%.

IMPACTS OF FIRST-TIME ADOPTION OF IFRS 16

The Group has finished assessing the impacts of first-time adoption of the standard at the transition date (1 January 2019), through an in-depth analysis of the contracts potentially eligible as leases (area concessions, business leases and commercial leases) and the clauses contained therein, in order to understand the main clauses relevant for the purposes of IFRS 16. It has also completed the implementation and integration of local accounting and reporting systems to be used to determine the impact on the Group's consolidated financial statements for the year ended 1 January 2019 and the updating of the administrative and control processes used to oversee critical areas within the scope of the new IFRS 16.

In line with the assumptions set out above, the Group's statement of financial position at 1 January 2019 has shown an increase in right-of-use assets and also in finance lease liabilities. The amount of third party sub-leases (most of them in the United States) whose residual life is equal to the principal lease has been deducted from right-of-use assets, which are also adjusted to reflect the practical expedients mentioned above.

Note	(€k)	Transition impacts (1st January 2019)
	ASSETS	
	Current assets	**14,156**
XII	Finance lease receivables	15,780
IV	Other receivables	(1,624)
	Non current assets	**2,490,112**
VIII	Right of use assets	2,467,561
XII	Finance lease receivables	33,667
XV	Other receivables	(11,116)
	TOTAL ASSETS	**2,504,268**
	LIABILITIES AND EQUITY	
	LIABILITIES	**2,504,268**
	Current liabilities	**309,148**
XXIII	Finance lease liabilities	309,148
	Non current liabilities	**2,195,120**
XXI	Other payables	(9,760)
XXIII	Finance lease liabilities	2,204,985
XXVII	Provision for risks and charges	(105)
XXVIII	**EQUITY**	**-**
	– attributable to owners of the parent	-
	– attributable to non-controlling interests	-
	TOTAL LIABILITIES AND EQUITY	**2,504,268**

The difference between "Finance lease liabilities" (current and non-current) net of "Finance lease receivables" (current and non-current), arising from the adoption of IFRS 16 at 1 January 2019, and the operating lease commitments pursuant to IAS 17 as reported in note 2.2.11 of the notes to the financial statements at 31 December 2018 — amounting to € 2,981m — is mainly attributable to the effect of discounting these commitments, as well as to the exclusion of short-term leases (with a residual duration of less than 12 months) as permitted by the practical expedients mentioned above and to "Other changes" mostly relating to the access rights not included in the IFRS 16 perimeter, as mentioned above:

(€k)	Future minimum lease payment reconciliation
Net future minimum lease payment as of 31 December 2018 *	**2,980,903**
Finance lease liabilities for "short term" leases	(33,064)
Other changes	(28,427)
Finance lease liabilities not discounted as of 1st January 2019	**2,919,412**
Discount effect	(454,726)
Net finance lease liabilities as of 1st January 2019 *	**2,464,686**

* It includes the portion related to subleases, mainly in North America and in Italy, according to the contracts with the landlords

ONGOING IMPACTS

With the first-time adoption of IFRS 16, the Group has recognized € 2,358,973k in right-of-use assets, € 82,925k in finance lease receivables and € 2,474,372k in finance lease liabilities at 31 December 2019.

In addition, for leases recognized according to IFRS 16, the Group has recognized depreciation and interest instead of costs for operating leases. Specifically, in 2019, the Group recognized depreciation of € 356,171k and interest of € 72,410k, as well as deferred tax assets of € 8,604k.

For information on the impact of IFRS 16 on segment reporting, see Section 2.2.10 of these notes to the financial statements.

As can be gleaned from the above, with the adoption of IFRS 16 the comparability of the financial statements for the year ended 31 December 2019 with the previous year's balance sheet and income statement is seriously compromised, as the new standard has brought important changes to the Group's reporting in terms of both measuring and presenting various items. Therefore, for a better understanding of the Group's performance and to facilitate the comparison of figures, in the directors' report the effects of the first-time adoption of IFRS 16 in the 2019 consolidated financial statements have been adjusted to make them consistent with the criteria for reporting the prior year's data.

As agreed with lenders, the calculations to assess compliance with existing covenants are made net of the effects of the new standard or by reducing its impact on the main balance sheet and income statement figures involved in these calculations.

Impairment testing on the new item "right-of-use assets," carried out for the purposes of the year-end financial statements, did not result in the recognition of significant impairment losses further to analyses of the existence of onerous contracts based on future cash flow by store.

In Italy, the calculation of the tax effect deriving from the adoption of IFRS 16 is based on the Economy Ministry decree of 5 August 2019 that governs coordination between IFRS 16 and the rules for determining taxable income for IRES and IRAP purposes; therefore, at 31 December 2019, the tax effect was calculated according to the new tax rules.

2.2.2 ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

GENERAL STANDARDS

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

The financial statements are also compliant with the rules on reporting formats adopted by Consob in accordance with Art. 9 of Legislative Decree 38/2005 and with the other Consob regulations on financial reporting.

The 2019 consolidated financial statements were prepared on a going-concern basis using the euro as the functional currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

The accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2019 are as follows:

- IFRS 16 - Leases;
- IFRIC 23 - Uncertainty over Income Tax Treatments;
- Amendments to IFRS 9 - Financial Instruments - Prepayment Features with

Negative Compensation;
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement;
- Annual improvements to IFRS 2015-2017.

With the exception of IFRS 16, whose impacts are explained in the previous section, the application of the standards and interpretations listed above did not influence the Group's financial statements to an extent requiring mention in these notes.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in years beginning on or after 1 January 2020 that the Group did not choose to apply early in the 2019 financial statements:
- Amendments to References to the Conceptual Framework in IFRS;
- Amendments to IAS 1 and IAS 8: definition of material;
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform.

The application of the amendments listed above is not expected to influence the consolidated financial statements to an extent requiring mention in these notes.

STRUCTURE, FORMAT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements are clearly presented and give a true and fair view of the Group's financial position, results and cash flows. Formats and standards are constant over time, with the exception of previous comments regarding IFRS 16.

Considering the capitalization levels, the cash generation capacity and the available credit lines of the companies included in the consolidation area, in addition to the expected implementation of measures to contain the effects of the COVID-19 pandemic on the profitability of the 2020 financial year, pursuant to IAS 1 par. 24 and 25 it is confirmed that the consolidated financial statements have been prepared using operating accounting principles since the Parent Company and the Group operate on a going concern basis.

In accordance with IAS 1 and IAS 7, the formats used in the 2019 consolidated financial statements are as follows:
- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows, using the indirect method to determine cash flow from operating activities.

The financial statements of each company included the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the euro:

	2019		2018	
	Rate on 31 December	Average rate for the period	Rate on 31 December	Average rate for the period
US Dollar	1.1234	1.1195	1.1450	1.1810
Canadian Dollar	1.4593	1.4851	1.5442	1.5457
Swiss Franc	1.0854	1.1124	1.1269	1.1550

BASIS OF CONSOLIDATION

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees. The list of consolidated companies is annexed to these notes.

The consolidated financial statements include the 2019 financial statements of Autogrill S.p.A. and all companies it directly or indirectly controls or controlled during the year. The scope of consolidation also includes a French company that is not wholly owned and others belonging to the U.S. subsidiary HMSHost Corporation (see the annex "List of consolidated companies and other investments"), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill.

The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognizing the full amount of their assets and liabilities at the close of the year and their income and expenses for the entire year or for the portion of the year during which control was maintained and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to the owners of the parent. They are determined on the basis of the non-controlling investors' share of the fair value of the assets and liabilities recognized at the date of acquisition (see "Business combinations") and of changes in equity attributable to non-controlling interests after that date.

Any material unrealized gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.

The income and expense of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual date of acquisition or to the actual date of disposal, with slight timing adjustments where these dates do not coincide with monthly accounting dates. If necessary, adjustments are made to subsidiaries' financial statements to bring their accounting policies into line with those of the Group.

If control of a subsidiary is lost, the Group eliminates assets and liabilities, non-controlling interests and other components of equity relating to the former subsidiaries. Gain or loss resulting from loss of control is recognized in profit or loss.

Any interest retained in the former subsidiary is measured at fair value on the date of loss of control. It is subsequently valued using the net equity method, or as a financial asset depending on the degree of influence retained.

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last, which was a 17-week quarter in 2019 (16 weeks the previous year), meaning that the income statement covers 53 weeks as compared to 52 in 2018. As a result, the accounts included in the 2019 consolidated financial statements cover the period 29 December 2018 to 3 January 2020, while the previous year's accounts covered the period 30 December 2017 to 28 December 2018. This has had no significant impact on the statement of financial position at 31 December 2019 or on results for the year.

As discussed in greater detail below, since 31 December 2018 the scope of consolidation has not undergone significant changes except for the disposal of some motorway companies in Canada and of a subsidiary in the Czech Republic and the acquisition of Pacific Gateway Concessions (PGC). All of these transactions took place in May 2019. The liquidation of a company in Poland, as mentioned in the directors' report, did not have a material impact on performance as the subsidiary was already dormant in 2018.

For further information see Sections 2.2.3 (Business combinations) and 2.2.4 (Disposals), below, as well as the directors' report.

ACCOUNTING POLICIES

The Group follows the historical cost principle, except for items that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies below.

BUSINESS COMBINATIONS

BUSINESS COMBINATIONS CARRIED OUT SINCE 1 JANUARY 2008

Since 1 January 2008, the Group has followed the rules of IFRS 3 (2008) - Business combinations.

The Group accounts for all business combinations using the acquisition method. The consideration transferred in a business combination includes the fair value, as of the acquisition date, of the assets and liabilities transferred and of the interests issued by the Group, as well as the fair value of any contingent consideration and of the incentives included in share-based payments recognized by the acquiree that have to be replaced in the business combination. If the business combination settles a pre-existing relationship between the Group and the acquiree, the lesser of the settlement provision, as established by contract and the off-market price of the element is deducted from the consideration transferred and recognized under other costs.

The identifiable assets acquired and the identifiable liabilities assumed are measured at their respective acquisition-date fair values.

A contingent liability of the acquiree is assumed in a business combination only if this liability represents a current obligation deriving from past events and when its fair value can be reliably measured.

For each business combination, any minority interest in the acquiree is measured at fair value or in proportion to the minority share of the acquiree's net identifiable assets.

Goodwill arising from the acquisition is recognized as an asset and is initially measured as the excess between the consideration transferred and the acquisition-date net amount of the identifiable assets acquired and the identifiable liabilities assumed.

In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

The costs relating to the acquisition are recognized in profit or loss in the years in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.

Conversely, if a disposal leads to lost control of an entity, the difference between the disposal price and the value of the net assets transferred (corresponding to the change in the scope of consolidation) is taken to profit or loss, while for disposals without loss of control (where the entity remains in the scope of consolidation) the difference between the disposal price and the value of the net assets transferred is recognized in equity.

BUSINESS COMBINATIONS CARRIED OUT FROM 1 JANUARY 2004 TO 31 DECEMBER 2007

The Group accounts for all business combinations using the acquisition method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 - Business Combinations are posted at their fair value on the date of acquisition.

Goodwill arising from the acquisition is recognized as an asset and valued initially at cost, i.e., the amount by which the acquisition cost exceeds the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition.

Non-controlling interests in the acquiree are initially measured according to their percentage interest in the fair value of the assets, liabilities and contingent liabilities recognized on acquisition.

BUSINESS COMBINATIONS CARRIED OUT BEFORE 1 JANUARY 2004

On first-time adoption of IFRS (1 January 2005), the Group decided not to apply IFRS 3 - Business Combinations retroactively to the acquisitions made prior to the date of changeover to IFRS (1 January 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the previous value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

BUSINESS COMBINATIONS UNDER COMMON CONTROL

A business combination in which the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, when that control is not transitory, qualifies as a combination "under common control". Business combinations under common control are outside the scope of IFRS 3 "Business Combinations" and of other IFRS. In the absence of an accounting principle that deals specifically with these transactions, the most suitable accounting principle to be chosen should meet the general object of IAS 8, that is, faithful and reliable presentation of the transaction. Furthermore, the accounting treatment of business combinations under common control should reflect the economic substance of the transaction, regardless of its legal form. The pre-eminence of economic substance is therefore the key factor guiding the method chosen to account for these business combinations. Economic substance must refer to the creation of added value that translates into significant changes in the cash flows of the net assets transferred.

The accounting treatment of the transaction should also take account of current interpretations and trends, in particular OPI 1 (*Orientamenti Preliminari Assirevi in tema di IFRS* - Preliminary Orientations on IFRS by the Italian Association of Auditors), "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements".

The Autogrill Group recognizes the net assets transferred at the carrying amounts presented in the consolidated financial statements of the common parent and treats the resulting difference between the acquisition price and the value of the net assets transferred as an adjustment of net equity reserves attributable to the Group. Conversely, in the case of discontinued operations, the difference between the disposal price and the value of the net assets transferred is treated as an adjustment of the Autogrill Group's share of net equity reserves.

ACQUISITIONS OF NON-CONTROLLING INTERESTS

The Group applies IFRS 10 to all acquisitions carried out after control is assumed. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners and do not give rise to goodwill. Adjustments to non-controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the book value of the interest in the net assets acquired on the transaction date.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies; a joint venture is an agreement through which the Group has rights to net assets, rather than rights to assets and obligations for liabilities.

The income, expenses, assets and liabilities of associates and joint ventures are recognized in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.

Accordingly, investments in associates and joint ventures are initially recognized at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the investees' profits or losses, recognized using the equity method, up to the date it no longer has significant influence or joint control.

RECOGNITION OF REVENUE AND COSTS

On 28 May 2014, the IASB published IFRS 15 – Revenue from Contracts with Customers. The standard sets out the following new model for recognizing revenue:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- revenue is recognized when the entity satisfies each performance obligation.

In this context, sales revenue and costs for the purchase of goods are recognized on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.

Revenue is recognized when (or gradually as) the risks and the benefits connected to ownership of the goods are transferred to the buyer and the amount of the revenue can be accurately measured. If it is probable that discounts will be granted and the amount can be measured reliably, the discount is charged as a reduction of revenue when the sale is recognized.

Goods are transferred when the customer acquires control, meaning the ability to decide how an asset is used and to reap its benefits. In the case of a retail sale, the transfer generally takes place when the goods are delivered and the consumer has paid the consideration asked. In the instance of wholesale transactions, the transfer usually coincides with the arrival of the products in the client's warehouse.

Service revenue and costs are recognized according to the stage of completion at year end. Stage of completion is determined according to measurements of the work performed. When the services covered under a single contract are provided in different years, the consideration will be broken down by service provided on the basis of the relative fair value.

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Group's premium or commission.

Recoveries of costs borne on behalf of third parties are recognized as a deduction from the related cost.

RECOGNITION OF FINANCIAL INCOME AND EXPENSE

Financial income includes interest on invested liquidity (including financial assets available for sale), income from finance lease receivables, dividends approved, proceeds from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss, income arising from a business combination due to the remeasurement at fair value of the interest already held, gains on hedging instruments recognized in profit or loss and the reclassification of net gains previously recognized in other comprehensive income. Interest income is recognized on an accruals basis using the effective interest method. Dividends are recognized when the Group's right to receive them is established.

Financial expense includes interest on loans, expense on finance lease liabilities, the release of discounting on provisions and deferred income, losses from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss and in contingent consideration, impairment losses on financial assets (other than trade receivables), losses on hedging instruments recognized in profit or loss and the reclassification of net losses previously recognized in other comprehensive income.

Net foreign exchange gains or losses on financial assets/liabilities are shown under financial income and expense on the basis of the net gain or loss produced by foreign currency transactions.

EMPLOYEE BENEFITS

All employee benefits are recognized and disclosed on an accruals basis.

Group companies provide defined benefit and defined contribution plans.

Post-employment benefit plans are formalized agreements whereby the Group provides post-employment benefits to one or more employees. The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates and are normally based on compensation and years of service.

Defined-contribution plans are post-employment benefit plans under which the Group pays pre-determined contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all benefits to employees.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans may be unfunded or entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

The amount accrued is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, which determines the liability on the basis of employment conditions in effect on the date it is measured.

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Group, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities.

Actuarial valuations are made by actuaries outside the Group. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

Due to changes in the system of post-employment benefits (*trattamento di fine rapporto* or TFR) brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"):

- TFR accrued at 31 December 2006 by employees of the Group's Italian companies is treated as a defined benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognized in the period in which the right vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs. The portion not yet paid into the funds is listed under current liabilities (other payables).

SHARE-BASED PAYMENTS

In the case of share-based payment transactions settled with equity instruments of the company, which include the new Performance Share Units plan, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The fair value of options is estimated on the basis of all market-based vesting conditions, such as the performance of Autogrill shares and market indexes. Also, so that the final amount is based on the number of options that will actually vest, the cost is adjusted to reflect both service conditions and non-market conditions.

There is no true-up for differences between expected and actual conditions.

In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments issued by a different entity), which include the Group's Phantom Stock Option plans, the fair value of the amount payable to employees is recognized as a cost, with an increase in liabilities as a contra entry over the period during which the employees have the unconditional right to receive payment. The liability is measured at each year-end and at the settlement date, based on the remeasurement of the fair value of the option rights. Any changes in the fair value of the liability are recognized in profit or loss under personnel expense (employee benefits).

INCOME TAX

Tax for the year is the sum of current and deferred taxes recognized in the profit or loss for the year, with the exception of those recognized directly in equity or in other comprehensive income.

Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) on the reporting date in the countries where the Group operates.

For three-year period 2019-2021, Autogrill S.p.A. is following the tax consolidation regulations of the ultimate parent Edizione S.r.l., as permitted by the Consolidated Income Tax Act.

Under those regulations, the Company is also part of the fiscal subconsolidation with the other Italian subsidiaries, which for IRES (corporate income tax) purposes only, involves the settlement of accounts receivable or payable with the parent company Autogrill S.p.A.

The regulations provide for:
- payment in full of the amount corresponding to the transferred profit times the IRES rate;
- payment in full of the amount corresponding to the transferred loss times the IRES rate, when utilized by Edizione S.r.l.;
- the transfer of any tax assets, also with respect to the subgroup including all Italian subsidiaries, as acknowledged in the regulations defining transactions with Edizione S.r.l.

The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables".

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets, arising from deductible temporary differences and losses carried forward, are recognized and maintained in the financial statements to the extent that future taxable income is likely to be earned allowing use of those assets. Specifically, the carrying amount of deferred tax assets is reviewed at each reporting date based on the latest forecasts as to future taxable income, also with respect to the subgroup including all Italian subsidiaries, as acknowledged in the regulations defining transactions with Edizione S.r.l.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income. Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Group is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rate that will apply at the time the asset is realized or the liability is settled, taking account of the tax rates in force at the end of the year.

Current and deferred tax assets and liabilities are offset when there is a legal right to do so and when they pertain to the same tax authorities.

Note that coordination between the new standard IFRS 16 and calculation of the tax effect in Italy is governed by an Economy Ministry decree dated 5 August 2019.

NON-CURRENT ASSETS

GOODWILL

Goodwill arising from the acquisition of subsidiaries is shown separately in the statement of financial position.

Goodwill is not amortized, but is subject to impairment testing on a yearly basis or when specific events or changed circumstances indicate the possibility of a loss in value. After its initial recognition, goodwill is measured at cost net of any accumulated impairment losses.

Upon the sale of a company or part of a company whose previous acquisition gave rise to goodwill, account is taken of the residual value of the goodwill in determining the capital gain or loss from the sale.

OTHER INTANGIBLE ASSETS

"Other intangible assets" are recognized at purchase price or production cost, including ancillary charges and amortized over their useful life when it is likely that use of the asset will generate future economic benefits.

The Group reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of a change in the asset's expected future profitability. If impairment losses arise — determined in accordance with the section "Impairment losses and reversals" — the asset is written down accordingly.

The following are the amortization periods used for the various kinds of intangible asset:

Concessions, licenses, brands and similar rights:	
Software licenses	2-10 years or term of license
License to sell state monopoly goods	Term of license
Contractual rights	Term of the rights
Other:	
Software on commission	3-6 years
Other costs to be amortized	2-10 years or term of underlying contract

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined. They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs according to the share that can reasonably be attributed to the asset.

On transition to IFRS, any revaluations carried out in accordance with monetary revaluation laws were maintained in the financial statements as they are consistent with IFRS 1.

Property, plant and equipment are depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives. The Group reviews the useful life of each asset at every year end. Cost includes reasonably estimated expenses (if compatible with IAS 37) that are likely to be incurred on expiry of the relevant contract to restore the asset to the contractually agreed condition, assuming that maintenance will continue to be carried out properly and with the usual frequency. Components of significant value (in excess of € 500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

The following are the depreciation periods used for property, plant and equipment:

Property, plant and equipment	Useful life (year)
Industrial buildings	5-50
Plant and machinery	3-14
Industrial and commercial equipment	3-23
Other	3-33

Land is not depreciated.

For “Assets to be transferred free of charge”, these rates, if higher, are replaced by those corresponding to the term of the concession contract. An asset’s useful life is reviewed annually and is changed when maintenance work during the year has involved enhancements or replacements that materially change its useful life.

In the event that, regardless of depreciation already recorded, there is a loss in value determined according to the criteria described in the section “Impairment losses and reversals on non-current assets”, the asset is written down accordingly.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalized and amortized over the asset’s useful life. Routine maintenance costs are taken directly to the income statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost incurred. They are depreciated over the asset’s residual useful life or the term of the concession contract, whichever is shorter.

The gain or loss from the sale of property, plant or equipment is the difference between the net proceeds of the sale and the asset's carrying amount and is recognized under "Other operating income" or "Other operating expense".

RIGHT-OF-USE ASSETS

As mentioned in Section 2.2.1 on the first-time adoption of IFRS 16, right-of-use assets are recorded as of the commencement date of the lease contract, namely the date when the lessor makes the underlying asset available to the lessee. In some circumstances, the lease contract may contain different lease components and consequently the effective date shall be determined by each lease component.

Right-of-use assets are initially valued at cost and include the initial measurement of the finance lease liability, the lease payments made before or at the commencement date of the lease contract and any other initial direct cost. They can then be further adjusted to reflect any remeasurement of finance lease receivables/liabilities.

Right-of-use assets are systematically depreciated over the lease term or the asset's residual useful life, whichever is shorter. Typically, in the Group, lease contracts do not provide for the transfer of ownership of the underlying asset and therefore depreciation is carried out over the contractual term. Depreciation begins as of the commencement date of the lease.

Regardless of depreciation already recognized, if there are impairment losses (determined as described for onerous contracts), the asset is written down accordingly.

The use of estimates in connection with the recognition of right-of-use assets is discussed in Section 2.2.1 above, on the first-time adoption of IFRS 16.

IMPAIRMENT LOSSES AND REVERSALS ON NON-CURRENT ASSETS

At each balance sheet date, the Group tests whether there are internal or external indicators of impairment or reversal of impairment for its property, plant and equipment, intangible assets, and right-of-use assets, with reference to the total amount of such assets allocated per cash generating unit. If so, the recoverable amount of the assets is estimated to determine any impairment loss or reversal. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs; a cash-generating unit is a group of assets that generates cash flows broadly independent from other assets or groups of assets. With regard to property, plant and equipment and right-of-use assets in the sales network, this minimum aggregation unit is the store or stores covered by a single concession agreement.

Goodwill and assets under development are tested for impairment at each year end and any time there is evidence of possible impairment.

The cash generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the level of greatest detail at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of market value (fair value less costs to sell) and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses on cash-generating units are first deducted from the carrying amount of any goodwill attributed to the unit; any remainder is deducted from the other assets of the unit, including right-of-use assets, in proportion to their carrying amount.

If the reason for the impairment loss no longer exists, the asset or cash-generating unit is reversed to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the carrying amount net of depreciation/amortization that the asset would have had if the impairment loss had not been charged. The reversal of impairment is taken to the income statement.

ASSETS/LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation is part of a group whose activities and financial flows are clearly distinguishable from the rest of the group and which:
- constitutes a major independent branch or geographical area of business,
- is part of a single coordinated plan to dispose of a major independent branch or geographical area of business, or
- is a subsidiary acquired for the sole purpose of reselling it.

An operation is listed as discontinued when it is sold or when it meets the conditions for being classified as "held for sale", whichever comes first.

When an operation is listed as discontinued, the comparative statement of comprehensive income is redetermined as if the operation had been discontinued as of the beginning of the year of comparison.

The assets and liabilities of operations being discontinued are classified as held for sale if their carrying value has been or will be recovered mainly through their sale and not through continued use. Once an asset/liability is classified as held for sale, it is recognized at the lower of carrying value and fair value net of costs to sell.

In the financial statements:
- the net profit or loss of discontinued operations is shown separately in the income statement, net of tax effects and transfer costs (if sold), along with any capital gain or loss realized with the sale; the corresponding amounts from the prior year are reclassified for the sake of comparison;
- financial assets and liabilities held for sale and discontinued operations are shown in the statement of financial position separately from other assets/liabilities and are not offset.

CURRENT ASSETS AND CURRENT & NON-CURRENT LIABILITIES

INVENTORIES

Inventories are recognized at the lower of purchase or production cost and market value. Purchase or production cost includes directly attributable expenses, net of discounts, rebates, annual bonuses and similar contributions from suppliers and is calculated using the FIFO method or with criteria that approximate FIFO. When the carrying value of inventories is higher than their net realizable value, they are written down and an impairment loss is charged to the income statement. The recoverability of inventories is verified at each reporting date. If the reasons for the impairment loss cease to apply, they are reversed to an amount not exceeding purchase or production cost.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest method. They are reduced by estimated impairment losses, determined according to procedures that may involve both writedowns of individual positions, if material, where the receivables are objectively uncollectable in whole or in part, or generic impairment calculated on the basis of historical and statistical data.

In accordance with IFRS 9, factored receivables are eliminated from the accounts if the contract entails the full transfer of the associated risks and rewards (contractual rights to receive cash flows from the asset). The difference between the carrying value of the asset transferred and the amount received is recognized in the income statement under financial expense.

FINANCE LEASE RECEIVABLES

As mentioned in Section 2.2.1 on the first-time adoption of IFRS 16, in its role as sub-lessor, the Group recognizes finance lease receivables as of the commencement date of the lease.

The sub-leases are determined with reference to the right-of-use asset deriving from the principal lease contract, rather than the underlying asset. For that reason, considering that the sub-leases typically have a duration coinciding with the principal lease, the Group reduces the value of the right-of-use asset and recognizes as a contra-entry a finance lease receivable, classified under current and non-current financial assets.

The finance lease receivable corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Group uses the incremental borrowing rate as discount rate. The finance lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

Finance lease receivables are remeasured in the event of changes in the future minimum receipts expected for the lease, as result of:

- changes in the index or rate used to determine the lease receipts: in such cases the finance lease receivables are remeasured by discounting the new minimum lease receipts at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the finance lease receivable is remeasured by discounting the new minimum lease receipts at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the finance lease receivable is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in connection with the recognition of finance lease receivables is discussed in Section 2.2.1 above, on the first-time adoption of IFRS 16.

OTHER FINANCIAL ASSETS

"Other financial assets" are recognized or derecognized on the transaction date and are initially measured at fair value, including direct transaction costs.

Subsequently, the financial assets that the Group has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised cost net of impairment losses.

Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs. After first-time recognition they are carried at fair value, and any changes in fair value, other than impairment losses, are recognized as other comprehensive income and presented in the fair value reserve. When a financial asset is derecognized, the cumulative loss or gain is reclassified from other comprehensive income to profit (loss) for the year.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each year end at fair value, while gains and losses arising from fair value changes are recognized in that year's income statement under financial income and expense.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and current accounts with banks and post offices, demand deposits, and other highly liquid short-term financial investments (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at face value as they are not subject to significant impairment risk.

LOANS, BANK LOANS, BONDS AND OVERDRAFTS

Interest-bearing bank loans, bonds and account overdrafts are initially recognized at fair value taking account of the amounts received, net of transaction costs and are subsequently measured at amortized cost using the effective interest method.

TRADE PAYABLES

Trade payables are initially recognized at fair value (normally the same as face value) net of discounts, returns and billing adjustments, and subsequently at amortized cost, if the financial effect of payment deferral is material.

FINANCE LEASE LIABILITIES

As mentioned in Section 2.2.1 on the first-time adoption of IFRS 16, the Group recognizes finance lease liabilities as of the commencement date of the lease.

The finance lease liability corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Group uses the incremental borrowing rate as discount rate. The finance lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The finance lease liability is remeasured in the event of changes to the future minimum lease payments, due to:

- changes in the index or rate used to determine the lease payments: in such cases the finance lease liability is remeasured by discounting the new minimum lease payments at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in connection with the recognition of finance lease liabilities is discussed in Section 2.2.1 above, on the first-time adoption of IFRS 16.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options and combinations of these. The use of derivatives is governed by the "Financial Management and Financial Risks Policy" and the "Annual Financial Strategy" approved by Autogrill S.p.A.'s Board of Directors, which set standards and guidelines for the Group's financial risk hedging strategy. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in Section 2.2.8.2 "Financial risk management".

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only if: (i) at the inception of the hedge there is formal designation and documentation of the hedging relationship and the hedge is assumed to be effective; (ii) effectiveness can be reliably measured; (iii) the hedge is effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate (based on government securities) of the country/currency of the instrument's user.

For interest rate swaps, fair value is determined using the cash flows estimated on the basis of the conditions and remaining life of each contract and according to the year-end market interest rates of comparable instruments.

When financial instruments qualify for hedge accounting, the following rules apply:

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss;

- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reclassified from comprehensive income and recognized in profit or loss in the same year in which the economic effect of the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realized that have been included in comprehensive income are reclassified immediately to profit or loss;
- Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognized in the income statement.

PROVISIONS FOR RISKS AND CHARGES

Provisions are recognized when the Group has a present obligation as a result of a past event and will likely have to use resources in order to produce economic benefits that satisfy that obligation and when the amount of the obligation can be reliably determined. Provisions are based on the best estimate of the cost of fulfilling the obligation as of the reporting date, and when the effect is material, are discounted to their present value.

As from 1 January 2019, with the adoption of IFRS 16, provisions for onerous contracts are recognized net of the right-of-use asset pertaining to the individual store, by discounting the right-of-use assets corresponding to each onerous lease contract. A provision for onerous contracts is made when the unavoidable costs necessary to fulfil the obligations of a contract are greater than the economic benefits the Group can expect to obtain therefrom. The provision is measured at the present value of the lower of the cost of terminating the contract and the net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment losses on the assets associated with the contract.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been publicly announced. Future operating costs are not provided for.

SHARE CAPITAL AND PURCHASE OF TREASURY SHARES

The share capital is comprised wholly of ordinary shares, which form part of equity. Incremental costs directly attributable to the issue of ordinary shares are deducted from net equity, net of the tax effects.

If treasury shares are purchased, the amount paid - including directly attributable expenses and net of tax effects - is deducted from equity. The shares thus purchased are classified as treasury shares and reduce the amount of shareholders' equity. The amount received from the subsequent disposal of the treasury shares is added back to equity. Any positive or negative difference from the transaction is transferred to or from retained earnings.

EARNINGS PER SHARE

Autogrill presents basic and diluted earnings per share for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, as defined above, for the effects of all dilutive potential ordinary shares and stock options granted to employees.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are converted into the functional currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year-end exchange rate. Exchange gains and losses arising from the conversion are recognized in the income statement under financial income and expense.

USE OF ESTIMATES

The preparation of the consolidated financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at the year-end date. Actual results may differ. Estimates are used to determine the effects of business combinations, asset impairment losses/reversals, the fair value of financial instruments, provisions for bad debts and inventory obsolescence, amortization and depreciation, employee benefits, taxes and provisions for risks and charges. Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the current year and the years to which the changes pertain. The estimation criteria used for these financial statements are the same as those followed the previous year, unless otherwise specified.

With the adoption of IFRS 16, the Group has made certain professional judgments involving the definition of some accounting policies and the use of estimates and assumptions, as mentioned earlier in these notes.

Finally, it should be noted that the COVID-19 pandemic has no impact on the use of estimates made in the financial statements at 31 December 2019 pursuant to IAS 10.

2.2.3 BUSINESS COMBINATIONS

PACIFIC GATEWAY CONCESSIONS

On 31 May 2019, as part of the Group's expansion in the North American airport retail channel, the indirect US subsidiary Stellar Partners Inc. — already active in the airport retail business — finalized the acquisition of Pacific Gateway Concessions (PGC), which at the time operated 51 locations at 10 airports in the United States.

The acquisition, for $ 35.9m (€ 32.2m), also commits the buyer to spending an additional $ 8.8m (€ 7.8m) to carry out investments the seller had already agreed to under the contractual terms.

The transaction involved the acquisition of PGC's assets and liabilities, whose fair value was determined using measurement techniques generally employed in acquisitions. This led to an increase of $ 24.5m in intangible assets. Because the revised version of IFRS 3 allows the recognition, within 12 months of the acquisition date, of any further items that should emerge as applicable at the time of the acquisition, the figures provided are provisional.

The table below shows the impact of the acquisition on consolidated assets and liabilities:

($m)	PGC	Purchase Price Allocation adjustments	PGC Adjusted
Other intangible assets	-	24.5	24.5
Property, plant and equipment	25.5		25.5
Right of use assets	64.6		64.6
A) Non current assets	**90.1**	**24.5**	**114.6**
Inventory	3.3		3.3
Trade receivables	0.2		0.2
Other receivables	0.5		0.5
Trade payables	(4.0)		(4.0)
Other payables	(9.3)		(9.3)
B) Working capital	**(9.2)**	**-**	**(9.2)**
C) Other non-current non-financial assets and liabilities	**-**	**-**	**-**
D) Net invested capital from continuing operation (A + B + C)	**80.9**	**24.5**	**105.4**
Equity attributable to owners of the parent	11.4	24.5	35.9
Equity attributable to non-controlling interests	5.0		5.0
E) Equity	**16.3**	**24.5**	**40.8**
Non-current net financial indebtedness	53.2		53.2
Current net financial indebtedness	11.3		11.3
F) Net financial indebtedness	**64.5**	**-**	**64.5**
G) Total as D)	**80.9**	**24.5**	**105.4**
Acquisition costs			35.9
Goodwill			-

Pacific Gateway Concessions contributed $ 29.0m (€ 25.9m) to revenue in 2019.

2.2.4 DISPOSALS

CANADIAN MOTORWAY OPERATIONS

On 26 May 2019, through the US subsidiary HMSHost Corporation ("HMSHost"), Autogrill S.p.A. finalized the disposal of all its motorway operations in Canada. These consisted of interests held by the Canadian subsidiaries HMSHost Motorways Inc. and HMSHost Motorways L.P. in three separate partnerships, plus concessions at three rest stops entirely owned and operated by SMSI Travel Centres Inc., an indirect subsidiary of HMSHost Corporation. KD Infrastructure L.P. (KDLP), HMSHost's partner in the three ventures, also sold its holdings on that date.

The operations — a total of 23 rest stops with concessions valid until 2060 — were sold to a consortium led by Arjun Infrastructure Partners Ltd. and Fengate Capital Management Ltd., for a price of which HMSHost's share comes to $ 183.6m (€ 164.0m). Of the overall capital gain of $ 177.8m (€ 158.8m), $ 135.3m (€ 120.8m) was recognized under "Gain on operating activity disposal" and $ 42.5m (€ 38.0m) under "Income (expense) from investments", the latter for the sale of interests in the Canadian companies previously valued using the equity method, which operated some of the concessions sold.

In the first five months of 2019, revenue from these discontinued operations amounted to $ 34.3m (€ 30.6m), while for all of 2018 they contributed $ 103m (€ 87.3m).

OPERATIONS IN THE CZECH REPUBLIC

On 31 May 2019, through its subsidiary Autogrill Europe S.p.A., Autogrill S.p.A. finalized the sale to the Lagardère Group of its entire investment in Autogrill Czech S.r.o., which operates at two train stations in Prague and one outlet mall. The sale price of € 9.5m produced a capital gain of € 8.0m, recognized under "Gain on operating activity disposal".

In the first five months of 2019, revenue from these discontinued operations amounted to € 3.1m, while for all of 2018 they contributed € 8.0m.

2.2.5 NOTES TO THE STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

I. CASH AND CASH EQUIVALENTS

(€k)	31.12.2019	31.12.2018	Change
Bank and post office deposits	235,968	161,390	74,578
Cash and equivalents on hand	48,123	53,309	(5,186)
Total	**284,091**	**214,699**	**69,392**

"Cash and equivalents on hand" include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.

The significant increase in "Bank and post office deposits" mostly reflects the proceeds of the sale of the Canadian motorway business.

The statement of cash flows presents the various sources and uses of cash that contributed to the change in this item, along with the balance of current account overdrafts.

II. OTHER FINANCIAL ASSETS

(€k)	31.12.2019	31.12.2018	Change
Financial receivables from third parties	50,452	24,513	25,939
Receivables from credit card companies	13,215	11,471	1,744
Fair value of interest rate hedging derivatives	342	-	342
Fair value of exchange rate hedging derivatives	172	440	(268)
Total	**64,181**	**36,424**	**27,757**

"Financial receivables from third parties" consist primarily of the current portion of capital advances due back from the non-controlling shareholders of some North American subsidiaries and non-subsidiary companies; the amount takes account of their ability to pay the sums back with future earnings. Much of the increase in this item refers to the amount due from a non-controlling shareholder of the International business unit, to be paid back in 2020.

The net increase in "Receivables from credit card companies" is explained by the different concentration of settlements for credit card payments in 2019 and 2018, due in part to seasonal factors.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 31 December 2019, with a combined notional value of $ 100m.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk, in particular to the forward purchase and/or sale of currency to mitigate the risk of intercompany loans and dividends.

III. TAX ASSETS

These amount to € 3,051k (€ 19,572k at 31 December 2018) and refer to income tax advances and credits, mostly for European operations. Most of the decrease concerns the advances paid the previous year in the United States as a result of the American tax reform on foreign dividends, which were offset in 2019 with current tax liabilities.

IV. OTHER RECEIVABLES

(€k)	31.12.2019	31.12.2018	Change
Suppliers	49,230	55,224	(5,994)
Lease/concession and royalties advance payment	4,553	20,975	(16,422)
Inland revenues and government agencies	14,727	16,914	(2,187)
Receivables from grantors for investments	11,890	2,591	9,299
Sub-concessionaires	4,983	3,458	1,525
Receivables from the parent for tax consolidation	10,229	12,437	(2,208)
Personnel	1,225	1,127	98
Other	25,162	34,287	(9,125)
Total	**121,999**	**147,013**	**(25,014)**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received. Most of the decrease is attributable to Italian and North American operations.

"Lease/concession and royalties advance payment" consist of lease instalments paid in advance, as required by contract. The decrease is due mainly to the adoption of IFRS 16, which involved moving one-off advances on minimum guaranteed rent paid before the commencement date of the contract to the item "right-of-use assets", as discussed in Section 2.2.1 of these notes.

Receivables from "Inland revenues and government agencies" relate mostly to indirect taxes. The decrease for the year is due essentially to the French tax credit for competitiveness and employment (CICE), which was recognized in France in 2018 but abolished as of 1 January 2019 and replaced by a reduction in social security charges for employers.

The increase in "Receivables from grantors for investments" relates to greater commercial investments made on behalf of concession grantors in North America in accordance with contractual provisions.

Amounts due from "Sub-concessionaires" refer to businesses sublet to others and consist mainly of receivables due under lease contracts with variable rents.

"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme (see Section 2.2.13 - Other information - Related party transactions).

"Other" consists mainly of prepayments for maintenance fees, insurance policies and reimbursements, as well as advances on local taxes and refer chiefly to North America. The decrease includes money received for the sale of a hotel in Belgium in 2018.

V. TRADE RECEIVABLES

(€k)	31.12.2019	31.12.2018	Change
Third parties	61,792	53,679	8,113
Bad debt reserve	(6,368)	(5,708)	(660)
Total	**55,424**	**47,971**	**7,453**

The item "Third parties" refers mainly to catering service agreements and accounts with affiliated companies. The increase for the year is essentially explained by the new North American business under the agreement with American Airlines, as mentioned in the directors' report. As in previous years, the bad debt reserve has been estimated on the basis of the general default risk of receivables not yet due on the reporting date as inferred from past performance, in keeping with IFRS 9 which took effect on 1 January 2018.

Movements in the bad debt reserve are shown below:

(€k)	
Bad debt reserve at 31 December 2018	**5,708**
Allowances, net of use	1,367
Other movements and exchange rate differences	177
Utilizations	(884)
Bad debt reserve at 31 December 2019	**6,368**

Net allowances of € 1,367k in 2019 reflect revised estimates as to the recoverability of disputed receivables and the general default risk applicable to receivables not yet due. The increase relates primarily to the expansion of business in the United States.

Utilizations, amounting to € 884k, refer particularly to the settlement of disputes during the year against which bad debt provisions had been made in the past.

VI. INVENTORIES

Inventories amounted to € 133,750k at 31 December 2019, compared with € 121,611k in the previous year. The increase is concentrated in Italy, due to greater purchasing and in the United States because of the acquisition of Pacific Gateway Concessions. The amount is shown net of the write-down provision of € 2,347k (€ 1,527k at 31 December 2018), determined considering revised recoverability estimates of the value of slow-moving goods. Inventories are concentrated mostly in Italy and the United States and consist chiefly of food raw materials, drinks, packaged products and goods sold under government monopoly.

NON-CURRENT ASSETS

VII. PROPERTY, PLANT AND EQUIPMENT

The following tables show movements in property, plant and equipment in 2019 and 2018.

(€k)	Land and buildings	Leasehold improve-ments	Plant and machinery	Industrial and commercial equipment	Assets to be transferred free of charge	Other	Assets under construction and payments on account	Total
Gross carrying amount								
Balance at 1 January 2018	**129,238**	**1,168,623**	**200,143**	**842,201**	**325,956**	**52,627**	**116,178**	**2,834,966**
Acquisitions	-	4,536	-	50,322	-	-	39	54,897
Disposals	-	-	-	-	-	-	-	-
Exchange rate gains (losses)	2,377	30,185	4,347	13,667	-	627	4,009	55,212
Increase	1,902	14,854	3,247	24,135	18,939	900	221,364	285,341
Decrease	(17,590)	(52,500)	(9,515)	(50,831)	(11,621)	(786)	(905)	(143,748)
Other movements	562	108,080	11,040	77,163	4,066	1,243	(203,838)	(1,684)
Balance at 31 December 2018	**116,489**	**1,273,778**	**209,262**	**956,657**	**337,340**	**54,611**	**136,847**	**3,084,984**
Acquisitions	-	12,640	-	2,490	-	7	12,513	27,651
Disposals	-	(15,380)	-	(14,188)	-	-	(269)	(29,838)
Exchange rate gains (losses)	2,226	17,949	4,324	10,167	-	475	1,894	37,035
Increase	1,026	25,819	2,797	28,337	13,126	1,331	254,297	326,732
Decrease	(10,989)	(88,497)	(25,443)	(67,708)	(16,959)	(1,488)	(1,299)	(212,383)
Other movements	(4,708)	153,017	8,863	73,997	7,163	1,322	(246,896)	(7,241)
Balance at 31 December 2019	**104,044**	**1,379,326**	**199,803**	**989,752**	**340,670**	**56,258**	**157,087**	**3,226,940**
Depreciation/Impairment losses								
Balance at 1 January 2018	**(77,317)**	**(747,675)**	**(165,732)**	**(660,260)**	**(255,502)**	**(47,564)**	**-**	**(1,954,050)**
Acquisitions	-	-	-	(40,920)	-	-	-	(40,920)
Disposals	-	-	-	-	-	-	-	-
Exchange rate gains (losses)	(1,706)	(18,503)	(3,483)	(9,815)	-	(536)	-	(34,043)
Increase	(2,556)	(95,037)	(9,798)	(77,331)	(15,280)	(2,449)	-	(202,451)
Impairment losses	-	(3,930)	1,709	(2,092)	(4,070)	(17)	(77)	(8,477)
Decrease	14,003	52,164	8,283	50,304	11,617	780	-	137,151
Other movements	283	1,027	-	(1,211)	396	(7)	-	488
Balance at 31 December 2018	**(67,293)**	**(811,954)**	**(169,021)**	**(741,325)**	**(262,839)**	**(49,793)**	**(77)**	**(2,102,302)**
Acquisitions	-	(2,114)	-	(1,432)	-	(7)	-	(3,554)
Disposals	-	6,471	-	10,237	-	-	-	16,708
Exchange rate gains (losses)	(1,581)	(11,055)	(3,296)	(7,365)	-	(424)	-	(23,721)
Increase (Note XXXIV)	(2,553)	(111,752)	(8,553)	(84,311)	(16,616)	(2,654)	-	(226,439)
Impairment losses (Note XXXIV)	-	(4,643)	(13)	(3,752)	(1,478)	(59)	-	(9,945)
Decrease	9,415	87,961	24,966	67,424	16,945	1,432	77	208,220
Other movements	4,235	2,205	-	(1,423)	(33)	22	-	5,006
Balance at 31 December 2019	**(57,777)**	**(844,881)**	**(155,917)**	**(761,947)**	**(264,021)**	**(51,483)**	**-**	**(2,136,027)**
Carrying amount								
31 December 2018	**49,196**	**461,824**	**40,241**	**215,332**	**74,501**	**4,818**	**136,770**	**982,682**
31 December 2019	**46,267**	**534,445**	**43,886**	**227,805**	**76,649**	**4,775**	**157,087**	**1,090,913**

Capital expenditure in 2019 amounted to € 326,732k, plus additions from the acquisition of PGC, while the net carrying amount of disposals was € 4,163k in addition to € 13,130k in net disposals relating to the motorway business in Canada and the operations in the Czech Republic. The disposals produced net capital gains of € 4,418k, mostly for the sale of a hotel in Switzerland in 2019. Details of capital expenditure by channel and principal locations are provided in the directors' report.

Depreciation came to € 226,439k for the year (€ 202,451k in 2018).

Loss making contract testing on individual locations resulted in net recognition of losses of € 9,945k, including the reversal of losses charged in previous years (up to historical amortized cost as of the reversal date) where the reasons for recognizing a provision no longer exist for non-material amounts. Consistently with the method followed in the 2018 financial statements, loss making contract testing was based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country. In 2018, net impairment losses amounted to € 8,477k.

Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of locations managed at airports, at shopping centers in North America and at several motorway locations.

Assets under construction and payments on account are concentrated mostly in the United States and include investments for new openings and contract renewals.

Note that in 2018 this item included the contractual value of property, plant, and equipment held under finance leases, under the financial method mandated by IAS 17 (in effect until 31 December 2018). Since 1 January 2019, in accordance with IFRS 16, the balances at 31 December 2018 shown in the table below have been reclassified to "right-of-use assets":

	31.12.2018		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,872)	1,664
Industrial and commercial equipment	816	(567)	249
Total	**6,352**	**(4,439)**	**1,913**

Likewise, the balance of payables for leased goods at 31 December 2018 (€ 4,372k) that was formerly split between current "Other financial liabilities" (€ 303k) and non-current "Other financial liabilities" (€ 4,069k) has been reclassified to the current and non-current entries for "Finance lease liabilities" (see Note XXII).

VIII. RIGHT-OF-USE ASSETS

As mentioned in Section 2.2.1 on the impact of IFRS 16, with the adoption of this standard the statement of financial position now includes a new asset item representing the right-of-use of goods operated under lease or concession contracts. "Right-of-use assets", amounting to € 2,358,973k at 31 December 2019, were measured for the first time on 1 January 2019 on the basis of the present value of the future fixed or substantively fixed payments due under concession contracts and leases existing as of that date. The amount was revised during the year to reflect new contracts (€ 184,117k), prevalently in the United States and the acquisition of Pacific Gateway Concessions (€ 57,705k). Disposals during the year concerned the sale of

Canadian motorway operations, namely one specific concession with future minimum guaranteed payments. All the other concessions sold called for variable payments only.

Depreciation on this item came to € 356,171k for the year.

"Buildings" refers essentially to area concessions, business leases and commercial leases, while "Other assets" consist mainly of leased vehicles.

(€k)	Buildings	Other	Total
Gross carrying amount			
Balance at 1 January 2019	**2,463,815**	**3,747**	**2,467,562**
Acquisitions	57,705	-	57,705
Disposals	(1,154)	-	(1,154)
Exchange rate gains (losses)	27,669	1	27,670
Increase	174,778	1,310	184,117
Decrease	(17,353)	(84)	(25,466)
Other movements	5,512	719	6,231
Balance at 31 December 2019	**2,710,972**	**5,693**	**2,716,665**
Depreciation/Impairment losses			
Balance at 1 January 2019	**-**	**-**	**-**
Acquisitions	-	-	-
Disposals	259	-	259
Exchange rate gains (losses)	(970)	(14)	(984)
Increase (Note XXXIV)	(354,310)	(1,861)	(356,171)
Impairment losses (Note XXXIV)	(210)	-	(210)
Decrease	3,861	17	3,878
Other movements	(3,955)	(509)	(4,464)
Balance at 31 December 2019	**(355,325)**	**(2,367)**	**(357,692)**
Carrying amount			
1 January 2019	**2,463,815**	**3,747**	**2,467,562**
31 December 2019	**2,355,647**	**3,326**	**2,358,973**

In particular:

- area concessions are contracts with which the infrastructure operator (motorway or airport) grants a concession to a specialized entity to arrange and provide food & beverage and/or fuel services, authorizing it (i) to build and install, on land owned by the grantor, buildings, plant, furnishings and fittings designed for the sale of food and drink, complementary products and groceries and/or for the distribution of fuel, and (ii) to carry on this business against payment of a fee based on turnover, with certain stipulations regarding the means and continuity of service provision during the business hours established by the grantor.
  It frequently occurs that the subconcession for all the services of an entire motorway service area or airport terminal is assigned to a single entity, which then sub-assigns each individual service to a number of additional specialized firms. Usually, on expiry of the contract, the assets built for the provision of motorway services must be transferred free of charge to the grantor, while this is almost never the case for airport terminals;

- leasing a business or business branches allows an operator to use rights and/or buildings, equipment etc. organized to serve food and beverage products. In some cases the business consists of an authorization to operate and of administrative licenses, in which case the operator incurs the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a fee; for primary concession contracts between a petrol company and a motorway operator, it also entails payment of the royalties due by the petrol company;
- in a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.

These latter two types of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.

IX. GOODWILL

At 31 December 2019 goodwill amounted to € 854,976k, compared with € 839,666k the previous year. The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

The carrying amounts of goodwill by geographical CGU are as follows:

(€k)	31.12.2019	31.12.2018	Change
North America	450,578	441,025	9,553
International	60,566	59,755	811
Europe			
Italy	83,631	83,631	-
Other European countries	260,201	255,255	4,946
Total	**854,976**	**839,666**	**15,310**

The changes since the previous year are due solely to exchange differences.

In consideration of the significance of the amount of goodwill recorded, the recoverability of the goodwill allocated to each CGU is tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date. The discount rate was set using the capital assets pricing model, based on indicators and variables observable in the market.

The estimated future cash flows of each CGU for the period 2020-2022, used to determine recoverable amount, have been validated by the CEO and CFO and reviewed by the Board of Directors. They have been estimated on the basis of the 2020 budget and projections for 2021-2022 (explicit forecast period) and adjusted for compliance with the provisions of IAS 36. Cash flows beyond 2022 have been projected by normalizing information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each CGU's sector and country of operation (consistently with medium- to long-term inflation forecasts by the

International Monetary Fund) and by using the perpetuity method to calculate terminal value. These considerations are also supported by a fairness opinion from an independent advisor confirming the adequacy and reasonableness of the adopted methodology.

Note that with the adoption of IFRS 16, "right-of-use assets" are non-financial assets that have to be included in the calculations for each CGU. Therefore, impairment testing for 2019 was conducted at the CGU level including the effects of IFRS 16 for the purposes of the consolidated financial statements.

Below are the main assumptions used for impairment testing.

	Forecast nominal growth rate "g"	Discount rate
North America	1.7%	5.7%
International	2.3%	6.7%
Italy	0.5%	5.8%
Other European countries	0.8%	4.4%

To estimate cash flows for the period 2020-2022, management has made several assumptions, most importantly of air and motorway traffic volumes, future sales, operating costs and capital expenditure.

The main assumptions used to estimate cash flows are broken down below by business segment:

- North America: average annual sales are expected to rise consistently with traffic growth in the airport channel (based on estimates by the Federal Aviation Administration). The renewal rate of existing contracts was estimated on the basis of historical trends. Higher sales and targeted efficiency measures are expected to absorb an increasing share of operating costs.
- International: growth is suggested by traffic forecasts from Airport Council International and, where not available, by estimated GDP performance in the individual countries. The assumed growth rate outpaces the average in Autogrill's markets, but is consistent with the past performance of these operations. The rise in sales more than offsets the cost of expanding operations and starting up new projects, under new and renewed contracts.
- Italy: based on internal projections, there should be a modest increase in motorway traffic, in line with past performance. The introduction of new concepts, along with improved offerings and targeted efficiency measures, is expected to help make up for lost margins.
- Other European countries: sales projections have been developed on the basis of motorway and airport traffic estimates that differ from country to country, based on forecasts provided by Airport Council International and, where not available, on estimated GDP growth in the individual countries. Operating costs are expected to go down as a share of revenue, thanks to targeted efficiency measures. The renewal rate of existing contracts was estimated on the basis of historical trends.

For all CGUs, growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends.

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable.

The following table shows the discount rates at which there would no longer be a gap between the CGU's value in use and book value ("Impairment stress test").

	Discount rate after taxes
North America	9.9%
International	17.0%
Italy	8.2%
Other European countries	6.4%

Given the wide spreads between the discount rates used and the stress test rates shown above, it is clear that based on current expectations for endogenous and exogenous variables, and despite the short-term uncertainty connected to the evolution of the COVID-19 pandemic, there is no need to write down the amounts recognized as of 31 December 2019.

Additional simulations included:
- a sensitivity analysis, considering specific risk factors inherent to plans in the different countries and CGUs, as well as changes in the discount rate and g rate;
- a comparison between the CGUs' value in use for 2019 and 2018 with gap analysis.

These analyses also confirmed the full recoverability of goodwill.

See Section 1.6.1 of the directors' report for considerations on the predictability of Climate change impacts on the impairment process, based on the best available knowledge as of this time.

X. OTHER INTANGIBLE ASSETS

The following tables show movements in other intangible assets in 2019 and 2018.

(€k)	Concessions, licenses, trademarks and similar rights	Other	Assets under development and payments on account	Total
Gross carrying amount				
Balance at 1 January 2018	**164,993**	**98,084**	**6,059**	**269,136**
Acquisitions	43,634	7,562	-	51,196
Disposals	-	-	-	-
Exchange rate gains (losses)	2,358	82	-	2,440
Increase	9,264	5,334	7,881	22,479
Decrease	(9,461)	(1,854)	(331)	(11,646)
Other movements	6,508	947	(5,459)	1,996
Balance at 31 December 2018	**217,296**	**110,155**	**8,150**	**335,601**
Acquisitions	23,297	-	-	23,297
Disposals	(28)	-	-	(28)
Exchange rate gains (losses)	2,015	(30)	-	1,985
Increase	5,045	6,155	5,260	16,460
Decrease	(14,275)	(465)	(99)	(14,839)
Other movements	3,202	6,733	(7,703)	2,232
Balance at 31 December 2019	**236,552**	**122,548**	**5,608**	**364,708**
Amortization/Impairment losses				
Balance at 1 January 2018	**(113,342)**	**(80,115)**	**-**	**(193,457)**
Acquisitions	-	(4,924)	-	(4,924)
Exchange rate gains (losses)	(922)	(46)	-	(968)
Increase	(16,063)	(9,293)	-	(25,356)
Impairment losses	(598)	-	-	(598)
Decrease	9,444	1,758	-	11,202
Other movements	(2,829)	2,550	-	(279)
Balance at 31 December 2018	**(124,310)**	**(90,070)**	**-**	**(214,380)**
Disposals	74	-	-	74
Exchange rate gains (losses)	(1,173)	9	-	(1,164)
Increase	(19,291)	(10,466)	-	(29,757)
Impairment losses	(1,168)	(330)	-	(1,498)
Decrease	14,100	410	-	14,510
Other movements	(1,698)	21	-	(1,677)
Balance at 31 December 2019	**(133,466)**	**(100,426)**	**-**	**(233,892)**
Carrying amount				
31 December 2018	**92,986**	**20,085**	**8,150**	**121,221**
31 December 2019	**103,086**	**22,122**	**5,608**	**130,816**

Investments in 2019 came to € 16,460k, mostly for business software and concession rights, while amortization totalled € 29,757k.

As discussed in Section 2.2.3 on "Business combinations", in accordance with IFRS 3, the further increase in "Concessions, licenses, trademarks and similar rights" in 2019 mostly reflects the difference between the amount paid and the fair value of the net assets taken in with the acquisition of Pacific Gateway Concessions ($ 24.5m).

"Other movements" consist mainly of the reclassification upon completion of assets under construction.

All "Other intangible assets" have finite useful lives.

Impairment testing of individual locations, carried out in conjunction with the property, plant and equipment testing mentioned in Note VII, led to intangible asset impairment losses of € 1,498k for the year.

XI. INVESTMENTS

This item is mainly comprised of associates and joint ventures, measured using the equity method. The net increase for the year is therefore explained by the exchange effect and the Group's share of profits and losses.

Any surplus of an investment's carrying amount over pro rata equity represents future profitability inherent in the investment.

For the sake of thoroughness, we report that the following were recognized in accordance with the equity method:
- net positive adjustments of € 36,357k under "Income (expense) from investments", due mostly to the capital gain on the disposal of the Canadian partnerships in the amount of € 37,951k (see Note 2.2.4);
- net exchange gains of € 49k (vs. net exchange losses of € 32k the previous year) in the statement of comprehensive income.

Investments at 31 December 2019 and 31 December 2018 are detailed below:

	31.12.2019								
					Revenues	Total assets	Total liabilities	Profit (loss) for the year	Carrying amount
Name	Registered office	Countries	% held	Currency	Currency/000			Eur/000	
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	Myr	36,536	14,741	5,648	103	2,699
Autogrill Middle East, LLC	Abu Dhabi	United Arab Emirates	50%	Aed	30,259	123,774	89,990	33	-
Arab Host for Services, LLC	Doha	Qatar	49%	Qar	15,841	32,892	86,763	(2,425)	-
DLV-WSE, LLC	California	USA	49%	Usd	2,435	324	260	197	-
Caresquick N.V.	Antwerp	Belgium	50%	Eur	8,082	2,103	215	565	944
Other								-	65
Total as of 31 December 2019								**(1,527)**	**3,708**

Name	Registered office	Countries	% held	Currency	31.12.2018 Revenues	Total assets	Total liabilities	Profit (loss) for the year	Carrying amount
					Currency/000			Eur/000	
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	Myr	33,438	15,710	3,588	275	1,249
HKSC Developments L.P.	Winnipeg	Canada	49%	Cad	9,845	3,609	830	1,021	872
HSCK Opco L.P.	Winnipeg	Canada	49%	Cad	68	199	131	21	21
Autogrill Middle East, LLC	Abu Dhabi	United Arab Emirates	50%	Aed	25,482	75,924	50,415	(1,441)	(911)
Arab Host for Services, LLC	Doha	Qatar	49%	Qar	11,615	22,933	56,615	-	-
Caresquick N.V.	Antwerp	Belgium	50%	Eur	7,247	3,134	1,842	138	646
Other								-	13
Total as of 31 December 2018								**13**	**1,891**

XII. FINANCE LEASE RECEIVABLES

(€k)	31.12.2019	31.12.2018	Change
Finance lease receivables – current	16,842	-	16,842
Finance lease receivables – non current	66,083	-	66,083
Total	**82,925**	**-**	**82,925**

The recognition of finance lease receivables stems exclusively from the adoption of IFRS 16 and represents the transfer of some of the Group's rights of use to third parties under sublet agreements (mostly in North America). On the transition date this item amounted to € 15,780k under current assets and € 33,667k under non-current assets. For further details see Section 2.2.1 of these notes.

XIII. OTHER FINANCIAL ASSETS

(€k)	31.12.2019	31.12.2018	Change
Interests-bearing sums with third parties	11,361	7,177	4,184
Guarantee deposits	22,892	20,284	2,608
Other financial receivables from third parties	5,092	15,488	(10,396)
Fair value of interest rate hedging derivatives	2,430	-	2,430
Total	**41,775**	**42,949**	**(1,174)**

"Interest-bearing sums with third parties" consist of security deposits on which the Group receives interest. The increase essentially concerns security deposits in the United States and in particular for the reconstruction of the Pennsylvania Turnpike.

Most of the increase in "Guarantee deposits" relates to the acquisition of Pacific Gateway Concessions in 2019.

"Other financial receivables from third parties" consist primarily of the non-current portion of capital advances due back from the non-controlling shareholders of some North American subsidiaries and non-subsidiary companies; the amount takes account of their ability to pay the sums back with future earnings. Most of the decrease in this item refers to the reclassification to current assets of the amount due from a non-controlling shareholder of the International business unit.

"Fair value of interest rate hedging derivatives" includes the non-current portion of derivatives outstanding at 31 December 2019, with a combined notional value of $ 100m.

XIV. DEFERRED TAX ASSETS AND LIABILITIES

At the end of 2019, deferred tax assets not offsettable against deferred tax liabilities amounted to € 61,204k (€ 51,050k at 31 December 2018). This item includes deferred taxes arising from the application of IFRS 16 whose tax effects are not recognized for the purpose of calculating taxes in some jurisdictions where the Group operates (see Section 2.2.1 of these notes for further details). Deferred tax liabilities, shown net of deferred tax assets available for offset, amounted to € 48,257k (€ 43,728k the previous year).

Deferred tax liabilities and deferred tax assets are broken down as follows:

(€k)	31.12.2019	31.12.2018
Deferred tax liabilities gross	94,187	82,399
Deferred tax assets available for offset	(45,929)	(38,671)
Deferred tax liabilities	**48,257**	**43,728**
Deferred tax assets non available for offset	**61,204**	**51,050**

The following tables show gross movements in deferred taxes in 2019 and 2018.

(€k)	31.12.2018	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains (losses)	Consolidation perimeter variation	31.12.2019
Deferred tax assets						
Property, plant and equipment and intangible assets	26,333	(2,678)	21	285	(1,172)	22,789
Right of use assets	-	9,290	-	(20)	-	9,270
Trade receivables	4,137	(904)	-	70	-	3,303
Other assets	1,872	293	-	-	-	2,165
TFR and other employee benefit	25,296	153	287	555	-	26,291
Provision for risks and charges	1,236	93	-	-	-	1,329
Other liabilities	411	1,388	-	(8)	-	1,791
Carry-forward tax losses	30,436	9,757	-	-	3	40,196
Total	**89,720**	**17,392**	**308**	**883**	**(1,169)**	**107,134**
Deferred tax liabilities						
Property, plant and equipment and intangible assets	57,187	1,374	-	776	3	59,340
Right of use assets	-	685	-	(2)	-	683
Other assets	17,977	7,904	-	285	-	26,166
Provision for risks and charges	151	-	-	6	-	157
TFR and other employee benefit	1,504	295	-	59	-	1,858
Other reserves and retained earnings	3,186	1,146	-	1	-	4,333
Other liabilities	2,394	(764)	-	20	-	1,650
Total	**82,399**	**10,640**	**-**	**1,145**	**3**	**94,187**

(€k)	31.12.2017	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains (losses)	Consolidation perimeter variation	31.12.2018
Deferred tax assets						
Property, plant and equipment and intangible assets	19,822	3,179	-	(1,592)	4,924	26,333
Trade receivables	3,947	231	-	(41)	-	4,137
Other assets	288	353	(106)	1,337	-	1,872
TFR and other employee benefit	25,651	(934)	(356)	935	-	25,296
Provision for risks and charges	2,455	(161)	-	(1,058)	-	1,236
Other liabilities	7,042	(5,696)	-	(935)	-	411
Carry-forward tax losses	25,540	5,246	-	(350)	-	30,436
Total	**84,746**	**2,217**	**(462)**	**(1,703)**	**4,924**	**89,720**
Deferred tax liabilities						
Property, plant and equipment and intangible assets	53,715	3,683	-	(212)	-	57,187
Other assets	14,828	2,362	-	756	30	17,977
Provision for risks and charges	257	(113)	-	7	-	151
TFR and other employee benefit	1,041	416	-	47	-	1,504
Other reserves and retained earnings	4,036	(853)	-	3	-	3,186
Other liabilities	1,571	221	-	602	-	2,394
Total	**75,449**	**5,716**	**-**	**1,203**	**30**	**82,399**

Tax losses existing at 31 December 2019 on which deferred tax assets have not been recognized amount to € 139,296k. The corresponding unrecognized tax benefit would be € 34,908k.

As mentioned in the section on accounting standards, deferred tax assets on tax losses are recognized prudently up to the amount that is certain to be recovered.

XV. OTHER RECEIVABLES

Other non-current receivables as of 31 December 2019 amounted to € 3,010k (€ 9,878k at the end of 2018). Most of the decrease concerns the reclassification of rent paid in advance to the item "Right-of-use assets" on adoption of IFRS 16.

CURRENT LIABILITIES

XVI. TRADE PAYABLES

"Trade payables" at 31 December 2019 came to € 397,183k. The increase with respect to the previous year's balance of € 376,460k is due primarily to the timing of payments to suppliers and different strategies for the seasonal procurement of products, especially in the United States.

XVII. TAX LIABILITIES

Current tax liabilities amount to € 14,070k (€ 4,726k at 31 December 2018) and refer to taxes accrued during the year net of offsettable credits. The increase is due primarily to the disposal of the Canadian motorway operations, which produced a current tax liability of € 29.6m. Conversely, the advances paid in 2018 in the United States were offset against 2019 taxes.

The income tax balance of the Italian companies participating in the domestic tax consolidation scheme of the ultimate parent, Edizione S.r.l., is recognized under "Other receivables" in current assets (Note IV).

The non-current portion of € 6,584k (€ 8,541k at the close of 2018) refers to the income tax liability provided for by the U.S. subsidiary as a result of the tax reform. This results from the re-measurement, on the basis of the final tax law published in 2018, of the one-time tax on profits earned outside the United States by the subsidiaries of HMSHost Corp. since 1986.

XVIII. OTHER PAYABLES

(€k)	31.12.2019	31.12.2018	Change
Personnel expense	138,212	154,422	(16,210)
Due to suppliers for additions of capital expenditure	89,577	81,163	8,414
Social security and defined contribution plans	43,511	44,190	(679)
Indirect taxes	41,288	32,269	9,019
Withholding taxes	11,240	13,459	(2,219)
Other	38,962	43,922	(4,960)
Total	**362,790**	**369,425**	**(6,635)**

Most of the reduction in "Personnel expense" reflects the payment of manager bonuses for 2018 and the outlays for early retirement benefits and the "intergenerational agreement" launched the previous year, which were partially offset by an increase in wages and salaries in 2019.

Amounts "Due to suppliers for additions of capital expenditure" mainly changed because of the seasonal pattern of investments, which for the Group are typically concentrated in the fourth quarter of the year.

The amount due for "Social security and defined contribution plans" is consistent with 2018 and refers chiefly to the amount due to local social security institutions and payments due under defined contribution programs.

Most of the change in “Indirect taxes” concerns value added tax/sales tax. The increase reflects sales growth, especially in the United States.

The heading “Other” includes amounts due to directors and statutory auditors as well as deferred promotional contributions from suppliers and accrued liabilities for insurance, utilities and maintenance pertaining to the year.

XIX. OTHER FINANCIAL LIABILITIES

(€k)	31.12.2019	31.12.2018	Change
Fair value of interest rate hedging derivatives	3	310	(307)
Accrued expense and deferred income for interest on loans	8,178	7,271	907
Liabilities due to others	1,269	-	1,269
Fair value of exchange rate hedging derivatives	-	410	(410)
Other financial accrued expense and deferred income	29	-	29
Total	**9,479**	**7,991**	**1,488**

“Fair value of interest rate hedging derivatives” includes the current portion of the fair value measurement of derivatives with a combined notional value of $ 100m.

“Accrued expenses and deferred income for interest on loans” consists mainly of interest on the American bond loan contracted by the subsidiary HMSHost Corporation.

“Liabilities due to others” refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge currency risk, in particular to the forward sale and/or purchase of currency to mitigate the risks of intercompany loans and dividends.

NON-CURRENT LIABILITIES

XX. OTHER PAYABLES

These amount to € 17,440k (€ 29,495k at 31 December 2018) and include the liability to personnel for long-term incentives and for defined contribution plans. During the year the Group settled the deferred payment of € 6m for the acquisition of Le CroBag in 2018.

Note that with the adoption of IFRS 16, lease incentives obtained before 1 January 2019 have been deducted from the item "right-of-use assets" in the amount of € 9,760k.

XXI. LOANS

(€k)	31.12.2019	31.12.2018	Change
Current account overdrafts	40,308	48,384	(8,076)
Unsecured bank loans	16,025	20,584	(4,559)
Total current	**56,333**	**68,968**	**(12,635)**
Unsecured bank loans	533,523	551,672	(18,149)
Commissions on loans	(1,433)	(1,760)	327
Total non-current	**532,090**	**549,912**	**(17,822)**
Total	**588,423**	**618,880**	**(30,457)**

The breakdown of unsecured bank loans at the close of 2019 and 2018 is presented below:

		31.12.2019		31.12.2018	
	Expiry	Amount (€k)	Drawdowns in €k *	Amount (€k)	Drawdowns in €k *
Term Amortizing Facility - HMSHost Corporation **	June 2023	133,523	133,523	174,672	174,672
Revolving Amortizing Facility - HMSHost Corporation **	June 2023	178,031	-	174,672	-
2018 Lines		**311,554**	**133,523**	**349,344**	**174,672**
Term Amortizing Facility - Autogrill S.p.A. ***	January 2023	100,000	100,000	100,000	100,000
Revolving Amortizing Facility - Autogrill S.p.A. ***	January 2023	200,000	-	200,000	52,000
2018 Lines		**300,000**	**100,000**	**300,000**	**152,000**
Revolving Facility - Autogrill S.p.A. ***	January 2023	100,000	100,000	100,000	75,000
2018 Line		**100,000**	**100,000**	**100,000**	**75,000**
Term Loan Facility - Autogrill S.p.A.	August 2021	150,000	150,000	150,000	150,000
2017 Line		**150,000**	**150,000**	**150,000**	**150,000**
Revolving Facility - Autogrill S.p.A.	August 2024	25,000	-	-	-
2019 Line		**25,000**	**-**	**-**	**-**
Revolving Facility - Autogrill S.p.A.	August 2024	50,000	50,000	-	-
2019 Line		**50,000**	**50,000**	**-**	**-**
Total		**936,554**	**533,523**	**899,344**	**551,672**
of which current portion		**-**	**-**	**-**	**-**
Total lines of credit net of current portion		**936,554**	**533,523**	**899,344**	**551,672**

* Drawdowns in currency are measured based on exchange rates at 31 December 2019 and 31 December 2018
** On 26 June 2018 HMSHost Corp. obtained a new credit facility of $ 400m used to repay the loan of $ 300m, with original deadline of March 2020
*** Credit line, obtained in January 2018 and used to repay in advance the Revolving Facility of € 400m

At 31 December 2019 the Group's committed credit facilities had been drawn down by about 57%.

In August 2017, Autogrill S.p.A. obtained a € 150m term loan maturing in August 2021, used to prepay the partially drawn down amortizing term loan of nominal € 200m that was due to mature in 2020.

In January 2018, Autogrill S.p.A. obtained two new credit facilities:
- an amortizing term loan of € 100m and a revolving credit line of € 200m, packaged into a single facility maturing in January 2023. The amortizing term loan involves two annual payments of € 25m starting in January 2021, with reimbursement of the remaining € 50m on maturity. For the revolving line, the commitment will be reduced through two annual payments of € 62.5m as from January 2021 and the remaining commitment of € 75m will be settled on maturity;
- a revolving facility of € 100m maturing in January 2023.

The two credit lines were used to prepay, in February 2018, the partially drawn down revolving credit line of nominal € 400m that was due to mature in March 2020.

In August 2019 Autogrill S.p.A. contracted a new € 50m amortizing term loan and € 25m revolving credit line, maturing in August 2024. The amortizing term loan involves three annual payments of € 12.5m starting in August 2021, with reimbursement of the remaining € 12.5m on maturity. The entire revolving credit commitment of € 25m will be settled at that time.

The above contracts require the Group to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole. At 31 December 2019 these covenants were satisfied.

The above-listed bank loan agreements grant the bank, as is customary for this kind of agreements, the right to cancel the existing loan agreements, with the consequent obligation for the borrower to repay all the funds drawn down in advance in case of a change of control of the company. For the purposes of said agreements, the "change of control" would take place when one or more entities — other than current reference Shareholders of Edizione S.r.l. ("Edizione") — acting individually or jointly, acquire the control of the Company pursuant to art. 2359, paragraph 1, points 1 and 2, of the Civil Code.

On 26 June 2018 the subsidiary HMSHost Corp. obtained a new loan maturing in June 2023, comprised of a term loan and a revolving credit facility, both in the amount of $ 200m. The term loan involves two annual payments of $ 50m starting in January 2020, with reimbursement of the remaining $ 50m on maturity. The two lines have been used to prepay the revolving loan of nominal $ 300m (of which $ 200m has been drawn down) ahead of its original maturity. This contract includes a change of control clause.

In 2019, the $ 50m payment due in June 2020 was settled in advance, using cash from the sale of the Canadian motorway operations.

The contract for the facility contracted by HMSHost Corporation requires it to uphold a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated for the companies headed up by HMSHost Corporation. At 31 December 2019 all such covenants were satisfied.

For the calculation of these ratios, net and gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, the final ratios are not readily apparent from the financial statements.

As agreed with lenders, the calculation of existing covenants is determined net of the impacts deriving from the adoption of the new standard IFRS 16 or reducing the main financial and economic impacts on the balances subject to the covenant calculation.

XXII. FINANCE LEASE LIABILITIES

(€k)	31.12.2019	31.12.2018	Change
Finance lease liabilities – current	373,966	303	373,663
Finance lease liabilities – non current	2,100,406	4,069	2,096,337
Total current	**2,474,372**	**4,372**	**2,470,000**

This item increased due to the adoption of IFRS 16 and the consequent recognition of € 2,514,133k in liabilities from the discounting of future minimum guaranteed lease payments outstanding as of 1 January 2019. Movements in 2019 consisted essentially of the recognition of new leases (€ 225,937k), implicit interest (€ 74,451k) and lease payments (€ 416,411k). For further details see Section 2.2.1 of these notes.

XXIII. OTHER FINANCIAL LIABILITIES

(€k)	31.12.2019	31.12.2018	Change
Fair value of interest rate hedging derivatives	-	1,367	(1,367)
Liabilities due to others	925	2,042	(1,117)
Total	**925**	**3,409**	**(2,484)**

"Fair value of interest rate hedging derivatives" includes the non-current portion of the fair value measurement of derivatives with a combined notional value of $ 100m.

"Liabilities due to others" refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

XXIV. BONDS

(€k)	31.12.2019	31.12.2018	Change
Bonds (current)	22,254	-	22,254
Total current	**22,254**	**-**	**22,254**
Bonds (non-current)	292,006	304,055	(12,049)
Commissions on bond issues	(825)	(1,029)	204
Total non-current	**291,181**	**303,026**	**(11,845)**
Total	**313,435**	**303,026**	**10,409**

The item "Bonds" refers to private placements issued by HMSHost Corporation:
- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of $ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

Nominal amount ($m)	Issue date	Annual fixed rate	Expiry
25	March 2013	4.75%	September 2020
40	March 2013	4.97%	September 2021
80	March 2013	5.40%	September 2024
55	March 2013	5.45%	September 2025

At 31 December 2019, bonds as a whole amounted to € 313,435k, up from € 303,026k of the previous year. The increase of € 10,409k reflects fair value changes and an exchange effect of € 5,888k.

Regarding the interest rate hedges of a notional $ 100m covering the bonds issued in 2013, a loss of € 3,571k was recorded at 31 December 2019 and a gain of similar amount was recognized on the hedging instrument, for a substantially zero effect on the income statement.

The fair value of the bonds outstanding is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the previous year.

The regulations for these bonds require the maintenance of certain financial ratios: a leverage ratio (Gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/Net financial expense) of at least 4.5, calculated with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 31 December 2019 these contractual requirements were satisfied.

As agreed with lenders, the calculation of existing covenants is determined net of the impacts deriving from the adoption of the new standard IFRS 16 or reducing the main financial and economic impacts on the balances subject to the covenant calculation.

Consequently to any change in the control of HMSHost, these loans provide each bondholder with the right to obtain the early repayment of the bonds held.

XXV. DEFINED BENEFIT PLANS

At 31 December 2019 defined benefit plans amounted to € 68,001k (€ 71,036k at the close of the previous year).

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (trattamento di fine rapporto or "TFR") is € 37,895k, compared with € 42,289k determined on an actuarial basis.

(€k)	31.12.2019	31.12.2018	Change
Defined benefit plans:			
Post-employment benefit	42,289	44,173	(1,884)
Other defined benefit plans	25,712	26,863	(1,151)
Total	**68,001**	**71,036**	**(3,035)**

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognized:

(€k)	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Present value of the funded plans	101,714	94,741	92,547	99,076	116,001
Fair value of the plan assets	(80,103)	(71,695)	(69,430)	(70,457)	(82,313)
	21,611	**23,046**	**23,117**	**28,619**	**33,688**
Present value of the unfunded plans	46,390	47,990	56,993	62,216	66,507
Net liabilities recognised	**68,001**	**71,036**	**80,110**	**90,835**	**100,195**

The actuarial assumptions used to calculate defined benefit plans are summarized in the following table:

	Italy		Switzerland		Other plans	
	2019	2018	2019	2018	2019	2018
Discount rate	0.4%	1.1%	0.3%	1.0%	0.6%-1.1%	1.3%-1.9%
Inflation rate	1.2%	1.5%	0.6%	1.0%	0.6%-1.4%	1%-1.5%
Yield on assets	-	-	0.0%	1.0%	1.9%	1.9%
Salary increase rate	-	-	1.0%	1.0%	1.0%-2%	1.0%-2.5%
Pension increase rate	2.4%	2.6%	-	-	-	-

The discount rates were determined based on the yield of corporate bonds of high standing at the date of these financial statements.

Below are the amounts recognized in the income statement for defined benefit plans:

(€k)	Full year 2019	Full year 2018	Change
Current service costs	2,395	2,388	7
Past service costs	-	(1,709)	1,709
Net interest expense	579	631	(52)
Total	**2,974**	**1,310**	**1,663**

Interest expense is recognized under "Financial expense" net of interest income on plan assets, while the post-employment benefit cost is recognized under "Personnel expense".

Movements in the present value of post-employment benefit obligations are as follows:

(€k)	Italy	Switzerland	Other plans	Total
Present value of the obligation at 31 December 2017	**51,903**	**88,693**	**8,944**	**149,540**
Current service costs	-	1,632	756	2,388
Past service cost	-	-	(1,709)	(1,709)
Interest expense	453	549	124	1,126
Actuarial losses (gains) due to:				
– demographic assumptions	-	2,966	(116)	2,850
– financial assumptions	(1,016)	(4,145)	(9)	(5,170)
– experience adjustments	106	(1,250)	(100)	(1,244)
Employees' share of contributions	-	2,526	48	2,574
Benefit paid	(7,757)	(3,815)	(223)	(11,795)
Exchange rate losses (gains)	-	3,370	6	3,376
Other	484	-	311	795
Present value of the obligation at 31 December 2018	**44,173**	**90,527**	**8,032**	**142,731**
Current service costs	-	1,717	677	2,395
Past service cost	-	-	-	-
Interest expense	321	889	136	1,346
Actuarial losses (gains) due to:				
– demographic assumptions	(34)	-	(38)	(73)
– financial assumptions	1,798	10,363	716	12,877
– experience adjustments	(545)	(6,433)	107	(6,870)
Employees' share of contributions	-	2,698	-	2,698
Benefit paid	(3,628)	(6,730)	(359)	(10,717)
Exchange rate losses (gains)	-	3,524	7	3,531
Other	205	-	(17)	188
Present value of the obligation at 31 December 2019	**42,289**	**96,554**	**9,261**	**148,105**

This table shows movements in the present value of plan assets:

(€k)	Italy	Switzerland	Other plans	Total
Fair value of the assets at 31 December 2017	**-**	**65,749**	**3,681**	**69,430**
Interest income	-	422	73	495
Estimated yield on plan assets, except interest income	-	(2,880)	18	(2,862)
Employees' share of contributions	-	2,526	48	2,574
Group's share of contributions	-	3,085	368	3,453
Benefits paid	-	(3,815)	(90)	(3,905)
Exchange rate gains (losses)	-	2,510	-	2,510
Other	-	-	-	-
Fair value of the assets at 31 December 2018	**-**	**67,597**	**4,098**	**71,695**
Interest income	-	688	79	766
Estimated yield on plan assets, except interest income	-	4,839	631	5,472
Employees' share of contributions	-	2,698	-	2,698
Group's share of contributions	-	3,302	380	3,681
Benefits paid	-	(6,730)	(182)	(6,913)
Exchange rate gains (losses)	-	2,704	-	2,704
Fair value of the assets at 31 December 2019	**-**	**75,097**	**5,006**	**80,103**

The main categories of plan assets are:

	Switzerland	Belgium
Cash and cash equivalents	1.3%	100.0%
Equity instruments	23.4%	0.0%
Bonds	47.8%	0.0%
Real estate	22.6%	0.0%
Other securities	4.9%	0.0%

Equity instruments and bonds have official market prices.

The occurrence of reasonably possible variations in actuarial assumptions at the end of the year would have affected the defined benefit obligation as quantified in the table.

	Italy		Switzerland		Belgium	
	+0.25%	-0.25%	+0.25%	-0.25%	+0.5%	-0.5%
Discount rate	(727)	750	(3,613)	3,866	(457)	472
Salary increase rate	-	-	486	n.a.	-	-
Pension increase rate	-	-	-	-	-	-
Inflation rate	460	(453)	-	-	-	-

As a result of the revised estimate, the liability for defined benefit plans decreased by € 463k gross of the tax effect; after € 287k in taxes (Note XXVII) the net impact of € 176k was recognized in comprehensive income. The significant change reflects the decrease in the discount rate applicable as of 31 December 2019.

XXVI. PROVISIONS FOR RISKS AND CHARGES

The change is due to normal allocations and utilizations for the year and to the release of provisions as described below.

(€k)	31.12.2018	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2019
Provision for taxes	3,051	8	-	(625)	(116)	2,319
Other provisions	10,483	(4,580)	15,640	-	(13,218)	8,325
Provision for investments	-	1,416	-	-	-	1,416
Provision for legal disputes	2,723	5,922	183	(3,512)	(2,908)	2,408
Onerous contracts provision	-	-	192	-	-	192
Total provisions for current risks and charges	**16,257**	**2,767**	**16,015**	**(4,136)**	**(16,242)**	**14,660**
Other provisions	26,975	4,843	63	(473)	(1,684)	29,724
Provision for legal disputes	1,836	-	1,595	(806)	(598)	2,028
Provision for the refurbishment of third party assets	8,238	170	556	(1,270)	(194)	7,500
Onerous contracts provision	1,197	(106)	-	(1,091)	-	-
Total provisions for non-current risks and charges	**38,246**	**4,907**	**2,214**	**(3,640)**	**(2,475)**	**39,253**

(€k)	31.12.2017	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2018
Provision for taxes	3,630	146	-	(683)	(42)	3,051
Other provisions	12,758	(808)	11,432	-	(12,899)	10,483
Provision for legal disputes	1,852	104	1,450	(43)	(640)	2,723
Total provisions for current risks and charges	**18,241**	**(558)**	**12,883**	**(725)**	**(13,581)**	**16,257**
Other provisions	23,290	3,691	999	(702)	(302)	26,975
Provision for legal disputes	2,081	334	1,051	(956)	(674)	1,836
Provision for the refurbishment of third party assets	6,493	36	1,709	-	-	8,238
Onerous contracts provision	952	-	893	(618)	(30)	1,197
Total provisions for non-current risks and charges	**32,815**	**4,061**	**4,653**	**(2,277)**	**(1,006)**	**38,246**

PROVISION FOR TAXES

The current portion relates primarily to disputes over US companies' indirect tax obligations and reflect the advice of the Group's tax advisors (Note XXXIII). No allocations were made during the year.

OTHER PROVISIONS

These consist primarily of a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In 2019, € 15,703k was allocated to the current and non-current portions of this US provision, determined by independent appraisers on the basis of track records and forecasts regarding accidents, while settlements for the year came to € 14,639k.

PROVISION FOR LEGAL DISPUTES

This provision covers the risk of losing lawsuits brought against Group companies and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Reversals during the year, to account for revised risk estimates, were greater than allocations by a net amount of € 2,540k.

PROVISION FOR THE REFURBISHMENT OF THIRD PARTY ASSETS

This represents the estimated liability for ensuring that leased assets are returned in the contractually agreed condition.

ONEROUS CONTRACTS PROVISION

This referred to long-term leases or concession agreements on commercial units that are not profitable enough to cover the rent. It shows a balance of zero at the end of the year due to the reclassification, as of 1 January 2019, to the item "right-of-use assets" in accordance with IFRS 16. No provisions were made during the year for future losses on long-term contracts.

XXVII. EQUITY

Movements in equity items during the year are detailed in the statement of changes in shareholders' equity.

SHARE CAPITAL

At the end of 2019 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares with no indication of their nominal value.

At 31 December 2019 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

LEGAL RESERVE

The legal reserve (€ 13,738k) is the portion of Autogrill S.p.A. profits that cannot be paid out as dividends, in accordance with Art. 2430 of the Italian Civil Code.

TRANSLATION RESERVE

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the increase, € 15,210k concerns exchange rate differences from the translation of financial statements in foreign currencies and € 49k refers to the portion of comprehensive income for investments valued using the equity method (Note XI), offset by € 61k for the change in the fair value of instruments designated as net investment hedges, net of the tax effect.

OTHER RESERVES AND RETAINED EARNINGS

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.

The change in this item was caused mainly by the allocation to reserves of the 2018 profit on the basis of the shareholders' meeting resolution of 23 May 2019 and by the payment of € 50,844k in dividends.

TREASURY SHARES

The annual general meeting of 23 May 2019, after revoking the authorization granted on 24 May 2018 and pursuant to Arts. 2357 et seq. of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary stock up to a maximum of 12,720,000 shares.

At 31 December 2019 Autogrill S.p.A. owned 181,641 treasury shares (unchanged since the end of 2018), with a carrying amount of € 720k and an average carrying amount of € 3.96 per share. No treasury shares were purchased or disposed of in 2019.

NON-CONTROLLING INTERESTS

Non-controlling interests amount to € 77,620k, compared with € 55,159k at 31 December 2018. Most of the increase is due to the profit the year (€ 21,094k) and capital injections (€ 42,800k), net of dividends paid (€ 40,546k).

OTHER COMPREHENSIVE INCOME

The following table shows the components of comprehensive income and the relative tax effect:

	Full year 2019			Full year 2018		
(€k)	Gross amount	Tax benefit (expense)	Net amount	Gross amount	Tax benefit (expense)	Net amount
Remeasurements of the defined benefit (liabilities) asset	(463)	287	(176)	703	(356)	347
Items that will never be reclassified to profit or loss	**(463)**	**287**	**(176)**	**703**	**(356)**	**347**
Equity-accounted investee – share of other comprehensive income	49	-	49	(32)	-	(32)
Foreign currency translation differences for foreign operations	14,017	-	14,017	15,964	-	15,964
Gain (loss) on net investment hedge	(81)	20	(61)	423	(106)	317
Items that may be subsequently reclassified to profit or loss	**13,985**	**20**	**14,005**	**16,355**	**(106)**	**16,249**
Total other comprehensive income	**13,522**	**307**	**13,829**	**17,058**	**(462)**	**16,596**

The change in the item "Remeasurements of the defined benefit (liabilities) asset" refers to the significant decrease in the discount rate applicable as of 31 December 2019 (Note XXV).

2.2.6 NOTES TO THE INCOME STATEMENT

XXVIII. REVENUE

Revenue is detailed below:

(€k)	Full year 2019	Full year 2018	Change
Food & Beverage sales	4,996,787	4,695,271	301,516
Oil sales	396,966	417,869	(20,903)
Total	**5,393,753**	**5,113,140**	**280,613**

In 2019, Food & Beverage revenue increased thanks mainly to the Group's performance at airports, its principal channel.

The sale of fuel takes place primarily at rest stops in Italy and Switzerland; the decrease is explained by reduced motorway traffic in every region.

See the directors' report for a detailed review of sales performance.

XXIX. OTHER OPERATING INCOME

(€k)	Full year 2019	Full year 2018	Change
Bonus from suppliers	46,754	43,753	3,001
Income from business leases	48,709	15,950	32,759
Affiliation fees	5,074	4,757	317
Gain on sales of property, plant and equipment	5,234	5,184	50
Other revenue	104,840	41,128	63,712
Total	**210,611**	**110,772**	**99,839**

"Bonuses from suppliers" increased by € 3,001k, mostly at Autogrill Italia S.p.A., thanks to the renegotiation during the year of some contracts with strategic suppliers.

"Income from business leases" refers to variable rent received under such arrangements, which was previously shown net of the cost item "leases, rentals, concessions and royalties".

"Affiliation fees" pertain mostly to the company Le CroBag for its franchised locations.

"Gain on sales of property, plant and equipment" are essentially in line with 2018. In 2019 this item mostly concerns the sale of a hotel in Switzerland. In 2018 it reflected the sale of a warehouse in Italy and in a hotel in Belgium.

Most of the increase in "Other revenue" refers to the sale of food & beverage at American Airlines airport lounges ($ 74m), under an exclusive five-year contract with the airline (since May 2019) through the subsidiary HMSHost Corporation.

The "Other revenue" heading includes € 17,898m (€ 20,896m the previous year) in commissions from the sale of goods and services for which the Group acts as an agent: mostly telephone cards, fuel and lottery tickets. It also includes income from services, reimbursements from third parties and insurance payments.

XXX. RAW MATERIALS, SUPPLIES AND GOODS

(€k)	Full year 2019	Full year 2018	Change
Purchases	1,921,062	1,843,671	77,391
Change in inventories	(9,668)	(557)	(9,111)
Total	**1,911,394**	**1,843,114**	**68,280**

The increase in this item correlates mainly with the growth in revenue.

XXXI. PERSONNEL EXPENSE

(€k)	Full year 2019	Full year 2018	Change
Wages and social security contribution	1,508,310	1,391,249	117,061
Employee benefits	41,162	37,189	3,973
Other costs	125,328	128,545	(3,217)
Total	**1,674,800**	**1,556,983**	**117,817**

The increase in personnel expense is associated with the growth in revenue and other operating income and with upward pressure on wages, especially in the United States.

"Other costs" include the portion of the stock option plans pertaining to the year and fees paid to the Board of Directors, as detailed in Section 2.2.13 below.

The average headcount, expressed in terms of equivalent full-time employees, was 41,514 (42,353 in 2018).

XXXII. LEASES, RENTALS, CONCESSIONS AND ROYALTIES

(€k)	Full year 2019	Full year 2018	Change
Leases, rentals and concessions	448,563	756,394	(307,831)
Royalties	129,859	120,128	9,731
Total	**578,422**	**876,522**	**(298,100)**

In addition to variable lease and concession fees (€ 363,139k), the balance at 31 December 2019 consists mainly of short-term leases (€ 73,595k), low-value leases (€ 7,185k) and fees for access rights (€ 4,775k). The significant decrease in this item is due primarily to the application of IFRS 16, which has excluded the fixed portion of lease and concession fees as from 1 January 2019. Those costs, starting in 2019, are classified as depreciation of right-of-use assets and implicit finance lease liabilities. For further details see Section 2.2.1 of these notes.

The increase in royalties reflects the expansion of the Group's operations, particularly in the United States and the International segment.

XXXIII. OTHER OPERATING EXPENSE

(€k)	Full year 2019	Full year 2018	Change
Utilities	89,967	88,299	1,668
Maintenance	89,213	79,819	9,394
Cleaning and disinfestations	53,618	53,432	186
Consulting and professional services	42,656	44,272	(1,616)
Commissions on credit card payments	65,909	56,770	9,139
Storage and transport	21,378	19,283	2,095
Advertising	19,217	17,151	2,066
Travel expenses	32,222	30,559	1,663
Telephone and postal charges	18,592	17,397	1,195
Insurance	6,646	5,907	739
Surveillance	3,636	3,163	473
Transport of valuables	4,461	4,737	(276)
Banking services	5,818	5,416	402
Sundry materials	43,147	39,734	3,413
Other services	56,847	40,772	16,075
Costs for materials and services	**553,327**	**506,711**	**46,616**
Impairment losses on receivables	**1,496**	**1,859**	**(363)**
For taxes	(625)	(683)	58
For legal disputes	(2,540)	1,502	(4,042)
For onerous contracts	(1,091)	275	(1,366)
For other risks	15,230	11,729	3,501
Allocation to provisions for risks (Note XXVI)	**10,974**	**12,823**	**(1,849)**
Indirect and local taxes	**27,868**	**26,618**	**1,250**
Other operating expense	**14,321**	**12,353**	**1,968**
Total	**607,986**	**560,364**	**47,622**

In general, the rise in costs reflects the growth of business.

"Advertising" expense increased as a result of greater initiatives to boost sales.

Costs for "Consulting and professional services" were incurred mostly in the United States, including in connection with acquisitions and disposals.

"Maintenance" refers to costs for the operation of stores under concession or lease arrangements.

"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies and advertising materials.

The heading "Other services" includes miscellaneous items such as medical check-ups, public relations, general services and personnel recruitment and training. The change for the year includes the cost of efficiency programs, mainly in the United States, for robotic process automation.

The increase in "Commissions on credit card payments" parallels the Group's revenue growth for the year.

XXXIV. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

The following table summarizes this item by asset category:

(€k)	Full year 2019	Full year 2018	Change
Other intangible assets	29,757	25,356	4,401
Property, plant and equipment	209,823	187,171	22,652
Assets to be transferred free of charge	16,616	15,280	1,336
Right of use assets	356,171	-	356,171
Total	**612,367**	**227,807**	**384,560**

Most of the increase reflects the adoption of IFRS 16 and the consequent recognition of depreciation on right-of-use assets. For further details see Section 2.2.1 of these notes.

Below is the breakdown by type of asset:

(€k)	Full year 2019
Buildings	354,310
Other	1,861
Total	**356,171**

The increase for "Property, plant and equipment" is due to the rise in capital expenditure with respect to the previous year.

Also, in 2019, impairment losses (net of reversals) were recognized for a total of € 11,653k (€ 9,075k in 2018), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each food & beverage location. Most impairment losses in 2019 were charged in the United States, Spain and China, where assets at various shopping center locations were written down as a result of efficiency measures.

The following table provides a breakdown by type of asset:

(€k)	Full year 2019	Full year 2018	Change
Other intangible assets	1,498	598	900
Property, plant and equipment	8,468	4,407	4,061
Assets to be transferred free of charge	1,477	4,070	(2,593)
Right of use assets	210	-	210
Total	**11,653**	**9,075**	**2,578**

See notes VII, VIII and X for details of the assumptions and criteria used to measure the recoverability of these categories of non-current assets.

XXXV. GAIN ON OPERATING ACTIVITY DISPOSAL

This item refers to the sale of Canadian motorway operations (€ 120,853k) and of the entire investment in Autogrill Czech S.r.o. (€ 7,958k). For further details see Section 2.2.4 of these notes.

XXXVI. FINANCIAL INCOME AND EXPENSE

(€k)	Full year 2019	Full year 2018	Change
Interest income	1,429	955	474
Exchange rate income	405	-	405
Interest income on finance lease receivables	2,041	-	2,041
Other financial income	1,272	1,106	166
Total financial income	**5,147**	**2,061**	**3,086**

(€k)	Full year 2019	Full year 2018	Change
Interest expense	27,696	25,549	2,147
Interest expense on finance lease liabilities	74,451	388	74,063
Discounting of long-term liabilities	895	907	(12)
Exchange rate losses	-	2,477	(2,477)
Interest differential on exchange rate hedges	553	678	(125)
Fees paid on loans and bonds	122	867	(745)
Ineffective portion of hedging instruments	14	-	14
Other financial expense	390	279	111
Total financial expense	**104,121**	**31,145**	**72,976**
Total net financial expense	**(98,974)**	**(29,084)**	**(69,890)**

The increase in net financial expense mostly reflects the adoption of IFRS 16, which has led to the recognition of implicit interest on finance lease liabilities, previously included under "Leases, rentals, concessions and royalties" (see Section 2.2.1).

XXXVII. INCOME TAX

The balance of € 47,654k (€ 34,501k in 2018) includes € 49,913k in current taxes (€ 27,879k the previous year) and € 6,752k in net deferred tax assets (€ 3,498k in net deferred tax liabilities in 2018). It also includes IRAP of € 3,241k (€ 1,902k the previous year), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, and CVAE of € 1,252k (€ 1,222k in 2018), charged on French operations and calculated on the basis of revenue and value added.

The total tax liability is reduced by benefits of € 16.4m in Italy: € 3.5m for the use of prior-year losses to offset taxable income for the year and € 12.9m in deferred tax assets on previously unused losses, in light of the improved earnings projections for the next five years.

For 2018, current taxes included a non-recurring charge of € 4,431k from the recalculation, on the basis of the final tax law published during the course of the year in connection with the US tax reform, of the one-time tax on profits earned outside the United States since 1986 by the subsidiaries of HMSHost Corp.

The 2019 figure also includes a provision of € 29,565k for the capital gains tax on the sale of the motorway business in Canada.

Finally, the adoption of IFRS 16 led to the recognition of € 8,604k in deferred tax assets in 2019 (see Section 2.2.1).

Below is the reconciliation between theoretical income tax and recognized income tax:

(€k)	Full year 2019	%	Full year 2018	%
Theoretical income tax	**56,933**	**20.8%**	**30,327**	**25.1%**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(4,310)		(4,354)	
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	(2,179)		9,859	
Adjustment of deferred taxes in Belgium following the change in the rate from 29.6% to 25%	1,636		-	
US tax reform impact ("una tantum")	-		4,431	
Tax concession on the labour cost in the United States	(9,954)		(8,701)	
Other permanent differences	1,035		(185)	
Income tax, excluding IRAP and CVAE	**43,162**	**15.8%**	**31,377**	**25.9%**
IRAP and CVAE	4,492		3,124	
Recognised income tax	**47,654**	**17.4%**	**34,501**	**28.5%**

XXXVIII. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.

Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding. The Performance Share Units plan launched in 2018 does not entail the issue of new shares and therefore has no dilutive effect.

Basic	Full year 2019	Full year 2018
Profit (loss) for the year attributable to owners of the parent (€k)	205,188	68,660
Weighted average no. of outstanding shares (no./000)	254,218	254,218
Basic earnings per share (€/cents.)	**80.7**	**27.0**

Diluted	Full year 2019	Full year 2018
Profit (loss) for the year attributable to owners of the parent (€k)	205,188	68,660
Weighted average no. of outstanding shares (no./000)	254,218	254,218
Dilution effect of shares included in stock option plans (no./000)	-	-
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,218	254,218
Diluted earnings per share (€/cents.)	**80.7**	**27.0**

2.2.7 NET FINANCIAL POSITION

Details of the net financial position at 31 December 2019 and 31 December 2018 are as follows:

Note	(€m)		31.12.2019	31.12.2018	Change
I	A)	Cash on hand	48.1	53.3	(5.2)
I	B)	Cash equivalents	236.0	161.4	74.6
	C)	Securities held for trading	-	-	-
	D)	**Cash and cash equivalent (A + B + C)**	**284.1**	**214.7**	**69.4**
*	**E)**	**Current financial assets**	**81.0**	**36.4**	**44.6**
XXI	F)	Bank loans and borrowings, current	(56.3)	(69.0)	12.6
XXIV	G)	Bond issued	(22.3)	-	(22.3)
**	H)	Other financial liabilities	(383.4)	(8.3)	(375.2)
	I)	**Current financial indebtedness (F + G + H)**	**(462.0)**	**(77.3)**	**(384.8)**
	J)	**Net current financial indebtedness (I + E + D)**	**(96.9)**	**173.9**	**(270.8)**
XXI	K)	Bank loans and borrowings, net of current portion	(532.1)	(549.9)	17.8
XXIV	L)	Bond issued	(291.2)	(303.0)	11.8
***	M)	Due to others	(2,101.3)	(7.5)	(2,093.9)
	N)	**Non-current financial indebtedness (K + L + M)**	**(2,924.6)**	**(860.4)**	**(2,064.2)**
	O)	**Net financial indebtedness (J + N)** [1]	**(3,021.5)**	**(686.6)**	**(2,335.0)**
****	**P)**	**Non-current financial assets**	**73.6**	**15.5**	**58.1**
		Net financial position – Total	**(2,947.9)**	**(671.1)**	**(2,276.8)**

1 As defined by Consob communication 28 July 2006 and ESMA/2011/81

* It includes the following current assets lines: Note "XII - Finance lease receivables" for € 16.8m and Note "II. Other financial assets" for € 64.2m

** It includes the following current liabilities lines: Note "XXII - Finance lease liabilities" for € 373.9m and Note "XIX. Other financial liabilities" for € 9.5m

*** It includes the following non current liabilities lines: Note "XXII - Finance lease liabilities" for € 2.100,4m and Note "XXIII. Other financial liabilities" for € 0.9m

**** It includes the following non current assets lines: Note "XII. Finance lease receivables" for € 66.1m and Note "XIII. Other financial assets" for € 7.5m

The adoption of IFRS 16 and the consequent recognition of right-of-use assets and finance lease liabilities has significantly increased the total net financial position, making the year-end figures for 2019 and 2018 less comparable. To rectify the situation, the total net financial position at 31 December 2019 has been purged of the effects of IFRS 16, as follows:

Note	(€m)	31.12.2019	31.12.2018	Change
	Net financial position – Total (A)	**(2,947.9)**	**(671.1)**	**(2,276.8)**
XII	Finance lease receivables – current	(16.8)	-	(16.8)
XII	Finance lease receivables – non current	(66.1)	-	(66.1)
	Finance lease receivables (B)	**(82.9)**	**-**	**(82.9)**
XXII	Finance lease liabilities – current	373.9	-	373.9
XXII	Finance lease liabilities – non current *	2,098.4	-	2,098.4
	Finance lease liabilities (C)	**2,472.3**	**-**	**2,472.3**
	Net financial position (A + B + C)	**(558.6)**	**(671.1)**	**112.5**

* Please note that the item "Finance lease liabilities non-current" does not include the amount of the liability related to the financial leases existing before the application of the new accounting standard IFRS16 and therefore it is not easily attributable to the item included in the Statement of financial position

The net financial position adjusted of the effects of IFRS 16 shows a decrease as a result of cash flow from operating activities net of capital expenditure, plus cash received from disposals, which more than offset the outlay for dividends and the acquisition of PGC.

For further comments, see the notes indicated for each item.

At the close of this and the previous year, there were financial assets due from related parties; see Section 2.2.13 of these notes for details.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As required by IAS 7 (§44A), the following table reconciles changes in liabilities arising from financing activities, distinguishing between those arising from cash flows and other non-monetary changes.

				Non monetary movements			
(€m)	01.01.2019	IFRS16 effect	Cash flow[3]	Exchange rate gains (losses)[4]	Other movements[6]	Total movements	31.12.2019
Bank loans and borrowings [1 2]	571.5	-	(26.3)	3.3	1.4	4.7	549.9
Bond issued [1]	309.3	-	-	5.9	4.6	10.5	319.8
Other financial liabilities [1]	8.5	2,514.1	(342)	29.0	267.2	296.3	2,476.6
Other financial assets [5]	(51.3)	(49.4)	0.9	(2.3)	(49.2)	(51.5)	(151.4)
Total	**838.0**	**2,464.7**	**(367.7)**	**36.0**	**224.0**	**260.0**	**3,195.0**

1 The amounts as of 31 December 2019 of "Other financial liabilities" include the items listed in the current liabilities: Note "XXII. Finance lease liabilities" for € 373.9m (€ 0.3m at 1 January 2019) , Note "XIX. Other financial liabilities" for € 9.4m (€ 7.9m at 1 January 2019) and non-current liabilities: Note "XXII. Finance lease liabilities" for € 2,100.4m (€ 4m at 1 January 2019), Note "XXIII. Other financial liabilities" for € 0.9m (€ 3.4m at 1 January 2019), net of interest payments on loans totaling € 8.1m (€ 7.2m at 1 January 2019) and reclassified among "Bank loans and borrowings" for € 1.8m (€ 1m at 1 January 2019) and "Bonds" for € 6.3m (€ 6.2m at 1 January 2019)
2 The amounts as of 31 December 2019 of the item "Bank loans and borrowings" include the items shown in the Note "XXI. Loans, net of current portion" net of bank overdrafts of € 40.3m (€ 48.4m at 1 January 2019)
3 Cash flows from the Statements of cash flows and cash and cash equivalent
4 The change is mainly to the currency translation on the financial leases
5 The amounts as of 31 December 2019 of "Other financial assets" include the items listed in the current assets: Note "II. Other financial assets" for € 64.1m (€ 36.4m at 1 January 2019), Note "XII. Finance lease receivables current" for € 16.8m (0 at 1 January 2019) and non-current assets: Note "XII Finance lease receivables non-current" for € 66m (0 at 1 January 2019) , Note "XII. Other non-current financial assets" for € 41.7m (€ 42.9m at 1 January 2019) net of bearing escrow accounts for € 34.2m (€ 27.5m at 1 January 2019) and the fair value of hedging derivatives instruments for € 3m (€ 0.4m at 1 January 2019)
6 The "Other movements" column includes the provision for accrued interest for the year

2.2.8 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

2.2.8.1 FAIR VALUE HIERARCHY

The following tables break down assets and liabilities by category at 31 December 2019 and 2018 and financial instruments measured at fair value by valuation method. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly (prices) or indirectly (derived from prices);

Level 3 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

In light of the first-time adoption of IFRS 9, the company has recognized financial assets according to the business model test for the use of amortized cost (hold to collect) or fair value through other comprehensive income (hold to collect and sell), based on facts and circumstances at the time the standard was adopted.

	31.12.2019							
	Carrying amount				Fair value			
(€k)	FVTPL - hedging instruments	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value of interest rate hedging derivatives	2,772	-	-	2,772	-	2,772	-	2,772
Fair value of exchange rate hedging derivatives	172	-	-	172	-	49	-	49
	2,944	**-**	**-**	**2,944**				
Financial assets not measured at fair value								
Cash and cash equivalent	-	284,091	-	284,091	-	-	-	-
Trade receivables	-	55,424	-	55,424	-	-	-	-
Other current receivables	936	78,499	-	79,435	-	-	-	-
Other non current receivables	-	3,010	-	3,010	-	-	-	-
Other financial assets (current)	-	80,518	-	80,518	-	-	-	-
Other financial assets (non-current)	-	105,429	-	105,429	-	-	-	-
	936	**606,970**	**-**	**607,906**				
Financial liabilities measured at fair value								
Fair value of interest rate hedging derivatives	3	-	-	3	-	3	-	3
Fair value of exchange rate hedging derivatives	-	-	-	-	-	-	-	-
	3	**-**	**-**	**3**				
Financial liabilities not measured at fair value								
Bank overdrafts	-	40,308	-	40,308	-	-	-	-
Unsecured bank loans *	-	548,115	-	548,115	-	400,825	-	400,825
Finance leases	-	2,474,372	-	2,474,372	-	-	-	-
Financial liabilities due to others	-	2,194	-	2,194	-	-	-	-
Bonds	-	313,435	-	313,435	-	337,545	-	337,545
Trade payables	-	397,185	-	397,185	-	-	-	-
Due to suppliers for investments	-	89,577	-	89,577	-	-	-	-
Total	**-**	**3,865,185**	**-**	**3,865,185**				

* Fair value refers to Autogrill S.p.A. credit lines, drawn down for € 400.000k at 31 December 2019

(€k)	31.12.2018							
	Carrying amount				Fair value			
	FVTPL - hedging instruments	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value of exchange rate hedging derivatives	440	-	-	440	-	440	-	440
	440	**-**	**-**	**440**				
Financial assets not measured at fair value								
Cash and cash equivalent	-	214,699	-	214,699	-	-	-	-
Trade receivables	-	47,971	-	47,971	-	-	-	-
Other current receivables	-	81,755	-	81,755	-	-	-	-
Other non-current receivables	-	9,878	-	9,878	-	-	-	-
Other financial assets (current)	-	35,984	-	35,984	-	-	-	-
Other financial assets (non-current)	-	42,949	-	42,949	-	-	-	-
	-	**433,236**	**-**	**433,236**				
Financial liabilities measured at fair value								
Fair value of interest rate hedging derivatives	1,677	-	-	1,677	-	1,677	-	1,677
Fair value of exchange rate hedging derivatives	410	-	-	410	-	410	-	410
	2,087	**-**	**-**	**2,087**				
Financial liabilities not measured at fair value								
Bank overdrafts	-	48,384	-	48,384	-	-	-	-
Unsecured bank loans *	-	570,496	-	570,496	-	377,826	-	377,826
Finance leases	-	4,372	-	4,372	-	-	-	-
Financial liabilities due to others	-	2,042	-	2,042	-	-	-	-
Bonds	-	303,026	-	303,026	-	318,695	-	318,695
Trade payables	-	376,460	-	376,460	-	-	-	-
Due to suppliers for investments	-	81,163	-	81,163	-	-	-	-
Total	**-**	**1,385,943**	**-**	**1,385,943**				

* Fair value refers to Autogrill S.p.A. credit lines, drawn down for € 377.000k at 31 December 2018

Information on the fair value of assets and liabilities is not included when the carrying amount is a reasonable approximation of fair value.

In 2019 there were no transfers between different hierarchical levels.

(a) Level 1 financial instruments
The fair value of a financial instrument traded in an active market is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Group is the current bid price.

(b) Level 2 financial instruments
The fair value of financial instruments not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For level 2, the specific valuation techniques are as follows:

- the fair value of interest rate swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2019;
- the fair value of loans and bonds was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

2.2.8.2 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks:

- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of a Group risk management system lies with Autogrill S.p.A.'s Board of Directors, which has formed a sub-committee for Control, Risk and Corporate Governance. The sub-committee is responsible for looking into matters concerning Autogrill's control and risk management system and helping the Board of Directors reach informed decisions on these issues.

The Group's risk management policies are designed to identify and analyze the risks to which the Group is exposed, establish appropriate limits and controls and monitor the risks and compliance with those limits. These policies and the corresponding systems are revised regularly to reflect any changes in market conditions and the Group's operations. Through training, standards and official procedures, the Group aims to create a disciplined and constructive environment in which its employees are aware of their roles and responsibilities. The Internal Audit unit complements the sub-committee for Control, Risk and Corporate Governance in its monitoring activities, conducting periodic reviews and spot checks of the controls and risk management procedures and reporting results to the Board of Directors.

This section describes the Group's exposure to each of the risks listed above, its risk objectives and policies and its means of managing and assessing these risks.

MARKET RISK

Market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Group's results and financial position.

Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, given the extent of the Group's borrowings and its international profile.

INTEREST RATE RISK

The aim of interest rate risk management is to control financial expense and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk, through debt charging a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower or higher interest rates do not bring about a reduction or an increase in the amount payable).

Interest rate hedging instruments are accounted for as cash flow hedges in the financial statements of Group companies exposed to this risk. They are recognized under financial assets or liabilities, on a separate line of the statement of comprehensive income and in the "Hedging reserve" in net equity.

Financial instruments hedging the risk of changes in the fair value of liabilities are accounted for as fair value hedges in the financial statements of Group companies exposed to this risk and recognized as financial assets or liabilities with a balancing entry in the income statement.

At 31 December 2019, fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 40% of the total compared with 33% at the end of 2018.

Gross debt denominated in US dollars amounted to $ 2,166.7m at the close of the year, including $ 352m in bond loans. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for $ 100m, classified as fair value hedges.

Below are the details of financial instruments used to hedge fixed-rate debt of $ 100m at the close of the year:

Underlying	Notional amount		Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	$k	25,000	January 2023	2.24%	USD Libor 6 months	379
Bond issue	$k	45,000	September 2024	2.38%	USD Libor 6 months	1,297
Bond issue	$k	30,000	September 2025	2.44%	USD Libor 6 months	1,091

A hypothetical 1-point unfavorable change in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2019 would increase net financial expense by € 6.7m.

EXCHANGE RATE RISK

The Group operates in various countries with functional currencies other than the euro. In these countries, the procurement policy dictates that raw material purchases and other operating expense be conducted in the same currencies, thereby minimizing exchange rate risk. Such a risk remains with respect to intragroup loans, when granted to subsidiaries that use non-euro currencies. Under these circumstances, the objective of currency risk management is to neutralize some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro.

The Group's exposure to currency translation risk is detailed below, in local currency:

(Currency/000)	Usd	Cad	Chf
Equity	571,454	84,064	35,560
Profit	62,028	208,141	7,352

If the euro had risen or fallen by 10% against the above currencies, at 31 December 2019 equity and profit for the year would have been altered as shown in the following table (in thousands of euros):

	Usd 1.1234		Cad 1.4593		Chf 1.0854	
(€k)	+10%	-10%	+10%	-10%	+10%	-10%
Equity	(46,244)	56,520	(5,237)	6,401	(2,978)	3,640
Profit	(5,037)	6,156	(12,738)	15,569	(601)	734

This analysis was based on the assumption that the other variables, especially interest rates, remain unchanged.

Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into euros in the parent company's or its subsidiaries' accounts of equity investments denominated in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

The fair value of exchange rate hedges outstanding at 31 December 2019 is shown below:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
Chf	14,500	January 2020	1.095	124
Usd	7,512	January 2020	1.10	12
Usd	500	January 2020	1.10	0
Nok	88,618	January 2020	10.14	28
Sek	48,059	January 2020	10.56	9

CREDIT RISK

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to the Group's trade receivables and financial investments.

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in Section 2.2.12.

Exposure at 31 December 2019 and 31 December 2018 was as follows:

Financial assets (€k)	31.12.2019	31.12.2018	Change
Bank and post office deposits	235,968	161,390	74,578
Other current financial assets	80,518	35,984	44,534
Trade receivables	55,424	47,971	7,453
Other current receivables	79,435	81,755	(2,320)
Derivative instruments	2,944	440	2,504
Other non-current financial assets	105,429	42,949	62,480
Other non-current receivables	3,010	9,878	(6,868)
Total	**562,728**	**380,367**	**182,361**

Exposure to credit risk is modest because the Group serves consumers who pay in cash or by credit/debit card; this means that trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets.

In most cases, the Group's trade receivables stem from catering service agreements and commercial affiliations.

Other receivables (current and non-current) consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.

Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

	31.12.2019					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	11,787	2,559	339	981	-	**15,666**
Franchises	5,194	4,106	362	125	1,468	**11,255**
Catering services agreements	1,741	356	97	188	435	**2,817**
Motorway partners	3,551	113	129	268	615	**4,676**
Other	13,985	5,218	349	1,049	408	**21,009**
Total	**36,259**	**12,352**	**1,276**	**2,611**	**2,926**	**55,424**

	31.12.2018					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	2,371	1,921	350	171	-	**4,812**
Franchises	4,240	5,496	438	1,107	2,359	**13,641**
Catering services agreements	1,768	1,364	312	161	977	**4,583**
Motorway partners	1,520	1,122	114	1,040	708	**4,506**
Other	12,830	5,545	801	271	981	**20,429**
Total	**22,730**	**15,449**	**2,016**	**2,750**	**5,026**	**47,971**

There is no significant concentration of credit risk: the ten largest clients account for 16.9% of total trade receivables and the largest one, Beijing Capital Airport Catering Management Co. Ltd., accounts for 3.66%.

LIQUIDITY RISK

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.

The Group manages liquidity by ensuring that to the extent possible, it always has sufficient funds to meet its obligations on time, without incurring excessive charges or risking damage to its reputation.

The defining elements of the Group's liquidity situation are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, the liquidity of its financial investments and financial market conditions.

Exposure and maturity data at the close of 2019 and 2018 were as follows:

	31.12.2019							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2-5 years	Over 5 years
Current account overdrafts	40,308	**40,308**	40,308	-	-	-	-	-
Unsecured bank loans	549,548	**549,548**	16,025	-	-	232,508	301,015	-
Lease payments due to others	2,474,372	**2,474,372**	153,943	73,586	146,438	397,715	934,094	768,597
Liabilities due to others	2,194	**2,194**	1,172	97	-	604	321	-
Bonds	314,260	**314,260**	-	-	22,254	35,606	206,377	50,023
Trade payables	397,183	**397,183**	397,183	-	-	-	-	-
Due to suppliers for investments	89,577	**89,577**	89,577	-	-	-	-	-
Total	**3,867,442**	**3,867,442**	**698,208**	**73,683**	**168,692**	**666,433**	**1,441,807**	**818,620**

	31.12.2019							
		Contractual cash flows						
Derivative financial liabilities (€k)	Carrying amount	Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	-	**-**	-	-	-	-	-	-
Interest rate swap	3	**3**	3	-	-	-	-	-
Total	**3**	**3**	**3**	**-**	**-**	**-**	**-**	**-**

	31.12.2018							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1–months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Current account overdrafts	48,384	**48,384**	48,384	-	-	-	-	-
Unsecured bank loans	572,256	**572,256**	20,000	-	584	-	551,672	-
Lease payments due to others	4,372	**4,372**	51	51	201	221	879	2,969
Liabilities due to others	2,042	**2,042**	-	-	-	1,733	309	-
Bonds	304,055	**304,055**	-	-	-	21,834	165,547	116,674
Trade payables	376,460	**376,460**	376,460	-	-	-	-	-
Due to suppliers for investments	81,163	**81,163**	81,158	-	-	-	-	5
Total	**1,388,732**	**1,388,732**	**526,053**	**51**	**785**	**23,788**	**718,406**	**119,648**

	31.12.2018							
		Contractual cash flows						
Derivative financial liabilities (€k)	Carrying amount	Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Forward foreign exchange derivatives	410	410	410	-	-	-	-	-
Interest rate swap	1,677	1,677	310	-	-	-	1,367	-
Total	**2,087**	**2,087**	**720**	**-**	**-**	**-**	**1,367**	**-**

With regard to exposure to creditors, there is no significant concentration of suppliers, of whom the largest ten account for 15.69% of the total and the leading supplier (Starbucks) accounts for 4.57%.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subgroup exceeds a certain amount.

The loans (Note XXI) and bonds (Note XXIV) outstanding at 31 December 2019 require the satisfaction of certain financial ratios (covenants), specifically, the leverage ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

At 31 December 2019 all such covenants were satisfied.

The weighted average term of bank loans and bonds at 31 December 2019, including unutilized credit lines, is approximately 2 years and 10 months (3 years and 3 months at the end of 2018).

2.2.9 DISCLOSURE OF NON-CONTROLLING INTERESTS

Non-controlling interests refer mainly to investments in U.S. subsidiaries held by accredited Disadvantaged Business Enterprises (DBE), whose participation in the operation of concessions is regulated by state and federal law. The Group maintains control of these companies and is principally responsible for the concession fees due to the grantor.

At 31 December 2019, these companies had net assets of $ 310m ($ 206m at 31 December 2018); for the year they generated revenue of $ 1,198.3m ($ 934.5m in 2018) and net profit of $ 89m ($ 56m the previous year). Non-controlling interests in shareholders' equity amount to $ 79.9m ($ 49.1m at 31 December 2018) and in net profit to $ 19.7m ($ 18.8m the previous year).

2.2.10 SEGMENT REPORTING

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international clientele. The business is conducted in Italy by Autogrill S.p.A.; in France, Switzerland, Germany, Belgium, Spain, Austria, and Greece by Autogrill Europe S.p.A. through its own direct subsidiaries; and in North America, the Netherlands, the United Kingdom, Ireland, Scandinavian countries, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

Performance is monitored separately for each of the three business units: Europe, North America and International (the latter covering Northern Europe, the Middle East and Asia). Because of the distinct characteristics of the Italian market, "Europe" distinguishes between the "Italy" and "other European countries" cash generating units; there are therefore four CGUs overall.

Costs are shown separately for "Corporate" functions, which include the centralized units in charge of administration, finance and control, investor relations, strategic planning, legal and corporate affairs, enterprise risk management, communications, marketing, IT systems, internal audit, human resources and organization for the Group as a whole.

The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

The tables below present income statement figures by segment. For a better understanding of performance and to facilitate the comparison of figures, as in the directors' report discussion of the consolidated income statement and statement of financial position, in addition to figures from the 2019 financial statements determined in accordance with the new accounting standard IFRS 16 there is also an adjusted table where the amounts are purged of the effects of IFRS 16 to make them comparable with the prior-year results, which were calculating according to the policies described in the consolidated financial statements for the year ended 31 December 2018. Starting in 2020 it will no longer be necessary to represent prior-year figures adjusted for the effects of IFRS 16, as the amounts will be directly comparable.

	Full Year 2019				
Profit & Loss (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Total Revenue and other operating income	**2,727,640**	**657,016**	**2,219,592**	**116**	**5,604,364**
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right of use assets	(300,430)	(81,212)	(240,540)	(1,837)	**(624,020)**
Operating profit (loss)	**281,177**	**26,394**	**60,646**	**(31,666)**	**336,553**
Net financial expense					**(98,974)**
Adjustment to the value of financial assets					**36,357**
Pre-tax profit					**273,936**
Income tax					**(47,654)**
Result for the year					**226,282**

	Full Year 2019 excluding IFRS 16				
Profit & Loss (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Total Revenue and other operating income	**2,742,941**	**656,969**	**2,223,756**	**(959)**	**5,622,707**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(143,295)	(37,145)	(85,967)	(1,317)	**(267,724)**
Operating profit (loss)	**260,539**	**22,352**	**55,429**	**(32,033)**	**306,287**
Net financial expense					**(26,883)**
Adjustment to the value of financial assets					**36,357**
Pre-tax profit					**315,760**
Income tax					**(56,256)**
Result for the year					**259,504**

Profit & Loss (€k)	Full Year 2018 North America	International	Europe	Corporate	Consolidated
Total Revenue and other operating income	**2,396,959**	**587,740**	**2,238,879**	**334**	**5,223,912**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(117,979)	(35,427)	(81,579)	(1,896)	**(236,882)**
Operating profit (loss)	**143,609**	**24,542**	**7,889**	**(25,994)**	**150,047**
Net financial expense					**(29,084)**
Adjustment to the value of financial assets					**13**
Pre-tax profit					**120,976**
Income tax					**(34,501)**
Result for the year					**86,475**

The directors' report highlights, by segment, the impact of elements that are unusual in terms of amount or likelihood of recurrence which, in the directors' opinion, condition the perception of the normalized profitability of the Group and its segments. The corresponding adjusted figures are expressed as underlying operating profit (EBIT) and underlying net profit.

Net invested capital (€k)	31.12.2019 North America	International	Europe	Corporate	Consolidated
Goodwill	450,578	60,566	343,832	-	**854,976**
Other intangible assets	51,224	15,842	61,438	2,312	**130,816**
Property, plant and equipment	628,519	88,653	368,105	5,636	**1,090,913**
Right of use assets	1,122,331	247,578	984,794	4,271	**2,358,973**
Financial assets	12,101	16,338	8,678	845	**37,962**
Non-current assets	**2,264,753**	**428,976**	**1,766,847**	**13,064**	**4,473,639**
Net working capital	**(283,226)**	**(54,175)**	**(196,475)**	**59,395**	**(474,480)**
Other non-current non financial assets and liabilities	(78,890)	(118)	(55,879)	19,566	**(115,321)**
Net invested capital	**1,902,637**	**374,683**	**1,514,494**	**92,025**	**3,883,838**

Net invested capital (€k)	31.12.2019 excluding IFRS 16 North America	International	Europe	Corporate	Consolidated
Goodwill	450,578	60,566	343,832	-	**854,976**
Other intangible assets	51,224	15,842	61,438	2,312	**130,816**
Property, plant and equipment	628,388	88,914	369,686	5,636	**1,092,624**
Financial assets	12,101	16,338	8,678	845	**37,962**
Non-current assets	**1,142,291**	**181,660**	**783,634**	**8,793**	**2,116,378**
Net working capital	**(257,935)**	**(59,027)**	**(207,123)**	**59,408**	**(464,676)**
Other non-current non financial assets and liabilities	(93,320)	822	(51,032)	19,472	**(124,058)**
Net invested capital	**791,036**	**123,456**	**525,479**	**87,673**	**1,527,643**

Net invested capital (€k)	31.12.2018 North America	International	Europe	Corporate	Consolidated
Goodwill	441,025	59,755	338,886	-	**839,666**
Other intangible assets	36,786	17,371	64,460	2,604	**121,221**
Property, plant and equipment	534,526	92,333	350,587	5,236	**982,682**
Financial assets	9,134	11,074	8,273	871	**29,352**
Non-current assets	**1,021,471**	**180,533**	**762,206**	**8,711**	**1,972,921**
Net working capital	**(228,515)**	**(56,827)**	**(197,655)**	**52,296**	**(430,701)**
Other non-current non financial assets and liabilities	(83,070)	2,704	(58,761)	9,009	**(130,118)**
Net invested capital	**709,886**	**126,410**	**505,790**	**70,016**	**1,412,102**

2.2.11 SEASONAL PATTERNS

The Group's volumes are closely related to the flow of travelers, which is highly seasonal in some businesses and this in turn affects consolidated results. A breakdown of 2019 results by quarter shows that volumes are mostly concentrated in the second six months of the year, when business is stronger due to the summer holidays.

(m€)	Full year 2019 First quarter	First 6 months	First 9 months	Full year
Revenue *	1,052.5	2,271.6	3,602.5	4,996.8
% of full year	*21.1%*	*45.5%*	*72.1%*	*100.0%*
Operating profit (loss)	(21.4)	167.2	272.9	336.6
% of full year	*n.s.*	*49.7%*	*81.1%*	*100.0%*
Pre-tax profit (loss)	(44.2)	157.2	237.9	273.9
% of full year	*n.s.*	*57.4%*	*86.8%*	*100.0%*
Profit (loss) attributable to owners of the parent	(44.2)	115.0	180.7	205.2
% of full year	*n.s.*	*n.s.*	*88.1%*	*100.0%*

* In order to compare data with the figures shown in the Directors' report on operations, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas

The percentages shown are general indications only and should not be used to predict results or the generation of cash. Indeed, seasonal trends are further magnified by cash flows, with the first half-year usually seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the year in course.

2.2.12 GUARANTEES GIVEN, COMMITMENTS AND CONTINGENT LIABILITIES

GUARANTEES

At 31 December 2019 the guarantees given by the Autogrill Group amounted to € 449,775k (€ 434,138k at the close of 2018) and referred mainly to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

COMMITMENTS

Note that with the adoption of IFRS 16, as from 1 January 2019 commitments for minimum future lease payments are included under "Finance lease liabilities" and are therefore no longer reported in this section. For further details see Section 2.2.1 of these notes.

Commitments outstanding at 31 December 2019 concern:
- € 2,272k to be paid for the purchase of two commercial properties;
- the value of the assets of leased businesses (€ 12,769k);
- the value of goods on consignment held at Group locations (€ 5,754k);
- commitments for service contracts (€ 71,693k);
- commitments for access rights (€ 20,737k);
- commitments under low-value and short-term leases (€ 16,213k).

An access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like Autogrill), which negotiates access rights with the motorway Company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

CONTINGENT LIABILITIES

At 31 December 2019, there were no contingent liabilities as described in IAS 37.

2.2.13 OTHER INFORMATION

RELATED PARTY TRANSACTIONS

Autogrill S.p.A. is controlled by Schematrentaquattro S.p.A., which owns 50.1% of its ordinary shares. Schematrentaquattro S.p.A. is a wholly-owned subsidiary of Edizione S.r.l.

All related-party transactions are carried out in the Company's interest and at arm's length.

In 2019 Autogrill S.p.A. and its subsidiaries conducted no transactions with the direct parent, Schematrentaquattro S.p.A.

	Revenue		Other operating income		Raw materials, supplies and goods	
Income statement (€k)	Full year 2019	Full year 2018	Full year 2019	Full year 2018	Full year 2019	Full year 2018
Parent:						
Edizione S.r.l.	-	-	17	29	-	-
Other related parties:						
Atlantia group	-	58	2,597	479	171	128
Verde Sport S.p.A.	-	1	-	-	-	-
Edizione Property S.p.A.	-	-	-	10	-	-
Equity investments	-	-	1,343	1,636	-	-
Other related parties *	-	-	-	-	-	-
Total related parties	**-**	**59**	**3,957**	**2,154**	**171**	**128**
Total Group	**5,393,753**	**5,113,140**	**210,611**	**110,772**	**1,911,394**	**1,843,114**
Incidence	**0.0%**	**0.0%**	**1.9%**	**1.9%**	**0.0%**	**0.0%**

	Trade receivables		Other receivables		Trade payables	
Statement of financial position (€k)	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Parent:						
Edizione S.r.l.	-	5	10,229	12,437	1	5
Other related parties:						
Atlantia group	554	1,502	6,995	4,035	24,187	32,038
Benetton Group S.r.l.	-	8	-	-	-	-
Edizione Property S.p.A.	11	11	-	-	-	-
Equity investments	-	-	2,455	1,933	8	-
Other related parties *	-	-	-	-		-
Total related parties	**565**	**1,526**	**19,678**	**18,405**	**24,196**	**32,043**
Total Group	**55,424**	**47,971**	**121,999**	**147,013**	**397,183**	**376,460**
Incidence	**1.0%**	**3.2%**	**16.1%**	**12.5%**	**6.1%**	**8.5%**

* The Other related parties refer to transactions with directors and executives with strategic responsibilities

Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) income	
Full year 2019	Full year 2018	Full year 2019	Full year 2018	Full year 2019	Full year 2018	Full year 2019	Full year 2018
-	-	13	16	100	100	-	-
38,465	80,383	11,769	3,759	-	-	(7,108)	-
-	-	45	45	-	-	-	-
-	-	-	-	-	-	-	-
(1,584)	(1,397)	(375)	(386)	-	-	114	101
-	-	525	373	9,018	10,288	-	-
36,881	**78,986**	**11,977**	**3,807**	**9,118**	**10,388**	**(6,994)**	**101**
578,422	**876,522**	**607,986**	**560,364**	**1,674,800**	**1,556,983**	**(98,974)**	**(29,084)**
6.4%	**9.0%**	**2.0%**	**0.7%**	**0.5%**	**0.7%**	**7.1%**	**-0.3%**

Other payables		Other financial assets - Non current		Finance lease liabilities - Current		Finance lease liabilities - Non current	
31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
102	104	-	-	-	-	-	-
993	915	-	-	48,173	-	248,797	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,591	7,272	-	-	-	-
2,993	3,549	-	-	-	-	-	-
4,089	**4,568**	**7,591**	**7,272**	**48,173**	**-**	**248,797**	**-**
362,790	**369,425**	**41,775**	**42,949**	**373,966**	**303**	**2,100,406**	**4,069**
1.1%	**1.2%**	**18.2%**	**16.9%**	**12.9%**	**0.0%**	**11.8%**	**0.0%**

Edizione S.r.l.
"Other operating income" refers to services rendered by the parent concerning the use of equipped premises at the Rome offices, which were terminated in 2019.

"Personnel expense" refers to fees earned by a director of Autogrill S.p.A. and paid back to Edizione S.r.l. where he serves as executive manager.

"Other payables" mostly originate from the same transactions.

"Other receivables" include € 10,215k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., on behalf of Autogrill S.p.A. and Nuova Sidap S.r.l. for € 14k, due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011).

The decrease for the year refers to the receipt in December 2019 of € 2,208k from the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid in 2008 (Law 185/2008).

Atlantia Group
"Other operating income" refers to amounts received from Autostrade per l'Italia S.p.A. for the management of motorway locations and to commissions on sales of Viacards (automatic toll collection cards). The increase reflects the higher amount of contributions received.

"Other operating expense" refers chiefly to the management of motorway locations.

"Leases, rentals, concessions and royalties" refer to variable concession fees and accessory costs pertaining to the year. The significant reduction was caused primarily by the adoption of IFRS 16, which eliminated the fixed portion of lease and concession fees from this item starting on 1 January 2019.

"Financial expense" also concerns the adoption of IFRS 16, which requires the recognition of implicit interest previously included under "Leases, rentals, concessions and royalties".

"Trade receivables" and "Trade payables" originate from the same transactions.

"Finance lease liabilities" reflects the adoption of IFRS 16 and the consequent recognition of € 296,929k for the discounting of fixed or substantively fixed future minimum lease payments outstanding at 31 December 2019.

"Other receivables" refers mainly to credit notes to be received from Autostrade per l'Italia S.p.A., as well as fees for rest stop cleaning services.

Verde Sport S.p.A.
Other operating expense concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada - Città dello Sport".

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The following remuneration accrued to members of the Board of Directors and to key management personnel in 2019:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Paolo Zannoni	Chairman	since 07.02.2019	447,507			
Gianmario Tondato Da Ruos	CEO	2017/2019	520,000	807,839	15,423	403,297
Alessandro Benetton	Director	2017/2019	60,000			
Paolo Roverato	Director	2017/2019	100,000			
Massimo Fasanella D'Amore di Ruffano *	Director	2017/2019	100,000			25,000
Francesco Chiappetta	Director	2017/2019	90,000			
Ernesto Albanese	Director	2017/2019	70,000			
Marco Patuano	Director	from 26.01.2017 to 24.06.2019	38,356			
Franca Bertagnin Benetton	Director	from 25.5.2017 to 2019	60,000			
Cristina De Benetti	Director	from 25.5.2017 to 2019	80,000			
Catherine Gérardin-Vautrin	Director	from 25.5.2017 to 2019	80,000			
Maria Pierdicchi	Director	from 25.5.2017 to 2019	80,000			
Elisabetta Ripa *	Director	from 25.5.2017 to 2019	90,000			25,000
Barbara Cominelli	Director	since 19.12.2019	2,137			
Total Directors			**1,818,000**	**807,839**	**15,423**	**453,297**
Camillo Rossotto **	Corporate General Manager	since 12.11.2018		636,085	21,589	542,216
Key managers with strategic responsibilities				1,928,021	287,214	2,508,069
Total			**1,818,000**	**3,371,945**	**324,226**	**3,503,582**

* Other fees are for serving as director at Autogrill Europe S.p.A. and Autogrill Italia S.p.A., respectively, since 15.01.2018
** Other fees are for serving as sole director of Autogrill Advanced Business Service S.p.A. since 19.11.2018

On 7 February 2019, on the advice of the Human Resources Committee and with input from the Board of Statutory Auditors, the Board of Directors decided to pay Paolo Zannoni — chairman of the board, co-opted after the death of Gilberto Benetton and later elected chairman — a set fee for this position in addition to the annual remuneration he is due as a member of the Board of Directors.

A significant portion of the variable compensation received by the CEO, the Corporate General Manager, and the seven key management personnel is tied to the achievement of specific targets established in advance by the Board of Directors, by virtue of their participation in management incentive plans. In particular, the CEO, the Corporate General Manager, and key managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. Should the CEO leave office for any reason, he shall retain the right to variable pay under the incentive plans of which he is a beneficiary, subject to the achievement of the targets and the satisfaction of any other condition stated in each plan, regulation, or program and in an amount proportional to the service rendered during the relevant period of time.

For the Corporate General Manager and key managers with strategic responsibilities, any rights acquired under incentive plans (including options) shall be null and void in the event of termination for just cause, subjective justified cause, or voluntary resignation ("bad leavers"). In the event of termination for objective justified cause or retirement ("good leavers"), the beneficiary does not lose the pro-rata rights acquired under the plans.

In 2019 one key manager left the employment of Autogrill S.p.A. The termination indemnities were already included under "Bonuses and other incentives" in the 2018 consolidated financial statements.

See the section "Incentive plans for directors and key management personnel" for a description of the plans in force.

The CEO's remuneration includes his executive salary from Autogrill S.p.A., which is shown under "Other remuneration". According to the Board of Directors resolution of 29 June 2017, which governs the CEO's employment, if the CEO resigns with just cause or is dismissed by the Company without just cause, the Company will top up to € 2m the standard indemnity in lieu of notice and any other indemnity or leaving compensation provided for in the national collective managers' contract for the commercial sector, when less than that amount. Also, given the CEO's strategic role at the Company, he is bound by a non-compete agreement and a ban on poaching Autogrill Group personnel for 18 months, under a specific agreement that entails a penalty for breach thereof.

Non-compete agreements are also in place with the Corporate General Manager and with key managers with strategic responsibilities.

STATUTORY AUDITORS' FEES

The following fees accrued to members of the Board of Statutory Auditors in 2019:

Name	Office held	Term of office	Remuneration (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	75,000	-
Eugenio Colucci *	Standing auditor	15.01.2018-31.12.2020	-	40,000
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	50,000	-
Antonella Carù **	Standing auditor	01.01.2018-31.12.2020	50,000	15,000
Total Statutory Auditors			**175,000**	**55,000**

* Other fees are for serving as chairman of the Board of Statutory Auditors at Autogrill Europe S.p.A. and Autogrill Italia S.p.A.
** Other fees are for serving as auditor at Autogrill Advanced Business Service S.p.A.

INDEPENDENT AUDITORS' FEES FOR AUDIT AND OTHER SERVICES

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	418
	Parent's auditors	Subsidiaries	267
	Parent's auditors network	Subsidiaries	2,274
Attestation	Parent's auditors	Parent	91
	Parent's auditors	Subsidiaries	90
	Parent's auditors network	Subsidiaries	718

INCENTIVE PLANS FOR DIRECTORS AND KEY MANAGEMENT PERSONNEL

2014 PHANTOM STOCK OPTION PLAN

On 28 May 2014, the general meeting of shareholders approved a new incentive plan referred to as the "2014 phantom stock option plan". The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan, which expires on 30 June 2021, is split into three sub-plans or "Waves" which grant each beneficiary the right to receive, for each option exercised, a gross cash amount equal to the difference between the terminal value and the allocation value of the Autogrill shares (the "Bonus"), subject to certain conditions and in any case not exceeding a given cap. Specifically, the terminal value of the shares is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the exercise date, plus dividends paid from the grant date until the date of exercise. The allocation value is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the allocation date.

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned. A total of 2,835,967 options were assigned under Wave 2 (vesting period from 16 July 2014 to 15 July 2017). In 2018, all options outstanding at 31 December 2017 (37,700 Wave 1 options and 924,150 Wave 2 options) were exercised.

On 12 February 2015, under Wave 3 (vesting period from 12 February 2015 to 11 February 2018), a total of 2,752,656 options were assigned. All of the remaining 518,306 Wave 3 options were exercised in 2019.

Under the 2014 Phantom Stock Option Plan, the CEO received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. In 2018 he exercised all of his Wave 1 and Wave 2 options and 395,652 of the Wave 3 options granted under that plan. In 2019 the CEO exercised the remaining 109,904 Wave 3 options.

Movements in options in 2018 and 2019 are shown below:

	Options		
	Wave 1	Wave 2	Wave 3
Options at 31 December 2017	**37,700**	**924,510**	**2,474,594**
Options exercised in 2018	(37,700)	(924,510)	(1,849,038)
Options cancelled in 2018	-	-	(107,250)
Options at 31 December 2018	**-**	**-**	**518,306**
Options exercised in 2019	-	-	(518,306)
Options cancelled in 2019	-	-	-
Options at 31 December 2019	**-**	**-**	**-**

Throughout the plan's duration, an independent external advisor calculated the fair value of the phantom stock options, based on the value of shares on the grant date and the reporting date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Thorough information on the 2014 Phantom Stock Option Plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

2016 PHANTOM STOCK OPTION PLAN

On 26 May 2016, the general meeting of shareholders approved a new incentive plan referred to as the "2016 phantom stock option plan". The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan, which expires on 30 June 2024, is split into three sub-plans or "Waves" which grant each beneficiary the right to receive, for each option exercised, a gross cash amount equal to the difference between the terminal value and the allocation value of the Autogrill shares (the "Bonus"), subject to certain conditions and in any case not exceeding a given cap. Specifically, the terminal value of the shares is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the exercise date, plus dividends paid from the grant date until the date of exercise. The allocation value is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the allocation date.

On 26 July 2016, the plan was implemented and the terms and conditions of Wave 1 were defined. With a vesting period from 26 May 2016 to 25 July 2019, a total of 4,825,428 options were assigned. In 2019, 3,181,810 options were exercised and 39,923 were cancelled.

Under the 2016 Phantom Stock Option Plan described below, the CEO has been assigned 679,104 options in Wave 1, with a minimum holding commitment as detailed in the Remuneration Report. In 2019 the CEO exercised 543,283 of his Wave 1 options.

Movements in options in 2018 and 2019 are shown below:

	Options
Options at 31 December 2017	**4,402,903**
Options exercised in 2018	-
Options cancelled in 2018	(385,696)
Options at 31 December 2018	**4,017,207**
Options exercised in 2019	(3,181,810)
Options cancelled in 2019	(39,923)
Options at 31 December 2019	**795,474**

An independent external advisor has been hired to calculate the fair value of the phantom stock options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Thorough information on the 2016 Phantom Stock Option Plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

The costs incurred in 2019 for the 2014 and 2016 Phantom Stock Option Plans amounted to € 6.3m (€ -0.4m in 2018) and stem mainly from the adjustment of estimates with respect to the provisions made at 31 December 2018 on the basis of the stock market performance of Autogrill shares.

2018 PERFORMANCE SHARE UNITS PLAN

On 24 May 2018, the general meeting of shareholders approved a new incentive plan referred to as the "2018 performance share units plan". The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

The plan is split into cycles or "Waves" which grant each beneficiary the right to exchange options for Autogrill shares if the Group's stock market performance and financial results both satisfy given conditions.

On 24 May 2018, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. For Wave 1 (vesting period from 24 May 2018 to 23 May 2020) a total of 866,032 options were assigned. A total of 789,906 options were assigned for Wave 2 (vesting period from 24 May 2018 to 23 May 2021).

Under the 2018 Performance Share Units Plan, the CEO received 136,701 options in Wave 1 and 122,830 options in Wave 2.

On 27 June 2019, Wave 3 of the plan was rolled out. The vesting period runs from 27 June 2019 to 26 June 2022 and a total of 956,206 options were assigned, of which 153,632 to the CEO.

During the course of 2019, 135,311 Wave 1 options, 145,659 Wave 2 options and 29,864 Wave 3 options were cancelled.

	Options		
	Wave 1	Wave 2	Wave 3
Options outstanding at 31 December 2018	**866,032**	**789,906**	**-**
Options assigned in 2019	-	-	956,206
Options exercised in 2019	-	-	-
Options cancelled in 2019	(135,311)	(145,659)	(29,864)
Options outstanding at 31 December 2019	**730,721**	**644,247**	**926,342**

An independent external advisor has been hired to calculate the fair value of the options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Thorough information on the 2018 Performance Share Units Plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

Costs for this plan amounted to € 3.3m in 2019 (€ 1.9m the previous year).

2.2.14 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2019, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

2.2.15 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2019 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

2.2.16 SUBSEQUENT EVENTS

Since the close of the reporting period, no events have occurred that would require an adjustment to the financial statement figures or additional disclosures in these Notes. As mentioned earlier, pursuant to IAS 10, the impact of the COVID-19 pandemic on estimated financial statement figures will be analyzed during 2020.

2.2.17 AUTHORIZATION FOR PUBLICATION

The Board of Directors authorized the publication of this annual report and consolidated financial statements at its meeting of 12 March 2020.

ANNEXES

LIST OF CONSOLIDATED COMPANIES AND OTHER INVESTMENTS

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Parent					
Autogrill S.p.A.	Novara	Eur	68,688,000	50.1000%	Schematrentaquattro S.p.A.
Companies consolidated line by line					
Nuova Sidap S.r.l.	Novara	Eur	100,000	100.0000%	Autogrill Italia S.p.A.
Autogrill Europe S.p.A.	Novara	Eur	50,000,000	100.0000%	Autogrill S.p.A.
Autogrill Italia S.p.A.	Novara	Eur	68,688,000	100.0000%	Autogrill S.p.A.
Autogrill Advanced Business Service S.p.A.	Novara	Eur	1,000,000	100.0000%	Autogrill S.p.A.
Autogrill Austria GmbH	Gottlesbrunn	Eur	7,500,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Lubjana	Eur	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	Eur	3,696,450	100.0000%	Autogrill Europe S.p.A.
Autogrill Polska Sp. z.o.o. (in liquidation)	Katowice	Pln	40	100.0000%	Autogrill Europe S.p.A.
Autogrill Iberia S.L.U.	Madrid	Eur	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Munich	Eur	205,000	100.0000%	Autogrill Europe S.p.A.
Le CroBag GmbH & Co KG	Hamburg	Eur	894,761	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le CroBag Polska Sp. Z.o.o.	Warsaw	Pln	26,192	100.0000%	Le CroBag GmbH & Co KG
Le Fournil de Frédéric Neuhauser GmbH	Hamburg	Eur	10,226	100.0000%	Autogrill Deutschland GmbH
Autogrill Belgie N.V.	Antwerpen	Eur	6,700,000	99.9900%	Autogrill Europe S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerpen	Eur	3,250,000	99.9900%	Autogrill Belgie N.V.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.0000%	Autogrill Europe S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.0000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	Chf	1,500,000	54.3300%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marseille	Eur	84,581,920	100.0000%	Autogrill Europe S.p.A.
Autogrill Côté France S.a.s.	Marseille	Eur	31,579,526	100.0000%	Holding de Participations Autogrill S.a.s.
Volcarest S.a.s.	Champs	Eur	1,050,144	50.0000%	Autogrill Coté France S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Eur	2,337,000	100.0000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	Eur	8,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Eur	375,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Eur	375,000	100.0000%	Autogrill Restauration Carrousel S.a.s.
HMSHost Corporation	Delaware	Usd	-	100.0000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	Usd	-	100.0000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	Usd	-	100.0000%	HMSHost Corporation
Host International, Inc.	Delaware	Usd	-	100.0000%	HMSHost Corporation
HMSHost Tollroads, Inc.	Delaware	Usd	-	100.0000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	Usd	1,000	100.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Host International of Maryland, Inc.	Maryland	Usd	1,000	100.0000%	Host International, Inc.
Michigan Host, Inc.	Delaware	Usd	1,000	100.0000%	Host International, Inc.
Host Services of New York, Inc.	Delaware	Usd	1,000	100.0000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	Usd	1,000	100.0000%	Host International, Inc.
Host Services Inc.	Texas	Usd	-	100.0000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	Usd	-	100.0000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	Usd	1,000	100.0000%	HMSHost Corporation
Anton Airfood of Newark, Inc.	New Jersey	Usd	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	Usd	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	Usd	-	100.0000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	Usd	-	100.0000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	Usd	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	Usd	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Tulsa, Inc.	Oklahoma	Usd	-	100.0000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	Usd	-	100.0000%	Anton Airfood, Inc.
Stellar Partners, Inc.	Florida	Usd	25,500	100.0000%	Host International, Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	Usd	-	100.0000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	Usd	-	100.0000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	Aud	11,289,360	100.0000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	Cad	31,351,237	100.0000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol. B.V.	Haarlemmermeer	Eur	45,400	100.0000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	Aud	3,910,104	100.0000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Bangalore	Inr	668,441,680	99.0000%	Host International, Inc.
				1.000%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	Sgd	8,470,896	100.0000%	Host International, Inc.
Host (Malaysia) Sdn. Bhd.	Kuala Lumpur	Myr	2	100.0000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.0000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd. (in liquidation)	Shanghai	Cny	-	100.0000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	Eur	18,090	100.0000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	Inr	100,000,000	99.0000%	HMSHost Services India Private Ltd
				1.0000%	HMSHost International, Inc.
NAG B.V.	Haarlemmermeer	Eur	-	60.0000%	HMSHost International B.V.
HMSHost Finland Oy	Helsinki	Eur	2,500	100.0000%	HMSHost International B.V.
Host-Chelsea Joint Venture #3	Texas	Usd	-	63.8000%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.0000%	Host International, Inc.
HSI Kahului Joint Venture Company	Hawaii	Usd	-	90.0000%	Host Services, Inc.
HSI Southwest Florida Airport Joint Venture	Florida	Usd	-	78.0000%	Host Services, Inc.
HSI Honolulu Joint Venture Company	Hawaii	Usd	-	90.0000%	Host Services, Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.0000%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.0000%	Host International, Inc.
HSI-Tinsley Joint Venture	Florida	Usd	-	84.0000%	Host Services, Inc.
HSI/Tarra Enterprises Joint Venture	Florida	Usd	-	75.0000%	Host Services, Inc.
HSI D&D STL FB, LLC	Missouri	Usd	-	75.0000%	Host Services, Inc.
HSI/LJA Joint Venture	Missouri	Usd	-	85.0000%	Host Services, Inc.
Seattle Restaurant Associates	Olympia	Usd	-	70.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Bay Area Restaurant Group	California	Usd	-	49.0000%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.0000%	Host International, Inc.
HSI Miami Airport FB Partners Joint Venture	Florida	Usd	-	70.0000%	Host Services, Inc.
Host DEI Jacksonville Joint Venture	Florida	Usd	-	51.0000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.0000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.0000%	Host International, Inc.
Host -Chelsea Joint Venture #4	Texas	Usd	-	63.0000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	100.0000%	Host International, Inc.
Host GRL LIH F&B, LLC	Delaware	Usd	-	85.0000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	95.0000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	85.0000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	Usd	-	51.0000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB, LLC	Delaware	Usd	-	65.0000%	Host International, Inc.
HSI Havana LAX F&B, LLC	Delaware	Usd	-	90.0000%	Host Services, Inc.
Host-CTI DEN F&B II, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	Usd	-	50.0100%	Host International, Inc.
HSI Havana LAX TBIT FB, LLC	Delaware	Usd	-	70.0000%	Host Services, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	Usd	-	60.0000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	Usd	-	80.0000%	HSI Havana LAX F&B, LLC
Host CMS LAX TBIT F&B, LLC	Delaware	Usd	-	100.0000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	Usd	-	85.0000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	Usd	-	65.0000%	Host International, Inc.
HSI MCA FLL FB, LLC	Delaware	Usd	-	76.0000%	Host Services, Inc.
Host MCA SRQ FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	Usd	-	51.0000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	Usd	-	65.0000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	Usd	-	51.0000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	Usd	-	60.0000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
HSI TBL TPA FB, LLC	Delaware	Usd	-	71.0000%	Host Services, Inc.
Host JQE CVG FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
Host MBA CMS LAX, LLC	Delaware	Usd	-	60.0000%	Host International, Inc.
Host VDV CMH FB LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
HOST OHM GSO FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host JQE RSI LIT FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host JVI PDX FB, LLC	Delaware	Usd	-	84.0000%	Host International, Inc.
Host TFC SDF FB, LLC	Delaware	Usd	-	60.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Host JQE RDU CONC D, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host SMI SFO FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
Host DOG LAS FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Stellar Partners Tampa, LLC	Florida	Usd	-	90.0000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
Host SCR SAV FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	Usd	-	88.0000%	Host International, Inc.
Host SCR SAN FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Host SCR SNA FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Stellar LAM SAN, LLC	Florida	Usd	-	80.0000%	Stellar Partners, Inc.
Host DII GRR FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	Usd	-	50.0100%	Host International, Inc.
Host SHI PHL FB LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Host VDV DTW SB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
MCO Retail Partners, LLC	Delaware	Usd	-	80.0000%	Stellar Partners, Inc.
Host VDV DTW 3 SB, LLC	Delaware	Usd	-	79.0000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	Usd	2,000	100.0000%	Host International, Inc.
HMSHost UK, Ltd.	London	Gbp	217,065	100.0000%	HMSHost International B.V.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.0000%	HMSHost International B.V.
HMSHost Ireland Ltd.	Cork	Eur	13,600,000	100.0000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	Eur	100	100.0000%	HMSHost International B.V.
HMSHost Huicheng (Beijing) Catering Management Co., Ltd.	Beijing	Cny	89,000,000	100.0000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	Nok	150,000	51.0000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	Idr	46,600,000,000	65.0000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	Cad	10,800,100	100.0000%	Host International of Canada, Ltd.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	Trl	35,271,734	100.0000%	HMSHost International B.V.
Autogrill VFS F&B Co, Ltd.	Ho Chi Minh City	Vnd	104,462,000,000	70.0000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	Saint Petersburg	Rub	10,000	100.0000%	NAG B.V.
PT Autogrill Services Indonesia	Jakarta	Idr	99,782,177,014	99.6670%	HMSHost International B.V.
				0.3330%	HMSHost Nederland B.V.
HMSHost Vietnam Company Limited	Ho Chi Minh City	Vnd	1,134,205,500	100.0000%	HMSHost International B.V.
HMSHost Family Restaurants, LLC	Delaware	Usd	-	100.0000%	HMSHost Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.9999%	SMSI Travel Centres, Inc.
				0.0001%	HMSHost Motorways, Inc.
HMSHost Motorways, Inc.	Vancouver	Cad	-	100.0000%	SMSI Travel Centres, Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	Trl	2,140,000	51.0000%	HMSHost Yiyecek Ve Icecek Hizmetleri A.S.
Stellar Retail Group ATL, LLC	Tampa	Usd	-	59.0000%	Stellar Partners, Inc.
Host CEI KSL MSY, LLC	Delaware	Usd	-	63.0000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	Usd	-	64.0000%	Host International, Inc.
Stellar RSH DFW, LLC	Tampa	Usd	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Partners DFW, LLC	Tampa	Usd	-	65.0000%	Stellar Partners, Inc.
Host HTB DEN FB, LLC	Delaware	Usd	-	67.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Host DSL DEN FB, LLC	Delaware	Usd	-	67.0000%	Host International, Inc.
Host MCL DFW SB, LLC	Delaware	Usd	-	65.0000%	Host International, Inc.
Host MCL DFW Bar, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Host DCG ATL SB, LLC	Delaware	Usd	-	59.0000%	Host International, Inc.
Host MCA HLM ATL FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Host TGI DEN GD FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host TGI DEN STA FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Host D&D STL 3KG FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Host JAVA DFW SBC-GAB, LLC	Delaware	Usd	-	50.0100%	Host International, Inc.
Host IBC MCO FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host BGB ARG MSP, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
HMSHost Maldives Pvt Ltd	Republic of Maldives	Usd	1,182,464	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Rus Limited Liability Company	Russia	Rub	10,000	90.0000%	HMSHost International B.V.
				10.0000%	HMSHost Nederland B.V.
HMSHost (Shanghai) Catering Management Co., Ltd.	China	Cny	30,900,000	51.0000%	HMSHost Huicheng (Beijing) Catering Management Co., Ltd
				49.0000%	HMSHost International B.V.
Host CEG KSL LGA FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host TRA BNA STA FB, LLC	Delaware	Usd	-	84.0000%	Host International, Inc.
Host TRA BNA FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
HSI BFF SEA FB, LLC	Delaware	Usd	-	51.0000%	Host Services, Inc.
Stellar PHL, LLC	Delaware	Usd	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Group PHX, LLC	Delaware	Usd	-	55.0000%	Stellar Partners, Inc.
Stellar LAM PHX, LLC	Tampa	Usd	-	70.0000%	Stellar Partners, Inc.
Host NMG EWR SB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host PHE LDL MCO FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host AAC SFO FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	Usd	-	75.0000%	Host Services, Inc.
Host LDL MCO FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host WSE SJC FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host LDL BWI FB, LLC	Delaware	Usd	-	90.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN, LLC	Delaware	Usd	-	75.0000%	Stellar Partners, Inc.
Host LPI SEA FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Stellar MGV BWI, LLC	Delaware	Usd	-	60.0000%	Stellar Partners, Inc.
HSI MCA MIA SB, LLC	Delaware	Usd	-	51.0000%	Host Services, Inc.
HSI MCA BOS FB, LLC	Delaware	Usd	-	80.0000%	Host Services, Inc.
Host DCG AUS FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Host IBC PIE FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
HSI HCL SEA FB, LLC	Delaware	Usd	-	75.0000%	Host Services, Inc.
Stellar BDI PIE, LLC	Delaware	Usd	-	90.0000%	Stellar Partners, Inc.
Stellar DCA BNA, LLC	Delaware	Usd	-	50.0100%	Stellar Partners, Inc.
Stellar DCA SLA BNA, LLC	Delaware	Usd	-	50.0100%	Stellar Partners, Inc.
HSI KIND EDMV PHX T3, LLC	Delaware	Usd	-	60.0000%	Host Services, Inc.
Host IAV EWR FB, LLC	Delaware	Usd	-	65.0000%	Host International, Inc.
HSI CEG ALB BK, LLC	Delaware	Usd	-	80.0000%	Host Services, Inc.
Host ETL ORD FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2019	Shareholders
Host LB NMG MKE FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Stellar RSH EWR, LLC	California	Usd	-	70.0000%	Stellar Partners, Inc.
Stellar St. Croix IAH - TLLC LLC	California	Usd	-	90.0000%	PGC-St. Croix IAH, LLC
PGC-St. Croix IAH, LLC	California	Usd	-	51.0000%	Stellar Partners, Inc.
Stellar PCG PEA IAH, LLC	California	Usd	-	60.0000%	Stellar Partners, Inc.
Stellar AIR LAX I, LLC	California	Usd	-	74.0000%	Stellar Partners, Inc.
PGC St. Croix LGA, LLC	Minnesota	Usd	-	51.0000%	Stellar Partners, Inc.
PGC-SC MSP-305, LLC	Minnesota	Usd	-	49.0000%	Stellar Partners, Inc.
PGC-SC MSP-G, LLC	Minnesota	Usd	-	49.0000%	Stellar Partners, Inc.
PGC-SC MSP-304, LLC	Minnesota	Usd	-	51.0000%	Stellar Partners, Inc.
PGC MSP Venture, LLC	Minnesota	Usd	-	80.0000%	Stellar Partners, Inc.
Stellar HLL MSY Venture, LLC	Louisiana	Usd	-	66.7000%	Stellar Partners, Inc.
Stellar Bambuza SEA, LLC	California	Usd	-	85.0000%	Stellar Partners, Inc.
Stellar AIM VMW SFO, LLC	California	Usd	-	70.0000%	Stellar Partners, Inc.
Host AJA EI DTW FB, LLC	Delaware	Usd	-	70.0000%	Host International, Inc.
Host SMI HPH LAX FB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
Adastra Brands, Inc.	Delaware	Usd	-	100.0000%	HMSHost Corporation
Puro Gusto NA, LLC	Delaware	Usd	-	100.0000%	Adastra Brands, Inc.
HSI BGI BOS SB, LLC	Delaware	Usd	-	60.0000%	Host Services, Inc.
Host WSE SJC, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Host MBC LAS FB, LLC	Delaware	Usd	-	80.0000%	Host International, Inc.
Stellar CGS LGA, LLC	Delaware	Usd	-	80.0000%	Stellar Partners, Inc.
Host DOC1 EDMV DEN FB, LLC	Delaware	Usd	-	67.0000%	Host International, Inc.
Host DOG LAS FB, LLC	Delaware	Usd	-	55.0000%	Host International, Inc.
Host JAVA Howell DFW F, LLC	Delaware	Usd	-	50.0100%	Host International, Inc.
Host KIND DOC1 DEN FB, LLC	Delaware	Usd	-	51.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN II, LLC	Delaware	Usd	-	75.0000%	Stellar Partners, Inc.
Companies consolidated using the equity method:					
Caresquick N.V.	Brussels	Eur	1,020,000	50.000%	Autogrill Belgie N.V.
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	350,000	49.000%	Host International, Inc.
Arab Host Services LLC	Qatar	Qar	200,000	49.000%	Autogrill Middle East, LLC
DLV-WSE, LLC	California	Usd	-	49.000%	Host International, Inc.

ATTESTATION BY THE CEO AND MANAGER IN CHARGE OF FINANCIAL REPORTING

Attestation of the consolidated financial statements pursuant to Art. 81-*ter* of Consob Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Camillo Rossotto as Manager in charge of Financial Reporting of Autogrill S.p.A., hereby declare, including in accordance with Art. 154 *bis* (3) and (4) of Legislative Decree 58 of 24 February 1998:
   - the adequacy of, in relation to the characteristics of the business; and
   - due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2019.

2. No significant findings have come to light in this respect.

3. We also confirm that:
   3.1 the consolidated financial statements:
      a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
      b) correspond to the ledgers and accounting entries;
      c) provide a true and fair view of the financial position and results of operations of Autogrill S.p.A. and of companies included in the consolidation;
   3.2 the directors' report includes a reliable description of the performance and financial position of the issuer and the entities in the scope of consolidation, along with the main risks and uncertainties to which they are exposed.

Milan, 12 March 2020

Gianmario Tondato Da Ruos	**Camillo Rossotto**
Chief Executive Officer	Manager in charge of Financial Reporting

INDEPENDENT AUDITORS' REPORT

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Autogrill S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Autogrill Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Autogrill S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, accordingly.

Impairment Test of the carrying amount of Goodwill

Description of the key audit matter

Non-Current Assets of the consolidated financial statements as at December 31, 2019 include goodwill for Euro 855 million which increased during the year for Euro 15.3 million because of the foreign exchange differences. Goodwill represents approximately 16% of the total assets and is subject to Impairment Test, at least on a yearly basis, as established by the accounting standard IAS 36.

Consistently with the minimum level at which goodwill is monitored by the Group's management for internal management purposes, the CGUs (Cash Generating Units) identified are North America, International, Italy and Other European Countries; for each CGU, the Impairment Test has been executed through the comparison between the carrying amount of goodwill and the other assets attributable to each CGU (including the right of use assets accounted in accordance with the accounting standard IFRS 16) reported in the consolidated financial statements as at December 31, 2019 and the relative recoverable amount, determined as the value in use, defined as the present value of estimated future cash flows of the operations realized by each CGU, discounted at different rate for geographic areas.

The impairment process carried out by the Management is complex since it includes several assumptions regarding the forecasted future cash flows of operations of each CGU, the definition of appropriate discount rates (WACC) and long-term growth rates (g-rate). In this respect, Management has been supported by an independent advisor that in its Fairness Opinion has confirmed that the methodology adopted is adequate and reasonable.

For the determination of the recoverable amount, the Company based its assumptions on financial forecasts prepared by Management of each CGU for the 3-years period 2020-2022, validated by the Chief Executive Officer and the Group Chief Financial Officer, and reviewed by the Board of Directors. The determination of forecasted future cash flows used in the Impairment Test exercises, is based also on external factors such as the traffic forecasts, as developed by third parties, when available, renewal rates for existing contracts estimated on the basis of the historical awarding trends, and the capex expenditure linked to contract expiration.

As a result of the Impairment Test exercise performed, need for goodwill write-down resulted; in addition, the Directors indicate in the notes that the sensitivity analysis developed on the Impairment Test model do not show any indicator for risk of write-down of this asset.

Taking into consideration the relevant book value of goodwill reported in the consolidated financial statements and the subjectivity of the estimates used to determine future cash flows and key variables for the Impairment Test exercise, we considered the Impairment Test of Goodwill to represent a key audit matter for the Group consolidated financial statements.

The notes “IX - Goodwill” and the paragraph “2.2.2 – Accounting Policies and basis of consolidation – Use of estimates” of the notes to the consolidated financial statements provide the disclosure of the caption and of the Impairment Test exercise, including the results of the sensitivity analysis.

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Audit procedures performed

We performed, among others, the following procedures, also through the support of Deloitte specialists:

- analysis of the accounting procedures applied in the determination of the value in use of the CGUs;
- check of the compliance to accounting policies indicated in the notes of the Impairment Test exercises adopted by Management;
- update of the observation of procedures and relevant controls undertaken by the Group on the Impairment Test exercise; in this respect, we analyzed also the Fairness Opinion of the independent advisor, as well organizing meetings for the comprehension and analysis of data and methodology adopted;
- analysis of the appropriateness of the main assumptions adopted for the determination of financial forecasts, also through the analysis of sector data and external sources;
- analysis on actual data in comparison to initial forecasts, with the aim to evaluate their differences and the reliability on the financial forecasts determination process, checking as well the consistency between contract renewal rates and historical data for each CGU;
- check of the discount and long-term growth rates reasonability and testing on the mathematical accuracy of the model used for the determination of the CGUs' value in use;
- independent testing of the sensitivity analysis performed by the Management and by the independent advisor;
- check of the appropriateness of the disclosure included in the notes to the consolidated financial statements on Impairment Test and its compliance in accordance with IAS 36.

First time adoption of the international accounting standard IFRS 16

Description of the key audit matter

The first time adoption, as of January 1, 2019, of the international accounting standard IFRS 16 "Leases" (the "Standard"), resulted in the adoption of a comprehensive model for the accounting of lease arrangements based on the right to use the goods covered by these arrangements.

The Group has opted to apply IFRS 16 using the modified retrospective approach; therefore, on first-time adoption, it has reported the cumulative effect of applying the new standard to Equity as of January 1, 2019, without restating comparative figures for the previous year.

The adoption of the new accounting standard led to the recognition of non-current assets of the caption "Right of use assets" for Euro 2,467.6 million and "Finance lease liabilities" as of January 1, 2019 for Euro 2,514.1 million.

As detailed in the Notes, the adoption of the new accounting standard IFRS 16 required significant assessments and analysis by the Management, with specific reference to the determination of the lease terms as well as the discount rates for discounting future payments. In particular, for the purposes of determining the lease terms, Management has considered the elements included in the related contracts as well as the various cases applicable on the basis of the regulatory framework in the countries in which the Group operates; as reported in the notes, this analysis does not include the contents provided in the agenda decision issued by the IFRS Interpretation Committee in December 2019 relating to cases of renewal options, being the related effects, if any, reflected in the following consolidated financial statements of the Group.

The first time adoption of the new accounting standard also required the Group to adopt specific procedures for the mapping and analysis of all contracts that could contain a lease and to carry out the related assessments in accordance with IFRS 16.

We considered that the first time adoption of the Standard represents a key audit matter for the Group consolidated financial statements, taking into consideration the significance of the aforementioned assessments of the Management, as well as the number and heterogeneity of the contracts in scope, with reference to the various cases both of the lease contracts and the different geographical contexts in which the Group operates, as well as the operational complexities of the data collection process.

The note “2.2.1 – New accounting standard IFRS 16” of the notes to the consolidated financial statements provides the effects deriving from the adoption of the new standard IFRS 16.

Audit procedures performed

We performed, among others, the following procedures:

- analysis of the implementation process of the new Standard put in place by the Group;

- check of the compliance of the methodology used by Management to determine the impact of the first time adoption of IFRS 16 to the accounting policies indicated in the notes;

- collection of the IFRS 16 Group accounting policy and further documentation developed and made available, with particular reference to professional judgement aspects, also through collection of information and inquiries with the Group’s Management; analysis of such documentation through the support of Deloitte specialists on IFRS adoption.

- observation of the procedure and relevant controls undertaken by the Group as part of the first implementation process of the new Standard for the purpose of identifying, mapping and assessing contracts that could contain a lease;

- acquisition of information on the IT infrastructure developed for the IFRS 16 transition, as well as performing analysis and checks on the main IT systems and processes implemented or modified;

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- testing of the operating effectiveness of the relevant controls related to the determination of the impacts of the Standard for certain subsidiaries of the Group;

- execution of specific procedures on a sample basis in order to check the complete and accurate determination of the first time adoption impact of the Standard and the related mathematical accuracy;

- assessment of the reasonableness of the Management's assumptions, the correct application of the practical expedients and the methods for determining the discount rate in accordance with IFRS 16;

- check of the appropriateness of the disclosure included in the notes to the consolidated financial statements and its compliance in accordance with the Standard;

- check of the disclosure included in the Directors' Report related to the comparability with 2018 figures.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. Moreover:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- we concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and we inform them about any relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We described these matters in this auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Autogrill S.p.A. has appointed us on May 28, 2015 as auditors of the Company's separate and consolidated financial statements for the years from 2015 to 2023.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

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We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Autogrill S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Autogrill Group as at December 31, 2019, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and certain specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Autogrill Group as at December 31, 2019 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and certain specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Autogrill Group as at December 31, 2019 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the CONSOB Regulation for the implementation of Legislative Decree 30 December 2016, no. 54

The Directors of Autogrill S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.
Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 9, 2020

This report has been translated into the English language solely for the convenience of international readers.

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Picture of the CEO (p. 2)
Blu Cobalto Photography / Renato Franceschin

May 2020

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