Autogrill Group

Consolidated Half-Year Financial Report
at 30 June 2020

(Translated from the original version issued in Italian)

Boards and Officers

Board of Directors [1]

Chairman [2]
Paolo Zannoni [E]

CEO [2]
Gianmario Tondato Da Ruos [E]

Directors
Alessandro Benetton
Franca Bertagnin Benetton
Ernesto Albanese [I, 3]
Rosalba Casiraghi [I, 4]
Francesco Umile Chiappetta [I, 3, 4]
Laura Cioli [I, 3, 5]
Barbara Cominelli [I, 5]
Cristina De Benetti [6]
Massimo Di Fasanella D'Amore di Ruffano [I, 5, 7]
Catherine Gérardin-Vautrin [6]
Maria Pierdicchi [I, 7]
Elisabetta Ripa [6]
Paolo Roverato [4, 5, 7]
Simona Scarpaleggia [I, 7]

Secretary
Paola Bottero

Board of Statutory Auditors [8]

Marco Rigotti [9]	Chairman
Antonella Carù [9]	Standing auditor
Massimo Catullo [9]	Standing auditor
Roberto Miccù [9]	Alternate auditor
Patrizia Paleologo Oriundi [9]	Alternate auditor

Independent Auditors [10]
Deloitte & Touche S.p.A.

[1] Appointed by the annual general meeting of 21 May 2020; in office until approval of the 2022 financial statements.
[2] Duties and powers of ordinary administration, with individual signing authority, per Board resolution of 21 May 2020.
[3] Member of the Related Party Transactions Committee.
[4] Member of the Internal Control, Risk Management and Corporate Governance Committee.
[5] Member of the Strategies and Sustainability Committee.
[6] In office until 21 May 2020.
[7] Member of the Human Resources Committee.
[8] Appointed by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements.
[9] Chartered accountant/auditor.
[10] Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements.
[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.

Comparability of figures, alternative performance measures and definitions

Comparability of figures

As mentioned in the Notes to the condensed interim consolidated financial statements at 30 June 2020, estimation and measurement criteria are the same as those used in the consolidated financial statements for the year ended 31 December 2019 and in the condensed interim consolidated Financial Statements at 30 June 2019.

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 most of the countries in the International area. Due to the local nature of the operations, 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. The comparability of data is therefore affected by exchange rate trends, which are neutralized through the comparisons "at constant exchange rates" as described in the section below.

Alternative performance measures and definitions

The interim Directors' report on operations and the condensed interim 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 of 5 October 2015 (2015/1415) as per CONSOB Communication no. 92543 of 3 December 2015, considering the additional ESMA guidance of 17 April 2020 "ESMA Guidelines on Alternative Performance Measures (APMs)".

The following alternative performance measures were used in this interim Directors' report on operations:

- Change "at constant exchange rates": in comparisons with half-year 2019 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 condensed interim consolidated financial statements at 30 June 2020.

- Revenue: in the interim Directors' report on operations this refers to operating revenue, 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 periods for the effect of acquisitions, disposals and exchange rates (by translating prior-period sales at the current-period exchange rates) and then comparing the two figures. Organic revenue growth is expressed at constant exchange rates.

- Like-for-like revenue growth: this is 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 (leap year) which are shown separately. Like-for-like revenue growth is expressed at constant exchange rates.

- EBITDA: this is the sum of “Operating profit”, “Depreciation and amortization” and “Impairment losses on property, plant and equipment, intangible assets and right of use assets” and can be gleaned directly from the consolidated income 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 groups.
- 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 half-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 period or future periods, which would limit the significance of the information provided in the Groups’ comparative condensed consolidated income statement and the comparative consolidated income statement prepared in accordance with IAS 1. These elements, specified in Section 1.2.2 of the interim Directors' report on operations, 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 should not penalize consolidated results;
  - costs for stock-based management incentive 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 interim Directors' report on operations the following definitions are also used:

- Capital expenditure: the investments referred to in the notes "Property, plant and equipment" and "Other intangible assets" in the half-year financial report and in the annual report;
- 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 "Guarantee 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 interim Directors' report on operations 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.

Contents

1. INTERIM DIRECTORS' REPORT ON OPERATIONS

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 malls, 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, Burger Federation, Grab & Fly 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

As already described in June 2019 during the Capital Markets Day, over the next few years Autogrill will strive to further strengthen its global leadership, leveraging on a clear and focused strategy:

- top line growth in the channels at the core of Autogrill's strategy, whilst also expanding footprint in adjacent market segments;
- profitability enhancement through new concepts, innovation and targeted actions on all the lines of the income statement;
- disciplined capital allocation based on strategic priorities.

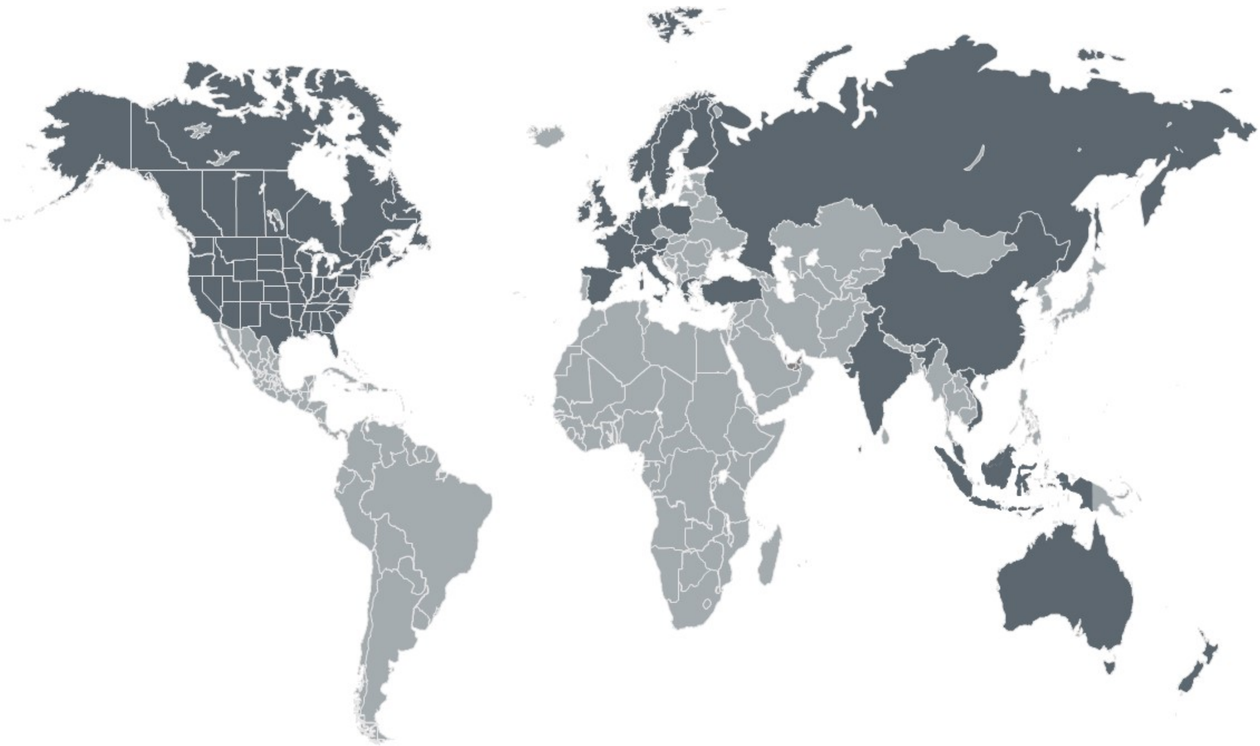
Autogrill's strategic direction remains unchanged, despite the far-reaching impact of and profound discontinuity caused by the COVID-19 pandemic worldwide for the entire travel sector and the Group.

In the past months Autogrill quickly adjusted its strategy in order to respond adequately to this crisis situation, protecting first and foremost the health and safety of its workers, customers and the communities in which it operates, safeguarding liquidity and strengthening the total net financial position and implementing cost containment measures in all the areas it is present.

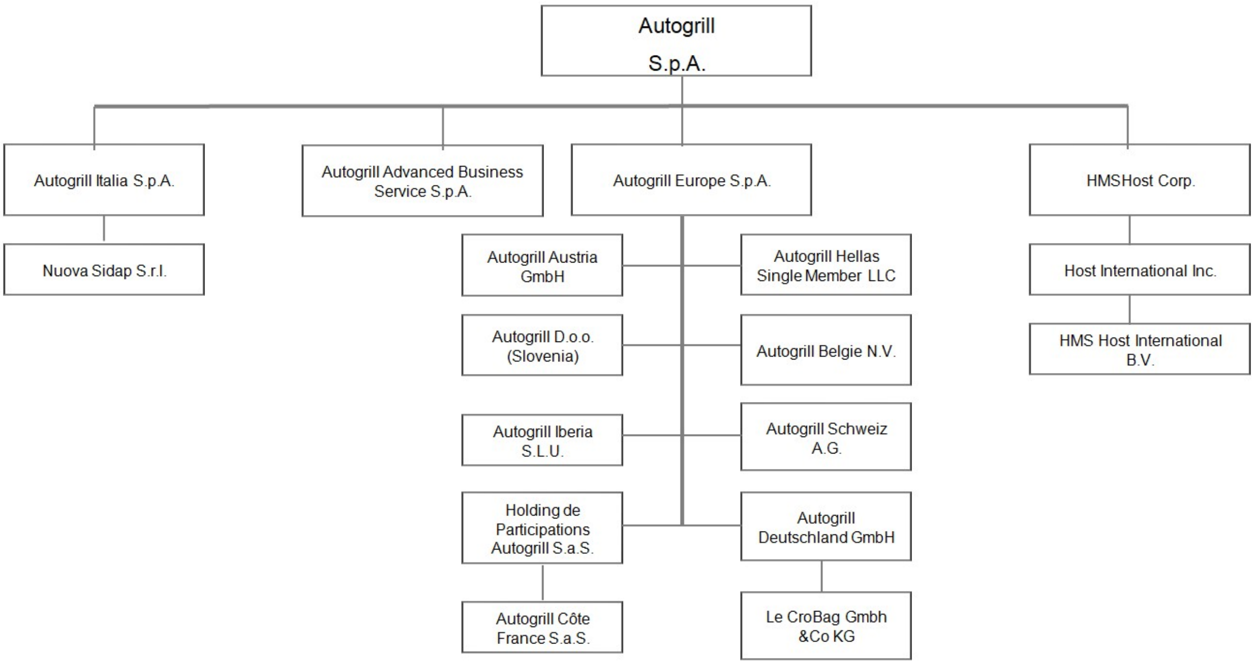
Territorial Coverage

The Autogrill Group has operating activities in 31 countries:

Australia	Finland	Ireland	Poland	Switzerland
Austria	France	Italy	Qatar	The Netherlands
Belgium	Germany	Malaysia	Russia	Turkey
Canada	Greece	Maldives	Slovenia	United Arab Emirates
China	India	New Zealand	Spain	United Kingdom
Denmark	Indonesia	Norway	Sweden	United States
				Vietnam



Simplified Group Structure [1-2]



[1] Where not otherwise specified, all companies are wholly owned. See the Annexes to the this half-year financial report for a complete list of equity investments
[2] Company names and the Group structure are up-to-date as of June 2020.

1.2 Group performance

1.2.1 Change in scope of consolidation

In the first few months of 2020, the Autogrill Group purchased the entire share capital of HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD.), headquartered in Malaysia, through its subsidiary HMSHost International B.V., which was previously 49% held, for approximately €1.7m (RMB 7.9m). The company operates 4 locations in the Kuala Lumpur airport. Before the acquisition of 100% of the company it was consolidated using the equity method; in the first half of 2020 revenue amounted to €1.3m (€4.0m in the first half of 2019).

At the beginning of 2020, the Autogrill Group also purchased the entire share capital of Autogrill Middle East, LLC (United Arab Emirates), previously 50% held and consolidated using the equity method, for roughly €7.9m (AED 32m) through its subsidiary HMSHost International B.V.

As a result of this transaction Arab Host Services LLC (Qatar), which prior was consolidated using the equity method, became part of the scope of consolidation.

Autogrill Middle East, LLC holds 49% of Arab Host Services LLC, but controls *de facto* the company due to a series of agreements signed with Qatar's local partners, as it is entitled to 98% of the earnings made.

The two companies operate in airport food & beverage and manage 27 locations, respectively, in the Abu Dhabi and Dubai airports for Autogrill Middle East, LLC and 4 locations in the Doha airport for Arab Host Services LLC. In the first half of 2020 the two companies reported revenue of €4.2m (€5.1m in the first half of 2019).

1.2.2 Economic performance

The first six months of 2020 were heavily impacted by the spread of the COVID-19 pandemic which, beginning with the first outbreaks in China in the second half of January, then extended very quickly worldwide in February, March and April, affecting motorway, railway and airport traffic with more serious consequences in some Countries. As a result of the pandemic, the Group is facing a significant drop in consumer traffic across all channels and the closure of locations due to the quarantine measures and other government directives which in some countries are still in effect.

In this backdrop, the Group recorded a strong drop in revenue of 52.3% at constant exchange rates (51.7% at current exchange rates) which impacted margins and the economic results recorded in the reporting period. Underlying EBITDA amounted to €55.5m in the first six months of 2020, a decrease of 83.6% at constant exchange rates (83.5% at current exchange rates) and came to 5.1% of revenue, compared to 14.8% in the first half 2019. Underlying EBIT went from €48.8m in the first six months of 2019 to a negative €297.0m in the first six months of 2020. The underlying net loss attributable to owners of the parent company came to €268.4m, compared to a net loss of €10.2m in the same period of 2019.

Condensed consolidated income statement [3]

(€m)	First-Half 2020	% of revenue	First-Half 2019	% of revenue	Change At current exchange rates	Change At constant exchange rates
Revenue	1,096.5	100.0%	2,271.6	100.0%	-51.7%	-52.3%
Other operating income	62.0	5.7%	92.2	4.1%	-32.8%	-31.4%
Total revenue and other operating income	**1,158.5**	**105.7%**	**2,363.9**	**104.1%**	**-51.0%**	**-51.5%**
Raw materials, supplies and goods	(373.5)	34.1%	(696.1)	30.6%	-46.3%	-46.9%
Personnel expense	(449.6)	41.0%	(782.3)	34.4%	-42.5%	-43.3%
Leases, rentals, concessions and royalties	(56.3)	5.1%	(263.2)	11.6%	-78.6%	-78.8%
Other operating expense	(227.1)	20.7%	(293.4)	12.9%	-22.6%	-23.6%
Gains on operating activity disposal[4]	-	0.0%	125.5	5.5%	n.s.	n.s.
EBITDA	**52.0**	**4.7%**	**454.3**	**20.0%**	**-88.6%**	**-88.7%**
Depreciation, amortisation and impairment losses	(352.5)	32.1%	(287.1)	12.6%	22.8%	21.4%
EBIT	**(300.5)**	**-27.4%**	**167.2**	**7.4%**	**n.s.**	**n.s.**
Net financial income (expense)	(56.5)	5.2%	(47.5)	2.1%	19.0%	16.7%
Income (expenses) from investments	(0.2)	0.0%	37.5	1.7%	n.s.	n.s.
Pre-tax profit	**(357.2)**	**-32.6%**	**157.2**	**6.9%**	**n.s.**	**n.s.**
Income tax	71.5	6.5%	(34.4)	1.5%	n.s.	n.s.
Net profit (loss) attributable to:	**(285.7)**	**-26.1%**	**122.8**	**5.4%**	**n.s.**	**n.s.**
– owners of the parent	(271.0)	-24.7%	115.0	5.1%	n.s.	n.s.
– non-controlling interests	(14.7)	-1.3%	7.8	0.3%	n.s.	n.s.
Earnings per share (€):						
– basic	-1.0728		0.4525			
– diluted	-1.0662		0.4498			

Revenue

The Group realized consolidated revenue of €1,096.5m in the first six months of 2020, down 52.3% at constant exchange rates (-51.7% at current exchange rates) on the revenue of €2,271.6m posted in the comparison period.

€m	First-Half 2020	First-Half 2019	FX	Organic growth Like-for-like		Openings	Closings [5]	Acquisitions	Disposals	Calendar[6]
North America (*)	529.6	1,167.5	26.9	(640.0)	-57.3%	45.1	(46.8)	7.7	(30.6)	-
International	170.7	301.0	(3.0)	(123.4)	-43.8%	7.6	(18.0)	4.8	-	1.6
Europe	396.2	803.1	4.5	(381.8)	-49.2%	1.9	(32.0)	-	(3.0)	3.5
Italy	*239.5*	*474.4*	-	(227.1)	-48.7%	(0.3)	(9.2)	-	-	1.5
Other European countries	*156.7*	*328.6*	*4.5*	(154.7)	-50.0%	2.1	(22.8)	-	(3.0)	2.0
Total Revenue	**1,096.5**	**2,271.6**	**28.4**	**(1,145.0)**	**-52.7%**	**54.6**	**(96.8)**	**12.5**	**(33.6)**	**5.0**
(*) *North America -$m*	*583.7*	*1,319.1*	*(2.8)*	*(705.4)*	*-57.3%*	*49.7*	*(51.6)*	*8.5*	*(33.8)*	-

3 "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 €100.7m in the first half of 2020 (€191.6m in the first half of 2019) and the cost to €95.7m (€181.9m the first half of 2019).
4 "Gains on operating activity disposal" in the first half of 2019 were net of €1.2m in ancillary expenses.
5 "Closings" refer to the permanent closure of stores and not the temporary closures attributable to the COVID-19 pandemic.
6 "Calendar" includes the extra day attributable to the fact that 2020 was a leap year.

In the first six months of 2020, the contributions made by the new openings made in North America (namely at the Denver, Fort Lauderdale, Las Vegas and Seattle airports) and the revision of concepts was more than offset by the downsizing of the Group's presence in Europe and International.

Acquisitions and disposals resulted in a net negative contribution of €21.1m to revenue growth in the first six months of 2020 as the higher revenue from the acquisition of Pacific Gateway Concessions, LLC (purchased at the end of May 2019) and HMSHost Catering Malaysia SDN. BHD., Autogrill Middle East, LLC and Arab Host Services LLC (consolidated starting from January 2020) was more than offset by the disposal of the motorway business in Canada and the operations managed by the Group in the Czech Republic (made at the end of May 2019).

In the first six months of 2020 exchange gains of €28.4m were reported by the Group due mainly to the weakening of the Euro against the US dollar and the calendar effect had a positive impact of €5.0m.

Revenue by channel

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Airports	656.3	1,383.0	-52.5%	-53.3%
Motorways	354.9	697.2	-49.1%	-49.5%
Other channels	85.2	191.4	-55.5%	-55.7%
Total Revenue	**1,096.5**	**2,271.6**	**-51.7%**	**-52.3%**

(€m)	First-Half 2020	First-Half 2019	FX	Organic growth				Acquisitions	Disposal	Calendar
				Like-for-like		Openings	Closings			
Airport	656.3	1,383.0	22.5	(751.2)	-55.8%	48.1	(60.6)	12.5	-	2.0
Motorways	354.9	697.2	5.3	(295.3)	-45.7%	4.5	(28.2)	-	(30.6)	2.2
Oher channels	85.2	191.4	0.5	(98.5)	-54.2%	1.9	(8.1)	-	(3.0)	0.9
Total Revenue	**1,096.5**	**2,271.6**	**28.4**	**(1,145.0)**	**-52.7%**	**54.6**	**(96.8)**	**12.5**	**(33.6)**	**5.0**

The Group revenue decrease of 52.7% like-for-like was higher for the airport channel (-55.8%) and the "Other channels" (-54.2%) than for the motorway channel (-45.7%). At 30 June 2020, 56% of the locations were closed.

EBITDA

EBITDA amounted to €52.0m in the first six months of 2020 versus €454.3m in the comparison period, going from 20.0% of revenue in the first six months of 2019 to 4.7%. The result posted in the comparison period was strongly impacted by the sizeable capital gains generated by the sale of the Canadian motorway business and the operations in the Czech Republic which, net of transaction costs, came to €125.5m.

Unusual, non-recurring elements that affected the first six months of 2020 or the comparison period are as follows:

- for both periods, costs for stock-based management incentive 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 the comparison period from the sale of motorway operations in Canada and all businesses operated by the Group in the Czech Republic, net of the ancillary expenses;
- the costs incurred for the acquisition of Pacific Gateway Concessions in the comparison period;
- the costs incurred for efficiency programs in the Netherlands and in the United States[7].

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

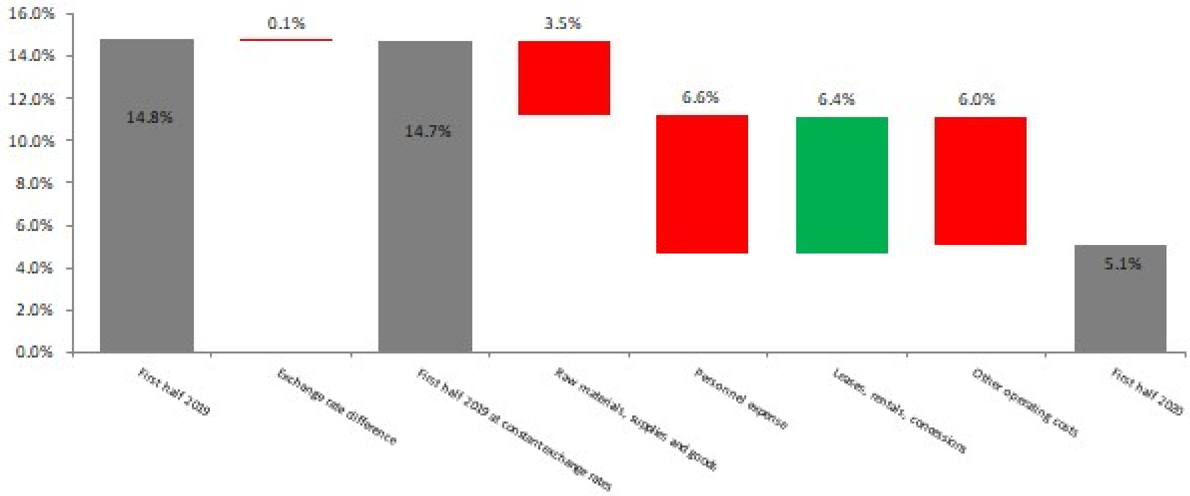
(€m)	First-Half 2020	First-Half 2019
North America	**0.6**	**(115.1)**
- Stock-based management incentive plans	(0.4)	1.6
- Gain on operating activity disposal net of transaction costs	-	(117.5)
- Efficiency projects costs	1.0	-
- Acquisition fees	-	0.8
International	**3.8**	**0.8**
- Stock-based management incentive plans	(0.2)	0.8
- Efficiency projects costs	4.0	-
Europe	**(0.2)**	**(7.1)**
- Stock-based management incentive plans	(0.2)	0.8
- Gain on operating activity disposal net of transaction costs	-	(7.9)
Corporate	**(0.7)**	**3.1**
- Stock-based management incentive plans	(0.7)	3.1
Total	**3.5**	**(118.4)**

After factoring out these elements, the underlying EBITDA is €55.5m versus €335.9m in the comparison period, down 83.6% at constant exchange rates (-83.5% at current exchange rates), or 5.1% of revenue compared to 14.8% in the first six months of 2019.

[7] Mostly for robot automation in the United States begun in 2019 and the permanent change in the organization of operations in the Netherlands.

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
EBITDA	**52.0**	**454.3**	**-88.6%**	**-88.7%**
EBITDA margin	**4.7%**	**20.0%**		
Stock-based management incentive plans	(1.5)	6.3		
Gain on operating activity disposal net of transaction costs	-	(125.5)		
Efficiency projects costs	5.0	-		
Acquisition fees	-	0.8		
EBITDA underlying	**55.5**	**335.9**	**-83.5%**	**-83.6%**
EBITDA margin underlying	**5.1%**	**14.8%**		

Change in underlying EBITDA margin



Impacts of the COVID-19 pandemic

With regard to the disclosures called for in the notices issued by ESMA, CONSOB and IOSCO[8], relating to the impact of the COVID-19 pandemic on operations, the Group is not able to distinguish how much of the overall decrease in the economic figures recorded in the first half of 2020 is directly attributable to the pandemic: the total impact, which is largely attributable to the pandemic but not exclusively, on the figures and economic results is shown below.

As commented on above, in the first six months of 2020 sales were strongly and negatively impacted beginning in February by the gradual closing of a large part of the Group's distribution network and the significant drop in traffic at the remaining part (during the lockdown), for a total net decrease of 52.3% at constant exchange rates (-51.7% at current exchange rates).

[8] ESMA – "Implications of the COVID-19 outbreak on the half-yearly financial reports" (May 2020), CONSOB - "Richiamo di attenzione" 6/2020 of 9 April 2020 and 8/2020 of 16 July 2020 and IOSCO - "Statement on Importance of Disclosure about COVID-19" of 29 May 2020

The costs of raw materials, supplies and goods fell 46.9% at constant exchange rates (-46.3% at current exchange rates), attributable directly to the trend in sales, albeit not proportionately, including due to product expiration and damage which resulted in non-recurring costs of roughly €6m that are in the process of being mitigated through insurance coverage and contractual return mechanisms with suppliers which to date have yet to be finalized and therefore, are not reflected in the half-year results.

In this context, the Group's management implemented a series of measures to stem the negative effects of the COVID-19 pandemic which resulted in a strong reduction in:

- personnel expense (-43.3% at constant exchange rates, -42.5% at current exchange rates) thanks to the measures implemented by the company including a reduction in the hours worked consistent with the drop in traffic, a hiring freeze and voluntary pay cuts. Along with the reduction in personnel expense, the various forms of social safety nets made available by local governments and similar measures in the Group's countries of operation also had a positive impact of roughly €62m;
- other operating costs (-23.6% at constant exchange rates, -22.6% at current exchange rates) which, however, were affected by the recognition of non-recurring costs attributable to logistics and the introduction of important measures to safeguard the health and safety of its staff and customers (around €3m).

In order to mitigate the impact of the COVID-19 pandemic many of the Group companies renegotiated lease contractual terms with a few of their landlords in order to lower lease payments. These negotiations resulted in exemptions and concessions which had a net positive impact in the income statement of roughly €70.3m. Further negotiations in this regard are currently underway with landlords which would have a positive impact on the next half that today is not quantifiable.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses came to €352.5m in the first six months of 2020, an increase of 21.4% at constant exchange rates (22.8% at current exchange rates) compared to €287.1m in the comparison period: the increase reflects higher impairment and the increase in the investments made in second half 2019. The impairment losses amounted to €36.1m in the first half 2020 (€1.9m in the comparison period) and were recognized primarily in the United States.

As a result of the COVID-19 pandemic and the expectation that profitability will return to pre-pandemic levels in the medium-term, new profitability forecasts were formulated which caused management to change the strategies which call for the Group to disengage from a few locations over the next few months, exit the relative leases and recognize the above mentioned impairment losses directly attributable to the impact of the pandemic.

EBIT

EBIT amounted to -€300.5m compared to €167.2m in the comparison period which was significantly impacted by the capital gains generated by the disposals of businesses commented on above.

Underlying EBIT amounted to -€297.0m, compared to €48.8m in the comparison period, with a decrease of €345.8m.

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Operating profit (EBIT)	**(300.5)**	**167.2**	**n.s.**	**n.s.**
EBIT margin	**-27.4%**	**7.4%**		
Stock-based management incentive plans	(1.5)	6.3		
Gain on operating activity disposal net of transaction costs	-	(125.5)		
Efficiency projects costs	5.0	-		
Acquisition fees	-	0.8		
Operating profit (EBIT) underlying	**(297.0)**	**48.8**	**n.s.**	**n.s.**
EBIT margin underlying	**-27.1%**	**2.1%**		

Net financial income (expense) and income (expense) from equity investments

Net financial expense in the first six months of 2020 came to €56.5m (€47.5m in the comparison period), including the €33.7m in implicit interest on lease liabilities stemming from application of IFRS 16 (€34.1m in the first six months of 2019).

In the wake of the COVID-19 pandemic, a series of agreements was reached with lenders and bondholders for a covenant holiday, namely the temporary suspension of the computation of the covenant ratios (leverage ratio e consolidated EBITDA/consolidated net finance charges). The covenant holiday will be in effect for 15 months beginning and including 30 June 2020 and may be extended through 31 December 2021 if certain conditions are satisfied. Based on IFRS 9, these contractual amendments resulted in the recognition in the income statement of the difference between the present value of the amended cash flows discounted at the effective interest rate and the present value of the original cash flows which amounted to approximately €12m and explains the largest part of the increase in net financial expense directly attributable to the COVID-19 pandemic.

The average cost of debt was lower than in 2019 (3.4%), coming in at 3.0% due mainly to the lower LIBOR on the USD denominated loans and was not affected by the negotiations with the lenders referred to above.

Net income from equity investments in the first six months of 2019 included mainly the €37.4m stemming from the sale of joint ventures as part of the disposal of motorway operations in Canada. This non-recurring item is recognized as part of the "underlying net profit" as shown below.

Income tax

Income tax came to €71.5m in the first six months of 2020, compared to -€34.4m in comparison period.

The figure includes mainly an income of roughly $66m realized by the subsidiary HMSHost Corporation as a result of the loss carry-back mechanism permitted by the US tax authorities which allows a tax loss to be applied to taxable income from prior years.

This item includes taxes charged on Operating Profit (IRAP in Italy and CVAE in France), amounting to €0.3m (€1.5m in the first six months of 2019).

The figure for the first six months of 2019 included a provision of €31.2m for the capital gains tax on the sale of the motorway business in Canada.

Net profit (loss) for the period

The net loss attributable to the owners of the parent amounted to €271.0m in the first half 2020 compared to a profit of €115.0m in the first half of 2019. Non-controlling interests came to negative €14.7m (positive €7.8m in the first half 2019).

The net profit posted in the first six months of 2019 was strongly impacted by the capital gains generated by the sale of the Canadian motorway business and in the operations in the Czech Republic net of the tax effect.

The underlying net loss for the period attributable to non-controlling interests amounted to €268.4m in the first half 2020 compared to €10.2m in the first half of 2019.

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Net profit (loss) of the period (attributable to owners of the parent)	**(271.0)**	**115.0**	**n.s.**	**n.s.**
Stock-based management incentive plans	(1.5)	6.3		
Gain on operating activity disposal net of transaction costs	-	(125.5)		
Efficiency projects costs	5.0	-		
Acquisition fees	-	0.8		
Gain on interest in Canadian JV sold [9]	-	(37.4)		
Tax effect	(0.9)	30.5		
Net profit (loss) of the period underlying (attributable to owners of the parent)	**(268.4)**	**(10.2)**	**n.s.**	**n.s.**
Earnings per share – basic (€)	**-1.0728**	**0.4525**		
Earnings per share– diluted (€)	**-1.0662**	**0.4498**		
Earnings per share– basic underlying (€)	**-1.0625**	**-0.0404**		
Earnings per share– diluted underlying (€)	**-1.0560**	**-0.0402**		

[9] This refers to the disposal of the Canadian motorway travel center operations, for equity-measured investments only.

1.2.3 Financial position

Reclassified Consolidated Statement of Financial Position [10]

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

These changes are compounded by the impact of the acquisitions and disposals reflected in the statement of cash flows below.

			Change	
(€m)	30/06/2020	31/12/2019	At current exchange rates	At constant exchange rates
Intangible assets	986.1	985.8	0.3	(2.6)
Property, plant and equipment	1,101.1	1,090.9	10.1	10.3
Right of use assets	2,179.5	2,359.0	(179.4)	(176.0)
Financial assets	37.2	38.0	(0.7)	(0.8)
A) Non-current assets	**4,303.9**	**4,473.6**	**(169.8)**	**(169.2)**
Inventories	108.6	133.7	(25.2)	(25.2)
Trade receivables	31.5	55.4	(23.9)	(23.3)
Other receivables	181.0	125.1	56.0	56.8
Trade payables	(297.8)	(397.2)	99.3	99.2
Other payables	(324.5)	(391.5)	67.0	66.9
B) Working capital	**(301.2)**	**(474.5)**	**173.2**	**174.4**
Invested capital (A + B)	**4,002.7**	**3,999.2**	**3.5**	**5.2**
C) Other non-current non-financial assets and liabilities	**(60.7)**	**(115.3)**	**54.6**	**55.3**
D) Net invested capital (A + B + C)	**3,942.0**	**3,883.8**	**58.1**	**60.5**
Equity attributable to owners of the parent	576.9	858.3	(281.4)	(276.3)
Equity attributable to non-controlling interests	70.1	77.6	(7.5)	(8.0)
E) Equity	**647.1**	**935.9**	**(288.9)**	**(284.2)**
Non-current financial liabilities	3,225.4	2,924.6	300.8	300.4
Non-current financial assets	(74.3)	(73.6)	(0.7)	(0.3)
F) Non-current financial indebtedness	**3,151.1**	**2,851.0**	**300.1**	**300.0**
Current financial liabilities	682.3	462.0	220.3	220.7
Cash and cash equivalents and current financial assets	(538.6)	(365.1)	(173.5)	(176.0)
G) Current net financial indebtedness	**143.7**	**96.9**	**46.8**	**44.7**
Total net financial position (F+G)	**3,294.9**	**2,947.9**	**346.9**	**344.7**
Net finance lease liabilities	**(2,294.8)**	**(2,389.3)**	**94.6**	**94.6**
Net financial position	**1.000.1**	**558.6**	**441.5**	**439.3**
H) Total (E+F+G), as in D)	**3,942.0**	**3,883.8**	**58.1**	**60.5**

[10] The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and condensed interim financial statements, including relative notes, with the exception of "Financial assets", which do not include "Financial receivables from third parties" (€4.6m) 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.

Cash flow

(€m)	First-Half 2020	First-Half 2019	Change
EBITDA	52.0	454.3	(402.3)
Gain on operating activity disposal net of transaction costs	-	(125.5)	125.5
Change in net working capital	(173.5)	(65.9)	(107.6)
Principal repayment of lease liabilities	(76.2)	(147.2)	71.0
Renegotiation for COVID-19 on lease liabilities	(70.3)	-	(70.3)
Other non-cash items	(0.7)	(2.8)	2.1
Cash flow (absorbed by) from operating activities	**(268.6)**	**113.0**	**(381.6)**
Tax paid	(18.3)	(9.0)	(9.3)
Net interest paid	(11.3)	(11.8)	0.5
Implicit interest in lease liabilities	(29.1)	(34.1)	5.0
Net cash flow (absorbed by) from operating activities	**(327.4)**	**58.1**	**(385.5)**
Net operating investment	(92.5)	(161.9)	69.4
Net cash flow after operating investment	**(419.8)**	**(103.8)**	**(316.0)**
Cash flow generated from the sale of motorway travel center operations in Canada	-	162.8	(162.8)
Cash flow generated from the sale of Autogrill Czech S.r.o.	-	7.0	(7.0)
Cash flow generated (absorbed) by the acquisition of Pacific Gateway Concessions, LLC	0.2	(32.1)	32.3
Cash flow absorbed by the acquisition of Le CroBag GmbH	-	(5.9)	5.9
Cash flow absorbed by the acquisition of Autogrill Middle East, LLC and HMSHost Catering Malaysia SDN. BHD.	(2.1)	-	(2.1)
Free operating cash flow pre dividend and pre treasury shares	**(421.7)**	**27.9**	**(449.6)**
Dividend payment[11]	3.5	(49.3)	52.8
Treasury shares	(12.3)	-	(12.3)
Free operating cash flow	**(430.6)**	**(21.4)**	**(409.2)**

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

(€m)	First-Half 2020	First-Half 2019	Change
Net cash flow after operating investment	**(419.8)**	**(103.8)**	**(316.0)**
Net cash flow after the investments in non-recurring transactions in the United States (tax paid in the period on the capital gains generated by the disposal of the Canadian motorway business in 2019)	22.6	-	22.6
Net cash flow after operating investment excluding the effect relating to non-recurring transactions carried out in the United States	**(397.2)**	**(103.8)**	**(293.4)**

[11] Including dividends paid to non-controlling shareholders, net of capital increases

Cash flow (absorbed by) from operating activities was €381.6m lower than in the comparison period due to a strong reduction in revenues and the negative change in net working capital, partially offset by reduced lease payments (principal and interest).

Net cash flow after operating investment was also €316.0m lower, showing slight improvement compared to the cash flow from operating activities due to lower capex payments and interest implied in the lease payments. Nearly 80% of the capital expenditure was made in the first quarter and then, after the plan was revised to deal with the pandemic, was reduced to the minimum needed for the locations to function correctly.

The balance between the proceeds of disposals and outlays for acquisitions was immaterial, while strongly positive in the first half of 2019 (+€131.7m), due particularly to the disposal of the Canadian motorway operations.

As a result of the combined effect of the above items, in the first six months of 2020 the Group absorbed net cash of €421.7m pre-dividends, compared to cash generation of €27.9m in the comparison period.

In light of the short-term uncertainty caused by the COVID-19 pandemic, during the Annual General Meeting held on 21 May 2020 shareholders resolved not to pay a dividend and to allocate the profit for the year as retained earnings. In the first six months of 2019 the Group paid shareholders €50.8m in dividends.

In the first six months of 2020 the net balance between capital increases subscribed by minority shareholders and the dividends paid to them by consolidated companies generated liquidity of €3.5m (€1.5m in the comparison period).

As part of the buyback program started on 12 March and concluded on 8 April, the Group purchased 3,000,000 shares at an average weighted price of €4.10 per share for a total of roughly €12.3m.

Net financial position

The total net financial position at 30 June 2020 amounted to €3,294.9m (€2.947.9m in the comparison period), including €2,294.8m of net lease liabilities (€2,389.3m at 31 December 2019).

As of the same date, the Group net financial position stood at €1,000.1m, down from €558.6m at 31 December 2019. The increase is explained by the net absorption of cash recorded in the first half. In order to reduce this impact, the Group reduced its investment plan and worked to obtain an extension in social security and tax institutions payments in all the countries in which it operates.

At 30 June 2020, 56% of net debt was denominated in US dollars (versus 50% at 31 December 2019) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 22% of the total compared with 40% at 31 December 2019.

The fair value of interest rate hedging derivatives at 30 June 2020 was a positive €7.1m, compared with a positive €2.8m at 31 December 2019.

Debt to banks and bondholders consists primarily of committed non-current credit lines from banks and of long-term bonds (private placements). Loans had an average remaining life of about 3 years and 1 month at 30 June 2020, compared with about 2 years and 10 months at 31 December 2019.

In the first half 2020 the parent company, also in connection to the strategy to strengthen the financial structure in order to offset the impact of the COVID-19 pandemic:

- in February, extended the maturity of the Term Amortizing and Revolving Amortizing credit facilities of €100m and €200m, respectively, stipulated in 2018, by two years. As a result of these changes, the Term Amortizing loan calls for an annual repayment, as of January 2023, in two instalments of €25m and the repayment of the remaining €50m in principal in 2025, while the Revolving line calls for the reduction of the commitment as of January 2023, in 2 installments of €62.5m and the extinction of the residual €75m commitment in 2025;

- in March obtained a €150.0m Term Amortizing credit line, maturing in March 2025, which was used to repay the €150m Term Amortizing credit line expiring in 2021 in advance. This new line calls for repayment in 2 annual instalments of €50m beginning in March 2023 and the repayment of the remaining €50m upon expiration;
- utilized all of the Revolving credit (€225m was used by Autogrill S.p.A. and $200m by HMSHost Corp.) to increase the amount of cash available;
- obtained COVID-19 government financing of €30m in France, €3.8m in Spain and CHF 0.5m in Switzerland.

As mentioned above, in the wake of the COVID-19 pandemic, a series of agreements was reached with lenders and American bondholders for a covenant holiday, namely the temporary suspension of the computation of the covenant ratios (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday will be in effect for 15 months beginning and including 30 June 2020 and may be extended through 31 December 2021 if certain conditions are satisfied.

From the beginning of the COVID-19 crisis, the Group worked to safeguard the cash position and try to reach cash flow break-even. Thanks to a series of initiatives, the absorption of cash was reduced gradually during the second quarter of 2020.

To conclude, at the end of first half 2020 the Group had cash on balance sheet of roughly €500m, expected cash consumption of around €150-200m in the second half 2020, no material maturities before 2023 and negotiations for more financing underway guarantee the Group will have the flexibility needed to face this extremely difficult environment.

1.3 Operating segments

Revenue by geographical area

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
North America	529.6	1,167.5	-54.6%	-55.7%
International	170.7	301.0	-43.3%	-42.7%
Italy	*239.5*	*474.4*	*-49.5%*	*-49.5%*
Other European countries	*156.7*	*328.6*	*-52.3%*	*-53.0%*
Total Europe	396.2	803.1	-50.7%	-50.9%
Total Revenue	**1,096.5**	**2,271.6**	**-51.7%**	**-52.3%**

EBITDA by geographical area

(€m)	First-Half 2020	% on revenue	First-Half 2019	% on revenue	Change At current exchange rates	Change At constant exchange rates
North America	21.8	*4.1%*	304.6	*26.1%*	-92.8%	-92.9%
International	12.8	*7.5%*	41.4	*13.8%*	-69.0%	-68.8%
Europe	26.4	*6.7%*	123.9	*15.4%*	-78.7%	-78.8%
Corporate cost	(9.1)	-	(15.6)	-	41.6%	42.2%
Total EBITDA	**52.0**	***4.7%***	**454.3**	***20.0%***	**-88.6%**	**-88.7%**

EBIT by geographical area

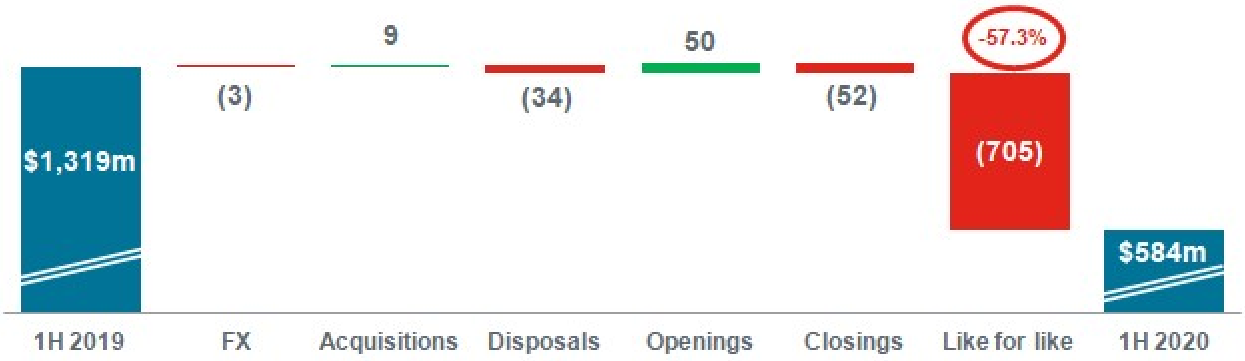
(€m)	First-Half 2020	% on revenue	First-Half 2019	% on revenue	Change At current exchange rates	Change At constant exchange rates
North America	(158.6)	-29.9%	173.2	14.8%	n.s.	n.s.
International	(34.2)	-20.0%	3.9	1.3%	n.s.	n.s.
Europe	(97.7)	-24.7%	6.4	0.8%	n.s.	n.s.
Corporate cost	(10.1)	-	(16.4)	-	38.4%	39.1%
Total EBIT	**(300.5)**	**-27.4%**	**167.2**	**7.4%**	**n.s.**	**n.s.**

Capital expenditure by geographical area

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
North America	67.0	101.7	-34.2%	-35.7%
International	12.7	16.6	-23.2%	-21.3%
Europe	52.2	38.1	37.2%	36.6%
Corporate cost	0,1	0,8	-87.8%	-87.8%
Total capital expenditure	**132.0**	**157.1**	**-16.0%**	**-23.4%**

North America[12]

Revenue



In the first six months of 2020 North America generated revenue of $583.7m, 55.7% lower at constant exchange rates (-55.8% at current exchange rates) than the $1,319.1 posted in the comparison period.

The decrease like-for-like was 57.3%. At 30 June 2020, 69% of the locations were closed.

The balance between revenue from acquisitions and the decrease attributable to disposals was negative for around $25m as the higher revenue generated by the acquisition of Pacific Gateway Concessions, LLC (at the end of May 2019) was more than offset by the impact of the Canadian motorway operations (sold at the end of May 2019).

Revenue by geography

($m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
The United States	547.3	1,194.7	-54.2%	-54.2%
Canada	36.4	124.3	-70.7%	-70.1%
Total Revenue	**583.7**	**1,319.1**	**-55.8%**	**-55.7%**

Revenue by channel

($m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
Airports	514.3	1,132.1	-54.6%	-54.5%
Motorways	66.2	178.3	-62.9%	-62.7%
Other channels	3.1	8.7	-63.7%	-63.7%
Total Revenue	**583.7**	**1,319.1**	**-55.8%**	**-55.7%**

[12] This division includes operations in the United States and Canada.

EBITDA

($m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
EBITDA	**24.0**	**344.1**	**-93.0%**	**-92.9%**
% on revenue	*4.1%*	*26.1%*		
EBITDA underlying	**24.7**	**214.1**	**-88.4%**	**-88.3%**
% on revenue	*4.2%*	*16.2%*		

In the first six months of 2020 EBITDA came to $24.0m (4.1% on revenue) compared to $344.1m in the comparison period, a decrease of 92.9% at constant exchange rates (-93.0% at current exchange rates). The result posted in the comparison period was strongly impacted by the capital gain generated by the sale of the Canadian motorway operations which amounted to $132.8m, net of ancillary expenses.

Underlying EBITDA fell 88.3% at constant exchange rates (-88.4% at current exchange rates) to $24.7m in the first six months of 2020 (4.2% on revenue), compared to $214.1m in the comparison period.

Local management implemented a series of measures to stem the negative impact of the COVID-19 pandemic, including:

- a strong reduction in personnel expense by decreasing the number of hours worked consistent with the drop in traffic, a hiring freeze, voluntary pay cuts and the application of the "CARES act" (which had an estimated impact of around $20m);
- negotiations with a few of their landlords in order to revise the economic terms of the current leases. These negotiations resulted in the abatement of rental and concession fees which had a net positive impact on the income statement of roughly €24.2m.

EBIT

($m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
EBIT	**(174.7)**	**195.7**	**n.s.**	**n.s.**
% on revenue	*-29.9%*	*14.8%*		
EBIT underlying	**(174.0)**	**65.7**	**n.s.**	**n.s.**
% on revenue	*-29.8%*	*5.0%*		

In the first six months of 2020 EBIT fell $370.4m from €195.7m in the comparison period to -$174.7m. The figure was impacted significantly by the capital gain generated by the disposal of the Canadian motorway operations referred to above.

Underlying EBIT amounted to -$174.0m in the first six months of 2020, down $239.7m compared to the $65.7m posted in the comparison period.

Capital expenditure

($m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Capex	**73.8**	**114.9**	**-35.8%**	**-35.7%**
% on revenue	*12.6%*	*8.7%*		

Capital expenditure in the first six months of 2020 amounted to $73.8m, down sharply on the comparison period due to cautious liquidity management linked to the uncertainty caused by the pandemic, as well as the halt of construction work. A significant portion of the capex recorded in the period concerned the continuation of renovation work on locations along the New Jersey Turnpike and the Garden State Parkway. The remaining investments went mostly toward the airports serving Boston and Detroit.

International[13]

Revenue

In the first six months of 2020 revenues fell 42.7% at constant exchange rates (-43.3% at current exchange rates) against the €301.0m recorded in the comparison period to €170.7m.

The decrease like-for-like came to 43.8%. At 30 June 2020 70% of the locations were closed.

Closures and new openings produced a net revenue decrease of around €10m against the prior period due mainly to the opening of the Dubai airport which more than offset the impact of closures mainly in the Dublin airport.

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Northern Europe	108.0	209.8	-48.6%	-48.1%
Rest of the world	62.7	91.2	-31.3%	-30.4%
Total Revenue	**170.7**	**301.0**	**-43.3%**	**-42.7%**

[13] 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 Rest of the world (United Arab Emirates, Qatar, Turkey, Russia, India, Indonesia, Malaysia, Maldives, Vietnam, Australia, New Zealand and China).

Revenue by channel

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
Airports	143.5	254.0	-43.5%	-42.9%
Other channels	27.1	47.0	-42.2%	-42.2%
Total Revenue	**170.7**	**301.0**	**-43.3%**	**-42.7%**

EBITDA

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
EBITDA	**12.8**	**41.4**	**-69.0%**	**-68.8%**
% on revenue	*7.5%*	*13.8%*		
EBITDA underlying	**16.7**	**42.2**	**-60.5%**	**-60.3%**
% on revenue	*9.8%*	*14.0%*		

In the first six months of 2020 EBITDA came to €12.8m, a decrease of 68.8% at constant exchange rates (-69.0% at current exchange rates) with respect to the comparison period and went from 13.8% of revenue in the first six months of 2019 to 7.5%.

Underlying EBITDA fell 60.3% at constant exchange rates (-60.5% at current exchange rates) to €16.7m in the first six months of 2020, compared to €42.2m in the comparison period and went from 14.0% of revenue in the first six months of 2019 to 9.8%.

Local management implemented a series of measures to stem the negative impact of the COVID-19 pandemic, including:

- a strong reduction in personnel expense by decreasing the number of hours worked consistent with the drop in traffic, a hiring freeze, voluntary pay cuts and the use of social safety nets (which had an estimated impact of around €15m);
- negotiations with a few of their landlords in order to revise the economic terms of the current leases. These negotiations resulted in the abatement of rental and concession fees which had a net positive impact on the income statement of roughly €12.1m.

EBIT

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
EBIT	**(34.2)**	**3.9**	**n.s.**	**n.s.**
% on revenue	*-20.0%*	*1.3%*		
EBIT underlying	**(30.3)**	**4.7**	**n.s.**	**n.s.**
% on revenue	*-17.8%*	*1.6%*		

In the first six months of 2020 EBIT fell €38.1 from €3.9m in the comparison period to -€34.2m.

Underlying EBIT amounted to -€30.3m in the first six months of 2020, down €35.0m with respect to the €4.7m posted in the comparison period.

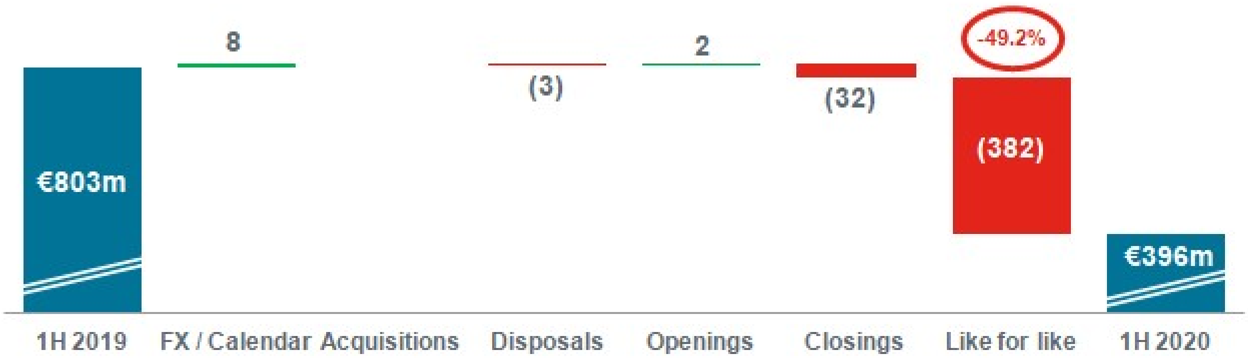
Capital expenditure

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Capex	**12.7**	**16.6**	**-23.2%**	**-21.3%**
% on revenue	*7.5%*	*5.5%*		

Most main capital expenditure made in the area concerned the Manchester and Dubai airports.

Europe

Revenue



In the first six months of 2020 revenues fell 50.9% at constant exchange rates (-50.7% at current exchange rates) against the €803.1m recorded in the comparison period to €396.2m.

The decrease like-for-like came to 49.2%. At 30 June 2020 25% of the locations were closed (18% in Italy and 35% in the rest of Europe).

Closings and new openings produced a net revenue decrease of around €30m against the prior period due mainly to the selective reopening of the Italian motorway channel and the gradual exit from the Tank & Rast motorway business in Germany, as well as the decision to exit from non-strategic businesses.

(€m)	First-Half 2020	First-Half 2019	Change	
			At current exchange rates	At constant exchange rates
Italy	239.5	474.4	-49.5%	-49.5%
Other European countries	156.7	328.6	-52.3%	-53.0%
Total Revenue	**396.2**	**803.1**	**-50.7%**	**-50.9%**

Revenue by channel

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
Motorways	294.9	539.4	-45.3%	-45.5%
Airports	46.1	126.9	-63.7%	-64.2%
Other channels	55.2	136.7	-59.6%	-59.8%
Total Revenue	**396.2**	**803.1**	**-50.7%**	**-50.9%**

EBITDA

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
EBITDA	**26.4**	**123.9**	**-78.7%**	**-78.8%**
% on revenue	*6.7%*	*15.4%*		
EBITDA underlying	**26.2**	**116.6**	**-77.5%**	**-77.7%**
% on revenue	*6.6%*	*14.5%*		

In the first six months of 2020 EBITDA came to €26.4m, a decrease of €97.5m (-78.8% at constant exchange rates; -78.7% at current exchange rates) with respect to the comparison period. The result posted in the first six months of 2019 had benefitted from the capital gain of €7.9m generated by the disposal of businesses in the Czech Republic.

Underlying EBITDA fell 77.7% at constant exchange rates (-77.5% at current exchange rates) to €26.2m in the first six months of 2020, compared to €116.6m in the comparison period and went from 14.5% of revenue in the first six months of 2019 to 6.6%.

Local management implemented a series of measures to stem the negative impact of the COVID-19 pandemic, including:

- a strong reduction in personnel expense by decreasing the number of hours worked consistent with the drop in traffic, a hiring freeze, voluntary pay cuts and the use of social safety nets (which allowed for savings estimated at around €29m);
- negotiations with a few of their landlords in order to revise the economic terms of the current leases. These negotiations resulted in the abatement of rental and concession fees which had a net positive impact on the income statement of roughly €34.0m.

EBIT

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
EBIT	**(97.7)**	**6.4**	**n.s.**	**n.s.**
% on revenue	*-24.7%*	*0.8%*		
EBIT underlying	**(97.9)**	**(0.8)**	**n.s.**	**n.s.**
% on revenue	*-24.7%*	*-0.1%*		

In the first six months of 2020 EBIT fell €104.1m from €6.4m in the comparison period to -€97.7m. The result was impacted by the capital gain mentioned above generated by the disposal of the Group's operations in the Czech Republic.

Underlying EBIT amounted to -€97.9m in the first six months of 2020, down €97.1m with respect to the -€0.8m posted in the comparison period.

Capital expenditure

(€m)	First-Half 2020	First-Half 2019	Change At current exchange rates	Change At constant exchange rates
Capex	**52.2**	**38.1**	**37.2%**	**36.6%**
% on revenue	*13.2%*	*4.7%*		

Most capital expenditure concerned the rest stops on Italian motorways as per the investment plan for motorway renovation announced in 2019 which is not deferrable.

Corporate costs

In the first six months of 2020, centralized corporate costs amounted to €9.1m, a decrease of 41.6% compared to €15.6m in the comparison period, thanks to the action on costs implemented by management.

Underlying corporate costs came to €9.8m in the first six months of 2019 compared to €12.4m in the comparison period.

1.4 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 of the condensed interim consolidated financial statements 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).

1.5 Subsequent events

Since the close of the reporting period, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

1.6 Outlook[14]

As anticipated, since early 2020 the Autogrill Group has been dealing with the impact of the pandemic.

The expected evolution of this healthcare crisis remains uncertain because its shape and magnitude are yet to be fully understood.

For the second half of 2020 Autogrill expects global economic uncertainty to be high and that the Group top line will be significantly impacted by the traffic disruption caused by the pandemic:

- airport traffic will remain materially below 2019 for the second half of 2020. Domestic air travel sector is expected to recover more quickly than the international segment;
- motorway traffic has been the most resilient in the pandemic and it is expected to recover more quickly than air traffic due to a shift in personal car use and reluctance to return to public transport;
- the pandemic is hitting hard other channels such as railway stations and malls.

Precise statements on the future development of revenue and earnings cannot be made at present, given the ongoing lack of visibility in particular on the air traffic recovery. As a consequence, Autogrill's 2021 guidance provided during our "Capital Markets Day" in June 2019 is withdrawn due to uncertainty around the impact of COVID-19 on financial and operating results.

The Group confirms its commitment to managing operations with a view to create value in the medium/long term growth and confirms its strategy.

To date, therefore, for FY 2020 the Group expects to see the following:

- revenue in the second half 2020 down 50%-55% YoY;
- drop through[15] of revenue lost on underlying EBITDA of approximately 25%;
- cash burn[16] in the second half 2020 of about €150-200m.

The Autogrill Group implemented a comprehensive set of measures to adapt its business operations and mitigate the impacts of the pandemic.

The Autogrill Group took all the necessary actions to protect the health and safety of its workers and customers and focused on quickly reducing expenses, pro-actively managing financial position as well as maintaining the continuity of its operations where allowed.

Autogrill Group will continue its phased approach to reopen stores on a case-by-case basis and when the following conditions are met:

- authorization for the reopening has been received from the local governments;
- it's possible to guarantee the safety of employees and customers;

[14] 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.

[15] Drop through = EBITDA / EBIT variation (positive or negative) driven by the revenue variation (positive or negative).

[16] Cash burn is defined as Net Cash Flow (FCF + acquisitions, disposals and dividends). Proceeds from the issuance of new debt/cash-out for debt repayment are not included in this figure.

- it's possible to ensure a good level of labor productivity and positive store cash flow.

Gradual improvement was reported in July despite the persistently challenging global environment. The airport channel, in particular, reported slight improvement even if the performance is still weak, while the motorway channel shows constant recovery.

Even in this uncertain scenario, the economic-financial projections set using different scenarios of medium-term recovery in traffic, the equity size of the Company and the Group, the financial position at 30 June 2020 – with cash on balance sheet of around €500m, a solid level of liquidity, no significant debt maturities before 2023 – and the expectations of further financial strengthening, indicate that the going concern of the Group's and the Company's business will not be compromised in the foreseeable future.

1.7 Atypical or unusual transactions

In the first six months of 2020 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

1.8 Main risks and uncertainties for the remaining six months of the year

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 current socio-economic situation is characterized by a high level of uncertainty due to the pandemic. This new socio-economic environment called for a review of the main risks and uncertainties that affected financial needs and the management of the workforce in light of the strong drop in sales, the need to guarantee the hygienic conditions at the stores and workplace, the ability to adapt the retail offer to the new consumer expectations, the need to adjust fixed costs due to the contractual obligations with the landlords and ensure adequate cyber security.

In light of this uncertain situation, the Group, in addition to the cost containment actions described above and the strengthening of both the net financial position and liquidity, revised short and medium term forecasts and the projections for the net financial position for the sole purpose of monitoring the risk to going concern and of impairment losses on non-current assets. Please refer to the section "Outlook" for considerations relating to going concern and the Notes for a detailed analysis of the impairment testing of non-current assets.

In addition to general concerns about the pandemic, the main uncertainties for the second half relate to changes in the global market geopolitical conditions, traffic trends and the ability to attract customers using new technologies, the propensity for consumption of people on the go, any changes in the labor market regulations, fluctuations in the prices of relevant sector raw materials and the entry in new markets/countries.

For more information about the Group's main risks please refer to the specific section of the Report on Operations found in the 2019 Annual Report.

1.9 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.

2. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	30.06.2020	*Of which related parties*	31.12.2019	*Of which related parties*
ASSETS					
	Current assets	**859,691**		**679,338**	
I	Cash and cash equivalents	468,359		284,091	
XII	Finance lease receivables	17,447		16,842	
II	Other financial assets	52,775		64,181	
III	Tax assets	29,455		3,051	
IV	Other receivables	151,570	*13,900*	121,999	*19,678*
V	Trade receivables	31,501	*370*	55,424	*565*
VI	Inventories	108,584		133,750	
	Non current assets	**4,510,554**		**4,611,458**	
VII	Property, plant and equipment	1,101,057		1,090,913	
VIII	Right of use assets	2,179,536		2,358,973	
IX	Goodwill	868,577		854,976	
X	Other intangible assets	117,484		130,816	
XI	Investments	903		3,708	
XII	Finance lease receivables	63,799		66,083	
XIII	Other financial assets	46,828	-	41,775	*7,591*
XIV	Deferred tax assets	70,503		61,204	
XV	Other receivables	61,867		3,010	
	Assets available for sale	-		-	
	TOTAL ASSETS	**5,370,245**		**5,290,796**	
LIABILITIES AND EQUITY					
	LIABILITIES	**4,723,174**		**4,354,872**	
	Current liabilities	**1,304,663**		**1,250,735**	
XVI	Trade payables	297,847	*2,336*	397,183	*24,196*
XVII	Tax liabilities	1,913		14,070	
XVIII	Other payables	309,981	*2,572*	362,790	*4,089*
XXI	Bank loans and borrowings	221,928		56,333	
XXII	Finance lease liabilities	427,918	*50,502*	373,966	*48,173*
XIX	Other financial liabilities	10,137		9,479	
XXIV	Bonds	22,325		22,254	
XXVI	Provision for risks and charges	12,614		14,660	
	Non-current liabilities	**3,418,511**		**3,104,137**	
XVII	Tax liabilities	7,070		6,584	
XX	Other payables	15,639		17,440	
XXI	Loans, net of current portion	979,954		532,090	
XXII	Finance lease liabilities	1,948,122	*233,306*	2,100,406	*248,797*
XXIII	Other financial liabilities	923		925	
XXIV	Bonds	296,442		291,181	
XIV	Deferred tax liabilities	61,219		48,257	
XXV	Defined benefit plans	67,218		68,001	
XXVI	Provision for risks and charges	41,924		39,253	
	Liabilities available for sale	-		-	
XXVII	**EQUITY**	**647,071**		**935,924**	
	- attributable to owners of the parent	576,935		858,304	
	- attributable to non-controlling interests	70,136		77,620	
	TOTAL LIABILITIES AND EQUITY	**5,370,245**		**5,290,796**	

2.1.2 Income statement

Notes	(€k)	First-half 2020	*Of which related parties*	First-half 2019	*Of which related parties*
XXVIII	Revenue	1,197,236	*2*	2,463,242	*1*
XXIX	Other operating income	56,917	*13*	82,548	*1,001*
	Total revenue and other operating income	**1,254,153**		**2,545,790**	
XXX	Raw materials, supplies and goods	469,182	*42*	878,004	*80*
XXXI	Personnel expense	449,620	*2,173*	783,490	*3,323*
XXXII	Leases, rentals, concessions and royalties	56,294	*(11,937)*	263,207	*16,536*
XXXIII	Other operating expense	227,073	*3,858*	293,624	*5,784*
XXXIV	Depreciation and amortization	316,336		285,209	
XXXIV	Impairment losses on property, plant and equipment, intangible assets and right of use assets	36,148		1,894	
XXXV	Gain on operating activity disposal	-		126,803	
	Operating profit	**(300,500)**		**167,165**	
XXXVI	Financial income	4,348	-	2,025	*57*
XXXVI	Financial expense	(60,862)	*(3,327)*	(49,533)	*(3,518)*
XI	Income (expense) from investments	(216)		37,536	
	Pre-tax profit	**(357,230)**		**157,193**	
XXXVII	Income tax	71,501		(34,393)	
	- Profit (Loss) of the period	**(285,729)**		**122,800**	
	Profit (Loss) of the period attributable to:				
	- owners of the parent	(271,016)		115,042	
	- non-controlling interests	(14,713)		7,758	
XXXVIII	**Earnings per share (€)**				
	- basic	(1.0728)		0.4525	
	- diluted	(1.0662)		0.4498	

2.1.3 Statement of comprehensive income

Notes	(€k)	First-half 2020	First-half 2019
	Profit (Loss) for the period	**(285,729)**	**122,800**
	Items that will never be reclassified to profit or loss		
XXVII	Remeasurements of the defined benefit (liabilities) asset	(564)	(2,371)
XXVII	Tax effect on items that will never be reclassified to profit or loss	135	569
		(429)	**(1,802)**
	Items that may be subsequently reclassified to profit or loss		
XXVII	Equity-accounted investee - share of other comprehensive income	38	24
XXVII	Foreign currency translation differences for foreign operations	3,303	1,614
XXVII	Gain (loss) on net investment hedge	(58)	71
XXVII	Tax effect on items that may be subsequently reclassified to profit or loss	14	(18)
		3,297	**1,691**
	Total other comprehensive income for the period	**(282,861)**	**122,689**
	- attributable to owners of the parent	(268,645)	115,384
	- attributable to non-controlling interests	(14,216)	7,305

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
31.12.2019	**68,688**	**13,738**	**50,860**	**520,550**	**(720)**	**205,188**	**858,304**	**77,620**
Total other comprehensive income for the period								
Profit (Loss) for the period						(271,016)	**(271,016)**	**(14,713)**
Foreign currency translation differences for foreign operations	-	-	2,806	-	-	-	**2,806**	**497**
Gain (loss) on net investment hedge, net of the tax effect	-	-	(44)	-	-	-	**(44)**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	38	-	-	-	**38**	**-**
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	(429)	-	-	**(429)**	**-**
Total other comprehensive income for the period	**-**	**-**	**2,800**	**(429)**	**-**	**(271,016)**	**(268,645)**	**(14,216)**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	124	-	-	**124**	**-**
Allocation of 2019 profit to reserves	-	-	-	205,188	-	(205,188)	**-**	**-**
Capital increase	-	-	-	-	-	-	**-**	**20,012**
Treasury shares	-	-	-	-	(12,322)	-	**(12,322)**	
Dividend distribution	-	-	-	-	-	-	**-**	**(7,639)**
Other movements (tax effect on "Under Common Control" reorganization)*	-	-	-	(526)	-	-	**(526)**	**-**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**204,785**	**(12,322)**	**(205,188)**	**(12,724)**	**12,373**
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests	-	-	-	-	-	-	**-**	**(5,643)**
Total transactions with owners of the parent	**-**	**-**	**-**	**204,785**	**(12,322)**	**(205,188)**	**(12,724)**	**6,730**
30.06.2020	**68,688**	**13,738**	**53,660**	**724,907**	**(13,042)**	**(271,016)**	**576,935**	**70,136**

* With effect from 1 January 2020, the subsidiary Autogrill Advanced Business Service S.p.A. has sold its ICT and Payroll divisions to its affiliates under common control Autogrill Italia S.p.A. and Autogrill Europe S.p.A.

(€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 period								
Profit for the period						115,042	**115,042**	**7,758**
Foreign currency translation differences for foreign operations	-	-	2,067	-	-	-	**2,067**	**(453)**
Gain/(loss) on net investment hedge, net of the tax effect	-	-	53	-	-	-	**53**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	24	-	-	-	**24**	**-**
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect	-	-	-	(1,802)	-	-	**(1,802)**	**-**
Total other comprehensive income for the period	**-**	**-**	**2,144**	**(1,802)**	**-**	**115,042**	**115,384**	**7,305**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	1,207	-	-	**1,207**	**-**
Allocation of 2018 profit to reserves	-	-	-	68,660	-	(68,660)	**-**	**-**
Capital increase	-	-	-	-	-	-	**-**	**18,895**
Dividend distribution	-	-	-	(50,844)	-	-	**(50,844)**	**(17,357)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**19,023**	**-**	**(68,660)**	**(49,637)**	**1,538**
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests	-	-	-	-	-	-	**-**	**496**
Total transactions with owners of the parent	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,034**
30.06.2019	**68,688**	**13,738**	**37,806**	**517,069**	**(720)**	**115,042**	**751,623**	**64,498**

2.1.5 Statement of cash flows

(€k)	First-half 2020	First-half 2019
Opening net cash and cash equivalents	**243,783**	**166,315**
Pre-tax profit and net financial expense for the period	(300,716)	204,701
Amortisation, depreciation and impairment losses on non-current assets, net of reversals (Note XXXIV)	352,484	287,103
Adjustment and gains on disposal of financial assets	216	(37,536)
Gain on disposal of operation in Autogrill Czech S.r.o.	-	(7,950)
Gain on disposal of Canadian Motorway Business	-	(118,853)
Gain on disposal of non-current assets	(48)	(2,854)
Other non monetary items	(632)	1,419
Change in working capital	(173,628)	(61,519)
Net change in non-current non-financial assets and liabilities	108	(4,337)
Cash flow from (used in) operating activities	**(122,217)**	**260,175**
Taxes paid	(18,269)	(8,965)
Interest paid	(11,303)	(11,839)
Implicit interest in lease liabilities	(29,147)	(34,097)
Net cash flow from (used in) operating activities	**(180,935)**	**205,273**
Acquisition of property, plant and equipment and intangible assets paid	(93,324)	(166,318)
Proceeds from sale of non-current assets	843	4,468
Cash flow absorbed by acquisition of consolidated equity investments	-	(199)
Cash flow absorbed by acquisition of Le CroBag GmbH	-	(5,940)
Cash flow generated from disposal of operation in Autogrill Czech S.r.o.	-	6,956
Cash flow generated from disposal of Canadian Motorway Business	-	162,756
Cash flow generated from (absorbed by) acquisition of Pacific Gateway Concessions LLC	185	(32,064)
Cash flow absorbed by acquisition of Autogrill Middle East. LLC and HMSHost Catering Malaysia SDN. BHD	(2,076)	-
Net change in non-current financial assets	(669)	(2,467)
Net cash flow used in investing activities	**(95,041)**	**(32,808)**
Utilisations of non-current credit lines	438,145	98,038
Issue of new current loans, net of repayments	193,978	35,884
Principal repayment of lease liabilities	(76,159)	(147,201)
Renegotiation for COVID-19 on lease liabilities	(70,274)	-
Dividends paid	-	(50,844)
Treasury shares purchase	(12,322)	-
Other cash flows [(1)]	5,730	1,533
Net cash flow from (used in) financing activities	**479,098**	**(62,591)**
Cash flow from (used in) for the period	**203,121**	**109,875**
Effect of exchange on net cash and cash equivalents	(60)	(1,146)
Closing net cash and cash equivalents	**446,845**	**275,044**

Reconciliation of net cash and cash equivalents

(€k)	First-half 2020	First-half 2019
Opening - net cash and cash equivalents - balance as of 1st January 2020 and as of 1st January 2019	**243,783**	**166,315**
Cash and cash equivalents	284,091	214,699
Current account overdrafts	(40,308)	(48,384)
Closing - net cash and cash equivalents - balance as of 30 June 2020 and as of 30 June 2019	**446,845**	**275,044**
Cash and cash equivalents	468,359	327,261
Current account overdrafts	(21,514)	(52,217)

[(1)] Includes dividend paid to minority shareholders in subsidiaries, net of capital increase

2.2 Notes to the condensed interim consolidated 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 Accounting policies and basis of consolidation

General standards

These condensed interim consolidated financial statements at 30 June 2020 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 (Italy's Consolidated Finance Act), as amended, and with IAS 34 "Interim financial reporting". They do not include all disclosures required by the international accounting standards (IFRS/IAS) adopted by the European Union in the annual financial statements, and should therefore be read jointly with the consolidated financial statements for the year ended 31 December 2019.

In the condensed interim consolidated financial statements, the accounting standards and consolidation methods are consistent with those used in the 2019 annual consolidated financial statements, which should be consulted for further description; likewise, the accounting standards and consolidation methods are the same as those used in the condensed interim consolidated financial statements for the period ended 30 June 2019, except as specifically referred to below with reference to IFRS principles and amendments approved and in force since 1 January 2020.

The preparation of the condensed interim consolidated financial statements requires the Directors to make estimates and assumptions on the values of revenues, costs, assets and liabilities in the interim consolidated report and on the disclosures relating to the assets and contingent liabilities at 30 June 2020. These estimates are generally more significant than the ones made at year-end as more information is available about recent performances and the significant events that occurred when the annual report was drafted; this is coupled with the specific context of uncertainty connected to the pandemic and the containment measures adopted in the Group’s different countries of operation which impact airport and motorway traffic. If, in the future, these estimates and assumptions, which are based on the best valuations made by the Directors, should be different from the actual results recorded, they will be modified appropriately in the period in which the circumstances occur.

Given the current environment of uncertainty caused by the COVID-19 pandemic, which in and of itself constitutes a “trigger event” for impairment testing of non-current assets, ESMA, CONSOB and IOSCO[17] requested the examination of any estimated impairment of non-current assets, including goodwill and right-of-use assets, as well as other categories of non-current assets (as better detailed in notes VII, VIII, IX and X) even though this verification process is not usually carried out at the close of the half.

The valuation of assets/liabilities connected to defined benefit plans is usually performed at the end of each year, unless specific indicators suggest the need to update estimates earlier; the estimates at 30 June 2020 were adjusted to reflect applicable discount rates and adjustments to liabilities were recognized directly in equity (Note XXVII).

With regard to the recognition of liabilities for management incentive plans (“Phantom Stock Option” and “Performance Share Units”), the use of the best available information on the expected trend of the share price to make the actuarial estimates of the liabilities may not correspond to the actual stock performance in subsequent periods which may make it necessary to adjust the liability as this information becomes available. In this case, the estimate at 30 June 2020 was updated and adjustments to liabilities were recognized directly in equity (Note XXVII).

[17] ESMA – “Implications of the COVID-19 outbreak on the half-yearly financial reports” (May 2020), CONSOB - “Richiamo di attenzione” 6/2020 of 9 April 2020 and 8/2020 of 16 July 2020 and IOSCO - “Statement on Importance of Disclosure about COVID-19” of 29 May 2020.

Finally, the estimate of tax expenses, in accordance with IAS 34, is calculated using the most accurate calculation option for the liabilities at 30 June 2020.

In the condensed interim consolidated financial statements, income statement and statement of cash flow for the first half of 2020 are compared with those for the first half of the previous year. Net financial position and statement of financial position at 30 June 2020 are compared with the figures at 31 December 2019.

The condensed interim consolidated financial statements at 30 June 2020 were prepared on a going-concern basis as discussed in the section "Outlook", also taking into account the recommendations of CONSOB, ESMA and IOSCO in the notices referred to above, using the Euro as the presentation 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 2020 are as follows:

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IAS 1 and IAS 8: Definition of "Material";
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform;
- Amendments to IFRS 3 - Definition of a Business.

The application of the interpretations and amendments listed above did not affect the Group's financial statements to an extent requiring mention in these Notes.

No accounting standards, amendments and interpretations issued by IFRS and IFRIC and endorsed by the European Union for mandatory adoption in financial statements as of 30 June 2020 had not been issued at 30 June 2020.

The accounting IFRS standards, amendments and interpretations not yet endorsed by the European Union include:

- "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" issued by IASB on 23 January 2020;
- "Amendments to IFRS 3 Business Combinations", "Amendments to IAS 16 Property, Plant and Equipment", "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018-2020" issued by IASB on 14 May 2020. All of the amendments will take effect on 1 January 2022. The Directors are currently assessing the impact that the introduction of these amendments might have.

Furthermore, on 28 May 2020 IASB issued an amendment to IFRS 16 ("Covid-19 - Related Rent Concessions - Amendment to IFRS 16"). The amendment allows lessees to recognize COVID-19 relief in lease payments without assessing whether these rent concessions meet the conditions of lease modifications under IFRS 16. The lessees who apply this option may recognize the reduction in lease payments directly in the income statement as of the date on which the relief takes effect.

More in detail, this amendment is applicable only if the new agreements are a direct consequence of COVID-19 and only if the following conditions are satisfied:

- the change in lease payments results in revised consideration that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021;
- there are no substantive changes to other terms and conditions of the lease.

This amendment, even though it is applicable to financial statements beginning on 1 June 2020 without prejudice to early application to financial statements as of 1 January 2020, has yet to be endorsed by the European Union even though the Accounting Regulatory Committee (ARC) voted in favor of the IFRS 16 amendment on 2 July. Given the confusion that would have been created between companies that adopt the IFRS endorsed by the European Union and those that adopt the IFRS endorsed by IASB, on 21 July 2020 ESMA published a clarification, pointing out that companies adopting the amendment when recognizing COVID-19 lease modifications will not be subject to sanctions or supervisory actions even though the amendment has not yet been endorsed by the European Union.

As per the cost and revenue matching principle in IAS 1, in order to recognize the impact of the discounts stemming from the renegotiated leases in the income statement for the first half of 2020 – negatively impacted by the closure of locations as a result of the government lockdown measures – the Group opted for early application of the IFRS 16 amendment even though it has yet to be endorsed by the European Union and to recognize the effect that application of the expedient had on these condensed interim consolidated financial statements which had a positive impact on the income statement of €8.2m.

As indicated in the interim report on operations, the net benefit stemming from the negotiations with landlords recognized in the income statement for the first half 2020, amounted to €70.3m. €62.1m of the benefit was recognized in the income statement in accordance IFRS 16 without the need to apply the amendment of 28 May 2020.

For more information about the impact that the adoption of the amendment had, please refer to Note XXXII.

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

	2020		2019		
	Rate on 30 June	**Average rate for the period**	**Rate on 30 June**	**Average rate for the period**	**Rate on 31 December**
US Dollar	1.1198	1.1020	1.1380	1.1298	1.1234
Canadian Dollar	1.5324	1.5033	1.5442	1.5457	1.5605
Swiss Franc	1.0651	1.0642	1.1105	1.1295	1.0854

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 is a 16-week quarter. As a result, the accounts included in the condensed interim consolidated financial statements at 30 June 2020 cover the period 4 January to 19 June 2020, while the previous year's interim accounts covered the period 29 January to 14 June 2019. This has had no significant impact on the statement of financial position at 30 June 2020 or on results for the period.

Scope and methods of consolidation

Since 31 December 2019 the scope of consolidation has not undergone significant changes except the acquisitions of the entire share capital, effective 1st January 2020, of Autogrill Middle East, LLC (which also resulted in the full consolidation of its subsidiary Arab Host Service, LLC) and HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD.) previously held at 50% and 49%, respectively.

2.2.2 Business combinations

In the first few months of 2020, the Autogrill Group purchased the entire share capital of HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD.), headquartered in Malaysia, through its subsidiary HMSHost International B.V., which was previously 49% held, for approximately €1.7m (RMB 7.9m). The company operates 4 locations in the Kuala Lumpur airport.

Before the acquisition of 100% of the company it was consolidated using the equity method; in the first half of 2020 revenue amounted to €1.3m (€4.0m in the first half of 2019).

At the beginning of 2020, the Autogrill Group also purchased the entire share capital of Autogrill Middle East, LLC (United Arab Emirates), previously 50% held and consolidated using the equity method, for roughly €7.9m (AED 32m) through its subsidiary HMSHost International B.V.

As a result of this transaction Arab Host Services LLC (Qatar), which prior was consolidated using the equity method, became part of the scope of consolidation.

Autogrill Middle East, LLC holds 49% of Arab Host Services LLC, but controls *de facto* the company due to a series of agreements signed with Qatar's local partners, as it is entitled to 98% of the earnings made.

The two companies operate in airport food & beverage and manage 27 locations, respectively, in the Abu Dhabi and Dubai airports for Autogrill Middle East, LLC and 4 locations in the Doha airport for Arab Host Services LLC. In the first half of 2020 the two companies reported revenue of €4.2m (€5.1m in the first half of 2019).

Overall, the acquisitions affected the cash absorption of the half-year by approximately 2.1m€.

2.2.3 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	30.06.2020	31.12.2019	change
Bank and post office deposits	435,098	235,968	**199,130**
Cash and equivalents on hand	33,261	48,123	**(14,862)**
Total	**468,359**	**284,091**	**184,268**

"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 use of available credit facilities in the context of efforts to strengthen liquidity in order to counter the COVID-19 pandemic from a more solid financial situation, as described in Note XXI and in the interim Directors' report on operations.

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)	30.06.2020	31.12.2019	change
Financial receivables from third parties	47,426	50,452	**(3,026)**
Receivables from credit card companies	4,143	13,215	**(9,072)**
Fair value of interest rate hedging derivatives	1,188	342	**846**
Fair value of exchange rate hedging derivatives	18	172	**(154)**
Total	**52,775**	**64,181**	**(11,406)**

"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. Most of the net decrease reflects write-downs of these amounts in consideration of collectability checks.

The net decrease in "Receivables from credit card companies" is explained by the steep decline in sales as a result of the COVID-19 pandemic.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 30 June 2020, 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 at 30 June 2020, 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 €29,455k (€3,051k at 31 December 2019) and refer to income tax advances and credits, mostly for US operations.

IV. Other receivables

(€k)	30.06.2020	31.12.2019	change
Suppliers	41,983	49,230	**(7,247)**
Lease/concession and royalties advance payment	4,393	4,553	**(160)**
Inland revenues and government agencies	36,635	14,727	**21,908**
Receivables from grantors for investments	19,636	11,890	**7,746**
Sub-concessionaires	5,777	4,983	**794**
Receivables from the parent for tax consolidation	3,118	10,229	**(7,111)**
Personnel	1,834	1,225	**609**
Other	38,194	25,162	**13,032**
Total	**151,570**	**121,999**	**29,571**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received. The net decrease stems from a reduction in contributions from suppliers.

"Lease/concession and royalties advance payment" consist of lease instalments paid in advance, as required by contract.

Receivables from “Inland revenues and government agencies” relate mostly to indirect taxes. Most of the net increase refers to the higher VAT credit of the Group's Italian companies.

The increase in “Receivables from grantors for investments” relates to 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 Group's Italian companies that participate in the domestic tax consolidation scheme (see Section 2.2.11 - Other information - Related party transactions). The decrease concerns amounts collected during the period.

"Other" consists mainly of prepayments for maintenance fees, insurance policies and reimbursements, as well as advances on local taxes and miscellaneous non-operating receivables. The net increase refers mainly to the portion not yet collected of the Employee Retention Tax Credit (ERTC) to which the US subsidiary HMSHost Corp. is entitled following the COVID-19 emergency ($11.4m).

V. Trade receivables

(€k)	30.06.2020	31.12.2019	change
Third parties	38,317	61,792	**(23,475)**
Bad debt reserve	(6,816)	(6,368)	**(448)**
Total	**31,501**	**55,424**	**(23,923)**

Most of the decrease in trade receivables from “Third parties” reflects the significant decline in revenue, due to the pandemic, under catering service agreements and accounts with affiliated companies.

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 and taking into account the aggravation caused by the pandemic, in keeping with IFRS 9 which took effect on 1st January 2018.

Movements in the bad debt reserve are shown below:

(€k)	
Bad debt reserve at 31 december 2019	**6,368**
Allowances, net of use	5,839
Other movements and exchange rate differences	(5,124)
Utilizations	(267)
Bad debt reserve at 30 June 2020	**6,816**

“Allowances, net of use” of €5,839k in the first half of 2020 reflect revised estimates as to the recoverability of disputed receivables and the general default risk applicable to receivables not yet due, aggravated by the pandemic. The increase relates primarily to operations in the United States.

“Other movements and exchange differences” refer mostly to some reclassifications of non-operating receivables for the sake of clearer disclosure.

“Utilizations”, amounting to €267k, 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 €108,584k at 30 June 2020, compared with €133,750k at 31 December 2019. The decrease reflects the decline in sales and therefore in items purchased as supplies. The amount is shown net of the write-down provision of €2,074k (€2,347k at 31 December 2019), 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.

As anticipated in the interim Directors' report on operations, the negative impact related to product expired and damaged due to the pandemic resulted in non-recurring costs in the income statement of roughly €6m that are in the process of being mitigated through insurance coverage and contractual return mechanisms with suppliers which to date have yet to be finalized and therefore, are not reflected in the half-year results.

Non-current assets

VII. Property, plant and equipment

	30.06.2020			31.12.2019			
(€k)	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	change
Land and buildings	110,643	(60,875)	**49,768**	104,044	(57,777)	**46,267**	**3,501**
Leasehold improvements	1,443,233	(909,482)	**533,751**	1,379,326	(844,881)	**534,445**	**(694)**
Plant and machinery	205,392	(161,197)	**44,195**	199,803	(155,917)	**43,886**	**309**
Industrial and commercial equipment	1,023,409	(794,890)	**228,519**	989,752	(761,947)	**227,805**	**714**
Assets to be transferred free of charge	349,235	(268,995)	**80,240**	340,670	(264,021)	**76,649**	**3,591**
Other	57,027	(52,496)	**4,531**	56,258	(51,483)	**4,775**	**(244)**
Assets under construction and payments on account	160,050	-	**160,053**	157,087	-	**157,087**	**2,966**
Total	**3,348,989**	**(2,247,935)**	**1,101,057**	**3,226,940**	**(2,136,027)**	**1,090,913**	**10,144**

Capital expenditure in the first half of 2020 amounted to €129,698k, while the net carrying amount of disposals was €261k. No significant net capital gains were realized on those disposals. Details of capital expenditure by channel and principal locations are provided in the interim Directors' report on operations.

Depreciation for the period came to €109,881k (€106,434k in the first half of 2019).

Impairment testing of individual locations resulted in net impairment losses of €17,126k. Consistently with the method followed in the 2019 financial statements, impairment 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 where the Group operates. In the first half of 2019, net impairment losses amounted to €1,805k. The increase in impairment losses (€15,321k) occurred primarily in the United States and reflects the new financial projections of various locations which, due to the COVID-19 emergency and medium-term expectations regarding a return to pre-pandemic profitability, led management to change its location management strategies and to plan on exiting from these contracts in the next few months.

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 malls in North America and at several motorway locations.

Assets under construction and payments on account are concentrated mostly in the United States and Italy and include investments for new openings and contract renewals.

VIII. Right-of-use assets

"Right-of-use assets", amounting to €2,179,536k at 30 June 2020 (€2,358,973k at 31 December 2019), were determined on the basis of the present value of the future fixed or in-substance fixed payments due under concession contracts and leases existing.

The change in the item is mainly attributable to new contract awards during the first months of the period before the emergency linked to the spread of COVID-19, for €43,840k (€103,256k in the first half of 2019), as well as early terminations for €25,441k (nil in the first half of 2019), mainly attributable to the Spanish subsidiary and the business acquisitions that took place during the first half of the year for €14,177k (paragraph 2.2.2 – Business combinations).

Furthermore, this item is subject to depreciation accounted for in the first half of 2020 to the extent of €192,286k (€165,311k in the first half of 2019). It should be noted that, following the verification of the existence of impairment losses at the location level, impairment losses were also recognized in the period for €18,631k, mainly in the United States, based on the same considerations described in the previous paragraph.

"Buildings" refers essentially to area concessions, business leases and commercial leases, while "Other assets" consist mainly of leased vehicles.

(€k)	30.06.2020			31.12.2019			
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	change
Buildings	2,734,285	(558,504)	2,175,781	2,710,972	(355,325)	2,355,647	(179,866)
Other	6,996	(3,241)	3,755	5,693	(2,367)	3,326	429
Totale	**2,741,281**	**(561,745)**	**2,179,536**	**2,716,665**	**(357,692)**	**2,358,973**	**(179,437)**

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 sub concession 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 30 June 2020 goodwill amounted to €868,577k, compared with €854,976k at 31 December 2019. 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)	30.06.2020	31.12.2019	change
North America	450,998	450,578	**420**
International	71,187	60,566	**10,621**
Europe			
Italy	83,631	83,631	**-**
Other European countries	262,761	260,201	**2,560**
Total	**868,577**	**854,976**	**13,601**

The changes with respect to the prior year are attributable mainly to the acquisitions of Autogrill Middle East, LLC (United Arab Emirates), Arab Host Service, LLC (Qatar) and HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD., Malaysia), previously consolidated using the equity method, and the rest to exchange differences.

As recommended by the authorities (ESMA, CONSOB and IOSCO[18]) the Group deemed that the impact of the COVID-19 pandemic on the economic performance of the first half 2020 and the uncertainty about how the scenario will evolve represent "trigger events" in accordance with IAS 36 which call for the goodwill recognized in the condensed interim consolidated financial statements at 30 June 2020 to be tested for impairment; this impairment test was conducted in accordance with the methods used in prior reporting periods as recommended in the notices issued by the authorities.

In consideration of the significant amount of goodwill recognized, 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 cash flows for the three-year period 2020-2022 for each CGU used to determine the recoverable amount at 31 December 2019 were revisited in the wake of the COVID-19 pandemic, introducing an additional two-year period (2024-2025) in the explicit forecast period in order to reflect the return to pre-pandemic levels of operation as shown in the third party sector studies. The five-year projections were validated by the Chief Executive Officer and the Group Chief Financial Officer, as well as examined by the Board of Directors.

More in detail, when defining the main assumptions to be used to update the projections, prudence was used in estimating the impact of COVID-19 on economic results and, therefore, as recommended by ESMA and OIV, no additional risk premium was used to determine the discount rate (WACC) for the strategy "execution" risk and the uncertainty tied to COVID-19 as the financial forecasts already reflect this risk.

[18] ESMA – "Implications of the COVID-19 outbreak on the half-yearly financial reports" (May 2020), CONSOB - "Richiamo di attenzione" 6/2020 of 9 April 2020 and 8/2020 of 16 July 2020 and IOSCO - "Statement on Importance of Disclosure about COVID-19" of 29 May 2020.

Due to the strong market volatility, however, the parameters included in the model used to calculate the WACC are higher than the ones applied to the 2019 test (+0.8% at Group level).

The new flows were determined based on the last Forecast available for FY 2020, while the financial projections for the period 2020-2023 are based on the use of traffic estimates prepared by McKinsey & Company (airport traffic) and Bain (traffic for motorways and other channels). As mentioned above, another two years of financial projections was added (2024 and 2025), in order to reflect the Group's return to normal considering that the vast majority of the traffic estimates published to date by our businesses' most authoritative sources call for traffic to return to pre-COVID-19 levels beginning in 2023 in the most cautious scenarios.

Consistent with the authorities' recommendations – in addition to the five-year projections developed based on the above mentioned criterion, defined as the "base" case scenario – other five-year projections were developed for two alternative scenarios ("best" and "worst" case) in order to validate the reasonableness of the financial projections used in the base scenario deemed the most effective in expressing the average results expected and the most probable outcome of the alternative scenarios.

The cash flows subsequent to the period covered by the plan were estimated by normalizing the information found in the financial projections, using prudent parameters to define the discount rate which reflect the current situation and the market's high volatility, applying nominal growth rates ("g rate") that do not exceed the sector long-term growth estimates in the countries in which each CGU operates (calculated based on the average inflation rate of the last ten years recorded by the International Monetary Fund and revised downward if deemed necessary as there are no IMF projections available beyond 2021) and using the perpetuity growth method to calculate the terminal value. Growth investments are correlated with contractual expirations, while maintenance costs are assumed to be consistent with historical averages.

These considerations are supported by a Fairness Opinion issued by an independent advisor confirming the adequacy and reasonableness of the adopted methodology.

The discount rates used in the impairment test compared to the discount rates used at 31 December are shown below:

	Discount rate 30.06.2020	**Discount rate 31.12.2019**
North America	6.5%	5.7%
International	7.5%	6.7%
Italy	6.6%	5.8%
Other European countries	5.2%	4.4%

Based on the assumptions described above, the amount of goodwill attributed to each CGU was found to be fully recoverable.

Sensitivity analyses were developed which took into account changes in discount rates and break rates were also defined for the WACC and EBITDA (beyond which goodwill would be subject to impairment) [19].

More in detail:

- in the sensitivity analysis of the discount rate it's important to take into account that the probability that there will be a further increase in the WACC is remote as it would be in addition to the present increase in WACC of around 0.8% which incorporates the current higher volatility, the great uncertainty of the stock markets and the impact of COVID-19 already taken into account by the Group when the main assumptions underlying the five-year financial projections were revised;

[19] Given the low growth rates used for the impairment test of the various CGUs, a sensitivity analysis was not conducted as it would have resulted in a growth rate close to zero and, therefore, the results would have not been realistic.

- the discount rate at which the value in use of the CGUs and the book value would be eliminated are shown below;

	Discount after taxes
North America	9.4%
International	13.9%
Italy	7.7%
Other European countries	5.8%

- in order for the difference between the CGU's value in use and its book value to be eliminated, the EBITDA yearly losses would have to come to around €100m for the next five years.

The sensitivity analysis referred to above also confirmed that goodwill was fully recoverable.

In light of the fact that the five-year projections of the base scenario already prudently reflect the risks caused by the pandemic, the above sensitivity analysis show that the risk of goodwill impairment is amply covered even if the reference scenario does not materialize; consequently, even though the uncertainty as to how the pandemic will unfold persists, the sensitivity analysis confirm that there are no signs of goodwill impairment at present. The recoverability of the goodwill will continue to be monitored during the next yearly and periodic reporting processes.

X. Other intangible assets

The breakdown of "Other intangible assets" at 30 June 2020 and 31 December 2019 is shown below.

	30.06.2020			31.12.2019			
(€k)	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	change
Concessions, licenses, trademarks and similar rights	237,496	(142,542)	**94,954**	236,552	(133,466)	**103,086**	**(8,132)**
Other intangible assets	125,801	(105,648)	**20,153**	122,548	(100,426)	**22,122**	**(1,969)**
Assets under development and payments on account	2,377	-	**2,377**	5,608	-	**5,608**	**(3,231)**
Total	**365,674**	**(248,190)**	**117,484**	**364,708**	**(233,892)**	**130,816**	**(13,332)**

Investments in the first half of 2020 came to €2,315k, mostly for business software and concession rights.

All "Other intangible assets" have finite useful lives.

This item is subject to the amortization recognized in the first half 2020 of €14,169k (€13,464k in the first half 2019).

Impairment testing of individual locations, carried out in conjunction with the testing of property, plant and equipment and right-of-use assets led to the recognition of net impairment losses of €391k.

XI. Investments

"Investments" amount to €903k (€3,708k at 31 December 2019) and it's mainly comprised of associates and joint ventures, measured using the equity method.

The net decrease of the period is connected to the full consolidation starting from 2020 of the companies HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD.), Autogrill Middle East LLC and Arab Host Services LLC, previously consolidated using the equity method.

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:

- negative adjustments of €216k under "Income (expense) from investments" (€37,536k at 30 June 2019, due mostly to the capital gain on the disposal of the Canadian partnerships);
- net exchange gains of €38k (vs. net exchange gains of €24k at 30 June 2019) in the statement of other comprehensive income.

XII. Finance lease receivables

(€k)	30.06.2020	31.12.2019	change
Finance lease receivables - current	17,447	16,842	**605**
Finance lease receivables - non current	63,799	66,083	**(2,284)**
Total	**81,246**	**82,925**	**(1,679)**

The recognition of "Finance lease receivables" stems exclusively from accounting standard 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).

The decrease in the period also reflects the renegotiation of the contractual conditions following the pandemic, already concluded with the sub-concessionaires, with a permanent reduction of the future minimum guaranteed rents (see Note XXIX for the impact on the income statement).

XIII. Other financial assets

(€k)	30.06.2020	31.12.2019	change
Interests-bearing sums with third parties	12,842	11,361	**1,481**
Guarantee deposits	23,472	22,892	**580**
Other financial receivables from third parties	4,620	5,092	**(472)**
Fair value of interest rate hedging derivatives	5,894	2,430	**3,464**
Total	**46,828**	**41,775**	**5,053**

“Interest-bearing sums with third parties” consist of security deposits on which the Group receives interest. The increase pertains essentially to the United States.

“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.

"Fair value of interest rate hedging derivatives" includes the non-current portion of derivatives outstanding at 30 June 2020, with a combined notional value of $100m. The increase concerns the reduction in interest rates in the United States.

XIV. Deferred tax assets and liabilities

At 30 June 2020, deferred tax assets not offsettable against deferred tax liabilities amounted to €70,503k (€61,204k at 31 December 2019). 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.

Deferred tax liabilities, shown net of deferred tax assets available for offset, amounted to €61,219k (€48,257k at 31 December 2019).

The recoverability of the deferred tax assets was verified on the basis of future taxable income as a result of the new projections adopted for the impairment test described in Note IX.

XV. Other receivables

Other non-current receivables as of 30 June 2020 amounted to €61,867k (€3,010k at the end of 2019). They arose primarily from HMS Host Corporation's carry-back of its current tax loss to offset taxable income from prior years, as allowed by US tax law ($66m).

Current liabilities

XVI. Trade payables

Trade payables at 30 June 2020 came to €297,847k€. The net decrease with respect to the balance of €397,183k at 31 December 2019 is explained mainly by the reduction in purchasing during the period, in parallel with the lost consumer traffic at retail stores and commercial areas and the indefinite closures due to quarantines and other government measures in light of the COVID-19 pandemic.

XVII. Tax liabilities

Current tax liabilities amount to €1,913k (€14,070k at 31 December 2019) and refer to taxes accrued during the period net of offsettable credits. Most of the decrease is explained by the payment of the remaining tax due on the disposal of the Canadian motorway operations ($25m).

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 €7,070k (€6,584k at the close of 2019) refers to the income tax liability provided for by the American subsidiary as a result of the US 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)	30.06.2020	31.12.2019	change
Personnel expense	74,294	138,212	**(63,918)**
Due to suppliers for additions of capital expenditure	127,885	89,577	**38,308**
Social security and defined contribution plans	27,420	43,511	**(16,091)**
Indirect taxes	26,919	41,288	**(14,369)**
Withholding taxes	9,430	11,240	**(1,810)**
Other	44,033	38,962	**5,071**
Total	**309,981**	**362,790**	**(52,809)**

Most of the net decrease in personnel expense reflects a series of measures taken by Group management to mitigate the effects of the COVID-19 crisis. Specifically, the Group reduced working hours consistently with the decline in traffic, instituted a hiring freeze and reduced salaries on a voluntary basis while using the different forms of relief measures put in place by local governments.

Net amounts "Due to suppliers for additions of capital expenditure" changed because of the pattern of payments to suppliers in the first six months of 2020 and includes an impact deriving from exchange rate fluctuations for €381k.

"Social security and defined contribution plans" refers to the amount due to local social security institutions and payments due under defined contribution programs. The net decrease in this item is correlated with the reduction in personnel expense partially offset by payment extensions granted in countries by governments in connection with the COVID-19 pandemic.

Most of the change in "Indirect taxes" concerns value added tax/sales tax. The net reduction pertains to US operations and reflects the steep decline in sales.

"Other" includes amounts due to directors and statutory auditors as well as deferred promotional contributions from suppliers and accrued liabilities for utilities and maintenance pertaining to the year. Most of the net increase concerns the pattern of costs incurred in advance.

XIX. Other financial liabilities

(€k)	30.06.2020	31.12.2019	change
Fair value of interest rate hedging derivatives	-	3	**(3)**
Accrued expense and deferred income for interest on loans	8,540	8,178	**362**
Liabilities due to others	1,277	1,269	**8**
Fair value of exchange rate hedging derivatives	297	-	**297**
Other financial accrued expense and deferred income	23	29	**(6)**
Total	**10,137**	**9,479**	**658**

"Accrued expense and deferred income for interest on loans" consists mainly of interest on the American bond loan contracted by the US 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 €15,639k (€17,440k at 31 December 2019) and consist primarily of the liability to personnel for long-term incentives and for defined contribution plans.

Most of the net change since 31 December 2019 refers to the reclassification to current liabilities of the portion of personnel bonuses and incentives payable within 12 months.

XXI. Loans

(€k)	30.06.2020	31.12.2019	change
Current account overdrafts	21,514	40,308	**(18,794)**
Unsecured bank loans	200,414	16,025	**184,389**
Total current	**221,928**	**56,333**	**165,595**
Unsecured bank loans	971,844	533,523	**438,321**
Other bank loans	11,974	-	**-**
Commissions on loans	(3,864)	(1,433)	**(2,431)**
Total non-current	**979,954**	**532,090**	**435,890**
Total	**1,201,882**	**588,423**	**601,485**

"Unsecured bank loans" consist mainly of ultra-short-term borrowings by the parent company ("hot money"). The net change reflects the increased use of these borrowings at the end of the first half of 2020, compared with 31 December 2019.

The breakdown of unsecured bank loans at 30 June 2020 and 31 December 2019 is presented below:

	Expiry	30.06.2020 Amount (€k)	30.06.2020 Drawdowns in €k [(1)]	31.12.2019 Amount (€k)	31.12.2019 Drawdowns in €k [(1)]
Term Amortizing Facility - HMS Host Corporation [(2)]	June 2023	133,952	133,952	133,523	133,523
Revolving Amortizing Facility - HMS Host Corporation [(2)]	June 2023	178,603	178,603	178,031	-
2018 Line		**312,556**	**312,556**	**311,554**	**133,523**
Term Amortizing Facility - Autogrill S.p.A. [(3)]	January 2025	100,000	100,000	100,000	100,000
Revolving Amortizing Facility - Autogrill S.p.A. [(3)]	January 2025	200,000	200,000	200,000	-
2018 Line		**300,000**	**300,000**	**300,000**	**100,000**
Revolving Facility - Autogrill S.p.A. [(3)]	January 2023	100,000	100,000	100,000	100,000
2018 Line		**100,000**	**100,000**	**100,000**	**100,000**
Term Loan Facility - Autogrill S.p.A.	August 2021	-	-	150,000	150,000
2017 line		**-**	**-**	**150,000**	**150,000**
Term Amortizing Facility - Autogrill S.p.A. [(4)]	March 2025	150,000	150,000	-	-
2020 line		**150,000**	**150,000**	**-**	**-**
Revolving Facility - Autogrill S.p.A.	August 2024	25,000	25,000	25,000	-
2019 line		**25,000**	**25,000**	**25,000**	**-**
Term Amortizing Facility - Autogrill S.p.A.	August 2024	50,000	50,000	50,000	50,000
2019 line		**50,000**	**50,000**	**50,000**	**50,000**
Other credit lines		47,300	34,288	-	-
2020 line		**47,300**	**34,288**	**-**	**-**
Total		**984,856**	**971,844**	**936,554**	**533,523**
of which current portion		**-**	**-**	**-**	**-**
Total lines of credit net of current portion		**984,856**	**971,844**	**936,554**	**533,523**

[(1)] Drawdowns in currency are measured based on exchange rates at 30 June 2020 and 31 December 2019

[(2)] 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

[(3)] Credit line, obtained in January 2018 and used to repay in advance the Revolving Facility of €400m.

[(4)] Credit line, obtained in March 2020 and used to repay in advance Term Amortiizing €150m, with original deadline 2021.

At 30 June 2020 the Group's committed credit facilities had been fully drawn down.

In March 2020, Autogrill S.p.A. obtained a new €150m amortizing term loan maturing in March 2025, used to prepay the term loan of nominal €150m that was due to mature in 2021. The new facility involves two annual payments of €50m starting in March 2023, with reimbursement of the remaining €50m on maturity.

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. In February 2020 these facilities were renegotiated and their maturities extended by two years: the amortizing term loan now involves two annual payments of €25m starting in January 2023, with reimbursement of the remaining €50m in 2025. For the revolving line, the commitment will be reduced through two annual payments of €62.5m as from January 2023 and the remaining commitment of €75m will be settled in 2025;
- a revolving facility of €100m maturing in January 2023.

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.

In June 2020, as part of a broader, Group-wide plan of action aimed at mitigating the financial and operational impact of the COVID-19 crisis, Autogrill S.p.A. signed various "covenant holiday" agreements with its lenders for the temporary suspension of computation of required leverage ratio and interest coverage ratio parameters. The covenant holiday will be in effect for 15 months starting on 30 June 2020 and can be extended until 31 December 2021 under specified conditions.

As is customary for this kind of contract, the lenders are entitled to cancel the facilities and force the borrower to pay back all amounts in advance in the event of the borrower's change of control. For these purposes, a "change of control" would occur if one or more parties – other than the current key investors of Edizione S.r.l. – acted individually or in concert to acquire control of Autogrill S.p.A. as defined by paragraphs 1.1 and 1.2 of Civil Code Art. 2359.

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 an annual payment of $50m starting in June 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. The 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.

In June 2020 HMSHost Corporation signed various "covenant holiday" agreements with its lenders for the temporary suspension of computation of required leverage ratio and interest coverage ratio parameters. The covenant holiday will be in effect for 15 months starting on 30 June 2020 and can be extended until 31 December 2021 under specified conditions.

"Other credit facilities" refer to government loans granted to various European subsidiaries in the face of the COVID-19 emergency.

The item "Other bank debt" includes the effect of the application of IFRS 9 in connection with the covenant holiday described above, which entailed the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, in the amount of roughly €12m (Note XXXVI).

XXII. Finance lease liabilities

(€k)	30.06.2020	31.12.2019	change
Finance lease liabilities - current	427,918	373,966	**53,952**
Finance lease liabilities - non current	1,948,122	2,100,406	**(152,284)**
Total	**2,376,040**	**2,474,372**	**(98,332)**

The item includes the current and non-current portion of the financial liability resulting from the discounting of future minimum guaranteed lease payments, in accordance with IFRS 16.

The increase in the current portion refers to the payment extensions obtained through negotiations with the landlords, implemented by the Group companies for the reduction of future rents.

This effect more than offset the reduction in the finance lease liabilities, made against agreements to permanently reduce the minimum guaranteed rent to be paid, already concluded (see Note XXXII for the impact on the income statement).

The net decrease in the non-current portion is mainly attributable to the short-term reclassification of the portion due within twelve months of the future minimum guaranteed lease payments for

€185,640k, partially offset by the business combinations of the first half of the year for €13,007k (€3,824k current portion), as well as the recognition of new leases during the first months of the year, before the emergency linked to the spread of COVID-19, for €46,775k (€110,829k in the first half of 2019).

XXIII. Other financial liabilities

"Other financial liabilities" amount to €923k (€925k at 31 December 2019) and refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

XXIV. Bonds

(€k)	30.06.2020	31.12.2019	change
Bonds (current)	22,325	22,254	**71**
Total current	**22,325**	**22,254**	**71**
Bonds (non-current)	297,158	292,006	**5,152**
Commissions on bond issues	(716)	(825)	**109**
Total non-current	**296,442**	**291,181**	**5,261**
Total	**318,767**	**313,435**	**5,332**

"Bonds" refer 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 30 June 2020, bonds as a whole amounted to €318,767k, up from €313,435k at 31 December 2019. The increase of €5,332k reflects fair value changes and an exchange effect of €938k.

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.

In June 2020 HMSHost Corporation signed various "covenant holiday" agreements with its American bondholders for the temporary suspension of computation of required leverage ratio and interest coverage ratio parameters). The covenant holiday will be in effect for 15 months starting on 30 June 2020 and can be extended until 31 December 2021 under specified conditions.

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

"Defined benefit plans" amount to €67,218k at 30 June 2020 (€68,001k at 31 December 2019).

The valuation of assets/liabilities connected to defined benefit plans is done regularly, at the end of each year unless specific indicators suggest the need to update estimates earlier; the estimates for Italy at 30 June 2020 were adjusted based on updated discount rates and, as a result, there was a drop of €564k in the defined benefit plan liability recognized in comprehensive income, net of the tax effect of €135k (Note XXVII); the significant net change is attributable to the lower discount rate applied at 30 June 2020.

XXVI. Provisions for risks and charges

The change is due to normal allocations and utilizations for the period and to the release of provisions as described below.

(€k)	30.06.2020	31.12.2019	change
Provision for taxes	2,635	2,319	316
Other provisions	8,139	8,325	(186)
Provision for investments	48	1,416	(1,368)
Provision for legal disputes	1,606	2,408	(802)
Provision for the refurbishment of third party assets	186	192	(6)
Total provisions for current risks and charges	**12,614**	**14,660**	**(2,046)**
Other provisions	30,081	29,724	357
Provision for legal disputes	3,347	2,028	1,319
Provision for the refurbishment of third party assets	8,496	7,500	996
Total provisions for non-current risks and charges	**41,924**	**39,253**	**2,672**

Provision for taxes

The current portion relates primarily to disputes over US companies' indirect tax obligations and reflects the advice of the Group's tax advisors (Note XXXIII). Allocations of €316k were made during the half-year, entirely in the United States.

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 the first half of 2020, €5,832k 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 of the period came to €6,995k. This item also includes exchange differences and some reclassifications carried out for the sake of clarity.

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. Allocations for the period, net of amounts released due to changed estimates of existing risks, came to €542k.

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. The increase pertains essentially to the United States.

XXVII. Equity

Movements in equity items during the period are detailed in the statement of changes in equity.

Share capital

At 30 June 2020 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 par value.

At 30 June 2020 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, €2,805k concerns exchange rate differences from the translation of financial statements in foreign currencies and €38k refers to the portion of comprehensive income for investments valued using the equity method (Note XI), offset by €44k 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 of defined benefit plan assets and liabilities, and the tax effect of the sale of the ICT and Payroll divisions by the Group company Autogrill Advanced Business Service to the two affiliates Autogrill Italia S.p.A. and Autogrill Europe S.p.A.

The change in this item was mainly related to the allocation to reserves of the 2019 profit on the basis of the shareholders' meeting resolution of 21 May 2020.

Treasury shares

On 12 March 2020 the Board of Directors authorized a share buy-back program pursuant to Art. 5 of Regulation (EU) 596/2014 (MAR) to facilitate the execution of incentive plans for employees and Directors of Autogrill S.p.A. and/or its subsidiaries, for a maximum of 3,000,000 ordinary shares with no par value amounting to 1.18% of the share capital, in accordance with the AGM authorization of 23 May 2019.

At 30 June 2020 Autogrill S.p.A. owned 3,181,641 treasury shares (181,641 at the end of 2019), with a carrying amount of €13,042k and an average carrying amount of €4.10 per share, with half-year purchases of €12,322k.

Non-controlling interests

Non-controlling interests amount to €70,136k, compared with €77,620k at 31 December 2019. Most of the change is due to the loss for the period (€14,713k) and capital injections of €20,012k, net of dividends paid (€7,639k) and the effect of the new acquisitions described in Note XI (€5,643k).

Other comprehensive income

The following table shows the components of comprehensive income and the relative tax effect:

	First-half 2020			First-half 2019		
(€k)	Gross amount	Tax benefit (expense)	Net amount	Gross amount	Tax benefit (expense)	Net amount
Remeasurements of the defined benefit (liabilities)/asset	(564)	135	(429)	(2,371)	569	(1,802)
Items that will never be reclassified to profit or loss	**(564)**	**135**	**(429)**	**(2,371)**	**569**	**(1,802)**
Equity-accounted investee - share of other comprehensive income	38	-	38	24	-	24
Foreign currency translation differences for foreign operations	3,303	-	3,303	1,614	-	1,614
Gain/(loss) on net investment hedge	(58)	14	(44)	71	(18)	53
Items that may be subsequently reclassified to profit or loss	**3,283**	**14**	**3,297**	**1,709**	**(18)**	**1,691**
Total other comprehensive income	**2,719**	**149**	**2,868**	**(662)**	**551**	**(111)**

The change in the item "Remeasurements of the defined benefit (liabilities)/asset" refers to the decrease in the discount rate applicable as of 30 June 2020 (Note XXV).

2.2.4 Notes to the income statement

XXVIII. Revenue

Revenue is detailed below:

(€k)	First-half 2020	First-half 2019	change
Food & Beverage sales	1,096,482	2,271,619	**(1,175,137)**
Oil sales	100,754	191,623	**(90,869)**
Total	**1,197,236**	**2,463,242**	**(1,266,006)**

During the first six months of 2020, the Group recorded a sharp drop in revenue caused by the spread of the COVID-19 pandemic.

See the interim Directors' report on operations for a detailed review of sales performance.

XXIX. Other operating income

(€k)	First-half 2020	First-half 2019	change
Bonus from suppliers	16,758	20,252	**(3,494)**
Income from business leases	9,677	19,385	**(9,708)**
Affiliation fees	1,357	2,402	**(1,045)**
Gain on sales of property, plant and equipment	88	3,379	**(3,291)**
Other revenue	29,037	37,130	**(8,093)**
Total	**56,917**	**82,548**	**(25,631)**

"Bonus from suppliers" decreased by €3,494k mainly due to the lower volumes of purchases and sales recorded due to the COVID-19 emergency in the countries where the Group operates.

"Income from business leases" refers to variable rent received under such arrangements and the reduction is due to the impact of the COVID-19 pandemic on the activities, as well as the renegotiation of the contractual conditions following the aforementioned emergency, already concluded with sub-lessees (about €3.5m).

"Affiliation fees" pertain mostly to the company Le CroBag for its franchised locations and the reduction is due to the pandemic.

"Gain on sales of property, plant and equipment" shows a sharp decrease compared to the first six months of 2019, since in the comparative period the Group had benefited from the capital gain concerned to the sale of a hotel in Switzerland.

"Other revenue", which also includes income from services, reimbursements from third parties and insurance payments, decreased by €8,093k and mainly includes two effects:

- the decrease in revenue, due to the COVID-19 pandemic, in the sale of food & beverage at American Airlines airport lounges ($20.2m) under an exclusive five-year contract with the airline (since May 2019) through the subsidiary HMSHost Corporation;
- the decrease in the commissions from the sale of goods and services (from €9,183k in the comparison period to €4,601k at 30 June 2020) for which the Group acts as an agent: mostly telephone cards, fuel and lottery tickets.

XXX. Raw materials, supplies and goods

(€k)	First-half 2020	First-half 2019	change
Purchases	443,498	885,455	**(441,957)**
Change in inventories	25,684	(7,451)	**33,135**
Total	**469,182**	**878,004**	**(408,822)**

The net decrease in the item is mainly related to the decrease in Group activities following the emergency caused by the COVID-19 pandemic. For a detailed explanation, please refer to the interim Directors' report on operations.

XXXI. Personnel expense

(€k)	First-half 2020	First-half 2019	change
Wages and social security contribution	389,397	706,151	**(316,754)**
Employee benefits	15,081	18,625	**(3,544)**
Other costs	45,142	58,714	**(13,572)**
Total	**449,620**	**783,490**	**(333,870)**

The significant net decrease in the item is mainly related to the decrease in revenue and other operating income achieved by the Group during the pandemic, which led management to undertake efficiency initiatives aimed at reducing personnel costs. The Group management implemented a comprehensive set of measures to mitigate the impacts of the pandemic. Specifically, the Group reduced working hours consistently with the decline in traffic, instituted a hiring freeze and reduced salaries on a voluntary basis. Along with the reduction in personnel expense, the various forms of social safety nets made available by local governments and similar measures in the Group's countries of operation also had a positive impact of roughly €62m.

"Other costs" include the portion of the stock option plans pertaining to the period and accrued remunerations of Directors, as detailed in Section 2.2.11 below. The net reduction in the item mainly relates to the re-measurement of the share-based incentive plans, based on the COVID-19 impacts on the achievement of the KPIs envisaged by the regulation.

XXXII. Leases, rentals, concessions and royalties

(€k)	First-half 2020	First-half 2019	change
Leases, rentals and concessions	28,306	204,679	**(176,373)**
Royalties	27,988	58,528	**(30,540)**
Total	**56,294**	**263,207**	**(206,913)**

"Leases, rentals and concessions" includes variable lease and concession fees (€68,639k), short-term leases (€30,344k), low-value leases (€2,098k) and fees for access rights (€1,090k), largely offset by the income deriving from the release to the income statement made against the reduction in the finance lease liabilities due to the renegotiation agreements already concluded with the landlords following the COVID-19 emergency, which led to a reduction in future minimum guaranteed rents (€73,865k).

Therefore, compared to the previous period, the significant net decrease is mainly attributable to the aforementioned income, as well as the revision of the variable component of the contracts themselves due to the slowdown in activities caused by the spread of the COVID-19 pandemic.

"Royalties" on the use of trademarks also underwent a sharp decrease following the effects on the business of the COVID-19 pandemic.

XXXIII. Other operating expense

(€k)	First-half 2020	First-half 2019	change
Utilities	31,771	44,194	**(12,423)**
Maintenance	35,784	44,936	**(9,152)**
Cleaning and disinfestations	15,748	25,507	**(9,759)**
Consulting and professional services	19,535	19,670	**(135)**
Commissions on credit card payments	14,123	28,794	**(14,671)**
Storage and transport	6,341	9,716	**(3,375)**
Advertising	4,611	9,280	**(4,669)**
Travel expenses	8,737	15,945	**(7,208)**
Telephone and postal charges	8,482	8,701	**(219)**
Insurance	2,485	2,983	**(498)**
Surveillance	1,579	1,670	**(91)**
Transport of valuables	1,430	2,214	**(784)**
Banking services	2,816	2,855	**(39)**
Sundry materials	11,747	19,777	**(8,030)**
Other services	24,066	30,161	**(6,095)**
Costs for materials and services	**189,255**	**266,403**	**(77,148)**
Impairment losses on receivables (Note V)	**11,780**	**661**	**11,119**
For taxes	115	123	**(8)**
For legal disputes	2,469	682	**1,787**
For onerous contracts	-	(210)	**210**
For other risks	5,772	6,696	**(924)**
Allocation to provisions for risks (Note XXVI)	**8,356**	**7,291**	**1,065**
Indirect and local taxes	**10,820**	**14,000**	**(3,180)**
Other operating expense	**6,862**	**5,269**	**1,593**
Total	**227,073**	**293,624**	**(66,551)**

In general, the net decrease in costs is linked to the efficiency measures of operating costs implemented by the Group companies following the lower sales due to the COVID-19 emergency. As better detailed in the interim Directors' report on operations, it should be noted, however, that this item was affected by the balance of non-recurring logistics costs, as well as the introduction of important measures adopted by management to protect the health and safety of its workers and customers for about €3m.

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)	First-half 2020	First-half 2019	change
Other intangible assets	14,169	13,464	**705**
Property, plant and equipment	101,555	98,408	**3,147**
Assets to be transferred free of charge	8,326	8,026	**300**
Right of use assets	192,286	165,311	**26,975**
Total	**316,336**	**285,209**	**31,127**

Below is the breakdown by type of asset for "Right-of-use assets":

(€k)	First-half 2020	First-half 2019
Buildings	191,262	164,431
Other	1,024	880
Total	**192,286**	**165,311**

In the first six months of 2020, impairment losses were recognized for a total of €36,148k (€1,894k in the first half of 2019), 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 the first half of 2020 were charged in the United States.

As previously mentioned, these impairment losses reflect the impact on impairment testing of the new financial projections of various locations which, due to the COVID-19 emergency and medium-term expectations regarding a return to pre-pandemic profitability, led management to change its location management strategies and to plan on exiting from these contracts in the next few months.

XXXV. Gain on operating activity disposal

This item, null in the first half of 2020, included in the comparative period the gain on sale of Canadian motorway operations (€118,853k) and of the entire investment in Autogrill Czech S.r.o. (€7,950k).

XXXVI. Financial income and expense

(€k)	First-half 2020	First-half 2019	change
Interest income	907	493	414
Exchange rate income	-	327	(327)
Interest income on finance lease receivables	2,220	671	1,549
Other financial income	1,221	534	687
Total financial income	**4,348**	**2,025**	**2,323**

(€k)	First-half 2020	First-half 2019	change
Interest expense	25,487	13,582	11,905
Interest expense on finance lease liabilities	33,695	34,768	(1,073)
Discounting of long-term liabilities	303	609	(306)
Exchange rate losses	816	-	816
Interest differential on exchange rate hedges	210	338	(128)
Fees paid on loans and bonds	132	47	85
Ineffective portion of hedging instruments	33	1	32
Other financial expense	186	187	(1)
Total financial expense	**60,862**	**49,533**	**11,330**
Total net financial expense	**(56,514)**	**(47,507)**	**(9,007)**

The increase in net financial charges is mainly related to the item "Interest expense" which includes the effects of the application of accounting standard IFRS 9, for an amount of €12m (Note XXI). Following the COVID-19 epidemic, the Group entered into an agreement with its lenders regarding a covenant holiday of the testing of the financial covenants (Leverage Ratio and Consolidated EBITDA/Consolidated Net Finance Charges). These contractual amendments, applying the aforementioned IFRS 9 principle, resulted in the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows.

XXXVII. Income tax

The positive balance of €71,501k (-€34,393k in the first half of 2019) includes -€354k in current taxes (-€37,149k in the first six months of 2019) and €71,455k in net deferred tax assets (€4,259k in net deferred tax liabilities in the first six months of 2019), that include an income of roughly $66m realized by the subsidiary HMSHost Corporation as a result of the loss carry-back mechanism permitted by the US tax authorities which allows a tax loss to be applied to taxable income from prior years.

It also includes IRAP of €13k (€885k in the first half of 2019), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, and CVAE of €295k (€619k in the first six months of 2019), charged on French operations and calculated on the basis of revenue and value added.

The first half of 2019 figure also includes a provision of €31,156k for the capital gains tax on the sale of the motorway business in Canada.

Below is the reconciliation between theoretical income tax and recognized income tax:

(€k)	First-half 2020	%	First-half 2019	%
Theoretical income tax	**86,407**	**24.2%**	**(32,645)**	**20.8%**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(3,501)		1,631	
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	(10,397)		(3,808)	
Tax concession on the labour cost in the United States	1,854		4,150	
Other permanent differences	(2,552)		(2,217)	
Income tax, excluding IRAP and CVAE	**71,809**	**20.1%**	**(32,889)**	**20.9%**
IRAP and CVAE	(308)		(1,504)	
Recognised income tax	**71,501**	**20.0%**	**(34,393)**	**21.9%**

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 period; 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.

	First-half 2020	First-half 2019
Profit (loss) for the period attributable to owners of the parent (€k)	(271,016)	115,042
Weighted average no. of outstanding shares (no./000)	252,622	254,218
Basic earnings per share (€)	**(1.0728)**	**0.4525**

	First-half 2020	First-half 2019
Profit (loss) for the period attributable to owners of the parent (€k)	(271,016)	115,042
Weighted average no. of outstanding shares (no./000)	252,622	254,218
Dilution effect of shares included in stock option plans (no./000)	1,563	1,536
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,186	255,754
Diluted earnings per share (€)	**(1.0662)**	**0.4498**

2.2.5 Net financial position

Details of the net financial position at 30 June 2020 and 31 December 2019 are as follows:

Note	(€m)	30.06.2020	31.12.2019	change
I	A) Cash on hand	33.3	48.1	**(14.9)**
I	B) Cash equivalents	435.1	236.0	**199.1**
	C) Securities held for trading	-	-	**-**
	D) Cash and cash equivalent (A)+(B)+(C)	**468.4**	**284.1**	**184.3**
(*)	**E) Current financial assets**	**70.2**	**81.0**	**(10.8)**
XXI	F) Bank loans and borrowings, current	(221.9)	(56.3)	**(165.6)**
XXIV	G) Bond issued	(22.3)	(22.3)	**(0.1)**
(**)	H) Other financial liabilities	(438.1)	(383.4)	**(54.6)**
	I) Current financial indebtedness (F+G+H)	**(682.3)**	**(462.0)**	**(220.3)**
	J) Net current financial indebtedness (I+E+D)	**(143.7)**	**(96.9)**	**(46.8)**
XXI	K) Bank loans and borrowings, net of current portion	(980.0)	(532.1)	**(447.9)**
XXIV	L) Bond issued	(296.4)	(291.2)	**(5.3)**
(***)	M) Due to others	(1,949.0)	(2,101.3)	**152.3**
	N) Non-current financial indebtedness (K+L+M)	**(3,225.4)**	**(2,924.6)**	**(300.8)**
	O) Net financial indebtedness (J+N)[1]	**(3,369.2)**	**(3,021.5)**	**(347.6)**
(****)	**P) Non-current financial assets**	**74.3**	**73.6**	**0.7**
	Net financial position - Total	**(3,294.9)**	**(2,947.9)**	**(346.9)**

[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 17.4m€ and Note "II - Other financial assets" for 52.8m€.

(**) It includes the following current liabilities lines: Note "XXII - Finance lease liabilities" for 427.9m€ and Note "XIX - Other financial liabilities" for 10.1m€.

(***) It includes the following non current liabilities lines: Note "XXII - Finance lease liabilities" for 1,948.1m€ and Note "XXIII - Other financial liabilities" for 0.1m€.

(****) It includes the following non current assets lines: Note "XII - Finance lease receivables" for 63.8m€ and Note "XIII - Other financial assets" for 46,8m€.

The total net financial position at 30 June 2020 amounted to €3,294.9m (€2,947.9m at the close of the previous year), including €2,294.8m of net lease liabilities (€2,389.3m at 31 December 2019).

As of the same date, the Group net financial position stood at €1,000.1m, down from €558.6m at 31 December 2019. The increase is explained by the net absorption of cash recorded in the first half. In order to reduce this impact, the Group reduced its investment plan and worked to obtain an extension in pension and tax payments in all the countries in which it operates, as well as reductions in concession fees.

For further commentary, see the notes indicated for the items comprising the total net financial position and the interim Directors' report on operations.

The total net financial position at 30 June 2020 has been purged of the effects of IFRS 16, as follows:

Note	(€m)	30.06.2020	31.12.2019	change
	Net financial position - Total (a)	**(3,294.9)**	**(2,947.9)**	**(346.9)**
XII	Finance lease receivables - current	(17.4)	(16.8)	**(0.6)**
XII	Finance lease receivables - non current	(63.8)	(66.1)	**2.3**
	Finance lease receivables (b)	**(81.2)**	**(82.9)**	**1.7**
XXII	Finance lease liabilities - current	427.9	373.9	**54.1**
XXII	Finance lease liabilities - non current	1,948.1	2,098.4	**(150.3)**
	Finance lease liabilities (c)	**2,376.0**	**2,472.3**	**(96.2)**
	Net financial position (a) + (b) + (c)	**(1,000.1)**	**(558.6)**	**(441.5)**

At 30 June 2020 and at the close of the previous year, there were financial assets due from related parties; see Section 2.2.11 of these notes for details.

2.2.6 Financial instruments – Fair value and risk management

The objectives, policies and procedures of financial risk management did not changed during the first half of the year, with the exception of the implementation of the financial strengthening strategy described in the interim Directors' report on operations in connection with the measures to deal with the pandemic (see paragraph 1.8). They are described in the 2019 Annual Report. In addition, there were no changes in the fair value hierarchy used in measuring of financial instruments compared with the most recent annual consolidated financial statements and the methods used in measuring level fair value are consistent with those used in the 2019 Annual Report.

2.2.7 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 30 June 2020, these companies had net assets of $309.5m ($310m at 31 December 2019); for the period they generated revenue of $265.8m ($516.7m in the first half of 2019) and a net loss of $50.1m (compared with a profit of $44.6m in the first half of 2019). Non-controlling interests in shareholders' equity amount to $73.2m ($79.9m at 31 December 2019) and in net profit to -$13.7m (+$10.2m for the first half of last year).

2.2.8 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.

Segment reporting in table form is provided below:

Profit & Loss - First Half 2020					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	554,189	173,076	526,163	725	**1,254,153**
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right of use assets	(180,369)	(46,981)	(124,111)	(1,023)	**(352,484)**
Operating profit/(loss)	**(158,552)**	**(34,153)**	**(97,677)**	**(10,118)**	**(300,500)**
Net financial income (expense)					**(56,514)**
Income (expense) from investments					**(216)**
Pre-tax profit					**(357,230)**
Income tax					**71,501**
Profit (loss) for the period					**(285,729)**

Net invested capital at 30.06.20					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	450,998	71,187	346,393	-	**868,577**
Other intangible assets	46,270	14,385	54,840	1,988	**117,484**
Property, plant and equipment	621,747	88,329	385,672	5,309	**1,101,057**
Right of use assets	1,006,038	246,224	922,949	4,324	**2,179,536**
Financial assets	11,683	16,510	8,170	853	**37,217**
Non-current assets	**2,136,737**	**436,635**	**1,718,024**	**12,475**	**4,303,871**
Net working capital	**(127,526)**	**(41,686)**	**(162,702)**	**30,669**	**(301,245)**
Other non-current non financial assets and liabilities	**(25,849)**	**852**	**(55,620)**	**19,915**	**(60,701)**
Net invested capital	**1,983,362**	**395,801**	**1,499,702**	**63,059**	**3,941,924**

Profit & Loss - First Half 2019					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	1,196,734	305,295	1,043,734	28	**2,545,790**
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right of use assets	(131,341)	(37,472)	(117,431)	(859)	**(287,103)**
Operating profit/(loss)	**173,228**	**3,937**	**6,423**	**(16,423)**	**167,165**
Net financial income (expense)					**(47,508)**
Income (expense) from investments					**37,536**
Pre-tax profit					**157,193**
Income tax					**(34,393)**
Profit (loss) for the period					**122,800**

Net invested capital at 31.12.2019					
(€k)	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	**2,358,974**
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**

The interim Directors' report on operations 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 (attributable to the shareholders of the parent company).

2.2.9 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.

	Full year 2019			
€m	**First quarter**	**First half**	**Third quarter**	**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' interim 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, all the more in the condition of uncertainty of the evolution of the pandemic described in the interim Directors' report on operations and in these notes. 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.

2.2.10 Guarantees given, commitments and contingent liabilities

Guarantees

At 30 June 2020 the guarantees given by the Autogrill Group amounted to €431,009k (€449,775k at the close of 2019) and referred mainly to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

Commitments

Commitments outstanding at 30 June 2020 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 (€5,938k);
- commitments for service contracts (€66,218k);
- commitments for access rights (€19,729k);
- commitments under low-value and short-term leases (€13,960k).

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 30 June 2020, there were no contingent liabilities as defined in IAS 37.

2.2.11 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 the first half of 2020 Autogrill S.p.A. and its subsidiaries conducted no transactions with the direct parent, Schematrentaquattro S.p.A.

Income statement	Revenue		Other operating income		Raw materials, supplies and goods		Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) /income	
€k	First-half 2020	First-half 2019	First-half 2020	First-half 2019	First-half 2020	First-half 2019	First-half 2020	First-half 2019	First-half 2020	First-half 2019	First-half 2020	First-half 2019	First-half 2020	First-half 2019
Parent:														
Edizione S.r.l.	-	-	13	13	-	-	-	0	2	9	60	50	-	-
Other related parties:														
Atlantia Group	2	1	-	303	42	80	(11,667)	17,180	3,711	5,783	-	-	(3,327)	(3,518)
Benetton Group S.r.l.	-	-	-	-	-	-	-	-	-	8	-	-	-	-
Verde Sport S.p.A	-	-	-	-	-	-	-	-	45	45	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	-	-	-	-	-	-	-	-	10	-	-	-	-
Equity investments	-	-	-	686	-	-	(271)	(644)	(168)	(238)	-	-	-	57
Other related parties (*)	-	-	-	-	-	-	0	-	268	167	2,113	3,273	-	-
Total Related parties	**2**	**1**	**13**	**1,001**	**42**	**80**	**(11,937)**	**16,536**	**3,858**	**5,784**	**2,173**	**3,323**	**(3,327)**	**(3,462)**
Total Group	**1,197,236**	**2,463,242**	**56,917**	**82,548**	**469,182**	**878,004**	**56,294**	**263,207**	**227,073**	**293,624**	**449,620**	**783,490**	**(56,514)**	**(47,507)**
Incidence	**0.0%**	**0.0%**	**0.0%**	**1.2%**	**0.0%**	**0.0%**	**-21.2%**	**6.3%**	**1.7%**	**2.0%**	**0.5%**	**0.4%**	**5.9%**	**7.3%**

Statement of financial position	Trade receivables		Other receivables		Trade payables		Other payables		Other financial assets - Non current		Finance lease liabilities - Current		Finance lease liabilities - Non current	
€k	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Parent:														
Edizione S.r.l.	-	-	3,118	10,229	2	1	62	102	-	-	-	-	-	-
Other related parties:														
Atlantia Group	370	554	10,766	6,995	2,334	24,187	1,957	993	-	-	50,502	48,173	233,306	48,173
Benetton Group S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Verde Sport S.p.A	-	-	-	-	-	-	27	-	-	-	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	11	-	-	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	15	2,455	-	8	-	-	-	7,591	-	-	-	-
Other related parties (*)	-	-	-	-	-	-	526	2,993	-	-	-	-	-	-
Total Related parties	**370**	**565**	**13,900**	**19,678**	**2,336**	**24,196**	**2,572**	**4,089**	**-**	**7,591**	**50,502**	**48,173**	**233,306**	**48,173**
Total Group	**31,501**	**55,424**	**151,570**	**121,999**	**297,847**	**397,183**	**309,981**	**362,790**	**46,828**	**41,775**	**427,918**	**373,966**	**1,948,122**	**2,100,406**
Incidence	**1.2%**	**1.0%**	**9.2%**	**16.1%**	**0.8%**	**6.1%**	**0.8%**	**1.1%**	**0.0%**	**18.2%**	**11.8%**	**12.9%**	**12.0%**	**2.3%**

(*) The Other related parties refer to transactions with directors and executives with strategic responsabilities

Edizione S.r.l.

“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” refer to the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., 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 period refers to the receipt in January and May 2020 of €7,111k from the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid in 2009 (Law 185/2008), which includes €13k pertaining to Nuova Sidap S.r.l. in its capacity as consolidating company.

Gruppo Atlantia

“Leases, rentals, concessions and royalties” refer to variable concession fees and accessory costs pertaining to the period. The amount shows a net reduction in costs, due to the acceptance of the landlord's offer to cancel Autogrill Italia S.p.A.'s fixed concession fees during the lockdown period in addition to significant reductions in those fees in the subsequent periods. The cancellation of fixed fees reduced the amount of this item in accordance with IFRS 16.

"Other operating expense" refers chiefly to the management of motorway locations. Autogrill Italia S.p.A. was granted a reduction in maintenance fees and reporting and control fees as part of the agreements mentioned in the preceding paragraph.

“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 payables” originate from the same transactions.

“Finance lease liabilities” of €283,808k€ stem from the discounting of fixed or substantively fixed future minimum lease payments outstanding at 30 June 2020. This item decreased in line with the cancellation of fixed concession fees as mentioned above.

“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 the first half 2020:

Name (€)	Office held	Term of office	Remuneration	Bonus and other incentives	Non-monetary benefits	Other fees
Paolo Zannoni	Chairman	2020/2022	125,000			
Gianmario Tondato da Ruos	CEO	2020/2022	183,333		2,402	200,000
Alessandro Benetton	Director	2020/2022	30,000			
Paolo Roverato	Director	2020/2022	60,000			
Massimo Fasanella D'Amore di Ruffano (*)	Director	2020/2022	50,000			12,500
Francesco Chiappetta	Director	2020/2022	45,000			
Ernesto Albanese	Director	2020/2022	35,000			
Franca Bertagnin Benetton	Director	2020/2022	30,000			
Cristina De Benetti	Director	From 25.05.2017 to 21.05.2020	32,368			
Catherine Gerardin Vautrin	Director	From 25.05.2017 to 21.05.2020	31,123			
Maria Pierdicchi	Director	2020/2022	40,000			
Elisabetta Ripa	Director	From 25.05.2017 to 21.05.2020	35,014			
Barbara Cominelli (*)	Director	From 19.12.2019	40,000			12,500
Rosalba Casiraghi	Director	From 21.05.2017 to 2022	8,987			
Scarpaleggia Simona	Director	From 21.05.2017 to 2022	8,987			
Cioli Laura	Director	From 21.05.2017 to 2022	10,110			
Total directors			**764,922**		**2,402**	**225,000**
Camillo Rossotto (**)	Corporate General Manager	from 12.11.2018			5,197	260,000
Key managers with strategic responsibilities					103,554	954,145
Total			**764,922**		**111,154**	**1,439,145**

(*) 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 Advenced Business Service S.p.A. since 19.11.2018

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 participate 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 management personnel, 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.

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 fees". 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 the first half 2020:

Name (€)	Office held	Term of office	Remuneration	Other fees
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	37,500	-
Eugenio Colucci (*)	Standing auditor	15.01.2018-31.12.2020	-	20,000
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	25,000	-
Antonella Carù (**)	Standing auditor	01.01.2018-31.12.2020	25,000	5,000
Total Statutory Auditors			**87,500**	**25,000**

(*) 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 Advenced Business Service S.p.A.

Incentive plans for directors and key management personnel

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 2020, 7,464 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 2019 and the first half of 2020 are shown below:

	Options
Options at 31 December 2018	**4,017,207**
Options exercized in 2019	(3,181,810)
Options cancelled in 2019	(39,923)
Options at 31 December 2019	**795,474**
Options exercized in the first half 2020	-
Options cancelled in the first half 2020	(7,464)
Options at 30 June 2020	**788,010**

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).

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.

Regarding Wave 1, in 2020 the vesting conditions were not satisfied and the beneficiaries definitively lost the opportunity to convert their options into shares. Wave 1 is therefore over.

	Options	
	WAVE 2	**WAVE 3**
Options at 31 December 2018	**789,906**	**-**
Options assigned in 2019	-	956,206
Options exercized in 2019	-	-
Options cancelled in 2019	(145,659)	(29,864)
Options at 31 December 2019	**644,247**	**926,342**
Options assigned in the firs half 2020	**-**	**-**
Options exercized in the first half 2020	**-**	**-**
Options cancelled in the first half 2020	(6,562)	(8,209)
Options at 30 June 2020	**637,685**	**918,133**

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).

2.2.12 Significant non-recurring events and transactions

In the first half of 2020, 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.

2.2.13 Atypical or unusual transactions

In the first half of 2020 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.14 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.

2.2.15 Authorization for publication

The Board of Directors authorized the publication of these condensed interim consolidated financial statements at its meeting of 30 July 2020.

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share capital	% held at 30.06.2020	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.	Lubiana	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 Iberia S.L.U.	Madrid	EUR	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Monaco	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.	Anversa	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.	Anversa	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 Coté 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
HMS Host Tollroads Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
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.	Balgalore	INR	668,441,680	99.0000%	Host International, Inc.
				1.0000%	HMSHost International, Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2020	Shareholders
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	115,000,000	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.
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.
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.

Company	Registered office	Currency	Share capital	% held at 30.06.2020	Shareholders
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., Ltc	Beijing	CNY	110.000.000	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	San Pietroburgo	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 İçecek 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.
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.
HMS Host (Shanghai) Catering Management Co., Ltd.	China	CNY	28.500.000	51,0000%	HMSHost Huicheng (Beijing) Catering Management Co., Ltd
				49,0000%	HMSHost International B.V.
Autogrill Middle East, LLC	Abu Dhabi	AED	100.000	100,0000%	HMSHost International B.V.
HMSHost Catering Malaysia SDN. BHD	Kuala Lumpur	MYR	350.000	49,0000%	Host International, Inc.
				51,0000%	HMSHost International B.V.
Arab Host Services LLC	Qatar	QAR	200.000	49,0000%	Autogrill Middle East, LLC
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.

Company	Registered office	Currency	Share capital	% held at 30.06.2020	Shareholders
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.
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 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 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.
Stellar ACAF DFW TERM A RTL 3, LLC	Delaware	USD	-	60,0000%	Stellar Partners, Inc.
Stellar DOC1 AGL DEN, LLC	Delaware	USD	-	75,0000%	Stellar Partners, Inc.
Host CAL EDMV TMGS SLC FB, LLC	Delaware	USD	-	74,0000%	Host International, Inc.
Host CAL TMGS SLC FB, LLC	Delaware	USD	-	82,0000%	Host International, Inc.
Host EDMV TMGS SLC FB, LLC	Delaware	USD	-	82,0000%	Host International, Inc.
Host KIND SLC FB, LLC	Delaware	USD	-	70,0000%	Host International, Inc.
Host VDV CMH FB II LLC	Delaware	USD	-	80,0000%	Host International, Inc.
Stellar LAM PHX II, LLC	Delaware	USD	-	80,0000%	Stellar Partners, Inc.
Stellar ACAF DFW Term D, LLC	Delaware	USD	-	65,0000%	Stellar Partners, Inc.

Companies consolidated using the equity method:

Company	Registered office	Currency	Share capital	% held at 30.06.2020	Shareholders
Caresquick N.V.	Bruxelles	EUR	1.020.000	50,000%	Autogrill Belgie N.V.
DLV-WSE, LLC	California	USD	-	49,000%	Host International, Inc.

Attestation by the CEO and Manager in charge of Financial Reporting

ATTESTATION

Attestation of the condensed interim 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 no. 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 condensed interim consolidated financial statements during the period from 1 January to 30 June 2020.

2. No significant findings have come to light in this respect.

3. We also confirm that:

3.1. the condensed interim 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 interim Directors' report on operations contains a reliable analysis of the key events that took place during the first six months of the year and their impact on the condensed interim consolidated financial statements, and describes the main risks and uncertainties for the remaining six months of the year. The interim Directors' report on operations also includes a reliable analysis of information on significant related party transactions.

Milan, 30 July 2020

Gianmario Tondato Da Ruos
Chief Executive Officer

Camillo Rossotto
Manager in charge of Financial Reporting

Deloitte.

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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Autogrill S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Autogrill S.p.A. and subsidiaries (the "Autogrill Group"), which comprise the statement of financial position as of June 30, 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and related notes. The Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB") for the review of the interim financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2020 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
August 6, 2020

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