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## **LSG GROUP: UPWARD TREND IN NORTH AMERICA FIRST HALF OF 2021 STILL BURDENED BY CORONA CRISIS**

**Neu-Isenburg, Germany, August 5, 2021** – The COVID 19 pandemic weighted on the LSG Group's business results in the first half of 2021, but an encouraging trend emerged. The continued recovery of the North American airline catering market had a positive impact during the second quarter. Nevertheless, the decline in passenger numbers from the company's global airline customers and fewer long-haul flights caused revenues to fall to EUR 447m (previous year: EUR 814m), a 45 percent drop compared to 2020, which is reduced to 23 percent when excluding the divested European business. The fact that the effects of the corona crisis only became apparent starting in March of last year is important in interpreting this data.

"The pandemic continues to influence our results, not only at our company but throughout the entire airline and travel industry," said Dr. Kristin Neumann, CFO of the LSG Group. "However, with the progress of the global vaccination campaigns, we are seeing the first signs of recovery. Our growth strategy, concentrated on our core airline catering business and strict cost management, is beginning to pay off. My thanks go to all our employees who are actively supporting and helping to shape our transformation into a leaner, more efficient and more attractive company."

The number of employees as of June 30, 2021, decreased by 46 percent year-on-year to 15,288, with 8,600 leaving the LSG Group with the sale of its European business. Adjusted EBIT increased to EUR 17 million (previous year: EUR -195 million) and EBIT was EUR -5 million (previous year: EUR -306 million). The sale of the European business and government aid contributed to the improvement in the financial situation. The 62 million meals produced in the first half of the year by the fully consolidated operations of LSG Group International represented a 61 percent drop compared to the pre-pandemic 2019 figure.

### ***Successes in all of the company's business segments***

New catering contracts with international airlines and the successful launch of "Onboard Delights," "SWISS Saveurs" and "Austrian Melangerie," the new catering concepts developed with Retail inMotion for the Lufthansa Group (Lufthansa, SWISS and Austrian Airlines), marked milestones in the second quarter. In Chengdu, China, LSG Sky Chefs opened a new operation and entered into partnerships with meal-kit companies Swolefoods in New Zealand, as well as Home Chef and HelloFresh in the USA. With ghost kitchen projects around the



globe, numerous virtual brands were also created. Following promising results in the Miami, Florida, market, there are plans to expand these ghost kitchen operations.

"We are seeing our new strategy take hold and generate growth," explains Erdmann Rauer, CEO of the LSG Group. "This makes us confident. With its first half-year results, our expert brand Retail inMotion has demonstrated the importance that inflight sales and technology already enjoy in the industry and will continue to enjoy in the future. The fact that we as a company are able to drive such innovations with our own resources and offer customers a plus in connectivity makes me optimistic."

In line with the LSG Group's six prioritized Sustainable Development Goals (SDGs), the company also made a number of social responsibility commitments, particularly in the area of "Good Health and Well-Being," by supporting local vaccination campaigns and the disinfection of homeless shelters free of charge, for example. Sustainability ambassadors were also appointed.

*The LSG Group is the quality and technology leader in airline catering and related markets. It has two strong, independent expert brands: LSG Sky Chefs, a globally active catering specialist with the highest hygiene and quality standards for airlines, the home-delivery market and retail. Retail inMotion, which specializes in on-board retail, product development and technology solutions, sets standards with its understanding of partnership and its innovative strength.*

*The LSG Group (International) is headquartered in Neu-Isenburg, near Frankfurt, Germany, and has an extensive network of joint ventures and partnerships around the globe. In the pandemic year 2020, the 12,500 employees at 140 locations in 40 countries worldwide generated a consolidated revenue of 945 million euros. LSG Sky Chefs produced 244 million meals (including through minority shareholdings) during this period. [www.lsg-group.com](http://www.lsg-group.com)*