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LSG GROUP: STEADY GROWTH WHILE PREPARING FOR NEW OWNERSHIP

Neu-Isenburg, Germany, May 8, 2023 – In the first quarter of the year, The LSG Group continued to report positive earnings despite some lingering post-pandemic-related challenges in the market. In addition to that, on April 6, the company also announced it would be sold by its present shareholder, the Lufthansa Group, to AURELIUS Group. At the same time, the company's leadership remains focused on executing its three-pillar strategy, which is based on pursuing growth in its leading areas of business, namely classic catering, onboard retail and food commerce (convenience retail, meal kits and ghost kitchens). These efforts revolve around digitalization, product customization and increased value and convenience for customers.

For the first quarter of 2023, the LSG Group (LSG Sky Chefs and Retail inMotion) reported a consolidated revenue of EUR 523 million, compared to EUR 373 during the same period in 2022, which is roughly a 40 percent increase. That means that the company has reached 98 percent of the revenues it had earned by this time in 2019, the year prior to the pandemic, ahead of forecast. However, the level of recovery varies slightly by region. While demand continues to uptick in the United States and Latin America (Americas region), the business in the Asia-Pacific region remains considerably more sluggish, albeit with indications of an upward trend. The Middle East and Africa (EMMA region) are also building strong momentum. "The result is a reflection of the nearly complete recovery of the airline industry to pre-pandemic levels and the ongoing execution of our strategic goals, even as we continue to deal with staffing issues and inflationary side effects in most of our markets," said new LSG Group CFO Holger Fleige. The Group's workforce stands at 21,332, a 29 percent gain over the previous year.

Forward with new ownership

On April 5, it was announced that the LSG Group would be sold to the **AURELIUS Group**, a Europe-based investment firm with a portfolio of companies active across the world. AURELIUS specializes in corporate carve-out transactions and acquiring companies with development potential. The sale covers the company's classic catering, onboard retail and food commerce activities and brands, including all 131 LSG Sky Chefs Customer Service Centers (CSCs) around the world, plus its onboard-retail expert Retail inMotion (RiM) and U.S.-based airport security service SCIS. The sale will not be completed until the closing takes place by the third quarter of this year. "This sale marks the beginning of a new chapter for the LSG



Group,” said CEO Erdmann Rauer. “And this a good thing in every regard as AURELIUS supports our three-pillar strategy and wants to further develop and grow our business across the globe together with us.”

Business wins and extensions

During the quarter, LSG Sky Chefs won new business and extended contracts across all regions. That includes a new deal with Qantas in Dallas-Ft. Worth and with American Airlines in San Diego. American also granted the company extensions at various domestic and international locations. Catering contracts were also won with Turkish Airlines in Seoul, South Korea, and The Bank of East Asia in Hong Kong. For its part, subsidiary Retail inMotion has entered into an onboard-retail partnership with Germany-based Marabu (airlines) that is set to launch in the second quarter of the year. In the area of food commerce, there was a sixth ghost-kitchen brand unveiled for the Latin American market.

Sustainability and People

As one of its sustainability targets under the People umbrella, the LSG Group has officially launched its own internal LGBTQ support network under the name, Rainbow Sky. The network aims at further promoting diversity, equity and inclusion within the Group. In the United States, the company also launched a recruitment partnership with the U.S. Army through their PaYS program for veterans.

Furthermore, the LSG Group recently welcomed its new CFO, Holger Fleige, after Wilken Bormann announced his voluntary departure early in the quarter.

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 as a global catering specialist with the highest hygiene and quality standards for airlines, the home-delivery market and retail. Retail inMotion, which specializes in in-flight sales, 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 2022, its 18,778 FTE's at 131 locations in 40 countries worldwide generated a consolidated revenue of 1.960 million euros. LSG Sky Chefs produced 275 million airline catering meals (including minority interests) and 33 million food commerce units during this period. www.lsg-group.com