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NEW MISSION AND MORE SUSTAINABILITY PAVE WAY TO THE FUTURE CORONA CRISIS CONTINUED TO HIT CORE BUSINESS IN FIRST QUARTER

Neu-Isenburg, Germany, April 29, 2021 – The LSG Group continued to feel the effects the corona pandemic has had on the travel industry in the first quarter of 2021. The company's revenue fell by 71 percent to EUR 194 million (previous year: EUR 660 million) during that period due to the decline in passengers among its airline customers worldwide and the diminished number of long-haul flights. Excluding the company's European business, which was sold at the end of 2020, this represents a decline of 58 percent.

Nevertheless, the LSG Group has succeeded in setting a course for the future. "We have stuck to strict cost management and secured our liquidity, while at the same time developing new strategies and becoming more efficient organizationally," said Dr. Kristin Neumann, CFO of the LSG Group. "I am convinced that after the corona crisis we will be a leaner but more powerful company and attractive employer."

Government assistance, such as the CARES Act in the U.S., helped improve the company's financial situation. Nevertheless, the number of employees at the LSG Group (International, excluding the sold EU business) fell by around 40 percent to 16,400 compared to the end of 2019. The 27 million meals produced in the first quarter of 2021 at the LSG Group's fully consolidated operations represent a year-on-year decline of 55 percent. The adjusted EBIT improved by 82 percent to EUR -10 million (previous year: EUR -55 million), and EBIT by 94 percent to EUR -9 million (previous year: EUR -156 million).

New mission statement, more sustainability, new technologies

The LSG Group aims to succeed in traditional catering markets and new business areas in the future guided by a new corporate mission statement ("Our mission is to connect food and people. Everywhere."). "Creating culinary delights of consistent



quality that are delivered with reliable logistics remain our core competencies,” said Erdmann Rauer, CEO of the LSG Group. “We are also making it even easier for our customers and their passengers to enjoy these benefits with our digital solutions.”

The new corporate strategy relies on a total of five revenue streams, starting with the core business of airline catering, with a new focus on in-flight sales, technology/digitization and food commerce (retail and home-delivery services). All of the company’s geographical regions are currently testing new business models outside the airline business (non-aviation), and have already won numerous significant contracts.

New onboard-retail concepts for the Lufthansa Group, developed in collaboration with the LSG Group subsidiary Retail inMotion, are an example of how this business area is also growing. The company's onboard-retail activities are supported by new technologies such as the autoclaving of food, which was recently used in the preparation of space food dishes for ESA astronaut Matthias Maurer on his trip to the International Space Station (ISS). For airline and convenience-retail customers, the technology means less waste thanks to a longer shelf life without refrigeration. "In addition, in the future we will be focusing even more on sustainability,” added Erdmann Rauer. “We have committed ourselves to six out of the 17 sustainable development goals issued by the United Nations, and are pursuing targeted projects revolving around them.”

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 global catering specialist with the highest hygiene and quality standards for airlines, the home-delivery market and retail, and Retail inMotion, which specializes in in-flight sales, product development and technology solutions while setting standards with its understanding of partnerships and innovative strength.

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 consolidated revenue of 945 million euros. LSG Sky Chefs (including minority interests) produced 244 million meals during this period. www.lsg-group.com