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LSG GROUP: DIGITALIZATION AND NEW BUSINESS AREAS SECURE FUTURE RECOVERY REMAINS IN FOCUS: SALES GROWTH AND POSITIVE EARNINGS

Neu-Isenburg, March 4, 2022 – Despite the ongoing pandemic in fiscal year 2021, the LSG Group consistently pursued its growth strategy: Starting with its core airline catering business, the company strengthened its in-flight sales and digitalization areas, opened up new markets (in the retail and home-delivery service business, for example) and maintained its strict cost management.

The LSG group ended the fiscal year 2021 with a consolidated revenue of EUR 1,113 million, an 18 percent increase compared to the previous year (excluding the European shares sold). One reason was the positive development of the North American domestic catering business, which more than offset pandemic-related declines in Asia. In addition, there were grants, mostly under the U.S. CARES Act, which allowed for the continued employment of staff and were used for wage and salary payments. The LSG group thus broke even in fiscal year 2021 and generated positive adjusted EBIT of EUR 27 million (earnings before interest and taxes; previous year: EUR -284 million).

"The positive result with which the LSG Group emerges from fiscal year 2021 is both a reward and an incentive for the entire team," said Wilken Bormann, the LSG Group's new Chief Financial Officer and Labor Director since March 1, 2022. "We can be proud of what we have achieved. At the same time, we need to prepare for upcoming challenges, especially with regard to the worrying developments in Ukraine and its possible repercussions."

New business and contract extensions in airline catering and in-flight sales

In fiscal year 2021, the LSG group extended existing catering contracts and concluded new ones in all regions. They include Greater Bay Airlines in Hong Kong, Lufthansa German Airlines (outside Europe), JetBlue and Alaska Airlines in the USA and LATAM Airlines in Brazil. In Chengdu, China, LSG Sky Chefs opened a new catering facility, and in Brazil the new Congonhas unit (Sao Paulo) went operational.

The LSG Group also scored points in the area of in-flight sales and digitization: The introduction of "Onboard Delights," "SWISS Saveurs" and "Austrian Melangerie" – the Lufthansa Group's new catering concepts developed with Retail inMotion (RiM) – all went smoothly. Reassuringly, the feedback from airlines, passengers and crews was positive. Retail inMotion



(RiM) successfully introduced a new in-flight sales concept on Lufthansa German Airlines' long-haul routes. RiM also launched its collaboration with Eurowings Discover, which includes food, beverages and boutique products, as well as a digital in-flight magazine. The new augmented reality shopping technology, which IT experts from LSG Group developed with RiM, is also being used on the leisure flights. Thanks to these developments, Retail inMotion is consolidating its leading market position as an onboard sales and technology provider in Europe.

Diversification into new markets

The company's Convenience Retail segment recorded both renewals and new contracts, mainly in the United States, Latin America and New Zealand, including in the pre-packaged meal-kit business, which contributed significantly to capacity utilization in some U.S. catering operations. In the area of "New Business Models," the Ghost Kitchen project, in which virtual restaurant brands are created with food delivery services to generate additional revenue, made significant progress. What began as a pilot in Miami in 2020 evolved into a full-scale project in 2021 with multiple locations in the U.S. and additional pilots in Hong Kong and the Baltic States.

"Our successes over the past year show that we are on the right track with our strategic realignment and are helping to secure the future of our company," said Erdmann Rauer, Chief Executive Officer of the LSG Group. "Thanks to diversification into new markets, we are positioning ourselves more broadly, and by means of digitalization we are supporting our airline customers by offering them services in a more customer-centric, individualized and, above all, efficient manner. This is backed by the outstanding expertise of our technology experts. As a management team, we have set ourselves ambitious goals for 2022 as well, and we intend to continue shaping the transformation of the airline-catering industry together."

"People" as the focus of sustainability initiatives

In 2021, a number of LSG Group's sustainability activities focused on the "People" area as a result of the pandemic, such as local vaccination campaigns. The topic of diversity also took center stage when the five dimensions of diversity were communicated in the fiscal year and gender equality was highlighted. In addition, the LSG Group took over the chairmanship of the Sustainability Committee of the Airline Catering Association (ACA). In this role, the company is driving forward the development of concrete initiatives and guidelines for ACA members and the catering industry as a whole.

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.

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 2021, its 15,500 employees at 140 locations in 40 countries worldwide generated a consolidated revenue of 1.113 billion euros. LSG Sky Chefs produced 131 million meals (excluding minority interests) during this period. www.lsg-group.com