



contact Alexandra Appel
Head of Communication and Marketing
phone +49 (0) 6102 240 716
e-mail alexandra.appel@lsg-group.com

Information

LSG Lufthansa Service Holding AG
Dornhofstraße 38
D-63263 Neu-Isenburg
Internet: www.lsg-group.com

LSG GROUP: GROWTH, WITH A STRONG STRATEGIC FOCUS

Neu-Isenburg/Germany, March 3, 2023 – As the pandemic receded, the LSG Group continued its recovery in the fiscal year 2022, and ended it with an overall increase in total year revenue. The company remained focused on executing its three-pillar strategy designed to continue developing the business while growing increasingly adept at dealing with the challenges that still plague the industry and the economy in general. It also reaffirmed that the key to its ability to move ahead is closely tied to its stringent cost and receivables management. Going forward, the LSG Group will concentrate on offering tailored trending products, satisfying customers' and consumers' demands for more value for money, digitalization, health & ESG and convenience.

The LSG Group (LSG Sky Chefs and Retail inMotion) ended the fiscal year 2022 with a consolidated revenue of EUR 1,960 million, compared to EUR 1,113 in 2021, which is a 75 percent increase. That figure translates into 85 percent of its pre-pandemic revenues in 2019. "This result is particularly satisfying considering the lingering after-effects of the pandemic, a slow market recovery in Asia, a stubborn inflation and a difficult labor market," said LSG Group CFO Wilken Bormann.

A Future Built on a Three-Pillar Strategy

Going forward, the LSG Group intends to remain on its path to further growth guided by a strategy based on three synergetic pillars that reflects its organizational structure. While **classic airline catering** remains at the core of its business and identity, the company sees **onboard retail** (OBR) as the engine powering its growth, while its **food commerce** business will fuel its expansion into new areas. "Our goal is to strengthen our core business, identifying and developing new business models and reclaiming our number one position in our customers' choice and markets," said Erdmann Rauer, CEO of the LSG Group. "Classic Catering is our foundation. We want no less than to transform the airline catering industry by further enhancing our technology capacity for customization and working with our customers to help them reach a new level of innovation in their catering concepts. At the same time, we want to grow our food-commerce models to serve a new host of customers in the retail and related sectors."



Business wins and extensions

Over the course of the year, LSG Sky Chefs was able to secure and extend a number of **airline catering** contracts across all regions. One of those was the retention of the Air France-KLM business in 7 out of the 11 units in which it currently serves this customer. In September, Copa Airlines also agreed to extend its contract covering 23 stations in North America and Canada for another three years. China Southern Airlines in Thailand and GOL in Brazil were also retained. New contracts were signed with Condor, Greater Bay Airlines, Turkish Airlines, Virgin Atlantic, Vietnam Airlines and Air New Zealand.

Meanwhile, expert subsidiary Retail inMotion (RiM) was able to extend its **onboard retail** outsourcing partnership with Spirit Airlines by another five years. They also secured an extended three-year contract with Aer Lingus and relaunched the boutique business (inflight shopping) on all Lufthansa and SWISS intercontinental flights with a brand-new product range. Greater Bay Airlines became a new onboard-retail customer, too. RiM was also recognized at the Frontier Awards in France as “Inflight Retailer of the Year.” It also earned kudos for its digitization of the onboard sales for Eurowings with the “Technology Success Story of the Year” award.

As for the ghost kitchen business, which is part of the company’s **food commerce** segment, the company is now focused on the growing markets in North America and Latin America. In the U.S., they have already found success in five markets, including Denver, Miami, Chicago, Atlanta and Minneapolis-St. Paul. Fifth Season became a new convenience retail customer in the US.

Sustainability goals

In the area of sustainability, the LSG Group identified seven target areas as the focus of its vision in this area, based on People, Planet and Prosperity with set key performance indicators (KPIs). Most recently, the company announced a cage-free egg sourcing pledge that it aims to accomplish within five years.

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 billion 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