

Results for the 2017/2018 business year

(1 April 2017 to 31 March 2018)

more profit - less revenue

REVENUE	EUR 861.41m	- 5.7%
EBITDA	EUR 83.41m	- 9.2%
EBIT	EUR 50.64m	- 9.9%
NET RESULT	EUR 24.37m	+ 17.0%

VIENNA – 14 June 2018 - DO & CO Aktiengesellschaft is publishing its results under IFRS for the 2017/2018 business year today. In its business year 2017/2018, the DO & CO Group recorded revenue in the amount of EUR 861.41m, representing a decline of -5.7% or EUR -52.03m on the previous year.

The decline in revenue was particularly affected by negative currency effects (EUR 67m) and due to the European football championship not taking place (EUR 29m). When excluding the above effects on revenue (EUR 96m) the DO & CO group would show a growth in revenue of 5%.

Divisions and Group	BY 2017/18 in Mio €	BY 2016/17 in Mio €	Change in Mio €	Change in %
Airline Catering	574.11	597.46	-23.34	-3.9%
International Event Catering	123.00	146.33	-23.33	-15.9%
Restaurants, Lounges & Hotel	164.30	169.66	-5.36	-3.2%
Group revenue	861.41	913.44	-52.03	-5.7%
EBITDA	83.41	91.89	-8.48	-9.2%
Depreciation/impairment	-32.77	-35.66	2.88	-8.1%
EBIT	50.64	56.24	-5.59	-9.9%
Net Result	24.37	20.83	3.54	17.0%
EBITDA margin	9.7%	10.1%		
EBIT margin	5.9%	6.2%		
Net result margin	2.8%	2.3%		
Employees	9,587	9,576	11	0.1%

The EBITDA of the DO & CO Group was EUR 83.41m (PY: EUR 91.89m). The EBITDA margin was 9.7% (PY: 10.1%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to EUR 50.64m for the 2017/2018 business year, EUR -5.59m lower than in the previous year. The EBIT margin was 5.9% (PY: 6.2%). The net result improved from EUR 20.83m in the previous year to EUR 24.37m in the business year 2017/2018.

Below, a detailed account is given on the development of the three divisions of the DO & CO Group:

1. AIRLINE CATERING

Airline Catering	BY 2017/18 in Mio €	BY 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	574.11	597.46	-23.34	-3.9%
EBITDA	60.62	70.63	-10.02	-14.2%
Depreciation/impairment	-24.28	-25.69	1.41	-5.5%
EBIT	36.33	44.94	-8.61	-19.2%
EBITDA margin	10.6%	11.8%		
EBIT margin	6.3%	7.5%		
Share in consolidated sales	66.6%	65.4%		

Throughout the business year 2017/2018, the Airline Catering division again faced a highly competitive and volatile market environment.

U.S.A.

The DO & CO gourmet kitchen in New York JFK reported increased revenue. The new customer Lufthansa also contributed to this development with several daily flights to Munich and Frankfurt since March 2017. DO & CO has substantially improved its market position at this strategically important location. Existing customers such as Emirates and Egypt Air also contributed to the increase in revenue.

The second North American location Chicago O'Hare also reports a favourable business development. Towards the end of the business year, Qatar Airways was acquired as a new customer. DO & CO now has nine customers at this location.

In the second quarter of the business year 2017/2018, a state-of-the-art gourmet kitchen was opened in Los Angeles. Reporting up to 85 million passengers, Los Angeles International Airport (LAX) is the second-largest airport in the US and the fifth-largest airport in the world. Since the opening in September 2017, Emirates, as the launch client, has been provided with catering services on their daily long haul flights, immediately

followed by Cathay Pacific on 1 October 2017, operating 3 to 4 flights per day from Los Angeles to Hong Kong. In addition to the New York John F. Kennedy Airport and Chicago O'Hare locations, this is now the third DO & CO location in the US.

GREAT BRITAIN

In London Heathrow, revenue grew through existing and new customers (such as Oman Air, which started operations in July 2017).

Furthermore, exclusively for the British Airways long haul business class, new service concepts (including new tableware by the DO & CO design department) were developed and trialled over a six-month period, including newly designed menus, served between the London Heathrow and New York JFK route. We are very happy that customer satisfaction levels have strongly increased.

GERMANY

At the German locations (Frankfurt, Munich, Düsseldorf and Berlin), revenue significantly improved with existing customers as well as through the acquisition of new customers. Furthermore, Thai Airways became a new customer in Frankfurt and Munich at the end of the business year 2016/2017. Since April 2017, DO & CO is supplying catering services to Thai Airways for all flights departing from Munich and Frankfurt.

POLAND

Our gourmet kitchens in Poland are again reporting revenue increases with existing customers, such as LOT Polish Airlines, who is a close partner for many years and through the acquisition of new customers.

ITALY

In Milan Malpensa business was increased with new clients, such as Thai Airways (since April 2017) and existing customers (such as Oman Air and Qatar Airways).

UKRAINE

Revenues in the Ukraine have declined, but based on very little volumes. The biggest potential client in the Ukraine is continuing with insourced solutions.

AUSTRIA

NIKI caused a decline in revenue in Austria. In the summer flight plan 2017, only 5 of previously 22 airplanes were based in Austria. Additionally, a buy-on-board concept designed by Versilia Solutions Ltd. - a joint venture founded by DO & CO and partners - was introduced. Due to the insolvency of NIKI's parent company Air Berlin, catering services for NIKI were discontinued at the end of 2017.

TURKEY

The cost-cutting programme, which was initiated for Turkish Airlines has been continued all year and, for the first time, affected results for the whole business year.

In the course of the business year 2017/2018, a significant decline of the Turkish lira against the euro was reported. While 1 euro still amounted to 3.89 Turkish lira at the beginning of the business year 2017/2018, the exchange rate of the euro at the end of March 2018 only amounted to 4.88 Turkish lira and had thus fallen by -25.4%. Since the main portion of costs are incurred in the local currency, the margins might remain largely unaffected by this development, but it was impossible to avoid a negative influence on the reported revenue in euros. Despite all cost-cutting measures, revenue in the local currency (Turkish lira) grew again for the first time (+1.9%). However, due to the depreciation of the Turkish lira against the euro, the growth translates to an overall decline in revenue by -16.9% in the consolidated income statement of DO & CO.

VERSILIA – Innovative buy-on-board solutions for airlines:

The joint venture Versilia Solutions Ltd. which exclusively focuses on the development of buy-on-board solutions for airline catering, already provided services to three customers - NIKI, JetSmart and Stobart Air - in the business year 2017/2018.

2. INTERNATIONAL EVENT CATERING

International Event Catering	BY 2017/18 in Mio €	BY 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	123.00	146.33	-23.33	-15.9%
EBITDA	12.10	11.79	0.31	2.6%
Depreciation/impairment	-4.86	-5.07	0.21	-4.2%
EBIT	7.24	6.72	0.53	7.8%
EBITDA margin	9.8%	8.1%		
EBIT margin	5.9%	4.6%		
Share in consolidated sales	14.3%	16.0%		

The decline in revenue in this division is due to the missing activities during the European football championship compared to the previous year. It is particularly pleasing that both the EBITDA and the EBIT margin were significantly improved as compared to the previous year.

It should be highlighted that DO & CO has been responsible for the stadium catering of Juventus Turin football club since mid-August 2017, including 16 Serie A matches (the top division in Italian professional football), four Champions League matches as well as three matches of the national cup competition. An average of approx. 4,100 VIP guests as well as 36,000 further stadium visitors enjoyed the catering of DO & CO on these occasions. In addition to Bayern Munich, Red Bull Salzburg and Austria Vienna, Juventus Turin is the fourth football club to enjoy the culinary treats of DO & CO.

Moreover, in the business year 2017/2018, DO & CO also was the culinary host at events such as:

- 17 Formula 1 grand prix races in 17 different countries
- 35 football matches at the Allianz Arena
- Numerous events at the Munich Olympic Park
- ATP Tennis Masters Series in Madrid
- UEFA Champions League final at the national stadium of Wales in Cardiff
- Equestrian tournament CHIO in Aachen
- Numerous events in Austria (Hahnenkamm ski race in Kitzbühel, beach volleyball tournament in Vienna and the Bergisel and Bischofshofen legs of the Four Hills Tournament)
- Miami Major beach volleyball tournament in Fort Lauderdale / US
- Film Festival at the Rathausplatz in Vienna

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	BY 2017/18 in Mio €	BY 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	164.30	169.66	-5.36	-3.2%
EBITDA	10.70	9.47	1.23	13.0%
Depreciation/impairment	-3.63	-4.89	1.26	-25.8%
EBIT	7.07	4.58	2.49	54.4%
EBITDA margin	6.5%	5.6%		
EBIT margin	4.3%	2.7%		
Share in consolidated sales	19.1%	18.6%		

The DO & CO restaurants reported a stable revenue development in the business year 2017/2018. The DO & CO flagship restaurant at Vienna's Stephansplatz, the DO & CO restaurant at the Albertina as well as the two restaurants located at the Munich Olympic Park, Restaurant 181 and Restaurant Olympiasee, generated satisfactory revenue figures.

In mid-June 2017, DO & CO opened the first gourmet shop under the Henry brand in Kiev.

Under their joint venture, DO & CO and Nespresso opened their second Nespresso Café in London at the end of June 2017. Fresh products from the London-based DO & CO gourmet kitchen and Nespresso coffee are served in Soho.

The 29 lounges operated around the world by DO & CO served culinary delights to over 4.4 million passengers in the business year 2017/2018.

As reported, the rendering of train catering services for the Austrian federal railways (ÖBB) ended on 31 March 2018.

OUTLOOK

After a difficult business year 2017/2018 characterised by market conditions that cannot be controlled by DO & CO as well as considerable currency-based negative influences, and despite a decrease in revenue, DO & CO was still able to achieve an improved net result. The management of DO & CO has a positive outlook on the business year 2018/2019 and would like to report on the following developments:

EXTENSION OF THE CATERING CONTRACT WITH AUSTRIAN AIRLINES

DO & CO and Austrian Airlines will continue their long-standing partnership. Once again, DO & CO emerged as the highest bidder among six international participants in a tendering procedure and is pleased to be able to offer business class, premium economy and economy class catering services on all Austrian Airlines flights also in the future.

The new contract commences on 1 January 2019 and was confirmed for a period of three years, including an option to extend the contract for a further three years.

EXTENSION OF THE CATERING CONTRACT WITH LOT POLISH AIRLINES

In the first quarter of the business year 2018/2019, DO & CO successfully extended the catering contract with LOT Polish Airlines at the Polish locations by a further five years and nine months.

EXTENSION OF THE COOPERATION WITH THE LUFTHANSA GROUP - SWISS NEW CUSTOMER IN LOS ANGELES

After Lufthansa at New York JFK and the extension of the cooperation with Austrian Airlines, SWISS was acquired as a customer for the first time as well.

Starting at the beginning of July 2018, catering services will be provided to SWISS on one daily flight from Los Angeles to Zurich. Cooperation with the Lufthansa Group is therefore being further intensified. With Emirates, Cathay Pacific and SWISS, DO & CO now has three customers at the newly opened location in Los Angeles.

EXTENSION OF THE CONTRACT WITH OLYMPIAPARK MÜNCHEN GMBH

The Olympic Park in Munich and Arena One Gastronomie GmbH, a company pertaining to the DO & CO Group, are continuing their successful cooperation.

In a tendering procedure, DO & CO in Munich was awarded the contract to cater for guests and visitors at the Munich Olympic Park, the Restaurant Olympiasee and the Restaurant 181 at the Olympic Tower. The new contract commences on 1 January 2019 and was concluded for a period of five years, including an option to extend the contract for a further five years.

DO & CO IS BUILDING ONE OF THE LARGEST EUROPEAN GOURMET KITCHENS IN LONDON

A further building is being added to the existing DO & CO gourmet kitchen at London Heathrow. With an area of more than 30,000 sqm, one of the most modern gourmet kitchens in Europe is being built. Completion is scheduled for the end of 2019.

LARGE INTERNATIONAL TENDERS

In addition to DO & CO regularly participating in tenders for individual customers at various locations, two large international tenders for "home base caterers" are currently in progress. Both British Airways and Iberia are tendering the catering at the London Heathrow and London Gatwick as well as Madrid Barajas locations as of 2020. A decision is expected to be made in the coming weeks.

Also noteworthy is the IAG North America tender, comprising all catering services for all British Airways, Iberia and Aer Lingus flights ex North America. In North America, DO & CO provides catering services at the New York John F. Kennedy Airport, Chicago O'Hare and Los Angeles locations. A decision is expected to be made in autumn 2018.

EXPANSION OF BUY-ON-BOARD BUSINESS IN AIRLINE CATERING

Together with its joint venture Versilia Solutions Ltd. founded in 2016, DO & CO will keep its focus on developing buy-on-board solutions for airline catering, with the expansion continuing to go forward. A favourable development is the re-acquisition of Laudamotion ex Vienna (former NIKI) as of 1 June 2018. In the winter flight plan, up to eight airplanes will be based in Vienna. Additionally, Vueling was acquired as a new customer, with catering services ex Vienna commencing in mid-August.

TURKEY

Ongoing negotiations with Turkish Airlines regarding further steps, including the termination of the cooperation at Turkish DO & CO are currently taking place in good spirit. The Management Board assumes that a reasonable agreement for DO & CO will be reached in the coming weeks. The partners have agreed not to disclose any information until the talks have been completed.

FURTHER INTERNATIONAL TENDERS IN FOOTBALL

DO & CO is currently participating in tendering procedures for the UEFA Champions League finals in 2019, 2020 and 2021 as well as in a tendering procedure for parts of UEFA EURO 2020 with regard to hospitality services and catering. A decision is expected to be made in the coming weeks.

NEW ACQUISITIONS

As in previous quarters, DO & CO continues to evaluate possible targets for acquisition in various markets.

DO & CO's management is confident that it can continue its successful performance of the past years. A focus on innovation, superior product and service standards and excellently trained and committed staff continue to provide the underpinnings for DO & CO to make the best possible use of its available growth potential.

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ISIN

Security abbreviation
Reuters
Bloomberg
Number of shares
Listed nominal amount
Indices

Official quotation
Currency
Initial listing

AT0000818802

DOC, DOCO
DOCO.VI, DOCO.IS
DOC AV, DOCO. TI
9,744,000
19,488,000 EUR
ATX Prime, ATX CPS, ATX GP,
BIST ALL
Vienna, Istanbul
EUR, TRY
30 June 1998 (Vienna Stock Exchange)
2 December 2010 (Istanbul Stock Exchange)

Financial calendar:

2 July 2018	Record date for the General Meeting of Shareholders for the business year 2017/2018
12 July 2018	General Meeting of Shareholders for the business year 2017/2018
16 July 2018	Dividend ex day
17 July 2018	Record date for dividends
30 July 2018	Dividend payment date
14 August 2018	Results for the first quarter of 2018/19
15 November 2018	Results for the first half year of 2018/2019
14 February 2019	Results for the first three quarters of 2018/2019