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ENTERTAINMENT  
COMPANY

**1-3 Quarters 2020/2021  
Analyst Call  
Presentation**

DO & CO Aktiengesellschaft  
Vienna, 18 February 2021

# Analyst Call

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**Attila Dogudan**  
CEO



# 1-3 Quarters 2020/2021

At a glance

| Group                    |           | Q1            | Q2            | Q3           | Q1-Q3         |
|--------------------------|-----------|---------------|---------------|--------------|---------------|
| <b>Revenue</b>           | <b>m€</b> | <b>32.5</b>   | <b>78.9</b>   | <b>78.6</b>  | <b>189.9</b>  |
| <b>EBITDA</b>            | <b>m€</b> | <b>-7.7</b>   | <b>14.3</b>   | <b>20.0</b>  | <b>26.6</b>   |
| Depreciation             | m€        | -13.9         | -24.2         | -13.4        | -51.5         |
| EBIT                     | m€        | -21.7         | -9.9          | 6.7          | -24.9         |
| <b>Net result</b>        | <b>m€</b> | <b>-22.2</b>  | <b>-15.1</b>  | <b>1.7</b>   | <b>-35.5</b>  |
| <b>EBITDA margin</b>     | <b>%</b>  | <b>-23.8%</b> | <b>18.1%</b>  | <b>25.5%</b> | <b>14.0%</b>  |
| EBIT margin              | %         | -66.7%        | -12.6%        | 8.5%         | -13.1%        |
| <b>Net result margin</b> | <b>%</b>  | <b>-68.2%</b> | <b>-19.2%</b> | <b>2.2%</b>  | <b>-18.7%</b> |

actions taken and extraordinary measures  
lead to **positive net result in Q3 !**

# 1-3 Quarters 2020/2021

## At a glance

- **first three quarters fully in line with expectations and forecasts**
- **additional liquidity secured**
  - **€ 100m convertible bond with a coupon of only 1.75%**
- **financial covenants waiver received from all banks for the business year 2020/2021**
- **significantly increasing US footprint – new contracts with major US carriers:**
  - **10-years contract with Delta Airlines in hub location Detroit**
  - **expansion of the partnership with Jet Blue in Los Angeles, San Diego and Palm Springs**
- **strong R&D and investments in B2C product development**
- **expecting a very challenging Q4, but within expectations**

A large, stylized, olive-green vine graphic with circular leaves and a thick stem, positioned on the left side of the slide. The background features a faint grid pattern.

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**Highlights and Outlook**  
1-3 Quarters 2020/2021

**TENDER WON !**

**10-years contract with Delta Air Lines in Detroit**



# Airline Catering

## 10-years contract with Delta Air Lines



### ➤ USA / Detroit

- **DO & CO will be the sole hub caterer in Detroit for DELTA AIR LINES**



- **10-years contract with the world's biggest airline starting 16 Mar. 2021**
- **volume**
  - all flights at hub station (mostly domestic):
    - short-haul 380 flights per day\*
    - long-haul 16 flights per day\*
  - cost-plus system with an open book and a fixed margin
  - performance-linked contract (customer satisfaction)
- **takeover of existing Delta kitchen currently operated by LSG**
- **decisive milestone in the realization of DO & CO's US expansion plans**

\* tender volumes on average and post COVID-19 pandemic

# Airline Catering

New customers in 2020/2021

## ➤ USA / Los Angeles: expansion of partnership with Jet Blue



- **DO & CO will now also provide the “Mint Class” (business class) for all Jet Blue flights ex Los Angeles, San Diego and Palm Springs**
- DO & CO is already serving Jet Blue since Nov. 2018 in New York JFK
- start-up in mid-Apr. 2021
- volume: 25 long-haul flights per day\*

→ **decisive milestone in the realization of DO & CO’s US expansion plans**

## ➤ additional contract wins !

- **Etihad Airways** ex Los Angeles
- **Etihad Airways** ex Chicago
- **Qatar Airways** ex Madrid
- **Gulf Air** ex London Heathrow
- **Air Premia** ex Incheon

\* tender volumes on average and post COVID-19 pandemic

# International Event Catering

Top-class events even under strict hygiene regulations

## ➤ Erste Bank Open – ATP Vienna

- 24 Oct. – 1 Nov. 2020 → 9 days
- à-la-carte catering services for VIP areas
- in total 4,500 PAX



# Restaurants, Lounges & Hotel

## New products for Demel Kohlmarkt

### ➤ Demel Kohlmarkt

- **reopening on 2 Oct. 2020** with new COVID-19 friendly salesroom design and new culinary concept
- **shutdown of all gastronomy in Austria beginning of Nov. 2020**  
→ **new creative take-away concept "Kaiserschmarrn to go"** (Austrian style pancakes)
  - **new "puppenkrapfen manufactory"** (doughnuts to go)
  - **DEMEL bread** – new bakery already in place



# Restaurants, Lounges & Hotel

## Creative take-away concept

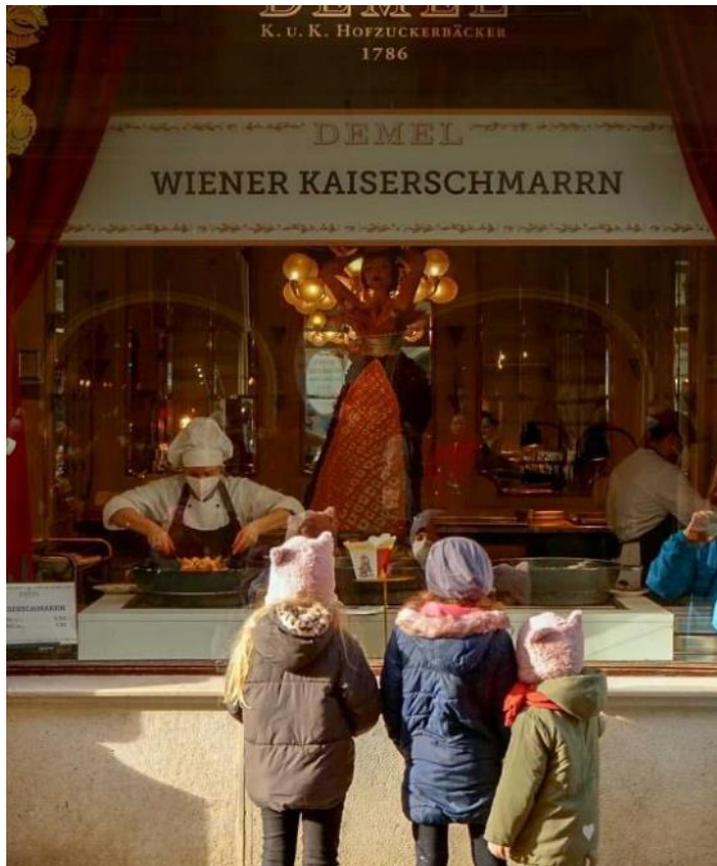
### ➤ Demel Kohlmarkt: Kaiserschmarrn-to-go

- average portions sold per day
- peak days
- revenue per day

1,500

up to 1,800 portions

€ 15 – 20,000

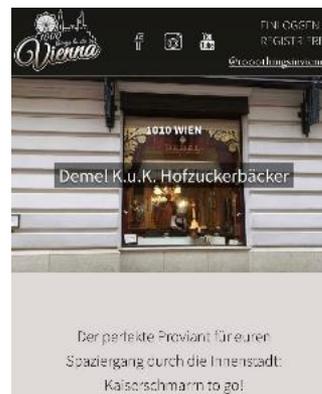


# Restaurants, Lounges & Hotel

## Creative take-away concept

### ➤ Demel Kohlmarkt: Kaiserschmarrn-to-go

- strong media coverage and very popular on social media



# Restaurants, Lounges & Hotel

## Successful opening of ONYX Restaurant

- **very successful opening of the ONYX RESTAURANT VIENNA** (15 Oct. 2020)
  - Onyx bar converted to **Contemporary Asian cuisine**
  - 60 seats, up to 200 guests per day !
  - closed due to government shutdown since 2 Nov. 2020



# Restaurants, Lounges & Hotel

## DO & CO Munich – Hotel / Restaurant Entrance



### ➤ new DO & CO hotel and restaurants in central Munich

- successfully completed as of 6 Dec. 2020
- opening postponed due to COVID-19 pandemic



# Restaurants, Lounges & Hotel

DO & CO Munich Gastwirtschaft – ground floor



Bavarian Gastwirtschaft

regional specialties & healthy food  
ground floor



# Restaurants, Lounges & Hotel

## DO & CO Restaurant – first floor



DO & CO Restaurant

contemporary Asian and DO & CO food  
first floor



# Restaurants, Lounges & Hotel

## DO & CO Munich – „The Red Bar“



# Restaurants, Lounges & Hotel

## DO & CO Restaurant – first floor



Boutique Hotel rooms | 30 rooms  
cosy, classy, with Bavarian touch



A large, stylized, dark green vine graphic with circular leaves and a thick stem, positioned on the left side of the slide. The background is a light green color with a faint grid pattern.

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**Financials**  
1-3 Quarters 2020/2021

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**Gottfried Neumeister**  
CCO



# 1-3 Quarters 2020/2021

## Q3 Highlights

- **Q3 revenue stable despite new lockdowns and increased uncertainty**
- **restructuring measures taken are effective and sustainable**
- **EBITDA margin increased to 25.5% in Q3**
- **positive net result in Q3**
- **additional liquidity secured → € 100m convertible bonds with a coupon of only 1.75%**
- **improved equity ratio of 15.0%, further improvement for Q4 expected**

# 1-3 Quarters 2020/2021

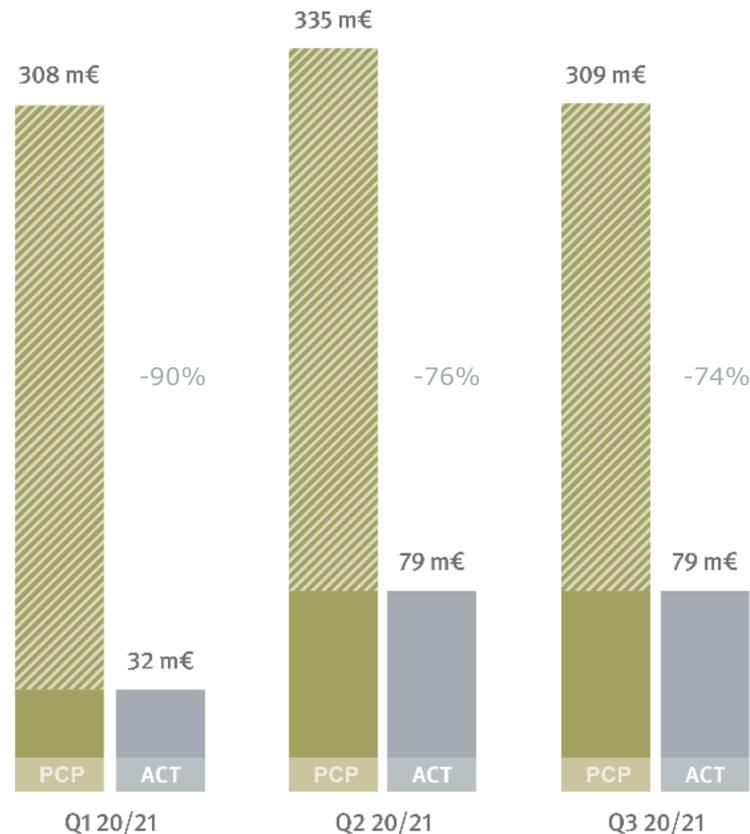
## Impacts of the COVID-19 pandemic

➤ **still worldwide shutdown of almost all DO & CO businesses**

- 21 countries, 3 divisions and all brands
  - all restaurants, cafés, events, Formula 1, stadia, airline catering, etc.

➤ **stable revenues on a low level due to continuation of shutdowns or already new shutdowns in almost all regions of the world**

➤ **no further revenue increase for Q4 expected**



PCP = Pre COVID-19 Plan

# 1-3 Quarters 2020/2021

## Income Statement

| Group                    |           | Q1<br>2020/21 | Q2<br>2020/21 | Q3<br>2020/21 | Q1-Q3<br>2020/21 | Q1<br>2019/20 | Q2<br>2019/20 | Q3<br>2019/20 | Q1-Q3<br>2019/20 | Change Q3<br>yoy | Change Q3<br>yoy % |
|--------------------------|-----------|---------------|---------------|---------------|------------------|---------------|---------------|---------------|------------------|------------------|--------------------|
| <b>Revenue</b>           | <b>m€</b> | <b>32.5</b>   | <b>78.9</b>   | <b>78.6</b>   | <b>189.9</b>     | <b>247.5</b>  | <b>260.3</b>  | <b>252.0</b>  | <b>759.9</b>     | <b>-173.5</b>    | <b>-69%</b>        |
| <b>EBITDA</b>            | <b>m€</b> | <b>-7.7</b>   | <b>14.3</b>   | <b>20.0</b>   | <b>26.6</b>      | <b>28.1</b>   | <b>32.6</b>   | <b>27.2</b>   | <b>87.9</b>      |                  |                    |
| Depreciation             | m€        | -13.9         | -24.2         | -13.4         | -51.5            | -12.5         | -13.7         | -12.7         | -39.0            |                  |                    |
| EBIT                     | m€        | -21.7         | -9.9          | 6.7           | -24.9            | 15.6          | 18.9          | 14.5          | 49.0             |                  |                    |
| Financial result         | m€        | -4.8          | -5.4          | -4.1          | -14.3            | -2.9          | -2.7          | -2.3          | -7.8             |                  |                    |
| Income tax               | m€        | 4.5           | 0.0           | -0.4          | 4.1              | -3.4          | -3.5          | -2.9          | -9.8             |                  |                    |
| Minorities               | m€        | -0.2          | 0.3           | -0.5          | -0.4             | -3.7          | -3.4          | -2.9          | -9.9             |                  |                    |
| <b>Net result</b>        | <b>m€</b> | <b>-22.2</b>  | <b>-15.1</b>  | <b>1.7</b>    | <b>-35.5</b>     | <b>5.7</b>    | <b>9.3</b>    | <b>6.5</b>    | <b>21.4</b>      |                  |                    |
| <b>EBITDA margin</b>     | <b>%</b>  | <b>-23.8%</b> | <b>18.1%</b>  | <b>25.5%</b>  | <b>14.0%</b>     | <b>11.4%</b>  | <b>12.5%</b>  | <b>10.8%</b>  | <b>11.6%</b>     |                  |                    |
| EBIT margin              | %         | -66.7%        | -12.6%        | 8.5%          | -13.1%           | 6.3%          | 7.2%          | 5.8%          | 6.4%             |                  |                    |
| Tax ratio                | %         | 17.1%         | 0.0%          | 15.9%         | 10.5%            | 26.4%         | 21.7%         | 23.9%         | 23.8%            |                  |                    |
| <b>Net result margin</b> | <b>%</b>  | <b>-68.2%</b> | <b>-19.2%</b> | <b>2.2%</b>   | <b>-18.7%</b>    | <b>2.3%</b>   | <b>3.6%</b>   | <b>2.6%</b>   | <b>2.8%</b>      |                  |                    |

### Comments

- **successful crisis management and extraordinary measures lead to:**
  - **EBITDA margin of 25.5% in Q3**
  - **positive net result in Q3**
- heavily COVID-19 influenced 1-3 Quarters → but in line with expectations and forecast
- significant revenue decline of -75.0% in 1-3 Quarters due to COVID-19 pandemic, but
  - revenue in Q2 more than doubled compared to Q1
  - revenue in Q3 stable despite increased uncertainty and lockdowns
  - fixed costs significantly reduced → restructuring measures taken are effective and sustainable
- high negative one-off effects of € -10.5m in EBIT due to impairments in Q2:
  - adjusted EBIT Q1-Q3: € -14.4m

# 1-3 Quarters 2020/2021

## Divisions

| AC                   |    | Q1<br>2020/21 | Q2<br>2020/21 | Q3<br>2020/21 | Q1-Q3<br>2020/21 | Q1-Q3<br>2019/20 | Comments  |
|----------------------|----|---------------|---------------|---------------|------------------|------------------|---|
| <b>Revenue</b>       | m€ | 23.9          | 54.9          | 55.7          | 134.5            | 535.3            | <ul style="list-style-type: none"> <li>significant decrease at all airline catering locations due to ongoing COVID-19 pandemic:                             <ul style="list-style-type: none"> <li>- recovery during Q2</li> <li>- stable revenues in Q3</li> </ul> </li> </ul> |
| <b>EBITDA</b>        | m€ | -3.9          | 10.6          | 12.4          | 19.0             | 55.1             |   |
| Depreciation         | m€ | -10.0         | -11.7         | -10.3         | -32.0            | -27.1            | <ul style="list-style-type: none"> <li>new contracts with Delta Air Lines, Jet Blue and many more carriers at various locations won</li> </ul>  |
| <b>EBIT</b>          | m€ | -14.0         | -1.1          | 2.1           | -13.0            | 28.0             |   |
| <b>EBITDA margin</b> | %  | -16.5%        | 19.3%         | 22.2%         | 14.1%            | 10.3%            |   |
| <b>EBIT margin</b>   | %  | -58.4%        | -2.0%         | 3.8%          | -9.6%            | 5.2%             |   |

| IEC                  |    | Q1<br>2020/21 | Q2<br>2020/21 | Q3<br>2020/21 | Q1-Q3<br>2020/21 | Q1-Q3<br>2019/20 | Comments  |
|----------------------|----|---------------|---------------|---------------|------------------|------------------|---|
| <b>Revenue</b>       | m€ | 2.0           | 13.3          | 14.1          | 29.4             | 119.8            | <ul style="list-style-type: none"> <li>recovery of business during Q2</li> </ul>  |
| <b>EBITDA</b>        | m€ | -0.6          | 3.7           | 4.3           | 7.4              | 17.7             |   |
| Depreciation         | m€ | -1.3          | -0.8          | -1.3          | -3.4             | -4.2             | <ul style="list-style-type: none"> <li>revenue and result still strongly affected due to the COVID-19 imposed governmental restrictions:                             <ul style="list-style-type: none"> <li>- adapted F1 season → only 1 Paddock Club</li> <li>- some football matches</li> <li>- Film Festival Vienna</li> <li>- ATP Vienna (Erste Bank Open)</li> </ul> </li> </ul> |
| <b>EBIT</b>          | m€ | -1.9          | 2.9           | 3.1           | 4.1              | 13.5             |   |
| <b>EBITDA margin</b> | %  | -29.7%        | 27.6%         | 30.8%         | 25.2%            | 14.7%            |   |
| <b>EBIT margin</b>   | %  | -95.4%        | 21.6%         | 21.8%         | 13.8%            | 11.2%            |   |

| RLH                  |    | Q1<br>2020/21 | Q2<br>2020/21 | Q3<br>2020/21 | Q1-Q3<br>2020/21 | Q1-Q3<br>2019/20 | Comments  |
|----------------------|----|---------------|---------------|---------------|------------------|------------------|---|
| <b>Revenue</b>       | m€ | 6.6           | 10.7          | 8.8           | 26.0             | 104.7            | <ul style="list-style-type: none"> <li>revenue reduction due to COVID-19 imposed governmental restrictions:                             <ul style="list-style-type: none"> <li>- shutdown of all hotels, restaurants, lounges and airport gastronomy until mid-Q1</li> <li>- again shutdown since mid-Q3 → new take-away concepts</li> <li>- first government aid received in Austria in Q3 (revenue compensation)</li> </ul> </li> </ul> |
| <b>EBITDA</b>        | m€ | -3.2          | 0.0           | 3.3           | 0.2              | 15.2             |   |
| Depreciation         | m€ | -2.6          | -11.7         | -1.8          | -16.2            | -7.7             |   |
| <b>EBIT</b>          | m€ | -5.8          | -11.7         | 1.5           | -16.0            | 7.5              |   |
| <b>EBITDA margin</b> | %  | -48.5%        | 0.2%          | 37.8%         | 0.7%             | 14.5%            |   |
| <b>EBIT margin</b>   | %  | -88.2%        | -110.0%       | 17.2%         | -61.5%           | 7.2%             |   |

# 1-3 Quarters 2020/2021

## Cash flow

| in m€   | Q1-Q3<br>2020/21 | Q1-Q3<br>2019/20 |
|---|------------------|------------------|
| <b>Gross cash flow</b>                                | <b>24.2</b>      | <b>85.9</b>      |
| Changes in current assets, provisions and liabilities | -23.0            | -3.8             |
| Taxes   | -0.9             | -7.1             |
| <b>Cash flow from operating activities</b>            | <b>0.3</b>       | <b>75.0</b>      |
| <b>Cash flow from investing activities</b>            | <b>-26.7</b>     | <b>-74.0</b>     |
| <b>Free cash flow</b>                                 | <b>-26.4</b>     | <b>1.0</b>       |
| <b>Cash flow from financing activities</b>            | <b>-19.0</b>     | <b>6.0</b>       |
| <b>Total cash flow</b>                                | <b>-45.4</b>     | <b>7.0</b>       |

### Comments

- **Cash flow from operating activities:**
  - significantly reduced revenue due to COVID-19 pandemic is also resulting in a significant reduction in the cash flow from operating activities
  - changes in trade receivables and payables almost zero
  - however, negative changes in current assets, provisions and liabilities mainly due to redundancy payments, which had been accrued as of 31 Mar. 2020
- **Cash flow from investing activities:**
  - especially for the completion of the new gourmet kitchen in London Heathrow and new hotel/restaurant in Munich
- **Cash flow from financing activities:**
  - € + 9.0m increase in financial liabilities → Paycheck Protection Program (PPP) + Payroll Support Program (PSP) in US
  - € -16.7m repayment of financial liabilities (IFRS 16 and bank loans)
  - € -11.3m interest paid (IFRS 16 and bank loans)

# 1-3 Quarters 2020/2021

## Balance sheet

| in m€  | 31 Dec.<br>2020 | 31 Mar.<br>2020 | Comments  |
|--|-----------------|-----------------|---|
| Intangible assets  | 32.9            | 37.1            |   |
| Property, plant and equipment                                      | 407.3           | 449.1           | ▪ incl. impairments due to COVID-19 in Q2   |
| Investment property  | 3.1             | 3.4             |   |
| Investments accounted for using the equity method                  | 1.5             | 2.0             |   |
| Other financial assets   | 14.9            | 3.7             |   |
| Deferred tax assets  | 17.1            | 13.9            |   |
| Other non-current assets   | 24.3            | 44.8            |   |
| <b>Non-current assets</b>  | <b>501.0</b>    | <b>553.9</b>    |   |
| Inventories  | 25.9            | 34.8            | ▪ decrease in trade receivables and inventories due to reduced revenue → COVID-19 pandemic  |
| Trade receivables  | 53.7            | 97.2            |   |
| Other financial assets   | 19.8            | 10.9            |   |
| Income tax receivables   | 1.3             | 2.8             |   |
| Other non-financial assets   | 32.3            | 33.1            | ▪ cash decrease in Q3 vs. Q2 especially due to:<br>- redundancy payments in UK<br>- CAPEX in UK and Germany<br>- negative working capital changes |
| Cash and cash equivalents  | 249.6           | 300.9           |   |
| Non-current assets held for sale                                   | 51.6            | 56.2            |   |
| <b>Current assets</b>  | <b>434.1</b>    | <b>535.9</b>    |   |
| <b>Total Assets</b>  | <b>935.1</b>    | <b>1,089.8</b>  |   |
| <b>Shareholders' equity</b>  | <b>140.0</b>    | <b>206.3</b>    | ▪ improved equity ratio with 15.0% vs. Q2   |
| Other financial liabilities  | 447.5           | 470.9           |   |
| Non-current provisions   | 16.5            | 15.9            |   |
| Other non-current liabilities                                      | 0.0             | 0.0             |   |
| Income tax liabilities   | 0.0             | 0.0             |   |
| Deferred tax liabilities   | 0.9             | 3.8             |   |
| <b>Non-current liabilities</b>                                     | <b>465.0</b>    | <b>490.7</b>    |   |
| Other financial liabilities  | 206.8           | 212.2           |   |
| Trade payables   | 52.4            | 100.6           | ▪ decrease in trade payables due to reduced revenue → COVID-19 pandemic   |
| Current provisions   | 21.2            | 22.1            |   |
| Income tax liabilities   | 5.6             | 8.4             |   |
| Other liabilities  | 33.8            | 36.3            |   |
| Liabilities directly allocable to non-current assets held for sale | 10.3            | 13.1            |   |
| <b>Current liabilities</b>   | <b>330.1</b>    | <b>392.8</b>    |   |
| <b>Total shareholders' equity and liabilities</b>                  | <b>935.1</b>    | <b>1,089.8</b>  |   |

# Convertible bonds

## Additional liquidity secured

### ➤ **successful placement of € 100m convertible bonds:**

- approval granted in the extraordinary general meeting on 15 Jan. 2021
- Jefferies was acting as Sole Global Coordinator together with Erste Group and Hauck & Aufhäuser as Joint Bookrunners
- 29 investor calls within 48 hours
- oversubscribed by 2.7 times
- conditions:
  - issue volume: € 100m
  - coupon: 1.75%
  - conversion premium: 32.5%
  - reference price: € 60.85
  - conversion price: € 80.63
  - dividend protection
  - five-year maturity → maturing Jan. 2026
  - upon conversion: issuance of up to 1,350,000 new shares (approx. 12.17% of share capital)
  - exclusion of the statutory subscription right of shareholders

→ **purpose : to further develop the business organically and inorganically and to secure liquidity throughout the ongoing COVID-19 pandemic**

### ➤ **financial covenants waiver received for the business year 2020/2021**

- in connection with successful issuance of the convertible bonds, all three banks granted a waiver for the financial covenant testing for the business year 2020/2021

The background features a light green grid pattern. On the left side, there is a large, stylized green vine graphic with several loops and a circular terminal. The text is positioned in the upper right quadrant.

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**Thank you for your attention!**

**Stay healthy!**

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DO & CO Aktiengesellschaft

Vienna, 18 February 2021

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