

A large, stylized olive branch graphic in a muted olive green color, positioned on the left side of the slide. It features a thick, curved stem and several large, rounded leaves. The background is a light olive green with a subtle grid pattern of thin, curved lines.

THE GOURMET ENTERTAINMENT COMPANY

1-3 Quarters 2020/2021 Analyst Call Presentation

DO & CO Aktiengesellschaft
Vienna, 18 February 2021

Analyst Call

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THE
GOURMET
ENTERTAINMENT
COMPANY

Attila Dogudan
CEO



1-3 Quarters 2020/2021

At a glance

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

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 D e l t a A i r L i n e s in hub location Detroit**
 - **expansion of the partnership with J e t B l u e 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**



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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

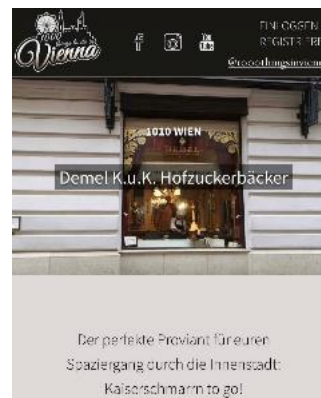


Restaurants, Lounges & Hotel

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

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



DO & CO

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



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Financials
1-3 Quarters 2020/2021

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Gottfried Neumeister
CCO



1-3 Quarters 2020/2021

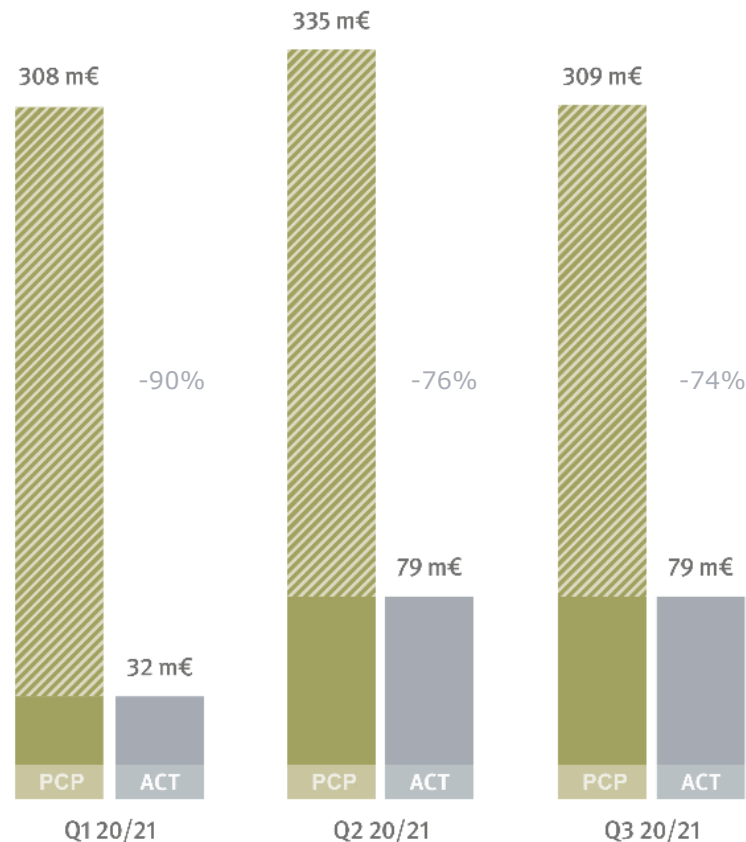
Q3 Highlights

- **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 2020/21	Q2 2020/21	Q3 2020/21	Q1-Q3 2020/21	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q1-Q3 2019/20	Change Q3 yoy	Change Q3 yoy %
Revenue	m€	32.5	78.9	78.6	189.9	247.5	260.3	252.0	759.9	-173.5	-69%
EBITDA	m€	-7.7	14.3	20.0	26.6	28.1	32.6	27.2	87.9		
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		
Net result	m€	-22.2	-15.1	1.7	-35.5	5.7	9.3	6.5	21.4		
EBITDA margin	%	-23.8%	18.1%	25.5%	14.0%	11.4%	12.5%	10.8%	11.6%		
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%		
Net result margin	%	-68.2%	-19.2%	2.2%	-18.7%	2.3%	3.6%	2.6%	2.8%		

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 2020/21	Q2 2020/21	Q3 2020/21	Q1-Q3 2020/21	Q1-Q3 2019/20
Revenue	m€	23.9	54.9	55.7	134.5	535.3
EBITDA	m€	-3.9	10.6	12.4	19.0	55.1
Depreciation	m€	-10.0	-11.7	-10.3	-32.0	-27.1
EBIT	m€	-14.0	-1.1	2.1	-13.0	28.0
EBITDA margin	%	-16.5%	19.3%	22.2%	14.1%	10.3%
EBIT margin	%	-58.4%	-2.0%	3.8%	-9.6%	5.2%

Comments
<ul style="list-style-type: none"> significant decrease at all airline catering locations due to ongoing COVID-19 pandemic: <ul style="list-style-type: none"> - recovery during Q2 - stable revenues in Q3 new contracts with Delta Air Lines, Jet Blue and many more carriers at various locations won

IEC		Q1 2020/21	Q2 2020/21	Q3 2020/21	Q1-Q3 2020/21	Q1-Q3 2019/20
Revenue	m€	2.0	13.3	14.1	29.4	119.8
EBITDA	m€	-0.6	3.7	4.3	7.4	17.7
Depreciation	m€	-1.3	-0.8	-1.3	-3.4	-4.2
EBIT	m€	-1.9	2.9	3.1	4.1	13.5
EBITDA margin	%	-29.7%	27.6%	30.8%	25.2%	14.7%
EBIT margin	%	-95.4%	21.6%	21.8%	13.8%	11.2%

Comments
<ul style="list-style-type: none"> recovery of business during Q2 revenue and result still strongly affected due to the COVID-19 imposed governmental restrictions: <ul style="list-style-type: none"> - adapted F1 season → only 1 Paddock Club - some football matches - Film Festival Vienna - ATP Vienna (Erste Bank Open)

RLH		Q1 2020/21	Q2 2020/21	Q3 2020/21	Q1-Q3 2020/21	Q1-Q3 2019/20
Revenue	m€	6.6	10.7	8.8	26.0	104.7
EBITDA	m€	-3.2	0.0	3.3	0.2	15.2
Depreciation	m€	-2.6	-11.7	-1.8	-16.2	-7.7
EBIT	m€	-5.8	-11.7	1.5	-16.0	7.5
EBITDA margin	%	-48.5%	0.2%	37.8%	0.7%	14.5%
EBIT margin	%	-88.2%	-110.0%	17.2%	-61.5%	7.2%

Comments
<ul style="list-style-type: none"> revenue reduction due to COVID-19 imposed governmental restrictions: <ul style="list-style-type: none"> - shutdown of all hotels, restaurants, lounges and airport gastronomy until mid-Q1 - again shutdown since mid-Q3 → new take-away concepts - first government aid received in Austria in Q3 (revenue compensation)

1-3 Quarters 2020/2021

Cash flow

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

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. 2020	31 Mar. 2020	Comments
Intangible assets	32.9	37.1	▪ incl. impairments due to COVID-19 in Q2
Property, plant and equipment	407.3	449.1	
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	
Non-current assets	501.0	553.9	
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	▪ cash decrease in Q3 vs. Q2 especially due to: - redundancy payments in UK - CAPEX in UK and Germany - negative working capital changes
Income tax receivables	1.3	2.8	
Other non-financial assets	32.3	33.1	
Cash and cash equivalents	249.6	300.9	
Non-current assets held for sale	51.6	56.2	
Current assets	434.1	535.9	
Total Assets	935.1	1,089.8	
Shareholders' equity	140.0	206.3	▪ 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	
Non-current liabilities	465.0	490.7	
Other financial liabilities	206.8	212.2	▪ decrease in trade payables due to reduced revenue → COVID-19 pandemic
Trade payables	52.4	100.6	
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	
Current liabilities	330.1	392.8	
Total shareholders' equity and liabilities	935.1	1,089.8	

Convertible bonds

Additional liquidity secured

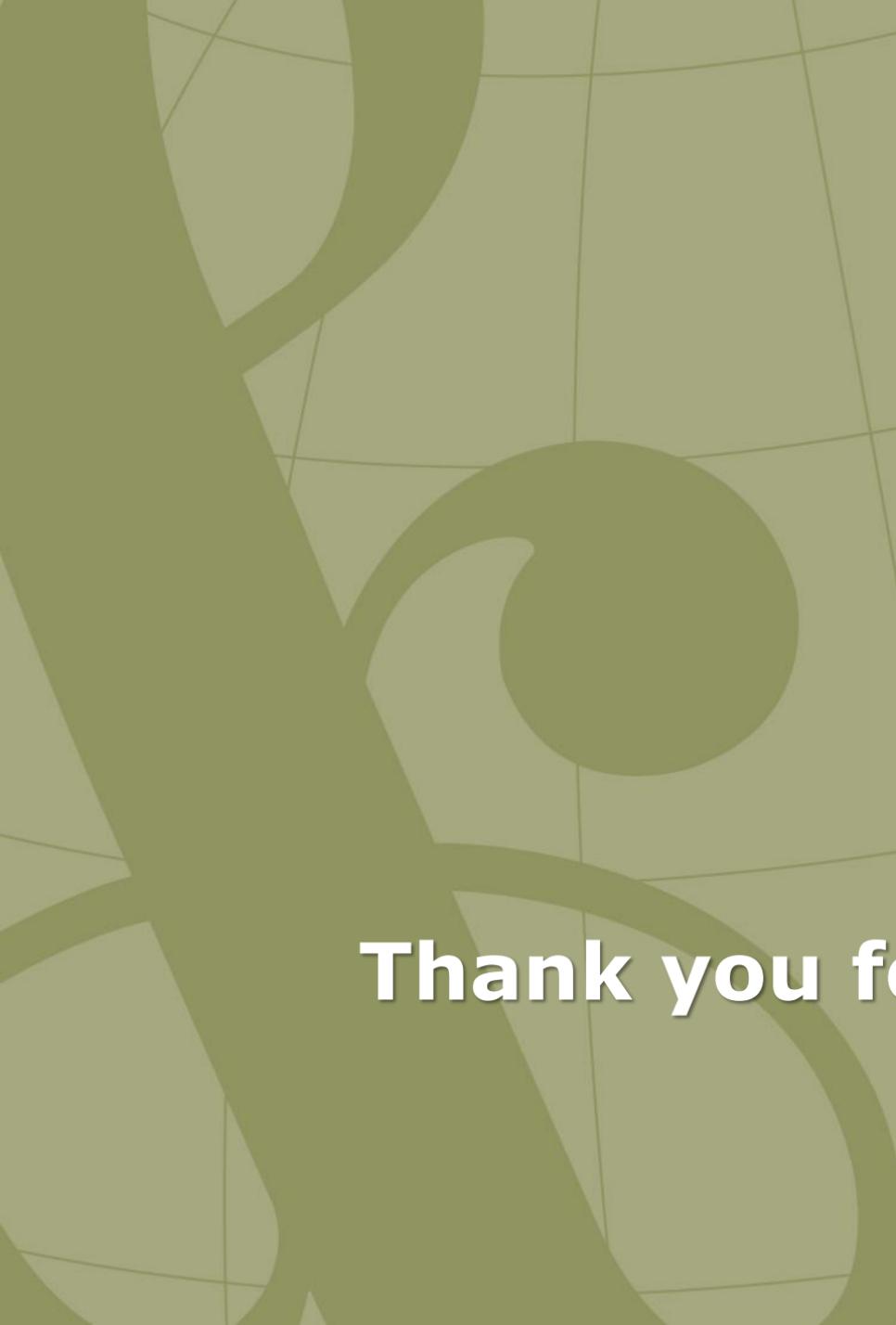
➤ **successful placement of € 100m convertible bonds:**

- 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

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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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