

Results for the first quarter of 2020/2021

(1 April 2020 to 30 June 2020)

- **Strong negative impact on first quarter → revenue -86.9%**
- **Decline in revenue and result solely due to COVID-19**
- **Reacted quickly and took all necessary actions :**
 - **Significant reduction of monthly fixed costs**
 - **Additional liquidity secured**
 - **Adjusting the business model to the new market conditions**
- **Takeover of catering services for British Airways in London Heathrow and for Iberia / Iberia Express in Madrid successfully completed**
- **New five-year contract with Formula 1 signed**
- **Restaurants almost on previous year's level, new restaurant and hotel project at top location in Munich**

REVENUE	€ 32.47m
EBITDA	€ -7.72m
EBIT	€ -21.66m

VIENNA – 12 August 2020 – DO & CO Aktiengesellschaft is publishing its results under IFRS for the first quarter of the business year 2020/2021 today. A global economic downturn and the economic consequences due to the COVID-19 pandemic strongly affect revenue and the result. In the first quarter of the business year 2020/2021, the DO & CO Group recorded revenue in the amount of € 32.47m, representing a decline of -86.9% or € -215.07m on the previous year.

The first quarter of the business year 2020/2021 is characterised by the unprecedented impact of the COVID-19 pandemic. Despite the DO & CO Group operating in 21 countries in three different divisions with various distribution channels, all business activities were all of a sudden affected at the same time and brought the entire business to a standstill. The imposed governmental restrictions forced DO & CO to close all its restaurants around

the world. All events such as, for example, Formula 1 races, football matches or other major events were cancelled. Passenger flights were reduced by up to -98% from end of March 2020 due to strict travel restrictions.

Due to the impact of the COVID-19 pandemic, the Management Board, immediately after the beginning of the crisis, resolved on an extensive set of unpleasant and difficult measures to reduce fixed costs, which was instantly implemented in the first quarter of the business year 2020/2021.

In addition to reducing fixed costs, the organisation was quickly adjusted to the new market conditions and additional liquidity was secured. Knowing that particularly the Airline Catering business in its original form might remain affected for a longer period of time, the development of new business models was commenced in all divisions. This is intended to enhance the competitive advantages – innovation, highest quality and consistent production at high volumes – and increase DO & CO's flexibility. The capacity of gourmet kitchens around the world is better utilised and new channels of distribution (particularly in the B2C area) can be tapped with only manageable investments.

All measures required to protect highly skilled employees and to secure the business have been taken. In cooperation with various regulatory authorities, it was also possible to slowly start a secure and well-organised resumption of business activities in the first quarter of the business year 2020/2021.

Divisions and Group	Q1 2020/2021 in m€	Q1 2019/2020 in m€	Change in m€	Change in %
Airline Catering	23.93	173.28	-149.35	-86.2%
International Event Catering	1.99	40.47	-38.49	-95.1%
Restaurants, Lounges & Hotel	6.56	33.79	-27.23	-80.6%
Group revenue	32.47	247.54	-215.07	-86.9%
EBITDA	-7.72	28.10	-35.82	-127.5%
Depreciation/impairment	-13.94	-12.51	-1.43	-11.4%
EBIT	-21.66	15.59	-37.25	-238.9%
Net Result	-22.15	5.68	-27.84	-489.8%
EBITDA margin	-23.8%	11.4%		
EBIT margin	-66.7%	6.3%		
Net result margin	-68.2%	2.3%		
Employees	7,771	11,929	-4,158	-34.9%

The EBITDA of the DO & CO Group was € -7.72m in the first quarter of the business year 2020/2021 (PY: € 28.10m). The EBITDA margin was -23.8% (PY: 11.4%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to € -21.66m, thus € -37.25m lower than in the same period of the previous year. The EBIT margin was -66.7% (PY: 6.3%). The net result decreased by € -27.84m from € 5.68m in the previous year to € -22.15m in the first quarter of the business year 2020/2021.

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

1. AIRLINE CATERING

Airline Catering	Q1 2020/2021 in m€	Q1 2019/2020 in m€	Change in m€	Change in %
Revenue	23.93	173.28	-149.35	-86.2%
EBITDA	-3.95	18.45	-22.40	-121.4%
Depreciation/impairment	-10.03	-8.81	-1.21	-13.8%
EBIT	-13.98	9.63	-23.61	-245.1%
EBITDA margin	-16.5%	10.6%		
EBIT margin	-58.4%	5.6%		
Share in consolidated sales	73.7%	70.0%		

The Airline Catering locations reported a significantly decreasing business development due to the COVID-19 pandemic, which led to an almost worldwide suspension of aviation.

Against this backdrop and due to the unfavourable market environment, the Airline Catering division generated revenue of € 23.93m (PY: € 173.28m) in the first quarter of the business year 2020/2021, meaning a decline of -86.2% on the previous year. At € -3.95m, EBITDA is below the figure of the same period of the previous year by € -22.40m (-121.4%). EBIT amounts to € -13.98m (PY: € 9.63m). The decline in revenue and in the result is solely and exclusively attributable to the impact of the COVID-19 pandemic.

Nevertheless, there are also favourable developments to be reported. The takeover of the entire catering services for British Airways at London Heathrow is in full swing. Already on 12 May 2020, DO & CO successfully and without delays took over catering services on all British Airways long-haul flights ex London Heathrow. This is a proof of high operational reliability and secure processes. The takeover of the entire short-haul routes is scheduled for mid-September. Prior to that, one of the most modern and largest gourmet kitchens in Europe with an area of more than 35,000 sqm in London will be opened and become fully operational.

The COVID-19 pandemic forced DO & CO to commence the development of new business models and products also in the Airline Catering division. In this context, a new "Premium Box" concept was developed for British Airways due to the COVID-19 pandemic in order to reduce the interaction between crew and passengers. Flight attendants can thus hand over the DO & CO product to the passengers without contact. Nevertheless, emphasis also continues to be put on premium ingredients and fresh preparation exclusively as well as on biodegradable packaging.

2. INTERNATIONAL EVENT CATERING

International Event Catering	Q1 2020/2021 in m€	Q1 2019/2020 in m€	Change in m€	Change in %
Revenue	1.99	40.47	-38.49	-95.1%
EBITDA	-0.59	5.60	-6.19	-110.6%
Depreciation/impairment	-1.30	-1.41	0.11	7.8%
EBIT	-1.89	4.18	-6.08	-145.3%
EBITDA margin	-29.7%	13.8%		
EBIT margin	-95.4%	10.3%		
Share in consolidated sales	6.1%	16.3%		

Revenue and result of the International Event Catering division are also strongly affected due to the impact of the COVID-19 pandemic.

All Formula 1 grand prix races in the first quarter of the business year 2020/2021 were cancelled due to the COVID-19 pandemic, and the start of the season was postponed to the second quarter of the business year 2020/2021. Moreover, all football matches of FC Bayern Munich, FK Austria Vienna and FC Red Bull Salzburg, where DO & CO provides culinary services to the spectators, were cancelled. Also at the Olympic Park in Munich, no events took place. It should also be noted in this context that the contract with Juventus Turin Football Club will not be extended beyond 30 June 2020 due to cost-cutting measures.

Against this backdrop and due to the unfavourable market environment, revenue decreased by -95.1% on the previous year from € 40.47m to € 1.99m. At € -0.59m, EBITDA is below the figure of the same period of the previous year by € -6.19m (-110.6%). EBIT amounts to € -1.89m (PY: € 4.18m).

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	Q1 2020/2021 in m€	Q1 2019/2020 in m€	Change in m€	Change in %
Revenue	6.56	33.79	-27.23	-80.6%
EBITDA	-3.18	4.06	-7.24	-178.4%
Depreciation/impairment	-2.61	-2.28	-0.32	-14.2%
EBIT	-5.79	1.78	-7.56	-426.0%
EBITDA margin	-48.5%	12.0%		
EBIT margin	-88.2%	5.3%		
Share in consolidated sales	20.2%	13.6%		

The Restaurants, Lounges & Hotel division comprises the business units restaurants and Demel cafés, lounges, hotel, staff restaurants, retail and airport gastronomy.

As in several countries around the world restaurants and hotels had to be closed due to the COVID-19 pandemic already towards the end of the business year 2019/2020 and along with air traffic the operation of airline and airport lounges had to be suspended, revenue and results significantly decreased also in this division.

In the first quarter of the business year 2020/2021, the Restaurants, Lounges & Hotel division accounted for revenue of € 6.56m (PY: € 33.79m), which translates into a decline of -80.6% on the previous year. At € -3.18m, EBITDA is below the figure of the same period of the previous year by € -7.24m (-178.4%). EBIT amounts to € -5.79m (PY: € 1.78m).

However, a pleasing development is that following the relaxation of COVID-19 restrictions on 15 May 2020, all DO & CO restaurants in Vienna were successfully reopened. Revenue from the same period of the previous year was even partially exceeded. Only the Demel café at Vienna's Kohlmarkt will remain closed until further notice.

OUTLOOK

Currently the world is facing unprecedented challenges due to the COVID-19 pandemic. The pandemic hit industries and the global economy as a whole so fast and to such an extent and with such a severity which nobody could have predicted. Around the globe, the catering, hospitality, travel and aviation industries are the ones most affected.

International air traffic is still strongly reduced, many countries continue to maintain strict measures to prevent the further spread and travel restrictions are still in place, which are adapted to the current number of infections on an ongoing basis. In the coming quarters of the business years 2020/2021, the net result will generally be strongly affected by the COVID-19 situation as well. At present, future developments are still very difficult to predict and depend on further decisions of the respective governments.

Ever since the beginning of the crisis, DO & CO has acted quickly and attempted to prepare in the best possible way for future market requirements and the lower volumes relating thereto. Innovation, efficiency improvements and flexibility are the drivers to cope with this crisis. The business model is continuously adjusted and especially the development of existing and new B2C distribution channels is promoted. To counter these risks in the best possible way, further group-wide restructurings will be indispensable as well.

In the course of the ordinary General Meeting of Shareholders dated 31 July 2020, a resolution was passed, authorising the Management Board to resolve on a capital increase by up to 10% of the share capital, even under exclusion of the subscription right, at any time. The exclusion of the subscription right guarantees a quick implementation of the liquidity measure.

DO & CO also continues cooperating actively with regulatory and industry organisations to propose and develop new operating regulations in order to ensure the health and safety of customers as well as employees. The industry will adapt to new requirements the same way as it adapted to the developments with regard to safety requirements in the past.

While – despite all the restrictions – restaurants have fortunately been partially even above the previous year’s level since reopening, the first pleasing signs can also be seen with regard to event catering (e.g. Formula 1, private events or, starting in mid-summer, individual major events such as football matches with a reduced number of visitors) as well as gourmet retail.

A favourable development can also be noted in the Airline Catering division. Following the first COVID-19 shock and the shut down in the individual countries, more and more quality-oriented airlines are again starting to serve food on board as passengers – particularly in the premium classes – have already become very dissatisfied. It can no longer be explained, why – despite complying with all COVID-19 measures – passengers are not being offered anything.

At the same time, the development of new and innovative distribution solutions was commenced to achieve a higher personalisation and better commercial conditions.

Despite DO & CO being particularly affected by the pandemic in all divisions and countries at a time, the Management Board is convinced that the strong innovative power, the flexible corporate culture and a very focused team will cope very well with the challenges of the competition, and DO & CO will emerge stronger from this crisis.

Finally, the following events should be highlighted:

Takeover of the entire catering services for British Airways

After the successful takeover of all British Airways long-haul flights ex London Heathrow with high operational reliability and without delays, now also the takeover of the entire short-haul routes is scheduled for September 2020. At present, the final works with regard to the gourmet kitchen specifically built to this end at London Heathrow are performed.

Start of the Formula 1 season 2020

Following the outbreak of the COVID-19 crisis at the beginning of the year 2020 and the related cancellation of several Formula 1 grand prix races, Liberty Media prepared and adjusted the Formula 1 race calendar for the season 2020 in the past months. It currently comprises 13 races and will be extended when appropriate. The first events will take place without spectators, with Liberty Media evaluating a reopening both of the VIP area at the Paddock Club as well as the public area on an ongoing basis. For the first six Formula 1

grand prix races, however, DO & CO was able to secure catering services for the teams for the entire Formula 1. In addition to providing culinary services for the individual teams with a concept being adapted to COVID-19, DO & CO is also responsible for the entire event infrastructure of the individual hospitality areas.

DO & CO being the sole culinary host of the Film Festival at the Rathausplatz

For the first time, DO & CO takes over the entire culinary services for the Film Festival at the Rathausplatz in Vienna. Since 4 July 2020 and for a period of 60 days, visitors are able to enjoy various delights from around the world at eight gourmet stalls, all operated by DO & CO.

New retail concept "The Lazy Chef"

DO & CO introduces its own retail application "The Lazy Chef", allowing to pre-order ready meals and prefabricated meal components from DO & CO that can be picked up from centrally located strategic distribution and retail shops.

Extension of the cooperation with FC Bayern Munich - FC Bayern Munich brand store | DO & CO Hotel | DO & CO restaurants in the centre of Munich

DO & CO and FC Bayern Munich will continue their long-standing and very favourable partnership. At the end of 2020, the new FC Bayern Munich "Erlebniswelt" will be opened near Munich's Marienplatz. Located in the same building as the FC Bayern Munich brand store, DO & CO will operate two restaurants (Bavarian and international), a boutique hotel as well as a premium event space.

Investor Relations

DO & CO Aktiengesellschaft

Stephansplatz 12
1010 Vienna

Phone: (01) 74 000-0
E-mail: investor.relations@doco.com
Internet: www.doco.com

ISIN	AT0000818802
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