

Results for the first half year 2020/2021

(1 April 2020 bis 30 September 2020)

- **solely caused by COVID-19**
REVENUE REDUCTION : - 78.1% – NET RESULT: € -37.27m
- **IMPROVED LIQUIDITY – REDUCED CASH BURN IN Q2**
- **AIRLINE and EVENT CATERING STILL LIMITED DUE TO TRAVEL RESTRICTIONS**
- **RESTAURANTS AT PREVIOUS YEAR'S LEVEL, GOURMET RETAIL IN ROLLOUT**
- **DO & CO FLAGSHIP-LOCATION IN MUNICH NEAR COMPLETION**

Divisions and Group	1 st HY 2020/2021 in m€	1 st HY 2019/2020 in m€	Q2 2020/2021 in m€	Q2 2019/2020 in m€
Airline Catering	78.81	361.88	54.88	188.60
International Event Catering	15.33	78.08	13.34	37.61
Restaurants, Lounges & Hotel	17.21	67.89	10.65	34.10
Group revenue	111.35	507.85	78.88	260.31
EBITDA	6.59	60.70	14.31	32.60
Depreciation/impairment	-38.16	-26.26	-24.22	-13.75
EBIT	-31.58	34.45	-9.92	18.86
Net Result	-37.27	14.95	-15.11	9.27
EBITDA margin	5.9%	12.0%	18.1%	12.5%
EBIT margin	-28.4%	6.8%	-12.6%	7.2%
Employees	7,891	11,179	8,191	11,384

VIENNA – 19 November 2020 – DO & CO Aktiengesellschaft is publishing its results under IFRS for the first half of the business year 2020/2021 today. A global economic downturn and the economic consequences due to the COVID-19 pandemic strongly affected revenue and the result. In the first half of the business year 2020/2021, the DO & CO Group recorded revenue of € 111.35m, representing a decrease of -78.1% or € -396.49m on the previous year.

The first quarter of the business year 2020/2021 was characterised by the complete standstill of business operations and largescale restructuring measures. In the second quarter, all three divisions reported a slow recovery and resumption of business activities. Despite the slow recovery revenues and results significantly increased in the second quarter compared to the first quarter of the business year 2020/2021, demonstrating the effectiveness of the measures implemented by the Management Board. Sales have more than doubled compared to the first quarter with the EBITDA margin increasing to 18.1%. The EBIT and net result are affected by depreciation and the results from impairment tests.

Despite all these things, in the General Meeting of Shareholders dated 31 July 2020, an "anticipatory resolution" was passed as a precautionary measure, authorising the Management Board to utilise a capital increase of up to a maximum amount of 10% of the share capital when required, even under exclusion of the subscription right. The exclusion of the subscription right guarantees a quick implementation of the liquidity measure, should this become necessary. Along with the capital increase approved in the General Meeting of Shareholders in 2018, the Management Board now has the power to increase the share capital by up to 20%.

The EBITDA of the DO & CO Group was € 6.59m (PY: € 60.70m) in the first half of the business year 2020/2021. The EBITDA margin was 5.9% (PY: 12.0%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to € -31.58m for the first half of the business year 2020/2021, € -66.02m lower than in the same period of the previous year. The EBIT margin was -28.4% (PY: 6.8%). The net result decreased by € -52.22m from € 14.95m in the previous year to € -37.27m in the first half of the business year 2019/2020.

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

1. AIRLINE CATERING

Airline Catering	1 st HY 2020/2021 in m€	1 st HY 2019/2020 in m€	Change in m€	Change in %
Revenue	78.81	361.88	-283.07	-78.2%
EBITDA	6.66	40.54	-33.89	-83.6%
Depreciation/impairment	-21.71	-18.49	-3.23	-17.4%
EBIT	-15.05	22.06	-37.11	-168.2%
EBITDA margin	8.5%	11.2%		
EBIT margin	-19.1%	6.1%		
Share in consolidated revenue	70.8%	71.3%		

The Airline Catering locations reported a significantly decreased business development in the first half of the business year 2020/2021 due to the COVID-19 pandemic, which led to a severe restriction of worldwide aviation. However, in the second quarter of the business year 2020/2021, revenue and result were significantly increased compared to the first quarter.

The Airline Catering division accounted for revenue of € 78.81m (PY: € 361.88m) in the first half of the business year 2020/2021. This represents a decrease of -78.2% on the previous year. At € 6.66m EBITDA is less than the figure of the same period in the previous year by € -33.89m (-83.6%). EBIT amounts to € -15.05m (PY: € 22.06m). The decline in revenue and in the result is solely and exclusively attributable to the impact of the COVID-19 pandemic.

One positive development to be reported is that following the first COVID-19 shock and the shut downs in the individual countries, more and more quality-oriented airlines have again started to offer food on board as well as lounge services on the ground as passengers – particularly in the premium classes – had already become very dissatisfied.

After the successful takeover of catering services on all British Airways long-haul flights ex London Heathrow in mid-May 2020, all short-haul flights were also taken over on 15 September 2020. DO & CO has again demonstrated its high operational reliability and secure processes. In conjunction with the takeover of the entire catering services for British Airways at London Heathrow, the most modern and largest gourmet kitchen in Europe with an area of more than 34,000 sqm was also opened in London and became fully operational.

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

2. INTERNATIONAL EVENT CATERING

International Event Catering	1 st HY 2020/2021 in m€	1 st HY 2019/2020 in m€	Change in m€	Change in %
Revenue	15.33	78.08	-62.75	-80.4%
EBITDA	3.09	10.47	-7.38	-70.5%
Depreciation/impairment	-2.10	-2.81	0.71	25.2%
EBIT	0.99	7.66	-6.67	-87.1%
EBITDA margin	20.1%	13.4%		
EBIT margin	6.4%	9.8%		
Share in consolidated revenue	13.8%	15.4%		

As in all business units, business activities in the International Event Catering division also resumed considerably in the second quarter of the business year 2020/2021. However, revenue and result were still strongly affected in the first half of the business year 2020/2021 due to the impact of the COVID-19 pandemic. Revenue decreased by -80.4% on the previous year from € 78.08m to € 15.33m. At € 3.09m, EBITDA is below the figure of the same period of the previous year by € -7.38m (-70.5%). EBIT amounts to € 0.99m (PY: € 7.66m).

In the first quarter of the business year 2020/2021, all Formula 1 grand prix races were cancelled due to the COVID-19 pandemic and the start of the season was postponed to the second quarter. The first ten from a total of 17 scheduled races mostly took place without any spectators in the VIP area as well as in the public area. However, Liberty Media is evaluating a reopening of both guest areas on an ongoing basis. DO & CO also secured catering services for all Formula 1 teams as well as for the Formula 1 management for the first six races. In addition to providing culinary services for the individual teams with an overall concept being adapted to COVID-19, DO & CO was also responsible for supplying the entire event infrastructure of the individual hospitality areas.

After all football matches for FC Bayern Munich, FK Austria Vienna and FC Red Bull Salzburg were cancelled in the first quarter or took place without any spectators, DO & CO provided culinary services for several matches during the second quarter. Also at the Olympic Park in Munich, several smaller events took place during the second quarter of the business year 2020/2021.

For the first time, DO & CO took over the entire culinary services for the Film Festival at the Rathausplatz in Vienna. In the period from 4 July to 6 September 2020, visitors were able to enjoy various delights from around the world at eight gourmet stalls operated by DO & CO.

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	1 st HY 2020/2021 in m€	1 st HY 2019/2020 in m€	Change in m€	Change in %
Revenue	17.21	67.89	-50.67	-74.6%
EBITDA	-3.15	9.69	-12.85	-132.6%
Depreciation/impairment	-14.35	-4.97	-9.39	-188.7%
EBIT	-17.51	4.72	-22.23	-470.6%
EBITDA margin	-18.3%	14.3%		
EBIT margin	-101.7%	7.0%		
Share in consolidated revenue	15.5%	13.4%		

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

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

All DO & CO restaurants in Vienna have been reopened in mid-May 2020. Austria implemented a further lockdown for November 2020, with the economic implications being mitigated through government support measures. Encouragingly, revenue from the same period of the previous year was exceeded in the reopening phase. Only the Demel café at Vienna's Kohlmarkt remained closed in the first half of the business year 2020/2021.

Moreover, the new retail concept "The Lazy Chef" was launched in the second quarter of the business year 2020/2021. Since August, ready-made meals of DO & CO restaurant quality, which can be easily and quickly prepared at home, have already been sold under the "The Lazy Chef" brand.

In the first half of the business year 2020/2021, the Restaurants, Lounges & Hotel division accounted for revenue of € 17.21m (PY: € 67.89m), which translates into a decline of -74.60% on the previous year. At € -3.15m, EBITDA is below the figure of the same period of the previous year by € -12.85m (-132.6%). EBIT amounts to € -17.51m (PY: € 4.72m).

OUTLOOK

With all its different business areas and its diversification across numerous countries and brands DO & CO is one of the companies most severely affected by the current crisis. As early as in March 2020, the Group reacted to the challenges posed by immediately making all decisions necessary to

- a.) significantly cut fixed cost and therefore, achieve a maximal reduction of monthly cash burn,
- b.) carefully manage and reasonably invest liquidity that has already been secured prior to the outbreak of the crisis and
- c.) work on innovative business models tailored to the "new normal".

All decisions necessary to accomplish the goals mentioned above are taken in consideration of the fact that neither the duration / intensity of the crisis nor the pattern in which revenue will develop toward a pre-crisis level can be predicted. The Management Board is also working on financing solutions to mitigate the effects of an unforeseeable worst case scenario.

Despite a reduction in revenue of almost 80%, the Management Board accomplished to keep the cash burn at a minimum. Investments have been made in promising projects like "DO & CO Lazy Chef" and a new Asian restaurant concept offering contemporary Japanese cuisine.

Furthermore, in the course of this diversification towards more B2C also two new restaurants as well as an exclusive boutique hotel will open at a prime location in Munich's inner city, situated in direct vicinity of the new brand store of DO & CO's long-standing

partner and current UEFA Champions League winner FC Bayern Munich. By this also the "Lazy Chef" concept will be expanded to Munich in the course of the next quarter.

Consequently, the Management Board is optimistic that DO & CO will emerge from this crisis with a great learning effect and a competitively viable structure that will enable it to further improve its pre-crisis market position.

Investor Relations

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Security abbreviation	DOC, DOCO
Reuters	DOCO.VI, DOCO.IS
Bloomberg	DOC AV, DOCO. TI
Number of shares	9,744,000
Listed nominal amount	19,488,000 EUR
Indices	ATX, ATX Prime, BIST ALL, BIST 100
Official quotation	Vienna, Istanbul
Currency	EUR, TRY
Initial listing	30 June 1998 (Vienna Stock Exchange) 2 December 2010 (Istanbul Stock Exchange)