

## Results for the business year 2019/2020

(1 April 2019 to 31 March 2020)

- **strong organic revenue growth:**  
DO & CO grows by +10.3% despite the last quarter being very negatively influenced by the COVID-19 pandemic
- **the net result is negatively affected by additional impairments, provisions and accruals and is for the first time in the Company's history negative**
- **additional liquidity secured**
- **ongoing adjustment of business model and costs to the new market conditions – driven by innovation and quick implementation**

<b>REVENUE</b>	<b>EUR 935.37m</b>	<b>+ 10.3%</b>
<b>EBITDA</b>	<b>EUR 70.11m</b>	<b>- 12.8%</b>
<b>EBIT</b>	<b>EUR -1.92m</b>	<b>- 103.7%</b>

All key figures following the first-time application of the new standard IFRS 16

**Vienna – 16 June 2020** – DO & CO Aktiengesellschaft is publishing its results under IFRS for the business year 2019/2020 today. In the business year 2019/2020, the DO & CO Group recorded revenues amounting to EUR 935.37m, representing an increase of 10.3% or EUR 87.57m on the previous year. Until the end of February 2020, the DO & CO group was well on track to achieve an annual revenue of almost EUR 1 billion with a pure organic growth rate of 17.2% compared to the previous year. However, the suddenly occurring COVID-19 pandemic led to a sharp revenue decline of EUR -59.1m or -67.2% only in the month of March 2020.

DO & CO applied the new IFRS 16 Leases accounting standard for the first time as of 1 April 2019, recognising the material impact in the consolidated income statement. As a lessee, DO & CO recognises a lease liability and right-of-use asset from the time the asset is provided. This results in an increase of amortisation/depreciation/impairment and interest expenses, partially offset by decreases in rental expenses. For the sake of

comparability, the results for the 2019/2020 financial year are also shown excluding the effects of IFRS 16 at group and division level.

Divisions and Group	BY 2019/20 in m€	BY 2018/19 in m€	Change in m€	Change in %	BY 2019/20 excl. IFRS 16 in m€
Airline Catering	670.33	598.09	72.24	12.1%	670.33
International Event Catering	134.13	129.53	4.60	3.5%	134.13
Restaurants, Lounges & Hotel	130.90	120.17	10.73	8.9%	130.90
<b>Group revenue</b>	<b>935.37</b>	<b>847.80</b>	<b>87.57</b>	<b>10.3%</b>	<b>935.37</b>
EBITDA	70.11	80.37	-10.26	-12.8%	42.45
Depreciation/impairment	-72.04	-28.92	-43.12	-149.1%	-47.58
EBIT	-1.92	51.45	-53.37	-103.7%	-5.13
<b>Net Result</b>	<b>-24.87</b>	<b>26.40</b>	<b>-51.27</b>	<b>-194.2%</b>	<b>-20.84</b>
EBITDA margin	7.5%	9.5%			4.5%
EBIT margin	-0.2%	6.1%			-0.5%
Net result margin	-2.7%	3.1%			-2.2%
Employees	10,726	9,919	807	8.1%	10,726

The EBITDA of the DO & CO Group was EUR 70.11m (PY: EUR 80.37m). The EBITDA margin was 7.5% (PY: 9.5%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to EUR -1.92m, EUR 53.37m below the comparable period of the previous year. The EBIT margin was -0.2% (PY: 6.1%). The net result decreased by -194.2% from EUR 26.40m in the previous year to EUR -24.87m in the business year 2019/2020.

The development of the three business divisions of the DO & CO Group in detail:

## 1. AIRLINE CATERING

Airline Catering	BY 2019/20 in m€	BY 2018/19 in m€	Change in m€	Change in %	BY 2019/20 excl. IFRS 16 in m€
Revenue	670.33	598.09	72.24	12.1%	670.33
EBITDA	42.89	56.24	-13.34	-23.7%	25.52
Depreciation/impairment	-44.96	-21.54	-23.42	-108.7%	-29.86
EBIT	-2.07	34.69	-36.76	-106.0%	-4.33
EBITDA margin	6.4%	9.4%			3.8%
EBIT margin	-0.3%	5.8%			-0.6%
Share in consolidated sales	71.7%	70.5%			71.7%

With its distinctive, innovative and competitive product portfolio, the Airline Catering division generates the largest share of sales in the DO & CO Group. DO & CO operates 32 gourmet kitchens worldwide in twelve countries on three continents.

The customer portfolio of DO & CO includes more than 60 airlines. These include well-known customers such as Austrian Airlines, Asiana Airlines, British Airways, Cathay Pacific, China Airlines, Emirates, Etihad Airways, EVA Air, Egypt Air, Iberia, Iberia Express, Jet Blue, Korean Air, Lufthansa, LOT Polish Airlines, Oman Air, Pegasus Airlines, Qatar

Airways, Singapore Airlines, South African Airways, SWISS, Thai Airways and Turkish Airlines.

The Airline Catering Division generated revenue of EUR 670.33m in the 2019/2020 business year (PY: EUR 598.09m). This corresponds to an increase of 12.1% compared to the previous year despite the very competitive and volatile market environment and the beginning of the COVID-19 pandemic. The Airline Catering Division's share of consolidated sales was 71.7% (PY: 70.5%). Overall, the 32 gourmet kitchens of the DO & CO Group served over 112 million passengers worldwide on more than 683 thousand flights.

At EUR 42.89m, EBITDA was EUR -13.34m or -23.7% below the comparable period of the previous year. The EBIT amounts to EUR -2.07m (PY: EUR 34.69m). The EBITDA margin was 6.4% in the 2019/2020 financial year (PY: 9.4%). The EBIT margin is -0.3% (PY: 5.8%).

In addition to one-off costs due to the COVID-19 pandemic of EUR 23.98m, this reduction in EBITDA is due to start-up costs for the British Airways and Iberia start-up of EUR 9.28m as well as one-time legal and consulting costs for extraordinary M&A projects amounting to approx. EUR 2.71m.

With regard to the development the following aspects should be emphasized:

### **DO & CO is building one of the largest European gourmet kitchens in London**

For the takeover of the entire catering services for British Airways at London Heathrow, DO & CO is building one of the most modern and largest gourmet kitchens in Europe with an area of more than 35,000 sqm in London. On 12 May 2020, DO & CO took over catering services on all British Airways long-haul flights ex London Heathrow.

### **Successful start-up for Iberia and Iberia Express in Madrid**

On 1 February 2020, DO & CO successfully took over all catering services on several Iberia and Iberia Express flights ex Madrid-Barajas. In the first month, approx. 170 flights per day, 140 thereof being short-haul flights and 30 long-haul flights, were smoothly provided with catering services. DO & CO was therefore able to demonstrate its capability with regard to its operational reliability.

### **Extension of the catering contract with Turkish Airlines**

On 27 May 2019, DO & CO signed the contractual documentation for the agreement on the continuation of the cooperation with Turkish Airlines through the joint company Turkish DO & CO, which was concluded and announced on 23 October 2018. In particular, this provides for the continuation of the catering supply contract between Turkish Airlines and Turkish DO & CO for 15 years. The performance of the transaction is still subject to suspensive conditions, particularly to the approval by the competent competition authorities. In April 2019, the transfer of all Turkish Airlines flights from the Atatürk airport to the new airport in Istanbul was successfully accomplished without any interruptions or delays. Also in this respect, DO & CO once again proved its capability at one large homebase location.

### **Win of the IAG North America tender**

DO & CO has won the IAG North America tender for British Airways and Iberia, comprising all catering services at the DO & CO locations in North America.

### **Intensifying the partnership with Cathay Pacific**

DO & CO was able to acquire Cathay Pacific as new customer also at the London location. Since the beginning of May 2019, DO & CO has been providing catering services on five daily flights ex London Heathrow and one daily flight ex London Gatwick. DO & CO has therefore further expanded its market position also in London after having been awarded the contract for British Airways.

### **New customer Singapore Airlines at three German locations**

DO & CO wins Singapore Airlines in Munich, Düsseldorf and Frankfurt and is thus able to significantly intensify its business relations with an additional quality carrier.

### **New customer Qatar Airways at the New York JFK location**

With Qatar Airways, DO & CO has won another quality-focused and prestigious customer at the New York John F. Kennedy location mid-February 2020. DO & CO has therefore substantially improved its market position at this strategically important location and is the market leader for international airlines.

### **“Best Business Class Catering” award for Austrian Airlines**

In the previous year, Austrian Airlines, using DO & CO catering, was awarded “Best Business Class Catering in Europe” and “Best Premium Economy Class Catering” by Skytrax ([www.worldairlineawards.com](http://www.worldairlineawards.com)) for the 2nd time within 4 years.

## 2. INTERNATIONAL EVENT CATERING

International Event Catering	BY 2019/20 in m€	BY 2018/19 in m€	Change in m€	Change in %	BY 2019/20 excl. IFRS 16 in m€
Revenue	134.13	129.53	4.60	3.5%	134.13
EBITDA	14.37	16.35	-1.98	-12.1%	12.96
Depreciation/impairment	-6.94	-4.57	-2.37	-51.7%	-5.62
EBIT	7.43	11.77	-4.34	-36.9%	7.34
EBITDA margin	10.7%	12.6%			9.7%
EBIT margin	5.5%	9.1%			5.5%
Share in consolidated sales	14.3%	15.3%			14.3%

The revenue of the International Event Catering division amounted to EUR 134.13m in the 2019/2020 financial year (PY: EUR 129.53m). The International Event Catering division's EBITDA was EUR 14.37m in the 2019/2020 financial year (PY: EUR 16.35m). The EBITDA margin is 10.7% (PY: 12.6%). EBIT in the 2019/2020 business year was EUR 7.43m (PY: EUR 11.77m). The EBIT margin is 5.5% (PY: 9.1%).

With regard to the development the following aspects should be emphasized:

### Contract extension with Formula 1

For DO & CO, the previous business year was already its 28th successive season of catering for Formula 1 grand prix races, with a total of 18 races hosted in 18 different countries. Towards the end of the business year, DO & CO and Liberty Media agreed to continue their successful cooperation until 2025.

### Event catering for Amazon

Every Friday to Sunday on a total of five Formula 1 race weekends, DO & CO provided catering services for AWS at the "Amazon Executive Leadership Series" as a one stop partner, providing a unique event experience to the international guests at the different European locations.

### Early extension of contract with Olympiapark München GmbH

The Olympic Park in Munich and DO & CO are continuing their successful cooperation to cater for guests and visitors at the Munich Olympic Park until the end of 2028.

### Fourteenth Champions League final

For the 14th time already, DO & CO was able to host the UEFA Champions League final held at the Estadio Metropolitano in Madrid on 1 June 2019.

### 3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	BY 2019/20 in m€	BY 2018/19 in m€	Change in m€	Change in %	BY 2019/20 excl. IFRS 16 in m€
Revenue	130.90	120.17	10.73	8.9%	130.90
EBITDA	12.85	7.79	5.06	65.0%	3.97
Depreciation/impairment	-20.14	-2.80	-17.33	-618.3%	-12.11
EBIT	-7.29	4.98	-12.27	-246.3%	-8.14
EBITDA margin	9.8%	6.5%			3.0%
EBIT margin	-5.6%	4.1%			-6.2%
Share in consolidated sales	14.0%	14.2%			14.0%

In the 2019/2020 business year, the Restaurants, Lounges & Hotel Division generated revenues of EUR 130.90m (PY: EUR 120.17m). This corresponds to a revenue growth of EUR 10.73m or 8.9%. The EBITDA amounts to EUR 12.85m (PY: EUR 7.79m). The EBITDA margin is 9.8% (PY: 6.5%). The EBIT of EUR -7.29m is below the previous year's level (PY: EUR 4.98m). The EBIT margin is -5.6% (PY: 4.1%).

The Restaurants, Lounges & Hotel division consists of the following business units: restaurants and Demel cafés, lounges, hotel, staff restaurants, retail and airport gastronomy. Until the COVID-19 pandemic, activities were going according to plan and in line with expectations. With regard to the development the following aspects should be emphasized:

#### Opening of the world's largest business class lounge

Turkish DO & CO has opened the world's largest business class lounge for Turkish Airlines at the new airport in Istanbul. The new lounges provide a unique and very diverse experience to the premium passengers of Turkish Airlines, with an even larger selection than they already enjoyed in the old, multiple-award winning lounges.

#### Win of significant new airline lounges customers:

DO & CO is extremely proud to add Qatar Airways, Cathay Pacific and Iberia to its customer portfolio in the lounges segment. With these four new lounges, DO & CO is strengthening its position as premium lounge caterer:

- **Iberia** – On 1 February 2020, DO & CO took over catering services for both premium lounges of Iberia (Velazquez and Dali) at the Madrid-Barajas airport. In doing so, up to 3,000 guests are enjoying the fresh culinary treats of DO & CO on a daily basis.
- **Qatar Airways** – Win of Qatar Airways business and frequent traveller lounges at London Heathrow.
- **Cathay Pacific** – Win of Cathay Pacific business and frequent traveller lounges in Frankfurt.

## **OUTLOOK**

The world is currently facing unprecedented challenges due to the COVID-19 pandemic. The pandemic has hit industries and the global economy as a whole at a rate, scale and severity that no one could have predicted. Globally, the gastronomy, hospitality, travel and aviation industry are among the most affected industries as countries are closing their borders, suspending flights, and imposing and enforcing severe travel restrictions as part of their measures implemented to contain pandemics.

DO & CO acted very quickly from the beginning of the crisis and tries to prepare itself as best as possible for future market needs and the associated lower volumes by immediately reducing the fixed costs to a considerable extent. At the same time, investments were made in the reinterpretation of existing and the development of new business models, the first results of which should become visible in the 2020/2021 financial year.

Whilst the restaurants have happily returned to the previous year's level despite all restrictions, there are also the first positive signs in the event catering area (e.g. Formula 1, private events or, from autumn, some larger sporting events, such as football games with a reduced number of guests) and in the area of gourmet retail. All assuming that there is no further shutdown.

Within the airline catering division, DO & CO assumes that the recovery phase with regular business will last longer. It is encouraging, however, that some large DO & CO airline customers, continue to rely on good product quality and customer satisfaction with adjusted prices, especially in the premium classes such as the First and Business Class. At the same time, DO & CO is working with its large customers on cost-saving and innovative catering business models for economy class, which will enable airlines to make significant cost savings and DO & CO to improve their business models.

The coming business year 2020/2021 and with it the consolidated result, will nevertheless be fundamentally burdened by the COVID-19 situation.

There are special risks for the DO & CO Group with regard to further developments in the area of travel restrictions and the possibility of holding major events. In order to counter the risks as best as possible, a permanent, Group-wide adjustment to the current demand in the individual markets will be indispensable, above all in order to overcome the crisis

with a strong focus on an appropriate level of liquidity. In addition, the development of existing and new B2C sales channels will be accelerated.

DO & CO was able to adapt quickly to the new reality thanks to its multi-faceted activities and divisions, and particularly with its innovative and quick implementation capabilities, and is convinced that its flexible corporate culture and strong brand portfolio will enable it to emerge from this crisis stronger than before.

Due to the impact of the situation caused by the COVID-19 pandemic, the Executive Board has decided to propose not to pay a dividend for the 2019/2020 business year at the Annual General Meeting. Furthermore, the Management Board has decided to postpone the date of the 2019/2020 Annual General Meeting originally scheduled for July 15, 2020 until further notice.

Finally, the following events should be highlighted:

### **Successful takeover of catering for British Airways long-haul flights at London Heathrow**

On May 12, 2020 DO & CO managed to take over all catering services for the British Airways long-haul flights without any interruptions or delays. The transition of short-haul flights is currently planned for September 2020.

### **Start of the Formula 1 season 2020**

Liberty Media has announced a shortened season for 2020 that will start with two races in Austria. To ensure the safety and absolute control of all hygiene requirements, DO & CO was selected as the sole caterer for all teams in both racing weeks.

### **Reopening of the DO & CO restaurants in Vienna**

Following the announcement of the Austrian federal government, to ease the measures against the COVID-19 pandemic and to allow restaurants to reopen from May 15, 2020, DO & CO reopened all of its restaurants in Vienna.



## **Expansion of the partnership with FC Bayern Munich - FC Bayern Flagship Store | DO & CO Hotel | DO & CO restaurants in the center of Munich**

DO & CO and FC Bayern Munich will continue to expand their longstanding and very pleasant partnership. At the end of 2020, the new "FC Bayern Munich Erlebniswelt" will open near Munich's Marienplatz. DO & CO will operate two restaurants (Bavarian and international), a boutique hotel and a premium event space, located in the same building as the FC Bayern Munich flagship store.

### **New Retail-Concept „The Lazy Chef“**

During the COVID-19 shutdown, DO & CO worked on new sales concepts and developed a new product line with high-quality restaurant dishes that can swiftly be prepared at home. The extensive portfolio of dishes is prepared in the existing gourmet kitchens and then delivered via an ordering system (app) or made available for pickup in small shops in different districts. Due to the joint production and the synergies achieved in the existing gourmet kitchens, these high-quality dishes can be offered at very attractive prices.

### **Investor Relations**

DO & CO Aktiengesellschaft  
Daniela Schrenk

Stephansplatz 12  
1010 Vienna

Phone: (01) 74 000-0  
E-mail: [investor.relations@doco.com](mailto:investor.relations@doco.com)  
Internet: [www.doco.com](http://www.doco.com)

ISIN

AT0000818802

Security abbreviation  
Reuters  
Bloomberg  
Number of shares  
Listed nominal amount  
Indices  
Official quotation  
Currency  
Initial listing

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