

Results for the 2018/2019 business year

(1 April 2018 to 31 March 2019)

- **DO & CO wins major contracts and expects strong growth**
- **Leading market position in London, Madrid, Istanbul and New York**

REVENUE	EUR 847.80m	- 1.6%
EBITDA	EUR 80.37m	- 3.6%
EBIT	EUR 51.45m	+ 1.6%
NET RESULT	EUR 26.40m	+ 8.3%

Vienna – 14 June 2019 – DO & CO Aktiengesellschaft today announced its results for the 2018/2019 business year in accordance with IFRS. The DO & CO Group recorded revenue of EUR 847.80m in 2018/2019. This represented a year-on-year decline of -1.6% or EUR -13.62m.

Thanks to strong organic growth, the DO & CO Group was able to almost fully offset negative currency effects of just under EUR 99m and the lost revenue of EUR 46m from the termination of rail catering operations (combined effect on revenue: EUR 145m). Adjusted for negative currency effects, consolidated revenue increased by 10%, and by 15% when adjusted for both effects.

This revenue growth reaffirms the effectiveness of DO & CO's business model. The Group has shown once again that it is in an excellent position to face up to challenging market conditions, thanks to its diverse distribution facilities, a broad brand portfolio and activities in numerous regions.

Divisions and Group	BY 2018/19 in Mio €	BY 2017/18 in Mio €	Change in Mio €	Change in %
Airline Catering	598.09	574.11	23.98	4.2%
International Event Catering	129.53	123.00	6.53	5.3%
Restaurants, Lounges & Hotel	120.17	164.30	-44.12	-26.9%
Group revenue	847.80	861.41	-13.62	-1.6%
EBITDA	80.37	83.41	-3.04	-3.6%
Depreciation/impairment	-28.92	-32.77	3.85	11.7%
EBIT	51.45	50.64	0.81	1.6%
Net Result	26.40	24.37	2.03	8.3%
EBITDA margin	9.5%	9.7%		
EBIT margin	6.1%	5.9%		
Net result margin	3.1%	2.8%		
Employees	9,919	9,587	332	3.5%

EBITDA stood at EUR 80.37m (PY: EUR 83.41m). The EBITDA margin was 9.5% (PY: 9.7%). Consolidated earnings before interest and taxes (EBIT) amounted to EUR 51.45m in the 2018/2019 business year, which was EUR 0.81m higher than in the previous year. The EBIT margin stood at 6.1% (PY: 5.9%). The consolidated net result increased by 8.3% from EUR 24.37m to EUR 26.40m in the 2018/2019 business year.

A detailed account of the performance of the DO & CO Group's three divisions is given below.

1. AIRLINE CATERING

Airline Catering	BY 2018/19 in Mio €	BY 2017/18 in Mio €	Change in Mio €	Change in %
Revenue	598.09	574.11	23.98	4.2%
EBITDA	56.24	60.62	-4.38	-7.2%
Depreciation/impairment	-21.54	-24.28	2.74	11.3%
EBIT	34.69	36.33	-1.64	-4.5%
EBITDA margin	9.4%	10.6%		
EBIT margin	5.8%	6.3%		
Share in consolidated sales	70.5%	66.6%		

The Airline Catering Division reported revenue of EUR 598.09m in the 2018/2019 business year (PY: EUR 574.11m). This corresponds to an increase of 4.2% compared with last year, in spite of the highly competitive and volatile market. The revenue of the Airline Catering Division accounted for 70.5% of Group revenue (PY: 66.6%). The DO & CO Group's 31 gourmet kitchens provided catering to over 113 million passengers on more than 700,000 flights worldwide. EBITDA was EUR 56.24m, which was EUR -4.38m or -7.2% lower than in the previous year. EBIT amounted to EUR 34.69m (PY: EUR 36.33m). The EBITDA margin was 9.4% (PY: 10.6%) in the 2018/2019 business year. The EBIT margin stood at 5.8% (PY: 6.3%).

MAJOR TENDERS WON

The management of DO & CO can report on a number of pleasing developments in this division. On 11 September 2018, after a bid phase lasting more than one and a half years, DO & CO won the tender for the provision for catering and handling services for all British Airways short-haul and long-haul flights ex London Heathrow. At the same time, Iberia and Iberia Express commissioned DO & CO to provide catering and handling services for all their flights ex Madrid Barajas. The contracts will begin in spring 2020 and have been concluded for a period of ten years. British Airways and Iberia/Iberia Express are the latest airlines which have placed their trust in DO & CO's catering at their home base.

TURKEY

In the course of the 2018/2019 business year, the Turkish lira fell significantly against the euro. The effect of the decline in the Turkish lira's value against the euro – a reduction in revenue of EUR -100m – translated into a -2.5% decrease in revenue in the DO & CO Group's consolidated income statement. Revenue rose considerably by 36.8% in the local currency (Turkish lira) – this was due to several factors, in particular the encouraging growth in passenger numbers at Turkish Airlines.

AUSTRIA

DO & CO and Austrian Airlines will continue their long-standing partnership. DO & CO again emerged as the best bidder in an international tender process. The new agreement began on 1 January 2019 and has been concluded for three years, with an option for an extension of another three years.

Encouragingly, at Skytrax 2018 (www.worldairlineawards.com) Austrian Airlines won the prestigious Best Business Class Onboard Catering award for the second time since 2015.

The Vienna location began supplying catering to five-star airline Hainan Airlines in October 2018. Three additional customers were acquired in spring: DO & CO will supply catering to ANA, China Southern and Air Canada from spring 2019.

USA

In a particularly pleasing development, the Group acquired JetBlue – one of the country’s coolest and most quality-focused carriers – as a customer. DO & CO’s gourmet meals have been available on all JetBlue flights ex JFK offering Mint Class (business class) since November 2018. The growth in revenue at the New York John F. Kennedy (JFK) location was mainly due to the expansion of business with existing customers. Investments have been made in renovation and extension work since January 2017 in order to support further growth at the location. The work is now approaching completion.

The two other North American locations, Chicago and Los Angeles, recorded double-digit growth.

GREAT BRITAIN

Preparations for the takeover of catering services for British Airways at London Heathrow are in full swing. Since 1 December 2018, DO & CO has provided catering services for ten British Airways medium-haul and long-haul flights. In parallel, DO & CO is building one of Europe’s largest and most modern gourmet kitchens in London, with over 30,000m² of space. Completion is scheduled for the end of 2019.

Towards the end of the business year, DO & CO also acquired Cathay Pacific as a key account at the London location. DO & CO has been providing catering for six daily flights from London to Hong Kong since the start of May 2019.

GERMANY

DO & CO is proud to have intensified its partnership with high-profile premium carrier Singapore Airlines. Together with Cathay Pacific in London, the acquisition of Singapore Airlines as a customer at the Munich and Düsseldorf locations is another important step towards increased regional diversification.

POLAND

In the first quarter of the 2018/2019 business year, DO & CO extended its catering contract with LOT Polish Airlines at its locations in the country by five years and nine months. The Airline Catering locations in Poland reported significant increases in revenue due to LOT Polish Airlines’ strong growth.

SOUTH KOREA

At the Incheon location in South Korea, Sharp DO & CO Korea – a joint venture – recorded higher revenue as a result of increased business with existing customers and the acquisition of new customers. The acquisition of Ethiopian and British Airways brought the number of customers at the location to six.

2. INTERNATIONAL EVENT CATERING

International Event Catering	BY 2018/19 in Mio €	BY 2017/18 in Mio €	Change in Mio €	Change in %
Revenue	129.53	123.00	6.53	5.3%
EBITDA	16.35	12.10	4.25	35.1%
Depreciation/impairment	-4.57	-4.86	0.28	5.8%
EBIT	11.77	7.24	4.53	62.6%
EBITDA margin	12.6%	9.8%		
EBIT margin	9.1%	5.9%		
Share in consolidated sales	15.3%	14.3%		

Revenue in the International Event Catering Division was EUR 129.53m in the 2018/2019 business year (PY: EUR 123.00m). The division's EBITDA stood at EUR 16.35m (PY: EUR 12.10m). The EBITDA margin was 12.6% (PY: 9.8%). EBIT reached EUR 11.77m (PY: EUR 7.24m) in the 2018/2019 business year, and the EBIT margin was 9.1% (PY: 5.9%).

Notably, the event business in Munich continues to grow. DO & CO will provide catering services at the new sports arena in Munich's Olympic Park starting in the 2021 season. The venue can accommodate 11,500 spectators and will be the new home of the FC Bayern Munich basketball team and ice hockey club EHC Red Bull Munich.

The Olympic Park and DO & CO have extended their successful partnership. After participating in a tender, DO & CO won the contract to provide catering to guests and spectators at the venue. The new agreement came into effect on 1 January 2019. It was concluded for a minimum of five years, with an option for a five-year extension.

In addition, DO & CO supplied catering at the following events in the 2018/2019 business year such as:

- 19 Formula 1 Grand Prix races in 18 countries
- 25 football matches at the Allianz Stadium in Turin
- 25 football matches at the Allianz Arena in Munich
- UEFA Champions League Final in Kiev

- Numerous matches of Austrian football clubs FK Austria Vienna and FC Red Bull Salzburg
- Numerous events at the Olympic Park in Munich
- ATP Tennis Masters Series in Madrid
- CHIO Aachen Equestrian Festival
- Numerous events in Austria (Hahnenkamm skiing race in Kitzbühel, beach volleyball tournament in Vienna, competitions at the Bergisel ski jumping hill as part of the FIS Nordic World Ski Championships in Seefeld, and the Four Hills Tournament events at Bergisel and in Bischofshofen)
- Film Festival at Rathausplatz in Vienna

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	BY 2018/19 in Mio €	BY 2017/18 in Mio €	Change in Mio €	Change in %
Revenue	120.17	164.30	-44.12	-26.9%
EBITDA	7.79	10.70	-2.91	-27.2%
Depreciation/impairment	-2.80	-3.63	0.83	22.8%
EBIT	4.98	7.07	-2.08	-29.5%
EBITDA margin	6.5%	6.5%		
EBIT margin	4.1%	4.3%		
Share in consolidated sales	14.2%	19.1%		

Revenue in the Restaurants, Lounges & Hotel Division amounted to EUR 120.17m in the 2018/2019 business year (PY: EUR 164.30m) – a reduction of EUR -44.12m or -26.9%. This decline was due entirely to the termination of train catering services for Austrian Federal Railways on 31 March 2018 (effect of EUR 46m). EBITDA was EUR 7.79m (PY: EUR 10.70m). The EBITDA margin was 6.5% (PY: 6.5%). EBIT stood at EUR 4.98m (PY: EUR 7.07m) and the EBIT margin was 4.1% (PY: 4.3%).

The staff restaurant business with locations in Austria and Germany reported stable revenue in 2018/2019 compared with the previous business year. Another pleasing development is the acquisition of a prestigious customer in the staff restaurants business. Since the beginning of December 2018, DO & CO has operated Red Bull's new staff restaurant for up to 1,200 staff members in Salzburg / Elsbethen.

The DO & CO flagship restaurant at Vienna's Stephansplatz, the DO & CO restaurant at the Albertina as well as the Restaurant Olympiasee located at the Munich Olympic Park generated satisfactory revenue figures.

The 29 lounges operated by DO & CO around the world served catering to over 4.6 million visitors in the 2018/2019 business year. A very gratifying achievement in this respect came at Skytrax 2018 (www.worldairlineawards.com), where Turkish Airlines won the prestigious Best Business Class Lounge award for the third time since 2015, and took first place in the Best Business Class Lounge Dining category for the fifth year in a row.

As previously reported, train catering for Austrian Federal Railways was terminated on 31 March 2018.

SHARE

DO & CO was once again included in Austria's leading index, the ATX, from 24 September 2018. The Group's shares posted strong performance, with price gains of 42.3% on the Vienna Stock Exchange and 86.5% on the Istanbul Stock Exchange. DO & CO's share price on the Vienna Stock Exchange stood at EUR 80.80 on 13 June 2019. The analysts' average price target is EUR 92.76 (as at 7 May 2019).

OUTLOOK

EXTENSION OF CATERING CONTRACT WITH TURKISH AIRLINES

Contract documentation for the agreement on extension of the cooperation with Turkish Airlines through the joint venture company Turkish DO & CO, announced on 23 October 2018, was signed on 27 May 2019. The contract extends the catering supply agreement between Turkish Airlines and Turkish DO & CO by 15 years, and also provides for the sale of the Turkish DO & CO hotel in Istanbul to Turkish Airlines. Completion of the transactions is subject to conditions precedent, in particular approval by the relevant competition authorities.

NORTH AMERICA: DO & CO WINS BRITISH AIRWAYS AT FOUR LOCATIONS

DO & CO won the IAG North America tender for British Airways, which covers all catering services for flights ex North America, at four locations. Catering services will be provided to British Airways also at Los Angeles and San Diego from October 2019.

INTENSIFYING THE COOPERATION WITH CATHAY PACIFIC

DO & CO and Cathay Pacific will further extend their collaboration after the award of a tender for catering at London Heathrow and London Gatwick. DO & CO will take

responsibility for menu design in first class and carry out quality checks at all locations in Europe and North America.

WIN OF FURTHER INTERNATIONAL TENDERS IN FOOTBALL

DO & CO was awarded the contract for the UEFA Champions League finals in 2019, 2020 and 2021 as well as for large parts of UEFA EURO 2020 with regard to hospitality services and catering, and signed a multi-year supply contract.

FORMULA 1

DO & CO is currently in talks with Liberty Media regarding extension of the contract for catering services at Formula 1 Grand Prix races from 2021. Besides catering, the agreement also covers Formula 1 VIP hospitality infrastructure, for which DO & CO has been responsible since 2014/2015. The talks are expected to be concluded in the next few weeks.

EXPANSION OF PARTNERSHIP WITH FC BAYERN MUNICH – FC BAYERN MUNICH FLAGSHIP STORE | DO & CO HOTEL | DO & CO RESTAURANTS IN CENTRAL MUNICH

DO & CO and FC Bayern Munich are further extending their long-standing and highly gratifying partnership. The new FC Bayern Munich Erlebniswelt club museum close to Munich's Marienplatz will open at the end of 2020. DO & CO will operate two restaurants (serving Bavarian and international cuisine), a boutique hotel and a premium event space in the same building as FC Bayern's flagship store.

OPENING OF NEW TURKISH AIRLINES LOUNGES AT ISTANBUL'S NEW AIRPORT

Turkish DO & CO started operations at three new Turkish Airlines lounges with the start of operations at the new airport in Istanbul. These are one domestic, one business and one Miles&Smiles lounge, which are the counterparts of the previous lounges at Istanbul Atatürk Airport. Operations at an arrival lounge will also begin in the next few months.

LOUNGE TENDERS

DO & CO is currently participating in two major lounge tenders. These include the first class and business class lounges of British Airways in the Great Britain, as well as both business lounges for Iberia at Madrid-Barajas Airport. A decision is expected to be made in the coming weeks.

EXPANSION OF THE RETAIL BUSINESS

After winning several large-scale tenders, the focus is on further developing the retail business, in particular Hédiard and Henry.

NEW ACQUISITIONS

As in previous quarters, DO & CO constantly assesses potential acquisition targets in various markets.

DO & CO's management is confident that it can continue moving in the successful direction adopted in recent years. Innovations, first-rate product and service standards, and well trained, highly motivated employees form the basis for capitalising as effectively as possible on available growth potential in the future.

Investor Relations

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Reuters	DOCO.VI, DOCO.IS
Bloomberg	DOC AV, DOCO. TI
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Financial calendar

8 July 2019	Record date for the General Meeting of Shareholders for the business year 2018/2019
18 July 2019	General Meeting of Shareholders for the business year 2018/2019
22 July 2019	Dividend ex day
23 July 2019	Record date for dividends
5 August 2019	Dividend payment date
14 August 2019	Results for the first quarter of 2019/2020
14 November 2019	Results for the first half year of 2019/2020
12 February 2020	Results for the first three quarters of 2019/2020