

Results for the 1st to 3rd Quarter of 2020/2021

(1 April 2020 bis 31 December 2020)

- **Successful crisis management leads to positive net result in Q3**
- **€ 100m additional liquidity through convertible bond at 1.75% interest**
- **10-years contract with Delta Air Lines in Detroit**
- **DO & CO wins Jet Blue in Los Angeles, San Diego and Palm Springs**

Divisions and Group	Q1 2020/2021 in m€	Q2 2020/2021 in m€	Q3 2020/2021 in m€	Q1-Q3 2020/2021 in m€	Q1-Q3 2019/2020 in m€
Group revenue	32.47	78.88	78.56	189.91	759.89
Airline Catering	23.93	54.88	55.69	134.50	535.34
International Event Catering	1.99	13.34	14.08	29.41	119.84
Restaurants, Lounges & Hotel	6.56	10.65	8.79	26.00	104.71
EBITDA	-7.72	14.31	20.03	26.61	87.93
Depreciation/impairment	-13.94	-24.22	-13.36	-51.52	-38.95
EBIT	-21.66	-9.92	6.67	-24.91	48.97
Net Result	-22.15	-15.11	1.72	-35.55	21.42
EBITDA margin	-23.8%	18.1%	25.5%	14.0%	11.6%
EBIT margin	-66.7%	-12.6%	8.5%	-13.1%	6.4%
Employees	7,771	8,191	8,445	8,075	11,051

VIENNA – 18 February 2021 – DO & CO Aktiengesellschaft is publishing its results under IFRS for the first three quarters 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 three quarters of the business year 2020/2021, the DO & CO Group recorded revenue in the amount of € 189.91m, representing a decrease of -75.0% or € -569.97m on the previous year.

The EBITDA of the DO & CO Group was € 26.61m (PY: € 87.93m) in the first three quarters of the business year 2020/2021. The EBITDA margin was 14.0% (PY: 11.6%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to € -24.91m for the first three quarters of the business year 2020/2021, € -73.88m lower than in the same period of the previous year. The EBIT margin was -13.1% (PY: 6.4%).

The net result decreased by € -56.97m from € 21.42m in the previous year to € -35.55m in the first three quarters of the business year 2020/2021. The decline in revenue and in the result is solely and exclusively attributable to the impact of the COVID-19 pandemic.

While the first quarter of the business year 2020/2021 was characterised by the total standstill and massive restructuring measures, in the second quarter, all three divisions reported the first signs of a slow recovery and resumption of business activities. The measures undertaken by the Management Board have proved effective and revenue and result were thus already significantly increased in the second quarter compared to the first quarter of the business year 2020/2021. Despite new lockdowns and uncertainties due to the COVID-19 pandemic, revenue was maintained at the same level also in the third quarter. The EBITDA margin was even increased to 25.5% due to extraordinary effects in the third quarter of the business year 2020/2021. The Company defies the crisis and achieves a positive net result in the third quarter of the business year 2020/2021 thanks to a rigorous and successful crisis management.

A detailed account on the development of the three divisions of the DO & CO Group is given below:

1. AIRLINE CATERING

Airline Catering	Q1-Q3 2020/2021 in m€	Q1-Q3 2019/2020 in m€	Change in m€	Change in %
Revenue	134.50	535.34	-400.84	-74.9%
EBITDA	19.02	55.07	-36.06	-65.5%
Depreciation/impairment	-31.98	-27.10	-4.88	-18.0%
EBIT	-12.96	27.97	-40.93	-146.4%
EBITDA margin	14.1%	10.3%		
EBIT margin	-9.6%	5.2%		
Share in consolidated revenue	70.8%	70.4%		

The Airline Catering locations reported a significantly decreased business development in the first three quarters 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 and third quarter of the business year 2020/2021, revenue and result were significantly increased compared to the first quarter.

Following the first COVID-19 shock and the shut down 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 internal processes. In the context of 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.

Despite the crisis, new important business relations were established. As of 16 March 2021, DO & CO will be the sole hub caterer of Delta Air Lines in Detroit for the next 10 years and therefore will take over responsibility for the entire on-board services on all short-haul and long-haul flights. With more than 400 daily flights in 2019, Detroit is one of the largest and most important hubs of the airline in the US. The contractual cooperation thus represents a decisive milestone in DO & CO's implementation of its expansion plans in the US. Furthermore, DO & CO has won Air Premia as a customer in Seoul.

DO & CO was also able to strengthen the cooperation with long-standing customers. DO & CO wins Etihad in Los Angeles and Chicago. Moreover, DO & CO takes over catering services for Qatar Airways in Madrid as of 1 March 2021, and therefore now has a third customer at the Madrid location besides Iberia and Iberia Express. In addition, the contract with Gulf Air in London was extended by a further four years.

Nevertheless, the Airline Catering division records a decline in revenue of -74.9% due to the unfavourable market environment. In the first three quarters of the business year 2020/2021, revenue only amounted to € 134.50m (PY: € 535.34m). At € 19.02m, EBITDA is below the figure of the same period of the previous year by € -36.06m (-65.5%). EBIT amounts to € -12.96m (PY: € 27.97m). The decline in revenue and in result is solely and exclusively attributable to the impact of the COVID-19 pandemic.

2. INTERNATIONAL EVENT CATERING

International Event Catering	Q1-Q3 2020/2021 in m€	Q1-Q3 2019/2020 in m€	Change in m€	Change in %
Revenue	29.41	119.84	-90.43	-75.5%
EBITDA	7.43	17.65	-10.22	-57.9%
Depreciation/impairment	-3.37	-4.18	0.81	19.5%
EBIT	4.06	13.47	-9.41	-69.9%
EBITDA margin	25.2%	14.7%		
EBIT margin	13.8%	11.2%		
Share in consolidated revenue	15.5%	15.8%		

Business activities in the International Event Catering division recommenced particularly in the second quarter of the business year 2020/2021. Despite new lockdowns, revenue was maintained in the third quarter. However, in the first three quarters of the business year 2020/2021, revenue and result are still strongly affected due to the impact of the COVID-19 pandemic.

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. Except for the grand prix race in Portugal, all 17 races of the 2020 Formula 1 season were held without spectators in the VIP area. However, DO & CO was able to secure catering services for all Formula 1 teams as well as the management of the Formula 1 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. For the remaining races, DO & CO was responsible for providing catering services to the Formula 1 employees on site as well as for supplying the entire event infrastructure. Moreover, DO & CO looked after the Formula 1 team of Mercedes at all grand prix races and, in doing so, made its contribution to another very successful sports year of Mercedes.

After all football matches of FC Bayern Munich, FK Austria Vienna and FC Red Bull Salzburg were cancelled or took place without any spectators in the first quarter, DO & CO resumed providing culinary services at some matches in the second and third quarter of the business year 2020/2021. At the Olympic Park in Munich, some smaller events also started to take place again. For the first time, DO & CO also took over the entire culinary services at the Film Festival at the Rathausplatz in Vienna which took place from 4 July to 6 September 2020.

At the ATP tennis tournament in Vienna (Erste Bank Open) taking place from 24 October to 1 November 2020, the Company was able to prove its operational excellence and demonstrate that it is possible to host a top-class event even under the toughest restrictions. Altogether, more than 4,500 guests in the VIP area enjoyed the culinary delights.

Despite these delightful highlights, revenue and result in the first three quarters of the business year 2020/2021 are strongly affected by the continuing impact of the COVID-19 pandemic. In the first three quarters of the business year 2020/2021, revenue decreased by -75.5% on the previous year to € 29.41m (PY: € 119.84m). It is pleasing that EBITDA did not decrease as sharply, i.e. only by -57.9% to € 7.43m (PY: € 17.65m), and that it was possible to record a positive EBIT of € 4.06m (PY: € 13.47m).

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	Q1-Q3 2020/2021 in m€	Q1-Q3 2019/2020 in m€	Change in m€	Change in %
Revenue	26.00	104.71	-78.71	-75.2%
EBITDA	0.17	15.20	-15.03	-98.9%
Depreciation/impairment	-16.17	-7.66	-8.51	-111.0%
EBIT	-16.00	7.54	-23.54	-312.2%
EBITDA margin	0.7%	14.5%		
EBIT margin	-61.5%	7.2%		
Share in consolidated revenue	13.7%	13.8%		

The Restaurants, Lounges & Hotel division comprises the business units restaurants, 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 result significantly decreased also in this division.

All DO & CO restaurants in Vienna had been reopened since mid-May until the beginning of November 2020. Encouragingly, revenue from the same period of the previous year was exceeded in the reopening phase. In the third quarter of the business year 2020/2021, the Demel café in Vienna was reopened with a new sales room design being adapted to COVID-19 and a new culinary concept. As of 15 October 2020, a new Asian concept offering contemporary Japanese cuisine was introduced in the form of the new DO & CO ONYX restaurant at Vienna's Stephansplatz which enjoyed great popularity.

As Austria, however, decided to send restaurants back into lockdown as of November 2020, restaurants had to close again. During this time, the "Kaiserschmarrn-to-go" concept was developed for the Demel café in Vienna, which has been well received at various locations and is highly popular in the media as well as on social media in particular. More than 1,500 portions of the Austrian speciality are sold per day.

Furthermore, on 6 December 2020, the construction of the new DO & CO hotel, restaurant and inn near Munich's Marienplatz in cooperation with FC Bayern Munich was completed. However, due to the extension of the lockdown in Germany, the opening had to be postponed as well.

In the first three quarters of the business year 2020/2021, the Restaurants, Lounges & Hotel division accounted for revenue of € 26.00m (PY: € 104.71m). This represents a decrease of -75.2% on the previous year. At € 0.17m, EBITDA is below the figure of the same period of the previous year by € -15.03m (-98.9%). EBIT amounts to € -16.00m (PY: € 7.54m).

OUTLOOK

DO & CO quickly responded to the pandemic as early as in March 2020 and instantly took decisive action in order to

- a.) significantly reduce fixed costs and burn as little cash as possible,
- b.) manage the liquidity already secured before the outbreak of the crisis, and
- c.) invest in the development of new products for the future "new normal".

After almost a year of pandemic, it can be said that, due to the consistent implementation of all these measures and the placing of a convertible bond at an interest rate of 1.75% which only took place in January 2021, DO & CO is in the position to meet all its obligations on its own merits. Encouragingly, all this will enable DO & CO to be one of the first companies to get off to a flying start as soon as the legal restrictions are lifted.

Though no improvement is expected for the fourth quarter of the current business year (until 31 March 2021), DO & CO's management assumes that markets will be gradually opened thereafter.

In all its divisions and its different markets, DO & CO is well prepared for these market openings owing to its existing business model as well as newly developed products, and hopes for an excellent market positioning in all segments.

The acquisition of new major customers such as Delta Air Lines in Detroit or Jet Blue in Los Angeles, San Diego and Palm Springs or the intensification of business relations with Qatar Airways and Etihad show that DO & CO continues to offer a highly competitive product portfolio that is particularly well received by quality-focused customers even during the crisis.

Also in the remaining two divisions, DO & CO is all set, in particular with a new restaurant complex and boutique hotel in the city centre of Munich and further gourmet retail activities in Vienna that are soon to be expanded to Munich and London as well.

The increasing number of vaccinations will therefore not only stimulate the restaurant business but also boost all activities in the International Event Catering division.

Management therefore is confident that DO & CO will benefit from the future market opening and the upcoming consolidations and win further market shares.

Details on the placement of the € 100m convertible bonds of DO & CO

By placing convertible bonds with a coupon of 1.75%, DO & CO secured additional liquidity on its own merits. The inflow of € 100m on such favorable terms despite the ongoing crisis is a significant competitive edge and puts the Company in an excellent position for a future growth. The high level of interest shows that investors all around the world are not only convinced of the Company's successful business model, but also expect DO & CO to recover and reinforce its market position in the future.

Strengthening the Partnership with Jet Blue

DO & CO continues its path to success and secures a further new business opportunity following the wins of Delta, Etihad and Qatar Airways. As of mid-April 2021, DO & CO will also prepare the food for the business class (Mint Class) of Jet Blue not only in New York but also in Los Angeles, San Diego and Palm Springs. In addition to the cooperation with Delta Air Lines, the contractual cooperation represents a further decisive milestone in DO & CO's implementation of its expansion plans in the US.

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Security abbreviation	DOC, DOCO
Reuters	DOCO.VI, DOCO.IS
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