



# Investor Day 2014

10 April 2014

Andrew Gibson, CEO



Serving people on the move

# gategroup 3<sup>rd</sup> Investor Day

11.00 am – 11.30 am

Setting the Stage

Andrew Gibson,  
CEO gategroup

*Walk to Exhibition*

11.45 am – 12.30 pm

Brands “Show and Tell”

gategroup team

12.30 pm – 1.30 pm

Our Culinary expertise - Lunch

gategroup team

*Walk to Presentation Hall*

1.45 pm – 3.30 pm

gategroup and its industry

Andrew Gibson,  
CEO gategroup

*Event ends*

# Global independent leader

## Global product and service offering

- Broad product and services offered as standalone or bundled solutions
- Global network with 128 operating locations in 32 countries
- Leading market position in each offer



## Leader in key customer hubs

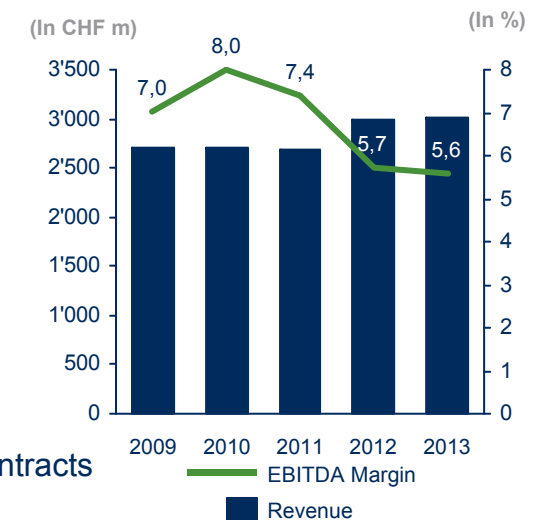
- Present in 70% out of the 20 largest airports globally
- Caterer at a main hub airport for all ten largest customers
- More than 270 airline customers

## Resilient business model

- Large and diversified customer base
- Flexible and competitive cost structure
- Strong commercial discipline
- Relative revenue stability due to long-term contracts

## Independent supplier

- No airline or airline-related investor as major shareholder
- Collective bargaining contracts unrelated to airline union contracts

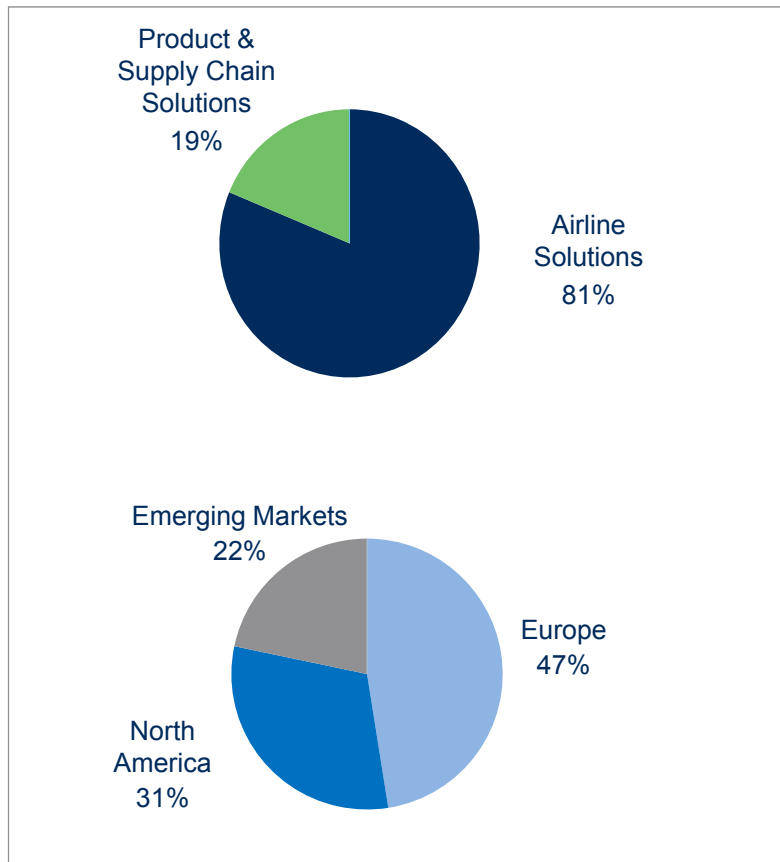


# Global product and service offering

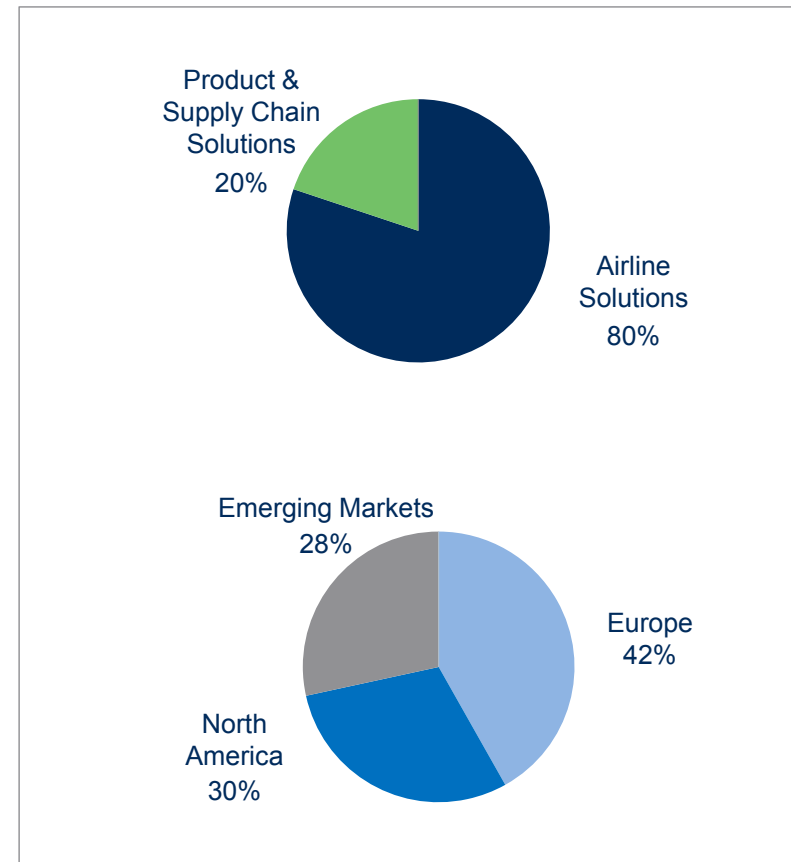
gategroup offering	Brands		Services
	Airline Solutions	Product and Supply Chain Solutions	
<b>Catering Services</b>	 Gategourmet  executive gourmet		<ul style="list-style-type: none"> <li>▪ Airline Catering and Provisioning</li> <li>▪ Executive Jet Catering</li> </ul>
<b>Products</b>		 deSter  HARMONY  Supplair	<ul style="list-style-type: none"> <li>▪ Onboard Service Equipment and Solutions</li> <li>▪ Premium Amenity Kits and Comfort Items</li> <li>▪ Distributed Food and Beverage Solutions</li> </ul>
<b>Network Solutions</b>	 eGate Solutions  Gate Retail Onboard	 pourshins	<ul style="list-style-type: none"> <li>▪ Onboard Retail Services</li> <li>▪ Airline and Rail Technology Solutions</li> <li>▪ Supply Chain and Logistics Solutions (4PL)</li> </ul>
<b>Airport Services</b>	 Performa  GATESAFE  Gate Aviation		<ul style="list-style-type: none"> <li>▪ Airport Lounges</li> <li>▪ Catering Inspection, Cargo Screening, and Aircraft Security</li> <li>▪ Commissary, Cleaning, Passenger, and Ramp Services</li> </ul>

# gategroup's profile

## Revenue split



## EBITDA split



Notes: Revenue and EBITDA split excluding corporate items and eliminations

# Our guiding principles

Element	gategroup
Mission	<p><b>Serving People on the Move</b></p>
Vision	<p>Be the <b>leader</b> in the markets we serve and in the products and services we provide. Continue to <b>build</b> our capabilities as a leading global company. Deliver balanced, progressive and sustainable <b>growth</b>.</p>
Values	<p><b>Excellence - Passion - Integrity - Accountability</b></p>
Strategy	<p><b>“Balanced Profitable Growth”</b></p>

# Executive Management Board



**Jann Fisch**  
*Europe & Africa*



**Doug Goeke**  
*North America*



**Herman Anbeek**  
*Emerging Markets*

## Airline Solutions Business



**Andrew Gibson**  
*CEO*



**Andrew Langdale**  
*P&SCS*

## Product and Supply Chain Solutions



**Thomas Bucher**  
*CFO*



**Mike Hargett**  
*Deputy CFO*



**Kristin Brown**  
*Chief Legal Officer*



**Richard Wells**  
*Chief Human Resources Officer*



**Drew Niemeyer**  
*Chief Commercial and Corporate Development Officer*

## Group Centre

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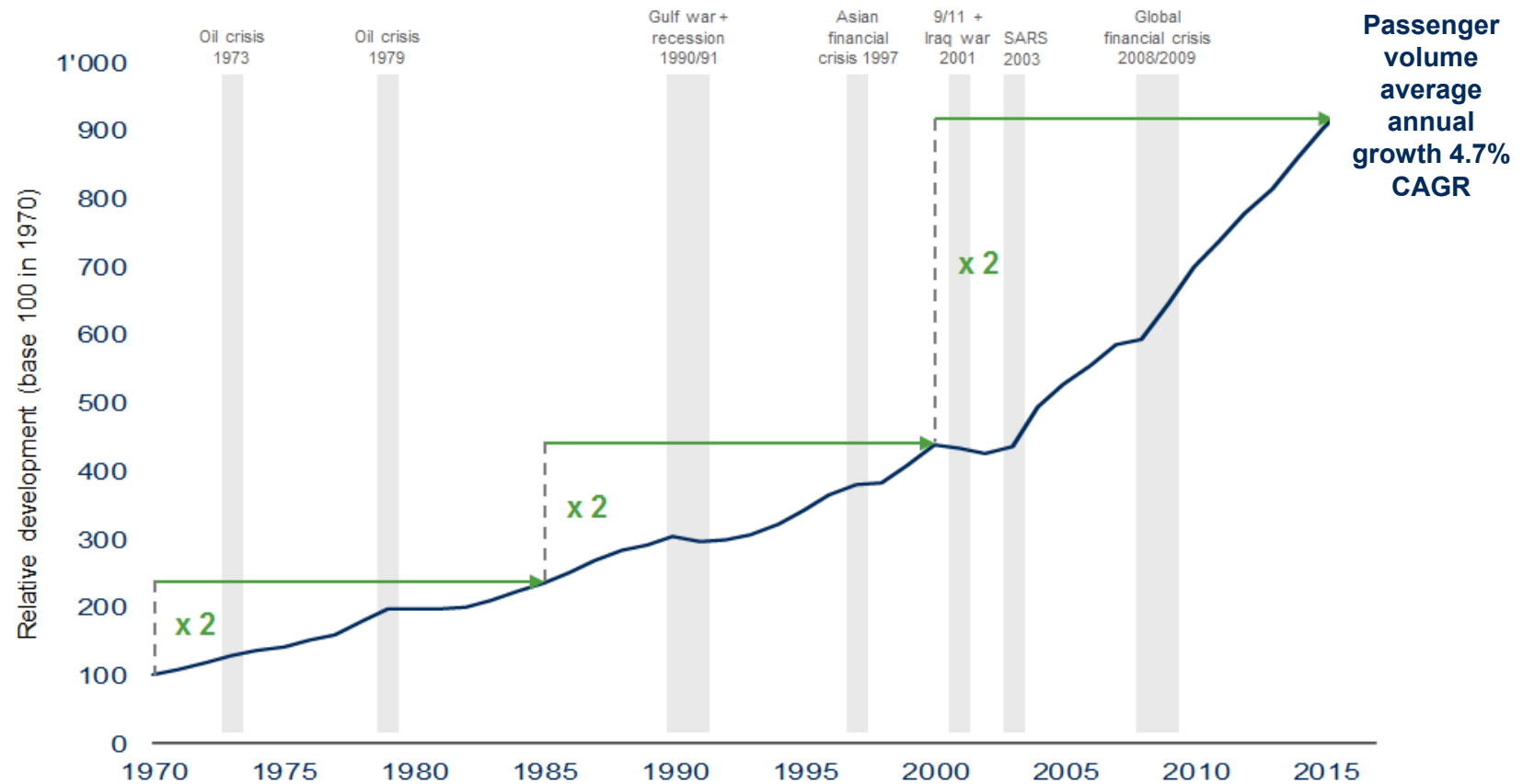
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*Event ends*

## Agenda: gategroup and its industry

1. Current airline industry profile
2. Current gategroup profile
3. Future trends
4. Our Strategy
5. Summary

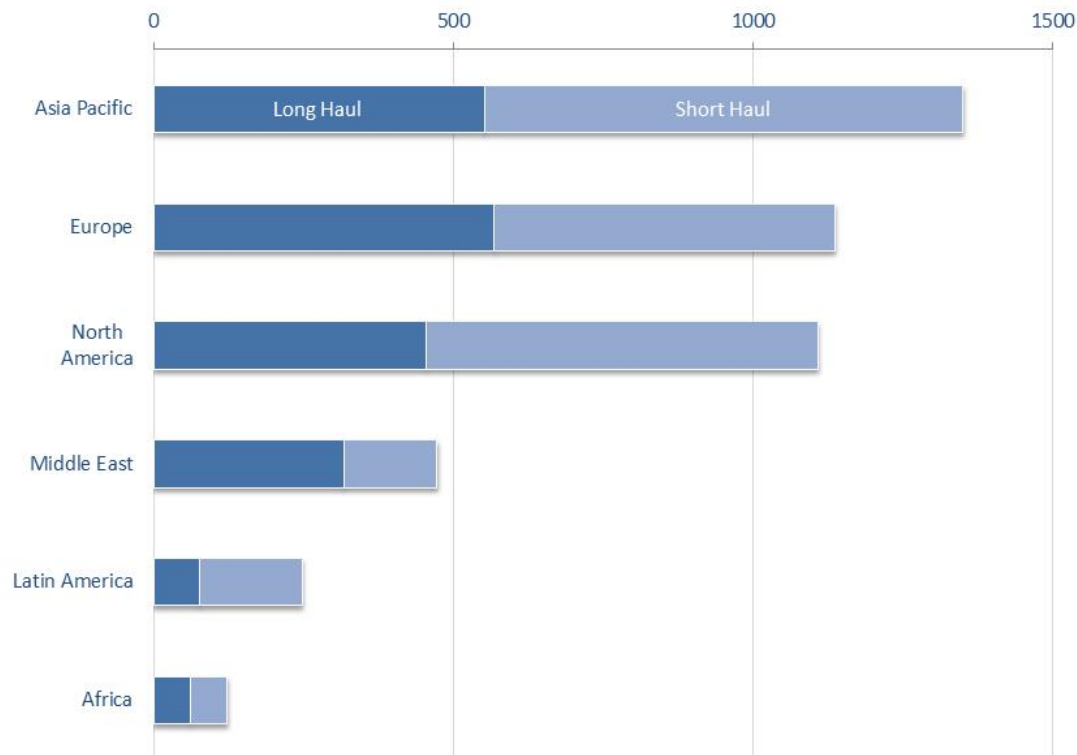
# Passenger growth



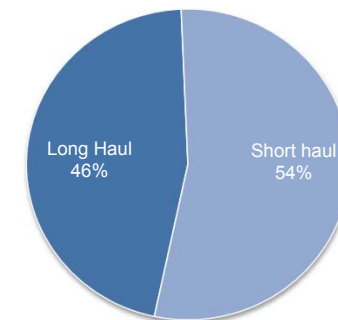
Source: IATA Airline Industry Forecast 2013 - 2017, IMF World Economic Outlook Oct 2013  
 2013-2017 estimated, IATA's Outlook System-wide Passenger.  
 Index: Current passengers flying in 2013 of passengers flying in 1970

# Current traffic (ASMs) by market

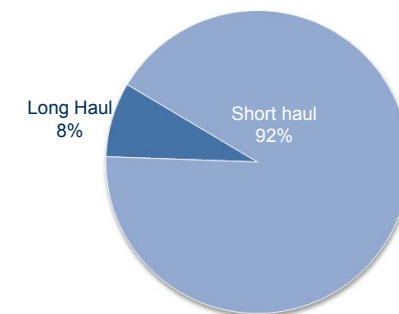
Available Seat Miles traffic by airline domicile (millions)



Haul mix by available capacity (ASM)



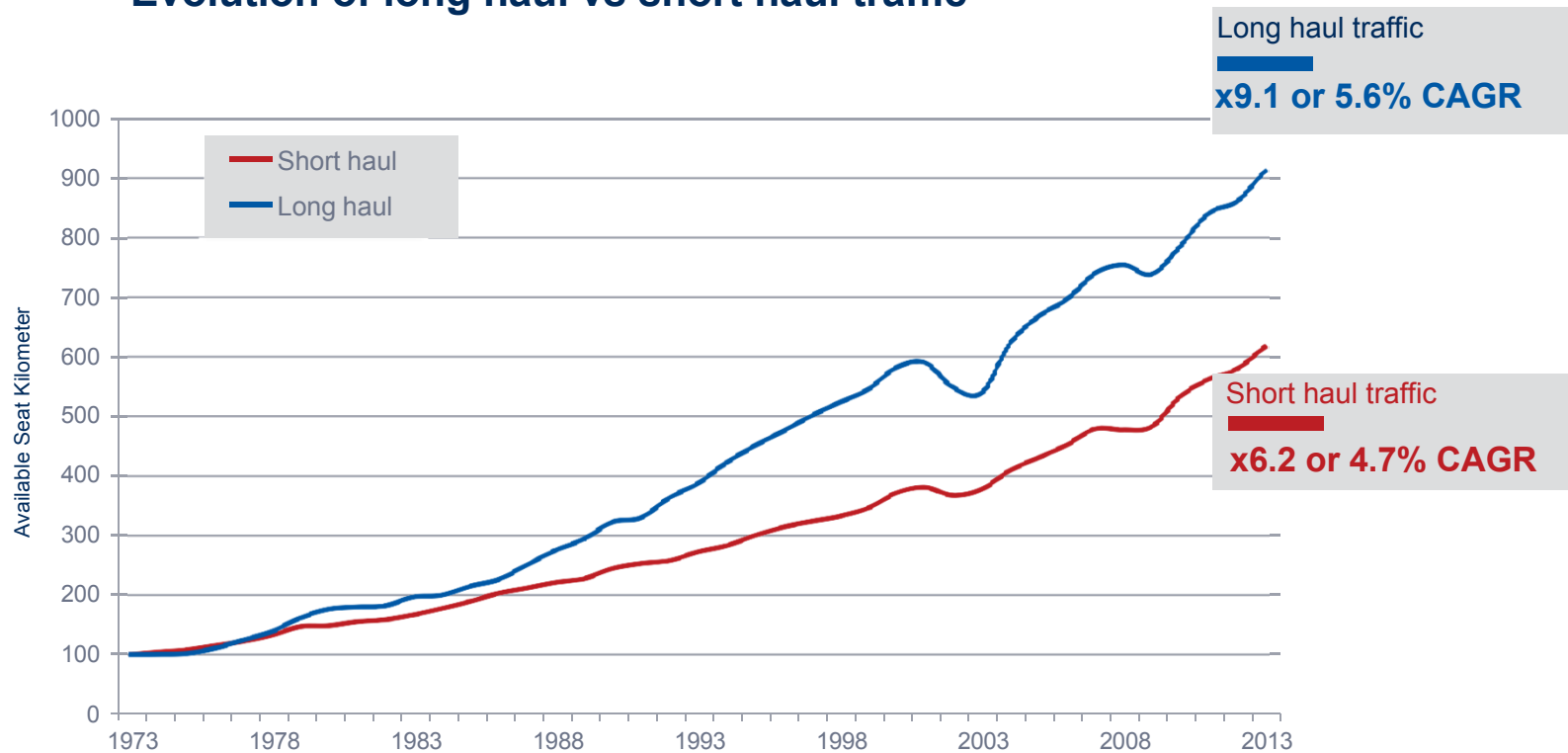
Haul mix by number of take-offs



OAG 2013, gategroup analysis based on ASMs and airline domicile  
 ASM = Available Seat Miles; Long haul traffic: flight distance >2,000m

# Long haul vs short haul growth

## Evolution of long haul vs short haul traffic

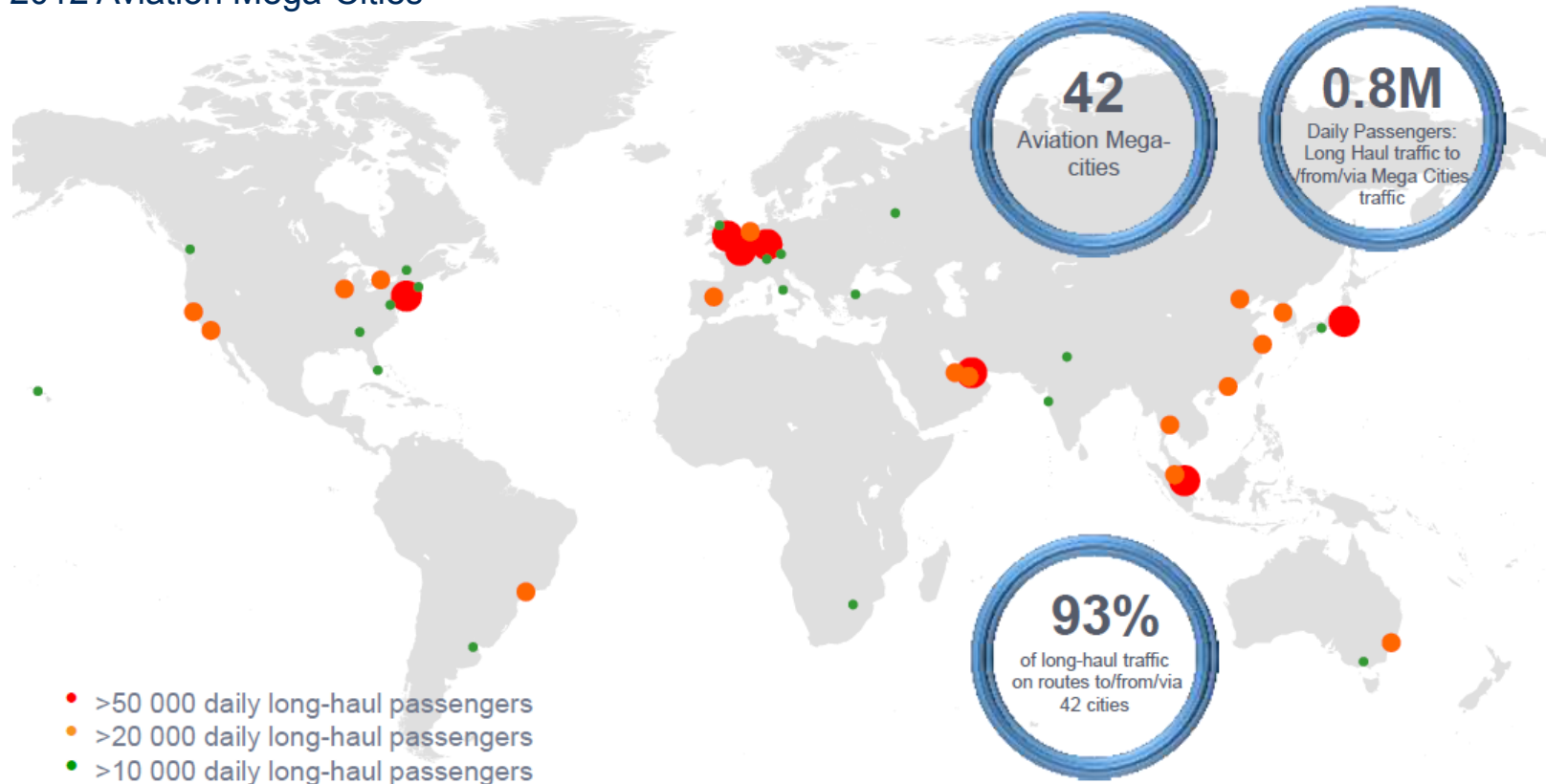


Since 1973, long haul traffic has grown 1% per year faster than short haul traffic

Source: OAG, Airbus 2013  
 Index 100= 1973 - Long haul traffic: flight distance >2,000m  
 ASK = Available seat kilometer (1 mile equals 1.6 km)

# Long haul city concentration

## 2012 Aviation Mega-Cities

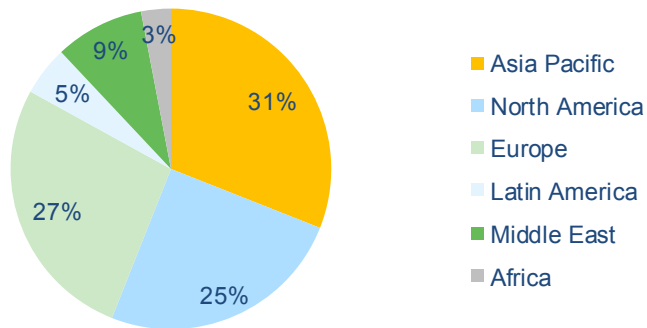


**Long haul traffic is concentrated on a few main aviation centres**

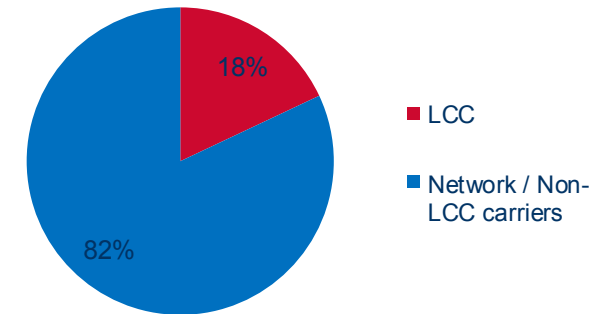
Source: Airbus, Global Market Forecast 2013; Cities with more than 10,000 daily passengers Long haul traffic: flight distance >2,000m, excl.domestic traffic

# Airline concentration

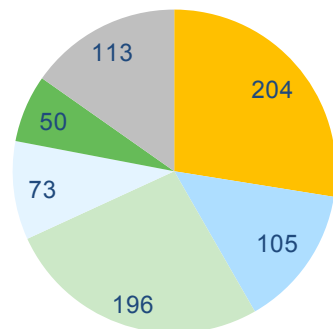
Available capacity by airline domicile



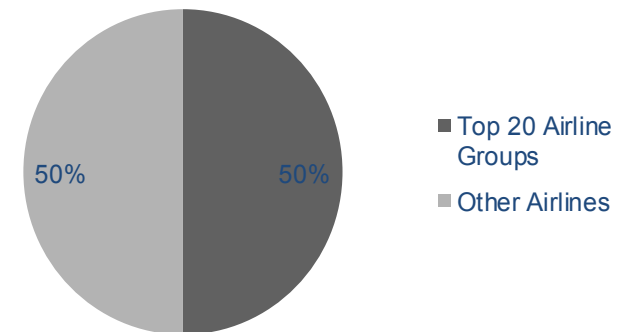
Airline concentration by carriers type



Number of airlines per region



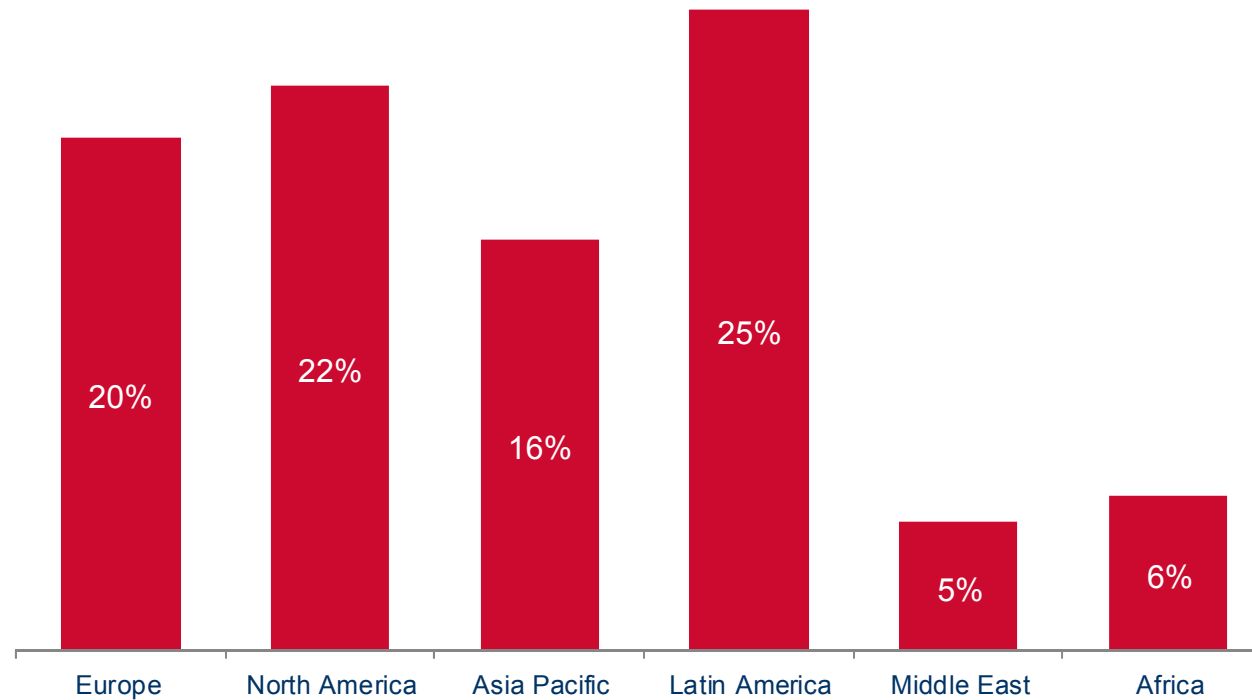
Capacity concentration



Source: Source: OAG 2013, gategroup analysis based on ASMs and airline domicile  
Number of airlines Airbus GMF 2013

## LCC's regional market share

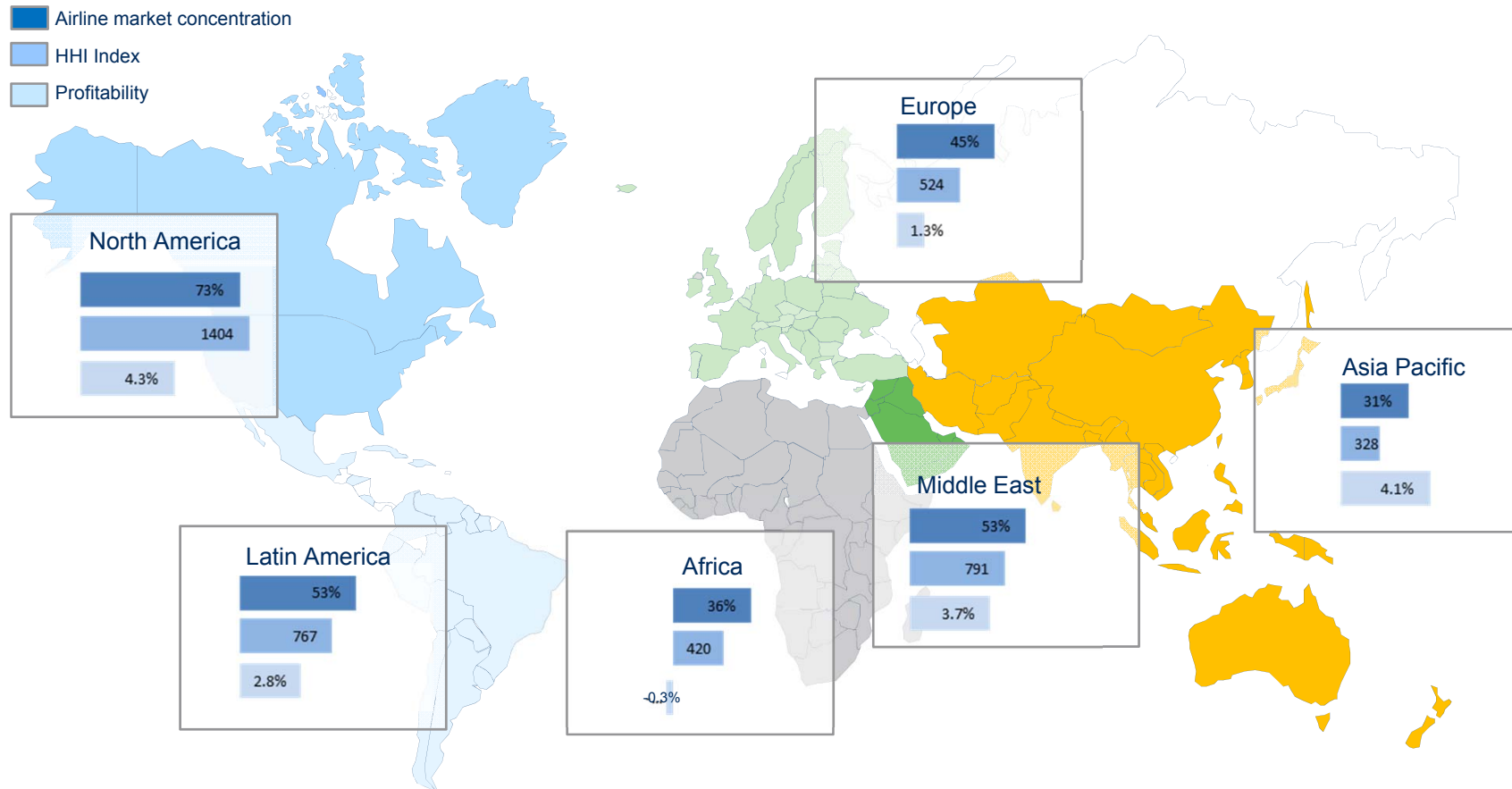
### Low cost carriers participation by market



Source: OAG 2013, gategroup analysis based on ASMs and airline domicile



# Airline market concentration



Source: CAPA – Centre for Aviation, IATA

Airline market concentration: ratio of number of seats from 5 largest airlines by total seats, HHI Index (Herfindahl Hirschman Index) whereas 2000 = highly concentrated, Profitability based on IATA forecast 2013: EBIT margin of system wide global commercial airlines by region

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# Airline Solutions customer base

## Selected customers

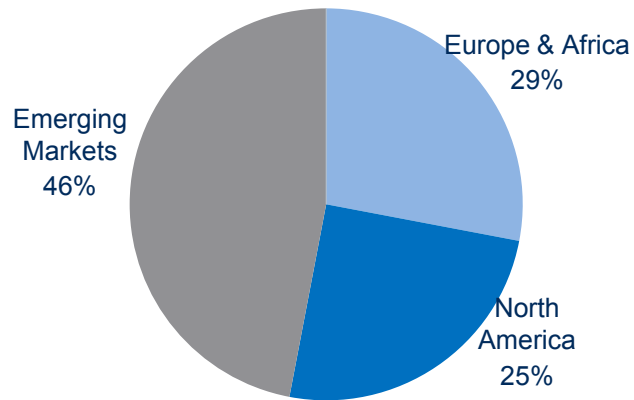


## Diversified customer base

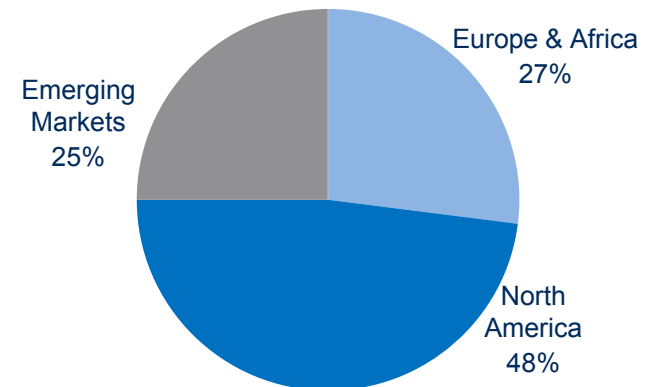
- Portfolio of more than 270 customers:
  - Legacy airlines
  - Low-fare airlines
  
- Longstanding relationships with a majority of its customers
  
- Average contract length of 5 years
  
- Well managed and monitored customer portfolio

# Airline Solutions markets

**Airline Industry  
Available Capacity (ASM) by Region**



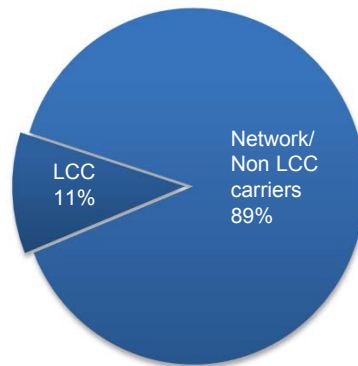
**Airline Solutions  
Serviced Capacity (ASM) by Region**



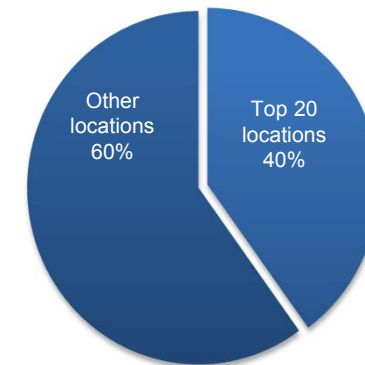
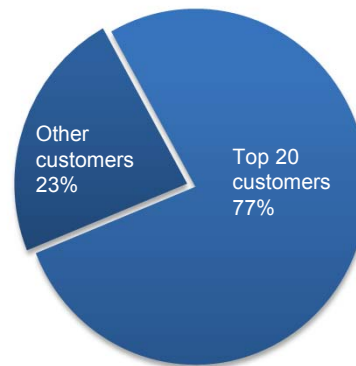
Source: OAG 2013, gategroup analysis based on ASMs and airline domicile

# Airline Solution customer and location concentration

Carriers type



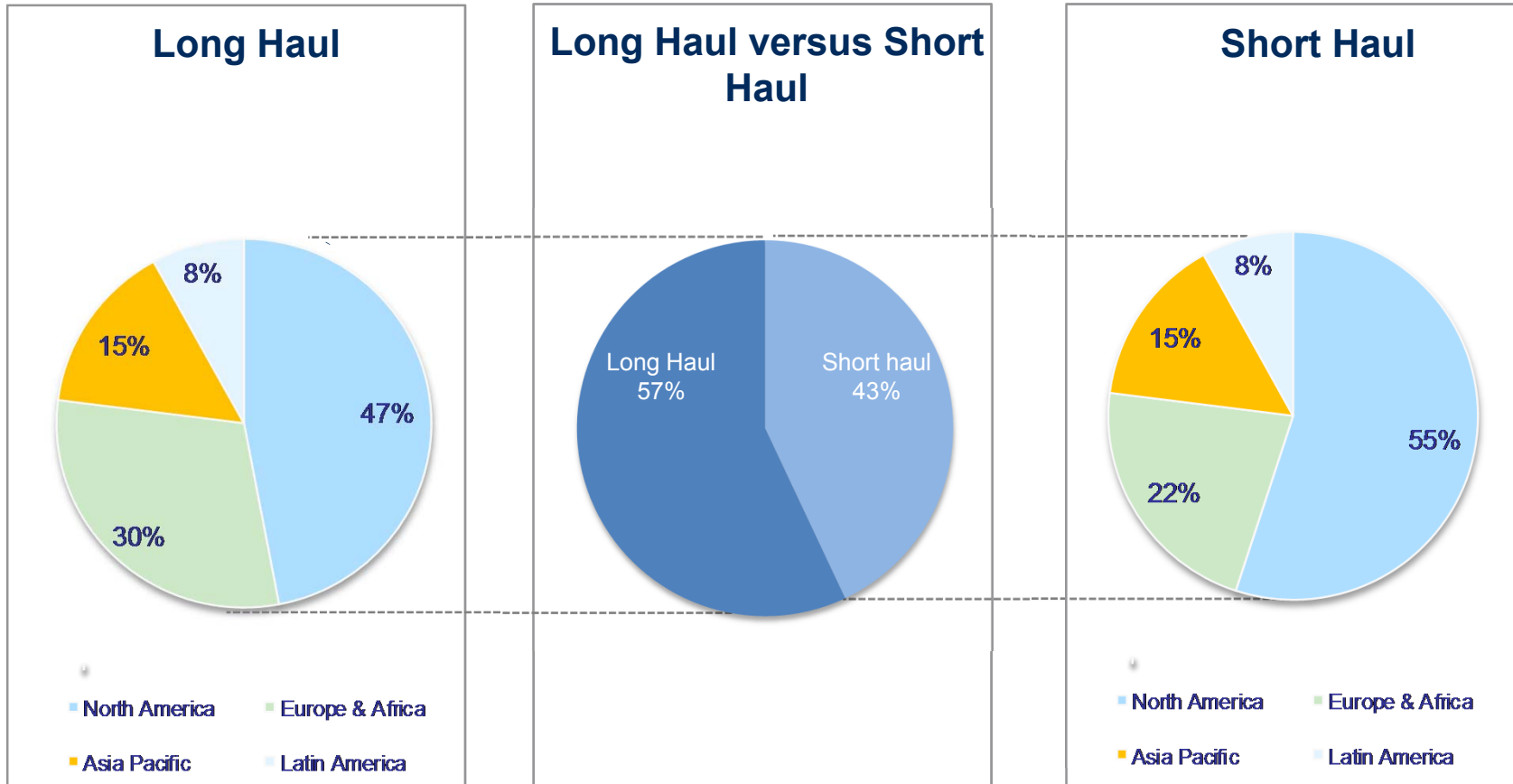
Customer and location concentration



- Top 20 customers by ASM represent 77% of the Gate Gourmet total served ASMs
- Approximately 40% of our served ASMs are concentrated around top 20 airports globally

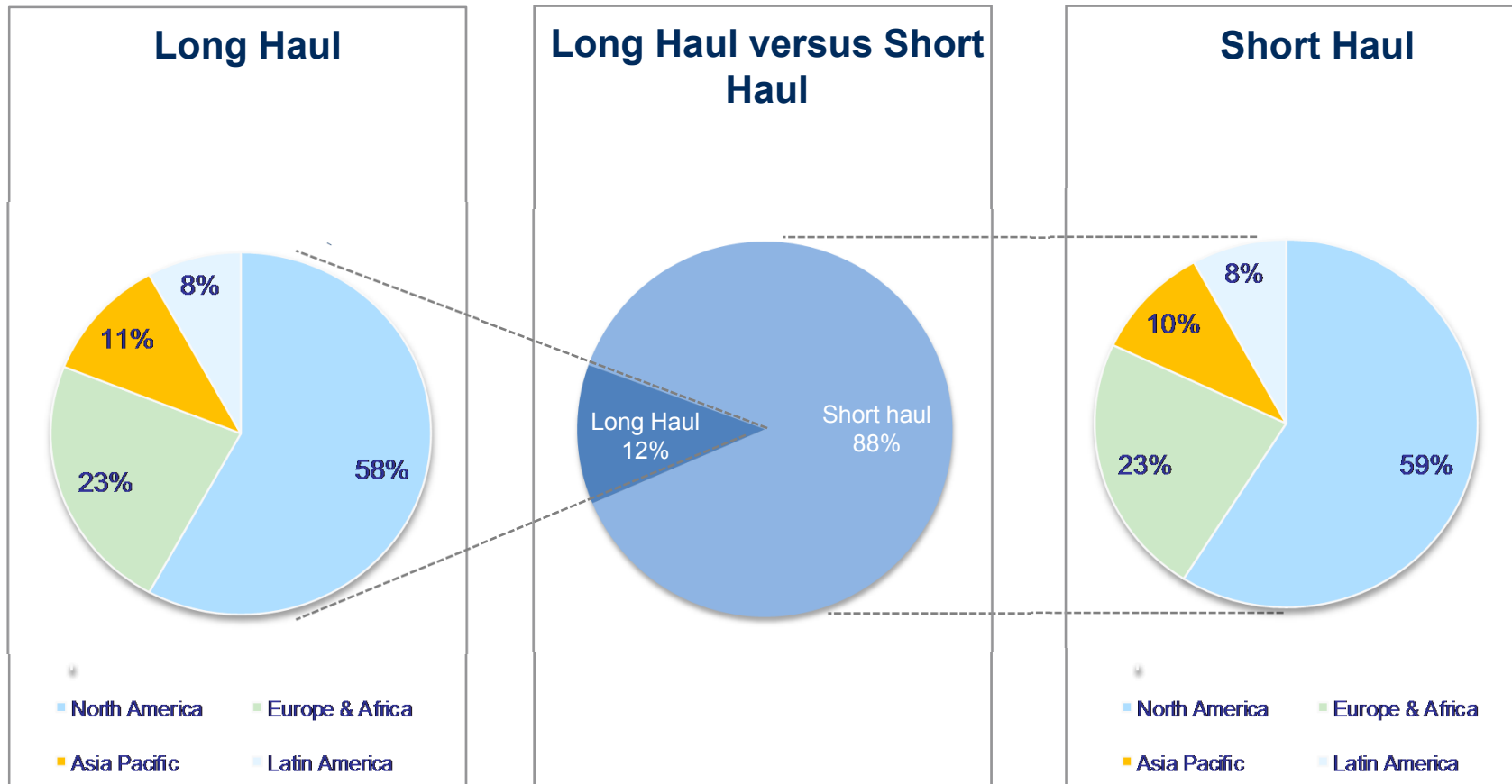
Source: OAG 2013, gategroup analysis based on ASMs and airline domicile

# gategroup Airline Solutions haul mix by available capacity



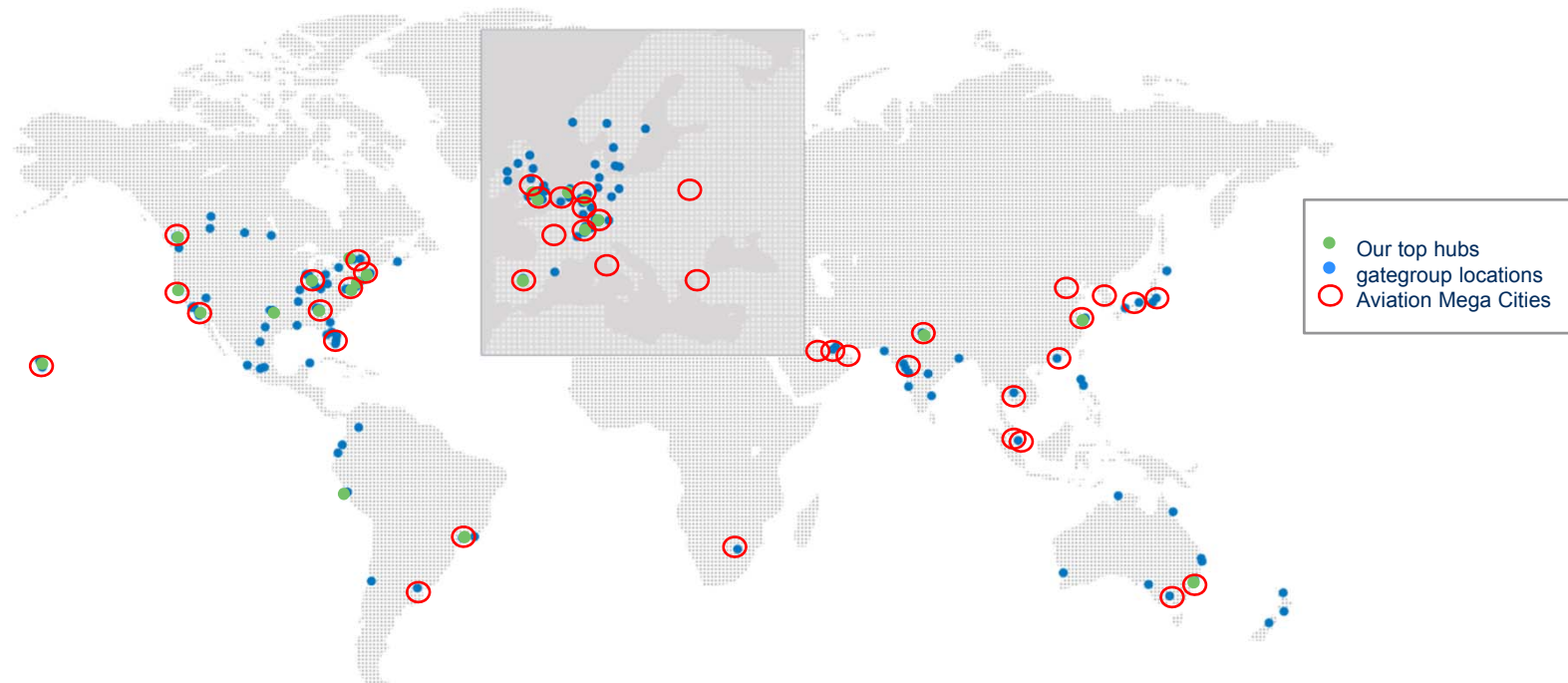
Source: OAG 2013, gategroup analysis based on ASMs and airline domicile  
 ASM = Available Seat Miles  
 Long haul traffic: flight distance >2,000miles

# gategroup Airline Solutions haul mix by take-offs



Source: OAG 2013, gategroup analysis by number of departure by region  
 Long haul traffic: flight distance >2,000miles

# gategroup Airline Solutions locations



70% of Airline Solution's locations overlap with the long haul aviation mega cities (29 in total including the 18 biggest)

Source: Global Market Forecast 2013; gategroup analysis



# Product and Supply Chain Solutions (PSCS) customer base

## Selected customers



BRITISH AIRWAYS



DELTA



UNITED



LAN TAM  
LATAM AIRLINES GROUP



virgin atlantic



KLM



Duni



AIR CANADA



American Airlines



中国南方航空  
CHINA SOUTHERN

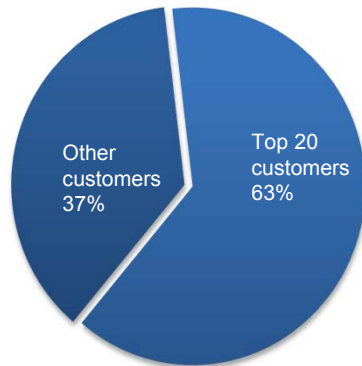
AIRFRANCE

## Diversified customer base

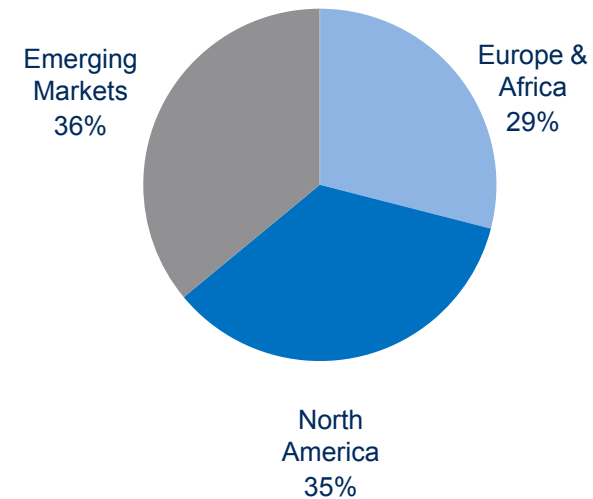
- Total customers of about 350
- Average contract length of 2 years
- Low capital intensity - not dependent on physical airport locations
- Top 10 customers include Emirates, KLM/AirFrance and China Southern – examples of under penetrated customers by our Airline Solutions.
- Top 10 also includes non-airline customers
- Strong Emerging Market penetration

# Product and Supply Chain Solutions market overview

Customer concentration by ASMs



Revenue by customer market



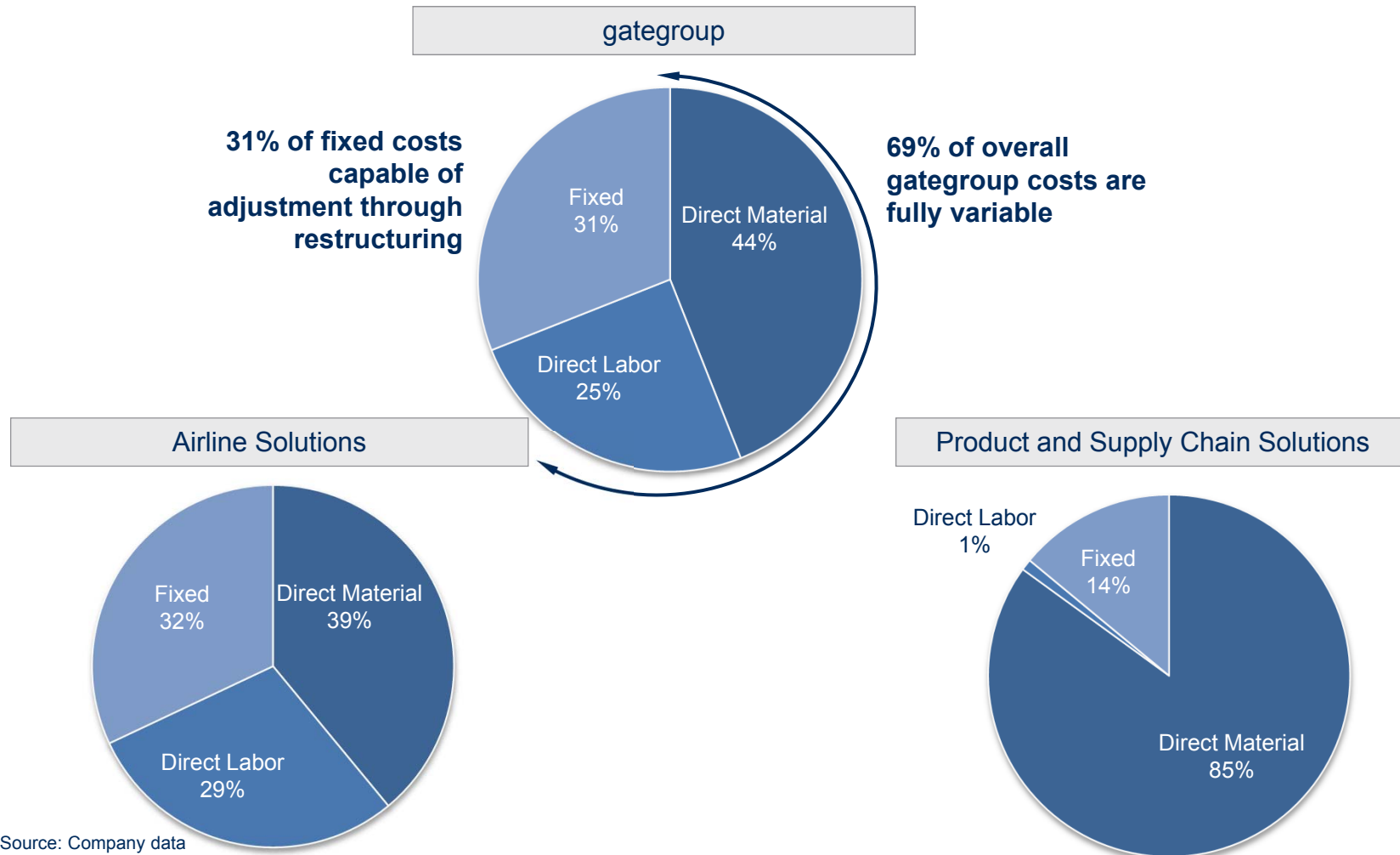
Source: OAG 2013, gategroup analysis based on ASMs, revenue and airline domicile

# Our revenues drivers

	<b>Airline Solutions</b>	<b>Product and Supply Chain Solutions</b>
<b>Meals</b>	<ul style="list-style-type: none"> <li>Number of passengers</li> <li>Length of haul</li> <li>Travel class</li> <li>Airline service levels</li> </ul>	<ul style="list-style-type: none"> <li>Number of passengers</li> <li>Length of haul</li> <li>Travel class</li> <li>Airline service levels</li> </ul>
<b>Flights</b>	<ul style="list-style-type: none"> <li>Number of service takeoffs</li> <li>Airplane body type</li> </ul>	<ul style="list-style-type: none"> <li>Airplane body type</li> <li>New aircraft and aircraft to modernize</li> </ul>

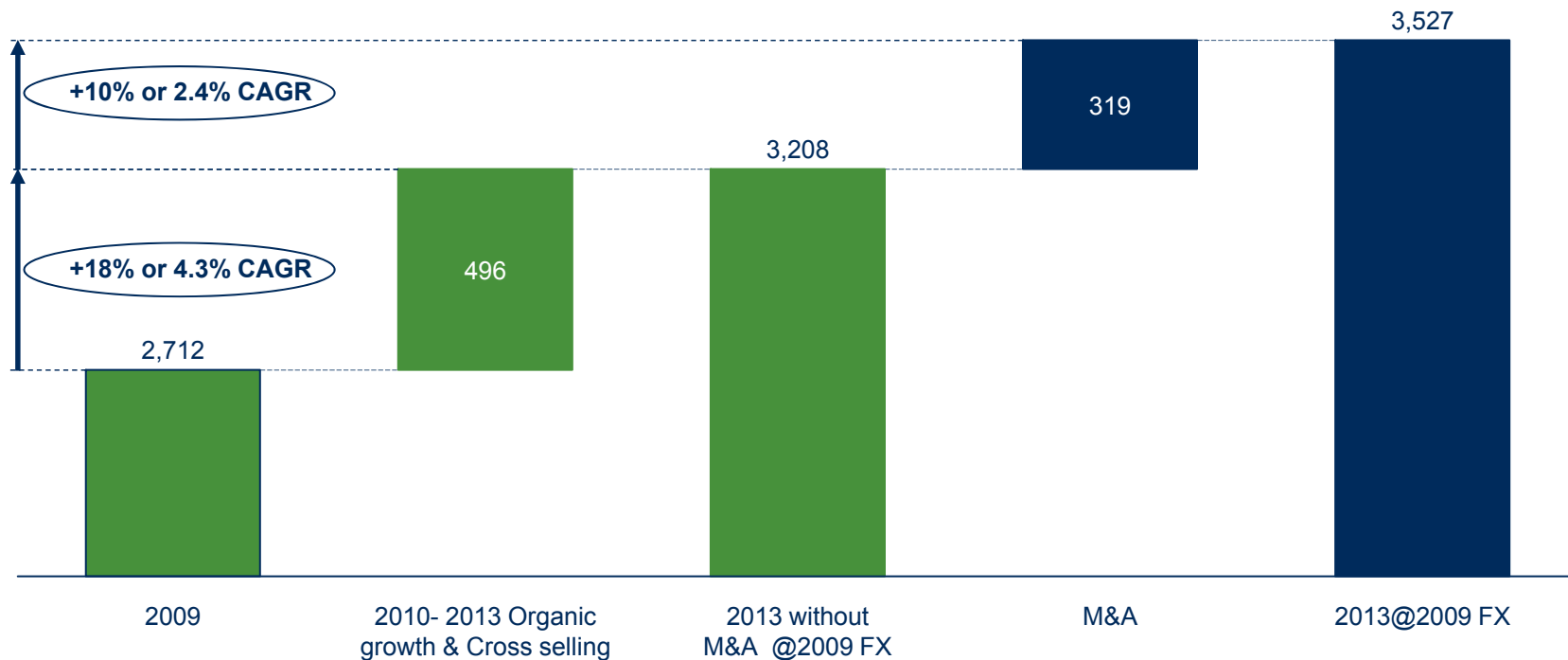
## Long Haul versus Short Haul

# Flexible cost structure



# gategroup 4 years organic growth in line with industry

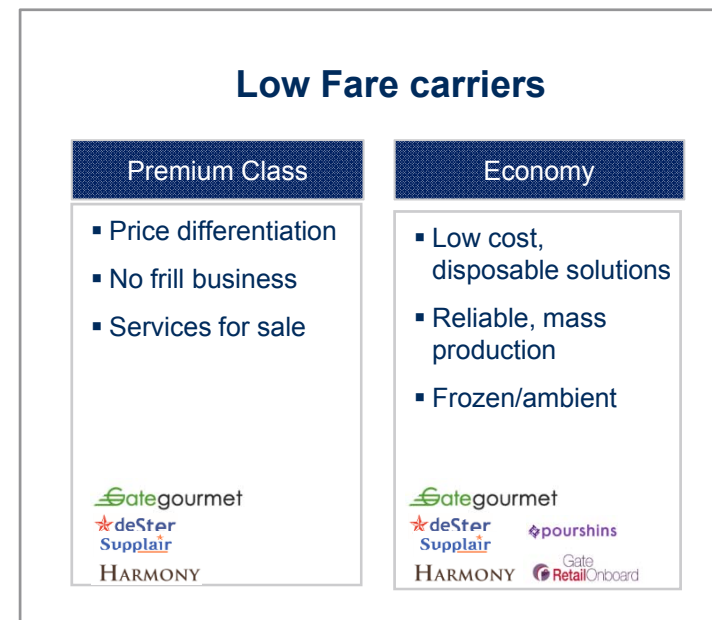
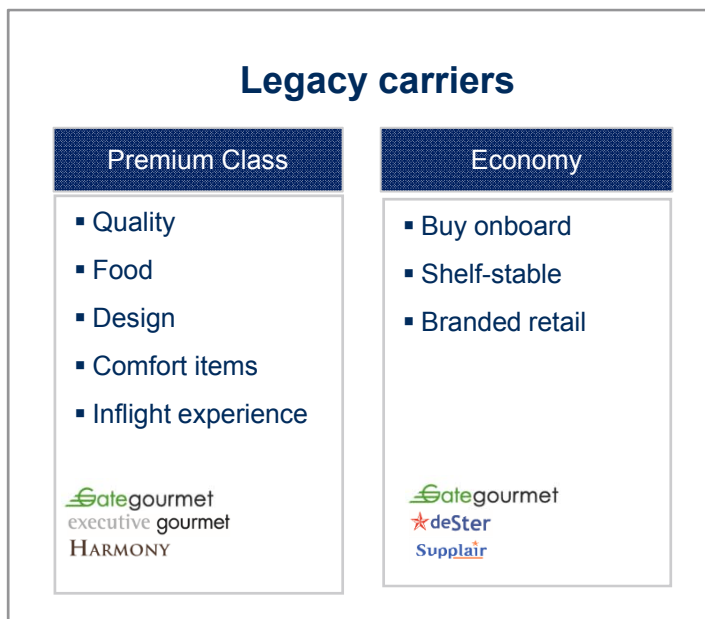
**2009 – 2013 Revenue**  
(2009 exchange rates, CHF m)



Source: Company data

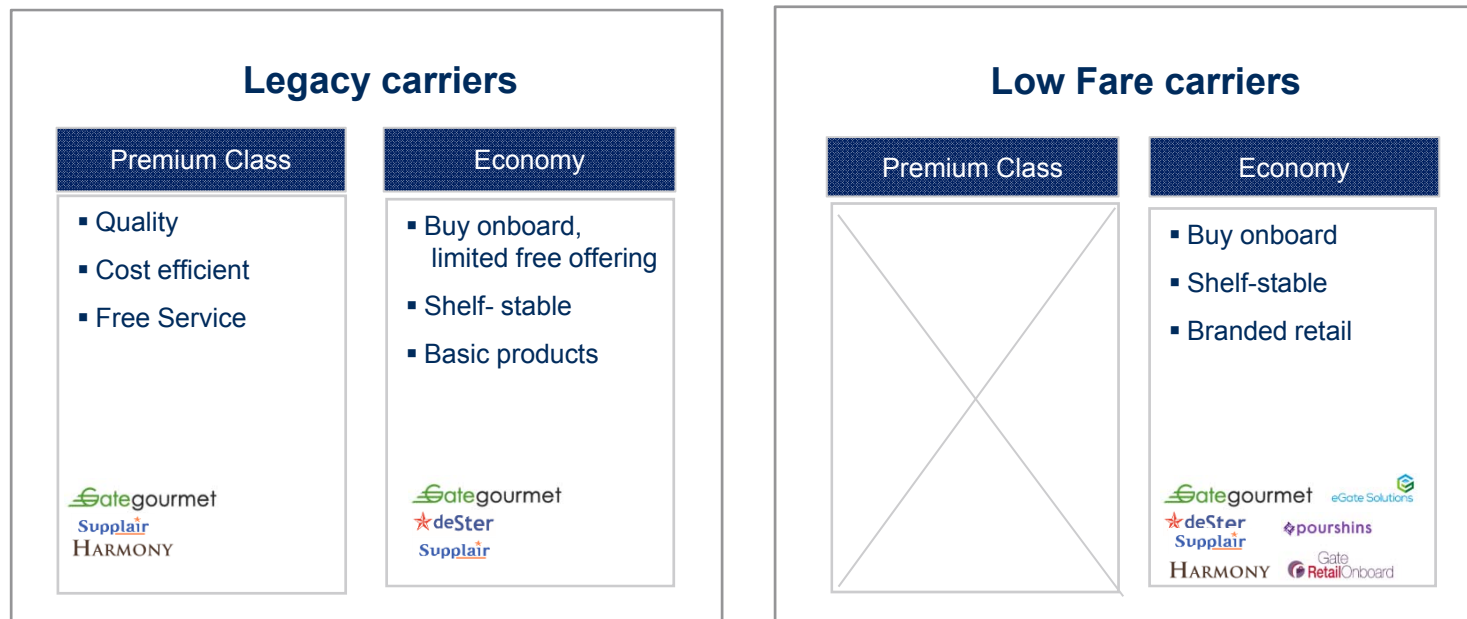
# Growing long haul revenue

- 12% of our total take-offs contribute to about 48% of the Airline Solutions revenues
- International flights have the highest spend per customer and continue to deliver good margins
  - Continue to serve two or three classes
  - Premium cabin service quality is differentiating factor
- Airline Solutions and Product & Supply Chain Solutions participate in growth
- Long haul segment is stable and continues to demonstrate strong growth



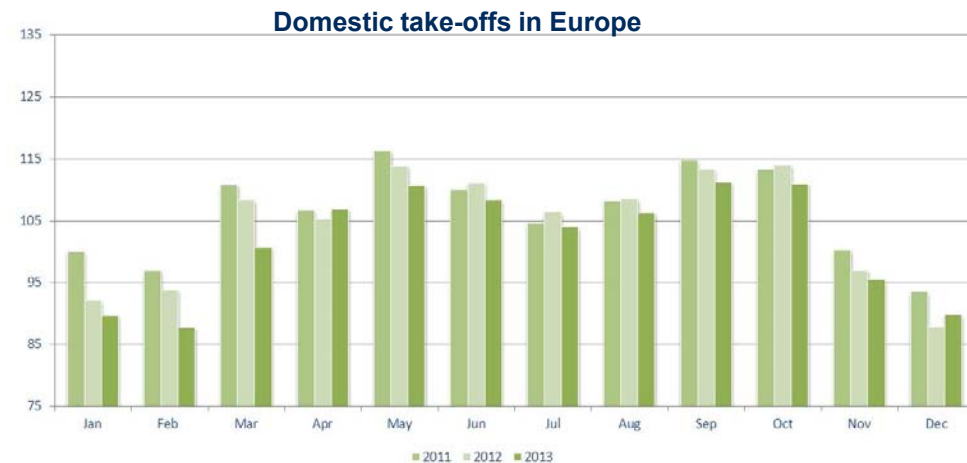
# Short haul remains in transition

- 88% of our total take-offs generate about 45% of the Airline Solution revenues
- Short haul service in mature markets largely down scaled on legacy carriers
- Substantial contraction in European legacy carrier volume in 2012-2013 - now stable
- Plane gauging by US carriers – transient impact due to passenger growth
- LCCs gain market share in Europe
- Gate Retail Onboard poised to capture opportunities from market changes

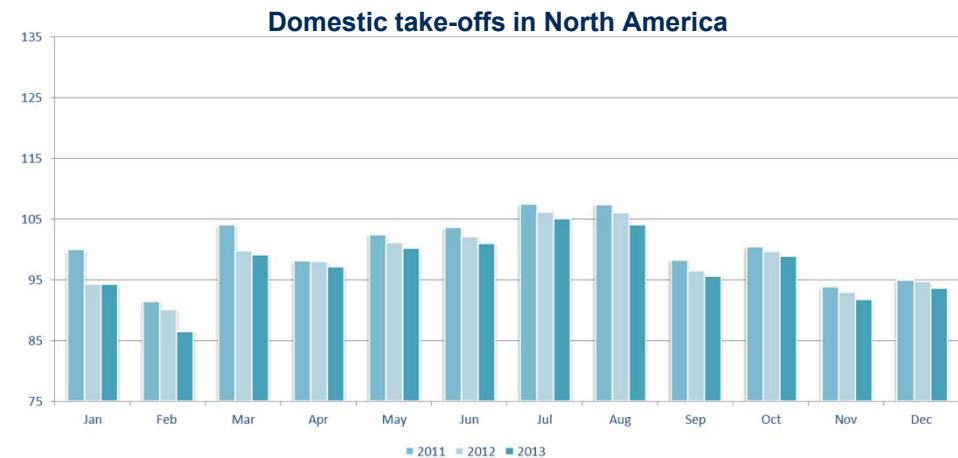


## Short haul flight trends

- Number of take-offs has contracted significantly in last 3 years
- Primarily legacy airline route curtailment, stabilizing in second half 2013



- Consolidation of the carriers in North America provides for fleet optimization across larger fleets
- Active gauge management of aircraft evident in major hubs aircraft to reduce flights while maintaining passenger volumes



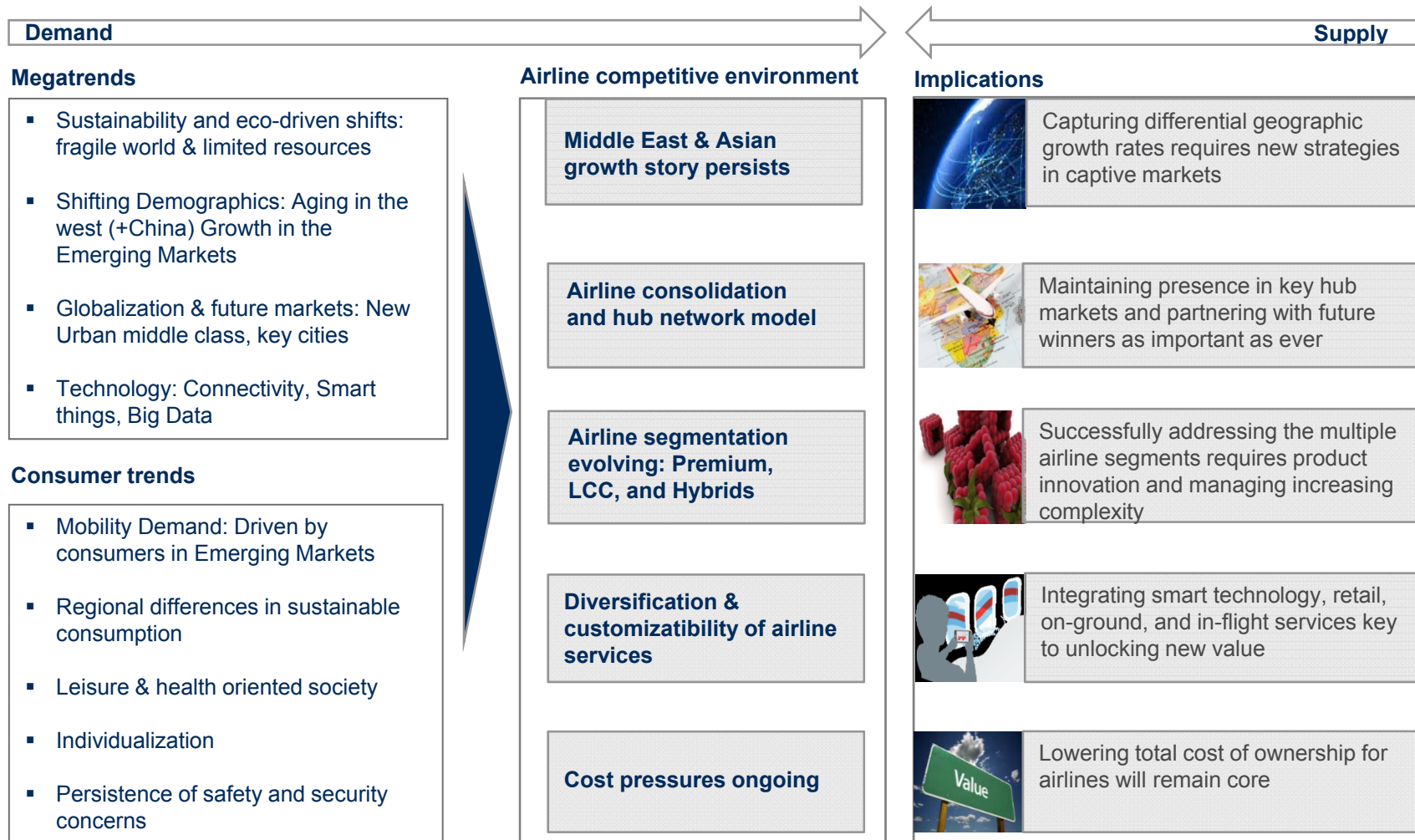
Source: OAG 2013, gategroup analysis based on number of departures  
 Domestic refers to intra-regional flights (Europe to Europe; North America to North America)



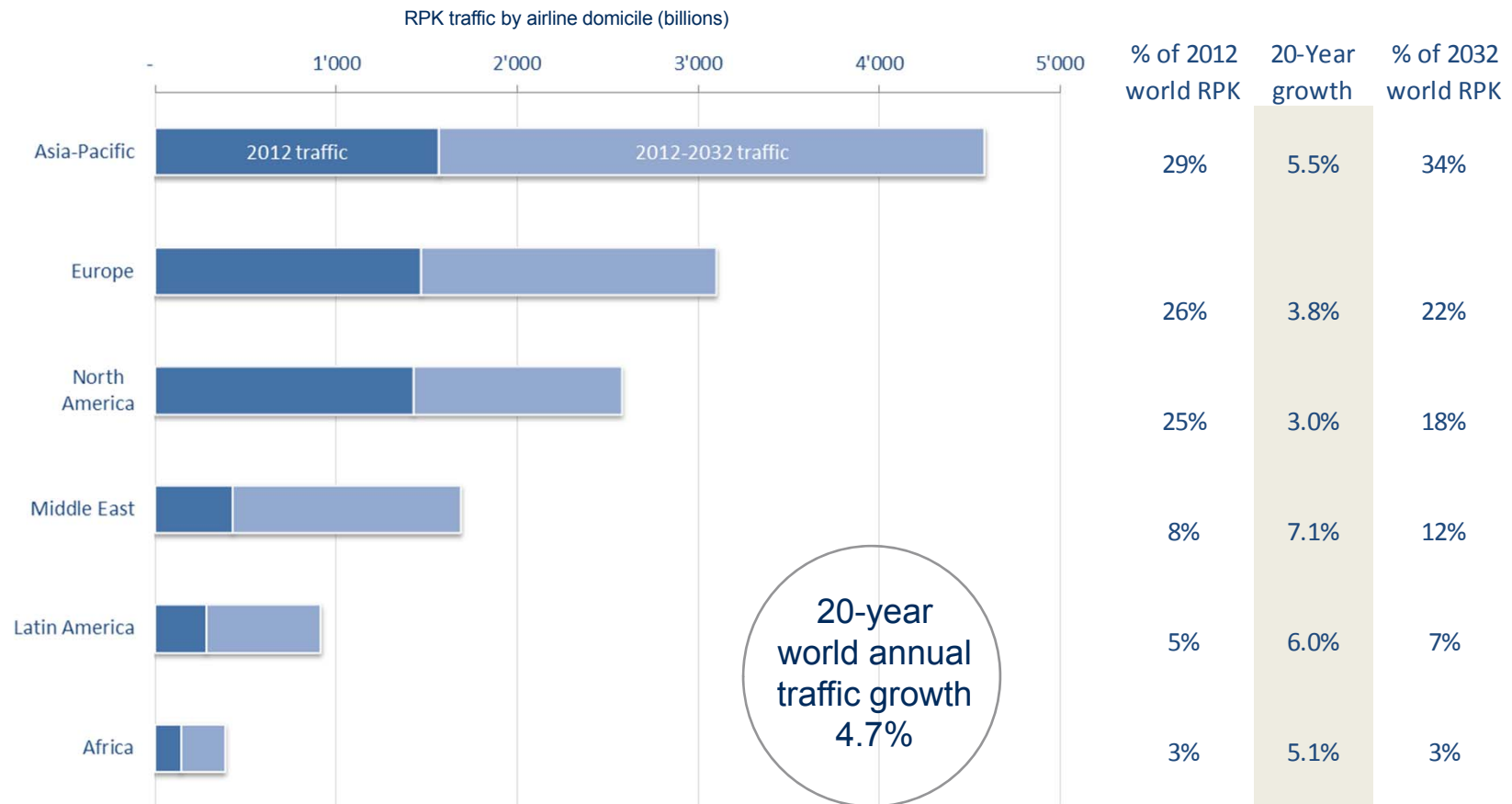
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# Key Mega-trends and Consumer trends



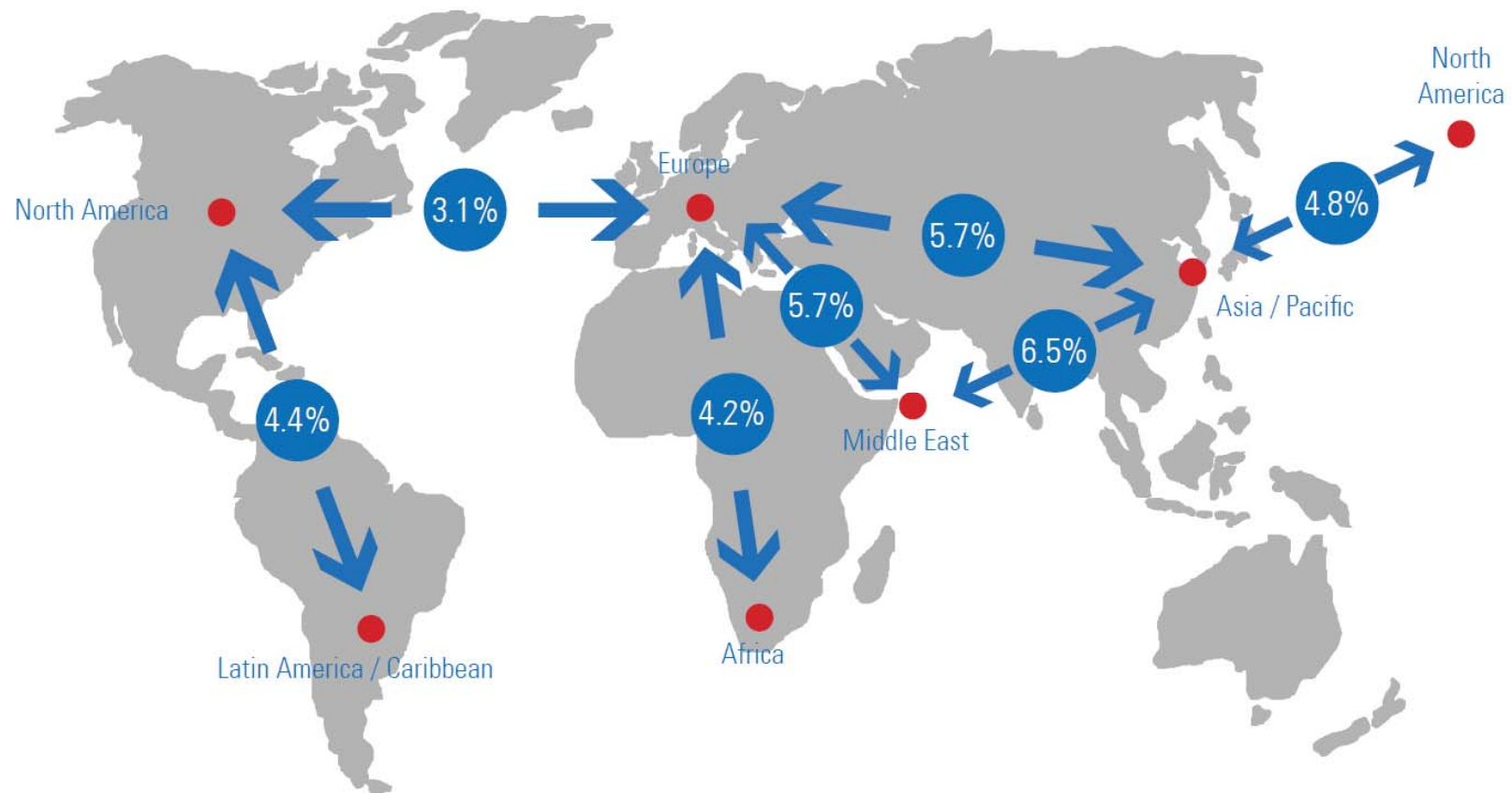
# Asia-Pacific to increase lead in world traffic - Europe and North America remain large markets



Source: IHS Global Insight, Airbus 2013  
 RPK = Revenue Passenger Kilometer

# Passenger growth will continue to shift traffic patterns

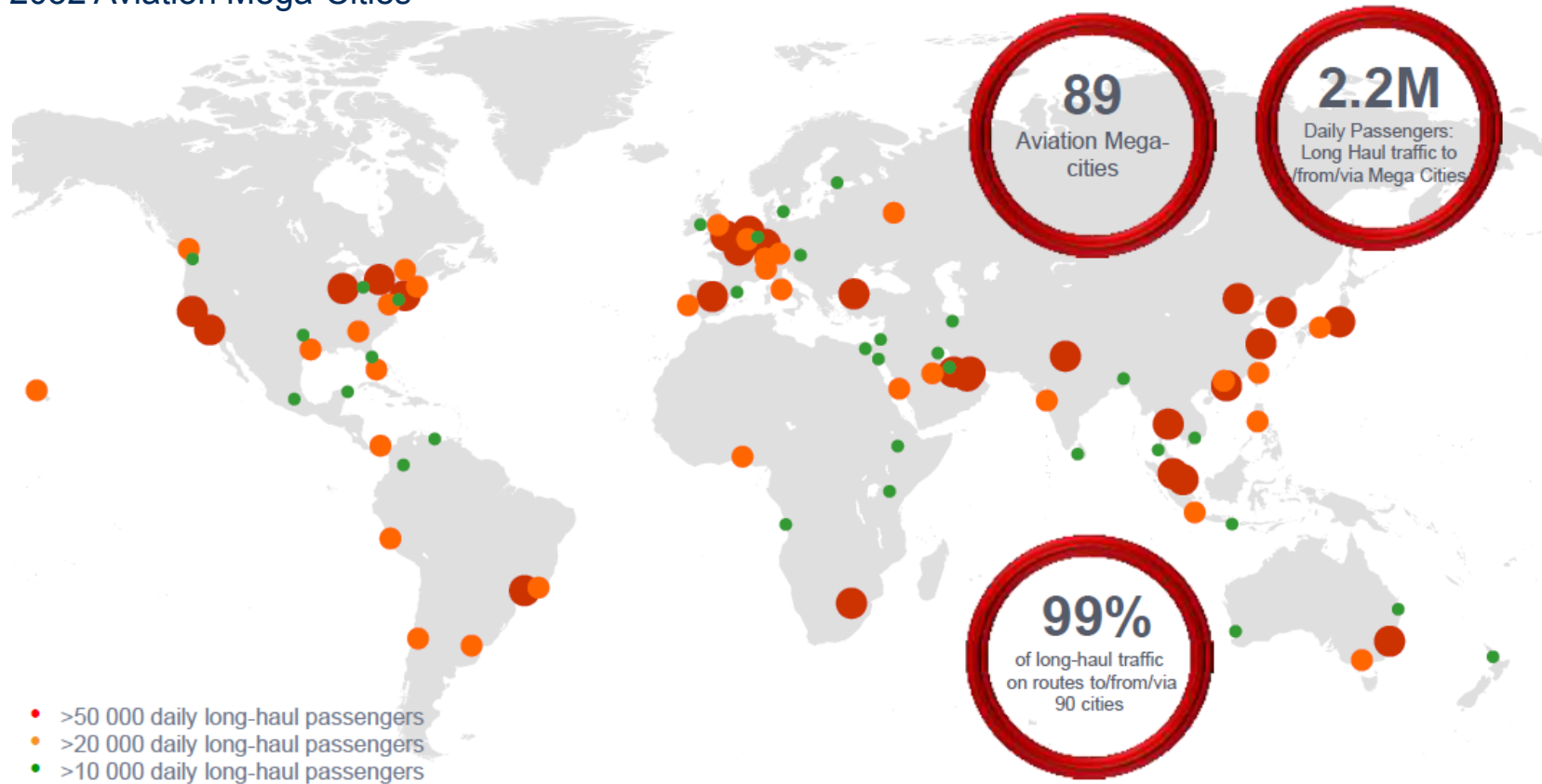
2011-2031 average annual growth rates of passenger volume



Source: Global Traffic Forecast 2012-2031; ACI Airport Council International DKMA

# By 2032 there will be 90 Mega-cities

## 2032 Aviation Mega-Cities



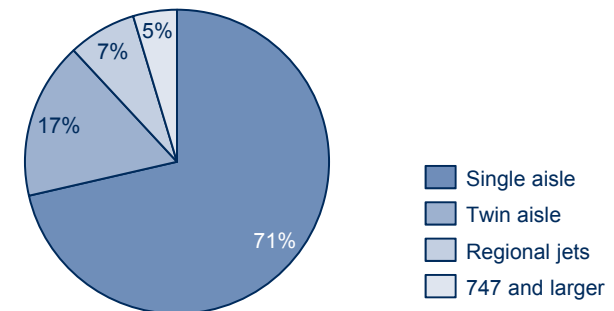
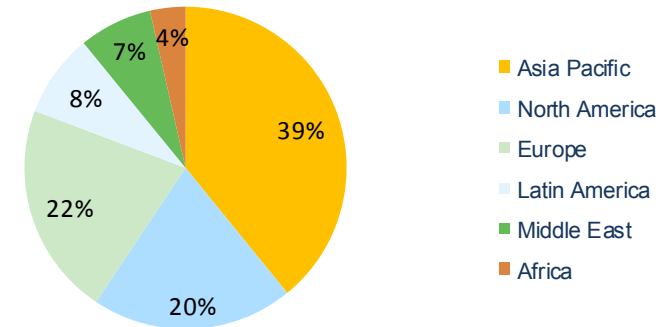
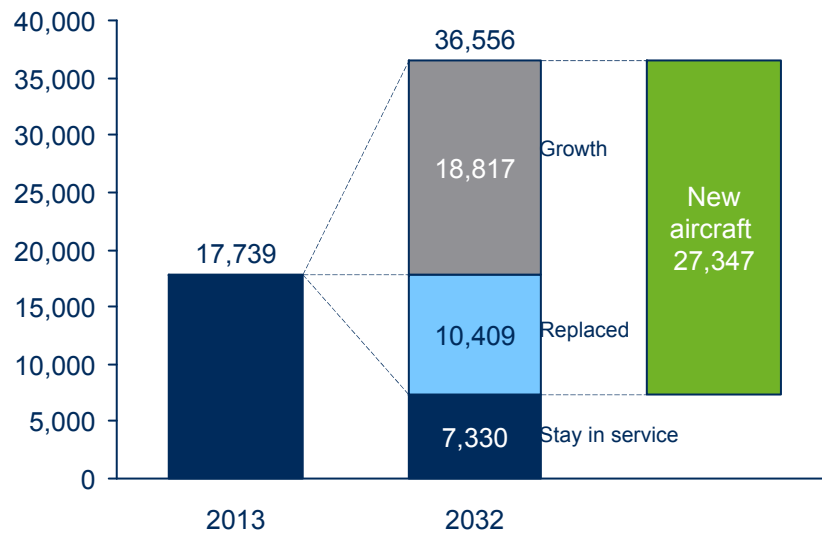
**Long-haul traffic is more and more concentrated on main aviation centres**

Source: Airbus, Global Market Forecast 2013; Cities with more than 10,000 daily passengers Long haul traffic: flight distance >2,000m, excl. domestic traffic

# Overview of future fleet development

World fleet will double in 2032

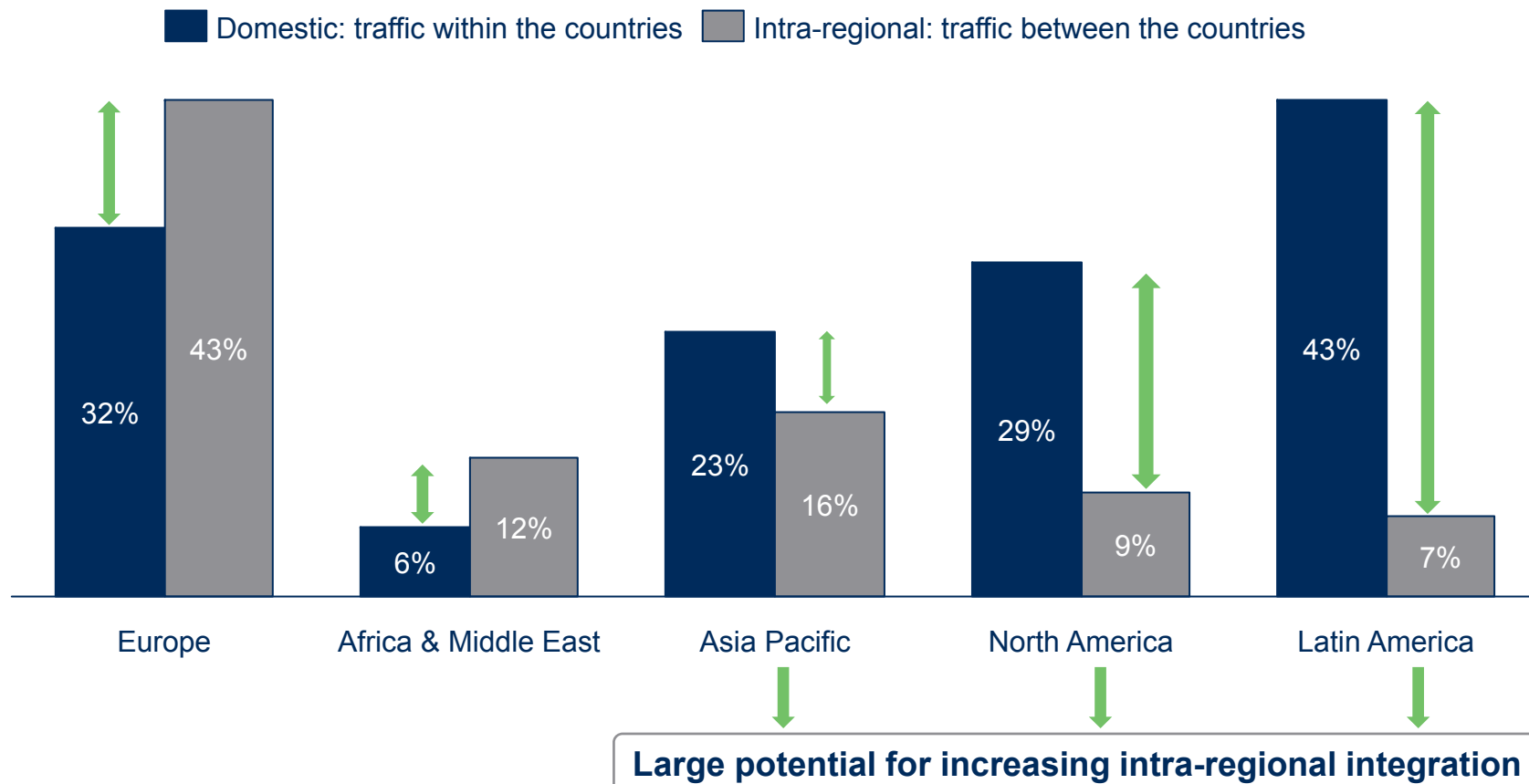
New planes deliveries by region and aircraft size



Source: Airbus GMF 2013, Passenger aircraft >100 seat, freighter aircraft >10 tonnes

# LCC growth will be largely intra-regional

## 2011 LCC market share on intraregional traffic per global region (Seats offered)



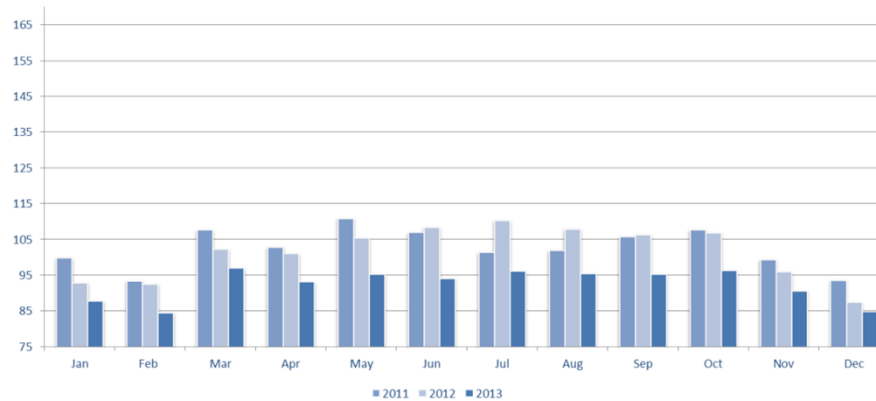
Source: OAG 2012, GMF 2012

Traffic as of month of September; regular service referring to a minimum of two daily departures on a 150-seater aircraft

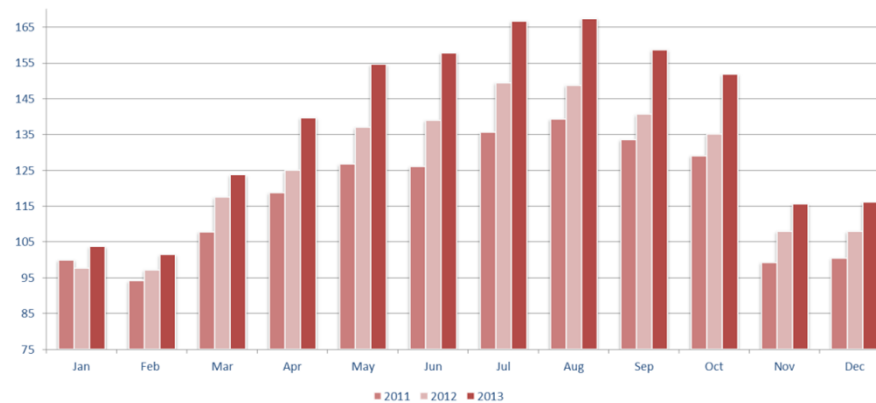
# Example of LCC trend – Airline Solution Europe

Low Cost Carriers

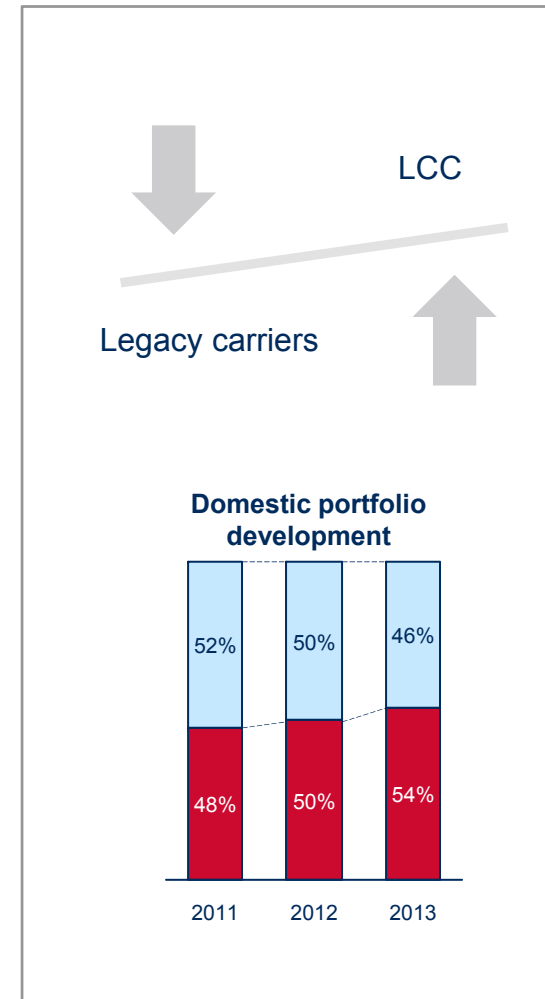
Domestic legacy carriers in Europe



Low fare carriers in Europe



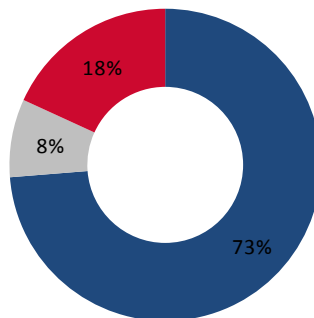
Source: OAG 2013, gategroup analysis based on ASMs  
Domestic refers to intra-regional flights (Europe to Europe)



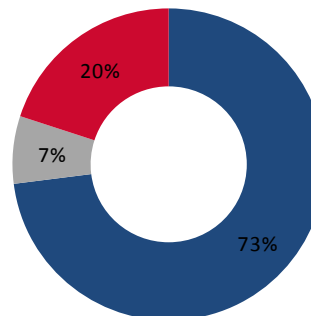


# LCCs will continue to grow in line with market

2013 share of ASMs by airline type



2032 share of ASMs by airline type



■ Network Carriers  
■ Regional and Affiliate  
■ LCC

- Modest growth in LCC market share expected supported by ongoing liberalization of air transport all over the world
- Low cost carriers, whose business models focus on fleet commonality, drive demand for single-aisle airplanes

Source: Boeing CMO 2012, Airbus GMF 2013; OAG 2013, gategroup analysis based on ASMs

# Individualization of passenger experience

- Unbundled pricing trends and advances in technology are enabling the airlines to migrate from simple ancillary services concepts (e.g., food for sale, baggage fees, and seat selection fees) and high-level customer segmented offerings (e.g., premium, economy, economy plus)...
- ...to a more bespoke, fee for service end-to-end passenger experience
  - Pre/Post Flight Services
    - Baggage services to/from destination
    - Car services to/from airport
    - Departure and arrival lounges
    - Priority boarding, customs
  - In-Flight Services
    - Food/Boutique for sale on-board or via pre-order
    - Seat Selection
    - Web connectivity
    - On Demand Entertainment
  - More personalized, connected, self service
    - Mobile devices
    - App/Web Ordering
    - Ticket/Baggage Kiosks
    - Flight, Baggage Tracking
    - Social media



AMS Self Service Baggage



airberlin Pre-Order Program

## Summary of the trends

- Sustained overall growth (4.7% p.a. in average), strongly driven by Asia; global traffic patterns will shift as a consequence
- Most of the growth will take place between “mega-cities”; hubs will continue to dominate
- New aircraft (e.g. 787) and higher investment in long haul product by airlines will breathe life into international gateways and hubs
- Consolidation will continue to occur in legacy and LCC segments to gain scale and lower costs
- LCC segment will continue to grow with focus on “intra-region” connections; continued convergence of legacy and LCC business models (‘Hybrids’) especially on short-haul
- “Winning” airlines will find ways to differentiate themselves by allowing customers to individualize their travel experiences leveraging latest advances in technology

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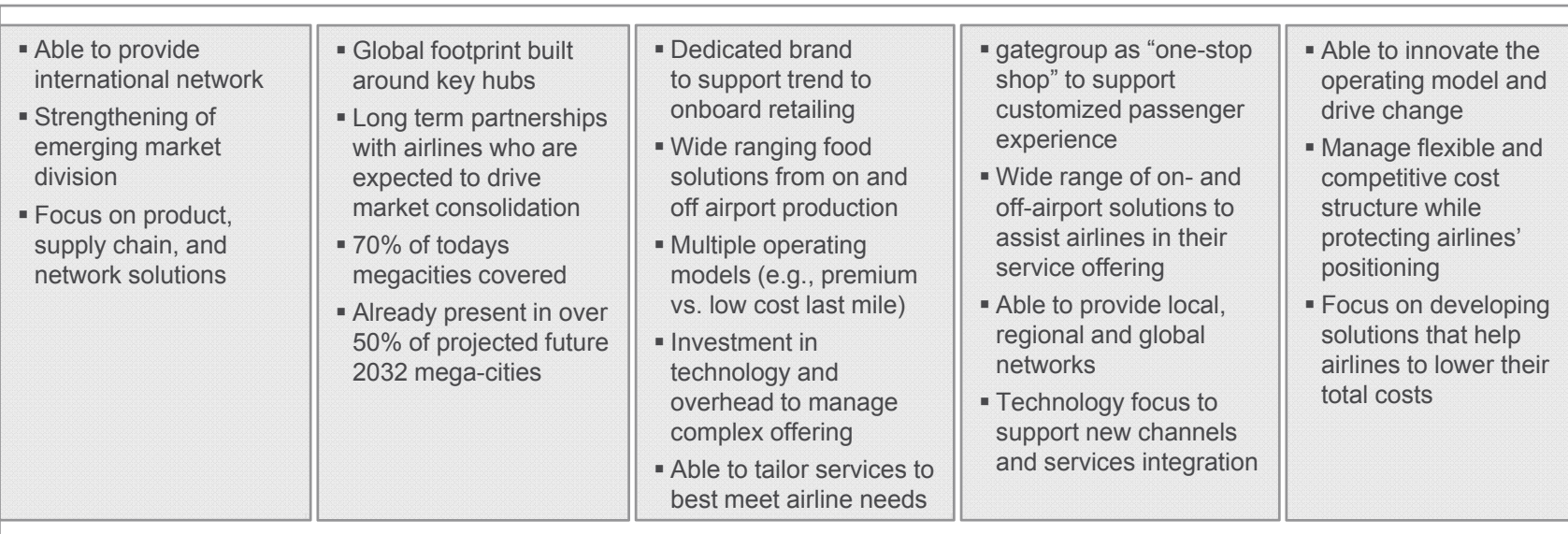
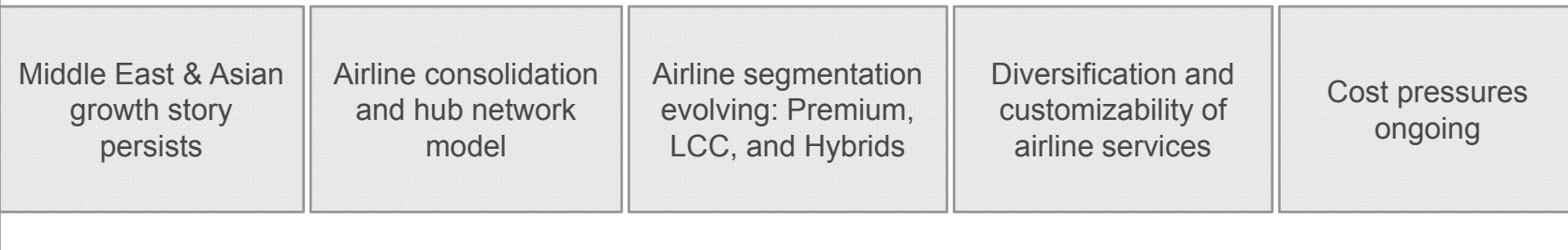
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3. Future trends

4. Our Strategy

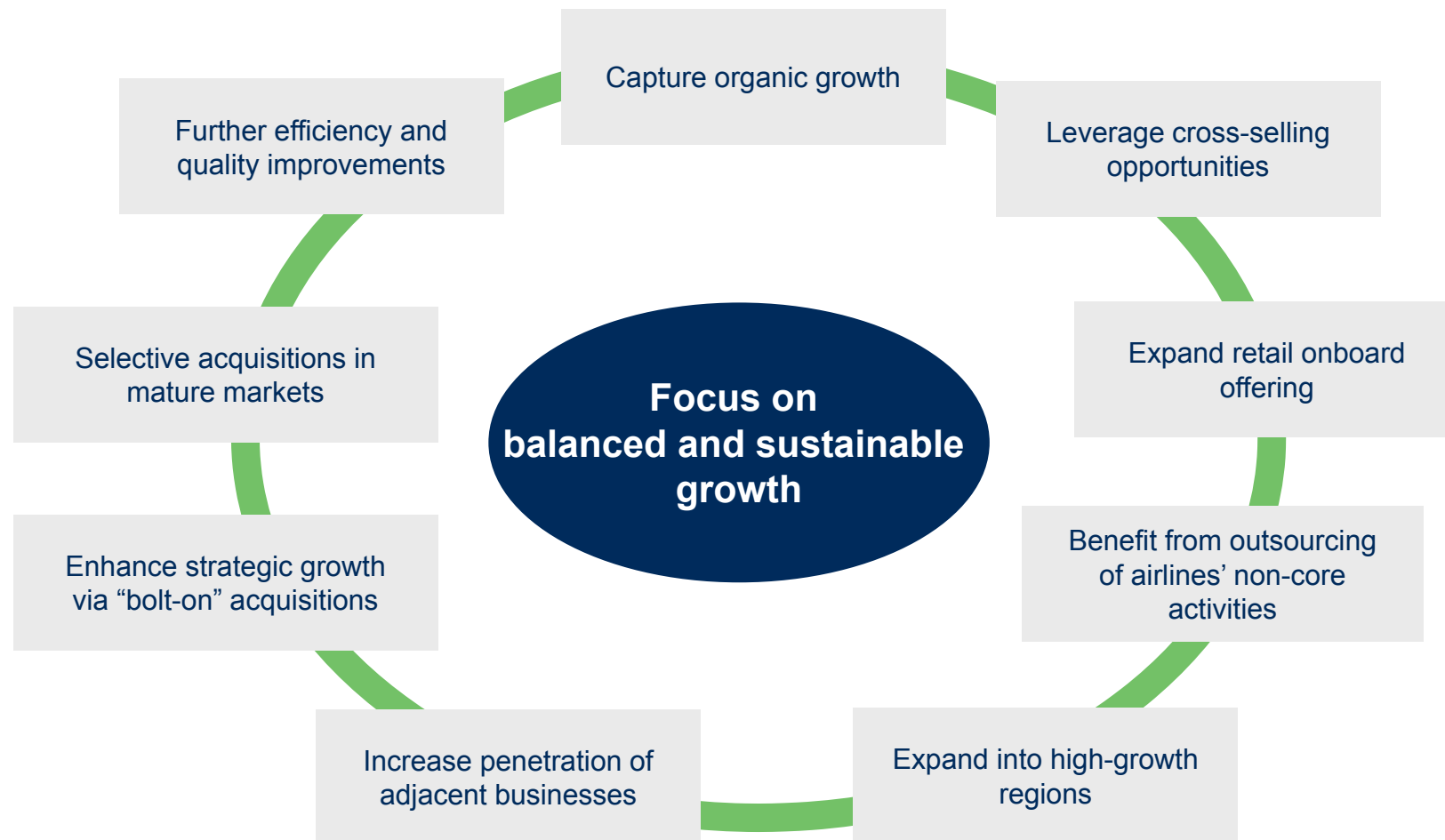
5. Summary

# gategroup is well positioned to address the market trends

## Airline industry environment



# gategroup's strategy



# Airline Solutions Emerging Markets

*by Herman Anbeek*

Since its formation in 2012, the improved performance of the division has been driven by a strong leadership team (people), customer focus and execution of the defined strategy based on the gategroup strategy as the following examples reflect:

- Capture organic growth - 100% retention rate of strategic accounts combined with selective, market-plan driven new business wins
- Leverage cross-selling opportunities - Joint business development with the Product & Supply Chain and selective roll-out of ancillary businesses in Latin America
- Expand retail onboard offering - New wholesale and retail offering in defined target markets (eg. Jet, Jetstar, Volaris, GOL)
- Expand in high-growth regions - Capacity expansion in high growth markets (e.g. Colombia, Brasil) and new business development in selective markets (e.g. Gate Gourmet Shanghai)
- Increase penetration of adjacent businesses - Lounges at the new international terminal in Mumbai (new services) and new catering services in frontier markets, like Colombia and India
- Enhance strategic growth via “bolt-on” acquisitions/ selective acquisitions in mature markets – successful integration of acquisitions in Australia and New Zealand
- Further efficiency and quality improvements – Ongoing implementation of gateOPEX across region and roll out of new operational ERP solution; productivity and efficiency synergies from acquisitions

# Airline Solutions Emerging Markets

*by Herman Anbeek*

## Summary:

- The key drivers of the improvement in profitability are revenue growth in higher growth markets and associated margin improvements, along with captured synergies from the acquisitions in Australia and New Zealand
- Emerging Markets is on track to capture the higher organic growth of the region
- An attractive pipeline of small and medium-sized new business development and M&A projects, several with local or regional partners, is expected to complement growth over the planning period



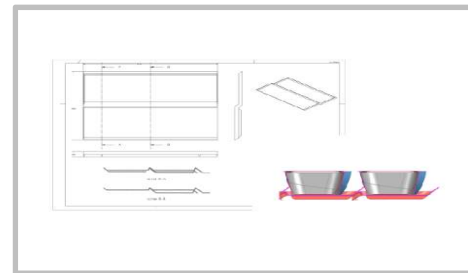
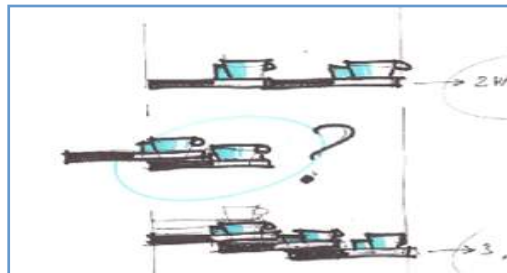


# Product and Supply Chain Solution

*by Andrew Langdale*

With improved long haul premium passenger growth and investment in new aircraft, especially in Emerging Markets, there is demand for new equipment and comfort items to accompany the roll out

Division is typically involved from the earliest stages of concept and design all the way through to product delivery.



Unique service proposition that airlines draw upon when upgrading their service offering

- Recent new equipment product launches for JAL, Singapore Airlines, Turkish and Qatar
- Growth also in food service (non aviation) with KFC, McDonalds where there is a high design component

# Product and Supply Chain Solution

*by Andrew Langdale*

- Demand for innovative food, product and service ware continues to strengthen. Growth in packaged ready to eat food solutions
  - For legacy & LCC carriers
  - Strong demand in markets with high labor costs (Canada and Australia. Expanded presence in APAC with increased requirement for disposable packaged product)
- For global LCCs a more extensive onboard offering is required as they start flying to more medium and long haul destinations. Whether complementary or retail this has to be provided more flexibly than the legacy model as routes and frequency change quickly.



 deSter



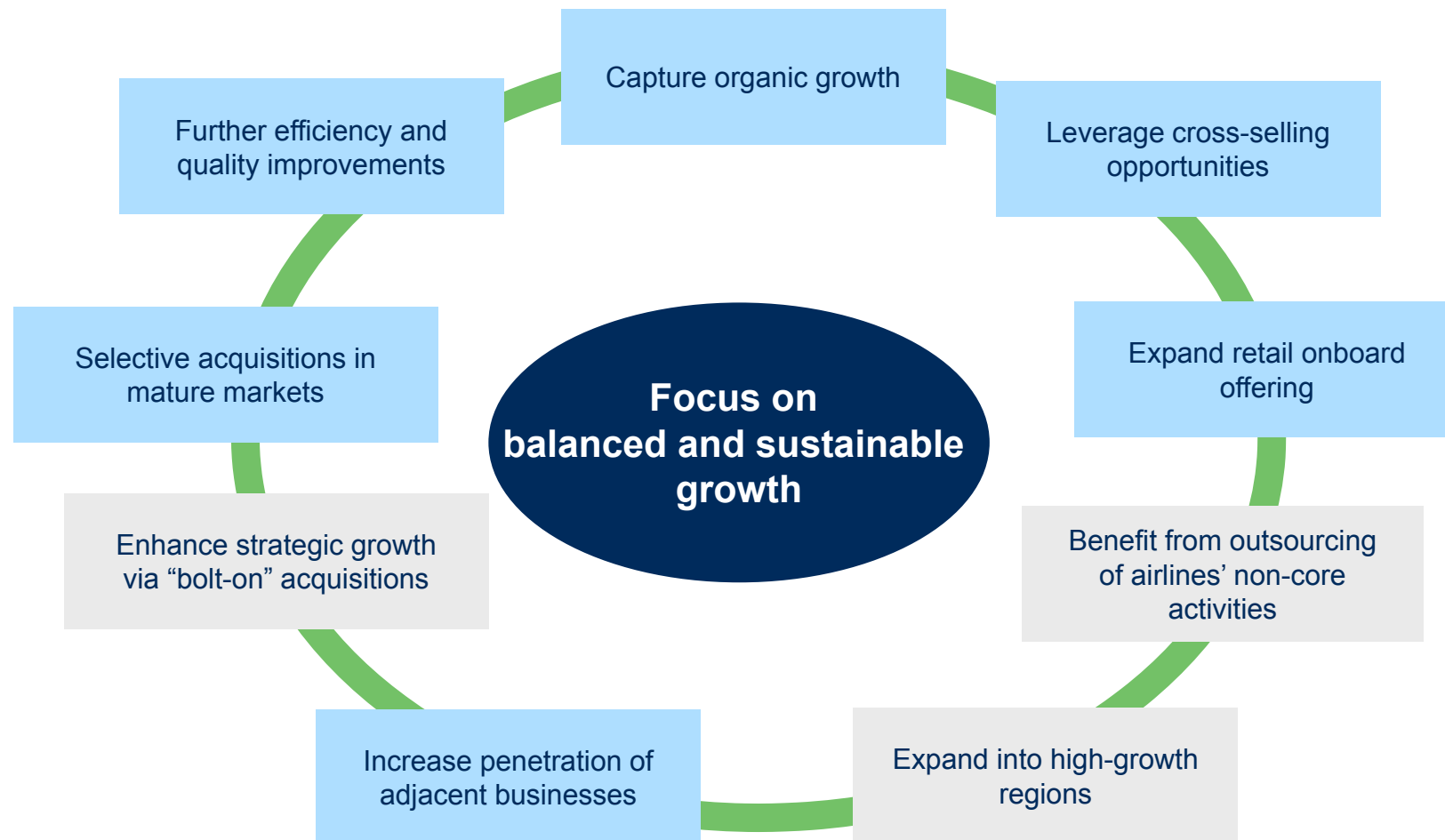
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# Airline Solutions in Mature Markets: North America and Europe



# Trends, Challenges and Responses

*by Doug Goeke*

## Trends

- Airline profitability driving reinvestment into onboard services
- Continued growth in international hub locations
- Network carriers leveraging their newly consolidated purchasing power
- Airlines continue to push their network to be more efficient
- Domestic passenger growth will force capacity increases

## Challenges

- Low skilled, lower paid work force, with varying attrition rates
- Margin and cost pressure combined with higher complexity at large hub operations
- Increasing standards of culinary excellence across a diverse network
- Legacy asset base reaching capacity in some locations, underutilized in others

## Response

- Relentless focus on recruitment, on-boarding, values, training, and development
- Planning optimization and technology initiatives on production and logistics
- Realignment and strengthening of culinary organization
- Re-platforming of asset base at international hub locations combined with business development in Gate Aviation and other food related adjacent markets

# Airline Solutions North America

*by Doug Goeke*

- North America is a competitive, mature market and tends to be a trendsetter
- Experienced management team with a mix of industry veterans combined with new talent from other industries. Support functions, systems, and processes, are centralized in Reston, VA, with Operational teams managing the business in 4 Regions

Examples of the gategroup strategy:

- Capturing Organic Growth – high success rate of renewing large contracts in key markets (eg. AA, UA, DL) and successfully winning above market share of new International growth (eg. CI, EK, SV)
- Leveraging Cross Selling Opportunities – accounts are managed to grow other Airline Solutions (e.g. retail services) and Product & Supply Chain business (eg. DL)
- Increasing penetration in Adjacent markets - Gate Aviation platform combines our commissary experience with new cabin cleaning and airport terminal services
- Selective acquisitions in Mature markets – acquisition of Cara’s Canadian catering operations in 2010
- Further efficiency and quality improvements – established CI/OPEX and Quality & Safety teams continue to drive improvements

# Airline Solutions Europe

by Jann Fisch

				
<b>Customer category</b>	Hub customer	Longhaul (non-hub)	Shorthaul Network & Charter	Low-cost
<b>GG Service proposition</b>	Culinary Center & Hub management	Exclusive Boutique Service	Network excellence (Asset Lite infrastructure, Logistic competence, Food solutions, and retail services)	
<b>Culinary</b>	3* experience Culinary center & innovation	Exclusive Boutique Culinary «on-the-spot»	High-street shopping experience (high-value outlet & convenience food next to each other)	
<b>CPU</b>	Food components (e.g. sauces, side dishes) for consistency and efficiency	Focus on high-value fresh cooking, rest to be sourced from CPU	Ambient and deepfrozen solutions & everything that can't be supplied efficiently	
<b>Logistics</b>	Hub Airline Equipment management	-	Central equipment/delivery warehouse & central assembly opportunities	
<b>Pricing</b>	Comprehensive pricing for all service profiles	Primarily product & handling	Primarily handling based	
<b>System</b>	SAP/SACS Hub solution with & menu development		SACS lite solution focused on warehouse management/picking with simple product engineering suite	

# Airline Solutions Europe

*by Jann Fisch*

- Leverage our gategroup brands to meet customer demands for innovation in the services we provide (e.g. deSter, Gate Gourmet and Supplair) and will provide in the future (preorder, sales on board)
- Further enhance consistent culinary excellence approach around the European network (e.g. utilization of new production techniques, and/or CPU's)
- Take our wholesale offering to adjacent markets and opportunities where our core competencies can be applied (e.g. rail, lounges)
- Partner with Gate Retail Onboard to develop existing customers (e.g. Vueling, Iberia) and explore new retail opportunities (including preorder) with legacy carriers

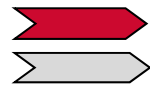
# Culinary and operational excellence





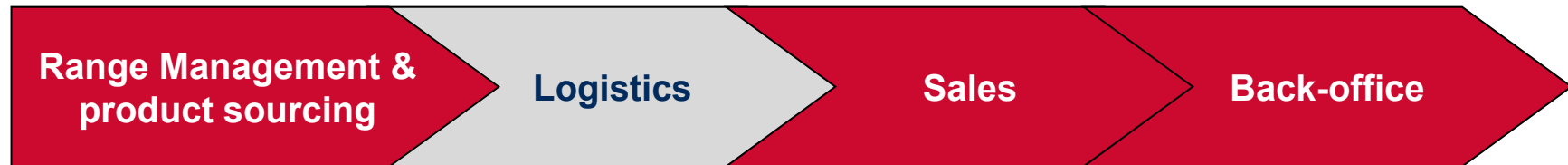
# Gate Retail Onboard

by *Caroline Ulbrich*



Gate Retail Onboard

Outsourced to 3<sup>rd</sup> party or other gategroup brands



- Category management
- Brochure design
- Advertising & promotion

- Warehouse & distribution
- Packing & transportation

- Sales on Board
- Crew training
- Performance analysis

- Credit Card/Cash/ Sales
- VAT and sales tax
- P&L and financial performance

Supplair ★ deSter HARMONY

Gategourmet ✦ pourshins Gate Aviation

eGate Solutions

eGate Solutions

AIR CANADA

DELTA

easyJet

GOL  
Linhas aéreas inteligentes

IBERIA

Jet

tigerairways.com

volaris

virgin australia

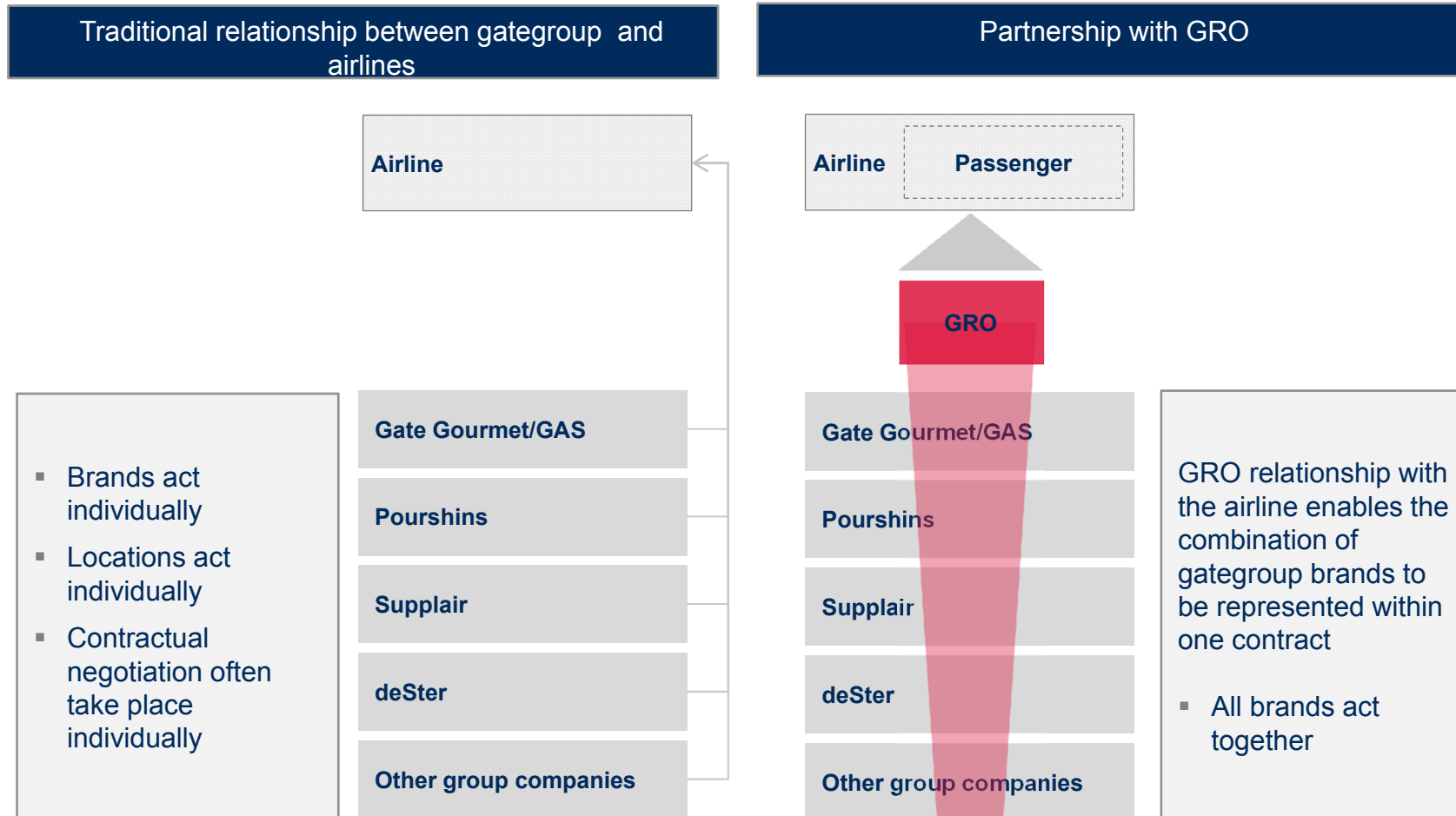
vueling

WIZZ

## Gate Retail Onboard is responsive to the latest airline trends

- Maturation of the LCCs differs by geography; many are looking to focus on core business and leave the complexity of managing an in-flight product/retail program to an expert like Gate Retail Onboard
  - In-flight management allows for revenue capture for entire network, not just by last-mile location
  - Onboard retail programs have expanded beyond just food, as boutique items are integrated under single on-board retail programs
- Most legacy carriers in mature markets have reached the bottom in terms of short-haul product removal/de-contenting
  - Upside exists for gategroup through Gate Retail Onboard as these airlines look to give back choice to their customers through a for-sale or an upgraded service option
  - Retail revenue opportunities usually at higher price points than legacy complimentary offerings
- As airlines look to individualize the customer experience through pre-order, Gate Retail Onboard can leverage this as a new channel

# Gate Retail Onboard adds new channels for an integrated gategroup offering



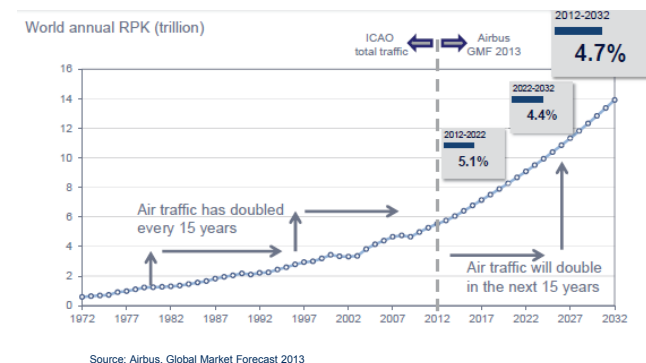
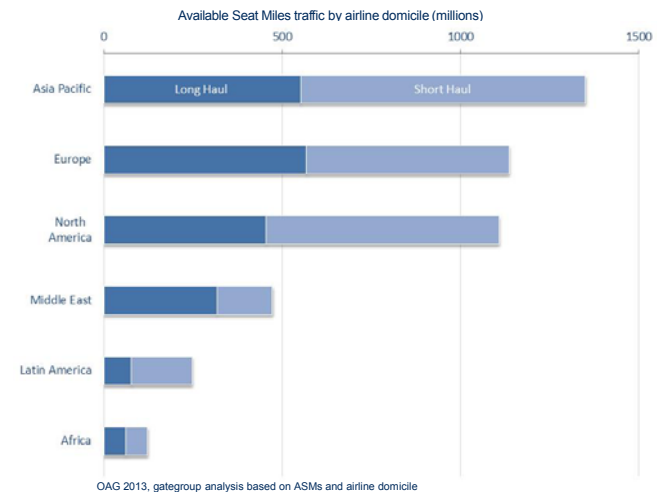
## Agenda: gategroup and its industry

1. Passenger growth – fundamental driver of the industry
2. Airline's industry environment
3. gategroup portfolio in response to industry trends
4. Our Strategy
5. Summary

# Target right markets, with right solutions

## Target right markets, with right solutions

- Capture organic growth
- Penetrate high growth markets
- Selective acquisitions in mature markets
- Enhance strategic growth via “bolt-on” acquisitions
- Leverage our existing management and physical assets for new business development
- Expand retail onboard offering



## Gain commercial advantage and efficiency improvements

### Gain commercial advantage from “group”

- Coordinated customer and market approach in response to trends
- Leverage cross selling opportunities
- Regional execution with global leadership
  - Airlines Solutions Business success will be delivered at the local level
  - Product and Supply Chain Solutions Business requires market-tailored solutions but is not location depended

### Further efficiency and quality improvements

- Gate Opex
- Total Cost Management
- Culinary Excellence

## Mitigate the “risks”

### Key perceived business risks


Financial vulnerability from fixed overheads


- gategroup similar to airlines
- Airlines very vulnerable to sudden downturns


Vulnerability to external shocks

Strong competition

### Mitigating factors

- Highly flexible cost structure
  - ~ 2/3% of costs are variable
  - Additional protection provided by raw material and labour costs passed through to customers, which helps recover fully the overhead charges 

- Strategic focus on hubs and hub carriers
- Geographical diversification due to global presence 
- New business model (top-line and cost structure) very resilient to swings in demand

- Strong market position with ~ 20-25% global market share
- Integrated service offering (“one-stop-shop”)
- Strong track record of customer retention, including in case of airline mergers
- Largest independent provider 
- Ability to manage increasing complexity

## Mitigate the “risks”

### Key perceived business risks

Customer credit risk

### Mitigating factors

- Large customer base with over 270 customers worldwide
- gategroup remains a critical supplier even if client in restructuring (e.g. chapter 11 type proceedings)
- Generally short receivable cycle (~30 days); cash payments in advance from distressed customers



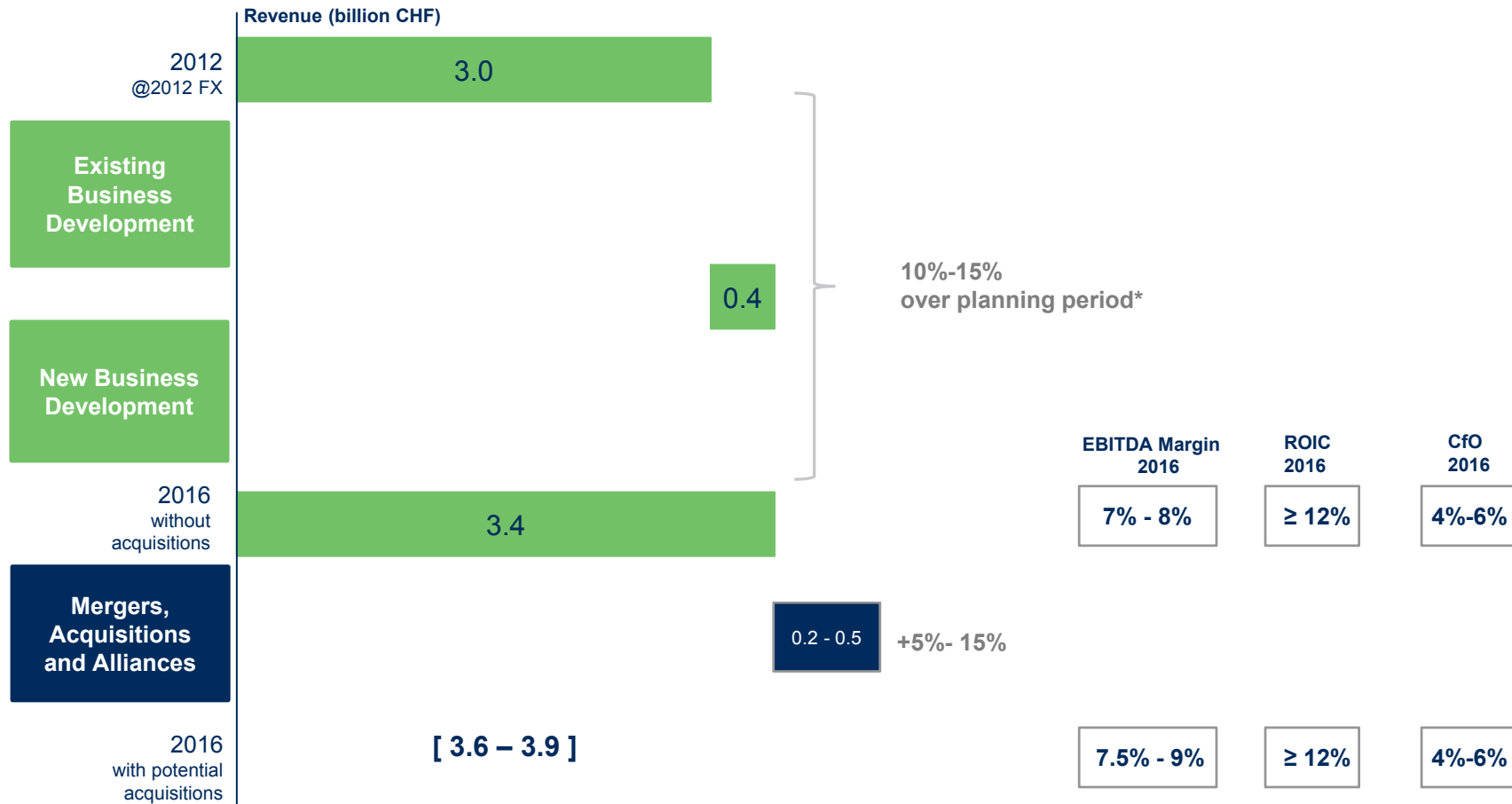
Short-haul catering under pressure

- Diversified service offering and increasing global presence
- Substitution to ‘retail-on-board’ services largely neutral for gategroup and positive opportunity going forward





# Mid term plan 2016 – Three year outlook



Note: Based on management estimates – for principle assumptions please refer to end of this presentation  
 CfO - Cash generated from operations is the net cash flow (used in) / from operating activities as in the consolidated cash flow statement before interests and income tax  
 Planning period refers to 2012 - 2016

## Summary

- Our integrated offer is compelling and **relies on strengths of all gategroup brands**
- **Partnership is key**
  - **Adapt** rapidly to our customer's changing needs in the airline sector
  - Deliver reliable **cost effective** solutions for our more conservative customers while acting with **innovation** and **speed** for the trend setters
  - **Specific entry strategies** for each region - what defines success in the mature markets must be adapted for success in emerging markets
- Sustainable growth must be delivered through a **managed portfolio** of options
  - Capturing organic growth, leveraging our existing management and physical assets for new business development, making accretive bolt-on acquisitions

It's all about execution

## gategroup key investment highlights

Strong leading market position and global reach

Large customer base with longstanding relationships

High revenue visibility and stable cash flow due to long-term contracts

Diversified business model with flexible and competitive cost structure

Integrated service offering and efficient management of complex logistics

Strong management team with proven track record

## Assumptions for gategroup 2016 strategic targets

gategroup 2016 strategic targets are based on a model that includes the following assumptions:

- Constant cost structure with variable costs (direct material and direct labor) held at a constant percent of revenue during forecast period, based on 2012 results
- Revenue increases as a function of IATA-growth factors for each Airline Solutions region and for the Product and Supply Chain Solutions Business on a worldwide basis
- Pricing in line with the existing contracts
- Management is able to identify and consummate acquisitions from the available universe of worldwide industry participants
- Based on 2012 foreign exchange rates, in particular there will not be a material strengthening of the Swiss franc, primary against the Euro, Pound Sterling and U.S. dollar

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# Investor Day 2014

10 April 2014

