

Q1 2015

Investors and Analysts
Presentation

21 May 2015



Serving people on the move

Table of contents

1. Overview Q1 results 2015
2. Financial review
3. Conclusion

Headlines (1/2)

- Revenue Q1 2015 at CHF 669.9m:
 - +2.5% vs. previous year at constant FX
 - Like for like 5.1%
 - Scope (2.7%)¹⁾
 - FX (1.9%)

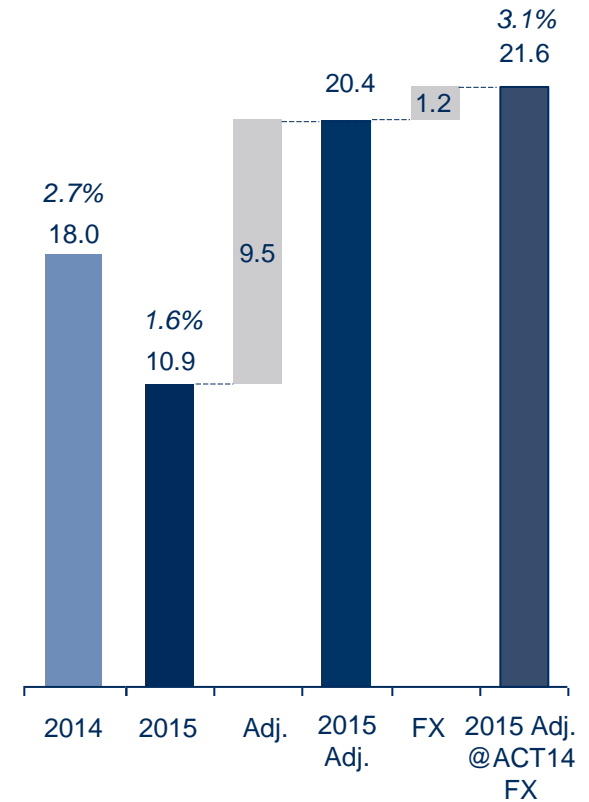
- Adjusted EBITDA Q1 2015 at CHF 20.4m (CHF 10.9m as reported):
 - +20.0% vs. previous year at constant FX,
 - +11.8% vs. previous year as reported, and

- EBITDA adjustments:
 - CHF 8.0m due to US labor settlement
 - CHF 1.5m due to shareholder activism

Revenue
In CHF m



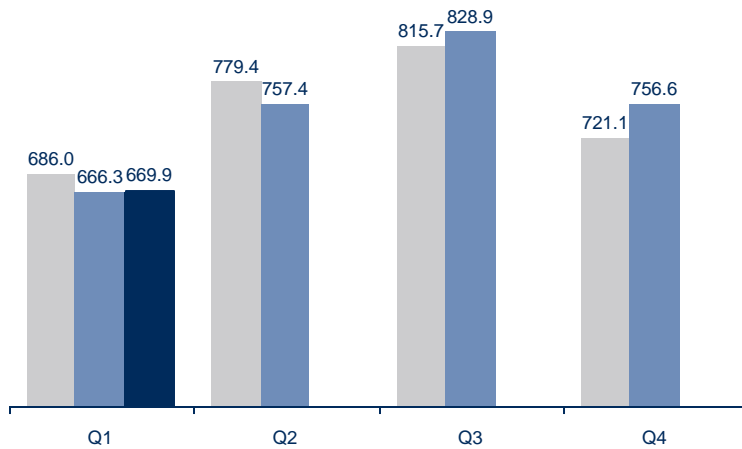
EBITDA / EBITDA Margin
In CHF m



Headlines (2/2)

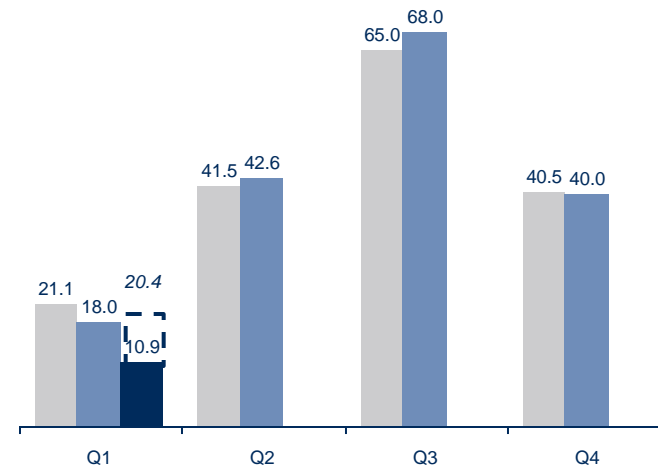
Revenue

In CHF m



EBITDA

In CHF m



■ 2013 ■ 2014 ■ 2015

Income Statement

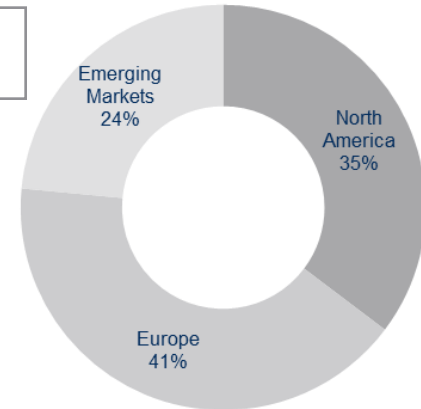
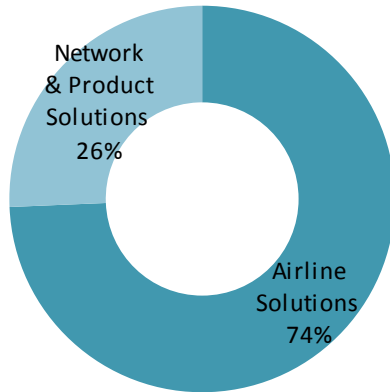
CHF m	Q1 2015	%	Adjustments	Q1 2015 adjusted**	%	Q1 2014	%
Revenue	669.9	100%		669.9	100%	666.3	100%
Cost of sales	(270.1)	40.3%		(270.1)	40.3%	(273.0)	41.0%
Personnel costs	(283.1)	42.3%	8.0	(275.1)	41.1%	(274.4)	41.2%
Opex	(105.8)	15.8%	1.5	(104.3)	15.6%	(100.9)	15.1%
EBITDA	10.9	1.6%	9.5	20.4	3.0%	18.0	2.7%
Management fees	0.3			0.3		0.1	
D&A	(14.5)			(14.5)		(14.2)	
Other operating costs	(3.1)			(3.1)		(4.3)	
EBIT	(6.4)	-1.0%	9.5	3.1	0.5%	(0.4)	-0.1%
Financing cost	(10.9)			(10.9)		(11.1)	
Share of associate profit	0.6			0.6		0.7	
FX	(18.0)			(18.0)		0.1	
Loss before tax	(34.7)	-5.2%	9.5	(25.2)	-3.8%	(10.7)	-1.6%
Income tax	(2.9)			(2.9)		(6.0)	
Minority interest	(0.4)			(0.4)		(0.4)	
Net loss *	(38.0)	-5.7%	9.5	(28.5)	-4.3%	(17.1)	-2.6%

*) Attributable to Shareholders

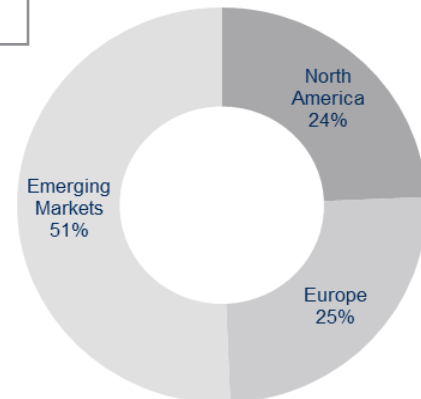
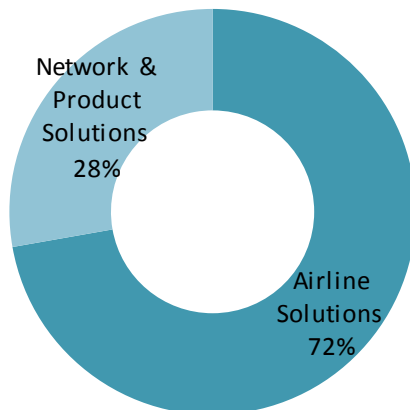
**) Before USA NMA and Defense Project adjustments, no tax effect considered

Our segments and geographies

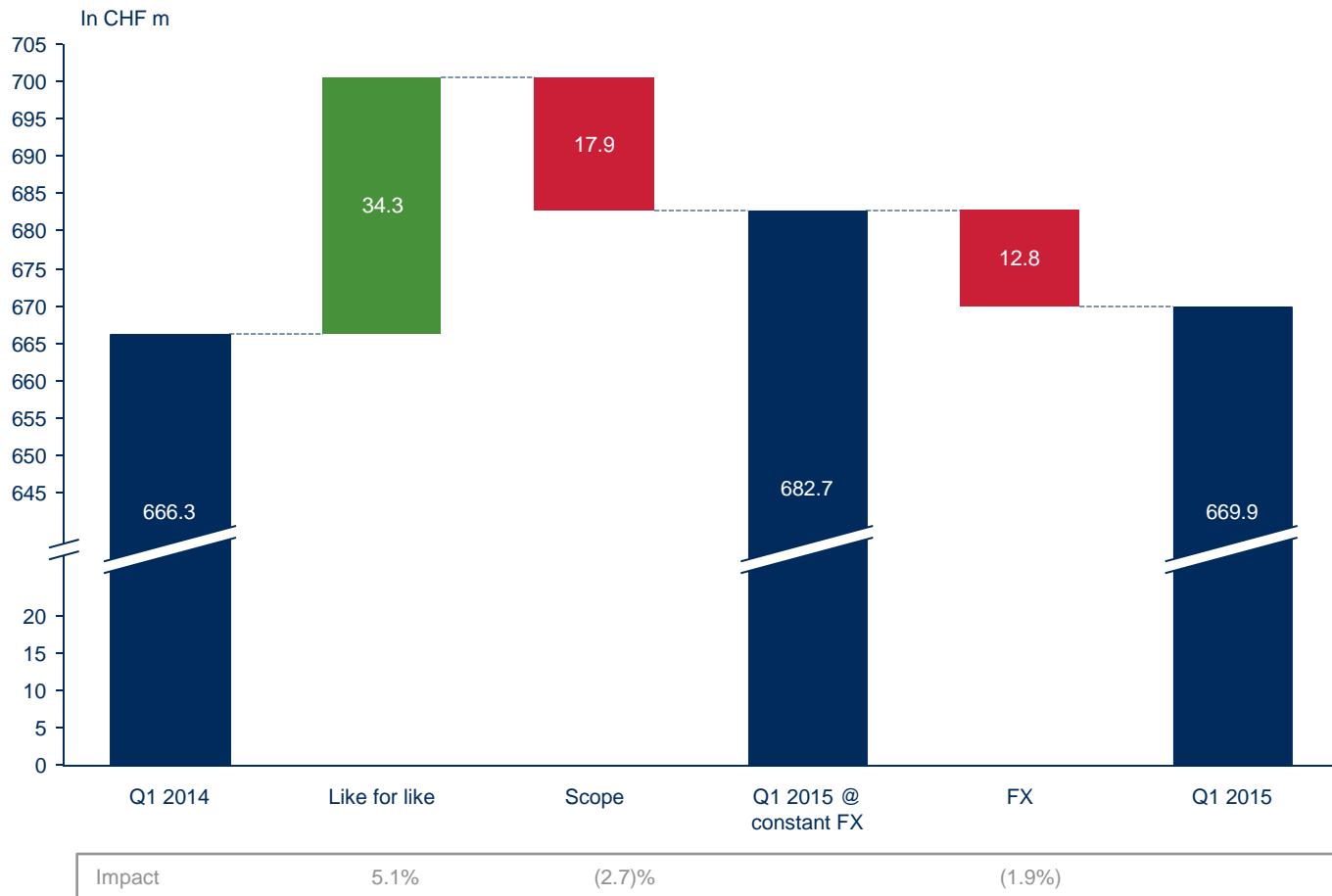
Revenue segmentation



Adjusted EBITDA

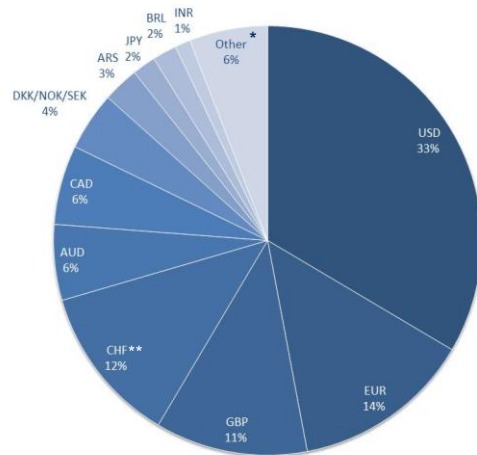


Revenues



Revenues - Foreign exchange development

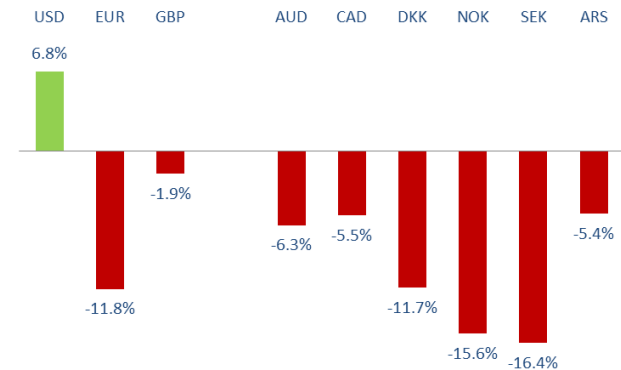
Q1 2015 Revenue by currency



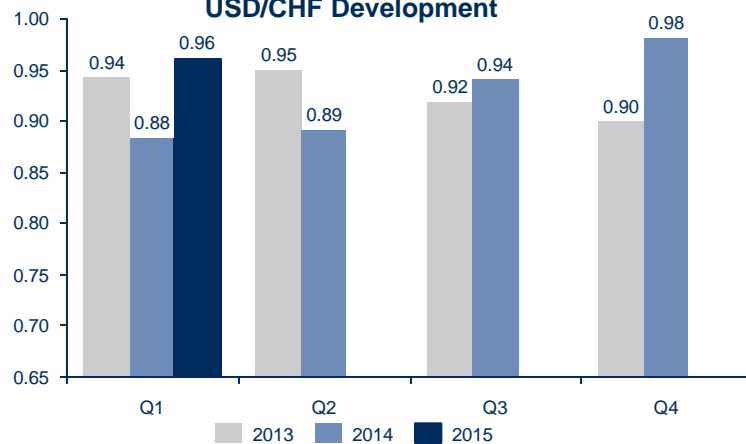
Q1 FX Impact on revenue (in CHF m)

USD	11.2
EUR	(7.7)
GBP	(1.2)
ARS	(1.1)
AUD	(2.5)
CAD	(2.0)
DKK/NOK/SEK	(3.2)
JPY	(0.9)
BRL	(1.5)
INR	0.5
Other	(4.5)
gategroup Total	(12.8)

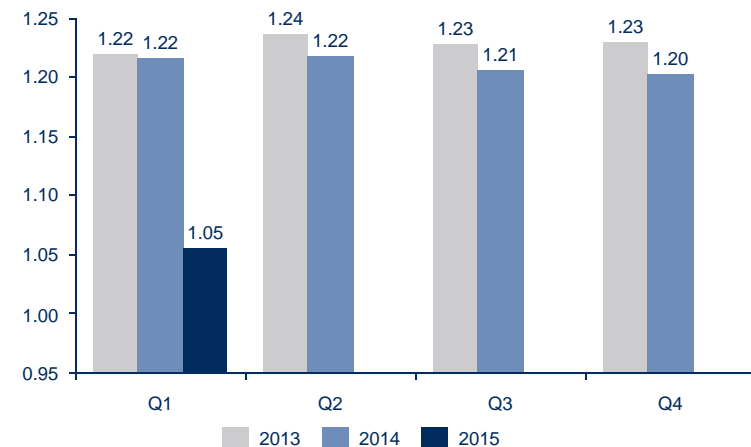
Q1 2015 Average Currency Movement vs CHF



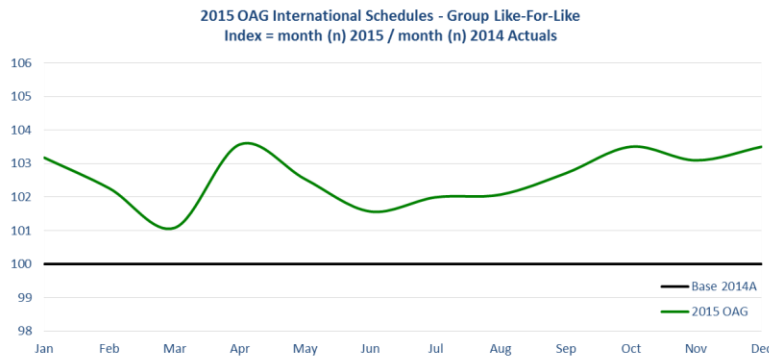
USD/CHF Development



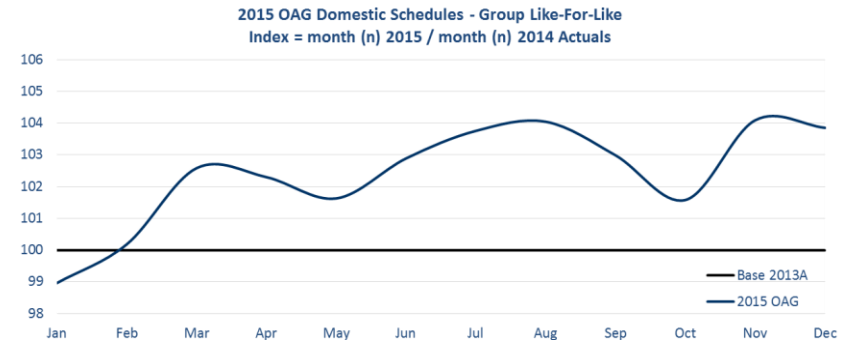
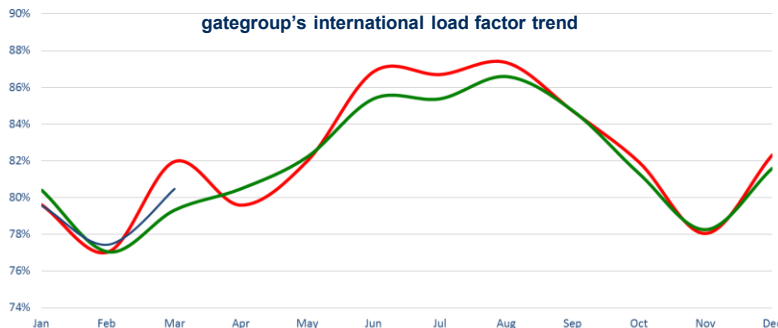
EUR/CHF Development



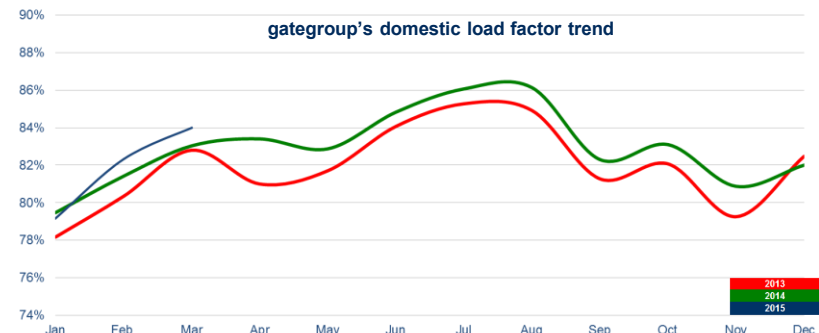
Revenues - Our Like-for-Like drivers



- International flights stable in Q1 with stronger volumes projected for the rest of year
- International load factors in line with the prior year



- Global domestic flight departures weaker in Q1 with projected strong recovery for the rest of 2015
- Load factors strong as airlines maintain discipline on flight routes



Revenues - Scope management

	Q1 2015	Full Year 2014
Wins/ Losses	-2.1%	-1.0%
M&A	-0.6%	-1.3%

Wins (3.1%)

NPS	Qatar
	Air Transat
	Additional services with American Airlines
AS	Emirates in Dublin and various stations in the USA
	BA in Miami
	American Airlines in Hong Kong

Losses (-5.2%)

NPS	Retail business with Norwegian Airlines
	Supplair services to BA
AS	South African Airways in Germany and UK
	Emirates in Copenhagen
	Air Canada Jazz
	Canjet Airlines
	BA and Cathay Pacific in Chicago
	Virgin Australia Cleaning
	China Southern Airlines in Cairns

M&A (-0.6%)

	Exit GAS in Belgium
	Shanghai deconsolidation

Other portfolio update:

- Delta Air Lines - multiple contract extensions with revenue of CHF 200 million p.a. through 2018 (*Retention*)
- Air Canada – extension of services for Canadian domestic locations with revenue of CHF 100 million p.a. through 2018 (*Retention*)
- Loss of United Airlines in Chicago to competitor as of January 2016 – annual revenue impact of CHF 60 million expected (*Loss*)
- POPS™ - launched of an end-to-end, fully automated pre-order and pre-selection product (*New business*)

US labor negotiations provision

- The National Master Agreement (“NMA”) became amendable in January 2013 and since then the negotiations of a new NMA have been ongoing with the assistance of a federal mediator assigned by the National Mediation Board ⁽¹⁾.
- Obtaining a new NMA is a key goal for Gate Gourmet Inc. and we are negotiating in good faith with the Union, consistent with U.S. federal labor law.
- Recent developments:
 - There is a constructive present obligation as a valid expectation has been created in the eyes of the Union and the employees they represent;
 - There is a probable future outflow of resources;
 - It is possible to reliably estimate the amount to be provisioned; and
 - A provision rather than accrual is recognized as there is uncertainty regarding timing and the cost of settlement is currently a best estimate.
- Included therefore in the Q1 2015 results is a provision of USD 8.3m which includes a proposed combination of lump sums plus wage rate increases in Q1 2015 for certain eligible employees of the total Union-represented workforce of more than 7,500 employees.
- Full impact on 2015 of USD 14m expected

⁽¹⁾ NMB - The National Mediation Board is an independent agency of the United States government that coordinates labor-management relations within the U.S. railroad and airline industries.

Table of contents

1. Overview Q1 results 2015
2. Financial review
3. Conclusion

Airline Solutions

CHF m	Q1 2015	%	Adjustments	Q1 2015 adjusted	%	Q1 2014	%	Variance adjusted	Forex
Revenue	528.1	100%		528.1	100%	524.2	100%	0.7%	-2.1%
Cost of sales	(174.0)	32.9%		(174.0)	32.9%	(174.7)	33.3%	-0.4%	
Personnel costs	(256.8)	48.6%	8.0	(248.8)	47.1%	(247.2)	47.2%	0.6%	
Opex	(83.2)	15.8%		(83.2)	15.8%	(81.6)	15.6%	2.0%	
EBITDA	14.1	2.7%	8.0	22.1	4.2%	20.7	3.9%	6.8%	-3.5%

Highlights Q1 2015

- Revenue grew by 0.7%
- Negative FX impact on revenue of 2.1%
- EBITDA impacted by charge for labor settlement
- Adjusted EBITDA margin increased by 0.3pp



Network & Product Solutions

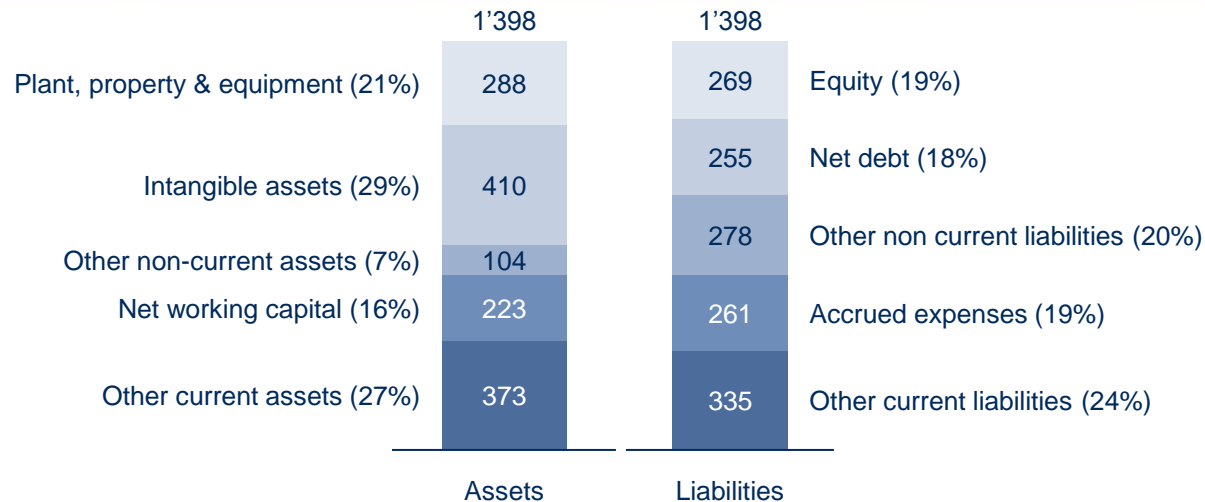
CHF m	Q1 2015	%	Adjustments	Q1 2015 adjusted	%	Q1 2014	%	Variance adjusted	Forex
Revenue	182.3	100%		182.3	100%	187.4	100%	-2.7%	-1.5%
Cost of sales	(136.7)	75.0%		(136.7)	75.0%	(143.8)	76.7%	-4.9%	
Personnel costs	(17.7)	9.7%		(17.7)	9.7%	(18.0)	9.6%	-1.7%	
Opex	(19.4)	10.6%		(19.4)	10.6%	(21.5)	11.5%	-9.8%	
EBITDA	8.5	4.7%	0.0	8.5	4.7%	4.1	2.2%	107.3%	-3.4%

Highlights Q1 2015

- Revenue impacted by negative FX impact
- Loss of retail contract with Norwegian Airlines in 2014 negatively impacted revenues but contributed to improved EBITDA
- EBITDA doubles in part due to improved cost base



Balance Sheet information

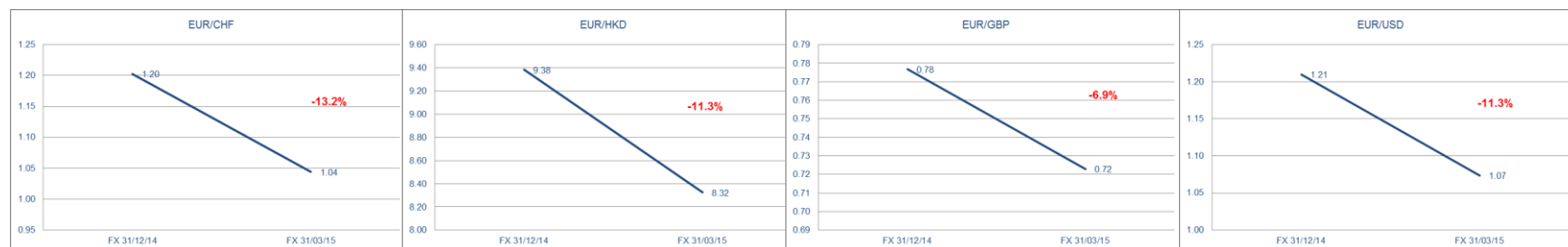


<u>Assets</u>	March 2015	March 2014
Plant, property & equipment	288.1	292.5
Goodwill	280.0	288.3
Other intangibles	129.6	129.2
Other non-current assets	103.9	97.6
Inventory	90.0	86.8
Trade receivables	283.1	271.9
Other current receivables and other current assets	108.9	113.8
Cash & cash equivalents	114.3	132.3
Total Assets	1'397.9	1'412.4

<u>Liabilities</u>	March 2015	March 2014
Total borrowings	(369.4)	(432.7)
Provisions	(52.4)	(57.9)
Retirement benefit obligations	(207.4)	(131.8)
Other non-current liabilities	(17.8)	(27.5)
Trade payables	(150.0)	(148.8)
Other current payables	(71.0)	(81.1)
Accrued expenses	(260.6)	(267.8)
Shareholders' equity & non-controlling interests	(269.3)	(264.8)
Total Equity & Liabilities	(1'397.9)	(1'412.4)

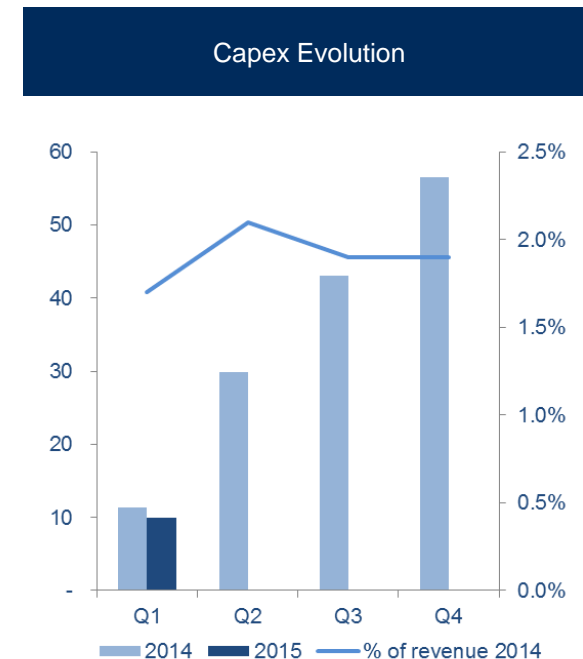
Assets / Liabilities – overview of FX exposure

Entities	Functional Currency	Exposure Currency	Net Exposure*	FX 31/12/14	FX 31/03/15	Change in %	Loss/Gain (in m CHF)**
FinCos Europe	EUR	CHF	(84.0)	1.20	1.04	-13.2%	(12.9)
		HKD	(238.0)	9.38	8.32	-11.3%	(3.0)
		GBP	(8.0)	0.78	0.72	-6.9%	0.4
		USD	17.0	1.21	1.07	-11.3%	1.7
		AUD	44.0	1.48	1.41	-5.0%	1.6
FinCo US	USD	CAD	14.5	1.16	1.27	9.1%	(1.2)
gategroup Holding AG	CHF	USD	46.0	1.01	1.03	2.2%	(1.0)
		EUR	7.0	1.20	1.04	-13.2%	(1.1)
Other gategroup Entities							(2.5)
		Total					(18.0)



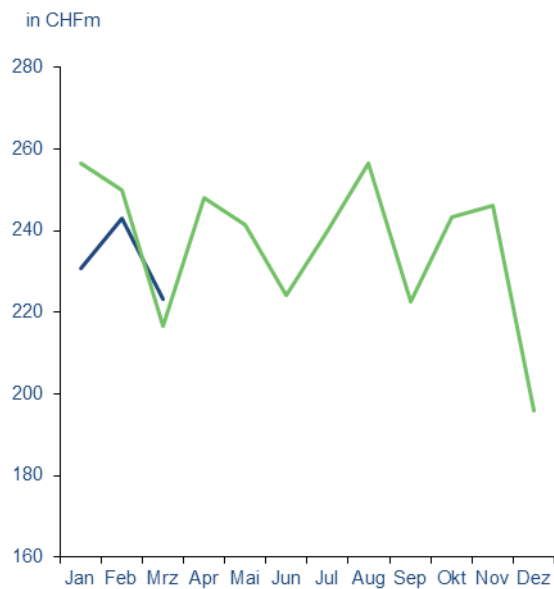
Cash Flow information

in CHF m	Q1 2015	Q1 2014
EBITDA	10.9	18.0
Change in Trade Receivables	(11.2)	5.8
Change in Inventories	0.8	(0.5)
Change in Trade Payables	(24.5)	(21.5)
Change in Other Current Assets / Liabilities	(2.3)	(0.4)
Changes in Working Capital	(37.2)	(16.6)
Changes in Provisions, Tax and other	(1.0)	(11.5)
Cash used in operations	(27.3)	(10.1)
Capex, net	(9.9)	(11.3)
Free Cash Flow	(37.2)	(21.4)
Interest, net	(12.8)	(14.6)
Income Taxes, net	(3.9)	(4.0)
Other Investing and Financing Activities	(2.6)	0.0
Dividends Paid		(0.2)
Net Change in Cash and Cash Equivalents	(56.5)	(40.2)

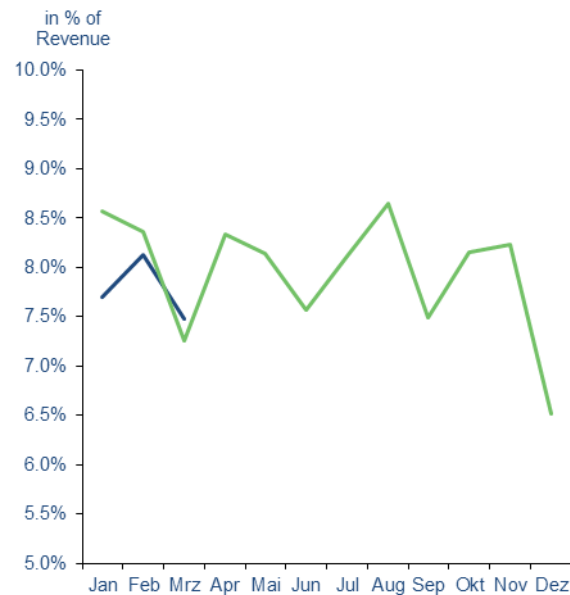


Working capital

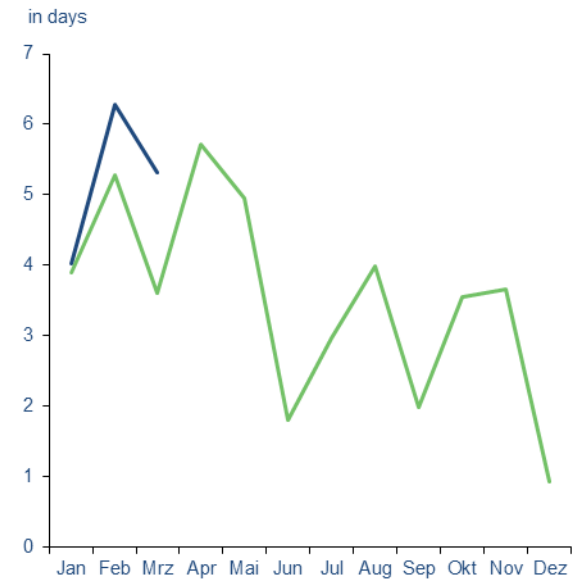
Working capital



Working capital in % of net sales



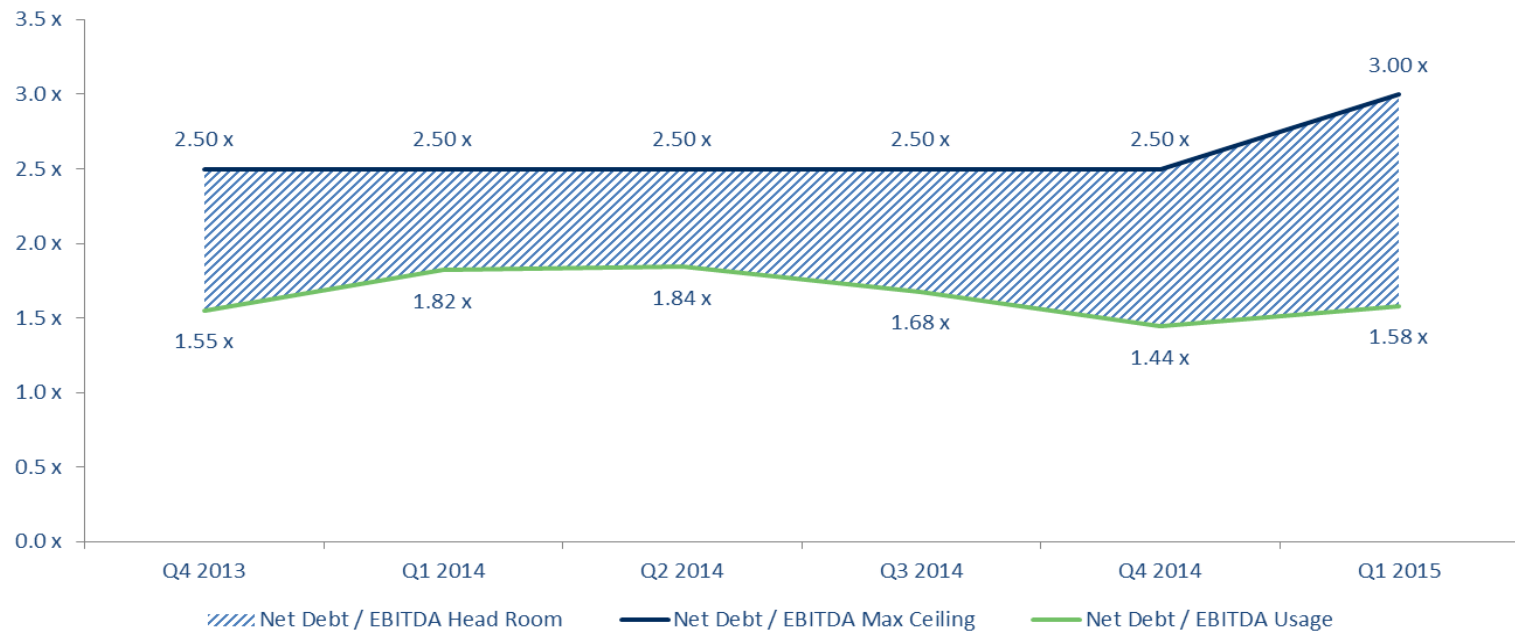
Cash conversion cycle



— 2015 — 2014

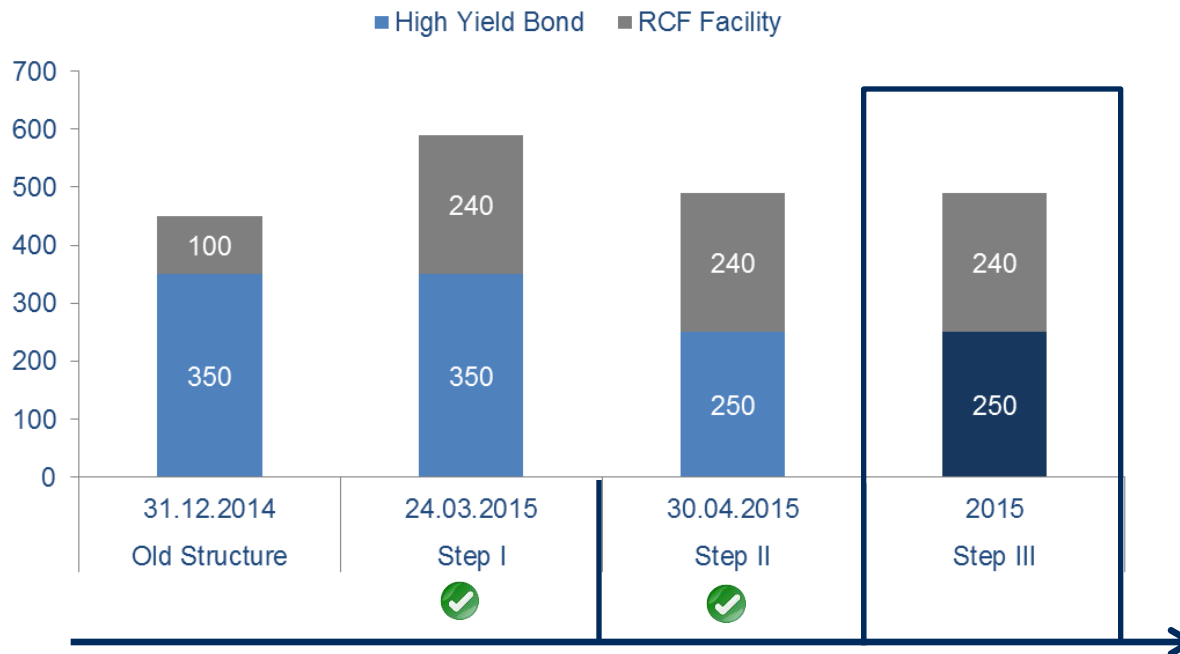
Debt information

Instrument (in EUR m)	Lender	Facility			Interests		Maturity
		Amount	Drawn	Drawn %	Rate	Amount p.a.	
RCF	8 Banks	240.0	110.0	46%	1.95%	2.1	2019
High Yield Bond	Capital Market	250.0	250.0	100%	6.75%	16.9	2019



Corporate refinancing initiative

- Lock-in significantly lower total interest expense
- Take advantage of current favourable market conditions to improve bond terms
- Retain a presence in the bond market, creating funding flexibility for growth / M&A



Step I:

- Refinancing of RCF of EUR 240m successfully completed. Interest conditions significantly improved

Step II:

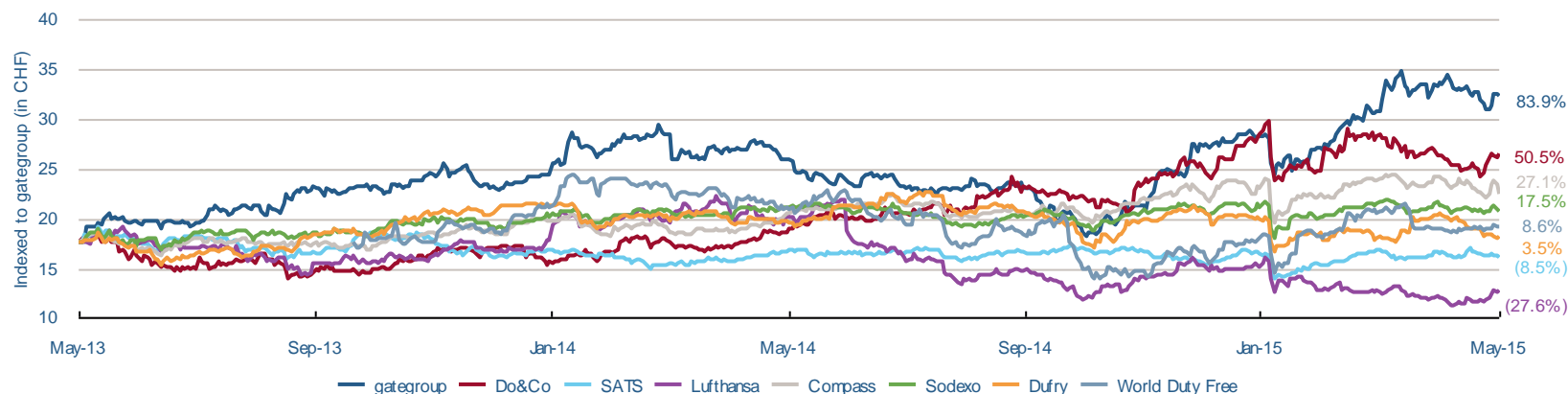
- Repayment of HYB in the amount of EUR 100m → annualized interest savings in the amount of EUR 6.75m

Step III

- Refinance existing HYB with a new EUR 250m 7-year-HYB to further improve interest cost

Investor relations

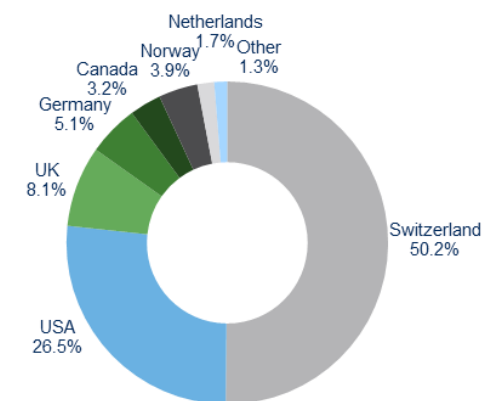
Share price performance (last two years)



Significant shareholders

Threshold	Shareholder	SIX Disclosure position		Date of SIX notification
		Purchase	Sale	
> 5%	RBR and Camox Funds*	11.27%	0.64%	24.04.2015
	Harris Associates Investment Trust	6.57%		22.11.2014
>3%	Credit Suisse Funds AG	4.99%		10.09.2014
	Pictet Assets Management Ltd	4.96%		19.03.2015
	Wellington Management Group LLP	4.31%		06.01.2015
	Pictet Funds Sa	4.06%		10.04.2015
	Deutsche Bank AG	3.09%		19.11.2010
	UBS Fund Management SA	3.08%		21.10.2009
	BlackRock Inc.	3.06%	0.74%	27.04.2015
Pictet CH-Swiss Mid Small Cap	3.01%		10.04.2015	

Shareholder split by country



Source: FactSet as of 13 May 2015, adjusted for SIX information.

Shareholder split by country based on the company information

*) RBR Funds SICAV, RBR European Long Short Master Fund, RBR Strategic Value Ltd, Camox Master Fund

Table of contents

1. Overview Q1 results 2015
2. Financial review
3. Conclusion

Conclusion

- Revenue growth of 2.5% at constant FX
 - Like for like 5.1%
 - Scope (2.7%)
 - FX (1.9%)
- “Singular” adjustments impacting Q1 results
- Major contract renewals completed
- Credit facility refinanced with substantial annual savings
- Strategic review ongoing

Appendix

Updated results calendar in 2015

Sep 3, 2015

Half year 2015 results

Nov 12, 2015

Nine months 2015 results

New reporting structure

- Gate Retail Onboard and eGate Solutions realigned with Product and Supply Chain Solutions business, with the expanded segment renamed as Network and Product Solutions
- This resulted in adjusted segmental reporting for gategroup as of January 1, 2015
- Historically the new segmentation would translate as follows:

Airline Solutions	2013	Q1	Q2	Q3	Q4	2014
Revenue	2'370.2	524.2	580.2	633.9	587.2	2'325.5
EBITDA	164.7	20.7	37.9	57.3	37.4	153.3
EBITDA Margin	6.9%	3.9%	6.5%	9.0%	6.4%	6.6%
Network & Product Solutions	2013	Q1	Q2	Q3	Q4	2014
Revenue	854.6	187.4	232.8	254.9	219.6	894.7
EBITDA	32.7	4.1	13.0	16.8	10.3	44.2
EBITDA Margin	3.8%	2.2%	5.6%	6.6%	4.7%	4.9%

Disclaimer

No warranty and no liability: While we make great efforts to include accurate and up-to-date information, we make no representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided on this presentation and disclaim any liability for the use of it.

No offer and no solicitation: The information provided in this presentation does not constitute an offer of or solicitation for the purchase or disposal, trading or any transaction in any gategroup securities. Investors must not rely on this information for investment decisions.

Forward-looking information: This presentation contains forward-looking statements and other statements that are not historical facts. The words “believe”, “anticipate”, “plan”, “expect”, “project”, “estimate”, “predict”, “intend”, “target”, “assume”, “may”, “will”, “could” and similar expression are intended to identify such forward-looking statements. Such statements are made on the basis of assumptions and expectations that we believe to be reasonable as of the date of this presentation, but may prove to be erroneous and are subject to a variety of significant uncertainties that could cause actual results to differ materially from those expressed in forward-looking statements. Among these factors are changes in overall economic conditions, changes in demand for our products, changes in the demand for, or price of, oil, risk of terrorism, war, geopolitical or other exogenous shocks to the airline sector, risks of increased competition, manufacturing and product development risks, loss of key customers, changes in government regulations, foreign and domestic political and legislative risks, risks associated with foreign operations and foreign currency exchange rates and controls, strikes, embargoes, weather-related risks and other risks and uncertainties. We therefore caution investors and prospective investors against relying on any of these forward-looking statements. We assume no obligation to update forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in such forward-looking statements, except as required by law.



Q1 2015

Investors and Analysts
Presentation

21 May 2015

