



January - September 2015 results

Investors and Analysts Presentation

12 November 2015

January - September 2015 results

1 Highlights

2 Financial Overview

3 Conclusion

Performance Headlines (1/2)

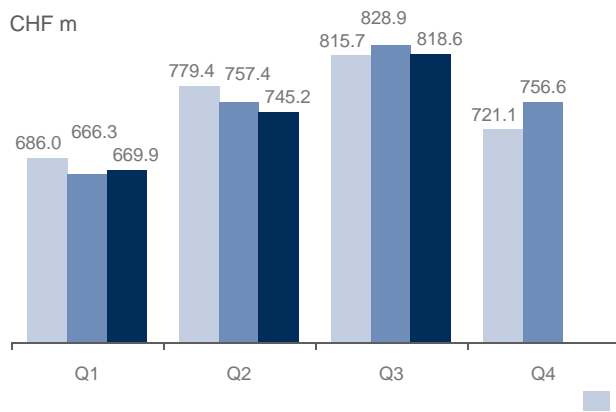
Foundation for future growth and improved profitability based on new strategic plan

CHF m	Q3 2015	Q3 2014	Change	Q3 YTD 2015	Q3 YTD 2014	Change
Revenue	818.6	828.9	-1.2%	2'233.7	2'252.6	-0.8%
FX effect	38.4			78.4		
Revenue @constant FX	857.0	828.9	3.4%	2'312.1	2'252.6	2.6%
EBITDA	68.6	68.0	0.9%	98.4	128.6	-23.5%
FX effect	4.9			9.3		
EBITDA @constant FX	73.5	68.0	8.1%	107.7	128.6	-16.3%
<i>EBITDA Margin @constant FX</i>	<i>8.6%</i>	<i>8.2%</i>		<i>4.7%</i>	<i>5.7%</i>	
2015 Adjustments @constant FX				26.2		
Adjusted EBITDA@ constant FX	73.5	68.0	8.1%	133.9	128.6	4.1%
Adjusted EBITDA Margin @constant FX	8.6%	8.2%	0.4 pp	5.8%	5.7%	0.1 pp

Seasonality

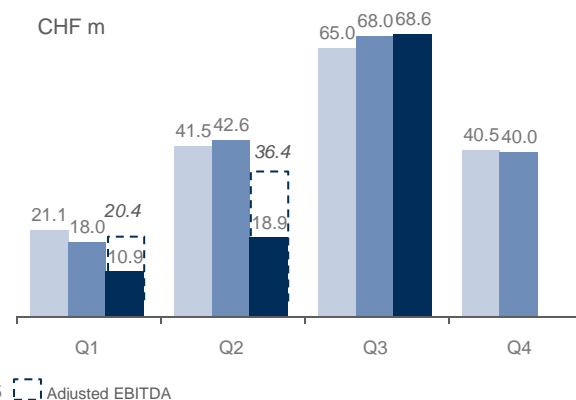
Revenue

CHF m



EBITDA

CHF m



Note: EBITDA refers to Segment EBITDA throughout the presentation

Performance Headlines (2/2)

Robust revenue development driven by organic growth

Highlights

- ▶ Solid operational performance in Q3
- ▶ Improved free cash flow, driven by better working capital and lower CAPEX
- ▶ Strategic Gateway 2020 plan well under way, with notable momentum in revenue growth, increased efficiencies and improved profitability
- ▶ New five-year EUR 250 million unsecured credit facility signed at attractive interest rate
 - ▶ Full redemption of existing 6.75% coupon bearing EUR 250 million High Yield Bond
 - ▶ Annual interest costs reduced by more than CHF 10 million
- ▶ New seven-year contract reached with long-time customer Scandinavian Airlines for catering and provisioning as well as end-to-end responsibility for the airline's entire inflight supply chain
- ▶ Presence established at Astana International Airport in Kazakhstan

	Q3 2015	Q3 YTD 2015
Revenue	CHF 818.6 m	CHF 2,233.7 m
Organic growth	6.1%	5.2%
Net win / loss ratio	-2.3%	-2.0%
M&A	-0.4%	-0.6%
Change @constant FX	3.4%	2.6%
FX	-4.6%	-3.5%
Total change	-1.2%	-0.8%



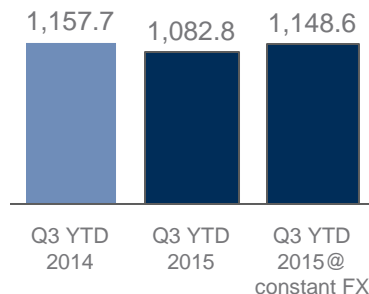
Performance by Region

Regional performance YTD impacted by one-off items, but underlying performance solid

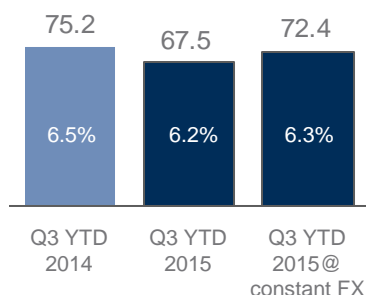
In CHF m

EMEA

Revenue

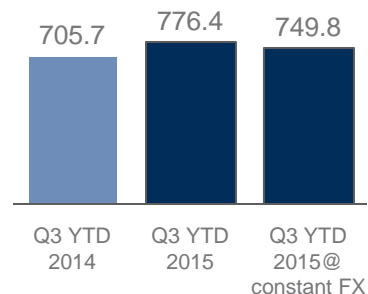


Adj. EBITDA

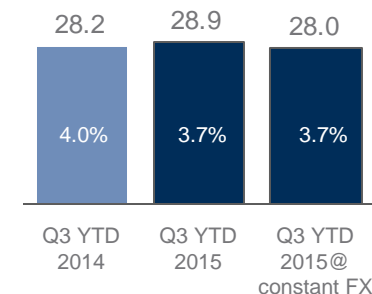


North America

Revenue

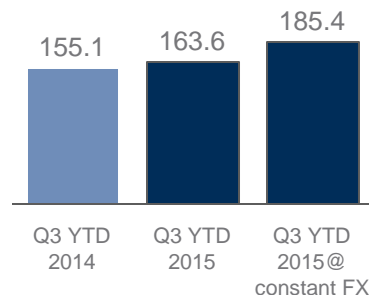


Adj. EBITDA

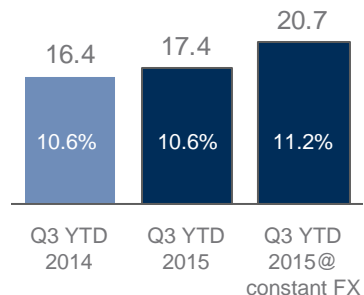


Latin America

Revenue

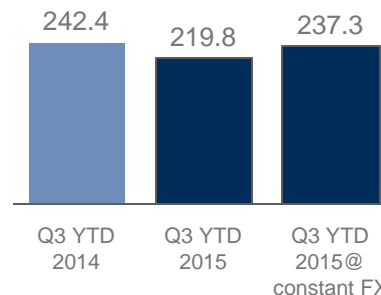


Adj. EBITDA

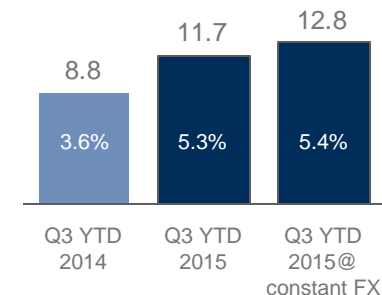


Asia Pacific

Revenue



Adj. EBITDA



Figures exclude eliminations
Figures may not add up due to rounding

January - September 2015 results

1 Highlights

2 Financial Overview

3 Conclusion

Q3 Income Statement

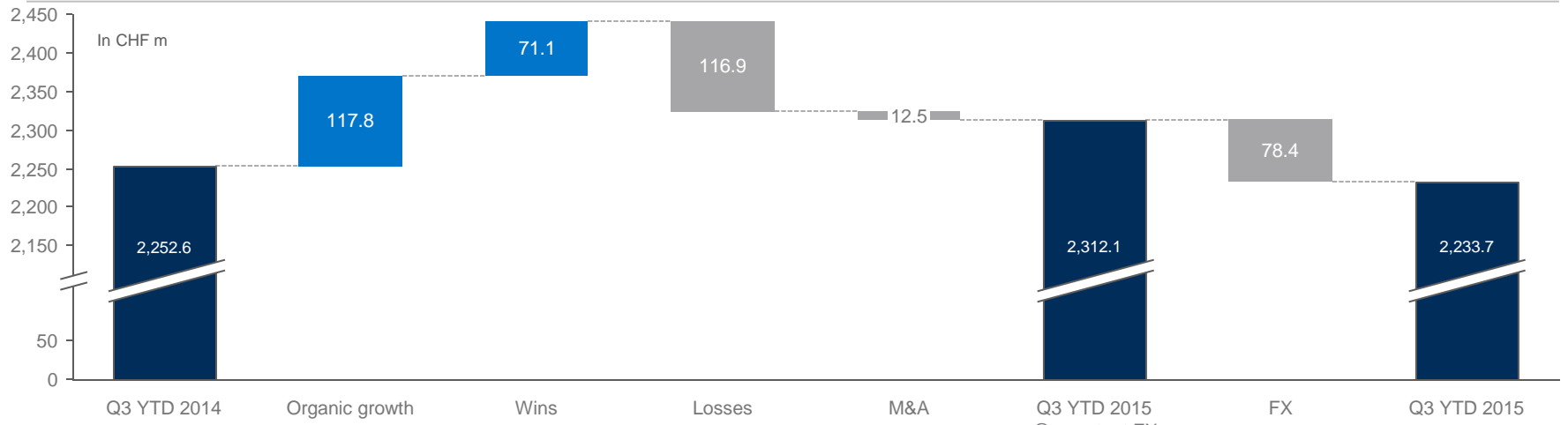
CHF m	Q3 2015	%	Q3 2015 @constant FX	%	Q3 2014	%
Revenue	818.6	100.0%	857.0	100.0%	828.9	100.0%
Cost of sales	(338.4)	41.3%	(351.6)	41.0%	(350.0)	42.2%
Personnel costs	(295.2)	36.1%	(310.9)	36.3%	(296.4)	35.8%
Opex	(116.4)	14.2%	(121.1)	14.1%	(114.5)	13.8%
EBITDA	68.6	8.4%	73.4	8.6%	68.0	8.2%
Management fees	0.2		0.2		0.3	
D&A	(14.8)		(15.4)		(14.1)	
Other operating costs	(2.8)		(3.9)		1.3	
EBIT	51.2	6.3%	54.3	6.3%	55.4	6.7%
Finance cost	(8.7)				(11.2)	
Share of associate profit	0.6				0.3	
FX	(3.6)				(0.2)	
Profit before tax	39.5				44.3	
Income tax	(7.1)				(7.2)	
Minority interest	(0.4)				(0.5)	
Net profit for the period*	32.0				36.6	

*) Attributable to Shareholders

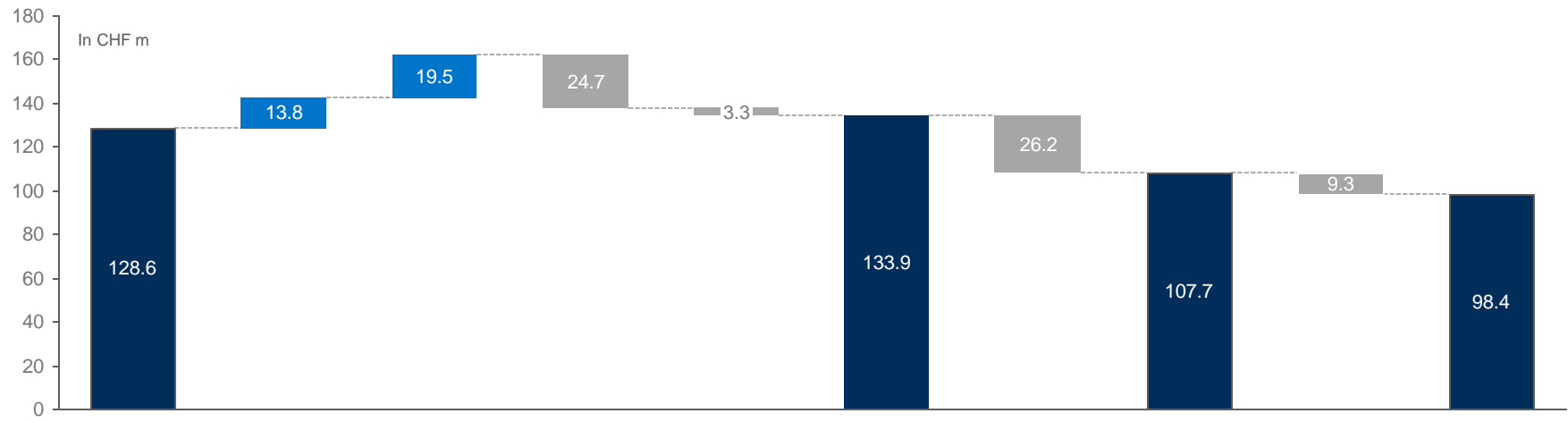
Personnel costs excludes restructuring costs and share-based payment

Figures may not add up due to rounding

Revenues and EBITDA



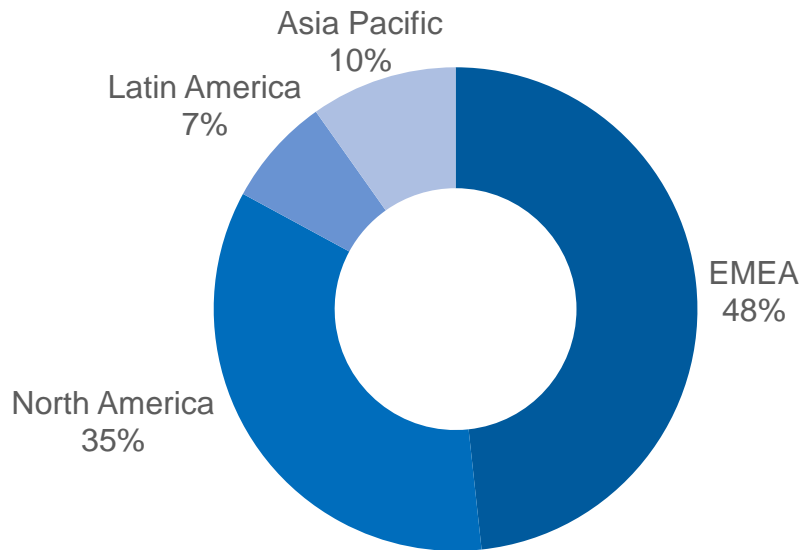
Impact	5.2%	3.2%	(5.2)%	(0.6)%		(3.5)%
--------	------	------	--------	--------	--	--------



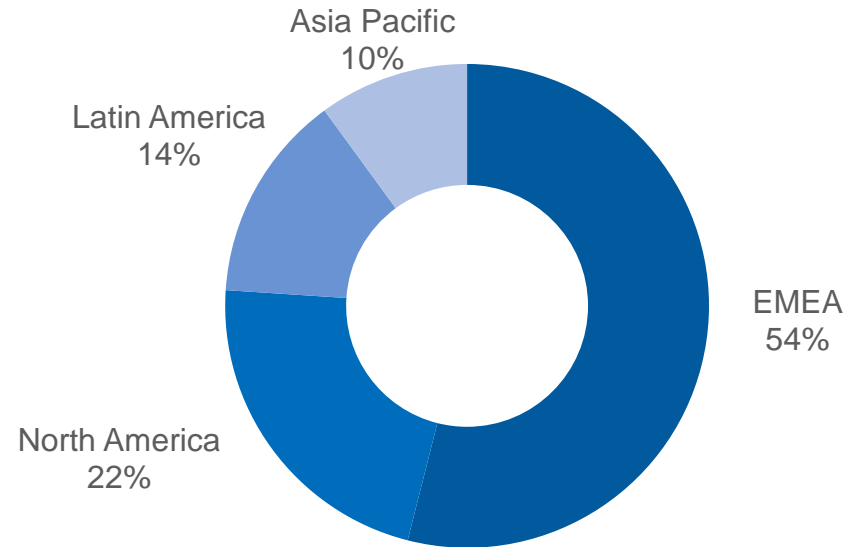
Impact	10.7%	15.2%	(19.2)%	(2.6)%		(20.4)%		(7.2)%
--------	-------	-------	---------	--------	--	---------	--	--------

Our segments

Revenue Segmentation

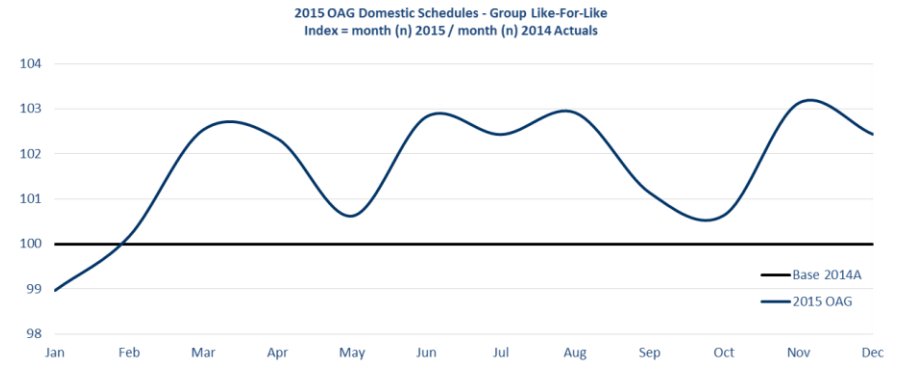
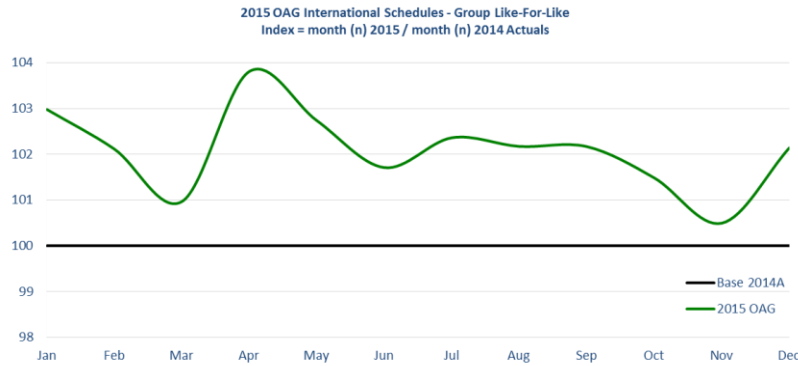


Adjusted EBITDA



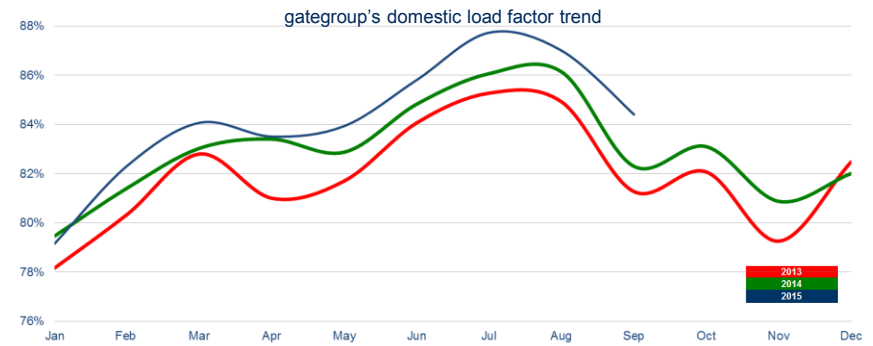
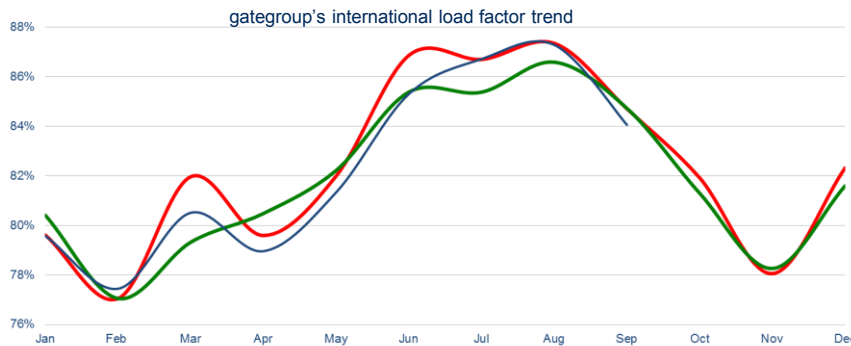
Note: Excludes Eliminations

Our organic growth drivers

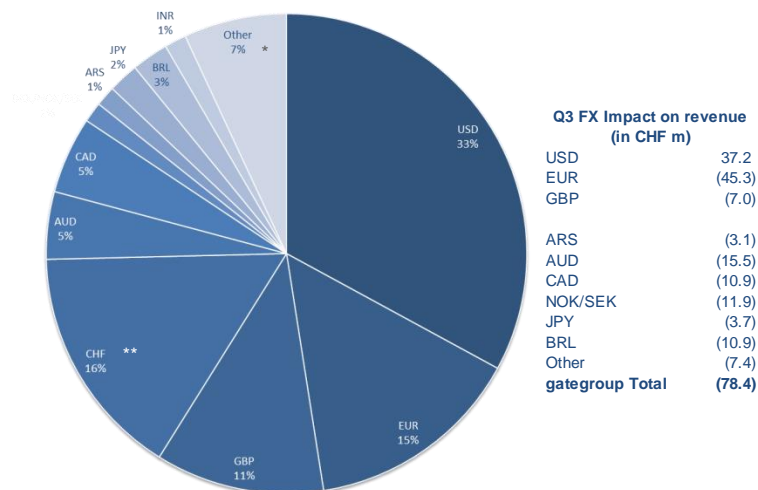


- ▶ International flights stable with anticipated volume fluctuation towards end of the year
- ▶ International load factors in line with the prior year

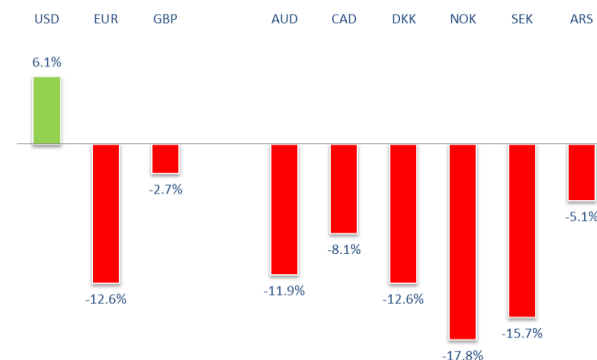
- ▶ Strong global domestic flight departures throughout the year
- ▶ Despite the capacity increases load factors higher than previous year



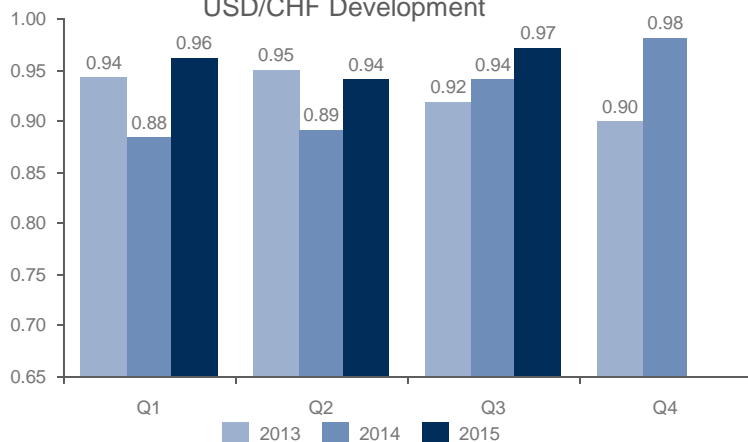
Q3 2015 Revenue by currency



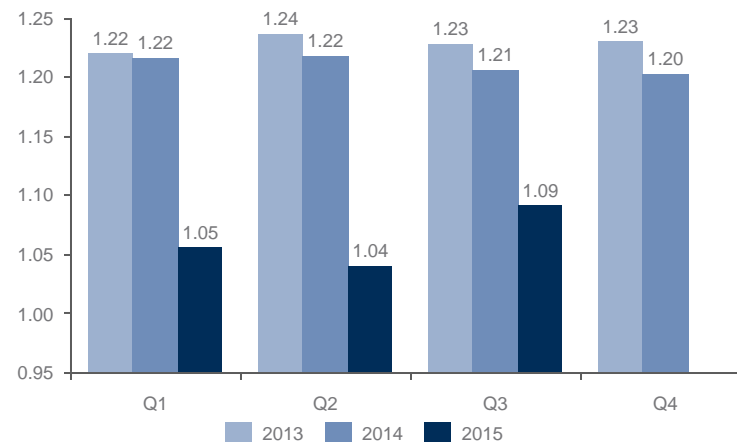
Q3 2015 Average Currency Movement vs CHF



USD/CHF Development



EUR/CHF Development



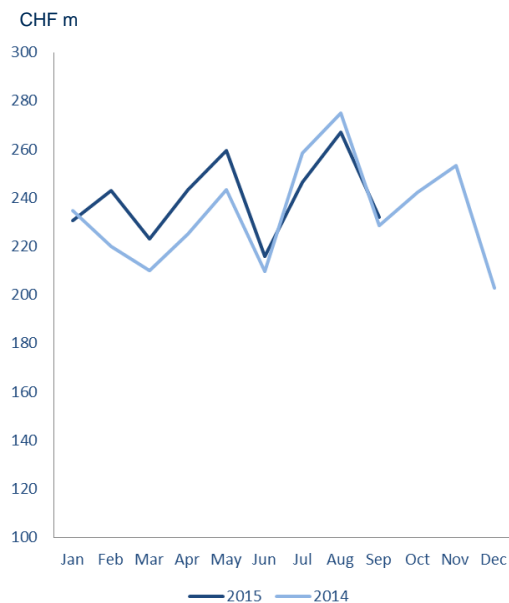
* Other Emerging Markets include CLP, CNY, COP, HKD, NZD, PEN, PKR, THB, ZAR

** Currency of domicile of the company

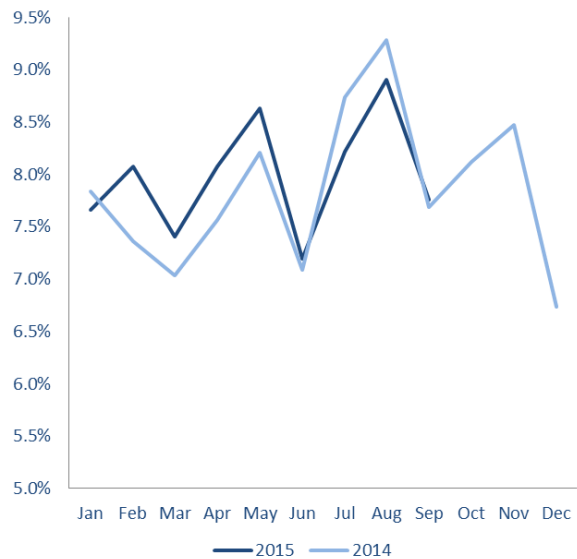
Working Capital

Net working capital position in line with historical results

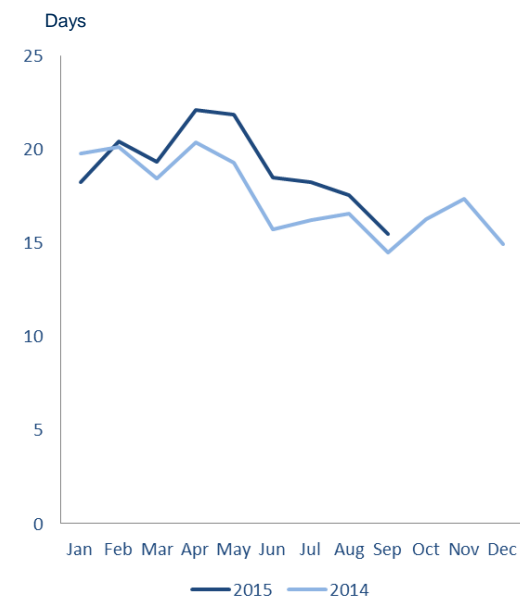
Net working capital



Working capital in % of net sales



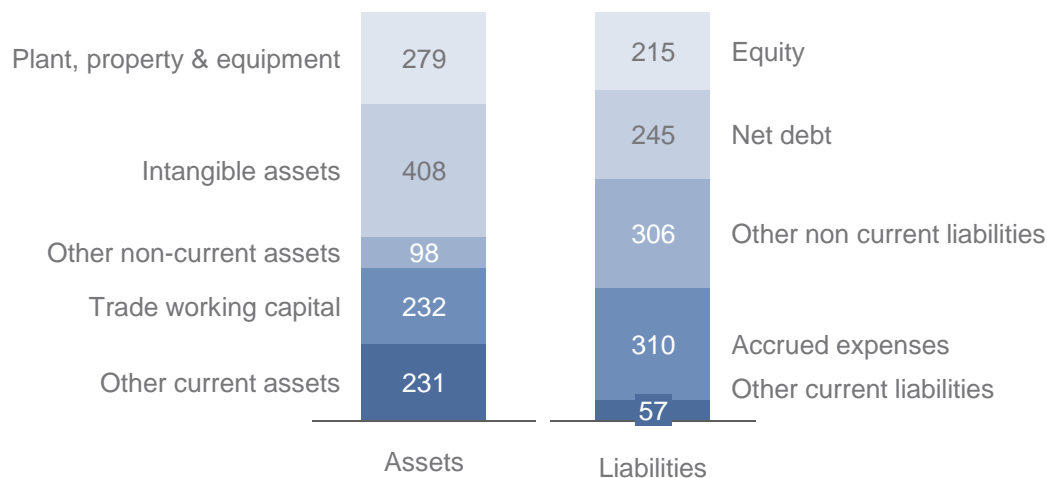
Cash conversion cycle



Net working capital = accounts receivables + inventories – accounts payables
 Cash conversion cycle = days sales outstanding + days inventory outstanding – days payables outstanding

Balance Sheet information

Assets	September 30, 2015	September 30, 2014	Liabilities	September 30, 2015	September 30, 2014
Plant, property & equipment	279.2	305.6	Total borrowings	360.9	428.0
Goodwill	280.1	295.7	Provisions	78.0	55.7
Other intangibles	128.2	131.2	Retirement benefit obligations	212.7	165.8
Other non-current assets	97.9	112.4	Other non-current liabilities	15.7	26.8
Inventory	96.0	90.4	Trade payables	174.9	185.6
Trade receivables	311.0	323.9	Other current payables	57.1	62.4
Other current receivables and other current assets	115.4	127.8	Accrued expenses	309.5	309.8
Cash & cash equivalents	115.6	144.3	Shareholders' equity & non-controlling interests	214.6	297.2
Total Assets	1'423.4	1'531.3	Total Equity & Liabilities	1'423.4	1'531.3

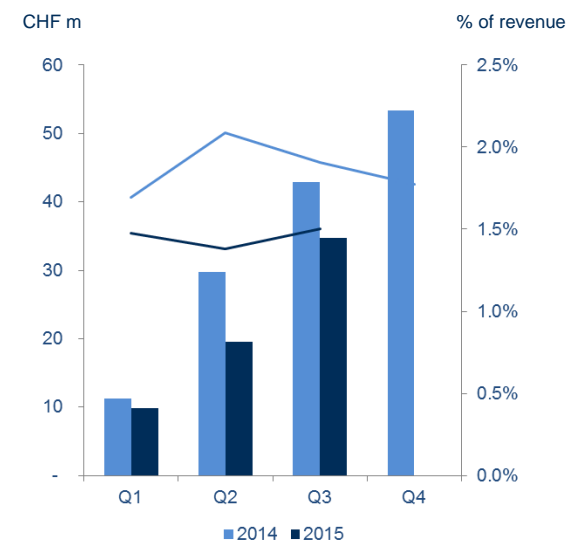


Cash Flow information

Cash Flow improvement, driven by working capital movements and reduced capex

CHF m	Q3 YTD 2015	Q3 YTD 2014
EBITDA	98.4	128.6
Change in Trade Receivables	(41.8)	(39.8)
Change in Inventory	(4.6)	(1.4)
Change in Trade Payables	(0.2)	14.0
Change in Other Current Assets / Liabilities	25.0	(0.5)
Changes in Working Capital	(21.7)	(27.7)
Changes in Provisions, Tax and other	(9.9)	(29.5)
Cash generated in operations	66.8	71.4
Capex	(34.7)	(43.0)
Free Cash Flow	32.1	28.4
Interest	(29.9)	(29.5)
Income Taxes	(12.6)	(11.5)
Other Investing and Financing Activities	(33.0)	(8.9)
Dividends Paid	(13.0)	(9.2)
Net Change in Cash and Cash Equivalents	(56.4)	(30.7)

Capex evolution

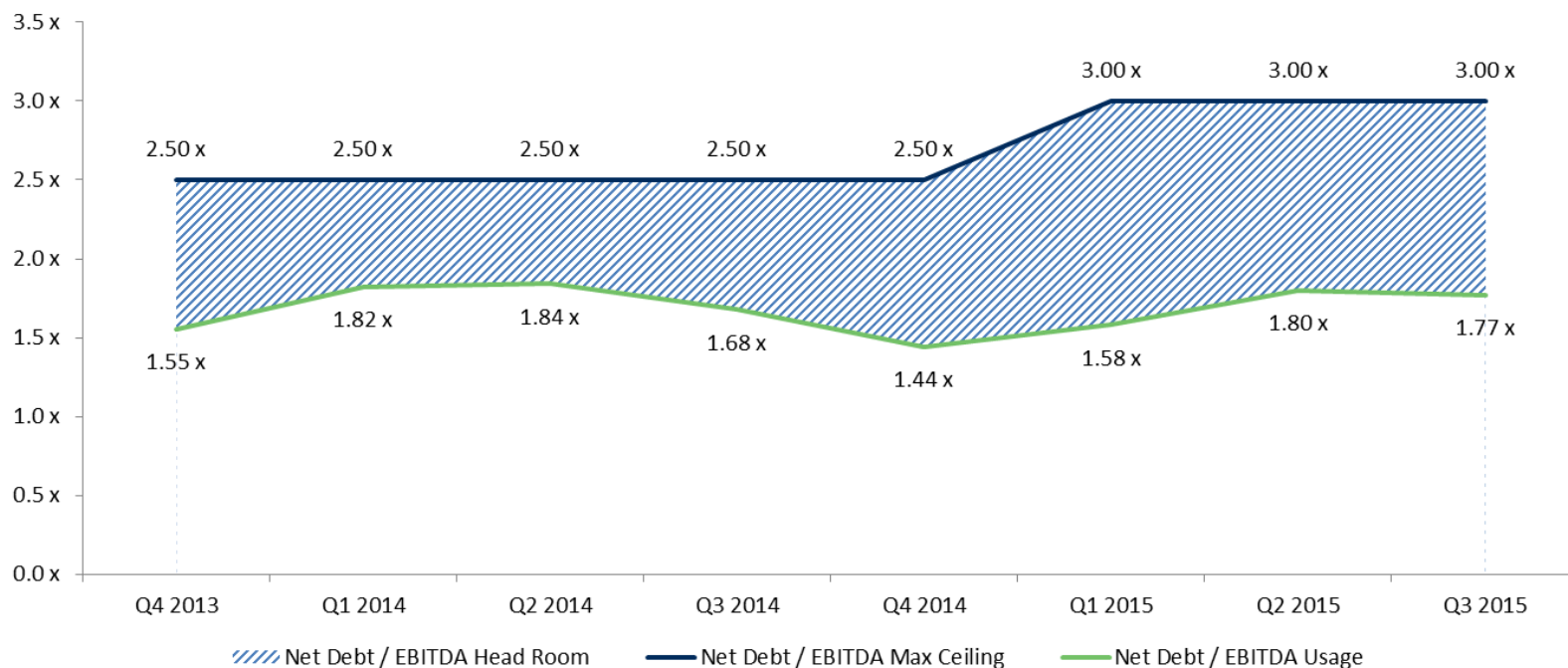


Figures may not add up due to rounding

Q3 debt information

Facilities and High Yield Bond

CHF m			Facility			Interest		Maturity				
Instrument	Lender	Currency	Amount	Drawn	Drawn %	Rate	Amount p.a.	2015	2016	2017	2018	2019
RCF	8 Banks	EUR	240.0	75.0	31.3%	1.95%	1.5					
High Yield Bond	Capital Market	EUR	250.0	250.0	100.0%	6.75%	16.9					



Corporate refinancing initiative

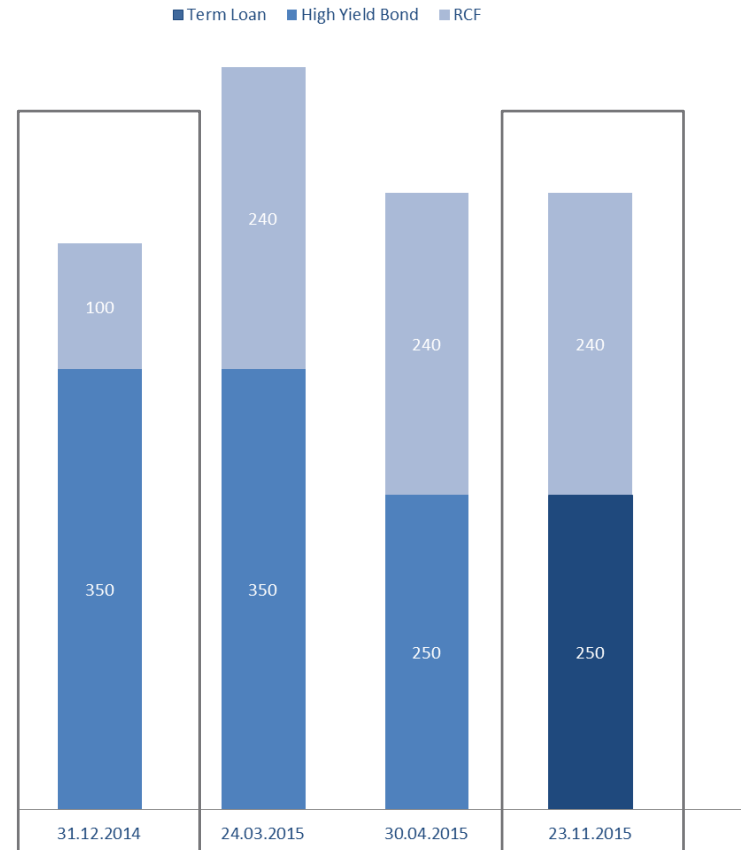
New RCF and Term Loan with improved financial terms: annual savings of about CHF 16 million

Fully refinanced debt structure:

- ▶ Refinancing of Revolving Credit Facility (RCF) of EUR 240m successfully completed in March
- ▶ New five-year EUR 250 million unsecured Term Loan B signed in October
- ▶ Full repayment of the High Yield Bond by Q4 2015

The new financing structure consists of

- ▶ EUR 240 million RCF
- ▶ EUR 250 million term loan
- ▶ Total annual interest cost of about CHF 10 million at current utilization levels versus previous costs of about CHF 26 million



January - September 2015 results

1 Highlights

2 Financial Overview

3 Conclusion

- ▶ Improved Q3 performance with revenue growth of 3.4% and 8.1% EBITDA increase at constant FX
 - ▶ Organic growth at 6.1%
 - ▶ Net win/loss ratio of (2.3%)
 - ▶ M&A (0.4%)
 - ▶ FX (4.6%)
- ▶ Stable operational performance year to date, before one-off adjustments and currency volatility
- ▶ Improved free cash flow, driven by better working capital and lower CAPEX
- ▶ Major contract renewals completed and push into Emerging Markets advanced
- ▶ Debt structure refinanced with substantial annual savings
- ▶ Gateway 2020 initiatives on track

January - September 2015 results

Appendix



Q3 YTD Income Statement

CHF m	Q3 YTD 2015	%	Adjustments	Q3 YTD 2015 adjusted**	%	Q3 YTD 2015 adj@constant FX	%	Q3 YTD 2014	%
Revenue	2'233.7	100.0%		2'233.7	100.0%	2'312.1	100.0%	2'252.6	100.0%
Cost of sales	(912.7)	40.9%		(912.7)	40.9%	(939.7)	40.6%	(941.0)	41.8%
Personnel costs	(868.3)	38.9%	10.3	(858.0)	38.4%	(891.5)	38.6%	(853.1)	37.9%
Opex	(354.3)	15.9%	16.7	(337.6)	15.1%	(347.0)	15.0%	(329.9)	14.6%
EBITDA	98.4	4.4%	27.0	125.4	5.6%	133.9	5.8%	128.6	5.7%
Management fees	0.7			0.7		0.6		0.5	
D&A	(43.9)			(43.9)		(45.1)		(42.8)	
Other operating costs	(41.0)		34.6	(6.4)		(8.1)		(10.0)	
EBIT	14.2	0.6%	61.6	75.8	3.4%	81.5	3.5%	76.3	3.4%
Finance cost	(36.4)			(36.4)				(33.5)	
Share of associate profit	2.4			2.4				1.6	
FX	(25.1)			(25.1)				1.5	
(Loss)/profit before tax	(44.9)		61.6	16.7				45.9	
Income tax	(10.2)			(10.2)				(15.3)	
Minority interest	(1.2)			(1.2)				(1.3)	
Net (loss)/profit for the period*	(56.3)		61.6	5.3				29.3	

*) Attributable to Shareholders

***) Before adjustments, no tax effect considered

Personnel costs excludes restructuring costs and share-based payment

Figures may not add up due to rounding

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.



gategroup™