



gategroup's acquisition of Inflight Service Group

Leading Buy on Board specialist in the Nordics and Eastern Europe

2 December 2015

Transaction rationale and Gateway 2020 strategy

Inflight Service Group (IFS) acquisition sets fundamentals for gategroup's long term strategy

- gategroup establishes leading Buy on Board position globally
- IFS complements gategroup's existing Buy on Board business
- Revenue and EBITDA increase more than CHF 240m and CHF 13.4m, respectively
- Purchase price of CHF 130m (post-synergies EBITDA multiple of 6.5x)
- Transaction is 12% accretive in cash EPS in Year 1

**Another milestone in
Gateway 2020 strategy**

Focus on the Core

Commercial innovation

- ✓ Major step forward reinforcing and growing gategroup's leadership position in Buy on Board globally and in the LCC and charter market in Europe
- ✓ Attractive portfolio of aviation contracts with significant Business Intelligence and powerful end-customer data
- ✓ Commercial innovation and market-leading technology
- ✓ Significant synergies on costs and operational sides

Geographic expansion

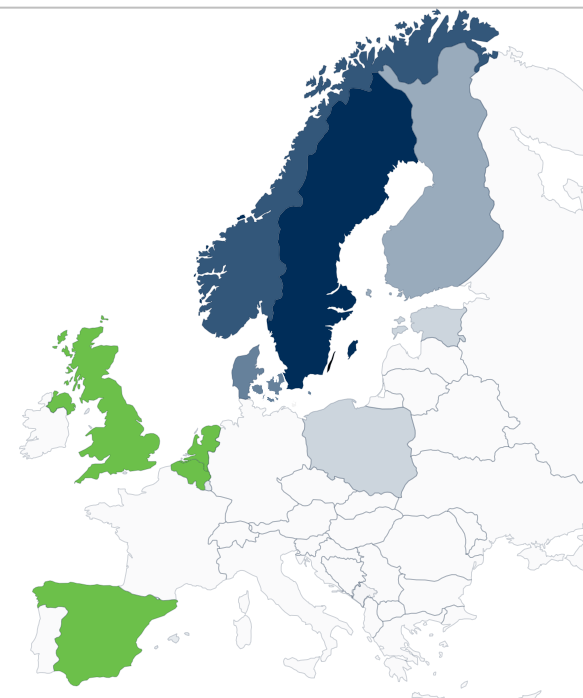
Standardisation and efficiency

Inflight Service Group

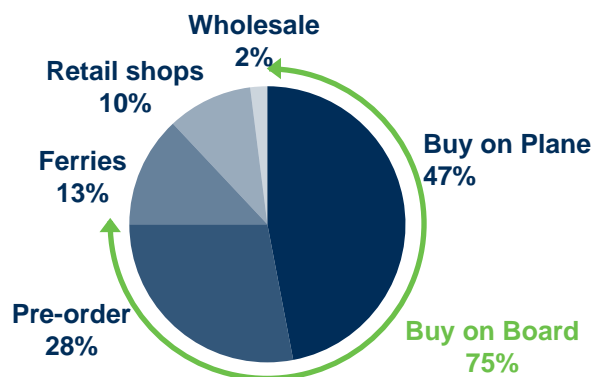
Leading player in the Nordics and Eastern Europe aviation travel retail market

Leading retailer in the Nordics and Eastern Europe

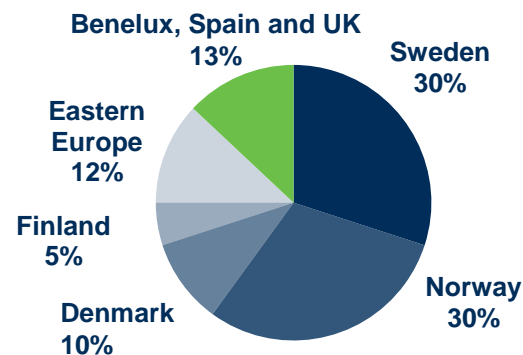
- About **300 people** employed
- Headquartered in Stockholm, Sweden with a warehouse and packing facility located in Tibro, Sweden
- **Buy on Board specialist**, catering to both charters and scheduled airlines
- **Solid customer portfolio** providing base towards the global Charter industry and potential business wins
- About 80m passenger travelling to / from the Nordics and Baltic countries annually
- **Pre-order expertise** with over **700'000¹ orders** annually and reach of over 9m passengers
- Retail on 9 ferry & cruise lines on the Baltic and North Seas and minor operations in airports in Estonia and Poland



Revenue split by service offering²



Revenue split by geography²



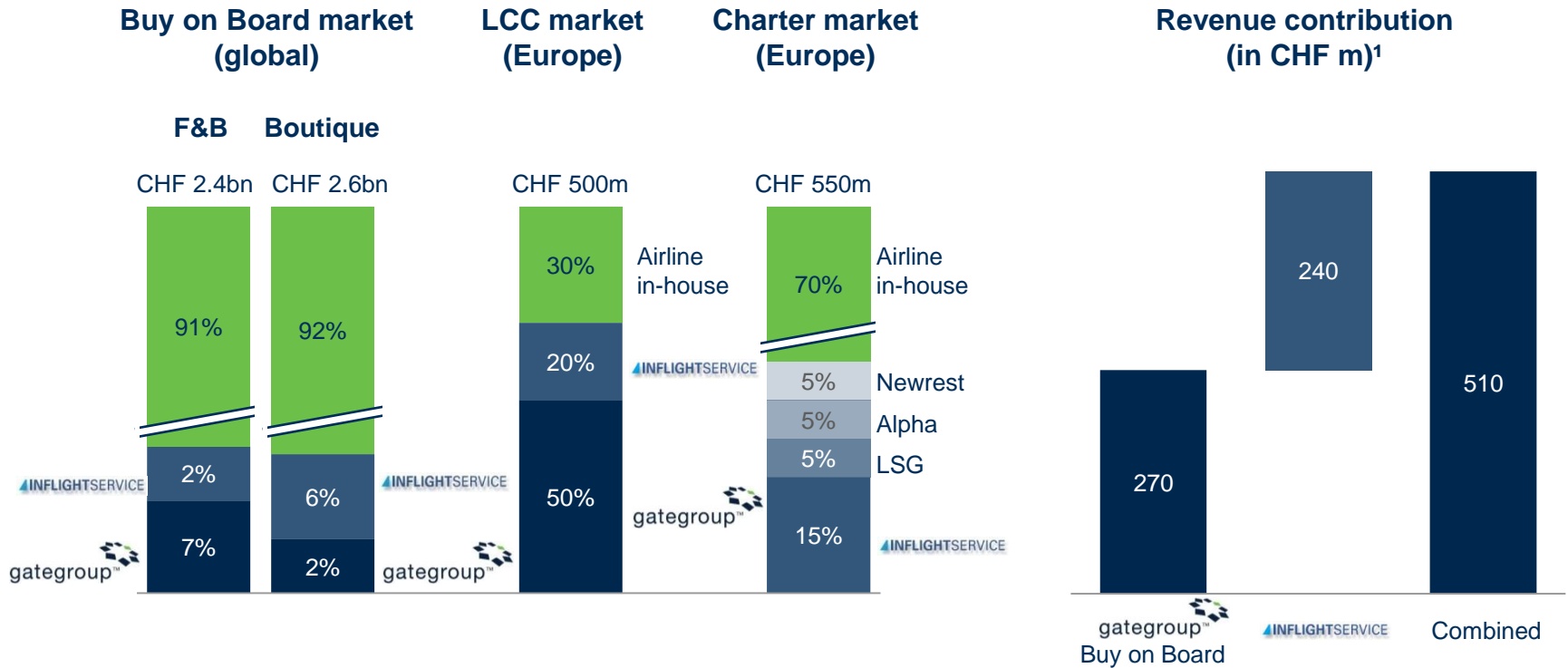
Notes:

1. As of 2014A
2. Refers to 2015E

Enjoying clear leadership in Buy on Board globally

Global Buy on Board specialist

gategroup to become the largest in the...



- ✓ Buy on Board market globally
- ✓ LCC market in Europe
- ✓ Charter market in Europe

Note:
1. Refers to 2015E
Source: gategroup analysis

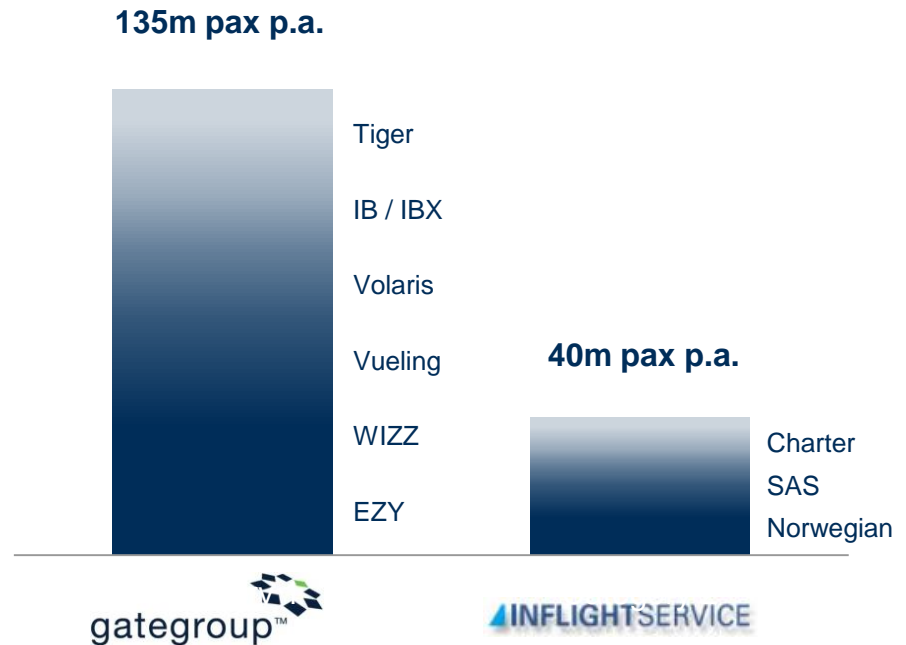
New contracts and Business Intelligence

Attractive portfolio of aviation contracts with access to market know-how and intelligence

Extensive customer portfolio...



Immediate access to Business Intelligence...



...including large, renowned blue-chip companies

...and powerful end-customer data of 175m passengers annually

Buy on Board and Technology

Acceleration of gategroup's Buy on Board vision thanks to IFS' pre-order expertise



Creating synergies through integration

Significant cost and operational synergies

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Cost / operational synergies

Office, warehousing and transportation

- ✓ Shared service centre located in Stockholm using IFS central warehouse and transport network

Synergies on CoGS

- ✓ CoGS optimisation due to combined purchasing power
- ✓ Optimisation of suppliers via development of strategic partnerships

Synergies on headquarters

- ✓ Elimination of duplicities in support functions across finance, marketing and IT
- ✓ Dismissal of redundant senior management
- ✓ Implementation of gategroup Buy on Board ERP tool to further reduce support functions headcount

Technology CapEx avoidance

- ✓ Savings expected from CapEx, resulting from overlaps with existing / partly developed technology

CHF 6m pre-tax cost / operational synergies starting in 2016 and increasing through 2017-18

Key financial terms

Significant contribution to gategroup's financials and accretion at cash EPS pre- and post-synergies

IFS will increase gategroup's financials by...

IFS revenue
(in CHF m)

240



2015E

IFS EBITDA and EBITDA margin
(in CHF m, %)

5.5%

13.4



2015E

...more than CHF 240m of revenue and
CHF 13.4m of EBITDA

Strong accretion in cash EPS in Year 1...

Base case excl. synergies

In CHF m

2016E

2017E

gategroup EPS standalone¹

2.64

3.29

gategroup & IFS EPS combined

2.81

3.57

Accretion / (Dilution)

6.5%

8.5%

Base case incl. synergies

In CHF m

2016E

2017E

gategroup EPS standalone¹

2.64

3.29

gategroup & IFS EPS combined

2.95

3.80

Accretion / (Dilution)

12.0%

15.5%

...6.5% pre-synergies and 12.0% post-synergies

Note:
1. Based on analysts consensus

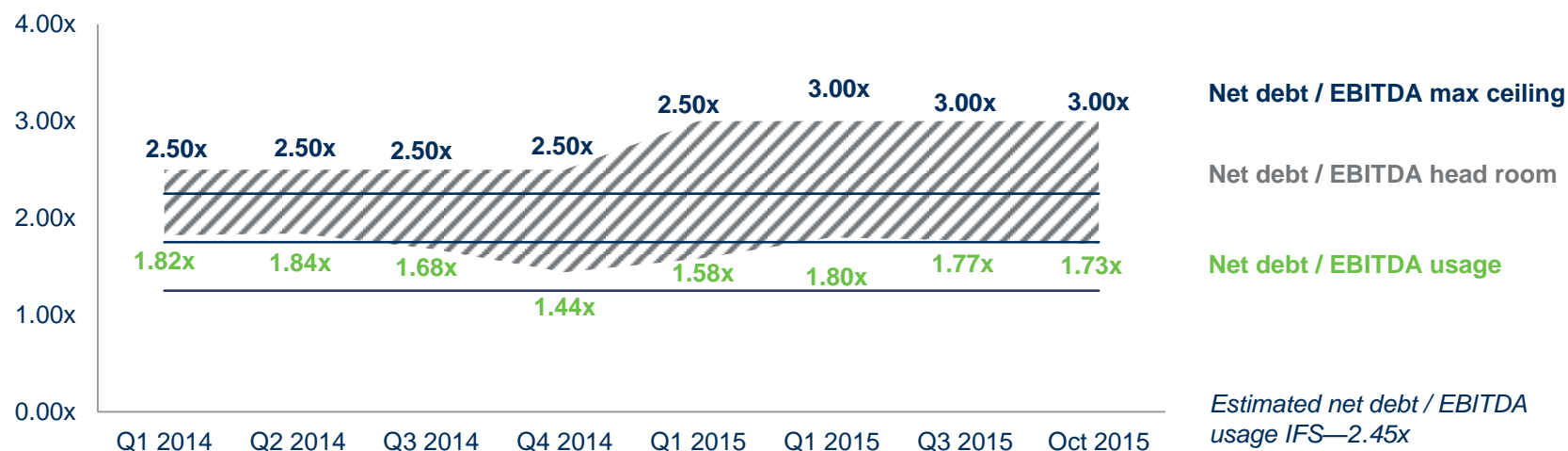
Key transaction terms

Purchase price will be financed 100% through own sources

Transaction terms

- The IFS acquisition will be financed 100% through drawing under gategroup's Revolving Credit Facility within the available head-room
- No new financing is envisaged
- Purchase price of CHF 130m (post-synergies EBITDA multiple of 6.5x)

Leverage ratio



IFS acquisition:

- ✓ **Closing by February 2016**
- ✓ **An excellent strategic fit with gategroup Buy on Board**
- ✓ **Strong synergy potential for value creation**
- ✓ **Accretive acquisition: 6.5% pre-synergies and 12.0% post-synergies in Year 1**
- ✓ **Post merger team in place**

gategroup:

- ✓ **Previously disclosed efficiencies and costs initiatives on track**

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