
gategroup reports stable revenues, increased EBITDA

By **Rick Lundstrom** on March, 24 2020 | Catering



The 2019 Annual Report for [gategroup Holding AG](#), released yesterday, shows the company for the calendar year earned stable revenues at CHF5.0 billion (US\$5.08 billion) in 2019, an increase of +0.5 %.

EBITDA for the calendar year reached CHF440.3 million (US\$447.6 million) in 2019 versus CHF343.9 million (US\$348 million) in 2018 which is an increase of +28 percent. EBITDA margin improved by 191 basis points to 8.9 percent.

The company said positive organic growth increased 4.1 percent and was partially offset by a decrease from divestments in non-core businesses (-1.1 percent) and negative FX impacts (-2.6 percent). Cash generation from operations increased to CHF295.7 million (US\$300 million) versus CHF255.7 million (US\$260 million) in 2018, an increase of +15.6 percent.

The company's Chief Executive Officer, Xavier Rossinyol called 2019 a "challenging year for the aviation industry" and noted the effects of the outbreak of COVID-19 "will be very significant."

"We continue to work in close cooperation with authorities, customers and airport to assess and address the impact of COVID-19 on our industry and have implemented additional measures to protect the health and safety of our employees, customers, passengers and the general public," Rossinyol said.

Also affecting the company for in the year to come will be the banning of single-use plastics. Rossinyol said early adopters have already moved ahead with the necessary changes. A number of products in the gategroup line are in the works in the company's deStudio operations. One collaboration with SAS resulted in the airlines Cube salad packaging with biodegradable cutlery.

Late last year, gategroup announced that it would be acquiring the European operation of [LSG Group](#), and Lufthansa German Airlines had awarded the company a long term contract for its main hubs in Frankfurt and Munich. The transaction includes LSG's catering operations in Germany, Switzerland, the Netherlands, Belgium, Italy and Spain as well as the global equipment business trading under the SPIRIANT brand, European convenience food operations, train catering, lounges and the Ringeltauße operations. As part of the transaction, gategroup will cater SWISS International Airlines in Zurich and Geneva.

Integration started in January with a steering committee for 23 workstreams. "Lufthansa and LSG, are tasked with supporting our number one priority: ensuring a smooth integration and seamless transition upon closing," said the report.