

LSG Group announces steady growth in Q1

LSG Group Financial Figures Q1 2023



LSGgroup

The LSG Group (LSG Sky Chefs and Retail inMotion) is reporting positive earnings in Q1 of 2023.

The company reported consolidated revenue of EUR 523 million, compared to EUR 373 during the same period in 2022, which is roughly a 40 percent increase. The company has reached 98 percent of the revenues it had earned by this time in 2019, the year prior to the pandemic, ahead of forecast.

The level of recovery varies slightly by region. While demand continues to rise in the United States and Latin America (Americas region), the business in the Asia-Pacific region “remains considerably more sluggish,” the release said, noting that there were some indications of an upward trend. The Middle East and Africa (EMMA region) are also building strong momentum. “The result is a reflection of the nearly complete recovery of the airline industry to pre-pandemic levels and the ongoing execution of our strategic goals, even as we continue to deal with staffing issues and inflationary side effects in most of our markets,” said new LSG Group CFO Holger Fleige in the May 8 release. The Group’s workforce stands at 21,332, a 29 percent gain over the previous year.

During the quarter, LSG Sky Chefs won new business and extended contracts across all regions. Updates include new deals with Qantas in Dallas-Ft. Worth and with American Airlines in San Diego and also the announcement of catering contracts won with Turkish Airlines in Seoul, South Korea, and The Bank of East Asia in Hong Kong.

“For its part, subsidiary Retail inMotion has entered into an onboard-retail partnership with Germany-based Marabu (airlines) that is set to launch in the second quarter of the year. In the area of food commerce, there was a sixth ghost-kitchen brand unveiled for the Latin American market,” the release said.

In April, the group announced its sale to the AURELIUS Group, a Europe-based investment firm with a portfolio of companies active across the world. The sale is expected to close in Q3 of this year. Meanwhile, “the company’s leadership remains focused on executing its three-pillar strategy, which is

based on pursuing growth in its leading areas of business, namely classic catering, onboard retail and food commerce (convenience retail, meal kits and ghost kitchens)," the release said. "These efforts revolve around digitalization, product customization and increased value and convenience for customers."

Other company news includes:

- the official launch of Rainbow Sky, the LSG Group's internal LGBTQ support network
- a recruitment partnership with the U.S. Army through the PaYS program for veterans
- the welcoming of new CFO, Holger Fleige, after Wilken Bormann announced his voluntary departure early in the quarter