
LSG Group posts strong earnings for 2019

By **Rick Lundstrom** on March, 20 2020 | Catering



In the year 2019, [LSG Group](#) reported several new contract renewals, the opening of new locations and the forming of strategic partnerships.

However in 2020, the company said it expects to clearly feel the impact of the global spread of the novel coronavirus. Massive entry restrictions and travel warnings, the halting of business travel by many companies and event cancellations are affecting the catering business.

"It is not yet possible to predict how strongly these events will be reflected in the company's future business results," said LSG Group in today's release of its earnings.

The LSG Group closed the 2019 financial year with consolidated revenues of €3.4 billion (US\$3.63 billion). Adjusted for currency effects, the result was up 2.3 percent over the previous year. The Group achieved an adjusted EBIT (earnings before interest and taxes) of €128 million (US\$136.5), an increase of 11 percent over 2018.

"Our annual result, with record sales and earnings growth, is definitely something to be proud of; we can be proud of our performance," said Dr. Kristin Neumann, Chief Financial Officer and Labor Director of the LSG Group. "The year was not an easy one for our organization, which had to manage the ongoing sales activities related to our European business, including some expert brands, and compensate for the loss of two major clients the prior year. This has given us the strength for what is coming ahead with the coronavirus, which will surely keep us on our toes and present us with an even greater challenge. We are in a severe crisis, but we are well prepared for it."

LSG Sky Chefs signed contract extensions with [Delta Air Lines](#), [United Airlines](#) and [AirBaltic](#) last year. "Our numerous awards – like the ones won at the QSAI Awards, for example – underscore the fact that we continue to stand for quality and reliability," said Erdmann Rauer, Chief Executive Officer of the LSG Group. "At the same time, we are aware that we have to be innovative and flexible in a rapidly changing industry. We have to respond precisely to market trends, position ourselves in the premium environment and use innovative technology."

The company successfully took over the management of Japan Airlines' lounges at its Frankfurt station. Newly opened Customer Service Centers (CSCs) in Nairobi (Kenya), Phoenix (USA) and Novosibirsk (Russia) helped to further strengthen the network of delivery capabilities for customers worldwide.

"When it comes to partnerships and digitalization, we are one step ahead," said Erdmann Rauer, in reference to a much-noticed new cooperation with Barilla, the world's largest pasta producer, and the additional business successes of [Retail inMotion](#). The on-board retail expert brand took over the on-board sales of the Cathay Pacific Group in 2019 and was named In-Flight Retailer of the Year at the Frontier Awards. "Of course, we have not come to the end of our development process by any means," added Rauer. "We want to offer customers and consumers ever new products and applications. They are demanding tailor-made concepts, which we already offer today and will expand in the future."

