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# gategroup to acquire LSG's European operations

By **Rick Lundstrom** on December, 9 2019 | Catering



[The Lufthansa Group](#) announced today an agreement for the sale of LSG Group's European operations to [gategroup](#).

The parties have agreed not to divulge the financial details of the transaction. The sale is also subject to the approval of the relevant competition authorities. Closing is expected in the first half of 2020, said a release from gategroup.

The scope of the purchase was detailed in joint press releases today. LSG Group's European catering operations are in Germany, Switzerland, Netherlands, Belgium, Italy and Spain. The purchase agreement extends to its lounge business, retail convenience food specialist [Evertaste](#), the [SPIRIANT](#) equipment business and the retail outlets and operations of the [Ringeltaube](#) brand.

As part of the transaction, [SWISS International Air Lines](#) has agreed to a further long-term extension of its partnership with gategroup to deliver its culinary offering to its passengers from Zurich and Geneva, said the release from gategroup.

One part of the purchase agreement consists of a long-term contract for gategroup to cater flights at the Lufthansa Group's Frankfurt, Munich and Zurich hubs. gategroup will also open a new Lufthansa-dedicated Studio 50/8™, a culinary think tank.

For the Frankfurt and Munich operations, which provide catering for Lufthansa flights, Lufthansa will retain a minority shareholding in a new joint venture company. "The arrangement will ensure a smooth and seamless handover of the businesses concerned, along with a successful start to the new collaboration," said LSG Group

The LSG Group businesses in Europe currently employ approximately 7,100 people and generated revenues of €1.1 billion (US\$1.22 billion) last year – about a third of the LSG Group's total revenue volume, said the company. The transaction will not have any major impact on the EBIT or the net profit of the Lufthansa Group for 2019 or 2020, said the LSG Group release.

"In gategroup we have found a new owner for LSG's European business which has catering as its core activity," says Carsten Spohr, Chairman of the Executive Board and Chief Executive Officer of Deutsche Lufthansa AG. "This gives the European part of LSG far better future investment prospects and further development opportunities."

"At the same time," Spohr continued, "this transaction marks the beginning of a long-term partnership between gategroup and the Lufthansa Group, which will focus on catering our premium airlines at our Frankfurt, Munich and Zurich hubs. This ensures a high level of job security at these locations and our customers can continue to expect the highest quality of gastronomic experience on board."

"We have demonstrated in the past that we can successfully integrate new companies. By combining the competencies of LSG and gategroup, we can offer a unique passenger experience based on culinary excellence and innovation. With the creation of a new Lufthansa-dedicated culinary studio and think tank, we will continue to develop our unique offering for passengers together with Lufthansa," said Xavier Rossinyol, Chief Executive Officer of gategroup. "This will firmly anchor an innovative, premium in-flight service for Lufthansa."

"With gategroup, we have found a new owner for LSG's European operations whose core business is airline catering and is committed to its successful further development. This will allow us to concentrate on our core business and further invest in our airlines. We will continue along this path and will initiate the sales process for the remaining parts of LSG in early 2020," said Ulrik Svensson, Chief Financial Officer of Deutsche Lufthansa AG.