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 **700'000' 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 offering**
- Wholesale: 2%
- Retail shops: 10%
- Ferries: 13%
- Pre-order: 28%
- **Buy on Plane**: 47%
- **Buy on Board**: 75%

**Revenue split by geography**
- **Benelux, Spain and UK**: 13%
- **Sweden**: 30%
- **Eastern Europe**: 12%
- **Finland**: 5%
- **Denmark**: 10%

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

gategroup’s acquisition of Inflight Service Group
Enjoying clear leadership in Buy on Board globally

Global Buy on Board specialist

 gategroup to become the largest in the…

<table>
<thead>
<tr>
<th>Buy on Board market (global)</th>
<th>LCC market (Europe)</th>
<th>Charter market (Europe)</th>
<th>Revenue contribution (in CHF m)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;B</td>
<td>Boutique</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHF 2.4bn</td>
<td>CHF 2.6bn</td>
<td>CHF 500m</td>
<td>CHF 550m</td>
</tr>
<tr>
<td>91%</td>
<td>92%</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>2%</td>
<td>6%</td>
<td>20%</td>
<td>Newrest</td>
</tr>
<tr>
<td>7%</td>
<td>50%</td>
<td>50%</td>
<td>Alpha</td>
</tr>
<tr>
<td>2%</td>
<td>5%</td>
<td>5%</td>
<td>LSG</td>
</tr>
<tr>
<td>15%</td>
<td>15%</td>
<td>Revenue contribution</td>
<td></td>
</tr>
</tbody>
</table>

Note:
1. Refers to 2015E

Source: gategroup analysis

gategroup’s acquisition of Inflight Service Group

✓ Buy on Board market globally
✓ LCC market in Europe
✓ Charter market in Europe
New contracts and Business Intelligence

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

Extensive customer portfolio...

...including large, renowned blue-chip companies

Immediate access to Business Intelligence...

...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

- Gategroup’s acquisition of Inflight Service Group

- Buy on Board expertise

- Network

- Business intelligence

- IT retail platform

- Retail capability

- Procurement

- Crew management

- Network

- Supply chain

- Proactive use of transactional and pax data

- Integrated platform at the core of their business

- Experienced airline retailer with ferry and airport stores

- Managed in-house, directly from suppliers / brands

- Localised programs

- Focused on the Nordics

- Seamless chain; with technology driven processes

- Solely transactional data

- TS5 update due in 2016

- Medium level retail skills & experience

- Supply from industry wholesaler

- Internationally recognised crew training and programs

- Global player with opportunities across the network

- Integrated and efficient

- Internationally recognised crew training and programs

- Integrated and efficient

- Proactive use of transactional and pax data

- Integrated platform at the core of their business

- Experienced airline retailer with ferry and airport stores

- Managed in-house, directly from suppliers / brands

- Localised programs

- Focused on the Nordics

- Seamless chain; with technology driven processes
Creating synergies through integration

Significant cost and operational synergies

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*

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**IFS will increase gategroup’s financials by…**

<table>
<thead>
<tr>
<th>IFS revenue (in CHF m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>240</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>IFS EBITDA and EBITDA margin (in CHF m, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5%</td>
</tr>
<tr>
<td>13.4</td>
</tr>
</tbody>
</table>

2015E

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**Strong accretion in cash EPS in Year 1…**

**Base case excl. synergies**

<table>
<thead>
<tr>
<th>In CHF m</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>gategroup EPS standalone¹</td>
<td>2.64</td>
<td>3.29</td>
</tr>
<tr>
<td>gategroup &amp; IFS EPS combined</td>
<td>2.81</td>
<td>3.57</td>
</tr>
<tr>
<td>Accretion / (Dilution)</td>
<td>6.5%</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

**Base case incl. synergies**

<table>
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<tr>
<th>In CHF m</th>
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<td>2.95</td>
<td>3.80</td>
</tr>
<tr>
<td>Accretion / (Dilution)</td>
<td>12.0%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

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**…more than CHF 240m of revenue and CHF 13.4m of EBITDA**

**…6.5% pre-synergies and 12.0% post-synergies**

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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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt / EBITDA max ceiling</th>
<th>Net debt / EBITDA head room</th>
<th>Net debt / EBITDA usage</th>
<th>Estimated net debt / EBITDA usage IFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2014</td>
<td>2.50x</td>
<td></td>
<td></td>
<td>1.82x</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>2.50x</td>
<td></td>
<td></td>
<td>1.84x</td>
</tr>
<tr>
<td>Q3 2014</td>
<td>2.50x</td>
<td></td>
<td></td>
<td>1.68x</td>
</tr>
<tr>
<td>Q4 2014</td>
<td>2.50x</td>
<td></td>
<td></td>
<td>1.44x</td>
</tr>
<tr>
<td>Q1 2015</td>
<td>2.50x</td>
<td>3.00x</td>
<td>1.58x</td>
<td>1.80x</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>3.00x</td>
<td></td>
<td>1.77x</td>
<td></td>
</tr>
<tr>
<td>Oct 2015</td>
<td>3.00x</td>
<td></td>
<td>1.73x</td>
<td></td>
</tr>
</tbody>
</table>
Summary

Key transaction highlights

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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