

United Airlines Partners with Gate Gourmet

Denver, Colorado Dec 18, 2021 ([Issuewire.com](https://www.issuewire.com)) - On Monday, March 8, 2021, United Airlines announced that they will be selling all of their catering hubs across the United States to Gate Gourmet, an airline catering outsource company for \$350 million, in order to streamline domestic operations and strengthen their balance sheet by reducing debt with the proceeds from the disposition. These catering hubs are the central loading point for catering United Airlines' flights throughout the U.S. Those hubs include Denver, Newark, Huston, Cleveland, and Honolulu and the sale is expected to close by the fourth quarter of 2021. United will concentrate its focus on its core competency of excellent customer service by transporting passengers safely to their destination, without the distractions and difficulties of managing disparate lines of business. United's CEO also noted that "During the pandemic, lost profits on business segments outside traditional air travel weighed heavily on the Company's bottom line. This disposition will enable shareholders to realize value for the catering business while eliminating the volatility associated with businesses whose profit-making ability is susceptible to severe swings during times of crisis." The CEO went on to state that, "Even though we received substantial aid from the U.S. federal government, of which we are extremely grateful for, other lines of business such as catering are less apt to receive government aid relative to traditional air travel and related operations." We estimated that reduced operating and employee costs associated with the catering business will be primarily offset by outsourced vendor fees for like services in the near term.

The transition will take several months and all employee and shareholder questions are being answered expeditiously. We take our commitment to our employees seriously, and will endeavor to ensure a smooth transition to Gate Gourmet, should United catering employees prefer to continue working at these hubs. Additionally, each United catering employee will have added incentive to continue working with Gate Gourmet after the consummation of the disposition, by being able to maintain their United flight benefits for an entire year post-closing. United will also pay their catering employees a retention bonus to continue working during this transition period, which will be based on years of service and title.

General manager Kevin Kaahanui, stated "United Catering facility in Denver is proud to announce that they are going to partner with Gate Gourmet, which is a premier provider of catering services around the globe. One of United's core values is to provide the best customer service and a great working environment to their customers and employees. Gate Gourmet is the world's top catering operation." Employees thus far have reacted positively to the great news and United even offered employees an option to stay with United through a transfer to a different United group, such as customer service or airport ramp services. United worked tirelessly with Gate Gourmet to ensure available job positions had equal or even higher hourly rates than United catering employees had traditionally enjoyed, which United catering employee, John McHampenhacher reacted by stating, "This is great news, because I love what I do in catering, and now I will not only get to keep my flight benefits for a year, but I will get over a \$3.00/hour raise relative to my current hourly pay!" Jessica Lippensmacker, United catering transportation manager said that "I was very surprised to hear about this amazing news. It will be sad not working for United anymore, but having the opportunity to work for the world's top catering company will be an honor and the retention bonus will really come in handy, as well as reduce the uncertainty normally associated with the sale of a line of business like this."

As a company, United's main priority is to make sure that their employees, in addition to their shareholders get the satisfaction and care that they deserve. Therefore, United opened up many other opportunities for the employees who decided that they might want to continue to work for United, along with ensuring that Gate Gourmet employment is at equal or higher hourly rates, in addition to retention bonuses. While United catering employees will be well taken care of, United Airlines is streamlining operations to focus on core competencies, all while strengthening their balance by reducing outstanding debt with sales proceeds. These developments are anticipated to add substantial value to United's shareholders in the coming years. Companies experience transitions and difficulties all the time, but not all companies take their obligation to care for their employees' well-being as seriously as United does. We are proud to be the company that focuses on customers, but also our employees and shareholders.

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