Business Update
Covid-19 impact

March 18, 2020
Notes and forward-looking statements

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Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
## Covid-19 situation as of today: Severe impact in Q2 expected

**Pandemic and regulatory implications too early to assess finally**

### Current situation

**Management priorities**
- Priority #1: Safeguard employee health & safety
- Ensure business continuity
- Strong focus on cash
- Further cost-out actions under review

**Global supply chain**
- Impact mostly demand driven, less supply chain related
- Full transparency & daily monitoring of supplier base
- Global supply chains are moderately stressed

**China**
- All factories but one in operation, 95% back to work ratio
- Benefits from government stimulus will take time

### Challenges

**Short cycle business**
- Demand in key regions China, Germany and Italy strongly affected, in particular Automotive and Machine Building

**Project and service business**
- Pending customer awards – expect delays
- Project & service delivery delays due to customer demand / access
- Authority & travel restrictions

### Strengths
- Strong balance sheet with excellent credit ratings (A1 | A+)
- Successful recent €5bn bond offerings
- Global footprint as strength to balance risks
- Resilient business portfolio