



# Business Update Covid-19 impact

March 18, 2020

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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**