

## **Company announcement from SGL TransGroup International A/S**

**7 April 2020**

**Company announcement no. 21**

### **Update on COVID-19 impact**

The global COVID-19 pandemic is significantly impacting economic activity and trade flows in the Group's principal markets, being Europe, North America, and Asia, resulting in a reduction in volumes from corporate customers from the retail and garment, automotive, and cruise and airline industries. Conversely, higher volumes have been seen from customers within food ingredients and pharmaceuticals, as well as from the Group's NGO customers on the back of a surge in global demand for medical and hygiene equipment.

In response to this development, the Group, in consultation with relevant stakeholders, is implementing a range of measures to adapt its cost base to the reduction in business volumes. Measures include temporary staff layoffs, renegotiation of property leases, and seeking support from government programmes where eligible. Moreover, the Group is exploring a range of measures, including discussions with its bondholders, to manage a significant, temporary increase in working capital resulting from a combination of higher volumes from certain customers and higher freight rates.

The Group benefits from being highly diversified across end markets and geographies. This fact, together with swift and decisive measures taken to adapt its cost base, means that the Group at this time does not foresee any issues in meeting its debt obligations.

Based on preliminary numbers, the Group expects results for the first quarter of 2020 to be below management's expectations prior to the global COVID-19 outbreak, but satisfactory considering the current business environment.

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