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## Falck met the challenge of COVID-19

**Lower activity levels led to a decrease in revenue and operating profit. A range of cost saving initiatives had the desired effect, and profitability was restored at the end of the year. Operationally, Falck delivered a strong performance.**

President and CEO Jakob Riis said: *“2020 was a challenging year. As the COVID-19 pandemic spread around the world, it affected individuals, companies, institutions and entire societies. Despite the challenges, Falck continued to deliver as promised to all customers, in all markets, at all times, and thereby played an important role in the response to COVID-19 by supporting national healthcare systems under pressure.”*

In 2020, the majority of Falck's Business Units saw a decrease in demand coupled with more difficult working conditions and an increased level of sick leave related to COVID-19. The impact of lower activity levels put profitability under pressure. Government grants in several countries provided support to the business in times of great uncertainty and gave us time to assess and adjust to a new market situation.

In Q2, Falck implemented a number of cost saving initiatives and announced the redundancies of 450 employees across all Business Units. The range of efficiency-enhancing measures had the desired effect. After a downturn in revenue and operating profit in Q1 and Q2, profitability was restored in Q3 and Q4.

### Financial highlights in 2020 (compared to 2019):

- **Revenue** decreased to DKK 12,348 million (DKK 13,824 million), impacted by lower activity levels as well as divestments and closure of non-core business activities. Excluding divestments and closures, revenue decreased by 5.8% in fixed currencies.
- **Operating profit** (EBITA) decreased to DKK 675 million (DKK 729 million). Efficiency measures taken across the business offset the negative impact from lower revenue, and the EBITA margin improved by 0.2%-points to 5.5%.
- **Profit for the year** improved to negative DKK 178 million (negative DKK 546 million).
- **Free cash flow** increased to DKK 1,410 million (DKK 1,050 million), driven by improved cash collection, government grants and restricted CAPEX spend.
- **Net interest-bearing debt** was reduced to DKK 2,605 million (DKK 3,782 million) due to positive cash flow from operations.

DKK million	<b>FY 2020</b>	FY 2019	<b>Q4 2020</b>	Q4 2019
Revenue	<b>12,348</b>	13,824	<b>3,151</b>	3,448
Reported EBITA	<b>675</b>	729	<b>252</b>	33
EBITA margin (%)	<b>5.5</b>	5.3	<b>8.0</b>	1.0

### Business Unit performance

Large Ambulance contracts started up in 2019 in the US, the UK and Sweden are now more profitable after significant start-up costs. A number of less profitable contracts and businesses have been divested or closed down. New and promising contracts have been secured in Germany, Denmark and the US.

There is a growing demand for subscriptions to patient transport and healthcare services and an increased interest in online solutions. In Latin America, Falck continues to attract subscribers to its successful home care and online service concept whereby people can avoid having to go to clinics or hospitals.

Late in the year, Falck started offering rapid COVID-19 antigen tests to individuals in Denmark and set up mobile test units visiting company sites and educational institutions. In December, Danish Regions asked Falck to extend the test capacity to 50,000 people per day and make testing available for the public as part of the government test strategy. At the end of the year, Falck had tested almost 600,000 people. 2.1% of these tested positive.

### **Financial outlook for 2021**

Falck expects a full-year 2021 revenue of DKK 11.0-12.0 billion and an operating profit (EBITA) of DKK 650-750 million.

*Falck's Annual Report can be downloaded from [www.falck.com](http://www.falck.com).*

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### **About Falck**

We care for the well-being of people and excel in saving and improving lives of people in urgent need. This has made Falck an international leader in emergency response and healthcare.

For more than a century, Falck has worked with local and national governments to prevent accidents, diseases and emergency situations, to rescue and assist people in emergencies quickly and competently and to rehabilitate people after illness or injury.

Falck operates in 30 countries and has more than 27,000 employees.

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## Contacts



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