

**Q2 2020**

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## Falck met the challenge of COVID-19, confirming operational strength

Today, leading emergency response and healthcare company Falck released its financial results for the second quarter of 2020.

Contract expiries and impact from COVID-19-related lower demand added pressure on activity levels and thereby revenue and operating profit. Revenue decreased by DKK 493 million and EBITA by DKK 75 million compared to the second quarter of last year. COVID-19 had an estimated negative impact of DKK 230 million on revenue and of DKK 140 million on EBITA. Government grants were DKK 82 million (for Denmark DKK 28 million).

President and CEO Jakob Riis said: *“Falck has played an important role in national societies’ response to COVID-19. We have demonstrated an advanced level of preparedness. Overall, we have adapted swiftly to the new market conditions. Government grants in several countries contributed significantly at a time when the depth and length of the pandemic was most uncertain. The financial support from government grants gave us time to assess and adjust to a new market situation and served as a helping hand for which Falck is grateful.”*

*“The global pandemic is a challenge to Falck, but we closed the second quarter on a better financial trajectory. We have taken action to restore profitability and ended the quarter with strong cash flow. In addition, we extended our long-term financing by two years to June 2023.”*

Financial highlights in Q2 2020 (compared to Q2 2019) were:

- Reported revenue was DKK 2,948 million (DKK 3,441 million). In fixed currencies, revenue decreased by 12.9%. Financial performance was resilient in the fixed-price and subscription businesses. Lower activity levels impacted the pay-on-use business and had a negative impact on revenue.
- Reported operating profit before special items (EBITA) decreased to DKK 122 million (DKK 197 million). The EBITA margin was 4.1% (5.7%). Lower activity levels and contract expiries added pressure on EBITA.
- Profit for the period decreased to negative DKK 197 million (negative DKK 98 million). Profit for the period was impacted by lower EBITA and special items related to restructuring in the US Ambulance business and severance costs.
- Free cash flow increased by DKK 919 million to DKK 686 million (negative DKK 233 million). Cash flow and cash conversion were strong.
- Having suspended its financial outlook in May 2020, Falck now expects full-year 2020 revenue in the range of DKK 11.5–12.5 billion and operating profit (EBITA) in the DKK 400–600 million range.

DKK million	Q2 2020	Q2 2019	Q1-Q2 2020	Q1-Q2 2019	2019
Revenue	2,948	3,441	6,275	6,973	13,824
Reported EBITA	122	197	231	522	729
EBITA margin (%)	4.1	5.7	3.7	7.5	5.3

Being an integral part of national healthcare and emergency response systems, Falck has played an important role in national societies' response to the pandemic. In London, Barcelona, Stockholm and California, the employees helped infected patients under challenging circumstances. In London alone, Falck employees helped transport more than 8,000 Coronavirus patients between their homes and hospitals. In several Danish regions, Falck employees tested patients in their homes in cases where patients were unable to visit a hospital or test centre.

Commercially, Falck has worked to adapt to the new market dynamics. The company has developed new offerings in the Healthcare business to meet a broader healthcare challenge arising when employees work remotely and uncertainties about their own health and work-related stress are not addressed. In the Community Healthcare business in Colombia, Falck saw an increase in demand for access to home care and online healthcare services that allow customers to avoid visits to clinics and hospitals, thus minimising the risk of infection.

Jakob Riis said:

*"I am proud of how we have delivered in support of national healthcare systems and their response to the pandemic. We have delivered on our agreed services and demonstrated an advanced level of preparedness by having contingency plans ready even before societies were shut down. We ensured that trained healthcare professionals were in place and ready to help Coronavirus patients and healthcare systems under difficult circumstances. Furthermore, we secured a good and sufficient supply of personal protective equipment for our employees. In these challenging times, I have experienced Falck at its strongest."*

See the full Q2 2020 report [here](#).

For further information, please contact Falck's Communications Department on tel. +45 7022 0307 or [comms@falck.com](mailto:comms@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 approximately 30,000 employees.

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