

F&P

April 21, 2020

COVID-19 Q1 UPDATE

How do Swedish listed companies communicate the impact of Covid-19 in their quarterly reports? What impact has it had so far and how do they comment on outlook?

Fogel & Partners monitors the capital market communication trends in Sweden and has summarized the main events in this document.



**Fogel &
Partners**

Most recent Q1-reports

Summary of Q1-reports

TELE2

Tele2 has identified a negative monthly effect of SEK 50 million from Covid-19 in the first quarter. Financial guidance for 2020 is suspended while mid-term guidance is reiterated. The previously proposed extra dividend is also withdrawn.

21 April 2020



storaenso

Stora Enso presented significantly lower revenue and EBIT compared to last year, however above analyst consensus. In addition its dividend proposal has been revised and quarterly guidance and annual outlook are discontinued.

21 April 2020

BYGGMAX

Byggmax reported that the financial impact of Covid-19 so far has been positive.

21 April 2020

AVANZA

Avanza reported a growth of 102% and an earnings increase of 261%. This was mainly a result of increased activity following the high volatility on the financial markets.

21 April 2020

GUNNEBO®

Gunnebo assesses that Covid-19 had a negative impact of SEK 75 million on revenue and SEK 25 million in Q1. Extensive information is provided on the impact on various aspects of the company.

21 April 2020

SANDVIK

Sandvik reported two-digit decreases in order intake, revenue and earnings in its Q1 report. The market responded by an increase in the company's share price. The earlier proposed dividend proposal is withdrawn.

20 April 2020



Examples of companies who have issued **positive or neutral** guidance for Q2/2020 in their Q1 reports

Examples of guidance

” An analysis of rent inflow in the second quarter shows that payments in the quarter were essentially in line with payments in a normal quarter. Our tenants and their owners are taking responsibility and paying their rent. There is a small time shift because some tenants have been offered the facility to pay monthly in advance, while others have been offered the facility to pay monthly retrospectively, and a handful of smaller tenants in the most exposed segments have been offered a reduction in rent for the month of April.
- Platzer

” While the series production may be temporarily influenced by the COVID-19 virus, SinterCast remains confident in the long-term growth potential of CGI.
- SinterCast

“We have also seen a tendency of slow down from other segments, mainly on extrusions with added value during the later parts of March, which in total has had an effect on the result for the period. Positive for now is that the inflow of new requests has increased and new agreements have been made during the period.”
- ProfilGruppen

#6 companies have issued positive or neutral guidance for Q2/20 as of 21 April 2020

F&P comments

Positive guidance is often presented for a specific division or sub-segment of the company, or used more generally when emphasizing the robustness of the company's earnings.



Examples of companies who have issued negative guidance for Q2/2020 in their Q1 reports

Examples of guidance

”*“We are all greatly affected by the Corona crisis and work is under way across all our entities to cut costs and prepare for a significant decline in demand. Although sales figures for March were good for most of the operations, it is obvious that we are heading into a period with a complete change in market conditions”*
- OEM international

”*“While our view on the mid-term remains unchanged, the pandemic creates a degree of uncertainty in our near-term forecasts. We are therefore forced to suspend our guidance for 2020 until we gain more clarity on the longevity and impact of the outbreak.”*
- Tele2

“However, over the past weeks, new lending has decreased – mostly within Consumer Lending. Due to the coronavirus spread in society, a humble approach to the future has never been more important”
- TF Bank

#13 companies have issued negative guidance for Q2/20 as of 21 April 2020

F&P comments

Negative guidance for Q2 is often based on an acknowledgement that Covid-19 will have a negative impact but that the extent is impossible to assess.



BEIJER REF



Fabege

Beijer
ELECTRONICS

BUFAB

SOFTRONIC

Examples of companies who have commented on the COVID-19 impact in their Q1 reports

Examples of comments

”*“Sales in the first quarter of 2020 were impacted by the ongoing Covid-19 epidemic due to the fact that cautiousness on the part of the transplantation clinics led to lower use of above all warm Perfusion products.”*

- Xvivo Perfusion

” *“In addition to these factors which were expected, the Group lost roughly SEK 70 million of underlying EBITDAaL as a result of the pandemic and bad debt provisions, resulting in a 1% decline in underlying EBITDAaL. This was mainly related to lower equipment margins, reduction of international roaming and higher bad debt provisions.”*

- Tele2

#18

companies had commented on the impact of Covid-19 on their Q1, as of 21 April 2020

F&P comments

Comments on impact on Q1 are often very detailed. Given the vast uncertainty, many companies don't provide any guidance for Q2.