

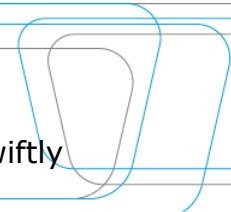
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## Press Release

Covid-19 impacts revenue, the JENSEN-GROUP reacts swiftly

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### Highlights First half year 2020

- Due to the impact of Covid-19, revenue decreased from 177.6 million euro H01 2019 to 130.1 million euro H01 2020, a decrease of 26.8%.
- Operating profit (EBIT) for the first six months amounts to 2.4 million euro, which is 85.8% lower than last year.
  - The EBIT is positively affected by government support received in several countries (0.7 million euro) and by a partial insurance payment for the impact of hurricane Michael (+1.1 million euro). As part of the insurance claim is certain, the Group recognized this income.
  - The EBIT is negatively affected by 2.5 million euro one-off restructuring costs, especially related to the reduction of workforce.
- Cash flow from operations (EBITDA) for the first half-year amounts to 9.0 million euro, a 56.5% decrease compared to last year.
- Net income attributable to the shareholders amounts to 1.5 million euro (Earnings per Share of 0.19 euro), a decrease of 87.4% compared to last year.
- The Group reports a net financial cash of 1.4 million euro (including 12.2 million euro leasing debt) compared to a net debt of 4.4 million euro at year-end 2019.

## Summary overview

### Income Statement

#### Consolidated, audited key figures

	June 30, 2020 6M	June 30, 2019 6M	Change
(million euro)			
Revenue	130,1	177,6	-26,8%
Operating result (EBIT)	2,4	16,8	-85,8%
Cash flow from operations (EBITDA) <sup>1</sup>	9,0	20,7	-56,5%
Financial result	-1,8	-1,1	62,7%
Profit before taxes	0,5	15,7	-96,5%
Income tax expense	-0,1	-4,0	-98,6%
Profit for the period from the continuing operations	0,5	11,7	-95,8%
Result from assets held for sale	-0,1	-0,1	15,4%
Share in result of associates and joint ventures accounted for using the equity method	0,8	-0,1	-634,8%
Result attributable to Non Controlling Interest	-0,3	-0,3	5,3%
Consolidated result attributable to equity holders (Group share in the profit)	1,5	11,8	-87,4%
Net cash flow <sup>2</sup>	8,1	15,6	-48,3%

### Balance sheet

#### Consolidated, audited key figures

	June 30, 2020 6M	Dec 31, 2019 12M	Change
(million euro)			
Equity	133,0	132,4	0,5%
Net financial debt (+)/Net cash (-) <sup>3</sup>	-1,4	4,4	-132,5%
Assets held for sale	0,4	0,4	0,4%
Total assets	277,3	276,7	0,2%

#### Consolidated, audited key figures per share

	June 30, 2020 6M	June 30, 2019 6M	Change
(euro)			
Cash flow from operations (EBITDA) <sup>1</sup>	1,15	2,64	-56,4%
Profit before taxes	0,07	2,01	-96,5%
Consolidated result attributable to equity holders (EPS)	0,19	1,51	-87,4%
Net cash flow <sup>2</sup>	1,03	2,00	-48,5%
Equity (June 30, 2020, Dec 31, 2019)	17,01	16,93	0,5%
Number of shares (end of period)	7.818.999	7.818.999	
Number of shares (average)	7.818.999	7.818.999	

## Definitions

1. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = Operating profit (EBIT) + Depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions
2. Net cash flow = Consolidated result attributable to the equity holders + depreciation, amortization, write-downs on trade receivables, write-downs on inventory, changes in provisions
3. Net financial debt (+)/Net cash (-) = Borrowings (non-current and current) – cash and cash equivalents

### **Impact Covid-19 on the JENSEN-GROUP activities**

Revenue of the first half-year of 2020 amounts to 130.1 million euro, a decrease of 26.8% compared to prior year. The JENSEN-GROUP is experiencing a significant slowdown in order intake, a number of cancellations and several project postponements of already placed orders as a consequence of the Covid-19 crisis. The cancellations of contracts had a negative impact on EBIT of 2.9 million euro. Several customers serving the hospitality -travel and tourism-sector are experiencing an important decrease in their activities and have closed their operations temporarily. We expect that many hospitality projects in the quotation phase are going to be postponed for several months. With the current health situation in various countries, our technicians continue to face travel restrictions, which impact the installation of our systems.

On an occasional basis, the JENSEN-GROUP grants buy-back guarantees to selected customers. Due to the closing of laundries in Europe, a few extensions of buy-back guarantees up to 12 months were granted.

Although we have reacted swiftly to adapt to the new situation and due to the lower revenue, EBIT decreased during the first half-year with 85.8% compared to prior year. Several plants have adapted their capacity to the new situation. Some of our plants were closed for certain periods of time depending on the individual workload. The EBIT includes 2.5 million euro one-off restructuring costs especially related to the reduction of workforce.

The Group took measures to decrease the structural cost base:

- Implementation of a simpler business structure with 6 Business Regions;
- The integration of our factories into the Business Regions in order to benefit from cost synergies;
- Various restructuring programs leading to a reduction of our workforce by 18% compared June 30, 2020 to year-end 2019;
- A new EMT (Executive Management Team) structure with the nomination of a Chief Information Officer driving the digitalization of our processes and solutions. The current EMT consists of Mr. Jesper M. Jensen (CEO), Mr. Fabian Lutz (CIO), Mr. Martin Rauch (CSO) and Mr. Markus Schalch (CFO).

The Group could also benefit from Government support in several countries (0.7 million euro), mainly related to payroll compensations.

JENSEN USA received a Promissory Note from the state amounting to 1.9 million USD in May 2020. During the second half of the year, the Company will apply for forgiveness but recorded this Promissory Note as liability until now. Any forgiven amount will be recorded as other income when certain.

In July, JENSEN GmbH was granted an amortizing KfW (Kreditanstalt für Wiederaufbau) loan amounting to 10 million euro for a period of six years.

### **Other activities**

- The Group reports a net financial cash of 1.4 million euro (including 12.2 million euro leasing debt) compared to a net debt of 4.4 million euro at year-end 2019. Despite delays in certain projects' installation leading to delayed payments, the Group was able to increase its net cash by 5.8 MEUR compared to the end of last year.
- Total net finance cost amounts to 1.8 million euro and relates to interest charges (0.5 million euro), net currency losses (0.7 million euro) and other charges (0.6 million euro).
- The recovery of the production facility in Panama City, hit by hurricane Michael the 10<sup>th</sup> of October 2018, progresses and discussions with the insurance are on-going. Repairs to the building continued and have led to a capex of 0.2 million euro during the first half of 2020.

### **Outlook**

During the first semester 2020, the JENSEN-GROUP received 111.9 million euro orders, compared to 154.6 million orders in the same period last year. On this basis, the Group expects the full year revenue and profitability to be significantly lower than prior year.

Furthermore, we are unable to fully estimate the impact of the Covid-19 crisis on our long-term performance. Whereas most of our end-markets are negatively affected, demand in the hospitality sector is particularly down and expected to remain low. Therefore, we do not expect our order intake to significantly improve to previous levels before 2022.



The other important risk factors remain rapid changes in demand, an uncertain political climate, availability of financing to our customers, high exchange rate volatility and fluctuating raw material, energy and transport prices.

#### Shareholders' calendar

March 2021: Full year results 2020 (Analysts' meeting)

May 2021: Shareholders' meeting

#### Profile

The JENSEN-GROUP assists heavy-duty laundries worldwide to provide quality textile services economically. We have become a preferred supplier in the laundry industry by leveraging our broad laundry expertise to design and supply sustainable single machines, systems and integrated solutions. We are continuously growing by extending our offer and by developing environmental friendly and innovative products and services that address specific customer needs. Our success results from combining our global skills with our local presence. The JENSEN-GROUP has operations in 23 countries and has distribution in more than 50 countries. As per June 30, 2020, the JENSEN-GROUP employs worldwide 1,366 employees.

This press release and the full text of the Interim Financial Information, in accordance with IAS 34, are available on the corporate website [www.jensen-group.com](http://www.jensen-group.com).

(End of press release)

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