
Business Update of the Elma Group related to the Covid-19 Pandemic

CH-Wetzikon, June 19, 2020 - The Elma Group held up well in the midst of the economic turmoil associated with the Covid-19 pandemic. Secured liquidity and a solid balance sheet enable Elma to manage this unprecedented time.

The current corona pandemic is obviously affecting Elma's global business. Some customers have already reduced their capacities. As a consequence, Elma also had to adjust its production capacities and introduced partially short-time work. Elma reacted quickly to the development with a package of measures and thus prevented interruption of production over a longer period of time.

The corona pandemic has caused delays in various projects and, in some cases, postponed customer orders. Nevertheless, both order income and net sales were kept at a solid level in the first five months of 2020, albeit slightly below the previous year. The continuation of essential business areas approved by the various country governments has led to constant demand and a solid order income, especially in the defense industry in the US and the UK. The individual product lines were also able to benefit from increased demand in the medical sector, especially in Europe, which led to a good load for a short period of time. Production was largely maintained with strict protective measures during the time of the "lockdown" enforced in different countries. Order income and sales developed well in the Asia region. Elma was already faced with weaker demand, especially in China, at the beginning of 2020. However, business activity in China picked up earlier after the limitations of the corona pandemic than in other regions.

In order to soften the financial impact of the pandemic for the Elma Group, focused measures have been initiated in all companies to reduce costs and improve liquidity. Thanks to a well-functioning risk management, bad debt losses could be averted. However, the impact of the corona pandemic is depressing the operating result. The EBIT and net profit of the Elma Group were positive at the end of May 2020, however significantly lower than in the previous year.

It is important to Elma to protect the health of employees in all regions and to serve their customers as efficiently as possible at all times. The company has a comprehensive crisis management with clearly structured processes. Liquidity is ensured and the solid balance sheet will enable Elma to master this difficult time.

Due to the unpredictable development of the pandemic and its effects, Elma refrains from providing an outlook for the 2020 half-year and annual results. The next business update is planned with the publication of the interim results on August 12, 2020.

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About Elma

Elma Electronic is a global manufacturer of electronic packaging products for the embedded systems market – from components, backplanes, power supply solutions, storage boards and chassis platforms to fully integrated systems. To ensure our integrated solutions are optimized to our customers' needs, Elma partners with leading board manufacturers in the industry. Elma also provides enclosure solutions and rotary switches for demanding applications for electronic companies. The company has a broad base of proven standard products which can be tailored to individual applications: Elma offers services from the initial concept to volume production. Elma's reliable solutions, flexibility, and design expertise are key reasons why the leading companies in the world choose Elma time and again.

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