
Extra trading update

Groenlo, the Netherlands, 16 June 2020, 5.45pm

- Second quarter revenue lower due to COVID-19
- A slight decrease in revenue expected for first half of 2020

General

After a strong start in the first quarter with revenue growth of 9%, total revenue has decreased in the last two months compared to last year due to the COVID-19 crisis. For the second quarter, total revenue is expected to be lower than in the corresponding period in 2019.

The Healthcare business unit was able to maintain its revenue growth in the first quarter. Growth in the Livestock Management business unit also continued, partly due to positive developments in the Chinese pig market. The Identification Systems, Light Controls and Security Management business units were adversely affected by the hard lockdown in a number of countries, which has caused project delays and consequently a drop in revenue. The Retail business unit continues to face difficult market conditions, especially among fashion retailers. Nevertheless, the drop in revenue is less severe than previously expected, and new contracts for the !D Cloud platform are being signed. Despite the developments in the staffing industry, the decline in revenue in the Staffing Solutions business unit is also less sharp than anticipated.

Approach to the COVID-19 outbreak

In recent months, the health and well-being of Nedap employees remained the top priority. Communication sessions are regularly held with Nedap employees to continue to provide all employees the best possible care and sense of connection. In recent weeks, measures have been taken at the offices so that employees will be able to work there again when necessary. However, the guiding principle is still that employees should continue to work from home whenever possible. Globally, only a very limited number of Nedap employees have had a confirmed or suspected COVID-19 infection.

We ensure the continuity of deliveries to our customers in close collaboration with our partners in the supply chain. By increasing the number of contact moments with customers and suppliers, volatility in the demand for the various products has been well absorbed and inventories have not increased. We are closely monitoring the rapidly fluctuating market conditions. Expenses are being tempered wherever possible, and we are paying close attention to the timely collection of outstanding payments. We are critically examining potential investments to see whether they are appropriate given the current situation. The company's strong financial base remains undiminished at this time.

The COVID-19 crisis is having a major impact in the various markets in which Nedap operates. The challenge is not only to get through this stretch in good shape, but also to take the steps necessary to ensure we are well positioned for opportunities that may arise when the markets recover. With this in mind, we have continued our search for talented people during this period as well, with the understanding that we will align the hiring of new staff with the phase the various markets are in at that time.

Outlook

As a result of the COVID-19 crisis, revenue in the second quarter of 2020 will be lower than the corresponding period in 2019. After the strong first quarter, it is expected that revenue will decrease slightly in the first half of the year. Operating profit will decline more strongly in the first half of 2020, in line with the growth in the number of employees, particularly during 2019. The outbreak of COVID-19 is having a major impact on the global economy, and it is currently uncertain how long the crisis will last and how severe the impact will ultimately be. It is therefore not yet possible to make a reliable estimate of the effect on Nedap's revenue in the second half of the year. As mentioned previously, when there is more clarity about the company's developments in the second half of the year, an interim dividend will be considered, financial results permitting.

This year's general meeting of shareholders will be held on 25 June in Groenlo, the Netherlands. This meeting can only be attended online.

About Nedap N.V.

Nedap focuses on the development and supply of Technology for Life: technological solutions that make people more comfortable and successful in their professional lives. Nedap N.V. has a workforce of over 750 employees and operates on a global scale. The company was founded in 1929 and has been listed on Euronext Amsterdam since 1947. Its headquarters are located in Groenlo, the Netherlands.

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Caution regarding forward-looking statements

Information in this press release contains forward-looking statements that reflect the current expectations of Nedap management based on information currently available to us. A number of factors could cause actual results to differ materially from the management's expectations, including but not limited to changes in the economic climate, developments on specific markets, and orders from individual customers.