



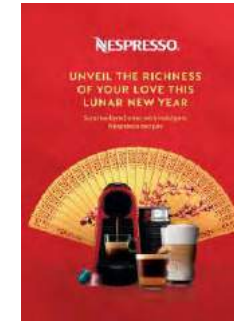
# CHINA COVID-19 UPDATE

27 APR, 2020

# SAFETY FIRST & STRONG TEAM SPIRIT

Nespresso GCR Crisis Committee formed on Jan. 23<sup>rd</sup>

On the Eve of CNY Holiday (24-31 January)...



# EMPLOYEES SAFETY & OFFICES RESUMPTION

Category	N.	Status
• Confirmed cases	0	
• Recovered	0	
• Suspected cases	0	
• Close contacts	1	2 weeks quarantine completed



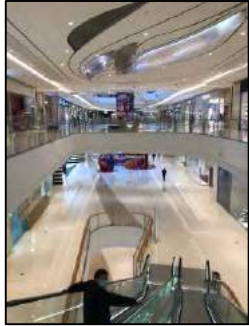
## Daily report staff and family abnormal health situation

1. SH Head Office closed 4 weeks after CNY – pre-approval needed for temporary access
2. Office re-opened March 3<sup>rd</sup> – 2 weeks weekly shifts and then 2 days shifts A/B for 4 weeks
3. Health Code, Temperature checks, compulsory masks, minimum distance, daily disinfections
4. No visitors for 8 weeks



# RETAIL, TRADE, E-COMM & OOH - GRADUAL RECOVERY

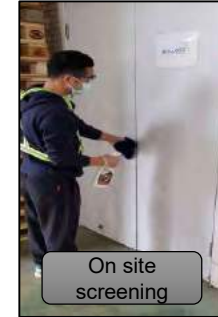
1. **Boutiques** operating for 5-6 weeks on avg. 7-8 hours vs. 12h (Only 1/14 closed for 2 weeks)
2. **Trade Corners** operating for 7-8 weeks 7-8 hours vs. 12h (30-40% closed for 3/4 weeks)
3. BTQ & Trade tastings/events suspended, hand sanitizers, temperature control, compulsory mask for staff and customers
4. **E-Commerce** maximum focus and minimum disruption **KEY to Business Continuity**
5. **Hotels** occupancy <10% for 6-8 weeks. Restaurants. operating <10% activity for 6-8 weeks, 6-9 months for full recovery?
6. **Offices** est. temporary closures 80-90% first 3-4 weeks, then 50-60% following 2 weeks and fully open after 8-10 weeks





# SUPPLY CHAIN, AFTER-SALES & CRC - CRITICAL SUPPORT IN A DISTANT CHANNELS-LED BUSINESS

1. Import, Storage, Pick & pack, Delivery
2. ASCs were mostly suspended and backlog progressively eliminated in B2B first and then B2B
3. Recycling: BTQ's and Trade continued; Recycle@home was suspended and resuming after 8 weeks approx.
4. After temporary office closures, CRC in-house and outsourced partner resumed work like the rest of Office. In the meantime In-house and outsourced teams work from home solution upgraded



# FREQUENT ENHANCED COMMUNICATIONS, FOCUS ON SOCIAL MEDIA



1. Daily multiple internal communications within WECHAT and EMAIL. Started on Jan. 23rd
2. Crisis Committee and related working groups SKYPE conf. calls since Day with decreasing frequency
3. Nestle Social Media Campaign GOOD FOOD GOOD LIFE with all NIMCOM participation - March
4. Nespresso employees "Home Barista" ITOK, TIK TOK & WECHAT contest – March
5. Nespresso KOL Zhang Yin VLOG on TIK TOK & WEIBO – March
6. Nespresso employee KOL and Coffee Ambassador Live Streaming on TMALL – March
7. Nespresso "Afternoon Tea" and "Grab & Go" campaign with selected partner Hotels - April
8. Nespresso "Jia You, STAY SAFE" campaign - April
9. Nestle "Thumbs Up" campaign for front line staff - April





# Nespresso Jia You!

## STAY SAFE





# China subsidiary situation & recovery after COVID 19



Marco Bollier  
Chief Commercial Officer  
Geistlich Pharma China

Beijing / 27 April 2020



# Geistlich Pharma at a glance



1851

Founded in  
Zürich



2

sites in  
Central Switzerland



100%

owned by the  
Geistlich family



11

subsidiary companies (5 in  
the APAC region)



3

Business Units



>800

employees



Nr. 1

in regenerative  
dentistry



Every 15"

a Geistlich product  
is used in a patient



- Market leader for regenerative dentistry products (Biomaterials)



- Products available in the Chinese market since 20 years



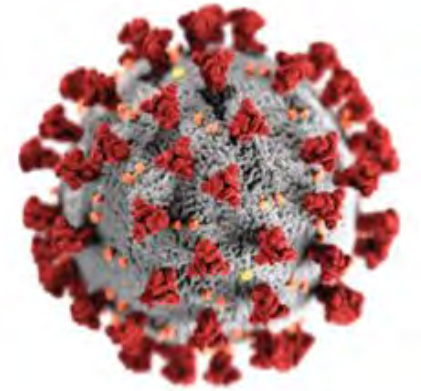
- Headquarter in Beijing: Sales & Scientific Education Teams all over the country. Large distributor network (direct & indirect Sales)



- Customers:
  - Major public hospitals incl. Universities
  - Private dental clinics
  - All major private dental chain hospitals

## Consequences hitting the company resulting from COVID-19 outbreak

- Office Team Beijing forced into Home Office
- Sales & Scientific Education Teams all over China forced to stay home
- Dramatic drop in Sales (Feb., March): Private clinics closed down and public hospitals were only allowed to treat emergencies (no more implant surgeries).



How did we react?

- We neglected external factors which we can not influence
- We focused on areas under our control where we can achieve a sustainable positive long-term impact for our business



# 1. Complete switch of our education course concept to an online-based education curriculum (webinars)



- There has never been a better time to engage with Chinese dentists and provide trainings without interfering with their work-schedule
- Each course was attended by up to 10'000 participants!

## 2. We care about our customers and support their efforts for reopening the clinics asap

- Sales Team donated thousands of «Geistlich-branded» masks and surgical goggles to our customers: «We take care of you, no matter what situation»





## Situation now

- No infections in the company. 100% of staff back in Beijing office from this week
- No employee lost his job because of the crisis. Team expansion will continue this year
- Hospitals are reopening and implant surgeries gradually increase (southern regions more progressive than North)
- Sales figures saw a strong rebound in April (V-Shape). Our believe in the mid- to long-term outlook for the Chinese market remains strong
- Still issues with remote-Management of the team as several expat Managers (incl. me) are not allowed to enter China until further notice



Thank you for your attention!

The Regeneration  
Company

**HUBER+SUHNER**

# HUBER+SUHNER North Asia – some COVID-19 sharing

## Management 5 Cs

- **Continuity** – regular BCM stress tests (including suppliers, customers, backlog assessments, ...)
- **Commonality** – any actions strictly based on official sources (e.g. WHO, CDC) and Government regulations
- **Communication** – rumor mill awareness training of the staff
- **Cross-functional** – “all hands-on deck policy”
- **Care** – “immune system booster days”

## Impact





- Significant impact in Jan/Feb with a **strong recovery** in March while keeping momentum into April
- Increasing demand from the areas of **essential infrastructure** (e.g. 5G, Smart Grids, IoT, NEV, AI, Big Data, MRT)

## Take-away

- Work consistently on **Supply Chain Re-Design** and roll-out learnings
- Be more **persistent with HQ** to sensitize to the potential global impact of the epidemic earlier
- Do **structural optimizations/changes** now – upgrade the impacts to be the “**new normal**”
- Be as **offline** as possible (internally)







# Common Symbolic Language applied to Mitiation Actions

-  • Increase Top Line
-  • Reduction of Costs, protection of Margins to secure Bottom Line, securing Government reliefs
-  • Further improvement on Efficiencies
-  • Driving Staff Engagement & Ownership

**HUBER+SUHNER**

### Some NAS Mitigation Actions

- NAS Staff:
  -  • Introduced a moderate/cautious pay rise → secure our financial soundness
  -  • Voluntary leave days → prepare for expected workload increase later the year due to strong business recovery
- NAS MEC:
  -  • Pay rise waiver + solidarity pay cut effective from May 1<sup>st</sup>, 2020
  -  • Voluntary leave days
- Driving sales focus in areas of essential infrastructure (e.g. 5G, HVDC, eMobility, Big Data, IoT, ...)
- Secure operations and local supply chains. Development of alternative sources.
- Sharpening our Business Continuity Management (BCM) strategy
- Launched ECoE 2.0 with concentrated focus on strategic topics with high business impact
- Apply for available Government reliefs in order to secure our sound financial base
- Stringent cost management (e.g. MarCom, travel, consulting, memberships, benefits, ...)
- Introduction of PDP program

27 April 2020 | SwissCham Webinar | H+S NAS, Thilo Koeppe

Strictly confidential 11



**Connecting – today and beyond**



# Shared Information from Hidrostal

## About COVID-19 Influences



HIDROSTAL (QINGDAO) PUMPS CO.,LTD.  
HIDROSTAL(QINGDAO) M&E ENGINEERING CO.,LTD.

Lily Shi



## • About the Company

Hidrostal, a Swiss pump manufacture established in 1959, is a world-leading pump provider for liquid contains solid.

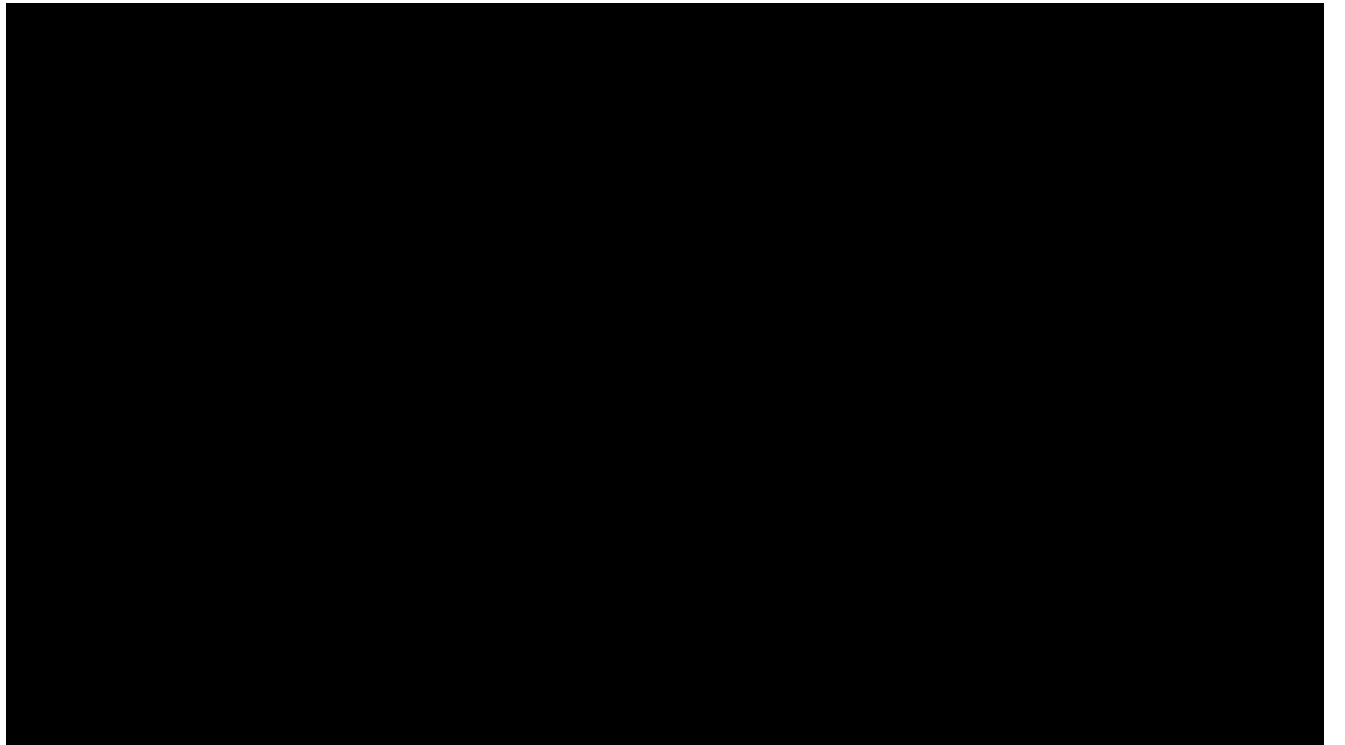
Hidrostal's products entered China in year 1980's

The company formally entered China in 1997 and well developed with the philosophy of "*Based on China and Serving China*" in the Chinese economy having around 100 employees now.

The main market of Hidrostal's products is Civil Enviromental projects like WWTP (Waste Water Treatment Plant)

## •Early Challenges

- Prepare needed goods for re-opening (Partially on 13 Feb. and gradually full on 7<sup>th</sup> April)
- Organize needed goods for Wuhan including: masks, gloves, protecting glasses, protection suit and TCM herbs for prevention and healing and sliced dry beef (at the critical time only possible through EMS Beijing)
- Organize masks and TCM medicine (only possible through EMS Beijing) to Headquarter



## • Later Challenges & Counter measure

- Biggest problem for us is the restrictions of traveling.  
Because in China, face to face meeting is still the only method of building up trusts in business relation and get the most accurate information. (We lost 2 big projects by end of March)

So a certain percentage lower than budget is about sure, although it is too early to say the year result.

- Covis-19 brings a good chance to cut the cost
  - Material cost (raw material goes down...)
  - Personal cost (Certain percentage lower for 3 months)
  - Other cost (take the chance to make the investment even with a loan, because the interest may lower than price rise later)

We hope we can reach a reasonable end - year result!



THANKS!

*hidrostal*