Which sectors have been most impacted by the crisis

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Summary

We show the initial impact of the combined COVID19 and oil price crisis by analysing the changes in the expected net earnings and leverage by sector for Eurostoxx 600 and S&P 500 indices. These are estimated as brokers' consensus between December 2019 and last two weeks of March 2020. This includes 85% of Eurostoxx 600 and 89% of S&P 500 companies. We compute the percentage change in expected EBITDA, net debt and net debt / EBITDA for each company, and then aggregate the data into the median expected change by sector. These results will be updated over time as brokers' forecasts change and incorporate actual reported results. Our conclusions are:

- 1. US is seen by brokers to be more severely hit by the crisis than Europe. The average drop in EBITDA is 5.7% in the US, compared to 4.7% in Europe, while the average increase in net debt is 7.2% in the US and 6.2% in Europe
- 2. The combined impact of drop in EBITDA and increase in net debt results in an increase in leverage, which brokers expect to be much higher in the US (15.5%) compared to Europe (9.5%)
- 3. On a sectorial basis, in terms of change in EBITDA, it is not a great surprise that the sectors most impacted are Airlines and Oil & Gas, while Biotech and Healthcare companies are seen to be benefiting

| Oil, Gas & Consumable Fuels | 196 | Electronic Equipment, Instrume | -3.8% |
|--------------------------------|-----------------------|--------------------------------|----------|
| Airlnes | -19.6% | Chemical s | -3.8% |
| Energy Equipment & Services | -13.3% | Electrical Equipment | -3.5% |
| Automobiles | -13.1% | Containers & Packaging | -3.3% |
| Hotels, Restaurants & Leisure | -11.9% | Building Products | -3.0% |
| Specialty Retail | -11.6% | Distributors | -2.7% |
| Interactive Media & Services | -11.1% | Air Freight & Logistics | -2.5% |
| Media | -10.5% | Diversified Financial Services | - 2. 396 |
| Textiles, Apparel & Luxury Goo | -10.2% | Equity Real Estate Investment | -2.2% |
| Metals & Mining | -9.5% | Trading Companies & Distributo | -2.1% |
| Auto Components | -9.3% | Health Care Equipment & Suppli | -1.798 |
| Paper & Forest Products | -9.0% | Personal Products | -1.6% |
| Beverages | -8.8% | Semiconductors & Semiconductor | -1.6% |
| Internet & Direct Marketing Re | -8.4% | Communications Equipment | -1.5% |
| Machinery | -8.0% | IT Services | -0.9% |
| Industrial Conglomerates | -7.9% | Food Products | -0.9% |
| Aerospace & Defense | -7,8% | Water Utilities | -D.8% |
| Household Durables | -7.2% | Software | -0.7% |
| ependent Power and Rene wabl | -6.5% | Multi-Utilities | -0. 296 |
| ommercial Services & Supplies | -6.2% | Gas Utilities | -0.196 |
| Leisure Products | -6.1% | Electric Utilities | D. 196 |
| Transportation In frastructure | -6.0% | Wireless Telecommunication Ser | 0.2% |
| Maine | -5.5% | Diversified Telecommunication | 0.4% |
| Household Products | -4.9% | Entertainment | 0.4% |
| Construction Materials | | Pharmaceuticals | 0.9% |
| | -4.7% | Tobacco | 1.3% |
| Capital Markets | | Food & Staples Retailing | 1.4% |
| Construction & Engineering | -4.6% | Real Estate Management & Devel | 1.4% |
| Professional Services | Average = -4.7% -4.5% | Health Care Providers & Servic | 2.7% |
| Multiline Retail | -4.5% | Biotechnology | 3.6% |
| ch nolog y Hardware, Storage & | -4.3% | Life Sciences Tools & Services | 5.69 |

Figure 1 - Europe – impact on forecast EBITDA

Eurostoxx 600 - Change in FY 2020 EBITDA consensus broker forecasts - Dec-19 vs Mar-20

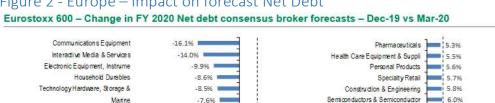


Figure 2 - Europe – impact on forecast Net Debt

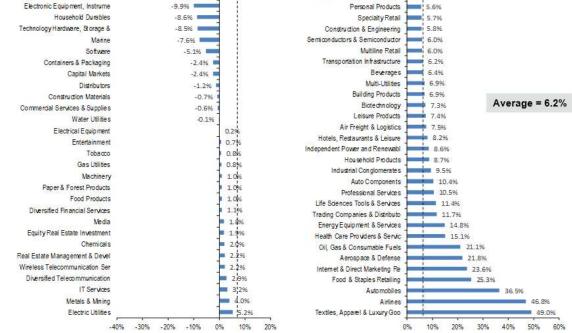


Figure 3 - Europe – impact on forecast Net Debt / EBITDA

Eurostoxx 600 - Change in FY 2020 Net debt / EBITDA consensus broker forecasts - Dec-19 vs Mar-20

| Communication s Equipment | -18.0% | Personal Products 6.9% |
|--------------------------------|--------|--|
| Household Durables | -15.9% | Machinery 5.5% |
| Technology Hardware, Storage & | -13.4% | Pharma ceuticals 7.5% |
| Capital Markets | -12.8% | Health Care Providers & Servic |
| Biotechnology | -9.1% | |
| Specialty Retail | -7.6% | Paper & Forest Products 8.4% Media 8.7% |
| Electronic Equipment, Instrume | -7.4% | Multi-Utilifies 8.7% |
| Interactive Media & Services | -3.2% | Aerospace & Defense 9.0% |
| Entertainment | -3.1% | Building Products 9.6% |
| Tobacco | -2.8% | Air Freight & Logistics 10.3% |
| IT Services | -1.8% | Semiconductors & Semiconductor |
| Marine | -1.7% | Transportation Infrastructure 11.1% |
| Software | -1.3% | Energy Equipment & Services 11.3% |
| Real Estate Management & Devel | 0.0% | Diversified Financial Services 11.5% |
| Water Utilities | 0.7% | Trading Companies & Distributo |
| Gas Utilifies | 0.9% | Metals & Mining 13.3% Average = 9.5% |
| Containers & Packaging | 1.0% | Construction & Engineering 13.7% |
| Leisure Products | 1.3% | Auto Components 14.0% |
| Distributors | 1.5% | Household Products 14.8% |
| Electric Utilities | | Independent Power and Renewabl 16.2% |
| Wireless Telecommunication Ser | 1.6% | Internet & Direct Marketing Re Hotels, Restaurants & Leisure 17.8% |
| Diversified Telecommunication | 2.3% | |
| | - | Beverages 18.1% |
| Food Products | 2.7% | Multiline Retail 18.6% |
| Construction Materials | | Professional Services 18.9% |
| Commercial Services & Supplies | 3.2% | Industrial Conglomerates 20.3% |
| Health Care Equipment & Suppli | 3.796 | Food & Staples Retailing 26.3% |
| Equity Real Estate Investment | 4.8% | Automobiles 33.3% |
| Electrical Equipment | 4.8% | Textiles, Apparel & Luxury Goo 49.8% |
| Chemicals | 5.0% | Oil, Gas & Consumable Fuels 65.2% |
| Life Sciences Tools & Services | 5.2% | Airlines |

Figure 4 - US – impact on forecast EBITDA

S&P 500 - Change in FY 2020 EBITDA consensus broker forecasts - Dec-19 vs Mar-20

| Airlines52.9% | | Trading Companies & Distributo | -3.0% |
|--------------------------------|-----------------------|--------------------------------|--------|
| Oil, Gas & Consumable Fuels | -33.8% | Entertainment | -2.7% |
| Energy Equipment & Services | -26.5% | Health Care Equipment & Suppli | -2.3% |
| Hotels, Restaurants & Leisure | -25.9% | Beverages | -1.9% |
| Automobiles | -20.7% | Pharmaceuticals | -D.9% |
| extiles, Apparel & Luxury Goo | -14.796 | IT Services | -0.9% |
| Internet & Direct Marketing Re | -14.1% | Diversified Telecommunication | -0.896 |
| Personal Products | -10.2% | Technology Hardware, Storage & | -0.7% |
| Interactive Media & Services | -10.2% | Professional Services | -0.6% |
| Air Freight & Logistics | -9.6% | Life Sciences Tools & Services | -0.3% |
| Auto Components | -9.5% | Food & Staple's Retailing | -0.3% |
| Mu tiline Retail | -8.5% | Food Products | -0.2% |
| Construction Materials | -8.0% | Semiconductors & Semiconductor | 0.0% |
| Chemicals | -7.1% | Real Estate Management & Devel | 0.1% |
| Machinery | -6.8% | Health Care Providers & Servic | 0.1% |
| Metals & Mining | -6.8% | Capital Markets | 0.3% |
| lectronic Equipment, Instrume | -6.6% | Equity Real Estate In vestment | 0.3% |
| Building Products | -5.7% | Electric Utilities | 0.4% |
| Electrical Equipment | -5.7% | Communication s Equipment | 0.4% |
| Household Durables | -5.4% | Construction & Engineering | 0.8% |
| Aeros pace & Defense | -5.2% | Multi-Utilities | 0.9% |
| mmercial Services & Supplies | -4.5% | Tob acco | 0.9% |
| Distributors | -4.4% | Household Products | 1.2% |
| Industrial Conglomerates | -4.3% | Health Care Technology | 1.596 |
| Specialty Retail | Average = -5.7% -4.3% | Wireless Telecommunication Ser | 2.0% |
| Containers & Packaging | -3.9% | Biotechnology | 2.1% |
| Media | -3.8% | Gas Utilities | 2.99 |
| Road & Rail | -3.1% | Software | 4.2 |

Figure 5 - US – impact on forecast Net Debt

S&P 500 - Change in FY 2020 Net Debt consensus broker forecasts - Dec-19 vs Mar-20

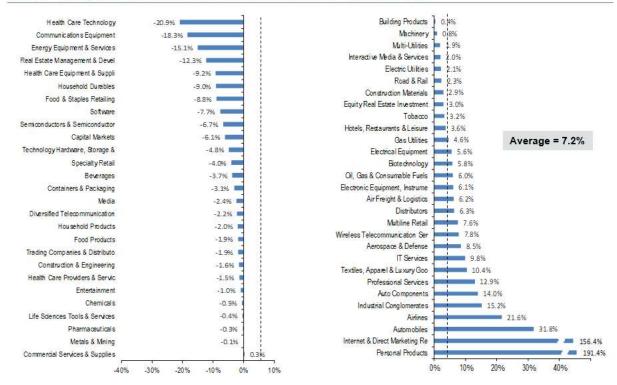


Figure 6 - US - impact on forecast Net Debt / EBITDA

S&P 500 - Change in FY 2020 Net debt / EBITDA consensus broker forecasts - Dec-19 vs Mar-20

| | 2.4% | Containers & Packaging | -22.1% | Health Care Technology |
|-----------------|-------|---------------------------------|--------|--------------------------------|
| | 3.1% | Electronic Equipment, Instrume | -19.6% | Communications Equipment |
| | 3.8% | Equity Real Estate Investment | -12.3% | Real Estate Management & Devel |
| | 5.7% | Wireless Tele communication Ser | -9.2% | Capital Markets |
| | 6.5% | Road & Rail | -9.1% | Interactive Media & Services |
| | 6.9% | Biote chinolog y | -8.6% | Food & Staple's Retailing |
| | 7.3% | Machinery | -7.1% | emiconductors & Semiconductor |
| | 8.3% | Commercial Services & Supplies | -4.496 | Entertainment |
| | 9,8% | Aero space & Defen se | -3.5% | Software |
| | 10.2% | Energy Equipment & Services | -3.396 | TechnologyHardware, Storage & |
| | 10.4% | Chemicals | -3.2% | Health Care Equipment & Suppli |
| | 11.1% | Profession al Services | -2.8% | Construction & Engineering |
| | 11.6% | Electrical Equipment | -2.3% | Household Products |
| | 11.9% | Construction Materials | -1.8% | Life Sciences Tools & Services |
| Average = 15.5% | 12.0% | Distributors | -1.5% | Health Care Providers & Servic |
| | 12.2% | Automobiles | -1.396 | Building Products |
| | 14.0% | Multiline Retail | -1.0% | Diversified Tele communication |
| | 14.2% | Air Freight & Logistics | -D.496 | Household Durables |
| | 14.5% | IT Services | -0.1% | Beverages |
| | 19.7% | Industrial Conglomerates | 0.3% | Trading Companies & Distributo |
| | 22.5% | Metals & Mining | 0.3% | Multi-Utilities |
| | 22.6% | Hotels, Restaurants & Leisure | 0.3% | Media |
| | 26.1% | Auto Components | 0.4% | Electric Utilities |
| 5.8% | 35.8 | Textiles, Apparel & Luxury Goo | 1.5% | Speciality Retail |
| 56.2% | | Oil, Gas & Consumable Fuels | 1.5% | Food Products |
| 169.59 | | Airlines | 1,6% | Gas Utilities |
| 217.5 | | Person al Products | 1.7% | Ph armaceuticals |
| 225 | | Internet & Direct Marketing Re | 2.3% | Tobacco |

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