

Announcement

To Nasdaq Copenhagen A/S and the press

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RTX reduces financial outlook for 2020/21

As stated when announcing the outlook of RTX for FY 2020/21, uncertainty regarding the actual developments in 2020/21 were higher than in recent years due to the impact of the COVID-19 pandemic. As further stated in the interim report for Q1 2020/21, the uncertainty remained high after the first quarter. As also stated in the interim report for Q1 2020/21, supply chain challenges including global component scarcity further created higher than usual uncertainty regarding 2020/21.

With increased knowledge of the impact of COVID-19, supply chain constraints and knock-on effects on FY 2020/21, RTX adjusts its expectations regarding revenue and earnings. The revised outlook for FY 2020/21 is revenue of DKK 450-500 million (previously DKK 545-600 million), EBITDA of DKK 30-55 million (previously DKK 95-120 million) and EBIT of DKK 0-25 million (previously DKK 63-90 million).

While COVID-19 has significantly impacted demand in RTX's Enterprise and ProAudio segments in Q1 and Q2 of 2020/21, demand improved in Q2 over Q1 and further demand increases are expected in Q3 and Q4 of 2020/21. Based on customer orders and customer forecasts, it is the expectation that the gradual demand improvement will lead to a return to the demand levels of the same quarters in recent years in Q3 and Q4 of 2020/21. Therefore, RTX sees a gradual return to the long-term growth trajectory and thus we are also maintaining the strategic investments into RTX product platforms for our target segments. The supply chain constraints have led to postponement of deliveries and revenues from Q2 into Q3 of FY 2020/21 and will likely also lead to postponements from Q3 into Q4 of FY 2020/21.

The lower expected revenue and earnings in FY 2020/21 are caused by larger than originally expected demand impact of COVID-19 on the Enterprise (limitations on customer access to end customer sites for installation of communication systems) and ProAudio (part of market related to live events affected by lockdowns) segments. It is further caused by, COVID-19 having made the finalization of development and the production preparation of new products more challenging which has caused postponement of part of the initial deliveries which is now expected to cause part of the next deliveries expected for the end of this financial year to move into Q1 of FY 2021/22 instead.

The actual revenue and earnings for 2020/21 will depend on the exact timing of delivery of larger orders under framework agreements around the change of financial year (i.e. September/October 2021) and the expectations for the year further assumes that the impact of supply chain constraints on deliveries will remain within the expected levels.

RTX will, as previously communicated, release its interim Q2 2020/21 report on 27 April 2021, however, we can report the following preliminary numbers for Q2 2020/21 and the first six months (H1) of 2020/21:

- Expected revenue level: Q2 2020/21: DKK 89 million; H1 2020/21: DKK 150 million
- Expected EBITDA level: Q2 2020/21: DKK -4 million; H1 2020/21: DKK -23 million
- Expected EBIT level: Q2 2020/21: DKK -11million; H1 2020/21: DKK -37 million

The revenue and earnings in the second quarter is impacted by COVID-19 on the demand side in the Enterprise and ProAudio segments and further by component scarcity and supply chain constraints postponing deliveries and revenue from Q2 into Q3 of 2020/21. However, demand and revenue Q2 increased in all segments (Enterprise, ProAudio and Healthcare) compared to the first quarter of 2020/21.

As mentioned, RTX will release its interim report for Q2 2020/21 on 27 April 2021 with further details on the performance in the second quarter and will host a conference call for investors and analysts on 28 April 20201 at 8.30 am. Registration details for the conference call will be stated in the interim report for Q2.

Please note: The above statements on RTX A/S' future conditions, including in particular, future revenue and operating profit (EBITDA and EBIT), reflect management's current outlook and are thus uncertain in nature. These statements can be affected by a number of risks and uncertainties, which mean that actual developments can be different from the indicated outlook. These risks and uncertainties include, but are not limited to, general business and economic conditions, dependence on partners, the exact timing of customer orders and delivery hereof, the time of delivery of components and foreign exchange and interest rate fluctuations – all of which may also be impacted by the COVID-19 situation and development.

Enquiries and further information:

CEO Peter Røpke, tel +45 96 32 23 00

RTX's homepage: www.rtx.dk