



## **Crisis management** **Managing cash through hard times**



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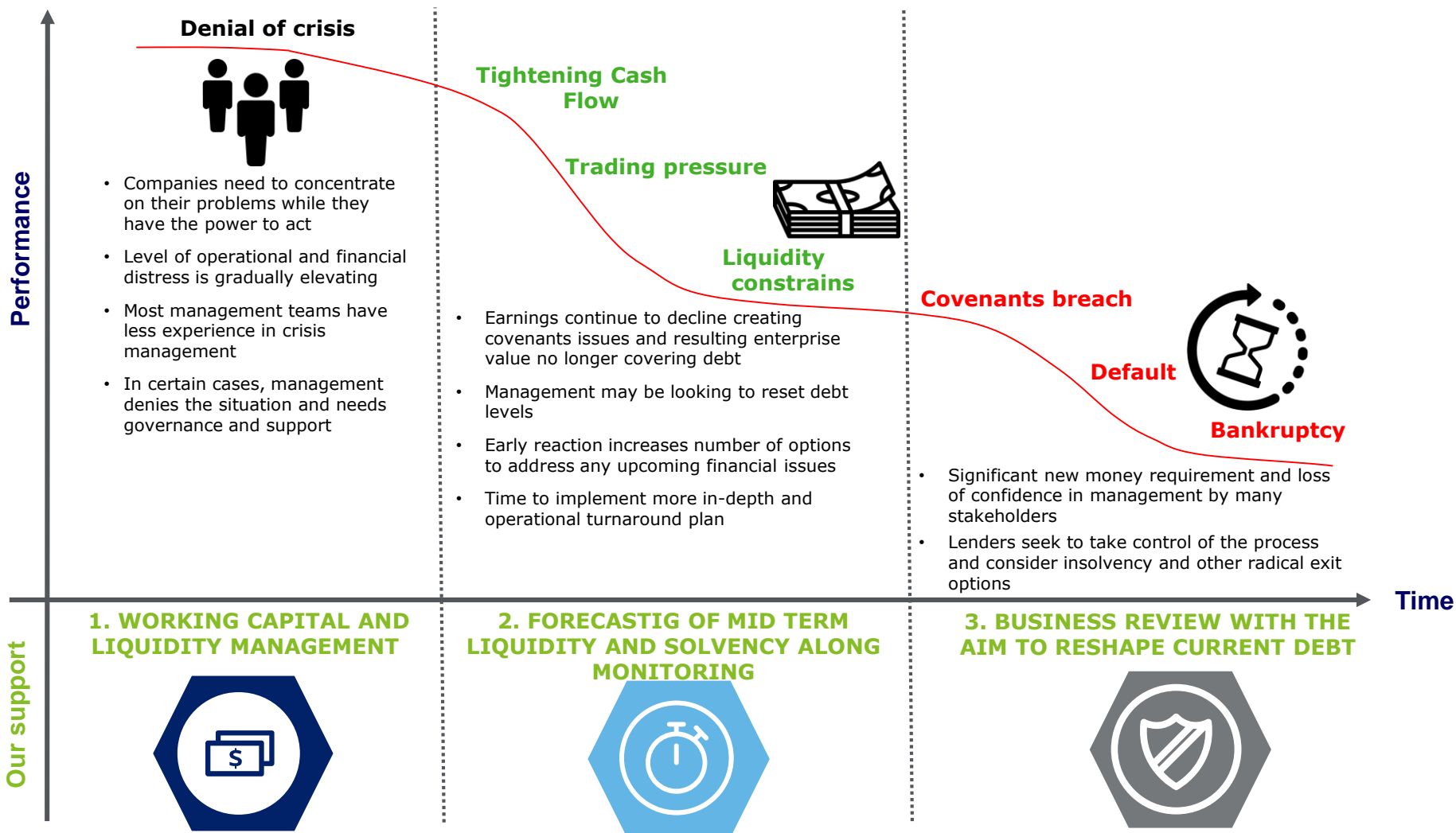
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# Provide reliable support to management and key stakeholders to navigate the current market context

Timely review of company's liquidity and indebtedness levels. Support in reshaping the company's debt level



# Our support is focused on crisis management, strong mid-term decision making and potential debt refinancing



## 1. Working capital and liquidity management

In crisis businesses are primarily focused on accessing external funding, however, they often overlook a hidden source of capital, i.e. their working capital. We advise on cash flow requirements, develop appropriate actions under various scenarios and assess potential risks



## 2. Forecasting of mid-term liquidity and solvency along Monitoring

Forecasting a reliable mid term financial plan is paramount to properly address any unforeseen liquidity and solvency constraints

We will closely work with your management to translate their strategic view into a robust projections plan comprising mid-term (covering from one to three years) monthly cash flows, income statements and period-end balance sheet positions along with proactively implement an action plan to lower liquidity and solvency risks



## 3. Business review with the aim to reshape current debt level

Our analyses will challenge management forecasts and review appropriate options for debt restructuring

Financial, market and operational review are core stones utilized as diagnosis tools



# 1. Working capital and liquidity management

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## FOCUS AREAS



### WORKING CAPITAL MANAGEMENT

Analysis of the company's cash conversion cycle, payment terms, timing and frequency of key customers and suppliers, invoicing process to customers, management of accounts receivables and payables, inventory management, other cash preservation options.



### FORECASTING PROCESS

**Available Forecasts:** Challenge key assumptions, identify quick mitigating actions.  
**Lack of Forecasts:** Develop action plan for building a simulation with different scenarios to understand actual/potential needs in the short term, i.e. up to two months.



### LIQUIDITY MANAGEMENT

**Financing Strategy:** Review of key terms, covenants and options for re-negotiating terms with banks and identify alternative sources of financing.  
**Investment Strategy:** Review of CAPEX program and key terms of financial instruments and options for early sale with optimal loss of income.



### REGULAR REPORTING

Advise on improvements to the current reporting process to management with good practice KPIs, KRIs and other key information enabling rapid decision-making in period of crisis.



### PROCESS AND COST OPTIMIZATION

Identify quick wins and opportunities for immediate cost optimizations, revisit variable and fixed costs.



### HUMAN CAPITAL OPTIMIZATION

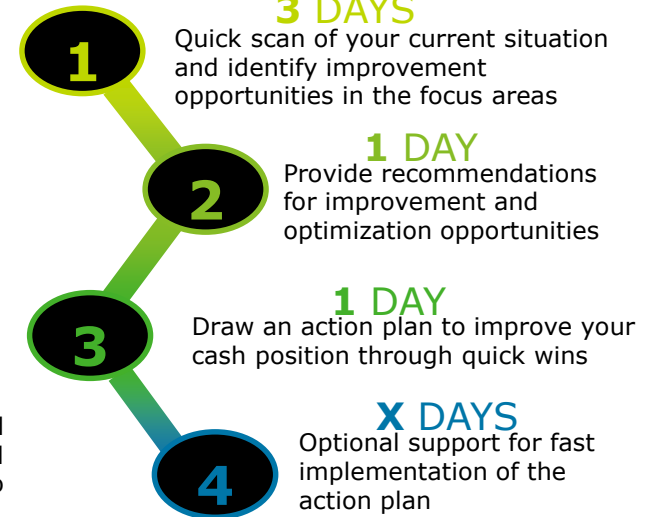
Analysis of options for workforce elasticity during times of changing demand. Tax and legal point of view supplementing the advice throughout.



### LEGAL MONITORING

Overview of latest crisis measures adopted by government, EU and regulatory bodies and establishing quick implementation steps tailored to the company's needs.

## OUR APPROACH



*The actual time required for each step is indicative and depends on the specific requirements and context of the company.*

Our support in **steps 1, 2 and 3** above aims to help your company to gain quick wins from short-term optimizations and outline the future direction for sustainable business in periods of distress. Purpose of **step 4** is to support your company to implement the initiatives outlined in the action plan in **step 3**.

As a "post-crisis response", we could also support your company to develop a long-term business continuity plan, which is a critical component of successful business management. Main elements of this plan could be: review of key strategic options for your business, optimization and automation of internal processes and systems, as well as identification of potential investors and long-term growth and financing options.



## 2. Forecasting of mid term liquidity and solvency along Monitoring

Forecasting a reliable mid term financial plan is basis to properly address any unforeseen liquidity and solvency constraints



### Forecasting

**10** DAYS

#### Forecasting the mid term company's key financials

- Early understanding of your exposure to new risks allows for proactive management and implementation of risk mitigating actions
- We will closely work with your management to translate their strategic view into a robust excel data book comprising mid-term (covering from one to three years) monthly cash flows, income statements and period-end balance sheet positions

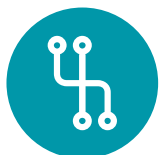


### Vulnerability analysis

**3** DAYS

#### Vulnerability analysis

- Solvency and liquidity analysis of available funds, analysis of any available cash buffers
- Liquidity stress test scenarios: simulation of sales drop, deterioration of margins, or delayed payment of receivables, default on receivables
- Review of financial covenants



### Execution

**3+**DAYS

#### Proactively lower risk through implementation of a action plan

- Working capital management plan: payables settlement plan, receivables collection and quality, optimization of inventory
- Definition of simplified financial reporting towards the bank/lenders focused on risk areas, active monitoring and control on identified KPIs and covenants



### Monitoring and control

**X** DAYS

#### Monitoring of KPIs and covenants on a monthly basis

- Communication through established frequency and reporting template (KPIs, covenants)
- Monitoring on execution of cash flow plan, receivables quality and inventory levels



### 3. Business review with the aim to reshape current debt level (1/3)

Our analysis will challenge management forecasts and review appropriate options for debt restructuring. Financial, market and operational review are core stones utilized as diagnosis tools

#### Business review

##### Review of historical performance and current debt level

- Providing a picture of the historical financial performance, key business and performance drivers during the historical period analyzed.
- Assessment of the quality of assets outlining the risks related to the recoverability.
- Assessment of debt levels and financing gaps.

##### Review of Management's forecasts

- We will analyze and comment on conclusions presented by the projections, their reasonability in terms of underlying assumptions and overall logic of the financial model.
- We will provide an independent market outlook and challenge Management's assumptions.
- Give an accurate picture of the company's operation and in particular its ability to generate short-term cash flows as well as ensure future long-term debt service capacity.

##### Identification of Lender's options

- Overview of lenders' exposure.
- Overview of lenders' collateral position and loan-to-value metric.
- Assessment of company ability to service interest payments and principal.
- Providing a realistic view on the company's ability to meet its immediate and mid-term financial obligations.
- Overview of potential scenarios for restructuring.

#### Debt restructuring

- Identify appropriate restructuring options: provide analysis of options, appraising achievable alternatives within the available timeframe.
- Assist in preparation lender briefing pack: which will be used to attract lender interest
- Help our clients access lenders on the best possible terms: we leverage our network with lenders to provide value added services in achievement of timely financial closure.
- Assist in debt restructuring implementation: such as lender negotiation, recapitalization, capital raising, structured transactions, accelerated M&A and other special situations.
- Provide ongoing independent financial advice: project management resource including in respect of tactics and appropriate actions.

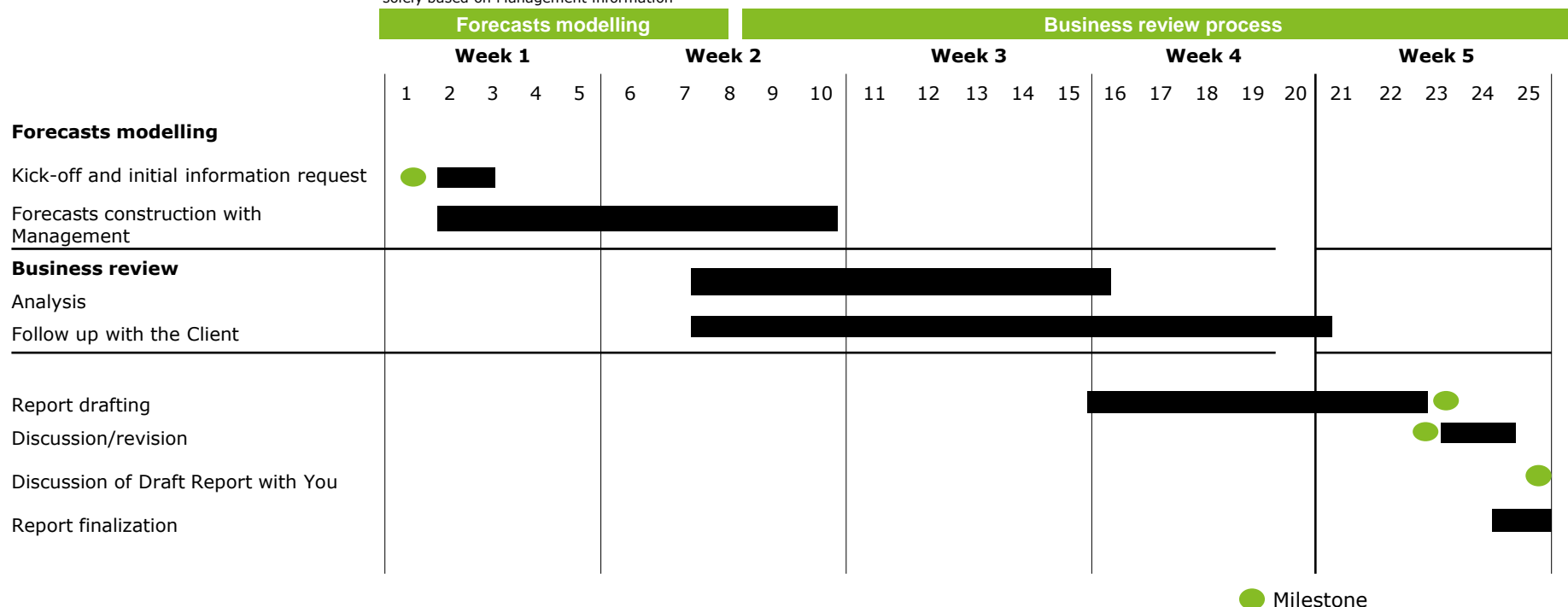




### 3. Business review with the aim to reshape current debt level (2/3)

In case there are no forecasts available, we will closely work with company's management to translate their strategic view into a robust excel data book comprising short-term and long-term cash flows, annual income statements and year-end balance sheet positions

Forecasts key assumptions will reflect Management's strategic view and prepared solely based on Management information



**Note:**

- We are committed to meet that indicative timeline above and we are open to discussions on it.
- Please note that the provision of services as per the above timeline is subject to having readily available information/management accounts,.
- In any case, we will keep you regularly informed on the status and any potential issues, delays or operational matters.



### 3. Business review with the aim to reshape current debt level (2/3)

#### Report format

Our report is focused and well structure which eases communication with key stakeholders

#### Content of Report

An overview of the contents/structure of a typical business review report is set out below. The structure is subject to tailoring in accordance with your needs:

- **Executive Summary:** This comprises an overview of the key aspects of the business, current indebtedness situation, projections review and restructuring options analysis. This summarizes the conclusion and recommendations of our analyses.
- **Business Overview and Market context:** Key aspects of the structure and operations of the business are analyzed. Market context is presented also.
- **Financial analysis:** Analysis of the historical profit and loss statements of the business, presentation of the balance sheet position and historical cash flows.
- **Upsides and vulnerabilities:** Analysis of the management's projections.
- **Options:** Analysis of the restructuring scenarios.
- **Appendices:** Disclosure of detailed back-up information and other relevant items.

Examples of individual report slides are set out opposite



Executive Summary  
-  
Key Metrics and  
Messages





Executive Summary -  
Key conclusions

Strapline: Presenting the  
most important findings

Detailed explanation and  
analyses

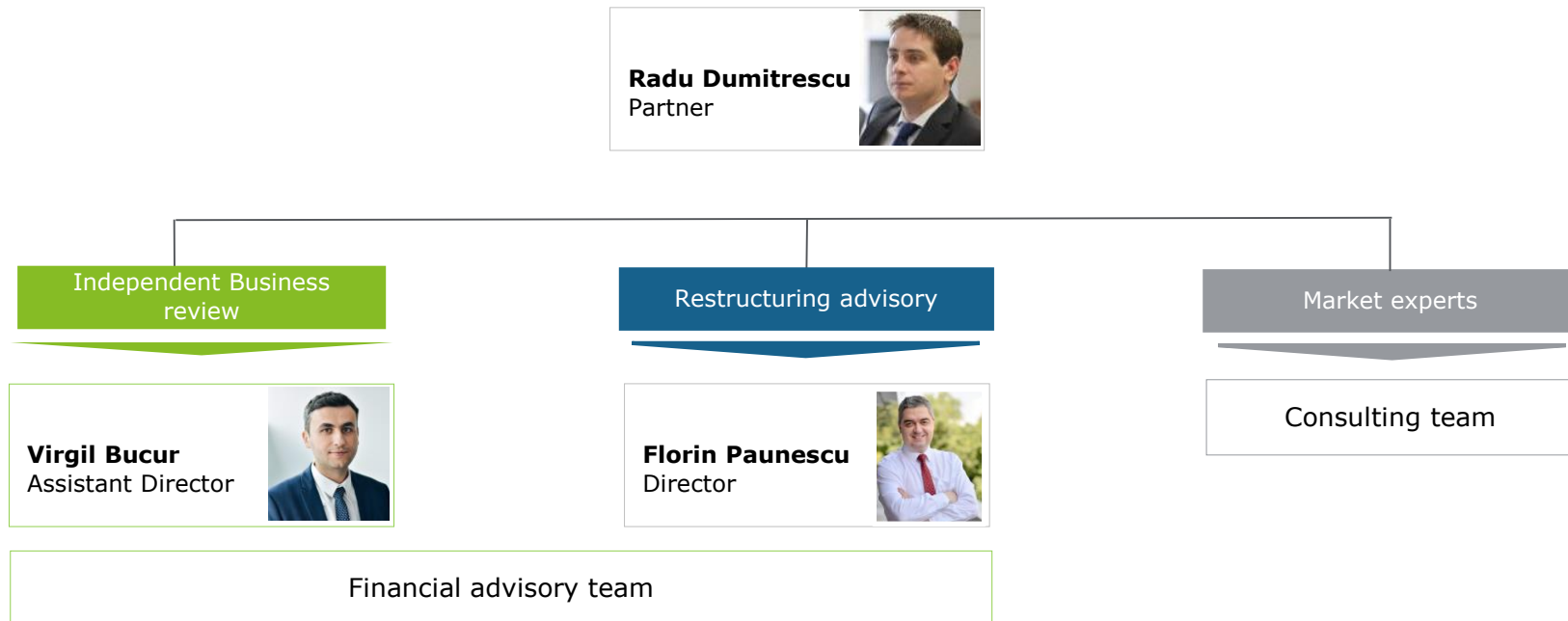
## Recent experience

Our experience crosses key economic sectors in Romania, from oil & gas, consumer products, manufacturing to automotive

<p><b>Deloitte.</b></p> <p>Financial advisor to</p>  <p>Independent Business Review for the purpose of debt restructuring of a large group of companies operating in the energy sector</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Financial advisor to</p>  <p>Business review with respect to securing an appropriately revised funding structure</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Financial review of</p> <p><b>Group of poultry meat producer</b></p> <p>for securing an appropriately revised funding structure</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Financial advisor to</p>  <p>Independent Business Review with respect to company's creditors assessment related to the insolvency procedure</p> <p>Romania</p>
<p><b>Deloitte.</b></p> <p>Assistance for debt restructuring to</p>  <p>for securing an appropriately revised funding structure</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Assistance for financial review of</p> <p><b>Major shipyard in Romania</b></p> <p>for securing an appropriately revised funding structure</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Financial review of</p> <p><b>Oil &amp; Gas Company</b></p> <p>for securing an appropriate commercial agreement</p> <p>Romania</p>	<p><b>Deloitte.</b></p> <p>Financial advisor to</p>  <p>Business review with respect to securing an appropriately revised funding structure</p> <p>Romania</p>

## Team structure

We have an integrated and experienced team covering business reviews, debt restructuring, operational reviews and market analysis services



## Team introduction

Team member	Role	Areas of experience	Key credentials
<b>Radu Dumitrescu</b>	Partner	<ul style="list-style-type: none"> <li>Close to 20 years of professional experience of which more than 12 years experience in acquisition and merger engagements on privatizations, private deals and business reviews.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Business Review for Hidroelectrica, with respect to company's creditors assessment related to the insolvency procedure;</li> <li>Independent Business Review for Midocar with respect to securing an appropriately revised funding structure;</li> <li>Independent Business Review for Raiffeisen Bank Austria in their efforts to restructure a syndicated exposure with a large group of companies operating in energy, infrastructure and industrial fields;</li> <li>Business review for Bog'Art with respect to securing an appropriately revised funding structure;</li> <li>Business review for one of the largest integrated poultry business in Romania, for securing additional funding (i.e. €R25 million) to finance working capital and refinance of long term debt.</li> </ul>
<b>Florin Paunescu</b>	Director	<ul style="list-style-type: none"> <li>Specialized in acquisitions, divestitures, mergers and de-mergers, debt advisory, joint ventures, spin-offs, leveraged buyouts, privatization advice and project finance</li> </ul>	<ul style="list-style-type: none"> <li>2016-2017: debt raising of €6m for local farming group of companies;</li> <li>2016-2017: debt restructuring of €16m for top player in IT distribution;</li> <li>2014-2015: debt raising €20m for the largest construction company;</li> <li>2014-2015: acting for top bank in divesting their loan exposure in largest agriculture business player.</li> </ul>
<b>Virgil Bucur</b>	Assistant Director	<ul style="list-style-type: none"> <li>Expertise in financial advisory projects, with focus on independent business review and due diligence engagements.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Business Review for Raiffeisen Bank Austria in their efforts to restructure a syndicated exposure with a large group of companies operating in energy, infrastructure and industrial fields;</li> <li>Independent Business Review for Bog'Art, largest commercial real estate developer in Romania, with respect to securing an appropriately funding structure;</li> <li>Business review for one of the largest integrated poultry business in Romania, for securing additional funding (i.e. €R25 million) to finance working capital and refinance of long term debt.</li> </ul>



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