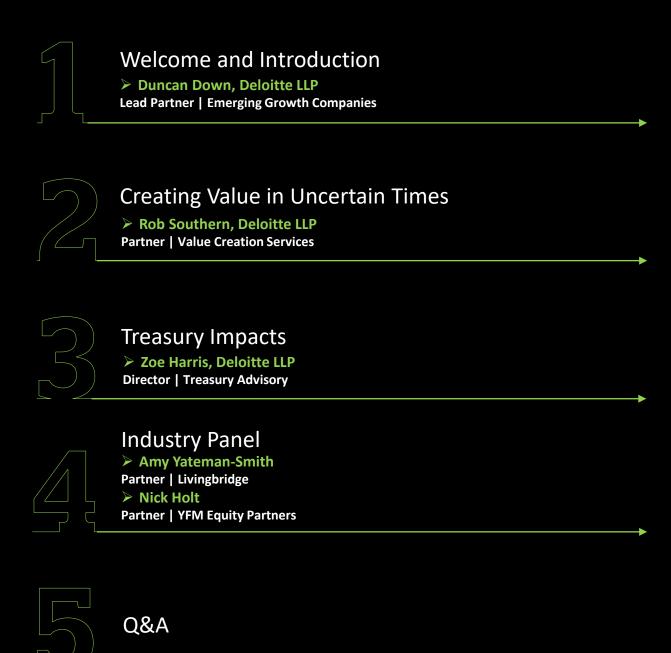
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Emerging Growth Companies Webinar Series

What Can VC Funds and VC-Backed Companies Learn from Private Equity?

6th June 2023



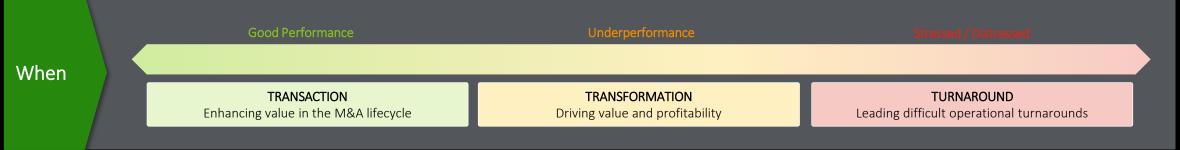
Creating Value in Uncertain Times

Rob Southern

We are a specialist team leading companies to deliver rapid cash and EBITDA benefits

Our team focuses on delivering rapid EBITDA and cash benefits in M&A and underperformance situations





Our principles

We typically operate as small teams working side by side with our clients to drive fast, measurable and long lasting operational improvements

Key Value Creation Principles

Aimed at creating ownership and engagement across the business to rapidly deliver success



IINVESTOR MINDSET

Understand the language and pace required by an investor



DELIVERY FOCUS

Have a strong track record in delivery and "heavy lifting" not just reporting



OPERATORS

Pragmatic and experienced operators – speak management language





TRANSPARENCY

Open and frequent communication with key stakeholders



SPEED & ANALYTICS

Deploy rapid "dealspeed" analytics to identify opportunities fast



HARD ECONOMICS

Measure success via demonstrable performance metrics

Techniques and Tools

Our methodology deploys techniques and tools to **identify** and **quantify benefits** and to **drive performance improvements**



Dashboards & Big-Data analytics



Business planning



Benchmarking



Zero-based budgeting



Cash flow forecasting



Value Creation PMO

How VCS can support capital efficiency in Emerging Growth Companies

The current macro-environment emphasises the need for EGCs to refocus their cost base and to drill down on growth-centred P&L investment on the near term priorities. This should reduce overall costs while minimising the impact on short term growth.



Revenue planning & growth

- Review the revenue growth plan with management
- Identify the **short term priorities**:
- ✓ New products / services focus -> drive biggest impact in new sales
- ✓ Existing product / service enhancements focus -> drive biggest impact in bettering existing sales
- ✓ Strategic customer relationship management -> stakeholder plan for largest, most important customers



Cost base review & reset

- Review / disaggregate cost base and to identify proportion targeted at the different growth initiatives
- Line by line review of costs against forecast returns – high ROI; scale back on "nice to have" expenses
- Prioritisation mapping with focus on near term, low risk investments with high certainty of ROI return
- Free up resources to focus on value add / service elements of the business



Cash & working capital

- Extend runway -> direct focus away from new (more expensive) capital
- Focus on the following areas across CFF, AR, AP and inventory:
- ✓ Review 13 week CF with sensitivities and daily cash monitoring
- ✓ **Identify low points** / funding options and **mitigation plan**
- ✓ Improve vendor and customer payment terms
- ✓ Optimise billing and collecting
- ✓ Achieve optimal inventory levels



Funding & business case support

- Review P&L, Balance Sheet and Cash Flow aspect of business case and underpinning assumptions
- Provide external challenge based on understanding of market
- Identify risks to plan and identify model sensitivities
- Conduct scenario analysis to test the robustness of business case
- Provide recommendations to mitigate risks and support development of refined business plan

Outcome

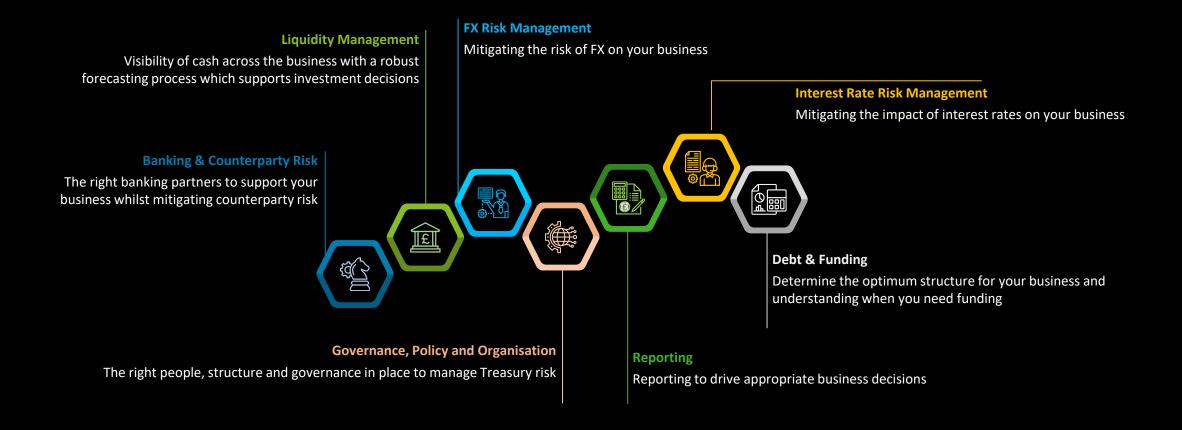
Capital Efficiency Optimisation

Driving sustainable business growth through a range of strategies around revenue source & cost base prioritisation and cash optimisation.

Treasury Impacts

Zoe Harris

Treasury Impacts I What are the key areas of Treasury focus for VC?



Industry Panel

Rob Southern, Amy Yateman-Smith, Nick Holt



➤ Rob Southern, Deloitte LLP Partner | Value Creation Services



> Amy Yateman-Smith Partner | Livingbridge



➤ Nick Holt
Partner | YFM Equity Partners

Deloitte Contacts



➤ Duncan Down
Lead Partner | Emerging Growth Companies
E: ddown@deloitte.co.uk
D: 0117 984 2946



➤ Rob Southern

Partner | Value Creation Services

E: rsouthern@deloitte.co.uk

D: 020 7007 3641



➤ Zoe Harris
Director | Treasury Advisory
E: zzharris@deloitte.co.uk
D: 020 7007 9723



➤ Kariel Parian
Senior Manager | Emerging Growth Companies Lead
E: kparian@deloitte.co.uk
D: 020 7007 7470



➤ Tom Rees
Director | Emerging Growth Business Development Lead
E: trees@deloitte.co.uk
D: 020 7007 8216

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