



Working capital snapshot: Q3 2021 Transcript

Presented by:

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Hello, I'm **Wanya du Preez**, senior vice president with Deloitte's Working Capital and Liquidity Services and I will be sharing the Q3 2021 working capital highlights.

In the third quarter of 2021, the global economy started to recover and experienced significant growth across the board boosted by various stimulus programs and driven by strong consumer demand. As workers increasingly adapted to hybrid and virtual work environments, companies cautiously believed they might be starting to adjust to the "new normal" created by the pandemic but were affected by demand and supply chain disruptions.

Manufacturers also faced a lack of key components, raw materials, and labor shortages. Automotive and consumer products sectors were hit hardest, suffering a quarter-on-quarter revenue decline of 10%, and mining and metals experienced a decline of more than 19%. Conversely consumer sectors, such as hospitality and airlines experienced more than 20% quarterly revenue growth, largely due to reduced travel restrictions, and travel demand.

The Working Capital Q3 2021 snapshot identified a 2.6-day decrease in the cash

conversion cycle between Q3 2020 and Q3 2021 which was driven by minor improvements in days sales outstanding and days inventory outstanding partially due to supply chain challenges. Compared to the prior quarter, the overall cash conversion cycle for Q3 2021 improved marginally by 0.4 days while days payable outstanding continued to decline on a quarterly basis.

For a complete analysis by industry, download the Working capital Q3 2021 snapshot.

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