

INTERNATIONAL CERTIFIED VALUATION SPECIALISTS

MEMBERSHIPS AND INTERNATIONAL CERTIFICATIONS

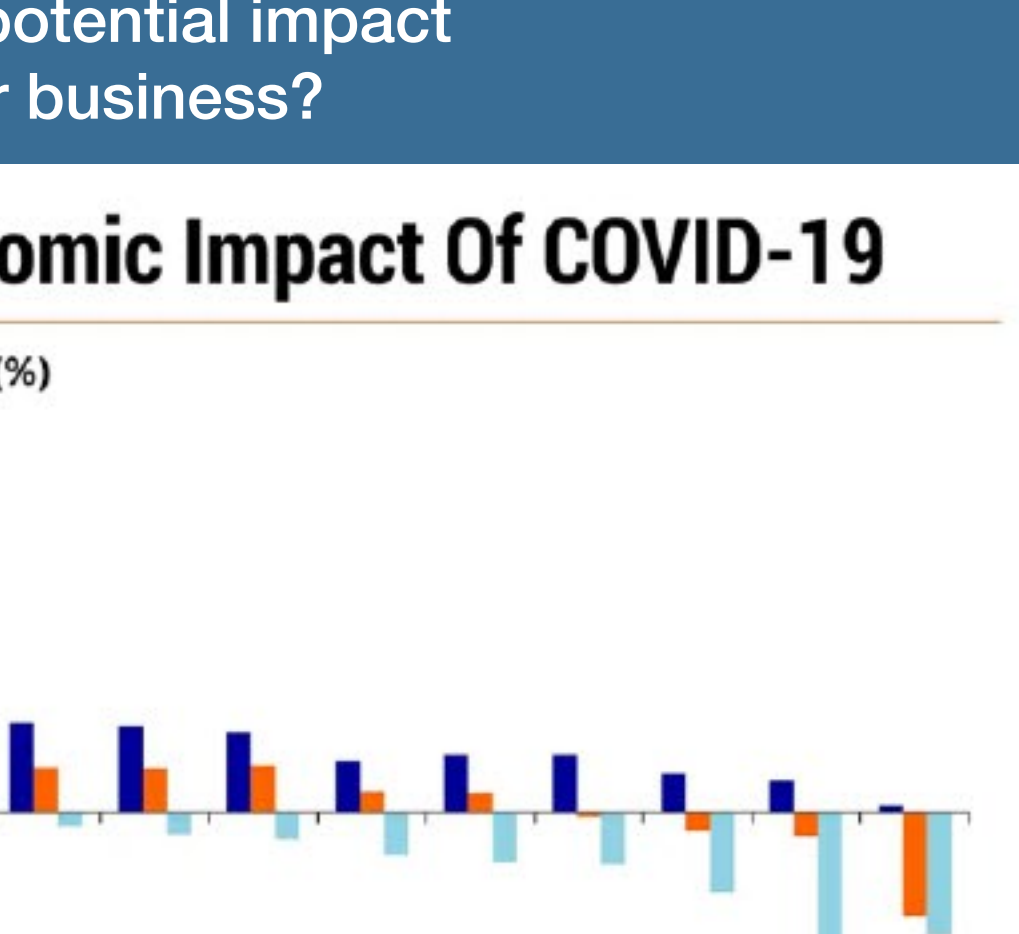


AWARDS & RECOGNITIONS



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1. Have you assessed the potential impact of coronavirus on your business?

1.1 The Impact on the Economy and the Industry

Coronavirus has been declared as a pandemic by the World Health Organisation and it has brought the world economy to a standstill. There are now significant outbreaks across the world and the United States has emerged as the epicentre for this viral illness.

The economic fallout could include recessions in the U.S, Euro-area and Japan, the slowest growth on record in China, and a total of \$2.7 trillion in lost output—equivalent to the entire GDP of the U.K.

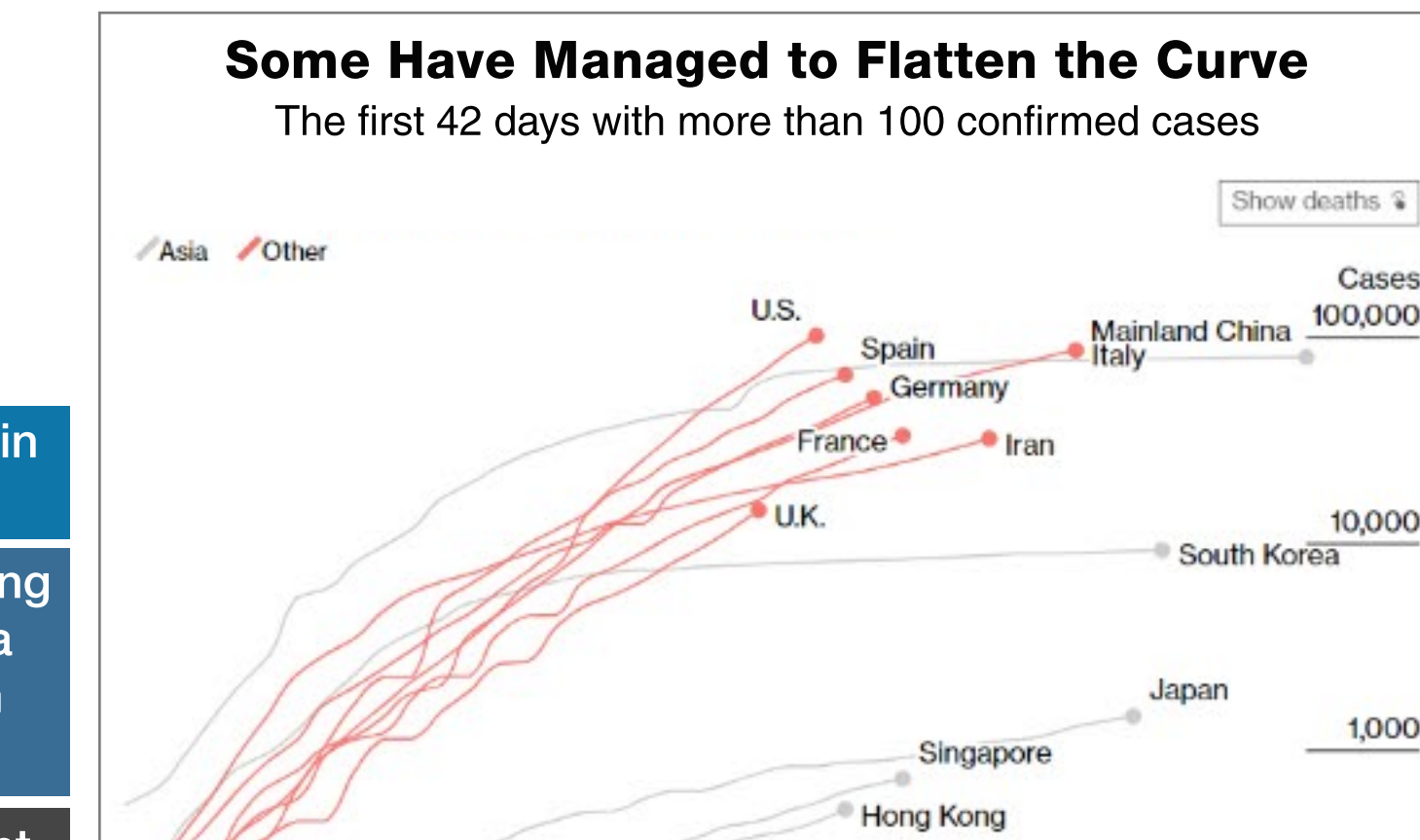
With many unknowns surrounding the trajectory of the epidemic, and responses from governments and businesses, forecasters cannot aspire for precision. That said, we are working with four scenarios (based on a study conducted by Bloomberg) using predictive analytics, to offer a way of tracing the potential impacts on different regions and sectors.

What is your firm and its clients doing in response to Coronavirus?

We are working with four scenarios using advanced predictive analytics to offer a way of tracing the potential impacts on different regions and sectors.

Each business will respond in a different way according to the country, industry, products, value chain and financial situation. Using advanced predictive and probabilistic analysis, we can support entrepreneurs and executives in impact assessment as well as in strategic and financial planning, to face the crisis.

Global Economic Impact of COVID-19



Source: Rabobank, Macrobond Bloomberg | Quin

(Figure - 1.a)

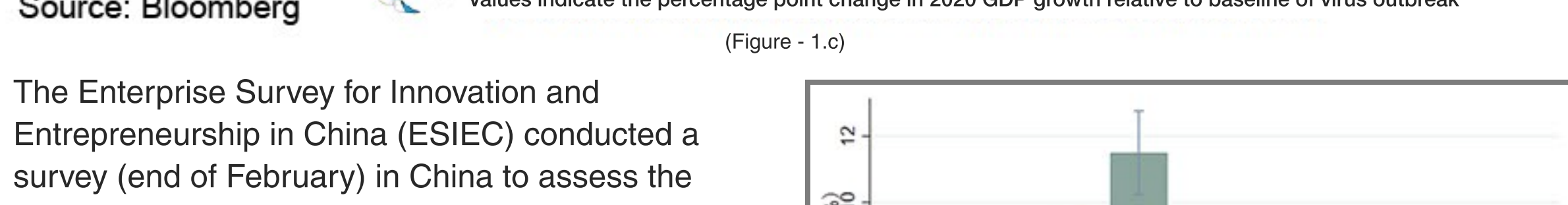
Some Have Managed to Flatten the Curve

The first 42 days with more than 100 confirmed cases



Note: #U.S. CSSE reporting began on Jan. 22, when mainland China had already surpassed 500 cases. Source: Johns Hopkins University Center for Systems Science and Engineering

(Figure - 1.b)



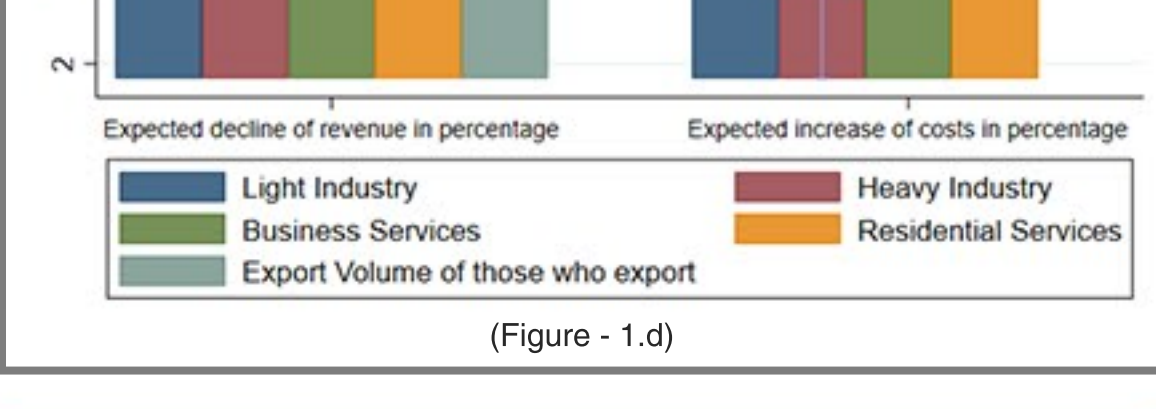
Source: Bloomberg Values indicate the percentage point change in 2020 GDP growth relative to baseline of virus outbreak

The Enterprise Survey for Innovation and Entrepreneurship in China (ESIEC) conducted a survey (end of February) in China to assess the impact of Coronavirus on different industry sectors. This survey is an important guide to understand and measure how this outbreak is likely to affect a particular sector in general. The findings include:

- 20% of surveyed firms will be unable to last beyond a month on a cash flow basis, and 64% beyond 3 months
- Upstream firms will be mainly affected by labour shortages, while downstream firms will see demand challenges related to supply and consumer demand
- Policies aimed at work resumption should consider the characteristics of each sector

The survey shows the prediction of the entrepreneurs and SME executives in the figure. Business will inevitably be impacted, with both near-term effects and less-expected longer-run consequences.

- **Travel restrictions and quarantines** affecting hundreds of millions of people globally will leave factories short of labour and parts, disrupting just-in-time supply chains and triggering safety warnings across industries including **Technology, Automotive, Consumer Goods, Pharmaceutical** among others.
- **Commodity prices** have declined in response to a fall in the consumption of raw materials. This will particularly affect emerging countries exporting these products.
- **Consumption:** Mobility and work disruptions are leading declines in global consumption, squeezing multinational companies in several sectors including **Aviation, Education abroad, Infrastructure, Tourism, Entertainment, Hospitality, Electronics, Consumer and luxury goods.**



(Figure - 1.d)



Source: Bloomberg

(Figure - 1.g)

1.2 - Other sectors at risk

- **Tourism, Restaurants, Retail, and Leisure**

The revenues of these sectors will suffer a severe and clear blow during the first half of the year. Cinemas have already faced sharp losses at the box offices.

- **Real Estate**

According to S&P Global, sales growth in Tier 3 and Tier 4 cities is unlikely to recover this year due to the following factors:
Short Term: Suspension of marketing events as well as on-site construction
Long Term: There may be an impact on office buildings as virus will encourage firms to shift towards online operations. Malls may become less important as people get used to buying online.

- **E-commerce**

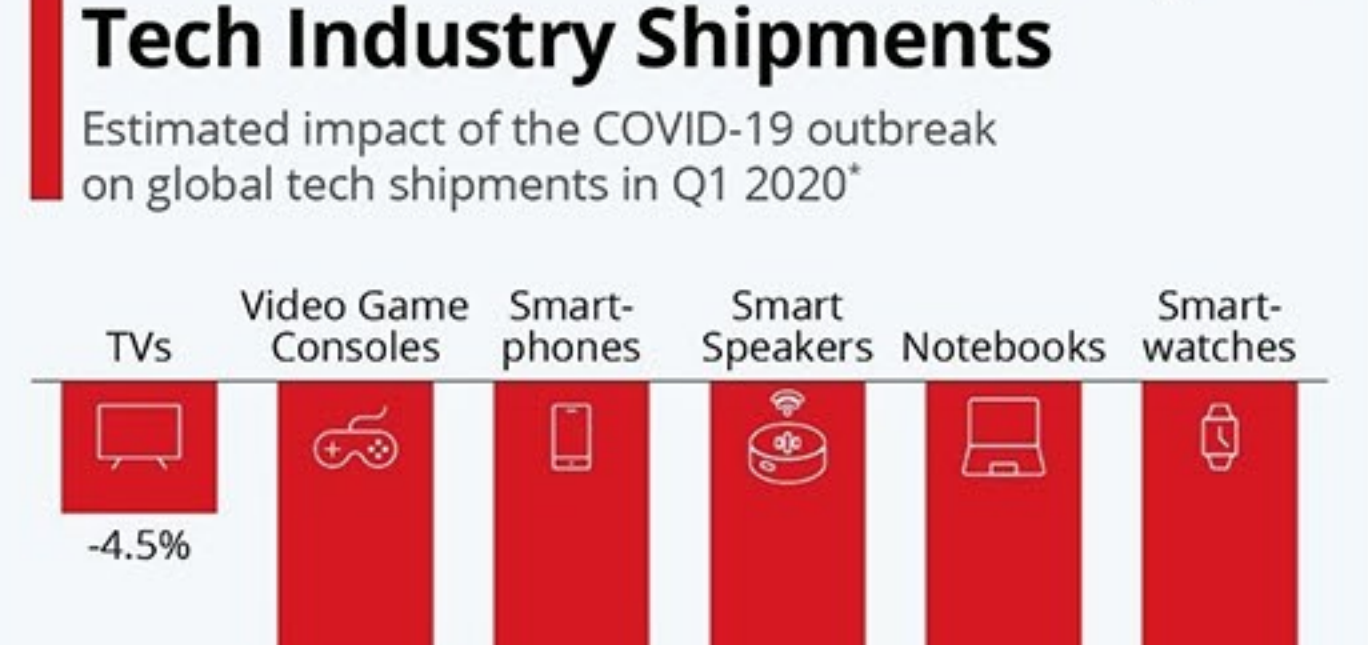
Short Term: While people are shopping online more as they stop going out, logistics disruptions are affecting deliveries
Long Term: The need to quarantine and new online jobs will increase the reach of e-commerce to new consumers in future

- **Industrial companies in general**

Short Term: Increase of Inventories and financial distress
Each business will respond in a different way according to the country, industry, products, value chain and financial situation. Using advanced predictive and probabilistic analysis, we can support entrepreneurs and executives with impact assessment as well as in strategic and financial planning to face the crisis.

Coronavirus Expected to Impact Tech Industry Shipments

Estimated impact of the COVID-19 outbreak on global tech shipments in Q1 2020*



*Smartphone forecast refers to production volume instead of shipments Source: TrendForce

(Figure - 1.f)

Start now to measure the impact of Coronavirus on your company and plan a strategy to face the crisis.

2. Time for planning: Restructuring & Financial Plan

We are helping managers assess the impact of Coronavirus on their businesses, prepare a mitigation plan and fast exit. We analyse how the Coronavirus multi-dimensional crisis may specifically affect each company, in order to have restructuring plan and prepare the company to face both short and long term challenges. Our approach is divided into three phases:

2.1 Short Term Impact Diagnosis

- Market and Supply Chain Analysis & Management
- Governmental & Political Measures to mitigate the impact
- Impact on sales, distribution, and profitability
- Impact on cash flows
- Analysis for different scenarios using advanced predictive analytics (see sample figure - 2.b)

After a diagnosis of the situation, we will support you in the elaboration of a restructuring plan aimed at improving both performance and profitability.

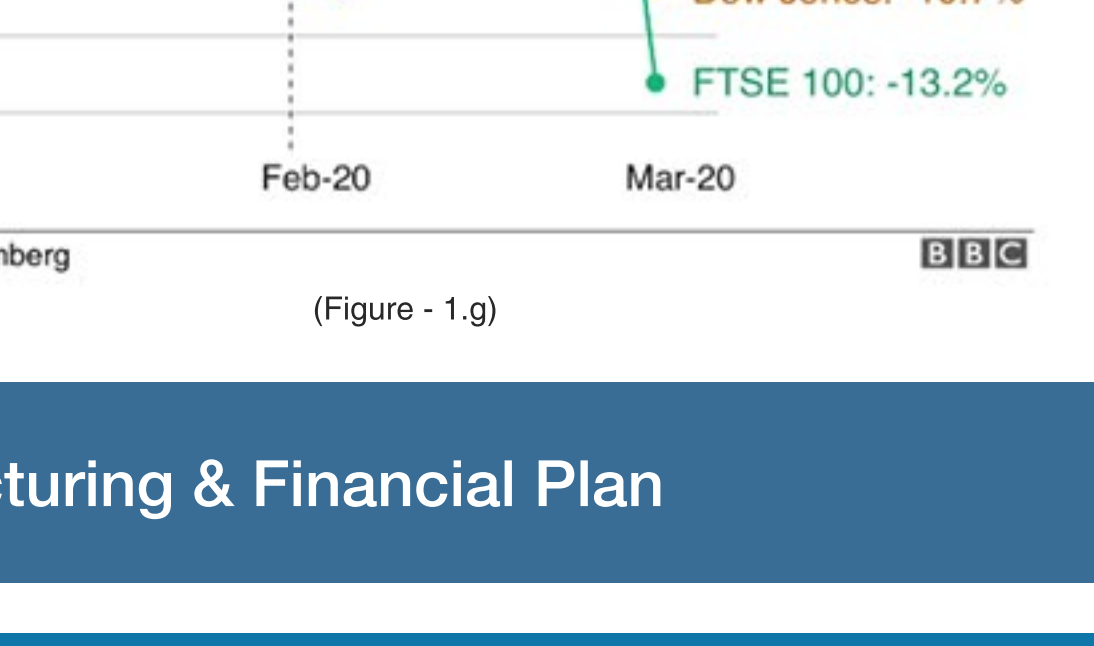
We have experts for most industry sectors and a multidisciplinary team able to support you during the planification and implementation of a restructuring plan aimed not only at exiting financial distress but also at creating value.

2.2 Restructuring plan (Plan to face short term distress)

- Supply chain management
- Cash flow advisory
- Financial planning
- M&A advisory
- Risk management
- Legal advisory
- Fundraising support

COVID-19 Death Rate Varies

Confirmed coronavirus deaths per one million population



As of 10:00am CET on March 19, 2020. Based on 2018 population figures. Source: Johns Hopkins University, World Bank

(Figure - 2.a)

2.3 Strategic plan (Plan to face long term changes)

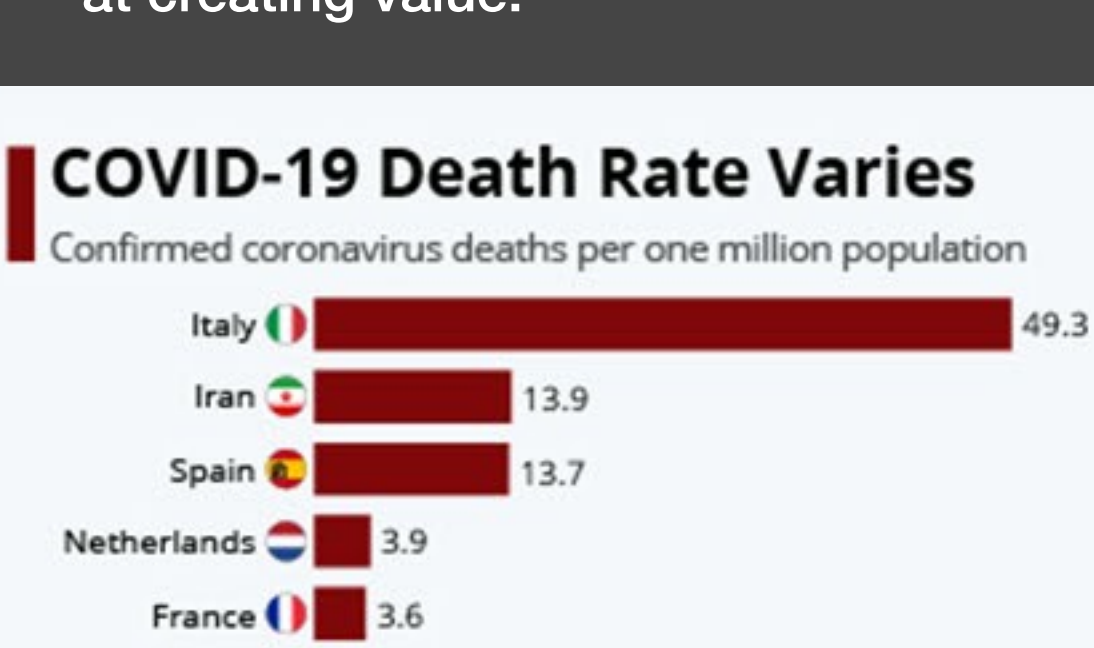
- Strategy check up, business model review, and planning
- Marketing, products review, and innovation plan
- Marketing and supply chain model review and planning
- Financial opportunities / Financial structure optimization
- M&A opportunities
- Value Creation Plan

3. The impact of coronavirus on public valuation and on SaaS companies

Market volatility and uncertainty generated by the Coronavirus outbreak has caused a significant sell-off of public equities in a flight to cash. In a study conducted by SEG capital advisors, two interesting phenomenon can be observed

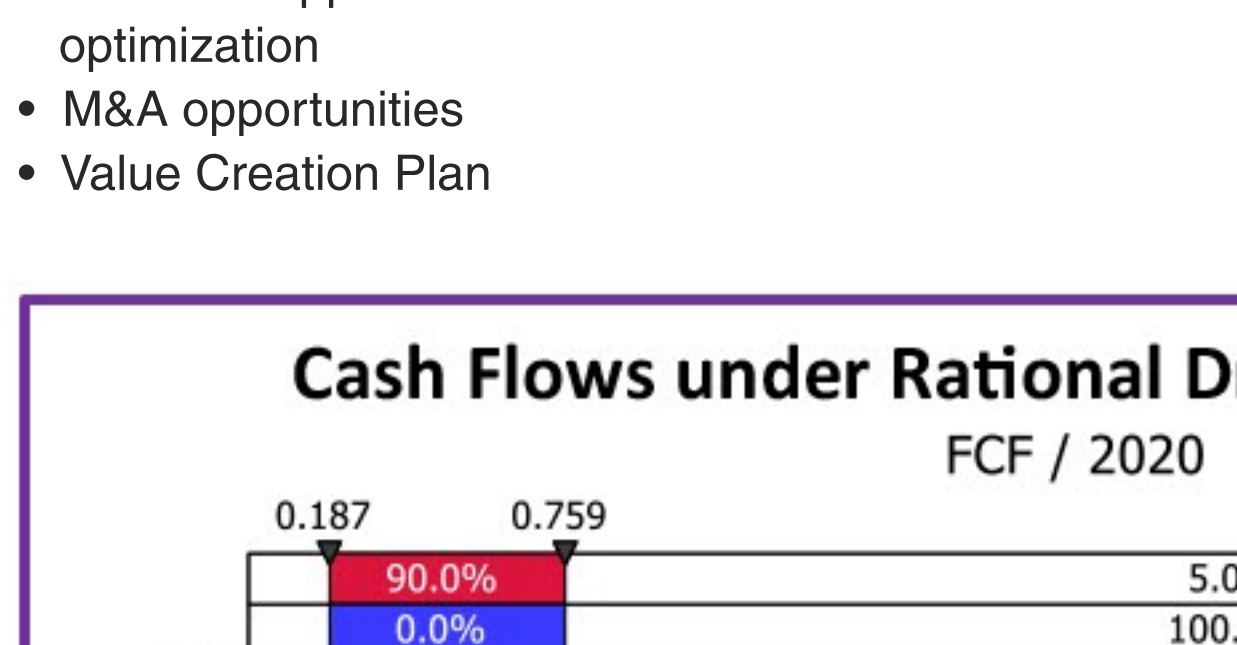
- NASDAQ and SaaS Indices have outperformed S&P 500 and Dow Jones through the sell-off
- The stocks of largest SaaS companies have been more resilient than their smaller counterparts
- Only nine of the 100 companies in the SEG SaaS Index have posted positive YTD returns, a majority of these are within the Communications & Collaboration segment and have benefited from mandated "work from home." Zoom is leading this trend and is up over 90% YTD. Investors are expecting a long term increase in home based jobs.

Median EV / Revenues



(Figure - 3.a)

Cash Flows under Rational Driven Probabilistic Analysis



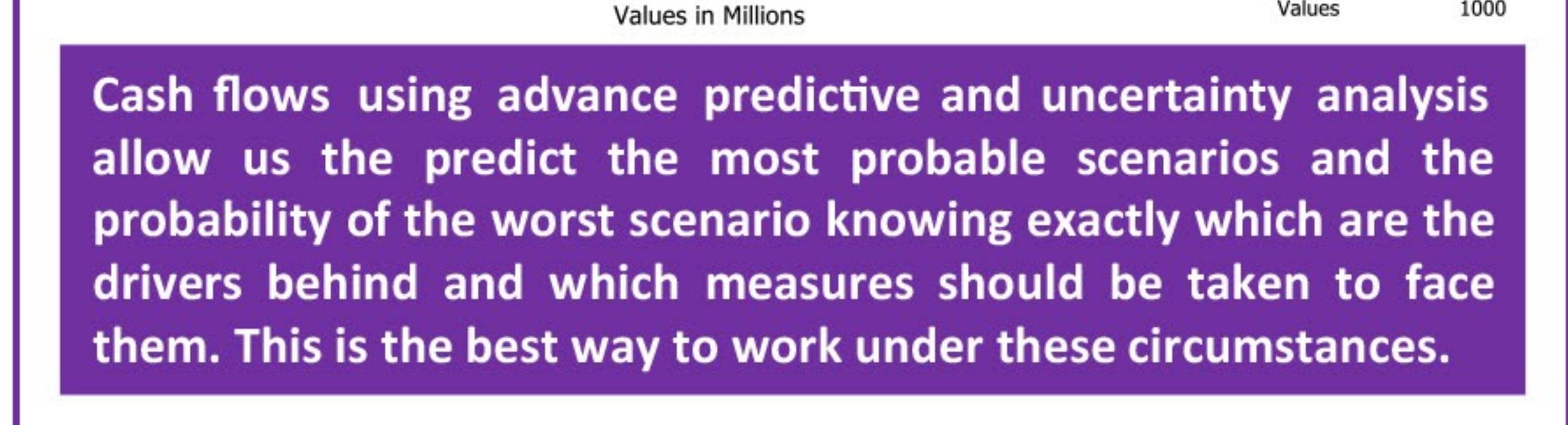
Cash flows using advance predictive and uncertainty analysis allow us to predict the most probable scenarios and the probability of the worst scenario knowing exactly which are the drivers behind and which measures should be taken to face them. This is the best way to work under these circumstances.

(Figure - 2.b)



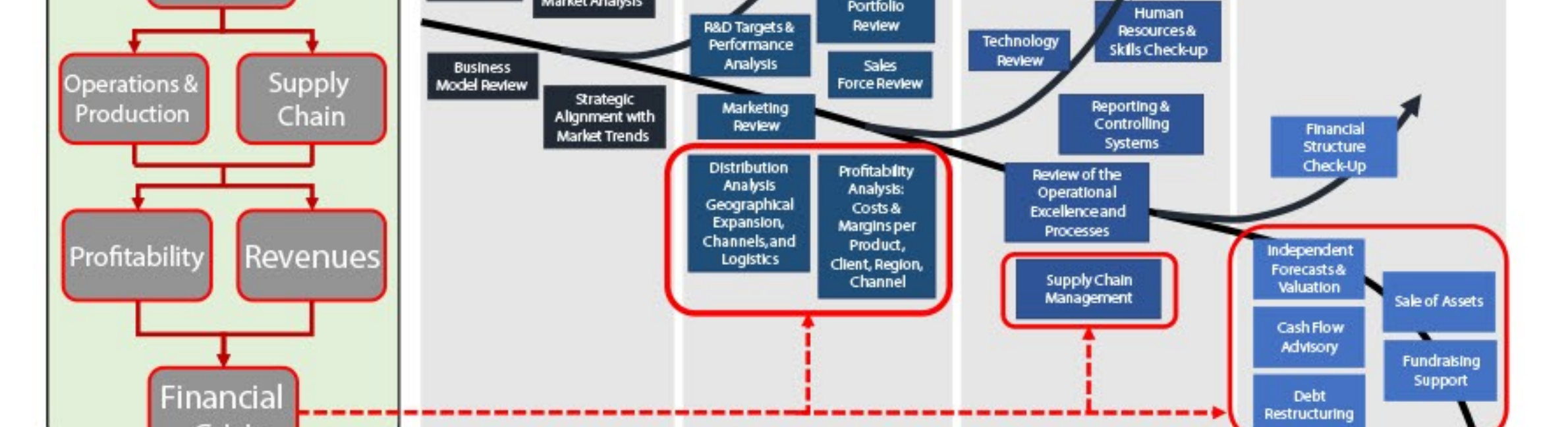
(Figure - 2.c)

Percentage Change YTD



(1): Data update as of March 20, 2020 (Figure - 3.b)

Percentage Change YTD



(1): Small, Mid, Large, and Mega Companies from the SEG SaaS Index are those with TTM Revenue between \$0M - \$250M, \$250M - \$500M, \$500M - \$1B, respectively. Data update as of March 20, 2020 (Figure - 3.c)

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