Bootcamp

Cash is king, effective financing for your business in crisis times

14/10/2022

Agenda

1. Finance in crisis times: from short term liquidity survival to medium-term sustainability

2. Buy now, pay later, self-paying investments

3. Monetize your existing assets

4. Next Steps

01

Finance in crisis times: from short term liquidity survival to medium-term sustainability

Challenging economic conditions

Which challenges do you see ?

Which Challenges do you see ?

Challenging economic conditions

- inflation: materials and salaries
- increasing interest rates
- decreasing margins and net results
- disrupted supply chains
- energy prices and scarcity
- deteriorated ratio’s
- risk of defaults
- climate/CO2/sustainability reporting
- war for talent

What are the consequences?

Consequences

What are the consequences ?

- -cost reductions
- -rebuild liquidities
- -protect credit lines
- -find new sources of financing
- -save energy
- -investments for climate transition/decarbonize
- -attract new employees

Finance in crisis times: from short term liquidity survival to medium-term sustainability

<u>Companies should keep Equity for</u> :

your buffer to manage uncertainty, volatility

It has a high cost and ensure your long-term continuity: your last-recourse risk mitigator

Don’t use your Equity to buy (non-core) assets

”because my cash does not return anything on my bank account” is not a valid reason

Finance in crisis times: from short term liquidity survival to medium-term sustainability

Companies should keep their bank lines for :

other purposes than fixed assets (working capital, intangible, acquisitions,…)

=>Use Asset-based Financing for specific assets

=>Diversify your financing sources

=>Look for and use Financing sources before your accounts 2022 are available (they might look bad !)

02

Buy now pay later
Self-paying investments

IT Investments:

- More home and collaboration tools including meeting rooms /digitalisation/work smarter
- New ways of working : workstations & devices
- Investments to be made
- Probably not budgetted
- There are solutions
- War for talent: cafetaria plans

Non-IT Investments

- Structured Finance – core and strategic assets

Examples:

- Hotel Le Louise: hotel furniture and kitchen = 3,5 M
- Selecta : coffee machines = 4 M
- Radisson : digitalized bedlinnen and infrastructure = 5 M
- -Goodyear : industrial equipment = 8 M

Benefits of lease (financially)

- alternative source of financing, protects your liquidity
- financing of the investment value, in principe no need of down-payment/equity
- possibly first quarter at lower rent to help customer’s liquidity
- rents possibly cover less than the cost price (RV)
- possibly off-balance sheet

  Will improve ratios

  Will help getting credit lines for other purposes

  Problems with bank covenants: off-balance will help respecting them

New Business Line Green and Energy

Vincent Guillemot started 1/10:

- 5 years experience, engineering profile
  -succesful business model in France

2 ways of working:

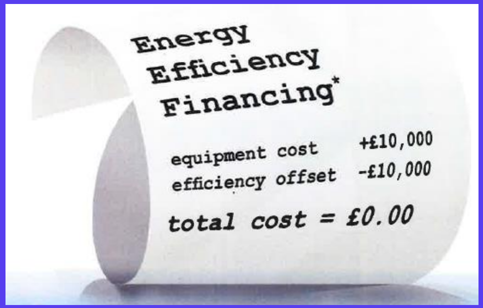
*pure financing: match lease payments and energy savings

*integration and added-value: audit + conceive + deploy + fund + monitor

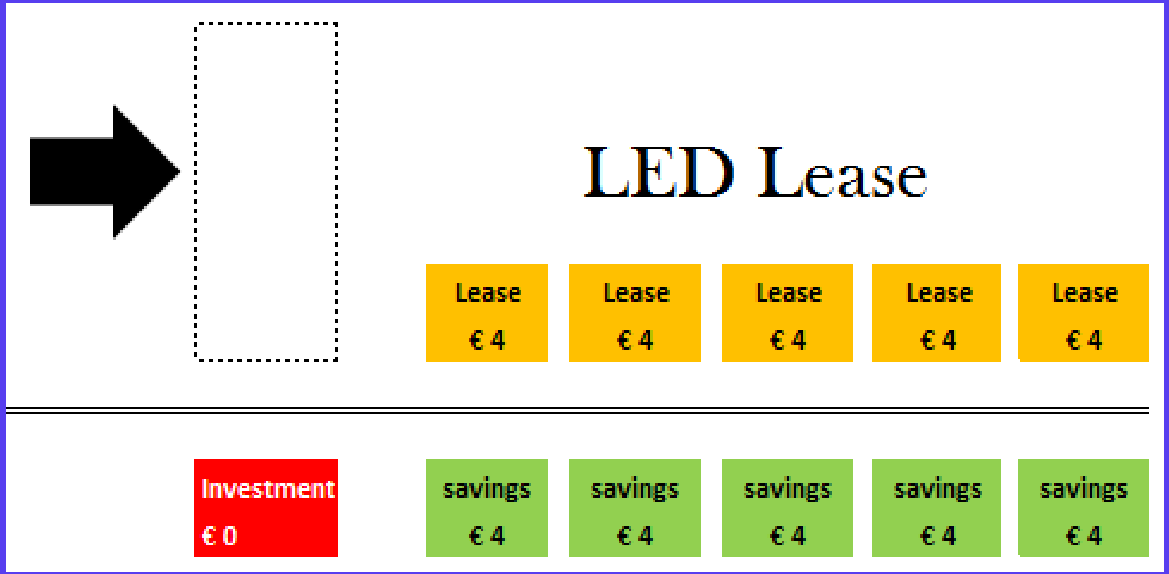
assets: led, airco, heating, cooling, solar, charging points…

help customers achieve sustainability objectives

Self-paying investments
Why finance led – smart lighting?



Spread payments to align with expected return



MARKETING SUPPORT

CASH IS KING

https://www.econocom.be/nl/cash-king

Video – cash is king (from 2020-covid related !)

https://www.youtube.com/watch?v=UNRkyMO3eK0

MARKETING SUPPORT (webpage)

CASH IS KING

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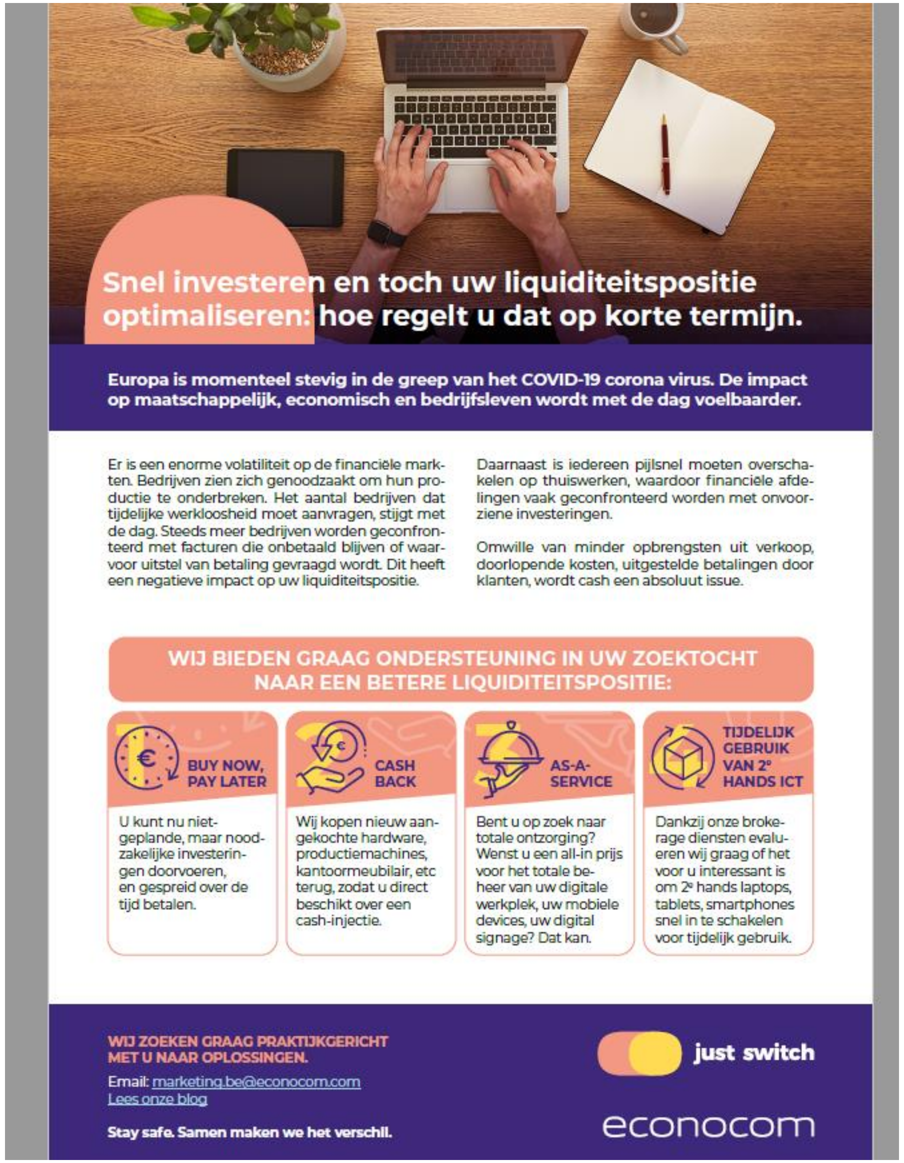
CASH IS KING



Snel investeren en toch uw liquiditeitspositie optimaliseren: hoe regelt u dat op korte termijn.

Europa is momenteel stevig in de greep van het COVID-19 corona virus. De impact op maatschappelijk, economisch en bedrijfsleven wordt met de dag voelbaarder.

Er is een enorme volatiliteit op de financiële markten. Bedrijven zien zich genoodzaakt om hun productie te onderbreken. Het aantal bedrijven dat tijdelijke werkloosheid moet aanvragen, stijgt met de dag. Steeds meer bedrijven worden geconfronteerd met facturen die onbetaald blijven of waarvoor uitstel van betaling gevraagd wordt. Dit heeft een negatieve impact op uw liquiditeitspositie.

Daarnaast is iedereen pijlsnel moeten overschakelen op thuiswerken, waardoor financiële afdelingen vaak geconfronteerd worden met onvoorziene investeringen.

Omwille van minder opbrengsten uit verkoop, doorlopende kosten, uitgestelde betalingen door klanten, wordt cash een absoluut issue.

WIJ BIEDEN GRAAG ONDERSTEUNING IN UW ZOEKTOCHT NAAR EEN BETERE LIQUIDITEITSPOSITIE:

BUY NOW, PAY LATER
U kunt nu niet-geplande, maar noodzakelijke investeringen doorvoeren, en gespreid over de tijd betalen.

CASH BACK
Wij kopen nieuw aangekochte hardware, productiemachines, kantoormeubilair, etc terug, zodat u direct beschikt over een cash-injectie.

AS-A-SERVICE
Bent u op zoek naar totale ontzorging? Wenst u een all-in prijs voor het totale beheer van uw digitale werkplek, uw mobiele devices, uw digital signage? Dat kan.

TIJDELIJK GEBRUIK VAN 2e HANDS ICT
Dankzij onze brokerage diensten evalueren wij graag of het voor u interessant is om 2e hands laptops, tablets, smartphones snel in te schakelen voor tijdelijk gebruik.

WIJ ZOEKEN GRAAG PRAKTIJKGERICHT MET U NAAR OPLOSSINGEN.

Email: marketing.be@econocom.com
Lees onze blog

Stay safe. Samen maken we het verschil.

just switch

econocom

Investir rapidement tout en optimisant vos liquidités : comment procéder à court terme.

L'Europe fait face en ce moment au coronavirus. Son impact sur notre vie sociale et économique est de plus en plus tangible chaque jour.

Les marchés financiers sont extrêmement volatils. Les entreprises sont obligées d'interrompre leur production. Le nombre d'entreprises qui doivent faire une demande de chômage temporaire augmente de jour en jour. De plus en plus d'entreprises sont confrontées à des factures qui restent impayées ou pour lesquelles un paiement différé est demandé. Cela a un impact négatif sur vos liquidités.

En outre, nous devons tous passer au télétravail, ce qui génère pour votre entreprise des investissements imprévus. En raison de la baisse des recettes des ventes, des coûts permanents, des paiements différés par les clients, l'absence de liquidités devient un gros problème.

NOUS VOUS APPORTONS VOLONTIERS NOTRE SUPPORT DANS VOTRE QUÊTE DE LIQUIDITÉS:

BUY NOW, PAY LATER
Effectuez aujourd'hui des investissements non planifiés mais nécessaires et échelonnez les paiements.

CASH BACK
Nous rachetons vos actifs (ICT, actifs numériques, mobilier de bureau, machines de production, équipements d'entrepôt) afin d'améliorer votre trésorerie à court terme.

AS-A-SERVICE
Complètement vous décharger ? Souhaitez-vous un forfait all-in pour la gestion complète de votre espace de travail digital, devices mobiles, affichage dynamique? C'est possible!

UTILISATION TEMPORAIRE DE MATÉRIEL ICT DE SECONDE MAIN
Grâce à nos services de brokerage, nous évaluons s'il est intéressant pour vous de mettre rapidement en service des ordinateurs portables, tablettes et smartphones d'occasion en usage temporaire.

NOUS SERONS HEUREUX DE TROUVER AVEC VOUS DES SOLUTIONS PRAGMATIQUES.

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Stay safe. Faisons la différence ensemble.

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MARKETING SUPPORT

CASH IS KING

Social media posts – Suggested texts

1/
Protecting your cashflow or raising cash is more important than ever. Econocom has put some measures in place to support your digital projects, while preserving your cash position.
Want to know more ?

2/
In these challenging times, you need to protect your #cash reserves. With our “Buy now, pay later” solutions, you can order and use equipment now. More info: …

3/
Looking to deploy remove tech while preserving your cash reserves? Check out our solutions.

4/
Investing in innovation in this challenging time? We can help you get your much needed IT, technical, digital assets now, with deferred payment options. Or we can put cash back into your business. See how we can help? Contact us: …

03

Monetize your existing investments

Do you own assets bought in “good times” ?

They can be a source of new Financing

Taking them off balance-sheet can help ratios, covenants, etc.

Case 1 : Sale and lease-back of IT

- complete fleet of IT assets
- take-over at Net Book Value
- lease for a new period
- opportunity for TRO
- taking them off balance-sheet can help ratios, covenants, etc
- end of life management, responsible and traceable second-life or disposal

Case 2 : Sale and lease-back of Non-IT

- Industrial machine
  -Fully depreciated or Net Book Value
  -Still with market value
  -External independant valuation if higher than NBV
  -Sale by customer to lessor at a % of this valuation and leased back on f.i. 36 months
  -Taking them off balance-sheet can help ratios, covenants, etc.

MARKETING SUPPORT

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https://www.econocom.be/nl/financing/sale-lease-back

https://www.econocom.be/fr/financement/sale-lease-back

04

Next Steps

Next steps

examples of 5 questions to ask to clients CFO’s

- what are your current main (business & financial) challenges ? In terms of cash and credit ?
- how to make sure your bankers will renew their credit lines after the publication of your 2022 financials (P/L,B/S) ?
- what is your plan to improve your cash position before year-end ?
- do you want to free up cash from existing assets ?
- what is your company doing to reduce CO_2 ?
- Have you thought about off-balance financing of your digital assets ?

Next steps

Challenges create opportunities

- Q4 Objective of 1 M additional not yet identified margin
- Think Big ! Revenue and margin
- Qualify for International Sales contest
- Generate new meetings – helped by call-out action for Lease and for Education
- New brochure-White paper to be launched within max 4 weeks
- Speak about Leaseback (with Hilde we will also pubish on LinkedIn/ via mail - update or give us target list)
- Ask CO2 targets of your customers + presentations Green and Energy

Questions