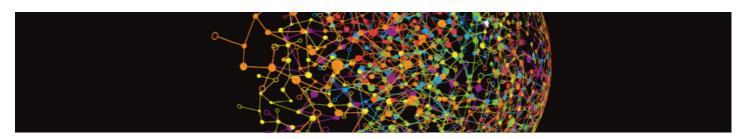
Deloitte.



COVID-19 impact and business stabilisation

CRO support | Leadership and management in disruptive times

Public policy measures put in place to contain the spread of Covid-19 are resulting in significant operational disruption for many companies. Staff under quarantine, failing supply chain, orphaned/unavailable inventories, and sudden reductions in demand from customers are creating serious issues for companies across a far wider range of sectors than initially anticipated.

These days a number of companies face weeks, if not months, of exceptionally poor trading conditions. For many, the difficulties deriving from the exceptional circumstances directly translate into challenges at different levels of the organization.

Companies now need to assess the scale and magnitude of COVID-19 on short-term objectives while keeping an eye on long-term performance. As the companies understand the impacts on their businesses, timely measures need to be identified and quickly implemented while managing stakeholders and planning for the future.

Reasons why companies may need interim management or a CRO (Chief Restructuring Officer)



High Level Executive role

 The external Chief Restructuring Officer supports senior teams to help the Company's Management in crisis / distressed situations



Stakeholder management

- Working with Management, the board and external stakeholders to help navigate the Company through the Restructuring
- Establishing a robust process to improve the Company and the deadlines for its achievement



Stabilisation and Restructuring

- · Immediate identification of short-term cash saving actions
- Responsible for short-term measures to stop the bleeding
- Execution of planned measures, creating a stable financial and operational platform for stakeholders
- Design and execute the Restructuring Plan and validation with stakeholders



Contingency Plan

 Determination of alternatives for immediate execution of the Restructuring Plan (market, unforeseen situations, etc.)

Approach

Stakeholder management/leadership

- The leader of a company restructuring, acts as the conduit and focal point for all stakeholders and advisors
- Evaluates the debt and capital restructuring options and support negotiations

Income protection

- Definition of measures for improvement
- Product repositioning and/or "Pricing"
- Commercial and/or market strategy

Cash flow improvement

- Cash flow monitoring of the Business Plan
- Implementation of cash-preservation
- Contingency planning

Balance sheet structure improvement

- Asset review and divestment identification
- Balance sheet rightsizing
- Financial ratio improvements and covenant compliance

Expense/investment rationalisation

- Definition of the right expense KPIs
- Refinement of the Investment Plan that executes alongside the Business Plan
- Optimization of fiscal costs

Corporate simplification

- Review of the corporate structure
- Design of simplified corporate structure
- Implement the inter-company model / transfer prices

Divestments/mergers/settlement plan

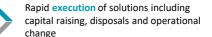
- Planning divestments of non-strategic assets
- Preparation of Sales Notebooks
- Execution of liquidation, sale or merger plans for investments that destroy value

Results











Even companies that are confident about future performance need to assess the impacts of COVID-19 on their short-term performance and should seek independent subject matters experts' advise to be prepared and timely act.

Your local contacts

UAE

David Stark
Partner
+971 50 658 4057
dastark@deloitte.com

Sam Surrey
Partner
+971 50 657 8665

Neil Hargreaves

+971 50 650 6214 nehargreaves@deloitte.com Rana Shashaa

Partner +971 56 661 3444 rshashaa@deloitte.com

KSA

Azhar Hussain Partner +966 56 234 5755 azhussain@deloitte.com Karim Labban Director +966 53 121 6730

Oatar

Laky Chhina
Partner
+974 6608 5166
lchhina@deloitte.com
Joseph Gordon
Director

+974 6680 2103

Oman and Bahrain

Milhan Baig Director +973 32254051 +968 9436 3943

milbaig@deloitte.com

Kuwait

Mohammad Araj Director +966 53 182 0020 +965 9932 2545 moaraj@deloitte.com

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication.

Deloitte Professional Services (DIFC) Limited (DPSL) would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. DPSL accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.