

Financial Quick Scan

A year after the global outbreak of the coronavirus, the business landscape in general still looks relatively stable, driven by firm government support from the start. As these measures will eventually come to an end, companies will need to anticipate on what is next to come.

As government support has been present in the Netherlands and other countries globally, companies in most industries managed to keep their businesses in the air and preserve employment. However, as societies are planning to open up again during the second half of 2021 on the back of the vaccine roll-out, the 'governmental support dust' will at some point settle, leaving companies in the new reality. Albeit uncertain, it is expected that the number of defaulting companies will increase in this period.

Companies will need to prepare themselves for multiple financial scenarios

and the impact thereof on their financial position. Although lenders have proven to be cooperative since the outbreak, not complying with financial covenants puts borrowers in a weak position, as this in general allows lenders to declare a default under the loan documentation and demand early repayment. This can lead to potential draw stops, so that borrowers will not have access to their liquidity facilities. It is therefore recommended that borrowers proactively analyse existing loan documentation, projected financial results, (access to) liquidity and compliance with covenants.

OAKLINS OFFERS COMPANIES A FINANCIAL QUICK SCAN

We offer you a quick scan with conclusions and recommendations regarding your financial performance versus the financing in place. This scan will help you enter in constructive discussions with your current lender(s), establish revised arrangements, request (temporary) extension of credit facilities, sell non-core assets, find alternative lenders and investors (new equity)

and/or restructure your balance sheet. As seasoned and committed professionals, we have extensive experience with such processes. Potential next steps in the process and further support include:

- × Composing a financial information package, including scenario analysis
- × Communicating with lenders and other stakeholders
- × Negotiating with lenders on current and future finance arrangements
- × Securing financing with current lenders and alternative funding sources

Oaklins' trusted senior advisors are entrepreneurs and have the skills and experience to deliver excellence for every client, from large nationally and internationally-listed companies to mid-sized private businesses. Our clients find that the faith they put in us is well placed, and that our results keep them on top. If you are interested in learning more, please get in touch with our dedicated specialists.

TALK TO OUR SPECIALISTS



 **BAS STOETZER**
Partner Debt Advisory
Amsterdam, Netherlands
T: +31 6 1286 6066



 **ADSE DE KOCK**
Partner M&A Advisory
Amsterdam, Netherlands
T: +31 6 4613 7627



 **GERBRAND TER BRUGGE**
Partner Equity & ECM Advisory
Amsterdam, Netherlands
T: +31 6 2937 9507

“Extensive financial government support has protected businesses from an acute imminent crisis. With times remaining uncertain, companies should anticipate for what is next to come.”

BAS STOETZER
PARTNER DEBT ADVISORY, OAKLINS