

EI: post COVID-19 checklist



Alternative topics during exceptional times

Message from the chairman

In light of the extraordinary circumstances arisen from the global outbreak of COVID-19, many governments have taken actions to drastically restrict the free movements of people while also prohibiting the holding of public gatherings. As fully acknowledged to be a crucial measure in combatting this outbreak, we urge all companies to do their utmost best to comply with these necessary measures.

While the virus' frontline fight is now fought by health care professionals, for which we can be truly grateful and proud, there is also the uncertainty in financial markets, that has led to market volatility with sizes of unseen proportions. We explicitly state that this market reaction is of less importance than the general health of the public. At the same time we also see the importance of maintaining a strong economic base, that can absorb this shock.

As such, it is even during this difficult time, that European Investors is preparing for the 2020 AGM season. The current situation asks for an alternative set of topics to be addressed and questions to be answered. We decided to disclose the main topics that we will address during the upcoming AGMs.

COMPANY SURVIVAL CHANCES

- Assessment of duration and depth of decline.
- Which stress tests have been developed/deployed?
- Is liquidity shortage a concern? How soon?
- Continuity analysis: how soon will the company recover?
- Impact on working capital, inventories, accounts receivable?
- Impact on operational cash flow
- How long will the company survive in a full "lock-down" scenario?
- Are capital expenditures being delayed?
- Impact on long term targets

COMPANY AID

- Company access to government support programs?
- Opportunities to relieve the burden of clients/suppliers?

NEAR FUTURE

- How is health and safety of employees secured?
- Dependency on supplies from infected regions?
- Which knobs and buttons are at your disposal. E.g. working capital management?
- Possibility of decreasing fixed and/or variable cost?