

A cash flow projection that stands up to the stress test

April 2020

COVID-19 is requiring all businesses to rigorously employ stress tests and scenario analyses to assess the impact of major stress events on the company's liquidity situation. You may find – during these times – that ordinary planning tools may not be suitable to reasonably assess downside risks.

An emergency response plan that puts your short-term liquidity forecast tools to the stress test



A dynamic and detailed short-term liquidity forecasting tool. In extraordinary situations decision makers and management may lose trust in their companies' ordinary forecasting tools. With the right robust and reliable tool, you can put your company's financials through stress tests and scenarios to make informed decisions.



Leverage robust and accurate short-term liquidity forecasts to anticipate or avert the possibility of upcoming liquidity shortages, gain insight into additional liquidity improvement measures and meet the COVID-19 Credit Plus application requirements.

Benefit from a dynamic, reliable and detailed liquidity foresight tool and gain:

- ✓ **Confidence** in your short-term liquidity forecasts
- ✓ **Certainty** in the effectiveness of your liquidity improvement measures, and a view into your existing tools' improvement potential
- ✓ **Expert opinions** to help you identify possible short-term liquidity risks, as well as additional liquidity improvement measures
- ✓ **Clear insights** afforded by important simulation scenarios
- ✓ **Peace of mind** that you've stress-tested your short-term liquidity forecasts and submitted a reliable cash flow projection for the COVID-19 Credit Plus application
- ✓ **Robust** cash flow forecast for the COVID-19 credit plus application

How can we help?



Evaluate your cash flow projection and work with you to...

- **Conduct** a conceptual and mechanical assessment of your short-term cash flow projection tool
- **Assess** the projection for plausibility and accuracy
- **Challenge and check** the plausibility of key assumptions



Deploy the liquidity forecasting tool and work with you to...

- **Run** your data through a dynamic, reliable and detailed short-term liquidity forecast tool
- **Perform** scenario and sensitivity analysis, particularly in light of COVID-19
- **Stress test** the projections to assess the downside risks



Analyze results and work with you to...

- **Identify** potential liquidity shortages and short-term funding requirements under different scenarios
- **Assess** the impact of short-term liquidity improvement measures
- **Prepare** COVID-19 Credit Plus application documentation

At the core of your business continuity planning, you will want to carefully monitor and secure your company's liquidity. In light of this extraordinary situation, your business continuity plan will be your management team's go-to resource for clarity on how to tackle the challenges before you.

KPMG will work with you to help you through these times and help you stay true to your original plans for business continuity.

Find additional KPMG COVID-19 resources here

<https://home.kpmg/ch/en/home/insights/2020/03/coronavirus-business-continuity-plan.html>

<https://home.kpmg/ch/en/blogs/home/posts/2020/03/coronavirus-is-a-massive-challenge-for-companies.html>

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