

Treasurer's Mindset in Uncertain Times

Dory Malouf
Senior Principal Value Engineer
Kyriba

Today's Discussion

- ⑩ What's Going on Today?
- ⑩ Treasurer's Mindset Amid Crisis
- ⑩ The Right Solution During Crisis
- ⑩ Conclusion

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What's Going on
Today?

Where are we today with COVID-19

Science to the rescue:

- ⑩ Vaccine a shot of optimism
 - New virus variants risk: UK / South African / Brazilian
 - Unknown impact of further mutations
 - More vaccines enter the market

- ⑩ Geographical differences resulting in uncertainty
 - US races to herd immunity (70%+ of population vaccinated by fall)
 - Other markets unknown
 - EU
 - UK
 - Brazil
 - 35-55% of their populations by end of 2021 **THAT IS NOT HERD IMMUNITY**



Where are we today with COVID-19: Economic Outlook:

Phase 1: the rapid rebound April to ~September 2020

- Upbeat economic data
- Release of pent-up consumer demand provides some support to the retail sector
- Extraordinary level of monetary easing
- Record level of fiscal transfers to households

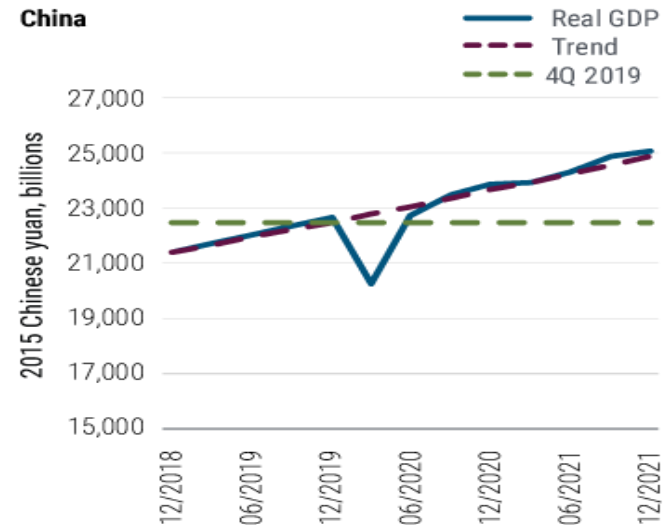
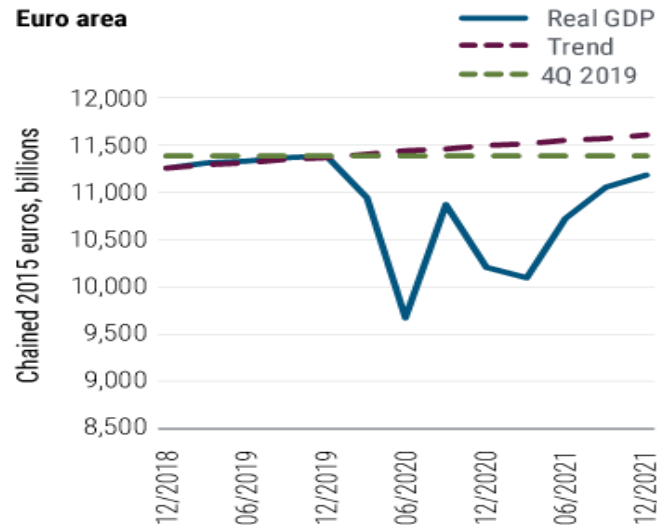
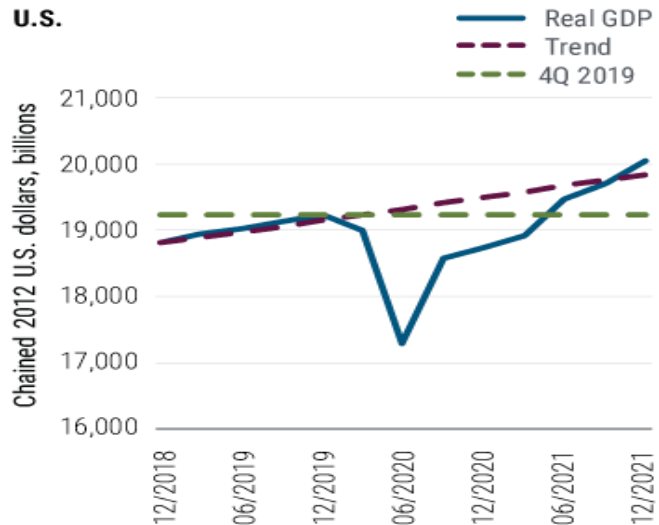
Phase 2: the stallout September 2020 to year-end 2021

- Economic uplift from income support moderates
- Reduced operating capacity (due to social distancing requirements) hurts business income
- Unemployment in certain segments of the economy remains stubbornly high
- Geopolitical risks come to the fore

Phase 3: the new normal From 2022

- Structural changes amplified by the COVID-19 outbreak are brought forward
- The shift toward deglobalization becomes increasingly observable
- Calls for austerity grow louder

Manulife Investment Management

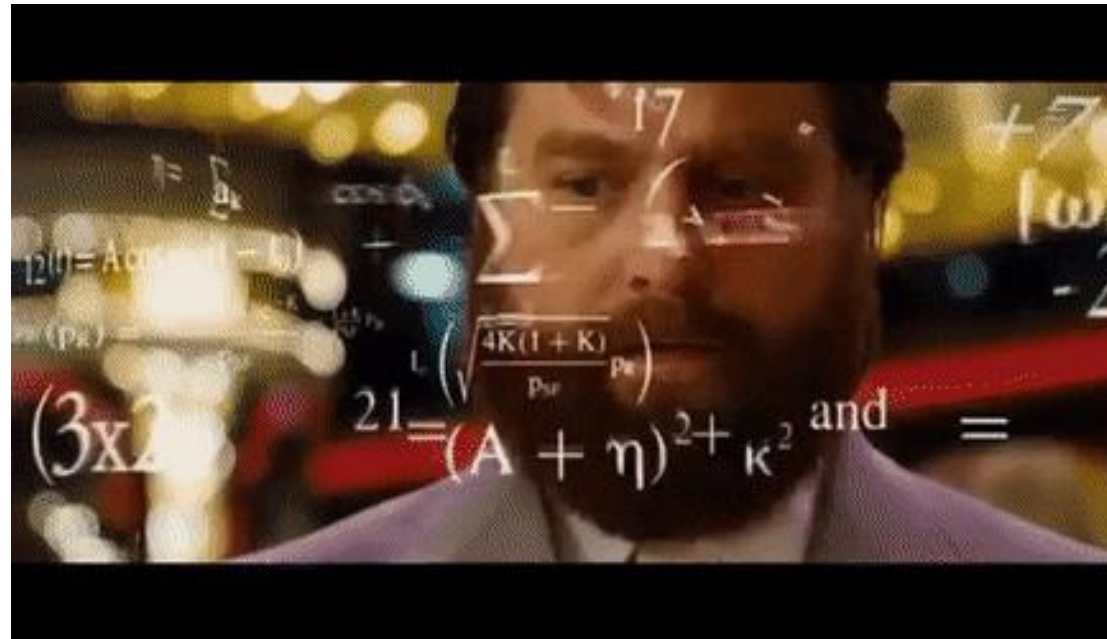


Global Macro Outlook | Q1 2021

Treasurer's Mindset Amid Crisis

WHAT THE?!?!?!?

What are Treasurers being tasked with in terms of additional deliverables during crisis?



How has the crisis changed cash & liquidity management?



How does crisis trigger in market volatility and what's the impact to the Treasurer?



How has crisis triggered the Treasurers focus on payment fraud?



How has crisis impacted the Treasurers views on Bank Relationships?



What Treasurer's Told us About Having The Right Solution in Place During Crisis

Qualcomm mentioned that they could not have survived COVID without a Treasury Management System. It ensured the same **accuracy of cash reporting**, and accounting when cash flows were uncertain. They used the solution to generate AR related cash activity to help finance in planning for cash receipts based on the economic changes. Treasury was able to use TMS to quickly **"shock" cash flows for simulations** requested by Senior Executives.

The Qualcomm logo is displayed in a large, blue, sans-serif font, centered on the page.

The Treasury Management System gave us **visibility into the balance sheet** that we've never had before. On that first day, with our first data pull, we found hundreds of millions of dollars in incorrect journal entries. We used to spend 200+ hours per month trying to reconcile our P&L, and we could never get comfortable.

We went over 2020 gain loss and were able to explain every item. Now we know exactly what we're hedging, we know exactly what's in the P&L. **Now we can do things in our hedging program that we could never do before.**

The Coca-Cola Company

The Treasury Management System has helped support the communication with treasury and the rest of the finance and accounting operations. They have experienced improvements in their direct cash flow forecasting process as Treasury is interchanging more accurate data with the Accounting, AP, and FP&A groups. During COVID-19, Tapestry drew on its credit line revolvers to have cash on hand. Through Kyriba, **cash flow forecast & variance reporting** critical for company-wide cash management.



COVID-19 impacted the hotel business and Wyndham saw an immediate 50% reduction in revenue. Through the implementation of the Treasury Management System, the business was able to **optimize liquidity** and reduce their overall cash on hand by \$2.5M. Kyriba is critical in **gaining accurate visibility into cash levels** on a daily basis and is also managing a large investment portfolio.



Conclusion

An Active Liquidity Network

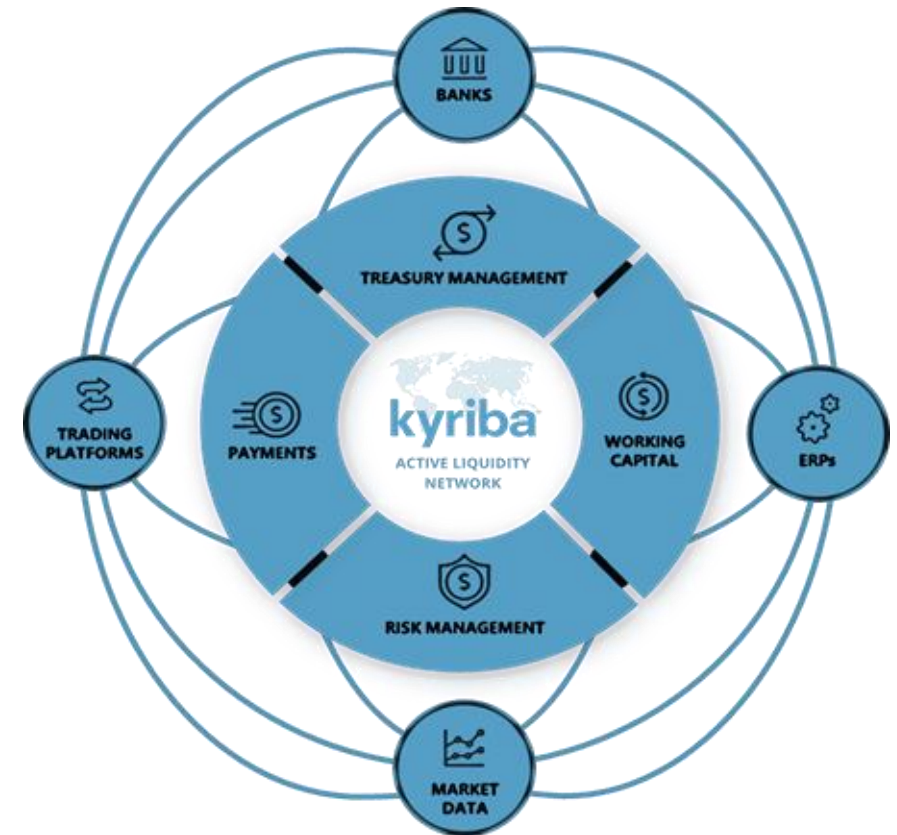
Key to Managing Through Crisis

The CFO and Treasurer's single source of truth into your company's entire liquidity ecosystem

Do you have to have all 4 connected networks to get the benefits?

- Doing separate or with multiple systems eliminates the one-stop-shop benefit

ALN value > Treasury + Risk + Payment + SCF



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Questions?