

JUNE 10 – 24
2020

Global Recovery Monitor

A Biweekly Survey of **COVID-19** Response and Economic Recovery

Period 11 Status Update

June 25, 2020

TreasuryCoalition.com



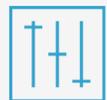
TREASURY
COALITION

LEVERAGE THIS REPORT

THROUGHOUT THE DISRUPTION & RECOVERY A FREQUENT SURVEY AND REPORT IS RELEASED AND SHARED

We have completed 11 periods of the Global Crisis Monitor (GCM) / Global Recovery Monitor (GRM) and see ongoing signs of recovery, less pessimism and more optimism over 14 weeks. Thank you to those who participate by taking the survey, reading the reports, and listening to the podcasts. This thanks comes from our growing list of Coalition partners who make this research possible.

This is brought to you by the Treasury Coalition (TC) and the treasury and finance professionals responding from around the world, making over 1,350 responses to the Monitor over its life. The bi-weekly cycle continues to allow everyone a healthier pace given the diminishing pessimism and growing optimism. Not all of the news is great, but some is certainly worth celebrating.



Treasury Vitals Measurements

You'll want to monitor the key 'vitals' (measurements) of attitudes, situation and responses of organizations, banks and government across multiple dimensions including: liquidity, employee care, customer status. As we move through successive time blocks, we'll be able to track positive and negative movements in both results and attitudes.



Relevant and Timely Advice

Instead of waiting until the end of the disruptive situation (health and economic impact in this case), we want to capture and share techniques and actions of others so that you may be able to benefit from a larger pool of experience.



Three Important Actions

We ask that you give 5 minutes every other week and get twice as much as you give:

1. **Take the new surveys** launched Wednesday mornings.
2. **Listen to the new podcasts** released Thursdays at noon (EDT).
3. **Read the new reports** released Fridays to the public (Thursdays to survey participants).



Help us take the pulse on the recovery from a treasury perspective by investing only 5 minutes every other week filling out a short survey.

Only 5 minutes every other week will help your organization and our profession. Arm yourself with the most current, necessary information for treasury and finance teams in near real-time.

Thank you for participating, and be productive.

Craig Jeffery

Managing Partner of Strategic Treasurer for the Treasury Coalition and the Treasury Profession



TAKE SURVEYS » *Wednesdays*



LISTEN TO PODCASTS » *Thursdays*



READ REPORTS » *Fridays*

GLOBAL RECOVERY MONITOR

IMMEDIATE AND ONGOING SURVEY OF THE IMPACT OF AND RESPONSE TO SIGNIFICANT GLOBALLY DISRUPTIVE EVENTS

Everyone loves dissecting an event after the fact: Seeing the start and then escalation of an event, watching awareness grow, seeing responses and reaching the inflection point. Then we note how the economy, company or global business environment recovers to a state of normalcy and then, perhaps, to accelerate out of the crisis or problem.

The finance profession generally and treasury specifically are a reasoning, pragmatic and unemotional bunch. They like to know facts, understand risks and communicate clearly. They are not distracted too easily by loud noises or major shifts. Nonetheless, from time to time there are events or disruptions that leave the profession wanting more information and seeing insights from a large number of their peers - and they want those insights and data quickly.

Hindsight is often closer to 20/20, but it arrives too late, like the response of 'watch your head' after you have bumped on the overhead bin. We think that it would be far more helpful to see what others are doing, learning and thinking more rapidly, to get closer to real-time when mid-course adjustments are in order, or simply to know that you are following what many leaders are doing for good reason.

The intent of this Treasury Coalition survey, the Global Recovery Monitor, is to provide rapid exploration and responsive reporting on major factors impacting the profession in collaboration with other leading treasury organizations. The coalition aspect is designed to find common points of concern, with multiple leading treasury organizations leveraging their networks to ensure the most rapid and comprehensive results for the good of the profession.

We believe that having information and insights sooner is better than later. As we gain insights over multiple events, we may as an industry gain better leading indicators that let us know when to expect the inflection point and a return to normalcy.

Our thanks to you, the reader and the respondent to these frequent mini-surveys, which allow us to monitor the situation together and respond in a more prepared manner. You help yourself, your company and the industry. We appreciate the teamwork.

Organizational survey response details remain strictly confidential and are not shared or used for any other purpose than the survey itself.

“Only two sailors, in my experience, never ran aground. One never left port and the other was an atrocious liar.”

- Don Bamford



TREASURY COALITION KEEPS EXPANDING

COLLABORATIVE EFFORT FOR THE BENEFIT OF THE TREASURY INDUSTRY
FROM LEADING TREASURY SOLUTION PROVIDERS

When a global challenge or crisis confronts us or our profession, we want to push back and join forces. The Treasury Coalition is a group of treasury organizations who want to assist the industry in understanding what is going on and how others are viewing the situation.

We want to help find ways of gathering data and sharing insights that aid our companies, our profession and the economic environment in rebounding effectively.

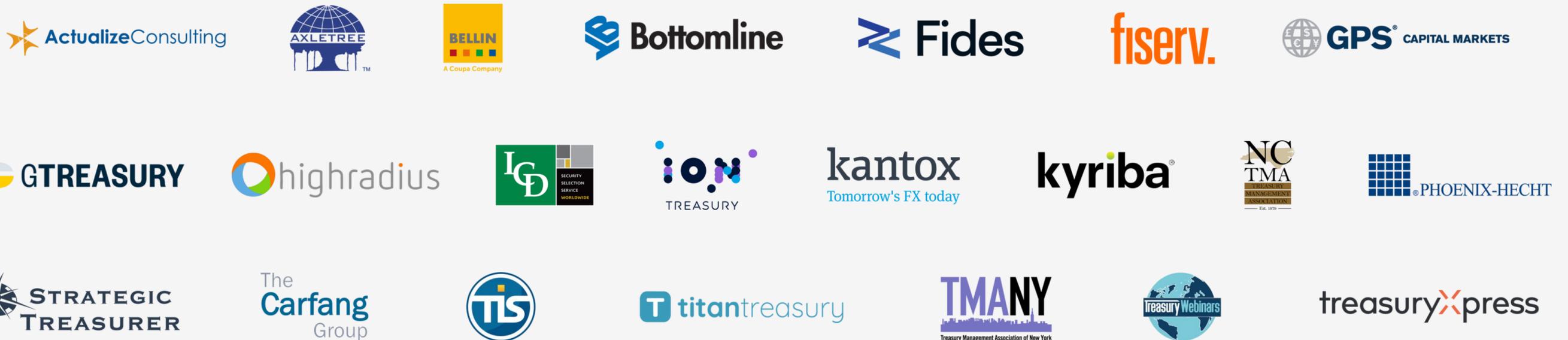
As the COVID-19 virus continued to spread and impact more countries with greater severity, Strategic Treasurer, a treasury consulting and research firm, decided to form the Treasury Coalition by inviting other treasury-focused organizations to join them.

Even in the midst of responding to rapidly changing events, two organizations joined within 24 hours of being invited. Others followed suit over the next few days. More have been added in subsequent weeks. If you are a solution provider and want to join forces, please let us know.

The intent is to share several things together, namely:

- Distribute the offer to take the survey broadly across all geographies by leveraging our client networks.
- Share the insights to the industry at large and to particular groups.

As always, we welcome your ideas.



HOW HAS COVID-19 IMPACTED TREASURY?

ONGOING POSITIVE AND NEGATIVE INDICATIONS CONTINUE

Company outlook on liquidity position and the four major sentiment factors continued their positive ways this period...again. Company liquidity outlook continues to strengthen on a period over period basis. Please sit down for this: Accounts Receivable concerns are no longer the most negative period over period liquidity concern. The 10-period unbeaten streak has been interrupted. The company specific financial return to normalcy showed significant deterioration (out to 11 months) while the 3-month and 12-month broader economic outlook's equilibrium moved in to just 4 months. Monitoring sentiment across multiple economic measurements shows continued cross-currents.



POSITIVE TREND: BACK TO WORK

Businesses restarting, getting back to work, and the speed of the economic recovery were the most frequently listed positive activity/data. Lower COVID rates and PPP took 2nd and 3rd place.



COMPANY LIQUIDITY: POSITIVE 7 PERIODS STRAIGHT

It is a period over period pattern of positivity. The numbers: level of positive (29.9%) outlook surpassed negative (18.5%) over the prior week.



HEALTH SERIOUSNESS AND FINANCIAL NORMALCY GROW TO 11 MONTHS

The timeframe where the 'median' respondent believes COVID-19 will stop being a *serious* health concern and when we reach financial normalcy grew until May 2021.



HEALTH, UNREST & ELECTIONS

A new forced ranking list of top concerns shows the following: 1) COVID health issues; 2) COVID response; 3) civil unrest (NAMER); and 4) elections.



1,350+ RESPONSES & COALITION EXPANSION

The growth of the Monitor audience continues globally and exceeds 1,350 responses across the globe. New Coalition partners are joining.



GDP CHANGES: QUARTER OVER QUARTER

Quarter over quarter GDP expectation changes are negative until Q1 2021 versus Q4 2020. This reflects notable deterioration over the prior Monitor.



FORCED RANK CONCERNS – TOP CHOICES

Access to adequate liquidity took the top spot with 2) direct financial impact and 3) recession in the regions where we operate rounding out the top 3 positions.



WOW! A/R CONCERNS...NOT IN LAST PLACE!

Fiscal Policy concerns ended Accounts Receivable's previously unbeaten streak as "most negative." AR is now only negative and its week over week ratio is 2.0X negative.

TOP CONCERNS

FORCE RANKING SEVEN AREAS

Most weeks we ask survey respondents to rank seven areas. Since we measure this over time, the gauges below show how the industry as a whole is adapting to changes on the ground and how that is

alleviating or increasing their concerns relative to the other categories. Survey questions are cycled in and out in order to keep the total questions of the Monitor low enough to be completed in 5 minutes.

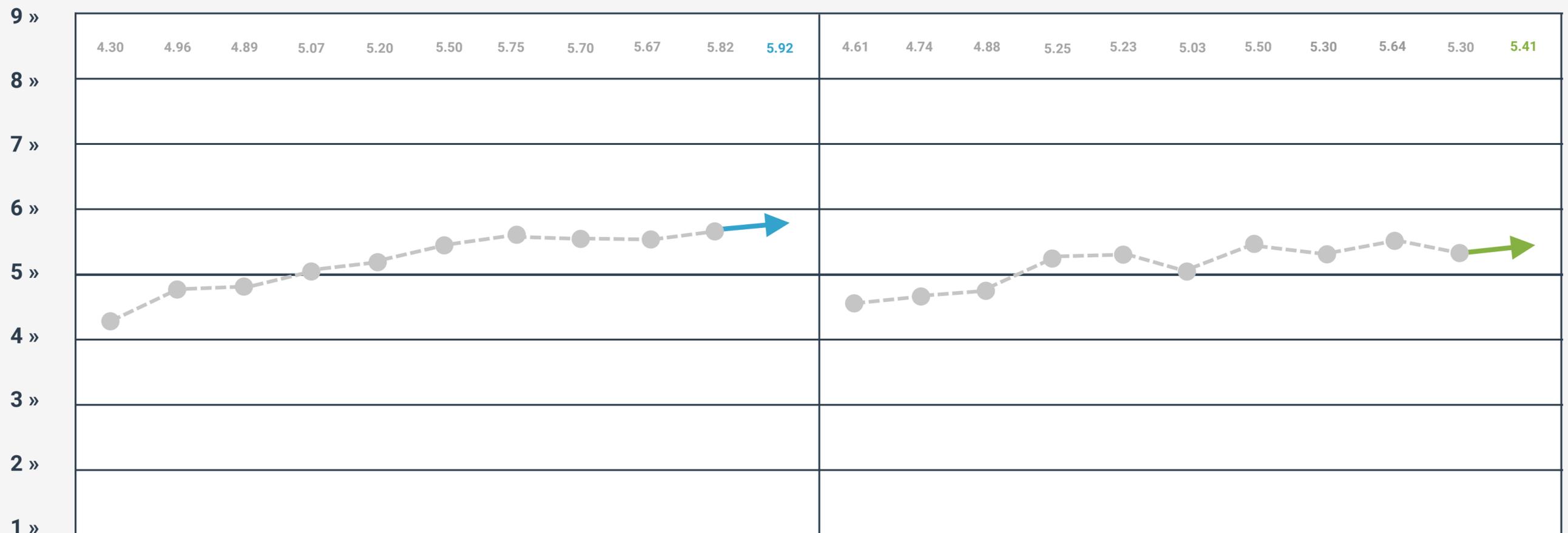
Areas of Inquiry	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Period 9	Period 10	Period 11	
Business Continuity Plan Completeness	1st	2nd (tie)	Not Asked	3rd	4th	4th	4th (tie)	5th	6th	6th	6th	
Staff Safety Protocols	3rd	4th		6th	6th	5th (tie)	6th	7th	2nd	4th	4th	
Staff Awareness of Plans	6th (tie)	5th		7th	7th	7th	7th	6th	7th	7th	7th	
Country Preparedness	6th (tie)	6th		5th	5th	5th (tie)	4th (tie)	4th	5th	5th	5th	
Direct Financial Impact to the Business	2nd	1st		1st (tie)	1st	1st	1st	1st	1st	1st	1st	2nd
Access to Adequate Liquidity	4th	2nd (tie)		1st (tie)	2nd	2nd	2nd	3rd	3rd (tie)	2nd	1st	
Recession in the Regions We Operate In	5th	7th		4th	3rd	3rd	3rd	2nd	3rd (tie)	3rd	3rd	

IMPACT SENTIMENT

ONGOING IMPROVEMENT FOR 8 PERIODS

Vital signs give us a quick indication of what is happening. This chart measures several vital signs in the form of changing perspectives. The perception of the impact to the company and community show eleven weeks (eight Monitor periods) of improving sentiment (>5.00) on the organization and community impact.

The line at 5 represents an unchanged view from the prior period. If the arrowhead is placed above the line, the perception has improved since the last period. Below the mid-point indicates a deterioration since the prior period. These scores are the average of all respondents on a 1-9 scale.



COMPANY/ORGANIZATION

Impact of COVID-19 on my company over the past week

COMMUNITY & FAMILY

Change in my level of concern over impact on my community & family

● - - - ● Previous periods' findings ● — ● Current period's finding

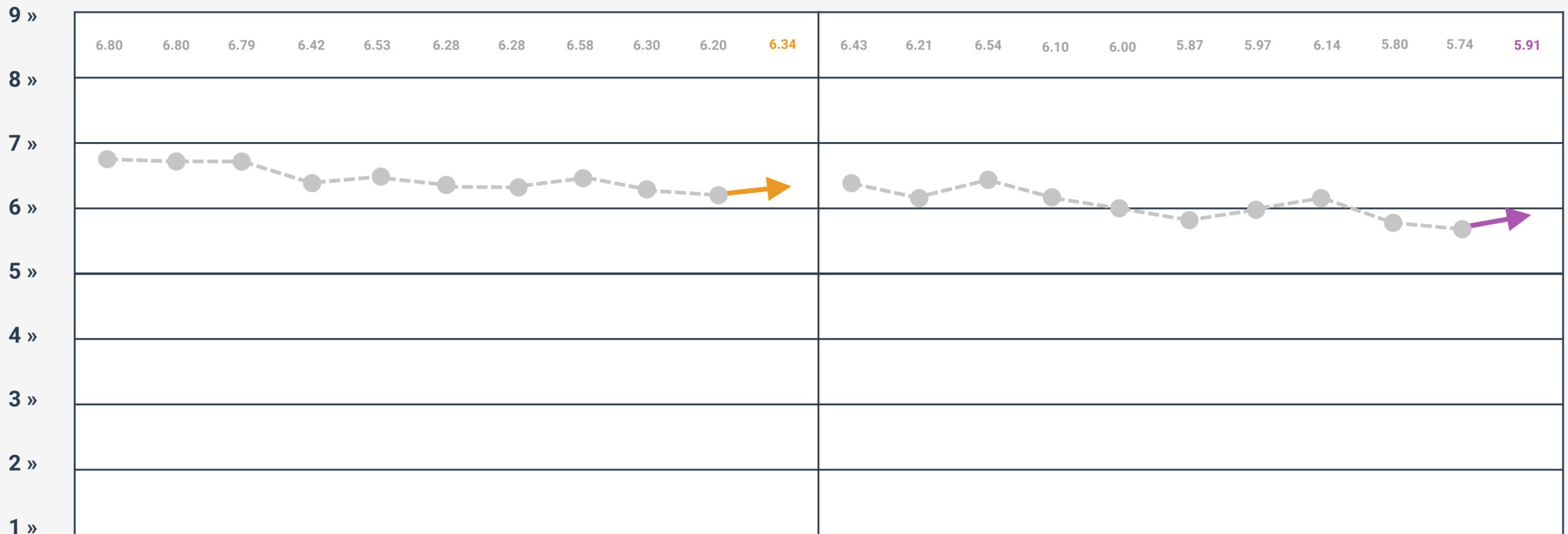


RESPONSE VIEWS

UNBROKEN ONGOING IMPROVEMENT

The perception of responses by organizations and HQ Country have an unblemished track record of consistent improvements over the prior period. This positivity covers the 11 periods spanning 14 weeks.

The line at 5 represents an unchanged view from the prior week. If the arrowhead is placed above the line, the perception has improved since the last period. Below the mid-point indicates a deterioration since the prior period. These scores are the average of all respondents on a 1-9 scale.



ORGANIZATIONAL RESPONSE

Change in view over prior week of response by my organization

COUNTRY RESPONSE

Change in view over prior week of response by my HQ country

● - - - ● Previous periods' findings ● — ● Current period's finding

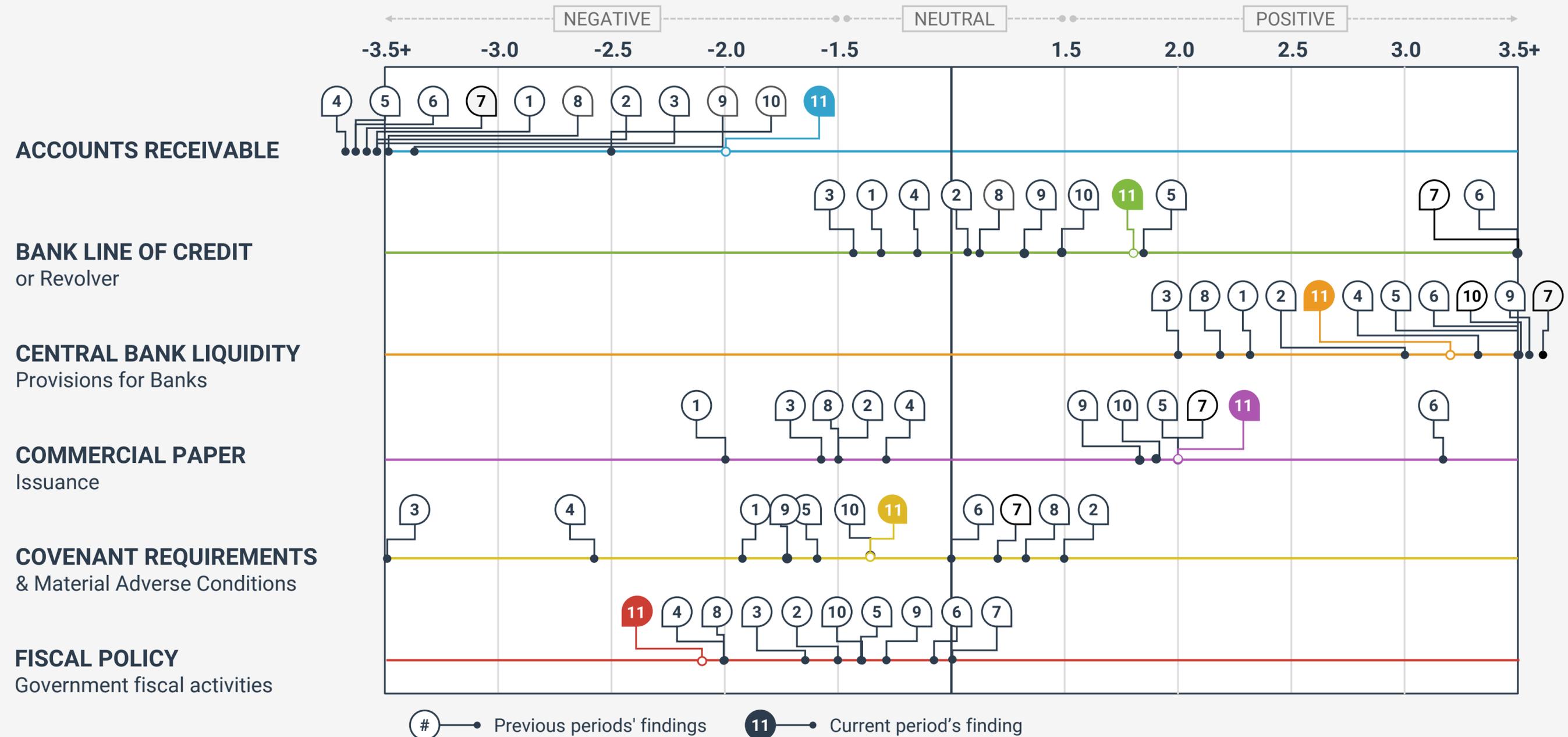
DEBT & LIQUIDITY

WHAT ACCESS DOES TREASURY HAVE?

Liquidity is vital and cash is the king. In times of disruption and crisis, much attention is paid to the King. This graphic measures a handful of elements that add to or detract from an organization's liquidity on a period by period basis.

For 10 periods (12 weeks) AR has been the most negative of all categories on a period over period basis. Period 11 saw Fiscal Policy issues showing a more negative viewpoint unseating the leader in negativity!

Understanding the chart: The teardrops replace the barbells and represent the ratio of more-concerned vs less-concerned. Numbers within the teardrop indicate historical positioning, with an 11 representing period 11 of the Monitor. Please note that the chart is bounded at <3.5 and >3.5.



TIMING ESTIMATES

FINANCE GROWS TO 11 MONTHS: MAY 2021

These three graphics represent key milestones in the recovery and return to normal times medically and financially. We believe it useful to see others' expectations on the timing of these milestone events for the current disruption. We also expect this may help gauge the level of

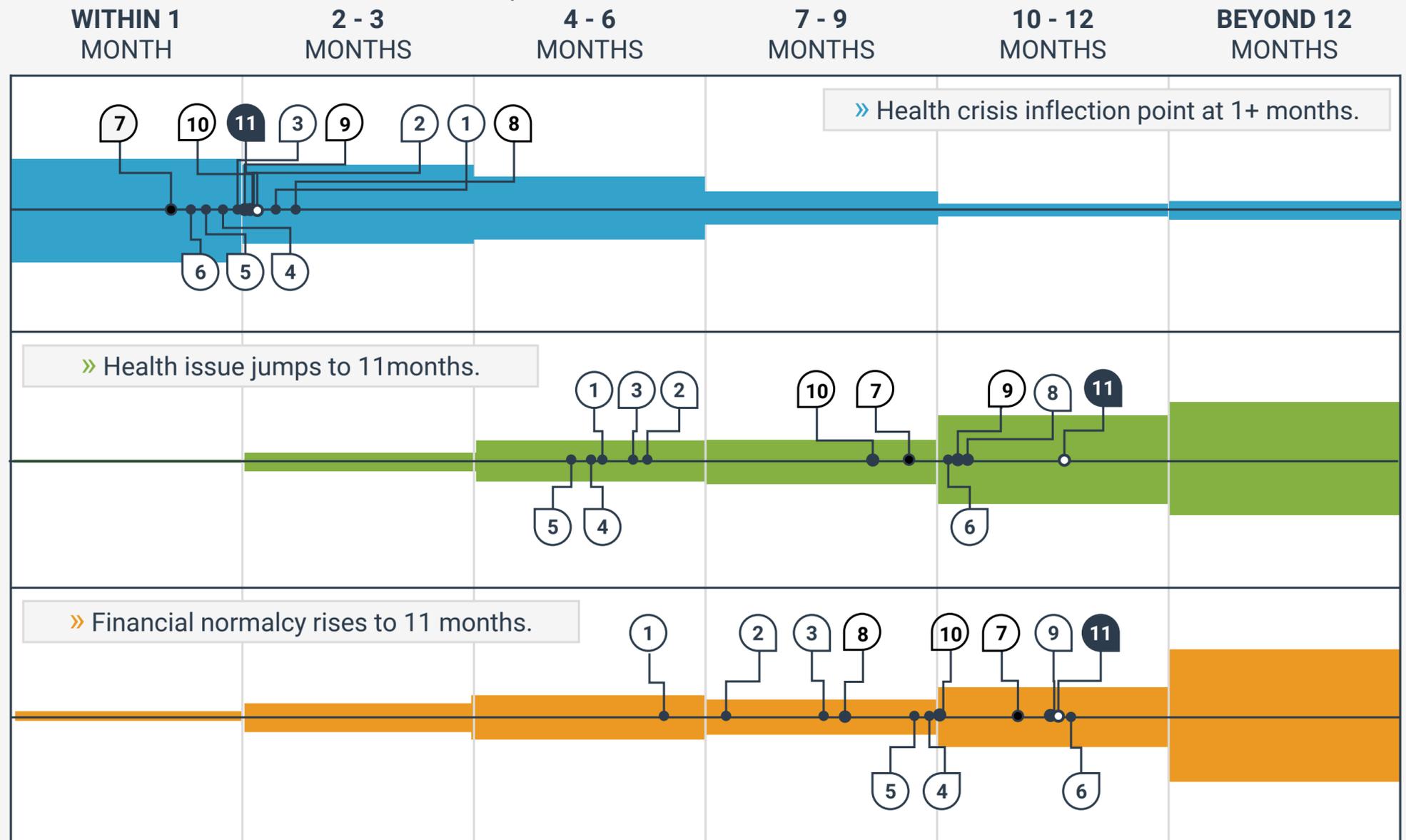
pessimism or optimism of treasury/finance professionals and assist us even more with future events as we understand any collective bias.

The length of COVID-19 remaining as a significant health issue jumped up to 11 months (longest in the history of the Monitor), while expectation of a return to financial normalcy also receded this period to 11 months and indicates May 2021.

The rectangles below represent the proportionate amount of responses in each time domain. The tear drops represent the median response from all respondents. The numbers indicate the week of the Monitor.

INFLECTION POINT

Expected point when the impact of the virus begins to diminish



Previous periods' findings 11 Current period's finding

FINANCIAL NORMALCY

When business returns to the state it was prior to COVID-19

ECONOMIC VIEWS

ECONOMIC EQUILIBRIUM: 4 MONTHS

This graphic shows the perspectives on the overall economy across two time domains: 3 and 12 months. There are three separate rectangles from top to bottom showing positive, neutral and negative economic outlook.

ECONOMIC TURNING POINT PUSHED BACK

The outlooks for economic status in the 3-month and 12-month time domains both moved more positive this period.

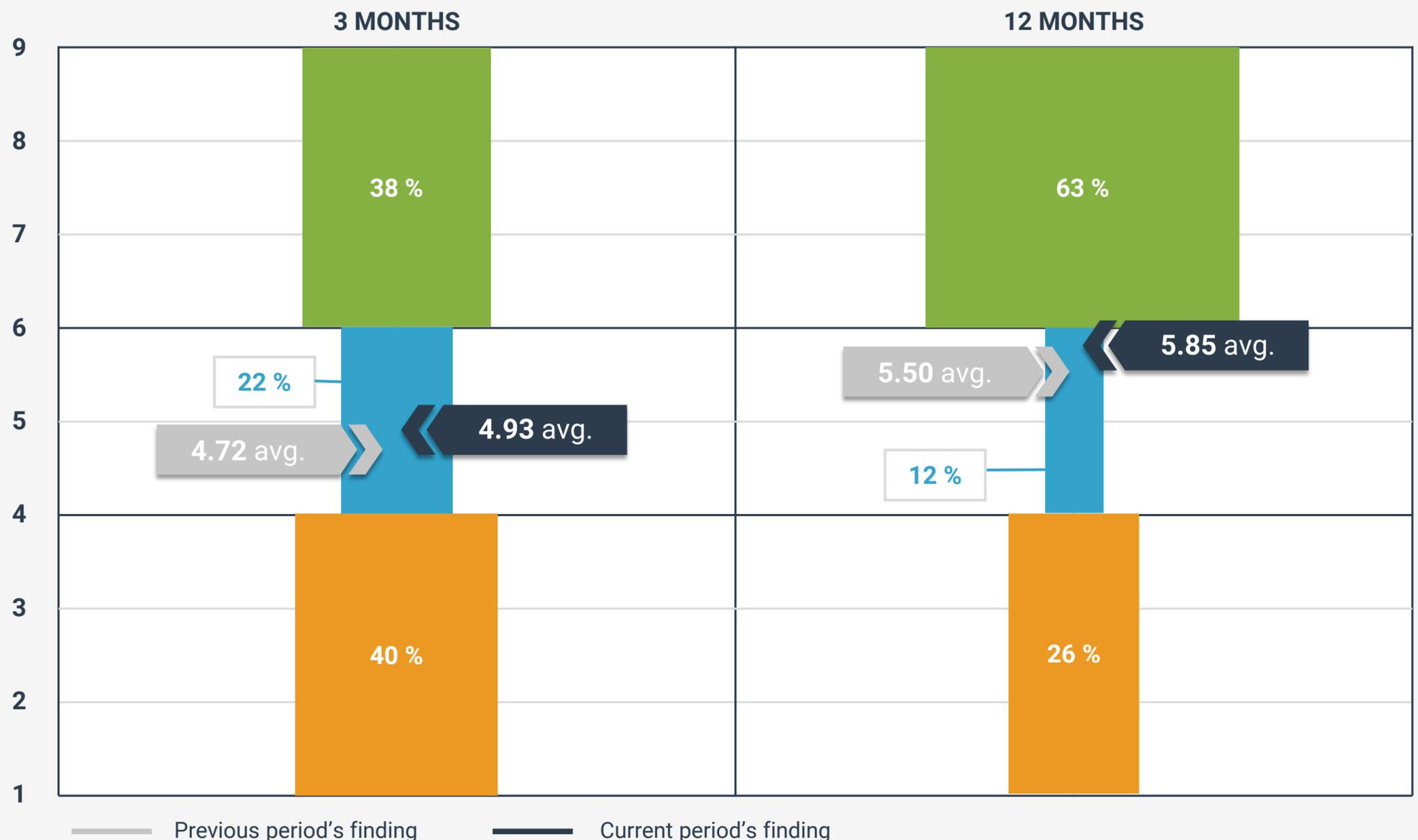
The 3-month outlook has spent many periods in the "3s" and "4s" and now approaches equilibrium (a "5"), reaching its highest level.

The 12-month outlook also hit a highwater mark of 5.85.

Extrapolating from these numbers, we see the expectation that the economy achieves 'normal' status in about four months, indicating October 2020.

The numbers in the middle of the chart show the average selection. A 5 represents neutral view. Below 5 is pessimistic, and numbers above 5 show optimism.

The rectangles represent the outlook on the economy, and their size and number reflect the proportion of the views for each time domain. The green is the optimistic viewpoint (6-9 from the survey). Orange are pessimistic viewpoints (options 1-4) and the blue show the neutral. The dark arrow blocks show the average response from all respondents.

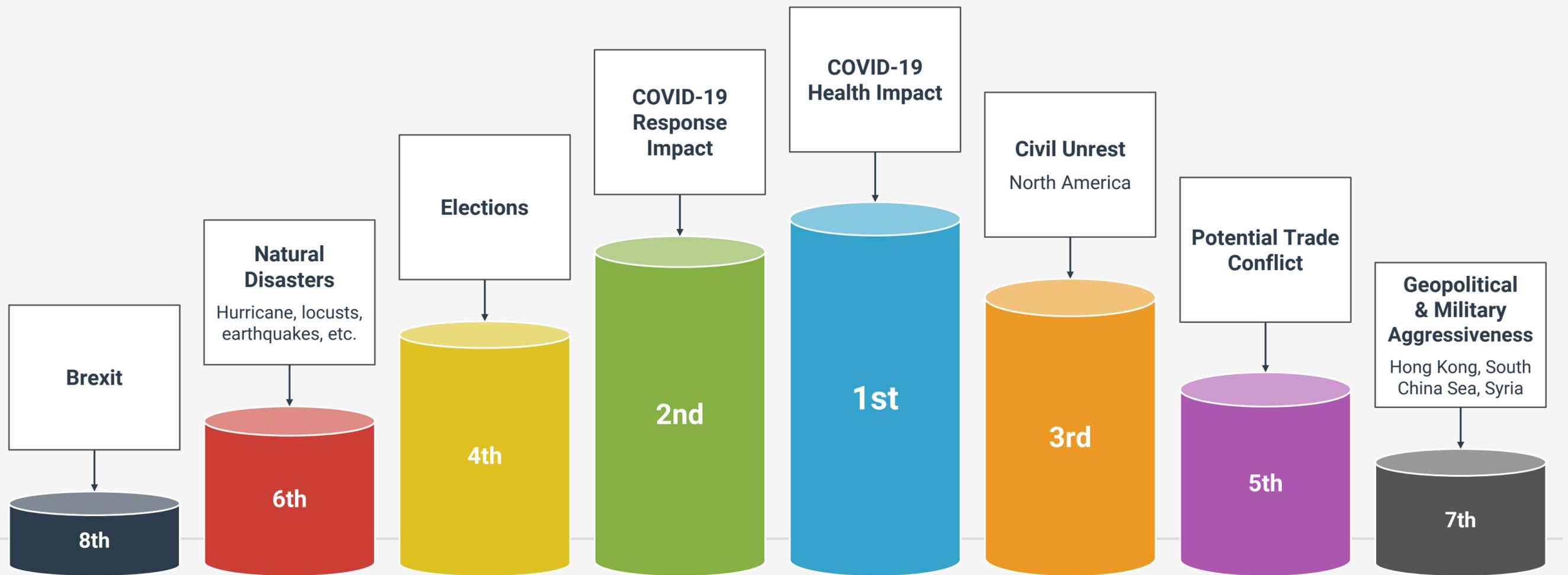


TOP CONCERNS

FORCE RANKING EIGHT AREAS

The popularity of the forced ranking question encouraged us to add a second forced ranking chart this period. This group of eight items indicates a tale of two levels of concern.

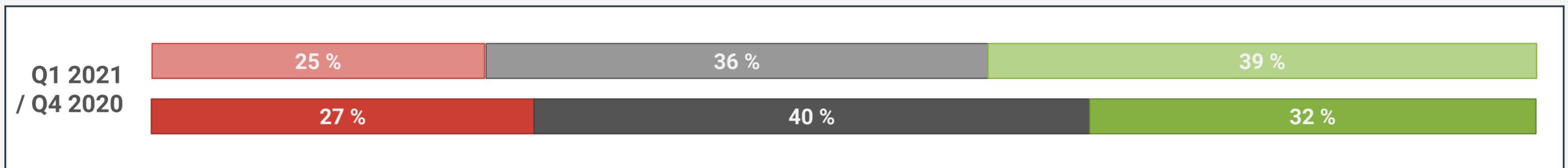
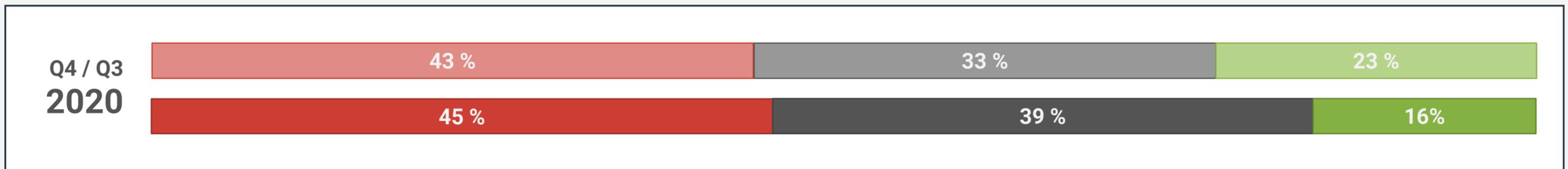
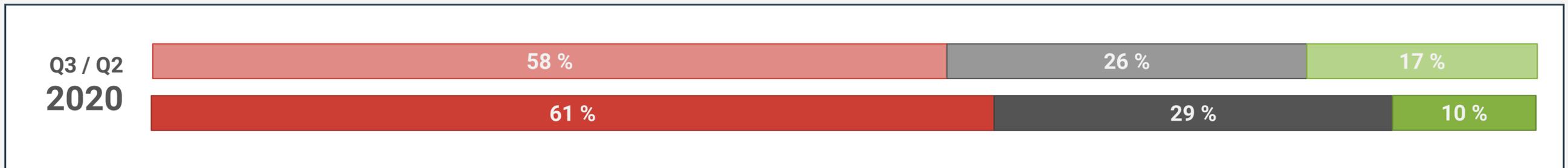
Concerns about the health impact of COVID-19 and the impact of the response to COVID-19 took the top two slots. Civil unrest concerns in North America was next, followed by upcoming elections. The last four items followed, with concerns about Brexit barely registering among this consortium of issues.



GDP OUTLOOK FADES

EXPECTED CHANGE IN "YOUR COUNTRY"

Country level GDP changes are expected to be negative throughout 2020. Quarter over quarter expected GDP changes indicate a moderate recovery with HQ country gross domestic product levels finally occurring in Q1 2021.

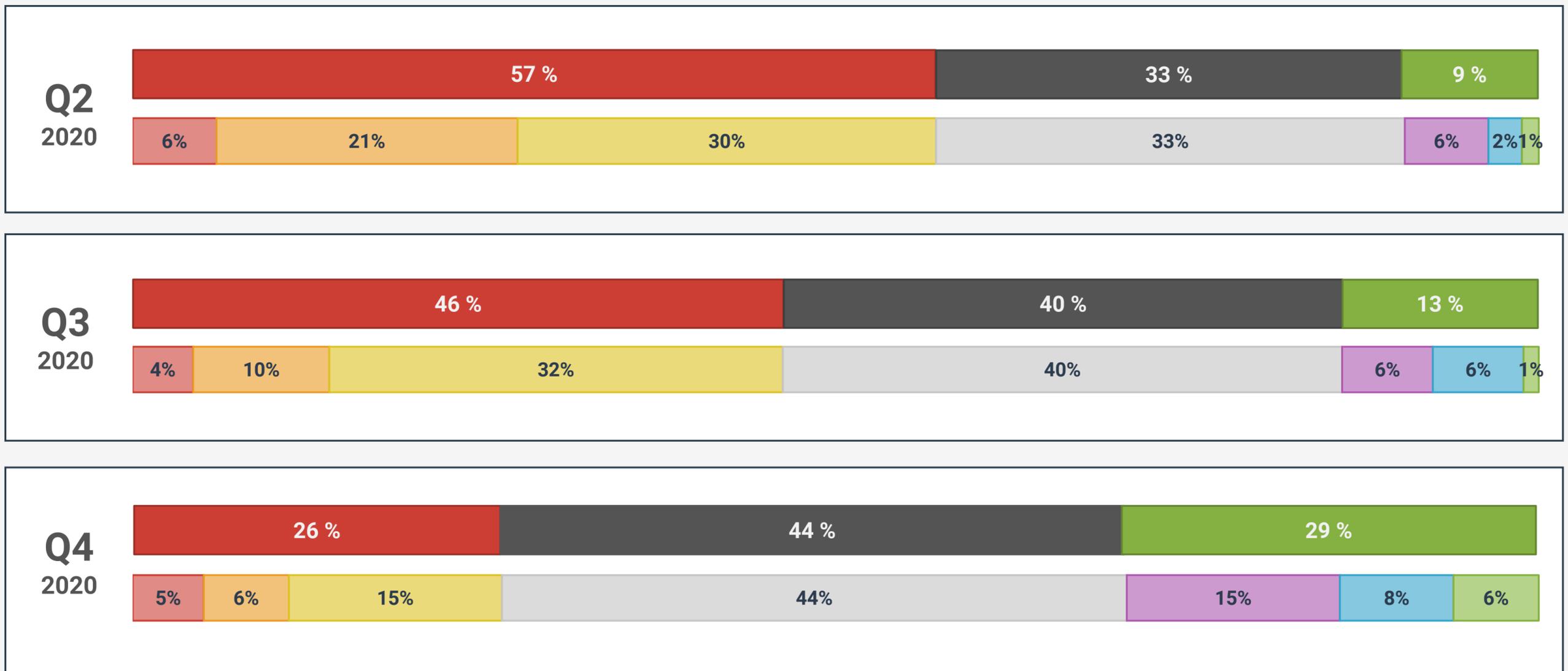


— Previous period's finding — Current period's finding

REVENUE LEVELS

ESTIMATED LEVELS IN "YOUR INDUSTRY"

Mostly mirroring the country GDP outlook, the company-level situation for revenue is massively pessimistic until Q4 2020, where it barely achieves a positive showing. Given that Q2 is nearly completed, the expected outcome for 2020 looks rather bleak.



■ - > 50%
 ■ - 30%-50%
 ■ - 10%-30%
 ■ (+/- 10%)
 ■ + 10%-30%
 ■ + 30%-50%
 ■ + > 50%

■ NEGATIVE (> -10%)
 ■ NEUTRAL
 ■ POSITIVE (> 10%)

IMPORTANT BI-WEEKLY ACTIONS



TAKE THE SURVEYS



LISTEN TO PODCASTS



READ THE REPORTS

THANKS TO OUR PARTNERS



actualizeconsulting.com



axletrees.com



bellin.com



bottomline.com



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