

Strategic solutions and turnaround group

Myanmar crisis response team

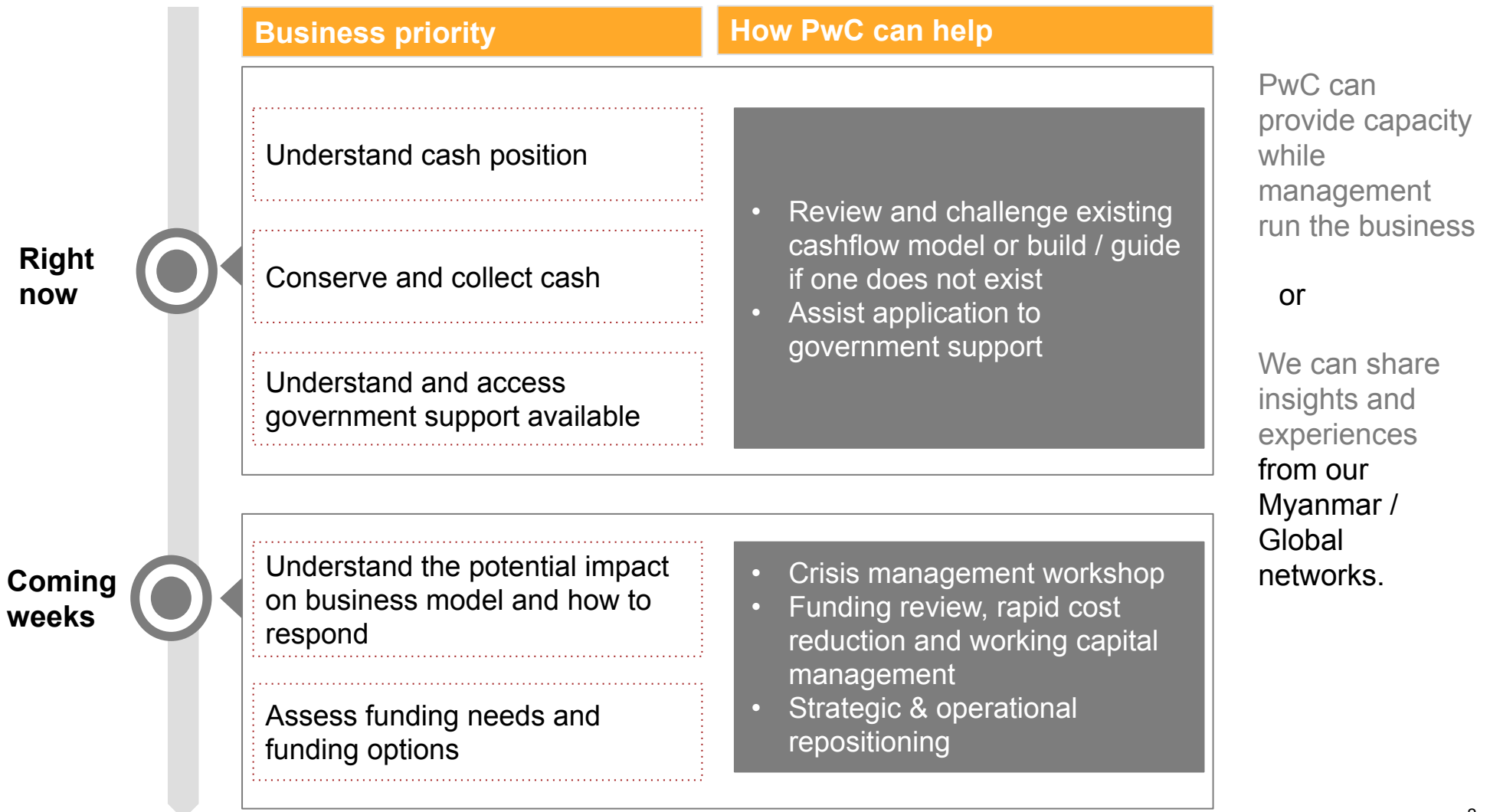
How we can help

May 2020

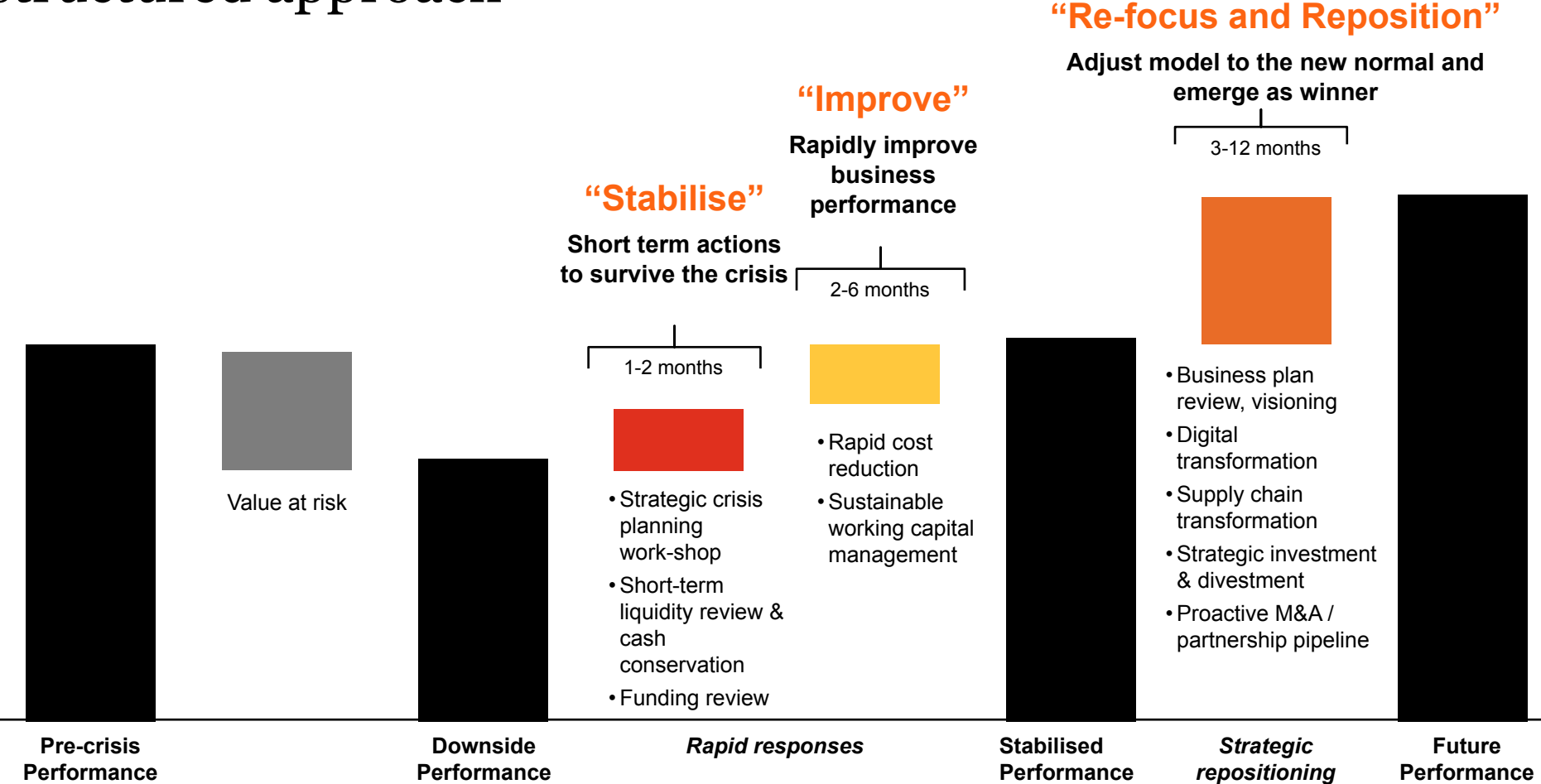
May 2020



Businesses' priority right now is survival. Soon the focus will shift to the impact of COVID on your business model



Our team of functional and sector experts can support both your short and longer term crisis response with a tailored structured approach



“Enable Business Resilience and Continuity ”

Provides hands on support to help clients take control of the situation and drive and monitor progress of all crisis management initiatives

“Enable Business Resilience and Continuity”

Example support services:

Business Impact Assessment and Crisis Management	Conduct business impact assessment and risk profiling using PwC’s bespoke industry sector COVID-19 questionnaire to identify and priority areas for action. Design the crisis management office, emergency response plan, business continuity plan.
Digital Security	Conduct IT Risk Assessment and evaluate effectiveness of IT controls. Design enhanced CyberSecurity measures for remote work sites.
Physical Security	Review existing physical security risk assessment. Establish a set of physical security measures for remote work sites,
Protect Against Asset Misappropriation	Tighten fixed assets controls such as asset tagging and implement asset management controls.
Risk Management Systems and Internal Controls	Evaluate how traditional on-premise risk management and internal controls needs to be refreshed for remote work sites. Design and implement internal controls specifically for the remote work sites.



“Stabilise”

“Improve”

Example support services:

Strategic crisis planning workshop

One day strategic workshop including role playing and “war gaming” exercises to:

- Discover: discuss realistic COVID impact scenarios
- Diagnose: deeply understand the impact on customers, supply chains, competitors and on your business
- Decide: identify strategic responses to stabilise or emerge stronger
- Deliver: Agree on a short list of strategic initiatives

Short-term liquidity and cash conservation

- Rolling 3 - 6 months weekly cash flow forecast creation
- Clear visibility on liquidity pinch points and headroom
- Support to make informed decisions on cash conservation activity
- Facilitate embedding of “cash culture”
- Comprehensive actionable cash reporting

Financial advisory and funding options review

To help bridge any potential funding gap, new capital options should be reviewed

- Identify fundraising required to address any funding gaps
- Flexible tools to evaluate alternative debt and capital refinancing structures
- Assess options for additional funding from existing lenders, alternative providers e.g. structured credit funds, special situation funds etc.

Rapid cost reduction

Rapid cost reduction measures will help ensure continued survival in the event of a prolonged demand slump, and position the firm for sustainable growth in the future

We can help you assess the following cost levers:

- Operating strategy
- Procurement
- Site operations
- Customer footprint
- Overheads
- IT

Sustainable working capital management

Persistently low supplier and customer liquidity will affect their ability to trade on terms

Sustainable working capital improvements and controls can help fund you through, and beyond, the crisis

Potential opportunities to improve may exist across the cash conversion cycle

“Re-focus and Reposition”

Example support services:

Business plan review and visioning

Conduct an independent review of the business in light of crisis scenarios (market outlook, customer patterns, competitive trends, alignment of internal capabilities)

Identify key risks and opportunities to current business plan during and beyond the crisis

Build growth strategy and rapid transformation plans to emerge stronger in the new post-COVID-19 environment

Digital transformation

COVID-19 has accelerated the transition to online. Boosting your digital transformation strategy can help performance now as well as beyond the crisis

The crisis has accelerated movement of offline experiences to online, but further digitalisation measures can ensure that your firm takes full advantage of a long-term shift

Supply chain transformation

Manage supply chain disruptions caused by COVID-19 and prepare for a more automated, transparent and secure supply chain

Assess supply chain through supply inventory simulations, supply maturity model, manufacturing footprint review

Consider transformative options including Agile sourcing, Connected digital supply chain, Online channel transformation

Strategic investment / divestment

This crisis will create a new normal. Selectively invest into new growth opportunities to emerge stronger and consider divestment from what you cannot transform

Conduct a portfolio review for potential divestments

Consider strategic investments in new business models, products or markets

Pro-active M&A / partnership pipeline

Acquisitions made during a downturn can be made at attractive valuations, and could greatly accelerate your strategic transformation

Acquisitions / strategic partnerships can position you for market leadership post-downturn, and/or provide an opportunity to change your value proposition to exploit ongoing mega-trends e.g. digitalisation

Selected experiences

Select examples – not exhaustive

1. Short-term liquidity review

Precision engineering business

Worked for a syndicate of lenders to perform a **short-term liquidity review** to determine business's **cash position** and identify **immediate liquidity issues**. Performed rapid assessment of the business plan and assessed options for **debt restructuring**. PwC determined that the business had no short-term risk to liquidity and revised EBITDA in business plan down by **25%**, impacting lender returns.

2. Cash conservation measures

pharmaceutical services business

Supported a Private Equity client in assessing the liquidity position and **funding needs** of a target pharmaceutical services company. Reviewed the target's indirect and direct cash flow forecast, business performance, key assumptions and cash management processes. PwC advised the timeline for target business becoming cash negative and the funding gap and short- and long-term funding needs.

3. Strategic Investment and Divestment

Global security firm

Helped client look for **new sources of growth** to reach its ambition of doubling revenue over 3 years by examining market size and **growth opportunities across 7 sectors in 10 priority countries**. As a result, we recommended a plan including divestment from non-core products, and a repositioning to new growth markets in Australia and the United States.

4. Proactive M&A Pipeline

APAC educational institution

Expanded client's portfolio of vocational training organisations in India and SEA by narrowing down a **universe of c.230 firms into a longlist of c.40 and a shortlist of c.10** using a balanced scorecard method. We recommended approaches to a handful of targets, and arranged meeting with targets in some geographies.

5. Sustainable Working Capital Management

GCC-based energy company

Defined a **risk-based customer segmentation** to analyse the **350,000 customer accounts** and their existing receivables position and defined 6 new targeted collection strategies to drive ~40% reduction in the DSO across segments. Created a forum to review the requirements plan and improve it every quarter and over SGD 78 m cash released in the first 6 months, with implementation of a cash forecast process.

6. Business and value creation review

Garment manufacturer

Supported a garment manufacturer by assessing **market and competitive landscape**, as well as **internal business performance and capabilities**. Consequently came up with a value creation / preservation plan. Reviewed and identified operational efficiency and cost saving opportunities, as well as built a product, pricing, and e-commerce distribution strategy to **create and preserve value**.

7. Supply chain transformation

Third party logistics player

Supported a private equity client seeking to invest in a **leading third party logistics player** in **reviewing operations** and opportunities to **save direct costs**. PwC analysed operational performance trends by region, identifying key opportunities to improve profitability, and created roadmap to implement **cost saving opportunities**. Helped to **digitise services**, increase revenues per transaction, & build competitive advantage.

8. Digital transformation

SEA automotive retailer

Developed a **digital strategy** including an **executable 3+ year roadmap** to build an omni-channel, personalised customer experience for a traditional automotive retailer. Built a prototype and assessed the technical feasibility and architecture required to support it. Digitalisation of the operating model resulted in integration and new revenue channels.

Your Myanmar Crisis Response Team



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