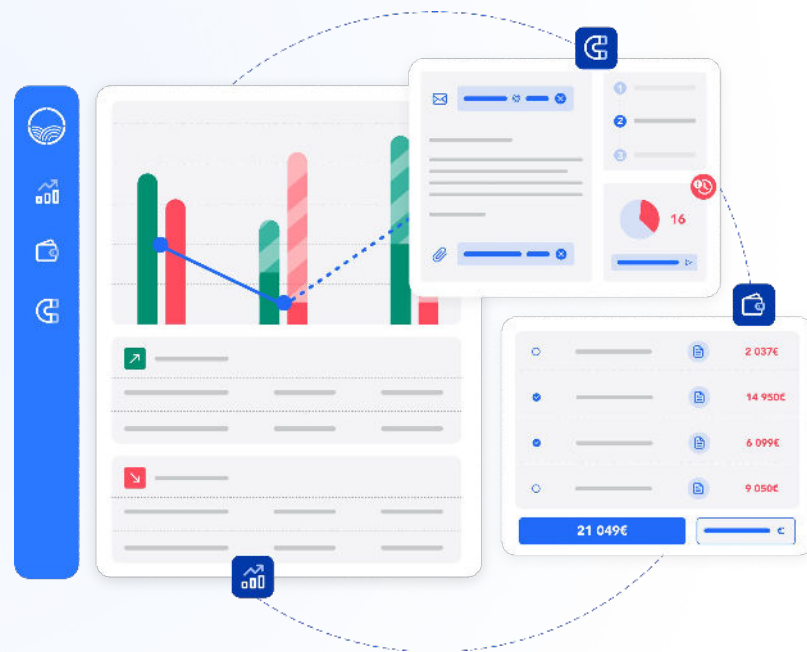




The #1 solution
for cash flow
forecasting



Agenda

- 1. Introduction on Cash Forecasting (10min)**
- 2. How technology can support (10min)**
- 3. Deep-dive into the Agicap solution (20min)**
- 4. Q&A (20min)**

The Macroeconomic Situation makes it even clearer: Cash is King

MONEYWATCH >

Inflation and recession fears weigh on small businesses



Silicon Valley Bank

Hunt scrambles to protect UK tech from Silicon Valley Bank collapse

Start-ups warn of 'moment of crisis' as industry leaders say many could be 'technically insolvent'

HSBC buys Silicon Valley Bank's UK unit for £1 in rescue deal

Prime minister and Bank of England involved in all-night calls over fate of lender

J.P. Morgan

Top ways companies are adapting to inflation*

48%

Raising prices

38%

Watching change in relative prices

37%

Making changes to purchasing

37%

Prioritising most

36%

Automating processes

32%

Strategic stockpiling and changing pricing model (tie)

Warning that thousands of firms face collapse

🕒 24 January · 💬 Comments



Growing number of construction companies in 'critical financial distress'

25 JAN 2023 | BY GREG FITCHER

The number of construction companies in 'critical financial distress' has continued to grow amid cost inflation and economic uncertainty, data has revealed.



Cash Forecasting - 2 Main Methods

The Indirect Methodology

Pros +

- Easy and Fast
- Clear Methodology leveraging standardised data from the 2 other statements: P&L and Balance Sheet

Cons -

- No granularity: only provides an end of period cash balance
- Less accurate
- Difficult to update, already outdated the following day

The Direct Methodology

Pro +

- Very granular and very detailed
- All underlying line items are available (detail of AP, AR, upcoming investments...)
- If well done, likely to be very accurate

Cons -

- Hard to maintain without automations
- As a result, either used just for short term (13-week) or just for long term (e.g. capex scenarios)

Cash Forecasting - Short term, Long term, or both?

Short term: the 13-week Cash Forecast

- Very “operational” cash forecast
- Day-to-day or week-to-week adjustments
- Very “direct” cash forecast
- Based on:
 - AP, AR
 - Sales Orders, Purchase Orders
 - Key other payments (wages, direct debits, capex...)

Long term: Cash Forecast in 1-2-3 years

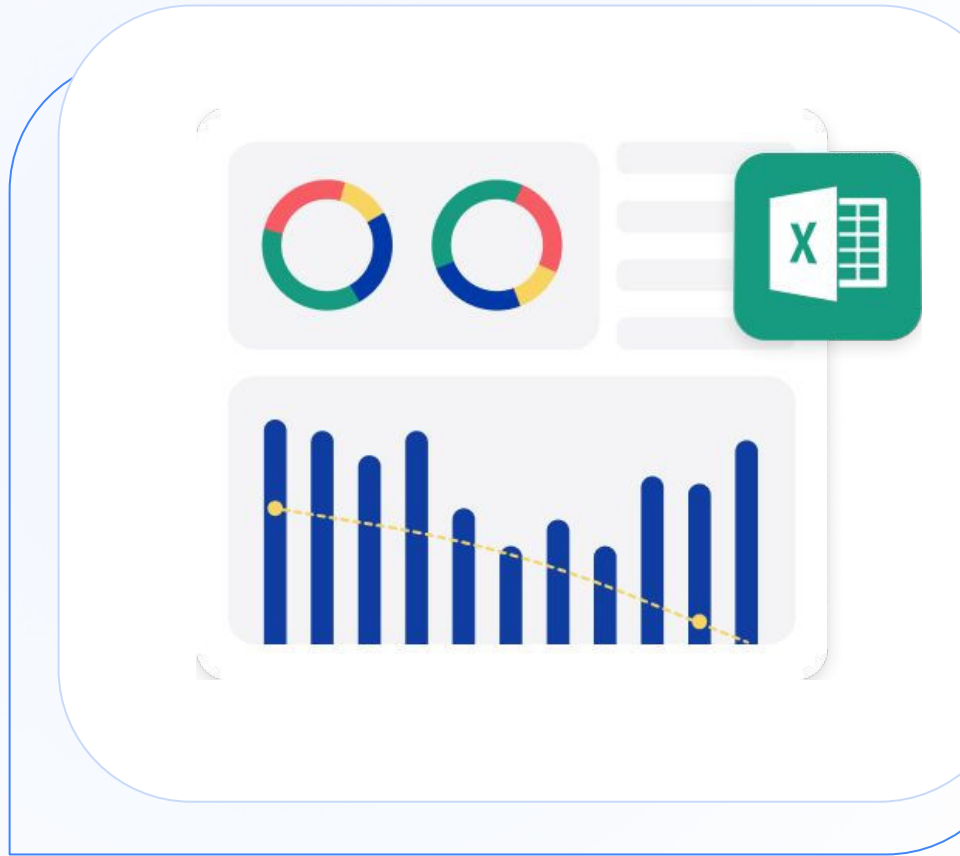
- More “strategic” cash forecast
- Monthly or Quarterly adjustments
- Mix of “direct” and “indirect” methods
- Based on a mix of:
 - P&L inputs (incl. cash adjustments)
 - Historical trends projections
 - Direct modelling (e.g. wages, capex)

Main Challenge:

with spreadsheets and manual updates, it is very hard to maintain both views properly, while both are critical to accurate decision-making in the business

An overview of their cash situation is critical for mid-sized companies, but involves a lot of manual effort: many are still using Excel

- **35%** of finance managers or treasurers spend more than 10 hours per month on manual processes around liquidity planning
- **75%** of mid-sized companies see liquidity as the key indicator in their strategic planning



Source: INNOFACT Survey commissioned by Agicap, 2021

Technology is a
game-changer to
improve cash
forecasting
for 2 main reasons:

1. **Saving time from manual work**, freeing up valuable bandwidth in the finance team
2. **Increasing forecasting capabilities** through data integration and automation

Overview of some Cash Forecasting Solutions (excl. FP&A solutions providing P&L-based forecasts)

**Small Businesses
(<£2m revenue)**



Fluidly

float

**Mid sized Businesses
(£2m to £300m revenue)**



**Larger Businesses
(£300m+ revenue)**

Treasury Management Systems



kyriba

tis



The Agicap Solution

**Agicap is a leading
cash flow management
solution for the
Mid-Market (£2m to
£300m turnover)**

4 Figures

2016

Founded

500+

Employees across 5
offices in the world

6,000+

Clients

£2m to £300m

Client Revenue sweet spot

All banks in Europe



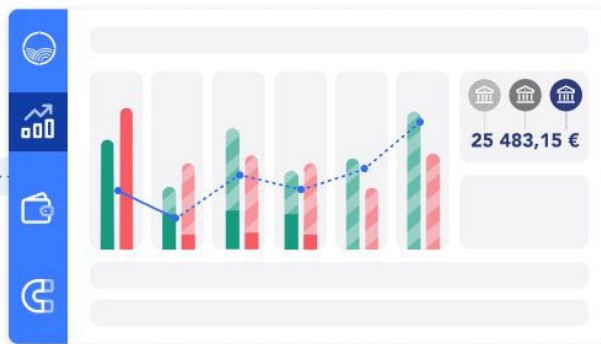
Your accounting software



Payment service providers



Any Existing Budget or KPIs



Automated bank monitoring

Flexible cashflow forecast

Scenario planning

Visualisation and reporting

Integrated Cash Forecasting with Agicap

- ✓ Short and long term
- ✓ Fully customisable and flexible

Live Bank Feeds

- Historical trends
- Variance analysis



Live ERP/Accounting Feed

- Forecast based on AP/AR
- Custom adjustments from DSO/DPO

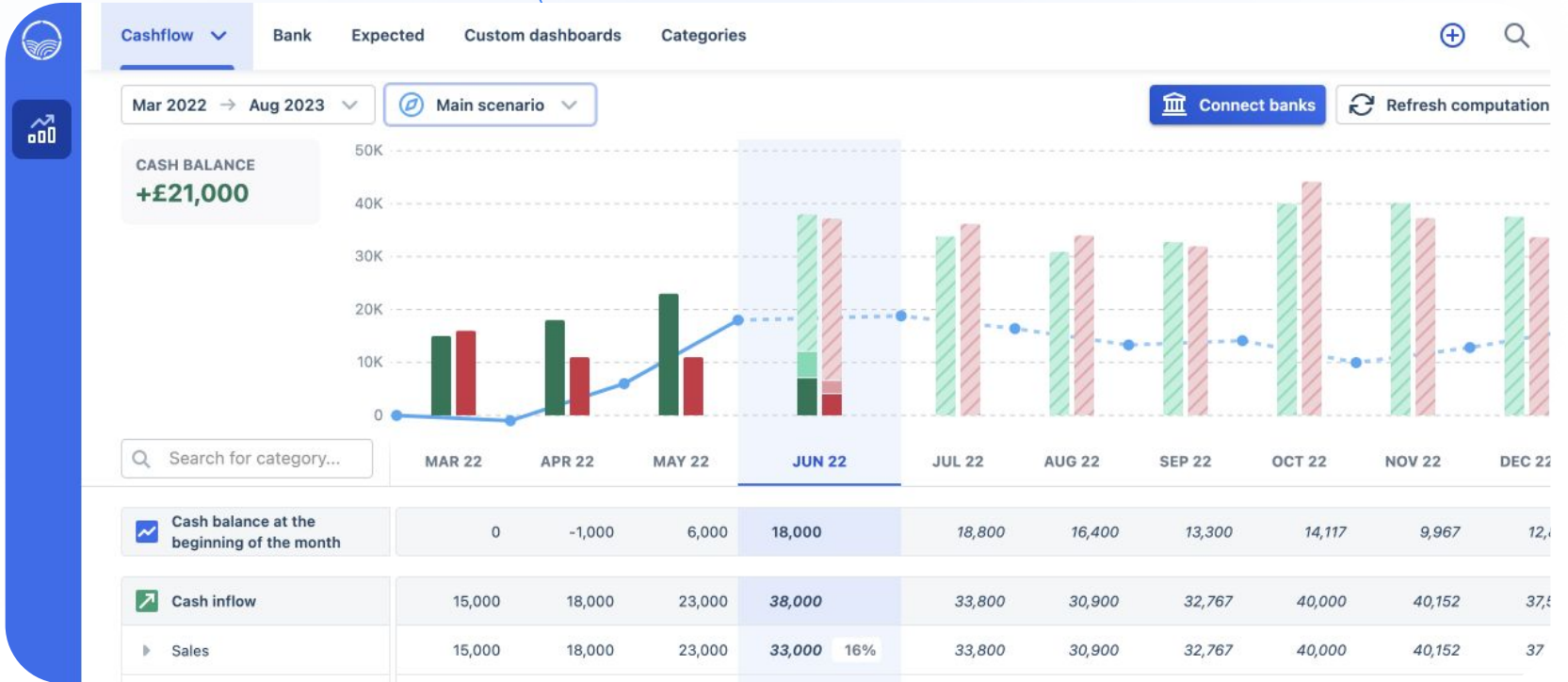


Long term forecasts & scenarios from a custom combination of:

- Historical trends
- Direct modeling in Agicap
- Custom links: Excel, CRM, exchange rates...
- P&L to Cash conversion



Live Demo of the Tool



Live Overview



Q&A

Looking forward to hearing from you!

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