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CFGI

NCACPA

Unlocking Financial Mastery: Cash Flow &
Business Forecasting – Process & Technology





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Kathryn is a Partner with CFGI's Business Transformation practice specializing in partnering with the office of the CFO to provide FP&A, Data and Analytics, and Modeling services to clients of all sizes and stages of growth. She brings an expertise in strategic planning, data transformation, and reporting optimization, and is adept at leading cross-functional teams in the implementation of digital transformation solutions to drive efficiencies across planning, reporting, and analysis needs.

Before joining CFGI, Kathryn was part of Deloitte's Mergers and Acquisitions Consulting practice where she provided end-to-end M&A and Divestiture strategy, diligence, and integration and separation consulting. Prior to Deloitte, Kathryn spent 10+ years in private industry corporate finance and FP&A.

Steven en brings 13 years of experience with private and public companies across a variety of industries. Steven's experience includes including serving interim roles such as oversight and development of an accounting department, finance issue analysis and remediation, new accounting standard implementations, carve-out accounting, SEC reporting, debt and equity analysis, SOX implementation, and business/finance transformation assistance.

Before joining CFGI Steven was an Audit & Assurance Senior Manager at Deloitte. During his 10-year career at Deloitte, he was responsible for supervising both integrated and non-integrated audit engagements across multiple industries, with primary experience in retail and manufacturing for clients ranging from Fortune 50 domestic entities, to private multi-national organizations.\. His international experience both at home and abroad includes oversight of teams across Europe, Africa, the Americas, and Asia.

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ABOUT CFGI

WHO WE ARE





Founded in 2000	3,300+ clients
1,000+ professionals	600+ public companies
Backed by Carlyle and CVC	All industries and company stages

WHAT WE DO

- | | | |
|--|--|--|
|  Technical Accounting |  Operational Accounting |  Transaction Advisory Services |
|  Audit readiness |  Operational Transformation |  Technology Transformation |
|  Capital Markets |  Risk and Compliance |  Valuation |
|  Strategic Finance and Analytics |  Cybersecurity |  ESG |
|  Treasury |  Tax |  Interim support |

A full suite of solutions for all critical matters facing the office of the CFO

WHY CFGI

-  Individuals with technical and operational expertise
-  Flexible and hands-on approach
-  Price competitive
-  Free from audit independence restrictions

WHERE WE ARE



ABOUT CFGI | OUR PHILOSOPHY

CFGI is an established leader in accounting advisory services, providing technical accounting, transformation, and operational finance expertise to clients. Our firm was built by dedicated professionals who are innovative, passionate and experts in their field. We work alongside our clients to solve their most complex and critical finance, tax and accounting issues.

DO IT RIGHT	DO IT BETTER	DO IT NOW
CFGI's compliance experts ensure that every system, process and function adhere to regulatory guidelines and requirements. Our compliance teams will keep you on the right side of all rules and regulations that apply to your organization.	CFGI unearths opportunities to transform business functions and deliver more value to your organization . Our experienced business transformation specialists create comprehensive roadmaps to drive efficiency and productivity throughout the enterprise.	CFGI provides the expertise, experience and resources to jumpstart any project without delay. We can step in and fill empty roles on an interim basis, bridge knowledge gaps and remove barriers to innovation.

ABOUT CFGI | REPRESENTATIVE INDUSTRIES

Serving a broad range of businesses in a variety of industries with our client-focused approach, CFGI develops strong relationships based on competency and industry expertise

Food & Beverage



Software & Technology



Financial Services



Life Sciences



Manufacturing



Healthcare



Business Services



Consumer



Media & Entertainment



Energy & Utilities



CFGI SOLUTIONS

CFGI delivers comprehensive solutions to address your unique needs and objectives

Founded to serve as a partner to the CFO, we function as a seamless extension of your organization. We are dedicated to delivering solutions that will continue to generate value long after implementation.



Technical Accounting

- Audit readiness and support
- Assessing and operationalizing new accounting pronouncements
- Accounting for debt and equity financings
- Discontinued operations
- Business combinations
- IFRS to GAAP conversion
- Restatements



Operational Accounting

- Monthly close support
- Management accounting
- SEC reporting
- Internal reporting and FP&A
- Interim CFOs, CAOs, Controllers, VPs of Finance, Accounting Managers, etc.



Capital Markets Services

- IPO readiness
- SPAC readiness
- Reverse mergers
- Registration statement preparation
- Public company compliance readiness



Strategic Finance and Analytics

- Financial planning & analysis (FP&A)
- Planning and budgeting
- Data & analytics
- Private equity interim resources



ESG & Sustainability

- Framework implementation
- Audit and assurance readiness
- Regulatory compliance
- Data planning and real-time insights
- Materiality assessments
- Accounting and reporting disclosures



Operational Transformation

- Finance and accounting process design and improvement
- Program and project management
- Post-merger integration support
- Interim finance operations resources



Technology Transformation

- Technology assessment and strategy
- Technology selection
- Finance and accounting systems implementation and re-implementation
- ERP project management
- Automation, including robotic process automation
- Intelligent document processing



Risk and Compliance

- SOX readiness and compliance
- SOC audit readiness
- Remediation of control deficiencies
- Internal audit
- Enterprise risk management



Cybersecurity

- Cybersecurity program, maturity, and testing
- Cybersecurity audit and regulatory compliance
- Privacy and data security
- Cybersecurity transformation
- Virtual CISO
- Third party risk management
- Cybersecurity managed services



Forensic Accounting

- Full service forensic accounting, litigation and dispute support
- Forensic accounting, including fraud investigations and FCPA matters
- SEC enforcement and government investigation matters
- Dispute investigation and litigation support
- Valuation and economic damages support



Tax Services

- Income tax provisions
- Federal and SALT tax compliance
- R&D tax credits
- IRS audit consulting and defense



Treasury Services

- Treasury strategy, rationalization, and system implementation
- Interim treasury management
- Risk management (FX, interest rate, commodity)



Valuation Services

- Purchase price allocations
- Valuations to support financial reporting
- 409A valuations
- Derivative valuations
- Litigation support



Transaction Advisory Services

- Buy-side and sell-side quality of earnings
- Tax due diligence (compliance, Section 382)
- Finance and accounting functional assessments
- Financial modeling and EBITDA normalizations
- Working capital negotiations
- Operations, technology, carve-out, and integration due-diligence



Workforce Transformation

- Organizational design
- Training and skills development
- Knowledge base, communication, and change management strategies



Restructuring

- Company advisory
- Creditors committee advisory
- Cash flow and working capital management
- Chief Restructuring Officer (CRO)

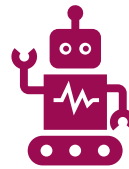
WHAT WE'RE SEEING IN THE MARKET

WHAT WE'RE SEEING IN THE MARKET



Economic Uncertainty

CFOs are adjusting **forecasts** and strengthening **risk management** to protect margins.



Digital Transformation & AI

Rapid AI adoption for automation, predictive analytics, and decision support with a focus on scaling solutions to enhance operational efficiency and innovation.



Cash Flow & Cost Control

Emphasis on liquidity management, working capital optimization, and cost reduction initiatives.

EMPHASIS ON DECISION SUPPORT

Defining Your Goals

DECISION SUPPORT | DEFINE THE METRICS THAT MATTER

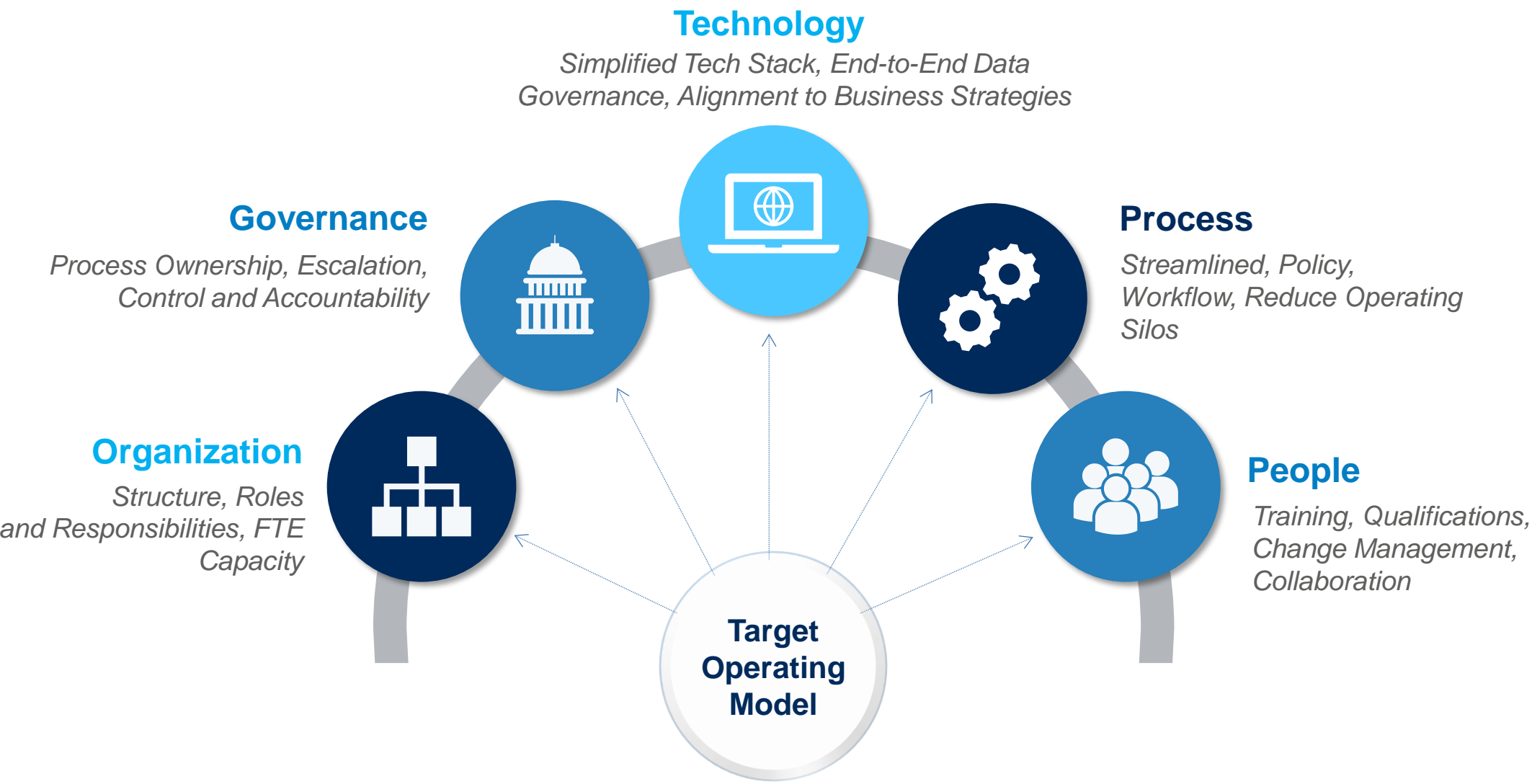
Determine the core levers of your business



Function	Common Metrics That Matter
Finance	Revenue, EBITDA, cash flow, burn rate
Sales	Conversion rate, pipeline coverage, quota attainment
Marketing	CAC, MQLs, ROAS, brand awareness
Product	Feature adoption, DAUs/MAUs, NPS
Operations	Cycle time, throughput, cost per unit

DECISION SUPPORT | FUTURE STATE CONSIDERATIONS

Target Operating Model



DECISION SUPPORT | SETTING KPIS

Key COA Steps

1. Collaborate with Key Stakeholders to Define Requirements
2. Align COA to Strategic Objectives
3. Leverage Technology and Automation
4. Prioritize Audit, Compliance, and Regulatory
5. Establish Governance and Controls

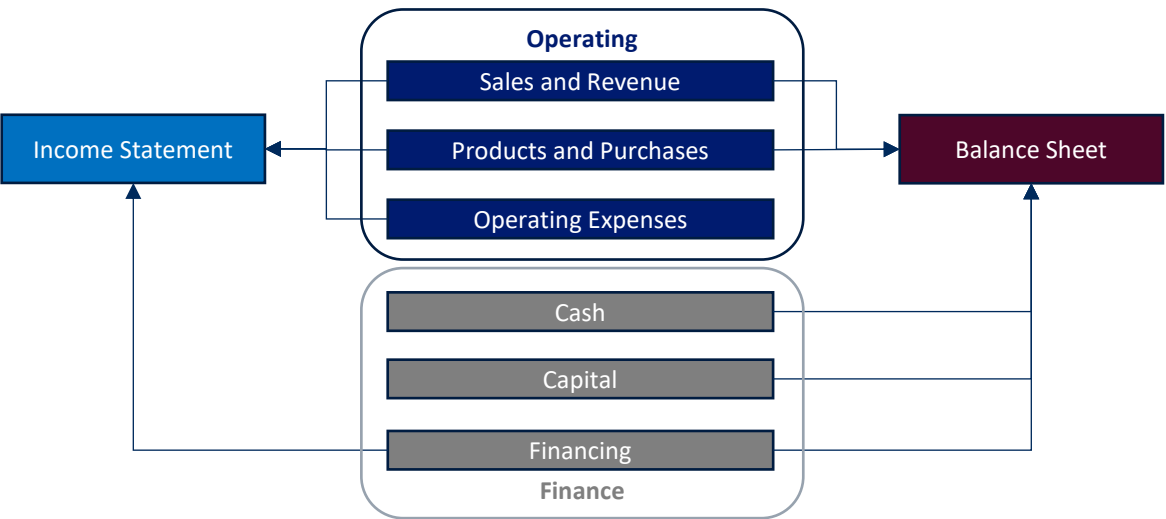
KPIs

KPI Best Practice		KPI Types
<u>Aligned</u> with strategic goals and objectives	Strategic vs. Operational	
<u>Accessible</u> data	Efficiency vs. Effectiveness	
<u>Acute</u> definitions across the organization	Leading vs. Lagging	
<u>Accurate</u> data	Quantitative vs. Qualitative	
<u>Actionable</u> insights provided	Inputs / Process / Outputs / Outcome	
KPI Strategic Objectives		
Profitability	Quality	Timeliness
Cost Savings	Productivity	Efficiency
Growth	Resource Utilization	Cycle Time

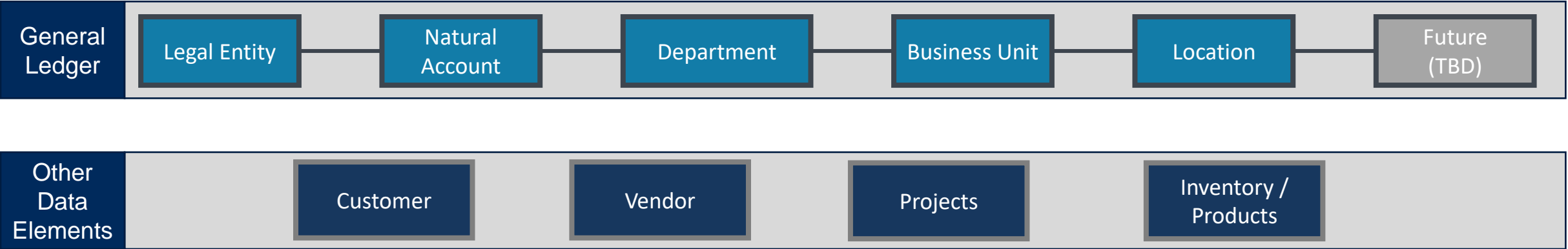
Establish Governance and Controls		
Key Data Element Standards	Policy and Process Standards	Communication and Training
Establish centralized location that consolidates all new COA policies, segment definitions, and documented processes	Develop robust communication plan of COA initiatives, definitions, and change management	Promote COA education across the organization
	Select and prioritize process standardization and improvement opportunities	Review and approve training curriculums
	Define treatment for non-compliance with COA policies	Provide oversight to guide training and communication initiatives

DECISION SUPPORT | ALIGN WITH DATA CAPABILITIES

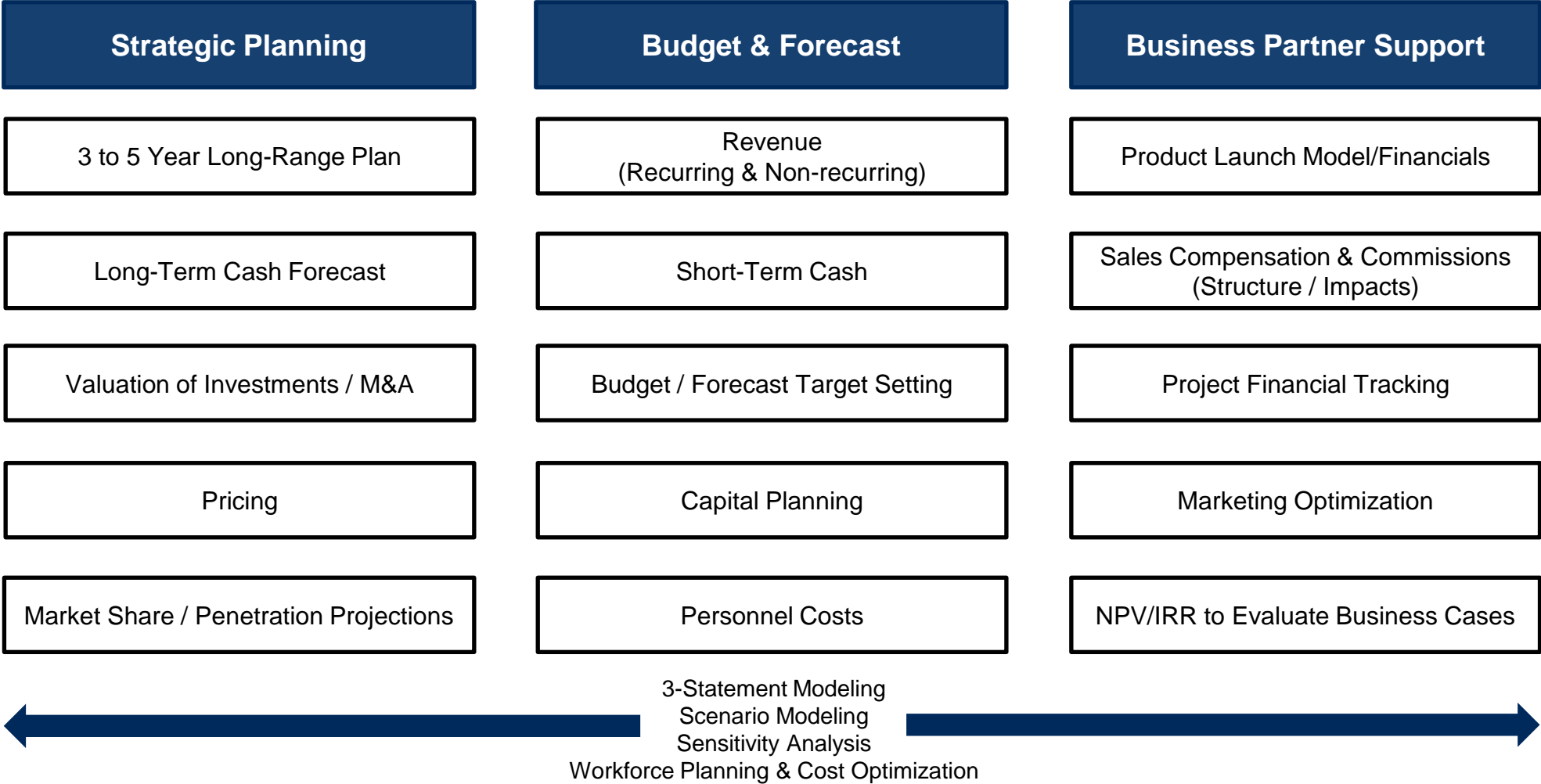
Understanding your data capabilities is critical when defining goals and KPIs—because even the best strategic goals can fail if they aren’t measurable, trackable, or trusted.



Divisions				
Region				
Channels				
Line of Business				
Cost Centers				
Grants / Projects				

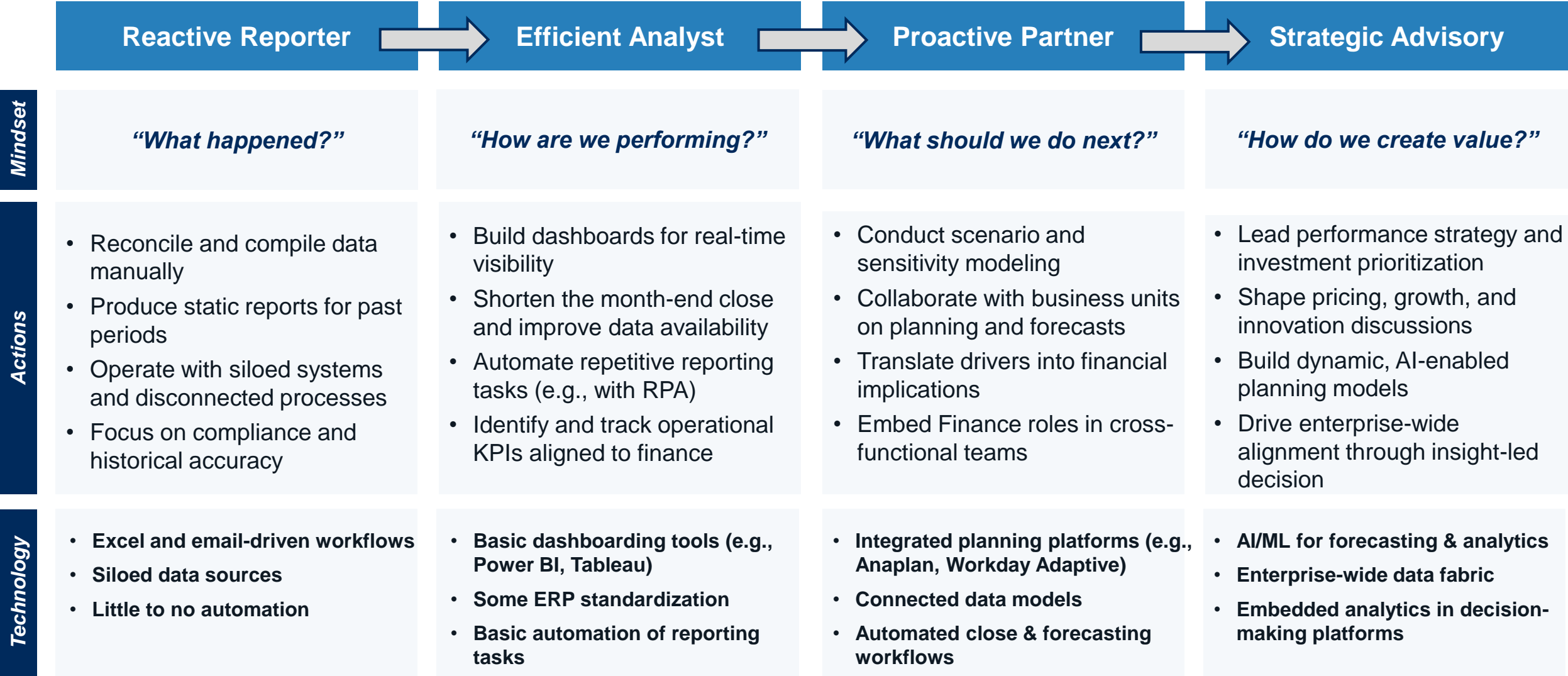


DECISION SUPPORT | DYNAMIC MODELING



DECISION SUPPORT | EVOLVING CAPABILITIES

Modern finance teams go beyond explaining the past, they guide the business forward through data-driven insight, proactive planning, and deep commercial partnership



FORECASTING BEST PRACTICES

FORECASTING | IMPORTANCE

Forecasting is essential for companies because it enables proactive decision-making and strategic resource allocation. It turns uncertainty into manageable risk while positioning companies to seize opportunities, avoid surprises, and operate with agility.

- **Informed Decision-Making:** Forecasting provides a data-driven view of the future, helping leaders make decisions with confidence—whether it's hiring, investing, expanding, or cutting costs.
- **Financial Planning & Cash Management:** Accurate forecasts help companies:
 - Anticipate revenue and expenses
 - Avoid cash shortfalls
 - Plan for capital needs or surplus deployment
- **Strategic Alignment:** Forecasts align short-term actions with long-term goals. They help translate the company's vision into measurable financial expectations.
- **Risk Management:** By modeling different scenarios (e.g., best/worst case), forecasting helps companies prepare for uncertainty and build resilience against market changes.
- **Performance Tracking:** Forecasts create benchmarks that enable companies to:
 - Compare actuals vs. forecast
 - Identify performance gaps
 - Adjust quickly to stay on track
- **Investor and Stakeholder Confidence:** Clear, credible forecasts improve transparency and build trust with Investors, Boards, Lenders, Partners
- **Operational Efficiency:** When forecasts are tied to business drivers, they help teams:
 - Optimize inventory, staffing, and production
 - Prioritize high-ROI initiatives
 - Coordinate cross-functional planning

Process
Design
Principles

Technology
Stack
Overview

Streamlining
with
Automation







Tech-Enabled
Workflow

Forecasting
Maturity
Journey

Roadmap &
Quick Wins

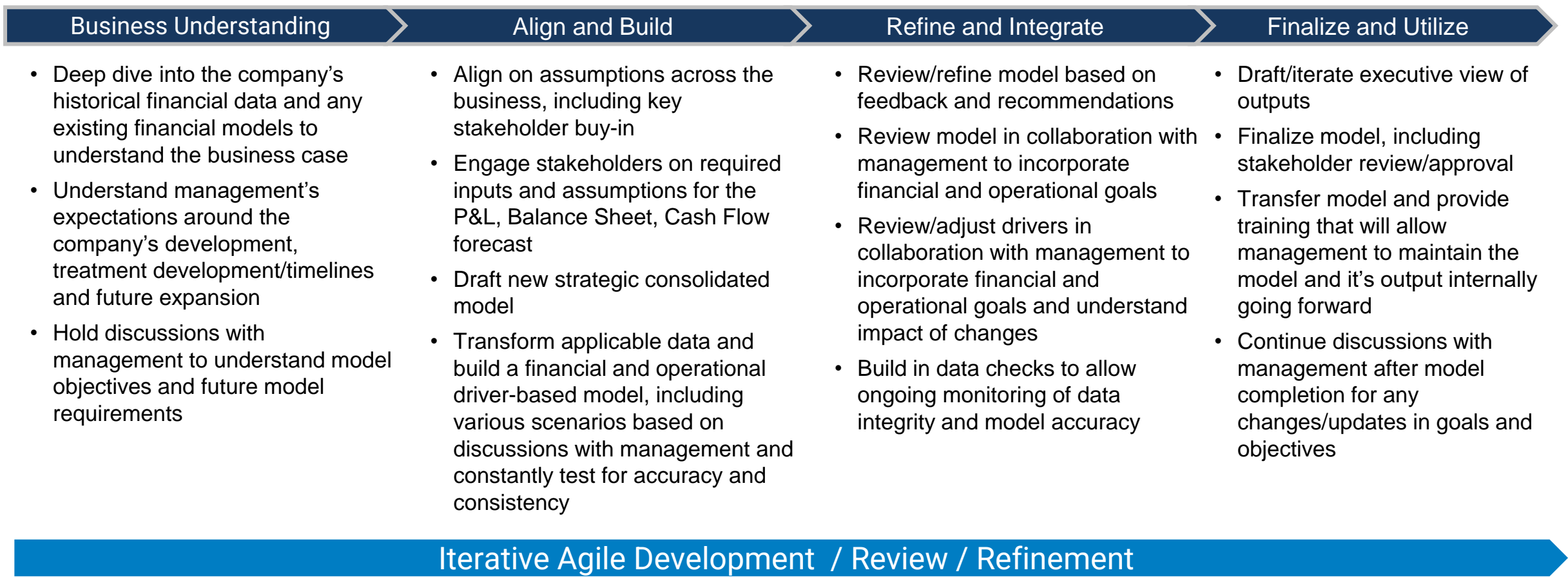
FORECASTING | SUCCESS FACTORS

Optimizing planning, reporting, and analysis capabilities.

Key FP&A Focus Areas	Key Success Factors – FP&A Transformations		
 Planning & Budgeting	Vision <i>Alignment of organizational and strategic priorities to budget</i>	Formalize Process <i>Understand and establish deliverables, timelines, calendars and annual operation plan (AOP). The goal is to establish a formalized FP&A lifecycle.</i>	
 Forecasting	Goal <i>Align forecasting cadence with business and key stakeholders.</i>	Accurate & Timely Data <i>Establish input factors that drive financials and cash forecast, etc.</i>	Formalize Process <i>Determine current state forecasting SOP</i>
 Management Reporting & Analysis	Collaboration on KPIs <i>Broad digital transformation initiative with CTO</i>	Single Source of Truth <i>Gain understanding of tools and systems in place today.</i>	Insight/metrics in real time <i>Standardize reporting and ensure it is timely & accurate.</i>
 People and Org Design	Assess <i>Assess current state finance organizational design</i>	Roles and Responsibilities <i>Assess and document current roles and responsibilities</i>	Design <i>Identify & propose solutions for an FP&A org of the future</i>
 Data Management	Data Management Strategy <i>Determine who owns and maintains the businesses data</i>	Single Source of Truth <i>Evaluate financial data FP&A owns and assess the data flow</i>	Inventory <i>Take inventory of data the business owns and assess its criticalness</i>
 Technology / Systems	Tools and Technology Assessment <i>Access and gain understanding of systems and tools utilized for budgeting, forecasting and reporting to determine fit, areas to optimize within, possible alternatives. Think about FP&A of the future.</i>		

FORECASTING | SUCCESS FACTORS – MODEL CONSTRUCTION

The roadmap begins with quickly assessing the business, existing model(s), and management requirements, all the while noting alignment opportunities across the organization, and reporting needed to support and monitor. An iterative build process will be used to consistently provide feedback points across the engagement.



FORECASTING | KEY TYPES AND COMMON METHODS

Quantitative Forecasting

Relies on historical data and statistical methods.

- **Time Series Forecasting**

Uses past data points over time (e.g., monthly sales)

→ *Methods: Moving Average, Exponential Smoothing, ARIMA*

- **Causal / Econometric Forecasting**

Assumes a cause-effect relationship between variables

→ *Example: Sales forecast based on marketing spend or economic indicators*

- **Trend Analysis**

Identifies patterns or directions in data over time

Qualitative Forecasting

Limited historical data (or unavailable); based on expert judgment.

- **Delphi Method**

Structured expert consensus through multiple survey rounds

- **Market Research / Surveys**

Customer insights or demand estimation from direct inputs

- **Sales Force Composite**

Forecasts aggregated from sales team input

- **Executive Opinion**

Forecasts based on management or leadership insight

Hybrid Forecasting

Combines qualitative and quantitative methods for a balanced approach.

- **Scenario Planning**

Models different future outcomes based on assumptions or external shocks

- **Rolling Forecasts**

Continuously updated forecasts (e.g., monthly or quarterly) for agility

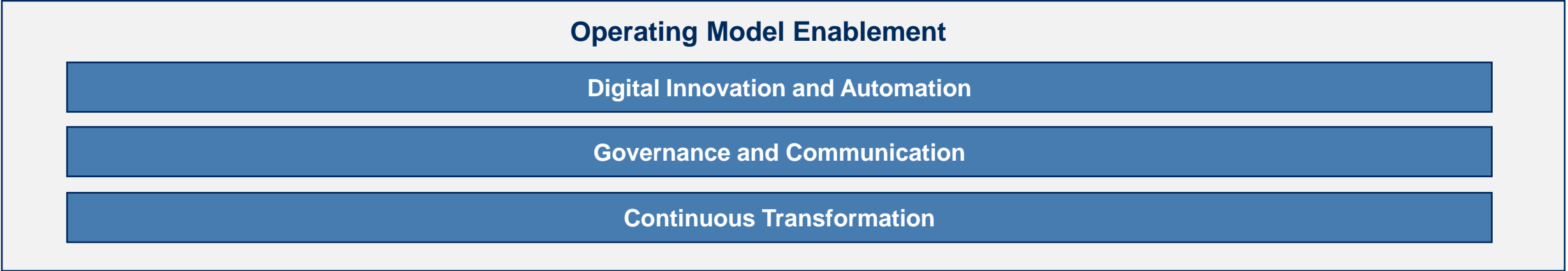
- **Driver-Based Forecasting**

Links forecasts to business drivers (e.g., units sold x price per unit)

DRIVING SCALABLE STREAMLINED FINANCE OPERATIONS

Modern finance organizations achieve operational excellence by aligning their structure, processes, and technology to deliver at scale with consistency, efficiency, and agility

Corporate	Shared Service Center	Centers of Excellence	Business Partnering
<ul style="list-style-type: none">• Owns overall finance strategy and vision• Sets global policies and governance standards• Oversees compliance, risk, and regulatory frameworks• Drives investment decisions and prioritization	<ul style="list-style-type: none">• Executes high-volume, repeatable transactional processes• Delivers efficiency, cost savings, and service consistency• Operates under clearly defined SLAs and KPIs• Enables scalability through automation	<ul style="list-style-type: none">• Houses specialized expertise (e.g., tax, treasury, reporting, data governance)• Defines process standards and leading practices• Supports tool and capability development across regions• Acts as a bridge between strategy and execution	<ul style="list-style-type: none">• Embeds finance in commercial decision-making• Translates financial insight into business action• Supports planning, forecasting, and performance analysis• Builds trust and alignment with business leaders



FORECASTING | KEY TYPES AND COMMON METHODS

Choosing the right technique

Time Horizon	Common Techniques
Short-Term	Moving Average, Driver-Based, Exponential Smoothing
Medium-Term	Regression Analysis, Scenario Planning
Long-Term	Time Series, Delphi Method, Strategic Forecasting

Context	Recommended Technique
Mature business with stable history	Straight-line or moving average
Start-up or new product	Expert input + scenario planning
High uncertainty	Scenario or driver-based modeling
Need to understand cause-effect	Regression or driver-based
Long-range strategic planning	Integrated 3-statement with scenario planning

FORECASTING | BEST PRACTICES AND COMMON CHALLENGES

Common Challenges

1. **Inaccurate or Incomplete Data:** Poor data quality leads to unreliable forecasts.
2. **Overreliance on Historical Performance:** Past trends may not reflect future conditions, especially in volatile markets.
3. **Siloed Information and Teams:** Lack of cross-functional coordination creates blind spots.
4. **Manual, Time-Consuming Processes:** Spreadsheets and disconnected systems slow down updates and increase error risk.
5. **Unrealistic Assumptions:** Overly optimistic or pessimistic projections reduce credibility.
6. **Lack of Agility:** Infrequent updates (e.g., annual forecasts) can quickly become outdated.
7. **Limited Scenario Planning:** Not preparing for multiple outcomes limits resilience.
8. **Misalignment with Strategy:** Forecasts that don't reflect strategic initiatives or risks fail to guide decisions.
9. **Inconsistent Methodologies:** Different teams using different models create confusion and misalignment.
10. **Forecast Fatigue:** Stakeholders lose confidence or interest if the process is burdensome or inaccurate.

Best Practices

1. **Start with Clear Objectives:** Define the purpose (e.g., cash planning, budgeting, strategic decision-making).
2. **Use Driver-Based Models:** Focus on key business drivers (e.g., volume, pricing, headcount) to build flexible forecasts.
3. **Maintain a Rolling Forecast:** Update regularly (e.g., monthly or quarterly) to reflect real-time conditions.
4. **Leverage Historical Data and Trends:** Use past performance to inform future expectations, with adjustments for changes.
5. **Integrate Cross-Functional Inputs:** Align finance, operations, sales, and HR for a holistic view.
6. **Scenario Planning:** Model best, worst, and base-case scenarios to prepare for uncertainty.
7. **Automate and Use Technology:** Use forecasting tools and financial models to improve speed, accuracy, and version control.
8. **Tie to Strategic Goals:** Align forecasts with long-term strategy and KPIs.
9. **Track Forecast Accuracy:** Regularly compare forecast vs. actuals to improve assumptions over time.
10. **Document Assumptions:** Make assumptions transparent and easy to revise.

FORECASTING | LRP SAMPLE

PORTCO

Consolidated Financials

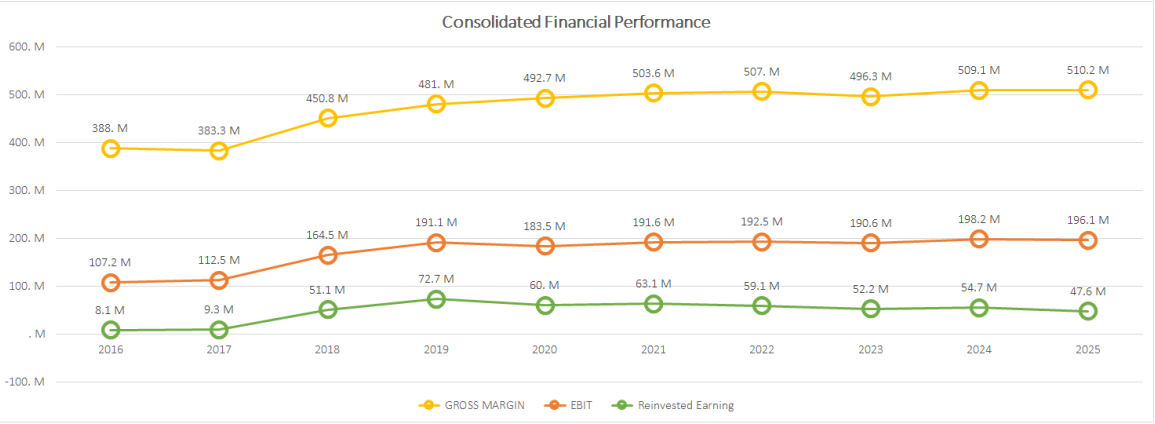
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Cargo Trading	46.2 M	72.7 M	73.3 M	56.7 M	44.1 M	70.4 M	73.5 M	65. M	75.7 M	76.9 M
Total Commercial Other	122.9 M	124.3 M	123.2 M	119.6 M	77.2 M	18.4 M	19.1 M	17.2 M	19.7 M	20. M
Total Project Margin	218.8 M	186.3 M	254.3 M	304.7 M	371.4 M	414.9 M	414.5 M	414.1 M	413.7 M	413.3 M
GROSS MARGIN	388. M	383.3 M	450.8 M	481. M	492.7 M	503.6 M	507. M	496.3 M	509.1 M	510.2 M
Total Operation Cost	-133.5 M	-118.4 M	-119.7 M	-120.9 M	-138. M	-139.6 M	-141.7 M	-136.7 M	-139.7 M	-141.7 M
EBITDA	254.5 M	265. M	331.1 M	360.1 M	354.7 M	364. M	365.3 M	359.6 M	369.4 M	368.5 M
Total Depreciation	-147.3 M	-152.4 M	-166.6 M	-169. M	-171.2 M	-172.4 M	-172.8 M	-169. M	-171.2 M	-172.4 M
EBIT	107.2 M	112.5 M	164.5 M	191.1 M	183.5 M	191.6 M	192.5 M	190.6 M	198.2 M	196.1 M
Total Interest, Bank Fees, FX and Tax	-99.1 M	-103.2 M	-113.5 M	-118.5 M	-123.5 M	-128.5 M	-133.5 M	-138.5 M	-143.5 M	-148.5 M
Reinvested Earning	8.1 M	9.3 M	51.1 M	72.7 M	60. M	63.1 M	59.1 M	52.2 M	54.7 M	47.6 M

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Current Assets	53.3 M	161.3 M	184.4 M	201.9 M	219.4 M	236.9 M	254.4 M	271.9 M	289.4 M	306.9 M
Total Non-Current Assets	2353. M	2765.6 M	2715.1 M	2567.3 M	2439.2 M	2288.6 M	2138.1 M	1966.9 M	1797.5 M	1639.3 M
Total Asset	2406.3 M	2926.9 M	2899.6 M	2769.2 M	2658.6 M	2525.5 M	2392.5 M	2238.9 M	2086.9 M	1946.2 M
Capitalized Lease - Vessel	321.5 M	295.2 M	266.1 M	233.9 M	198.2 M	158.7 M	114.8 M	66.1 M	4. M	. M
Capitalized Lease - Port & Others	342.2 M	327.7 M	312.5 M	296.5 M	279.9 M	264.6 M	248.5 M	231.5 M	213.5 M	194.5 M
Members' Facility (Working Capital)	. M	14.3 M	14.4 M	14.5 M	14.6 M	14.7 M	14.9 M	15. M	15.1 M	15.2 M
Shareholder Vessel Loans	164.7 M	151.7 M	142.9 M	136.4 M	129.7 M	122.6 M	115.3 M	115.3 M	115.3 M	115.3 M
External Exmar Loan	292.3 M	277.6 M	266.6 M	257.8 M	248.4 M	238.3 M	227.6 M	106.7 M	101.8 M	96.6 M
Project Finance Loan - Vessel	. M	436.9 M	408.4 M	378.5 M	347. M	314. M	279.2 M	242.7 M	204.3 M	164. M
Total Liabilities	1239.2 M	1747.3 M	1662.8 M	1317.6 M	1217.8 M	1113. M	1000.3 M	777.2 M	654.1 M	585.7 M
Contributed Capital and Prior Year Earning	1014. M	1014. M	1014. M	1014. M	1014. M	1014. M	1014. M	1014. M	1014. M	1014. M
Total Partners' Equity	3645.5 M	4674.2 M	4562.4 M	4086.9 M	3876.5 M	3638.5 M	3392.8 M	3016.1 M	2741. M	2531.9 M

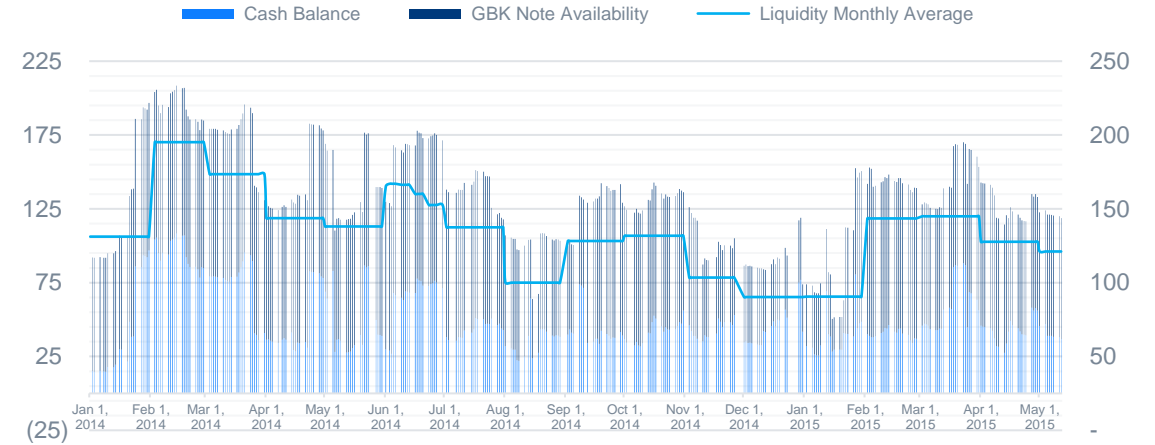
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Implied Cargo Traded		25 Cargoes	30 Cargoes	30 Cargoes	26 Cargoes	31 Cargoes	31 Cargoes	30 Cargoes	31 Cargoes	31 Cargoes
Value per Cargo		31.7 M	31.5 M	32.3 M	33.9 M	34.6 M	35.3 M	36.1 M	37.2 M	38.6 M
Cargo Trading Revenue		793.7 M	943.7 M	969.8 M	881.7 M	1071.2 M	1094.7 M	1083.1 M	1154. M	1195.9 M
Trading NEG Revenue		5.5 M	4.6 M	4.6 M	4.6 M	4.6 M	4.6 M	4.6 M	4.6 M	4.6 M
Sub-Chartering Revenue		124.1 M	123.5 M	117.7 M	74.5 M	16.8 M	17.6 M	15.3 M	18.3 M	18.6 M
Project Revenue		202.5 M	255.1 M	306.1 M	373.1 M	416.9 M	416.9 M	416.9 M	416.9 M	416.9 M
Total Revenue		1125.8 M	1326.8 M	1398.2 M	1333.8 M	1509.5 M	1533.9 M	1519.9 M	1593.7 M	1636. M

TCE Analysis

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Commercial Trading		89,959 PD	94,727 PD	111,220 PD	120,124 PD	129,248 PD	130,558 PD	136,128 PD	134,596 PD	136,669 PD
Total Project Margin		129,379 PD	137,069 PD	127,604 PD	127,199 PD	126,287 PD	126,174 PD	126,058 PD	125,941 PD	125,821 PD
GROSS MARGIN		104,957 PD	112,261 PD	119,800 PD	122,726 PD	125,441 PD	126,288 PD	123,617 PD	126,810 PD	127,078 PD
EBITDA		72,550 PD	82,455 PD	89,692 PD	88,350 PD	90,667 PD	90,987 PD	90,987 PD	90,987 PD	90,987 PD
EBIT		30,812 PD	40,969 PD	47,609 PD	45,704 PD	47,722 PD	47,950 PD	47,950 PD	47,950 PD	47,950 PD
Gross Margin After Tax Expense		100,247 PD	107,858 PD	115,198 PD	118,124 PD	120,839 PD	121,686 PD	119,015 PD	122,208 PD	122,476 PD
Gross Margin After Tax Expense and OPEX		85,222 PD	92,823 PD	100,299 PD	102,928 PD	101,770 PD	102,208 PD	99,108 PD	99,108 PD	99,108 PD



PORTCO Total Liquidity



FORECASTING | SCENARIO MODELING

In this climate of economic uncertainty (including fluctuations in interest rates, **inflation**, **tariffs**, or geopolitical events) clients need tools and resources to navigate **unpredictable** and **volatile** environments. While it is impossible to predict the future, it is critical to be able to anticipate potential challenges, make informed decisions, and respond quickly to changes. Proper scenario modeling and driver-based forecasting aid in making informed decisions and allow organizations to remain agile.

Scenario modeling: A financial 'what-if' tool that allows businesses to play out different situations - like sudden changes in trade **tariffs** or economic downturns - to see how variables affect their profits and cash flow. By doing this, companies can make informed decisions, stay agile, and be better prepared for whatever the future holds. This can be accomplished by spreadsheet modeling or with an FP&A Enterprise Performance Management (EPM) solution.

Driver based forecasting: A financial GPS that helps businesses navigate uncertainties - such as changes in trade tariffs or **supply chain** disruptions - by focusing on the main factors that drive financial outcomes. Some examples drivers include sales volume, production costs, headcount, or customer demand. This ensures that companies remain agile, make data-driven decisions, and stay on course toward their financial goals.

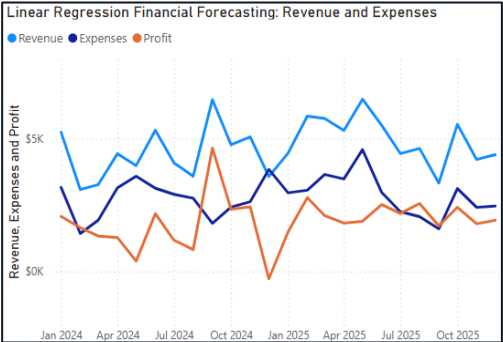
Optimal Capabilities

- Real-time data and continuous monitoring
- Cross-functional collaboration and integrated data sources
- Agility in financial decision making
- Advanced predictive analytics and simulations
- AI and data analytics

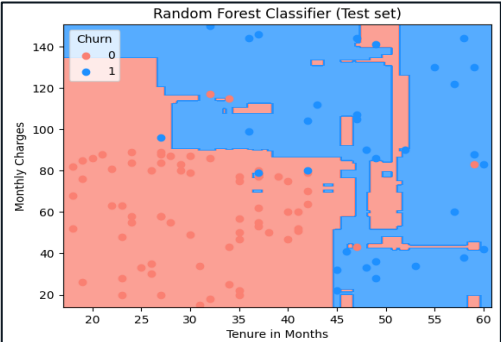
Leveraging EPM Tools & Technology

- Streamlining critical management commentary and research of budget/ forecast variances as companies navigate volatility
- Increase of financial controls
- Ability to leverage dynamic drivers for forecast and scenario modeling

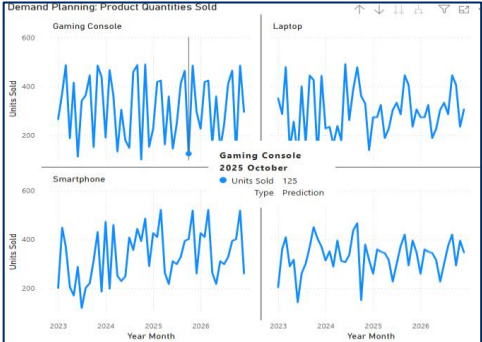
Financial Forecasting



Customer Churn Analysis



Demand Planning



Solutions

- ❑ Analyze historical data and market trends and apply time series analysis to predict future financial outcomes
- ❑ Cleanse and analyze customer data to better understand what factors cause a customer to stop using a product or service and predict which customers will leave and why
- ❑ Examine patterns of co-occurrence and determine the strength of the link between products purchased together and predict which products customers will buy together
- ❑ Utilize qualitative and quantitative data to forecast when and how much product will be required to meet demand and optimize inventory levels

Industry Examples

- ❑ \$50M biopharmaceutical company: Required greater accuracy in budgeting / forecasting, specifically in R&D, used company and market specific drivers to streamline efficient and accurate forecasting as a newly public company
- ❑ \$800M HVAC company: Conducted pricing analysis to recapture market demand through looking at historical project win data to identify opportunities where increasing rates beyond market demand drove a drop in volume but not a drop in revenue
- ❑ \$1B Construction Site Rental: Conducted long range planning using three different scenarios (Low/ Baseline/ High) based on historical financial and operational data to plan for market conditions

FORECASTING | DRIVER-BASED MODEL TIMELINE

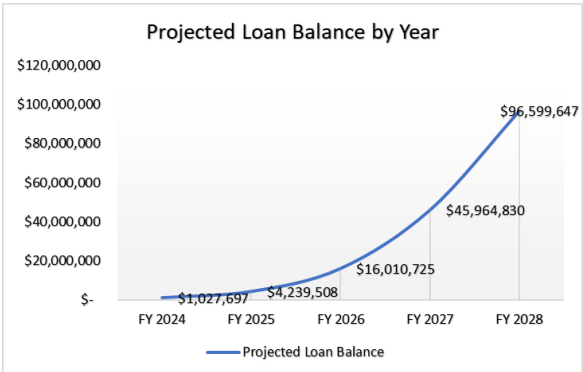
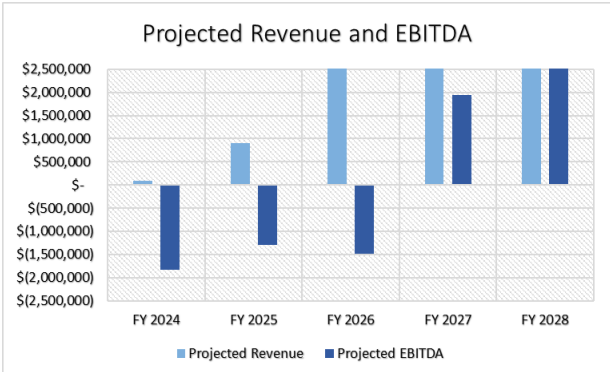
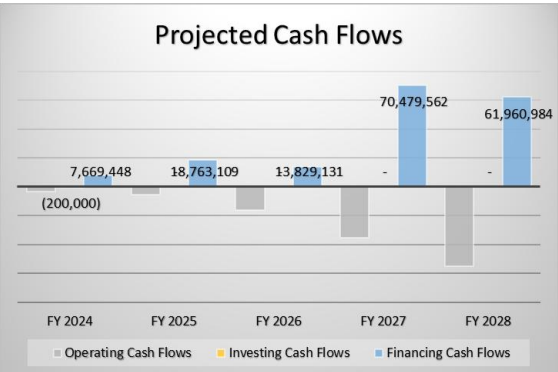
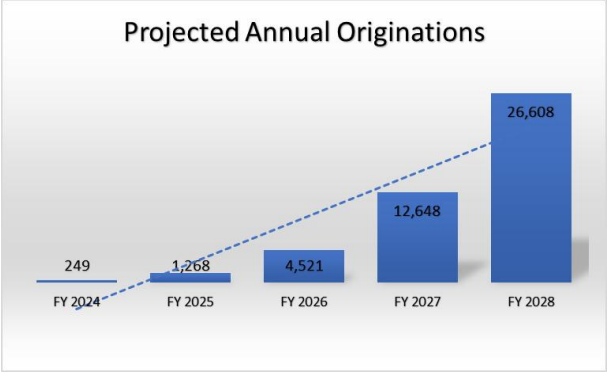
	Month 1				Month 2				Month 3				
Phases	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13
PHASE 2A: Assess & Understand													
2A.1 Kick-off meetings													
2A.2 Define model framework													
2A.3 Align on data sources and extraction													
PHASE 2B: Align & Build													
2B.1 Build model shell													
Revenue / Sales													
Opex													
Headcount													
Balance Sheet													
Cash Flow													
2B.2 Create data templates													
2B.3 Build output schedules													
PHASE 2C: Integrate & Test													
2C.1 Load data into model													
2C.2 Run sensitivity analysis and back-testing													
2C3. Identify and resolve discrepancies													
PHASE 2D: Review & Refine													
2D.1 Evaluate and refine effectiveness of model													
PHASE 2E: Finalize & Utilize													
2E.1 Perform final review													
2E.2 Build user instruction manual													
Phase 2A Deliverables	Phase 2B Deliverables				Phase 2C Deliverables				Phase 2D Deliverables				Phase 2E Deliverables
<ul style="list-style-type: none">N/A	<ul style="list-style-type: none">3-Statement Model (Draft)				<ul style="list-style-type: none">Comparison of “Back-Tested” Version vs. Actuals				<ul style="list-style-type: none">3-Statement Model (Revised)				<ul style="list-style-type: none">3-Statement Model (Final)User Instruction Manual

FORECASTING | 3-STATEMENT FINANCIALS

PORTCO				
Projected Statement of Operations and Loss				
Month Ended				
Return to Control Table				
	FY 2024	FY 2025	FY 2026	FY 2027
Income				
Delinquency Fees	92	755	2,414	6,990
Interest	30,614	578,763	1,885,153	5,871,190
Origination Fees	62,305	317,109	1,130,193	3,162,001
Servicing Fees	-	-	-	-
Total Income	93,011	896,628	3,017,760	9,040,182
Expenses				
COGS	538,001	285,152	474,587	806,312
Origination Costs	-	-	-	-
Loan Loss Reserve	-	-	-	-
Other COGS	538,001	285,152	474,587	806,312
Gross Profit	(444,990)	611,476	2,543,173	8,233,869
SG&A	1,381,990	1,901,380	4,030,460	6,288,638
Payroll	922,190	1,371,980	2,689,960	3,598,930
Overhead	91,300	146,900	239,000	286,000
Other SG&A	368,500	382,500	1,101,500	2,403,708
Total Operating Expenses	1,381,990	1,901,380	4,030,460	6,288,638
EBITDA	(1,826,980)	(1,289,904)	(1,487,287)	1,945,232

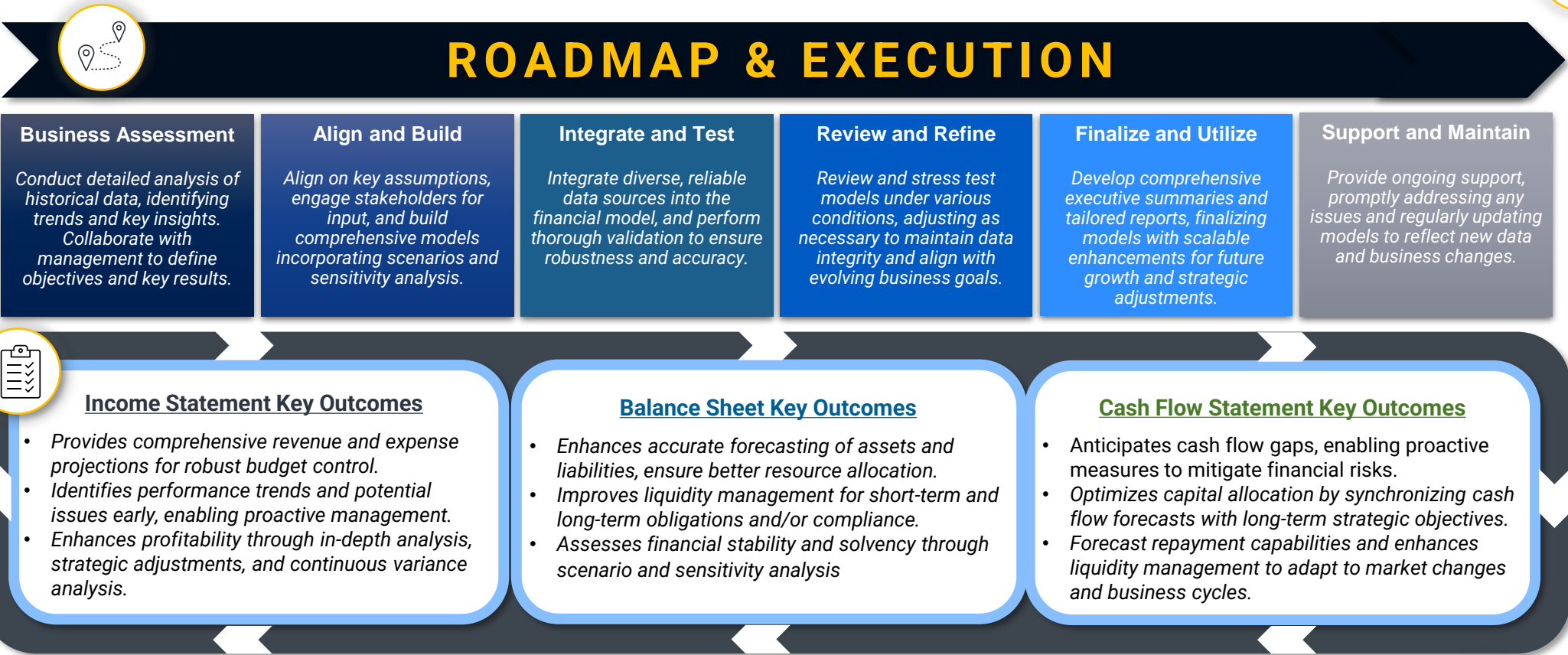
PORTCO				
Consolidated Statement of Financial Position				
	Sep-24	Oct-24	Nov-24	Dec-24
ASSETS				
Current Assets:				
Cash and Cash Equivalents	4,724,091	4,575,244	4,435,082	4,303,518
Portfolio Fair Value	110,104	328,814	646,294	1,027,697
Loan Loss Reserve	149,227	146,242	143,318	-
Total Current Assets	4,983,422	5,050,300	5,224,693	5,331,215
Fixed Assets:				
Property, Plant & Equipment	200,000	200,000	200,000	200,000
Accumulated Depreciation	(21,429)	(23,810)	(26,190)	(28,571)
TOTAL ASSETS	5,161,993	5,226,491	5,398,503	5,502,643
LIABILITIES AND EQUITY				
Current Liabilities:				
Accounts Payable	2,502,506	2,002,005	2,402,406	1,921,925
Accrued Expenses	585,410	646,878	714,800	789,854
Total Current Liabilities	3,087,916	2,648,883	3,117,206	2,711,779
Long-Term Liabilities:				
Venture Debt	-	-	-	-
Term Loan	3,500,000	3,500,000	3,500,000	3,500,000

PORTCO				
Consolidated Statement of Cash Flows				
	Oct-27	Nov-27	Dec-27	Jan-28
Net Income	(421,525)	(424,665)	(369,979)	(647,047)
Depreciation	2,381	2,381	2,381	2,381
FV Gain	369,684	409,221	407,144	406,915
Cash flows used in operating activities:				
Net Loan (Outflow)/Inflow	(3,698,812)	(4,080,836)	(4,118,136)	(4,164,370)
Increase/(Decrease) Accounts Payable and Acc				
Net Cash used in Operating Activities	(3,748,272)	(4,093,900)	(4,078,590)	(4,402,120)
Cash flows used in investing activities:				
Capital Expenditures				
Net Cash used in Investing Activities	-	-	-	-
Cash flows provided by financing activities:				
Warehouse Line Drawdown	-	-	-	-
Warehouse Line Principal Repayment	-	-	-	-
Revolver 1 Drawdown	6,932,965	7,626,261	4,625,675	-
Revolver 1 Principal Repayment	(2,993,239)	(3,281,749)	-	-
Revolver 2 Drawdown	-	-	3,381,900	8,407,953
Revolver 2 Principal Repayment	-	-	(3,600,650)	(3,929,456)
Borrowing of Long-Term Debt	-	-	-	-
Principal Repayments	-	-	-	-
Equity Proceeds - Seed	-	-	-	-
Equity Proceeds - Series A	-	-	-	-
Equity Proceeds - Series B	-	-	-	-



FORECASTING | 3-STATEMENT FINANCIALS

Driver-based financial modeling solutions tailored to specific business needs enables organizations to optimize their integrated financial models, delivering timely, data-driven insights that support strategic decision-making and drive long-term success.



Revenue & COGS Inputs/Assumptions			
Scenario 1 - Base			
	23E	24E	
Revenue Components			
Base Revenue YoY Growth %	0.0%	0.0%	
Synergy Lift - Year 1 - % of Base	15.0%	10.0%	
Synergy Lift - Year 2+ - YoY Growth %	50.0%	60.0%	
COGS			
COGS as % of Revenue	20.0%	19.0%	

ACME SMITH CO. Scenario: 1 - Base		
P&L		
Figures in thousands USD	2018A	2019A
Base	10,808	11,168
Synergy Lift	-	-
Recurring Revenue	10,808	11,168
Non-Recurring Revenue & Services	1,925	2,342
Legacy	2,330	1,766
Total Revenue	15,063	15,276
Total Revenue YoY Growth %		1.4%
Recurring Revenue YoY Growth %		3.3%
Cost of Sales	3,611	2,944

Consolidated Statement of Financial Position		
	Sep-24	Oct-24
ASSETS		
Current Assets:		
Cash and Cash Equivalents	4,724,091	4,575,244
Portfolio Fair Value	110,104	328,814
Loan Loss Reserve	149,227	146,242
Total Current Assets	4,983,422	5,050,300
Fixed Assets:		
Property, Plant & Equipment	200,000	200,000

Consolidated Statement of Cash Flows		
	Sep-24	Oct-24
TO		
Net Income	(147,490)	(181,08)
Depreciation	2,381	2,38
FV Gain	14,896	29,08
Cash flows used in operating activities:		
Net Loan (Outflow)/inflow	(125,000)	(247,79

Projected Cash Flows

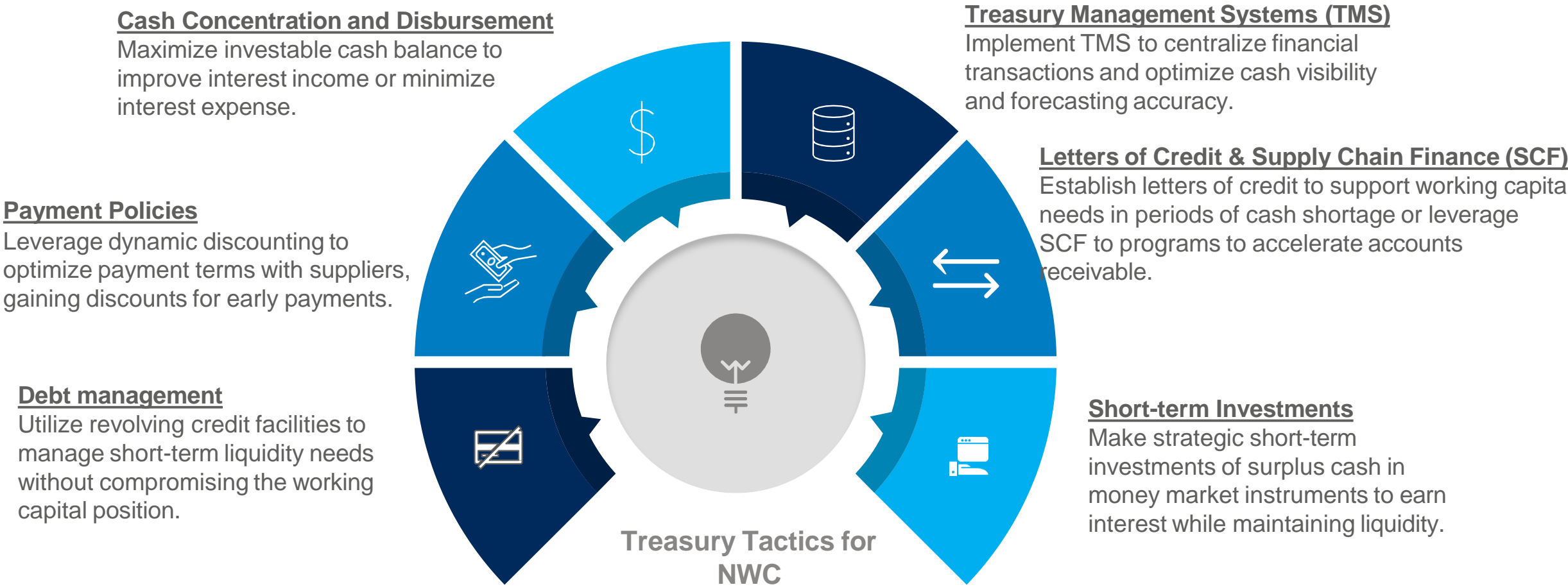
Operating Cash Flows Investing Cash Flows Financing Cash Flows

(\$20,000,000) \$0 \$20,000,000 \$40,000,000 \$60,000,000 \$80,000,000

FY 2024 FY 2025 FY 2026 FY 2027 FY 2028

FORECASTING | INTEGRATED TREASURY FUNCTION

Improve Net Working Capital Management by partnering with Treasury function.



OPTIMIZING NET WORKING CAPITAL

NET WORKING CAPITAL | CASH FLOW MANAGEMENT



What is Net Working Capital (“NWC”)?

- Measure of company’s **liquidity, operating efficiency and short-term health**. Positive NWC indicates that a company has enough resources to meet its short-term liabilities.
- It is measured by analyzing **current assets** (cash, accounts receivable, and inventory) and **current liabilities** (accounts payable)
- KPIs to measure NWC **include quick ratio, current ratio, days receivable & payable, cash turnover**



Why is NWC important for companies today?

- **Higher interest rates** elevates the cost of short-term borrowings, making it more difficult for companies to manage their working capital and impacts the bottom line
- **Inflation** is driving significant variability with input & energy costs and as a result short-term cash flow and liquidity strategies are needed to help strengthen the balance sheet
- **Visibility** into working capital drives **operational flexibility** such as inventory management, collections improvement, and payables management



NET WORKING CAPITAL | LIQUIDITY AND CASH FLOW

Develop a rigorous cash flow forecasting process that will enable an organization to clearly understand its sources and uses of cash and prioritize short and long-term spending obligations.

Current State Assessment

- Understand management reporting requirements and business environment
 - **Operational Needs** – Improving collection speed, managing/right-sizing payroll, liquidating inventory
 - **Financial Needs** – Seeking additional funding, creditor negotiations, risks/opportunities
 - **Strategic Needs** – Bankruptcy filing, attempt turn around out of court, M&A
- Identify **key sources of data** such as bank accounts, A/R and A/P aging, payroll, and loan agreements
- Identify personnel charged with **data gathering** and executing strategic decisions

Roadmap & Execution

- Create weekly **process timeline** and receipt of inputs / distribution of outputs
- Allot time for data submission, consolidation, review and consider requirements for multiple geographies, entities, and business complexities
- Determine **benchmarks** (bank, GAAP, model) and perform flux analysis
- Identify operational levers to **accelerate collections** and **decelerate payments**
- **Scenario** analysis (base, upside, and downside) and **sensitivity** analysis (stress inputs)
- Create a **contingency** plan
- Analyze and communicate variances to forecast

Implement & Iterate

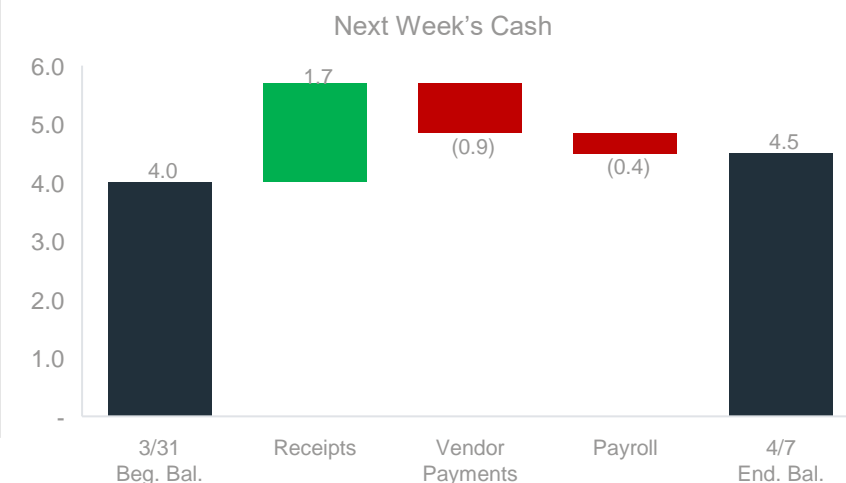
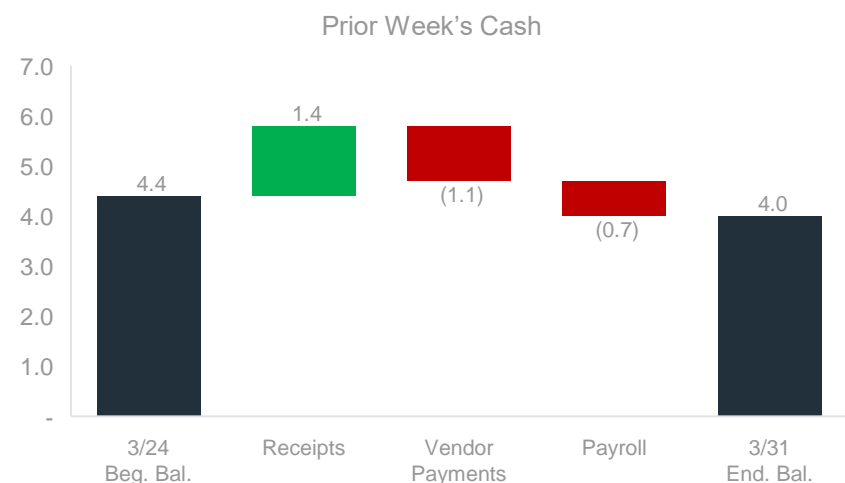
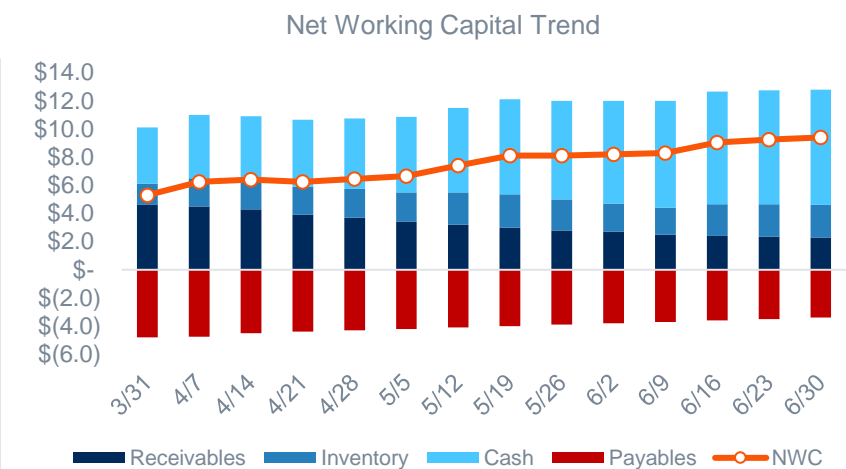
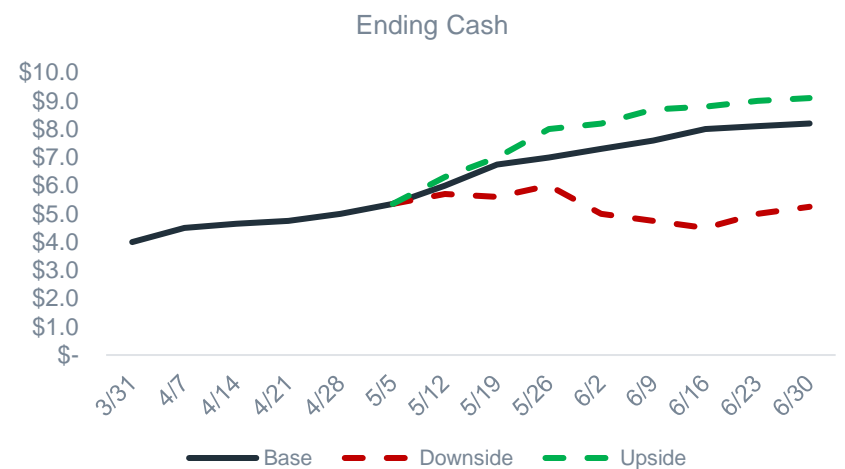
- **Iterate weekly** and improve inputs/outputs and streamline process;
- Use weekly meetings to **enhance visibility** into expenses
- Create **accountability** and **report on effectiveness** of actions to improve cash

Example Weekly Cash Flow Report

	Actual Week 0	Forecast Week 1	Forecast Week 2
Cash Receipts			
Revenue	\$37.0	\$65.0	\$51.0
Sales of Marketable Securities			\$25.0
Additional Debt Borrowings			
Total Cash Receipts	\$37.0	\$65.0	\$76.0
Cash Disbursements			
Payroll	(\$21.5)	(\$32.5)	(\$28.5)
Vendor Payments	(\$70.0)	(\$30.0)	(\$45.0)
Total Cash Disbursements	(\$91.5)	(\$62.5)	(\$73.5)
Net Increase (Decrease) in Cash	(\$54.5)	\$2.5	\$2.5
Cumulative period		(\$52.0)	\$5.0
Cash Balance Rollforward			
Beginning Cash Balance	\$270.0	\$215.5	\$218.0
Net Cash Flow	(\$54.5)	\$2.5	\$2.5
Ending Cash Balance	\$215.5	\$218.0	\$220.5

NET WORKING CAPITAL | LIQUIDITY REPORTING

Align reporting to how you want to action the cash flow management process.



NWC Reporting & Analysis

Accounts receivable aging and segmentation

Accounts payable by vendor and terms

Inventory by product, geography, and re-order requirements

Supply chain demand planning

DSO, DPO, DIO trends

Net working capital forecast, scenario analysis, and stress testing

NET WORKING CAPITAL | FIND THE LEVERS

And only if you are willing to pull them.

Maximize Inflows

A/R aging (30 to 120+ days)	A/R customer waterfall	Collections policy & escalation templates
Early payment discounts	Utilize revolving debt facilities (covenants/negotiation)	Liquidate inventory
Implement late payment fees & interest charges	Increase customer billing frequency	Minimize operating cycle

Minimize Outflows

Extend vendor payment terms	Adjust inventory manufacturing plan (demand planning)	Pay as you go / minimize prepaids
Reduce levels of authority	Rationalize full- time workforce	Manage loan payback terms
Re-negotiate / down scope contracts	Reduce and control payment runs	Reduce capex and discretionary spend

Maximize Cash Balance Availability

Reduce minimum balance accounts	Unlock ring-fenced cash	Reduce time-bound balances	Minimize restricted cash
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NET WORKING CAPITAL | 13-WEEK CASH FLOW – OVERVIEW

<div>Business Use</div> <div></div>	<ul style="list-style-type: none">Operational decision support tool leveraged by businesses to optimize short-term cash management by scrutinizing the company's financial health and potential future cash flows
<div>Key Advantages</div> <div></div>	<ul style="list-style-type: none">Identify underlying cash flow activities and working capital insights for optimal management and informed capital management
<div>Strategic Decisions</div> <div></div>	<ul style="list-style-type: none">Yields vital daily business insights, helping answer critical questions, thereby facilitating proactive cross functional financial decisions by leadership



NET WORKING CAPITAL | 13-WEEK CASH FLOW – PROCESS

Establishing a 13-Week Cash flow process involves understanding the needs of the company and aligning stakeholders in various functions



Current State Assessment

- Assess **management's reporting needs** and the business context, including handling acquired entities' cash, liquidity scenarios, and lender compliance
- Pinpoint **primary sources of data** such as bank accounts, A/R and A/P aging, payroll, and loan agreements
- Recognize and identify **key personnel** responsible for data collection and strategy execution



Build Cash Flow Model

- Collect **historical financial data** to establish a baseline for your model (i.e., actuals)
- Trend near term know items (AR and AP logged)
- Forecast Receipts and Disbursements for outer periods based on **sales/revenues** and **supply chain/expenses**, considering seasonal trends and significant events
- Integrate **scenario planning**, analyzing various situations and potential effects on cash



Communication Cadence

- Establish a **timeline with a weekly process** for input receipt and output distribution
- **Phase out efforts over week**, across data submission, consolidation, segment review, and report out
- Perform weekly **flux analysis**, pinpointing change drivers and improvement opportunities



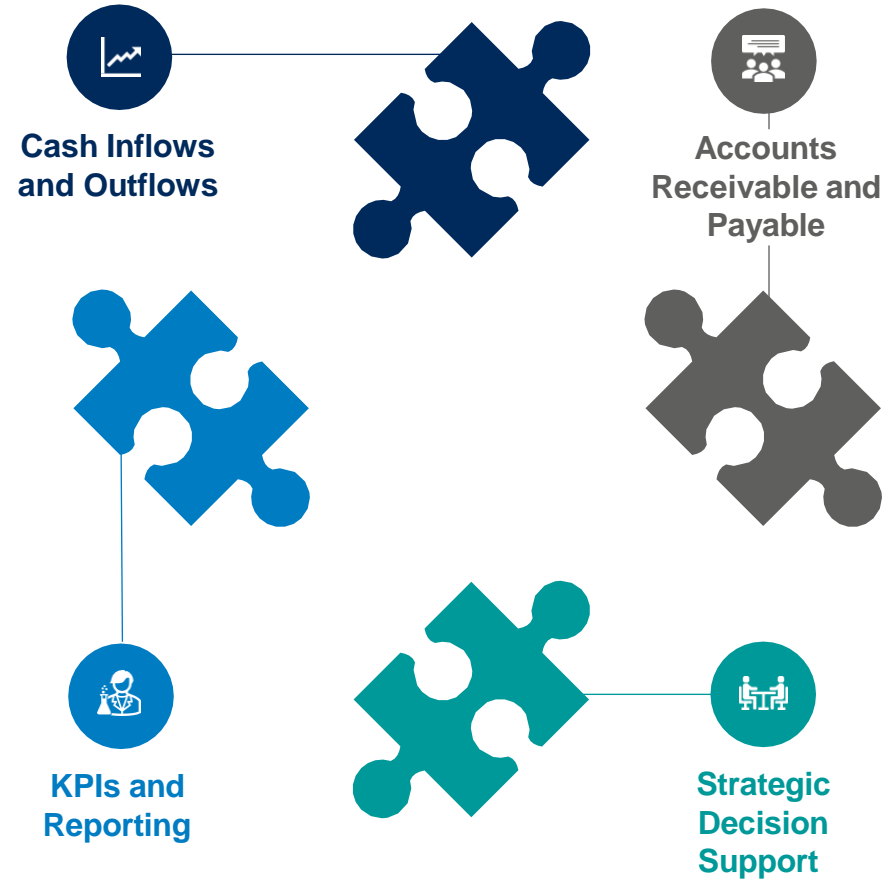
Informed Strategic Decision-making

- Process provides clear **strategic insights** into short-term liquidity and potential cash position
- By **tracking cash movements**, leaders can swiftly drive actions in billing and payments
- **Cash visibility** fosters informed choices on capital projects and investments
- Through precise **forecasting**, manage debt, streamline repayments, and utilize revolvers effectively

NET WORKING CAPITAL | IMPACTS OF SUBOPTIMAL PROCESS

Cash Inflows and Outflows

- Reactive actions
- Basic liquidity handling
- Unsupported investment decisions
- Static market approach/limited foresight



Accounts Receivable and Payable

- Arbitrary credit handling
- Inconsistent supplier interactions
- Unstructured vendor approach
- Static payment conditions

KPIs and Reporting

- Mismatched strategy
- Random resource distribution
- Wavering stakeholder trust
- Unplanned performance monitoring

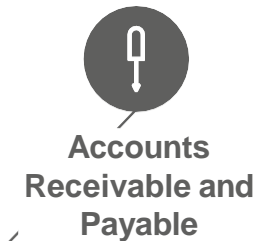
Strategic Decision Support

- Investments impacting operations
- Disorganized hiring activities
- Ad-hoc supplier discussions
- Impulsive merger considerations

NET WORKING CAPITAL | BEST PRACTICES

Cash Inflows and Outflows

- Proactive decisions
- Enhanced liquidity management
- Strategic investment planning
- Responsive market strategy



Accounts Receivable and Payable

- Optimized credit management
- Strengthened supplier relationships
- Prioritizing or deferring vendors
- Revisiting payment terms

KPIs and Reporting

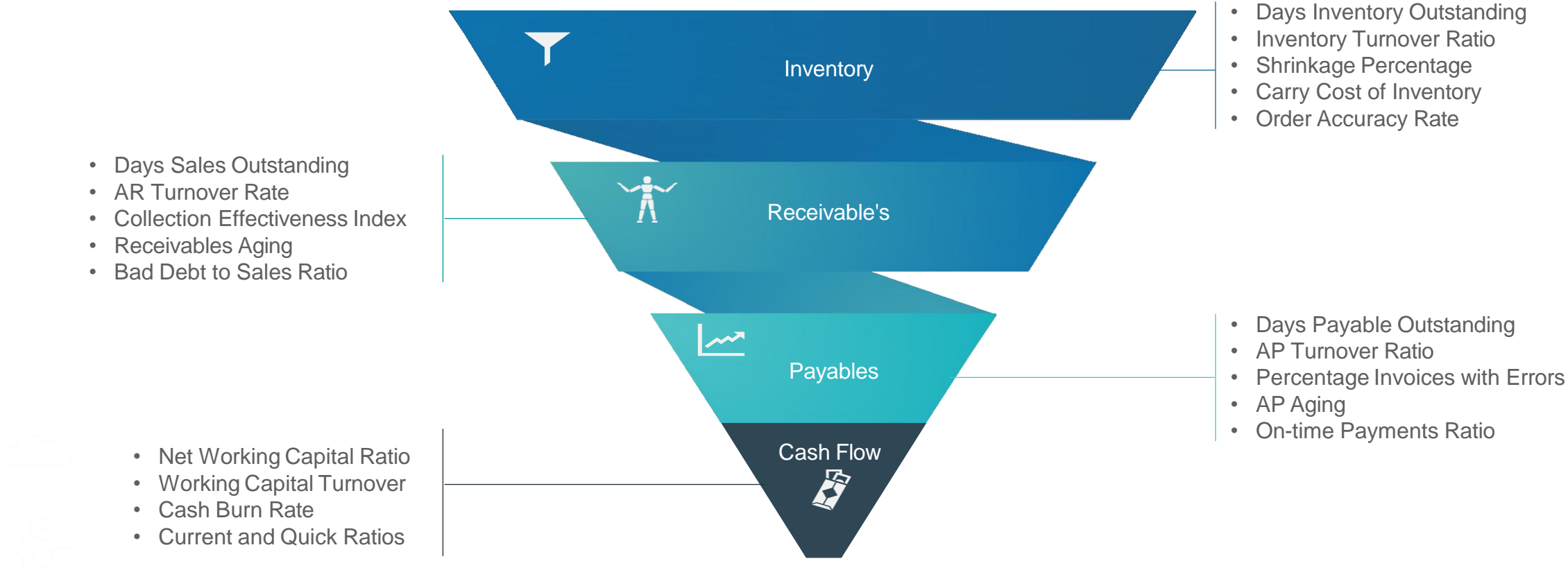
- Strategy aligned with measurements
- Effective resource allocation
- Boosted stakeholder confidence
- Efficient tracking



Strategic Decision Support

- Insightful/timely investment decisions
- Expanding or freezing recruitment
- Vendor negotiations
- Pursuing or delaying acquisitions

NET WORKING CAPITAL | OPTIMIZATION – COMMON KPIS (1/2)



NET WORKING CAPITAL | OPTIMIZATION – COMMON KPIS (2/2)

Inventory

Days Inventory Outstanding:

$(\text{Average Inventory} / \text{Cost of Goods Sold}) * \text{Number of Days}$

Inventory Turnover Ratio:

$\text{Cost of Goods Sold (COGS)} / \text{Average Inventory}$

Shrinkage Percentage

$(\text{Value of Inventory Loss} / \text{Initial Inventory Value}) * 100$

Carry Cost of Inventory

$(\text{Holding Rate or Cost Percentage}) * (\text{Average Inventory Value})$

Order Accuracy Rate

$[(\text{Number of Accurate Orders}) / (\text{Total Number of Orders})] * 100$

Receivables

Days Sales Outstanding

$(\text{Accounts Receivable} / \text{Total Credit Sales}) * \text{Number of Days}$

AR Turnover Rate

$\text{Net Credit Sales} / \text{Average Accounts Receivable}$

Bad Debt to Sales Ratio

$(\text{Bad Debt Expense} / \text{Total Sales}) * 100$

Receivables Aging

AR report organizing & grouping outstanding invoices (e.g., 30 or 60 days)

Collection Effectiveness Index

$(\text{Beginning AR} + \text{Credit Sales} - \text{Ending AR} - \text{Cash Collections}) / (\text{Beginning AR} + \text{Credit Sales} - \text{Ending AR}) * 100$

Payables

Days Payable Outstanding

$(\text{Accounts Payable} / \text{Cost of Goods Sold}) * \text{Number of Days}$

AP Turnover Ratio

$\text{Total Supplier Purchases} / \text{Average Accounts Payable}$

On-time Payments Ratio

$(\text{Number of On-time Payments} / \text{Total Number of Payments}) * 100$

AP Aging

AP report organizing & grouping outstanding payables (e.g., 30 or 60 days)

Percentage Invoices with Errors

$(\text{Number of Invoices with Errors} / \text{Total Number of Invoices}) * 100$

Cash Flow

Net Working Capital Ratio

$(\text{Current Assets} - \text{Current Liabilities}) / \text{Total Assets}$

Working Capital Turnover

$\text{Net Sales} / \text{Average Working Capital}$

Cash Burn Rate

$(\text{Beginning Cash Balance} - \text{Ending Cash Balance}) / \text{Number of Months}$

Current Ratio

$\text{Current Assets} / \text{Current Liabilities}$

Quick Ratio

$(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$

NET WORKING CAPITAL | OPTIMIZATION

Enhance net working capital and create a repeatable roadmap to success



Current State Assessment

Understand current business model and roadblocks to effective net working capital management

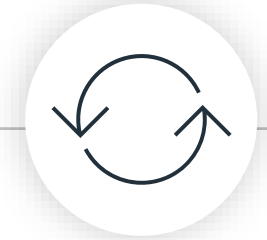
- Review net working capital components and historical trend
- Perform stakeholder interviews with key business partners, account managers, supply chain managers, and procurement personnel
- Understand cash conversion cycle
- Review current collection policies, inventory management, and vendor payment terms



Strategic Roadmap & Execution

Create a customized strategy for quick wins and long-term net working capital enhancement

- Create short-term action plan conserve liquidity and unlock trapped cash. Roadmap sustainable liquidity enhancement plan to support long-term objectives.
- Define and standardize operational processes for A/R, A/P, and inventory
- Create dashboard for key operational metrics and establish stakeholder accountability
- Gain executive stakeholder buy-in



Implement & Iterate

Create a cash-centric culture supported by robust, repeatable processes

- Measure targeted NWC improvements versus model and refine process to achieve planned results
- Deliver critical path to ensure NWC remains within optimal range
- Cross-train and upskill staff to maintain operational processes
- Communicate risks and opportunities of business operational plans to NWC strategy

CASH CONVERSION CYCLE

THE CASH CONVERSION CYCLE IS A METRIC EXPRESSING HOW MANY DAYS IT TAKES A COMPANY TO CONVERT THE CASH IT SPENDS ON INPUT COSTS BACK INTO CASH BY SELLING ITS PRODUCT.



Days Inventory Outstanding

Measures how many days before inventory is sold

$(\text{Average Inventory} / \text{Cost of Goods Sold}) \times 365$



Days Sales Outstanding

Measures how quickly cash is collected from sales

$(\text{Average Receivable} / \text{Net Credit Sales}) \times 365$



Days Payable Outstanding

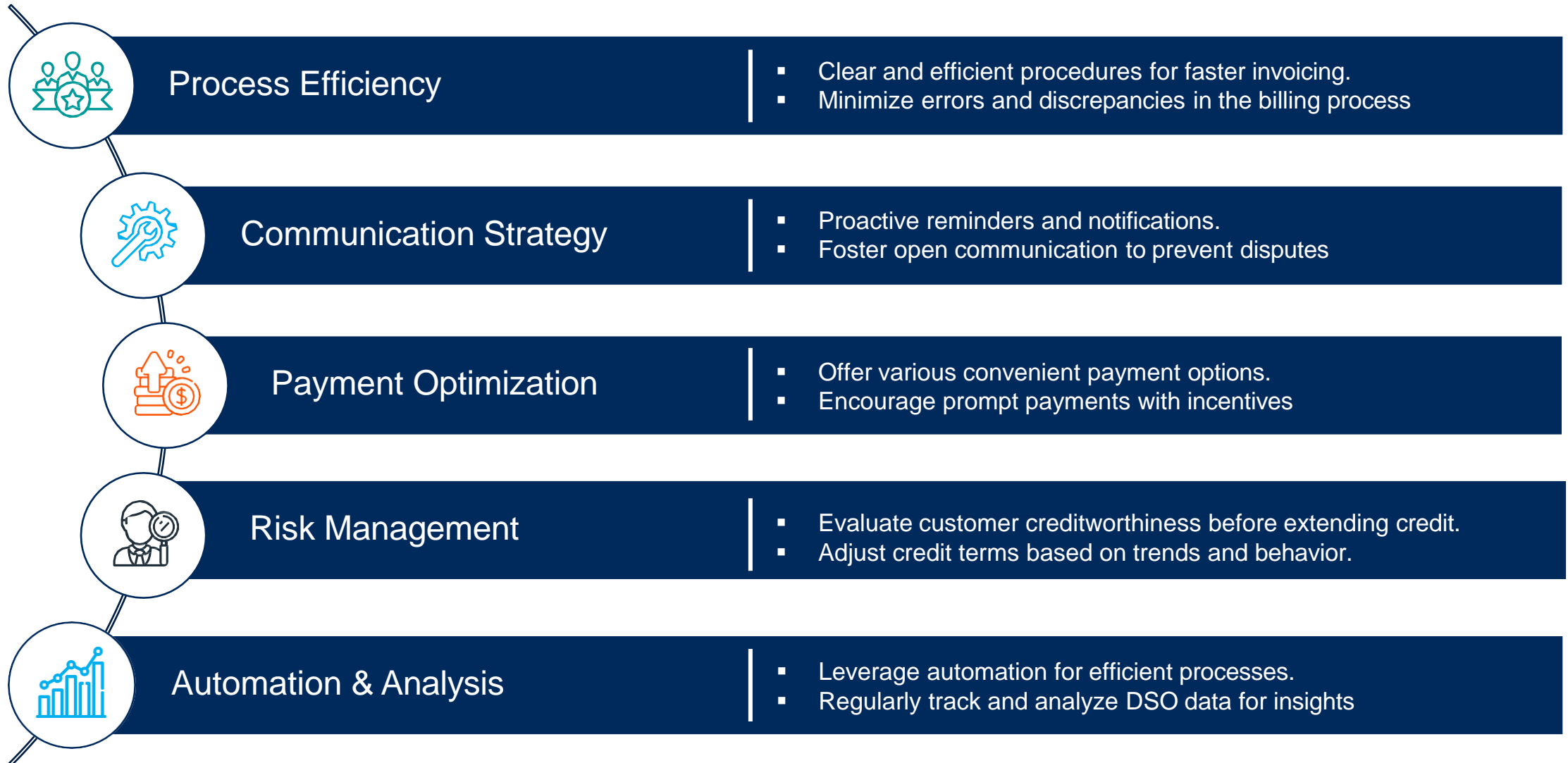
Measures how long it takes to pay obligations

$\text{End of Period AP} / (\text{Cost of Goods Sold} / 365)$

NET WORKING CAPITAL | OPTIMIZATION LEVERS – DIO



NET WORKING CAPITAL | OPTIMIZATION LEVERS – DSO



NET WORKING CAPITAL | OPTIMIZATION LEVERS – DPO



NET WORKING CAPITAL | OPTIMIZATION VARIABLES



Life Science (Pre-Revenue)

- **R&D Cash Outflows:** High research costs.
- **Funding Reliance:** Depend on grants/investors.
- **Long CCC:** Extended product development.
- **Upfront Payments:** From partnerships/licensing.



SaaS (Growth)

- **Recurring Revenue:** Subscription models.
- **Rapid Reinvestment:** Marketing & acquisition
- **Short DSO:** Automated billing.
- **Scalable costs:** Variable costs with growth



Retail (Expansion)

- **Inventory Focus:** Optimize stock levels.
- **Volume-Driven Cash:** Seasonal sales trend
- **Extended DPO:** Supplier term negotiations
- **Diverse Revenue:** Online sales & partnerships



Manufacturing (Mature)

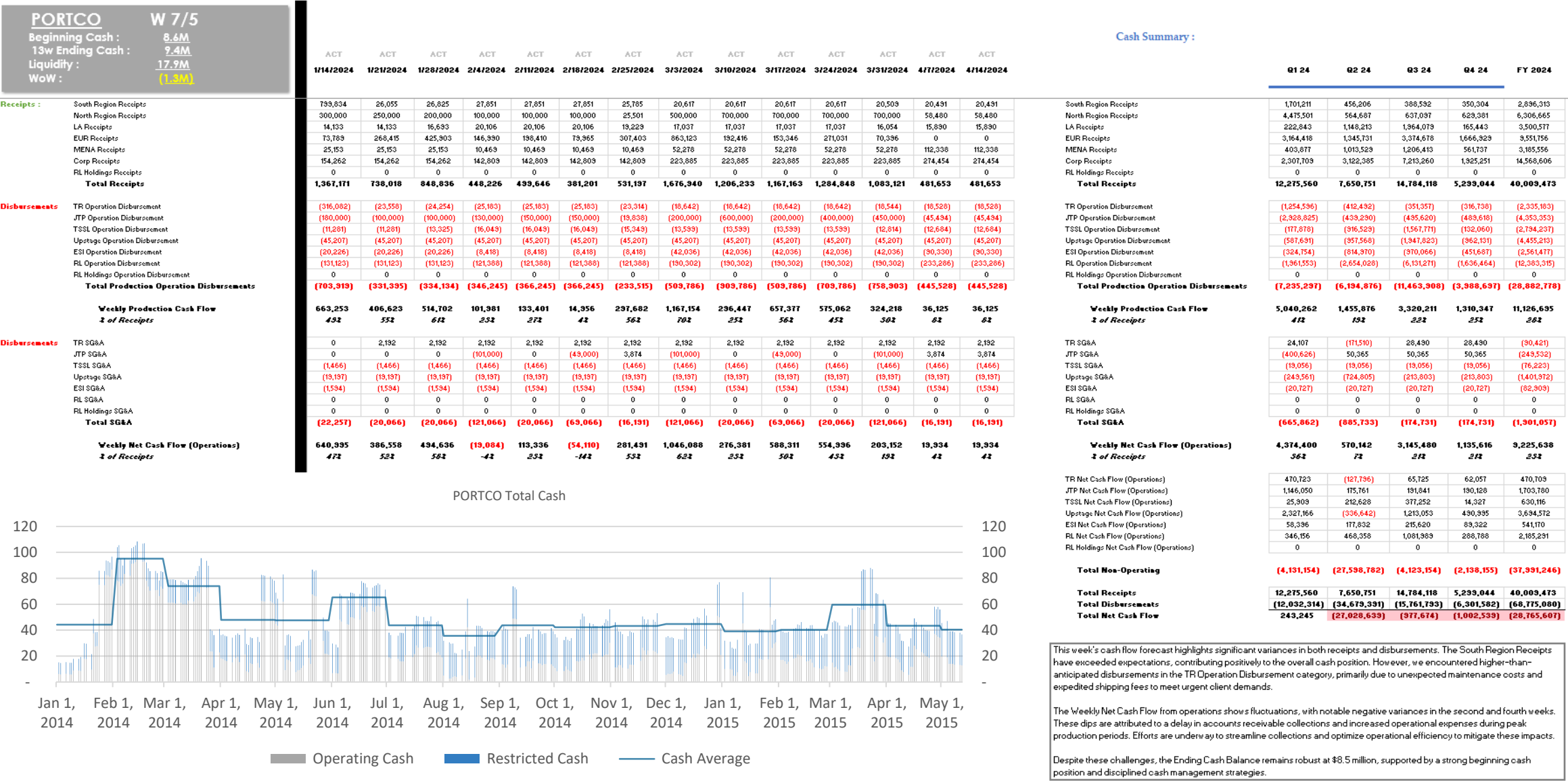
- **Stable Cash Flow:** Predictable revenue.
- **Optimized CCC:** Refined processes.
- **Periodic CapEx:** Machinery upgrades.
- **Long-term Suppliers:** Optimized working capital

NET WORKING CAPITAL | SAMPLE CASH FLOW MODEL

Multi-national conglomerate with high fixed costs and cash held in multiple jurisdictions

(in millions USD)	Act	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	Fcast	13-Week
	3/31	4/7	4/14	4/21	4/28	5/5	5/12	5/19	5/26	6/2	6/9	6/16	6/23	6/30	Total
	Week 0	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
Cash Receipts															
North and South America	32.0	59.0	39.0	65.0	62.0	49.0	30.0	40.0	33.0	35.0	32.0	50.0	32.0	60.0	586.0
Europe, Middle East, Africa	3.0	4.0	10.0	2.0	7.0	2.0	4.0	1.0	7.0	8.0	3.0	8.0	8.0	8.0	72.0
Asia-Pacific	2.0	1.0	2.0	2.0	4.0	2.0	3.0	2.0	1.0	2.0	5.0	2.0	4.0	4.0	34.0
Corporate	-	1.0	-	-	-	-	-	-	-	-	-	-	-	-	1.0
Operations Receipts	37.0	65.0	51.0	69.0	73.0	53.0	37.0	43.0	41.0	45.0	40.0	60.0	44.0	72.0	693.0
Sales of Marketable Securities	-	-	25.0	-	-	-	-	-	-	-	-	-	-	-	25
Additional Debt / Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	100
Total Cash Receipts	37.0	65.0	76.0	69.0	73.0	53.0	37.0	43.0	41.0	45.0	40.0	60.0	144.0	72.0	818.0
Cash Disbursements															
Payroll															
North and South America	(16.0)	(29.5)	(19.5)	(35.0)	(31.0)	(24.5)	(10.0)	(13.5)	(16.5)	(17.5)	(16.0)	(33.0)	(16.0)	(16.0)	(278.0)
Europe, Middle East, Africa	(1.5)	(2.0)	(5.0)	(1.0)	(3.5)	(1.0)	(2.0)	(0.5)	(3.5)	(4.0)	(1.5)	(4.0)	(4.0)	(4.0)	(36.0)
Asia-Pacific	(1.0)	(0.5)	(1.0)	(1.0)	(2.0)	(1.0)	(1.5)	(1.0)	(0.5)	(1.0)	(2.5)	(1.0)	(2.0)	(2.0)	(17.0)
Corporate	(3.0)	(0.5)	(3.0)	(0.5)	(3.0)	(0.5)	(3.0)	(0.5)	(3.0)	(0.5)	(3.0)	(0.5)	(3.0)	(0.5)	(21.5)
Total Payroll	(21.5)	(32.5)	(28.5)	(37.5)	(39.5)	(27.0)	(16.5)	(15.5)	(23.5)	(23.0)	(23.0)	(38.5)	(25.0)	(22.5)	(352.5)
Vendor Payments	(70.0)	(30.0)	(45.0)	(45.0)	(40.0)	(25.0)	(20.0)	(40.0)	(25.0)	(40.0)	(25.0)	(50.0)	(50.0)	(25.0)	(460.0)
Total Cash Disbursements	(91.5)	(62.5)	(73.5)	(82.5)	(79.5)	(52.0)	(36.5)	(55.5)	(48.5)	(63.0)	(48.0)	(88.5)	(75.0)	(47.5)	(812.5)
Net Increase (Decrease) in Cash	\$ (54.5)	\$ 2.5	\$ 2.5	\$ (13.5)	\$ (6.5)	\$ 1.0	\$ 0.5	\$ (12.5)	\$ (7.5)	\$ (18.0)	\$ (8.0)	\$ (28.5)	\$ 69.0	\$ 24.5	\$ 5.5
Cumulative period		2.5	5.0	(8.5)	(15.0)	(14.0)	(13.5)	(26.0)	(33.5)	(51.5)	(59.5)	(88.0)	(19.0)	5.5	5.5
Cash Balance Rollforward															
Beginning Cash Balance	270.0	215.5	218.0	220.5	207.0	200.5	201.5	202.0	189.5	182.0	164.0	156.0	127.5	196.5	215.5
Net Cash Flow	(54.5)	2.5	2.5	(13.5)	(6.5)	1.0	0.5	(12.5)	(7.5)	(18.0)	(8.0)	(28.5)	69.0	24.5	5.5
Ending Cash Balance	\$ 215.5	\$ 218.0	\$ 220.5	\$ 207.0	\$ 200.5	\$ 201.5	\$ 202.0	\$ 189.5	\$ 182.0	\$ 164.0	\$ 156.0	\$ 127.5	\$ 196.5	\$ 221.0	\$ 221.0
Memo															
Country Cash Balances	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)
Ending Global Available Cash	\$ 175.5	\$ 178.0	\$ 180.5	\$ 167.0	\$ 160.5	\$ 161.5	\$ 162.0	\$ 149.5	\$ 142.0	\$ 124.0	\$ 116.0	\$ 87.5	\$ 156.5	\$ 181.0	\$ 181.0

NET WORKING CAPITAL | CASH AND LIQUIDITY FORECAST

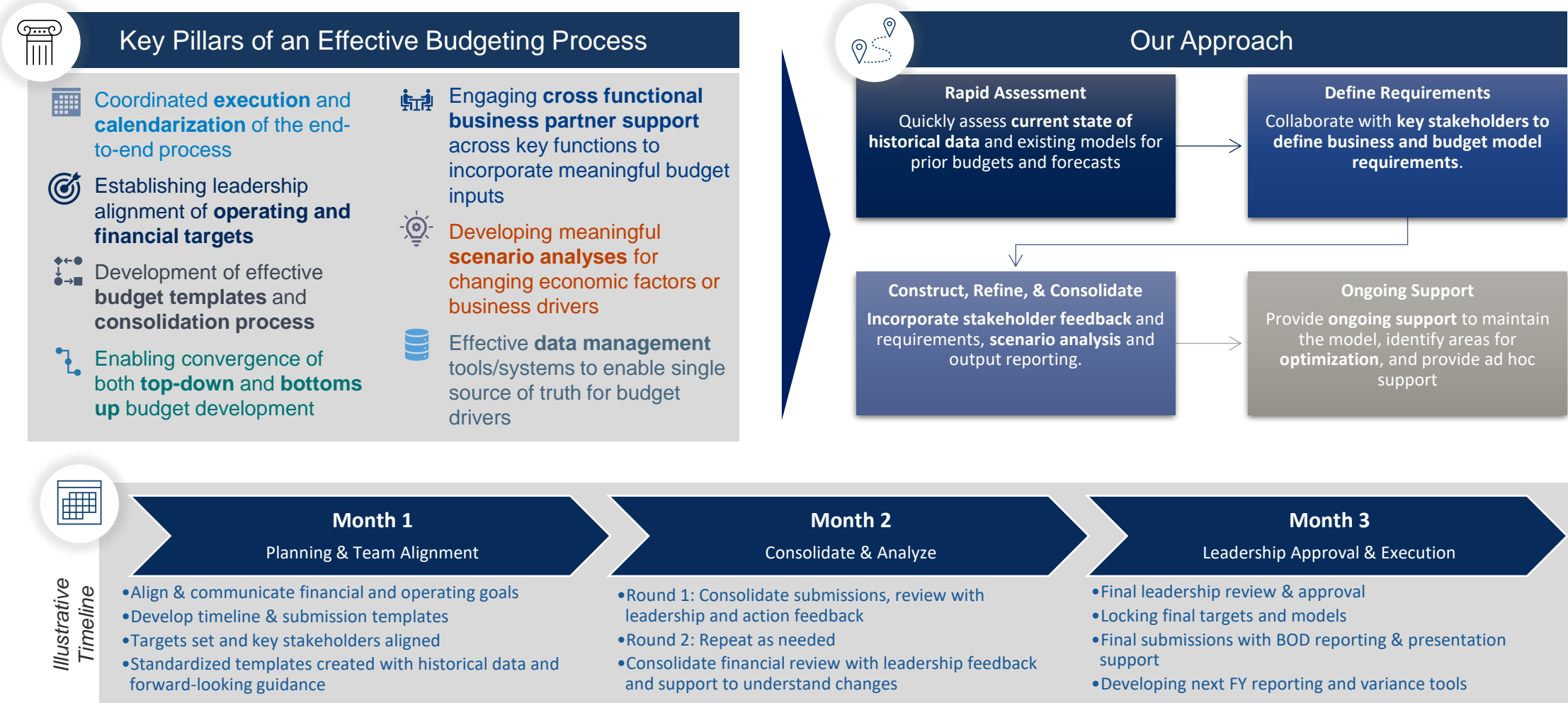


The background features a low-angle, upward-looking view of a modern building's interior, showing a series of curved, glass-enclosed staircases or walkways that create a strong sense of depth and perspective. The lighting is bright, highlighting the metallic frames and the blue-tinted glass panels.

LEVERAGING THE BUDGET PROCESS

BUDGETING | BEST PRACTICES

Optimize planning capabilities



BUDGETING | COMMON PITFALLS



Lack of Alignment with Strategic Goals

- Budgets are often built incrementally based on prior year figures without tying back to current business priorities or growth objectives.
- Disconnect between top-down targets and bottom-up assumptions can lead to misaligned resource allocation.



Time-Consuming and Manual Processes

- Budgeting can be highly inefficient, with too many spreadsheets and email iterations.
- Extended cycles delay decision-making and leave little time for value-added analysis.



Data Quality and Integration Issues

- Inaccurate, incomplete, or inconsistent data from disparate systems undermines confidence in budget outputs.
- Lack of integration between financial, HR, and operational data makes it hard to produce a holistic view.



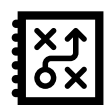
Overly Complex Models

- Excessively granular or rigid models make it difficult to adapt quickly to changes in the business or market.
- Stakeholders may not understand the drivers behind the numbers, reducing buy-in and accountability.



Lack of Accountability and Ownership

- Budget owners may not feel responsible for or engaged in the process, especially if decisions are perceived as top-down.
- Limited transparency around how budgets are set and monitored can cause frustration and finger-pointing.



Ineffective Forecasting and Scenario Planning

- Budgets are often static and not revisited until the next cycle, limiting responsiveness.
- Teams struggle to run meaningful "what-if" scenarios due to disconnected tools or lack of driver-based models.



Change Resistance

- Legacy processes and cultural resistance to new tools or methodologies (e.g., rolling forecasts, zero-based budgeting) hinder improvement efforts.
- Shifting to modern planning practices requires change management and education.

BUDGETING | SAMPLE CALENDAR

PROJECT: PORTCO Budget - 2025

XXX Company

Joseph Mirano

Project start date: 6/28/2024

2

Weekly Summary - 6/28/2024

Key Issue: Delays in data submissions from the Marketing department in the NY office for Q2 campaign expenses and digital ad performance metrics.

Actions Taken: Delayed due to marketing incomplete data. Sarah scheduled an urgent meeting with Jane Cook to expedite data submission, including cross-referencing digital analytics and expense reports.

Outlook: Confident in meeting the initial budget preparation deadline with continuous monitoring to mitigate further risks and delays.

On track

Low risk

Med risk

High risk

Unassigned

Milestone description	Category	Assigned to	Progress	Start	Days
Data Collection & Initial Budget Preparation					
Gather historical data	Low Risk	xxx	<div><div>45%</div></div>	7/8/2024	3
Create initial budget templates incorporating client feedback, including budget assumptions and drivers	Low Risk	xxx	<div><div>50%</div></div>	7/10/2024	2
Send templates to all relevant departments	Med Risk	xxx	<div><div>25%</div></div>	7/11/2024	1
Provide guidance and support for filling out templates	High Risk	xxx	<div><div>15%</div></div>	7/12/2024	2
Gather completed templates from departments	Med Risk	xxx	<div><div>35%</div></div>	7/13/2024	7
Begin initial review of submissions	Goal	xxx	<div><div>40%</div></div>	7/13/2024	10
Combine data from all departments	Low Risk	xxx	<div><div>80%</div></div>	7/16/2024	10
Identify/communicate inconsistencies and areas needing adjustment	On Track	xxx	<div><div>90%</div></div>	7/22/2024	4

June							July																							
30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	M	T	

TOOLS AND METHODOLOGIES

Support your journey with digital transformation, tools, and methodologies

TOOLS & METHODOLOGY | SYSTEMS

Systems to enhance process optimization



Workday

- Consolidated bank balances
- Automated invoice matching
- Approval workflows



Salesforce

- Deal pipelines forecasting insight
- Contract milestones and payment terms
- Billing and collection enhancement



Oracle (FSAA)

- Scenario Forecasting
- Risk Analytics for investment decisions
- Capital Management Tools.



NetSuite



- Visualization of expenses and revenue
- CRM and ERP integration
- Inventory, receivables and payables management

SAP S/4 HANA



- Forecast adaptation
- Gap analysis of receivables/payables
- Real-time analytics and reporting

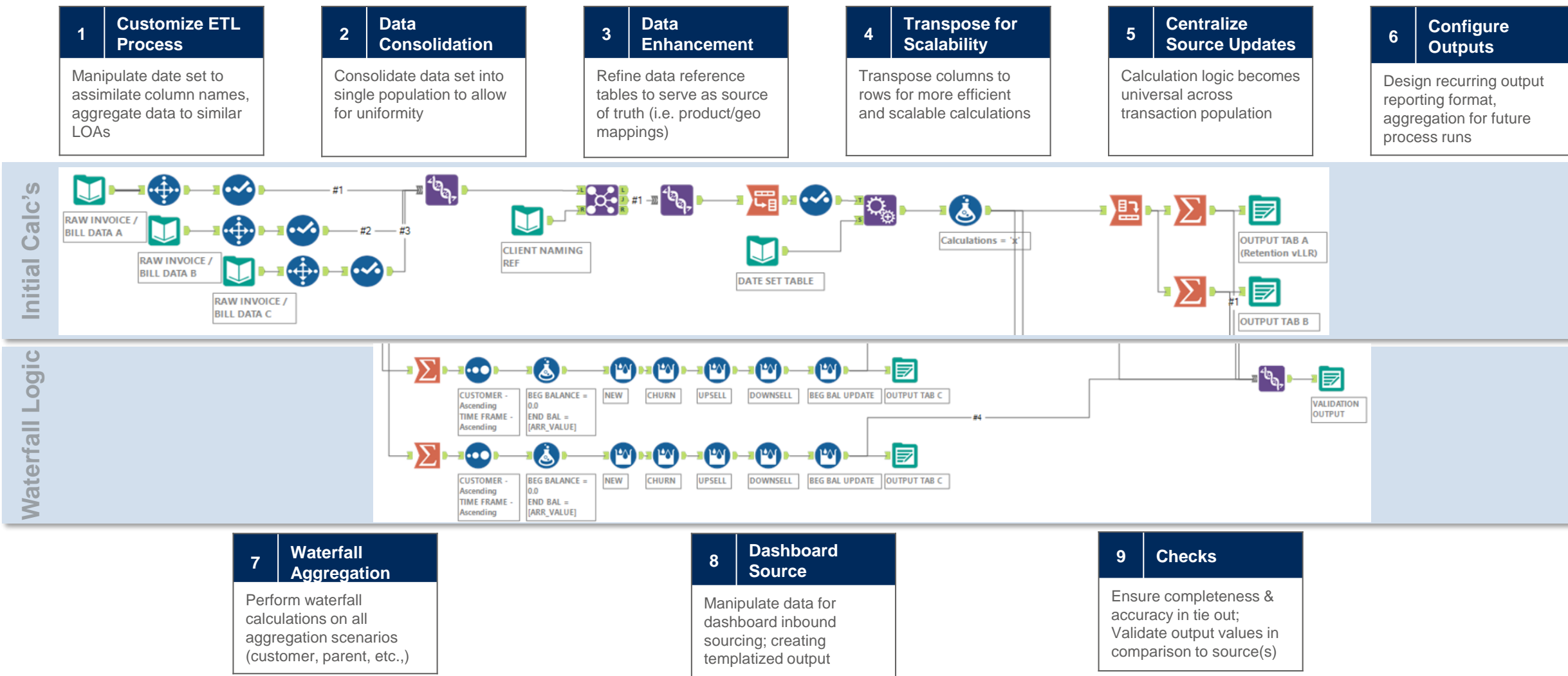
Microsoft Dynamic







- Cash flow seasonality
- Data consolidation
- Dashboarding

TOOLS & METHODOLOGY | WORKFLOW AUTOMATION

Leveraging the current process and an Excel-based model, we create standardized and validated rule-set components, automating calculations and outputs using Alteryx.





TOOLS & METHODOLOGY | EPM TOOLS (1/2)

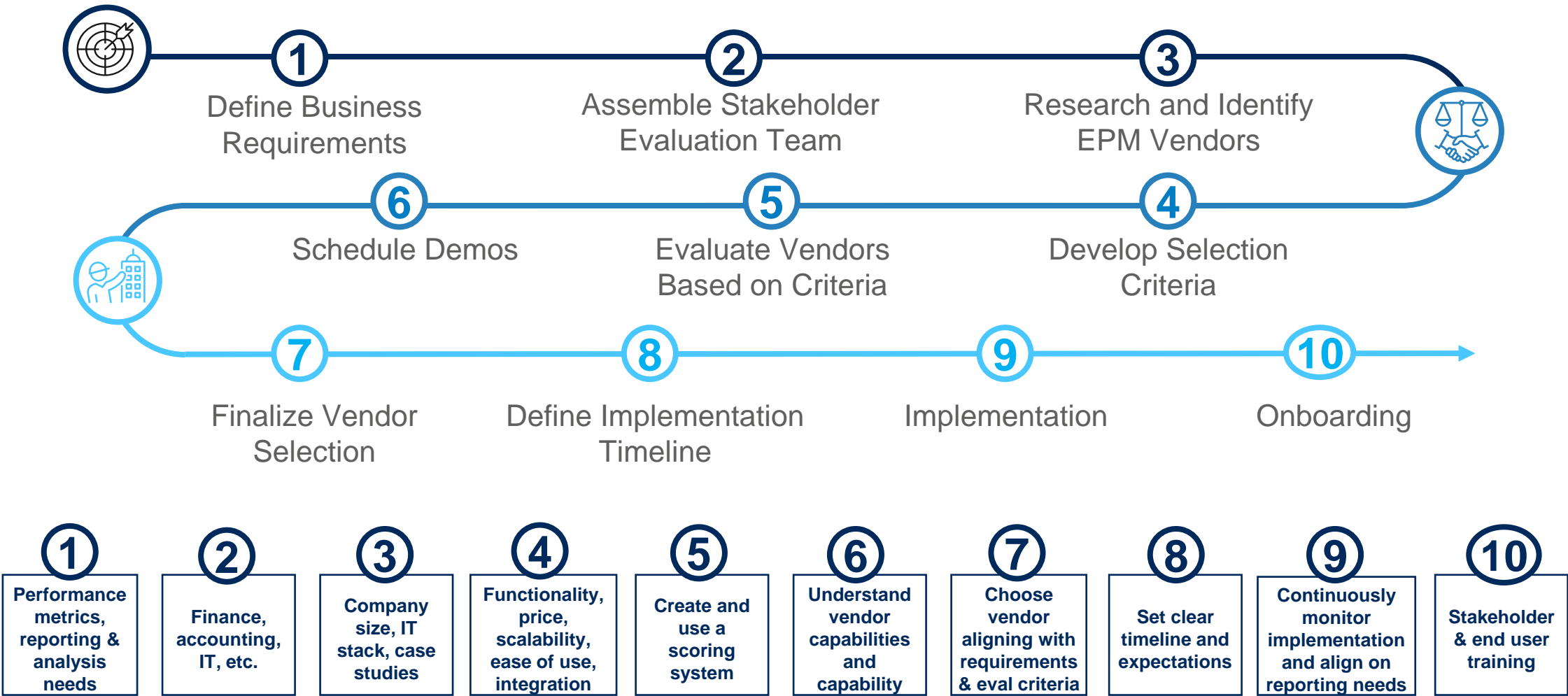
 Data Governance, Organization, & Design	 Process Automation	 Model Automation	 Dashboards & Analytics
Support business efficiency and provide structure to utilize a business' most powerful resource	Automate processes to drive efficiencies and supporting data integrity	Automate the model build, drive efficiencies, and capture scenario-based business drivers	Drive real-time business decisions and understand the business drivers through visualizations and analytics
Data Quality Strategy	Data Quality: Profiling & Cleansing	Data Transformation & Processing	Data Governance and Integrity
Data Quality Assessment	Data Flow and Transformation	Define Requirements & Assess Model	Data Transformation and Processing
Data Lineage	Data Curation	Refine, Build, & Consolidate	Data Warehousing
Master Data Management	Data Integration	Predictive Analytics	Dashboards and Visualization
Center of Excellence Design and Setup	Automated Reporting	Ongoing Support	Predictive Analytics

TOOLS & METHODOLOGY | EPM TOOLS (2/2)

Leading EPM tools that FP&A Teams are using in the market today.

EPM Vendor	 PIGMENT	 vena	 workday. Adaptive Planning	 planful	 Anaplan	 cube	 ORACLE NetSuite
Pros	<ul style="list-style-type: none"> Highly customizable Real-time business planning Scenario planning Custom dashboards Visualization User interface Step-change releases based on client feedback Data integration, 20+ systems, Excel and Google sheets 	<ul style="list-style-type: none"> Integrates seamlessly with Excel, NetSuite Cloud-based Ease of use and set up Flexibility, design data models, templates and permissions as needed 	<ul style="list-style-type: none"> Highly customizable and scalable Supports complex financial modeling Supports comprehensive planning and budgeting Advanced scenario planning 	<ul style="list-style-type: none"> Comprehensive suite for financial planning, budgeting and forecasting Strong reporting and advanced analytics capabilities Automation features Cloud-based 	<ul style="list-style-type: none"> Robust modeling, calculation and planning capabilities Excels in scenario and use case planning and complex forecasting Demand forecasting and long-range planning Cloud-based 	<ul style="list-style-type: none"> Seamless Excel and Google Sheets integration Ease of use Real-time data sync from software to spreadsheets Highly customizable Automation 	<ul style="list-style-type: none"> Offers a comprehensive suite for financial planning, budgeting and forecasting Highly integrated with other Oracle products Scalability User-friendly interface
Cons	<ul style="list-style-type: none"> AI machine learning capabilities are in beta testing Limited report formatting and customization Longer time-frame and more sophisticated to implement 	<ul style="list-style-type: none"> Can get tricky to create complex reports Need Vena Insights to create dashboards within the platform 	<ul style="list-style-type: none"> May require significant training to fully utilize capabilities Complex initial setup and customization Learning curve Google sheets reporting in Beta 	<ul style="list-style-type: none"> User interface could be more intuitive Initial setup can be complex Learning curve Report customization limitations Scenario modeling 	<ul style="list-style-type: none"> Initial setup and learning curve can be steep Shifting licenses is not simple due to lack of visibility by the admin Greater focus on a close solution than other enhancements 	<ul style="list-style-type: none"> Some users feel that it lacks certain advanced features found in more established EPM tools Scalability; best for small to mid-sized companies Integration limitations 	<ul style="list-style-type: none"> Users noted that it can be complex to implement and may require significant IT support Learning curve Customization limitations

TOOLS & METHODOLOGY | EPM VENDOR SELECTION



TOOLS & METHODOLOGY | DASHBOARDING

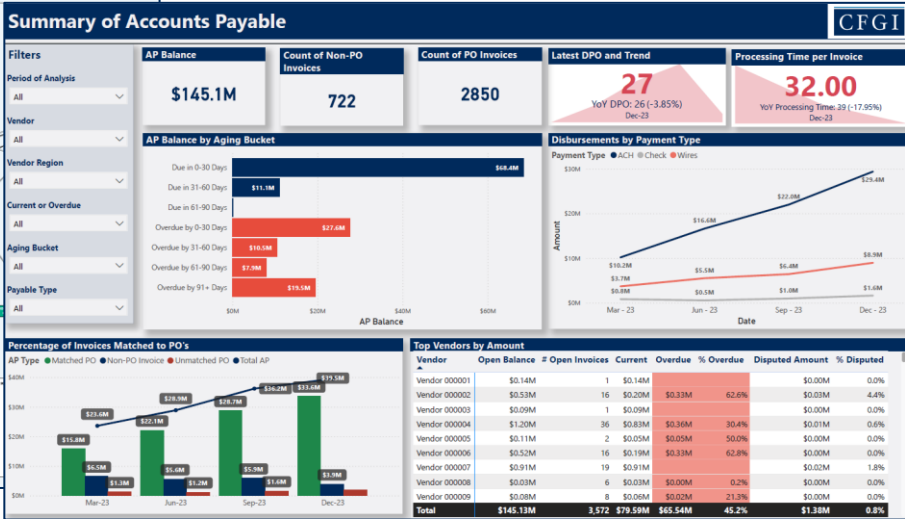
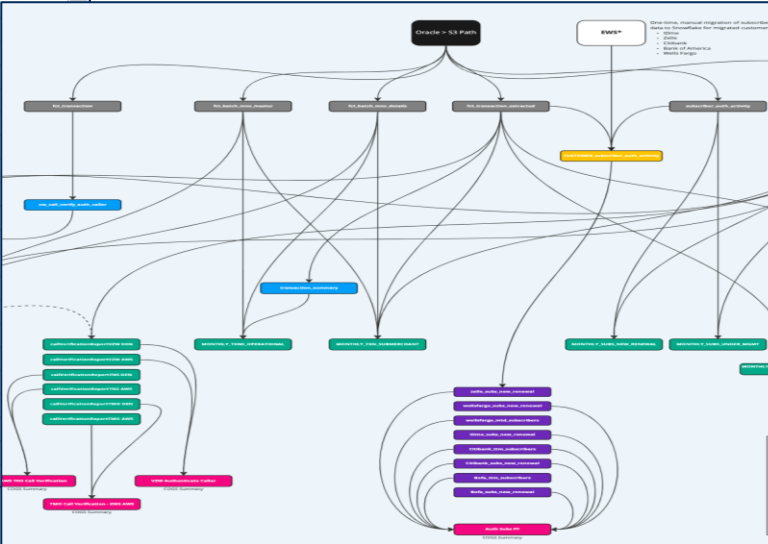
Utilize data to its full potential for real-time, informed decision-making by wrangling large datasets, automating time consuming work, and ensuring a cohesive and consistent foundation for analysis and insights

Raw Data

Compile and Structure

Analysis and Reporting

Time	HFBL	LFBL	rHF	rLF	dHF	dLF	pHF	pLF
2:00:26.023 PM	23	20	7	10	1.14	1.24	92	86
2:00:26.093 PM	23	20	7	10	1.14	1.23	92	87
2:00:26.153 PM	23	20	7	10	1.14	1.22	92	87
2:00:26.216 PM	23	19	7	11	1.14	1.25	92	86
2:00:26.286 PM	23	19	7	11	1.14	1.27	91	85
2:00:26.346 PM	22	19	8	11	1.16	1.26	91	85
2:00:26.423 PM	22	19	8	11	1.17	1.25	90	86
2:00:26.473 PM	22	19	8	11	1.17	1.27	90	85
2:00:26.543 PM	21	19	9	11	1.18	1.27	90	85
2:00:26.623 PM	21	19	9	11	1.18	1.26	90	85
2:00:26.673 PM	21	19	9	11	1.18	1.25	90	86
2:00:26.733 PM	21	19	9	11	1.18	1.27	89	85
2:00:26.813 PM	21	19	9	11	1.19	1.27	89	85
2:00:26.863 PM	21	19	9	12	1.19	1.28	89	84
2:00:26.933 PM	20	18	10	13	1.21	1.31	88	83
2:00:26.983 PM	20	18	10	13	1.22	1.31	88	83
2:00:27.083 PM	20	18	10	12	1.22	1.30	87	84
2:00:27.133 PM	20	17	10	14	1.23	1.35	87	81
2:00:27.183 PM	20	17	11	14	1.24	1.35	86	80
2:00:27.253 PM	19	17	11	14	1.25	1.34	86	81



Key Activities

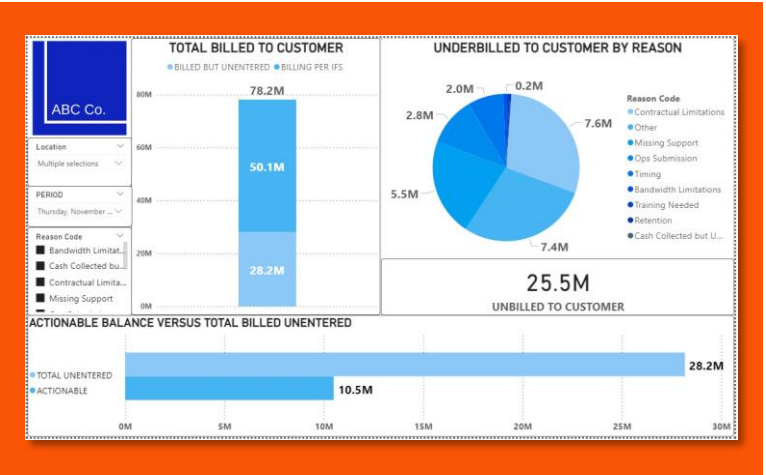
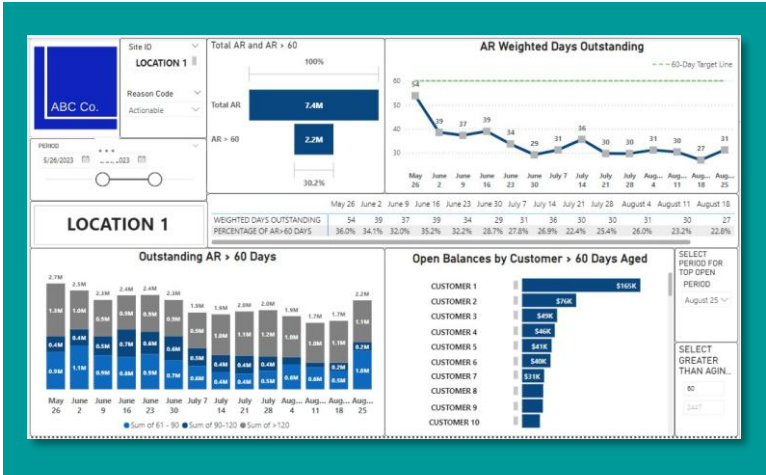
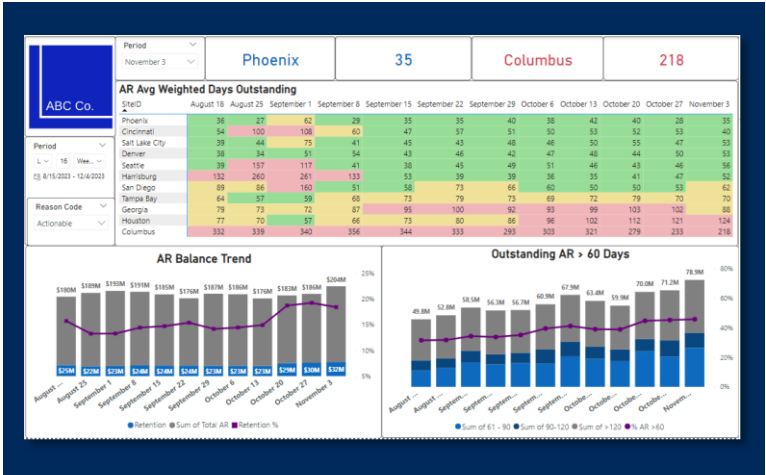
Collect data

Assess data completeness and determine best path to compile and analyze

Organize data relationships and analyze findings into reports and dashboards to drive actionable intelligence

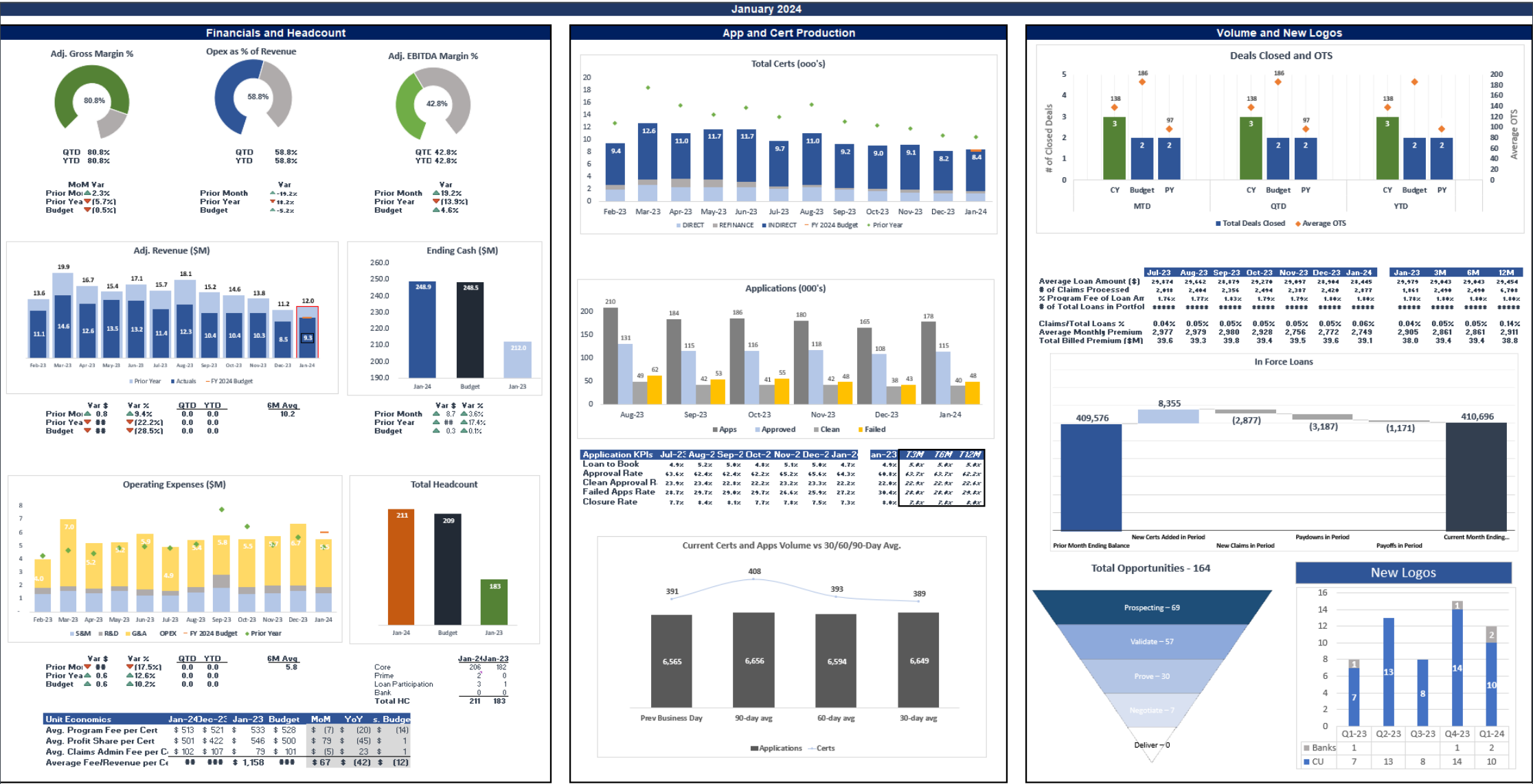
TOOLS & METHODOLOGY | DASHBOARDING

Dashboards are effective tools that showcase quick snapshots of KPIs and other metrics that provide actionable data to help optimize an entity's working capital position.



Enhance insights with data visualization.

TOOLS & METHODOLOGY | MANAGEMENT REPORTING



Volume and New Logos

Deals Closed and OTS

3

2

2

3

2

2

3

2

2

CY

Budget

PY

CY

Budget

PY

CY

Budget

PY

MTD

QTD

YTD

Total Deals Closed

Average OTS

Average Loan Amount (\$)

Jul-23

Aug-23

Sep-23

Oct-23

Nov-23

Dec-23

Jan-24

Jan-23

3M

6M

12M

29,874

29,652

29,279

29,276

29,977

29,984

29,445

29,979

29,843

29,843

29,454

of Claims Processed

2,418

2,404

2,354

2,404

2,317

2,428

2,977

1,841

2,499

2,499

6,798

% Program Fee of Loan Ar

1.74%

1.77%

1.83%

1.79%

1.79%

1.80%

1.80%

1.74%

1.80%

1.80%

1.80%

of Total Loans in Portfolio

#####

#####

#####

#####

#####

#####

#####

#####

#####

#####

#####

Claims/Total Loans %

0.04%

0.05%

0.05%

0.05%

0.05%

0.05%

0.06%

0.04%

0.05%

0.05%

0.14%

Average Monthly Premium

2,977

2,980

2,928

2,756

2,772

2,749

2,905

2,905

2,861

2,861

2,911

Total Billed Premium (\$M)

39.6

39.3

39.8

39.4

39.5

39.6

39.1

38.0

39.4

39.4

38.8

In Force Loans

409,576

8,355

(2,877)

(3,187)

(1,171)

410,696

Prior Month Ending Balance

New Certs Added in Period

New Claims in Period

Paydowns in Period

Payoffs in Period

Current Month Ending...

Total Opportunities - 164

Prospecting - 69

Validate - 57

Prove - 30

Negotiate - 7

Deliver - 0

New Logos

1

13

8

14

2

7

13

8

14

10

Q1-23

Q2-23

Q3-23

Q4-23

Q1-24

Q1-23

Q2-23

Q3-23

Q4-23

Q1-24

Banks

CU

TOOLS & METHODOLOGY | DASHBOARDING – PRICING

Activities

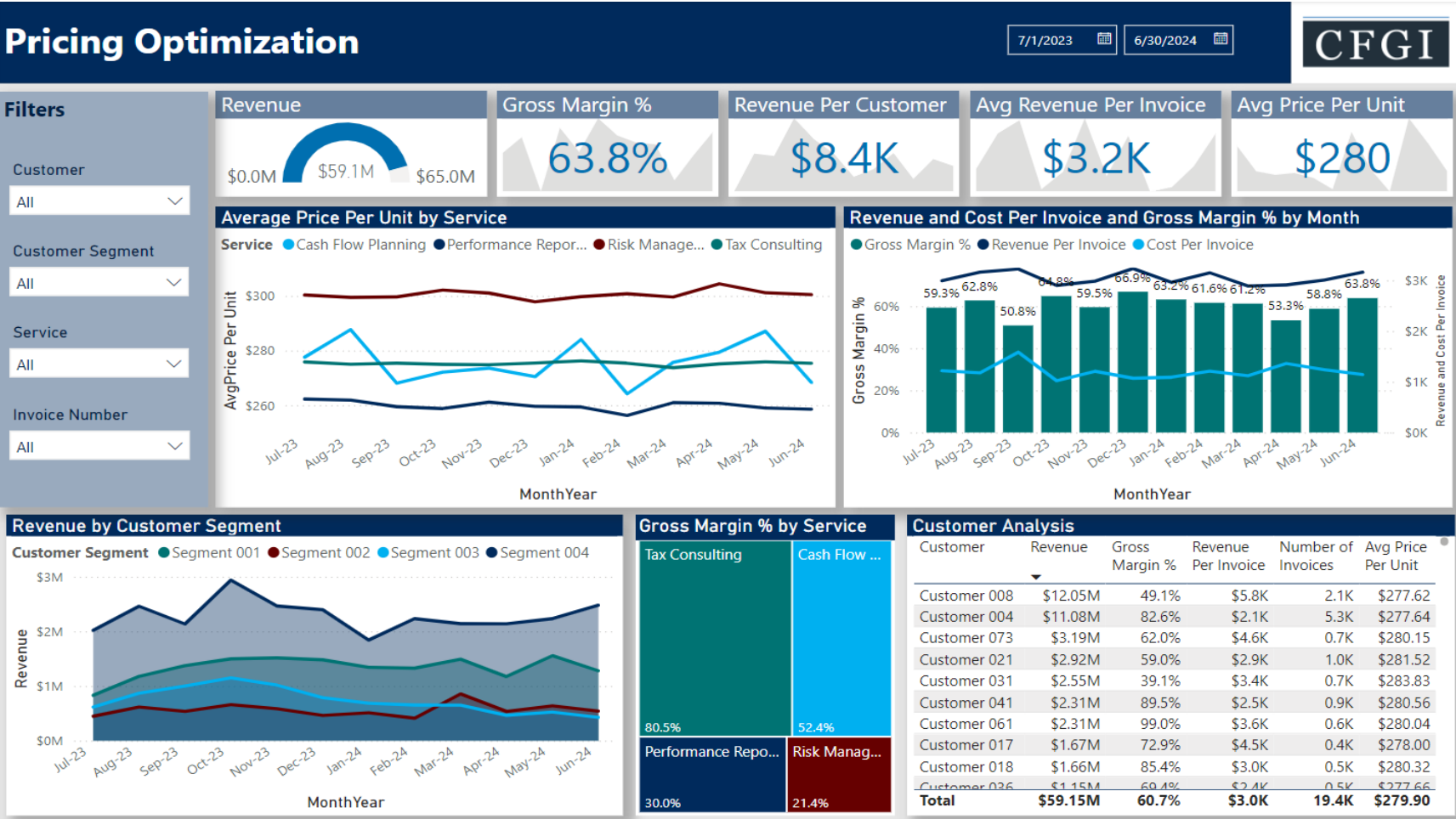
- ✓ Identify business objectives
- ✓ Data aggregation
- ✓ Data alignment & automation
- ✓ Validate completeness and accuracy
- ✓ Actionable insights

Outputs

- ✓ KPI's and visualizations
- ✓ Customized reporting including staff level access limitations
- ✓ Real-time business performance analysis with actionable insights

Value to Your Organization

- ✓ Summarize critical insights with ability to drill into granular details
- ✓ Dynamic reporting capabilities to refine metrics as objectives change



THANK YOU!

The background of the slide features a low-angle, upward-looking view of a modern building's glass and steel dome structure, creating a sense of height and architectural complexity. The right side of the image transitions into a solid dark blue area where the title is placed.

TRANSFORMATION CASE STUDIES

NET WORKING CAPITAL | CASH FLOW CASE STUDY



The Challenge

- A service company was experiencing **liquidity shortfalls** and unreliable cash flow forecasts
- Company was facing **operational challenges, invoicing delays and slow cash collections**
- Existing cash forecasting process was **cumbersome, complex, and manual**, driving inaccurate forecasts and poor leadership confidence



CFGI Solution

- Led stakeholder **interviews** to document cash flow processes & identify key challenges
- **Decomposed cash flows** for each revenue stream to understand timing & operational impacts
- **Consolidated & prioritized** cash receipts and disbursement categories
- **Aggregated details** for upcoming significant cash infusions, customer and vendor payment plans, and debt obligations



Outcome

- Created a thorough **13-week cash flow model**, balancing accuracy, detail, and simplicity
- Model was **highly automated** and achieved buy-in across stakeholders and leaders
- Instituted **weekly discipline** to update the forecast, incorporated operations into process, and utilized as a **key decision support tool**
- Reduced **DSO by 21%** and increased **DPO by 13%**

OPTIMIZATION TACTICS | IMPROVING COLLECTIONS



The Challenge

- Private Equity-backed construction firm **doubled to ~\$1bn** via acquisitions in 18 months.
- 8-10 ERP systems **complicated quality data consolidation**, affecting cash and liquidity management.
- **Rising DSO** increased dependency on credit for operations.
- CFGI tasked to boost **cash collections** for units totaling \$250m revenue.



CFGF Solution

- Executed a **current state assessment** to comprehend primary operational processes.
- Conducted interviews with **major stakeholders** to gain insights.
- Implemented **standardized procedures** and policies.
- **Integration** of business segments, **coordination** with the FP&A Team, and **direct involvement** of the CFO



Outcome

- Achieved 20% DSO improvement, leading to significant **cash flow increases**.
- The FP&A team now possesses **deeper insights** into the business operations.
- Client acknowledged **the value** and sought additional services
- Ongoing partnership guarantees the client's **sustained growth** and assures future success.