



Managing the Covid-19 Crisis: Second survey findings

May 2020

eden
mccallum

Contents



Key findings

Summary data (full sample)

Data cut by geography (head office)

Data cut by company ownership

Data cut by sector

Key findings: 2nd Covid-19 survey of business leaders

Business leaders are less pessimistic about the revenue impact of COVID-19 than they were a few weeks ago, with 32% in our second survey expecting a revenue fall of over 30% in 2020 vs. 40% in our first survey (carried out between 8-10th April)

However, respondents now believe that the disruption from COVID-19 will last longer, with 56% expecting it will take over 9 months for business to return to 'normal', vs. 39% earlier in April

Significant cost reduction and cash preservation actions have been taken by many; some workforce actions have increased over the past few weeks:

- 53% have put staff on furlough
- 21% have made staff redundant (up from 11% in early April); 42% (vs 34%) have reduced hours and 30% have reduced pay (vs 23%)
- 82% have reduced non-people operating costs and 79% have deferred or reduced capex
- 44% have delayed supplier payments or renegotiated terms, 32% have done the same with rent, and 23% with debt repayment

Over two-thirds remain positive about government support thus far for their sector

Looking to the future, COVID-19 has prompted businesses to make significant permanent changes to how they do business, including:

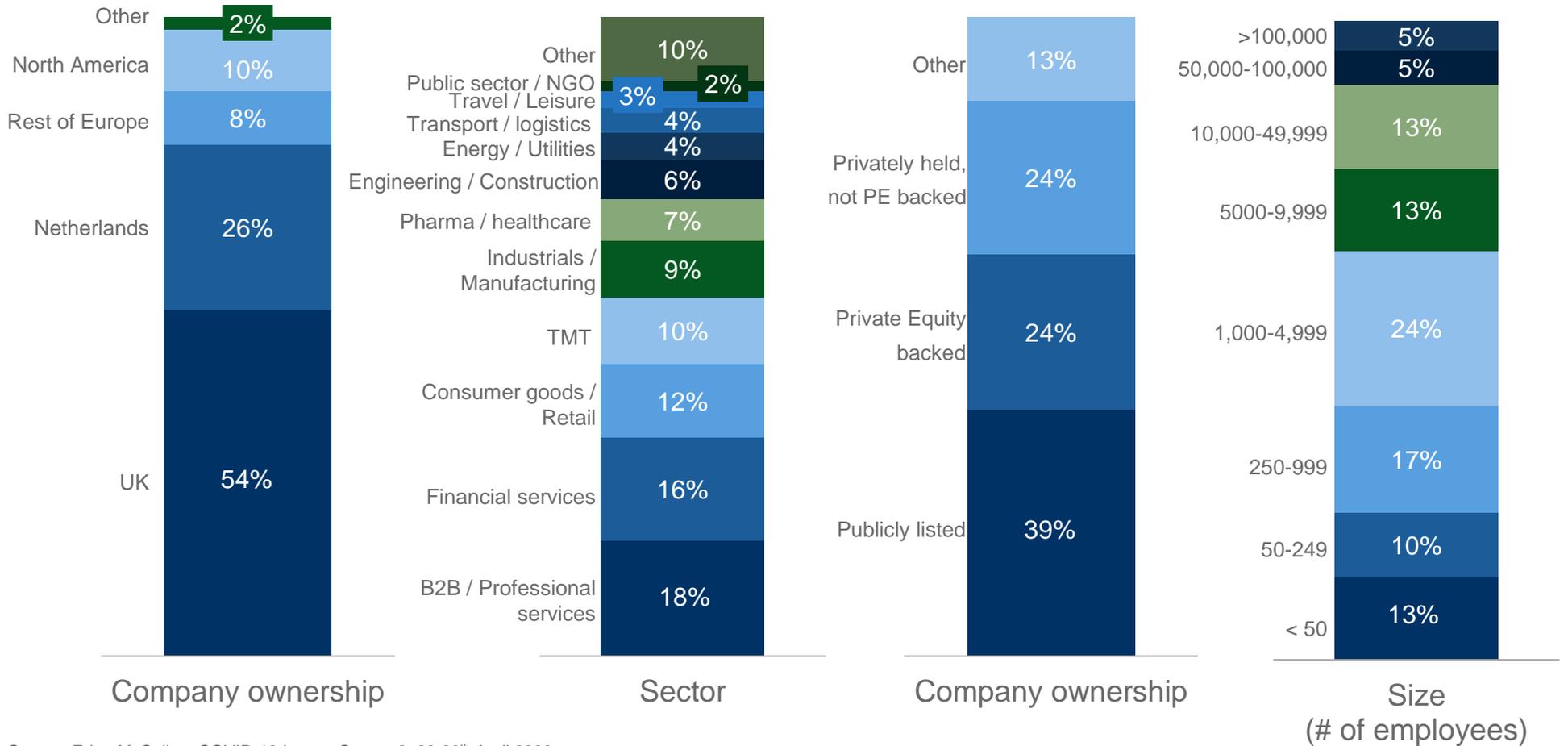
- 95% are implementing or planning greater use of remote working on a permanent basis, with 56% enacting / planning reductions in office space
- 17% have already implemented permanent headcount reductions, with a further 42% planning / considering it
- 71% are already accelerating digital transformation and a further 19% are planning to
- 74% are either already implementing or planning greater use of automation

The rapid actions businesses have been forced to take during the COVID-19 crisis appear to have also made leaders permanently rethink their approach to change, with 65% expecting to implement change faster and 60% expecting to make decisions faster on an ongoing basis

The top concerns for leaders once lockdown eases are lower levels of customer demand (67%), employee safety (65%) and changing consumer patterns / preferences (50%), with some interesting nuances:

- The top concern for publicly listed companies is employee safety; for privately held companies it is lower consumer demand
- Supply chain disruption is a particular concern for Consumer goods / Retail (38%), Industrials / Manufacturing (57%) and TMT (32%) respondents
- Private equity backed businesses are most concerned about emerging from the crisis with fragile balance sheets (24% vs. 17% for publicly listed businesses)

Background information of respondents*



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

N = 264

* Survey sent from our UK and Dutch offices

Contents



Key findings

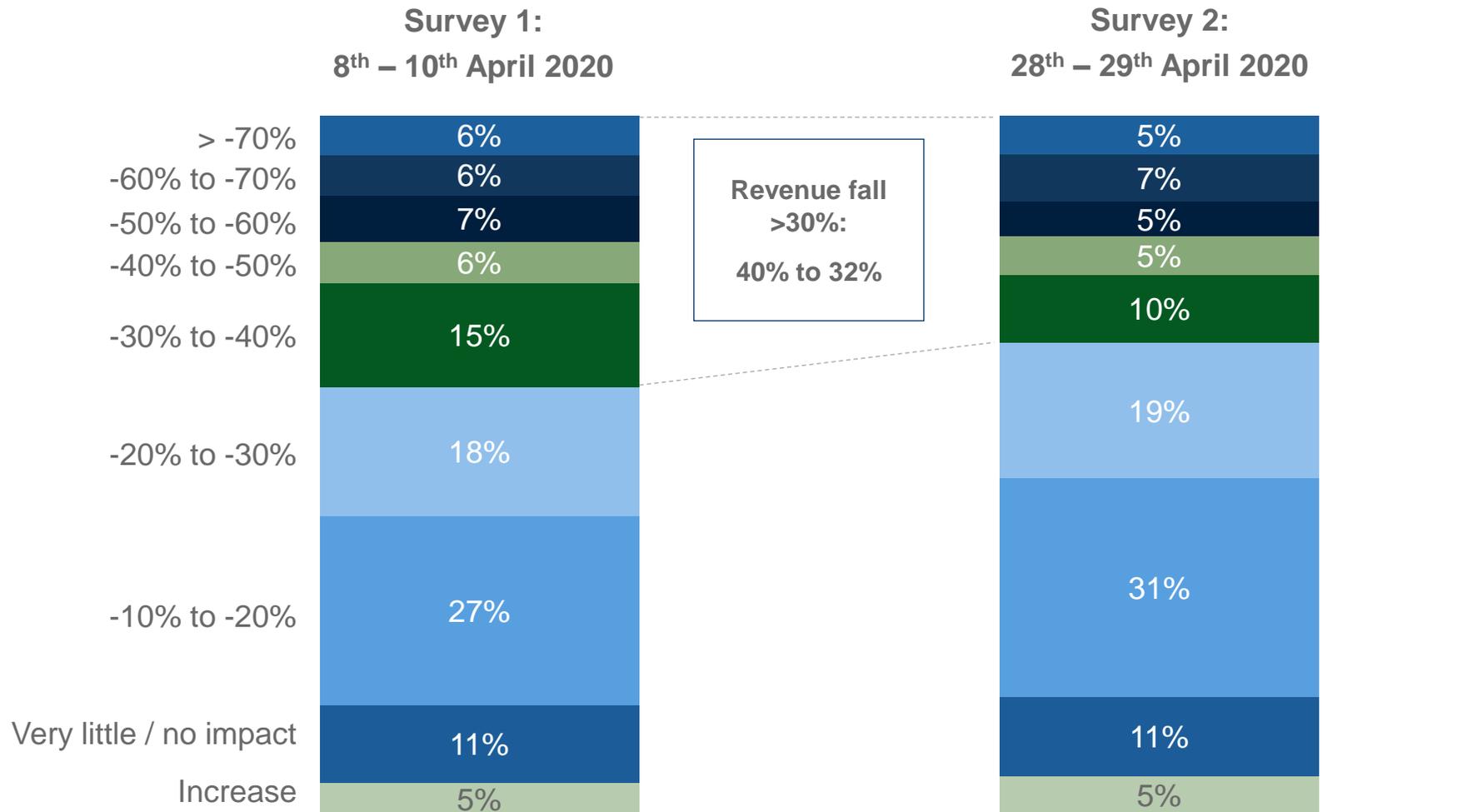
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Expected change in 2020 revenue due to COVID-19 crisis

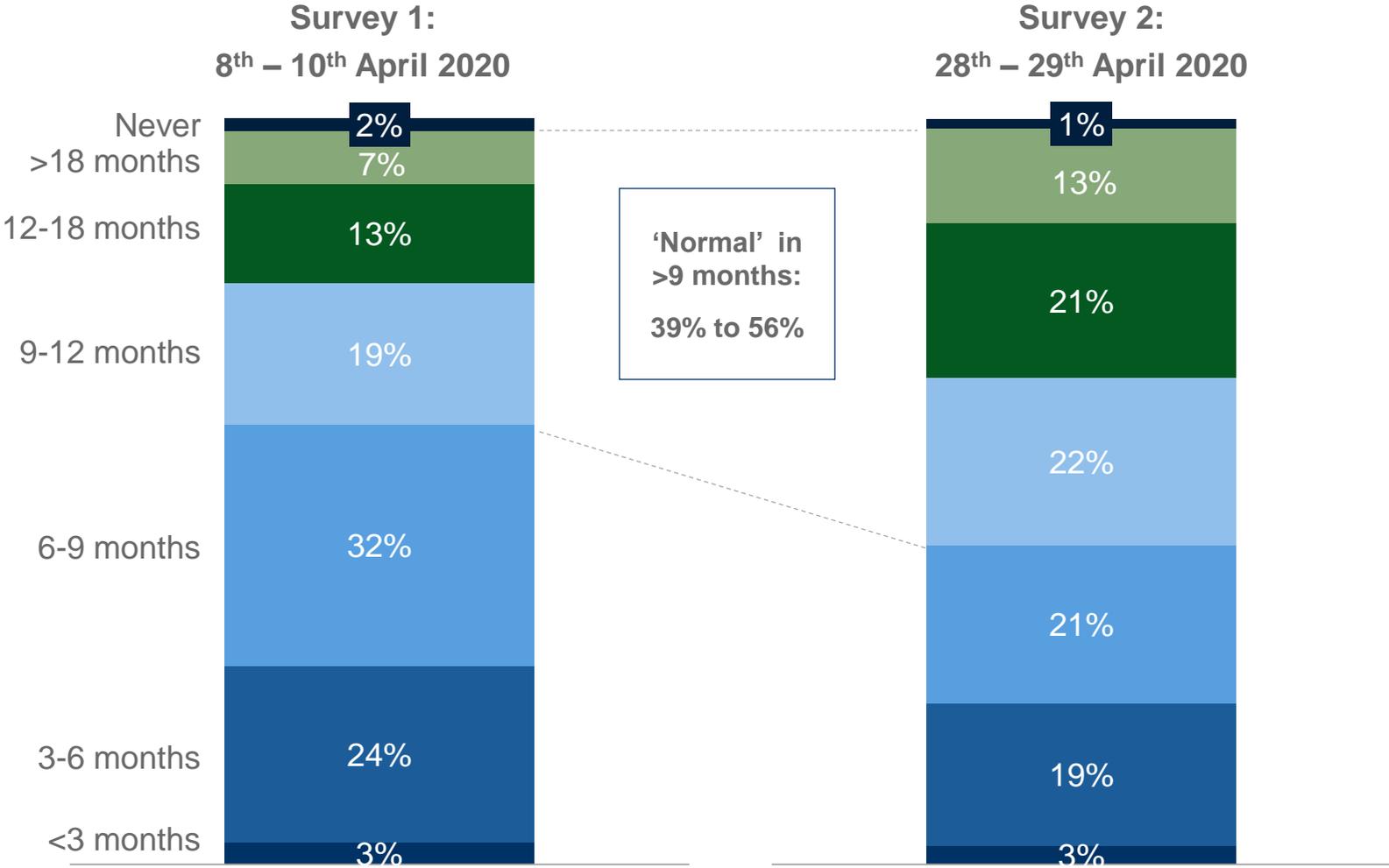


Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

* Value difference due to rounding

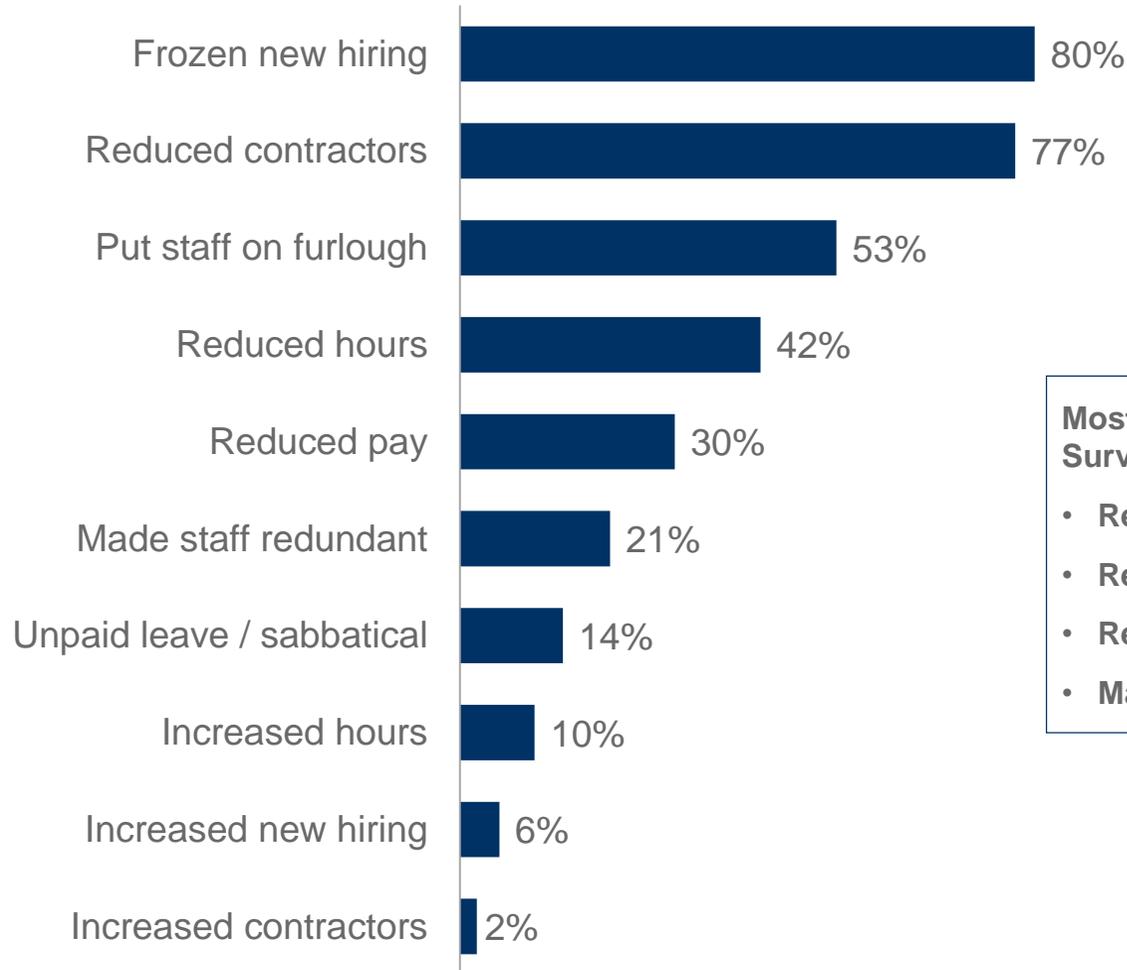
n: Survey 1 =288, Survey 2 = 237

Planning assumption: when will business return to 'normal'?



Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020
 n: Survey 1 = 300, Survey 2 = 236

Workforce actions already taken

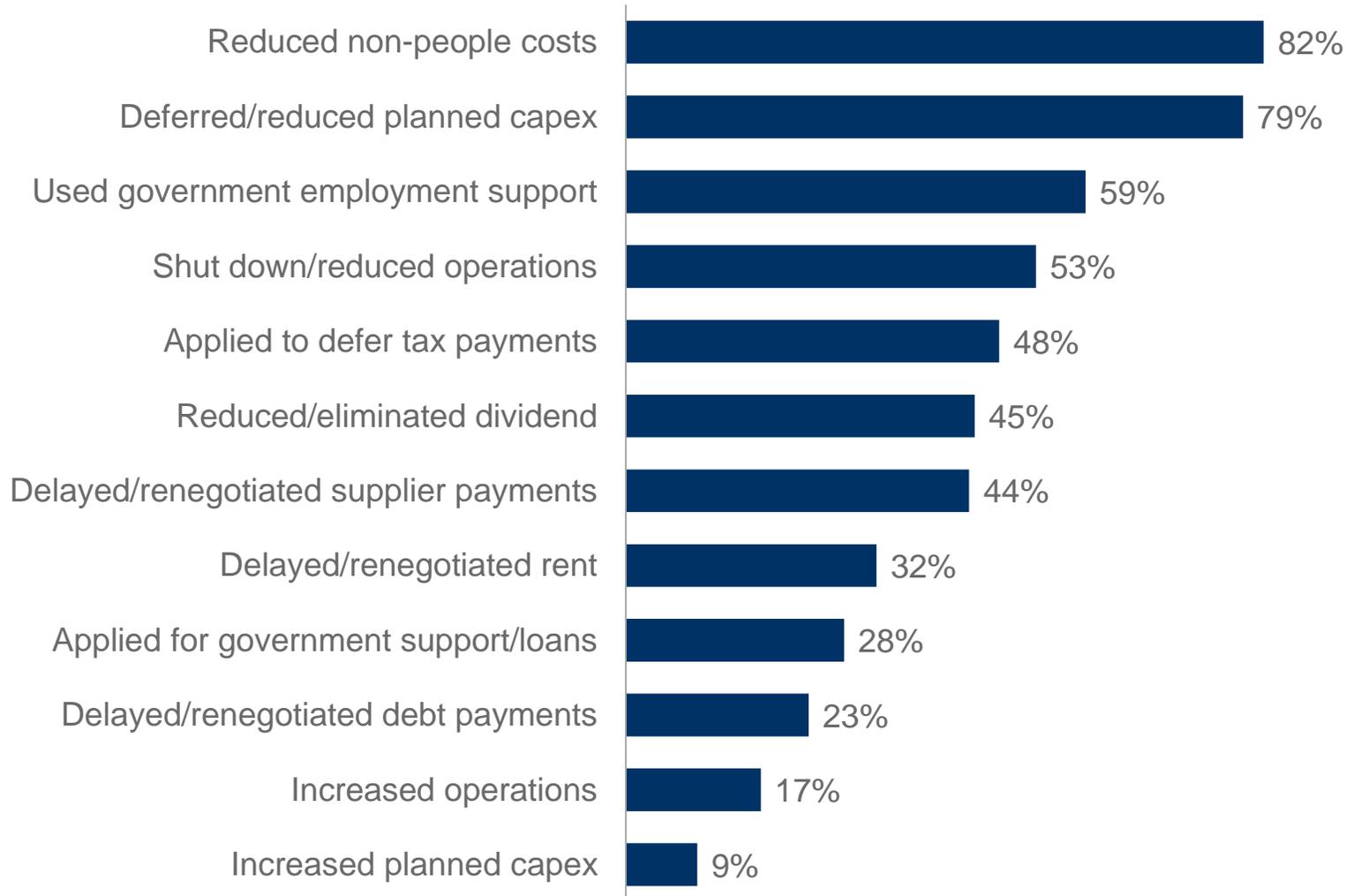


Most workforce actions increased from Survey 1 to 2 e.g.,

- **Reduced contractors: 66% to 77%**
- **Reduced hours: 34% to 42%**
- **Reduced pay: 23% to 30%**
- **Made staff redundant: 11% to 21%**

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020
n = 216; excludes "N/A or Don't know"

Other actions already taken

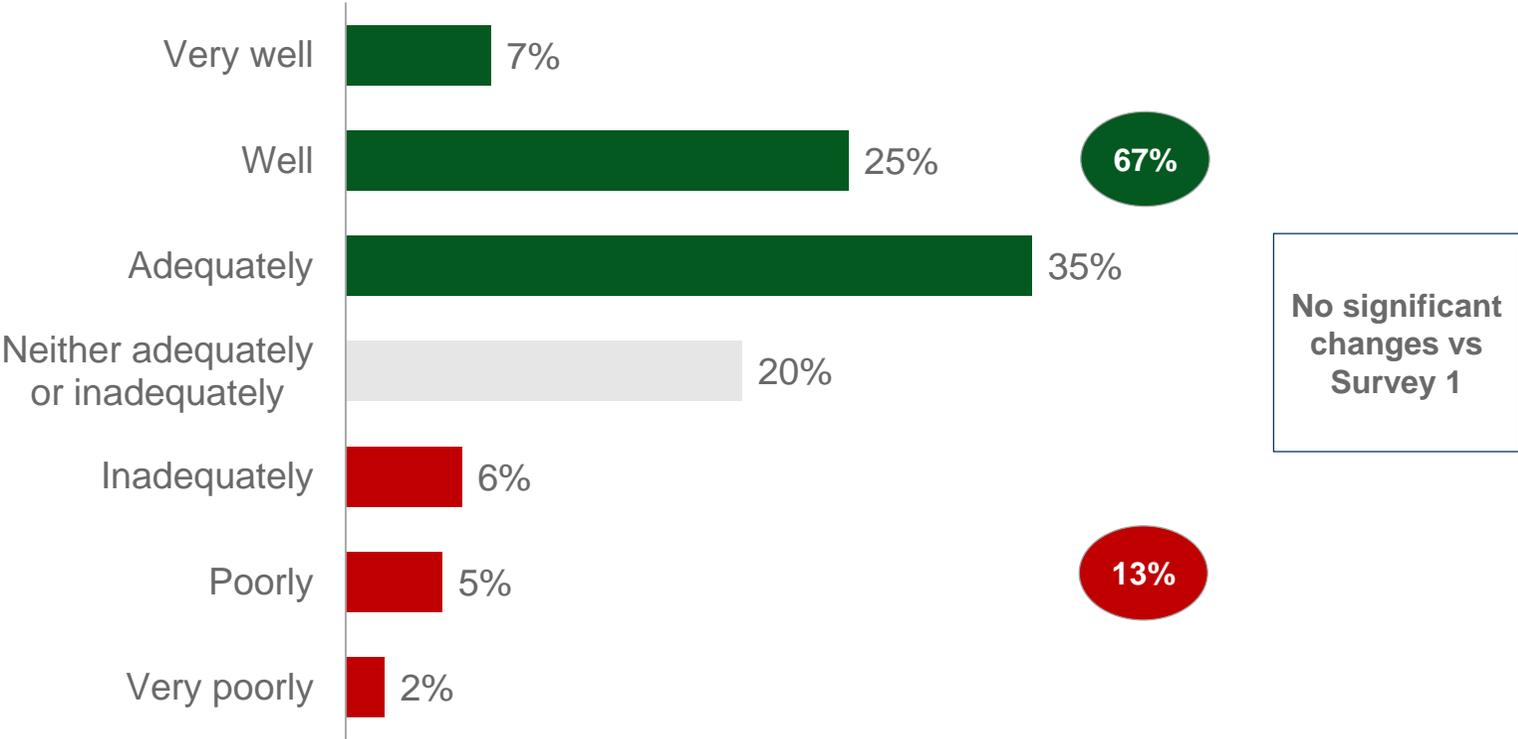


No significant changes vs Survey 1

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020
n = 211; excludes "N/A or Don't know"

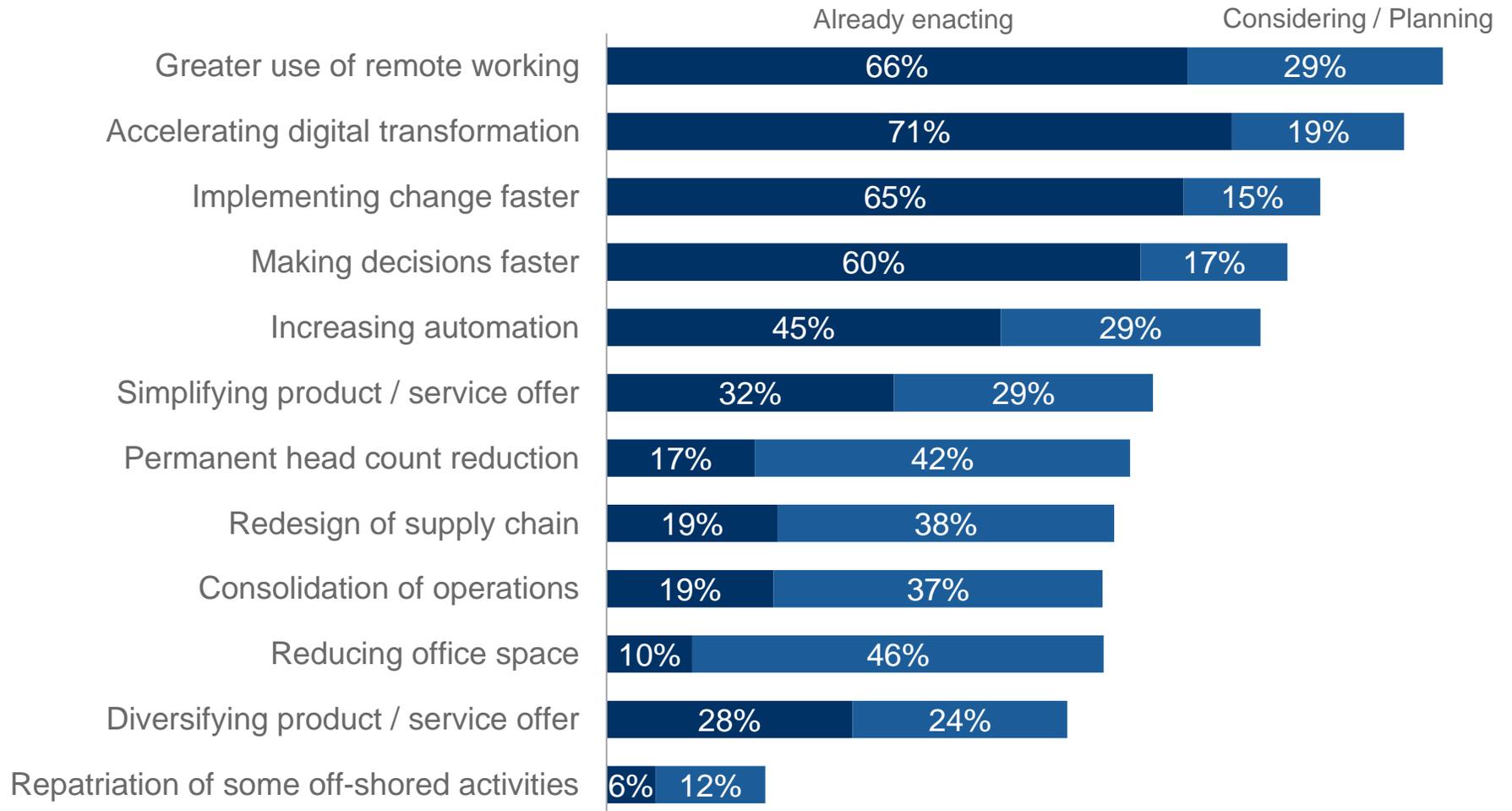
Perception of government support for sector

HOW WELL HAS GOVERNMENT SUPPORTED YOUR SECTOR?



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020
n = 210; excludes "N/A or Don't know"

'New normal': Permanent changes as a result of Covid-19 learnings



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n = 207

'New normal': Top concerns once lockdown ends



Note: Respondents could tick up to 3 options

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n = 212

Contents



Key findings

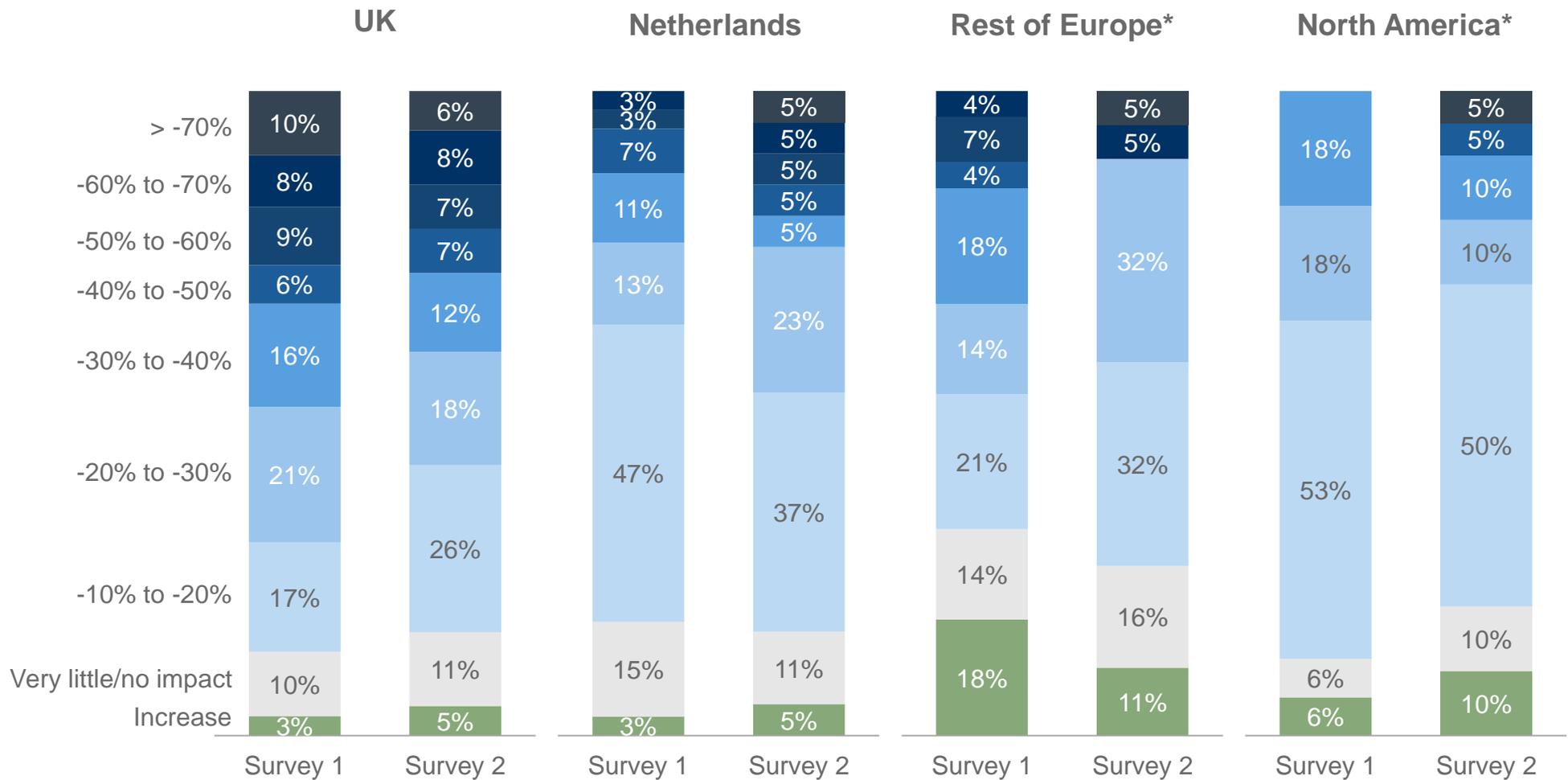
Summary data (full sample)

Data cut by geography (head office)

Data cut by company ownership

Data cut by sector

Expected change in 2020 revenue due to COVID-19 crisis

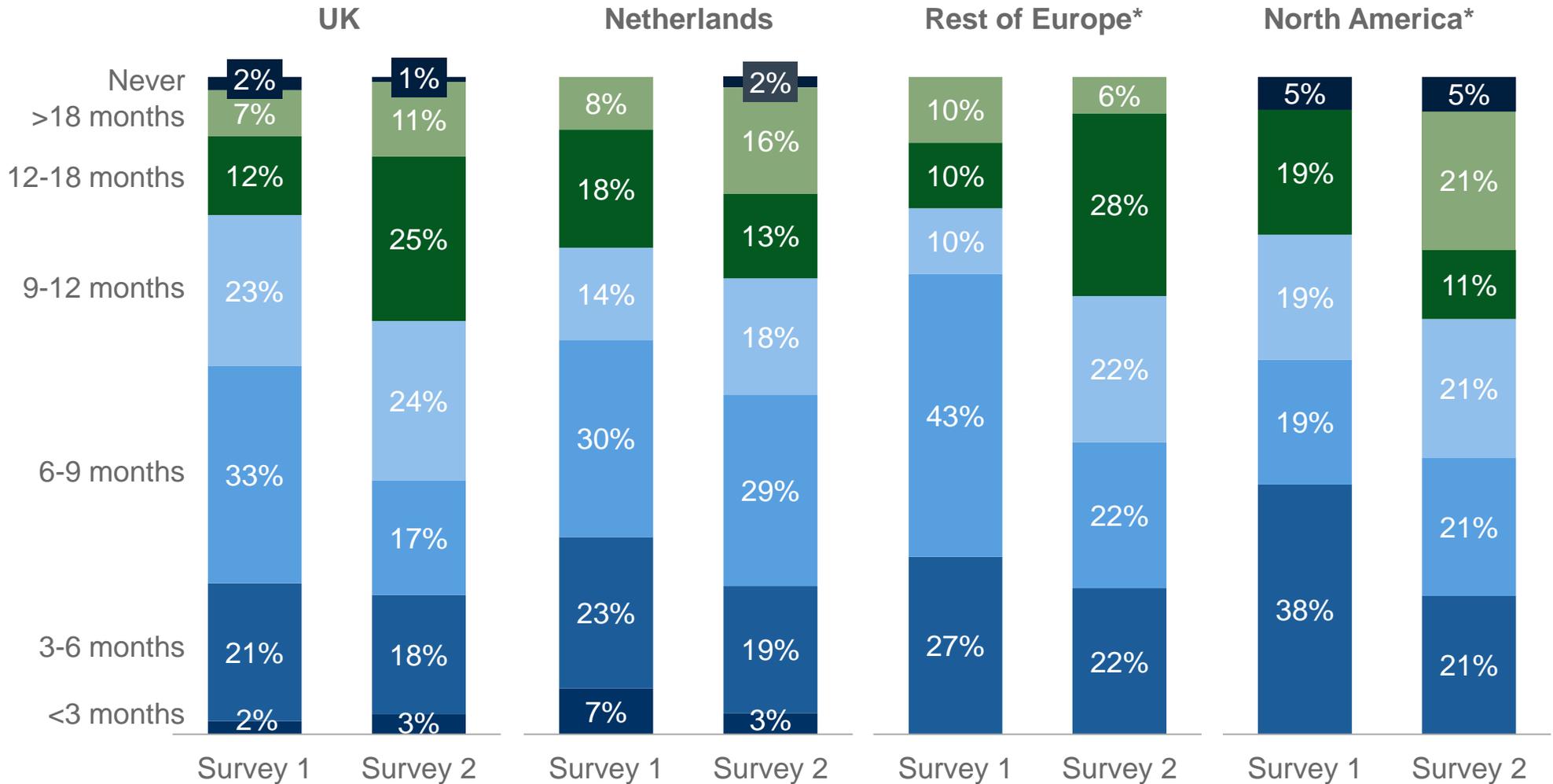


* Small sample size

Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: UK=165, NL=75, North America=17, Rest of Europe=28, Survey 2: UK=131, NL=62, North America=20, Rest of Europe=19

Planning assumption: when will business return to 'normal'?

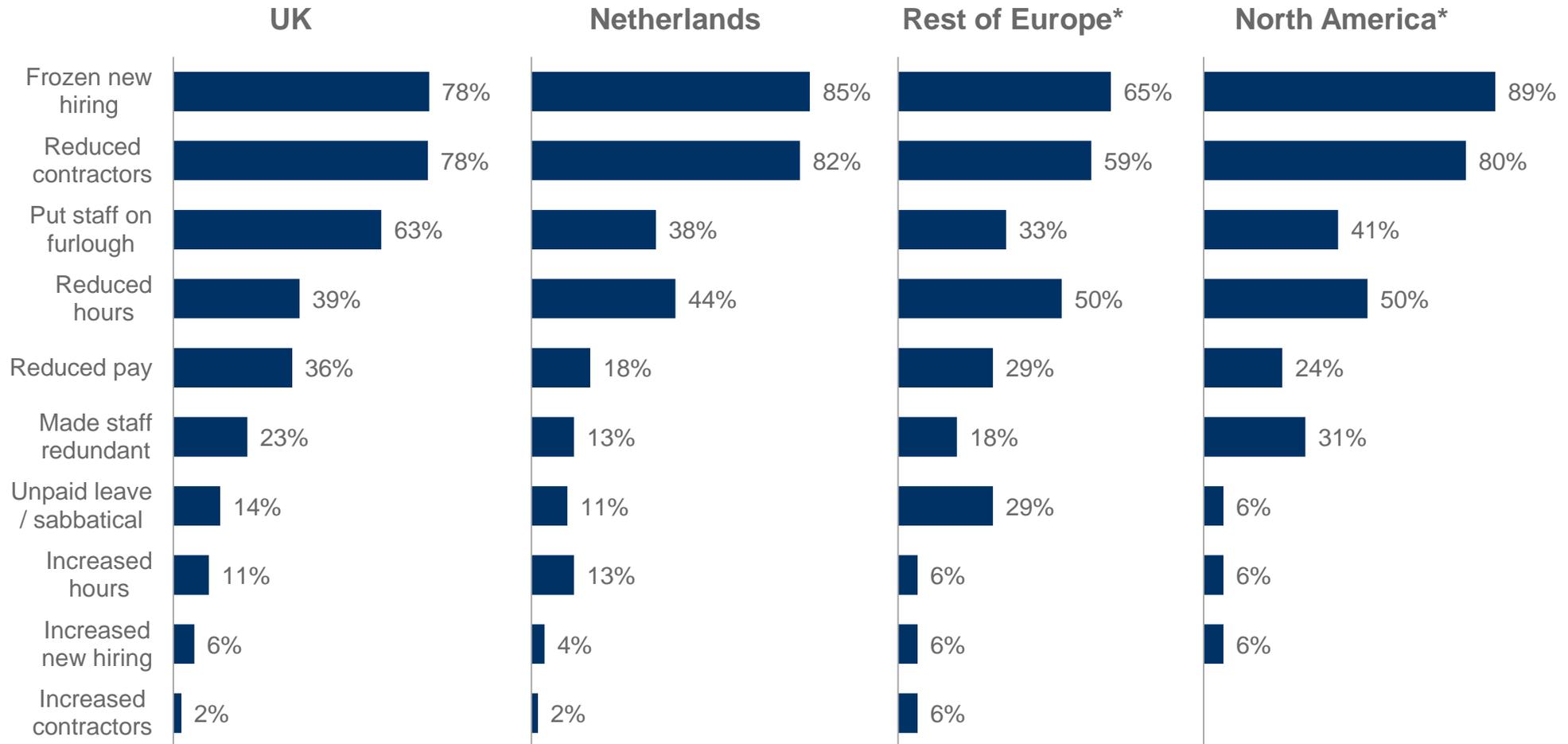


* Small sample size

Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: UK=173, NL=73, North America=21, Rest of Europe=30, Survey 2: UK=132, NL=62, North America=19, Rest of Europe=18

Workforce actions already taken

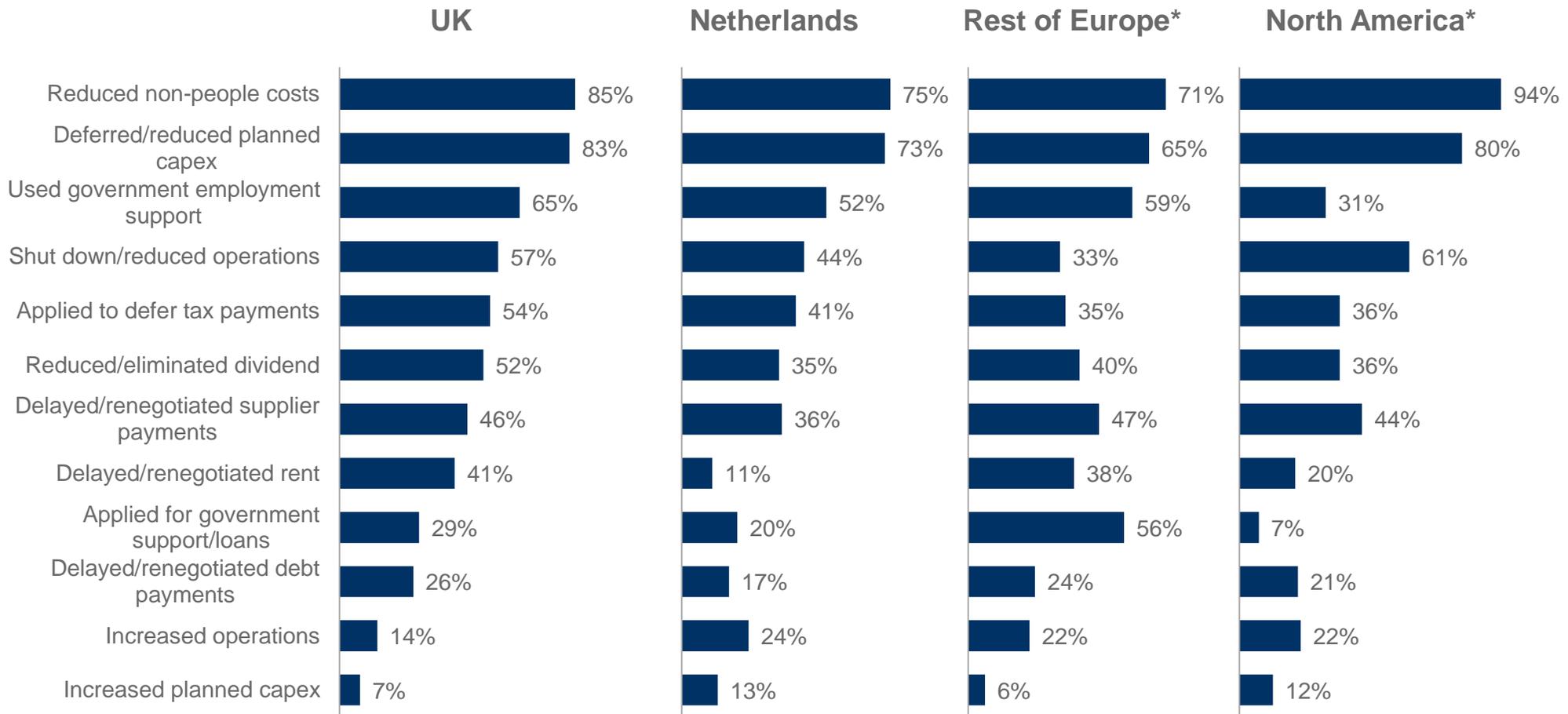


* Small sample size

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: UK=129, NL=58, North America=18, Rest of Europe=18; excludes "N/A or Don't know"

Other actions already taken

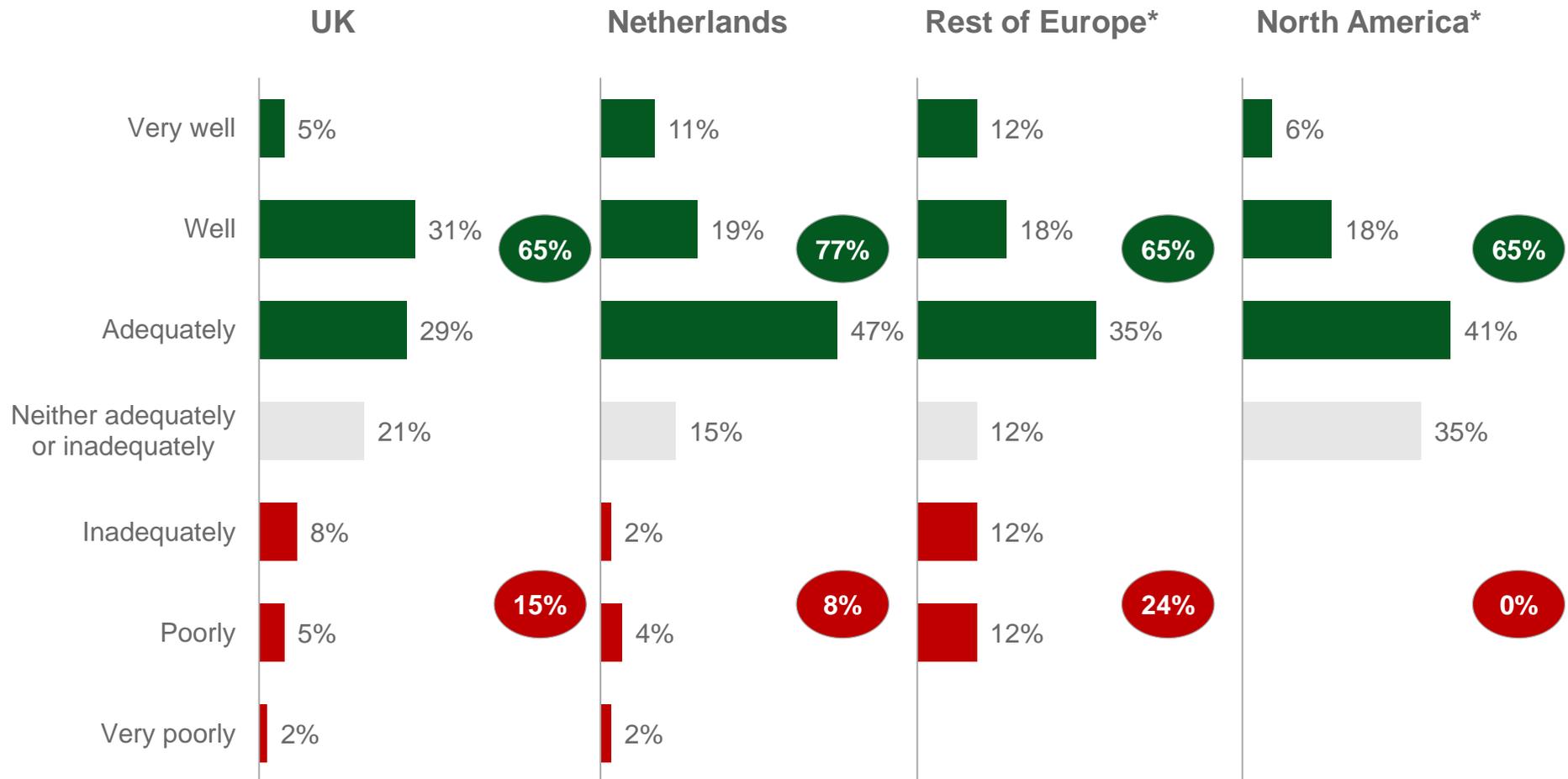


* Small sample size

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: UK=126, NL=54, North America=18, Rest of Europe=18; excludes "N/A or Don't know"

Perception of how well the government has supported your sector

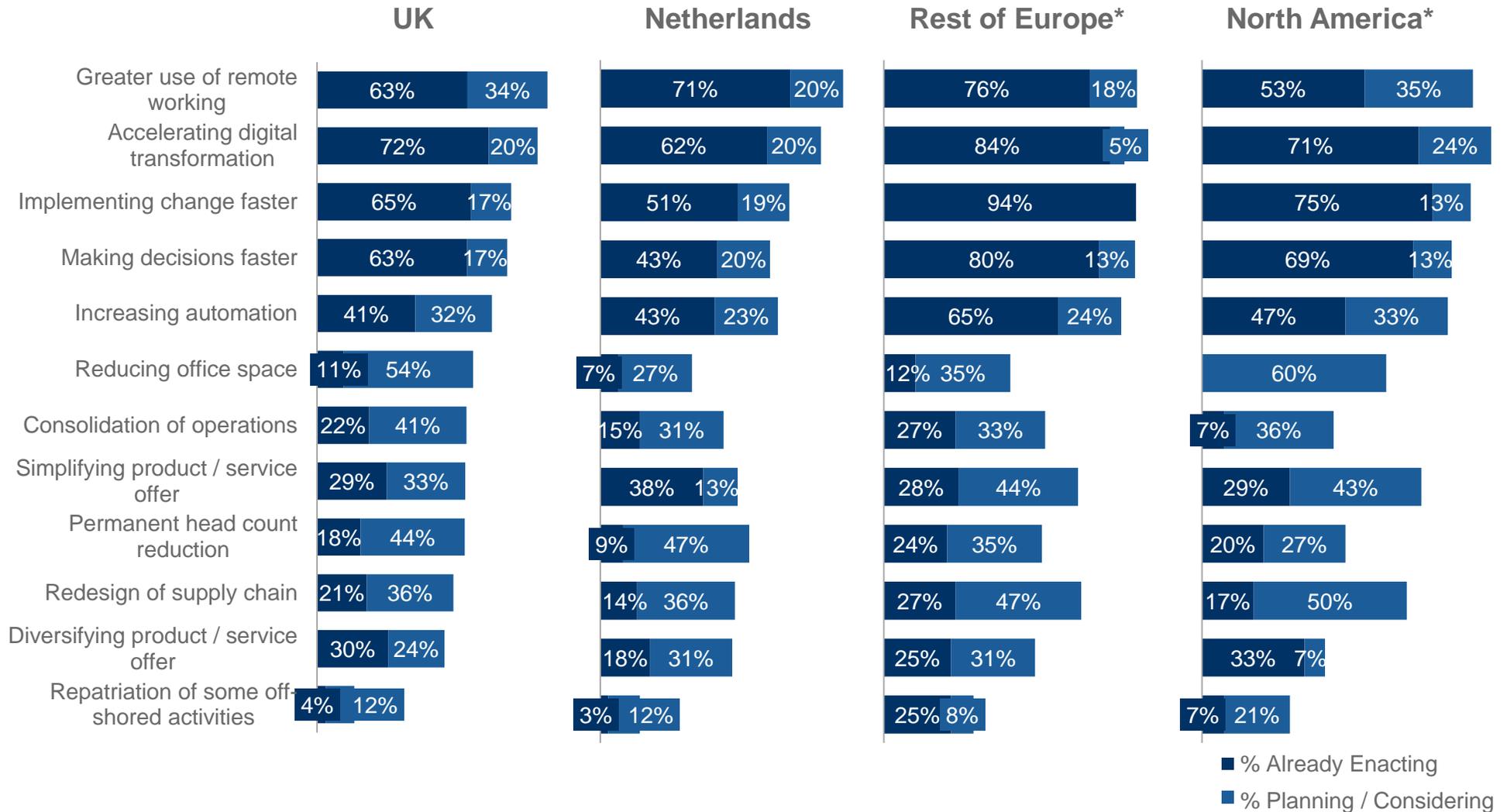


* Small sample size

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

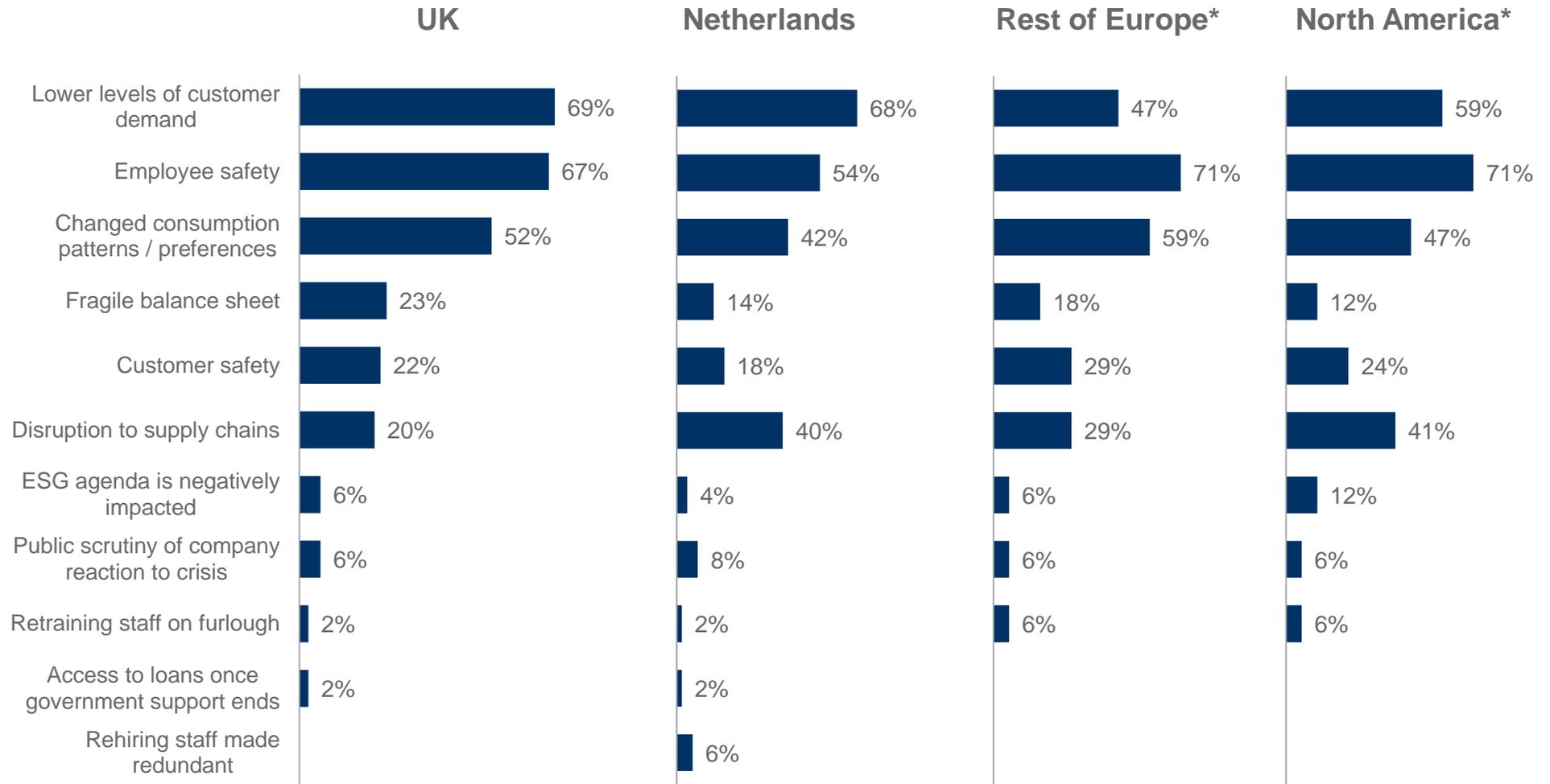
n: UK=122, NL=50, North America=17, Rest of Europe=17; excludes "N/A or Don't know"

'New normal': Permanent changes as a result of Covid-19 learnings



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020
 n: UK=125, NL=51, North America=17, Rest of Europe=16; excludes "N/A or Don't know"

'New normal': Top concerns once lockdown ends



Note: Respondents could tick up to 3 options

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: UK=124, NL=50, North America=17, Rest of Europe=17; excludes "N/A or Don't know"

Contents



Key findings

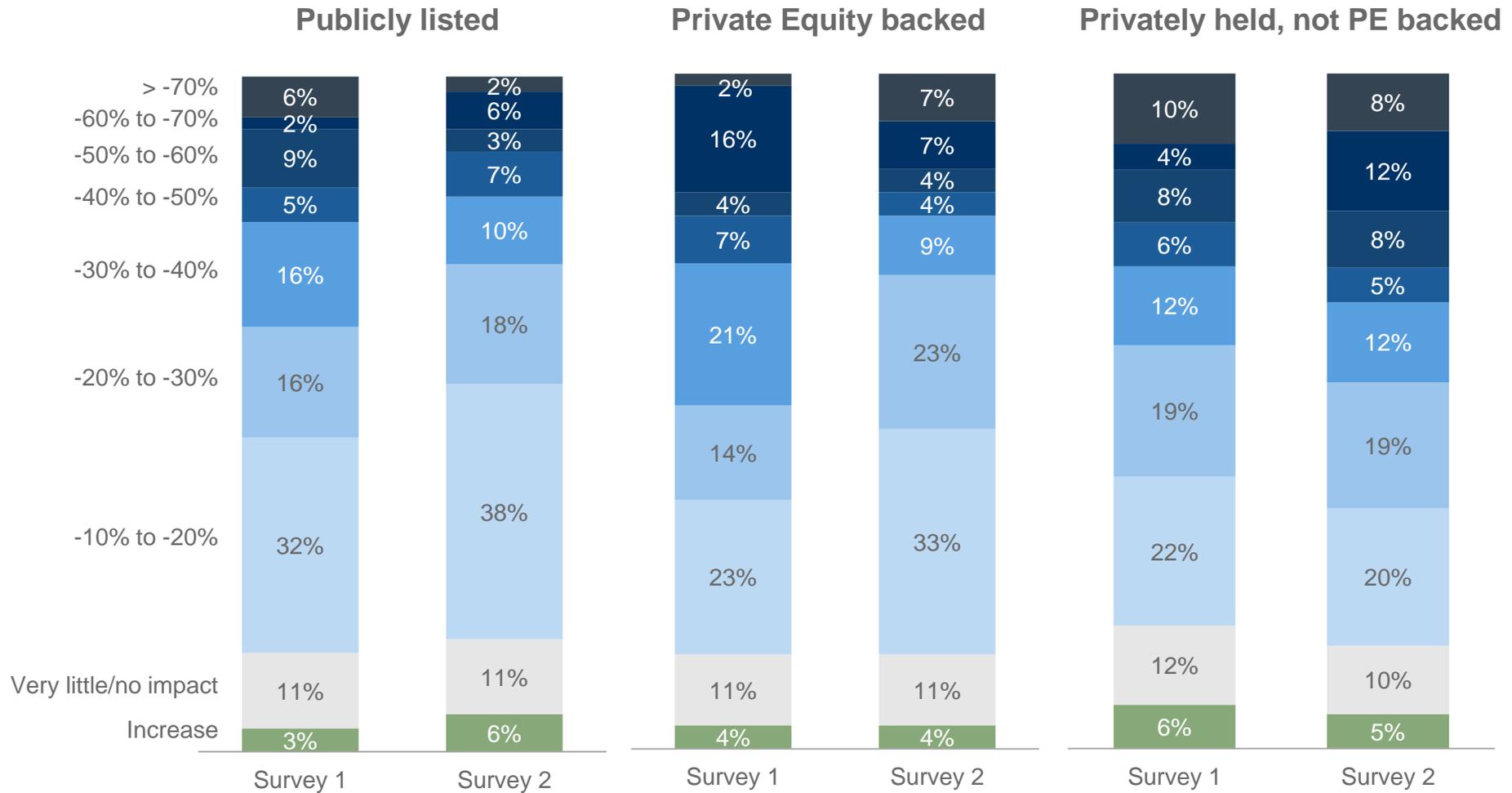
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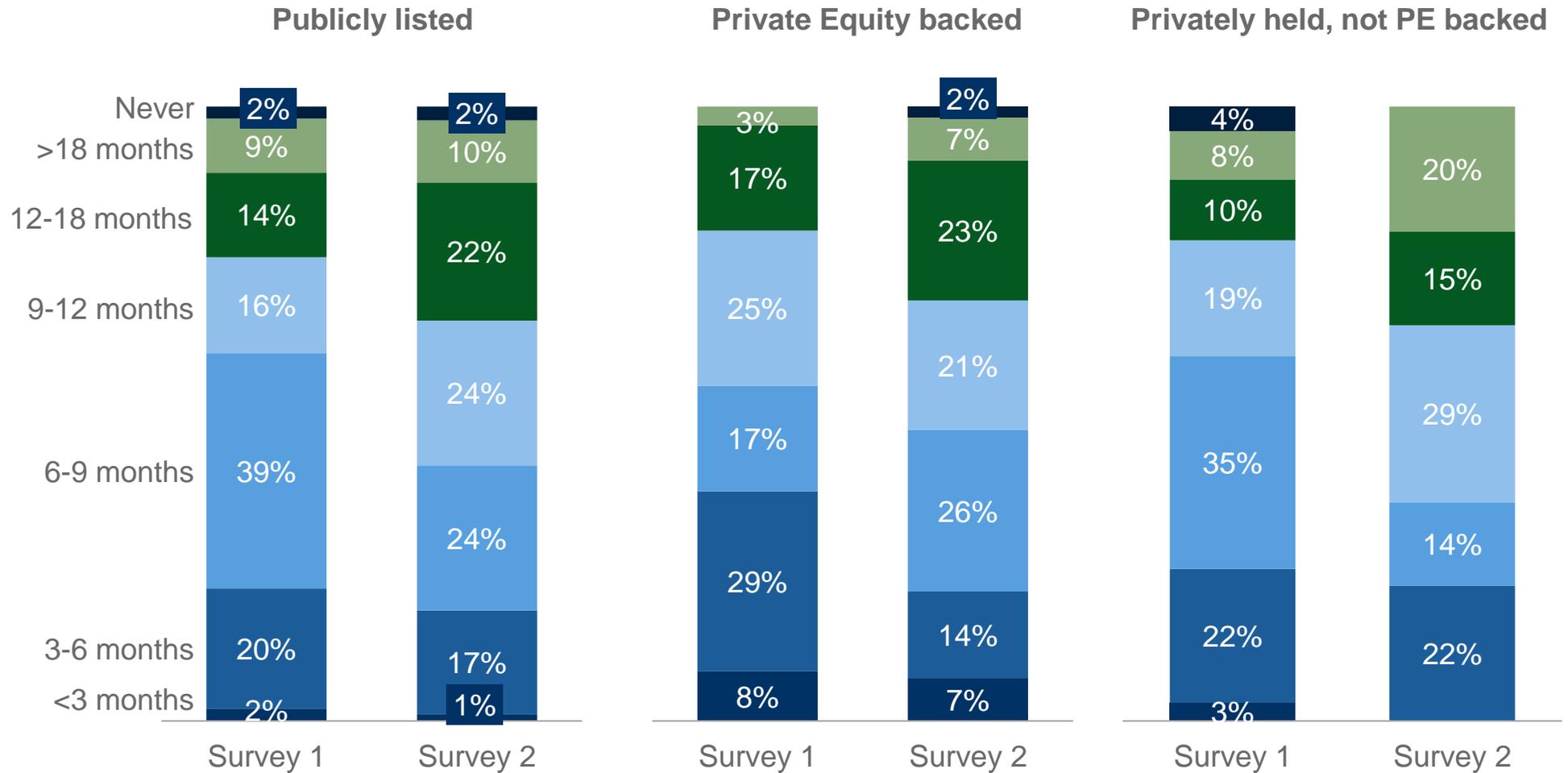
Expected change in 2020 revenue due to COVID-19 crisis



Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: Publicly listed=116, Private (PE backed)=57, Private (not PE backed)=77, Survey 2: Publicly listed=90, Private (PE backed)=57, Private (not PE backed)=59

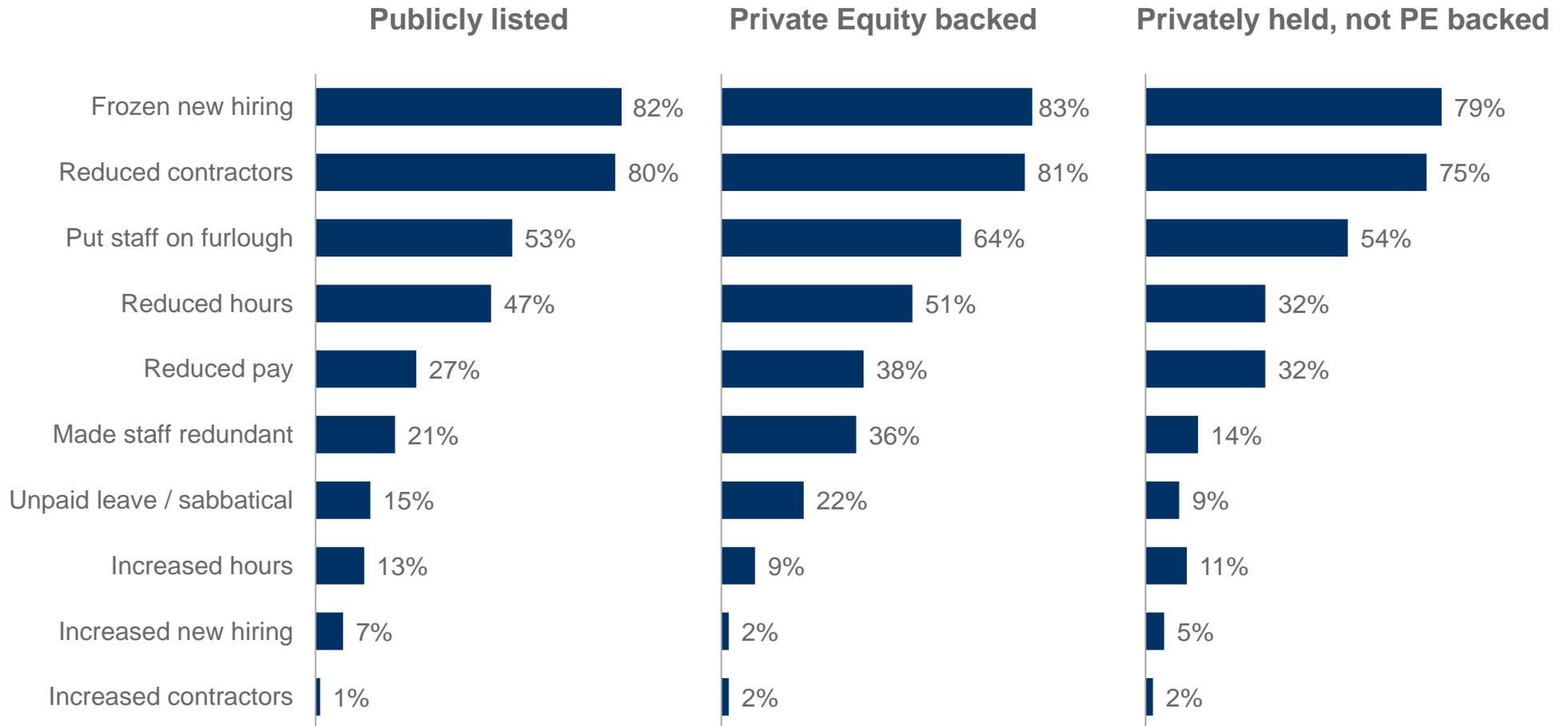
Planning assumption: when will business return to 'normal'?



Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: Publicly listed=128, Private (PE backed)=59, Private (not PE backed)=79, Survey 2: Publicly listed=89, Private (PE backed)=57, Private (not PE backed)=59

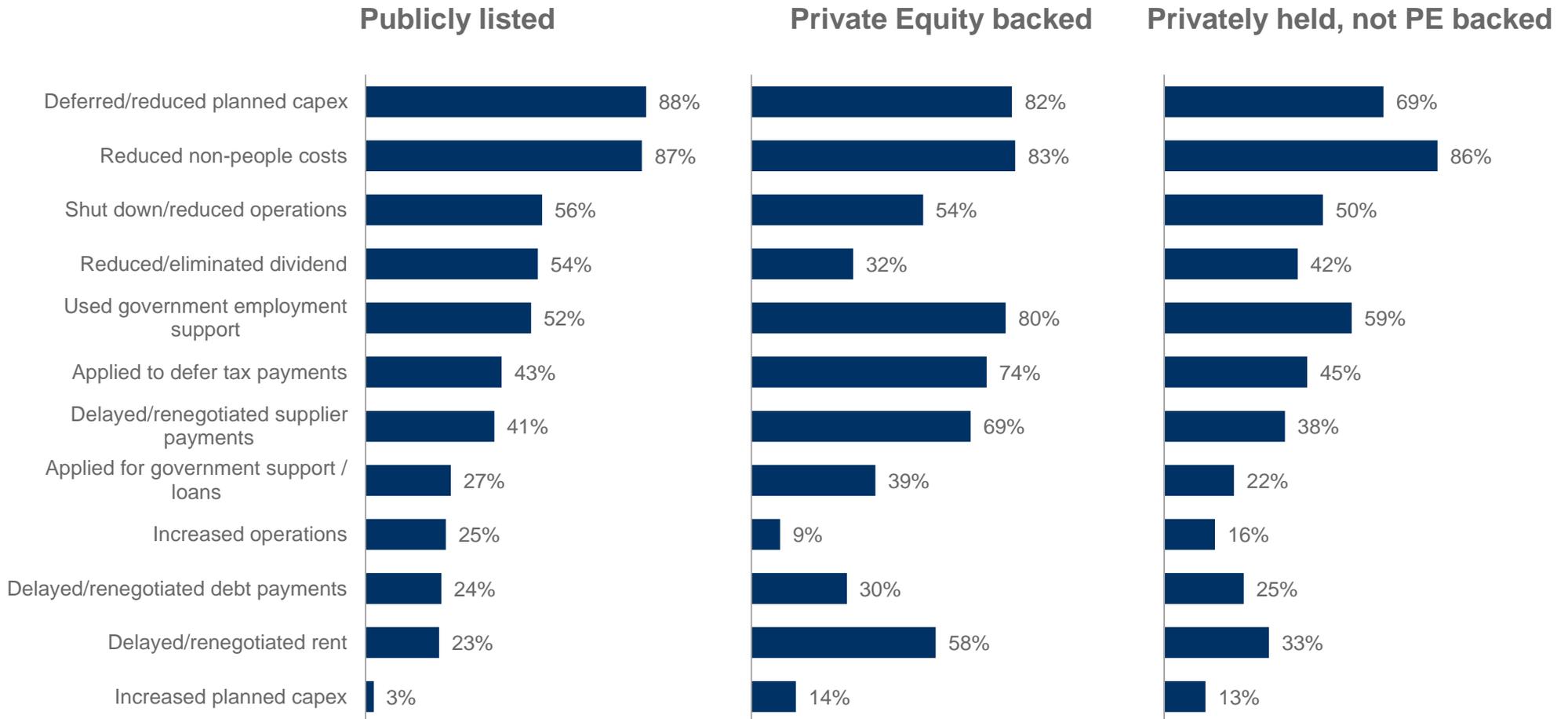
Workforce actions already taken



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Publicly listed=84, Private (PE backed)=54, Private (not PE backed)=59 ; excludes "N/A or Don't know"

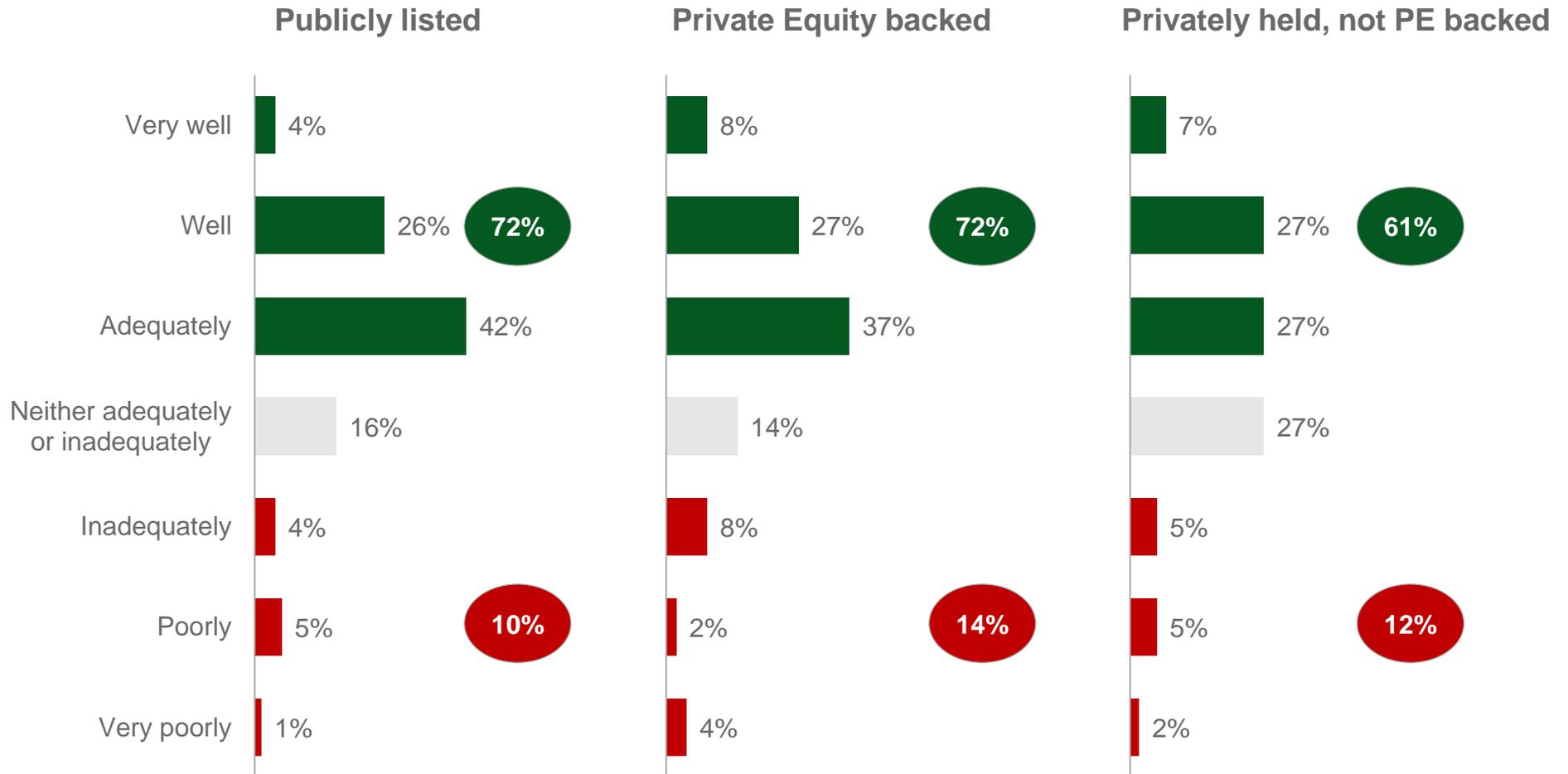
Other actions already taken



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Publicly listed=81, Private (PE backed)=50, Private (not PE backed)=59 ; excludes "N/A or Don't know"

Perception of how well the government has supported your sector



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

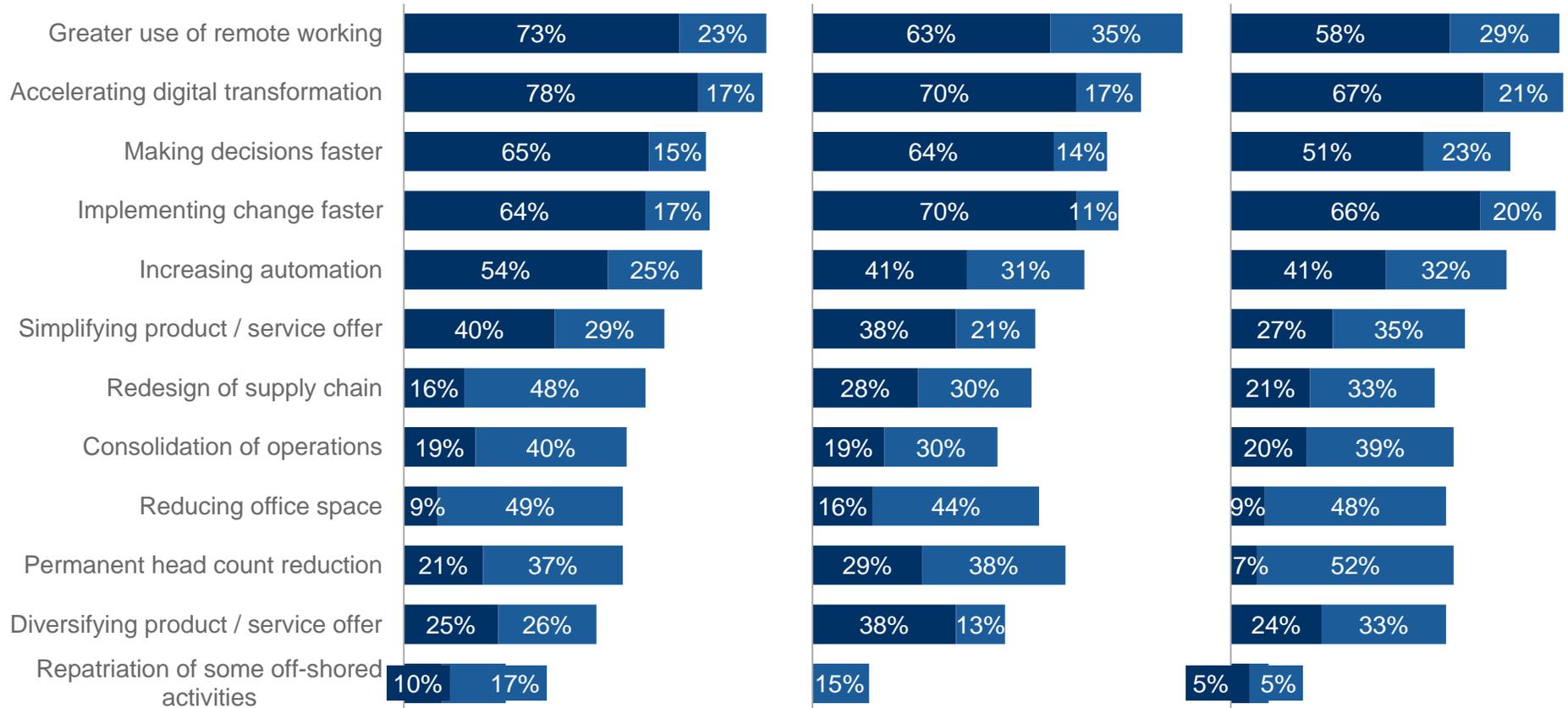
n: Publicly listed=76, Private (PE backed)=49, Private (not PE backed)=57 ; excludes "N/A or Don't know"

'New normal': Permanent changes as a result of Covid-19 learnings

Publicly listed

Private Equity backed

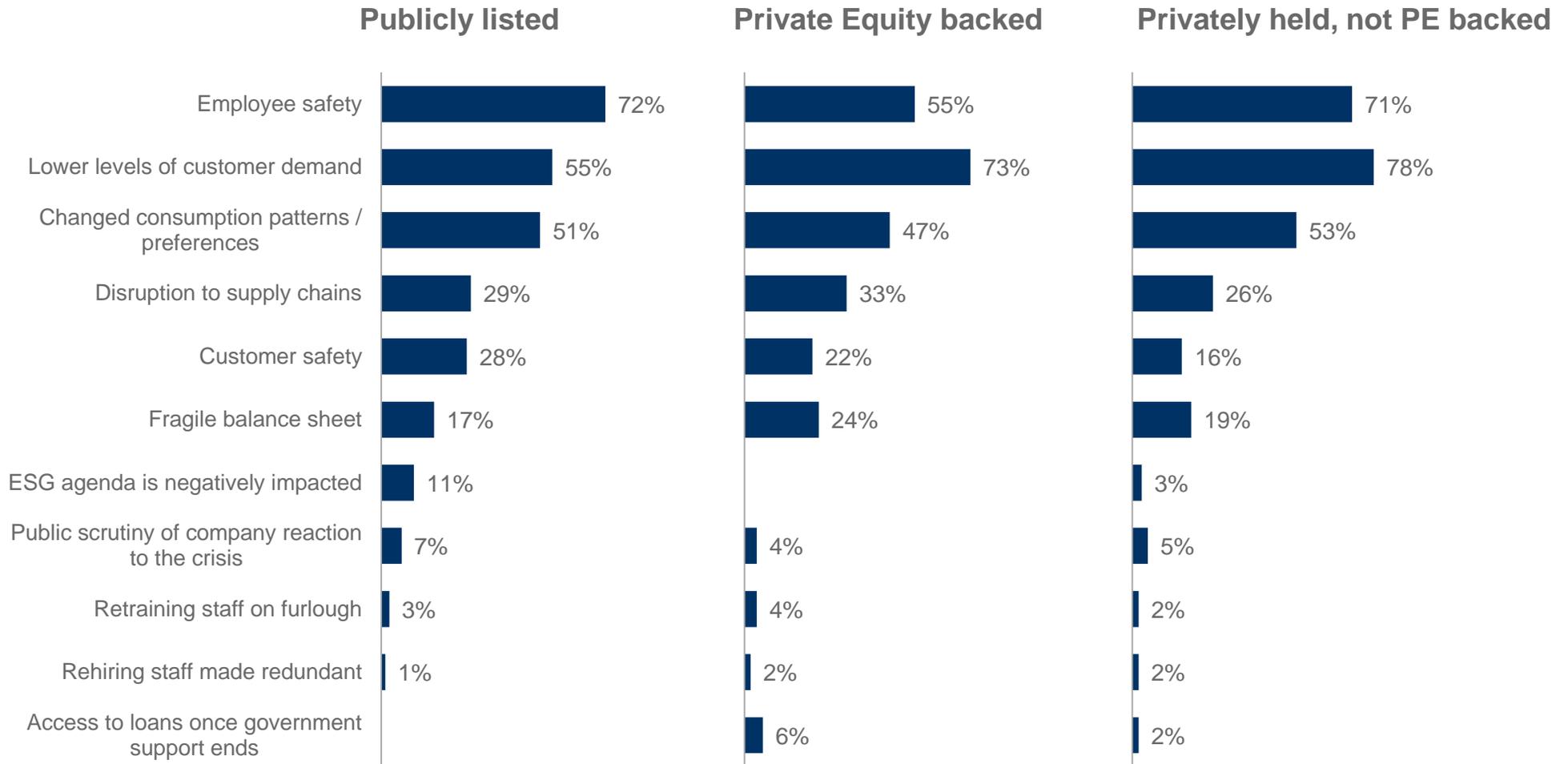
Privately held, not PE backed



■ % Already Enacting
 ■ % Planning / Considering

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020
 n: Publicly listed=77, Private (PE backed)=49, Private (not PE backed)=59 ; excludes "N/A or Don't know"

'New normal': Top concerns once lockdown ends



Note: Respondents could tick up to 3 options

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Publicly listed=76, Private (PE backed)=49, Private (not PE backed)=58

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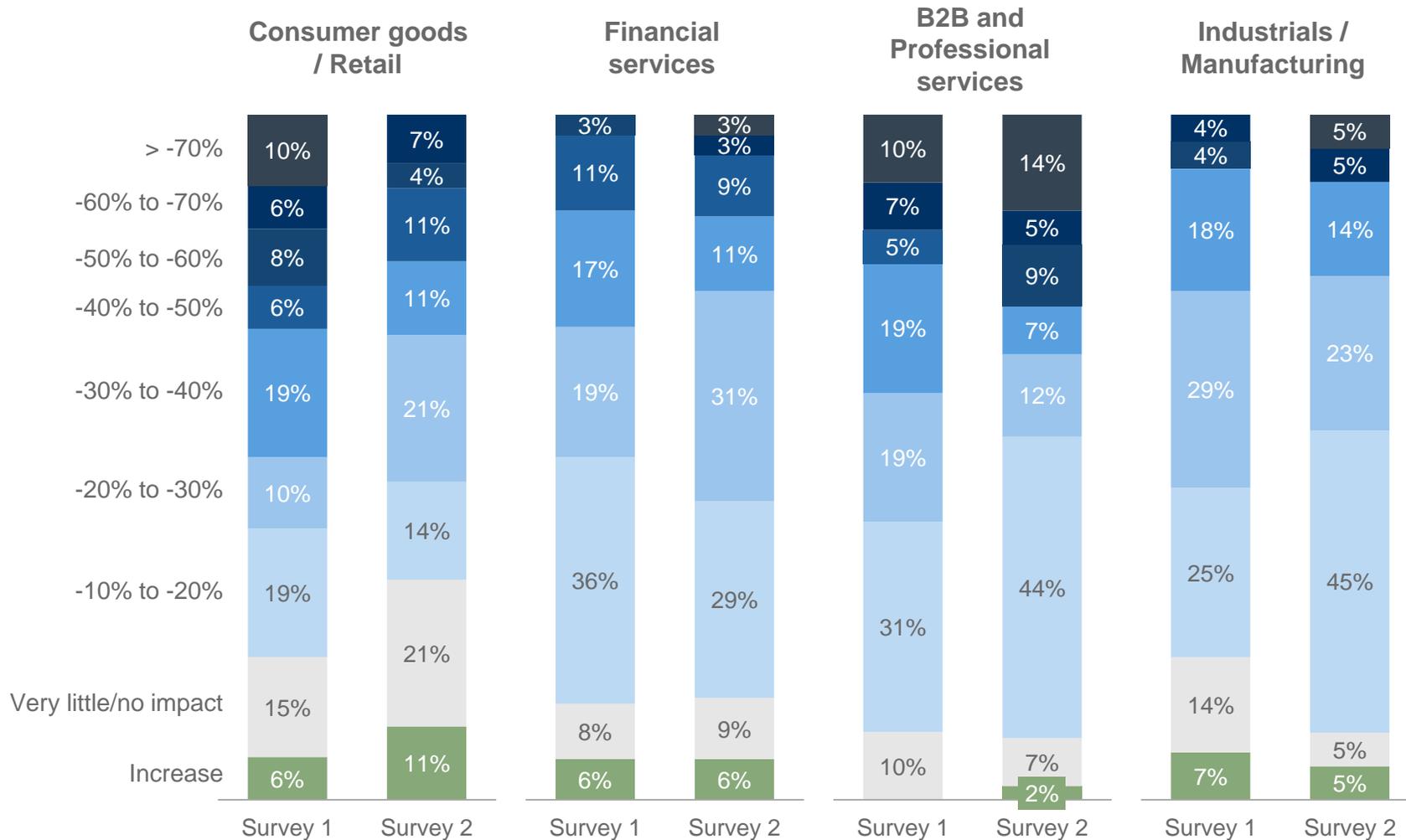
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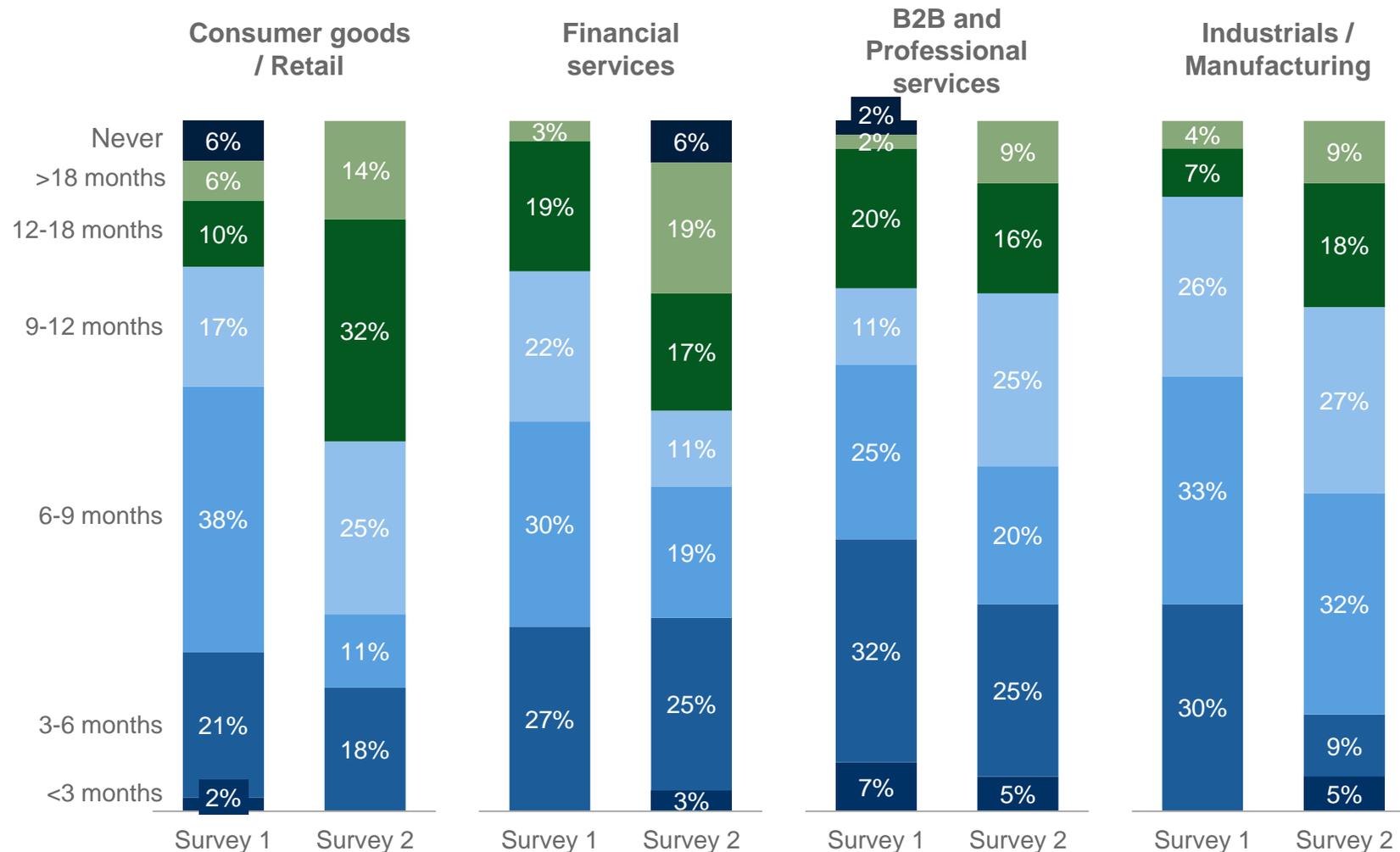
Expected change in 2020 revenue due to COVID-19 crisis



Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: Consumer goods / Retail=48, Financial services=36, B2B and Professional services=42, Industrials / Manufacturing=28, Survey 2: Consumer goods / Retail=28, Financial services=35, B2B and Professional services=43, Industrials / Manufacturing=22

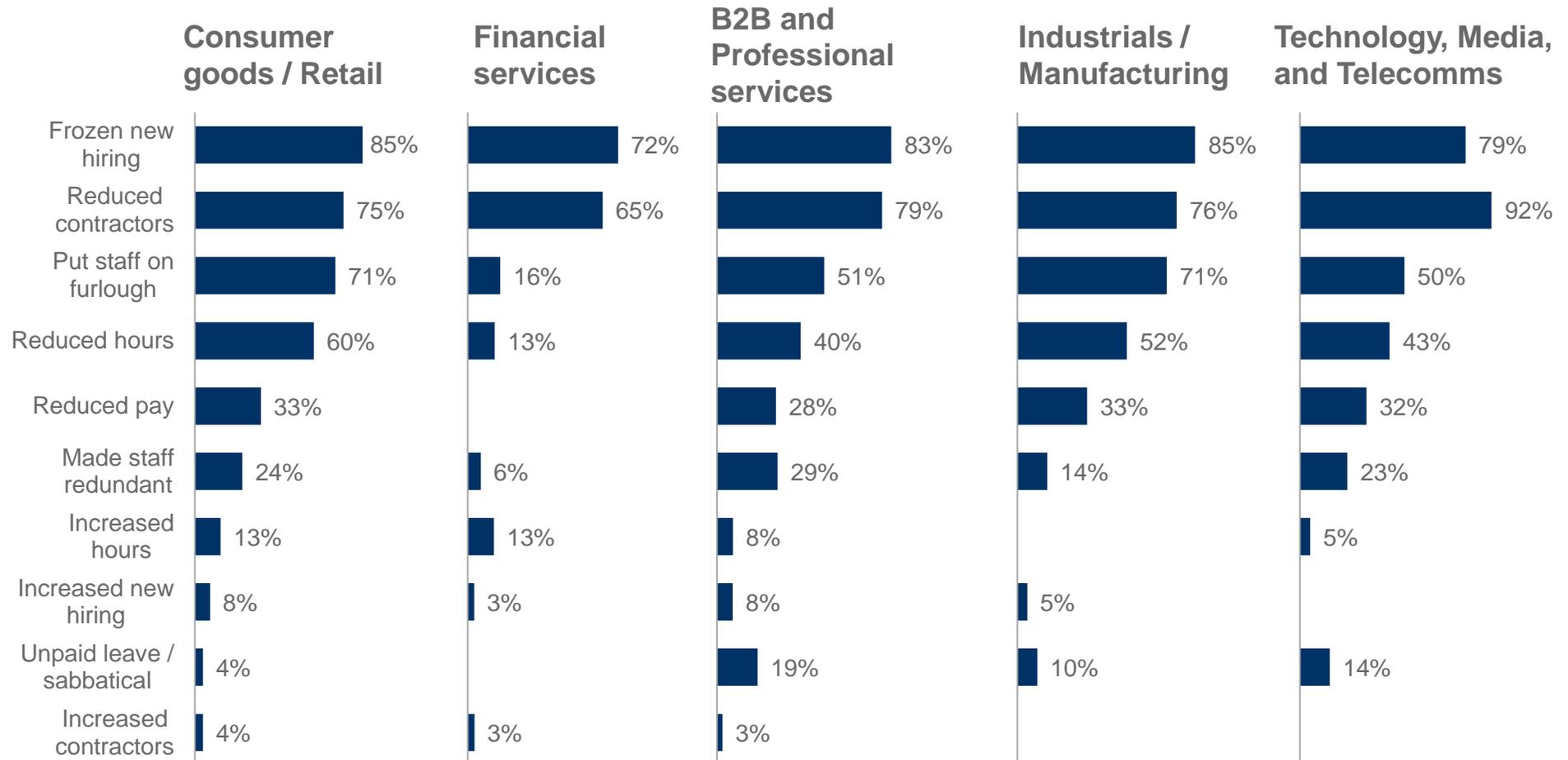
Planning assumption: when will business return to 'normal'?



Source: Eden McCallum COVID-19 Impact Survey 1, 8th-10th April 2020 and Survey 2, 28-29th April 2020

n: Survey 1: Consumer goods / Retail=52, Financial services=37, B2B and Professional services=44, Industrials / Manufacturing=27, Survey 2: Consumer goods / Retail=28, Financial services=36, B2B and Professional services=44, Industrials / Manufacturing=22

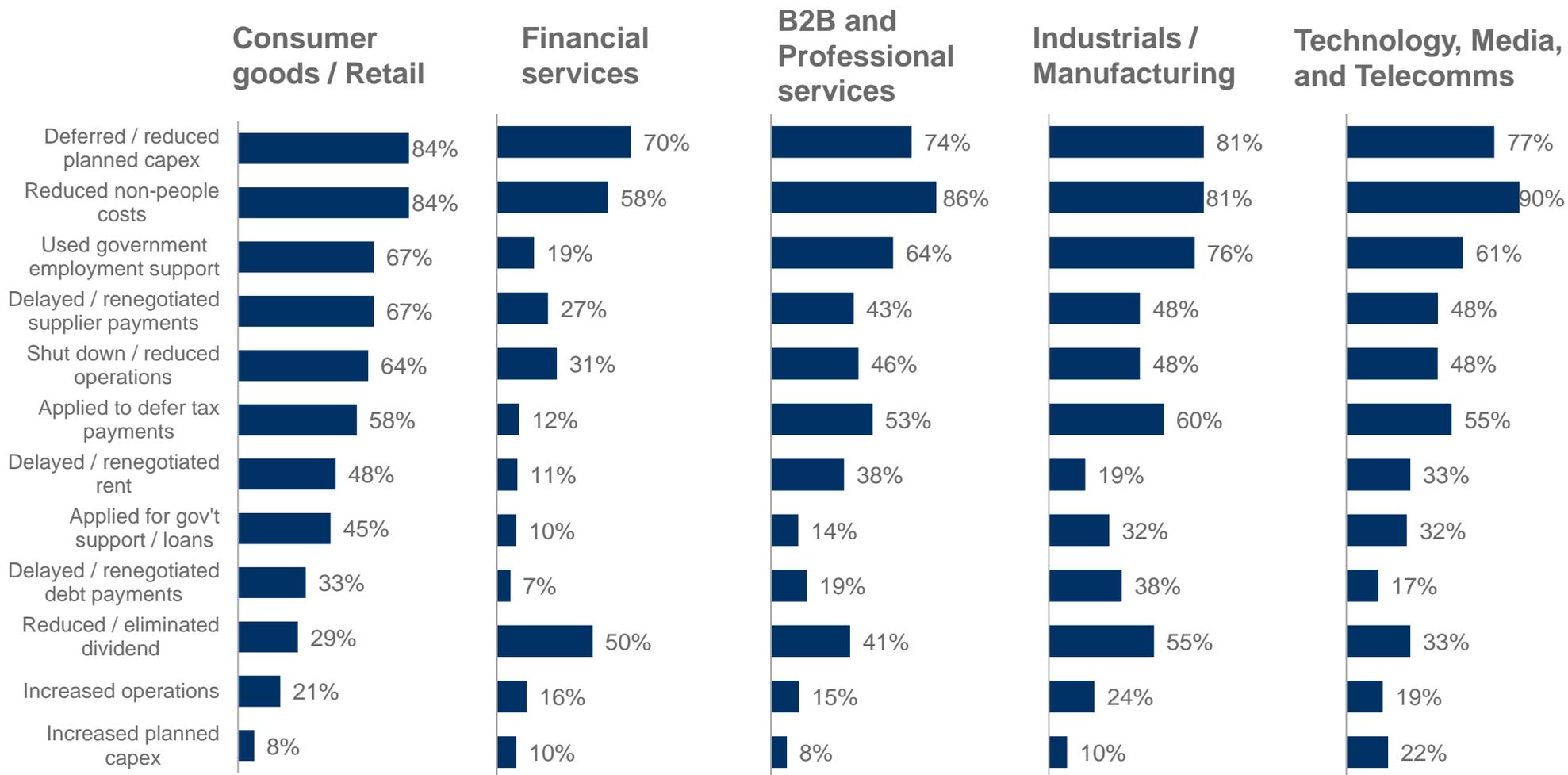
Workforce actions already taken



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Consumer goods / Retail=26, Financial services=34, B2B and Professional services=43, Industrials / Manufacturing=21, Technology, Media, and Telecommunications = 24; excludes "N/A or Don't know"

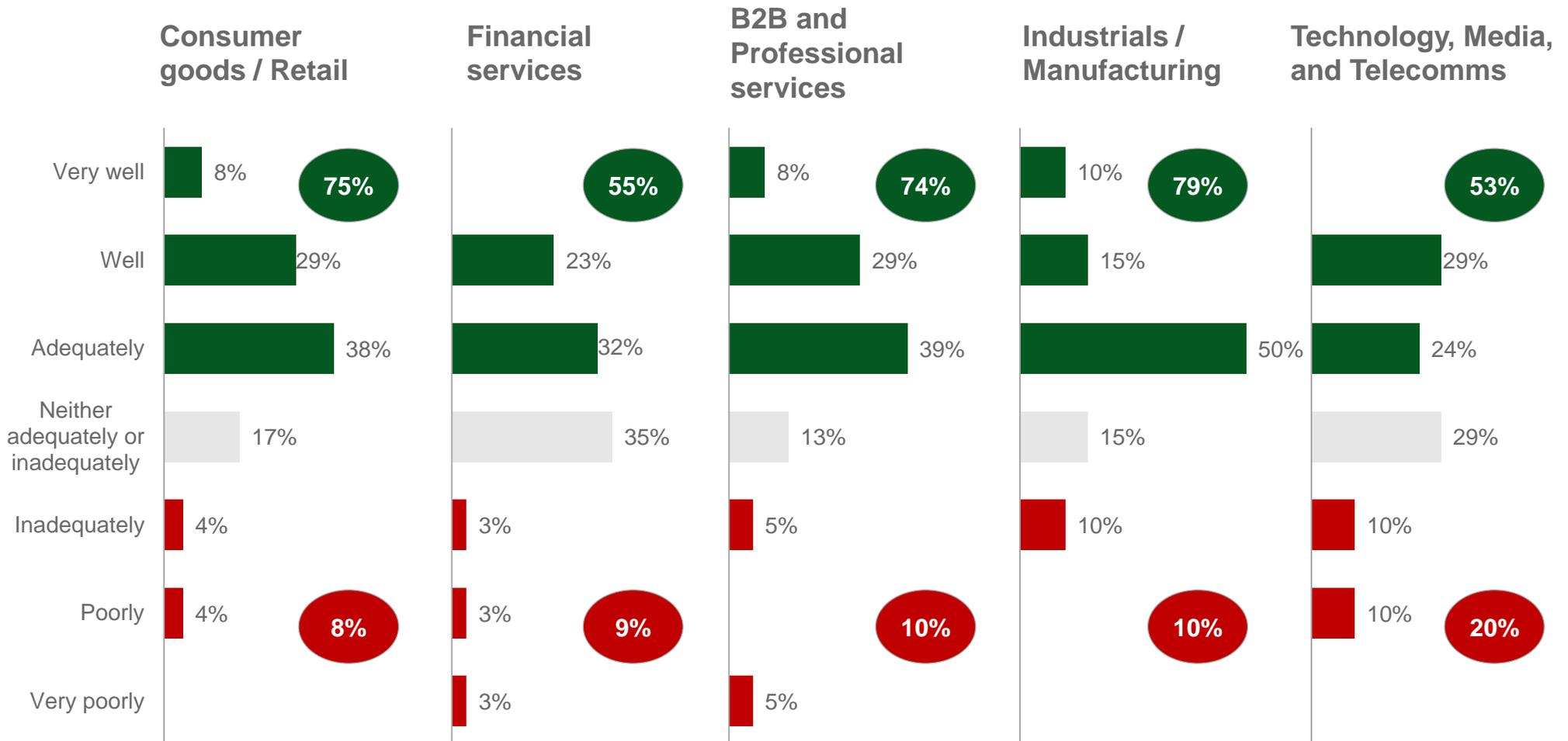
Other actions already taken



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Consumer goods / Retail=26, Financial services=33, B2B and Professional services=38, Industrials / Manufacturing=21, Technology, Media, and Telecommunications=24; excludes "N/A or Don't know"

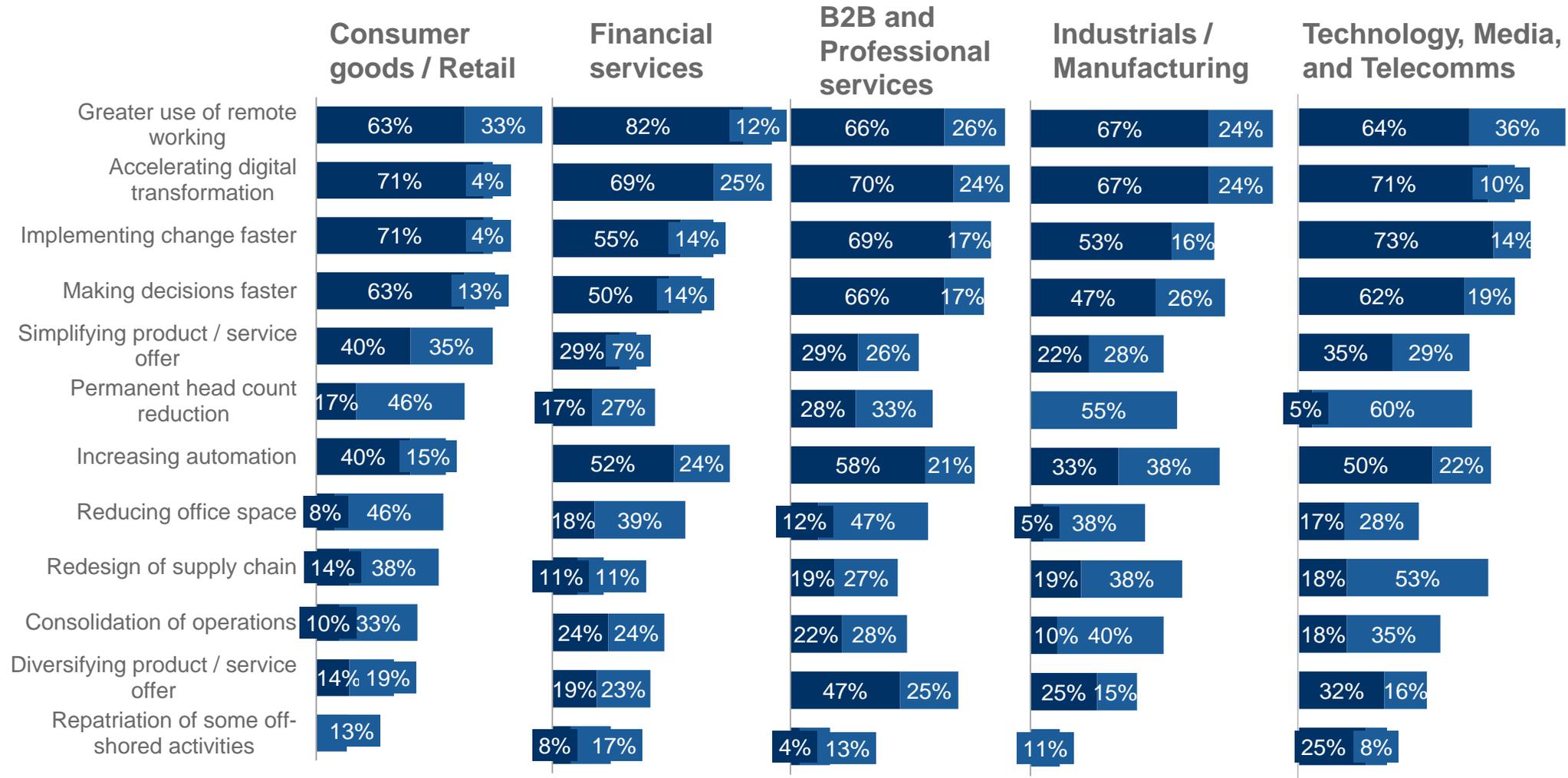
Perception of how well the government has supported your sector



Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Consumer goods / Retail=24, Financial services=31, B2B and Professional services=38, Industrials / Manufacturing=21, Technology, Media, and Telecommunications=22; excludes "N/A or Don't know"

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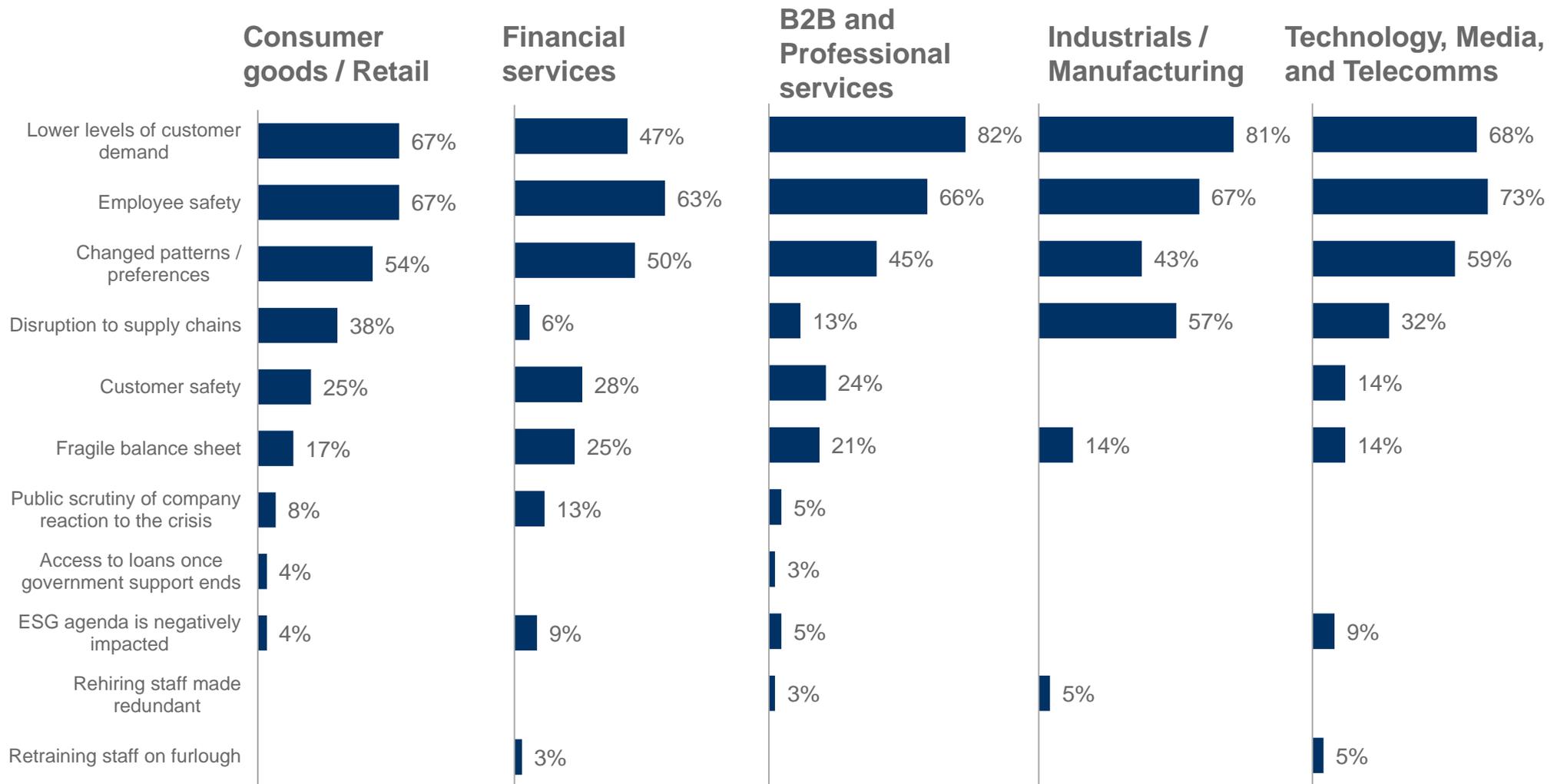


■ % Already Enacting
 ■ % Planning / Considering

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Consumer goods / Retail=24, Financial services=33, B2B and Professional services=38, Industrials / Manufacturing=21, Technology, Media, and Telecommunications=22; excludes "N/A or Don't know"

'New normal': Top concerns once lockdown ends



Note: Respondents could tick up to 3 options

Source: Eden McCallum COVID-19 Impact Survey 2, 28-29th April 2020

n: Consumer goods / Retail=24, Financial services=32, B2B and Professional services=38, Industrials / Manufacturing=21, Technology, Media, and Telecommunications=22