



# Managing the COVID-19 Crisis – Survey findings

September 2020

eden  
mccallum

# Contents



## Key findings

Summary data (full sample)

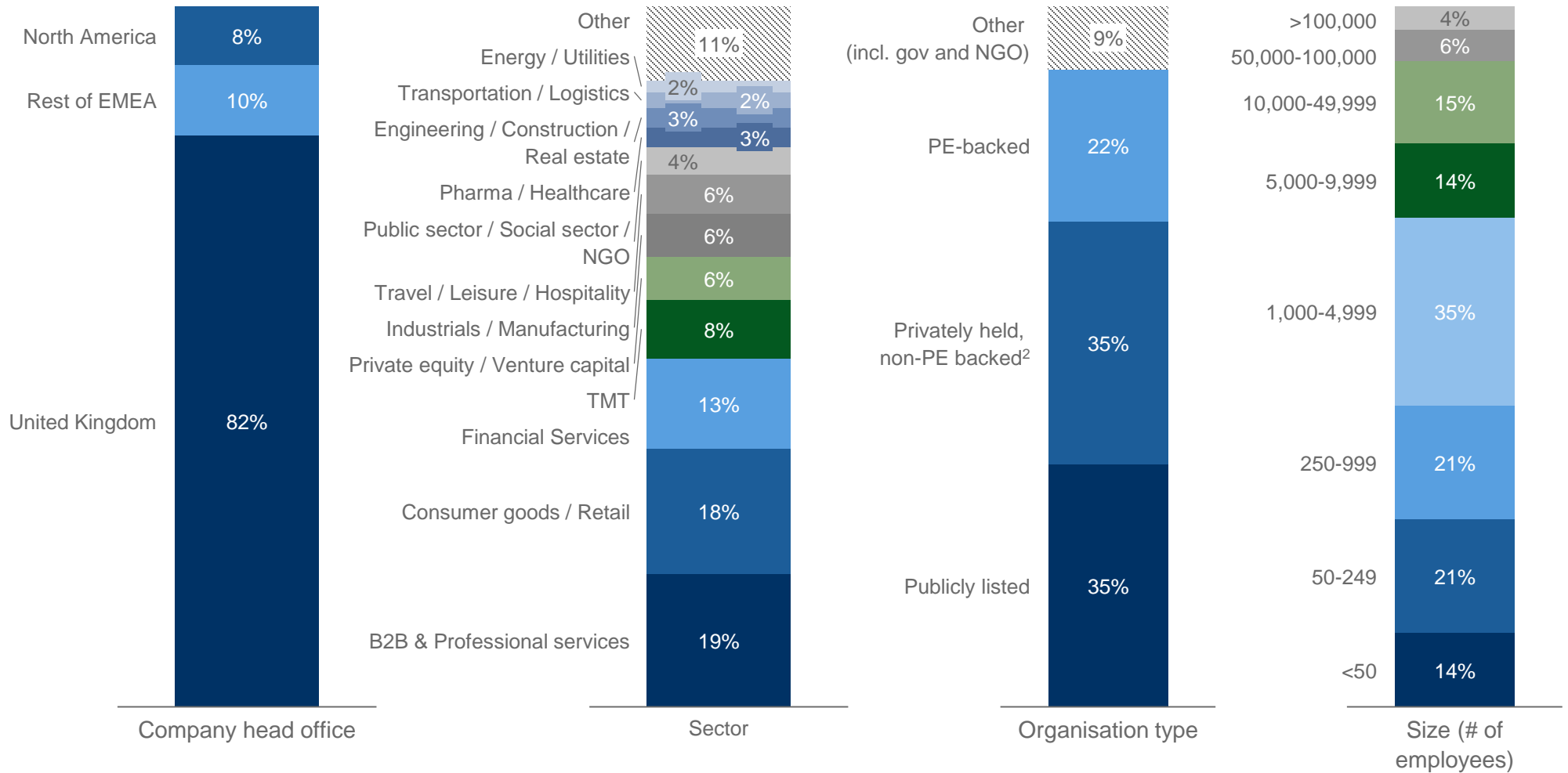
Data cut by company ownership

Data cut by sector

# Key findings: Fifth COVID-19 survey of business leaders

- **Concerns about revenue declines due to Covid-19 have fallen** since our first survey in April and remained stable since our July survey: 68% expected revenue to decline by more than 20% in April vs 49% now (45% in July)
- **The estimated time frame for recovery has continued to lengthen:** those expecting the return to 'normal' to take more than a year increased from 19% in April to 61% now (up from 46% in July).
  - **Publicly listed companies are the most pessimistic about recovery timelines** (73% expect 'normal' to take over a year vs. 60% of PE-backed companies and 55% of non-PE backed private companies)
  - A large proportion of **consumer goods and retail companies expect a permanent disruption from the pandemic** (23% expect to never return to 'normal')
- Despite **mixed feelings on their own company** performance, business leaders expressed **strong negative sentiment about the economy in Q4** (81% negative or very negative vs 6% positive)
- Companies have been slowly **reversing previous cash-preserving and other actions taken during the crisis** (c. 40%+ of those who delayed supplier, rent and tax payments and c.50%+ of those who used the furlough scheme and reduced pay are no longer doing so)
  - PE-backed companies implemented the most extensive range of workforce and other measures. While they have been stopping non-workforce measures at a similar rate to publicly listed companies, they have been slower to relax workforce measures, particularly reduced pay (57% who implemented have stopped vs. 78% of publicly listed companies) and use of furlough (44% vs. 59% of publicly listed companies)
- **Seven in ten have already or plan to make staff redundant**, which has been stable since our July survey. PE-backed companies are more likely to be taking action (86% vs. 68% of publicly listed firms)
- Even before recent announcements in response to the 'second wave', two-thirds of **companies were not mandating any employees to return to the office**. Fewer employees were also returning to the office in September than expected in July (**c. 30%** expected less than 25% of workers to be onsite at any one time upon reopening, however in reality c. **60%** of companies had less than 25% in the office at any one time in September)
  - Publicly listed companies had lower numbers of workers returning onsite (71% had less than 25% of workers onsite in September vs. 55% of private companies with less than 25% of workers onsite at any one time)
- **Almost half of business leaders surveyed were working fully remotely**, even before the 'second wave' led to new government measures: of those who had returned to the office, social interaction and collaboration were seen as the main benefits of being back

# Background information of respondents



Source: Eden McCallum COVID-19 Impact Survey 5, 14<sup>th</sup> – 15<sup>th</sup> September 2020

n=179

Note: (1) Survey has been sent from our UK office only and, (2) Includes partnerships, (3) Totals may not equal 100% due to rounding

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Key findings

**Summary data (full sample)**

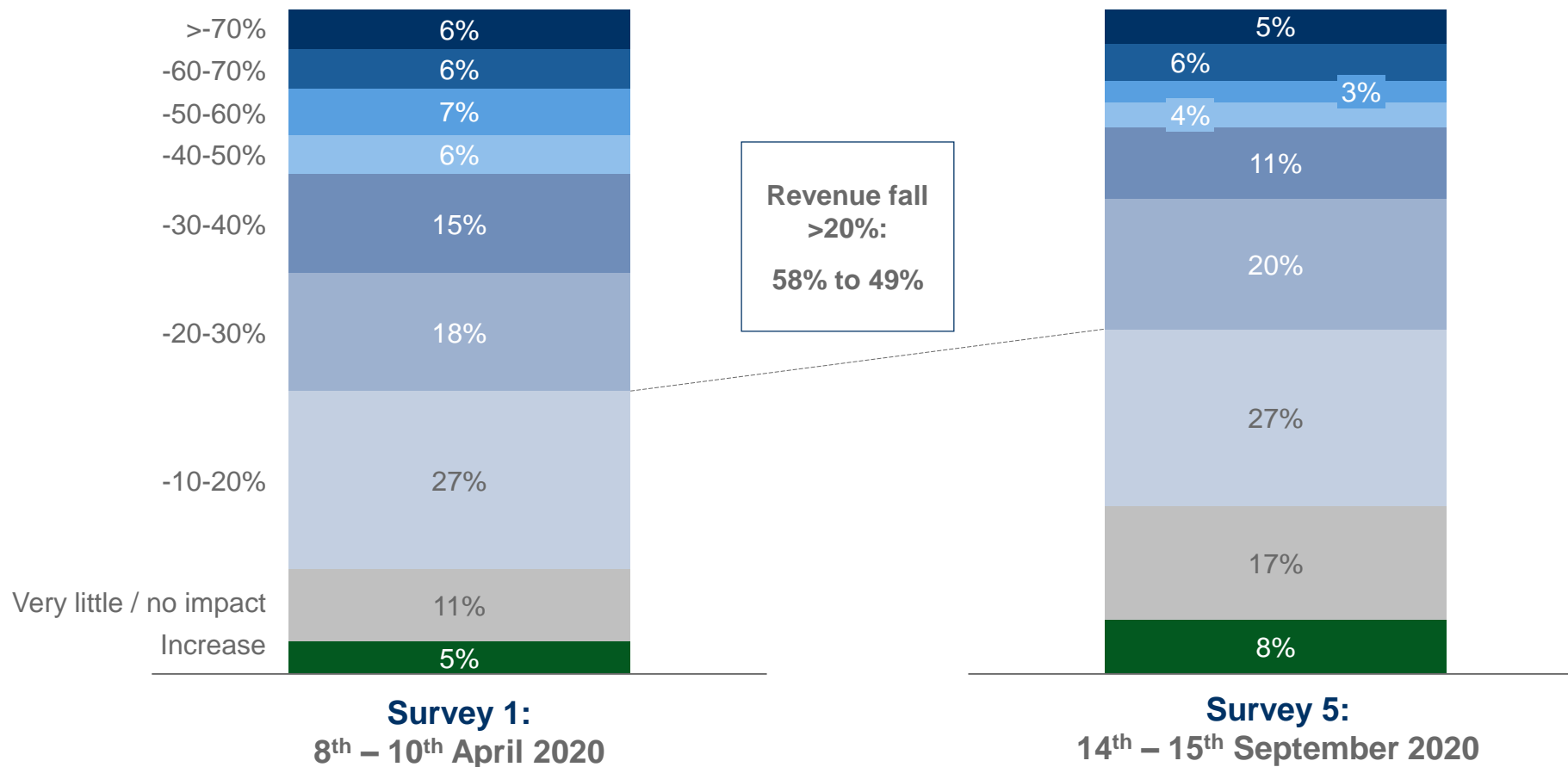
Data cut by company ownership

Data cut by sector



Predictions about impact on 2020 revenue have become less negative over time, although c. half still expect revenue to fall by >20%

## EXPECTED CHANGE IN 2020 REVENUE DUE TO COVID-19 CRISIS



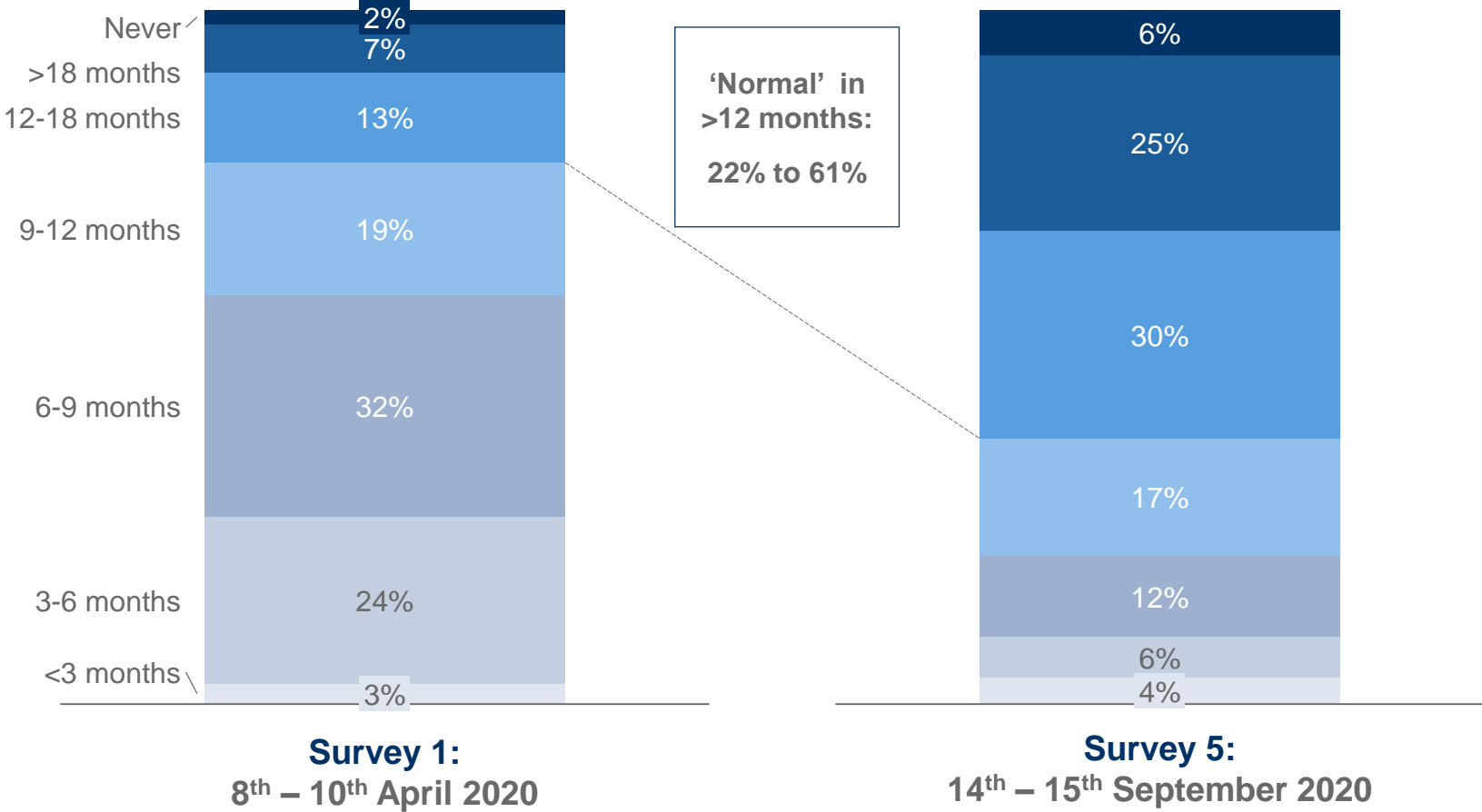
Source: Eden McCallum COVID-19 Impact Survey's; 8th – 10th April 2020, 14th – 15th September 2020

n: Survey 1 = 288, Survey 5 = 171; chart excludes "I don't know / rather not say"

Note: (1) September survey has been sent from our UK office only, (2) Totals may not add to 100% due to rounding

Assumptions about time to return to 'normal' have lengthened significantly, with c. 60% now expecting this to take over a year from now, vs c 20% in April

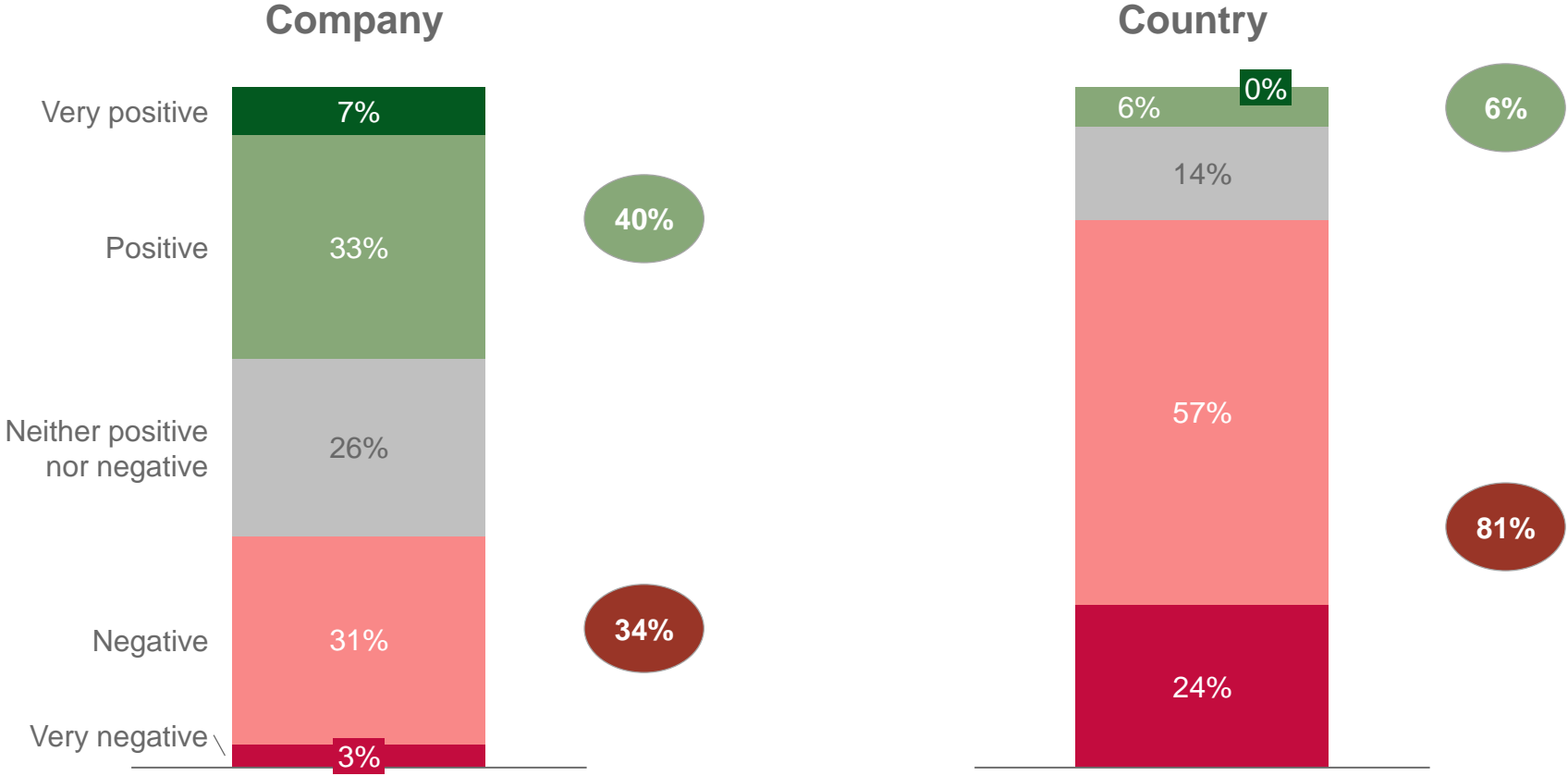
**PLANNING ASSUMPTION: WHEN WILL BUSINESS RETURN TO 'NORMAL'?**



Source: Eden McCallum COVID-19 Impact Survey's; 8th – 10th April 2020, 14th – 15th September 2020  
 n: Survey 1 = 300, Survey 5 = 171; chart excludes "I don't know / rather not say"  
 Note: (1) September survey has been sent from our UK office only, (2) Totals may not add to 100% due to rounding

# Despite mixed feelings on company performance, strong negative sentiment exists about the economy in Q4

## VIEWS ON OWN COMPANY AND COUNTRY PERFORMANCE IN Q4 2020

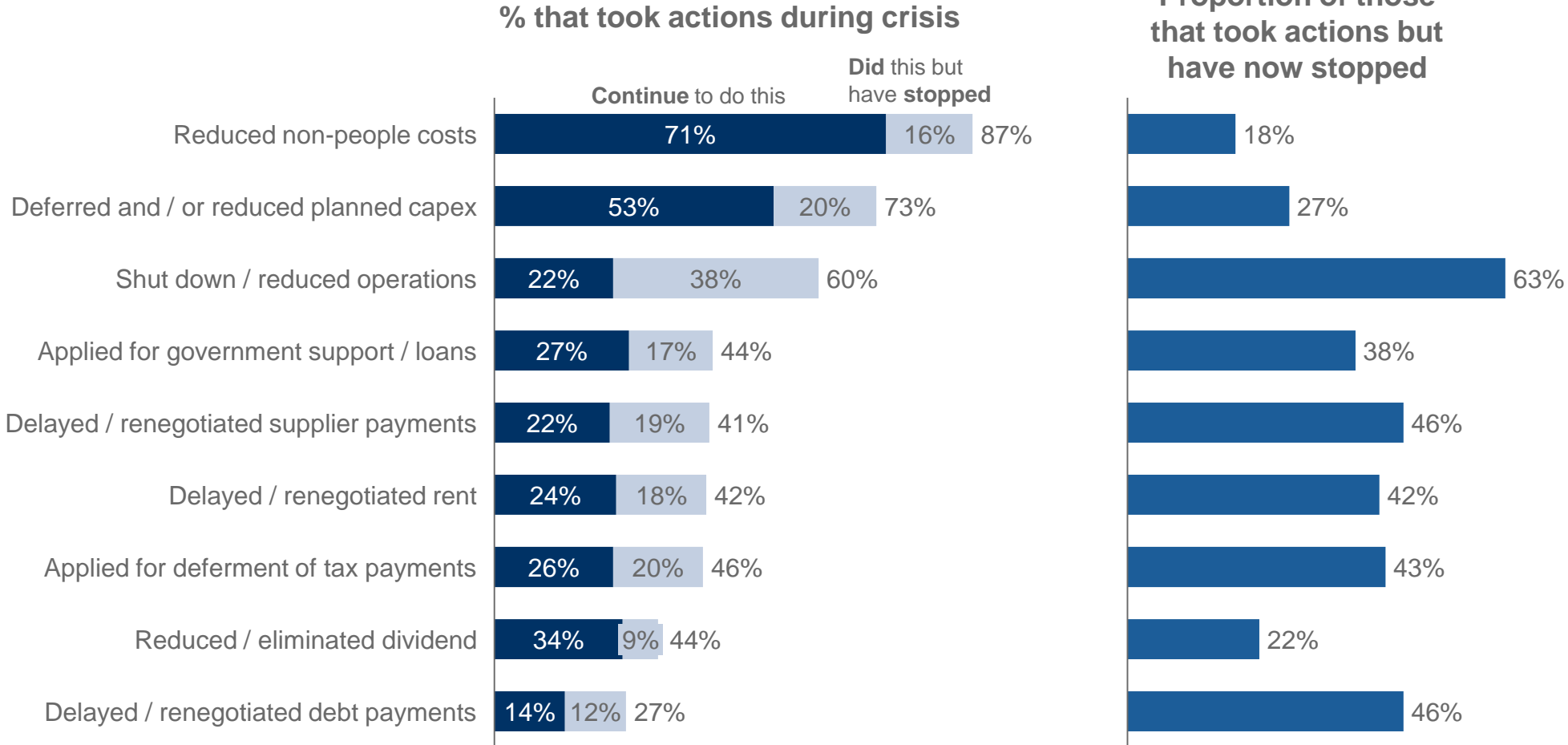


Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
n: Survey 5 = 176; chart excludes "N/A or Don't know"  
Note: (1) Survey has been sent from our UK office only (2) Totals may not add to 100% due to rounding



Almost two-thirds of companies that shut down operations during lockdown have resumed them; c. 40%+ of those who delayed supplier, rent and tax payments are no longer doing so

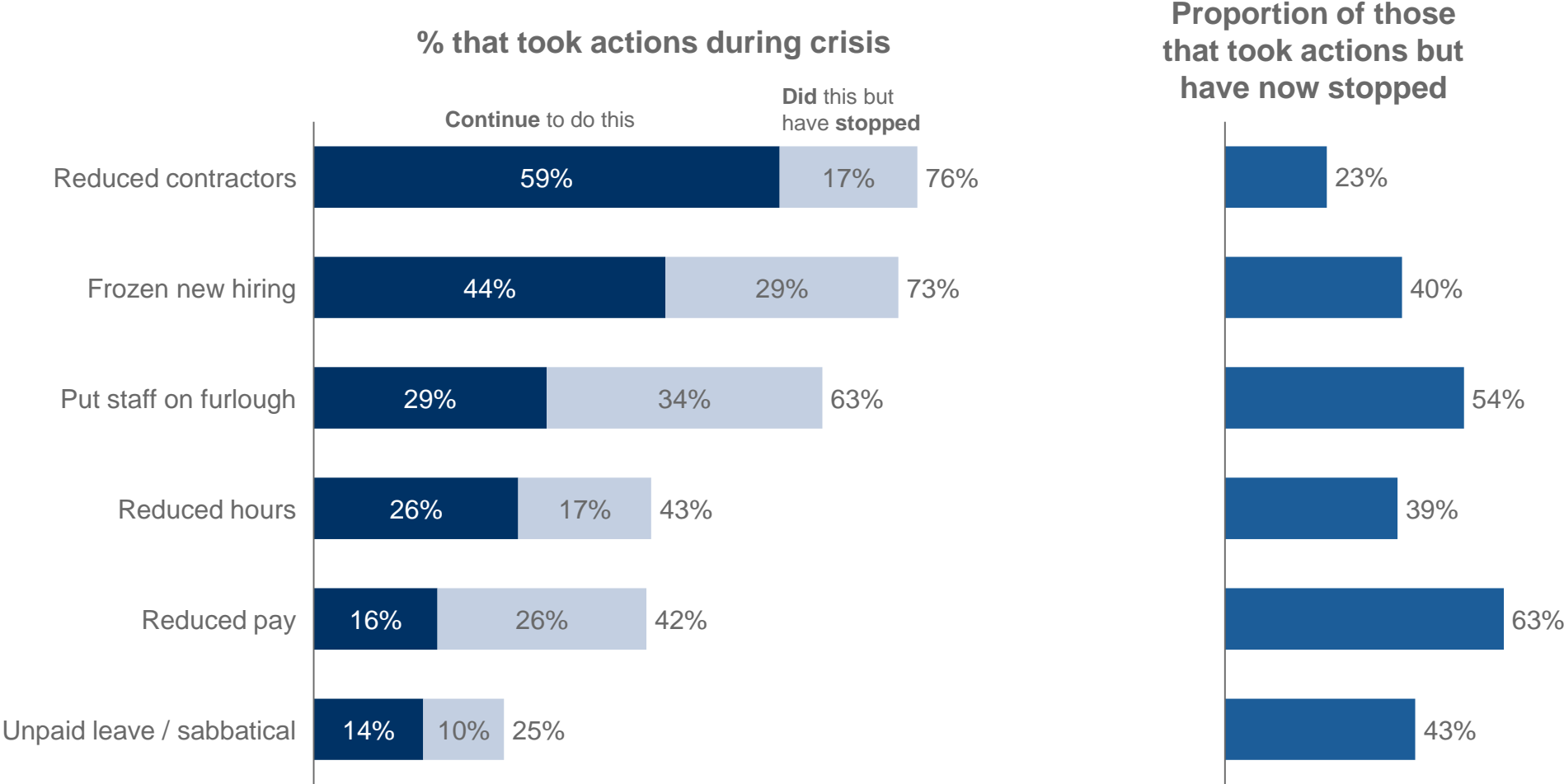
### NON-WORKFORCE ACTIONS TAKEN AND STOPPED



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
 n: Survey 5 = 168 (slight variance by question); chart excludes "N/A or Don't know"  
 Note: (1) Survey has been sent from our UK office only

# Over half of those that had used the furlough scheme or reduced pay have stopped these actions

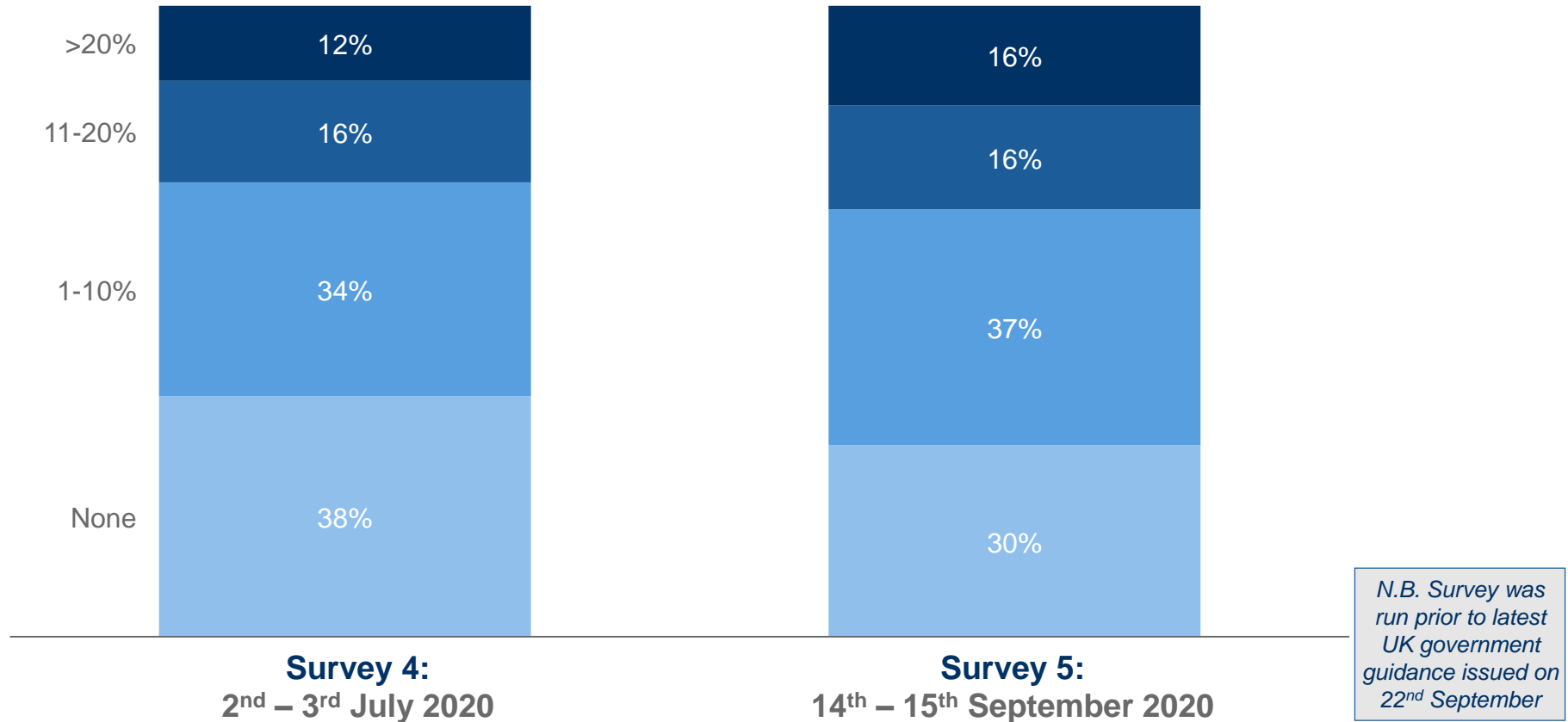
## WORKFORCE ACTIONS TAKEN AND STOPPED



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
 n: Survey 5 = 168 (slight variance by question); chart excludes "N/A or Don't know"  
 Note: (1) Survey has been sent from our UK office only

# 7 in 10 business leaders expect to make redundancies, similar to the beginning of July

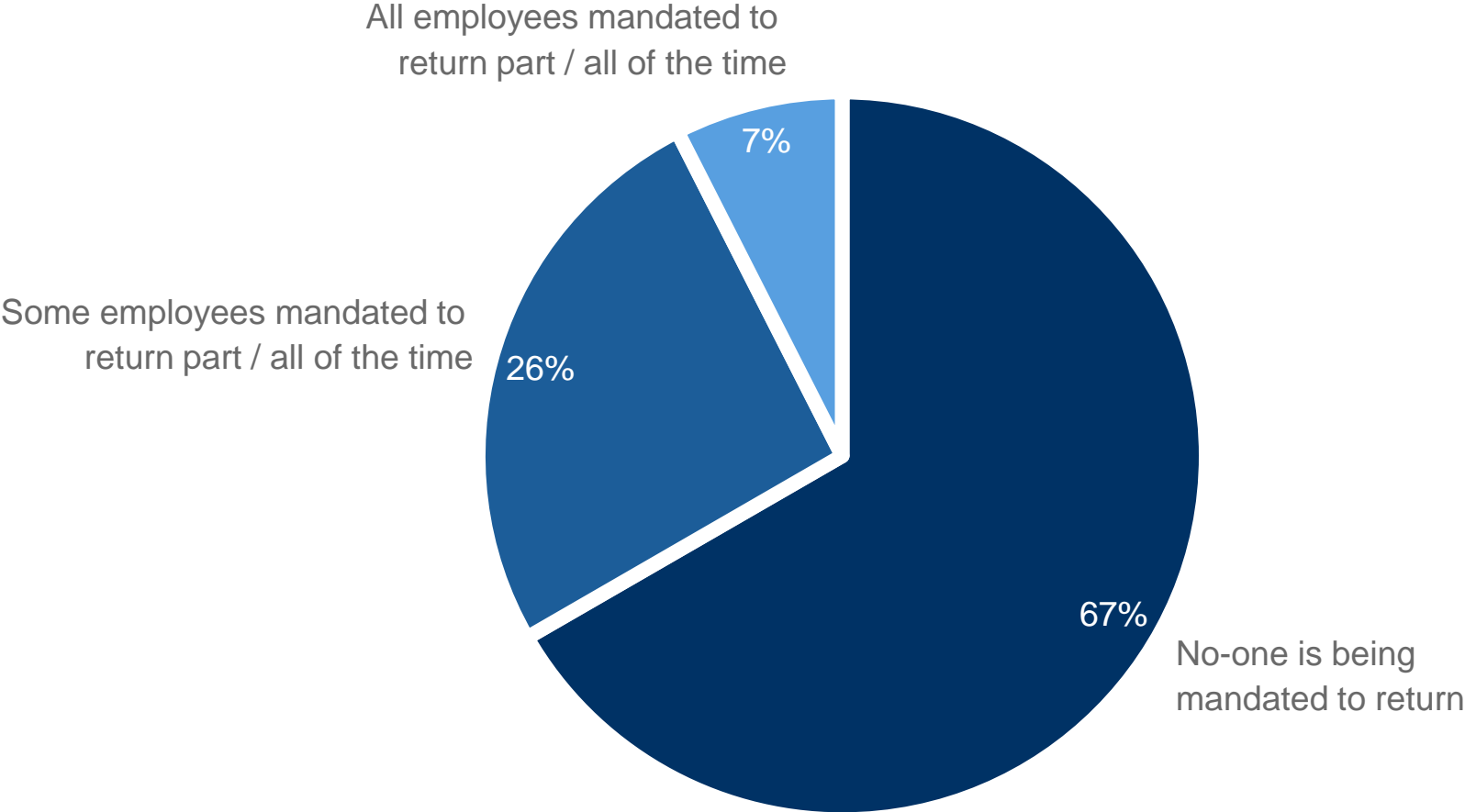
## ESTIMATED % OF TOTAL WORKFORCE TO BE MADE REDUNDANT



Source: Eden McCallum COVID-19 Impact Survey's; 2<sup>nd</sup> – 3<sup>rd</sup> July 2020, 14<sup>th</sup> – 15<sup>th</sup> September 2020  
n: Survey 4 = 11, Survey 5 = 158  
Note: (1) Survey's has been sent from our UK office only, (2) Totals may not add to 100% due to rounding

Even before recent announcements in response to the 'second wave', two-thirds of companies were not mandating any employees to return to the office

### POLICIES FOR RETURNING TO WORK



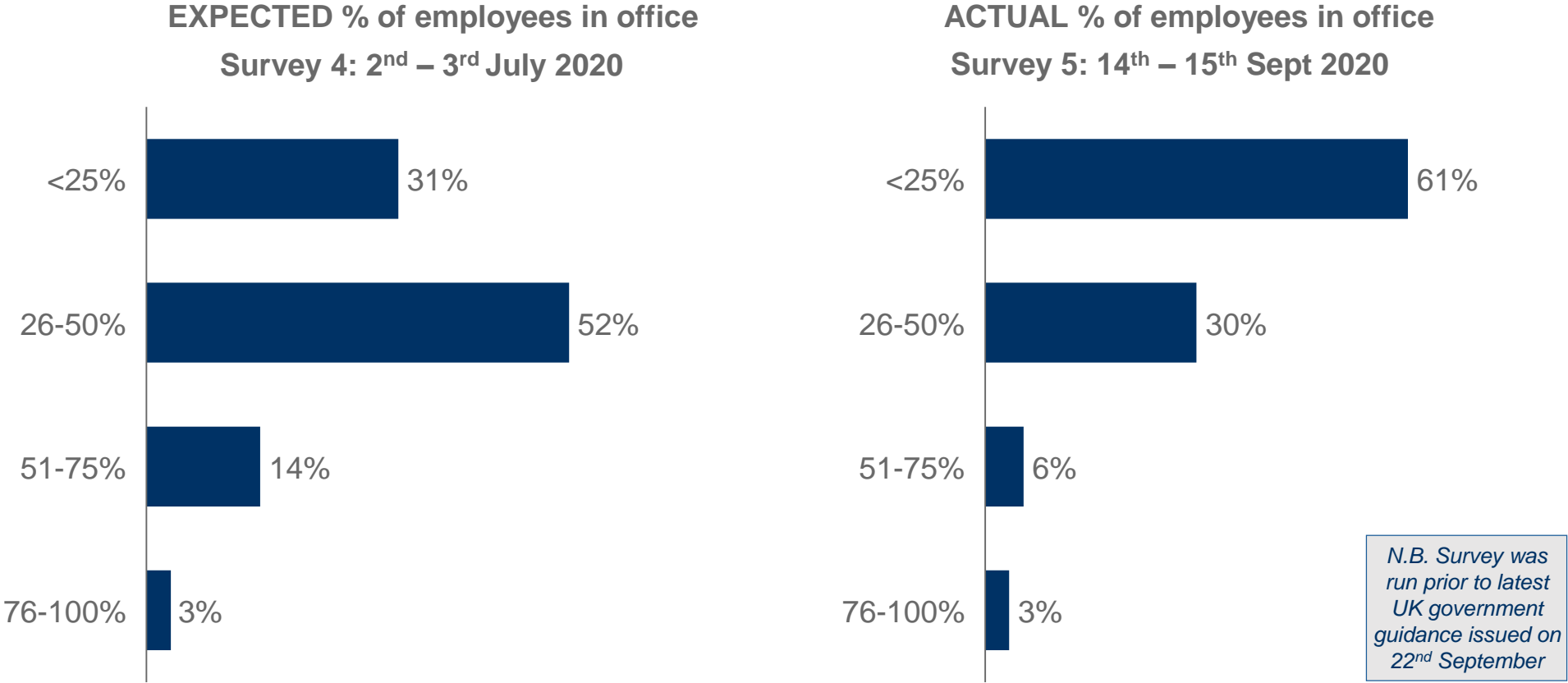
*N.B. Survey was run prior to latest UK government guidance issued on 22<sup>nd</sup> September*

Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
n: Survey 5 = 147; chart excludes "N/A or Don't know"

Note: (1) Survey has been sent from our UK office only (2) The survey asked: "For this section, if your company has several offices, please answer for the main office that you most closely associate with." (3) Totals may not add to 100% due to rounding

# Few employees have been coming into their offices in September – even fewer than were expected in July

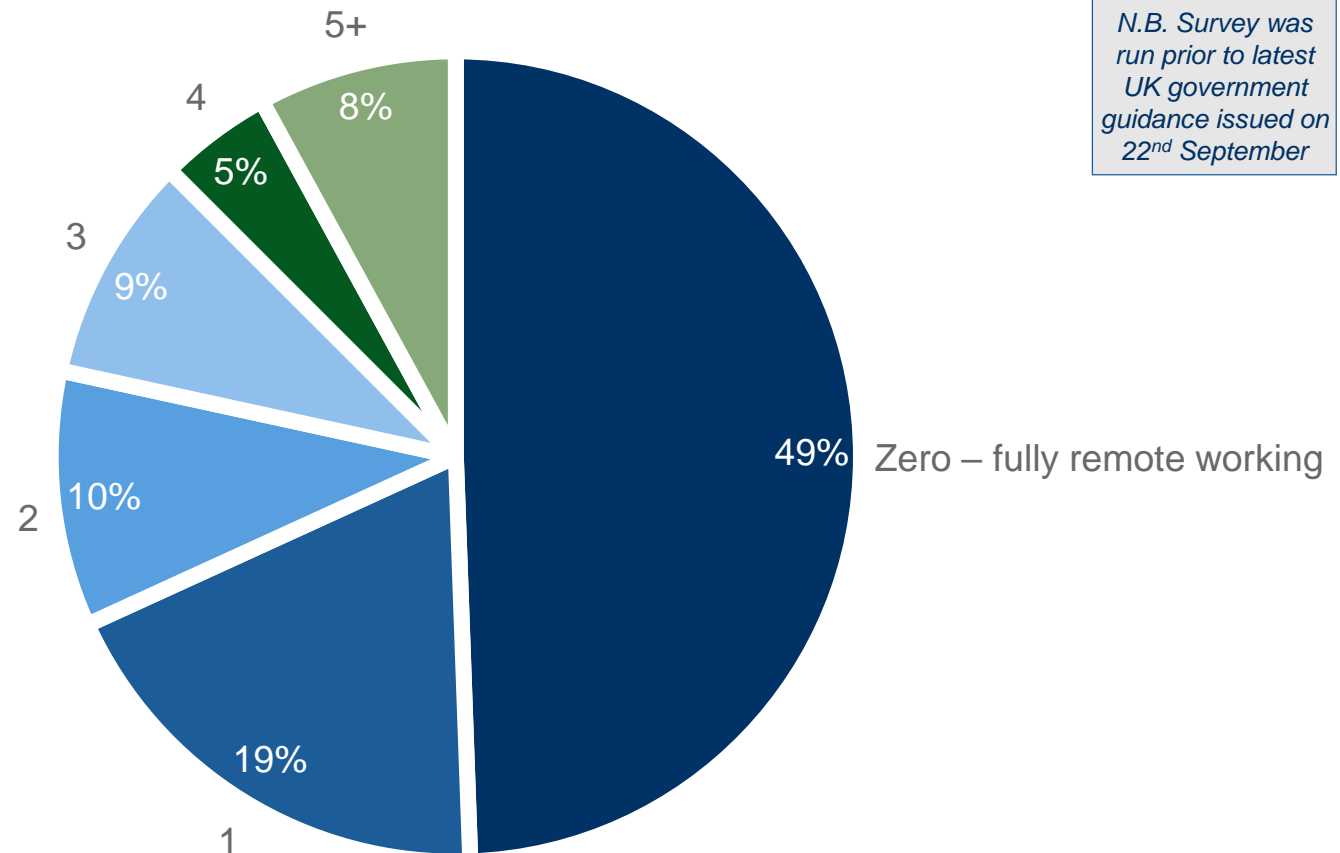
## PROPORTION EXPECTED TO BE IN THE OFFICE ONCE REOPENED (JULY) VS PROPORTION OF WORKERS IN OFFICES (SEPTEMBER) AT ANY ONE TIME



Source: Eden McCallum COVID-19 Impact Survey's; 2<sup>nd</sup> – 3<sup>rd</sup> July 2020, 14<sup>th</sup> – 15<sup>th</sup> September 2020  
n: Survey 4 = 125, Survey 5 = 145; chart excludes "N/A or Don't know"  
Note: (1) Survey's have been sent from our UK office only, (2) Totals may not add to 100% due to rounding

# Half of business leaders were still working fully remotely, even before recent changes in government policy

## AVERAGE NUMBER OF DAYS PER WEEK RESPONDENT IN HIS/HER OFFICE



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020

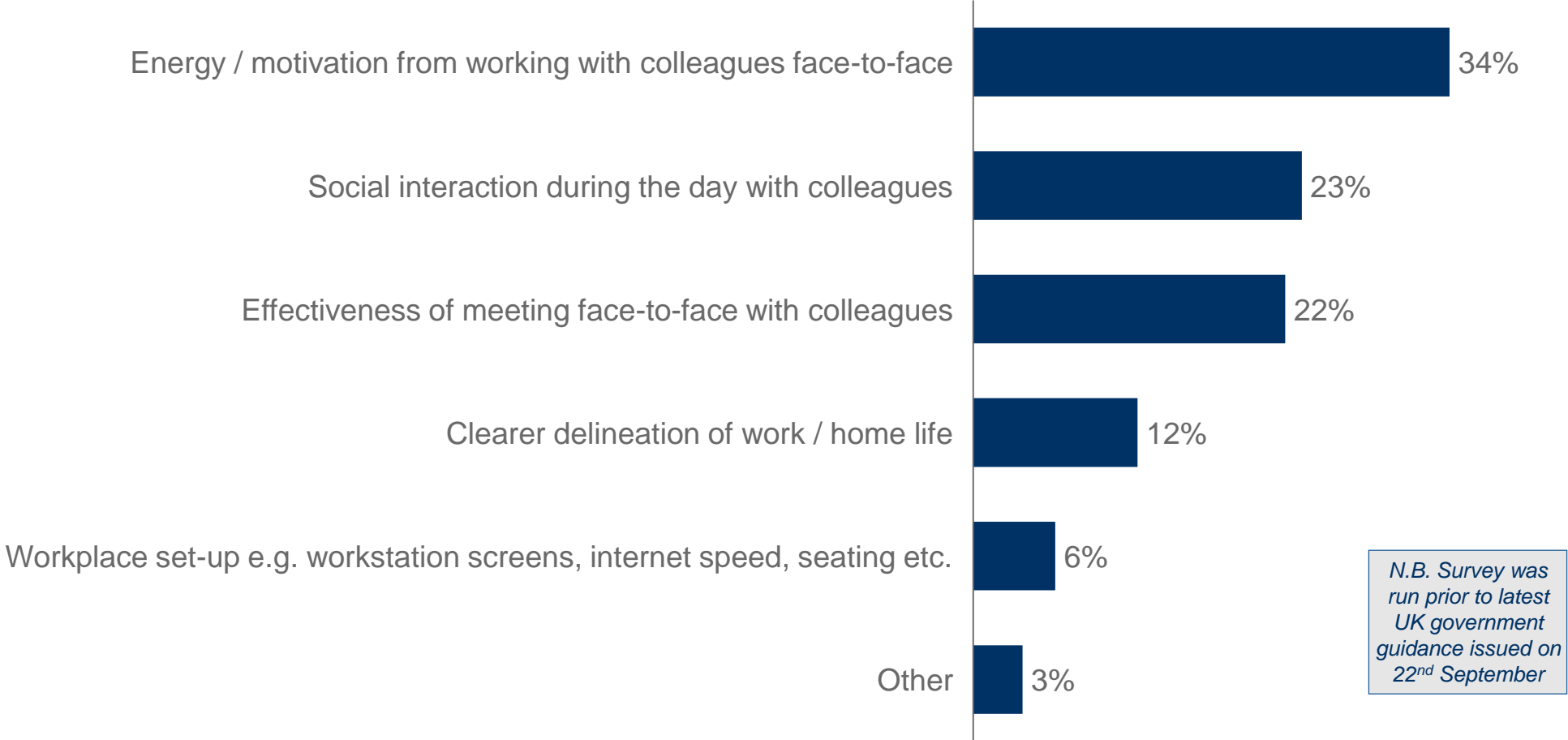
n: Survey 5 = 176; chart excludes "N/A or Don't know"

Note: (1) Survey has been sent from our UK office only, (2) Totals may not add to 100% due to rounding



# For those who had returned to the office, social interaction and collaboration were the main benefits of being back

## ASPECTS MOST ENJOYED ABOUT BEING BACK IN THE OFFICE



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
n: Survey 5 = 86; chart excludes "N/A or Don't know"  
Note: (1) Survey has been sent from our UK office only, (2) Totals may not add to 100% due to rounding

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Key findings

Summary data (full sample)

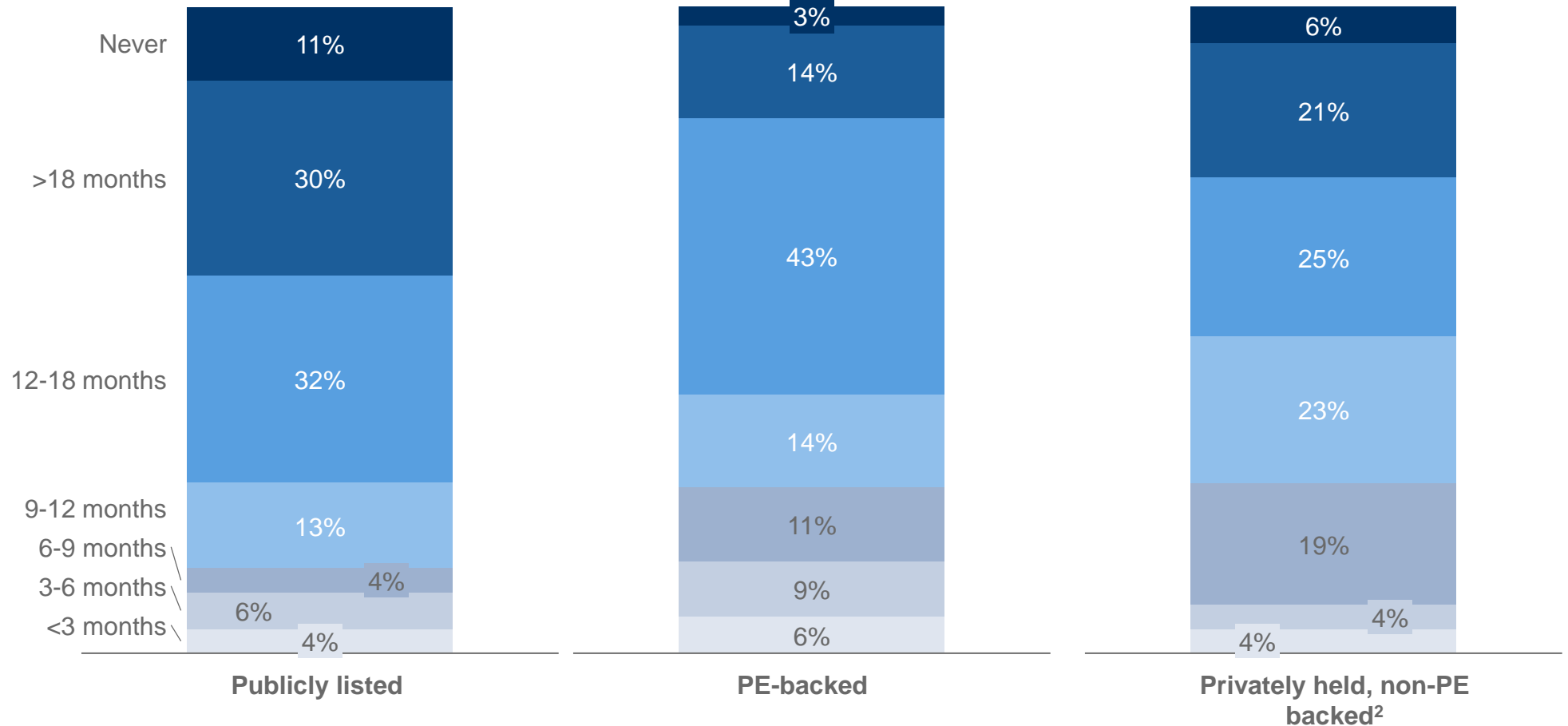
**Data cut by company ownership\***

Data cut by sector

\* Includes only questions with meaningful differences

# Privately held firms are somewhat more optimistic about COVID-19 impact timeframes than publicly listed companies

## WHEN WILL BUSINESS RETURN TO 'NORMAL'? – BY COMPANY TYPE



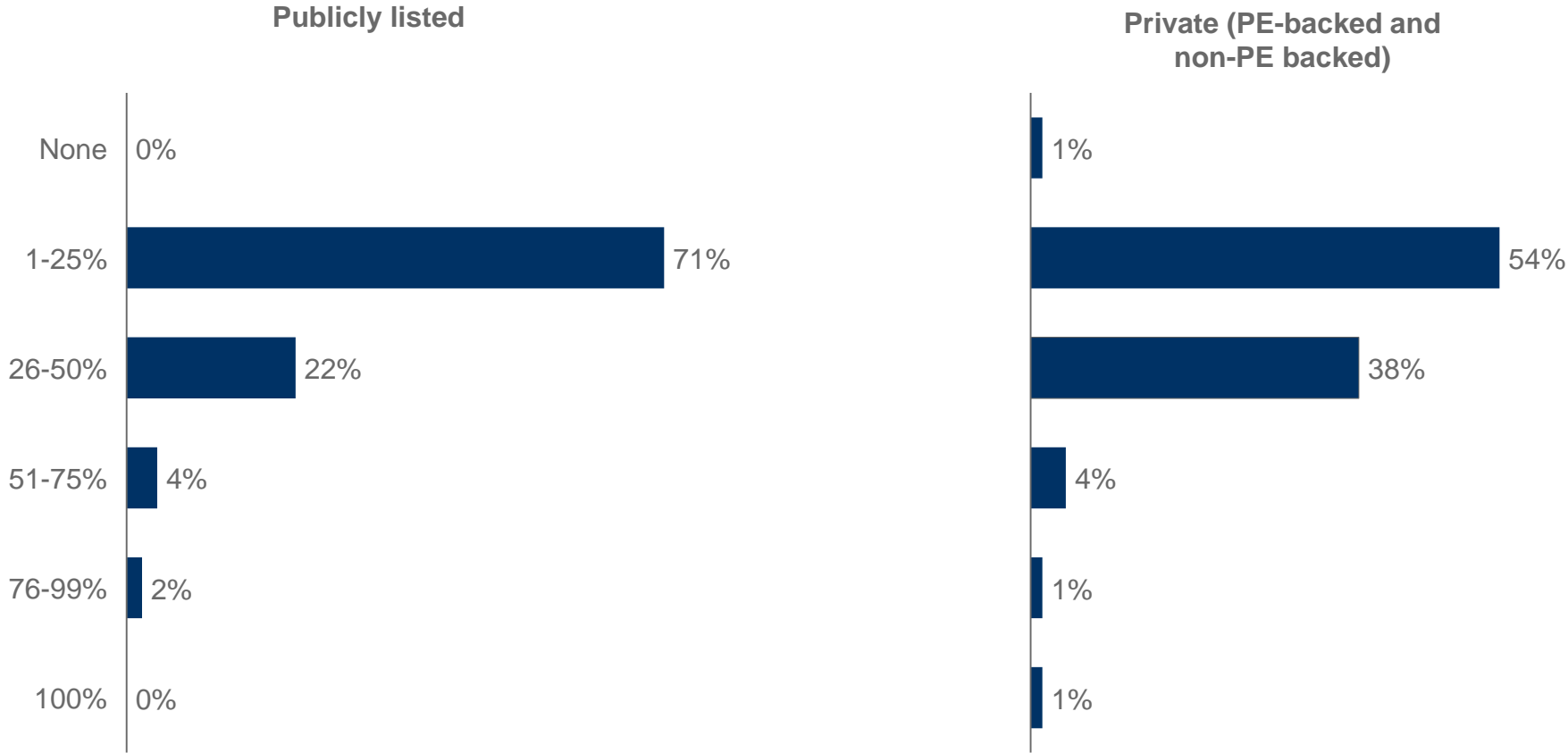
Source: Eden McCallum COVID-19 Impact Survey 5, 14<sup>th</sup> – 15<sup>th</sup> September 2020

n: PE backed = 35, Private, non-PE backed = 53, Publicly listed = 53, charts exclude "Don't know / N/A"

Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships, (3) Totals may not equal 100% due to rounding

# Publicly listed companies that had reopened their offices had a lower proportion of workers onsite compared to private companies

## PROPORTION OF WORKERS IN OFFICES THAT ARE ONSITE

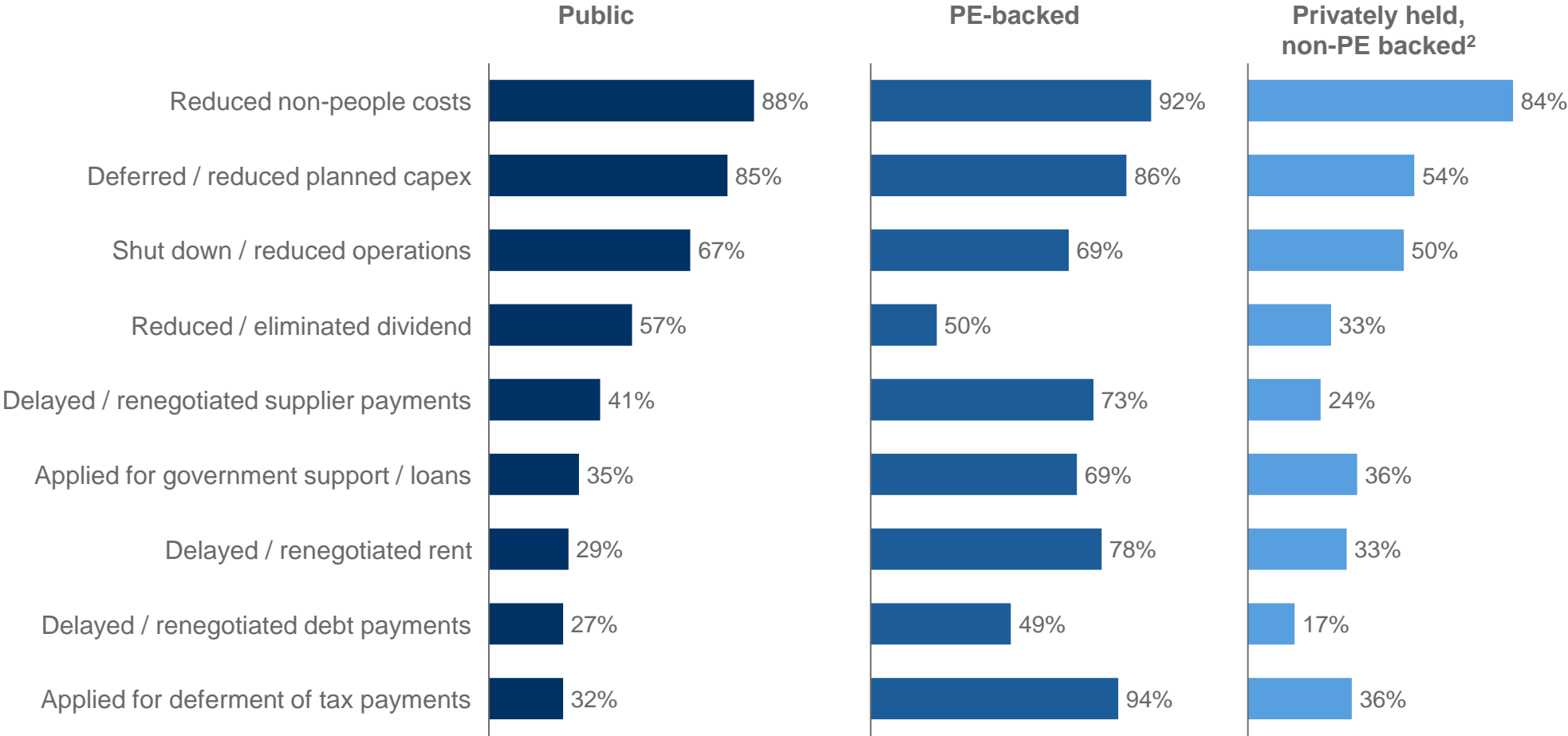


Source: Eden McCallum COVID-19 Impact Survey 5, 14<sup>th</sup> – 15<sup>th</sup> September 2020  
n: Private PE backed n=21, Private, non-PE backed n= 53 (includes Partnerships), Publicly listed n=49, charts exclude “Don’t know / N/A”  
Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

*N.B. Survey was run prior to latest UK government guidance issued on 22<sup>nd</sup> September*

# Private equity backed companies have used actions to preserve cash the most extensively ...

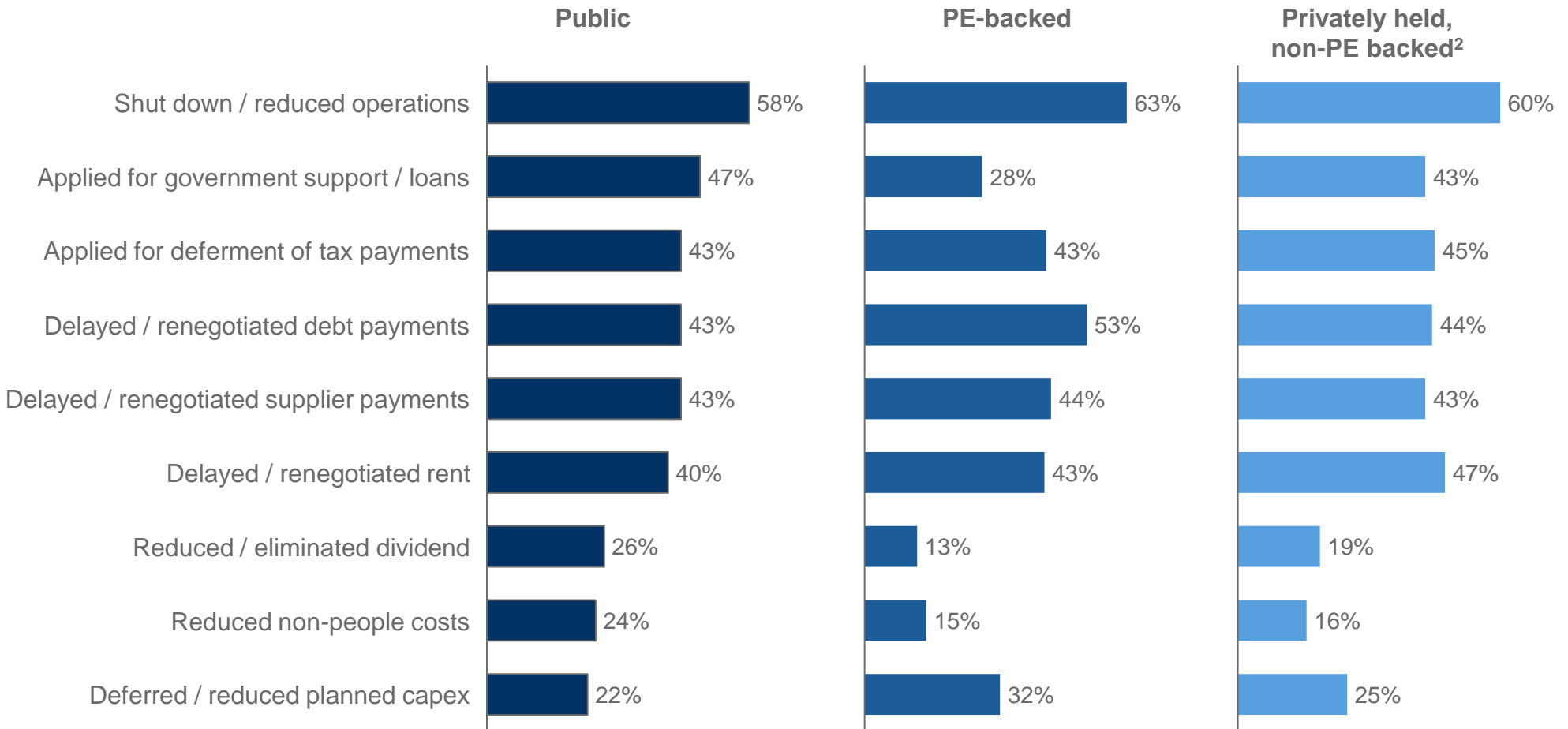
## NON-WORKFORCE ACTIONS TAKEN AT ANY POINT DURING COVID-19 PANDEMIC



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
 n: Public = 56, Private PE backed = 37, Private non-PE backed = 61; chart excludes "N/A or Don't know"  
 Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships

... however, PE-backed companies appear to be reversing these actions at a similar rate to other companies

## % OF THOSE WHO IMPLEMENTED MEASURES BUT HAVE NOW STOPPED

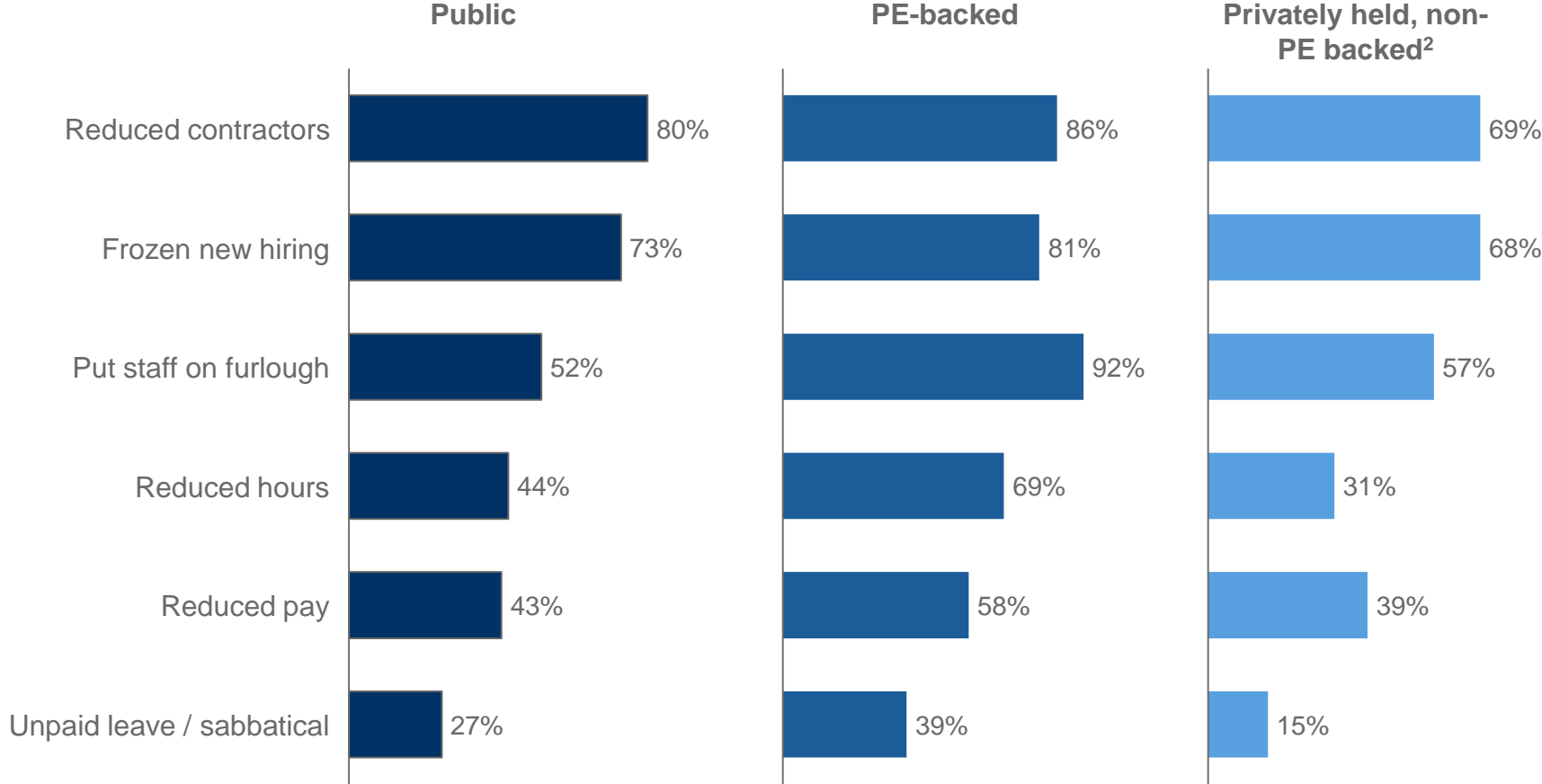


Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
 n: Public = 56, Private PE backed = 37, Private non-PE backed = 61; chart excludes "N/A or Don't know"  
 Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships



# Similarly, PE-backed companies have used workforce actions the most extensively...

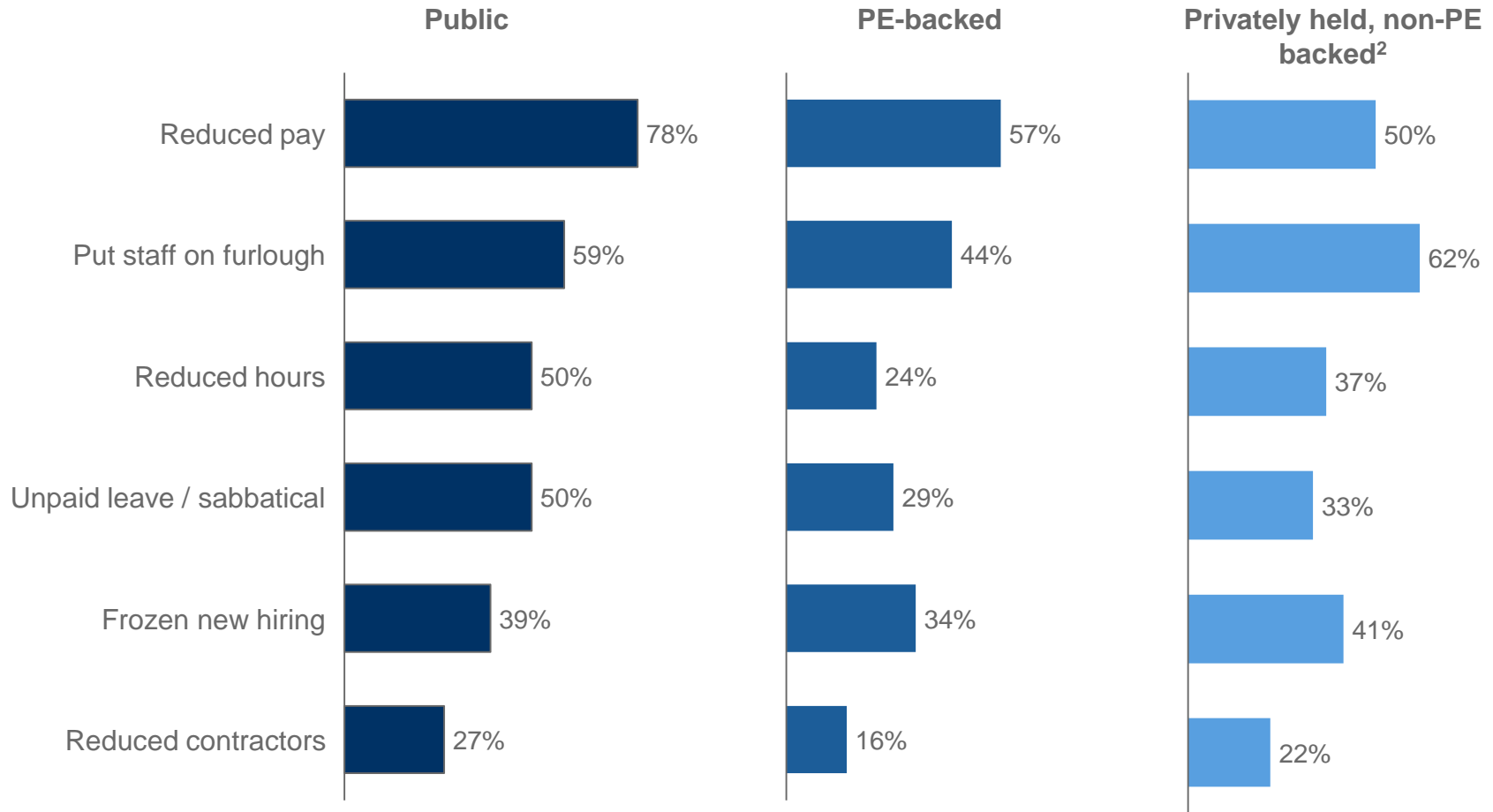
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Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
n: Public = 56, Private PE backed = 37, Private non-PE backed = 61; chart excludes "N/A or Don't know"  
Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships

# .... And PE-backed companies are relaxing these workforce actions more slowly

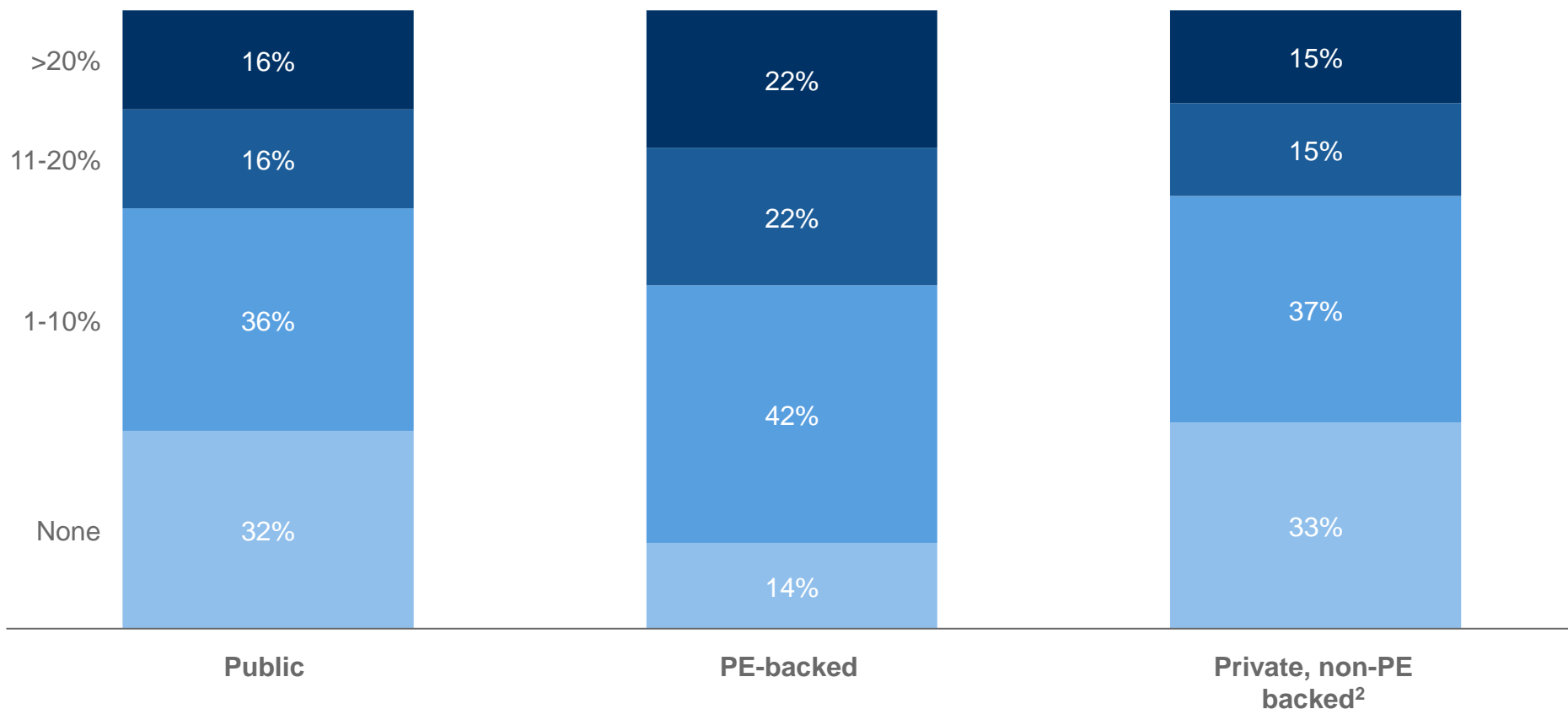
## % OF THOSE WHO IMPLEMENTED MEASURES BUT HAVE NOW STOPPED



Source: Eden McCallum COVID-19 Impact Survey, 14th – 15th September 2020  
n: Public = 56, Private PE backed = 37, Private non-PE backed = 61; chart excludes "N/A or Don't know"  
Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships

# Private equity backed businesses have or expect to make a higher level of redundancies (c. 85% vs c. 70% for other companies)

## ESTIMATED % OF TOTAL WORKFORCE ALREADY OR TO BE MADE REDUNDANT



Source: Eden McCallum COVID-19 Impact Survey, 14<sup>th</sup> – 15<sup>th</sup> September 2020  
n: Public = 50, Private PE backed = 36, Private non-PE backed = 60  
Note: (1) Survey has been sent from our UK office only, (2) Includes partnerships

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Key findings

Summary data (full sample)

Data cut by company ownership

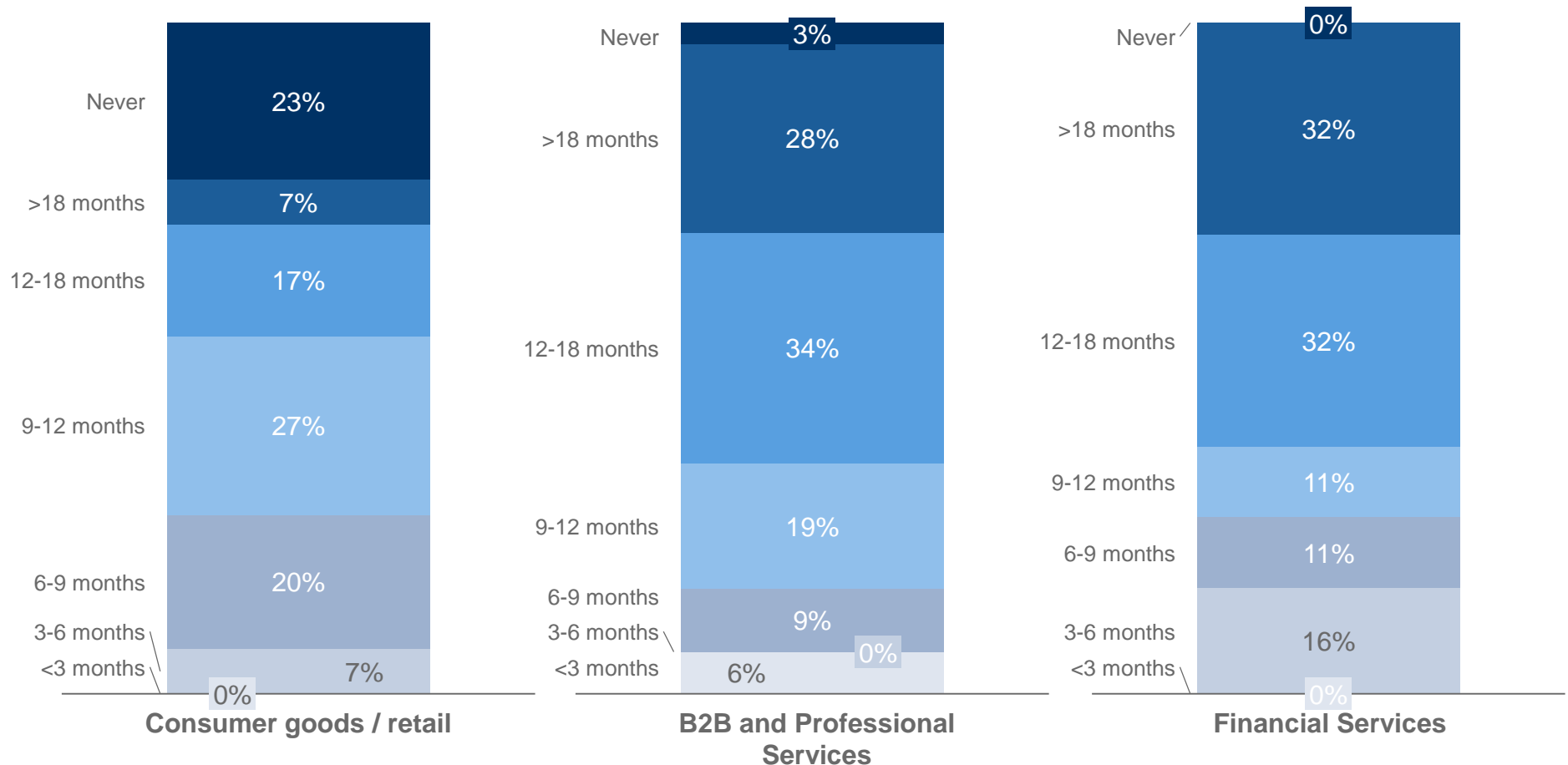
**Data cut by sector**

\* Includes only questions with meaningful differences

# Almost a quarter of consumer goods and retail companies never expect a return to 'normal'

## WHEN WILL BUSINESS RETURN TO 'NORMAL'? – BY SECTOR

SMALL SAMPLE SIZES



Source: Eden McCallum COVID-19 Impact Survey 5, September 2020

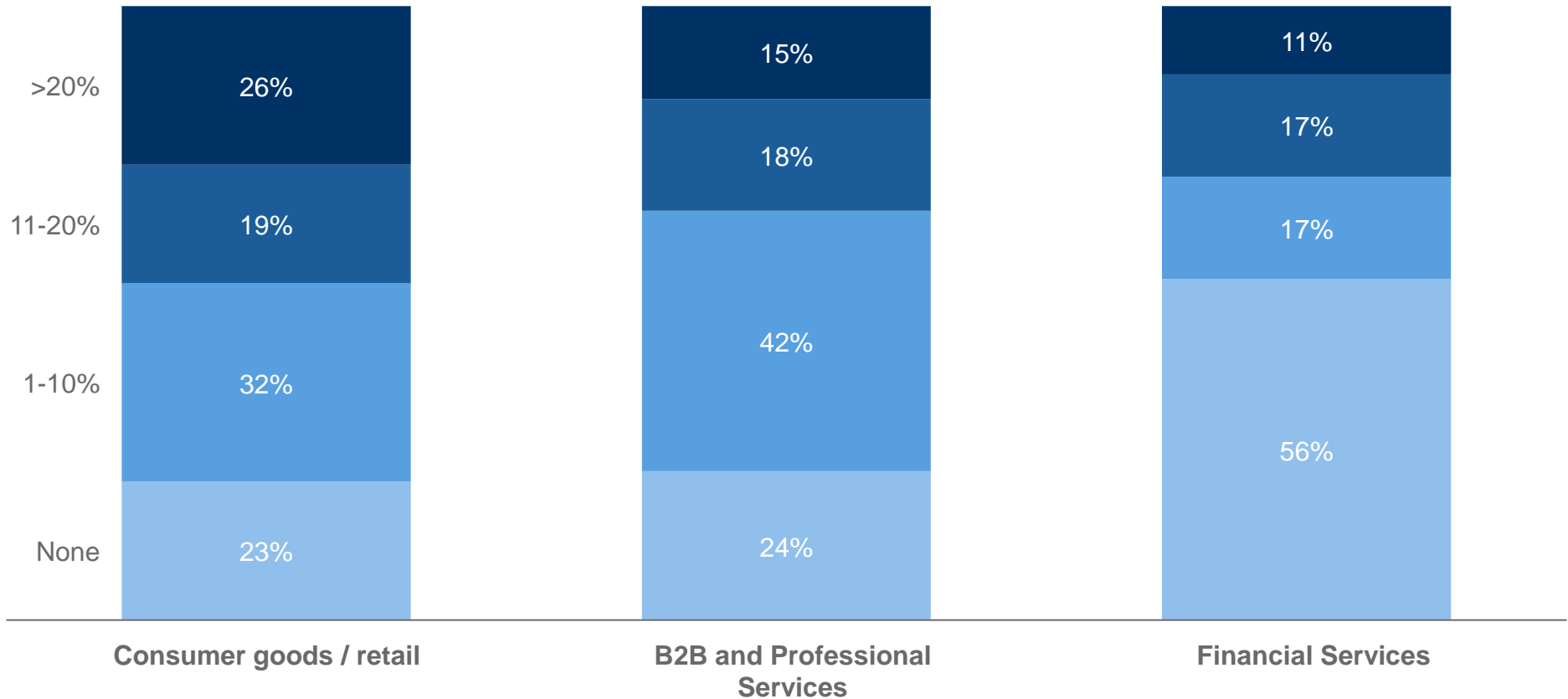
n: Consumer goods / retail =30, B2B and professional services = 32, Financial services = 19, charts exclude "Don't know / N/A", PE portfolio companies have been included under the relevant sector

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding

# Consumer goods and retail have or expect to make the greatest number of redundancies

## ESTIMATED % OF TOTAL WORKFORCE ALREADY OR TO BE MADE REDUNDANT – BY SECTOR

SMALL SAMPLE SIZES



Source: Eden McCallum COVID-19 Impact Survey 5, September 2020

n: Consumer goods / retail = 31, B2B and professional services = 33, Financial services = 18, charts exclude "Don't know / N/A", PE portfolio companies have been included under the relevant sector

Note: (1) Survey has been sent from our UK office only and, (2) Totals may not equal 100% due to rounding