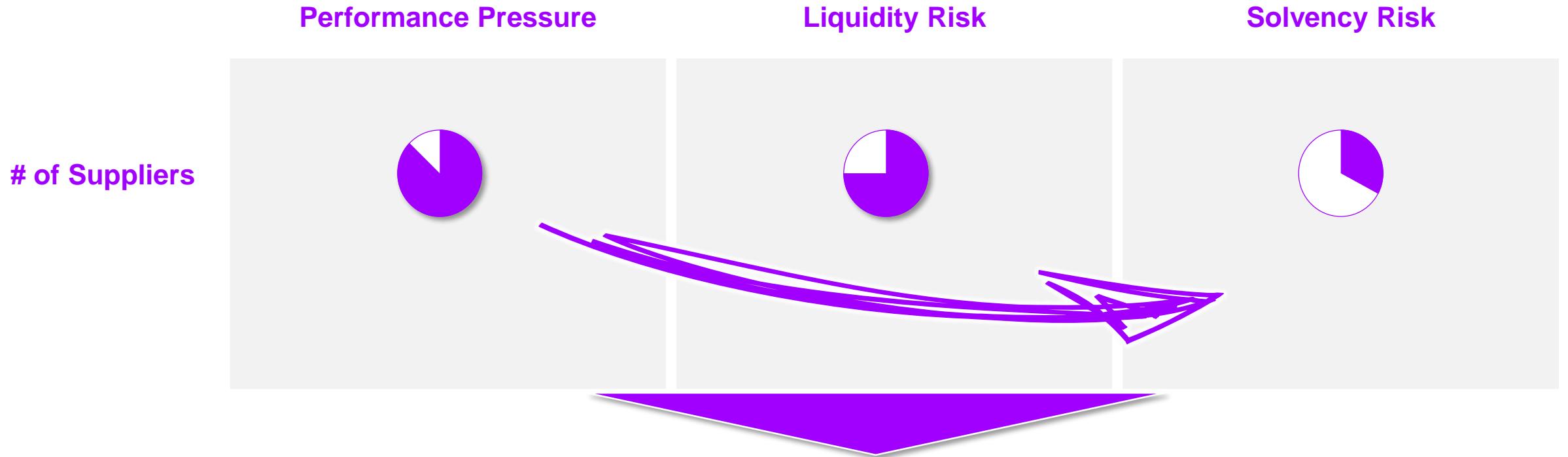


Increasing Financial Pressure on Suppliers from COVID-19



COVID-19 Increasing Pressure on Industry

- Cashflow pressure will intensify, as many OEM plants will remain closed through April
- All measures need to be put on the table to secure liquidity now
- Crisis is likely to result in some suppliers needing to take aggressive interventions to overcome liquidity and solvency pressure (e.g., debt restructuring, asset sales)
- Ongoing production and supply chain disruption – including potential aftershocks from localized outbreaks – will result in elevated risks over at least the next 12-18 months

Note: Financial data and calculations are from S&P Capital IQ, accessed April 2020. Analysis covers 56 large automotive suppliers.