

Liquidity crisis due to the Covid-19 pandemic



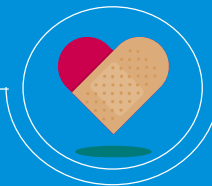
The health care industry is currently facing a situation caused by the corona pandemic (Covid-19) that was unforeseeable and therefore could not have been anticipated in any business plan. Managing directors, management boards and supervisory boards need now to adapt themselves and their companies to the changing situation in the face of collapsing revenues due to elective intervention restrictions and increasing high-cost patients. In order to avoid insolvency and/or overindebtedness, adequate liquidity management supplemented by immediate measures is critical to success despite the prospect of extensive government aid.

Affected business areas



Patient care

Disruption in service provision
(e.g. infection of staff, shortage of qualified staff, shift in resources)



Market development

Decline in demand
(e.g. cancellation of elective procedures, staff shortages, restrictions on outpatient care)



Procurement

Disruption of supply chain, partially increased costs of supplies
(e.g. due to bottlenecks in medical technology, medical supplies and supplies)

Our clients' key issues



- How significant are the liquidity risks and when do they threaten to materialise?
- What countermeasures can mitigate risks?
- Will possible liquidity bottlenecks potentially lead to liability risks (taking account of the current suspension of the insolvency filing period)?
- Are there opportunities for support through federal or state aid?
- How do I manage communication with relevant stakeholders (especially banks)?

KPMG team of experts: Our support



- Early crisis detection using plausibility check/preparation of your short- and medium-term liquidity planning including scenarios
- Contingency planning: preparation of scenarios to evaluate potential alternative action
- Development of immediate measures to secure liquidity and active liquidity management
- Appropriate communication to relevant stakeholders, especially financing partners
- Preparation of any necessary expert reports
- Support in applying for state aid (KfW (German Development Bank) and others)
- Support to maintain operational processes
- Adjustment of tax prepayments, deferral of tax payments and achievement of relief in the enforcement for corporate, trade and value added tax

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