

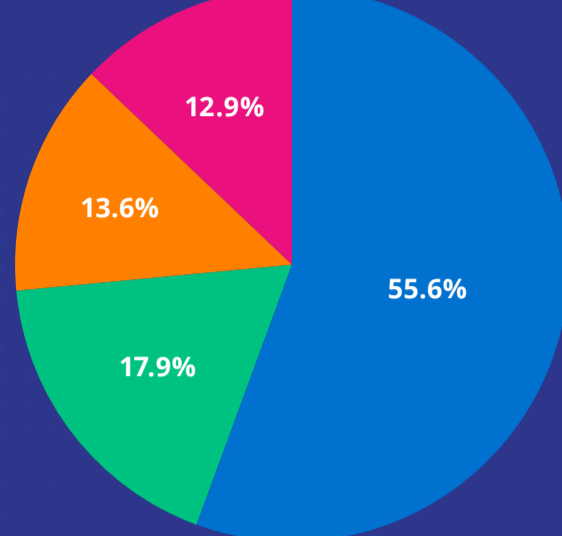
Navigating in High-Interest Rate Environment

A STEP-BY-STEP CFO GUIDE

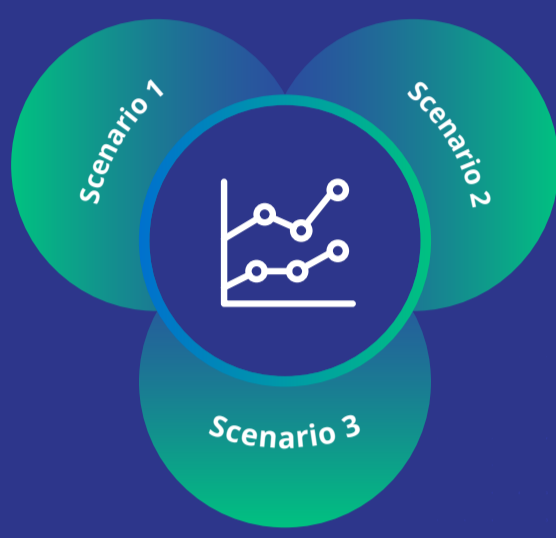
In an unpredictable economic landscape, being caught off-guard by higher borrowing costs or restricted access to liquidity can spell disaster for a corporation. This step-by-step guide offers strategic insights on how CFOs can successfully manage in a prolonged high interest rate environment, ensuring the financial robustness, operational efficiency and commercial competitiveness of their businesses.

1 Assess Current Debt Exposure

- Identify debt composition - Short vs. long-term, fixed vs. variable - to reduce cost of capital
- Determine counterparty risks and associated exposure



Term Loan Mortgage Security Bond
Bond Senior Note



2 Evaluate Interest Rate Sensitivity

- Determine business areas most vulnerable to higher rates and rate changes
- Incorporate scenarios in cash forecasts and liquidity plans

3 Unlock Trapped Cash

- Gain 100% visibility into cash to discover idle balances
- Set up an in-house bank to optimize internal investing / borrowing to further eliminate idle cash



Retained Earnings Issue Shares
Bank Credit Facility Factoring
External Borrowing Receivable Finance

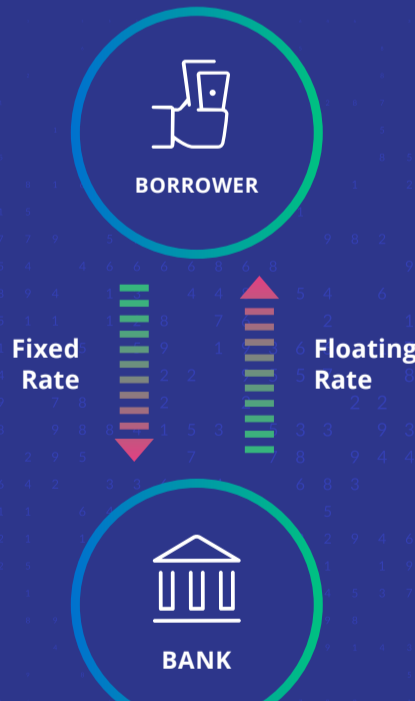
4 Diversify Funding Sources

- Balance funding sources across equity, debt, and other vehicles
- Ensure a mix that promotes lasting financial stability
- Ensure certainty of cash flow receivables and reduce credit collection with a factoring program
- Hold on to cash as long as possible with a supply chain financing program

5 Develop Hedging Strategies

- Compare hedged and unhedged interest rate scenarios for rate hikes and decreases
- Evaluate net debt/cash flow impact with and without interest rate swaps

Interest Rate Swap Hedging



6 Measure and Benchmark Performance

- Benchmark constantly your liquidity performance to peers and industry leaders
- Implement best practices for enterprise-wide liquidity management

Proactively addressing the challenges of economic fluctuations is critical for corporate stability. By implementing the right strategies with foresight, CFOs and finance leaders can effectively manage and even capitalize on changing interest rate scenarios.

Ready to discuss your needs with our experts? [Request a demo today.](#)