



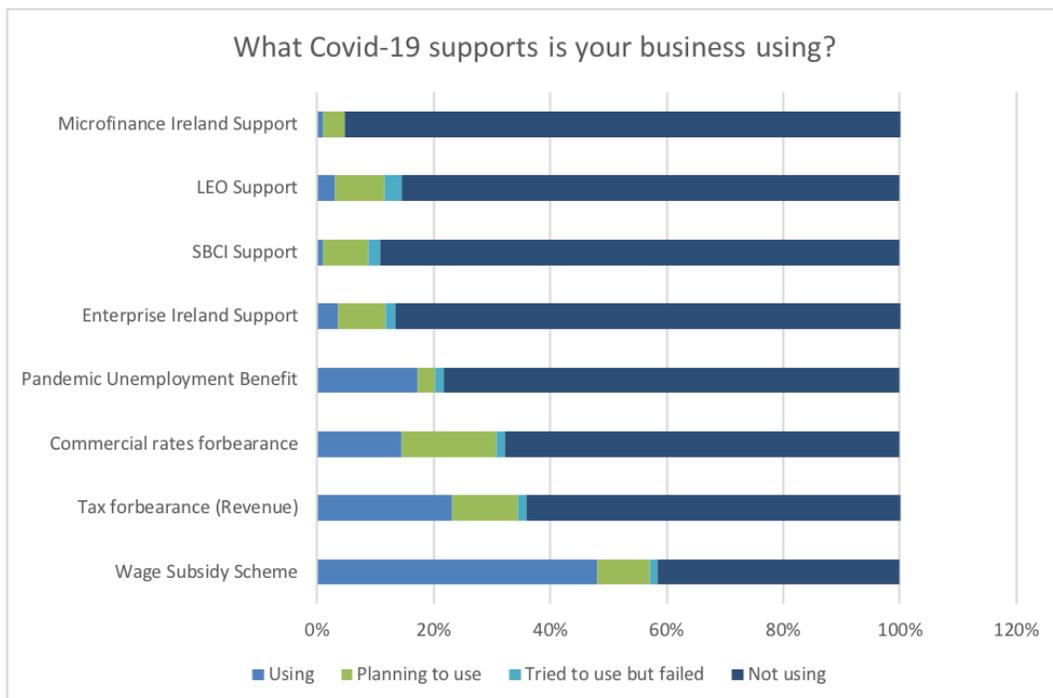
Business Outlook Survey: Q2, 2020

Introduction

This report reviews Dublin Chambers Business Outlook Q2 2020 survey results, carried out between the 23rd April and the 1st May. The survey focused on the Covid-19 crisis, how are businesses coping and responding? How are the current range of Government measures to alleviate pressures on business working? The survey establishes that there are still clear issues that need to be addressed, particularly in the areas of fixed costs and cashflow.

Reducing fixed costs

The survey results clearly show how businesses are working hard to manage and reduce their fixed costs. Almost half of businesses who participated in the survey are availing of the Temporary Wage Subsidy Scheme and a further 17% report use of the Pandemic Unemployment Benefit. A total of 14% and 23% of companies have availed of the Commercial Rates forbearance and Tax forbearance measures respectively, with an additional 27% of companies planning to use these measures in the future. Only 11% of firms experienced problems accessing Covid-19 supports from Government. The most commonly cited problems related to company-specific issues regarding the Temporary Wage Subsidy Scheme, lack of clarity from Revenue, and the complexity of applying for some of the supports.



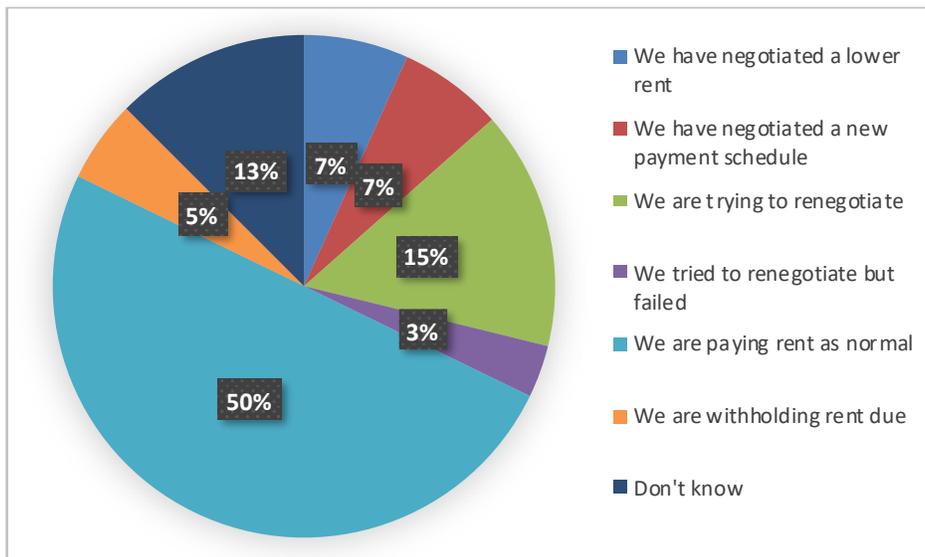
Cashflow Challenges

In the current business environment, the phrase 'Cash is King' is mentioned frequently. Cash flow and reduced revenues emerged as pressing issues in our previous surveys, and following on that trend the level of business preparedness in terms of cash reserves varies considerably. Just over 30%, almost a third of businesses, have less than 3 months cash reserves. This compares with almost 22% of companies who have more than 12 months of cash reserves.



Commercial Rent

Over 72% of companies surveyed are commercial tenants, with only 50% of them currently paying rent as normal. Many companies are seeking to negotiate with their landlords to agree a lower rent or a new payment schedule, with only 14% being successful so far. Worryingly 3% of companies who tried to renegotiate with their landlord have failed.

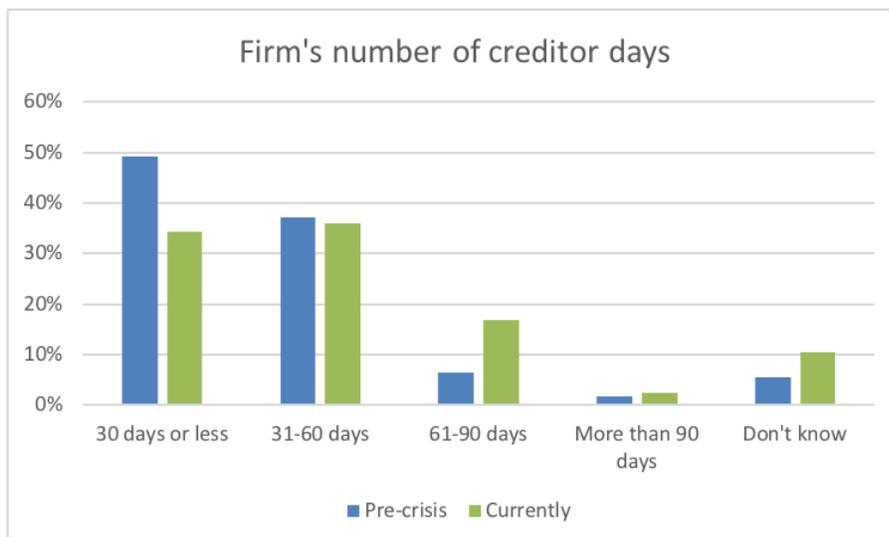


Debtor and Creditor days

The crisis has also had a significant impact on the time it is taking for companies to receive payment from clients. The length of time it is taking to receive payment has increased significantly. Just over one third of firms (36%) made their payments within 30 days pre crisis; this number has fallen by half. Pre-crisis over 75% of companies received payments within 60 days, this has now reduced to 45%.



Correspondingly we can also see how this is having a significant impact on creditor days and the length of time it is taking for payments to be progressed by companies themselves.



Remote Working

The unforeseen acceleration of flexible working practices has created an opportunity to bring many businesses that would not otherwise have considered remote working to consider incorporating it as a long-term policy. Over 41% of companies surveyed that have newly implemented remote working in response to the lockdown intend to implement a remote working policy post crisis. Only 9% of respondents who were implementing remote working indicated that they will not continue post-crisis.

Where does your firm stand on remote working?

