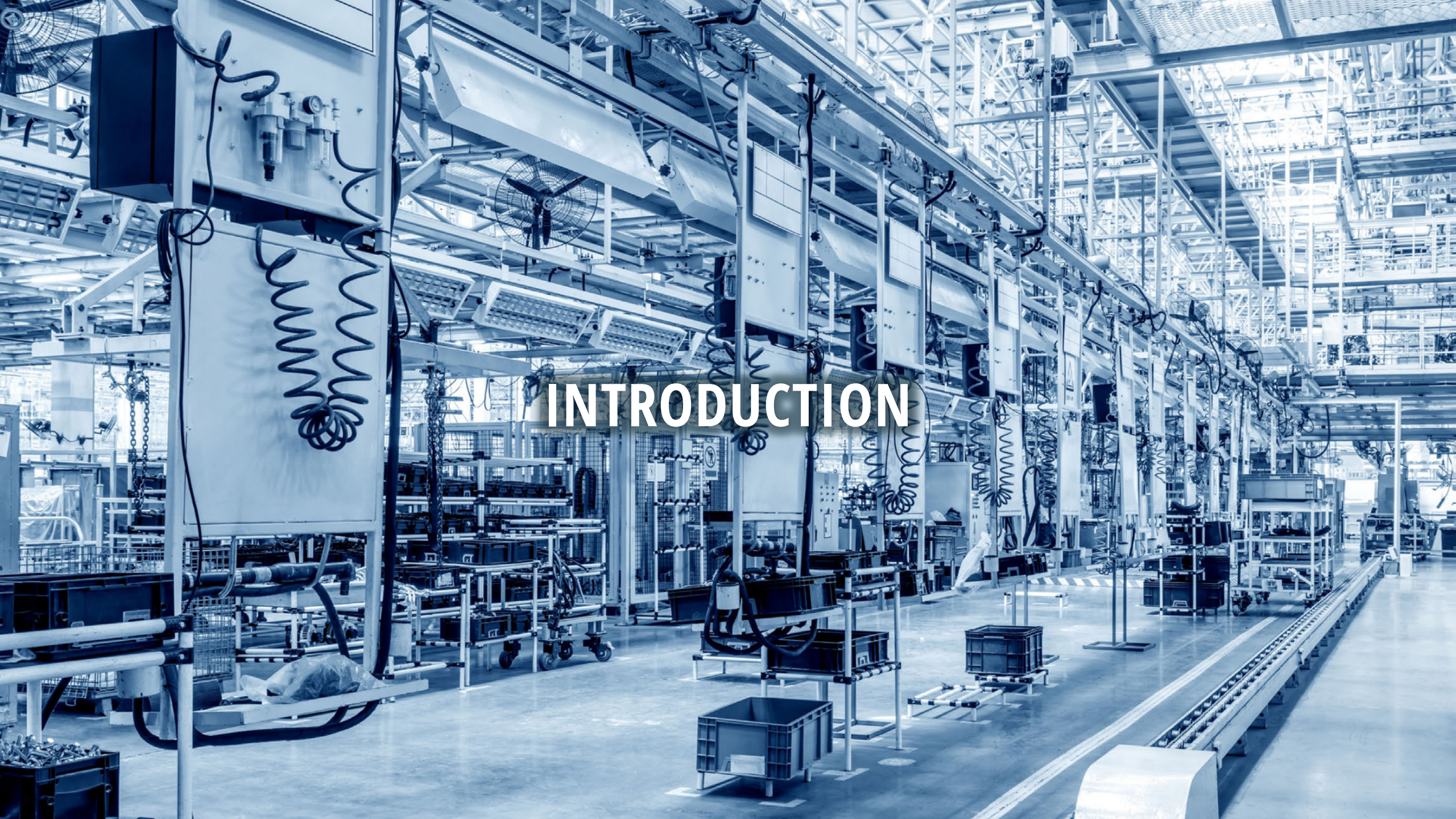




# SUPPLYAWARE™ FINANCIAL RESILIENCE WALKTHROUGH





# INTRODUCTION



**ELM ANALYTICS IDENTIFIES RISK AND OPPORTUNITY IN GLOBAL MANUFACTURING SUPPLY CHAINS BY ENABLING THE EXCHANGE OF CRUCIAL DATA BETWEEN MANUFACTURERS AND THEIR SUPPLIERS.**

**WE ENHANCE THE STRENGTH AND RESILIENCE OF GLOBAL SUPPLY CHAINS BY BRINGING MANUFACTURERS AND THEIR SUPPLIERS TOGETHER ON A SECURE PLATFORM DELIVERING SYMMETRIC VALUE TO ALL.**





**SUPPLYAWARE™ BUILDS ON A POWERFUL CORE OF SUPPLY CHAIN MAPPING AND FINANCIAL HEALTH MONITORING.**

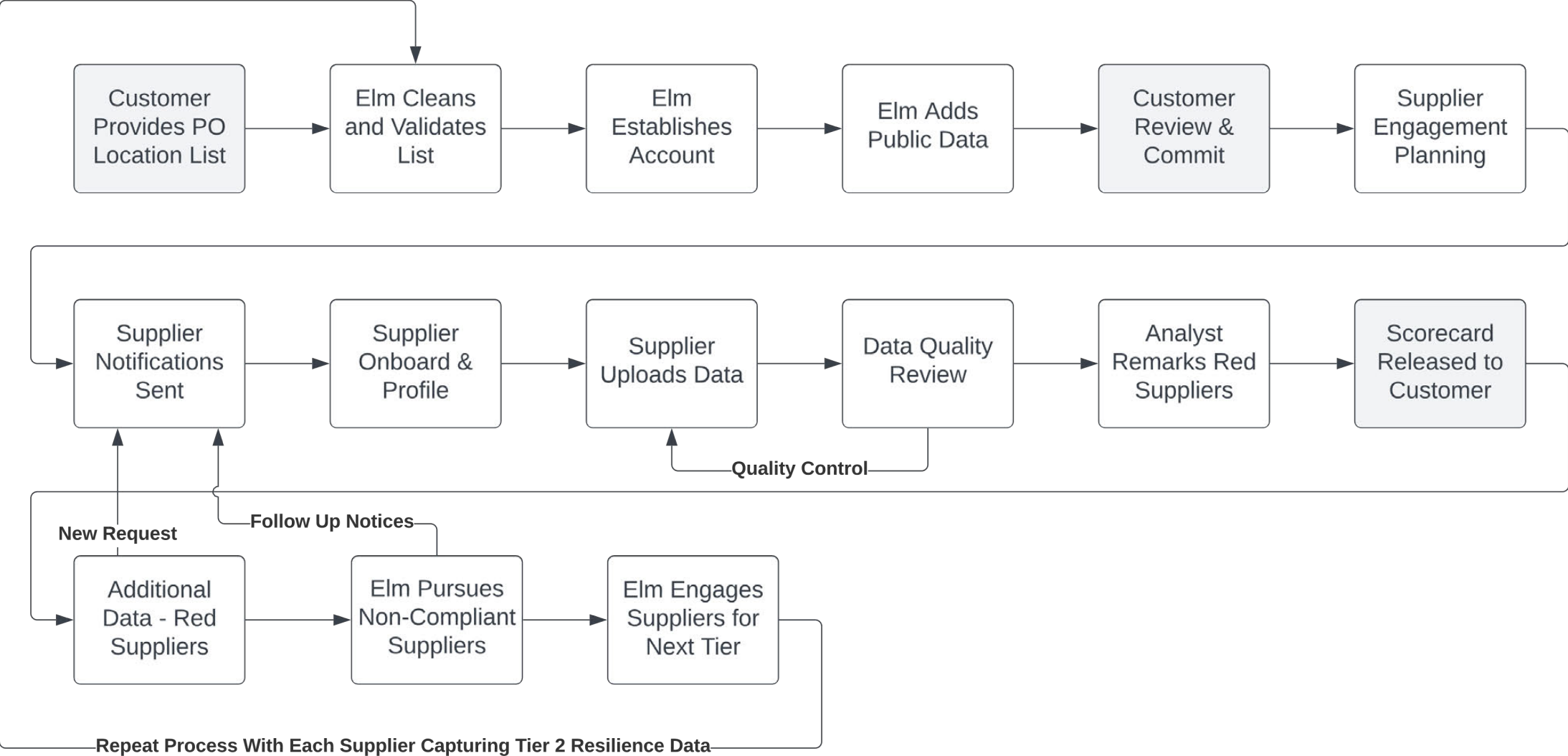
**IT IS COST-EFFECTIVE, SIMPLE TO USE, AND EFFICIENT.**

**OUR ANALYSIS, SUCH AS OUR ELM FINANCIAL RISK (EFR) SCORE AND ITS THREE UNDERLYING DRIVERS, MAKE INFORMATION ACCESSIBLE TO THE PURCHASING AND RISK MITIGATION TEAMS THAT NEED TO UNDERSTAND THIS INFORMATION QUICKLY.**





# SUPPLYAWARE™ FINANCIAL RESILIENCE PROCESS







# HOW PRIVATE SUPPLIERS ENTER DATA

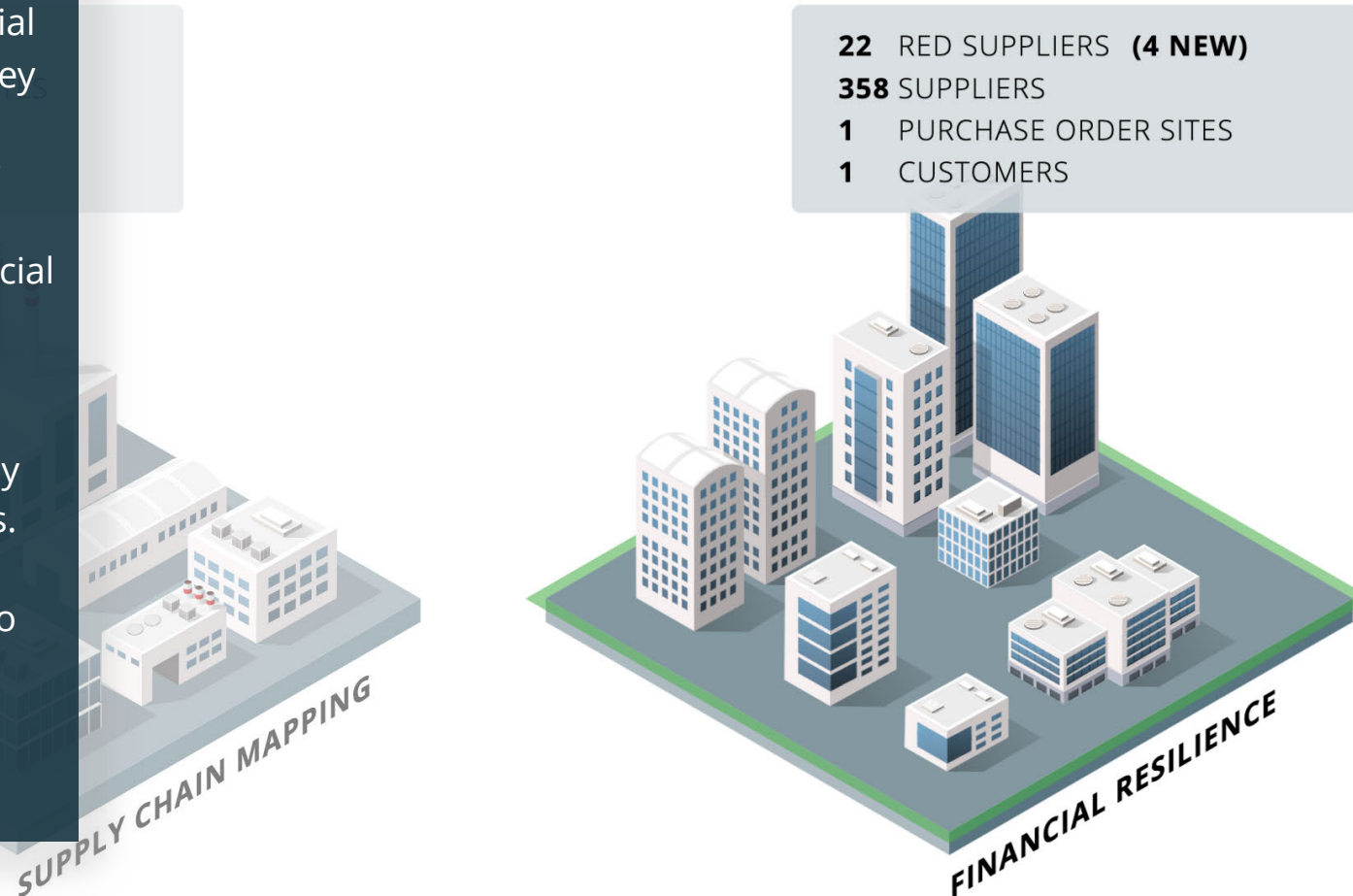


## supplyAware™ - Supplier Co

Visit your selected supplyAware™ module by clicking anywhere on its island.

Elm Analytics' supplyAware™ Financial Resilience Module provides a turn-key service for monitoring the financial health of your supply base, allowing you and your suppliers to quickly identify suppliers impacted by financial issues, respond faster and more effectively to supply chain financial crises, and document and correct structural weaknesses in your supply chain before they impact operations.

Purchasing teams are empowered to make decisions efficiently without requiring an extensive financial background.









## My Purchase Order Sites -- Supplier Co

Dashboard » My Purchase Order Sites

? Hide Instructions

### Site List

SITE NAME	SITE PROFILE ?	FISCAL CALENDAR ?	DATA REQUESTS PENDING / DATA HISTORY ?	SCORED SUPPLIERS COUNT ?	PENDING CUSTOMERS ?	APPROVED CUSTOMERS ?	REPORTS DASHBOARD ?
Supplier Co			5 	358	0	1	

My Purchase Order Sites is the central dashboard for staying on top of our suppliers' and customers' data and analysis.


We have data requests pending from our customers. Let's click on the count to investigate.



# Fiscal Reporting Periods -- Supplier Co





123 Any Street, City, ST 12345

Dashboard » My Purchase Order Sites » Fiscal Reporting Periods

 Fiscal Period Setup

 Hide Instructions

**Use the key on the right to determine the status of each fiscal period. Click on the dot to complete any associated task or view the previously provided data.**


	Q1	Q2	Q3	Q4
2023				


Key


Each of the white icons represents a request for data from that fiscal period.


Even if more than one of my customers requests data for the same period, I'll only need to upload it once.


Clicking on the period icon will allow me to download the template for that timeframe.


 Requested


 Required

 Overdue

 Refused

 Green

 Yellow

 Red



# Quarterly Financials - Requested Data

Supplier Co 📅 2023-12-31

Dashboard » My Purchase Order Sites » Fiscal Reporting Periods » Download Data

## STEP 1

### Download Data Template

Currency

United States Dollars (USD) ▾

Denomination

Thousands ▾

All monetary values in this template will be entered in **Thousands** using **United States Dollars (USD)**.

Examples:

1000 will be entered as 1.  
3000000 will be entered as 3000.

## STEP 2

### Upload Completed Template

Data File

Choose File No file chosen

Allowed file types: .xlsx

## STEP 3

### Submit for Review

**i** You must upload your data and have it pass validation before you can submit.

Select the currency and denomination to download this period's template.

Then, add the financial data, moving tab by tab through the worksheets in Excel on your computer locally.

When complete, the template will be uploaded as part of Step 2, then submitted for review (Step 3).

 Download

 Upload

 Submit



▶ IMPORTANT: Do NOT submit year-to-date financials. Please only submit data for the 3-month quarter ending on the specified date.

# 1. Balance Sheet

INCOMPLETE!

▶ For Quarter Ending: 12/31/23  
Currency Name: United States Dollars (USD)  
Value Denomination: Thousands

All balance sheet numbers must be positive except for Shareholders' Equity. Please add relevant notes to the financial statements ain the space provided.

▶ For Quarter Ending: 31-Dec-2023 Sign Instructions

ASSETS		
Current Assets		
1	Cash & Cash Equivalents *	+ Cash on hand and in bank accounts plus short term investments (such as money market accounts or marketable securities that can be converted to cash at or near the stated value when needed)
2	Accounts Receivable *	+ Cash owed to your organization from customers purchasing your goods & services on credit terms
3	Inventory *	+ The cash value of all products a company has on hand for sale, including the costs of unfinished items in manufacturing and materials that can be converted to products within a typical production cycle
4	Other Current Assets *	+/- The remaining other current assets not included above, such as pre-paid expenses, short term investments, for examples
Total Current Assets		This number is automatically calculated by this spreadsheet from the data provided. Please verify that it matches the same line item amount in your Balance Sheet report
Long-term Assets		
5	Property Plant and Equipment (Net) *	+ Physical property, plant and equipment that is owned by your organization with multiple years of useful life, less (or net of) accumulated depreciation
6	Other Non-current Assets *	+/- Other includes such line items as long term investments, goodwill, intangibles, for examples
Total Assets		This number is automatically calculated by this spreadsheet from the data provided. Please verify that it matches the same line item amount in your Balance Sheet report
LIABILITIES & SHAREHOLDER'S EQUITY		
Current Liabilities		
7	Trade / Accounts Payable *	+ Cash owed by your organization to your vendors for goods and services purchased on credit terms
8	Short-Term Debt *	+ Debt incurred by your organization that is to be paid back to its lender in less than a year. This should include the current portion of long-term debt.

This is the balance sheet tab from the quarterly data template that we downloaded.

We'll complete this and return to the supplyAware™ website's page from the previous step.

Text and instructions are available in numerous languages, and we support many currencies.





# HOW TO USE SUPPLYAWARE™ TO QUICKLY ANALYZE SUPPLIER HEALTH



# My Purchase Order Sites -- Supplier Co

Dashboard » My Purchase Order Sites

🔗 Hide Instructions

Site List							
SITE NAME	SITE PROFILE ⓘ	FISCAL CALENDAR ⓘ	DATA REQUESTS PENDING / DATA HISTORY ⓘ	SCORED SUPPLIERS COUNT ⓘ	PENDING CUSTOMERS ⓘ	APPROVED CUSTOMERS ⓘ	REPORTS DASHBOARD ⓘ
Supplier Co	👤	📅	0 📅	358	0	1	📊

Now, we will investigate our Scored Suppliers by clicking on the count.



# My Supplier PO Sites -- Supplier Co

123 Any Street, City, ST, 12345

Dashboard » My Purchase Order Sites » My Supplier PO Sites

? View Instructions

☰ My Supplier PO Sites

? Reporting Interval

Most Recent ▾

+ Add

📁 Upload

📁 Update APV

📁 Export

📁 Export (DUNS)

Filters ▾

STATUS ?	SUPPLIER	REPORTING PERIOD	DATE OF LAST REVIEW ?	APV (\$MM)	ELM FINANCIAL RATING (EFR) ?	TREND ?	LEVERAGE ?	LIQUIDITY ?	PROFITABILITY ?	DEPENDENCE (APV/GROSS REVENUE)	VISIBILITY ?	FINANCIAL HIGHLIGHTS
●	CIE AUTOMOTIVE Public	a 31-Dec-2022	--	.00	● 5.10 📅	↑	39	8	96	0 %	✓	0
●	Public				● 1.75 📅	↑	0	24	33	0 %	✓	2
●	Public				● 9.60 📅	↓	100	100	89	0 %	✓	0
●	DENSO CORPORATION Public	q 31-Dec-2023	--	.00	● 8.55 📅	↑	93	76	84	0 %	✓	0
●	DuPont Automotive Public	a 31-Dec-2023	--	.00	● 6.95 📅	↓	71	76	63	0 %	✓	0
●	Systems Public											

The Roster provides a list of your suppliers that allows you to quickly determine high-level risk exposure.

Columns can be sorted, and suppliers can be looked up individually by name or DUNS number.

The data is exportable in .xls format.

## My Supplier PO Sites -- Supplier Co

123 Any Street, City, ST, 12345

Dashboard » My Purchase Order Sites » My Supplier PO Sites

? View Instructions

☰ My Supplier PO Sites

? Reporting Interval

Most Recent ▾

+ Add

Upload

?

Filters ▶

STATUS ?	SUPPLIER	REPORTING PERIOD	DATE OF LAST REVIEW ?	APV (\$MM)	ELM FINANCIAL RATING (EFR) ?	TREND ?	LEVERAGE ?	LIQUIDITY ?	PROFITABILITY ?			
●	CIE AUTOMOTIVE S.A. Public	a 31-Dec-2022	--	.00	● 5.10 📅	↑	39	8	96	0 %	✓	0
●	CooperStandard Automotive and Industrial Inc. Public	a 31-Dec-2023	q 30-Jun-2023 📅	.00	● 1.75 📅	↑	0	24	33	0 %	✓	0
●	CTS CORPORATION Public	a 31-Dec-2023	--	.00	● 9.60 📅	↓	100	100	89	0 %	✓	0
●	DENSO CORPORATION Public	q 31-Dec-2023	--	.00	● 8.55 📅	↑	93	76	84	0 %	✓	0
●	DuPont Automotive Systems Public	a 31-Dec-2023	--	.00	● 6.95 📅	↓	71	76	63	0 %	✓	0

The Elm Financial Rating (EFR) is on a scale from 0-10: 0-2 is red, 2-6 is yellow, and 6-10 is green.

The EFR is calculated using 3 Drivers: leverage, liquidity, and profitability. Each Driver consists of multiple metrics which are combined in a weighted manner to create the Driver score. Driver scores are weighed to create the EFR. Driver scores are on a scale of 0-100, with 0 being the lowest possible.

Now, let's look at the historic scores by clicking on the calendar icon.



The calendar icon in the EFR column pops up the reporting period scores.

We're able to view the scored trends as well as click on the icon to view the underlying financial data used to calculate the score.

Next, we'll click the latest annual period, which has a red EFR score.

Select Period

PERIOD END DATE	ANNUAL	QUARTERLY
31-Dec-2023	●	●
30-Sep-2023		●
30-Jun-2023		●
31-Mar-2023		●
31-Dec-2022	●	●
30-Sep-2022		●
30-Jun-2022		●
31-Mar-2022		●
31-Dec-2021	●	●
30-Sep-2021		●
30-Jun-2021		●
31-Mar-2021		●
31-Dec-2020	●	
31-Dec-2019	●	

© 2024 Elm Analytics, LLC

ABILITY ?	DEPENDENCE (APV/GROSS REVENUE)	VISIBILITY ?	FINANCIAL HIGHLIGHTS
96	0 %	✓	0
33	0 %	✓	2
89	0 %	✓	0
84	0 %	✓	0
63	0 %	✓	0
80	0 %	✓	0
73	0 %	✓	0

## Supplier Financial Profile -- CooperStandard Automotive and Industrial Inc.

40300 Traditions Dr, Northville, MI, 48168-9499, US

Dashboard » My Purchase Order Sites » My Supplier PO Sites » PO Site Financials

📅 2023-12-31 - ANNUAL

Annual Purchase Volume: \$.00

	RISK RATING	LEVERAGE	LIQUIDITY	PROFITABILITY
2023	● 1.75	➡ 0.0	24.0	➡ 32.9
2022	● 1.10	➡ 0.0	30.0	10.0
2021	● 1.10	➡ 0.0	36.0	5.7
2020	● 1.20	3.8	42.0	0.0

Our initial first pass includes looking at the overall trends.

Contact Information





While we are examining the EFR scores and the underlying drivers over the past years, we notice that 2023 looks better in terms of profitability.

However, leverage is still 0/100, and liquidity is has been steadily declining over time.

◀ Commentary Revenue Composition Key Financial Metrics Composite Financials Balance Sheet Income Statement Statement of Cash Flows Financial Highlights ▶











	FOR FISCAL YEAR ENDING 31-DEC-2023	ASSESSMENT	FOR FISCAL YEAR ENDING 31-DEC-2022	ASSESSMENT	CHANGE IN VALUE	% CHANGE IN VALUE
Net Debt to EBITDA	9.050280	<div></div>	34.233372	<div></div>	-25.183092	-74 %
Total Debt to Equity	0.000000	<div></div>	16.713663	<div></div>	-16.713663	-100 %
Interest Expense to EBITDA	-73.01 %	<div></div>	-179.21 %	<div></div>	106.20 %	59 %
Operating Cash Flow to Net Debt	0.025880	<div></div>	-0.026924	<div></div>	0.052804	196 %
Quick Ratio	1.077304	<div></div>	1.044711	<div></div>	0.032593	3 %
EBITDA to Net Sales	6.33 %	<div></div>	1.73 %	<div></div>	4.59 %	265 %
Return on Sales	-7.26 %	<div></div>	-8.62 %	<div></div>	1.36 %	16 %



	RISK RATING	LEVERAGE	LIQUIDITY	PROFITABILITY
2023	 1.75	0.0	24.0	32.9
2022	 1.10	0.0	30.0	10.0
2021	 1.10	0.0	36.0	5.7
2020	 1.20	3.8	42.0	0.0



Commentary	Revenue Composition	Key Financial Metrics	Composite Financials	Balance Sheet	Income Statement	Statement of Cash Flows
------------	---------------------	-----------------------	----------------------	---------------	------------------	-------------------------

	FOR FISCAL YEAR ENDING 31-DEC-2023	ASSESSMENT	FOR FISCAL YEAR ENDING 31-DEC-2022
Net Debt to EBITDA	9.050280		34.233372
Total Debt to Equity	0.000000		16.713663
Interest Expense to EBITDA	-73.01 %		-179.21 %
Operating Cash Flow to Net Debt	0.025880		-0.026924
Quick Ratio	1.077304		1.044711
EBITDA to Net Sales	6.33 %		1.73 %
Return on Sales	-7.26 %		-8.62 %
Sales Delta (Current Period to Prior Period)	11.50 %		8.38 %
Current Ratio	1.378639		1.497185
Total Revenue to Total Assets	1.503969		1.286149
Total Assets	\$1,872.30		\$1,963.53
Total Current Liabilities	\$653.24		\$631.62
Net Income	(\$204.49)		(\$217.79)
Net Debt	\$1,612.42		\$1,499.76
EBITDA	\$178.16		\$43.81
Revenue	\$2,815.88		\$2,525.39

The Key Financial Metrics tab is where you can quickly understand the details. We provide the metrics and an easy-to-understand slider bar to put the metrics in context.

We can see that the Net Debt to EBITDA, Total Debt to Equity, and Interest Expense to EBITDA are all off the charts on the low side and these are an indication of why the leverage driver score is 0/100.

On the plus side, revenue is up nicely as is EBITDA.

If you do not know what the terms and metrics mean, we have an online Resource Library which explains it all.

	CHANGE IN VALUE	% CHANGE IN VALUE
	-25.183092	-74 %
	-16.713663	-100 %
	106.20 %	59 %
	0.062604	196 %
	0.032593	3 %
	4.59 %	265 %
	1.36 %	16 %
	3.13 %	37 %
	-0.118546	-8 %
	0.217820	17 %
	(\$91.23)	-5 %
	\$21.63	3 %
	\$13.30	6 %
	\$112.65	8 %
	\$134.35	307 %
	\$290.49	12 %

Looking deeper at the Balance Sheet, we take note that the financials do actually balance (Total Assets = Total Liabilities & Shareholder Equity).

We then look for any large % Change in Value as a means of better understanding the story. In this case, Cash, Other Current Assets, and Net Shareholder Equity all had changes to take note of.

#### ASSETS

##### CURRENT ASSETS

	FOR FISCAL YEAR ENDING 12/31/2023	FOR FISCAL YEAR ENDING 12/31/2022	CHANGE IN VALUE	% CHANGE IN VALUE
Cash & Cash Equivalents	\$162.05	\$191.53	(\$29.48)	-15 %
Accounts Receivable	\$541.70	\$468.33	\$73.36	16 %
Inventory	\$146.85	\$157.76	(\$10.91)	-7 %
Other Current Assets	\$50.00	\$128.04	(\$78.04)	-61 %
<b>Total Current Assets</b>	<b>\$900.59</b>	<b>\$945.65</b>	<b>(\$45.06)</b>	<b>-5 %</b>

##### LONG-TERM ASSETS

Property Plant and Equipment (Net)	\$699.56	\$754.66	(\$55.11)	-7 %
Other Non-current Assets	\$272.16	\$263.22	\$8.94	3 %
<b>Total Assets</b>	<b>\$1,872.30</b>	<b>\$1,963.53</b>	<b>(\$91.23)</b>	<b>-5 %</b>

#### LIABILITIES & SHAREHOLDER'S EQUITY

##### CURRENT LIABILITIES

Trade / Accounts Payable	\$334.58	\$338.21	(\$3.63)	-1 %
Short-Term Debt	\$69.29	\$74.92	(\$5.63)	-8 %
Other Short-Term Liabilities	\$249.38	\$218.49	\$30.88	14 %
<b>Total Current Liabilities</b>	<b>\$653.24</b>	<b>\$631.62</b>	<b>\$21.63</b>	<b>3 %</b>

##### NON-CURRENT LIABILITIES

Long-Term Debt	\$1,121.22	\$1,059.67	\$61.55	6 %
Capital Lease Obligations				
Other Liabilities	\$187.57	\$171.05	\$16.52	10 %
Net Shareholders' Equity	(\$89.73)	\$101.19	(\$190.93)	-189 %
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$1,872.30</b>	<b>\$1,963.53</b>	<b>(\$91.23)</b>	<b>-5 %</b>



In the Income Statement, we note that Operating Profit is significantly better than last year and has turned positive.

We can also see that even though Revenue was up 12%, the Cost of Goods Sold only increased by 6%.

However, Other Non-Operating Income is much lower, and that is dampening the overall Net Income improvement.

## Financial



Commentary Revenue Composition Key Financial Metrics Composite Financials Balance Sheet **Income Statement** Statement of Cash Flows Financial Highlights

	FOR FISCAL YEAR ENDING 12/31/2023	FOR FISCAL YEAR ENDING 12/31/2022	CHANGE IN VALUE	% CHANGE IN VALUE
	\$2,815.88	\$2,525.39	\$290.49	12 %
	\$2,421.98	\$2,282.13	\$139.85	6 %
Depreciation & Amortization	\$109.93	\$122.48	(\$12.55)	-10 %
Impairment / Restructuring Charges				
Selling and General Administration	\$215.74	\$199.46	\$16.29	8 %
Other Operation Expense (Income) Net	\$0.00	\$0.00	\$0.00	0 %
<b>Operating Costs</b>	<b>\$325.67</b>	<b>\$321.93</b>	<b>\$3.74</b>	<b>1 %</b>
<b>Operating Profit</b>	<b>\$68.23</b>	<b>(\$78.67)</b>	<b>\$146.90</b>	<b>187 %</b>
Interest Income (Expense)	(\$130.08)	(\$78.51)	(\$51.56)	-66 %
Other Non-Operating Income (Expense) Net	(\$133.71)	(\$43.32)	(\$90.39)	-209 %
<b>Pre-Tax Income</b>	<b>(\$195.56)</b>	<b>(\$200.50)</b>	<b>\$4.95</b>	<b>2 %</b>
Income Tax	(\$8.93)	(\$17.29)	\$8.36	48 %
<b>After-Tax Income</b>	<b>(\$204.49)</b>	<b>(\$217.79)</b>	<b>\$13.30</b>	<b>6 %</b>
Equity Income (Loss) From Affiliates	\$0.00	\$0.00	\$0.00	0 %
Other After-Tax Adjustments	\$0.00	\$0.00	\$0.00	0 %
<b>Net Income</b>	<b>(\$204.49)</b>	<b>(\$217.79)</b>	<b>\$13.30</b>	<b>6 %</b>

currency values in millions of USD

The Statement of Cash Flows tab shows us that even though there was a positive Cash Flow from Operations, the investment in CapEx exceeded the amount of money brought in through operations.

Thus, Free Cash is still negative.

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Financial

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	FOR FISCAL YEAR ENDING 12/31/2023	FOR FISCAL YEAR ENDING 12/31/2022	CHANGE IN VALUE	% CHANGE IN VALUE
CASH FLOW FROM OPERATIONS				
Net Income (Loss)	(\$204.49)	(\$217.79)	\$13.30	6 %
Depreciation & Amortization	\$109.93	\$122.48	(\$12.55)	-10 %
Change in Working Capital	\$43.99	\$35.69	\$8.30	23 %
Other Non-cash Items included in Net Income	\$92.30	\$19.25	\$73.05	380 %
Net Cash Provided by (used in) Operating Activities	\$41.73	(\$40.38)	\$82.11	203 %
CASH FLOW FROM INVESTING				
Capital Expenditures	(\$80.74)	(\$71.15)	(\$9.59)	-13 %
Other Cash Flow Items	\$15.78	\$53.26	(\$37.48)	-70 %
Cash Flows from Investing	(\$64.97)	(\$17.89)	(\$47.08)	-263 %
CASH FLOW FROM FINANCING				
Net Cash from Acquisitions & Divestitures	(\$0.65)	\$0.05	(\$0.70)	-1,460 %
Change in Debt	(\$6.11)	(\$0.09)	(\$6.02)	-7,086 %
Cash Dividends Paid	\$0.00	\$0.00	\$0.00	0 %
Issuance or Reduction of Capital Stock	\$0.00	\$0.00	\$0.00	0 %
Cash Flows from Financing	(\$6.76)	(\$0.04)	(\$6.72)	-18,173 %
Foreign Currency Transaction Net Loss (Gain)	(\$0.92)	(\$0.01)	(\$0.91)	-6,962 %
Net Increase in Cash & Cash Equivalents & Restrtricted Cash	(\$30.92)	(\$58.32)	\$27.40	47 %





# OTHER VALUABLE FEATURES



Supplier Financial Profile -- CooperStandard Automotive and Industrial Inc.

40300 Traditions Dr, Northville, MI, 48168-9499, US

Dashboard » My Purchase Order Sites » My Supplier PO Sites » PO Site Financials

2023-06-30 - QUARTER

Export To Excel

Annual Purchase Volume: \$:00

	RISK RATING	LEVERAGE	LIQUIDITY	PROFITABILITY
2023-06-30	1.65	0.0	24.0	30.0
2023-03-31	0.90	0.0	24.0	8.6
2022-12-31	1.25	0.0	30.0	14.3
2022-09-30	1.10	0.0	30.0	10.0

Contact Information

Sales

Financial

Commentary

Revenue Composition

Key Financial Metrics

Composite Financials

Balance Sheet

Income

Analyst Commentary

Additional Comments

Enhanced Commercial Agreements

Strategic Profitability Initiatives

Third-Party Analyst Comments

ELM Reflections

Key Takeaways

Overall

The company is in the process of restructuring its business, which includes an important refinancing in January 2023.

The EFR score has improved from the prior quarter

The Leverage metrics have improved from the prior quarter, but this continues to be a challenge as the company still **scored 0** for this Key Driver metric.

Profitability has improved noticeably quarter over quarter but Return on Sales is still negative.

Net Income is -\$32M but it is a significant improvement over the -\$130M seen in the previous quarter.

EBITDA (which is a proxy for cash flow) is up 250% from the prior quarter on only a 4% increase in revenue.

Cooper Standard is a global company providing sealing and fluid handling systems for various industries and markets. They have developed a new material called Fortrex™ which they assert has a low carbon footprint and offers improvements in quality, durability, weight savings, aesthetics, and performance over competitive material solutions.

Leverage continues to be the biggest concern and we will point out some key metrics below to highlight this. It should be noted that Leverage improved over the previous quarter, though it is still extremely high. The company has been undergoing a restructuring and has incurred costs for plant closures and related activities. The one-time restructuring costs were \$8.5M for the quarter. We also note that trade accounts payables are down \$33M compared to the previous quarter, potentially indicating they are catching up on some past due vendor payments. There are positive trends here, however; the company still requires more time to restructure its business.

Bloomberg has listed the company as having the 6<sup>th</sup> highest exposure (for public companies) to the UAW strike with 58% of its revenue coming from the Detroit 3 OEMs. Therefore, there is some risk that the company's restructuring plans could be derailed in the short to medium term depending on the length and severity of the strike.

Key Metrics to Consider

Net Debt/EBITDA is Very High: 9.5

This metric indicates the company is overleveraged and may be struggling to service its debt obligations.

We consider a ratio of 3.0 or less to be satisfactory

EBITDA is seen as a proxy for cash flow, and if it is too small relative to net debt, the risk of default is elevated.

The company may also lack the capacity to take on further debt to support operations or investments required to sustain the business.

Even if EBITDA were adjusted for one-time restructuring costs, the metric would still be very high.

Interest Expense/EBITDA is Extremely High: -77.3

This metric indicates the company is over-leveraged and may be struggling to service its debt obligations.

We consider a score of ~23% or larger (i.e., closer to 0) to be satisfactory.

The reduced interest coverage increases the risk that cash flow may be insufficient to pay back debts and cover operational expenses.

The company may be unable to take on additional debt if needed.

Return on Sales is Negative: -4.4

A negative Return on Sales suggests that the company is experiencing operating losses, indicating a lack of profitability.

This metric indicates that the company's net sales revenue is insufficient to cover its operational expenses.

A negative Return on Sales raises concerns about the company's ability to generate consistent profits.

Cash flow from operations was \$-16M for the quarter, down 153% from the prior quarter.

The return on sales in the prior quarter was -19%, so the current metric shows a significant improvement.

Potential Implications

Elm's Analysts prepare commentary on every red supplier as new data becomes available.

Operational Efficiency

Financial health alone does not provide insights into the company's operational capabilities; it is

These summaries are succinct and include Key Takeaways, a specific call out of Key Metrics and their significance, Questions for a follow - up discussion with the supplier, and Suggested Next Steps based on the criticality of the situation.

Is the company currently in compliance with all loan covenants?

For public companies, we also include excerpts from public filings and 3<sup>rd</sup> party analyst commentary, if available. This gives a balanced presentation of the data and its interpretation.

Has the company assessed the potential impact of the UAW strike? If so, what is the forecasted impact?

The strike has global implications for the automotive and heavy truck supply chains. Lengthy downtime of D3 OEM assembly operations will have cascading effects throughout the supply chain. Cooper Standard has 58% of its revenue coming from the D3 OEMs.

How will you ensure your company is able to restart full production after the UAW strike ends?

As we saw after the Covid-19 lockdowns, the full volume production restart is very challenging, especially if the stream of accounts receivables has dried up while they are in the process of restarting.

Follow-up Items

Very Closely Monitor the financial health of the company.

Conduct Due Diligence consisting of:

- Deep dive into the financials to understand current condition.
- Establish a meeting cadence with management to understand their financial condition, loan covenant compliance, and the status of strategic initiatives.
- Review operational metrics frequently.

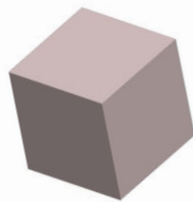
Consider plant visits to assess operational stability and efficiency.

Consult the Resource Library for tips on developing contingency plans to mitigate potential disruptions if the supplier encounters financial or operational challenges.





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Understanding Total Revenue to Total Assets

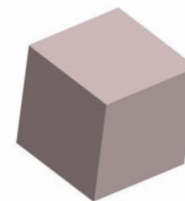


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What to Do with a New or Worsening  
"Red" Supplier



A company files bankruptcy because it is insolvent, meaning it does not have enough money to pay their bills on time.

REORGANIZATION

This means, the supplier has already identified a bankruptcy.

The second tool a s

The Resource Library contains guides, playbooks, and checklists, which can be used for reference and education purposes.

This information has been compiled through individuals with decades of experience managing supply base risk for global automotive OEMs.

## Your Supplier Just Filed Bankruptcy, What Happens Next?

*So, you just received news that one of your suppliers has filed for bankruptcy...*

*Here is what that means, what happens next and some next steps you may want to take.*

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