



**Horwath HTL**

*Hotel, Tourism and Leisure*

**Hospitality Crisis Management**

# **Financial Recovery**

# Analysis. Plan of Action. Financial Management.

Our Financial Recovery Service (FRS) service provides our clients with the opportunity to obtain the effective and efficient resolution of difficult financial situations within their organization, minimizing inherent risks and identifying underlying opportunities.

Horwath HTL FRS has been specially designed to help hotel asset owners (independent hotel companies, hotel groups, family offices, REITs, investment funds, banks, insurance companies), hotel operators (both independent companies and chains), as well as the law firms who advise these companies.

Our success is based on the integration of a team of professionals with extensive experience in the hospitality business as well as financial experts, which allows us to understand and effectively address the problems posed from a double perspective and involve ourselves in the most suitable solutions beyond the short term.

The economic slowdown that we were already anticipating in the last quarter of 2019, and that has finally become a reality within a new cycle of economic contraction both national and internationally, makes proper analysis essential for decision-making.

## Likely Scenario:

- Lower income volumes due to low occupancy and low average prices in the face of a period of economic contraction.
- Variable fixed and fixed cost structures in accordance with production levels prior to the current economic slowdown.
- High debt ratios versus future cash flow generation of some hotel groups and properties.
- Budgets and Business Plan that have become obsolete.

## Potential needs & services required:

- Asset divestment plan
- Adjustment plan for fixed/semi-fixed expenses.
- Current debt restructuring/refinancing plan.
- Aid plan for bank financing lines and national and international public organizations.
- Income improvement plan
- Change of hotel operator
- Search for financial partner-investor
- Search for new opportunities based on the new adjusted expansion plan.

## Proposed Action Plan:

1. Analysis and diagnosis of business and different profit centres, both from an operational and a financial perspective.
2. Evaluation of all rights and obligations, both contractual and financial.
3. Preparation of an action plan together with an estimate of potential positive impacts on both business and company finances.
4. Negotiation & execution of action plan.

In situations of economic and financial stress such as those we are currently experiencing, we must give maximum relevance to statements of the source and application of funds and of free cash flow, both current and in the medium term. Only using balance sheets and operating statements we will not be able fully to assess all the impacts. Therefore, one of the vital pieces for a rigorous analysis involves preparing a cash flow forecast adjusted for the measures adopted by the business and for those that can reasonably be foreseen as a result of the actions established in point 3 above.

## Scope of Assets:

Hotels • Resorts • Marinas • Wellness & Spa  
Convention Centres • Golf Courses • Franchising  
Shipping Companies • Residential Complexes  
Condominiums • Cruise Lines • Restaurants  
Sky Stations • Sport Complexes • Theme Parks  
Tourism Destinations



***For further information or to arrange for Financial Recovery support, please contact your local Horwath HTL office.***

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 47 offices, who have successfully carried out over 30,000 assignments for private and public clients. We are part of Crowe Global, a top 10 accounting and financial services network.

We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

**Our Expertise:**

- Hotel Planning & Development
- Hotel Asset Management
- Hotel Valuation
- Transaction Advisory/Due Diligence
- Strategic Planning
- Crisis Management
- Tourism
- Health & Wellness

**[www.horwathhtl.com](http://www.horwathhtl.com)**



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