

FIDI – Financial Assessment
EY Credit Risk Barometer



Executive Summary

2020 report



FOREWORD

Jesse van Sas
FIDI Secretary General

Here it is: the second report from EY on how we, as FIDI Affiliates, have performed in the previous closed financial year.

I do believe that this FIDI project is a significant development in our industry. Not so much for the results, but for the fact that this is actually being measured. Never before has a neutral third party assessed so many movers in a consistent way over such a long period of time. Yes of course, we had first-hand information from all of you, on how things have gone or were going; but you will agree with me that this sort of conference talk was not the most trustworthy.

With the EY Credit Risk Barometer, as part of FAIM's Financial Assessment, we get a clear view on the base financial ratios in our industry, and how these are evolving year on year.

So what are we seeing in this second edition of the EY Financial Assessment report? Not to kick in an open door, but for the second year we are seeing a more than concerning lack of operational profits in our business. This is certainly our Achilles heel, which will have a long term effect on our liquidity as well as solvency. Fortunately, at this time our solvency is still one of the best performing ratios, and to maintain this, every effort must be made to improve the bottom line on your profit & loss account. That is probably a no-brainer for everyone

[Click here to download the full report](#)

FOREWORD

Jesse van Sas
FIDI Secretary General

(and certainly easier said than done) but it is the only way to a financially healthy business.

But all in all, FIDI Affiliates are not doing that bad. Nine out of ten movers have a low to medium credit risk. That's likely better than expected, and is similar to the year before. More surprising is to see that the best performing continent is South America, also for the second year in a row. This requires some further investigation, but it seems that the more saturated markets in North America and Europe yield a much fiercer competition, resulting in less performant ratios.

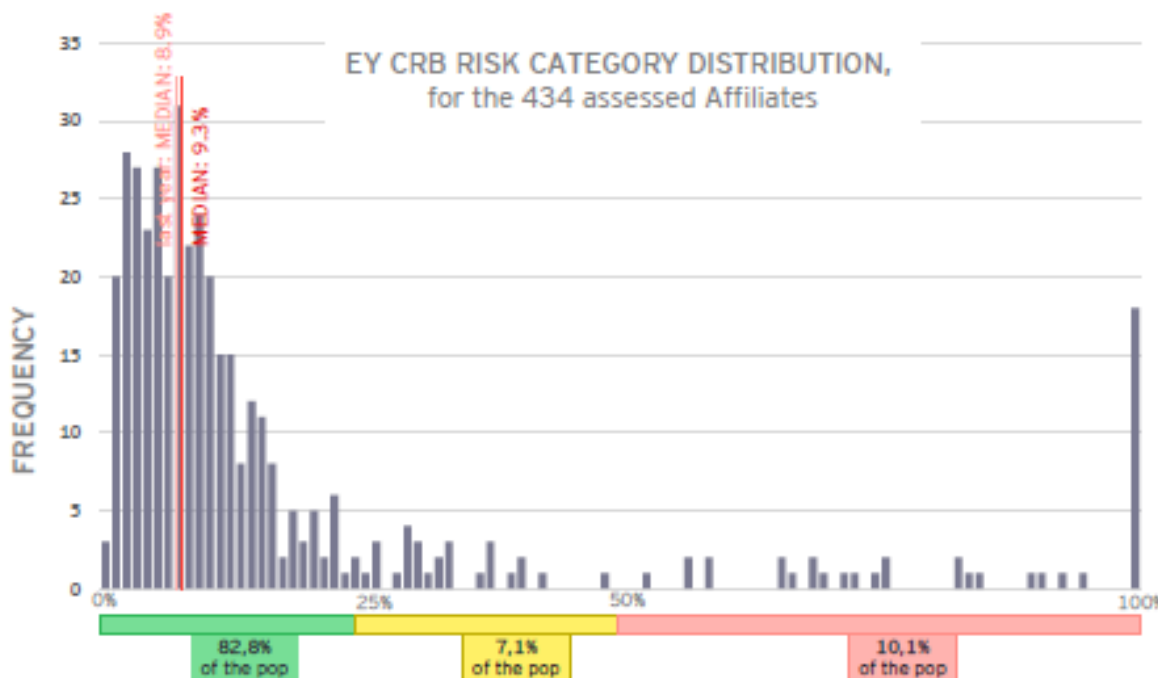
Obviously, these figures are mostly pre-COVID-19, and we are all anticipating a very different look in next year's report, which will mainly be based on 2020 figures. Yet, we can see some of COVID-19 effects already in this report. After all, a number of you closed your financial year well into 2020, and you can see the overall risk creeping up a little. Nothing dramatic – but still.

I invite you to browse the executive summary and, once it sparks your interest, [download the entire EY report](#). It is definitely worth the read!

[Click here to download the full report](#)

Executive Summary

2020 report



EY CRB CATEGORY DISTRIBUTION, p.5 of EY report

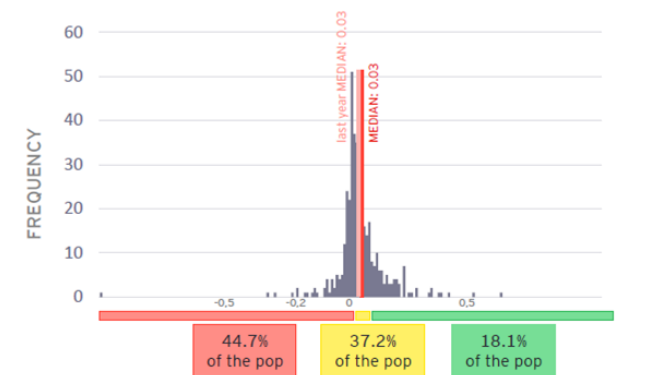
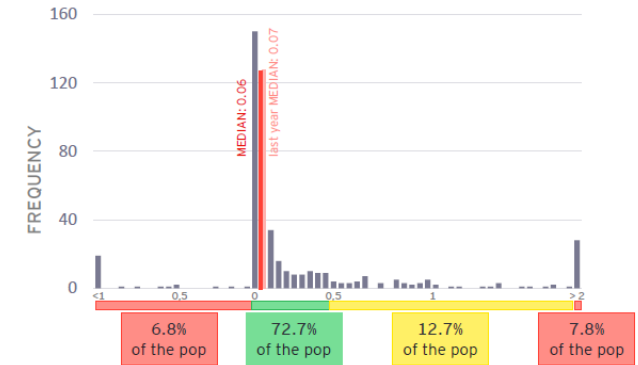
- ✓ **95%** of FIDI Affiliates have been assessed
- ✓ **90%** show an overall low or medium risk
- ✓ **83%** of provided financial results are based on a fiscal year ending in 2019

[Click here to download the full report](#)

Executive Summary

2020 report

- ✓ **Solvency** is the least common risk.
73% of Affiliates score really well on this
- ✓ **Profitability** remains a sore point for movers.
Only **18%** does really well on this
- ✓ Affiliates with **lower net sales** have a higher probability of being categorized as **medium or high risk**, mainly due to **liquidity risks**



RATIOS DISTRIBUTION, p.6 of EY report

[Click here to download the full report](#)

Executive Summary

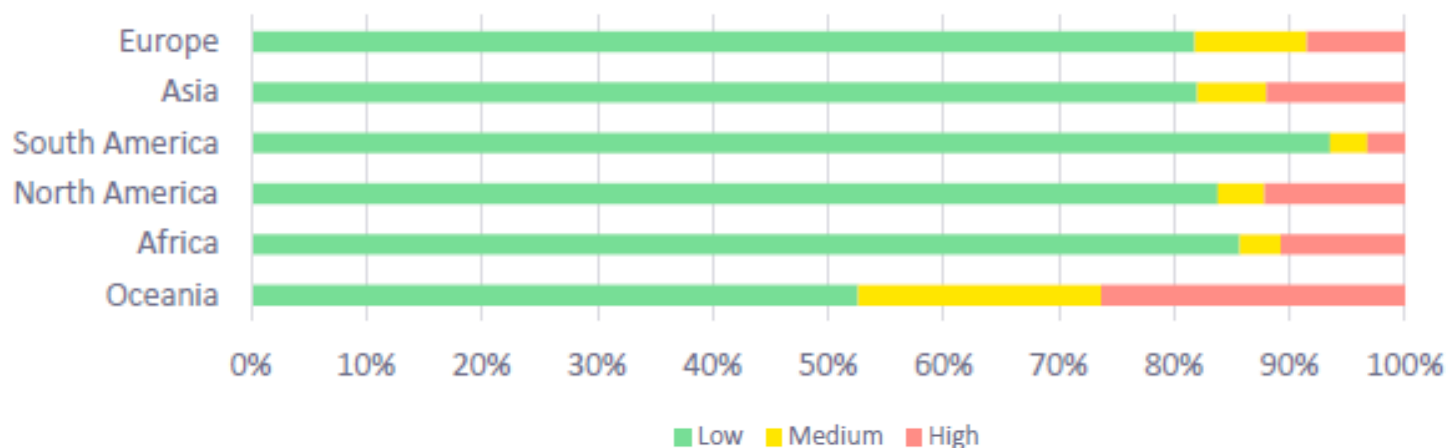
2020 report

✓ Affiliates in **higher GDP countries** tend to show **more financial risk**

✓ **94% of Affiliates in South America** fall within the **low risk** category, making this continent the best performing one

✓ **Switzerland** surpassed Australia this year as the country with the **highest median risk**

DISTRIBUTION OF RISK CATEGORIES,
according to continents.



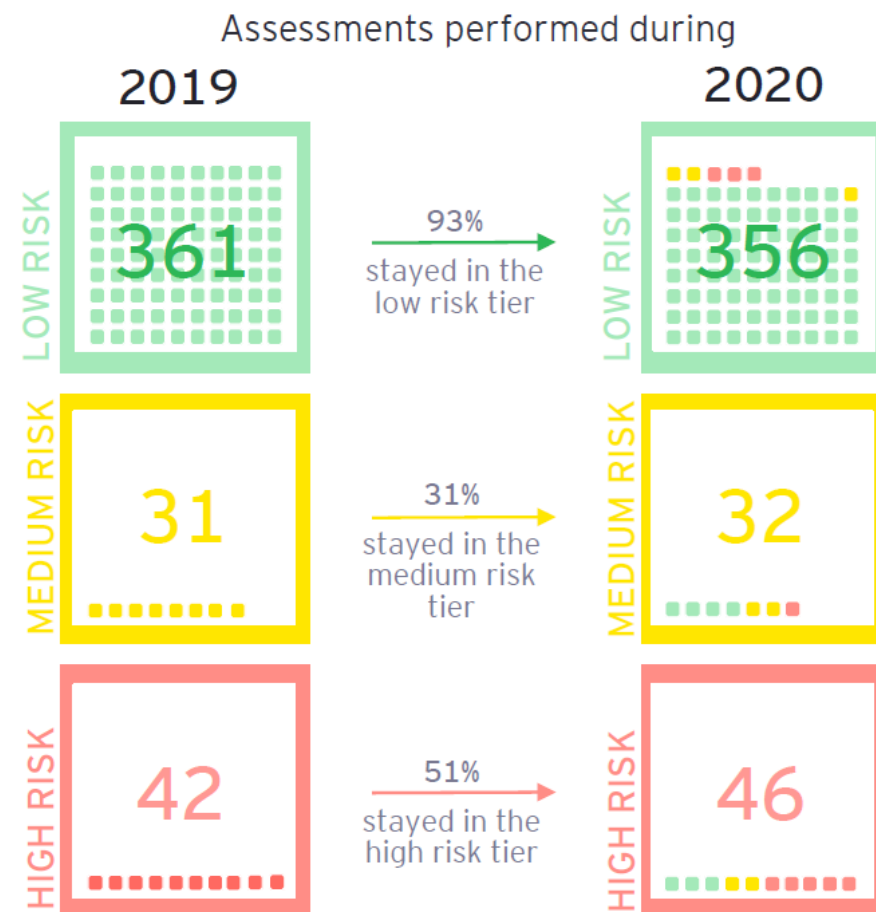
EY CRB RISK CATEGORY DISTRIBUTION, p.9 of EY report

[Click here to download the full report](#)

Executive Summary

2020 report

- ✓ **93%** of those who performed well in the 2019 report, did the same in the 2020 report
- ✓ We can already see some **impact of the COVID-19 crisis**, pushing the **median risk score up with 30%** for those whose fiscal year ended in 2020



Each square represents 4 Affiliates (rounded).

[Click here to download the full report](#)

FIDI – Financial Assessment EY Credit Risk Barometer

Executive Summary

2020 report

[Click here to
download the full report](#)

For more information about the FIDI – Financial Assessment
EY Credit Risk Barometer – 2020 report, contact:

FIDI Global Alliance

Fountain Plaza Building 501, 1st Floor, Belgicastraat 1
1930 Zaventem - Belgium
E: fidi@fidi.org
www.fidi.org