PR PrimeRevenue **Perspective**

7 FINANCIAL METRICS STRENGTHENED BY SUPPLY CHAIN FINANCE

The overwhelming majority of companies turn to supply chain finance to accelerate cash flow. It's perhaps the most important financial metric improved using this solution – and one of the most immediately realized.

Many finance executives are surprised to learn that supply chain finance also has a positive impact on numerous other metrics. Even more surprising are the long-tail implications of these improvements. From better credit ratings to increased shareholder value, supply chain finance can strengthen the overall fiscal health of a company.

Here are 7 financial metrics that can be improved through supply chain finance:

1. CASH FLOW

The most obvious of the list, supply chain finance unlocks working capital trapped in the supply chain to generate substantial improvements to cash flow. With the proper accounting treatment, this improvement does not negatively impact the balance sheet.

2. DAYS PAYABLES OUTSTANDING

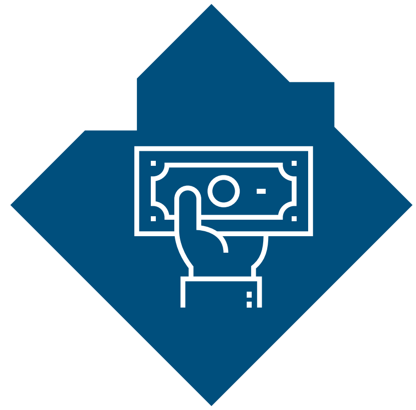
DPO represents the average time it takes to pay invoices from trade creditors, such as suppliers. A higher DPO typically equates to better cash flow. However, according to industry benchmarks, most companies pay suppliers sooner than they should. PrimeRevenue ensures a company's DPO is in line with these benchmarks prior to implementing the supply chain finance program.

3. CORPORATE DEBT

Corporate debt is at record levels – nearly $9 trillion in the U.S. alone. As debt grows more expensive, not all balance sheets can afford to take on more, which is untimely given the pressure many companies are under to make significant investments in innovation, strategic acquisitions and transformation. Many companies use the cash flow gains generated by supply chain finance to pay down debt and/or offset the need to increase debt as they seek ways to fund strategic initiatives.

4. INTEREST EXPENSE

One byproduct of using supply chain finance to pay down corporate debt is lower interest expense. For example, a company with $2.57 billion in net debt has an average cost of debt at 3.75 percent. The potential free cash flow gain for their program is $550 million. If that cash is used to pay down debt, the interest expense avoidance would be approximately $20 million.



5. LEVERAGE RATIOS AND INTEREST RATES

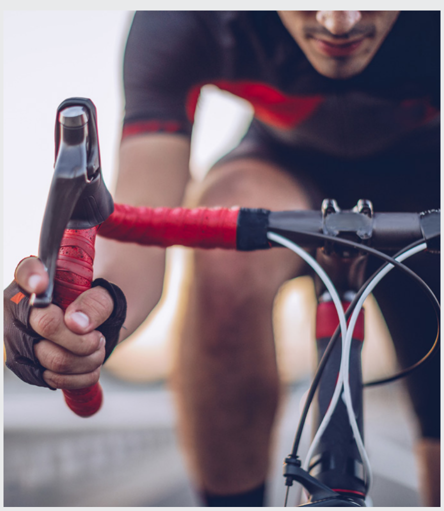
Paying down debt using supply chain finance often results in lower leverage ratios, such as debt-to-equity ratio and debt-to-EBITDA ratio. This can, in turn, translate into lower interest rates as investors and financial institutions seek low-risk lending scenarios.

6. CREDIT RATING

Using supply chain finance to reduce debt and improve leverage ratios can ultimately lead to a more favorable credit rating. For example, one PrimeRevenue customer had a BB- credit rating and was facing $6 billion in leveraged buyout debt. In three months, the company's supply chain finance program generated $750 million in free cash flow that was used to pay off 15 percent of its debt. As a result, S&P upgraded the company's credit rating three times.

7. ENTERPRISE VALUE

Freeing up material amounts of capital can significantly improve a company's value to investors, and a company that utilizes supply chain finance to improve working capital will be able to boost investor sentiment. This was the case for an electronic components manufacturer that was under pressure from investors to improve enterprise value amidst a recession and long customer payment cycles. Participation in one of its customers' supply chain finance programs became a lifeline for the manufacturer, enabling the company to accelerate $25 million in cash flow, meet debt obligations, open new facilities and return value to shareholders.



Harnessing the Full Power of Supply Chain Finance with PrimeRevenue

Supply chain finance has the potential to improve much more than cash flow. The key is executing a program that extends deep into the supply chain. PrimeRevenue is one of the few supply chain finance providers that takes a deep and broad approach to program implementation. Because our programs are funded by a network of 100+ funders around the globe (instead of a single source), our platform is able to support more suppliers of varying sizes, in more jurisdictions and currencies. That means better results for our clients – from cash flow to enterprise value.

About PrimeRevenue As a pioneer in global B2B payments, the PrimeRevenue SurePay Platform connects the entire supply chain by improving working capital and automating digital payments. Thousands of companies around the world leverage one streamlined platform to increase payment visibility, enhance control, and improve cash flow. PrimeRevenue is headquartered in Atlanta, with offices in London, Prague, Hong Kong, and Melbourne. For more information, visit **www.primerevenue.com**.

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