

ACTIVITY  
REPORT  
2020

# NAVIGATING THE WILDERNESS



# OFF THE BEATEN TRACK

**T**he year 2020 was a year of change, a year of upheaval that required businesses to react and adapt rapidly. In light of the global economic context, with every major country affected at a given point in time, the Accuracy integrated model proved, once again, to be flexible and resilient in the face of uncertainty, with only a slight decrease in revenue. This resilience was tested throughout the year, **with 100 per cent of our staff across our 18 offices** working remotely for a number of weeks, if not months. Despite disparities in the local measures imposed in different countries, we continued to work and function together as one team, as one firm. **Navigating the wilderness, this unknown territory, is effectively a new skill that we developed this year.**

More than ever, **we continue to stand at our clients' sides** in these uncertain times: for the issues they encounter, the opportunities they want to seize, the renegotiations they face, the disputes and fraud they suffer, and the objective financial advice they need. We are also here to assist them in their projects on acquisitions, disposals, development and business performance improvement. **Each of these situations varies greatly depending on the sector; each case is unique.** But in all circumstances, we stand with our clients.

**Our global recruitment and investment drive continued in 2020.** We did not forego our efforts in any area. This is why in 2021 **Accuracy emerges stronger than it ever has been**, with the right tools and people in place to provide unwavering support to all our clients. **Indeed, 2021 has already got off to a good start**, with a variety of significant and stimulating projects, and we look forward to discovering the paths that will lead us through the rest of the year.

On behalf of the partners,

*Frédéric Duponchel*

Managing Partner & CEO



# NEW HORIZONS

The global expansion and development of the firm continued in 2020, with the opening of a new office in Toronto and the strengthening of the Accuracy Partnership through the promotion of two new partners.

## NEW OFFICE

### TORONTO – NORTH AMERICAN HUB

Accuracy's newest office opened in 2020 in Toronto.

Toronto is a key new market for Accuracy as it supports the accelerated growth of our Canadian activities and gives us a solid foothold in English-speaking North America.

This increased footprint provides a strong platform to leverage our Canadian expertise and team to serve our existing and newer clients.

In addition to expanding the breadth of support we can offer to our global clients for their cross-border transactions and local strategic needs, the importance of financial services and project advisory & disputes in the Toronto market makes it a critical hub as we continue to develop these global capabilities.

## NEW PARTNERS

### CHARLENE BURRIDGE

Charlene worked at a Big Four firm for nine years before joining Accuracy in 2015. Based in the UK, Charlene specialises in transaction and strategic advisory services.

She has extensive experience advising strategic and financial investors on transaction processes including both sell-side and buy-side due diligence, carve-outs, SPA support and completion accounts. She also has experience of business modelling, valuation, refinancing, restructuring, market analysis, assessment of complex damages in international arbitration and forensic investigations.

Charlene shares what it means to her to join the partnership: "I am thrilled to join the Accuracy Partnership. Our innovative, flexible and collaborative working environment provides the best possible platform for us to continue to grow our business internationally while delivering the highest value bespoke solutions to clients and nurturing the exceptional young talent that will drive our future success."

### FLORENCE WESTERMANN

Florence joined Accuracy in 2006 to contribute to the development of the restructuring practice, after first acquiring experience at a receiver and a Big Four firm for three years.

Based in France, Florence has extensive knowledge of the French restructuring environment and has the financial expertise to support companies in difficult situations as well as to advise financial investors and debtholders.

She also has significant experience in transaction services, having worked with both corporate groups and investment funds.

Florence shares her feelings on becoming a partner: "I am honoured to become a partner at Accuracy, which has enabled me, over the years, to develop my professional and personal potential, through a tailor-made career path. Alongside our passionate and inspiring professionals, I will continue to promote and develop our restructuring expertise, and propose unique solutions to our clients."

€95M  
REVENUE

43  
NATIONALITIES

1  
FIRM

470  
HEADCOUNT

36  
LANGUAGES

# THE LIE OF THE LAND



18  
OFFICES

# CHARTING OUR OWN COURSE

## LEADERS LEAGUE RANKING 2020

### MERGERS & ACQUISITIONS

Financial evaluation & asset transfer and merger audits

**LEADING**

Transaction services consulting

**LEADING**

### PRIVATE EQUITY

Financial evaluation & asset transfer and merger audits

**LEADING**

Transaction services consulting

**LEADING**

Advising management teams

**EXCELLENT**

Portfolio valuation

**EXCELLENT**

### RESTRUCTURING

Auditors & financial advisors

**LEADING**

### LITIGATION SUPPORT

Commercial litigation

**LEADING**

International arbitration

**LEADING**

Shareholder litigation and valuation of damage

**LEADING**

Shareholder litigation on listed companies and fairness opinion

**LEADING**

Antitrust litigation

**EXCELLENT**

Financial fraud

**LEADING**

IT fraud

**EXCELLENT**

### REAL ESTATE

Major real estate transactions

**EXCELLENT**

### Who's Who Legal

▶ Fourteen Accuracy partners and directors have been named among the leading Arbitration Expert Witnesses in the Who's Who Legal: Arbitration 2021 (list revealed in October 2020).

### GIR TOP 100 2020

▶ Accuracy has been named in the Global Investigations Review's GIR 100 2020, an independent guide to the world's top 100 investigations firms.

### Great Place to Work®

▶ Accuracy has remained in the top ten for the last 13 years, unprecedented in the history of the awards.

### TAX LAW

Transfer pricing

**EXCELLENT**



ACCLIMATISING

TO CHANGE

In a year where **company leaders** were faced with **tough decisions** and the term “business as usual” became a foreign concept, **our teams** remained **available to provide expert assistance** across a wide range of challenging situations.



# DISCOVERING NEW PATHS

WE HELP COMPANIES IN DIFFICULTY

International lockdowns, effectively **bringing certain economic sectors close to a standstill**, led many companies of all sizes to experience challenging cash situations. As sales collapse, cash shortages may arise, and it is not only the most fragile of companies that are affected: even the more sustainable groups have been hit with year-end profitability issues and potential covenant breaches.

In such a context, **assistance in two stages is highly recommended.**

**The first stage** would be immediate and short-term emergency assistance to include a rapid assessment of the financial situation, short-term cash flow forecasts, identification and quantification of government measures relating to the crises and daily or weekly cash monitoring.

**The second stage** would be medium-term assistance to find a lasting solution. This could include business and operational transformation plans, disposals of assets or subsidiaries, renegotiation of current debts or searching for new investors.

## HOW WE HELPED

We advised Accorinvest, **one of the worldwide leading hospitality players**, in the context of its financial debt restructuring. Hit by the public health crisis, **the group negotiated the restructuring of its existing debt of €4.5 billion** and secured additional financing: a state-backed loan and a capital increase, **each worth €477 million for a total of €954 million.**



# BLAZING A TRAIL

WE HELP COMPANIES TO PURSUE INVESTMENTS IN UNCERTAIN TIMES

## HOW WE HELPED

We assisted in **the disposal of a pan-African business** (22 countries). The group, owned by a European shareholder, was sold to a Lebanese investor, with the entirely virtual process lasting from February 2020 to September 2020. Even in these times with **business travel at a standstill**, we were able to **facilitate the transaction** from beginning to end.

**As is the case in all downturn periods, 2020 saw M&A activity decline substantially**, particularly in the first six months of the year with dealmaking coming to a virtual halt. However, this activity remains essential in a healthy economy, and **its partial recovery in the second half of the year** showed some positive signs for global financial health.

Of course, investing companies must come to terms with the substantial levels of uncertainty at this time. But **M&A-related services have adapted to overcome these obstacles** and to enable companies to pursue the transactions underpinning their strategic plans. Financial due diligence is as important as ever, but new analyses may be required to determine the impact of the pandemic per se on a target's performance, as distinct from other factors in performance such as competition, product ranges or sales channels. **Newer types of due diligence** might also come to the fore, for example, innovation due diligence for those companies seeking to adapt through the acquisition of disruptive start-ups.



# A DISRUPTIVE ENVIRONMENT

WE HELP CLIENTS TO DEAL WITH CRITICAL SITUATIONS

**Fraud and corruption have been on the rise globally as a result of the crisis and this trend is likely to continue even after the crisis subsides.** The risk that the three conditions generally necessary for employees to commit fraud – **often referred to as the Fraud Triangle** and including pressure to commit fraud, employee rationalisations, and opportunity – increased during the crisis and will likely further intensify as governments and companies spend freely to pull themselves out of the pandemic-related economic downturn.

**In order for companies to mitigate risks related to fraud and corruption, we recommend they consider several compliance-related steps.**

First, **companies should assess how their compliance-related risks have changed and whether their existing controls are adequate.** Second, **companies should handle compliance-related cutbacks with caution** to ensure they are able to respond quickly to a rise in demand for services. Third, **companies should analyse sales and costs** to spot differences from prior patterns, and fourth, **companies should ensure that the right “tone from the top”** is being set to identify fraud and prevent the factors that lead to fraud.

## HOW WE HELPED

We were engaged in 2020 by **the audit committee of a CAC 40/Euro Stoxx 50 company** to help conduct an internal investigation of a fraud involving hundreds of millions of euros at an Asian subsidiary. As part of the engagement, we worked closely with the company’s compliance and legal resources, internal audit, senior business leaders, external counsel, and the audit committee members themselves. Our review not only identified the manner by which the fraud was committed, **we also extensively reviewed, identified, and documented the lack of controls that helped facilitate the fraud.**



# LEADING THE WAY

WE HELP CLIENTS TO MAKE DECISIONS IN DIFFICULT CONTEXTS

## The current health crisis has caused massive disruption to global economies.

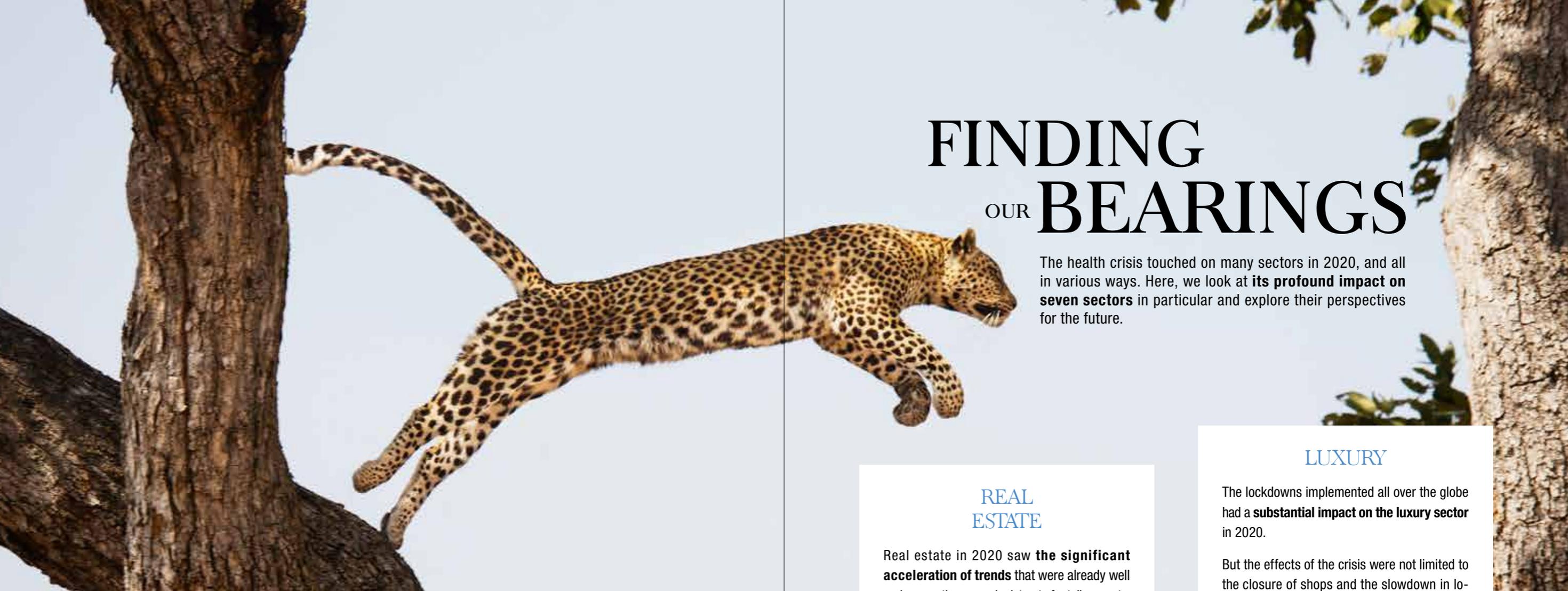
Companies have had to **adapt to the new circumstances as quickly and efficiently as possible**, but many find themselves unable to make the decisions necessary to continue to survive for varying reasons.

In this context, **the need to adapt is more pressing than ever** and being able to make the right decisions is critical. To do so, company management needs to be able to rely on solid data and robust analyses to ensure that they have the right information at their disposal. This can include analyses such as **rigorous reviews of the commercial performance** of a retail chain, the identification of shop openings and closures to optimise a network, and in-depth assessments of supply chains to identify areas of improvement or indeed new supply models.

**Having the right information** can even lead to refocusing entire strategic plans, which have become **largely obsolete in the current climate**.

## HOW WE HELPED

We supported an affordable luxury retailer in the **review of its operating model and redesign of its organisation**. We were able to clearly identify **operating optimisation levers** for the group, redefine the group's target organisation and identify savings in the cost structure. We also built a road map for the implementation of the new operating model.



# FINDING OUR BEARINGS

The health crisis touched on many sectors in 2020, and all in various ways. Here, we look at **its profound impact on seven sectors** in particular and explore their perspectives for the future.

## LEISURE & HOSPITALITY

The leisure & hospitality sector was **amongst the hardest hit in 2020**. Across the world, stadiums, bars, restaurants and cafés were forced to close their doors as governments imposed lockdowns in a bid to curb the spread of the novel coronavirus. Hotels, campsites and private rentals saw the vast majority their bookings cancelled as **tourism and business travel ground to a halt**. Faced with continued fixed costs and little to no income, these businesses have had to rely on their insurers or ever increasing debt and unprecedented levels of government support to survive. How these businesses will cope when the time comes to repay these debts remains to be seen.

Nevertheless, **certain businesses have attempted to adapt their operations to the circumstances**: many restaurants now offer take-away and delivery services to entice consumer spending; hotels offer rooms for days or even hours at a time to cater to the remote working population. Will such activities continue when the crisis is over, or will it be a return to business as usual?

The approaching warmer seasons and the advancing vaccination programmes in many countries have created, at least, a **glimmer of hope for these businesses**.

## REAL ESTATE

Real estate in 2020 saw **the significant acceleration of trends** that were already well under way: the general mistrust of retail property, concerns on the future of offices, and greater interest in logistics, healthcare property and, to a lesser extent, housing.

**Coming out of the health crisis in 2021** should make it possible to stabilise certain areas, which will then have an influence over the years to come. These may include the level of company demand, **depending on how intensely new ways of working are implemented**; the impact of the rise of online commerce on traditional retail and logistics; the desire to reduce fixed costs, such as rent, not to mention the length of rental commitment periods; more difficult conditions when granting credit for housing; and the return (or not) of business tourism for the hotel industry. **As a result**, occupancy rates, rent levels and the level of demand, as well as the development of interest and inflation rates in different geographic zones will be closely monitored.

## LUXURY

The lockdowns implemented all over the globe had a **substantial impact on the luxury sector** in 2020.

But the effects of the crisis were not limited to the closure of shops and the slowdown in local purchases: supply chains were thrown into disorder as factories and suppliers were obliged to shut down and travel retail plummeted as international tourism faltered.

**Brands have therefore had to adapt their operations**: many have started concentrating on online sales over physical shops and most have adjusted their communication strategies to **maintain contact with the consumer**.

**The crisis has also brought other trends into focus**: for example, consumers have a growing interest in the digital experience and online content. It is incumbent on luxury brands to create the **necessary link with reality** and drive performance. However, the high profitability, significant liquidity and digital know-how of the luxury sector have placed it in good stead to bounce back after the crisis and continue growing in the future.

# FINDING OUR BEARINGS

## FINANCIAL SERVICES

**The public health crisis has affected the financial services sector in different ways.**

For example, retail banking has seen its revenues decrease, as households and businesses reduce spending and increase saving to feel better prepared for future negative events. Investment banking income has also suffered, in line with the fall in M&A activity. Another factor worth considering is society's expectations: the economy has been badly hit by the crisis, and society will look to banks to support the recovery process. This can already be seen with **the proliferation of requests for state-backed loans**. Finally, relationships with clients are changing: the digitalisation of banking services is accelerating and clients are more inclined to seek out the best deals on the market.

**Banks will need to adapt their operations to ensure that they are able to face these challenges head on.**

**Olivier Levy-Barouch, finance and strategy director at La Banque Postale, provides his insight:** "The profitability of certain business lines, such as retail banking, has particularly changed, with a **fall in revenues and a rise in risk**. This will continue to be the case, with negative interest rates likely to remain for the foreseeable future."

## RETAIL

The year 2020 was the year for distance selling; somewhat paradoxically, **it was also the year that put local shops back in the spotlight**. The year 2021 will inevitably be one of major transition for all retailers: networks of physical points of sale will undergo significant restructuring; distance selling will accelerate; lost market shares will be won back by some, whilst newly won market shares will be secured by others.

But beyond the pure operational challenges, **2021 will present a rare opportunity for brands and retailers to speak true to consumers** about quality and sustainability, the environment and social commitment.

## AVIATION

**The aviation sector was one of the most gravely hit in 2020:** air traffic came to a virtual halt with innumerable aeroplanes grounded indefinitely and companies – airlines and airports alike – struggling to meet their substantial fixed costs with little income. **Ms Ginette Maillé, CFO of Aéroports de Montréal**, takes us through the stakes:

**"To face the drastic fall in air traffic**, the airport sector has been obliged to protect its cash flows by resorting in particular to governmental support programmes, issuing public debt and adjusting its organisation (reducing costs and delaying investments). Though historically air traffic has recovered quickly (for example, after 9/11 or the SARS epidemic), **recovery post-COVID-19 may prove much slower**, with forecasts predicting a return to pre-pandemic levels in around 2025. This recovery should favour the main airports located near large conurbations – they are more **financially solid** and likely to benefit from airlines' 'hub' strategy – to the detriment of tourism or regional airports."

## CONSTRUCTION & INFRASTRUCTURE

The 2020 crisis has made it possible to test the construction & infrastructure sector's resistance to **an unprecedented shock**. Have infrastructure assets – typically sought for their steadfastness – passed the test? What conclusions can we draw from this period?

**The answer is generally positive:** the crisis has demonstrated the great resilience of these values, even those subject to a flow risk, such as motorway concessions, with the inevitable exception of the airport sector. **Some assets have even benefitted from this period**, first and foremost amongst them telecom assets; others have simply continued following the general trends in their areas, such as for renewable energy.

**Infrastructure investors are coming out of this episode with bolder ambitions.** Between the widening of the definition of infrastructure assets and their digitalisation, the sector will continue to grow and reinvent itself.

# ALL UNITED

All Accuracians experienced the global pandemic in their own unique way. Ensuring the well-being of both **our internal and external communities** has always been a top priority at Accuracy; this was the case more than ever in 2020.

## IN THE FIELD

“The ‘From Accuracy with Love’ weekly newsletter editions were an excellent platform for all Accuracians to stay connected and get inspired by each other through various competitions and performances!”

FARHAN KHAN,  
New Delhi

### SANT’EGIDIO PROJECT

Our Milan-based Accuracians took part in a charity project, organised by the **Sant’Egidio community**. Every evening, over a two-week period, they would help to **deliver food parcels** to people and families in need.

“2020 was the opportunity for Accuracy to showcase its agility in innovation by building on inner strengths and proving how much it cares about Accuracians.”

HELENA JAVITTE,  
Beijing

### OPERATION SANTA CLAUS

In December, our Canadian office took part in **Operation Santa Claus**, a charity that enables underprivileged children to experience **magical moments** by receiving a gift from Santa Claus for Christmas.

“Accuracy helped and allowed me to balance my professional responsibilities and personal life, letting me grow and have a complete way of life”

SUSANA ESCOBEDO,  
Madrid

“Some things worked better working from home, like doing video calls with international colleagues rather than just a phone call.”

CHRIS TUNE,  
London

### DIVERSITY ROLE MODELS

Chris Tune, an Accuracy director based in London, was appointed to the board of trustees as treasurer of **Diversity Role Models**, an LGBT and education charity with a vision of a world **where everybody embraces diversity** and can thrive.

### CNVC

We provided pro bono services to the **Center for Nonviolent Communication**, a US-based charity that **promotes non-violent communication and facilitates dispute resolution**.

“I am glad that Accuracy allowed me to keep working on very interesting projects despite the lockdown.”

EMMANUELLE FERRESI,  
Paris

“The partners managed to maintain team spirit throughout the lockdowns by regularly organising activities in small groups ranging from skiing to drinks in the park!”

ZACHARY AQUA,  
Montreal

# ACCURACY CAMPAIGN 2021



Photomontage. All animals photographed in their natural environment. Photos: Thanawat Wongsuwanathorn / 123RF - Mobiler @lamanufacture and @rober Agence LES CYCLISTES

Even the strongest need the best advice.

All companies have their own personalities. At certain moments in their history, they need bespoke, strategic advice based on facts and figures analysed by experts. Accuracy, present in thirteen countries across four continents, supports corporate management and shareholders in their strategic decision-making in the context of transactions, disputes and critical situations, with the utmost discretion and professionalism.

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An Accuracy exploration

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