



An Event Audio Visual/Staging/  
Production Company Story

# ROAD BLOCKS TO RECOVERY

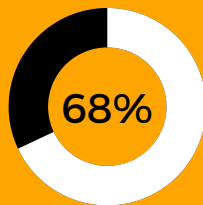
COVID-19 Road Block Began: March 13, 2020  
End Date: ???



# COVID-19 TIMELINE

A CASE STUDY SHOWCASING HOW  
LIVE EVENTS INDUSTRY BUSINESSES  
ARE STILL IN THE RELIEF PHASE

2019	2020	2021 TO DATE	FIXED MONTHLY EXPENSES
<b>GROSS REVENUE</b> Q1: \$1,911,000 Q2: \$2,547,000 Q3: \$1,763,000 Q4: \$2,159,000	<b>GROSS REVENUE</b> Q1: \$1,206,000 Q2: \$238,000 Q3: \$455,000 Q4: \$1,208,000	<b>GROSS REVENUE</b> Q1: \$676,000 Q2: \$1,350,000	<b>\$150,000</b> = <b>BUILDING PAYMENT</b> + <b>UTILITIES</b> + <b>MAINTENANCE</b> + <b>PAYROLL</b> + <b>FLEET MANAGEMENT</b>
<b>FULL TIME EMPLOYEES</b> <b>50</b> as of 12/31/19	<b>FULL TIME EMPLOYEES</b> <b>11</b> as of 12/31/20 A 78% REDUCTION SINCE 2019	<b>FULL TIME EMPLOYEES</b> <b>15</b> as of 5/1/21 A 70% REDUCTION SINCE 2019	



**WE ARE DOWN 68% IN REVENUE FROM  
MARCH 2019-2020 COMPARED TO  
MARCH 2020-FEBRUARY 2021.**

Prior to COVID-19, my company had \$250,000 in debt.

In order to stay open, my company has had to take on an additional **\$1.05 MILLION in debt** - \$360,000 that will hopefully be forgiven and \$690,000 of debt that will NOT be forgiven.

# IT'S NOW MAY 2021. WE HAVE NO MORE RESERVES. NO MORE CUSHION. AND WE ARE STILL HITTING ROAD BLOCKS ON OUR WAY TO RECOVERY.



## Annual Operating Expenses

- Our annual business insurance premium is \$177,000. Instead of paying it in full as we usually do, we are having to pay 10 installments of \$14,000 per month plus a down payment of \$47,000 in May 2021 at 6% interest.
- We also had to pay property tax in February 2021 in the amount of \$161,921.47.
- The building needs a new roof at about \$600,000 which cannot be done right now, so we have leaks.



## Loan Capital

- Our financials do not meet the debt to income ratio for the past year, and thus we broke a covenant with our bank. When events aren't being booked far out, we have little forecasting to show the banks even when we think we will actually make revenue. We can't try to gain access to capital again until we have six months, or possibly even 12 months, of actual revenues (not losses).
- It is also hard to predict expected revenues due to constantly shifting gathering guidelines and lack of consumer confidence based on those changing guidelines. We don't fault anyone for those changing guidelines, as we – as an industry – support and want to reopen safely. But it is a factor when trying to move from a relief to a recovery phase.



## Staffing

- Since March 2020, we've seen a mass exodus of highly skilled professionals leave our industry in order to find jobs to support themselves and their families. Based on a Live Events Coalition survey from 2020, the average live events professional has been working in the industry for 20 years. Now we need to hire and train new people, but due to our depleted reserves, we don't have the capital to do that, nor do we have the people to train people.



## Supply Chain & Costs

- The current manufacturing supply chain is broken. Materials are taking MONTHS to source and costs are increasing by as much as 50% across the board.
- Our customers are expecting discounts, which is in direct conflict with the cost realities in the marketplace.

**In one month, we had to turn down 20 events due to lack of staffing, lack of financial resources, and the inability to secure materials due to time and supply chain problems.**

# THE VICIOUS CIRCLE OF COVID-19 RELIEF IN THE LIVE EVENTS INDUSTRY

