

Chesapeake Corporate Advisors Case Study – Advising Next Day Dumpsters During COVID-19



Next Day Dumpsters Relies on CCA as a Trusted Advisor

Next Day Dumpsters offers dumpster rentals in the Maryland, Northern Virginia and Washington, DC markets. NDD has recently begun its expansion into Raleigh, NC and had been preparing for future expansions into other markets, such as Charlotte, Richmond and Nashville.

- **The evolving COVID-19 situation has created immediate cash flow and liquidity concerns** for Matt Owings, CEO of Next Day Dumpsters, as all indications are that future Revenue opportunities will be limited and continue to fall farther off the original 2020 Operating Plan. March was approximately 82% off initial projections, and Matt's sales team expects the spring and summer months to decline even more rapidly. In fact, given the severity of COVID-19, it is unlikely that Revenue fully rebounds at any point during 2020.
- **Over the past week CCA has worked closely with Matt to assess and quantify his risk.** With Matt's input, the CCA Team was able to quickly develop a dynamic financial model which responds to "What-If?" scenario testing and visualizes the financial impact that COVID-19 could have on Next Day Dumpsters.
- **Matt and CCA have formalized a plan to respond to this new economic reality.** The primary objective is to establish and maintain liquidity, as the Company prepares to weather a very difficult economic environment. Initial planning and budgeting adjustments have resulted in over \$10,000 of savings per month and over \$40,000 per month in debt payments that his lenders have agreed to defer.



CCA's Work with NDD Includes:

- ✓ Initial Conversations and Guidance related to COVID-19.
- ✓ Risk assessment of the business model.
- ✓ Developing a dynamic financial model to test downside sensitivities and the impact of the virus on NDD.
- ✓ Developing a Bank Package to assist in negotiations of capital restructuring.
- ✓ Developing an Executive Report to measure financial results by month.
- ✓ Establishing financial targets and 30-60-90 Day Plans.

