Credit availability in Canada 2014:
Targeting an ideal capital structure
ACKNOWLEDGEMENTS

We gratefully acknowledge the efforts of our survey respondents and our forum participants who took valuable time away from their day jobs to participate in this work. We are particularly grateful to our research partner, EY, without whom this study would not have been possible.

Laura Pacheco  
Vice President, Research  
FEI Canada

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EXECUTIVE SUMMARY

ABOUT THE STUDY
A company’s ideal capital structure reflects its current economic environment, anticipated outlook, the industry it operates in, and its appetite for risk. Now in its sixth year, the 2014 CFERF credit availability study reviews Canadian companies’ capital structure, the variables impacting that structure, and Canadian financial executives’ views on the economic outlook. Essentially, these are the opportunities they’re excited about, and the hot topics that keep them up at night. We thank EY for its continued sponsorship of this research.

THE GOOD NEWS IS…
The majority of Canadian financial executives surveyed in this year’s study were more optimistic about prospects for their companies and the economy in their sectors in June 2014 than they were 12 months before.

• Most say credit for working capital and growth financing is generally available to their organizations. Even those for whom credit was less available this year, the expectation is availability will improve by the spring.
• Eight out of 10 Canadian financial executives surveyed say their companies are ready to grow, mainly through organic growth. Less than half said they were planning on inorganic growth.

POSITIVE OUTLOOK AN “APPLES AND ORANGES” STORY
This generally positive outlook, on financing and growth is not evenly reflected across the board:

• Working capital, long-term financing and equity was strong (approximately 90% stating very available or available), with no real change in their expected outlook.

Small companies weren’t as secure in either their current position or expected outlook.

• While only 61% of small companies surveyed felt working capital financing was either available or very available today, this same group was more optimistic about what they’d expect in the future (66% felt working capital financing was either available or very available in the future and 74% felt their long term financing needs would be fulfilled).
EXECUTIVE SUMMARY

Although the gap is not as large, there are differences between the opinions of private and publicly traded companies surveyed. Publicly traded companies said there is a greater availability of capital than private companies and their outlook was always better than the current state (June 2014 vs. June 2015).

Public companies surveyed were far more likely to express confidence about their abilities to raise equity capital at a reasonable price. Private companies were either more likely negative about their prospects, or simply stated they did not know.

INTERNAL RATE OF RETURN CONTINUES TO DOMINATE THE PATH FORWARD

Given its ease of use, the Internal Rate of Return (IRR) continues to be the preferred method used to prioritize strategic options to allocate capital, especially for those companies that are public (47%) or large (43%), even though finance textbooks have for years identified the pitfalls of using IRR.

- Small companies surveyed, not having access to as much long-term capital as their large company counterparts, are more inclined to use the payback method (41%) than IRR (33%).
- Economic Value Added (EVA), while not as popular, was most likely found in public companies (16%) and large companies (13%).
- The Net Present Value (NPV) method was identified consistently in 20% of the cases, regardless of size and ownership structure.

Questions companies can ask themselves when reviewing their ideal capital structure include:

1. Where is your company in the business cycle?
   a. Startup, growth, stable or in decline?
   b. What is the need for capital – permanent or temporary?
   c. How important is flexibility vs. cost?
2. What is the five-year strategy for the company, and can the capital structure support the strategic plan?
3. What is the typical debt/leverage for your industry? Benchmark it and understand it.
4. Other items to consider:
   a. Cyclical business?
   b. Seasonal business?

Source: Tyrone Cotie, Treasurer of Clearwater Seafoods Inc. and Chair of FEI Canada’s Treasury and Capital Markets Committee
METHODOLOGY AND SURVEY DEMOGRAPHICS

This study comprises the results of an online survey of Canadian financial executives which took place between May 28, 2014 and June 26, 2014. A total of 108 respondents completed the survey. Further insights were gathered at executive roundtables in Toronto, Calgary and Montreal which took place simultaneously, connected by video conference, on June 17, 2014.

About half (49%) of respondents were CFOs and a further 19% held the title of VP Finance. Roughly half of the respondents were from small companies with revenues of less than $100 million, and half were from larger companies.

Respondents were drawn from a wide range of industry groups and sectors. Of the respondents, 60% were from private companies and 30% from public, the other 10% were from not-for-profit organizations and crown corporations.

For the purposes of this report, companies were defined as either small or large depending on their annual revenues:

- Small companies are defined as those with revenues under $100M
- Large companies are defined as those with revenues of or more than $100M

NOTE: Due to the small number of respondents from small public companies, their responses should be interpreted with consideration.

For more demographic information, please see Appendix A. For a full list of roundtable participants, please see Appendix B.
INTRODUCTION

The story of credit availability in Canada is somewhat constant: those businesses with strong balance sheets and income statements can obtain credit with relative ease and at reasonable rates. Other organizations with more complicated challenges, including start-ups, struggle to obtain any kind of credit at all. If they succeed, they pay a premium.

Recent research by EY, which produces a quarterly Capital Confidence Barometer, sheds light on credit availability globally. The report, based on a regular survey of about 1,600 senior executives from very large companies around the world, indicated that companies have an optimistic view of credit availability. “Confidence in credit availability is at its highest in the Barometer’s five-year history, cash is in ready supply and valuation gaps are narrowing,” according to the report.¹

Some key findings of the April 2014 edition of this report include:

- 60% consider cost reduction their primary focus
- 31% plan to pursue an acquisition
- 29% expect deal pipelines to increase
- 60% see the global economy improving — resilient confidence in the face of shocks
- 88% view credit availability as stable or improving
- 65% have confidence in corporate earnings — the highest level in five years

The purpose of this annual CFERF study, Credit Availability in Canada, now in its sixth year, is to continue to check the pulse of Canadian businesses and get a sense of their outlook for the future prospects for the economy in their sectors, and for their companies. This CFERF report offers insights into organizational plans for growth, whether organic or inorganic, and probes credit availability for both long-term financing and working capital. The results are analyzed according to ownership structure (private versus public) and revenue, and significant differences are noted. Executives who participated in a research roundtable also offer insight into their own organization’s experience in obtaining financing, and share some of the methods they use to best determine the most appropriate capital structure for their organization.

¹. April 2014, EY Capital Confidence Barometer
GROWTH

The vast majority of Canadian businesses surveyed say they are ready to grow rather than simply sustain themselves.

79% say it’s a good time for their organization to grow, but a significant minority (21%) prefer their organization to maintain its current level of activity rather than seek growth.

A wide range of factors may be driving any particular organization’s plans for growth. For instance, companies may be seeking to grow in order to maintain market share amidst increased competition and declining margins. They may be seeking to grow by expanding into new markets, or by launching new products. Or it may gradually evolve and build on continued successful relationships established over time with existing business partners, which are themselves growing.

“We have some great organic growth currently based on our industry and current market trends. Part of our challenge is managing that organic growth. Do we run with it, or do we hold back? Is it sustainable growth and how do we fund this growth? For us, our organic growth is something that is really pushing us forward and holding back isn’t really an option.”

Marietjie Bower – VP & CFO, Commerx Corporation
GROWTH

CHART 1: Is now the time for your organization to grow or is it a better time for you to continue to sustain itself?

Table A: Is now the time for your organization to grow or is it a better time for you to continue to sustain itself?

<table>
<thead>
<tr>
<th></th>
<th>Good time to grow</th>
<th>Maintain current level of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Large private</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>Small public</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>Small private</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>79%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Virtually all large public companies feel now is a good time to grow (91%) and just over 2/3 of large private companies stated it was a good time to grow.

Table B: Will this growth be fueled primarily by organic growth or inorganic growth or both?

<table>
<thead>
<tr>
<th></th>
<th>Organic</th>
<th>Inorganic (eg M&amp;A)</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>38%</td>
<td>14%</td>
<td>48%</td>
</tr>
<tr>
<td>Large private</td>
<td>47%</td>
<td>12%</td>
<td>41%</td>
</tr>
<tr>
<td>Small public</td>
<td>68%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Small private</td>
<td>74%</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>59%</td>
<td>12%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Large companies are more likely to grow both organically and inorganically.

Small companies are more likely to grow organically.
CHART 2: Primary focus areas for growth in the next 12 months

Organic growth is the primary area of focus for 62% of respondents over the next 12 months.

Table C: Organization’s focus over the next 12 months

<table>
<thead>
<tr>
<th></th>
<th>Organic growth</th>
<th>Inorganic growth</th>
<th>Restricted ability to pursue inorganic opportunities</th>
<th>Survival</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>52%</td>
<td>43%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Large private</td>
<td>64%</td>
<td>16%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Small public</td>
<td>75%</td>
<td>13%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Small private</td>
<td>63%</td>
<td>18%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>62%</td>
<td>21%</td>
<td>9%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Large public companies are more likely to focus on inorganic growth and large private companies are the most likely to have restricted ability to pursue inorganic opportunities. Small companies are more likely to focus on survival.
GROWTH

GROWTH STRATEGIES

Companies overall said they were more focused on growth via new markets (71%), rather than new products (56%).

Table D: If the focus is on growth, the type of growth is

<table>
<thead>
<tr>
<th></th>
<th>New markets</th>
<th>New products</th>
<th>Both new markets and new products</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>24%</td>
<td>24%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Large private</td>
<td>35%</td>
<td>18%</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>Small public</td>
<td>17%</td>
<td>17%</td>
<td>66%</td>
<td>0%</td>
</tr>
<tr>
<td>Small private</td>
<td>42%</td>
<td>13%</td>
<td>42%</td>
<td>3%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>33%</td>
<td>18%</td>
<td>38%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Small private companies more likely to focus on new markets

Large public companies more likely to be unsure of source of growth

Overall, 71% of companies focused on new markets and 56% focused on new products
BUSINESS ENVIRONMENT AND OUTLOOK

More than half of respondents were more optimistic about prospects for the economy in their sector than they had been in June 2013. Overall, 54% of businesses surveyed are more optimistic about prospects for the economy in their sector, 38% expected no change and 8% were less optimistic (see Chart 3).

However, there were marked differences in optimism among different types of companies, according to size and revenue. In general, private companies were less optimistic than public companies about sector prospects, which could be a possible explanation for why they are less enthusiastic about organic growth and M&A activity. Large public companies surveyed were most optimistic about prospects for their sector compared to June 2013. Small private companies surveyed were the mostly likely to be negative about the outlook for their sector (one in five).

CHART 3: Compared with 12 months ago, are you more or less optimistic about prospects for the economy in your sector?
Compared with 12 months ago, are you more or less optimistic about prospects for the economy in your sector?

**Large public companies**
“Things seem to be improving and employment seems to be recovering.”
“General signs of an uptick in the U.S. are supportive for most of our markets and customers.”

**Large private companies**
“Our economy is still fragile and I believe has still not fully recovered from 2008.”
“Ontario deficit and spend mentality along with the related costs of doing business (over regulated and governed) will buffer any increased investment opportunities in the province.”
“Commodity prices are recovering in our sector and, as a result, we believe that we will be able to increase our revenue as well as net profit.”

**Small public companies**
“More capital is available and we are approaching key milestones.”
“More RFPs being posted.”
“Orders are increasing.”

**Small private companies**
“Less global uncertainty appears to be giving our customers more confidence about the upcoming year.”
“We went through the uncertainty last year in construction development and were waiting for the market reaction. Now we have our forecast for the next 12 months and we are looking with optimism at the future.”
“In general, the economy seems to be picking up steam as our sales activity metrics are ticking upwards.”
“U.S. economy is coming out of slow period — Canada is hit negatively — as well, exports are coming under downward economic pressure from the Far East.”
PROSPECTS FOR COMPANIES

Overall, more than half of respondents were optimistic about prospects from their company and about one-third saw no change (see Chart 4), but more than one in 10 were less optimistic.

Table E: Compared with 12 months ago, are you more or less optimistic about prospects for your company?

<table>
<thead>
<tr>
<th></th>
<th>More optimistic</th>
<th>No change</th>
<th>Less optimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>65%</td>
<td>31%</td>
<td>4%</td>
</tr>
<tr>
<td>Large private</td>
<td>60%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Small public</td>
<td>63%</td>
<td>24%</td>
<td>13%</td>
</tr>
<tr>
<td>Small private</td>
<td>53%</td>
<td>37%</td>
<td>10%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>56%</td>
<td>32%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Large public companies are most likely to be optimistic about their prospects.

Small private companies, while optimistic, are most likely to say ‘no change’ about their prospects.
Compared with 12 months ago, are you more or less optimistic about prospects for your company?

**Large public companies**
“Economic conditions in our markets are consistent.”
“We expect to continue to grow revenues in Canada organically and complete acquisitions across North America.”

**Large private companies**
“The market is still extremely competitive and being a technology company is an added challenge.”
“Given the economy uptick, we expect similar results in our company. We utilized the slower time to streamline our company further and believe that we can handle more volume while decreasing our overhead.”

**Small public companies**
“We are closing in on the end of the development cycle for our product and we expect that we will be positioned for significant growth over the next 12-18 months.”

**Small private companies**
“We just completed a refinancing project which creates a stable platform for growth.”
“Our company went through some turnover and we have some stability now and with the economy picking up we are in a good spot to take advantage.”
“We are a very innovative company and creditors and investors are receptive to investing in our company.”
INTEREST RATES

INTEREST RATES AND PLANS TO MITIGATE RISK

Most respondents (61%) believe interest rates will rise in the next year (see Chart 5). Large companies are most likely to expect rate increases, and are most likely to expect a modest increase of up to 49 basis points. Small companies are more likely to expect no rate increase at all (see Table F).

Those who believe interest rates will rise have several methods of mitigating the risk including:

- Fixed rate debt (preferred by 33% of respondents);
- Interest rate swaps or options (24%);
- Refinancing floating rate debt to fixed (15%); or
- Other actions (28%)

As an example of “other actions”, one large public company lengthened its term on its debt, including the use of a so-called “blend and extend”. Some organizations were not taking any action as they did not think the increase would be significant enough to warrant doing so. As a survey respondent from one small private company wrote: “It’s not a major issue for us.” A respondent from a large public company said the organization “will accept the relative small movements in interest rates over the coming year.”

“I’m seeing a change in credit availability. It is certainly a lot more available. A few years ago, I was one of the cash hoarders - take it when you can get it. Now I’m actually not taking it, probably like a lot of companies. My fear is that interest rates are going to go up and I don’t want the company to be dependent on that debt. So I’m really just taking cash when I absolutely need it. I’m not hoarding anymore.”

Nancy Lala – CFO, About Communications and angel investor, Maple Leaf Angels

“No change is anticipated with interest rates, and that seems to be a good barometer of our economy.”

Survey respondent – Small private company

“Although the signals are mixed, there is a definite threat of inflation, which will drive interest rates up at least a bit. Also, real estate is weakening in our part of the country.”

Survey respondent – Small private company
CHART 5: The three-month base Canadian interest rate is currently about 1.25% as of May 29, 2014. Using that as an example, do you believe Canadian interest rates are going to rise in the next 12 months?

Table F: The three-month base Canadian interest rate is currently about 1.25% as of May 29, 2014. Using that as an example, do you believe Canadian interest rates are going to rise in the next 12 months?

<table>
<thead>
<tr>
<th></th>
<th>No rate increase</th>
<th>Up to 49 bps</th>
<th>50-99 bps</th>
<th>100-199 bps</th>
<th>More than 200 bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>30%</td>
<td>44%</td>
<td>26%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large private</td>
<td>28%</td>
<td>60%</td>
<td>12%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small public</td>
<td>38%</td>
<td>25%</td>
<td>25%</td>
<td>12%</td>
<td>-</td>
</tr>
<tr>
<td>Small private</td>
<td>55%</td>
<td>33%</td>
<td>10%</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>39%</td>
<td>44%</td>
<td>15%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The majority of small private companies don’t expect interest rates to rise.

Table G: If you believe interest rates will rise, what are you doing to mitigate the risk?

<table>
<thead>
<tr>
<th></th>
<th>Fixed rate debt</th>
<th>Swaps or options</th>
<th>Refinancing floating rate debt to fixed</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>31%</td>
<td><strong>44%</strong></td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Large private</td>
<td>17%</td>
<td><strong>44%</strong></td>
<td>11%</td>
<td>28%</td>
</tr>
<tr>
<td>Small public</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small private</td>
<td>39%</td>
<td>6%</td>
<td>17%</td>
<td>38%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>33%</td>
<td>24%</td>
<td>15%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Large companies favour swaps or options to mitigate the risk of rising interest rates.
CREDIT AVAILABILITY TO ORGANIZATIONS

WORKING CAPITAL FINANCING

Respondents expect their ability to obtain sufficient working capital to meet business objectives to be slightly better in June 2015 than they were in June 2014 (84% felt positive about their prospects for obtaining sufficient working capital financing in 2015 compared to 80% in 2014). Four per cent said they expected it would be not at all available, both this year and next (see Chart 6).

Working capital is freely available for virtually all large companies, and most of all, to large public companies (96%). Large private companies surveyed are optimistic about the future, and even expect an improvement by June 2015. Working capital is less available for small companies. The majority of small private companies surveyed (67%) said credit was available or very available, but a significant number (27%) says it is somewhat available. This last group surveyed expects an improvement in availability by June 2015. Five per cent say it was not at all available in June 2014 and this group was not optimistic and was not expecting an improvement.

“Regarding working capital, people have talked about the non-domestic elements of their working capital (receivables, inventory) that is offshore and we share that concern as we expand our global footprint. We did find a solution with EDC (Export Development Corporation) and their Export Guarantee Program. The challenge with that program is getting the foreign jurisdiction lenders to understand the program. It’s simple from our perspective - it’s a guarantee (an irrevocable letter of credit) supported by our main lender and you would think that would take the credit risk out of the equation. Unfortunately, it doesn’t. It has been an education to the non-domestic lender and that’s one way we found we were able to unlock some value in those underlying assets and preserving working capital.”

Bruce Bailey – CFO, Alcohol Countermeasures Corp.
Virtually all large companies have working capital readily available, especially large public ones.

Current and expected outlook remained the same for large public companies and improved for private large companies.

Small companies had working capital available to them in the majority of cases, but not as readily available as their larger counterparts.

Small private companies’ outlook improved with time.
“My company has done a couple of acquisitions which resulted in a large amounts of goodwill and no real physical assets. Obtaining credit has been very difficult because of the goodwill on the books. Even working capital has been more complicated because we’re global. The majority of our accounts receivable is global, in parts of Europe and the USA. It’s been much more difficult to get credit, and while the banks are not closed off, almost all question why we have security in different places. Overcoming some of the challenge; we’ve been managing relationships with banks, learning how we can meet expectations and reduce capital costs. Strategically restructuring our debt levels and bringing down the cost of our capital has been essential and a priority.

Marietjie Bower – VP & CFO, Commerx Corporation."
WORKING CAPITAL MANAGEMENT

The good news is 42% of respondents saw an improvement or a significant improvement in working capital management at their organization over the past 12 months. Half said it stayed the same, while a small percentage (7%) saw it deteriorate (see Chart 7).

Large companies surveyed were most likely to say their working capital management had stayed the same over the past 12 months and small companies were most likely to state improvement of some kind.

CHART 7: How has working capital management changed over the last 12 months?

- Significant Improvement: 6%
- Improvement: 36%
- Stayed the same: 51%
- Deterioration: 6%
- Significant Deterioration: 1%

42% saw at least some improvement
LONG-TERM FINANCING

Overall, survey respondents’ organizations expect their ability to obtain sufficient long-term financing to improve in the near future (86% expect financing to be available or very available in June 2015, compared to 82% in June 2014). Those who currently have the most difficulties in this area are also the ones who expect to see significant improvement. (see Chart 8).

Large public companies surveyed have no problem at all obtaining long-term financing. “We have a strong balance sheet and many options from our banking and lending partners,” wrote one survey respondent from a large public company. Another survey respondent from a large public company noted “debt markets are very liquid even for lower credit quality companies,” while a third noted there is still a strong investor-led demand for yield.”

For the most part, small private companies surveyed are able to obtain long-term financing (76%), although a significant minority has some challenges (16% reported it to be somewhat available and 8% not at all available). Some small private companies boasted strong balance sheets, income statements, and good working relationships with bankers and note they had just completed financing deals. “The company is currently closing a Series B financing and we expect to start a Series C investment by Q2 2015,” states one executive with a small private company. However, another respondent from a small private company was experiencing more challenges, and observed that the business was still in “early startup mode,” so it does not have an established credit history.

Small public companies surveyed have much more difficulty obtaining financing. That said, most small public company respondents are optimistic there will be a significant improvement by June 2015 (75% predict long-term financing to be either available or very available, and 25% somewhat available). According to one survey respondent from a small public company which is having some success, during tougher times the company established a long-term relationship with a bank that is willing to finance growth (see Chart 8).

“We are a $100-million company in Canada and we are a subsidiary of a U.S. publicly-traded company. There is some autonomy with regards to financing, but it has to go through our U.S. parent if over a certain value. Several years ago, we had trouble getting banks to talk to us about financing. Now they’re actually knocking on our door, looking to fill their book of business. Before, they weren’t flexible, but they’re now actually extending terms five to 10 years, something that really wasn’t available to us before. It has been encouraging to see the positive swing when it comes to access to capital in Canada.”

Oliver Hüls – VP & Controller, Ameresco Canada Inc.
Large companies have financing more readily available, especially large public ones. Current and expected outlook being about the same.

Small companies had financing available to them in the majority of cases, but not as readily available as their larger counterparts. Small companies outlook improved.
In North America, Agrium issues commercial paper to meet some of its short term financing needs. Generally speaking, rates on commercial paper are typically lower than rates on traditional short term banking lines while terms are generally more flexible. While the banks still earn standby fees on their loan commitments to support clients’ commercial paper programs, they may no longer see the revenue from funding short terms loans they may once have enjoyed. As a result, banks are spending more time trying to find ways of generating other sources of revenue from ancillary business. In response, corporates are having to spend more time analyzing and discussing the distribution of ancillary business fairly amongst their bank group.

Trevor Jones – Assistant Treasurer, Agrium Inc.

"Credit is so easily available that companies are getting way too much leverage on their balance sheet. We’re very worried about that. We think companies should be sufficiently capitalized. Banks are looking for spread so they’re entering the market traditionally occupied by private equity, and they’re using cash flow loans. They’re leveraging companies very highly. Some companies are capitalized as little as 10%, compared to 40%, which would be a more acceptable ratio. This means credit is available, but if you’re not cautious you will get too much leverage and then after that you don’t have any margin for error because all these loans are usually at floating interest rates. Companies have a lot of interest rate risk through their balance sheet, and economic conditions will not stay this favorable I’m afraid.

We think that it’s getting dangerous, the level of leverage. It’s a good thing that money is available, but it’s all a question of discipline. In Quebec, we’re in a specific context these latter years. We financed a lot of ownership transfers, so the leverage is high because there are new business owners who are buying the businesses with limited capital and with maximum leverage. It’s different for a company financing its ongoing operations."

Catherine Lenfant – VP, Strategies, Regulation & Shareholders, Desjardins Venture Capital Inc.

"Capital may be more readily available, but a robust due diligence process must be baked into any growth strategy in order to succeed over the long term."

Brian Allard – Partner, Transaction Advisory Services, EY
Financing: Strings attached means that sometimes it may not be worth it

“Credit availability is generally there, but it’s specific to your situation. The bulk of our revenues are outside of Canada where getting money is not simple. Getting the security interest registered by the lending institutions is available but it doesn’t really function too well. You can find solutions, but you’ve got to finesse them. We have the ability to find capital and interestingly, it’s the U.S. players that are stepping up more in our model, because they seem more comfortable with it. Everyone’s willing to say: ‘Here’s some money, go for it.’ We have a current portfolio of lenders and we also have a private equity piece in ours. To try to get some stakeholders to go away or restructure or play a different role is the tough part. We want to deploy our borrowings for productive things, like buying a business, investing in equipment or people. Today it seems new financing is simply replacing old financing. We’re struggling with this: Do we go ahead with the financing because too much of the money is going to non-productive uses, such as paying out debt with penalties or private equity? So to me, there is a different issue: The money we’re raising easily, can we put it back into productive use for operations or do we use it for non-productive purposes such as replacing legacy debt or equity.”

John Forester – CFO, DBG Canada Ltd.

“Companies currently have access to financing at very attractive rates. For companies who are non-investment grade and need to raise a significant amount of money, you need to issue in the US market. However, credit has been cheap and easy to obtain but it can’t go on forever.”

Pierre Van Gheluwe – Treasurer, Yellow Pages Group

“There are fewer projects out there so it’s actually creating an appetite for lenders. And when a good project arises, there is a lot of competition to get those projects and pricing obviously is good. On another note, Asset-Based Lending (ABL) is probably one of the most misunderstood financing options for Small to Medium sized Enterprises (SMEs). It can really do great things for a growing company.”

Richard Morrison – Financement et Investissement, IRR Conseil
EQUITY MARKETS

For those with access to equity markets, more financial executives expect it to be slightly less difficult to raise money through the equity markets next year (see Chart 9). Large public companies in particular said it’s not difficult to raise money through the equity markets (78%), although 18% said it was difficult, and 6% very difficult. For those that were having difficulty today, the expectation was that it would improve.

CHART 9: Raising funds through the equity markets is another way of meeting capital needs. In your view, how difficult has it been to meet capital needs through the equity markets?

For those with access to equity markets, more financial executives expect it to be slightly less difficult to raise money through the equity markets next year (59% expect it to be not very difficult or not at all difficult), than today (54% said this).
We’re on the TSX-V and are not rated by any of the rating agencies, yet we found it easy to upsize our credit line from $75 million to $100 million as part of financing an acquisition. There was another bank financing the entity we were purchasing that also wanted to join the banking syndicate. We didn’t shop for terms, but we did pick who we wanted in the syndicate, and we’re not at the size where we can do too much more than pick participants. We were able to get a slight improvement in some financing terms and in the pricing. Along with the acquisition, we did an equity raise, our first in about five years. We found both the equity and banking markets to be very friendly and have the impression the commercial banks are all struggling to find enough business to fill up their books currently. That varies depending on your credit quality, and our credit quality has improved a lot.

Ryan Michalchuk – CFO, CWC Energy Services Corp.

We’re a little bit different. Being a biotech company in Canada, we have relied heavily on equity markets. Saying that, there has been a move towards debt, specifically unsecured debt by U.S. investors as we have moved through the clinical trial process. Last couple of years it would be very easy for us to enter into a sizable debt facility. I found that interesting, given in Canada that concept would be a non-starter. So we’ve seen that improvement. From the equity side, over the last few years, we have seen the generalist investors come in to our industry. So, if your story is compelling, then they’re happy to invest. The strict biotech investors haven’t changed much. They’re sophisticated with their own expertise. They do a lot of diligence on the science and the project before they make an investment decision. So our access to capital has changed over the last five years to include the generalist equity investor and U.S. debt investors.

Kirk Look – CFO, Oncolytics Biotech Inc.
Nearly 40% of respondents say their companies could raise equity capital at a reasonable price and in a reasonable time period, to execute their plans, while almost 20% said they could not, while the remainder did not know. Respondents at large public companies were far more likely to express confidence about their abilities to raise equity capital at a reasonable price. Not surprisingly, private companies surveyed were either more likely to be negative about their prospects, or simply say they don’t know (see Table H).

### Table H: Likelihood companies could raise equity capital at a reasonable price and in a reasonable time period, to execute their plans:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>68%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Large private</td>
<td>22%</td>
<td>22%</td>
<td>56%</td>
</tr>
<tr>
<td>Small public</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Small private</td>
<td>33%</td>
<td>15%</td>
<td>52%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>37%</td>
<td>18%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Over two thirds of large public companies feel they can raise equity capital at a reasonable price and in a reasonable time period.

The majority of large private companies did not know if they can raise equity capital at a reasonable price and in a reasonable time period.
BUSINESS CHALLENGES DURING THE LAST 12 MONTHS

GENERAL BUSINESS CHALLENGES

The top-cited challenges were:

- Rising costs of raw materials (43% of respondents),
- Customers delaying invoice payments (33%), and
- Pressure from customers to extend credit and payment terms (28%)

““In our business, material is a significant cost. It’s more than 50% of our cost. Our value-add is what is done after you get the material. We have long-term agreements with our key customers where there is a price adjustment for material cost changes and also foreign exchange differences.”

John Forester – CFO, DBG Canada Ltd.

““For those companies that are being asked to accept longer payment terms from your customers, how many of you are able to pass along the higher cost of financing associated with the longer payment terms in the price of your product to your customer? Alternatively, if your vendor is shortening your credit terms, are you able to pass along the incremental financing cost?”

Trevor Jones – Assistant Treasurer, Agrium Inc.

““A customer wanted a price reduction and extension from 45 to 120 days. We worked closely with our client building various scenarios and were able to keep them at 45 days. We took a little bit of a hit on our rate, but we ended up in a good place with our customer. We were able to come up with a solution that worked for both of us; and that is essential!”

Marietjtie Bower – VP & CFO, Commerx Corporation.

““When we offer early payment discounts, customers would take the discount and still pay us in 120 days. Our customers told us they would have multiple level of approvals and systems and that was the reason for the delay. They would say: ‘If you’re not happy, we’ll RFP the business and give it to someone else. Your margins are big enough.’ So we tried charging interest. That didn’t go over well. They were never paid and create more work for our finance department to issue the invoices, then credit them. In fact, it annoyed the customer to the point where they felt we didn’t value their business. We’re paying our employees more, and getting price compression, so our margins are getting squeezed.”

Derek Petridis – CFO & Principal, Shikatani Lacroix Design
CHART 10: What challenges has your business faced over the last 12 months?

Small public companies’ top challenge:
Longer lead times for raw materials and inputs (50%) and customer delaying invoice payments (50%)

“... For us, it’s fuel costs. It’s the cost of gasoline and diesel, and I suspect a lot of businesses are dealing with increased costs for transportation both internally and externally for the provision of their goods and services... We don’t have provisions in our contracts to be able to pass increases in those costs through directly to customers as they occur. We have to wait until our annual contract renewals and try to step up our prices to recover the higher costs if that is possible in the market.”

Ryan Michalchuk – CFO, CWC Energy Services Corp.
**BUSINESS IMPROVEMENT**

**AREAS OF FOCUS OVER NEXT 12 MONTHS**

The results tended to cluster around three broad groups:

**Group 1:** Overall cash flow/liquidity (61%) and operational efficiencies/cost reduction (59%)

**Group 2:** Acquisitions or integration of M&A (45%), and capital structure and effectiveness (44%)

**Group 3:** Joint ventures and alliances (28%) and customer segmentation and profitability (28%)

**CHART 11:** Which of the following aspects of your business do you expect will receive increased attention over the next 12 months
Note that while all large organizations are focused on operational efficiencies and cost reductions as their top priority, large public companies surveyed were more likely to be focused on M&A (70%) and capital structure (65%) as their secondary and tertiary priorities than large private companies. Large private companies surveyed are, in comparison, more likely to be focused on overall cash flow/liquidity (68%) than large public companies (52%).

Large organizations surveyed are far most focused on cost reductions and M&A than smaller organizations. Small public and private companies’ top priority is cash flow and liquidity.

**SHOWING SIGNS OF STRESS OR DISTRESS**

Half of respondents say parts of their organizations display signs of stress or distress. The dominant causes are:

- Underperformance on revenue growth targets (68%)
- Liquidity pressures (45%)
- Profit warnings (30%) and covenant breaches (17%)

Private companies surveyed are more likely than public companies to say parts of their organizations show distress. The greatest gap is between large public (39% say parts of their organization displayed signs of stress or distress) and large private companies (60% say this).

While most companies surveyed were impacted by the decline in the value of the Canadian dollar, small public companies were most impacted. However, more small public companies were positively impacted than negative. In general, public companies were more likely to be positively impacted and private companies surveyed were more likely to be negatively impacted.

**CANADIAN DOLLAR**

Fifty-seven percent of respondents say their companies have been impacted by the decline in the Canadian dollar, but its impact was evenly split with half stating they had been positively impacted and half stating the impact was negative. Forty-three percent say they had not been impacted by the dollar’s decline.

George Chiarucci – CFO, Prism Medical Ltd.

“A lot of it has to do with the geopolitical risk that we have across the world, and if there’s any one thing that’s going to change our forecast, it’s going to be that, both in terms of material pricing and also credit availability.”

Large public company

“We are an exporter and exchange rates are more favourable.”
BUSINESS IMPROVEMENT: FOCUS IN THE PAST TWO YEARS AND IN THE NEXT TWO YEARS

Process efficiency was cited most often.

CHART 12: Business improvement

Four areas cited consistently:
- Process efficiency
- Cost reduction
- Technology enhancement
- Improved reporting and visibility to performance
We have more than 350 companies in our portfolio. We noticed sometimes companies continue to operate with plants that are simply not profitable. Always remember to perform cost accounting analysis. Make sure plants and product lines are profitable. Sometimes it’s better to cut your sales if they’re with a non-profitable client. Just cut the business and let go, so it can improve working capital and gross margins.

Catherine Lenfant – VP, Strategies, Regulation & Shareholders, Desjardins Venture Capital Inc.

We operate internationally with very few set contracts and no long lead times required to deliver product. We are also operating in an industry where growing demand and limits on supply have given us strong pricing power. We value customer relationships, but if a buyer wants their interaction with us to be only about price, we have the ability to easily move product into another market to customers that see the value in our products.

Tyrone Cotie – Treasurer, Clearwater Seafoods Inc.
CHANGES TO OPERATING MODEL

Almost 40% state there was no change to their operation model. Where there was change, change in leadership was the most cited (28%).

Public companies surveyed cite the most and widest variety of changes to their operating model brought upon the organization in the past three years. Public companies surveyed were also most likely to have experienced a change in leadership (38% small public and 30% large public). Large public companies were also most likely to have experienced changes such as in acquisition or business unit structure.
STRATEGIC OPTIONS AND ALLOCATION OF CAPITAL

METHODS OF DETERMINING HOW TO ALLOCATE CAPITAL

The most popular method of determining how to prioritize strategic options in the allocation of capital is the Internal Rate of Return (IRR) method, with the Payback period being most popular with small private companies. Both the Net Present Value (NPV) and IRR methods are popular with large private companies (32% each). Other methods include Economic Value Added or EVA (9%) (see Table J).

Table J: Methods used to prioritize strategic options to allocate capital

<table>
<thead>
<tr>
<th></th>
<th>IRR</th>
<th>EVA</th>
<th>Payback period</th>
<th>NPV</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>52%</td>
<td>22%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Large private</td>
<td>32%</td>
<td>4%</td>
<td>12%</td>
<td>32%</td>
<td>20%</td>
</tr>
<tr>
<td>Small public</td>
<td>38%</td>
<td>38%</td>
<td>24%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Small private</td>
<td>35%</td>
<td>5%</td>
<td>47%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>38%</td>
<td>9%</td>
<td>25%</td>
<td>20%</td>
<td>8%</td>
</tr>
</tbody>
</table>

“If equity holders are just passive and looking for a pure rate of return, it’s not a strategic relationship. You want equity partners to be strategic relationships where they have an investment in your business and not just other people’s rate of return.”

John Forester – CFO, DBG Canada Ltd.

“It’s not the difficulty of raising capital, but deployment at acceptable risk levels. I’m curious to hear from others as to whether there has been a tendency to reduce hurdle rates on investments as a result of looser credit and capital availability. Because we are looking at acquisitions and having a difficult time finding reasonable acquisition levels at risk levels we find acceptable.”

George Chiarucci – CFO, Prism Medical Ltd.
Case study – Determining the ideal capital structure at Clearwater Seafoods

“Understanding your cost of capital is important. It is required for any type of investment analysis, such as Internal Rate of Return (IRR).

We did a cost of capital study recently to update our estimates on our cost of capital and there is a lot of judgment involved, from what to use for your cost of debt, the estimated cost of your equity and target split of debt and equity and the timeframe to consider. With timeframe, if you’re looking at your cost of capital to make investment decisions, you don’t want to use today’s cost of debt but rather a mid to longer term estimate.

It’s the same with equity. We’re in a fairly hot equity market with high share multiples and lower equity costs. You want to take a longer-term view of what you believe your cost of equity is. Of course, taking this longer view drives up your estimated cost of capital, and sets your hurdle rate higher which can make it challenging. However, if you are too aggressive with your estimates on cost of capital, the risk is that you pay too much, and in a few years’ time, it may not pan out so well. At the same time, it’s also important that you take a balanced view and not be overly conservative with your costs or you will never make an investment!

Of course, just as important as the financial aspects is giving consideration as to where potential investments fit in with the strategic plans for the business to grow; for instance, our access to fishing quotas.

We use IRR. When reviewing all material investments, we also always calculate payback but IRR is the main measure we use as it takes into account the time value of money and our cost of capital.

Tyrone Cotie – Treasurer, Clearwater Seafoods Inc.
PEER ANALYSIS

About four in 10 respondents say they conducted a peer analysis as part of target setting for annual operating plans. Public companies surveyed were most likely to do so, perhaps due to their governance structure: primarily large public companies (70%), followed by small public (63%). Private companies surveyed were far less likely to conduct a peer analysis: 36% of large private companies did this and 33% of small private companies, perhaps due to limited resources.

CAPITAL STRUCTURE PLANNING

Seven in 10 respondents have prepared a multi-year financial plan in order to determine the organization’s appropriate capital structure. Public companies surveyed (91%) are more likely than private companies (55%) to prepare multi-year financial plans in order to determine their most appropriate capital structure. The size of the organization did not have a significant impact on the results (72% large vs. 69% small).

Fifty-seven percent of all respondents say their organization has reviewed its current and optimal capital and cost of structure within the last year, 13% within the last one to two years and 5% within the past three to four years. One quarter have either never reviewed their organization’s current and optimal capital structure and cost of capital (21%) or not done so within the last five years (4%) (see Table K).

Table K: Companies which have reviewed their current and optimal capital structure and cost of capital

<table>
<thead>
<tr>
<th></th>
<th>Yes, within past year</th>
<th>1-2 years</th>
<th>3-4 years</th>
<th>5+ years</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public</td>
<td>78%</td>
<td>10%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Large private</td>
<td>64%</td>
<td>4%</td>
<td>12%</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>Small public</td>
<td>88%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Small private</td>
<td>33%</td>
<td>23%</td>
<td>3%</td>
<td>5%</td>
<td>36%</td>
</tr>
<tr>
<td>Public Co</td>
<td>81%</td>
<td>10%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Private Co</td>
<td>45%</td>
<td>15%</td>
<td>6%</td>
<td>3%</td>
<td>31%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>57%</td>
<td>13%</td>
<td>5%</td>
<td>4%</td>
<td>21%</td>
</tr>
</tbody>
</table>
ENTERPRISE RISK MANAGEMENT

Seventy-eight per cent said they did not have an enterprise risk management (ERM) program that their organizations take into account when reviewing capital structure.

Of those that did have an ERM program (22%), 83% say it’s reflected in other policies such as liquidity policy, dividend policy, hedging programs and leverage policies. Large public companies were most likely to have an ERM program which was taken into account when reviewing capital structure. Most of those that do have ERM said it is reflected in other policies such as liquidity policy, dividend policy, hedging programs and leverage policies.
ROLE OF FINANCE IN DECISION MAKING FOR STRATEGIC INITIATIVES

ROLE OF THE CFO

As outlined in the previous CFERF studies, *The evolving role of the CFO*, and *Branding the CFO*², the majority of respondents (55%) say the CFO plays a strategic role and is involved in the earliest stage of planning strategic initiatives. Half say there is sufficient data for decision making, while 29% said CFOs are inundated with excessive amounts of data to analyze.

Working at a smaller company enhances the role of the CFO, especially at small public companies, which were most likely to say the CFO was involved strategically (75%), and at small private companies (60%). CFOs were less likely to be viewed as strategic partners at large private companies (44%) and at large public companies (52%). It’s possible the governance and regulatory demands placed on small companies enhance the CFO’s role at the early stage, and the size of small companies means executive roles in general are broader.

MEASURING RESULTS

Sixty percent of all respondents say they measure results from growth strategy initiatives by the annual operating budget performance, while only 30% said they track individual strategic initiatives. Surprisingly, only 7% do capital project reviews (post-mortems) while 3% use other methods.

² Source: http://www.feicanada.org/page/research/cferf-research-reports
CONCLUSION

Established companies seeking further growth should be able to obtain the financing to make it happen, provided they can present a healthy financial picture to prospective lenders.

With the exception of smaller companies with cash flow problems or without an established credit record, credit appears to be mostly available to companies surveyed in Canada. As long as an organization has a strong balance sheet and income statement, they can obtain credit without much difficulty.

Even companies experiencing some difficulty expressed optimism about their future prospects of obtaining financing, and expected conditions to improve by the spring of 2015. Organizations can improve their chances of obtaining credit by offering evidence of profitability, and ensuring they are managing their working capital effectively. For instance, an organization can ensure they are not hurting their cash flow by stockpiling inventory, paying suppliers too soon, and letting accounts receivables lag.

Some factors to consider when negotiating financing:

• Rates (and the likelihood rates will rise in future)
• Length of term
• Flexibility on repayment (e.g. revolving lines of credit, accordion features, swing line, which allows organizations to use excess cash to pay debt)
• For large companies, better terms and conditions may be obtained through syndicated loans
While many companies turn to the equity markets to raise capital, small companies should consider whether the benefits of raising money this way are outweighed by the heavy regulatory and compliance burdens which accompany public company status. For instance, the extensive reporting requirements of International Financial Reporting Standards (IFRS) and securities regulators should be taken into consideration. Struggling public companies may even choose to reconsider their corporate structure (i.e. go private).

Some smaller organizations have found assistance through private equity, venture capital investment, seed funding and angel investors. Government assistance includes the Business Development Bank of Canada (bdc.ca) or the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) or other regional development agencies. More information can be found in the 2014 CFERF study: Funding innovation in Canada³.

“ It’s important to understand what an appropriate leverage range is for your company. It’s particularly important to have a philosophy around leverage when expanding your business and funding growth projects as it helps to provide some discipline and drive discussions about risk appetite when considering the amount of debt versus equity financing to use.”

Tyrone Cotie – Treasurer, Clearwater Seafoods Inc.

³Source: http://www.feicanada.org/page/research/cferf-research-reports
POSITION TITLE

- CFO: 42%
- VP Finance: 8%
- Director of Finance: 26%
- Treasurer: 6%
- Founder, Owner, President or Principal: 17%
- Controller: 1%
- CEO: 0%
- Other: 1%

ANNUAL REVENUE

- Less than $50M: 42%
- $50M to $99.9M: 26%
- $100M to $499.9M: 17%
- $500M to $999.9M: 8%
- $1B or above: 6%
- Not stated: 1%
APPENDIX A – DEMOGRAPHICS

PRIMARY BUSINESS

Professional, scientific and technical services
Manufacturing
Mining, quarrying, and oil and gas extraction
Utilities
Finance and insurance
Wholesale trade
Real estate and rental and leasing
Transportation and warehousing
Health care and social assistance
Construction
Retail trade
Agriculture, forestry, fishing and hunting
Accommodation and food services
Management of companies and enterprises
Arts, entertainment and recreation
Educational services
Other
CREDIT AVAILABILITY IN CANADA 2014: TARGETING AN IDEAL CAPITAL STRUCTURE

APPENDIX B: FORUM PARTICIPANTS

Forum Chair: Michael Conway – President & CEO, FEI Canada

Moderators: Christian Bellavance – VP, Research & Communications, FEI Canada
Brian Allard – Partner, EY (Toronto)

Toronto: Bruce Bailey – VP, Finance, Alcohol Countermeasures Corp.
George Chiarucci – CFO, Prism Medical Ltd.
John Forester – CFO, DBG Canada Ltd.
Oliver Hüls – VP & Controller, Ameresco Canada Inc.
Nancy Lala – CFO, About Communications & angel investor, Maple Leaf Angels
Elena Lokchina – Controller, Architects Alliance
Amit Loomba – Director & Team Leader, Commercial Banking, CIBC
Steve Massel – CFO, Hotspx
Derek Petridis – CFO & Principal, Shikatani Lacroix Design

Montreal: Louis-Philippe Berti, Partner, EY
Bruno Desrosiers – VP Finance & CFO, Positron Inc.
Catherine Lenfant – VP, Strategies, Regulation & Shareholders, Desjardins Venture Capital Inc.
Richard Morrison – Financement et Investissement, IRR Conseil
Markus Weiss – Director, Shared Services North America and Financial Controller, Rheinmetall Group
Pierre Van Gheluwe – Treasurer, Yellow Pages Group

Calgary: Marietjie Bower – VP & CFO, Commerx Corp.
Trevor Jones – Assistant Treasurer, Agrium Inc.
Kirk Look – CFO, Oncolytics Biotech Inc.
Brock McMillan – Partner, EY
Ryan Michalchuk – CFO, CWC Energy Services Corp.
APPENDIX B: FORUM PARTICIPANTS

Phone Participants: Tyrone Cotie – Treasurer, Clearwater Seafoods Inc.

Observers: Laura Bobak – Research and Communications Manager, FEI Canada
Andrea Cooney – Events Manager, FEI Canada
Emily Eckroth – Brand, Marketing and Communications Specialist, EY
Laura Pacheco – VP Research (designate), FEI Canada
CREDIT AVAILABILITY IN CANADA 2014: TARGETING AN IDEAL CAPITAL STRUCTURE

THE CANADIAN FINANCIAL EXECUTIVES RESEARCH FOUNDATION (CFERF) is the non-profit research institute of FEI Canada. The foundation’s mandate is to advance the profession and practices of financial management through research. CFERF undertakes objective research projects relevant to the needs of FEI Canada’s 1,600 members in working toward the advancement of corporate efficiency in Canada. Further information can be found at www.feicanada.org.

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Husky Energy Inc.

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Brookfield Partners Foundation
CGI Group Inc.
Imperial Oil Limited

BRONZE ($1,000-5,000):
AltaGas Ltd.
Canadian Western Bank Group
Intact Financial Corporation
OpenText Corporation
PotashCorp
Shikatani Lacroix Design

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