



## How will IFRS 16 affect your key figures?

### Focusing on working capital management can improve balance sheet performance

Did you know that effective from 2019, the IFRS 16 accounting rules change the way we report accounting of leasing of assets and related costs?

The new accounting standard will affect balance sheets as leasing will be recognised as a right-to-use asset with a lease liability. While some parts of the P&L will look better, more assets and liabilities on the balance sheet will affect key figures such as

- equity ratio
- solvency
- debt ratios
- interest coverage
- return on capital employed

How will your stakeholders interpret changes in your key figures and how will they affect your rating, cost of capital and counterparty risk?

**At Nordea our team of dedicated working capital specialists support clients with a broad range of working capital challenges.**

Focusing on your working capital management can help you regain the strength of your balance sheet, and improve key figures affected by the new accounting rules.

We would be pleased to have a discussion with you regarding trade and working capital management.

Please do not hesitate to reach out to us regarding any of the above-mentioned topics.

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