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**The COVID-19 Impact
to the World, U.S. & P.R.**

**By Francisco Rodríguez-Castro,
President & CEO**

May 5, 2020





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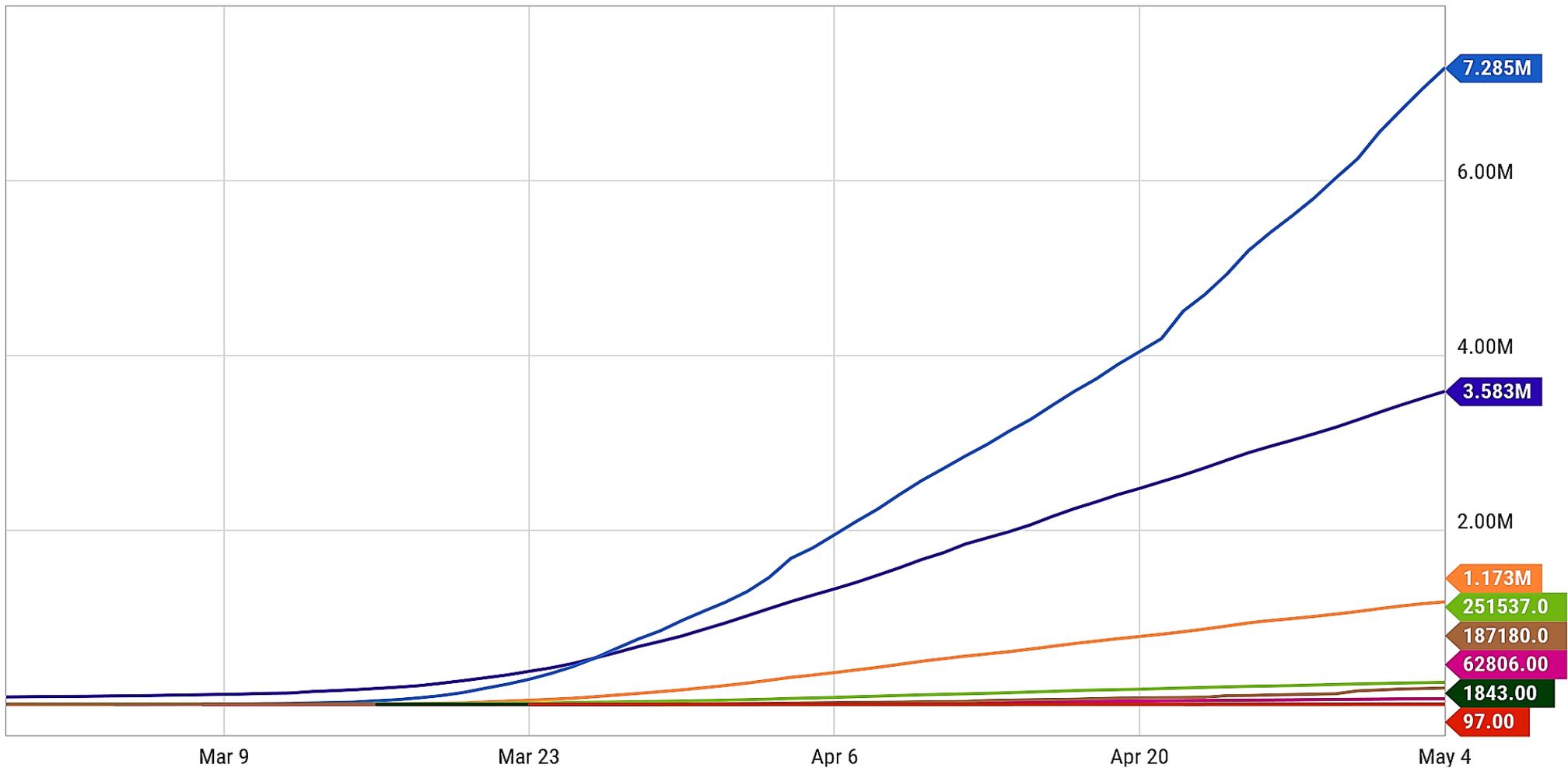
COVID-19 Impact



COVID-19 Cases, Tests & Deaths, World, U.S. & P.R.

Source: Johns Hopkins Center for Systems Science and Engineering

- World Coronavirus Cases
- US Coronavirus Cases
- US Coronavirus Tests Administered
- World Coronavirus Deaths
- US Coronavirus Deaths
- US Coronavirus Recoveries
- Puerto Rico Coronavirus Cases
- Puerto Rico Coronavirus Deaths



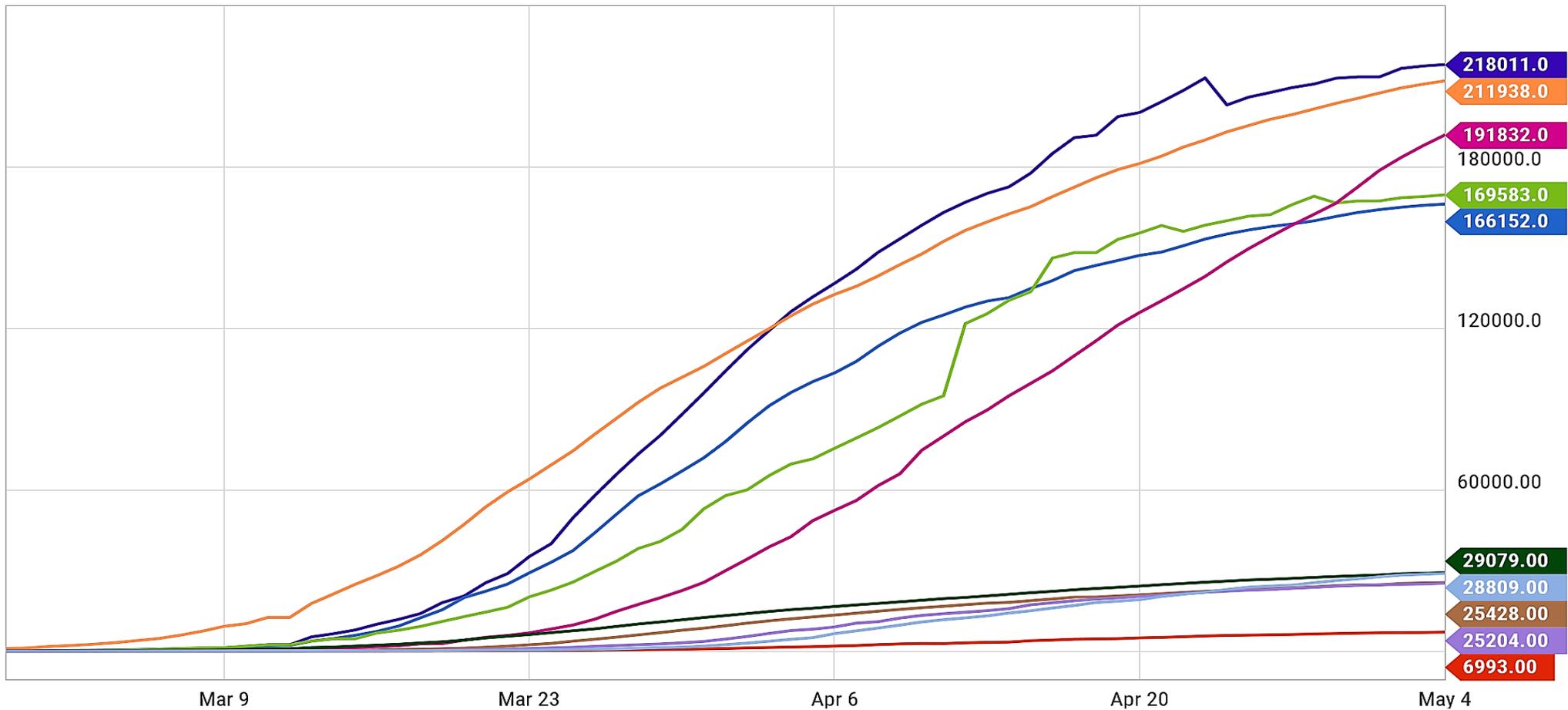
COVID-19 Cases, & Deaths Eurozone G20

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Source: Johns Hopkins Center for Systems Science and Engineering

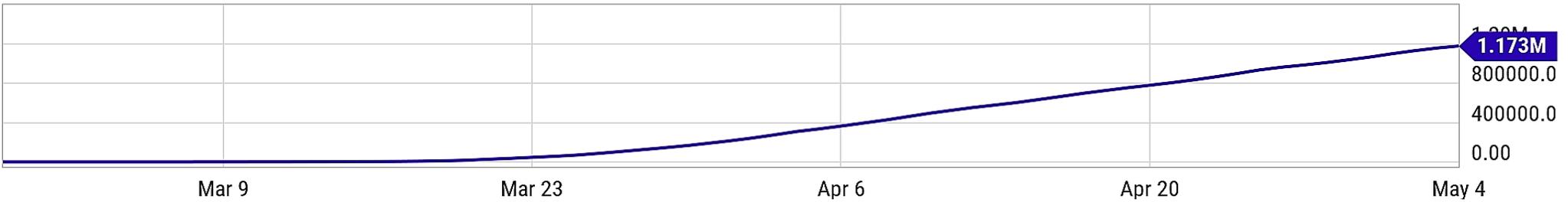
- Spain Coronavirus Cases
- Italy Coronavirus Cases
- Germany Coronavirus Cases
- France Coronavirus Cases
- UK Coronavirus Cases
- Spain Coronavirus Deaths
- Italy Coronavirus Deaths
- Germany Coronavirus Deaths
- France Coronavirus Deaths
- UK Coronavirus Deaths



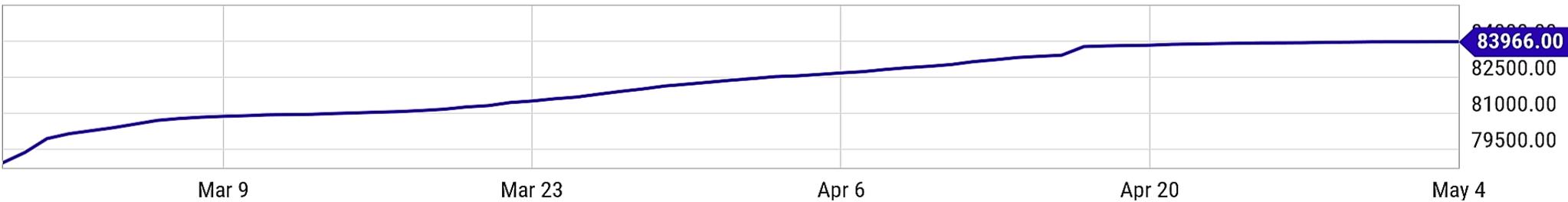
COVID-19 Cases, & Deaths, for U.S. & China

Source: Johns Hopkins Center for Systems Science and Engineering

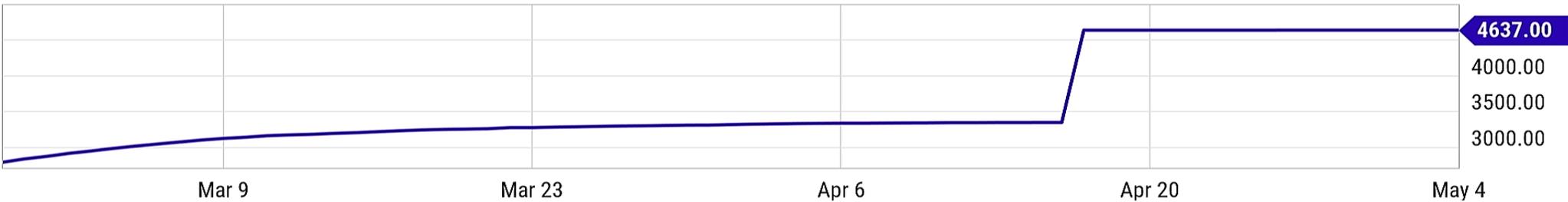
● US Coronavirus Cases



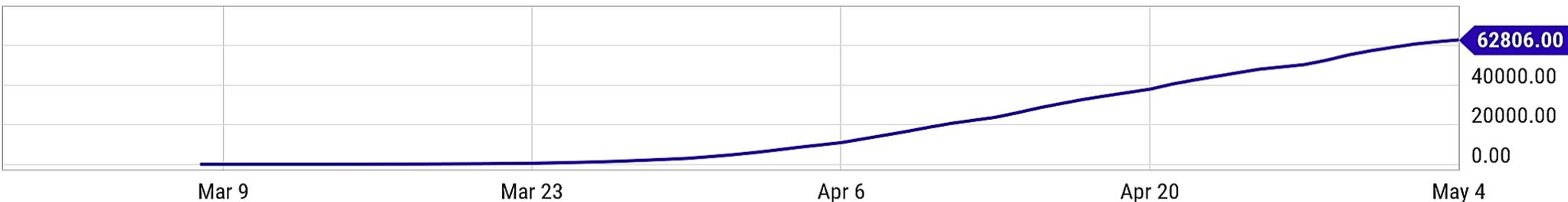
● China Coronavirus Cases



● China Coronavirus Deaths



● US Coronavirus Deaths

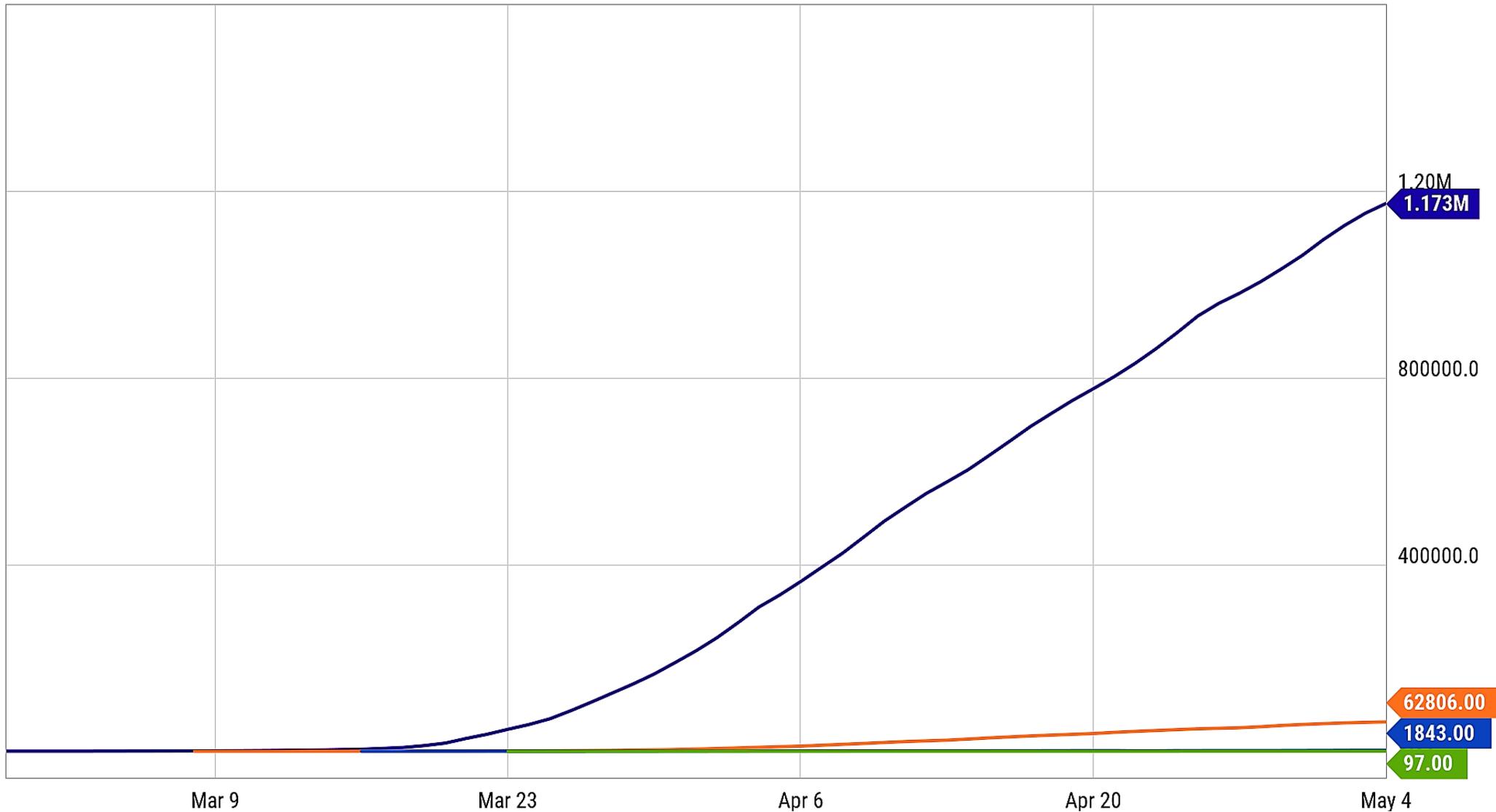


COVID-19 Cases, & Deaths, for U.S. & P.R.



Source: Johns Hopkins Center for Systems Science and Engineering

- US Coronavirus Cases
- US Coronavirus Deaths
- Puerto Rico Coronavirus Cases
- Puerto Rico Coronavirus Deaths



COVID-19 Cases, Tests & Deaths, for Puerto Rico



Source: Johns Hopkins Center for Systems Science and Engineering

● Puerto Rico Coronavirus Cases



● Puerto Rico Coronavirus Tests Administered



● Puerto Rico Coronavirus Deaths





GDP Outlook World, U.S. & Puerto Rico



GDP Outlook G20 Economies & P.R.



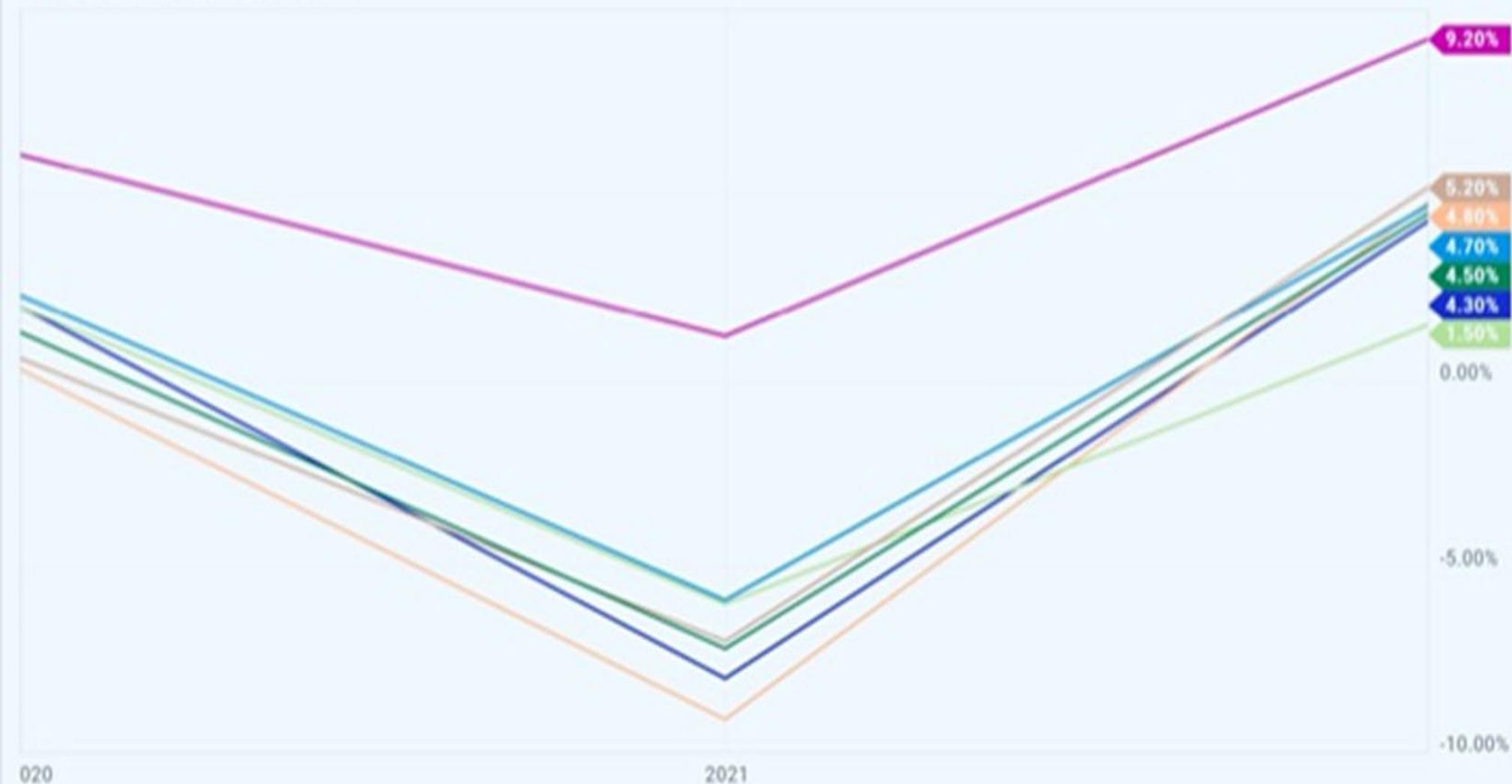
The Worlds Economies Contract to recessionary levels:

We have analyzed the International Monetary Fund World Economic Report, and their outlook is quite harmful to the remainder of 2020 with a more rosy outlook for 2021. International Monetary Fund World Economic Report Real GDP Growth Outlook show a grim reality for the world:

- Spain is forecasted to contract in 2020 by - 8.00% and for 2021 a growth of 4.30%
- Italy is forecasted to contract in 2020 by -9.10% and for 2021 a growth of 4.80%
- U.S. is forecasted to contract in 2020 by -5.90% and for 2021 a growth of 4.70%
- Puerto Rico is forecasted to contract in 2020 by -6.00% and for 2021 a growth of 1.50%
- China is forecasted to grow in 2020 by 1.20% and for 2021 a growth of 9.20%
- Germany is forecasted to contract in 2020 by -7.00% and for 2021 a growth of 5.20%
- France is forecasted to contract in 2020 by -7.20% and for 2021 a growth of 4.50%.

The Real GDP Growth Outlook fro 2020 & 2021 for China, Europe, U.S. & P.R. as of 4/30/20

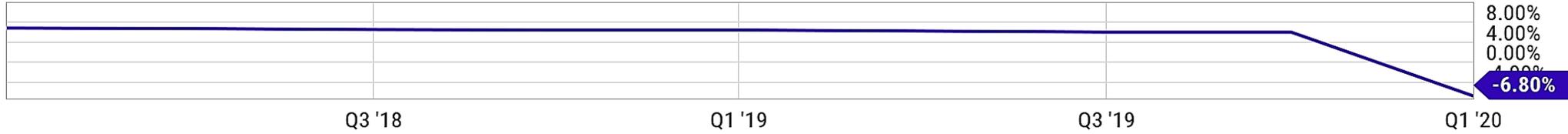
- Spain Real GDP Growth Outlook
- Italy Real GDP Growth Outlook
- US Real GDP Growth Outlook
- Puerto Rico Real GDP Growth Outlook
- China Real GDP Growth Outlook
- Germany Real GDP Growth Outlook
- France Real GDP Growth Outlook



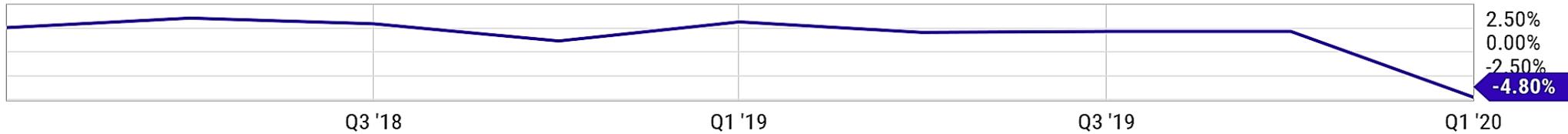
World Outlook 2020

Source: International Monetary Fund

● China Real GDP Growth



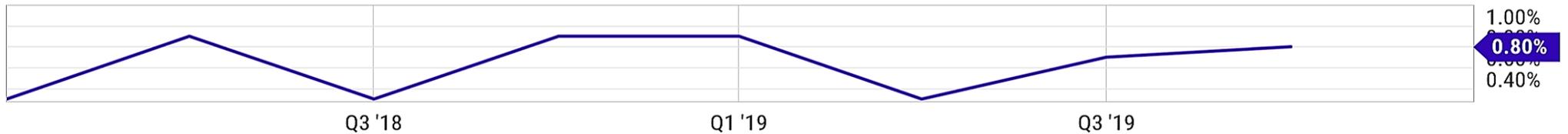
● US Real GDP Growth



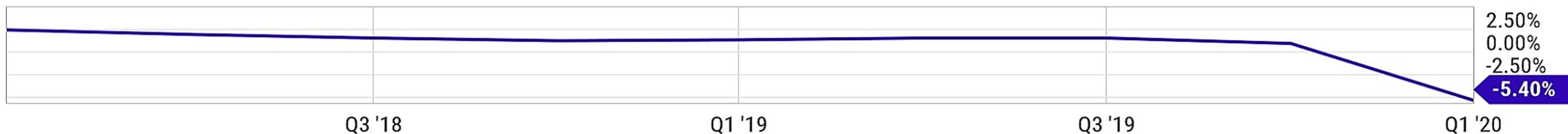
● Italy Real GDP Growth



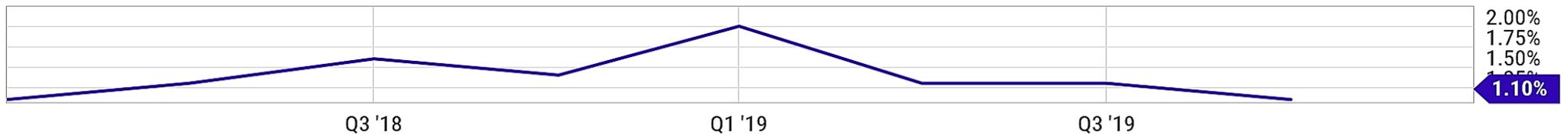
● Germany GDP Growth



● France Real GDP Growth



● United Kingdom Real GDP Growth



Puerto Rico Outlook

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The Puerto Rico that we once knew, is gone forever:

At Birling Capital we had forecasted for that for 2020 the Puerto Rico Economy would grow at a rate 1.9%, after having reached 1.7% in 2019 and with so much new federal funding being deployed it presented a positive prospect for the Island. The current outlook is -6%GDP and north of 35% unemployment. However having the economy perform a hard stop for 45 days and counting has destroyed the prospects of the island and it threatens to further harm more than 50,000 business, in all sectors of the economy.

The impact of Government lock-down that began on March 15 has been severe to the daily lives of all families that are unable to earn a living either because they work in an essential services operation or they are working remotely. For the private sector workers show that more than 300,000 employees have filed for unemployment benefits,

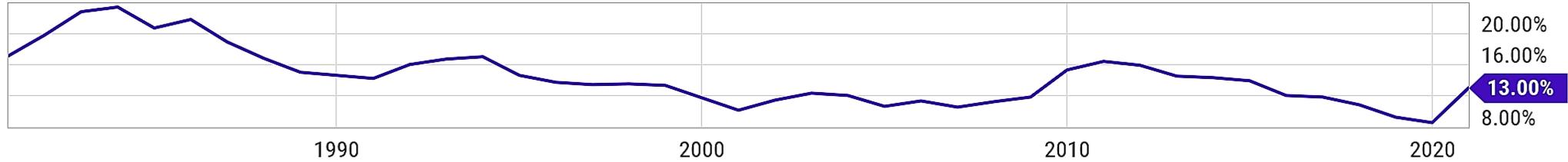
Puerto Rico Outlook 2020-2021

Source: International Monetary Fund

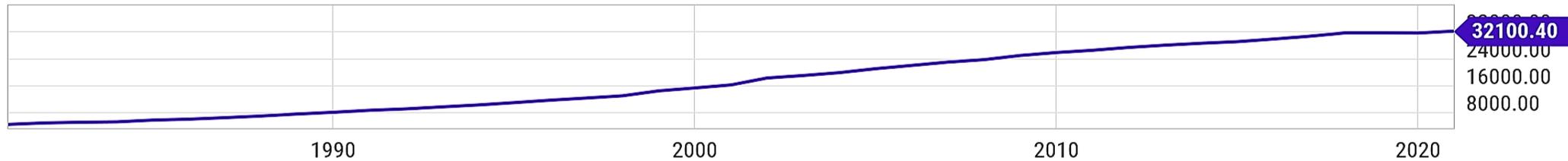
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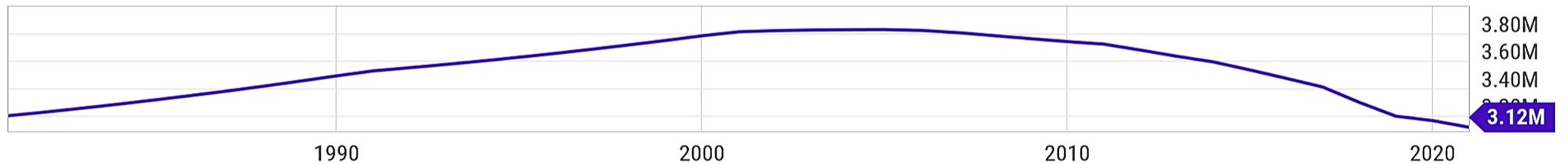
● Puerto Rico Unemployment Rate Outlook



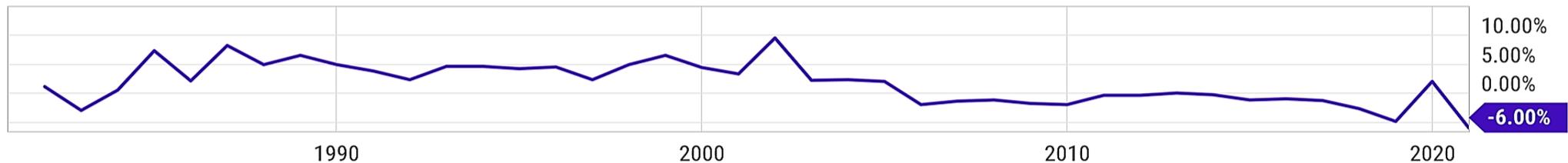
● Puerto Rico GDP Per Capita Outlook



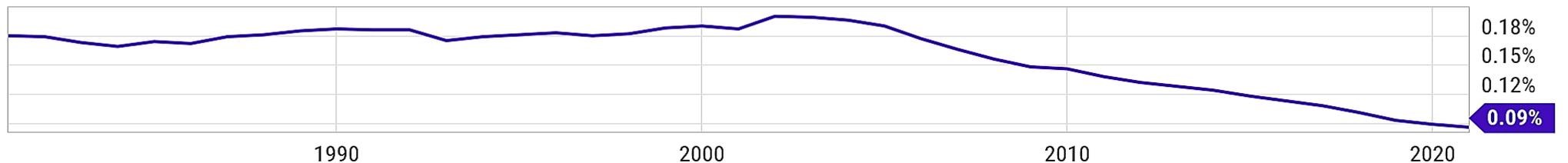
● Puerto Rico Population Outlook



● Puerto Rico Real GDP Growth Outlook



● Puerto Rico GDP Based on PPP Outlook





Leading Indicators

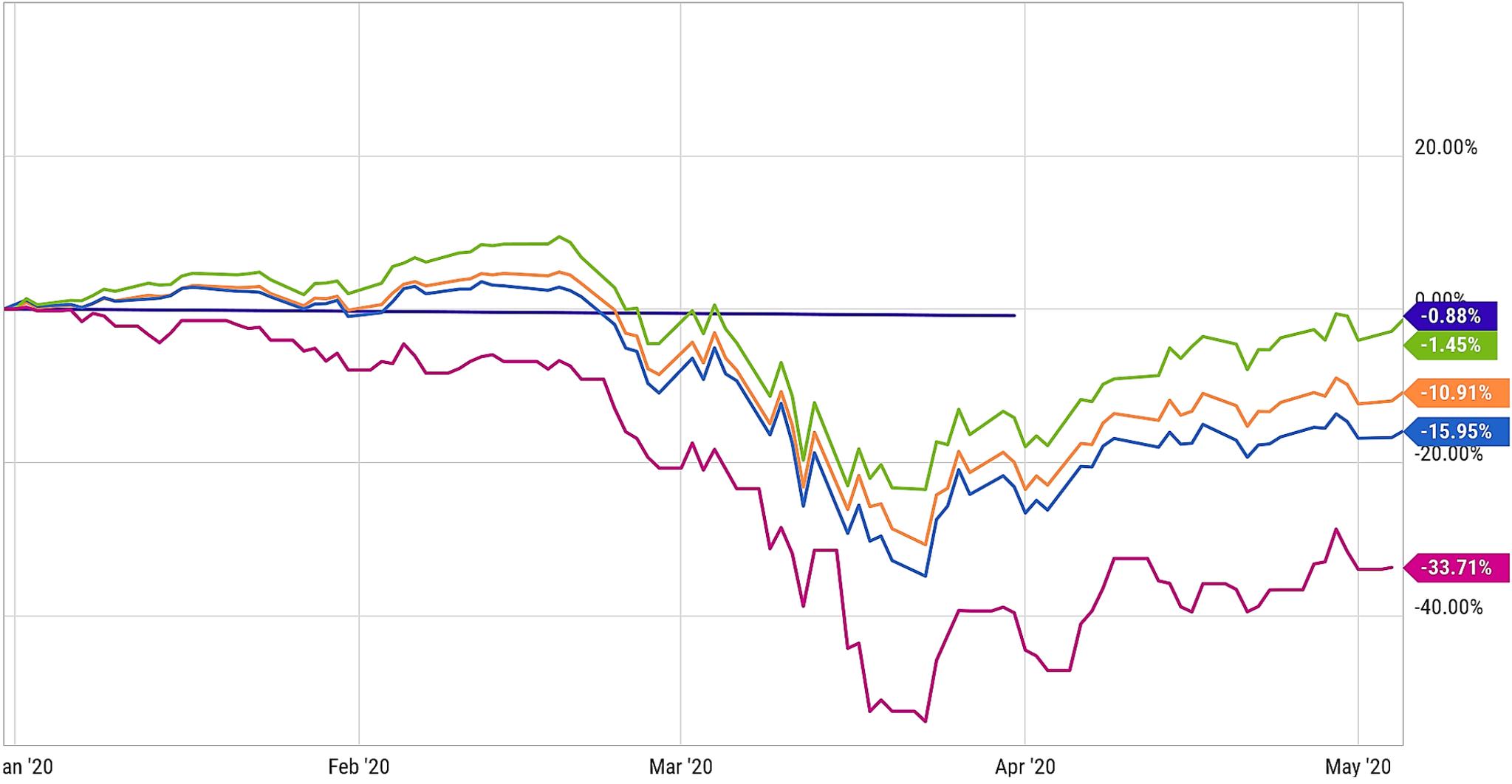


U.S. GDP, S&P, Dow Jones, Nasdaq, Birling P.R. Stock Index

Source: NYSE



- US GDP % Change
- S&P 500 Level % Change
- Dow Jones Industrial Average Level % Change
- NASDAQ Composite Level % Change
- Birling Capital Puerto Rico Stock Index Level % Change



U.S. Initial Jobless Claims

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U.S. Initial Jobless Claims reach 30 million:

As the Coronavirus Pandemic forced thousands of businesses all across the U.S. to close, the job losses mounted weekly, and by April 11 or in only five weeks for the U.S. economy to erase 100% of all the job gains, it added over the last 11 years. While it seems quite unreal to absorb when we review the weekly numbers, we can see the tidal wave of initial unemployment claims.

Let's see the timeline of how the job losses accumulated:

- March 21 3.307M**
- March 28 6.867M**
- April 4 6.615M**
- April 11 5.237M**
- April 18 4.442M**
- April 25 3.839M**
- Total 30,307M**

The job loss figure represents 18.3% of the total U.S. labor force difficult numbers to absorb.

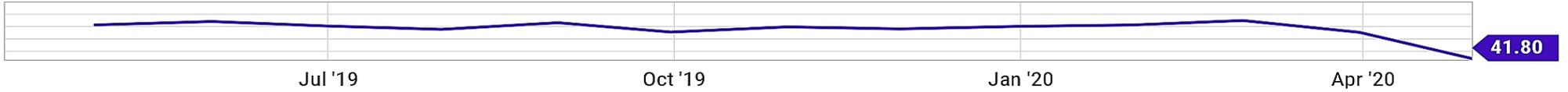
U.S. Leading Indicators

Source: International Monetary Fund

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● US ISM Non-Manufacturing PMI



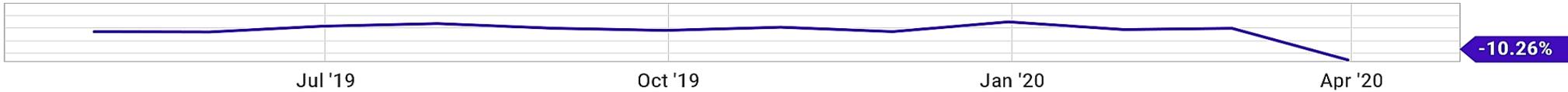
● US Initial Jobless Claims



● US Trade Deficit



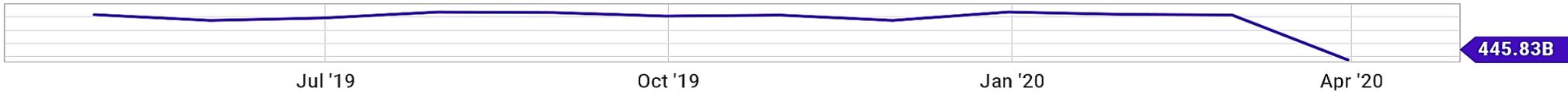
● US Manufacturing New Orders MoM



● US Manufacturing Shipments



● US Manufacturing New Orders



● US Total Nonfarm Payrolls



● US Real GDP Growth





Birling Puerto Rico Stock Index, U.S. Bank Index & Top Sectors



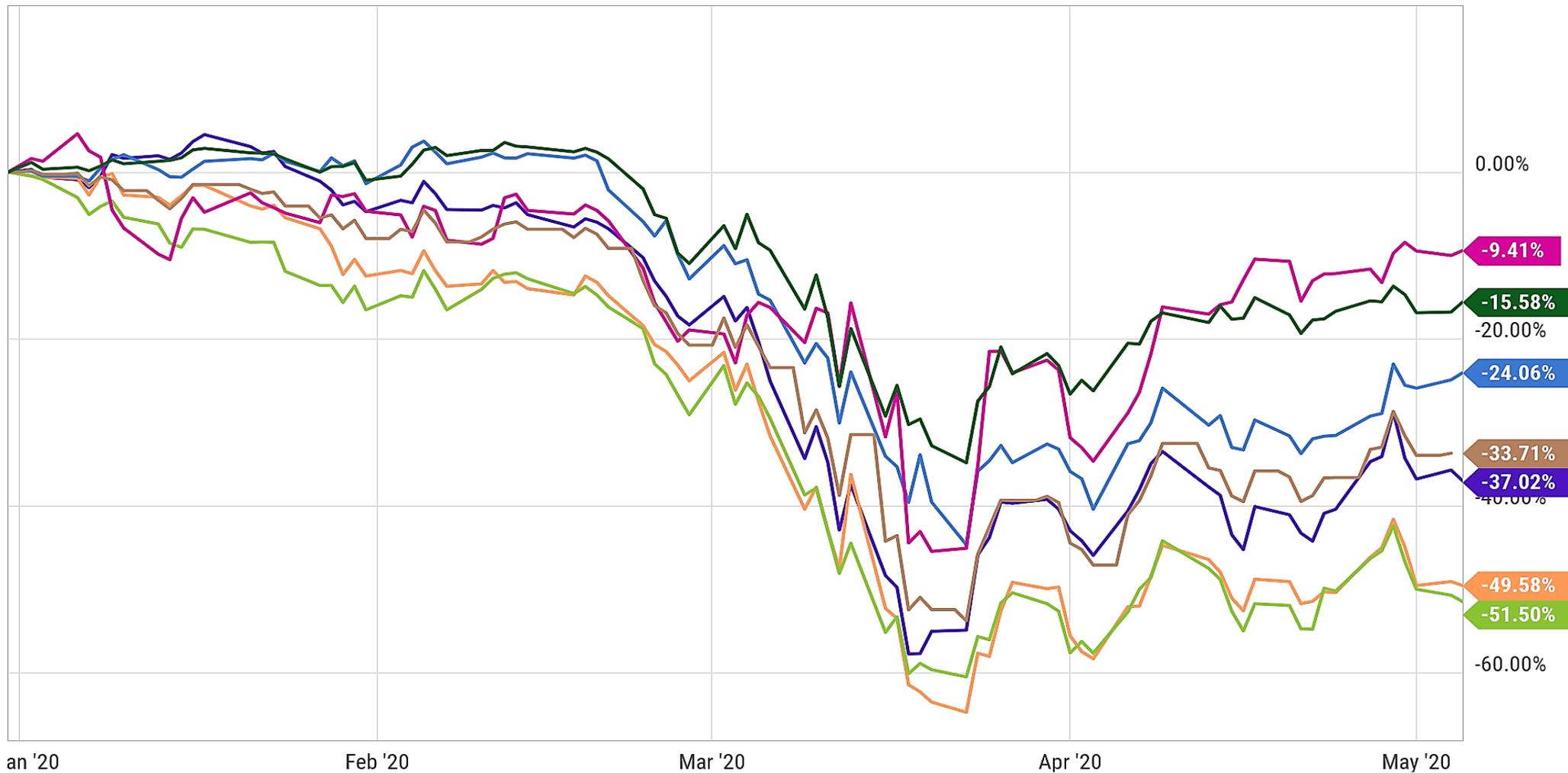
Birling Puerto Rico Stock Index YTD

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- Popular Inc Price % Change
- First BanCorp Price % Change
- Evertec Inc Price % Change
- OFG Bancorp Price % Change
- Triple-S Management Corp Price % Change
- Birling Capital Puerto Rico Stock Index Level % Change
- Dow Jones Industrial Average Level % Change

Source: NYSE, Birling Capital



U.S. Bank Index

Source: NYSE, Birling Capital

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- Birling Capital U.S. Bank Index Level % Change
- JPMorgan Chase & Co Price % Change
- Bank of America Corp Price % Change
- Citigroup Inc Price % Change
- U.S. Bancorp Price % Change
- Morgan Stanley Price % Change
- Wells Fargo & Co Price % Change
- Goldman Sachs Group Inc Price % Change



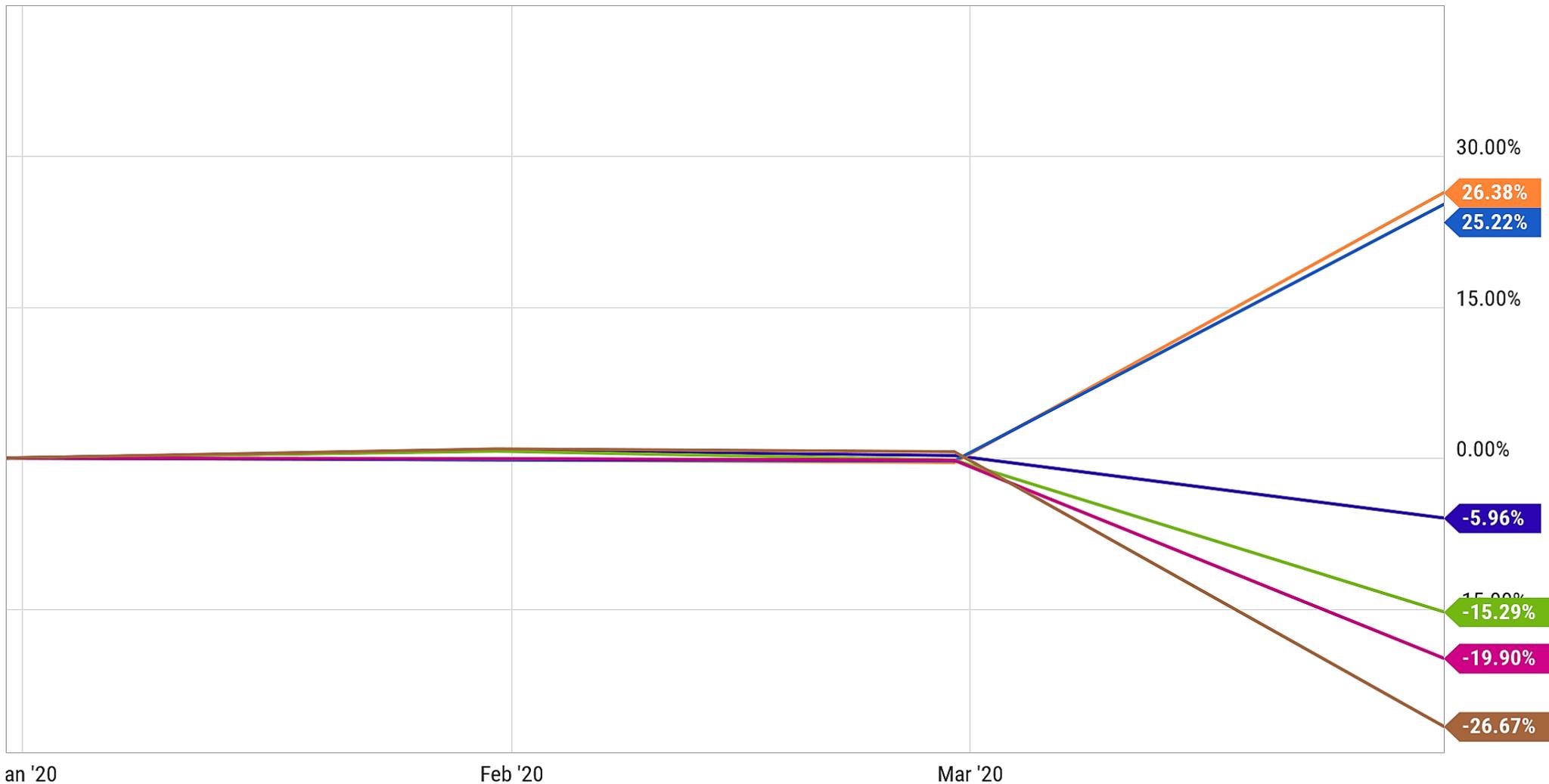
U.S. Retail, Grocery, Food, Electronics and Appliance, Department Stores & Auto Sales

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- US Retail Sales % Change
- US Grocery Store Sales % Change
- US Food and Beverage Store Sales % Change
- US Electronics and Appliance Store Sales % Change
- US Department Store Sales % Change
- US Auto and Other Motor Vehicle Sales % Change

Source: Department of Commerce

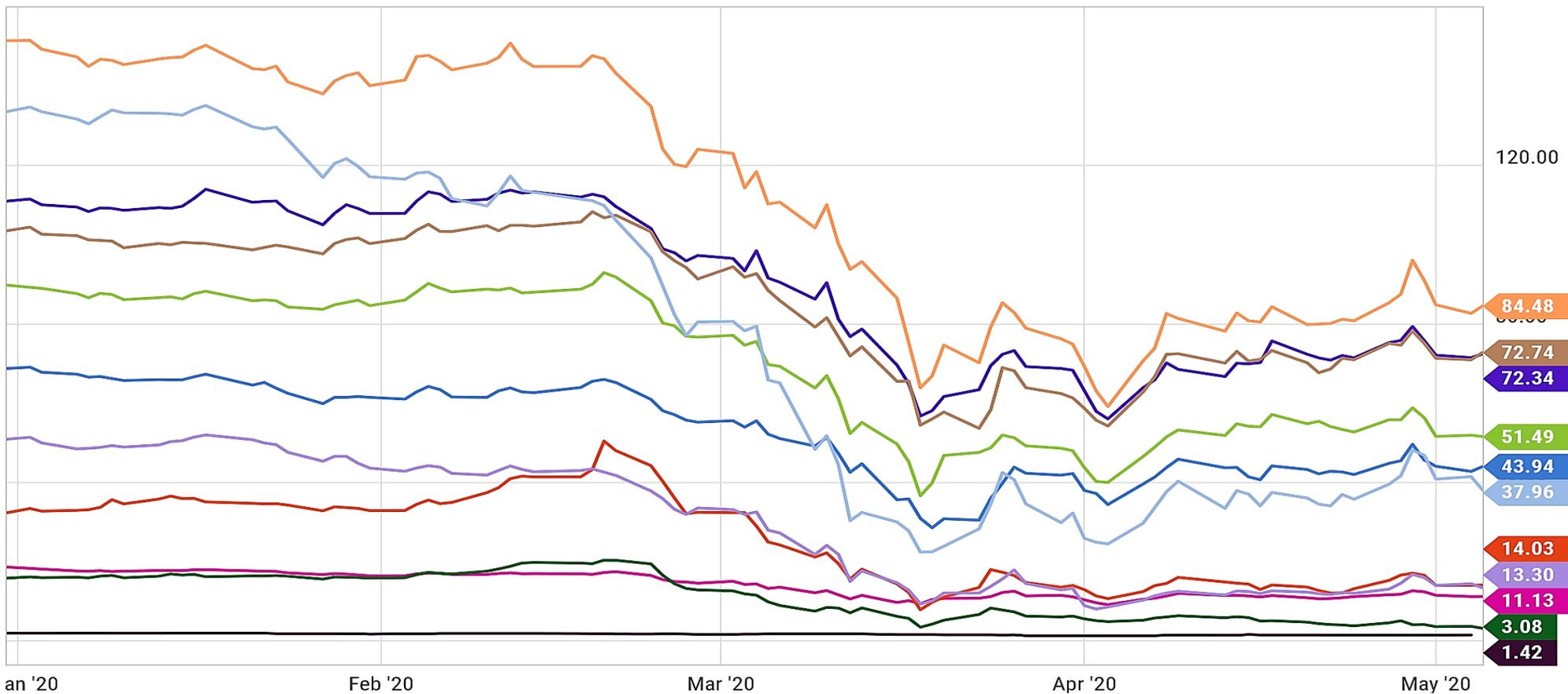


The Beach Sector: Airlines, Cruise Lines & Car Rental

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	VAL	ANN
● Hilton Worldwide Holdings Inc Price	72.34	-71.00%
● Marriott International Inc Price	84.48	-81.56%
● InterContinental Hotels Group PLC Price	43.94	-72.57%
● Hyatt Hotels Corp Price	51.49	-79.98%
● Host Hotels & Resorts Inc Price	11.13	-77.23%
● Choice Hotels International Inc Price	72.74	-63.93%
● Hertz Global Holdings Inc Price	3.08	-99.12%
● Avis Budget Group Inc Price	14.03	-91.02%
● Carnival Corp Price	13.30	-97.94%
● Royal Caribbean Cruises Ltd Price	37.96	-97.38%
● Mandarin Oriental International Ltd Price	1.42	-52.32%



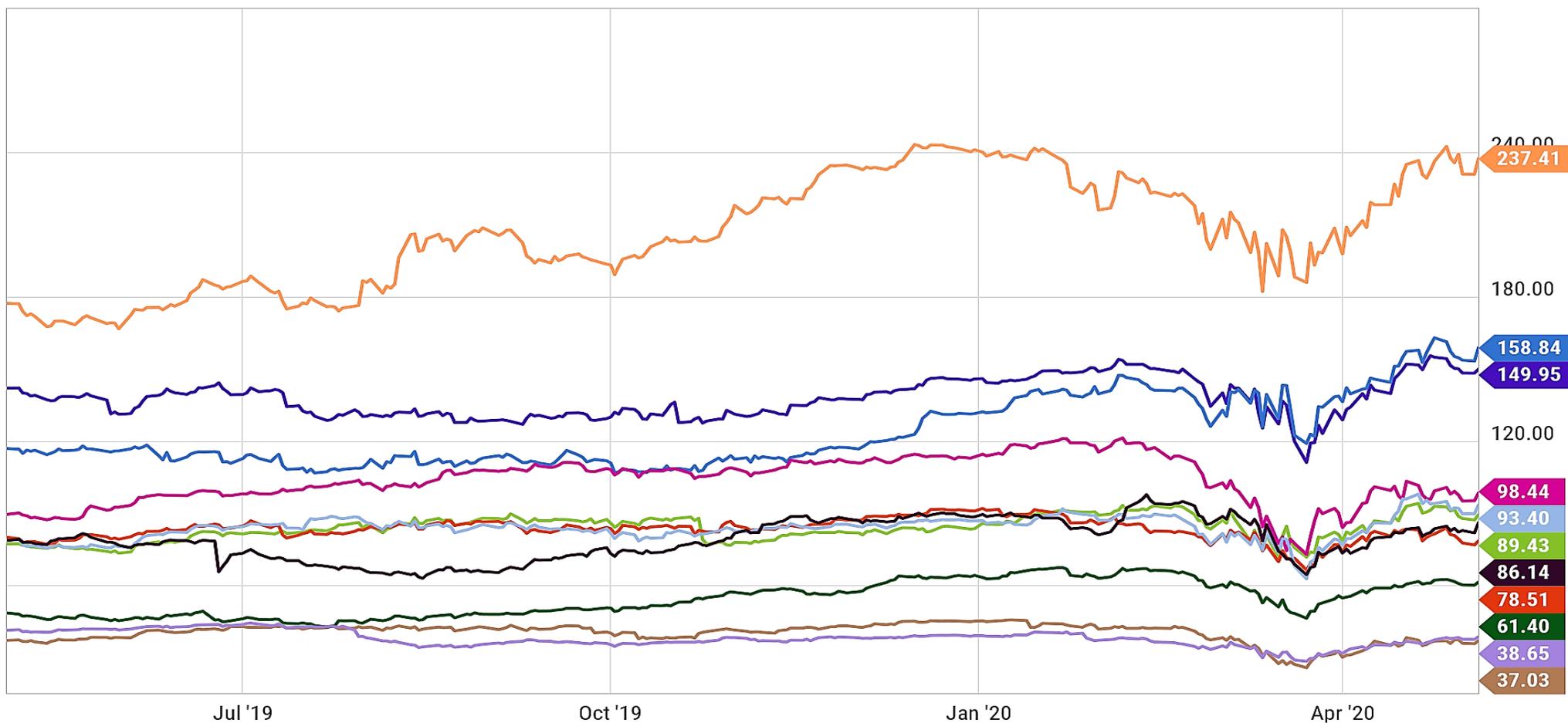
The Pharma Bio-Tech Sector

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- Johnson & Johnson Price
- Amgen Inc Price
- Eli Lilly and Co Price
- Baxter International Inc Price
- Medtronic PLC Price
- Boston Scientific Corp Price
- Bristol-Myers Squibb Co Price
- Merck & Co Inc Price
- Pfizer Inc Price
- Abbott Laboratories Price
- AbbVie Inc Price

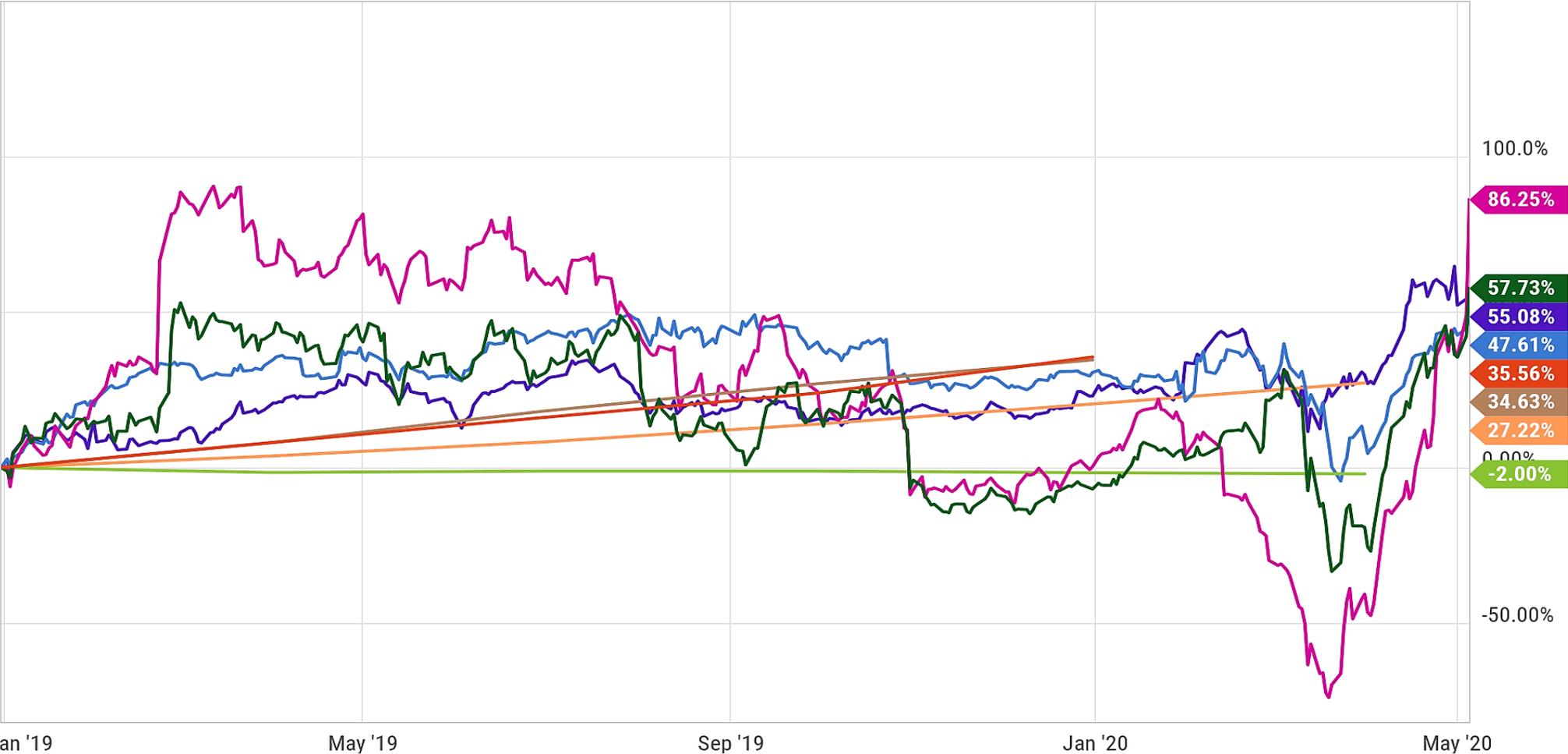
Source: NYSE



The E-Commerce Retail

- Amazon.com Inc Total Return Price % Change
- Amazon.com Inc Revenue (TTM) % Change
- eBay Inc Total Return Price % Change
- eBay Inc Revenue (TTM) % Change
- Wayfair Inc Total Return Price % Change
- Wayfair Inc Revenue (TTM) % Change
- Etsy Inc Total Return Price % Change
- Etsy Inc Revenue (TTM) % Change

Source: NYSE





Birling Overview





FIRM OVERVIEW

Birling Capital is a boutique corporate advisory & consulting firm that offers broad corporate finance & advisory services to institutional, government, corporate, middle-market companies, family corporations and their owners, in identifying and resolving organizational finance-related issues. We use a holistic approach both assets and liabilities sides with integrated business, personal, family needs and objectives.

Over the past two decades, our firm's principals have advised on more than 150 transactions in the corporate, healthcare, retail, education, insurance, banking and government markets.

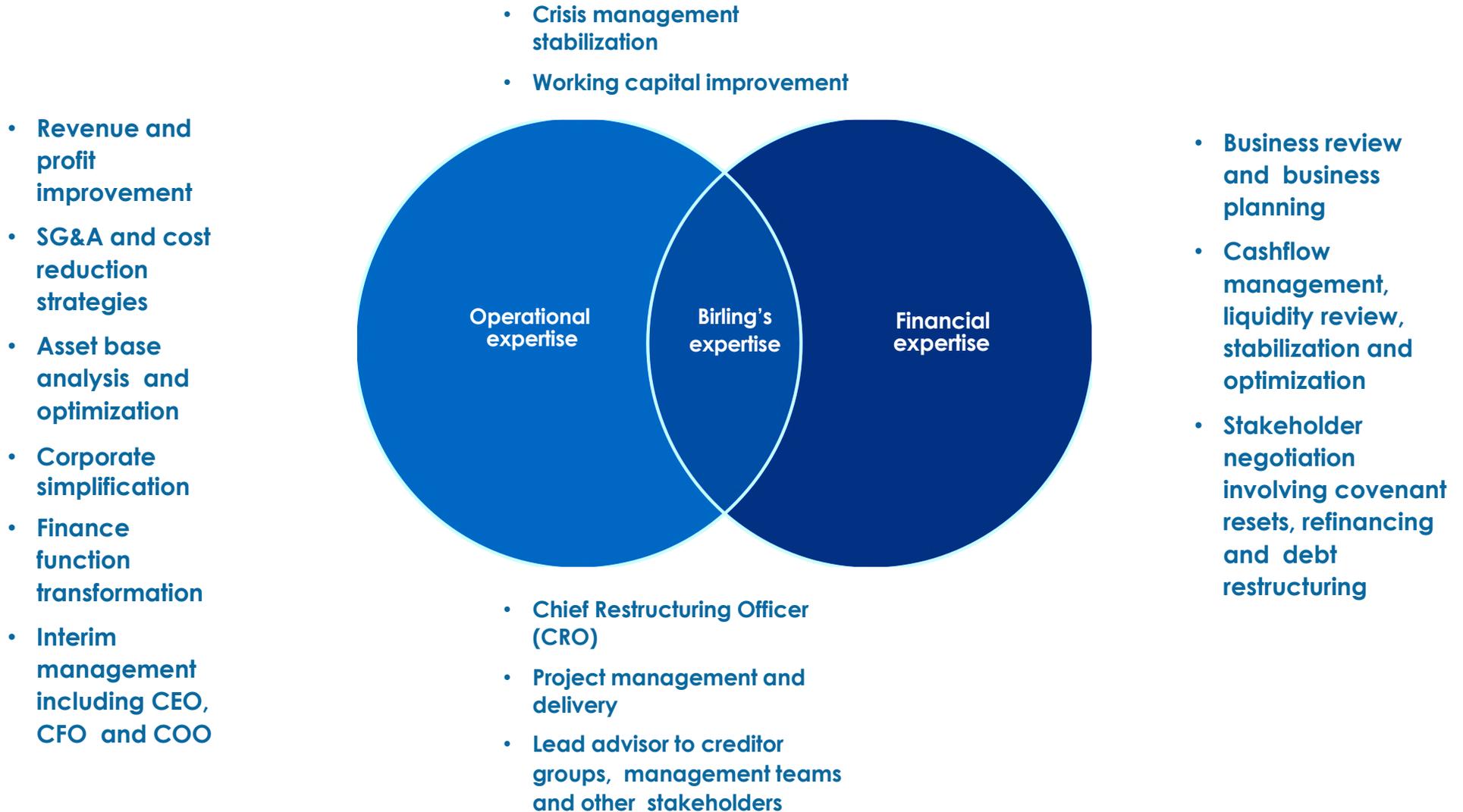
Our value proposition has been implemented with three critical ingredients for success:



- Unwavering Commitment to Client Service
- Unparalleled Degree of Professionalism and Senior-Level Attention
- Extraordinary Level of Industry Expertise



Our Integrated Approach



Birling combines both operational and financial expertise to provide a full service offering. This means we design the solutions and then work with our clients to implement them.



Products and Services

Consulting and Advisory Practice Focus

- Family Corporations & Entrepreneurs
- Financial Institutions & Credit Unions
- Higher Education and Universities
- Healthcare & Pharmaceuticals
- Government
- Media
- Insurance
- Hotels & Commercial Real Estate
- Tax Credit Consulting
- Manufacturing and Industrials
- Retail & Consumer Products
- Public Private Partnerships
- Distribution & Services
- Law 20/22 Segment





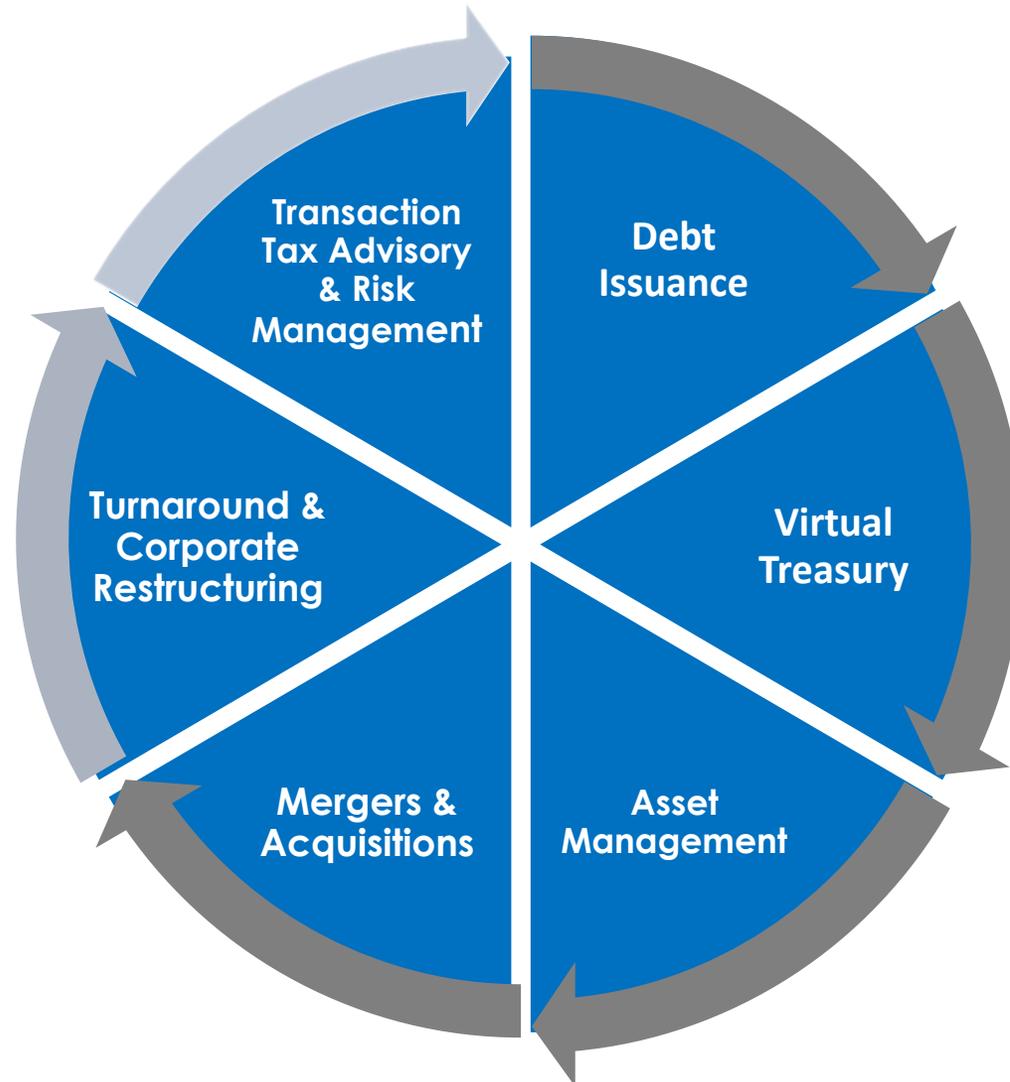
Products & Services

Corporate Financial Planning (CPF)

Birling offers its customers the service of corporate financial planning which consists of an objective and comprehensive report on the current financial situation and the development of strategies based on their goals and needs analysis. Taking into account from the income, financing needs, investment, economic development opportunities, public-private partnerships, evaluation of potential risks and other specific opportunities in each client. Think and plan long term can be a challenge when there are immediate financial pressures and uncertain income forecasts. Given the worsening economic conditions and economic pressures, the costs are rising faster than inflation, aging infrastructure and increasing expectations about service levels. The process can be difficult, but necessary to achieve financial sustainability.



Corporate Financial Planning (CPF)





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