



Supplier Risk Integration



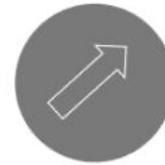
SAP Ariba Supplier Risk vision



Risk monitor and alerting on all suppliers automatically based on engagement and external data



Engagement level risk due diligence leading to actionable, accountable risk management



Flexible and extensible risk scoring and KRI model powered by data science and big data



Intelligent risk assessment triggers based on policy, controls and risk exposure to drive compliance



Unified vendor model with ERP integration



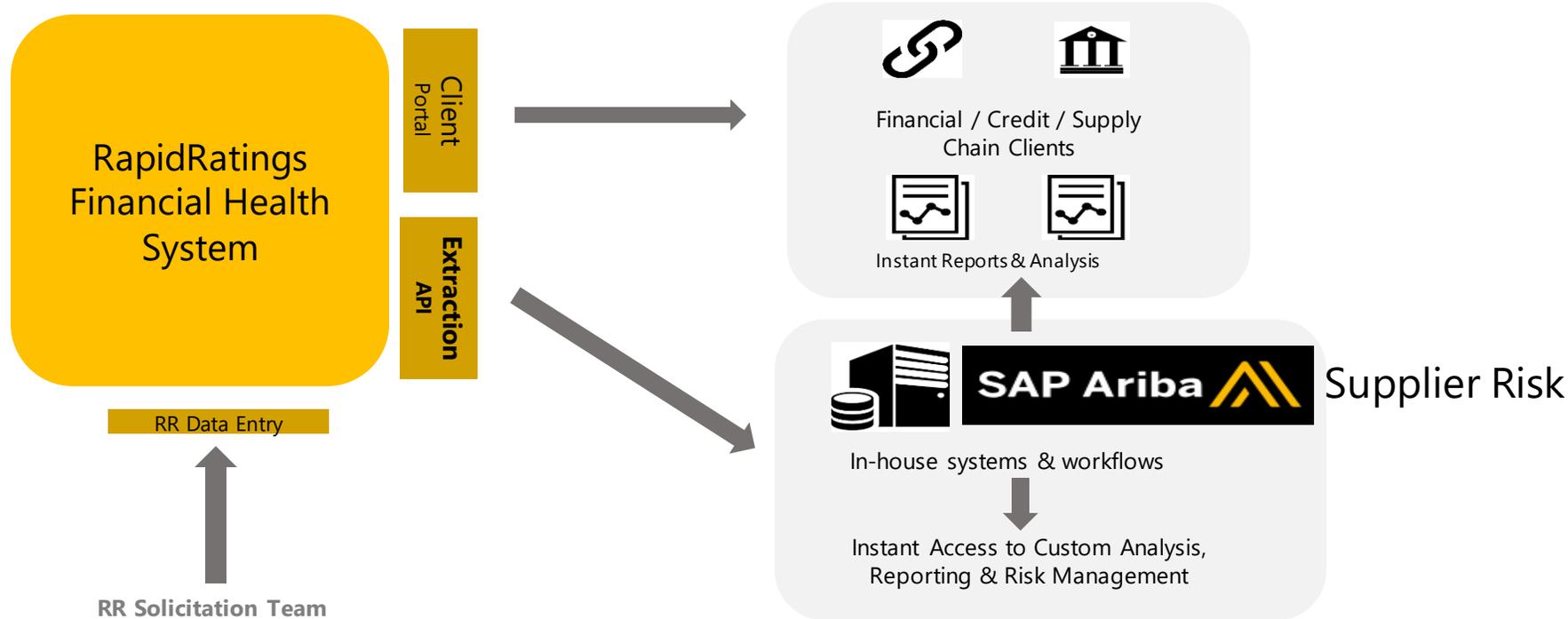
Qualification and segmentation matrix



Supplier self-service portal for managing parts of vendor information



Extensible supplier 360° profile



Regardless of entry point, RapidRatings financial health ratings data and content analysis are consumed via the client portal and related reports are available there. This data often undergoes further downstream analysis and/or is updated to internal systems (or 3rd party platforms like a GRC, Vendor Risk Platform).

The Extraction API allows all clients to integrate the ratings, performance and financial data for all their rated counter-parties into their internal systems or 3rd party platforms and build new custom analysis, reporting and risk management capabilities as well as link to the FHR and Financial Dialogue reports accessed by RR Web Portal permissioned users.

10 Portfolio Health API KRI's Displayed

1. FHR Rating	Financial Health Rating. RapidRatings' unique indicator of the financial health of a company represented on a scale of (1-100; 1=lowest financial health, 100=highest)
2. PD (/EPD)	(Estimated) Probability of Default. The estimated % probability that the company will default in the 12 months following the date of the financial statements
3. Core Health Score	Core Health Score™ Rating. a number on a scale of 1-100 indicating the core health of the company. This value shows your customer the actual health of a company irrespective of its cash position. (1-100)
4. Period	This is the period through which the financials were provided to produce a rating
5. FHR Delta	The change in the FHR score (+/-100) since the same period 1 year previous
6. Net Profitability	A number on a scale of 1-100 reflecting the company's Net Profitability
7. Cost Structure Efficiency	A number on a scale of 1-100 reflecting the company's Cost Structure Efficiency
8. Leverage	One-word assessment of the company's use of, and ability to leverage. [Weak, Average, Strong]
9. Liquidity	One-word assessment of the company's liquidity. [Weak, Average, Strong]
10. Earnings Performance	One-word assessment of the company's earning's performance. [Weak, Average, Strong]
RRID	RapidRatings Unique Identifier created when a new company has been rated

Financial Dialogue

Facilitates discussion focusing on 5 top priority items

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Pioneering Financial Health. We See What Others Don't.

RapidRatings Financial Dialogue
Tesla Inc, Nov 23, 2018

Tesla Inc

Financial Health Rating (FHR):	34, High Risk	Estimated Probability of Default (EPD):	1.78%
Core Health Score (CHS):	15, Very Poor Health	Financial Period:	September 30, 2018 (Q3 2018)

Figure 1: Risk Quadrant Analysis

■ Tesla Inc

Core Health	Default Risk			
	Very High Risk (0-25)	High Risk (25-50)	Medium Risk (50-75)	Very Low Risk (75-100)
Very Strong Health (90-100)				
Strong Health (80-90)	D		A	
Medium Health (60-80)				
Poor Health (30-60)	C		B	
Very Poor Health (0-30)				

Section 1: Priority Items for Financial Review

Table 1 below presents the prioritized review items and recommended questions based on our analysis of the financial statements ending 09/30/2018.

Table 1: Prioritized Items of Concern for Discussion

Items of Concern (3)	
1. Interest Coverage: The company was unable to cover any of its interest (\$675 M) with operating profit as it is currently recording with an operating loss (-\$1,402 M). Do you expect your interest obligation to change materially over the next year, and do you expect to cover this through operating profit or cash balances?	See Page 2
2. Leverage: The company has a significant level of debt at \$11,779 M, which is 40% of total assets. Do you expect to maintain this level of leverage for the next 12 months?	See Page 8
3. Profit Margins: Profitability performance was poor. Both the company's operating profit margin (-6%) and net profit margin (-35.2%) show a loss. What caused the losses and do you expect to generate a positive return next year?	See Page 6
4. Working Capital: The company's Current Ratio is 0.81x, and this is down on last period (0.88x). What is your target Current Ratio and will you reach this level of working capital in the next 12 months?	See Page 5
5. CFO: Cash from Operations (CFO) for the period is positive (\$1,879 M), however was still only 0.14x of current liabilities. What are your expectations for CFO in the next fiscal year?	See Page 6

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Financial Health Report

Provides full corporate financial risk analysis using financial statements

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Tesla Inc

The FHR™ Report
Corporate Risk Analysis

Financial Period: Sep 30, 2018, (fiscal Q3 2018)
FHR Release Date: November 05, 2018
Ticker: TSLA
Sector: Autos and Related Equipment
Address: 3500 Deer Creek Road, Palo Alto, CA 94304, United States.

FHR: 34
Risk Level: High Risk
Estimated Probability of Default: 1.78%
Annual Delts: Flat
Core Health: 15 (Very Poor Health)

Table 1: Key Data and Ratio (USD B)

	2016	2017	Q3 2018
Financial Health Rating	36	33	34
Core Health Score	15	14	15
Simulated FHR	30	33	34
	2016	2017	Q3 2018
Total Assets (\$)	22.66	28.65	29.26
Total Liabilities (\$)	16.75	23.02	28.41
Total Revenue (\$)	7.00	11.75	17.52
EBITDA (\$)	0.60	-0.10	0.49
Total Rev / Total Asset	0.31	0.41	0.60
Op Profit / Total Rev (%)	-6.50	-18.86	-7.89
Op Profit / Interest Exp	-8.95	-8.46	-2.23
FCF / Total Debt	-0.20	-0.40	-0.18
ROCE (%)	-5.21	-10.23	-7.84

Figure 1: FHR Trend, Q3 2016 to Q3 2018

■ FHR

Figure 2: Core Health and Default Risk Quadrant Analysis

■ Tesla Inc

Core Health	Default Risk			
	Very High Risk (0-25)	High Risk (25-50)	Medium Risk (50-75)	Very Low Risk (75-100)
Very Strong Health (90-100)				
Strong Health (80-90)	D		A	
Medium Health (60-80)				
Poor Health (30-60)	C		B	
Very Poor Health (0-30)				

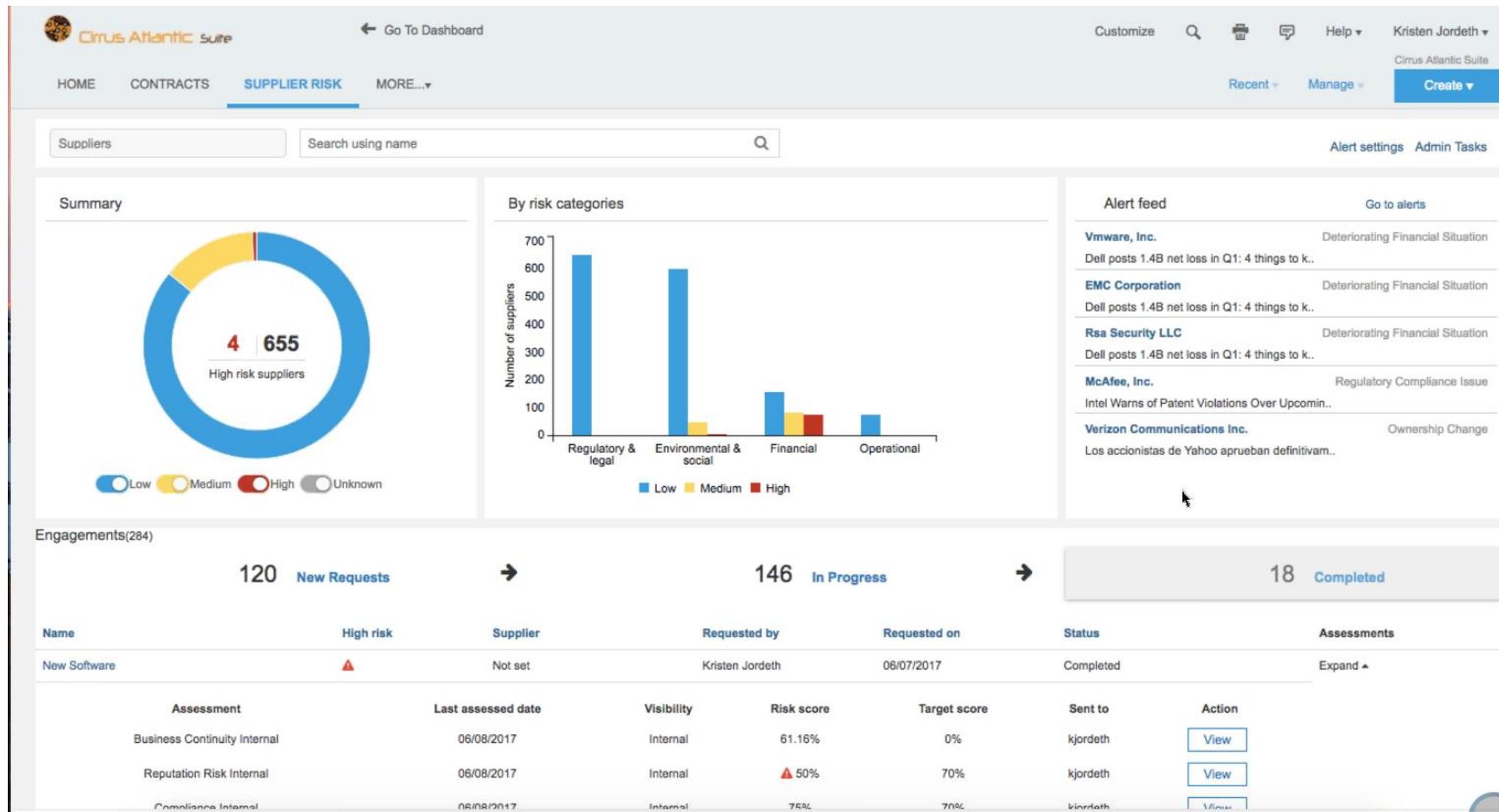
Quadrant C: These companies demonstrate poor to very poor Core Health (suggesting the need for efficiency improvements) combined with a high to very high risk of default over the next year.

The **Core Health Score (CHS)** is a measure of medium-term sustainability based on operational efficiency and competitiveness.

The **Financial Health Rating (FHR)** is a measure of default risk in the short-term. It is derived from Core Health and Resilience analysis, which incorporates a company's facility to meet internal and external obligations in the short-term.

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Supplier Dashboard



< Back

SM Vendor ID: **S1104498** ERP Vendor ID: **DEMO-192** ANID: **AN01054626931-T** Not synced to ERP [Sync](#)



HCL Capital Stream
(Public: HCL Capital Stream, Inc.)
Sunnyvale, CA

Contact: Kristen Jordeth
Email: kristen.jordeth@sap.com

Registration Status
Registered
Qualification Status
Qualification started

Overview | Qualification | Performance | Spend | **Risk**

Created Feb 22, 2017 | In Progress

Risk score | Risk Incidents | **Compliance** | Enriched corporate info

1 SUMMARY (0 VIOLATIONS)

No violations found, please see compliance report for details.

2 Reports

Report date:	Name	Action
03/10/2017	Baseline Report	Download
05/11/2017	Incremental Report	Download

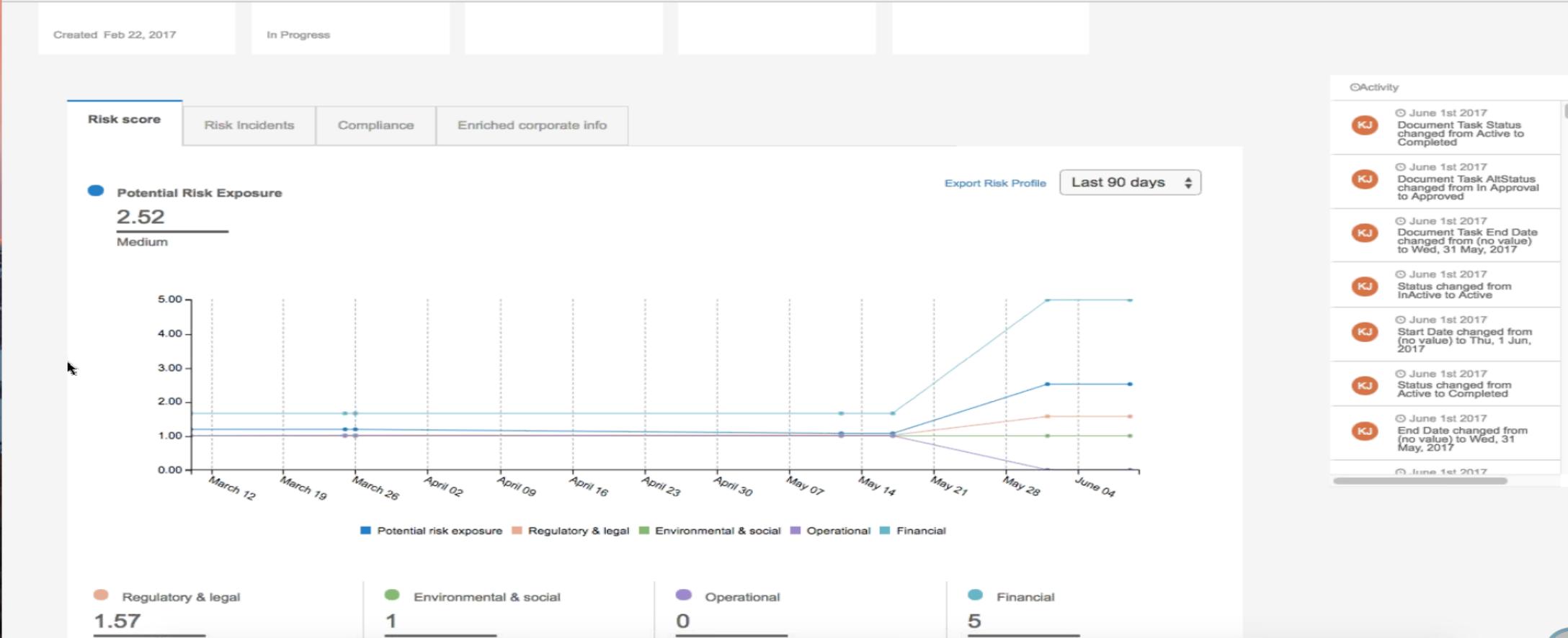
[+ Request for a new report](#)
(9 requests remaining)

The information on this page is supplied by in order to facilitate your research. SAP Ariba does not review this third-party content.

Activity

- KJ** June 1st 2017 Document Task Status changed from Active to Completed
- KJ** June 1st 2017 Document Task AltStatus changed from In Approval to Approved
- KJ** June 1st 2017 Document Task End Date changed from (no value) to Wed, 31 May, 2017
- KJ** June 1st 2017 Status changed from InActive to Active
- KJ** June 1st 2017 Start Date changed from (no value) to Thu, 1 Jun, 2017
- KJ** June 1st 2017 Status changed from Active to Completed
- KJ** June 1st 2017 End Date changed from (no value) to Wed, 31 May, 2017

Risk Score – overall (categories below)





Financial Risk Tab

Risk exposure
Risk incidents
Compliance
Enriched corporate info
Forced labor
Financial

Source:

Score type: Financial score Last 90 days

● Financial risk exposure

1.2

Low

External ID: test0109

Score type	Oct 16, 2018
Financial score	3.9 High
Payment indicator	2.1 Medium
Credit score	WEAK High
Net billing	3.3 High
Total assets	\$5,175,000.00

Additional fields

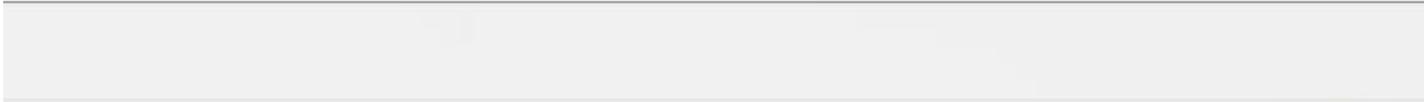
Period	Total Liabilities	Overall Health Rating
Fiscal Q1 2018	\$10,500,000.00	32

Incidents

Title	Article date	Sub-incident	Source	Language
Pfizer AstraZeneca Buys 246,666 Shares of AstraZeneca plc (AZN) Stock	Oct 3, 2018	Acquisitions & Takeovers	americanbankingnews.com	English



Financial Risk Exposure Score Driven by 3 RR fields



NEW SCALE: 1 – 100 (converse)

Source: RAPIDRATINGS®

External ID: nestid100



Score type	Oct 16, 2018
Financial score	3.9 High
Payment indicator	2.1 Medium
Credit score	WEAK High

Weights configured by user

3 RR fields feed scorecard:

← Financial Health Rating

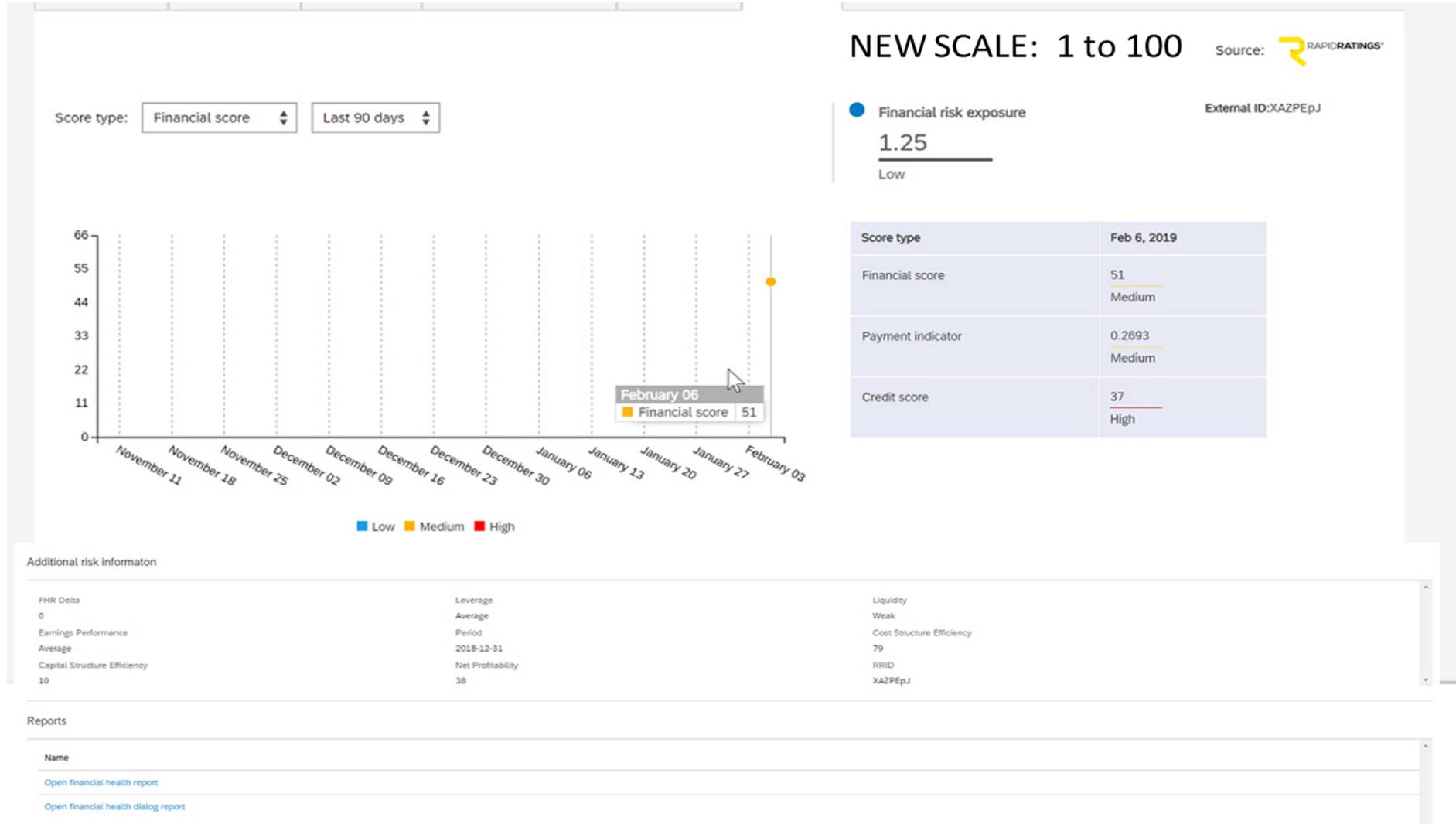
← Probability of Default

← Core Health Score

Plus 7 additional Financial Health datapoints will also be displayed (see next slide)

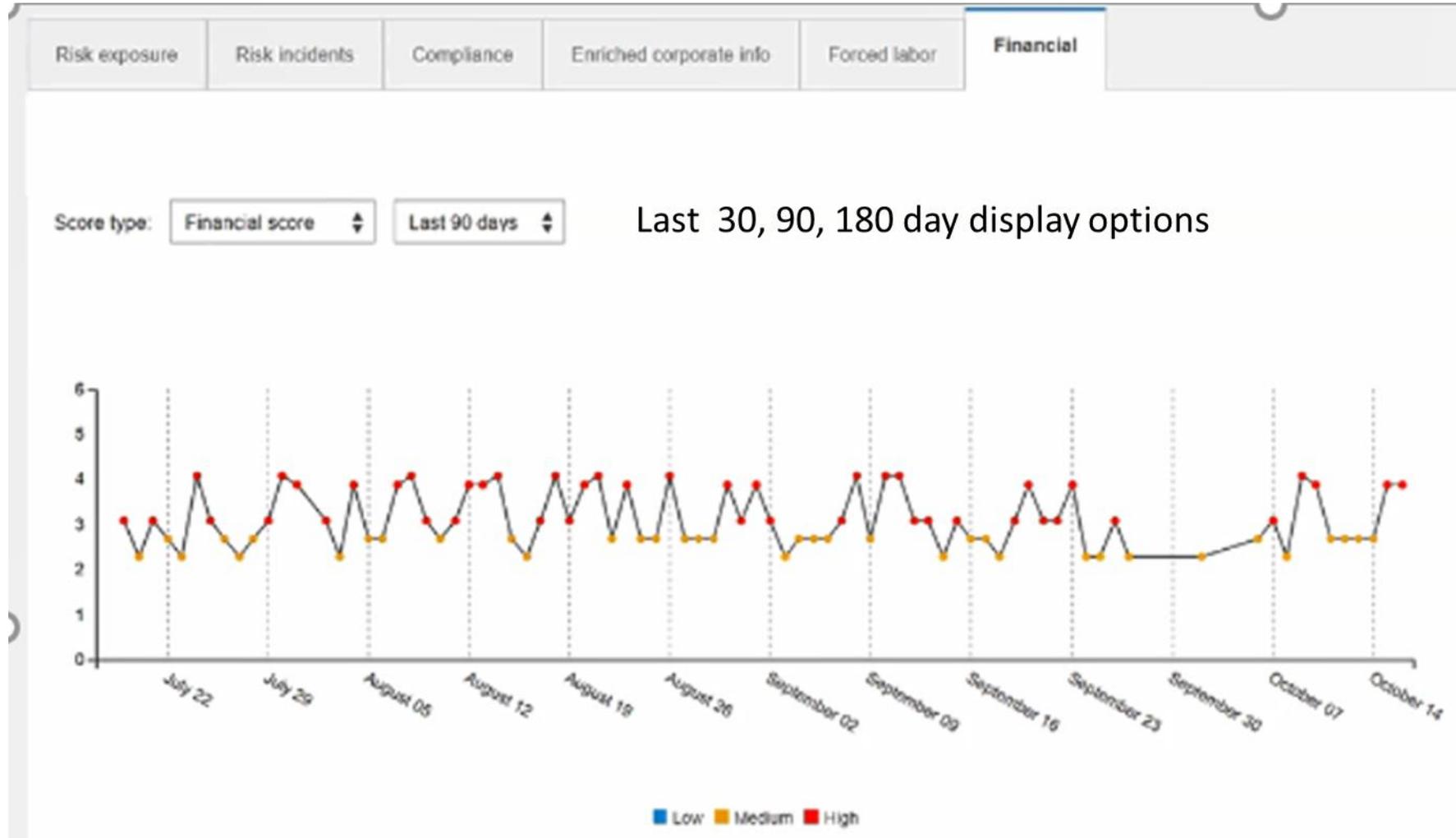


Financial Risk Exposure – 10 RR Fields + 2 RR reports



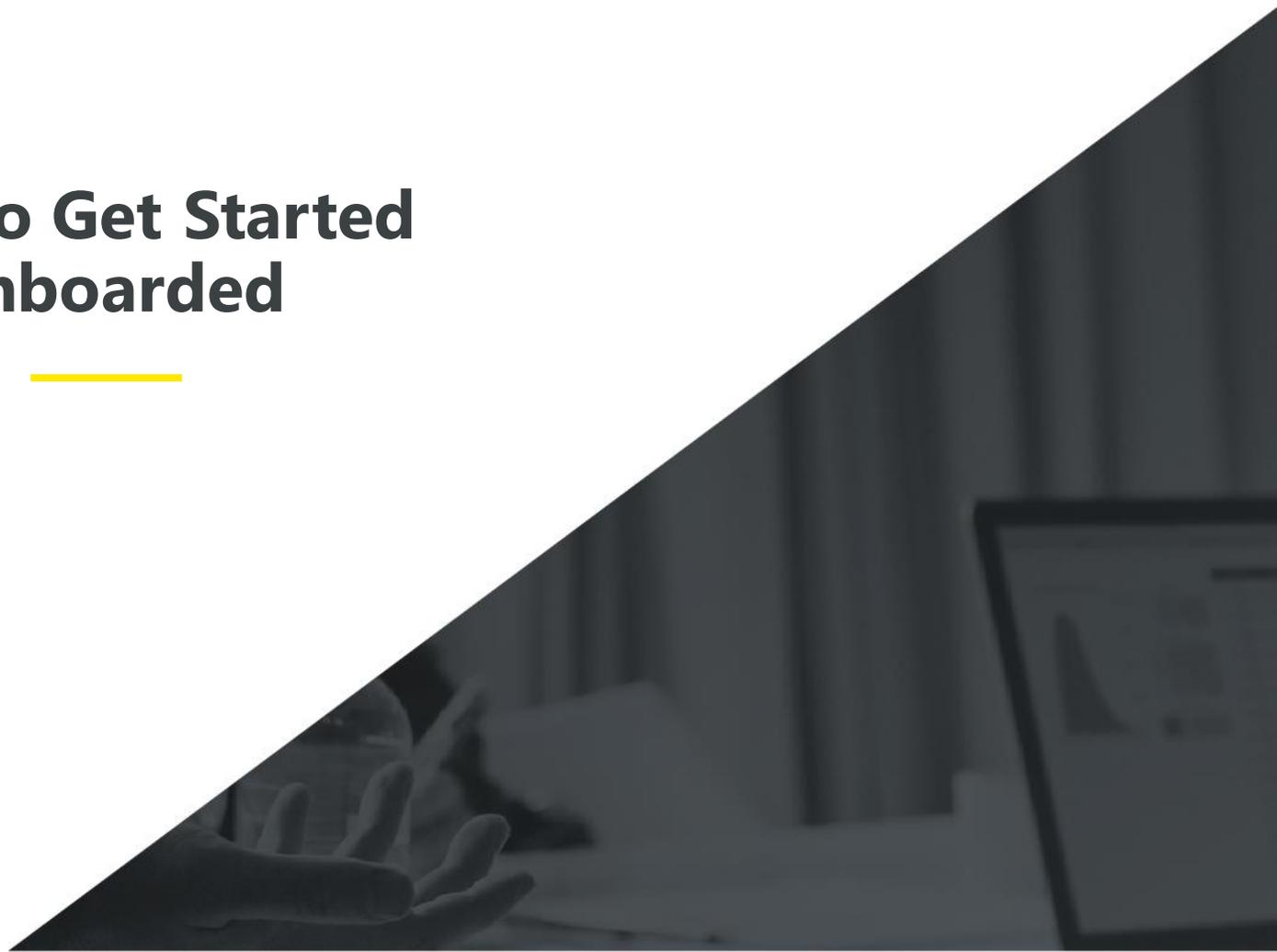


Financial Score Trend – Over Time





How to Get Started Onboarded





SAP App Center Q USD Log In

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Financial Health System (FHS) API for SAP Ariba

Leverage predictive analytics for supplier financial viability assessments

SAP ARIBA SUPPLIER RISK

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Increase Positive Outcomes and Build Better Supplier Relationships

Bring transparency to your procurement and risk management process with the most accurate assessment of supplier financial health. RapidRatings delivers thorough, predictive, and actionable analysis of current financial health and future business viability for all your suppliers – both public and PRIVATELY-held companies. The FHS helps you to select the strongest partners to build a resilient supply chain. Identify potential risks, take action early, and minimize the impact of



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ASSESS THE FINANCIAL HEALTH OF YOUR SUPPLIERS

How will the Financial Health Rating help you protect your brand?

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Details

Developer
[RapidRatings](#)

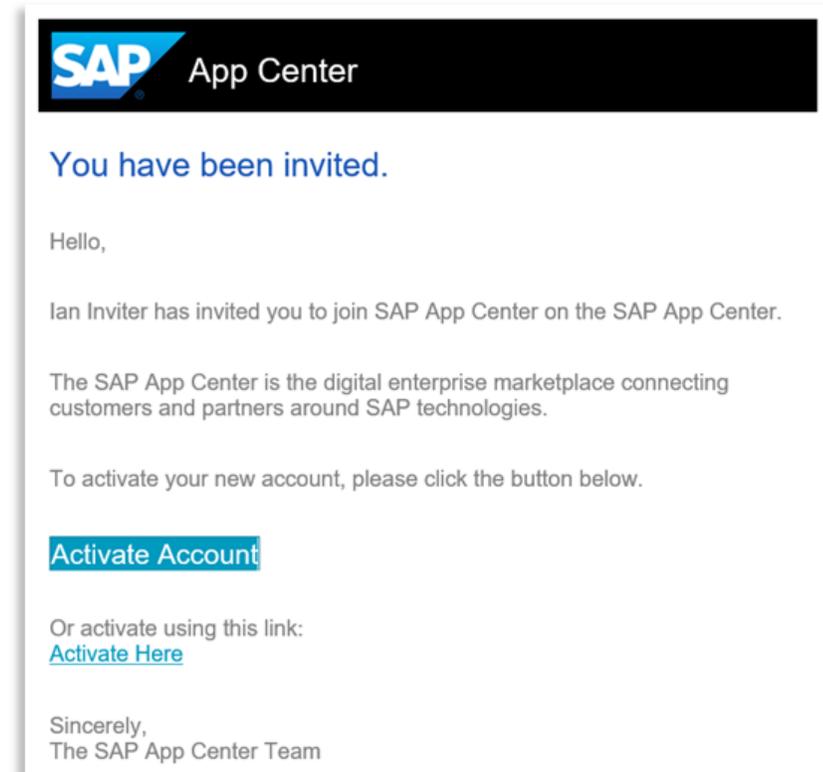
Industries
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[Mill Products and Mining](#)



Customer Registration Options (1/2)

Invite to join the SAP App Center

- End User logs on to the App Center by clicking on the link in the invitation email and clicking accept.





Customer Registration Options (2/2)

Organically registering

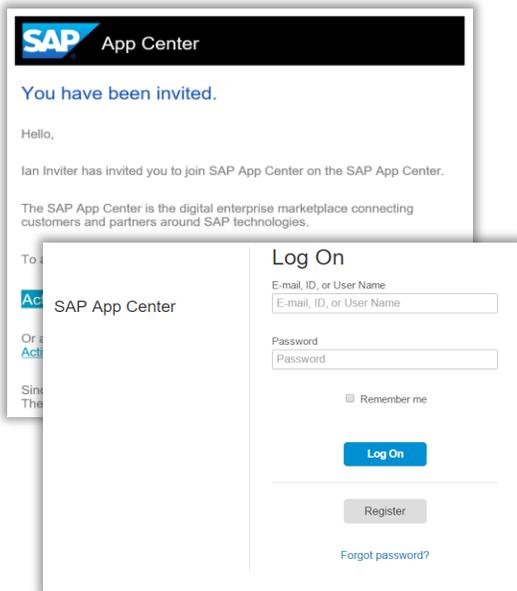
- An S or P user ID is needed to log in to the App Center. Choosing Register will allow for the registration of a P user ID.
- End user can also register organically by going to <https://www.sapappcenter.com>, and clicking Log In in the upper right of the page. From there the end user will need to register a new account for the App Center

The screenshot shows the SAP App Center interface. At the top, there is a dark navigation bar with 'USD' and a dropdown arrow, and 'Log In'. Below this is a white header with 'Community' and a vertical line. The main content area is titled 'SAP App Center'. On the right side, there is a 'Log On' form with the following elements:

- Form title: Log On
- Label: E-mail, ID, or User Name
- Input field: E-mail, ID, or User Name
- Label: Password
- Input field: Password
- Checkbox: Remember me
- Button: Log On (blue)
- Button: Register (grey)
- Link: Forgot password? (blue)

Checkout Option 2 – Completed on behalf of the customer

Steps to be completed by **Customer**



- Customer / End User send Partner email authorizing to process the transaction on their behalf through the App Center.
- **Sample authorization email:**
 - *On behalf of <Customer Name>, I/we approve <Partner Name> to complete the transaction for <Application Name> via the SAP App Center with the understanding that the product is being purchased from <Partner Name> and not SAP and all the legal & commercial terms negotiated directly with <Partner Name> remain unchanged.*
- Partner will be prompted to approve purchase BEFORE completing the buy flow.
- Under Additional Options, Partner will be prompted to **check box** that reads:
 - *"I agree that the company has approved this purchase that I am making on their behalf."*

▼ **Additional Options**

Already Received Approval?
If you have already received user approval outside this flow, you may skip the manual approval step upon agreeing to the following:

By checking this box, I agree that the company has approved this purchase that I am making on their behalf.

Step 1: Obtain and enter API Key/Credentials

Enter RR API Key/Credentials to login/enable

RAPIDRATINGS®

RR

RapidRatings is transforming the way the world's leading companies manage enterprise and financial risk. RapidRatings delivers the most sophisticated analysis of public and private company financial health in the world, with predictive insights into third-party partners, suppliers, vendors, and customers. Every business conversation becomes more productive and transparent with financial health.

Enabled

Disable

Domain :

Financial

Select suppliers

Settings - RR

RR	Username	Primary contact	Contact phone	Contact email	Expiration date
	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXX0H4				

Download File to Include New RRIDs

← → ↻ 🏠 <https://s1.ariba.com/Buyer/Main/aw?awh=r&awssk=LJAweOeH&realm=cirrusatlanticsuite&dard=1> ☆ 🔍 🌐

Apps Managed Bookmarks Cirrus Atlantic Suite Cirrus Atlantic Int... Stratus Atlantic Buymore

Data import or export
Default field values
ERP Integration
ERP integration status
Mass invite
Questionnaires
Inactive Suppliers
Other settings
Auto migration

Import supplier-related data

File type: Risk Domain Supplier External Ids

Risk Domain Supplier External Ids

Import Import summary

Download a sample file to see its format. [Sample file](#) 📄

Export your currently available data [Export](#) 📄

Choose file to import: [Choose File](#) No file chosen

Encoding type: UTF-8



Step 3: Create CSV File for Import of External RRIDs

	A	B	C	D	E	F
1	ERP_VENDOR_ID	SOURCE_SYSTEM	DOMAIN_ID	PROVIDER_NAME	EXTERNAL_ID	
2	RR-12111	RR	FINANCIAL	RR	XAZPEpJ	
3						
4						

1. ERP Vendor ID – the customer has provided this as their identifier of the supplier when they loaded the supplier to Supplier Risk. It is a required field when loading suppliers
2. Source_System – the customer has provided this when they loaded the supplier to Supplier Risk. This is a required field when loading suppliers.
3. Domain_ID – this will always be “Financial”
4. Provider Name – this will always be RR for Rapid Ratings
5. External ID – this is the RRID that will need to be provided for each of the suppliers they are going to submit to Rapid Ratings for evaluation.

Import File to Include New RRIDs (Rated Co.'s)

Data import or export

Default field values

ERP Integration

ERP integration status

Mass invite

Questionnaires

Inactive Suppliers

Other settings

Auto migration

Import supplier-related data

File type: Risk Domain Supplier External Ids

Risk Domain Supplier External Ids

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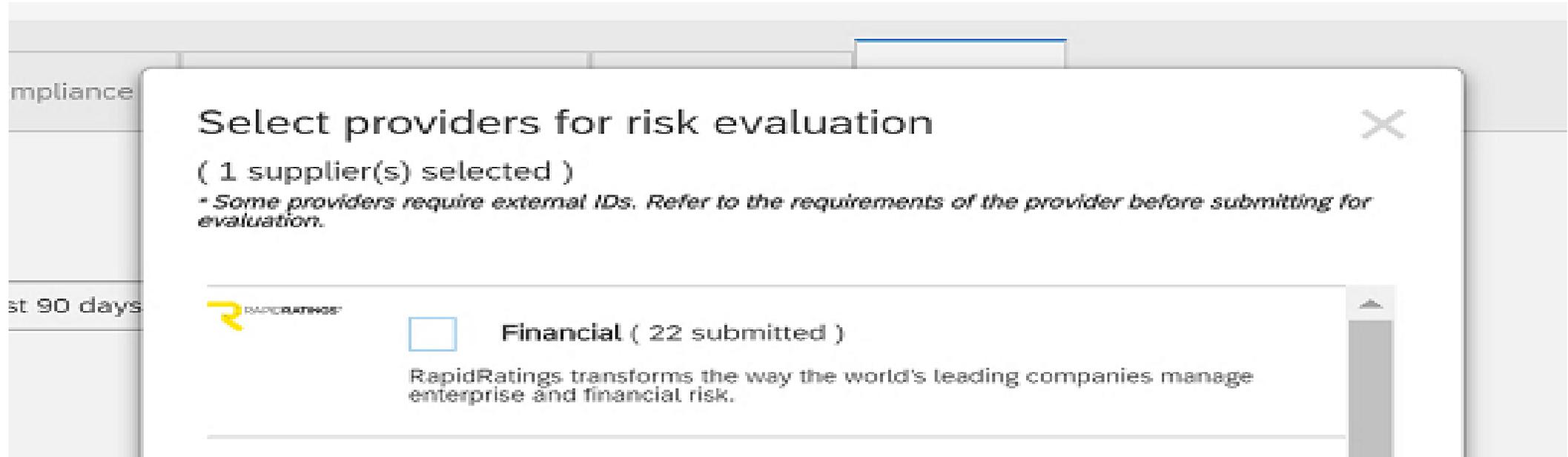
Export your currently available data [Export](#)

Choose file to import: [Choose File](#) No file chosen

Encoding type: UTF-8



Submit New RR Suppliers for evaluation to establish weekly data pull (only need to do one time)



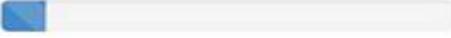
- Click on one company or
- Search on ERPVendorID's to choose more than 1 from the supplier list
- Click submit for evaluation
- Select RapidRatings
- Weekly API data pull/refresh on Thu evenings



Suppliers submitted for evaluation

[Refresh](#)

Suppliers submitted for evaluation by content and service providers

Risk domain ▾	Submitted/Total by contract	Selected suppliers	Completed	Not enough info
Compliance	 54 / 1000 submitted	54	46	0
Financial	70 submitted	70	39	31
Forced labor	 39 / 400 submitted	39	9	27

First ◀ ▶ Last Viewing: 1/1

Supplier evaluation progress

ERP Vendor ID ▾	Supplier ▾	Provider name ▾	Selected date ▲	Completed date	Not enough info ▾
S1HA2717626	(SLR) ADVOCATE MEDICAL GROUP	RR	Feb 7, 2019		✖
S1HA2628346	DHL LOGISTICS (BRAZIL) LTDA.	RR	Feb 7, 2019		✖
S2HA2628346	DHL LOGISTICS (BRAZIL) LTDA.	RR	Feb 7, 2019		✖
S2HA2628346	DHL LOGISTICS (BRAZIL) LTDA.	Exiger	Feb 7, 2019		
S1HA2628346	DHL LOGISTICS (BRAZIL) LTDA.	Exiger	Feb 7, 2019		

First ◀ ▶ Last Viewing: 1/33