

Reading the signs

Credit Meters VIII
September 20th 2019

intrum

Intrum in brief.

25

Countries

160

Partner countries

>9,000

Employees

1.250

Proforma Revenue
2018 (mil. €)

~80,000

Clients

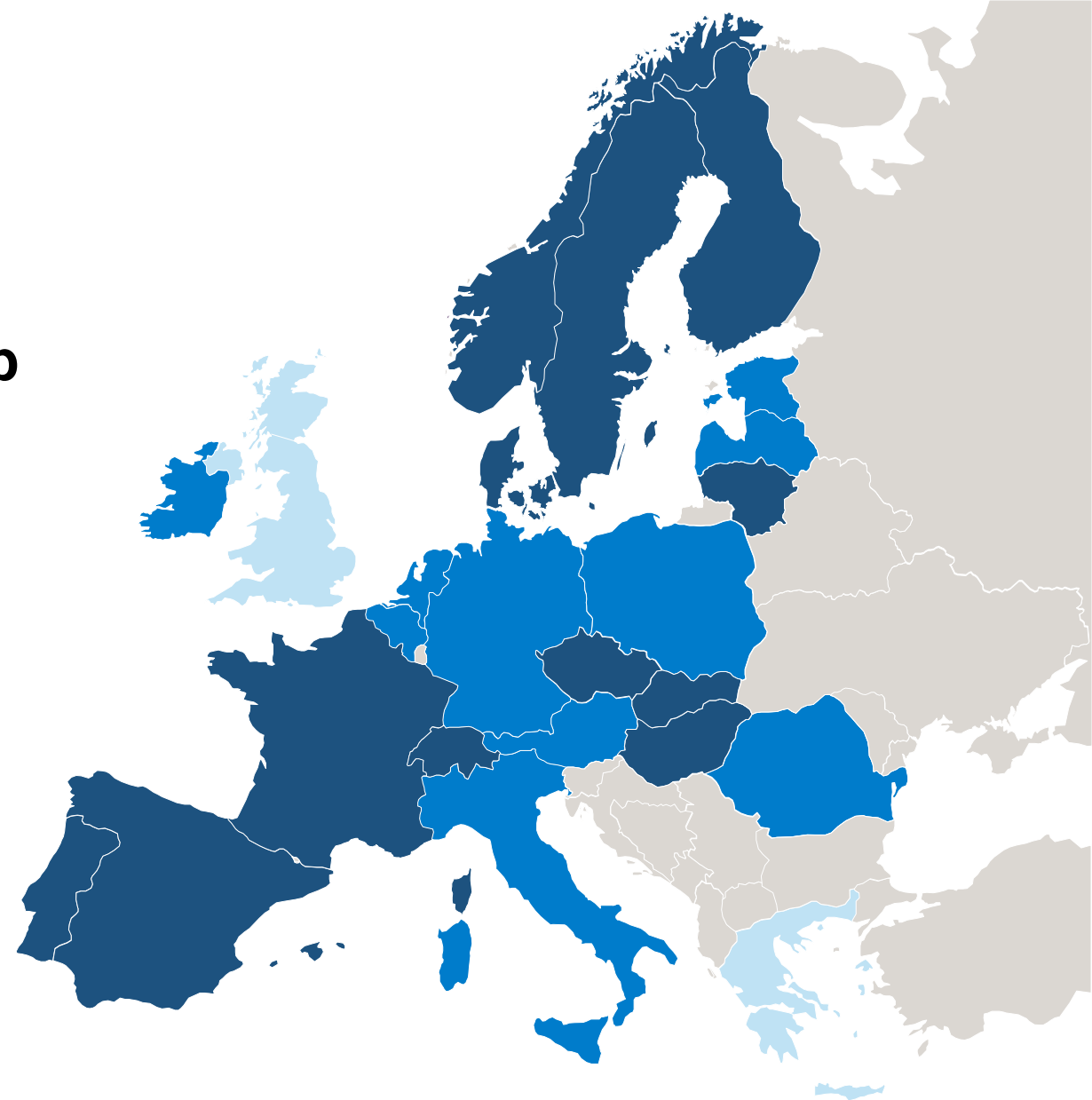
>200,000

Calls with consumers
on daily basis

Large Cap

Listed on Nasdaq

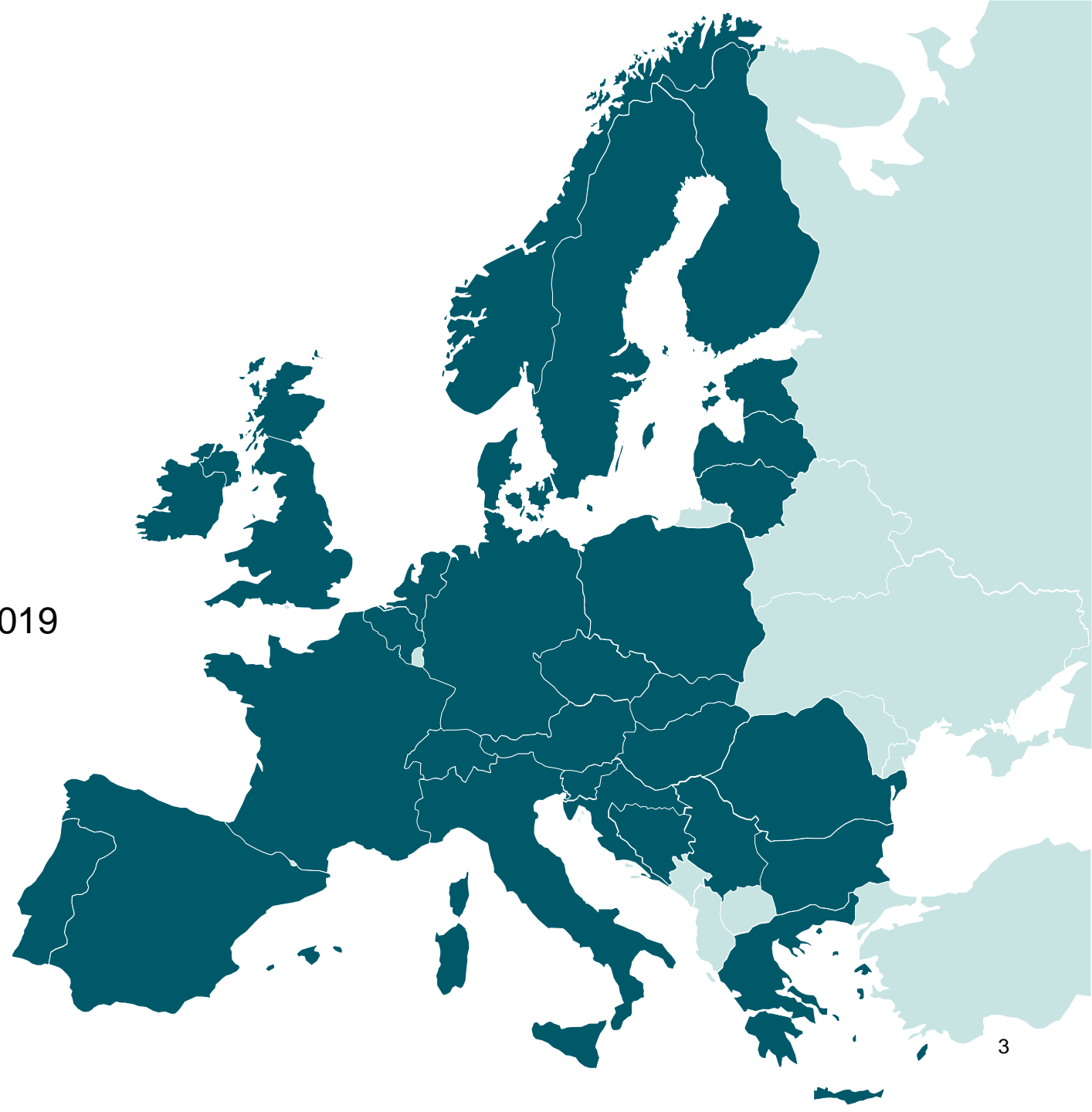
Stockholm



- Market leader
- Top five
- Other

EPR overview

- 21st annual edition of the report, updated methodology in 2015
- 24 questions excluding background questions
- 29 markets
- Unweighted: 11,856 respondents
- Online and telephone data collection
- Data collection period: January 31 – April 5, 2019
- Final analysis delivery
 - Pan-European findings – bullets
 - Country findings – bullets



Key findings EPR 2019

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Key findings EPR 2019

- Signs of a new recession: Debt risks and bad debt losses increase
- Businesses pay later and later
 - Public sector is still an issue concerning late payments
- Increased demands for actions that prevent late payments – eg. new legislation
- The consequences of late payment are getting less and less important - even though risk from debtors could increase
 - Dismissing employees or not hiring new ones are still important consequences of late payments
- Every fifth say faster payments would enable them to hire more employees
- Half of European companies think their country will be cashless in ten years or less

Signs of economic down turn

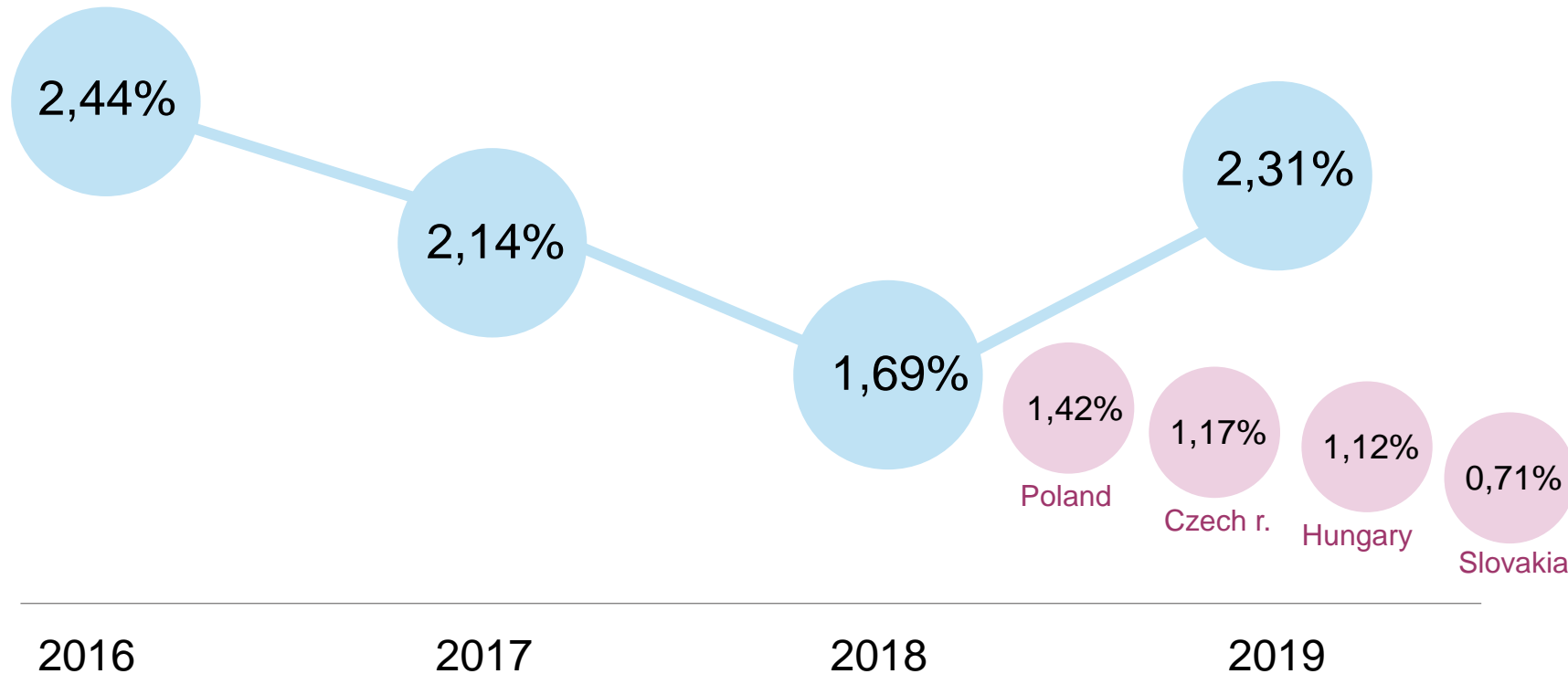
- 3 out of 10 companies accelerate sales to meet recession

Main angle

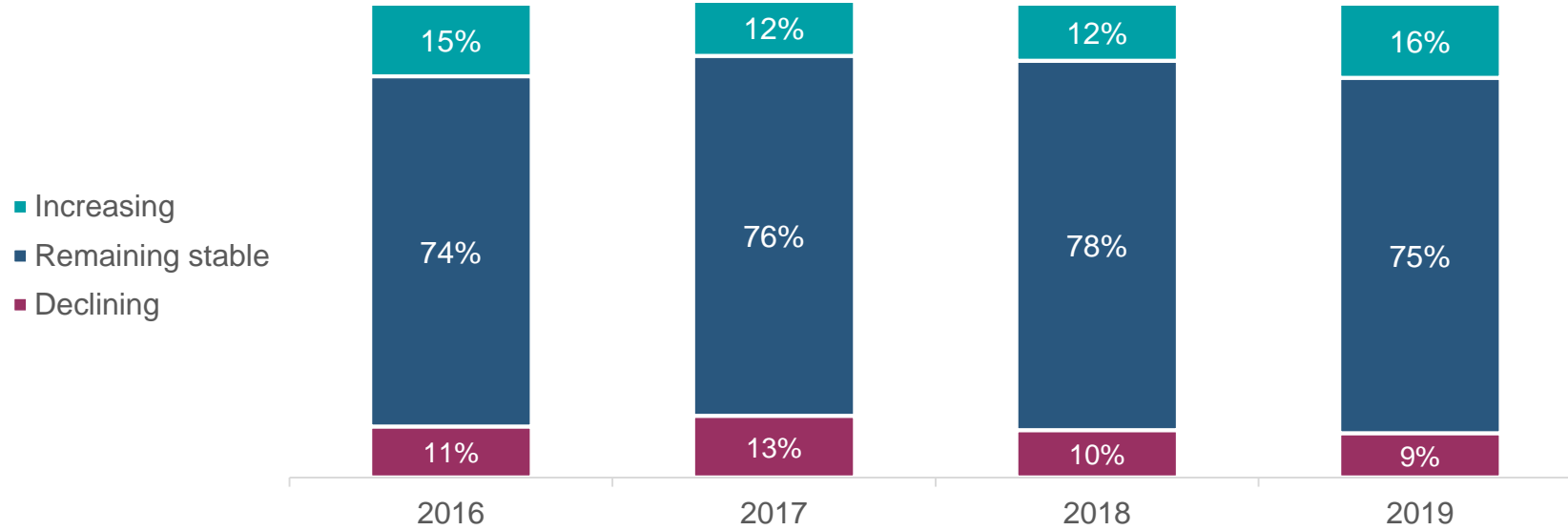
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Share of bad debt losses are increasing

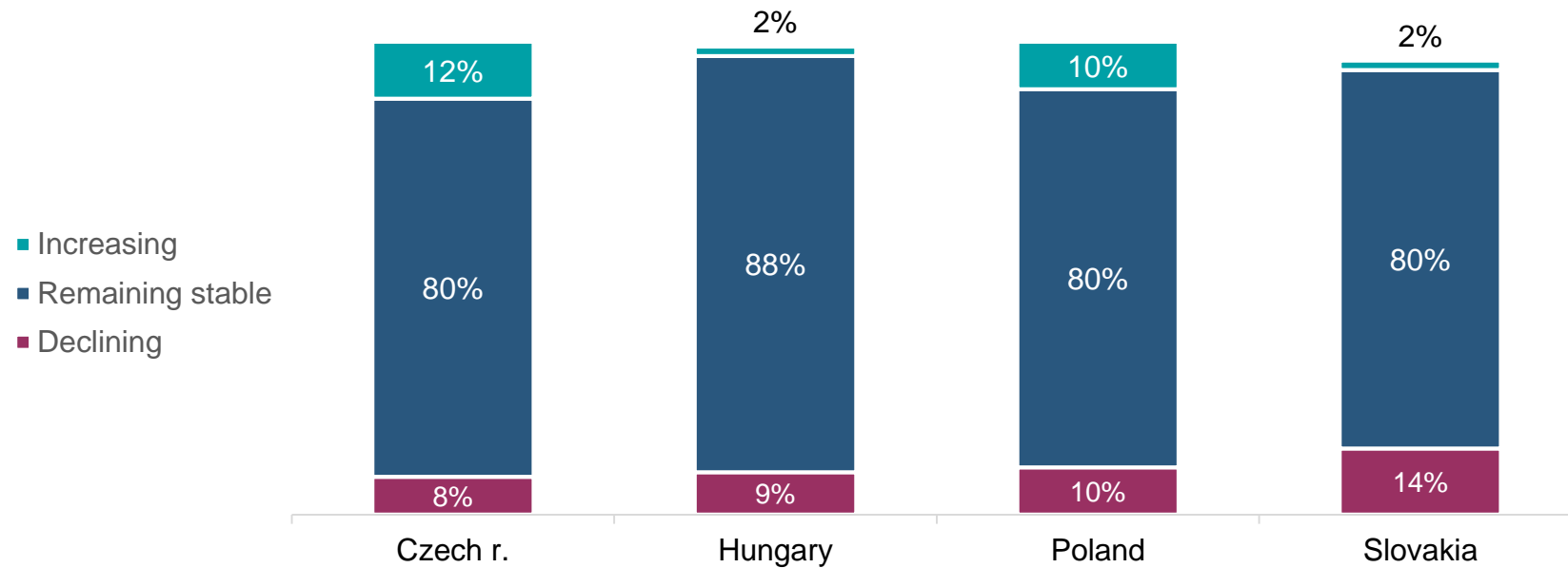
If any, what was your bad debt loss in 2018 as a % of total yearly revenue?



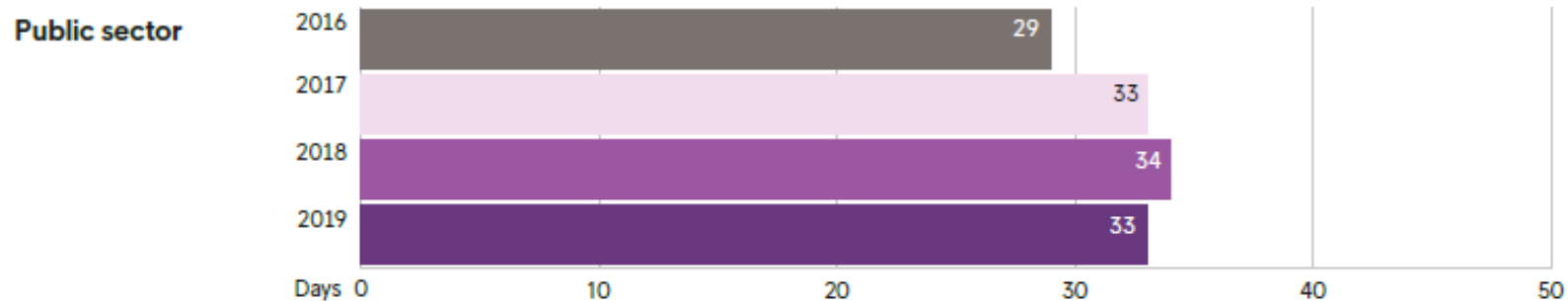
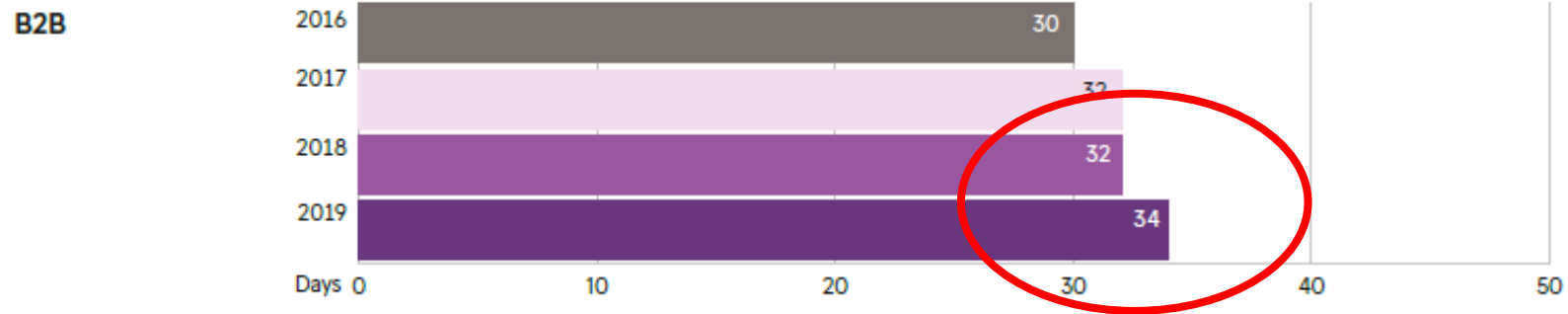
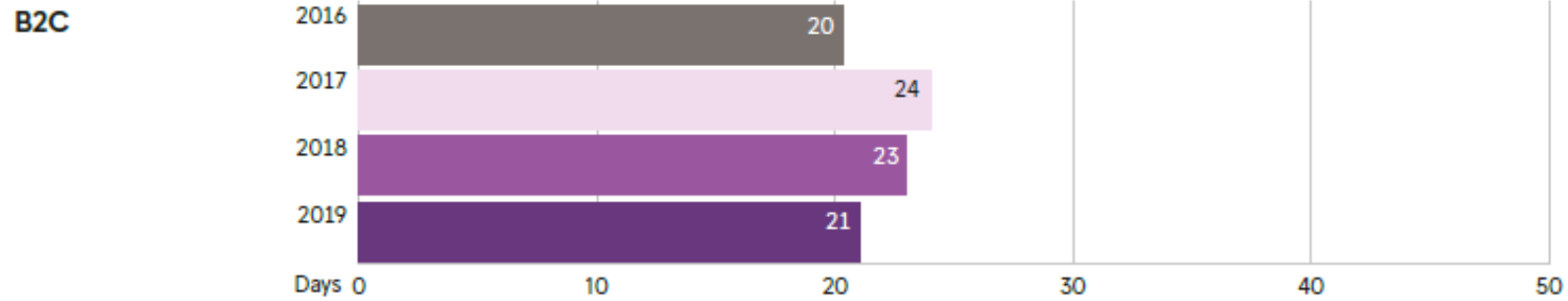
European companies foresee higher risk



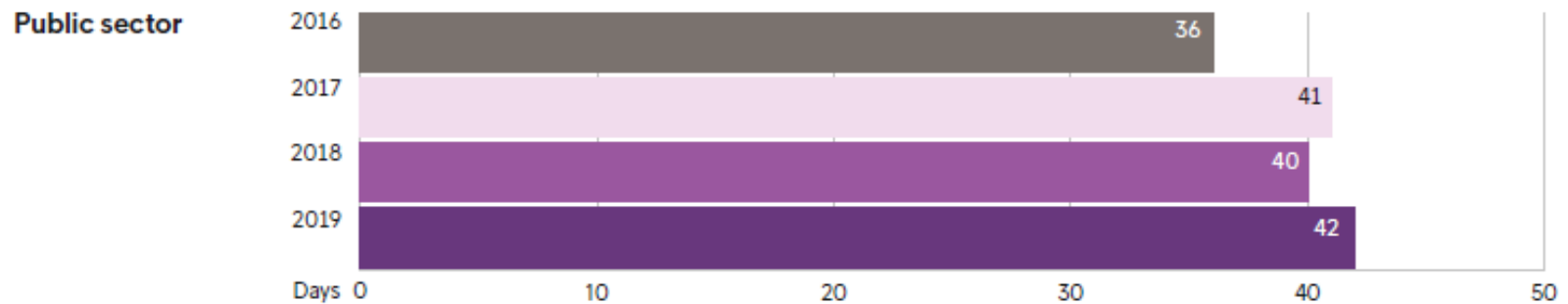
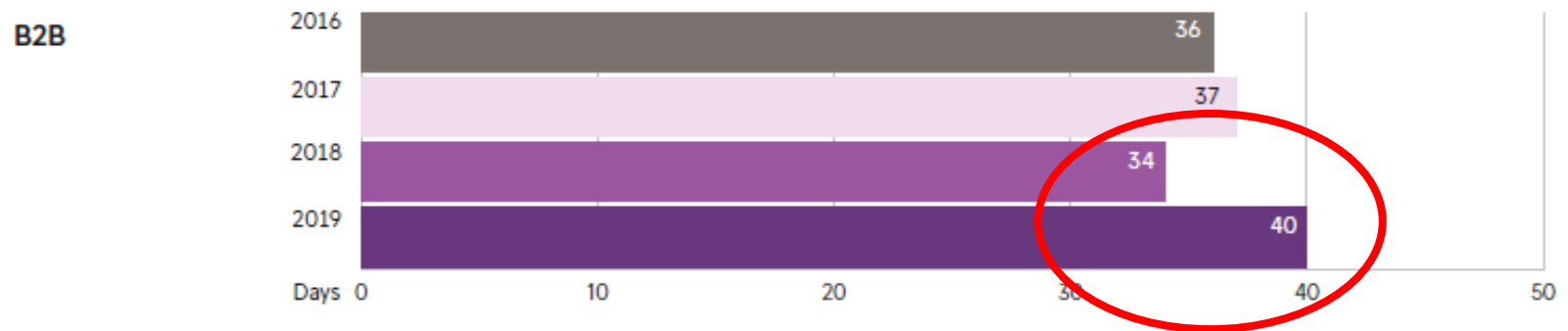
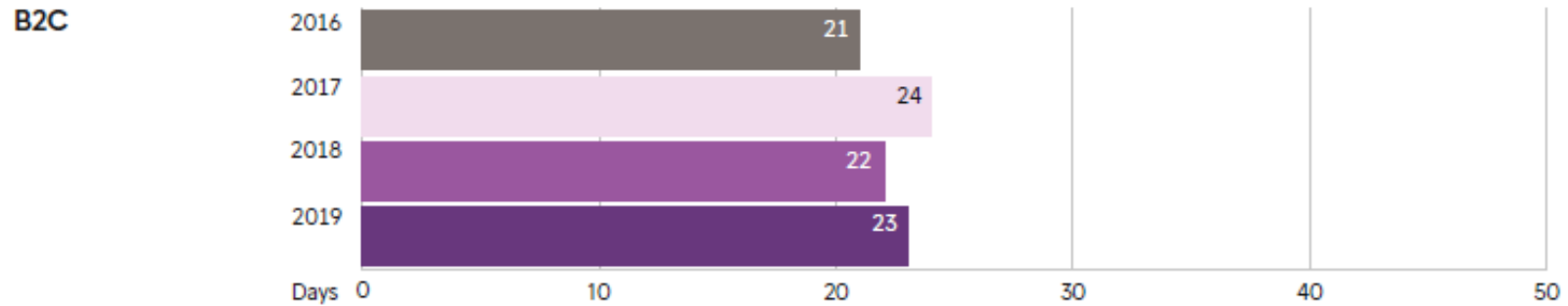
V4 companies foresee stable situation



Average B2B payment time allowed increases



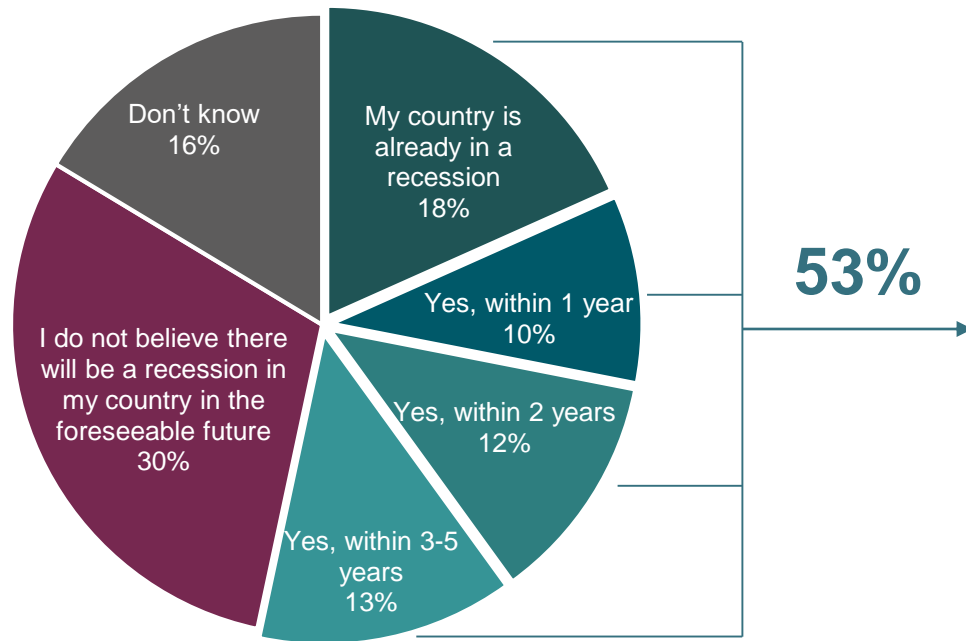
Average actual payment time increases - B2B in particular



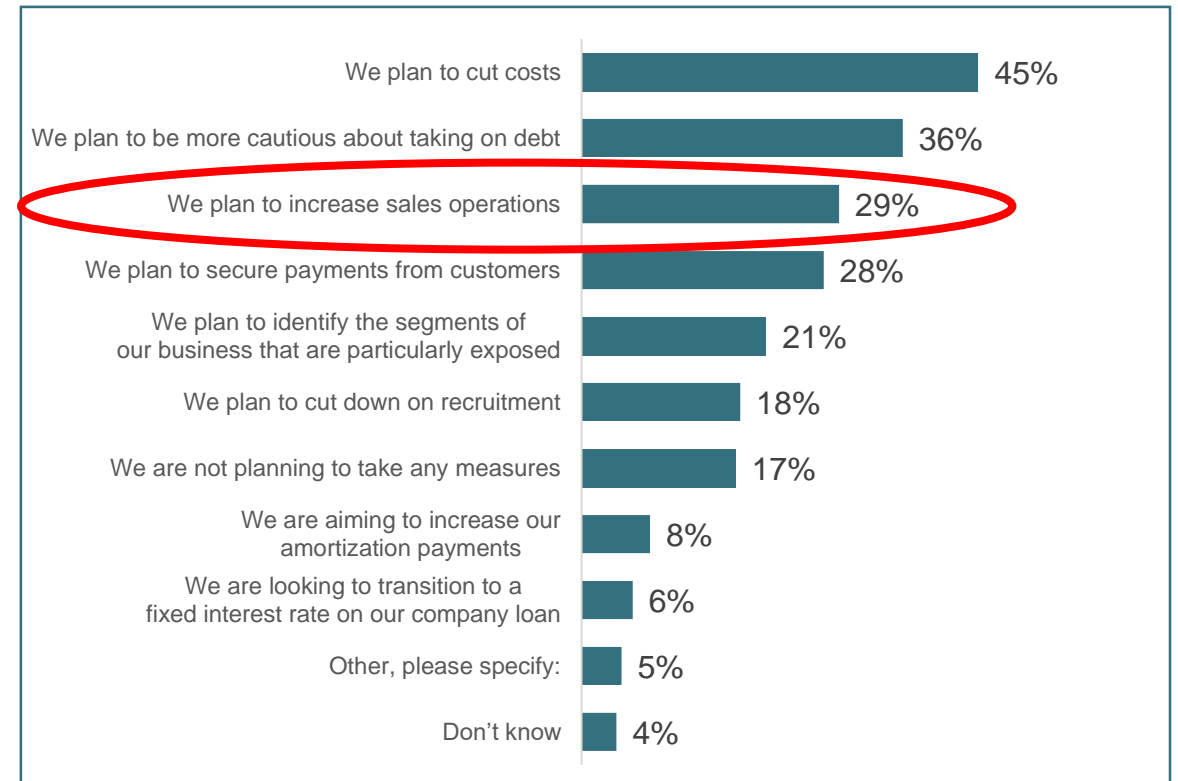
A recession is imminent according to half of European companies

New 2019

Do you believe that a recession is imminent in your country?

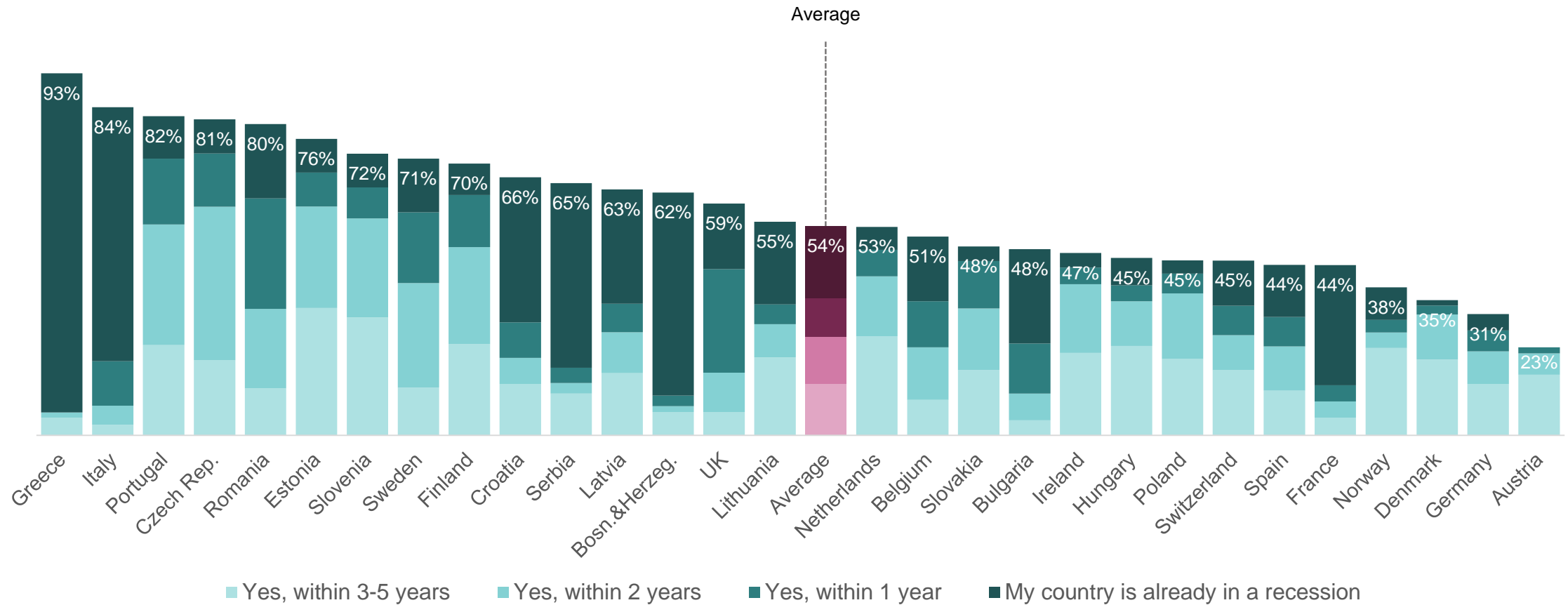


What measures, if any, are you taking in order to prepare your company for an economic decline that would impact your revenues negatively?



Large differences between European countries

New 2019

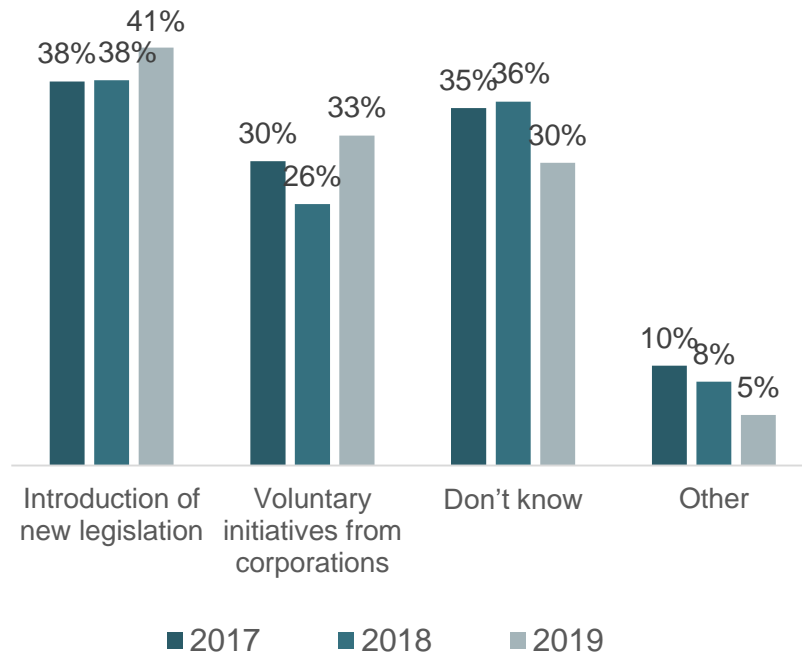


Public Affairs initiative:

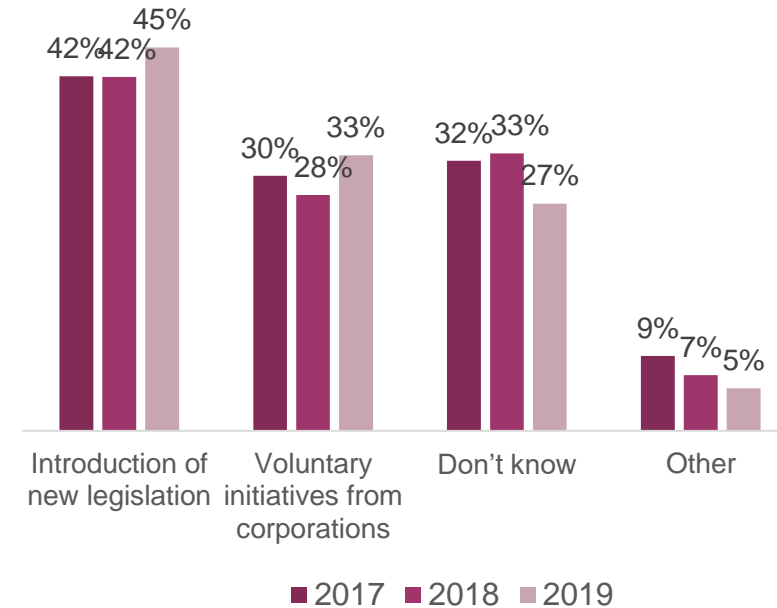
**Increased demands for actions
that prevent late payments
– e.g. new legislation**

An increasing demand for action on payment terms and late payment

What of the following would you like to see nationally in order to solve the problem of **long payment terms** (i.e. demand of payment terms that are longer than national practice/law)?

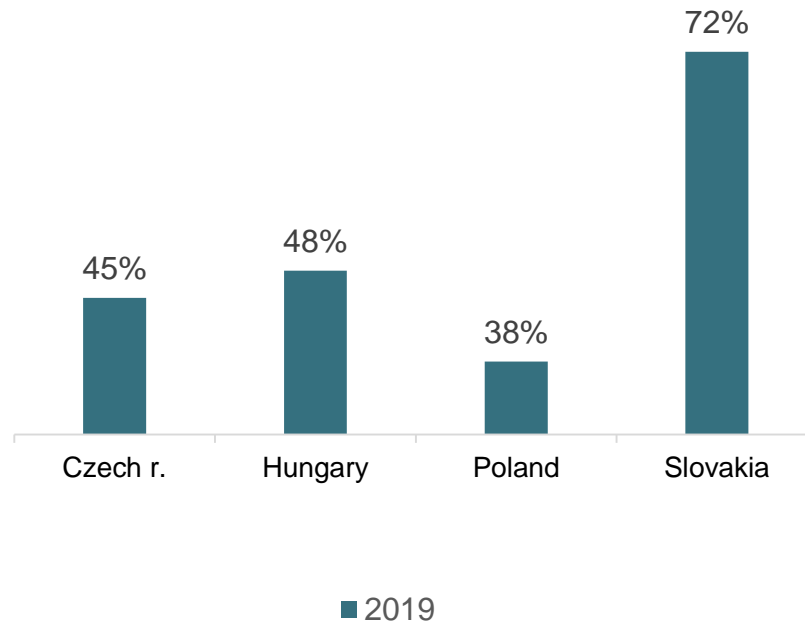


What of the following would you like to see nationally in order to solve the problem of **late payments**? (i.e. outstanding invoiced paid after due date.)

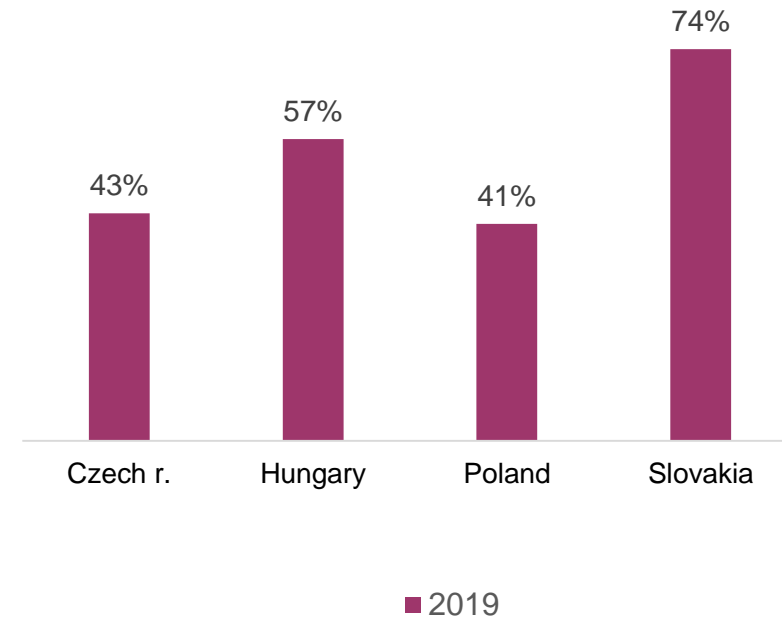


V4 countries – New legislation

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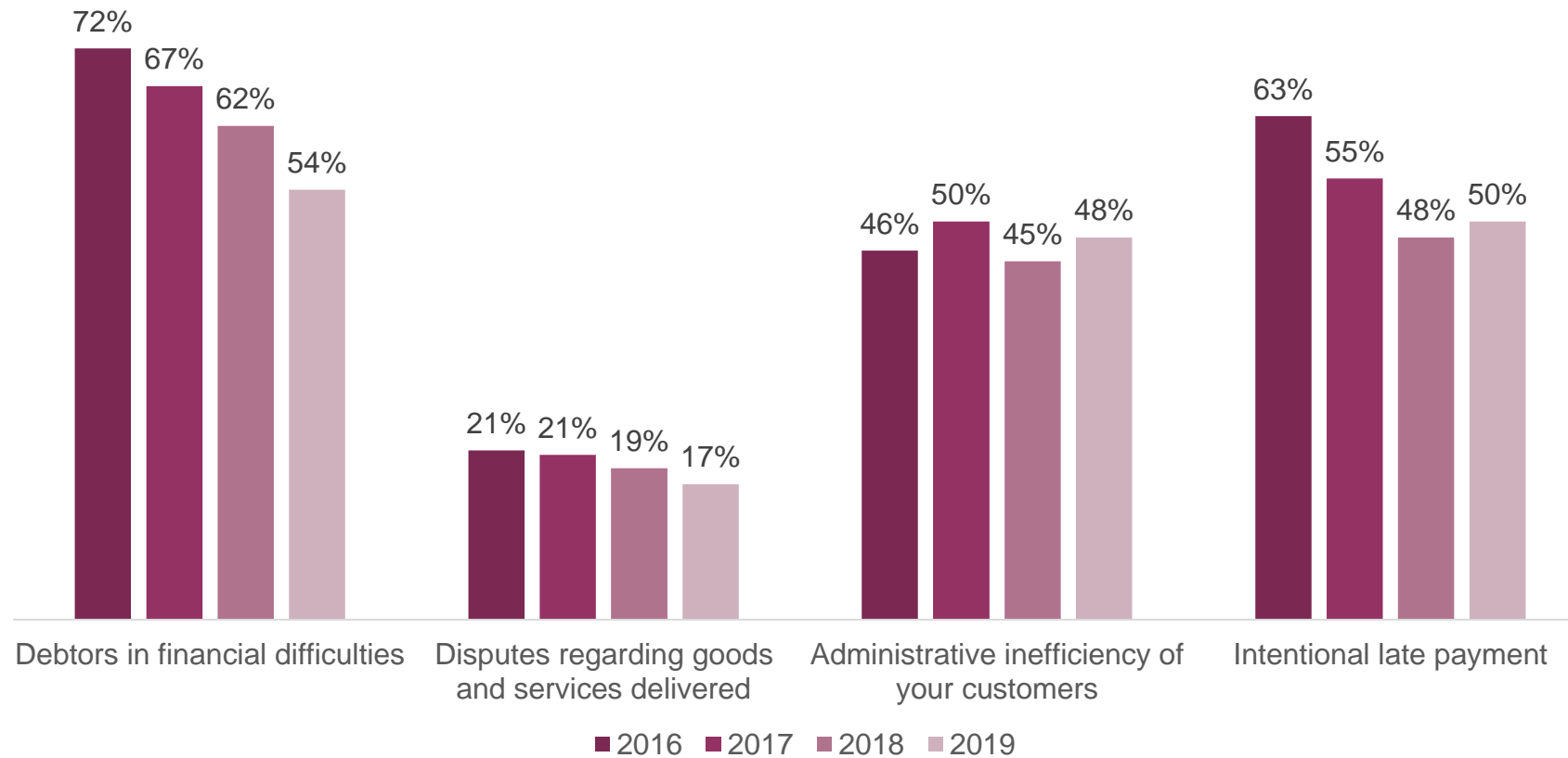


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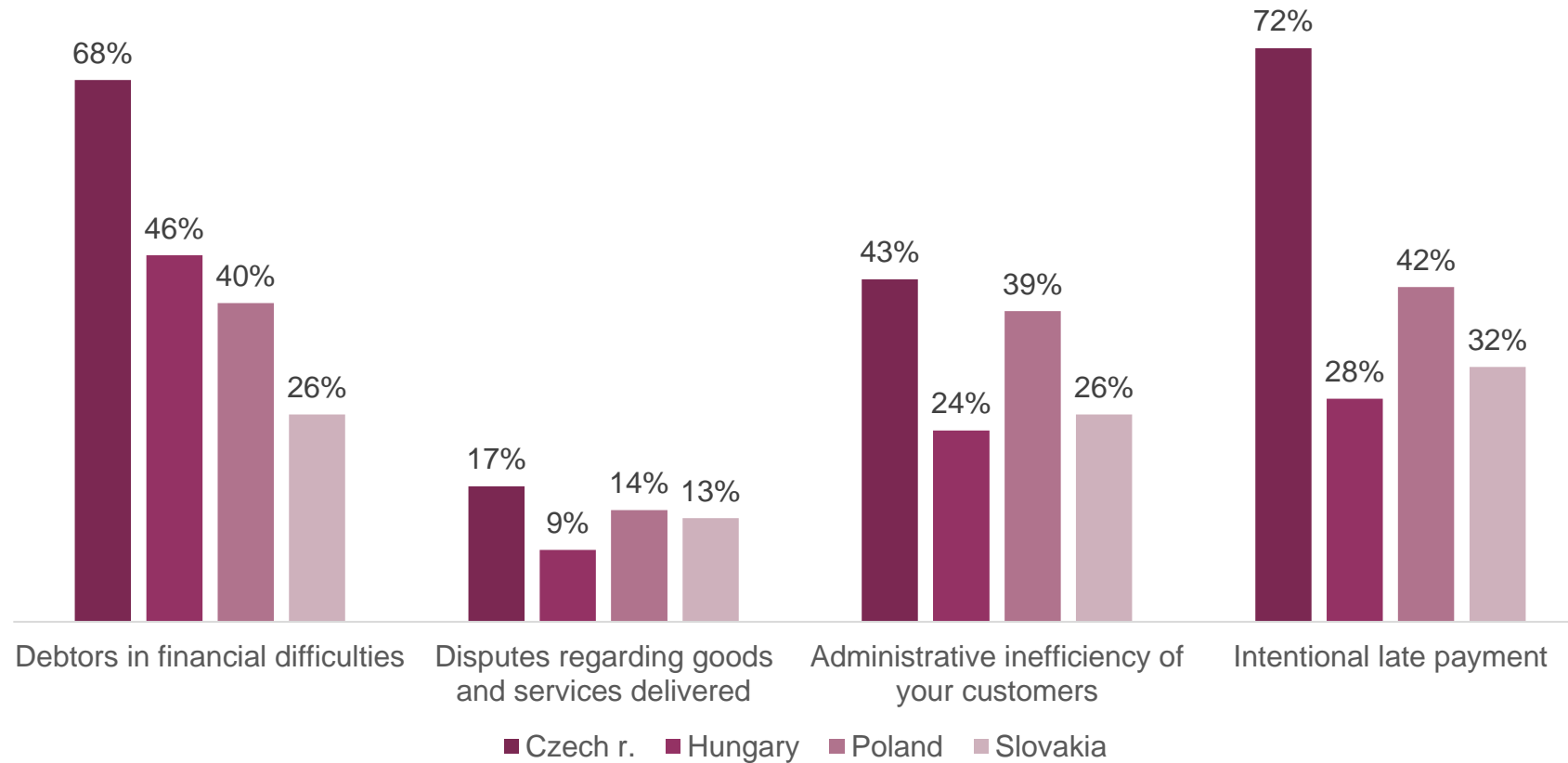


Late payment still a problem

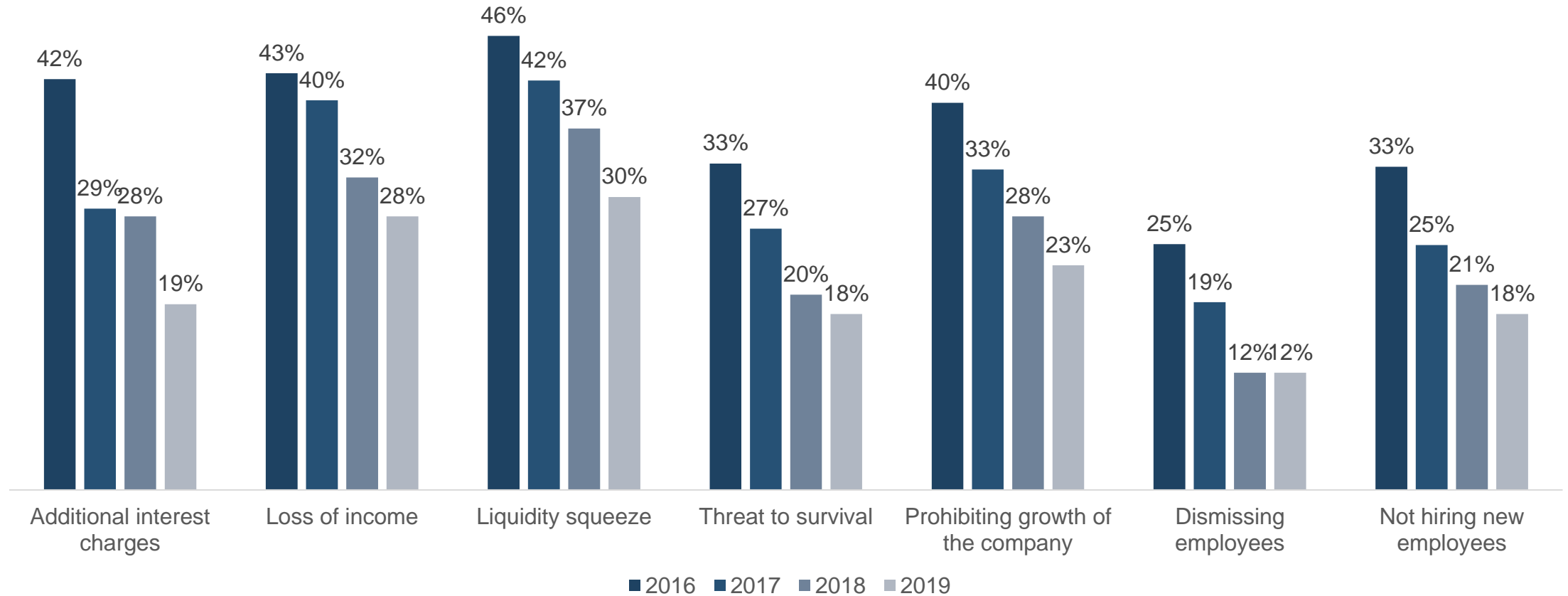
The financial difficulties of debtors still the main cause of late payments



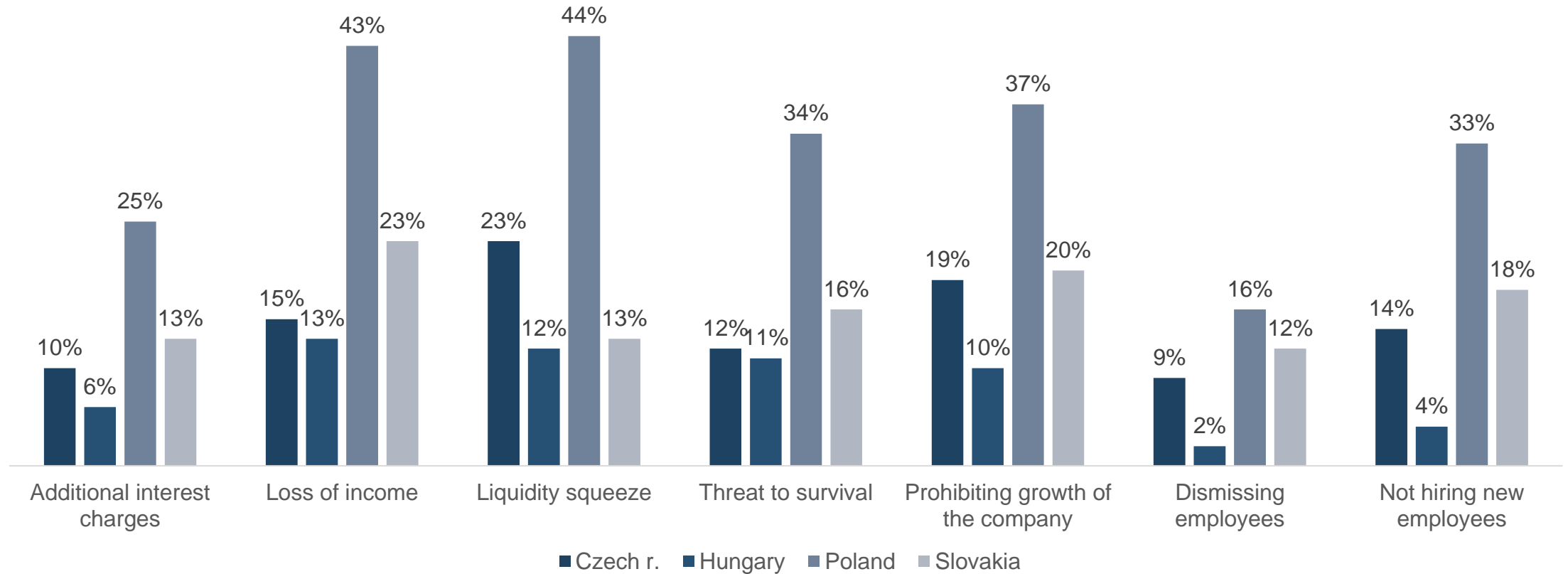
The financial difficulties of debtors still the main cause of late payments – V4 view



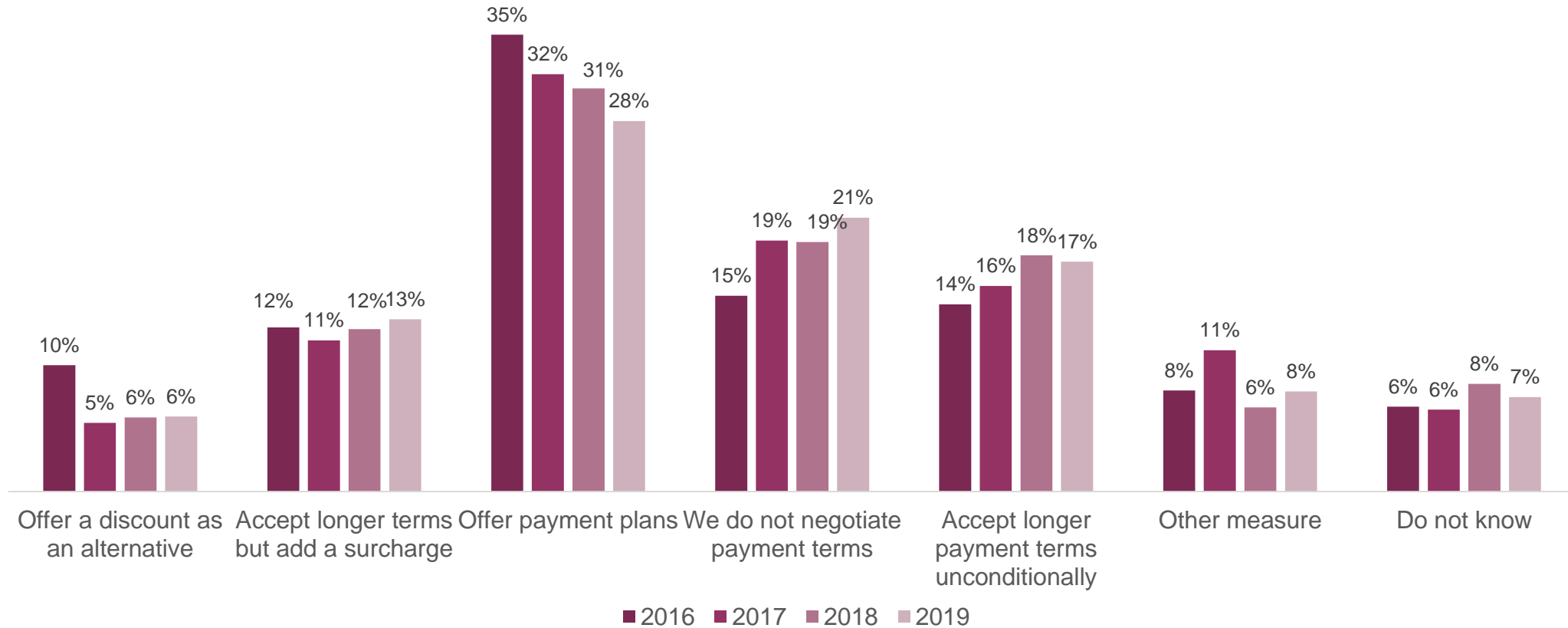
The consequences of late payment getting less and less important - even though risk from debtors could increase



The consequences of late payment getting less and less important - even though risk from debtors could increase – V4 view

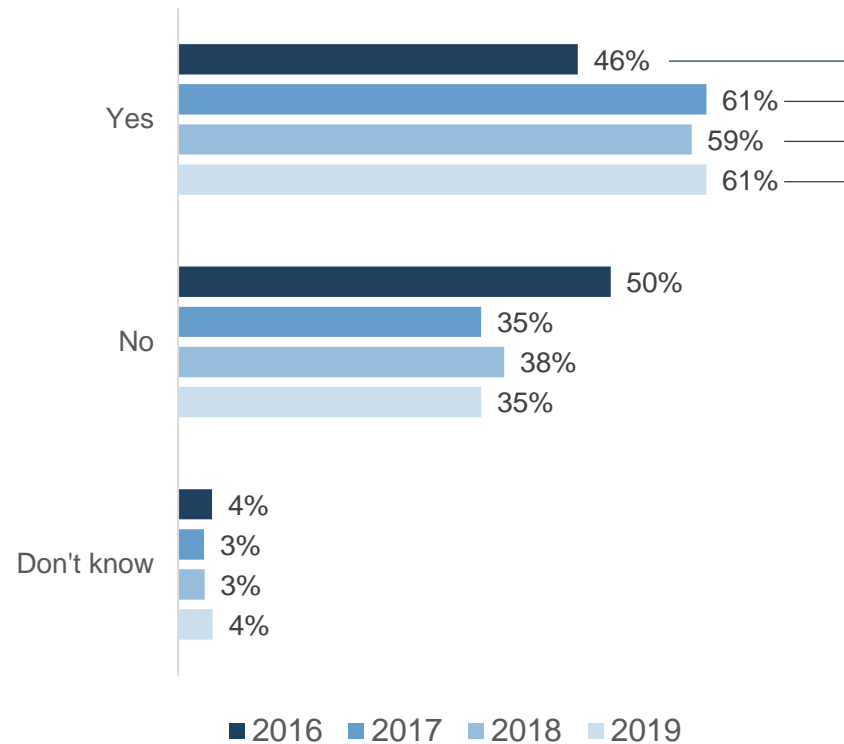


1 in 5 still accept longer payment terms – but more and more European companies do not negotiate them at all

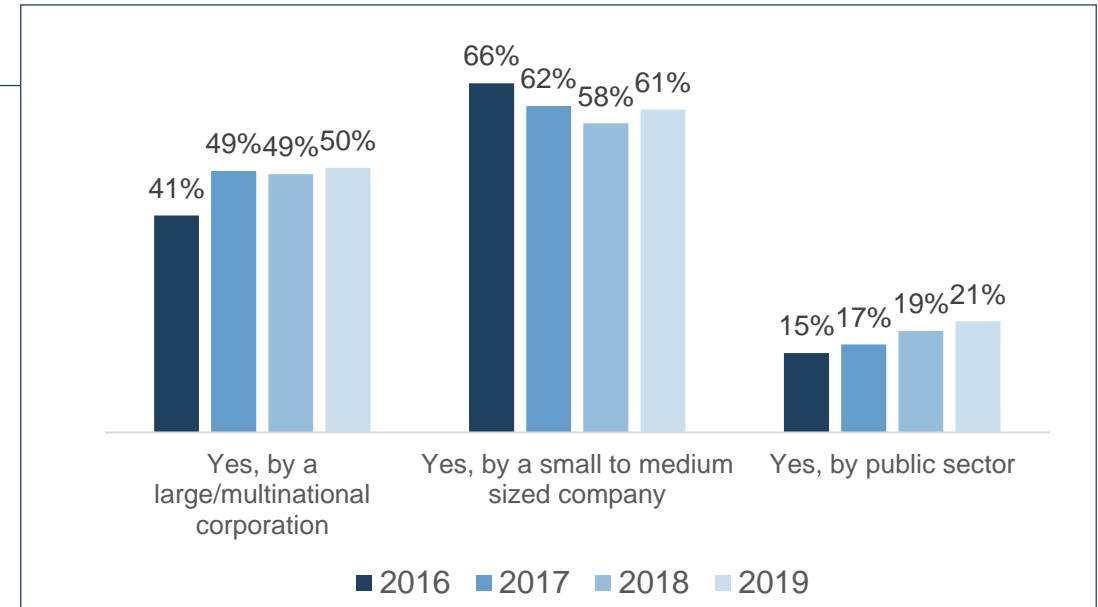


6 in 10 companies have been asked to accept longer payment terms than they feel comfortable with

Have you **been asked** to accept longer payment terms than you feel comfortable with?

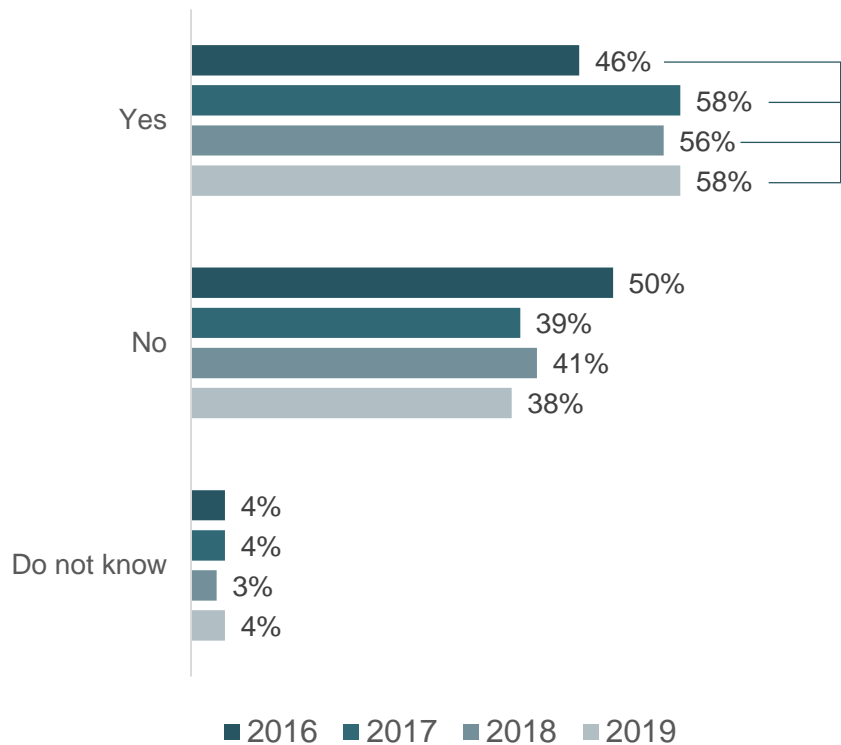


(Base: those that have been asked)

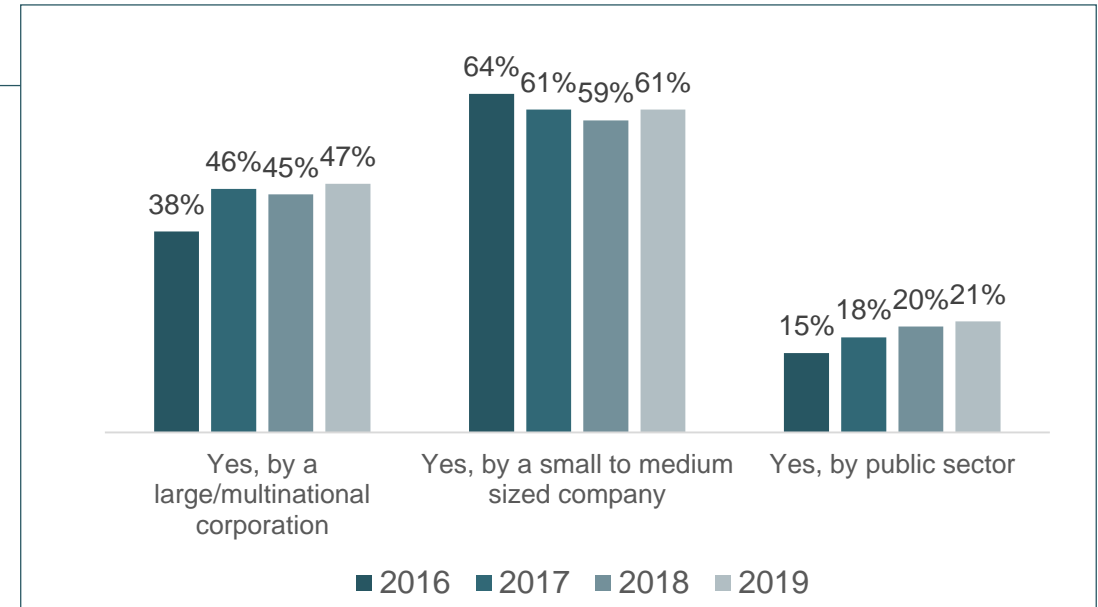


Equally many have also accepted longer payment terms

Have you ever **accepted** longer payment terms than you feel comfortable with?

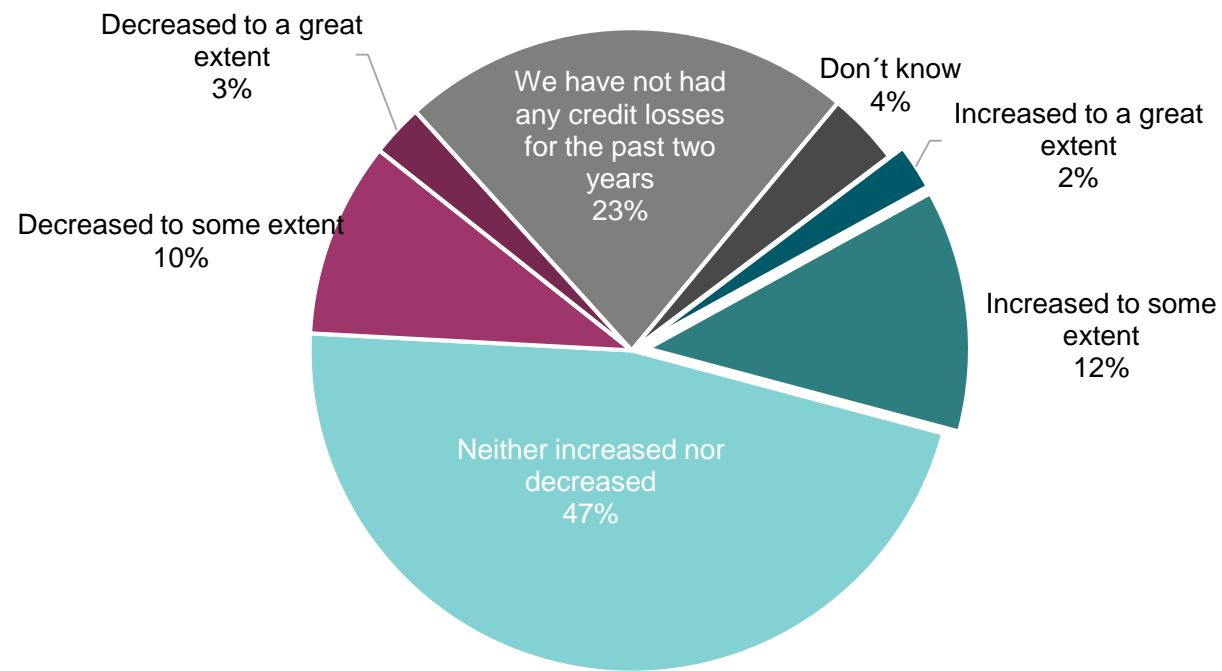


(Base: those that have accepted)



1 in 6 say credit losses have increased last year

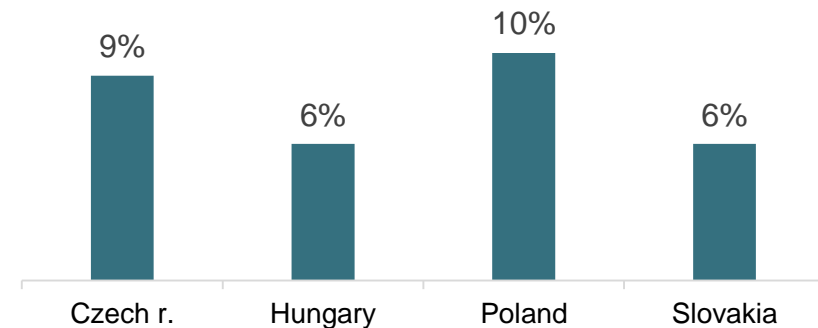
New 2019



Credit losses have increased during 2018 according to

14%

of European businesses



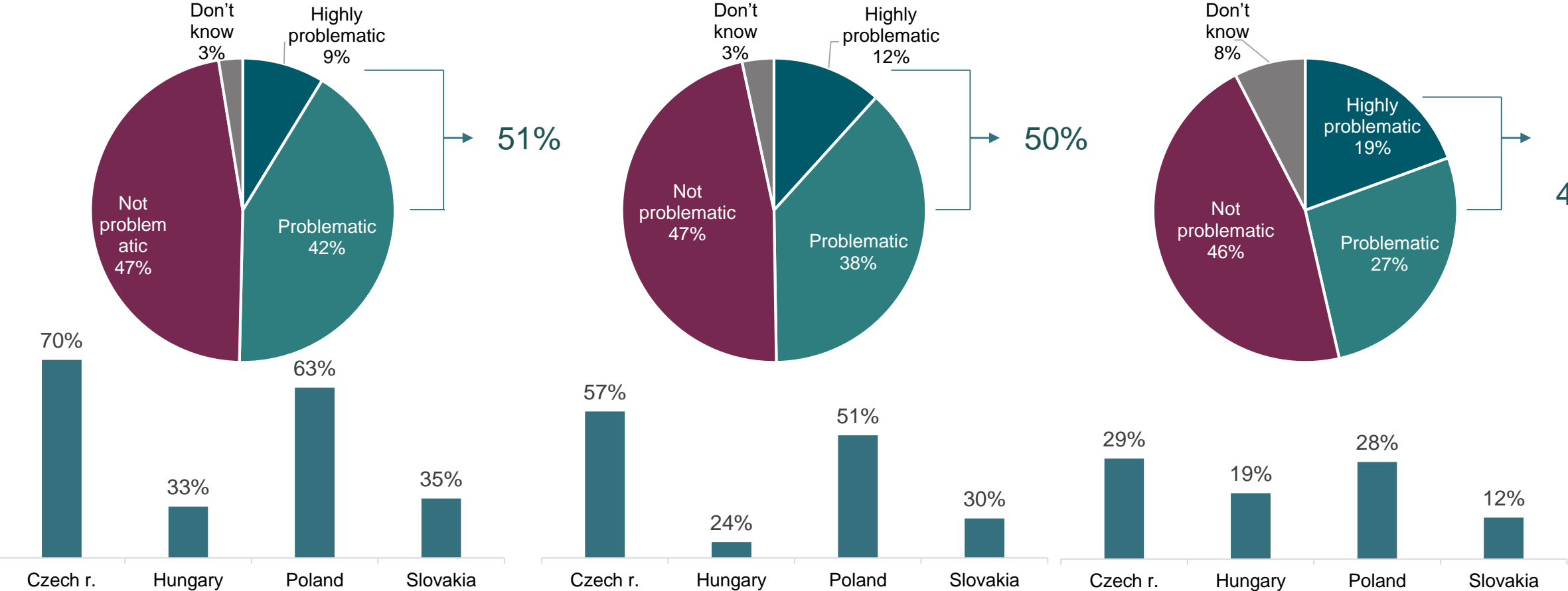
Debtors that pay after the set due date cause the most problems

New 2019

Debtors that pay after the set due date

Long payment terms

Credit losses



What is your level of concern regarding the following areas when it comes to problems with payments?

Unweighted base: 11856 respondents

Questions?

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