INTERIM REPORT

January-March 2017

intrum justitia

INTERIM REPORT JANUARY-MARCH 2017

FIRST QUARTER 2017

- Consolidated net revenues for the first quarter of 2017 amounted to SEK 1,609 M (1,408).
- Operating earnings (EBIT) amounted to SEK 480 M (428). Operating earnings include revaluations of purchased debt portfolios by SEK 0 M (5) and non-recurring expenses for the planned merger with Lindorff of SEK 17 M. The operating margin excluding revaluations was 30 percent (30).
- Net earnings for the quarter amounted to SEK 347 M (310) and earnings per share were SEK 4.77 (4.26).
- Cash flow from operating activities amounted to SEK 707 M (730).
- The carrying value of purchased debt has increased by 43 percent compared with the first quarter of 2016. Investments in purchased debt for the quarter amounted to SEK 2,377 M (738), of which SEK 1,334 M relates to receivable purchased through the acquisition of 1st Credit. Return on purchased debt was 17 percent (20).

SEK M unless otherwise indicated	**Jan-Mar 2017**	Jan-Mar 2016	Change %	**Full-year 2016**
Revenues	1,609	1,408	14	6,088
Revenues excluding revaluations	1,609	1,403	15	6,039
Operating earnings (EBIT)	480	428	12	1,978
Operating margin, %	30	30		32
Net earnings	347	310	12	1,468
Earnings per share before and after dilution, SEK	4.77	4.26	12	20.15
Cash flow from operating activities	707	730	-3	3,374
Carrying value purchased debt	10,623	7,403	43	8,733
Return on purchased debt %	17	20		20
Investments in purchased debt	2,377	738	222	3,100
Cash flow from purchased debt	901	717	26	3,153
Net debt/RTM EBITDA	2.2	1.9		1.9

FIRST QUARTER

22%
Growth in earnings per share past 12 months

16%
Quarterly change in operating earnings (adjusted for currency effects and revaluations of purchased debt and items affecting comparability)

43%
Change in carrying value of purchased debt over the past 12 months

17%
The quarter's return on purchased debt

SEK 2,377 M
Investments in purchased debt for the quarter

COMMENT BY PRESIDENT AND CEO MIKAEL ERICSON

Intrum Justitia continued to perform well in the first quarter of 2017, with strong earnings growth and a high level of investment activity. We achieved all of our three financial targets for growth in earnings per share, return on purchased debt and capital structure. Earnings per share rose by 12 percent in the quarter and have risen by 22 percent over the past 12 months.

Consolidated operating earnings rose by 12 percent compared with the corresponding period in the preceding year. The improvement is primarily attributable to Financial Services and the increased levels of investment in purchased debt with good returns. The Credit Management service line also experienced favorable development with good growth and stable margins. In our regions, we experienced strong development in Central Europe. The major investments made in this region over the past six months, mainly the purchase of a debt portfolio of covered debt and an acquisition in the UK, developed in line with our expectations.

We had a continued high level of investment activity in the first months of the year, as a result of favorable market conditions and our ability to take advantage of the Group's broad geographical presence in different customer segments and different asset classes. In Purchased Debt, excluding the previously announced acquisition in the UK, we increased the level of investment in the first quarter to approximately SEK 1 billion, compared with SEK 700 M in the corresponding period last year. In Credit Management, we are continuing our strategy of growth through acquisitions, carrying out two investments in France. Finally, we announced in April that we are strengthening our presence in Eastern Europe through the acquisition of a company in Romania.

During the first quarter, we continued to prepare for the planned merger with Lindorff. An application for the planned merger was submitted to the European Commission in April and the objective remains of completing the transaction in the second quarter of 2017.

We are continuing our drive to further develop our work in terms of sustainability and sound economy. In April, Intrum Justitia completed its first report to the UN Global Compact following the first year as a signatory to the ten principles for a sustainable society. The report is available on our website. Another example of the Group's sustainability work in the first quarter, was the initiative in developing a code for sound payment periods in Swedish business. Intrum Justitia is driving work on the code, partnering with several Swedish business organizations to influence both policy makers and players in the business community to encourage companies no to pressure their suppliers to accept longer payment terms than the current practice of 30 days and to pay within the agreed credit period.

Intrum Justitia offers companies the most competitive solutions in credit management and financial services, whereby our customers are afforded more resources to be able to focus on their core business. Geographically, we can offer customers solutions in more countries than any competitor, through our presence in 21 countries in Europe. Our performance in the first months confirms our strong business model and the confidence of our customer base. The Group's prospects for sustained, profitable growth over the upcoming years are good.

GROUP

SEK M unless otherwise indicated	Jan-Mar 2017	Jan-Mar 2016	Change %	Full-year 2016
Revenues	1,609	1,408	14	6,088
Operating earnings (EBIT)	480	428	12	1,978
Operating margin, %	30	30		32
Net financial items	-46	-41	12	-168
Tax	-87	-77	13	-342
Net income	347	310	12	1,468
Average number of employees	4,281	3,859	11	3,975

REVENUES AND EARNINGS

JANUARY-MARCH 2017

Consolidated profit after tax and earnings per share for the quarter, rose by 12 percent compared with the same period last year.

The Group's net revenues in the first quarter increased by 14 percent compared with the preceding year, attributable to organic growth of 10 percent, acquisition effects of 3 percent, revaluations of purchased debt of 0 percent and currency effects of 1 percent. Revaluations of portfolios affected operating earnings by SEK 0 M in the first quarter, compared with SEK 5 M in the same period last year. In the first quarter, currency effects impacted operating earnings by approximately SEK 8 M compared with the preceding year. Non-recurring items affected operating earnings negatively by SEK 17 M in the first quarter with regard to expenses related to the planned merger with Lindorff. Operating earnings improved by 12 percent over the quarter, and when adjusted for currency effects, revaluations of purchased debt portfolios and items affecting comparability, the increase amounted to 16 percent.

The increase in operating earnings excluding revaluations, exchange rate effects and items affecting comparability compared with the same period last year is primarily attributable to improved results in the Group's Financial Services service line. Growth has remained favorable within Financial Services, through increased investment volumes in purchased debt, which offset a slightly lower return compared with the same period last year. For the Group's Credit Management services line, earnings improved through increased volumes from proprietary portfolios, as well as through contributions to earnings from acquired units. Within the Group's regions, it is primarily Central Europe that is contributing to improved operating profit through favorable operational efficiency, which enables profitable growth, primarily in Purchased Debt.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK –46 M (–41). Net interest income for the quarter reached SEK –36 M (–31). Net interest has been affected negatively by increased borrowing and positively by slightly lower average interest rates compared with the corresponding period in the preceding year. Exchange rate differences have affected net financial items by SEK –2 M (–3), and other financial items by SEK –8 M (–7). Other financial items refer primarily to bank fees and similar charges in connection with the Group's borrowing.

TAXES

Earnings for the quarter were charged with tax of 20 percent. Further information regarding an assessment of future tax expense is provided in the section 'Taxation assessments'.

CASH FLOW AND INVESTMENTS

SEK M unless otherwise indicated	Jan-Mar 2017	Jan-Mar 2016	Change %	Full-year 2016
Cash flow from operating activities	707	730	-3	3,374
Cash flow from investing activities	-2,156	-1,142	89	-3,763
Total cash flow from operating and investing activities	-1,449	-412	252	-389
Cash flow from purchased debt	901	717	26	3,153
Cash paid for investments in purchased debt	2,072	1,041	99	3,374

Cash flow from operating activities during the first quarter amounted to SEK 707 M (730). Cash flow from operating earnings, adjusted before impairment, revaluations and amortization continues to develop positively, with an increase of 186 M or 22 percent compared with the same period last year. In general, cash flow from operating activities is somewhat lower than in the preceding year, mainly because a larger percentage of the year's payments of corporate tax in 2017 have occurred in the first quarter.

Cash flow from investing activities during the first quarter amounted to a negative SEK 2,156 M compared with a negative SEK 1,142 M for the same period last year. The increase compared with the previous year is mainly attributable to higher payments for investments in purchased debt, including SEK 1,334 M through the acquisition of 1st Credit.

FINANCING

SEK M unless otherwise indicated	Jan-Mar 2017	Jan-Mar 2016	Change %
Net Debt	8,738	6,465	35
Net Debt/RTM EBITDA	2.2	1.9	
Shareholders' equity	4,477	3,457	30
Liquid assets	318	194	64

Consolidated net debt, expressed as a multiple of operating income before depreciation and amortization is due to the high rate of investment, mainly in purchased debt, which increased from 1.9 in the first quarter of 2016 to 2.2 in the first quarter of 2017, which is within the range of Intrum Justitia's financial target for this relationship of 2.0-3.0.

During the quarter, the Group's revolving credit facility was renegotiated to enhance financial flexibility. The previous facility of SEK 7.5 billion has been increased by EUR 150 M. This EUR 150 M matures in connection with the planned merger with Lindorff being completed, or 18 months from February 2017, whichever is sooner.

GOODWILL

On March 31, 2017, consolidated goodwill amounted to SEK 3,237 M, compared with SEK 3,120 M on December 31, 2016. Of this increase, SEK 128 M is attributable to acquisitions and SEK –11 M to currency exchange differences.

REGIONS

NORTHERN EUROPE

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Fx adj %	Full Year 2016
Revenues excluding revaluations	665	646	3	1	2,820
Operating earnings excluding revaluations	181	198	-9	-10	988
Operating margin excluding revaluations, %	27	31	-4 ppt		35

Excluding revaluations, exchange rate effects and items affecting comparability, revenues increased marginally compared with the same period in the preceding year through acquired and organic growth in Credit Management. Earnings for the quarter were burdened by SEK 8 M in transaction costs related to the planned merger with Lindorff. Operating earnings, excluding revaluations, exchange rate effects and items affecting comparability, decreased as a result of insufficient investment growth and lower returns in purchased receivables. Earnings and profitability remains good in Northern Europe, but to strengthen future growth, a number of measures were implemented. These primarily involve initiatives for improved efficiency in collection and measures to increase levels of investment in purchased debt.

CENTRAL EUROPE

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Fx adj %	Full Year 2016
Revenues excluding revaluations	551	415	33	30	1,775
Operating earnings excluding revaluations	210	142	48	45	616
Operating margin excluding revaluations, %	38	34	4 ppt		35

Revenues and operating profit, excluding revaluations, exchange rate effects and items affecting comparability, continue to show good growth. Earnings for the quarter were burdened by SEK 5 M in transaction costs related to the planned merger with Lindorff. As in previous quarters, prolonged efforts to strengthen operational efficiency in collection are the main cause behind Central Europe’s positive development, which enabled favorable investment growth and high returns on purchased receivables. Furthermore, in some countries the macroeconomic trend is having a favorable impact on us. The growth prospects for the region are favorable, including through establishment in two new markets, the UK and Romania, during the first half of 2017. See below in the sections “Acquisitions” and “Events following the close of the period,” for further details.

WESTERN EUROPE

SEK M	**Jan-Mar 2017**	Jan-Mar 2016	Change %	Fx adj %	**Full Year 2016**
Revenues excluding revaluations	393	342	15	13	1,444
Operating earnings excluding revaluations	89	83	7	5	325
Operating margin excluding revaluations, %	23	24	-1 ppt		23

Revenues and operating earnings excluding revaluations, exchange rate effects and items affecting comparability, increased compared with the same period last year, mainly through growth in purchased debt. Earnings for the quarter were burdened by SEK 4 M in transaction costs related to the planned merger with Lindorff. Earnings from purchased debt have increased through higher investment volumes, offsetting lower return levels. In Credit Management, acquired units have contributed positively, while organic growth from external customers in Credit Management is negative, mainly due to price pressure.

SERVICE LINES

CREDIT MANAGEMENT

SEK M	**Jan-Mar 2017**	Jan-Mar 2016	Change %	Fx adj %	**Full Year 2016**
Revenues	1,160	1,024	13	11	4,335
Service line earnings	273	241	13	11	1,134
Service line margin, %	24	24	-		26

Growth in revenues, excluding currency effects, is attributable to acquisitions, primarily in Spain and Denmark in the fourth quarter of 2016 and increased revenues for collection on the Group's own portfolios. Revenues from external customers were relatively unchanged compared with the same period last year. Operational earnings increased in line with revenues and, accordingly, the operating margin for the quarter was in line with last year. In the first quarter and in April 2017, two supplementary acquisitions have been carried out in France, see below under the section "Acquisitions" and "Subsequent Events" for further details.

FINANCIAL SERVICES

SEK M	**Jan-Mar 2017**	Jan-Mar 2016	Change %	Fx adj %	**Full Year 2016**
Revenues	783	640	22	20	2,902
Service line earnings	418	364	15	13	1,635
Service line margin, %	53	57	-4 ppt		56
Investments in purchased debt	2,377	738	222		3,100
Return on purchased debt, %	17	20	-3 ppt		20
Carrying amount, purchased debt	10,623	7,403	43		10,623

Revenues and profits in Financial Services have increased as a result of continued strong growth in purchased debt, with investments in the past 12 months by the first quarter of 2017 amounting to SEK 4.7 billion. The level of investment in purchased debt for the quarter of SEK 2.4 billion, including the previously announced acquisition of 1st Credit in the UK for approximately SEK 1.3 billion. The remaining investment volume of approximately SEK 1 billion in the first quarter related mainly to investments in portfolios from the banking and financial sectors in several countries. The return on purchased debt, excluding revaluations, amounted to 17 percent for the quarter, compared with 19 percent for the same period in the preceding year. The lower return level is similar to previous periods due to the influence of increased investment portfolio within segments of relatively lower yields and increased price competitiveness compared to investment in the past year. Despite a somewhat lower return on purchased receivables compared to previous periods, the assessment remains that current price levels offer a good risk-adjusted return for Intrum Justitia.

In the quarter, a purchased debt portfolio was divested, with a positive impact on service line earnings of SEK 1 M, whereof SEK 38 M is reported as purchased debt collections, SEK –35 M as purchased debt amortizations and SEK –2 M as operating expenses.

TAXATION ASSESSMENTS

The Company estimates that over the coming years the tax expense will amount to 20-25 percent of profit before tax for the respective year, excluding the outcome of any tax disputes and without taking the planned merger with Lindorff into account.

PARENT COMPANY

The Group's publicly listed Parent Company, Intrum Justitia AB (publ), owns the subsidiaries, provides the Group's head office functions and handles certain Group-wide development work, services and marketing.

The Parent Company reported net revenues of SEK 23 M (22) for the quarter and earnings before tax of a negative SEK 53 M (26). The Parent Company invested SEK 0 M (0) in fixed assets during the quarter and had, at the end of the quarter, SEK 8 M (7) in cash and equivalents. The average number of employees was 56 (54).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the Group and in accordance with Chapter 9 of the Annual Accounts Act for the Parent Company. The same accounting principles and calculation methods have been applied as in the most recent Annual Report. The Group is preparing for the changes in the accounting standards concerning financial instruments and revenue from customer contracts that are to take effect in 2018, as well as the current lease, which enters force in 2019. An overview of changes in accounting policies and the expected impact on Intrum Justitia's financial reports is presented in Note 1 of the Annual Report for 2016. There is currently nothing new to add in this context.

SIGNIFICANT RISKS AND UNCERTAINTIES

Risks to which the Group and Parent Company are exposed include risks relating to economic developments, compliance and changes in regulations, reputation risks, tax risks, risks attributable to IT and information management, risks attributable to acquisitions, market risks, liquidity risks, credit risks, risks inherent in purchased debt and payment guarantees, as well as financing risks. The risks are described in more detail in the Board of Directors' report in Intrum Justitia's 2016 Annual Report. No significant risks are considered to have arisen besides those described in the annual report.

ACQUISITIONS

In February, the acquisition of 1st Credit was completed. This is a medium-sized company active in purchased debt in the UK. Preliminarily, the acquisition is reported in the consolidated accounts in accordance with the following:

SEK M	Carrying amounts before acquisition	Adjustments to fair value value	Fair value recognized in Group
Purchased debt	1,314	20	1,334
Other fixed assets	8		8
Current assets	6		6
Liquid assets	5		5
Deferred tax liability/asset	-18	-4	-22
Interest-bearing liabilities	-1,235	-120	-1,355
Interest-free liabilities	-34	-31	-65
Net assets	**46**	**-135**	**-89**
Consolidated goodwill			89
Purchase consideration paid			0
Acquired cash and cash equivalents			5
Net effect on cash and cash equivalents			**5**

On February 8, a small business was also acquired within Credit Management in France, Intractiv Wide Development SAS. Intractiv mainly offers a digital platform in credit management for clients with business requirements. The Company has about 40 employees and revenues of EUR 3.7 M for 2016. The purchase price amounted to SEK 57 M, based on a net debt-free valuation of SEK 53 M, and goodwill recognized in connection with the acquisition amounting preliminarily to SEK 38 M.

MERGER WITH LINDORFF

Intrum Justitia announced November 14, 2016, that Intrum Justitia and Lindorff's owners have reached an agreement on a planned merger between Intrum Justitia and Lindorff, a Norwegian credit management group with a similar business model as Intrum Justitia. For the 2016 full year, Lindorff had revenues of EUR 647 M and an operating profit of EUR 273 M before amortization/depreciation and excluding certain non-recurring items. Over the year, Lindorff had an average 3,968 employees. Its headquarters are located in Oslo. The aim of the planned merger is to create the industry's leading provider of credit management services.

The transaction will be carried out by Intrum Justitia acquiring all outstanding shares in Lindorff, in exchange for newly-issued shares in Intrum Justitia. An Extraordinary General Meeting on December 14, 2016 resolved to approve the merger with Lindorff and authorized the Board to decide on a new issue of shares as compensation for the shares in Lindorff. The number of new shares to be issued shall not exceed the number of shares equivalent to 45 percent of the total number of shares outstanding in the company after the issue.

The implementation of the transaction is subject to the approval by the regulatory authorities in the relevant jurisdictions as well as by the EU Competition Authorities. An application for the planned merger was submitted to the European Commission in April. The objective of completing the transaction in the second quarter of 2017 remains, as previously communicated.

EVENTS AFTER THE END OF THE PERIOD

On April 3, 2017, Intrum Justitia signed an agreement to acquire Top Factoring, one of the leading purchased debt companies in Romania. The purchase consideration is approximately EUR 25 M on a net debt-free basis, attributable primarily to a diversified portfolio of receivables. Top Factoring has some 210 employees working with the company's own debt portfolios, as well as a smaller unit offering credit management services to external customers. The company is mainly present in the bank and telecom sectors, with several strong customer relationships generating recurring investment opportunities in debt portfolios. The acquisition is expected to be completed during the second quarter. Top Factoring will belong to Intrum Justitia's Central Europe region. The acquisition analysis has not yet been finalized. The acquisition was completed after the balance sheet date, on April 19.

On April 7, 2017, we acquired the remaining minority shareholding of 42 percent in the French subsidiary IJCOF Corporate SAS for a consideration of SEK 85 M, based on a net debt-free valuation of SEK 72 M. IJ COF Corporate SAS is active in credit management for customers with mainly corporate receivables.

PRESENTATION OF THE INTERIM REPORT

The year-end report and presentation materials are available at www.intrum.com > Investor relations. President & CEO Mikael Ericson and Chief Financial Officer Erik Forsberg will comment on the report at a teleconference January 25, starting at 9:00 CET. The presentation can be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 8 566 425 09 (SE) or +44 20 300 898 07 (UK).

FOR FURTHER INFORMATION, PLEASE CONTACT

Mikael Ericson, President and CEO, tel.: +46 8 546 102 02
Erik Forsberg, Chief Financial Officer, tel.: +46 8 546 102 02

Erik Forsberg is the contact under the EU Market Abuse Regulation.

This information is such that Intrum Justitia AB (publ) is required to publish under the EU Market Abuse Regulation. The information was provided under the auspices of the contact person above for publication on April 25, 2017 at 7.00 P.M. CET.

FINANCIAL CALENDAR 2017

The interim report for January-June will be published July 18, 2017
The interim report for January-September will be published October 18, 2017
The year-end report for 2017 will be published January 25, 2018

The 2017 Annual General Meeting of Intrum Justitia will be held on Thursday, June 29, 2017 at 15:00 CET at the company's offices at Hesselmans torg 14, Nacka, Sweden.

The year-end report and other financial information are available at Intrum Justitia's website: www.intrum.com

Denna delårsrapport finns även på svenska.

Stockholm, April 25, 2017

Mikael Ericson
President and CEO

ABOUT THE INTRUM JUSTITIA GROUP

Intrum Justitia is Europe's leading Credit Management Services (CMS) group, offering comprehensive credit management services, including Purchased Debt, designed to measurably improve clients' cash flows and long-term profitability. Founded in 1923, Intrum Justitia has around 4,200 employees in 20 markets. Consolidated revenues amounted to approximately SEK 6.1 billion in 2016. Intrum Justitia AB has been listed on the Nasdaq Stockholm exchange since 2002. For further information, please visit www.intrum.com

REVIEW REPORT

To the Board of Directors of Intrum Justitia AB (publ), corporate identity number 556607-7581.

Introduction
We have performed a general review of the interim financial report for Intrum Justitia AB (publ) for the period January-March 2017. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review
We conducted our review in accordance *with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has another focus and is substantially less in scope than an audit conducted in accordance with the ISA *International Standards on Auditing* and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, April 25, 2017
Ernst & Young AB

Erik Åström
Authorized Public Accountant

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	Jan-Mar 2017	Jan-Mar 2016	Full Year 2016
Revenues	1,609	1,408	6,088
Cost of sales	-874	-770	-3,194
Gross earnings	**735**	**638**	**2,894**
Sales and marketing expenses	-74	-59	-230
Administrative expenses	-180	-150	-678
Participation in associated companies and joint ventures	-1	-1	-8
Operating earnings (EBIT)	**480**	**428**	**1,978**
Net financial items	-46	-41	-168
Earnings before tax	**434**	**387**	**1,810**
Tax	-87	-77	-342
Net income for the period	**347**	**310**	**1,468**
Of which attributable to:			
Parent company's shareholders	345	308	1,458
Non-controlling interest	2	2	10
Net earnings for the period	**347**	**310**	**1,468**
Earnings per share before and after dilution	4.77	4.26	20.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Jan-Mar 2017	Jan-Mar 2016	Full Year 2016
Net income for the period	347	310	1,468
Other comprehensive income, items that will be reclassified to profit and loss:			
Currency translation difference	0	-19	71
Other comprehensive income, items that will not be reclassified to profit and loss:			
Remeasurement of pension liability	0	0	27
Comprehensive income for the period	**347**	**291**	**1,566**
Of which attributable to:			
Parent company's shareholders	345	289	1,554
Non-controlling interest	2	2	12
Comprehensive income for the period	**347**	**291**	**1,566**

CONSOLIDATED BALANCE SHEET

SEK M	31 Mar 2017	31 Mar 2016	31 Dec 2016
ASSETS			
Intangible fixed assets			
Goodwill	3,237	2,804	3,120
Capitalized expenditure for IT development and other intangibles	254	226	240
Client relationships	64	65	63
Total intangible fixed assets	**3,555**	**3,095**	**3,423**
Tangible fixed assets	**109**	**113**	**104**
Other fixed assets			
Shares in joint ventures	12	1	12
Other shares and participations	0	5	1
Purchased debt	10,623	7,403	8,733
Deferred tax assets	49	46	25
Other long-term receivables	6	7	6
Total other fixed assets	**10,690**	**7,462**	**8,777**
Total fixed assets	**14,354**	**10,670**	**12,304**
Current Assets			
Accounts receivable	277	274	305
Client funds	651	586	588
Tax assets	132	46	87
Other receivables	618	564	557
Prepaid expenses and accrued income	197	229	167
Cash and cash equivalents	318	194	396
Total current assets	**2,193**	**1,893**	**2,100**
TOTAL ASSETS	**16,547**	**12,563**	**14,404**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Attributable to parent company's shareholders	4,388	3,375	4,043
Attributable to non-controlling interest	89	82	87
Total shareholders' equity	**4,477**	**3,457**	**4,130**
Long-term liabilities			
Liabilities to credit institutions	3,743	2,514	1,520
Medium term note	3,692	2,099	3,706
Other long-term liabilities	16	2	16
Provisions for pensions	156	175	157
Other long-term provisions	2	3	0
Deferred tax liabilities	686	522	638
Total long-term liabilities	**8,295**	**5,315**	**6,037**
Current liabilities			
Liabilities to credit institutions	88	85	56
Medium term note	0	1,039	1,077
Commercial paper	1,360	745	1,124
Client funds payable	651	586	588
Accounts payable	139	131	140
Income tax liabilities	131	187	136
Advances from clients	47	13	46
Other current liabilities	671	351	325
Accrued expenses and prepaid income	668	654	718
Other short-term provisions	20		27
Total current liabilities	**3,775**	**3,791**	**4,237**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**16,547**	**12,563**	**14,404**

FAIR VALUE OF FINANCIAL INSTRUMENTS

Most of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, cash and equivalents, liabilities to credit institutions, bonds, commercial papers, accounts payable and other liabilities) are carried in the accounts at amortized cost. For these financial instruments, the carrying amount is assessed to be a good estimate of fair value. The Group also has financial assets and liabilities in the form of currency forward exchange contracts, which are carried in the accounts at fair value in the income statement. They amount to small sums.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	**2017**			2016		
	Attributable to Parent Company's shareholders	Non-controlling interest	**Total**	Attributable to Parent Company's shareholders	Non-controlling interest	**Total**
Opening Balance, January 1	4,043	87	4,130	3,086	80	3,166
Comprehensive income for the year	345	2	347	289	2	291
Closing Balance, March 31	**4,388**	**89**	**4,477**	**3,375**	**82**	**3,457**

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Jan-Mar 2017	Jan-Mar 2016	Full Year 2016
Operating activities			
Operating earnings (EBIT)	480	428	1,978
Depreciation/amortization and impairment write-down	41	40	171
Amortization/revaluation of purchased debt	507	374	1,606
Other adjustment for items not included in cash flow	-5	2	34
Interest received	4	2	11
Interest paid and other financial expenses	-52	-35	-141
Income tax paid	-139	-24	-257
Cash flow from operating activities before changes in working capital	**836**	**787**	**3,402**
Changes in factoring receivables	-31	13	-46
Other changes in working capital	-98	-70	18
Cash flow from operating activities	**707**	**730**	**3,374**
Investing activities			
Purchases of tangible and intangible fixed assets	-36	-36	-143
Investments in purchased debt	-2,072	-1,041	-3,374
Purchases of shares in subsidiaries and associated companies	-48	-69	-252
Other cash flow from investing activities	0	4	6
Cash flow from investing activities	**-2,156**	**-1,142**	**-3,763**
Financing activities			
Borrowings and repayment of loans	1,370	341	1,105
Share dividend to parent company's shareholders	0	0	-597
Share dividend to non-controlling interest	0	0	-5
Cash flow from financing activities	**1,370**	**341**	**503**
Change in liquid assets	**-79**	**-71**	**114**
Opening balance of liquid assets	**396**	**265**	**265**
Exchange rate differences in liquid assets	1	0	17
Closing balance of liquid assets	**318**	**194**	**396**

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 1 2017	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016	Quarter 1 2016	Quarter 4 2015	Quarter 3 2015	Quarter 2 2015	Quarter 1 2015
Revenues, SEK M	1,609	1,719	1,486	1,475	1,408	1,396	1,386	1,476	1,370
Revenue growth, %	14	23	7	0	3	2	6	13	14
Operating earnings (EBIT), SEK M	480	559	517	474	428	385	452	448	339
Operating earnings (EBIT) excl revaluations, SEK M	480	561	488	457	423	421	423	403	346
Operating margin excl revaluations, %	30	33	33	31	30	29	31	28	25
EBITDA, SEK M	1,029	1,056	954	904	842	854	846	834	748
Net income, SEK M	347	429	375	354	310	274	330	324	305
Net Debt, SEK M	8,738	7,260	7,053	6,937	6,465	6,026	5,815	6,234	5,775
Net Debt/EBITDA RTM	2.2	1.9	2.0	2.0	1.9	1.8	1.8	2.0	1.9
Earnings per share, SEK	4.77	5.90	5.14	4.85	4.26	3.76	4.51	4.38	3.27
EPS growth, %	12	57	14	11	30	-2	10	36	39
Average number of shares, '000	72,348	72,348	72,348	72,348	72,348	72,561	72,885	73,264	73,678
Number of shares outstanding at end of period, '000	72,348	72,348	72,348	72,348	72,348	72,348	72,693	73,037	73,421
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M									
Northern Europe	181	318	241	231	198	227	217	216	182
Central Europe	210	171	159	144	142	128	125	121	125
Western Europe	89	72	88	82	83	66	81	66	39
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M									
Credit Management	273	325	286	282	241	278	279	255	237
Financial Services	418	473	413	385	364	328	328	381	308
Common costs	-211	-239	-182	-193	-177	-221	-155	-188	-206
Return on purchased debt, %	17	22	21	20	20	19	20	24	19
Investments in purchased debt, SEK M	2,377	1,166	646	550	738	1,130	320	509	469
Average number of employees	4,281	4,102	3,973	3,941	3,859	3,841	3,846	3,880	3,814

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017 Jan-Mar	2016 Jan-Mar	2015 Jan-Mar	2014 Jan-Mar	2013 Jan-Mar
Revenues, SEK M	1,609	1,408	1,370	1,204	1,048
Revenue growth, %	14	3	14	15	10
Operating earnings (EBIT), SEK M	480	428	339	283	236
Operating earnings (EBIT) excl revaluations, SEK M	480	423	346	293	240
Operating margin excl revaluations, %	30	30	25	24	23
EBITDA, SEK M	1,029	842	748	681	593
Net income, SEK M	347	310	244	184	155
Net Debt, SEK M	8,738	6,465	5,775	4,664	3,565
Net Debt/EBITDA RTM	2.2	1.9	1.9	1.7	1.5
Earnings per share, SEK	4.77	4.26	3.27	2.35	1.94
EPS growth, %	12	30	39	21	68
Average number of shares, '000	72,348	72,348	73,678	78,136	79,745
Number of shares outstanding at end of period, '000	72,348	72,348	73,421	77,361	79,745
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M					
Northern Europe	181	198	182	144	141
Central Europe	210	142	125	95	68
Western Europe	89	83	39	54	31
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M					
Credit Management	273	241	237	178	180
Financial Services	418	364	308	264	207
Common costs	-211	-177	-206	-159	-151
Return on purchased debt, %	17	20	19	19	20
Investments in purchased debt, SEK M	2,377	738	469	619	983
Average number of employees	4,281	3,859	3,814	3,745	3,423

CONSOLIDATED FIVE-YEAR OVERVIEW

	2016 Full Year	2015 Full Year	2014 Full Year	2013 Full Year	2012 Full Year
Revenues, SEK M	6,088	5,628	5,184	4,566	4,048
Revenue growth, %	8	9	14	13	2
Operating earnings (EBIT), SEK M	1,978	1,624	1,430	1,207	879
Operating earnings (EBIT) excl revaluations, SEK M	1,929	1,593	1,395	1,200	958
Operating margin excl revaluations, %	32	28	27	26	23
EBITDA, SEK M	3,755	3,283	2,996	2,684	2,199
Net income, SEK M	1,468	1,172	1,041	819	584
Net Debt, SEK M	7,260	6,026	5,635	4,328	3,261
Net Debt/EBITDA RTM	1.9	1.8	1.9	1.6	1.5
Earnings per share, SEK	20.15	15.92	13.48	10.30	7.32
EPS growth, %	27	18	31	41	6
Dividend/proposed dividend per share, SEK	9.00	8.25	7.00	5.75	5.00
Average number of shares, '000	72,348	73,097	76,462	79,306	79,745
Number of shares outstanding at end of period, '000	72,348	72,348	73,848	78,547	79,745
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M					
Northern Europe	988	842	733	748	622
Central Europe	616	499	416	265	192
Western Europe	325	252	246	187	144
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M					
Credit Management	1,134	1,049	912	823	827
Financial Services	1,635	1,345	1,159	969	599
Common costs	-791	-770	-641	-585	-547
Return on purchased debt, %	20	20	20	21	17
Investments in purchased debt, SEK M	3,100	2,428	1,937	2,524	2,132
Average number of employees	3,975	3,846	3,801	3,530	3,475

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	**Jan-Mar 2017**	Jan-Mar 2016	Change %	**Full-year 2016**
Service line earnings purchased debt	409	352	16	1,597
Average carrying value of purchased debt	9,678	7,215	34	7,880
Return on purchased debt, %	**17**	**20**		**20**
Collections on purchased debt	1,266	993	27	4,420
Service line costs	-365	-276	32	-1,267
Cash flow from purchased debt	**901**	**717**	**26**	**3,153**
Liabilities to credit institutions	3,831	2,599	47	1,576
Medium term note	3,692	3,138	18	4,783
Provisions for pensions	156	175	-11	157
Commercial paper	1,360	745	83	1,124
Other interest-bearing liabilities	17	4	325	16
Cash and cash equivalents	-318	-194	64	-396
Other interest-bearing assets	0	-2	-100	0
Net Debt	**8,738**	**6,465**	**35**	**7,260**
Operating earnings RTM	2,030	1,712	19	1,978
Depreciation RTM	173	163	6	171
Amortization and revaluations RTM	1,739	1,501	16	1,606
EBITDA RTM	**3,942**	**3,376**	**17**	**3,755**
Net Debt/RTM EBITDA	**2.2**	**1.9**		**1.9**

OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Northern Europe	644	645	-0	2,813
Central Europe	565	432	31	1,825
Western Europe	400	331	21	1,450
Total revenues from external clients	**1,609**	**1,408**	**14**	**6,088**

REGIONS – INTERCOMPANY REVENUES

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Northern Europe	79	69	14	320
Central Europe	96	86	12	334
Western Europe	70	45	56	236
Eliminations	-245	-200	23	-890
Total intercompany revenues	**0**	**0**		**0**

REGIONS – REVALUATIONS OF PURCHASED DEBT

SEK M	Jan-Mar 2017	Jan-Mar 2016	Full Year 2016
Northern Europe	-21	-1	-7
Central Europe	14	17	50
Western Europe	7	-11	6
Total revaluation	**0**	**5**	**49**

REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Northern Europe	665	646	3	2,820
Central Europe	551	415	33	1,775
Western Europe	393	342	15	1,444
Total revenues excluding revaluations	**1,609**	**1,403**	**15**	**6,039**

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Northern Europe	160	197	-19	981
Central Europe	224	159	41	666
Western Europe	96	72	33	331
Total operating earnings (EBIT)	**480**	**428**	**12**	**1,978**
Net financial items	-46	-41	12	-168
Earnings before tax	**434**	**387**	**12**	**1,810**

REGIONS – OPERATING EARNINGS (EBIT) EXCLUDING REVALUATIONS

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Northern Europe	181	198	-9	988
Central Europe	210	142	48	616
Western Europe	89	83	7	325
Total operating earnings excluding revaluations	**480**	**423**	**13**	**1,929**

REGIONS – OPERATING MARGIN EXCLUDING REVALUATIONS

%	Jan-Mar 2017	Jan-Mar 2016	Full Year 2016
Northern Europe	27	31	35
Central Europe	38	34	35
Western Europe	23	24	23
Operating margin for the Group	**30**	**30**	**32**

SERVICE LINES – REVENUES

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
Credit Management	1,160	1,024	13	4,335
Financial Services	783	640	22	2,902
Elimination of inter-service line revenue	-334	-256	30	-1,149
Total revenues	**1,609**	**1,408**	**0**	**6,088**

REVENUES BY TYPE

SEK M	Jan-Mar 2017	Jan-Mar 2016	Change %	Full Year 2016
External Credit Management	826	768	8	3,186
Collections on purchased debt	1,266	993	27	4,420
Amortization of purchased debt	-507	-379	34	-1,655
Revaluation of purchased debt	0	5	-	49
Other revenues from Financial Services	24	21	14	88
Total revenues	**1,609**	**1,408**	**14**	**6,088**

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	**Jan-Mar 2017**	Jan-Mar 2016	Change %	**Full Year 2016**
Credit Management	273	241	13	1,134
Financial Services	418	364	15	1,635
Common costs	-211	-177	19	-791
Total operating earnings	**480**	**428**	**12**	**1,978**

SERVICE LINES – SERVICE LINE MARGINS

%	**Jan-Mar 2017**	Jan-Mar 2016	**Full Year 2016**
Credit Management	24	24	26
Financial Services	53	57	56
Operating margin for the Group	**30**	**30**	**32**

PARENT COMPANY
INTRUM JUSTITIA AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	**Jan-Mar 2017**	Jan-Mar 2016	Full Year 2016
Revenues	23	22	105
Gross earnings	**23**	**22**	**105**
Sales and marketing expenses	-6	-5	-20
Administrative expenses	-48	-25	-151
Operating earnings (EBIT)	**-31**	**-8**	**-66**
Income from subsidiaries	0	0	224
Exchange rate differences on monetary items classified as expanded investment	-10	-1	-28
Net financial items	-12	-17	-89
Earnings before tax	**-53**	**-26**	**41**
Tax	0	0	0
Net earnings for the period	**-53**	**-26**	**41**

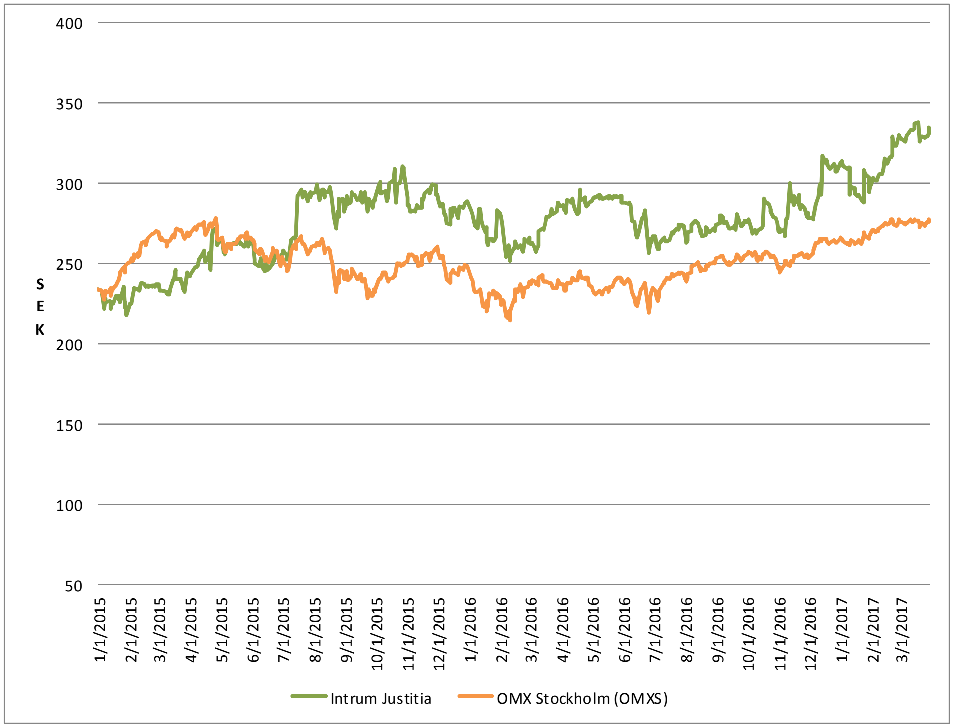
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	**Jan-Mar 2016**	Jan-Mar 2016	Full Year 2016
Net earnings for the period	-53	-26	41
Other comprehensive income: Change of translation reserve (fair value reserve)	3	-30	-210
Total comprehensive income	**-50**	**-56**	**-169**

BALANCE SHEET – PARENT COMPANY

SEK M	**31 Dec 2017**	31 Mar 2016	31 Dec 2016
ASSETS			
Fixed assets			
Financial fixed assets	10,074	7,547	8,333
Total fixed assets	**10,074**	**7,547**	**8,333**
Current assets			
Current receivables	4,230	4,522	4,629
Cash and bank balances	8	7	8
Total current assets	**4,238**	**4,529**	**4,637**
TOTAL ASSETS	**14,312**	**12,076**	**12,970**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	284	284	284
Unrestricted equity	913	1,673	963
Total shareholders' equity	**1,197**	**1,957**	**1,247**
Long-term liabilities	9,861	6,429	7,658
Current liabilities	3,254	3,690	4,065
TOTAL SHAREHOLDERS* EQUITY AND LIABILITIES	**14,312**	**12,076**	**12,970**

SHARE PRICE TREND



OWNERSHIP STRUCTURE

31 March 2017	No of shares	Capital and Votes, %
SEB Funds	6,663,586	9.2
Jupiter Asset Management	3,713,000	5.1
Lannebo Funds	3,145,604	4.3
AMF Insurance & Funds	3,065,411	4.2
Odin Funds	2,253,707	3.1
TIAA - Teachers Advisors	1,658,082	2.3
BlackRock	1,611,616	2.2
Vanguard	1,483,423	2.1
AFA Insurance	1,390,300	1.9
Columbia Threadneedle	1,218,406	1.7
SHB Funds	1,190,433	1.6
BNP Paribas Investment Partners	1,117,787	1.5
Schroders	1,069,120	1.5
JP Morgan Asset Management	1,041,025	1.4
Standard Life	973,036	1.3
Total, fifteen largest shareholders	**31,594,536**	**43.7**

Total number of shares: **72,347,726**

Swedish ownership accounted for 41.5 percent (institutions 9.1 percentage points, mutual funds 25.7 percentage points, retail 6.7 percentage points) Source: Modular Finance Holdings

DEFINITIONS

RESULT CONCEPTS, KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

CONSOLIDATED NET REVENUES

Consolidated revenues include external credit management revenues (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from purchased debt operations (collected amounts less amortization and revaluations) and other revenues from financial services (fees and net interest from financing services).

OPERATING EARNINGS (EBIT)

Operating earnings consist of net revenues less operating expenses as shown in the income statement.

OPERATING MARGIN

The operating margin consists of operating earnings expressed as a percentage of net revenues.

PURCHASED DEBT – COLLECTED AMOUNTS, AMORTIZATIONS AND REVALUATIONS

Purchased debt consists of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognized at amortized cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Net revenues attributable to purchased debt consist of collected amounts less amortization for the period and revaluations. The amortization represents the period's reduction in the portfolio's current value, which is attributable to collection taking place as planned. Revaluation is the period's increase or decrease in the current value of the portfolios attributable to the period's changes in forecasts of future collection.

REVENUES, OPERATING EARNINGS AND OPERATING MARGIN, EXCLUDING REVALUATIONS

The period's revaluations of purchased receivables are included in consolidated net revenues and operating earnings. Revaluations are performed in connection with changes in estimates of future collections, and are therefore inherently difficult to predict. They have a low predictive value for the Group's future earnings performance. Consequently, Intrum Justitia also reports alternative key figures in which revenues, operating earnings and operating margin are calculated excluding purchased debt revaluations.

ORGANIC GROWTH

Organic growth refers to the average increase in revenues in local currency, adjusted for revaluations of purchased debt portfolios and the effects of acquisitions and divestments of Group companies. Organic growth is a measure of the development of the Group's existing operations that management has the ability to influence.

SERVICE LINE EARNINGS

Service line earnings relate to the operating earnings of each business line, Credit Management and Financial Services, excluding shared expenses for sales, marketing and administration.

SERVICE LINE MARGIN

The operating margin consists of operating earnings expressed as a percentage of net revenues.

RETURN ON PURCHASED DEBT

Return on purchased debt is the service line earnings for the period, excluding the Group's new services such as factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item purchased debt. The ratio sets the business line's earnings in relation to the amount of capital tied up and is included in the Group's financial targets.

CASH FLOW FROM PURCHASED DEBT

Cash flow from purchased debt consists of funds collected on purchased debt with deductions for the service line's overheads, primarily collection costs. Accordingly, the figure is a measure of cash flow from historically acquired portfolios, without regard to investments in new portfolios.

NET DEBT

Net debt is interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables.

OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)

Earnings before depreciation and amortization (EBITDA) are operating earnings after depreciation on fixed assets as well as amortization and revaluations of purchased debt are added back.

RTM

The abbreviation RTM refers to figures on a rolling twelve-month basis.

NET DEBT/RTM OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)

This key figure refers to net debt divided by consolidated operating earnings before depreciation, amortization and impairment (EBITDA) on a rolling 12-month basis. The key figure is included among the Group's financial targets, is an important measure for assessing the level of the Group's borrowings, and is a widely-accepted measure of financial capacity among lenders.

CURRENCY-ADJUSTED CHANGE

With regard to trends in revenues and operating earnings, excluding revaluations for each region, the percentage change is stated in comparison with the corresponding year-earlier period, both in terms of the change in the respective figures in SEK and in the form of a currency-adjusted change, in which the effect of changes in exchange rates has been excluded. The currency-adjusted change is a measure of the development of the Group's operations that management has the ability to influence.

ACQUISITION-RELATED AMORTIZATION/DEPRECIATION

Acquisition-related amortization/depreciation relates to amortization of customer relationships and other surplus values recognized in the consolidated balance sheet as a consequence of acquisitions made by Intrum Justitia.

REGION NORTHERN EUROPE

Region Northern Europe comprises the Group's activities for external clients and debtors in Denmark, Estonia, Finland, the Netherlands, Norway, Poland and Sweden.

REGION CENTRAL EUROPE

Region Central Europe comprises the Group's activities for external clients and debtors in Switzerland, Slovakia, the UK (effective from 2017), the Czech Republic, Germany, Hungary and Austria.

REGION WESTERN EUROPE

Region Western Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, Portugal, Spain and the UK (up to and including 2016).