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Press Release

Prospering economy shrinks bad debt losses

As a strong sign of a stable economic development in the majority of Europe, businesses are reporting decreasing bad debt losses. On average, 1.7 percent of the yearly revenue had to be written off due to non-payments in the past 12 months; a decrease compared to the 2.14 percent reported by European companies in 2017 and even further below the 2.44 percent that was seen in 2016.

9,607 surveyed businesses around Europe have also reported that payment timings are going down. However, the average payment time is still well above the desirable 30 days that is stipulated as a maximum in the directive covering all nations in the European Union. In corporate (B2B) transactions the average time it takes to get paid amounts to 34 days, down from 37 days in 2017. What is alarming is that payments from the public sector still take longer — 40 days on average — despite the fact that the directive actually is mandatory for the public sector.

The findings, which are part of the European Payment Report 2018, released by the pan-European credit management firm Intrum, also show that fewer businesses report negative consequences of late payments.

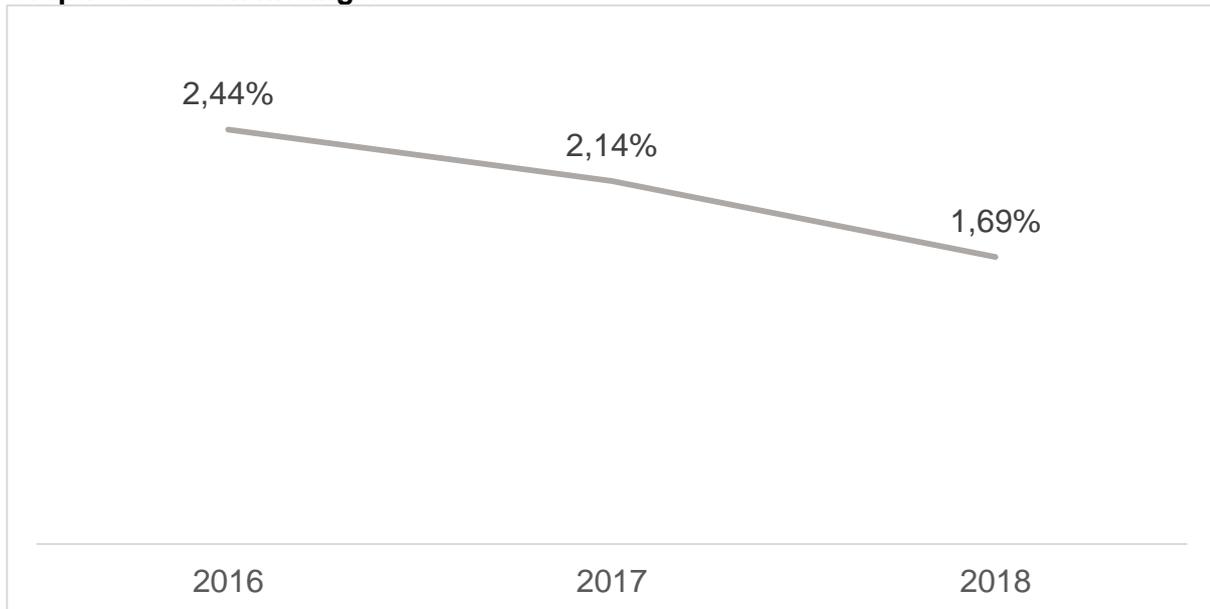
“Clients still pay late, but businesses all over Europe seem to have become slightly more positive when it comes to their ability to handle the consequences of late payments. That said, 28 percent of the surveyed respondents experience hindering growth due to late or non-payments and 21 percent say that they are unable to hire new staff because their clients won't pay them on time. This shows that we all need to continue to work for prompter payments as it shrinks small and medium-sized enterprises (SMEs) vulnerability. Payment within 30 days should, and will, eventually be the praxis of businesses all over Europe”, says Mikael Ericson, CEO of Intrum.

Nearly 6 out of 10 of the surveyed companies say that that have been asked to accept longer payment terms than they are able to manage in their daily operations and more than half (56 percent) also admit to have accepted these demands. The imbalance between large corporations and small businesses is still present, even if the share of respondents that agree to this statement decreased somewhat compared to last year.

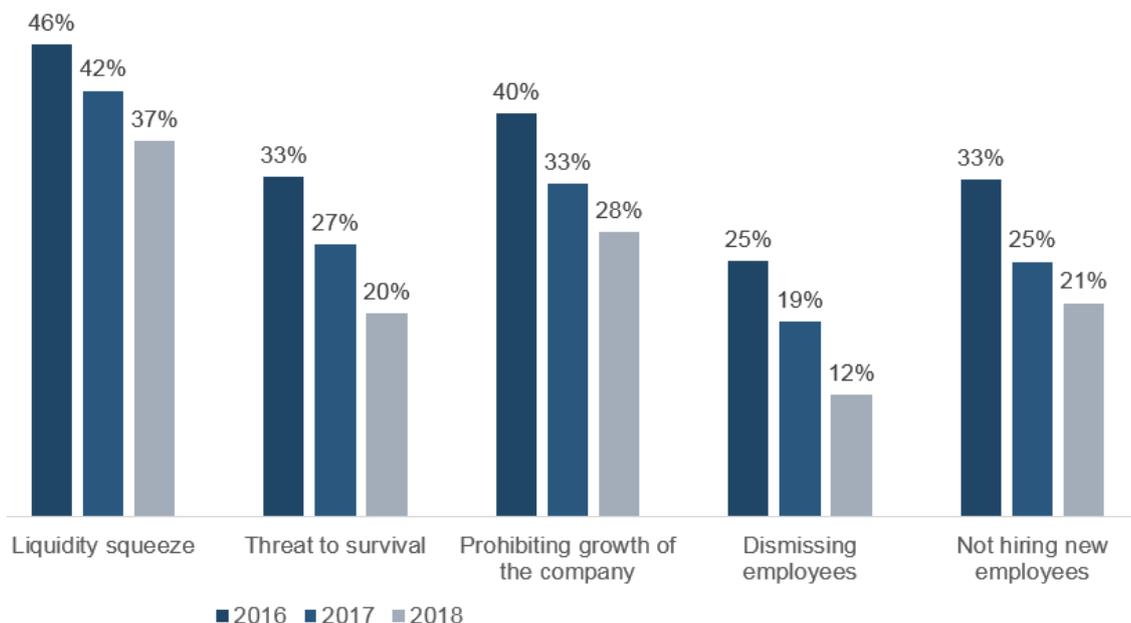
In the foreword to the newly released report, Mikael Ericson notes that there are several important initiatives in France, Belgium, the Netherlands and in the UK that have changed their attitudes towards payment times for the better. The results of freed liquidity can be measured in billions of euro.

“The question of fair payment terms has been at the center of our attention for several years. In the end, fair payment terms are a significant ingredient in what we call a sound economy”, says Mikael Ericson.

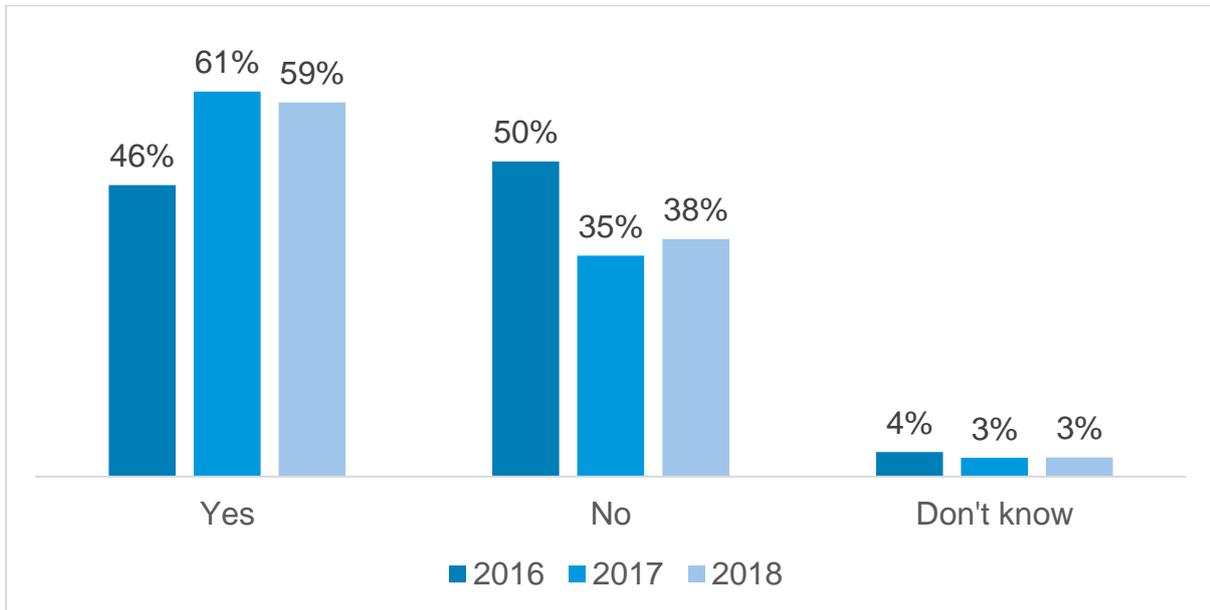
Graphs based on findings:



If any, what was your bad debt loss in 2017 as a % of total yearly revenue? Weighted base: 9,607 respondents



How do you rate the consequences of late payments for your company with regard to...? (Share answer 3-5 on scale of 0-5) Weighted base: 9,607 respondents



Have you been asked to accept longer payment terms than you feel comfortable with?
Weighted base: 9,607 respondents

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About Intrum European Payment Report 2018

The European Payment Report 2018 is based on a survey that was conducted simultaneously in 29 European countries between January 24 and March 23, 2018. In this report, Intrum gathers data from a total of 9,607 companies in Europe to gain insights into the payment behavior and financial health of European businesses. The survey was conducted among persons that have identified themselves as either CFO, head of credits, business controller or similar.

Intrum is the industry-leading provider of Credit Management Services with a presence in 24 markets in Europe. Intrum helps companies prosper by offering solutions designed to improve cash flows and long-term profitability and by caring for their customers. To ensure that individuals and companies get the support they need to become free from debt is one important part of the company's mission. Intrum has more than 8,000 dedicated and empathetic professionals who serve around 80,000 companies across Europe. In 2017, the company generated pro forma revenues of SEK 12.2 billion. Intrum is headquartered in Stockholm, Sweden and the Intrum share is listed on the Nasdaq Stockholm exchange. For further information, please visit www.intrum.com.