

Interim report January-March 2018

intrum

Interim report

January-March 2018

First quarter 2018

- Consolidated net revenues for the first quarter of 2018 increased to SEK 3,115 M (1,551). Pro forma for the first quarter of 2017, net revenues were SEK 2,928 M.
- Operating earnings improved to SEK 897 M (468). Pro forma for the first quarter of 2017, operating earnings were SEK 841 M.
- The operating earnings of SEK 897 M include non-recurring items of SEK –89 M (pro forma in the preceding year –89) and revaluations of SEK 13 M (pro forma in the preceding year 42). Accordingly, operating earnings excluding non-recurring items and revaluations increased to SEK 973 M (pro forma in the preceding year 888).
- Net earnings for the quarter amounted to SEK 364 M (347) and earnings per share were SEK 2.77 (4.77). Earnings include SEK –84 million in earnings from discontinued operations, of which SEK –126 million are related to transaction costs on the sale of subsidiaries in Sweden, Norway, Denmark, Finland and Estonia, in accordance with the Group's undertaking in connection with the merger with Lindorff in 2017.
- Cash flow from operating activities increased to SEK 1,448 M (695).
- The carrying amount for portfolio investments has risen by 7 percent since the end of 2017. Portfolio investments for the quarter amounted to SEK 1,373 M (pro forma in the preceding year, 2,522). The return on portfolio investments was 15 percent (pro forma in the preceding year, 16 percent).
- In service line Credit Management, revenues grew on a pro forma basis by 3 percent, and the service line margin declined by 2 percentage points, attributable to Spain. Other business units in the Group are developing as planned.
- The divestment of Intrum Justitia's former subsidiaries in Norway and Lindorff's former subsidiaries in Sweden, Denmark, Finland and Estonia was completed on March 20, 2018.
- An agreement has been signed after the balance sheet date entailing a partnership with the Italian bank Banca Intesa Sanpaolo, who will contribute their entire recovery operations with 600 employees and a portfolio of non-performing loans that will be owned together with co-investors. Intrum's net investment is expected to amount to EUR 670 M.

Pro forma

The merger with Lindorff was implemented on June 27, 2017. Accordingly, Lindorff has been included in the consolidated income statement and balance sheet since the second quarter of 2017. Where comparative figures are referred to as "pro forma", this mean that they are reported with Lindorff consolidated as of January 1, 2016. In connection with the merger, Intrum Justitia undertook to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. These subsidiaries were divested in the first quarter of 2018, and are therefore reported as discontinued operations.

Quarter 1

7%

Quarterly change in book value of portfolio investments

15%

Quarterly return on portfolio investments

25%

Operating margin for the quarter, excluding non-recurring items for Credit Management

1.4 billion SEK

Investments in portfolios and corporate acquisitions for the quarter

SEK M unless otherwise indicated	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full-year 2017	Pro forma Full-year 2017
Revenues	3,115	1,551	2,928	6	9,433	12,219
Thereof revenues in Euro (%)	58	51	59		56	59
Cash EBITDA	1,948	1,010	1,736	12	5,953	7,526
EBITDA	1,074	508	1,005	7	3,165	4,231
EBIT	897	468	841	7	2,728	3,489
Thereof EBIT in Euro (%)	55	47	59		52	57
Non-recurring items (NRI's) in EBIT	-89	-17	-89		-397	-499
Non-recurring items (NRI's) in net financial items	0	0	0		-316	-316
Amortization on client relationships	-90	-6	n/a		-209	-362
Revaluations of portfolio investments	13	-1	42		-3	63
Cash EBITDA excl NRI's	2,037	1,027	1,825	12	6,350	8,025
EBITDA excl NRI's	1,163	525	1,094	6	3,562	4,730
EBIT excl NRI's	986	485	930	6	3,125	3,988
Net earnings	364	347	278	5	1,503	1,318
CMS growth, %	3	13	n/a		63	16
CMS service line margin excl NRI's, %	25	23	27		26	28
Estimated remaining collections, ERC	46,929	21,409	38,895	21	44,603	44,603
Portfolio investments	1,373	2,377	2,522	-46	7,170	7,804
Book value portfolio investments	22,599	10,623	18,185	24	21,149	21,149
Return on portfolio investments excl NRI's, %	15	17	16		16	16
Net Debt/Pro forma Cash EBITDA excl NRI's	3.8	n/a	n/a		4.1	n/a

Comment by President and CEO

Mikael Ericson

I am pleased to report that Q1 has delivered a solid start to 2018 with underlying EBIT up 10 percent year-on-year. The carrying value of portfolio investments has increased by 7 percent since the beginning of the year. Collections were more than 10 percent above active forecasts, and we invested SEK 1,4 billion in new portfolios in the quarter with a continued strong market outlook for further portfolio investments. The CMS business increased revenue by 3 percent. Whilst the margins in the CMS business have declined slightly to 25 percent, due to Spain, cost savings and efficiency programs have started to take effect and we therefore anticipate gradually improving margins through the remainder of 2018.

We have set challenging and ambitious goals for 2020. It is therefore important for us to put through changes, designed to achieve a solid development in 2018. We continuously develop and improve our business in a constructive manner, which will gradually enable us to accelerate our growth rate towards these goals.

Together with the solid underlying financial performance in Q1 we have continued to make good progress in establishing the organization that is necessary for our continued growth:

We are now fully engaged in the execution phase of integration and restructuring for countries where we are combining operations following the Lindorff merger. Examples are Spain where we are in the process of reducing the number of operational centres by 18 and staff numbers by 400, and the Netherlands where two operational centres are being combined into one new site, with associated changes, that will be fully occupied by the end of the summer. Similar processes have been initiated in Poland.

We have also made the first steps in our plan to transform our business model to make use of the pan-European scale for instance through automating and combining certain operational and back-office activities in Group wide shared service centres. This is a very exciting development.

During the quarter we also completed the divestment of the units that we agreed to sell as a condition for achieving approval for the Lindorff merger with the EU competition authorities for an enterprise value of approximately EUR 730 M. This is a major achievement and now frees the business to focus wholeheartedly on integration and cost synergies, as well as building a stronger, growing, company for the future.

We look forward to continuing to deliver synergies, make further steps in underlying operational efficiency and complete the majority of the integration task by the end of the year, thereby demonstrating steady and tangible progress towards our goals for 2020.

After the end of the first quarter, we announced a transformatory deal with Banca Intesa Sanpaolo in Italy. This long-term strategic partnership will further enhance our market-leading position and secure a major step on the path to achieving our long-term value-adding goals for increased client and shareholder value. Such a significant transaction and partnership would not have been possible to accomplish without the merger between Intrum Justitia and Lindorff, and the increased strength that it brings.

Finally we are pleased to have been able to announce the recruitment of Danko Maras as our new CFO. He will start work in early Q3.

Group

SEK M unless otherwise indicated	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full-year 2017	Pro forma Full-year 2017
Revenues	3,115	1,551	2,928	6	9,433	12,219
EBIT	897	468	841	7	2,728	3,489
Cash EBITDA excl NRI's	2,037	1,027	1,825	12	6,350	8,025
EBITDA excl NRI's	1,163	525	1,094	6	3,562	4,730
EBIT excl NRI's	986	485	930	6	3,125	3,988
Net financial items	-323	-46	-490	-34	-973	-1,942
Tax	-126	-84	-124	2	-389	-467
Net earnings	364	347	278	31	1,503	1,318

Revenues and operating earnings

Consolidated net revenues for the first quarter increased to SEK 3,115 M (1,551). Pro forma for the first quarter of 2017, net sales were SEK 2,928 M. Consolidated operating earnings for the first quarter improved to SEK 897 M (468). The increase in revenues and operating earnings is primarily attributed to the merger with Lindorff. Pro forma for the first quarter of 2017, operating earnings were SEK 841 M. The outcome in the Group's regions and service lines is accounted for in greater detail below.

Net financial items

Net financial items for the quarter amounted to SEK -323 M (-46). Net interest for the quarter amounted to SEK -277 M (-35). Exchange rate differences have affected net financial items by SEK -3 M (-2), and other financial items by SEK -43 M (-9). Net interest and other financial items have been adversely affected by increased borrowing to finance the merger with Lindorff.

Taxes

Earnings for the quarter were charged with tax of 22 percent. Further information regarding an assessment of future tax expenses is provided in the section 'Taxation assessments'.

Cash flow and investments

SEK M unless otherwise indicated	Jan-March 2018	Jan-March 2017	Full-year 2017
Cash flow from operating activities	1,448	695	4,535
Cash flow from investing activities	5,630	-2,152	-7,547
Total cash flow from operating and investing activities	7,078	-1,457	-3,012
Cash flow from investing activities excl liquid assets in acquired subsidiaries	6,030	-2,161	-8,585
Total cash flow from operating and investing activities excl liquid assets in acquired subsidiaries	7,478	-1,466	-4,050

Cash flow from operating activities during the first quarter increased to SEK 1,448 M (695). The increase is attributable to increased cash flow deriving from the merger with Lindorff.

In the first quarter, cash flow from investing activities, adjusted for cash and cash equivalents in acquired companies, amounted to SEK 6,030 M, compared with a SEK -2,161 M for the same

period last year. The increase compared to last year is mainly attributable to the divestment of Intrum Justitia's former subsidiary in Norway and Lindorff's former subsidiaries in Sweden, Denmark, Finland and Estonia.

Financing

SEK M unless otherwise indicated	31 Mar 2018	31 Dec 2017	Change %
Net Debt	32,043	37,322	-14
Net Debt/Pro forma Cash EBITDA excl NRI's	3.8	4.1	
Shareholders' equity	23,632	22,439	5
Cash and cash equivalents	2,583	881	193

Consolidated net debt has decreased by approximately SEK 5 billion since the start of the year, mainly due to incoming proceeds from the divestment of Intrum Justitia's former subsidiaries in Norway and Lindorff's former subsidiaries in Sweden, Denmark, Finland and Estonia, when the sale transaction was completed on March 20, 2018.

Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA amounted to 3.8 at the end of the quarter. This ratio is calculated by placing current consolidated net debt at the end of the quarter in relation to pro forma cash EBITDA, including discontinued operations and including a calculated cash EBITDA throughout the period for larger units acquired during the period, and excluding non-recurring items (NRIs). Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA decreased by approximately 0.3x in the first quarter, mainly as a result of the divestment of subsidiaries.

The merger with Lindorff was implemented on June 27, 2017 through a non-cash issue, whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares in exchange for all shares in Lock TopCo AS, the parent company of the Lindorff group. Accordingly, there are 131,541,320 shares outstanding in Intrum Justitia. The average number of shares outstanding in the first quarter of 2018 was 131,541,320 and the average number of shares outstanding in the first quarter of 2017 was 72,347,726.

Goodwill

On March 31, 2018, consolidated goodwill amounted to SEK 31,099 M, compared with SEK 29,565 M on December 31, 2017. Of this increase, SEK 104 M is attributable to adjustments of the purchase price allocation from the Lindorff merger, SEK 8 M to new acquisitions in the quarter, and SEK 1,422 M to currency exchange differences.

Regions

Northern Europe

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues excluding revaluations	915	510	927	-1	-2	2,995	3,827
EBIT excluding revaluations and NRI's	288	182	298	-3	-4	1,183	1,402
EBIT margin excluding revaluations and NRI's, %	31	36	32			40	37

The increase in revenues and earnings is attributable to the merger with Lindorff. On a pro forma basis, net revenues and operating earnings decreased slightly compared to the same period last year, mainly due to large one-off payments received on secured portfolio investments during the first quarter of the preceding year, where the corresponding payments this year are expected to take place in the second quarter. Underlying earnings are stable. The region can now return its focus to the acquisition of portfolios and internal efficiency-enhancement measures following the divestment of subsidiaries under the terms imposed by the competition authorities.

Central & Eastern Europe

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues excluding revaluations	856	552	774	11	7	2,795	3,233
EBIT excluding revaluations and NRI's	299	194	265	13	9	979	1,117
EBIT margin excluding revaluations and NRI's, %	35	35	34			35	35

The increase in revenues and earnings is attributable to the merger with Lindorff. The strong growth, on a pro forma basis, compared with the previous year is attributable to both service lines. The increase in earnings is explained by continued growth in portfolio value, combined with a strong focus on collection and efficiency. The expansion into Romania and Greece is also beginning to contribute to earnings.

Western & Southern Europe

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues excluding revaluations	688	426	522	32	28	2,190	2,391
EBIT excluding revaluations and NRI's	186	99	103	81	77	508	522
EBIT margin excluding revaluations and NRI's, %	27	23	20			23	22

The increase in revenues and earnings is attributable to the merger with Lindorff. The strong growth, on a pro forma basis, compared with the previous year is being driven by underlying growth in the total portfolio and strong collection. The acquisition of CAF in Italy at the end of 2017 has also contributed to growth. After the balance sheet date, an agreement has been concluded with Banca Intesa Sanpaolo encompassing the establishment of a joint CMS company and the acquisition together with co-investors from the same bank of a portfolio of non-performing loans.

Spain

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues excluding revaluations	643	64	664	-3	-8	1,457	2,705
EBIT excluding revaluations and NRI's	200	10	223	-10	-15	455	883
EBIT margin excluding revaluations and NRI's, %	31	16	34			31	33

The increase in revenues and earnings is attributable to the merger with Lindorff. The decrease in earnings on a pro forma basis is the result of reduced volume inflows as main BPO contracts mature. The margins are also impacted significantly by top-line declines and given the scale of the Spanish CMS unit this has a material impact on the Group as a whole. The major restructuring recently announced, which is designed to reduce 400 FTE to bring the cost base into line with current volume inflows, will have partial effect in Q2 and full effect by Q3.

Service lines

Credit management

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues	2,209	1,109	2,153	3	0	6,700	8,852
Service line earnings excl NRI's	548	257	585	-6	-9	1,770	2,475
Service line margin excl NRI's, %	25	23	27			26	28

The increase in revenues and earnings is attributable to the merger with Lindorff. The limited growth in revenues of 3 percent on a pro forma basis and the reduction in the margin by 2 percentage points is attributable to Spain, which accounts for a fourth of the Group's credit management operations, and where a major restructuring program has been initiated. Other business units in the Group are developing as planned. The Lindorff merger synergies which to-date have been focused on overhead costs will start to be visible in production units and hence the credit management service line later in 2018 as cost savings start to take effect.

Financial services

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Fx adj %	Full Year 2017	Pro forma Full Year 2017
Revenues	1,508	770	1,280	18	14	4,516	5,506
Service line earnings	826	412	696	19	16	2,456	2,957
Service line earnings excl NRI's	827	412	696	19	16	2,445	2,946
Service line margin excl NRI's, %	55	54	54			54	54
Estimated remaining collections	46,929	21,409	38,895	21		44,603	44,603
Portfolio investments	1,373	2,377	2,522	-46		7,170	7,804
PI book value	22,599	10,623	18,185	24		21,149	21,149
Return on portfolio investments excl NRI's, %	15	17	16			16	16

The increase in revenues and earnings is attributable to the merger with Lindorff. On a pro forma basis, the increase in service line earnings is primarily explained by the greater portfolio value. The continued solid collection performance, 110 percent of active forecasts, and pricing discipline maintain aROI broadly in line with last year. Investment volumes in the quarter are in line with seasonally adjusted expectations.

Common costs

Common costs have increased year on year and are in line with Q4 2017. Benefits of run-rate synergies from Lindorff integration are approximately SEK 25 M incremental to Q4 2017, masked by abnormally high overhead activity levels associated with the continued establishment of common ways of working and commencement of strategic growth initiatives designed to support long term goals

Taxation assessments

Intrum's assessment is that the tax expense will, over the next few years, be around 20-25 percent of earnings before tax for each year, excluding the outcome of any tax disputes.

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 43 M (23) for the quarter and earnings before tax of SEK 2,214 MSEK (-53). Earnings for the quarter include the parent company impact of divestment of subsidiaries, where the amount is different from the amount recognized in the consolidated accounts. The Parent Company invested SEK 6 M (0) in fixed assets during the quarter and had, at the end of the quarter, SEK 1,665 M (8) in cash and cash equivalents. The average number of employees was 72 (56).

Transactions with related parties

During the quarter, there have been no significant transactions between Intrum Justitia and other closely related companies, boards or Group management teams.

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.

In addition to appearing in the financial statements, disclosures in accordance with IAS 34.16A also appear in other parts of the interim report.

The Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. For reasons of competition, the Group was obliged to divest Intrum Justitia's subsidiaries in Norway and Lindorff's subsidiaries in Sweden, Finland, Denmark and Estonia within a certain period following the merger with Lindorff. In accordance with IFRS 5, net earnings after tax in these companies is reported on a separate line in the consolidated income statement, Earnings for the

period from discontinued operations after tax. The comparative figures for previous periods are recalculated accordingly. Assets and liabilities are reported on separate lines in the consolidated balance sheet, Assets and liabilities in operations held for sale, effective from the date on which the Group undertook to sell the companies. In accordance with IFRS 5, the comparative figures in the balance sheets are not recalculated for prior periods.

Effective from January 1, 2018, the Group applies IFRS 9 Financial Instruments. The Group's accounting principles have thus changed with regard to portfolio investments, such that the Group's previous limitation that these could never be revalued to a higher value than their cost has been removed. The effect is an increase in the carrying amount as of January 1, 2018 of SEK 53 M and an increase in equity of SEK 50 M. In accordance with the exception stated in IFRS 9, comparison figures for earlier periods have not been recalculated. In connection with the introduction of IFRS 9, IAS 1 Presentation of Financial Statements has also been adjusted, with the effect that income from portfolio investments according to the effective interest rate method, and positive and negative revaluations are now reported on separate lines in the consolidated income statement.

Effective from January 1, 2018, IFRS 15 Revenue from Contracts with Customers is also applied. However, the introduction of IFRS 15 has not had a material impact on the Group's earnings or financial position.

The Group is preparing for the introduction of IFRS 16 Leases, which will come into effect in 2019. See also Note 1 in the 2017 Annual Report.

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 2017 Annual Report. No significant risks are considered to have arisen besides those described in the annual report.

Merger with Lindorff

On June 12, 2017, the EU Commission approved the merger of Intrum Justitia and Lindorff. The approval was conditional on the divestment of Lindorff's operations in Denmark, Estonia, Finland and Sweden, and of Intrum Justitia's operations in Norway. On June 27, 2017, the merger between Intrum Justitia and Lindorff was completed and Lock TopCo AS (parent company in the Lindorff Group) with all subsidiaries has, since then, been owned by Intrum Justitia AB (publ). The sale of Lindorff's operations in Denmark, Estonia, Finland and Sweden, and Intrum Justitia's operations in Norway was completed on March 20, 2018.

The merger was effectuated through a non-cash issue whereby Intrum Justitia AB issued 59,193,594 new Intrum Justitia shares, with a total market value of SEK 17,332 M, in exchange for all shares in Lock TopCo AS.

Although the preliminary acquisition analysis established by Intrum Justitia in connection with the merger has been adjusted as follows in connection with the quarterly closing and the sale of subsidiaries as stated above, this remains a preliminary analysis.

(SEK M)	PPA from June 2017				PPA from Dec 2017		PPA from March 2018	
	Carrying value before acquisition	Fair value adjustments	Fair value	Fair value adjustments	Fair value	Fair value adjustments	Fair value	
Intangible assets	19,001	-15,248	3,753	-16,066	2,935	-16,069	2,932	
Database with credit information	0			261	261	261	261	
Tangible assets	138		138		138		138	
Portfolio investments	7,826		7,826		7,826	-34	7,792	
Other fixed assets	508	334	842	489	997	489	997	
Current assets	1,778		1,778	-4	1,774	-4	1,774	
Cash and bank	684		684		684		684	
Assets held for sale	5,184		5,184		5,184		5,184	
Long-term liabilities	-22,940	-1,392	-24,332	-1,392	-24,332	-1,408	-24,348	
Short-term liabilities	-2,047		-2,047		-2,047		-2,047	
Liabilities in operation held for sales	-3,091		-3,091		-3,091		-3,091	
Net assets	7,041	-16,306	-9,265	-16,712	-9,671	-16,765	-9,724	
Acquisition value			17,332		17,332		17,332	
Goodwill			26,597		27,003		27,056	
Thereof in assets held for sale			4,255		1,877		1,826	
Thereof in continued operations			22,342		25,126		25,230	

Discontinued operations

The sale of Lindorff's operations in Denmark, Estonia, Finland and Sweden, and Intrum Justitia's operations in Norway was completed on March 20, 2018. The companies were sold to Lowell for a price equivalent to a corporate value of EUR 730 M. The companies' net income of SEK 42 M and the loss on the sale of SEK -126 M are recognized as earnings for the period from discontinued operations after tax. The loss on the sale consists of transaction expenses. The net amount of the carrying amounts for assets and liabilities in operations held for sale corresponded to the sale price.

Other acquisitions and divestments

Some minor acquisitions were made in Italy and Finland in the first quarter. The carrying amount for goodwill from the acquisitions amounts to SEK 8 M.

Events after the end of the period

After the end of the period, an agreement was concluded on a partnership with the Italian bank Banca Intesa Sanpaolo, which will contribute a recovery operation with 600 employees and a portfolio of non-performing loans which will be owned together with co-investors. Intrum's expected net investment is EUR 670 M.

The agreement entails Intrum and Intesa Sanpaolo establishing a new common company to which the bank contributes its servicing platform for non-performing loans and Intrum

contributes all its current Italian credit management operations (except Cross Factor SpA and the holding company Lindorff Italy Srl). Intrum will be the majority shareholder with 51 percent in the new common company. Intrum will appoint the majority of the board members and the managing director. The business will operate under the Intrum brand. The company will be consolidated in Intrum's consolidated accounts. The Intesa Sanpaolo servicing platform currently has around 600 employees and services a portfolio of non-performing loans of approximately EUR 30 billion. The common company will continue to service these volumes and also benefit from a 10-year exclusive servicing agreement with Intesa Sanpaolo in relation to the vast majority of Intesa Sanpaolo's new inflows.

Furthermore, Intesa Sanpaolo will divest a portfolio of non-performing loans, where the majority are secured loans, to a special purpose vehicle (SPV). Intesa Sanpaolo will retain a 49 percent interest in the SPV. The SPV will be participated by Intrum, together with one or more co-investors. One co-investor has provided a commitment to co-invest with Intrum for an amount corresponding to 20 percent of the 51 percent.

Intrum will make an initial payment of EUR 156 million at the end of April 2018. The remainder of the purchase price will be paid at closing in the latter part of 2018.

The portfolio acquisition will be part-financed at closing through issuance of asset backed senior notes. The subscription of the notes is guaranteed by a bank consortium.

The transaction is conditional on authority approvals. It represents a significant contribution to the group's planned M&A and portfolio investments in 2018 and will support Intrum's ambitions for profitable growth.

Presentation of the interim report

The interim report and presentation materials are available at www.intrum.com/Investor relations. President & CEO Mikael Ericson and Acting CFO Thomas Moss will comment on the report at GT30, Grev Turegatan 30 in Stockholm, on April 27, starting at 9:00 CET. The presentation can also be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 8 566 427 01 (SE), +44 20 300 898 17 (UK), eller +1-855-753-2236 (USA).

For further information, please contact

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Thomas Moss, Acting CFO, tel: +46 8 546 102 02

Thomas Moss 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 27, 2018 at 7.00 a.m. CET.

Financial calendar 2018

July 24, 2018, Interim report for the second quarter
October 26, 2018, Interim report for the third quarter
January 30, 2019, Year-end report 2018

The 2018 Annual General Meeting of Intrum will be held today – Friday, April 27, 2018 at 3.00 p.m. CET at the company's offices at Hesselmans torg 14, Nacka, Sweden. Coffee will be served from 2:00 p.m.

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

Denna delårsrapport finns även på svenska.

Stockholm, April 27, 2018

Mikael Ericson
President and CEO

The interim report has not been reviewed by the Company's auditors.

About the Intrum Group

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 amounted to 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.

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Revenues from clients	1,644	805	1,668	5,024	6,834
Revenue on Portfolio investments calculated using the effective interest method	1,458	747	1,218	4,413	5,322
Positive revaluations of Portfolio investments	45	55	98	332	398
Negative revaluations of Portfolio investments	-32	-56	-56	-335	-335
Total revenue	3,115	1,551	2,928	9,434	12,219
Cost of sales	-1,718	-838	-1,580	-5,049	-6,583
Gross earnings	1,397	713	1,348	4,385	5,636
Sales, marketing and administrative expenses	-500	-244	-506	-1,667	-2,157
Participation in associated companies and joint ventures	0	-1	-1	10	10
Operating earnings (EBIT)	897	468	841	2,728	3,489
Net financial items	-323	-46	-490	-973	-1,942
Earnings before tax	574	422	351	1,755	1,547
Tax	-126	-84	-124	-389	-467
Net income from continuing operations	448	338	227	1,366	1,080
Profit from discontinued operations, net of tax	-84	9	51	137	238
Net earnings for the period	364	347	278	1,503	1,318
Of which attributable to:					
Parent company's shareholders	364	345	276	1,501	1,318
Non-controlling interest	0	2	2	2	2
Net earnings for the period	364	347	278	1,503	1,320
Earnings per share before and after dilution					
Profit from continuing operations	3.41	4.64		13.28	
Profit from discontinued operations	-0.64	0.12		1.33	
Total earnings per share before and after dilution	2.77	4.77		14.62	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Jan-March 2018	Jan-March 2017	Full Year 2017
Net income for the period	364	347	1,503
Other comprehensive income, items that will be reclassified to profit and Currency translation difference	779	0	226
Other comprehensive income, items that will not be reclassified to profit and Remeasurement of pension liability	0	0	-16
Comprehensive income for the period	1,143	347	1,713
Of which attributable to:			
Parent company's shareholders	1,143	345	1,712
Non-controlling interest	0	2	1
Comprehensive income for the period	1,143	347	1,713

CONSOLIDATED BALANCE SHEET

SEK M	31 Mar 2018	Pro forma		
		31 Mar 2017	31 Mar 2017	31 Dec 2017
ASSETS				
Intangible fixed assets				
Goodwill	31,099	3,237	30,735	29,565
Capitalized expenditure for IT development and other intangibles	448	254	1,514	422
Client relationships	2,726	64	2,556	2,703
Total intangible fixed assets	34,273	3,555	34,805	32,690
Tangible fixed assets				
Other fixed assets	247	109	253	245
Shares in joint ventures	0	12	14	0
Other shares and participations	7	0	1	3
Portfolio investments	22,598	10,623	21,776	21,149
Deferred tax assets	707	49	788	692
Other long-term receivables	153	6	50	36
Total other fixed assets	23,465	10,690	22,629	21,880
Total fixed assets	57,985	14,354	57,687	54,815
Current Assets				
Accounts receivable	758	277	659	755
Inventory of real estate for sale	123	0	0	93
Client funds	959	651	984	902
Tax assets	406	132	228	347
Other receivables	1,018	618	1,298	931
Prepaid expenses and accrued income	640	197	482	737
Cash and cash equivalents	2,583	318	1,026	881
Total current assets	6,487	2,193	4,677	4,646
Non-current assets of disposal group held for sale	0	0	0	8,314
TOTAL ASSETS	64,472	16,547	62,364	67,775
SHAREHOLDERS' EQUITY AND LIABILITIES				
Attributable to parent company's shareholders	23,629	4,388	22,618	22,436
Attributable to non-controlling interest	3	89	181	3
Total shareholders' equity	23,632	4,477	22,799	22,439
Long-term liabilities				
Liabilities to credit institutions	0	3,743	7,592	2,703
Bond loans	33,417	3,692	22,916	32,052
Other long-term liabilities	410	16	292	374
Provisions for pensions	189	156	188	175
Other long-term provisions	10	2	97	9
Deferred tax liabilities	1,255	686	1,306	1,206
Total long-term liabilities	35,281	8,295	32,391	36,519
Current liabilities				
Liabilities to credit institutions	84	88	1,520	0
Medium term note	1,000	0	158	1,000
Commercial paper	50	1,360	1,360	2,269
Client funds payable	959	651	984	902
Accounts payable	532	139	431	572
Income tax liabilities	396	131	296	364
Advances from clients	77	47	47	64
Other current liabilities	663	671	1,171	541
Accrued expenses and prepaid income	1,621	668	1,025	1,794
Other short-term provisions	177	20	182	143
Total current liabilities	5,559	3,775	7,174	7,649
Non-current liabilities of disposal group held for sale	0	0	0	1,168
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	64,472	16,547	62,364	67,775

FAIR VALUE OF FINANCIAL INSTRUMENTS

Most of the Group's financial assets and liabilities (portfolio investments, 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	2018			2017		
	Attributable to Parent Company's shareholders	Non-controlling interest	Total	Attributable to Parent Company's shareholders	Non-controlling interest	Total
Opening Balance, January 1	22,436	3	22,439	4,043	87	4,130
Change in accounting principles according	50		50			0
Comprehensive income for the period	1,143	0	1,143	345	2	347
Closing Balance, March 31	23,629	3	23,632	4,388	89	4,477

In addition to appearing in the financial statements, disclosures in accordance with IAS 34.16A also appear in other parts of the interim report.

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Jan-March 2018	Jan-March 2017	Full Year 2017
Cash flows from continuing operations			
Operating activities			
Operating earnings (EBIT)	897	467	2,728
Depreciation/amortization and impairment write-down	177	41	436
Amortization/revaluation of purchased debt	874	502	2,787
Other adjustment for items not included in cash flow	17	-5	-23
Interest received	12	4	17
Interest paid and other financial expenses	-405	-51	-719
Income tax paid	-124	-134	-453
Cash flow from operating activities before changes in working capital	1,448	824	4,773
Changes in factoring receivables	-20	-30	-62
Other changes in working capital	20	-99	-176
Cash flow from operating activities	1,448	695	4,535
Investing activities			
Purchases of tangible and intangible fixed assets	-76	-35	-172
Portfolio investments in receivables and inventory of real estate	-1,401	-2,070	-7,175
Purchases of shares in subsidiaries and associated companies	0	-57	-1,506
Liquid assets in acquired/divested subsidiaries	-400	9	1,038
Proceeds from divestment of subsidiaries and associated companies	7,511	0	236
Other cash flow from investing activities	-4	1	32
Cash flow from investing activities	5,630	-2,152	-7,547
Financing activities			
Borrowings and repayment of loans	-5,407	1,377	4,452
Share dividend to parent company's shareholders	0	0	-651
Dividend to non-controlling shareholders	0	0	0
Cash flow from financing activities	-5,407	1,377	3,801
Cash flows from continuing operations	1,671	-80	789
Cash flows from discontinued operations	-372	1	77
Total change in liquid assets	1,299	-79	866
Opening balance of liquid assets	1,253	396	396
Exchange rate differences in liquid assets	31	1	-9
Closing balance of liquid assets	2,583	318	1,253
Thereof liquid assets in discontinued operations	0	8	372
Discontinued operations			
Cash flow from operating activities	13	12	459
Cash flow from investing activities	-589	-3	-607
Cash flow from financing activities	204	-8	225
Group total			
Cash flow from operating activities	1,461	707	4,994
Cash flow from investing activities	5,041	-2,155	-8,154
Cash flow from financing activities	-5,203	1,369	4,026

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 1 2018	Quarter 4 2017	Quarter 3 2017	Quarter 2 2017	Quarter 1 2017	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016
Revenues, SEK M	3,115	3,101	2,986	1,796	1,551	1,657	1,433	1,421
Revenue growth, %	101	4	66	26	14	23	7	0
Cash EBITDA, SEK M	1,948	1,943	2,005	995	1,011	1,034	934	880
EBITDA, SEK M	1,074	1,000	1,139	518	508	592	546	498
EBIT, SEK M	897	807	977	476	468	543	506	457
Non-recurring items (NRI's) in EBIT, SEK M	-89	-157	-60	-163	-17	5	15	-10
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	-316	0	0	0	0
Revaluations of portfolio investments, SEK M	13	-44	1	41	-1	5	-29	17
Cash EBITDA excl NRI's, SEK M	2,037	2,100	2,065	1,158	1,028	1,029	919	890
EBITDA excl NRI's, SEK M	1,163	1,157	1,199	681	526	587	531	508
EBIT excl NRI's, SEK M	986	967	1,037	639	485	538	491	467
Net earnings, SEK M	364	443	615	98	347	429	375	354
Earnings per share, SEK	2.77	3.37	4.68	1.32	4.77	5.90	5.14	4.85
EPS growth, %	-42	-43	-9	-73	12	57	14	11
Average number of shares, '000	131,541	131,541	74,299	74,299	72,348	72,348	72,348	72,348
Number of shares outstanding at end of	131,541	131,541	131,541	131,541	72,348	72,348	72,348	72,348
Net Debt, SEK M	32,043	37,322	34,290	34,254	8,738	7,260	7,053	6,937
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M								
Credit Management	548	610	596	307	257	332	259	264
Financial Services	827	743	752	538	412	393	406	379
Common costs	-389	-390	-311	-206	-184	-188	-174	-176
Estimated remaining collections (ERC), SEK M	46,929	44,603	40,179	40,006	21,409	17,645	16,012	15,191
Return on portfolio investments, %	15	15	15	20	17	22	21	20
Portfolio investments, SEK M	1,373	2,784	1,177	835	2,374	1,162	643	545
Average number of employees	8,318	7,806	8,349	4,369	4,172	3,993	3,864	3,832

CONSOLIDATED FIVE-YEAR OVERVIEW

	2018	2017	2016	2015	2014
	Jan-March	Jan-March	Jan-March	Jan-March	Jan-March
Revenues, SEK M	3,115	1,551	1,357	1,317	1,151
Revenue growth, %	101	14	3	14	15
Cash EBITDA, SEK M	1,948	1,011	822	730	669
EBITDA, SEK M	1,074	509	455	370	313
EBIT, SEK M	897	468	416	331	277
Non-recurring items (NRI's) in EBIT, SEK M	-89	-17	0	0	0
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0
Revaluations of portfolio investments, SEK M	13	-1	5	-8	-10
Cash EBITDA excl NRI's, SEK M	2,037	1,028	822	730	669
EBITDA excl NRI's, SEK M	1,163	526	455	370	313
EBIT excl NRI's, SEK M	986	485	416	331	277
Net earnings, SEK M	364	347	310	244	184
Earnings per share, SEK	2.77	4.77	4.26	3.27	2.35
EPS growth, %	-42	12	30	39	21
Average number of shares, '000	131,541	72,348	72,348	73,678	78,136
Number of shares outstanding at end of	131,541	72,348	72,348	73,421	77,361
Net Debt, SEK M	32,043	8,738	6,465	5,775	4,664
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	548	257	228	224	168
Financial Services	827	412	357	308	262
Common costs	-389	-184	-169	-201	-153
Estimated remaining collections (ERC), SEK M	46,929	21,409	14,816	12,313	13,110
Return on portfolio investments, %	15	17	20	19	19
Portfolio investments, SEK M	1,373	2,374	730	359	614
Average number of employees	8,318	4,172	3,751	3,706	3,638

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017	2016	2015	2014	2013
	Full Year	Full Year	Full Year	Full Year	Full Year
Revenues, SEK M	9,434	5,869	5,419	4,958	4,355
Revenue growth, %	61	8	9	14	13
Cash EBITDA, SEK M	5,953	3,668	3,193	2,916	2,623
EBITDA, SEK M	3,165	2,090	1,736	1,546	1,318
EBIT, SEK M	2,728	1,921	1,577	1,382	1,168
Non-recurring items (NRI's) in EBIT, SEK M	-397	10	-54	36	0
Non-recurring items (NRI's) in net financial items, SEK M	-316	0	0	0	-13
Revaluations of portfolio investments, SEK M	-3	45	32	33	5
Cash EBITDA excl NRI's, SEK M	6,350	3,658	3,247	2,880	2,623
EBITDA excl NRI's, SEK M	3,562	2,080	1,790	1,510	1,318
EBIT excl NRI's, SEK M	3,125	1,911	1,631	1,346	1,168
Net earnings, SEK M	1,503	1,468	1,172	1,041	819
Earnings per share, SEK	14.62	20.15	15.92	13.48	10.30
EPS growth, %	-27	27	18	31	41
Dividend/proposed dividend per share, SEK	9.50	9.00	8.25	7.00	5.75
Average number of shares, '000	102,674	72,348	73,097	76,462	79,306
Number of shares outstanding at end of	131,541	72,348	72,348	73,848	78,547
Net Debt, SEK M	37,322	7,260	6,026	5,635	4,328
SERVICE LINE EARNINGS EXCL NRI'S BY SERVICE LINE, SEK M					
Credit Management	1,770	1,098	998	868	761
Financial Services	2,445	1,521	1,332	1,190	958
Common costs	-1,091	-708	-699	-712	-551
Estimated remaining collections (ERC), SEK M	44,603	17,645	15,073	13,682	12,454
Return on portfolio investments, %	16	20	20	20	21
Portfolio investments, SEK M	7,170	3,084	2,271	1,909	2,503
Average number of employees	6,293	3,865	3,738	3,694	3,427

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	Jan-March 2018	Jan-March 2017	Pro forma Change %	Full-year 2017	Pro forma Full-year 2017
Service line earnings portfolio investments	814	403	18	2,433	2,979
Average carrying value of portfolio investments	21,874	9,552	27	14,877	18,743
Return on portfolio investments, %	15	17	-7	16	16
EBIT	897	468	7	2,728	3,489
Depreciation	177	40	8	437	742
Amortization and revaluations	874	502	20	2,788	3,295
Cash EBITDA	1,948	1,010	12	5,953	7,526
EBIT	897	468	7	2,728	3,489
Depreciation	177	40	8	437	742
EBITDA	1,074	508	7	3,165	4,231
Cash EBITDA	1,948	1,010	12	5,953	7,526
Non-recurring items, NRI's	89	17	-0	397	499
Cash EBITDA excl NRI's	2,037	1,027	12	6,350	8,025
EBITDA	1,074	508	7	3,165	4,231
Non-recurring items, NRI's	89	17	-0	397	499
EBITDA excl NRI's	1,163	525	6	3,562	4,730
EBIT	897	468	7	2,728	3,489
Non-recurring items, NRI's	89	17	-0	397	499
EBIT excl NRI's	986	485	6	3,125	3,988
Liabilities to credit institutions	84	3,831	-99	2,703	2,703
Bond loans	34,417	3,692	49	33,052	33,052
Provisions for pensions	189	156	1	175	175
Commercial paper	50	1,360	-96	2,269	2,269
Other interest-bearing liabilities	4	17	-76	4	4
Cash and cash equivalents	-2,583	-318	152	-881	-881
Other interest-bearing assets	-118	0		0	0
Net Debt	32,043	8,738	-2	37,322	37,322

OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Northern Europe	929	507	946	-2	3,012	3,869
Central & Eastern Europe	879	547	782	12	2,775	3,246
Western & Southern Europe	671	435	538	25	2,201	2,410
Spain	636	62	662	-4	1,445	2,694
Total revenues from external clients	3,115	1,551	2,928	6	9,433	12,219

REGIONS – REVALUATIONS OF PORTFOLIO INVESTMENTS

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Northern Europe	14	-3	19	17	42
Central & Eastern Europe	23	-5	8	-20	13
Western & Southern Europe	-17	9	16	11	19
Spain	-7	-2	-2	-12	-11
Total revaluation	13	-1	42	-3	63

REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Northern Europe	915	510	927	-1	2,995	3,827
Central & Eastern Europe	856	552	774	11	2,795	3,233
Western & Southern Europe	688	426	522	32	2,190	2,391
Spain	643	64	664	-3	1,457	2,705
Total revenues excluding revaluations	3,102	1,552	2,886	7	9,437	12,156

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Northern Europe	278	172	287	-3	1,014	1,261
Central & Eastern Europe	293	183	254	15	831	971
Western & Southern Europe	144	104	109	32	478	483
Spain	182	8	190	-4	404	773
Total EBIT	897	468	841	7	2,727	3,489
Net financial items	-323	-45	-490	-34	-973	-1,942
Earnings before tax	574	423	351	64	1,754	1,547

REGIONS – NON-RECURRING ITEMS (NRI'S)

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Northern Europe	-24	-7	-30	-186	-183
Central & Eastern Europe	-29	-6	-19	-128	-159
Western & Southern Europe	-25	-4	-10	-41	-58
Spain	-11	0	-31	-39	-99
Total NRI's	-89	-17	-89	-397	-499

REGIONS – EBIT EXCLUDING REVALUATIONS AND NRI'S

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Northern Europe	288	182	298	-3	1,183	1,402
Central & Eastern Europe	299	194	265	13	979	1,117
Western & Southern Europe	186	99	103	81	508	522
Spain	200	10	223	-10	455	883
Total EBIT excluding revaluations and NRI's	973	486	888	10	3,126	3,925

REGIONS – EBIT MARGIN EXCLUDING REVALUATIONS AND NRI'S

%	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Northern Europe	31	36	32	40	37
Central & Eastern Europe	35	35	34	35	35
Western & Southern Europe	27	23	20	23	22
Spain	31	16	34	31	33
EBIT margin excl revaluations and NRI's for the Group	31	31	31	33	32

REGIONS – BOOK VALUE PD INVESTMENTS

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017
Northern Europe	6,969	3,490	6,154	13	6,607
Central & Eastern Europe	7,026	3,362	6,158	14	6,915
Western & Southern Europe	5,666	3,269	3,989	42	5,004
Spain	2,939	378	1,884	56	2,623
Total book value (excl assets held for sale)	22,600	10,499	18,185	24	21,149

SERVICE LINES – REVENUES

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Credit Management	2,209	1,109	2,153	3	6,700	8,852
Financial Services	1,508	770	1,280	18	4,516	5,506
Elimination of inter-service line revenue	-602	-328	-505	19	-1,783	-2,138
Total revenues	3,115	1,551	2,928	6	9,433	12,220

REVENUES BY TYPE

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
External Credit Management revenues	1,607	781	1,648	-2	4,917	6,714
Collections on portfolio investments	2,345	1,248	1,991	18	7,198	8,680
Amortization of portfolio investments	-887	-501	-773	15	-2,785	-3,358
Revaluation of portfolio investments	13	-1	42	-69	-3	63
Other revenues from Financial Services	37	24	20	85	106	121
Total revenues	3,115	1,551	2,928	6	9,433	12,220

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Credit Management	526	257	578	-9	1,704	2,394
Financial Services	826	412	696	19	2,456	2,957
Common costs	-455	-201	-434	5	-1,432	-1,863
Total EBIT	897	468	841	7	2,728	3,489

SERVICE LINES – NON-RECURRING ITEMS (NRI'S)

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Credit Management	-22	0	-7	-66	-81
Financial Services	-1	0	0	11	11
Common costs	-66	-17	-82	-342	-429
Total NRI's	-89	-17	-89	-397	-499

SERVICE LINES – SERVICE LINE EARNINGS EXCLUDING NRI'S

SEK M	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Pro forma Change %	Full Year 2017	Pro forma Full Year 2017
Credit Management	548	257	585	-6	1,770	2,475
Financial Services	827	412	696	19	2,445	2,946
Common costs	-389	-184	-352	11	-1,090	-1,434
Total EBIT excl NRI's	986	485	930	6	3,125	3,988

SERVICE LINES – SERVICE LINE MARGINS EXCLUDING NRI'S

%	Jan-March 2018	Jan-March 2017	Pro forma Jan-March 2017	Full Year 2017	Pro forma Full Year 2017
Credit Management	25	23	27	26	28
Financial Services	55	54	54	54	54
EBIT margin excl NRI's	32	31	32	33	33

PARENT COMPANY

INTRUM JUSTITIA AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Jan-March 2018	Jan-March 2017	Full Year 2017
Revenues	43	23	159
Gross earnings	43	23	159
Sales and marketing expenses	-14	-6	-36
Administrative expenses	-238	-48	-460
Operating earnings (EBIT)	-209	-31	-337
Income from subsidiaries	1,643	0	368
Exchange rate differences on monetary items classified as expanded investment	874	-10	-166
Net financial items	-94	-12	-444
Earnings before tax	2,214	-53	-579
Tax	0	0	199
Net earnings for the period	2,214	-53	-380

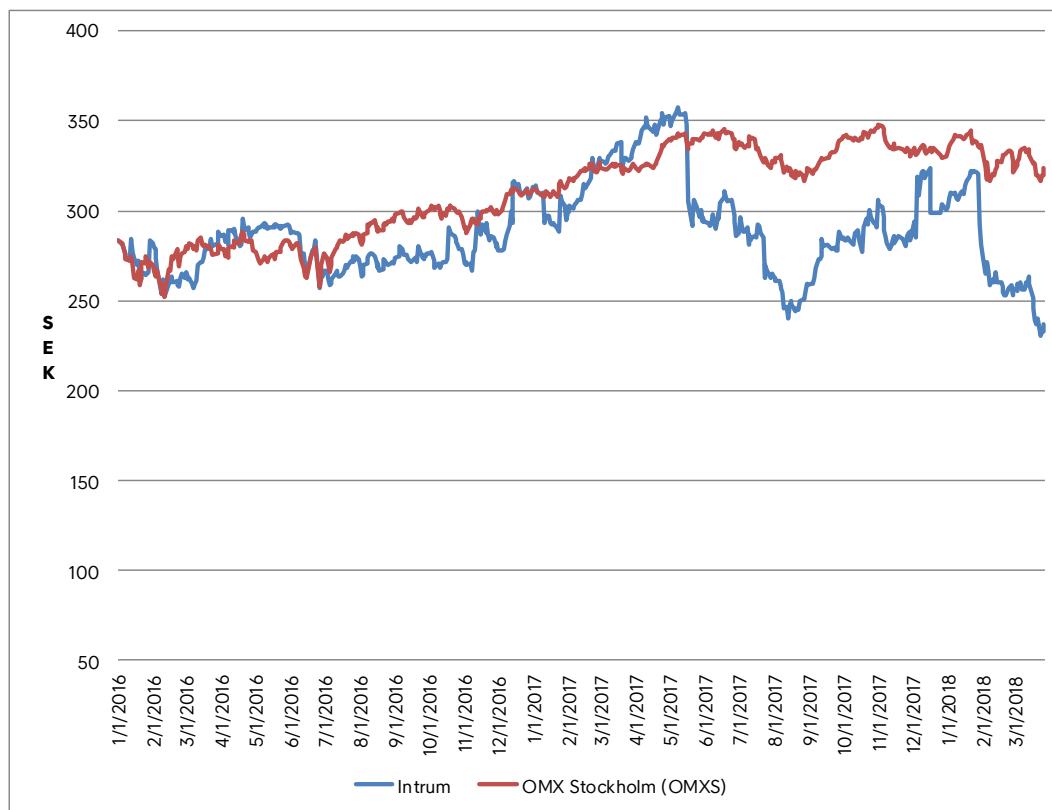
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Jan-March 2017	Jan-March 2016	Full Year 2016
Net earnings for the period	2,214	-53	-380
Other comprehensive income: Change of translation reserve (fair value reserve)	-1,516	3	47
Total comprehensive income	698	-50	-333

BALANCE SHEET – PARENT COMPANY

SEK M	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS			
Fixed assets			
Intangible fixed assets	12	0	10
Financial fixed assets	51,905	10,074	53,541
Total fixed assets	51,917	10,074	53,551
Current assets			
Current receivables	7,297	4,230	7,365
Cash and cash equivalents	1,665	8	95
Total current assets	8,962	4,238	7,460
TOTAL ASSETS	60,879	14,312	61,011
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	285	284	285
Unrestricted equity	18,008	913	17,310
Total shareholders' equity	18,293	1,197	17,595
Long-term liabilities	37,227	9,861	38,006
Current liabilities	5,359	3,254	5,410
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	60,879	14,312	61,011

SHARE PRICE DEVELOPMENT



OWNERSHIP STRUCTURE

31 March 2018	No of shares	Capital and Votes, %
Nordic Capital	57,728,956	43.9
NN Investment Partners	5,600,720	4.3
Handelsbanken Funds	5,167,000	3.9
Lannebo Funds	4,866,591	3.7
SEB Funds	4,021,966	3.1
Swedbank Robur Funds	3,257,421	2.5
AMF Insurance & Funds	3,253,600	2.5
Jupiter Asset Management	3,037,418	2.3
Odin Funds	2,243,707	1.7
Vanguard	2,180,107	1.7
BNP Paribas Investments Partners	1,899,746	1.4
Janus Henderson Investors	1,802,335	1.4
BlackRock	1,299,366	1.0
AFA Insurance	1,275,631	1.0
Baring Asset Management	1,074,395	0.8
Total, fifteen largest shareholders	98,708,959	75.0

Total number of shares: **131,541,320**

Swedish ownership accounted for 26.6 percent (institutions 4.8 percentage points, mutual funds 17.1 percentage points, retail 4.7 percentage points) Source: Modular Finance Holdings and Intrum

Definitions

Result concepts, key figures and alternative performance measures

Consolidated net revenues

Consolidated net revenues include external credit management income (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from portfolio investments operations (collected amounts less amortization and revaluations for the period) and other income 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.

Portfolio investments – collected amounts, amortizations and revaluations

Portfolio investments consist 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 for the period attributable to portfolio investments 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 revaluation of portfolio investments in the period is 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 low forecast values for future earnings trends, particularly for an individual geographical region. 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 net revenues in local currency, adjusted for revaluations of portfolio investments 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 service line, Credit Management and Financial Services, excluding shared expenses for sales, marketing and administration.

Service line margin

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

Return on portfolio investments

Return on portfolio investments 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 service line's earnings in relation to the amount of capital tied up and is included in the Group's financial targets.

Net debt

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

EBITDA

Operating earnings before depreciation and amortization (EBITDA) are operating earnings after reversal of depreciation of fixed assets except portfolio investments.

Cash EBITDA

Cash EBITDA is operating earnings after depreciation on fixed assets as well as amortization and revaluations of portfolio investments 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 twelve-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.

Non-recurring items (NRI's)

Significant earnings items that are not included in the Group's normal recurring operations and that are not expected to return on a regular basis. Non-recurring items include restructuring costs, closure costs, reversal of restructuring or closure reservations, cost savings programs, integration costs, extraordinary projects, divestments, impairment of non-current fixed assets other than portfolio investments, acquisition and divestment expenses, advisory costs for discontinued acquisition projects, costs for relocation to new office space, termination and recruitment costs for members of Group Management and country managers, as well as external

expenses for disputes and unusual agreements. Non-recurring items are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

Items affecting comparability

Significant income statement items included in the Group's regular recurring operations and which may recur in any form, but which distort the comparison between the periods.

EBIT, EBITDA and Cash EBITDA, excluding NRI's

In accordance with the above, the key figures EBIT, EBITDA and Cash EBITDA are also reported after recurring non-recurring items, NRIs.

Expected remaining collections, ERC

Estimated remaining collections are the nominal value of expected future collections on the Group's portfolio investments.

Pro forma financial reports including Lindorff

Pro forma financial reports are issued for the Group including Lindorff, as if Lindorff had been included in the Group for the entire period, as well as in the comparative figures. Pro forma earnings have been calculated by adding Intrum Justitia's and Lindorff's actual results for each period without making adjustments for the periods in which transaction costs would have been incurred if the acquisition had taken place at another time. Fair value adjustments made in the acquisition analysis on Intrum Justitia's acquisition of Lindorff are not recognized in earnings for any period, although they can be recognized as expenses in the acquired legal entity.

Portfolio investments

Investments in portfolios of overdue receivables for the period, with and without collateral, and investments in properties held for sale, acquired together with portfolios of receivables.

Region Northern Europe

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

Region Central and Eastern Europe

Region Central and Eastern Europe comprises the Group's activities for external clients and debtors in Austria, the Czech Republic, Germany, Greece, Hungary, Poland, Romania, Slovakia and Switzerland.

Region Western and Southern Europe

Region Western & Southern Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom.

Region Spain

Region Spain comprises the Group's activities for external clients and debtors in Spain.