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Press Release

New signs of economic down-turn - 3 out of 10 companies accelerate sales to meet recession

Companies around the European continent report negative signs related to payments and debts, such as increased bad debt losses, later B2B payments and higher debt risks ahead. The European Payment Report 2019, from the leading European credit management services company Intrum, also shows that the increase in bad debt losses follows several years of decline, marking that we may have passed a turning point. Almost one-fifth (18 per cent) believe their country is already in a recession.

Figures from the report:

- Companies report 2.31 per cent bad debt losses in 2018, as a share of companies' total revenues, up from 1.69 per cent 2017.
 - 16 per cent of companies report that the risks from its debtors will increase the coming year (up from 12 per cent 2018), while only 9 per cent see declining risks ahead (down from 10 per cent).
 - The average payment time actually taken by B2B clients has gone up from 34 days to 40 days compared to last year.
 - 4 out of 10 companies believe that their country is already in a recession or will be within two years.
- The ability to predict cash flow is key to all businesses, as financial stability is the foundation for growth. For companies, higher risks ahead mean that it is more important than ever to know your customers, says Mikael Ericson, President and CEO of Intrum.

While the 11,856 surveyed businesses around Europe together reveal a pattern of slightly increased risks related to payments and debts, the view of where their country finds itself in the current business cycle varies substantially between the regions. For Europe as a whole, 18 per cent of the companies believe their country already is in an economic-down turn.

In countries like Greece and Italy, businesses see the recession as a current actuality, while most companies in Austria and Germany do not even foresee a recession in the coming five years. In all other countries the views are incoherent, but with a majority or close-to majority of companies saying that a recession is either already a fact or will appear within five years or less in their countries.

Among the companies that see a factual or imminent recession, many plan to cut costs (45 per cent) and be more cautious about taking on debt (36 per cent). But there is also another way: 3 out of 10 (29 per cent) of the companies plan to increase their sales operations to manage a potential down-turn. Another 3 out of 10 (28 per cent) plan to take measures to secure payments from customers. About one out of six companies (17 per cent) that see or foresee a recession does not plan to take any measures.

About Intrum European Payment Report 2019

The European Payment Report 2019 is based on a survey that was conducted simultaneously in 29 European countries between January 31 and April 5, 2019. In this report, Intrum gathered data from 11,856 companies in Europe to gain insights into the payment behavior and financial health of European businesses. The survey was conducted among people who have identified themselves as either CFO, Head of Credits, Business Controller or similar.

Read the full report at www.intrum.com/epr2019

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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 9,000 dedicated professionals who serve around 80,000 companies across Europe. In 2018, the company generated revenues of SEK 13.4 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.