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Press release

Intrum appoints Anders Engdahl as new President and CEO and announces a strong third quarter result

The Board of Directors of Intrum AB (publ) has today come to an agreement with Mikael Ericson who will leave the company after four years as President and CEO. At the same time, the Board has appointed Intrum's current Chief Financial Officer Anders Engdahl as new President and CEO when the company now enters into its next phase. Anders Engdahl assumes the position with immediate effect. By reason of the CEO change, the Board has decided to announce the preliminary result for the third quarter, which is expected to be substantially above the analyst consensus.

"The past few years have been characterized by significant growth while as the market we operate in has been under great change. Intrum has through the merger with Lindorff become the market leader in Europe whilst simultaneously entering new markets and accelerating the pace of portfolio investments. These efforts have established a strong platform for long-term sustainable returns. For some time, the Board and the management team have been working intensively with a next-phase transformation program which will be presented at the Capital Markets Day on 18 November", says Per E. Larsson, Chairman of the Board of Intrum.

"In order to carry out this program we have identified the need for a new type of leadership and, hence, the Board considers this to be the natural point in time for Intrum to take this step. Under Mikael Ericson's leadership, Intrum has established a market-leading position providing the company with all the preconditions needed to successfully

realise the transformation that we have now started. We are very happy to announce that Anders Engdahl, who is an experienced leader and integral part of the company, will take on the role as the new driving force in our company journey”, Per E. Larsson continues.

“The Board would also like to take this opportunity to thank Mikael Ericson for his great contribution as President and CEO of Intrum. Mikael will remain at the company’s disposal until the end of the year”, Per E. Larsson adds.

“I have had a fantastic time at Intrum, and I am proud of having led the company to the position as the European market leader in Credit Management Services. It is now time to hand over to Anders who will take the company into its next phase”, says Mikael Ericson.

Anders Engdahl, born 1974, has extensive experience from several management positions and was appointed Chief Financial Officer in 2019. Anders Engdahl joined Lindorff in 2014 as EVP Debt Purchasing and was Chief Investment Officer of Intrum between 2017-2019. Moreover, Anders has wide experience in investment banking and management consulting from global organisations such as Goldman Sachs, Credit Suisse, McKinsey and Morgan Stanley. At Morgan Stanley, he held the position as Managing Director and Head of Nordic Financial Institutions Investment Banking. Anders Engdahl has an MSc in Business Administration and Economics from Stockholm School of Economics.

“I look forward to taking on the role as CEO of Intrum, a company which I have gotten to know very well during my six years in various leading positions. Together with our management and employees, my priority will be to develop a new more efficient operational model which will enable us to further improve our competitiveness and allow for an enhanced offering to our clients and customers. In that way, we create further opportunities for long-term organic growth and profitability”, says Anders Engdahl, new President and CEO of Intrum.

“The market we operate in is currently up against a number of challenges. With the new operational model in place, we have all that is required to address them and remain the undisputed leader in Credit Management Services in Europe also going forward. Our utmost objective, not least in times like these, is to support economic stability in society and contribute to a sustainable, sound economy. I am proud yet humble to take on the challenge of leading the fantastic Intrum team in these efforts,” Anders Engdahl adds.

Anders Engdahl assumes the position with immediate effect. Michael Ladurner has been appointed acting Chief Financial Officer. Ladurner is currently Head of Group Strategy.

Intrum to report a strong third quarter result

Intrum's preliminary third quarter results are expected to be substantially above the analyst consensus as published on the company's website. Preliminary EBIT adjusted for Q3 is SEK 1,687M, corresponding to an increase of 25 per cent compared to the second quarter. Intrum's Cash EBITDA amounted to SEK 3,142M compared to SEK 2,709M in Q2 2020, which corresponds to an increase of 16 per cent. Net debt amounted to SEK 48.9 billion, down from SEK 49.7 billion in Q2. The leverage ratio decreased to approximately 4.2x compared to 4.4x in the previous quarter. Available liquidity by the end of the third quarter amounted to SEK 16.0 billion.

Preliminary revenues for the Credit Management Services segment was approximately SEK 1,647M, 4 per cent above the second quarter, with an operating margin of 29 per cent. Credit Management Services saw a stable development where the trend of lower new case inflow continued. Continued strong internal cost control contributed to the positive margin development.

The Strategic Markets segment (Greece, Italy and Spain) demonstrated a strong recovery and financial performance improved materially compared to the second quarter. Revenues of SEK 1,738M corresponds to an increase by 37 per cent compared to Q2 and with an operating margin of 30 per cent. The continued recovery of business activity in the Strategic Markets was supported by the catch up of delayed volumes from the second quarter. We also saw meaningful contribution from the efficiency improvement program launched in 2019.

The preliminary segment earnings for Portfolio Investments was SEK 1,093M corresponding to 9 per cent above the second quarter. Portfolio Investments delivered a solid earnings quarter supported by stable collection levels corresponding to 117 per cent of Covid-19 adjusted forecast and 102 per cent of the pre-Covid forecast. Year-to-date, gross collections correspond to 99 per cent of the pre-Covid forecast. Earnings from Joint Ventures, included in the Portfolio Investments segment results, were lower compared to the second quarter. Investments for the third quarter amounted to approximately SEK 837M.

All figures in this press release are preliminary and unaudited. The final report for the third quarter of 2020 will be published on 23 October, 2020 at CET 07:00 a.m. Intrum will not provide further comments or details until after the full report has been published.

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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 circa 10,000 dedicated professionals who serve around 80,000 companies across Europe. In 2019, revenues amounted to SEK 16.0 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.

This information is information that Intrum AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 18 October, 2020 at 16:00 CET