

Interim report

Second quarter, 2021

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- Revenues increased to SEK 4,424 M (3,885) and adjusted revenues increased to SEK 4,422 M (3,882). Adjusted operating earnings (EBIT) increased to SEK 1,594 M (1,345).
- Cash EBITDA increased to SEK 2,966 M (2,709) and available liquidity at the end of the quarter amounted to SEK 16,790 M (10,975). Net debt/RTM cash EBITDA decreased to 4.1x (4.4x).
- Cash EBIT increased to SEK 1,413 (1,294), cash RoIC to 7.9 per cent (7.0) and cash earnings per share (Cash EPS) were SEK 5.67 (7.98).
- For the Credit Management Services segment cash EBIT increased to SEK 411 M (374) and the adjusted operating margin decreased to 23 per cent (24). The segment cash RoIC for the quarter was 8.5 per cent (7.5).
- For Strategic Markets cash EBIT increased to SEK 572 M (525) and the adjusted operating margin decreased to 26 per cent (27). The segment cash RoIC for the quarter was 14.4 per cent (11.9).
- For Portfolio Investments cash EBIT increased to SEK 925 M (775), cash RoIC was 10.3 per cent (8.6) and total portfolio investments made amounted to SEK 2,051 M (1,299) for the quarter.

SEK M, unless otherwise indicated	Second quarter			6 months			Rolling	Full year
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	12 months July 2020–June 2021	
Revenues	4,424	3,885	14	8,625	7,218	19	18,255	16,848
Adjusted revenues	4,422	3,882	14	8,620	7,852	10	17,499	16,731
Operating earnings (EBIT)	1,563	1,348	16	3,094	1,807	71	5,982	4,695
Adjusted operating earnings (EBIT)	1,594	1,345	19	3,126	2,440	28	6,424	5,738
Earnings per share, SEK	6.48	5.39	20	12.54	4.81	161	22.91	15.18
Cash EBITDA	2,966	2,709	9	5,678	5,342	6	11,943	11,607
Cash EBIT	1,413	1,294	9	2,778	2,399	16	5,959	5,580
Cash EPS, SEK	5.67	7.98	-29	11.34	10.21	11	26.22	25.28
Cash RoIC, %	7.9	7.0	0.9 ppt	7.9	6.4	1.5 ppt	8.4	7.7
Net debt/RTM cash EBITDA, x							4.1	4.0
Cash EBIT: Credit Management Services	411	374	10	807	820	-2	1,583	1,596
Cash EBIT: Strategic Markets	572	525	9	1,217	845	44	2,911	2,539
Cash EBIT: Portfolio Investments	925	775	19	1,754	1,609	9	3,335	3,190
Total portfolio investments made	2,051	1,299	58	3,790	2,972	28	5,947	5,129
Carrying value of portfolio investments	35,629	34,945	2	35,629	34,945	2	35,629	33,305
Adjusted return on portfolio investments, (ROI), %	15	11	4 ppt	15	11	4 ppt	13	12

Comment by the President and CEO

Record cash collections and a landmark partnership

Intrum concluded the first half of 2021 with ever increasing support from the megatrends highlighted at the capital markets day in late 2020. During the second quarter we achieved record cash collections in our Portfolio Investments segment and based on a very strong servicing pipeline we entered into a number of significant new agreements. Servicing transactions won include a landmark partnership with Svenska Handelsbanken in Sweden, completing our servicing coverage of the six largest Nordic financial institutions, as well as a sizeable servicing contract in our Strategic Markets in the context of a co-investment with DEVA Capital, adding assets under management to our Italian platform.

The macro environment we have experienced in the spring and early summer was in general positive, as we have seen a number of steps to open up the economies throughout Europe. I sincerely hope this indicates that recovery and normalisation can build on increasingly solid ground in Europe during the third quarter and that the reported cluster outbreaks of Covid-19 cases, as well as any extended restrictions, will be kept contained. With the recent developments we continue to be cautiously optimistic on the trajectory of the pandemic recovery in general and a gradual improvement of our business climate in particular.

For the second quarter we recorded a foreign exchange adjusted cash revenues growth of 17 per cent and cash EBIT growth of 9 per cent year over year. Group leverage remained at 4.1x net debt to RTM cash EBITDA and the RTM cash EPS at the end of the second quarter amounted to SEK 26.22.

All global front offices open and operational

Our transformation towards ONE Intrum is progressing according to plan and during the quarter our third, and last, global front office opened in Malaga, Spain. Our global front offices now cover 11 countries, serviced by 115 agents performing circa 31,000 daily contact attempts.

In addition to the physical front offices, we are piloting a virtual front office concept. The virtual front office enables efficiency gains and cost synergies for the remaining local front

office agents by connecting them to the global front offices and leveraging their state-of-the-art technology and best practices. Another important milestone was achieved this quarter when the first secured portfolio was migrated to the global platform.

We are now entering a phase of accelerated case migration, significantly increasing the total volume of cases on the global platform. This process is closely monitored and coordinated by the global transformation office that, to date, has successfully migrated more than one million cases, generating very few exceptions. I am excited to enter this fast paced migration phase as it will accelerate our transformation to one platform and demonstrate our increased efficiency and ability to globally serve our clients.

Landmark transaction and positive new case inflow developments

We have seen our pipeline grow and interest in our credit management services resurface over the last year. During the quarter we closed some important transactions, including a landmark servicing partnership with Svenska Handelsbanken in Sweden. By adding Svenska Handelsbanken, we now work with all six large financial institutions in the Nordics and this new contract highlights our long-term sustainable growth ambition in the region. As regards new case inflows we continue to see encouraging developments at a varying pace across our footprint. In particular the number of new cases, as a lead indicator, continues to increase while we expect average case values and ultimately revenues to follow with a lag.

Cash EBIT for the CMS segment is up 10 per cent compared to last year and return on invested capital is at 8.5 per cent and has been on a positive trajectory throughout the quarter.

Solid quarter against normalisation backdrop

Strategic Markets delivered a stronger second quarter compared to last year and ended the quarter on a positive trajectory. Notably for the segment, the real estate market in Spain continues to



“Servicing transactions won include a landmark partnership with Svenska Handelsbanken in Sweden, completing our servicing coverage of the six largest Nordic financial institutions, as well as a sizeable servicing contract in our Strategic Markets”

be characterised by high sales volumes and our servicing activity also remains high. In Greece, our business continues to deliver according to the initial business plan. In Italy, the market is characterised by a gradual return to normality and we expect that ending the debt moratorium during the autumn will be another step for the market to continue to address the non-performing exposures in the financial system.

The cash EBIT came in 9 per cent above the second quarter last year and the return on invested capital was 14.4 per cent for the second quarter, up 2.5 percentage points compared to last year.

Record cash generation and attractive market opportunities

Our Portfolio Investments segment had a record quarter when it comes to gross cash collections. For the first time our gross cash collections came in above SEK 3 bn and in relation to the active forecast the segment had a strong performance at an index of 116 per cent. During the quarter we invested more than SEK 2 bn, which is almost 60 per cent above last year's investments and 30 per cent above the replenishment rate. At the end of the first half of the year, we have already invested, or committed to invest, c. SEK 6 bn for the full year, which reflects the increasing market activity where clients are more proactively addressing their overdue receivables and an element of catch up from a slower 2020.

During the quarter we closed two securitisation transactions amounting to a joint venture investment of SEK 280 M with Piraeus Bank, our partner in Greece. The structures are by nature off balance sheet and have a separate capital structure to be eligible for the Hellenic Asset Protection Scheme (HAPS), a Greek state guarantee provided to the senior part of the capital structure. The transactions showcase the close partnership with Piraeus and also represent our first investment under the HAPS scheme. In addition to the investment in the notes, Intrum Hellas will continue to service the assets under these portfolios.

The return on invested capital for the segment increased to 10.3 per cent, from 8.6 per cent last year reflecting the attractive market conditions we have experienced over the last twelve months. We expect the market backdrop to remain favourable.

Sustainability at the core of our business

The pandemic has had a big impact on many businesses across Europe but many have also seized the opportunity to think differently and are optimistic about the future. In our European Payment Report 2021, published in June, 45 per cent of the c. 11,500 companies surveyed said that they are more

enthusiastic about growth than they have been for a long time. Many are planning initiatives where, as an example, dealing with late payments is prioritised. Nearly 80 per cent deem long payment terms and the implications of debtors paying late to be problematic.

As a credit management company, we are playing an important role in the financial ecosystem, bringing value to both our clients and their customers by supporting the latter to pay their unpaid debts. As part of our efforts to treat everyone in line with our values - Empathy, Ethics, Solutions and Dedication - we have developed a detailed set of guidelines, the Treating Customers Fairly Instruction, that is applied across our operations. It is based on 10 key principles for ethical and sound debt collection services. These are robust principles that we believe should be a standard for our industry.

We are also very proud of the recognition we have gained during the first half of 2021 for our sustainability work. Sustainalytics's (a Morningstar company) ESG Risk Rating of Intrum improved from 24.5 (medium risk) in 2019 to 12.8 (low risk) and MSCI rates Intrum AA on a AAA-CCC scale.

With our efforts to help our clients receive payment for their goods and services, while treating our customers in an ethical and responsible manner, we make a difference and support growth. We are set to lead the way to fair and ethical collections and profitable organic growth.

Outlook

With a backdrop of higher savings rates amongst European consumers, increasing optimism amongst our clients and high level of economic stimuli, our business environment is set to continue to gradually improve throughout the year. I am very proud of how the organisation is managing both the important ongoing transformation of our company and at the same time relentlessly continuing to serve our clients and customers.

For the remaining half of the year, we will fully focus on the transformation as case migration accelerates and we expect a constructive development across the segments as we observe increasing client activity and opportunities, supporting our organic growth trajectory.

Stockholm, July 2021

Anders Engdahl
President & CEO

“We are playing an important role in the financial ecosystem. As part of our efforts to treat everyone in line with our values, we have developed a detailed set of guidelines, the Treating Customers Fairly Instruction, applied across our operations”

Group overview

Development during the second quarter

Revenues and operating earnings

Revenues for the quarter increased 14 per cent to SEK 4,424 M (3,885), with organic growth accounting for 19 per cent, revaluations for 0 per cent and currency effects for -5 per cent. The share of revenues denominated in EUR amounted to 61 per cent (61).

Operating earnings (EBIT) for the quarter amounted to SEK 1,563 M (1,348), with items affecting comparability of SEK -31 M (3). The adjusted operating earnings, excluding items affecting comparability, increased to SEK 1,594 M (1,345).

Items affecting comparability

Operating earnings for the quarter included items affecting comparability of SEK -31 M (3). Portfolio revaluations amounted to SEK 3 M, items affecting comparability attributable to joint ventures to SEK -27 M and other items affecting comparability to SEK -6 M.

Net financial items

Net financial items for the quarter amounted to SEK -517 M (-482). Net interest amounted to SEK -441 M (-413), interest cost on leasing liabilities to SEK -10 M (-10), exchange rate differences to SEK 2 M (3) and other financial items to SEK -69 M (-62).

Earnings for the period and taxes

The tax expense for the quarter was SEK 235 M, representing 22.5 per cent of earnings before tax. Net earnings for the quarter amounted to SEK 810 M (671), corresponding to earnings per share of SEK 6.48 (5.39) before and after dilution.

The company's assessment is that the tax expense will, over the next few years, be around 20–25 per cent of earnings before tax for each year, excluding the outcome of any tax disputes.

Cash flow and investments

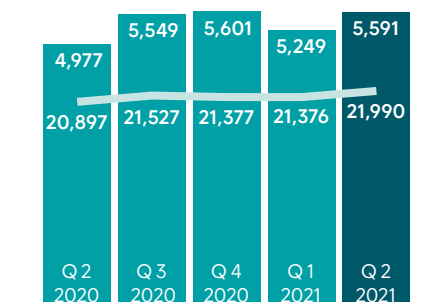
Cash revenues increased to SEK 5,591 M (4,977). Cash EBITDA and cash EBIT increased to SEK 2,966 M (2,709) and SEK 1,413 M (1,294) respectively. Cash EPS for the quarter amounted to

SEK 5.67 per share (7.98). Cash EBIT corresponds to a return on invested capital (cash RoIC) of 7.9 per cent (7.0) for the quarter. For the rolling twelve months cash revenues increased to 21,990 (20,897), cash EBIT to 5,959 (5,018) and cash RoIC to 8.4 per cent (6.8).

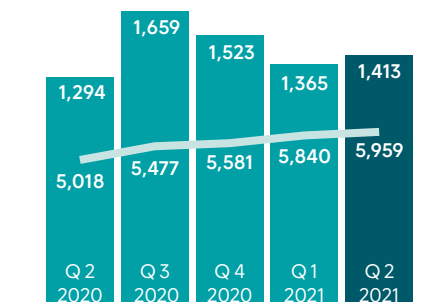
Assets and financing

Total assets at the end of the quarter amounted to SEK 83,278 M, compared to SEK 84,837 M at the end of the second quarter of the preceding year. Net debt amounted to SEK 49,309 M (49,716). Net debt in relation to the RTM cash EBITDA stands at 4.1x compared to 4.4x at the end of the second quarter 2020, the reduction comes from both increasing RTM cash EBITDA as well as a lower net debt. By the end of the second quarter Intrum had SEK 3,724 M (1,254) outstanding commercial paper, the increase reflects a more positive short term credit sentiment and the proceeds have been used to repay drawings under the revolving credit facility. At the end of the quarter SEK 3,975 (9,226) M of Intrum's credit facility was utilised.

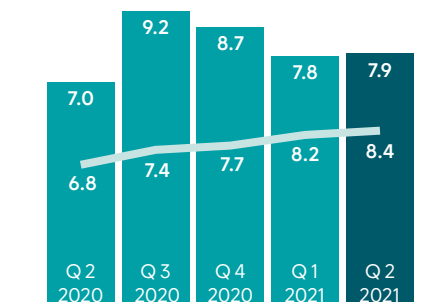
Cash revenues, SEK M
Cash revenues rolling 12 months, SEK M



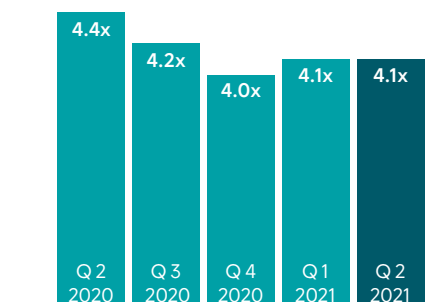
Cash EBIT, SEK M
Cash EBIT rolling 12 months, SEK M



Cash RoIC, %
Cash RoIC rolling 12 months, %



Net Debt/RTM cash EBITDA



Segment overview

Credit Management Services, Strategic Markets and Portfolio Investments

Key figures, Q2 2021

SEK M	Credit Management Services	Strategic Markets	Portfolio Investments	Group items	Group
Cash revenues	1,012	1,315	3,265	–	5,591
Reported segment earnings	367	370	1,303	-477	1,563
Items affecting comparability	1	3	50	-23	31
Adjusted segment earnings	367	373	1,353	-499	1,594
Depreciation and amortisation	61	216	2	45	325
EBITDA	428	586	1,305	-431	1,888
Portfolio amortisation	–	–	1,120	–	1,120
Adjustment earnings from joint ventures	–	–	-95	–	-95
Adjustment cash flow from joint ventures	–	–	50	–	50
Items affecting comparability	1	3	22	-23	3
Cash EBITDA	429	589	2,402	-454	2,966
Replenishment capex	–	–	-1,477	–	-1,477
Other capex	-18	-17	–	-41	-76
Cash EBIT	411	572	925	-495	1,413
Cash financial items					-368
Cash tax normalised					-361
Recurring consolidated cash earnings					685
Average number of shares outstanding					121
Cash EPS, SEK					5.67
Average invested capital	19,381	15,841	35,888	235	71,345
Cash RoIC, %	8.5	14.4	10.3	–	7.9
Revenues	1,572	1,416	2,098	-661	4,424
Items affecting comparability	–	–	-3	–	-3
Adjusted revenues	1,572	1,416	2,095	-661	4,422
Reported segment earnings	367	370	1,303	-477	1,563
Depreciation and amortisation	61	216	2	45	325
Items affecting comparability	1	3	50	-23	31
Adjusted EBITDA	429	589	1,355	-454	1,919
Depreciation and amortisation	-61	-216	-2	-45	-325
Adjusted segment earnings	367	373	1,353	-499	1,594

Credit Management Services, Strategic Markets and Portfolio Investments, cont.

Key figures, Q2 2020

SEK M	Credit Management Services	Strategic Markets	Portfolio Investments	Group items	Group
Cash revenues	1,048	1,202	2,727	–	4,977
Reported segment earnings	383	345	1,006	-386	1,348
Items affecting comparability	–	–	-3	–	-3
Adjusted segment earnings	383	345	1,003	-386	1,345
Depreciation and amortisation	80	240	2	49	371
EBITDA	463	585	1,008	-337	1,719
Portfolio amortisation	–	–	994	–	994
Adjustment earnings from joint ventures	–	–	-102	–	-102
Adjustment cash flow from joint ventures	–	–	101	–	101
Items affecting comparability	–	–	-3	–	-3
Cash EBITDA	463	585	1,998	-337	2,709
Replenishment capex	–	–	-1,223	–	-1,223
Other capex	-89	-60	–	-43	-192
Cash EBIT	374	525	775	-380	1,294
Cash financial items					-194
Cash tax normalised					-131
Recurring consolidated cash earnings					969
Average number of shares outstanding					121
Cash EPS, SEK					7.98
Average invested capital	19,874	17,664	36,134	256	73,928
Cash RoIC, %	7.5	11.9	8.6	–	7.0
Revenues	1,590	1,265	1,635	-604	3,885
Items affecting comparability	–	–	-3	–	-3
Adjusted revenues	1,590	1,265	1,632	-604	3,882
Reported segment earnings	383	345	1,006	-386	1,348
Depreciation and amortisation	80	240	2	49	371
Items affecting comparability	–	–	-3	–	-3
Adjusted EBITDA	463	585	1,005	-337	1,716
Depreciation and amortisation	-80	-240	-2	-49	-371
Adjusted segment earnings	383	345	1,003	386	1,345

Credit Management Services

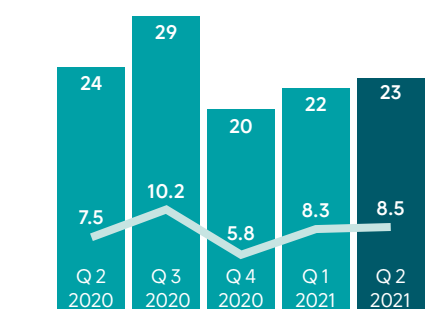
Credit management with a focus on late payments and collection. This segment includes 21 of the 24 European countries in which Intrum maintains credit management operations.

	Second quarter			6 months			Full year 2020
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	
SEK M							
Cash revenues	1,012	1,048	-4	2,050	2,187	-6	4,375
Cash EBITDA	429	463	-7	840	962	-13	1,891
Other capex	-18	-89	-80	-33	-142	-77	-295
Cash EBIT	411	374	10	807	820	-2	1,596
External revenues	1,012	1,048	-3	2,050	2,187	-6	4,375
Internal revenues	560	542	3	1,106	1,108	0	2,232
Total revenues	1,572	1,590	-1	3,156	3,295	-4	6,607
Items affecting comparability	-	-	-	-	-	-	-
Adjusted revenues	1,572	1,590	-1	3,156	3,295	-4	6,607
Segment earnings	367	383	-4	718	803	-11	1,613
Items affecting comparability	1	-	n.m.	-1	-	n.m.	-
Adjusted segment earnings	367	383	-4	717	803	-11	1,613
KPI's							
Average invested capital	19,381	19,874	-2	19,277	20,098	-4	19,747
Segment cash RoIC, %	8.5	7.5	1.0 ppt	8.4	8.2	0.2 ppt	8.1
Cash revenues change, %	-4	-12		-6	-7		-7
– thereof organic change, %	-1	-10		-3	-7		-5
– thereof exchange rates, %	-3	-2		-3	0		-2
– thereof acquired growth, %	-	-		-	-		-
Operating margin, %	23	24	-1 ppt	23	24	-1 ppt	24
Adjusted operating margin, %	23	24	-1 ppt	23	24	-1 ppt	24

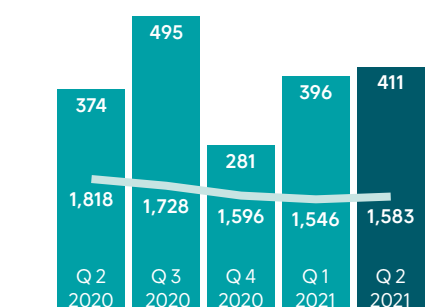
Development in the segment was characterised by a stable and gradual progress towards normalisation. Case inflows, in terms of number of new cases, are picking up at varying pace across geographies with average case values and, eventually, revenues expected to follow. The second quarter saw a strong servicing pipeline and some landmark transactions, in particular the sign-

ing of a long term servicing agreement with Svenska Handelsbanken in Sweden. The segment's cash revenues decreased by 4 per cent compared to the second quarter of the preceding year. Cash EBIT, however, is up 10 per cent year over year, and cash return on invested capital (cash RoIC) has increased by 1 percentage point to 8.5 per cent (7.5).

Credit Management Services, adjusted operating margin, % and segment cash RoIC, %



Credit Management Services, Cash EBIT, SEK M
Cash EBIT rolling 12 months, SEK M



Strategic Markets

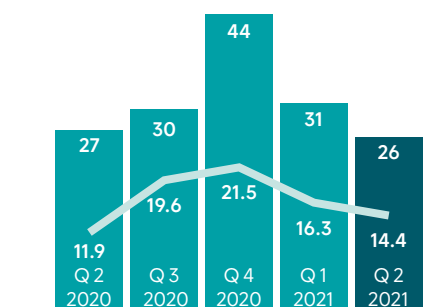
Credit management focusing on late payments and collection in Greece, Italy and Spain.

	Second quarter			6 months			Full year 2020
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	
SEK M							
Cash revenues	1,315	1,202	9	2,661	2,311	15	5,409
Cash EBITDA	589	585	1	1,246	913	36	2,722
Other capex	-17	-60	-72	-29	-68	-57	-183
Cash EBIT	572	525	9	1,217	845	44	2,539
External revenues	1,315	1,202	9	2,661	2,311	15	5,409
Internal revenues	101	63	60	189	149	27	346
Total revenues	1,416	1,265	12	2,851	2,459	16	5,755
Items affecting comparability	-	-	-	-	-	-	-
Adjusted revenues	1,416	1,265	12	2,851	2,459	16	5,755
Segment earnings	370	345	7	809	447	81	1,547
Items affecting comparability	3	-	n.m.	3	-	n.m.	106
Adjusted segment earnings	373	345	8	812	447	82	1,653
KPI's							
Average invested capital	15,841	17,664	-10	15,853	17,825	-11	17,175
Segment cash RoIC, %	14.4	11.9	2.5 ppt	15.4	9.5	5.9 ppt	14.8
Cash revenues change, %	9	32		15	38		29
– thereof organic change, %	15	-16		21	-25		-7
– thereof exchange rates, %	-6	0		-6	1		-1
– thereof acquired growth, %	-	48		-	62		37
Operating margin, %	26	27	-1 ppt	28	18	10 ppt	27
Adjusted operating margin, %	26	27	-1 ppt	28	18	10 ppt	29

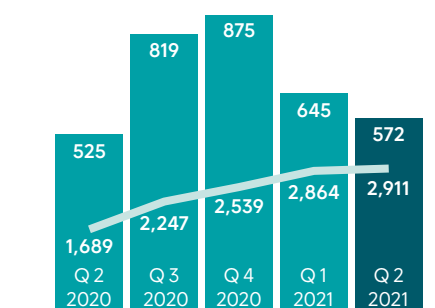
Strategic Markets had another solid quarter with continued strong performance in Greece and good revenue development in Spain, again supported by outstanding results from real estate servicing, and gradual normalisation in Italy. Cash revenues increased by 9 per cent compared with the preceding year, reflecting the improved operating environment as the beginning of the second

quarter last year was heavily impacted by Covid-19 related lockdowns. Organic growth in cash revenues, adjusted for currency effects, was 15 per cent year over year. Cash EBIT increased 9 per cent year over year and the cash RoIC stood at 14.4 per cent (11.9) for the quarter.

Strategic Markets, adjusted operating margin, % and segment cash RoIC, %



Strategic Markets, Cash EBIT, SEK M
Cash EBIT rolling 12 months, SEK M



Portfolio Investments

Intrum invests in portfolios of overdue receivables and similar claims, after which Intrum's servicing operations collect on the claims acquired.

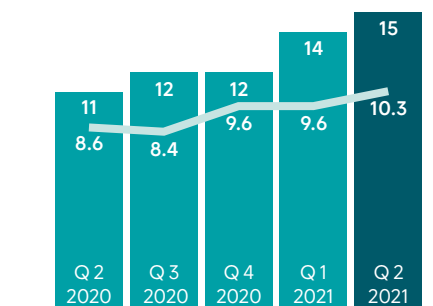
SEK M	Second quarter 2021					Second quarter 2020				
	Overdue receivables	REO	Financial services	Joint ventures	Segment total	Overdue receivables	REO	Financial services	Joint ventures	Segment total
Cash revenues	3,109	68	38	50	3,265	2,536	48	42	101	2,727
Cash EBITDA	2,327	7	18	50	2,402	1,865	13	19	101	1,998
Replenishment capex	-1,477	-	-	-	-1,477	-1,223	-	-	-	-1,223
Cash EBIT	849	7	18	50	925	642	13	19	101	775
Total revenues	1,992	68	38	-	2,098	1,545	48	42	-	1,635
Items affecting comparability	-3	-	-	-	-3	-3	-	-	-	-3
Adjusted segment revenues	1,989	68	38	-	2,095	1,542	48	42	-	1,632
Segment earnings	1,209	-19	18	95	1,303	872	13	19	102	1,006
Items affecting comparability	-3	25	-	27	50	-3	-	-	-	-3
Adjusted segment earnings	1,206	6	18	122	1,353	869	13	19	102	1,003
KPI's										
Average invested capital	29,142	371	521	5,854	35,888	28,530	411	511	6,682	36,134
Segment cash RoIC, %	11.7	7.3	14.1	3.4	10.3	9.0	12.7	14.9	6.0	8.6
Total portfolio investments made	1,739	32	-	280	2,051	1,267	31	-	-	1,299
Money-on-money multiple (RTM)	2.10	-	-	-	2.10	2.07	-	-	-	2.07
Book value	29,300	347	-	5,983	35,629	28,032	406	-	6,507	34,945
ERC	61,459	390	-	7,258	69,107	55,334	602	-	8,738	64,674
Cost to collect, paid %	25	127	-	-	27	27	71	-	-	28
Amortisation ratio, %	36	-	-	-	36	39	-	-	-	39
Operating margin, %	61	-28	47	-	62	57	27	45	-	61
Adjusted operating margin, %	61	9	47	-	65	57	27	45	-	61
Return on portfolio investments, ROI, %	17	-20	-	6	15	12	13	-	6	11
Adjusted return on portfolio investments, ROI, %	17	6	-	8	15	12	13	-	6	11

The segment delivered a strong quarter with record cash collections of 116 per cent (112) of the active forecast, with this performance being due to a strong operating environment across the franchise. Gross cash collections are up 23 per cent compared to the second quarter last year. New portfolio investments in the quarter amounted to at SEK 2,051 M (1,299), of particular note were two transactions with Piraeus Bank in Greece where we

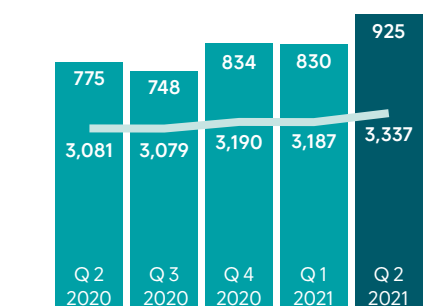
invested SEK 280 M into a joint venture structure and will continue to service the underlying portfolios in full.

Cash EBIT for the segment increased by 19 per cent. The pricing environment remains attractive with the RTM money-on-money multiple (MoM) standing at 2.10 (2.07) and cash RoIC increasing to 10.3 per cent (8.6). Total book value stands at SEK 35,629 M, an increase of 2 per cent, including net revaluations of SEK 3 M (3).

Portfolio Investments, Adjusted return, %, Cash RoIC, %



Portfolio Investments, Cash EBIT, SEK M, Cash EBIT rolling 12 months, SEK M



Portfolio Investments, cont.

SEK M	6 months 2021					6 months 2020				
	Overdue receivables	REO	Financial services	Joint ventures	Segment total	Overdue receivables	REO	Financial services	Joint ventures	Segment total
Cash revenues	5,851	102	82	93	6,129	5,320	75	80	253	5,729
Cash EBITDA	4,346	9	43	93	4,491	3,941	6	37	253	4,237
Replenishment capex	-2,736	–	–	–	-2,736	-2,628	–	–	–	-2,628
Cash EBIT	1,609	9	43	93	1,754	1,313	6	37	253	1,609
Total revenues	3,729	102	82	–	3,913	2,564	75	80	–	2,720
Items affecting comparability	-5	–	–	–	-5	633	–	–	–	633
Adjusted segment revenues	3,724	102	82	–	3,908	3,197	75	80	–	3,353
Segment earnings	2,222	-21	42	290	2,533	1,175	11	37	183	1,406
Items affecting comparability	-5	28	–	29	53	633	–	–	–	633
Adjusted segment earnings	2,217	7	42	320	2,586	1,808	11	37	183	2,040
KPI's										
Average invested capital	28,731	379	495	5,675	35,280	28,648	406	515	6,689	36,258
Segment cash RoIC, %	11.2	4.7	17.4	3.3	9.9	9.2	3.0	14.6	7.6	8.9
Total portfolio investments made	3,241	69	–	480	3,790	2,917	55	–	–	2,972
Money-on-money multiple (RTM)	2.10	–	–	–	2.10	2.07	–	–	–	2.07
Book value	29,300	347	–	5,983	35,629	28,032	406	–	6,507	34,945
ERC	61,459	390	–	7,258	69,107	55,334	602	–	8,738	64,674
Cost to collect, paid %	26	121	–	–	27	26	85	–	–	27
Amortisation ratio, %	36	–	–	–	36	40	–	–	–	40
Operating margin, %	59	-21	51	–	65	46	15	46	–	52
Adjusted operating margin, %	60	7	51	–	66	57	15	46	–	60
Return on portfolio investments, ROI, %	15	-11	–	10	14	8	5	–	5	8
Adjusted return on portfolio investments, ROI, %	15	4	–	11	15	13	5	–	5	11

Financial overview

Alternative P&L, Adjusted Group figures

	Second quarter			6 months			Full year
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	2020
SEK M							
External revenues	2,433	2,340	4	4,898	4,654	5	10,082
Gross cash collections	3,108	2,536	23	5,848	5,320	10	10,957
Cash flow from joint ventures	50	101	-50	93	253	-63	338
Cash revenues	5,591	4,977	12	10,840	10,227	6	21,377
Cash EBITDA	2,966	2,709	9	5,678	5,342	6	11,607
Replenishment capex	-1,477	-1,223	21	-2,736	-2,628	4	-5,355
Other capex	-76	-192	-60	-163	-315	-48	-672
Cash EBIT	1,413	1,294	9	2,778	2,399	16	5,580
Cash financial items	-368	-194	90	-967	-856	13	-1,974
Cash tax normalised	-361	-131	176	-440	-211	109	-474
Recurring consolidated cash earnings	685	969	-29	1,371	1,332	3	3,133
Average number of shares outstanding	121	121	0	121	131	-8	124
Cash EPS, SEK	5.67	7.98	-29	11.34	10.21	11	25.28
Cashflow from operating activities to cash EBITDA							
Operating cash flow	2,103	2,707	-22	3,901	4,959	-21	8,506
Cash financial items	368	194	90	967	856	13	1,974
Paid tax	294	131	124	505	211	139	970
Change in working capital (NWC)	125	-452	-128	183	-1,047	-118	-466
Other non-cash items	116	130	-11	312	292	7	-570
Adjustment earnings from joint ventures	-95	-102	-7	-290	-183	58	735
Adjustment cash flow from joint ventures	50	101	-50	93	253	-63	338
Items affecting comparability excluding impairment	6	-	n.m.	8	-	n.m.	121
Cash EBITDA	2,966	2,709	9	5,678	5,342	6	11,607
Depreciation and amortisation	-325	-371	-12	-651	-709	-8	-1,529
Portfolio amortisations	-1,120	-994	-13	-2,127	-2,123	0	-4,158
Adjustment earnings from joint ventures	95	102	-7	290	183	58	-735
Adjustment cash flow from joint ventures	-50	-101	-50	-93	-253	-63	-338
Items affecting comparability portfolio amortisations	-	-	-	-	-	-	-150
Items affecting comparability joint ventures	27	-	n.m.	29	-	n.m.	1,040
Adjusted EBIT	1,594	1,345	19	3,126	2,440	28	5,738

Alternative P&L, Adjusted Group figures

	Second quarter 2021				
	Credit Management Services	Strategic Markets	Portfolio Investments	Group items	Group
SEK M					
External revenues	1,012	1,315	107	-	2,433
Gross cash collections	-	-	3,108	-	3,108
Cash flow from joint ventures	-	-	50	-	50
Cash revenues	1,012	1,315	3,265	-	5,591
Cash EBITDA	429	589	2,402	-454	2,966
Depreciation and amortisation	-61	-216	-2	-45	-325
Portfolio amortisations	-	-	-1,120	-	-1,120
Adjustment earnings from joint ventures	-	-	95	-	95
Adjustment cash flow from joint ventures	-	-	-50	-	-50
Items affecting comparability joint ventures	-	-	27	-	27
Adjusted segment earnings	367	373	1,353	-499	1,594
Cash EBITDA margin, %	42	45	74	-	53
	6 months 2021				
	Credit Management Services	Strategic Markets	Portfolio Investments	Group items	Group
SEK M					
External revenues	2,050	2,661	187	-	4,898
Gross cash collections	-	-	5,848	-	5,848
Cash flow from joint ventures	-	-	93	-	93
Cash revenues	2,050	2,661	6,129	-	10,840
Cash EBITDA	840	1,246	4,491	-900	5,678
Depreciation and amortisation	-123	-434	-4	-90	-651
Portfolio amortisations	-	-	-2,127	-	-2,127
Adjustment earnings from joint ventures	-	-	290	-	290
Adjustment cash flow from joint ventures	-	-	-93	-	-94
Items affecting comparability joint venture	-	-	29	-	29
Adjusted segment earnings	717	812	2,586	-990	3,126
Cash EBITDA margin, %	41	47	73	-	52

Financial overview, cont.

Revenues by type

	Second quarter			6 months			Full year
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	2020
SEK M							
External servicing revenues	2,327	2,250	3	4,711	4,498	5	9,784
Gross cash collections	3,108	2,536	23	5,848	5,320	10	10,957
Other Portfolio Investments segment revenues	107	90	19	187	155	19	298
Cash flow from joint ventures	50	101	-50	93	253	-63	338
Cash revenues	5,591	4,977	12	10,840	10,227	6	21,377
Portfolio amortisation	-1,120	-994	-13	-2,127	-2,123	0	-4,158
Portfolio revaluations	3	3	0	5	-633	-101	-33
Adjustment cash flow from joint ventures	-50	-101	-50	-93	-253	-63	-338
Total revenues	4,424	3,885	14	8,625	7,218	19	16,848

Change in revenues

	Second quarter		6 months		Full year
	Apr–June 2021	Apr–June 2020	Jan–June 2021	Jan–June 2020	2020
Change in revenues, %					
Organic growth	19	-7	17	-9	-2
Acquired growth	-	12	-	14	10
Portfolio revaluations	-	0	9	-9	-1
Exchange rates	-5	-2	-6	0	-2
Total	14	3	19	-4	5

Items affecting comparability in operating earnings

SEK M	Second quarter		6 months		Full year
	Apr–June 2021	Apr–June 2020	Jan–June 2021	Jan–June 2020	2020
Positive revaluations of portfolio investments	468	44	786	43	3,145
Negative revaluations of portfolio investments	-466	-41	-781	-676	-3,177
Efficiency improvement programme	-	-	-	-	-1
Items affecting comparability joint ventures	-27	-	-29	-	-1,040
Other items affecting comparability	-6	-	-7	-	-119
Items affecting comparability portfolio amortisations	-	-	-	-	150
Total items affecting comparability in operating earnings	-31	3	-32	-633	-1,043

Net financial items specification

SEK M	Second quarter			6 months			Full year
	Apr–June 2021	Apr–June 2020	Change %	Jan–June 2021	Jan–June 2020	Change %	2020
Interest earnings	7	10	-30	11	30	-63	43
Interest costs	-448	-423	6	-891	-874	2	-1,746
Interest cost on leasing liability according to IFRS 16	-10	-10	0	-19	-20	-1	-41
Exchange rate differences	2	3	-33	4	1	300	16
Amortisation of borrowing costs	-25	-22	14	-49	-40	23	-109
Commitment fee	-37	-31	19	-76	-65	17	-137
Other financial items	-7	-9	-22	-13	-15	-13	-88
Total net financial items	-517	-482	7	-1,034	-983	182	-2,062

Quarterly overview

Group

	Quarter 2 2021	Quarter 1 2021	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020	Quarter 4 2019	Quarter 3 2019
SEK M								
Cash revenues	5,591	5,249	5,601	5,549	4,977	5,250	5,751	4,919
Cash EBITDA	2,966	2,712	3,124	3,142	2,709	2,633	3,063	2,609
Cash EBIT	1,413	1,365	1,523	1,659	1,294	1,105	1,419	1,200
Cash EPS, SEK	5.67	5.68	9.00	5.85	7.98	2.78	5.92	0.77
Revenues	4,424	4,200	5,109	4,521	3,885	3,333	4,663	3,786
Adjusted revenues	4,422	4,198	4,359	4,520	3,882	3,969	4,662	3,777
Operating earnings (EBIT)	1,563	1,531	1,200	1,688	1,348	459	-2,137	1,375
Adjusted EBIT	1,594	1,532	1,611	1,687	1,345	1,095	1,821	1,476
Net profit	810	787	576	864	671	-33	-2,482	579
Earnings per share, SEK	6.48	6.06	3.40	6.97	5.39	-0.25	-18.84	4.26
Return on equity, %	16	15	8	16	13	0	-42	9
Equity per share, SEK	162.54	171.12	158.05	166.15	159.46	165.62	168.12	193.28
Cash flow from operating activities per share, SEK	17.40	14.88	11.75	17.54	22.30	17.37	14.03	9.97
Average invested capital	71,345	69,951	70,430	71,938	73,928	74,962	73,365	72,258
Cash RoIC, %	7.9	7.8	8.7	9.2	7.0	5.9	7.7	6.6
Number of employees (FTEs)	9,786	9,626	9,458	9,446	9,366	9,188	9,430	8,959

Credit Management Services

	Quarter 2 2021	Quarter 1 2021	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020	Quarter 4 2019	Quarter 3 2019
SEK M								
Cash revenues	1,012	1,038	1,099	1,089	1,048	1,139	1,182	1,190
Cash EBIT	411	396	281	495	374	446	413	585
Revenues	1,572	1,585	1,664	1,647	1,590	1,705	1,792	1,764
– thereof external clients	1,012	1,038	1,099	1,089	1,048	1,139	1,182	1,190
– thereof intercompany revenues	560	546	565	559	542	566	610	574
Adjusted revenues	1,572	1,585	1,664	1,647	1,590	1,705	1,793	1,765
Segment earnings	367	352	328	482	383	420	255	459
Adjusted segment earnings	367	350	328	482	383	420	430	490
Items affecting comparability	-1	-2	-	-	-	-	-176	-30
Adjusted operating margin, %	23	22	20	29	24	25	24	28
Average invested capital	19,381	19,173	19,292	19,500	19,874	20,321	20,737	21,117
Segment cash RoIC, %	8.5	8.3	5.8	10.2	7.5	8.8	8.0	11.1

Strategic Markets

	Quarter 2 2021	Quarter 1 2021	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020	Quarter 4 2019	Quarter 3 2019
SEK M								
Cash revenues	1,315	1,346	1,461	1,637	1,202	1,108	1,610	899
Cash EBIT	572	645	875	819	525	320	583	261
Revenues	1,416	1,434	1,558	1,738	1,265	1,194	1,665	961
– thereof external clients	1,315	1,346	1,461	1,637	1,202	1,108	1,610	899
– thereof intercompany revenues	101	88	97	101	63	86	55	62
Adjusted revenues	1,416	1,434	1,558	1,738	1,265	1,194	1,665	961
Segment earnings	370	439	585	515	345	102	-2,702	153
Adjusted segment earnings	373	439	691	515	345	102	517	161
Items affecting comparability	-3	-	106	-	-	-	3,219	-8
Adjusted operating margin, %	26	31	44	30	27	9	31	17
Average invested capital	15,841	15,866	16,297	16,755	17,664	17,986	17,520	17,534
Segment cash RoIC, %	14.4	16.3	21.5	19.6	11.9	7.1	13.3	6.0

Quarterly overview, cont.

Portfolio Investments

	Quarter 2 2021	Quarter 1 2021	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020	Quarter 4 2019	Quarter 3 2019
SEK M								
Cash revenues	3,265	2,864	3,041	2,823	2,727	3,002	2,959	2,829
Cash EBITDA	2,402	2,089	2,243	2,065	1,998	2,239	2,104	2,070
Cash EBIT	925	830	834	748	775	834	722	750
Gross cash collections	3,108	2,740	2,937	2,700	2,536	2,784	2,826	2,679
Portfolio amortisation	-1,120	-1,007	-1,063	-972	-994	-1,129	-1,058	-1,061
Portfolio revaluation	3	2	599	1	3	-636	1	9
Other Portfolio Investments segment revenues	107	80	76	66	90	66	98	68
Revenues	2,098	1,816	2,549	1,795	1,635	1,085	1,867	1,695
Segment earnings	1,303	1,231	751	1,094	1,006	401	1,195	1,246
Adjusted segment earnings	1,353	1,234	1,063	1,093	1,003	1,037	1,208	1,236
Portfolio investments	1,739	1,503	1,258	837	1,267	1,650	3,780	831
Total carrying value of portfolio investments	35,629	35,104	33,305	34,940	34,945	36,297	35,429	33,196
– thereof purchased receivables	29,300	28,984	27,658	27,966	28,032	29,026	28,508	26,279
– thereof joint ventures	5,983	5,726	5,266	6,557	6,507	6,855	6,539	6,546
– thereof real estate	347	394	381	416	406	416	382	371
Adjusted return on portfolio investments, ROI, %	15	14	12	12	11	11	14	15
Amortisation ratio, %	36	37	36	36	39	41	37	40
ERC	69,107	68,263	65,467	64,393	64,674	68,551	64,995	61,310
Replenishment capex	-1,477	-1,259	-1,409	-1,317	-1,223	-1,405	-1,382	-1,320
Money-on-money multiple (RTM)	2.10	2.18	2.08	2.05	2.07	1.98	2.04	2.03
Average invested capital	35,888	34,673	34,602	35,440	36,134	36,383	34,818	33,304
Segment cash RoIC, %	10.3	9.6	9.6	8.4	8.6	9.2	8.3	9.0

Money-on-money multiple

	Quarter 2 2021	Quarter 1 2021	Quarter 4 2020	Quarter 3 2020	Quarter 2 2020	Quarter 1 2020	Quarter 4 2019	Quarter 3 2019
Purchase price of portfolios acquired in quarter	1,680	1,443	1,256	837	1,267	1,650	3,780	831
Lifetime ERC of portfolios acquired in quarter	3,414	3,190	2,554	1,791	2,944	3,036	7,165	1,856
Quarterly MoM	2.03	2.21	2.03	2.14	2.32	1.84	1.90	2.23
RTM MoM (average of quarterly MoM)	2.10	2.18	2.08	2.05	2.07	1.98	2.04	2.03
In quarter collections	3,108	2,740	2,937	2,700	2,536	2,784	2,826	2,679
RTM MoM (average of quarterly MoM)	2.10	2.18	2.08	2.05	2.07	1.98	2.04	2.03
Replenishment capex	-1,477	-1,259	-1,409	-1,317	-1,223	-1,405	-1,382	-1,320
	Jan–June 2021		Full year 2020				Full year 2019	
Replenishment capex	-2,736		-5,355				-5,339	

Five year overview

Group

SEK M	2020	2019	2018	2017	2016
Revenues	16,848	15,985	13,442	9,434	5,869
Adjusted revenues	16,731	15,780	13,131	9,437	5,824
EBIT	4,695	2,060	3,978	2,728	1,921
Adjusted EBIT	5,738	6,208	4,500	3,128	1,866
Net earnings	2,078	-285	1,943	1,503	1,468
Earnings per share, SEK	15.18	-2.76	14.18	14.62	20.15
Return on equity, %	37	-2	8	11	41
Equity per share, SEK	154.28	168.12	195.16	170.59	55.88
Cash flow from operating activities per share, SEK	68.64	48.77	48.10	-	46.64
Number of employees (FTEs)	9,379	8,766	7,910	6,293	3,865

Group

SEK M	Quarter 2 2021	Quarter 2 2020	Quarter 2 2019	Quarter 2 2018	Quarter 2 2017
Revenues	4,424	3,885	3,784	3,630	1,796
Adjusted revenues	4,422	3,882	3,780	3,408	1,755
EBIT	1,563	1,348	1,475	1,240	476
Adjusted EBIT	1,594	1,345	1,561	1,241	598
Cash EBITDA	2,966	2,709	2,670	2,769	1,158
Net profit	810	671	879	701	98
Earnings per share, SEK	6.48	5.39	6.26	5.33	1.32
Return on equity, %	16	13	13	12	3
Equity per share, SEK	162.54	159.46	187.54	176.30	161.12
Cash flow from operating activities per share, SEK	17.40	22.30	14.47	12.77	9.46
Number of employees (FTEs)	9,786	9,366	8,542	7,886	4,369

Reconciliation of alternative performance measures

SEK M	Second quarter		6 months		Rolling	Full year
	Apr–June 2021	Apr–June 2020	Jan–June 2021	Jan–June 2020	12 months July 2020– June 2021	
Items affecting comparability in revenues						
Positive revaluations of portfolio investments	468	44	786	43	3,888	3,145
Negative revaluations of portfolio investments	-466	-41	-781	-676	-3,283	-3,178
Items affecting comparability portfolio amortisations	–	–	–	–	150	150
Total items affecting comparability in revenues	3	3	5	-633	755	117
Items affecting comparability in operating earnings						
Positive revaluations of portfolio investments	468	44	786	43	3,888	3,145
Negative revaluations of portfolio investments	-466	-41	-781	-676	-3,283	-3,178
Transaction costs for M&A	–	–	–	–	-1	-1
Items affecting comparability joint ventures	-27	–	-29	–	-1,069	-1,040
Other items affecting comparability	-6	–	-7	–	-126	-119
Items affecting comparability portfolio amortisations	–	–	–	–	150	150
Total items affecting comparability in operating earnings	-31	3	-32	-633	-442	-1,043
Items affecting comparability by earnings statement line						
Positive revaluations of portfolio investments	468	44	786	43	3,888	3,145
Negative revaluations of portfolio investments	-466	-41	-781	-676	-3,283	-3,178
Cost of sales	-29	–	-30	–	–	30
Sales, marketing and administration costs	23	–	23	–	23	–
Items affecting comparability joint ventures	-27	–	-29	–	-1,069	-1,040
Total items affecting comparability in operating earnings	-31	3	-32	-633	-442	-1,043
Other items affecting comparability by segment						
Credit Management Services	-1	–	1	–	1	–
Strategic Markets	-3	–	-3	–	-109	-106
Portfolio Investments	-50	–	-53	–	-997	-944
Common costs	23	–	23	–	30	7
Total other items affecting comparability	-31	–	-32	–	-1,075	-1,043
Adjusted revenues						
Revenues	4,424	3,885	8,625	7,218	18,255	16,848
Items affecting comparability	-3	-3	-5	633	-755	-117
Adjusted revenues	4,422	3,882	8,620	7,852	17,499	16,731

SEK M	Second quarter		6 months		Rolling	Full year
	Apr–June 2021	Apr–June 2020	Jan–June 2021	Jan–June 2020	12 months July 2020– June 2021	
Adjusted EBIT						
EBIT	1,563	1,348	3,094	1,807	5,982	4,695
Items affecting comparability	31	-3	32	633	442	1,043
Total adjusted EBIT	1,594	1,345	3,126	2,440	6,424	5,738
Portfolio Investments segment earnings excluding items affecting comparability						
Portfolio Investments segment earnings	1,285	1,006	2,491	1,369	4,289	3,167
Items affecting comparability for investments	50	-3	53	633	364	944
Portfolio Investments segment earnings excluding items affecting comparability	1,335	1,003	2,544	2,002	4,653	4,111
Average carrying value						
Average carrying value receivables	29,142	28,530	28,731	28,648	28,319	28,277
Average carrying value joint ventures	5,854	6,682	5,675	6,689	5,949	6,456
Average carrying value real estate	371	411	379	406	392	405
Total average carrying value	35,367	35,622	34,785	35,743	34,659	35,138
Return including items affecting comparability	15	11	14	8	12	9
Return excluding items affecting comparability	15	11	15	11	13	12
Cash EBITDA						
EBIT	1,563	1,348	3,094	1,807	5,982	4,696
Depreciation and amortisation	325	371	651	709	1,470	1,528
Portfolio amortisation	1,120	994	2,127	2,123	4,162	4,158
Portfolio revaluations	-3	-3	-5	633	-605	33
Adjustments according to loan covenants:						
Adjustment earnings from joint ventures	-95	-102	-290	-183	628	735
Adjustment cash flow from joint ventures	50	101	93	253	179	338
Items affecting comparability excluding portfolio revaluations	33	–	36	–	1,046	1,010
Items affecting comparability joint ventures	-27	–	-29	–	-1,069	-1,040
Items affecting comparability portfolio amortisations	–	–	–	–	150	150
Cash EBITDA	2,966	2,709	5,678	5,342	11,943	11,607
Net debt						
Liabilities to credit institutions	3,851	9,101	3,851	9,101	3,851	2,081
Bond loans	44,027	41,840	44,027	41,840	44,027	43,706
Provisions for pensions	378	402	378	402	378	382
Commercial paper	3,724	1,252	3,724	1,252	3,724	2,916
Cash and cash equivalents	-2,672	-2,879	-2,672	-2,879	-2,672	-2,134
Net debt at end of period	49,309	49,716	49,309	49,716	49,309	46,951
Net debt/RTM cash EBITDA					4.1	4.0

Financial report

Condensed consolidated income statement

SEK M	Second quarter		6 months		Full year 2020
	Apr–June	Apr–June	Jan–June	Jan–June	
	2021	2020	2021	2020	
Revenues from clients	2,434	2,340	4,898	4,654	10,085
Revenues from portfolio investments calculated using the effective interest method	1,988	1,542	3,722	3,197	6,796
Positive revaluations of portfolio investments	468	44	786	43	3,145
Negative revaluations of portfolio investments	-466	-41	-781	-676	-3,178
Total revenues	4,424	3,885	8,625	7,218	16,848
Cost of sales	-2,446	-2,234	-4,810	-4,636	-9,501
Gross earnings	1,979	1,651	3,814	2,583	7,347
Sales, marketing and administrative expenses	-510	-405	-1,011	-959	-1,918
Participation in associated companies and joint ventures	95	102	290	183	-734
Operating earnings (EBIT)	1,563	1,348	3,094	1,807	4,695
Net financial items	-517	-482	-1,034	-983	-2,062
Profit before tax	1,045	866	2,060	824	2,633
Taxes	-235	-195	-464	-185	-555
Net earnings for the period	810	671	1,597	638	2,078
Of which attributable to:					
Parent company's shareholders	783	654	1,516	628	1,881
Non-controlling interest	27	17	81	10	197
Net earnings for the period	810	671	1,597	638	2,078
Average no of shares before dilution, '000	120,850	121,401	120,860	130,511	123,914
Average no of shares after dilution, '000	120,887	-	120,897	-	-
Earnings per share before dilution					
Profit from continuing operations, SEK	6.48	5.39	12.54	4.81	15.18
Total earnings per share before dilution, SEK	6.48	5.39	12.54	4.81	15.18
Total earnings per share after dilution, SEK	6.48	-	12.54	-	-

Condensed consolidated statement of comprehensive income

SEK M	Second quarter		6 months		Full year 2020
	Apr–June	Apr–June	Jan–June	Jan–June	
	2021	2020	2021	2020	
Net earnings for the period	810	671	1,597	638	2,078
Other comprehensive earnings, items that will be reclassified to profit and loss:					
Currency translation difference	-364	-1,019	507	734	-2,250
Other comprehensive earnings, items that will not be reclassified to profit and loss:					
Remeasurement of pension liability					-3
Comprehensive income for the period	446	-348	2,104	-96	-175
Of which attributable to:					
Parent company's shareholders	455	-209	2,020	-119	-202
Non-controlling interest	-9	-139	84	23	27
Comprehensive income for the period	446	-348	2,104	-96	-175

Condensed consolidated balance sheet

SEK M	30 June 2021	30 June 2020	31 Dec 2020	SEK M	30 June 2021	30 June 2020	31 Dec 2020
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Intangible fixed assets				Attributable to parent company's shareholders	19,643	19,313	19,118
Goodwill	32,127	32,809	31,650	Attributable to non-controlling interest	2,748	2,902	2,845
Capitalised expenditure for IT development and other intangibles	877	834	861	Total shareholders' equity	22,391	22,215	21,963
Client relationships	4,605	5,687	4,936				
Total intangible fixed assets	37,610	39,330	37,447	Long-term liabilities			
				Liabilities to credit institutions	3,851	9,101	2,081
Tangible fixed assets				Bond loans	42,927	40,840	42,606
Right-of-use assets	792	840	831	Long-term leasing liabilities	612	650	651
Investment property	0	11	2	Other long-term liabilities	714	669	622
Other tangible fixed assets	213	199	209	Provisions for pensions	378	402	381
Total tangible fixed assets	1,005	1,050	1,042	Other long-term provisions	64	18	48
				Deferred tax liabilities	1,083	1,388	1,110
Other fixed assets				Total long-term liabilities	49,629	53,068	47,499
Shares in joint ventures	5,983	6,507	5,266				
Other shares and participations	1	1	0	Current liabilities			
Portfolio investments	29,300	28,032	27,658	Bond loans	1,100	1,000	1,100
Deferred tax assets	1,392	1,326	1,438	Commercial paper	3,724	1,252	2,916
Other long-term receivables	91	151	124	Client funds payable	1,054	1,039	1,125
Total other fixed assets	36,766	36,017	34,486	Accounts payable	452	487	493
				Earnings tax liabilities	902	943	925
Total fixed assets	75,381	76,397	72,975	Advances from clients	44	75	64
				Short-term leasing liabilities	223	228	220
Current assets				Other current liabilities	1,272	1,491	1,515
Accounts receivable	1,091	1,288	1,184	Accrued expenses and prepaid earnings	2,472	3,000	2,924
Inventory of real estate	347	395	379	Other short-term provisions	14	39	24
Client funds	1,054	1,039	1,125	Total current liabilities	11,257	9,554	11,307
Tax assets	206	339	193	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	83,278	84,837	80,768
Other receivables	1,305	1,292	1,338				
Prepaid expenses and accrued earnings	1,224	1,208	1,441				
Cash and cash equivalents	2,672	2,879	2,134				
Total current assets	7,897	8,440	7,793				
TOTAL ASSETS	83,278	84,837	80,768				

Condensed consolidated statement of changes in shareholders' equity

	2021			2020		
	Attributable to Parent Company's shareholder	Non-controlling interest	Total	Attributable to Parent Company's shareholder	Non-controlling interest	Total
SEK M						
Opening balance, January 1	19,118	2,845	21,963	22,014	2,879	24,893
Repurchase of shares				-1,332		-1,332
Dividends paid	-1,453	-180	-1,634	-1,250		-1,250
Treasury shares	-41		-41			
Comprehensive earnings for the period	2,020	84	2,104	-119	23	-96
Closing balance, June 30	19,643	2,748	22,391	19,313	2,902	22,215

Condensed consolidated cash flow statement

	Second quarter		6 months		Full year
	Apr–June 2021	Apr–June 2020	Jan–June 2021	Jan–June 2020	2020
Change in revenues, %					
Operating activities					
EBIT	1,563	1,348	3,094	1,807	4,695
Depreciation/amortisation and impairment write-down	325	371	651	709	1,529
Amortisation/revaluation of purchased debt	1,117	991	2,122	2,755	4,189
Other adjustment for items not included in cash flow	-116	-130	-312	-292	570
Interest received	7	-19	11	30	43
Interest paid	-331	-152	-889	-806	-1,792
Other financial expenses paid	-44	-22	-89	-80	-225
Earnings tax paid	-294	-131	-505	-211	-969
Cash flow from operating activities before changes in working capital	2,228	2,256	4,084	3,912	8,041
Changes in factoring receivables	-66	29	-108	23	36
Other changes in working capital	-59	423	-75	1,025	429
Cash flow from operating activities	2,103	2,707	3,901	4,959	8,506
Investing activities					
Purchases of tangible and intangible fixed assets	-73	-192	-160	-315	-672
Portfolio investments in receivables and inventory of real estate	-1,951	-1,326	-3,093	-2,981	-5,135
Acquisition of subsidiaries and joint ventures	–	-6	–	-6	-35
Other cash flow from investing activities	-134	141	-71	293	398
Cash flow from investing activities	-2,157	-1,383	-3,324	-3,009	-5,444
Financing activities					
Borrowings and repayment of loans	2,223	1,169	1,577	1,733	142
Repurchase of shares	-42	-760	-42	-1,250	-1,307
Share dividend to parent company's shareholders	-1,454	-1,332	-1,454	-1,332	-1,332
Dividend to non-controlling shareholders	-180	0	-180	–	-72
Cash flow from financing activities	547	-923	-99	-849	-2,569
Total change in liquid assets	494	400	479	1,101	494
Opening balance of liquid assets	2,252	2,598	2,134	1,906	1,906
Exchange rate differences in liquid assets	-74	-120	59	-128	-265
Closing balance of liquid assets	2,672	2,879	2,672	2,879	2,134
Group total					
Cash flow from operating activities	2,103	2,707	3,901	4,959	8,506
Cash flow from investing activities	-2,157	-1,383	-3,324	-3,009	-5,444
Cash flow from financing activities	547	-923	-99	-849	-2,569

Certain prior year comparative information has been revised to conform to the current year presentation. In particular, exchange rate differences classified as reduction of interest paid in 2020 are now reported in the "Borrowings and repayments of loans".

Condensed income statement – parent company

	Second quarter		Full year
	Apr–June 2021	Apr–June 2020	2020
SEK M			
Revenues	307	271	557
Gross earnings	307	271	557
Sales and marketing expenses	-15	-12	-28
Administrative expenses	-466	-354	-804
EBIT	-174	-95	-275
Earnings from subsidiaries	0	114	1 382
Exchange rate differences on monetary items classified as expanded investment and hedging activities	80	268	678
Net financial items	468	-333	-1 261
Earnings before tax	374	-46	524
Tax	0	32	-104
Net earnings for the period	374	-14	420

Net earnings for the period corresponds to comprehensive earnings for the period.

Condensed balance sheet – parent company

SEK M	30 June 2021	30 June 2020	31 Dec 2020
ASSETS			
Fixed assets			
Intangible fixed assets	373	231	298
Tangible fixed assets	12	12	13
Financial fixed assets	72,721	70,715	68,195
Total fixed assets	73,106	70,958	68,506
Current assets			
Current receivables	249	547	458
Cash and cash equivalents	884	636	533
Total current assets	1,133	1,183	991
TOTAL ASSETS	74,239	72,141	69,497
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	285	285	285
Unrestricted equity	10,547	11,546	11,923
Total shareholders' equity	10,832	11,831	12,208
Long-term liabilities	55,088	55,658	50,386
Current liabilities	8,319	4,652	6,902
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	74,239	72,141	69,497

Other information

Parent Company

The Group's publicly listed Parent Company, Intrum 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 revenues of SEK 307 M (271) for the quarter and earnings before tax of SEK 374 M (-46). The Parent Company invested SEK 35 M (102) in fixed assets for the quarter and at the end of the quarter held SEK 884 M (636) in cash and cash equivalents. The average number of employees was 62 (59).

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 accounting principles applied by the Group and the Parent Company are essentially unchanged compared with the 2020 Annual Report.

Changes in IFRS standards as of 1 January 2021 did not have any material impact on this interim report.

Transactions with related parties

During the quarter no significant transactions occurred between Intrum and other closely related companies, board members or Group management team.

Market development and outlook

Intrum's integrated business model, consisting of credit management services and portfolio investments, Intrum enjoys favour-

able medium term development prospects in both areas, even though the beginning of 2021 continues to be impacted by macroeconomic uncertainty due to the ongoing Covid-19 pandemic. Intrum continues to execute its transformation programme. Intrum will gradually standardise, globalise and improve its collection processes. In the future, Intrum anticipates the actions being taken in this area will continue to improve efficiency and margins, as well as enabling sustainable and organic growth.

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, epidemic and pandemic risks, risks attributable to acquisitions, market risks, liquidity risks, credit risks, risks inherent in portfolio investments and payment guarantees, as well as financing risks. The risks are described in more detail in the Board of Directors' report in Intrum's 2020 Annual and Sustainability report. No significant risks have arisen besides those described in the Annual and Sustainability report

Fair value of financial instruments

Most of the Group's financial assets and liabilities (portfolio investments, accounts receivable, other receivables, cash and cash equivalents, liabilities to credit institutions, bonds, commercial paper, accounts payable and other liabilities) are carried at amortised cost in the consolidated financial statements. For most of these financial instruments, the carrying amount is deemed to be a good estimate of fair value. For outstanding bonds with a total carrying value of SEK 44,027 M (41,840) at the end of the quarter, fair value is, however, estimated at SEK 45,294 M

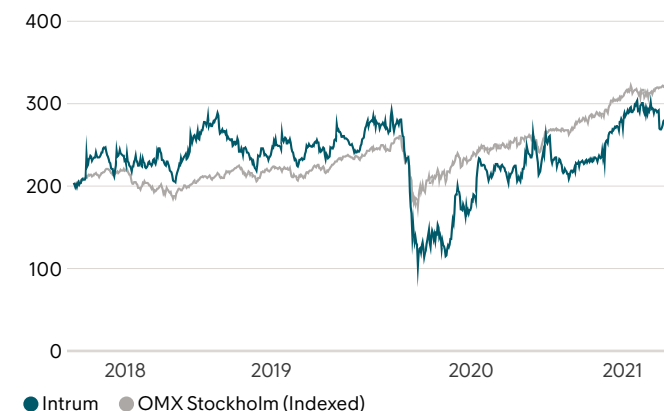
(38,591). The Group also holds forward exchange contracts and other financial assets of SEK 35 M (345), as well as financial liabilities of SEK 116 M (327) carried at fair value through the income statement.

The share

Intrum's share is included in Nasdaq Stockholm's Large Cap list. During the period 1 April–30 June 2021, 29,881,607 shares were traded for a total value of SEK 8,385 M, corresponding to 25 per cent of the total number of shares at the end of the period.

The highest price paid during the period 1 April–30 June 2021 was SEK 308.6 (25 May) and the lowest was SEK 263.6 (9 June). On the last trading day of the period, 30 June 2021, the price was SEK 280.1 (latest paid). During the period 1 April–30 June 2021, Intrum's share price rose by 3 per cent, while Nasdaq OMX Stockholm also rose by 3 per cent.

Share price, SEK (1 July 2018 – 30 June 2021)



Shareholders

30 June 2021	No of shares	Capital and Votes, %
Nordic Capital	47,728,956	39.2
AMF Försäkring & Fonder	12,093,371	9.9
Swedbank Robur Fonder	5,933,877	4.9
Första AP-fonden	2,444,409	2.0
Vanguard	2,088,139	1.7
C WorldWide Asset Management	1,766,999	1.5
TIAA - Teachers Advisors	1,717,811	1.4
Handelsbanken Fonder	1,588,450	1.3
Livförsäkringsbolaget Skandia	1,371,862	1.1
BlackRock	1,182,966	1.0
Norges Bank	1,107,247	0.9
Avanza Pension	1,092,983	0.9
Folketrygdfondet	1,047,404	0.9
Robeco	1,000,000	0.8
Intrum AB	923,654	0.8
Total fifteen largest shareholders	83,088,128	68.3
Total number of shares excluding treasury shares	120,797,264	

Source: Modular Finance Holdings and Intrum

Treasury holdings of 923,654 shares are not included in the number of shares outstanding. The proportion of Swedish ownership amounted to 34.8 per cent (institutions 7.3 percentage points, mutual funds 17.8 percentage points and private individuals 9.7 percentage points).

Currency exchange rates

	Closing rate 30 June 2021	Closing rate 30 June 2020	Average rate Apr–June 2021	Average rate Apr–June 2020	Average rate Jan–Dec 2020
1 EUR=SEK	10.11	10.49	10.14	10.65	10.48
1 CHF=SEK	9.21	9.85	9.24	10.04	9.80
1 NOK=SEK	0.99	0.96	1.00	0.97	0.98
1 HUF=SEK	0.0287	0.0294	0.0286	0.0303	0.0299

Events after the balance sheet date

No events after the balance sheet date.

For further information, please contact

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Michael Ladurner, CFO, tel: +46 8 546 102 02

Emil Folkesson, Investor Relations, tel: +46 8 546 102 02

Michael Ladurner is the contact under the EU Market Abuse Regulation.

The information in this interim report is such as Intrum AB (publ) is required to disclose pursuant to the EU's markets abuse directive and the Securities Markets Act.

The information was provided under the auspices of the contact person above for publication on 22 July 2021 at 07.00 a.m. CET.

Year-end reports, interim reports and other financial information are available on www.intrum.com.

Denna delårsrapport finns även på svenska.

Stockholm, 22 July 2021

Anders Engdahl

President and CEO

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

The Board of Directors and the President provide their assurance that this six-month report provides an accurate overview of the operations, position and earnings of the Company and the Group, and that it also describes the principal risks and sources of uncertainty faced by the Company and its subsidiaries.

Stockholm, 22 July 2021

Per E. Larsson
Chairman

Liv Fiksdahl
Board member

Hans Larsson
Board member

Kristoffer Melinder
Board member

Andreas Näsvisk
Board member

Magdalena Persson
Board member

Andrés Rubio
Board member

Ragnhild Wiborg
Board member

Anders Engdahl
President and CEO

Definitions

Result concepts, key figures and alternative indicators

Acquired growth

Growth in cash revenues related to mergers and acquisitions of Group companies.

Adjusted revenues

Revenues excluding portfolio revaluations and other items affecting comparability.

Adjusted operating earnings (EBIT)

Adjusted operating earnings (EBIT) is operating earnings excluding revaluations of portfolio investments and other items affecting comparability.

Adjusted operating margin

Adjusted operating earnings (EBIT) in relation to adjusted revenues.

Adjusted segment earnings

Adjusted segment earnings is segment earnings excluding revaluations of portfolio investments and other items affecting comparability.

Amortisation percentage

Amortisation on portfolio investments during the period, as a percentage of collections.

Cash EBIT

Cash EBITDA less replenishment capex and other capex.

Cash EBITDA

Cash EBITDA is adjusted operating earnings (EBIT) adding back depreciation and amortisations and portfolio amortisations. In addition, the EBIT contribution from joint ventures is replaced by the actual cash contribution from the joint venture.

Cash EPS

Cash EBIT minus cash net financial items and cash net tax normalised divided by the average number of outstanding shares.

Cash return on invested capital (RoIC)

Annualised cash EBIT divided by average invested capital for the period. Average invested capital calculated using quarterly opening and closing balances for the relevant period. Year to date and RTM is calculated using the opening and closing balances of the quarters in the period.

Cash revenues

Revenues excluding non-cash revenues such as portfolio amortisation and earnings from joint ventures.

Cash tax normalised

Earnings tax paid adjusted for non recurring items.

Cash flow from joint ventures

The cash flow received by Intrum in form of distributions and dividends from investments in non-consolidated joint ventures.

EBITDA

EBITDA is defined as operating earnings (EBIT) adding back depreciation and amortisations of tangible and intangible assets.

Estimated remaining collections, ERC

The estimated remaining collections represent the nominal value of the expected future collection on the Group's portfolio investments, including Intrum's anticipated cash flows from investments in joint ventures.

Exchange rates

Growth in cash revenues related to the effects of changes in exchange rates.

External revenues

Revenues from Intrum's external clients and revenues generated from Real Estate Owned assets (REO).

Internal revenues

Predominantly related to revenues paid by the Portfolio Investment segment to Credit Management Services and Strategic Markets segments for collection activities made on the behalf of Intrum's own portfolios.

Items affecting comparability

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. These may include but are not limited to portfolio revaluations, 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. Items affecting comparability are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

Net debt

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

Net debt/cash EBITDA

This key figure refers to net debt divided by Cash EBITDA on a rolling 12-month basis. The key figure is included among the Group's financial targets, it is an important measure for assessing the level of the Group's borrowings and is a widely accepted measure of financial capacity among lenders. This key figure is calculated in accordance with the definitions stated in the terms of the Group's revolving syndicated loan facility, which means, among other things, that participations in non-consolidated joint ventures is only included to the extent that earnings are distributed to Intrum and that operations acquired during the period are included on a pro forma-basis throughout the 12-month period.

Operating earnings (EBIT)

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

Operating margin

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

Operating margin, segment

The operating margin, segment consists of service line earnings expressed as a percentage of revenues.

Organic growth

Organic growth refers to the average increase in cash 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.

Other capex

Investments made to maintain and grow the business. For example, IT and tangible assets.

Portfolio investments – collected amounts, amortisations and revaluations

Portfolio investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognised at amortised cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Revenues attributable to portfolio investments consist of collected amounts less amortisation for the period and revaluations. The amortisation 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.

Total portfolio investments made

The investments for the period in portfolios of overdue receivables, with and without collateral, investments in real estate and in joint ventures whose operations entail investing in portfolios of receivables and properties.

Replenishment capex

The estimated portfolio investments required to maintain the ERC in a steady state. Calculated by dividing the in quarter gross cash collections by the RTM MoM multiple.

REO

Real estate owned.

Return on Portfolio Investments (ROI)

Return on portfolio investments is the service line earnings for the period, excluding operations in factoring and payment guarantees (financial services), 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 segment's earnings in relation to the amount of capital tied up and is included in the Group's financial targets. The definition of average book value is based on using average values for the quarters. Year to date and RTM is calculated using the opening and closing balances of the quarters in the period.

Revenues

Consolidated revenues include external servicing earnings (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription earnings, etc.), earnings from portfolio investments operations (collected amounts less amortisation and revaluations for the period) and other earnings from financial services (fees and net interest from financing services).

RTM

Rolling Twelve Months, RTM, refers to figures on a last 12-month basis.

RTM MoM multiple

The average quarterly underwriting money-on-money multiple for the past 12 months. Calculated by dividing the lifetime ERC of acquired portfolios with the purchase price of the portfolios.

Segment earnings

Segment earnings relate to the operating earnings of each segment, Credit Management Services, Strategic Markets, Portfolio Investments and Group items.

About Intrum

Intrum is the industry-leading credit management company in Europe with presence in 24 markets. We help companies prosper by offering solutions designed to improve cash flow as well as long-term profitability and by caring for their customers. Our focus is to create shared value for business and society, which both benefit from companies being paid on time and citizens getting out of debt. Intrum has around 10,000 dedicated professionals who serve around 80,000 companies across Europe. In 2020, the company generated revenues of SEK 16.8 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.

Business model

We ensure that companies are paid by offering a full range of services covering companies' entire credit management chain. In our Credit Management Services and Strategic Markets segments we act as agents, collect late payments on our clients' behalf and generate a commission. In our Portfolio Investments segment we act as principals and invest in portfolios of overdue receivables as well as similar claims and collect on our own behalf.

Intrum as an investment

Growing market – The market for our services is growing, supported by our clients' desire to manage their balance sheets, also aided by regulation, focus on their core businesses as well as ongoing NPL generation. Digitisation and changes in customer behaviour lead to new types of receivables being generated. This market backdrop is a strong foundation for sustainable organic growth.

Market-leading position – Intrum is the industry leader in Europe, with a presence in 24 countries. We also work with partners to cover approximately 160 countries across the world. Given our comprehensive footprint we can partner with clients across several markets. Our broad knowledge spans multiple industries and our scale enables us to invest in the newest technologies and innovative solutions.

A complete range – Intrum offers a complete range of credit management services, covering companies' complete credit management chain.

Considerable trust and 100 years of experience – Our work can only be performed if we have our clients' complete trust and conduct our operations ethically and with respect for the end-customer. Our 100 years of experience demonstrate the strength of our business model. We build long-term partnerships with our clients.

Intrum leads the way towards a sound economy – A functioning credit market is a prerequisite for the business community and consequently for society as a whole. Intrum plays an important role in this context.

Financial targets

Returns: Cash RoIC >10% medium term

Growth: Cash EPS >10% p.a. on average medium term

Leverage: Net debt/Cash EBITDA 2.5–3.5x by end of 2022

Shareholder remuneration policy: Absolute annual increase in dividend per share

For further details and definitions, see <https://www.intrum.com/investors/financial-info/financial-targets/>

Financial calendar 2021

22 July 2021 Interim report for the second quarter

21 October 2021 Interim report for the third quarter

27 January 2022 Full-year report 2021



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