

Stockholm
July 10, 2020 08:00 CET

Press release

Intrum to report stronger second quarter results than anticipated

Intrum's preliminary second quarter results are expected to be substantially above the outlook which was provided in conjunction with the Q1 report in early May. Preliminary EBIT adjusted for Q2 is SEK 1,345M compared to the Q1 SEK 1,095M outlook level.

"During the second half of the quarter we experienced a relatively fast return towards normality across the 24 European markets we operate in, and this has enabled the stronger development of our operations and collections above our previous internal expectations. In addition, strict cost control has allowed us to mitigate the impact from the revenue shortfall connected to Covid-19," says Mikael Ericson, President and CEO of Intrum.

Intrum's Cash EBITDA increased marginally compared to Q1 2020 and leverage Net Debt/Cash EBITDA decreased slightly to approximately 4.4x compared to 4.5x in Q1. The preliminary segment result for Portfolio Investment was about 5 per cent below the first quarter. The segment benefitted from higher collection levels relative to the collection forecast, based on the revaluation that was made in the first quarter. Earnings from Joint Ventures, included in the Portfolio Investments segment results, were marginally higher relative to the first quarter. Investments for the second quarter amounted to approximately SEK 1,267M and underwriting return levels were materially higher than pre- Covid-19.

Financial performance for the Strategic Markets segment (Greece, Italy and Spain) improved significantly compared to the first quarter, with a strong revenue recovery in June. This led to about 5 per cent higher preliminary segment revenues versus the first quarter, and an operating margin for the segment of 27 per cent. Strategic Markets benefitted from the fact that these three countries and their court systems opened up successfully throughout May and June. The result was also supported by strict internal cost control.

Preliminary results for Credit Management Services were about 10 per cent below the first quarter with an operating margin of 24 per cent. The segment results are partly

affected by lower business volume flows, as some clients have temporarily eased payment terms for their customers.

“In light of the extraordinary circumstances, it is comforting to see that the financial robustness in our business model holds true and that we also benefit from our diversified geographical footprint that caters for resilient collection performance across the economic cycle,” says Mikael Ericson.

All figures in this press release are preliminary and unaudited. The final report for the second quarter of 2020 will be published on July 23, 2020 at CET 07.00. Intrum will not provide further comments or details until after the full report has been published.

Viktor Lindeberg, Head of Investor Relations & Group Business Control
+46 (0) 8 546 102 02
viktor.lindeberg@intrum.com
ir@intrum.com

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 July 10, 2020 at 08:00 CET.