

EOS Survey 'European Payment Practices' 2017

Europe's most vulnerable: In Greece and the UK, companies are particularly at risk of going bankrupt

Outstanding payments jeopardise the credit standing of companies and their long-term viability / Greek (28 per cent) and British companies (24 per cent) in particular fear for their future / German companies the most stable in the case of payment defaults

Hamburg, 5 September 2017 – The Greek economy is still Europe's underachiever. As recently as this July, the International Monetary Fund (IMF) announced that it would be supporting Greece with another EUR 1.6 billion; however the situation remains precarious in respect of payment defaults. Because in many cases, Greek companies are not able to absorb the resulting hole in their budget. The result is potential insolvency. In a total of 28 per cent of the Greek companies polled, payment delays and defaults put the company's viability in jeopardy – in no other country in Europe is this correlation so strong. In Western Europe, British companies in particular are struggling with the impact of late and unrecoverable payments. As a result, almost every fourth company in the United Kingdom (24 per cent) has to fear for its very existence. These are some of the findings of the EOS survey 'European Payment Practices' 2017, which was conducted this year for the tenth time (by Kantar TNS, formerly TNS Infratest).

Countries in crisis – but no widespread pessimism

In Eastern Europe, Bulgarian companies are also having difficulty in absorbing payment defaults which jeopardise the survival of nearly one in four companies (24 per cent). On average, 17 per cent of Eastern European companies are at risk of bankruptcy as a result of outstanding payments by customers.

At the same time, the EOS survey shows that the crisis-ridden companies have different views of the future. In Greece, the mood in companies tends to be optimistic, as it was in 2016: 29 per cent (2016: 33 per cent) still expect the payment practices of their customers to improve in the next two years. 'In this context it is interesting to observe the spirit of optimism in Greece. Fortified by intensive support from Europe for some considerable time, there is a positive mood in the country despite the weak economy', says Klaus Engberding, CEO of the EOS Group.

Things look very different in the UK, where pessimistic voices are on the increase. Whereas in the previous year, only 12 per cent of the companies polled assumed that payment practices would get worse, a total of 19 per cent hold this view in 2017. 'Brexit has hit the British economy hard. This is reflected in the weak increase in GDP in the first two quarters and the moderate growth forecast by the International Monetary Fund for 2018', continues Engberding.



German companies the most stable

In Western Europe too, payment defaults represent a threat to the viability of many companies. Alongside British firms, French (22 per cent) and Spanish companies (21 per cent) in particular are battling against these consequences. The situation is different in Germany, where companies are better equipped to absorb outstanding payments. Because although in 17 per cent of all cases payments are made late or not at all, only two per cent of all companies see this as a threat to their existence.

‘Companies need to be able to compensate for payment defaults. Otherwise they will quickly be paralysed by their own insolvency’, explains Engberding. ‘Working with a professional receivables management provider really can pay, in the truest sense of the word. In addition, companies can focus fully on their core business and do not have to invest any resources in additional expertise.’

About the EOS survey: ‘European Payment Practices’

In the spring of 2017, in partnership with independent market research institute Kantar TNS (formerly TNS Infratest), EOS surveyed 3,200 companies in 16 European nations about the prevailing payment practices in their respective countries. 200 companies in each of the countries Germany, UK, Spain, France, Belgium, Austria, Switzerland, Romania, Czech Republic, Croatia, Hungary, Bulgaria, Slovakia, Poland, Russia and Greece answered questions about their own payment experiences, economic developments in their countries and issues relating to risk and receivables management. Further results from the survey can be found online: <http://www.eos-solutions.com/paymentpractices2017>

The EOS Group

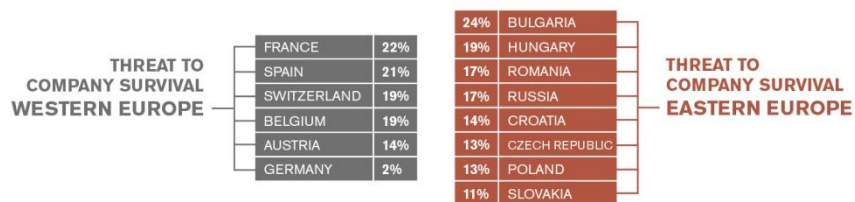
The EOS Group is one of the leading international providers of customised financial services. Its main focus is on receivables management covering three key business segments: fiduciary collection, debt purchase and business process outsourcing. With around 7,000 employees and more than 55 subsidiaries, EOS offers some 20,000 clients in 26 countries around the world financial security with tailored services in the B2C and B2B segments. Being connected to an international network of partner companies, the EOS Group has access to resources in more than 180 countries. Its key target sectors are banking, utilities and telecommunications, along with the public sector, real estate, mail order and e-commerce. For more information please visit: www.eos-solutions.com.

Contact:

Berit Ewald, Team Manager Corporate Communications
Tel.: +49 40 2850-1566, email: b.ewald@eos-solutions.com

Sabrina Ebeling | Public Relations Consultant
Tel: +49 40 2850-1480, email: s.ebeling@eos-solutions.com

High threat to survival: companies are particularly vulnerable here



Source: EOS Survey 'European Payment Practices' EOS / Kantar TNS 2017