

Top 5 problems caused by late payments and failure to pay

Companies suffer most frequently from lost profits

Lost profits



Liquidity problems



Higher interest costs



New jobs not being created



Investment decline / backlog



Has your company been affected by any of these possible consequences of late payments and failure to pay in the last 12 months?



Source: EOS Survey 'European Payment Practices' 2015

Focus on the core business

Working together with debt collection specialists reduces the risk of payment defaults and injects liquidity back into the economic cycle, preventing price increases for customers. More and more companies in Europe are realising this fact. According to the EOS Survey, 40 percent of the respondents – 5 percent more than in the previous year – have either partially or entirely handed over responsibility of their receivables management processes to external experts. This also means that over half of the surveyed companies are bearing the risk of lost profits and liquidity problems and attempting to retrieve outstanding debts themselves.

About the Survey

Since 2007, EOS has been working with international market research institutes to compare payment practices in European countries. In early 2015, the renowned institute TNS Infratest surveyed 2,800 finance experts from 13 European countries on the topics of national payment practices, their own payment experiences, the economic development of their countries and the latest trends observed in receivables management.

Further results from the survey can be found online at: www.eos-solutions.com/paymentpractices2015

EOS – think global, act local

Whether you need a partner on site or a provider who operates on a global scale: with high-quality receivables management, the companies of the EOS Group secure your liquidity and help to reduce financial risks.

The EOS Group is one of the leading international providers of customized financial services. Its core business is receivables management. With its workforce of more than 8,500, EOS provides security through customized services for its approximately 20,000 customers in 26 countries worldwide through 50 subsidiaries. Together with an international network of partner companies, EOS Group offers its customers resources in 150 countries on all continents. The key target sectors are banking, insurance, utilities, telecommunications and IT companies.

Find out more about the EOS Group at: www.eos-solutions.com

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2015



EOS Survey 'European Payment Practices' 2015

With head and heart in finance



Late payment and non-payment in Europe

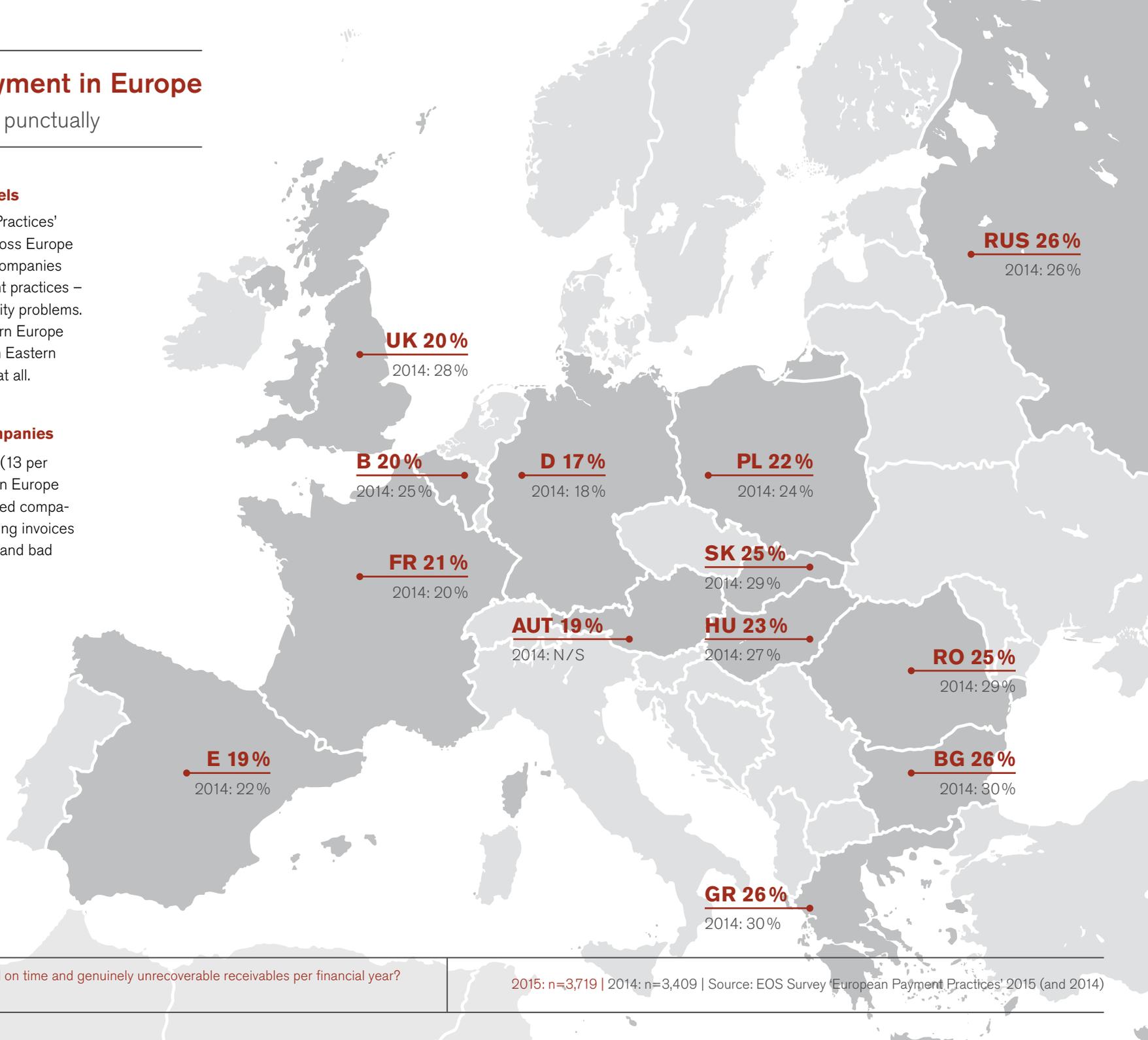
Customers are paying slightly more punctually

Western and Eastern Europe at different levels

According to the EOS Survey 'European Payment Practices' 2015, the level of late payment or non-payment across Europe as a whole has dropped slightly. Despite this fact, companies are still suffering the consequences of poor payment practices – most frequently in the form of lost profits and liquidity problems. Around a fifth of all invoices (19 per cent) in Western Europe and around a quarter of all invoices (25 per cent) in Eastern Europe are paid after the payment deadline or not at all.

Bad debts are a threat to the survival of companies

Around one in eight companies in Western Europe (13 per cent) and almost one in seven companies in Eastern Europe (15 per cent) is threatened by bad debt. The surveyed companies suspect that their business customers are paying invoices late or not at all due to their own liquidity problems and bad debts. This makes it all the more important to tackle the biggest challenge uncovered by the EOS Survey: improving the payment practices of customers.



Total 22% (2014: 25%)

Eastern Europe 25% (2014: 28%)

Western Europe 19% (2014: 22%)

How high is the proportion of invoices that are not settled on time and genuinely unrecoverable receivables per financial year? (B2C and B2B customers)

2015: n=3,719 | 2014: n=3,409 | Source: EOS Survey 'European Payment Practices' 2015 (and 2014)