PAYMENT BEHAVIOUR OF EUROPEAN COMPANIES. FIRST QUARTER OF 2022

Studies Department
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CONTENT

EXECUTIVE SUMMARY

The European Average Payment Delay decreased for the fifth quarter in a row

The Average Payment Delay (APD) continued its declining trend that started in the first quarter of 2021 (Q1 2021) and reached 13.20 days this quarter. It is the lowest figure registered since Q2 2020.

The European APD decreased in this quarter due to the reduction of payment delays in 5 of the countries under study, especially in France (-1.02 days) and Ireland (-0.96 days).

Since Q1 2021, 7 out of the 9 countries under study have reduced their APD. The most important reduction occurred in Belgium, with a drop of 2.27 days, which allowed it to reach an APD under 10 days for the first time.

Despite having the shortest APD, the Netherlands had the largest increase (+1.01 days).

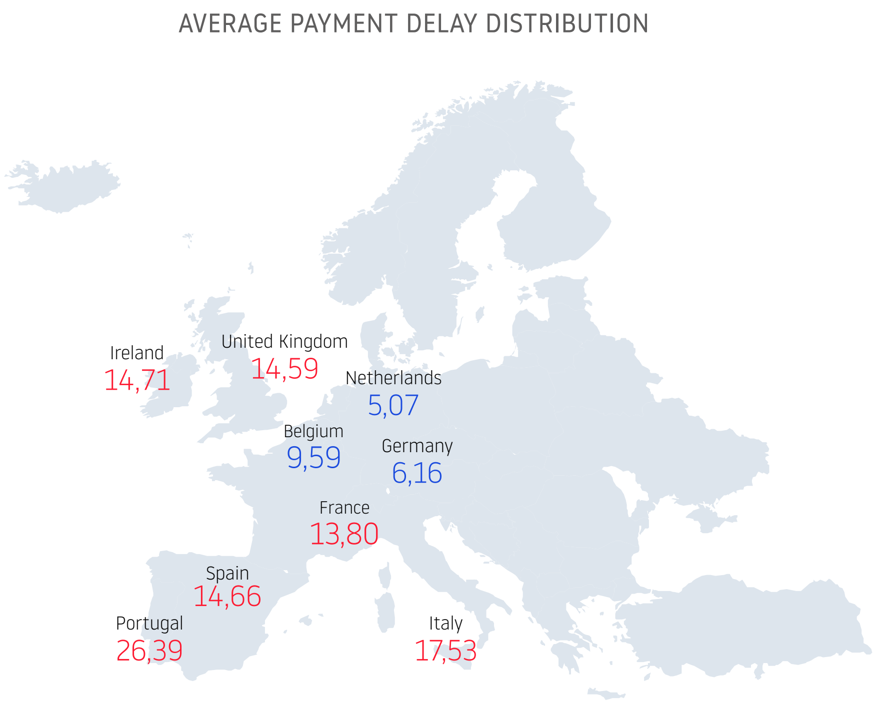
The 9 countries under study are divided into three groups: good payers (the Netherlands, Germany and Belgium), countries with longer payment delays (Italy and Portugal) and the countries in between (Ireland, the United Kingdom, France and Spain).

There is a wide disparity among the groups: the APD varies up to 21.32 days depending on whether it is a Dutch or a Portuguese company.

AVERAGE PAYMENT DELAY IN EUROPE. FIRST QUARTER 2022

The difference on APD among the countries under study reached 21.32 days in the first quarter of 2022. According to their APD, these countries can be grouped as follows:

- Good payers, with an APD of less than 10 days: the Netherlands, Germany and Belgium.
- Countries with an APD up to 15 days, the closest to the average: Ireland, Spain, the United Kingdom and France.
- Countries with longer delays: Italy and Portugal.



Source: Dun & Bradstreet – Informa D&B

EVOLUTION SINCE THE FIRST QUARTER OF 2021

In Q1 2022, the European APD continued the downward trend started in Q1 2021 and reached 13.20 days, 0.41 days less than in Q4 2021 and 1.22 days less than in 2021.

The Dutch APD exceeded 5 days and stood at 5.07. Despite being the lowest figure of the countries under study, it has increased by 0.61 days since Q4 and by 1.01 days since Q1 2021.

Germany started the year with the lowest APD figure since 2015: 6.16 days in Q1. It decreased by 0.23 days when compared to the previous quarter and 0.56 days when compared to the same period of last year.

The Belgian APD stood at 9.59 days, which means that it is below 10 days for the first time since we started this study at the beginning of 2011. It has recorded a 0.96-day reduction since Q4 and a 2.27-day reduction over the last year, which implies the most significant decline of the countries under study. The Belgian APD has been decreasing continuously since Q4 2020.

In Q1 2022, the UK's APD increased for the second quarter in a row and stood at 14.59 days. It increased by 0.13 days with respect to Q4 and by 0.21 days with respect to 2021.

The Irish APD reached 14.71 days and recorded the largest increase in the quarter (+1.61 days) since Q4 2021. However, there has been a small decline (-0.06 days) since last year.

The French APD, with 13.80 days in Q1, was below 14 days for the first time since Q2 2020. There have been significant decreases both in this quarter and over the year: -1.02 days when compared to Q4 and -1.15 days when compared to Q1 2021.

The Spanish APD stood at 14.66 days, the lowest entry since Q1 2020. The APD decreased by 0.56 days with respect to Q4 and by 1.58 days with respect to Q1 2021.

Italy has the best APD since Q3 2012, which is 17.53 days; this entails a 0.07-day reduction with respect to Q4 and a 1.97-day reduction with respect to Q1 2021. The Italian APD has been constantly decreasing since Q4 2020.

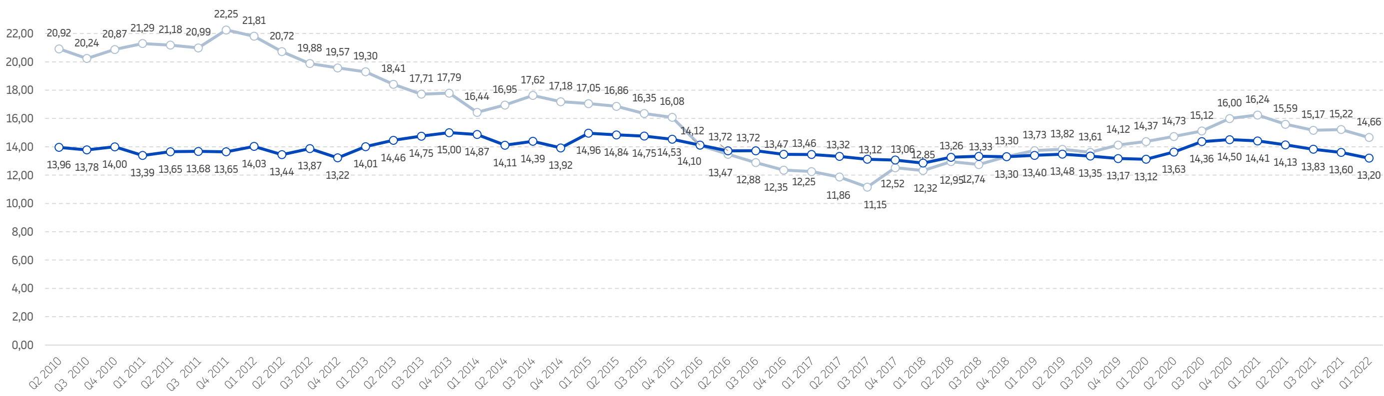
Portugal showed once again the longest APD of the countries under study: 26.39 days. It also increased by 0.46 days when compared to the previous quarter but decreased by 0.25 days when compared to Q1 2021.

APD EVOLUTION SINCE THE FIRST QUARTER OF 2021

SPAIN-EUROPE PAYMENT COMPARISON

For almost 3 years —from Q1 2016 to Q3 2018— the Spanish APD remained below the European average until it was reached in Q4 2018. From then on, the Spanish APD has exceeded the European APD. This quarter, the difference between the Spanish APD and the European APD is 1.46 days.

APD EVOLUTION IN SPAIN AND EUROPE



APPENDICES

SPANISH LEGISLATION

Member States had up to 16 March 2013 to transpose Directive 2011/7/EU which establishes measures to combat late payment in business operations. Directive 2011/7/EU establishes, as a general rule, a 30-day limit to pay invoices.
The transposition of the Directive in Spain has been undertaken through the Legislative Royal Decree 4/2013, dated 22 February, on measures to support entrepreneurs and stimulate job creation and growth. The standard terms are 30 days for Administrations and 60 days for companies. In addition, the level of interest for late payment (8 percentage points over the reference value of the ECB) and the possibility of a 40-euro fine are established.

EUROPEAN LEGISLATION

The directive against late payment was adopted on 16 February 2011. Member States had until 16 March 2013 to transpose this directive into national law. Directive 2011/7/EU establishes, as a rule, a 30-day limit to pay invoices. Public administrations could have this deadline extended up to a maximum of 60 days when justified. The standard lays down sanctions for non-compliance and Member States will have two years to implement it.

INFORMATION SOURCE

Informa D&B, through its DunTrade® Program, feeds the unique database made up of around 7.5 million payment experiences in Spain and more than 200 million worldwide.

The DunTrade® Program, which was developed in 1972 in the United States and in 1985 in Europe, is unique: it uses accounting data from thousands of companies and analyses the payment delays by comparing them to the agreed terms. It is a free and confidential program.

The DunTrade® Program is based on the information exchange between Informa D&B's DunTrade® database and the company that is participating in the program about the payment behaviour of its clients.

These payment experiences are made up of the identification data of the clients and the transactions carried out each month, which includes information on pending invoices from the clients: expired and not collected and pending due date.

The average payment delay is a calculation made from payments carried out off the agreed terms.

This study has been carried out by the Studies Department of Informa D&B.

The data come from Informa D&B's database.

ABOUT INFORMA D&B

Informa D&B (subsidiary of CESCE) is the leader company in Business, Financial, Sectorial and Marketing Information, with a consolidated sales volume of 90.2 million euros in 2020. It was the first Spanish financial and business information database to obtain the ISO 9001 quality certificate. At present, it also has the ISO 14001 and 27001 certificates.

Since its inception in 1992, INFORMA's database has been fed from multiple public and private information sources, such as BORME (Official Gazette of the Mercantile Register), Official Filed Accounts, BOE (Official State Gazette) and Provincial and Autonomous Regions Official Gazettes. AA.), National and regional press, ad hoc investigations and several publications.

INFORMA's national database includes:

- 7 million national economic agents;
- 3.6 million companies and active sole proprietors with *rating*;
- more than 16.7 million companies' balance sheets;
- more than 16.5 million administrators and operational administrators;
- more than 3.8 million corporate links;
- more than 375 million data updated on a daily basis.

The leadership of INFORMA was consolidated in 2004 after absorbing the business of the multinational company Dun & Bradstreet in Spain and Portugal. Since then, it has been part of the greatest business information network in the world: the Dun & Bradstreet Worldwide Network, and as such, it offers online information on more than 400 million companies worldwide.

INFORMA's database, marketed through its brands Informa, eInforma and DBK, is the most used in Spain with 4.5 million users. In addition, 89% of the IBEX 35 companies and more than 95% of the financial institutions are active customers of INFORMA.

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- **Spanish and European Companies Payment Behaviour**. Quarterly series available since the second quarter of 2010.
- **Presence of women in Spanish companies.** Annual series available since 2009.
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Data Powered by INFORMA

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