

Interim report

Third quarter 2023 highlights

- Seasonally slow Q3 in transitory 2023
- Income increased 9% vs. Q3'22 and 5% vs. YTD 22 driven by both Servicing and Investing segments
- Adjusted EBIT reduced by 13% vs. Q3'22 and 18% vs. YTD'22 driven by cost growth in excess of income
- EBIT for the YTD, which includes a provision of SEK 583 M in respect of costs to execute the cost saving program, increased by 108% vs. YTD'22 due to the impact of the JV write down in YTD'22
- Leverage ratio decreased 0.2x to 4.4x in the quarter driven by favourable FX movements and recent acquisition in Spain
- Delivered on several strategic priorities during the quarter: completed the divestment of Estonia and Latvia and the acquisition of Haya Real Estate in Spain and e-collect in Switzerland. Also, completed the acquisition of Ophelos Ltd in the UK on 17 October 2023
- The third quarter report has been updated to provide increased transparency and clarity. Full details of these GAAP and non-GAAP changes are provided on page 18 and 23 of this report

Third quarter, 2023

	Third quarter			9 months			Rolling	Full year
	July-Sep 2023	July-Sep 2022	Change %	Jan-Sep 2023	Jan-Sep 2022	Change %	12 months 2023	2022
SEK M, unless otherwise indicated								
Unadjusted Accounting Metrics								
Income	4,959	4,530	9	14,460	13,826	5	20,002	19,368
EBITDA	884	-831	206	3,753	2,792	34	3,153	2,192
EBIT	509	-1,576	132	2,719	1,307	108	1,566	154
Net Income/(Loss) attributable to parent company's shareholders	-411	-2,055	80	-375	-839	55	-4,008	-4,473
Earnings/(Loss) Per Share, SEK	-3.41	-17.05	80	-3.11	-6.95	55	-33.23	-37.07
Adjusted Accounting Metrics								
Adjusted Income	4,959	4,530	9	14,460	13,826	5	19,594	18,960
Adjusted EBITDA	1,727	1,924	-10	4,922	5,824	-15	7,215	8,117
Adjusted EBIT	1,353	1,564	-13	3,888	4,736	-18	5,816	6,664
Adjusted Net Income/(Loss) attributable to parent company's shareholders	222	760	-71	769	2,165	-64	438	1,834
Adjusted Earnings/(Loss) Per Share, SEK	1.84	6.31	-71	6.38	17.93	-64	3.66	15.21
Adjusted Cash Metrics								
Cash Income	6,336	5,736	10	18,420	17,594	5	25,106	24,280
Cash EBITDA	3,160	3,009	5	9,124	9,452	-3	12,910	13,238
Investing Segment: Capex Deployed	530	1,335	-60	4,977	6,260	-20	6,255	7,538
Cash EBITDA (proforma)							13,239	
Net Debt before Other Obligations/RTM cash EBITDA (proforma), x	-	-	-	-	-	-	4.4x	4.1x

Continued high commercial activity in a seasonally slower quarter

Operational excellence, client focus and capital light

In September at our Capital Markets Day, we presented our strategic priorities for the coming three years underpinned by three pillars. First, operational excellence: technology and automation will permeate our operating model to create an efficient and scalable operating platform while improving our collections capability. Second, client focus: emphasising profitable growth through client centricity. Third, capital light: extract cash from our backbook and pivot to a capital-light business model.

In our continuous effort to build a stronger and tech-driven franchise, we also announced the acquisition of Ophelos and eCollect, two companies set to accelerate our tech-transition. With these additions, we will advance our client value proposition while becoming more efficient by leveraging Ophelos - the only tech-powered autonomous debt resolution platform in Europe. Tech-driven decisions do not only allow us to be more profitable and relevant to our clients and customers but also drive other key benefits. For example, in Denmark, we transitioned from sending customers ~3 M physical letters annually to now sending more than 80 percent in digital form. Since August, when this program was initiated, we have not only increased our customer response rate by more than 700 percent, but we will also eliminate the emission of 61 tons of CO₂ annually. This clearly shows that all stakeholders and our society as a whole benefit by driving technology within Intrum.

I also want to repeat and emphasise that our top near-term priority is to reduce our leverage and cost base. This quarter, we have lowered our proprietary investments, reduced operating costs and we are progressing on our plan to potentially exit selected Tactical markets and part of our back book. All cash flows from these tactical measures will repay debt and de-risk our platform.

In the third quarter, Income was SEK 4,959 M (4,530), translating to an increase of 9 per cent. Servicing Income amounted to SEK 3,441 M (3,103), while Investing Income stood at SEK 2,173 M (2,083). Cash EBITDA for the group was SEK 3,160 M (3,009), up 5 per cent. Adjusted EBIT decreased 13% to SEK 1,353 M (1,564) for the quarter and reduced 18% to SEK 3,888 M (4,736) for YTD due to increased costs in excess of increased income.

Direct and Indirect Costs totalled SEK 4,436 M for the quarter and SEK 11,767 M for the YTD. This includes SEK 791 M and SEK 1,110 M respectively of Items Affecting Comparability predominantly relating to the cost saving program and IT transformation (see page 10). Underlying costs, excluding these Items Affecting Comparability, have increased 15% to SEK 3,647 M (3,161) and 12% to SEK 10,657 M (9,503) for the quarter and the year, respectively, with currency movements contributing 10% for the quarter compared to Q3 '22 and 8% YTD. The cost program launched during the first quarter is principally focused on non-production elements which constitute approximately half of the above mentioned adjusted cost base.

Acceleration commercial success

On the commercial side, during the quarter we signed a transformational contract with Buildingcenter in Spain and a meaningful increased mandate with Virgin Money in the UK. We have also been awarded a large contract with Sykehusinnkjøp (hospitals) in Norway where the key reason for our selection was the quality of our service rather than the price of our offer. These efforts to drive the commercial development of the company are visible in our total annual contract value (ACV) signings. At the end of September, the ACV signings in 2023 amounted to SEK 1.1 bn (690 M). During the third quarter alone, the ACV signings, excluding the



“I also want to repeat and emphasise that our top near-term priority is to reduce our leverage and cost base”

transformational contract with Buildingcenter, reached SEK 261 M with a win rate greater than 55 per cent.

Progress on cost program, cash extraction and leverage

By the end of the quarter, we have already achieved run rate cost savings of SEK ~350 M, mainly from redundancies which will gradually come into the results over the coming quarters. Given progress during the third quarter, we have taken a provision for costs to achieve of SEK ~ 580 M. The progress to date and our high ambition level make me comfortable with the previously communicated target of more than SEK 800 M with the majority to be achieved on a run-rate basis by end of 2023.

Our near term ambition to extract value from our Investing business delivered a cash EBITDA of SEK 2.8 bn, with SEK 530 M reinvested in portfolios in the quarter. The investments were made at an average unlevered IRR of 18 per cent (15). The leverage ratio Net debt before other obligations/RTM Cash EBITDA currently stands at 4.4x. The leverage reduction, compared to Q2 '23, is mainly driven by including the RTM results of Haya. In addition, we had favourable FX movements in the quarter.

Reducing disposable income and extended payment terms

Surging inflation and higher borrowing costs continue to be a problem for European household finances. As their real earnings stagnate or even decline, consumers will have to make difficult choices. In our own data, we see around half of consumers breaking even on their finances each month, while 24 per cent are overspending – and the average over-spender is exceeding their budget by EUR 232.

In September, the European Commission presented the “SME Relief Package”, with the overarching ambition to empower SMEs across Europe. The European Commission highlights that late payments are causing severe liquidity issues for companies across Europe - in extreme cases directly leading to the company's bankruptcy. This is congruent with our '23 European Payment Report showed that 66 per cent of the respondents have been asked to accept longer payment terms. These numbers are worrisome, shedding light on the importance of not only addressing, but acting on Europe's late payment problem now, but also supporting consumers as disposable income is being squeezed. We will closely monitor the developments, on the presented regulation and continue to maintain an active dialogue with regulators and support individuals to become debt free with Intrum.

The first small steps on a long journey

We have taken some important steps in improving and strengthening Intrum, and I am confident that we are on the right track. The journey we presented during the Capital Markets Day has only just begun. Step by step, we will execute on the realisation of Intrum's full potential over the coming years. In the meantime, we will concurrently focus on delivering on our near-term tactical measures.

Stockholm, October 2023

Andrés Rubio
President & CEO

“We have taken some important steps in improving and strengthening Intrum, and I am confident that we are on the right track”

Key financial metrics

Quarterly development

Adjusted EBIT decreased 13% to SEK 1,353 M (1,564) for the quarter and reduced 18% to SEK 3,888 M (4,736) for YTD due to increased costs in excess of increased income. Direct and Indirect Costs totalled SEK 4,436 M for the quarter and SEK 11,767 M for the YTD. This includes SEK 791 M and SEK 1,110 M respectively of Items Affecting Comparability predominantly relating to the cost saving program and IT transformation (see page 10). Underlying costs, excluding these Items Affecting Comparability, have increased 15% to SEK 3,647 M (3,161) and 12% to SEK 10,657

M (9,503) for the quarter and the year respectively with fx movements contributing 10% for the quarter (8% for the YTD). The cost saving program, which to date has identified savings > SEK 0.8 bn, will focus on the c.50% of adjusted costs that are not directly driving income and will be visible in our 2024 results.

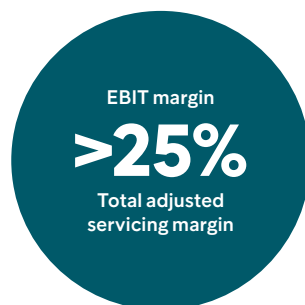
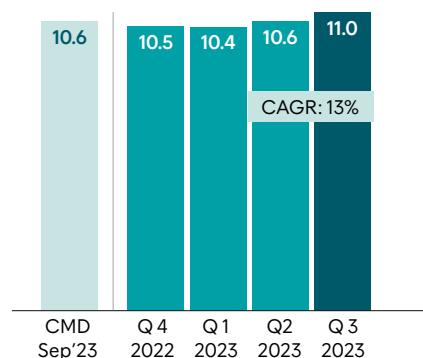
In Servicing, new case inflows and assets under management continue to grow with exceptional new ACV signings of SEK 594 M (164) in the quarter, an all-time high for the segment. External Servicing Income for the quarter has benefited from increased inflows, rising to SEK 2,785 M (2,447) and reaching SEK 10,957

M on a rolling 12 month basis. However, Servicing Adjusted Margin for the quarter reduced to 12% (18) driven by cost growth in excess of income. Portfolio Investments performance for the quarter was in line with expectations at 100% of active forecast with an Adjusted ROI of 14% (14).

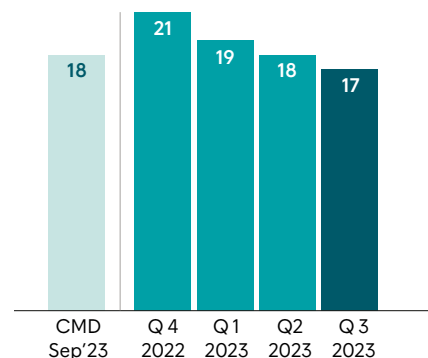
The leverage ratio reduced to 4.4x compared to the previous quarter driven by favourable FX movements and recent acquisitions. In Q3'23, Income and Adjusted Income for the quarter increased to SEK 4,959 M (4,530), EBIT increased to SEK 509 M (-1,576) and Adjusted EBIT decreased to SEK 1,353 M (1,564).



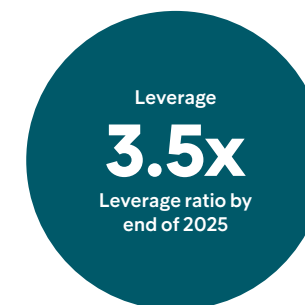
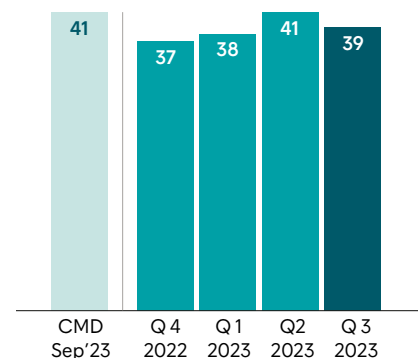
External Servicing Adjusted Income Growth, RTM bn



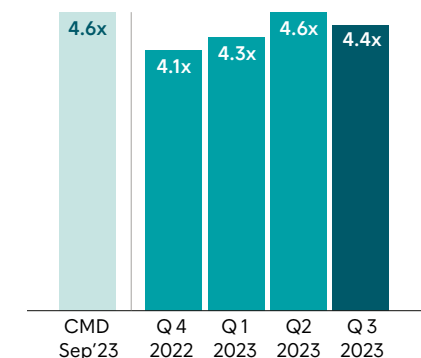
Servicing Adjusted EBIT Margin, RTM



Investing BV excl. Revaluations, Quarter End



Leverage Ratio, RTM



Segment overview

Key figures, 2023

SEK M	Third quarter, July–Sep 2023					9 months, Jan–Sep 2023				
	Servicing	Investing	Central	Eliminations	Consolidated	Servicing	Investing	Central	Eliminations	Consolidated
External Income	2,785	2,173	1	-	4,959	8,028	6,431	2	-	14,460
Internal Income	656	-	66	-722	-	2,016	-	139	-2,155	-
Income¹	3,441	2,173	67	-722	4,959	10,044	6,431	141	-2,155	14,460
Items Affecting Comparability in Income ³	-	-	-	-	-	-	-	-	-	-
Adjusted Income	3,441	2,173	67	-722	4,959	10,044	6,431	141	-2,155	14,460
Direct Costs	-2,252	-833	-37	695	-2,427	-6,509	-2,461	-181	2,129	-7,022
Indirect Costs	-893	-59	-1,084	27	-2,009	-2,557	-290	-1,925	27	-4,745
Share of Associates and Joint Ventures	2	-27	-	-	-25	13	6	-	-	19
Net Credit Gains / (Losses)	-	12	-	-	12	-	7	-	-	7
EBIT²	298	1,266	-1,054	-	509	991	3,693	-1,965	-	2,719
Items Affecting Comparability in EBIT ³	118	73	653	-	844	306	165	698	-	1,169
Adjusted EBIT	416	1,339	-401	-	1,353	1,297	3,858	-1,267	-	3,888
Cash Income	3,441	3,551	66	-722	6,336	10,044	10,390	141	-2,155	18,420
Cash EBITDA	742	2,775	-356	-	3,160	2,175	8,079	-1,130	-	9,124
Adjusted Income	3,441	2,173	67	-722	4,959	10,044	6,431	141	-2,155	14,460
– thereof Northern Europe	688	449	-	-103	1,035	2,074	1,294	-	-295	3,073
– thereof Middle Europe	952	648	-	-229	1,372	2,569	1,857	-	-739	3,687
– thereof Southern Europe	1,616	583	-	-180	2,019	4,829	1,840	-	-535	6,134
– thereof Tactical Markets	185	492	-	-145	532	572	1,439	-	-447	1,565
– thereof Central	-	-	67	-66	1	-	-	141	-139	2
Adjusted EBIT	416	1,339	-401	-	1,353	1,297	3,858	-1,267	-	3,888
– thereof Northern Europe	66	324	-	-	390	170	922	-	-	1,092
– thereof Middle Europe	55	341	-	-	396	121	969	-	-	1,091
– thereof Southern Europe	322	384	-	-	706	1,098	1,188	-	-	2,286
– thereof Tactical Markets	-28	292	-	-	264	-92	778	-	-	686
– thereof Central	-	-	-401	-	-401	-	-	-1,267	-	-1,267

1) Income of SEK 4,959 M for Q3'23 and SEK 14,460 M for the 9 month period ended 30 September 2023 includes SEK 80 M and SEK 131 M related to the discontinued operations for Q3'23 and the 9 month period ended 30 September 2023, respectively.

2) EBIT of SEK 509 M for Q3'23 and SEK 2,719 M for the 9 month period ended 30 September 2023 includes SEK 12 M and SEK 10 M related to the discontinued operations for Q3'23 and the 9 month period ended 30 September 2023, respectively.

3) Refer to page 10 for details on Items Affecting Comparability

Key figures, 2022

SEK M	Third quarter, July–Sep 2022					9 months, Jan–Sep 2022				
	Servicing	Investing	Central	Eliminations	Consolidated	Servicing	Investing	Central	Eliminations	Consolidated
External Income	2,447	2,083	-	-	4,530	7,495	6,331	-	-	13,826
Internal Income	656	-	29	-685	-	1,962	-	75	-2,037	-
Income¹	3,103	2,083	29	-685	4,530	9,457	6,331	75	-2,037	13,826
Items Affecting Comparability in Income	-	-	-	-	-	-	-	-	-	-
Adjusted Income	3,103	2,083	29	-685	4,530	9,457	6,331	75	-2,037	13,826
Direct Costs	-2,319	-780	-12	685	-2,426	-6,280	-2,411	-48	2,037	-6,702
Indirect Costs	-737	-80	-434	-	-1,251	-2,134	-383	-1,147	-	-3,664
Share of Associates and Joint Ventures	15	-2,482	-	-	-2,467	14	-2,267*	-	-	-2,253
Net Credit Gains / (Losses)	-	40	-	-	40	-	101	-	-	101
EBIT²	62	-1,220	-418	-	-1,576	1,057	1,371	-1,121	-	1,307
Items Affecting Comparability in EBIT	496	2,564	80	-	3,140	702	2,646	80	-	3,428
Adjusted EBIT	558	1,344	-338	-	1,564	1,759	4,017	-1,040	-	4,736
Cash Income	3,103	3,289	29	-685	5,736	9,456	10,100	75	-2,037	17,594
Cash EBITDA	853	2,446	-289	-	3,009	2,698	7,669	-915	-	9,452
Adjusted Income	3,103	2,083	29	-685	4,530	9,457	6,331	75	-2,037	13,826
– thereof Northern Europe	669	481	-	-112	1,038	1,975	1,401	-	-325	3,051
– thereof Middle Europe	701	641	-	-266	1,076	2,080	1,914	-	-761	3,233
– thereof Southern Europe	1,568	527	-	-140	1,955	4,874	1,669	-	-429	6,114
– thereof Tactical Markets	164	434	-	-137	461	527	1,347	-	-446	1,428
– thereof Central	-	-	29	-29	-	-	-	75	-75	-
Adjusted EBIT	558	1,344	-338	-	1,564	1,759	4,017	-1,040	-	4,736
– thereof Northern Europe	152	347	-	-	499	354	1,003	-	-	1,358
– thereof Middle Europe	41	265	-	-	306	180	990	-	-	1,170
– thereof Southern Europe	426	488	-	-	914	1,409	1,337	-	-	2,746
– thereof Tactical Markets	-61	244	-	-	183	-185	687	-	-	502
– thereof Central	-	-	-338	-	-338	-	-	-1,040	-	-1,040

1) Income of SEK 4,530 M for Q3'22 and SEK 13,826 M for the 9 month period ended 30 September 2022 includes SEK 103 M and SEK 180 M related to the discontinued operations for Q3'22 and the 9 month period ended 30 September 2022, respectively.

2) EBIT of SEK -1,576 M for Q3'22 and SEK 1,307 M for the 9 month period ended 30 September, 2022 includes SEK 44 M and SEK 72 M related to the discontinued operations for Q3'22 and the 9 month period ended 30 September 2022, respectively.

Servicing

Credit management with a focus on late payments and collections.

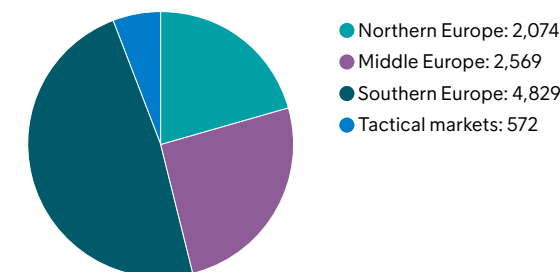
	Third quarter			9 months			Full year
	July–Sep 2023	July–Sep 2022	Change %	Jan–Sep 2023	Jan–Sep 2022	Change %	2022
SEK M							
External Income	2,785	2,447	14	8,028	7,495	7	10,424
Internal Income	656	656	0	2,016	1,962	3	2,664
Income	3,441	3,103	11	10,044	9,457	6	13,088
Items Affecting Comparability in Income	-	-	-	-	-	-	-
Adjusted Income	3,441	3,103	11	10,044	9,457	6	13,088
Direct Costs	-2,252	-2,319	-3	-6,509	-6,280	4	-8,543
Indirect Costs	-893	-737	21	-2,557	-2,134	19	-2,900
Share of Associates and Joint Ventures	2	15	-87	13	14	-7	24
Other Operating Items	-	-	-	-	-	-	-
EBIT	298	62	381	991	1,057	-5	1,669
Items Affecting Comparability in EBIT	118	496	-76	306	702	-56	1,065
Adjusted EBIT	416	558	-25	1,297	1,759	-26	2,734
Cash Income	3,441	3,103	11	10,044	9,456	6	13,087
Cash EBITDA	742	853	-12	2,175	2,698	-25	3,983
KPIs							
Change in Adjusted Income, %	14	14		7	9		7
– thereof organic growth	-6	9		-4	5		2
– thereof acquisitions	10	-		4	-		-
– thereof foreign exchange	10	5		7	4		5
Adjusted EBIT Margin	12	18	-6ppt	13	19	-6ppt	21
Capex Deployed	-43	-33	30	-117	-76	54	-146

In the third quarter, the strong commercial performance continued, with new signings of SEK 594 M (164) in ACV. In total, new signings are at SEK 1.1 bn for the first 9 months of the year, an increase of 60% compared to 2022. We continue seeing a positive development also in terms of higher margins in new signings compared to existing stock.

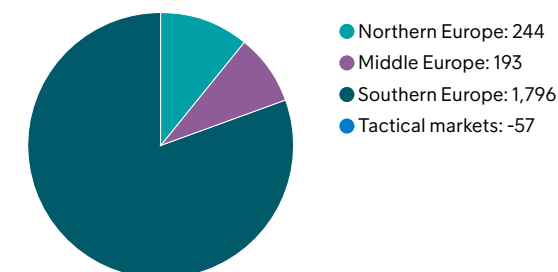
In total, the Adjusted Income for Servicing was at SEK 3,441 M (3,103) in the quarter, up by 11% compared to Q3 22. The External Income was at SEK 2,785 (2,447), up by 14%. Adjusted EBIT decreased by 23% to SEK 416 M (558), while Cash EBITDA decreased by 12% to SEK 742 M (853).

The decrease in Adjusted EBIT and Cash EBITDA is due to increased cost to collect and also higher Indirect Costs. The cost programme announced in Q1 23 has been launched and effects are starting to materialise, though not visible in financials yet.

Cash Income, 9 months



Cash EBITDA, 9 months



Investing

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

SEK M	Third quarter			9 months			Full year
	July-Sep 2023	July-Sep 2022	Change %	Jan-Sep 2023	Jan-Sep 2022	Change %	2022
Income	2,173	2,083	4	6,431	6,331	2	8,944
Items Affecting Comparability in Income	-	-	-	-	-	-	-408
Adjusted Income	2,173	2,083	4	6,431	6,331	2	8,536
– thereof REOs	34	35	-3	92	127	-28	192
– thereof Other Income	5	73	-93	20	197	-90	103
Direct Costs	-833	-780	7	-2,461	-2,411	2	-3,246
Indirect Costs	-59	-80	-27	-290	-383	-17	-528
Share of Associates and Joint Ventures	-27	-2,482	-99	6	-2,267	-100	-5,246
Other Operating Items	-	-	-	-	-	-	-
Net Credit Gains / (Losses)	12	40	-70	7	101	-93	117
EBIT	1,266	-1,220	204	3,693	1,371	167	42
Items Affecting Comparability in EBIT	73	2,564	-97	165	2,646	-94	5,333
Adjusted EBIT	1,339	1,344	-0	3,858	4,017	-5	5,374
– thereof REOs	-5	6	-183	5	15	-67	32
– thereof Other Income	1	200	-100	3	486	-99	622
Cash Income	3,551	3,289	8	10,390	10,100	3	13,857
Cash EBITDA	2,775	2,446	13	8,079	7,669	5	10,528
KPIs							
Internal Gross Collections	3,497	3,170	10	10,261	9,774	5	13,426
Amortisation %	39	38	1ppt	39	39	0ppt	40
Capex Deployed	530	1,335	-60	4,977	6,260	-20	7,538
ERC	81,522	82,832	-2	81,522	82,832	-2	77,634
Collection Index vs. Active Forecast	100	105	-5	101	110	-8	117
Book Value	38,785	39,693	-2	38,785	39,693	-2	37,109
Adjusted Return on Portfolio Investments %	14	14	0ppt	13	13	0ppt	14

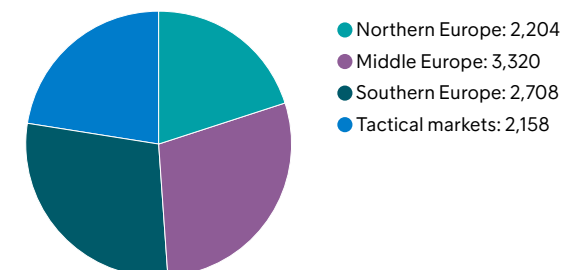
Despite the challenging macro environment, collection performance for the quarter came in at 100 % of active forecast with an Adjusted ROI of 14 % (14). The Q3 performance is seasonally weaker but still landed in line with forecast. We also completed the divestment of our platforms in Estonia and Latvia.

During the quarter, we invested SEK 530 M (1,335) in new portfolios with a net IRR of 18 % (15 %). The investment levels are aligned with our updated reduced investment appetite. The real-

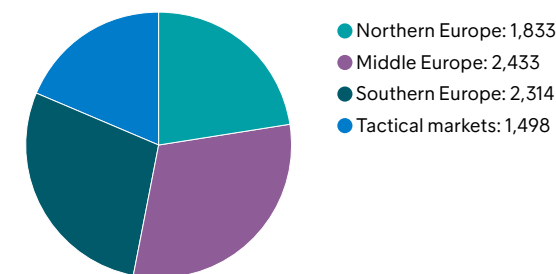
ised investments are predominantly forward flow commitments across our markets. Cash Income came in at SEK 3,551 M (3,289), an increase compared to the same quarter last year. Cash EBITDA for the segment was SEK 2,775 M (2,446) and Adjusted EBIT was SEK 1,339 M (1,344), up 13 % and flat, respectively, compared to the same quarter last year.

Our Book Value decreased to SEK 38.8 bn from SEK 41.0 bn last quarter, aligned with the overall strategy.

Cash Income, 9 months



Cash EBITDA, 9 months



Financial overview

Adjusted P&L

SEK M	Third quarter		9 months	Rolling 12 months		Full year			
	July–Sep 2023	July–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	Oct 2022– Sep 2023	2022	2021	2020	2019
Adjusted Income	4,959	4,530	14,460	13,826	19,594	18,960	17,655	16,730	15,779
Adjusted Direct Costs	-2,341	-2,015	-6,862	-6,204	-8,975	-8,317	-7,910	-7,908	-7,674
– thereof personnel	-1287	-979	-3,694	-3,022	-4,758	-4,086	-3,968	-3,923	-3,615
– thereof non-personnel	-1054	-1,037	-3,168	-3,182	-4,217	-4,231	-3,942	-3,985	-4,059
Adjusted Indirect Costs	-1,306	-1,146	-3,795	-3,299	-5,020	-4,524	-3,312	-3,389	-3,076
– thereof personnel	-615	-526	-1,818	-1,495	-2,420	-2,097	-1,617	-1,511	-1,601
– thereof non-personnel	-691	-620	-1,977	-1,804	-2,600	-2,427	-1,695	-1,878	-1,475
Adjusted Share of Associates and Joint Ventures	40	195	85	413	217	545	581	306	1,179
Adjusted EBIT	1,353	1,564	3,888	4,736	5,816	6,664	7,014	5,739	6,208
Adjusted D&A	375	360	1,034	1,088	1,399	1,453	1,318	1,529	1,246
Adjusted EBITDA	1,727	1,924	4,922	5,824	7,215	8,117	8,332	7,268	7,454
Adjusted Financial Items	-1,004	-497	-2,655	-1,643	-3,421	-2,409	-2,174	-2,062	-1,921
Adjusted Tax	-68	-85	-292	-467	-954	-1,129	-910	-555	-424
Adjusted Consolidated Earnings	281	982	941	2,626	1,441	3,126	3,930	3,122	3,863
Adjusted Consolidated Earnings attributable to parent company's shareholders	222	760	769	2,165	438	1,835	3,487	2,689	2,797
Average number of shares outstanding	121	121	121	121	121	121	121	124	131
Adjusted EPS, SEK	1.84	6.31	6.38	17.93	3.66	15.21	28.86	21.70	21.34
Adjusted EBITDA	1,727	1,924	4,922	5,824	7,215	8,117	8,332	7,268	7,454
Amortisation of Portfolio Investments	1,378	1,206	3,959	3,768	5,511	5,320	4,311	4,308	4,183
Income from Associates and Joint Ventures	-40	-195	-85	-413	-217	-545	-581	-306	-1,179
Cash from Associates and Joint Ventures	95	75	328	274	401	347	248	338	197
Cash EBITDA	3,160	3,009	9,124	9,453	12,910	13,238	12,310	11,608	10,655
Proforma adjustments					330				
Cash EBITDA (proforma)					13,239				

Net Debt Reconciliation

SEK M	Third quarter		9 months	Rolling 12 months		Full year			
	July–Sep 2023	July–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	Oct 2022– Sep 2023	2022	2021	2020	2019
Borrowings	61,007	56,662	61,007	56,662	61,007	56,519	52,501	48,703	50,625
Lease Liability	718	742	718	742	718	712	805	871	917
Deferred Liabilities	346	374	346	374	346	384	406	1,073	926
Gross Debt	62,071	57,778	62,071	57,778	62,071	57,615	53,713	50,647	52,468
Cash and Cash Equivalents	-3,465	-4,541	-3,465	-4,541	-3,465	-3,474	-4,553	-2,134	-1,906
Net Debt before Other Obligations	58,606	53,237	58,606	53,237	58,606	54,141	49,160	48,513	50,562
Net Defined Benefit Liability	144	367	144	367	144	141	329	381	387
Payable to Non-controlling Interest	123	401	123	401	123	397	430	-	-
Net Debt after Other Obligations	58,873	54,004	58,873	54,004	58,873	54,678	49,919	48,894	50,949
Net Debt before Other Obligations/RTM cash EBITDA (proforma)					4.4	4.1	4.0	4.2	4.7

Reconciliation

SEK M	Third quarter		9 months		Rolling 12 months	Full year
	July–Sep 2023	July–Sep 2022	Jan–Sep 2023	Jan–Sep 2022	2023	2022
INCOME RECONCILIATION						
Income	4,959	4,530	14,460	13,826	20,002	19,368
IACs in Income	-	-	-	-	-	-408
Adjusted Income	4,959	4,530	14,460	13,826	19,594	18,960
Portfolio Amortisation	1,378	1,206	3,959	3,768	5,511	5,320
Cash Income	6,338	5,736	18,420	17,594	25,106	24,280
EBITDA RECONCILIATION						
EBIT	509	-1,576	2,719	1,307	1,566	154
Depreciation and Amortisation	367	745	1,010	1,485	1,563	2,038
EBITDA	876	-831	3,729	2,792	3,129	2,192
IAC - NCIs						
Impairments / (Reversals)	71	2,662	80	2,666	3,182	5,768
Net Credit Gains/(Losses)	-11	-39	-7	-101	-23	-117
- thereof Portfolio Investment Gains	-461	-571	-1,059	-1,250	-1,604	-1,795
- thereof Portfolio Investment Losses	450	532	1,051	1,149	1,581	1,678
IAC - Restructuring						
IT Transformational Costs	74	113	243	352	403	512
Merger & Acquisition	20	-	31	-	42	11
Group Restructuring	681	-	721	3	136	-583
- thereof cost saving provision	583	-	583	-	583	-
IAC - NRIs						
Hungarian Tax Effects	13	-	90	74	90	74
Other	3	19	35	38	257	260
Adjusted EBITDA	1,727	1,924	4,922	5,824	7,215	8,117
JV Cash Adjustments						
IFRS Earnings	-40	-195	-85	-414	-216	-545
Cash Earnings	95	75	328	274	401	347
Portfolio Amortisation	1,378	1,206	3,959	3,768	5,511	5,320
Cash EBITDA	3,160	3,009	9,124	9,452	12,910	13,238
EPS RECONCILIATION						
Earnings Per Share, SEK	-3.41	-17.05	-3.11	-6.95	-33.2	-37.07
IAC - NCIs						
Impairments / (Reversals)	0.50	22.08	0.61	22.09	26.3	47.8
Portfolio Investments Costs of Sales						
Other Operating (Gains) / Losses	4.75	1.27	8.88	2.80	10.6	4.47
Adjusted Earnings Per Share, SEK	1.84	6.31	6.38	17.93	3.66	15.21

Group overview

Yearly overview, Group

SEK M	2022	2021	2020	2019	2018
Income	19,368	17,655	16,880	15,957	13,131
Adjusted Income	18,960	17,655	16,730	15,779	13,131
EBIT	154	6,475	4,695	2,060	3,978
Adjusted EBIT	6,664	7,014	5,739	6,208	4,500
Net Income/(Loss) attributable to parent company's shareholders	-4,473	3,127	1,881	-362	1,936
Adjusted Net Income/(Loss) attributable to parent company's shareholders	1,835	3,487	2,689	2,797	2,344
Earnings Per Share, SEK	-37.07	28.88	15.18	-2.76	14.73
Adjusted Earnings Per Share, SEK	15.21	28.86	21.70	21.34	17.84
Return on equity, %	-22	15	9	-2	8
Equity per share, SEK	153.68	183.33	154.28	168.12	195.16
Average number of employees (FTEs)	9,965	9,694	9,379	8,766	7,910

Quarterly overview, Group

SEK M	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022	Quarter 4 2021
Income	4,959	4,978	4,524	5,542	4,530	4,825	4,471	4,853
Adjusted Income	4,959	4,978	4,524	5,134	4,530	4,825	4,471	4,853
EBIT	509	1,291	919	-1,153	-1,576	1,561	1,323	2,040
Adjusted EBIT	1,353	1,468	1,068	1,928	1,564	1,701	1,471	2,355
Net Income/(Loss) attributable to parent company's shareholders	-411	14	23	-3,633	-2,055	663	553	1,085
Adjusted Net Income/(Loss) attributable to parent company's shareholders	222	136	133	-330	761	758	646	1,291
Earnings Per Share, SEK	-3.41	0.11	0.19	-30.14	-17.05	5.50	4.57	8.98
Adjusted Earnings Per Share, SEK	1.84	1.12	1.10	-2.74	6.31	6.28	5.34	10.69
Return on equity, %	-21	-30	-27	-23	1	12	13	15
Equity per share, SEK	152.11	160.83	154.58	153.81	172.39	186.20	188.25	183.38
Number of employees (FTEs)	11,066	10,907	10,240	10,238	10,054	9,920	9,750	9,664

Regional Overview

Quarterly overview, Regional

SEK M	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022	Quarter 2 2022	Quarter 1 2022	Quarter 4 2021
Northern Europe								
External Income	1,035	1,056	981	1020	1,038	1,057	957	972
Internal Income	103	102	91	99	112	116	97	100
Income	1,138	1,158	1,072	1,119	1,150	1,173	1,054	1,072
Adjusted Income	1,138	1,158	1,072	1,119	1,150	1,173	1,054	1,072
EBIT	277	367	258	297	517	528	361	357
Adjusted EBIT	390	401	301	352	499	478	378	413
Middle Europe								
External Income	1,372	1,206	1,109	1,516	1,076	1,092	1,066	1,080
Internal Income	229	258	252	262	266	259	236	255
Income	1,601	1,464	1,362	1,778	1,342	1,351	1,302	1,335
Adjusted Income	1,601	1,464	1,362	1,370	1,342	1,351	1,302	1,335
EBIT	418	188	336	-107	311	344	358	438
Adjusted EBIT	396	350	345	350	305	476	388	465
Southern Europe								
External Income	2,019	2,177	1,937	2,575	1,955	2,192	1,967	2,310
Internal Income	180	204	152	195	140	159	130	132
Income	2,199	2,381	2,089	2,770	2,095	2,351	2,097	2,442
Adjusted Income	2,199	2,381	2,089	2,770	2,095	2,351	2,097	2,442
EBIT	544	842	664	-1,286	-2,274	910	757	1,229
Adjusted EBIT	705	887	693	1,483	914	979	854	1,525
Tactical Markets								
External Income	532	537	495	431	461	485	482	490
Internal Income	145	155	146	145	137	153	156	160
Income	677	692	642	576	598	637	638	650
Adjusted Income	677	692	642	576	598	637	638	650
EBIT	325	345	118	383	287	168	157	269
Adjusted EBIT	264	246	176	150	183	191	130	201

Segment overview

Servicing

	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
SEK M	2023	2023	2023	2022	2022	2022	2022	2021
External Income	2,785	2,740	2,503	2,929	2,447	2,576	2,472	2,858
Internal Income	656	719	641	701	656	687	619	647
Income	3,441	3,459	3,144	3,630	3,103	3,263	3,091	3,505
Adjusted Income	3,441	3,459	3,144	3,630	3,103	3,263	3,091	3,505
EBIT	298	451	243	614	62	570	423	1,024
Adjusted EBIT	416	564	318	978	558	658	543	1,310
Adjusted EBIT Margin, %	12	16	10	27	18	20	18	37

Investing

	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
SEK M	2023	2023	2023	2022	2022	2022	2022	2021
Income	2,173	2,237	2,020	2,613	2,083	2,249	1,999	1,995
Adjusted Income	2,173	2,237	2,020	2,205	2,083	2,249	1,999	1,995
– thereof REOs	34	35	23	65	35	44	49	37
– thereof Other Income	5	8	7	33	73	74	48	47
EBIT	1,266	1,290	1,134	-1,327	-1,220	1,380	1,210	1,269
Adjusted EBIT	1,339	1,319	1,198	1,357	1,344	1,466	1,207	1,295
Investing Segment: Capex Deployed	530	2,783	1,664	1,277	1,335	3,141	1,784	2,683
Adjusted ROI, %	14	14	13	15	14	14	13	14
ERC	81,522	86,066	78,539	77,634	82,832	81,976	76,092	74,337

Financial report

Primary statements

Consolidated Statement of Income

	Third quarter		9 months		Full year
	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	2022
SEK M					
Servicing Income	2,469	2,191	7,127	6,629	8,978
Interest income	2,076	1,922	6,201	5,916	7,979
Other income	363	342	1,002	1,101	2,174
Income	4,908	4,455	14,329	13,648	19,131
Direct costs	-2,497	-2,420	-6,982	-6,664	-9,023
Gross Earnings	2,411	2,035	7,347	6,984	10,108
Net Credit Gains/(Losses)	11	28	23	96	112
Shares of Associates and Joined Ventures	-26	-2,468	19	-2,253	-5,223
Operating Income	2,397	-405	7,389	4,827	4,997
Indirect expenses	-1,899	-1,215	-4,680	-3,591	-4,929
Net Operating Income/EBIT	497	-1,620	2,709	1,236	68
Net Financial expense	-999	-495	-2,644	-1,636	-3,394
Income before taxes	-502	-2,115	65	-400	-3,326
Taxes	129	-87	-13	-468	-1,131
Net Income/(loss) from continuing operations	-373	-2,202	53	-869	-4,457
Net Income/(loss) from discontinuing operations	18	44	-274	66	78
Net Income/(loss) for the period	-356	-2,159	-222	-803	-4,379
Of which attributable to					
Parent company shareholders	-411	-2,055	-375	-839	-4,473
Non-controlling interest	56	-104	153	36	93
Average Number of Shares:					
Before dilution	120,537	120,537	120,537	120,670	120,637
After dilution	120,537	120,537	120,537	120,670	120,637
Net income/(loss) Per Share					
Before dilution	-3.41	-17.05	-3.11	-6.95	-37.07
After dilution	-3.41	-17.05	-3.11	-6.95	-37.07
Discontinued Income/(loss) Per Share					
Before dilution	-0.15	0.14	-2.29	0.32	0.49
After dilution	0.15	0.14	-2.29	0.32	0.49

Consolidated statement of Other Comprehensive Income

	Third quarter		9 months		Full year
	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	2022
SEK M					
Net Income/(loss) from continuing operations	-373	-2,202	53	-869	-4,457
Net Foreign Exchange Translation Differences	(1,134)	635	1,545	2,747	3,868
Net Investment Hedging Gains / (Losses)	434	-241	(482)	-955	-1,017
Items Subsequently Reclassified to Statement of Income	(700)	394	1,064	1,792	2,851
Net Pension Benefit Liability Measurement Differences	-	-	-1	-3	126
Items Not Subsequently Reclassified to Statement of Income	-	-	-1	-3	126
Comprehensive income from continued operations	-1,073	-1,808	1,116	919	-1,480
Comprehensive income from discontinued operations	18	44	-274	66	78
Comprehensive income/(loss) for the period	-1,055	-1,764	841	986	-1,402
Of which attributable to					
Parent company shareholders	-1,056	-1,708	590	758	-1,737
Non-controlling interest	1	-57	251	228	335
Comprehensive income/(loss) for the period	-1,055	-1,764	841	986	-1,402
Average Number of Shares:					
Before dilution	120,537	120,537	120,537	120,670	120,367
After dilution	120,537	120,537	120,537	120,670	120,367
Total Comprehensive Income/(loss) Per Share					
Before dilution	-8.77	-14.17	4.89	6.28	-14.43
After dilution	-8.77	-14.17	4.89	6.28	-14.43
Discontinued Comprehensive Income/(loss) Per Share					
Before dilution	0.15	0.36	-2.27	0.55	0.65
After dilution	0.15	0.36	-2.27	0.55	0.65

Consolidated statement of financial position

SEK M	30 Sep 2023	30 Sep 2022	31 Dec 2022	31 Dec 2021	SEK M	30 Sep 2023	30 Sep 2022	31 Dec 2022	31 Dec 2021
ASSETS					LIABILITIES & SHAREHOLDERS' EQUITY				
Intangible Assets	40,650	38,733	39,053	37,811	Net Pension Benefit Liability	144	367	141	329
Portfolio Investments	37,227	35,161	35,645	31,478	Borrowings	54,261	50,188	50,709	47,754
Investment in Joint Ventures	916	4,243	1,174	6,438	Other Financial Liability	358	498	406	478
Property, Plant and Equipments	271	217	241	218	Provisions	34	59	31	42
Right of Use Assets	655	683	659	756	Deferred Tax Liability	1,253	995	1,279	1,103
Deferred Tax Assets	2,527	1,672	1,891	1,748	Lease Liability	485	507	482	582
Other Financial Assets	213	131	53	90	Total Non-Current Liabilities	56,536	52,614	53,047	50,288
Total Non-Current Assets	82,458	80,841	78,716	78,539					
Assets Held for Sale	403	-	-		Liabilities Held for Sale	147	-	-	
Property Holdings	362	296	302	315	Borrowings	6,746	6,473	5,810	4,748
Tax Receivable	537	252	300	170	Tax Payable	468	604	665	1,198
Derivatives	321	280	253	107	Payables and Other Operating Liabilities	5,973	7,129	6,485	6,514
Receivables and Other Operating Assets	4,134	4,546	4,536	4,158	Derivatives	429	75	138	173
Fiduciary Assets	1,073	1,000	1,130	1,063	Fiduciary Liabilities	1,073	1,000	1,130	1,063
Cash and Cash Equivalents	3,457	4,541	3,474	4,553	Provisions	642	10	8	10
Total Current Assets	10,287	10,914	9,994	10,366	Lease Liability	223	235	230	223
TOTAL ASSETS	92,745	91,755	88,710	88,905	Total Current Liabilities	15,702	15,527	14,464	13,930
					Share Capital	3	3	3	3
					Reserves	19,388	21,275	18,809	20,770
					Retained Earnings	(1,055)	-498	-272	925
					Shareholders' Equity	18,335	20,780	18,540	21,698
					Non-Controlling Interest	2,173	2,834	2,659	2,989
					TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	92,745	91,755	88,710	88,905

Consolidated statement of changes in equity

SEK M	Share capital	Other paid-in capital	Reserves	Retained earnings incl. net earnings for the year	Total Shareholders' equity attributable to Parent Company Shareholders	Non-controlling interests	Total Shareholders' equity
Opening balance, January 1 2023	3	17,442	5,963	-4,868	18,540	2,659	21,199
Comprehensive income, 2023							
Net earnings for the year				-375	-375	153	-222
Other Comprehensive income for the year	-	-	966	-	965	97	1,062
Foreign Exchange Differences	-	-	1,448	-	1,448	97	1,545
Net Investment Hedging Differences	-	-	-482	-	-482	-	-482
Defined Benefit Remeasurement Differences	-	-	-	-	-	-	-1
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-
Share dividend	-	-	-	-814	-814	-380	-1,194
Share repurchases	-	-	-	-	-	-	-
Share-base Employee remuneration	-	-	-	19	19	-	19
NRI share repurchases	-	-	-	-	-	-357	-357
Closing balance, 30 September 2023	3	17,442	6,929	-6,039	18,335	2,173	20,508
Opening balance, January 1 2022	3	17,442	3,328	925	21,698	2,989	24,687
Comprehensive income, 2022							
Net earnings for the year				-839	-839	36	-803
Other Comprehensive income for the year	-	-	1,601	-4	1,597	192	1,789
Foreign Exchange Differences	-	-	2,556	-	2,556	191	2,747
Net Investment Hedging Differences	-	-	-955	-	-955	-	-955
Defined Benefit Remeasurement Differences	-	-	-	-4	-4	1	-3
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-
Share dividend	-	-	-	-1,632	-1,632	-383	-2,014
Share repurchases	-	-	-	-72	-72	-	-72
Share-base Employee remuneration	-	-	41	-	41	-	41
Taxes related to share-base payments	-	-	-	-14	-14	-	-14
Closing balance, 30 September 2022	3	17,442	4,970	-1,636	20,780	2,834	23,614

Consolidated statement of cash flow

	Third quarter		9 months		Full year
	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	2022
EBIT from Continuing Operations	500	-1,599	2,711	1,256	87
EBIT from Discontinuing Operations	9	23	8	51	67
Operating earnings (EBIT)	509	-1,576	2,719	1,307	154
Not included in the cash flow					
Amortisation/depreciation and impairment	367	2,188	1,010	2,928	3,220
Net Credit Gains / (Losses)	-11	-41	-7	-101	-117
Other adjustment for items not included in cash flow	609	1,124	574	875	3,988
Gain on sale of subsidiaries	-	-	-	-	-408
Non-Cash Adjustments	965	3,272	1,577	3,702	6,683
Payments from Joint Ventures	95	74	328	273	346
Operating Cash Flows Before Working Capital Changes	1,568	1,769	4,624	5,283	7,183
Changes in working capital	40	-98	322	-450	-757
Operating Cash Flows Before Taxes	1,608	1,671	4,946	4,833	6,427
Income Taxes Paid	-263	-886	-935	-1,199	-1,444
Net Cash Flows from Operating Activities	1,344	785	4,011	3,634	4,982

	Third quarter		9 months		Full year
	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	2022
Investing activities					
Acquisition of Portfolio Investments	-273	-569	-4,689	-5,307	-7,109
Sale of Portfolio Investments	-0	-	-	-	-
Amortisation of Portfolio Investments	1,378	1,206	3,959	3,768	5,320
Acquisition of Intangible Assets	-39	-61	-113	-187	-275
Disposal of Intangible Assets	1	0	2	0	7
Acquisition of Property, Plant and Equipment	-5	-22	-58	-44	-87
Disposal of Property, Plant and Equipment	-22	1	-20	1	4
Investment in Associated Companies / Subsidiaries	-1,157	-	-1,660	-	-279
Disposal of Associated Companies / Subsidiaries	-84	5	-134	9	790
Cash flow from investing activities	-201	599	-2,713	-1,759	-1,629
Financing activities					
Proceeds from Borrowings	11,641	9,308	25,330	22,076	31,163
Repayment of Borrowings	-10,557	-10,047	-22,500	-20,426	-30,644
Repayment of Leases	-71	-58	-199	-176	-249
Proceeds/(repayment) of other financial liabilities	-10	-20	-446	-129	-144
Share repurchases	-5	-72	-355	-72	-72
Finance Income Received	4	6	39	11	25
Finance Expense Paid	-1,168	-679	-2,468	-1,662	-3,278
Receipts from Settlement of Hedging Derivatives	138	130	785	498	654
Payments for Settlement of Hedging Derivatives	-522	-20	-269	-232	-306
Net Payments on Settlement of Other Derivatives	527	-41	-197	-23	-7
Dividends Paid to Parent Company's Shareholders	0	0	-814	-1,632	-1,632
Dividends Paid to Non-Controlling Interest	-5	-180	-380	-370	-392
Cash flow from financing activities	-27	-1,673	-1,475	-2,136	-4,884
Total change in liquid assets	1,117	-329	-177	-261	-1,531
Opening balance of liquid assets	2,376	4,902	3,474	4,553	4,553
Exchange rate difference in liquid assets	-28	-33	168	249	452
Closing balance of liquid assets	3,465	4,541	3,465	4,541	3,474

The closing balance of liquid assets for the 9 month period and the three month period ended as of September 30th 2023, included cash and cash equivalent from the discontinued operations of SEK 32 M.

Statement of Income – parent company

	9 months		Full year
	Jan–Sep 2023	Jan–Sep 2022	2022
SEK M			
Other income	761	534	891
Income	761	534	891
Direct costs	-258	-139	-206
Gross Earnings	502	395	685
Operating Income	502	395	685
Indirect expenses	-1,466	-1,118	-1,615
Net Operating Income/EBIT	-964	-723	-930
Net Financial expense	444	-879	-1,356
Income before taxes	-520	-1,601	-2,287
Taxes	-7	-1	276
Net Income/(loss) for the period	-527	-1,602	-2,010

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

Statement of financial position – parent company

	30 Sep 2023	30 Sep 2022	31 Dec 2022
SEK M			
ASSETS			
Fixed assets			
Intangible fixed assets	494	542	547
Tangible fixed assets	3	8	6
Financial fixed assets	83,148	78,173	80,936
Total fixed assets	83,645	78,723	81,490
Current assets			
Current receivables	808	1,231	1,437
Cash and cash equivalents	588	439	545
Total current assets	1,397	1,670	1,982
TOTAL ASSETS	85,041	80,393	83,472
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	779	824	830
Unrestricted equity	5,188	6,888	6,464
Total shareholders' equity	5,966	7,712	7,294
Long-term liabilities	70,515	60,990	68,238
Current liabilities	8,560	11,691	7,940
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	85,041	80,393	83,472

Notes

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 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 2022 Annual Report.

Changes to Primary Statements and Notes

As part of the new strategy communicated on 13 September and completion of technical review of our existing primary statements, the Group has made following changes to improve transparency and clarity of financial information communicated to investors.

- Previously, 'Revenue' included servicing income, interest income, and other gains and losses. 'Income' going forward shall include servicing income, interest income (excluding income forming part of cash management), sale of property holdings, portfolios and lease income. Based on the new format, YDT'23 Income is lower by SEK 23.0 M (net revaluation gains/losses on portfolio investments).
- Previously, 'Costs' were presented based on functional analysis. 'Costs' going forward shall be presented based on 'Direct Costs' and 'Indirect Costs' based on nature of expense analysis. Direct costs include incremental and directly related to Income generating activities. Any overheads that are not wholly or directly related to 'Income' line is included in 'Indirect Costs'. Based on the new format, YDT'23 Direct Costs are lower and Indirect Costs are higher by SEK 2.1 bn. Accordingly, YDT'23 Gross Earnings and Operating Income are higher by SEK 2.1 bn.
- Previously, hedging activities were not prominently disclosed. These are now prominently disclosed in Statement of Other Comprehensive Income, Statement of Cashflows and Statement of Change in Equity.
- Previously, 'Liabilities to Credit Institutions', Commercial Papers and 'Bond Loans' were separately disclosed on Statement of Financial Position. These items will be aggregated and disclosed as 'Borrowings'. Based on the old format, 'Liabilities to Credit Institution' and 'Bond Loans' amounted to SEK 14.5 bn SEK 0.8 bn and SEK 45.8 bn, respectively.
- Previously, 'Derivatives' were disclosed within Notes to the financial statements. 'Derivatives' shall be prominently disclosed on Statement of Financial Position.
- Previously, 'Goodwill', 'Capitalised Expenditure for IT Development and Other Intangibles' and 'Client Relationships' were separately disclosed. These items will be aggregated and disclosed as 'Intangible Assets'. Based on the old format, 'Goodwill', 'Capitalised Expenditure for IT Development and Other Intangibles' and 'Client Relationship' amounted to SEK 36.4 bn, SEK 1.1 bn and SEK 3.2 bn, respectively
- Previously, 'Accounts Receivable', 'Other Receivables' and 'Prepaid Expenses and Accrued Income' were separately disclosed on Statement of Financial Position. These are now included as one line item, 'Receivable and Other Operating Assets' and breakdown is included in the Notes to the financial statements. Based on the old format, 'Account Receivable', 'Other Receivables' and 'Prepaid Expenses and Accrued Earnings' amounted to SEK 1.2 bn, SEK 1.1 bn and SEK 2.1 bn, respectively.
- Previously, 'Accounts Payable', 'Advances from Clients' and 'Accrued Expenses and Prepaid Income' were separately disclosed on Statement of Financial Position. These are now included as one line item, 'Receivable and Other Operating Assets' and breakdown is included in the Notes to the financial statements. Based on the old format, 'Account Payable', 'Advances from Clients' and 'Accrued Expenses and Prepaid Earnings' amounted to SEK 0.4 bn, SEK 0.0 Mbn and SEK 4.5 bn, respectively.
- Previously, 'Amortisation of Portfolio Investments' was included in operating cashflows. All movements from Portfolio Investments shall be included in investing cashflows except for interest income.
- Previously, 'Property Holdings' was included in investing cashflows. As this is part of the operating cycle, it shall be included as part of working capital changes in operating cashflows in Statement of Cash Flows.
- Previously, 'Portfolio Investments', 'Credit Market Services' and 'Strategic Markets' were recognised as segments. The Group shall have two business segments: 'Servicing' and 'Portfolio Investments'. The above operating segments will be reported into following geographical segments: 'Northern Markets', 'Middle Markets', 'Southern Markets' and 'Tactical Markets'.
- Previously, 'Mature and Emerging Markets' and 'Strategic Markets' were recognised as Cash-Generating Units ("CGUs"). The Group will recognise CGUs at Markets level:
 - Northern Markets (4 markets): 'Norway', 'Sweden', 'Denmark' and 'Finland'
 - Middle Markets (4 markets): 'Austria & Germany', 'Belgium & Netherlands', 'Switzerland' and 'UK & Ireland'
 - Southern Markets (4 markets): 'Portugal', 'Spain', 'Italy' and 'Greece'
 - Tactical Markets (5 markets): 'Czech Republic', 'Romania', 'Slovakia', 'Hungary' and 'Poland'.
- Previously, Weighted Average Cost of Capital ("WACC") was applied at the aggregated CGUs level of 'Credit Markets Services' and 'Strategic Markets'. The Group with effect from Q4 2023 shall apply WACC at Markets level as mentioned above in point 11.
- Previously, the forecasting period for goodwill impairment test was 8 years. The Group has decided to reduce the forecasting period to 5 years.

Consolidated Statement of Income Presentation Reconciliation

SEKm	30 Spetember 2023			
	Old Format	Note 1	Note 2	Revised Format
Income (previously "Revenue")	14,352	-23	-	14,329
Direct Costs (previously "Cost of Sales")	-9,083	-	2,101	-6,982
Gross Earnings	5,269	-23	2,101	7,347
Net Revaluation Gains/(Losses) on Portfolio Investments	-	23	-	23
Shares of Associates and Joined Ventures	19	-	-	19
Operating Income	5,288	-	2,101	7,389
Indirect Costs (previously "Sales, Marketing and Administrative expenses")	-2,579	-	-2,101	-4,680
Net Operating Income/EBIT	2,709	-	-	2,709

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 income of SEK 761 M (534) for the second quarter and earnings before tax of SEK -527 M (-1,602). The Parent Company invested SEK 135 M (42) in fixed assets for the quarter and at the end of the quarter held SEK -588 M (439) in cash and cash equivalents. The average number of employees was 87 (77).

Development in the period

Total assets as of 30 September 2023 of SEK 92,745 M is up by SEK 4,035 M, or 5%, compared to 31 December 2022.

The increase is mainly due to Portfolio Investments in the period of SEK 4,853 M, partially offset by the amortization of SEK 3,959 M and to additional to intangible assets of SEK 1,456 M mainly related to the acquisition of Haya.

On 1 June 2023, the Group completed its acquisition of Arrow Global Group UK operations for a total consideration of SEK ~ 524 M. The Group also acquired 50% of Arrow Global's UK portfolio (unsecured) amounting to SEK ~ 1,238 M. The Group has joint control with Arrow Global to manage the portfolio which is recognised as a joint operation. The portfolio performance, assets and liabilities are proportionally included in the consolidated financial statements.

The acquisition from Arrow Global Group will assist in growing secured loans and asset servicing capabilities and significantly broaden and deepen the service range to existing and new clients. The integration of this acquisition to the UK operations will also result in significant cost synergies.

On 1 September 2023, the Group completed its acquisition of Haya Real Estate in Spain for a total consideration of SEK ~1,308 M. The acquired business includes a servicing platform for secured loans and assets and has no principal investment activity.

The acquisition improves the Group's client service business by deepening our existing relationships. Post-acquisition, the Group has become the key servicing provider to all the leading banks in Spain. The integration of this acquisition to the UK operations will also result in significant cost synergies.

Discontinued operations

On 24 May 2023, the Group completed the sale of the Brazilian operations in line with its 2023 divestment strategy. The disposal resulted in a loss of SEK 35 M.

On 30 June 2023, Intrum signed a binding agreement to exit operations in the Baltics (Latvia, Lithuania and Estonia) and Romania. The total purchase consideration amounts to EUR 30 M and EUR 17 M for Baltics and Romania, respectively. The purchase consideration will be settled on a deferred payment basis with last payments settled in December 2024 for Baltics and in December 2025 for Romania.

The impairment of SEK 120 M is principally driven by the disposal of the servicing platform in the Lithuania and Romania.

The above European transactions, subject to regulatory approvals, have all been completed, except for Lithuania which is expected to close in Q4 2023. The financial results of discontinued operations are as follows:

	30 Sep 2023	30 Sep 2022
SEK M		
Income	131	180
Direct costs	-52	-60
Net Credit Gains/(Losses)	-16	5
Operating Expenses	-54	-53
Operating Earnings (EBIT)	10	72
Net Financial Items	-11	-7
Profit/Loss before Tax from Discontinued Operations		
Current Tax Expense	-4	1
Post-Tax Profit/Loss of Discontinued Operations	-5	66
Impairment Loss	-120	-
Disposal Loss	-149	-
Associated Tax Expense	-	-
Post-Tax Loss on the Sale of Discontinued Operations	-274	66
Total Loss after Tax from Discontinued Operations	-274	66

The cashflows of discontinued operations are as follows:

	30 Sep 2023	30 Sep 2022
SEK M		
Operating Cashflows	323	-29
Investing Cashflows	33	-108
Financing Cashflows	24	-15
Net Cashflows	380	-152

The impact on earnings per share from discontinued operations is as follows:

	30 Sep 2023	30 Sep 2022
SEK M		
Earnings per Share before Dilution	-2.3	0.5
Earnings per Share after Dilution	-2.3	0.5

The Brazilian operations was disposed of during Q2. The Finish, Estonian and Latvian operations were disposed of during Q3. All assets and liabilities associated with these jurisdiction are not included in the consolidated balance sheet of 30 September 2023.

Transactions with related parties

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

Goodwill

Markets	Segment	2023	2022	2021
Norway	North	3,992	3,790	3,202
Sweden	North	2,013	1,911	1,615
Denmark	North	813	772	652
Finland	North	2,645	2,511	2,121
Austria & Germany	Middle	2,086	1,981	1,673
Belgium & Netherlands	Middle	1,281	1,216	1,028
Switzerland	Middle	3,199	3,037	2,566
France	Middle	3,647	3,462	2,925
UK & Ireland	Middle	4,188	3,977	3,359
Portugal	South	950	902	762
Spain	South	4,449	5,893	4,978
Italy	South	1,856	2,458	2,077
Greece	South	5,153	6,825	5,766
Poland	Tactical	44	41	35
Total		36,315	38,777	32,758

Following changes to corporate strategy and group reorganisation, the goodwill balance has been reallocated to 'Austria & Germany', 'Belgium & Netherlands', 'Czech Republic, Romania & Slovakia', 'Finland', 'France', 'Hungary', 'Poland', 'Portugal', 'Norway', 'Sweden', 'Denmark', 'Switzerland' and 'UK & Ireland', Spain', 'Italy' and 'Greece' Markets in Q3 2023.

The goodwill balances have been reallocated on the relative recoverable value estimates as at 30 September 2023 for current and comparative reporting periods

The goodwill balances are annually assessed for impairment by comparing carrying amounts to value-in-use estimates. These estimates are measured based on post-tax cash flow forecasts. These forecasts are based on historical results adjusted with current assumptions and future trends for each respective CGUs. However, due to adverse macro-economic developments and adverse share price movements, the Group has conducted an impairment test to its goodwill balance in Q3 2023.

The value-in-use estimates are based on a 5-year forecasting period. The forecasting period includes steady growth rates applied to the initial period, whilst diminishing growth rates are applied to later periods. At the end of 5th year, a terminal value is estimated to reflect the value relating to future period in perpetuity. The value-in-estimate is a total of forecasting period and terminal value discounted at post-tax WACC.

The value-in-use estimates are based on following key assumptions:

Key Assumptions	2023	2022
WACC (Post-tax)	8.0% to 11.8%	7.5%
Tax Rate	15.4% to 27.9%	22%
Growth Rate	-5.4% to 19.1%	3.6% to 12.9%
Terminal Growth Rate	2.5%	2.5%

WACC is one of the key inputs to compute the value-in-use estimates. Following sensitivity analysis highlights changes to the headroom between goodwill balance and value-in-use estimates if WACC changes by 50 Basis Points ("BPS"), whilst assuming no change to Terminal Growth Rate ("TGR"):

WACC sensitivity

Markets	Segment	WACC	WACC sensitivity Headroom, %				
			(100) BPS	(50) BPS	50 BPS	100 BPS	
Norway	North	8.5%	36%	23%	12%	3%	-4%
Sweden	North	8.3%	37%	24%	12%	3%	-5%
Denmark	North	8.1%	39%	24%	12%	2%	-6%
Finland	North	8.6%	36%	23%	12%	3%	-4%
Austria & Germany	Middle	8.1%	39%	24%	12%	2%	-6%
Belgium & Netherlands	Middle	9.0%	34%	22%	12%	4%	-4%
Switzerland	Middle	8.0%	38%	24%	12%	3%	-5%
France	Middle	8.7%	36%	23%	12%	3%	-4%
UK & Ireland	Middle	9.9%	32%	21%	12%	4%	-3%
Portugal	South	10.8%	29%	20%	12%	6%	-1%
Spain	South	10.4%	94%	82%	71%	62%	54%
Italy	South	11.3%	92%	81%	71%	63%	55%
Greece	South	11.8%	91%	80%	71%	63%	55%
Poland	Tactical	11.1%	23%	18%	12%	8%	4%

TGR is another key input to compute the value-in-use estimates. Following sensitivity analysis highlights changes to the headroom between goodwill balance and value-in-use estimates if TGR changes by 50 Basis Points ("BPS"), whilst assuming no change to WACC:

TGR sensitivity

Markets	Segment	TGR	TGR sensitivity Headroom, %				
			(100) BPS	(50) BPS	50 BPS	100 BPS	
Norway	North	2.50%	-2%	5%	12%	21%	32%
Sweden	North	2.50%	-3%	4%	12%	22%	34%
Denmark	North	2.50%	-3%	4%	12%	23%	35%
Finland	North	2.50%	-2%	5%	12%	21%	32%
Austria & Germany	Middle	2.50%	-3%	4%	12%	23%	35%
Belgium & Netherlands	Middle	2.50%	-1%	5%	12%	21%	31%
Switzerland	Middle	2.50%	-3%	4%	12%	22%	34%
France	Middle	2.50%	-2%	5%	12%	21%	32%
UK & Ireland	Middle	2.50%	0%	6%	12%	20%	29%
Portugal	South	2.50%	2%	7%	12%	19%	26%
Spain	South	2.50%	58%	64%	71%	79%	89%
Italy	South	2.50%	59%	65%	71%	78%	87%
Greece	South	2.50%	59%	65%	71%	78%	86%
Poland	Tactical	2.50%	6%	9%	12%	16%	20%

Market development and outlook

The Group's integrated business model consists of credit management services and portfolio investments and benefits from favourable medium term development prospects in both areas. The Group continues to execute its Transformation program and will gradually standardise, globalise and improve its collections processes. The Group 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 but are not strictly limited to any and all 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, geopolitical risks such as political risks, civil unrest, disruption, or conflicts including armed conflicts and war directly or indirectly affecting locations where Intrum or its clients maintain or conduct business, risks attributable to acquisitions, market risks, liquidity risks, credit risks, risks inherent in and associated with 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 2022 Annual and Sustainability report. High level of uncertainty with high inflation and in particular high and increasing energy prices and interest rates are a major concern for the euro-area. Intrum has a resilient business model and demand for our services and solutions are expected to increase over the coming quarters. No new 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 45,799 M (46,958 at the end of December 2022) at the end of the quarter, fair value is, however, estimated at SEK 38,951 M (42,528 at the end of December 2022). The Group also holds forward exchange contracts and other financial assets of SEK 321 M (253 at the end of December 2022), as well as financial liabilities of SEK 429 M (138 at the end of December 2022) carried at fair value through the income statement.

Total Financing

	2023	2022
As January	56,519	52,501
Proceeds	25,330	22,076
repayments	-22,500	-20,426
Currency translation effect	1,584	2,447
Amortized costs and other	74	64
As of September	61,007	56,662

Net debt amounted to SEK 58,606 M (54,141 at the end of December 2022), the share of fixed rate debt amounts to 69 % of net debt and is principally composed of EUR bonds with maturities between 2024 and 2028. Net debt in relation to the RTM cash EBITDA stands at 4.4x compared to 4.0x at the end of the third quarter 2022. By the end of the third quarter, Intrum had SEK 760 M (1,130) outstanding commercial paper, the decrease reflects a more negative short term credit sentiment. Drawings under the revolving credit facility have been used to cover for this. At the end of the quarter SEK 14,447 M (8,430) of Intrum's revolving credit facility was utilised.

Net Financial Items Specification

SEK M	Third quarter			9 months			Full year
	July-Sep 2023	July-Sep 2022	Change %	Jan-Sep 2023	Jan-Sep 2022	Change %	2022
Interest Earnings	26	26	-2	91	53	72	85
Interest Costs	-910	-607	50	-2,523	-1,630	55	-2,325
Interest Cost on Leasing Liability	-10	-8	21	-27	-25	6	-33
Exchange Rate Differences	-62.4	13	-580	-29	-1	2790	-28
Amortisation of Borrowing Costs	-24.9	-23	8	-73	-72	1	-109
Commitment Fee	-17.8	-27	-34	-75	-95	-21	-127
Other Financial Items	-5	129	-104	-21	127	-117	-867
Total Net Financial Items	-1,004	-497	102	-2,655	-1,643	62	-3,404
IAC in Net Financial Items	-	-	-	-	-	-	995
Adjusted Net Financial Items	-1,004	-497	102	-2,655	-1,643	62	-2,409

The Total Net Financial Items for the 9 month period and the three month period ended as of September 30th 2023, included Net Financial expenses from discontinued operations of SEK 11 M and SEK 5 M, respectively.

Events after the balance sheet date

On 17 October 2023, the Group closed its acquisition of Ophelos, the UK debt collection agency for a total nominal consideration of SEK ~718 M. The upfront payment on the closing date amounted to SEK ~398 M, whilst the nominal balancing payment amounting to SEK ~320 M would be paid over a period of 3 years on successful completion of specified KPIs. With the acquisition of Ophelos, Intrum seeks to advance the development of tech-enabled solutions in its offering by further strengthening its market-leading position – a key component in building a tech-driven organisation. Subsequent integration of Ophelos across Markets over the next 3 years will improve servicing margins by significantly reducing cost of debt collection and at the same time increasing opportunities to expand servicing products to wider untapped market participants.

Other information

The share

Intrum AB's (publ) share is included in Nasdaq Stockholm's Large Cap list. During the period 3 July–29 September 2023, 49,097,131 shares were traded for a total value of SEK 3,489 M, corresponding to 41 % of the total number of shares at the end of the period.

The highest price paid during the period 3 July–29 September 2023 was SEK 83.00 (31 July) and the lowest was SEK 59.44 (28 September). On the last trading day of the period, 29 September 2023, the price was SEK 64.00 (last paid). During the period 3 July–29 September 2023, Intrum AB's (publ) share price fell by 11%, while Nasdaq OMX Stockholm fell by 6 %.

Share price, SEK (1 July 2020 – 30 September 2023)



Shareholders

30 Sep 2023	No of shares	Capital and Votes, %
Nordic Capital through companies	38,769,929	31.85%
AMF Pension & Fonder	11,947,900	9.82%
Vanguard	2,788,989	2.29%
Swedbank Robur Fonder	2,336,045	1.92%
Avanza Pension	1,442,193	1.18%
Swedbank Försäkring	1,255,069	1.03%
BlackRock	1,247,227	1.02%
Intrum AB	1,183,983	0.97%
Handelsbanken Fonder	1,147,272	0.94%
Dimensional Fund Advisors	833,189	0.68%
SEB Fonder	728,728	0.60%
Fidelity International (FIL)	719,835	0.59%
Futur Pension	682,015	0.56%
OP Asset Management	606,884	0.50%
Lennart Laurén	601,650	0.49%
Total fifteen largest shareholders	66,290,908	54.46%
Total number of shares excluding treasury shares	120,536,935	

Source: Modular Finance Holdings and Intrum

Treasury holdings of 1,183,983 shares are not included in the number of shares outstanding. The proportion of Swedish ownership amounted to 48.9 % (institutions 17.7 percentage points, mutual funds 4.2 percentage points and private individuals 27.0 percentage points).

Currency exchange rates

	Closing rate 30 Sep 2023	Closing rate 30 Sep 2022	Average rate July–Sep 2023	Average rate July–Sep 2022	Average rate Jan–Dec 2022
1 EUR=SEK	11.53	11.84	11.46	11.43	10.63
1 CHF=SEK	11.93	12.36	11.75	11.67	10.59
1 NOK=SEK	1.02	1.02	1.01	1.01	1.05
1 HUF=SEK	0.030	0.031	0.030	0.029	0.027

For further information, please contact

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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 25 October 2023 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, 24 October 2023

Andrés Rubio
President and CEO

Auditor's Review Report

Introduction

We have reviewed the interim report for Intrum AB (publ) as of 30 September 2023 and for the nine month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and

other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 24 October 2023

Deloitte AB

Patrick Honeth

Authorised Public Accountant

Definitions

Result concepts, key figures and alternative indicators

Acquired growth

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

Adjusted Earning per Share

Net earnings for the period attributable to parent company's shareholders adjusted for IACs attributable to the parent company's shareholders and the corresponding tax amount divided by average number of outstanding shares for the period.

Adjusted EBIT

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

Adjusted EBIT margin

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

Adjusted EBITDA

EBITDA is defined as adjusted EBIT adding back adjusted depreciation and amortisations of tangible and intangible assets.

Adjusted Income

Income excluding portfolio revaluations and other items affecting comparability.

Amortisation percentage

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

Capex Deployed

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

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 flow from joint ventures

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

Cash Income

Adjusted Income excluding non-cash income such as portfolio amortisation.

EBIT

EBIT consists of income less operating expenses as shown in the income statement.

EBITDA

EBITDA is defined as 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 in change of income

Change in income related to the effects of changes in exchange rates.

External Income

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

Income

Consolidated income includes 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).

Internal Income

Predominantly related to income 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.

Investing Capex Deployed

The commitments to invest in portfolios of overdue receivables, with or without collaterals made in the reporting period. This includes real estates and investments in joint arrangements where the underlying assets are portfolio of receivables or/and properties.

Items affecting comparability

Significant items that impact comparability of key metrics are adjusted from IFRS reported numbers to provide more relevant information to external users. Items Affecting Comparability ("IAC") are based on three sub-groups: Group Restructurings ("Restructurings"), Non-Recurring Items ("NRIs") and Non-Cash Items ("NCIs"). Restructurings are costs relating to group-wide business transformation programs and M&A transactions. Incremental temporary incurred costs over and above anticipated net fixed costs are reported as an IAC. NRIs are one-off costs or income that weren't incurred in previous reporting periods and are not expected to recur in future reporting periods. An item that is part of core operations is not reported as an NRI irrespective how infrequent it could be occurring in business operations. For cash metrics, NCIs represent all valuation, estimates and provisions which are non-cash in nature and relates to future periods. For non-cash metrics, NCIs represent items that enhances periodic comparability, like adjustments to prospective accounting changes, measurement adjustments to match income and costs that are interconnected or recognition of partial impairment losses that relate to the current reporting period. NCI excludes normal working capital changes. NCIs could arise from Restructurings or NRIs.

Net Debt before Other Obligations

This includes Borrowings (including additional net obligations arising from connected currency or/and interest rate agreements), Lease Liabilities, Guarantees covering indebtedness of other persons and other obligations, Deferred Payments having an initial due date of more than 12 months, net of Cash and Cash Equivalents. It excludes Net Defined Benefit Liability, subordinated Shareholder Funding, Operating Liabilities (including Provisions), Contingent Liabilities and non-recourse indirect equity interests in certain co-investment vehicles.

Net Debt after Other Obligations

This includes Borrowings (including additional net obligations arising from connected currency or/and interest rate agreements), Lease Liabilities, Guarantees covering indebtedness of other persons and other obligations, Deferred Payments having an initial due date of more than 12 months, Net Defined Benefit Liabilities and non-recourse indirect equity interests in certain co-investment vehicles, net of Cash and Cash Equivalents. It excludes Operating Liabilities (including Provisions) and Contingent Liabilities.

Non-Investing Capex Deployed

The commitments to invest in non-current assets to maintain and grow the business excluding items included in Investing Capex Deployed.

Operating margin

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

Operating margin, segment

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

Organic growth

Organic growth refers to the average increase in adjusted income in local currency, adjusted for 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.

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. Income 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.

Servicing segment: Capex Deployed

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

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.

RTM

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

About Intrum

Intrum is the industry-leading credit management company in Europe with presence in 22 countries. 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 2022, the company generated income of SEK 19.5 billion. Intrum is headquartered in Stockholm, Sweden, and the Intrum AB (publ) 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 22 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

External Servicing Adjusted Income Growth: ~10% CAGR

Servicing Adjusted EBIT Margin: >25%

Proprietary Investing Book Value excl. Revaluation: SEK ~30bn

Leverage: Net debt/Cash EBITDA 3.5x by end of 2025

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

Financial calendar 2023

25 January 2024 Interim report for the fourth quarter

The logo for Intrum, featuring the word "intrum" in a bold, lowercase, sans-serif font. The letter "i" is stylized with a dot above it.

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