

# INTERIM REPORT

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*January-September 2016*

# INTERIM REPORT JANUARY– SEPTEMBER 2016

- Consolidated revenues for the third quarter of 2016 amounted to SEK 1,486 M (1,386).
- Operating earnings (EBIT) amounted to SEK 517 M (452). Operating earnings include revaluations of purchased debt portfolios amounting to SEK 29 M (29). The operating margin excluding revaluations was 33 percent (31). Earnings also include a positive effect of SEK 15 M from a divestment of purchased debt portfolios.
- Net earnings for the quarter amounted to SEK 375 M (330) and earnings per share were SEK 5.14 (4.51).
- Cash flow from operating activities amounted to SEK 837 M (805).
- The carrying amount of purchased debt has increased by 26 percent compared with the year-earlier period. Investments in purchased debt for the quarter amounted to SEK 646 M (320).

SEK M unless otherwise indicated	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %
Revenues	1,486	1,386	7	4,369	4,232	3
Revenues excluding revaluations	1,457	1,357	7	4,318	4,165	4
Operating earnings (EBIT)	517	452	14	1,419	1,239	15
Operating margin, %	35	33		32	29	
Net earnings	375	330	14	1,039	898	16
Earnings per share before and after dilution, SEK	5.14	4.51	14	14.25	12.16	17
Cash flow from operating activities	837	805	4	2,262	2,027	12
Carrying value purchased debt	8,059	6,418	26	8,059	6,418	26
Return on purchased debt %	21	20		20	21	
Investments in purchased debt	646	320	102	1,934	1,298	49
Cash flow from purchased debt	787	659	19	2,257	1,993	13
Net debt/RTM EBITDA	2.0	1.8		2.0	1.8	

## QUARTER 3

**12%**

Growth in earnings per share past 12 months

**16%**

Change in operating earnings (adjusted for currency effects and revaluations of purchased debt) for the quarter

**26%**

Change in carrying amount of purchased debt past 12 months

**21%**

Return on purchased debt for the quarter

**SEK 646**

Investments in purchased debt for the quarter

**SEK 787**

Cash flow from purchased debt for the quarter

## COMMENT BY PRESIDENT AND CEO MIKAEL ERICSON

Intrum Justitia continued to perform well during the third quarter. As in the second quarter, we achieved all of our financial targets with regard to growth in earnings per share, return on purchased debt and capital structure. Our operating earnings of SEK 517 M are the highest in the Group's history to-date. Earnings per share increased over the twelve past months by 12 percent.

In our regions, the third quarter entails a strong development, mainly for Central Europe, where good growth in purchased debt and high operating efficiency contributes to profitable growth. Adjusted for items affecting comparability, operating earnings in Northern Europe and Western Europe for the third quarter were somewhat lower than the previous year.

For our service areas, we have strong growth in Financial Services. For the third quarter, investments in purchased debt amounted to SEK 646 M, compared with SEK 320 M for the year-earlier period. So far this year, we have increased investments in purchased debt by around 50 percent compared with the previous year. The return on purchased debt adjusted for items affecting comparability and revaluations decreased compared with the year-earlier period, but remains at a very strong level of around 18 percent. In the Credit Management Services, we have a stable development with unchanged income and operating margins compared to the same period last year.

I continue to view Intrum Justitia's conditions for growth as very positive, in a market characterized by significant opportunities. We have a good momentum in our core business with an investment level in purchased debt that amounted to SEK 3.1 billion in the past 12 months, compared with SEK 1.8 billion for the same period last year. The market for purchased debt is currently undergoing a period of price pressure, but we also see a very strong supply for the next several years, entailing good chances to continue increasing our earnings. In Credit Management, we have good conditions for profitable growth through add-on acquisitions. In October, we concluded two such transactions in Denmark and Spain and we have thereby made four add-on acquisitions so far this year.

We also continue the work to increase our addressable market through a disciplined increase in our presence in new asset classes for purchased debt and through growth in new customer segments. In some of our markets, we see good opportunities to grow through acquisitions of secured debt. In both purchased debt and in credit management, we see good potential to grow in the customer segment for small and medium-sized enterprises. We also do not rule out expansion to new countries in Europe if we can identify acquisitions that enable us to reach a market-leading position. Altogether, we therefore see very good growth opportunities for Intrum Justitia in coming years.

# GROUP

SEK M unless otherwise indicated	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %
Revenues	1,486	1,386	7	4,369	4,232	3
Operating earnings (EBIT)	517	452	14	1,419	1,239	15
Operating margin, %	35	33		32	29	
Net financial items	-48	-39	23	-120	-116	3
Tax	-94	-83	13	-260	-225	16
Net income	375	330	14	1,039	898	16
Average number of employees	3,973	3,846	3	3,920	3,866	1

## REVENUES AND EARNINGS

### JULY-SEPTEMBER 2016

Consolidated earnings after tax rose by 14 percent compared with the year-earlier period. Earnings per share for the quarter rose by 14 percent compared with the year-earlier period. Earnings per share were affected by repurchasing in 2015, which reduced the average number of shares outstanding by 0.7 percent compared with the third quarter of 2015.

Consolidated net revenues in the third quarter increased by 7 percent compared with the previous year, with 6 percent attributable to organic growth and 1 percent to acquisition effects. Revaluations of portfolios had a positive impact of SEK 29 M on operating earnings in the third quarter compared with an equal amount in the year-earlier period. Operating earnings thereby improved by 14 percent during the quarter and, adjusted for currency effects and revaluations of purchased debt portfolios, the improvement was 16 percent.

Operating earnings include a positive item affecting comparability of SEK 15 M from the divestment of portfolios of purchased debt in Great Britain, in the Western Europe region and the Financial Services service line. The SEK 15 M affected collection in an amount of SEK +35 M, amortization of purchased debt in an amount of SEK -24 M and operating costs in an amount of SEK +4 M. Operating earnings for the same period last year were charged with an item affecting comparability of SEK 31 M, which primarily impacted revenues and service line earnings for Financial Services in the Northern Europe region.

The increase in operating earnings excluding revaluations and items affecting comparability compared with the year-earlier period is mainly attributable to improved earnings in Financial Services resulting from higher investments in purchased debt while the development for Credit Management was relatively unchanged compared with the year-earlier period. In the Group's regions, it is mainly Central Europe that contributed to the earnings increase for the third quarter.

### NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK -48 M (-39). The net interest expense amounted to SEK -35 M (-31). The net interest expense has been affected negatively by higher borrowing, but positively by lower market interest rates. Exchange rate differences have affected net financial items by SEK -6 M (-1), and other financial items by SEK -7 M (-7). Other

financial items refer primarily to bank fees and similar charges in connection with the Group's borrowing.

## TAXES

Earnings for the quarter were charged with tax of 20 percent. Further information regarding an assessment of future tax expense is provided in the section 'Taxation assessments'.

## CASH FLOW AND INVESTMENTS

<b>SEK M</b> unless otherwise indicated	<b>July-Sept 2016</b>	July-Sept 2015	Change %	<b>Jan-Sept 2016</b>	Jan-Sept 2015	Change %
Cash flow from operating activities	837	805	4	2,262	2,027	12
Cash flow from investing activities	-767	-288	166	-2,387	-1,474	62
Cash paid for investments in purchased debt	736	251	193	2,202	1,318	67
Cash flow from purchased debt	787	659	19	2,257	1,993	13

Cash flow from operating activities over the third quarter amounted to SEK 837 M (805). Cash flow from operating activities was positively impacted by higher earnings excluding depreciation and amortization and lower interest payments compared with the year-earlier period. Cash flow has also been impacted by negative cash flow from working capital, mainly due to current value added tax debt that was assumed in connection with acquisitions of portfolios with purchased debt.

## FINANCING

<b>SEK M</b> unless otherwise indicated	<b>July-Sept 2016</b>	July-Sept 2015	Change %
Net Debt	7,053	5,815	21
Net Debt/RTM EBITDA	2.0	1.8	
Shareholders' equity	3,673	3,077	19
Liquid assets	339	201	69

Intrum Justitia's net debt increased by SEK 1.2 billion compared with the year-earlier period. The Group's net debt expressed as a multiple of operating earnings before depreciation and amortization totals 2.0, within the interval for Intrum Justitia's financial target of 2.0-3.0 for this ratio.

No share repurchases were carried out in the first quarter, which means the number of shares outstanding was 72,347,726 shares, compared with an average of 72,885,064 shares in the year-earlier period.

## GOODWILL

Consolidated goodwill amounted to SEK 2,909 M as per September 30, 2016, compared with SEK 2,810 M as per December 31, 2015. Of this increase, SEK 14 M is attributable to acquisitions and SEK 85 M to exchange-rate differences.

# REGIONS

## NORTHERN EUROPE

SEK M	July-Sept 2016	July-Sept 2015	Change %	Fx adj %	Jan-Sept 2016	Jan-Sept 2015	Change %	Fx adj %
Revenues excluding revaluations	674	627	7	7	2,013	1,983	2	2
Operating earnings excluding revaluations	241	217	11	11	670	615	9	9
Operating margin excluding revaluations, %	36	35	1 ppt		33	31	2 ppt	

The region's revenues adjusted for revaluations and currency effects rose by 7 percent compared with the year-earlier period. Operating earnings adjusted for revaluations and currency effects increased by 11 percent compared with the year-earlier period. An item affecting comparability of SEK –31 M was charged against revenues and operating earnings for the third quarter 2015. Revenues and operating earnings excluding items affecting comparability were positively impacted by higher investment volumes in purchased debt, and negatively by temporarily higher common costs.

## CENTRAL EUROPE

SEK M	July-Sept 2016	July-Sept 2015	Change %	Fx adj %	Jan-Sept 2016	Jan-Sept 2015	Change %	Fx adj %
Revenues excluding revaluations	435	393	11	10	1,261	1,217	4	5
Operating earnings excluding revaluations	159	125	27	26	445	371	20	21
Operating margin excluding revaluations, %	37	32	5 ppt		35	30	5 ppt	

The region's revenue growth of 10 percent adjusted for revaluations and currency effects is attributable to higher income in Financial Services resulting from higher investments in purchased debt. The positive development for purchased debt also provides improved operating earnings and a better operating margin compared with the year-earlier period. The region's unit for financing solutions in e-commerce in Switzerland has been chosen as the supplier of payment solutions for consumers to the Swiss railway company SBB.

## WESTERN EUROPE

SEK M	July-Sept 2016	July-Sept 2015	Change %	Fx adj %	Jan-Sept 2016	Jan-Sept 2015	Change %	Fx adj %
Revenues excluding revaluations	348	337	3	3	1,044	965	8	8
Operating earnings excluding revaluations	88	81	9	12	253	186	36	37
Operating margin excluding revaluations, %	25	24	1 ppt		24	19	5 ppt	

The region's revenues adjusted for revaluations and currency effects increased by 3 percent compared with the year-earlier period. Operating earnings adjusted for revaluations and currency effects increased by 12 percent compared with the year-earlier period. An item affecting comparability has impacted revenues for the third quarter positively by SEK 11 M, and operating earnings positively by SEK 15 M. The development in the region excluding items affecting comparability is positive for purchased debt in Financial Services, with profitable growth and high activity in several markets. In Credit Management, the region has a negative development

mainly due to lower revenues from external clients. Activities to improve the development in Credit Management will be implemented in upcoming quarters.

## SERVICE LINES

### CREDIT MANAGEMENT

SEK M	July-Sept 2016	July-Sept 2015	Change %	Fx adj %	Jan-Sept 2016	Jan-Sept 2015	Change %	Fx adj %
Revenues	1,047	1,008	4	3	3,123	3,034	3	4
Service line earnings	286	279	3	2	809	771	5	6
Service line margin, %	27	28	-1 ppt		26	25	1 ppt	

Revenues for Credit Management adjusted for currency effects rose by 3 percent compared with the year-earlier period. Adjusted for a correction of recognized internal revenues in the third quarter of 2015, income was unchanged compared with the year-earlier period. Revenues are increasing from the collection of the Group's own portfolios and from acquired units while the revenue growth from external clients is negative. Service line earnings and the service line margin are on a par with the year-earlier period. In October, two acquisitions were completed in Credit Management; also refer to the section "Events after the end of the period".

### FINANCIAL SERVICES

SEK M	July-Sept 2016	July-Sept 2015	Change %	Fx adj %	Jan-Sept 2016	Jan-Sept 2015	Change %	Fx adj %
Revenues	718	596	20	20	2,053	1,842	11	12
Service line earnings	413	328	26	26	1,162	1,017	14	15
Service line margin, %	58	55	3 ppt		57	55	2 ppt	
Investments in purchased debt	646	320	102		1,934	1,298	49	
Return on purchased debt, %	21	20	1 ppt		20	21	-1 ppt	
Carrying amount, purchased debt	8,059	6,418	26		8,059	6,418	26	

Revenues for Financial Services increased by 20 percent excluding currency effects and revaluations. Service line earnings increased by 26 percent excluding currency effects and revaluations. Third-quarter earnings include a positive earnings effect of SEK 15 M and a negative earnings effect of SEK 31 M for the same period the previous year that are items affecting comparability. Service line earnings adjusted for revaluations and the items affecting comparability increased by 10 percent, primarily as a result of higher investments in purchased debt that compensates for a somewhat lower return on acquired portfolios. The return on purchased debt adjusted for revaluations and items affecting comparability amounted to 18 percent for the third quarter, compared with 20 percent for the same period last year. There is a good supply of purchased debt and the Group continues to increase the level of investment. For the third quarter, investments in purchased debt amounted to SEK 646 M, compared with SEK 320 M for the year-earlier period.

## TAXATION ASSESSMENTS

Intrum Justitia is of the opinion that the tax expense will, over the next few years, be around 20-25 percent of earnings before tax for each year, excluding the outcome of any tax disputes.

## PARENT COMPANY

The Group's publicly listed Parent Company, Intrum Justitia 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 net revenues of SEK 67 M (65) for January-September and earnings before tax of SEK -93 M (-27). The Parent Company invested SEK 0 M (0) in fixed assets during the nine-month period and had, at the end of the period, SEK 16 M (3) in liquid assets. The average number of employees was 55 (53).

## 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. The same accounting principles and calculation methods have been applied as in the most recent annual report.

## SIGNIFICANT RISKS AND UNCERTAINTIES

Risks to which the Group and Parent Company are exposed include risks relating to economic developments, compliance and changes in regulations, reputation risks, tax risks, risks attributable to IT and information management, risks attributable to acquisitions, market risks, liquidity risks, credit risks, risks inherent in purchased debt and payment guarantees, as well as financing risks. The risks are described in more detail in the Board of Directors' report in Intrum Justitia's 2015 Annual Report. No significant risks are considered to have arisen besides those described in the Annual Report.

## ACQUISITIONS

In February, Intrum Justitia acquired a small factoring company in Switzerland, Debitoren Services AG, at a preliminary purchase consideration of SEK 69 M.

On April 1, Intrum Justitia acquired a small credit management company in Belgium, C&J Credit Services BVBA, with a purchase consideration of SEK 13 M.



## EVENTS AFTER THE END OF THE PERIOD

### ACQUISITIONS

On October 3, Intrum Justitia acquired the Danish company Dansk Kreditorservice A/S (DKS) for a purchase consideration of DKK 95 million on a net debt-free basis. An additional DKK 15 million may be paid in 2018 if certain financial targets are achieved for 2017. DKS is a credit management company with a market leading position in the customer segment for small and medium-sized enterprises, with 47 employees. DKS had revenues of around DKK 43 million for 2015 with operating earnings of DKK 13 million.

On October 14, Intrum Justitia acquired the Spanish company Segestión Gabinete Técnico Empresarial, S.L, with subsidiaries, for a purchase consideration of EUR 10 million on a net debt-free basis. Segestión is a credit management company with a market leading position in the customer segment for small and medium-sized enterprises, with 170 employees. Segestión had revenues of around EUR 7 million for 2015 with operating earnings of around EUR 0.9 million.

The acquisitions of DKS and Segestión strengthen Intrum Justitia's market position in Denmark and Spain for small and medium-sized enterprises, which is a prioritized customer segment for the Group to grow in, for both credit management and purchased debt.

### REPURCHASES

On October 18, in order to retain sufficient financial flexibility to take advantage of possible investment opportunities in business operations, the Board of Directors decided not to make any further repurchases during the fourth quarter of 2016.

## PRESENTATION OF THE INTERIM REPORT

The interim report and presentation material are available at [www.intrum.com/Investor relations](http://www.intrum.com/Investor%20relations). President & CEO Mikael Ericson and Chief Financial Officer Erik Forsberg will comment on the report at a teleconference on October 19, starting at 9:00 a.m. CET. The presentation can be followed at [www.intrum.com](http://www.intrum.com) and/or [www.financialhearings.com](http://www.financialhearings.com). To participate by phone, call +46 (0)8 566 426 98 (SE) or +44 20 300 898 01 (UK).

## FOR FURTHER INFORMATION, PLEASE CONTACT

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Erik Forsberg, Chief Financial Officer, Tel.: +46 8 546 102 02

The information in this interim report is such information that Intrum Justitia AB (publ) is obliged to publish according to the Securities Market Act. The information was released for publication at 7:00 a.m. CET on October 19, 2016.

# FINANCIAL CALENDAR 2017

The year-end report for January–December 2016 will be published January 26, 2017

The interim report for January-March will be published April 25, 2017

The interim report for January-June will be published July 18, 2017

The interim report for January-September will be published October 18, 2017

The 2017 Annual General Meeting of Intrum Justitia will be held on Tuesday, April 25, 2017, at 3:00 p.m. CET at the company's offices at Hesselmans torg 14, Nacka, Sweden.

The interim report and other financial information are available at Intrum Justitia's website:

[www.intrum.com](http://www.intrum.com)

Denna delårsrapport finns även på svenska.

Stockholm, October 19, 2016

*Mikael Ericson*

President and CEO

## ABOUT THE INTRUM JUSTITIA GROUP

Intrum Justitia is Europe's leading Credit Management Services (CMS) group, offering comprehensive credit management services, including purchased debt, designed to measurably improve clients' cash flows and long-term profitability. Founded in 1923, Intrum Justitia has some 3,900 employees in 20 markets. Consolidated revenues amounted to approximately SEK 5.6 billion in 2015. Intrum Justitia AB has been listed on the Nasdaq Stockholm exchange since 2002. For further information, please visit [www.intrum.com](http://www.intrum.com)

# REVIEW REPORT

*To the Board of Directors of Intrum Justitia AB (publ), corporate identity number 556607-7581.*

## *Introduction*

We have performed a general review of the interim financial report for Intrum Justitia AB (publ) for the period January–September 2016. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information 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.

## *Focus and scope of the review*

We conducted our review in accordance with the *International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information*. 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 another focus and is substantially less in scope than an audit conducted in accordance with the *ISA International Standards on Auditing* 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 accompanying Interim Report is not prepared, in all material respects, 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, October 19, 2016  
Ernst & Young AB

*Erik Åström*

Authorized Public Accountant

# FINANCIAL REPORTS

## CONSOLIDATED INCOME STATEMENT

SEK M	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Revenues	1,486	1,386	4,369	4,232	5,628
Cost of sales	-753	-742	-2,296	-2,332	-3,087
<b>Gross earnings</b>	<b>733</b>	<b>644</b>	<b>2,073</b>	<b>1,900</b>	<b>2,541</b>
Sales and marketing expenses	-60	-59	-178	-186	-252
Administrative expenses	-154	-132	-470	-473	-661
Participation in associated companies and joint ventures	-2	-1	-6	-2	-4
<b>Operating earnings (EBIT)</b>	<b>517</b>	<b>452</b>	<b>1,419</b>	<b>1,239</b>	<b>1,624</b>
Net financial items	-48	-39	-120	-116	-167
<b>Earnings before tax</b>	<b>469</b>	<b>413</b>	<b>1,299</b>	<b>1,123</b>	<b>1,457</b>
Tax	-94	-83	-260	-225	-285
<b>Net income for the period</b>	<b>375</b>	<b>330</b>	<b>1,039</b>	<b>898</b>	<b>1,172</b>
<b>Of which attributable to:</b>					
Parent company's shareholders	372	329	1,031	891	1,164
Non-controlling interest	3	1	8	7	8
<b>Net earnings for the period</b>	<b>375</b>	<b>330</b>	<b>1,039</b>	<b>898</b>	<b>1,172</b>
Earnings per share before and after dilution	5.14	4.51	14.25	12.16	15.92

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Net income for the period	375	330	1,039	898	1,172
Other comprehensive income, items that will be reclassified to					
Currency translation difference	50	3	70	-28	-87
Other comprehensive income, items that will not be reclassified to profit and loss:					
Remeasurement of pension liability	0	0	0	0	-26
<b>Comprehensive income for the period</b>	<b>425</b>	<b>333</b>	<b>1,109</b>	<b>870</b>	<b>1,059</b>
<b>Of which attributable to:</b>					
Parent company's shareholders	420	331	1,098	866	1,053
Non-controlling interest	5	2	11	4	6
<b>Comprehensive income for the period</b>	<b>425</b>	<b>333</b>	<b>1,109</b>	<b>870</b>	<b>1,059</b>

## CONSOLIDATED BALANCE SHEET

SEK M	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Goodwill	2,909	2,739	2,810
Capitalized expenditure for IT development and other intangibles	242	214	227
Client relationships	59	42	61
<b>Total intangible fixed assets</b>	<b>3,210</b>	<b>2,995</b>	<b>3,098</b>
<b>Tangible fixed assets</b>			
<b>Total tangible fixed assets</b>	<b>108</b>	<b>119</b>	<b>118</b>
<b>Other fixed assets</b>			
Shares in joint ventures	10	8	6
Other shares and participations	0	183	1
Purchased debt	8,059	6,418	7,027
Deferred tax assets	47	34	33
Other long-term receivables	5	12	11
<b>Total other fixed assets</b>	<b>8,121</b>	<b>6,655</b>	<b>7,078</b>
<b>Total fixed assets</b>	<b>11,439</b>	<b>9,769</b>	<b>10,294</b>
<b>Current Assets</b>			
Accounts receivable	266	304	285
Client funds	654	563	569
Tax assets	100	77	42
Other receivables	657	548	510
Prepaid expenses and accrued income	176	161	180
Cash and cash equivalents	339	201	265
<b>Total current assets</b>	<b>2,192</b>	<b>1,854</b>	<b>1,851</b>
<b>TOTAL ASSETS</b>	<b>13,631</b>	<b>11,623</b>	<b>12,145</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Attributable to parent company's	3,587	2,999	3,086
Attributable to non-controlling interest	86	78	80
<b>Total shareholders' equity</b>	<b>3,673</b>	<b>3,077</b>	<b>3,166</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	1,528	1,844	2,340
Medium term note	3,726	3,180	3,124
Other long-term liabilities	3	1	3
Provisions for pensions	185	143	174
Other long-term provisions	3	3	3
Deferred tax liabilities	530	401	522
<b>Total long-term liabilities</b>	<b>5,975</b>	<b>5,572</b>	<b>6,166</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	42	65	17
Medium term note	1,083	0	0
Commercial paper	825	785	635
Client funds payable	654	563	569
Accounts payable	112	124	139
Income tax liabilities	253	231	128
Advances from clients	15	14	14
Other current liabilities	300	493	613
Accrued expenses and prepaid income	699	699	698
<b>Total current liabilities</b>	<b>3,983</b>	<b>2,974</b>	<b>2,813</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>13,631</b>	<b>11,623</b>	<b>12,145</b>

## FAIR VALUE OF FINANCIAL INSTRUMENTS

The majority of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, liquid assets, liabilities to credit institutions, bond loans, commercial papers, accounts payable and other receivables) are valued in the financial statements at amortized cost. For these financial instruments, the carrying amount is deemed to be the best estimate of the fair value. The Group also has financial assets and liabilities in the form of forward exchange contracts, which are measured at fair value via profit/loss in the financial statements. They amount to small sums.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	2016			2015		
	Attributable to Parent Company's shareholders	Non-controlling interest	<b>Total</b>	Attributable to Parent Company's shareholders	Non-controlling interest	<b>Total</b>
<b>Opening Balance, January 1</b>	3,086	80	3,166	2,948	93	3,041
Dividend	-597	-5	-602	-514	-7	-521
Acquired non-controlling interest			0	-1	-12	-13
Repurchase of shares			0	-300		-300
Comprehensive income for the year	1,098	11	1,109	866	4	870
<b>Closing Balance, September 30</b>	<b>3,587</b>	<b>86</b>	<b>3,673</b>	<b>2,999</b>	<b>78</b>	<b>3,077</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEK M	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
<b>Operating activities</b>					
Operating earnings (EBIT)	517	452	1,419	1,239	1,624
Depreciation/amortization and impairment write-down	40	41	121	122	164
Amortization/revaluation of purchased debt	397	355	1,160	1,067	1,495
Other adjustment for items not included in cash flow	3	1	8	6	15
Interest received	2	2	6	8	11
Interest paid and other financial expenses	-11	-67	-89	-197	-242
Income tax paid	-34	-32	-198	-193	-229
<b>Cash flow from operating activities before changes in working capital</b>	<b>914</b>	<b>752</b>	<b>2,427</b>	<b>2,052</b>	<b>2,838</b>
Changes in factoring receivables	-25	-5	-45	-50	-44
Other changes in working capital	-52	58	-120	25	111
<b>Cash flow from operating activities</b>	<b>837</b>	<b>805</b>	<b>2,262</b>	<b>2,027</b>	<b>2,905</b>
<b>Investing activities</b>					
Purchases of tangible and intangible fixed assets	-33	-27	-104	-95	-135
Investments in purchased debt	-736	-251	-2,202	-1,318	-2,186
Purchases of shares in subsidiaries and associated companies	0	-17	-87	-66	-181
Other cash flow from investing activities	2	7	6	5	5
<b>Cash flow from investing activities</b>	<b>-767</b>	<b>-288</b>	<b>-2,387</b>	<b>-1,474</b>	<b>-2,497</b>
<b>Financing activities</b>					
Borrowings and repayment of loans	-297	-479	789	205	522
Repurchase of shares	0	-100	0	-300	-400
Share dividend to parent company's shareholders	0	0	-597	-514	-514
Share dividend to non-controlling interest	0	0	-5	-7	-7
<b>Cash flow from financing activities</b>	<b>-297</b>	<b>-579</b>	<b>187</b>	<b>-616</b>	<b>-399</b>
<b>Change in liquid assets</b>	<b>-227</b>	<b>-62</b>	<b>62</b>	<b>-63</b>	<b>9</b>
<b>Opening balance of liquid assets</b>	<b>557</b>	<b>261</b>	<b>265</b>	<b>266</b>	<b>266</b>
Exchange rate differences in liquid assets	9	2	12	-2	-10
<b>Closing balance of liquid assets</b>	<b>339</b>	<b>201</b>	<b>339</b>	<b>201</b>	<b>265</b>

## CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 3 2016	Quarter 2 2016	Quarter 1 2016	Quarter 4 2015	Quarter 3 2015	Quarter 2 2015	Quarter 1 2015	Quarter 4 2014
Revenues, SEK M	1,486	1,475	1,408	1,396	1,386	1,476	1,370	1,370
Revenue growth, %	7	0	3	2	6	13	14	11
Operating earnings (EBIT), SEK M	517	474	428	385	452	448	339	360
Operating earnings (EBIT) excl revaluations, SEK M	488	457	423	421	423	403	346	353
Operating margin excl revaluations, %	33	31	30	29	31	28	25	26
EBITDA, SEK M	954	904	842	854	846	834	748	771
Net income, SEK M	375	354	310	274	330	324	305	294
Net Debt, SEK M	7,053	6,937	6,465	6,026	5,815	6,234	5,775	5,635
Net Debt/EBITDA RTM	2.0	2.0	1.9	1.8	1.8	2.0	1.9	1.9
Earnings per share, SEK	5.14	4.85	4.26	3.76	4.51	4.38	3.27	3.85
EPS growth, %	14	11	30	-2	10	36	39	28
Average number of shares, '000	72,348	72,348	72,348	72,561	72,885	73,264	73,678	74,797
Number of shares outstanding at end of period, '000	72,348	72,348	72,348	72,348	72,693	73,037	73,421	73,848
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M								
Northern Europe	241	231	198	227	217	216	182	169
Central Europe	159	144	142	128	125	121	125	119
Western Europe	88	82	83	66	81	66	39	65
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M								
Credit Management	286	282	241	278	279	255	237	246
Financial Services	413	385	364	328	328	381	308	275
Common costs	-182	-193	-177	-221	-155	-188	-206	-161
Return on purchased debt, %	21	20	20	19	20	24	19	18
Investments in purchased debt, SEK M	646	550	738	1,130	320	509	469	477
Average number of employees	3,973	3,941	3,859	3,841	3,846	3,880	3,814	3,806



## CONSOLIDATED FIVE-YEAR OVERVIEW

	<b>2016 July-Sept</b>	2015 July-Sept	2014 July-Sept	2013 July-Sept	2012 July-Sept
Revenues, SEK M	1,486	1,386	1,309	1,135	1,001
Revenue growth, %	7	6	15	13	0
Operating earnings (EBIT), SEK M	517	452	415	330	271
Operating earnings (EBIT) excl revaluations, SEK M	488	423	400	332	264
Operating margin excl revaluations, %	33	31	31	29	27
EBITDA, SEK M	954	846	794	708	561
Net income, SEK M	375	330	311	222	177
Net Debt, SEK M	7,053	5,815	5,215	4,500	3,016
Net Debt/EBITDA RTM	2.0	1.8	1.8	1.7	1.4
Earnings per share, SEK	5.14	4.51	4.09	2.79	2.21
EPS growth, %	14	10	46	26	3
Average number of shares, '000	72,348	72,885	75,885	79,203	79,745
Number of shares outstanding at end of	72,348	72,693	75,428	78,547	79,745
<b>OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M</b>					
Northern Europe	241	217	220	214	173
Central Europe	159	125	115	69	55
Western Europe	88	81	65	49	36
<b>SERVICE LINE EARNINGS BY SERVICE LINE, SEK M</b>					
Credit Management	286	279	253	217	210
Financial Services	413	328	308	235	172
Common costs	-182	-155	-146	-122	-111
Return on purchased debt, %	21	20	21	19	20
Investments in purchased debt, SEK M	646	320	267	700	818
Average number of employees	3,973	3,846	3,855	3,589	3,406

## CONSOLIDATED FIVE-YEAR OVERVIEW

	2015 Full Year	2014 Helår	2013 Helår	2012 Helår	2011 Helår
Revenues, SEK M	5,628	5,184	4,566	4,048	3,950
Revenue growth, %	9	14	13	2	5
Operating earnings (EBIT), SEK M	1,624	1,430	1,207	879	868
Operating earnings (EBIT) excl revaluations, SEK M	1,593	1,395	1,200	958	849
Operating margin excl revaluations, %	28	27	26	23	22
EBITDA, SEK M	3,282	2,996	2,684	2,199	1,929
Net income, SEK M	1,172	1,041	819	584	553
Net Debt, SEK M	6,026	5,635	4,328	3,261	2,692
Net Debt/EBITDA RTM	1.8	1.9	1.6	1.5	1.4
Earnings per share, SEK	15.92	13.48	10.30	7.32	6.91
EPS growth, %	18	31	41	6	22
Dividend/proposed dividend per share, SEK	8.25	7.00	5.75	5.00	4.50
Average number of shares, '000	73,097	76,462	79,306	79,745	79,745
Number of shares outstanding at end of period, '000	72,348	73,848	78,547	79,745	79,745
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M					
Northern Europe	842	733	748	622	488
Central Europe	499	416	265	192	193
Western Europe	252	246	187	144	178
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M					
Credit Management	1,049	912	823	827	843
Financial Services	1,345	1,159	969	599	591
Common costs	-770	-641	-585	-547	-566
Return on purchased debt, %	20	20	21	17	21
Investments in purchased debt, SEK M	2,428	1,937	2,524	2,132	1,752
Average number of employees	3,846	3,801	3,530	3,475	3,331

Comparative figure for 2012 above are restated in accordance with IFRS 11 and IAS19R. Earlier years have not been restated.

## RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full-year 2015
Service line earnings purchased debt	405	327	24	1,136	1,008	13	1,329
Average carrying value of purchased debt	7,854	6,426	22	7,543	6,308	20	6,612
<b>Return on purchased debt, %</b>	<b>21</b>	<b>20</b>		<b>20</b>	<b>21</b>		<b>20</b>
Collections on purchased debt	1,092	927	18	3,148	2,818	12	3,802
Service line costs	-305	-268	14	-891	-825	8	-1,078
<b>Cash flow from purchased debt</b>	<b>787</b>	<b>659</b>	<b>19</b>	<b>2,257</b>	<b>1,993</b>	<b>13</b>	<b>2,724</b>
Liabilities to credit institutions	1,570	1,909	-18	1,570	1,909	-18	2,357
Medium term note	4,809	3,180	51	4,809	3,180	51	3,124
Provisions for pensions	185	143	29	185	143	29	174
Commercial paper	825	785	5	825	785	5	635
Other interest-bearing liabilities	4	1	300	4	1	300	3
Cash and cash equivalents	-339	-201	69	-339	-201	69	-265
Other interest-bearing assets	-1	-2	-50	-1	-2	-50	-2
<b>Net Debt</b>	<b>7,053</b>	<b>5,815</b>	<b>21</b>	<b>7,053</b>	<b>5,815</b>	<b>21</b>	<b>6,026</b>
Operating earnings RTM	1,804	1,598	13	1,804	1,598	13	1,624
Depreciation RTM	162	174	-7	162	174	-7	163
Amortization and revaluations RTM	1,588	1,427	11	1,588	1,427	11	1,495
<b>EBITDA RTM</b>	<b>3,554</b>	<b>3,199</b>	<b>11</b>	<b>3,554</b>	<b>3,199</b>	<b>11</b>	<b>3,282</b>
<b>Net Debt/RTM EBITDA</b>	<b>2.0</b>	<b>1.8</b>		<b>2.0</b>	<b>1.8</b>		<b>1.8</b>

## OPERATING SEGMENTS

### REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Northern Europe	688	621	11	2,038	1,956	4	2,573
Central Europe	444	424	5	1,304	1,285	1	1,705
Western Europe	354	341	4	1,027	991	4	1,350
<b>Total revenues from external clients</b>	<b>1,486</b>	<b>1,386</b>	<b>7</b>	<b>4,369</b>	<b>4,232</b>	<b>3</b>	<b>5,628</b>

### REGIONS – INTERCOMPANY REVENUES

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Northern Europe	76	72	6	225	214	5	288
Central Europe	79	74	7	245	217	13	295
Western Europe	58	46	26	160	125	28	171
Eliminations	-213	-192	11	-630	-556	13	-754
<b>Total intercompany revenues</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

### REGIONS – REVALUATIONS OF PURCHASED DEBT

SEK M	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Northern Europe	14	-6	25	-27	-79
Central Europe	9	31	43	68	69
Western Europe	6	4	-17	26	41
<b>Total revaluation</b>	<b>29</b>	<b>29</b>	<b>51</b>	<b>67</b>	<b>31</b>

## REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Northern Europe	674	627	7	2,013	1,983	2	2,652
Central Europe	435	393	11	1,261	1,217	4	1,636
Western Europe	348	337	3	1,044	965	8	1,309
<b>Total revenues excluding revaluations</b>	<b>1,457</b>	<b>1,357</b>	<b>7</b>	<b>4,318</b>	<b>4,165</b>	<b>4</b>	<b>5,597</b>

## REGIONS – AMORTIZATION RELATED TO ACQUISITIONS

SEK M	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Northern Europe	0	1	-2	-5	-7
Central Europe	0	0	0	0	0
Western Europe	-3	-1	-9	-3	-5
<b>Total amortization and impairment</b>	<b>-3</b>	<b>0</b>	<b>-11</b>	<b>-8</b>	<b>-12</b>

## REGIONS – OPERATING EARNINGS (EBIT)

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Northern Europe	255	211	21	695	588	18	763
Central Europe	168	156	8	488	439	11	568
Western Europe	94	85	11	236	212	11	293
<b>Total operating earnings</b>	<b>517</b>	<b>452</b>	<b>14</b>	<b>1,419</b>	<b>1,239</b>	<b>15</b>	<b>1,624</b>
Net financial items	-48	-39	23	-120	-116	3	-167
<b>Earnings before tax</b>	<b>469</b>	<b>413</b>	<b>14</b>	<b>1,299</b>	<b>1,123</b>	<b>16</b>	<b>1,457</b>

## REGIONS – OPERATING EARNINGS (EBIT) EXCLUDING REVALUATIONS

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Northern Europe	241	217	11	670	615	9	842
Central Europe	159	125	27	445	371	20	499
Western Europe	88	81	9	253	186	36	252
<b>Total operating earnings excluding revaluations</b>	<b>488</b>	<b>423</b>	<b>15</b>	<b>1,368</b>	<b>1,172</b>	<b>17</b>	<b>1,593</b>

## REGIONS – OPERATING MARGIN EXCLUDING REVALUATIONS

%	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Northern Europe	36	35	33	31	32
Central Europe	37	32	35	30	31
Western Europe	25	24	24	19	19
<b>Operating margin for the Group</b>	<b>33</b>	<b>31</b>	<b>32</b>	<b>28</b>	<b>28</b>

## SERVICE LINES – REVENUES

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Credit Management	1,047	1,008	4	3,123	3,034	3	4,194
Financial Services	718	596	20	2,053	1,842	11	2,423
Elimination of inter-service line revenue	-279	-218	28	-807	-644	25	-989
<b>Total revenues</b>	<b>1,486</b>	<b>1,386</b>	<b>0</b>	<b>4,369</b>	<b>4,232</b>	<b>3</b>	<b>5,628</b>

## REVENUES BY TYPE

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
External Credit Management	768	790	-3	2,316	2,390	-3	3,205
Collections on purchased debt	1,092	927	18	3,148	2,818	12	3,802
Amortization of purchased debt	-426	-384	11	-1,211	-1,134	7	-1,526
Revaluation of purchased debt	29	29	-	51	67	-	31
Other revenues from Financial Services	23	24	-4	65	91	-29	116
<b>Total revenues</b>	<b>1,486</b>	<b>1,386</b>	<b>7</b>	<b>4,369</b>	<b>4,232</b>	<b>3</b>	<b>5,628</b>

## SERVICE LINES – SERVICE LINE EARNINGS

SEK M	July-Sept 2016	July-Sept 2015	Change %	Jan-Sept 2016	Jan-Sept 2015	Change %	Full Year 2015
Credit Management	286	279	3	809	771	5	1,049
Financial Services	413	328	26	1,162	1,017	14	1,345
Common costs	-182	-155	17	-552	-549	1	-770
<b>Total operating earnings</b>	<b>517</b>	<b>452</b>	<b>14</b>	<b>1,419</b>	<b>1,239</b>	<b>15</b>	<b>1,624</b>

## SERVICE LINES – SERVICE LINE MARGINS

%	July-Sept 2016	July-Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Credit Management	27	28	26	25	25
Financial Services	58	55	57	55	56
<b>Operating margin for the Group</b>	<b>35</b>	<b>33</b>	<b>32</b>	<b>29</b>	<b>29</b>

# PARENT COMPANY

## INTRUM JUSTITIA AB (PUBL)

### INCOME STATEMENT – PARENT COMPANY

SEK M	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Revenues	67	65	102
<b>Gross earnings</b>	<b>67</b>	<b>65</b>	<b>102</b>
Sales and marketing expenses	-14	-11	-17
Administrative expenses	-88	-94	-152
<b>Operating earnings (EBIT)</b>	<b>-35</b>	<b>-40</b>	<b>-67</b>
Income from subsidiaries	0	64	1,237
Net financial items	-58	-51	-80
<b>Earnings before tax</b>	<b>-93</b>	<b>-27</b>	<b>1,090</b>
Tax	0	0	0
<b>Net earnings for the period</b>	<b>-93</b>	<b>-27</b>	<b>1,090</b>

### STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

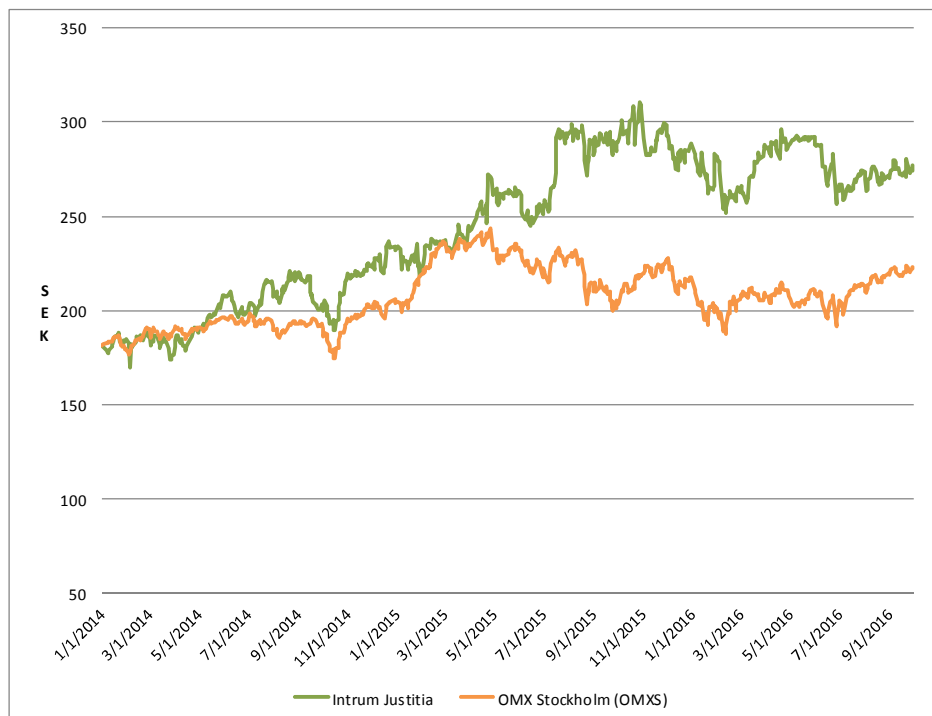
SEK M	Jan-Sept 2016	Jan-Sept 2015	Full Year 2015
Net earnings for the period	-93	-27	1,090
Other comprehensive income:	-277	30	107
Change of translation reserve (fair value reserve)			
<b>Total comprehensive income</b>	<b>-370</b>	<b>3</b>	<b>1,197</b>

### BALANCE SHEET – PARENT COMPANY

SEK M	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
Financial fixed assets	7,630	7,452	7,536
<b>Total fixed assets</b>	<b>7,630</b>	<b>7,452</b>	<b>7,536</b>
<b>Current assets</b>			
Current receivables	4,530	3,317	4,743
Cash and bank balances	16	3	37
<b>Total current assets</b>	<b>4,546</b>	<b>3,320</b>	<b>4,780</b>
<b>TOTAL ASSETS</b>	<b>12,176</b>	<b>10,772</b>	<b>12,316</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Restricted equity	284	284	284
Unrestricted equity	761	634	1,728
<b>Total shareholders' equity</b>	<b>1,045</b>	<b>918</b>	<b>2,012</b>
Long-term liabilities	7,509	6,986	7,469
Current liabilities	3,622	2,868	2,835
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>12,176</b>	<b>10,772</b>	<b>12,316</b>
Pledged assets	None	None	None
Contingent liabilities	None	None	None



## SHARE PRICE TREND



## OWNERSHIP STRUCTURE

	No of shares	Capital and Votes, %
<b>30 September 2016</b>		
SEB Funds	6,284,514	8.7
AMF Insurance & Funds	3,436,223	4.7
Jupiter Asset Management	3,078,000	4.3
SHB Funds	2,581,585	3.6
Lannebo Funds	2,478,093	3.4
Carnegie Funds	1,841,696	2.5
Fidelity	1,794,295	2.5
Odin Funds	1,794,218	2.5
BlackRock	1,680,592	2.3
TIAA - Teachers Advisors	1,676,193	2.3
Standard Life	1,397,873	1.9
Invesco	1,259,849	1.7
JP Morgan Asset Management	982,329	1.4
Baring Asset Management	918,399	1.3
Enter Funds	914,940	1.3
<b>Total, fifteen largest shareholders</b>	<b>32,118,799</b>	<b>44.4</b>

**Total number of shares:**

**72,347,726**

Swedish ownership accounted for 44.8 percent (institutions 9.0 percentage points, mutual funds 30.1 percentage points, retail 5.7 percentage points) Source: Modular Finance Holdings

# DEFINITIONS

## EARNINGS TERMINOLOGY, KEY FIGURES AND ALTERNATIVE INDICATORS

### CONSOLIDATED NET REVENUE

Consolidated net revenue includes external credit management income (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from purchased debt operations (collected amounts less amortization for the period and revaluation) and other income from financial services (fees and net interest income from financing services).

### OPERATING EARNINGS (EBIT)

Operating earnings comprises net revenue less operating expenses as presented by the income statement.

### OPERATING MARGIN

The operating margin comprises the operating earnings expressed as a percentage of net revenues.

### PURCHASED DEBT – COLLECTED AMOUNTS, AMORTIZATION AND REVALUATION

Purchased debt consists of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. They are recognized at amortized cost with application of the effective interest method, based on a collection forecast prepared at the time of acquisition for the respective portfolio. The net revenue for the period attributable to purchased debt comprises collected amounts less amortization for the period and revaluation. Amortization is the period's decrease in the present value of the portfolios attributable to collection occurring according to plan. Revaluation is the period's increase or decrease of the present value of the portfolios that is attributable to the period's changes in forecasts of future collections.

### REVENUES, OPERATING EARNINGS AND OPERATING MARGIN EXCLUDING REVALUATIONS

The period's revaluation of purchased debt is included in the consolidated net revenue and operating earnings. Revaluation takes place upon changes in forecasts of future collections, and is therefore difficult to predict by its nature. They have low forecast value for the Group's future earnings trend. Intrum Justitia therefore also presents alternative indicators where revenue, operating earnings and operating margin have been calculated excluding revaluations of purchased debt.

### ORGANIC GROWTH

Organic growth refers to the average increase in revenues in local currency, adjusted for revaluations of purchased debt portfolios and the effects of acquisitions and divestments of Group companies. Organic growth is a measurement of the development of the Group's existing business that management has the possibility to influence.

#### SERVICE LINE EARNINGS

Service line earnings refer to operating earnings for the respective service lines of Credit Management and Financial Services, excluding common expenses for sales, marketing and administration.

#### SERVICE LINE MARGIN

The service line margin comprises the service line earnings expressed as a percentage of net revenues.

#### RETURN ON PURCHASED DEBT

Return on purchased debt is the service line earnings for the period, excluding the Group's new services such as factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item 'purchased debt'. This key figure relates the service line earnings to tied up capital, and is included in the Group's financial targets.

#### CASH FLOW FROM PURCHASED DEBT

Cash flow from purchased debt consists of funds collected on purchased debt with deductions for the service line's overheads, primarily collection costs. The figure is thereby a measure of the cash flow from the portfolios of purchased debt that were historically acquired without regard to investments in new portfolios.

#### NET DEBT

Net debt is interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables.

#### OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)

Earnings before depreciation and amortization (EBITDA) are operating earnings after depreciation on fixed assets as well as amortization and revaluations of purchased debt are added back.

#### RTM

The abbreviation 'RTM' refers to figures on a rolling 12-month basis.

#### NET DEBT/RTM OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)

This key figure refers to the net debt divided by the consolidated operating earnings before depreciation and amortization (EBITDA) on a rolling 12-month basis. The key figure is among the Group's financial targets, and is a central measure to assess the level of the Group's borrowing and is a generally accepted measure of financial capacity among creditors.

#### CURRENCY-ADJUSTED CHANGE

In terms of the development of revenue and operating earnings excluding revaluations for the respective region, the percentage change is stated compared with the year-earlier period both in the form of the change in the respective figure in SEK and in the form of a currency-adjusted change where the effect of changed exchange rates have been excluded. The currency-adjusted

change is a measurement of the development of the Group's business that management has the possibility to influence.

#### ACQUISITION-RELATED DEPRECIATION

Acquisition-related depreciation pertains to depreciation of customer relationships and other surplus values that are recognized in the consolidated balance sheet as a result of acquisitions made by Intrum Justitia.

#### REGION NORTHERN EUROPE

Region Northern Europe comprises the Group's activities for external clients and debtors in Denmark, Estonia, Finland, the Netherlands, Norway, Poland and Sweden.

#### REGION CENTRAL EUROPE

Region Central Europe comprises the Group's activities for external clients and debtors in Austria, the Czech Republic, Germany, Hungary, Slovakia and Switzerland.

#### REGION WESTERN EUROPE

Region Western Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, Portugal, Spain and the United Kingdom.