Interim report January – September 2018

intrum

Interim report
January – September 2018

Third quarter 2018

- Consolidated net revenues for the third quarter of 2018 increased to SEK 3,180 M (2,986).
- Operating earnings amounted to SEK 838 M (977).
- The operating earnings of SEK 838 M include non-recurring items (NRIs) of SEK –257 M (–61), items affecting comparability of SEK 0 M (38) and revaluations of SEK 0 M (1). Accordingly, operating earnings excluding non-recurring items, items affecting comparability and revaluations ("EBIT adjusted") increased to SEK 1,095 M (999).
- Net earnings for the quarter amounted to SEK 396 M (615) and earnings per share were SEK 3.02 (4.68).
- Cash flow from operating activities amounted to SEK 1,214 M (1,796).
- The carrying values of portfolio investments have decreased marginally since the end of the preceding quarter. Portfolio investments for the quarter amounted to SEK 927 M (1,177). The return on portfolio investments was 14 percent (15).
- In Credit Management, revenue growth was 3 percent and the operating margin was 27 percent excluding non-recurring items.

Third quarter

10%
Increase in EBIT adjusted for the quarter

3.8
Net debt/pro forma cash EBITDA excluding NRIs for the quarter

14%
Return on portfolio investments for the quarter

27%
Operating margin for the quarter, excluding non-recurring items for Credit Management

SEK 927 M
Investments in portfolios for the quarter

Pro forma

The merger with Lindorff was implemented on June 27, 2017. Accordingly, Lindorff has been included in the consolidated income statement and balance sheet since the second quarter of 2017. Where comparative figures are referred to as "pro forma", this means that they are reported with Lindorff consolidated as of January 1, 2017. In connection with the merger, Intrum Justitia undertook to divest its Norwegian subsidiaries, as well as Lindorff's Swedish, Finnish, Danish and Estonian subsidiaries. These subsidiaries were divested in the second quarter of 2018, and are therefore reported as discontinued operations.

SEK M unless otherwise indicated	**July-Sept 2018**	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	**Full-year 2017**	Pro forma Full-year 2017
Revenues	**3,180**	2,986	6	9,925	6,333	9,118	9	**9,433**	12,219
Thereof revenues in Euro (%)	**58**	58		60	54	58		**56**	59
EBIT adjusted	**1,095**	999	10	3,264	2,082	2,882	13	**3,103**	3,900
Cash EBITDA excl NRI's	**2,247**	2,066	9	7,053	4,251	5,927	19	**6,350**	8,025
EBITDA excl NRI's	**1,249**	1,200	4	4,178	2,406	3,575	17	**3,562**	4,730
EBIT excl NRI's	**1,095**	1,038	6	3,494	2,161	3,026	15	**3,125**	3,988
Non-recurring items (NRI's) in EBIT	**-257**	-61		-519	-240	-343		**-397**	-499
Non-recurring items (NRI's) in net financial items	**0**	0		0	-316	-316		**-316**	-316
Items affecting comparability	**0**	38		218	38	38		**25**	25
Revaluations of portfolio investments	**0**	1		12	41	105		**-3**	63
Cash EBITDA	**1,990**	2,005	-1	6,534	4,011	5,584	17	**5,953**	7,526
EBITDA	**992**	1,139	-13	3,659	2,166	3,232	13	**3,165**	4,231
EBIT	**838**	977	-14	2,975	1,921	2,683	11	**2,728**	3,489
Thereof EBIT in Euro (%)	**47**	54		59	48	55		**52**	57
Net earnings	**396**	615		1,461	1,060	876		**1,503**	1,318
CMS growth, %	**3**	10		7	n/a	22		**63**	16
CMS service line margin excl NRI's, %	**27**	28		27	26	28		**26**	28
Estimated remaining collections, ERC	**47,874**	40,179	19	47,874	40,179	40,179	19	**44,603**	44,603
Portfolio investments	**927**	1,177	-21	4,685	4,386	4,986	-6	**7,170**	7,804
Book value portfolio investments	**23,914**	19,054	26	23,914	19,054	19,054	26	**21,149**	21,149
Return on portfolio investments excl NRI's, %	**14**	15		15	23	17		**16**	16
Net Debt/Pro forma Cash EBITDA excl NRI's	**3.8**	3.9		3.8	n/a	3.9		**4.1**	n/a

Comment by President and CEO Mikael Ericson

We are maintaining our momentum and achieved 10 percent growth in EBIT adjusted for the third quarter. The strength of a well-balanced business model and regional diversification means we more than adequately offset the short-term challenges that we face in Spain (as communicated previously), with strong delivery from other regions. We have grown for the third consecutive quarter, achieving 13 percent growth to date this year. Our strategy delivers.

Credit Management continued to make progress in the third quarter. The adjusted service line margin of 27 percent (28) is favorable, and continues to close the gap we had at the beginning of the year. For the nine-month period, the margin was also 27 percent (28 pro forma). We continue to effectively drive synergies and cost savings, although the events in Spain are affecting the margin. As a consequence, we are working continuously to adjust our cost base in Spain.

The integration process following the merger with Lindorff continues to progress well. Up to and including the third quarter, we have achieved synergy gains of SEK 450 M and we will achieve the previously promised full synergy gains of SEK 680 M on time and at the anticipated cost. In addition, expanded efforts have also begun in the Credit Management operations aimed at realizing operational economies of scale in a way that only Intrum's size makes possible in line with our strategy to 2020 .

Portfolio investments of SEK 927 M (1,177) during the quarter were slightly lower than in the preceding year, and the return level of 14 percent was partly affected by vacation periods and phasing. We expect that they will rise again on an annual basis through a continued focus on price discipline and good collection performance. There is no shortage of opportunities for additional major transactions, reflecting the substantial supply of portfolios, and in general we perceive a stabilization in the levels of expected internal rates of return in recent quarters.

As a consequence of a somewhat lower pace of investment, combined with an improvement in earnings during the quarter, Net debt/adjusted cash EBITDA decreased to a multiple of 3.8 compared with a multiple of 3.9 in the preceding quarter.

The detailed preparations for the implementation of our strategic partnership with Banca Intesa Sanpaolo are developing well and we will finalize the transaction in November. As previously announced, a more detailed financial presentation of the transaction is now attached with the interim report. This makes the robust strategic, industrial and financial logic underlying this major transaction transparent.

Please also read our recently published report on the credit management market in the Nordic region, which analyzes the macro environment and trends in each of the four countries. We presently see clear trends towards increased credit in an environment where, at the same time, increased interest rates are approaching, and how this may impact different age groups and segments. The report is available on our website.

We are in the middle of an intensive period for Portfolio Investments and opportunities in Credit Management. We anticipate favorable contract signings in the upcoming periods. With strong cash flow and financing in place, we feel secure in our market position, which, together with increased focus on the Credit Management operations, will support our targets in terms of both long-term growth, favorable returns, decreased debt and higher earnings per in 2020.

In summary, I am pleased with a 10-percent EBIT adjusted improvement over last year and very satisfied with our continued growth for the third consecutive quarter. Our strategy delivers and is robust, and we are focused on steadily but increasingly delivering on Intrum's financial targets for 2020.

Group

SEK M unless otherwise indicated	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Full-year 2017	Pro forma Full-year 2017
Revenues	3,180	2,986	6	9,925	6,333	9,118	9	9,433	12,219
EBIT	838	977	-14	2,975	1,921	2,683	11	2,728	3,489
Cash EBITDA excl NRI's	2,247	2,066	9	7,053	4,251	5,927	19	6,350	8,025
EBIT excl NRI's	1,095	1,038	6	3,494	2,161	3,026	15	3,125	3,988
EBIT adjusted	1,095	999	10	3,264	2,082	2,882	13	3,103	3,900
Net financial items	-329	-233	41	-996	-637	-1,606	-38	-973	-1,942
Tax	-113	-161	-30	-433	-266	-344	26	-389	-467
Net earnings	396	615	-36	1,461	1,060	876	67	1,503	1,318

Revenues and operating earnings

Consolidated net revenues for the third quarter increased to SEK 3,180 M (2,986). Consolidated operating earnings for the third quarter amounted to SEK 838 M (977). The operating earnings of SEK 838 M include non-recurring items (NRIs) of SEK –257 M (–61), items affecting comparability of SEK 0 M (38) and revaluations of SEK 0 M (1). Accordingly, operating earnings excluding non-recurring items, items affecting comparability and revaluations ("EBIT adjusted") increased to SEK 1,095 M (999).

The outcome in the Group's regions and service lines is accounted for in greater detail below.

Net financial items

Net financial items for the quarter amounted to SEK –329 M (–233). Net interest for the quarter amounted to SEK –292 M (–231). Exchange rate differences are included in net financial items in the amount of SEK 13 M (56), and other financial items are included by SEK –50 M (–58). Net interest has been adversely affected by higher net debt and higher average interest rates.

Taxes

Earnings for the quarter were charged with tax of 22 percent. Further information regarding an assessment of future tax expenses is provided in the section 'Taxation assessments'.

Cash flow and investments

SEK M unless otherwise indicated	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Full-year 2017
Cash flow from operating activities	1,214	1,796	4,341	3,195	4,535
Cash flow from investing activities	-994	-1,165	1,771	-3,630	-7,547
Total cash flow from operating and investing activities	220	631	6,112	-435	-3,012
Cash flow from investing activities excl liquid assets in acquired subsidiaries	-994	-1,165	2,171	-4,605	-8,585
Total cash flow from operating and investing activities excl liquid assets in acquired subsidiaries	220	631	6,512	-1,410	-4,050

Cash flow from operating activities during the third quarter amounted to SEK 1,214 M (1,796). The decrease is attributable to negative non-recurring items in operating earnings, phasing in the timing of interest payments on bond loans and net payments attributable to currency hedging measures.

Financing

SEK M unless otherwise indicated	**30 Sep** **2018**	30 Sep 2017	Change %	31 Dec 2017
Net Debt	34,698	34,290	1	37,322
Net Debt/Pro forma Cash EBITDA excl NRI's	3.8	3.9		4.1
Shareholders' equity	23,326	21,899	7	22,439
Cash and cash equivalents	1,450	677	114	881

Consolidated net debt has decreased by approximately SEK 2.6 billion since the start of the year. The proceeds have been received from the sale of Intrum Justitia's former subsidiary in Norway and Lindorff's former subsidiaries in Sweden, Denmark, Finland and Estonia, with the sale transaction being completed on March 20, 2018, while, on the other hand, disbursements have been made for the year's share dividend and investments in portfolios and joint ventures.

Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA amounted to 3.8 at the end of the quarter. This ratio is calculated by placing current consolidated net debt at the end of the quarter in relation to pro forma cash EBITDA, including operations being phased out and including a calculated cash EBITDA throughout the period for larger units acquired during the period, and excluding non-recurring items (NRIs). Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA decreased by approximately 0.1 in the third quarter.

The merger with Lindorff was implemented on June 27, 2017 through a non-cash issue, whereby Intrum Justitia AB issued 59,193,594 new Intrum shares in exchange for all shares in Lock TopCo AS, the parent company of the Lindorff group. Accordingly, there were 131,541,320 shares in Intrum outstanding in the latter part of 2017. Over the second quarter of 2018, 250,000 shares were repurchased for SEK 56 M. Accordingly, the average number of shares outstanding in the third quarter of 2018 was 131,291,320 and the average number of shares outstanding in the third quarter of 2017 was 131,541,320.

Goodwill

Consolidated goodwill amounted to SEK 31,430 M as per September 30, 2018, compared with SEK 29,565 M as per December 31, 2017. Of the increase, SEK 169 M is attributable to adjustment of the acquisition analysis from the merger with Lindorff, SEK 8 M to other adjustments of acquisition analyzes, SEK 15 M to new acquisitions during the nine-month period, and SEK 1,673 M to exchange rate differences.

Regions

Effective from the third quarter of 2018, the composition of the Group's operating segments, the geographic regions, has changed. The change entails operations in Spain, Portugal and Brazil being reported in the Iberian Peninsula & Latin America region. Accordingly, the operations in Portugal are no longer included in the Western and Southern Europe region. The comparison figures for 2017 have been recalculated in accordance with the new region structure. Recalculated figures for all four quarters of 2017 and the first two quarters of 2018 have been published on the Company's website.

Northern Europe

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues excluding revaluations	983	984	-0	-6	2,918	2,894	1	-3	3,827
EBIT adjusted	352	395	-11	-16	1,040	1,073	-3	-6	1,412
EBIT margin adjusted, %	36	40			36	37			37

Large individual payments on underlying portfolios of securities during the third quarter of 2017 distort the comparison between the years. Following adjustment for these effects, the region's earnings are relatively unchanged, with a small decrease in margins on portfolio investments being offset by a higher book value. Continued signs of cautious growth can be seen in credit management operations for external customers.

Central and Eastern Europe

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues excluding revaluations	936	779	20	14	2,695	2,389	13	6	3,233
EBIT adjusted	396	275	44	38	1,056	862	23	18	1,114
EBIT margin adjusted, %	42	35			39	36			34

The region's continued strong development is explained by a growing investment portfolio and a focus on operational efficiency. The significant investments made recently in Greece, Hungary and Romania are all contributing well. A strong pipeline for future investment remains.

Western and Southern Europe

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues excluding revaluations	632	492	28	22	1,893	1,464	29	22	2,050
EBIT adjusted	143	73	95	88	420	185	127	123	312
EBIT margin adjusted, %	23	15			22	13			15

The strong revenue growth in the quarter is explained by significant growth in the book value of the portfolio investment operations and the acquisition of CAF in Italy. In addition to growing revenues, operational improvements and a turnaround in Italy have contributed to the improvement in the margin. The high level of investment continues throughout the region, and preparations for the strategic partnership with Intesa Sanpaolo are progressing well with a view to the transaction being completed in the fourth quarter.

Iberian Peninsula & Latin America

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues excluding revaluations and items affecting comparability	629	730	-14	-22	2,184	2,265	-4	-12	3,046
EBIT adjusted	204	255	-20	-28	748	763	-2	-8	1,062
EBIT margin adjusted, %	32	35			34	34			35

As expected, revenues and operating earnings declined markedly due to early termination of a customer contract (reported and with compensation received in the second quarter of 2018), while volumes from remaining contracts are gradually diminishing. Increased investment activities, as well as cost savings, are partly offsetting the negative effects of the terminated customer contract and stabilizing the margin. The market for portfolio investments and corporate acquisitions in Spain is active and providing opportunities, although Intrum remains committed to invest disciplined.

Service lines

Credit Management

SEK M	July-Sept 2018	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues excluding NRI's and items affecting comparability	2,217	2,155	3	-4	6,854	6,600	4	0	8,852
Service line earnings excl NRI's and items affecting comparability	597	596	0	-6	1,832	1,865	-2	-6	2,450
Service line margin excl NRI's and items affecting comparability, %	27	28			27	28			28

The limited revenue growth is explained by the decline in Spain as a result of the terminated customer contract, partly offset by increasing internal income from collection operations from the Group's investment portfolios. The service line continues to make progress towards its margin targets for the full year through continued focus on operational efficiency and synergies. External organic growth in the service line remains subdued, and marginally negative at about –2 percent.

Financial Services

SEK M	July-Sept 2018	July-Sept 2017	Change %	Fx adj %	Jan-Sept 2018	Pro forma Jan-Sept 2017	Pro forma Change %	Fx adj %	Pro forma Full Year 2017
Revenues	1,557	1,358	15	8	4,653	4,100	13	8	5,506
Service line earnings excl NRI's	837	752	11	5	2,546	2,203	16	13	2,946
Service line margin excl NRI's, %	54	55			55	54			54
Estimated remaining collections	47,874	40,179	19		47,874	40,179	19		44,603
Portfolio investments	927	1,177	-21		4,685	4,986	-6		7,170
PI book value	23,914	19,054	26		23,914	19,054	26		21,149
Return on portfolio investments, %	14	15			15	17			16

The substantial growth in the book value of the portfolios continues to support development in portfolio investments. In accordance with recent trends, the return was marginally lower than in the corresponding quarter last year, although it should be noted that the third quarter is weak and that return can therefore be expected to rise again in the fourth quarter. In general, the price pressure in the market seems to be abating and the decline in the anticipated return on new investments has therefore continued to decrease.

Common costs

The Group continues to show steady progress in reducing common costs, with the majority of the synergies in this area now appearing in earnings. Common costs for the third quarter of 2017 included a positive item affecting comparability of SEK 38 M (regarding invoicing of common costs to companies that were at the time reported as discontinued operations). Cleared of this item, common costs have decreased compared with the preceding year, despite new units having been acquired.

Taxation assessments

Intrum Justitia's assessment is 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 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 133 M (71) for the nine-month period and earnings before tax of SEK 1,858 M (–836). The improvement in earnings is explained by higher income from subsidiaries, including income realized on divesting shares in subsidiaries and dividends received. The Parent Company invested SEK 11 M (0) in fixed assets during the period and had, at the end of the period, SEK 439 M (3) in cash and equivalents. The average number of employees was 71 (55).

Transactions with related parties

During the quarter, there have been no significant transactions between Intrum and other closely related companies, boards or Group management teams.

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 34.16A also appear in other parts of the interim report.

The Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. For reasons of competition, the Group was obliged to divest Intrum Justitia's subsidiaries in Norway and Lindorff's subsidiaries in Sweden, Finland, Denmark and Estonia within a certain period following the merger with Lindorff. In accordance with IFRS 5, net earnings after tax in these companies is reported on a separate line in the consolidated income statement, Earnings for the period from discontinued operations after tax. The comparative figures for previous periods are recalculated accordingly. Assets and liabilities are reported on separate lines in the consolidated balance sheet, Assets and liabilities in operations held for sale, effective from the date on which the Group undertook to sell the companies. In accordance with IFRS 5, the comparative figures in the balance sheets are not recalculated for prior periods.

Effective from January 1, 2018, the Group applies IFRS 9 Financial Instruments. The Group's accounting principles have thus changed with regard to portfolio investments, such that the Group's previous limitation that these could never be revalued to a higher value than their cost has been removed. The effect is an increase in the carrying amount as of January 1, 2018 of SEK

53 M and an increase in equity of SEK 50 M. In accordance with the exception stated in IFRS 9, comparison figures for earlier periods have not been recalculated. In connection with the introduction of IFRS 9, IAS 1 Presentation of Financial Statements has also been adjusted, with the effect that income from portfolio investments according to the effective interest rate method, and positive and negative revaluations are now reported on separate lines in the consolidated income statement.

Effective from January 1, 2018, IFRS 15 Revenue from Contracts with Customers is also applied. However, the introduction of IFRS 15 has not had a material impact on the Group's earnings or financial position. In accordance with IFRS 15, in the financial statements, the Group's income broken down by category. Intrum reports income broken down by geographical region, service line and type of income. See tables under the heading "Operating segments".

The Group is preparing for the introduction of IFRS 16 Leases, which will come into effect in 2019. See also Note 1 in the 2017 Annual Report. Intrum has chosen system support to make the calculations needed for reporting in accordance with IFRS 16 and is collecting data on the relevant leases. The main effect on Intrum's accounting is expected to be that the Group's total assets will increase through an asset and liability being recognized in respect of the leases in effect at any given time, and a certain improvement in operating earnings as the implicit interest expense in the lease agreements is to be reported in net financial income and not in operating earnings,

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's 2017 Annual Report. No significant risks are considered to have arisen besides those described in the annual report.

Partnership with Banca Intesa Sanpaolo

In accordance with the description given in the interim report for the first quarter, Intrum signed a partnership agreement with the Italian bank Banca Intesa Sanpaolo in April, contributing a collection department with a labor force of 600 and a portfolio of overdue receivables that will be held together with other investors. Intrum's net investment is calculated at EUR 670 M.

The transaction is conditional on the approval of the authorities, and is expected to take place in November. It will comprise a significant contribution to Intrum's planned portfolio investments and acquisition strategy for 2018, supporting the Group's ambitions for profitable growth.

In the second quarter, Intrum made a contribution to the jointly owned company to be used, among other things, as advance payment for the portfolio investment. In the balance sheet, SEK 1,703 M is reported as participations in joint ventures.

Other acquisitions

In July, a majority shareholding of 51 percent was acquired in the Brazilian credit management company iPlatform for a purchase consideration of SEK 15 M. The company will be renamed Intrum. Goodwill recognized in connection with the acquisition amounts to SEK 15 M.

Exchange rates

	30 Sept 2018	30 Sept 2017	31 Dec 2017	Jul-Sept 2018	Jul-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
EUR	10.29	9.65	9.84	10.41	9.55	10.23	9.58	9.63
CHF	9.10	8.42	8.42	9.11	8.44	8.82	8.75	8.67
NOK	1.09	1.03	1.00	1.09	1.02	1.07	1.04	1.03
HUF	0.0317	0.0310	0.0317	0.0321	0.0312	0.0322	0.0311	0.0312

Presentation of the interim report

The interim report and presentation material are available at www.intrum.com/Investor relations. President & CEO Mikael Ericson and CFO Danko Maras will comment on the report at a teleconference on October 26, starting at 9:00 CET. The presentation can also be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 (0)8-566 426 93 (SE), +44 20 3008 9817 (UK), or +1-855-831-5947 (US).

For further information, please contact

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Thomas Moss, Investor Relations, tel: +46 8 546 102 02

Dank Maras is the contact under the EU Market Abuse Regulation.

The information in this interim report is such that Intrum AB (publ) is required to publish under the EU Market Abuse Regulation. The information was provided under the auspices of the contact person above for publication on October 26, 2018 at 7.00 a.m. CET.

Financial calendar 2018

October 26, 2018, Interim report for the third quarter
January 30, 2019, Year-end report 2018

The 2019 Annual General Meeting of Intrum will be held on Friday, April 26, 2019 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

Denna delårsrapport finns även på svenska.

Stockholm, October 26, 2018

Mikael Ericson
President and CEO

Review report

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

Introduction
We have performed a general review of the interim financial report for Intrum AB (publ) for the period January-September 2018. 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.

Other disclosures
The financial pro forma information in this interim report has not been subjected to our review.

Stockholm, October 26, 2018
Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant

About the Intrum Group

Intrum is the industry-leading provider of Credit Management Services with a presence in 24 markets in Europe. Intrum helps companies prosper by offering solutions designed to improve their cash flows and long-term profitability and by caring for their customers. To ensure that individuals and companies get the support they need to become free from debt is one important part of the company's mission. Intrum has more than 7,500 dedicated and empathetic professionals who serve some 80,000 companies across Europe. In 2017, the company generated pro forma revenues of SEK 12.2 billion. Intrum is headquartered in Stockholm, Sweden and the Intrum share is listed on the Nasdaq Stockholm exchange. For further information, please visit www.intrum.com

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Revenues from clients	1,671	1,650	5,406	3,298	5,091	6,834
Revenue on Portfolio investments calculated using the effective interest method	1,509	1,335	4,507	2,994	3,922	5,322
Positive revaluations of Portfolio investments	126	101	387	234	298	398
Negative revaluations of Portfolio investments	-126	-100	-375	-193	-193	-335
Total revenue	**3,180**	**2,986**	**9,925**	**6,333**	**9,118**	**12,219**
Cost of sales	-1,742	-1,588	-5,358	-3,315	-4,848	-6,583
Gross earnings	**1,438**	**1,398**	**4,567**	**3,018**	**4,270**	**5,636**
Sales, marketing and administrative expenses	-600	-420	-1,592	-1,094	-1,584	-2,157
Participation in associated companies and joint ventures	0	-1	0	-3	-3	10
Operating earnings (EBIT)	**838**	**977**	**2,975**	**1,921**	**2,683**	**3,489**
Net financial items	-329	-233	-996	-637	-1,606	-1,942
Earnings before tax	**509**	**744**	**1,979**	**1,284**	**1,077**	**1,547**
Tax	-113	-161	-433	-266	-344	-467
Net income from continuing operations	**396**	**583**	**1,546**	**1,018**	**733**	**1,080**
Profit from discontinued operations, net of tax	0	32	-85	42	143	238
Net earnings for the period	**396**	**615**	**1,461**	**1,060**	**876**	**1,318**
Of which attributable to:						
Parent company's shareholders	397	615	1,462	1,058	874	1,316
Non-controlling interest	-1	0	-1	2	2	2
Net earnings for the period	**396**	**615**	**1,461**	**1,060**	**876**	**1,318**
Average no of shares before and after dilution, '000	131,290	131,541	131,424	92,946		
Earnings per share before and after dilution						
Profit from continuing operations	3.02	4.43	11.12	10.93		
Profit from discontinued operations	0.00	0.24	-0.65	0.45		
Total earnings per share before and after dilution	**3.02**	**4.68**	**10.48**	**11.38**		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017
Net income for the period	396	615	1,461	1,060
Other comprehensive income, items that will be reclassified to profit and loss:				
Currency translation difference	-229	86	673	113
Comprehensive income for the period	**167**	**701**	**2,134**	**1,173**
Of which attributable to:				
Parent company's shareholders	167	702	2,134	1,172
Non-controlling interest	0	-1	0	1
Comprehensive income for the period	**167**	**701**	**2,134**	**1,173**

CONSOLIDATED BALANCE SHEET

SEK M	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Intangible fixed assets			
Goodwill	31,430	25,597	29,565
Capitalized expenditure for IT development and other intangibles	438	1,270	422
Client relationships	1,763	2,400	2,703
Total intangible fixed assets	**33,631**	**29,267**	**32,690**
Tangible fixed assets	**246**	**236**	**245**
Other fixed assets			
Shares in joint ventures	1,703	18	0
Other shares and participations	4	3	3
Portfolio investments	23,914	19,054	21,149
Deferred tax assets	638	647	692
Other long-term receivables	39	33	36
Total other fixed assets	**26,298**	**19,755**	**21,880**
Total fixed assets	**60,175**	**49,258**	**54,815**
Current Assets			
Accounts receivable	720	596	755
Inventory of real estate for sale	155	42	93
Client funds	853	817	902
Tax assets	304	282	347
Other receivables	1,529	857	931
Prepaid expenses and accrued income	617	606	737
Cash and cash equivalents	1,450	677	881
Total current assets	**5,628**	**3,877**	**4,646**
Non-current assets of disposal group held for sale	0	9,920	8,314
TOTAL ASSETS	**65,803**	**63,055**	**67,775**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Attributable to parent company's shareholders	23,314	21,896	22,436
Attributable to non-controlling interest	12	3	3
Total shareholders' equity	**23,326**	**21,899**	**22,439**
Long-term liabilities			
Liabilities to credit institutions	109	1,189	2,703
Bond loans	33,447	32,516	32,052
Other long-term liabilities	374	301	374
Provisions for pensions	194	164	175
Other long-term provisions	5	22	9
Deferred tax liabilities	1,250	1,255	1,206
Total long-term liabilities	**35,379**	**35,447**	**36,519**
Current liabilities			
Liabilities to credit institutions	18	64	0
Bond loans	1,000	0	1,000
Commercial paper	1,380	1,030	2,269
Client funds payable	853	817	902
Accounts payable	476	473	572
Income tax liabilities	440	317	364
Advances from clients	64	45	64
Other current liabilities	1,069	763	541
Accrued expenses and prepaid income	1,693	1,325	1,794
Other short-term provisions	105	90	143
Total current liabilities	**7,098**	**4,924**	**7,649**
Non-current liabilities of disposal group held for sale	0	785	1,168
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**65,803**	**63,055**	**67,775**

FAIR VALUE OF FINANCIAL INSTRUMENTS
Most of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, cash and equivalents, liabilities to credit institutions, bonds, commercial papers, accounts payable and other liabilities) are carried in the accounts at amortized cost. For most of these financial instruments, the carrying amount is assessed to be a good estimate of fair value. The Group also has financial assets and liabilities in the form of currency forward exchange contracts, which are carried in the accounts at fair value in the income statement. They amount to small sums.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M		**2018**			2017	
	Attributable to Parent Company's shareholders	Non-controlling interest	**Total**	Attributable to Parent Company's shareholders	Non-controlling interest	**Total**
Opening Balance, January 1	22,436	3	22,439	4,043	87	4,130
Change in accounting principles according to IFRS 9	50		50			0
Dividend	-1,250		-1,250	-651		-651
New issue of shares			0	17,332		17,332
Acquired non-controlling interest		9	9		-85	-85
Repurchase of shares	-56		-56			0
Comprehensive income for the period	2,134	0	2,134	1,172	1	1,173
Closing Balance, September 30	**23,314**	**12**	**23,326**	**21,896**	**3**	**21,899**

In addition to appearing in the financial statements, disclosures in accordance with IAS 34.16A also appear in other parts of the interim report.

CONSOLIDATED CASH FLOW STATEMENT

SEK M	**July-Sept 2018**	July-Sept 2017	**Jan-Sept 2018**	Jan-Sept 2017
Cash flows from continuing operations				
Operating activities				
Operating earnings (EBIT)	838	977	2,975	1,921
Depreciation/amortization and impairment write-down	154	163	684	245
Amortization/revaluation of purchased debt	998	866	2,875	1,845
Other adjustment for items not included in cash flow	-10	0	-217	-16
Interest received	18	2	43	18
Interest paid	-467	-57	-1,100	-144
Other financial expenses paid	-187	-70	-109	-344
Income tax paid	-112	-97	-321	-283
Cash flow from operating activities before changes in working capital	**1,232**	**1,784**	**4,830**	**3,242**
Changes in factoring receivables	-4	7	-74	-39
Other changes in working capital	-14	5	-415	-8
Cash flow from operating activities	**1,214**	**1,796**	**4,341**	**3,195**
Investing activities				
Purchases of tangible and intangible fixed assets	-68	-38	-224	-115
Portfolio investments in receivables and inventory of real estate	-917	-1,124	-4,158	-4,317
Purchases of shares in subsidiaries and associated companies	-15	-2	-1,678	-171
Liquid assets in acquired/divested subsidiaries	0	0	-400	975
Proceeds from divestment of subsidiaries and associated companies	0	0	7,511	0
Other cash flow from investing activities	6	-1	720	-2
Cash flow from investing activities	**-994**	**-1,165**	**1,771**	**-3,630**
Financing activities				
Borrowings and repayment of loans	259	-638	-4,275	1,650
Repurchase of shares	0	0	-56	0
Share dividend to parent company's shareholders	0	-651	-1,250	-651
Cash flow from financing activities	**259**	**-1,289**	**-5,581**	**999**
Cash flows from continuing operations	479	-658	531	564
Cash flows from discontinued operations	0	-107	-372	-108
Total change in liquid assets	**479**	**-765**	**159**	**456**
Opening balance of liquid assets	**968**	**1,617**	**1,253**	**396**
Exchange rate differences in liquid assets	3	12	38	12
Closing balance of liquid assets	**1,450**	**864**	**1,450**	**864**
Thereof liquid assets in discontinued operations	0	187	0	187
Discontinued operations				
Cash flow from operating activities	0	189	13	199
Cash flow from investing activities	0	-230	-589	-236
Cash flow from financing activities	0	-66	204	-71
Group total				
Cash flow from operating activities	1,214	1,985	4,354	3,394
Cash flow from investing activities	-994	-1,395	1,182	-3,866
Cash flow from financing activities	259	-1,355	-5,377	928

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 3 2018	Quarter 2 2018	Quarter 1 2018	Quarter 4 2017	Quarter 3 2017	Quarter 2 2017	Quarter 1 2017	Quarter 4 2016
Revenues, SEK M	3,180	3,630	3,115	3,101	2,986	1,796	1,551	1,657
Revenue growth, %	6	102	101	4	66	26	14	23
Cash EBITDA, SEK M	1,990	2,596	1,948	1,943	2,005	995	1,011	1,034
EBITDA, SEK M	992	1,593	1,074	1,000	1,139	518	508	592
EBIT, SEK M	838	1,240	897	807	977	476	468	543
Non-recurring items (NRI's) in EBIT, SEK M	-257	-173	-89	-157	-61	-163	-17	5
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0	-316	0	0
Revaluations of portfolio investments, SEK M	0	-1	13	-44	1	41	-1	5
Items affecting comparability, SEK M	0	218	0	25	38	0	0	0
Cash EBITDA excl NRI's, SEK M	2,247	2,769	2,037	2,100	2,065	1,158	1,028	1,029
EBITDA excl NRI's, SEK M	1,249	1,766	1,163	1,157	1,199	681	526	587
EBIT excl NRI's, SEK M	1,095	1,413	986	967	1,037	639	485	538
EBIT ajdusted, SEK M	1,095	1,196	973	983	999	598	486	533
Net earnings, SEK M	396	701	364	443	615	98	347	429
Earnings per share, SEK	3.02	5.33	2.77	3.37	4.68	1.32	4.77	5.90
EPS growth, %	-35	304	-42	-43	-9	-73	12	57
Average number of shares, '000	131,291	131,442	131,541	131,541	74,299	74,299	72,348	72,348
Number of shares outstanding at end of period, '000	131,291	131,291	131,541	131,541	131,541	131,541	72,348	72,348
Net Debt, SEK M	34,698	35,265	32,043	37,322	34,290	34,254	8,738	7,260
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M								
Credit Management	597	687	548	585	596	307	257	332
Financial Services	837	882	827	743	752	538	412	393
Common costs	-338	-363	-400	-390	-349	-206	-184	-188
Estaimated remaining collections (ERC), SEK M	47,874	49,313	46,929	44,603	40,179	21,409	17,645	16,012
Return on portfolio investments, %	14	15	15	15	20	17	22	21
Portfolio investments, SEK M	927	2,385	2,784	1,177	835	2,374	1,162	643
Average number of employees	7,571	7,886	7,806	8,349	4,369	4,172	3,993	3,864

CONSOLIDATED FIVE-YEAR OVERVIEW

	2018 July-Sept	2017 July-Sept	2016 July-Sept	2015 July-Sept	2014 July-Sept
Revenues, SEK M	3,180	2,986	1,433	1,334	1,250
Revenue growth, %	6	108	7	7	15
Cash EBITDA, SEK M	1,990	2,005	934	824	773
EBITDA, SEK M	992	1,139	546	478	440
EBIT, SEK M	838	977	506	437	402
Non-recurring items (NRI's) in EBIT, SEK M	-257	-61	15	-31	0
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0
Revaluations of portfolio investments, SEK M	0	1	-29	28	14
Items affecting comparability, SEK M	0	38	n/a	n/a	n/a
Cash EBITDA excl NRI's, SEK M	2,247	2,065	919	855	773
EBITDA excl NRI's, SEK M	1,249	1,199	531	509	440
EBIT excl NRI's, SEK M	1,095	1,037	491	468	402
EBIT adjusted, SEK M	1,095	999	520	440	388
Net earnings, SEK M	396	615	375	330	311
Earnings per share, SEK	3.02	4.68	5.14	4.51	4.09
EPS growth, %	-35	-9	14	10	46
Average number of shares, '000	131,291	74,299	72,348	72,885	75,885
Number of shares outstanding at end of period, '000	131,291	131,541	72,348	72,693	75,428
Net Debt, SEK M	34,698	34,290	7,053	5,815	5,215
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M					
Credit Management	597	596	259	266	237
Financial Services	837	752	406	354	285
Common costs	-338	-349	-174	-152	-120
Estaimated remaining collections (ERC), SEK M	47,874	40,179	16,012	13,784	13,724
Return on portfolio investments, %	14	15	21	20	21
Portfolio investments, SEK M	927	1,177	643	315	261
Average number of employees	7,571	8,349	3,864	3,734	3,748

CONSOLIDATED FIVE-YEAR OVERVIEW

	2017 Full Year	2016 Full Year	2015 Full Year	2014 Full Year	2013 Full Year
Revenues, SEK M	9,434	5,869	5,419	4,958	4,355
Revenue growth, %	61	8	9	14	13
Cash EBITDA, SEK M	5,953	3,668	3,193	2,916	2,623
EBITDA, SEK M	3,165	2,090	1,736	1,546	1,318
EBIT, SEK M	2,728	1,921	1,577	1,382	1,168
Non-recurring items (NRI's) in EBIT, SEK M	-397	10	-54	36	0
Non-recurring items (NRI's) in net financial items, SEK M	-316	0	0	0	-13
Revaluations of portfolio investments, SEK M	-3	45	32	33	5
Items affecting comparability, SEK M	25	n/a	n/a	n/a	n/a
Cash EBITDA excl NRI's, SEK M	6,350	3,658	3,247	2,880	2,623
EBITDA excl NRI's, SEK M	3,562	2,080	1,790	1,510	1,318
EBIT excl NRI's, SEK M	3,125	1,911	1,631	1,346	1,168
EBIT adjusted, SEK M	3,103	1,866	1,599	1,313	1,163
Net earnings, SEK M	1,503	1,468	1,172	1,041	819
Earnings per share, SEK	14.62	20.15	15.92	13.48	10.30
EPS growth, %	-27	27	18	31	41
Dividend per share, SEK	9.50	9.00	8.25	7.00	5.75
Average number of shares, '000	102,674	72,348	73,097	76,462	79,306
Number of shares outstanding at end of period, '000	131,541	72,348	72,348	73,848	78,547
Net Debt, SEK M	37,322	7,260	6,026	5,635	4,328
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M					
Credit Management	1,745	1,098	998	868	761
Financial Services	2,445	1,521	1,332	1,190	958
Common costs	-1,091	-708	-699	-712	-551
Estaimated remaining collections (ERC), SEK M	44,603	17,645	15,073	13,682	12,454
Return on portfolio investments, %	16	20	20	20	21
Portfolio investments, SEK M	7,170	3,084	2,271	1,909	2,503
Average number of employees	6,293	3,865	3,738	3,694	3,427

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	**July-Sept 2018**	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full-year 2017
Service line earnings portfolio investments	829	732	13	2,500	2,403	2,222	13	2,979
Average carrying value of portfolio investments	24,079	18,900	27	22,532	13,829	17,694	27	18,743
Return on portfolio investments, %	**14**	**15**		**15**	**23**	**17**		**16**
EBIT	838	977	-14	2,975	1,921	2,683	11	3,489
Depreciation	154	162	-5	684	245	549	25	742
Amortization and revaluations	998	866	15	2,875	1,845	2,352	22	3,295
Cash EBITDA	**1,990**	**2,005**	**-1**	**6,534**	**4,011**	**5,584**	**17**	**7,526**
EBIT	838	977	-14	2,975	1,921	2,683	11	3,489
Depreciation	154	162	-5	684	245	549	25	742
EBITDA	**992**	**1,139**	**-13**	**3,659**	**2,166**	**3,232**	**13**	**4,231**
Cash EBITDA	1,990	2,005	-1	6,534	4,011	5,584	17	7,526
Non-recurring items, NRI's	257	61	323	519	240	343	51	499
Cash EBITDA excl NRI's	**2,247**	**2,066**	**9**	**7,053**	**4,251**	**5,927**	**19**	**8,025**
EBITDA	992	1,139	-13	3,659	2,166	3,232	13	4,231
Non-recurring items, NRI's	257	61	323	519	240	343	51	499
EBITDA excl NRI's	**1,249**	**1,200**	**4**	**4,178**	**2,406**	**3,575**	**17**	**4,730**
EBIT	838	977	-14	2,975	1,921	2,683	11	3,489
Non-recurring items, NRI's	257	61	323	519	240	343	51	499
EBIT excl NRI's	**1,095**	**1,038**	**6**	**3,494**	**2,161**	**3,026**	**15**	**3,988**
EBIT	838	977	-14	2,975	1,921	2,683	11	3,489
Non-recurring items, NRI's	257	61		519	240	343		499
Revaluations of portfolio investments	0	-1		-12	-41	-105		-63
Items affecting comparability	0	-38		-218	-38	-38		-25
EBIT adjusted	**1,095**	**999**	**10**	**3,264**	**2,082**	**2,882**	**13**	**3,900**
Liabilities to credit institutions	127	1,253	-90	127	1,253	1,253	-90	2,703
Bond loans	34,447	32,516	6	34,447	32,516	32,516	6	33,052
Provisions for pensions	194	164	18	194	164	164	18	175
Commercial paper	1,380	1,030	34	1,380	1,030	1,030	34	2,269
Other interest-bearing liabilities	0	4	-100	0	4	4	-100	4
Cash and cash equivalents	-1,450	-677	114	-1,450	-677	-677	114	-881
Net Debt	**34,698**	**34,290**	**1**	**34,698**	**34,290**	**34,290**	**1**	**37,322**

OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Northern Europe	977	997	-2	2,928	2,070	2,927	0	3,869
Central & Eastern Europe	913	770	19	2,674	1,974	2,445	9	3,246
Western & Southern Europe	624	496	26	1,853	1,268	1,477	25	2,056
Iberian Peninsula & Latin America	666	723	-8	2,470	1,021	2,269	9	3,048
Total revenues from external clients	**3,180**	**2,986**	**6**	**9,925**	**6,333**	**9,118**	**9**	**12,219**

REGIONS – REVALUATIONS OF PORTFOLIO INVESTMENTS

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Northern Europe	-6	13	10	10	33	42
Central & Eastern Europe	-23	-9	-21	23	56	13
Western & Southern Europe	-8	4	-40	6	13	6
Iberian Peninsula & Latin America	37	-7	63	2	4	2
Total revaluation	**0**	**1**	**12**	**41**	**105**	**63**

REGIONS – ITEMS AFFECTING COMPARABILITY IN NET REVENUES

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Northern Europe	0	0	0	0	0	0
Central & Eastern Europe	0	0	0	0	0	0
Western & Southern Europe	0	0	0	0	0	0
Iberian Peninsula & Latin America	0	0	223	0	0	0
Total Items affecting comparability	**0**	**0**	**223**	**0**	**0**	**0**

REGIONS – REVENUES EXCLUDING REVALUATIONS AND ITEMS AFFECTING COMPARABILITY

SEK M	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Northern Europe	983	984	-0	2,918	2,060	2,894	1	3,827
Central & Eastern Europe	936	779	20	2,695	1,951	2,389	13	3,233
Western & Southern Europe	632	492	28	1,893	1,262	1,464	29	2,050
Iberian Peninsula & Latin America	629	730	-14	2,184	1,019	2,265	-4	3,046
Total revenues excluding revaluations and items affecting comparability	**3,180**	**2,985**	**7**	**9,690**	**6,292**	**9,013**	**8**	**12,156**

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Northern Europe	316	399	-21	974	727	984	-1	1,271
Central & Eastern Europe	341	262	30	908	693	830	9	968
Western & Southern Europe	-46	72	-164	120	153	156	-23	292
Iberian Peninsula & Latin America	227	244	-7	973	348	713	36	958
Total EBIT	**838**	**977**	**-14**	**2,975**	**1,921**	**2,683**	**11**	**3,489**
Net financial items	-329	-233	41	-996	-637	-1,606	-38	-1,942
Earnings before tax	**509**	**744**	**-32**	**1,979**	**1,284**	**1,077**	**84**	**1,547**

REGIONS – NON-RECURRING ITEMS (NRI'S)

SEK M	**July-Sept 2018**	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Northern Europe	-30	-47	-76	-105	-160	-183
Central & Eastern Europe	-32	-4	-127	-78	-88	-159
Western & Southern Europe	-181	-5	-260	-34	-41	-51
Iberian Peninsula & Latin America	-14	-4	-56	-23	-53	-106
Total NRI's	**-257**	**-61**	**-519**	**-240**	**-343**	**-499**

REGIONS – ITEMS AFFECTING COMPARABILITY IN OPERATING EARNINGS (EBIT)

SEK M	**July-Sept 2018**	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Northern Europe	0	38	0	38	38	0
Central & Eastern Europe	0	0	0	0	0	0
Western & Southern Europe	0	0	0	0	0	25
Iberian Peninsula & Latin America	0	0	218	0	0	0
Total Items affecting comparability	**0**	**38**	**218**	**38**	**38**	**25**

REGIONS – EBIT ADJUSTED

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Northern Europe	352	395	-11	1,040	784	1,073	-3	1,412
Central & Eastern Europe	396	275	44	1,056	748	862	23	1,114
Western & Southern Europe	143	73	95	420	181	185	127	312
Iberian Peninsula & Latin America	204	255	-20	748	369	763	-2	1,062
Total EBIT adjusted	**1,095**	**999**	**10**	**3,264**	**2,082**	**2,882**	**13**	**3,900**

REGIONS – EBIT MARGIN ADJUSTED

%	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Northern Europe	36	40	36	38	37	37
Central & Eastern Europe	42	35	39	38	36	34
Western & Southern Europe	23	15	22	14	13	15
Iberian Peninsula & Latin America	32	35	34	36	34	35
EBIT margin adjusted	**34**	**33**	**34**	**33**	**32**	**32**

REGIONS – BOOK VALUE PORTFOLIO INVESTMENTS

SEK M	30 Sep 2018	30 Sep 2017	Change %	30 Sep 2018	30 Sep 2017	Change %	31 Dec 2017
Northern Europe	7,178	6,596	9	7,178	6,596	9	6,607
Central & Eastern Europe	7,747	6,113	27	7,747	6,113	27	6,916
Western & Southern Europe	5,212	3,535	47	5,212	3,535	47	4,236
Iberian Peninsula & Latin America	3,777	2,810	34	3,777	2,810	34	3,390
Total book value	**23,914**	**19,054**	**26**	**23,914**	**19,054**	**26**	**21,149**

SERVICE LINES – REVENUES

SEK M	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Credit Management	2,217	2,155	3	7,077	4,449	6,600	7	8,852
Financial Services	1,557	1,358	15	4,653	3,110	4,100	13	5,506
Elimination of inter-service line revenue	-594	-527	13	-1,805	-1,226	-1,581	14	-2,138
Total revenues	**3,180**	**2,986**	**6**	**9,925**	**6,333**	**9,119**	**9**	**12,220**

REVENUES BY TYPE

SEK M	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
External Credit Management revenues	1,623	1,628	-0	5,272	3,223	5,019	5	6,714
Collections on portfolio investments	2,507	2,202	14	7,394	4,880	6,380	16	8,680
Amortization of portfolio investments	-998	-867	15	-2,887	-1,886	-2,458	17	-3,358
Revaluation of portfolio investments	0	1	-100	12	41	106	-89	63
Other revenues from Financial Services	48	22	118	134	75	72	86	121
Total revenues	**3,180**	**2,986**	**6**	**9,925**	**6,333**	**9,119**	**9**	**12,220**

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	July-Sept 2018	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Credit Management	553	588	-6	1,924	1,152	1,842	4	2,394
Financial Services	837	743	13	2,543	1,704	2,205	15	2,957
Common costs	-552	-354	56	-1,492	-935	-1,364	9	-1,863
Total EBIT	**838**	**977**	**-14**	**2,975**	**1,921**	**2,683**	**11**	**3,489**

SERVICE LINES – NON-RECURRING ITEMS (NRI'S)

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Credit Management	-44	-8	-126	-8	-23	-81
Financial Services	0	-9	-3	2	2	11
Common costs	-214	-43	-391	-234	-322	-429
Total NRI's	**-257**	**-60**	**-519**	**-240**	**-343**	**-499**

SERVICE LINES – ITEMS AFFECTING COMPARABILITY IN NET REVENUES

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Credit Management	0	0	223	0	0	0
Financial Services	0	0	0	0	0	0
Common costs	0	0	0	0	0	0
Total Items affecting comparability	**0**	**0**	**223**	**0**	**0**	**0**

SERVICE LINES – ITEMS AFFECTING COMPARABILITY IN SERVICE LINE EARNINGS

SEK M	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Credit Management	0	0	218	0	0	25
Financial Services	0	0	0	0	0	0
Common costs	0	38	0	38	38	0
Total Items affecting comparability	**0**	**38**	**218**	**38**	**38**	**25**

SERVICE LINES – SERVICE LINE EARNINGS EXCLUDING NRI'S AND ITEMS AFFECTING COMPARABILITY

SEK M	**July-Sept 2018**	July-Sept 2017	Change %	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Change %	Pro forma Full Year 2017
Credit Management	597	596	0	1,832	1,160	1,865	-2	2,450
Financial Services	837	752	11	2,546	1,702	2,203	16	2,946
Common costs	-338	-349	-3	-1,101	-739	-1,080	2	-1,434
Total EBIT excl NRI's and Items affecting comparability	**1,095**	**999**	**10**	**3,276**	**2,123**	**2,988**	**10**	**3,963**

SERVICE LINES – SERVICE LINE MARGINS EXCLUDING NRI'S AND ITEMS AFFECTING COMPARABILITY

%	**July-Sept 2018**	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Pro forma Jan-Sept 2017	Pro forma Full Year 2017
Credit Management	27	28	27	26	28	28
Financial Services	54	55	55	55	54	54
EBIT margin excl NRI's and items affecting comparability	**34**	**33**	**33**	**34**	**33**	**32**

PARENT COMPANY
INTRUM AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Jan-Sept 2018	Jan-Sept 2017	Full Year 2017
Revenues	133	71	159
Gross earnings	**133**	**71**	**159**
Sales and marketing expenses	-38	-20	-36
Administrative expenses	-577	-323	-460
Operating earnings (EBIT)	**-482**	**-272**	**-337**
Income from subsidiaries	1,795	56	368
Exchange rate differences on monetary items classified as expanded investment	927	-247	-166
Net financial items	-382	-373	-444
Earnings before tax	**1,858**	**-836**	**-579**
Tax	0	0	199
Net earnings for the period	**1,858**	**-836**	**-380**

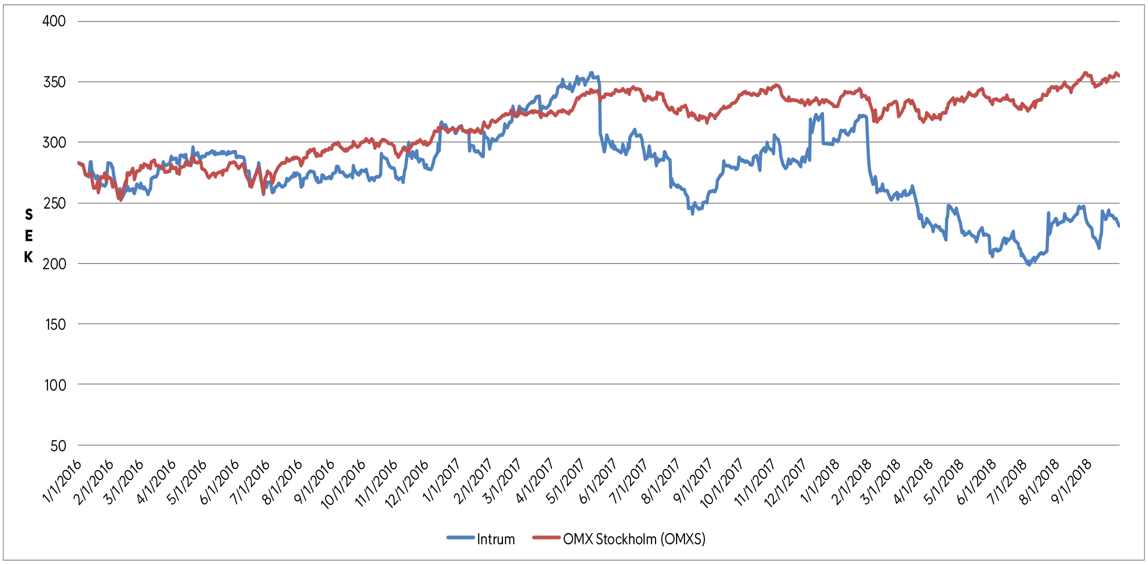
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Jan-Sept 2018	Jan-Sept 2017	Full Year 2017
Net earnings for the period	1,858	-836	-380
Other comprehensive income: Change of translation reserve (fair value reserve)	-1,955	295	47
Total comprehensive income	**-97**	**-541**	**-333**

BALANCE SHEET – PARENT COMPANY

SEK M	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Fixed assets			
Intangible fixed assets	17	0	10
Financial fixed assets	48,776	52,224	53,541
Total fixed assets	**48,793**	**52,224**	**53,551**
Current assets			
Current receivables	8,996	5,025	7,365
Cash and cash equivalents	439	3	95
Total current assets	**9,435**	**5,028**	**7,460**
TOTAL ASSETS	**58,228**	**57,252**	**61,011**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity	285	284	285
Unrestricted equity	15,907	17,103	17,310
Total shareholders' equity	**16,192**	**17,387**	**17,595**
Long-term liabilities	35,951	37,124	38,006
Current liabilities	6,085	2,741	5,410
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**58,228**	**57,252**	**61,011**

SHARE PRICE TREND



OWNERSHIP STRUCTURE

30 September 2018	**No of shares**	**Capital and Votes, %**
Nordic Capital	57,728,956	44.0
Sampo Oyj	6,864,969	5.2
NN Investment Partners	6,505,253	5.0
Handelsbanken Funds	5,214,000	4.0
Lannebo Funds	4,493,843	3.4
Jupiter Asset Management	3,615,418	2.8
AMF Insurance & Funds	2,876,940	2.2
Swedbank Robur Funds	2,820,586	2.1
Vanguard	2,629,061	2.0
Odin Funds	2,224,737	1.7
BNP Paribas Investments Partners	1,965,279	1.5
Nordnet Pension Insurance	1,675,643	1.3
Janus Henderson Investors	1,300,000	1.0
BlackRock	1,039,639	0.8
TIAA - Teachers Advisors	1,014,965	0.8
Total, fifteen largest shareholders	**101,969,289**	**77.7**

Total number of shares: **131,291,320**

Treasury shares, 250,000 shares, are not included in the total number of shares outsta

Swedish ownership accounted for 26.2 percent (institutions 5.6 percentage points, mutual funds 13.6 percentage points, retail 7.0 percentage points) Source: Modular Finance Holdings and Intrum

Definitions

Result concepts, key figures and alternative indicators

Consolidated net revenues

Consolidated net revenues include external credit management income (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from portfolio investments operations (collected amounts less amortization and revaluations for the period) and other income from financial services (fees and net interest from financing services).

Operating earnings (EBIT)

Operating earnings consist of net revenues less operating expenses as shown in the income statement.

Operating margin

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

Portfolio investments – collected amounts, amortizations and revaluations

Portfolio investments consist of portfolios of delinquent consumer debts purchased at prices below the nominal receivable. These are recognized at amortized cost applying the effective interest method, based on a collection forecast established at the acquisition date of each portfolio. Net revenues attributable to portfolio investments consist of collected amounts less amortization for the period and revaluations. The amortization 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.

Revenues, operating earnings and operating margin, excluding revaluations

The revaluation of portfolio investments in the period is included in consolidated net revenues and operating earnings. Revaluations are performed in connection with changes in estimates of future collections, and are therefore inherently difficult to predict. They have low forecast values for future earnings trends, particularly for an individual geographical region. Consequently, Intrum also reports alternative key figures in which revenues, operating earnings and operating margin are calculated excluding purchased debt revaluations.

Organic growth

Organic growth refers to the average increase in net revenues in local currency, adjusted for revaluations of portfolio investments and 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.

Service line earnings

Service line earnings relate to the operating earnings of each service line, Credit Management and Financial Services, excluding common costs for sales, marketing and administration.

Service line margin

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

Return on portfolio investments

Return on portfolio investments 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. The ratio sets the service line's earnings in relation to the amount of capital tied up and is included in the Group's financial targets.

Net debt

Net debt is interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables.

EBITDA

Operating earnings before depreciation and amortization (EBITDA) are operating earnings after reversal of depreciation of fixed assets except portfolio investments.

Cash EBITDA

Cash EBITDA is operating earnings after depreciation on fixed assets as well as amortization and revaluations of portfolio investments are added back.

EBIT adjusted

EBIT adjusted is the operating earnings excluding revaluations of portfolio investments, items affecting comparability and non-recurring items (NRIs).

RTM

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

Net debt/RTM operating earnings before depreciation and amortization (EBITDA)

This key figure refers to net debt divided by consolidated operating earnings before depreciation, amortization and impairment (EBITDA) on a rolling 12-month basis. The key figure is included among the Group's financial targets, is an important measure for assessing the level of the Group's borrowings, and is a widely accepted measure of financial capacity among lenders.

Currency-adjusted change

With regard to trends in revenues and operating earnings, excluding revaluations for each region, the percentage change is stated in comparison with the corresponding year-earlier period, both in terms of the change in the respective figures in SEK and in the form of a currency-adjusted change, in which the effect of changes in exchange rates has been excluded. The currency-adjusted change is a measure of the development of the Group's operations that management has the ability to influence.

Non-recurring items (NRIs)

Significant earnings items that are not included in the Group's normal recurring operations and that are not expected to return on a regular basis. Non-recurring items include restructuring costs, closure costs, reversal of restructuring or closure reservations, cost savings programs, integration costs, extraordinary projects, divestments, impairment of non-current fixed assets other than portfolio investments, acquisition and divestment costs, advisory costs for discontinued acquisition projects, costs for relocation to new office space, termination and recruitment costs for members of Group Management and country managers, as well as external costs for disputes and unusual agreements. Non-recurring items are specified because they are difficult to predict and have low forecast values for the Group's future earnings trend.

Items affecting comparability

Significant income statement items included in the Group's regular recurring operations and which may recur in any form, but which distort the comparison between the periods.

EBIT, EBITDA AND cash EBITDA, excluding NRIs

In accordance with the above, the key figures EBIT, EBITDA and Cash EBITDA are also reported after recurring non-recurring items, NRIs.

Expected remaining collections, ERC

Estimated remaining collections are the nominal value of expected future collections on the Group's portfolio investments.

Pro forma financial reports including Lindorff

Pro forma financial reports are issued for the Group including Lindorff, as if Lindorff had been included in the Group for the entire period, as well as in the comparative figures. Pro forma earnings have been calculated by adding Intrum's and Lindorff's actual results for each period without making adjustments for the periods in which transaction costs would have been incurred if the acquisition had taken place at another time. Fair value adjustments made in the acquisition analysis on Intrum Justitia's acquisition of Lindorff are not recognized in earnings for any period, although they can be recognized as costs in the acquired legal entity.

Portfolio investments

Investments in portfolios of overdue receivables for the period, with and without collateral, and investments in properties held for sale, acquired together with portfolios of receivables.

Region Northern Europe

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

Region Central and Eastern Europe

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

Region Western and Southern Europe

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

Region Iberian Peninsula & Latin America

Region Iberian Peninsula & Latin America comprises the Group's activities for external clients and debtors in Spain, Portugal and Brazil.