YEAR-END REPORT

January–December 2016

intrum justitia

YEAR-END REPORT 2016

FOURTH QUARTER 2016

- Consolidated revenues for the fourth quarter of 2016 amounted to SEK 1,719 M (1,396).
- Operating earnings (EBIT) amounted to SEK 559 M (385). The operating earnings include revaluations of purchased debt portfolios amounting to –2 SEK M (–36). The operating margin excluding revaluations was 33 percent (29).
- Earnings also included items affecting comparability with a positive impact on operating earnings of SEK 39 M. These relate to a positive effect of SEK 69 M from the sale of purchased debt portfolios. The quarter was further burdened by transaction costs of SEK 30 M related to the planned merger with Lindorff.
- Net earnings for the quarter amounted to SEK 429 M (274) and earnings per share were SEK 5.90 (3.76).
- Cash flow from operating activities amounted to SEK 1,112 M (878).
- The carrying amount of purchased debt has increased by 24 percent compared with the fourth quarter of 2015. Investments in purchased debt during the quarter amounted to SEK 1,166 M (1,130).
- The Extraordinary General Meeting December 14, 2016 approved the Board's proposed combination with Lindorff.

FULL-YEAR 2016

- Consolidated revenues during the 2016 full-year amounted to SEK 6,088 M (5,628).
- Operating earnings (EBIT) amounted to SEK 1,978 M (1,624). The operating earnings include revaluations of purchased debt portfolios amounting to SEK 49 M (31). The operating margin excluding revaluations was 32 percent (28).
- Earnings also included non-recurring items with a positive impact on operating earnings of SEK 54 M. These relate to a positive effect of SEK 84 M from the sale of purchased debt portfolios. Earnings were further burdened by transaction costs of SEK 30 M related to the planned merger with Lindorff.
- Net earnings for the year amounted to SEK 1,468 M (1,172) and earnings per share were SEK 20.15 (15.92).
- Cash flow from operating activities amounted to SEK 3,374 M (2,905).
- Investments in purchased debt during the year amounted to SEK 3,100 M (2,428).
- The Board of Directors proposes a dividend of SEK 9.00 (8.25) per share, corresponding to a total of SEK 651 M (597).

FOURTH QUARTER

27%
Growth in earnings per share past 12 months

19%
Quarterly change in operating earnings (adjusted for currency effects and revaluations of purchased debt and items affecting comparability)

24%
Change in carrying value of purchased debt over the past 12 months

22%
The quarter's return on purchased debt

SEK 1,166 M
Investments in purchased debt for the quarter

SEK 896 M
Cash flow from purchased debt for the quarter

SEK M unless otherwise indicated	**Oct-Dec** **2016**	Oct-Dec 2015	Change %	**Full-year** **2016**	Full-year 2015	Change %
Revenues	1,719	1,396	23	6,088	5,628	8
Revenues excluding revaluations	1,721	1,432	20	6,039	5,597	8
Operating earnings (EBIT)	559	385	45	1,978	1,624	22
Operating margin, %	33	28		32	29	
Net earnings	429	274	57	1,468	1,172	25
Earnings per share before and after dilution, SEK	5.90	3.76	57	20.15	15.92	27
Cash flow from operating activities	1,112	878	27	3,374	2,905	16
Carrying value purchased debt	8,733	7,027	24	8,733	7,027	24
Return on purchased debt %	22	19		20	20	
Investments in purchased debt	1,166	1,130	3	3,100	2,428	28
Cash flow from purchased debt	896	731	23	3,153	2,724	16
Net debt/RTM EBITDA	1.9	1.8		1.9	1.8	

COMMENT BY PRESIDENT AND CEO MIKAEL ERICSON

Intrum Justitia's fourth quarter 2016 was among the most eventful in the Group's history. At the beginning of the quarter, we concluded acquisitions in Spain and Denmark, strengthening our local Credit Management presence for small and medium-sized enterprises. In October, we were also able to announce the Group's first major investment in a secured debt portfolio, an asset class in which we see strong future growth prospects. In November, we entered into an agreement to acquire 1st Credit in the UK, our largest acquisition to-date, thereby securing an attractive position in one of Europe's largest markets for purchased debt. Last but not least, we ended the year by announcing a planned merger with Lindorff to create the leading European player in our industry and we expect to generate significant value for the new Group's customers, employees and shareholders.

The fourth quarter was financially strong, which demonstrated our organization's capability to maintain a strong customer focus despite multiple transactions that required a lot of attention. Operating earnings were the highest in our history, and we experienced a significant increase in our earnings in all three regions and in both of our service lines. The level of investment was strong, with investments in purchased debt amounting to approximately SEK 1.2 billion and company acquisitions to about SEK 200 million.

For the full year 2016, we can also look back on a very strong development and a strict adherence to our strategy. We have improved our market position through five acquisitions and continued increase in investments in purchased debt, which reached SEK 3.1 billion in 2016, compared with SEK 2.4 billion for 2015. By improving operating efficiency, we have increased the margin in credit management services and maintained a good return on purchased debt of about 20 percent. We have also continued to develop our offering by broadening our presence in new customer segments and asset classes and through continued successful launches of payment services to online merchants. For our key financial ratio, growth in earnings per share, we achieved an increase of 27 percent for 2016, well above our target of 10 percent growth per year.

Equally important during the year has been the development of our Group's contribution to society where we for example signed the ten principles of the UN "Global Compact" to, among other things, improve human rights and fight corruption. In our sustainability efforts we have also continued to develop our contribution to preventing over-indebtedness with "Spendido", an interactive lesson tool for high schools that focuses on credit, consumption and household economics.

We now look forward to a continued positive development for the Group in 2017 while maintaining a focus on offering our customers the most competitive solutions in credit management and financing of receivables. Through our investment activity in 2016 we have significantly increased our addressable market and strengthened our platform for profitable growth. Our planned merger with Lindorff continues to move forward with a competitive review estimated for completion in the second quarter of 2017. I am looking forward with confidence to a strong development for Intrum Justitia over the coming years.

GROUP

SEK M unless otherwise indicated	Oct-Dec 2016	Oct-Dec 2015	Change %	Full-year 2016	Full-year 2015	Change %
Revenues	1,719	1,396	23	6,088	5,628	8
Operating earnings (EBIT)	559	385	45	1,978	1,624	22
Operating margin, %	33	28		32	29	
Net financial items	-48	-51	-6	-168	-167	1
Tax	-82	-60	37	-342	-285	20
Net income	429	274	57	1,468	1,172	25
Average number of employees	4,102	3,841	7	3,975	3,846	3

REVENUES AND EARNINGS

OCTOBER-DECEMBER 2016

Consolidated earnings after tax rose by 57 percent compared with the year-earlier period. Earnings per share for the quarter rose by 57 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 0.3 percent compared with the second quarter of 2015.

The Group's net revenues increased by 23 percent in the fourth quarter compared to the same period last year, attributable to organic growth of 14 percent, acquisition effects of 2 percent, revaluations of purchased debt of 2 percent and positive currency effects of 5 percent. Revaluations of portfolios affected operating earnings by SEK –2 M in the fourth quarter compared with SEK –36 M in the same period last year. In the second quarter, currency effects impacted operating earnings by approximately SEK 23 M compared with the preceding year. Items affecting comparability impacted operating income positively by SEK 39 M in the fourth quarter. Operating earnings improved by 45 percent over the quarter, and when adjusted for currency effects, revaluations of purchased debt portfolios and items affecting comparability, the increase amounted to 19 percent.

The increase in operating earnings excluding revaluations, currency effects and items affecting comparability compared with the same period last year is attributable to improved results in both of the Group's service lines. There has been positive development within Financial Services mainly as a result of increased investment volumes in purchased debt during the year. Credit Management earnings improved through increased volumes from our own portfolios as well as through acquisitions. Within the Group's regions, all units contributed to earnings improvement with particularly strong growth in Central Europe, where high operating efficiency contributed to increased revenues and improved profitability.

Two items affecting comparability improved operating earnings by SEK 39 M in the fourth quarter. These include a positive effect of SEK 69 M which was recognized in the Northern Europe region from the exceptional sale of a purchased debt portfolio. The 69 SEK M has affected collection by 89 M, amortization of purchased debt by SEK –8 M and operating expenses by SEK –12 M. In addition, the quarter was weighed down with transaction fees of SEK 30 M attributable to the planned combination with Lindorff.

FULL-YEAR 2016

Consolidated earnings after tax rose by 25 percent compared with the previous year. Earnings per share for the full-year rose by 27 percent compared with the previous year. Earnings per share were affected by repurchasing of own shares in 2015 which reduced the average number of shares outstanding by 1.0 percent compared with the full year 2015.

Consolidated revenues for the year increased by 8 percent compared with the previous year, as a result of organic growth of 6 percent, acquisition effects of 1 percent and currency effects of 1 percent. Revaluations of portfolios affected operating earnings by 49 M in 2016 compared with 31 M the previous year. Currency effects impacted operating earnings in 2016 by SEK 7 M compared with the previous year. Operating earnings improved by 22 percent during the year and, adjusted for currency effects and revaluations of purchased debt portfolios, the improvement was 21 percent.

The increase in operating earnings, excluding revaluation and currency effects compared with the previous year was mainly attributable to improved performance in Financial Services as a result of increased investments in purchased debt. Within the Group's regions, Central Europe and Northern Europe contributed the most to the increase in earnings compared with the previous year.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to SEK –48 M (–51). Net interest expense for the quarter reached SEK –36 M (–29). Net interest expense was negatively affected by higher borrowing. Exchange rate differences have affected net financial items by SEK –6 M (–4) and other financial items have affected by –6 SEK M (–18). Other financial items refer primarily to bank fees and similar charges in connection with the Group's borrowing. Other financial items for the fourth quarter of 2015 included an item of SEK –13 M for the expensing of previously capitalized borrowing costs associated with the signing of a new loan facility.

For the full-year, net financial items amounted to SEK –168 M (–167) and consisted of net interest expense of SEK –131 M (–122), exchange rate differences of SEK– 7 M (–5) and other financial items of SEK –29 M (–40).

TAXES

Tax expense for the year amounted to 19 percent of profit before tax. In the first three interim reports, tax was reserved corresponding to an expected tax rate of 20 percent. Corrected for this year's effective tax rate in the fourth quarter, the tax rate for this quarter is 16 percent. Further information regarding an assessment of future tax expense is provided in the section "Taxation assessments".

CASH FLOW AND INVESTMENTS

SEK M unless otherwise indicated	Oct-Dec 2016	Oct-Dec 2015	Change %	Full-year 2016	Full-year 2015	Change %
Cash flow from operating activities	1,112	878	27	3,374	2,905	16
Cash flow from investing activities	-1,376	-1,023	35	-3,763	-2,497	51
Total cash flow from operating and investing activities	-264	-145	82	-389	408	-
Cash paid for investments in purchased debt	1,172	868	35	3,374	2,186	54
Cash flow from purchased debt	896	731	23	3,153	2,724	16

Cash flow from operating activities during the fourth quarter amounted to SEK 1,112 M (878). Cash flow from operating activities increased compared with the previous year mainly as a result of higher profit excluding depreciation and amortization.

Cash flow from investing activities during the fourth quarter amounted to SEK –1,376 M compared with –1,023 M for the same period last year. The increase compared with the previous year is mainly attributable to higher payments for investments in purchased debt.

FINANCING

SEK M unless otherwise indicated	Oct-Dec 2016	Oct-Dec 2015	Change %
Net Debt	7,260	6,026	20
Net Debt/RTM EBITDA	1.9	1.8	
Shareholders' equity	4,130	3,166	30
Liquid assets	396	265	49

The Group's net debt expressed as a multiple of operating earnings before depreciation and amortization amounted to 1.9, slightly less than the range for Intrum Justitia's financial target of 2–3 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 72,560,901 shares in the year-earlier period.

GOODWILL

Consolidated goodwill amounted to SEK 3,120 M as per December 31, 2016, compared with SEK 2,810 M as per December 31, 2015. Of this increase SEK 241 M is attributable to acquisitions and SEK 69 M to currency exchange differences.

REGIONS

NORTHERN EUROPE

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change %	Fx adj %	Full Year 2016	Full Year 2015	Change %	Fx adj %
Revenues excluding revaluations	807	669	21	17	2,820	2,652	6	6
Operating earnings excluding revaluations	318	227	40	36	988	842	17	17
Operating margin excluding revaluations, %	39	34	5 ppt		35	32	3 ppt	

The region's revenues, adjusted for revaluations and currency effects, increased by 17 percent compared with the same period last year. Operating earnings adjusted for revaluation and currency effects increased by 36 percent compared with the same period last year. Operating earnings included an item affecting comparability from the sale of debt portfolios, which positively affected the region's revenues for the quarter by SEK 81 M and profit by SEK 69 M. Earnings for the quarter were weighed down by SEK 14 M in transaction costs related to the planned combination with Lindorff. Revenue and operating earnings excluding revaluations, exchange rate effects and items affecting comparability increased compared with the same period last year, mainly through growth in credit management, organically and through acquisitions, and by lower common costs.

CENTRAL EUROPE

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change %	Fx adj %	Full Year 2016	Full Year 2015	Change %	Fx adj %
Revenues excluding revaluations	514	419	23	16	1,775	1,636	8	8
Operating earnings excluding revaluations	171	128	34	26	616	499	23	23
Operating margin excluding revaluations, %	33	31	2 ppt		35	31	4 ppt	

The region's revenues, adjusted for revaluations and currency effects, increased by 16 percent compared with the same period last year. Operating earnings adjusted for revaluation and currency effects increased by 26 percent compared with the same period last year. Earnings for the quarter were weighed down by SEK 9 M in transaction costs related to the planned merger with Lindorff. Revenue and operating earnings excluding revaluations, exchange rate effects and items affecting comparability, increased compared with the same period last year, mainly through growth in Financial Services. Success with several programs to increase operating efficiency has resulted in improved collection and higher levels of investment in purchased debt. In the quarter, the first major acquisition of a secured debt portfolio was completed in the region, with an investment of approximately 600 M. The planned acquisition of 1st Credit in the UK, which is expected to be completed in the first quarter of 2017, will form part of Central Europe (see below under the section "Acquisitions" for more details).

WESTERN EUROPE

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	Fx adj %	**Full Year 2016**	Full Year 2015	Change %	Fx adj %
Revenues excluding revaluations	400	344	16	11	1,444	1,309	10	9
Operating earnings excluding revaluations	72	66	9	4	325	252	29	28
Operating margin excluding revaluations, %	18	19	-1 ppt		23	19	4 ppt	

The region's revenues, adjusted for revaluations and currency effects, increased by 11 percent compared with the same period last year. Operating earnings adjusted for revaluation and currency effects increased by 4 percent compared with the same period last year. Earnings for the quarter were weighed down by SEK 7 M in transaction costs related to the planned merger with Lindorff. Revenue and operating earnings excluding revaluations, exchange rate effects and items affecting comparability increased compared with the same period last year, mainly because of higher investment volumes of purchased debt within Financial Services and acquisitions within Credit Management. Operating earnings for the fourth quarter were impacted by SEK 27 M of redundancy costs taken to increase efficiency. The corresponding cost in the same period last year amounted to about SEK 10 M. The supply of purchased debt in the region remained good but with significant price competition.

SERVICE LINES

CREDIT MANAGEMENT

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	Fx adj %	**Full Year 2016**	Full Year 2015	Change %	Fx adj %
Revenues	1,212	1,160	4	0	4,335	4,194	3	3
Service line earnings	325	278	17	12	1,134	1,049	8	7
Service line margin, %	27	24	3 ppt		26	25	1 ppt	

Revenues from Credit Management, adjusted for currency effects, were unchanged compared with the same period last year. Revenues and operating earnings for the fourth quarter of 2016 were boosted by the service line's share in the sale of debt portfolios of SEK 11 M. Revenues for the fourth quarter of 2015 were boosted by SEK 87 M as a result of the correction of misclassified intercompany revenues during the first three quarters of the year. Adjusted for these effects, fourth quarter revenue growth was approximately 8 percent excluding currency effects, attributable primarily to acquired units as well as growth from revenues from collection of the Group's own portfolios, while revenues from external customers decreased marginally. Operating earnings increased as a result of higher revenues. Operating margin adjusted for non-recurring items was relatively unchanged against the previous year at 26 percent.

FINANCIAL SERVICES

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change %	Fx adj %	Full Year 2016	Full Year 2015	Change %	Fx adj %
Revenues	849	581	46	40	2,902	2,423	20	19
Service line earnings	473	328	44	38	1,635	1,345	22	21
Service line margin, %	56	56	0 ppt		56	56	0 ppt	
Investments in purchased debt	1,166	1,130	3		3,100	2,428	28	
Return on purchased debt, %	22	19	3 ppt		20	20	0 ppt	
Carrying amount, purchased debt	8,733	7,027	24		8,733	7,027	24	

Revenues from Financial Services increased by 40 percent excluding currency effects and by 32 percent excluding currency effects and revaluations. Operating earnings increased by 38 percent excluding currency effects and up 26 percent excluding currency effects and revaluations. The fourth quarter saw a positive effect on earnings of SEK 70 M which was related to the service line's share of earnings from the sale of debt portfolios. Operating earnings adjusted for revaluations, currency effects and items affecting comparability increased by 6 percent, primarily as a result of increased investments in purchased debt, which compensated for a slightly lower return on purchased portfolios. Investments in purchased debt in 2016 amounted to SEK 3.1 billion from SEK 2.4 billion in 2015 which contributed to an increase in the carrying value of 24 percent. Collection in the fourth quarter was very good, generating a return on purchased debt, adjusted for revaluations and items affecting comparability, of 19 percent for the fourth quarter, compared with 21 percent for the same period last year. The slightly lower return compared to the same quarter last year was due to increased price competition in recent years as well as an increase in the proportion of acquisitions in portfolio segments with lower returns. Due to the planned establishment in the UK during the first quarter of 2017 (see below under the section "Acquisitions" for more details) as well as investments in secured debt, the Group's addressable market for purchased debt is expected to increase in coming years.

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 and excluding any impact of the planned combination with Lindorff.

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 sales for the full year of SEK 105 M (102) and a profit before tax of SEK 41 M (1,042), including SEK 224 M (1,237) from earnings attributable to group contributions, dividends and write-down of shares in subsidiaries. The Parent Company invested SEK 0 M (0) in fixed assets during the year and had, at the end of the year, SEK 8 M (37) in cash and equivalents. The average number of employees was 55 (54).

ACCOUNTING PRINCIPLES

This year-end 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 Parent Company applies the updated version of RFR 2 Accounting for Legal Entities which, among other things, requires that exchange rate differences on monetary items classified as expanded net investment in foreign subsidiaries be reported in net financial items instead of as previously in other comprehensive income. Otherwise the same accounting principles and calculation methods are 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 and 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 we acquired a small company within e-commerce financing in Switzerland, Debitoren Services AG, with a preliminary purchase consideration of 69 M.

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

On October 3 Intrum Justitia acquired the Danish company Dansk Kreditorservice A/S (DKS) for a consideration of DKK 95 M on an enterprise value basis. An additional DKK 15 M may be payable in 2018 if certain financial targets for 2017 are reached. DKS is a credit management company with a leading market position in the segment for small and medium-sized enterprises, and has 47 employees. DKS had revenues of approximately DKK 43 M in 2015 with operating earnings of DKK 13 M. Preliminarily, the company is reported in the consolidated accounts in accordance with the following:

(SEK M)	Carrying value before acquisition	Fair value adjustment	Fair value reported in consolidation
Fixed assets	1		1
Current assets	4		4
Cash and bank	7		7
Deferred tax	1		1
Other liabilities	-10		-10
Net assets	**3**	**0**	**3**
Goodwill in the consolidation			126
Purchase price paid			-129
Acquired cash and bank			7
Net impact on cash and bank			**-122**

On October 14, Intrum Justitia acquired the Spanish company Segestión Gabinete Tecnico Empresarial, SL, and its subsidiaries for a purchase consideration of EUR 10 M on an enterprise value basis. Segestión is a credit management company with a leading market position in the customer segment for small and medium-sized enterprises, with 170 employees. Segestión had revenues of approximately EUR 7 M in 2015 with an operating earnings of approximately EUR 0.9 M. Preliminarily, the company is reported in the consolidated accounts in accordance with the following:

(SEK M)	Carrying value before acquisition	Fair value adjustment	Fair value reported in consolidation
Intangible assets	0	10	10
Tangible assets	1		1
Current assets	29	16	45
Cash and bank	23		23
Deferred tax	0	-6	-6
Other liabilities	-73		-73
Net assets	**-20**	**20**	**0**
Goodwill in the consolidation			86
Purchase price paid			-60
Deferred payment			-26
Acquired cash and bank			23
Net impact on cash and bank			**-37**

Intrum Justitia concluded on November 10 an agreement to acquire 1st Credit, a medium-sized company active in purchased debt in the UK. The purchase sum amounted to GBP 130 M on an enterprise value basis attributable to a diversified debt portfolio from various sellers in the financial sector. 1st Credit's operating earnings before depreciation and amortization on purchased debt amounted to approximately GBP 33 M in 2015. The transaction is expected to be concluded during the first quarter of 2017. The purchase price allocation has not been finalized.

COMBINATION WITH LINDORFF

Intrum Justitia announced November 14, 2016, that Intrum Justitia and Lindorff's owners have reached an agreement on a planned combination between Intrum Justitia and Lindorff, a Norwegian credit management group with a similar business model as Intrum Justitia. Lindorff had revenues of approximately SEK 6.4 billion for the twelve months ending September 2016 and operating earnings of approximately SEK 2.4 billion for the same period, pro forma for acquisitions and excluding certain non-recurring items. Lindorff had, as of September, approximately 4,200 employees in 13 countries in Europe, with headquarters in Oslo. The aim of the planned merger is to create the industry's leading provider of credit management services.

The transaction will be carried out by Intrum Justitia acquiring all outstanding shares in Lindorff in exchange for newly-issued shares in Intrum Justitia. An Extraordinary General Meeting on December 14, 2016 resolved to approve the merger with Lindorff and authorized the Board to decide on a new issue of shares as compensation for the shares in Lindorff. The number of new shares to be issued shall not exceed the number of shares equivalent to 45 percent of the total number of shares outstanding in the company after the issue.

The implementation of the transaction is subject to the approval by the regulatory authorities in the relevant jurisdictions as well as by the EU Competition Authorities. The transaction is expected to be completed during the second quarter of 2017, depending on the time needed to secure the aforementioned regulatory approvals.

The purchase price allocation has not been finalized.

DIVIDEND PROPOSAL

The Board of Directors of Intrum Justitia AB proposes that the Annual General Meeting distribute a dividend to the shareholders of SEK 9.00 per share (8.25), corresponding to a total of SEK 651 M (597).

PRESENTATION OF THE YEAR-END REPORT

The year-end report and presentation material are available at www.intrum.com/Investor relations. President & CEO Mikael Ericson and Chief Financial Officer Erik Forsberg will comment on the report at a teleconference January 26, starting at 9:00 CET. The presentation can be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 8 566 426 98 (SE) or +44 20 300 898 01 (UK).

FOR FURTHER INFORMATION, PLEASE CONTACT

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The information in this interim report is such that Intrum Justitia AB (publ) is required to disclose pursuant to the EU's markets abuse directive and the Securities Markets Act. The information was submitted for publication on January 26, 2017 at 7:00 a.m. CET.

FINANCIAL CALENDAR 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 preliminarily on Tuesday, April 25, 2017 at 15:00 CET at the company's offices at Hesselmans torg 14, Nacka, Sweden. The Annual General Meeting may be postponed due to the combination with Lindorff but will be held by June 30, 2017 at the latest.

The year-end report and other financial information are available at Intrum Justitia's website: www.intrum.com

Denna bokslutskommuniké finns även på svenska.

Stockholm, January 26, 2017

Mikael Ericson
President and CEO

This year-end report has not been reviewed by the company's auditors.

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 around 4,200 employees in 20 markets. Consolidated revenues amounted to approximately SEK 6.1 billion in 2016. Intrum Justitia AB has been listed on the Nasdaq Stockholm exchange since 2002. For further information, please visit www.intrum.com

FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Revenues	1,719	1,396	6,088	5,628
Cost of sales	-898	-755	-3,194	-3,087
Gross earnings	**821**	**641**	**2,894**	**2,541**
Sales and marketing expenses	-52	-66	-230	-252
Administrative expenses	-208	-188	-678	-661
Participation in associated companies and joint ventures	-2	-2	-8	-4
Operating earnings (EBIT)	**559**	**385**	**1,978**	**1,624**
Net financial items	-48	-51	-168	-167
Earnings before tax	**511**	**334**	**1,810**	**1,457**
Tax	-82	-60	-342	-285
Net income for the period	**429**	**274**	**1,468**	**1,172**
Of which attributable to:				
Parent company's shareholders	427	273	1,458	1,164
Non-controlling interest	2	1	10	8
Net earnings for the period	**429**	**274**	**1,468**	**1,172**
Earnings per share before and after dilution	5.90	3.76	20.15	15.92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Net income for the period	429	274	1,468	1,172
Other comprehensive income, items that will be reclassified to profit and loss:				
Currency translation difference	1	-59	71	-87
Other comprehensive income, items that will not be reclassified to profit and loss:				
Remeasurement of pension liability	27	-26	27	-26
Comprehensive income for the period	**457**	**189**	**1,566**	**1,059**
Of which attributable to:				
Parent company's shareholders	456	187	1,554	1,053
Non-controlling interest	1	2	12	6
Comprehensive income for the period	**457**	**189**	**1,566**	**1,059**

CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2016	31 Dec 2015
ASSETS		
Intangible fixed assets		
Goodwill	3,120	2,810
Capitalized expenditure for IT development and other intangibles	240	227
Client relationships	63	61
Total intangible fixed assets	**3,423**	**3,098**
Tangible fixed assets	**104**	**118**
Other fixed assets		
Shares in joint ventures	12	6
Other shares and participations	1	1
Purchased debt	8,733	7,027
Deferred tax assets	25	33
Other long-term receivables	6	11
Total other fixed assets	**8,777**	**7,078**
Total fixed assets	**12,304**	**10,294**
Current Assets		
Accounts receivable	305	285
Client funds	588	569
Tax assets	87	42
Other receivables	557	510
Prepaid expenses and accrued income	167	180
Cash and cash equivalents	396	265
Total current assets	**2,100**	**1,851**
TOTAL ASSETS	**14,404**	**12,145**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Attributable to parent company's	4,043	3,086
Attributable to non-controlling interest	87	80
Total shareholders' equity	**4,130**	**3,166**
Long-term liabilities		
Liabilities to credit institutions	1,520	2,340
Medium term note	3,706	3,124
Other long-term liabilities	16	3
Provisions for pensions	157	174
Other long-term provisions	0	3
Deferred tax liabilities	638	522
Total long-term liabilities	**6,037**	**6,166**
Current liabilities		
Liabilities to credit institutions	56	17
Medium term note	1,077	0
Commercial paper	1,124	635
Client funds payable	588	569
Accounts payable	140	139
Income tax liabilities	136	128
Advances from clients	46	14
Other current liabilities	325	613
Accrued expenses and prepaid income	718	698
Other short-term provisions	27	0
Total current liabilities	**4,237**	**2,813**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**14,404**	**12,145**

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 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 through profit and loss. 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	**Total**	Attributable to Parent Company's shareholders	Non-controlling interest	**Total**
Opening Balance, January 1	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	-400		-400
Comprehensive income for the year	1,554	12	1,566	1,053	6	1,059
Closing Balance, December 31	**4,043**	**87**	**4,130**	**3,086**	**80**	**3,166**

CONSOLIDATED CASH FLOW STATEMENT

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Operating activities				
Operating earnings (EBIT)	559	385	1,978	1,624
Depreciation/amortization and impairment write-down	50	42	171	164
Amortization/revaluation of purchased debt	446	428	1,606	1,495
Other adjustment for items not included in cash flow	26	9	34	15
Interest received	5	3	11	11
Interest paid and other financial	-52	-45	-141	-242
Income tax paid	-59	-36	-257	-229
Cash flow from operating activities before changes in working capital	**975**	**786**	**3,402**	**2,838**
Changes in factoring receivables	-1	6	-46	-44
Other changes in working capital	138	86	18	111
Cash flow from operating activities	**1,112**	**878**	**3,374**	**2,905**
Investing activities				
Purchases of tangible and intangible fixed assets	-39	-40	-143	-135
Investments in purchased debt	-1,172	-868	-3,374	-2,186
Purchases of shares in subsidiaries and associated companies	-165	-115	-252	-181
Other cash flow from investing activities	0	0	6	5
Cash flow from investing activities	**-1,376**	**-1,023**	**-3,763**	**-2,497**
Financing activities				
Borrowings and repayment of loans	316	317	1,105	522
Repurchase of shares	0	-100	0	-400
Share dividend to parent company's shareholders	0	0	-597	-514
Share dividend to non-controlling interest	0	0	-5	-7
Cash flow from financing activities	**316**	**217**	**503**	**-399**
Change in liquid assets	**52**	**72**	**114**	**9**
Opening balance of liquid assets	**339**	**201**	**265**	**266**
Exchange rate differences in liquid assets	5	-8	17	-10
Closing balance of liquid assets	**396**	**265**	**396**	**265**

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 4 2016	Quarter 3 2016	Quarter 2 2016	Quarter 1 2016	Quarter 4 2015	Quarter 3 2015	Quarter 2 2015	Quarter 1 2015
Revenues, SEK M	1,719	1,486	1,475	1,408	1,396	1,386	1,476	1,370
Revenue growth, %	23	7	0	3	2	6	13	14
Operating earnings (EBIT), SEK M	559	517	474	428	385	452	448	339
Operating earnings (EBIT) excl revaluations, SEK M	561	488	457	423	421	423	403	346
Operating margin excl revaluations, %	33	33	31	30	29	31	28	25
EBITDA, SEK M	1,056	954	904	842	854	846	834	748
Net income, SEK M	429	375	354	310	274	330	324	305
Net Debt, SEK M	7,260	7,053	6,937	6,465	6,026	5,815	6,234	5,775
Net Debt/EBITDA RTM	1.9	2.0	2.0	1.9	1.8	1.8	2.0	1.9
Earnings per share, SEK	5.90	5.14	4.85	4.26	3.76	4.51	4.38	3.27
EPS growth, %	57	14	11	30	-2	10	36	39
Average number of shares, '000	72,348	72,348	72,348	72,348	72,561	72,885	73,264	73,678
Number of shares outstanding at end of	72,348	72,348	72,348	72,348	72,348	72,693	73,037	73,421
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M								
Northern Europe	318	241	231	198	227	217	216	182
Central Europe	171	159	144	142	128	125	121	125
Western Europe	72	88	82	83	66	81	66	39
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M								
Credit Management	325	286	282	241	278	279	255	237
Financial Services	473	413	385	364	328	328	381	308
Common costs	-239	-182	-193	-177	-221	-155	-188	-206
Return on purchased debt, %	22	21	20	20	19	20	24	19
Investments in purchased debt, SEK M	1,166	646	550	738	1,130	320	509	469
Average number of employees	4,102	3,973	3,941	3,859	3,841	3,846	3,880	3,814

CONSOLIDATED FIVE-YEAR OVERVIEW

	2016 Oct-Dec	2015 Oct-Dec	2014 Oct-Dec	2013 Oct-Dec	2012 Oct-Dec
Revenues, SEK M	1,719	1,396	1,370	1,231	1,054
Revenue growth, %	23	2	11	17	1
Operating earnings (EBIT), SEK M	559	385	360	340	230
Operating earnings (EBIT) excl revaluations, SEK M	561	421	353	333	278
Operating margin excl revaluations, %	33	29	26	27	25
EBITDA, SEK M	1,056	854	771	721	631
Net income, SEK M	429	274	294	236	176
Net Debt, SEK M	7,260	6,026	5,635	4,328	3,261
Net Debt/EBITDA RTM	1.9	1.8	1.9	1.6	1.5
Earnings per share, SEK	5.90	3.76	3.85	3.00	2.19
EPS growth, %	57	-2	28	37	7
Average number of shares, '000	72,348	72,561	74,797	78,547	79,745
Number of shares outstanding at end of	72,348	72,348	73,848	78,547	79,745
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M					
Northern Europe	318	227	169	204	190
Central Europe	171	128	119	72	48
Western Europe	72	66	65	57	40
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M					
Credit Management	325	278	246	219	222
Financial Services	473	328	275	273	161
Common costs	-239	-221	-161	-152	-153
Return on purchased debt, %	22	19	18	21	18
Investments in purchased debt, SEK M	1,166	1,130	477	308	240
Average number of employees	4,102	3,841	3,806	3,599	3,391

CONSOLIDATED FIVE-YEAR OVERVIEW

	2016 Full Year	2015 Helår	2014 Helår	2013 Helår	2012 Helår
Revenues, SEK M	6,088	5,628	5,184	4,566	4,048
Revenue growth, %	8	9	14	13	2
Operating earnings (EBIT), SEK M	1,978	1,624	1,430	1,207	879
Operating earnings (EBIT) excl revaluations, SEK M	1,929	1,593	1,395	1,200	958
Operating margin excl revaluations, %	32	28	27	26	23
EBITDA, SEK M	3,746	3,283	2,996	2,684	2,199
Net income, SEK M	1,468	1,172	1,041	819	584
Net Debt, SEK M	7,260	6,026	5,635	4,328	3,261
Net Debt/EBITDA RTM	1.9	1.8	1.9	1.6	1.5
Earnings per share, SEK	20.15	15.92	13.48	10.30	7.32
EPS growth, %	27	18	31	41	6
Dividend/proposed dividend per share, SEK	9.00	8.25	7.00	5.75	5.00
Average number of shares, '000	72,348	73,097	76,462	79,306	79,745
Number of shares outstanding at end of period, '000	72,348	72,348	73,848	78,547	79,745
OPERATING EARNINGS EXCL REVALUATIONS BY REGION, SEK M					
Northern Europe	988	842	733	748	622
Central Europe	616	499	416	265	192
Western Europe	325	252	246	187	144
SERVICE LINE EARNINGS BY SERVICE LINE, SEK M					
Credit Management	1,134	1,049	912	823	827
Financial Services	1,635	1,345	1,159	969	599
Common costs	-791	-770	-641	-585	-547
Return on purchased debt, %	20	20	20	21	17
Investments in purchased debt, SEK M	3,100	2,428	1,937	2,524	2,132
Average number of employees	3,975	3,846	3,801	3,530	3,475

RECONCILIATION OF KEY FIGURES

SEK M unless otherwise indicated	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full-year 2016**	Full-year 2015	Change %
Service line earnings purchased debt	461	321	44	1,597	1,329	20
Average carrying value of purchased debt	8,396	6,722	25	7,880	6,612	19
Return on purchased debt, %	**22**	**19**		**20**	**20**	
Collections on purchased debt	1,272	984	29	4,420	3,802	16
Service line costs	-376	-253	49	-1,267	-1,078	18
Cash flow from purchased debt	**896**	**731**	**23**	**3,153**	**2,724**	**16**
Liabilities to credit institutions	1,576	2,357	-33	1,576	2,357	-33
Medium term note	4,783	3,124	53	4,783	3,124	53
Provisions for pensions	157	174	-10	157	174	-10
Commercial paper	1,124	635	77	1,124	635	77
Other interest-bearing liabilities	16	3	433	16	3	433
Cash and cash equivalents	-396	-265	49	-396	-265	49
Other interest-bearing assets	0	-2	-100	0	-2	-100
Net Debt	**7,260**	**6,026**	**20**	**7,260**	**6,026**	**20**
Operating earnings RTM	1,978	1,624	22	1,978	1,624	22
Depreciation RTM	171	164	4	162	164	-1
Amortization and revaluations RTM	1,606	1,495	7	1,606	1,495	7
EBITDA RTM	**3,755**	**3,283**	**14**	**3,746**	**3,283**	**14**
Net Debt/RTM EBITDA	**1.9**	**1.8**		**1.9**	**1.8**	

OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Northern Europe	775	617	26	2,813	2,573	9
Central Europe	521	420	24	1,825	1,705	7
Western Europe	423	359	18	1,450	1,350	7
Total revenues from external clients	**1,719**	**1,396**	**23**	**6,088**	**5,628**	**8**

REGIONS – INTERCOMPANY REVENUES

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Northern Europe	95	74	28	320	288	11
Central Europe	89	78	14	334	295	13
Western Europe	76	46	65	236	171	38
Eliminations	-260	-198	31	-890	-754	18
Total intercompany revenues	**0**	**0**		**0**	**0**	

REGIONS – REVALUATIONS OF PURCHASED DEBT

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Northern Europe	-32	-52	-7	-79
Central Europe	7	1	50	69
Western Europe	23	15	6	41
Total revaluation	**-2**	**-36**	**49**	**31**

REGIONS – REVENUES EXCLUDING REVALUATIONS

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Northern Europe	807	669	21	2,820	2,652	6
Central Europe	514	419	23	1,775	1,636	8
Western Europe	400	344	16	1,444	1,309	10
Total revenues excluding revaluations	**1,721**	**1,432**	**20**	**6,039**	**5,597**	**8**

REGIONS – AMORTIZATION RELATED TO ACQUISITIONS

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Northern Europe	-1	-2	-3	-7
Central Europe	0	0	0	0
Western Europe	-3	-2	-12	-5
Total amortization and impairment	**-4**	**-4**	**-15**	**-12**

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Northern Europe	286	175	63	981	763	29
Central Europe	178	129	38	666	568	17
Western Europe	95	81	17	331	293	13
Total operating earnings (EBIT)	**559**	**385**	**45**	**1,978**	**1,624**	**22**
Net financial items	-48	-51	-6	-168	-167	1
Earnings before tax	**511**	**334**	**53**	**1,810**	**1,457**	**24**

REGIONS – OPERATING EARNINGS (EBIT) EXCLUDING REVALUATIONS

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Northern Europe	318	227	40	988	842	17
Central Europe	171	128	34	616	499	23
Western Europe	72	66	9	325	252	29
Total operating earnings excluding revaluations	**561**	**421**	**33**	**1,929**	**1,593**	**21**

REGIONS – OPERATING MARGIN EXCLUDING REVALUATIONS

%	**Oct-Dec 2016**	Oct-Dec 2015	**Full Year 2016**	Full Year 2015
Northern Europe	39	34	35	32
Central Europe	33	31	35	31
Western Europe	18	19	23	19
Operating margin for the Group	**33**	**29**	**32**	**28**

SERVICE LINES – REVENUES

SEK M	**Oct-Dec 2016**	Oct-Dec 2015	Change %	**Full Year 2016**	Full Year 2015	Change %
Credit Management	1,212	1,160	4	4,335	4,194	3
Financial Services	849	581	46	2,902	2,423	20
Elimination of inter-service line revenue	-342	-345	-1	-1,149	-989	16
Total revenues	**1,719**	**1,396**	**0**	**6,088**	**5,628**	**8**

REVENUES BY TYPE

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change %	Full Year 2016	Full Year 2015	Change %
External Credit Management	870	815	7	3,186	3,205	-1
Collections on purchased debt	1,272	984	29	4,420	3,802	16
Amortization of purchased debt	-444	-392	13	-1,655	-1,526	8
Revaluation of purchased debt	-2	-36	-	49	31	-
Other revenues from Financial Services	23	25	-8	88	116	-24
Total revenues	**1,719**	**1,396**	**23**	**6,088**	**5,628**	**8**

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change %	Full Year 2016	Full Year 2015	Change %
Credit Management	325	278	17	1,134	1,049	8
Financial Services	473	328	44	1,635	1,345	22
Common costs	-239	-221	8	-791	-770	3
Total operating earnings	**559**	**385**	**45**	**1,978**	**1,624**	**22**

SERVICE LINES – SERVICE LINE MARGINS

%	Oct-Dec 2016	Oct-Dec 2015	Full Year 2016	Full Year 2015
Credit Management	27	24	26	25
Financial Services	56	56	56	56
Operating margin for the Group	**33**	**28**	**32**	**29**

PARENT COMPANY
INTRUM JUSTITIA AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Full Year 2016	Full Year 2015
Revenues	105	102
Gross earnings	**105**	**102**
Sales and marketing expenses	-20	-17
Administrative expenses	-151	-152
Operating earnings (EBIT)	**-66**	**-67**
Income from subsidiaries	224	1,237
Exchange rate differences on monetary items classified as expanded investment	-28	-48
Net financial items	-89	-80
Earnings before tax	**41**	**1,042**
Tax	0	0
Net earnings for the period	**41**	**1,042**

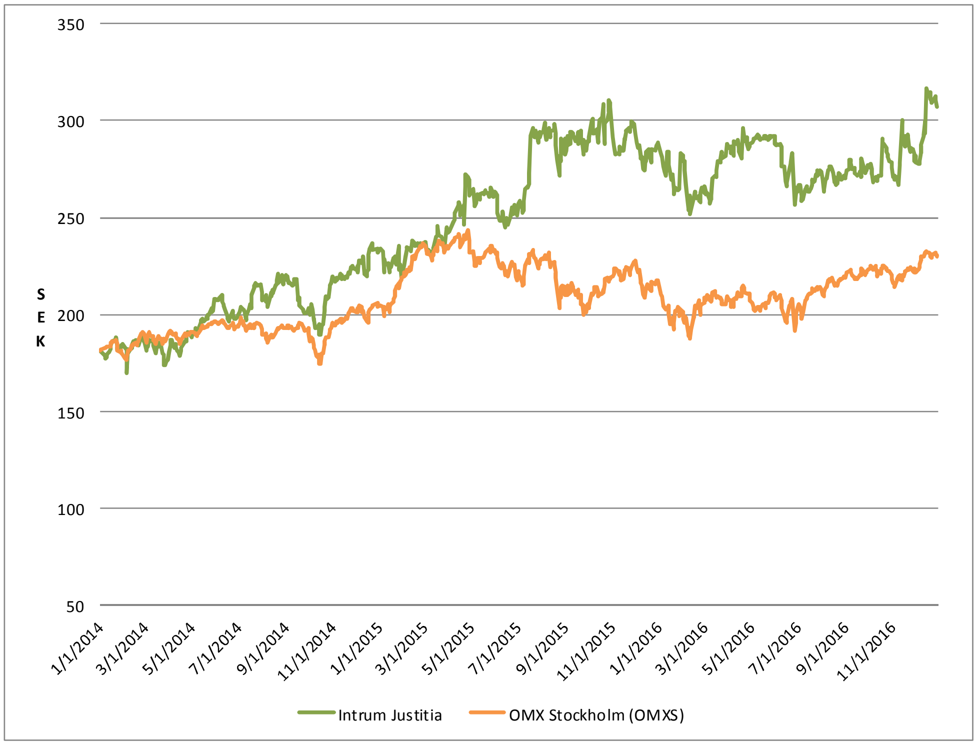
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Full Year 2016	Full Year 2015
Net earnings for the period	41	1,042
Other comprehensive income:	-210	155
Change of translation reserve (fair value reserve)		
Total comprehensive income	**-169**	**1,197**

BALANCE SHEET – PARENT COMPANY

SEK M	31 Dec 2016	31 Dec 2015
ASSETS		
Fixed assets		
Financial fixed assets	8,333	7,536
Total fixed assets	**8,333**	**7,536**
Current assets		
Current receivables	4,629	4,743
Cash and bank balances	8	37
Total current assets	**4,637**	**4,780**
TOTAL ASSETS	**12,970**	**12,316**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Restricted equity	284	284
Unrestricted equity	963	1,728
Total shareholders' equity	**1,247**	**2,012**
Long-term liabilities	7,658	7,469
Current liabilities	4,065	2,835
TOTAL SHAREHOLDERS* EQUITY AND LIABILITIES	**12,970**	**12,316**
Pledged assets	None	None
Contingent liabilities	None	None

SHARE PRICE TREND



OWNERSHIP STRUCTURE

31 December 2016	No of shares	Capital and Votes, %
SEB Funds	7,017,696	9.7
Jupiter Asset Management	3,463,000	4.8
Lannebo Funds	3,086,359	4.3
AMF Insurance & Funds	3,019,363	4.2
Odin Funds	2,253,707	3.1
SHB Funds	1,788,115	2.5
TIAA - Teachers Advisors	1,676,154	2.3
BlackRock	1,611,616	2.2
BNP Paribas Investment Partners	1,102,339	1.5
JP Morgan Asset Management	1,029,364	1.4
Schroders	933,778	1.3
Baring Asset Management	918,612	1.3
Swedbank Robur Funds	907,636	1.3
Columbia Threadneedle	900,019	1.2
Fidelity	859,915	1.2
Total, fifteen largest shareholders	**30,567,673**	**42.3**

Total number of shares: **72,347,726**

Swedish ownership accounted for 42.3 percent (institutions 9.0 percentage points, mutual funds 27.7 percentage points, retail 5.6 percentage points) Source: Modular Finance Holdings

DEFINITIONS

RESULT CONCEPTS, KEY FIGURES AND ALTERNATIVE INDICATORS

CONSOLIDATED NET REVENUES

Consolidated revenues include external credit management revenues (variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription income, etc.), income from purchased debt operations (collected amounts less amortization and revaluations) and other revenues 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.

PURCHASED DEBT - COLLECTED AMOUNTS, AMORTIZATIONS AND REVALUATIONS

Purchased debt consists 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 purchased debt 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 period's revaluations of purchased receivables are 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 a low predictive value for the Group's future earnings performance. Consequently, Intrum Justitia 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 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 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 business line, Credit Management and Financial Services, excluding shared expenses for sales, marketing and administration.

SERVICE LINE MARGIN

The operating margin consists of operating 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. The ratio sets the business line's earnings in relation to the amount of capital tied up 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. Accordingly, the figure is a measure of cash flow from historically acquired portfolios, without regard to investments in new portfolios.

NET DEBT

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

ACQUISITION-RELATED AMORTIZATION/DEPRECIATION
Acquisition-related amortization/depreciation relates to amortization of customer relationships and other surplus values recognized in the consolidated balance sheet as a consequence 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.