

**Year-end
announcement
January–December
2018**

intrum

Year-end report 2018

Fourth quarter 2018

- Consolidated net revenues for the fourth quarter of 2018 increased to SEK 3,517 M (3,101).
- Operating earnings amounted to SEK 1,003 M (807).
- The operating earnings of SEK 1,003 M include non-recurring items (NRIs) of SEK –223 M (–157), items affecting comparability of SEK –86 M (0) and revaluations of SEK 76 M (–44). Accordingly, operating earnings excluding non-recurring items, items affecting comparability and revaluations (“EBIT adjusted”) increased to SEK 1,236 M (1,008).
- Net earnings for the quarter amounted to SEK 482 M (443) and earnings per share were SEK 3.70 (3.37).
- Cash flow from operating activities amounted to SEK 1,813 M (1,340).
- The carrying values of portfolio investments, including participations in joint ventures but excluding real estate, increased by 15 percent since the end of the preceding quarter. Portfolio investments for the quarter (excluding acquisition of real estate from Ibercaja) amounted to SEK 5,444 M (2,784). The return on portfolio investments was 16 percent (15) including revaluations. Return for the quarter excluding revaluations and excluding real estate acquired from Ibercaja was 14 percent (16).
- In Credit Management, revenue growth was 7 percent and the service line margin was 27 percent excluding non-recurring items.
- The Board of Directors proposes a dividend of SEK 9.50 per share (9.50), corresponding to a total of SEK 1,247 M (1,250).

Fourth quarter

23%

Increase in adjusted operating earnings (EBIT) for the quarter

4.3

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

16%

Return on portfolio investments for the quarter

27%

Service line margin for the quarter, excluding non-recurring items for Credit Management

SEK 5,444 M

Investments in portfolios for the quarter

Full-year 2018

- Consolidated net revenues for 2018 increased to SEK 13,442 M (9,434). On a pro forma basis, revenues for 2017 amounted to SEK 12,219 M.
- Operating earnings amounted to SEK 3,978 M (2,728). On a pro forma basis, operating earnings for 2017 amounted to SEK 3,489 M.
- The operating earnings of SEK 3,978 M include non-recurring items (NRIs) of SEK -742 M (-397), items affecting comparability of SEK 132 M (0) and revaluations of SEK 88 M (-3). Accordingly, operating earnings excluding non-recurring items, items affecting comparability and revaluations ("EBIT adjusted") increased to SEK 4,500 M (3,128). On a pro forma basis, operating earnings (EBIT) for 2017 amounted to SEK 3,925 M.
- Net earnings for the year amounted to SEK 1,943 M (1,503) and earnings per share totaled SEK 14.18 (14.62).
- Cash flow from operating activities amounted to SEK 6,327 M (4,535).
- The carrying value of portfolio investments, including participations in joint ventures but excluding real estate, increased by 40 percent since the end of the preceding year. Portfolio investments for the year excluding acquisition of real estate from Ibercaja) amounted to SEK 11,854 M (pro forma 7,857). The return on portfolio investments was 15 percent (16) including revaluations and excluding revaluations.
- In Credit Management, revenue growth on a pro forma basis was 5 percent and the service line margin was 27 percent excluding non-recurring items.

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 mean 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.

Full-year

15%

Annual pro forma increase in adjusted operating earnings (EBIT)

4.3

Net debt/pro forma cash EBITDA excluding NRIs for the year

15%

Return on portfolio investments for the year

27%

Service line margin for the year, excluding non-recurring items for Credit Management

SEK 11,854 M

Investments in portfolios for the year

SEK M unless otherwise indicated	Oct-Dec 2018	Oct-Dec 2017	Change %	Full-year 2018	Full-year 2017	Pro forma Full-year 2017	Pro forma Change %
Revenues	3,517	3,101	13	13,442	9,434	12,219	10
Thereof revenues in Euro (%)	51	65		58	56	59	
EBIT adjusted	1,236	1,008	23	4,500	3,128	3,925	15
Cash EBITDA excl NRI's	2,421	2,098	15	9,474	6,349	8,025	18
EBITDA excl NRI's	1,442	1,155	25	5,620	3,561	4,730	19
EBIT excl NRI's	1,226	964	27	4,720	3,125	3,988	18
Non-recurring items (NRI's) in EBIT	-223	-157		-742	-397	-499	
Non-recurring items (NRI's) in net financial items	0	0		0	-316	-316	
Items affecting comparability	-86	0		132	0	0	
Revaluations of portfolio investments	76	-44		88	-3	63	
Cash EBITDA	2,198	1,941	13	8,732	5,952	7,526	16
EBITDA	1,219	998	22	4,878	3,164	4,231	15
EBIT	1,003	807	24	3,978	2,728	3,489	14
Thereof EBIT in Euro (%)	29	68		50	52	57	
Net earnings	482	443	9	1,943	1,503	1,318	47
CMS growth, %	7			5			
CMS service line margin adjusted, %	27	27		27	26	28	
Estimated remaining collections, ERC	57,382	44,603	29	57,382	44,603	44,603	29
Investments in portfolios of receivables	2,164	2,733	-21	6,849	7,130	7,764	-12
Investments in real estate excl Ibercaja transaction	41	51		103	93	93	
Investment in joint venture	3,239	0		4,902	0	0	
Total portfolio investments	5,444	2,784	96	11,854	7,223	7,857	51
Book value portfolio investments	29,576	21,149	40	29,576	21,149	21,149	40
Return on portfolio investments incl real estate, %	16	15		15	16	16	
Return on portfolio investments incl real estate and joint ventures, %	15	15		14	16	16	
Net Debt/Pro forma Cash EBITDA excl NRI's	4.3	4.1		4.3	n/a	4.1	

Comment by President and CEO Mikael Ericson

2018 was a year of steady delivery on our strategy and ambitious targets for the year. I am pleased we are completing the year by delivering another consecutive quarter of growth, with EBIT adjusted up 23 percent year on year in the fourth quarter. This builds on the solid results from the first nine months and puts us in a strong position to be able to accelerate in 2019 towards our 2020 targets. In our balanced business model, consisting of Credit Management Services (CMS) focusing on late payments and collection, and Portfolio Investments, we see strong development in both areas. As a consequence of the year's stable development, the Board proposes a dividend in line with last year, i.e. of SEK 9.50 per share.

Our credit management services operations continued to make steady progress with margins at 27 percent in the fourth quarter. The credit management services operations also received a boost from the completion in the fourth quarter of the Banca Intesa Sanpaolo partnership deal, which establishes Intrum Italy as a leading collection platform in Italy, one of the most attractive European markets. In December we also signed an agreement to acquire the Spanish company Solvia, which services the real estate market.

Much of the ground work has now been done to enable us to start the execution of our production transformation program in our credit management operations. This will gradually centralize, standardize and improve large parts of our collection process. We anticipate all the actions we take in this area will continue to improve efficiency and the CMS margin through 2019 and onwards.

Continued high activity across Europe

We see a continued high activity across Europe in the non-performing loan market. Our investments' return levels were stable during 2018, which was a result of both increased interest rates and large volumes, and also our ability to leverage from our broad geographical footprint. We expect a continuously stable development during 2019.

The Intesa partnership also contributed to a record large quarter of portfolio investments (SEK 5.4 billion). Given the continued pace of investments, we are pleased to be able to maintain collection performance and keep the return on investment at healthy levels (16 percent). Our investment levels in the quarter were also boosted by the acquisition of Real Estate Assets in Spain from Ibercaja, although this figure will be reduced as arrangements with a co-investor and external financing will be completed in the first quarter of 2019.

With the significant number of large and high profile deals at the end of the year, it is possible to overlook the fact that 2018 as a whole was also an important and successful year for Intrum.

Successful integration

Approximately 80 percent of the integration activities following the merge of Intrum Justitia and Lindorff have been completed during 2018 and have reached a run rate of SEK 540 M annually. We see the benefits of having established ourselves as the leading industry player, both in terms of synergies and our ability to enter bilateral and exclusive partnerships with Europe's largest financial institutions such as, for example, Banca Intesa Sanpaolo, Sabadell and Ibercaja. This leadership position has also enabled us to expand our geographical footprint (Brazil) and we

have increased our investment book value by 40 percent to SEK 32 billion. Significant parts of this growth come from secured assets, which we now work with in ten countries.

The year was not without challenges and a large contract loss in Spain in the middle of the year and the continued maturing of the remaining BPO servicing contracts (Business Process Outsourcing) has slowed the growth of the Group as a whole. In addition, Intrum's leverage and debt levels have been a point of focus. We ended the year at 4.3x as expected and we remain fully committed to our 2.5-3.5x 2020 target and expect to show gradual and continuous progress towards that throughout 2019, during which we will adapt our investment pace to a more normalized level. We believe the investments (Intesa and Ibercaja) that drove a temporary increase at year-end 2018, are fully justified by the value they will create.

Sustainable business model

Sustainability is an integral part of Intrum's purpose to lead the way towards a sound economy. We do that by making payment flows safe and fair, by supporting companies to grow and by helping consumers pay their debt and understand how to spend in a sustainable way. Underpinned by our knowledge of the debt landscape, both through our collection business and the payment reports which we produce yearly, we engage in numerous important initiatives, such as supporting financial education both in schools, and also amongst elderly people. In the future, we will accelerate the integration of sustainability perspectives into our business.

There have been, and are likely to continue to be, regulatory developments that impact the non-performing loans market and we follow these developments closely. Legislation is focused on protecting depositors and incentivizing banks to reduce the levels of bad debt on their balance sheets. Intrum is not a bank and has no intention of becoming one and therefore, from our perspective, we anticipate regulatory developments will continue to support the development of the non-performing loans market rather than working against the collection industry.

In 2019, we will continue the transformation of our credit management services operations to benefit from our size, step up in growth through our Intesa partnership and complete our merger activities and we also look forward to being an active partner on a continuously dynamic and attractive market across Europe. Intrum's size, diversification and highly cash-generative operations, mean we have the scope and flexibility to grow and invest with discipline and ensure we remain on track for our 2020 goals.

Group

SEK M unless otherwise indicated	Oct-Dec 2018	Oct-Dec 2017	Change %	Full-year 2018	Full-year 2017	Pro forma Full-year 2017	Pro forma Change %
Revenues	3,517	3,101	13	13,442	9,434	12,219	10
EBIT	1,003	807	24	3,978	2,728	3,489	14
Cash EBITDA excl NRI's	2,421	2,098	15	9,474	6,349	8,025	18
EBIT excl NRI's	1,226	964	27	4,720	3,125	3,988	18
EBIT adjusted	1,236	1,008	23	4,500	3,128	3,925	15
Net financial items	-367	-336	9	-1,363	-973	-1,942	-30
Tax	-166	-123	35	-599	-389	-467	28
Net earnings	482	443	9	1,943	1,503	1,318	47

Revenues and operating earnings

Consolidated net revenues for the fourth quarter increased to SEK 3,517 M (3,101). The increase in revenues was 13 percent, attributable to organic growth of 1 percent, acquisition effects of 4 percent, revaluations of portfolio investments of 4 percent and currency effects of 4 percent. Consolidated operating earnings for the fourth quarter amounted to SEK 1,003 M (807). The operating earnings of SEK 1,003 M include non-recurring items (NRIs) of SEK -223 M (-157), items affecting comparability of SEK -86 M (0) and revaluations of SEK 76 M (-44). Accordingly, operating earnings excluding non-recurring items, items affecting comparability and revaluations ("adjusted operating earnings (EBIT)") increased to SEK 1,236 M (1,008).

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 -367 M (-336). Net interest for the quarter amounted to SEK -302 M (-265). Exchange rate differences are included in net financial items in the amount of SEK -13 M (-16), and other financial items are included by SEK -52 M (-55). Net interest income was negatively affected by higher borrowing.

Taxes

Tax of 26 percent was charged against earnings for the quarter, and the tax expense for the year therefore amounted to 23 percent of earnings before taxes. 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	Oct-Dec 2018	Oct-Dec 2017	Full-year 2018	Full-year 2017
Cash flow from operating activities	1,813	1,340	6,154	4,535
Cash flow from investing activities	-9,696	-3,919	-7,925	-7,547
Total cash flow from operating and investing activities	-7,883	-2,579	-1,771	-3,012
Cash flow from investing activities excl liquid assets in acquired subsidiaries	-9,696	-3,982	-7,525	-8,585
Total cash flow from operating and investing activities excl liquid assets in acquired subsidiaries	-7,883	-2,642	-1,371	-4,050

Cash flow from operating activities during the fourth quarter amounted to SEK 1,813 M (1,340). The increase is mainly attributable to the improved operating earnings and lower disbursements for financial expenses.

Financing

SEK M unless otherwise indicated	31 Dec 2018	31 Dec 2017	Change %
Net Debt	42,122	37,322	13
Net Debt/Pro forma Cash EBITDA excl NRI's	4.3	4.1	
Shareholders' equity	25,672	22,439	14
Cash and cash equivalents	1,348	881	53

Consolidated net debt has increased by SEK 4.8 billion since the end of 2017. 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, subsidiaries and joint ventures.

Net debt in relation to pro forma rolling 12-month adjusted cash EBITDA amounted to 4.3 at the end of the year. This ratio is calculated by placing current consolidated net debt at the end of the quarter in relation to pro forma cash EBITDA, 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 increased by approximately 0.5 in the fourth quarter, mainly as a consequence of investments in portfolios, subsidiaries and joint ventures.

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 fourth quarter of 2018 was 131,291,320 and the average number of shares outstanding in the fourth quarter of 2017 was 131,541,320. The average number of shares outstanding over the full-year was 131,390,632 compared with 102,674,307 in the preceding year.

Goodwill

Consolidated goodwill amounted to SEK 33,055 M as per December 31, 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 analyses, SEK 2,235 M to new acquisitions during the year, and SEK 1,078 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	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues excluding revaluations	1,084	934	16	12	4,002	3,827	5	1
EBIT adjusted	385	302	27	23	1,425	1,412	1	-3
EBIT margin adjusted, %	36	32			36	37		

The region delivered a strong end to the year in Credit Management and even stronger in portfolio investments. The quarter's improvement compared with the corresponding period the preceding year is partly explained by the allocation of central costs in the previous year, as described in the interim report for the third quarter. Accordingly, the full-year earnings are approximately on a par with the preceding year, better corresponding to the underlying trend. In the medium term, the region will focus on efficiency in its operations.

Central and Eastern Europe

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues excluding revaluations	986	844	17	13	3,681	3,233	14	10
EBIT adjusted	386	252	53	50	1,442	1,114	29	25
EBIT margin adjusted, %	39	30			39	34		

The region's continued strong development is explained by large investments and strong collection, particularly in acquired portfolios. Major investments in Greece and Hungary are making a strong contribution, and further business opportunities are available throughout the region. Regulatory development in the countries of the region is monitored closely.

Western and Southern Europe

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues excluding revaluations	729	585	25	20	2,622	2,050	28	23
EBIT adjusted	244	153	59	55	664	337	97	93
EBIT margin adjusted, %	33	26			25	16		

The region delivered strong results also outside Italy, as recent portfolio purchases are developing well. In addition, the partnership with Intesa Sanpaolo has brought a strong improvement earnings, one month of which is included in the earnings for the quarter. The integration is progressing according to plan.

Iberian Peninsula & Latin America

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues excluding revaluations and items affecting comparability	642	782	-18	-23	2,826	3,046	-7	-12
EBIT adjusted	221	301	-27	-32	969	1,062	-9	-15
EBIT margin adjusted, %	34	38			34	35		

The region's decline is explained by the fact that client contracts have been discontinued or have diminished, which had a negative impact on the Credit Management service line's earnings and margin for the quarter. Portfolio investments are smaller in the region, but are developing well and, together with a cost savings program, are helping counteract the effect of discontinued client contracts. An additional client contract ended in the fourth quarter, for which full compensation will be received during the first quarter of 2019. The acquisition of Solvia is planned to be finalized during the first half-year of 2019. Solvia's earnings for the second half-year 2018 fell short of expectations. Discussions with the seller are in progress with a view to reaching a final agreement.

Service lines

Credit Management

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues excluding NRI's and items affecting comparability	2,403	2,251	7	2	9,257	8,852	5	0
Service line earnings excl NRI's and items affecting comparability	657	610	8	3	2,489	2,475	1	-4
Service line margin excl NRI's and items affecting comparability, %	27	27			27	28		

Credit Management continues to be hampered by a negative trend in Spain, although the acquisition of Solvia in 2019 and the consolidation of the partnership with Intesa Sanpaolo throughout the first quarter are expected to shift the revenue trend in a positive direction and boost margins. Positive signs could already be seen towards the end of 2018 when the service line margin for the first time was at the same level as in the preceding year. Further gains from the continued focus on efficiency and acquisition synergies are expected to increase the service line margin in 2019, and to above 30 percent in 2020.

Financial Services

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Fx adj %	Full Year 2018	Pro forma Full Year 2017	Pro forma Change %	Fx adj %
Revenues	1,741	1,406	24	20	6,394	5,506	16	11
Service line earnings excl NRI's	1,058	743	42	38	3,604	2,946	22	19
Service line margin excl NRI's, %	61	53			56	54		
Estimated remaining collections	57,382	44,603	29		57,382	44,603	29	
Investments in portfolios of receivables	2,164	2,733	-21		6,849	7,764	-12	
Investments in real estate excl Ibercaja transaction	41	51	0		103	93	11	
Investment in joint venture	3,239	0			4,902	0		
Total portfolio investments	5,444	2,784	96		11,854	7,857	51	
Book value portfolio investments	29,576	21,149	40		29,576	21,149	40	
Return on portfolio investments incl real estate, %	16	15			15	16		
Return on portfolio investments incl real estate and joint ventures, %	15	15			14	16		

Another strong quarter, explained by a large increase in book value and a maintained level of return thanks to good collection results. The acquisition from Intesa Sanpaolo had a largely neutral impact on the return for the quarter as the earnings are only included for one month,

although it is expected to contribute positively from the beginning of 2019. Investment levels are high following adjustments for Intesa Sanpaolo and Ibercaja, but will probably fall slightly in 2019 due to a focus on debt and growth targets. The acquisition of real estate from Ibercaja are not included in the investments or return measures above, as the holding will transform into a joint venture during the first quarter 2019 and as real estate investments are not a strategic focus area for the Group.

Common expenses

Common expenses are seasonally higher in the fourth quarter as a consequence of higher activity in several areas. Fourth quarter expenses were somewhat higher than last year, since earnings were burdened by expenses for an earlier acquisition transaction of approximately SEK 35 M. The fourth quarter also included additional expenses for the partnership with Intesa Sanpaolo and certain continued currency effects that are counteracted by synergy gains.

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 215 M (159) for the year and earnings before tax of SEK 1,666 M (-579). The improvement in earnings is due to higher earnings from participations in subsidiaries, in connection with divestments of subsidiaries and dividends received. The Parent Company invested SEK 43 M (26) in fixed assets during the year and had, at the end of the year, SEK 251 M (95) in cash and equivalents. The average number of employees was 68 (57).

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 year-end 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 for the income statement line Revenues from clients. 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 in the process of introducing IFRS 16 Leases, which comes into force in 2019. See also Note 1 in the 2017 Annual Report. The principal effects on Intrum's accounting are that the Group's total assets increase by a preliminary amount of approximately SEK 450 M, calculated as per the beginning of 2019, with both an asset and a liability being reported for leases in effect at any given point in time, and with operating earnings improving by a preliminary SEK 14 M annually through the implicit interest expense in the leases being reported in net financial items rather than 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 year's previous interim reports, 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 is held together with an investor. The transaction was completed in early December.

Intrum reports its holding in the jointly-owned portfolio of receivables as a participation in a joint venture, and the holding in the shared Italian collection business as a subsidiary in which the minority share attributable to shares owned by Banca Intesa Sanpaolo is reported as non-controlling interest.

On Intrum's acquisition of the shared collection platform, the following preliminary purchase price allocation was prepared:

(SEK M)	Carrying value before acquisition	Fair value adjustments	Fair value
Client relationships		2,065	2,065
Fixed assets	26		26
Deferred tax liability		-576	-576
Net assets	26		1,515
Shares in companies contributed			718
Cash payment			1,884
Non-controlling interest			1,136
Goodwill			2,223

Acquisition of real estate companies in Spain

In December, Intrum agreed with Ibercaja Banco SA to acquire 6,400 properties in Spain from Ibercaja and the bank's subsidiaries. The real estate portfolio has been transferred to a new company, in which Intrum will initially be the majority shareholder, while Ibercaja's subsidiary retains a minority holding of 20 percent. Intrum's final investment, when financing and co-investors are in place, will amount to approximately EUR 30-40 M. Ownership of real estate is not a strategic focus area for the Group.

On Intrum's acquisition, the following preliminary purchase price allocation has been prepared:

(SEK M)	Carrying value before acquisition	Fair value adjustments	Fair value
Investment property	256		256
Inventory of real estate	2,233		2,233
Liabilities		-530	-530
Net assets	1,959		1,959
Non-controlling interest in subsidiary			-172
Net assets Intrum			1,787
Acquisition price			1,787

Acquisition of Solvia

In December, Intrum met with Banco Sabadell regarding the acquisition of the bank's wholly owned subsidiary Solvia Servicios Inmobiliarios (Solvia), which offers real estate management services in the Spanish market.

The acquisition strengthens both Intrum's position in the Spanish real estate market and the partnership with Banco Sabadell, one of Spain's largest banks. Intrum has entered into an agreement to acquire 80 percent of the shares in Solvia. Banco Sabadell retains a 20 percent holding. Solvia is a leading management company in the real estate services sector in Spain. The company manages assets of EUR 21 billion and has approximately 700 employees. Its customers are private individuals, companies and other investors. Solvia manages a broad spectrum of assets, including mortgages, corporate loans, commercial properties, covered and unsecured receivables and real estate portfolios. The company's enterprise value amounts to approximately EUR 300 M.

The transaction is expected to be concluded during the first half of 2019. The purchase price allocation has yet to be prepared.

Exchange rates

	Dec 31 2018	Dec 31 2017	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
EUR	10.26	9.84	10.32	9.79	10.26	9.63
CHF	9.11	8.42	9.08	8.42	8.88	8.67
NOK	1.03	1.00	1.07	1.02	1.07	1.03
HUF	0.0319	0.0317	0.0320	0.0314	0.0322	0.0312

Dividend proposal

The Board of Directors of Intrum AB (publ) proposes that the Annual General Meeting distribute a dividend of SEK 9.50 (9.50) per share to shareholders, corresponding to a total of SEK 1,247 M (1,250).

Presentation of the year-end report

The interim report and presentation material are available at www.intrum.com > Investor relations. President and CEO Mikael Ericson and CFO Danko Maras will comment on the report at GT30, Grev Turegatan 30, Stockholm, Sweden and in a telephone conference starting at 7.00 am on January 30. The presentation can also be followed at www.intrum.com and/or www.financialhearings.com. To participate by phone, call +46 (0)8-566 427 06 (SE), +44 33 3300 9271 (UK), or +1-646-722-4903 (US).

For further information, please contact

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Danko 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 disclose pursuant to the EU's markets abuse directive and the Securities Markets Act. The information was provided under the auspices of the contact person above for publication on January 30, 2019 at 7.00 a.m. CET.

Financial calendar 2019

April 26, 2019, Interim report for the first quarter

July 18, 2019, Interim report for the second quarter

October 23, 2019, Interim report for the third quarter

January 29, 2020, Year-end announcement full-year

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

Denna bokslutskommuniké finns även på svenska.

Stockholm, January 30, 2019

Mikael Ericson

President and CEO

The year-end announcement has not been reviewed by the company's auditors.

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 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 2018, the company generated revenues of SEK 13.4 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	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Revenues from clients	1,834	1,743	7,240	5,041	6,834
Revenue on Portfolio investments calculated using the effective interest method	1,607	1,400	6,114	4,394	5,322
Positive revaluations of Portfolio investments	408	100	795	334	398
Negative revaluations of Portfolio investments	-332	-142	-707	-335	-335
Total revenue	3,517	3,101	13,442	9,434	12,219
Cost of sales	-2,011	-1,734	-7,369	-5,049	-6,583
Gross earnings	1,506	1,367	6,073	4,385	5,636
Sales, marketing and administrative expenses	-609	-573	-2,201	-1,667	-2,157
Participation in associated companies and joint ventures	106	13	106	10	10
Operating earnings (EBIT)	1,003	807	3,978	2,728	3,489
Net financial items	-367	-336	-1,363	-973	-1,942
Earnings before tax	636	471	2,615	1,755	1,547
Tax	-166	-123	-599	-389	-467
Net income from continuing operations	470	348	2,016	1,366	1,080
Profit from discontinued operations, net of tax	12	95	-73	137	238
Net earnings for the period	482	443	1,943	1,503	1,318
Of which attributable to:					
Parent company's shareholders	474	443	1,936	1,501	1,316
Non-controlling interest	8	0	7	2	2
Net earnings for the period	482	443	1,943	1,503	1,318
Average no of shares before and after dilution, '000	131,291	131,541	131,391	102,674	
Earnings per share before and after dilution					
Profit from continuing operations	3.61	2.65	14.73	13.28	
Profit from discontinued operations	0.09	0.72	-0.56	1.33	
Total earnings per share before and after dilution	3.70	3.37	14.18	14.62	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017
Net income for the period	482	443	1,943	1,503
Other comprehensive income, items that will be reclassified to profit and loss:				
Currency translation difference	-126	113	547	226
Other comprehensive income, items that will not be reclassified to profit and loss:				
Remeasurement of pension liability	6	-16	6	-16
Comprehensive income for the period	362	540	2,496	1,713
Of which attributable to:				
Parent company's shareholders	352	540	2,486	1,712
Non-controlling interest	10	0	10	1
Comprehensive income for the period	362	540	2,496	1,713

CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2018	31 Dec 2017
ASSETS		
Intangible fixed assets		
Goodwill	33,055	29,565
Capitalized expenditure for IT development and other intangibles	456	422
Client relationships	3,670	2,703
Total intangible fixed assets	37,181	32,690
Tangible fixed assets		
Investment property	256	0
Other tangible fixed assets	237	245
Total tangible fixed assets	493	245
Other fixed assets		
Shares in joint ventures	4,746	0
Other shares and participations	1	3
Portfolio investments	24,830	21,149
Deferred tax assets	620	692
Other long-term receivables	33	36
Total other fixed assets	30,230	21,880
Total fixed assets	67,904	54,815
Current Assets		
Accounts receivable	719	755
Inventory of real estate	2,429	93
Client funds	917	902
Tax assets	273	347
Other receivables	1,553	931
Prepaid expenses and accrued income	890	737
Cash and cash equivalents	1,348	881
Total current assets	8,129	4,646
Non-current assets of disposal group held for sale	0	8,314
TOTAL ASSETS	76,033	67,775
SHAREHOLDERS' EQUITY AND LIABILITIES		
Attributable to parent company's shareholders	23,666	22,436
Attributable to non-controlling interest	2,006	3
Total shareholders' equity	25,672	22,439
Long-term liabilities		
Liabilities to credit institutions	6,534	2,703
Bond loans	33,254	32,052
Other long-term liabilities	395	374
Provisions for pensions	263	175
Other long-term provisions	5	9
Deferred tax liabilities	1,729	1,206
Total long-term liabilities	42,180	36,519
Current liabilities		
Liabilities to credit institutions	296	0
Bond loans	1,000	1,000
Commercial paper	2,123	2,269
Client funds payable	917	902
Accounts payable	488	572
Income tax liabilities	241	364
Advances from clients	59	64
Other current liabilities	852	541
Accrued expenses and prepaid income	2,056	1,794
Other short-term provisions	149	143
Total current liabilities	8,181	7,649
Non-current liabilities of disposal group held for sale	0	1,168
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	76,033	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		1,993	1,993		-85	-85
Repurchase of shares	-56		-56			0
Comprehensive income for the period	2,486	10	2,496	1,712	1	1,713
Closing Balance, December 31	23,666	2,006	25,672	22,436	3	22,439

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

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017
Cash flows from continuing operations				
Operating activities				
Operating earnings (EBIT)	1,003	807	3,978	2,728
Depreciation/amortization and impairment write-down	216	191	900	436
Amortization/revaluation of purchased debt	979	942	3,854	2,787
Other adjustment for items not included in cash flow	-134	-7	-351	-23
Interest received	17	-1	60	17
Interest paid	-144	-215	-1,244	-359
Other financial expenses paid	67	-16	-42	-360
Income tax paid	-269	-170	-590	-453
Cash flow from operating activities before changes in working capital	1,735	1,531	6,565	4,773
Changes in factoring receivables	7	-23	-67	-62
Other changes in working capital	71	-168	-344	-176
Cash flow from operating activities	1,813	1,340	6,154	4,535
Investing activities				
Purchases of tangible and intangible fixed assets	-82	-57	-306	-172
Portfolio investments in receivables and inventory of real estate	-2,714	-2,858	-6,872	-7,175
Acquisition of subsidiary in Brazil	0	0	-15	0
Acquisition of subsidiary in Italy	-1,883	0	-1,883	0
Acquisition of joint venture in Italy	-3,239	0	-4,902	0
Acquisition of subsidiary in Spain	-1,787	0	-1,787	0
Purchases of shares in other subsidiaries and associated companies	0	-1,335	0	-1,506
Liquid assets in acquired/divested subsidiaries	0	63	-400	1,038
Proceeds from divestment of subsidiaries and associated companies	0	236	7,511	236
Other cash flow from investing activities	9	32	729	32
Cash flow from investing activities	-9,696	-3,919	-7,925	-7,547
Financing activities				
Borrowings and repayment of loans	7,808	2,802	3,533	4,452
Repurchase of shares	0	0	-56	0
Share dividend to parent company's shareholders	0	0	-1,250	-651
Cash flow from financing activities	7,808	2,802	2,227	3,801
Cash flows from continuing operations	-75	223	456	789
Cash flows from discontinued operations	0	185	-372	77
Total change in liquid assets	-75	408	84	866
Opening balance of liquid assets	1,450	864	1,253	396
Exchange rate differences in liquid assets	-27	-21	11	-9
Closing balance of liquid assets	1,348	1,251	1,348	1,253
Thereof liquid assets in discontinued operations	0	372	0	372
Discontinued operations				
Cash flow from operating activities	0	260	13	459
Cash flow from investing activities	0	-371	-589	-607
Cash flow from financing activities	0	296	204	225
Group total				
Cash flow from operating activities	1,813	1,600	6,167	4,994
Cash flow from investing activities	-9,696	-4,290	-8,514	-8,154
Cash flow from financing activities	7,808	3,098	2,431	4,026

CONSOLIDATED QUARTERLY OVERVIEW

	Quarter 4 2018	Quarter 3 2018	Quarter 2 2018	Quarter 1 2018	Quarter 4 2017	Quarter 3 2017	Quarter 2 2017	Quarter 1 2017
Revenues, SEK M	3,517	3,180	3,630	3,115	3,101	2,986	1,796	1,551
Revenue growth, %	13	6	102	101	4	66	26	14
Cash EBITDA, SEK M	2,198	1,990	2,596	1,948	1,943	2,005	995	1,011
EBITDA, SEK M	1,219	992	1,593	1,074	1,000	1,139	518	508
EBIT, SEK M	1,003	838	1,240	897	807	977	476	468
Non-recurring items (NRI's) in EBIT, SEK M	-223	-257	-173	-89	-157	-61	-163	-17
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0	0	-316	0
Revaluations of portfolio investments, SEK M	76	0	-1	13	-44	1	41	-1
Items affecting comparability, SEK M	-86	0	218	0	0	38	0	0
Cash EBITDA excl NRI's, SEK M	2,421	2,247	2,769	2,037	2,100	2,065	1,158	1,028
EBITDA excl NRI's, SEK M	1,442	1,249	1,766	1,163	1,157	1,199	681	526
EBIT excl NRI's, SEK M	1,226	1,095	1,413	986	967	1,037	639	485
EBIT adjusted, SEK M	1,236	1,095	1,196	973	1,008	999	598	486
Net earnings, SEK M	482	396	701	364	443	615	98	347
Earnings per share, SEK	3.70	3.02	5.33	2.77	3.37	4.68	1.32	4.77
EPS growth, %	10	-35	304	-42	-43	-9	-73	12
Average number of shares, '000	131,291	131,291	131,442	131,541	131,541	74,299	74,299	72,348
Number of shares outstanding at end of period, '000	131,291	131,291	131,291	131,541	131,541	131,541	131,541	72,348
Net Debt, SEK M	42,122	34,698	35,265	32,043	37,322	34,290	34,254	8,738
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M								
Credit Management	657	597	687	548	585	596	307	257
Financial Services	1,058	837	882	827	743	752	538	412
Common costs	-404	-338	-363	-400	-390	-349	-206	-184
Estimated remaining collections (ERC), SEK M	57,382	47,874	49,313	46,929	44,603	40,179	21,409	17,645
Return on portfolio investments, %	16	14	15	15	15	20	17	22
Portfolio investments, SEK M	5,444	927	2,385	2,784	1,177	835	2,374	1,162
Average number of employees	7,711	7,571	7,886	7,806	8,349	4,369	4,172	3,993

CONSOLIDATED FIVE-YEAR OVERVIEW

	2018				
	Oct-Dec	2017	2016	2015	2014
		Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
Revenues, SEK M	3,517	3,101	1,657	1,349	1,313
Revenue growth, %	13	87	23	3	12
Cash EBITDA, SEK M	2,198	1,943	1,034	835	750
EBITDA, SEK M	1,219	1,000	592	421	398
EBIT, SEK M	1,003	807	543	380	347
Non-recurring items (NRI's) in EBIT, SEK M	-223	-157	5	0	-35
Non-recurring items (NRI's) in net financial items, SEK M	0	0	0	0	0
Revaluations of portfolio investments, SEK M	76	-44	5	-29	6
Items affecting comparability, SEK M	-86	25	n/a	n/a	n/a
Cash EBITDA excl NRI's, SEK M	2,421	2,100	1,029	835	785
EBITDA excl NRI's, SEK M	1,442	1,157	587	421	433
EBIT excl NRI's, SEK M	1,226	967	538	380	382
EBIT adjusted, SEK M	1,236	1,008	533	409	376
Net earnings, SEK M	482	443	429	274	294
Earnings per share, SEK	3.70	3.37	5.90	3.76	3.85
EPS growth, %	10	-43	57	-2	28
Average number of shares, '000	131,291	131,541	72,348	72,561	74,797
Number of shares outstanding at end of period, '000	131,291	131,541	72,348	72,348	73,848
Net Debt, SEK M	42,122	37,322	7,260	6,026	5,635
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M					
Credit Management	657	610	332	262	250
Financial Services	1,058	743	393	330	311
Common costs	-404	-390	-188	-212	-179
Estimated remaining collections (ERC), SEK M	57,382	44,603	17,645	15,073	13,682
Return on portfolio investments, %	16	15	22	20	18
Portfolio investments, SEK M	5,444	2,784	1,162	1,096	472
Average number of employees	7,711	7,806	3,993	3,732	3,701

CONSOLIDATED FIVE-YEAR OVERVIEW

	2018	2017	2016	2015	2014
	Full Year	Full Year	Full Year	Full Year	Full Year
Revenues, SEK M	13,442	9,434	5,869	5,419	4,958
Revenue growth, %	42	61	8	9	14
Cash EBITDA, SEK M	8,732	5,953	3,668	3,193	2,916
EBITDA, SEK M	4,878	3,165	2,090	1,736	1,546
EBIT, SEK M	3,978	2,728	1,921	1,577	1,382
Non-recurring items (NRI's) in EBIT, SEK M	-742	-397	10	-54	36
Non-recurring items (NRI's) in net financial items, SEK M	0	-316	0	0	0
Revaluations of portfolio investments, SEK M	88	-3	45	32	33
Items affecting comparability, SEK M	132	25	n/a	n/a	n/a
Cash EBITDA excl NRI's, SEK M	9,474	6,350	3,658	3,247	2,880
EBITDA excl NRI's, SEK M	5,620	3,562	2,080	1,790	1,510
EBIT excl NRI's, SEK M	4,720	3,125	1,911	1,631	1,346
EBIT adjusted, SEK M	4,500	3,103	1,866	1,599	1,313
Net earnings, SEK M	1,943	1,503	1,468	1,172	1,041
Earnings per share, SEK	14.18	14.62	20.15	15.92	13.48
EPS growth, %	-3	-27	27	18	31
Dividend/proposed dividend per share, SEK	9.50	9.50	9.00	8.25	7.00
Average number of shares, '000	131,391	102,674	72,348	73,097	76,462
Number of shares outstanding at end of period, '000	131,291	131,541	72,348	72,348	73,848
Net Debt, SEK M	42,122	37,322	7,260	6,026	5,635
SERVICE LINE EARNINGS EXCL NRI'S AND ITEMS AFFECTING COMPARABILITY BY SERVICE LINE, SEK M					
Credit Management	2,489	1,745	1,098	998	868
Financial Services	3,604	2,445	1,521	1,332	1,190
Common costs	-1,505	-1,091	-708	-699	-712
Estimated remaining collections (ERC), SEK M	57,382	44,603	17,645	15,073	13,682
Return on portfolio investments, %	15	16	20	20	20
Portfolio investments, SEK M	11,854	7,170	3,084	2,271	1,909
Average number of employees	7,847	6,293	3,865	3,738	3,694

RECONCILIATION OF KEY FIGURES

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full-year 2018	Full-year 2017	Pro forma Full-year 2017	Pro forma Change %
unless otherwise indicated							
Service line earnings portfolio	964	757	27	3,464	2,433	2,979	16
Thereof revaluations	76	-44	-273	88	-3	63	40
Average carrying value of portfolio investments in receivables	24,372	19,957	22	22,990	14,830	18,696	23
Average carrying value of real estate excl Ibercaja transaction	176	68	158	145	47	47	211
Total	24,548	20,025	180	23,134	14,877	18,743	
Return on portfolio investments (receivables), %	16	15		15	16	16	
Return excl revaluations, %	15	16		15	16	16	
Return on portfolio investments incl real estate, %	16	15		15	16	16	
Return excl revaluations, %	14	16		15	16	16	
Service line earnings portfolio investments	964	757	27	3,464	2,433	2,979	16
Thereof revaluations	76	-44	-273	88	-3	63	40
Participation in joint ventures	106	0		106	0	0	
Total	1,070	757	41	3,570	2,433	2,979	20
Average carrying value of portfolio investments in receivables	24,372	19,957	22	22,990	14,830	18,696	23
Average carrying value of real estate excl Ibercaja transaction	176	68	158	145	47	47	211
Average carrying value of shares in joint ventures	3,225	0		2,373	0	0	
Total	27,772	20,025	39	25,507	14,877	18,743	36
Return on portfolio investments incl real estate and joint ventures, %	15	15		14	16	16	
Return excl revaluations, %	14	16		14	16	16	
EBIT	1,003	807	24	3,978	2,728	3,489	14
Depreciation	216	191	13	900	436	742	21
Amortization and revaluations	979	943	4	3,854	2,788	3,295	17
Cash EBITDA	2,198	1,941	13	8,732	5,952	7,526	16
EBIT	1,003	807	24	3,978	2,728	3,489	14
Depreciation	216	191	13	900	436	742	21
EBITDA	1,219	998	22	4,878	3,164	4,231	15
Cash EBITDA	2,198	1,941	13	8,732	5,952	7,526	16
Non-recurring items, NRI's	223	157	42	742	397	499	49
Cash EBITDA excl NRI's	2,421	2,098	15	9,474	6,349	8,025	18
EBITDA	1,219	998	22	4,878	3,164	4,231	15
Non-recurring items, NRI's	223	157	42	742	397	499	49
EBITDA excl NRI's	1,442	1,155	25	5,620	3,561	4,730	19
EBIT	1,003	807	24	3,978	2,728	3,489	14
Non-recurring items, NRI's	223	157	42	742	397	499	49
EBIT excl NRI's	1,226	964	27	4,720	3,125	3,988	18
EBIT	1,003	807	24	3,978	2,728	3,489	14
Non-recurring items, NRI's	223	157	42	742	397	499	49
Revaluations of portfolio investments	-76	44		-88	3	-63	
Items affecting comparability	86	0		-132	0	0	
EBIT adjusted	1,236	1,008	23	4,500	3,128	3,925	15
Liabilities to credit institutions	6,830	2,703	153	6,830	2,703	2,703	153
Bond loans	34,254	33,052	4	34,254	33,052	33,052	4
Provisions for pensions	263	175	50	263	175	175	50
Commercial paper	2,123	2,269	-6	2,123	2,269	2,269	-6
Other interest-bearing liabilities	0	4	-100	0	4	4	-100
Cash and cash equivalents	-1,348	-881	53	-1,348	-881	-881	53
Net Debt	42,122	37,322	13	42,122	37,322	37,322	13

OPERATING SEGMENTS

REGIONS – REVENUES FROM EXTERNAL CLIENTS

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Northern Europe	1,051	942	12	3,979	3,012	3,869	3
Central & Eastern Europe	1,116	801	39	3,790	2,775	3,246	17
Western & Southern Europe	711	579	23	2,564	1,847	2,056	25
Iberian Peninsula & Latin America	639	779	-18	3,109	1,800	3,048	2
Total revenues from external clients	3,517	3,101	13	13,442	9,434	12,219	10

REGIONS – REVALUATIONS OF PORTFOLIO INVESTMENTS

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Northern Europe	-33	8	-23	18	42
Central & Eastern Europe	130	-43	109	-19	13
Western & Southern Europe	-18	-6	-58	0	6
Iberian Peninsula & Latin America	-3	-3	60	-2	2
Total revaluation	76	-44	88	-3	63

REGIONS – ITEMS AFFECTING COMPARABILITY IN NET REVENUES

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

REGIONS – REVENUES EXCLUDING REVALUATIONS AND ITEMS AFFECTING COMPARABILITY

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Northern Europe	1,084	934	16	4,002	2,994	3,827	5
Central & Eastern Europe	986	844	17	3,681	2,794	3,233	14
Western & Southern Europe	729	585	25	2,622	1,847	2,050	28
Iberian Peninsula & Latin America	642	782	-18	2,826	1,802	3,046	-7
Total revenues excluding revaluations and items affecting comparability	3,441	3,145	9	13,131	9,437	12,156	8

REGIONS – OPERATING EARNINGS (EBIT)

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Northern Europe	320	287	11	1,294	1,014	1,271	2
Central & Eastern Europe	469	138	240	1,377	831	968	42
Western & Southern Europe	108	137	-21	228	290	292	-22
Iberian Peninsula & Latin America	106	245	-57	1,079	593	958	13
Total EBIT	1,003	807	24	3,978	2,728	3,489	14
Net financial items	-367	-336	9	-1,363	-973	-1,942	-30
Earnings before tax	636	471	35	2,615	1,755	1,547	69

REGIONS – NON-RECURRING ITEMS (NRI'S)

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Northern Europe	-32	-23	-108	-128	-183
Central & Eastern Europe	-47	-71	-174	-149	-159
Western & Southern Europe	-72	-10	-332	-44	-51
Iberian Peninsula & Latin America	-72	-53	-128	-76	-106
Total NRI's	-223	-157	-742	-397	-499

REGIONS – ITEMS AFFECTING COMPARABILITY IN OPERATING EARNINGS (EBIT)

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Northern Europe	0	0	0	0	0
Central & Eastern Europe	0	0	0	0	0
Western & Southern Europe	-46	0	-46	0	0
Iberian Peninsula & Latin America	-40	0	178	0	0
Total Items affecting comparability	-86	0	132	0	0

REGIONS – EBIT ADJUSTED

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Northern Europe	385	302	27	1,425	1,124	1,412	1
Central & Eastern Europe	386	252	53	1,442	999	1,114	29
Western & Southern Europe	244	153	59	664	334	337	97
Iberian Peninsula & Latin America	221	301	-27	969	671	1,062	-9
Total EBIT adjusted	1,236	1,008	23	4,500	3,128	3,925	15

REGIONS – EBIT MARGIN ADJUSTED

%	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Northern Europe	36	32	36	38	37
Central & Eastern Europe	39	30	39	36	34
Western & Southern Europe	33	26	25	18	16
Iberian Peninsula & Latin America	34	38	34	37	35
EBIT margin adjusted	36	32	34	33	32

REGIONS – BOOK VALUE PORTFOLIO INVESTMENTS

SEK M	31 Dec 2018	31 Dec 2017	Change %	31 Dec 2018	31 Dec 2017	Change %
Northern Europe	7,567	6,607	15	7,567	6,607	15
Central & Eastern Europe	7,734	6,916	12	7,734	6,916	12
Western & Southern Europe	5,666	4,236	34	5,666	4,236	34
Iberian Peninsula & Latin America	3,863	3,390	14	3,863	3,390	14
Total book value	24,830	21,149	17	24,830	21,149	17

SERVICE LINES – REVENUES

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Credit Management	2,403	2,251	7	9,480	6,700	8,852	7
Financial Services	1,741	1,406	24	6,394	4,516	5,506	16
Elimination of inter-service line revenue	-627	-556	13	-2,432	-1,782	-2,138	14
Total revenues	3,517	3,101	13	13,442	9,434	12,220	10

REVENUES BY TYPE

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
External Credit Management revenues	1,776	1,695	5	7,048	4,918	6,714	5
Collections on portfolio investments	2,662	2,318	15	10,056	7,198	8,680	16
Amortization of portfolio investments	-1,055	-899	17	-3,942	-2,785	-3,358	17
Revaluation of portfolio investments	76	-44	-273	88	-3	63	40
Other revenues from Financial Services	58	31	87	192	106	121	59
Total revenues	3,517	3,101	13	13,442	9,434	12,220	10

SERVICE LINES – SERVICE LINE EARNINGS

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Credit Management	509	552	-8	2,433	1,704	2,394	2
Financial Services	1,057	752	41	3,600	2,456	2,957	22
Common costs	-563	-497	13	-2,055	-1,432	-1,862	10
Total EBIT	1,003	807	24	3,978	2,728	3,489	14

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

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Credit Management	-62	-58	-188	-67	-81
Financial Services	-1	9	-4	11	11
Common costs	-159	-106	-550	-341	-429
Total NRI's	-222	-155	-742	-397	-499

SERVICE LINES – ITEMS AFFECTING COMPARABILITY IN NET REVENUES

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Credit Management	0	0	223	0	0
Financial Services	0	0	0	0	0
Common costs	0	0	0	0	0
Total Items affecting comparability	0	0	223	0	0

SERVICE LINES – ITEMS AFFECTING COMPARABILITY IN SERVICE LINE EARNINGS

SEK M	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Credit Management	-86	0	132	0	0
Financial Services	0	0	0	0	0
Common costs	0	0	0	0	0
Total Items affecting comparability	-86	0	132	0	0

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

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change %	Full Year 2018	Full Year 2017	Pro forma Full Year 2017	Pro forma Change %
Credit Management	657	610	8	2,489	1,771	2,475	1
Financial Services	1,058	743	42	3,604	2,445	2,946	22
Common costs	-404	-391	3	-1,505	-1,091	-1,433	5
Total EBIT excl NRI's and Items affecting comparability	1,311	962	36	4,588	3,125	3,988	15

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

%	Oct-Dec 2018	Oct-Dec 2017	Full Year 2018	Full Year 2017	Pro forma Full Year 2017
Credit Management	27	27	27	26	28
Financial Services	61	53	56	54	54
EBIT margin excl NRI's and items affecting comparability	37	31	34	33	33

PARENT COMPANY INTRUM AB (PUBL)

INCOME STATEMENT – PARENT COMPANY

SEK M	Full Year 2018	Full Year 2017
Revenues	215	159
Gross earnings	215	159
Sales and marketing expenses	-46	-36
Administrative expenses	-726	-460
Operating earnings (EBIT)	-557	-337
Income from subsidiaries	2,008	368
Exchange rate differences on monetary items classified as expanded investment	731	-166
Net financial items	-516	-444
Earnings before tax	1,666	-579
Tax	-191	199
Net earnings for the period	1,475	-380

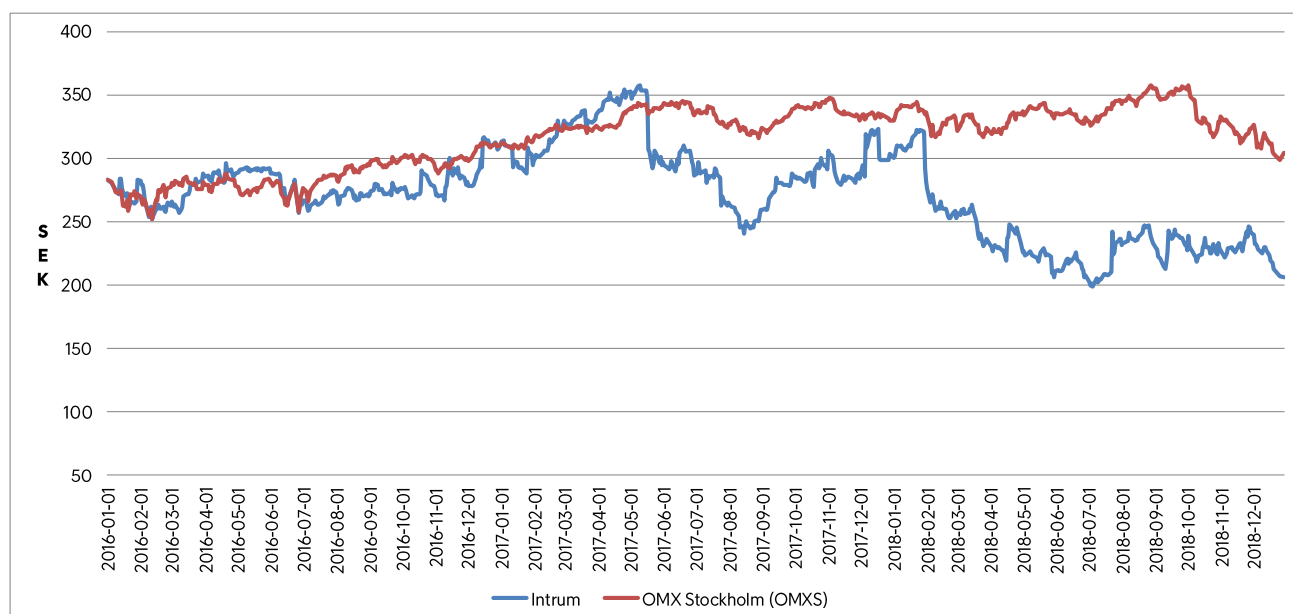
STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	Full Year 2018	Full Year 2017
Net earnings for the period	1,475	-380
Other comprehensive income:	-1,320	47
Change of translation reserve (fair value reserve)		
Total comprehensive income	155	-333

BALANCE SHEET – PARENT COMPANY

SEK M	31 Dec 2018	31 Dec 2017
ASSETS		
Fixed assets		
Intangible fixed assets	43	0
Tangible fixed assets	5	0
Financial fixed assets	54,969	53,541
Total fixed assets	55,017	53,541
Current assets		
Current receivables	11,751	7,365
Cash and cash equivalents	251	95
Total current assets	12,002	7,460
TOTAL ASSETS	67,019	61,001
SHAREHOLDERS' EQUITY AND LIABILITIES		
Restricted equity	285	285
Unrestricted equity	16,162	17,310
Total shareholders' equity	16,447	17,595
Long-term liabilities	42,995	38,006
Current liabilities	7,577	5,410
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	67,019	61,011

SHARE PRICE TREND



OWNERSHIP STRUCTURE

31 December 2018	No of shares	Capital and Votes, %
Nordic Capital	57,728,956	44.0
Sampo Oyj	6,864,969	5.2
NN Investment Partners	6,399,125	4.9
Handelsbanken Funds	5,408,000	4.1
Lannebo Funds	3,344,027	2.5
Jupiter Asset Management	2,962,566	2.3
Swedbank Robur Funds	2,823,260	2.2
AMF Insurance & Funds	2,571,940	2.0
Odin Funds	2,219,730	1.7
Nordnet Pension Insurance	2,012,915	1.5
Vanguard	1,968,880	1.5
BNP Paribas Asset Management	1,894,787	1.4
AFA Insurance	1,493,471	1.1
BlackRock	1,112,806	0.8
TIAA - Teachers Advisors	1,023,876	0.8
Total, fifteen largest shareholders	99,829,308	76.0

Total number of shares: 131,291,320

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

Swedish ownership accounted for 26.2 percent (institutions 6.2 percentage points, mutual funds 12.7 percentage points, retail 7.3 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.

Adjusted operating earnings (EBIT)

Adjusted operating earnings (EBIT) are 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 12-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 expenses, 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 expenses 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.

Estimated remaining collections, ERC

The estimated remaining collections represent the nominal value of the expected future collection on the Group's portfolio investments, including Intrum's anticipated cash flows from investments in joint ventures.

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

The investments for the period in portfolios of overdue receivables, with and without collateral, investments in real estate and in joint ventures whose operations entail investing in portfolios of receivables and properties.

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.