Bucharest, 14th March 2017

**Study on issuing and cashing invoices among SMEs resulting from the strategic partnership between Smart Bill and Coface, whereby companies from Romania will be able to recover their outstanding invoices easier.**

* **In 2016, companies from Bucharest and Ilfov issued 45% of the entire volume of invoices, according to the study performed on 40,000 companies, Smart Bill customers.**
* **Companies in the sector “Wholesale and retail trade; repair of motor vehicles and motorcycles” accounted for most of the year's total value of invoices issued.**
* **In 2016, the number of invoices issued from mobile devices increased by almost 600%, compared to 2015 among the 40,000 companies.**
* **Smart Bill and Coface have developed a strategic partnership that helps businesses in Romania to recover their receivables easier and faster.**

In the past eight years, from the time of the financial crisis until now, Romanian businesses have seen a doubling of the average collection of outstanding invoices and the level of receivables reported in the financial statement. According to NBR data, the latter reached 338 B RON in 2015.

In this context, Smart Bill, the No. 1 invoicing and management solution and Coface, local leader in credit insurance, have developed a strategic partnership helping businesses in Romania to recover their receivables easier and faster. Being available for the first time on-line as well, the service is aimed at companies with bad debts, needing to access easily, through an intuitive platform, a professional collection service. Thus, thanks to this partnership, the users of the Smart Bill platform may access, with a simple click, the outstanding invoice collection service offered by Coface.

*"The partnership is addressing one of the sore points of Romanian companies, especially the small and medium enterprises: cash flow. Together with Coface,we want to reduce this problem and offer local firms the opportunity to collect their outstanding invoices simpler and faster. Technology and attention to customer needs are part of our DNA and we want to put it to the service of companies in Romania. From the beginning, we built Smart Bill as a business tool for our customers, and this partnership is one of a long series supporting this",* says Mircea Căpăţînă, Co-Founder & Biz Dev Manager Smart Bill.

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According to the study performed on the 40,000 companies using the Smart Bill platform, companies form Bucharest and Ilfov have cumulatively issued last year 45% (36.41% in the Capital and 8.55% in Ilfov) of the total volume of invoices. The hierarchy is completed by businesses from Cluj Napoca (3.65%) and Timis (3.37%). All companies from Bucharest are in first place in terms of the value of the invoices issued to, with 30.2%, followed by those in Ilfov with 6.74%, Timis 6.3%, Constanta 4.89% and Cluj Napoca 4.12%. At the opposite pole, we have counties Covasna (0.28%), Mehedinti (0.23%) and Caras-Severin (0.19%) by the total number of invoices issued, and Covasna (0.29%), Botosani (0.18%) and Mehedinti (0.12%), by the total value of the invoices issued, respectively.

Companies in the sector "Wholesale and retail trade, repair of motor vehicles and motorcycles” accounted for most of last year's total value of invoices issued. Companies in the sectors “transport and storage” and “constructions” occupy the next positions in the top. In the top 10 business sectors, the lowest value of the total invoices issued is registered by companies who perform cultural and leisure activities.

Furthermore, Smart Bill data also show that the 40,000 and plus customers of the company, invoiced last year, on average, 108 invoices per minute. The resulting data took into account business days and a working time of 8 hours per day.

**Companies are invoicing on-line and on the move**

Mobile devices are the No. 1 choice when it comes to media consumption and they tend to become vital in business processes too. More and more companies choose to use Smart Bill from mobile phones. In 2016, the number of invoices issued by these on mobile devices has increased by almost 600% compared to the previous year, while their value increased by 254%.

Last year, the total number of invoices issued by Smart Bill customers exceeded 12 million, with a total value of over 10 B RON.

**Economic and Financial Context**

Business environment in Romania lost in the past five years about 13% of companies with high incomes. The ever-increasing pressure of reimbursing the loans to the banks and the drop in income amid shrinking demand, given the massive reduction in lending were among the main reasons. Since 2008, private companies have been increasingly oriented to funding by extending their deadlines for collection and payment in the relations with business partners. Moreover, the average collection period of receivables (DSO) increased from 60 days, the level in 2007 to almost 114 days in 2015.

*"Romanian companies have seen a doubling of the average collection period of trade receivables from the moment of impact of the financial crisis so far, with commercial credit increasing four times more intensely than bank credit. In this context, small and medium businesses were those who had most to suffer, because these record the most extended term for the collection of receivables, adversely affecting their level of bankability and payment discipline. In this context, Coface responds to companies through the partnership developed alongside the Smart Bill team. Basically, with this partnership, the users of the Smart Bill platform may access, with a simple click, the outstanding invoice collection service offered by Coface. Accessing the collection service on-line is a first in the industry, greatly simplifying the access and ensuring the growth of liquidity for companies by reducing the collection period",* mentions Eugen Anicescu, Country Manager, Coface Romania.

**Disadvantages of outstanding invoices for companies**

* **6 out of 10 companies** applying for a bank loan to finance working capital are refused due to the bad debts of the company asking for the loan. Overdue receivables become questionable, generate significant pressures on the liquidity and significantly reduce the chances of contracting a bank loan.
* **7 out of 10 companies** that were classified in a higher risk class by Coface in 2016 recorded an increase in the average collection period of receivable (the DSO indicator). The slower collection of receivables leads to the increase of the risk of insolvency and may result in the reduction of credit limits recommended for their suppliers.
* **4 out of 10 companies** cannot pay their suppliers on time because they do not collect their own receivables on time. A degree of collection of receivables as high as possible by the end of 2016 will allow those companies to pay their suppliers on time or even before the due date, thus obtaining significant discounts.

In the long term, the collection of invoices with a very big delay can lead to stagnation at the level of the entire market economy.

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| **About Coface**  Coface, a world-leading credit insurer, offers 50,000 companies around the globe solutions to protect them against the risk of financial default of their clients, both on their domestic and export markets. The Group, which aims to be the most agile global credit insurer in the industry, is present in 100 countries, employs 4,300 people, and posted consolidated turnover of €1.411 billion in 2016.  Coface publishes quarterly country and sector risk assessments based on its unique knowledge of companies’ payment behavior and on the expertise of its 660 underwriters and credit analysts located close to clients and their debtors.  [www.coface.com](http://www.coface.com)  COFA-listed-emblems_black  Coface SA. is listed on Euronext Paris – Compartment B  ISIN: FR0010667147 / Ticker: COFA |

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| |  | | --- | | **About Smart Bill**  Launched in 2007 by entrepreneurs Radu Hasan, Ioana Hasan and Mircea Căpăţînă, Smart Bill is currently the most used and appreciated Billing and Management program on the Romanian market, being used by 40,000 customers.  In 2014, company Intelligent IT from Sibiu, the supplier of the Smart Bill program, released the cloud invoicing version, an important point for the long-term development of the brand. Two years later, Smart Bill completes its portfolio of cloud services with the Cloud Management option.  In 2016, Smart Bill received an investment of 1 million euro from Catalyst Romania and Gecad Group investment funds, which took over, through an operation of capital increase 30% of the company's shares.  Smart Bill is addressing a large range of clients, from self-employed, small and medium enterprises, to multinational companies, in all areas of business, and with its help, over 1,000,000 invoices are issued monthly and more than 2 billion euro are invoiced annually. | |