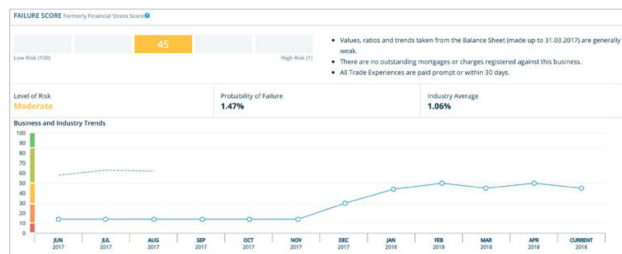## D&B PREDICTIVE INDICATORS

Knowing a customer's or prospect's long-term commercial sustainability is critical to your business. Dun & Bradstreet Predictive Indicators provide insight into these organisations helping to drive growth, mitigate risk and increase profitability

D&B FAILURE SCORE

Indicates the likelihood that an organisation will fail in the next 12 months.

FAILURE SCORE Formerly Financial Stress Score

45

Low Risk (100) — High Risk (1)

- Values, ratios and trends taken from the Balance Sheet (made up to 31.03.2017) are generally weak.
- There are no outstanding mortgages or charges registered against this business.
- All Trade Experiences are paid prompt or within 30 days.

Level of Risk: Moderate
Probability of Failure: 1.47%
Industry Average: 1.06%

Business and Industry Trends

The D&B Failure Score is a relative measure of risk, whereby 1 represents organisations that have the highest probability of failure and 100 the lowest. It shows how an organisation's risk of failure compares to other organisations within a country. This score is dynamic and is updates when new information becomes available.

D&B RISK INDICATOR

Failure Score	Risk Indicator	Probability of Failure
86 – 100	1	Minimum Risk
51 – 85	2	Lower than average risk
11 – 50	3	Higher than average risk
1 – 10	4	High risk

Failure scores are grouped into 4 segments. This allows our customers to set cut-offs for decisions based on their own credit policy and attitude to risk. It can be used to show the expected level of 'bad' applications / accounts for each Failure Score and therefore allow our customers to balance the opportunity of increased sales against the risk of bad debt.

D&B FINANCIAL STRENGTH INDICATOR

Determined from the latest financial accounts and provides an indication of the strength of the organisation to cope with adverse trading periods or exploit investment opportunities.

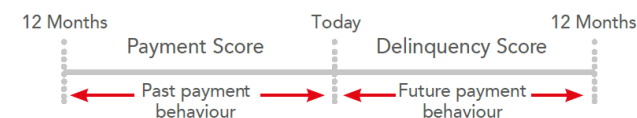| Financial Strength Indicator	Tangible Net Worth			
	£ for UK		€ for Ireland	
Net Worth	From	To	From	From
5A	35,000,000	And above	44,440,833	And above
4A	15,000,000	34,999,999	19,046,071	44,440,832
3A	7,000,000	14,999,999	8,888,167	19,046,070
2A	1,500,000	6,999,999	1,904,607	8,888,166
1A	700,000	1,499,999	888,817	1,904,606
A	350,000	699,999	444,408	888,816
B	200,000	349,999	253,948	444,407
C	100,000	199,999	126,974	253,947
D	70,000	99,999	88,882	126,973
E	35,000	69,999	44,441	88,881
F	20,000	34,999	25,395	44,440
G	8,000	19,999	10,158	25,394
H	0	7,999	1	10,157
Alternate Symbols Used				
N	Negative net worth			
O	Net worth undetermined (accounts unavailable or older than 2 years)			

D&B DELINQUENCY SCORE

Indicates the likelihood that an organisation will pay its suppliers in a severely delinquent manner in the next 12 months so helping to manage cashflow. By analyzing trade payments data collected by Dun & Bradstreet and combining this with a series of other measures including financial information and ratios etc. This score is dynamic and is updates when new information becomes available.

DELINQUENCY SCORE Formerly Commercial Credit Score

27

Low Risk (100) — High Risk (1)

Level of Risk: Moderate
Probability of Delinquency: 14.37%

Business and Industry Trends

Delinquency Score

The D&B Delinquency Score is a relative measure of risk, whereby 1 represents organisations that have the highest probability of delinquency and 100 the lowest. It shows an organisation's relative rank against other organisations within a country.

D&B RATING

Combines financial Strength and the Risk Indicator and indicates credit worthiness.

2A — Financial Strength
4 — Risk Indicator

- The Financial Strength indicator is determined by the latest Tangible Net Worth.
- Based on latest filed annual accounts
- Linked directly to the failure score.
- Dynamically kept up-to-date.

D&B MAXIMUM CREDIT

Indicates the total value of goods / services the 'average' creditor should have outstanding at any one time with an organisation. This helps to agree appropriate credit terms and limits.

D&B PAYMENT SCORES (PAYDEX)

A PAYDEX Score of 80 indicates prompt payments, less than 80 (down to 1) indicates slow payments, and greater than 80 (up to 100) indicates payment before due.

12 Months — Payment Score — Today — Delinquency Score — 12 Months
Past payment behaviour — Future payment behaviour

How Do Our Customers Use D&B's Predictive Indicators? Predictive Indicators can provide critical early warning signs of increasing risk or opportunity. D&B experience shows: Over 90% of organisational failures exhibit deteriorations or fluctuations in payment behaviour 3 – 6 months before bankruptcy. Organisations with cash flow pressures are likely to pay less important suppliers slower or not at all, so if you are a key supplier you may be one of the last to know of impending financial stress. Combining the power of the Failure Score and the Delinquency Score allows our customers to segment their credit risk profile and focus sales teams, credit management and collections resources where they will be most effective.