

## Covid-19: unpaid B2B invoices up 23% in UK according to new tracker by Sidertrade

**London, United Kingdom – 22 April 2020 | Sidertrade, (Euronext Growth: ALBFR.PA) the B2B Artificial Intelligence platform, is publishing a first-of-its-kind B2B unpaid invoice tracker. The weekly tracker is based on statistical analysis of 26 million invoices, representing €54bn of B2B transactions. The payment behaviour of over 3.7 million businesses is tracked week by week. For the first time, an in-depth study lifts the veil on late payment. Unsurprisingly, unpaid invoices have shot up since lockdown measures went into effect.**

In the present context of a global health emergency combined with an economic crisis of historic proportions, how are businesses behaving with their suppliers? Are they really showing solidarity, as they have been urged to do so since the start of the crisis?

To provide objective insights, Sidertrade is launching the very first **unpaid invoice tracker**, which will be published weekly. Freely accessible to all private and public sector decision-makers, the tracker serves as a score card to remind the business community of the importance of paying suppliers responsibly, so as not to worsen the effects of the crisis on businesses already in difficulty.

### Pan-European tracking of late payment for decision-makers and public authorities

Week after week, the Sidertrade tracker reveals the payment behaviour of over 3.7 million enterprises in six European countries: the U.K., France, Spain, Italy, Belgium and the Netherlands. Since 1 January 2020, Sidertrade has analysed over 26 million invoices, amounting to €54bn in B2B transactions. This is a large-scale study, commensurate with the importance of the issue.

According to the experts, overdue invoices in Europe oscillate from year to year at around 10 days. In their study, Sidertrade's data scientists considered only payment delays that were greater than this mean, i.e. payments more than 10 days overdue. They then retroactively calculated the ratio of late invoices to all outstanding invoices, week by week, since 1 January 2020, and determined the average unpaid invoices from the start of the year to 11 March 2020, when the Covid-19 epidemic was officially declared by the WHO. Deviation from this arithmetic mean up to 11<sup>th</sup> March is highlighted by the Sidertrade tracker.

### An overview of unpaid invoices from the tracker

From 1 January through 11 March 2020, the Sidertrade tracker shows relative stability in late payment– around 20% for all of the countries analysed. Slight deviations in the pre-pandemic period are largely due to the timing of company invoicing and order-to-cash processes (e.g. start of month, end of month, decade). Average unpaid invoices for the period 1 January to 11 March 2020 is used to show how payment behaviour for a given week compares with that before the pandemic.

Needless to say, since 11 March 2020, payment delays have been skyrocketing. Rate of increase in unpaid invoices have shot up +23% in UK, +26% in the Netherlands, +44% in Belgium, +52% in Spain, +56% in France and +80% in Italy. The economic fallout for businesses correlates closely with the development of the pandemic.

Check out the Sidertrade tracker every week at <https://invoice-tracker.sidertrade.com/>.



## An ongoing problem made worse

Let us recall that inter-company credit is a major factor in the economy. Across Europe, businesses are facing insolvency due to declines in revenue and delayed payment. One UK report argues a fifth of SMEs in the UK will collapse due to a lack of cash because of Covid-19. Separate research by the Federation of Small Business says 50,000 businesses a year go under because of delayed payments.

Delays in B2B payment have been an ongoing issue across sectors. Due to Covid 19, the problem has been exasperated. Research from Bacs, and commissioned by Pay.UK in 2019 found that the UK SME late payment debt has risen to a staggering £23.4 billion, up £10.4 billion on the £13 billion owed in 2018. On top of that, the research showed that UK SMEs are now facing a total bill of £4.4 billion a year, just to collect money they are owed. The average late payment debt burden has also increased to £25,000 per company, up from just over £17,000 in 2018. The statistics were largely based on B2B payments.

The UK Government's Department for Business (BEIS) introduced new measures to tackle late payment in June 2019, including new powers for the Small Business Commissioner, and a dedicated fund to help SMEs purchase technology to help with payments. The Government's Cabinet Office has also written to public sector bodies recently, telling them to pay suppliers despite the Coronavirus pandemic.

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### About Sidetrade ([www.wwww.sidetrade.com](http://www.wwww.sidetrade.com))

Sidetrade (Euronext Growth: ALBFR.PA) accelerates company revenue and cashflow. Its Artificial Intelligence, Aimie, is able to recognize and anticipate customer behaviour in order to recommend, in real time, the best strategies for sales and finance teams. Aimie reinforces three pillars of the customer journey: sales development, loyalty and collection speed. Sidetrade has a global reach, thanks to its 250 talented employees based in Paris, London, Birmingham, Dublin, and Amsterdam. Used in 80 countries, Sidetrade's technology enables more than 2,700 businesses of all sizes and from all sectors to be more competitive.

For further information, visit us at [www.sidetrade.com](http://www.sidetrade.com) and follow us on Twitter [@Sidetrade](https://twitter.com/Sidetrade).

*In case of a discrepancy between the French and English versions of this press release, only the French version should be deemed valid.*