

H2
2023

*Year-End Factoring
Survey Highlights*



**Secured Finance
Network**

An association of professionals
putting capital to work

Introduction

This report summarizes the headline results from the Secured Finance Network's 2023 Year-End Factoring Industry Survey.

SFNet members who participate in these surveys receive more detailed reports to help them understand industry trends and benchmark their organization's performance and metrics relative to the broader respondent base. If you are a member and are interested in participating, please contact Aydan Savaser at asavaser@SFNet.com. If you are not a member, please contact James Kravitz at jkravitz@SFNet.com to learn about the many benefits of membership.

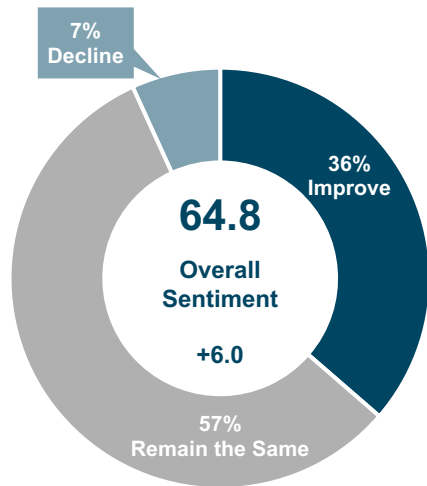
The makeup and overall number of factors providing data for this report changes from survey to survey. As such, the values presented in this report correspond only to factors that responded in this most recent cycle. Values shown in this report may not be consistent with the previous reports due to shifting respondent pools. Please refer to the subheadings for each chart for further clarification on the values being shown.

If you have any questions about the data represented in this report or have suggestions about how the report can be improved in the future, please contact Andy Yewdell at Keybridge Research at ayewdell@keybridgedc.com.

Factoring Confidence Index

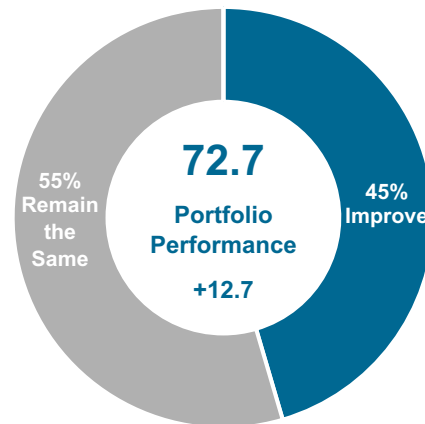
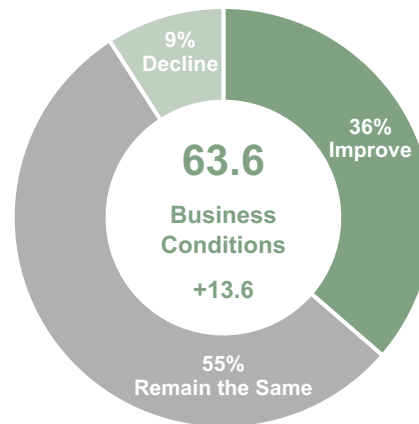
Combined Factoring Sentiment Score (0-100)

Average of H2 2023 Scores for Sentiment Indices, Change from H1 2023



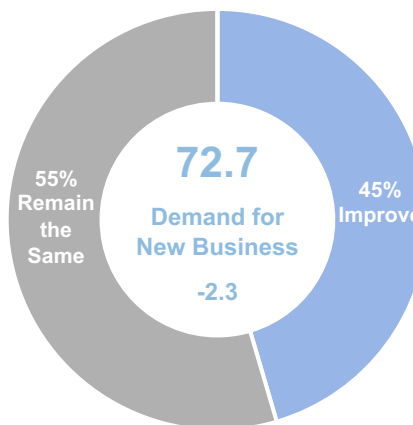
Factoring Sentiment Indices (0-100)

H2 2023 Score, Change from H1 2023



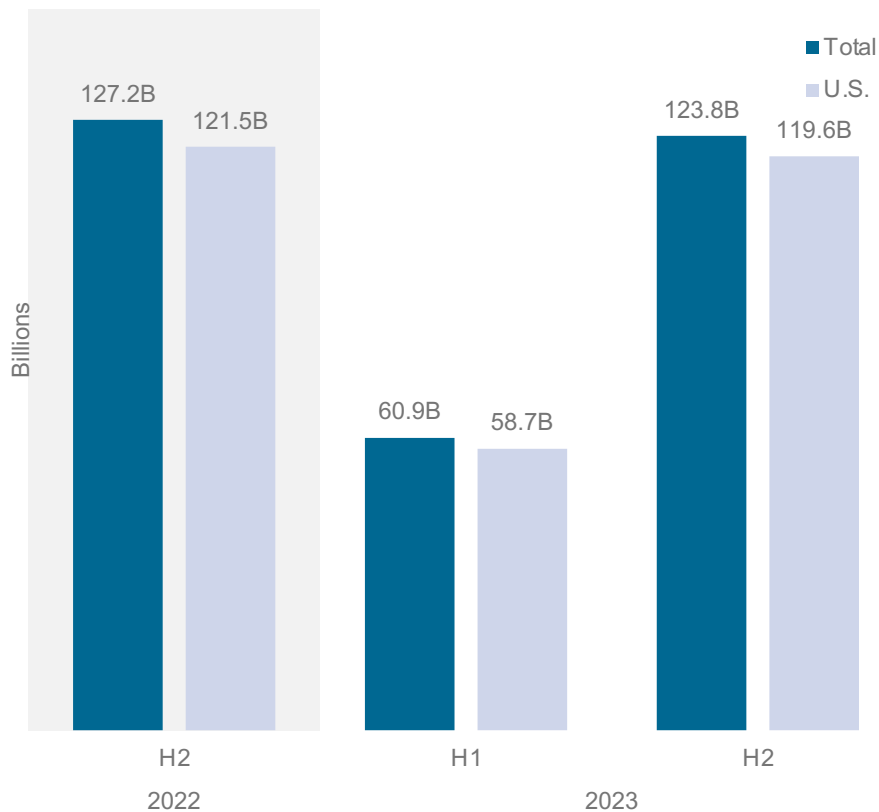
Highlights:

- Factors assessed aspects of their business and the broader factoring market over the next three months. Scores above 50 signal improvements, below 50 indicate declines, and scores at 50 imply a condition will remain the same.
- **Overall factoring sentiment** increased into solidly positive territory, with most responses indicating that conditions would remain the same.
- Factors had the **most positive expectations** around demand for new business, portfolio performance, and general U.S. business conditions.
- Factors had **neutral expectations** for employee headcounts, with most expecting them to remain the same and equal shares expecting headcounts to increase and decline.



Factoring Volume*

All factors responding for all periods

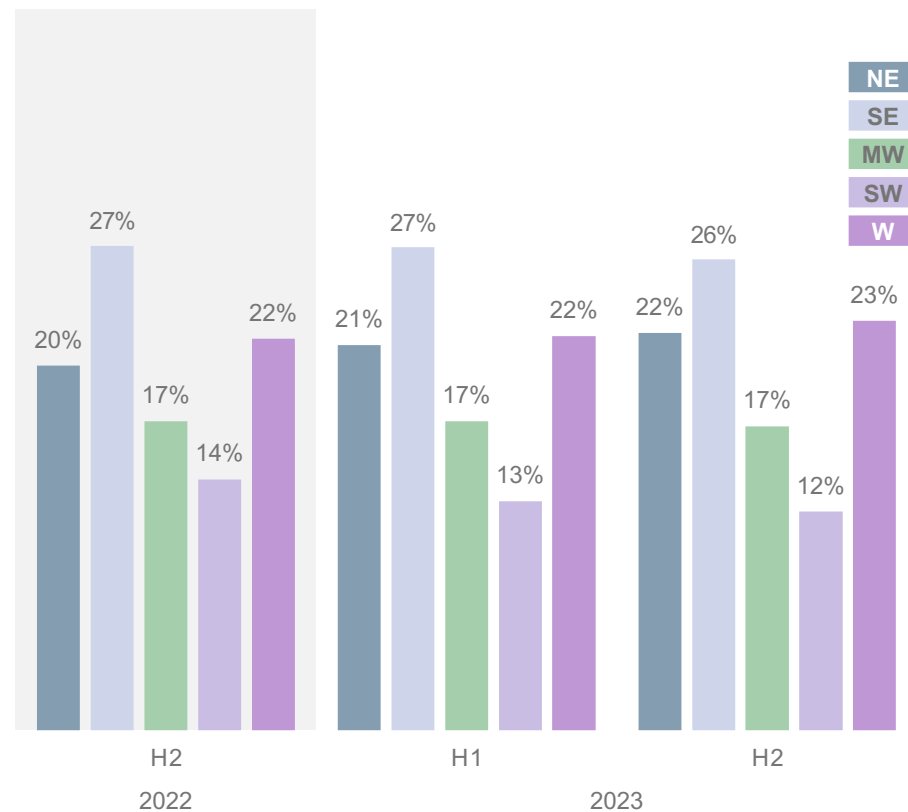


Total factoring volume decreased by 2.6% among respondents reporting in both H2 2022 and H2 2023.

*Volume in H1 and H2 are not directly comparable. H1 represents half a year of volume whereas H2 represents a full year. Total volume less U.S. volume does not equal international volume.

% of U.S. Factoring Clients by Region

All factors responding for any period

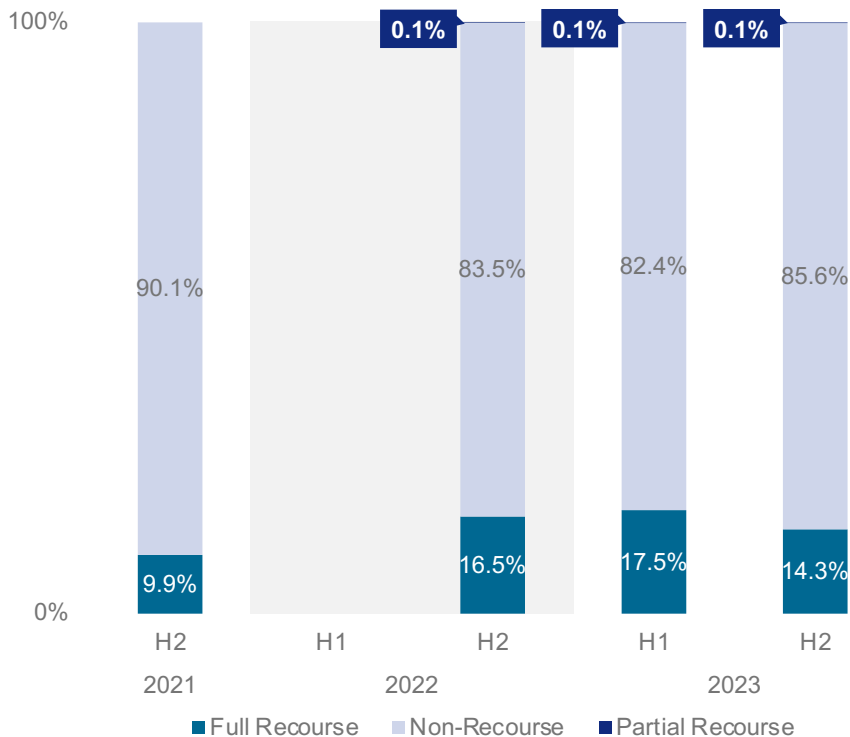


The regional distribution of clients was largely unchanged across all reported periods. The Southeast maintained the greatest share of clients across all periods.

% of Factoring Volume

Recourse Factoring

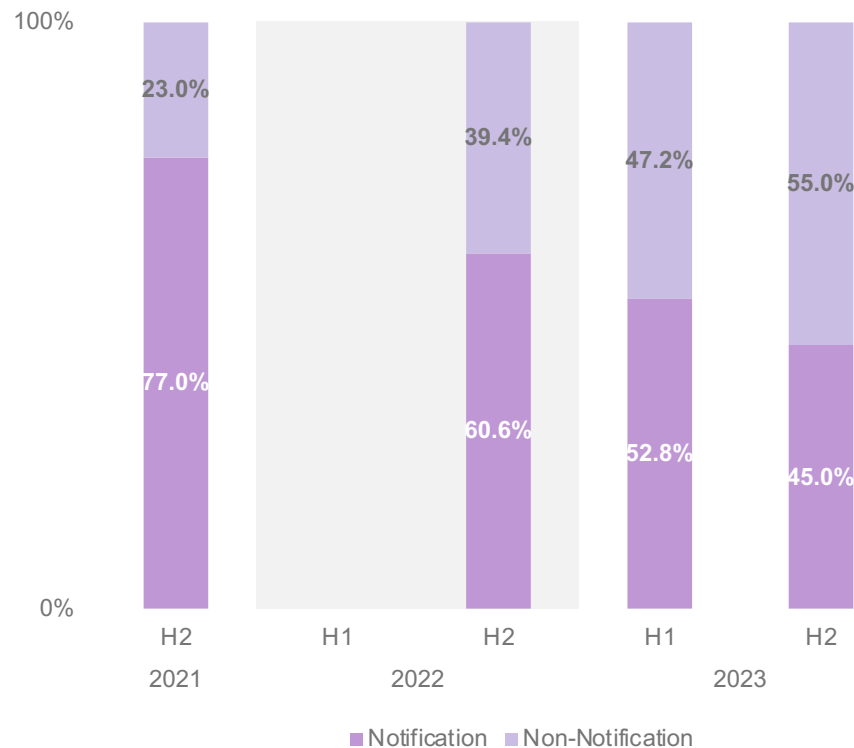
All factors responding for any period



Non-recourse factoring's share of volume increased from H1 2023 to H2 2023, rising by 3.2 percentage points.

Notification Factoring

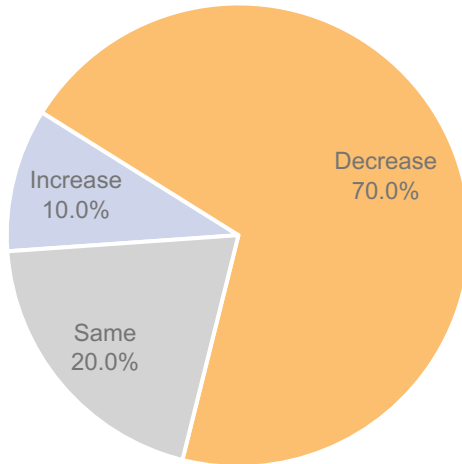
All factors responding for any period



Notification factoring's share of volume declined again from H1 2023 to H2 2023, dropping by 7.8 percentage points.

Total Funds in Use

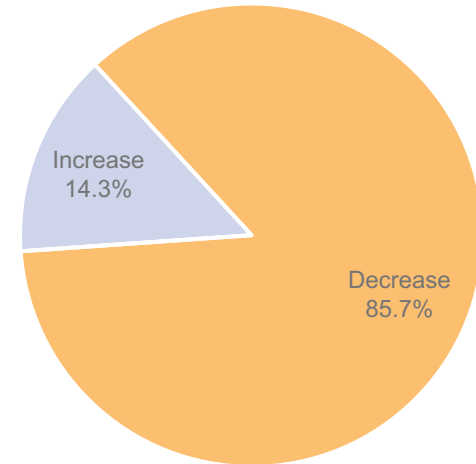
Change from H1 2023 to H2 2023, all factors responding for both periods, by share of respondents reporting change



The vast majority of respondents reported a decline in their total funds in use from H1 2023 to H2 2023.

Average Earning Assets

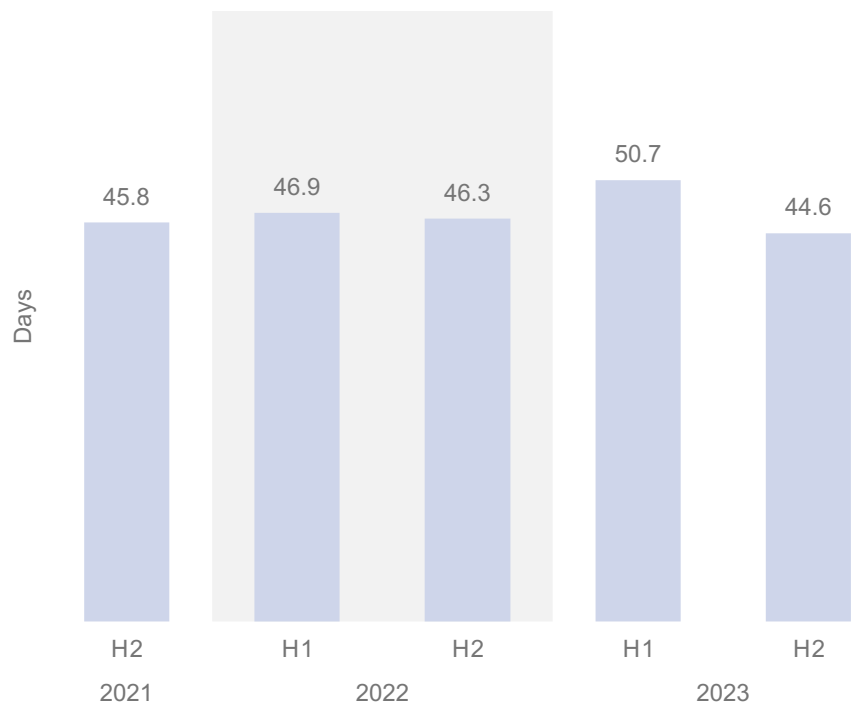
Change from H1 2023 to H2 2023, all factors responding for both periods, by share of respondents reporting change



Most respondents reported a decline in their average earning assets from H1 2023 to H2 2023.

Average Days Sales Outstanding

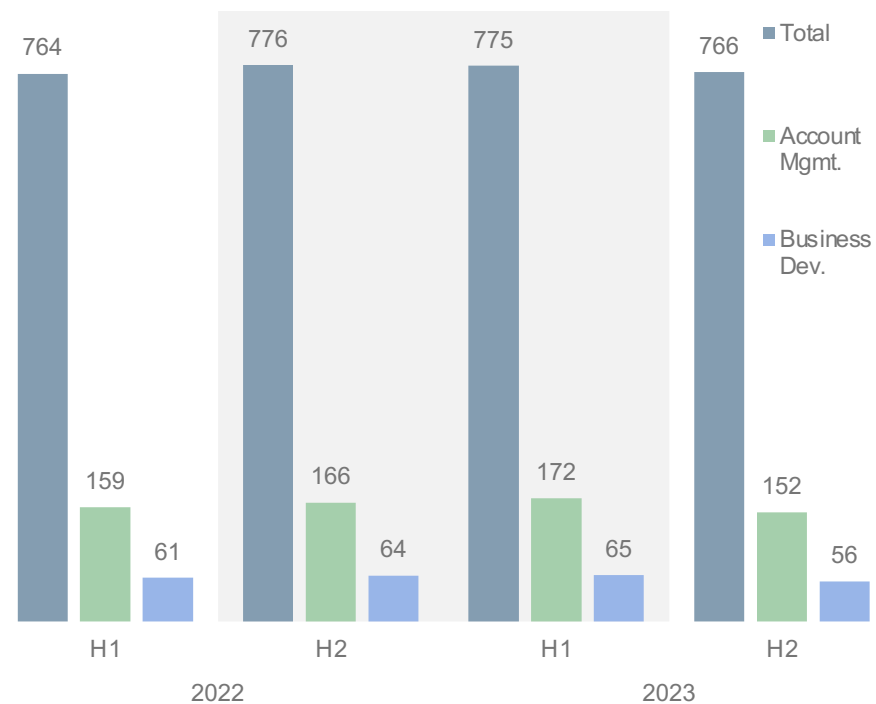
All factors responding for any period



Average days sales outstanding decreased from H1 2023 to H2 2023 by 6.1 days and decreased from H2 2022 to H2 2023 by 1.7 days.

Number of Employees

All factors responding for all periods



The total number of employees decreased gradually by 1.2% from H1 2023 to H2 2023 and by 1.3% from H2 2022 to H2 2023. The number of employees in account management, business development, and underwriting all decreased from last half and H2 2022.