



Atradius Payment Practices Barometer 2024



B2B payment practices trends

Italy

Payment terms relaxed amid positive trend in DSO





About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey provides us with the opportunity to hear directly from companies polled about how they are coping with the impact of the current challenging economic and trading environment on payment behaviour of their B2B customers. This can give valuable insights into how businesses are paid by their B2B customers, and how they tackle the pain points caused by poor payment practices.

The findings about what measures are undertaken to fund a sudden need for cash, and what credit management tools they use to mitigate the risk of long-term cash flow problems, may also be valuable information in helping understand how companies respond to the crucial issue of late or non-payment in the current uncertain times.

However, the survey also has a strong focus on the challenges and risks that companies polled believe they will encounter during the coming months, and their expectations for future business growth.

The results of our survey can supply useful insights into the current dynamics of corporate payment behaviour in B2B trade, and identify emerging trends that may shape its future. This can be extremely useful to companies doing business, or planning to do so, in the markets polled.

In this report, you will find the survey results for Italy.

The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.



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Italy

B2B payment practices trends

Payment terms relaxed amid positive trend in DSO

Trading on credit in B2B sales continues to play an important role for companies in Italy. This is evident in our survey finding that 86% of businesses across all sectors are open to offering trade credit to B2B customers as part of their sales strategy. Overall, almost half of all B2B sales are currently being transacted on credit, a consistent trend from the previous year. The Italian steel/metals industry is particularly positive, with 52% of their sales to B2B customers now being made on credit, representing an upward trend from last year. An average 42% of sales in the agri-food sector are being transacted on credit, while in the Italian chemicals industry the figure is 40%. The primary motivation for B2B selling on credit is to boost sales, especially among agri-food companies. Encouraging repeat business is also a strong factor in the chemicals and steel/metals sectors.

While trading on credit in B2B sales is relatively steady, there is a clear change of approach among companies in Italy to their payment policies. 52% of businesses in our survey tell us they are offering longer payment terms to B2B customers than in the previous year. This strategic move, which is mostly influenced by the dynamics of relationships with customers, is particularly evident in the chemicals and steel/metals industries. A significant 58% of Italian chemicals companies are extending longer payment terms, which now average nearly two months from date of invoicing. This move is also the result of

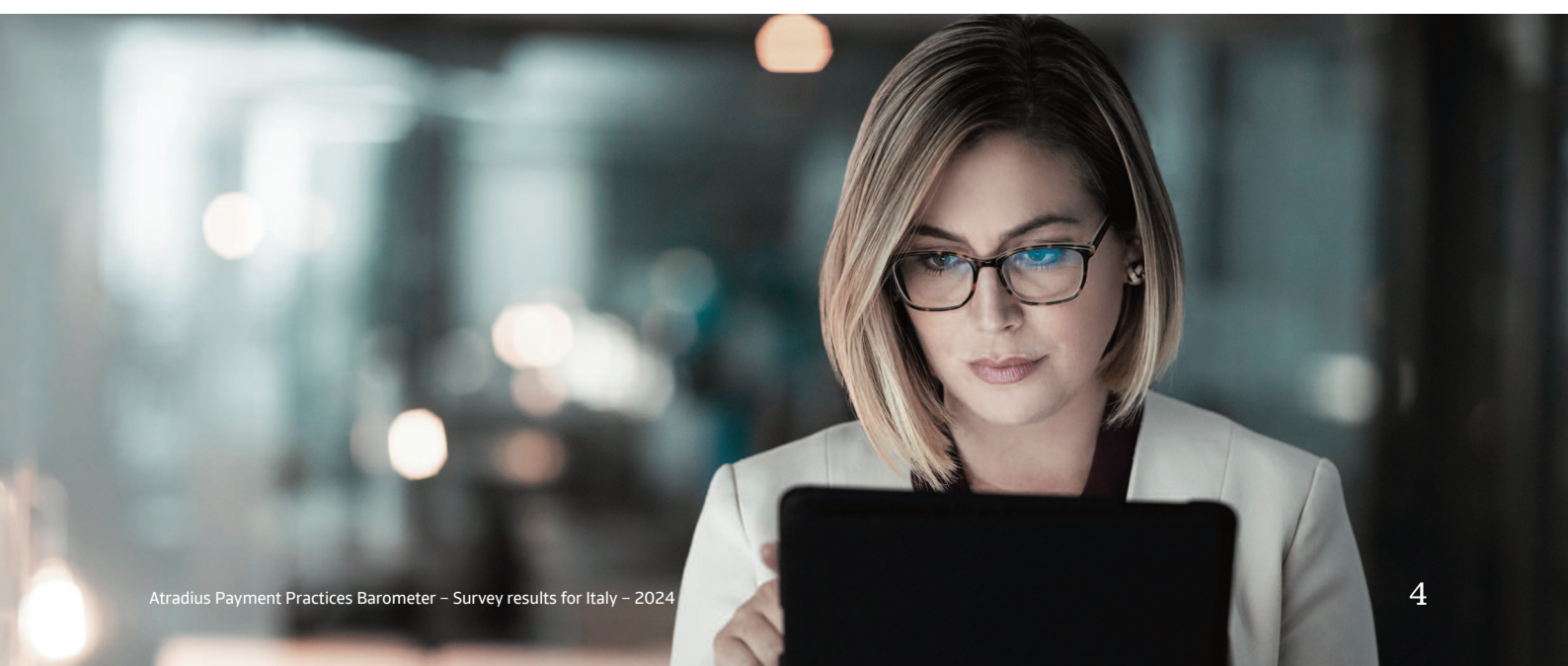
Key survey findings

- Trading on credit in B2B sales continues to play an important role for companies in our survey of Italy. There is a consistent trend from the previous year with 45% of all B2B sales currently being transacted on credit, mostly in a bid to boost sales. Businesses in the steel/metals sector report an upward trend to 52% of all B2B sales.
- There is an overall relaxation of payment terms being offered to B2B customers by businesses in Italy. 52% of companies are extending longer terms, with the chemicals and steel/metals industries leading this strategic change. In contrast, less than half of agri-food businesses are offering longer payment terms.
- A significant improvement in B2B customer payment behaviour is evident in our survey of Italian companies. There is a 10% decrease in late payments on the previous year, and these now affect 49% of all invoiced B2B sales. In contrast, the level of bad debts is slightly up, now impacting 10% of all B2B sales, with the chemicals sector hardest hit.

financial considerations as businesses aim to balance cashflow while meeting B2B customer demands. 56% of companies in the steel/metals sector are offering more relaxed payment terms, which have an average duration of 55 days from invoicing. In contrast, only 43% of Italian agri-food businesses are opting for more lenient terms, although in this industry payment terms average nearly three months from invoicing.

Key figures and charts on the following pages

(continued on page 5)



Italy

The impact of customer credit risk on the domestic business environment in Italy is showing signs of a downward trend, and highlights the adaptability of companies in navigating the current challenging economic environment. This trend is most evident in an average 10% decrease in late payments by B2B customers, which now affect around 49% of all B2B invoiced sales. However, there is a slight increase in the level of bad debts from last year, and these now impact 10% of all invoiced B2B sales. The Italian chemicals sector is hardest hit by this negative trend, with 55% of companies in the industry telling us they see a deterioration in B2B customer payment behaviour. They collect payments at an average 35 days past due, with customer cashflow issues the main issue. A clear majority of agri-food companies report no significant change in payment practices, collecting payments on average 40 days past due. In the Italian steel/metals sector 30% of businesses see a positive trend in B2B customer payment behaviour, evident in the average 41 days it takes to collect overdue payments, an improvement on last year.

This positive trend in customer credit risk is also clearly being shown by a notable improvement in Days-Sales-Outstanding (DSO). Nearly 80% of companies in our survey of Italy report either no significant change or shorter timings in converting credit sales into cash compared to the previous year. This efficiency in payment collection is beneficial for liquidity and the overall financial health of businesses. Improvement in DSO is especially evident in the chemicals and steel/metals sectors, where 40% of companies report better debt collection efficiency. Around half of the businesses in the Italian agri-food industry tell us their DSO is relatively stable. To bridge potential liquidity gaps arising from debt collection challenges, companies in our survey of

- 55% of companies in the Italian chemicals sector report a deterioration in payment practices of B2B customers, collecting payments on average 35 days past the due date. They are responding by delaying investments. Most agri-food businesses say there is no change in B2B customer payment behaviour, while 30% of steel/metals companies report an improvement.
- To bridge potential liquidity gaps arising from customer credit risk most companies in the agri-food and steel/metals industries look primarily to bank credit, and otherwise to trade credit. In the Italian chemicals sector trade credit is the most popular source of financing, with bank credit and invoice financing as alternatives.
- Nearly 80% of companies in Italy say there is either no change or an improvement in Days-Sales-Outstanding (DSO) from a year earlier. This notably positive trend has benefits for liquidity and overall financial health. A 40% improvement in debt collection efficiency is evident in both the chemicals and steel/metals industries.

Italy say they mostly look to bank credit. This is particularly so in both the agri-food and steel/metals sectors, even though tight monetary policy makes bank lending costly. They also diversify their options for obtaining short-term finance, with companies looking to trade credit as an alternative. Businesses in the Italian chemicals industry look to trade credit as their primary source of financing, with bank credit and invoice financing as further options.

Key figures and charts on the following pages

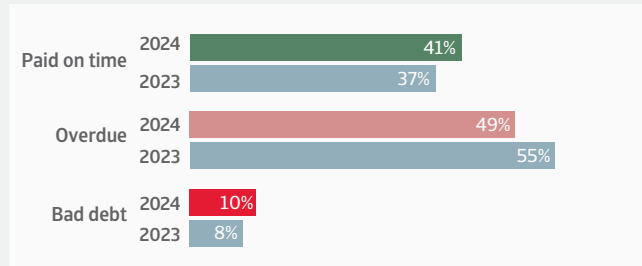




Italy

Italy

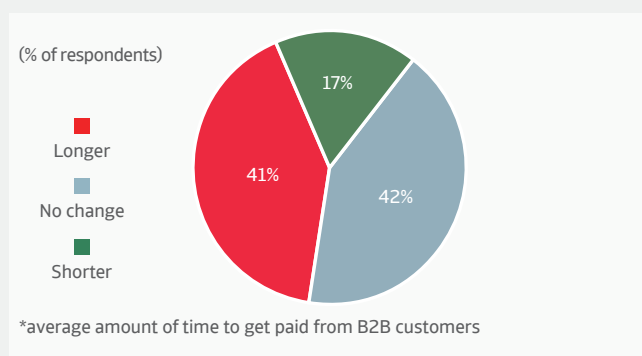
% of the total value of B2B invoices paid on time, overdue and bad debt (2024/2023)



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

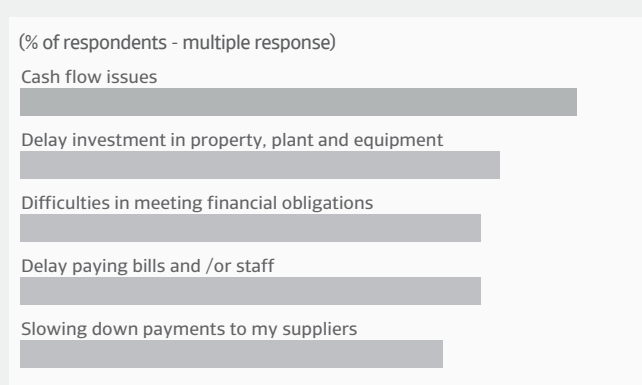
% of respondents reporting changes in payment duration* over the past 12 months



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

Over the past 12 months, have late payments from your B2B customers led your company to experience any of the following situations?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

What are the main sources of financing that your company used during the past 12 months?

- 46% Bank loans
- 45% Trade credit
- 27% Invoice financing
- 18% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

Looking ahead

Concern rising about domestic economy and ageing workforce

Concern about the state of the domestic economy is the major short-term and long-term worry for businesses across all sectors of our survey of Italy. There is a widespread perception among companies that the Italian economy is facing significant challenges in the years ahead. A current dip in both consumer and business confidence is compounding those anxieties, suggesting a slowdown in the economy. Another clear concern evident across all industries is the expectation of facing higher pressures from regulatory compliance. This is also felt in the both the short-term and long-term, with apprehension that potential changes in government policies could add extra burdens to business operations. Environmental and sustainability issues are a further worry, and the increasing emphasis on sustainable business practices is a significant anxiety for the Italian steel/metals sector.

The potential impact of geopolitical risks on business operations is a widespread worry for companies across all industries in Italy, with the possibility of disrupted supply chains a particular focus. Businesses also have a long-term concern that the Italian economy will face challenges stemming from its ageing population, which could have a serious impact on workforce availability in the future. There is anxiety about the sluggish pace of economic reform in Italy causing limited advancements in

Key survey findings

- The major concern for companies in Italy across all sectors of our survey is the state of the domestic economy. This is felt in both the short-term and long-term, due to a widespread perception that the Italian economy is facing significant challenges. This worry is being compounded by a dip in both business and consumer confidence.
- Higher pressures from regulatory compliance are another area of both short-term and long-term anxiety for Italian companies across all industries. There is concern about potential changes in government policies, and also about environmental and sustainability issues. These are particularly felt in the steel/metals sector.
- Another widespread worry is about geopolitical risks and their potential impact on business operations and supply chains. A long-term challenge is the ageing population of Italy and its effect on workforce availability. Italian companies also have apprehension about limited advancements in productivity due to a sluggish economy.

productivity, and there is concern as well about structural weaknesses in the Italian economy. The worry is that tight credit conditions could increase financial strain and restrict business expansion.

Key figures and charts on the following pages

(continued on page 8)



Italy

A mixed verdict about the prospects for both B2B customer payment behaviour and the potential for insolvency risk is evident in our survey of Italy. There is widespread concern in both the Italian chemicals and steel/metals industries about a likely deterioration in payment practices in the year ahead. A significant portion of companies in these sectors anticipate a worsening of B2B customer payment behaviour, and this apprehension about the future is being amplified by the expectation of increased insolvency risk during the coming months. This indicates a potential strain on financial stability for businesses in these industries. By contrast, companies in the Italian agri-food sector tell us they anticipate stability in B2B payment practices in the months ahead. They also envisage no significant change to levels of insolvency risk.

There is a similar range of opinion among companies in Italy about the outlook for Days-Sales-Outstanding (DSO) during the next 12 months. Overall, 55% of businesses in our survey say they anticipate either a consistent or negative trend in debt collection efficiency. Concern about a potential deterioration in DSO is particularly evident in the Italian agri-food industry, reflecting their concerns about customer credit risk. However, 45% of businesses expect an improvement in DSO in the year ahead, an optimism prevalent in both the chemicals and steel/metals sectors. This positive view suggests a

- There is an expectation that B2B customer payment behaviour will deteriorate in the year ahead, causing significant apprehension particularly in the chemicals and steel/metals industries. In contrast, businesses in the Italian agri-food sector anticipate stability in payment practices through the coming months.
- A similar divergence of opinion is evident in our survey about the outlook for insolvency risk. Chemicals and steel/metals companies tell us they expect an increased risk of insolvencies in the 12 months ahead, with a potential strain on financial stability. The agri-food industry in Italy anticipates no change in insolvency risk.
- 55% of companies expect either a consistent or negative trend in Days-Sales-Outstanding (DSO) during the coming year. Concern about a deterioration in debt collection efficiency is particularly evident in the Italian agri-food industry. There is a greater expectation of DSO improvement in the chemicals and steel/metals sectors.

potential enhancement in payment collection efficiency, and thus in the overall financial health of businesses in the industries.

Key figures and charts on the following pages

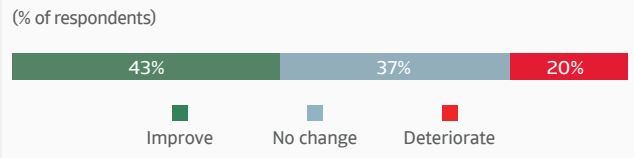




Italy

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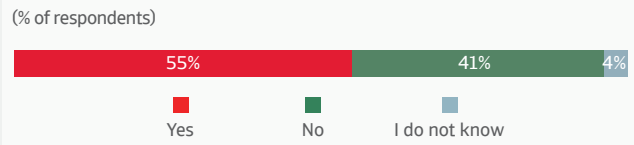
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

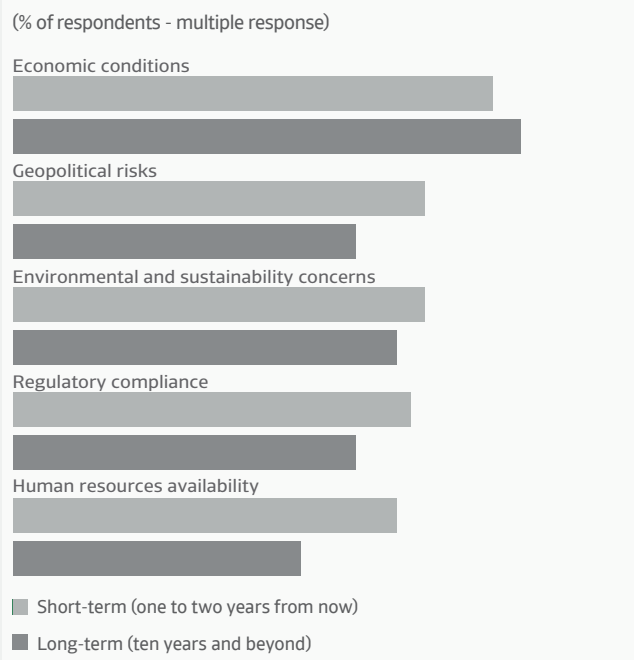
Do you see an increased insolvency risk for your customers in the next 12 months?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

Looking ahead: top 5 concerns expressed by businesses polled



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Italy

How do you expect your average DSO to change over the next 12 months?

- 39% Improve
- 41% No change
- 20% Deteriorate

(% of respondents)

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Italy – 2024

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Italy are the focus of this report, which forms part of the 2024 edition of the Atradius Payment Practices Barometer. A change in research methodology means year-on-year comparisons are not feasible for some of these survey results. Using a questionnaire, CSA Research conducted 221 interviews in total. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** Companies from Italy were surveyed, and the appropriate contacts for accounts receivable management were interviewed
- **Sample design:** The Strategic Sampling Plan enables us to perform an analysis of country data crossed by sector and company size. It also allows us to compare data referring to a specific sector crossed by each of the economies surveyed.
- **Selection process:** Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- **Sample:** N=221 people were interviewed in total. A quota was maintained according to four classes of company size.
- **Interview:** Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration. Interview period: The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.

Sample overview – Total interviews = 221

Business sector	Interviews	%
Manufacturing	94	40
Wholesale trade	63	30
Retail trade/Distribution	51	24
Services	13	6
TOTAL	221	100
Business size	Interviews	%
SME: Small enterprises	48	23
SME: Medium enterprises	65	26
Medium Large enterprises	64	30
Large enterprises	44	21
TOTAL	221	100
Agri-Food	70	32
Chemicals	71	32
Steel/metals	80	36
TOTAL	221	100

Statistical appendix

Find detailed charts and figures in the Statistical Appendix. This is part of the 2024 Payment Practices Barometer of Atradius, available at www.atradius.com/publications [Download in PDF format](#) (English only).

Interested in finding out more?

Please visit the Atradius website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by your customers.

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