

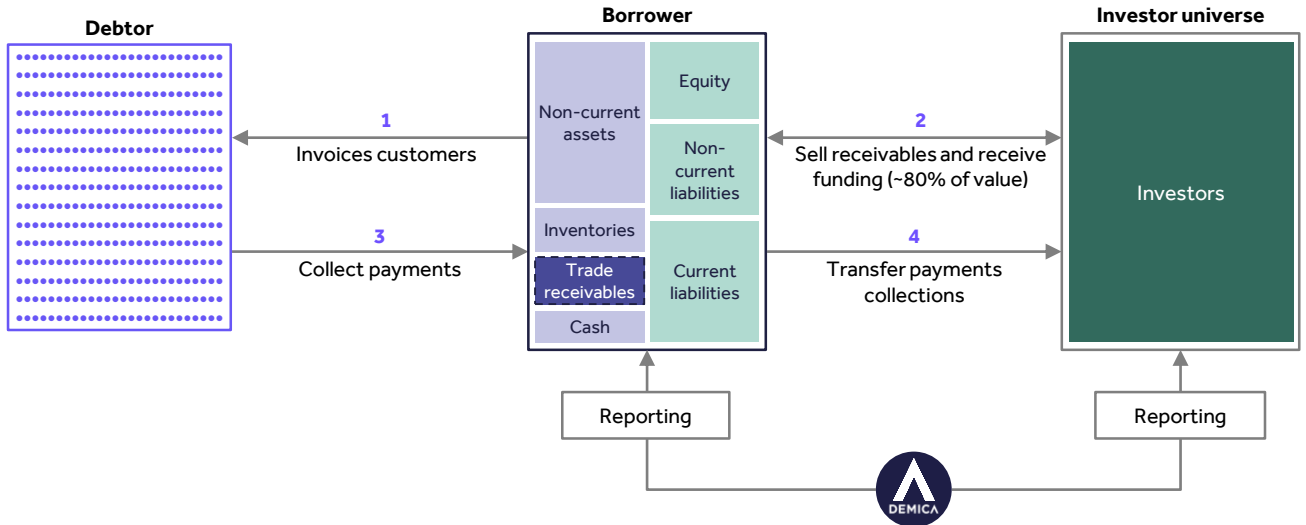


# What is Receivables Finance ?

Receivables Finance is the simplest and time-tested way of financing receivables. Typically, a corporate sells some or all of its receivables to a funder at a discounted price. Often called confidential factoring, receivables finance is an undisclosed facility, while the seller typically remains the collection agent and hence is responsible for collecting cash from its customers.

A receivables financing programme can drive significant value for the corporate, as it can be structured and implemented in a short period of time, meeting client objectives, such as releasing cash trapped within its balance sheet, or getting access to alternative sources of funding at competitive pricing.

## How does it work?



## What are the benefits?

### From borrower's perspective

- Improve cash collection and reduce DSO
- Access alternative source of funding
- Improve liquidity position
- Potential for reducing leverage
- Ease of implementation
- Lower cost of funding
- Keep control over cash collection process

### From lender's perspective

- Typically uncommitted
- Not involved in cash collection
- Risk mitigation by not financing 100% of invoices

## What points to keep in mind?

Programme with or without recourse	Programme can be easily tailored
Programme can be extended	Amount of funding based on eligible receivables and advance rate
Invoices subject to eligibility criteria	Risk analysis on individual debtor
Invoices must be free of any restrictions on a sale transfer	Advance rate can be improved with credit insurance

## How to get started

Following the signing of the non-disclosure agreement and return of initial data request we will prepare a summary analysis of the portfolio and an initial recommendation as to transaction terms, structure, pricing and potential platform funders. This is conducted without charge requires a description of the seller's business model, consolidated financials, an organisation chart and quantitative information ([Click here for information request](#)).

# About Demica

Demica is one of the largest independent global providers of working capital solutions. Demica has facilitated the funding of over \$16 billion of payables and receivables programmes. Our multi-funder platform enables large corporates to access funding from a wide network of global banks and institutional investors.

## Transforming working capital finance



### Platform

#### Award winning

2019 RFlx Award Winner  
SCF Technology Solutions Provider  
of the Year



### Scale

#### \$16bn funded assets

Over 500 programmes supported  
across 135+ countries



### Funding

#### +50 global banks

Active on our award-winning  
platform and funding our  
programmes

## Contact details



### Maurice Benisty

Chief Commercial Officer

Email: [maurice.benisty@demica.com](mailto:maurice.benisty@demica.com)

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