



Atradius Payment Practices Barometer 2024



B2B payment practices trends

# Slovakia

DSO concerns amid surge  
in late payments





## 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 Slovakia.

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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## B2B payment practices trends

### DSO concerns amid surge in late payments

Trading on credit in B2B sales continues to play a hugely significant role for companies in Slovakia. This is evident from our survey finding that 64% of B2B sales are currently being transacted on credit. The consumer durables sector is particularly keen on this strategy, with three-quarters of B2B sales being made on credit to stimulate sales growth amid a challenging commercial environment. Agri-food businesses are almost as enthusiastic, with 70% of B2B sales on credit, but there is a contrast in the Slovakian construction industry, with just 48% of B2B credit sales, primarily being made to maintain a competitive advantage.

This clear overall strategy of B2B selling on credit among companies in Slovakia is being supported by the implementation of more lenient payment policies. 73% of businesses in our survey say they are extending longer payment terms to B2B customers, particularly in the consumer durables sector. However, the Slovakian construction industry reports a significant shortening of payment terms during the past 12 months, setting them primarily on established company practices. Agri-food and consumer durables businesses often set terms to align with those received from suppliers, and payment terms currently average 62 days from invoicing.

Amid this relaxation of payment policies there is a significant deterioration of B2B customer payment behaviour evident in our survey. Around 70% of companies in Slovakia report a worsening of payment practices, with just over four in five B2B invoices currently overdue. Businesses tell us they now wait an average of three months past the due date to collect payments, a notable increase on last year. Bad debts stand at 5% of all B2B sales, but this rises to more than 10% in the construction sector. Companies tell us they respond to the impact of customer credit risk by delaying payments to their own suppliers, with the risk of a ripple effect through sectors, as well as delaying investment. In the consumer durables industry many businesses say they outsource credit risk management to an insurance company rather than managing it in-house.

The negative trend in customer credit risk is also clear in a worsening of Days-Sales-Outstanding (DSO) for 54% of companies in our survey of Slovakia, particularly in the agri-food and consumer durables sectors. This has a potentially

### Key survey findings

- Companies in Slovakia currently transact 64% of all B2B sales on credit. In the consumer durables sector almost three-quarters of B2B sales are being made on credit, but only 48% in the construction industry.
- A clear switch towards more lenient payment policies is evident in our survey of Slovakian businesses. 73% of companies are offering longer payment terms than last year, and these now average 62 days from invoicing.
- 70% of companies in Slovakia report a deterioration in B2B payment practices, with around four in five invoices overdue. Bad debts now affect 5% of all B2B sales on credit, rising to more than 10% in the construction industry.
- In response to this surge in late payments, 40% of Slovakian businesses tell us they delay payments to their own suppliers, risking a domino effect through industries. They also defer investment plans and delay paying bills and/or staff.
- To ease cashflow issues arising from customer credit risk around half of companies in Slovakia look to trade credit. Another clear source of short-term funding is bank loans, while 33% of businesses supplement this with invoice financing.
- Our survey finds a significant worsening of Days-Sales-Outstanding (DSO) among 54% of Slovakian businesses in the past year, with the construction sector being least affected. Companies are implementing swifter dispute resolutions to improve DSO.

damaging impact on the financial health and operations of businesses, and they are implementing proactive measures to manage and improve DSO. These include processes for swifter customer dispute resolutions and offering shorter payment terms. Companies also seek short-term finance to ease cashflow issues, with many relying on trade credit as an alternative source to bank loans, although these are still popular. 33% of businesses tell us they look to invoice financing, while a minority rely on internal funds.

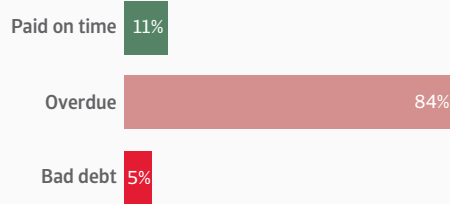
### Key figures and charts on the following pages



# Slovakia

## Slovakia

% of the total value of B2B invoices paid on time, overdue and bad debt

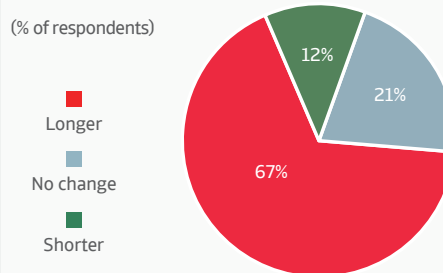


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Slovakia – 2024

## Slovakia

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



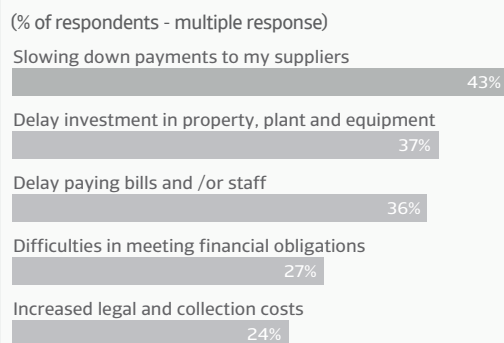
\*average amount of time to get paid from B2B customers

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Slovakia – 2024

## Slovakia

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 Slovakia – 2024

## Slovakia

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

- 65% Bank loans
- 50% Trade credit
- 33% Invoice financing
- 17% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Slovakia – 2024



## Looking ahead

### Wide range of worries prompts cautious outlook

There is widespread worry about future financial constraints among companies in our survey of Slovakia. This is felt in both the short-term and long-term, and includes issues such as insufficient cashflow, tight monetary policy, and a lack of capital due to difficulties in accessing financing. Another major concern surrounds the health of the domestic economy, especially as demand remains weak due to the impact of high inflation on household budgets. Additionally, there is apprehension that Slovakia's export-driven economy may suffer due to persistently weak demand across its primary overseas markets.

The potential impact of geopolitical risks is another clear concern reported by companies across all sectors in Slovakia as they fear that political instability in key markets could impact on their global operations. It is a particular long-term worry for the construction industry, which also expresses anxiety about challenges such as outdated processes, insufficient production capacity and supply chain disruptions. A long-term concern for the companies in the Slovakian consumer durables industry is problems in expanding their customer base as well as ineffective sales efforts. They also have worries about environmental and sustainability issues, including the impact of new regulations.

A mixed verdict about the prospects for profitability and the demand for their products and services is evident in our survey of companies in Slovakia. 44% of businesses say they are pessimistic about any increase during the year ahead. However, a similar number of companies tell us they do anticipate a rise in both profits and demand, while a minority expect no change in the coming months. The agri-food sector in Slovakia appears to have the most negative outlook for both demand and profitability, perhaps reflecting challenges they face in the current commercial environment.

More optimism is found concerning the outlook for both B2B customer payment behaviour and Days-Sales-Outstanding (DSO) in the year ahead among Slovakian businesses. A staggering 71% of companies tell us they expect an improvement in B2B payment practices, which tallies with similar optimism about future trends for insolvency risk. An

### Key survey findings

- The most pressing concern for businesses in Slovakia across all sectors of our survey is financial constraints, including a lack of capital due to problems in accessing finance. This is compounded by anxiety about the health of the domestic economy.
- Another widespread worry is about geopolitical risks and their impact on global operations. This is particularly felt in the construction sector, which also has concerns about supply chain disruptions and insufficient production capacity.
- A long-term anxiety in the Slovakian consumer durables industry is difficulty in expanding its customer base, as well as ineffective sales efforts. Sustainability issues are also causing apprehension, along with the impact of environmental regulations.
- There is a mixed verdict on the prospects for profitability and demand in the year ahead. 44% of companies are pessimistic, but a similar number express optimism, with only a minority expecting no change. Negativity is most evident in the agri-food sector.
- 71% of businesses in Slovakia say they anticipate an improvement in B2B customer payment behaviour during the year ahead. There is also positivity about trends for insolvency risk, except in the construction sector, which expects a surge in insolvencies.
- Similar optimism is evident in our survey about the outlook for Days-Sales-Outstanding (DSO). 60% of companies say they expect improvement, especially in the consumer durables industry. Once again, there is a more negativity in the construction sector.

improvement in DSO is also anticipated by 60% of businesses in our survey, mostly across the agri-food and consumer durables sectors due to the likelihood of increased consumer spending. However, there is pessimism in the Slovakian construction industry about prospects for DSO, and they also expect a surge in insolvencies affecting the sector during the coming 12 months.

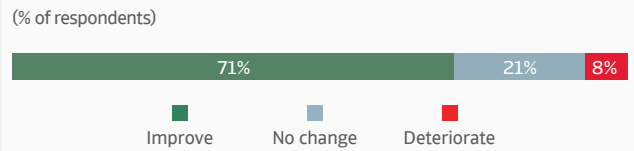
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# Slovakia

## Slovakia

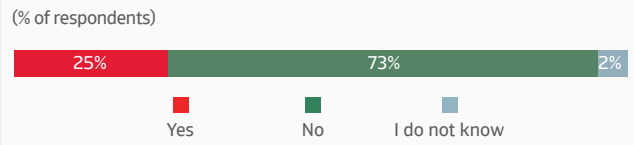
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



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

## Slovakia

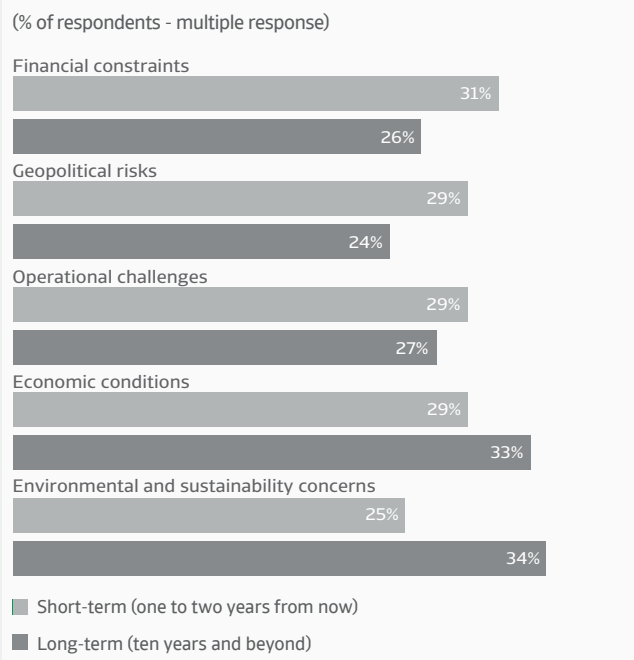
Do you see an increased insolvency risk for your customers in the next 12 months?



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

## Slovakia

Looking ahead: top 5 concerns expressed by businesses polled



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

## Slovakia

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

- 60% Improve
- 12% No change
- 28% Deteriorate

(% of respondents)

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

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Slovakia 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 217 interviews in total. All interviews were conducted exclusively for Atradius.

### Survey scope

- **Basic population:** Companies from Slovakia 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=217 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 = 217

Business sector	Interviews	%
Manufacturing	78	36
Wholesale trade	72	33
Retail trade/Distribution	65	30
Services	2	1
<b>TOTAL</b>	<b>217</b>	<b>100</b>
Business size	Interviews	%
SME: Small enterprises	47	22
SME: Medium enterprises	59	27
Medium Large enterprises	76	35
Large enterprises	35	16
<b>TOTAL</b>	<b>217</b>	<b>100</b>
Agri-Food	74	34
Construction	71	33
Consumer Durables	72	33
<b>TOTAL</b>	<b>217</b>	<b>100</b>

### Methodological note

Last year different sectors were included in the survey for Slovakia. This makes year-on-year comparisons unfeasible for certain topics for the current year. For a detailed overview of last year's survey results for Slovakia, please refer to the specific report available on the [Atradius website](#).

## 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.

Follow us to stay up to date with our latest releases by [subscribing](#) to notifications of our Publications, and receive weekly emails with alerts to when new reports are published.

To find out more about B2B receivables collection practices in **Slovakia and worldwide**, please visit [atradiuscollections.com](https://atradiuscollections.com).

For Slovakia please visit [atradius.sk](https://atradius.sk)

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