

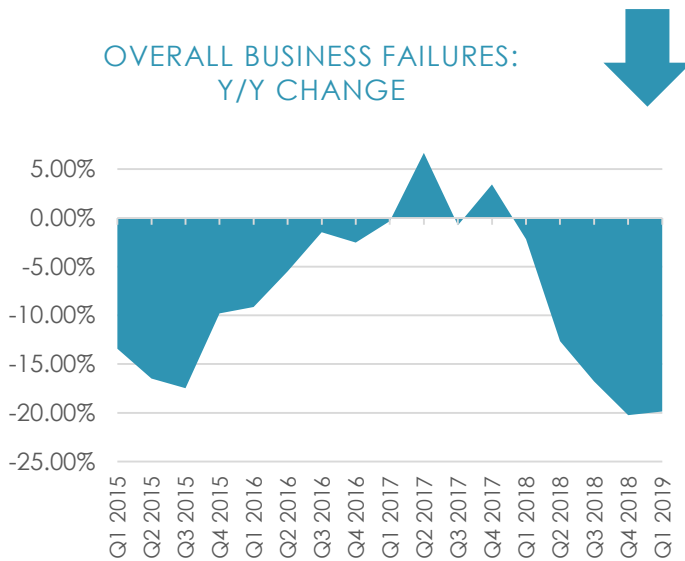
# Quarterly U.S. Industry Delinquency & Failures Report

Q1 2019

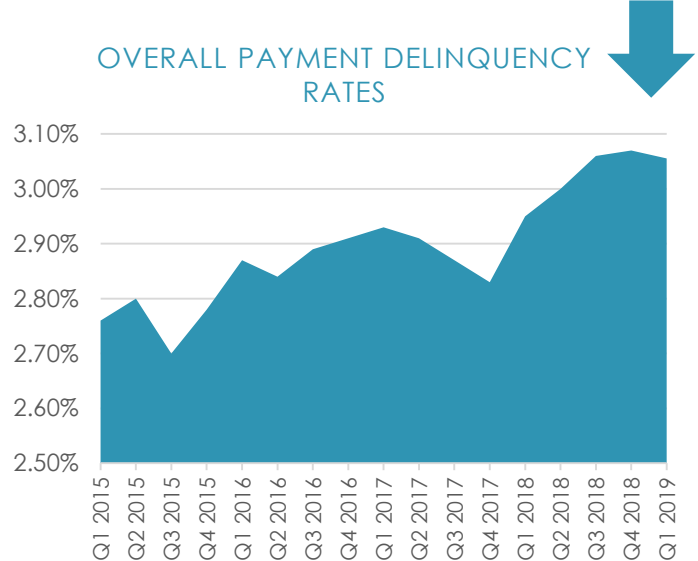
Dun & Bradstreet's quarterly report tracks payment delinquencies (91+ days past due) and business failures across nine key U.S. industries: Manufacturing, Retail, Transportation, Real Estate, Business Services, Personal Services, Construction, Automotive, and Financial Services. This provides a snapshot of two metrics of overall financial health to facilitate better understanding of benchmark trends, leading to better credit management.

## OVERALL FAILURES & DELINQUENCIES

OVERALL BUSINESS FAILURES:  
Y/Y CHANGE



OVERALL PAYMENT DELINQUENCY  
RATES



Although overall business failures showed a slight decline in pace compared to the last quarter, the accelerated declining trend that started in early 2018 remained in place this quarter. While growth in the US economy could slow into H2 2019, long-term risks to financial stability will continue to trend low.

Overall payment delinquency rates have inched down by 1 basis point this quarter compared to the last. Although the delinquency rate remained above the 3% mark, this quarter marks the first decline, albeit small, since Q4 2017. This is possibly driven by continued strength in the labor markets.

### UNDERSTANDING OVERALL RATES

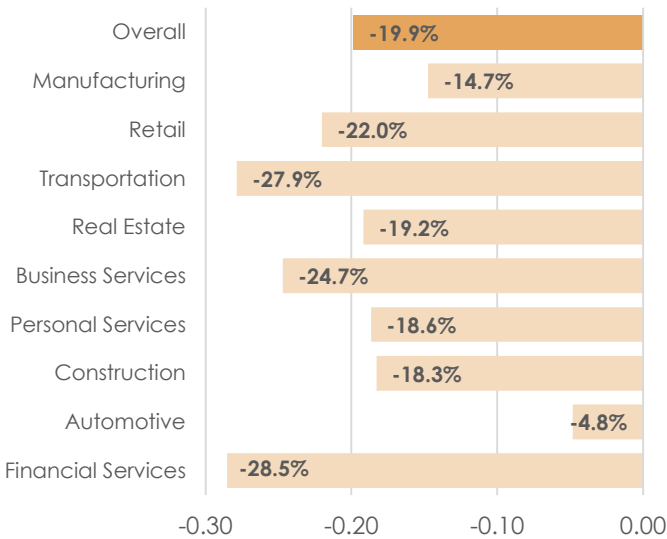
The dominant theme in the overall metrics this quarter is the (slight) downturn in payment delinquency rates for the first time in about a year. Reduction in delinquencies in the Construction vertical drove the overall decline with modest contributions from the Retail and Automotive sectors. All other verticals noted minor increases, while Real Estate showed no change from last quarter.

With a pause in the Federal Reserve's campaign of steadily hiking rates on hold since earlier this year, businesses have had some breathing room to manage their payment behaviors. However, this brief reprieve might be short-lived owing to development of protectionist pressures within the country and the trade wars between United States and China lasting longer than expected.

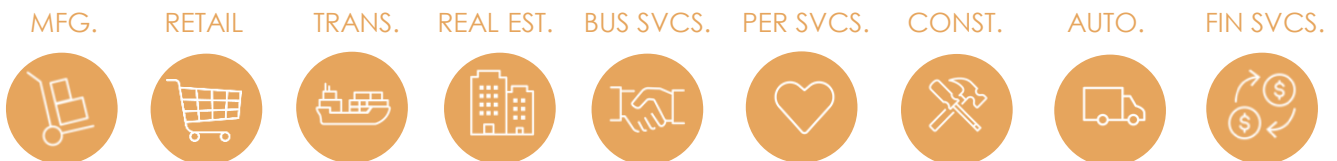
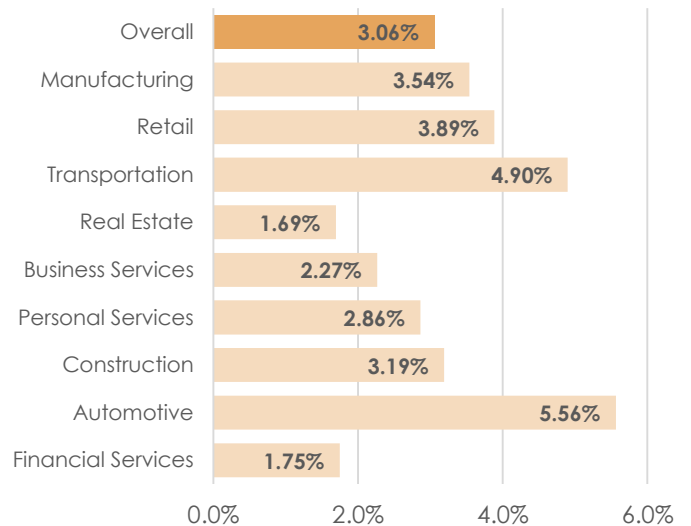
Q1 2019

## FAILURES & DELINQUENCIES BY INDUSTRY: 2019 TRENDS

Y/Y CHANGE IN BUSINESS FAILURES BY INDUSTRY: Q1 2019



DELINQUENCY RATES BY INDUSTRY: Q1 2019



### UNDERSTANDING INDUSTRY TRENDS

Business failures and payment delinquency rates continue to vary by major industries. Overall business failures have declined by about 19.9% since the last quarter. Like last quarter, Automotive continued to register the highest delinquency rate, and Financial Services registered the highest quarter-over-quarter decline in business failures. The US Automotive sector has seen considerable volatility this year. Early 2019 saw a setback as a result of severe winter weather, and effects of the US federal government shutdown. A brief spurt of recovery in vehicle sales in March 2019 preceded a further decline in April, making it the sector with the highest payment delinquencies.

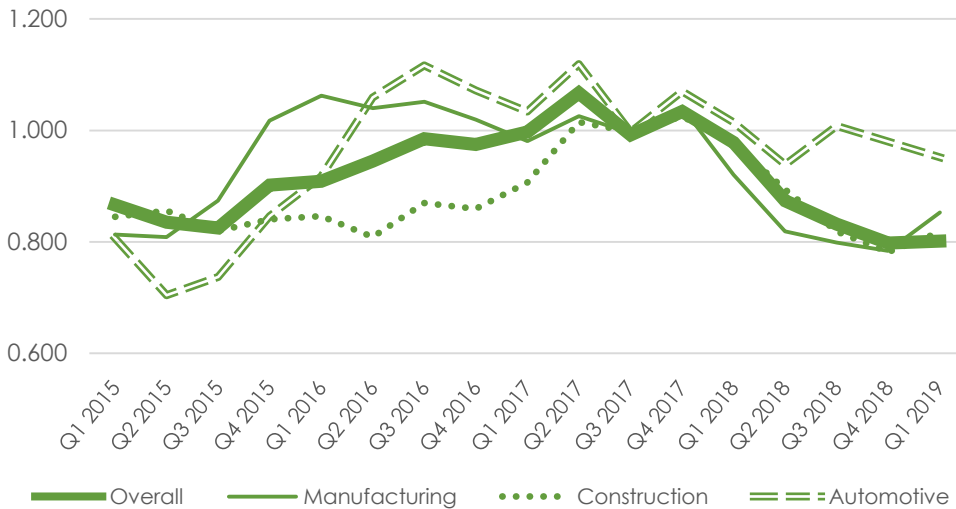
The current low interest rates, low unemployment, and low inflation should continue to reduce delinquencies within most major sectors (specifically those that conduct business with consumer goods), but demand could see a decline if the trade war causes higher prices.

# Quarterly U.S. Industry Delinquency & Failures Report

Q1 2019

## INDUSTRY SPOTLIGHT: TOP INDUSTRIES TO MONITOR

TOP 3 INDUSTRIES TO MONITOR FOR BUSINESS FAILURE



MANUFACTURING



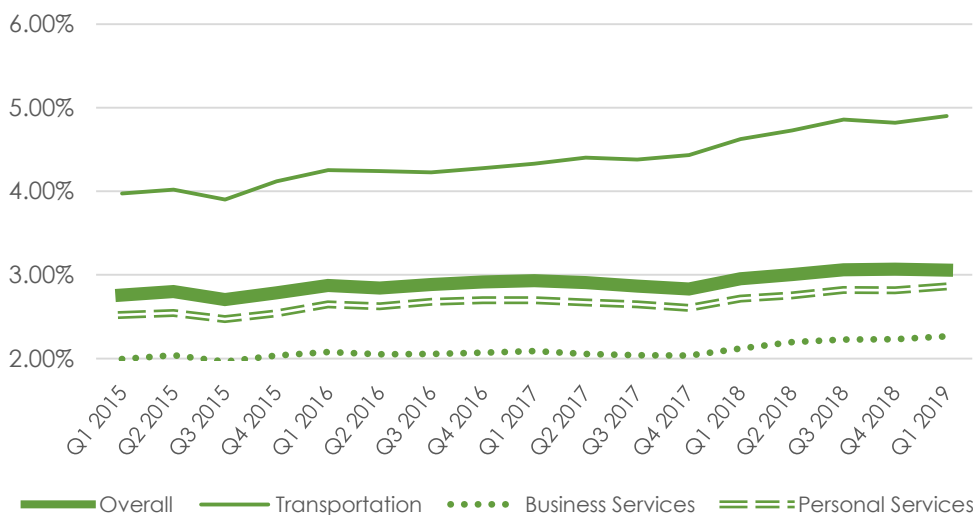
CONSTRUCTION



AUTOMOTIVE

The Manufacturing (-14.73%), Construction (-18.28%), and Automotive (-4.8%) industries saw the lowest declines in business failures in the last quarter with the average decline being (19.9%) in Q1 2019.

TOP 3 INDUSTRIES TO MONITOR FOR DELINQUENCIES



TRANSPORTATION



BUSINESS SERVICES



PERSONAL SERVICES

The Transportation (5.9%), and Services (6.12%) verticals saw highest percentage increases in delinquent payment rates over the past year.

### ABOUT DUN & BRADSTREET

Dun & Bradstreet, the global leader in commercial data and analytics, enables companies around the world to improve their business performance. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to accelerate revenue, lower cost, mitigate risk, and transform their businesses. Since 1841, companies of every size have relied on Dun & Bradstreet to help them manage risk and reveal opportunity. Twitter: @DnBUS