

# D&B® Failure Score

Were you recently notified of a change to your business's Failure Score?



## What is the D&B Failure Score?

Helps predict how likely it is that a business will cease operations in the next 12 months.

Can be expressed three ways: by risk class, as a percentile, or as a numerical score.

Ranges from 1 to 100, with the lowest value representing the highest probability of financial stress.

## How does Dun & Bradstreet define a "financially stressed business?"

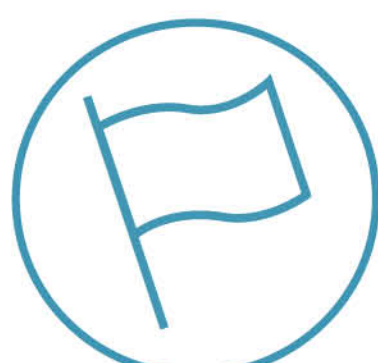
For the purposes of the D&B Failure Score, a financially stressed business:



Has ceased operations following assignment or bankruptcy



Has ceased operations with loss to creditors



Has voluntarily withdrawn from business operation leaving unpaid obligations



Is in receivership, reorganization, or has made an arrangement for the benefit of creditors

A business that closes with all debts satisfied is not considered financially stressed.

A decrease in the score means that Dun & Bradstreet has determined your company may be more likely to cease operations in the next 12 months.



An increase in your D&B Failure Score indicates that Dun & Bradstreet has calculated that your company is less likely to cease operations in the next 12 months.

## What are the risk classes?

There are four risk classes, where 1 represents businesses with the lowest probability of financial stress, and 4 indicates a high likelihood that a company will fail.



The classes are intended to give business owners an easy-to-understand scoring system so that they can classify current or potential customers according to risk.

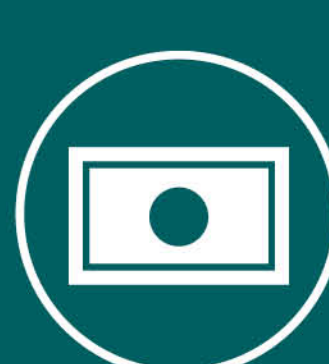
The risk classes represent the broadest expression of the potential for business failure.



## What can I do to influence my D&B Failure Score?



The D&B Failure Score is based on a combination of factors, including business and industry demographics, payment histories, and financial statements.



Paying your bills on time and adding trade references\* can help impact your D&B Failure Score.

Dun & Bradstreet also offers a variety of products to help businesses monitor their own credit scores and ratings.

## Can I check another business's D&B Failure Score?

Yes. The D&B Failure Score is intended to help businesses manage risk by gaining insight into another company's financial health.

