

Instant release.
Free up cash from
your accounts
receivable. **Ready
when you are.**

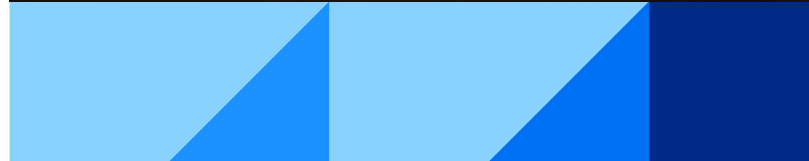


Table of contents

- 03 **Introduction**
- 05 Agility and control
- 07 **Harnessing receivables financing**
- 09 How does Taulia Receivables Finance work?
- 11 **More than receivables financing**
- 13 Connect with funders around the globe
- 14 **Why work with Taulia?**



Introduction

The only certainty in today's business environment is **change**. This means organizations need to be more agile than ever — but that isn't always easy, especially when it comes to managing cash flow.



Inflation erodes the value of credit sales

Sellers are facing the double threat of their customers' procurement teams seeking generous payment terms to win new business, while inflation dilutes the real value of the contract by the time cash is received. If it takes a customer 90 days to pay an invoice, that payment will be worth less to the company than it would have been when the invoice was issued. The longer the delay, the greater the loss of value.

Receivables financing can help

Companies have much to gain by freeing up the cash trapped in their accounts receivable. By turning their receivables into upfront cash, companies can improve liquidity, reduce Days Sales Outstanding (DSO), increase Cash Flow from Operating Activities (CFOA), and effectively mitigate risk of delayed customer payments.

But not all receivables financing solutions are equal. Traditional bank-led programs are typically limited in scope, resource-intensive, and time-consuming to implement. And if companies want to work with different banks with different risk appetites, they will need to complete bilateral agreements for each of their funders and navigate each funder's operational processes.

The traditional approach to receivables financing is a bottleneck to growth. But receivables financing has evolved, and companies no longer have to lean on their primary banking providers to access the finance they need.

Today's environment demands modern solutions

Fortunately, receivables financing has moved on, and bank-led programs are not the only option available to companies. Taulia's receivables finance solution provides access to multiple funders with different risk appetites, all via a single technology platform and a single agreement. What's more, companies can use our solution to automate their receivables processes, improve their balance sheets, and unlock the cash trapped in their receivables – while gaining a clear view of their overall working capital position.

Read on to find out how Taulia's receivables finance solution can help you take control of your working capital.



\$1.3T¹

Estimated to be trapped in
working capital

Agility and control

Companies need to become more agile — and they also need to gain more control over cash trapped in receivables to adapt successfully to margin pressures and rising costs by releasing cash trapped in receivables.

For many companies, receivables processes continue to be paper-based, time-consuming, and inefficient, meaning that collections and invoice approval times are slow. Decentralized receivables groups, meanwhile, often work with disparate billing processes and a proliferation of different systems. In other words, there's plenty of room for improvement.





By adopting e-invoicing, companies can make it easier for their customers to pay them, which leads to stronger customer relationships and increases the efficiency of receivables processes. With e-invoicing, it's also easier for companies to track the status of their invoices and analyze customer risk.

But process improvements are not the only area companies should be looking at. It's estimated that corporates worldwide have over \$1.3T¹ trapped in net working capital, predominantly in the form of receivables. To combat the impact of inflation on their receivables, companies also need to find ways to free up working capital and convert their receivables into cash – for example, by taking advantage of receivables financing.

What is receivables finance?

Receivables financing solutions enable businesses to monetize their receivables before they are paid by their customers. This means that companies can receive their cash weeks or even months before their invoices are due for payment. Receivables financing can be structured in different ways, including as an asset sale or loan.

The use of receivables finance continues to grow. According to trade body FCI, the latest estimated volume of the factoring and receivables finance industry is around \$3.7 trillion.²

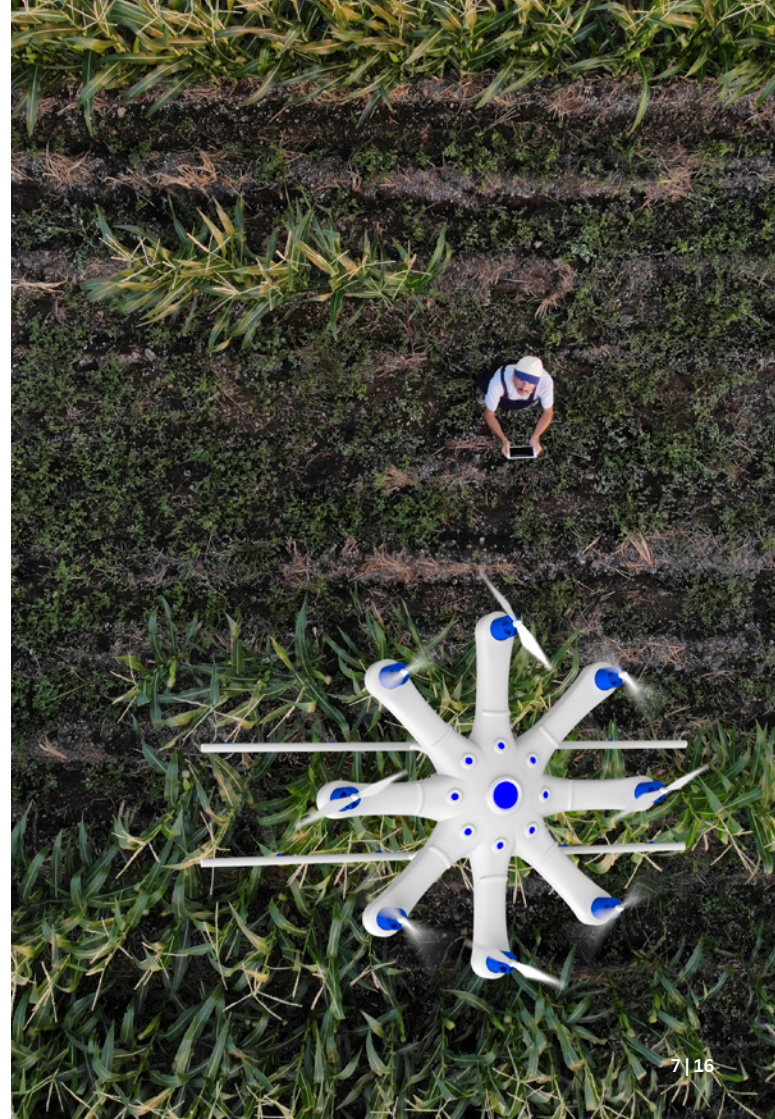
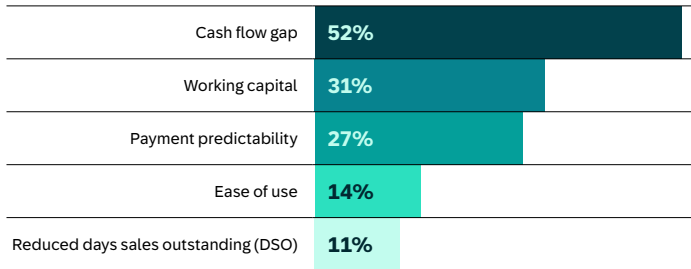
A true sale, receivables finance solution can be a powerful way of releasing cash and achieving key performance indicators (KPIs), such as reducing DSO, shortening the cash conversion cycle (CCC), and increasing CFOA. It can also help to mitigate the risk of a customer's financial inability to pay due to bankruptcy and insolvency, by transferring the customer default risk to the purchaser of the receivables.



Harnessing Receivables Finance

For companies looking to gain more control over their receivables, solutions that enable them to receive payment of their invoices early can be transformational. Companies choose to access early payment for a number of reasons³.

What business challenge(s) do you solve with early payments?





In some cases, companies can achieve their goals by participating in early payment programs offered by their customers, such as supply chain finance and dynamic discounting. Other types of solutions, including receivables financing programs, are initiated by sellers as a way to realize cash from their receivables before they are paid by their customers.

Use of proceeds

Unlike other types of receivables financing, such as Asset Based Lending (a loan collateralized by assets such as receivables and, in certain cases, inventory), companies can use liquidity obtained from the sale of receivables for whatever purposes they choose. For example, they may decide to invest in funding operations, capital expenditures, and mergers and acquisitions. Or they may opt for paying down or refinancing existing debt, paying regular and/or special dividends, facilitating a share buyback program – or even building a ‘fortress’ balance sheet.

The trouble with traditional receivables financing

So far, so good – but not all receivables financing solutions are the same.

Banks were once seen as the first port of call for receivables financing. However, traditional bank-led receivables financing programs have a number of shortcomings. For instance, the availability of receivables financing is often limited by factors like the locations of the relevant banks, the industries they work with, insurance limits, and their risk appetites. In addition:

- Bank-led programs tend to be resource-intensive and time-consuming to implement, with a high overall cost of implementation and funding.
- Companies typically depend on their relationship with banks for access to such programs.
- If companies want to use more than one bank, they will need to put in place separate bilateral agreements and operational processes for each funder. Completing multiple agreements is a drain on time and resources. Treasury teams also need to keep track of these agreements over time to ensure compliance with covenants, eligibility criteria, and other requirements.

Operating separate receivables financing arrangements with a variety of banks will also not give the business a comprehensive view of its overall working capital position.



A new era of receivables financing

The traditional approach to receivables financing is a bottleneck to growth. But receivables financing has evolved, and companies no longer have to lean on their primary banking providers to access the finance they need.

Rather than having to wait for customer payments, Taulia's receivables solution allows companies to convert unpaid receivables into upfront capital. Through a single digital platform, companies can free up cash to fund growth, avoid external borrowing, or even use the proceeds to pay their own suppliers early.

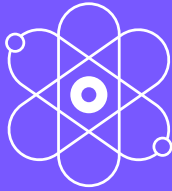
Using the platform, companies can access a diverse network of banks and financial institutions with different risk appetites and geographic/currency strengths. And it also enables them to sell a broader set of receivables to a wider network of funders, diversifying risk.

What's more, Taulia's receivables financing solution forms part of a wider working capital management platform. Using this modern platform, CFOs and treasurers can access a panoramic view of all the working capital levers they can use

to manage their working capital position – including accounts receivable.

Benefits of using Taulia Receivables Finance

- Access multiple financiers via a single legal agreement and unlock incremental liquidity faster than with traditional providers.
- Diversify your financing with a solution that can go beyond the limitations set by traditional financing providers.
- Use AI-driven insights to optimize working capital and take advantage of new opportunities.
- Choose which receivables you want to sell and when you want to sell them.
- Leverage all your working capital levers in a single platform. For example, you can sell receivables at a competitive price and use the proceeds to fund your Dynamic Discounting program and arbitrage the difference.
- Use the platform to negotiate on your behalf and get the best price for the associated credit.
- Have confidence that the receivables financing program is not considered debt.



AI

Powerful AI-driven planner
to inform better decision-making

How does Taulia Receivables Finance work?

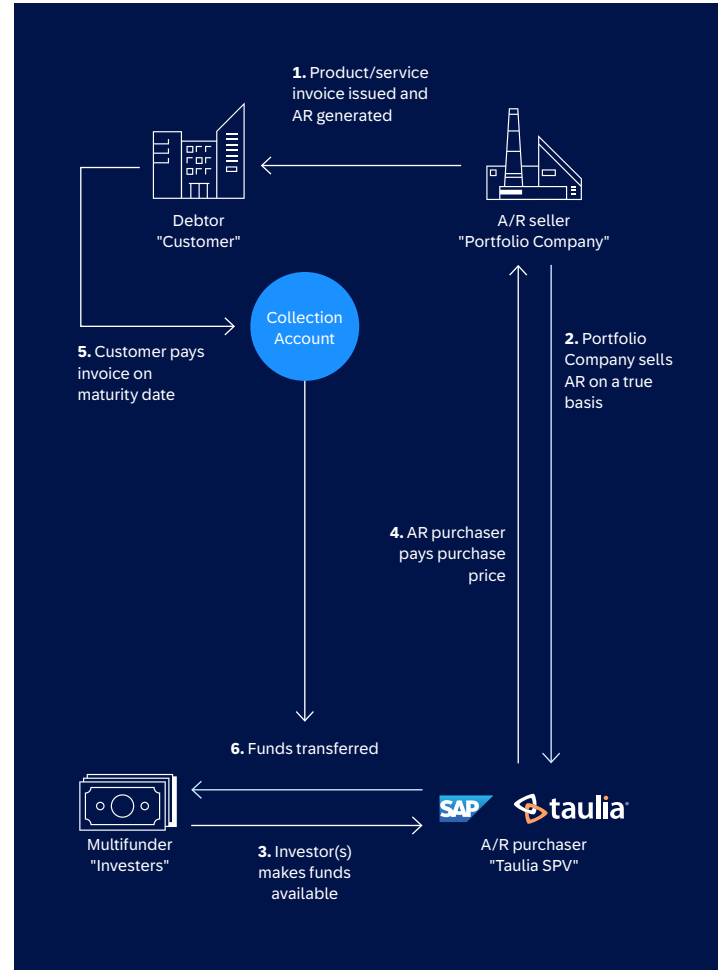
Using API-enabled integration, Taulia extracts a company's invoice data and provides full visibility over the cash that can be released, as well as the terms available. Businesses can request early payment whenever they want with a single click — or they can choose to automate the process across some or all of their receivables. Taulia's live dashboard provides insightful data about a company's customers and receivables. Businesses can also use a powerful AI-driven scenario planner to benchmark against their industry peer group, test the outcomes of different cash release strategies, and use the results to inform better decision-making.



The receivables financing process

Using Taulia Receivables Finance is straightforward and setting up the program only takes a few weeks. Once the program is up and running, the process is as follows:

1. You issue an invoice, recognize revenue, and simultaneously create a receivables asset.
2. You offer the receivables to Taulia (on your pre-determined cadence) for purchase on our simple-to-use platform.
3. Taulia purchases the receivables and pays you the purchase price —minus a discount that compensates us for the discount period, assumption of customer payment risk, and administration of the receivable. These funds are provided to Taulia by third-party liquidity providers from our extensive global network of banks and non-bank financial institutions.
4. This cash is now available in your collection account and can be utilized however you choose. At invoice maturity, your customer can either settle their invoice with you or pay Taulia directly, depending on our agreement.





More than receivables financing

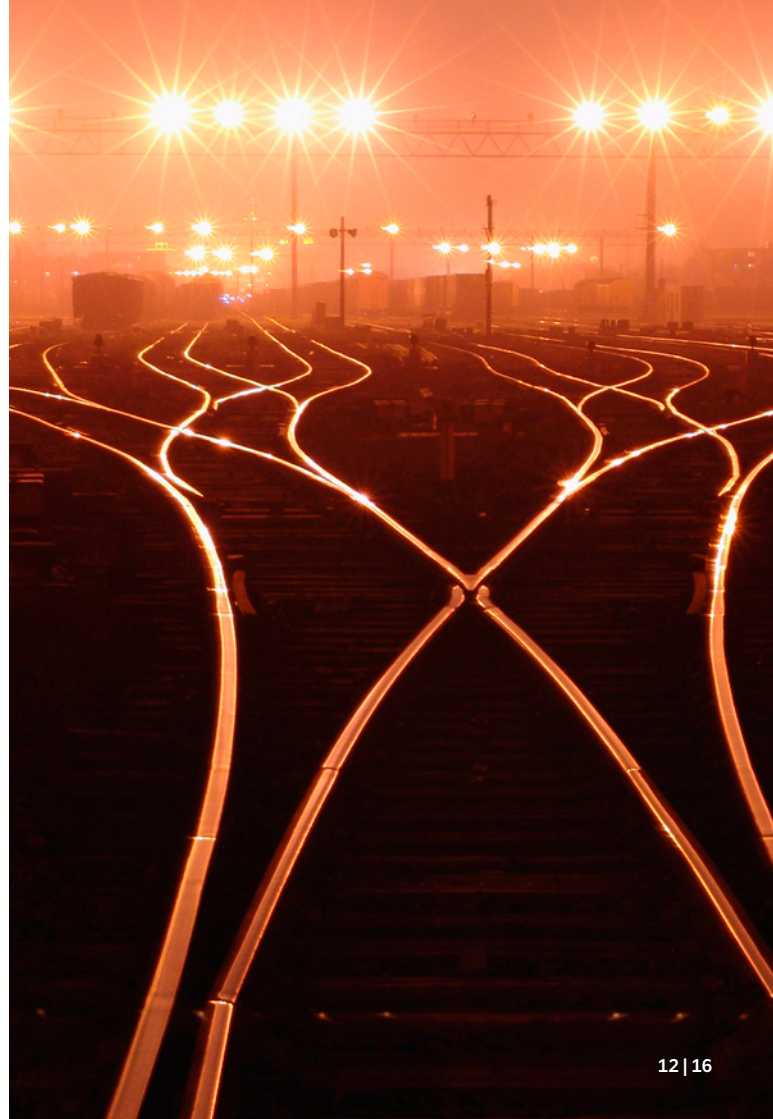
Taulia is much more than a receivables finance provider so it should come as no surprise that our solution offers more than other programs in the market:

More than visibility

Taulia's ERP integration does more than simply merge multiple data extracts into a single repository. Companies can also optimize their receivables activities and unite their decentralized receivables groups with a homogenous strategy to control DSO.

Businesses can also leverage a powerful AI-driven scenario planner to benchmark against their industry peer group, test the outcomes of different cash release strategies, and use the results to improve decision-making.

With greater visibility over their receivables, companies are quickly alerted to any potential issues around the reliability of their customers and can address any challenges as they arise.





More than automation

In addition to the ERP agnostic nature of Taulia's "Any ERP" integration competency, Taulia, as part of the SAP family of companies, has developed a certified native end-to-end SAP integration add-on capability. Taulia Receivables is not only integrated with SAP's ECC and S4/HANA ERP systems, but also with the SAP Business Network (SBN), so it's easy for suppliers on the SBN to share their invoices. Past and future invoices can be synchronized automatically across the network, simplifying the reconciliation process.

Beyond automation, companies can use the solution to drive further improvements. For example, communicating with customers about receivables financing can be difficult when collections are decentralized, run on local rules, or based on circulating paper documents. By thoroughly reviewing their legacy processes, companies can identify opportunities to centralize and standardize their processes.

More than analysis

Taulia's analytics dashboard provides cash analytics and actionable insights, allowing companies to track the performance of their working capital programs and benchmark themselves against industry peers. By combining multiple ERP systems, the solution also brings fractured data sets together into a single place, enabling companies to carry out real-time credit analysis on customer profiles.

More than multi-funding

Using a single agreement, companies can access funding from a vast network of banks and non-bank financial institutions. With access to deep global liquidity reserves, our solution outperforms banks on efficiency and capacity and outperforms other fintechs on scale and flexibility.

It's not just about tapping into different funders: a receivables financing program that has been built up with multiple banks won't provide a comprehensive view of the company's cash-to-cash cycle. In contrast, Taulia gives customers an integrated view of their payments, inventory, and receivables across the business, supporting more informed decision-making.



Connect with funders around the globe



Your company



Bank

vs.



Your company



Financers



Financers



Financers



Financers



Financers



Why work with Taulia?

Taulia helps businesses maximize their working capital throughout the cash conversion cycle. With millions of suppliers on our network, we've processed almost one billion invoices, amounting to over \$6 trillion. That's why we're trusted by the world's largest companies, including Airbus, AstraZeneca, and Nissan. In March 2022, Taulia became part of SAP.

Leveraging Taulia's working capital platform, our products help companies unlock the power of cash across their payables, receivables, and inventory:

- Payables – free up cash using supply chain finance and dynamic discounting.
- Receivables – unlock the cash trapped in your invoices by selling your receivables to global funders.
- Inventory – protect your sales from the impact of supply chain disruptions, long lead times, and stock outages.

With Taulia Receivables Finance program, you can...

- Work with the funders and financing structure of your choice.
- Access a single platform for all your working capital needs.
- Make use of our full suite of working capital optimization solutions.
- Tap into our industry-leading experience and expertise.



Conclusion

With inflationary pressures continuing, the value of receivables finance has never been clearer. But this is not only a solution for difficult market conditions. At every point in the economic cycle, companies can benefit from optimizing their working capital, speeding up cash flow, and improving DSO.

In the past, these opportunities have been hampered by the limitations of individual funders or the need to adopt multiple bilateral agreements. But while legacy bank-led receivables finance solutions have their limits, a new generation of receivables finance is making it easier than ever for companies to unlock the value of their receivables.

Harnessing technology, and tapping into a deep global funding pool, Taulia Receivables Finance program can free companies from relying on rigid bilateral banking relationships. At the same time, businesses can tap into the benefits of our wider working capital management platform to gain a clear overview of all their working capital levers.

Talk to Taulia today to start releasing cash from your accounts receivable.

1. European Working Capital Survey 2024
2. FCI Annual Review 2024
3. Taulia Supplier Survey 2023

Contact us to start releasing cash
from your accounts receivable.

