

**creditrisk  
monitor**



**STAY AHEAD  
OF FINANCIAL RISK**

## STAY AHEAD OF PUBLIC COMPANY RISK QUICKLY, ACCURATELY AND COST-EFFECTIVELY

Get 96% accurate\*, advanced, actionable warning of financial stress, including bankruptcy, while there's still time to act on it

- Uncover hidden financial risks across your customers and suppliers with our unique FRISK® score—proven to be 96% accurate.
- Monitor your risk with instant, prioritized email alerts of news and score changes, along with agency rating updates from Moody's and Fitch.
- Save time, money and effort with everything you need to assess a public company, all in one place, at one unlimited, value price.
- Prioritize your most significant risk exposure.

\*As backtested on U.S. public companies; results may vary for private companies and by country.



CreditRiskMonitor is always my **first source for information** and is the '**complete package**' for a public company, including comprehensive financials and ratio analysis for sequential quarters and year-over-year comparisons, peer analysis, latest company news, website links, and risk ratings. Customer service is superior with very prompt and helpful responses. CreditRiskMonitor is the real deal and, as the old saying goes, **delivers the best bang for the buck!**



Pam Hughes | North America Credit Supervisor | [Eastman Chemical Company](#)

## CREATED EXPRESSLY FOR CREDIT, SUPPLY CHAIN AND FINANCIAL PROFESSIONALS

CreditRiskMonitor (OTCQX: CRMZ) is a web-based financial news and analysis service created for credit, supply chain and financial professionals. We provide timely news, deep data and proven quantitative analytics to help you stay ahead of public company financial risk.

Leading companies, including more than 35% of the Fortune 1000, plus thousands more worldwide, rely on us for coverage of 58,000 public companies globally, including:

- Our predictive financial stress score, the FRISK® score, proven to be 96% accurate.
- Instant email alerts on news, risk and ratings changes, filtered for financial relevance.
- Key financial ratios, trends and peer analyses.

- Complete, timely financial statements, with up to 10 years of history and downloadable statements.
- Agency ratings and news from Moody's and Fitch—all in one place.

Content is synthesized and packaged for the individual needs of financial professionals, with fast, straightforward access for at-a-glance decisions, and deep historical financial background available for when you need to dig deeper.

Many of our customers also contribute more than \$130 billion of their own trade receivables data monthly, for an accurate and insightful view into the dollar risk exposure in their own accounts.



We have a huge responsibility. Our accounts receivable is the 2<sup>nd</sup> largest line item on Sysco's balance sheet. ... If it's public, I won't bother with anything other than CreditRiskMonitor.



Robin Walters | Former Manager, Corporate Credit Risk | [Sysco Corporation](#)



It's like  
having your  
own credit  
analyst.



Michael T. Hart  
Manager  
Credit & Receivables  
**Timken**



By sending my  
trade files to  
CreditRiskMonitor,  
I am able to get a  
much better picture  
of how our customers  
are performing. It has  
become an important  
part of our process.



Glenn Lifieri  
Former Head of Global Credit Management  
**Lonza**

## WHY WE'RE DIFFERENT

Unlike traditional commercial credit bureaus that cover primarily private companies, CreditRiskMonitor's focus is affordable, in-depth financial analysis of publicly traded company risk.

Founded by a Wall Street veteran, CreditRiskMonitor combines investment market know-how with corporate credit experience.

We use financial data, including financial statement ratios, stock prices and market capitalization, in our quantitative proven scoring model to predict risk.

CreditRiskMonitor marries the instant alerting and comprehensive coverage used by investors with the functionality and ease of use needed by credit managers.

## WHY SHOULD YOU CARE ABOUT PUBLIC COMPANY RISK?

Public company financial risk accounts for an astonishing average 53% of dollar risk exposure—and payment data doesn't work to predict it

Our customers are usually surprised to discover the high amount of public company risk exposure they have. To add perspective: the 58,000 public companies we cover represents about \$70 trillion in corporate revenue—nearly 80% of global GDP, projected at \$87.5 trillion in 2018.

In our experience working with medium and large companies, an average of 53% of typical accounts receivable or vendor dollar risk exposure is with public, not private, companies.

Risk is hidden inside complex, rapidly changing corporate structures. Subsidiaries have different names and locations than parents—and company details change fast.

And most important—our research shows payment data doesn't work to predict the financial stress or health of public companies. Payment data makes sense for private companies, but is misleading for predicting business failure of public companies.

Why? Public companies often continue to pay on time right up through bankruptcy. Equally, public companies who pay late may be doing so because they can, and not because of any underlying financial risk.

Financial data, combined with predictive analytics designed to uncover public company financial stress, tells the real story.



**CreditRiskMonitor** helps us stay cutting edge.  
We have avoided a lot of bankruptcies.



Mark Walker | Global Credit Manager | [Celanese](#)

## OUR PROVEN PROCESS

### Uncover, prioritize and monitor your financial risk with our proven process

Driven by the unique, proprietary FRISK® score, our process is designed explicitly to uncover the financial stress of public companies, focusing efforts on your riskiest public companies—what we call the “red zone” of risk.



#### ASSESS

We'll create and analyze your portfolio for you, showing where your dollar risk exposure lies.



#### INVESTIGATE

Our tools let you drill deeper on critical financials and risk background on red zone companies.



#### PRIORITIZE

We stratify your accounts by risk level using the FRISK® score, prioritizing the “red zone” of high risk.



#### MONITOR

We automatically follow changes to risk, ratings and financials with timely, relevant email news alerts.

## THE 96% ACCURACY DIFFERENCE: THE FRISK® SCORE

The core of the process is our proprietary FRISK® score, which indicates a company's level of financial stress, based on the probability of bankruptcy over a 12-month horizon. It's proven 96% accurate in predicting U.S. public company bankruptcy during this time horizon.

The FRISK® score is a mathematically derived opinion, calculated daily with the most recent information in our database, using our proprietary scoring model.

The score is unique in the commercial credit space because it does not use payment data, which our research shows to be misleading for

predicting public company financial stress. The model incorporates a number of powerful risk indicators including:

- A “Merton”-type model using stock market capitalization and volatility. Merton models are widely used to measure the credit risk of a corporation's debt and potential for credit default.
- Financial ratios, including those used in the Altman Z” bankruptcy score.
- Bond agency ratings from Moody's and Fitch (when available).

The FRISK® score is reported on a scale of 1-10, with 1 being the most risky. Companies with a FRISK® score of 1 have a 10-50% chance of failing within 12 months. (An average company is 1-2% likely to go under.)

The model used for the FRISK® score was developed and back-tested using company data and bankruptcies between 2003 and 2013.

This period covers 9,600 unique businesses and includes 580 bankruptcies over a period including the Great Recession.

Public company risk often hides in plain sight, but it doesn't have to take you off guard. Rely on our trusted process, anchored by the FRISK® score, to help you get—and stay—ahead of severe financial stress.

## PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

|       | FRISK® | FROM  | TO     |
|-------|--------|-------|--------|
| BEST  | 10     | 0.00% | 0.12%  |
|       | 9      | 0.12% | 0.27%  |
|       | 8      | 0.27% | 0.34%  |
|       | 7      | 0.34% | 0.55%  |
|       | 6      | 0.55% | 0.87%  |
| WORST | 5      | 0.87% | 1.40%  |
|       | 4      | 1.40% | 2.10%  |
|       | 3      | 2.10% | 4.00%  |
|       | 2      | 4.00% | 9.99%  |
|       | 1      | 9.99% | 50.00% |



With so many options and sources of information available to Credit and Finance executives, I've found **CreditRiskMonitor** to be critical in my everyday decision making process.



Richard Jude Matis | Manager, Global Credit and Collections | [Ferro](#)

## IDENTIFY THE BIG DOLLAR RISKS IN YOUR OWN DATA WITH OUR TRADE CONTRIBUTOR PROGRAM

CreditRiskMonitor can help you assess and monitor the risk of one of your most valuable assets—your own trade receivables accounts data.

Our trade contributor program shows you exactly where the dollar risk exposure lies in your own accounts data. Our customers contribute more than \$130 billion in trade data every month, giving them visibility into their biggest dollar risks.

### Participate to:

- Rank all your accounts by risk level.
- See how you're being paid compared to other businesses.
- Find “hidden slow payers” who pay others late, but not you, signaling potential trouble.
- Get a unified view of your risk by consolidating all of your data across businesses and systems.

- Monitor to stay alert to important changes to your risk exposure.

You can also get optional access to Experian Financial Stability Risk (FSR) Scores to show potential risk in your private company accounts. Only for trade providers, the score provides insight on the potential of a private company going bankrupt or defaulting on its obligations.

It's easy to participate—and there's no charge for the program. It's all included. We'll help you upload your trade files to us—in the same format used for other providers, if you like. You'll receive an analysis of your risk, along with ongoing reporting and monitoring.

## DEPEND ON UNBEATABLE SERVICE

Content and tools are of no help if you can't use them. You can count on us to be with you every step of the way. Our customers give us top marks for customer service and every

customer is assigned a dedicated account manager. We will get it right for you, no matter what.





Thanks for being there. **Your site has bailed me out a few times** in the past year. GOOD STUFF and more current than D&B.



Director of Credit at a \$1.5B manufacturing company

## SEEING IS BELIEVING

See for yourself why customers call us “**the real deal**” for financial risk



### PROVEN PROCESS

Our process is driven by the FRISK® score, which is proven 96% accurate in predicting financial stress.



### UNBEATABLE SERVICE

We'll get it right for you, every time. You can count on it, and us.



### TIMELY CRITICAL CONTENT

We provide timely, financially focused and relevant content.



### SERIOUS VALUE

CreditRiskMonitor is available on an unlimited basis at one predictable, low price.



Call 845.230.3000 or visit [creditriskmonitor.com](http://creditriskmonitor.com) today to learn more and request a demo and free trial.