



The PAYCE® Score warned of First Brands bankruptcy risk.

Score/Index	2024					2025							
	A	S	O	N	D	J	F	M	A	M	J	J	A
PAYCE® Score	3	3	4	3	2	2	2	2	2	2	2	1	1
DBT Index	8	8	8	8	8	8	8	8	8	8	8	8	8

**PAYCE® Score
 identified high risk
 for 12 months
 prior to bankruptcy**

“Cloaking Effect”

Days Beyond Terms (DBT),
 a measure of historical
 payment performance, is
 becoming a less effective
 indicator of financial stress for
 private companies.

**Traditional
 methods
 failed to warn!**



HELPING SUPPLY PROFESSIONALS



Problem: First Brands demonstrated prolonged financial distress and eventually filed bankruptcy.



Consequence: Counterparties were exposed to financial losses. Partners and suppliers reported nearly \$1 billion of financial risk exposure in First Brands bankruptcy petition.



Solution: SupplyChainMonitor™ predictive analytics inform supply and finance professionals, empowering risk mitigation processes.



**Supply and procurement professionals who mitigate risk obtain substantial ROIs on the SupplyChainMonitor™ service after only one disruptive event or bankruptcy...
we empower supply resiliency every day**”

The SupplyChainMonitor™ solution identified these key warning signs for subscribers:



**80%-accurate
PAYCE® Score**

indicated First Brands was high-risk for more than one year unlike historical payment information.



**PAYCE® Score
Analysis**

signaled the company had some late payment behavior and carried higher than average balances.



Enhanced News Alerts called out credit downgrades, largely due to refinancing risk and the potential of a debt restructuring.



Trade Payments largely indicated prompt payment behavior on a dollar-weighted basis, which was a misleading indicator.





MONTHLY AVERAGE PAYCE® SCORE

SupplyChainMonitor's PAYCE® Score had been warning of financial stress at First Brands Group for more than a year. The company ultimately filed for bankruptcy on Sept. 25, 2025.

In 2024, Fitch Ratings downgrades First Brands to "B+" and later puts debt ratings on negative watch in 2025 – a major red flag.

First Brands Group downgraded to a PAYCE® Score of "1" and soon after filed for Chapter 11 bankruptcy protection.

Business Name	2024					2025							
	A	S	O	N	D	J	F	M	A	M	J	J	A
First Brands Group	3	3	4	3	2	2	2	2	2	2	2	1	1

BANKRUPT!

PAYCE® Score is **80% accurate** in predicting the **risk of corporate failure** over a 12-month horizon.

PAYCE® Score downgraded to "2" due to a deterioration in payment performance, including weighted DBT and past due payments.

PAYCE® Score	Probability of Bankruptcy within 12 Months	
	From	To
10	0.00%	0.38%
9	0.38%	0.55%
8	0.55%	0.80%
7	0.80%	1.22%
6	1.22%	1.69%
5	1.69%	2.59%
4	2.59%	3.73%
3	3.73%	6.34%
2	6.34%	10.02%
1	10.02%	50.00%



A PAYCE® Score of 5 or less indicates an above average risk of bankruptcy, an important warning sign for clients. Maximize your ROI by continuously monitoring such counterparties, begin considering mitigation strategies if they fall to a PAYCE® 3, and start taking action at PAYCE® 2.

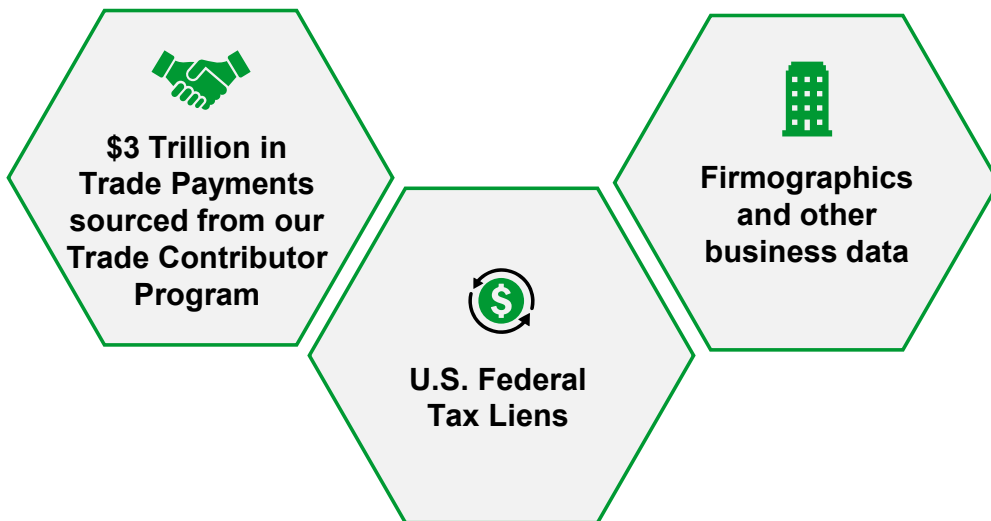
Did You Know? Companies with a PAYCE® 2 or less account for half of all bankruptcies.





THE PAYCE® SCORE COMPONENTS

CreditRiskMonitor's **80% accurate PAYCE® Score** uses three high-quality data components:



Our model's competitive advantage lies in non-linear scaling for each data subcomponent and the combination of the above components to mitigate the individual shortcomings of each input

- ✓ **Trade Payments:** trade providers anonymously deliver about \$3 trillion of trade payment data annually through our Trade Contributor Program.
- ✓ **U.S. Federal Tax Liens:** legal claims against property when a company fails to pay a tax debt – these provide a critical risk signal about the financial health of the business.
- ✓ **Firmographics:** a variety of company characteristics with statistical relationships to bankruptcy are integrated, including the company's number of years in business

This data combined with AI-driven modeling techniques provides powerful bankruptcy risk insights that human analysts cannot replicate.



**How is the
PAYCE® Score
unique versus
competitors?**

- ✓ PAYCE® Score is only available on private companies with significant trade experiences from a variety of contributors, ensuring reliable and trustworthy predictions.
- ✓ Our methodology leverages a variety of trade specific inputs factors and calculations to determine the probability of bankruptcy.
- ✓ Trade data updates frequently and serves as powerful data source when financial statements are unavailable on private companies

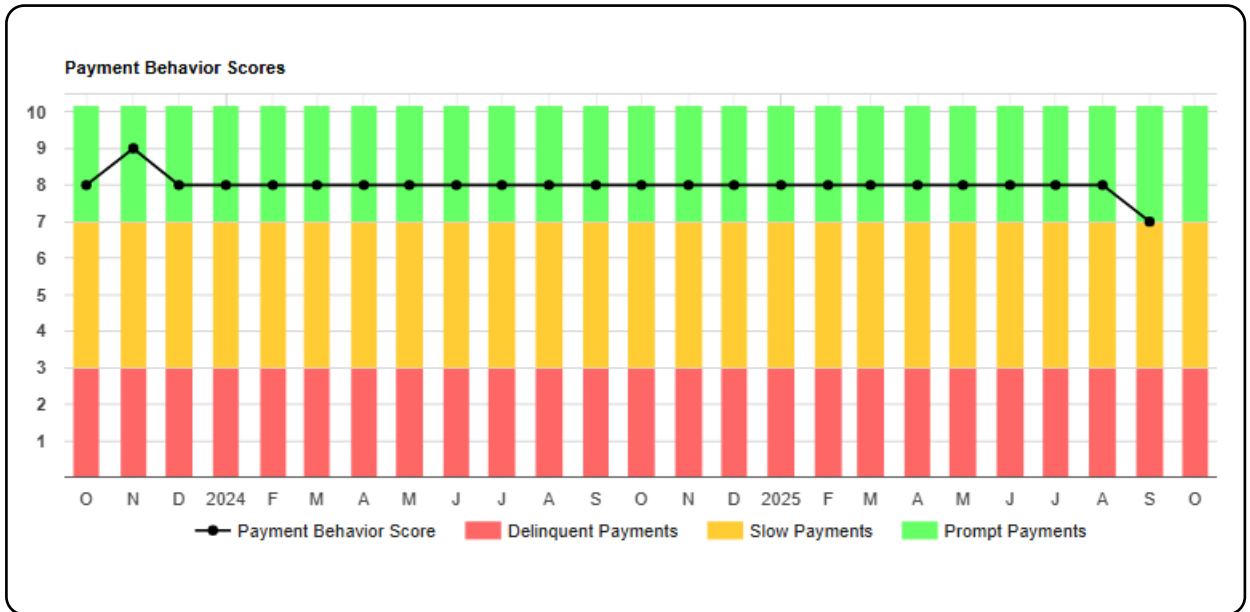
[Learn more about our approach: The Updated PAYCE® Score](#)





PAYMENT BEHAVIOR SCORE

Our payment behavior score enables risk professionals to understand trade payments, or how companies are paying their bills.



- The Payment Behavior Score showed prompt payment trends for the vast majority of the last 24 months.
- In cases where private companies pay on time, but the PAYCE® Score correctly indicates financial distress is commonly known as the “Cloaking Effect.”
- The Cloaking Effect is becoming more common among private companies due to greater access to private capital funding.





ABOUT CREDITRISKMONITOR



About Our Bankrupt Supplier Report

SupplyChainMonitor™ Bankrupt Supplier Reports provide post-filing analyses of public and private companies. Our reports educate subscribers about how they can use our proprietary solutions to avoid the disastrous impacts tied to financially distressed suppliers.

About Our Company

CreditRiskMonitor is a leader in global business intelligence and predictive risk analysis that helps credit and supply chain professionals stay ahead of and manage risk quickly, accurately and cost effectively.

Nearly 40% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our coverage of 30+ million public companies and private companies globally.

Contact us at:



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creditriskmonitor.com/contact-us

Give Us a Try!



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