




D&B Finance Analytics

Sample Credit Report



Mining Maximum Insight from Dun & Bradstreet Credit Reports

As a leading global provider of business decisioning data and analytics, Dun & Bradstreet is known for its depth and breadth of business information. The Dun & Bradstreet Data Cloud provides insights on hundreds of millions of businesses and other commercial entities across the globe, and our proprietary risk scores and ratings are revered by credit professionals.

As such, when consulting a Dun & Bradstreet credit report, many credit professionals first look at the risk scores and payment history to aid in making a credit decision. The D&B PAYDEX®, in particular, is widely used to easily understand how a company paid its bills in the past. Predictive scores, such as the D&B® Delinquency Score, predict the likelihood that a business may pay late in the future based on information in the Data Cloud.

However, credit scores and payment history shouldn't be the sole determinants sought from a credit report. Sometimes, scores will prompt an additional review. Many other sections of a credit report are invaluable yet sometimes overlooked in helping determine creditworthiness. Ownership, longevity, experience, size, and customer data can be critical to obtain a deeper understanding of the business that is applying for credit.

Here, we'll review the sections of a credit report in D&B Finance Analytics to show you how to gain maximum insight.

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Summary

This **introductory snapshot** summarizes key information about the partner or vendor you need to evaluate. It can include details such as the company’s contact information, history, incorporation information, industry classification, and ownership, to give you an overview of a business’s size and scope.

GORMAN MANUFACTURING COMPANY, INC.
Trade Names: No trade names for this company.
Do not confuse with other Gorman companies, this is a fictitious company used by D & B for demonstration purposes
ACTIVE **HEADQUARTERS**
D-U-N-S Number: 80-473-5132
Company: GORMAN MANUFACTURING COMPANY, INC.

D&B Address
Address: 492 KOLLER ST
SAN FRANCISCO, CA, US - 94110
Location Type: HEADQUARTERS
Phone: 650-555-0000
Fax:
Web:

The **Dun & Bradstreet D-U-N-S® Number** is a unique nine-digit identifier for businesses that’s used to establish business credit. D-U-N-S, which stands for Data Universal Number System, is available at no cost. It identifies, validates, correlates, and links information for businesses anywhere in the world.

COMPANY PROFILE ⓘ					
D-U-N-S 80-473-5132	Legal Form Corporation (US)	History Record Clear	Date Incorporated 01/03/1977	State of Incorporation CALIFORNIA	Ownership Not publicly traded
Mailing Address UNITED STATES	Telephone +1 650-555-0000	Present Control Succeeded 1985			
Annual Sales \$32,698,577	Net Worth \$4,110,181	Employees 153(120 here)	Age (Year Started) 35 Years(1985)	Named Principal Leslie Smith, PRES	Line of Business Lithographic commercial printing

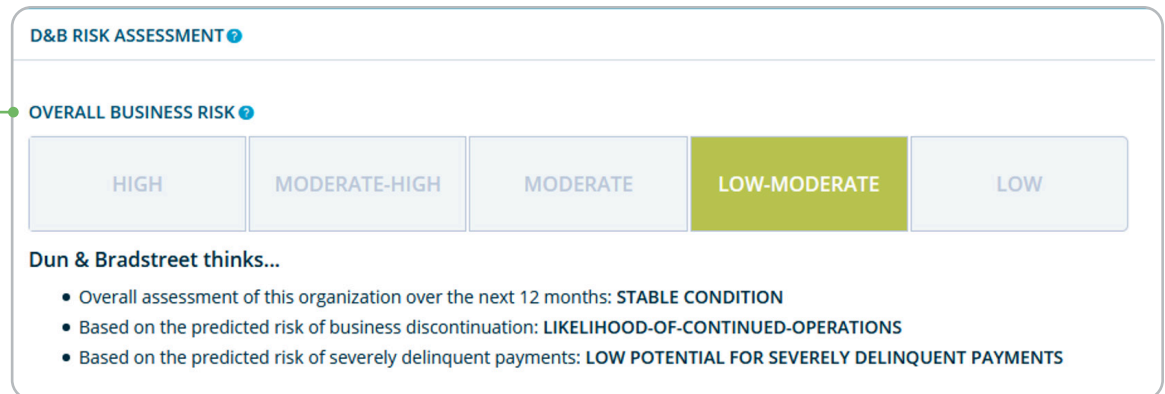
History Record signals whether there is enough information available for Dun & Bradstreet’s rating consideration, or if the file contains negative information about the business or its principals, like failures or criminal proceedings.

View the company’s **line of business** understand its industry information. Standard Industrial Classification (SIC) is a government-assigned codes that can help to recognize industries that are potentially high-risk and ensure that potential partners really operate in the business they’re registered to operate in. Industry codes are also important in portfolio management for segmenting accounts by industry for benchmarking and other indexing purposes.

Risk Assessments

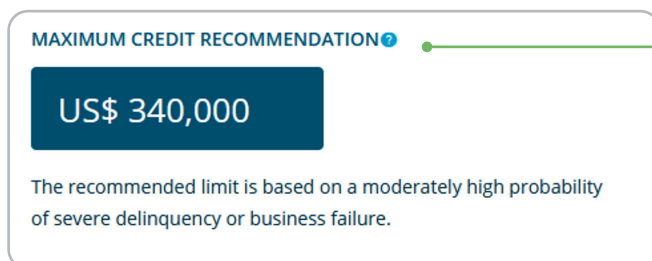
Dun & Bradstreet's proprietary predictive scores and ratings are designed to help you gauge risk and understand the company's creditworthiness, so it's important to understand how scores are created, what they mean, and how to use them.

OVERALL BUSINESS RISK



The **Overall Business Risk** is a high-level risk evaluation that assesses a company using the best available scores, ratings, and indices. The Overall Business Risk is scored on a five-point scale, from low to high risk, with additional statements describing the business's current and future health.

MAXIMUM CREDIT RECOMMENDATION

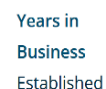
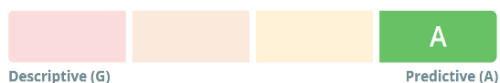
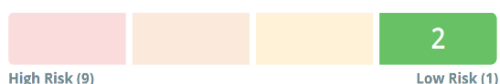


Maximum Credit Recommendation suggests the greatest amount of credit that Dun & Bradstreet suggests extending, based on monthly payment terms. The amount is the total value of goods and services that the average creditor should have outstanding across multiple accounts and invoices — not necessarily the maximum amount it can afford. The recommendation is based on a historical analysis of similar companies in the Data Cloud.

The **D&B Viability Rating** comprises four parts, two of which are predictive components. The first is the **Viability Score**, a scaled score that predicts the probability a company will no longer be in business in the next 12 months. This includes whether it closes its doors voluntarily or involuntarily.

The second predictive component, the **Portfolio Comparison**, assesses the viability of a company compared with similar segments within the same type of business. ("Segments" means how much data Dun & Bradstreet has on that particular business, including financial statements and reported trade experiences.)

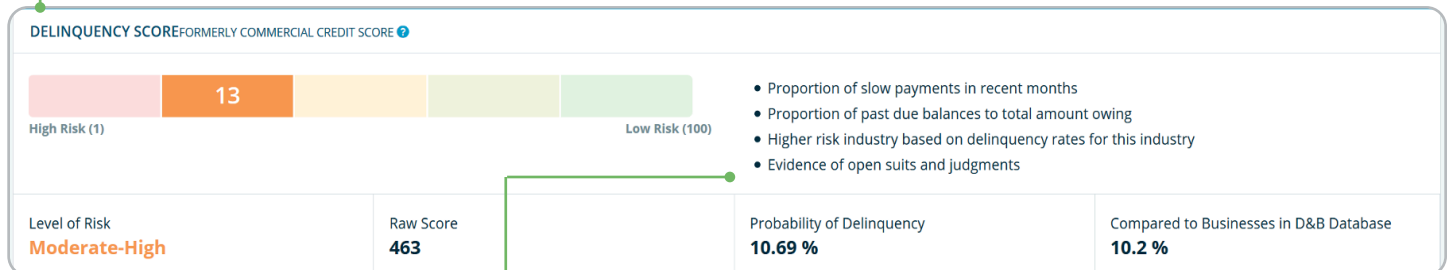
The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:



Company Profile describes a company based on a combination of four categories: available financial data, number of trade payments, company size, and years in business. The Company Profile is characterized as a letter ranging from A-Z; where A describes a company with comprehensive data, all the way to X, which reflects a company with minimal data available. Y represents a branch, and Z represents a subsidiary.

D&B® DELINQUENCY SCORE

The **D&B Delinquency Score**, formerly the Commercial Credit Score, predicts the likelihood a company will pay its bills in a severely delinquent manner – 90 days past due or later. The Delinquency Score is displayed on a scale from 1 to 100. A score of 1 indicates the highest risk, while 100 indicates high risk.

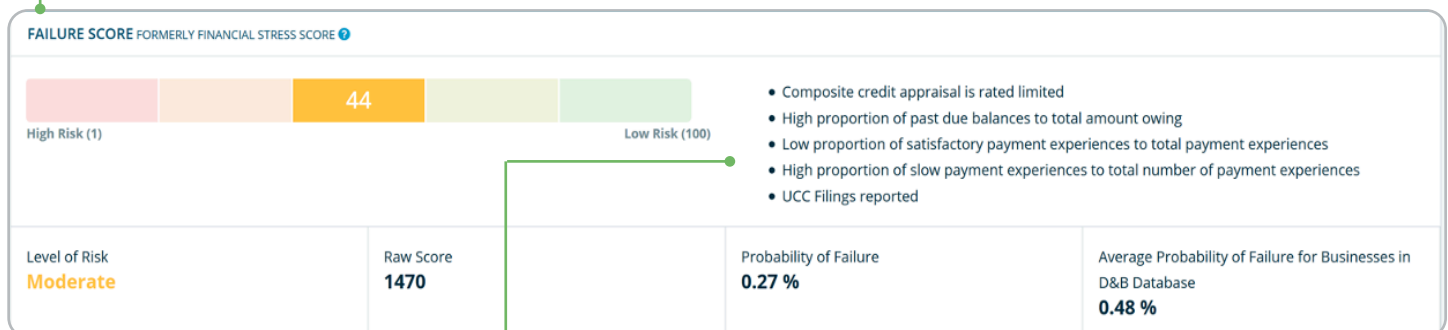


In addition, Dun & Bradstreet reports include commentary indicating why an entity was assigned that particular score. Such as:

- Slow payments reported
- Higher risk industry based on delinquency rates for this industry
- Limited time under present management control
- Evidence of open lawsuits and liens

D&B® FAILURE SCORE

The **D&B Failure Score**, formerly the Financial Stress Score, predicts the likelihood a company will cease operations, declare bankruptcy, or simply go out of business without paying its creditors. Like the Delinquency Score, the Failure Score is displayed on a scale from 1 to 100, where a 1 indicates the highest risk and 100 indicates the lowest risk.



In addition, Dun & Bradstreet reports include commentary indicating why an entity was assigned that particular score. Such as:

- Slow payments reported
- High number of inquiries
- High proportion of past due balances to total amount owing
- UCC Filings reported

D&B PAYDEX®

The **PAYDEX** score is a concise dollar-weighted assessment of the business's payment performance over the past two years. The score is based on trade experiences reported by vendors and is derived from a weighted average of a company's combined individual payment experiences (larger invoice amounts weigh heavier in the overall index). A company needs at least three trade experiences reported by at least two different vendors in order to have a PAYDEX. It's based on a scale of 1-100 (where 100=best and 0=worst). A score of 80 is the benchmark; it means that a company pays its bills on time, or promptly, according to its suppliers. (Historical context is important to determine whether seasonality or other trends affect payment performance.) The PAYDEX score differs from the Delinquency Score in that it only considers past payment performance.

D&B PAYDEX



When weighted by amount, Payments to suppliers average 17 days beyond terms

- ☐ High risk of late payment (Average 30 to 120 days beyond terms)
- ☐ Medium risk of late payment (Average 30 days or less beyond terms)
- ☐ Low risk of late payment (Average prompt to 30+ days sooner)

3 MONTHS - D&B PAYDEX



Based on payments collected 3 months ago.

When weighted by amount, Payments to suppliers average 16 days beyond terms

- ☐ High risk of late payment (Average 30 to 120 days beyond terms)
- ☐ Medium risk of late payment (Average 30 days or less beyond terms)
- ☐ Low risk of late payment (Average prompt to 30+ days sooner)

D&B RATING

The **D&B Rating** can help you quickly assess a firm's size and composite credit appraisal, based on company payments, financial information, business age, and other important factors. The rating is displayed as an alphanumeric figure, such as "5A4" and consists of two parts – Financial Strength and Risk Indicator. Like the PAYDEX, the D&B Rating is a historical measure.

D&B RATING

Current Rating as of 05/14/2020

Financial Strength

5A: US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

4: Higher than Average Risk

Previous Rating

Financial Strength

5A: US\$ 50,000,000 and over in Net Worth or Equity

Risk Indicator

3: Moderate Risk

Trade Payments

Trade Payments provide valuable insight to credit professionals – these records of payment behavior offer objective evidence of how the company has paid other partners. Dun & Bradstreet has thousands of partners in its Global Trade Exchange Program that share monthly trade payment data.

TRADE PAYMENTS SUMMARY (Based on 24 months of data)			
Overall Payment Behaviour		% of Trade Within Terms	Highest Past Due
14		59%	US\$ 2,000,000
Days Beyond Terms			
Highest Now Owing:	US\$ 30,000,000	Total Trade Experiences:	863
		Largest High Credit:	US\$ 30,000,000
		Average High Credit:	US\$ 207,010
		Total Unfavorable Comments:	7
		Largest High Credit:	US\$ 15,000
		Total Placed in Collections:	7
		Largest High Credit:	US\$ 0

In Dun & Bradstreet’s trade payments data, each trade line represents a unique account from a single supplier. That supplier may appear many times in the detailed trade history. Each trade line may include up to 12 data points or monthly aging inputs. Each line represents the summary view of how that account has been paid over the past year. Each time a new trade file is processed, the prior file is overlaid. Account updates from the same supplier are overwritten rather than compounded, providing the most recent information.

The section on trade payment habits by **industry and size** is an often-overlooked area within this part of the credit report. It provides a summary of all payments by industry. You can also view a company’s payment habits by dollar amount extended. How it pays its largest and smallest invoices can be valuable information. Distinctions such as these help you assess how you might be paid compared with how others were paid, at a much more granular level.

TRADE PAYMENTS BY INDUSTRY (BASED ON 24 MONTHS OF DATA)		
Collapse All Expand All		
Industry Category	Number of Payment Experiences	Largest High Credit (US\$)
▶42 - Motor Freight Transportation and Warehousing	39	5,000,000
▶50 - Wholesale Trade - Durable Goods	32	2,000,000
▶73 - Business Services	31	600,000
▶99 - Nonclassifiable Establishments	24	5,000,000
▶51 - Wholesale Trade - Nondurable Goods	22	2,000,000

Detailed Trade Risk Insight

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 250 million unique supplier/purchaser relationships. This allow you to review a highly detailed time-series view of key performance indicators from the past 13 months to enable a more precise understanding of how the company is paying back unsecured credit commitments.

DAYS BEYOND TERMS - PAST 3 & 12 MONTHS

3 months from Oct-20 to Dec-20

Days Beyond Terms : 6 Days



Dollar-weighted average of 35 payment experiences reported from 3 companies.

12 months from Jan-20 to Dec-20

Days Beyond Terms : 5



Dollar-weighted average of 35 payment experiences reported from 3 companies.

TOTAL AMOUNT CURRENT AND PAST DUE - 13 MONTH TREND FROM DEC-19 TO DEC-20

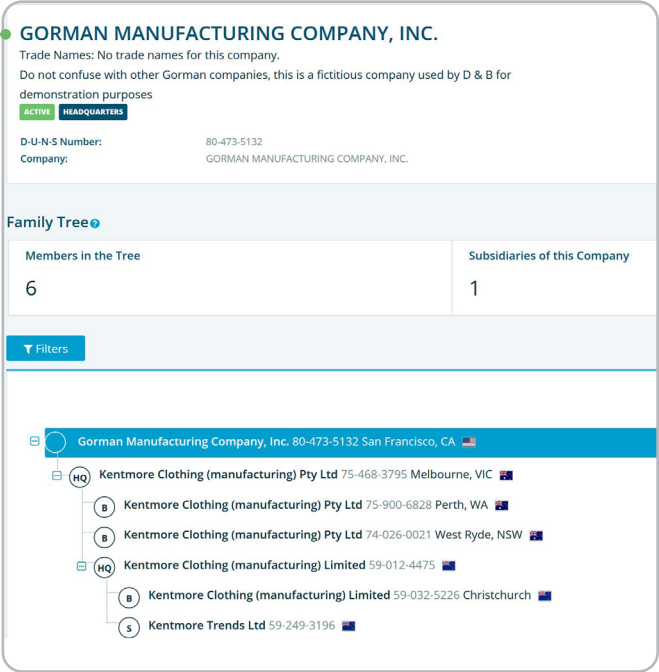


Status	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total	153,325	151,960	132,907	114,779	128,273	123,228	136,412	158,085	155,753	169,717	158,414	158,414	158,414
Current	123,324	124,959	109,529	89,708	98,828	93,797	106,604	122,392	117,497	130,621	120,673	120,673	120,673
1-30 Days Past Due	5,471	10,037	9,341	6,323	7,729	6,826	8,147	14,283	15,819	14,869	12,781	12,781	12,781
31-60 Days Past Due	12,312	4,666	5,914	9,063	9,285	8,611	5,370	10,353	13,546	11,464	14,396	14,396	14,396
61-90 Days Past Due	12,218	12,298	8,123	9,685	12,431	13,994	16,291	11,057	8,891	12,763	10,564	10,564	10,564
91+ Days Past Due	0	0	0	0	0	0	0	0	0	0	0	0	0

Ownership

Use Dun & Bradstreet’s easy-to-read **ownership** charts to assess potential risk across different parts of a corporate family by viewing the relationship between different companies and their majority-owned subsidiaries and branch locations. From multinationals with thousands of global locations to small businesses with a second branch office, the Ownership section, also known as corporate linkage or family tree, provides insight into relationships among the millions of active companies in the Data Cloud.

Seeing a visual representation of a corporation’s different businesses and locations can help you assess its size, understand its real estate footprint, identify potential conflicts of interests, and create more accurate reporting on large suppliers.



There are two scenarios to examine when reviewing corporate linkage for commercial, government, and not-for-profit organizations.

First, there is the **parent/subsidiary relationship**, where a parent company owns more than half the capital stock of a subsidiary. In this case, both companies are separate legal entities, even though the parent owns a majority of the shares of the subsidiary.

Second, there is a **headquarters/branch relationship**, where a company that is headquartered in one location has branch office in a different location. Branch locations may not be legally responsible for paying their own invoices. In that case, understand the total exposure at the headquarters level, and clarify that the headquarters is indeed the legal entity you’re contracted with.

It’s important to assess total exposure at a family level. In the parent/subsidiary example, you might have several customers that are all part of the same corporate family. The same applies to the headquarters/branch relationship, where you work with multiple branch locations. Understanding your company’s total exposure at the headquarters level can help to better identify risk hotspots so you can properly evaluate credit limits, prioritize collections, and recognize growth opportunities.

LOCATION TYPES

There are several types of locations in the Dun & Bradstreet Data Cloud: headquarters, subsidiaries, branches, and single locations.

A **headquarters** is an entity that has branches or divisions reporting to it and is financially responsible for those branches or divisions. If the headquarters has more than 50% of capital stock owned by another corporation, it also will be a subsidiary. If it owns more than 50% of capital stock of another corporation, then it is also a parent.

A **branch** is a secondary location of a business that may not have legal responsibility for debts, in spite of the fact that some debts may be paid from that branch location. It can usually have the same legal business name as its headquarters but can carry out a specific operation related to the headquarters and can even have its own tradestyle/DBA name. It is possible for the branch to even be located at the same address as the headquarters. In most instances, a branch's reports have the same predictive scores as its parent's report. (However, branches can have their own PAYDEX if they have their own reported trade payments.)

A **subsidiary** is an entity whose capital stock is more than 50% owned by another entity. The subsidiary has a different legal business name than its owner/parent. A subsidiary may have branches or subsidiaries of its own. If it does, then its D-U-N-S Number appears in the parent/headquarter D-U-N-S Number field of its children and has a headquarters code.

Finally, **single locations** are entities with no branches or subsidiaries reporting up to them.

EXCEPTIONS TO CORPORATE FAMILY TREES

Some situations don't fall under the umbrella of corporate linkage. These include joint ventures and franchise-dealer relationships. A joint venture comprises two separate companies coming together for a common cause but maintaining 50% ownership. A franchise is typically a company owned and operated individually, much like a car dealership or a fast food chain restaurant. It pays a fee to the franchise company to use the name and leverage other benefits, but no legal relationship exists between the franchise owner and the car manufacturer or restaurant chain in this arrangement.

Legal Events

Understanding **legal activity** is crucial in identifying risk. The Legal Events section covers past and present legal activities that could impact a company's financial stability and operations. Dun & Bradstreet provides five types of legal filings in its Legal Events section: bankruptcies, judgments, liens, lawsuits, Uniform Commercial Code (UCC) filings (in the US), and Personal Privacy Security Act (PPSA) statements (in Canada).

Bankruptcies ⓘ	Judgments ⓘ	Liens ⓘ	Suits ⓘ	UCCs ⓘ
0	1	0	1	2
Latest Filing:	Latest Filing: 01/01/2014	Latest Filing:	Latest Filing: 02/01/2014	Latest Filing: 01/01/2014

Bankruptcy – Proceedings under the U.S. Bankruptcy Code, in which either a debtor files a bankruptcy petition and voluntarily seeks protection from creditors or creditors file a bankruptcy petition against a business debtor to force the debtor to pay monies owed them. A bankruptcy filing indicates a high level of credit risk, though many partners still extend credit to companies undergoing a reorganization due to bankruptcy.

Judgment – The final decision of a court resolving a dispute and determining the rights and obligations of the parties. Judgments may present large outstanding obligations.

Lien – A claim a creditor holds against specific property of a debtor as security for satisfaction of a debt, which may arise from such things as unpaid taxes or a court judgment. Multiple tax liens may indicate difficulty to pay.


Lawsuit – A proceeding filed by a plaintiff against a defendant in a court of law, in which the plaintiff seeks monetary and/or non-monetary relief. Dun & Bradstreet is one of the few providers to include lawsuit information in its credit reports. Lawsuit information is valuable compared with information about resulting judgments, which can take years to make their way through the court system. In addition, if a lawsuit is settled out of court, no judgment would be issued.

With a comprehensive Dun & Bradstreet credit report, you'll be alerted to lawsuits that have been publicly filed in the U.S. to get a sneak peek at which companies might be headed for financial distress.

UCC Filings – A legal document creditors use to secure their rights to collateral. This gives the creditor a legally recognized interest in the collateral until payment is received in full. It also provides legal title to these assets in the event a debtor suffers financial hardship and is unable to meet its promise to pay. A high volume of UCC Filings could indicate a high level of risk.

SUITS	
Suit Amount	750
Status	Pending
FILING NO.	99999
Plaintiff	TEST CASE
Defendant	GORMAN MANUFACTURING INC - TEST CASE
Where filed	Supreme Court Of The State Of Tennessee, Knoxville, TN
Date status attained	02/01/2014
Date filed	02/01/2014
Latest Info Received	04/07/2014

Special Events

 The **Special Events** section lists recent developments such as changes in operations, ownership, and, for public companies, earnings announcements. This section always deserves a quick check to see what is new and noteworthy.

08/25/2021 - ANNOUNCED WORK FORCE CHANGES:

According to published reports, Gorman Manufacturing announced that it will cut 200 jobs at a logistics center.

08/25/2021 - ANNOUNCED WORK FORCE CHANGES:

According to published reports, Gorman Manufacturing announced that it has signed an agreement to divest its apparel manufacturing plant GM Fashions to an undisclosed buyer.

08/25/2021 - ANNOUNCED WORK FORCE CHANGES:

According to published reports, Gorman Manufacturing announced that it has named Jane Smith as Chief Executive Officer and President, effective Jan. 1, 2022.

Company Profile

The **Company Profile** section yields helpful background information on the management team and key principals, industry classification, and incorporation information.

Business Registration information is collected through publicly available information as well as direct investigations. Business Registration data includes the business type and legal structure, such as a sole proprietorship, partnership, or corporation.

Registered Name	GORMAN MANUFACTURING COMPANY, INC.
Corporation Type	Corporation (US)
Business Commenced On	1985
State of Incorporation	CALIFORNIA
Date Incorporated	01/03/1977
Registration ID	C0806110
Registration Status	SUSPENDED
Filing Date	01/03/1977
Where Filed	BUSINESS PROGRAMS DIVISION

BUSINESS ACTIVITIES AND EMPLOYEES	
The following information was reported on: 02/26/2021	
Business Information	
Description	Engaged in commercial lithographic printing (100%). Terms are Net 30 days. Has 240 account(s). Sells to commercial concerns. Territory : United States.
Employees	153 which includes officer(s). 120 employed here.
Financing Status	Secured
Financial Condition	Fair
Seasonality	Nonseasonal.
Facilities	Occupies premises in a one story cinder block building.
Location	Central business section on well traveled street.

The **Business Activities** section can reveal whether a company is a seasonal business, its number of employees, what type of building its facilities are located in (owned or leased? warehouse or office building?), and its payment terms (net 30, cash, contract). Here you can also assess whether the company’s sales align with the number of employees it states on its books.

Financials

Dun & Bradstreet credit reports feature **financial statements** on public companies and many private companies as well. View balance sheet, profit and loss accounts, cash flow, and financial ratios, and more on companies in more than 200 markets.



Federal Information

This section offers **government activity indicators**, which provide a picture of a company's business dealings with the U.S. government, including assistance, grants, contracts – and most importantly, any exclusions from doing business with the U.S. government.

CLAIMS, FEES, FINES, OVERPAYMENTS, PENALTIES AND OTHER MISC. REPORTED DEBTS TO FEDERAL AGENCIES

Reported Date	Established Date	Type	Amount	Current Due	Balance Due	Past Due	Cause	Federal Creditor	Account ID
06/30/2020	01/28/2020	MISCELLANEOUS	US\$ 340,517.00	US\$ 0.00	US\$ 580,365.00	US\$ 580,365.00		HEALTH & HUM...	00000000111111111111

REPORTED U.S. GOVERNMENT CONTRACT ACTIONS

Reported Date	Contract Awarded	Contract ID	Contract Amount	Contract Name	Federal Supplier Code	Action Type	Contract Office & Agency
10/31/2019	2019-07	12FPXYZ1F0012/	US\$ 9,000.00	OTHER ENVIR SVC/STUD/SUP	F999	PURCH USING SIMPLI...	AGRICULTURE DEPA...

Web & Social

The **Web & Social** section contains links to articles from major news aggregators and publishers. This can help put the pieces of a risk story together. If a company's predictive scores indicate high risk, its trade payment shows severe delinquency, several rounds of layoffs are listed in Special Events, and you see a "possible bankruptcy" headline in Company News, then you can see that granting a large line of credit with flexible terms probably isn't a good idea. Media can report on alleged events, so if a company may be on the brink of filing for bankruptcy, you might see the headline here. Remember, alleged events do not impact a company's Dun & Bradstreet scores.

Conversely, the Company News section can reveal promising events, such as the landing of a major contract or another indicator of future growth.

LATEST NEWS

Powered By FirstRain

- Apple is improving its presentation skills. The Weston Forum 12-Mar-2021
- Market Watch 12-Mar-2021
- Dispatch Tribunal 12-Mar-2021
- Mac Rumors 12-Mar-2021
- Arena 12-Mar-2021
- Market Watch 12-Mar-2021
- AppleInsider 12-Mar-2021
- Variety.com 12-Mar-2021

TOP BUSINESS TWEETS

Powered By FirstRain

25% above average and falling

- 12-Mar-2021
- 12-Mar-2021
- 12-Mar-2021
- 12-Mar-2021

EVENT TIMELINE

Powered By FirstRain

WEEK OF 07-MAR-2021

- 11-Mar-2021
- 11-Mar-2021

FEB-2021

- 25-Feb-2021
- 17-Feb-2021
- 09-Feb-2021
- 02-Feb-2021
- 01-Feb-2021

JAN-2021

- 28-Jan-2021
- 26-Jan-2021

MANAGEMENT CHANGES

Powered By FirstRain

- 11-Mar-2021
- 02-Feb-2021
- 02-Feb-2021
- 26-Jan-2021
- 25-Jan-2021

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Conclusion

Whether you're engaging a new partnership or extending credit to an existing customer, proper risk management requires a comprehensive understanding of credit data and analytics. The comprehensive business credit reports available in D&B Finance Analytics are trusted by lenders and potential business partners to assist with objective credit analysis. It's important to know everything you can about the companies you do business with and make sure your decisions are backed by trusted data and intelligent insight.



To learn more about D&B Finance Analytics, call (877) 727-0664 or visit www.dnb.com/dnb-finance-analytics.





About Dun & Bradstreet

Dun & Bradstreet, a leading global provider of B2B data, insights and AI-driven platforms, helps organizations around the world grow and thrive. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to grow revenue, increase margins, manage risk, and help stay compliant – even in changing times. Since 1841, companies of every size have relied on Dun & Bradstreet. Dun & Bradstreet is publicly traded on the New York Stock Exchange (NYSE: DNB).

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