Atradius
Managing risk, enabling trade

Atradius Payment Practices Barometer

B2B payment practices trends Germany 2025

In this report

About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey gives you the opportunity to hear directly from businesses trading on credit with B2B customers about how they are coping with evolving trends in customer payment behaviour. Staying informed about these trends is vital because it helps to identify emerging shifts in customer payment habits, allowing businesses to address potential liquidity pressure and maintain smooth operations.

Businesses operating in – or planning to enter – the markets and industries covered by our survey can gain valuable insights from our reports, which also shed light on the challenges and risks companies anticipate in the coming months, as well as their expectations for future growth.

This report presents the survey results for **Germany**.

The survey was conducted between the end of Q1 and the beginning of Q2 2025. The findings should therefore be viewed with this in mind.

B2B payment practices trends

Germany shifts working capital management to cope with trade turbulence

A deterioration in the payment behaviour of business-to-business (B2B) customers was reported by 60% of companies in our survey of Germany. This worrying trend was highlighted by the finding that overdue invoices currently affect an average 57% of all B2B sales on credit. Customer payment delays are driven by a combination of economic pressures, operational constraints and liquidity challenges. Companies across all industries report ramping up efforts to prevent long-overdue B2B payments turning into uncollectable receivables. Bad debts currently affect an average of 8% of B2B invoices, posing a significant concern, particularly for machinery companies.

Despite this worsening trend in payment practices, 54% of companies across various industries kept their credit offerings and payment terms almost unchanged from last year in order to maintain strong customer relationships. Currently, 47% of B2B sales are made on credit, with average payment terms of 60 days. To ease growing cash flow pressures that stem from the combination of stable trade credit policies and longer payment cycles, businesses have started adjusting how they manage working capital. One common approach is to delay supplier payments, while increased reliance on internal funds is seen particularly in the automotive sector. 43% of companies across industries are increasingly turning to invoice financing to speed up cash inflows, using outstanding receivables as collateral.

This significant shift in working capital management reflects a broader trend among German businesses as they adjust their payment risk mitigation strategies to strengthen resilience amid the challenges of an unpredictable trading landscape. There is a strong recognition across all industries of the importance of strategic payment risk management. 46% of companies, mainly in the automotive industry, balance third-party insurance and internal risk mitigation strategies. The remainder are almost evenly split between those relying on credit insurance, mainly in construction, and those using internal provisions even though that is a strategy which can strain finances by tying up funds and limiting flexibility.

Key figures and charts on the next page

Key figures and charts

Germany

% of the total value of B2B invoices paid on time, overdue and bad debts

(change vs. 2024)

▽ **35%** Paid on time

△ **57%** Overdue

▷ **8%** Bad debts

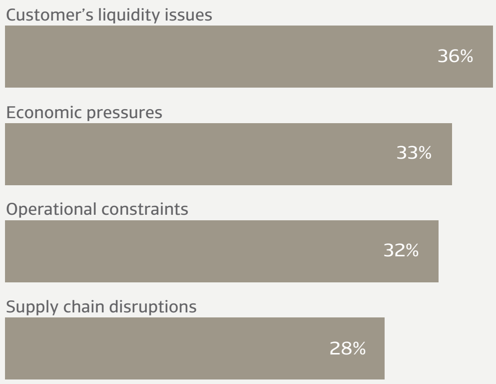
Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany

What are the top 4 reasons your B2B customers pay invoices late?

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany

% of respondents reporting changes in Days Sales Outstanding (DSO)* over the past 12 months

(% of respondents)

Shorter	Longer	No change
25%	29%	46%

*average amount of time to collect payment after a sale

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany

What are the main sources of financing that your company used during the past 12 months?

(% of respondents - multiple response)

- 51% Bank loans
- 46% Trade credit
- 43% Invoice financing
- 33% Internal funds

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Looking ahead

Volatile economic and trading environment sparks widespread concern over growing financial strain

The B2B payment landscape is expected to remain challenging in the year ahead by German companies, making it crucial to maintain steady cash flow management during the coming months. 62% of companies across the various industries of our survey anticipate an increase in B2B customer insolvencies during the coming 12 months. This highlights growing concern about financial vulnerabilities, particularly in the construction sector. Concern about the outlook for the insolvency risk outlook is complemented by worry about worsening DSO. Nearly one third of companies expect slower payment collections in the coming months, while an equal share expects suppliers to shorten payment terms and request quicker payments on invoices, further straining liquidity. There is also widespread uncertainty about trends for inventory turnover, leaving businesses unable to predict if they will be able to free up cash from stock to bridge liquidity gaps. All this illustrates a volatile environment in which companies expect to face significant financial strain.

In consequence, German businesses are cautious about expectations for sales performance and profitability. The potential for international trade to face severe disruptions in the coming months makes it increasingly difficult to forecast demand, plan production or allocate resources effectively. A key concern is the financial resilience of B2B customers, because instability could further disrupt customer payments. Rising production costs, particularly in the automotive industry, are expected to pressure profit margins, while the machinery sector is concerned about growing cybersecurity threats.

Amid ongoing economic turbulence, 70% of businesses are looking to strengthen a combined approach to payment risk management – using internal provisions alongside external protections like credit insurance. This suggests a growing awareness that a dual approach to payment risk mitigation is the path German companies plan to choose in the current challenging economic and trading landscape. Sector-specific strategies differ, with construction companies remaining more confident in managing these risks externally, while the machinery industry is more likely to shift towards combining internal provisioning with third-party insurance.

Key figures and charts on the next page

Key industry insights

Construction

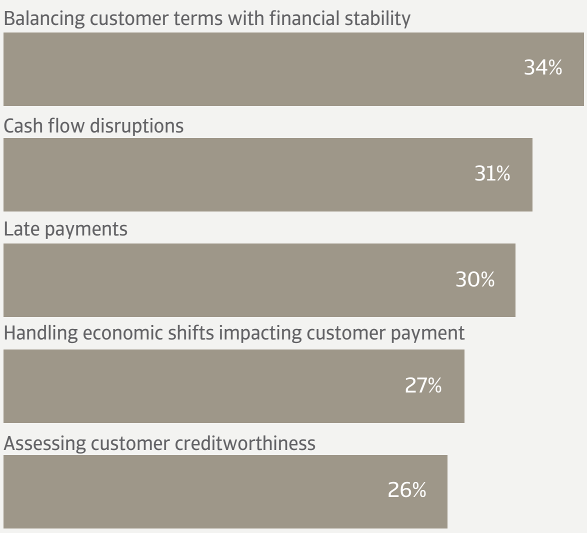
German construction companies are navigating a complex payment risk landscape. B2B credit sales remain steady compared to the same period last year, accounting for 49% of transactions. Overdue payments are also relatively stable, impacting around two-thirds of B2B invoices. In one notable change bad debts have declined to 5%, suggesting improved payment collection efficiency within the sector. Most businesses have maintained or extended payment terms to support business customers, attempting to stay competitive in a price-sensitive industry. Against this backdrop, Days Sales Outstanding (DSO) has remained mostly stable, with more companies experiencing quicker collections than slower ones.

Despite these positive signs, working capital management remains challenging. Inventory build-up continues to tie up capital and increase operating costs. To bridge cash flow gaps, many companies increasingly prefer invoice financing to bank loans or supplier credit. However, this shift also increases financial vulnerability, especially amid volatile and rising financing costs. With twice as many construction companies (66%) expecting a rise in insolvency risk compared to those who do not share the same opinion, most are adopting a hybrid approach to payment risk mitigation—combining internal provisions with insurance. However, a significant 30% of companies express a preference for outsourced credit management solutions. Looking ahead, most businesses in the sector express growing concern about regulatory pressures, which are expected to add to costs and further squeeze working capital.

Germany - Construction

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany - Construction

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

50%	46%	44%	27%
Trade credit	Bank loans	Invoice financing	Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

66%	33%	1%
Increase	Remains as current	Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

41%	34%	34%
Increasing regulations	Retaining skilled workforce	Cybersecurity threats

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Key industry insights

Machinery

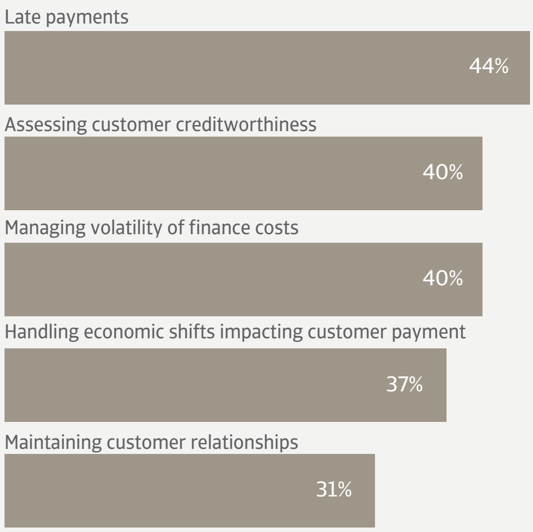
Amid growing economic pressure and rising trade uncertainty, the German machinery sector is balancing customer support with the need to safeguard financial stability. 52% of B2B sales are currently made on credit, with 80% of businesses saying they have either maintained or increased their credit offerings and payment terms. This approach suggests a need to remain competitive and support customer relationships. Over half of B2B invoices are overdue, and bad debts account for an average of 10% of total receivables. This impacts liquidity and raises concerns over the long-term sustainability of current trade credit policies, especially as payment collection is slowing across the sector.

Inventory build-up is experienced by many companies, which locks up working capital and increases operational costs. The most popular response is delaying payments to suppliers, while bank loans remain the preferred avenue to bridge liquidity gaps. 64% of German machinery companies expect insolvency risks among B2B customers to rise in the coming months—more than double the share of those who do not share this concern. As a result, businesses plan to adopt a hybrid payment risk mitigation strategy, and although there is preference for in-house financial provisions, many also rely on outsourced credit management services to protect cash flow. Looking ahead, the main concern is being able to remain responsive and adaptable to unpredictable economic and market fluctuations. The increasing threat of cybersecurity breaches and data-related risks is also seen as a vulnerability.

Germany - Machinery

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany - Machinery

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

63%	47%	47%	27%
Bank loans	Trade credit	Invoice financing	Internal funds

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

64%	33%	3%
Increase	Remains as current	Do not know

Top 3 challenges businesses in the industry expect to face over the next 12 months

(% of industry respondents - multiple response)

41%	40%	36%
Cybersecurity threats	Being responsive to market shifts	Rising production input costs

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Key industry insights

Automotive

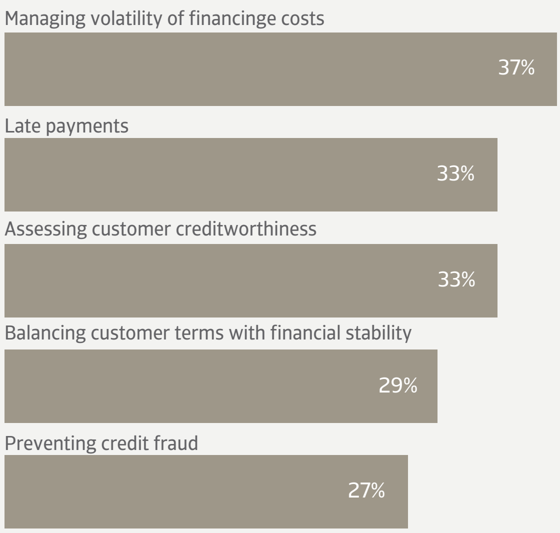
As potential impacts from US trade policies loom, Germany's automotive industry has adjusted its B2B credit strategy. Credit sales are down 20% from last year, with most businesses keeping payment terms unchanged to limit credit risk. However, some have relaxed terms to foster customer relationships and sustain revenue. Overdue B2B invoices have increased by 12% from last year, but bad debts have decreased, indicating better debt recovery. Steady inventory levels and supplier payment timelines show that businesses are carefully managing their working capital and liquidity.

To bridge potential liquidity gaps, companies balance internal funding with a range of external financing sources, allowing them to reduce reliance on any single financing tool amid a rapidly shifting economic and trading environment. 56% of automotive companies expect a rise in insolvency risks among their B2B customers in the coming months, while the rest do not share the same level of concern. While this underscores concerns about customer stability amid market uncertainty, businesses plan to use both internal provisions and external tools, such as credit insurance, for payment risk mitigation. Rising production input costs are also a key concern for the year ahead, with potential impacts on operations and investment decisions. The ongoing uncertainty around potential US tariffs is a further complication, adding pressure on supply chains and potentially increasing overall cost structures. Maintaining operational discipline and solid risk management will be crucial for ensuring long-term financial stability during the coming months.

Germany - Automotive

Top 5 challenges companies face when offering credit to B2B customers

(% of respondents - multiple response)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025

Germany - Automotive

Key industry figures

Main sources of financing used by the industry over the past 12 months

(% of industry respondents)

46%	44%	40%	39%
Bank loans	Internal funds	Trade credit	Invoice financing

Expected change in insolvency risk of B2B customers over the next 12 months

(% of industry respondents)

56%	38%	6%
Increase	Remains as current	Do not know

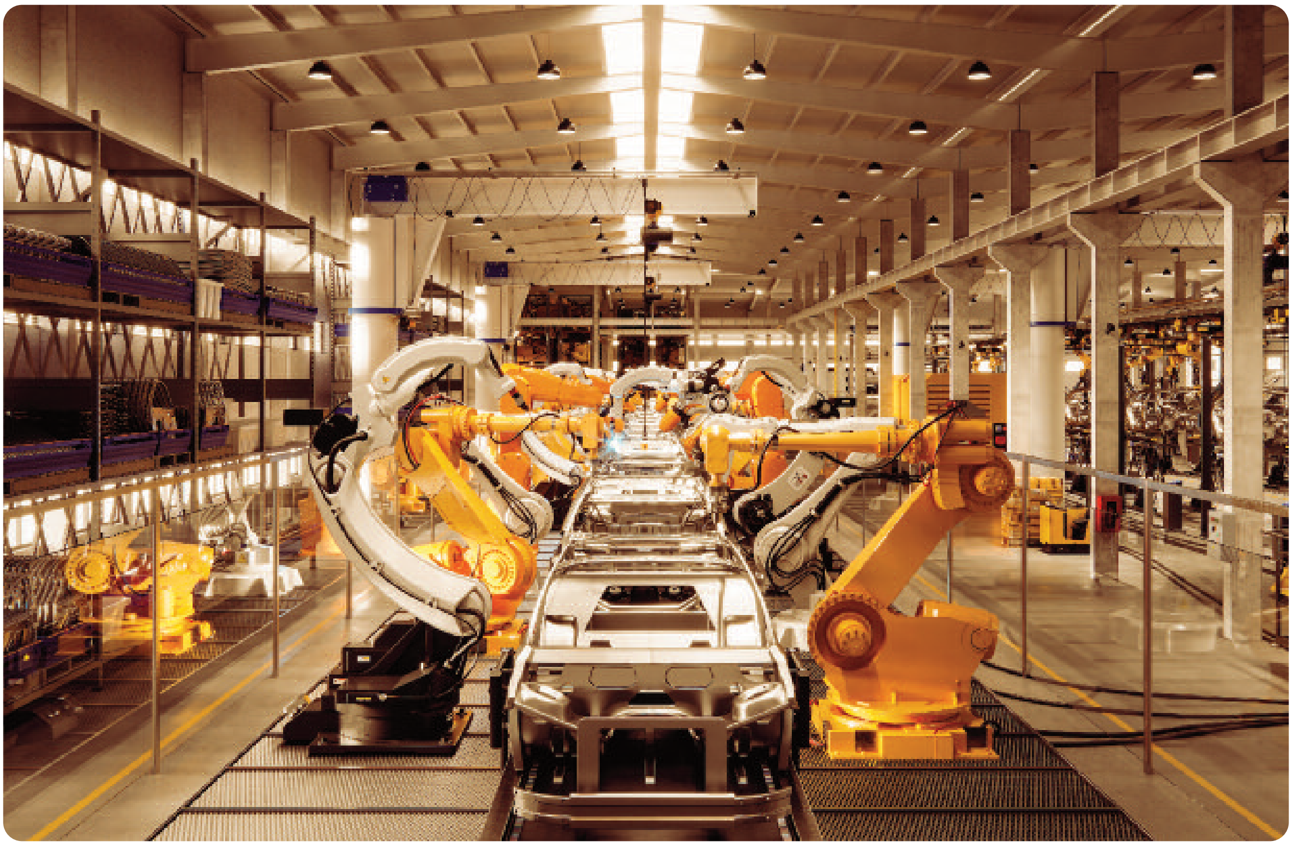
Top 3 challenges businesses in the industry expect to face over the next 12 months

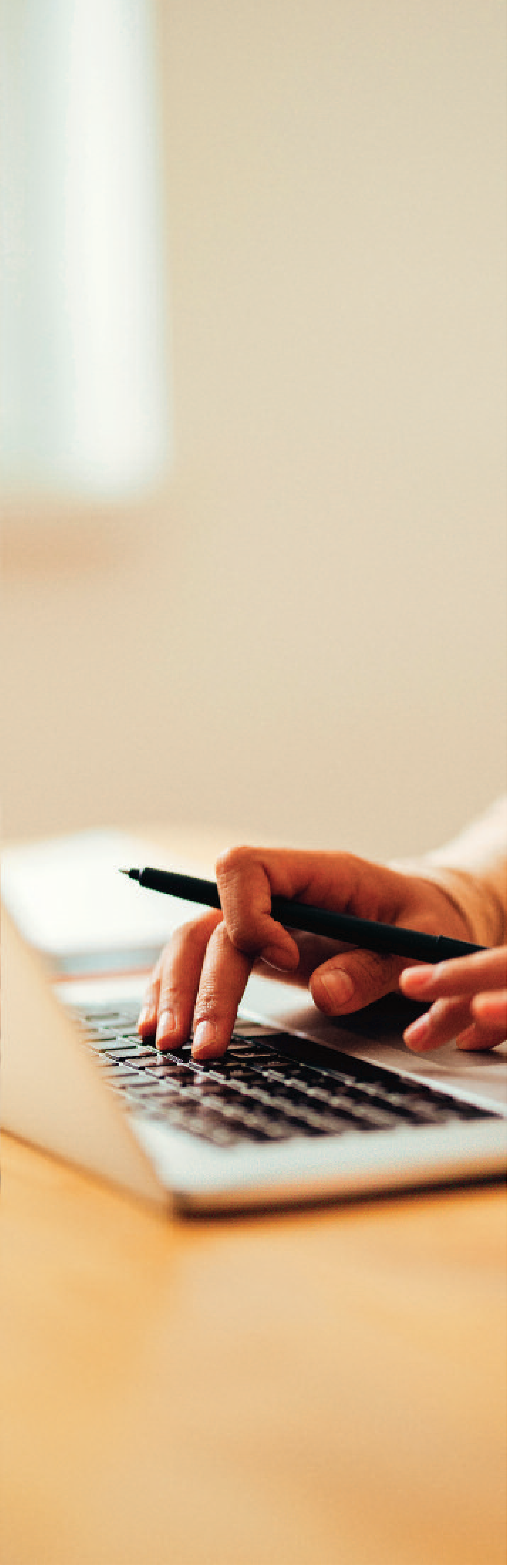
(% of industry respondents - multiple response)

34%	34%	33%
Environmental concerns	Retaining skilled workforce	Being responsive to market shifts

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Germany – 2025





Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer.

Sample overview – Total interviews = 210

Business sector	Interviews	%
Manufacturing	117	56
Wholesale trade	43	20
Retail trade/Distribution	27	13
Services	23	11
TOTAL	**210**	**100**
Business size	Interviews	%
SME: Small enterprises	32	15
SME: Medium enterprises	65	31
Medium Large enterprises	70	33
Large enterprises	43	20
TOTAL	**210**	**100**
Construction	70	33.3
Machinery	70	33.3
Automotive	70	33.3
TOTAL	**210**	**100**

Survey scope

- Basic population: Companies from Germany were surveyed and the appropriate contacts for accounts receivable management were interviewed.
- Sample design: The Strategic Sampling Plan enabled us to perform an analysis of country data crossed by sector and company size.
- Selection process: Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- Sample: N=210 people were interviewed in total.
  A quota was maintained according to four classes of company size.
- Interview: Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.
- The survey was conducted between the end of Q1 and the beginning of Q2 2025.
  The findings should therefore be viewed with this in mind.

This is part of the 2025 edition of the Atradius Payment Practices Barometer available at
https://group.atradius.com/knowledge-and-research

Interested in finding out more?

Please visit the Atradius website where you can find a wide range of up-to-date publications. Click here to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by customers.

To find out more about B2B receivables collection practices in Germany and worldwide, please visit atradiuscollections.com.

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