

Small & Medium Enterprise (SME) Report By Equifax – CY17



State of the Nation



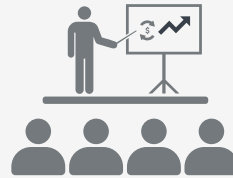
55%

of Australian SMEs are **credit active**¹



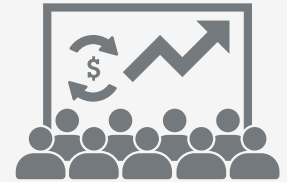
54%

of credit active SMEs have been trading for **10-19 years**



50%

of small businesses with 1-9 employees have an annual turnover of **between \$1 million and \$5 million**



33%

of medium-sized entities with 5-49 employees have an annual turnover of **between \$5 million and \$10 million**



Construction makes up the largest percentage of credit active SMEs (**25%**)...

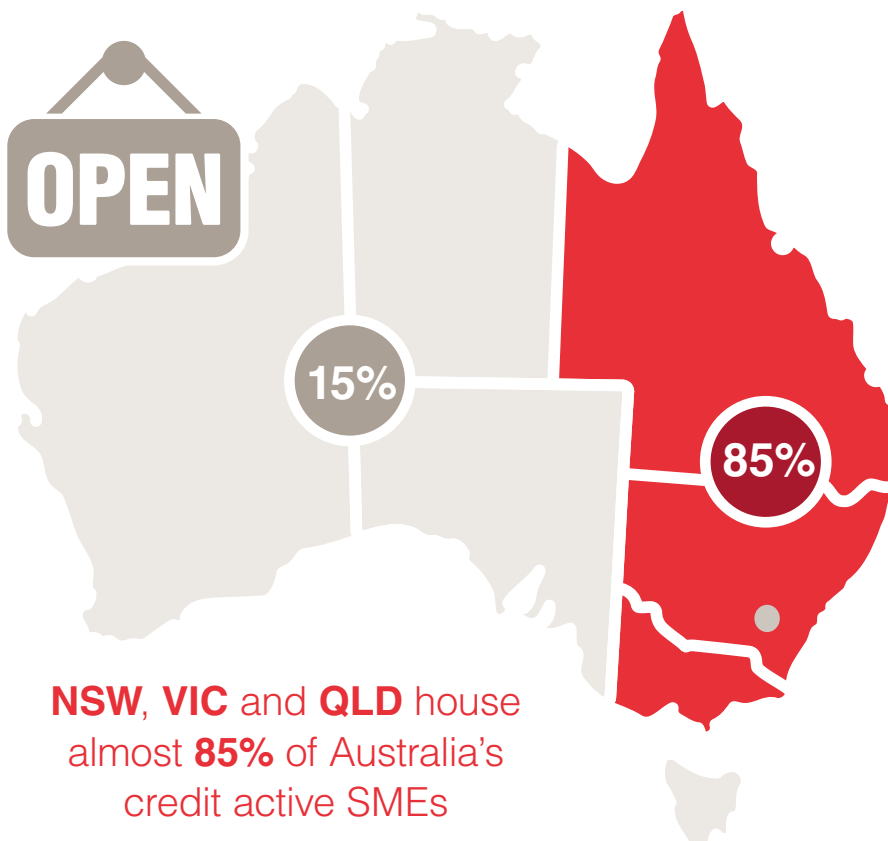


... followed by SMEs in the **financial and insurance services (24%)**...



... and **retail trade (17%)** industries

Geographical Breakdown



NSW has the greatest volume of information media and telecommunications SMEs (**41%**) ...



... while the majority of SME mining companies are located in **WA (28%)**

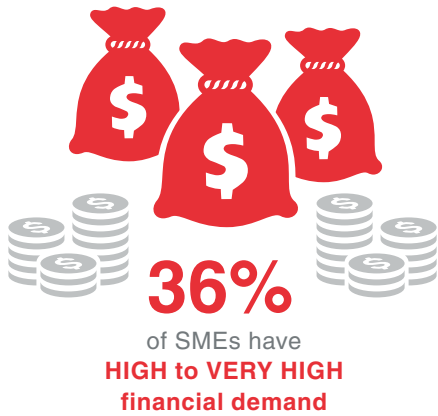


Of the three major states, **Victoria** was home to the smallest proportion of risky entities in 2017



¹ Based on Equifax Commercial Bureau data for CY2017

Financial Demand



Financial demand is greatest in the **construction industry (51%)**, followed by **manufacturing (46%)**, **retail trade (43%)** and the **agriculture, forestry and fishing industry (42%)**

Risk Factors



SMEs approaching their **four-year anniversary** are entering the **highest-risk** period for business failure



Entities that have been active between **0-3 years** have **lowest adverse findings**, followed by entities active for **13-18 years**



As the **entity size** by number of employees **increases**, the number of **adverse findings** also increase



The **largest increase** in adverse findings is when the **other interests of the Directors** are included

Credit Risk

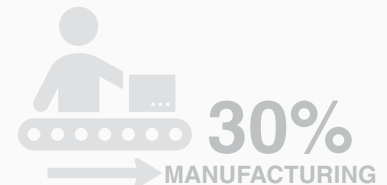


24%

Almost a quarter (24%) of credit active SMEs are considered **HIGH or VERY HIGH credit risk**



Construction (33%) and **retail trade (31%)** had the largest volume of **HIGH and VERY HIGH risk** commercial entities in 2017, followed by **manufacturing (30%)**



FOR MORE INFORMATION

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