

PAYMENT SURVEY



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Germany Corporate Payment Survey 2026: Better economic growth, poorer payments performance

Executive summary

Overall, 503 companies took part in the tenth edition of the Coface corporate payment survey in Germany, conducted between July and August this year¹. Generally, the results offer a mixed bag of (slightly) encouraging developments against a backdrop of ongoing challenges and elevated levels of credit risk. Until now, the return of macroeconomic growth, immense fiscal stimulus and slightly more optimistic companies, highlighted by rising business sentiment indices across the summer months have not translated into improvements in payments performance.

Quite the opposite: many metrics still point towards increasing risk of late payment. For example, the share of companies that experienced late payments over the past twelve months has risen to 82% (from 81% last year), the highest reading since 2019. At the same time, businesses have shortened payment terms by almost 2 days (from 32.5 to 30.6 days), indicating an increasing preference for quicker payments to improve their cash flow. This coincides with the fact that the share of companies offering payment terms to their customers has also fallen this year: from 84% to now 81% (which is still high in a historic comparison though). Also problematically, 15% of companies reported that overdue payments within the 6 -24 months range (and hence unlikely to be paid) accounted for at least 2% of their annual turnover. This is up from 12% in the previous year and especially smaller companies are more exposed to this worrying trend. This, coupled with the fact that the number of insolvencies in Germany has been on an upward trend since 2022 (with a further 5% increase in 2026 being our baseline scenario) does not bode well for the country's credit risk outlook.

That said, some of the data also leaves room to be cautiously optimistic about the twelve months ahead. Despite the fact that more companies reported being impacted by payment delays, the average delay has actually gone down: from 31.8 days last year to 30.2 days this year. As a reminder: before the Covid pandemic, this reading stood at almost 40 days so payment

delays in Germany have come down quite considerably over the past 7 years. Furthermore, Days Sales Outstanding (DSO) have also shrunk, a result of generally shorter payment terms and an overall decline in payment delays. As in the previous years, the automotive sector displays the highest DSO figure but 9 of the remaining 11 sectors all posted improvements in this credit risk metric. Also encouragingly, survey participants have become more optimistic about the next year. While the majority of companies expect 2026 to be worse than 2025, they are more upbeat about next year: 25% of respondents count on improving business conditions in 2027, only 15% expect a deterioration. 45% expect no change, the rest does not have an opinion.

Similarly to the previous years, German companies pin their hopes to domestic developments. 74% think that Germany is the market with the biggest business opportunity for them in 2027. EU and EFTA countries also feature highly in this list but China and the US continue to slide down the table, likely driven by newly implemented tariffs (US) or strong domestic competition (China). From a business risk perspective, domestic issues also top our survey answers: 28% consider locational difficulties (such as high costs and excessive bureaucracy) as main obstacle to their success. Lack of domestic demand (20%) and political uncertainty (17%) are also mentioned frequently.

Looking ahead from the economist's point of view: an acceleration in real GDP growth should support prompt payments next year. That said, economic performance is predominantly driven by debt-financed fiscal measures and recent interest rate hikes by the ECB and tighter bank lending conditions also cloud the outlook. At the same time, companies' profit margins are squeezed by higher energy costs, higher wages and still growing social security contributions plus structural problems of Germany's export-driven growth model. As a result, the risk of late (or even non-) payment in Germany is likely to remain elevated in 2027 too.

¹ The survey was conducted between 13 July and 31 August 2026.



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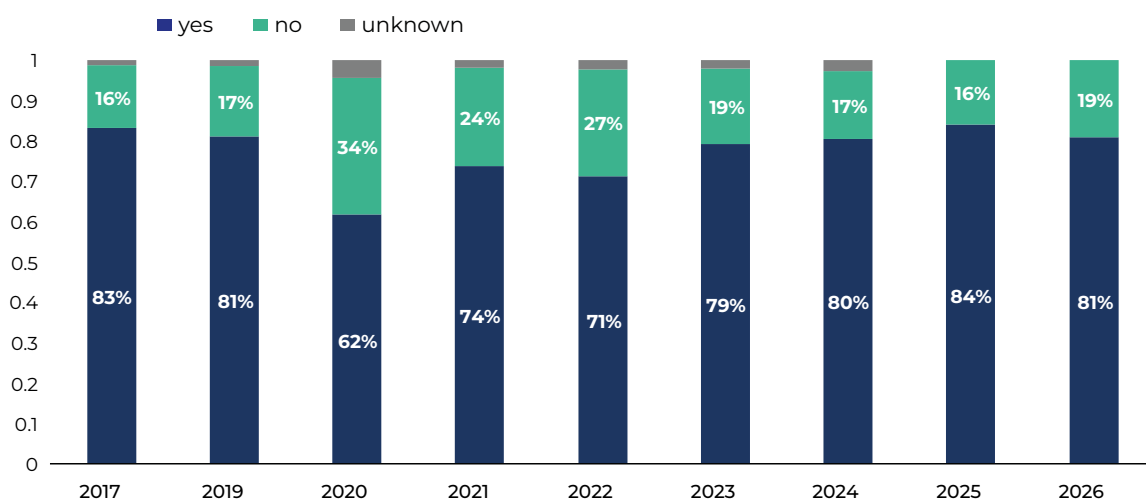
PAYMENT TERMS²: SHARE OF COMPANIES GRANTING PAYMENT TERMS FALLS THIS YEAR

The share of companies that grant payment terms has fallen gradually in 2026. Overall, 81% of survey participants offered settling invoices beyond the legal minimum (14 days) payment term this year, down from 84% in the 2025 report (**Chart 1**). While lower than last year, this is still a relatively elevated figure when compared with the post-Covid years. The lower number of companies offering payment terms potentially indicates that businesses are keen on improving liquidity during a period of macroeconomic turmoil. A breakdown by company size reveals stark differences though: small companies with an annual turnover of less than 5 million Euros were fairly reluctant to grant payment terms (only 69% did so) but large enterprises (annual turnover bigger than 100 million Euros) were more open to this: 91% of survey respondents in this turnover bracket granted them. In addition, there are immense variations between sectors: while only 57% of

businesses in the wood sector (which includes furniture manufacturing) offered payment terms, virtually all machinery manufacturers (96%) that participated in this year's survey introduced them into their commercial contracts.

The main reason for suppliers accepting payment terms that go beyond the legally required 14 days stems from the country's commercial environment. According to around 44% of survey respondents, credit terms are market standard but this figure is noticeably down from previous years; in the 2022-25 reports, the corresponding values stood between 55% and 59%. At the same time, trade credit insurance seems to have become more prevalent amongst survey respondents: 21% said that credit terms are granted because the risk is insured, the highest reading since the 2019 survey. Tight liquidity of customers (13%) and confidence in customers (9%) were also cited often as reasons for why credit terms exist.

Chart 1:
Share of companies offering payment terms in Germany³



Source: Coface Corporate Payment Survey Germany 2026

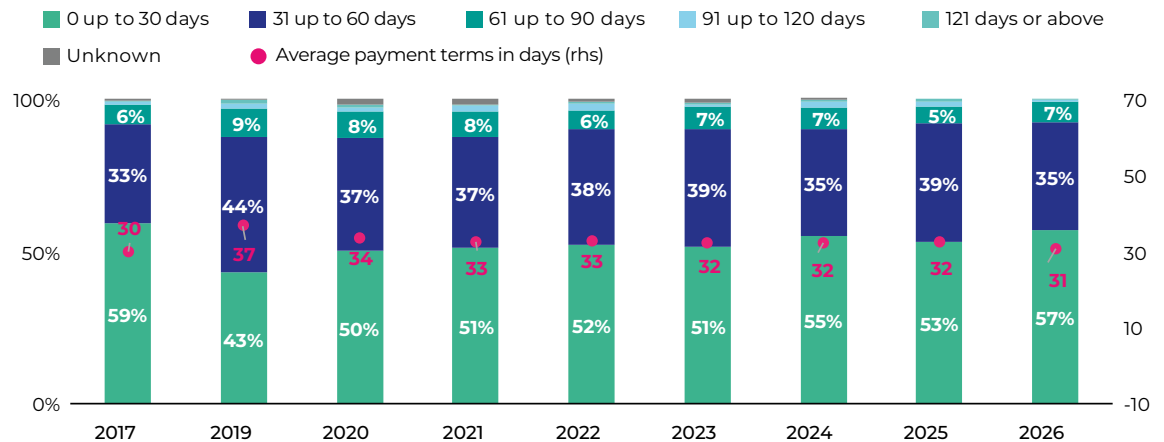


In 2026, 81% of our participants offered payment terms. This is down from last year but still high by post-Covid standards

² Payment term – the timeframe between when a customer purchases a product or service and when payment is due.

³ Due to technical reasons, Coface did not publish a Corporate Payment Survey for Germany in 2018.

Chart 2:
Payment terms in Germany



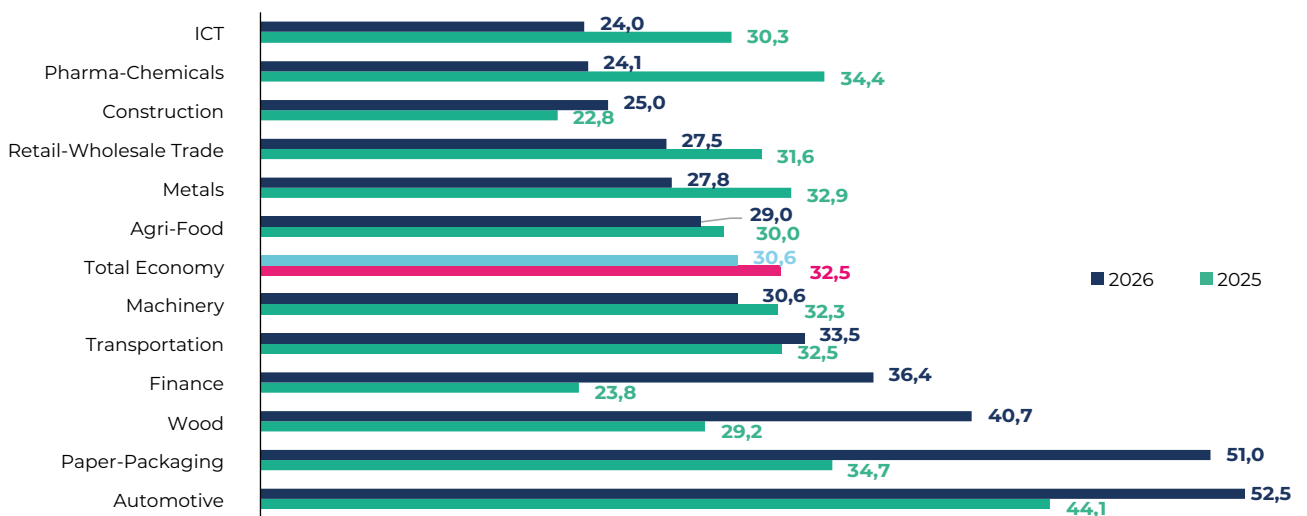
Source: Coface Corporate Payment Survey Germany 2026

- When payment terms are given, they do tend to be short though, usually below 60 days. In 2026, 92% of companies offering credit terms requested payment within two months, unchanged from last year's report (which was a 9-year high). This year, the preference for even quicker payments has risen somewhat, visible in a shift away from 31-60 days payment terms to 1-30 days (**Chart 2**). At the other end of the spectrum, the share of companies that allowed payment after 91 or more days has dropped from an already low 2.7% in 2025 to 0.8% in 2026. As a consequence, average payment terms in Germany fell from 32.5 days last year to just 30.6 days this year, the lowest reading since 2017.
- From a sectoral angle, pharma-chemicals and construction are the industries with the shortest payment terms. More than 70% of companies in

these sectors grant payment terms of up to 30 days. Meanwhile, paper-packaging, wood and the automotive sector, despite its economic struggles tend to be more generous, allowing visibly longer payment terms.

- Despite the average payment term falling from 32.5 days in 2025 to 30.6 days in this report, sectoral developments are sometimes add odds with the national trend (**Chart 3**). For example, in wood, paper-packaging and the automotive industries average payment terms lengthened considerably, potentially caused by a comparatively low number of survey respondents in these industries (which could distort the analysis somewhat). Meanwhile, sectors like ICT, pharma-chemicals and retail-wholesale trade have become more generous with their payment terms since the 2025-report.

Chart 3:
Average payment terms by sectors (in days)^{4,5,6}



Source: Coface Corporate Payment Survey Germany 2026

4 We ask our participants to give answers in time-ranges. As our lowest category is 1 to 30 days, the minimum average payment term is 15 days in our survey. We keep the category 1 to 30 days, although in Germany the "normal" payment term begins at 14 days, to make the data comparable to the results of our other international corporate payment surveys.

5 ICT = Information and Communication Technology

6 We show the results only for sectors with 15 or more answers per question. This is not always the case for the textile-clothing sector or transportation in this study.

**Box:****A SPECIAL FOCUS ON SMALL AND MEDIUM SIZED ENTERPRISES**

According to the German statistics office, less than 1% of all companies in the country have more than 250 employees or an annual turnover exceeding 50 million Euros. Micro-companies (82.9% of all companies in Germany) small companies (14.0%) and medium sized enterprises (2.5%) are an important (and sometimes overlooked) contributor to the country's economic performance. Because of that, Coface, in collaboration with market research company Norstat, carried out a separate survey (with 603 SMEs participating) this year to analyse this sub-sector of the German economy closer.

Unsurprisingly, SMEs perceive 2026 as another challenging year. While 19% of survey participants said that business conditions have improved against prior year, 31% are reporting more obstacles. This pessimism is even more widespread amongst micro-companies, defined as businesses with an annual turnover of less than 5 million Euros. In this group, only 17% say that their situation has improved, compared with 2025 while 33% report a deterioration. This split also exists in the outlook for next year: overall, SMEs are more downbeat than their larger peers about 2027 with micro-companies displaying above-average pessimism. 20% of SMEs expect improvements but 27% assume that operating conditions will deteriorate next year. Amongst micro-companies, this split stands at an even more unfavourable 16% (improvement) versus 28% (deterioration).

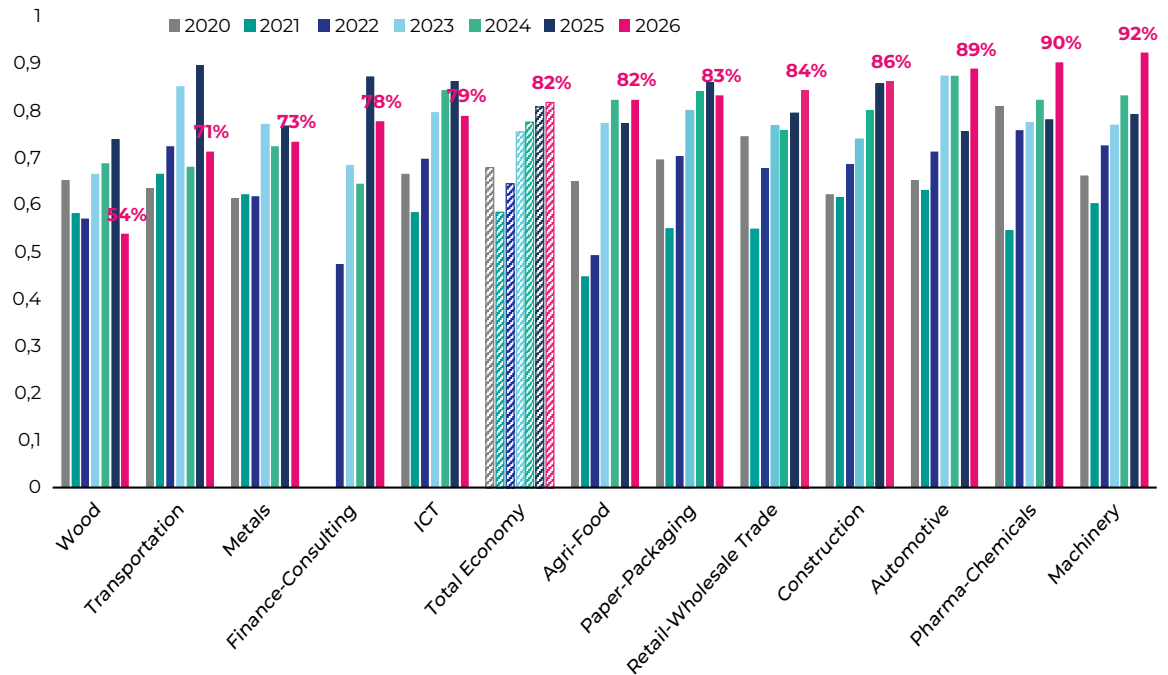
The survey also shows that the willingness to grant payment terms increases with company size within the SMEs category. Amongst micro-companies, only 39% of survey participants offered them. Amongst small companies (defined as a business whose annual turnover stood between 5 million and 10 million Euros), 50% had included payment terms into their contracts, a share rising to 70% amongst medium companies (with a turnover between 10 million and 50 million Euros).

When asked about how SMEs protect themselves against payment delays, sizable differences also came to light. On average, 20% of survey respondents monitored and controlled the creditworthiness of their customers but a spread between micro (14%), small (25%) and medium companies (40%) is clearly visible. The use of trade credit insurance (TCI) and factoring is less common to protect companies against losses and also linked to company size. Only 3% of micro companies are currently using TCI, a share rising to 9% amongst small companies and 15% for medium sized enterprises. In factoring, the differences between micro (2%), small (7%) and medium (8%) sized businesses are less pronounced but still visible.

2 PAYMENT DELAYS⁷ SHARE OF COMPANIES THAT EXPERIENCED PAYMENT DELAYS RISES TO NEW POST-COVID HIGH

Chart 4:

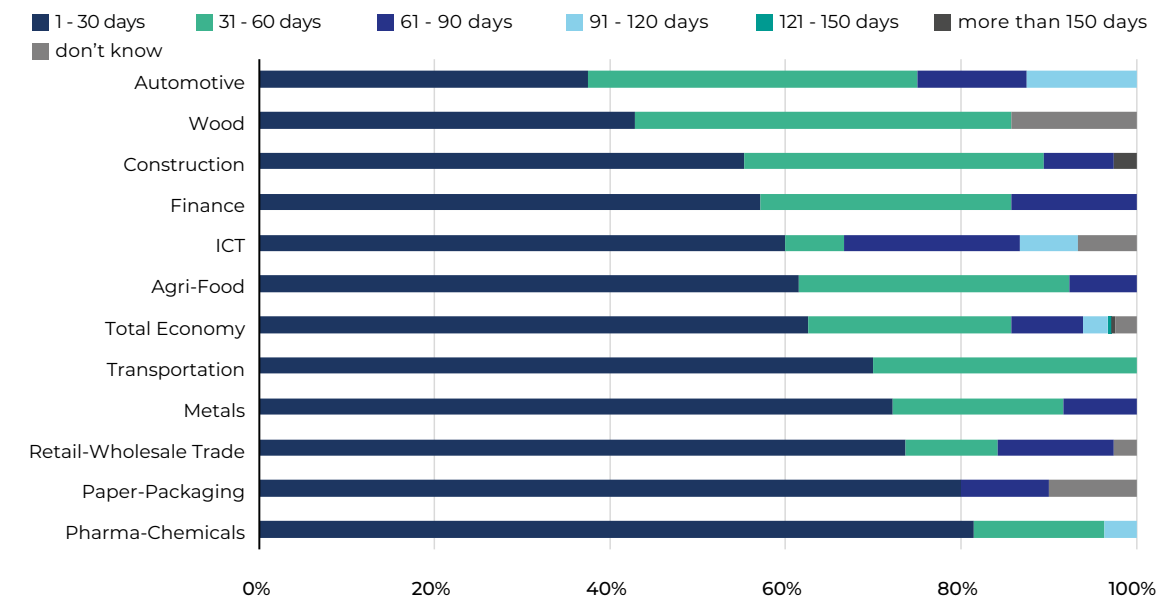
Share of companies reporting new payment delays by sector and year⁸



Source: Coface Corporate Payment Survey Germany 2026

Chart 5:

Payment delays in 2026 by sector



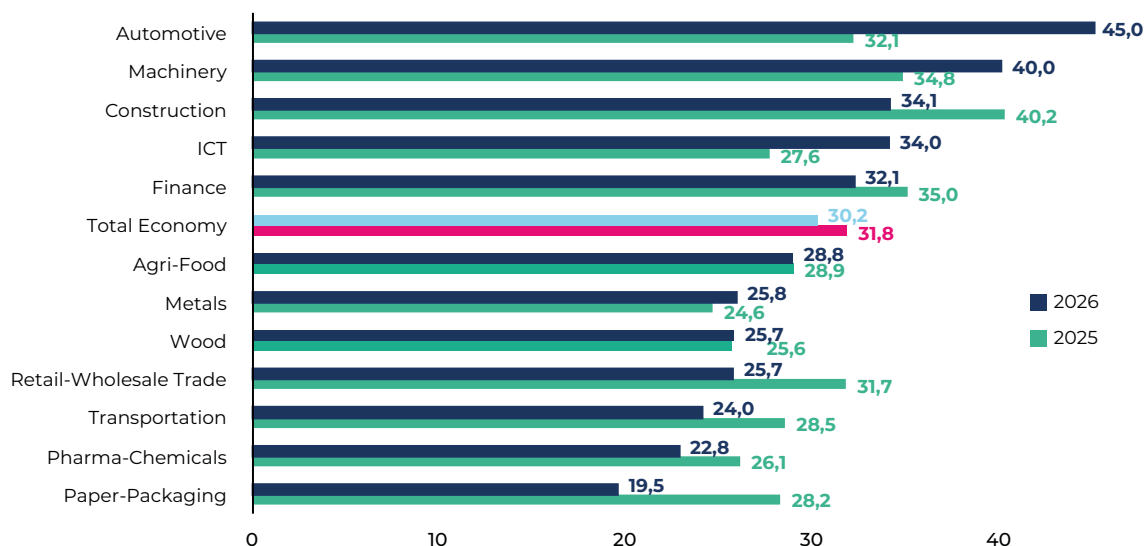
Source: Coface Corporate Payment Survey Germany 2026

⁷ Payment delays – the period between the due date of payment and the date the payment is made.

⁸ The sector finance-consulting was only introduced in the Coface survey in 2022.



Chart 6:
Average payment delays by sectors (in days)



Source: Coface Corporate Payment Survey Germany 2026

- Since 2021, the share of companies that reports being impacted by payment delays has steadily risen each year: from 59% in 2021 to 76% in 2023, reaching 81% last year (**Chart 4**). This report sees another small increase (to 82%), bringing the value to the worst reading since 2019 (when it stood at an even higher 85%).
- The pharma-chemicals and the paper-packaging sectors are the two only industries where more than 80% of invoices were received within 30 days after due date. While delays of 4 months or longer remain very uncommon across the country, there are sectors like machinery, automotive and ICT where 91-120 days payment delays have occurred on a notable scale this year (**Chart 5**). On average, smaller companies suffer more often from customers' poor payments performance than larger enterprises: 6% of all invoices from small companies (turnover below 5 million Euros per year) had not been paid 91 days after due date but this share stood at 2% only for companies with a turnover bigger than 100 million Euros.

Around 15% of all survey respondents report that the accumulated ultra-long payment delays have a share of 2% or more of their annual turnover, up from 12% last year.

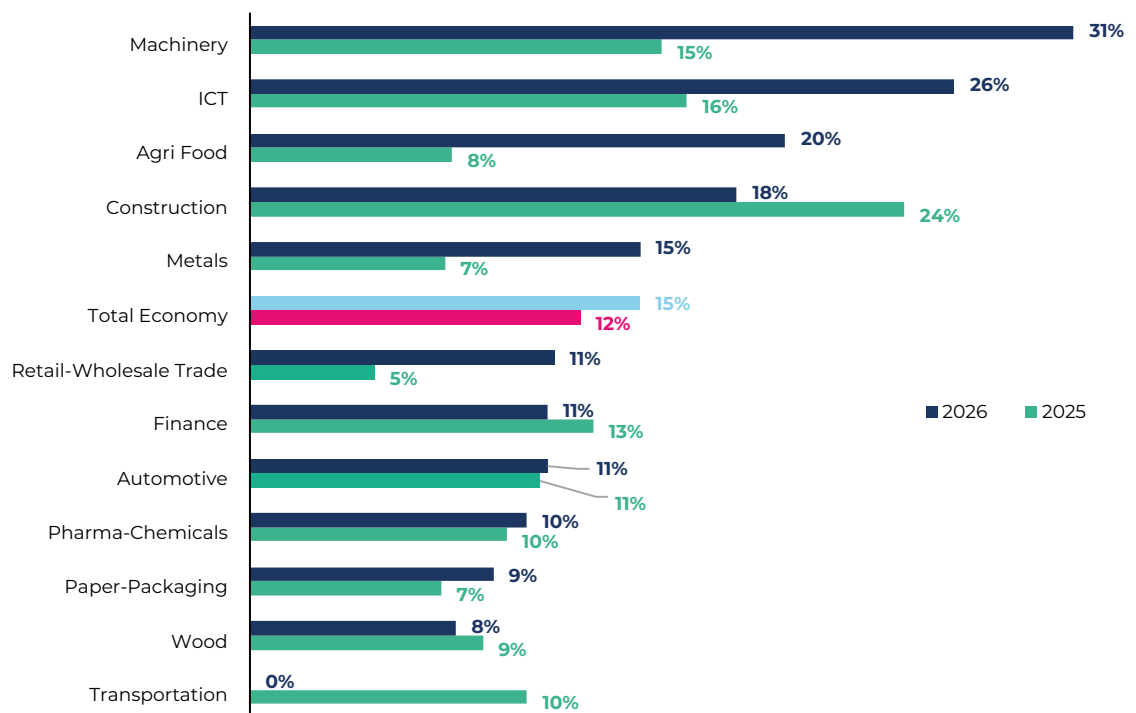
- After increasing for four straight years, the average duration of payment delays dropped in 2026, decreasing from 31.8 days to 30.2 days (**Chart 6**). This also compares favourably with the pre-Covid average of 39.7 days. Nonetheless, big increases were seen in automotive (plus 13 days) and machinery (up by 5 days) while paper-packaging, retail-wholesale trade and also construction reported improvements in payment delays.
- When payment terms are combined with payment delays, they form the total waiting period between the delivery of goods or services and the receipt of payment—the Days Sales Outstanding (DSO). Last year saw the fourth consecutive annual increase to 59.0 days but 2026 recorded an improvement in this important credit risk metrics: DSO fell to 55.2 days, largely in line with the 2023-24 average and still much better than the pre-pandemic reading of 65.8 days in 2019. Worryingly, the car sector saw a sizable increase of DSO, from an already high 71.6 days (making it the worst sector in both 2025 and 2026) to an even higher 91.7 days. However, it is noteworthy that 9 of the 12 sectors analysed saw improvements. Besides the car industry, finance consulting and machinery were the two other outliers with increased DSO this year.
- Although on a slightly declining trend for the second year in a row, “customers’ financial difficulties” was given as the most likely reason for payment delays. 32.9% of respondents selected this explanation in our 2026 survey, down from 35.4% in 2024 (and far below the 46%-48%

recorded in 2017-21). The second most common reason for delayed payments was “usual behaviour of the customer” (25.9%), followed by “deliberate payment delays (cash flow management) up to fraud” (18.2%). When asked what caused financial difficulties on the customer side, the most common answer was that customers’ clients are paying late too, thereby causing domino effects throughout the wider economic ecosystem. The share of survey respondents selecting this option has risen substantially this year (from 23% to now 33%), indicating growing late payment issues in Germany. Besides customers’ getting paid late, rising costs (18% up from 14% in the 2025-report), lower demand in Germany (17%), high competitive pressure (12%) and lack of financing opportunities (11%) also featured prominently as reasons for financial difficulties on the customer side.

Problematically, financial risks associated with late payments have risen further in 2026 as a bigger share of annual turnover is exposed. According to this year’s data, 15% of companies reported that overdue payments within the 6 months to two years range (and hence unlikely to be paid) accounted for at least 2% of their annual turnover (**Chart 7**). This is up from 12% in the previous year and especially smaller companies are exposed to this worrying trend. In a sectoral comparison, machinery (31%), ICT (26%) and agri food (20%) report the highest risk levels while the situation looks more manageable in pharma-chemicals (10%), paper-packaging (9%) and wood (8%). Best performing sector was transport which did not have any 6-24 months overdue invoices exceeding 2% of annual turnover (but the small number of responses in this sector limits comparability somewhat).

Chart 7:

Share of accumulated overdue payments between 6 months and 2 years that represents 2% or more of the annual turnover of a company



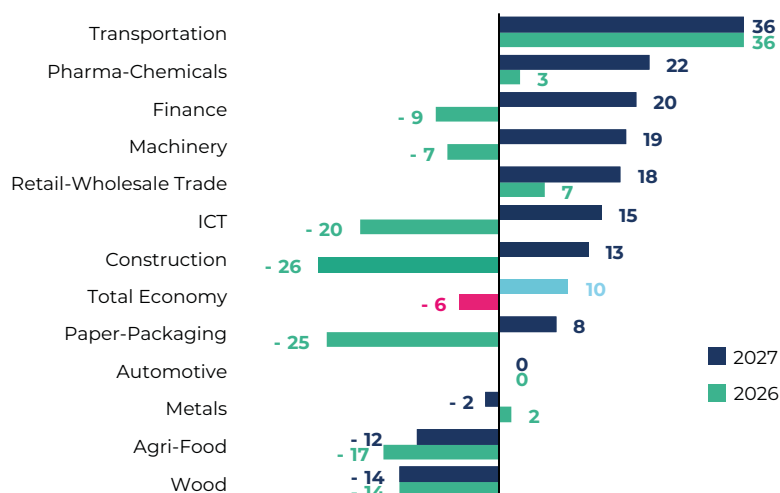
Source: Coface Corporate Payment Survey Germany 2026



3 ECONOMIC EXPECTATIONS IMPROVING OPTIMISM DESPITE PERSISTENT DOMESTIC PROBLEMS

Chart 8:

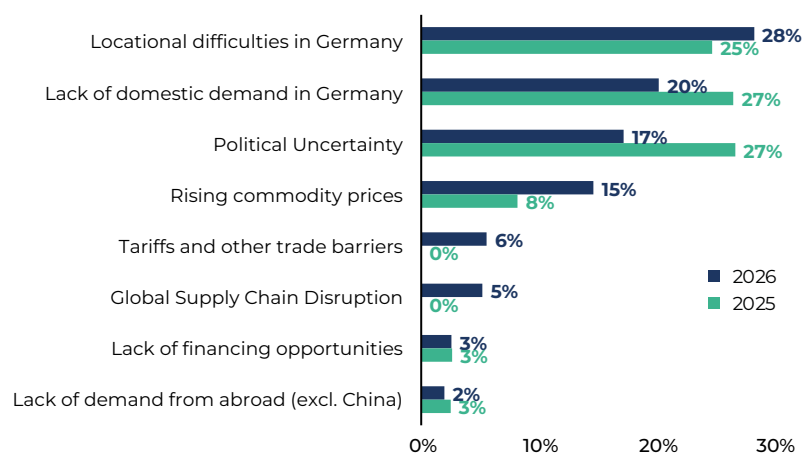
What is the current business situation for the year 2026 and what is the business outlook for your company for 2027 compared to the year before? (figures in balance points⁹)



Source: Coface Corporate Payment Survey Germany 2026

Chart 9:

What is the main risk for your business in the future?

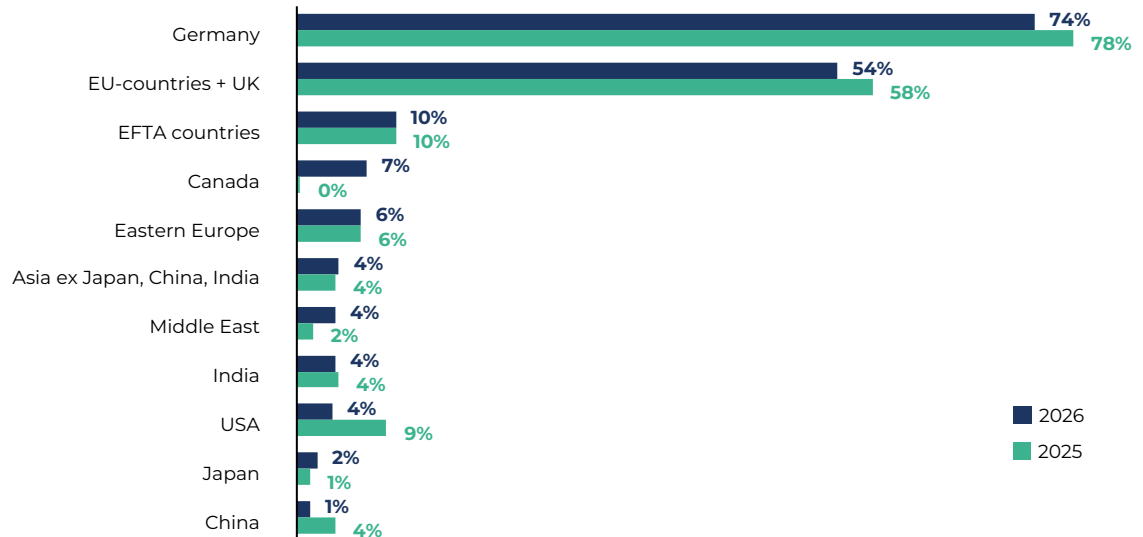


Source: Coface Corporate Payment Survey Germany 2026

• In line with the gradual recovery of the German economy (which returned to growth last year, a trend likely to accelerate in 2026-27), survey participants have become more optimistic. 25% of respondents expect improved business conditions in 2026 and only 15% project a deterioration (no change: 45%, not sure: 15%), creating a net balance of +10 points. This compares favourably against a backward-looking assessment: when asked whether business conditions in 2026 are better than in 2025, German businesses were downbeat: 24% of companies reported an improvement but 30% deemed 2026 worse than 2025, resulting in a net balance of -6 points (**Chart 8**). Optimism about the year ahead is especially widespread in sectors like transportation (net balance: +36 points), pharma-chemicals (+22) and finance (+20). Metals (-2), agri food (-12) and wood (-14) are the only industries where respondents expect business conditions to deteriorate next year when compared with 2026.

• Meanwhile, companies' biggest threats to business growth this year stem from domestic sources. Unchanged from last year, locational difficulties in Germany (Standort-Schwierigkeiten) such as high production costs, bureaucracy and tax burdens remain a key obstacle to growth (**Chart 9**). Furthermore, a lack of domestic demand (20% of respondents picked this answer, down from 27% in the previous year) and political uncertainty (17%) also feature prominently while rising commodity prices (15%) and tariffs were identified, too.

⁹ Balance points = share of people expecting a better economic situation than the year before – share of people expecting a worse economic situation than the year before

Chart 10:What are the markets with the biggest business opportunities for you in the coming year? (max. three answers possible¹⁰)

Source: Coface Corporate Payment Survey Germany 2026

When asked to identify the three biggest growth markets for their business this year, geography played a crucial role. Once more, Germany tops the table with 74% of survey participants assuming that their home market will offer the best growth prospects for them. This is only slightly down from last year's 78% (**Chart 10**). EU+UK (54%) and EFTA countries (Iceland, Norway and Switzerland, 10%) are ranked second and third, respectively, unchanged from the 2025-report. Two countries with which the German industry has had close trade ties in the past have seen a steep drop in attractiveness though: while 5 years ago, 10% of survey respondents had identified China as the economy with the greatest business opportunities, this share has steadily decreased and now stands at

a meagre 1%. Meanwhile, the US has also seen a sizable drop: in 2024, the corresponding reading stood at 15% before falling to 9% last year. This year, only 4% of survey respondents consider that US an economy with excellent potential for their business, probably connected to the newly introduced tariffs and other obstacles to trade. Trade data from the German statistics office for H1 2026 supports survey participants' pessimistic stance on both countries: in January to June 2026, exports to the US have fallen by 6.1% year on year, shipments to China contracted by 12.2%. On an upward trajectory in terms of attractiveness is Canada though. It did not feature in the list of most promising export destinations last year but now 7% of respondents have classed it as a market with excellent growth potential.

¹⁰ As there are several answers possible, the numbers add not up to 100% in this chart.



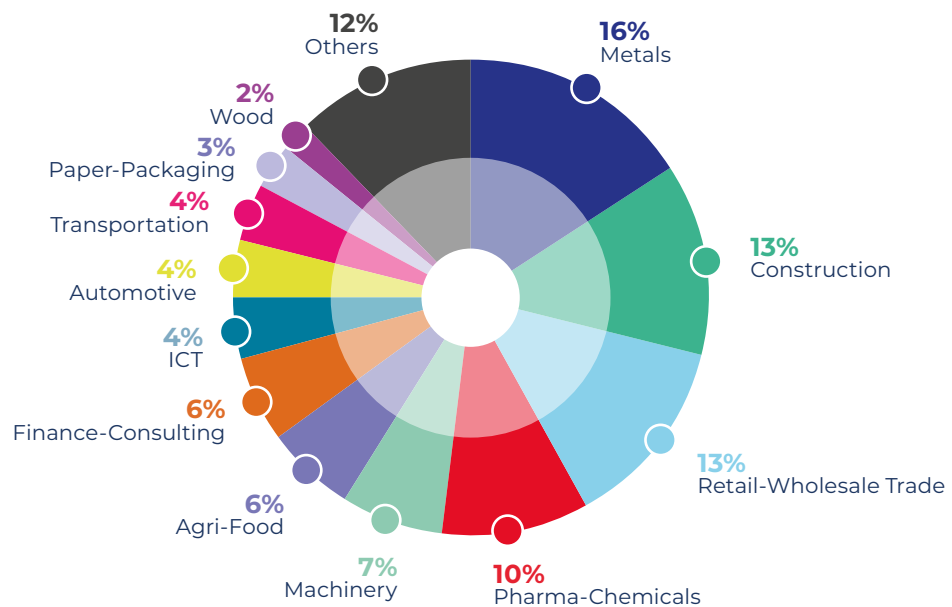
APPENDIX



A TOTAL OF
503
COMPANIES PARTICIPATED
IN THE PAYMENT SURVEY

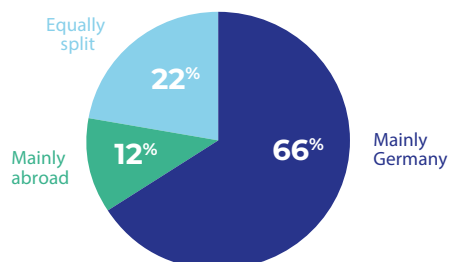
Who were the respondents?

SECTORS OF SURVEYED COMPANIES



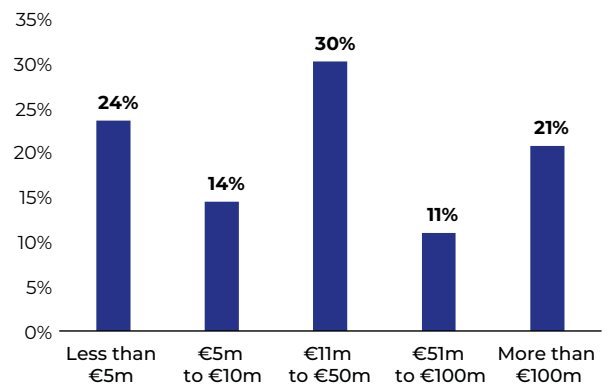
Source: Coface Corporate Payment Survey
Germany 2026

RELEVANT MARKET



Source: Coface Corporate Payment Survey
Germany 2026

SIZE BY TURNOVER



Source: Coface Corporate Payment Survey
Germany 2026

GLOSSARY



PAYMENT TERM

The time frame between when a customer purchases a product or service and when the payment is due.

PAYMENT DELAY

The period between the payment due date and the date the payment is made.

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