“Factoring is evolving and reinforcing its central role in restructuring.”

Interview with
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and
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Specialised in receivables financing and strategic support for investors, Fibus has succeeded in bringing new private equity-backed lenders into the restructuring space, offering innovative solutions that complement those of traditional factors. Interview with Gaëtan du Halgouët, CEO, and Romain Chaufour, Head of Business Development.

DÉCIDEURS. Factoring has seen significant growth in recent years. What makes it such a key lever for companies?

Gaëtan du Halgouët. Factoring enables B2B companies to quickly unlock liquidity by converting their accounts receivable into available cash, which can then be used to manage day-to-day operations, finance investments, or repay debt.
In both stable times and periods of economic stress, this tool proves to be strategically valuable.
Romain Chaufour. In practical terms, a B2B company with €50 million in annual revenue will, on average, have around €8 million tied up due to payment terms. With factoring, it can recover up to 90% of that amount—freeing up significant cash flow to support its operations.

Factoring is often seen as a tool to support growth. Is it still suitable for companies facing severe difficulties or undergoing restructuring?

R.C. Factoring has the advantage of being based on the quality of accounts receivable rather than the overall financial health of the company. Therefore, a struggling company can still benefit from significant financing, as long as its clients are creditworthy.
G.H. It is a cornerstone for financial management. Factoring provides a quick solution to the vital need for liquidity during a crisis, and finances growth at a very competitive rate once the crisis has passed.
R.C. Unlike other financing options, a factoring contract can be structured in a few weeks, or even less. Once in place, accounts receivable are financed within 48 hours. This makes it a responsive solution, well-suited to crisis situations where immediate cash flow is crucial to ensure the continuity of operations.

What are the advantages of factoring in an uncertain economic environment?

G. H. Its stability and flexibility. Unlike other lines of credit that can be revised or suspended in the event of financial deterioration, factoring remains in place. It provides a robust alternative for companies facing economic uncertainties, especially those with structurally long payment terms. It also offers a larger credit facility compared to bank overdrafts or the Dailly law.

Are banks receptive to factoring in these contexts?

G.H. When a company faces difficulties, banks systematically check whether factoring is in place or whether it can be implemented. This is reassuring for creditors, as it guarantees regular cash flows. The presence of a factor in a restructuring protocol facilitates negotiations with the banks.
R.C. The factor acts as a trusted intermediary. In restructuring, banks often require debt rescheduling or additional guarantees. Factoring provides the necessary liquidity to meet these requirements while securing the company's operations.

What insights can you share on the factoring and restructuring market in 2024?

G.H. We have observed a certain duality within factoring companies. On one hand, they are keen to develop their offerings and strengthen their presence in the market. On the other hand, they are facing major challenges that dampen their appetite for taking risks.
R.C. Low growth has weighed on the revenues of factoring clients, limiting their momentum. Some have entered receivership or liquidation. Others have crossed the line into fraud, the most feared risk in the sector. These factors make risk management teams and credit committees more cautious, leading to a more selective approach to factoring.

R. C. Another trend is the increase in the number of companies being taken over through court proceedings. We are supporting acquirers in financing their return to growth. The key question for 2025 is whether there will be enough buyers to absorb all these struggling companies.

Tell us about the new players emerging in this market. What impact could they have?

G.H. In certain cases, we have turned to new players from private equity, who are entering the market via debt funds. These non-bank structures are targeting very large financings, in the hundreds of millions of euros. These initiatives remain concentrated on specific segments for now and do not yet involve SMEs or mid-sized companies. These new entrants are not French, highlighting a lag in the development of similar local solutions.
R.C. Nevertheless, they bring a fresh dynamic by targeting large companies with significant turnaround potential. Their ability to invest on a large scale gives them a flexibility that traditional banks do not always have.

What are the prospects for 2025?

G.H. The decrease in interest rates is great news. The 3-month Euribor, a key benchmark for factoring financing, has dropped by more than 1%. This further enhances the competitive advantage of factoring, making an already affordable cost even more attractive.

How does Fibus support its clients in restructuring?

In 2024, we managed several carve-out transactions of non-strategic or underperforming businesses, sold by large French groups to investors. Our independence as brokers allows us to objectively compare offers and propose the best option.
R.C. In the context of insolvency proceedings, some factors may hesitate to intervene, while others are ready to support the company. For an automotive supplier with €140 million in turnover, we found a new factor that was more comfortable with the financial health of the group and capable of operating across multiple countries.
G.H. Our role is also to act as a shield to prevent worsening the situation. In times of crisis, factors can terminate factoring contracts to protect themselves better, which disrupts the management of receivables and can degrade the DSO (Days Sales Outstanding). Our mission is to preserve the initial nature of the contracts when possible.
R.C. This educational work is essential, especially when dealing with highly bank-driven factors that may have an overly conservative view of risks. This approach enables us to provide our clients with real added value, beyond numbers and financing structuring, by becoming a strategic partner in their resilience.
G.H. Our uniqueness lies in combining a digital offering with our expertise. We developed ARI Trade, a software that triggers financing in record time. Afterward, ARI identifies each additional financing pocket available, which can be activated with a single click. For a company under pressure, this is an undeniable advantage! ◆

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