Second Edition

The Growth Corporates Working Capital Index

2024–2025

How 1,297 Global CFOs And Treasurers Use Working Capital To Grow Their Businesses

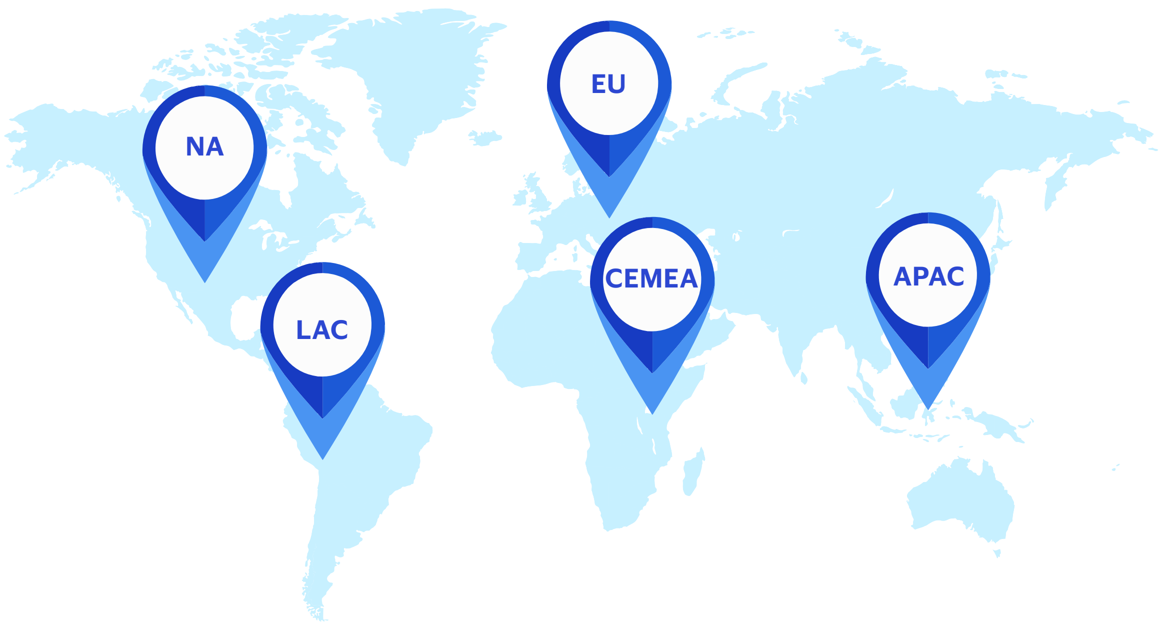
What is a Growth Corporate?

Often referred to as Middle-Market companies, Growth Corporates have unique characteristics that distinguish them from their peers. As the name suggests, they are growing, but they are often underserved by traditional providers. Although most banks tend to classify them as businesses generating between $50 million and $1 billion in annual revenue, **this report examines the business characteristics of the firms that drive local, regional and global economies and the working capital solutions available to support their steady growth.** In this study, we evaluate Growth Corporates' working capital needs based on in-depth qualitative and quantitative research.

The 2024-2025 Growth Corporates Working Capital Index examines the business conditions and working capital requirements of 1,297 CFOs and Treasurers across eight industry segments, five global regions and 23 countries. The sectors in this study include fleet and mobility, retail/marketplaces, media and technology, manufacturing/construction, professional and facility management services, commercial travel, healthcare/medical, and agriculture.

Visa commissioned PYMNTS Intelligence, a leading global research and data analytics firm, to design the methodology, conduct the study, analyze the data and produce the report. A telephone study was conducted between May 21 and July 9 and was double-masked. Survey respondents had no knowledge of who was performing or sponsoring the research and analysts had no personally identifiable information about the survey participants. Respondents hail from North America, Europe, the Asia-Pacific (APAC), Latin America and the Caribbean (LAC), and Central Europe, the Middle East and Africa (CEMEA).

Twenty-three countries and five regions were surveyed in our study.



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Working capital:

The foundation for Growth Corporates' success

"Cautious optimism" defined the business sentiment of the Growth Corporates we surveyed worldwide in 2024. Many of them emerged from 2023 determined to fast-track digital transformation initiatives aimed at strengthening their balance sheets. CFOs and Treasurers prioritized efforts to streamline operations and improve data access to support more accurate and timely decisions, particularly related to cash flow and working capital needs.

That focus paid off. Operational improvements increased the profits of many surveyed Growth Corporates. The strategic use of working capital funded growth, expansion into new markets and critical system upgrades. Access to working capital was the catalyst that turned caution into optimism for many.

Strategic confidence

In this second year of our study on Growth Corporates' working capital efficiency, we find a more confident CFO and Treasurer. More than 8 in 10 CFOs and Treasurers took advantage of working capital solutions — a 13% increase year over year.

Eight industry segments studied in this Index

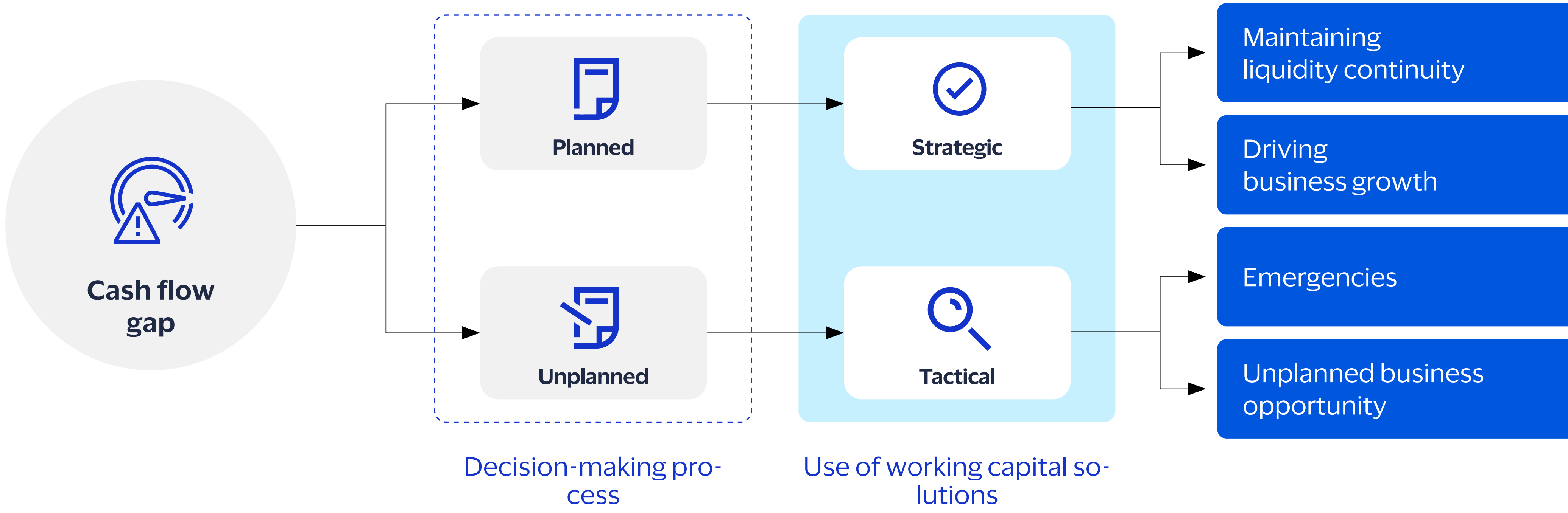
- Agriculture
- Retail and marketplaces
- Fleet and mobility
- Healthcare
- Commercial travel
- Media and technology
- Manufacturing and construction
- Professional and facility services

Growth Corporates' working capital ratios improved year over year, and so did their ability to look around the corner to anticipate cash flow requirements before a business crisis arose. The use of working capital as a strategy rather than an emergency cash flow stopgap increased by 16%.

A healthy ecosystem

This year we also find evidence that a more efficient Growth Corporate creates a healthier buyer-supplier ecosystem — with positive ripple effects on a global scale. The integration of suppliers into buyers' payments systems coupled with the use of on-demand working capital solutions trigger prompt or even early payments. That, in turn, equips suppliers with the capital they need to buy additional inventory, hire staff and negotiate their own early payment discounts without jeopardizing their own cash flow stability.

Unsurprisingly, these benefits are amplified by those with the highest Index scores - top performers. More than half (58%) of top performers improved their working capital ratios and other metrics, as evidenced by 51% shorter cash conversion cycles and 28% shorter days payable outstanding (DPO). Their strategic use of corporate or virtual cards, particularly for early invoice payments, contributed to higher Index scores and more favorable supplier pricing. Top performers, the Growth Corporates with the top 20% of Index scores, achieved an average of $11 million in bottom-line benefits from reduced interest, inventory carrying costs, and supplier discounts. That marked a 300% increase from $3.3M in 2023. Top performer scores denote the highest estimated working capital efficiency as measured by the Working Capital Index.



What Growth Corporates now want

We also noted a demonstrable shift in what Growth Corporate CFOs and Treasurers want in a working capital solution. No longer satisfied with being the bankers' metaphorical middle child, CFOs and Treasurers want relationship-based banking and working capital solutions tailored to their specific industries, spending habits and business needs. They also expect bankers to offer digital-first, friction-free services with faster approval processes aligned with their strategic growth agenda. Status quo working capital solutions and processes no longer check that box for these firms.

For most CFOs and Treasurers, that means innovative, digital-first solutions delivered by bankers who can "walk the talk." They view 2025 as a year that working capital solutions will play a big role in their growth and expansion with a sense of optimism for how their businesses will perform. It is now up to the payments ecosystem to deliver innovative working capital solutions that power their growth.

> "We are looking for a financial partner with **a deep understanding of corporate and commercial banking needs.**"
>
> **— Growth Corporate executive**

DPO as a Working Capital Index cornerstone

The Growth Corporates Working Capital Index identifies key indicators that most impact firms' operational efficiency related to the use of external working capital solutions. In particular, the Index weighs factors that are associated with a higher or lower probability of reduced DPO. This measure was chosen to represent improved operational efficiency related to a firm's ability to pay suppliers and settle debts, which is directly impacted by access to capital — often external financing.

The optimal DPO varies substantially by industry, seasonality and many other factors. For example, a top-performing Growth Corporate in manufacturing has an average DPO of 65 days, compared to a top performer in fleet and mobility with an average DPO of 38 days. However, a comparably lower DPO suggests that a company is better able to use payments to suppliers as a strategic tool in managing cash flows, leading to more invoices paid early and more favorable terms.

What **1,297 CFOs and Treasurers** told us they want from their banks:

As the use of working capital solutions increases across Growth Corporates globally, CFOs and Treasurers have become quite specific about what they expect from those solutions and the banks they expect to provide them.

01 Be a commercial lending expert.

The bank can provide **customized loan products and payment schedules** to address our company's unique cash flow patterns and financing requirements.

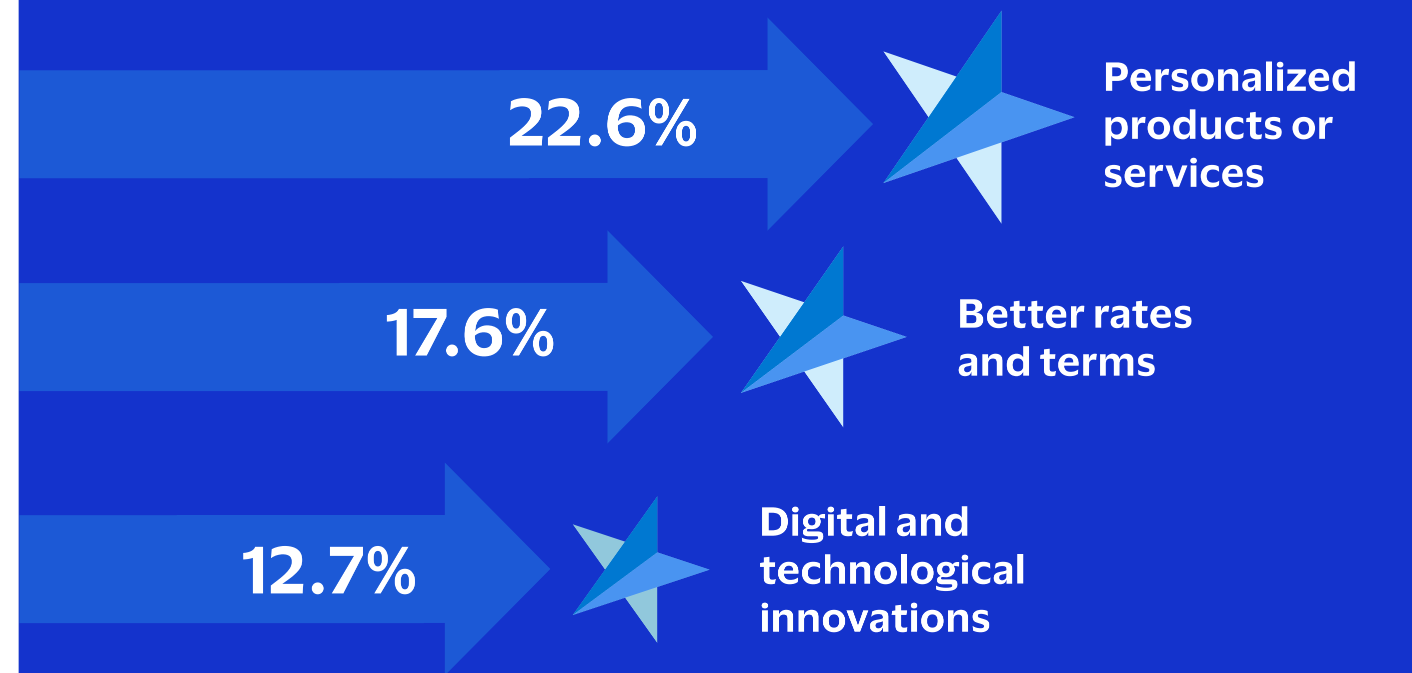
02 Deliver a return on investment.

Banks can offer corporate card solutions that will automate our expense tracking and **seamlessly integrate with job-costing systems for enhanced efficiency.**

03 Make it easy.

A well-rounded financial solution, which integrates insurance, investment and banking services.

Share of Growth Corporates citing how their bank can better serve their financial needs



Know my business. 04

Assistance of relationship manager with industry expertise for better guidance.

05 Build bridges.

Banks can help us connect with an ecosystem of suppliers, distributors and other companies.

Table of contents

The Growth Corporates
Working Capital Index

2024–2025

VISA

Key findings

2024:

A year defined by improvements in working capital efficiency

1

Working capital efficiency:

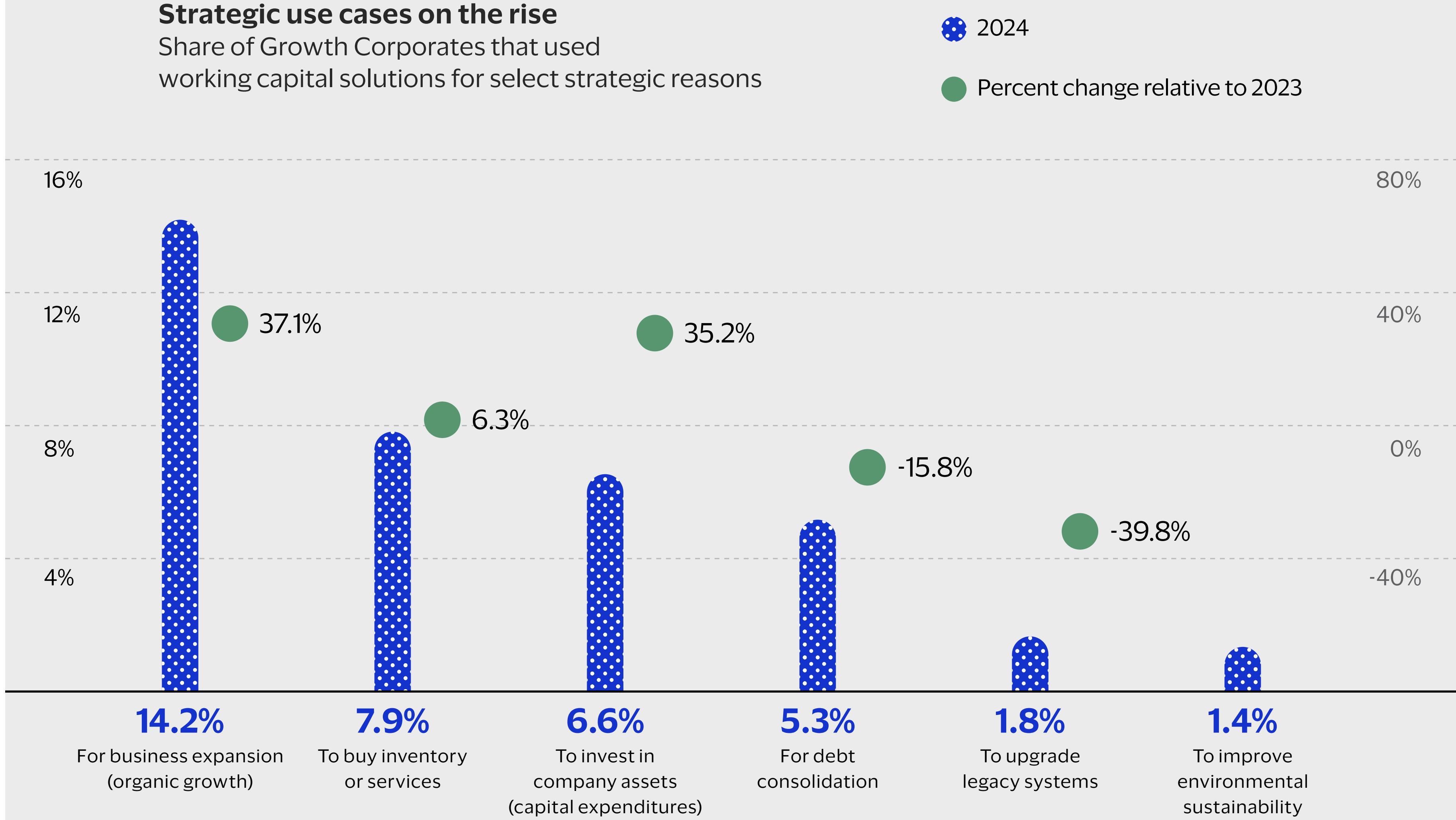
More accessible, more strategic and more efficient

Nearly half of Growth Corporates improved their operational efficiencies by using working capital to **more predictably manage cash flow and fund strategic investments.**

Adoption of working capital solutions increased in 2024:

81% implemented at least one solution — a 13% year-over-year rise.

Figure 1:
Strategic use cases on the rise
Share of Growth Corporates that used working capital solutions for select strategic reasons



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Respondents that used working capital solutions in 2024;
N = 622: Respondents that used working capital solutions in 2023; fielded May 21, 2024 – July 9, 2024

Notably, developing markets and specific industries experienced remarkable gains in Index scores:

+26% **Retail** in CEMEA

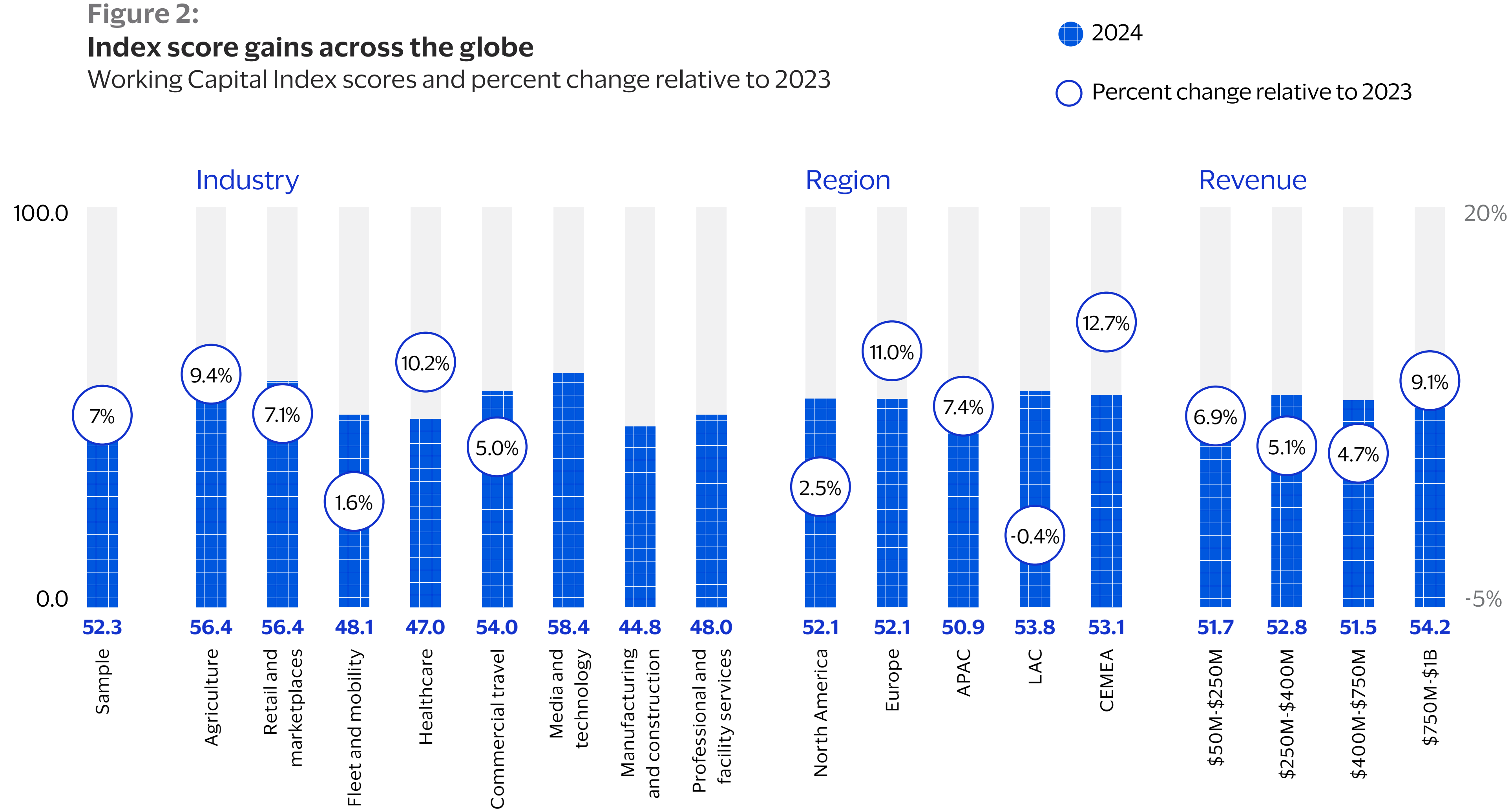
+17% **Agriculture** in North America

+16% **Healthcare** in Europe and APAC

A look inside the 2024-2025
Growth Corporates Working Capital Index

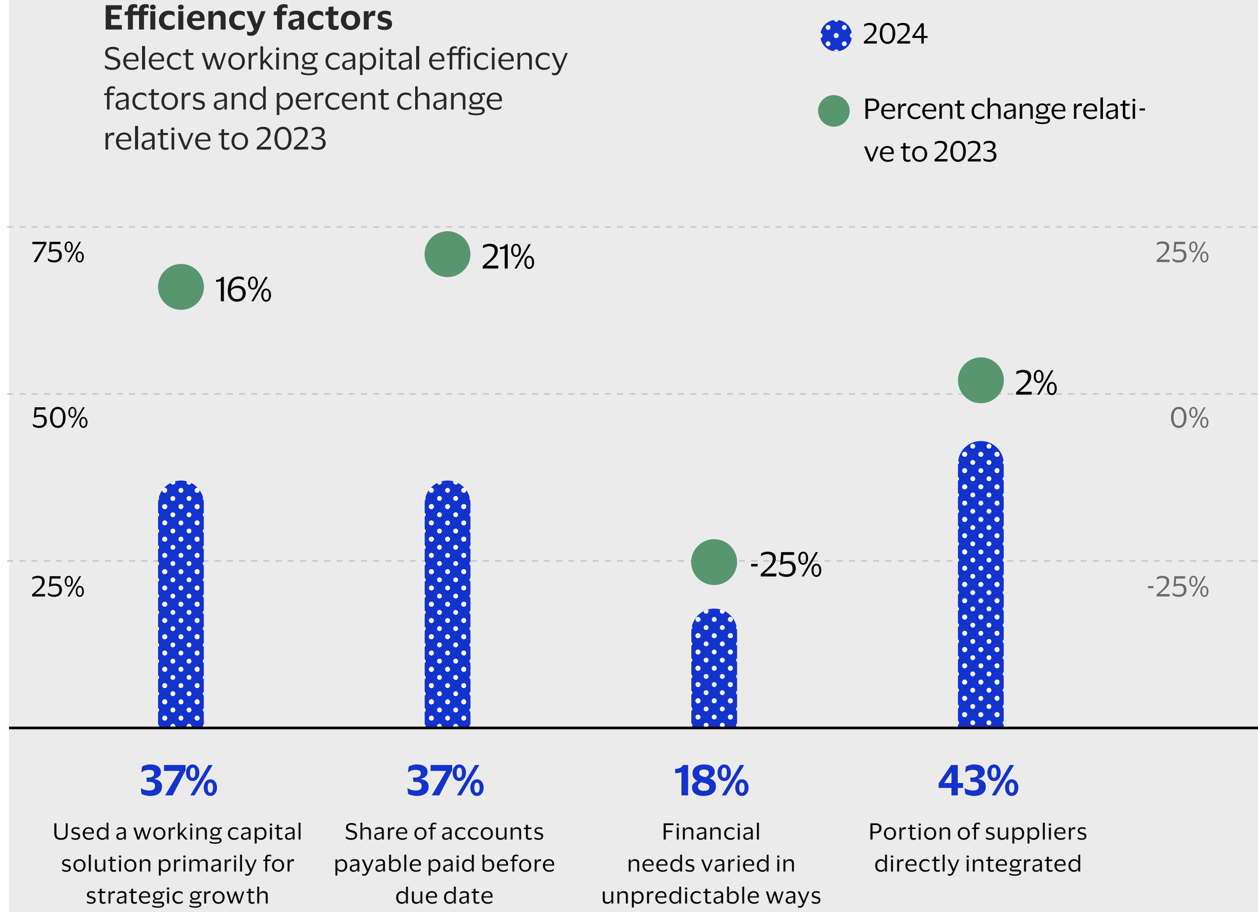
In 2024, the Working Capital Index reflects improvements in several working capital efficiency factors, leading to a 7% increase in scores.

Figure 2:
Index score gains across the globe
Working Capital Index scores and percent change relative to 2023



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

Figure 3:
Efficiency factors
Select working capital efficiency factors and percent change relative to 2023



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

The 7% increase in Index scores globally can be attributed to improvements in several working capital efficiency metrics, including 21% more invoices paid early, 16% more reliance on external capital to support strategic use cases and a 25% reduction in unpredictable financing needs.

External working capital and better metrics

Key metrics for sales, payables and inventory are measured in days outstanding — how long it takes to collect payment after a sale, to pay suppliers after receiving goods and services or to have sold through inventory, respectively.

Over the past year...

27% of Growth Corporates using working capital **collected payments faster.**

Just 16% that did not use working capital also had DSO decreases.

26% of Growth Corporates using working capital **paid suppliers faster.**

Only 16% that did not use working capital also had DPO decreases.

25% of Growth Corporates using working capital **cycled through inventory quicker.**

8.3% that did not use working capital also had DIO decreases.

A more competitive business

Across regions and industries, more than 7 in 10 financing users report improved buyer-supplier dynamics and 68% report being better able to meet customer demand and take advantage of opportunities because they accessed financing.

Figure 4:
Benefits of external working capital
Share of Growth Corporates that used working capital solutions citing each benefit experienced as a result, by region

	North America	Europe	APAC	CEMEA	LAC
Buyer-supplier dynamics	70%	72%	74%	75%	73%
Meeting demand and opportunity	67%	69%	71%	69%	66%
Improved metrics	41%	41%	39%	42%	46%

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Respondents that used working capital solutions in 2024, fielded May 21, 2024 – July 9, 2024

2

Business metrics:

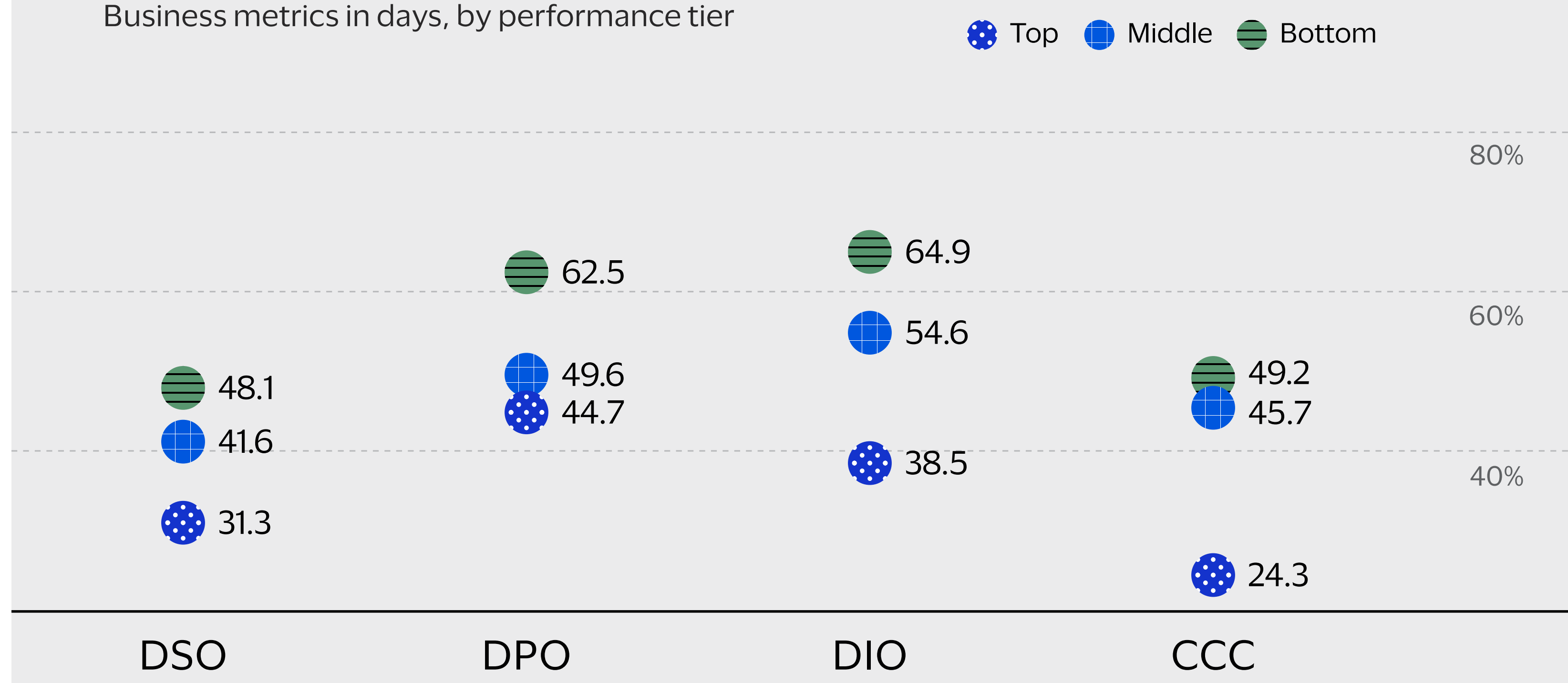
Up and to the right for top performers

Top performers achieved an average of $11 million in bottom-line benefits from reduced interest, inventory carrying costs, and supplier discounts — **a 300% increase from 2023.**

Top-performing Growth Corporates demonstrated remarkable financial efficiency in their use of working capital, resulting in significant cost savings and improved business metrics. Fewer than 2% of top performers report challenges with cash flow visibility and forecasting.

Top performers report 51% shorter cash conversion cycles and 28% shorter DPOs than Growth Corporates in the bottom 20% of Index scores — bottom performers — saving an average of $11 million in interest, inventory carrying costs and supplier discounts. That marks a 300% increase from $3.3M in 2023.

Figure 5:
Growth Corporates' metrics gains
Business metrics in days, by performance tier



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024, fielded May 21, 2024 – July 9, 2024

Top performing Growth Corporates achieved a 21% increase in their net profit margins, and 14% more of them increased their working capital ratios; this is also reflected in an Index score of 72, which more than doubles that of bottom performers, at 33.

Days payables outstanding (DPO): measures the average number of days a company takes to pay its suppliers after receiving goods or services. • **Cash conversion cycle (CCC):** measures how much time a firm needs to sell its inventory; how much time it takes to collect receivables and how much time it has to pay its bills. A shorter CCC indicates that a company can more quickly turn its investments into revenue. • Days Inventory Outstanding (DIO): measures the average number of days a company holds its inventory before selling it. • **Days Sales Outstanding (DSO):** measures the average number of days it takes a company to collect payment after a sale has been made.

What top performers get right:

Better handle on cash flow, higher profits

Top performers — the Growth Corporates with the most efficient uses of working capital — represent the Growth Corporates with the top 20% of Index scores (Index scores ranging 64-94). These firms have the highest probability of seeing improvements to their working capital efficiency in the next 12 months.

Streamlined payments

Top performers have twice as many suppliers integrated into their payment systems than bottom perfomers.

Cash flow visibility

Just 1.2% of top performers had unpredictable finacing needs in the past year, compared to 49% of bottom performers.

Early payment

Top performers pay 77% more of their invoices before they are due than bottom performers.

On-demand external working capital

Corporate/virtual cards are the third-most popular working capital solution among top performers, which are also associated with 11% more invoices being paid early.

Stategic use of working capital

Bottom performers are three times more likely than top to performers to have used working capital solutions for emergencies.

Multiple strategies

Twenty-six percent of top performers match all the aforementioned characteristics, compared to none among bottom performers.

Figure 6:
Top performers' choice
The top five working capital solutions used, by performance tier

	Bottom	Middle	Top
1	Working capital loan (51.4%)	Working capital loan (43.9%)	Working capital loan (41.8%)
2	Bank lines of credit (31.4%)	Bank lines of credit (33.9%)	Bank lines of credit (30.1%)
3	Overdraft from corporate bank account (20.0%)	Overdraft from corporate bank account (18.6%)	Corporate/virtual credit card (15.0%)
4	Invoice financing/ factoring (15.0%)	Corporate/virtual credit card (18.6%)	Overdraft from corporate bank account (14.4%)
5	Corporate/virtual credit card (12.3%)	Invoice financing/ factoring (11.3%)	Invoice financing/ factoring (11.1%)

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Respondents that used working capital solutions in 2024, fielded May 21, 2024 – July 9, 2024

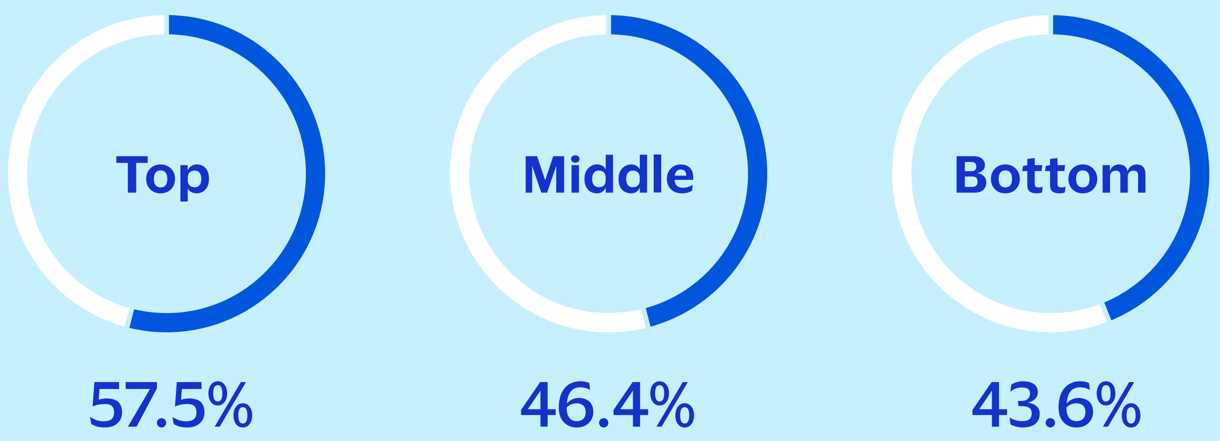
Sources of working capital

Corporate/virtual cards are the third-most popular working capital solution among top performers, viewed as an efficient and cost-effective solution. Virtual cards, which have built-in DPO extension, are linked to more strategic uses of external capital and can provide access as needed to pay suppliers early, which can often be associated with more favorable pricing from key suppliers.

Improved liquidity

Top-performing Growth Corporates are 32% more likely to say their working capital ratio improved in the past year than bottom-performing Growth Corporates. Improving the working capital ratio, which measures a company's assets against current liabilities, enhances liquidity and improves a business's ability to meet obligations and handle unexpected expenses.

Figure 7:
Increased ratios
Share of Growth Corporates with increased working capital ratios, by performance tier



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

More favorable terms

A strong working capital ratio also boosts creditworthiness, making it easier to secure financing and negotiate favorable terms with lenders and suppliers.

$148,300

Average amount that bottom performers could save if they paid the same interest rates as top performers

24%

Average amount as a percent of annual working capital financing costs for bottom performers

3

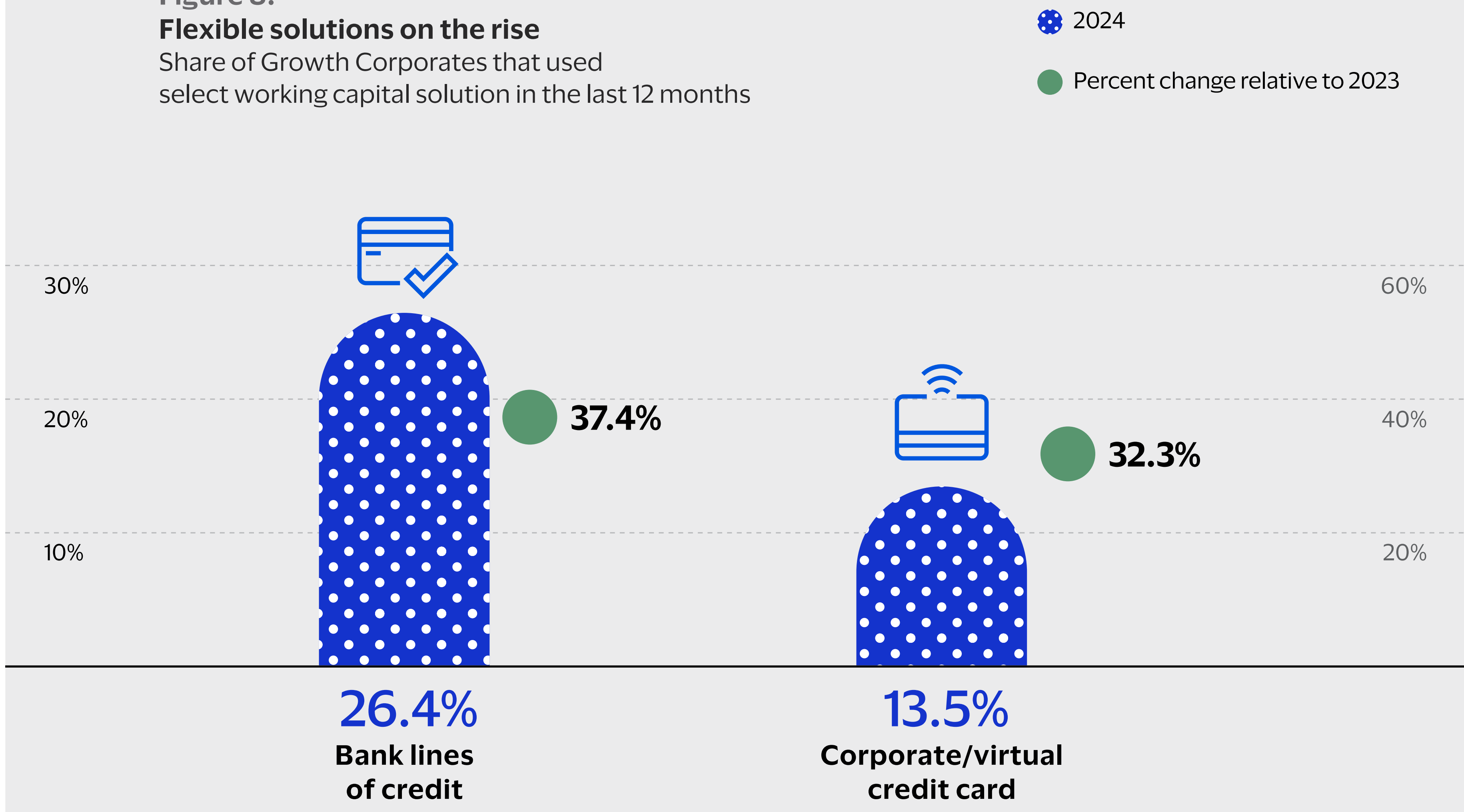
Flexibility:

Working capital solutions go "on demand"

CFOs and Treasurers want working capital solutions that eliminate approval frictions and **provide just-in-time access to funds as business needs require.**

Although the cost of capital is a common complaint among CFOs and Treasurers, getting better rates is rarely a working capital deal breaker. Instead, the most significant hurdle for companies is the slow approval process. Only 3% of all Growth Corporates report smooth access to working capital solutions.

Figure 8:
Flexible solutions on the rise
Share of Growth Corporates that used select working capital solution in the last 12 months



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

This trend is evident in the uptick in the use of corporate and virtual credit cards as well as bank lines of credit, which saw 32% and 37% increases, respectively, with working capital loans remaining largely flat year over year. These working capital solutions give CFOs and Treasurers the flexibility to use funds as needed without a separate approval process.

Virtual cards graduate

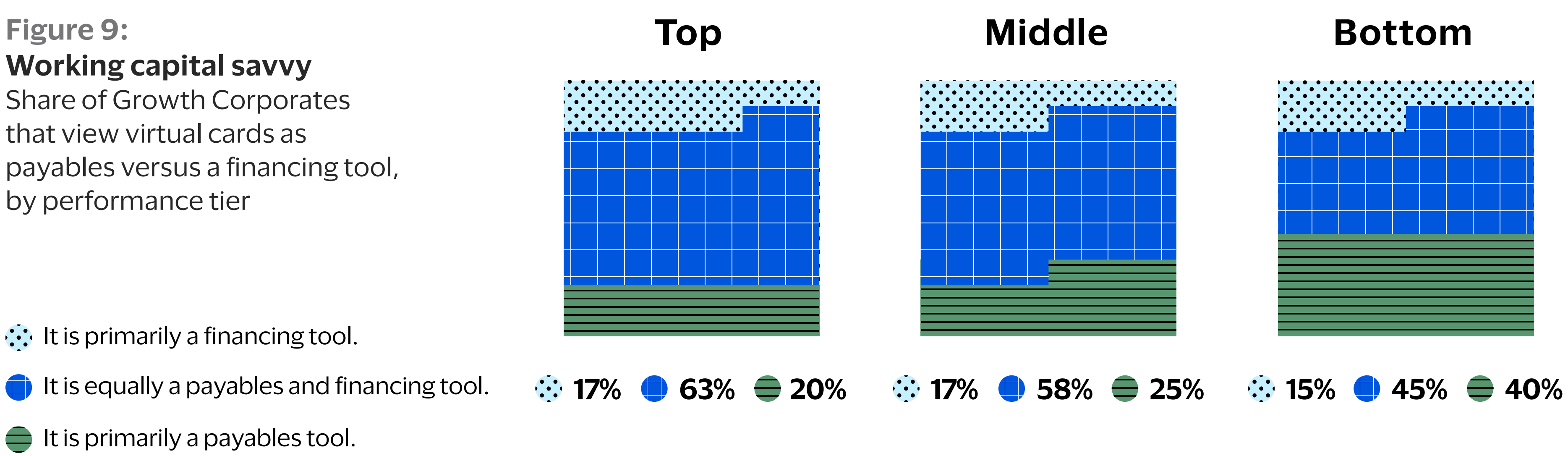
from vendor payables to a working capital solution

Growth Corporates increasingly favor flexible, on-demand working capital solutions that provide just-in-time access to funds as corporate needs require. Yet top- and bottom-performing Growth Corporates have different perspectives on the use of virtual cards as a working capital option.

Payables versus working capital

Twice as many bottom-performing CFOs and Treasurers think of virtual cards as primarily a payables solution than top performers, who are most likely to recognize their dual purpose — both in financing and payables.

Figure 9:
Working capital savvy
Share of Growth Corporates that view virtual cards as payables versus a financing tool, by performance tier



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

Strategic versus tactical

The way virtual cards are viewed also affects to what extent Growth Corporates rely on this solution for strategic growth. Those that view virtual cards primarily as payables are less likely to have used them strategically in the past year: 41% of Growth Corporates used virtual cards for strategic growth, compared to 35% among those that view them primarily as a payables tool.

CFOs and Treasurers that view virtual cards as primarily for payables are

13%

less likely to use them for strategic growth purposes.

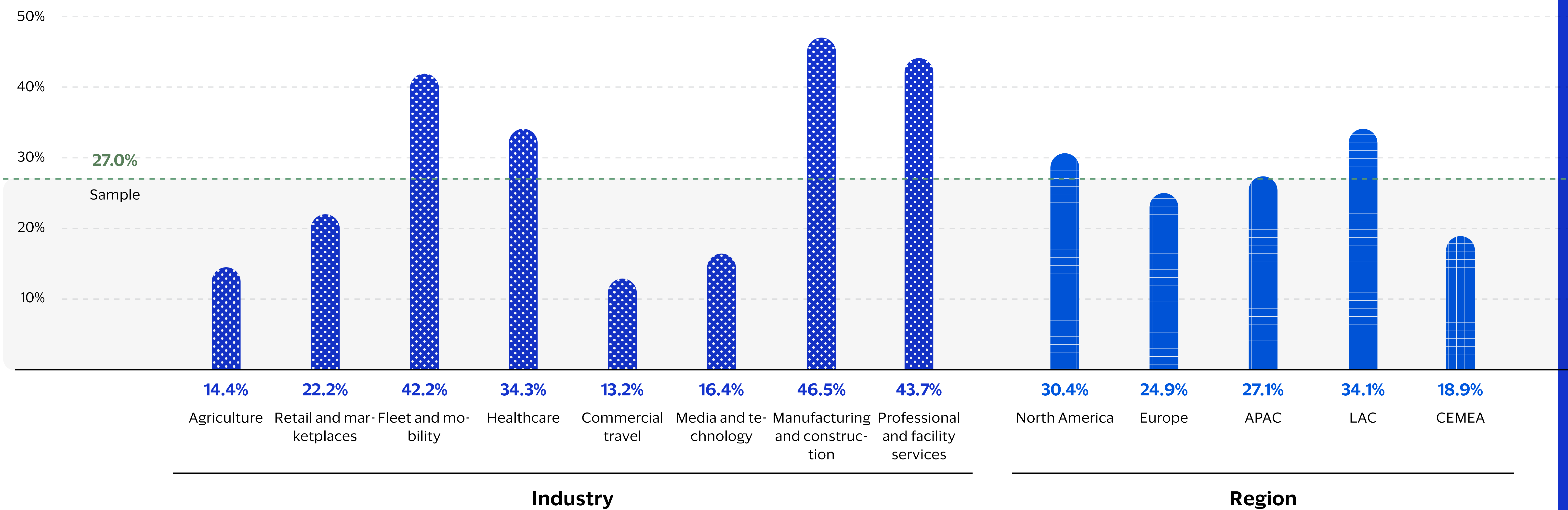
Industry versus geography

More than 7 in 10 Growth Corporates in sectors like commercial travel, agriculture and media/tech show a high level of familiarity, but use cases that started in travel and entertainment are likely to be moving to working capital financing for strategic projects.

The manufacturing, facility management, and fleet and mobility industries are more likely to view virtual cards primarily as payables-only tools. This industry-driven perception could reflect an uneven distribution of availability of virtual cards with revolving credit options or it could reflect a need for tailored education efforts to increase awareness.

Figure 10:
Industry perceptions
Share of Growth Corporates perceiving the function of virtual cards as primarily payables

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024, fielded May 21, 2024 – July 9, 2024



4

The one-to-one financing:

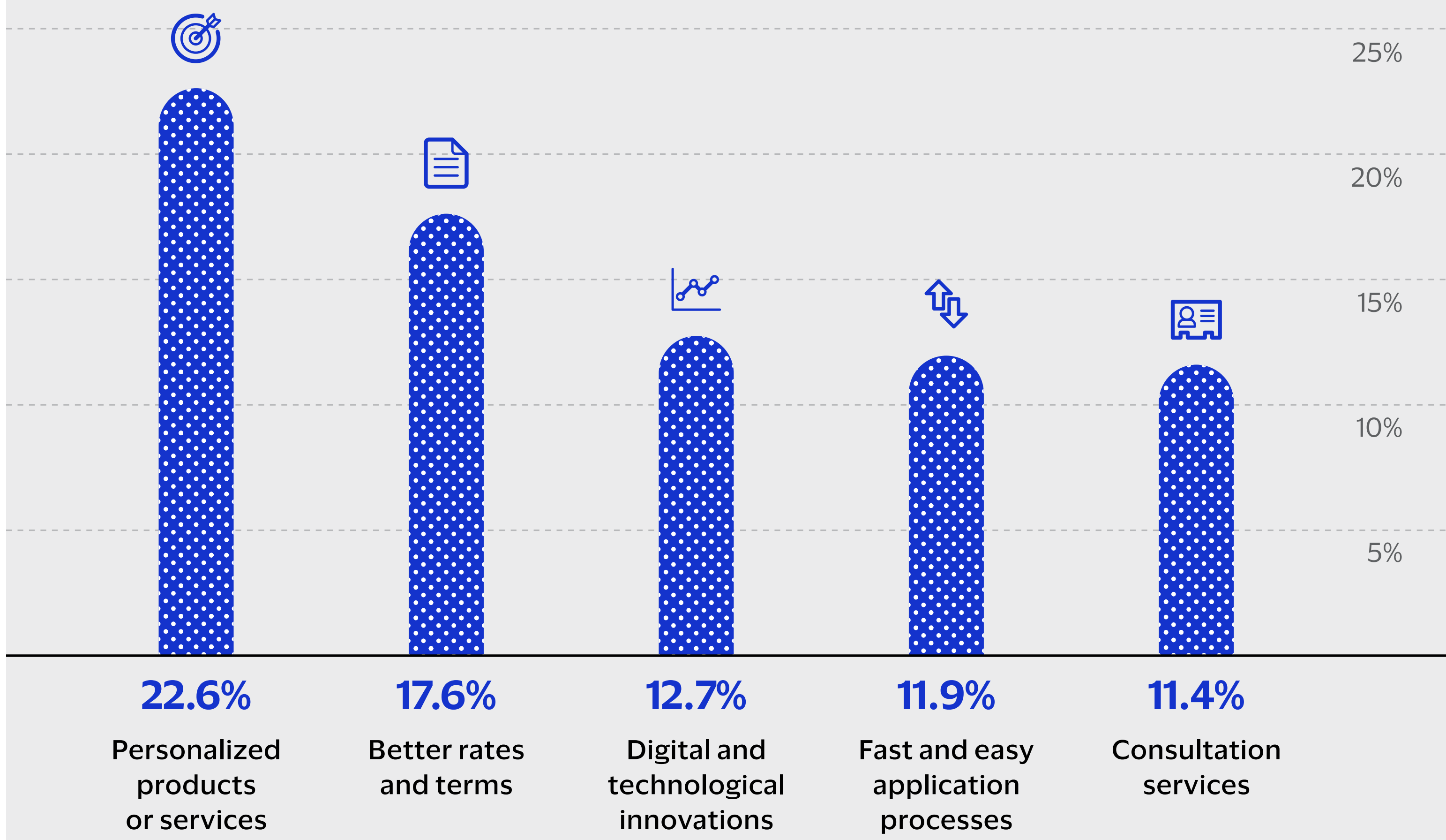
Bankers under pressure to personalize

CFOs say **personalized financing solutions and bankers who know their needs** are key to winning their trust and their business.

Traditionally, lenders have been more likely to cater specific products to small businesses or large enterprises. But one-size working capital solutions no longer fit all Growth Corporates. There is a growing demand for bankers to bring deep industry expertise to the table, moving beyond generic financial services to tailored, sector-specific insights and products.

These expectations reflect the frustrations that some Growth Corporates face when accessing working capital. Five out of the 8 industry sectors examined in this report cited lengthy approval processes and uncertainty about approval outcomes as their most significant obstacles. And nearly all the businesses unable to secure access report negative consequences, including reduced profits and slower growth.

Figure 11:
Growth Corporates' wish list
Share of Growth Corporates citing how their bank can better serve their financing needs



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024, fielded May 21, 2024 – July 9, 2024

This misalignment of working capital options to business needs is what nearly one-third of all CFOs and Treasurers cite as an obstacle, with almost 40% of Growth Corporates in Central Europe, the Middle East and Africa (CEMEA) and more than 40% of retail and marketplace players citing this as their biggest pain point.

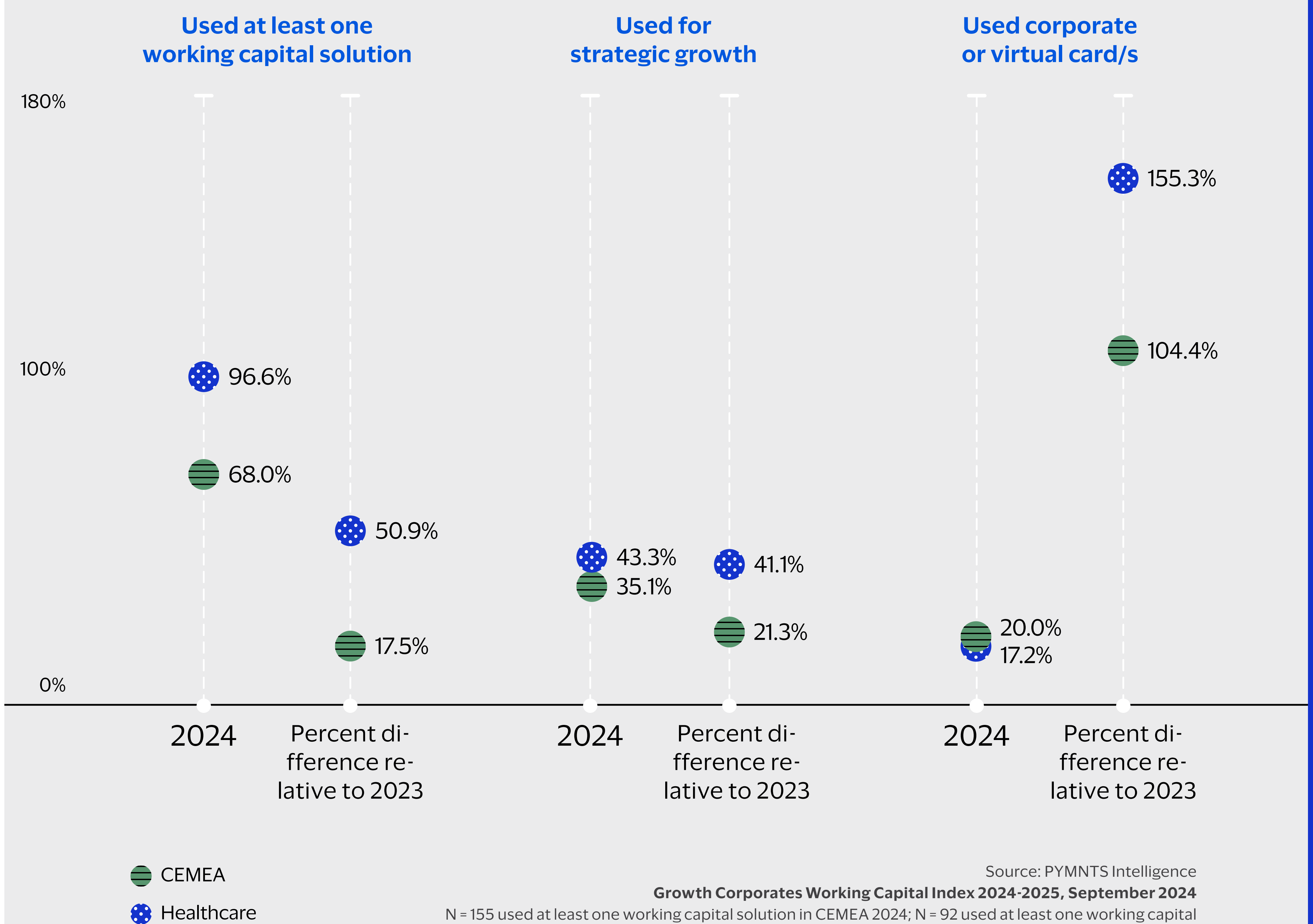
What the healthcare sector and CEMEA
have in common

Healthcare and CEMEA are two interesting use cases of leveraging working capital solutions to weather uncertainty, strengthen cash flow position and achieve business growth.

Strategic, not tactical

Healthcare Growth Corporates not only quadrupled their use of corporate/virtual cards and boosted their overall reliance on financing by 51% but also used external sources of capital far more strategically than the year before. The share of healthcare Growth Corporates that used working capital solutions to drive growth increased by 41%. Using flexible solutions such as corporate/virtual cards in strategic ways made it possible for healthcare firms to pay 30% more of their invoices earlier than the year before. All told, healthcare had the largest industry boost in Index scores, and especially for healthcare Growth Corporates in Europe and the Asia-Pacific (APAC) region, where Index scores increased by 16%.

Figure 12:
Utilization gains
Share of Growth Corporates in healthcare and CEMEA, by utilization of working capital solutions



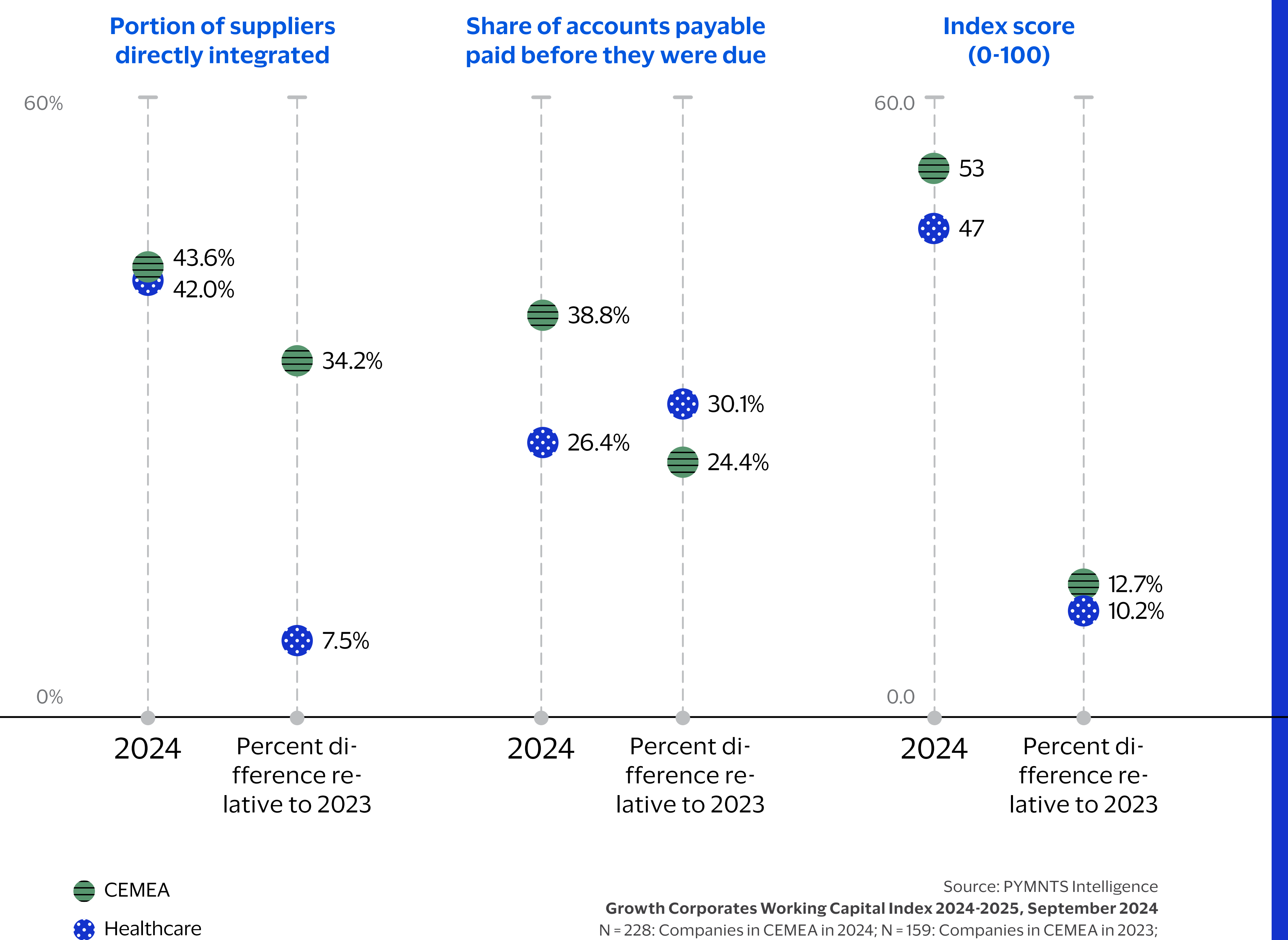
Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 155 used at least one working capital solution in CEMEA 2024; N = 92 used at least one working capital solution in CEMEA 2023; N = 169 used at least one working capital solution in Healthcare 2024; N = 119 used at least one working capital solution in Healthcare 2023; fielded May 21, 2024 – July 9, 2024

Emerging markets buoyed by working capital access

Although CEMEA had the lowest utilization rate by region in both 2023 and 2024, and the largest share of firms citing an inability to access suitable options despite needing them, firms operating in CEMEA saw Index scores increase by 13%. That placed the region in second place, right after Latin America and the Caribbean (LAC).

This gain in CEMEA reflects increased reliance on external working capital, with utilization reaching 68% (up by 18% since 2023), with 21% more Growth Corporates using working capital to support strategic growth initiatives. Other factors driving increases in working capital efficiency include a 34% increase in supplier payment integration and reliance on flexible, on-demand options such as corporate/virtual cards as the third-most popular solution used. These factors correlate with more streamlined payment processes and improved tracking capabilities, all of which drove a 12% increase in cash flow predictability and 24% more invoices paid early.

Figure 13:
Working capital efficiency gains
Share of Growth Corporates in healthcare and in CEMEA, by select working capital efficiency metrics



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 228: Companies in CEMEA in 2024; N = 159: Companies in CEMEA in 2023;
N = 175: Companies in the healthcare industry in 2024;
N = 186: Companies in the healthcare industry in 2023; fielded May 21, 2024 – July 9, 2024

5

Growth drivers:

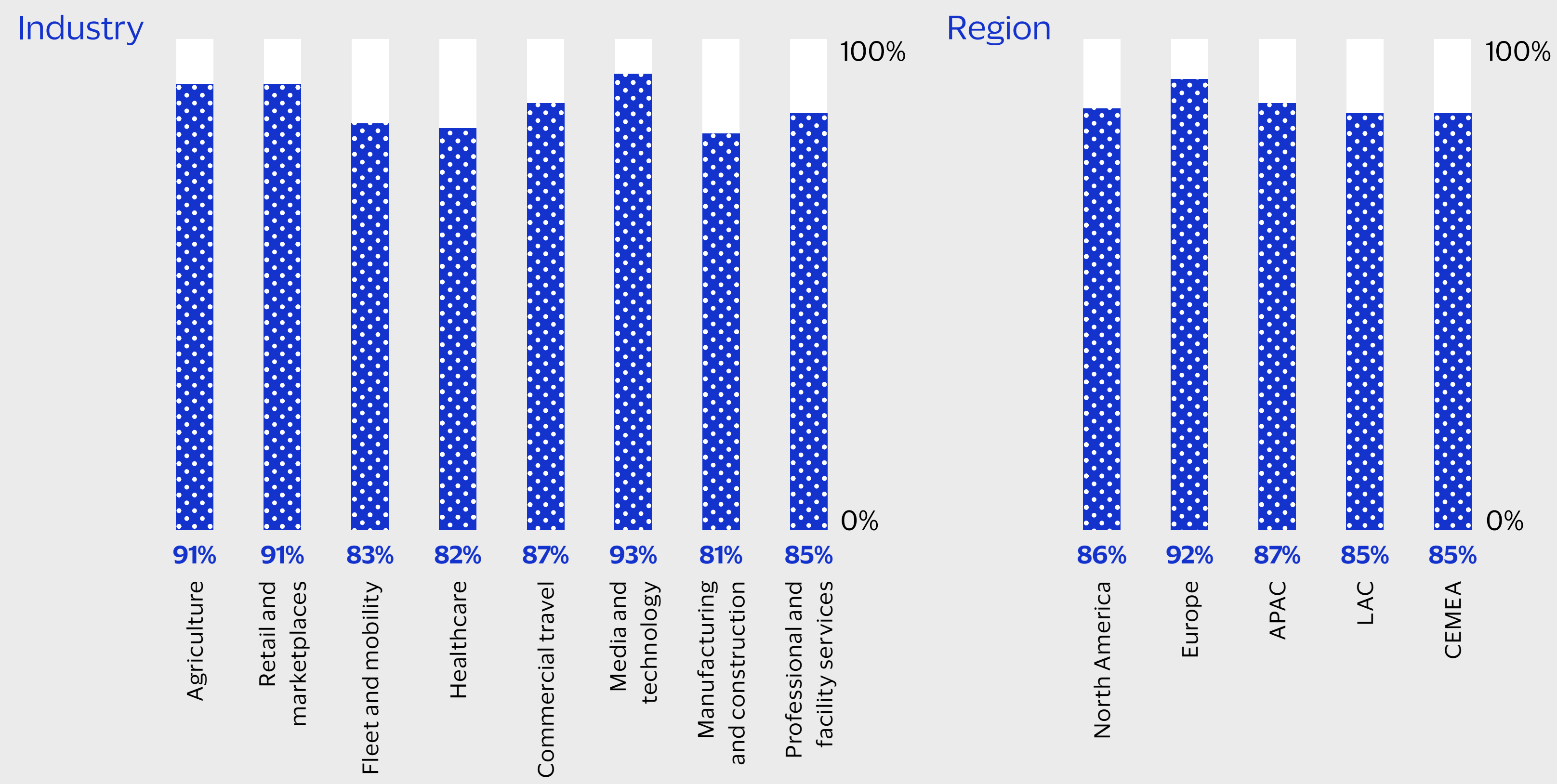
CFOs embed working capital solutions into future plans

Working capital is being viewed as **a strategic driver of growth and business performance** over the next 12 months, especially among top performers.

Growth Corporates see working capital solutions as an important part of their growth story over the next 12 months, with a clear mandate to use them to enter new markets, expand their products and upgrade their systems.

Roughly 8 in 10 CFOs and Treasurers say it is very or extremely likely they will use external working capital in the next year, and more than 7 in 10 expect to use funds to support strategic initiatives.

Figure 14:
Projected utilization of external working capital
Share of Growth Corporates likely to use at least one working capital solution next year, by industry and region



Source: PYMNTS Intelligence
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N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023
fielded May 21, 2024 – July 9, 2024

However, the outlook is not without an eye to the potential storm clouds that may loom ahead. LAC worries about potential recession and supply chain disruptions more than other Growth Corporates. And although the global view is that interest rate cuts may be likely in the coming year, Growth Corporates do not see those rate cuts trickling down to their specific business.

Working capital:

A hedge against uncertainty

A mixed bag

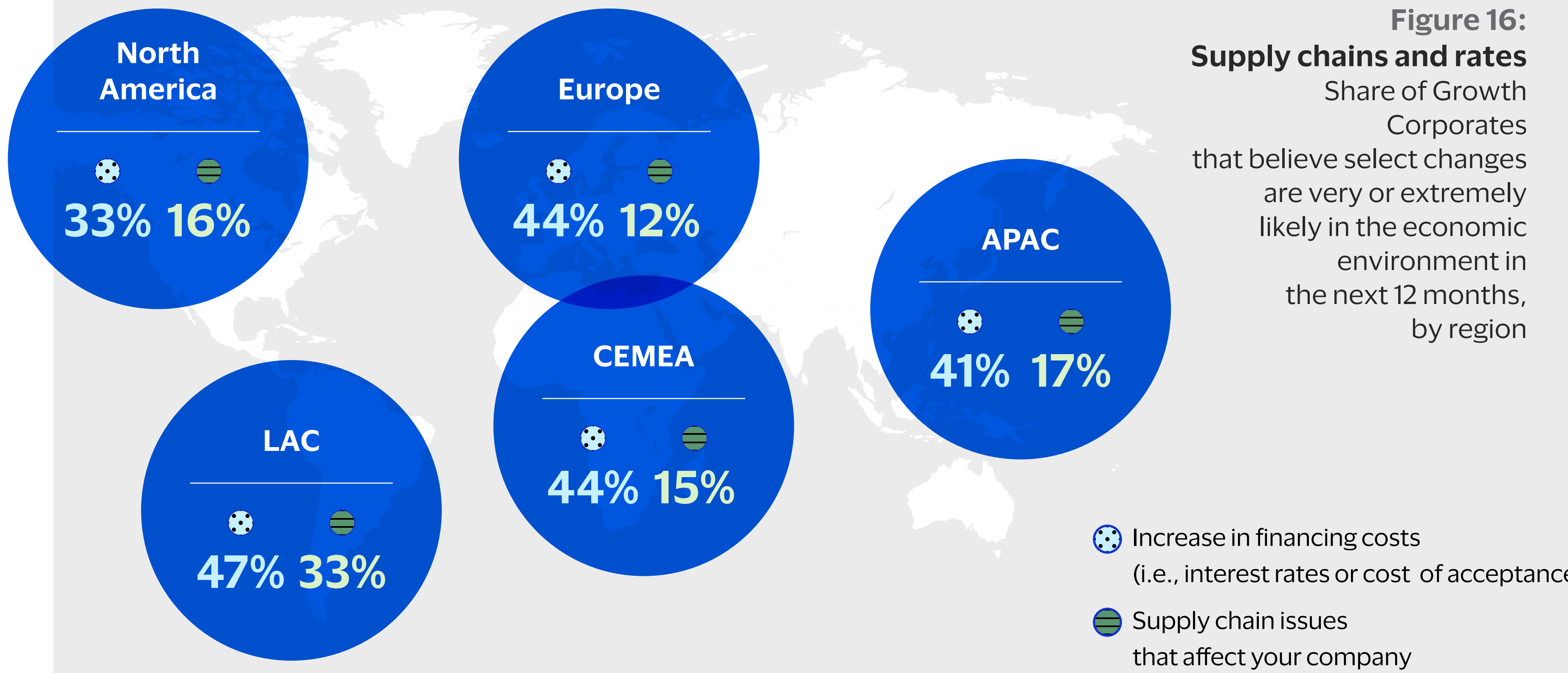
The outlook for Growth Corporates in the coming year presents a mixed picture. While overall recession fears have moderated, with only 25% of Growth Corporates anticipating an economic downturn, concerns remain more pronounced in certain regions.

Figure 15:
Recession outlook
Share of companies that are very or extremely likely to expect a global economic recession in the next 12 months, by region

North America	Europe	APAC	CEMEA	LAC
34%	13%	22%	17%	41%

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample in 2024; N = 873: Whole sample in 2023; fielded May 21, 2024 – July 9, 2024

Figure 16:
Supply chains and rates
Share of Growth Corporates that believe select changes are very or extremely likely in the economic environment in the next 12 months, by region



Supply chains and interest rates

European Growth Corporates display a more optimistic stance regarding supply chain stability, with only 12% anticipating significant disruptions. North American businesses share this supply chain optimism but remain cautious about recession prospects.

When CFOs and Treasurers were interviewed in June and July, many in LAC, Europe and CEMEA noted interest rate hikes as likely. Yet the CFOs and Treasurers expecting increases in financing costs have not been deterred from planning to increase their use of financing, as evidenced by the high projected utilization across industries and regions. This underscores that financing costs, albeit a drawback, do not make or break demand for borrowing for Growth Corporates, which recognize that operational efficiency and strategic use of funds outweigh costs.

Deep dive

A closer look

at working capital around the world

1

Working capital efficiency:
CFOs see cash clearly now

Improvements in cash flow visibility help CFOs and Treasurers optimize cost and use of working capital solutions and improved Working Capital Index scores globally by 7% year over year.

Cash flow remains unpredictable for most Growth Corporates, with 84% facing cash flow gaps at least once in the past year. Yet improved visibility into cash flow trends and predictability of financing needs led to more planned uses of external working capital and increased working capital efficiency as a result.

Notably, 48% of Growth Corporates that used working capital solutions saw improved working capital ratios, and one-quarter saw improved cash conversion cycles. Growth Corporates that used working capital solutions are about twice as likely to have seen improvements compared to Growth Corporates that did not tap into external working capital, highlighting the effectiveness of these solutions in optimizing business health and operational efficiencies.

Cash flow visibility lifts Global Working Capital Index scores year over year by

7%.

81%

used at least one working capital solution in 2024, up 13% year over year.

Developing markets and industries see notable gains.

Agriculture drives a 17% Index surge in North America, while healthcare leads 16% gains in Europe and APAC; retail Index scores soar 26% in CEMEA.

Working capital use around the world and across industries

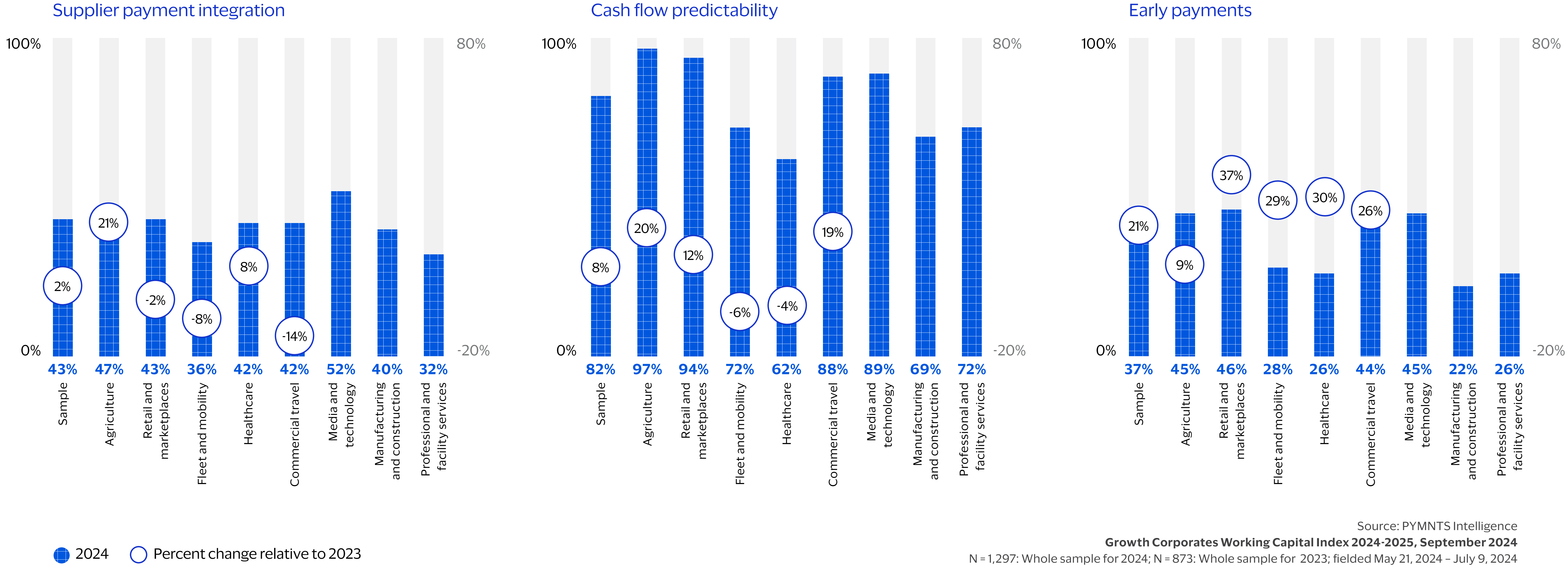
Agriculture and healthcare Growth Corporates top the list of industries with the most improved Index scores since last year (up by 10%), highlighting notable improvements in their working capital efficiencies.

North American and CEMEA Growth Corporates in agriculture are primarily responsible for the industry-level efficiency improvements, with Index scores surging 17% and 19% in these regions, respectively. Gains in working capital efficiency in this industry are linked to 38% more Growth Corporates using them for strategic growth purposes, supplier payment integration increasing by 21% and 20% better predictability in cash flow.

Figure 17:

Working capital efficiency metrics

Portion of suppliers integrated to AP systems, Growth Corporates with predictable financing needs and AP paid before due date, by industry



Source: PYMNTS Intelligence

Growth Corporates Working Capital Index 2024-2025, September 2024

N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

Growth corporates paid 37% of their invoices early in 2024.

This marks a 21% increase in the share of invoices paid early since 2023.

In the healthcare sector, Index improvements are especially pronounced among companies in Europe and APAC, with a 16% increase in Index scores. These gains are fueled by a 30% rise in early invoice payments compared to last year, a 7.5% improvement in supplier integration and a remarkable 41% surge in the strategic growth use of working capital solutions. Similarly, for retail and marketplaces, increases in Index scores are driven primarily by CEMEA, which saw a boost of 26% in Index score. The industry's gains are fueled by 37% more invoices paid early, 12% more predictable financing needs and a 52% increase in strategic growth utilization.

Fleet and mobility faced a challenging year as the shift to electric vehicles, supply chain challenges, higher fuel prices and supply and demand constraints resulted in a 45% reduction in profit margins among those surveyed, longer cash conversion cycles and a decrease in cash flow predictability. The result is a shift in the use of working capital solutions from strategic (down 24% year over year) to tactical (emergencies up 31% year over year) to fill unplanned cash flow gaps.

“These solutions **have strengthened our negotiating power** with suppliers and creditors by improving our financial stability.”

— Growth Corporate executive

Despite this, the fleet and mobility sector maintained a relatively flat Index score year over year and paid 29% more of its invoices earlier this year than last. We attribute this to the accessibility and usage of flexible working capital solutions to tap sources of cash as needed. Fleet and mobility also had the highest rate of virtual card utilization across industries, at 19%.

Figure 18:

Index scores globally

Index scores for 2024, compared to scores for 2023, by region

	North America		Europe		APAC		CEMEA		LAC	
	Index score 2024	Percent difference relative to 2023	**Index score 2024**	Percent difference relative to 2023	**Index score 2024**	Percent difference relative to 2023	**Index score 2024**	Percent difference relative to 2023	**Index score 2024**	Percent difference relative to 2023
Sample	**52.1**	**2.5%**	**52.1**	**11.0%**	**50.9**	**7.4%**	**53.1**	**12.7%**	**53.8**	**-0.4%**
Industry										
Agriculture	56.6	16.9%	57.1	10.1%	56.7	—	55.1	18.6%	56.6	0.7%
Retail and marketplaces	52.9	-2.6%	58.3	—	52.9	1.9%	61.6	26.1%	60.4	
Fleet and mobility	52.2	1.6%	48.1	7.7%	46.2	—	46.8	0.8%	47.7	-2.7%
Healthcare	47.9	2.7%	50.0	15.8%	45.3	16.2%	44.0	7.7%	39.3	
Commercial travel	51.1	3.7%	52.7	3.4%	55.2	8.4%	53.2	5.2%	57.8	4.9%
Media and technology	56.4	—	56.1	—	56.6	—	61.0	—	63.7	—
Manufacturing and construction	50.1	—	42.0	—	43.5	—	45.9	—	41.7	—
Professional and facility services	46.2	—	48.0	—	49.8	—	49.7	—	45.1	—
Revenue										
$50M-$250M	53.2	10.3%	49.6	10.4%	49.4	5.1%	52.5	12.0%	54.2	-1.7%
$250M-$400M	51.4	0.0%	52.5	10.0%	51.4	3.0%	54.2	12.9%	56.4	-2.6%
$400M-$750M	50.8	-2.7%	52.2	11.9%	51.1	8.1%	52.9	12.4%	50.1	1.9%
$750M-$1B	54.4	3.4%	54.8	11.9%	54.9	20.2%	53.6	13.8%	53.0	-0.4%

Source: PYMNTS Intelligence

Growth Corporates Working Capital Index 2024-2025, September 2024

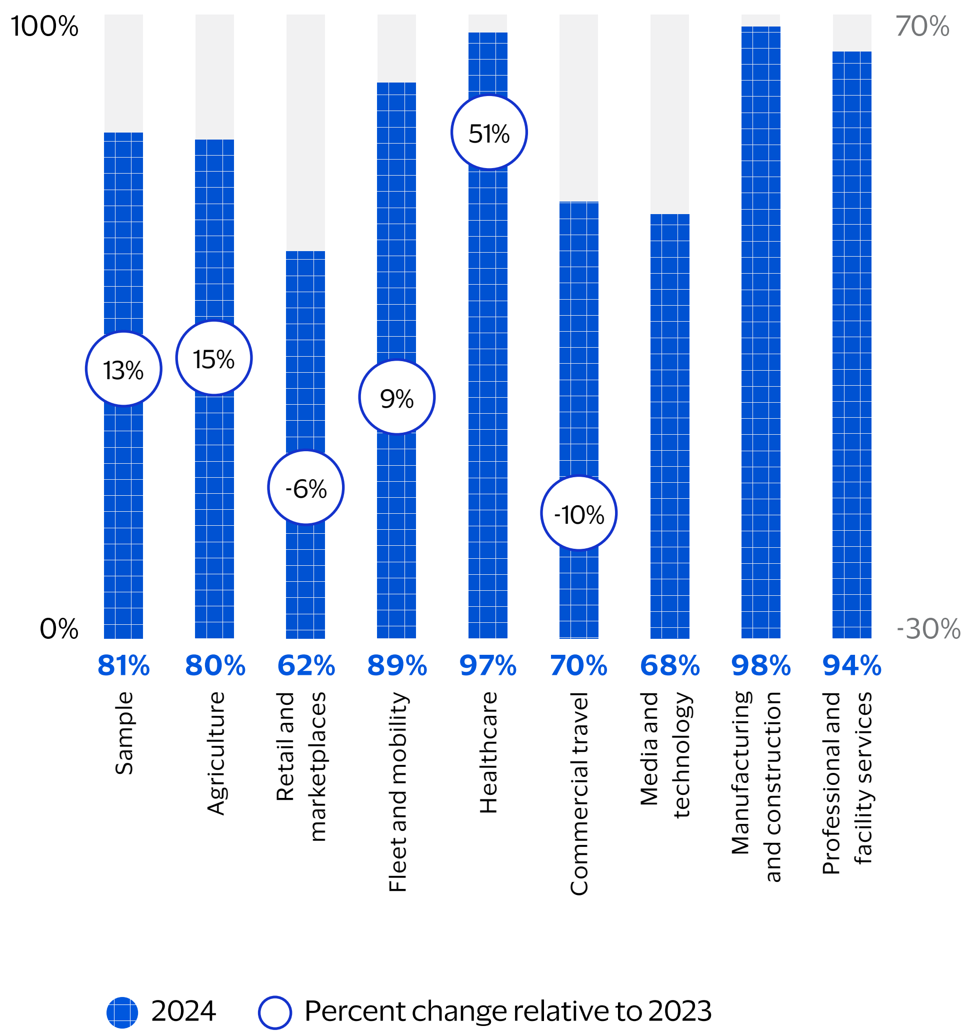
N = 276: Companies from North America in 2024; N = 244: Companies from North America in 2023; N = 313: Companies from Europe in 2024; N = 195: Companies from Europe in 2023; N = 266: Companies from APAC in 2024; N = 151: Companies from APAC in 2023; N = 228: Companies from CEMEA in 2024; N = 159: Companies from CEMEA in 2023; N = 214: Companies from LAC in 2024; N = 124: Companies from LAC in 2023; fielded May 21, 2024 – July 9, 2024

The puts and takes of working capital solutions and Growth Corporates in 2024

Growth Corporates across various industries turn to working capital solutions to fuel market expansion and enhance their systems, with a particular emphasis on using it to make strategic investments. This trend is especially pronounced in sectors like healthcare and agriculture, where utilization rates have surged by 51% and 15%, respectively.

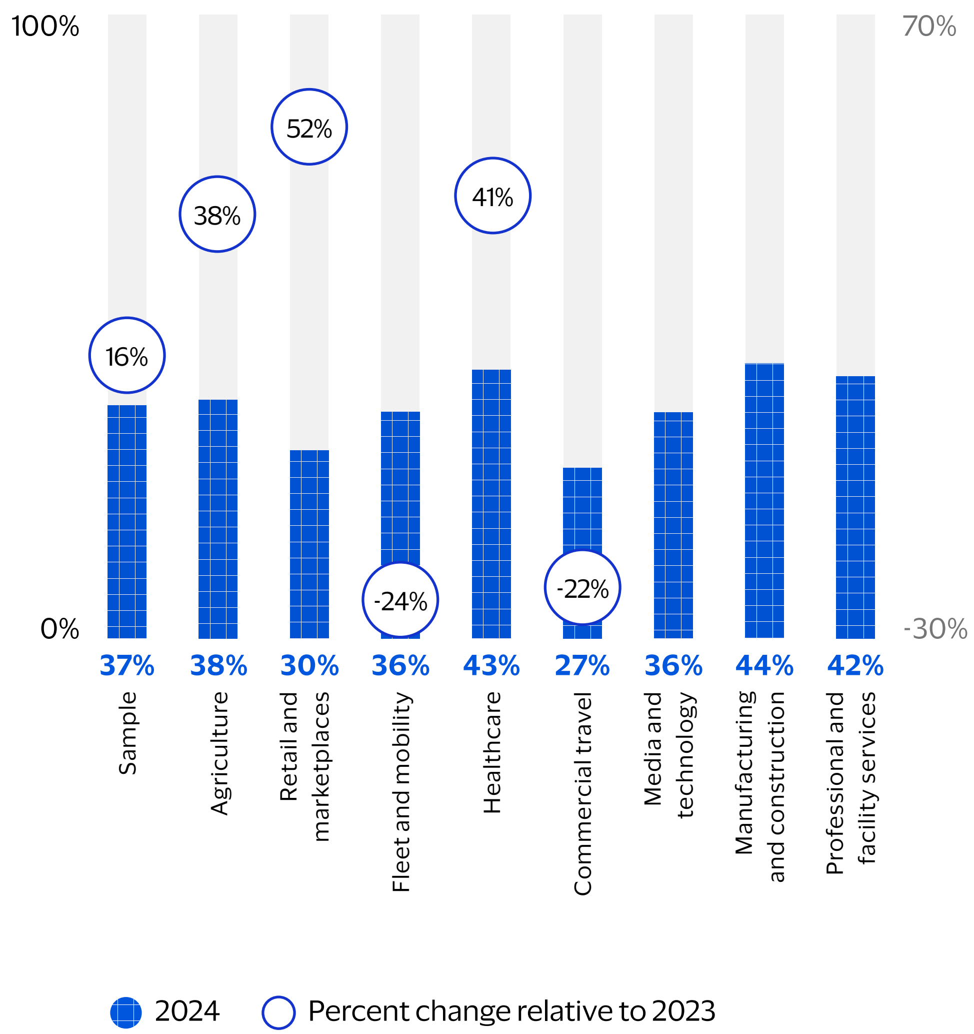
Similarly, the manufacturing and construction sector relied heavily on external working capital, with 98% of companies using at least one working capital solution and one-third using two or more. Growth Corporates in this sector are equally strategic in their uses, highlighting the role of working capital solutions in supporting business efficiency and development.

Figure 19:
Boosts in solution use
Share of Growth Corporates that used at least one working capital solution and percent change relative to 2023



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024;
N = 873: Whole sample for 2023;
fielded May 21, 2024 – July 9, 2024

Figure 20:
Using solutions to grow
Share of Growth Corporates that used working capital solutions for strategic growth and percent change relative to 2023

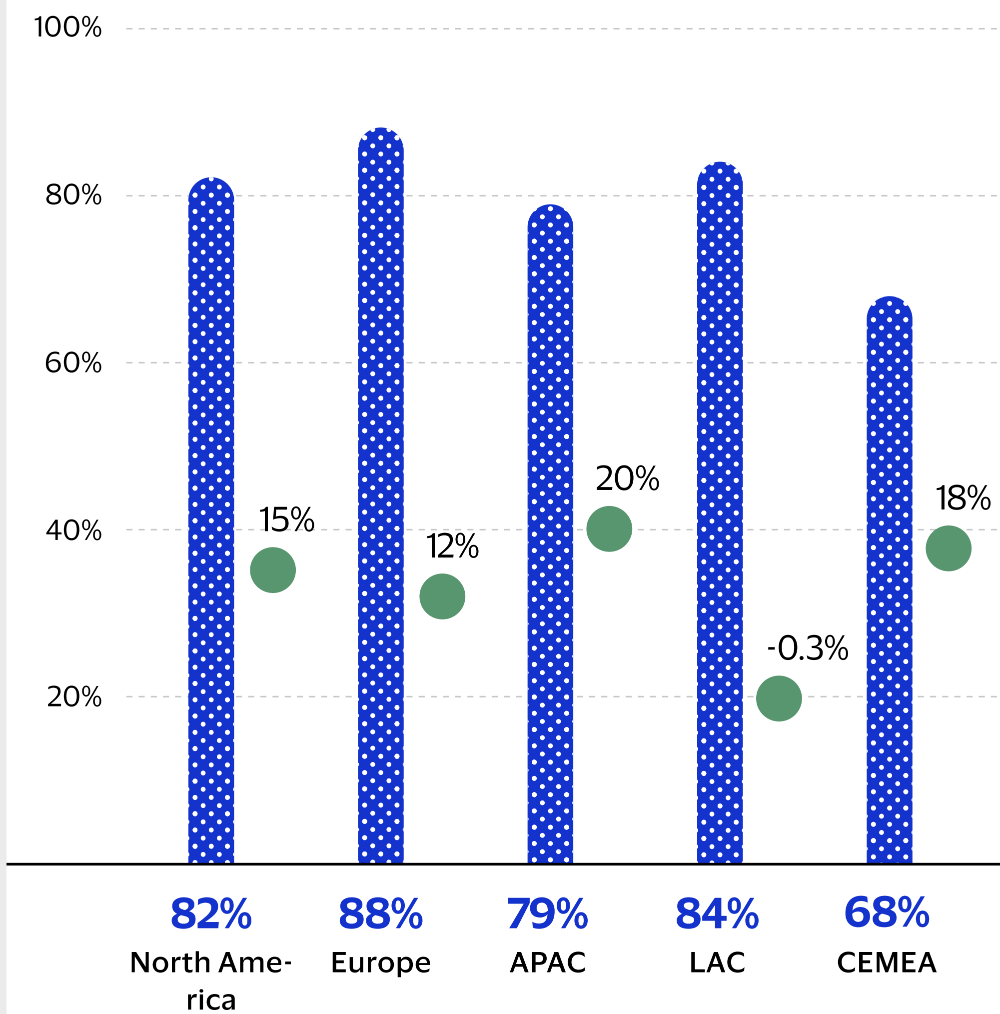


Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Used working capital solutions in 2024;
N = 622: Used working capital solutions in 2023;
fielded May 21, 2024 – July 9, 2024

LAC is the only region showing modest signs of slowing down. Despite this geography having the second-highest utilization rate of working capital solutions, their use is down by 0.3% and the share using them for planned growth initiatives is down by 13%. However, this should not conceal the fact that it continues to have the highest Index score, the second-highest utilization rate of working capital solutions and the most strategically used working capital solutions when considering using them to cover planned cash flow gaps.

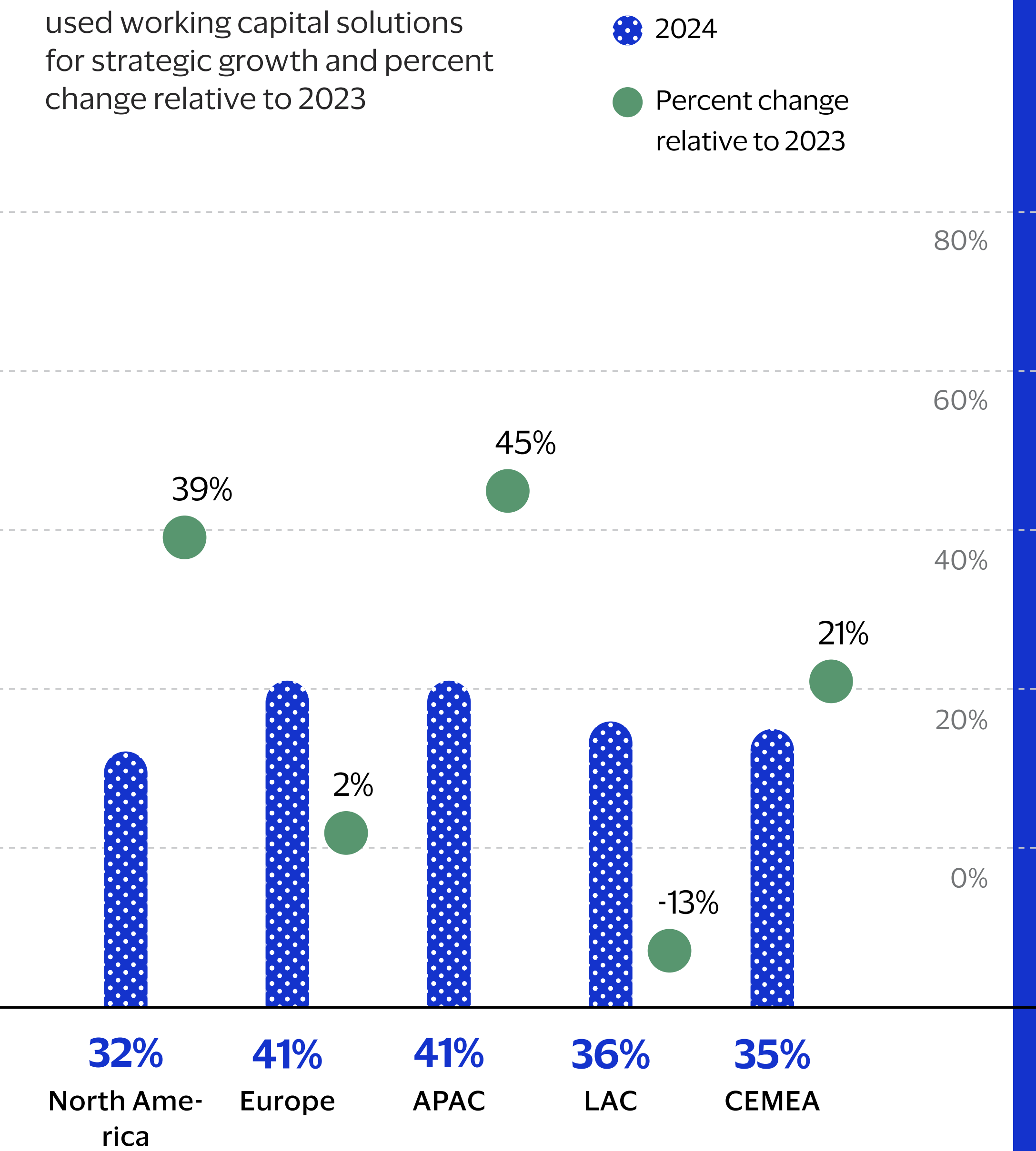
The rise in adoption across these regions and industries suggests that businesses are increasingly aware of the potential to leverage external working capital for expansion and development.

Figure 21:
Regional solution users
Share of Growth Corporates that used at least one working capital solution and percent change relative to 2023



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024;
N = 873: Whole sample for 2023;
fielded May 21, 2024 – July 9, 2024

Figure 22:
Regional strategic users
Share of Growth Corporates that used working capital solutions for strategic growth and percent change relative to 2023



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Used working capital solutions in 2024;
N = 622: Used working capital solutions in 2023;
fielded May 21, 2024 – July 9, 2024

2

The top 20%:
Getting to know working capital's top performers

Eighty percent of top-performing CFOs and Treasurers saw improved business metrics because of using working capital solutions.

58%
of top-performing Growth Corporates saw increased working capital ratios in the past year.

Top performers paid
25%
lower interest rates than the least efficient Growth Corporates.

Top performers are the most likely to use corporate or virtual cards,
which are linked to the highest average Index scores.

Predictability equals stability

Top performers are characterized by superior predictability in financing needs, which enables them to use financing more strategically than less efficient counterparts. Growth Corporates at the top of the Index are more likely to be in a stable financial position, either with the help of external working capital or without, and are therefore the least likely to have needed financing for emergencies.

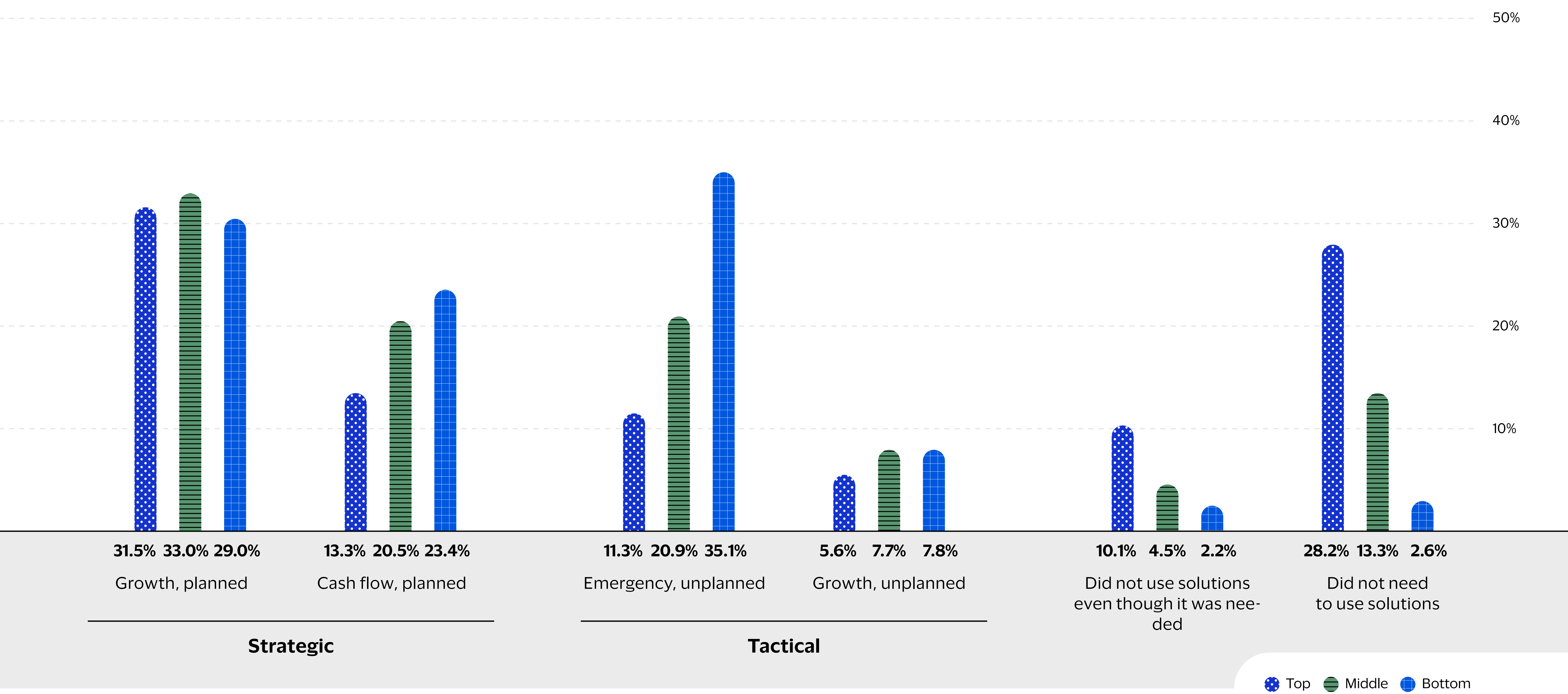
Index-leading Growth Corporates are 97% less likely to face unpredictable financing needs than bottom performers, highlighting their better cash flow management and forecasting abilities. Among bottom performers, 35% used financing for emergencies, compared to 11% of top performers. The 28% of top performers that did not need to tap external sources of working capital are an opportunity for providers to reach an attractive market segment with working capital solutions that provide a compelling return on investment in support of their strategic growth requirements.

Figure 23:

Top performers' reasons for using solutions

Share of Growth Corporates citing primary reason for using working capital solutions

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024



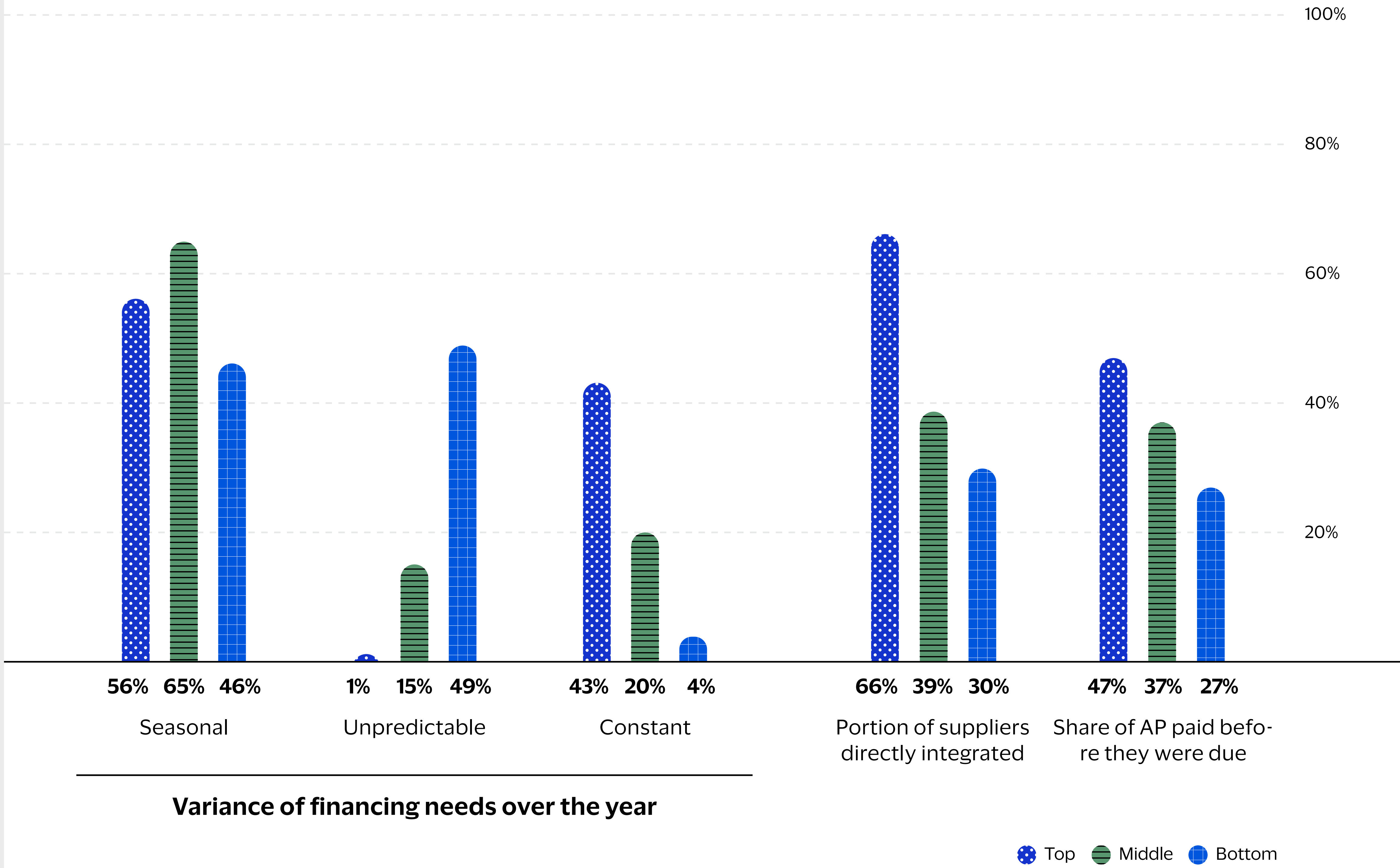
Supplier integration

Integrating suppliers into payment systems can create less friction when paying and being paid and improved cash flow tracking, which means better cash flow visibility. Foresight into cash flow gaps supports better planning and more strategic uses of financing, reducing the risk of using expensive or suboptimal working capital solutions last minute or in an emergency.

Top performers have integrated twice as many suppliers into their systems, fostering stronger partnerships and more efficient payments flows. Top performers paid 77% more invoices early than their bottom-performing counterparts, leading to better terms, discounts and overall supply chain resilience.

Figure 24:
Top performer efficiencies
Share of Growth Corporates in select Index components, by performance tier

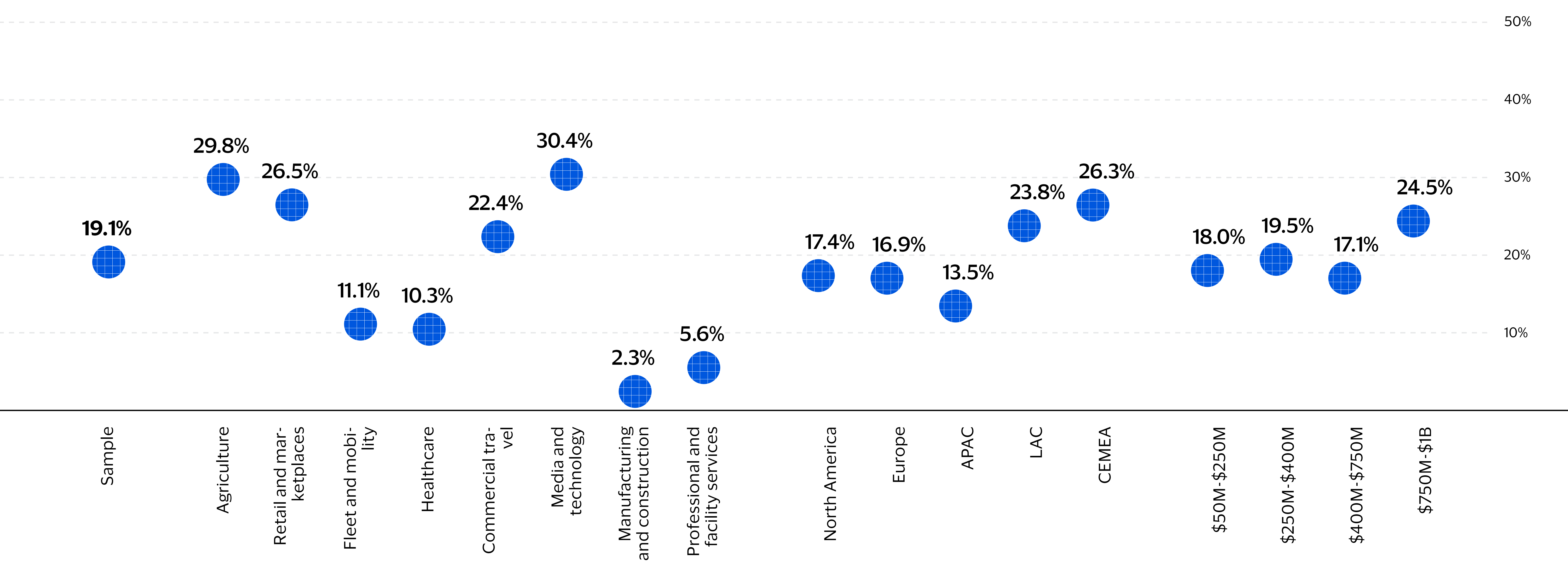
Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024



Thirty percent of Growth Corporates in agriculture and media/technology are top performers, as are 26% of CEMEA Growth Corporates and 24% in LAC. While top performers are more likely to be found among the larger revenue bracket ($750 million to $1 billion), top-notch working capital efficiency is not size-dependent. One in 5 of those generating annual revenues between $250 million and $400 million are top performers.

Figure 25:
Top performer distribution
Share of top performers, by industry, region and revenue

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024



What makes a top performer is the ability to control key levers to maintain cash flow continuity in a way that does not impact vendor relationships. This is evident by top performers' 28% lower DPOs and 51% faster CCCs compared to bottom performers. Nonetheless, industry-specific conditions cannot be underestimated. The DPO of a top performer in manufacturing and construction, with longer production cycles, is 65 days, whereas the CCC of a top performer in retail and eCommerce averages at 19 days.

> "It helps **divert funds to productive ventures** to generate more profits for the business."
>
> **— Top-performing Growth Corporate executive**

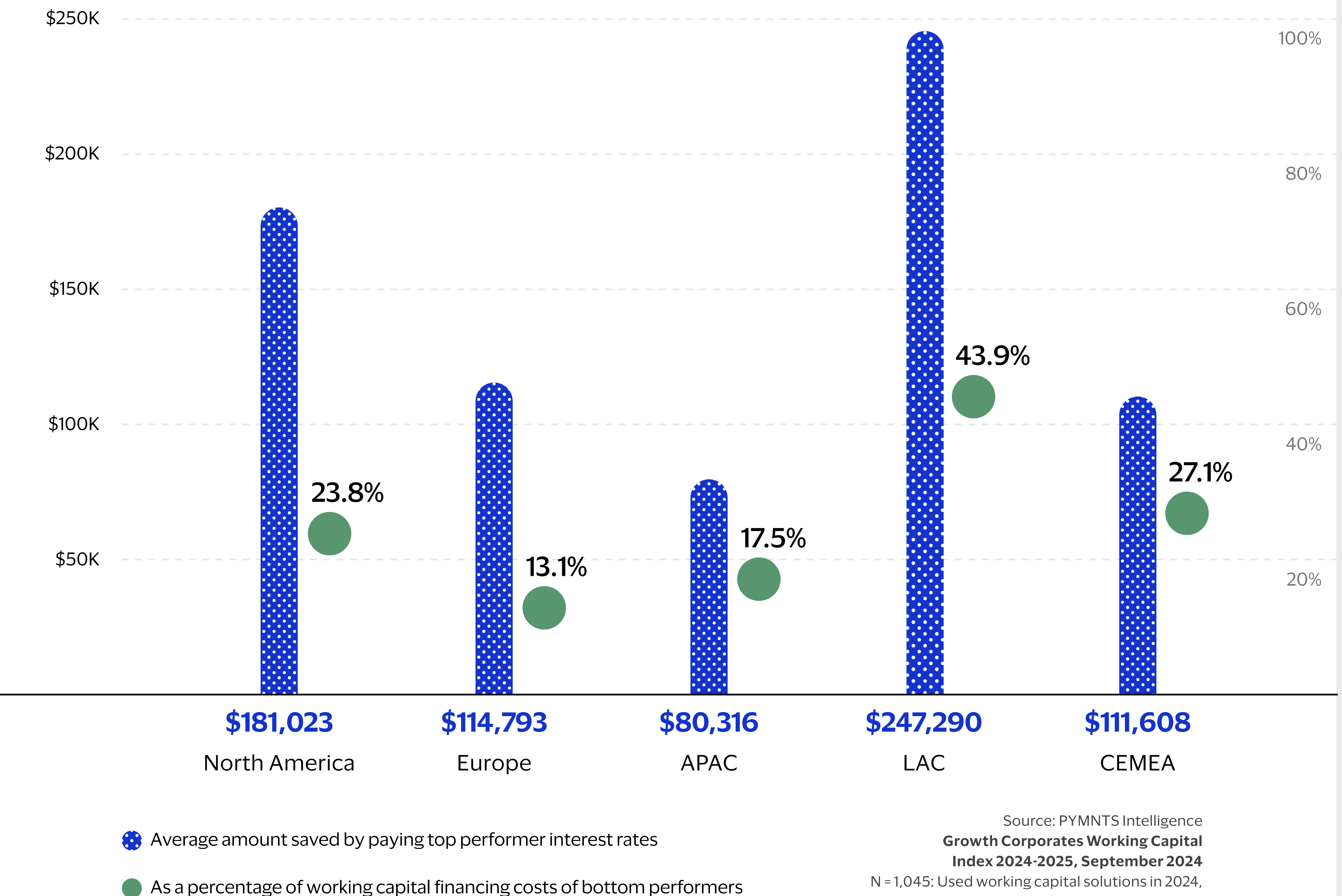
Figure 26:
Top performer metrics across the globe
Average DPO and CCC among top performers, by region, industry and revenue

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 248: Top performers, fielded May 21, 2024 – July 9, 2024

	DPO	CCC
Sample	**44.7**	**24.3**
Industry		
Agriculture	39.8	27.2
Retail and marketplaces	43.2	18.6
Fleet and mobility	37.6	14.6
Healthcare	87.1	50.6
Commercial travel	40.5	18.0
Media and technology	39.7	19.5
Manufacturing and construction	65.0	95.0
Professional and facility services	76.0	84.0

	DPO	CCC
Region		
North America	47.0	37.6
Europe	39.5	31.3
APAC	46.4	21.0
LAC	51.6	19.5
CEMEA	40.7	13.3
Revenue		
$50M-$250M	45.6	24.6
$250M-$400M	44.2	27.6
$400M-$750M	41.3	22.4
$750M-$1B	47.8	22.2

Figure 27:
Top performers' regional savings
Estimated savings of bottom performers if they secured top-performer interest rates, by region



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,045: Used working capital solutions in 2024, fielded May 21, 2024 – July 9, 2024

Lower cost of capital

Improved working capital efficiency and making payments early can make it possible for top performers to negotiate more favorable interest rates from their working capital providers, reducing interest paid on outstanding balances. Understandably, top performers were offered lower interest rates from lenders for the working capital solutions they used than less efficient Growth Corporates. Bottom performers could save almost one-quarter of what they paid in interest in the past year, or 0.3% of their average profit margin, if they qualified for the interest rates of top performers.

These estimated savings vary substantially across regions. Bottom performers in LAC could save up to $247,000 — or 44% — of what they paid in interest in a year if they secured the same interest rates as top performers.

The untapped market for working capital

Growth Corporates that did not access any external working capital solutions in the past year and cite lacking a need to do so present a unique opportunity. These companies overlook potential growth avenues due to a conservative approach to external working capital or lack of awareness about innovative financing solutions.

Emerging markets as corporate growth opportunity

The opportunity to improve the availability of suitable solutions and increase awareness of how firms with stable cash flows can leverage working capital for growth and investment is particularly acute in CEMEA. Regionally, CEMEA stands out with the highest percentage (13%) of companies that needed working capital but did not use it.

Figure 26:
Top performer metrics across the globe
Average DPO and CCC among top performers, by region, industry and revenue

		Did not need to use	Did not use even though they needed to
Sample		**14.3%**	**5.2%**
Region	North America	15.6%	2.9%
	Europe	10.5%	1.6%
	APAC	15.8%	4.9%
	LAC	11.2%	5.1%
	CEMEA	18.9%	13.2%
Revenue	$50M-$250M	14.3%	6.3%
	$250M-$400M	15.0%	4.4%
	$400M-$750M	14.4%	3.0%
	$750M-$1B	13.0%	7.2%

		Did not need to use	Did not use even though they needed to
Sample	Top	28.2%	10.1%
	Middle	13.3%	4.5%
	Bottom	2.6%	2.2%
Industry	Agriculture	14.4%	5.8%
	Retail and marketplaces	31.2%	6.9%
	Fleet and mobility	6.7%	3.9%
	Healthcare	3.4%	0.0%
	Commercial travel	18.4%	11.5%
	Media and technology	23.4%	8.2%
	Manufacturing and construction	1.6%	0.8%
	Professional and facility services	5.6%	0.0%

The retail deficit

Retail and marketplaces have the highest share of companies that said they did not need external working capital. However, this sector also has a notable percentage (6.9%) of companies in need of working capital solutions that did not use it, highlighting potential unmet financial needs. The media and technology and commercial travel industries also show a high percentage of companies not in need of working capital solutions, at 23% and 18%, respectively, suggesting they face challenges with unmet needs.

There is an opportunity for growth for firms with stable cash flows and healthy balance sheets: 31% of Growth Corporates in retail and marketplaces cited lack of need as the reason they did not seek external sources of working capital.

Ninety-seven percent of Growth Corporates that did not find suitable options even though they needed to use financing and 86% of those that did not need it say they plan to use it next year. These projected new users come from all industries and regions surveyed.

Figure 26:
Top performer metrics across the globe
Average DPO and CCC among top performers, by region, industry and revenue

	Did not need to use	Did not use even though they needed to
Sample	**85.9%**	**97.0%**
Industry		
Agriculture	76.7%	100.0%
Retail and marketplaces	89.8%	100.0%
Fleet and mobility	83.8%	85.7%
Healthcare	100.0%	–
Commercial travel	71.9%	95.0%
Media and technology	95.0%	100.0%
Manufacturing and construction	100.0%	100.0%
Professional and facility services	100.0%	–
Region		
North America	67.4%	87.5%
Europe	100.0%	100.0%
APAC	95.2%	100.0%
LAC	87.5%	100.0%
CEMEA	83.7%	96.7%

3

Self-service working capital:

Why on-demand is in demand

Regions and industries with high working capital efficiency **gains year over year more than doubled** their use of corporate and virtual cards.

Flexible solutions

that offer on-demand access to capital at competitive rates are strongly favored.

Invoice factoring and non-bank lending

show declines.

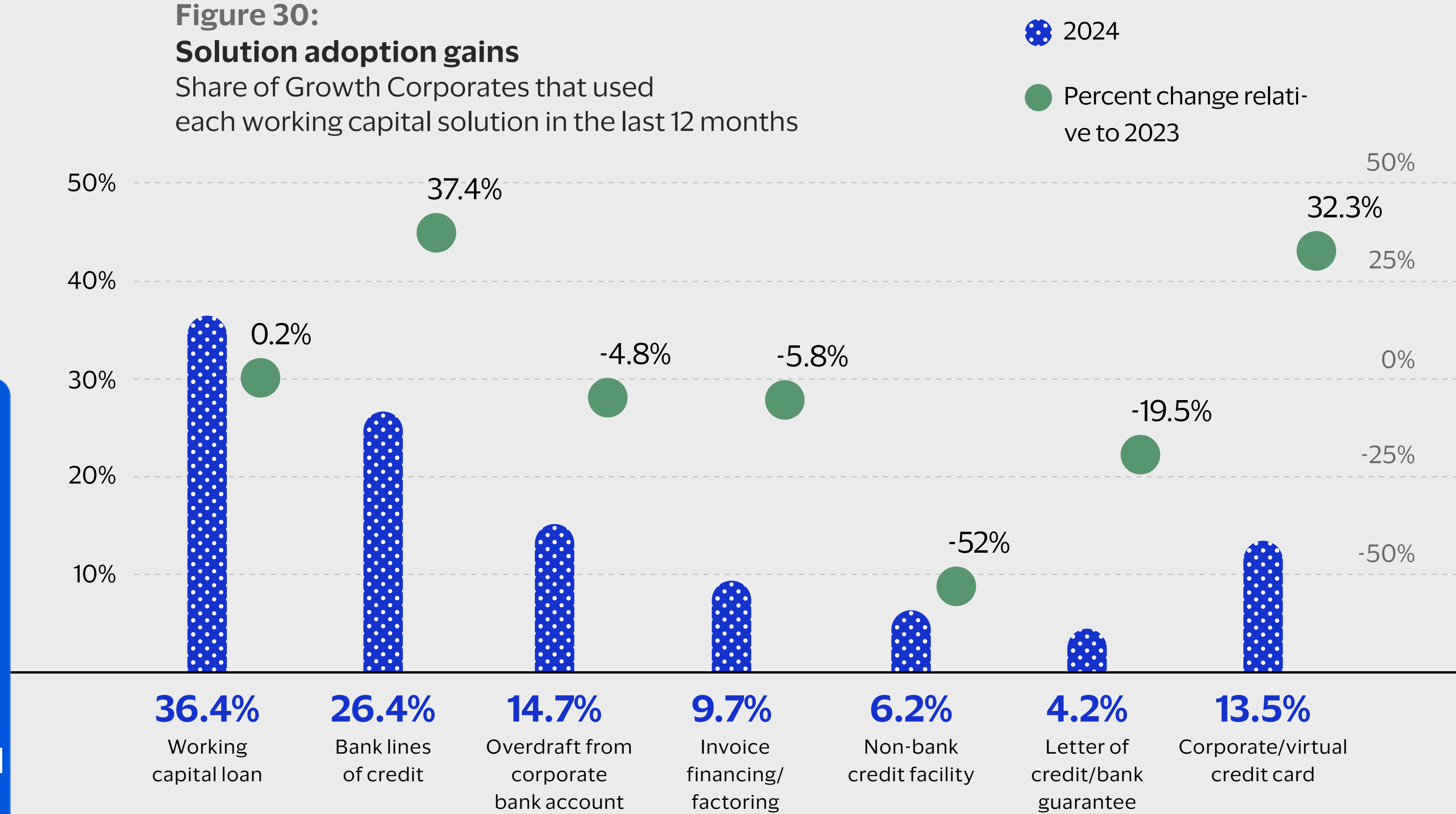
80%

of top performers recognize the versatility of virtual cards to act both as a payables and financing solution.

Just-in-time seems just fine

The use of corporate and virtual cards has risen, with 14% of Growth Corporates using these tools, up from 10% in 2023. Bank lines of credit have also seen increased usage, with 26% of Growth Corporates employing them, compared to 19% the previous year. Conversely, non-bank credit facility usage has declined by half, dropping to 6.2% from 13% in 2023.

Figure 30:
Solution adoption gains
Share of Growth Corporates that used each working capital solution in the last 12 months



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample for 2024; N = 873: Whole sample for 2023; fielded May 21, 2024 – July 9, 2024

Despite their established popularity, traditional working capital loans remain unchanged, with 36% of Growth Corporates using them year over year. This shift underscores a growing preference for solutions that offer operational agility and quick access to funds without the need to apply for a loan when the need for funds presents itself.

“**Virtual cards have revolutionized our payment processes** so that transactions are faster, safer and without the use of paper.”

— Growth Corporate executive

Virtual cards gain preference at the top

Corporate/virtual cards are not only the third-most popular option among top performers but also those that rely on them the most have the highest Index scores, at 54.6. This suggests that these working capital solutions correlate with increased working capital efficiency gains when compared to other flexible on-demand solutions. Bank lines of credit are linked to a lower average Index score of 50.7, largely driven by the fact the solution is often used more tactically.

Figure 31:
Index scores by most used solution
Index scores based on which working capital solution was used

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024

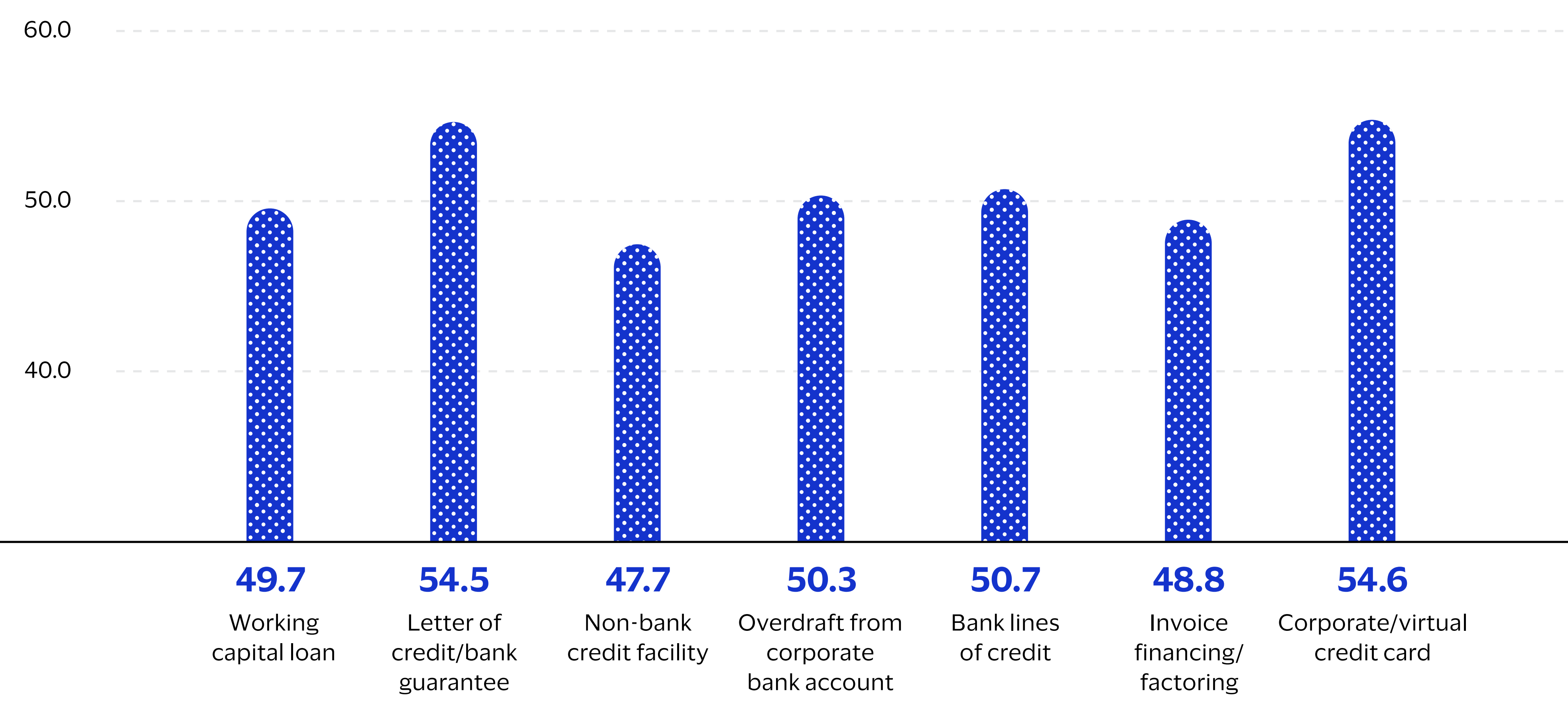


Figure 32:
Use cases by solution
Share of Growth Corporates citing the most important reason for using each working capital solution

	Planned	
	Growth	Cash flow
Working capital loan	41.1%	23.3%
Invoice financing/factoring	34.1%	19.8%
Overdraft from corporate bank account	35.1%	30.4%
Non-bank credit facility	38.8%	17.5%
Bank lines of credit	30.9%	26.8%
Virtual card	40.5%	20.3%
Corporate card	44.7%	25.2%
Letter of credit/bank guarantee	34.5%	25.5%

	Unplanned	
	Growth	Emergency
Working capital loan	10.2%	25.4%
Invoice financing/factoring	5.6%	40.5%
Overdraft from corporate bank account	5.2%	29.3%
Non-bank credit facility	10.0%	33.8%
Bank lines of credit	9.3%	32.9%
Virtual card	8.9%	30.4%
Corporate card	5.7%	24.4%
Letter of credit/bank guarantee	18.2%	21.8%

Emergencies are expensive

Bank lines of credit have become essential for tactical needs, providing fast access to funds for emergencies and unplanned opportunities. One-third of users relied on bank lines of credit for emergencies. But among the tactical options that Growth Corporates use for unexpected cash flow gaps, invoice factoring has the highest likelihood of being used for emergencies, with 41% having used it for this purpose. Invoice factoring options can be costly and carry certain vendor relationship risks, which is perhaps why adoption of this solution diminished by 5.8% alongside overdrafts, which decreased 4.8%. This evolving landscape reflects a clear demand for adaptable financial tools that can support both immediate operational needs and long-term growth strategies.

4

The pivot to personalization:
The one-to-one working capital solution

CFOs and Treasurerswant their bankers to walk the corporate financing talk by **bringing deep industry expertise to working capital conversations.**

Working capital solutions must come with a banker who knows the CFO's business and banking.

Lengthy approval processes hinder access for **5** Out of **8** industries

90% of CFOs and Treasurers reported negative consequences when working capital access was denied or took too long.

Goodbye to one size fits all

Growth Corporates want bankers with both the lending experience and working knowledge of their industry and region to design a working capital solution that fits their business requirements. Growth Corporates emphasize the importance of customized loan products and payment schedules that also sync with their dynamic cash flow patterns.

This feedback suggests a shift from last year toward more personalized, industry-aware banking relationships that can advise Growth Corporates based on their whole business, not a point-in-time need for working capital. This is taken to mean that flexible, on-demand options fit that definition, since in many ways they offer the CFOs and Treasurers the ability to self-direct funds to strategic or tactical purposes as necessary.

> “They need to **understand our specific requirements** and personalize the products according to them.”
>
> — Growth Corporate executive

Make it about me, not you

Growth Corporates in rapidly developing sectors and areas, such as commercial travel and those in LAC, are more likely to seek financing solutions that are digital-first and dynamic. These businesses, operating in fast-evolving sectors, prioritize financial partners that can provide not just less costly capital, but also cutting-edge financial technologies and digital solutions. Such companies value financing options that can enhance their operational efficiency, improve data analytics capabilities or facilitate seamless integration with their existing digital infrastructure.

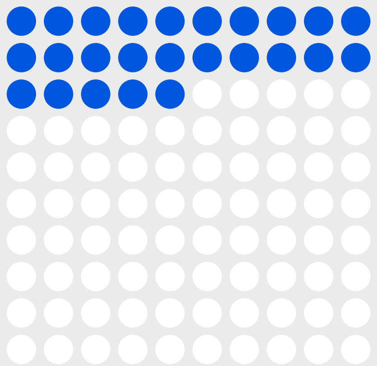
Figure 33:
What different regions want
Share of Growth Corporates citing how their bank can better serve their financing needs, by region

	North America	Europe	APAC	CEMEA	LAC
1	Personalized products or services 24.3%	Better rates and terms 20.4%	Personalized products or services 23.7%	Personalized products or services 22.8%	Personalized products or services 25.2%
2	Better rates and terms 17.0%	Personalized products or services 18.2%	Better rates and terms 19.5%	Better rates and terms 16.7%	Digital and technological Innovations 15.9%
3	Digital and technological Innovations 12.7%	Consultation services 11.8%	Fast and easy application processes 14.3%	Consultation services 11.8%	Consultation services 14.5%
4	Fast and easy application processes 12.0%	Digital and technological Innovations 11.5%	Digital and technological Innovations 13.2%	Digital and technological Innovations 11.0%	Better rates and terms 12.6%
5	Consultation services 11.6%	Fast and easy application processes 10.9%	Consultation services 7.9%	Fast and easy application processes 10.5%	Fast and easy application processes 11.7%

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024

In contrast, Growth Corporates in established industries and markets tend to prioritize reduced cost of capital. These firms often operate in sectors with long-standing players and slower growth trajectories, making cost optimization a key focus for maintaining competitiveness. These Growth Corporates are more likely to be found in Europe, in healthcare and in manufacturing, and they cite better rates and terms at the top of their banker wish lists.

This difference in priorities reflects the distinct challenges and opportunities Growth Corporates face in traditional versus emerging industries, with the latter group placing a premium on financial solutions that can keep pace with their dynamic, technology-driven business environments.



25%

LAC Growth Corporates that want personalized working capital solutions

Growth Corporates globally express a strong desire for personalized products and services, with this need being the top priority in most regions. In North America, 24% emphasize customization, followed by better rates and terms (17%). In Europe, while better rates take precedence (20%), personalized solutions remain crucial (18%). The APAC region mirrors this trend, with 24% prioritizing personalized offerings, yet it also highlights the importance of fast and easy application processes (14%). Similarly, in LAC, personalized services lead, at 25%, indicating a significant regional focus on tailored solutions.

Share of Growth Corporates in Europe

that are most interested in better rates

VISA

Figure 34:
What different industries want
Share of Growth Corporates citing how their bank can better serve their financing needs, by industry

	Agriculture	Retail and marketplaces	Fleet and mobility	Healthcare	Commercial travel	Media and technology	Manufacturing and construction	Professional and facility services
1	Personalized products or services 26.4%	Personalized products or services 24.3%	Personalized products or services 17.2%	Better rates and terms 20.6%	Personalized products or services 27.0%	Personalized products or services 33.9%	Better rates and terms 17.8%	Consultation services 22.5%
2	Better rates and terms 18.8%	Better rates and terms 21.2%	Better rates and terms 16.1%	Consultation services 16.0%	Digital and technological innovations 17.2%	Better rates and terms 15.8%	Personalized products or services 17.8%	Digital and technological innovations 15.5%
3	Digital and technological innovations 14.9%	Digital and technological innovations 14.3%	Consultation services 15.6%	Fast and easy application processes 14.9%	Better rates and terms 13.8%	Fast and easy application processes 11.1%	Consultation services 17.8%	Better rates and terms 14.1%
4	Fast and easy application processes 11.1%	Fast and easy application processes 13.2%	Digital and technological innovations 11.1%	Personalized products or services 13.7%	Fast and easy application processes 9.8%	Digital and technological innovations 9.9%	Fast and easy application processes 11.6%	Fast and easy application processes 14.1%
5	Support for growth and expansion 9.1%	Consultation services 7.9%	Fast and easy application processes 10.6%	Risk management and hedging services 9.7%	Consultation services 7.5%	Support for growth and expansion 9.4%	Digital and technological innovations 10.9%	Personalized products or services 12.7%

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
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Make it digital-first please:

CFOs and Treasurers expect digital applications and tracking features

They can do this by **providing personalized offerings that meet business needs and preferences,** such as reliable people management and seamless digital experiences.

Banks should launch advanced digital solutions to simplify the loan application process and **make it easier to manage our expenses.**

[Banks should] **incorporate digital tools to provide valuable assistance** to organizations in expense tracking, invoice management and other relevant areas.

Across all regions, there is an emphasis on competitive rates and technological innovations, though the specific priorities vary. In LAC, digital innovations rank second (16%), while in CEMEA, consultation services (12%) are highly valued alongside personalized offerings (23%). This underscores the need for financing innovations capable of harnessing strides in digitization and automation to streamline payment flows.

Figure 35:

Obstacles to access

Share of Growth Corporates citing the most experienced drawback when using working capital solutions, by industry

	Sample	Agriculture	Retail and marketplaces	Fleet and mobility	Healthcare	Commercial travel	Media and technology	Manufacturing and construction	Professional and facility services
Cost	**31.1%**	31.3%	43.6%	24.8%	29.6%	35.2%	31.6%	32.5%	16.4%
Getting approval	**29.5%**	32.5%	17.1%	29.2%	35.5%	32.0%	33.3%	22.2%	31.3%
Lender requirements	**18.9%**	24.1%	26.5%	18.0%	11.2%	23.0%	23.1%	10.3%	14.9%
Net terms too short	**8.2%**	5.4%	3.4%	11.2%	11.8%	4.9%	5.1%	12.7%	10.4%
Lack of options suitable for long-term investment	**4.6%**	2.4%	2.6%	5.0%	3.6%	4.1%	2.6%	9.5%	10.4%
Options incompatible with some business partners' operations	**4.5%**	2.4%	5.1%	6.2%	4.1%	0.8%	3.4%	7.1%	9.0%
Requires upfront investment in digitization of operations	**0.7%**	1.8%	0.0%	1.2%	0.0%	0.0%	0.9%	0.8%	0.0%
We have not experienced drawbacks	**2.6%**	0.0%	1.7%	4.3%	4.1%	0.0%	0.0%	4.8%	7.5%

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024

> "We would be happy to have a dedicated account manager who is **knowledgeable about our industry** and can provide individual financial advice and solutions."
>
> — Growth Corporate executive

Trusted advisors who anticipate working capital needs

Ultimately, what CFOs and Treasurers want is a relationship with a commercial banker who is proactive about offering solutions that optimize cash flow and anticipate liquidity challenges before they become a problem.

Who Growth Corporates trust varies somewhat by industry. Bankers, accountants and working capital consultants top the list of trusted advisors of working capital solutions across the globe. Yet some industry differences remain. The retail and marketplaces industry, which has one of the highest shares of non-users of external solutions, tends to seek advice from suppliers in firms' networks and working capital consultants.

Top performers seek recommendations from a wide range of established advisors, with bankers and accountants among their top choices. It is worth noting that top performers cast a wide net when seeking working capital advice, and are twice as likely as bottom performers to trust their credit card networks and buyers they work with for advice and solutions.

By engaging with these firms, banks can help uncover untapped growth opportunities, demonstrating how strategic use of financing can accelerate expansion, fund technological advancements or facilitate market entry — all without compromising their financial stability. This proactive approach not only benefits the companies by revealing new paths for growth but also allows financial institutions to cultivate valuable long-term relationships with potentially high-performing clients.

Figure 35:

Obstacles to access

Share of Growth Corporates citing the most experienced drawback when using working capital solutions, by industry

	Agriculture	Retail and marketplaces	Fleet and mobility	Healthcare	Commercial travel	Media and technology	Manufacturing and construction	Professional and facility services
Banker	53.8%	53.4%	36.7%	37.1%	55.2%	46.2%	28.7%	29.6%
Accountant	34.1%	41.8%	56.7%	61.1%	40.8%	40.9%	59.7%	49.3%
Working capital consultants	42.3%	50.8%	33.3%	41.1%	37.9%	40.4%	37.2%	39.4%
Credit card network	24.0%	16.9%	7.8%	5.7%	21.3%	32.7%	3.9%	1.4%
Buyers we work with	17.8%	15.9%	8.3%	2.3%	15.5%	18.1%	5.4%	1.4%
Big Tech platform	11.1%	14.8%	7.2%	6.3%	11.5%	28.7%	7.8%	11.3%
Suppliers we work with	36.1%	42.3%	16.7%	10.3%	21.3%	21.6%	10.9%	0.0%
Current corporate bank contact	14.9%	9.0%	27.2%	29.7%	14.9%	11.7%	24.8%	26.8%
Non-bank lender	13.5%	9.5%	7.8%	5.7%	10.9%	13.5%	13.2%	4.2%
We do not get advice from anyone when making this decision.	0.0%	0.0%	0.6%	0.0%	0.0%	0.6%	1.6%	0.0%

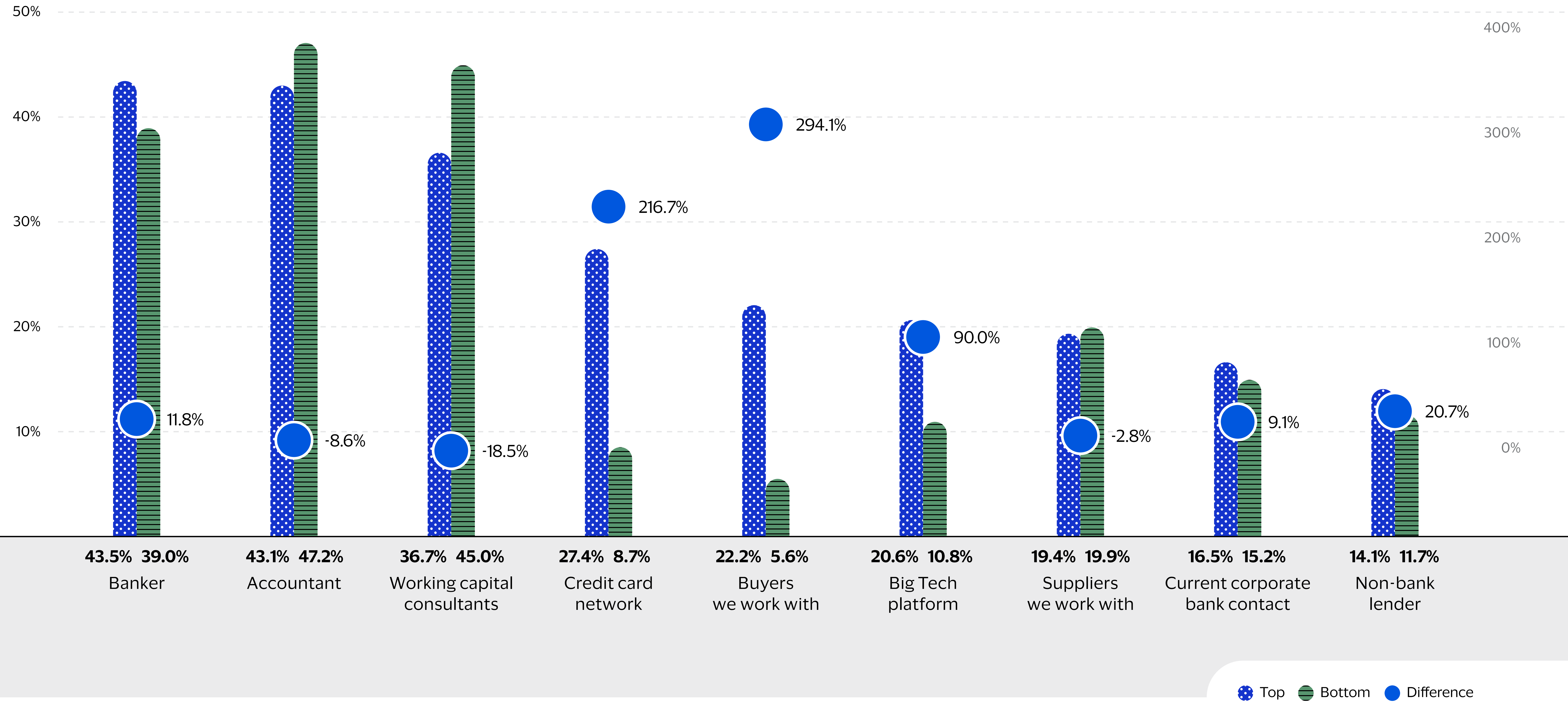
Source: PYMNTS Intelligence

Growth Corporates Working Capital Index 2024-2025, September 2024

N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024

Figure 37:
Top performer advisors
Share of Growth Corporates that seek working capital financing advice from select agents, by performance tier

Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024



5

Glass half full:
CFOs share optimistic view of future growth and role of working capital

Growth Corporates remain bullish on leveraging working capital to fund strategic growth in 2025

A consistent need around the globe

Retail and marketplaces Growth Corporates are projected to increase their external working capital use by 47%, reaching 91% of users, as are Growth Corporates in media and technology, with a 36% projected increase in utilization. Regionally, especially in CEMEA, users of working capital solutions are projected to increase by 25% and reach 85% of CFOs and Treasurers.

Ninety-seven percent of those that needed but did not find suitable solutions expect to use them in the next year, as do 86% of Growth Corporates that did not need to tap working capital in 2024. The projected gains reflect an opportunity for providers of external working capital to improve their offerings and better align them with what the underserved need and what those in the strongest cash flow position want.

Working capital solutions are set to increase in 2025, especially for:

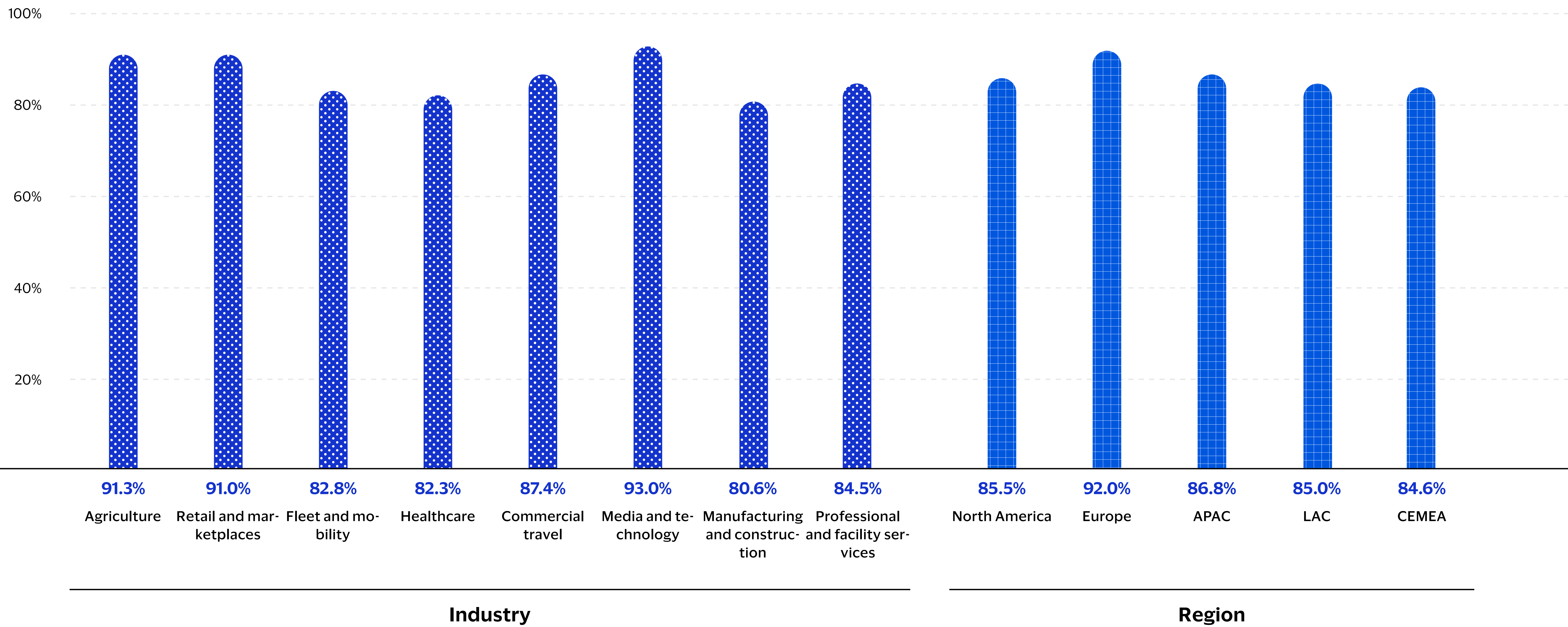
Commercial travel	Media and technology	Retail and marketplaces
25%	36%	47%

Business expansion tops the list of working capital solution use cases.

Corporate/virtual cards favored by top performers
3.5 times
more than their lower-performing counterparts.

VISA

Figure 38:
Projected utilization
Share of Growth Corporates likely to use at least one working capital solution in the next 12 months, by industry and region



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
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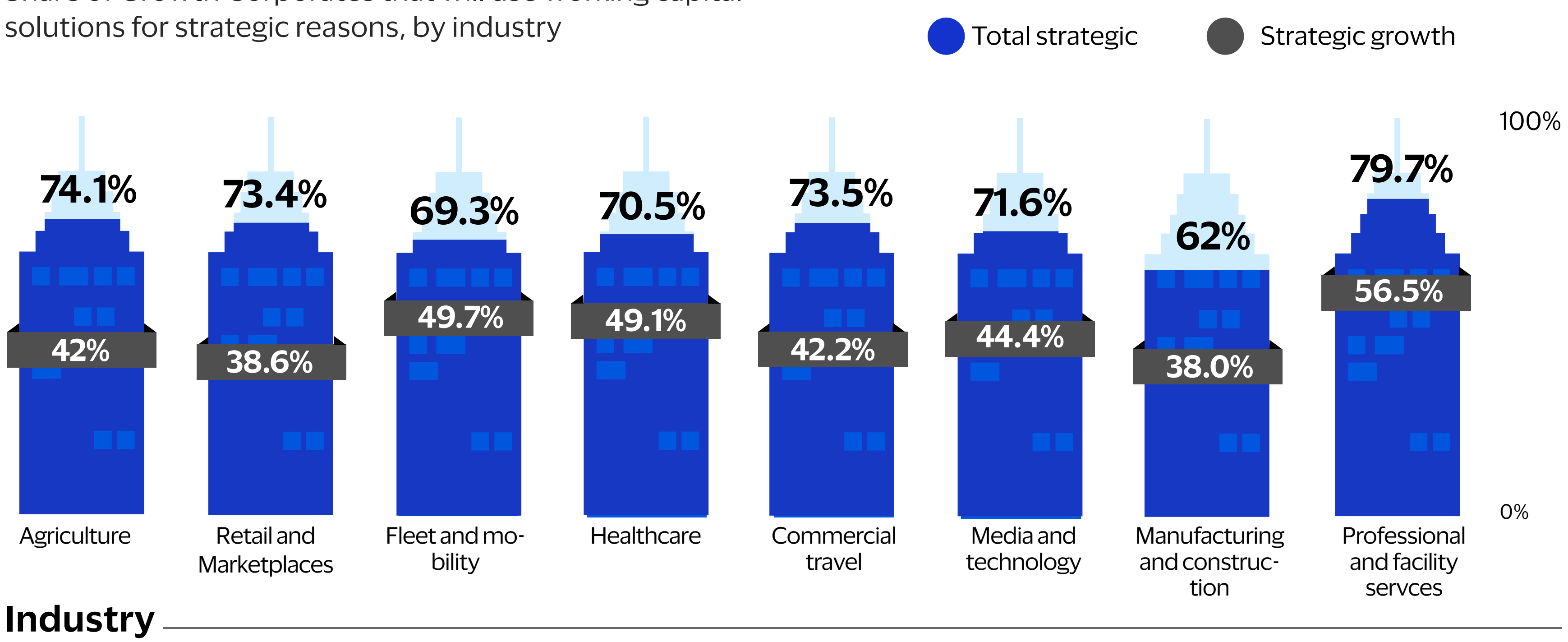
Increases in utilization planned

Growth Corporates plan to use external working capital more in 2025 and expect to use it more strategically than they did in 2024. Eight in 10 CFOs and Treasurers in professional and facility services expect to use solutions strategically and 57% expect to use them to drive business growth. Commercial travel and retail/marketplaces also show high rates of projected strategic users (73% and 74%, respectively), albeit not only for growth but also to cover seasonal financing needs. Fleet and mobility, healthcare and professional/facility services are leading the charge, with half or more planning to use working capital solutions to drive growth.

Figure 39:
Strategic projections
Share of Growth Corporates that will use working capital solutions for strategic reasons, by industry



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
N = 1,297: Whole sample, fielded May 21, 2024 – July 9, 2024

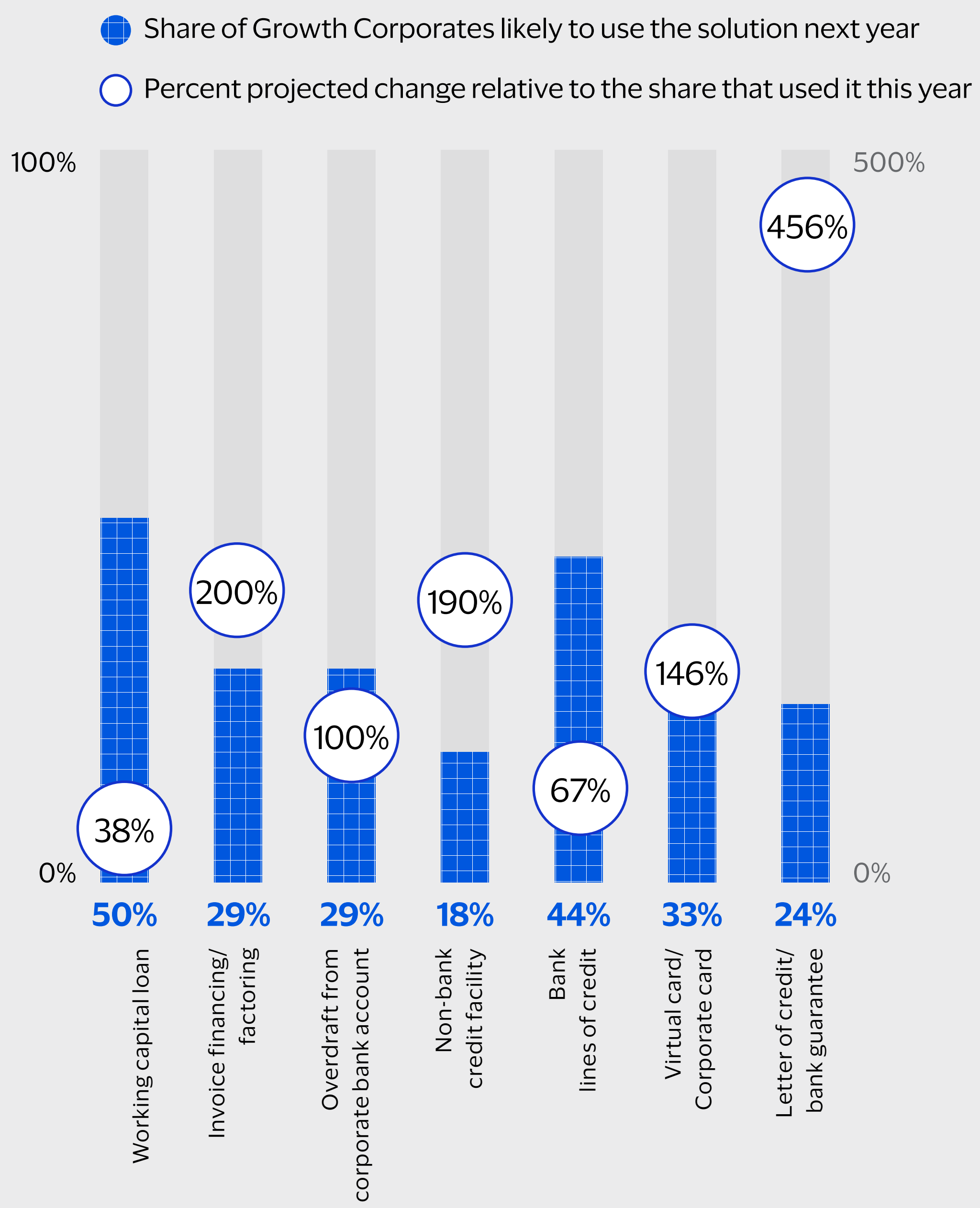
"Total strategic" uses include both planned cash flow gaps as well as planned growth initiatives.
"Strategic growth" includes planned growth initiatives, investments, and upgrades.

What's next: Working capital on demand

The most flexible solutions offer the ability to tap into external working capital for whatever strategic or tactical purpose is most relevant at that point and exactly when the CFO or treasurer deem it optimal. Solutions with revolving credit, such as bank lines of credit and cards, offer this capability, alongside other options that may be associated with higher costs, such as overdrafts.

Virtual card use is projected to double next year, compared to bank lines of credit, with a projected increase of 67%. In addition to their flexibility, virtual accounts also come with enhanced tracking features, improving cash flow predictability.

Figure 40:
Projected solution adoption
Share of Growth Corporates planning to use each working capital solution in the next 12 months



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
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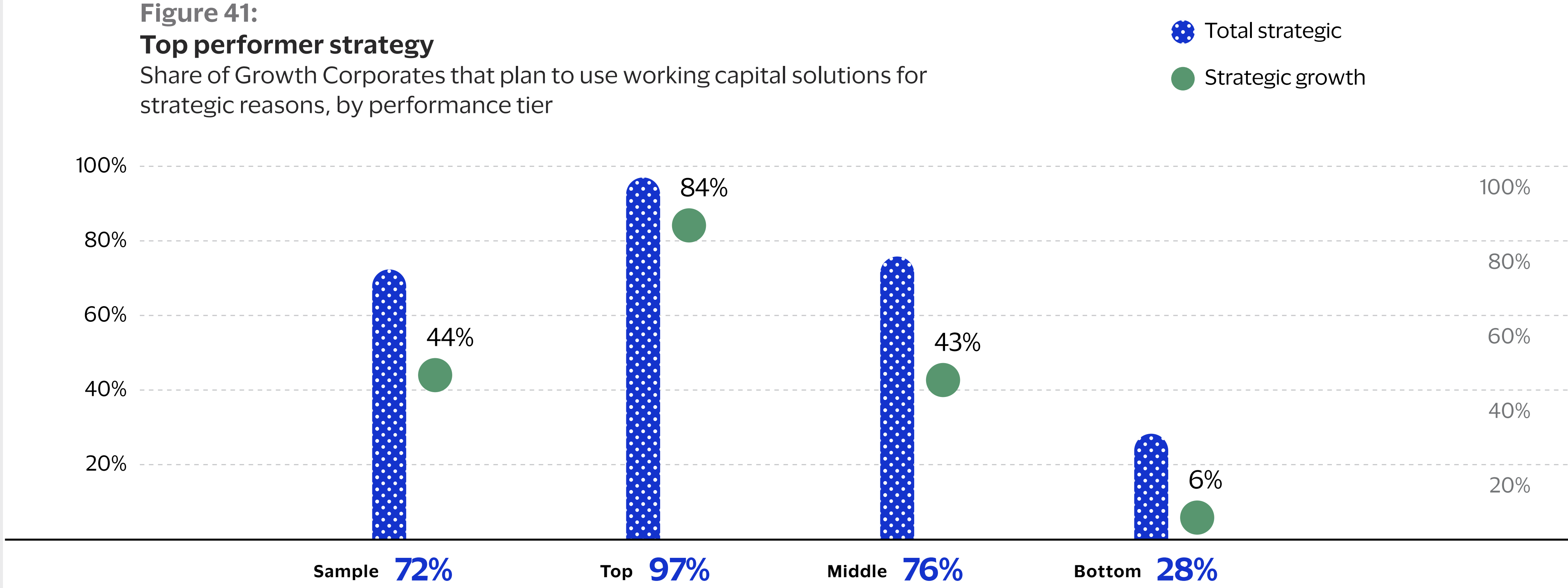
Top performers with unique preferences

With 29% of top performers expecting to use corporate cards and 25% planning to utilize virtual cards, the most working capital-efficient businesses are embracing flexible financing tools to manage cash flow and capitalize on opportunities. By prioritizing on-demand financing suitable for strategic purposes, top performers position themselves to swiftly adapt to market changes, outmaneuver competitors and drive sustained growth. Notably, top performers are 3.5 times more likely than their lower-performing counterparts to leverage working capital solutions for strategic purposes, with 97% planning to do so next year. This highlights their focus on using financing not just for immediate needs but as a deliberate strategy to fuel business growth.

Figure 41:
Top performer strategy
Share of Growth Corporates that plan to use working capital solutions for strategic reasons, by performance tier



Source: PYMNTS Intelligence
Growth Corporates Working Capital Index 2024-2025, September 2024
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Conclusion

The 2024-2025 Growth Corporates Working Capital Index builds on last year's findings to showcase substantial advancements in working capital efficiency. Driven by enhanced cash visibility and optimized capital management strategies, these improvements underscore the value of flexible working capital solutions.

A look inside the 2024-2025 highlights: Growth Corporates Working Capital Index

Last year

In 2023, the first year of the Working Capital Index, we found evidence that Growth Corporates worldwide use working capital to position their companies for growth, to take advantage of opportunities as they arise and to create stronger buyer/supplier relationships.

This year

This year, the 2024-2025 Growth Corporates Working Capital Index highlights significant improvements in working capital efficiency among Growth Corporates. We expanded our analysis to three more industries and found evidence that better cash flow visibility coupled with leveraging external working capital strategically contributes to better metrics and outcomes for the business, as well as the broader ecosystem.

Top performance

The Growth Corporates with the highest working capital efficiency as measured by the Working Capital Index — top performers — leveraged flexible and strategic working capital solutions like corporate and virtual cards, resulting in 51% shorter cash conversion cycles and average bottom line benefits of $11 million, a 300% increase from 2023. Notably, agriculture drove a 17% index surge in North America, while healthcare led 16% gains in Europe and APAC, and retail drove 26% gains in CEMEA.

Future outlook

Looking ahead to 2025, the outlook remains positive for Growth Corporates. More companies expect to use corporate virtual cards and working capital solutions to handle a world in which supply chains, borrowing costs and the global economy are still of concern. The most efficient companies expect further improvements in their metrics and 97% of them expect to use external working capital strategically.

“**CFOs continue to balance the demands of strategic growth, while maintaining healthy cash flow requirements to ensure stability and resiliency.** With recent U.S. economic data and associated conversations signaling continued upcoming rate cuts, the near-term economic outlook continues to be quite positive.

This positive outlook and lowering of rates, however, does not necessarily translate to an immediate reduction in the cost of capital for middle market corporations. The strategic utilization of working capital solutions will continue to be a competitive advantage for organizations seeking efficient outcomes like better cash flow predictability and more negotiation power for discounted supplier rates.

This year’s Index provides deep, valuable insights into how the middle market is navigating shifting market conditions to optimize growth potential. I expect that these findings will serve as a useful resource for middle market CFOs as they evaluate and reevaluate their financial strategies for 2025 and beyond.”

— Wayne Best
Chief Economist, Visa

VISA

Survey and Index Methodology

The 2024-2025 Growth Corporates Working Capital Index, a report Visa commissioned PYMNTS Intelligence to conduct, is based on a survey of 1,297 CFOs and Treasurers across eight industry segments, five global regions and 23 countries between May 21 and July 9.

The questionnaire included 38 questions on business metrics, utilization of external working capital, plans for the coming year, perceptions of future macroeconomic conditions and other survey concepts. The survey was administered via phone interview with verified CFOs and Treasurers of companies operating within the eight selected segments: healthcare, agriculture, commercial travel, fleet and mobility, marketplaces/retail, manufacturing/construction and professional/facility services.

PYMNTS Intelligence conducted this study as a double-blind study. Participants, who were unaware of who was sponsoring or conducting the study, were anonymous to the analysts who aggregated their responses into summary statistics for analysis and to Visa. Respondents in year one of the study are not the same respondents as those surveyed in year two.

The study produced 2.5 million data points, capturing an in-depth view of the working capital use cases and expectations of the 1,297 CFOs and Treasurers surveyed. PYMNTS Intelligence used regression analysis to identify the key performance indicators that have the greatest influence on firms' operational efficiency as it relates to using external working capital solutions compared to cash generated by operations — particularly, reductions to DPO. The regression identifies factors that are associated with a higher probability of reduced DPO, including using working capital for strategic reasons, having better cash flow predictability, integrating more suppliers into payment systems and paying suppliers earlier than due.

Based on how well a firm reflects these characteristics, they were assigned a score ranging from zero to 100, with a higher score indicating a higher propensity for reduced DPO within the next 12 months. The firms scoring in the top and bottom 20% of the Index were then classified in the respective top and bottom performance tiers.

Overview of industry segments

Healthcare

- Drug manufacturing
- Biotechnology
- Medical and dental providers
- Claims processors
- Research and development

Agriculture

- Food processing
- Farming or agricultural producer
- Agricultural service provider (crop management, consulting, training, agricultural equipment, etc)
- Fertilizer manufacturing
- Agricultural trading company

Commercial travel

- Travel management
- Corporate travel agency
- Online bookings
- Meetings and events

Fleet and mobility

- Logistics
- Energy companies
- Automotive manufacturing
- Shipping
- Fuel supply and distribution

Retail and marketplaces

- Clothing, shoes or accessories
- Luxury items (jewelry, watches, etc.)
- Consumer electronics
- Appliances
- Food and beverage

Media and technology

- Computer services and software
- Advertising
- Cybersecurity
- Publishing (newspaper, magazines, books)
- Cable and internet providers

Manufacturing and construction

- Food, beverage or tobacco manufacturing
- Residential construction
- Non-residential (industrial/commercial/institutional) building construction
- Apparel manufacturing
- Electrical equipment, appliance, and component manufacturing

Professional and facility services

- Asset management
- Computers and information technology
- Property management
- Maintenance
- HR consulting

About

VISA

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network — enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit www.visa.com, https://usa.visa.com/solutions/visa-business-solutions.html and Visa Commercial Solutions: Overview | LinkedIn.

PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts, and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

The PYMNTS Intelligence team that produced this report

Karen Webster
CEO

Scott Murray
SVP and Head of Analytics

Yvonni Markaki, PhD
SVP, Data Products

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