Deloitte.

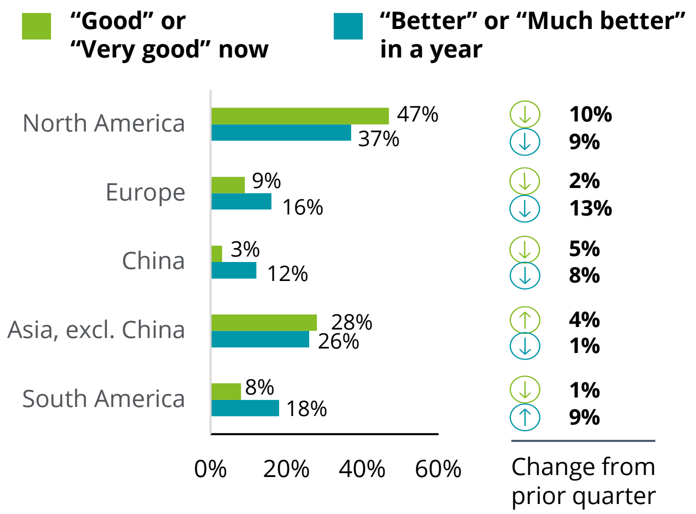
The CFO Program

North American CFO Signals™ 4Q 2023 highlights

In this quarter's survey CFOs dialed down their 12-month outlook for economic conditions in most regions tracked by *CFO Signals* compared to 3Q23. They also indicated lower year-over-year (YOY) growth expectations for earnings, revenue, and other key metrics. Little wonder their 2024 priorities are financial performance, growth—both organic and inorganic—and cost management.

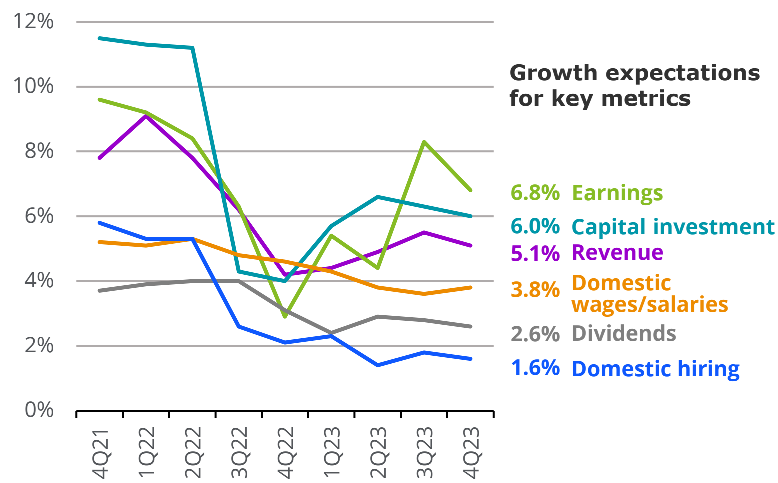
Regional economic assessments

CFOs notched down their assessments of current economic conditions in North America, Europe, China, and South America this quarter. Looking 12 months out, they also lowered their assessments of economic conditions in all regions, except South America,



Company growth expectations

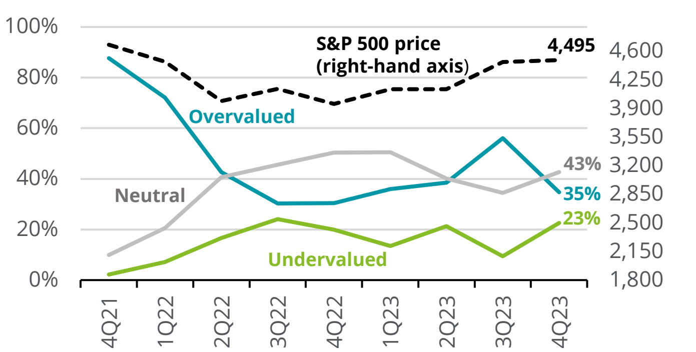
Domestic wages/salaries is the only metric tracked by *CFO Signals* for which CFOs raised their expectations for YOY growth, inching up slightly to 3.8% from 3.6% in the prior quarter. For the other metrics, CFOs expect lower year-over-year growth, compared to 3Q23.



Capital markets assessment

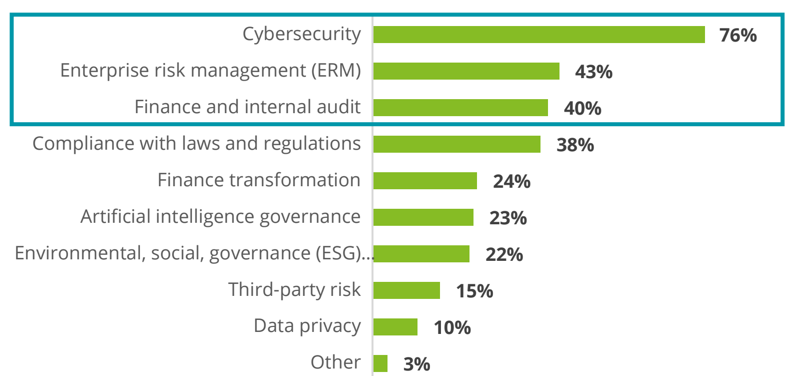
How do CFOs regard US equity market valuations? (N=124)

Percent of CFOs saying US equity markets are overvalued, undervalued, or neither. (Responses are compared to S&P 500 at survey midpoint)



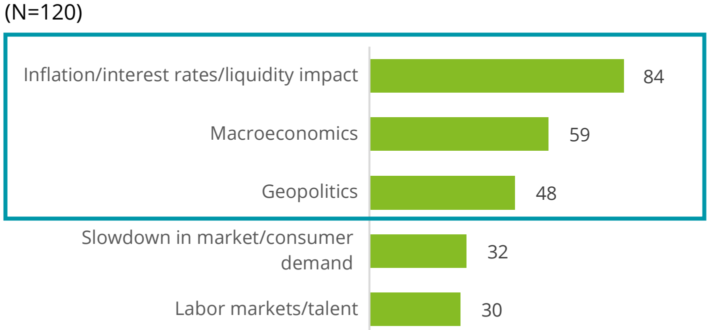
Audit committee priorities

Given the current risk environment, what are the top three priority areas (beyond financial reporting and internal controls) for the audit committee in the next 12 months? (N=117)



Performance constraints

What three factors could most constrain your company's ability to achieve its financial performance goals in the next 12 months? (N=120)



Finance priorities

As CFO, what are your top three priorities for 2024? (N=124)

Fielded November 6 – 22, 2023, CFO Signals had 124 CFO participants from the U.S., Canada, and Mexico, the vast majority from companies with more than $1 billion in annual revenue.

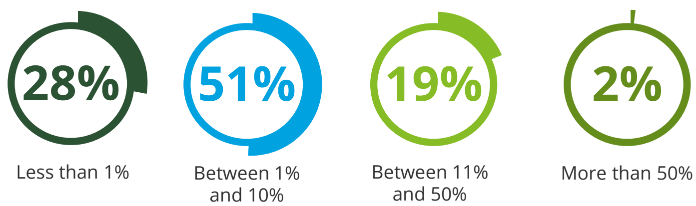
North American CFO Signals™ 4Q 2023: Special topics: M&A and plans/expectations for 2024

CFOs' views point toward some possible bright spots, with 34% expecting the average number of deals their companies close to increase and 67% planning to allocate or reallocate capital to new business investments over the next 12 months. Moreover, 80% of CFOs expect their companies to embed more automation/digital technologies into their operations in the coming year.

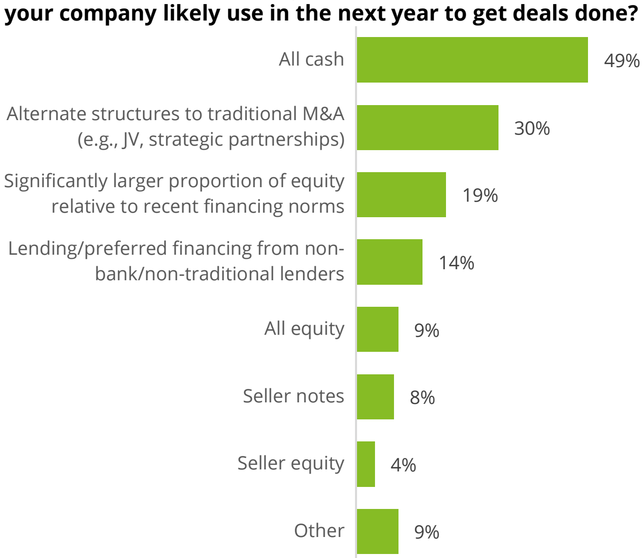
If you plan to pursue M&A and joint venture (JV) opportunities, what best describes your company's top two M&A strategies? (N=98)

Do you expect the average number of deals that your company closes to increase or decrease over the next 12 months? (N=116)

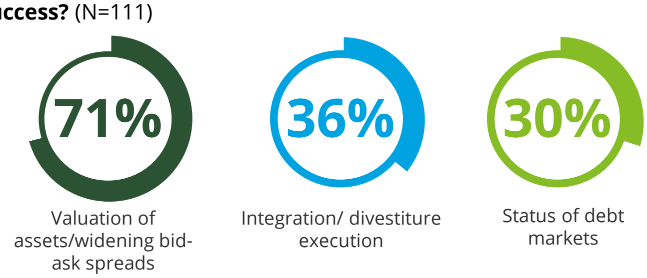
What percentage of your company's growth in the next three years do you expect to come from M&A? (N=122)



Which alternative financing vehicles (to traditional bank debt) will your company likely use in the next year to get deals done? (N=99)



What are your company's top three challenges to M&A or deal success? (N=111)



What are your expectations for your organization in 2024? (N=123)