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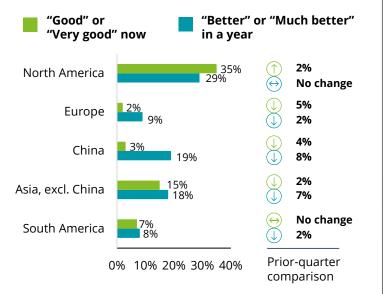
The CFO Program

CFO Signals[™] 4Q 2022 highlights

This quarter's survey provides a preview into what CFOs expect in 2023, including substantially higher costs and greater use of automation and digital technologies for operations. In the year ahead, more than half of CFOs are making cost management and financial performance their top two priorities, and slightly more than one-third plan to prioritize organic and inorganic growth.

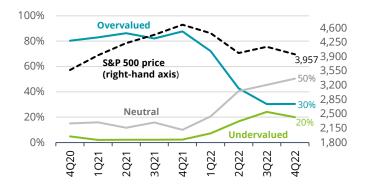
Regional economic assessments

CFOs lowered their outlooks for regional economies in a year, with the exception of North America, which stayed flat from 3Q22.



Capital markets assessment

How do CFOs regard US equity market valuations? Percent of CFOs saying U.S. equity markets are overvalued, undervalued, or neither. (Responses are compared to S&P 500 at survey midpoint)



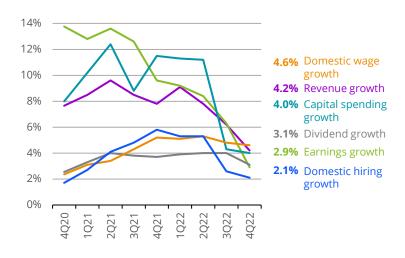
Internal risk concerns

Talent—mostly retention but also attraction and hiring—remains a top internal risk for CFOs, followed by prioritization and execution.



Company growth expectations

The greatest drop-offs this quarter were in revenue and earnings at 4.2% and 2.9%, respectively, down from 6.2% and 6.4% in 3Q22.



Risk appetite

More than one-quarter (29%) of CFOs say now is a good time to be taking greater risks, far below the two-year average of approximately 50%.



External risk concerns

Geopolitics and instability stood out—even more so than inflation or recession—as the external risk worrying CFOs most.



Fielded November 7-21, 2022, CFO Signals had 126 CFO participants from the U.S., Canada, and Mexico, the vast majority from companies with more than \$1 billion in annual revenue.

CFO Signals[™] 4Q 2022: Special topic – 2023 priorities, plans, and hopes for policy

As CFO, what are your top three priorities for 2023? (N=126*) For 2023 CFOs plan to focus their efforts on cost management (52%) and financial performance (50%), after a year marked by soaring inflation, rising interest rates, the Russia-Ukraine war, and the threat of recession.



What could most constrain your ability to achieve your financial performance goals in 2023? (N=109*)

One in three CFOs indicate economic challenges and a possible recession as the major constraint to their companies' achieving their financial performance goals next year.



In which policy areas would your company like to see the U.S. Administration and Congress provide clarity or make changes first? (N=125*)

When it comes to policies for which CFOs' companies would like the U.S. Administration and Congress to provide clarity or make changes first, energy tops the agenda.



What are your expectations for your organization in 2023? (N=125*)

Strongly disagree

25%

28%

20%

29%

21%

69%

14%

15%

4%

4%

21%

11%

3%

17%

Strongly agree

46%

24%

36%

40%

9%

17%

23%

3%

21%

Growth

Our range of products/services will expand

We will raise our focus on new markets inside N. America

We will raise our focus on new markets

We will raise prices for a substantial portion of products to offset inflation

outside N. America

Capital

We will hold significantly more cash

We will consider a stock split

We will seek to reduce our cost of capital

We will increase our investment in ESG initiatives

We will allocate/reallocate capital to new business investments

We will repurchase/pay down a significant proportion of our bonds/debt

We will take on new debt

We will repurchase shares

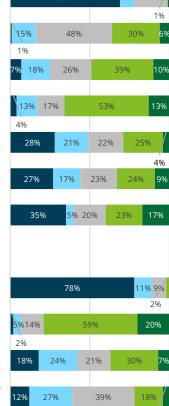
Operations

We will increase our use of digital currencies for transacting business

We will embed more automation/digital technologies into operations

We will have a smaller real estate footprint

We will increase outsourcing of operations



Strongly Somewhat Neither agree Somewhat disagree disagree nor disagree agree



4%

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