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2025 CFO Spring Survey

Navigating volatility, leading with insight

Introduction

The world has changed significantly since we launched our last survey back in December. The global economy has continued to shift and evolve, with rising geopolitical tensions and a renewed focus on competitiveness across Europe.

Our Winter survey detected a rising sense of caution among Irish finance leaders, and we can now see that the impact of these market headwinds is becoming tangible for Irish businesses, with forecasted revenues and financial prospects falling sharply as a result.

When looking to the next twelve months, CFOs are bracing themselves for further external disruption – with the economic outlook and geopolitical risk cited as the top risks to business, alongside cyber threats. Both sales and supply chains are expected to be impacted, with over 60% of those surveyed facing high levels of uncertainty.

As pressure builds on operating margins, cost control and defensive strategies are key priorities and risk appetite amongst CFOs continues to be low, with 86% believing it is not an opportune time to take on greater risk.

Despite this, Irish businesses are continuing to focus on remaining competitive in the marketplace – with a planned increase in capital investment above the European average. CFOs are also prioritising retaining and growing their workforce, with less than 14% planning to decrease headcount in Ireland, compared to 35% across Europe.

This commitment to strategic investment includes a continued focus on digital transformation, as senior leaders look to build efficiencies and gain real-time insights to inform their decision making. It is encouraging to see that, following the publication of the EU's Omnibus changes to the Corporate Sustainability Reporting Directive, CFOs also plan to continue their investment in sustainability and ESG initiatives – recognising the demand from consumers and value of transition planning.

Amid continued volatility, finance leaders must remain future-focused and balance immediate cost-led measures with strategic investment to drive growth and remain competitive.

Tom Hynes
Partner
Finance Transformation

CFOs feeling less optimistic about Irish economy

Winter	24%
Spring	66%

Is this a good time to take more risk on to your balance sheet?

	Yes	No
Ireland	14%	86%
Europe	18%	82%

Unprecedented levels of uncertainty across Europe

We are seeing a growing sense of unease in the market, with 43% of CFOs saying that they are less optimistic about their company's financial prospects than they were three months ago. This is a 15% increase on our Winter 2024 survey and is higher than the European average of 33%.

The number of finance leaders reporting high levels of uncertainty has also increased from 37% to 60%, which reflects the wider trend in Europe.

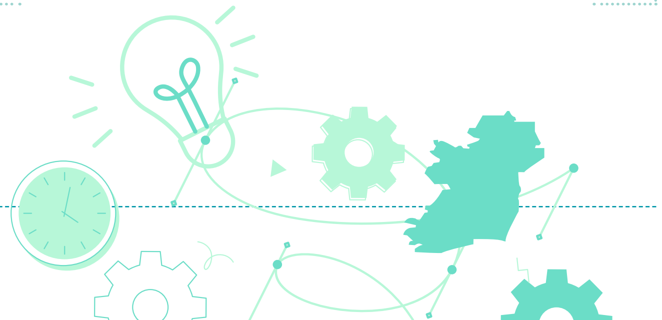
Geopolitics is now ranked among the top three risks in 86% of countries surveyed in this year's European survey - the highest level recorded since Deloitte began the survey in 2015, and surpassing even the levels seen at the onset of Russia's invasion of Ukraine in early 2022. This heightened concern is driven by ongoing global tensions, including trade disputes, regional conflicts, and shifting alliances.

Economic outlook/growth concerns have also resurfaced, with 57% of countries citing slow growth, inflation, and tighter monetary policies as key risks in Spring 2025. Additionally, cyber risk has risen in prominence, reflecting the impact of increasingly sophisticated cyberattacks and greater dependence on digital infrastructure, which is prompting increased investment in cybersecurity.

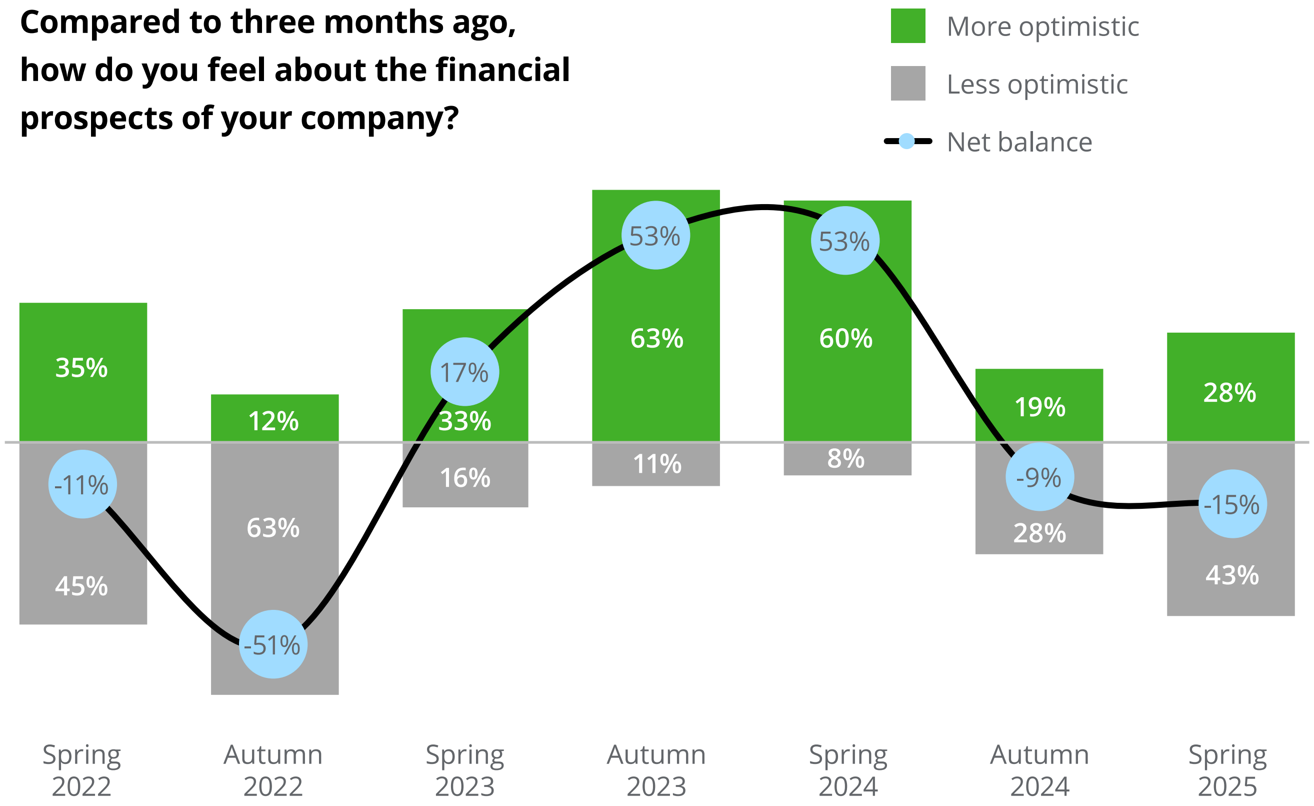
Together, these elements influence the risk environment that Irish companies will face in the upcoming months. With external factors continuing to dominate, CFOs will need to navigate these less controllable factors by building resilience and agility within their organisation.

Top risks for Irish businesses

Economic risk	83%
Geopolitical risk	80%
Cyber risk	74%
Shortage of skilled professionals	51%
Increasing regulation	46%



Compared to three months ago, how do you feel about the financial prospects of your company?



> Trade protectionism and renewed geopolitical risk are clearly weighing on CFO sentiment. The vast majority of Irish CFOs now expect tariffs and global tensions to directly affect their operations, and optimism has fallen sharply compared to last year.

Tom Hynes
Partner
Finance Transformation

Spotlight on... economic outlook

A significant change to global trade policy, spurred by changes to tariff policies in the United States, has created an uncertain path for the global economy. Despite the resilience displayed to date in Irish economic growth, Ireland – as a small, open economy - is particularly vulnerable to changes in global trade and economic growth within our key trading partners.

At the time of writing, the halfway mark for the 90-pause on 'reciprocal tariffs' has passed. At present, tariffs of 10% are applied to most countries, including the EU, with some specific products such as steel, aluminium, and autos, remaining at 25%. However, will this remain the case beyond July 9th?

These high tariffs, along with economic uncertainty, are likely to drive a slowdown in economic growth. Recent forecasts released by the European Commission, modelled using tariffs as they currently stand, reflect this reduced outlook. The US is now forecasted to grow by 1.6% in 2025, down from 2.1% in previous forecasts. Similarly, the Euro Area's economy is expected to now grow by just 0.9% in 2025, compared to 1.3% in previous forecasts.

For Ireland, the Department of Finance suggests growth will remain this year, with growth of 4.0% in GDP, 2% in Modified Domestic Demand and 1.75% in employment levels.
Ireland has entered 2025 in a strong position, with steady employment and real income growth anticipated to underpin consumption levels. Frequent data points such as household savings rates and sentiment will be useful in understanding if the uncertainty further tempers the pace of consumer spending and domestic growth.

Kate English
Chief Economist

Geopolitical risks begin to hit sales forecasts

While the outlook on US trade remained uncertain as this report went to print, CFOs were already bracing for an immediate impact on business operations as a result of shifts in the geopolitical landscape.

Almost half (46%) of Irish CFOs anticipate that geopolitical risks will significantly or somewhat affect future sales, while 34% believe that these risks will have a limited impact. This is slightly below the European average, with 53% expecting some or great impact.

In terms of supply chains, 40% of CFOs believe that the influence of geopolitics will be significant, with 12% expecting a major impact and 28% considering it to have a moderate effect.

Across Europe, CFOs are focusing on strategies such as expanding or developing geopolitical departments and expertise, reviewing opportunities in new free trade zones, and reassessing or relocating production sites to mitigate these risks. Scenario analysis and impact assessments were the top actions planned by finance leaders (39%), as well as integrating trade policy risks into corporate planning (25%).

As the situation continues to evolve, this is an opportunity for CFOs to review their operations and strategic priorities with a view to creating further value and building resilience.

To a great extent
To some extent
To a limited extent
Not at all

Expected impact of geopolitical risk

Supply chain:

	Ireland	Europe
To a great extent	12%	8%
To some extent	28%	39%
To a limited extent	45%	44%
Not at all	15%	9%

Sales:

	Ireland	Europe
To a great extent	12%	8%
To some extent	34%	45%
To a limited extent	37%	41%
Not at all	17%	6%

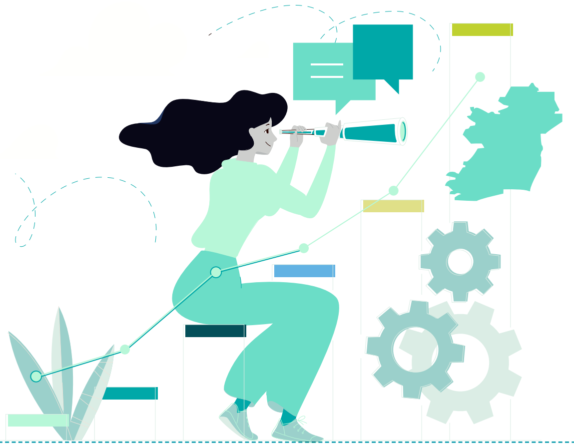
Cost reduction emerges as key focus

Despite a general decline in sentiment, Irish CFOs remain confident about revenue growth, with this outlook holding steady over the past year. 45% of finance leaders are anticipating an increase in their revenues over the next 12 months, slightly lower than the European average of 52%.

However, there is downward pressure on operating margins, with optimism in this area falling from 37% in Autumn 2024 to 24% in Spring 2025. In contrast, European CFOs are divided on the outlook over the next 12 months, with equal proportions expecting increases (33%), decreases (32%) and anticipating no change (35%) - a trend that has remained stable in the last six months.

This drop in confidence in Ireland can be linked to high inflation rates and increasing costs related to energy and labour, and has resulted in cost reduction topping the list of strategic priorities for CFOs – with a view to streamlining operations and protecting margins.

Finance leaders do plan to cautiously increase capital expenditure, with 36% intending to raise their CAPEX in the coming year. This sentiment has been stable for the last two years, indicating a persistent dedication to promoting growth and expansion. Over the next 12 months, defensive strategies, focusing on organic growth, cost-cutting measures and assessing supply chain efficiencies will continue to be prioritised.



CFO forecast

	Ireland	Europe
Increase in revenues	45%	52%
Increase in CAPEX	36%	30%
Increase in operating margins	24%	33%
Increase in employees	28%	23%

Spotlight on... value creation

Cost optimisation remains a top priority for CFOs who seek to navigate the demands of digitization and talent retention while identifying opportunities for value creation and operational improvements. However, organisations often find themselves trapped in a cycle of reactive, short-term cost-cutting measures that yield limited and unsustainable results. To break free from this pattern, CFO's must transition from viewing cost management as a periodic exercise.

To achieve sustainable cost resilience, CFOs need to adopt a strategic approach to cost optimisation. This involves embedding cost management as a core competency and continuous process within their organisation and investing in technologies that enhance efficiency and drive long-term value. Leveraging data analytics can provide deep insights into spending patterns, helping to identify areas for improvement and ensuring that resources are allocated effectively. By fostering a culture of cost consciousness and accountability, CFOs can ensure that every expenditure is scrutinised for its contribution to the organisation's strategic goals.

Furthermore, effective CFOs are leveraging the growth potential of cost controls and ensuring that funding is directed to where it has the greatest impact. By instilling these practices into the organisational mindset, CFOs can lead their companies towards greater resilience and success in the face of economic uncertainties.

Derek Murphy
Managing Director
Value Creation

Efficiencies and sustainability top investment agenda

Irish businesses are seeing their CFOs make strategic adjustments to their investment approach, including the digitisation and technological transformation of essential business functions.

Investments are being prioritised in areas such as enhancing efficiency (49%), developing talent (40%), digital transformation (40%), and sustainability/ESG (40%).

Digital transformation has been a consistent priority in recent years, underscoring the critical role of technology including AI, automation, and digital platforms in maintaining competitiveness and operational agility. This is a trend throughout Europe, with 47% of firms planning to increase investment in this area.

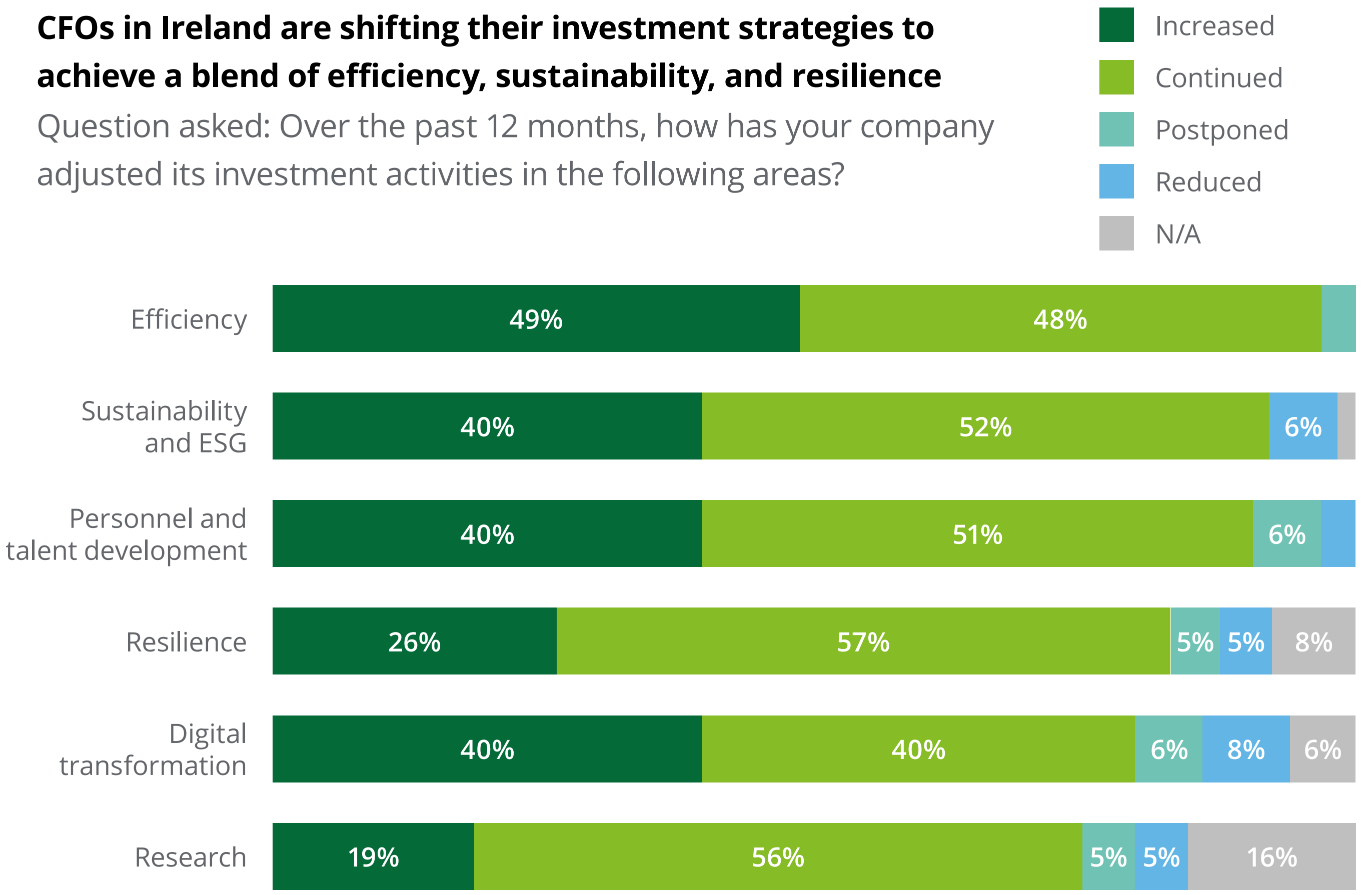
In addition, our latest insights reveal that Irish CFOs are not slowing down on sustainability initiative, despite the recent Omnibus amendments to the Corporate Sustainability Reporting Directive (CSRD) - which will reduce the number of companies in scope and give the second wave of reporters an additional two years to prepare.

In fact, 40% of companies surveyed have increased their ESG investments over the past 12 months, while 50% have maintained planned spending levels. Only 6% reported a reduction in investment. Notably, Irish respondents reported one of the highest increases in ESG investment across all countries surveyed, outperforming the European average.

Overall, we see that finance leaders are taking a balanced approach that merges proactive technology investments with careful initiatives to strengthen operational resilience and promote sustainable development, with a strong focus on efficiency and resilience.

CFOs in Ireland are shifting their investment strategies to achieve a blend of efficiency, sustainability, and resilience

Question asked: Over the past 12 months, how has your company adjusted its investment activities in the following areas?



Spotlight on... sustainability

What we're hearing from clients is that companies are using this extended timeline around CSRD to strengthen the foundations of their sustainability programmes. They are investing in the capabilities needed to deliver on their public commitments and meet evolving regulatory expectations with confidence.

Organisations are increasingly focusing on climate transition planning to guide their shift to a low-carbon economy, outlining how they will reduce emissions, manage risks, and seize climate-related opportunities, while enhancing resilience against future environmental challenges.

We are also seeing significant activity in enhancing ESG data management, with CFOs upgrading processes, reinforcing controls for greater data reliability and preparing for increased digital enablement. Automation of ESG disclosures is becoming a key priority, alongside the development of robust digital infrastructure to support long-term reporting and supplier monitoring requirements.

By taking these strategic steps now, companies can future-proof their sustainability efforts, drive meaningful progress, and build a sustainable competitive advantage.

Aoife Connaughton
Director
Sustainability

Spotlight on... transformation

The ever-shifting market demands give a sense of the breadth of ask on today's CFO. On top of keeping the lights on operationally within finance, CFOs need to manage external factors such as expanding regulatory demands, increasing costs and be a leading voice at the executive table on strategy and value generation.

In our last two surveys, CFOs continue to be conservative in their financial prospects and defensive strategies are top of mind. However, there is a transformation imperative to drive competitive advantage and create organisational agility to manage external factors.

This requires CFOs to think differently beyond traditional methods to ease operating margin pressures and have a long-term view. Through continued commitment to strategic investment, there is an opportunity to drive change and be a leader in their organisation with the right insights to challenge and influence decision making and be the catalysts for change.

The transformation imperative requires CFOs to articulate a clear vision and ambition, focus on the talent agenda, break down silos across the organisation and maximise the use of digital and technology to drive long-term growth opportunities like innovation, enhanced capabilities, and expansion.

Anthony Maher
Director
Finance Transformation

An uncharted path: Key next step actions for CFOs amid rising uncertainty

An evolving risk landscape and growth concerns have all compounded the sense of pessimism among Irish CFOs in recent months, but it is vital for leaders to remain focused on competitive advantage and cost optimisation through clear strategic direction and vision enabled by deliberate actions.

Stay focused: Review existing portfolios of initiatives and stay on course for those with a strategic imperative. It is important to not stand still in challenging conditions in order to unlock long term growth and drive organisational efficiency through strategic investment. Areas such as cybersecurity and sustainability remain at the forefront for CFOs.

Be pragmatic on cost management: Take practical steps to review spend across the organisation periodically to understand areas of cost leakage and identify opportunities to mitigate. Explore opportunities for operational efficiency across processes to unlock value.

Think holistically on cost optimisation: Enhance efficiency and productivity through digital technology investment. This can be achieved in the short term through low hanging fruit such as streamlining processes, utilising automation tools to eliminate repetitive tasks and report automation. This will create value whilst enabling teams to focus on value-add activities, further supporting the talent agenda.

Drive transformation: Embrace change and lead. The role of finance is evolving, and CFOs can be a focal point in the organisation to drive the transformation agenda enterprise wide. Partner across the organisation to provide insights and support value creation.

Contact our Finance Transformation team

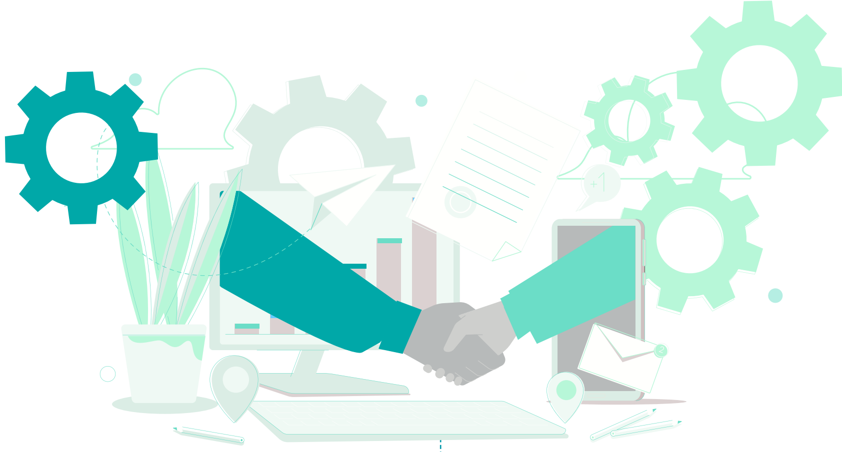
Tom Hynes
Partner
thynes@deloitte.ie
+353 87 8379664

Shane Mohan
Partner
smohan@deloitte.ie
+35314172543

Alan Flanagan
Partner
aflanagan@deloitte.ie
+3530879397001

Xiomara Sanchez
Partner
xisanchez@deloitte.ie
+353876090160

Danny Gaffney
Partner
dgaffney@deloitte.ie
+353871773697



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