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European CFO Survey
Italian Focus

Geopolitical risks kick in: CFOs’ optimism fading away

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Executive Summary

Key insights
Optimism fades with rising risks

The optimism among European CFOs regarding their financial outlook has waned compared to this autumn. Currently, 23% feel more positive about their company's future, whereas 33% report a drop in optimism. Italian CFOs are event less optimistic confirming largely a neutral outlook (59%) and with 1 out of 4 expressing a "less optimistic" view on the financial outlook.

European CFOs report a significant rise in external financial and economic uncertainty, with 64% rating it as very high. Consequently, there is a marked decline in risk appetite, as 80% of CFOs believe it is not a suitable time to take on extra risks in their balance sheets. Italian CFOs are overall aligned to the aforementioned pattern: 67% envision a higher level of uncertainty and only 20% is willing to take on grater risks.

Although there is an overall decrease in sentiment, most European and Italian CFOs still express optimism regarding revenue growth. Opinions are split regarding the growth of operating margins in the coming year: overall, CFOs anticipate a slight decrease in their expectations while Italian leaders are more optimistic. Additionally, apprehensions persist about capital expenditure investments at both European and Italian level. Eventually, hiring sentiment dropped noticeably in Europe while in Italy remained more robust.

European CFOs highlight geopolitics as a top concern, with 86% of countries surveyed ranking it among their top three risks—the highest level ever recorded. In addition, CFOs also identify economic outlook and growth, as well as cyber risk, as other key risks facing their businesses. Italian finance leaders are mainly worried by a sluggish economic growth (63%), geopolitical risks (50%), and increasing costs (51%). Interestingly, regulation is perceived as a potential burden.

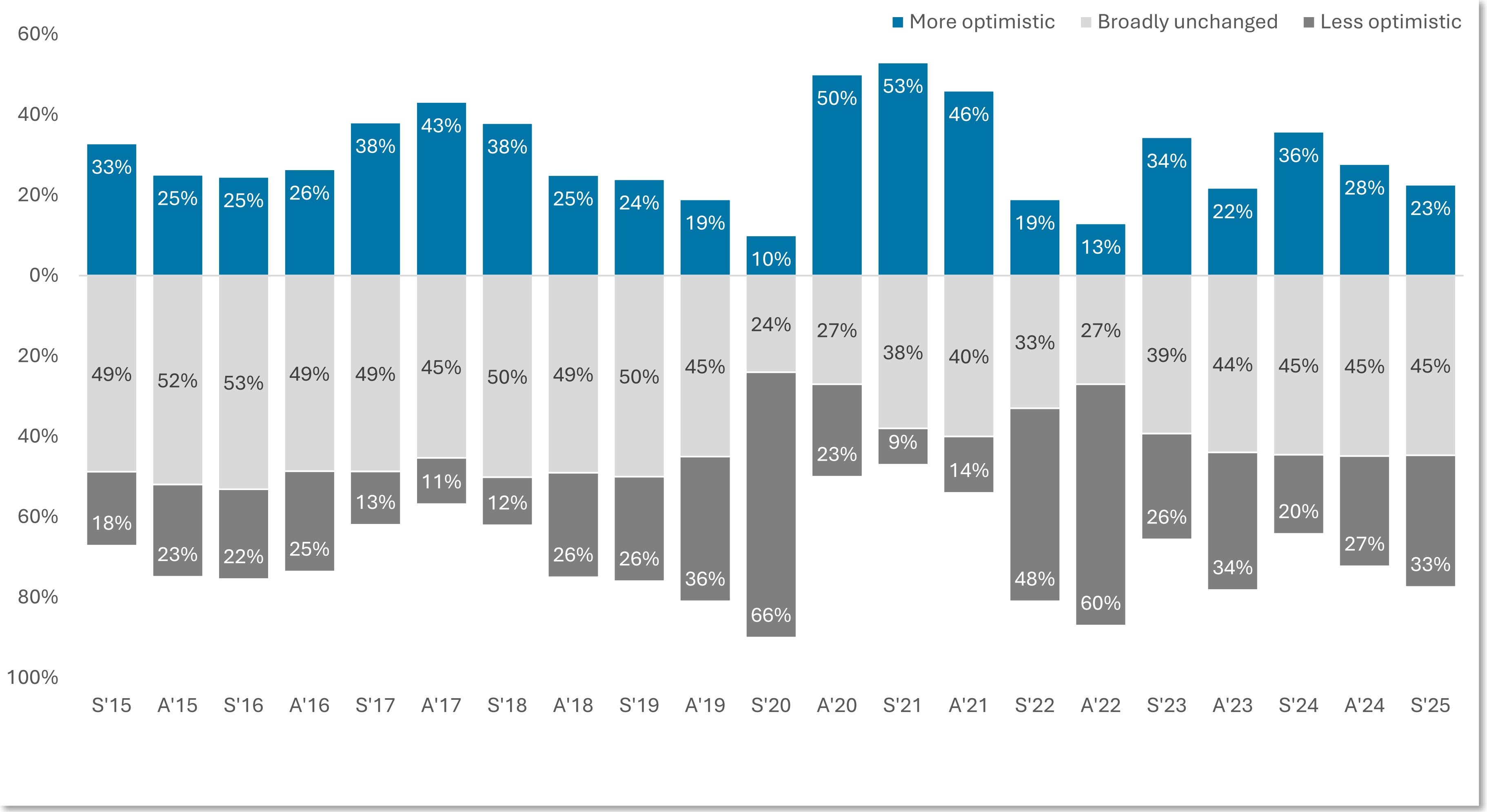
Given the prevailing atmosphere of caution, European and Italian finance leaders are making cost reduction their primary strategy for the upcoming year. This is closely followed by an emphasis on organic growth through internal development and capitalizing on existing strengths, while digitalization and innovation remain an essential strategic focus.

Financial Prospects

Financial prospects | Decreasing optimism

The optimism of European CFOs regarding financial outlook has declined

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



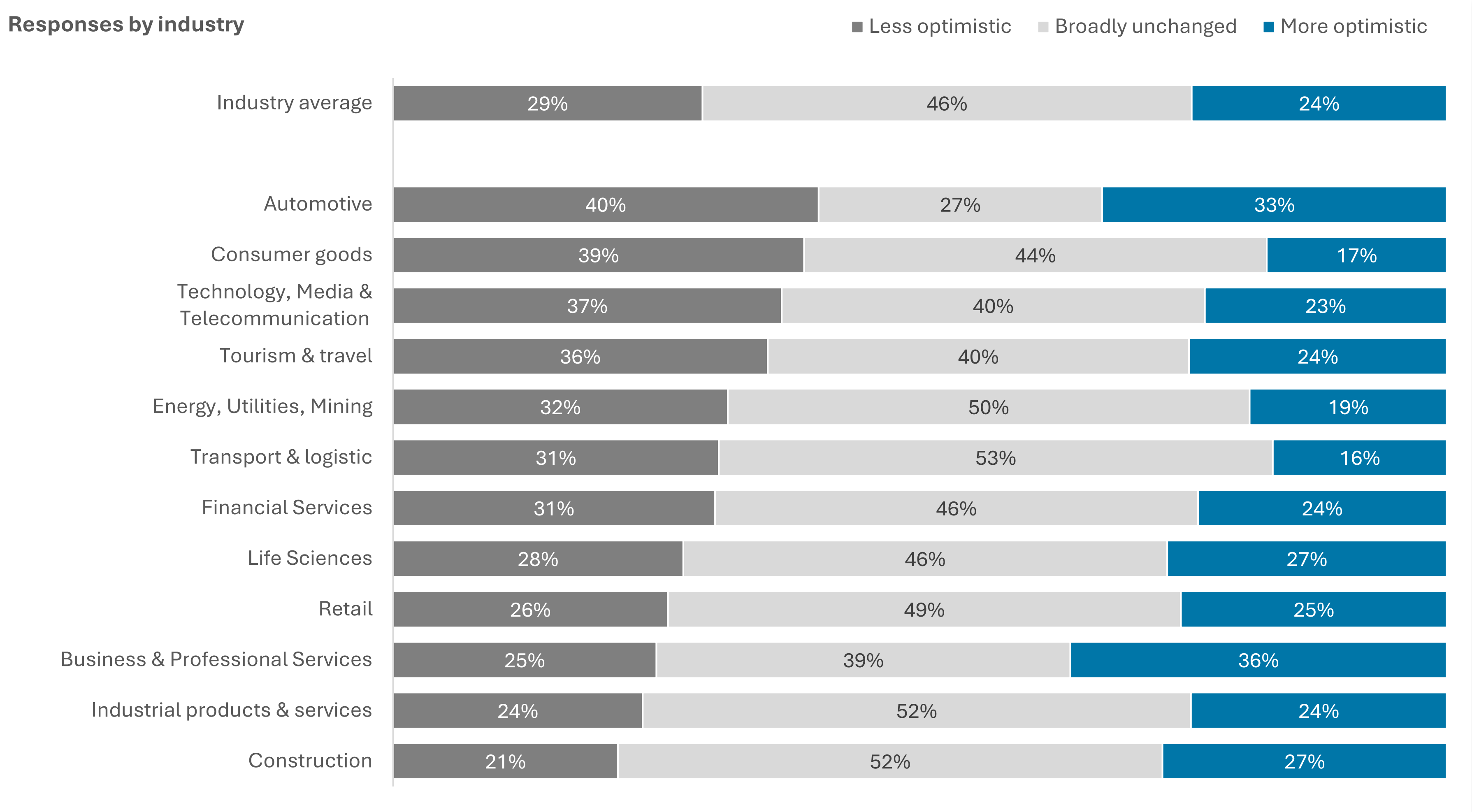
Note: The question specified a six-month period in Denmark, Italy and Norway

- Sentiment regarding company's financial prospects has shifted since Autumn 2024, indicating a less optimistic outlook for the coming year.
- Currently, 23% of European CFOs report being more optimistic about their company's financial future, compared to 28% in Autumn 2024. Conversely, the proportion expressing less optimism has increased from 27% to 33%, in the latest survey.
- While nearly half (45%) remain neutral, this suggests ongoing caution rather than increased confidence.

Financial prospects | Automotive pains continue

The automotive and consumer goods sectors in Europe exhibit the lowest levels of optimism

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



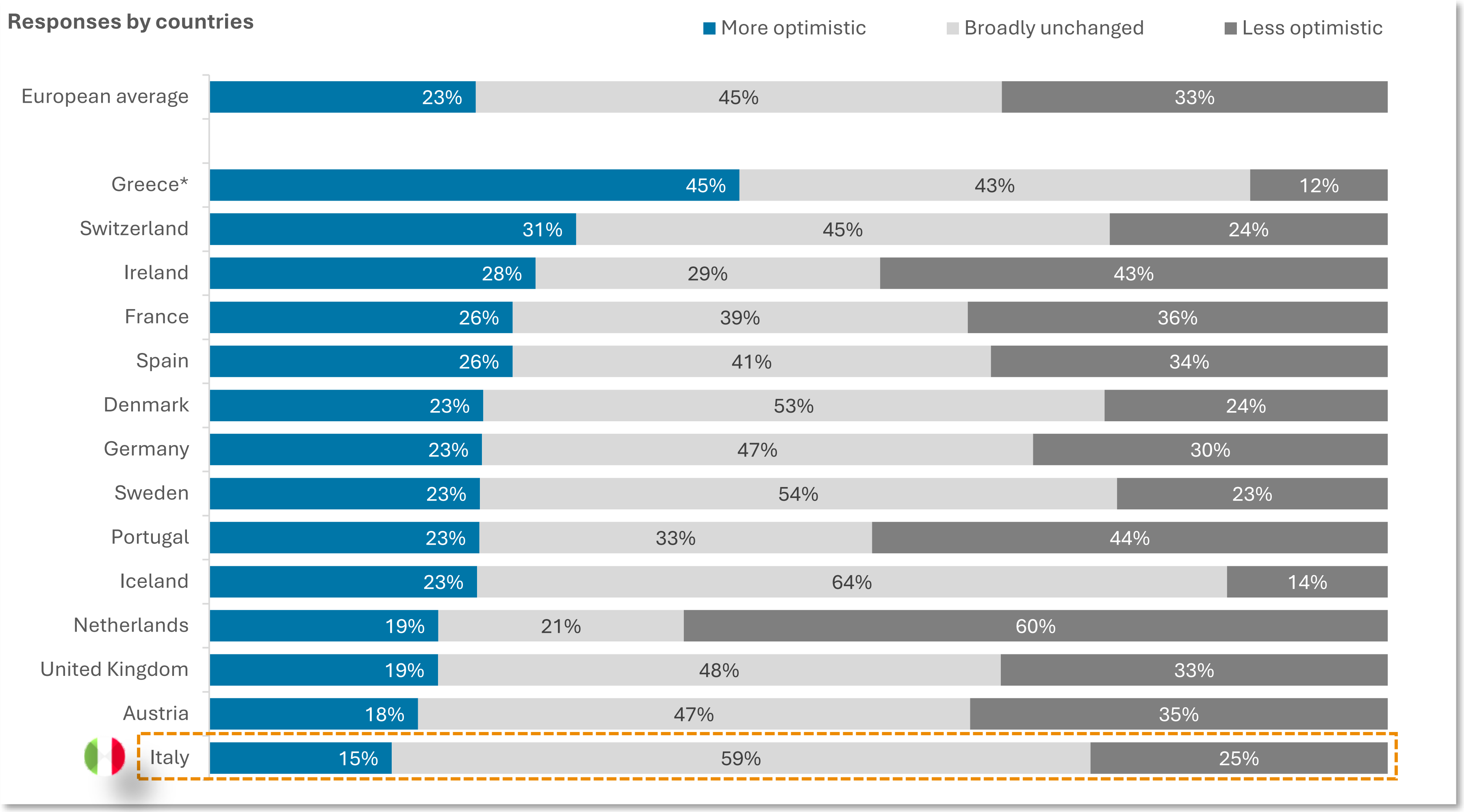
Note: For the purposes of industry analysis, we did not include the following sectors: Aerospace & Defense; Foster, Paper & Packaging; Leisure; and Public Sector, as each had a sample size of less than 30 respondents.

- CFOs in Business and Professional Services remain the most optimistic about their companies' financial prospects, with sentiment holding steady over the past year, unlike other sectors where optimism has declined.
- The automotive sector is the least optimistic, with more CFOs expressing pessimism than optimism, while Consumer Goods has seen a sharp rise in pessimism over the past year, a trend also reflected in tourism & travel, and transport & logistics sectors.

Financial prospects | Optimism declining for most countries

CFOs in Switzerland exhibit the highest levels of optimism, while those in the Netherlands demonstrate the lowest

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



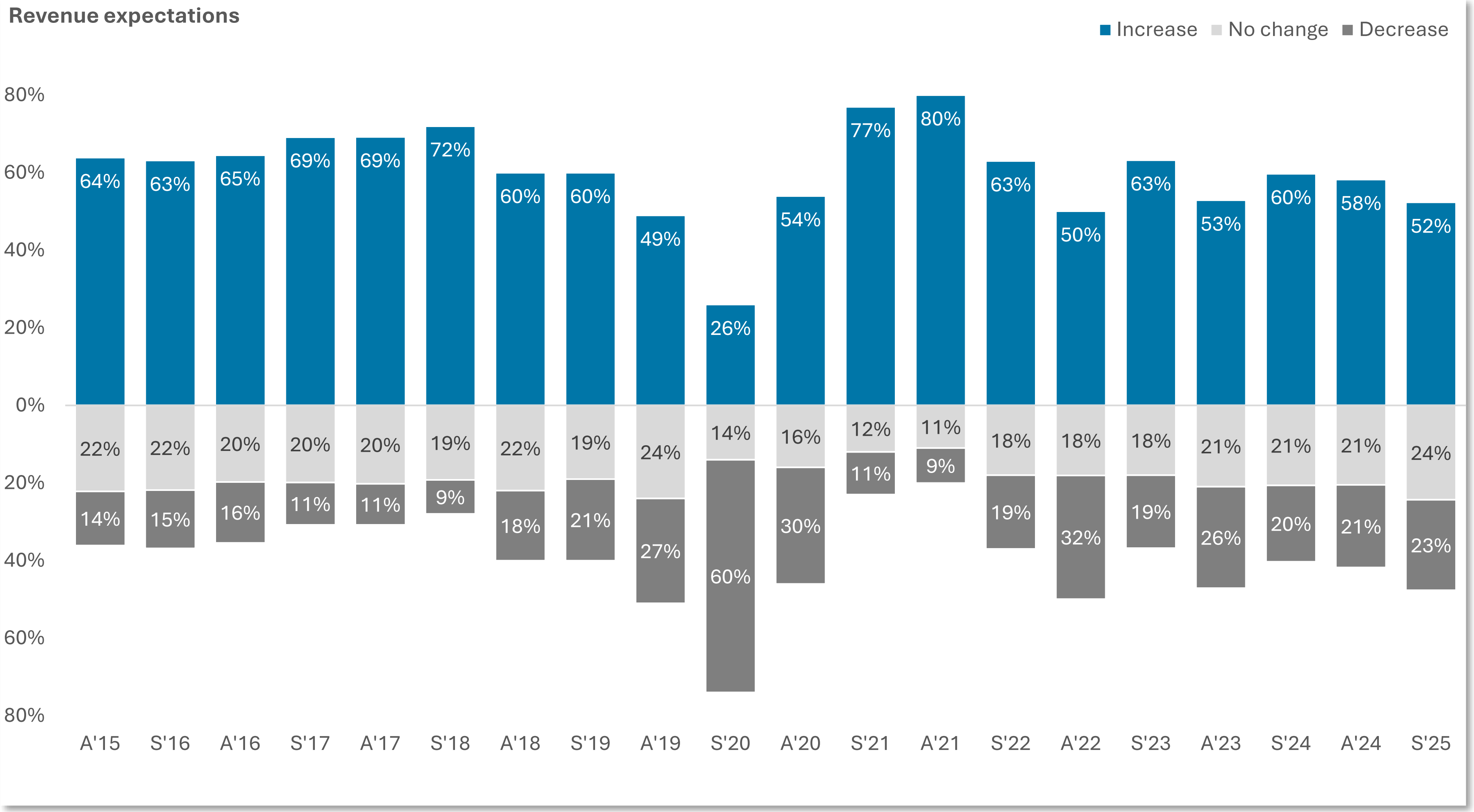
*Note: Results from Greece are not considered in the analysis, as Greece conducted its survey in January 2025, while all other countries completed theirs in April 2025. This timing difference led to variations in economic sentiment.

- Despite declining sentiment across Europe, optimism remains high among CFOs in Switzerland (31% optimistic, 24% less optimistic).
- Pessimism is most pronounced in the Netherlands (60% less optimistic), Portugal (44%) and Ireland (43%).
- In Iceland (64%), Italy (59%), Sweden (54%), and Denmark (53%), most CFOs expect their company's financial prospects to remain broadly unchanged over the next 12 months.
- Most of Italian CFOs (59%) confirmed a largely **neutral outlook** on their company's prospects, as per the last survey. However, the share of "optimistic CFOs" decreased by 6 p.p. over the last 6 months, denoting a marked **downward trend**.

Outlook | Revenues remains positive

CFOs anticipate revenue growth, even in countries and industries where optimism of future financial prospects is low

Question asked: In your view, how are revenues for your company likely to change over the next 12 months?

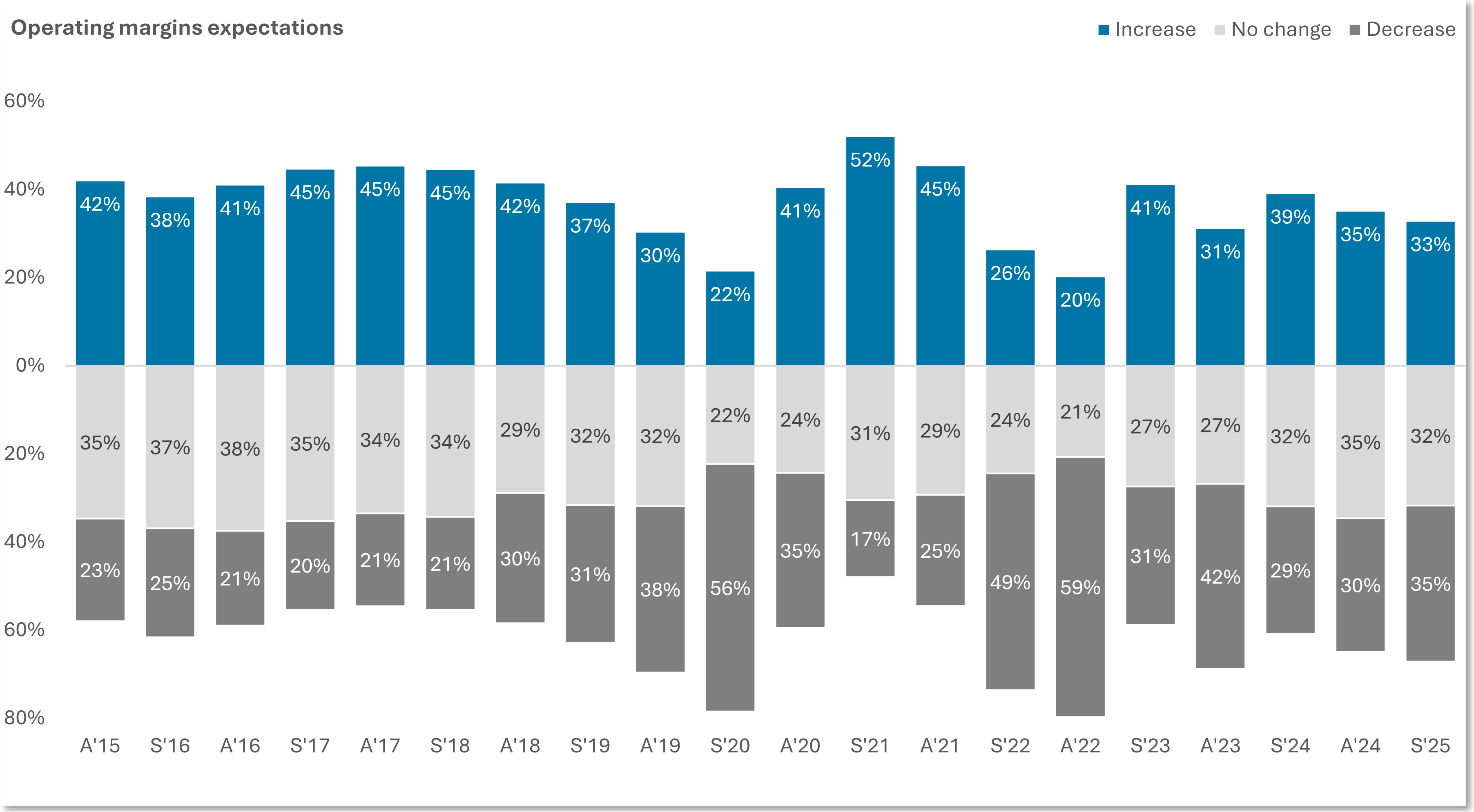


- Despite a general decline in sentiment, most European CFOs remain confident about revenue growth, with this outlook holding steady over the past year.
- This optimism about revenue growth is especially pronounced among CFOs in Iceland (71% more optimistic) and Spain (68%), as well as in the Life Sciences (72%) and Technology, Media & Telecommunications (62%) sectors.
- Even in the typically pessimistic Automotive sector (39% more optimistic), there are signs of stabilization, with a slight majority anticipating increasing revenue growth over the next 12 months.

Outlook | Operating margins remain divided

CFOs anticipate a slight decrease in their expectations for operating margins

Question asked: In your view, how are operating margins for your company likely to change over the next 12 months?

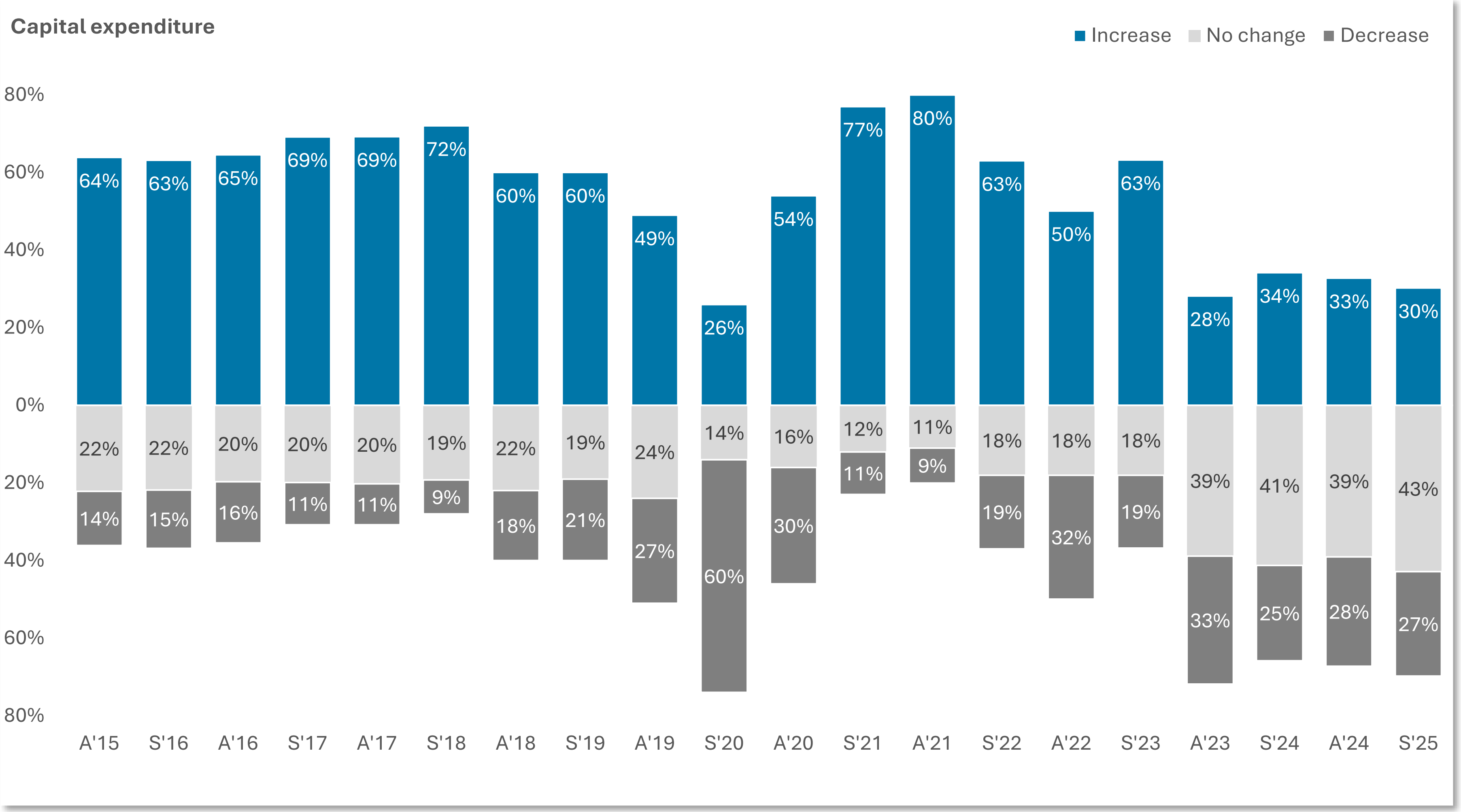


- Overall, European CFOs are divided on the outlook for operating margins over the next 12 months, with equal proportions expecting increases (33%) or decreases (35%) and a similar share anticipating no change (32%) - a trend that has remained stable since last autumn.
- Optimism about margins is highest among CFOs in Denmark (57%) and Iceland (51%), while the pessimism is highest in Netherlands (66% decrease), UK (58%) and Austria (37%).
- By sector, optimism prevails in Life Sciences (51%), Retail (46%) and TMT (44%), whereas the Automotive sector remains the most pessimistic, with nearly half (46%) expecting margin declines.

Outlook | Capital expenditure seems cautious

CFOs are expected to maintain a cautious outlook regarding capital expenditures

Question asked: In your view, how are capital expenditure for your company likely to change over the next 12 months?

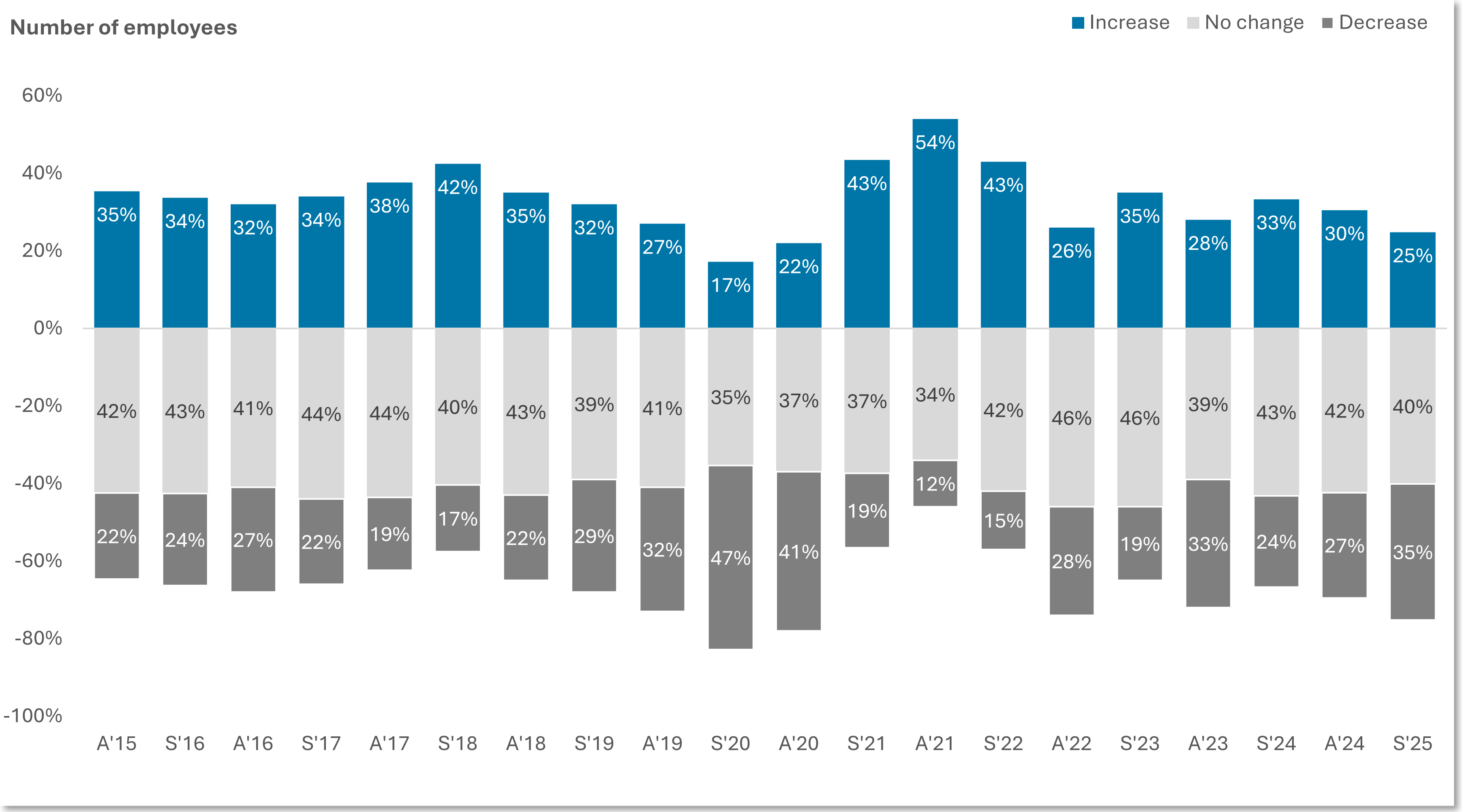


- European CFOs remain cautious about CAPEX investment over the next 12 months, with 30% expecting increases, 27% anticipating decreases, and a majority (43%) foreseeing no change
- Optimism about CAPEX is strongest in Spain (47% increase), where nearly half of CFOs expect to increase CAPEX, while the UK (48% decrease) and the Netherlands (29%) anticipate notable reductions.
- Sector-wise, Tourism & Travel leads with 50% of CFOs expecting increased CAPEX investment, followed by Energy, Utilities & Mining at 42%, reflecting sector-specific drivers. In contrast, the Automotive sector is the only one where a majority (46%) plan to reduce CAPEX, though this pessimism has eased slightly compared to previous periods.

Outlook | Hiring employees decline

The expectations of CFOs regarding employee hiring are expected to decrease slightly

Question asked: In your view, how are number of employees for your company likely to change over the next 12 months?

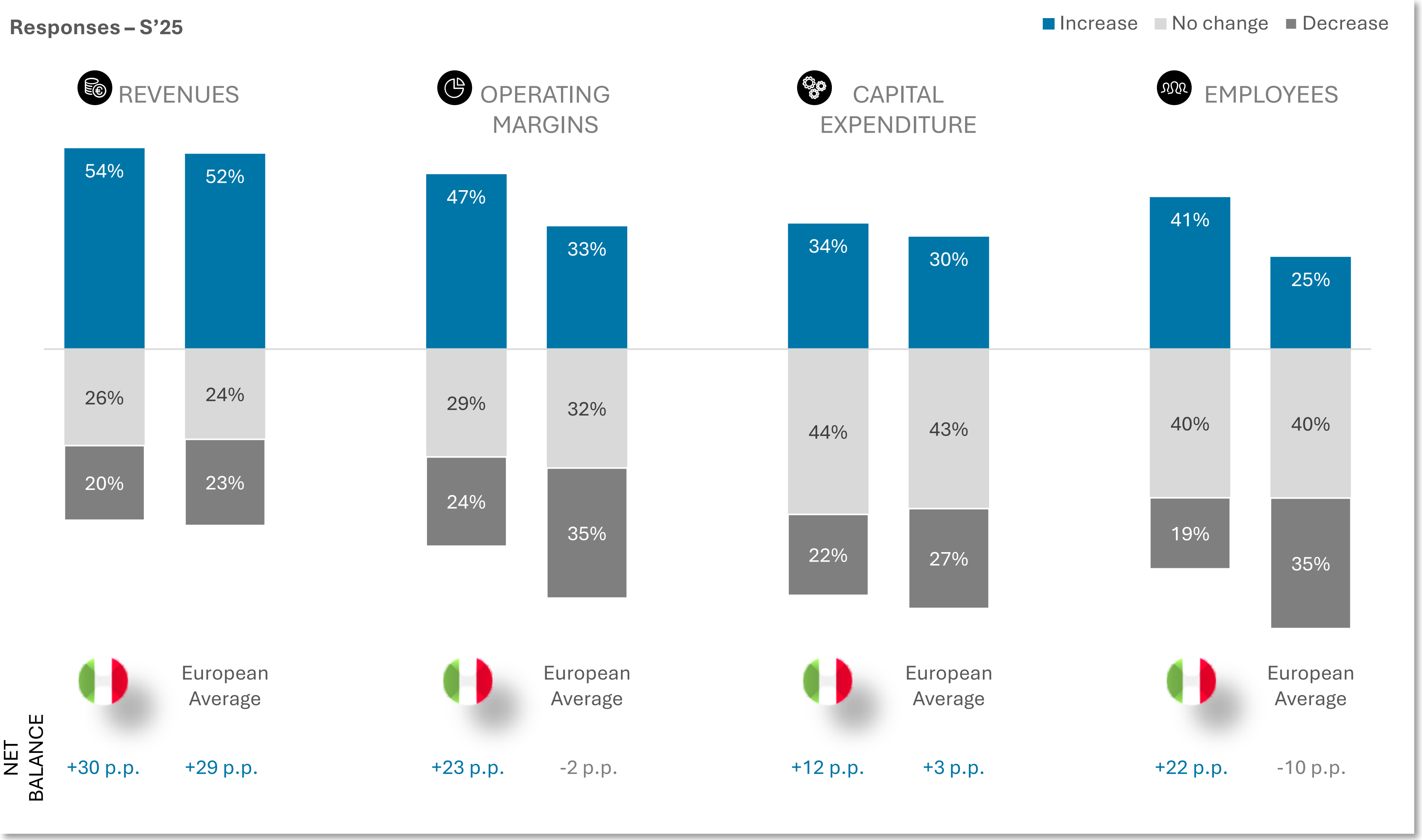


- Hiring sentiment among European CFOs has weakened, with 35% expecting a decrease in employee numbers over the next 12 months, compared to only 25% anticipating an increase, and 40% expecting no change.
- While most countries expect hiring to remain stable, optimism is highest in Italy, where 41% of CFOs foresee increased hiring. In contrast, the UK stands out for its caution, with 76% of CFOs expecting workforce reductions, followed by the Netherlands (41%), Austria (38%) and Germany (34%).
- Sector-wise, Construction (42%), and Business & Professional Services (39%) anticipate hiring growth, while Automotive (52% expecting a decrease) and Industrial Products & Services (38%) are most likely to reduce headcount.

Outlook | Italy

Italian CFOs are more positive in term of profitability and hiring intentions, while capex and revenues expectations are more aligned to the European pattern

Question asked: In your view, how are revenues / operating margins / capital expenditure / number of employees for your company likely to change over the next 12 months?



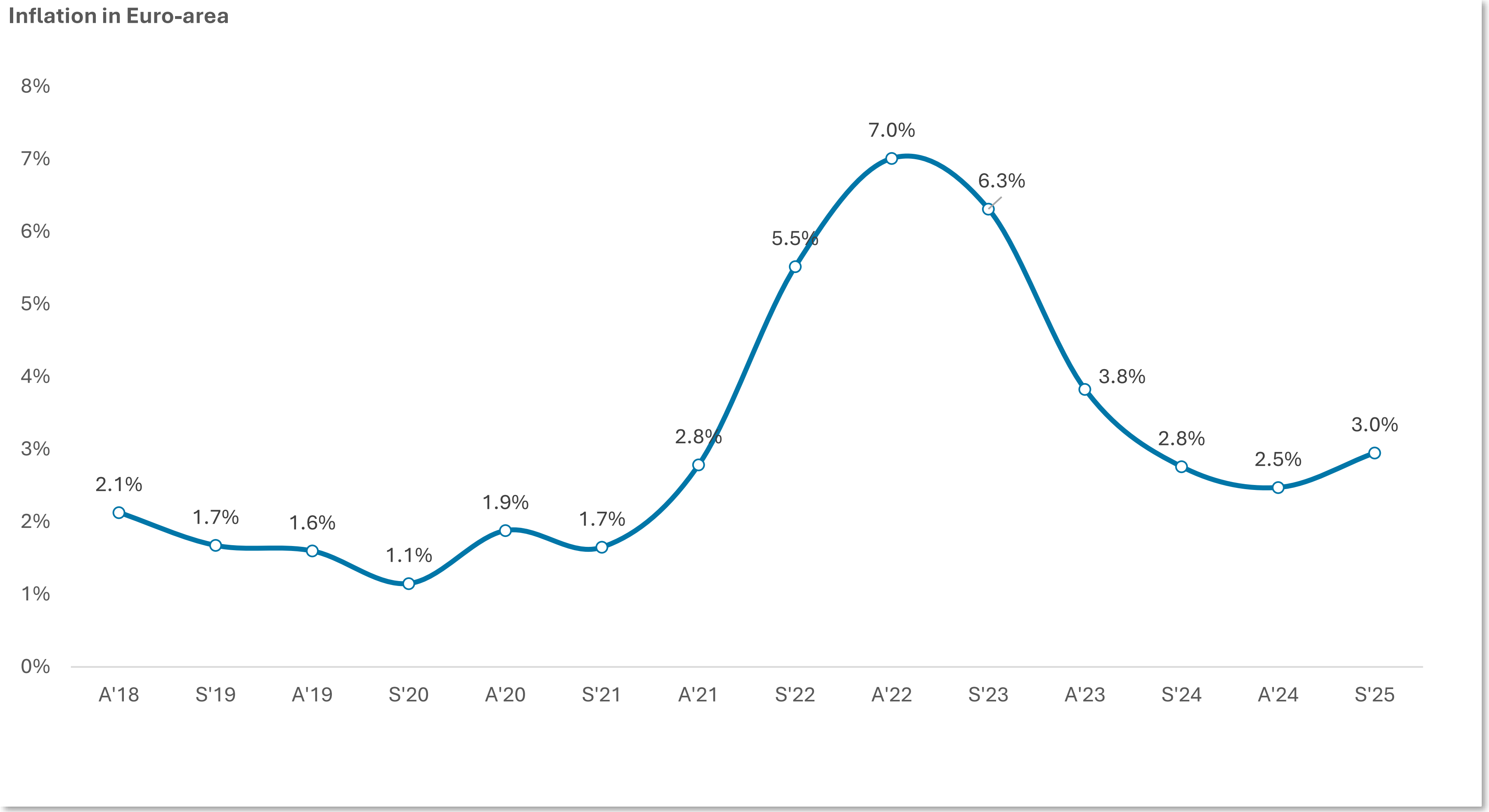
- Italian CFOs confirms their being confident about their ability to grow their companies' revenues despite slightly weaker financial prospects. Specifically, 53% expects an increase over the next year while only 26% anticipate a decline. The overall pattern is aligned to the European one.
- In the current economic scenario, Italian CFOs are way more optimistic than their European colleagues about operating margins. In fact, 47% of the sample has a positive outlook on operating margins while only 24% envisions a decrease.
- Capital expenditure is likely to remain cautious for Italian CFOs but slightly better than across Europe. While 34% of respondents anticipate increased CAPEX, 22% plan a decrease and 44% foresee no change. A result that is more aligned to the expected financial prospects.
- Hiring intentions in Italy continue to be robust: 41% of CFOs report their companies plan to hire more workers – compared with 19% who expect to cut payrolls. The remaining 40% intend to keep their workforce stable.

Uncertainty & Business Risks

Inflation rate

European CFOs expect inflation to increase slightly over the next 12 months

Question asked: Inflation in Euro-area: What do you think will be the inflation rate (for the Consumer Price Index) in the Euro-area over the next 12 months?*



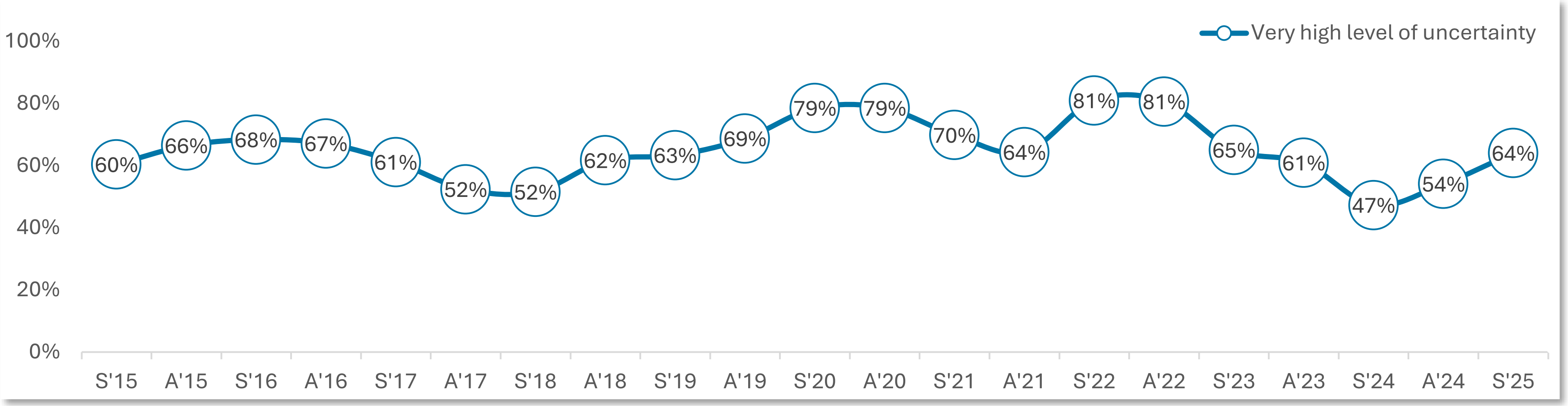
*Note: This question was not asked in Germany, Netherlands, Switzerland and the UK.

- Most European CFOs expect inflation in the Euro area to increase slightly over the next 12 months, with an anticipated rate of 2.95%, compared to 2.47% cited in the previous quarter.
- **Italian CFOs anticipate an increase in the overall inflation** over the next 12 months. In fact, the **domestic inflation rate will reach 2.1%.** – up from the downward trend of +1.7% registered in May (ISTAT, 2025).

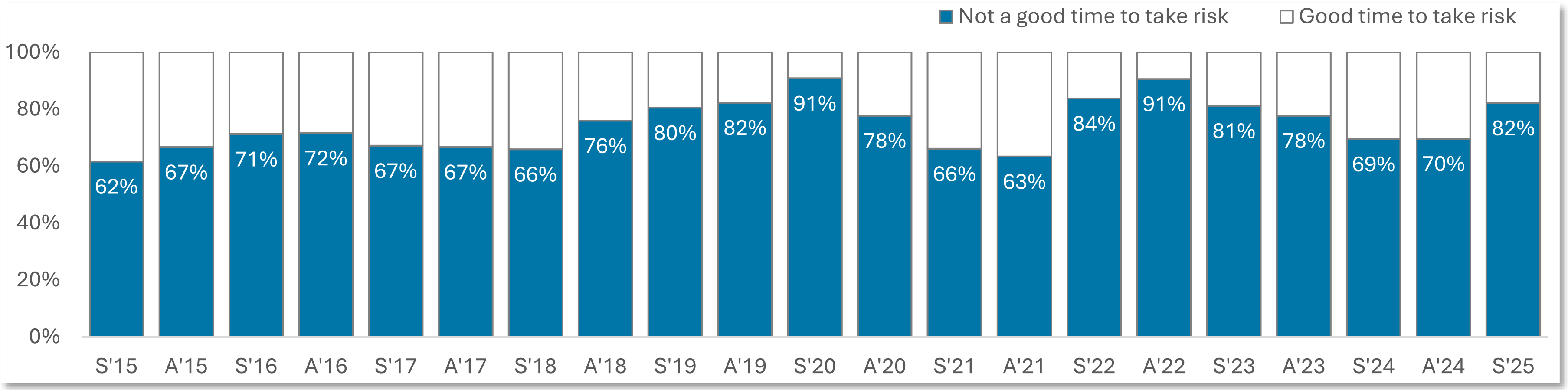
Uncertainty & risk aversion increase

The degree of financial and economic uncertainty, along with the willingness to take risks, is anticipated to stay elevated

Question asked: Uncertainty: How would you rate the overall level of external financial and economic uncertainty facing your business?



Question asked: Risk: Is this a good time to be taking greater risk onto your balance sheet?^



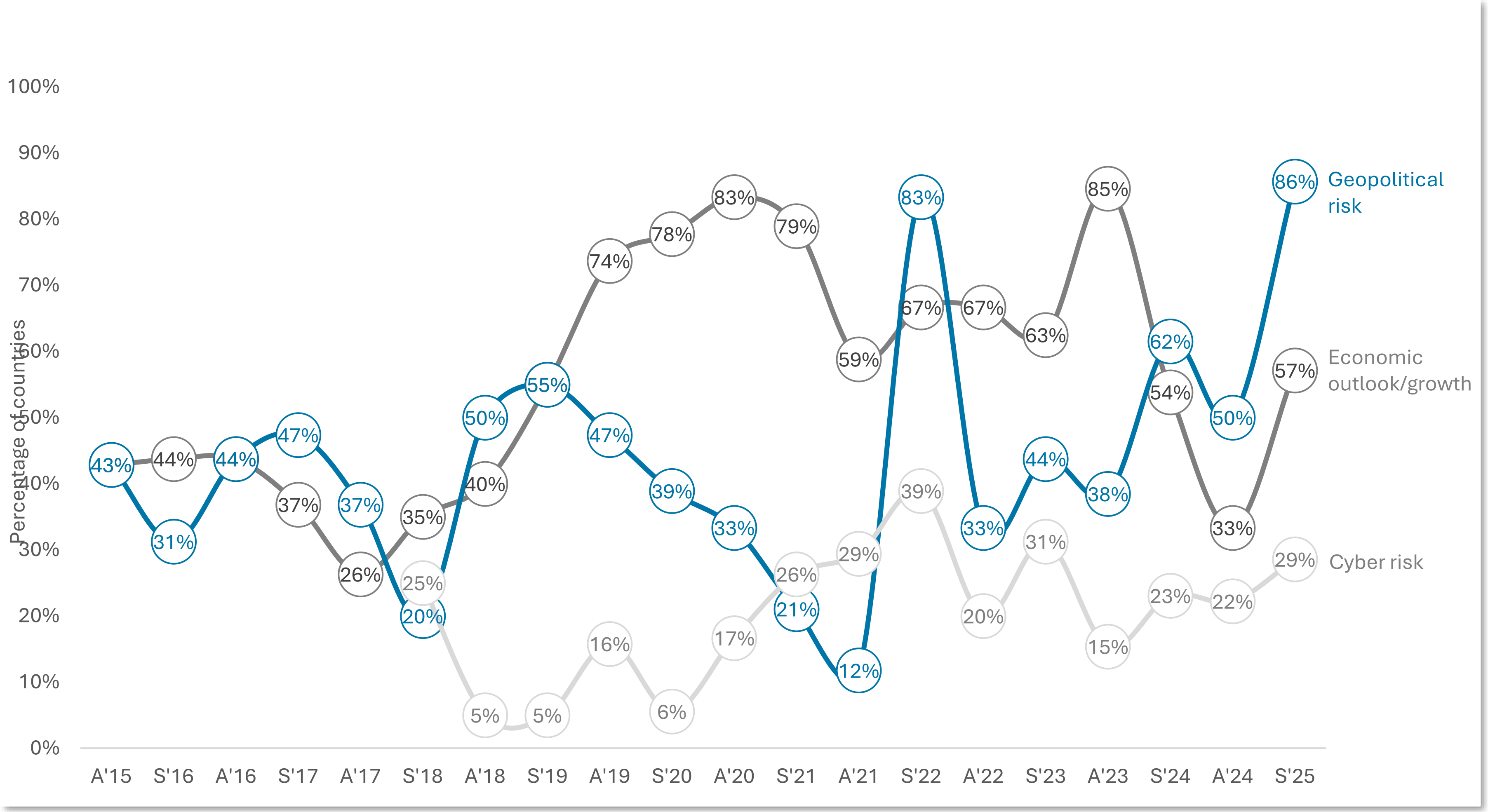
^Note: This question was not asked in Germany, Netherlands, Sweden and Switzerland

- European CFOs indicate a **notable increase in perceived external financial and economic uncertainty**, with **64% categorizing it as very high**, up from 47% in Spring 2024 and similar to levels in Spring 2023 after the Russian invasion of Ukraine. This uncertainty is **most evident** in the **UK** (93%), **Portugal** (79%), and **Switzerland** (77%), especially pronounced in the **Automotive sector**, where 83% of CFOs feel very high uncertainty.
- In this context, **risk appetite has significantly decreased: 82% of European CFOs feel it's not the right time to take on greater risk**, up from 69% last year. This cautious approach is notably high in Portugal (91%) and the UK (88%).
- Italian CFOs do not differ much from the European pattern: 67% of them envision a higher level of uncertainty. In such a context, only 2 out of 10 CFOs are willing to take greater risks in their balance sheet. This implies that the higher risk-propension of Italian CFOs is fading away.

Business risks

European countries identify geopolitical risks as their top concerns

Question asked: Which of the following factors are likely to pose a significant risk to your business over the next 12 months?*
(Showing only the percentage of countries where the specific risks rank in the top three)



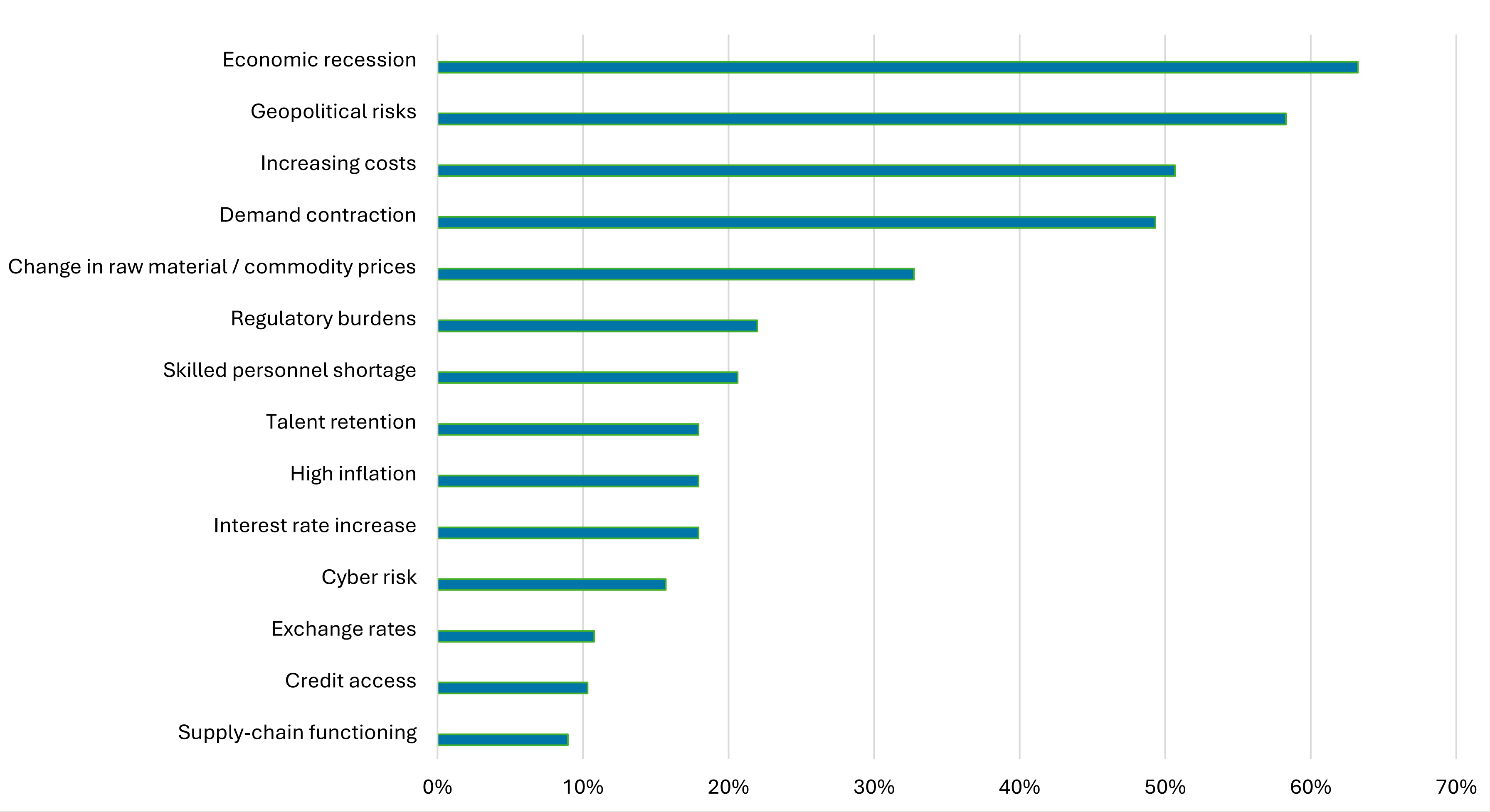
*Note: Each country identifies the answer options that are relevant to their geography. The common or similar responses are mapped to get the top risks per country.

- Geopolitics is now ranked among the top three risks in 86% of countries surveyed—the highest level recorded since Deloitte began the survey in 2015, 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 surveyed citing slow growth, inflation, and tighter monetary policies as key risks.
- Additionally, cyber risk has risen in prominence, identified by 29% of countries surveyed, reflecting the impact of increasingly sophisticated cyberattacks and greater dependence on digital infrastructure, which is prompting increased investment in cybersecurity.

Business risks | Italy

Italian CFOs are primarily worried by the overall macroeconomic outlook and its impacts on the balance sheet in term of cost surge

Question asked: Which of the following factors are likely to pose a significant risk to your business over the next 12 months?



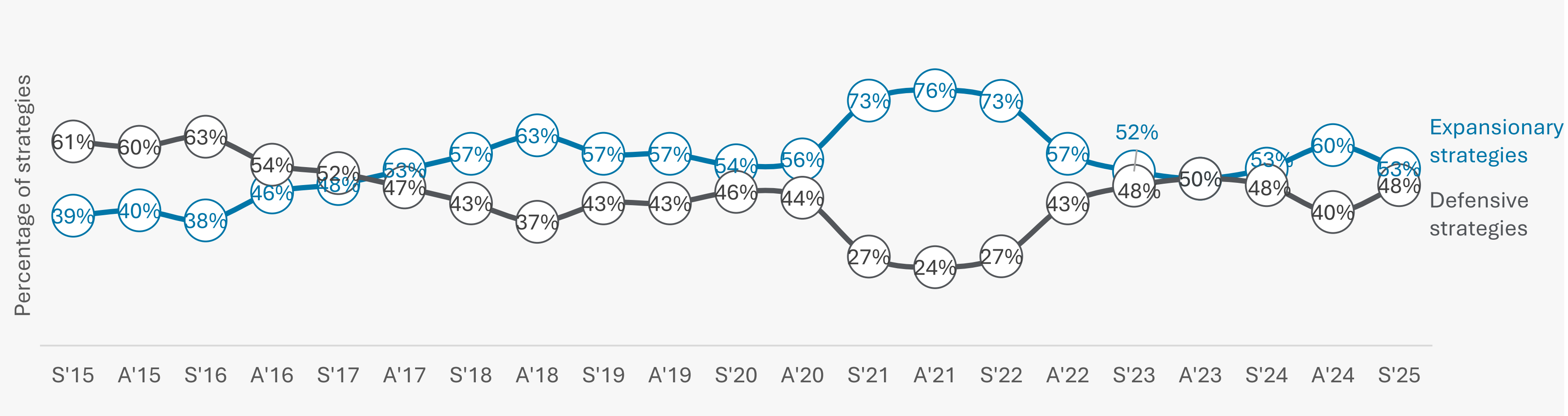
- A sluggish economic growth (63%) and geopolitical risks (50%) are the top perceived business risks by the Italian CFOs.
- Increasing costs is the third most cited business risk by 51% of the sample. This might impact both companies' profitability and its willingness to allocate budgets to specific long-term related investments. With this respect, raw material prices are expected to hit the bottom line quite hard (33%)
- Regulation confirms its being a burden (more than an opportunity) for Italian companies, as stated by 22% of the sample.
- Labour confirms to be a higher business risk: 21% is facing a shortage of slkilled labour and 18% is worried about talents leaving the company.

Strategic priorities

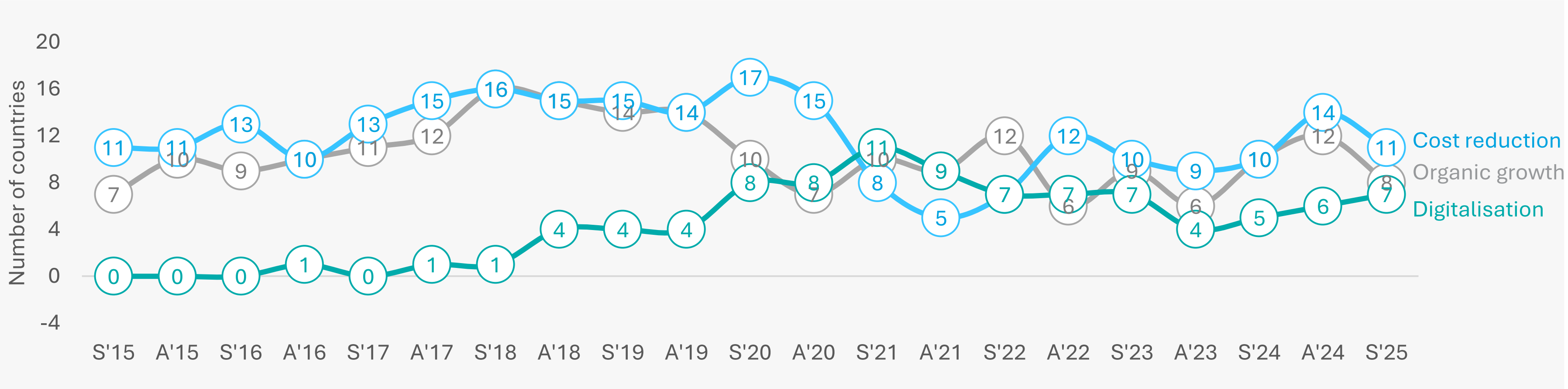
Strategic priorities

CFOs in Europe are prioritizing cost reduction and organic growth as their main business priority for the upcoming year

Question asked: Please state to what degree the following strategies are likely to be a priority for your business over the next 12 months?*



(Showing only the number of countries where the specific strategies rank in the top three)



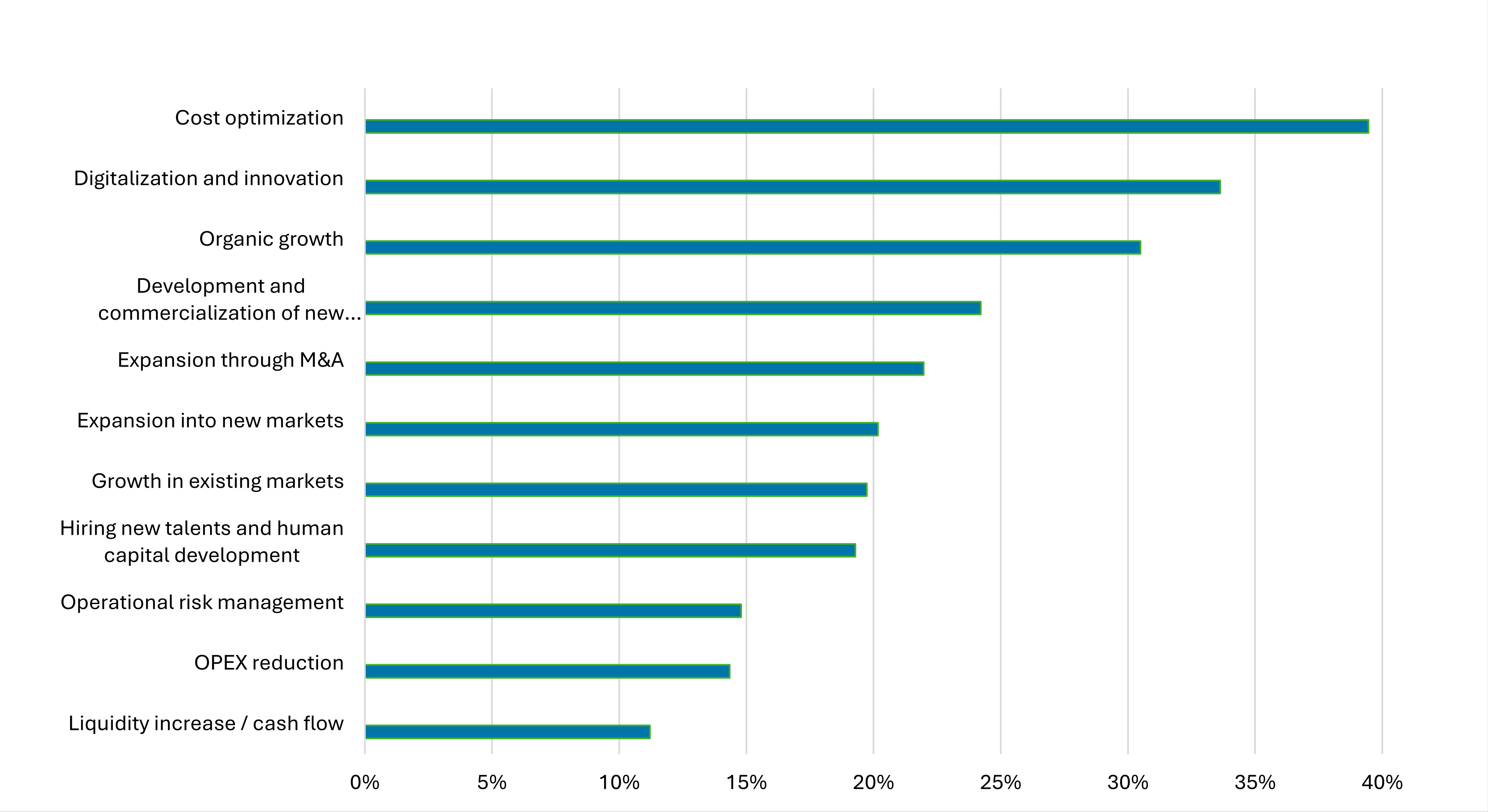
*Note: Each country identifies the answer options that are relevant to their geography. The responses are mapped to identify the expansionary and defensive strategies per country. This question was not asked in Switzerland.

- For the third consecutive year, cost reduction remains the top strategic priority for CFOs, supported by 11 out of 13 countries surveyed. This focus addresses persistent inflation, supply chain disruptions, and broader economic challenges, enabling organizations to streamline operations and protect margins
- Organic growth is the second most prioritised strategy, endorsed by 8 out of 13 countries
- Digitalisation ranks third, with 7 out of 13 countries prioritizing this strategy. Its growing importance since Spring 2023 underscores the critical role of technology—including AI, automation, and digital platforms—in maintaining competitiveness and operational agility.

Strategic priorities | Italy

Streamlining costs, delivering digital innovation and driving organic growth are key business strategic priorities for Italian CFOs

Question asked: Question asked: Please state to what degree the following strategies are likely to be a priority for your business over the next 12 months?



- In line with the current business climate, cost reduction is the most pressing strategic priority for Italian CFOs. Compared to 6 months ago, it is still ranked as #1 strategy (39%), but the gap with the other ones has reduced.
- Digitalization and innovation (34%) confirms their stable importance on the Italian CFOs agenda as the second most pressing strategic priority. Considering the most recent technology developments , CFOs need not to fall into the trap of investing in technology simply for the sake of it. On the contrary, they need to ensure that the company's digital transformation is driven by a clear business strategy with an outcome-focused approach.
- Driving organic growth ranks third in the Italian CFOs' strategic priorities list (30%) as it is a core part of the value creation playbook. Identify new verticals and areas for expansion in term of products/services (24%), expansion in new markets (20%) or consolidating the competitive position in existing markets (20%)
- Scaling business through inorganic growth (22%) confirms to be an option for Italian CFOs. However, compared to 6 months ago, it is less attractive in the current economic context.

Survey demographics

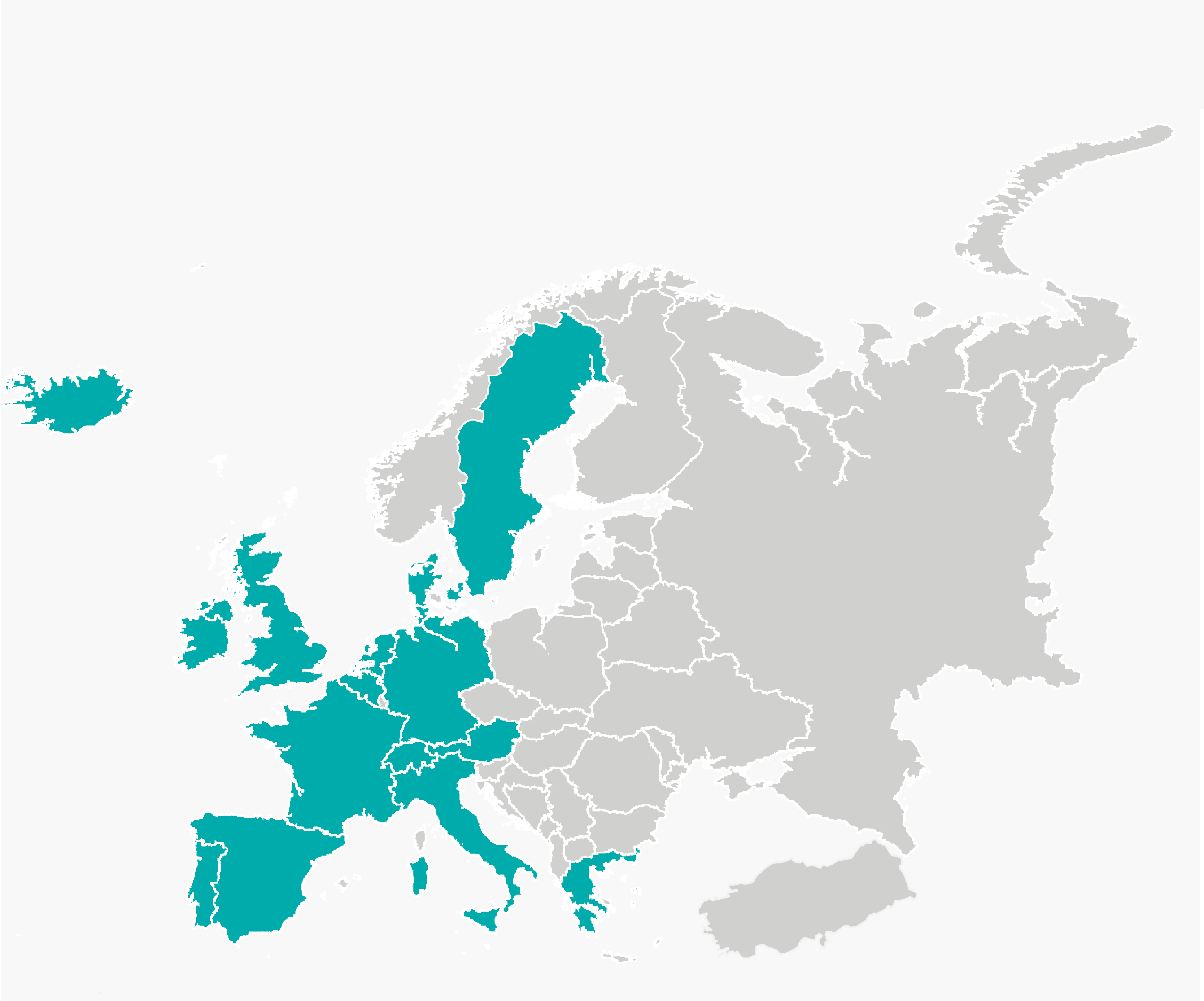
Geographical spread

1,542 CFOs from 14 European countries participated in the latest edition of the CFO survey

About the survey

The Spring 2025 European CFO Survey is the 21st edition of a bi-annual research project that gathers insights from Chief Financial Officers of leading companies in 14 European countries. The data for the Spring 2025 edition was collected in March and April 2025 via an online survey and reflects responses from 1,542 CFOs in 14 countries and across a wide range of industries.

The data for Greece was collected in January 2025, when the economic outlook differed significantly from that in April 2025; therefore, any analysis pertaining to Greece has been excluded in the deck.



Participating countries

- Austria
- Denmark
- France
- Germany
- Greece
- Iceland
- Ireland
- Italy
- Netherlands
- Portugal
- Spain
- Sweden
- Switzerland
- United Kingdom

Key Contacts

Riccardo Raffo

Senior Partner
CFO Program Leader
rraffo@deloitte.it

Luca Bonacina

Manager
DCM Growth | CxO Program & Thought Leadership
lbonacina@deloitte.it