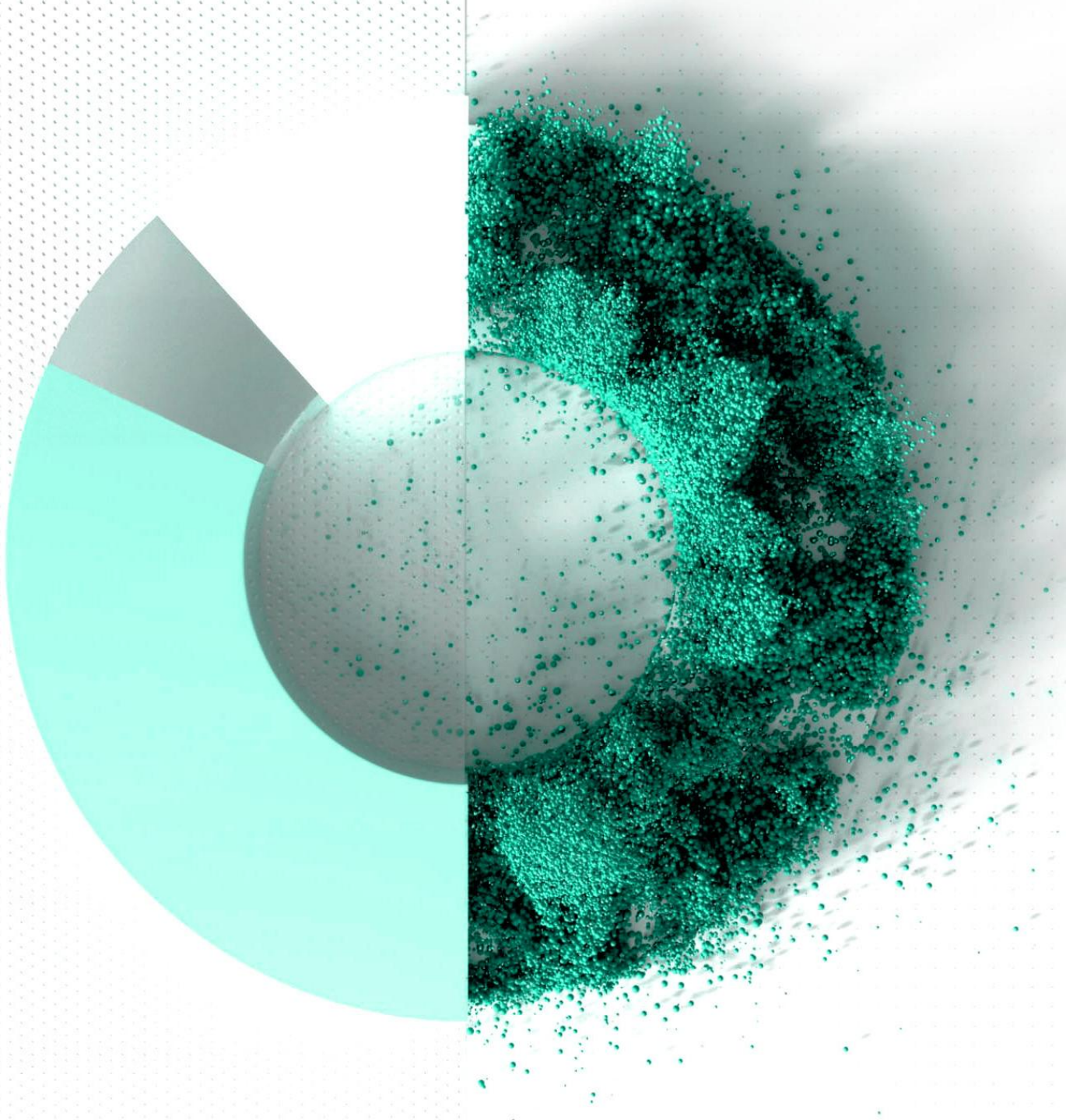
Deloitte.

European CFO Survey

Italian Focus Spring ‘26

Balancing caution and resilience: Italian CFOs navigate macro headwinds with operational confidence and disciplined capital allocation



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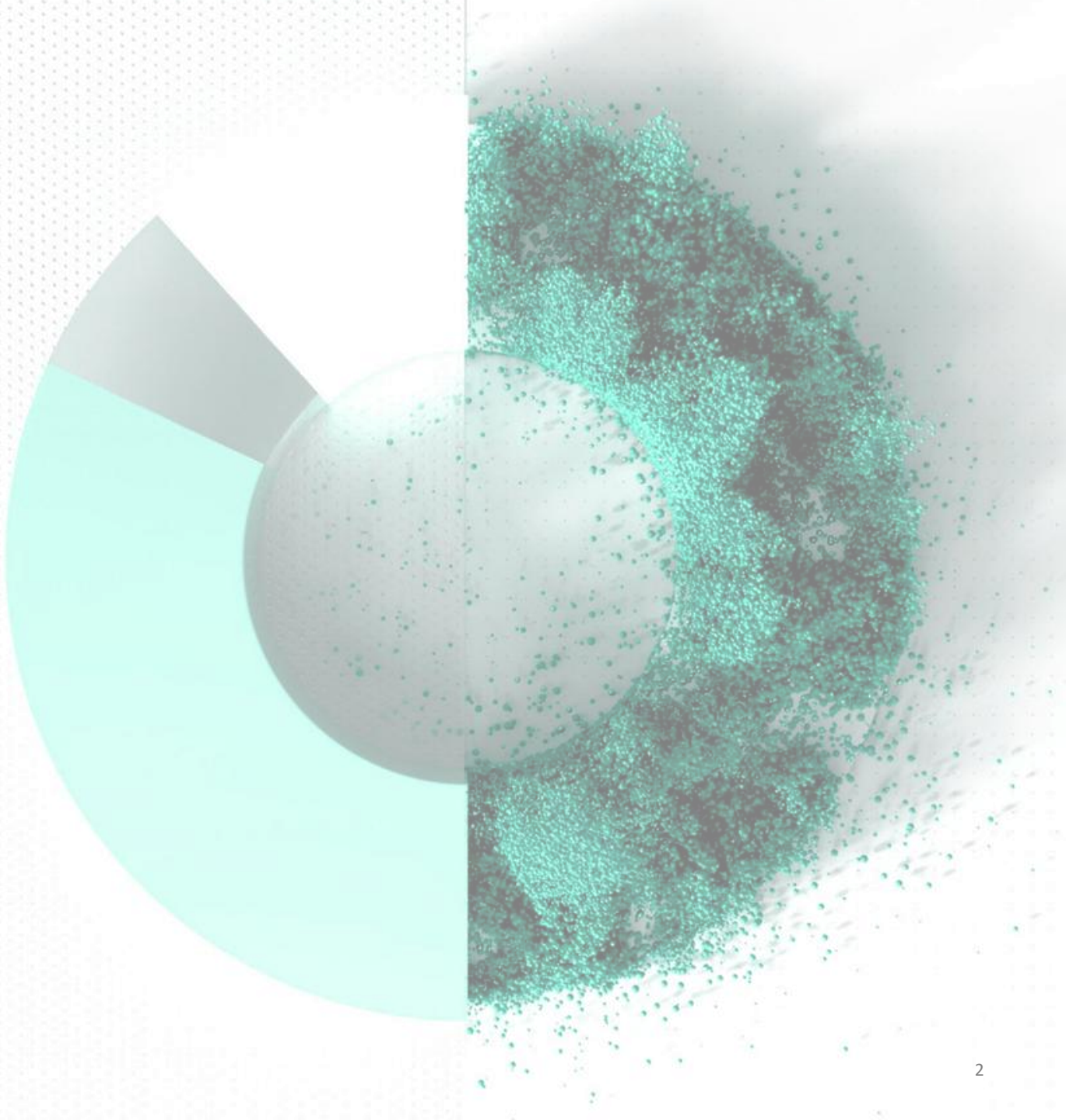


Executive Summary

Key insights summary

Confidence has eroded significantly across Europe, with nearly half of CFOs (48%) expressing diminished optimism about their financial trajectory. **Italian CFOs show even greater caution**, with **52%** reporting a **more pessimistic outlook** compared to just 15% feeling more optimistic – with a notably wider gap than the European average (19%). One-third maintain a neutral stance (33%), suggesting a broad-based decrease of confidence rather than isolated concerns.

However, **revenue growth expectations** remain surprisingly robust, with half Italian CFOs (51%) anticipating **at least modest increases**. This contrast between sentiment and sales outlook suggests that CFOs' caution stems from deeper, structural concerns – margin pressures, geopolitical risks, and cost inflation – rather than demand-side weakness. At the same time, it is worth noting that **nearly half** still expect **stagnant** (29%) or **declining** (20%) **sales**.

Margin resilience emerges as a relative bright spot: Italian CFOs demonstrate greater confidence in **margin expansion** (39% vs. 35% European average), suggesting **stronger operational discipline**. Yet, this **optimism is still tempered** – only 4% expect substantial margin improvement, while the majority anticipate either flat (35%) or declining (25%) margins – reflecting the persistent squeeze between revenue growth and cost inflation.

Despite elevated uncertainty, Italian companies demonstrate **disciplined capital allocation**: a majority expect **stable headcount** (55%, with only 26% planning increases) and **flat CAPEX** (52% stable, 29% increasing). This contrasts sharply with European peers, who show less restraint – 36% expect headcount reductions and 29% plan CAPEX cuts, indicating Italian firms are better positioned **to weather the downturn without aggressive workforce or investment adjustments**.

Global tensions have emerged as the paramount business risk, cited as a top-three concern across all surveyed countries and now eclipsing recession fears. Italian CFOs rank **geopolitical risks** as their **primary concern** (73%), ahead of economic contraction (64%) and raw materials volatility (55%). This hierarchy reflects deep anxieties about energy security, regional conflicts and supply chain fragility – factors that are driving **a pronounced shift toward defensive, risk-mitigation strategies**.

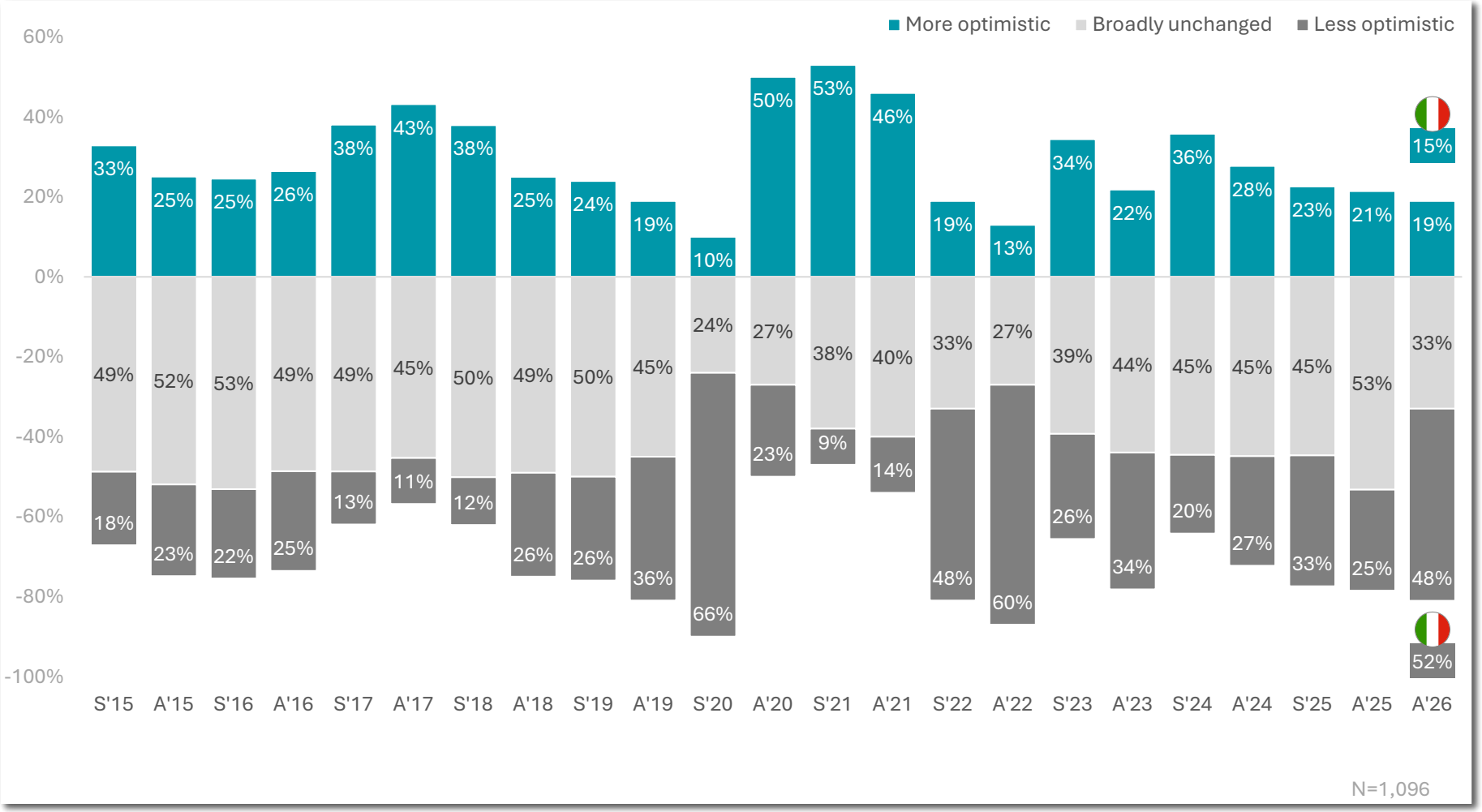
Cost reduction dominates the strategic agenda: across all countries, it ranks as a top-three priority, underscoring **a defensive corporate posture in response to mounting uncertainty**. Rather than pursuing transformational operational changes, CFOs are **prioritizing scenario planning and risk integration to build resilience**. For Italian firms specifically, the strategic focus extends to cash flow optimization (31%) and selective market expansion in established territories (27%), reflecting **a preference for lower-risk, efficiency-driven initiatives**.

Financial Prospects

Confidence erodes as CFOs turn pessimistic on financial outlook

Pessimism has surged sharply, with nearly half of CFOs now expressing diminished confidence – a clear reversal from the previous quarter signalling mounting concerns.

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



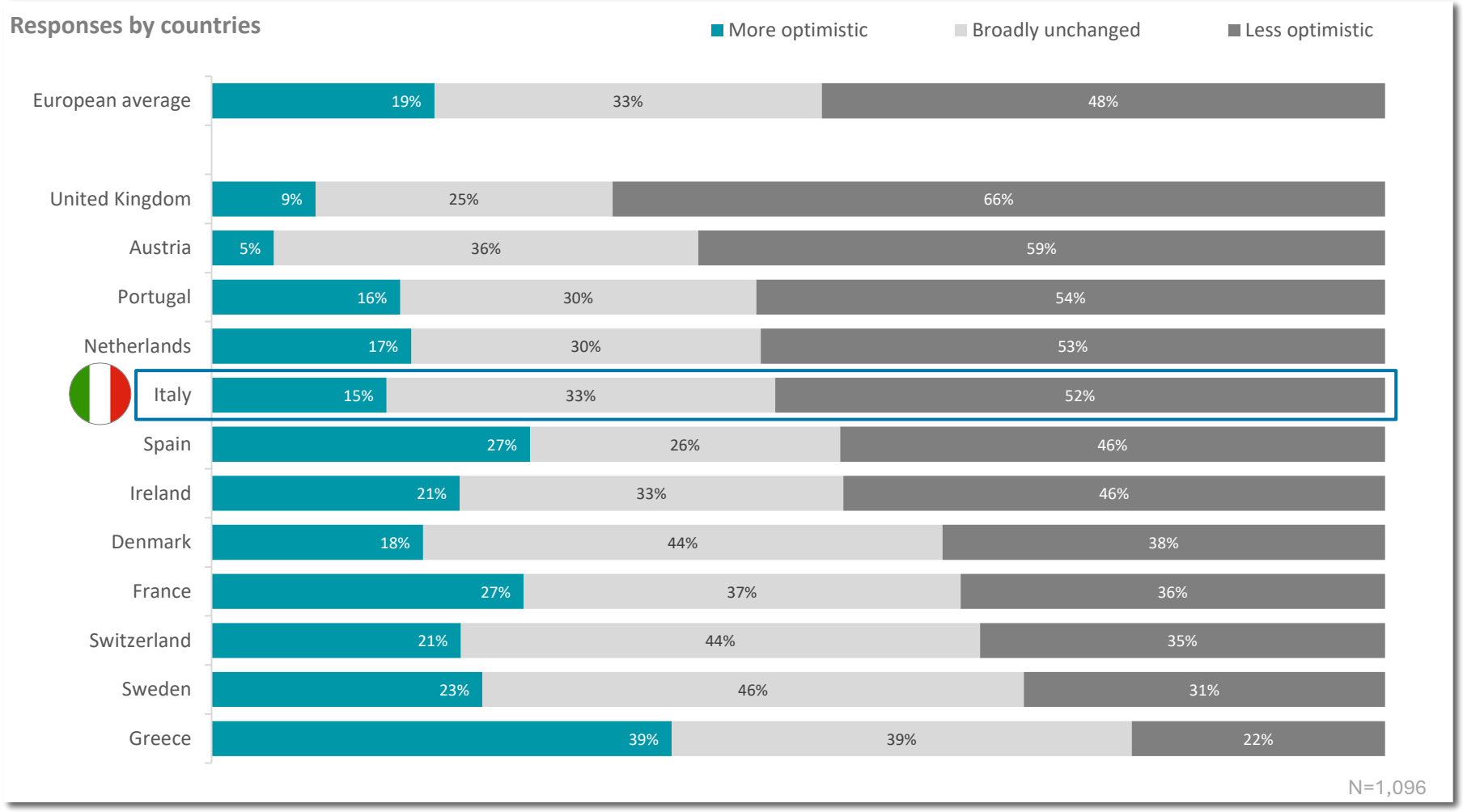
Note: The question specified a six-month period in Denmark, Italy and Norway

- **Confidence has deteriorated markedly**, with roughly half of CFOs (48% Europe, 52% Italy) now more pessimistic about their financial trajectory. Notably, **optimism continues its downward trend for the fourth consecutive survey wave**, indicating a sustained erosion of business confidence.
- The shift has been dramatic: **pessimism jumped +23 p.p. in just six months**, while those maintaining a neutral outlook plummeted from 53% to 33% - a clear sign that CFOs are moving from cautious to actively concerned.
- This represents one of the weakest sentiment readings in over a decade of survey history, reflecting **a confluence of headwinds**: slowing growth momentum, geopolitical instability and persistent cost pressures that are reshaping corporate outlook across Europe.

Financial prospects: pessimism widespread, with sharp country divergence

While pessimism has gripped most markets, Italy sits slightly above the overall average – yet demonstrates strong operational discipline and resilient business fundamentals.

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



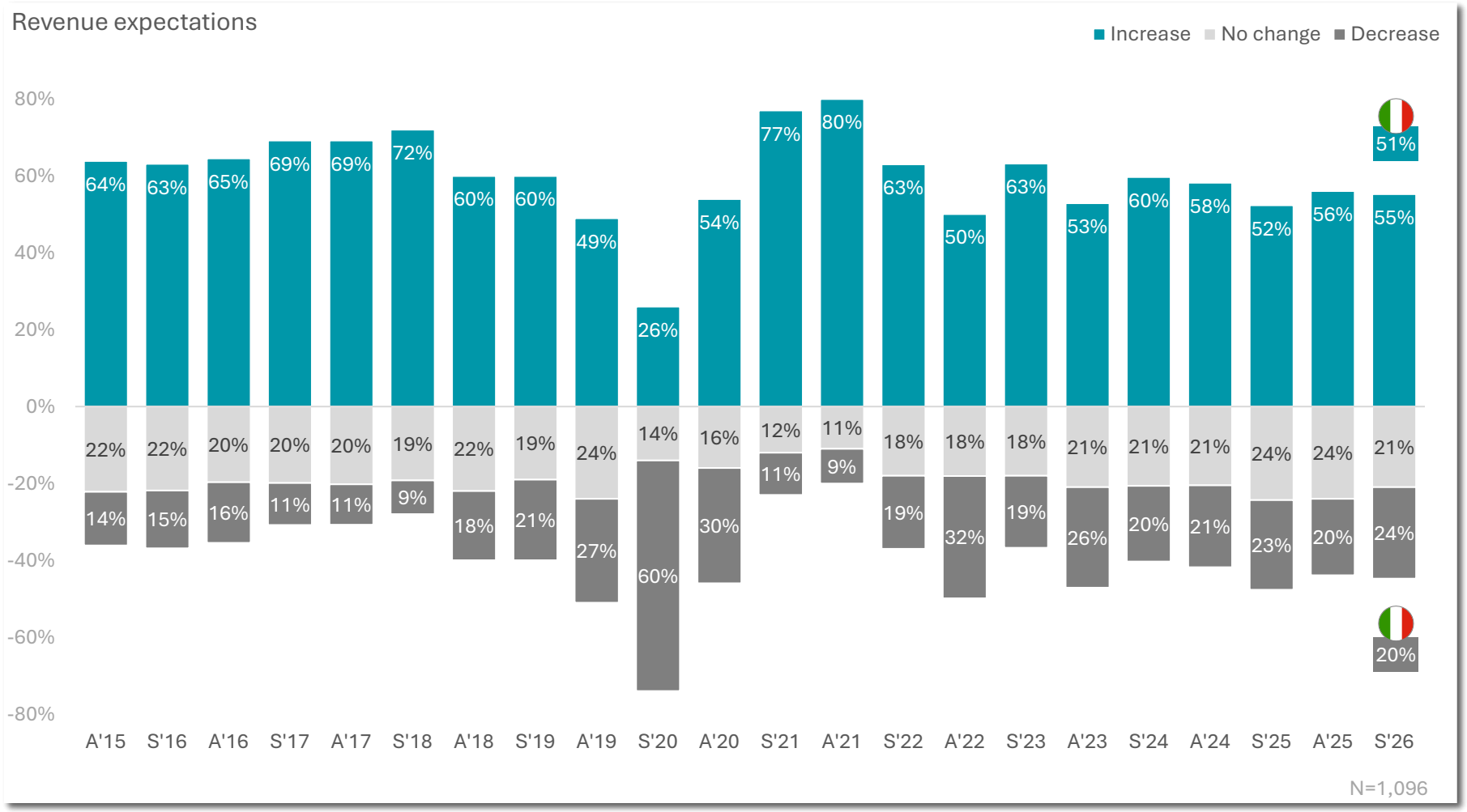
Note: The question specified a six-month period in Denmark, Italy and Norway

- **Pessimism has become the dominant sentiment across Europe**, with the UK (66%), Austria (59%), and Portugal (54%) experiencing the most severe confidence erosion.
- **Italy occupies a middle ground**: at 52% pessimism, it sits above the European average (48%) but significantly outperforms the most distressed markets, suggesting **underlying business resilience**.
- In contrast, **Greece** emerges as an exceptional bright spot, with 39% optimistic versus just 22% pessimistic – a striking reversal of the broader European trend. This resilience likely reflects Greece's above-average growth trajectory, sustained post-crisis recovery momentum, structural reforms and a tourism-driven demand environment that continues to support business confidence.

Top-line resilience persists amid broader pessimism on profitability

While most CFOs continue to expect revenue expansion, the stable share (55%) masks underlying concerns about margin compression and cost inflation.

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

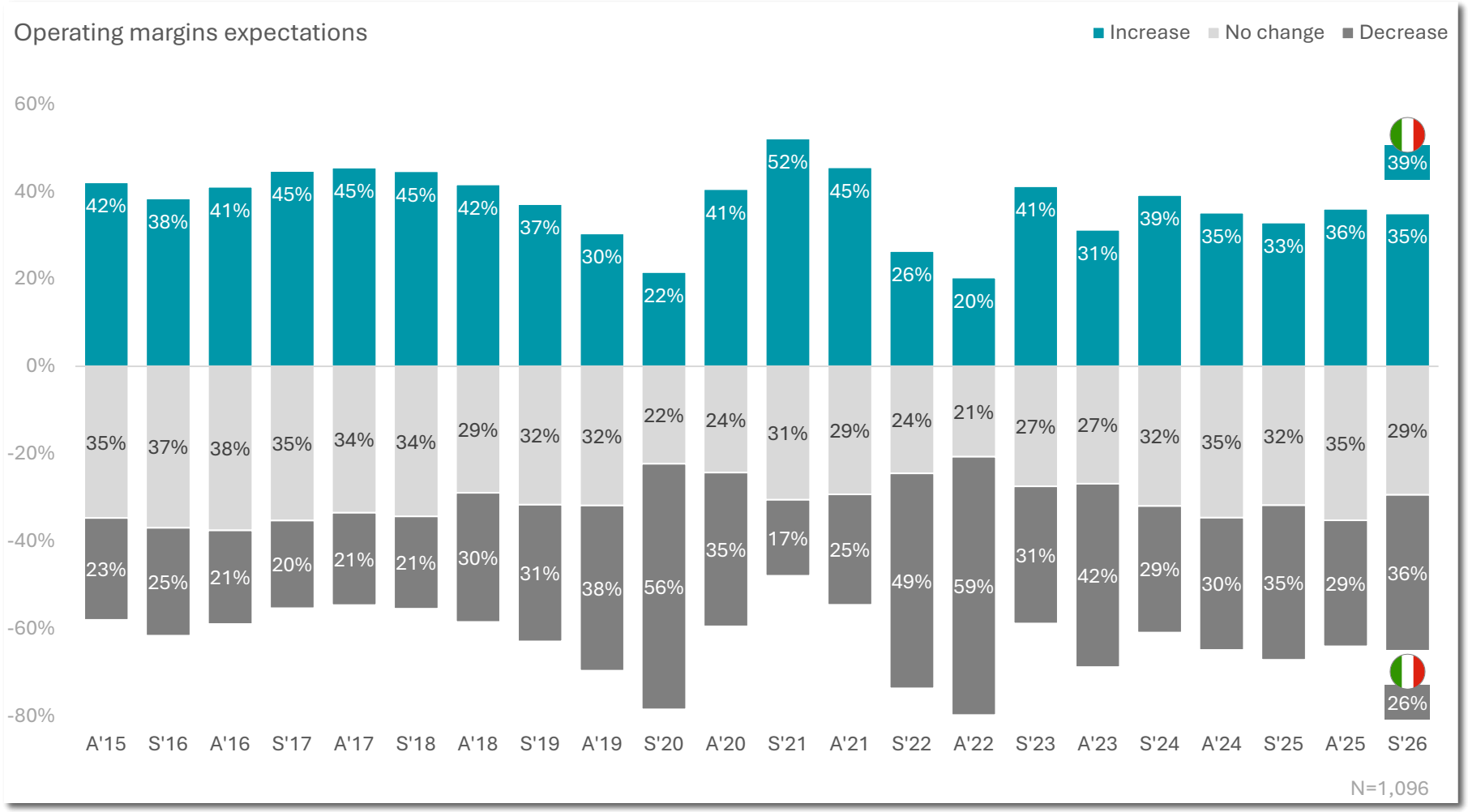


- **Growth expectations remain robust**, with more than half of CFOs (55%) forecasting revenue increases versus just 24% anticipating declines – a ratio that underscores **underlying demand resilience despite macro headwinds**.
- This divergence between revenue confidence and overall pessimism reveals the true challenge ahead: **CFOs expect top-line stability but face a potential margin squeeze** as cost inflation outpaces pricing power, threatening earnings despite sales growth.
- **Geographic variation is pronounced**: Spain and Switzerland lead with 63-64% growth expectations, while the UK lags significantly (45% expecting declines). **Italy** trails the European average at **51%**, reflecting **sectoral exposure differences** and **varying degrees of cost pressure across different European markets**.

Margin squeeze looms: cost inflation threatens profitability despite revenue growth

Italian companies show greater margin discipline yet this relative strength cannot fully offset the relentless squeeze between revenue growth and accelerating cost inflation.

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

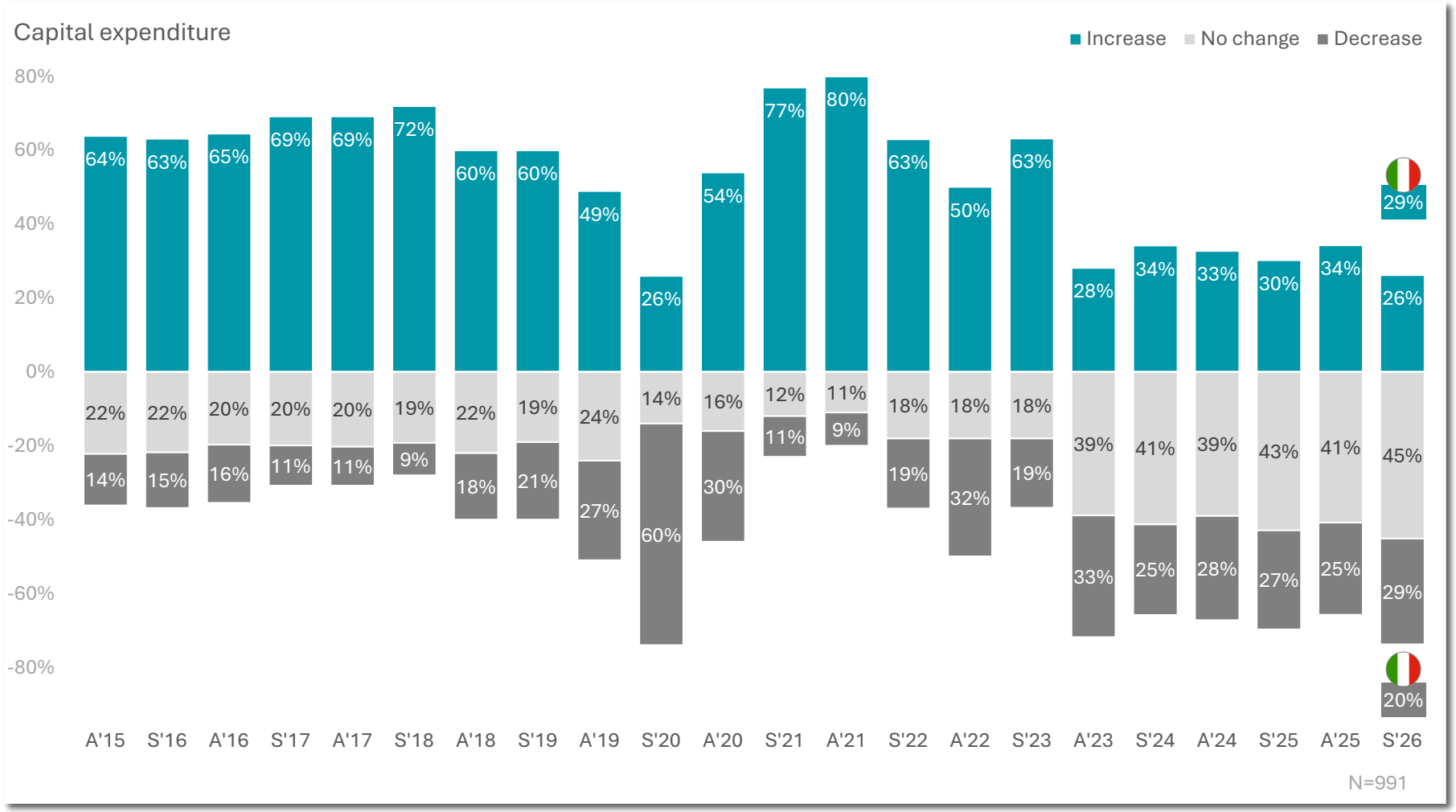


- Margin expectations are essentially flat, with 35% of European CFOs anticipating increases and 36% expecting declines – a near-perfect stalemate that masks the underlying challenge. **Italian CFOs show greater optimism** (39% expecting increases), but this advantage may not offset the broader margin compression trend.
- **The core issue is structural**: while revenues are expected to grow, **cost inflation** is rising faster than pricing power, creating **a persistent margin squeeze** that forces CFOs into **defensive, earnings-protection mode** rather than growth-oriented strategies.

Investment freeze takes hold: CFOs defer capital spending amid uncertainty

While European CFOs are pulling back on capital investments, Italian companies show a slightly higher than average confidence outlook.

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

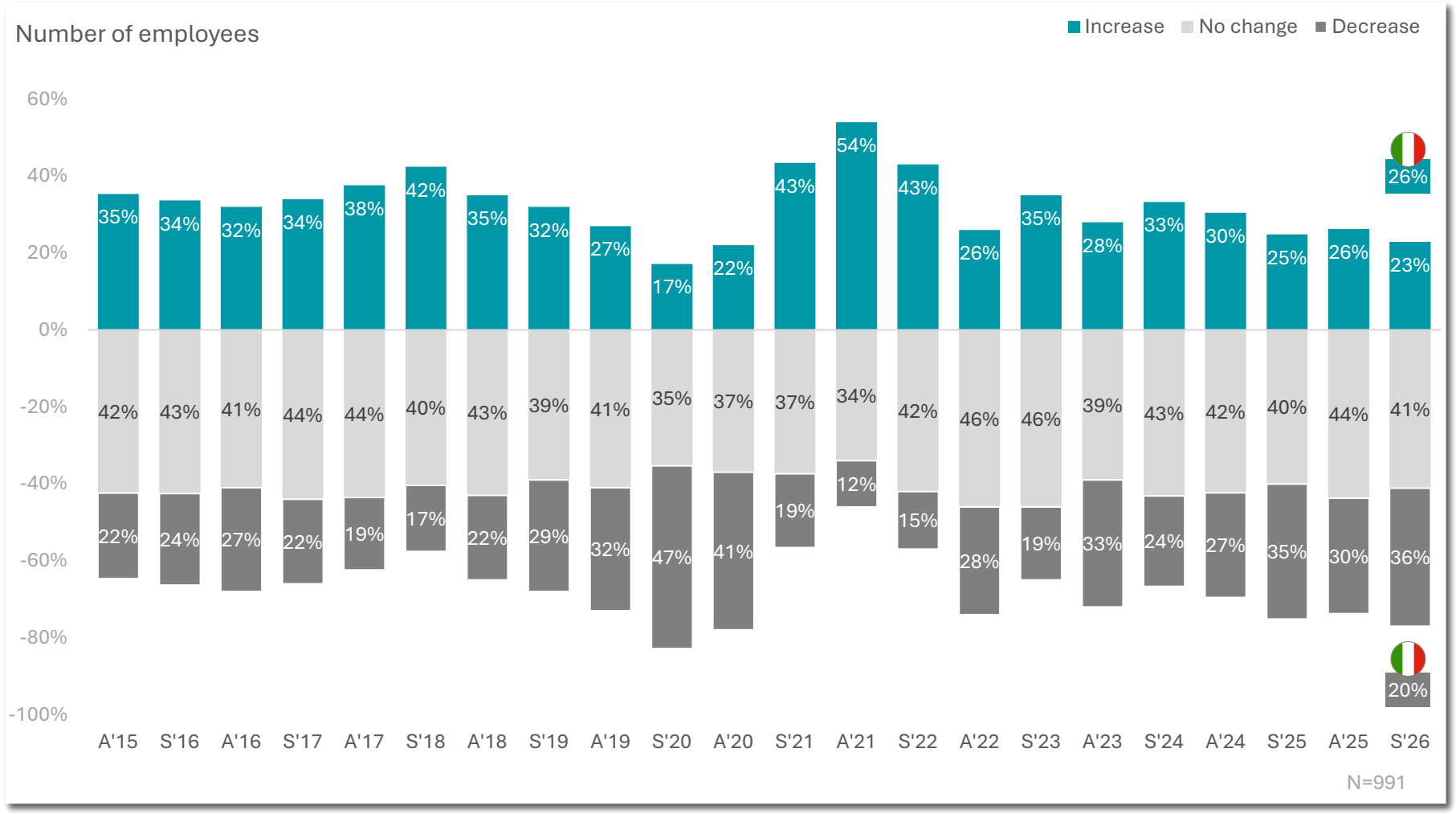


- **Investment appetite has shrunk**, with only 26% of European CFOs planning CAPEX increases (vs. 29% expecting cuts, with a dominant 45% (+4 p.p.) **freezing spending at current levels**, signalling a broad-based retreat from capital deployment.
- In this context, **Italian CFOs** show **a slightly more positive trend**, with **29%** planning an **increase** (vs. only 20% foreseeing a decrease), suggesting renewed confidence in near-term growth prospects and a **willingness to invest through the uncertainty cycle**.
- The strategic rationale is clear: CFOs are treating CAPEX as a primary adjustment lever, **deferring non-essential investments to preserve cash and flexibility** while maintaining operational efficiency – a defensive posture that prioritizes **balance sheet strength** over growth acceleration.

European workforce outlook weakens, but Italy holds the line

While European CFOs turn into cutting headcount, Italian companies demonstrate remarkable restraint, with 55% expecting stable workforce levels.

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

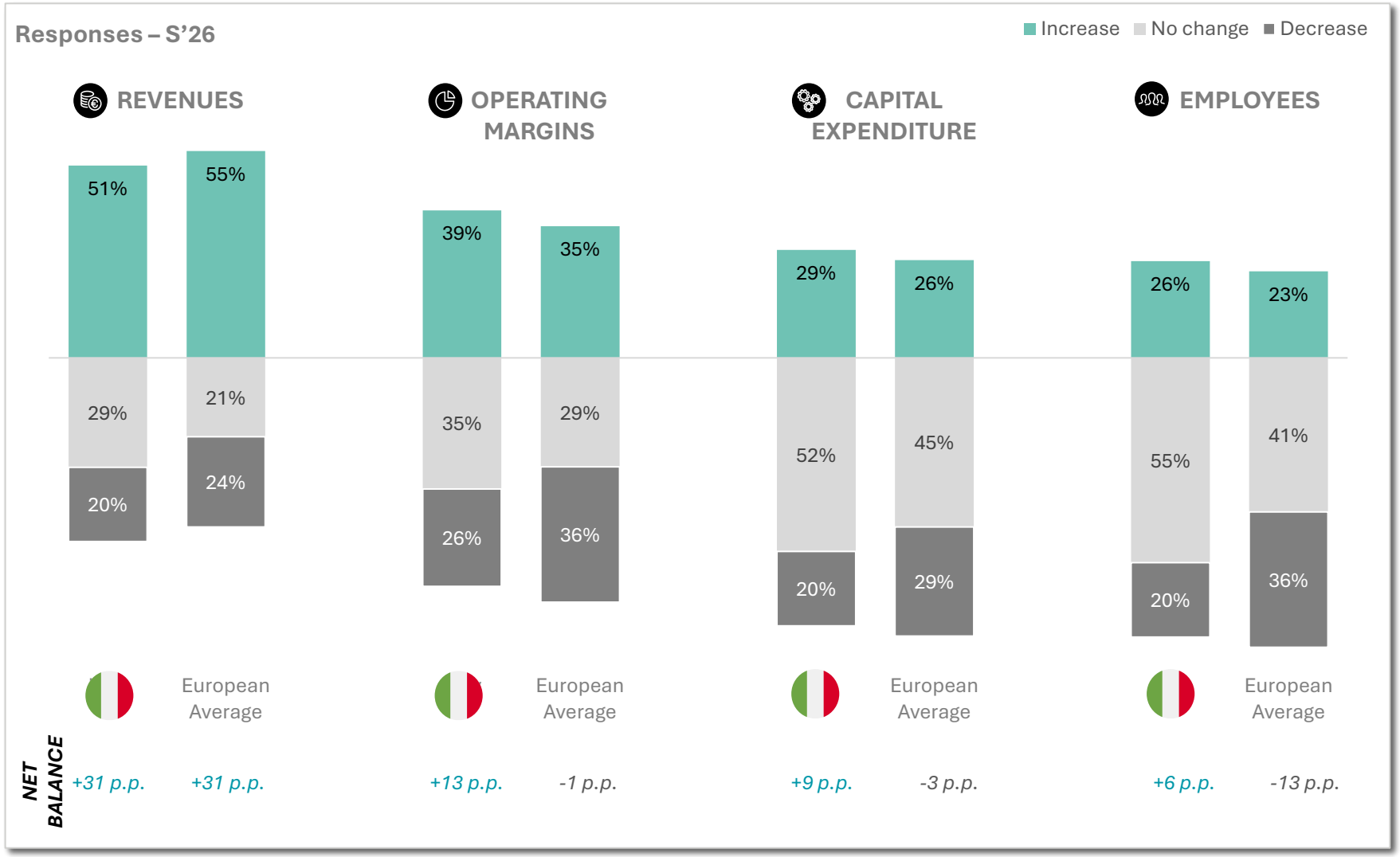


- **European hiring sentiment has deteriorated sharply**: 36% of CFOs (+6 p.p.) plan workforce reductions versus just 23% planning increases, with 41% maintaining stable headcount. This reflects mounting cost pressures and margin squeeze.
- **Italian companies** stand out with **disciplined workforce management**: 55% of Italian CFOs expect stable headcount, a notably higher proportion than the European average, while **26% plan hiring increases** and only 20% anticipate cuts. This ratio demonstrates **confidence in maintaining organizational capability despite uncertainty**.
- The strategic implication is clear: **CFOs across Europe are treating headcount as a primary cost lever**, prioritizing efficiency gains and productivity improvements over workforce expansion. **Italian firms**, however, are taking **a more measured approach**, suggesting greater confidence in near-term demand and **organizational resilience**.

CFOs' Strategic Positioning: Balanced Growth with Operational Discipline

Italian companies demonstrate a nuanced strategic posture: cautious on top-line growth but confident in margin protection, with investment and workforce stability.

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?



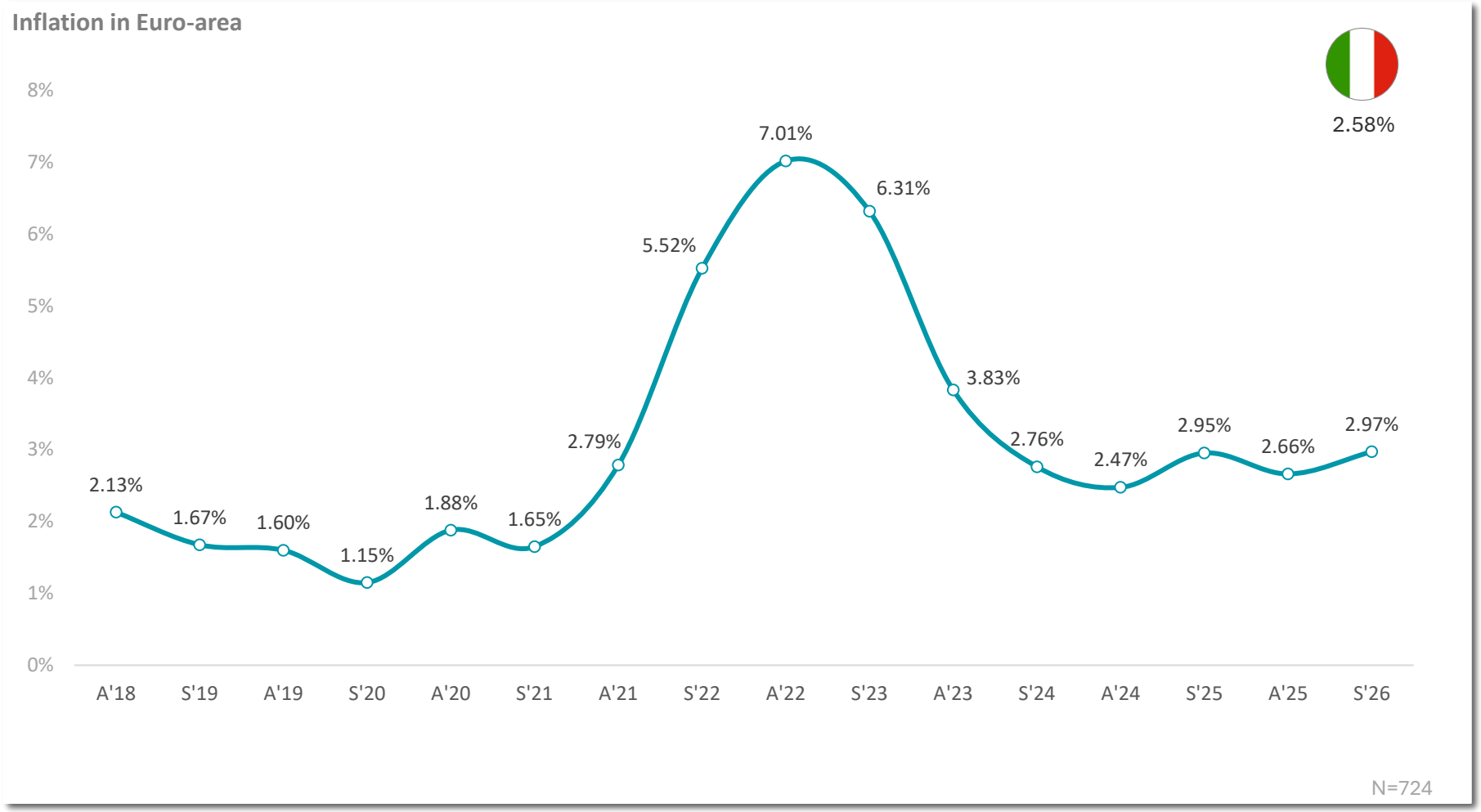
- 51% of Italian CFOs expect **revenue increases**, trailing the European average (55%) by 4 percentage points, yet maintaining a **very high net balance between optimists and pessimists** (+31 p.p.). This measured confidence reflects realistic expectations about demand growth **while acknowledging external headwinds** – a pragmatic stance that avoids both excessive optimism and defeatism.
- In parallel, Italy demonstrates **superior margin confidence** (39%, outpacing the European average of 35%), reflecting **disciplined cost management and pricing power** despite mounting pressures. However, the 12 p.p. moderation from previous wave signals **emerging challenges**, suggesting to remain vigilant on cost inflation.
- Italian CFOs also show **solid investment outlook**: 81% expect either stable (52%) or increasing (29%) CAPEX, with similar values for hiring perspectives (55% and 26% respectively), which demonstrates **willingness to invest in competitive positioning despite macro uncertainty**.

Uncertainty & Business Risks

Inflation Outlook: Modest Increase Expected, Yet Persistent Pressure Remains

While inflation is anticipated to rise modestly from current levels, European CFOs remain concerned about persistent cost pressures.

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?*



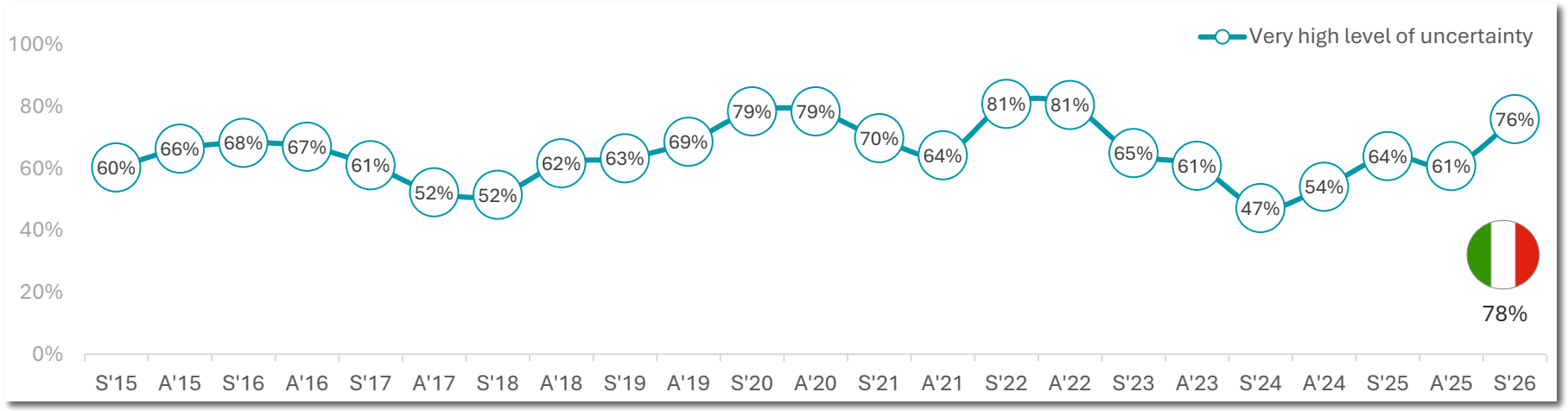
*Note: This question was not asked in **Germany, Netherlands, Switzerland and the UK.**

- The inflation dynamic **threatens margin expansion** and reinforces the **need for disciplined pricing strategies and operational efficiency**.
- European CFOs anticipate Euro-area inflation will rise to 2.97% over the next 12 months, up from 2.66% in the previous wave – a 31 basis point increase that, while modest in absolute terms, signals **a reversal of the disinflationary trend**. This projection likely reflects expectations of **persistent cost pressures from energy, labor and supply chain factors**, despite the European Central Bank's efforts to maintain price stability. The increase, though gradual, is significant enough to concern CFOs about margin protection and pricing power.
- **Italian CFOs view inflation as a material but not primary concern**, ranking it 4th among business risks. This positioning suggests Italian firms have greater confidence in their ability to manage inflation through **operational efficiency** and **pricing strategies**.

Uncertainty surge drives sharp pullback in risk appetite

Elevated uncertainty has triggered a fundamental shift in corporate risk posture: CFOs are de-risking balance sheets, reducing leverage, and prioritizing organizational resilience.

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



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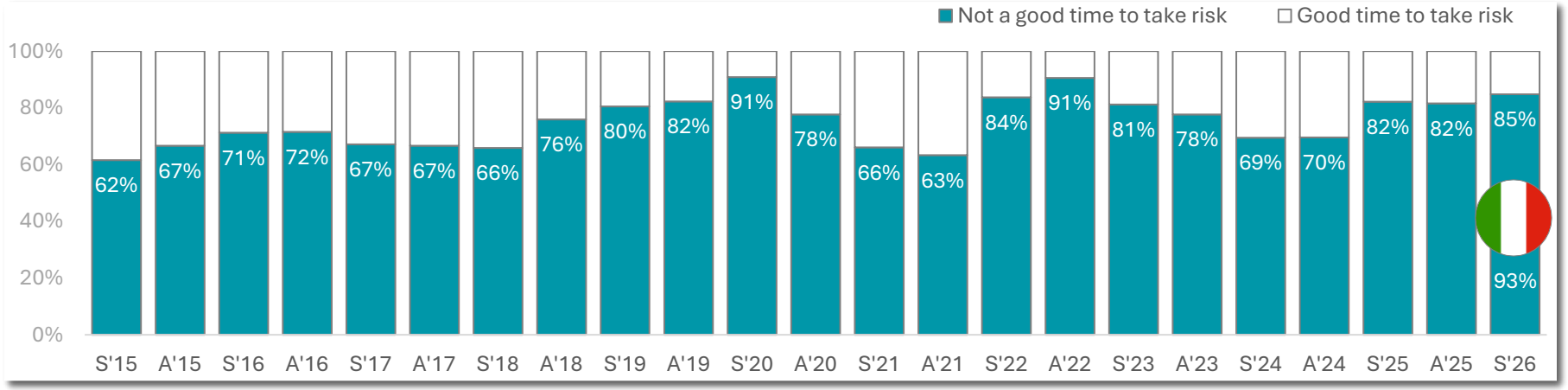
Question asked: **Risk**: Is this a good time to be taking greater risk onto your balance sheet?



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

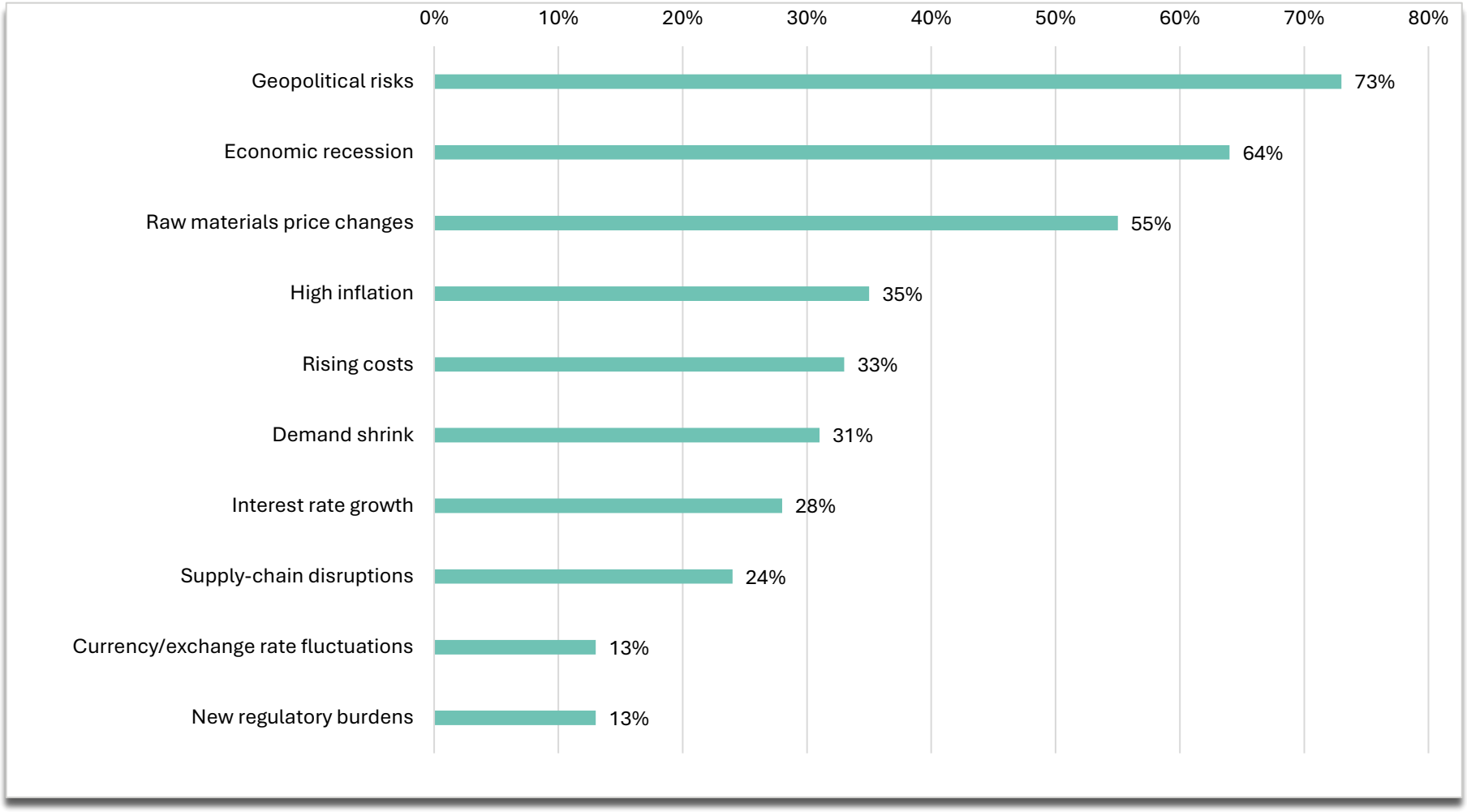
N=812

- **Uncertainty has reached alarming levels across Europe**, with **76%** of CFOs reporting high or very high external uncertainty – a 15 p.p. increase from previous wave. This surge represents one of the highest uncertainty readings in the survey's history. CFOs are responding to **a confluence of geopolitical tensions, economic slowdown fears and supply chain fragility** that collectively threaten business continuity and strategic planning.
- **Italian CFOs** reveal an even higher share (78%), that translates into 93% seeing the current time as *"not good to take risk"*.
- The **uncertainty surge** and **risk-off mode** will have profound implications for corporate strategy over the next 12-24 months. CFOs are likely to maintain caution on capital expenditure, hiring and M&A activity. For Italian firms, this defensive posture is still manageable given their demonstrated operational discipline and margin resilience.

Business risks | Italy

Italian CFOs face a risk profile dominated by external geopolitical threats and economic headwinds, while demonstrating relative resilience on operational and financial risks.

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

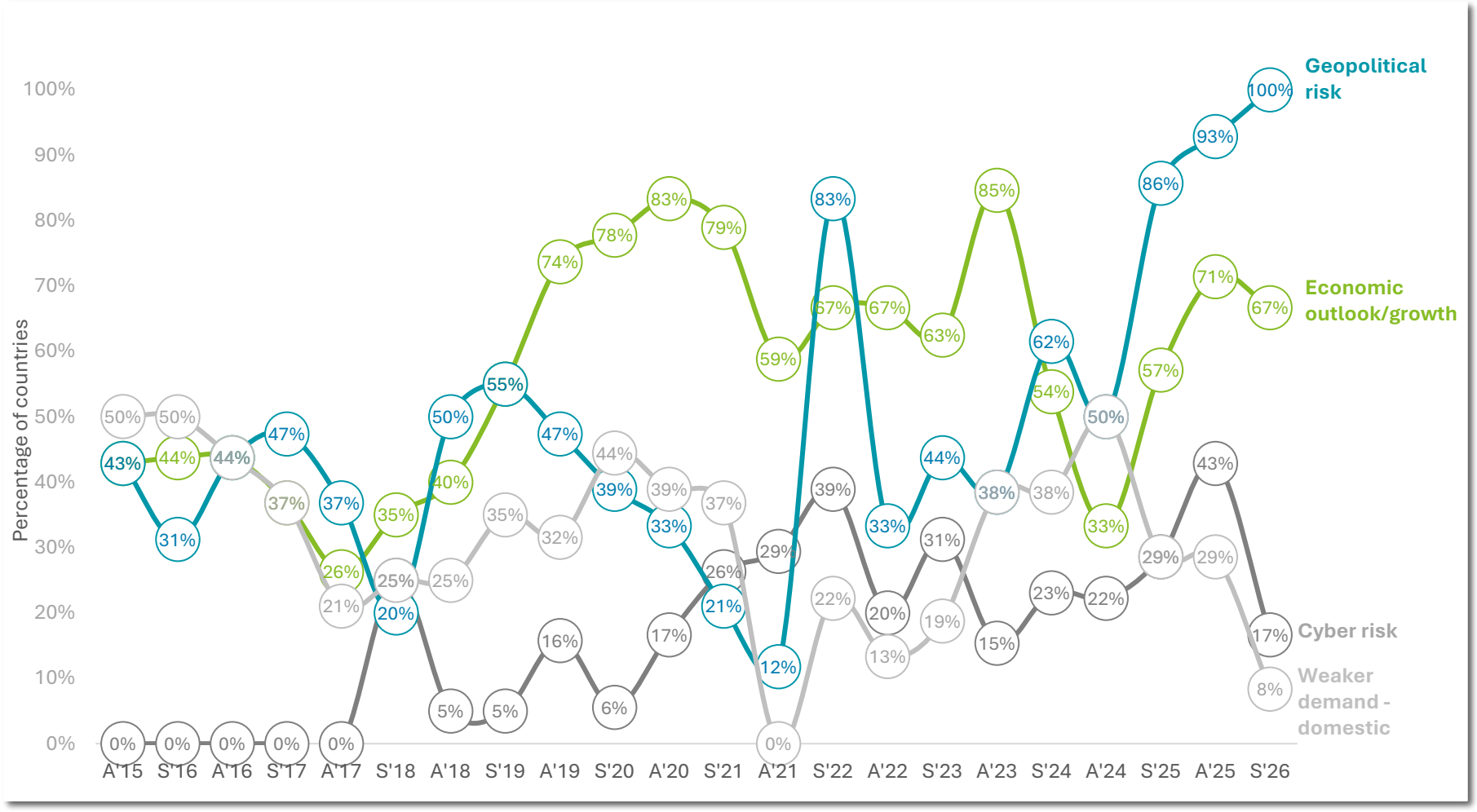


- **Italian CFOs' risk priorities** have undergone a significant transformation compared to the previous survey, reflecting **escalating international tensions and geopolitical instability** that now dominate corporate strategic planning and capital allocation decisions.
- **Geopolitical risks, economic recession and raw materials volatility** create **a "triple threat" scenario** that reflects Italy's specific vulnerabilities to energy shocks, shipping disruptions and supply chain fragility.
- **High inflation** ranks fourth at 35%, while **rising costs** rank fifth at 33%, together representing **a significant secondary risk cluster** that constrains strategic flexibility despite moderation from historical highs.

Business risks | Europe

Geopolitical tensions have eclipsed traditional economic concerns, ranking as the top-three risk in all European countries.

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.

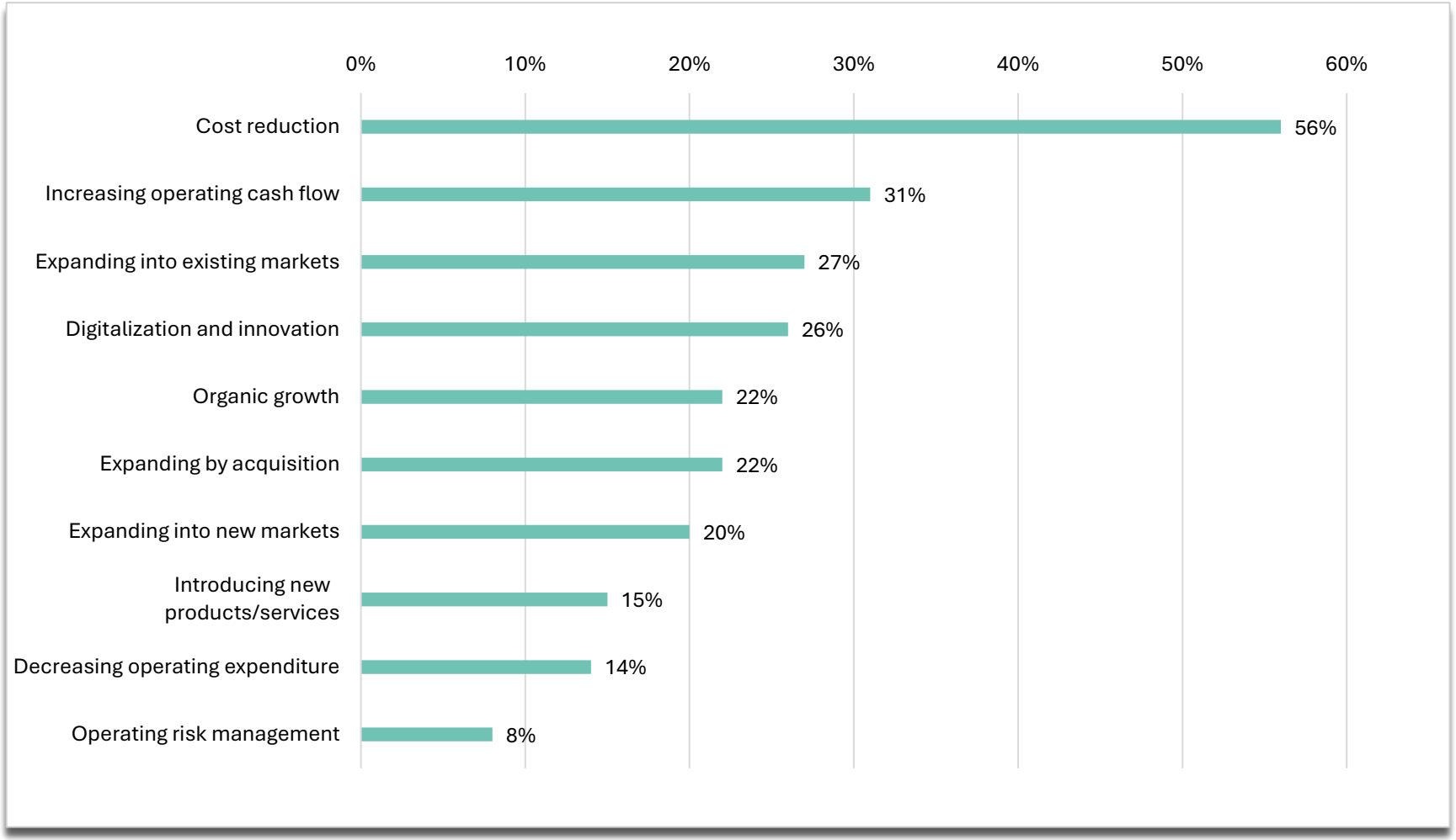
- **Geopolitical risk** has achieved unprecedented prominence in corporate risk assessment, ranking in the top 3 concerns across all surveyed European countries. This represents a fundamental shift from previous survey cycles where economic growth, inflation and supply chain disruptions dominated the risk agenda.
- The dominance of geopolitical risk has fundamentally altered CFO strategic priorities, shifting **from growth-led to risk-first agendas**.

Strategic Priorities

Strategic priorities | Italy

Italian CFOs prioritize operational optimization and margin protection through cost discipline and digital transformation, while pursuing selective organic growth.

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?

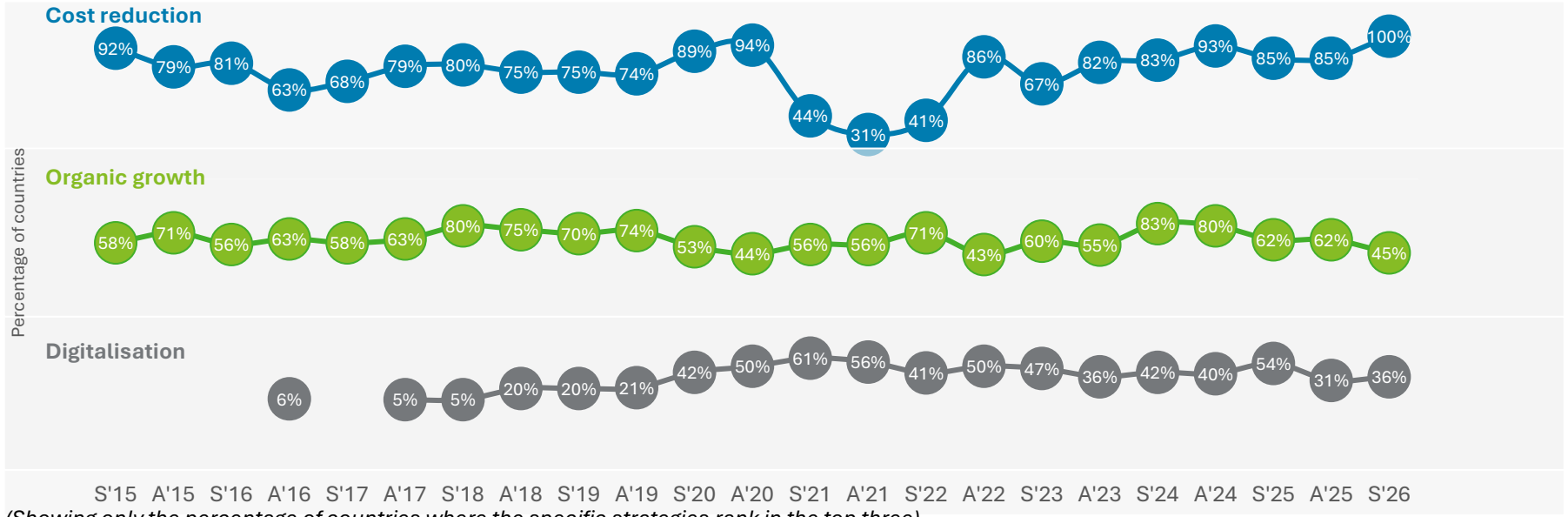


- **Italian CFOs' strategic priorities** align coherently with the risk environment: **56%** prioritize **cost reduction** to protect margins and enhance **operational efficiency**, reflecting a disciplined response to recession fears, geopolitical tensions and rising cost pressures.
- This **defensive posture** is consistent with Italian firms' **low risk appetite** and high perceived uncertainty, demonstrating **alignment between risk assessment and capital allocation decisions** across the corporate landscape.
- Almost a third (31%) of CFOs focus on increasing **operating cash flows** to strengthen **financial resilience** and maintain competitive positioning amid persistent macroeconomic uncertainty and external pressures.
- **Digital transformation** and **innovation** continues to stay relevant (26%) in strategic agendas, in the light of recent AI developments.
- **Growth initiatives** remain secondary, targeting mainly **established markets** (27%) and leveraging **organic growth** (22%).

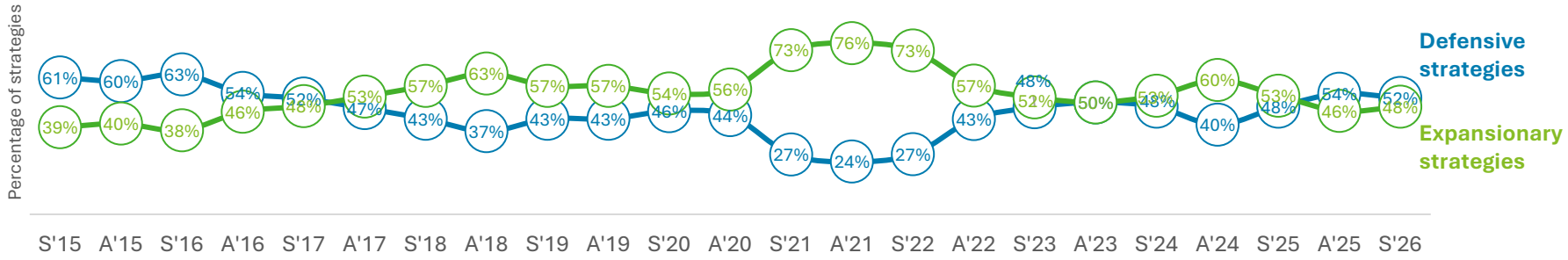
Strategic priorities | Europe

CFO priorities have shifted toward cost reduction and efficiency

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 percentage 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.

- **Cost reduction** is universal, ranked top-3 in 100% of countries, highlighting a strong focus on efficiency and margin protection.
- **Growth priorities** remain selective, with ~45% focusing on existing markets and organic growth, favouring lower-risk expansion.
- **Overall strategy is tilted slightly defensive** (52%), with CFOs balancing cost discipline with targeted, near-term growth initiatives.

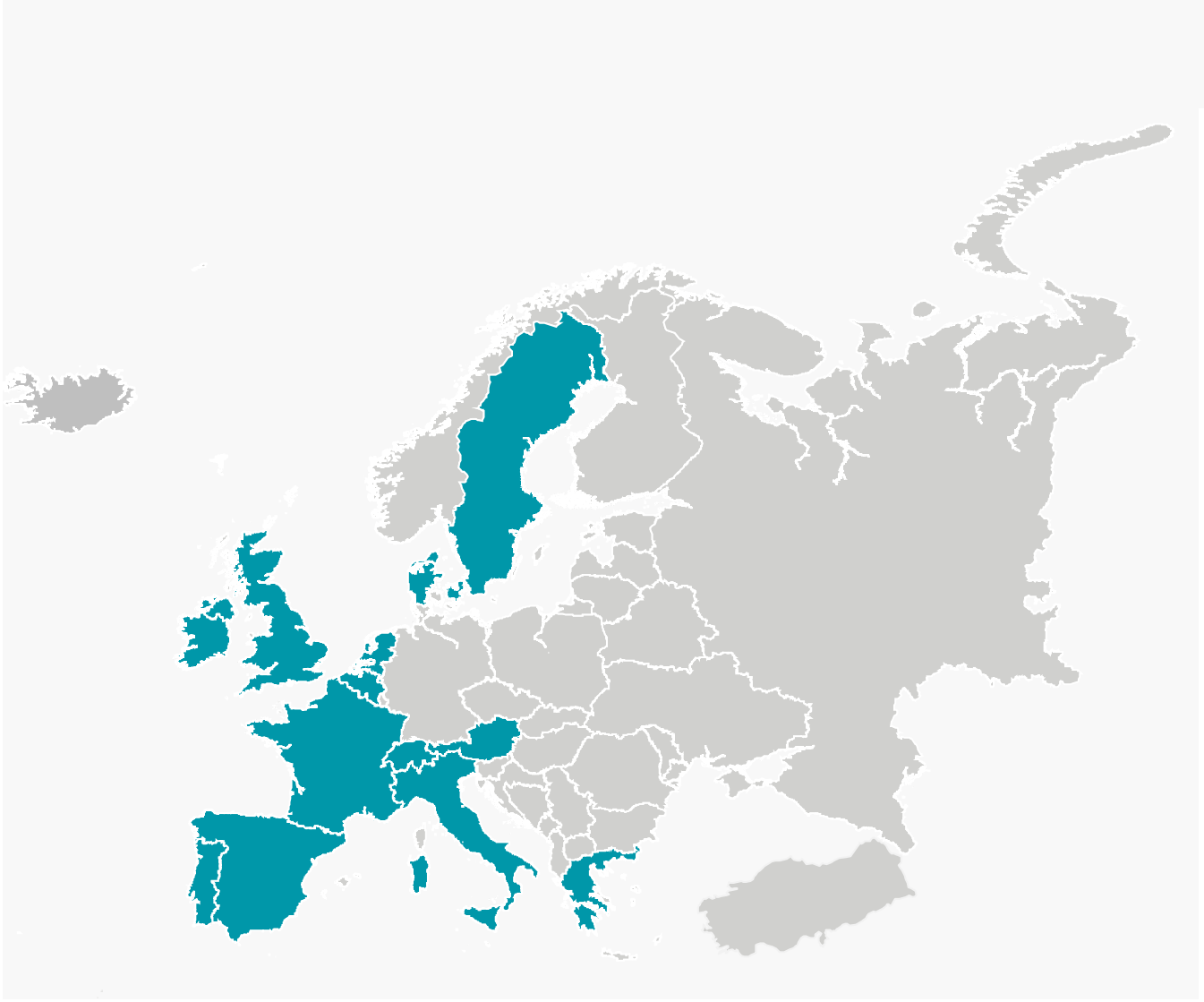
Survey Demographics

Geographical spread

1,136 CFOs from 12 European countries participated in the Spring 2026 edition of the CFO survey

About the survey

The Spring 2026 European CFO Survey is the 23rd edition of a bi-annual research project that gathers insights from Chief Financial Officers of leading companies in 12 European countries. The data for the Spring 2026 edition was collected in March to April 2026 via an online survey and reflects responses from 1,136 CFOs in 12 countries and across a wide range of industries.



Participating countries

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

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