CFO Signals™
What North America’s top finance executives are thinking—and doing

2nd quarter 2020
High-level report

This report is a subset of a full report containing analysis and trends specific to industries and geographies. Please contact nacfosurvey@deloitte.com for access to the full report.
2nd Quarter 2020: Reopening for business, but near-normal operating levels not expected until next year

Longitudinal business outlook highlights (please see this quarter’s report for one-off “special topics” findings)

- Optimism about the current North American economy fell drastically from 80% to 1%, but 58% expect better conditions in a year.
- Optimism about Europe’s current economy fell sharply to 1%, with 33% expecting improvement over the next year; optimism about China’s current economy held at 9%, and 51% expect better conditions in a year (note that last quarter’s result were collected before COVID-19 was known to have substantially spread beyond China).

- The own-company optimism index fell drastically from +24 to -54 — by far a historic survey low.
- The performance index fell sharply from 81 to 27 due to historic lows for both revenue and earnings growth expectations.
- The expansion index slid markedly from 50 to just 24 (by far a new survey low), hurt by survey lows for both capital spending and domestic staffing expectations.

Company indexes

Company optimism and growth

- Own-company optimism (net) -54 +24 +5
- Revenue growth (YOY) -8.6% 3.9% 3.0%
- Earnings growth (YOY) -18.7% 6.0% 3.4%
- Capital investment growth (YOY) -12.3% 2.3% 3.2%
- Domestic personnel growth (YOY) -6.0% 1.2% 1.0%
About the survey
Contents and background

About the CFO Signals survey
Each quarter (since 2Q10), CFO Signals has tracked the thinking and actions of CFOs representing many of North America’s largest and most influential companies.

All respondents are CFOs from the US, Canada, and Mexico, and the vast majority are from companies with more than $1 billion in annual revenue. For a summary of this quarter’s response demographics, please see the sidebars and charts on this page. For other information about participation and methodology, please contact nacfosurvey@deloitte.com.

Participation by country*

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>US</td>
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<td>Canada</td>
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<td>Mexico</td>
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Participation by industry*

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
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<tr>
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<tr>
<td>Retail/Wholesale</td>
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<td>Technology</td>
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<td>Energy/Resources</td>
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<td>Telecom/Media/Entertainment</td>
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<tr>
<td>Technology/Innovation/CAD</td>
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<tr>
<td>Services</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
</tbody>
</table>

* Sample sizes for some charts may not sum to the total because some respondents did not answer all demographic questions.
Summary and context
Reopening for business, but near-normal operating levels not expected until next year

Each CFO Signals quarterly report over the last decade has highlighted the number and importance of factors that have changed in the time between surveys. To say the least, this quarter’s events make the time between all prior surveys seem positively tranquil.

Since the release of the last report, the global COVID-19 outbreak has dominated economic, social, and political life and, as the sidebar on this page illustrates, the pandemic’s fallout has been both severe and widespread. Accordingly, governments, businesses, and individuals worldwide have taken wide-ranging steps to adjust to drastically different economic and social conditions than existed just a quarter ago.

In last quarter’s survey, conducted just prior to the news of major spreading outside China and before equity markets suffered historic losses, COVID-19 concerns were already topping CFOs’ list of most worrisome risks, and expectations for company performance over the next year were relatively poor. Still, their economic outlook was actually beginning to improve on the heels of a then-new US-China trade deal.

Conditions have obviously changed dramatically since then, and the world has had to cope with the impacts of extensive global disruption. In response, governments and central banks have implemented extensive efforts to limit the virus’s spread, mobilize health and safety efforts, and bolster the liquidity of businesses and households.

While those efforts have brought some welcome relief, this quarter’s findings indicate that many management teams remain focused more on ensuring viability and adapting for near-term performance than on evolving their company for success post-crisis. Still, teams’ focus varies greatly by industry, and many appear to be putting in substantial work on survival, adaptation, and evolution at the same time.

While the world’s collective action may have helped slow the spread of the virus and aided the treatment of affected people, it has also produced sharp declines in economic activity and growing pressure to reopen business operations. Now, as governments begin to loosen restrictions, CFOs and their teams are making difficult choices about what actions to take and when.

To help CFOs check their teams’ thinking against that of their large company peers, this quarter’s survey examines companies’ go-forward plans and the assumptions and beliefs underlying them. Nearly half of CFOs say they will start allowing on-site work as soon as governments allow it, but about 45% say their efforts to work on-site will be limited by the expectation of a fall resurgence of the virus.

Three-fourths say they believe their company can sufficiently manage the risks of on-site work for substantial parts of their business, and they mostly do not expect to provide hazard pay to make it happen. Still, about 70% say those who can continue to work remotely will have the option of doing so.

When it comes to achieving near-normal levels of on-site work, 52% say effective on-site testing is necessary, with effective treatments and vaccines less so at 35% each. Thirty-six percent cite dependence on the reopening of school and daycare facilities.

Overall, however, 60% of CFOs do not expect to return to a pre-crisis level of operations in 2020. Instead, 21% expect to reach this milestone in 1Q21, with 39% saying 2Q21 or later. Accordingly, growth expectations for revenue, earnings, capital spending, and hiring have fallen to by far their lowest levels in the survey’s 10-year history.

As CFOs look to a post-crisis future, many say they expect substantially higher levels of automation and cloud computing, and they overwhelmingly expect more remote work (including within their finance teams). Accordingly, many also expect a smaller real estate footprint. What they mostly do not expect is less cross-border sourcing (many do expect more diversified supply chains), and they express mixed concern about credit and currency markets.

Key developments since the 1Q20 survey

- COVID-19 reached pandemic status, with more than 3.5m cases and 250k deaths across more than 200 countries (as of 5/8); more than 70% of US citizens were under stay-at-home orders across 35 states.
- Companies in many sectors experienced substantial or complete shutdowns.
- US unemployment claims rose by more than 30 million; Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a $2 trillion relief package for businesses and households.
- US equity markets, having hit new highs in February, declined more than 30% in March before partially recovering; the S&P 500 fell 16% between surveys.
- To bolster liquidity, the US Fed sharply cut rates and boosted asset purchases—undertaking more purchases in a week than in the first six months of quantitative easing.
- Estimates for second quarter US GDP (including Deloitte’s) projected a decline of about 30%.
- Oil prices temporarily fell far below zero, with the price of WTI falling much more than Brent crude.
- EU governments reached a deal to provide support to member states; the ECB announced massive, unconditional purchases of government bonds.
- China appeared to be seeing a slow recovery; Wuhan reopened in early April.
- Mexican economic activity fell 2.4% in the first quarter, the worst contraction since 3Q09.
- Canada’s economy grew only 0.1% in January, then faced crisis and oil price headwinds.
- With no proven vaccine or cure, more than 30 states had plans to begin loosening restrictions in May.

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Findings at a glance

Perceptions

How do you regard the status of the North American, European, and Chinese economies? Perceptions of North America fell drastically, with just 1% of CFOs rating current conditions as good (80% last quarter), but 58% expecting better conditions in a year (up from 35%). Europe’s numbers were also down sharply, coming in at 1% and 33%. Perceptions of China’s current conditions held at 9%, and expectations for a year from now rose sharply to 51%. Page 7.

What is your perception of the capital markets? Sixty-three percent of CFOs say debt financing is attractive (down from 90%) following major drawdowns on credit facilities. Equity financing is considered attractive by 25% (down from 46%) of public company CFOs and 13% (down from 37%) of private company CFOs. Fifty-five percent still say US equity markets are overvalued (down from 83%) despite very sharp market declines. Page 8.

Sentiment

Compared to three months ago, how do you feel about the financial prospects for your company? The net optimism index fell drastically from last quarter’s +24 to an historic survey low of -54. Just 11% of CFOs expressed rising optimism (38% last quarter), and 65% (a historic survey high) expressed declining optimism (14% last quarter). Page 9.

Expectations

What is your company’s business focus for the next year? Companies shifted toward their first collective cost reduction (over revenue growth) focus in survey history, and they doubled down on current geographies (over new ones) and organic growth. Page 10.

How will your key operating metrics change over the next 12 months? YOY growth expectations fell drastically, with each metric hitting a new low and turning negative for the first time in survey history. Revenue growth slid from 3.9% to -8.6%; earnings growth fell from 6.0% to -18.7%. Capital spending slid sharply from an already-low 2.3% to -12.3%. Domestic hiring fell from 1.2% to -6.0%, and dividend growth slid from 3.7% to -4.8%. Page 11.

Special topic: COVID-19 phase/focus

Which modes best describe your management team’s current focus? CFOs say their management teams are focused more on ensuring viability and adapting for near-term performance than on evolving their company for success post-crisis; industry differences are dramatic, with many Retail/Wholesale and Services companies largely in survival mode. Page 12.

Special topic: Resumption of operations

What is your best guess for when your company will return to a near-normal operating level? CFOs’ initial optimism about near-normal operations has faded, with 60% now saying this milestone will not be reached until 2021 or later. Retail/Wholesale and Services CFOs are the most pessimistic. Page 13.
Topical findings
COVID-19 drove this quarter’s assessments of the current North American and European economies to historic survey lows; the silver lining may be that many CFOs believe conditions are likely to be better in a year.

Assessments of the current North American economy, having experienced five quarters of declines through 2018 and 2019, rose sharply last quarter to 80% (a US-China trade deal had just been completed). Similarly, assessments of the economy’s future were trending upward, reaching the highest reading since 3Q18 at 35% last quarter.

This quarter, the proportion rating current conditions as good dropped to just 1%. On the plus side, nearly 60% expect better conditions in a year.

Perceptions of Europe’s economy have receded sharply since 1Q18, but rebounded slightly lately (Brexit had just been completed last quarter). This quarter, current assessments dropped to just 1%, but about one-third expect improvement over the next year.

Perceptions of China’s current economy were poor at 10% last quarter (coronavirus was already a major factor), and it held steady this quarter. Just over half now expect better conditions in a year.
Perceptions
Assessments of markets and risk

Equities regarded as overvalued despite sharp declines. Equity markets experienced steep declines starting the week of 2/24, falling more than 30% in March from their recent highs. They have recovered substantially, but the S&P 500 still netted a 16% decline between surveys. Twenty-two percent now regard equity markets as undervalued, but 55% say they are overvalued.

Debt financing attractiveness near survey low; equity attractiveness down sharply. With continuing very low interest rates (the US Fed dropped rates a half point in early March) and in the aftermath of broad drawdowns of credit lines, debt attractiveness fell from 90% to 63%. With equity markets down sharply, equity financing attractiveness fell drastically for both public company CFOs (from 46% to 25%) and private company CFOs (from 37% to 13%).

Much lower appetite for risk-taking. The proportion of CFOs saying it is a good time to be taking greater risk flatlined around 40% through 2019. This quarter, though, it plummeted to just 27%—by far the lowest level since we began tracking this metric in 2015.

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

Debt/equity attractiveness
How do you regard debt/equity financing attractiveness? Percent of CFOs citing debt and equity attractiveness (both public and private companies)

Risk appetite
Is this a good time to be taking greater risk? Percent of CFOs saying it is a good time to be taking greater risk

2YA = Two-year average
Sentiment
Optimism regarding own-company prospects

Own-company optimism reversed its recent gains, falling drastically to a new survey low. Sixty-five percent expressed falling optimism, with all countries and industries down sharply.

Net optimism rebounded from a low of -5% in 3Q19 to a considerably better +24 last quarter. But this quarter it fell precipitously to a new survey low at -54%. Just 11% of CFOs expressed rising optimism (well down from last quarter’s 38% and a new survey low), while 65% cited declining optimism (well up from last quarter’s 14% and another survey record).

Net optimism for the US fell sharply from +23 to -54. Canada fell drastically from last quarter’s +57 to -67. Mexico fell from +18 to -60.

Retail/Wholesale, Energy/Resources, and Services were the most negative, with all near -75%. Healthcare/Pharma, Technology, and Financial Services were the most positive, all in the -40 to -45 range.

Please see the full report for industry-specific charts.

Own-company optimism
Compared to three months ago, how do you feel now about the financial prospects for your company? Percent of CFOs citing higher optimism (green bars), lower optimism (blue bars), and no change (gray bars); net optimism (line) is difference between the green and blue bars

Net optimism by country and industry (1Q20)
Companies shifted toward their first collective cost reduction (over revenue growth) focus in survey history, and they doubled down on current geographies (over new ones) and organic growth.

For the first time in survey history, CFOs indicated a net focus on cost reduction over revenue growth (43% vs. 32%, for a net of -11%). The bias toward investing cash over returning it accelerated (62% vs. 8%, for a net of +54%).

The focus on current offerings over new ones continued to rise (47% vs. 31%, for a net of -16%), with the highest current offering biases in the last four years. The recent focus on current geographies over new ones accelerated markedly (86% vs. 4%, for a net of -82%), with by far the highest focus on current geographies in seven years.

The bias toward organic over inorganic growth rose to its highest level in seven years (70% vs. 7%, for a net of -63%).

*Please see the full report for industry-specific charts.*
Expectations
Growth in key metrics, year-over-year

All growth expectations declined drastically, and turned negative for the first time in survey history.

Revenue growth fell sharply from 3.9% to -8.6%—negative for the first time, and by far the lowest in survey history. The US, Canada, and Mexico all hit new lows by wide margins. Healthcare/Pharma and Technology are positive and lead from an industry standpoint; Retail/Wholesale and Services trail by a wide margin.

Earnings growth fell drastically from 6.0% to -18.7%—a new low by a wide margin, and a very sharp decline even among the other metrics' strong declines this quarter. The US, Canada, and Mexico all hit new lows by wide margins. Only Technology is above zero; Retail/Wholesale and Services are by far the lowest.

Capital spending growth slid sharply from 2.3% to -12.3%, by far a new survey low, and the first-ever negative reading. The US and Mexico hit new lows by wide margins; Canada was better, but still negative. Only Healthcare/Pharma is above zero; Retail/Wholesale is lowest by a wide margin.

Domestic hiring growth fell markedly from 1.2% to -6.0%, another new survey low. The US and Mexico hit new lows by wide margins; Canada was the only country with positive growth. All industries are negative; Retail/Wholesale is lowest by far.

Dividend growth slid from 3.7% to -4.8%, the lowest-ever level and first-ever negative reading.

Please see the full report for industry-specific charts.
Special topic: COVID-19 phase/focus

Management team’s current focus

CFOs say their management teams are focused more on ensuring viability and adapting for near-term performance than on evolving their company for success post-crisis.

Overall, CFOs say 24% of their focus is on ensuring survival/viability and 38% is on adapting to maximize current performance. Retail/Wholesale and Services are highest for survival/viability (41% and 33%, respectively). Manufacturing, Financial Services, and Energy/Resources are highest for adapting (43% to 45%).

CFOs say 24% of their team’s focus is on evolving business models for the post-crisis future and that just 13% is on planning/making fundamental business strategy shifts. All industries report at least a 30% focus on these two areas (combined); Healthcare/Pharma, Telecom/Media/Ent., and Technology are above 40%.

**Many CFOs cite a 25% or higher focus in multiple areas, and dominant modes are very industry dependent.**

Survival/viability is a 25%+ focus for 45% of companies and the top focus for 33% (led by Retail/Wholesale and Services). Adaptation is a 25%+ focus for 79% and the top focus for 62% (led by Energy/Resources, Manufacturing, and Financial Services). Evolution is a 25%+ focus for 53%, but the top focus for just 28% (led by Healthcare/Pharma and T/M/E). Strategy shifts are a 25%+ focus for 19% and the top focus for just 9% (led by Healthcare/Pharma and Technology).

*Please see the full report for industry-specific charts.*
CFOs’ initial optimism about near-normal operations has faded, with 60% now saying this milestone will not be reached until 2021 or later; Telecom/Media/Entertainment and Energy/Resources are relatively optimistic, while Retail/Wholesale and Services are the most pessimistic.

Since we conducted a supplemental COVID-19 poll from April 8-10, 2020, the proportion of CFOs not expecting a return to near-normal operating levels until at least 2021 has risen sharply—from 32% to 60%.

The proportions citing “no idea” or operations that are already at or above normal levels stayed relatively consistent, but the proportions expecting a return to normal in the third and fourth quarters of this year fell sharply.

Industries vary greatly in their assessments. Telecom/Media/Entertainment and Energy/Resources are relatively optimistic, with 60% and 50% saying they are already at/above normal operations or will be in 2020, respectively. Healthcare/Pharma is next at 40%.

Retail/Wholesale is the most pessimistic, with 85% not expecting a return to normal until 2021 or later. Services and Manufacturing are next at 80% and 65%, respectively.

Please see the full report for industry-specific charts.
CFOs are mostly optimistic regarding their companies’ ability to resume on-site work on at least a limited basis—but there are sharp industry differences.

Just under half say they will resume on-site work as soon as governments allow it. Nearly all say they have established company-wide guidelines for reopening. Forty-three percent say their efforts to work on-site will be limited by the expectation of a fall resurgence of the virus, with the same proportion actively planning for a resurgence.

Three-fourths say their company can sufficiently manage the risks of on-site work for at least parts of their business. They overwhelmingly do not expect to provide hazard pay or bonuses, and 71% say those who can continue to work remotely will have the option of doing so.

To get back to near-normal levels of on-site work, 52% say effective on-site testing is necessary. Effective treatments and vaccines appear less necessary, with 35% citing each as a precursor. Just over one-third say they are substantially dependent on the reopening of school and daycare facilities.

Please see the full report for industry-specific charts.

### Beliefs and approaches around resumption of on-site work

**How are you approaching your company’s transition back to on-site work?** Percent of CFOs selecting each level of disagreement/agreement

<table>
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<tr>
<th>Belief</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>We are establishing company-wide principles/rules for allowing on-site work</td>
<td>1%</td>
<td>42%</td>
<td>53%</td>
<td></td>
<td></td>
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<tr>
<td>We will start allowing on-site work as soon as individual state/local governments allow it</td>
<td>12%</td>
<td>27%</td>
<td>14%</td>
<td>33%</td>
<td>15%</td>
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<td>We believe effective, rapid on-site testing/diagnosis is a precursor to near-normal levels of on-site work</td>
<td>2%</td>
<td>20%</td>
<td>26%</td>
<td>42%</td>
<td>10%</td>
</tr>
<tr>
<td>We believe an effective treatment (i.e., drug) is a precursor to near-normal levels of on-site work</td>
<td>6%</td>
<td>34%</td>
<td>25%</td>
<td>28%</td>
<td>7%</td>
</tr>
<tr>
<td>We believe an effective vaccine is a precursor to near-normal levels of on-site work</td>
<td>12%</td>
<td>32%</td>
<td>21%</td>
<td>24%</td>
<td>11%</td>
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<tr>
<td>For a substantial portion of our business, we believe we can sufficiently manage the risks of on-site work (through cleaning, facilities shifts, PPE, scheduling, screening, distancing, etc.)</td>
<td>9%</td>
<td>16%</td>
<td>59%</td>
<td></td>
<td>16%</td>
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<tr>
<td>A possible resurgence of COVID-19 in the fall will likely limit our efforts to work on-site in the near term</td>
<td>2%</td>
<td>24%</td>
<td>31%</td>
<td>31%</td>
<td>12%</td>
</tr>
<tr>
<td>We are planning for a resurgence of COVID-19 in the fall</td>
<td>1%</td>
<td>16%</td>
<td>41%</td>
<td>35%</td>
<td>8%</td>
</tr>
<tr>
<td>Those who can work remotely will have the option of continuing to do so after we resume on-site work</td>
<td>8%</td>
<td>21%</td>
<td>46%</td>
<td>25%</td>
<td></td>
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<tr>
<td>A substantial portion of our on-site workforce will receive hazard pay and/or bonuses</td>
<td>37%</td>
<td>34%</td>
<td>16%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Our resumption of on-site work is substantially dependent on the reopening of school and/or daycare facilities</td>
<td>6%</td>
<td>29%</td>
<td>29%</td>
<td>33%</td>
<td>3%</td>
</tr>
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</table>

**Please see the full report for industry-specific charts.**
Special topic: A year from now
Post-crisis operations compared to pre-crisis

CFOs expect major increases in remote work, automation, and cloud computing; they are less likely to expect changes to cross-border sourcing, and there is disagreement around credit/currency markets and distressed asset purchases.

Three-fourths expect more of their total workforce to work remotely. Just over 70% say the same for finance work. Nearly half expect a smaller real estate footprint.

Only 16% expect less cross-border sourcing post-crisis. Still, nearly 40% expect their supply chains to be more diversified.

CFOs overwhelmingly expect more automation and cloud computing. More than 70% expect core businesses to be more automated and/or digitized, and 62% expect core IT to be more cloud-based.

Nearly half expect fewer finance staff in a year. Only 16% expect to use more outsourced finance services.

There is disagreement about credit/currency markets and asset purchases. Nearly 30% expect changing FX rates or currency values to impact their business, and 25% expect a credit crisis (about 40% disagree on both). About 34% do not expect the US dollar to decline, but 17% do. The proportions expecting and not expecting distressed asset purchases are roughly the same at 33%.

*Please see the full report for industry-specific charts.*

### Post-crisis company and finance operations
A year from now, how do you expect your company and finance operations to compare to pre-crisis? Percent of CFOs selecting each level of disagreement/agreement

<table>
<thead>
<tr>
<th>Company operations</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>More of our total workforce will be working remotely</td>
<td>2% Agree, 48% Neutral, 27% Disagree</td>
</tr>
<tr>
<td>Our real estate footprint will be smaller</td>
<td>7% Agree, 22% Neutral, 34% Disagree, 14% Strongly disagree</td>
</tr>
<tr>
<td>We will use less cross-border sourcing</td>
<td>4% Agree, 36% Neutral, 14% Disagree, 2% Strongly disagree</td>
</tr>
<tr>
<td>Our sourcing/supply chain will be more diversified</td>
<td>1% Agree, 18% Neutral, 43% Disagree, 36% Strongly disagree</td>
</tr>
<tr>
<td>Our core businesses will be more automated/digitized</td>
<td>1% Agree, 7% Neutral, 22% Disagree, 58% Strongly disagree</td>
</tr>
<tr>
<td>Our core information systems will be more cloud-based</td>
<td>3% Agree, 5% Neutral, 29% Disagree, 51% Strongly disagree</td>
</tr>
<tr>
<td>We will have acquired distressed assets/businesses</td>
<td>19% Agree, 16% Neutral, 34% Disagree, 28% Strongly disagree</td>
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</table>

<table>
<thead>
<tr>
<th>Finance operations</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>More of our finance work will be completed remotely</td>
<td>1% Agree, 14% Neutral, 53% Disagree, 19% Strongly disagree</td>
</tr>
<tr>
<td>We will have fewer finance staff (internal)</td>
<td>5% Agree, 24% Neutral, 25% Disagree, 39% Strongly disagree</td>
</tr>
<tr>
<td>We will be using more outsourced finance services</td>
<td>18% Agree, 46% Neutral, 20% Disagree, 13% Strongly disagree</td>
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</table>

<table>
<thead>
<tr>
<th>Currency and markets</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing FX rates and currency values are likely to have substantially impacted our business</td>
<td>15% Agree, 26% Neutral, 30% Disagree, 24% Strongly disagree</td>
</tr>
<tr>
<td>The value of the US dollar is likely to have fallen substantially</td>
<td>6% Agree, 28% Neutral, 50% Disagree, 16% Strongly disagree</td>
</tr>
<tr>
<td>The US is likely to have experienced a credit crisis</td>
<td>5% Agree, 34% Neutral, 36% Disagree, 20% Strongly disagree</td>
</tr>
</tbody>
</table>
Appendix

Longitudinal data and survey background
## Longitudinal trends
Cross-industry expectations and sentiment (last 24 quarters)

### CFOs’ year-over-year expectations

(1) Mean growth rate, median growth rate, percent of CFOs who expect gains, and standard deviation of responses

<table>
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<tr>
<th>CFO Year</th>
<th>Revenue mean</th>
<th>Revenue median</th>
<th>Revenue stdev</th>
<th>Earnings mean</th>
<th>Earnings median</th>
<th>Earnings stdev</th>
<th>Dividends mean</th>
<th>Dividends median</th>
<th>Dividends stdev</th>
<th>Capital spending mean</th>
<th>Capital spending median</th>
<th>Capital spending stdev</th>
<th>Number of domestic personnel mean</th>
<th>Number of domestic personnel median</th>
<th>Number of domestic personnel stdev</th>
<th>Operating results mean</th>
<th>Operating results median</th>
<th>Operating results stdev</th>
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<tbody>
<tr>
<td>2014</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>2.5%</td>
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### CFOs’ own-company optimism

(3) Mean optimism, equity market performance

<table>
<thead>
<tr>
<th>CFO Year</th>
<th>Optimism mean</th>
<th>Optimism median</th>
<th>Optimism stdev</th>
<th>%GDP growth mean</th>
<th>%GDP growth median</th>
<th>%GDP growth stdev</th>
<th>%Unemployment mean</th>
<th>%Unemployment median</th>
<th>%Unemployment stdev</th>
<th>SP 500 price at survey period midpoint mean</th>
<th>SP 500 price at survey period midpoint median</th>
<th>SP 500 price at survey period midpoint stdev</th>
<th>% who say overvalued mean</th>
<th>% who say overvalued median</th>
<th>% who say overvalued stdev</th>
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1 All means have been adjusted to eliminate the effects of stark outliers. The "Survey mean" column contains arithmetic means since 2Q10.
2 Standard deviation of data winsorized to 5th/95th percentiles.
3 Averages for optimism numbers may not add to 100% due to rounding.

Please contact nacfosurvey@deloitte.com for data as far back as 2Q10.
About the survey

Background
The Deloitte North American CFO Survey is a quarterly survey of CFOs from large, influential companies across North America. The purpose of the survey is to provide these CFOs with quarterly information regarding the perspectives and actions of their CFO peers across four areas: business environment, company priorities and expectations, finance priorities, and CFOs’ personal priorities.

Participation
This survey seeks responses from client CFOs across the United States, Canada, and Mexico. The sample includes CFOs from public and private companies that are predominantly over $3B in annual revenue. Respondents are nearly exclusively CFOs. Participation is open to all industries except for public sector entities.

Survey execution
At the opening of each survey period, CFOs receive an email containing a link to an online survey hosted by a third-party service provider. The response period is typically two weeks, and CFOs receive a summary report approximately two weeks after the survey closes. Only current and frequent responders receive the summary report for the first two weeks after the report is released.

Nature of results
This survey is a “pulse survey” intended to provide CFOs with information regarding their CFO peers’ thinking across a variety of topics; it is not, nor is it intended to be, scientific in any way, including in its number of respondents, selection of respondents, or response rate, especially within individual industries. Accordingly, this report summarizes findings for the surveyed population, but does not necessarily indicate economy- or industry-wide perceptions or trends.
IMPORTANT NOTES ABOUT THIS SURVEY REPORT:

Participating CFOs have agreed to have their responses aggregated and presented.

This is a “pulse survey” intended to provide CFOs with quarterly information regarding their CFO peers’ thinking across a variety of topics. It is not, nor is it intended to be, scientific in any way, including in its number of respondents, selection of respondents, or response rate, especially within individual industries. Accordingly, this report summarizes findings for the surveyed population but does not necessarily indicate economy- or industry-wide perceptions or trends.

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