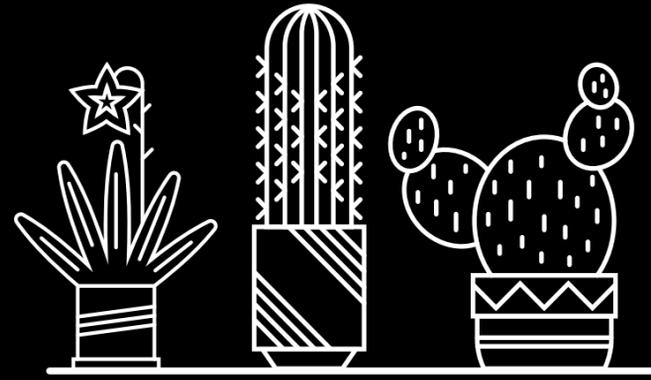


West Africa CFO Survey 2016 Resilience in any climate



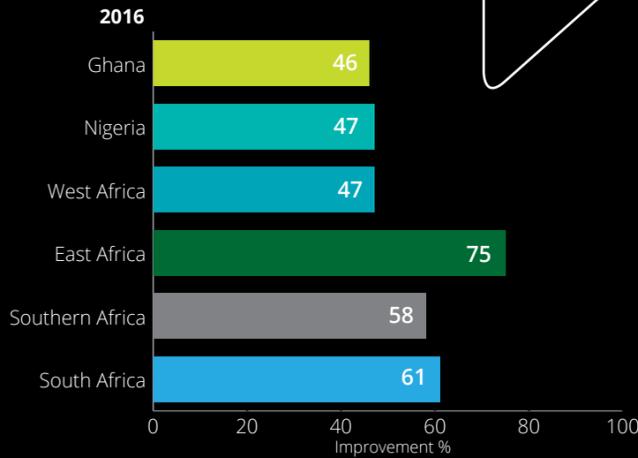
Equity valuations

Highest percentages of equity valuation categories

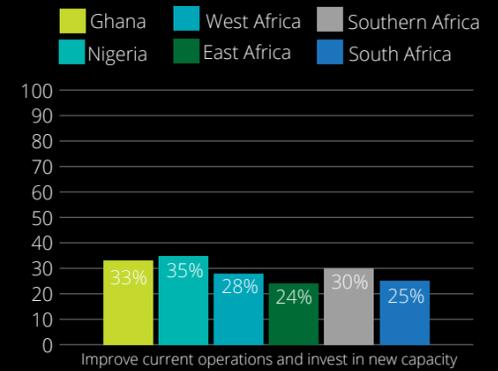
- 53%** — Ghana overvalued
- 35%** — Nigeria undervalued
- 40%** — West Africa overvalued
- 42%** — East Africa undervalued
- 33%** — Southern Africa fairly valued
- 46%** — South Africa overvalued



Financial performance



Cash flow priorities



Key finding

Most West African respondents felt equities were overvalued, even though a large percentage of Nigerian CFOs viewed them as undervalued.

Key finding

West African CFOs were somewhat less optimistic about improvements in their companies' financial performance than CFOs in other regions.

Key finding

In line with the other regions, West African CFOs indicated a defensive approach to spending cash.

Top business risk factors

West Africa

- Currency volatility
- Political landscape
- Disruptive power supplies
- Margin deterioration due to input cost pressures

East Africa

- Political landscape
- Margin deterioration due to input cost pressures
- Currency volatility
- Ability to protect market share

Southern Africa

- Currency volatility
- Fragile state of global economic recovery
- Financial health of key suppliers or primary customers
- Margin deterioration due to input cost pressures

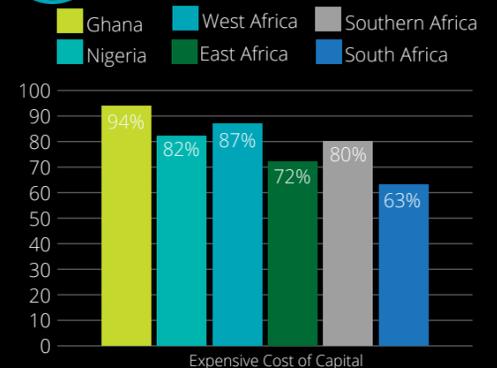
South Africa

- Political landscape
- Currency volatility
- Credit ratings
- Margin deterioration due to input cost pressures

Key finding

While currency volatility is regarded as a major risk to conducting business in most regions, only West African CFOs have placed disruptive power supplies amongst their top concerns.

Capital is expensive



Strategic approach

Key finding

The cost of capital is viewed as fairly or very expensive by CFOs in West Africa, even more so than by their counterparts in other regions.

Industry concerns among CFOs

West Africa

- Effectiveness of government policy
- Corruption and its impact on doing business
- Government's response to the budget deficit

East Africa

- Corruption and its impact on doing business
- Government's response to the budget deficit
- The relationship and policy dialogue between government and business

Southern Africa

- Government's response to the budget deficit
- Effectiveness of government policy
- Corruption and its impact on doing business

South Africa

- Corruption and its impact on doing business
- Unemployment
- Government's response to the budget deficit

Key finding

Corruption and its impact on doing business and government's response to the budget deficit are amongst the top industry concerns for CFOs in all regions.

Currently following

Likely to adopt

West Africa

- Improve operational efficiency and process optimisation
- Reduce operating costs
- Improve investor confidence

- Increase focus on customer experience
- Investing in smart technology
- Consolidation of operations

East Africa

- Improve operational efficiency and process optimisation
- Increase focus on customer experience
- Reduce operating costs/rationalise operations

- Focus on growing brand equity
- Increase focus on revenue growth from emerging markets
- Improve investor confidence/Expansion on product offering

Southern Africa

- Reduce operating costs/rationalise operations
- Improve operational efficiency and process optimisation
- Increase focus on customer experience

- Focus on growing brand equity
- Expansion on product offering/Investing in smart technology/Change staff compliment

South Africa

- Improve operational efficiency and process optimisation
- Increase focus on customer experience
- Reduce operating costs/rationalise operations

- Increase focus on growing channels
- Investing in smart technology
- Expansion on product offering

Key finding

While improving operational efficiency and process optimisation is the top strategic consideration in all the regions, West African CFOs are uniquely focused on improving investor confidence as a top priority.