

## Press release

Stockholm 17 May 2019

# Changed future outlook among Swedish CFOs – optimism falling

CFOs of Swedish companies are less optimistic about the business climate than previously. Fewer are planning for capex projects and the willingness to hire is falling. While a shortage of qualified talent was previously seen as one of the greatest risks companies had to contend with, concerns are now rising about the economic outlook and growth.

The CFO Survey is conducted twice a year and aims to highlight changes in sentiment among Swedish CFOs. This spring's report shows that optimism about business opportunities during the coming six months is falling after having risen during the last five surveys.

"The autumn survey already indicated CFOs' concerns that we were nearing a peak in the economy, and unfortunately the spring survey confirms that these fears were warranted. However, the decline in optimism should not be overexaggerated, as a majority of CFOs still believe that the prospects are favourable," says **Karl Steiner**, economist at SEB.

## Less expansive agenda

As in the past year, organic growth continues to be the top priority among companies. In general, priorities are swinging in a more defensive direction, as CFOs have indicated to a greater degree than previously that they are focusing on cost-cutting, and fewer are planning for capex projects. The number of M&A deals is also expected to plane out following an extended period of very high activity.

"Companies' priorities are well aligned with falling optimism in the economy and lessons learned from previous, similar situations to not make wrong or excessive investments just before a potential downturn," notes **Henrik Nilsson**, partner at Deloitte.

## Growing uncertainty and new challenges, but the risks for the global economy are unchanged

Following a period in which external uncertainty was considered to be declining in the last four surveys, a trend break has now surfaced as CFOs believe that uncertainty has risen. This applies especially for CFOs in the construction industry. The greatest challenges are now considered to be economic growth followed by pressure on margins and prices. Worries about a shortage of qualified talent and higher staff costs have thereby subsided, which also clearly illustrates the concerns about an economic slowdown shown in general by the survey. One of the survey's "hot topics" shows that the risks in the global economy are regarded as relatively unchanged compared with last spring. It is mainly political risks that continue to be regarded as the most likely to materialise, although their impact on companies is considered to be small.

“We see that perceived risk differ depending on industry. All companies see declining asset prices as a large threat, while primarily the technology, media and telecom industries see cyber-attacks as a threat. The construction, engineering and financial services industries however worry about a new euro-zone crisis,” says **Karl Steiner**.

## **No crisis yet, as CFOs expect to see rise in both revenues and operating margins**

Despite a softening in future confidence, a large majority of CFOs believe that their respective companies will see growth in both revenues and operating margin.

“We interpret this to mean that companies are in a strong position today, but are having a hard time determining in detail how and when an economic downturn will affect them,” says **Henrik Nilsson**, from Deloitte.

## **Actions in response to potential global slowdown**

The survey’s second “hot topic” shows that companies have in many ways already prepared for a potential slowing of economic growth. Above all, necessary funding has been secured, while many companies indicate they plan to increase the use of advanced technology to increase efficiency in their operations in addition to pursuing strategic acquisitions and/or divesting underperforming assets.

### **About the Deloitte/SEB CFO Survey**

The Deloitte/SEB Survey aims to highlight changes in sentiment among Swedish CFOs and in various sectors and thereby convey an understanding of economic and financial trends. It is published twice yearly and is conducted in Sweden and in 19 other European countries. Read the complete report, [www.cfosurvey.se](http://www.cfosurvey.se)

#### **For further information, please contact**

Karl Steiner, Economist SEB Research  
070-332 3104, [karl.steiner@seb.se](mailto:karl.steiner@seb.se)

Henrik Nilsson, partner, Deloitte  
073-397 1102, [henrik.nilsson@deloitte.se](mailto:henrik.nilsson@deloitte.se)

#### **Press Contact**

Frank Hojem, Group Press Officer SEB  
070-763 9947, [frank.hojem@seb.se](mailto:frank.hojem@seb.se)

Christer Ahlgren, press contact, Clients & Industries, Deloitte  
0708-14 23 20, [christer.ahlgren@deloitte.se](mailto:christer.ahlgren@deloitte.se)

---

SEB is a leading Nordic financial services group with a strong belief that entrepreneurial minds and innovative companies are key in creating a better world. SEB takes a long-term perspective and supports its customers in good times and bad. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and UK the bank’s operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB’s business is reflected in its presence in some 20 countries worldwide. On March 31 2019, the Group’s total assets amounted to SEK 2,886 billion while its assets under management totalled SEK 1,790 billion. The Group has around 15,000 employees. Read more about SEB at <http://www.sebgroup.com>.