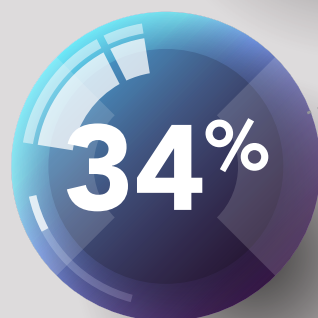




The Dun and Bradstreet CFO optimism Index stands at **134** in Q1 2025



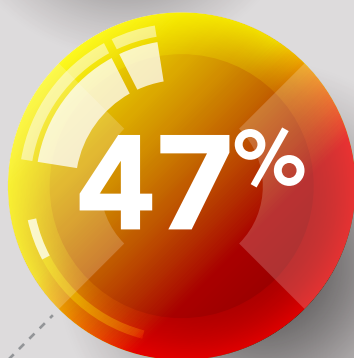
The Financial Performance sub-index moderated by **0.8%** in Q1 2025



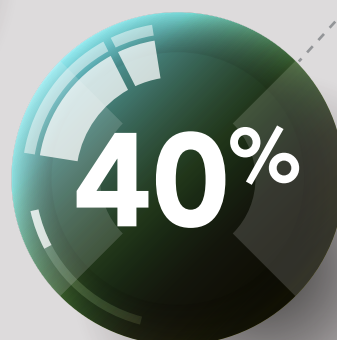
34% of the CFOs are optimistic on need for raising long-term funds, a reduction of 41% QoQ



Only **3 of the 8** Financial Performance indicators show increased optimism.



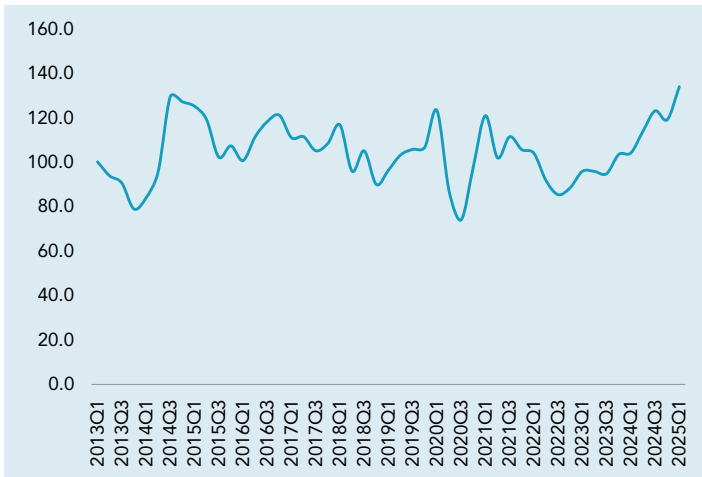
47% of the CFOs are optimistic on the operating margin of the company, a reduction of 14% QoQ



40% of the CFOs are optimistic on the availability of the funds in the market, a reduction of 42% QoQ



CFO Optimism Index

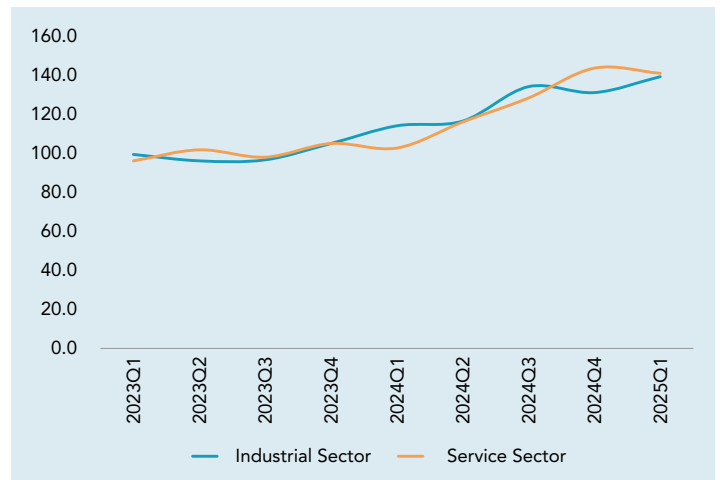


Note: Values represent index level

- The overall index is at an all-time high of 134.2 in Q1 2025
- The optimism about the domestic macro-economic scenario has improved by 8% QoQ, led by the industrial sector.
- The optimism on the Liquidity position of the company declined by 26% QoQ

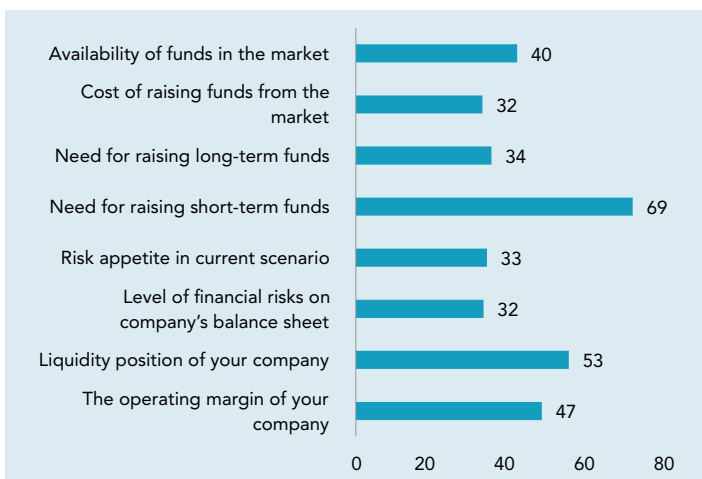
CFO optimism on a sectoral basis

- CFO optimism index for the industrial sector has increased by 6% QoQ, whereas for the services sector has reduced by 2% QoQ.
- The financial performance sub-index for the industrial sector declined by 7% QoQ
- The macro-economic sub-index for the services sector declined by 5.4% QoQ



Note: Values represent index level

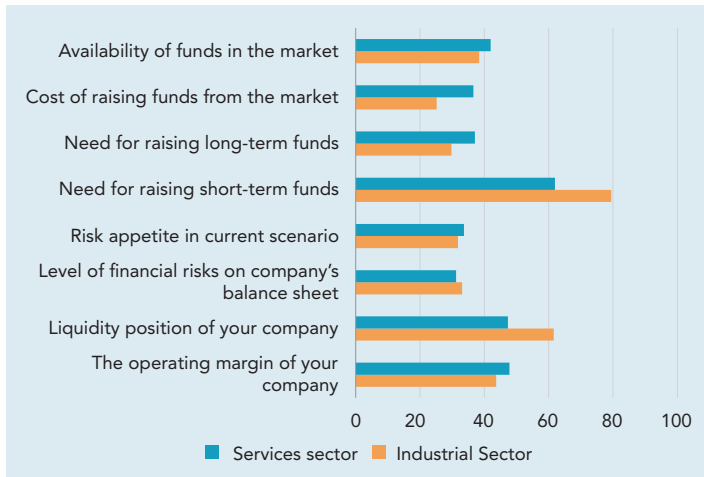
Optimism at the company level



Note: Values represent % of total responses

- 53% of the CFOs are optimistic on the risks on the company's balance sheet, higher by 75% QoQ
- 33% of the CFOs are optimistic on risk appetite in current scenario, growing by 41% QoQ
- 32% of the CFOs are optimistic on the cost of raising funds from the market, a 14-quarter high

Optimism at the company level

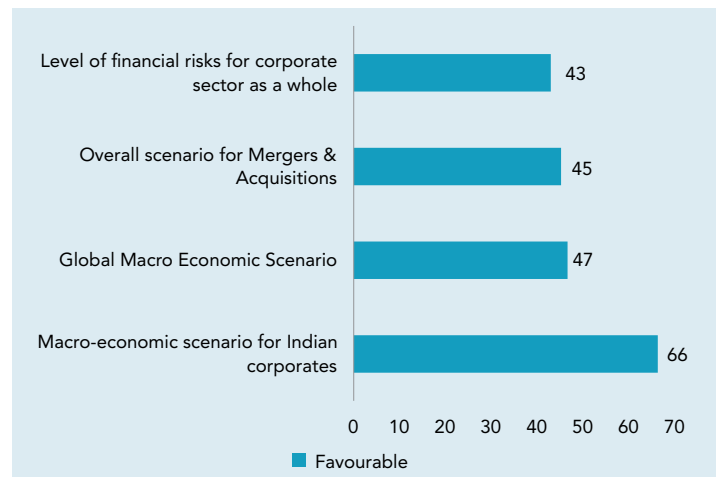


Note: % of CFOs indicating increase for the parameters

- 79% of CFOs from in the industrial sector are optimistic on the need for raising short term funds , an increase of 26% QoQ and 106% YoY
- 37% of the CFOs are optimistic on cost of raising the funds from the market, a 376% increase QoQ
- 33% of CFOs in the industrial sector are optimistic on level of financial risk on the company's balance sheet , an increase of 122% QoQ

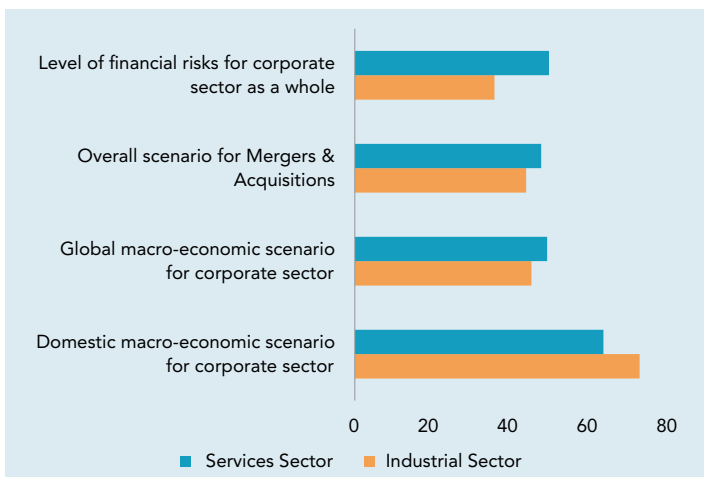
Optimism at the macro level

- The macro-economic sub-index is 168.2, higher by 35% QoQ
- The macro-economic sub-index for the industrial sector has increased by 27% QoQ
- 45% of CFOs are optimistic on the scenario for mergers and acquisitions



Note: Values represent % of total responses.

Optimism at the macro level



Note: % of CFOs indicating favourable for the parameters

- 48% of CFOs in the services sector are optimistic about the global macroeconomic scenario; a 7% growth QoQ
- 72% of CFOs in the industrial sector are optimistic on the Domestic macroeconomic outlook , an increase of 16% QoQ
- 35% of CFOS in the industrial sector are optimistic for the level of financial risk for the corporate sector



Research: Economic Research Team

The D&B CFO Optimism Index is arrived at on the basis of a quarterly survey of CFO expectations regarding the financial state of their company as well as overall macroeconomic scenario.

Methodology

For the purpose of conducting the survey, a sample of companies belonging to basic goods, capital goods, intermediate goods, consumer durables, consumer non-durables and the services sector is selected randomly from Dun & Bradstreet's commercial credit information file. The sample selected is a microcosmic representation of India's business community. All the respondents in the survey are asked a set of questions regarding the financial performance of their companies and the overall macroeconomic scenario for the corporate sector in the forthcoming period. The CFOs are asked to state their expectations as to whether the specified parameters pertaining to their respective companies and the overall macroeconomic scenario will register an increase, decrease or show no change in the ensuing quarter as compared to the same quarter in the previous year. Two broad indices, optimism at the company level and optimism at the macroeconomic level, each consisting of 8 and 4 sub-parameters respectively, are then designed.

CFO Optimism Index

Dun & Bradstreet introduced the Composite CFO Optimism Index from Q3 2013. The purpose of the Composite CFO Optimism Index is to capture the aggregate behaviour of the two broad indices. Each of the 12 parameters under the two broad indices has a weight assigned to it. For calculating the Composite CFO Optimism Index, the positive responses for each of these parameters for the period under review are expressed as a proportion of positive responses in the base period (Q2 2012). The parameter weights are then applied to these ratios and the results aggregated to arrive at the Composite CFO Optimism Index. For the purpose of the survey, Q1 is the period between January and March, Q2 is the period between April and June, Q3 is the period between July and September and Q4 is the period between October and December each year. We trust that you will find the D&B CFO Optimism Index as a useful tool in your day-to-day decision making.

Please send your feedback to Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet
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