

Business Outlook Survey

January 2023



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Executive Summary

SURVEY CONTEXT

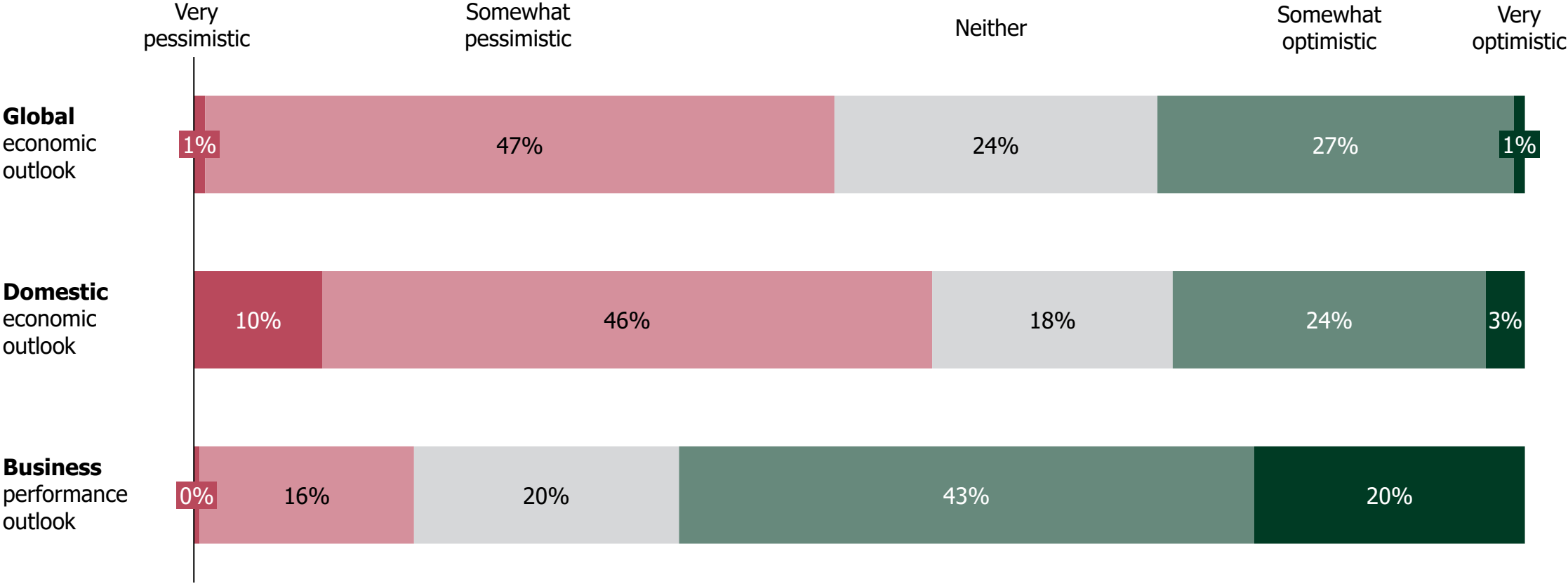
- Eden McCallum's quarterly Business Outlook Survey was conducted from 16th January to 23rd January 2023
- Business leaders were surveyed to understand their economic and business outlook
- Our survey asks business leaders from across the globe but with a focus on the UK and Netherlands (given our office footprint)
- Our sample works across a broad range of industries

BUSINESS AND ECONOMIC OUTLOOK – SUMMARY FINDINGS

- The key findings from the research are that leaders still feel pessimistic about the global and their domestic economies but to a much lesser extent than they did in Q4 2022.
- Despite more than half of leaders feeling pessimistic about their domestic economies, a majority are optimistic about their own company's expected performance. This difference is largest in the UK, where only 1 in 10 leaders are optimistic about the national outlook but over two-thirds are optimistic about their company's outlook, a significant increase since Q4 2022.
- When considering why leaders are pessimistic about the domestic economic outlook, inflation and labour shortages are the most important threats
- In terms of external factors impacting company performance, the top concerns are still inflation and consumer demand, although concerns about inflation have receded whilst concerns about consumer demand have risen since Q4 2022 – possibly indicating that business leaders believe the worst of the inflationary spike has past, but it is still influencing consumer demand.
- Talent remains the most pressing internal issue for businesses across all geographies

Pessimism about the global and domestic economy contrasts with optimism about business leaders' companies' outlook

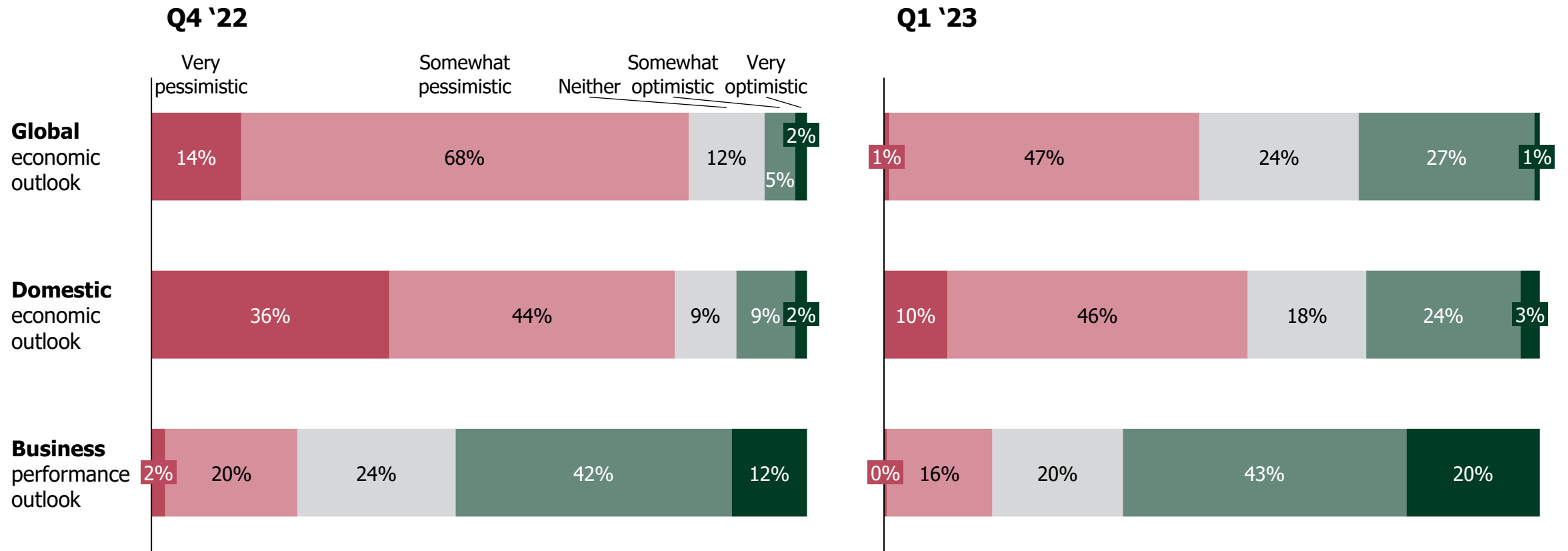
ECONOMIC AND BUSINESS OUTLOOK¹ (Q1 '23)



n: 236
 Notes: 1) Excludes don't know responses
 Source: Eden McCallum Business Outlook Survey January 2023: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Pessimism about the global and domestic economy has receded somewhat since last quarter, while optimism about companies' outlook has increased

ECONOMIC AND BUSINESS OUTLOOK¹ (Q4 '22 VS Q1 '23)



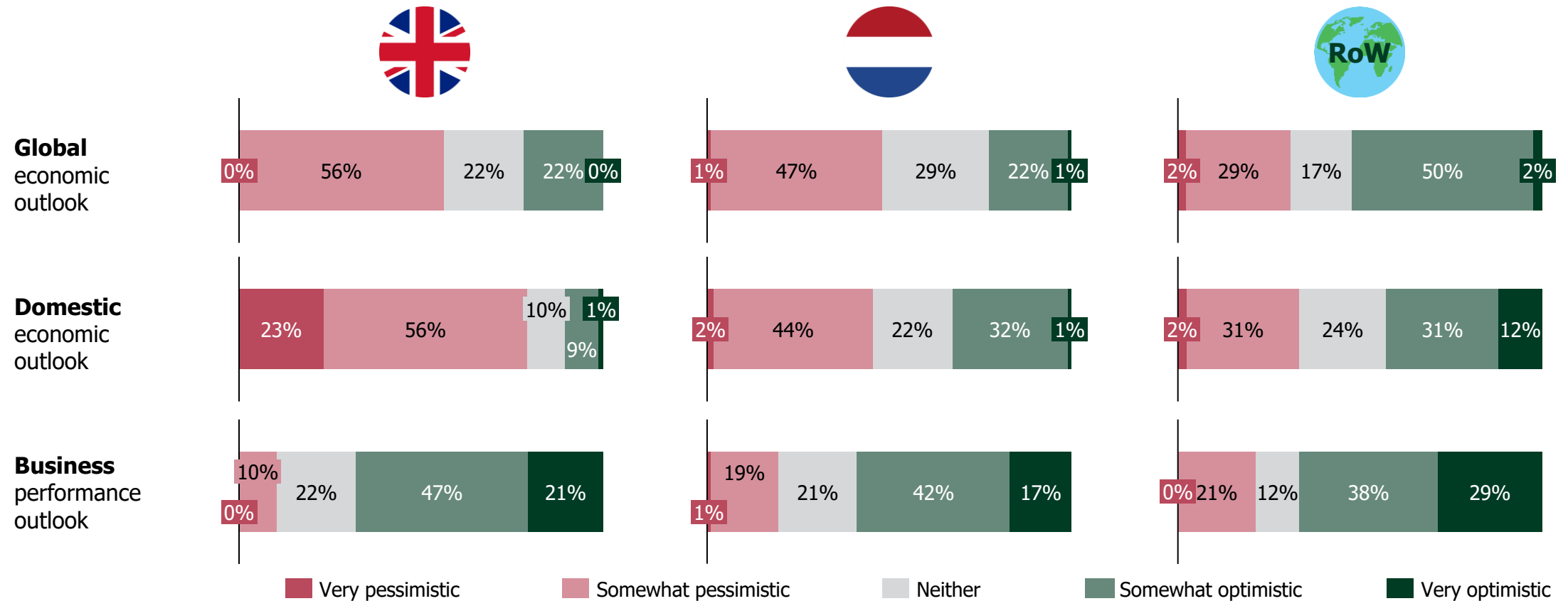
n: Oct 2022: 278; Jan 2023: 236

Notes: 1) Excludes don't know responses

Source: Eden McCallum Business Outlook Survey January 2023: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

The contrast between expected global and domestic economic outlook vs company performance is strongest in the UK, but is evident across all markets

ECONOMIC AND BUSINESS OUTLOOK¹ (Q1 '23)



n: 239 (UK = 87, NL = 110, RoW = 42)

Notes: 1) Excludes don't know responses

Source: Eden McCallum Business Outlook Survey January 2023 ; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years? ; Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years? ; Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

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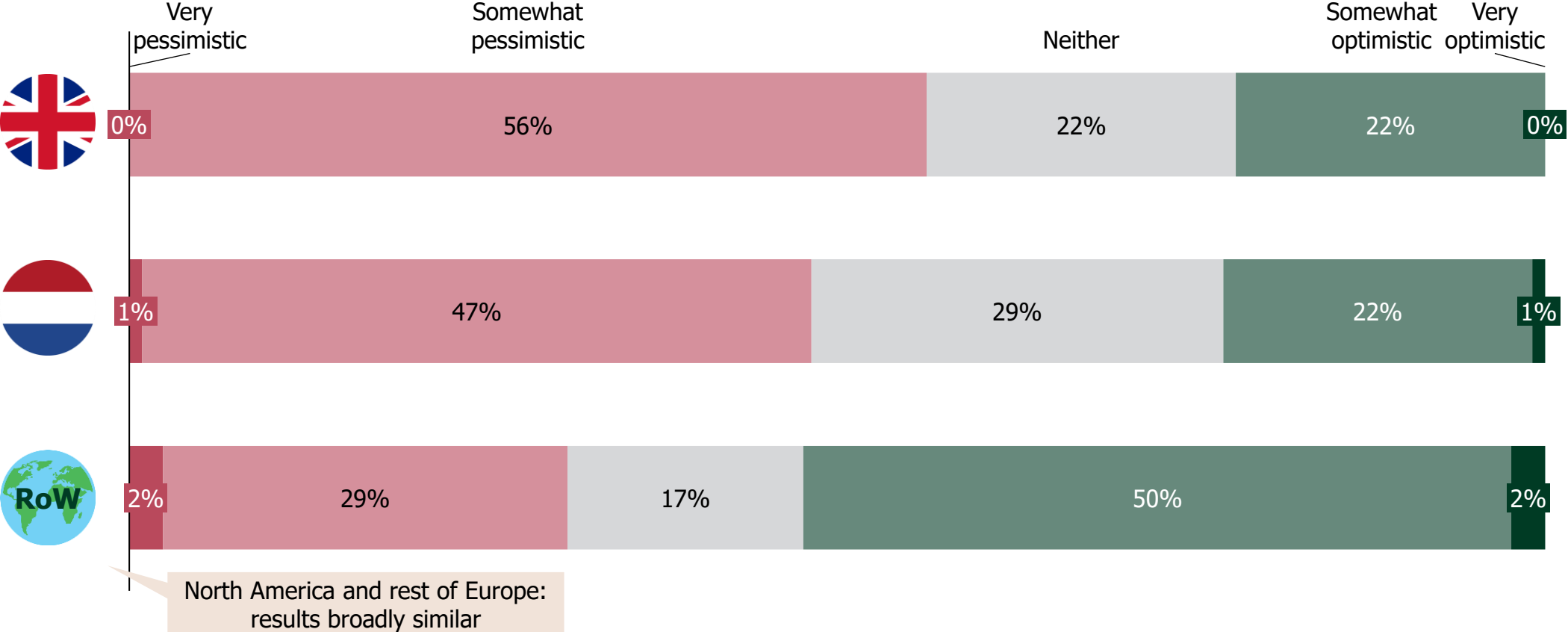
Economic and Business Outlook

Survey Sample Information



About half of UK and Dutch business leaders are pessimistic about the global economic outlook over the next 1-2 years, vs 3 in 10 in the rest of the world

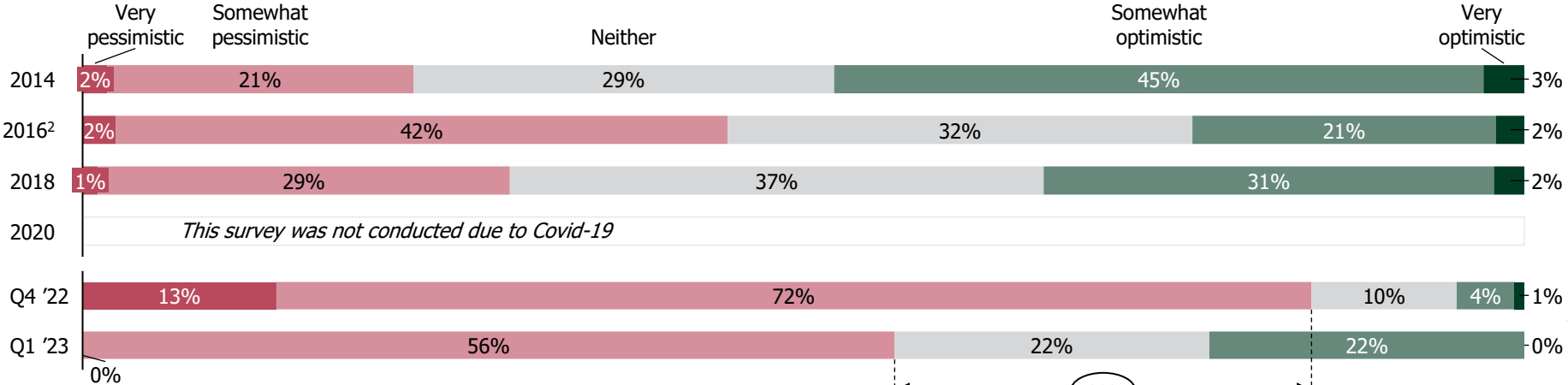
GLOBAL ECONOMIC OUTLOOK NEXT 1-2 YEARS (Q1 '23)



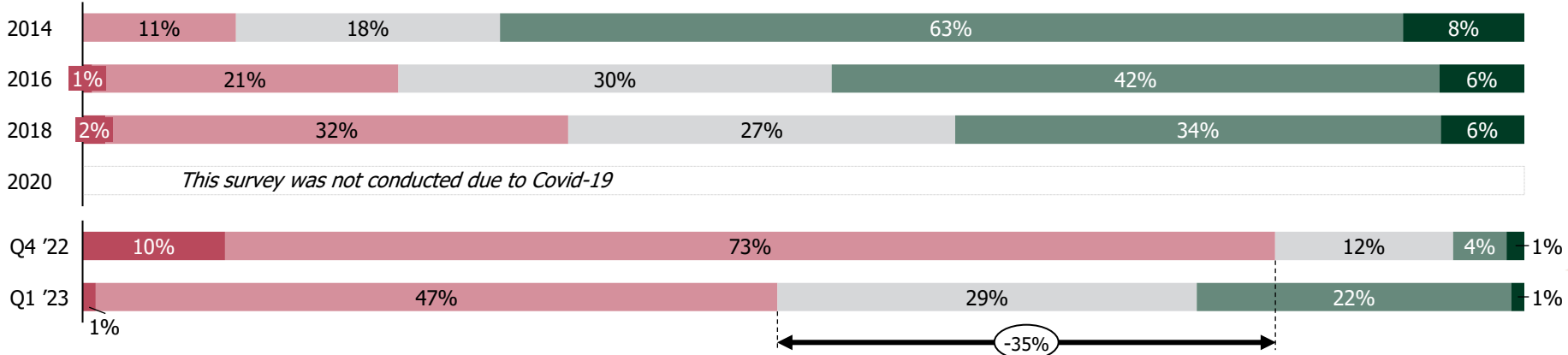
n: UK: 87, NL: 110, RoW: 42
 Source: Eden McCallum Business Outlook Survey January 2023: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?

Pessimism regarding the global economic outlook has receded over the past quarter, but optimism is not yet at pre-covid levels

GLOBAL ECONOMIC OUTLOOK (2014-2023)¹



Significant change over last quarter



Significant change over last quarter

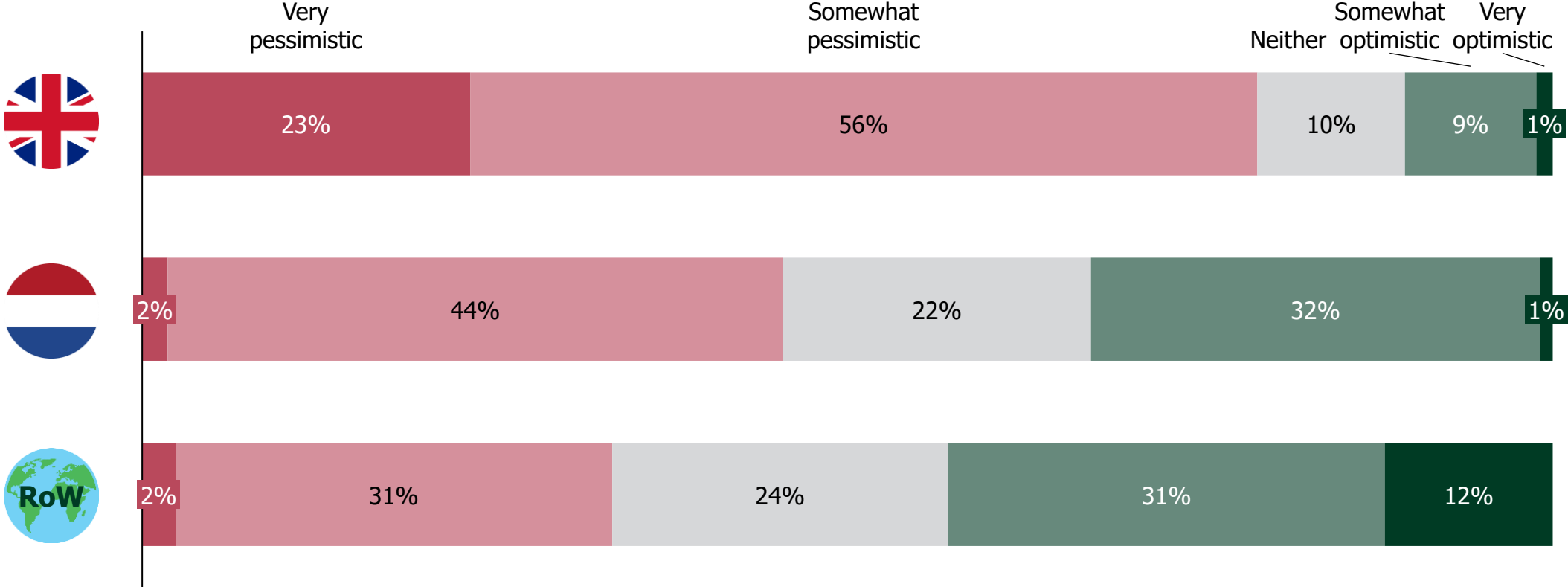
n (UK) = 353 (Nov 2014), 304 (Nov 2016), 189 (Nov 2018), 149 (Oct 2022), 87 (Jan 2023) ; n (NL) = 273 (Nov 2014), 306 (Nov 2016), 190 (Nov 2018), 81 (Oct 2022), 110 (Jan 2023)

Notes: 1) Excludes don't know responses; 2) Survey was conducted after the Brexit vote.

Source: Eden McCallum Economic Outlook/Business Outlook surveys Nov 2014, Nov 2016, Nov 2018, Oct 2022, Jan 2023 : Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?

UK business leaders are much more pessimistic about their national economic outlook than other business leaders

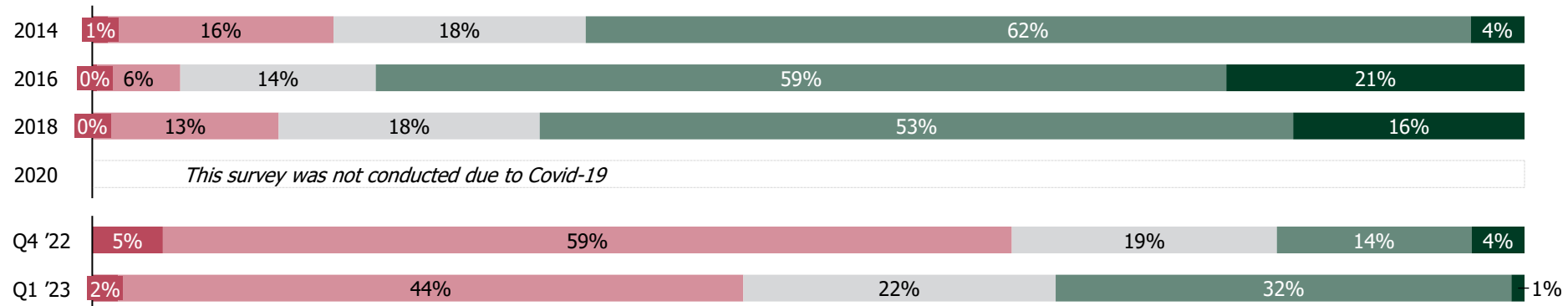
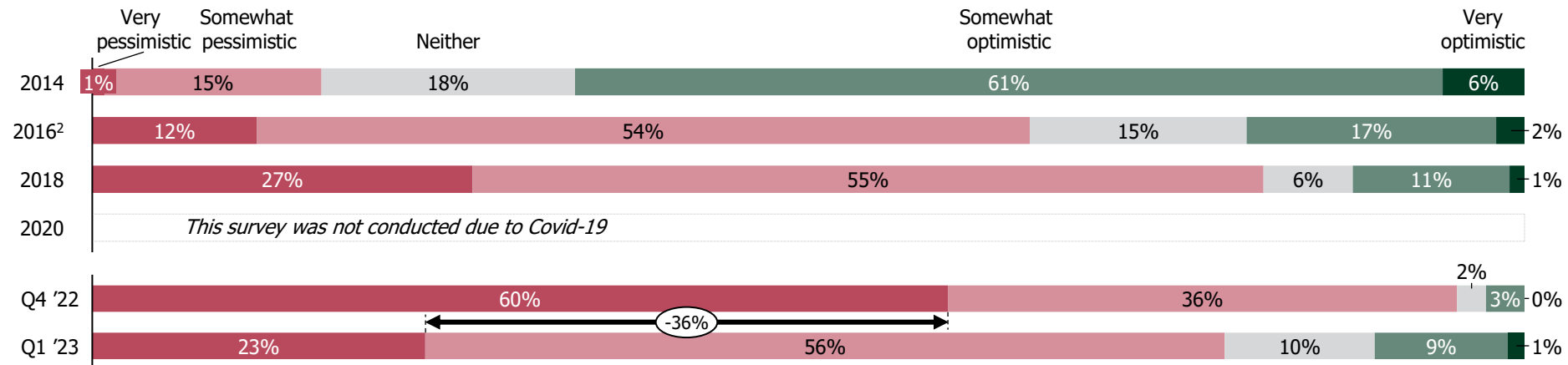
DOMESTIC ECONOMIC OUTLOOK NEXT 1-2 YEARS¹ (Q1 '23)



n: UK: 87, NL: 110, RoW: 42
 Notes: 1) Excludes don't know responses
 Source: Eden McCallum Business Outlook Survey January 2023: Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?

Pessimism about domestic economies remains high, but has receded from Q4 '22; UK business leaders' views are similar to early post-Brexit years

DOMESTIC ECONOMIC OUTLOOK¹ (2014-2023)



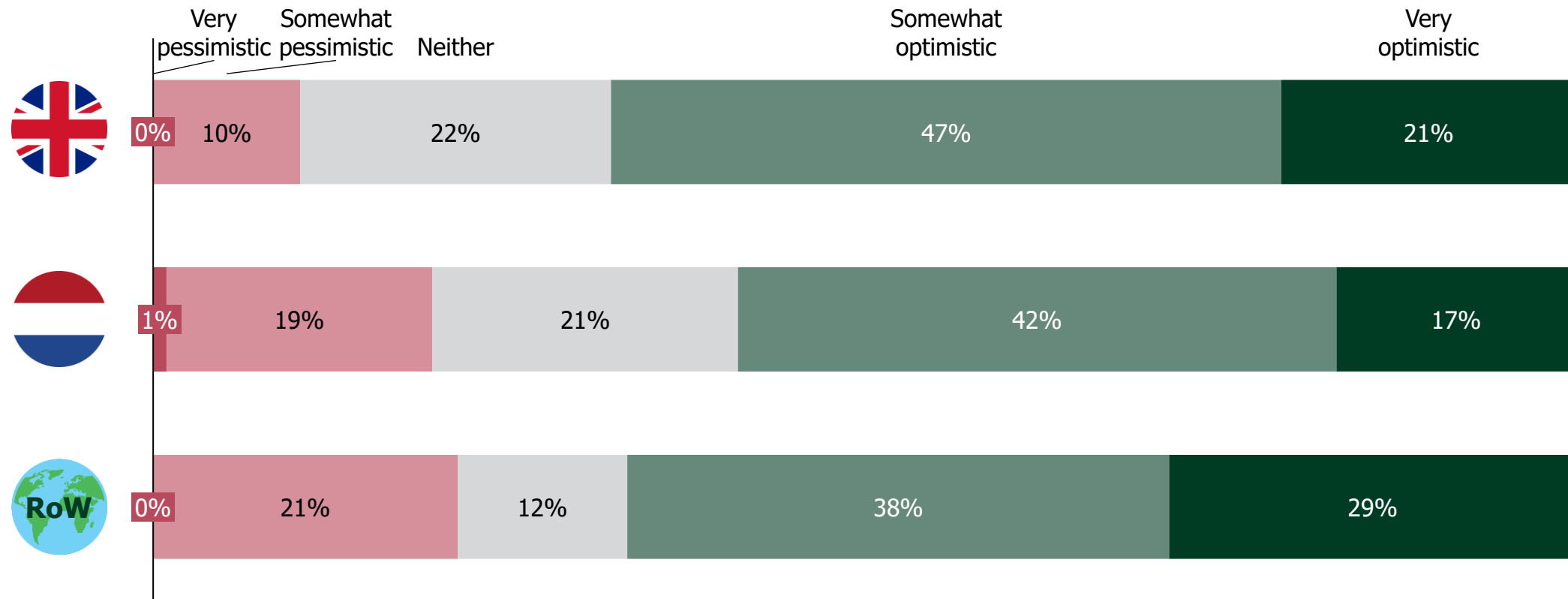
n (UK) = 350 (Nov 2014), 304 (Nov 2016), 192 (Nov 2018), 149 (Oct 2022), 87 (Jan 2023) ; n (NL) = 267 (Nov 2014), 293 (Nov 2016), 192 (Nov 2018), 81 (Oct 2022), 110 (Jan 2023)

Notes: 1) Excludes don't know responses; 2) Survey was conducted after the Brexit vote;

Source: Eden McCallum Economic Outlook/Business Outlook surveys Nov 2014, Nov 2016, Nov 2018, Oct 2022, Jan 2023 : Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?

In contrast, business leaders are optimistic about the expected performance of their companies

COMPANIES' EXPECTED PERFORMANCE (Q1 '23)

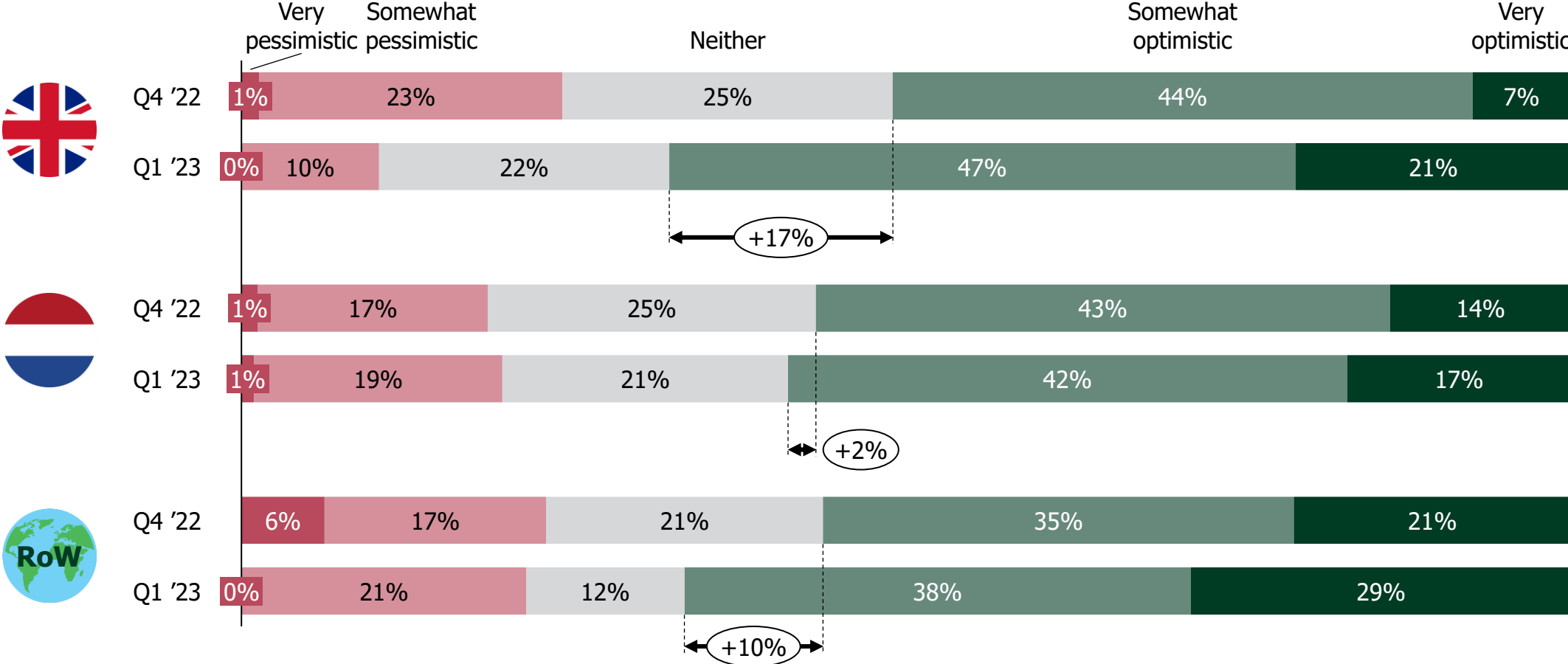


n: UK: 87, NL: 107, RoW: 42

Source: Eden McCallum Business Outlook Survey October 2022 ; Eden McCallum Business Outlook Survey January 2023: Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Business leaders' optimism about their companies' expected performance has increased over the quarter, particularly in the UK

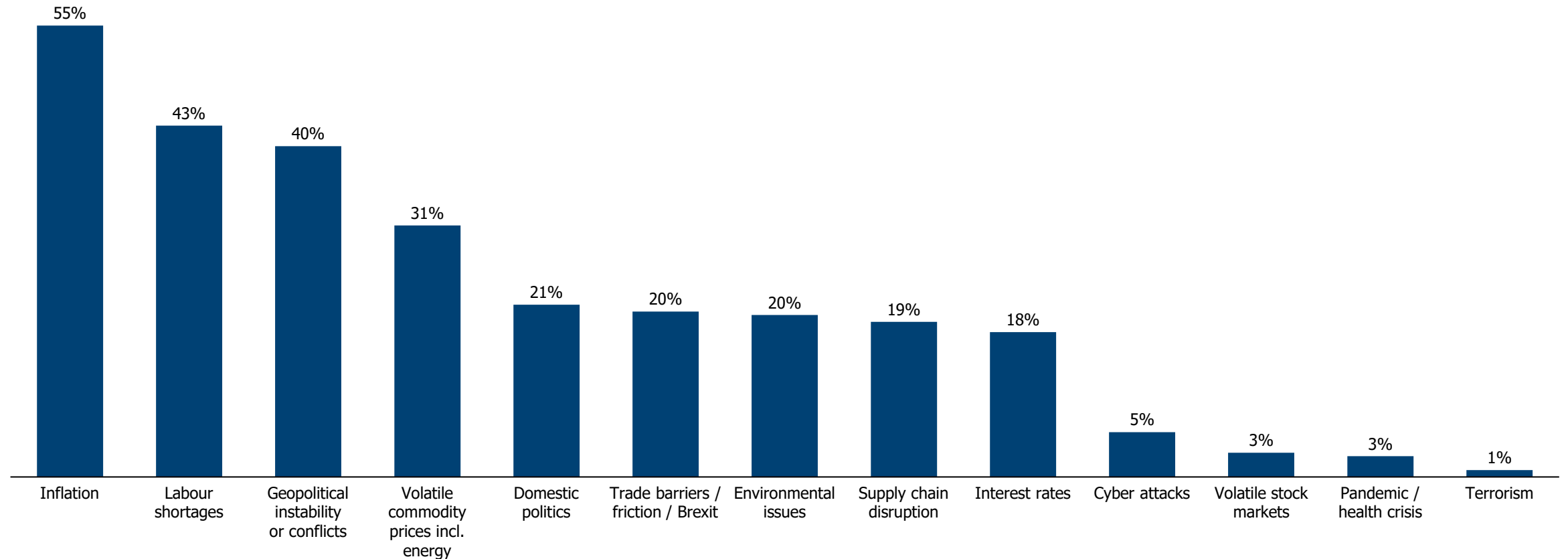
COMPANIES' EXPECTED PERFORMANCE (Q4 '22 VS Q1 '23)



Oct 2022 n: 278 (UK = 149, NL = 81, RoW = 48) ; Jan 2023 n: 236 (UK = 87, NL = 107, RoW = 42)
 Source: Eden McCallum Business Outlook Survey October 2022 ; Eden McCallum Business Outlook Survey January 2023: Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Business leaders perceive inflation, labour shortages and geopolitical instability to be the most important threats to their domestic economies in the near future

PERCEIVED THREATS TO DOMESTIC ECONOMY¹ (Q1 '23)



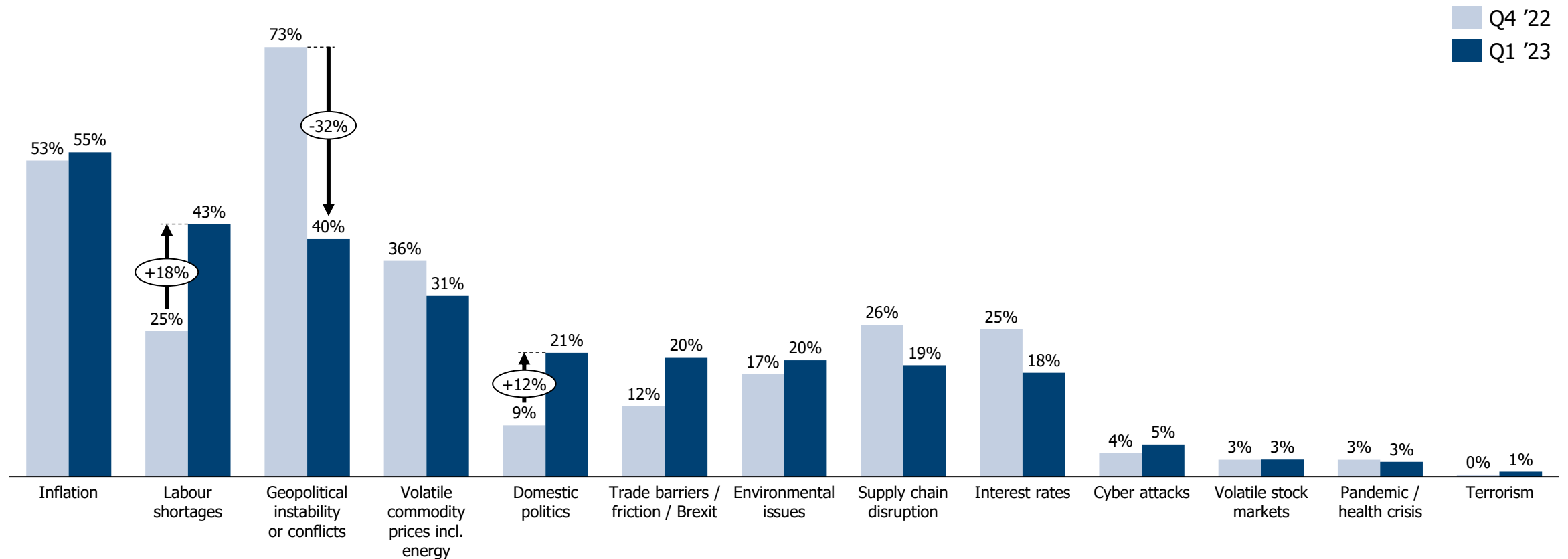
n: 239

Notes: 1) Participants could select a maximum of 3 answers, therefore percentages will not total 100, and other and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

Concern about the domestic impact of labour shortages and domestic politics has risen since last quarter, but concern about geopolitical instability has fallen significantly

PERCEIVED THREATS TO DOMESTIC ECONOMY¹ (Q4 '22 VS Q1 '23)



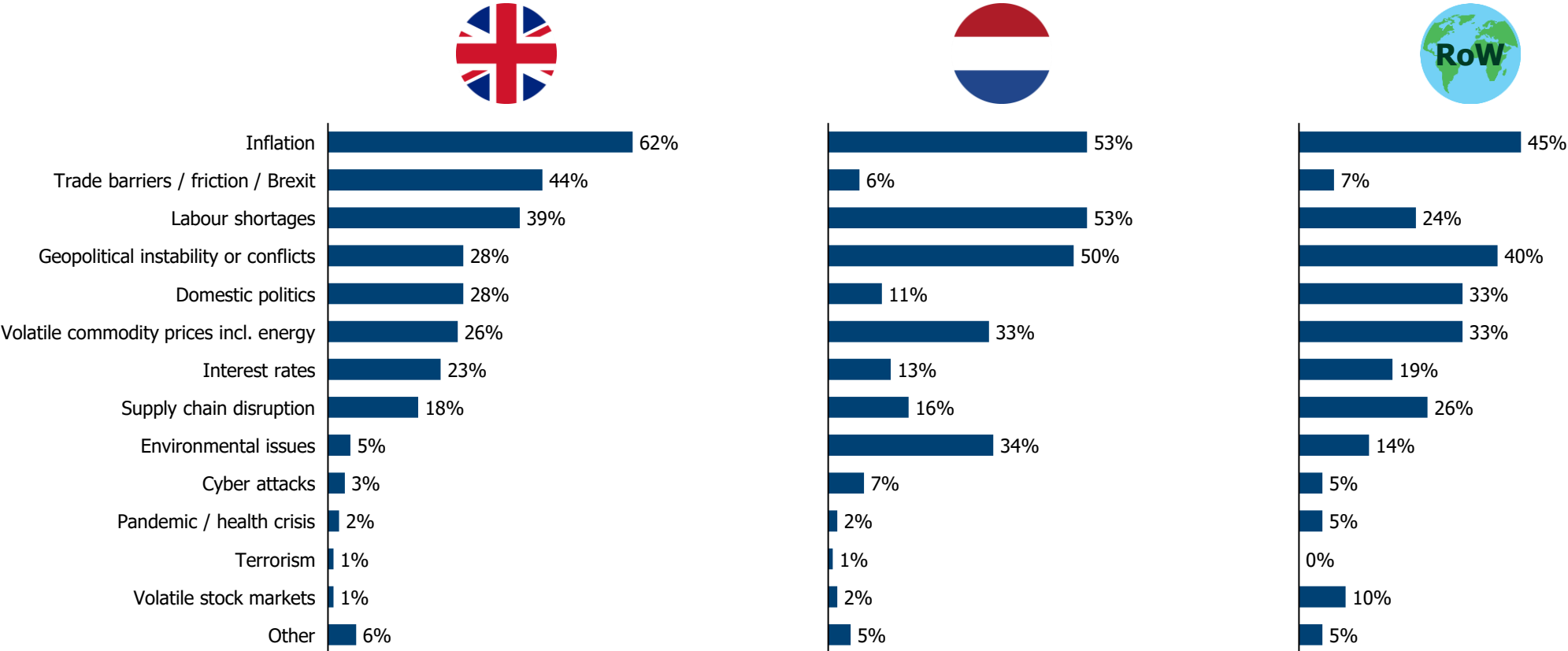
n: 239

Notes: 1) Participants could select a maximum of 3 answers, therefore percentages will not total 100, and other and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

Business leaders in different countries predict varying threats to their economy over the next 1-2 years, although inflation is the key concern across regions

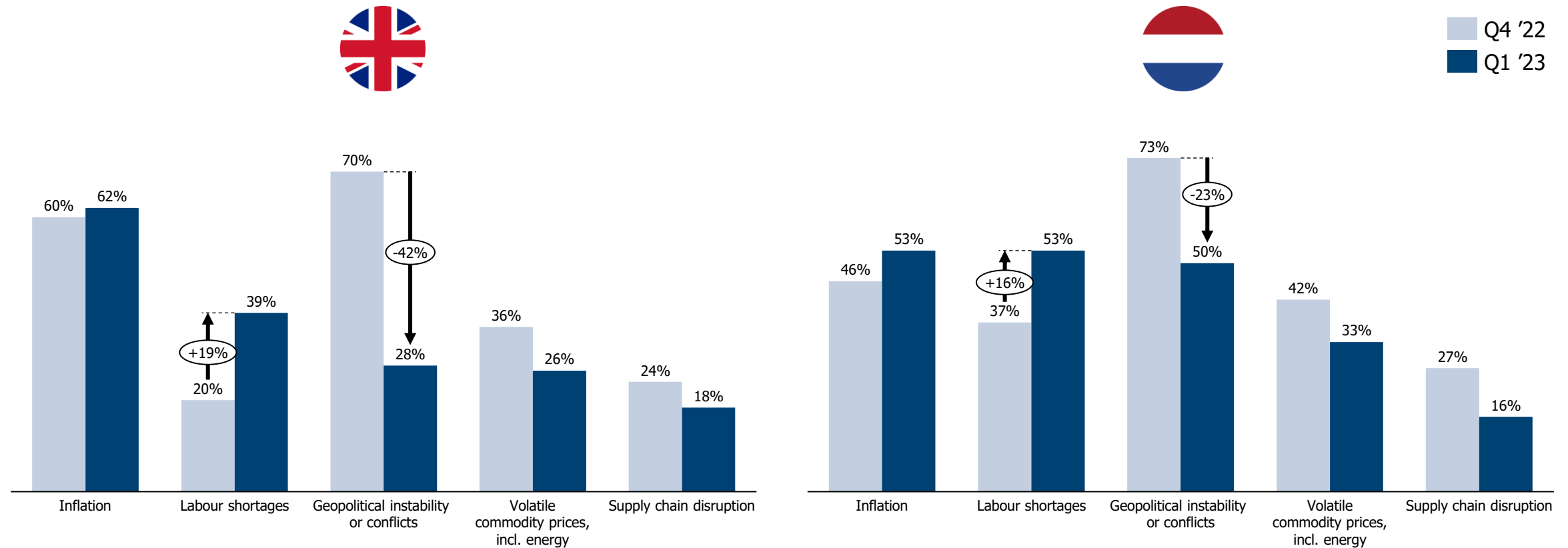
PERCEIVED THREATS TO DOMESTIC ECONOMY¹ (Q1 '23)



n: UK: 87, NL: 110, RoW: 42
 Notes: 1) Participants could select a maximum of 3 answers, therefore percentages will not total 100, and don't know responses are excluded
 Source: Eden McCallum Business Outlook Survey January 2023: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

Geopolitical concerns have receded in the UK and NL, but concerns around labour shortages are rising in both regions

PERCEIVED THREATS TO DOMESTIC ECONOMY^{1,2} (Q4 '22 VS Q1 '23)



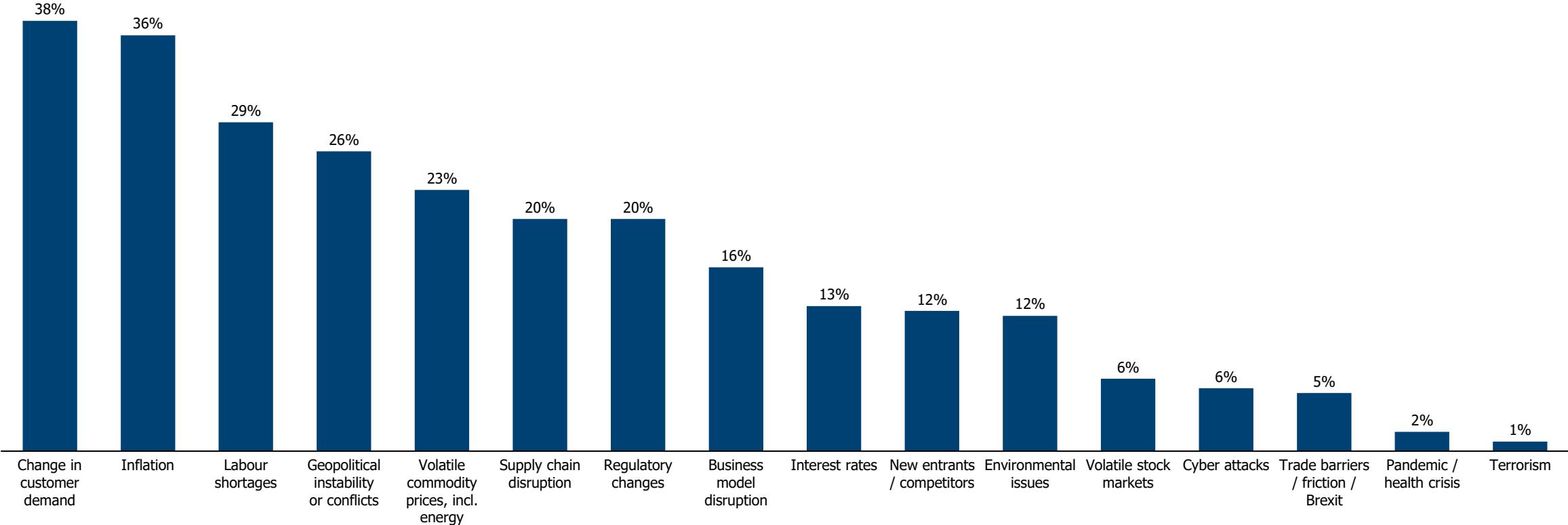
Oct 2022 n: UK: 149, NL: 81; Jan 2023 n: UK: 87, NL: 107

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100; 2) Only 5 major factors included

Source: Eden McCallum Business Outlook Survey October 2022; Eden McCallum Business Outlook Survey January 2023 - Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

Changing consumer demand and inflation are the top 2 external factors expected to impact company performance

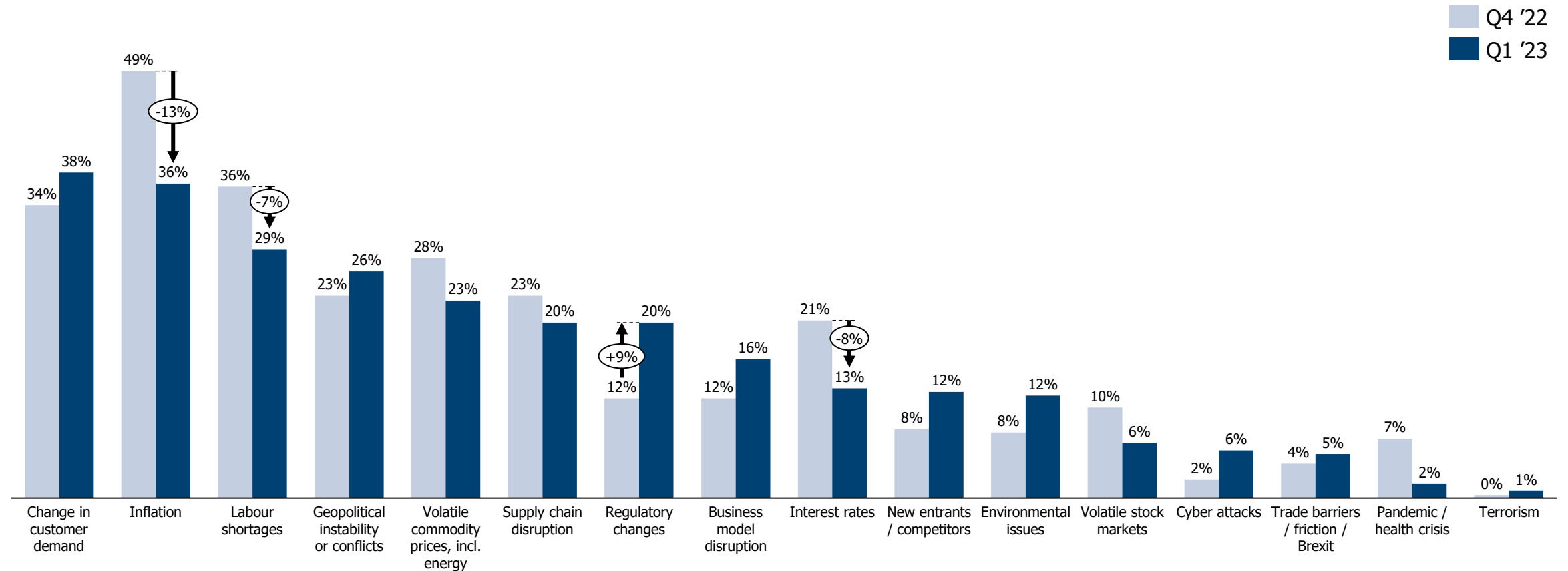
EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE¹ (Q1 '23)



n: 236
Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded
Source: Eden McCallum Business Outlook Survey January 2023 - Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Inflation and consumer demand continue to be amongst the top external factors impacting company performance, but concern about inflation has declined since Q4 '22

EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE¹ (Q4 '22 VS Q1 '23)



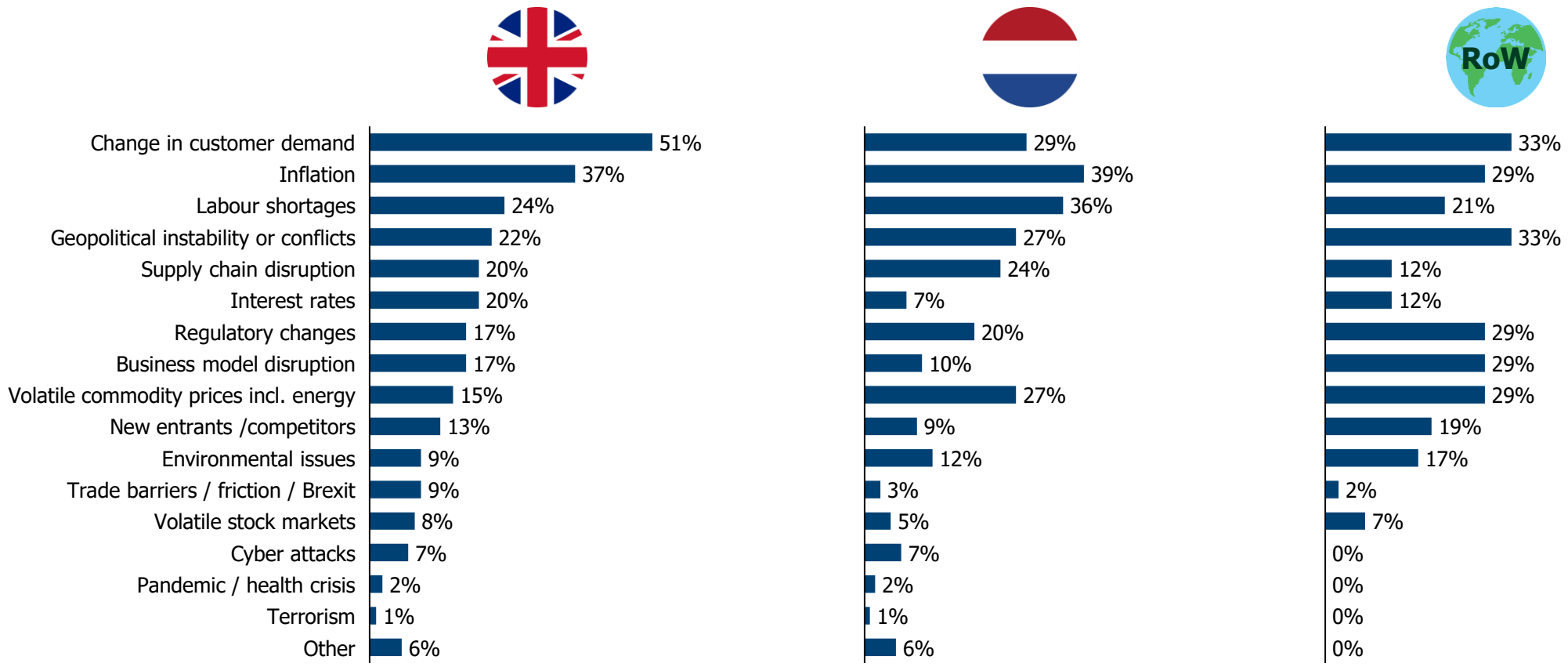
Oct 2022 n: 277 ; Jan 2023 n: 236

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey October 2022 ; Eden McCallum Business Outlook Survey January 2023 - Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

UK business leaders are more keenly focused on cost of living issues, while external concerns are more widely spread in other markets

EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE¹ (Q1 '23)



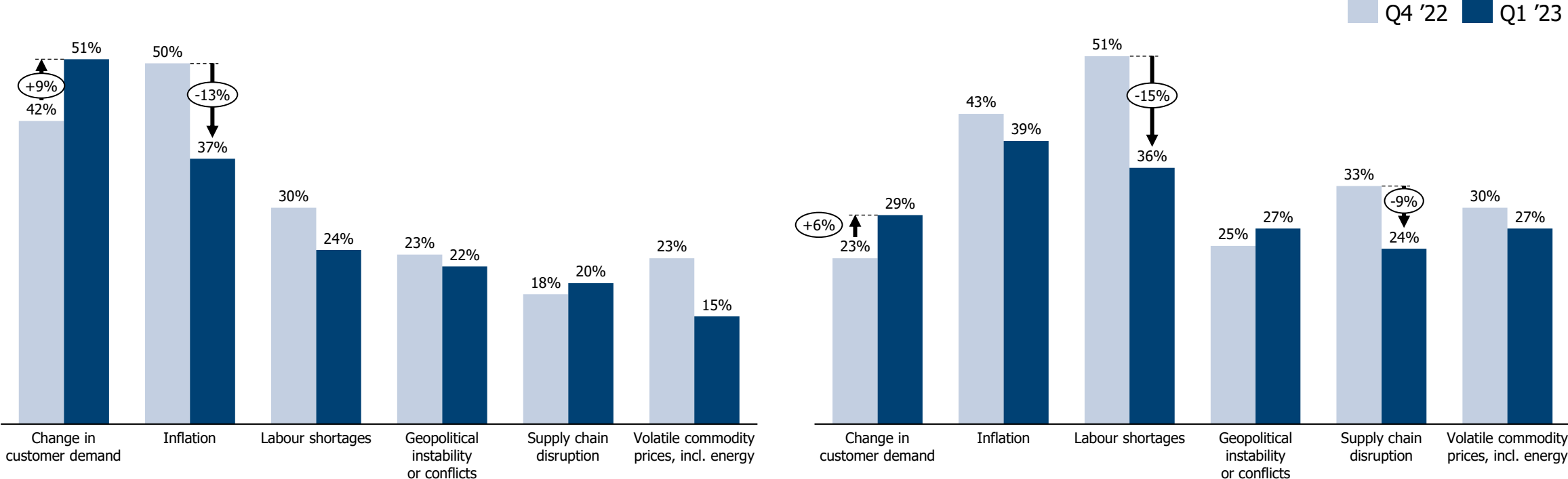
n: UK: 87, NL: 107, RoW, 42

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023 - Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

The perceived importance of inflation has reduced in UK and NL, and Dutch business leaders are significantly less concerned about labour shortages than they were in Q4

EXTERNAL FACTORS IMPACTING COMPANY PERFORMANCE^{1,2} (Q4 '22 VS Q1 '23)



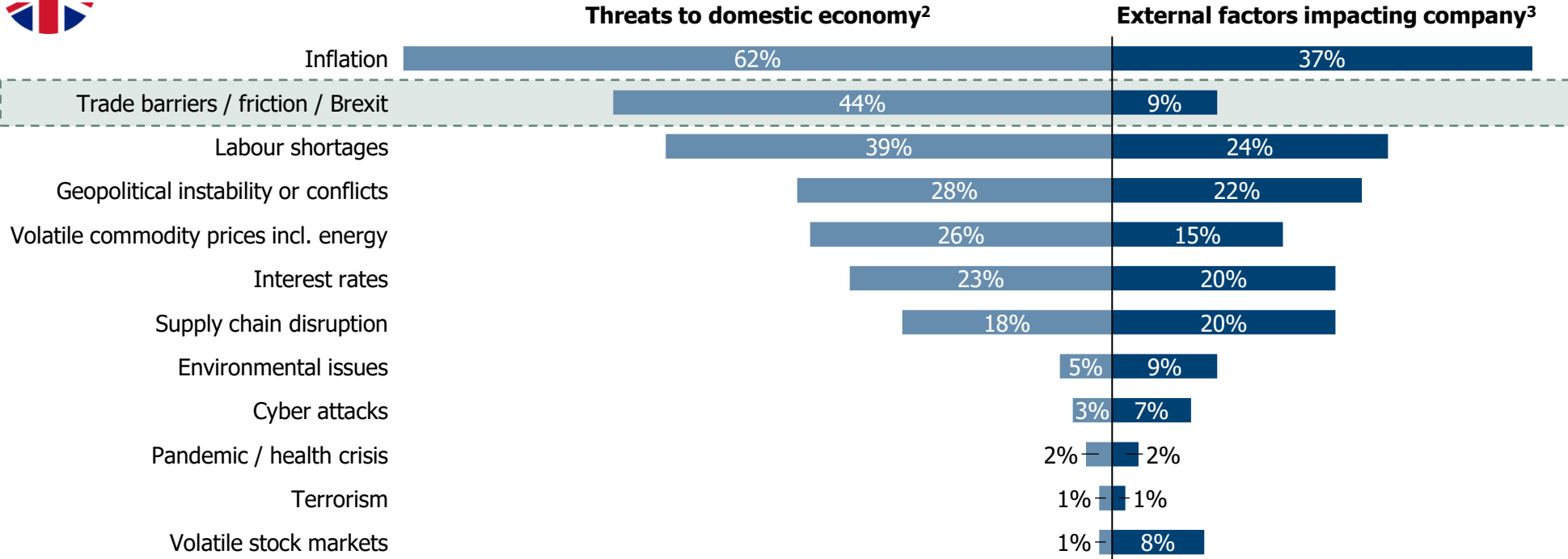
Oct 2022 n: UK: 149, NL: 81 ; Jan 2023 n: UK: 87, NL: 107

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100; 2) only top 6 included

Source: Eden McCallum Business Outlook Survey October 2022 ; Eden McCallum Business Outlook Survey January 2023 - Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Comparing perceived threats to the domestic economy vs companies, Brexit is notable as one where the threat to the economy is perceived as much greater than the threat to business leaders' own companies

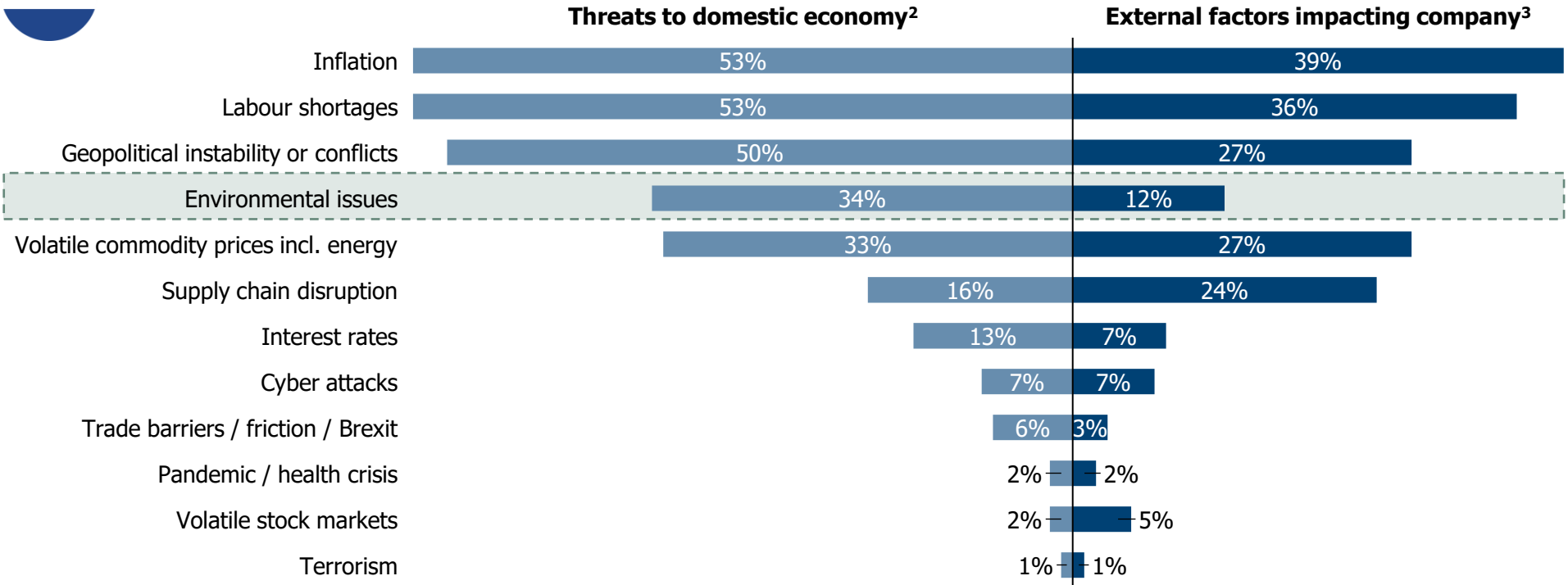
THREATS TO THE DOMESTIC ECONOMY AND COMPANY PERFORMANCE¹ (Q1 '23)



n: 87
 Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100; 2) Excludes domestic politics, as this was not a choice of external business factor; 3) Only includes options which overlap with domestic economy question
 Source: Eden McCallum Business Outlook Survey January 2023 - Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years? & Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

In the Netherlands, this disparity in perceptions is noticeable on the environment

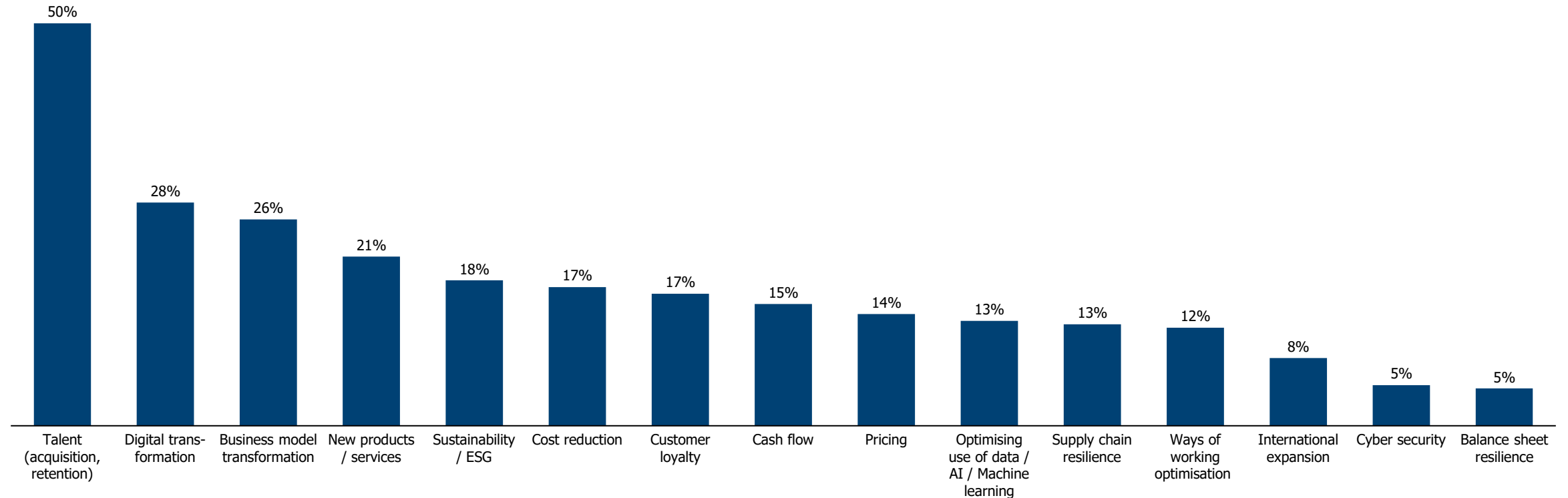
THREATS TO THE DOMESTIC ECONOMY AND COMPANY PERFORMANCE¹ (Q1 '23)



n: 107
 Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100; 2) Excludes domestic politics, as this was not a choice of external business factor; 3) Only includes options which overlap with domestic economy question
 Source: Eden McCallum Business Outlook Survey January 2023 - Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years? & Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Half of business leaders identify talent as the most pressing internal issue facing their companies

MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES¹ (Q1 '23)



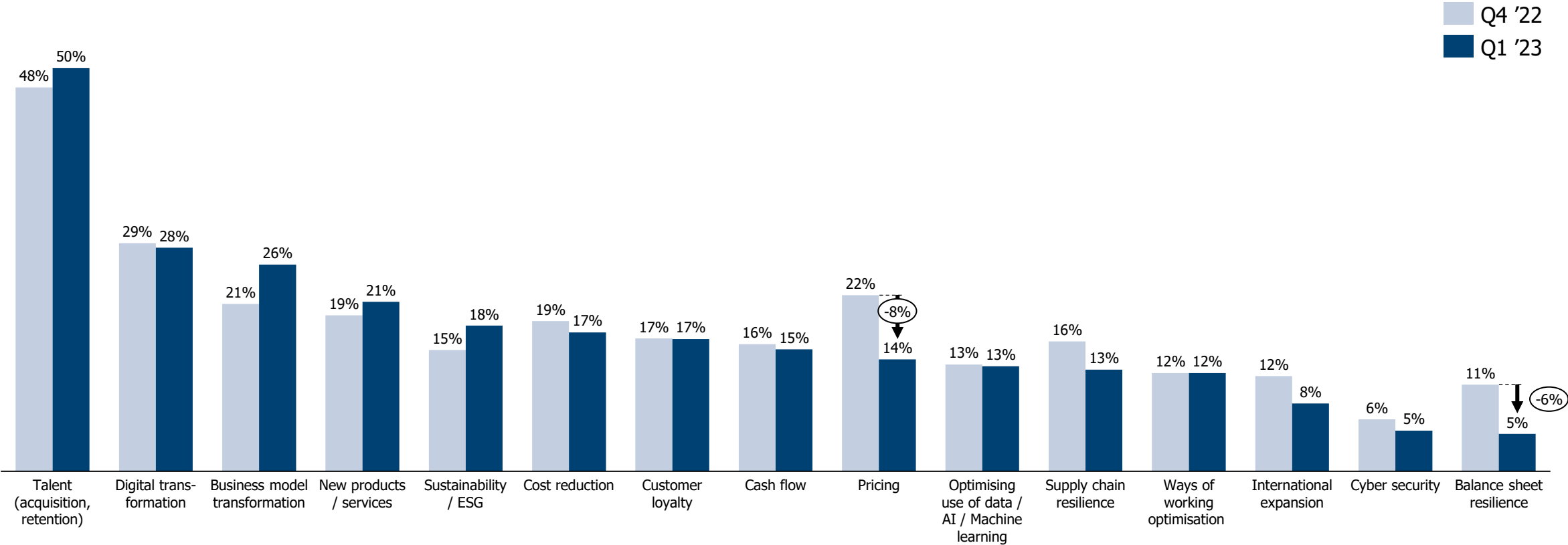
n: 236

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023 - Q11 – What are the most important internal issues for your company over the next 1-2 years?

Talent remains the top internal factor impacting company performance

MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES¹ (Q4 '22 VS Q1 '23)



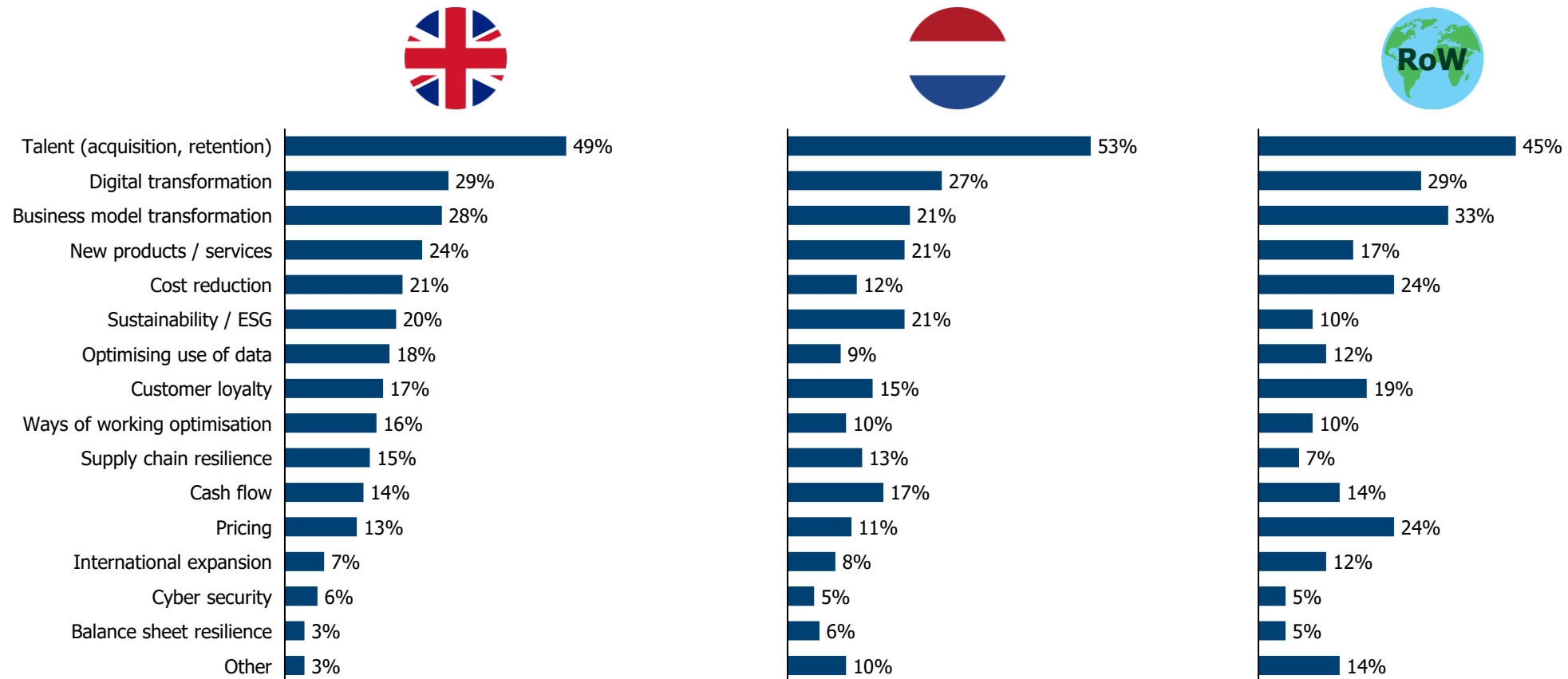
Oct 2022 n: 277 ; Jan 2023 n: 236

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey October 2022; Eden McCallum Business Outlook Survey January 2023 - Q11 – What are the most important internal issues for your company over the next 1-2 years?

Talent acquisition is the leading internal factor across regions, but there are larger regional differences across other issues

MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES¹ (Q1 '23)



n: UK: 87, NL: 107, RoW: 42

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

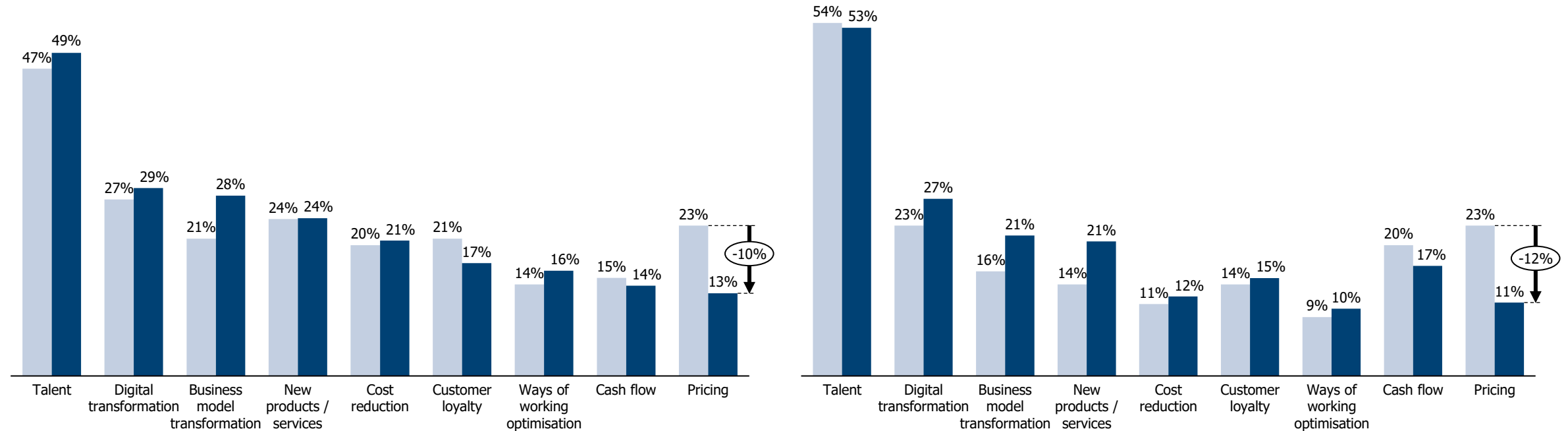
Source: Eden McCallum Business Outlook Survey January 2023 - Q11 - What are the most important internal issues for your company over the next 1-2 years?

Talent remains the key concern in both the UK and NL, while pricing concerns are receding

MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES^{1,2} (Q4 '22 VS Q1 '23)



Q4 '22
Q1 '23



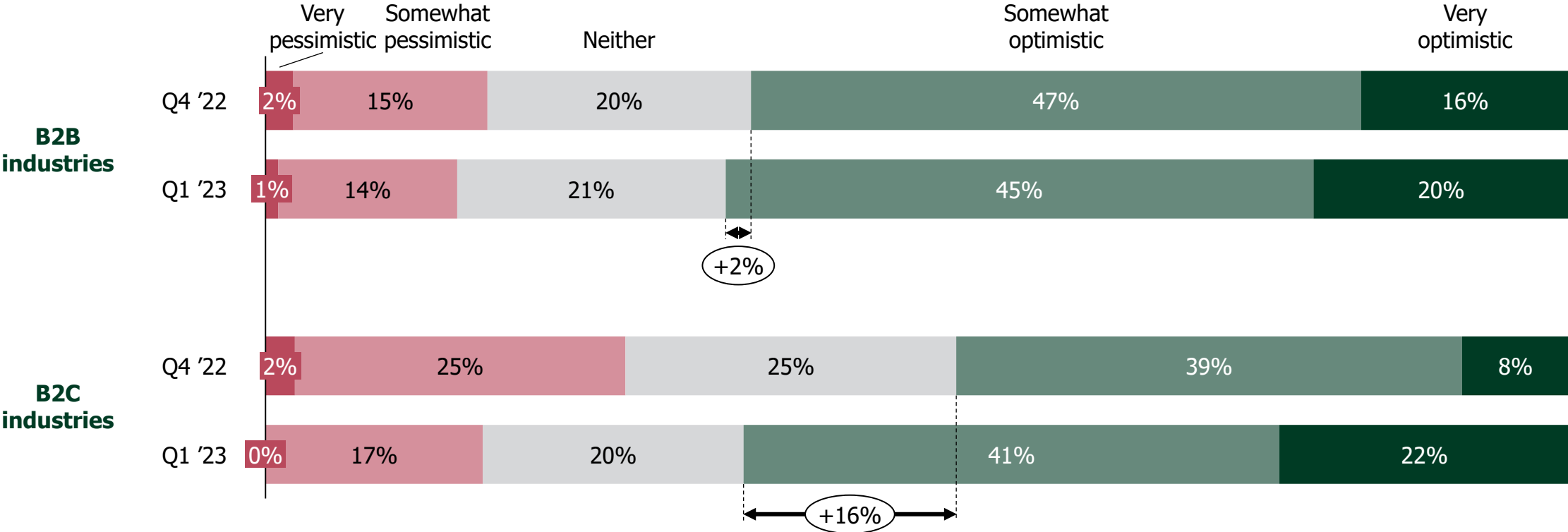
Oct 2022 n: UK: 149, NL: 81; Jan 2023 n: UK: 87, NL: 107

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100; 2) Only top 9 included

Source: Eden McCallum Business Outlook Survey October 2022; Eden McCallum Business Outlook Survey January 2023 - Q11 - What are the most important internal issues for your company over the next 1-2 years?

B2C business leaders are notably more optimistic vs Q4 '22, and are now in line with the optimism of B2B leaders

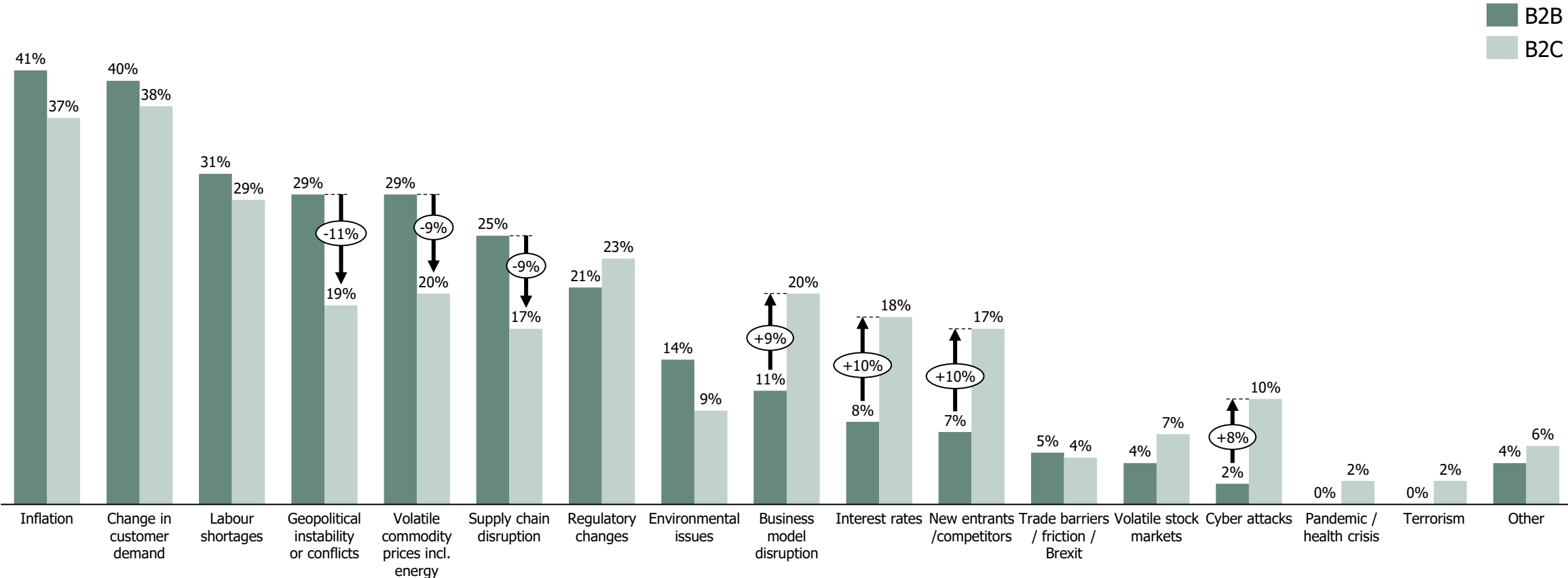
COMPANIES' EXPECTED PERFORMANCE – B2B VS B2C (Q4 '22 VS Q1 '23)



Oct 2022 n: B2C = 134, B2B = 94 ; Jan 2023 n: B2B = 102; B2C = 90
 Notes: 1) B2C = Consumer goods / Retail, Financial Services, Pharma / Healthcare, Travel / Leisure / Hospitality and TMT ; B2B = B2B / Professional services, Industrials / Manufacturing, Transportation / Logistics, Energy / Utilities, Engineering / Construction / Real Estate and Primary industries (mining, forestry, agriculture, etc.)
 Source: Eden McCallum Business Outlook Survey October 2022 ; Eden McCallum Business Outlook Survey January 2023: Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Inflation and consumer demand are the top external issues for both B2B and B2C; other concerns reflect their different business models and drivers

EXTERNAL FACTORS LIKELY TO IMPACT COMPANY PERFORMANCE¹ – B2B VS B2C



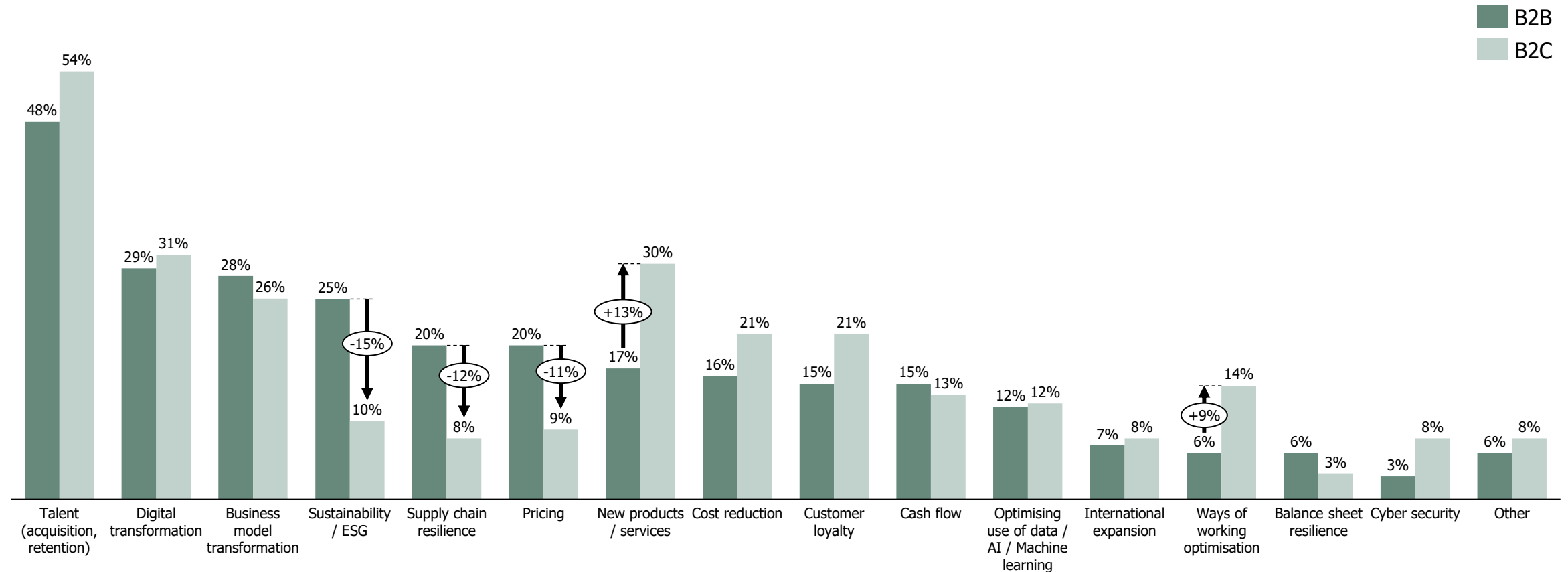
n: B2B Industries, 102; B2C Industries, 90

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023 - Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

While talent is the top concern for all business leaders, B2B and B2C leaders have varying levels of concerns about other internal issues

MOST IMPORTANT INTERNAL ISSUES FOR BUSINESSES¹ – B2B VS B2C



n: B2B Industries, 102; B2C Industries, 90

Note: 1) Respondents could select up to 3 choices, hence percentages do not add to 100, and don't know responses are excluded

Source: Eden McCallum Business Outlook Survey January 2023 - Q11 - What are the most important internal issues for your company over the next 1-2 years?

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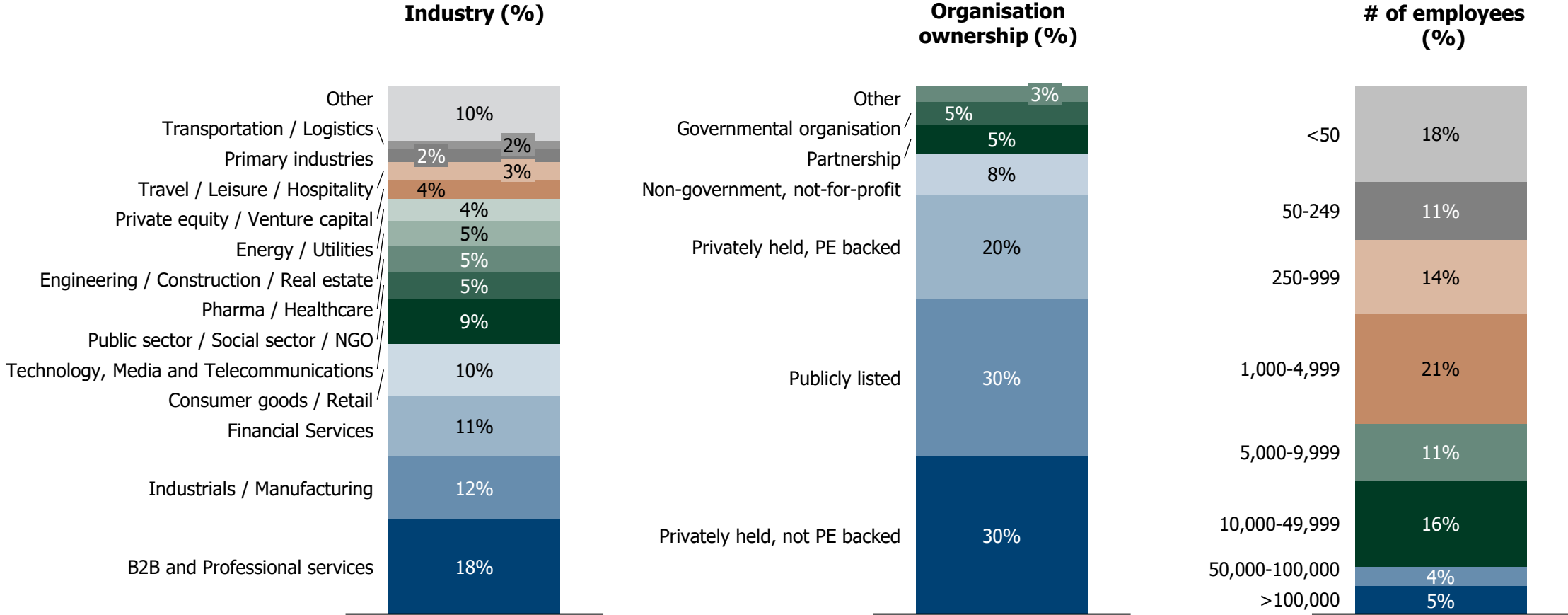
Economic and Business Outlook

Survey Sample Information



Survey sample information

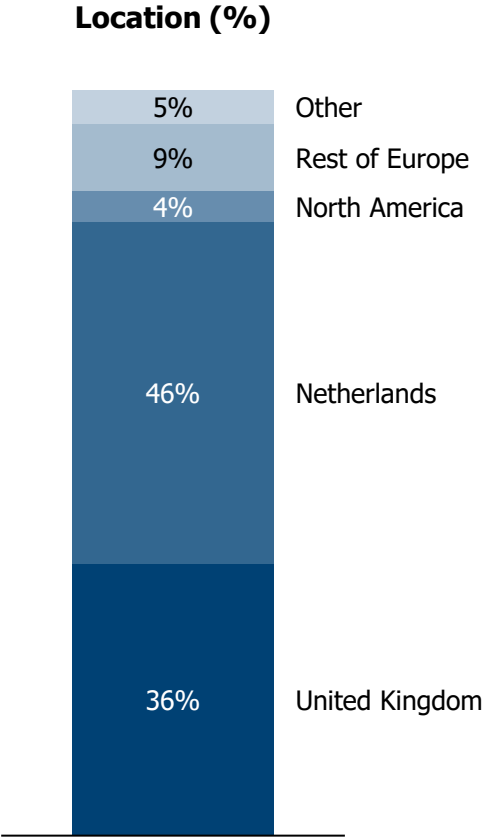
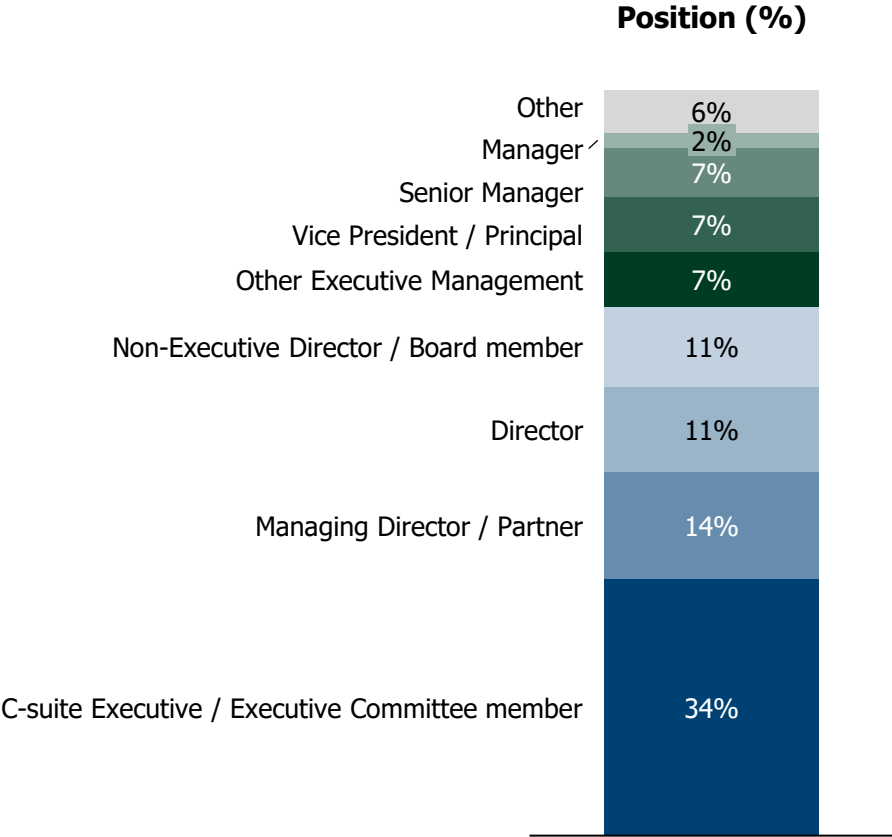
KEY FACTS ABOUT THE SAMPLE SURVEY RESPONDENTS' ORGANISATIONS



n: 244
 Source: Eden McCallum Business Outlook Survey January 2023 - Q1 - What industry is your company / organisation in? ; Q2 - How many people does your company / organisation employ in total? ; Q3 - In what country do you live?

Survey sample information

KEY FACTS ABOUT THE SAMPLE SURVEY RESPONDENTS



n: 244
 Source: Eden McCallum Business Outlook Survey January 2023 - Q4 - How would you best describe your organisation? ; Q5 - Which of the following best describes your role within your organisation?