

COVID-19

24 April 2020

# PwC's COVID-19

# CFO Pulse Survey

PwC Cyprus - round 1



## Introduction

PwC is tracking sentiment and priorities about the COVID-19 outbreak among finance leaders.

During this bi-weekly survey, Cyprus participated with 45 CFOs who were surveyed for the round taking place from 20 to 22 of April.

In the graphs you can see the percentages out of the total number of 45 CFO responses.

871 CFOs across 24 territories:  
Armenia, Azerbaijan, Brazil, Cyprus, Denmark, France, Germany, Ireland, Japan, Kazakhstan, Malta, Mexico, Middle East<sup>1)</sup>, Netherlands, Philippines, Portugal, Singapore, Slovakia, Sweden, Switzerland, Thailand, Turkey, US, Vietnam participated in this round of the survey.





## Key findings

**Nearly three-quarters (78%) of respondents are greatly concerned** about the effects of COVID-19 on their operations while only 9% view it as an isolated challenge

**69% of CFOs expect a decrease in their company revenues and/or profits** as a result of COVID-19 while only 4% of them expect an increase in their revenues

**The majority of the CFOs with 69%, consider implementing cost containment**, while only 11% are not considering any financial actions

**62% of the respondents believe that their company could return to 'business as usual' within three months** if the crisis were to end today while only 4% believe that it will take more than a year.

**73% of CFOs are mainly concerned about potential recession**

**42% of the participants mostly expect their companies to have changes in staffing the following month**







## Q. What is your company's current level of concern related to COVID-19?

COVID-19 has the potential for significant impact to our business operations and it is causing us great concern.



COVID-19 is limited to specific regions in our business currently, but we are monitoring closely.



COVID-19 is an isolated challenge and not greatly impacting our business currently, but we are monitoring the situation for any change.



COVID-19 is not currently impacting our business.

0%

Cyprus companies are in crisis mode:

78%

say that COVID-19 has the potential for significant impact to their business operations.

Indeed, **69%** of CFOs in Cyprus expect a decrease in revenue as a result of COVID-19, while **20%** are unsure of the impact.

**4%** of CFOs in Cyprus expect an increase in revenue as a result of COVID-19

**Q: What impact do you expect on your company's revenue and/or profits this year as a result of COVID-19?**

Decrease revenue and/or profits



**69%**

It is difficult to assess at this point



**20%**

We do not expect any impact to revenue and/or profits



**7%**

Increase revenue and/or profits

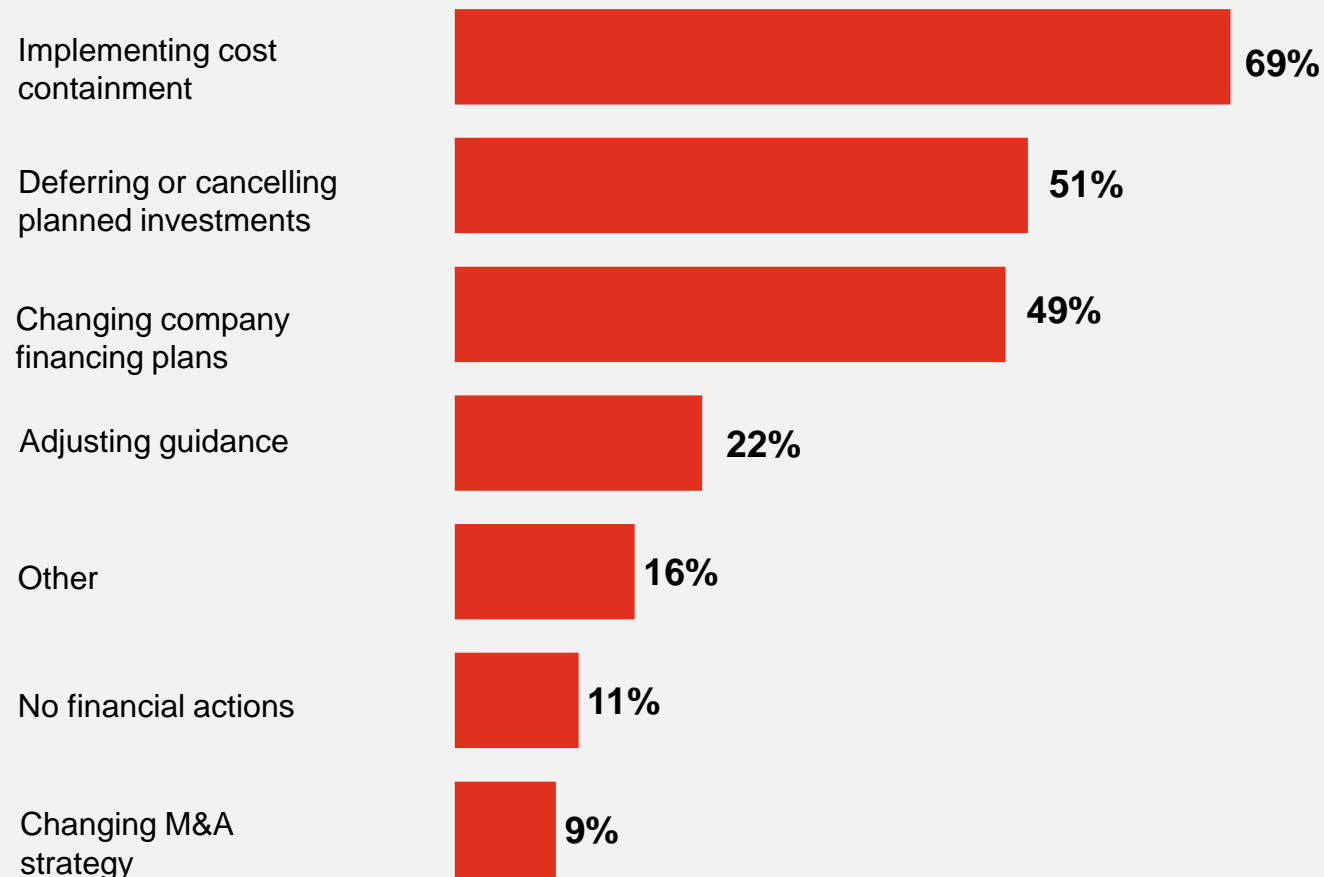


**4%**

Cost containment, deferral/  
cancellation of investments and  
changing company financing plans  
are the actions most frequently  
considered as a result of COVID-19,

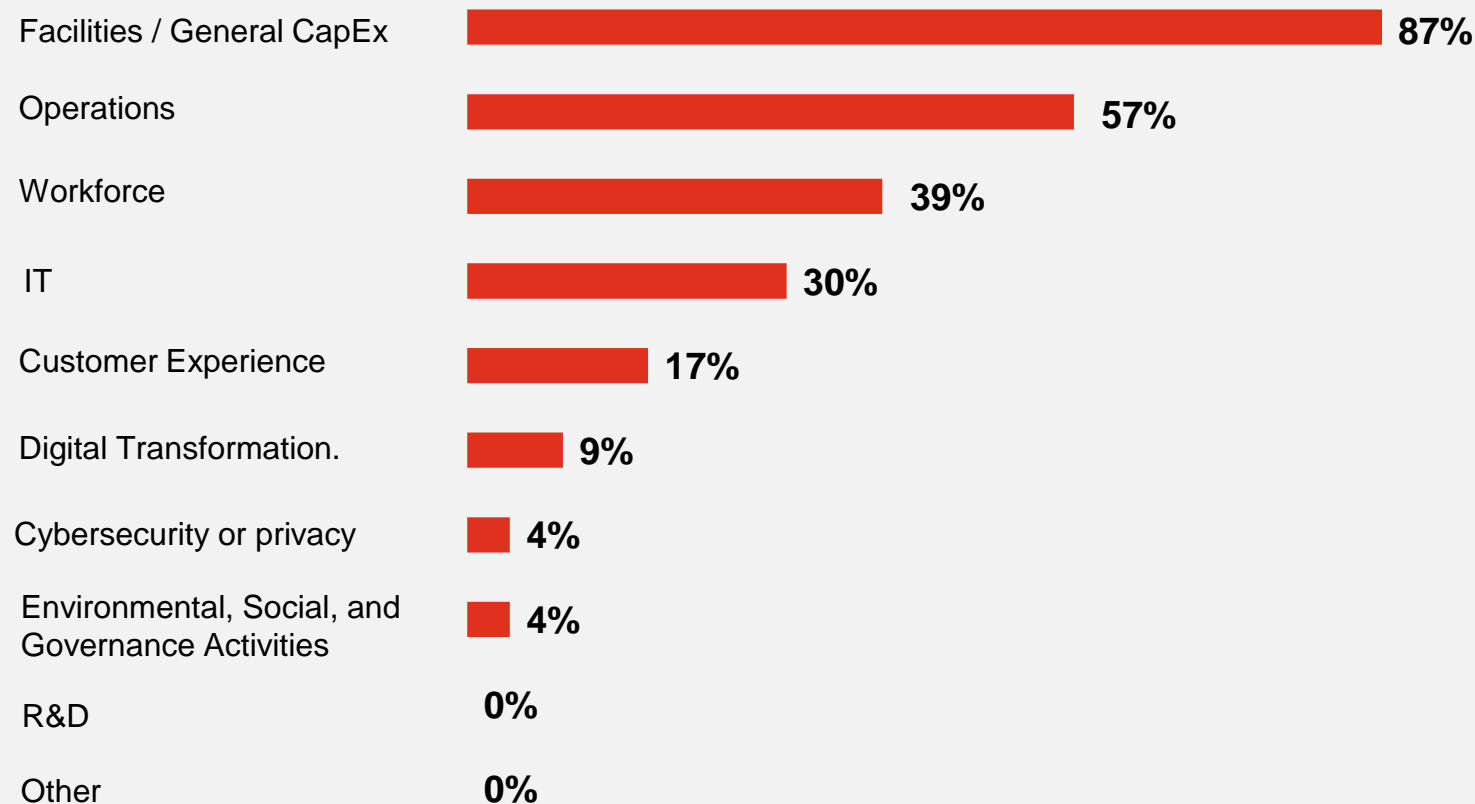
whereas, **11%** of CFOs in Cyprus  
are not considering any financial  
actions.

**Q: Which of the following financial actions is your company considering as a result of COVID-19?**





**Q. You mentioned your company is considering deferring or cancelling planned investments as a result of COVID-19. Which of the following investment types are being considered in that regard?**



**87%**

of Cyprus CFOs say that CapEx is the most likely investment to be deferred or cancelled followed by operations (57%) & workforce (39%)

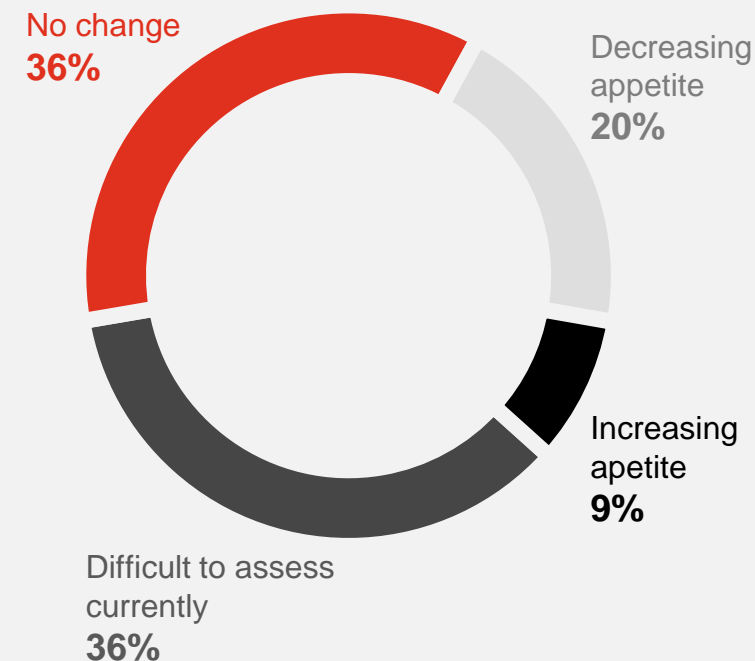
**0%**

of CFOs say they will not cancel planned investments in any R&D activities

## M&A is holding steady, though 36% of CFOs find their strategy difficult to assess

Although COVID-19 has cast uncertainty over the immediate future of many organisations, 36% of CFOs say that they don't expect to change their approach to M&A, with an equal number indicating they are unsure how the crisis will affect M&A activities.

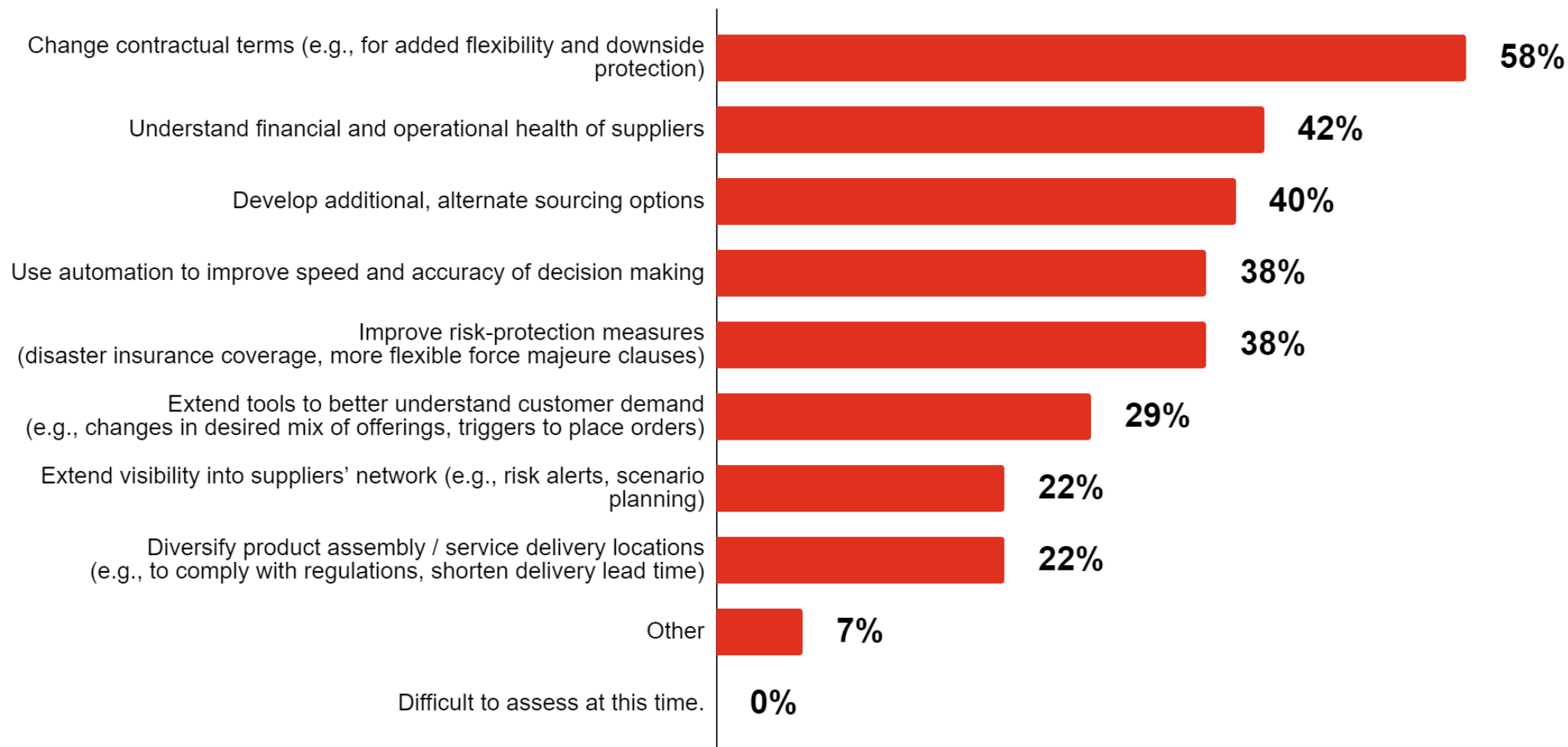
Q: How is COVID-19 affecting your M&A strategy?



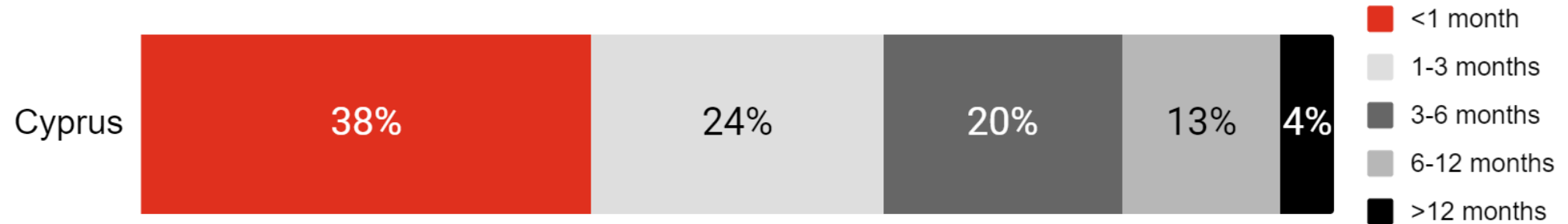


**Q: As a result of COVID-19, in which of the following areas are you planning changes to your supply chain strategy?**

**Cyprus CFOs focus mainly on change of contractual terms as their most pressing issue (58%)**



Q: If COVID-19 were to end today, how long would you estimate it would take for your company to get back to “business as usual”?

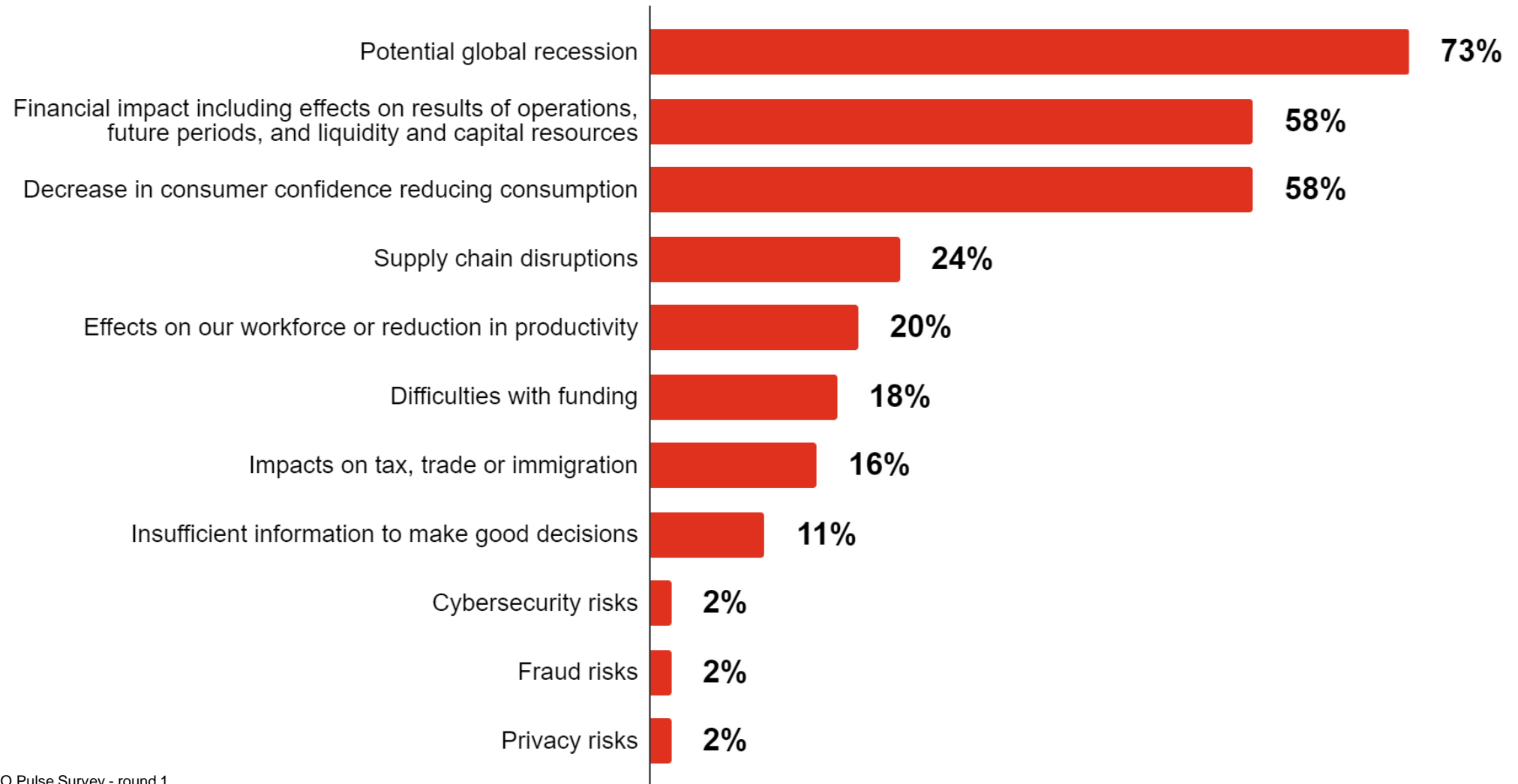


**62%** of Cyprus CFOs believe their company could get back to “business as usual” **within 3 months** if COVID-19 were to end today.

**4%** of Cyprus CFOs believe that it will take **more than a year** for their company to get back to “business as usual” if COVID-19 were to end today.

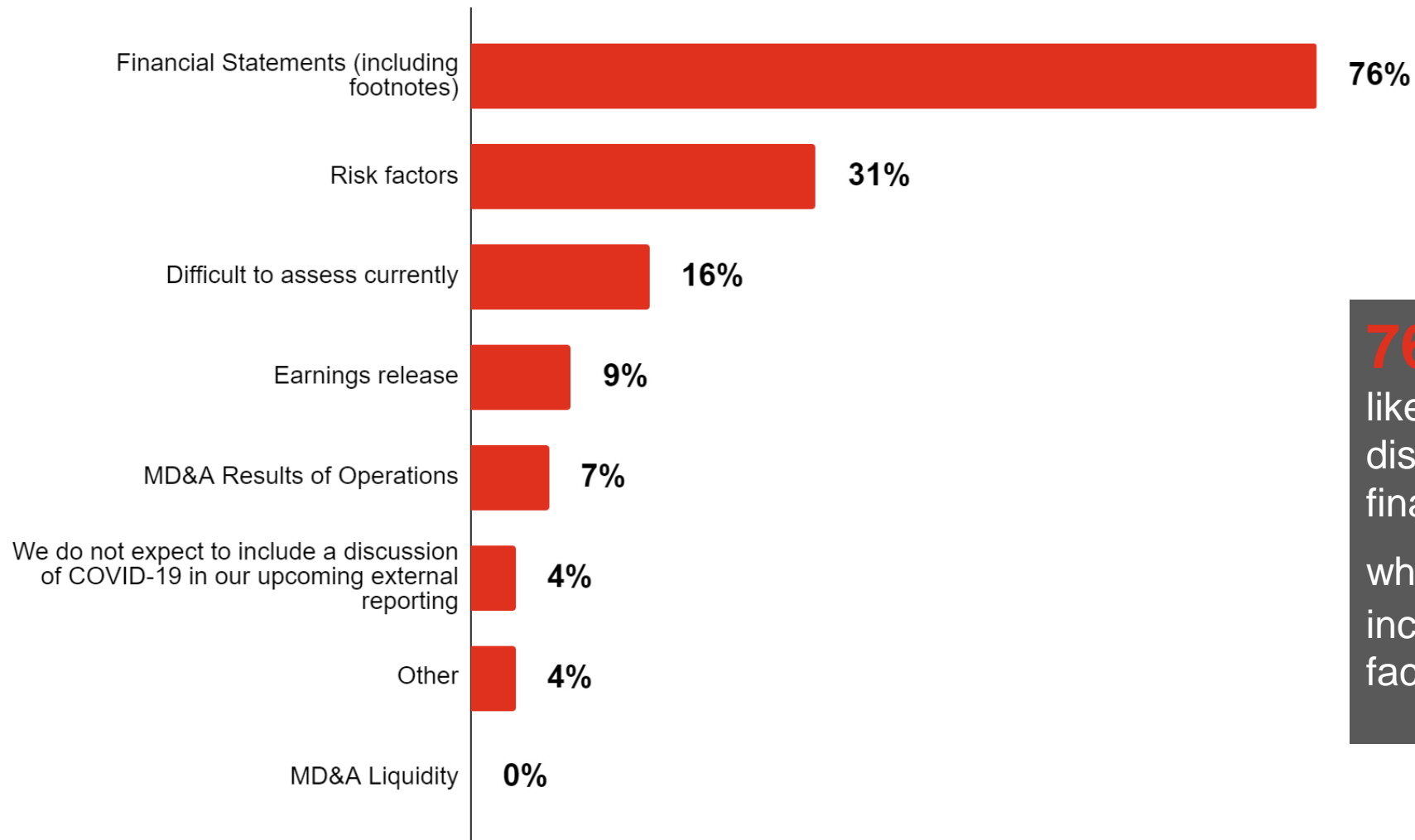
## Q: What are your top 3 concerns with respect to COVID-19??

Potential recession is the main concern for Cyprus CFOs followed by financial impact and decrease in consumer confidence.



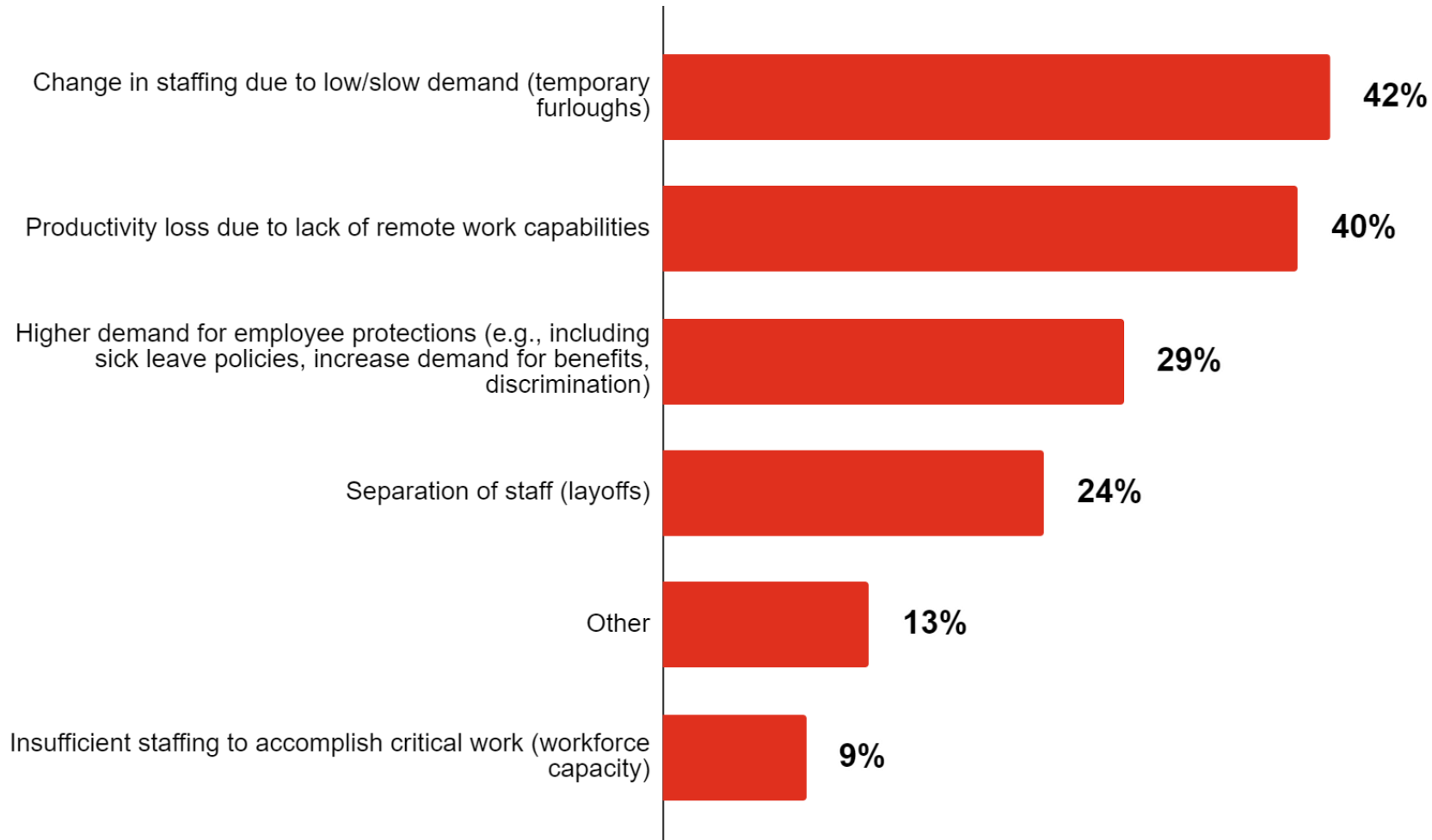


**Q: In which sections of your upcoming external reporting do you expect to include a discussion of COVID-19?**



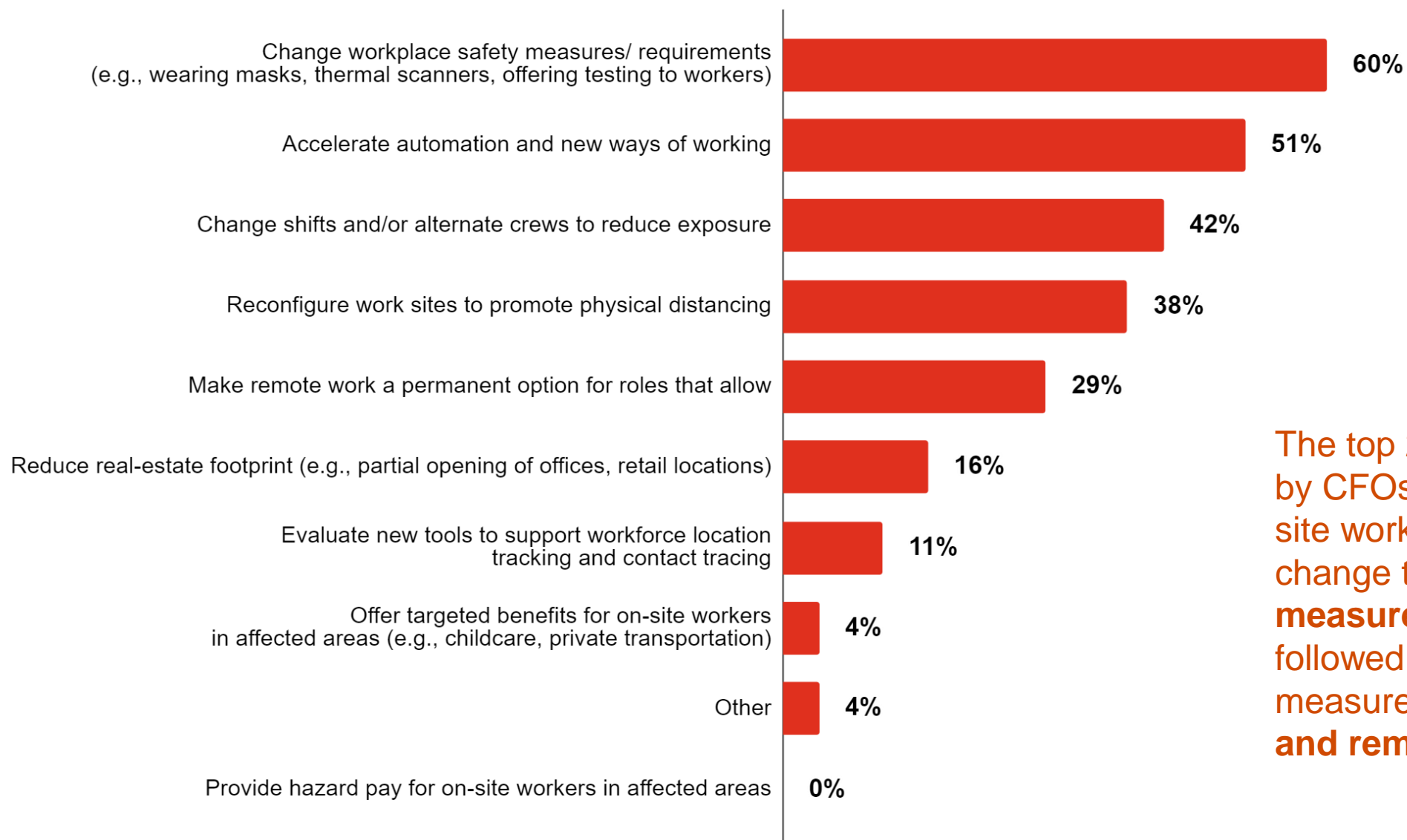
**76%** of CFOs in Cyprus most likely expect to include a discussion of COVID-19 in their financial statements, whereas **31%** say they will include the discussion in their risk factors.

**Q: As a result of COVID-19, which of the following does your company expect to occur in the next month?**



Cyprus CFOs mostly expect their companies to have **changes in staffing** and **experience productivity losses** due to remote work capabilities in the next month.

## Q: Which of the following is your company planning to implement once you start to transition back to on-site work?



The top 2 measures considered by CFOs upon transitioning to on-site work are tactical measures to change their **workplace safety measures** to protect staff, followed by more strategic measures around **automation and remote working**.



## About this survey

To help identify the business and economic impact of COVID-19, PwC is conducting a global, biweekly survey of finance leaders.

The PwC Cyprus territory results were comprised from 45 responses of CFOs in Cyprus.

For more information please visit:  
[pwc.com.cy](https://pwc.com.cy)

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