THE EUROPEAN ASSOCIATION OF CORPORATE TREASURERS

THE VOICE OF CORPORATE TREASURERS IN EUROPE

EACT TREASURY SURVEY 2025

RESULTS OF THIS EACT 2025 SURVEY HAVE BEEN ANALYZED WITH THE SUPPORT OF PWC TREASURY PRACTICE

FOREWORD

For each of the past nine years, EACT has launched its Treasury Survey to determine top priorities for corporates. It also aims to identify challenges corporate treasurers of Multi-National Companies (i.e. MNCs) are facing and the technological innovations they intend to implement. The survey also aims to recognize evolutions over time and after crises. In a fast-changing environment, with geopolitical problems across the world, this survey highlights where priorities are changing and when they do, why. This year, EACT received circa 275+ answers from Group Treasurers of some of the largest international companies across Europe.

TREASURIES TOP PRIORITIES

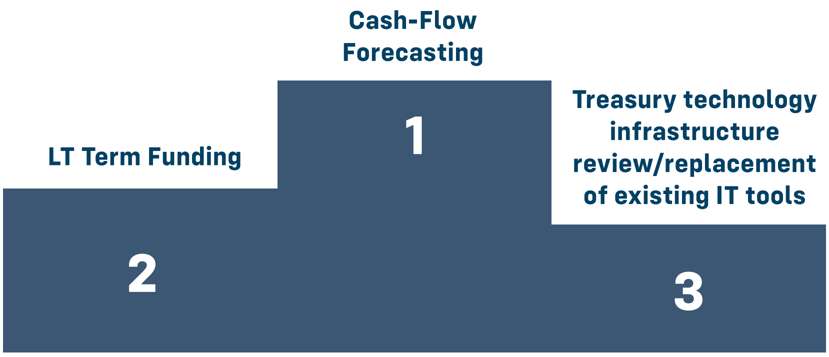
MOST TREASURERS SHARE THE SAME PRIORITIES:

- L.T. funding (capital markets & banks)
- Cash-Flow Forecasting
- Capital Structure

The 2025 EACT survey, which has become a tradition, attempts to detect treasury trends and priorities for multinational companies over the coming 12 to 24 months.

As expected in this turbulent year, **Cash-Flow Forecasting,** i.e. > 13 weeks / monthly rolling forecasts **(#1)** is leads the charts, followed by the **Long-Term funding (#2)** and finally **Treasury technology infrastructure review / replacement of existing IT tools (#3).** It is followed by a few priorities at near equal levels, such as **Capital Structure (#4), Market Risk, i.e. risk management (#5); Working Capital Management Optimization (#6),** Digitization of Treasury (#7), and Political Uncertainties (#8).

Top priorities 2025



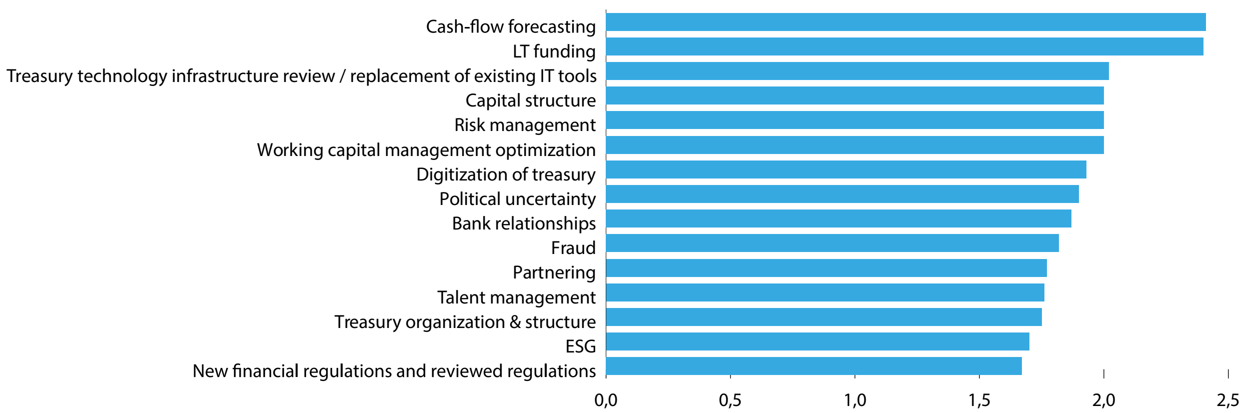
NB: in 2024, LT Term Funding (#1); Cash-Flow Forecasting (#2) and Capital Structure (#3).

TOP PRIORITIES
FOR CORPORATE TREASURERS

This year, change is significant. Fundamental and pure financial issues are back at the forefront of the treasurers' priorities.

How do I enhance my cash-flow forecasts? How do I secure my LT funding (capital markets versus bank financing)? Should I revisit and enhance my IT treasury architecture by replacing current TMS and simplifying the number of solutions? Mitigating market and FX risks remains a key issue. as well as optimizing working capital.
As we can see, there's nothing new under the sun... Cash-Flow Forecasting is still high on the treasurer's (and CFO's) list of priorities.
It can also be noted that treasurers are more focused on replacing or implementing a TRMS than on digitizing and hyper-automating cash management, the next steps requiring a certain level of digital maturity. The impact of new technologies should not be overestimated, as many treasurers are still struggling to improve or replace a TMS or bank communication tool. All in good time, as the wise man would say...

Major priorities within next 12-24 months



BACK TO BASIC
TREASURY MANAGEMENT ISSUES

TOPICS THAT MOVE TREASURY

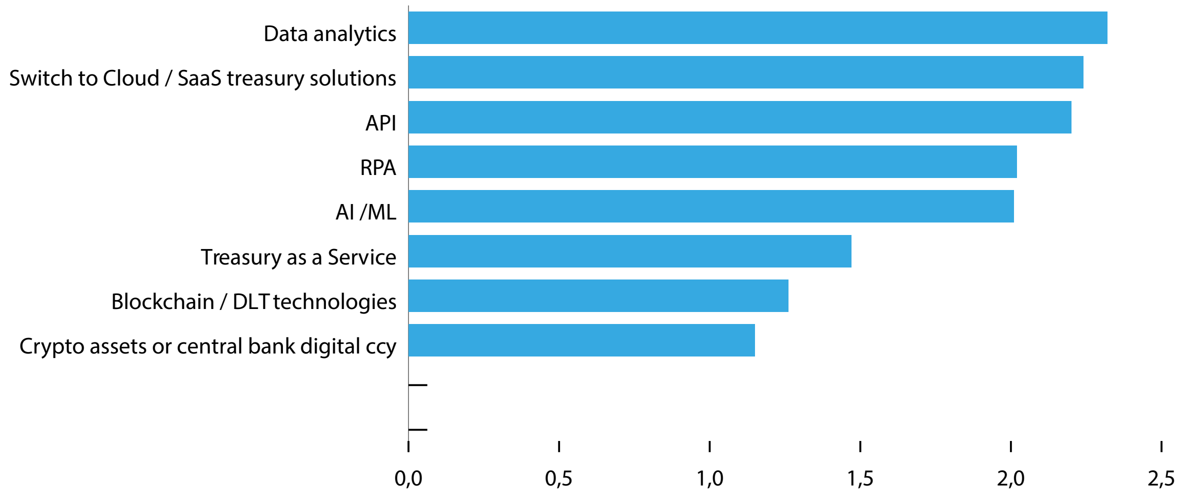
Top 6 priorities over the last 3 years (comparison):

	EACT Survey 2023	EACT Survey 2024	EACT Survey 2025
1	Cash-Flow Forecasting	Long Term Funding	Cash-Flow Forecasting
2	Working Capital management	Cash-Flow Forecasting	Long Term Funding
3	Treasury Technology infrastructure remplacement	Capital Structure	Treasury Technology infrastructure remplacement
4	Treasury Organization & Structure	Digitization of Treasury	Capital Structure
5	Risk Management	Working Capital management	Risk Management
6	Long Term Funding	Bank Relationship	Working Capital management

Corporate Treasurers need to (re)finance their companies, to increase visibility on future out and in-flows and to revamp their capital structure, prior to addressing the digital transformation of the Treasury Function. Working Capital optimization and banking relationships are highly ranked as well. We should never forget that bankers remain (if not the first at least) one of the top suppliers of the real economy. Finally, it should be noted that New Financial Regulations, despite their huge number and potential impacts on treasury, are rank rather low. EACT's continuous work does advocating and defending treasurer's best interests may explain why regulatory ranks as a low priority. On the other hand, Market Risk seems to be back on top priorities (i.e., #5) because of the continuing sensitivity and volatility of markets. Trendy topics such as ESG, regulations, digitalization of treasury and robotization, or fraud mitigation are seen as of secondary importance. Finally, the lower ranking of the topic "digitization" of treasury can probably be explained by a more immediate concern to first review the existing architecture and/or implement another TMS before even thinking about using AI and other cutting-edge digital technologies.

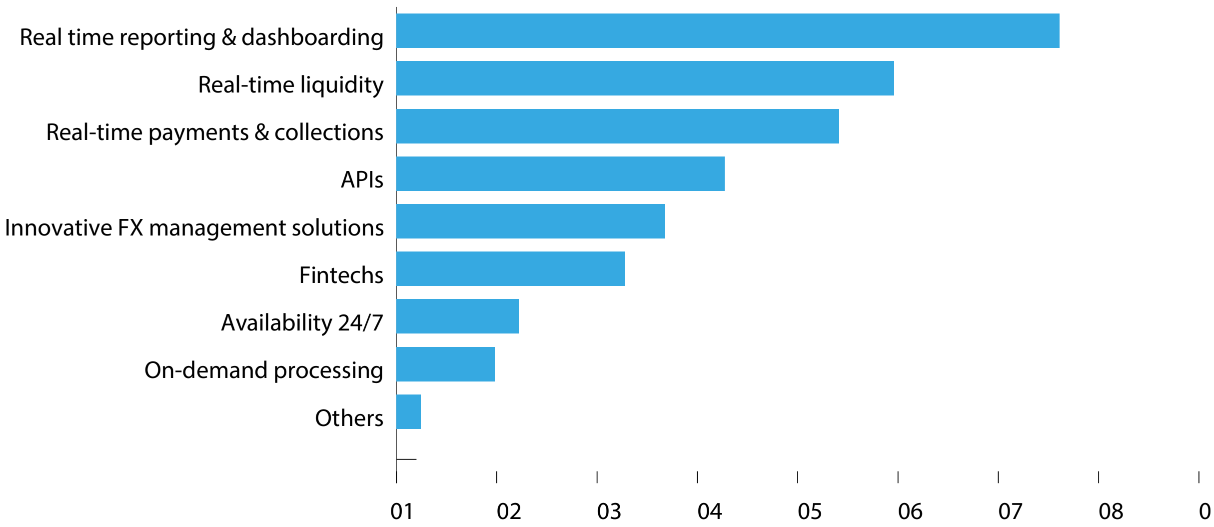
TECHNOLOGICAL INNOVATIONS

Innovations used/intend to use within next 12 months



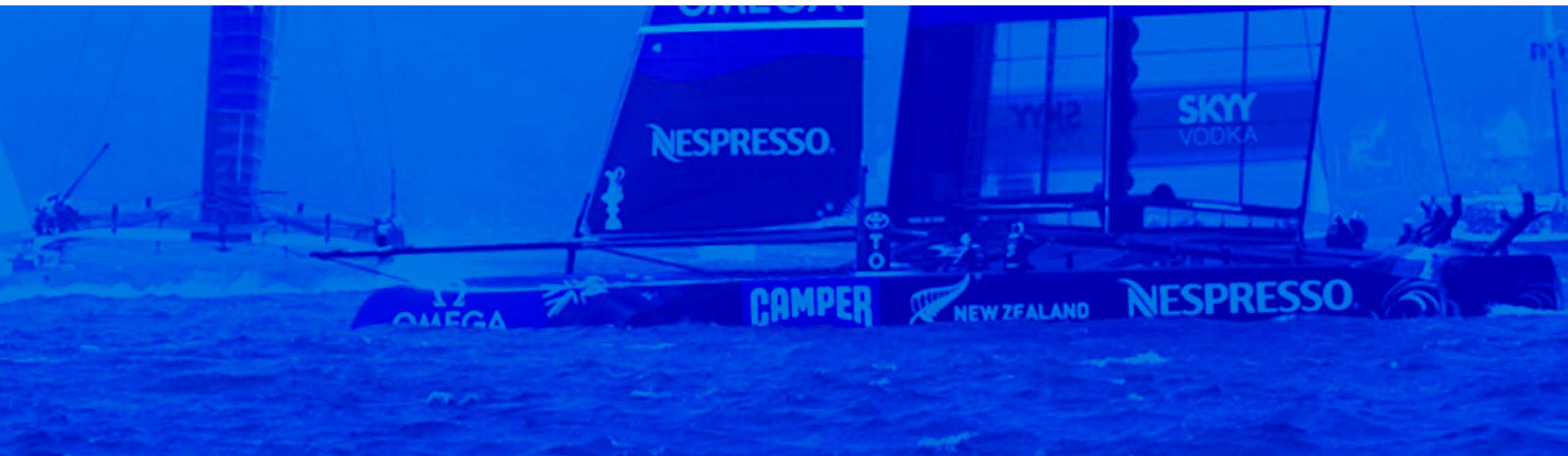
In terms of technological innovations, it appears that in the next 12 months, the priority will be quasi equally placed on **Data Analytics and switch to cloud solutions** (i.e. private or public clouds). **RPA's and AI solutions** come next and are followed by recourse to **Treasury as a Service (TaaS),** We can notice that crypto-currencies, AI and DLT derived technologies are ranked lower. Here again, there are no real significant changes in the top technologies compared to previous years. Despite the hype, the low ranking of AI comes from a general absence of true data lakes and standardized pieces of information. It looks like treasurers have many other technical priorities before being able to use the newest technologies. They may want to first fix current systems around TMSs, enhance current IT architecture and hyper-automate processes further before using AI. We all understand that the C-level wants treasury to make use of huge financial data they sit on and develop more reporting and dashboards. APIs have shown the use banks and corporates can make of them, to enrich reporting. Robotics and RPA are intermediary steps to automation, which explains their high ranking. Contrary to the recent excitement for Bitcoins and announcements around CBDC, cryptocurrencies do not seem to be a priority for treasurers either. This is not surprising given their nature and the fact that they are a new asset class rather than new currencies. To sum up, treasurers seem to be lucid about their ability to adopt these new technologies. They are aware that they will not use them as quickly as is generally thought, for various reasons (e.g. lack of standardized data, too many processes still manual, too great a fragmentation of IT tools in use, too many banks, banking connectivity not sufficiently harmonized, insufficient budgets, etc.).

Innovations to be of the greatest interest (12-24 months)



Of greatest interest to your treasury over the next 12 to 24 months:

Surprisingly, **Real-time reporting and dashboarding** are the focus for treasurers in the next 12 to 24 months (#1), followed closely by **Real-time liquidity** (#2), and then **Real-time Payments & Collections** (#3), then by **APIs** (#4), **FX Automation** (#5) and finally the **FinTech's** (#6). This demonstrates, once again, that the priorities may be more basic than imagined, as many treasurers still need to improve their day-to-day management before jumping into the use of newer technologies. The objective is immediacy - real-time for all types of information. Currency Management Automation (i.e. CMA) for FX Management is also in 5th position, as here again, we seem to be far from complete and perfect automation.



TECHNOLOGICAL INNOVATIONS

The fully "real-time treasury"

On the question of which technology will be of most interest in the next 12 to 24 months, access to real-time information is in the leads. It is followed by real-time liquidity. This is explained by the current economic situation, corporates with access to information can react faster, giving them a competitive advantage in an increasingly dynamic environment (we can see that immediacy and the time factor have become crucial, at least for certain industries and B2C businesses). Real-time Payments & Collection and finally immediate (automated) management of foreign exchange risk are also important for enhancing and hyper-automating treasury management. The fact that there still are lots of highly manual processes around FX and commodity management creates pressure for further automation to achieve greater efficiencies and internal controls. We also noticed the 6th position of the FinTech's (higher than last year) with multiple innovative solutions. These FinTech's may give Treasurers the right tools to change their ways of working. Things are gradually but slowly changing and recourse to FinTech's is more and more usual for treasurers for complementing their treasury solution suite.

IT solutions fragmentation

The fragmentation of IT systems in treasury and the complexity of IT architectures in many of MNCs' treasury departments explains the importance allocated to the risk of fraud, which has increased in recent years, and of cyber risk. Fragmentation increases these risks by a lack of fluidity, homogeneity, and sometimes consistency of the financial data to be processed. Furthermore, it is detrimental to the quality of future cash flow forecasts. The more IT solutions are in use, the more difficult it becomes to consolidate data and to allow systems to interact with each other, or to exchange data. The more complex the IT set up of the treasury, the more complicated the change will be/appear to be. Treasurers would like to change the IT organization but sometimes do not dare to tackle the cliff that this represents.

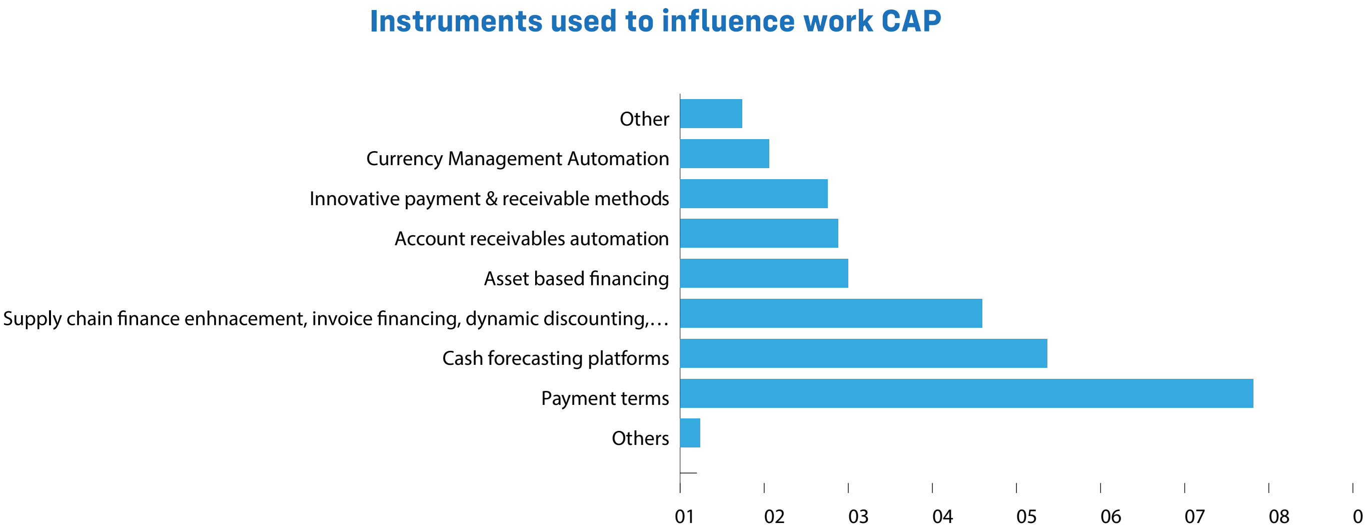
The world in general and the treasury in particular has entered the era of "everything in real time".

The fragmentation of IT systems and their multitude complicates the life of treasurers, as does the number of entities and bank accounts.

Treasury needs to focus on the next level of process automation to gain efficiency and strengthen internal controls.

INSTRUMENTS USED IN THE LAST 12 MONTHS

FOR OPTIMIZING WORKING CAPITAL MANAGEMENT

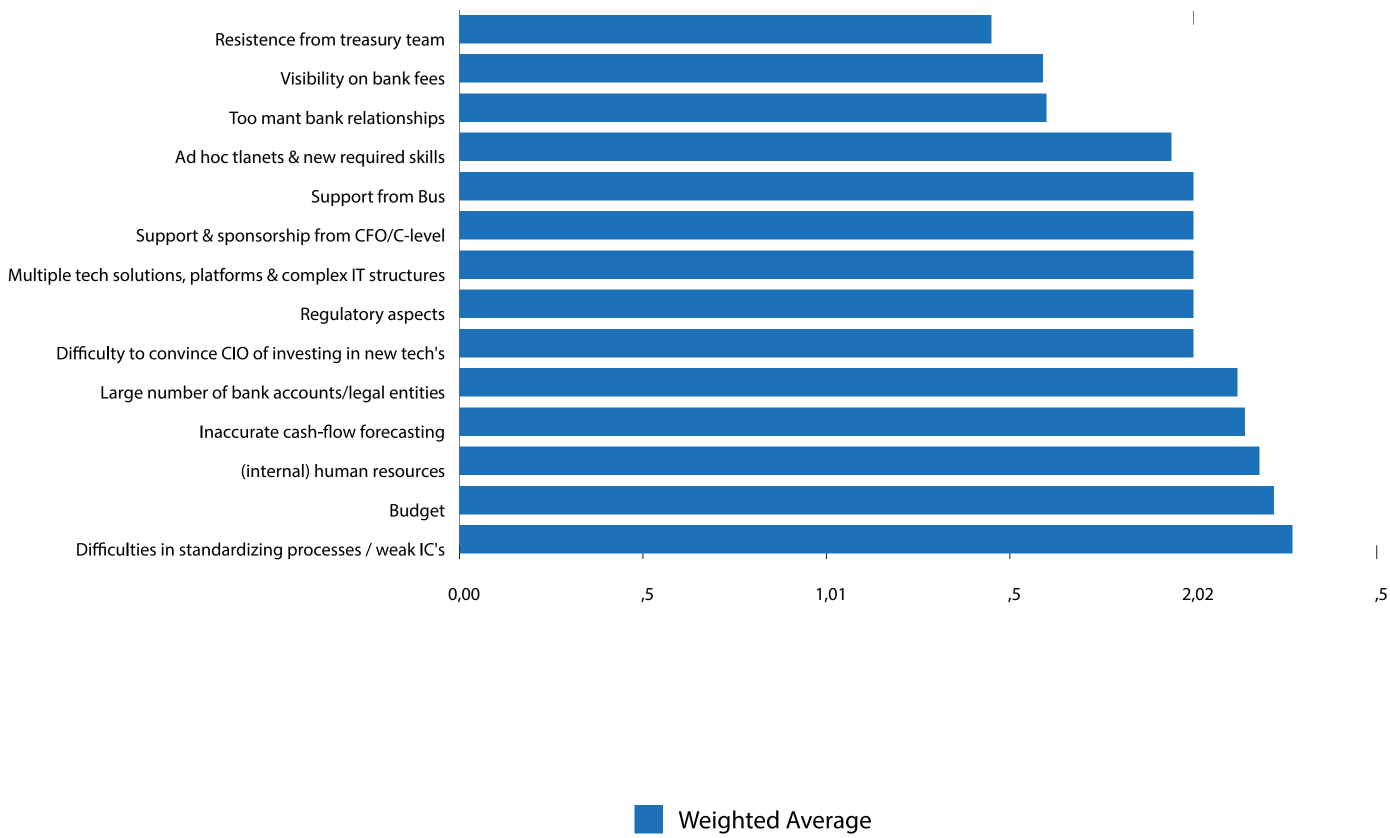


We know that treasury can play a significant role in working capital management. The influence or responsibility for working capital management within organizations are essential questions to address for any CFOs seeking to optimize it. We might add that previous EACT surveys have shown the role of treasurers in working capital projects. It showed that they “influence working capital” (at 50% +); are “responsible” for working capital optimization (at 20%); “partially responsible” (i.e.,at 20% -) or even surprisingly “not at all responsible”.

Ways of optimizing Working Capital

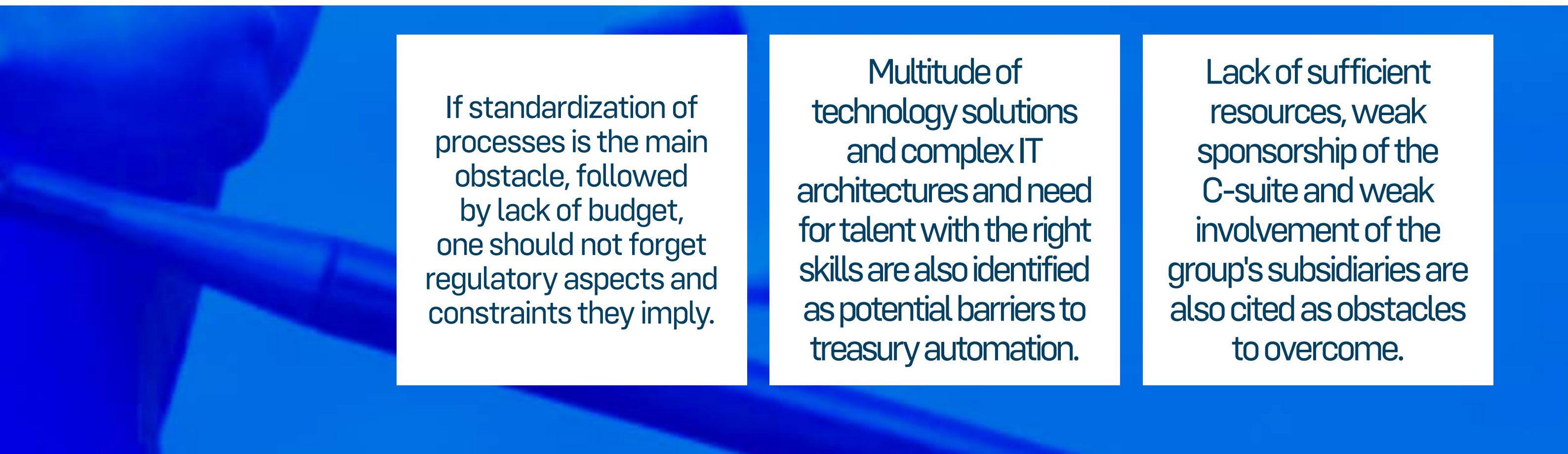
Working capital enhancement projects are always complex because they include a lot of different departments. To be successful requires solid sponsorship from the CFOs, clearly identified Project Managers, and commitment from all stakeholders. The instruments used or they plan to use in the next 12 months are the following: Payment terms; Cash-Flow Foresting; Supply Finance Chain enhancements; Asset Based Financing (e.g. invoice financing or dynamic discounting, ...); Account Receivables automation; Innovative payment and receivable methods (e.g., request-to-pay, link-to-pay, e-invoicing) and Currency Management Automation. The growing uncertainties of today's complex economic world calls for a return to the fundamentals of finance, and how to improve forecasting, working capital management and other ways of optimizing a company's net cash position. CFOs will increasingly try to support any initiative to enhance and optimize working capital, accessing the best funding tools at their disposal.

GREATEST CHALLENGES FACED
IN CENTRALIZING FURTHER TREASURY ORGANISATION



The question of the greatest challenge facing the treasurer is interesting in understanding what treasurers will need to prioritize. It appears that the **difficulties in standardizing processes (1#), Difficulties in standardizing processes and enhancing internal controls;** (#2), **lack of budget;** (#3) **the lack of (internal) human resources;** (#4) inaccurate cash-flow forecasting, are the main concerns of treasurers. Standardizing processes and internal controls remain preliminary and necessary steps to automation, improving the organization of the department, and increasing efficiency (e.g., automatic reconciliation, Straight Through Processing / STP, use of mass data, etc.). The other challenges are **the large number of bank accounts and the difficulties in convincing IT department and CIO of value of treasury projects.**

> **16,1% of respondents say the difficulties in standardizing processes and weak internal controls are the main issue in further centralizing treasury activities**



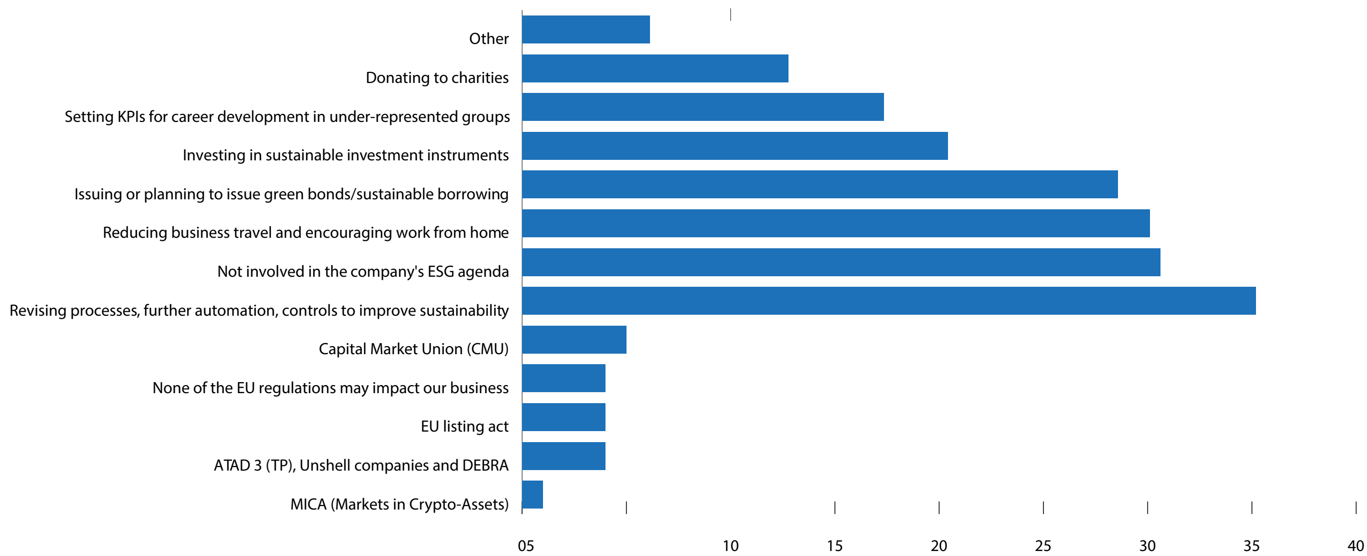
If standardization of processes is the main obstacle, followed by lack of budget, one should not forget regulatory aspects and constraints they imply.

Multitude of technology solutions and complex IT architectures and need for talent with the right skills are also identified as potential barriers to treasury automation.

Lack of sufficient resources, weak sponsorship of the C-suite and weak involvement of the group's subsidiaries are also cited as obstacles to overcome.

HOW DO TREASURERS SUPPORT
THE COMPANY'S ESG AGENDA?

Ways to support company's ESG (Environment, Social and Governance)

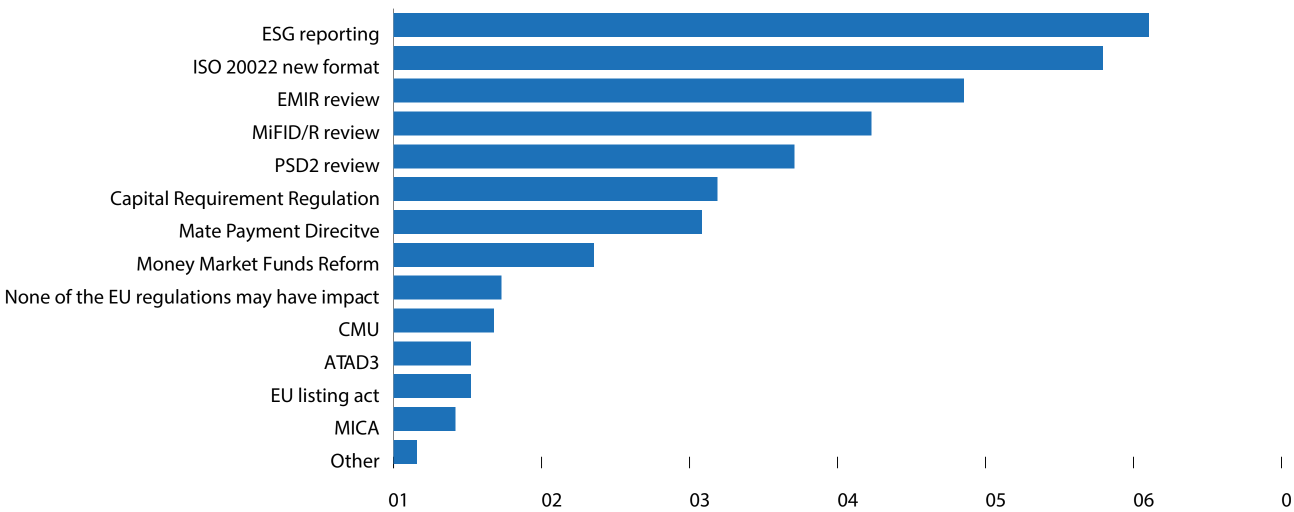


Treasurers can support ESG (Environment, Social & Governance) initiatives by **revising processes , further automation and controls to improve sustainability** (#1); **reducing business travel and encouraging work from home** (#2); **issuing or planning to issue green bonds or other sustainable borrowing** (#3); in **investing in sustainable investment instruments or developing a plan to do so** (#4) **and in setting up KPI's for career development in under-represented groups** (#5). Although it seems that the ESG theme is gaining in importance, it has not yet reached its full development and maturity. Treasurers seem to underestimate the possible impression they can make on this issue. We were surprised by the fact that 30,6% of treasurers claim they are not involved at all in the ESG processes.

FINANCIAL REGULATIONS

WITH POTENTIAL IMPACT ON TREASURY ACTIVITIES

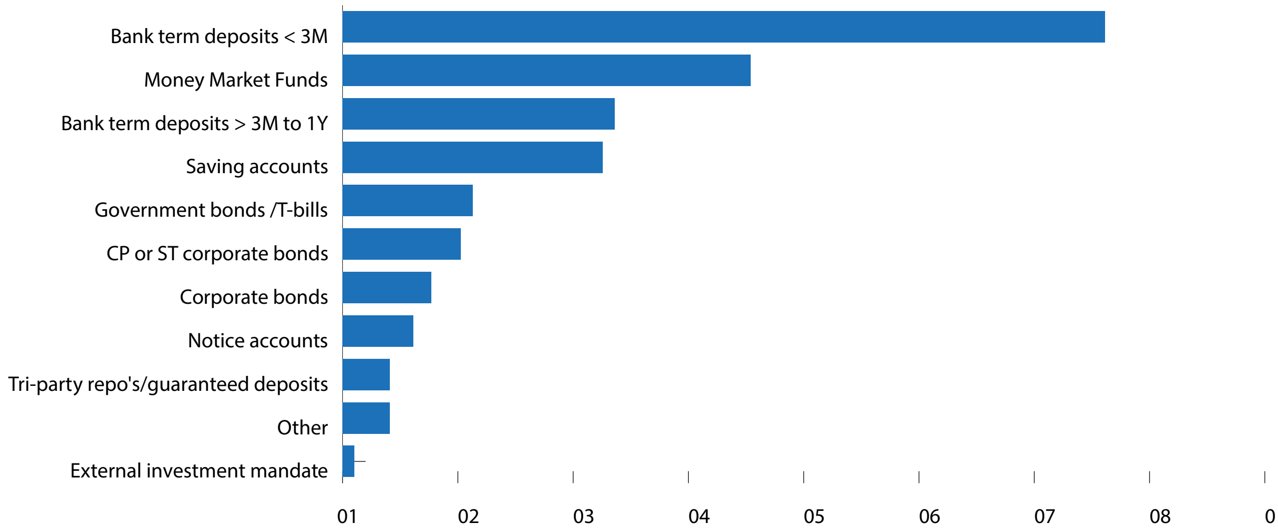
Financial regulations (under review or new ones) which could have an impact on respondents' treasury activities



The number of financial regulations under consideration or review currently is incredibly high. Their impact could be major for treasurers. Among the most important ones identified, it appears that the priority is the **ESG reporting** (#1); the **ISO 20022** (#2); the **EMIR refit review** (#3); the **MiFID/R review** (#4); the **PSD2 review** (#5), and finally the **Capital requirement Regultion** (#6). This demonstrates the essential role that EACT can play in trying to influence and change the measures that are least acceptable to its members. It is important to make the voice of treasurers heard in Brussels and defend our interests.

HOW ARE TREASURERS
INVESTING EXCESS CASH (IF ANY)?

Types of products or financial instruments used for excess cash in the short to medium term (i.e. < 1 year)



HOW ARE TREASURERS INVESTING EXCESS CASH (IF ANY)?

Treasurers surveyed have around **54,31% excess cash to be placed at short-term horizon**. The very "classic" bank deposits remain the main products for investment, followed by Money Market Funds and then over three months' deposits and savings accounts. What is surprising is the low use of secured deposits and tri-party repo's, which offer real opportunities to reduce counterparty risk, which has been called into question since the bank crisis of last Spring 2023.

TAKEAWAYS

BY FRANÇOIS MASQUELIER, CHAIR OF EACT

(EUROPEAN ASSOCIATION OF CORPORATE TREASURERS)

In summary, cash-flow forecasting and visibility, combined with long-term financing, remain top priorities, even in a declining interest rates environment. The deteriorating economic situation may explain the increased need for refinancing businesses. The results seem to have been reinforced by the long pandemic and the recent conflicts and escalations (which have confirmed **the need for further centralization and automation,** the two best responses to such crises) and by the fast-growing interest rates and bank crisis of last Spring. **The quest for further digitization and the hope placed in new technologies and innovations are explained by the importance of combating the increasing risk of fraud (ranked higher, as cyber-attacks and frauds significantly increased during the pandemic)**; the need for strengthening internal controls; by growing economic uncertainties; the need for more efficiency, and by a lack of sufficient (human) resources.

The crises have crystallized the need to digitize and accelerate the ongoing transformation. The maturity of technological solutions, more than ever, makes it possible to have greater expectations for improved cash management.

The challenge for treasurers comes not so much from the changes themselves, but from managing the continuum of changes and the co-occurrence and simultaneity of problems on the economic, financial, and regulatory sides. It is clear from this survey that there is still a long way to go to reach a level of mastery of new technologies, real-time operations management, and reduction of inherent treasury risks. Despite the significant shift noticed during these recent crises to digitize and automate treasury processes wherever possible, the survey demonstrates the need for taking treasury to the next level.

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2002
ESTABLISHED

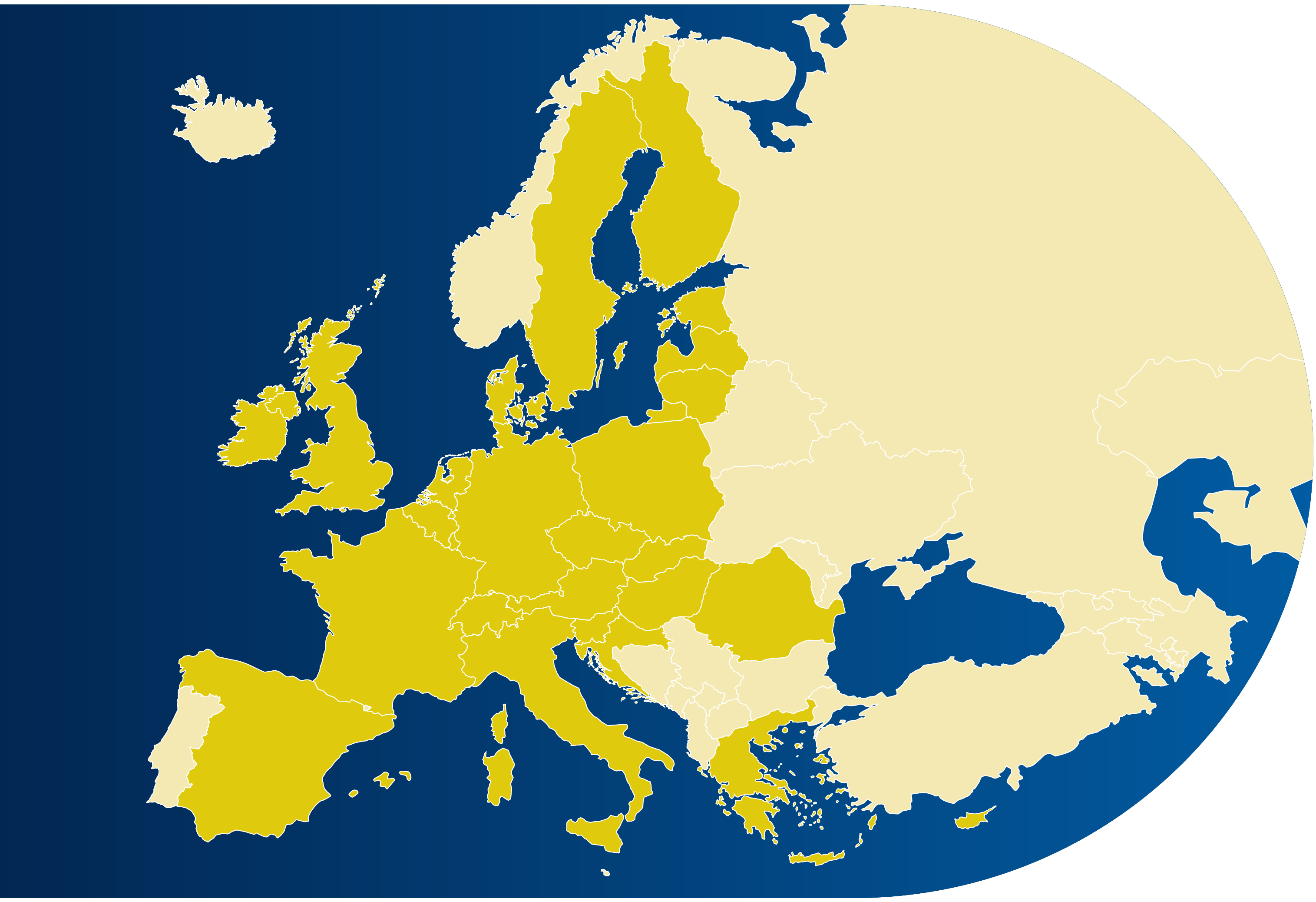
25
NUMBER OF ASSOCIATIONS

27
COUNTRIES

14 500
PROFESSIONALS

7000
COMPANIES REPRESENTED

Member associations



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