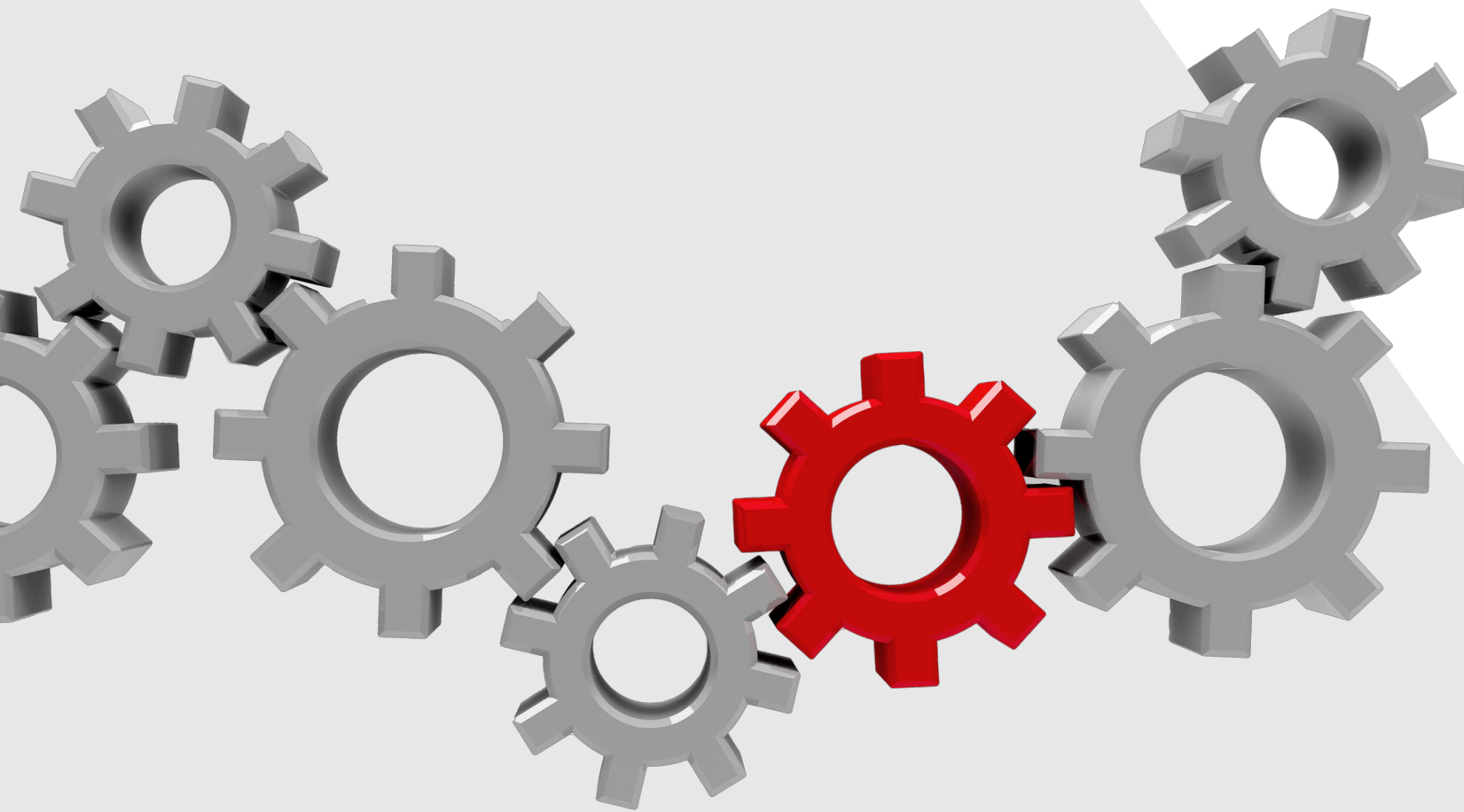


2025 Manufacturing CFO Outlook Survey

FROM DEFENSE TO OFFENSE **Manufacturing Strategies for Future Growth**

MARCH 20, 2025



With You Today



JIMMY PALIK
National
Manufacturing
Assurance Leader



VAL LAUFENBERG
National
Manufacturing
Advisory Leader



MAURICE LIDDELL
National
Manufacturing
Digital Leader



ASHLEY HETRICK
National
Manufacturing
Sourcing and Supply
Chain Leader



DALE JORDAN
National
Manufacturing
Tax Leader

Learning Objectives



Examine the potential effects of policy changes on manufacturing operations and how to leverage them for growth



Identify the key regulatory changes impacting the manufacturing industry and understand their potential implications on supply chain resilience



Recognize the potential of artificial intelligence (AI) in enhancing supply chain efficiency



Assess business strategies and adapt to the changing manufacturing landscape to ensure long-term success and resilience

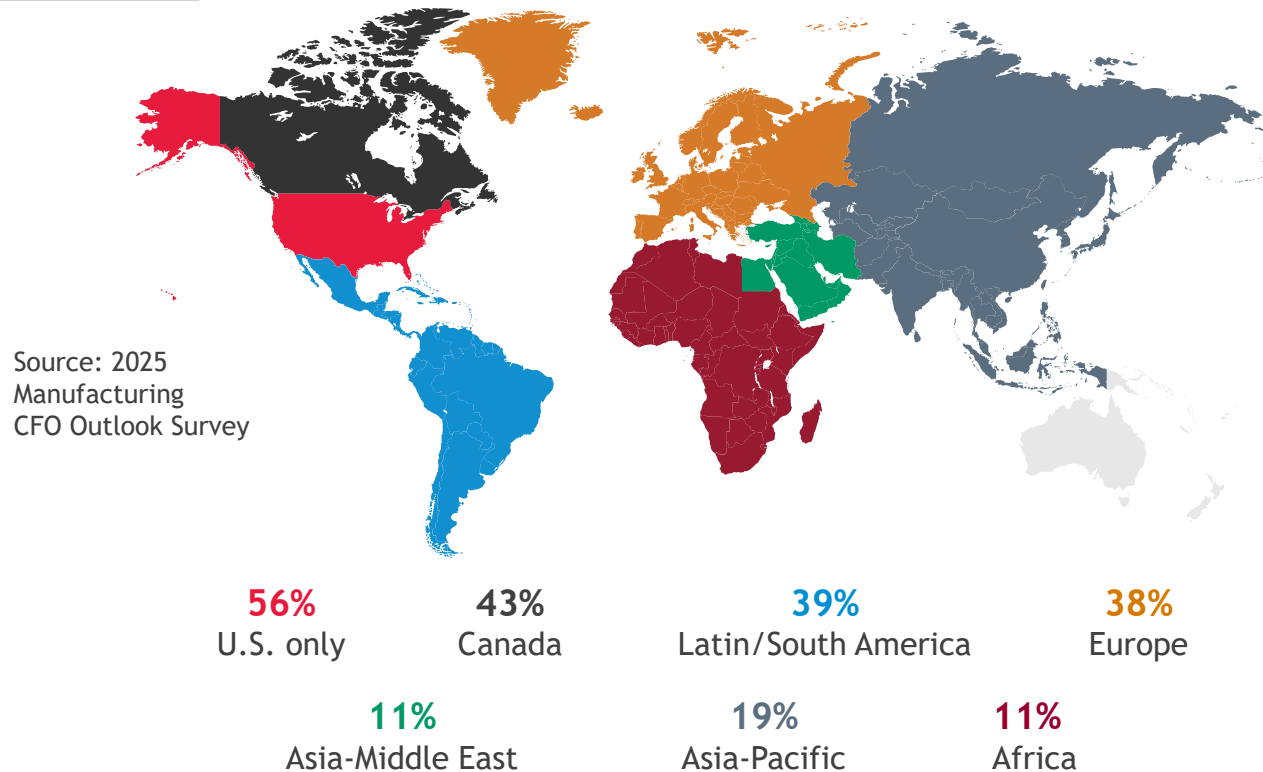


Discuss the implications of potential tax policy changes and their impact on manufacturing operations



2025 Manufacturing CFO Outlook Survey

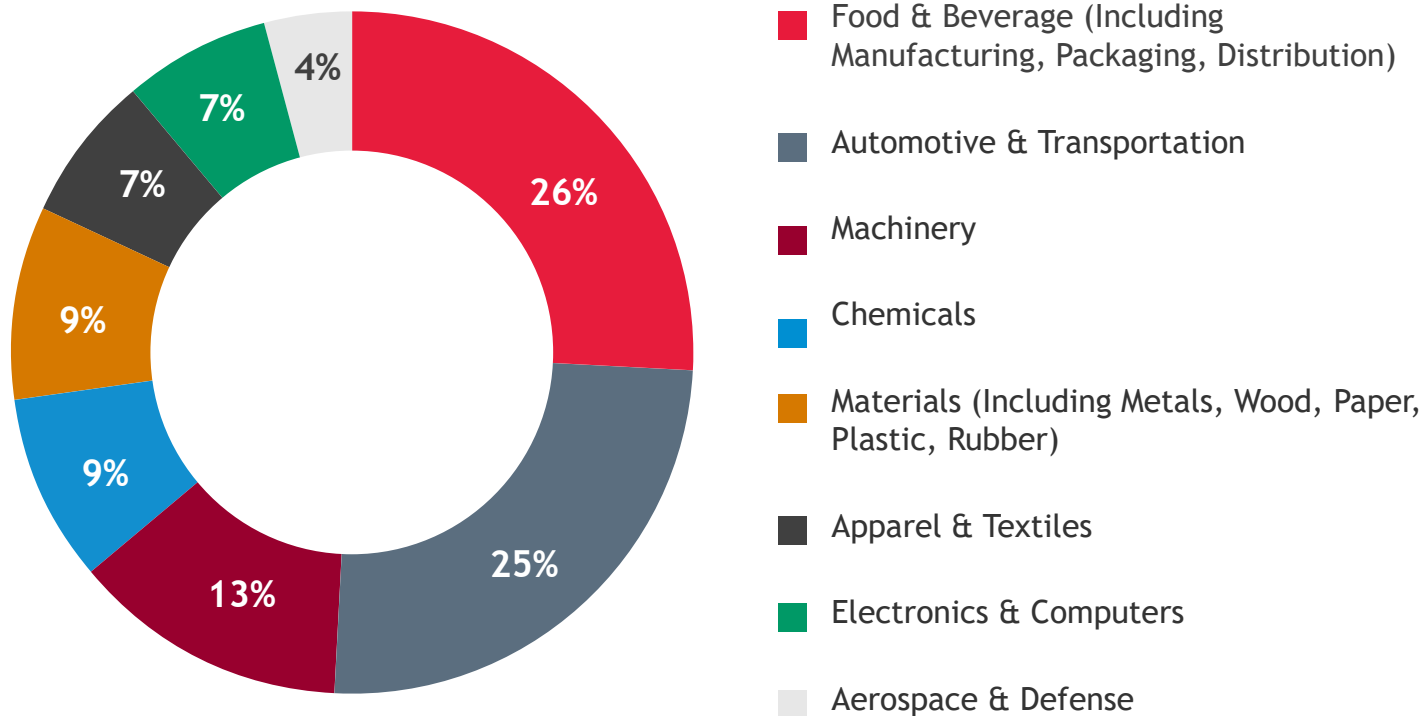
Region



- ▶ 6th annual survey of 100 manufacturing industry CFOs
- ▶ Conducted by independent market research firm, Rabin Roberts
- ▶ Fielded in November 2024 **after** the presidential election

2025 Manufacturing CFO Outlook Survey

Industry

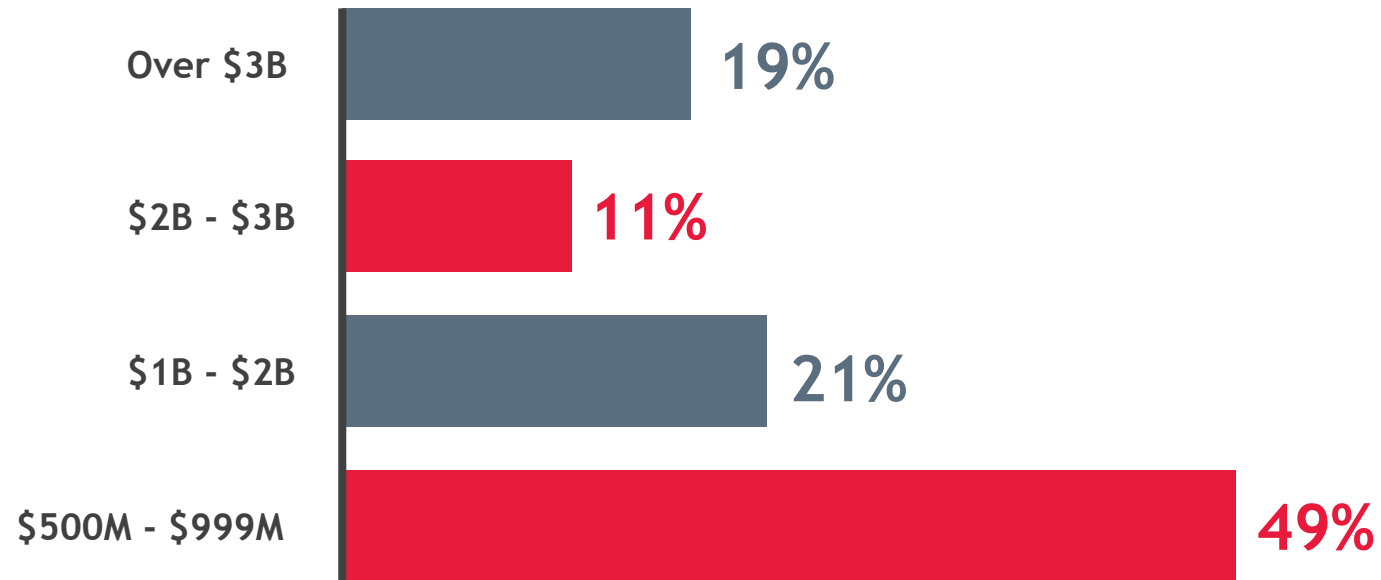


Source: 2025 Manufacturing CFO Outlook Survey

- ▶ 6th annual survey of 100 manufacturing industry CFOs
- ▶ Conducted by independent market research firm, Rabin Roberts
- ▶ Fielded in November 2024 **after** the presidential election

2025 Manufacturing CFO Outlook Survey

Revenue



Source: 2025 Manufacturing CFO Outlook Survey

- ▶ 6th annual survey of 100 manufacturing industry CFOs
- ▶ Conducted by independent market research firm, Rabin Roberts
- ▶ Fielded in November 2024 **after** the presidential election

Agenda

1

Business Growth Tops Manufacturing CFO Priorities

2

CFOs Drive Innovation, but Face Barriers to Adoption

3

New Threats Push CFOs to Reevaluate Supply Chain Strategy



Business Growth Tops Manufacturing CFO Priorities



Threat of Disruption



Trade and
Tariffs



Cyber Crime
and Data
Breaches



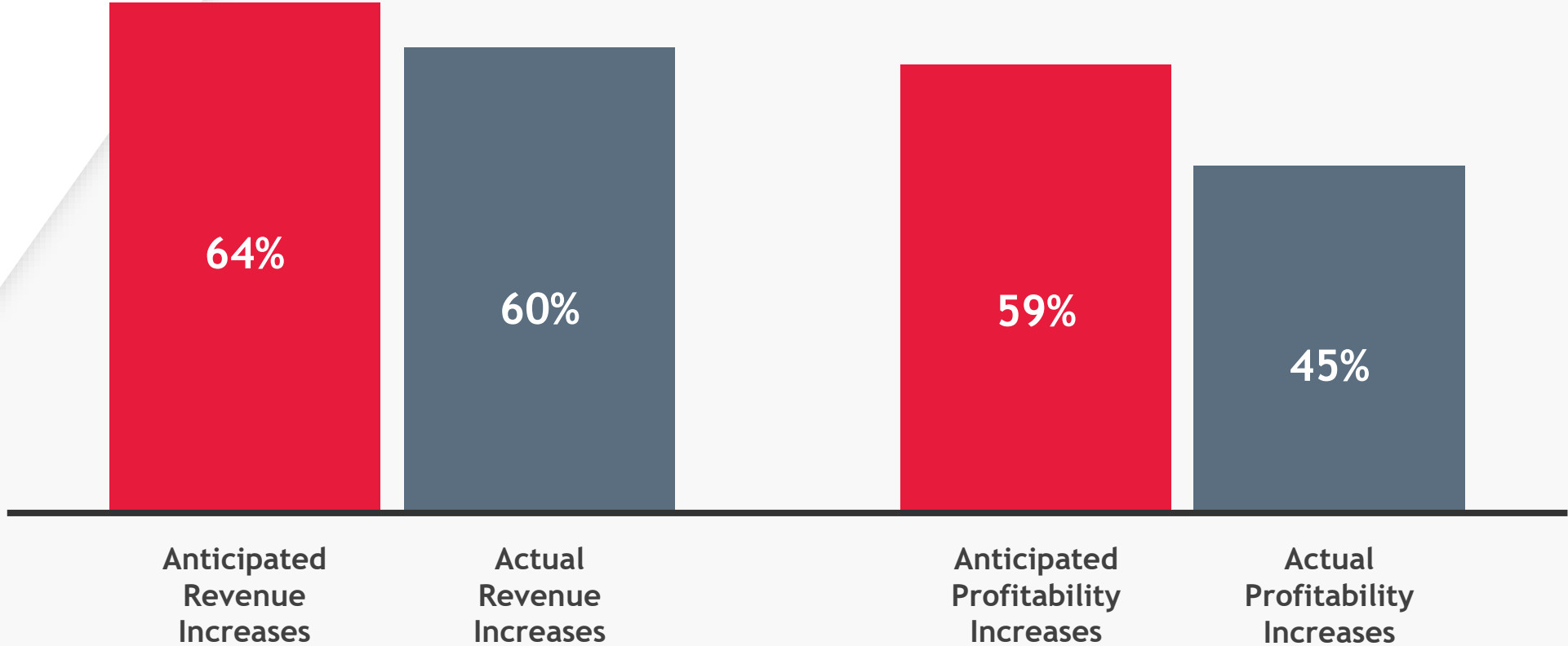
Talent
Acquisition
and Retention



Geopolitical
Instability

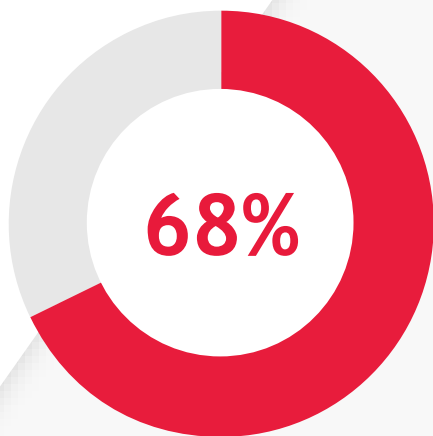
Profitability and Revenue Outlook

CFO Revenue and Profitability in 2024

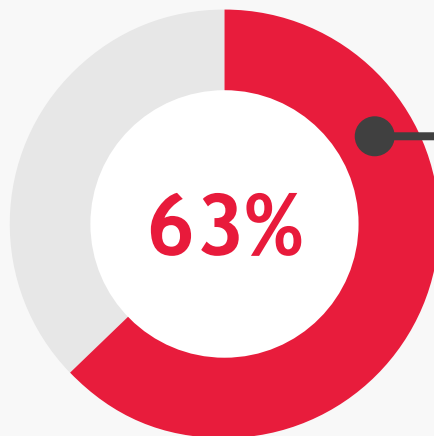


Profitability and Revenue Outlook

CFO Expected Revenue and Profitability in 2025



of CFOs expect revenue to increase

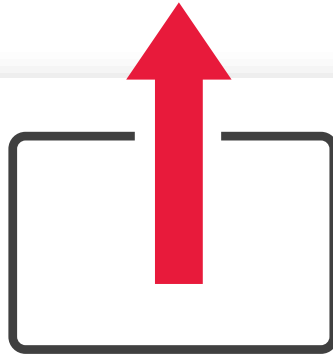


of CFOs expect profitability to increase



Of those, **one in four** manufacturing CFOs (25%) **expect their profitability to increase by at least 10%** in 2025

Profitable Growth Comes from Looking Inside-Out and Outside-In



Inside-Out

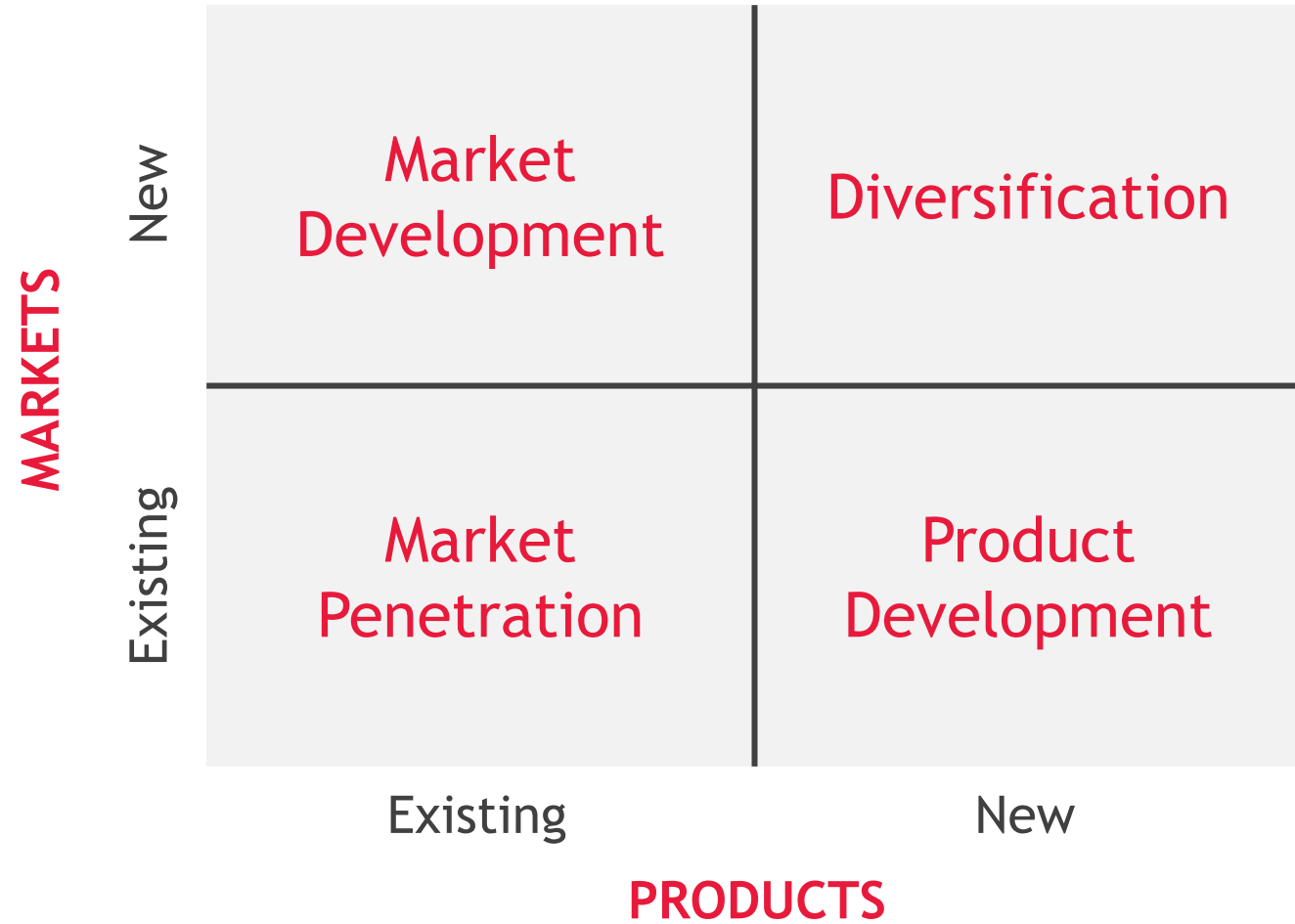
- ▶ Who are your best customers? What characteristics define them?
- ▶ Who are your worst customers? What characteristics define them?
- ▶ What are your best and worst performing products? What capabilities (or gaps) drive that performance?



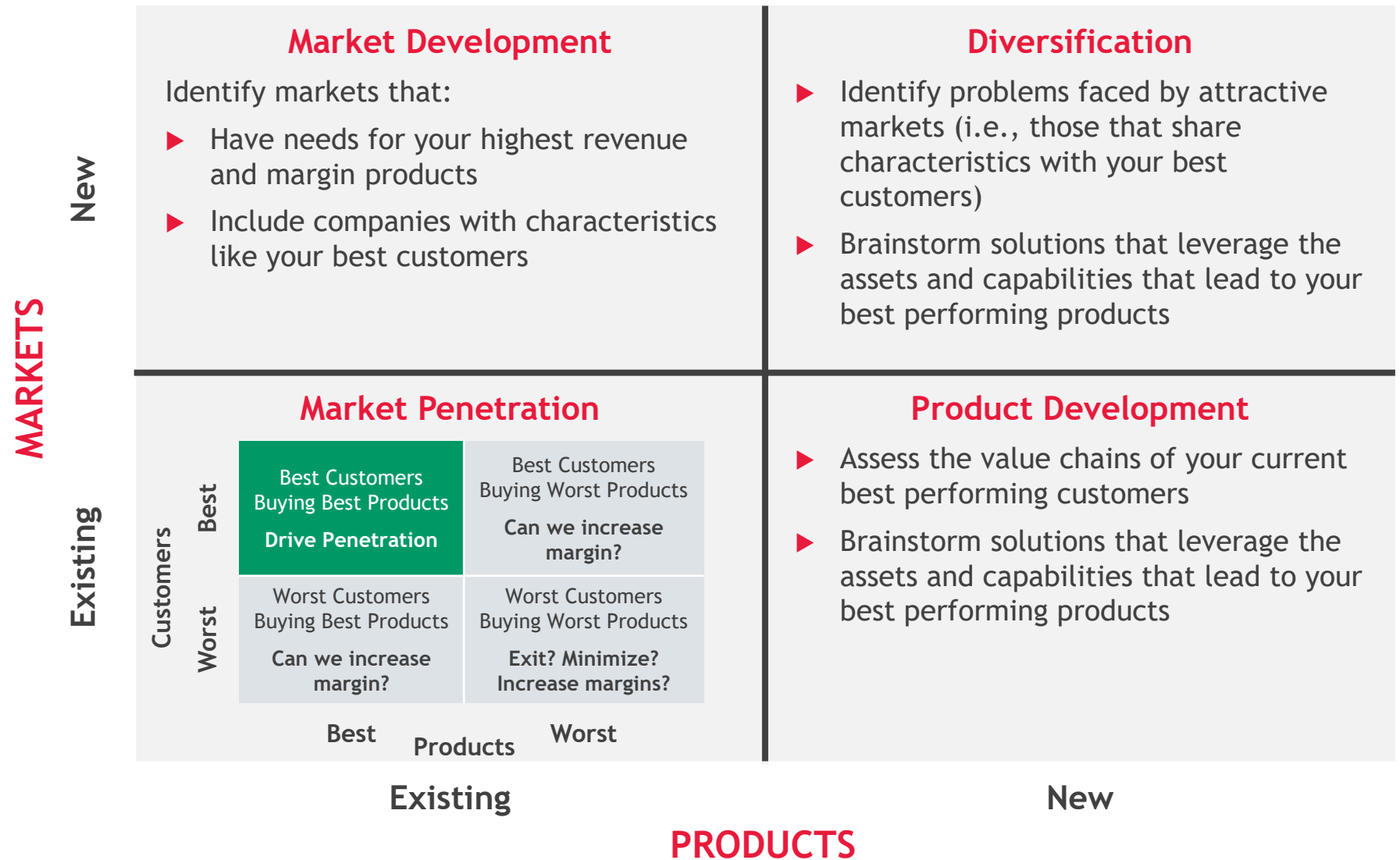
Outside-In

- ▶ What do your best customers need that they aren't getting today?
- ▶ What competitive threats are on the horizon?
- ▶ What other industries/markets have characteristics that indicate they **could be** top performing customers?

Profitable
Growth Comes
from Looking
Inside-Out and
Outside-In



Profitable Growth Comes from Looking Inside-Out and Outside-In



Dealmaking Plans

Increased Focus on Strategic Transactions



42%

of manufacturing CFOs say they expect their involvement in conversations about **strategic transactions** (M&A, IPO, PE or VC investment, etc.) to **increase in the next 12 months**.

Dealmaking Plans

Manufacturing CFOs Top Strategies



32% **31%**
Enterprise Sale
to a Strategic
Buyer/Competitor



14% **25%**
Joint Venture
or Alliance



15% **22%**
M&A
(Buy-side)



12% **11%**
PE or VC
Investment



27% **10%**
Carve Out
or Divestiture

● 2024
● 2025

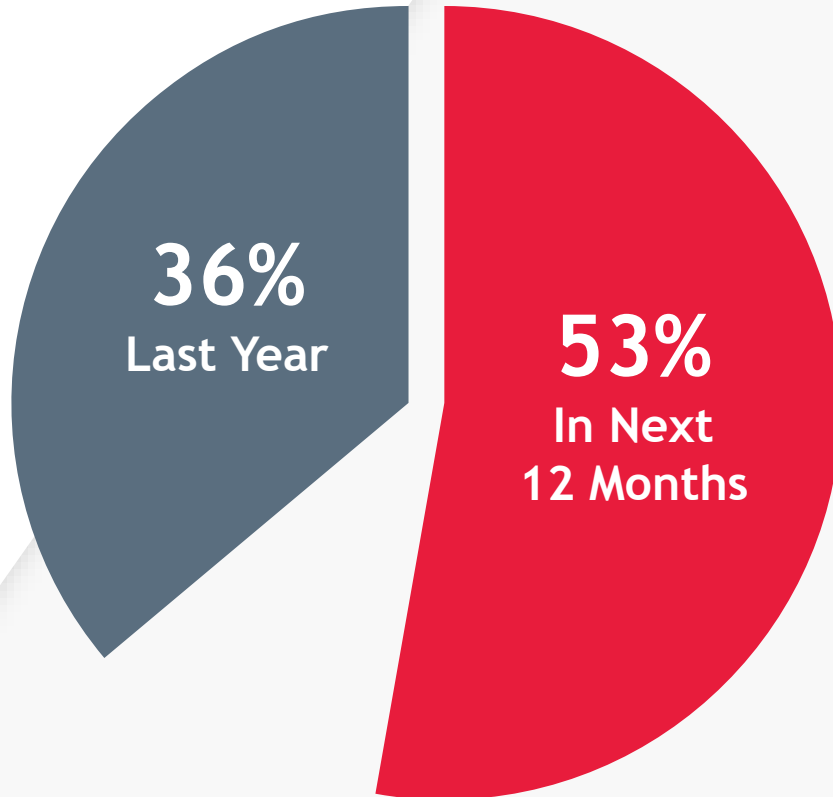
PANEL DISCUSSION
**Business Growth
Tops Manufacturing
CFO Priorities**



CFOs Drive Innovation, But Face Barriers to Adoption

2

Adoption Hurdles



More than half

of manufacturing CFOs expect their strategic involvement in **conversations about digital transformation and AI to increase in the next 12 months**, compared to 36% last year

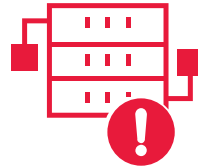
Adoption Hurdles

Top Three Barriers to Using Data to Drive Business Decisions



34%

Lack of codified data security program



32%

Data quality and/or governance issues



29%

Lack of leadership by-in/support for technology initiatives

All in on Generative AI

Manufacturing Biggest Obstacle to Successful Generative AI Adoption

20%

Incomplete or Inaccurate Data



19%

Employee Adoption and Change Management



19%

Difficulty Scaling Across the Organization



16%

Lack of AI Governance

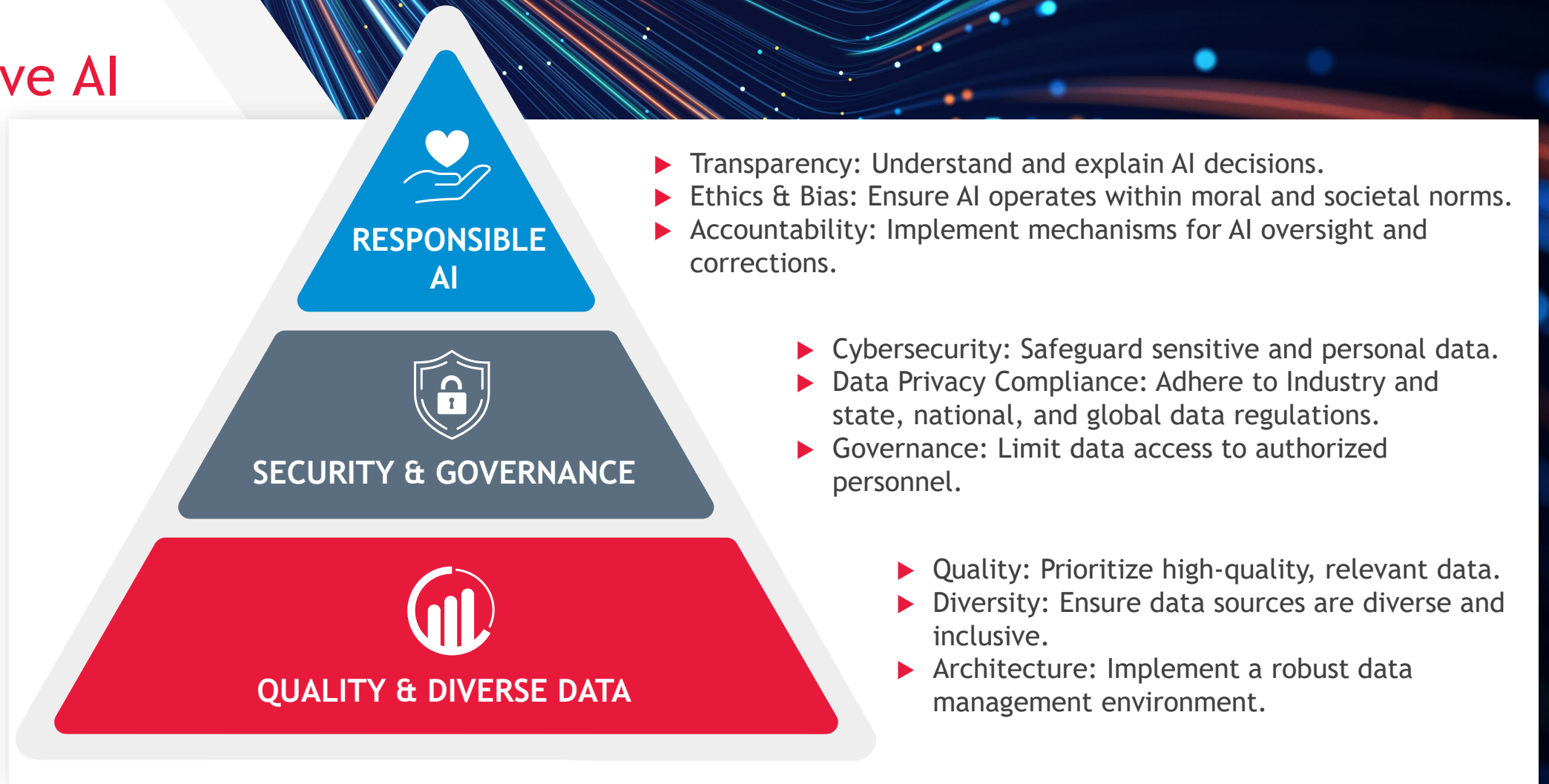


“

*If your entire
business model
is based on the
IP you own,
**protection is
everything.***

Andrew Blyton,
VP, DuPont

All in on Generative AI



All in on Generative AI

Manufacturing CFOs' Approach to AI

We're Educating and Gathering Needs
from our Employees on Best Use Cases

3%

We're Informally Exploring Generative AI Without a Defined AI Strategy

22%

We're Building a Proprietary Generative AI Platform

29%

We've Formalized or Are in the Process of Formalizing a Policy and/or Developing AI
Governance for Generative AI Usage

31%

We've Restricted Access to Certain Generative AI Chatbots Due to Concerns Over Data Privacy, Legal
Implications, or Other Risks

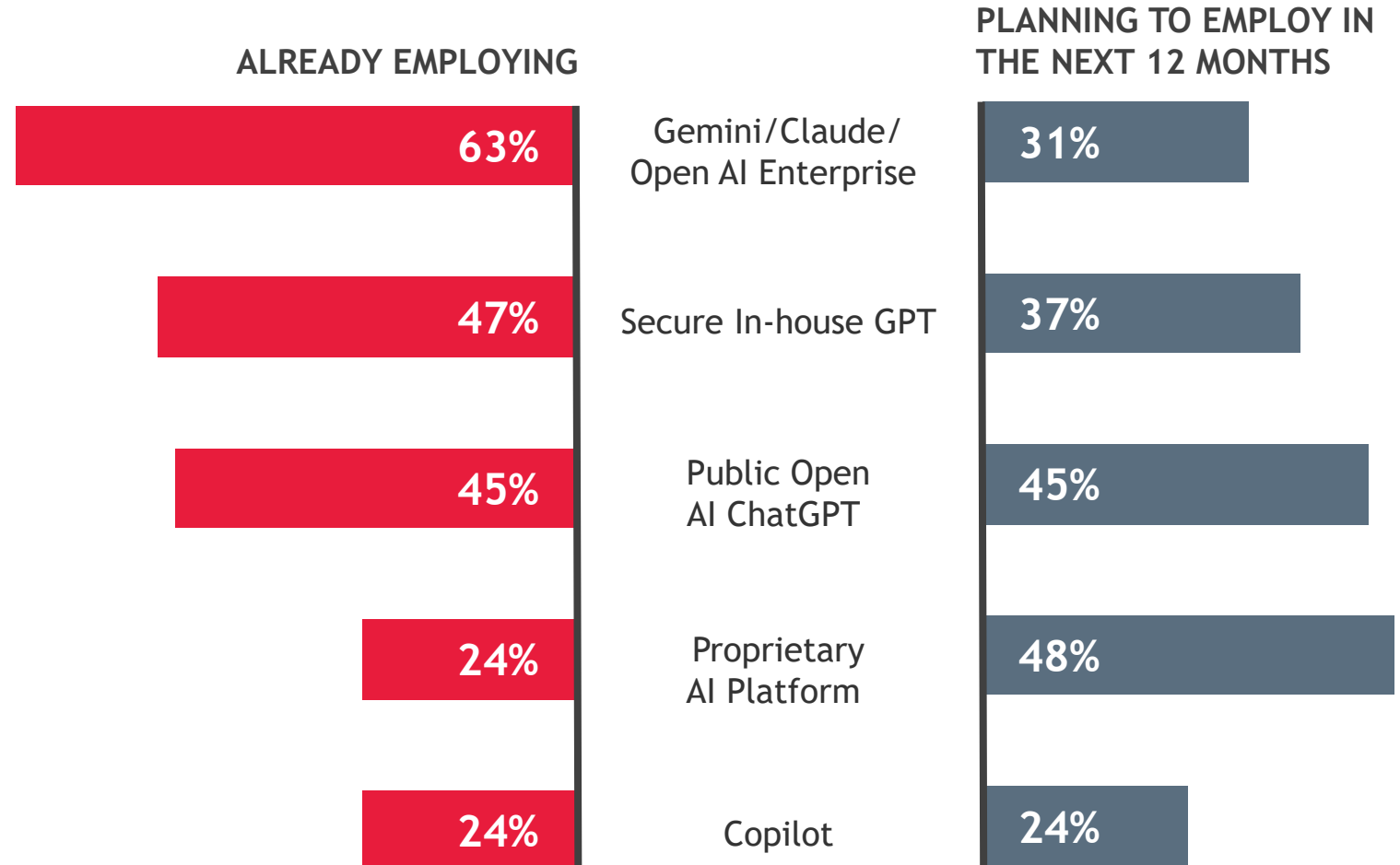
37%

We're Partnering with External Vendors/Third Parties to Build or Access Generative AI Solutions

37%

Top Generative AI Tools

Manufacturers' Use of Generative AI Tools



PANEL DISCUSSION

CFOs Drive Innovation, but Face Barriers to Adoption

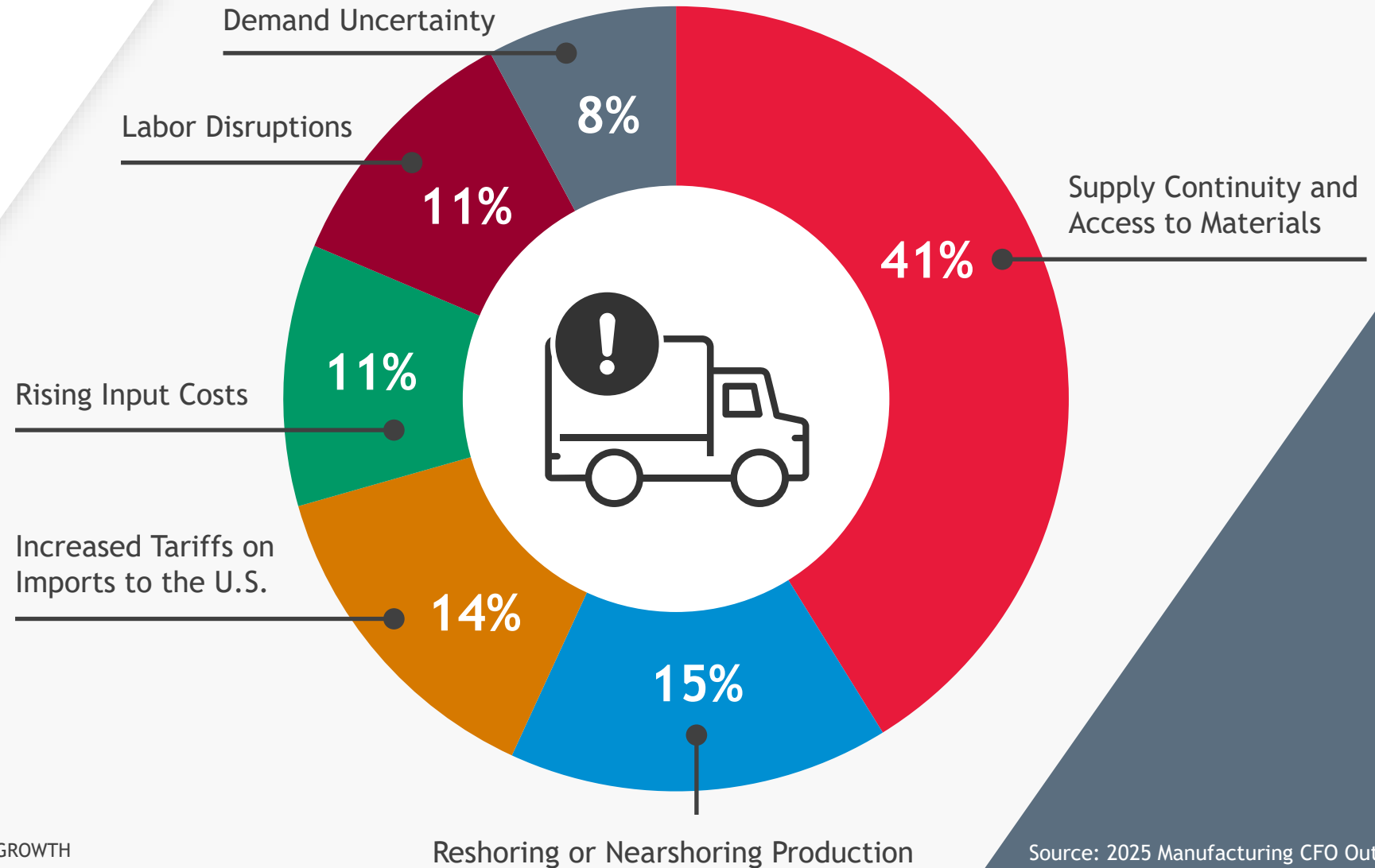


New Threats Push CFOs to Reevaluate Supply Chain Strategy

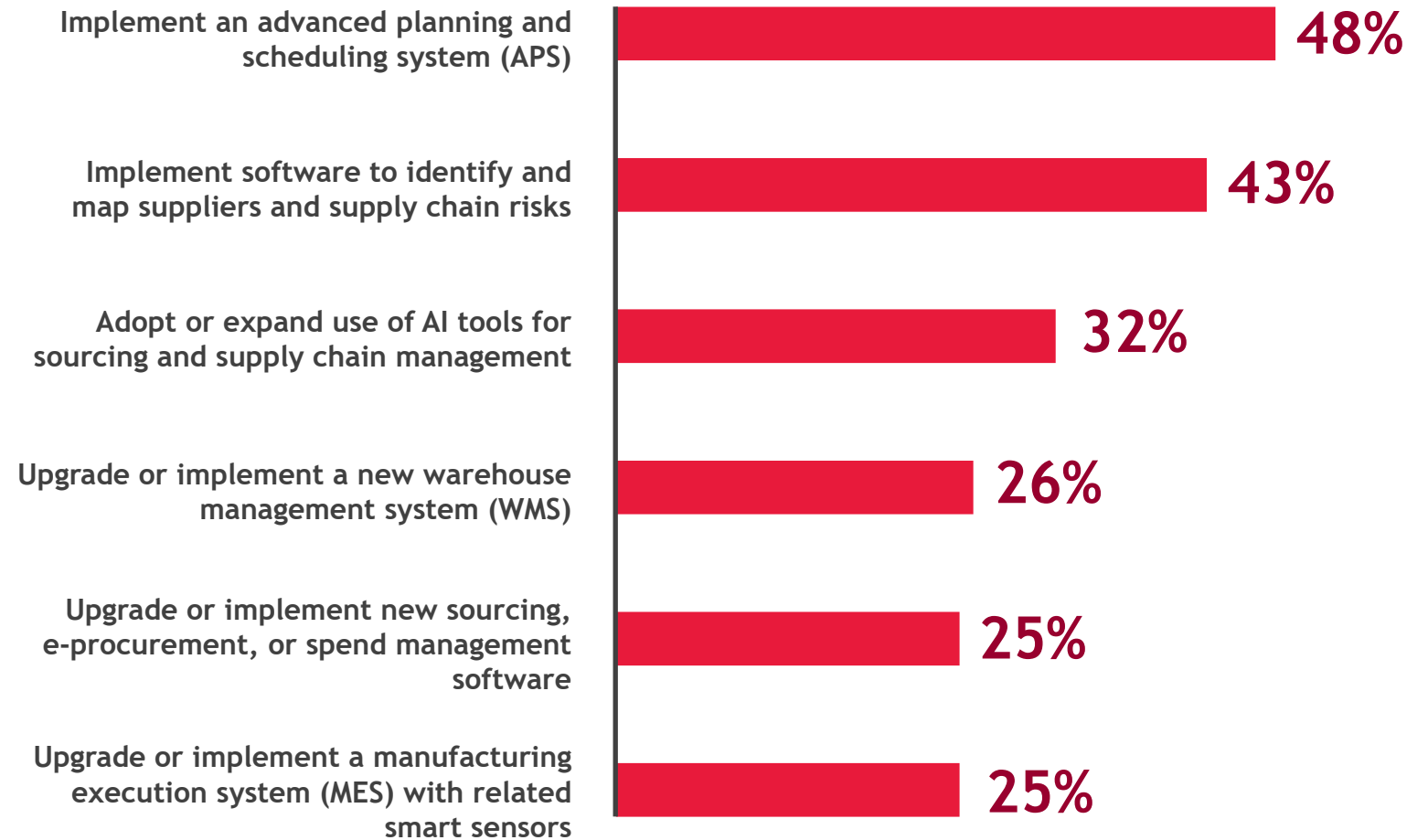
3

Supply Chain Threats

Top 2025 Supply Chain Challenges



The Role of Technology



Tax Policy Landscape



37% of manufacturers plan to **increase investment in U.S. expansion plans** following the results of the 2024 presidential election

Top Three Policy Concerns:

1

Tax Policy

2

Research & Development

3

International Relations (Including Trade)

2025 Tax Considerations

Consider your organization's Total Tax Liability (TTL) and create value by relentless pursuit of a reduced TTL

| | |
|-------------------------------|--|
| CREDITS AND INCENTIVES | R&D tax credits, WOTC, Advanced Manufacturing Tax Credit, State relocation credits, Enterprise tax zones |
| SALES AND USE TAX | Proactive vs. Reactive - Sales tax reverse audit |
| CUSTOMS AND DUTIES | Review ACE data for custom-duty drawback refunds |
| TRANSFER PRICING STUDY | For pricing transactions between commonly-owned enterprises |
| PROPERTY TAX | Only tax based on an opinion of value |
| ACCOUNTING METHODS | Challenge the status quo and review methods to identify opportunities to lower the TTL |

PANEL DISCUSSION

New Threats Push CFOs to Reevaluate Supply Chain Strategy



Thank You



Conclusion

THANK YOU FOR
YOUR PARTICIPATION!



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