

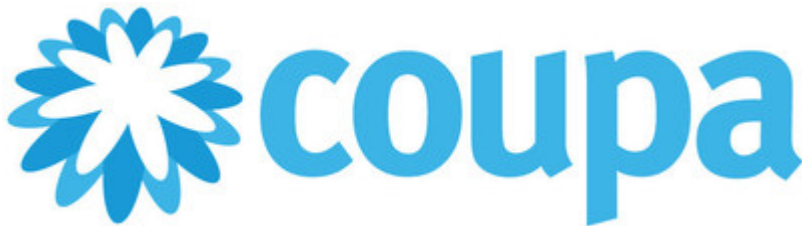


Coupa Business Spend Index Reveals that Business Spend Sentiment Has Improved But Remains Below Trend

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Q3 Outlook shows early signs of business resilience amid economic downturn

SAN MATEO, Calif., Aug. 6, 2020 /PRNewswire/ -- Today, Coupa Software (NASDAQ: COUP) published the findings from its Coupa Business Spend Index (BSI), Q3 2020 Outlook. The Coupa BSI analyzes billions of dollars of aggregated and anonymized business spend decisions, which serves as an early indicator of macroeconomic health over the next three to six months. The Q3 Outlook revealed that **business spend sentiment recovered modestly (an increase of 9.6 percent), suggesting that while current confidence is still well below trend, businesses are showing early signs of optimism around the economic outlook.**



Following a quarter of contracted corporate spending, the Coupa BSI shows that businesses began adjusting to the "new normal" last quarter. Though still cautious about the global economic outlook, sector data indicates that financial services, high tech, and to a lesser degree, retail showed slight improvement quarter-over-quarter.

"The Q3 BSI indicates that businesses are showing early signs of improvement after making drastic spending cuts in the beginning of the pandemic, likely in response to an overcorrection and loosening of lockdowns in some states," said **Jeff Collins, chief economist at Coupa**. "However, despite the slight rebound, our analysis indicates that confidence in the economy is still low, suggesting businesses will remain cautious for at least the next three to six months."

What to Expect in the Coming Months

- **Businesses Overall:** Spend data indicates that overall, business spend sentiment recovered modestly from the sharp drop in the previous quarter, but is still below the trend line.
- **Financial Services:** Business spend sentiment for financial services, which dropped last quarter, improved significantly. This was likely due to strong intervention by the U.S. Federal Government as well as the U.S. Federal Reserve Bank.
- **Health and Life Sciences:** Spend sentiment for health and life sciences declined, slipping below the trend line. Despite the drop, sentiment for the sector is likely to grow at or near trend for the next three months.
- **High Tech:** Spend sentiment for high tech held steady quarter-over-quarter despite the pandemic, and is likely to contribute modestly to GDP [growth] for the next three to six months.
- **Manufacturing:** Spend sentiment for manufacturing declined. As a result, contribution of the sector to GDP is likely to decline over the next three to six months.
- **Retail:** Retail saw a modest improvement in spend sentiment this quarter; however, the sector is still significantly below the trend line, likely the result of mass layoffs, reduced household income, and economic insecurity.

To view the Q3 2020 Coupa BSI in its entirety, visit www.spendindex.com.

Disclaimer: The findings of the BSI are not necessarily indicative of trends happening with Coupa's business.

The Coupa BSI Methodology

The Coupa BSI is an early indicator of potential economic growth based on current business spending decisions of hundreds of U.S. companies. It analyzes billions of dollars of anonymized transactions from the Coupa BSM Platform, which has cumulatively processed more than \$1.8 trillion in business spend, to measure confidence around U.S. economic growth at an aggregate level, as well as an industry level within financial services, health and life sciences, high tech, manufacturing, and retail. The index is based on three key measurements related to business spend: (1) spend volume, (2) average time to approve spend decisions, and (3) average rate of spend approval/rejection. [The Coupa BSI is normalized to a baseline value of 100, which represents the composite value of the three components in the reference period (July 2016).]

Note: In Q2 2020, the Coupa BSI methodology was updated with a new weighting model across all factors to match broader market changes. The factors established in Q4 2019 remain unchanged.

About Coupa Software

Coupa empowers companies around the world with the visibility and control they need to spend smarter and safer. To learn more about how Coupa can help you spend smarter, visit www.coupa.com. Read more on the [Coupa Blog](#) or follow [@Coupa](#) on Twitter.

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