Agicap

Survey

CFOs' Treasury Priorities 2025-2026

An exclusive survey of 500+ finance departments across the UK, France, Germany, and Italy

About the survey

In the summer of 2025, Agicap, in collaboration with the survey institute Innofact, conducted a comprehensive study targeting finance teams of companies with annual revenues between £10 million and £1 billion - a key segment for Agicap that is often underrepresented in broader industry research.

The study gathered insights from 467 respondents in 4 countries (UK, France, Germany, Italy), encompassing CEOs and key executives of the finance department (CFO, Treasurer, FP&A Director, Accounting Director). None of the companies surveyed were Agicap customers at the time of the poll.

The survey, designed by Agicap, focused on the treasury-related priorities of these mid-market companies and the top challenges identified by finance teams.

About Agicap

Agicap places **cash management at the core of strategic business decisions** through its three integrated products: Agicap Treasury, Accounts Receivable Automation, and Accounts Payable Automation. Founded in 2016 by three entrepreneurs, Agicap is revolutionising cash management for SMEs and mid-market companies with a SaaS solution that enables real-time cash management.

With over **8,000 clients across Europe and the US**, Agicap is an essential partner for businesses, helping them enhance operational excellence and adopt a cash-focused culture.

Since its inception, Agicap has raised $121 million from top-tier investors and continues to grow rapidly on an international scale.

Learn more at www.agicap.com/en/.

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Executive Summary

Increasing
financial income
is the #1 priority of European companies

Only 20%
of European companies have prioritised strategic investments (CAPEX, M&A, R&D...)

95%
of CFOs are unsatisfied with their current Treasury Management processes

1/3
of European companies will focus on improving their cash flow forecasts

44%
of European companies report struggling with excessively high financial expenses

25%
of European companies have prioritised improving their risk management (FX, interest rates)

Introduction

Treasury management has a critical impact for your company as it is a **prerequisite** to fuel its growth and ensure its liquidity. However, treasury management is a complex multi-factor field (accounts payable, accounts receivable, forecast accuracy, ...) requiring you to oversee numerous components.
As each of these components can generate adverse effects on others, treasury management is a **constant balancing act**: for example, implementing an early payment scheme may improve your Day Sales Outstanding (DSO) but reduces both revenue and margins, potentially putting future payment obligations at risk.

Therefore, choosing the one priority you will ask your finance department to focus on is a tough decision for any CFO of a mid-market company given the constraints in team bandwidth and available budget.
You will also face valid questions from the Executive Board, such as: “Why not address this other issue first?” or “Wouldn’t focusing on this other topic yield quicker results?”. Be prepared to justify your priorities.

Given the increased uncertainty clouding your finance operations, it may seem difficult to 1) **estimate the impact** each topic will have, 2) **prioritise the topics** taking into account conflicting interests and 3) **guarantee execution** relying on the tools and data at your finance department’s disposal.

This is precisely the goal of this survey: to help you compare your issues to those of peers’, check if the bottlenecks you are battling against are specific to your company or common to the majority of finance departments.

Drawing on our experience helping more than 8,000 customers eliminate their “cash flow chaos”, we identified the 16 most common challenges finance executives face when strengthening their treasury management practices. They are the 16 priorities we asked pollees to rank.

Chapter 1

Stuck between **economic uncertainty** and **interest rates that have only slightly decreased,** companies have prioritised “**wait & see**” measures



Context:

The survey was rolled out a few weeks after the ***« Liberation Day » announcements by the Trump administration***

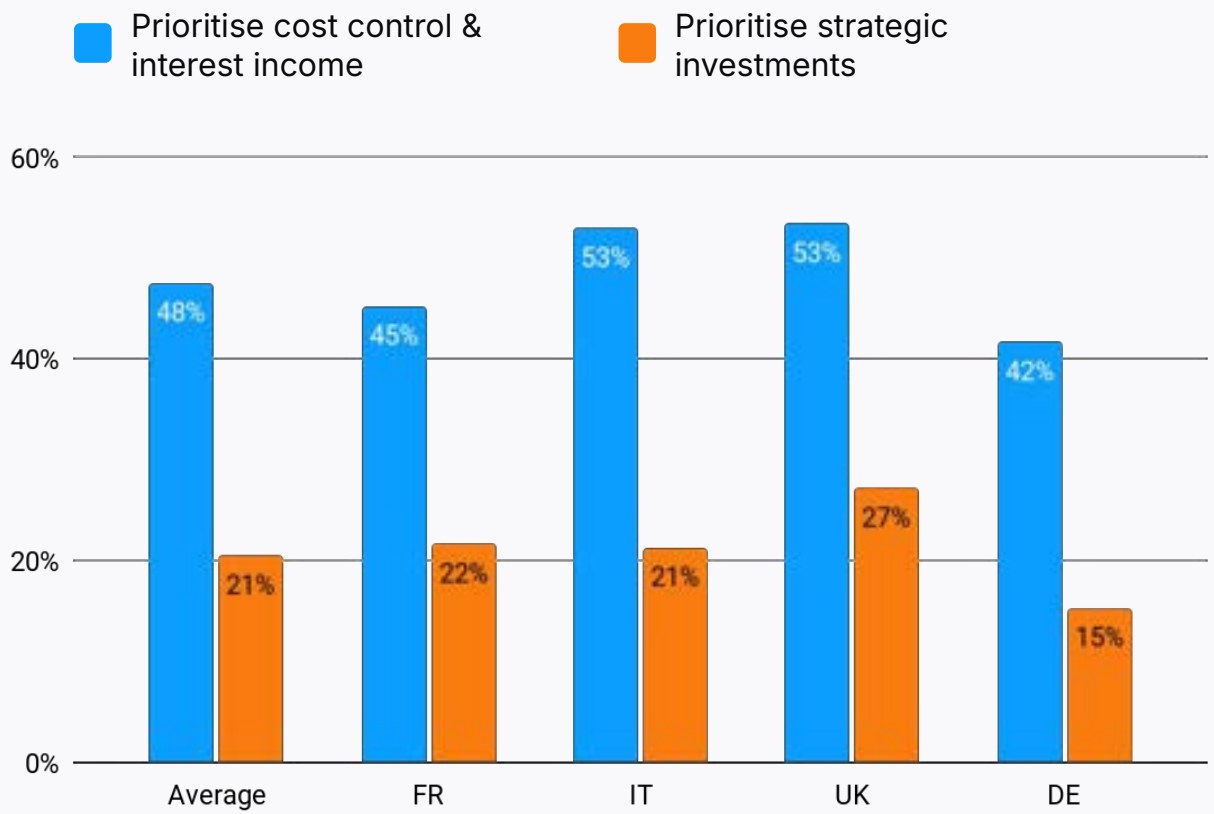
Only 1 UK company in 4 has prioritised strategic investments for 2025-2026

Strategic investments encompass CAPEX, M&A, R&D as well as market expansions.

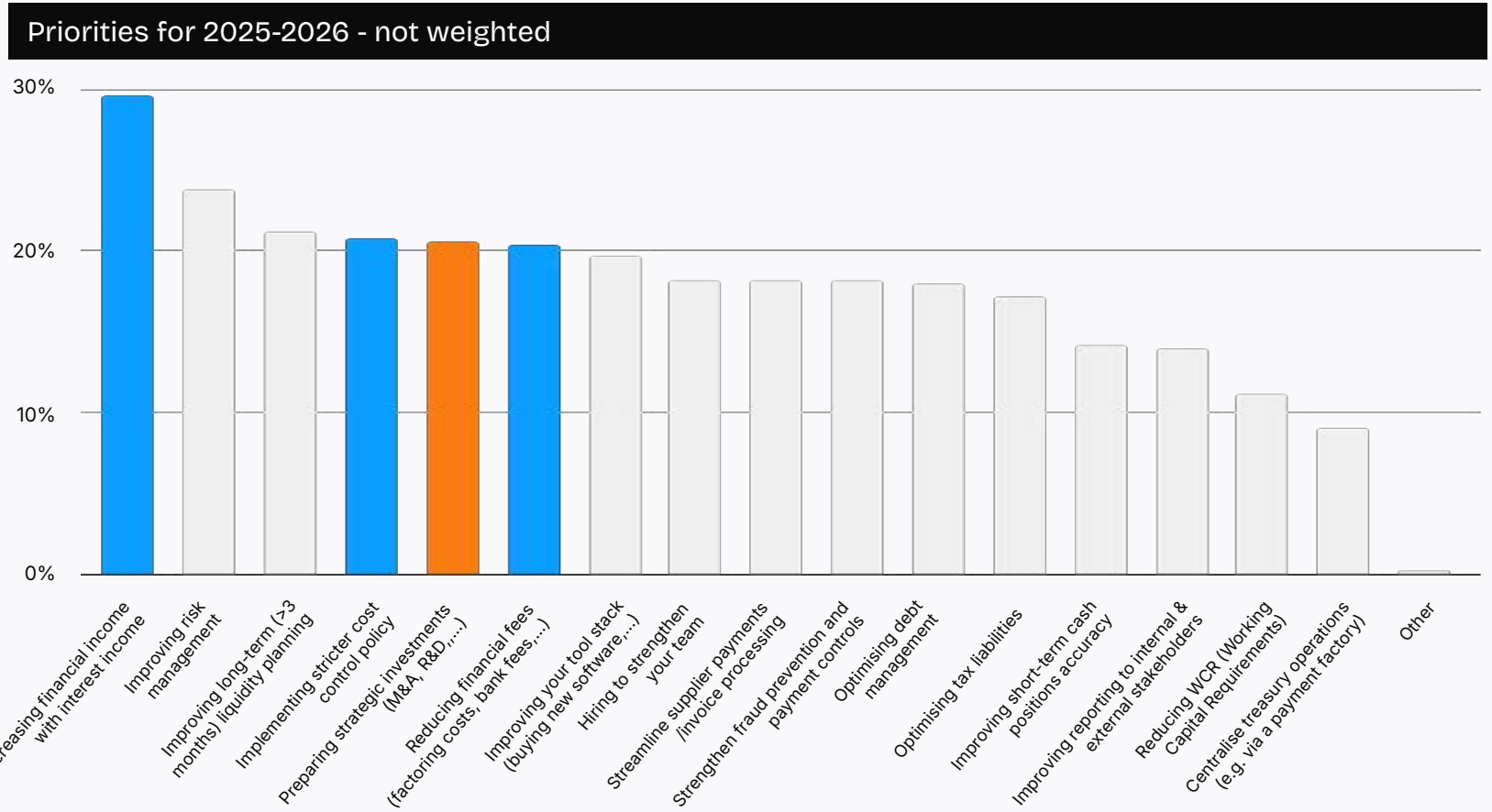
On the other hand, companies are prioritising cost control as well as interest income increase.

Freeing cash by postponing expenditures enables companies to leverage this cash while **waiting for a more favourable context** to use it.

Priorities for 2025-2026 - not weighted



“Preparing strategic investments” is only the 5th priority of European companies - behind “increasing interest income” & “stricter cost control”. Interestingly, priority #6 also revolves around optimising financial income by reducing financial expenses



“Implementing a stricter cost control policy” becomes the 2nd priority when weighting pollees’ choices

Granting a weight to chosen priorities changes the Top 6. We gave a weight of 3 to priorities ranked #1 by pollees, a weight of 2 for priorities #2 and only a weight of 1 for priorities ranked #3.

“Implementing a stricter cost control policy” moves from the 4th position to the 2nd, showing that this priority is top-of-mind for finance departments.

The rest of the Top 6 remains unchanged.

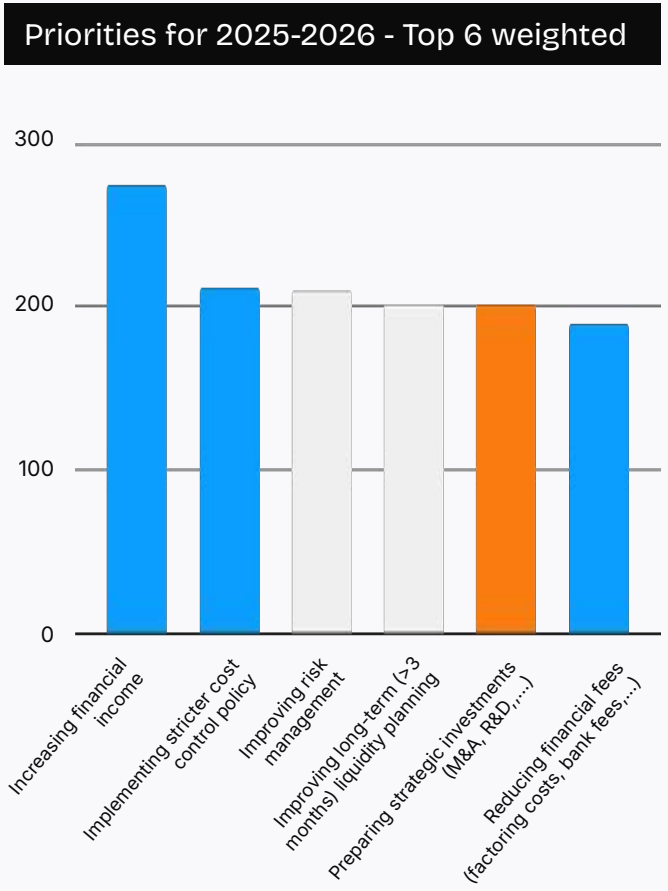
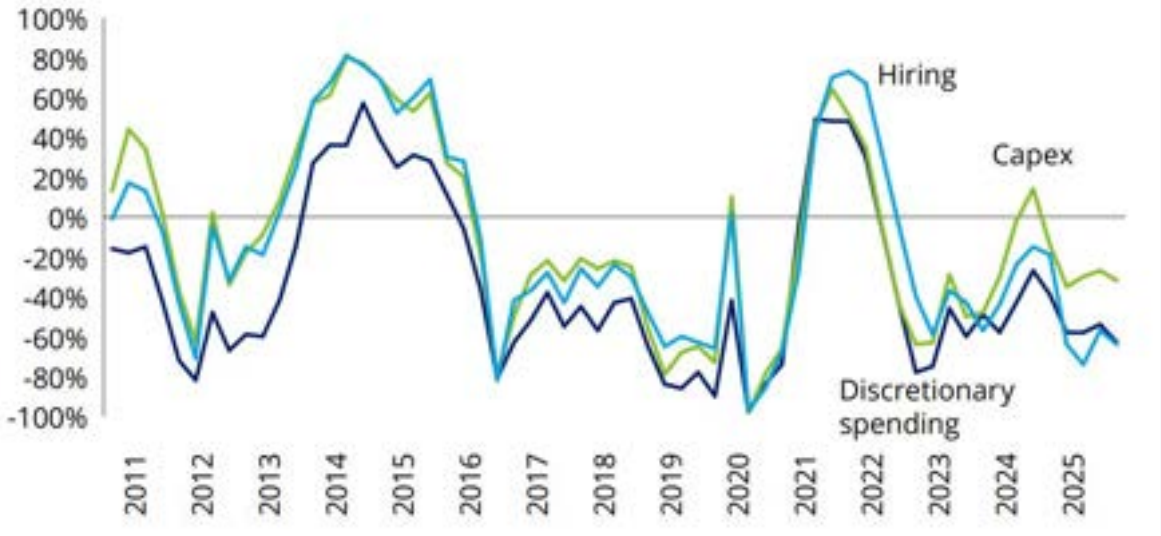


Chart 10. Outlook for corporate spending

Net % of CFOs who expect UK corporates' capital expenditure, discretionary spending and hiring to increase over the next 12 months



Source: Deloitte UK CFO Survey Q3 2025

This defensive stance isn't new:

The Deloitte UK CFO Survey is a quarterly survey assessing the sentiment and balance-sheet strategies of UK's largest businesses since 2007.

Although it focuses on larger corporations (FTSE 250), it still highlights trends relevant for mid-market CFOS.
The current one is pessimistic: capital expenditure has remained subdued in 2023 and 2024, following the Bank of England's (BoE) decision to raise its Bank Rate in 2022 to curb inflation.

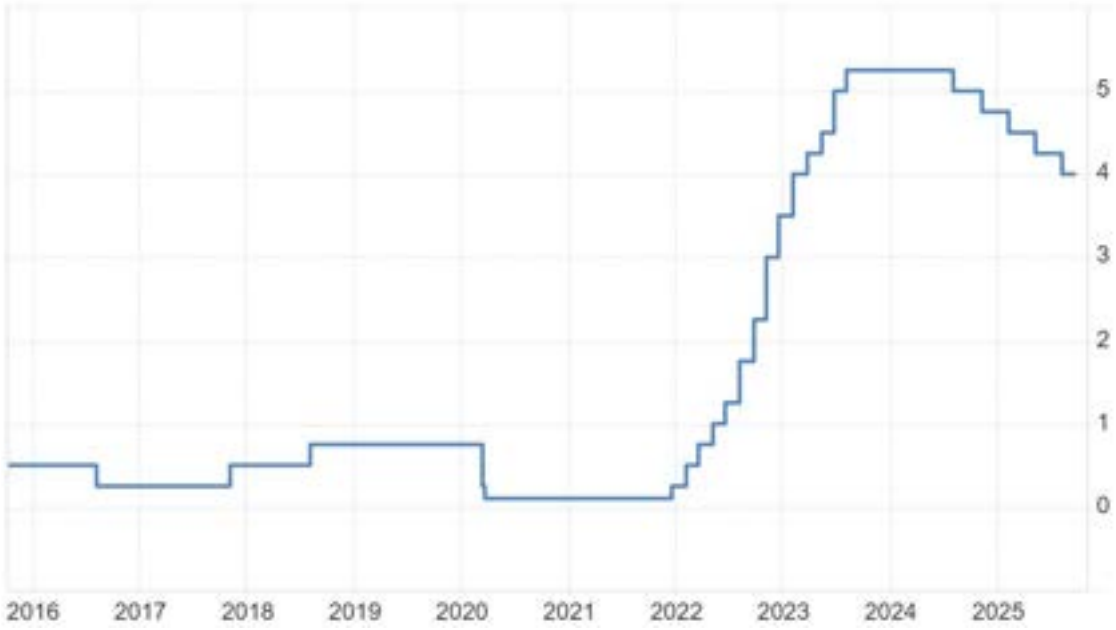
For 2025-2026, UK CFOs are even more pessimistic as the Deloitte survey highlights that 49% of surveyed CFOs expect a decrease in capital expenditure.

Note

Continuing with the strategy implemented in 2023-2024 seems logical except that the current context is **significantly different** from 2023 and 2024, for **two reasons**

1 Interest rates have decreased: Holding cash is less profitable

Current & historic values of the Bank Rate set by the Bank of England (BoE)



Source: Bank of England

BoE cuts its Bank Rate in one year by 100 basis points, bringing it to 4%

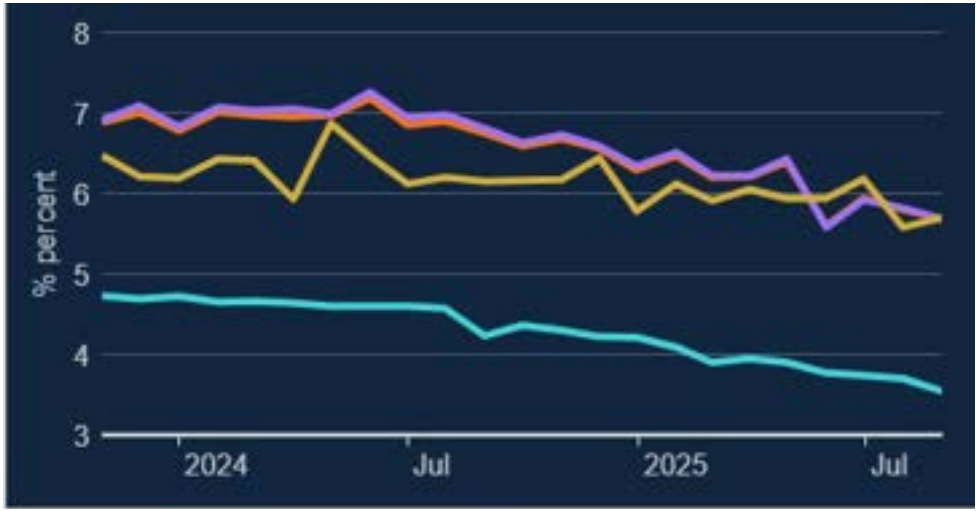
This shift directly impacts the yield on short-term cash placements, as **lower interest rates translate into reduced returns**.

Yet, despite this adjustment, interest rates stay attractive. At the same time, **the cost of inaction remains significant**: with inflation still at 3.8%, idle cash continues to lose value - eroding purchasing power and forgoing opportunities for strategic growth or risk mitigation.

It comes as no surprise that **40% of surveyed UK companies** are prioritising the increase of **interest income** - a strategic focus that outpaces their European peers by 13 percentage points (p.p.)

1 Interest rates have decreased:
Cost of long-term borrowing remains high

Effective interest rates for Private Non Financial Corporations (PNFCs) on new deposits and loans



Source: Bank of England

Despite a recent reduction, interest rates remain above 5% resulting in significant financial costs

The recent cuts made by the BoE have translated in lower interest rates for new loans.

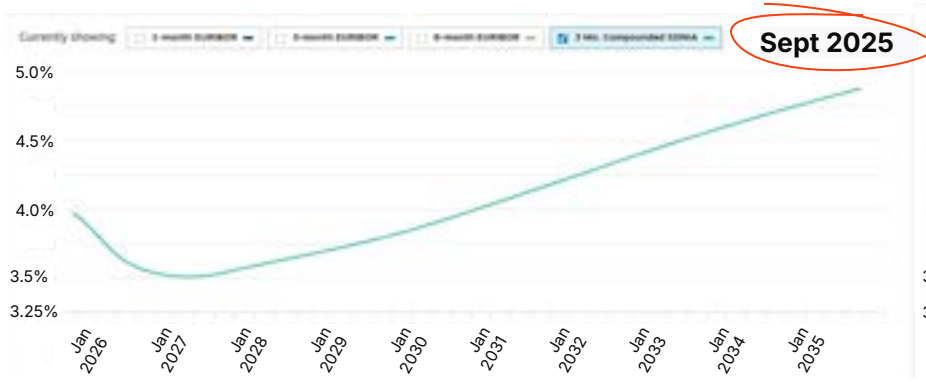
Debt servicing costs remain however very important as, on average, interest rates are still above 5.5%.

As a result, **demand for credit has declined**, as finance departments perceive borrowing as an expensive funding option.

In response, companies are, carefully assessing their financing needs to minimise unnecessary financial expenses and mitigate overleveraging risks.

1 Interest rates have decreased: Borrowing costs will remain important

SONIA Forward curve





Source: Chatham Financial

When looking at the forward curve of SONIA rates, a new consensus appears regarding a **gradual rise in interest rates** in the mid-term after a low point point in 2027.

Companies must take this trend into account by:

- Assessing the impact of this interest rate rise on their debt servicing costs via financial simulations.
- Sizing their financing needs to secure more favorable rates before the increase
- Define a hedging strategy to mitigate the financial costs associated with this increase

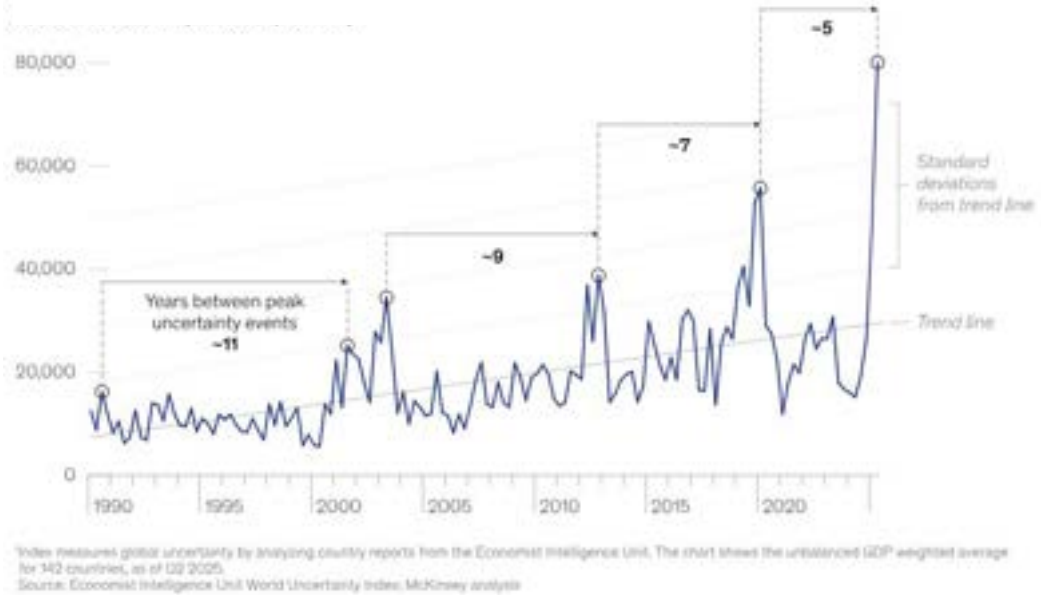
Note

Finance departments are caught between less efficient short-term investments & persistently high financing costs.

This challenging context is unlikely to change soon.

2 Uncertainty will not be easing out

World Uncertainty Index, quarterly



Index measures global uncertainty by analyzing country reports from the Economist Intelligence Unit. The chart shows the unbalanced GDP weighted average for 142 countries, as of Q2 2025.
Source: Economist Intelligence Unit World Uncertainty Index; McKinsey analysis

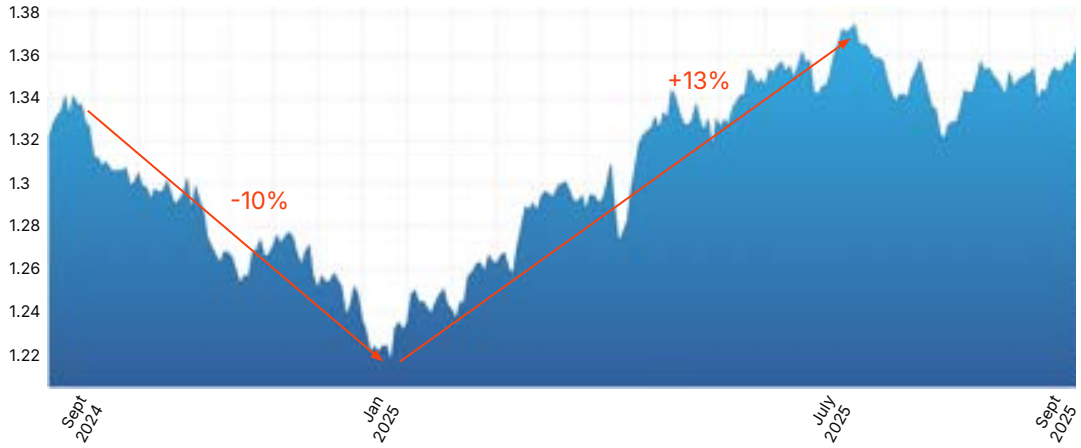
The World Uncertainty Index, derived from text analysis of the Economist Intelligence Unit's country reports, **measures global uncertainty across 143 countries**.

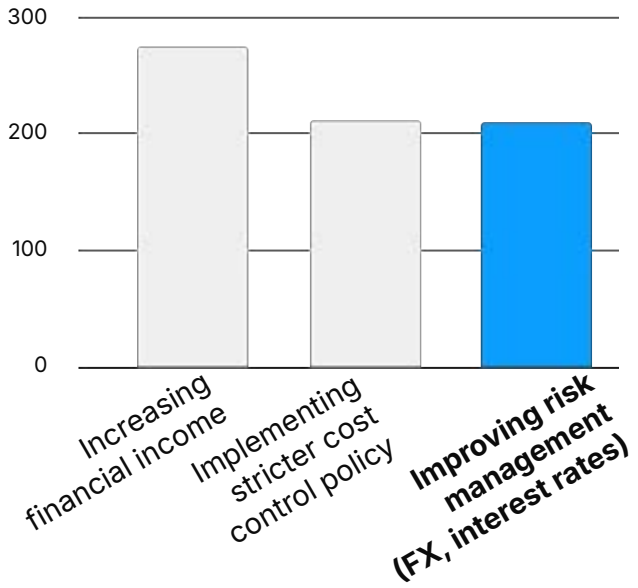
Recent analysis reveals that **high-uncertainty events are not only becoming more frequent but also exerting broader economic impacts**.

This **heightened uncertainty** also explains the high level of borrowing costs for businesses as lenders factor in increased risk.
Beyond financing, uncertainty also **disrupts investment decisions, supply chain stability, and overall strategic planning**.

2 Uncertainty will not be easing out & has consequences

GBP/USD evolution





Recent external shocks have **intensified volatility in the GBP/USD pair** making it harder for businesses to identify an efficient hedging strategy.

As a result, **improving risk management has become the third-highest priority** for European finance teams, aiming to mitigate heightened FX exposure and guard against interest rate increases (see p. 16).

Chapter 2

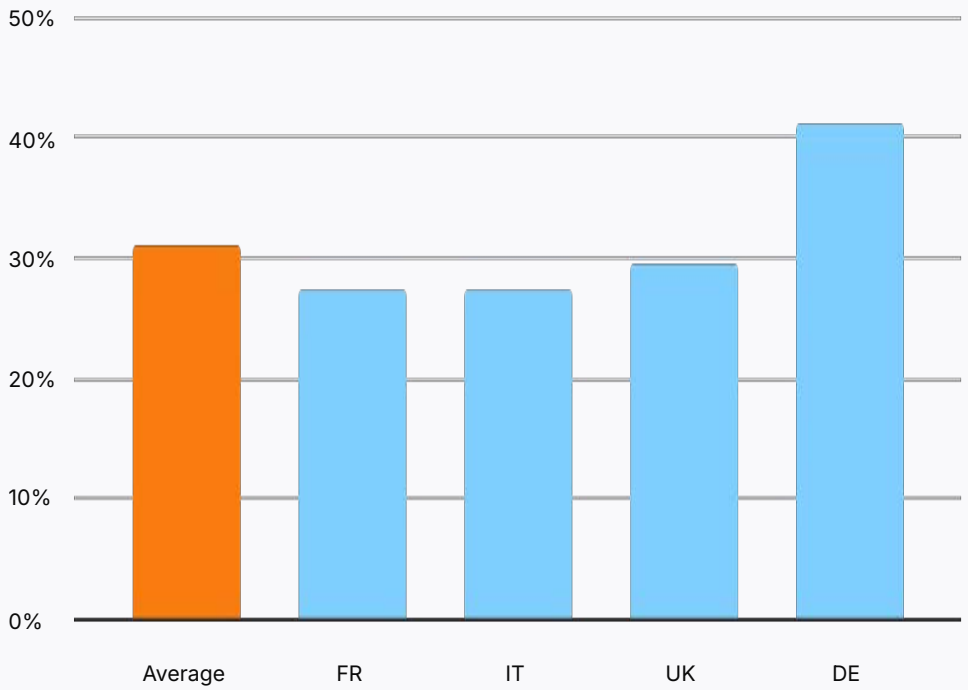
Forecast shortcomings explain partly why finance departments have trouble updating their playbook

1/3 of European companies will focus on improving forecasts

Given the rapid shift in trade dynamics and the evolving macroeconomic landscape, companies recognise **the urgency to revise their financial forecasts**.

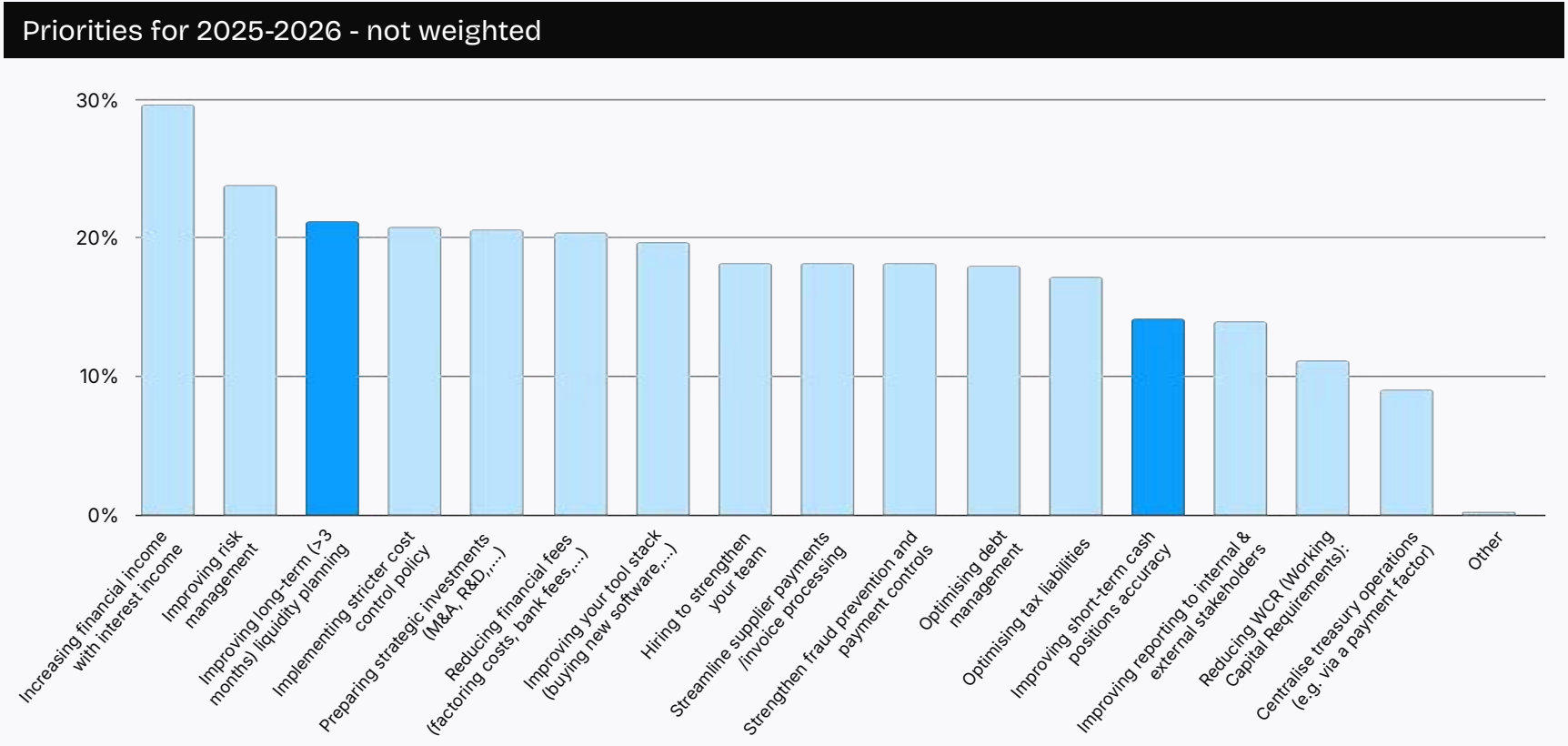
Key element to assess is whether this rework focuses on long-term forecasts (>3 months) or short-term forecasts (≤ 3 months).

Share of pollees having chosen a priority linked to forecasting



When refining their forecasts, European companies **prioritise long-term projections (> 3 months).**

This focus is logical: long-term forecasts are essential to **assess financial runway and anticipate financing needs**. In the current high-cost debt environment, precise sizing and timely planning are critical to secure viable financing terms.

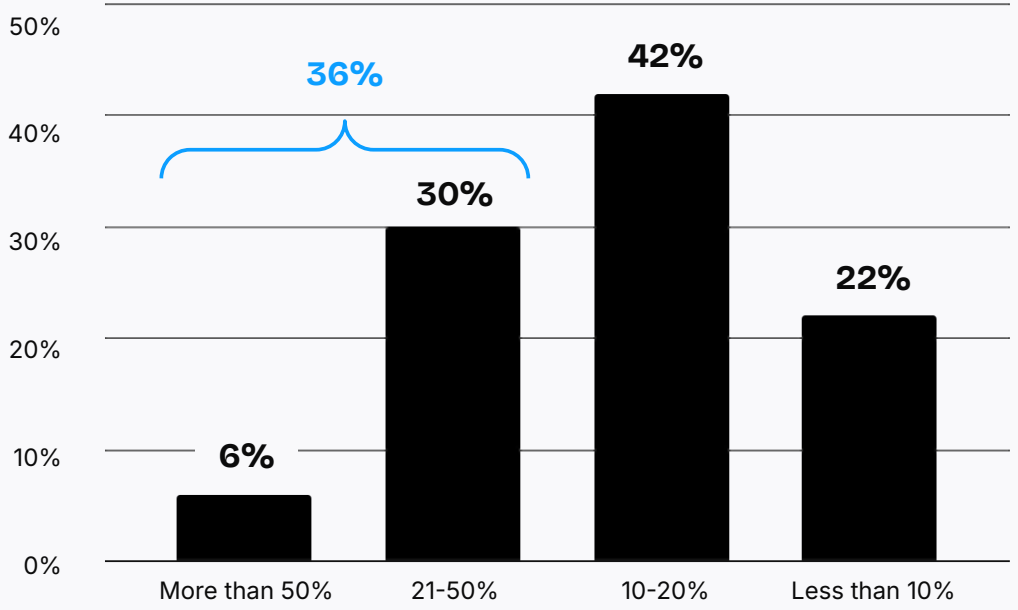


Previous survey showed that 36% of UK mid-market companies have unreliable cash flow forecasts with variance greater than 20%.

The quality of a cash flow forecast is best measured by the discrepancy between the forecasted and actual cash balance at the end of the forecast period.
A variance exceeding 20% can reasonably be considered indicative of a low-quality forecast.

Companies had a structural challenge with their financial forecasts.
This issue has grown more urgent as **the shifting economic landscape undermines the assumptions** on which companies' projections were originally based on.

Distribution of forecast accuracy: % of companies by gap bracket



Source: Agicap State of Cash Flow Forecast Challenges in Mid-Market Companies

Note

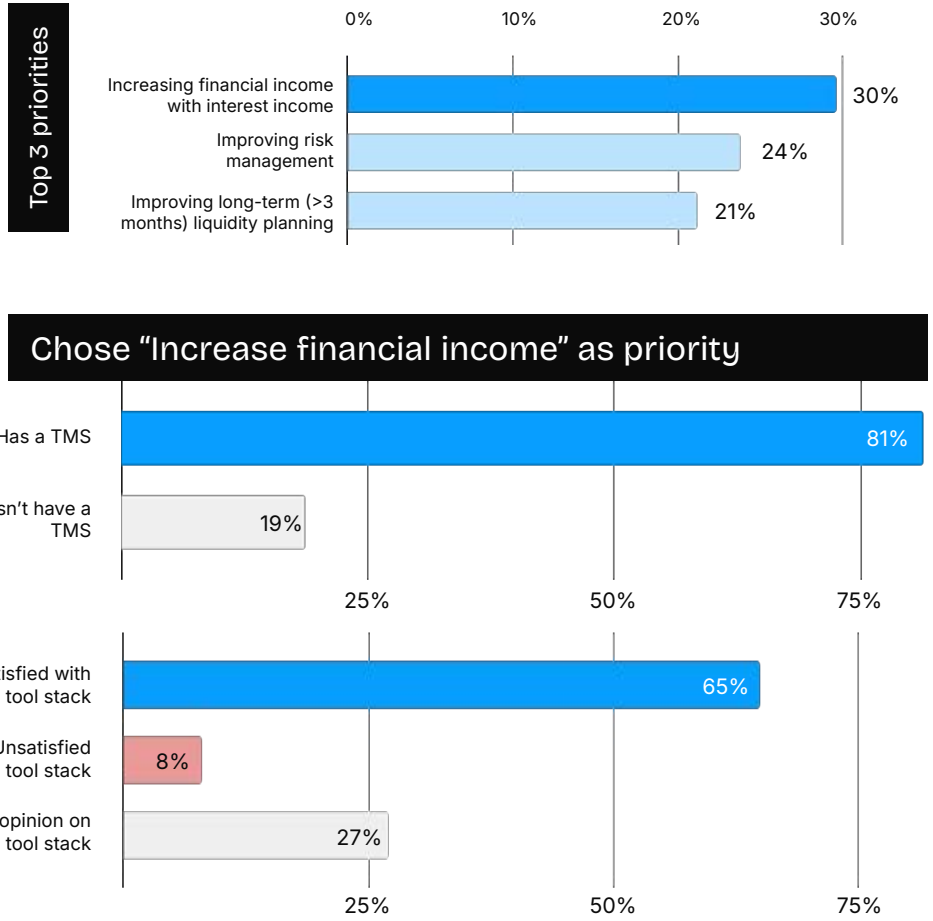
Survey shows how tooling has a critical importance to mitigate forecast shortcomings in day-to-day operations

Finance departments equipped with a TMS* are twice as likely to prioritise "increasing financial income", a direct reflection of how tooling shapes strategic focus

This correlation is further reinforced by the fact that the vast majority of companies prioritising interest income **report high satisfaction** with their TMS (Treasury Management software).

As one of the highest correlations of the survey, there is an evident link between **specific high-added value priorities** - such as improving financial income - and **equipment with specific tools**.

TMS are tools meant to improve cash flow visibility, thus enabling businesses to identify and mobilise surplus cash during a specific amount of time - without compromising liquidity.



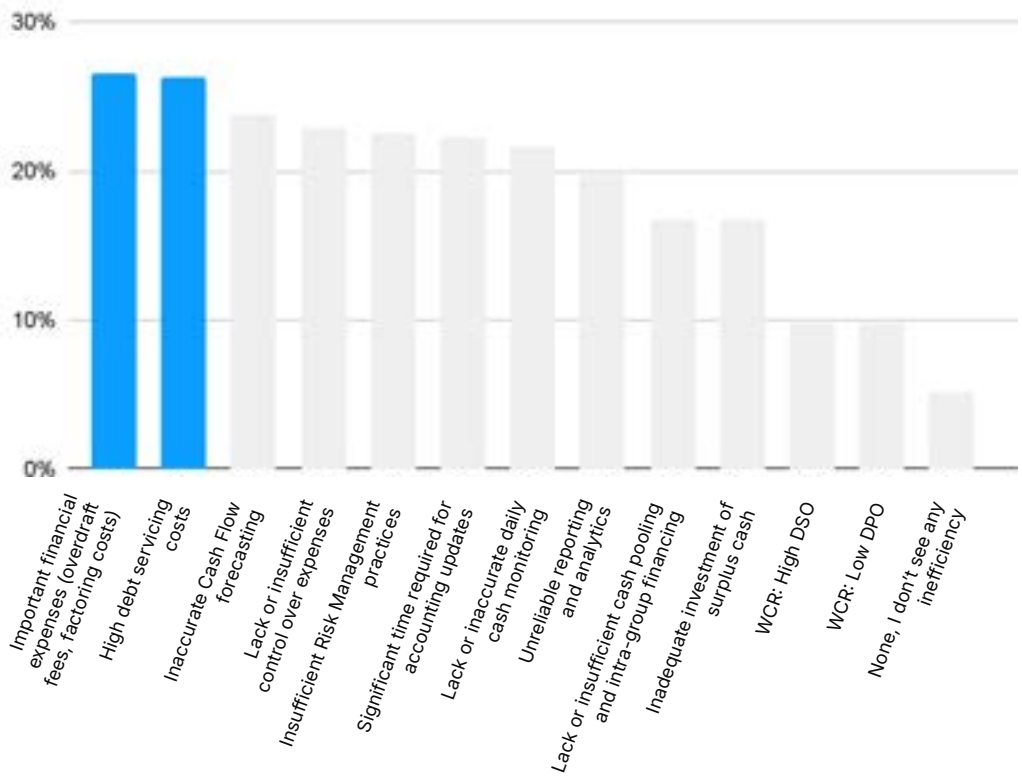
*Note: all pollees were not Agicap customers at the time of the poll

Chapter 3

95% of CFOs aren't satisfied with their current Treasury processes.

What are the most pressing issues CFOs can't solve yet?

What are the 3 cash management inefficiencies you are aware of but haven't been able to solve yet?



44% of European companies are struggling with high financial expenses with no solution in sight

The two main issues of finance departments revolve around excessive financial expenses.

Financial expenses linked to short-term funding (overdraft fees, factoring costs) are considered **the most burning issue** by polled companies.

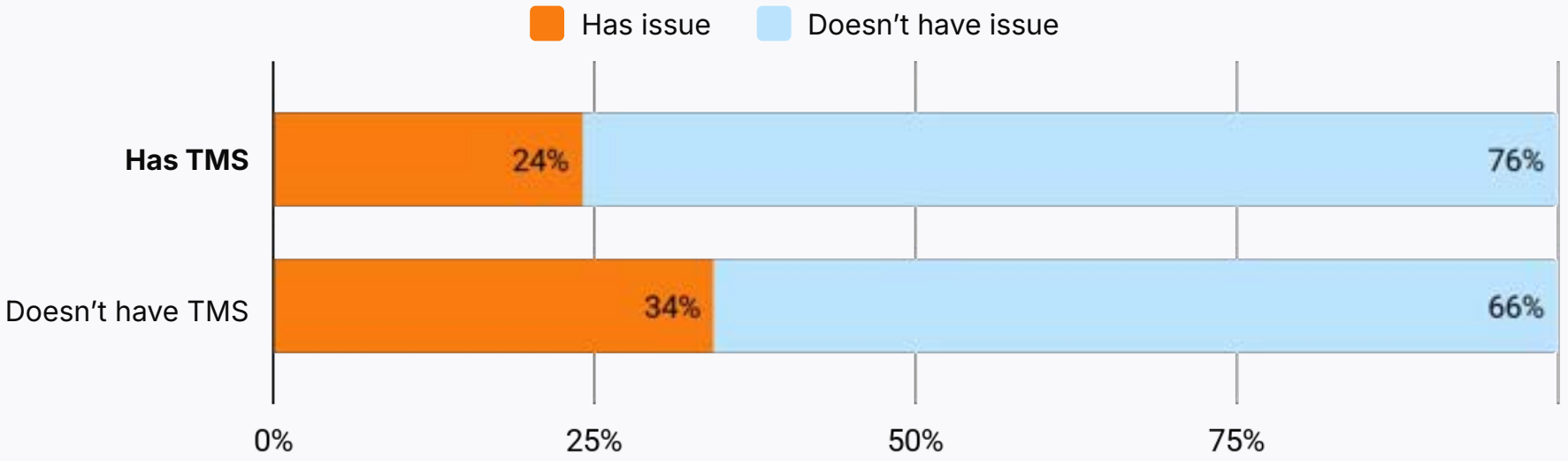
These costs directly erode net income, which explains why they are a top priority for businesses

However, these spendings can be avoided through improved cash forecasts, enabling a more accurate sizing of working capital needs.

Tooling makes again a a measurable difference: there is a difference of more than 10 p.p. between companies equipped with a TMS compared to non-equipped counterparts when it comes to reporting excessively high financial expenses linked to short-term funding (factoring cost, overdraft fees)

By delivering precise short-term cash flow forecasts and pinpointing funding requirements at the individual bank account level, TMS empower businesses to minimise reliance on costly short-term financing.

Issue: Important financial expenses (factoring fees, overdraft fees)



Other factors also contribute to treasury management inefficiencies

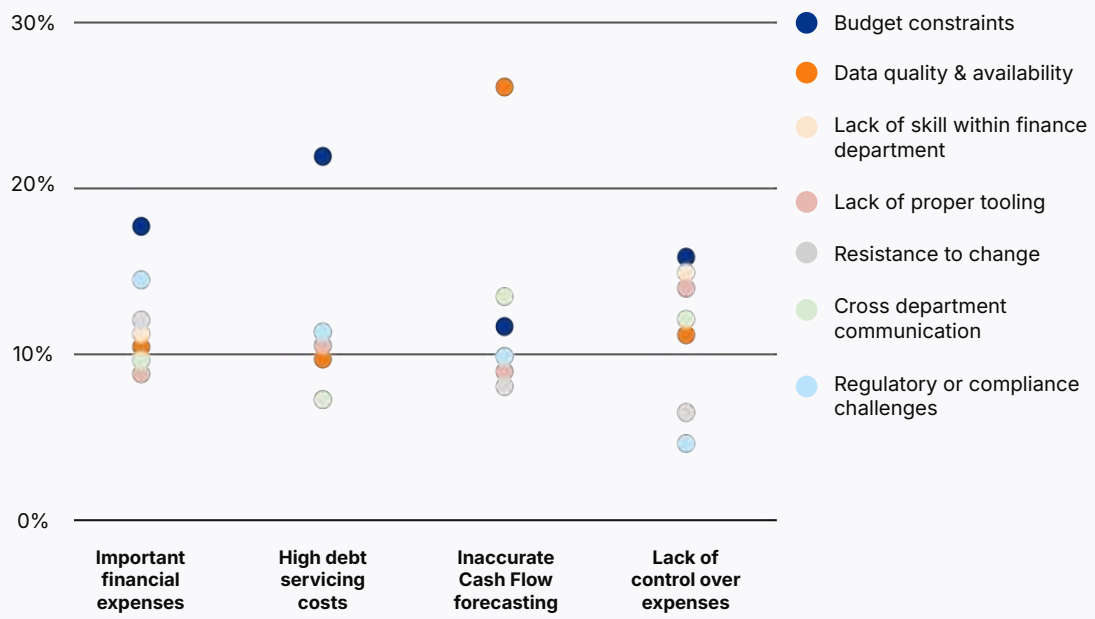
70% of European companies cite at least one of the four main treasury management inefficiencies listed opposite.

Some challenges have a clear cause:

- **Budgetary constraints** force companies to resort to debt to finance or refinance themselves when they lack sufficient equity. But this debt is much more expensive given current rates, which are significantly higher than in 2012-2022 (see p.15).
- **The lack of reliable and available data** hinders cash flow forecasting, often due to fragmented systems that delay updates by requiring manual exports and reprocessing.

Other inefficiencies, on the other hand, **stem from several interconnected problems**.

Top 4 Inefficiencies: Main Reasons Cited



Guide:
This chart outlines the primary obstacles preventing companies from addressing each of the identified financial inefficiencies.

The chart is structured as follows:
- Columns: Inefficiencies (e.g., "inaccurate cash flow forecasts").
- Dots: Percentage of respondents citing a specific reason as the main obstacle to resolving the inefficiency.
  Example: 26% of companies suffering from inaccurate forecasts blame "data availability and quality."

Note: Respondents could select only one reason from the ten proposed for each inefficiency.

Conclusion

Between 2022 and 2024, historically high interest rates and persistent inflation **reshaped the priorities of UK finance departments**. Faced with these new challenges, companies had to **implement stricter financial discipline**: cost control, expenditure optimisation and, above all, proactive cash management to generate additional income through short-term, secure investments. However, this rigour has often resulted in **increased risk aversion**, limiting strategic investments to what is strictly necessary - sometimes at the expense of growth opportunities.

The inflationary pressures stabilising (but still above BoE target) and the recent decrease in interest rates herald a new phase. At the same time, **uncertainty remains at several levels**: macroeconomic (appreciation of the GBP), geopolitical (ongoing conflicts disrupting energy and commodity prices) and domestic (slowdown in household consumption). This uncertainty translates into higher risk perceptions from lenders, **keeping financing costs high**. The best practices inspired by the 2022-2024 period - such as identifying and investing surplus cash across varied maturities therefore remain valuable for maintaining financial resilience.

In this context, **inaction carries a double penalty**. First, idle cash represents a severe missed opportunity cost in a still-high interest rate environment. Second, companies that are able to anticipate and act - by allocating their resources to targeted strategic investments - have the opportunity to gain a **decisive competitive advantage** over their competitors who continue to focus on strict cost control. This however requires the ability to **correctly size and plan** such strategic investment.

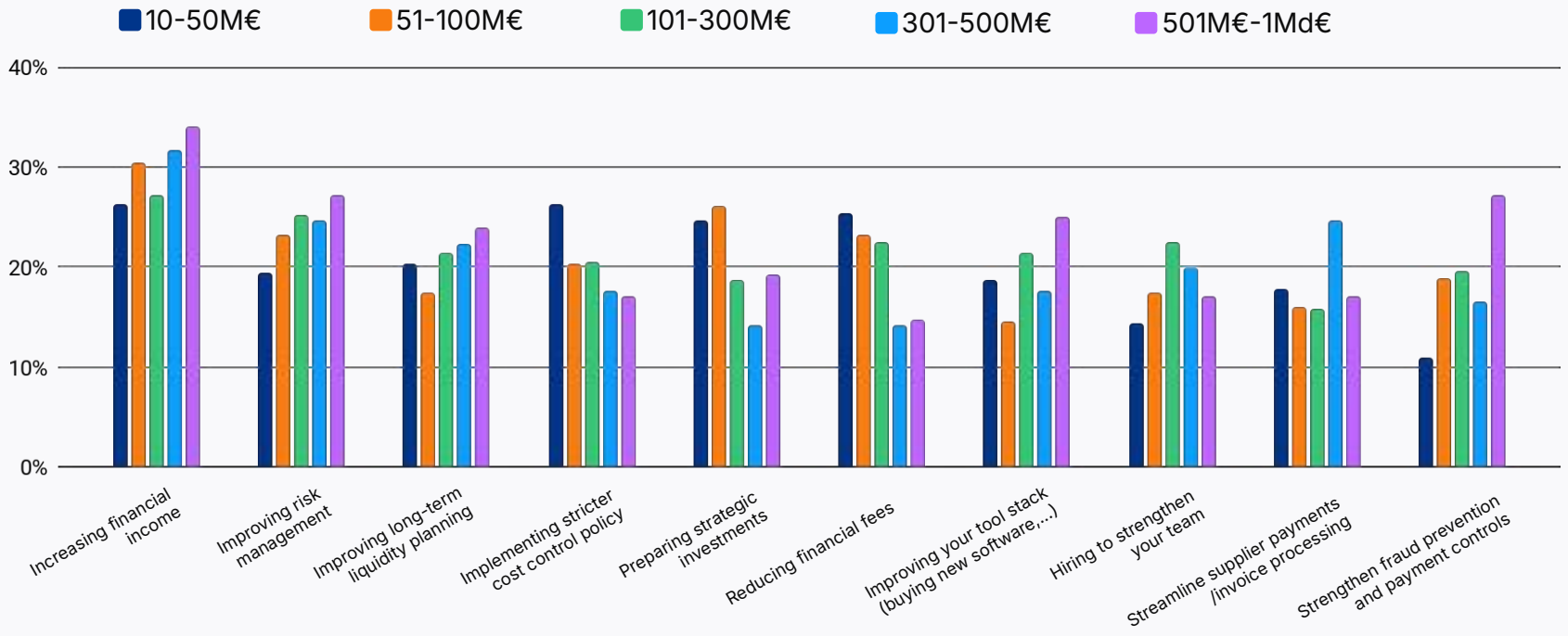
Agicap's study confirms this: companies know the difference lies in their ability to forecast[1] and adapt[2].

[1] "Improving long-term (>3 months) liquidity planning" ranks as the 3rd most chosen priority
[2] "Improving risk management" ranks as the 2nd most chosen priority

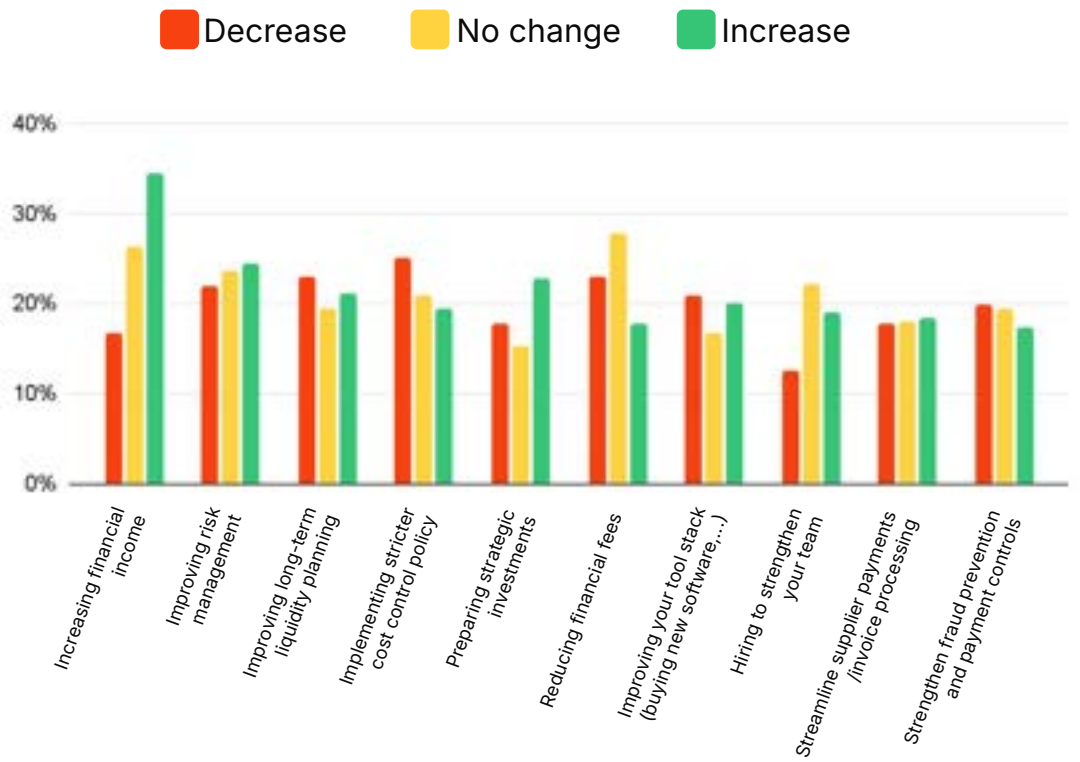
Appendix

Some factors, surprisingly, have little impact on chosen priorities: **company revenue** only has a limited influence on main priorities.

Treasury priorities - non weighted, by revenue bracket



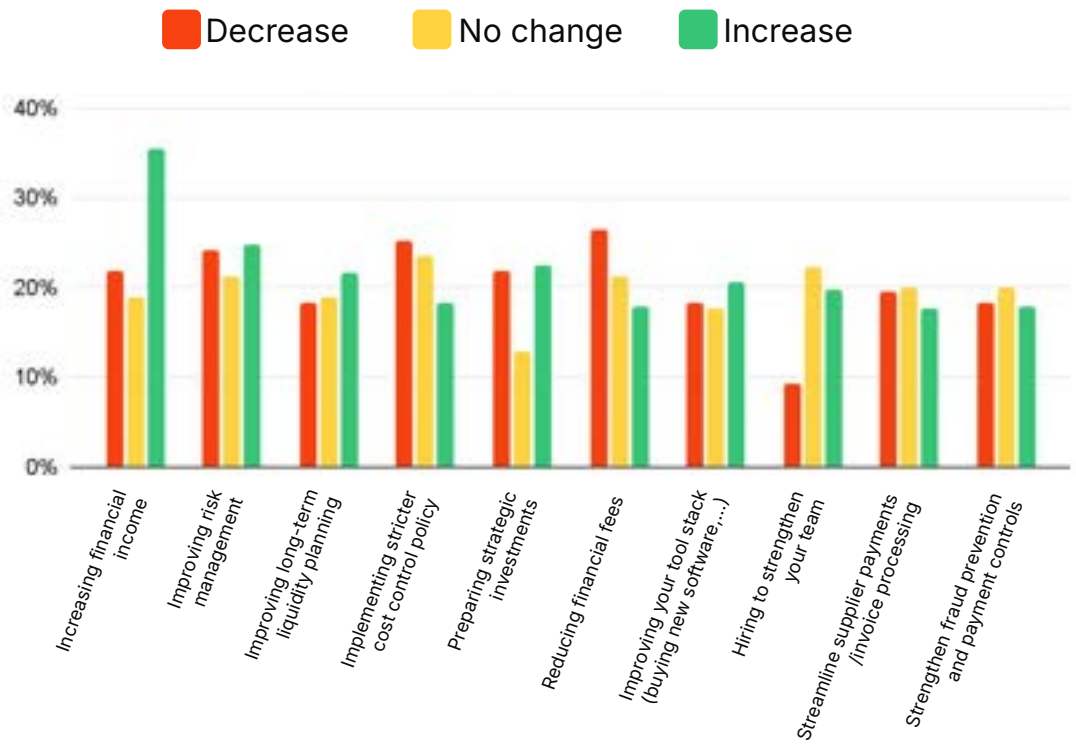
Treasury priorities - non weighted, by revenue expectations



Surprisingly, **revenue projections** exert only limited influence on most financial priorities.

They do have an effect on specific items: companies anticipating a downturn in revenue adopt a more conservative approach.
This is characterised by less hiring and keeping cash at hand instead of investing it to avoid liquidity issues.

Treasury priorities - non weighted, by profitability expectations



Surprisingly, **profitability projections** influence financial priorities but only selectively.

- Companies projecting an increase in net income tend to allocate surplus cash to short-term placements, yet notably refrain from directing these funds toward strategic investments.
- Companies forecasting a decline in net income prefer keeping cash at hand by reducing hiring and not investing in any placement.



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