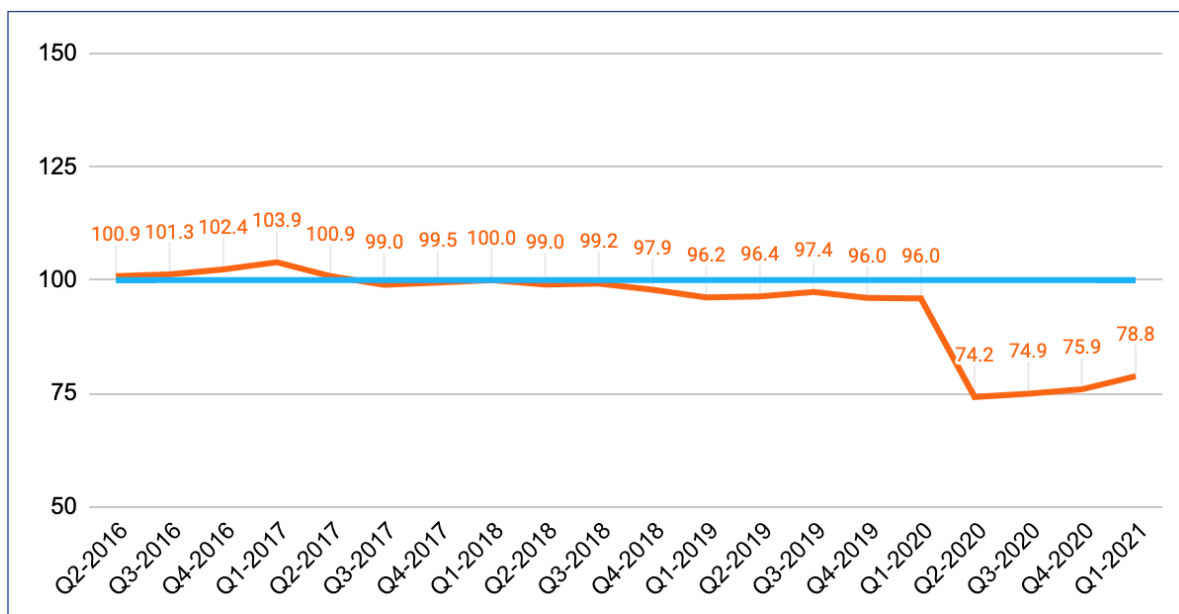


## THE COUPA BUSINESS SPEND INDEX, Q1 2021 REPORT

The Coupa Business Spend Index (BSI) is an early indicator of businesses' confidence in the economy based on the current business spending decisions of hundreds of companies. The Q1 2021 Coupa BSI revealed an overall index value of 78.8, a gradual improvement in business spend sentiment for the third consecutive quarter.

The Coupa BSI, a 100% behavior-based index, analyzes billions of dollars of aggregated and anonymized spend data in the Coupa BSM Platform, which has cumulatively processed over \$2 trillion of business spending, to measure confidence around economic health at an aggregate level, as well as an industry level within financial services, health and life sciences, high tech, manufacturing, and retail.

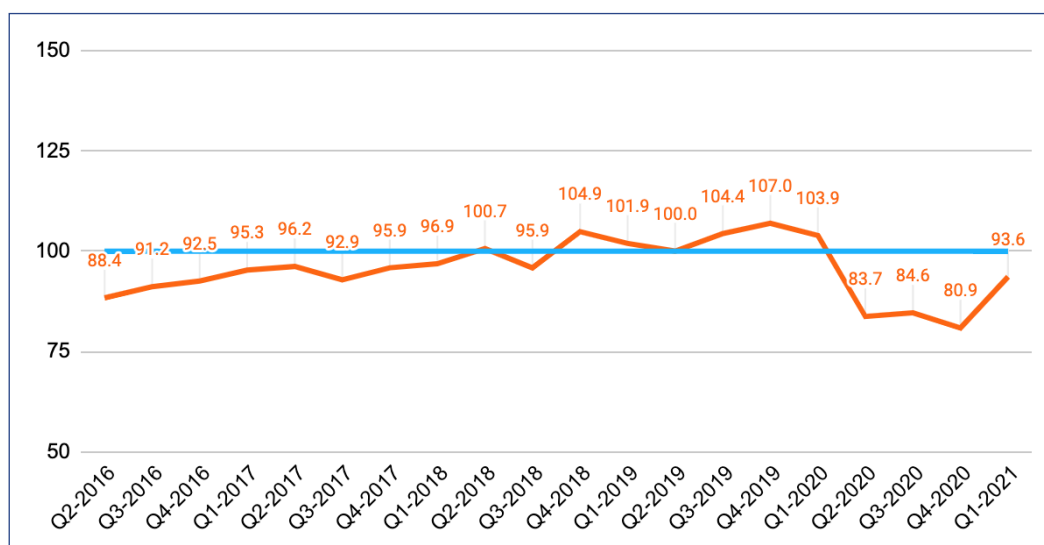
### Business Overall



## Industry-Specific Insights:

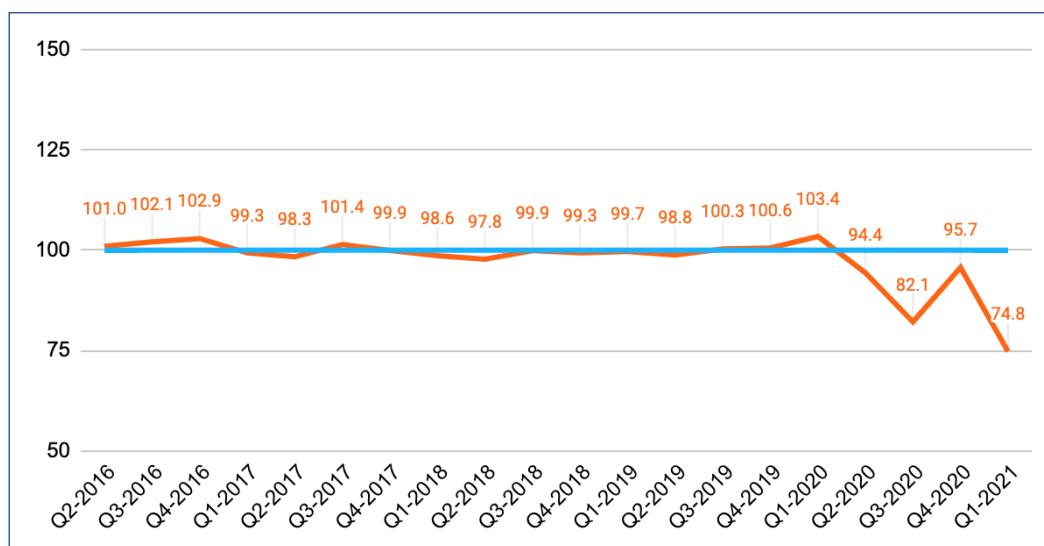
**Financial Services:** Business spend sentiment for Financial Services increased this quarter to 93.6, up 12.7 points from Q4 2020 (80.9). Improvement was driven in part by an accelerated average approval cycle time (-19%). However, a precipitous decline in average spend per person (-31.9%) partially offset the positive factors.

### The Coupa BSI - Financial Services



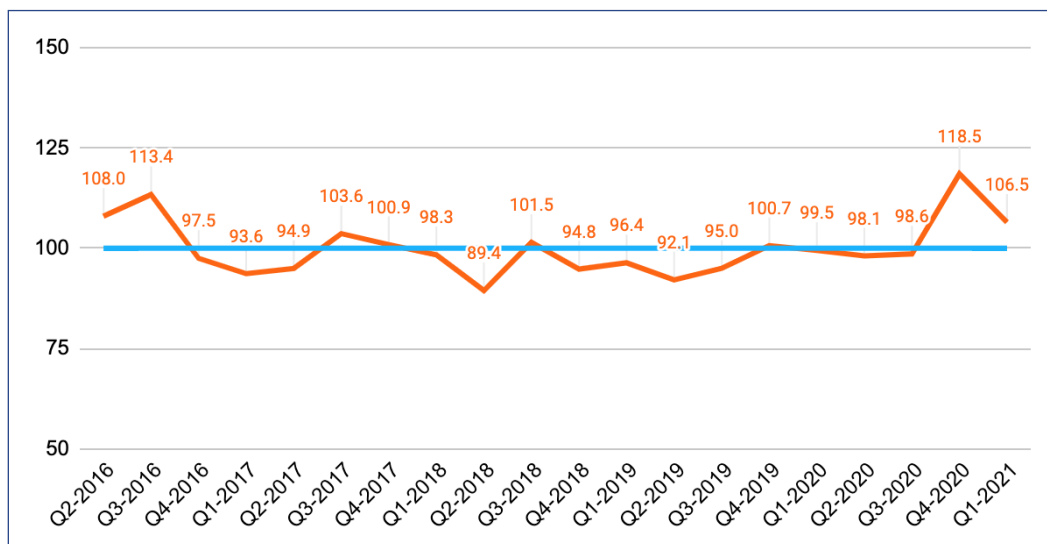
**Health and Life Sciences:** The BSI for Healthcare was 74.8 in Q1 2021, a significant decline from the previous quarter (95.7) as the sector is significantly impacted by the resurgence of COVID-19 cases. The decline in the Q1 2021 index was driven by an increase in cycle time (10.7%) and a significant decline in on contract spend (-55.2%).

### The Coupa BSI - Health and Life Sciences



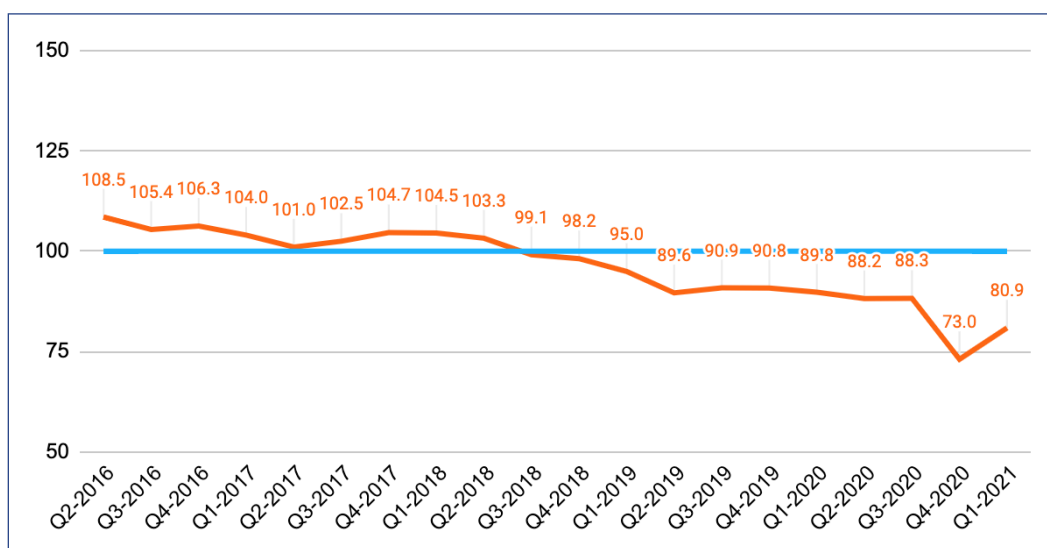
**High Tech:** Business spend sentiment for High Tech decreased from 118.5 in Q4 2020 to 106.5 in Q1 2021. While still above trend, the decrease was driven by significantly less RFI activity (-62.5%).

### The Coupa BSI - High Tech



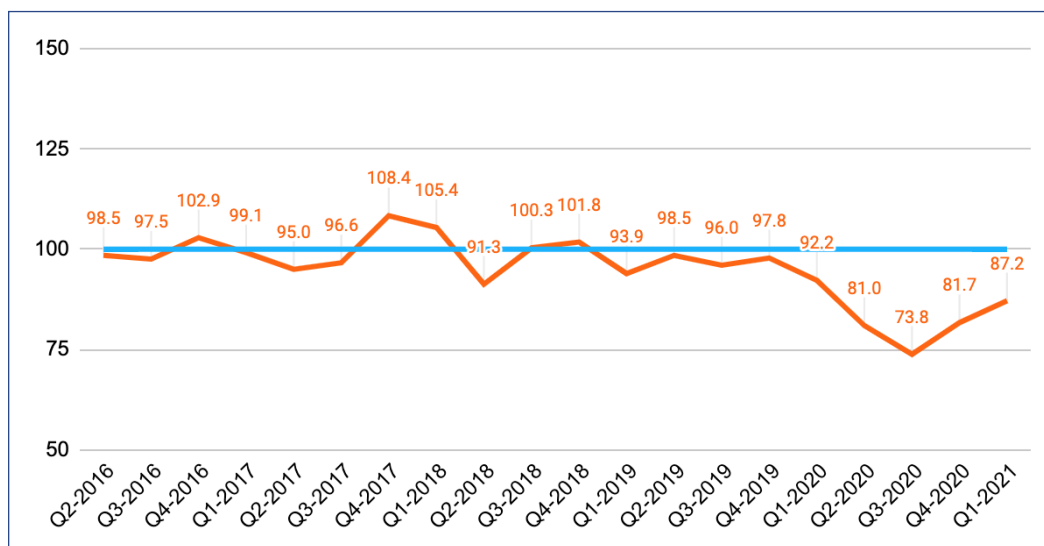
**Manufacturing:** The BSI for Manufacturing, which had been trending negatively since Q1 2018, rebounded in Q1 2021, gaining 7.9 points (80.9). An increase in average spend per person (6.1%) and a decrease in average approval cycle time (-6.1%) had a positive impact on sentiment for the sector.

### The Coupa BSI - Manufacturing



**Retail:** The Coupa BSI for Retail was 87.2 in Q1 2021, driven by an improvement in average cycle time (-6.8%) and a significant increase in RFI activity (480%). Positive factors were partially offset by a decrease in average spend per person (-3.6%).

### The Coupa BSI - Retail



### 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 over \$2 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 weighted composite value of the three components in the baseline reference period (July 2016). The weighting methodology is periodically updated based on recalibration of the model. This was most recently done for Q4 2020.

### About Coupa Community Intelligence

Coupa Community Intelligence is an AI-powered engine that objectively analyzes transactional spend data flowing through the Coupa BSM Platform and prescribes instant insights that help companies spend smarter, simpler, and safer. Built in the cloud, Coupa uniquely has access to transactional business data, which enables its Community Intelligence engine to leverage the latest in machine learning and AI to provide more accurate benchmarks and high-value insights.

### 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 [Coupa.com](https://Coupa.com). Read more on the [Coupa Blog](#) or follow [@Coupa](#) on Twitter.

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