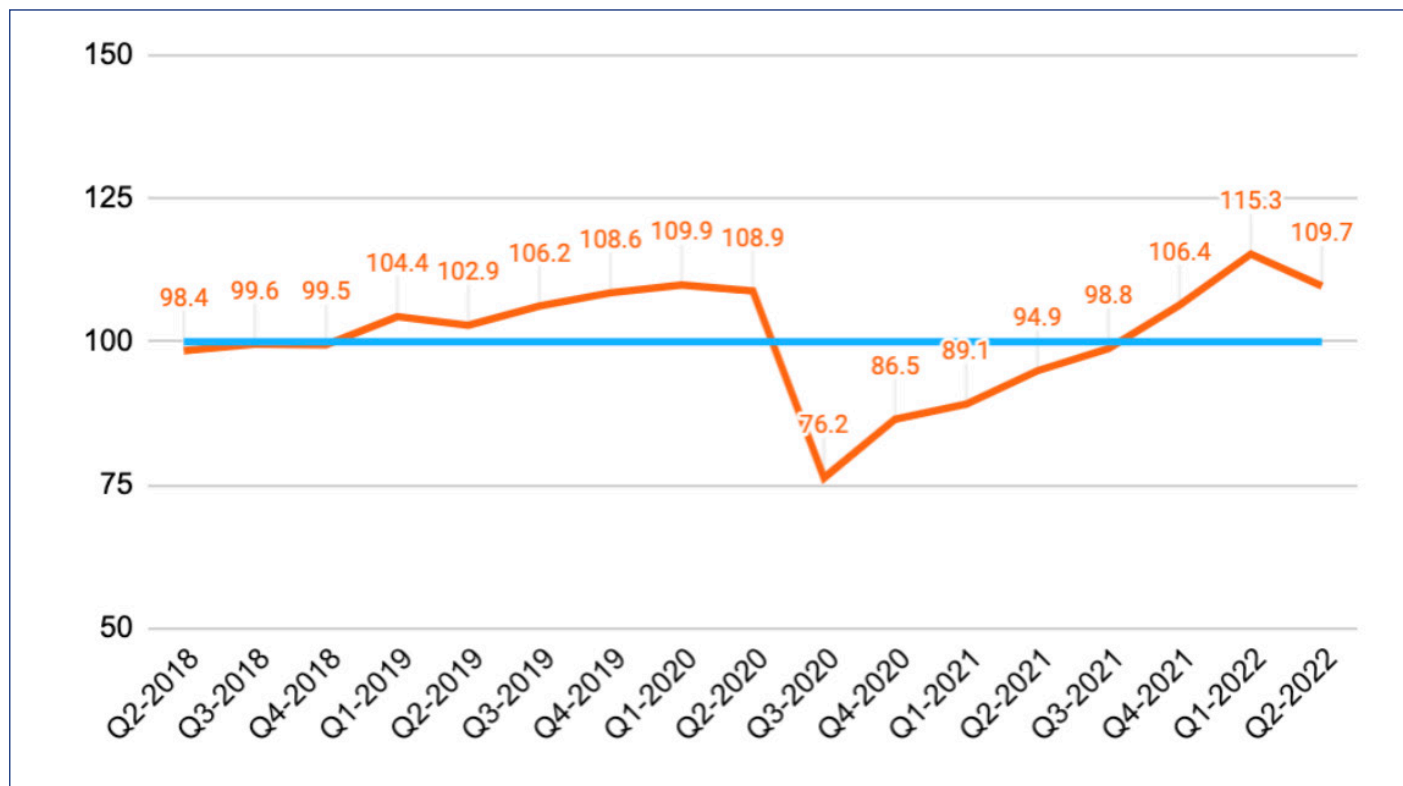


THE COUPA BUSINESS SPEND INDEX, Q2 2022 REPORT

The Coupa Business Spend Index (BSI) is the leading behavior-based index of business confidence as measured by the aggregated and anonymized global spend transactions made by companies within the Coupa Community. The Q2 BSI dropped more than 4.8% over the prior quarter, evidencing waning business confidence and decelerating economic activity over the next 3-6 months.

This quarter, business spend confidence as measured by the BSI decreased to 109.7 in Q2 (down from 115.3 in Q1 2022). Driven by weak Search, Pay and Order activity.

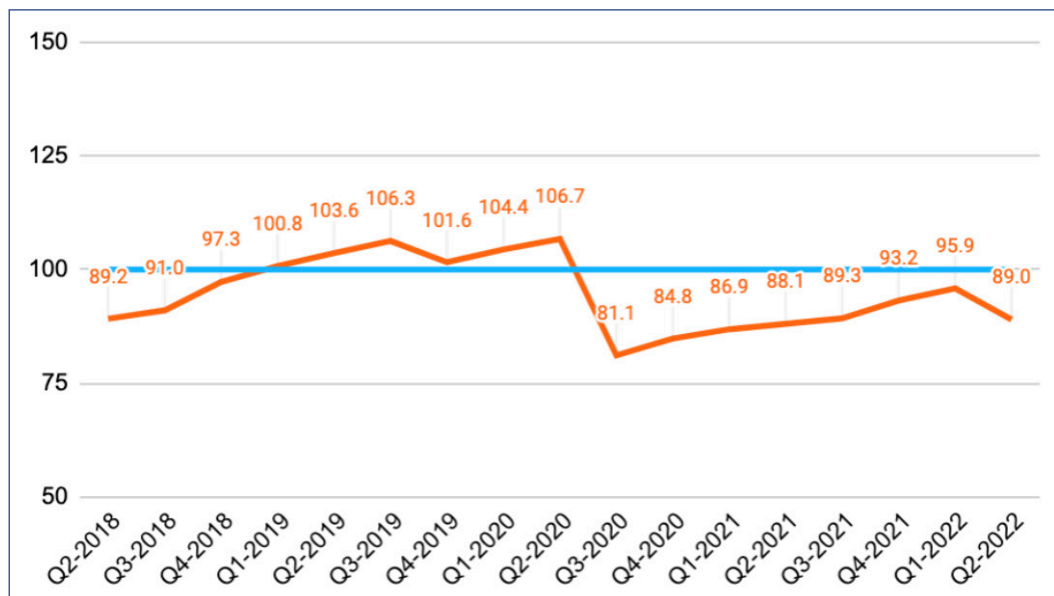
Business Overall



Industry-Specific Insights:

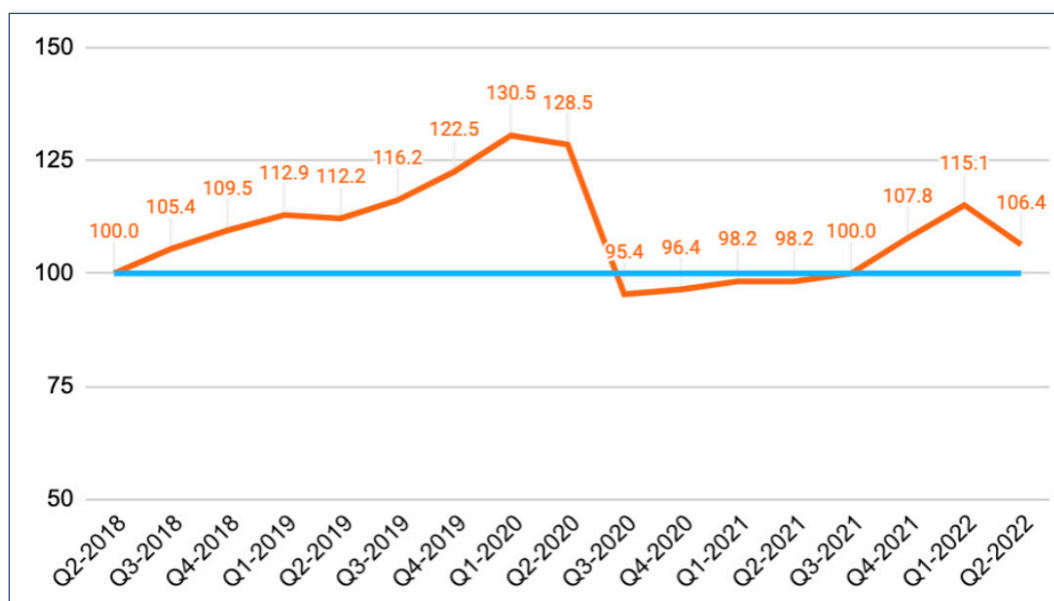
Business Services: The BSI for Business Services decreased this quarter, from 95.9 in Q1 2022 to 89.0 in Q2 2022. The change in Business Services was driven largely by a strong decrease in Search and Pay activities.

The Coupa BSI - Business Services



Financial Services: The BSI for Financial Services decreased from 115.1 in Q1 2022 to 106.4 in Q2 2022, a decrease of roughly -7.6% quarter-on-quarter. The drop in this sector is driven by a decrease in Pay activity.

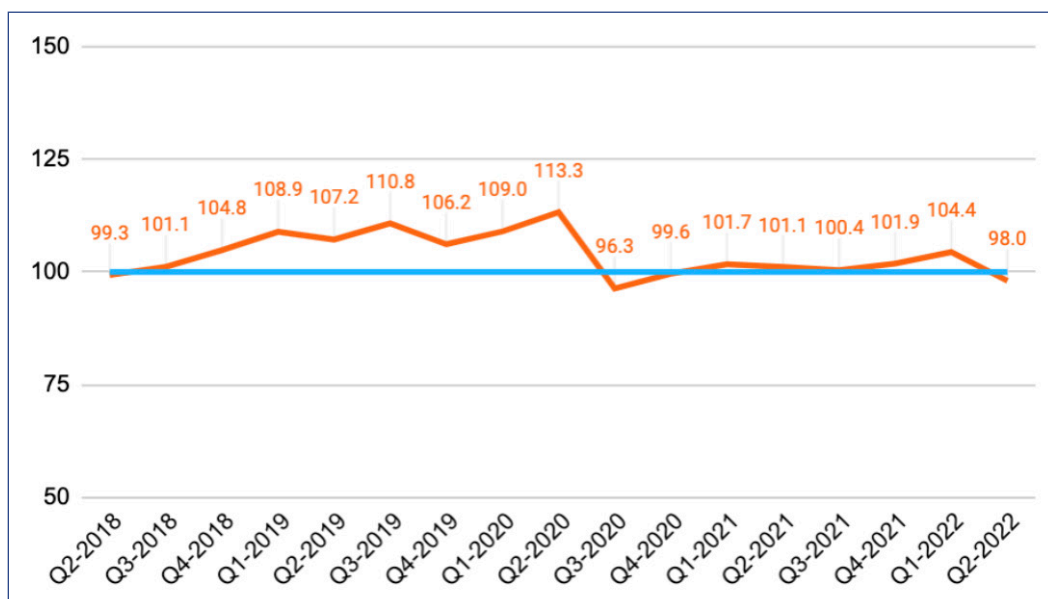
The Coupa BSI - Financial Services



Learn more in the digital experience for The Coupa Business Spend Index: [Explore Now](#)

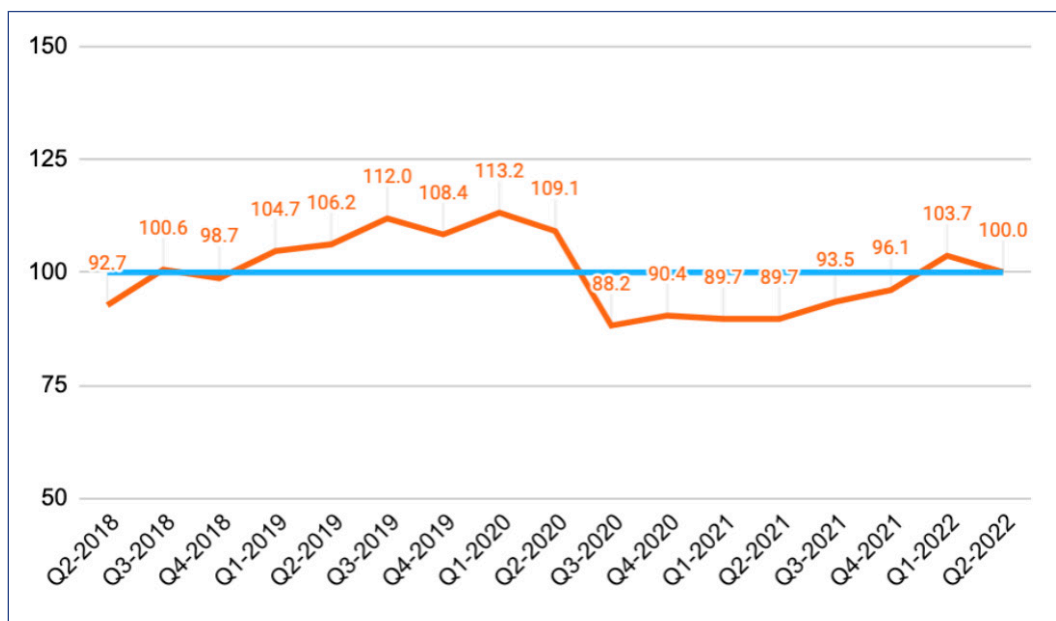
Health and Life Sciences: The BSI for Health and Life Sciences decreased to 98.0 in Q2 2022 from 104.4 in Q1 2022. This drop was driven by a decrease in Pay and Order activity.

The Coupa BSI - Health and Life Sciences



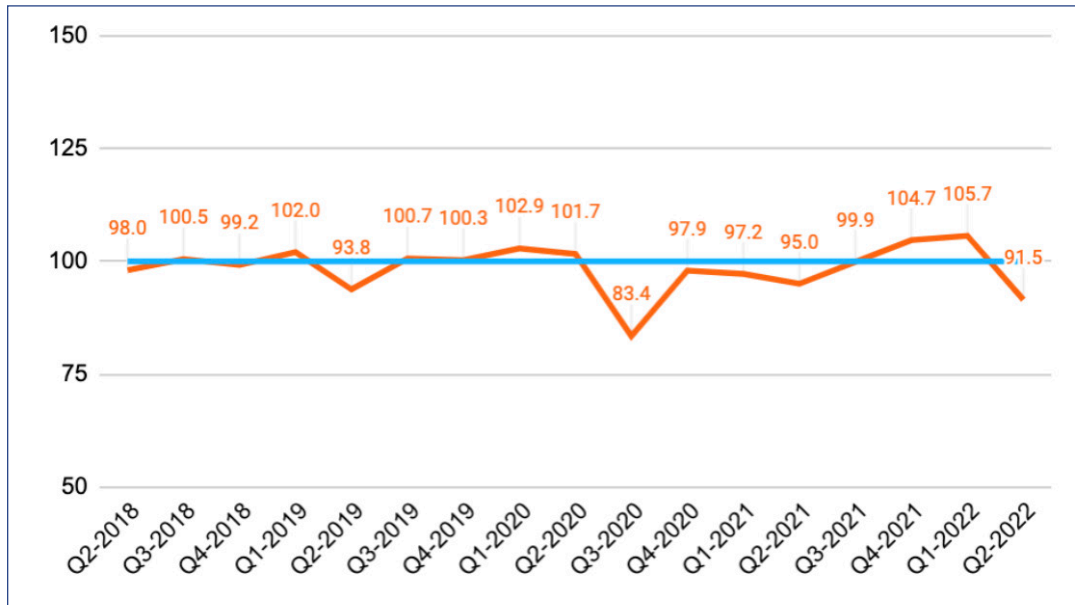
High Tech: The BSI for High Tech decreased this quarter to 100 in Q2 2022 from 103.7 last quarter. The drop was driven by a strong decrease in Pay activity.

The Coupa BSI - High Tech



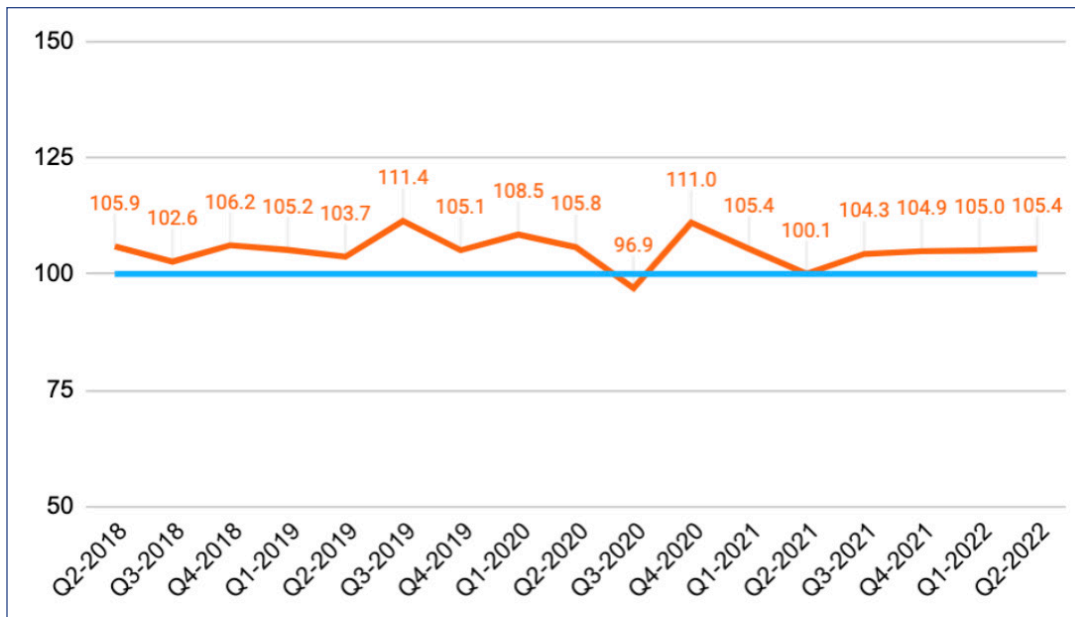
Manufacturing: The BSI for Manufacturing decreased this quarter to 91.5. This drop was driven by a decrease in Pay activity.

The Coupa BSI - Manufacturing



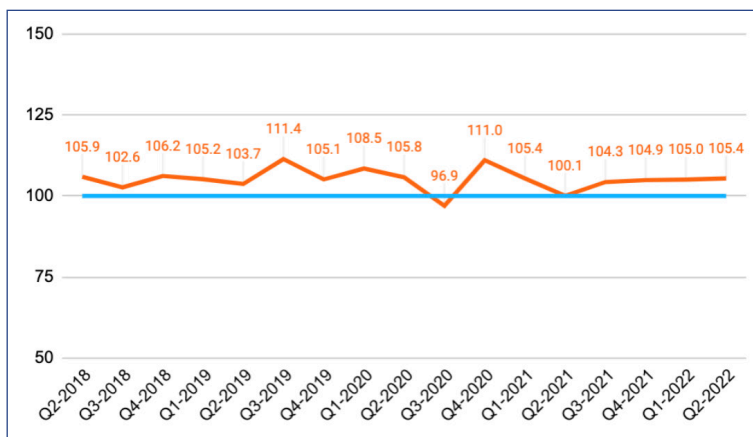
Retail: The Coupa BSI for Retail increased modestly from 105.0 in Q1 2022 to 105.4 in Q2 2022.

The Coupa BSI - Retail



Other Services: The BSI for Other Services decreased this quarter to 95.0 in Q2 2022, from 99.0 in Q1 2022.

The Coupa BSI - Other



The Coupa BSI Methodology

The Coupa BSI is a predictive measure of business confidence. We produce the BSI by combining the power of Coupa Community data (billions of dollars anonymized business spending within the Coupa platform) with the intelligence of statistical models.

Through our Community data, we derived factors representative of business spend decisions. To provide clarity and preserve anonymity, we group these factors into three categories – to **Search** for new suppliers, to **Order** and commit to spend, and to **Pay** for goods and services used by the business. Then, we use our proprietary algorithm for variable selection from Coupa’s Demand Modeler to choose the right group of variables to best predict economic activity. Using these features, we fit a dynamic factor model based on rich academic literature on economic index creation. By estimating an underlying factor driving the group of variables, we are able to create the Coupa BSI.

The Coupa BSI is normalized to a baseline value of 100, which represents the state of business spend in the baseline reference period (January 2018) computed using the dynamic factor model with the three grouped factors.

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

Learn more in the digital experience for The Coupa Business Spend Index: [Explore Now](#)