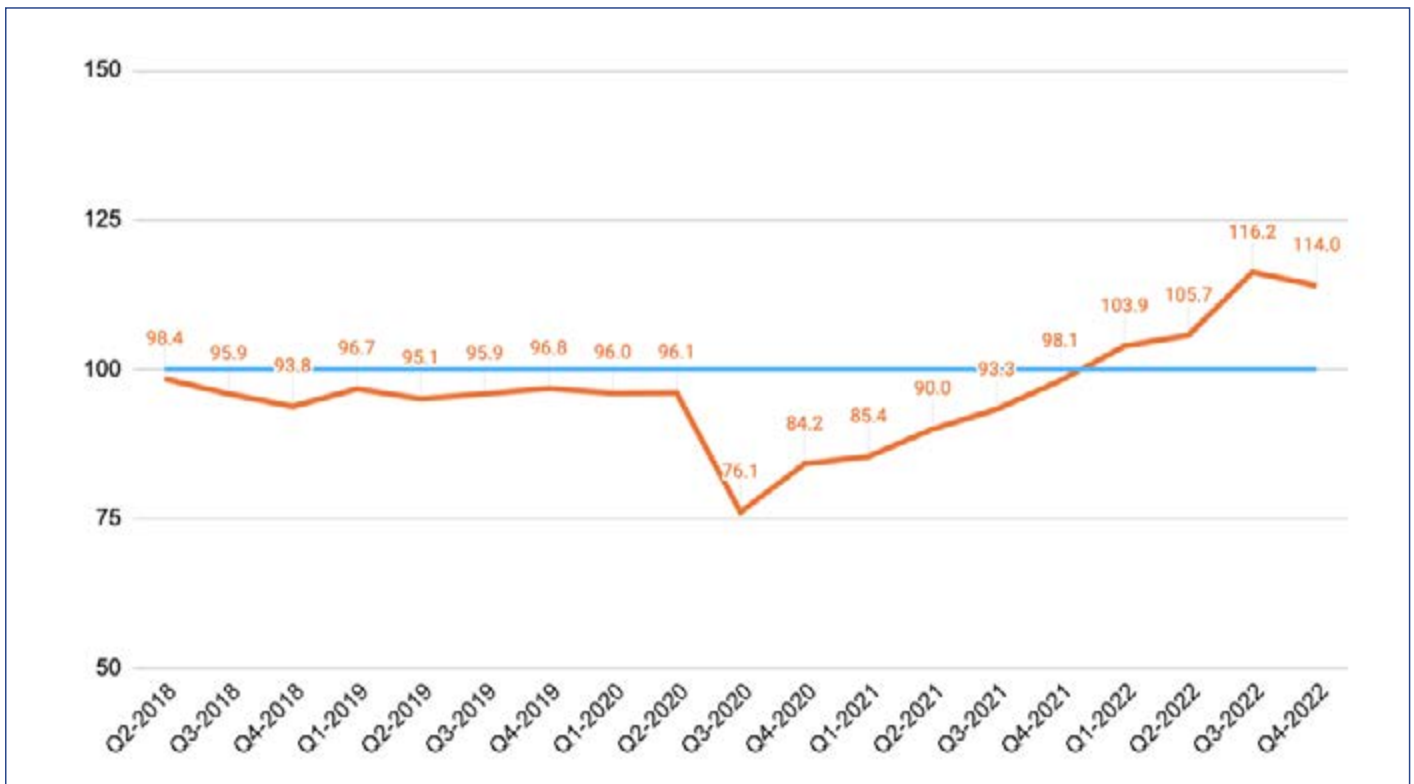


THE COUPA BUSINESS SPEND INDEX, Q4 2022 REPORT

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 Q4 BSI dropped more than 1.9% over the prior quarter, evidencing waning business confidence and decelerating economic activity over the next 3-6 months.

Business spend confidence decreased for this quarter, as measured by the BSI, to 114.0 from 116.2 in Q3. The decline was predominantly driven by weak Pay activity.

Business Overall

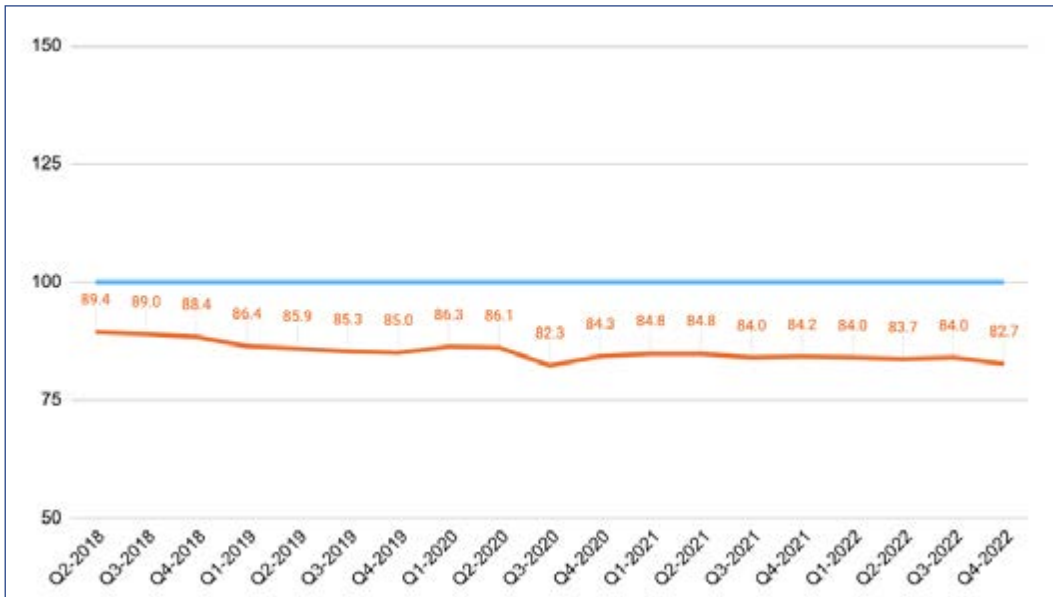


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Industry-Specific Insights:

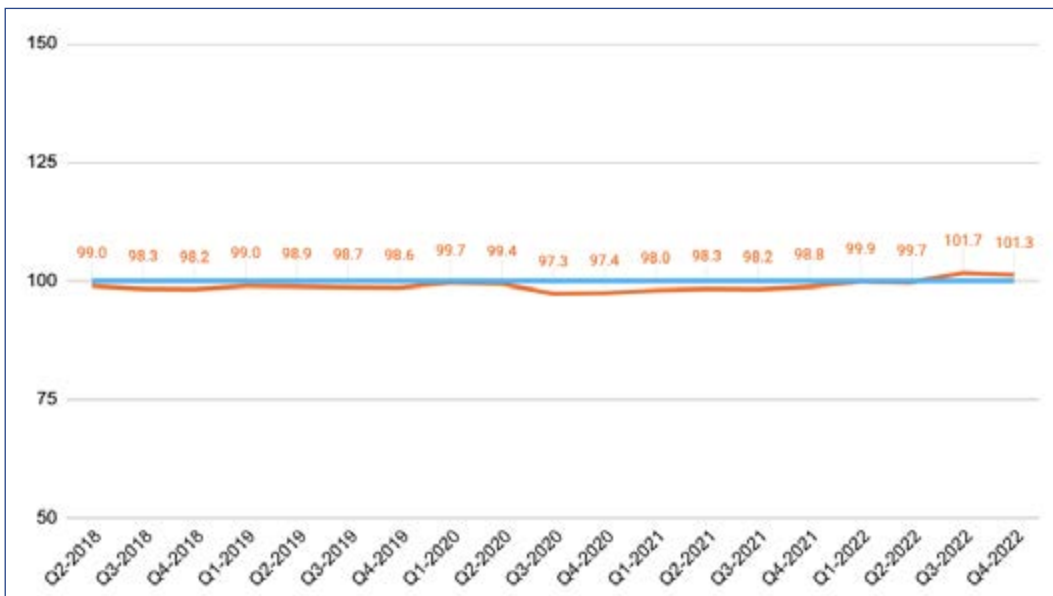
Business Services: The BSI for Business Services **decreased** this quarter, from 84.0 in Q3 2022 to 82.7 in Q4 2022. The change in Business Services was driven largely by a strong decrease in Pay activity.

The Coupa BSI - Business Services



Financial Services: The BSI for Financial Services has slightly **decreased** from 101.7 in Q3 2022 to 101.3 in Q4 2022, a decrease of roughly -0.4% quarter-on-quarter. The drop in this sector is driven by a decrease in Pay activity.

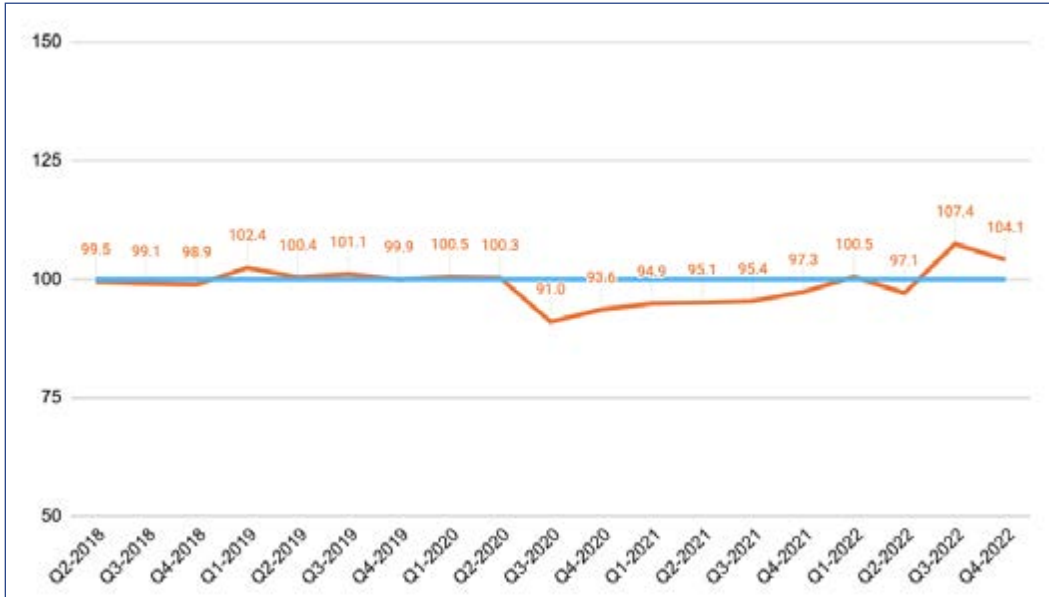
The Coupa BSI - Financial Services



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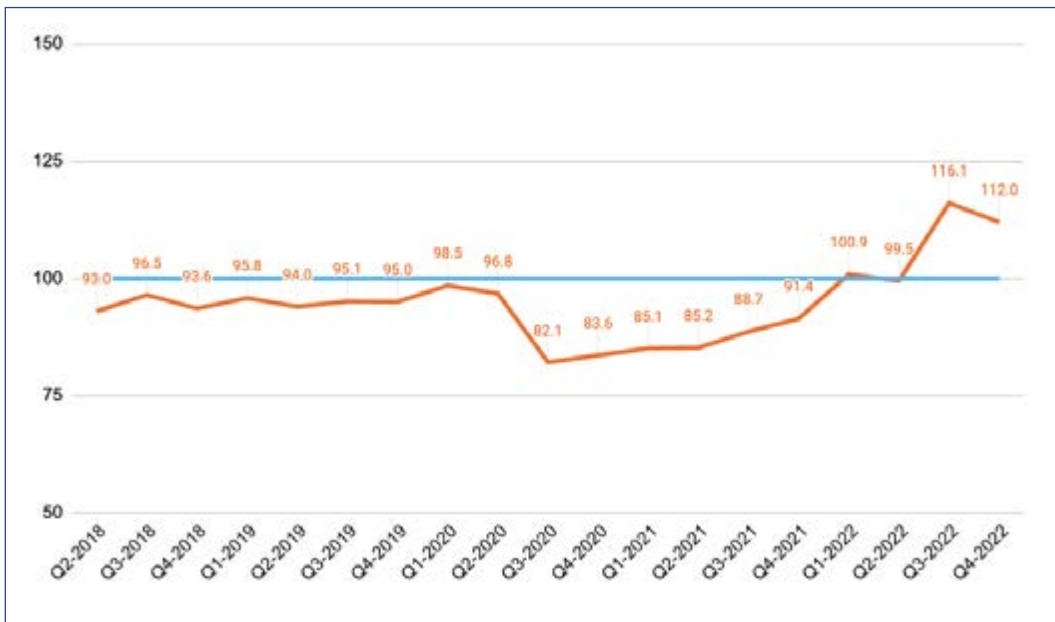
Health and Life Sciences: The BSI for Health and Life Sciences **decreased** to 104.1 in Q4 2022 from 107.4 in Q3 2022. This drop was driven by a decrease in Pay and Order activity.

The Coupa BSI - Health and Life Sciences



High Tech: The BSI for High Tech **decreased** this quarter to 112.0 in Q4 2022 from 116.1 last quarter. The drop was driven by a strong decrease in Pay activity.

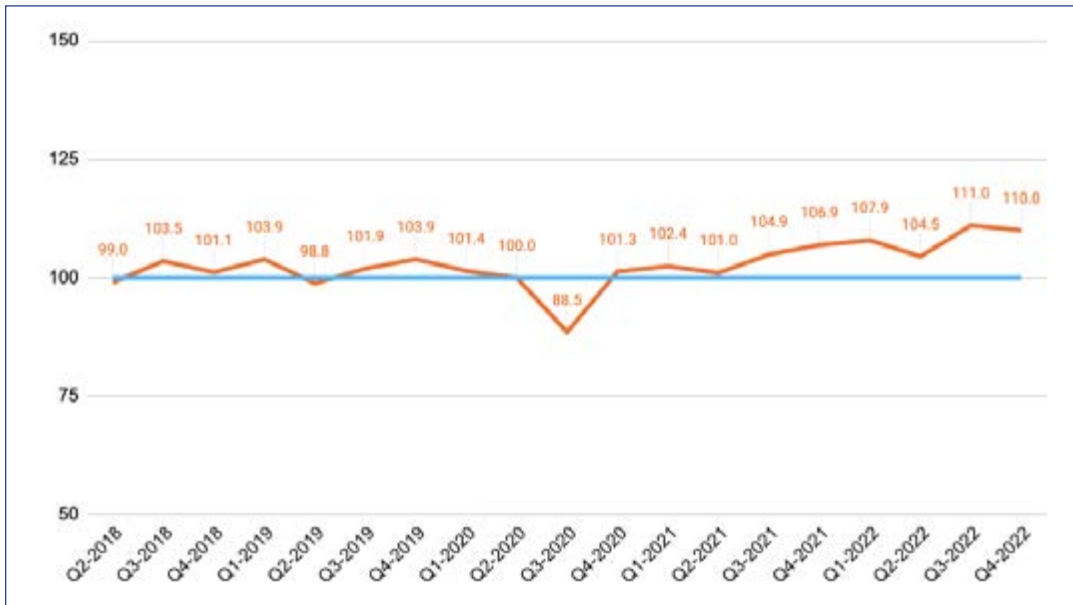
The Coupa BSI - High Tech



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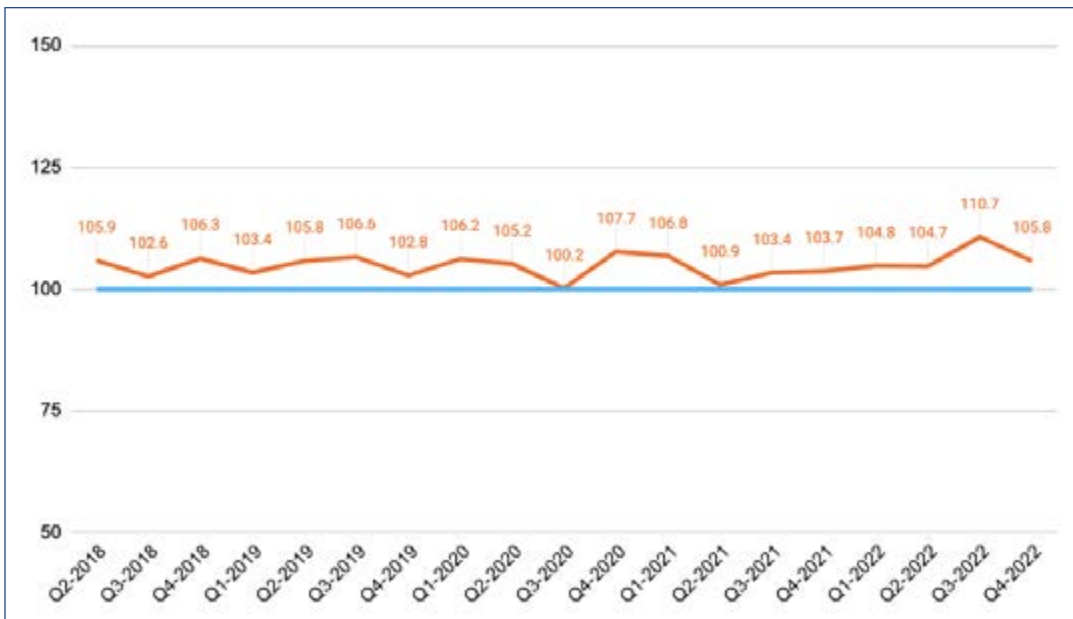
Manufacturing: The BSI for Manufacturing decreased this quarter to 110 from 111.0 in the previous quarter. This drop was driven by a decrease in Search and Pay activity.

The Coupa BSI - Manufacturing



Retail: The Coupa BSI for Retail decreased from 110.7 in Q3 2022 to 105.8 in Q4 2022. This fall is due to a decrease in the Order activity

The Coupa BSI - Retail



Other Services: The BSI for Other Services has slightly increased this quarter to 89.6 in Q4 2022, from 89.5 in Q3 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.

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