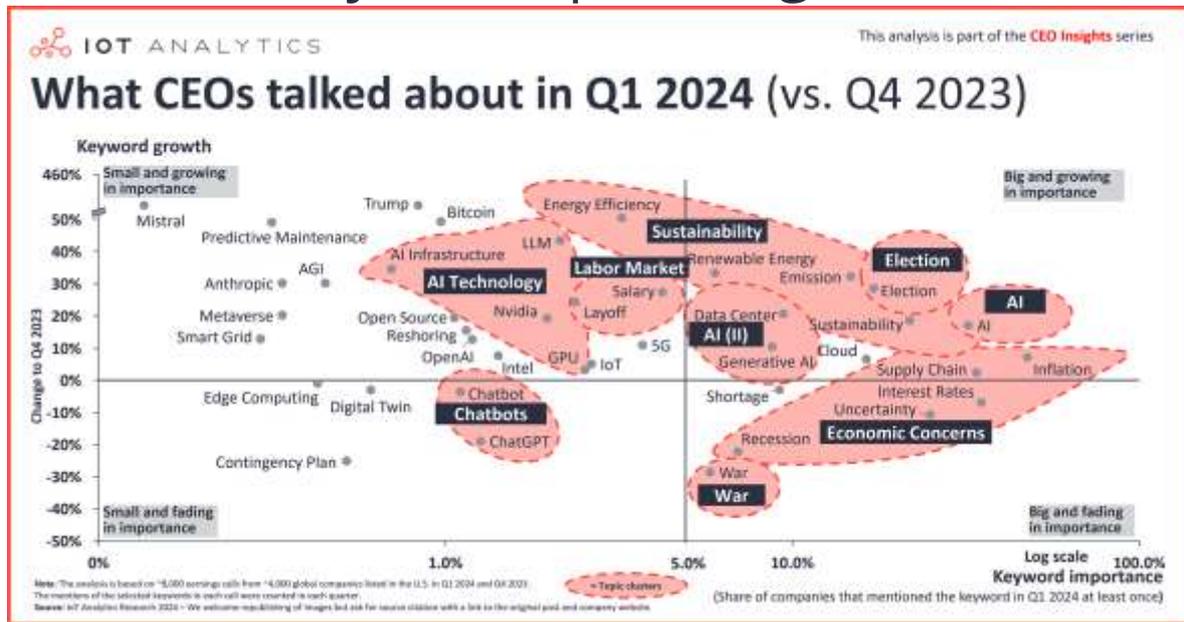


FOR IMMEDIATE RELEASE

What CEOs talked about in Q1 2024: AI, sustainability, and upcoming elections



Hamburg, Germany, March 25, 2024: IoT Analytics, a leading provider of market insights and strategic business intelligence for the Internet of Things (IoT), AI, Cloud, Edge, and Industry 4.0, today released the results of the quarterly company earnings call analysis. This analysis is based on a comprehensive dataset of Q1 2024 earnings calls from 6,000+ leading US-listed firms. The findings from Q1 2024 show that three key themes are currently trending in CEO discussions: 1. AI, 2. sustainability, and 3. election. These influential topics have captivated boardrooms worldwide and are shaping the future investment priorities for companies across various industries.

Key insights

- According to the latest [“What CEOs talked about”](#) report, three themes gained noticeable traction in Q1 2024: 1) AI, 2) sustainability, and 3) elections.
- AI discussions continue to move away from ChatGPT and other chatbots and toward individual technologies, especially GPUs and LLMs
- Economic topics like recession significantly declined, though inflation saw a bump in mentions in Q1 2024.

Key quotes

Knud Lasse Lueth, CEO at IoT Analytics, remarks *"In Q1 2024, CEO discussions clearly reflect a growing focus on AI, with one in three executives highlighting its significance during their earnings calls. The discussions around GPUs and LLMs have seen a notable increase, indicating a deeper engagement with the technological aspects of AI. There is also a renewed emphasis on sustainability, although we have yet to surpass the engagement levels of Q1 2022. The report "What CEOs talked about in Q1 2024" offers a comprehensive analysis of current executive dialogues. My primary insight? Both AI and sustainability are poised to be pivotal in shaping 2024."*

Philipp Wegner, Principal Analyst at IoT Analytics, adds that *"In Q1 2024, the hype around ChatGPT has decreased further, and executives are increasingly discussing how to generate value by integrating LLMs into their operations and products."*

[The full research article is attached below]

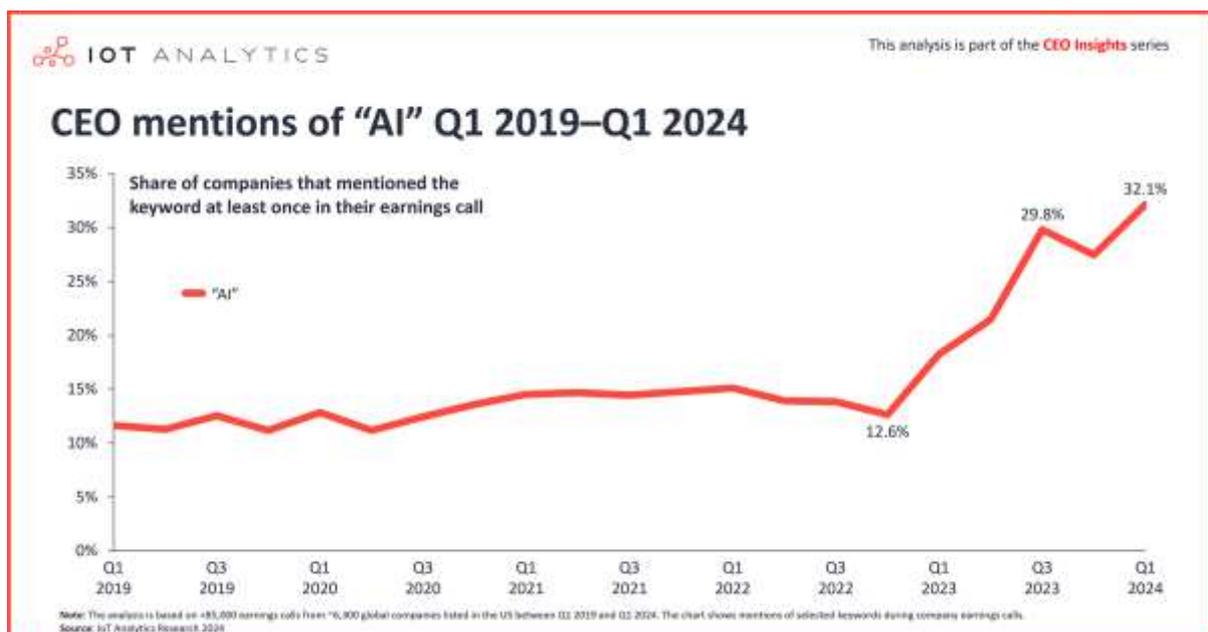
The big picture

In Q1 2024, economic concerns remained the most discussed topic area in corporate earnings calls. Inflation remained the most mentioned tracked keyword, rising 7% quarter-over-quarter (QoQ) to 48% of calls; however, **recession** and **uncertainty** had fewer mentions, down 22% and 11% QoQ, respectively.

AI and its related terms (e.g., generative AI, data centers, and LLMs) continue their rise.

Key rising themes in Q1 2024

1. AI



In Q1 2024, discussions regarding AI rose 17% quarter-over-quarter (QoQ) to 32% of earnings calls. This constitutes a new peak after a noted short decline in mentions of AI in [corporate](#) earnings calls in Q4 2023. Additionally, AI-related terms witnessed rises in their discussions:

- Generative AI (GenAI): +10.4% QoQ to 8.8% of calls
- Data center: +20.6% QoQ to 9.4% of calls
- LLM: +43% QoQ to 2.1% of calls
- AI infrastructure: +34.5% QoQ to 0.7% of calls

Discussions around US-based semiconductor vendor—and [leading provider of data center GPUs](#)—NVIDIA experienced a rise of 19% QoQ to 2% of earnings calls. This follows a slight QoQ decline in Q4 2023.

Following a trend noted in Q4 2023, GenAI has further cemented its separation from the groundbreaking ChatGPT as discussions seem to focus more on actual applications of AI rather than impressive chatbots.

Executives from nearly all verticals discussed how to integrate AI into their products and operations or how to prepare themselves for the age of AI. The CEO of British multinational oil and gas company Shell, for example, highlighted how AI assists their engineers in detecting anomalies remotely. The CEO of India-based IT services and consulting company Tech Mahindra announced that the company plans to upskill all IT staff in AI-related skills in the next financial year.

Key quotes on AI

“We have millions of sensors collecting over 5 trillion rows of data that our AI models, combined with our conventional models, used to monitor equipment 24 hours a day, 7 days a week, alerting engineers to anomalies from a distance.”

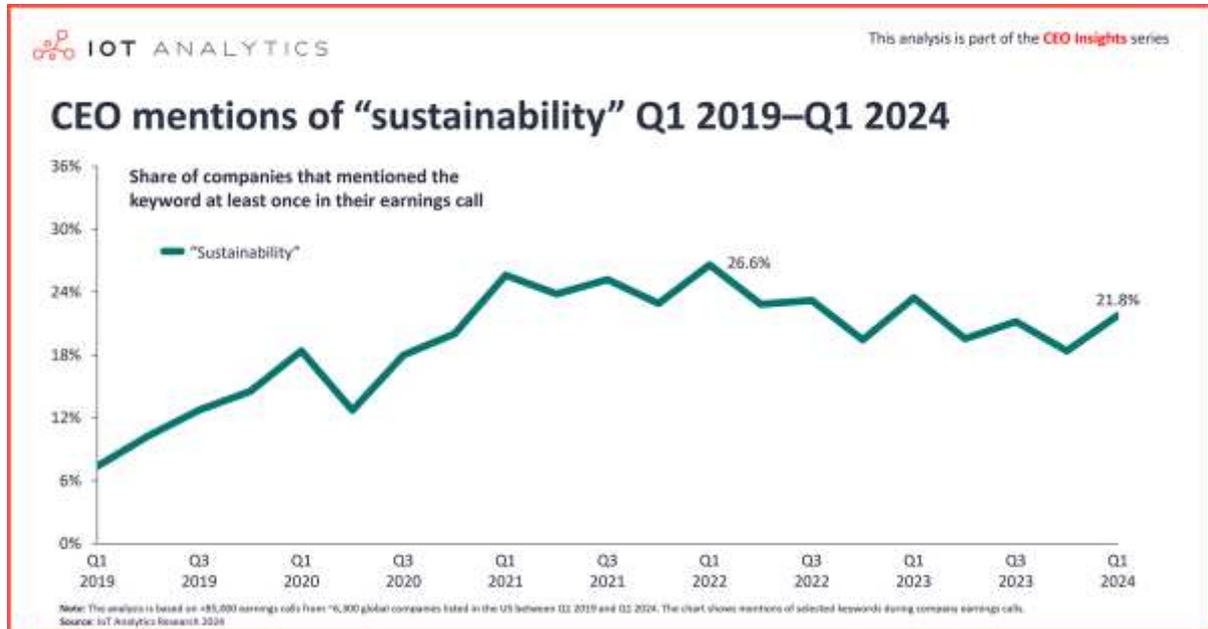
Wael Sawan – CEO, Shell plc, February 01, 2024

“We plan to train 100% of our IT talent in AI in FY 2025.”

Mohit Joshi – CEO, Tech Mahindra, January 24, 2024

Some executives discussed their LLM strategy quite in-depth. For example, US-based software and data company ZoomInfo’s president, David Travers, shared that the company is integrating LLMs agnostically. ZoomInfo developed its own LLM to support its operations but partnered with Anthropic to support its Copilot offering. It also leverages OpenAI’s ChatGPT in other aspects of its operations and offerings. Meanwhile, US-based business intelligence software and services provider MicroStrategy’s CEO, Phong Le, stated the company utilizes retrieval-augmented generation (RAG) to combine its data with OpenAI LLMs to support its flexible AI bot offering across industry verticals.

2. Sustainability



Sustainability had a resurgence in Q1 2024, climbing 18.5% QoQ to 21.8% of earnings calls. This follows a drop to its lowest point in two years in Q4 2023. Further, keywords related to sustainability also had significant gains:

- Energy efficiency: +50.4%QoQ to 3.2% of calls
- Renewable energy: +33.3% QoQ to 6% of calls
- Emission: +32.2% QoQ to 14.8% of calls

Since its peak in Q1 2022 at 26.6% of earnings calls, sustainability has generally hovered around 22% (± 4 percentage points) of earnings calls, indicating it remains a topic of interest to executives. In context to this, [February 2024 was the hottest February on record](#) and the 9th consecutive month of record-breaking monthly averages. While the share of companies discussing has not grown much in recent years, vendors that market sustainability-related products and services frequently point out the business value, such as Germany-based automation and digitalization company Siemens' CEO highlighting sustainability as a driver for business in almost every market.

Key quotes on sustainability

"Sustainability is a secular business driver in almost every market segment, such as electrification and renewables integration, energy efficiency, or safety in buildings, among others."

Roland Busch – CEO, Siemens AG, February 13, 2024

“We also installed solar panels providing an extra 2.4 megawatt peak power compared to last year, and [...] renewable energy community—the first ever energy community in Italy to be backed by an industrial company for the benefit of its local area.”

Benedetto Vigna – CEO, Ferrari N.V., February 1, 2024

3. Elections

2024 marks a year of elections in many countries and regions across the globe. Citizens of India, Indonesia, the EU parliament, the U.K., and the US are all scheduled to cast votes in upcoming elections this year—with Russia just having concluded its elections—and executives appear aware of this fact. The share of earnings calls mentioning election rose 28.4% QoQ to 17.2% of earnings calls. Notably, only 16.6% of companies based in North America discussed the upcoming elections, while companies in EMEA (19.2%) and APAC (22%) were much more likely to discuss the topic.

Elections in India (April–June 2024) and the European Union (June 2024) are coming up sooner than the presidential and congressional elections in the US, which are scheduled for November 2024. The analysis of earnings calls during the last presidential election gives a taste of what we can expect: 32% of all CEOs of North American earnings calls discussed the elections in Q4 2020. One keyword that had not been discussed for a while is rising strongly again: Trump. The keyword Trump rose 450% QoQ (though to only 0.8% of earnings calls).

Declining themes in Q1 2024

1. ChatGPT

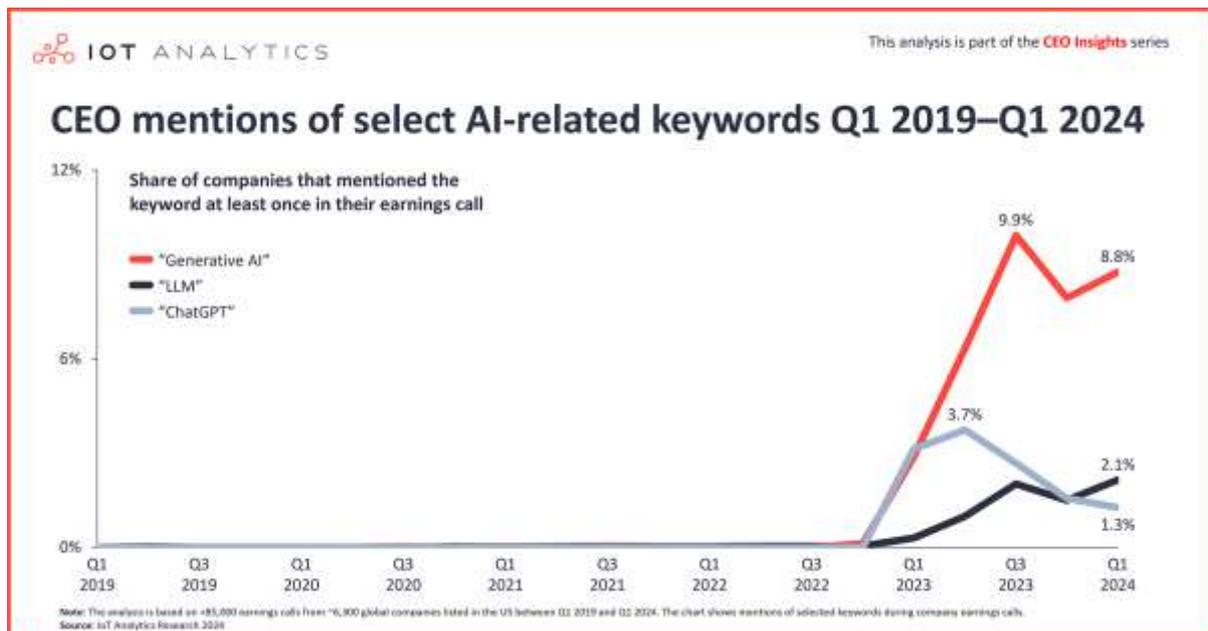
While GenAI and LLMs appear to be developing into their own distinct topic areas within earnings calls, ChatGPT has further declined (-19% QoQ) in its mentions and was the only tracked AI-related term that did so.

This does not mean ChatGPT's usage has declined. As of March 1, 2024, it had over [180 million users](#), and many companies have incorporated it into their operations. However, the release of ChatGPT and the availability of LLMs in easy-to-use web applications sparked new hype around AI in general. Now, as mentioned earlier, executives are moving past just ChatGPT and discussing broader AI with a focus on enterprise-grade projects and real-world use cases.

Key quote

“Last year was the year of AI talk. Now, the conversation will shift to more tangible things, shift features, successful deployments, [and] practical value.”

Matt Calkins – CEO, Appian, February 15, 2024



2. Recession and most other economic concerns

Mentions of recession declined 22.3% QoQ to 7% of earnings calls in Q1 2024, as executives appear to be easing on this concern. Uncertainty also dropped a fair amount (-10.7% QoQ), though it still appeared in a quarter of earnings calls.

Key quote on recession

“Even though we’ve got moderating economic growth, we are assuming an avoidance of a deep recession [...]”

Mike West – President of Moody’s Investor Service, Moody’s Corporation, February 13, 2024

Not all economic concerns have dropped, though. After a slight drop in Q4 2023, inflation bounced 7% QoQ to 47.6% of Q1 2024 earnings calls and remained the most discussed tracked topic. This comes as [inflation in the US was higher than economic forecasters had expected](#) in January and February 2024. A jump in gas prices largely fueled this bump, though grocery prices generally remained flat during this period.

Key quote on inflation

“The inflation has muted to a certain degree, but not gone away.”

Vimal Kapur – CEO, Honeywell, February 20, 2024

Mentions of interest rates also fell 7% QoQ to 35% of earnings calls, the second most-mentioned keyword we tracked. This is unsurprising, as the US Federal Reserve has held interest rates since July 2023. On March 20, 2024, the [Fed indicated it still expects to cut interest rates](#) three times in 2024, with the Federal Reserve Chair Jerome Powell adding that the surprising uptick in inflation in January and February 2024 had not changed the Fed’s picture of the economy: a cooling in inflation, though more gradual than previously expected.

3. War

War had the sharpest drop in executive mentions in Q1 2024, decreasing 28.7% to 5.8% of earnings calls. In Q4 2023, the Israel– Hamas war started, and the Russia–Ukraine war carried on, adding to geopolitical uncertainty during boardroom discussions. However, the decline in the mention of war indicates that most industries have not experienced operational disruptions from these conflicts, even as [Yemen’s Houthi rebels have conducted drone attacks on commercial vessels](#) in the Red Sea (with the first fatal attacks on March 6, 2024).

What it means for CEOs

5 key questions that CEOs should ask themselves based on the insights in this article:

1. Sustainability: Given the increasing focus on sustainability, energy efficiency, and emissions in earnings calls, how are we tracking against our own emissions and energy savings goals, and what new sustainability initiatives should we implement or enhance?
2. Elections: How might the upcoming elections in the US, India, Indonesia, and the UK—and related global political shifts—impact our business, and what strategies should we develop to mitigate potential risks?
3. Recession and economy: How should we adjust our financial planning and strategies in response to ongoing muted business confidence, muted global GDP growth for 2024 and 2025, and declining concerns about recession and the current economic landscape by peers?
4. AI: As companies ramp up AI efforts (specifically generative AI), does our company have the necessary infrastructure, talent, and data to test and implement AI solutions effectively? Do we know where AI technologies add the most value to your company and might help us differentiate from our competition?
5. Labor market: Given rising inflation and ongoing skill gaps, how can we ensure our salary structure is competitive enough to attract top talent while also being sustainable for our business?

What it means for those serving CEOs

5 key questions that those serving CEOs should ask themselves based on the insights in this article:

1. Strategic alignment: How can I ensure that our company's strategy aligns with the current trends in AI, sustainability, and political climates, especially considering their growing importance in corporate discussions?
2. Competitive analysis: What are our competitors doing regarding AI and sustainability initiatives, and how can we differentiate ourselves or learn from their approaches?
3. Risk management: What potential risks (e.g., market changes, regulatory developments, geopolitical issues) should I monitor that could impact our business strategy and operations?
4. Training and development: What training or development programs should we consider to enhance our team's understanding and capabilities in AI and sustainability?
5. Long-term vision: How does the current focus on AI, sustainability, and the political landscape influence our long-term business vision and strategy?

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About IoT Analytics

IoT Analytics, founded and operating out of Germany, is a leading global provider of market insights and strategic business intelligence for the IoT, AI, Cloud, Edge, and Industry 4.0.

Our key workstreams across the tech stack include IoT applications, IoT platforms and software, IoT connectivity and hardware, and industrial IoT.

We are trusted by 1000+ leading companies around the world for our market insights, including globally leading software, telecommunications, consulting, semiconductor, and industrial players.

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