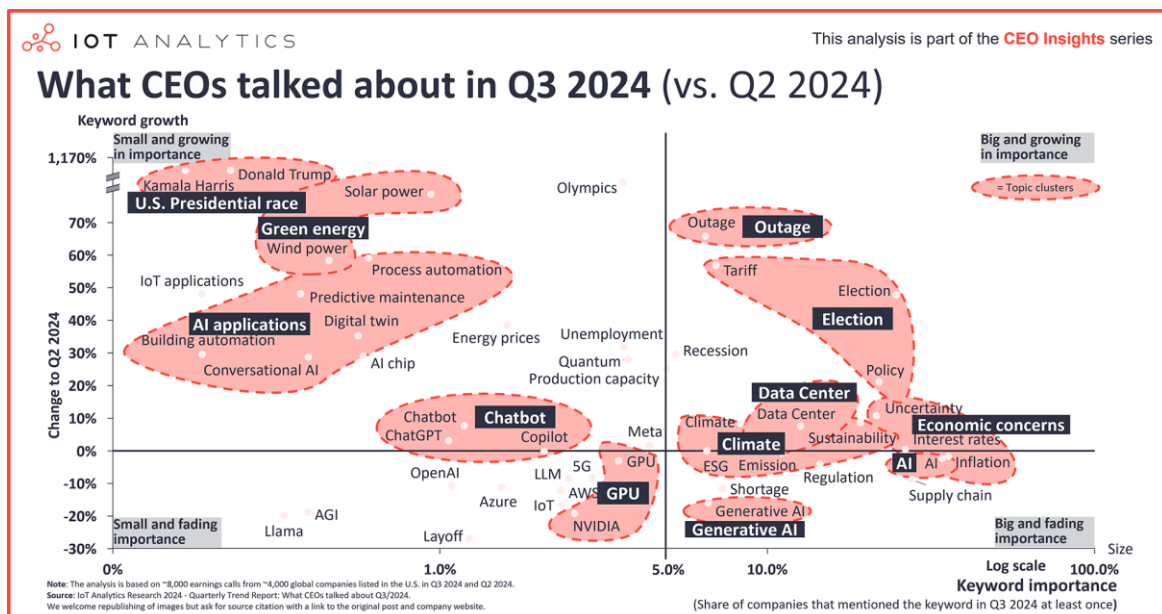


FOR IMMEDIATE RELEASE

What CEOs talked about in Q3 2024: Practical AI applications, renewable energy sources, and unpredictable IT outages



[Hamburg, Germany] – [October 01, 2024] – IoT Analytics released the Q3/2024 results of their quarterly company earnings call analysis. This analysis is based on a comprehensive dataset of over 8,000 earnings calls from ~4,000 global companies listed in the U.S. in Q3 2024 and Q2 2024. CEO discussions are increasingly focused on practical AI applications, renewable energy sources, unpredictable IT outages, and election-related topics, while mentions of generative AI, NVIDIA, and the cloud have decreased.

KEY INSIGHTS

- According to the latest “[What CEOs talked about](#)” report, four themes gained noticeable traction in Q3 2024: 1) practical AI applications, 2) renewable energy sources, 3) unpredictable IT outages, and 4) election-related topics.

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- Discussions regarding AI slightly declined; however, there is a noticeable shift toward discussions about specific AI applications, such as process automation, predictive maintenance, and digital twins.
 - Renewable energy sources climbed in mentions, as did discussions around IT outages and the upcoming US election (including candidates).
 - Generative AI, NVIDIA, and the cloud all see drops in their mentions.

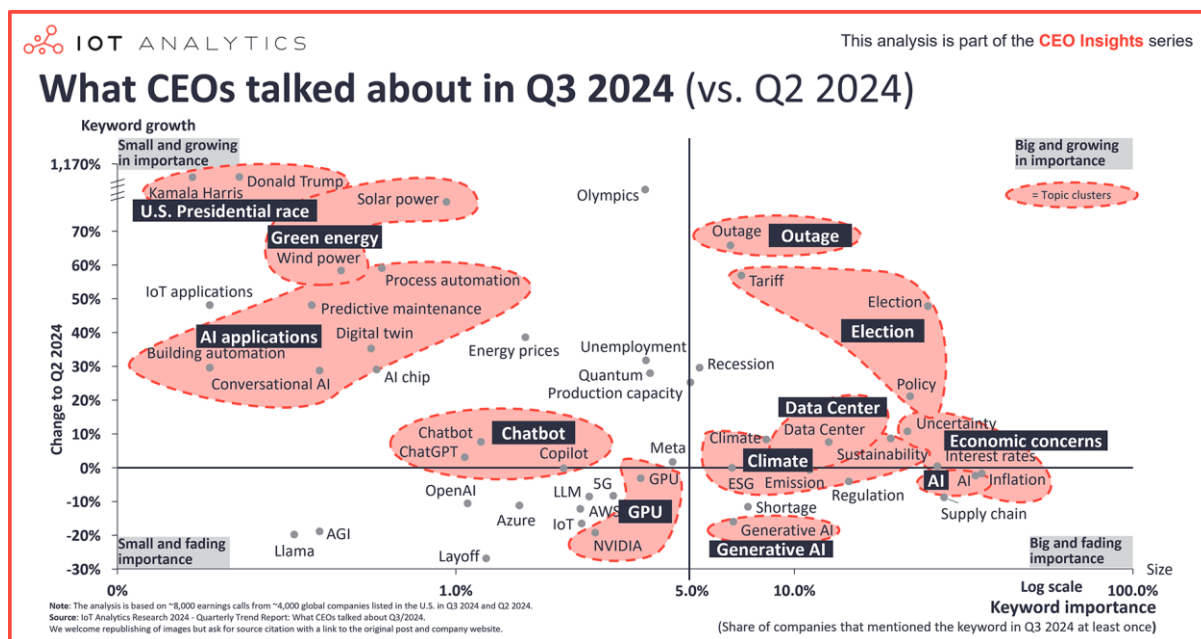
SELECT QUOTES

Knud Lasse Lueth, CEO at IoT Analytics, comments that "In Q3 2024, we observed a notable shift in CEO discussions toward AI applications, renewable energy, IT resilience, and the upcoming U.S. elections. Despite this shift, economic concerns remained the most discussed theme overall. Historically, changes in CEO discussion themes have been indicators of shifts in sentiment and corporate investment behavior. I expect these emerging topics to play a more prominent role in corporate decision-making moving forward."

Philipp Wegner, Principal Analyst at IoT Analytics, adds that "AI might have been mentioned slightly less in Q3 2024 but it is still the key technology that executives discuss. More and more CEOs talk about concrete use cases rather than AI in general."

[The full research article is attached below]

What CEOs talked about in Q3 2024: Practical AI applications, renewable energy sources, and unpredictable IT outages



The big picture

CEOs' economic concerns remained similar to Q2 2024. According to IoT Analytics' "What CEOs talked about" report for Q3 2024, CEO discussions related to economic concerns have generally leveled off or decreased in importance quarter-over-quarter (QoQ). There was little change in the number of discussions around **interest rates**—still at ~27%—while **inflation** dropped 1.9% QoQ to 35.8%.

Meanwhile, discussions regarding **recession** significantly climbed 29.5% QoQ to 5.3% of calls. CEO feelings about a recession appeared mixed, as many saw the risk of **global recession** as lower, while many others shared concerns about **industrial recession** or country-specific recession, such as in China or Germany.

Global GDP growth expected for next few years. The Organization for Economic Cooperation and Development (OECD) forecasts global GDP to grow by 3.1% in 2024 and 3.2% in 2025. Notable growth projections include:

- **India** -6.7% in 2024; 6.8% in 2025

- **China** -4.9% in 2024; 4.5% in 2025
- **US** -3.2% in 2024; 1.6% in 2025
- **Euro area** - 0.7% in 2024; 1.3% in 2025
- **Argentina** - minus 4.0% in 2024; 3.9% in 2025

Inflation trending downward in many areas. In August 2024, US consumer prices fell to their slowest rise since February 2021 at 2.5%. The Euro area has also seen lower inflation rates in August, reaching an annual rate of 2.2% compared to 2.6% in July 2024. China, which has struggled with depressionary pressure after muted economic growth in 2023, reported that its consumer price index rose 0.6% year-on-year (YoY) in August 2024.

Interest rates dropping, though investors remain wary. In response to the lower inflation rate, the US Federal Reserve made the long-awaited decision to lower its benchmark interest rate by half a percentage point on 18 September 2024, bringing it to its lowest level since March 2023. The forecasted US economic growth slowdown and a weakening labor market appeared to play heavily in the high cut made by the Fed. Meanwhile, the People's Bank of China also cut rates by 0.5 percentage points in late 2024 and signaled it would follow up with further cuts to help spur its sluggish economy.

Key CEO quote on the macroenvironment

"After a break in progress, **inflation** now appears back on a downward trajectory."

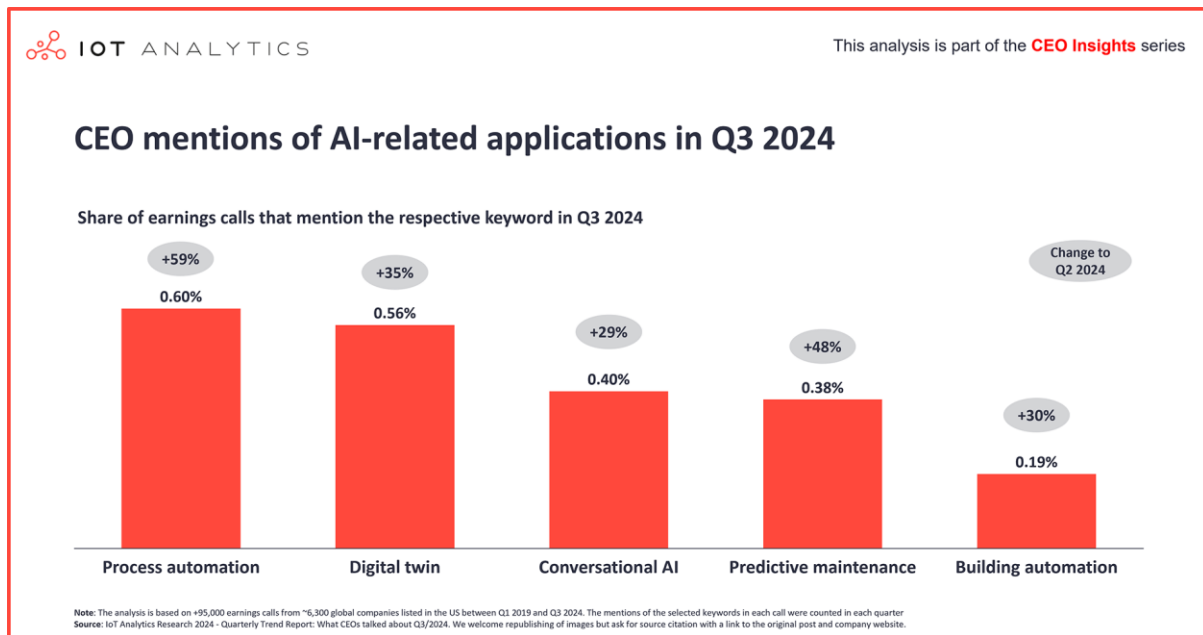
- Jane Fraser, CEO, Citigroup Inc., July 12, 2024

"We've seen what I call industrial **recession**."

- Sanjiv Lamba, CEO, **Linde plc**, August 7, 2024

Key rising themes in Q3

1. Practical AI applications



Increased interest in applications for AI. In Q3 2024, CEOs discussed using AI and automation to streamline processes at a higher rate than quarters before. Some of the key AI-related use cases mentioned in this regard are:

- **Process automation** – Up 59% QoQ to ~0.6% of earnings calls
- **Digital twin** – Up 35% QoQ to ~0.6% of earnings calls
- **Conversational AI** – Up 28.6% QoQ to ~0.4% of earnings calls
- **Predictive maintenance** – Up 48% QoQ to ~0.4% of earnings calls
- **Building automation** – Up 29.5% QoQ to ~0.2% of earnings calls

The rise in discussions about AI applications indicates that companies are looking to improve business outcomes.

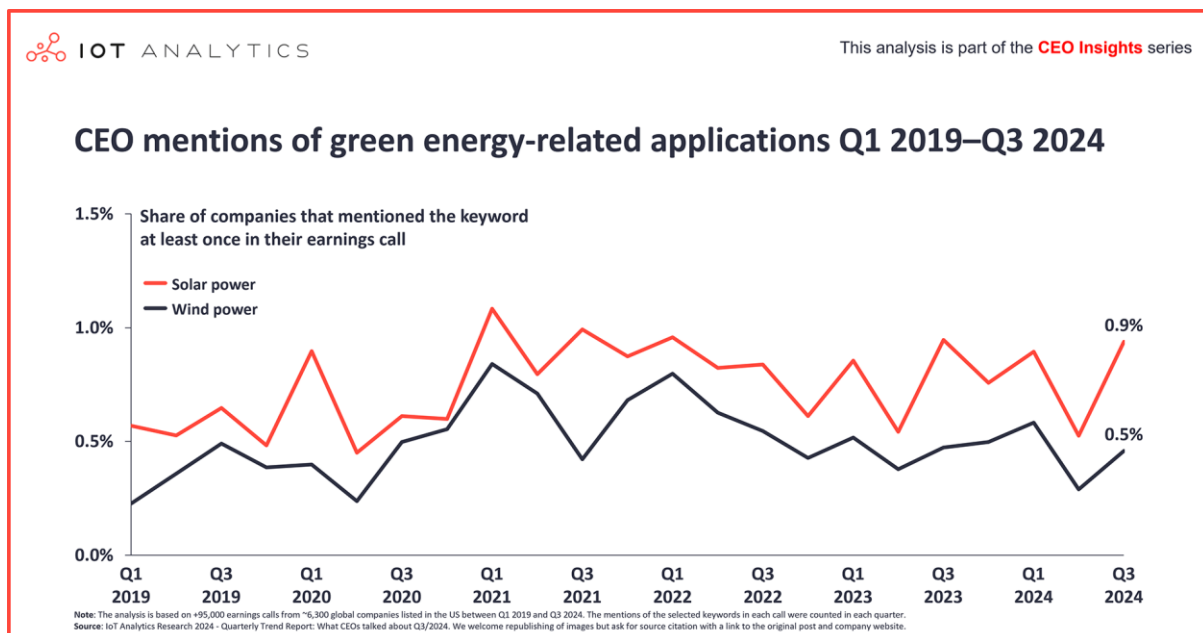
Note: IoT Analytics plans to publish a report on industrial AI in Q4 2024. Those interested in accessing these reports when they are released can sign up for IoT Analytics' IoT Research Newsletter at the top right of this article to receive updates on the release of these and other reports.

Key CEO quote on practical AI applications

“For large enterprise clients, they look at work streams like invoice processing, invoice accuracy, the types of things that are both ingested via scanning and things that are printed, PDFs and their formats, and all the handling of all of that robotic process automation and all the types of advancements in that space is just helping clients be much more efficient.”

– John Bruno, COO, **Xerox Holdings Corporation**, July 25, 2024

2. Renewable energy sources



Renewables experienced significant rise, though with regional disparity. In Q3 2024, green energy topics rose significantly in mentions. Discussions around **solar power** climbed 78.6% QoQ to ~1% of earnings calls, while **wind power** rose 58.3% QoQ to ~0.5%. Relating to these topics, **energy prices** also climbed 38% QoQ to 1.6% earnings calls, providing some indication as to why mentions of these renewable energy topics rose.

These topics did not experience growth evenly worldwide, however. Asia-Pacific (APAC) companies discussed **wind power** in 1.6% (+306% QoQ) of their calls, while European, Middle Eastern, and African (EMEA) companies discussed it in 1.2% (+92% QoQ) of their calls. In contrast, North America was the only region with fewer mentions of **wind power** QoQ, down 47% to 0.12% of calls. Regarding **solar power**, EMEA companies discussed it in 1.52% (+886%) of earnings calls, APAC companies in 1.56% (+103%) of calls, and North American companies in 0.61% (+13% QoQ).

General climate-related keywords remain fairly steady QoQ. Compared to renewables, global boardroom discussions regarding general climate- and sustainability-related topics were relatively unchanged QoQ:

- **Sustainability** – Rose 8.5% QoQ to 19.3% of calls
- **Emission** – Declined 0.7% QoQ to 11.1% of calls
- **Climate** – Rose 8.3% QoQ to 8.3% of calls
- **ESG** – Declined 0.2% QoQ to 6.5% of calls

Key CEO quotes on renewables

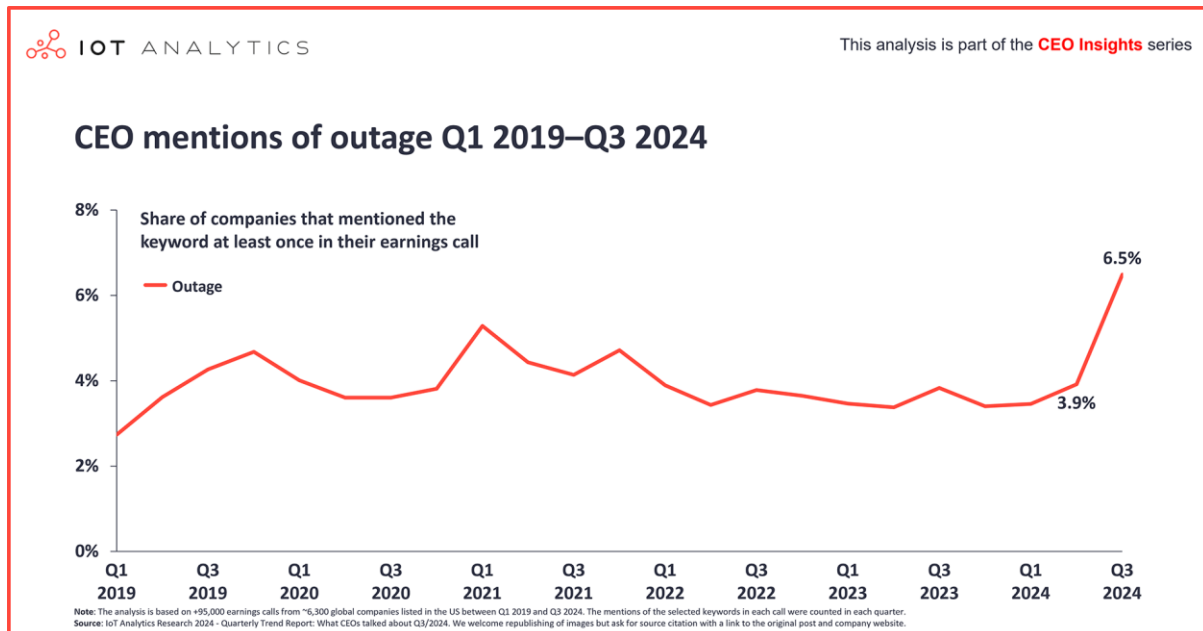
“Continue to progress our sustainability agenda, and recent notable highlights include the extension and for higher volume of a **solar power** purchase agreement to 2030 will cover up to 40% of German demand needs.”

– Oliver Graham, CEO, **Ardagh Metal Packaging S.A.**, July 25, 2024

“On current estimates, China will add 250 gigawatts of new wind and solar power capacities just this year.”

– Chiang Tung Keung, CEO, **CLP Holdings Ltd**, August 05, 2024

3. Unpredictable IT outages



CrowdStrike/Microsoft outage generate discussion around ways to avoid system failures. Corporate executives discussed IT-related **outages** in 6.5% of earnings calls, a 65.7% rise QoQ. Spurring this discussion was the July 2024 worldwide IT systems crash affecting **Microsoft** Windows, caused by a faulty update pushed by US cybersecurity company **CrowdStrike**. Traditionally, companies worry about cyber attacks from nefarious sources; however, with this threat coming from inside the house, corporate leaders appear to be considering the essentiality of their IT systems, the impacts of not only cyberattacks but also catastrophic mistakes, and what preparation is needed for quick responses to such events.

Key CEO quotes on outages

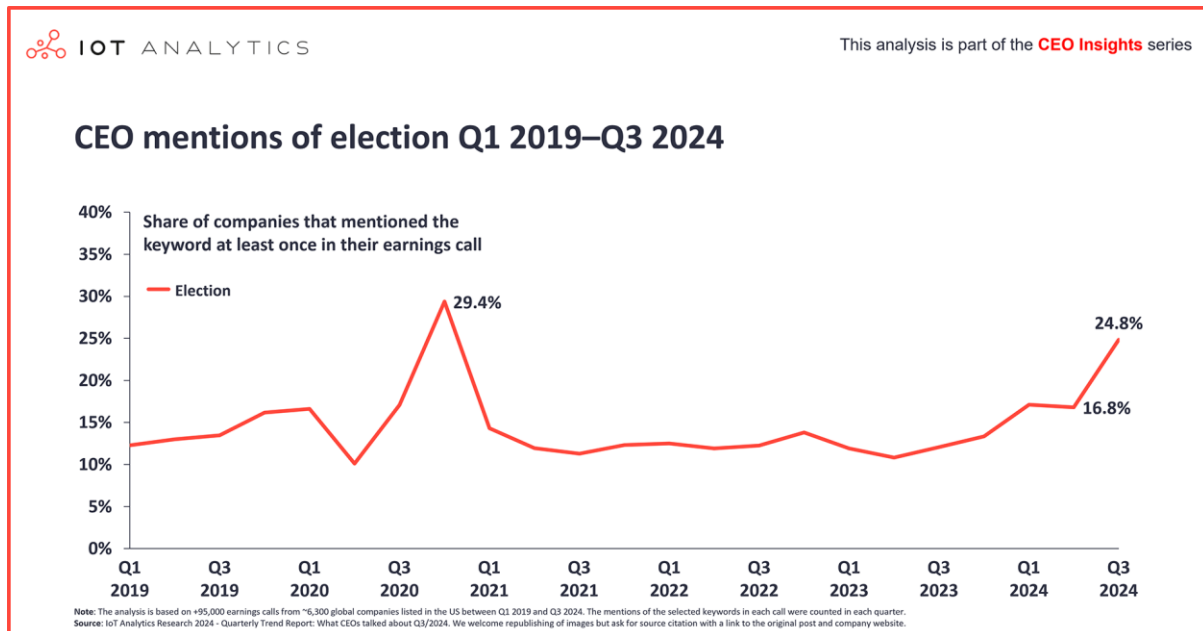
“Certainly, the focus has historically been on kind of malicious intent on a cyber hack, but certainly a system **outage** not driven by a cyber assault does create a new form of risk exposure. That’s always been there, honestly, but maybe now is at the front of mind as people look to see the type of cover that they have.”

– Eric Anderson, CEO, **Aon Plc**, July 26, 2024

“So the importance of mission criticality has gone up significantly since the **outage** that was caused by CrowdStrike.”

– Jay Chaudhry, CEO, **Zscaler**, September 03, 2024

4. Elections and policy



Election discussions are heating up. The US presidential race on November 5th is soon upon us, and with it, a steep climb in discussions around it. General mentions of **election** rose 47.7% QoQ to 24.8%, and though **Doland Trump** has had mentions in a small number of earnings calls throughout 2024, **Kamala Harris**'s sudden entry into the race put specific mentions of her in some boardroom discussions as well.

Policy at the forefront of CEO minds this election season. While specific mentions of the candidates were a very small portion of earnings calls, the impact they could have on policy was more prevalent. Discussions regarding **policy** in general rose 21% QoQ to 22% of earnings calls, and **tariff** discussions rose 56.7% QoQ to 7% of calls.

Key CEO quotes on the election and policy

"Now the entry of Kamala Harris into the presidential race and the high level of fundraising for both Harris and Donald Trump is resulting in new dollars spent with us."

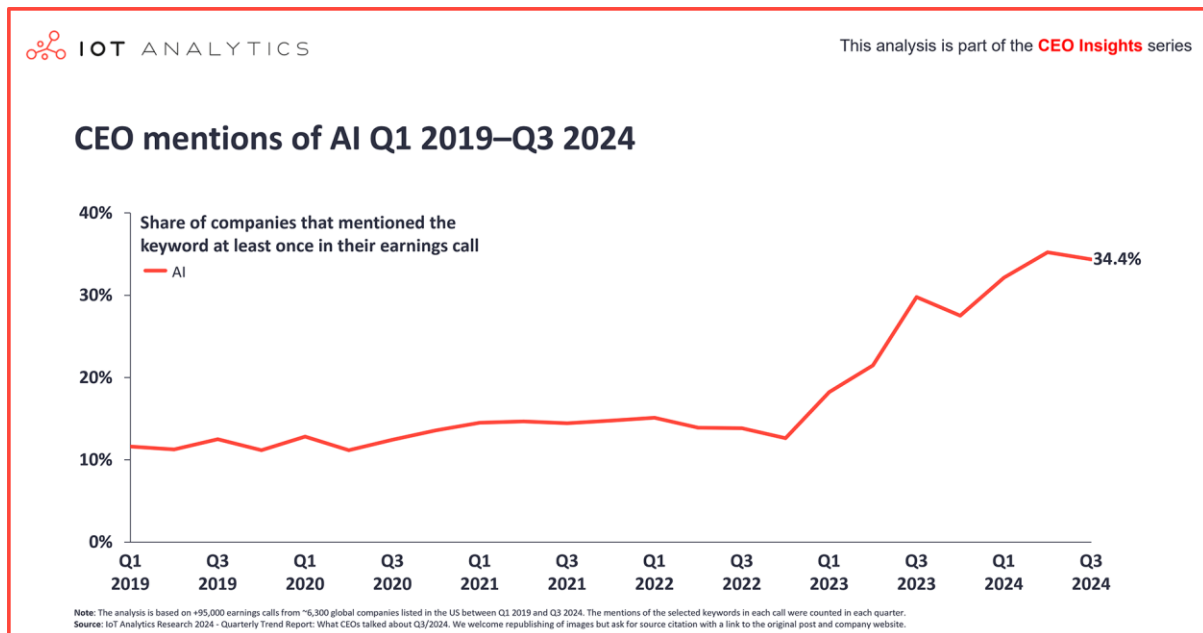
– Adam P. Symson, CEO, **The E.W. Scripps Co.**, September 8, 2024

"We could be seeing some pulling forward of demand, most notably in North America, with the US election in November and the uncertainty about future import tariffs."

– Vincent Clerc, CEO, **A.P. Moller – Maersk**, August 10, 2024

Declining themes in Q3

AI and generative AI

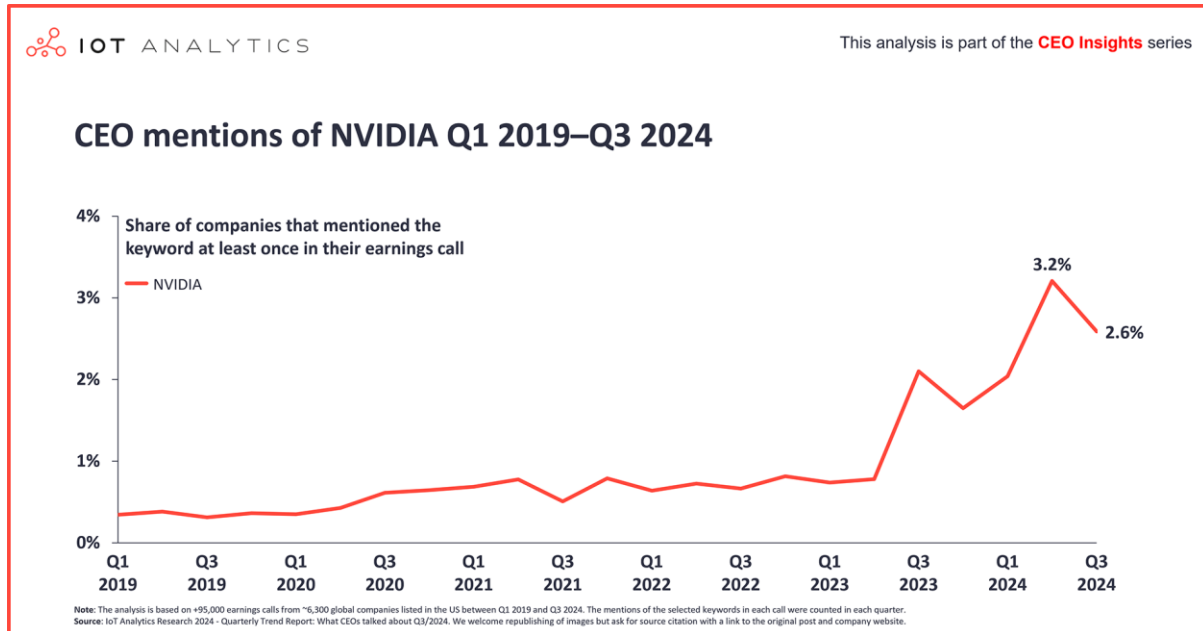


Generative AI (GenAI) continues decline in mentions. CEO discussions regarding **GenAI** dropped 16% QoQ to 6.6% of earnings calls—the 2nd consecutive quarter for such decline. Noteworthy in this is that for the first time since entering the scene in Q4 2022, **ChatGPT** experienced growth in discussions while **GenAI** declined; however, **ChatGPT** was only mentioned in 1% of calls (+3% QoQ)—still lower than **GenAI** mentions.

General AI discussions dip compared to Q2 2024. General **AI** discussions dropped 2.4% QoQ to 34.4% of earnings calls. That said, it should be noted that similar to IoT Analytics' [Q2 2024 coverage](#), **AI** was the second most discussed topic, and it inched closer to surpassing discussions about inflation compared to Q2 2024.

Note: IoT Analytics plans to publish a report on generative AI in Q4 2024. Those interested in accessing these reports when they are released can sign up for IoT Analytics' IoT Research Newsletter at the top right of this article to receive updates on the release of these and other reports. In December 2023, IoT Analytics published its 154-page [Generative AI Market Report 2023–2030](#), which shares market data, forecasts, trends, and key players.

NVIDIA and GPUs



GPUs and their largest producer, NVIDIA, less important to CEOs in Q3 2024. US-based chips and semiconductor manufacturer **NVIDIA**—the world’s leading data center GPU producer—declined 19.5% QoQ to 2.6% of earnings calls, and mentions of **GPU** also dropped 3.2% QoQ to 3.5% of earnings calls. However, executives emphasized **NVIDIA**’s critical role in their companies’ AI strategies, particularly for high-performance computing needs. There are growing worries about the availability of **GPUs** and escalating costs.

“I guess I’m quite concerned about actually being able to get state-of-the-art **NVIDIA GPUs** when we want them.”

– Elon Musk, CEO, **Tesla**, July 24, 2024

“We are going to buy more and more GPUs.”

– Eric Yuan, CEO, **Zoom Video Communications, Inc.**, August 21, 2024

Cloud providers

Cloud providers see drops in mentions. Mentions of two major cloud providers, **AWS** and **Azure**, decreased in Q3 2024. **AWS** fell 12.3% QoQ to 2.3% of calls, while **Azure** dropped 11.3% QoQ to 1.5%.

What it means for CEOs

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

1. **AI applications:** Are we adequately exploring practical AI applications like process automation, predictive maintenance, and digital twins within our organization? How can these enhance our operational efficiency and reduce costs?
2. **Renewable energy:** How is our company leveraging renewable energy sources, such as solar and wind power, to reduce our environmental footprint and meet regulatory or market-driven sustainability goals?
3. **IT outages:** Do we have sufficient disaster recovery and response plans to mitigate the impact of unpredictable IT outages from both external cyberattacks and internal operational errors?
4. **Economic outlook:** Given the mixed sentiments on recession and economic growth forecasts, how are we preparing for potential downturns, especially in key markets like China or Germany?
5. **Election influence:** With the US election on the horizon, how could potential changes in policy, tariffs, and government spending affect our business operations and strategy?

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. **AI integration:** Are we staying informed on the latest AI advancements, and have we evaluated whether AI use cases such as automation and predictive maintenance could improve efficiency in specific departments?
2. **Sustainability initiatives:** Are our sustainability goals aligned with the growing importance of renewable energy sources, and have we considered updating our reporting or project strategies to reflect this focus?
3. **IT resilience:** What steps are we taking to ensure IT resilience in the face of increasing discussions around unpredictable IT outages? Is there any gap in our current IT infrastructure that requires immediate attention?
4. **Economic forecasts:** Should we present an updated analysis of how recession concerns, inflation, and interest rate changes may impact our current projects or long-term strategy?

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5. **Election and policy:** How do we anticipate the outcome of the upcoming US election will affect key areas of our business, and have we prepared any scenario planning based on potential policy changes?

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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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