



Making AI capabilities real through demos and stories

2024 Global Financial Reporting and Valuation Conference

—

December 10 | Fontainebleau Miami Beach, Florida

Agenda

01

The future of Accounting through an Intelligent Close

02

The future of FP&A through Intelligent Planning and Forecasting

03

The future of Finance through a corporate platform using OneStream

With you today



Michael Kokotajlo

Partner, Advisory – KPMG US



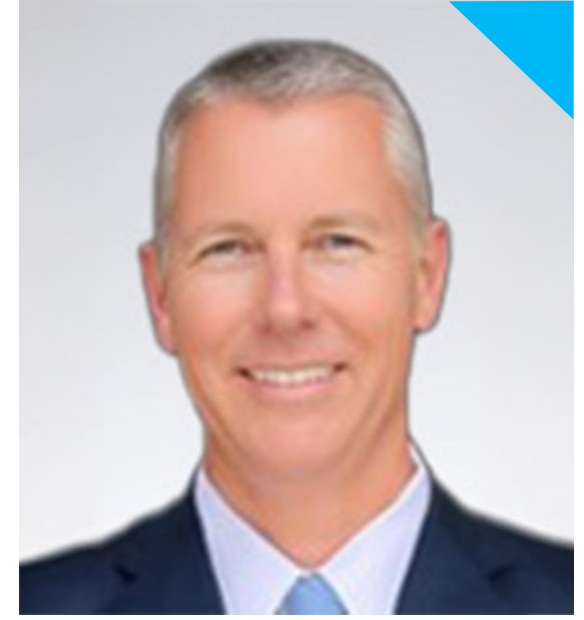
John Whalen

Managing Director, Advisory –
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Director, Advisory – KPMG US



Scott Leshinski

EVP, AI and Operational
Analytics – OneStream

Agenda

01

The future of Accounting through an Intelligent Close

The foundation for an Intelligent Close

Intelligent Close

An Intelligent Close leverages digital enablement, classical AI, and generative AI (GenAI), capabilities to drive efficiency and innovation, *revolutionizing the financial close.*

Trusted transactions



Ensures your transactional data is accurate and secure and can lead to strategic insights that can be delivered to key stakeholders to drive business strategies, enable business growth and reduce risk.

Real-time reporting



Persona-driven tailored analytics across the AI-enabled spectrum from intuitive dashboards and visualizations through to AI-enabled analytics, predictions, and recommendations.

Autonomous accounting



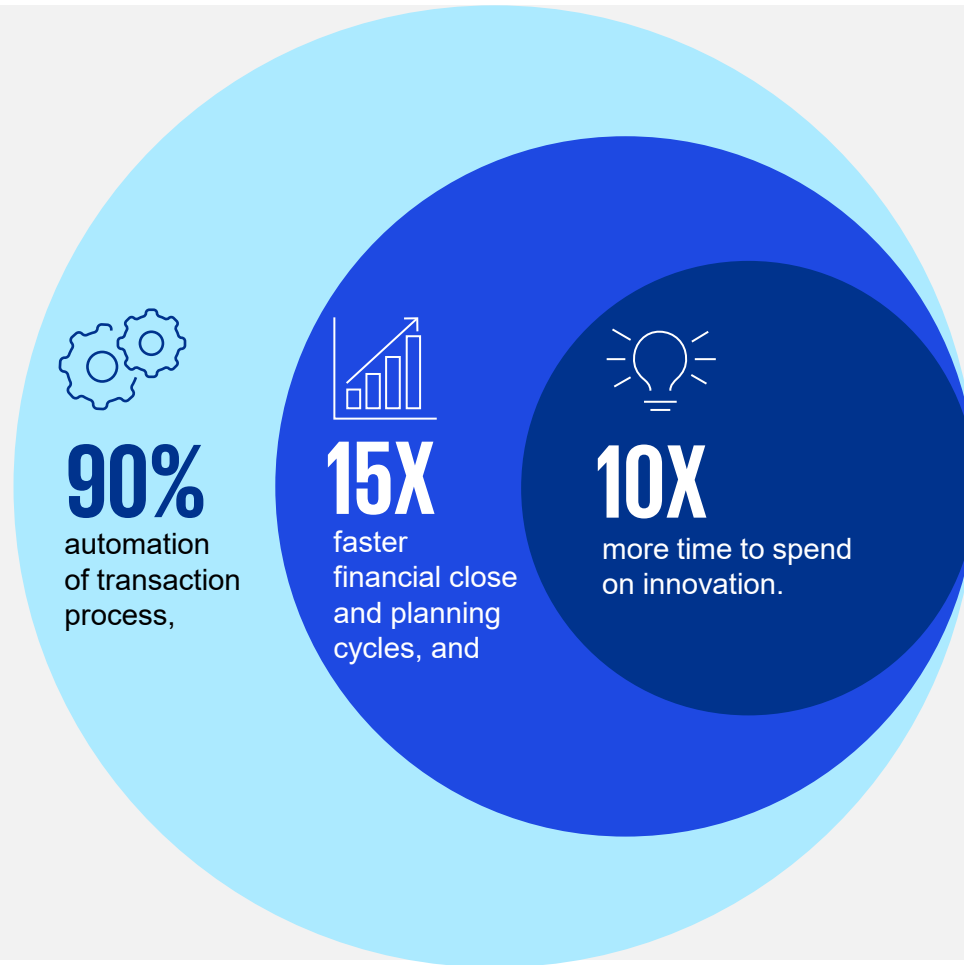
Leverages enabling technologies, exception-based methodologies, and integrated end-to-end processes to shorten close-time cycles and drive operational and financial efficiencies.

Modern Workforce



Transcends traditional accounting, evolving into strategic centers of excellence (COE), with innovative financial experts who embrace digital tools, agile methodologies, and a growth mindset.

Why strive for an Intelligent Close?

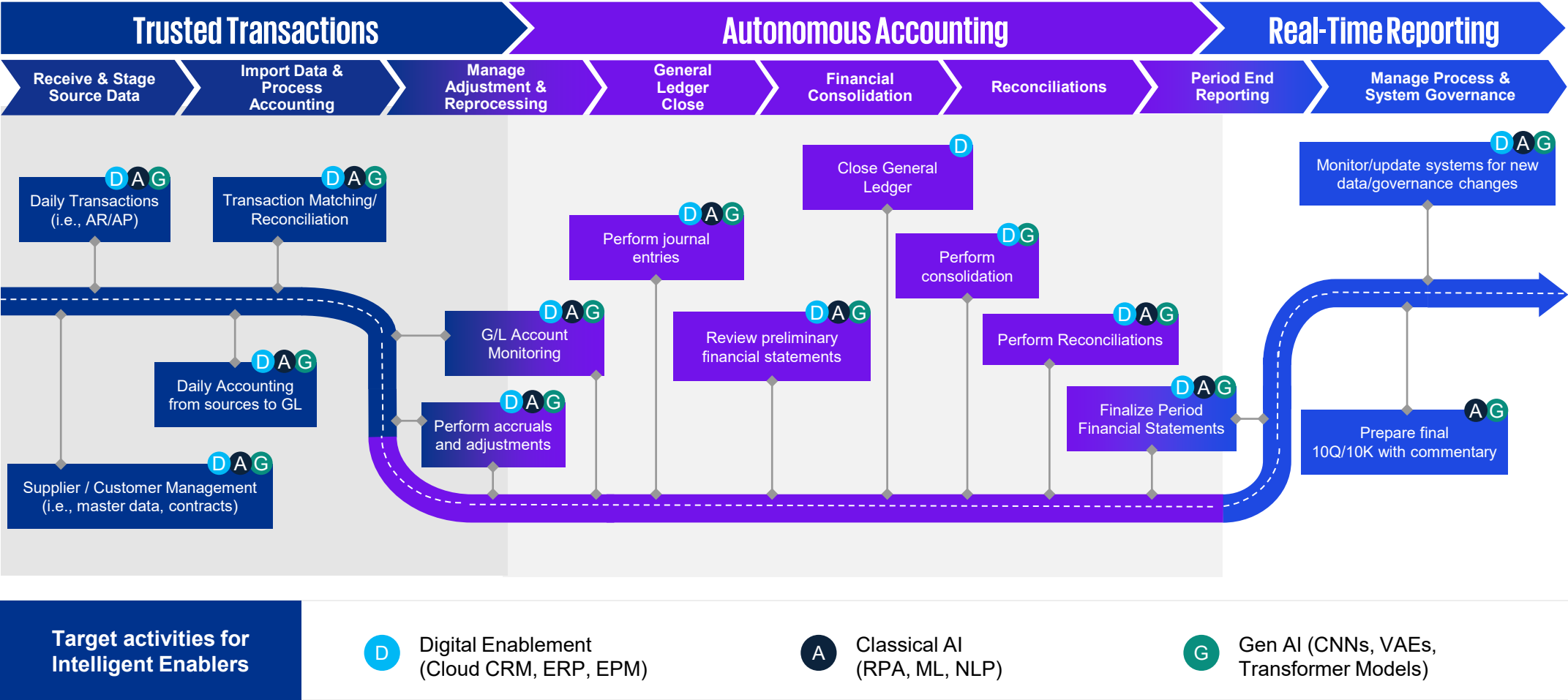


Source: KPMG Generative AI Survey, March 2023; KPMG Generative AI Survey, June 2023; KPMG AI Labor Shortage Survey, May 2022



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Starting your close from the transaction



Agenda

02

The future of FP&A through Intelligent Planning and Forecasting

Intelligent Forecasting Solution Overview

Intelligent forecasting is a customizable solution for companies to embrace data-driven planning, which is integrated into your existing process and systems to provide more automated and accurate forecasts.

Components

Advanced predictive techniques

Various techniques are rapidly tested to help predict specific business unit(s) and P&L line(s) in scope.



Better data and signals

Incorporate external data and signals from KPMG Signals Repository along with internal financial or operational drivers to add context and predictive power.



Forecast customization

Create specific forecasts by P&L line item, time interval, geographic region, product line, brand, customer, or channel – so they're specific for your company.



Continuous learning & evolution

Incorporation of a feedback loop that retrain the models with updated financial results and signals to generate more accurate forecasts over time.



Business Value

Accuracy

40%+

increase in forecast accuracy
(reduction in error versus actuals)



Cost

20–30%

savings in labor costs for the
monthly planning process



Speed

2–4 weeks

improvement in cycle time to
receive initial forecast results



Insights

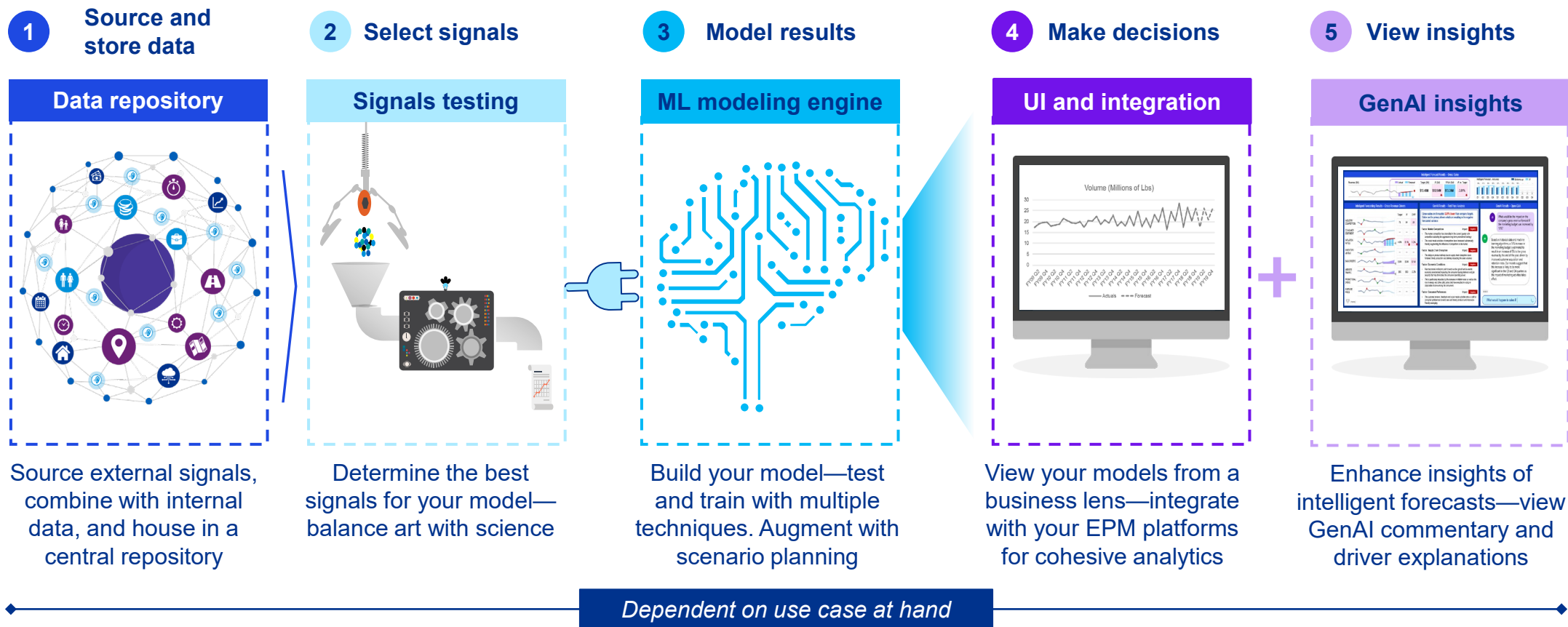
10+

new signals included in forecasts and scenarios

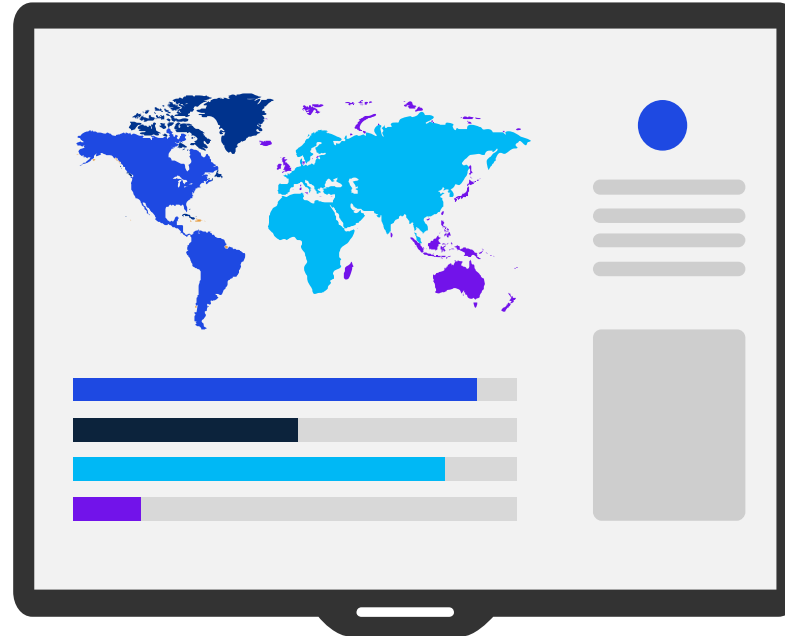


What is intelligent forecasting

When exploring intelligent forecasting capabilities, there are four main components, spanning from design to deployment. All must be carefully considered and tightly integrated to unlock the full value to your organization.



Intelligent Forecasting demo



Intelligent Forecasting in action across industries

Industry		Company	Revenue (USD)	Forecast Type
 Consumer & Retail	1	Major consumer goods producer	\$12B	Corporate earnings & gross margin
	2	Global quick serve restaurant (QSR) chain	\$980M	New store revenue
	3	Sporting event production company	\$1.3B	Event attendance and revenue
	4	Consumer food products manufacturer	\$10B	Leading indicator analysis
	5	Fashion retailer	\$1.5B	Sales forecast (online and in-store)
 Healthcare & Life Sciences	6	Healthcare products distributor	\$12B	Product line revenue
	7	Global life sciences company	\$40B	Gross margin by product category
	8	Pharmaceutical & biotech company	\$50B	Volume for key product category
 Industrial Mfg.	9	Global consumer products (paint) company	\$22.1B	Corporate revenue, COGS, margin
	10	Construction products leasing company	\$20B	Inventory forecast and optimization
	11	Global chemical manufacturer	\$6B	Global & US product demand
 Technology, Media & Telecom	12	Global wireless service provider	\$30B	Customer churn
	13	Defense technology services provider	\$14B	Service line operating income (revenue, COGS, SG&A)
	14	Marketing solutions company	\$3B	Short-term EBITDA

Industry		Company	Revenue (USD)	Forecast Type
 Technology, Media & Telecom	15	Global enterprise technology products	\$28.1B	Global enterprise technology products
	16	B2B technology retailer	\$20B	Bottoms up profit margin
	17	International print supplies manufacturer	\$63B	International print supplies manufacturer
	18	Leading internet services company	\$280B	PO and cost forecasting platform
 Energy & Natural Resources	19	Global telecommunications company	\$125B	Project cost forecasting
	20	Theme park operator	\$7B	Revenue, volume and pricing
	21	Oil and gas company	\$160B	Revenue by service line
 Financial Services	22	Major US banking institution	\$23B	Customer cash flow forecasting
	23	National credit card provider	\$23B	Credit card transactions, fee revenue
	24	International money transfer company	\$4B	Transaction volume and revenue
	25	Professional services firm	\$35B	Revenue by function and industry
	26	Asset management company	\$8B	Leading indicator analysis
	27	Multinational industrial conglomerate	\$75B	Commodity price forecasts
	28	State Department of Medical Assistance	n/a	Impatient hospital claims
 State & Local				

Proven Success Improving Forecast Accuracy

Sample of recent client projects highlighting improvements to legacy model accuracy

Client	Forecast type	Forecast Horizon	Accuracy Achieved*	Improvement**
Technology company	Group-level Revenue	18 months	96.2%	54.7%
	Group-level Operating Income	18 months	84.9%	33.6%
CPG food company	Brand-level gross margin	1 year	96.4%	52.6%
	Corporate earnings	9 months	91.0%	29.1%
Life sciences	Equipment revenue	1 year	96.7%	52.9%
	Merchandise revenue	1 year	98.8%	20.0%
Chemical company	Global product market demand	1 year	98.7%	69.8%
	Global product market demand	5 years	97.6%	54.7%
Money transfer institution	Country transaction volume (Retail)	12 months	96.9%	57.5%
	Country transaction volume (Digital)	12 months	93.8%	62.0%
Major credit card issuer	Credit card revenue (daily)	1 year	93.5%	38.5%
	Credit card revenue (monthly)	12 months	98.1%	30.0%



* Accuracy measure as Mean Absolute Percentage Error (MAPE), and calculated over a rolling window test period – typically 12 – 24 months

** Improvement calculated as a percentage reduction in MAPE based on average MAPE of client's legacy process compared to new Accuracy



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Agenda

03

The future of Finance through a corporate platform using OneStream

Agenda

- 1 OneStream Overview
- 2 OneStream's Sensible ML Planning & Forecasting
- 3 Customer Examples
- 4 How to Take Action!!!
- 5 Q&A

Take
Finance
Further.

OneStream

The Operating System for Modern Finance

OneStream is the AI-powered platform for the Office of Finance, so you close faster, plan more effectively, and Take Finance Further.

1,500 Customers
IN OVER 40 COUNTRIES
Up 21% YoY

\$500M+
37% YOY GROWTH
ARR growth

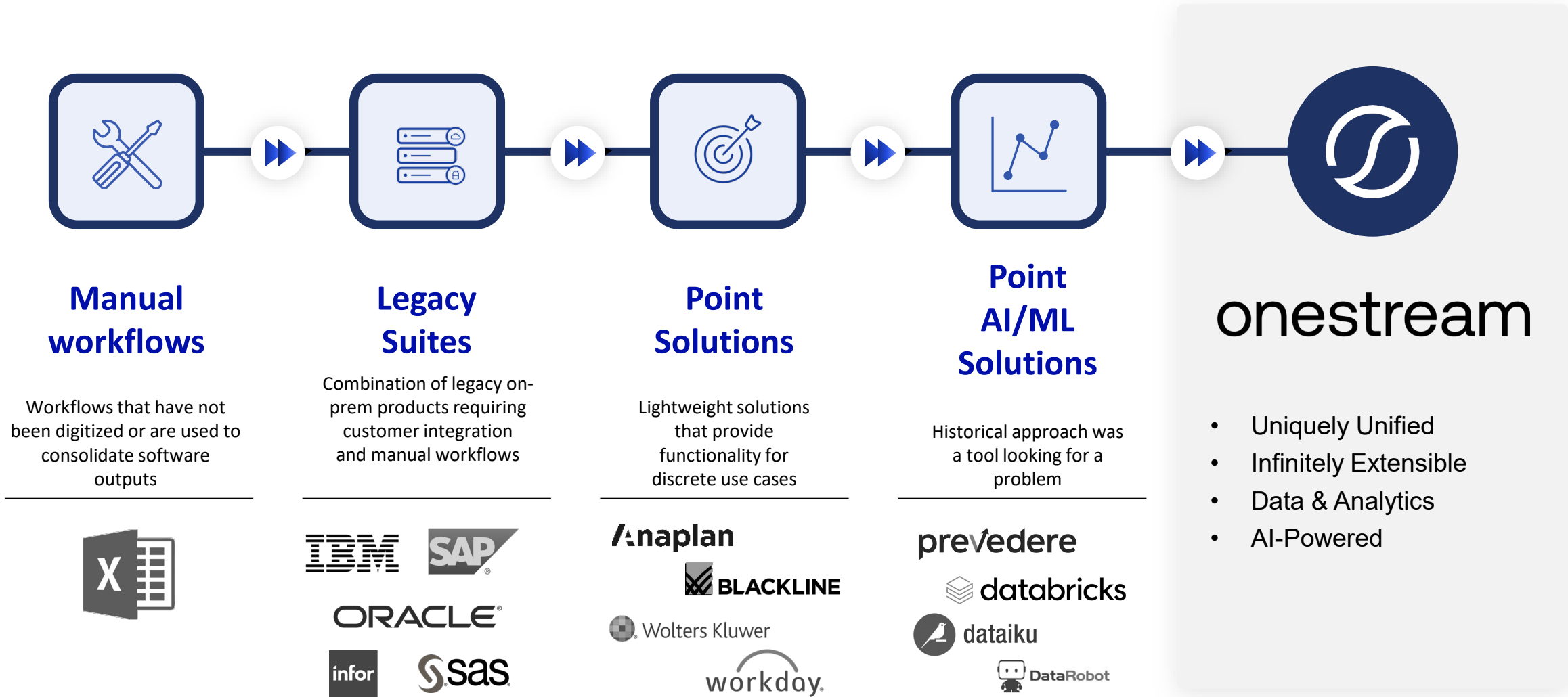
98%
RENEWAL RATE
94% Customer Satisfaction

WORLD'S BIGGEST BRANDS
RELY ON ONESTREAM



Platform for the Office of the CFO

Digital Finance Cloud - Unifying on a Common Platform



Challenges Create Opportunities

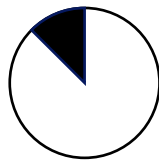
Machine Learning Helps to Address the Challenges & Objectives of Traditional Forecasting



Accuracy

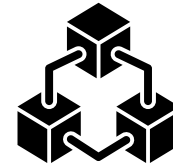
Rely on a narrow set of **historical data, ignoring drivers and external data.**

Assumptions are **static and fail to adapt to changing business conditions.**



Efficiency

Time and resource intensive, and by the time the forecast is produced, it's **outdated** or obsolete.
Inability for frequent and timely updates.



Scale

Spreadsheet and cube models **lack the scale** to incorporate large datasets with many variables.
Scale is critical to provide **insights at the level at which they can be actioned.**



Explainability

Insights and transparency to unlock the “black box,” reduce the reliance on manual inputs and judgement calls which increase risk of **human error and bias.**

Key Challenge: These factors work against each other

Opportunity: ML addresses the tradeoffs and achieves the objectives

OneStream's "Sensible" Approach to ML

Traditional "DIY" ML General-Purpose

Requires Coding Expertise

Manual Model-Building

Deployed in Months to Years

Unexplainable Black Box

Stand Alone Tool



Business Planners & Data Scientists

Auto ML & Dynamic Modeling

Deployed in Days to Weeks

Prediction & Model Transparency

Unified within OneStream

Sensible ML

Purpose-Built for
Business Planners

Sensible ML Consistently Achieves the Business Objectives

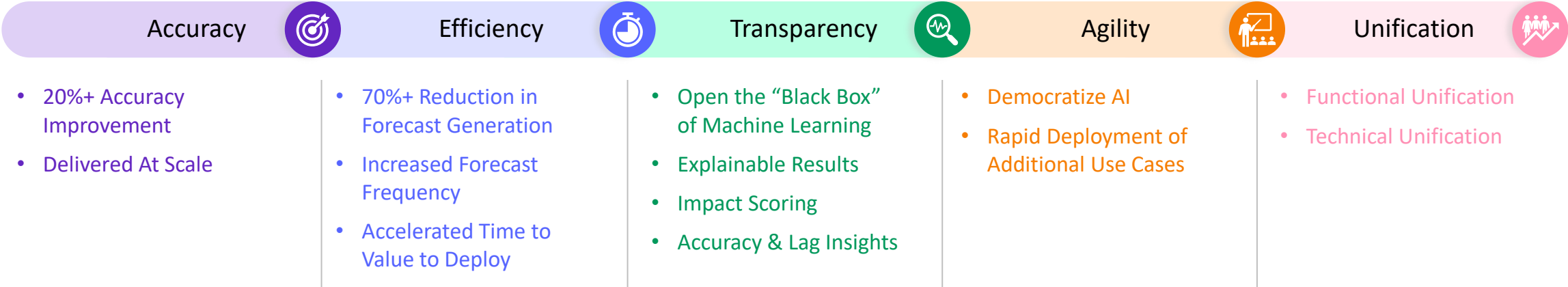
Delivering on the Job to be Done

“ ... only 54% of models make it into production.

Gartner⁽¹⁾

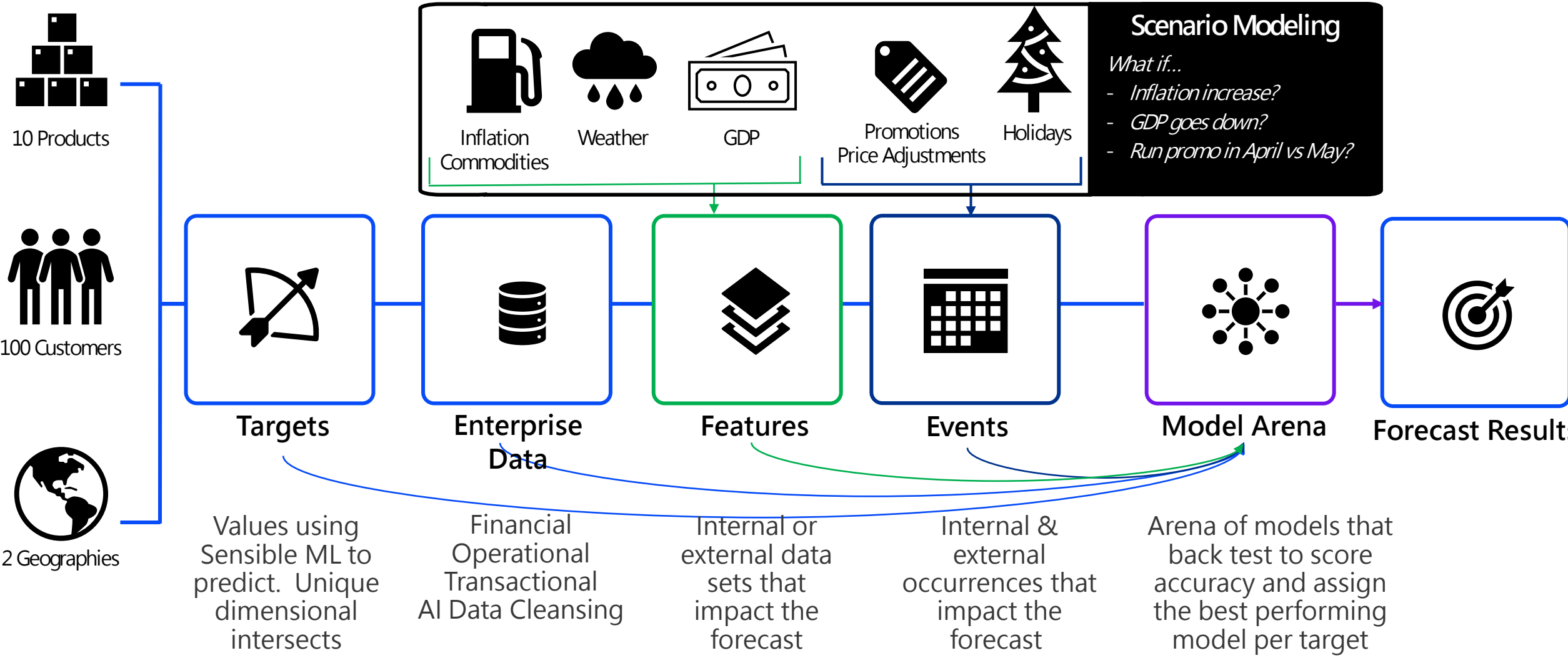
“ Mission: **100%** of Sensible ML projects make it into production.

OneStream Software⁽²⁾



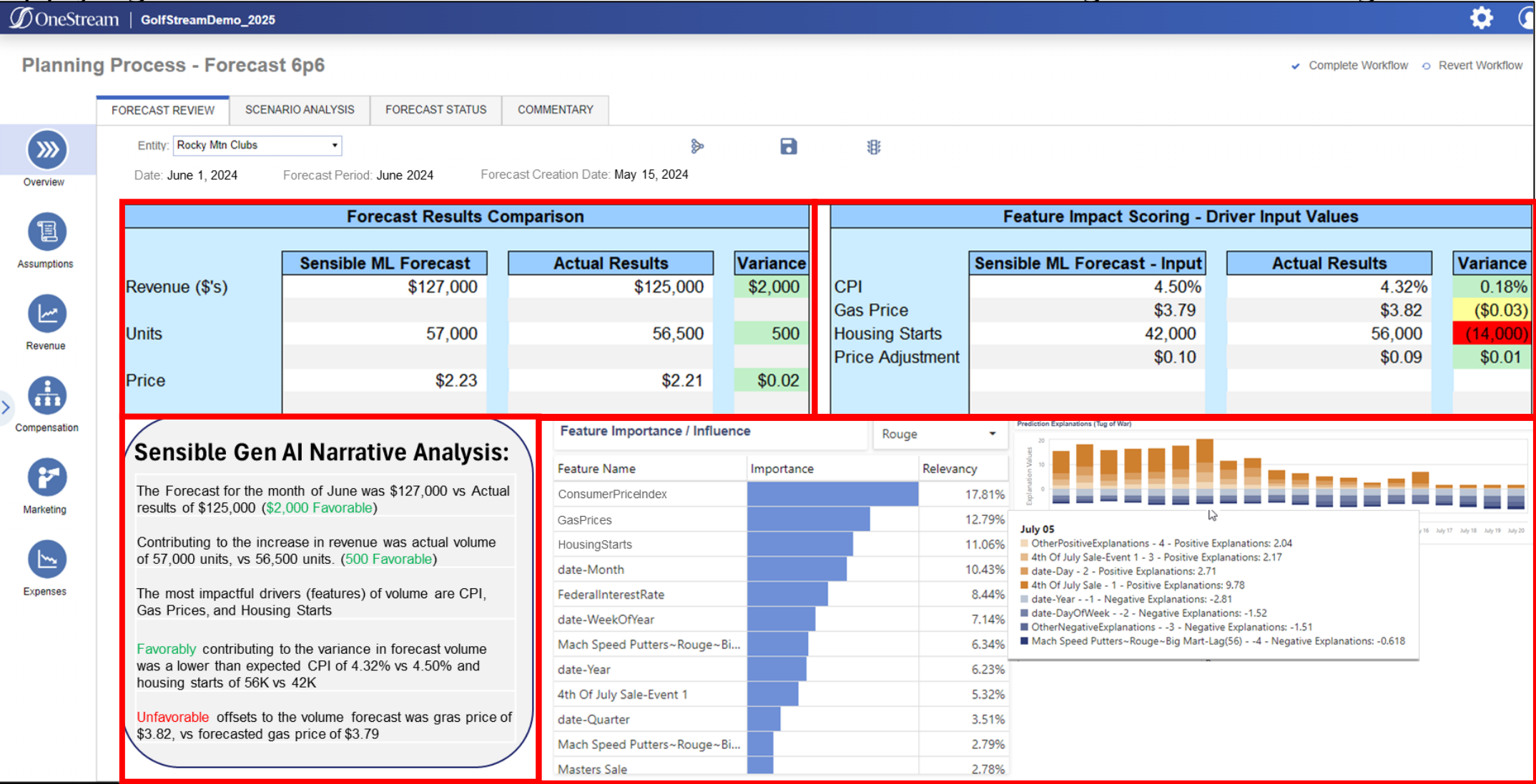
Sensible Machine Learning

Evolving Planning & Forecasting



Evolving Planning & Forecasting

Applying AI to Deliver the Next Generation of AI Powered Planning and Forecasting



Sensible ML Planning & Forecasting



The Solution

Sensible Machine Learning



The Solution

Sensible Machine Learning

Generators:

Generator Name
CDC Covid Cases Gen
Commodities Producer Price Index Gen
Euro Stat Group Of 20 Consumer Price Index Gen
Euro Stat Harmonized Consumer Price Index Gen
Euro Stat Harmonized Consumer Price Index Inflation Rate Gen
Euro Stat Money Market Interest Rate Gen
Euro Stat Unemployment Rate Gen
Federal Interest Rate Gen
Maritime Index Gen
Median Consumer Price Index Gen
OECD Harmonized Consumer Price Index Gen
OECD Harmonized Consumer Price Index Inflation Rate Gen
OECD Unemployment Rate Gen
Population Gen
Stock GenV 2
US Regular Gas Price Gen
US Unemployment Gen
Weather Gen

Auto Generate Features

Select Packages to Add:

<input type="checkbox"/>	Name	Description
<input type="checkbox"/>	Canada Holidays	Standard Canadian holidays.
<input type="checkbox"/>	China Holidays	Standard Chinese holidays.
<input type="checkbox"/>	Covid Stay At Home State Events	Covid stay at home orders for each state in the Uni
<input type="checkbox"/>	Denmark Holidays	Standard Denmark holidays.
<input type="checkbox"/>	Finland Holidays	Standard Finland holidays.
<input type="checkbox"/>	France Holidays	Standard French holidays.
<input type="checkbox"/>	German Holidays	Standard German holidays.
<input type="checkbox"/>	Italy Holidays	Standard Italian holidays.
<input type="checkbox"/>	Mexico Holidays	Standard Mexican holidays.
<input type="checkbox"/>	Religious Holiday Events	Religious holidays around the world.
<input type="checkbox"/>	Sporting Events	Major sporting events around the world.
<input type="checkbox"/>	Sweden Holidays	Standard Sweden holidays.
<input type="checkbox"/>	United Kingdom Holidays	Standard United Kingdom holidays.
<input type="checkbox"/>	United States Holidays	Standard American holidays.

Scenario Modeling Event:
No

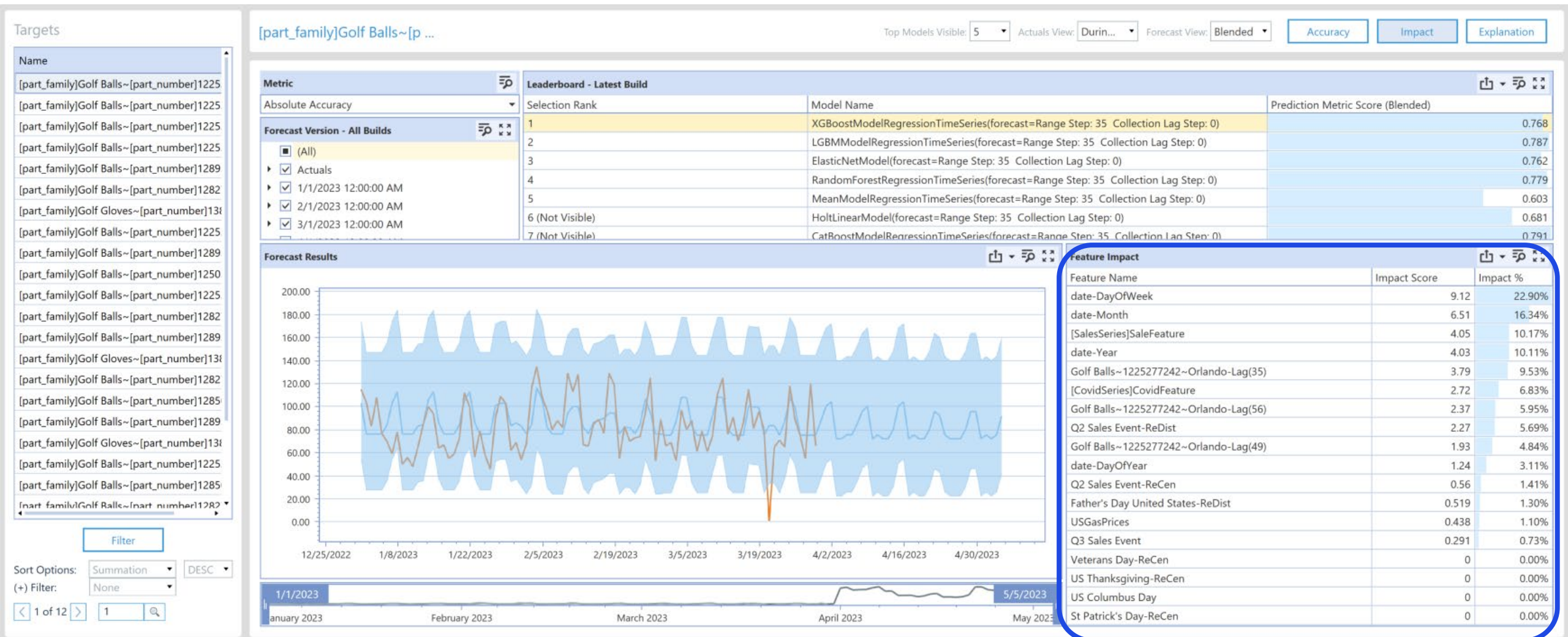
Add Cancel

Leverage feature & event libraries to train models with business specific drivers

- ☒ Auto ML
- ☒ Includes Feature & Event Libraries
- ☐ Removes the Black Box of ML
- ☐ Designed for Finance
- ☐ Unified in the Platform

The Solution

Sensible Machine Learning



The Solution

Sensible Machine Learning

Targets	
Name	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1289	
[part_family]Golf Balls~[part_number]1282	
[part_family]Golf Gloves~[part_number]131	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1289	
[part_family]Golf Balls~[part_number]1250	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1282	
[part_family]Golf Balls~[part_number]1289	
[part_family]Golf Gloves~[part_number]131	
[part_family]Golf Balls~[part_number]1282	
[part_family]Golf Balls~[part_number]1285	
[part_family]Golf Balls~[part_number]1289	
[part_family]Golf Gloves~[part_number]131	
[part_family]Golf Balls~[part_number]1225	
[part_family]Golf Balls~[part_number]1285	
[part_family]Golf Balls~[part_number]1282	

Filter

Sort Options:

Summation

DESC

+) Filter:

None

1 of 12

1

Q

[part_family]Golf Balls~[p ...]

Top Models Visible: 5
 Actuals View: Durin...
 Forecast View: Foreca...

Accuracy
Impact
Explanation

Forecast Version - Latest Build

☐ baseline, 3/1/2023

☐ Baseline, 4/1/2023

☐ LateSale10, 4/1/2023

☐ LateSale25, 4/1/2023

☒ Sale10, 4/1/2023

☐ Sale25, 4/1/2023

Time Range Filter

☒ April

☐ May

Leaderboard - Latest Build

Selection Rank	Model Name
1	XGBoostModelRegressionTime...
2	LGBMModelRegressionTimeSe...
3	ElasticNetModel(forecast=Ran...
4	RandomForestRegressionTime...
5	MeanModelRegressionTimeSer...
6 (Not Visible)	HoltLinearModel(forecast=Ran...
7 (Not Visible)	CatBoostModelRegressionTim...
8 (Not Visible)	LastValueNaiveModelRegressio...
9 (Not Visible)	CrostonModel(forecast=Range...
10 (Not Visible)	ShiftModel(forecast=Range Ste...
11 (Not Visible)	ShiftModel(forecast=Range Ste...
12 (Not Visible)	FourierModel(forecast=Range...
13 (Not Visible)	ShiftModel(forecast=Range Ste...
14 (Not Visible)	SimpleMovingAverageModel(f...

Prediction Explanations (Tug of War)

Forecast Results

The Solution

Sensible Machine Learning

P&L - Equipment Division - EUS01								
	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022
99999 - Net income	4,612,368.44	11,573,854.29	19,544,062.45	27,602,484.47	36,179,145.45	44,430,445.19	49,777,413.66	55,230,445.19
98999 - Earnings before taxes	4,612,368.44	11,573,854.29	19,544,062.45	27,602,484.47	36,179,145.45	44,430,445.19	49,777,413.66	55,230,445.19
97999 - Earnings before interest and taxes	4,612,368.44	11,573,854.29	19,544,062.45	27,602,484.47	36,179,145.45	44,430,445.19	49,777,413.66	55,230,445.19
96999 - Total operating income	4,612,368.44	11,573,854.29	19,544,062.45	27,602,484.47	36,179,145.45	44,430,445.19	49,777,413.66	55,230,445.19
59999 - Gross income	15,524,168.22	33,630,792.92	53,328,935.77	72,892,092.47	93,610,114.35	113,645,560.44	131,277,008.48	148,960,114.35
40000 - Revenues	20,271,786.05	42,133,825.78	65,784,670.46	89,474,422.32	114,726,317.87	139,264,303.84	161,513,814.76	183,800,114.35
41000 - Product revenue	21,790,334.46	44,850,235.27	69,793,372.38	94,783,471.57	121,391,864.39	147,252,241.62	170,861,995.96	194,550,114.35
41010 - Wholesale	9,548,998.89	20,772,395.02	33,296,806.80	45,323,203.02	57,429,549.65	68,928,278.06	77,549,050.77	86,270,114.35
41011 - eCommerce	4,072,902.57					26,648,236.63	31,880,618.65	37,130,114.35
41012 - Direct	4,893,754.85					31,578,998.14	37,713,759.69	43,870,114.35
41013 - Component	3,274,678.16					20,096,728.79	23,718,566.84	27,280,114.35
49000 - Adjustments to revenue	-1,518,548.40					-7,987,937.78	-9,348,181.20	-10,750,114.35
49110 - Discounts	-527,956.17					-2,774,956.21	-3,254,655.45	-3,740,114.35
49210 - Returns	-990,592.23					-5,212,981.57	-6,093,525.75	-7,000,114.35
50000 - Cost of goods sold	4,747,617.84					25,618,743.40	30,236,806.28	34,830,114.35
51010 - Labor COGS	2,064,923.97					11,136,870.74	13,162,115.89	15,180,114.35
52010 - Material COGS	1,571,891.70					8,485,089.32	10,011,617.45	11,530,114.35
53010 - Other COGS	1,110,802.17					5,996,783.34	7,063,072.94	8,120,114.35

Calculate

Translate

Consolidate

Spreading

Allocation

Data Attachments For Selected Cell

Data Attachments For Selected Data Unit

Cell Detail

Cell POV Information

Cell Status

Data Unit Statistics

Navigate To 'Source Sensible ML Forecast Results'

Navigate To 'Source Sensible ML Forecast Prediction Explanation Results'

Navigate To 'Source Sensible ML Forecast Feature Impact Results'

Navigate To 'Source Sensible ML Forecast Project Feature Utilization'

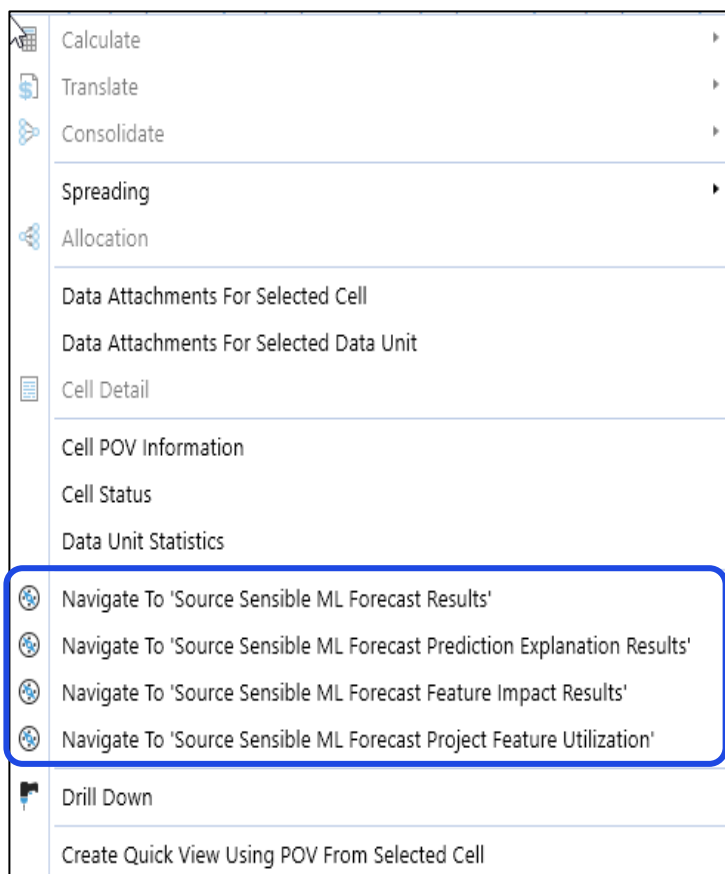
Drill Down

Create Quick View Using POV From Selected Cell

- ✓ Auto ML
- ✓ Includes Feature & Event Libraries
- ✓ Removes the Black Box of ML
- ✓ Designed for Finance
- ✓ Unified in the Platform

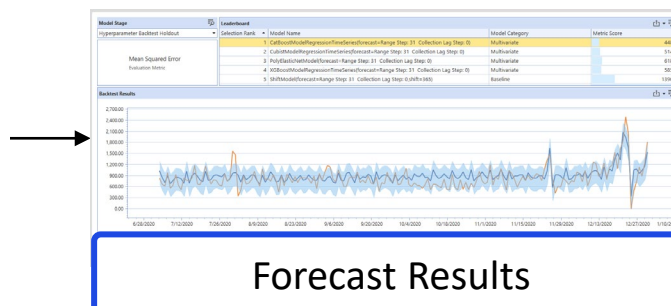
The Solution

Sensible Machine Learning

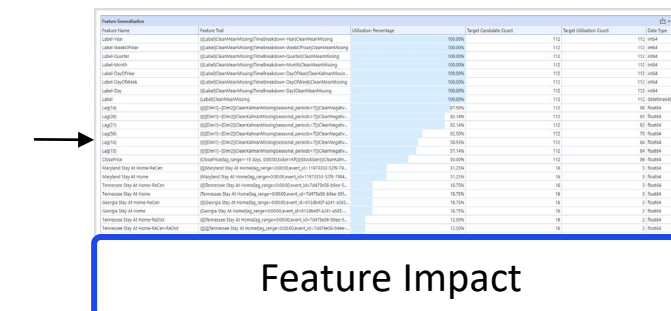


Sensible ML Forecasts & Insights

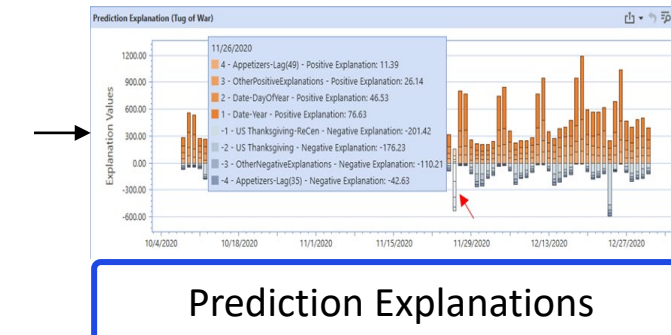
What's the Sensible ML daily detailed forecast?



What are the most important drivers for the forecast?



What are the drivers contributing to the forecast?



- ☒ Auto ML
- ☒ Includes Feature & Event Libraries
- ☒ Removes the Black Box of ML
- ☒ Designed for Finance
- ☒ Unified in the Platform

03

Taking Action

ML Forecast Adoption Curve

Pragmatically Adopt Machine Learning



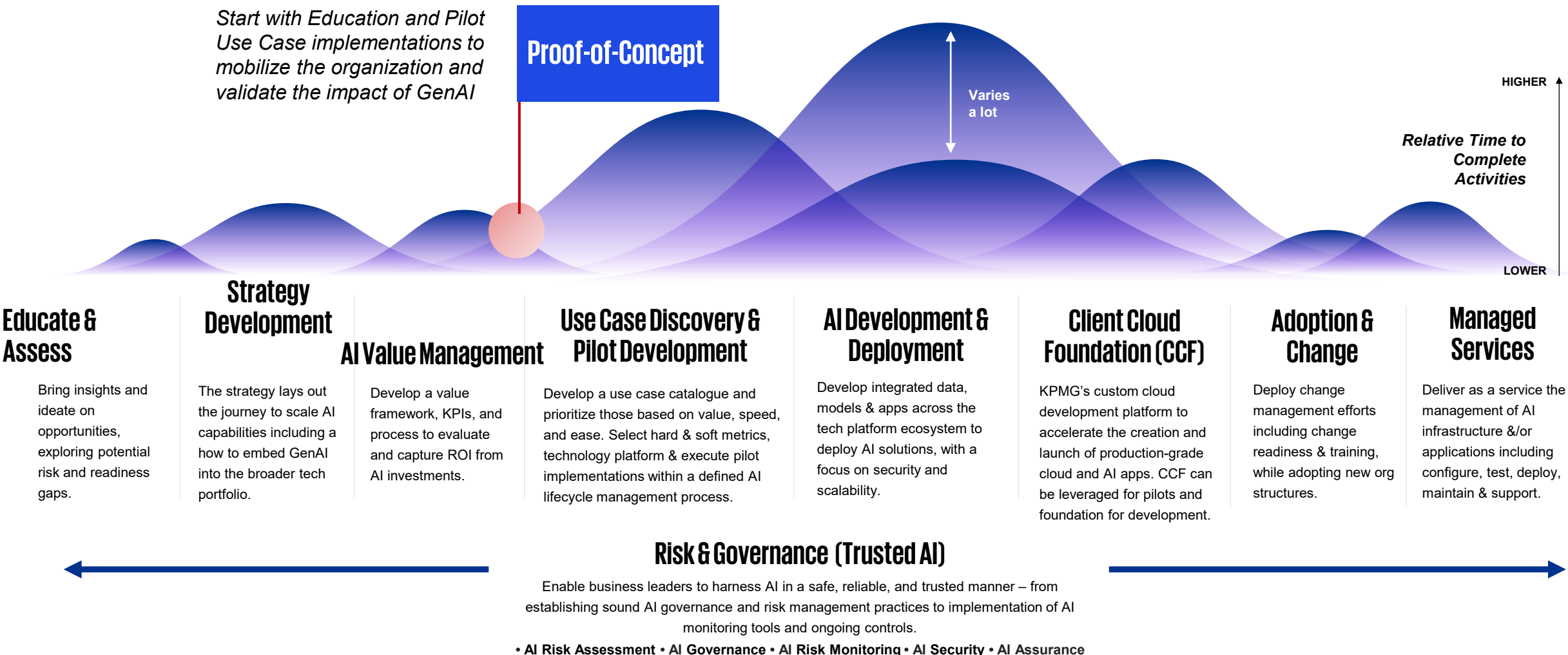
“

The forecast accuracy, flexibility, and capability of Sensible ML to incorporate external indicators like customer EDI orders should provide **predictability & transparency** to our business, ease the **integration with our existing operational planning process**, and **reduce extraordinary operating costs** due to unforeseen demand volatility.”

– **Dennis Popma**, Sensible ML Customer, Strategic Projects Director

Taking Action – KPMG & OneStream

Proven Methodology





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