

CONTACT**Colleen Madden Blumenfeld**, Director of Public Relations**Office:** 312-422-5074**Mobile:** 314-807-1568**colleenmadden@challengergray.com****FOR RELEASE WEDNESDAY, JANUARY 8th, 2020, AT 5:00 AM ET****MONTHLY CEO TURNOVER JUMPS TO SECOND-HIGHEST
TOTAL ON RECORD, 160 CHIEFS OUT TO END 2019**

CHICAGO, January 8, 2020 – Chief Executive Officer turnover jumped 8%, from 148 in November to 160 in December, the second-highest monthly total since Challenger began tracking CEO departures in 2002, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month's total is 29% higher than the 129 CEOs who left their posts in December 2018. In 2019, 1,640 CEOs left their posts, according to Challenger tracking, 12.9% higher than the 1,452 CEOs who announced their exits in 2018. It is the highest total since the firm began tracking in 2002.

"The number of chief executives who announced their departures in 2019 was staggering," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

December's total rounds out the highest quarterly total on record as well. In the fourth quarter, 480 CEOs left their posts, 10.6% higher than the 434 who left in the third quarter, the previous highest quarter on record. It is 12.9% higher than the 425 chief executive changes announced in the same quarter last year.

| Quarter | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|
| Q1 | 416 | 341 | 301 | 319 | 299 | 366 | 309 | 321 | 287 | 340 | 309 | 371 |
| Q2 | 310 | 290 | 266 | 305 | 289 | 295 | 292 | 288 | 319 | 333 | 298 | 353 |
| Q3 | 434 | 396 | 299 | 320 | 339 | 348 | 348 | 282 | 316 | 294 | 332 | 408 |
| Q4 | 480 | 425 | 294 | 304 | 294 | 332 | 297 | 323 | 256 | 267 | 288 | 352 |
| TOTAL | 1640 | 1452 | 1160 | 1248 | 1221 | 1341 | 1246 | 1214 | 1178 | 1234 | 1227 | 1484 |

Source: Challenger, Gray & Christmas, Inc. ©

“Following the #MeToo movement, companies were determined to hold CEOs accountable for lapses in judgement pertaining to professional and personal conduct, creating higher ethical standards at the C-level. What may have gone unrecognized or was downplayed in the past was not overlooked by boards, shareholders, or the general public in 2019,” said Challenger.

“That said, the majority of these departures were under unremarkable circumstances. Many CEOs retired from their positions after a long tenure, leaving the company in relatively good shape. Others left because their skills were in demand and they were offered new opportunities. Still more found the tremendous advances in technology and shifts in consumer behavior called for new leadership,” he added.

Challenger tracks CEO changes at companies that have been in business for at least two years, with a minimum of ten employees.

Companies are increasingly turning to outsider CEOs to replace their exiting leaders. In 2019, 784 replacement chief executives came from outside the company and 620 were internal replacements. This is the first time external replacements outpaced internal since 2013.

Internal vs. External Replacements CEOs

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| External Replacements | 469 | 469 | 431 | 513 | 524 | 478 | 493 | 462 | 564 | 784 |
| Internal Replacements | 458 | 479 | 529 | 480 | 539 | 560 | 557 | 515 | 630 | 620 |

Source: Challenger, Gray & Christmas, Inc. ©

The Government/Non-Profit sector leads all industries in CEO turnover with 339. That is 22.8% more than the 276 chief executives who left their positions the previous year. These companies include government agencies, tourism and transportation authorities, Chambers of Commerce, education companies, charities, and foundations.

The Technology sector follows with 216 CEO changes, up 42% from the 152 announced in 2018. Financial companies have announced the third-highest number of CEO changes with 129, down 16% from the 154 Financial sector CEOs who left in 2018.

Hospitals announced 121 CEO changes last year, down 12.9% from the 139 who left their posts through the same period the year prior.

Eleven chief executives from the budding cannabis industry left their posts in 2019, the first year Challenger tracked the industry.

The Energy sector saw a 96% increase in CEO changes last year over the previous year. Through December, 59 Energy-sector CEOs left their posts, compared to 30 who did so in 2018. Retail, which saw a tumultuous year, had an 80% increase in CEO changes, with 63 last year versus 35 in 2018. Food companies saw a 75% increase in CEO changes, with 70 in 2019 compared to 40 in 2018.

Fifteen chief executives left their posts amid allegations of professional misconduct last year and 20 left amid scandal, typically under investigations for financial wrongdoing or other legal issues. Another 24 saw their positions terminated.

Companies appear to be keeping their institutional knowledge intact, in some cases for a limited consulting period. The majority of CEOs (583) stepped down into other roles within their companies, typically to assist in the transition as a consultant, into another C-level position, or into a Board Member or Chairperson role.

Another 395 retired, while 154 found new positions in other companies. An additional 138 CEOs resigned, while 122 left with no official reason given. Thirty-nine CEOs left amid a merger or acquisition. Another eight left amid financial trouble and three left due to bankruptcy.

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CHALLENGER CEO REPORT
CEO DEPARTURES
By Month

| Month | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| January | 157 | 132 | 128 | 131 | 110 | 131 | 113 | 123 | 96 | 89 | 113 | 134 |
| February | 124 | 113 | 72 | 87 | 94 | 112 | 110 | 104 | 92 | 132 | 82 | 114 |
| March | 135 | 96 | 101 | 101 | 95 | 123 | 86 | 94 | 99 | 119 | 114 | 123 |
| April | 97 | 109 | 91 | 108 | 97 | 94 | 94 | 90 | 103 | 101 | 78 | 112 |
| May | 114 | 91 | 80 | 100 | 90 | 98 | 104 | 99 | 103 | 125 | 115 | 115 |
| June | 99 | 90 | 95 | 97 | 102 | 103 | 94 | 99 | 113 | 107 | 105 | 126 |
| July | 124 | 94 | 102 | 92 | 128 | 105 | 128 | 83 | 104 | 88 | 126 | 124 |
| August | 159 | 154 | 96 | 109 | 107 | 119 | 113 | 104 | 104 | 95 | 101 | 144 |
| September | 151 | 148 | 101 | 119 | 104 | 124 | 107 | 95 | 108 | 111 | 105 | 140 |
| October | 172 | 149 | 105 | 99 | 94 | 122 | 104 | 108 | 91 | 81 | 89 | 125 |
| November | 148 | 147 | 94 | 106 | 86 | 103 | 94 | 112 | 82 | 79 | 94 | 104 |
| December | 160 | 129 | 95 | 99 | 114 | 107 | 99 | 103 | 83 | 107 | 105 | 123 |
| TOTAL | 1,640 | 1,452 | 1,160 | 1,248 | 1,221 | 1,341 | 1,246 | 1,214 | 1,178 | 1,234 | 1,227 | 1,484 |

Company Type

| | |
|-------------------------------|-------|
| Private/Government/Non-Profit | 1,329 |
| Public | 311 |

CHALLENGER CEO REPORT

By Industry

| | 18-Dec | 19-Nov | 19-Dec | Year-to-Date 2018 | Year-to-Date 2019 |
|-----------------------|------------|------------|------------|----------------------|----------------------|
| Aerospace/Defense | 1 | | 1 | 12 | 11 |
| Apparel | 1 | | 2 | 4 | 14 |
| Automotive | 2 | 1 | | 24 | 12 |
| Cannabis | N/A | 3 | 1 | N/A | 11 |
| Chemical | 1 | 1 | 2 | 8 | 4 |
| Commodities | | | | 5 | 6 |
| Construction | 2 | 1 | | 19 | 17 |
| Consumer Products | 3 | 3 | 4 | 39 | 30 |
| Electronics | 2 | 1 | | 25 | 4 |
| Energy | 2 | 5 | 6 | 30 | 59 |
| Entertainment/Leisure | 6 | 12 | 12 | 55 | 75 |
| Financial | 19 | 8 | 17 | 154 | 129 |
| FinTech | N/A | | | N/A | 11 |
| Food | 6 | 10 | 6 | 40 | 70 |
| Government/Non-Profit | 18 | 29 | 29 | 276 | 339 |
| Health Care/Products | 12 | 3 | 6 | 131 | 107 |
| Hospitals | 15 | 10 | 16 | 139 | 121 |
| Industrial Goods | 3 | 1 | 4 | 42 | 57 |
| Insurance | 2 | 3 | 4 | 16 | 20 |
| Legal | | | | 3 | 5 |
| Media | 2 | 4 | 4 | 25 | 28 |
| Pharmaceutical | 5 | 4 | 2 | 48 | 61 |
| Real Estate | 1 | 3 | 1 | 27 | 31 |
| Retail | 2 | 8 | 8 | 35 | 63 |
| Services | 1 | 6 | 9 | 85 | 84 |
| Technology | 14 | 19 | 16 | 152 | 216 |
| Telecommunications | 1 | 2 | 1 | 10 | 7 |
| Transportation | 5 | 8 | 4 | 27 | 31 |
| Utility | 3 | 3 | 5 | 21 | 17 |
| TOTAL | 129 | 148 | 160 | 1,452 | 1,640 |

CHALLENGER CEO REPORT

By State

| EAST | DECEMBER | 2019 | YTD 2018 |
|-------------------|----------|------|----------|
| Connecticut | 6 | 35 | 14 |
| Delaware | | 2 | 1 |
| Dist. of Columbia | 3 | 34 | 22 |
| Maine | | 2 | 7 |
| Maryland | 4 | 31 | 36 |
| Massachusetts | 7 | 61 | 58 |
| New Hampshire | | 3 | 5 |
| New Jersey | 4 | 29 | 22 |
| New York | 14 | 101 | 87 |
| Pennsylvania | 2 | 55 | 70 |
| Rhode Island | | 2 | 3 |
| Vermont | 1 | 5 | 10 |
| | 41 | 360 | 335 |

| MIDWEST | DECEMBER | 2019 | YTD 2018 |
|-----------|----------|------|----------|
| Illinois | 6 | 81 | 60 |
| Indiana | 4 | 27 | 22 |
| Iowa | 1 | 9 | 20 |
| Kansas | 1 | 11 | 13 |
| Michigan | 5 | 33 | 42 |
| Minnesota | 4 | 38 | 45 |
| Missouri | 6 | 39 | 40 |
| Nebraska | 1 | 8 | 6 |
| Ohio | 9 | 68 | 46 |
| Wisconsin | 2 | 25 | 24 |
| TOTAL | 39 | 339 | 318 |

CHALLENGER CEO REPORT

By State

| WEST | DECEMBER | 2019 | YTD 2018 |
|--------------|-----------|------------|------------|
| Alaska | | 3 | 7 |
| Arizona | 7 | 44 | 28 |
| California | 18 | 219 | 155 |
| Colorado | 4 | 44 | 45 |
| Hawaii | 3 | 15 | 6 |
| Idaho | | 9 | 5 |
| Montana | | 4 | 1 |
| Nevada | 1 | 11 | 10 |
| New Mexico | 1 | 9 | 3 |
| North Dakota | | 3 | 1 |
| Oklahoma | 3 | 11 | 8 |
| Oregon | | 26 | 19 |
| South Dakota | | 6 | 5 |
| Texas | 9 | 134 | 134 |
| Utah | | 7 | 13 |
| Washington | 5 | 43 | 35 |
| Wyoming | 1 | 3 | 2 |
| TOTAL | 52 | 591 | 477 |

| SOUTH | DECEMBER | 2019 | YTD 2018 |
|---------------|-----------|------------|------------|
| Alabama | 4 | 17 | 18 |
| Arkansas | 1 | 6 | 4 |
| Florida | 6 | 98 | 79 |
| Georgia | 1 | 30 | 40 |
| Kentucky | 3 | 26 | 12 |
| Louisiana | | 14 | 22 |
| Mississippi | 1 | 4 | 6 |
| N. Carolina | 4 | 34 | 36 |
| S. Carolina | | 10 | 9 |
| Tennessee | 4 | 52 | 45 |
| Virginia | 4 | 54 | 50 |
| West Virginia | | 5 | 1 |
| TOTAL | 28 | 350 | 322 |

CEO DEPARTURES

By Reason

| | 19-Dec | YTD |
|----------------------------------------|--------|-----|
| Stepped Down | 56 | 583 |
| Retirement | 40 | 395 |
| New Position in Another Company | 16 | 154 |
| Resigned | 11 | 138 |
| No Reason Given | 13 | 122 |
| Interim Period Ended | 12 | 80 |
| Acquisition/Merger | 3 | 39 |
| Terminated | 2 | 24 |
| Personal Reasons | 1 | 22 |
| Scandal | 1 | 20 |
| Another Position Within Company | | 15 |
| Allegations of Professional Misconduct | 1 | 15 |
| Financial Trouble | | 8 |
| Health | | 5 |
| Deceased | 1 | 5 |
| Allegations of Sexual Misconduct | | 3 |
| Amid Investigation | | 2 |
| Differences with Board | | 2 |
| Bankruptcy | 1 | 3 |
| California Wildfire | | 1 |
| Restructuring | | 1 |
| Activist Investor | | 1 |
| Contract Expired | 2 | 2 |

Average Age, Tenure

| | Age | | Tenure | |
|-----------|------|------|--------|------|
| | 2019 | 2018 | 2019 | 2018 |
| January | 60.7 | 60.3 | 11.6 | 17.2 |
| February | 57.1 | 64 | 11.4 | 14.5 |
| March | 57.6 | 62.5 | 11.2 | 13.4 |
| April | 60.0 | 63.6 | 8.8 | 10.4 |
| May | 61.4 | 60.4 | 11.1 | 9.5 |
| June | 61.6 | 65.3 | 8.7 | 10 |
| July | 59.2 | 63 | 9.0 | 10.1 |
| August | 68.5 | 61.4 | 10.6 | 9.5 |
| September | 58.9 | 60.4 | 8.8 | 10.2 |
| October | 53.3 | 60.6 | 10.7 | 9.1 |
| November | 53.2 | 60.1 | 9.4 | 9.6 |
| December | 57.2 | 56.5 | 11.5 | 10.8 |