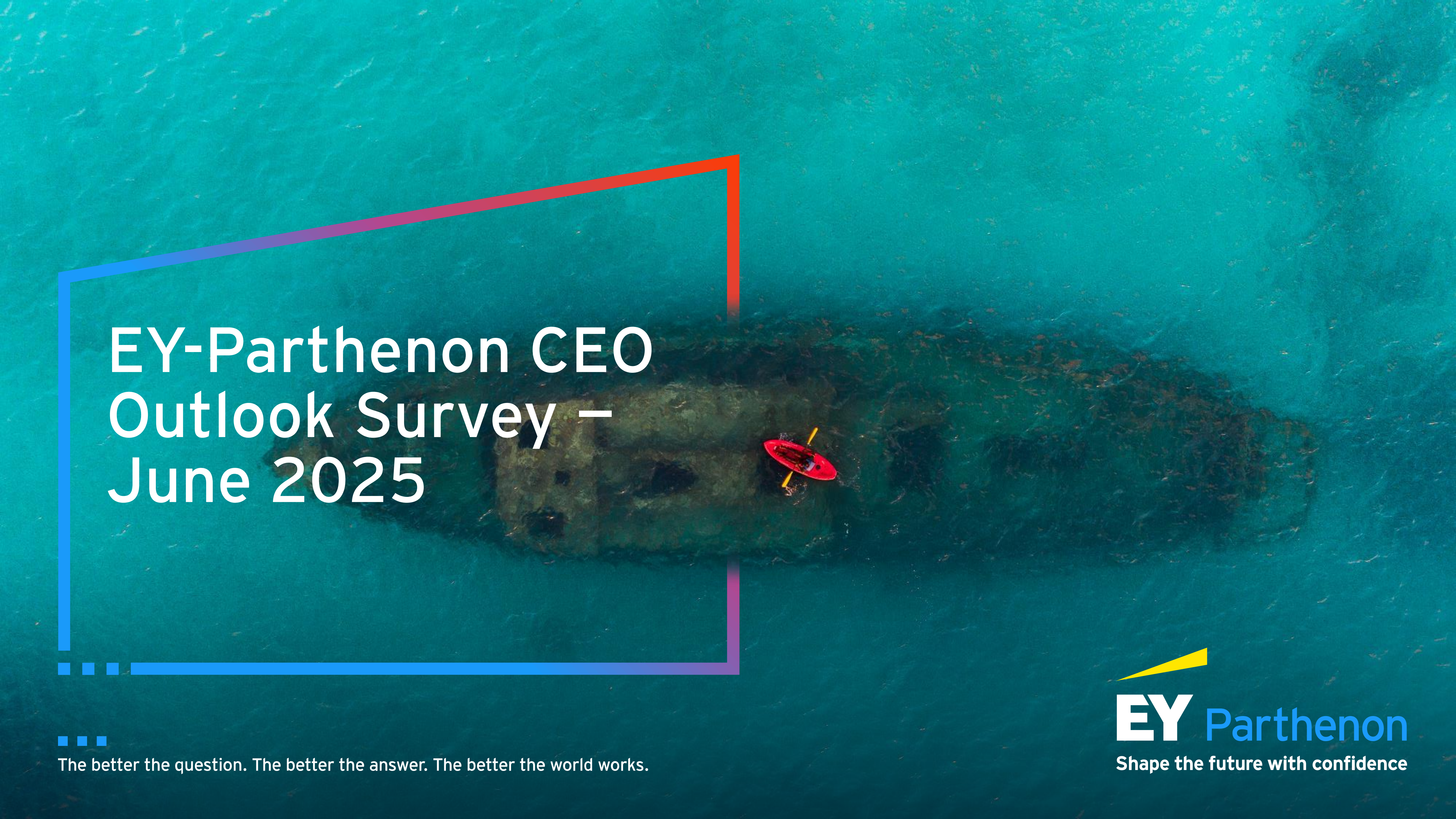

EY-Parthenon CEO Outlook Survey – June 2025

The better the question. The better the answer. The better the world works.

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Shape the future with confidence

EY-Parthenon CEO Outlook Survey - June 2025
About the study

The EY-Parthenon CEO Outlook Survey is designed to offer critical insights into the main trends and developments that are influencing the world's leading companies, as well as into business leaders' expectations for future growth and long-term value creation.

In times of uncertainty and disruption, CEOs must build confidence in their ability to navigate risks and accelerate transformative strategies. Advancements in technology, an increased focus on geopolitical issues, an evolving regulatory landscape, and ESG-related challenges all require the integration of strategy, transactions and transformation capabilities to create an ecosystem that is prepared for now and beyond.

Produced in association with FT Longitude, the specialist research and content marketing division of the Financial Times Group.

50 CEOs surveyed in March and April 2025

Participant profile

Countries

- **Americas:** Canada

Industries

- Consumer and health
- Financial services
- Industrials and energy
- Infrastructure
- Technology, media and telecoms

EY-Parthenon CEO Outlook Survey - June 2025
Key insights

88%

of leaders altered strategic investment plans because of geopolitical or trade policy developments

48%

of Canadian CEOs are highly concerned about the potential effects that increased tariffs may have on their company's operations and sales

Leaders have expressed lower intentions to pursue transaction activities compared to January

28%

decline in intentions of pursuing **M&A**

68%

decline in intentions of pursuing **divestments, spinoffs or initial public offerings (IPOs)**

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Chapter 01

Risks, trade and artificial intelligence (AI)

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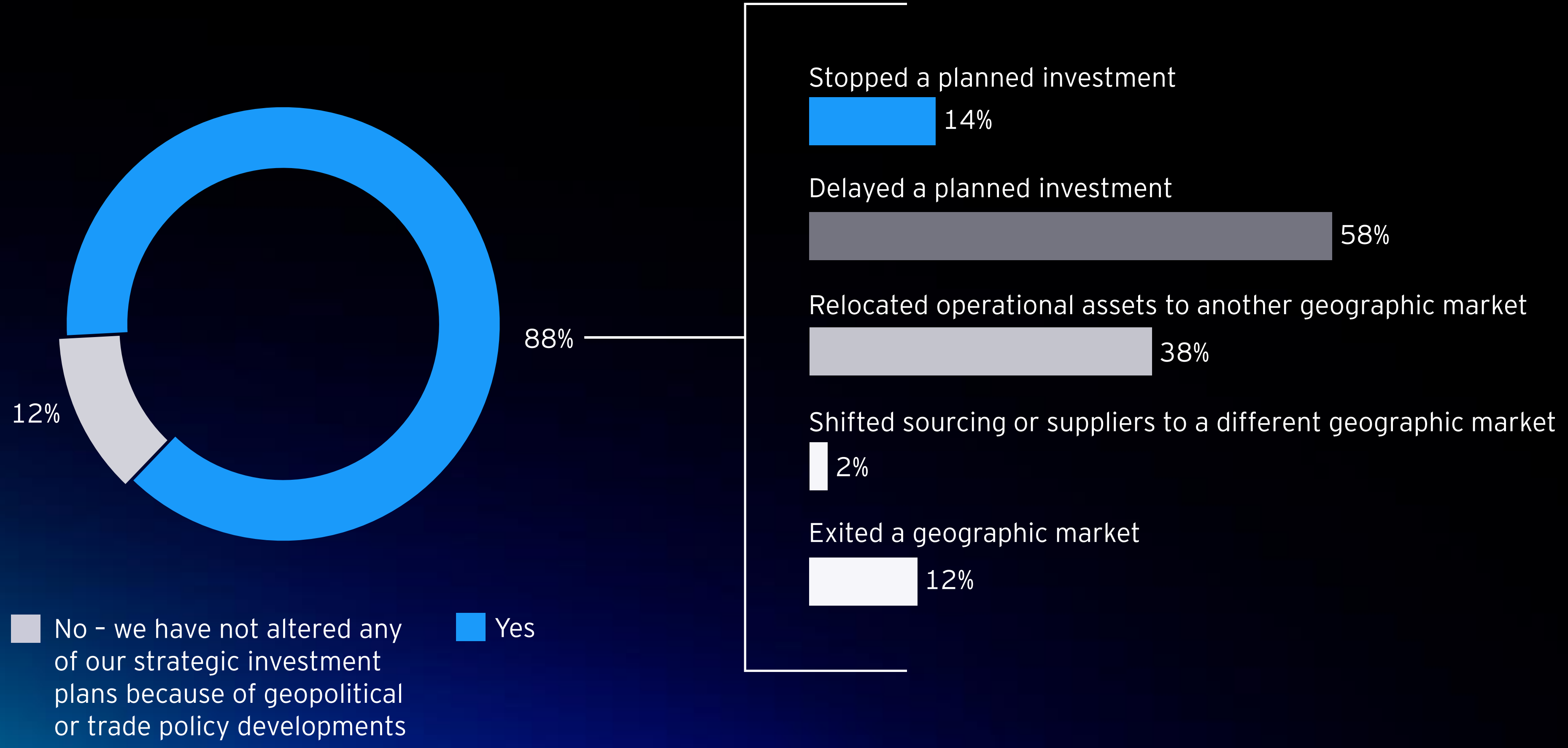
Geopolitical, macroeconomic and trade uncertainty is top of mind for business leaders

Q What is the primary risk to your business achieving its growth targets in the next 12 months?
[The respondents were asked to select one option only]

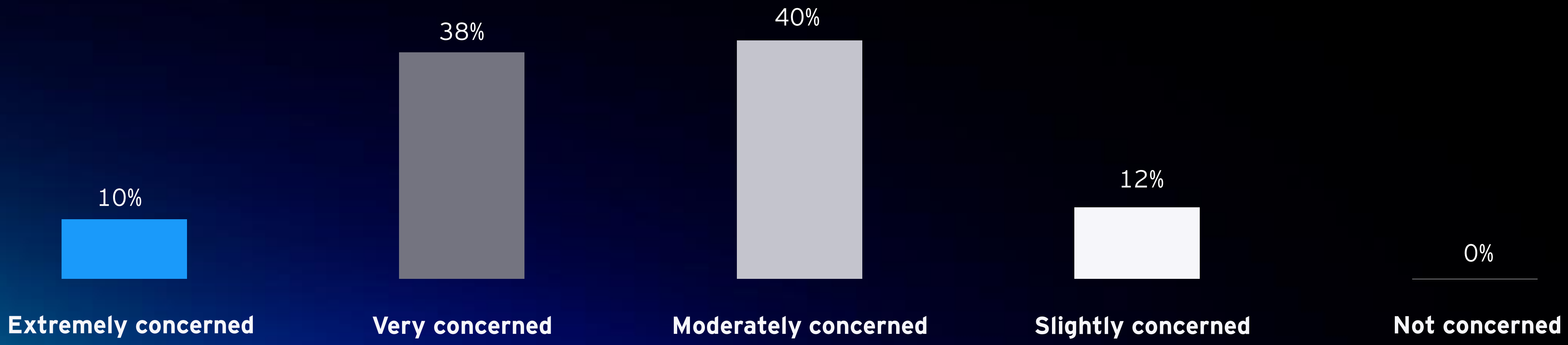
Business leaders altered strategic investment plans, with many deciding to delay or stop planned investments as a result of geopolitics and trade policy developments

Q As a result of geopolitics and trade policy developments, have you made any alternations to your strategic investment plans?
[The respondents were asked to select multiple responses]



Business leaders showcase high concern over tariff effects on company performance

Q To what extent are you concerned about potential tariff increases affecting your company's operations and sales in the next 12 months?
[The respondents were asked to select one option only]



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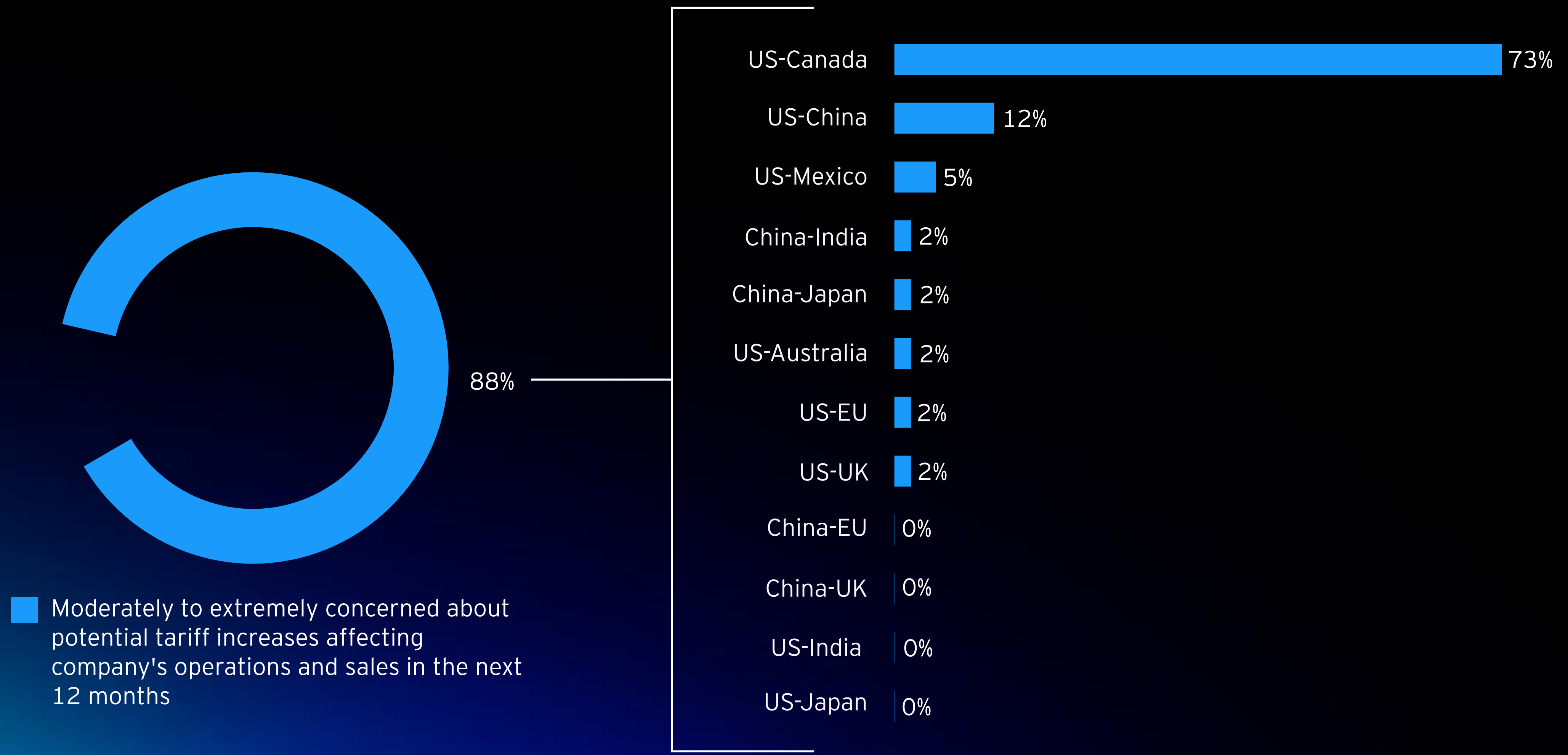
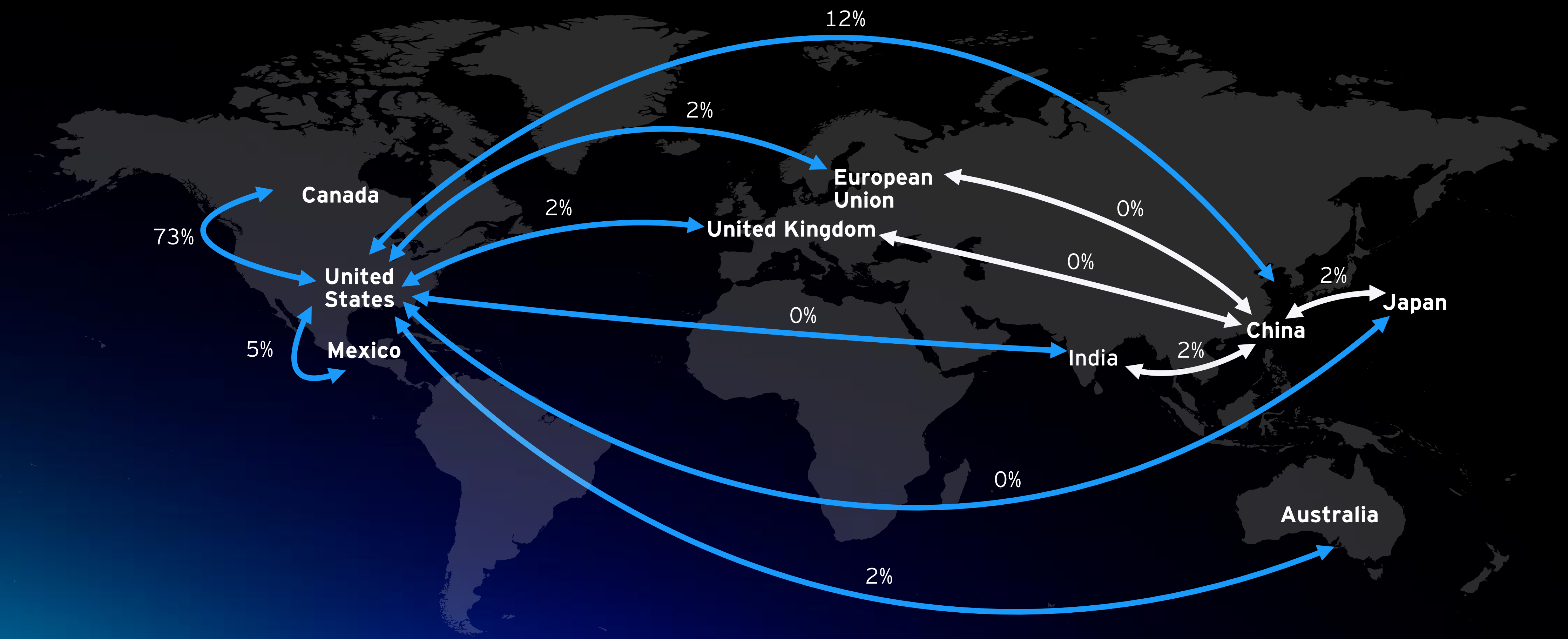
Trade tensions between the US and Canada remain the biggest concern for Canadian leaders

Q Which current or potential tariff or trade disputes would have the biggest impact on your business?
[The respondents were asked to select one option only]



Business leaders are also keeping an eye on trade disputes between the US and China

Q Which current or potential tariff or trade disputes would have the biggest impact on your business?
[The respondents were asked to select one option only]



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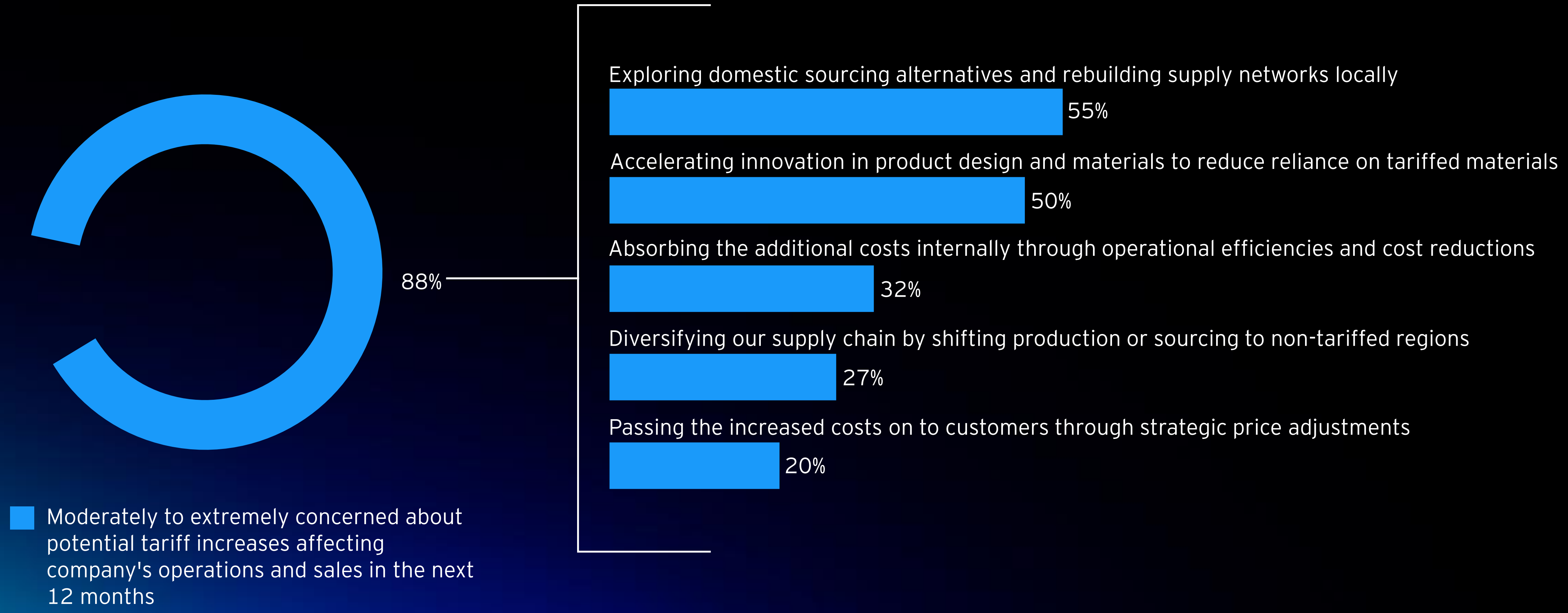
More than half of leaders are considering domestic supply chain alternatives and innovation to mitigate tariff effects

Q How do you plan to mitigate the potential impact of increased tariffs on your company’s operations and sales in the next 12 months?

[The respondents who are moderately to extremely concerned about potential tariff increases were allowed to answer this question by selecting up to three responses]



Businesses continue to make advancements in AI adoption

Q How would you describe your organization's approach to AI adoption in 2025?
[The respondents were asked to select one of the approaches grouped in pairs]

Taking a cautious approach to AI investments due to regulatory complexity and geopolitical risks	32%	30%	Expanding AI investments as costs decline
A clear framework guides which business processes should be enhanced or automated with AI, assessing both efficiency gains and compliance requirements	38%	34%	AI adoption decisions are made independently across departments, without a unified framework
Accelerating future AI investments due to positive past results	48%	14%	Scaling back or reconsidering future AI investments due to unclear or disappointing returns
Responsible AI use is governed organization-wide with clear policies, guidelines, and monitoring	28%	30%	Responsible AI use is decentralized, managed at the project level
Developing in-house expertise and governance structures to build AI capabilities	36%	26%	Relying on third-party vendors and solutions to build AI capabilities

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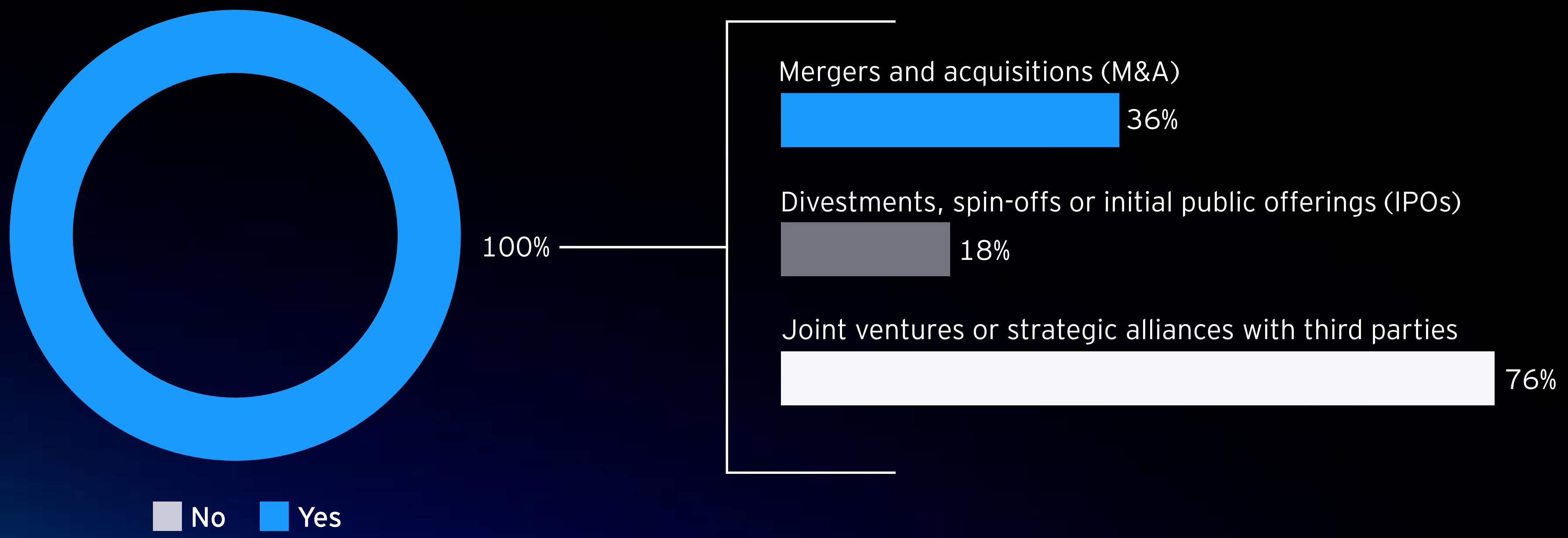
Chapter 02

M&A and transactions

Industry leaders ease interest in transaction initiatives as trade and geopolitical tensions persist

Q Do you expect to actively pursue any of the following transaction initiatives over the next 12 months?
[The respondents were asked to select multiple responses]



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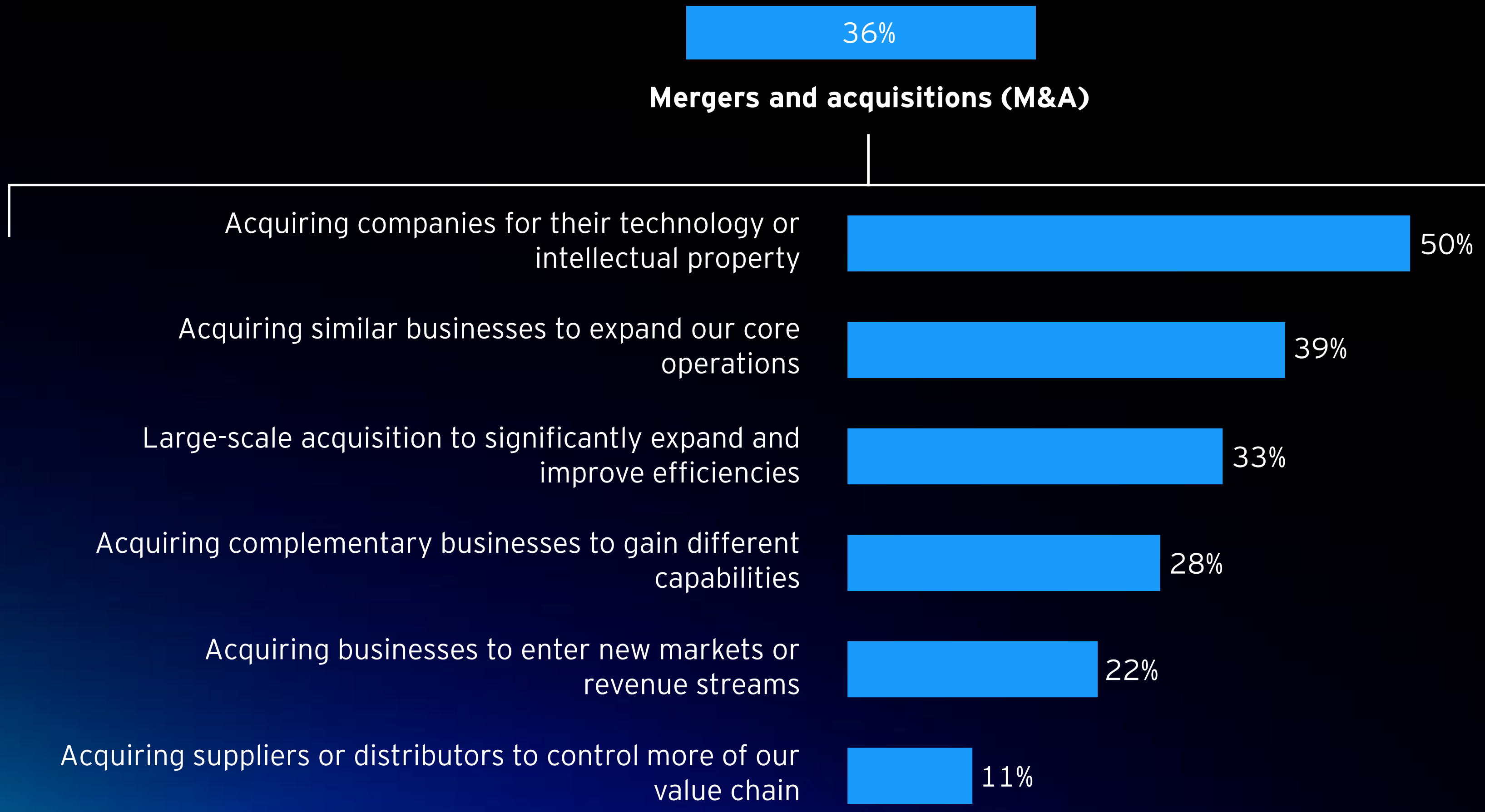
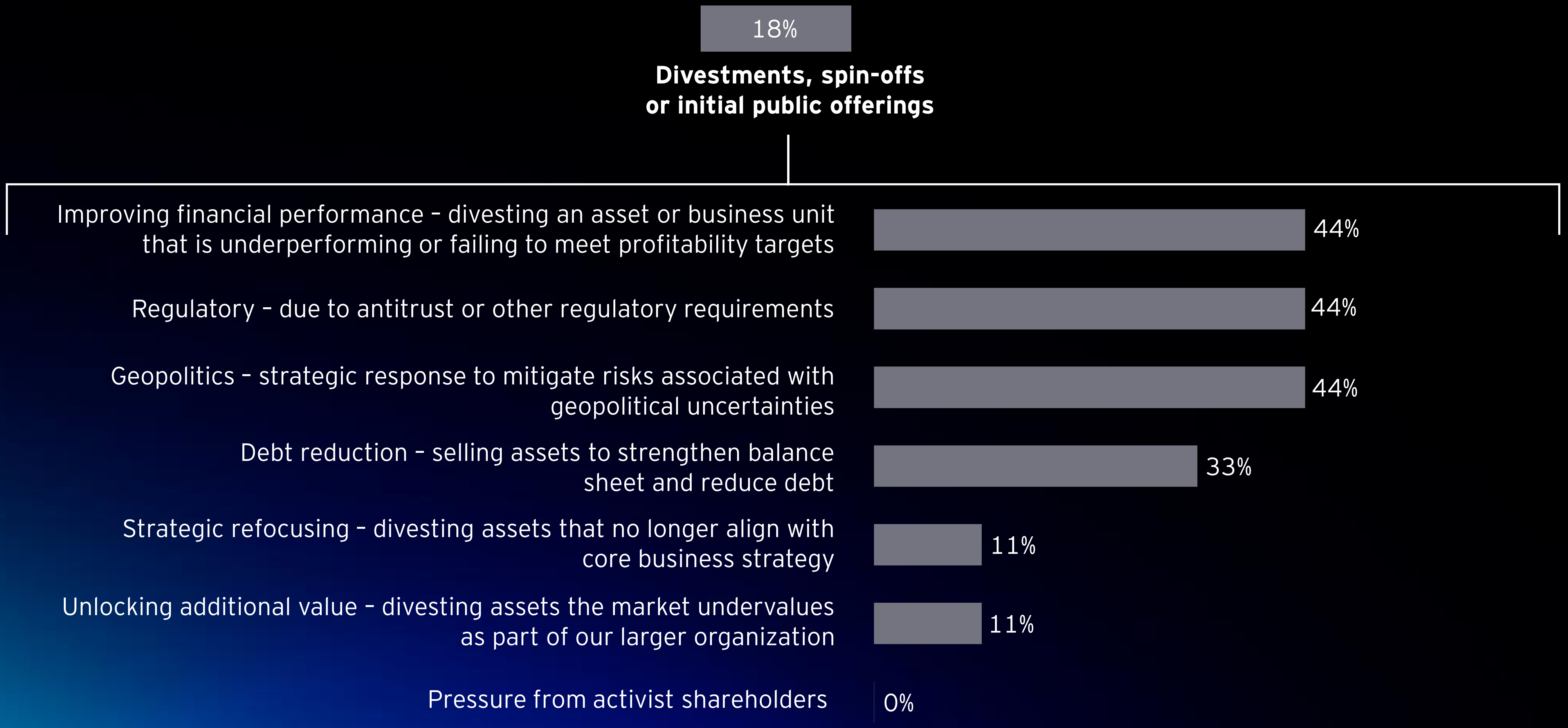
M&A activity is mostly driven by technology and intellectual property acquisitions

Q What is the main focus of your acquisition strategy in the next 12 months?
[The respondents who selected 'Mergers and acquisitions (M&A)' were asked to answer this question]



Leaders prioritize transactions that can improve financial performance as regulatory and geopolitical constraints persist

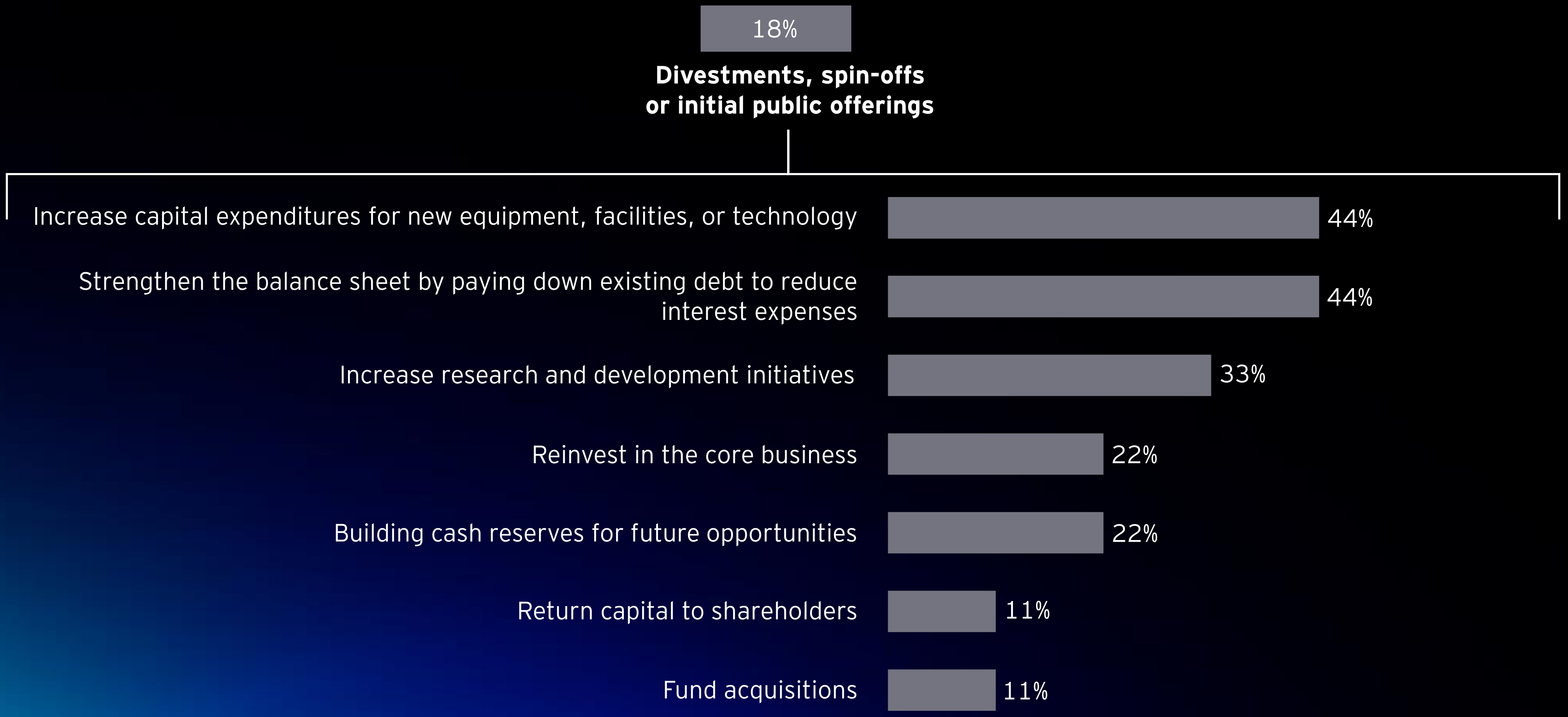
Q What are the primary reasons for your organization's planned divestments over the next 12 months?
[The respondents who selected 'Divestments or spin-offs or initial public offerings (IPOs)' were asked to answer this question]



Although many leaders are prioritizing debt reduction and interest expense payments, many are taking the opportunity to increase capital expenditures

Q How do you plan to use the proceeds from your divestment?

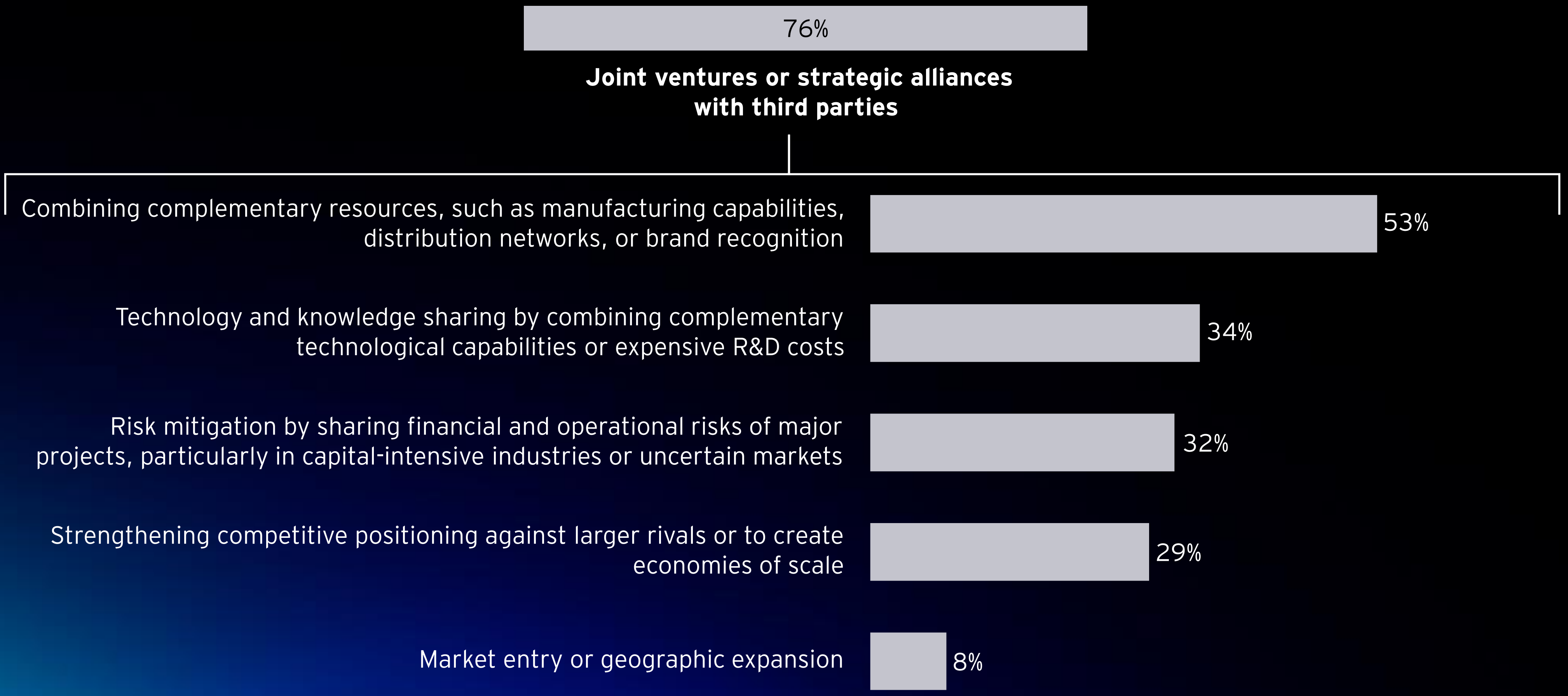
[The respondents who selected ‘Divestments or spin-offs or initial public offerings (IPOs)’ were asked to answer this question]



Joint ventures and strategic alliances are mainly driven by the desire to deploy complimentary resources and technology

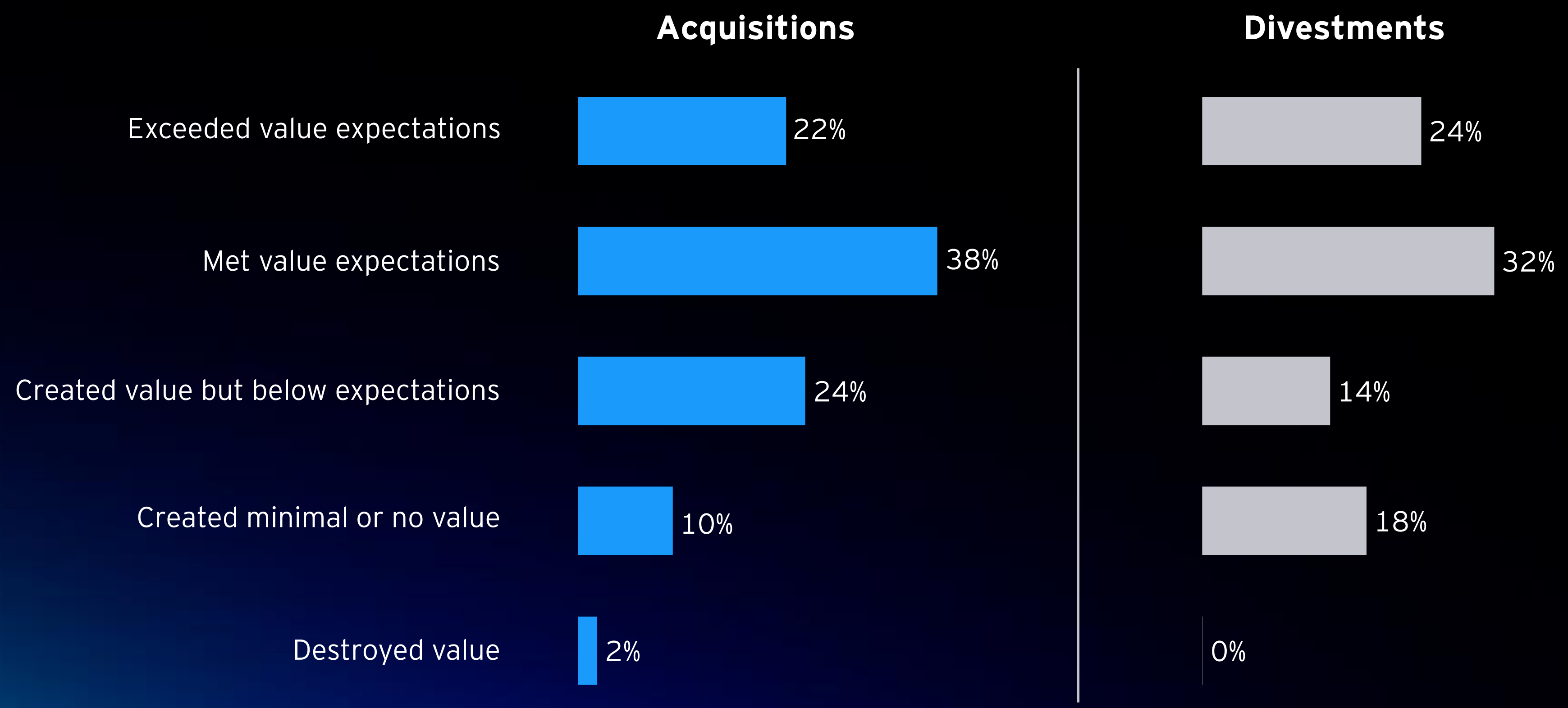
Q What are the primary drivers for your joint ventures (JVs) or strategic alliances in the next 12 months?

[The respondents who selected ‘Joint ventures or strategic alliances with third parties’ were asked to answer this question]



Value creation of deals has mostly aligned with business expectations

Q In the past two years, has your company completed or initiated an acquisition or divestment, and how did the value creation compare to pre-deal expectations?
[The respondents were asked to select one option for each statement]



Note: *Excludes responses from CEOs who have neither completed nor initiated an acquisition or divestment in the past two years*

Chapter 03

Major issues in 2025

Business leaders still expect economic challenges in the near term, potentially impacting the timelines of sustainability commitments

Q To what extent do you agree or disagree with the following statements?
[The respondents were asked to select one option for each statement]

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Inflation continues to be a challenge for our business and will be an issue we need to navigate for the next year	28%	48%	16%	8%	0%
We are committed to our current DE&I policies and do not anticipate making any changes in the next 12 months	32%	36%	28%	4%	0%
We are rethinking the timelines of our sustainability commitments in the current business climate	20%	50%	26%	4%	0%
We are actively embedding AI-enabled technology in our M&A processes	34%	40%	24%	2%	0%
A growing valuation gap will slow M&A recovery in the next 12 months	28%	22%	42%	8%	0%

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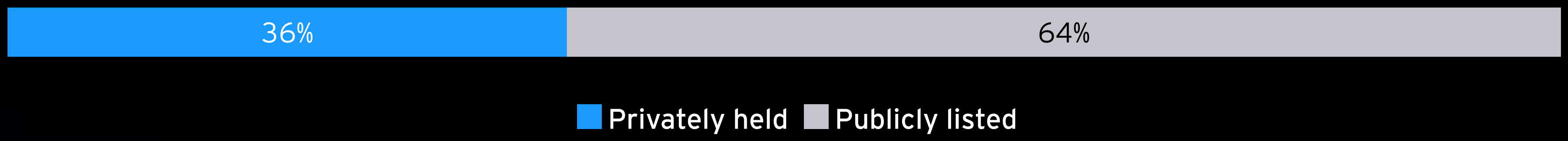
Chapter 04

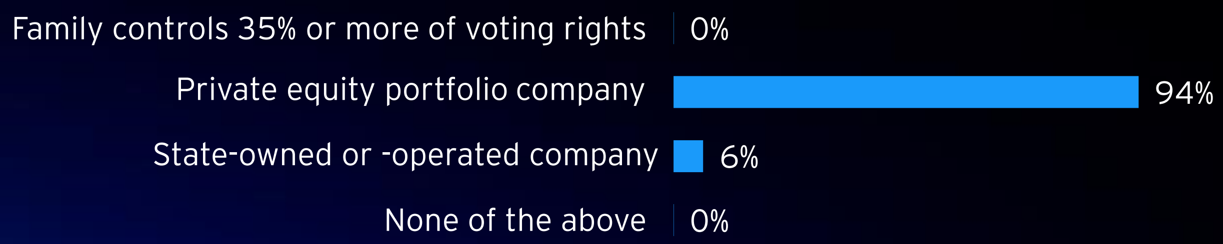
Participant profile

Participant profile

Q What is your organization's ownership structure?



Q Which of the following, if any, apply to your organization's ownership structure *(only for "privately held")*?



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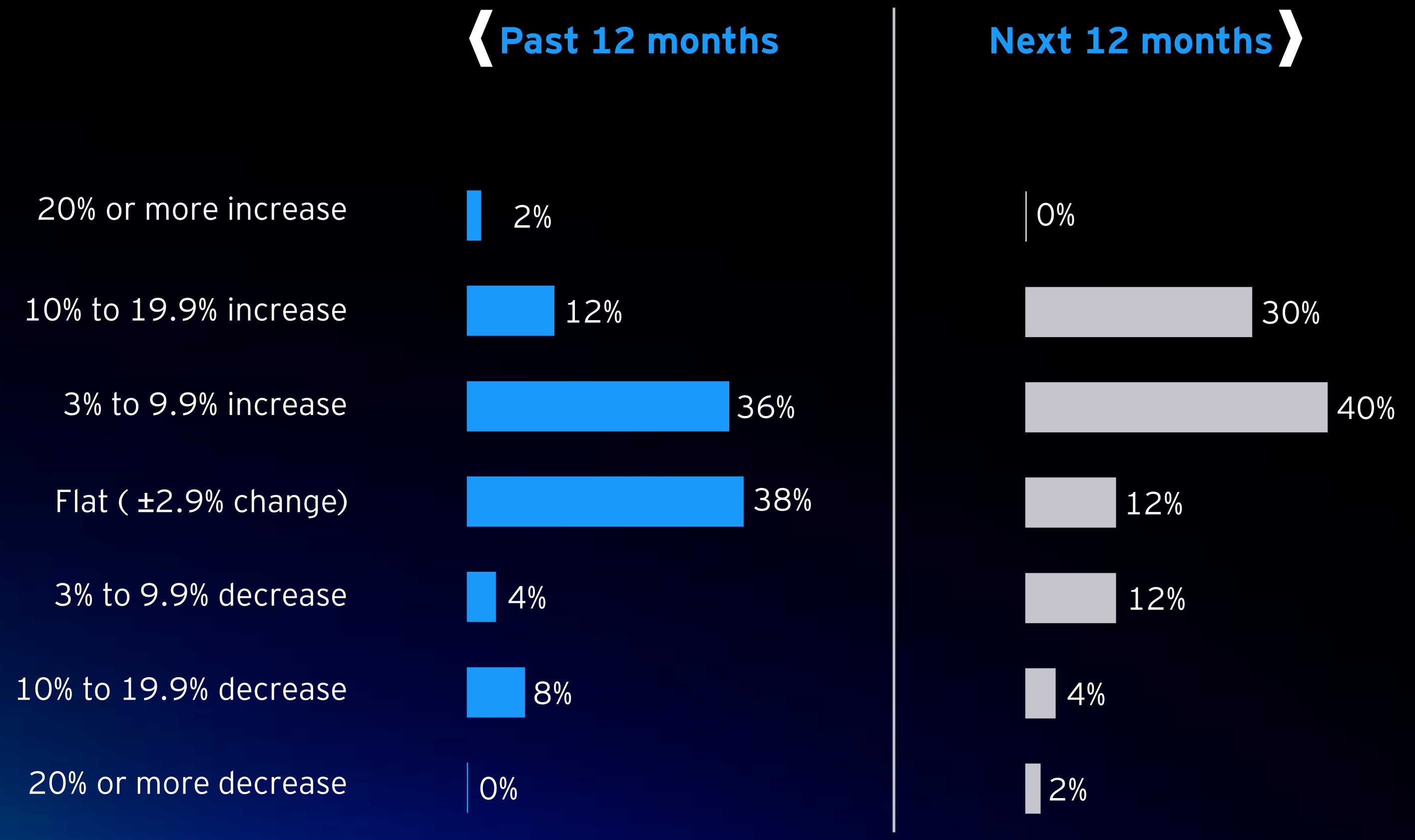
Participant profile

Q What was your company's annual revenue growth over the past 12 months, and what do you anticipate it to be in the next 12 months?



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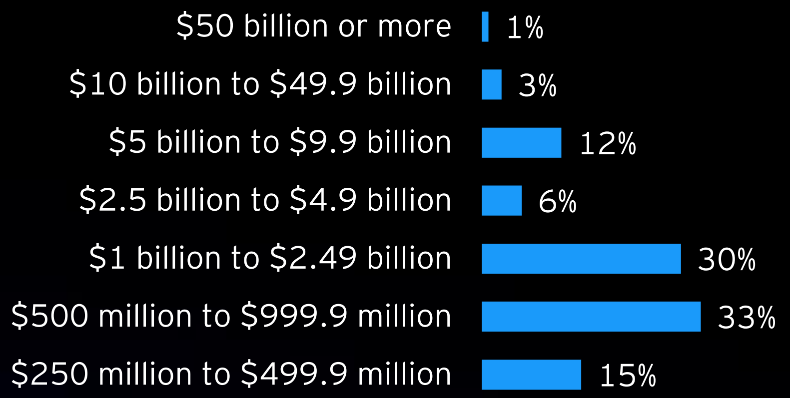
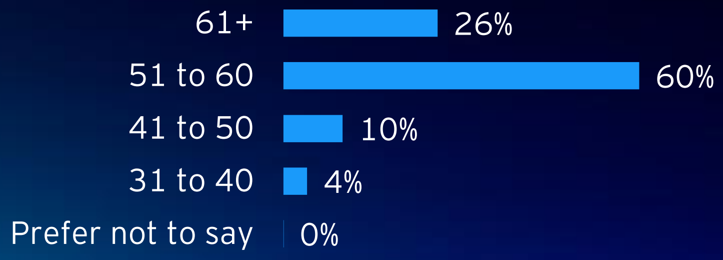
Participant profile

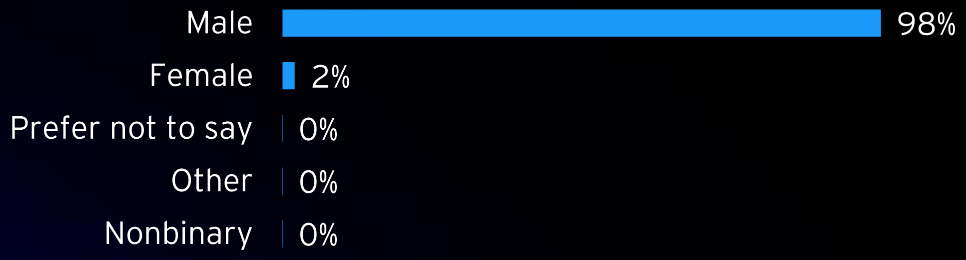
Q What was your organization's annual revenue in the most recent fiscal year (in US$)?



Q Please confirm your age group:



Q Please confirm your gender:



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EY-Parthenon CEO Outlook Survey
Research methodology

On behalf of the global EY organization, FT Longitude, the specialist research and content marketing division of the Financial Times Group, conducted an anonymous online survey of 1,200 CEOs from large companies around the world between March 10 and April 3, 2025. The survey aims to provide valuable insights on the main trends and developments impacting the world's leading companies as well as business leaders' expectations for future growth and long-term value creation. Respondents represented 21 countries (Brazil, Canada, Mexico, the United States, Belgium, Luxembourg, the Netherlands, France, Germany, Italy, Denmark, Finland, Norway, Sweden, the United Kingdom, Australia, China, India, Japan, Singapore and South Korea) and five industries (consumer and health; financial services; industrials and energy; infrastructure; technology, media and telecoms). Surveyed companies' annual global revenues were as follows: less than US$500m (20%), US$500m-US$999.9m (20%), US$1b-US$4.9b (30%) and greater than US$5b (30%).

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Meet the team and explore our resources

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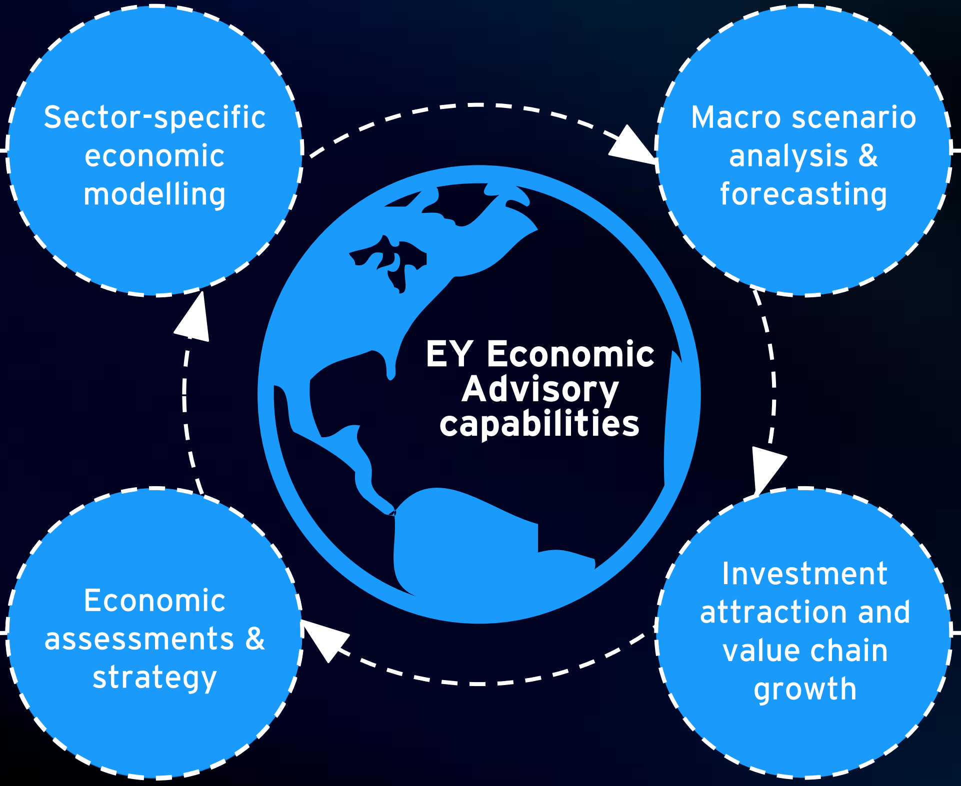
Meet the team and explore our resources

Our Economic Advisory practice applies economic principles to a wide variety of complex business issues. We develop sophisticated economic models and other quantitative tools grounded in fundamental economic theory to provide measurable insights for our clients when they are confronted with business decisions involving operations and strategic planning, economic assessments, market analysis, competitiveness studies and investment attraction.

Combining proficiency in economic modelling and insights from EY sector-specific advisors to help create dependable and resilient econometric models across a wide array of sectors and industries.



Macro-based forecasting, applying in-depth analyses of broader economic trends, sector and cluster analysis, and identification of lucrative market opportunities, helping enable business leaders to navigate uncertainties.

Bring together quantitative assessments, qualitative market research and insights from key stakeholders to inform strategies, drive economic development, estimate economic impacts and foster growth.

Conduct detailed value chain assessments, evaluate comparative strengths, identify areas of opportunity and define regional value propositions, enabling us to provide recommendations that enhance competitiveness and attract investment.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

About **EY-Parthenon**
Our unique combination of transformative strategy, transactions and corporate finance delivers real-world value – solutions that work in practice, not just on paper.

Benefiting from EY's full spectrum of services, we've reimagined strategic consulting to work in a world of increasing complexity. With deep functional and sector expertise, paired with innovative AI-powered technology and an investor mindset, we partner with CEOs, boards, private equity and governments every step of the way – enabling you to shape your future with confidence.

EY-Parthenon is a brand under which a number of EY member firms across the globe provide strategy consulting services. For more information, please visit www.ey.com/parthenon.

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