

Can disciplined ambition unlock growth in a volatile global economy?

EY-Parthenon CEO Outlook Survey

May 2026

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Executive summary

CEOs are recalibrating growth strategies, putting financial returns and execution discipline ahead of expanding fast.

The latest signals from CEOs point to a meaningful shift in leadership posture. The conflict in the Middle East has propelled geopolitical risk even higher on the corporate agenda, but respondents are not retrenching as in previous crisis periods. Instead, CEOs' 2026 priorities now center on tightening execution, sharpening capital allocation and reinforcing resilience while continuing to invest in longer-term strategic ambitions.

That distinction matters. In previous shocks, many companies responded by pausing, preserving and waiting for visibility to improve. Today, CEOs increasingly recognize that instability is not episodic – it is now a standard condition of business.

CEOs are no longer treating geopolitics as a distinct and distant macro-overlay. It is not simply a higher-ranking risk; it is a multiplier of others. CEOs increasingly see geopolitics as the catalyst for pressures spanning supply chains, costs, cyber exposure and regulation, forcing political risk into the core of strategy, operating models and investment decisions, especially access to strategic technologies.

For CEOs, the right response is to be adaptive rather than reactive.

This is a more experienced response to volatility. CEOs appear to have absorbed the lesson of the past decade, which is that disruption is rarely brief, isolated or neatly sequenced.

In brief

- Discipline is strengthening ambition as CEOs are tightening execution and investment while staying focused on long-term growth.
- Political risk directly shapes operations, supply chains and investment strategies and geopolitics is now embedded in business decisions.
- The focus on AI is shifting from adoption to generating value, therefore the advantage will depend on how well AI is measured against performance.

Geopolitics is now a core driver of business strategy

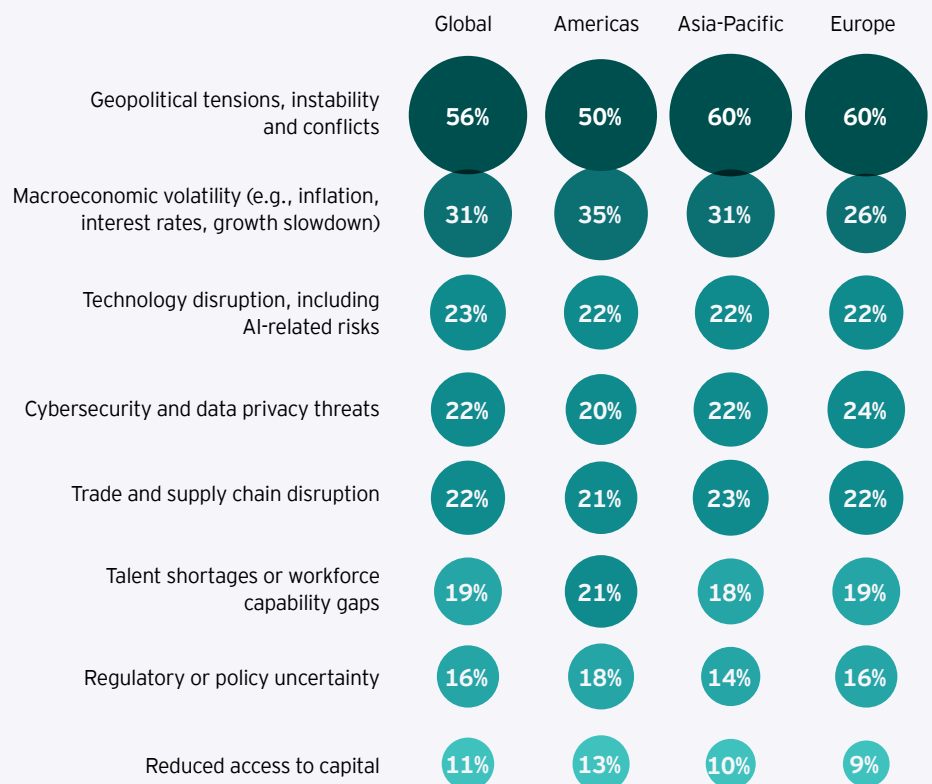
As geopolitical tensions intensify, CEOs are shifting from short-term reactions toward structural change — strengthening resilience while investing selectively.

With CEOs being surveyed through mid-March and April, it is no surprise that geopolitical tensions, instability and conflict have rebounded as the top risk for business. More than half of CEOs (56%) now cite this as the key near-term risk, compared to just over one-quarter (28%) in September 2025, when technology disruption and AI, combined with access to talent, were top of mind for the C-suite.

Geopolitical tensions surge to the top of CEOs' near-term risks

Q What do you consider the most significant risks to your business over the next 12 months?

The respondents were allowed to select up to two responses.





46%

of CEOs say their business would be exposed to significant headwinds if energy price shocks are sustained.

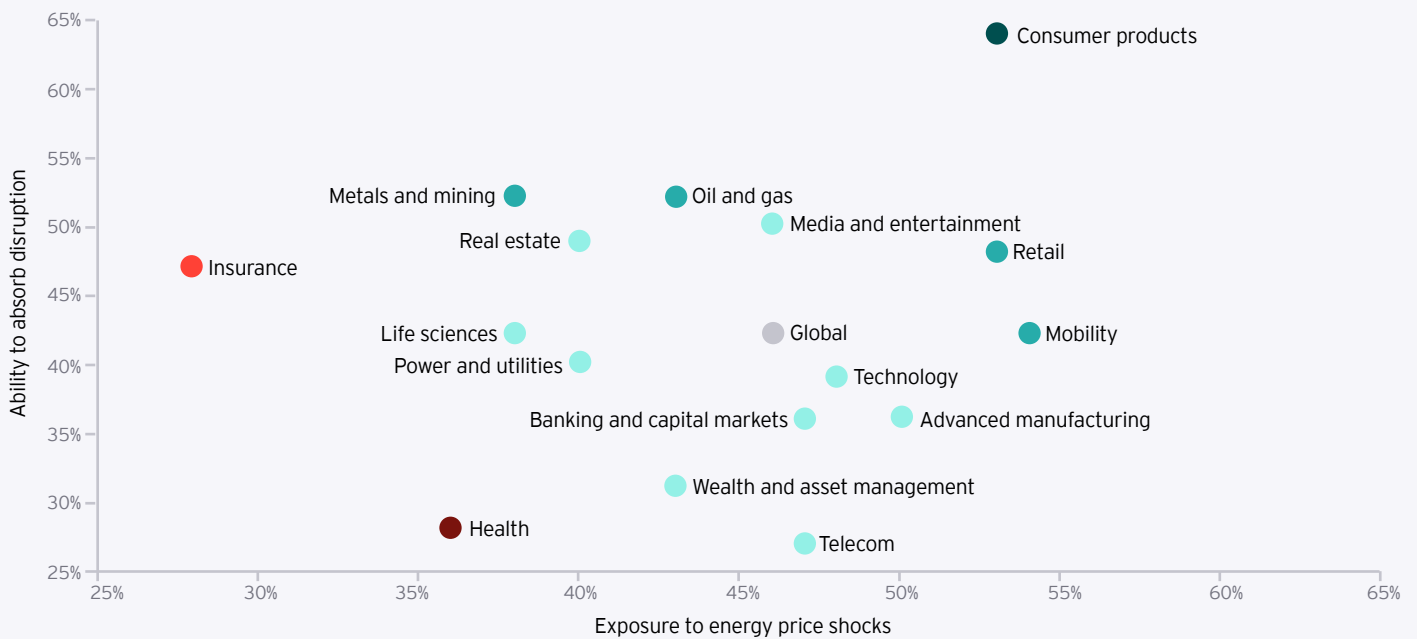
However, the full impact of the conflict in the Middle East is uncertain, particularly the economic disruption. And there are broader geopolitical uncertainties as well. As the latest International Monetary Fund (IMF) World Economic Outlook notes, "Downside risks dominate the outlook. A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial-intelligence-driven productivity, or renewed trade tensions could significantly weaken growth and destabilize financial markets¹."

CEOs acknowledge these risks. A plurality (46%) says their business would be exposed to significant headwinds if energy price shocks are sustained, with 42% also saying they would struggle to absorb prolonged and significant disruptions across their ecosystem.

Sector outlook on energy and supply chain disruption

Risk

● Global ● Very low ● Low ● Moderate ● High ● Very high



Note: CEO respondents were asked to rate their companies' exposure to significant headwinds if energy price shocks are sustained, as well as their ability to absorb disruption across critical third-party providers, infrastructure, or global operating networks.

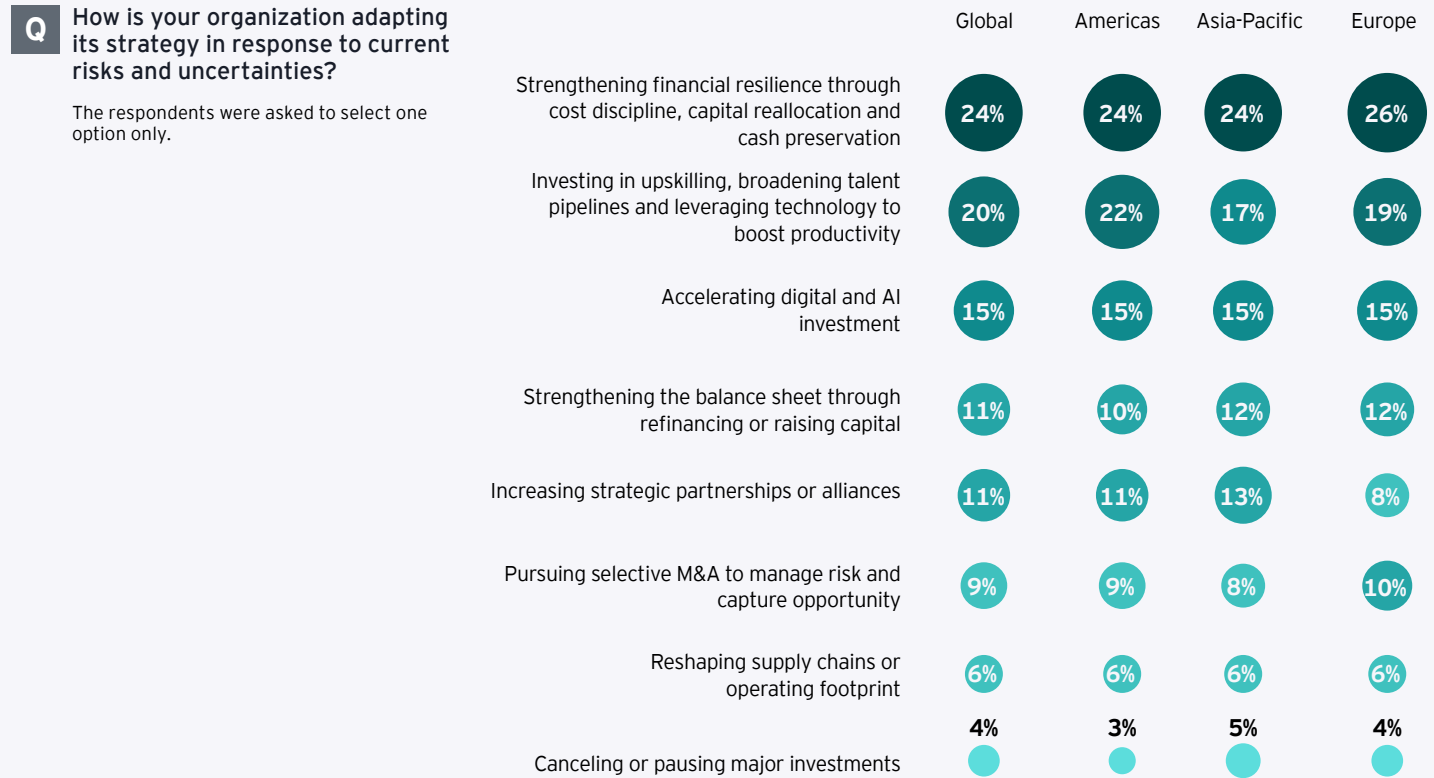
1 International Monetary Fund (IMF). Global Economy in the Shadow of War. World Economic Outlook, April 2026. International Monetary Fund. Accessed 29 April 2026



The other issue that is gaining headlines and C-suite attention is the increasing concern about the advances in AI and its potential for significant disruption to existing cyber defenses. As noted in the EY [study of 500 security professionals on AI in cybersecurity \(via EY.com US\)](#), this is a rapidly evolving and multifaceted conundrum for business leaders.

With so much yet unclear, CEOs are taking a measured and disciplined approach in the face of these interconnected external disruptions. They are strengthening financial resilience, but they are also investing in strategic partnerships, selective mergers and acquisitions (M&A), digital and AI capability, workforce productivity and supply chain redesign.

CEOs respond to volatility by tightening execution, not pausing investment



In a world defined by nonlinear, accelerated, volatile and interconnected risks – what the EY organization calls the “NAVI world” – [leaders need both immediate resilience and longer-term reinvention](#). Against this backdrop, CEOs appear to be prioritizing resilience not as a defensive measure, but as a foundation for growth. Their responses suggest a continued move away from short-term reactions toward structural adjustments in how their organizations operate and compete.



CEO action agenda

1

Tighten financial discipline

Prioritize high-return investments, cut inefficiencies and protect funding for long-term growth.

2

Build resilience to geopolitical shocks

Diversify supply chains, stress-test scenarios and embed political risk into decision-making.

3

Continuously reassess operations and ecosystems

Identify weak points, adapt partnerships and ensure the business can withstand ongoing disruption.



AI investment is moving from adoption to measurable ROI

CEOs face pressure to demonstrate enterprise-level financial returns from AI quickly enough to sustain investment in a tighter cost environment.

Even though there is a continuing debate about AI and the returns it will generate, it remains central to many corporate growth plans because CEOs increasingly see it as a structural, long-term driver.

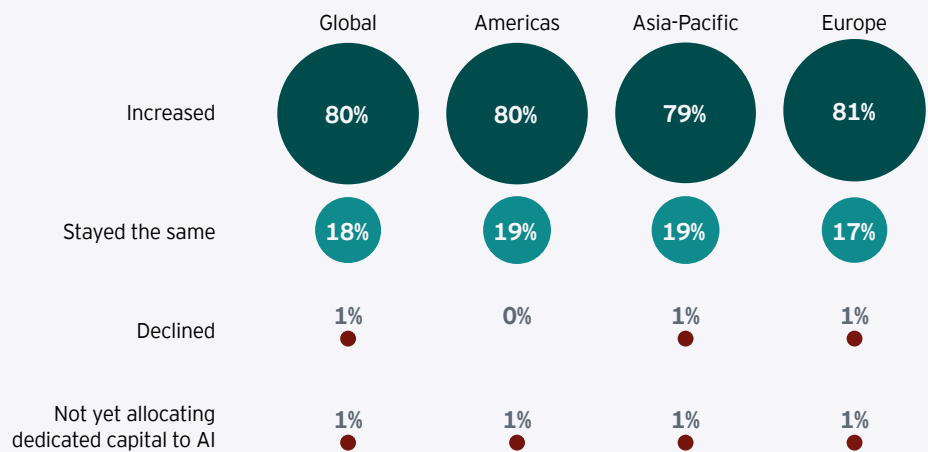
One of the clearest indicators that the long-term focus on AI remains intact is the concrete plans already underway to accelerate investment in AI. Planned AI spending is rising, even amid heightened external uncertainty, and the pattern of investment suggests a more mature understanding of where enterprise value will come from.

CEOs are allocating capital across cost transformation, quality uplift, business model reinvention and incremental efficiency. That spread matters because it suggests AI is being treated less as a discrete technology program and more as a structural lever across the enterprise.

AI investment accelerates despite heightened uncertainty about value creation

Q How does your company's planned AI investment for 2026 compare with 2025 investment levels?

The respondents were asked to select one option only.



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AI is moving quickly, and companies are under pressure to keep up without overspending. It is driving competition, lifting expectations for personalization and demanding investment before the benefits are proven, while also increasing data privacy risks.

CEO, North America, media and entertainment sector



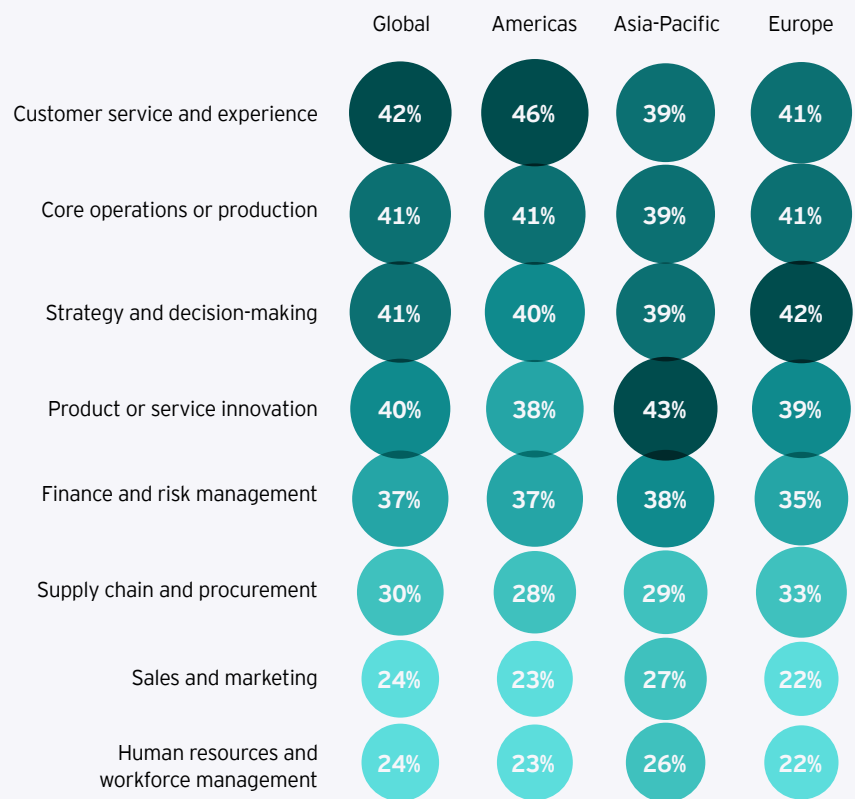
CEOs are not idealizing AI. They are becoming more operationally serious about it. In other words, the imperative is shifting from whether to adopt AI to how and where to scale it to create the biggest impact and financial return.

Respondents say AI is already delivering measurable impact across operations, supply chains, product or service innovation, customer experience, strategy and risk management. What matters is that these are not only back-office or isolated use cases. They span revenue, operations and decision-making. This also means that AI programs that cannot demonstrate measurable financial impact will increasingly struggle to compete for investment internally.

AI is reshaping strategy, operations, innovation and the customer experience

Q In which areas is AI currently delivering the most measurable enterprise-level impact in your organization?

The respondents were allowed to select up to three options. Two categories with response rates between 0-1% ('We are still piloting AI in pockets to understand potential enterprise value' and 'We have not yet seen measurable enterprise impact') are not shown for readability.



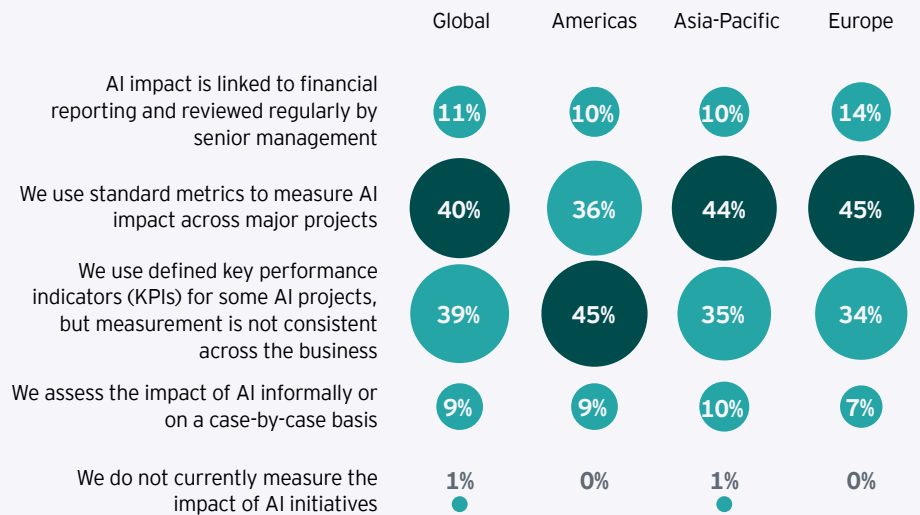


CEOs are also signaling that AI impact on enterprise value creation remains uneven. This suggests the new dividing line is not access to technology or enthusiasm for AI. It is the harder work of measuring the impact of AI across the organization and aligning it with financial performance.

Most CEOs measure AI impact, but few link it directly to financial performance

Q Which of the following best describes how your company measures the impact of its AI initiatives?

The respondents were asked to select one option only.



Only 11% of respondents say AI impact is linked to financial reporting and reviewed regularly by senior management. That minority group represents a more mature stage of AI management, where outcomes are connected to finance, and accountability sits at the top of the house, with AI treated as part of enterprise performance rather than adjacent to it.

What makes this group especially interesting is the balance in its profile. Our EY-Parthenon CEO Outlook survey shows that these CEOs are more likely to expect stronger revenue growth, more likely to report recent growth, yet more outwardly alert to macroeconomic, geopolitical and cyber risks. That is the pattern of leaders who have linked ambition to discipline. They are neither complacent nor risk-averse. They are more confident in internal capability because they have created tighter lines between investment, governance and results.

This is where the narrative should move beyond adoption and into enterprise design. It should start to become more apparent that AI-led innovation produces durable value only when it is embedded in workflows, linked to decisions, supported by trusted data and integrated into the management system. That is the central argument of [how the productivity reset will redefine value](#), which contends that real productivity

gains require leaders to rethink data, skills and operating models rather than merely deploy new tools.

That pattern sits well with [how AI helps superfluid enterprises](#) reduce friction, improve agility and embed AI more deeply across the enterprise through hybrid governance and redesigned operating models.





Regulation and trust are becoming part of the competitive equation.

Respondents say current AI regulatory frameworks create a mixed experience. Only a fifth (19%) of CEOs are truly satisfied with the current AI regulatory frameworks – with surprisingly little variation across regions despite different approaches to AI regulatory frameworks. Many emphasize fragmentation, complexity and the risk that compliance burdens outpace business clarity.



Regulation has become too complex. Clarity and global alignment are what matter. Where possible, regulators should align standards across borders or at least make them compatible between regimes. That will allow companies to scale AI solutions responsibly without duplicating efforts market by market.

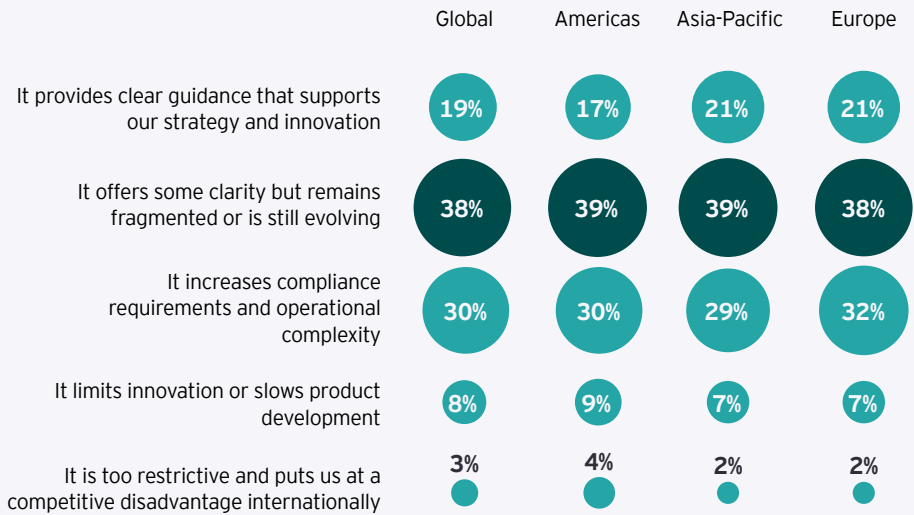
CEO, Europe, consumer sector

What impact do current AI regulatory frameworks have on businesses?

Q What is the impact of current AI regulatory frameworks on your business?

The respondents were asked to select one option only.

Two categories with response rates between 0%-1% ('None – while AI regulation applies to our business, it has had little impact so far' and 'None – AI regulation is not currently relevant to our business') are not shown for readability.



The sheer pace of developments in AI and the speed at which regulators need to adapt is another concern of CEOs.

CEOs are not rejecting regulation in principle. They are signaling that the quality of regulation, and the ability to operate across jurisdictions, will increasingly shape who can scale AI with confidence. This makes trust, governance and cyber resilience strategic capabilities rather than

support functions. This interpretation aligns with [how reframing trust](#) as a strategic asset tied to resilience, adoption and enterprise value allows firms to navigate change and unlock growth. CEOs need to also consider the current attitudes of wider public as they navigate regulatory complexities. The [2026 AI Sentiment Study](#) shows that three-quarters of people are looking for stronger regulations on how companies can use AI.



Regulation needs to keep pace with AI without becoming restrictive or quickly outdated. That means keeping rules flexible and grounded in how the technology is actually used. Close engagement with industry will be essential to ensure policies are workable in practice.

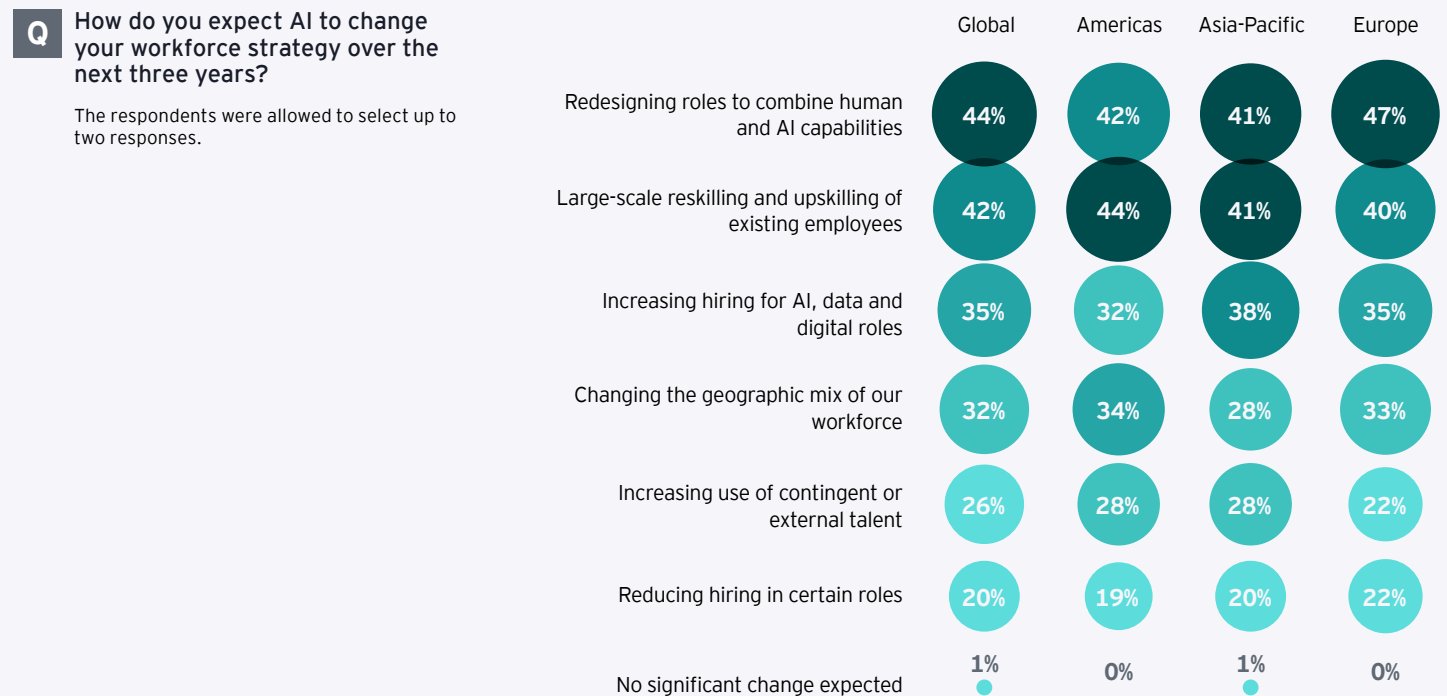
CEO, Asia-Pacific, technology sector



Is workforce transformation where AI ambition meets organizational reality?

CEOs are also clear that AI transformation is inseparable from workforce transformation. Respondents say AI will reshape workforce strategy through role redesign; larger hiring needs in AI, data and digital; and more significant reskilling and upskilling efforts. But when they identify what is holding value back, they point to limited skills, leadership capability gaps, weak learning infrastructure and cultural resistance.

CEOs focus on reskilling and role redesign as AI adoption scales



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Managing a large-scale reskilling effort at an established industrial company like ours is more of a cultural challenge than a technical one. To move from a traditional manufacturing mindset to an AI-augmented one, leadership must focus on consistently communicating that AI is a tool for the craftsman, not a replacement for the craft.

CEO, Europe, automotive sector



This suggests that the real AI bottleneck is organizational absorption. CEOs may be ready to invest, but value will depend on redesigning work, continuously renewing skills and turning experimentation into scaled behavior change. This aligns with [the findings of why shared intelligence will redefine talent](#) and [EY Work Reimagined Survey](#), both of which highlight the importance of aligning talent, work and technology to unlock value.

This reskilling of existing employees who have deep knowledge of their industries is becoming a clear imperative. But it requires time and investment.

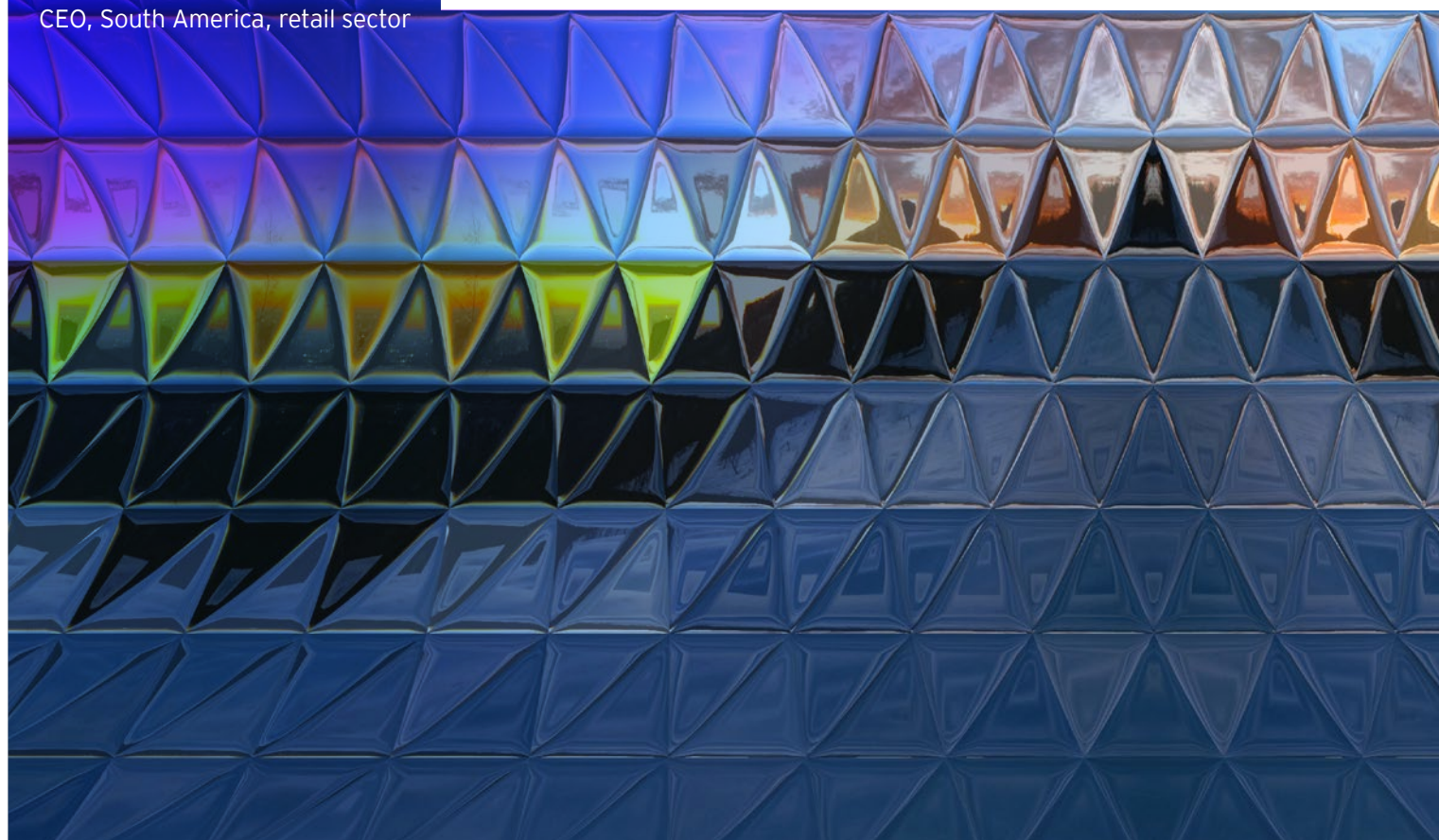
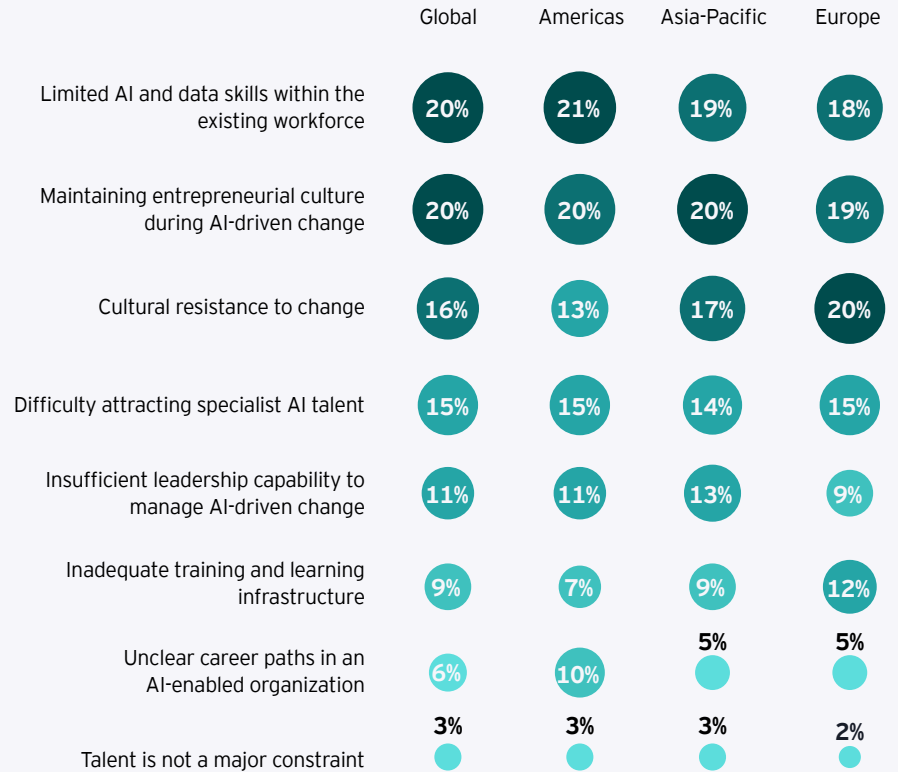
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 Employees need time and support to learn. That means making training part of the working day, not an add-on.”

CEO, South America, retail sector

Main talent constraints to generating value from AI

Q What is the main talent constraint on your company's ability to generate value from AI?

The respondents were asked to select one option only.





CEO action agenda

1

Tie AI to financial performance

Track impact with clear metrics, link outcomes to reporting and prioritize initiatives that deliver measurable returns.

2

Redesign roles around AI

Embed AI into workflows and decision-making, shifting work models to integrate human and machine capabilities.

3

Accelerate upskilling

Invest in continuous learning, align skills to business outcomes and make capability building part of everyday work.

Capabilities are overtaking scale as the core deal driver

M&A is no longer an opportunistic expansion. CEOs are using deals to build technology advantage, reduce complexity and reconfigure portfolios around long-term growth and capability leadership.

Deals are no longer optional to transformation – they are a core mechanism. CEOs are using acquisitions, divestments and partnerships to reshape the whole enterprise, not just to manage the portfolio.

That explains why deal appetite remains so elevated even in a more volatile setting. This is not to say that all these ambitions will result in deals in 2026. And external pressures such as developing geopolitics and conflicts may cause a pause in the deal market. But the intention is certainly at the forefront of CEO thinking.

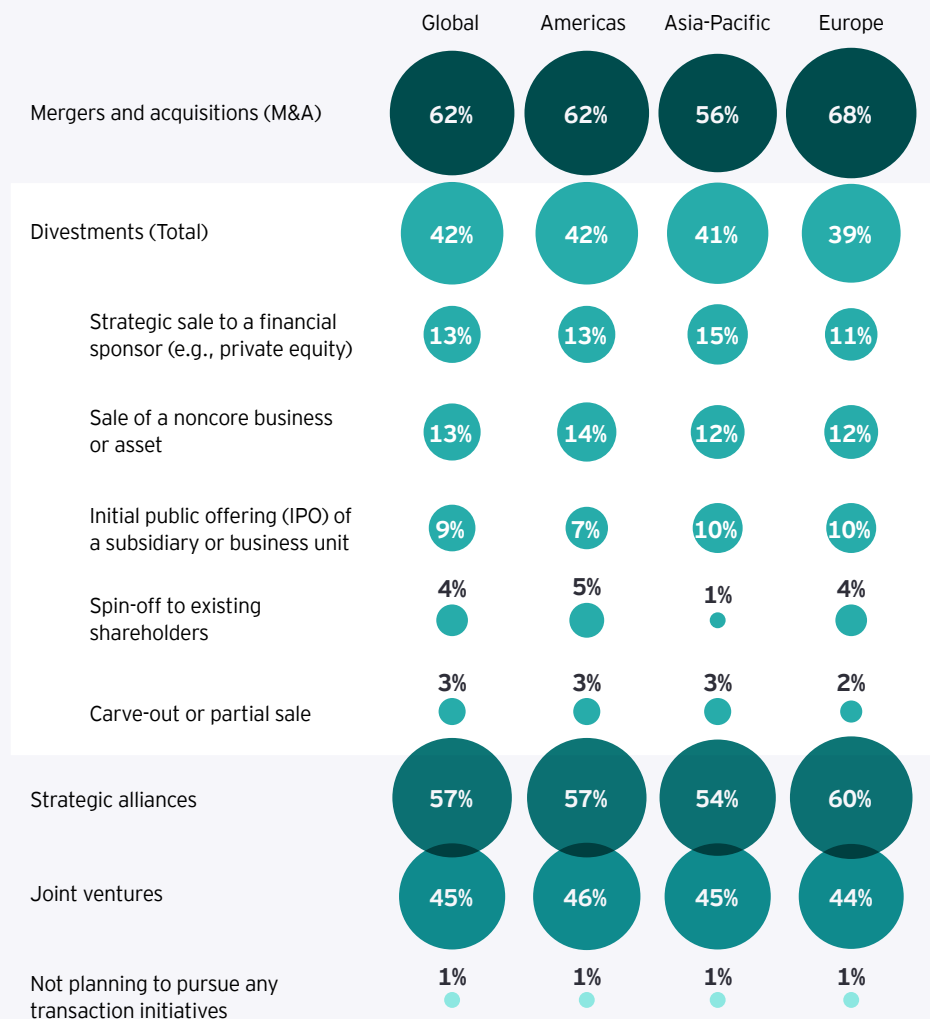
When the operating environment is unstable and the pace of technological change is high, building everything organically can be too slow, too uncertain or too capital-intensive. Selective M&A becomes a way to accelerate access to technology, talent, products, markets or operating capabilities that would otherwise take years to build. At the same time, divestments can release capital, reduce complexity and sharpen strategic focus.

And CEOs are looking at their portfolios through twin lenses of technology and long-term opportunities. Respondents say decisions are being shaped by strategic fit with long-term growth priorities, margin quality and returns, the ability to enhance technology or AI capabilities, capital intensity

Anticipated transaction initiatives over the next 12 months

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 options.





and the management burden of complexity. This is the language of disciplined portfolio design, rather than opportunistic expansion.

Those CEOs combining AI investments and financial performance with regular board-level oversight are more likely to prioritize technology and AI capability building, more likely to emphasize long-term strategic fit, and more likely to use joint ventures and alliances. That combination suggests a more sophisticated approach to portfolio optimization. They are not only asking what to own. They are also asking where partnering offers a faster, more flexible and lower-risk route to capability.

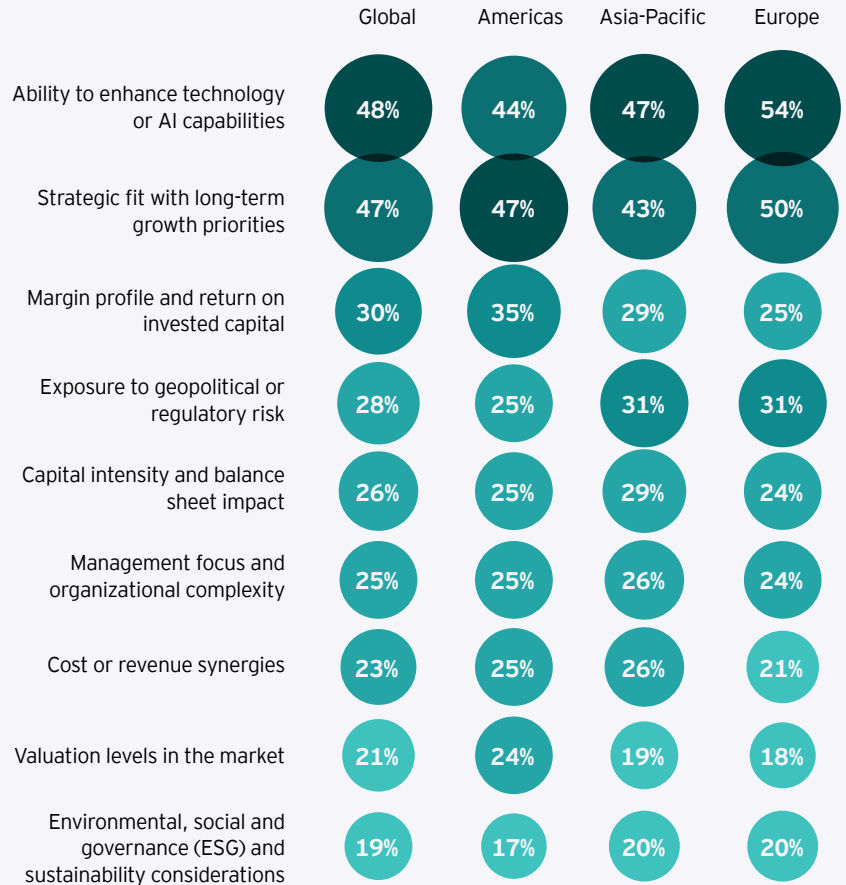
The [EY Firepower report: life sciences dealmaking – trends in 2026](#) argues that companies need to move faster on the deals that matter most in order to compete in a more demanding environment. In a slower-growth, more volatile market, M&A becomes more strategic precisely because it is more tightly linked to future capability, as companies look to accelerate faster in areas of faster growth.

CEOs are using the portfolio to build technological strength, reduce organizational drag, improve resilience and create conditions for more durable growth.

Key decision-making factors for portfolio acquisitions or divestments over the next 12 months

Q When considering potential portfolio acquisitions or divestments over the next 12 months, which factors will be most important in your decision-making?

The respondents were allowed to select up to three options.



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In our industry, technological advantage is the only true advantage. When we evaluate deals, the ability to enhance technology or AI is not just about adding new products. Instead, it is about accelerating our transition into a software-defined, top-tier defense organization.

CEO, Europe, aerospace and defense sector



CEO action agenda

1

Use deals as a transformation lever

Pursue M&A, divestments and partnerships to accelerate capability building and reshape the enterprise.

2

Apply disciplined portfolio strategy

Prioritize long-term fit, returns and tech or AI capability while reducing complexity and capital intensity.

3

Balance build, buy and partner

Use alliances and joint ventures to access capabilities faster and with greater flexibility and lower risk.

Summary

The CEO agenda is currently defined by disciplined ambition. Despite rising external risks – most notably geopolitics – CEOs are not retreating from long-term priorities. They are investing selectively and building resilience to accelerate transformation. AI remains central to their ambitions, with the focus shifting from utilization to value creation. Talent is being revisited as combining technology and institutional knowledge becomes critical. Portfolios are being reshaped to address capability gaps and reduce complexity. The leaders who stand out are using discipline to sustain ambition – not scale it back.

About the research

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 and April 2026. The survey aimed 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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ED None

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