

How do CEOs reimagine enterprises for a future that keeps rewriting itself?

EY-Parthenon CEO Outlook Survey

January 2026



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The better the answer.
The better the world works.

Executive summary

Our CEO Outlook 2026 shows leaders driving growth and adaptability through bold AI transformation, balancing cost pressures amid uncertainty.

As CEOs look ahead to 2026, one thing will be consistent with 2025: the need to adapt and continue transforming to help navigate a volatile and changing environment.

Persistent geopolitical uncertainty and uneven economic momentum are intensifying the imperative to reimagine the enterprise – further and faster – including accelerating progress along the artificial intelligence (AI) adoption curve to enhance organizational adaptability. Even as CEOs temper their global outlook, they remain confident in their ability to transform at speed and create sustainable advantage.

While volatility will persist into 2026, many companies believe they have laid the foundations for AI-driven transformation and digital resilience. Portfolio reshaping, strategic deals and efficiency programs – often powered by AI and automation – are now giving CEOs a stronger baseline to navigate disruption with confidence.

Yet the challenges ahead demand even greater discipline. Slow and fragile economic growth will force leadership teams to make sharper

choices about where and how to deploy investments. In terms of AI, broad experimentation is giving way to targeted scaling – identifying the business units where AI can accelerate productivity, transform decision-making, or unlock differentiated customer value. The key tension for 2026 is balancing short-term cost pressure with long-term competitiveness.

Geopolitical fragmentation continues to heighten complexity and urgency. As trade alliances and supply chains shift, CEOs must decide where to pursue growth – and where to optimize flexibility and manage risk, often pulling back from some markets while doubling down on others. Despite these complexities, 2026 is a pivotal time: companies that align capital allocation, transformation priorities and AI scaling through a geographic lens will be best placed to outpace competitors as conditions improve. The year ahead is unlikely to be benign, but it brings a clearer direction: flexibility built through sharper portfolios deliberately designed for uncertainty and a renewed commitment to transformational innovation in a world being reshaped by intelligent technology.

In brief

- CEOs face continued geopolitical uncertainty and cost pressures but remain confident in driving growth through AI, talent and operational efficiency.
- AI moving from pilot projects to enterprise-scale integration, primed to be a core driver of productivity, adaptability and competitive advantage.
- M&A accelerates transformation by delivering technology, talent and market access faster than organic growth, despite rising geopolitical scrutiny.

With conditions working against expansion, what will propel growth?

CEO Outlook 2026 shows leaders facing slower growth and rising costs while doubling down on talent and AI-driven productivity to generate self-made momentum and resilience.

This latest EY-Parthenon survey of 1,200 CEOs shows a softening in executive confidence. Overall sentiment declined from 83.0 to 78.5, reflecting growing unease about the pressures shaping today's business landscape. The most significant concerns are around global economic growth, as

leaders reassess demand expectations in an environment marked by geopolitical tensions, supply chain realignments and slowing activity. This aligns with [EY-Parthenon's global economic outlook \(via ey.com US\)](#), which expects global real GDP growth to ease from 3.3% in 2025 to 3.1% in 2026.

CEO Confidence Index

Geography

	US	Brazil	Italy	UK	China	Mexico	Germany	Global	India	South Korea	Canada	Singapore	Nordics	Australia	France	Japan	Benelux
Overall confidence	76	77	77	77.5	77.5	78	78.5	78.5	78.5	79	79.5	80	80	81	81	82	84
Global growth	70	71	55.5	65	81	78.5	64	69	72.5	64	63.5	66	71.5	66	64	73	76.5
Country growth	81.5	83.5	82.5	81.5	83	79.5	84.5	82	85.5	83.5	79	77.5	80.5	81	74.5	86.5	84
Company growth	80.5	81.5	82	80	81.5	83.5	81	81	80.5	80	79	83	84	81	79.5	83.5	86.5
Prices and inflation	64	61.5	53.5	66	66	59.5	69	66	70.5	67	69	65.5	64.5	69	74.5	65.5	69.5
Talent	74.5	77	80.5	77.5	74	80.5	77	78.5	77.5	79.5	83.5	82.5	84	84.5	80	82.5	89.5
Investment and technology	77	79	80	79	84	79.5	77.5	79.5	75	80.5	78.5	81.5	81.5	82.0	80.5	88.5	82
Neutral —————> Optimistic																	

Sector

	Mobility	Manufacturing	Oil and gas	Real estate	Technology	Telecoms	Banking	Global	Metals and mining	Power and utilities	Retail	Consumer products	Life sciences	Entertainment	Health	Insurance	Asset management
Overall confidence	75	76	77	77.5	78	78	78.5	78.5	78.5	79	79	79.5	80	80	80.5	81.5	81.5
Global growth	64.5	68.5	65.5	67	66.5	71	64	69	70	59	68	71.5	71.5	79	72.5	73.5	72.5
Sector growth	84	83.5	80.5	86	89	91	86	87	87	86.5	87	88	88.5	87	88	90.5	92
Company growth	78.5	80.5	82	78.5	81	79	82	81	81.5	82	81	79.5	82	83	83	85	84.5
Prices and inflation	60.5	62	68	71	64.5	68	63	66	64.5	63.5	71	68	70	67.5	71	63.5	66
Talent	74	75.5	78.5	74	74.5	75.5	81.5	78.5	81	82	79	82.5	81	81	80	84.5	82.5
Investment and technology	78.5	79.5	76	77	81	77.5	80.5	79.5	79	81.5	78	79	78.5	80.5	81	83.5	82.5
Neutral —————> Optimistic																	



Compounding this macro uncertainty is a dip in CEOs' confidence in their ability to manage rising operating costs, particularly energy, labor and compliance. Many also express

reduced optimism about their ability to pass these higher costs on to customers, signaling weakening pricing power as consumers and businesses become more value sensitive.

Despite cost concerns, CEO confidence remains strong in talent and technology

Q CEO Confidence Index: How confident do you feel about your own company's outlook for the following areas over the next 12 months?

The respondents were instructed to choose one option per statement.

● January 2026
● September 2025



This again aligns with EY-Parthenon outlook, with global inflation continuing to ease but remaining highly divergent. Tariff-imposing economies are expected to see higher import costs and renewed price pressures, while targeted economies will continue to experience demand- and commodity price-driven disinflation.

Yet confidence remains resilient in two critical areas: talent and technology. CEOs continue to feel assured about attracting and retaining key capabilities, reflecting the maturing of hybrid work models, clearer employee value propositions and continued investment in skills. Equally, confidence in emerging technologies, including AI, automation and advanced analytics, remains strong, reflecting the transformative

potential for productivity, customer experience and long-term competitiveness.

To navigate this uncertainty, CEOs should focus on three priorities: sharper cost discipline through productivity-driving investments such as AI; more precise pricing grounded in customer insight to protect margins; and a faster shift to skills-powered organizations, with teams equipped to scale new technologies and manage geopolitical and macro volatility.

The message is clear – CEOs who double down on people and technology while addressing cost and growth pressures head on will be best placed to create their own momentum in a challenging year ahead.



61%

of CEOs anticipate higher operating costs in 2026.

Is self-control the key to unlocking transformation?

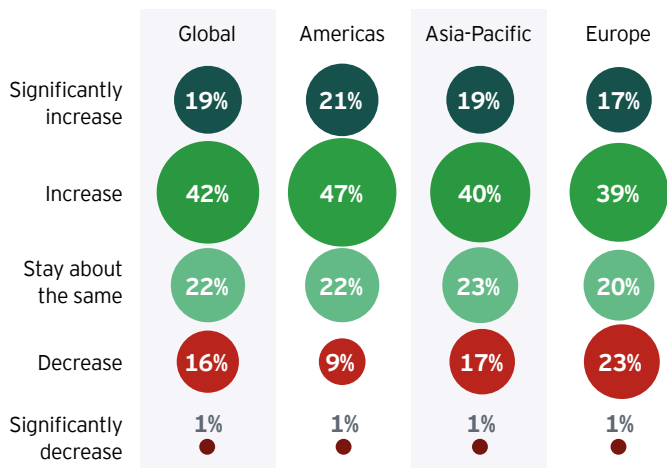
CEOs enter 2026 with a paradoxical mindset: confident in their own prospects, less so in the global economy. Despite geopolitical tensions, sluggish global growth and supply chain instability, a strong majority of CEOs – around nine in 10 – anticipate growth across revenue, profitability and productivity in 2026. This divergence reflects a belief that, despite external pressures, organizations can take decisive actions to strengthen performance from within and effectively navigate external challenges.

However, this optimism is tempered by rising cost pressures. In 2026, a significant 61% of CEOs expect higher business costs, while only 16% anticipate reductions – signaling a structural shift rather than a temporary inflation spike. Inputs such as labor, energy, technology, regulatory compliance and financing remain elevated, and many of these pressures are likely to persist.

Majority of CEOs anticipate higher operating costs in 2026

Q How do you expect your operating costs to change in 2026 compared with 2025?

The respondents were asked to select one option only.



This environment demands a more proactive and interventionist approach from CEOs. Confidence in revenues and profitability suggests leaders believe they can unlock growth through pricing strategies, customer differentiation, portfolio optimization and investments in digital transformation. Expected productivity gains reinforce this, underscoring technology – especially AI, automation and data-driven redesign – as a key lever to offset cost inflation.

Despite tensions, CEO expect growth in revenue, profitability and productivity

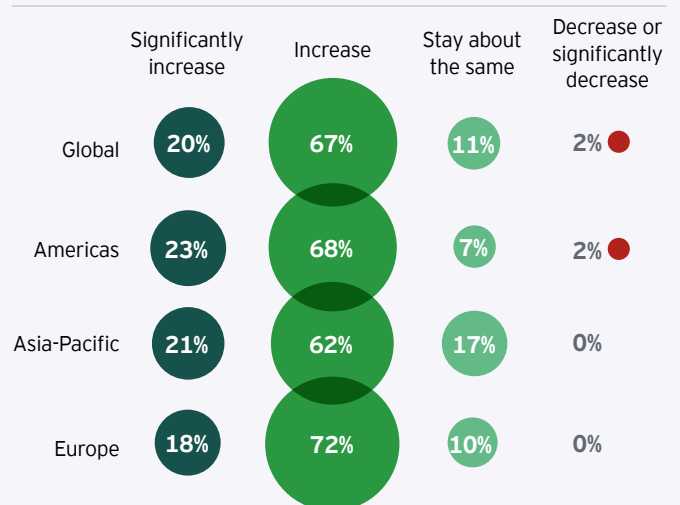
Q How do you expect your organization's performance to change in 2026 compared with 2025?

The respondents were instructed to choose one option per statement.

Revenue growth



Profitability



Productivity





The 2026 confidence gap reflects CEOs' belief in self-driven growth and operational control, contrasted with global uncertainty from geopolitical fragmentation, uneven regional recovery and trade frictions. The challenge is to execute with precision: doubling down on efficiency programs, scaling technology that delivers real productivity uplift, rebalancing portfolios toward higher-margin opportunities and redesigning operating models to be more agile. Those who succeed will translate internal confidence into tangible performance, even amid challenging macro conditions.

97%

of companies are undergoing a significant transformation or are about to start one.

Is the hardest part of transformation yet to come?

In this period of heightened geopolitical, economic and technological uncertainty, transformation has become essential for companies seeking to remain competitive and resilient. The majority of CEOs now report that they are either in the midst of a significant enterprise-wide transformation initiative (52%) or plan to begin one in 2026 (45%).

Their priorities reveal the scale and breadth of change required. Globally, 43% of CEOs identify optimizing operations and improving productivity, including digitalization, as their top desired outcome, highlighting the urgency of reshaping cost structures and unlocking efficiencies. At the same time, 40% prioritize customer engagement and retention to stabilize demand as consumer behaviors shift rapidly.

Innovation remains a central priority, with 37% of CEOs focused on enhancing products and processes, and 36% targeting faster top-line growth despite

muted macro tailwinds. Alongside cost reduction, employee engagement and retention, sustainability and business model reinvention, these priorities show that reimagining the enterprise now spans everything from operations and culture to strategy and growth.

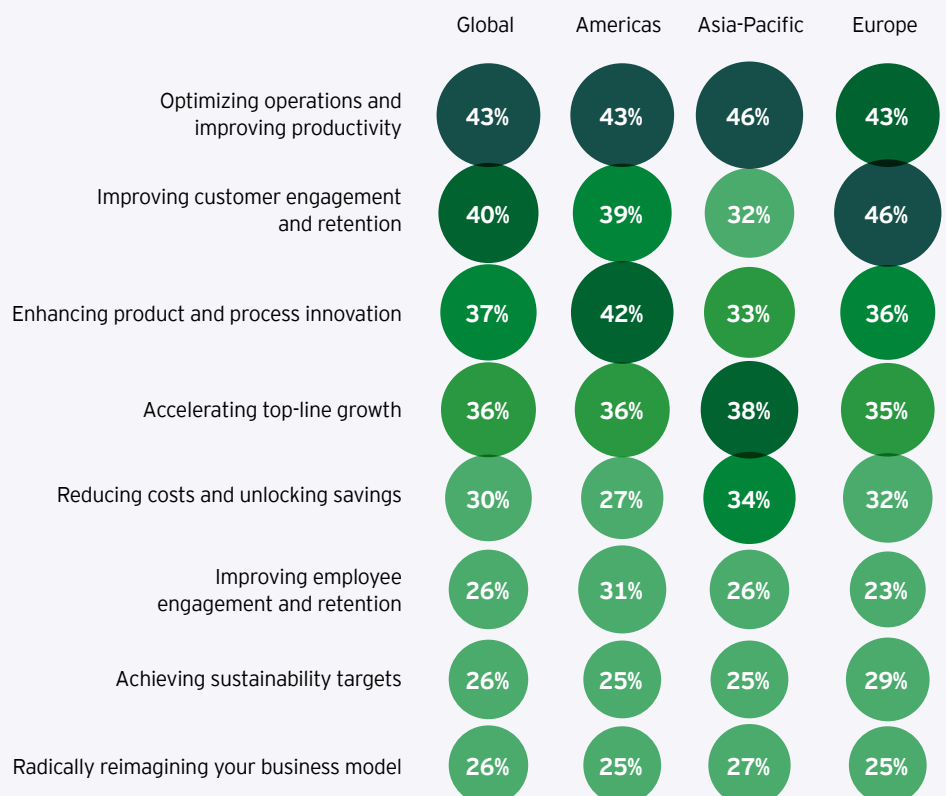
Delivering on these ambitions requires a transformative mindset: continuous reinvention rather than one-off change. In a structurally uncertain environment, leading CEOs will act on imperfect information, experiment and scale quickly, reallocate capital and talent dynamically, and learn through iteration rather than waiting for certainty. A transformative mindset also involves shifting from defensive reactions to proactive value identification, orchestration and realization.

Building new capabilities, strengthening differentiation and generating self-made growth are all key. This value creation includes embedding AI and digital tooling across operations to accelerate productivity, fostering innovation at pace, and redesigning organizational structures to be more agile and collaborative.

Transformation priorities in 2026

Q What are the most important outcomes that your transformation initiatives are trying to achieve in 2026?

The respondents were asked to select up to three outcomes. This chart reflects responses from CEOs whose companies are either undergoing a significant, enterprise-wide transformation initiative or planning to begin one within the next 12 months.





Key questions and considerations for CEOs

1

Strategic question

Where will our next wave of growth come from if external demand remains constrained?

Growth may need to be increasingly self-generated through sharper pricing, portfolio rebalancing, and productivity-funded reinvestment. Capital should be concentrated on segments, customers and capabilities that deliver resilient margins and repeatable value.

2

Strategic question

Are we genuinely converting technology and talent confidence into measurable productivity and value creation?

Technology and skills investments need to move beyond pilots to scaled solutions that deliver tangible cost, speed and quality improvements. The focus should be on embedding AI and automation into core processes, not layering tools onto existing complexity.

3

Strategic question

Do we have the capabilities and operating model to scale change across the whole enterprise?

Fundamental enterprise-wide change requires embedding digital, AI and data capabilities into core operations. This should be matched by more agile, collaborative organizational models that enable innovation, faster decision-making and sustained momentum.



From experiment to engine: how AI adoption is driving adaptation

CEOs are moving from AI experimentation to disciplined scaling, embedding generative AI, automation and data across the enterprise to drive adaptability and competitive advantage.

Even though CEOs tend to be more optimistic than others, their outlook is clearly shifting. While some commentators might declare that AI investment is overheating, the experience of surveyed CEOs paints a very different picture – one in which AI is already delivering results above expectations and strengthening organizational adaptability in a rapidly shifting world.

The vast majority of CEOs report that their AI initiatives have met or exceeded expectations, with only a small minority falling short of targets. This points to AI becoming an increasingly reliable driver of productivity, revenue growth, customer experience and operating model efficiency. Notably, the greatest value is likely to be accrued by the 20% of organizations whose AI investments are already delivering significantly above-expectation returns.

Many AI deployments demonstrate solid economic fundamentals: automation of routine work, faster and more accurate forecasting, improved risk detection, accelerated product development and enhanced decision-making across the value chain.

AI outcomes compared to expectations: CEOs remain confident in digital transformation

Q Thinking specifically about revenue growth or operational efficiency, how have your organization's own AI initiatives performed against expectations so far?

The respondents were asked to select one option only.

Significantly above expectations:

AI has delivered much more value than anticipated

20%

Somewhat above expectations:

AI has delivered slightly more value than expected

58%

In line with expectations:

AI's impact roughly meets initial expectations

19%

Below expectations:

AI's value delivery has fallen short of what we hoped

1%

Far below expectations:

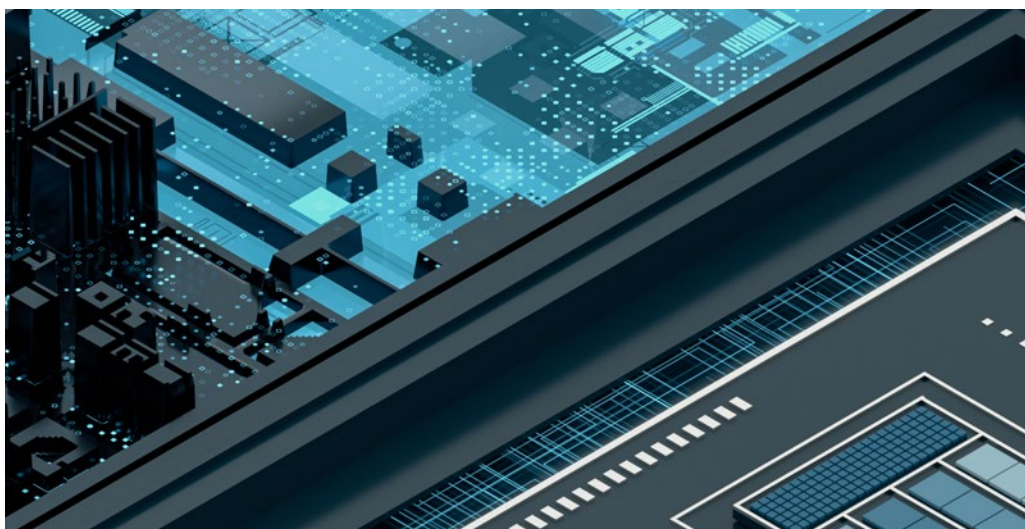
AI has yielded little to no measurable value so far

1%

Not applicable:

we haven't implemented AI in our organization yet

1%





In 2025, AI spending was centered on major capital investments in hyperscalers, data centers and the infrastructure that enables AI at scale. But AI may be entering a phase of disciplined scaling, where [productivity improvements](#) justify continued investment and expectations mature.

For strategic planning, the implications are clear. AI will become a core capability, not a peripheral experiment. CEOs will need to treat AI as a multi-year strategic pillar – embedded in workforce planning, capital allocation and operating model design. With many early benefits in sight, focus is likely to shift from proliferating pilots to scaling what works, prioritizing depth over breadth by embedding AI across critical value chains to capture enterprise-wide productivity. In addition, the strong performance of AI initiatives may intensify competition. As more companies realize improving returns, laggards risk falling further behind, triggering accelerated investment

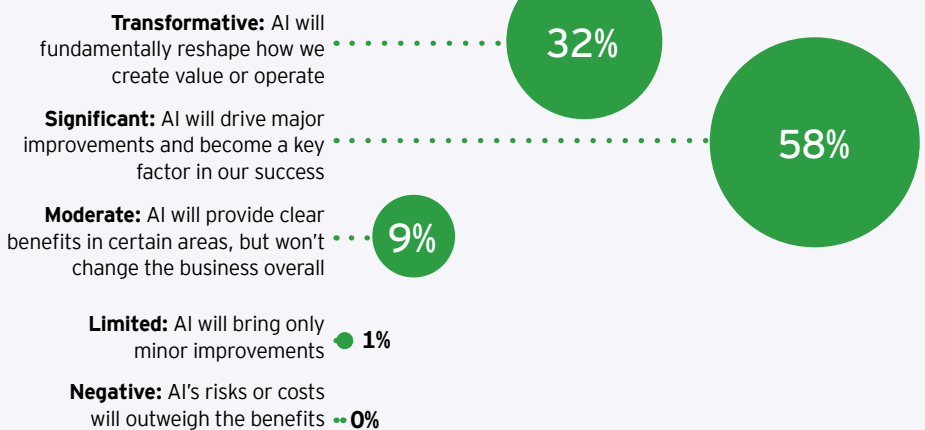
cycles. Finally, confidence in AI outcomes encourages CEOs to pursue bolder transformation agendas, using AI not only to optimize current operations but also to reshape products, services and business models.

CEOs are clearly signaling their expectations of AI impact on their business model or operations over the next two years. Expectations are front-running experience, with a clear majority anticipating a significant impact.

CEOs expect AI to significantly impact business models and operations over the next two years

Q What impact do you expect AI to have on your business model or operations over the next two years?

The respondents were asked to select one option only.



What types of AI are driving the transformation?

At 54%, generative AI (GenAI) tops the list of transformative technologies, selected by over half of CEOs, reflecting how rapidly it has moved from experimentation to enterprise integration, particularly across content generation, coding, customer engagement and knowledge-intensive workflows.

Machine learning follows closely (45%), remaining the analytical backbone for prediction, forecasting and decision intelligence. Together, these technologies show that companies are balancing the new with the proven.

At the same time:

- **Agentic AI (37%)** signals a shift from AI as assistant to AI as operator, taking on tasks that previously required human intervention.
- **Physical AI (30%)** demonstrates continued momentum in robotics and automation, strengthening operational adaptability where labor, supply chain, or cost pressures persist.
- **Natural language processing (27%)** continues to underpin everyday interactions but now competes with GenAI for transformational attention.

Overall, the evidence points to a meaningful and structural shift: companies are moving from isolated AI use cases to integrated AI systems that could reshape workflows, automate decisions and augment human capability at scale. AI is no longer simply an efficiency tool – it is becoming a strategic engine for transformation, adaptability and growth.



Key questions and considerations for CEOs

1

Strategic question

Is AI a core enterprise capability – or still a set of experiments?

With initiatives exceeding expectations for most CEOs, the question is whether AI is being embedded into capital allocation, workforce strategy and operating model design, or still confined to pilots and pockets of innovation.

2

Strategic question

Where should we scale AI – and what should we stop?

As AI enters a phase of disciplined scaling, CEOs must decide:

- Which proven use cases deserve deep, end-to-end integration across value chains
- Where to prioritize depth over breadth
- Which experiments no longer justify continued investment

The strategic challenge is maintaining laser focus: scaling what works to capture full-enterprise productivity and competitive advantage.

3

Strategic question

Are we using AI to optimize – or to fundamentally reshape the business?

With confidence in outcomes rising and competitors accelerating investment, CEOs must ask whether they are using AI merely to optimize today's operations, or to redefine products, services and business models. As AI shifts from assistant to cooperator, speed and ambition will increasingly separate leaders from laggards.

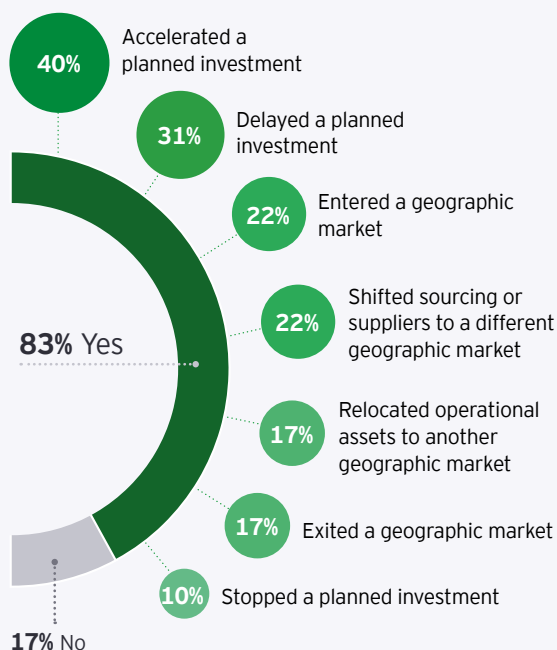
Is action the key to navigating a fragmented global environment?

Geopolitical fragmentation is reshaping strategy as CEOs use AI, partnerships and supply chain diversification to manage risk, improve agility and pursue growth in a divided world.

CEOs are showing greater intent in navigating an increasingly uncertain global environment, with AI central to their strategy. Rather than waiting for stability, they are acting decisively in the face of sustained disruption to business as usual. Of the 83% that have adapted their strategic investments over the past 12 months in response to geopolitics and trade policy developments, 40% have accelerated an investment. Other actions, such as relocating operational assets or shifting suppliers, highlight this proactive attitude. Notably, far fewer CEOs report stopping or delaying investments, reinforcing a disciplined approach to building resilience and opportunity into global operating structures.

Q As a result of geopolitics and trade policy developments, have you made any alterations to your strategic investment plans over the past 12 months?

The respondents were allowed to select more than one option.



CEOs identify five key strategies to navigate today's fractured global environment and accelerate organizational growth.

- 1** Investing in AI and digital technologies
- 2** Improving geopolitical risk management
- 3** Managing costs effectively
- 4** Diversifying supply chains
- 5** Deepening strategic partnerships



The growing strategic importance of digital technology will lead governments to implement [more policies and regulations](#) to control their digital spaces. In response, companies will need to continuously assess their digital dependencies and develop strategies that enhance their resilience and control over digital assets. This involves understanding the critical services essential for business operations and evaluating dependencies across infrastructure, software, data and expertise.

Geopolitical dynamics are creating a set of operational challenges that require adjustments in how the business operates. Perhaps most significantly, as data becomes both a strategic asset and a point of geopolitical friction, new regulations and restrictions affect how companies collect, transfer and utilize information.

The forced fragmentation of the digital economy undermines efficiency, raises compliance costs and creates barriers for seamless global operations. For

AI in particular, export restrictions on advanced models and cloud computing resources are reshaping strategies, with firms wary of sharing sensitive intellectual property across borders. The result? An increasingly splintered digital ecosystem that raises operational costs and slows innovation diffusion even within companies.

More broadly, the geopolitical landscape is marked by trade realignments, regulatory divergence and strategic competition, all of which can rapidly reshape market access, supply chains and data governance. By strengthening policy foresight, engaging regulators and stress-testing trade and technology scenarios, companies can reduce disruption and seize emerging opportunities. Importantly, CEOs are often spectators of these policy shifts: most have little ability to shape policy. But data and AI can provide control over how CEOs respond. By embedding AI into planning, risk management and execution, CEOs can turn uncertainty into a managed strategic variable rather than an existential threat.





Key questions and considerations for CEOs

1

Strategic question

Are we using AI and data to actively manage geopolitical uncertainty – or merely to report on it?

Real-time visibility, scenario modeling and faster decision-making are required as policies and trade conditions shift. Embedding AI into planning and execution allows uncertainty to be managed as a strategic variable rather than absorbed as a risk.

2

Strategic question

Do our global operating and digital models reflect today's fragmented reality – or yesterday's assumptions?

Forced fragmentation across trade, technology and data requires more diversified supply chains, modular operating models and clearer control over critical digital dependencies. Resilience will increasingly depend on how deliberately organizations redesign for regulatory divergence and geopolitical friction.

3

Strategic question

Are we acting with conviction to build resilience and growth – or defaulting to delay in the face of uncertainty?

Leading CEOs are accelerating investment selectively, balancing cost discipline with targeted bets on AI, partnerships and strategic capabilities. Positive intent in action means preserving momentum by reallocating capital and talent toward controllable sources of advantage rather than waiting for stability.

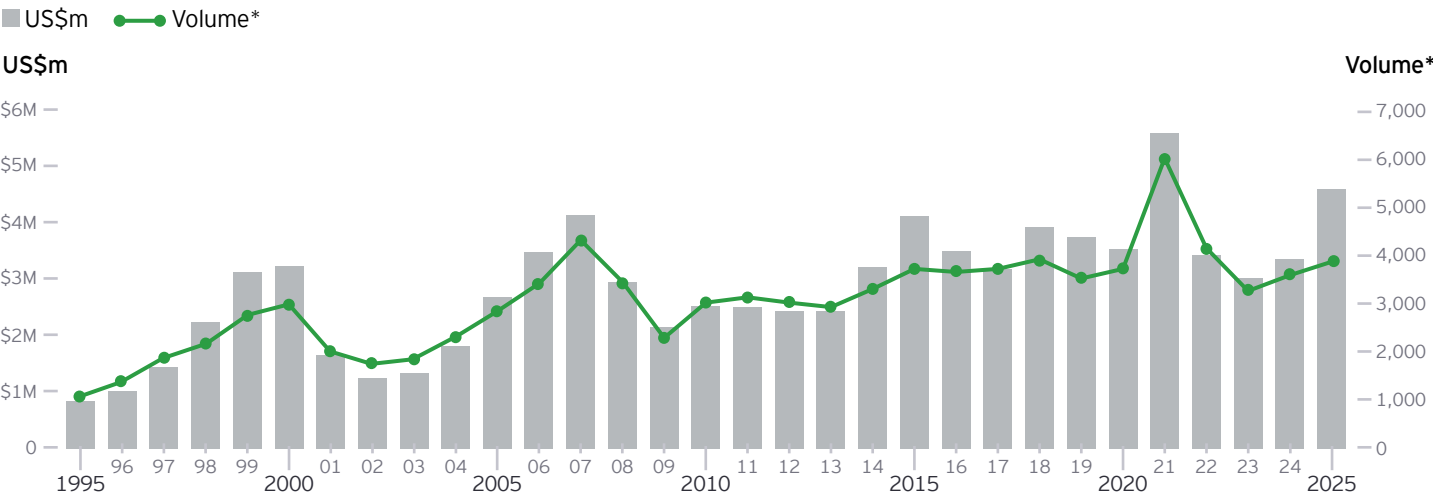
Are transactions the key to unlocking transformation?

M&A is a catalyst for transformation, enabling CEOs to accelerate digitalization, unlock growth and embed new capabilities faster than organic change.

Merger and acquisition (M&A) 2025 activity was marked by a resurgence, defined by both scale and breadth. The year saw a near-record number of deals over US\$5b, signaling a renewed confidence among large corporates and investors to commit capital to transformative, category-shaping transactions. While the US has led global dealmaking, buoyed by strong corporate balance sheets and favorable financing, the momentum is not confined to a single geography.

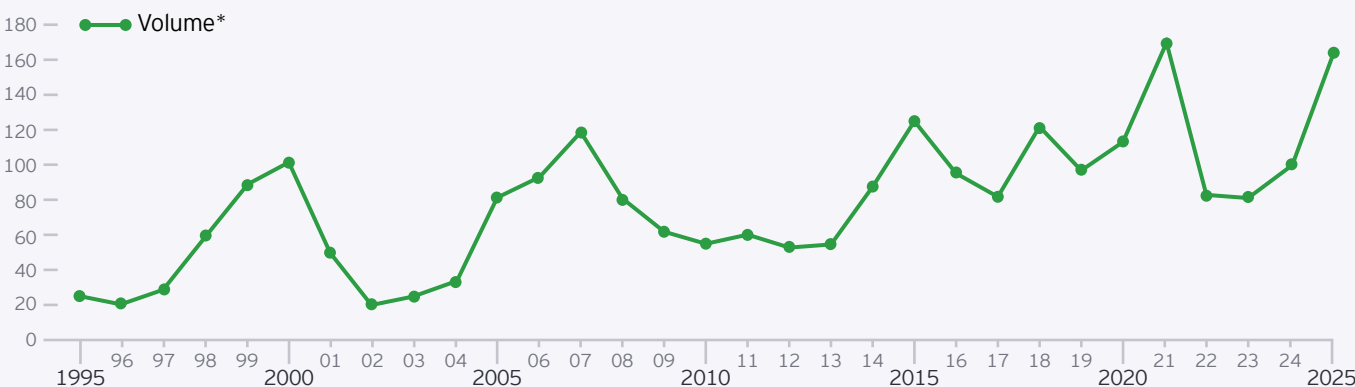
Similarly, although technology remains the largest and most dynamic sector, fueled by demand for AI capabilities, digital infrastructure and next-generation platforms, the rebound in deal activity is broad-based, extending into healthcare, energy, industrials, consumer goods and financial services. This diversification reflects growth ambitions and strategic repositioning as companies adapt to a shifting landscape.

Annual global M&A deal size and volume from 1995 to 2025



Source: EY analysis and Dealogic; *Volume based on deals US\$100m plus.

Annual global deals over US\$5b: Volume from 1995 to 2025



Source: EY analysis and Dealogic; *Volume based on deals US\$5b plus.



Looking into 2026, we anticipate the continuation of a strong deal market. The survey shows that the 53% of CEOs intending to pursue acquisitions in the next 12 months are seeking outcomes strategically aligned to their enterprise-wide transformation agendas.

At the top of the agenda, 50% of CEOs cite operational optimization and productivity gains – including digitalization – as the primary objective of an acquisition, mirroring the broader priority to enhance efficiency. This alignment underscores the growing view that M&A is not simply a route to scale, but a catalyst for accelerating operational modernization and embedding advanced technology capabilities more rapidly than organic investment.

Similarly, 45% of CEOs prioritize accelerating top-line growth through acquisitions, reflecting a desire to expand into new markets, strengthen competitive positioning and capture demand adjacencies. This mirrors transformation programs that seek not just efficiency, but growth through innovation and portfolio evolution. Improving customer engagement and retention, reducing costs and enhancing product and process innovation also echo the broader transformation ambitions of reshaping customer experience, optimizing cost structures and fostering innovation at scale.

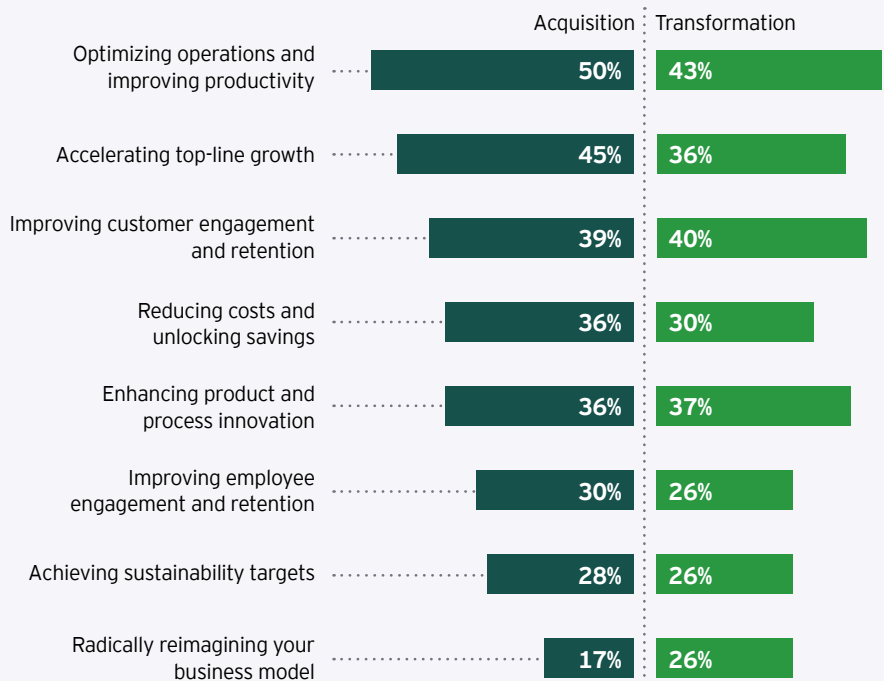
What distinguishes M&A is the speed at which these outcomes can be realized. Organic transformation, while essential, often requires years of investment, cultural change and technology deployment before measurable results materialize. By contrast, a well-targeted acquisition can deliver capabilities, talent, technology and market access quickly – effectively pulling forward the benefits of transformation.

Whether it is acquiring an AI-native business to accelerate digital transformation, buying into a high-growth segment to boost revenue, or

How CEOs align transformation expectations with acquisition goals

Q What outcomes are most important to you when evaluating a potential acquisition? What are the most important outcomes that your transformation initiatives are trying to achieve in 2026?

The respondents were asked to select up to three outcomes. This chart reflects responses from CEOs whose companies are either undergoing a significant, enterprise-wide transformation initiative or planning to begin one within the next 12 months.



integrating a company with superior operational practices, M&A enables companies to compress timelines and overcome internal constraints.

However, realizing these advantages depends on integration intentionality from the earliest stages of the deal lifecycle – ensuring that value drivers are clearly articulated, rigorously tracked and actively managed from diligence through execution. Early focus allows efficiencies and synergies to be identified, measured and captured, rather than assumed.

Moreover, acquisitions allow CEOs to import proven models rather than build them from scratch, reducing execution risk and enabling faster innovation, accelerated digitalization and immediate synergies – offering a strategic shortcut to transformation when opportunity windows are narrow.

In this way, M&A becomes an extension of the transformation agenda: a tool to advance strategic priorities faster, more decisively, and with greater competitive impact.

CEOs are also increasingly turning to joint ventures and strategic alliances as complementary pathways to transformation. Survey data shows that 79% of CEOs plan to pursue such initiatives in 2026, up from 62% in 2025 – a sharp rise that underscores the appeal of partnerships in unlocking access to new capabilities. These collaborations offer a pragmatic route to accelerate innovation and share risk, enabling companies to advance strategic priorities without the full capital commitment of an acquisition. In this way, alliances and JVs are emerging as critical levers for speed, flexibility and adaptability in an environment where transformation cannot wait.



Can cross-border M&A withstand geopolitical scrutiny?

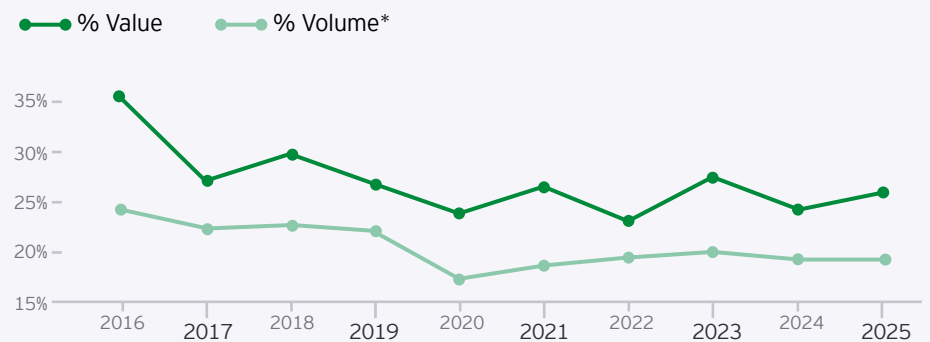
Since 2016, cross-border M&A has steadily lost share as rising jurisdictional friction has reframed the strategic benefits of doing deals abroad. Geopolitics has become a central deal variable: US-China tensions, sanctions regimes and supply chain de-risking have made foreign acquirers more likely to face political resistance, longer timetables and higher execution risk.

Many countries have expanded national security and foreign investment screening, pushing more transactions into mandatory review, widening the definition of “sensitive” assets, such as data, semiconductors, AI, critical infrastructure and increasing remedies such as governance controls, localization requirements, or forced divestitures. In addition, uneven post-pandemic recoveries and higher interest rates have favored domestic consolidation and reduced appetite for complex multi-regulator processes. Finally, antitrust enforcement has become more interventionist in several major jurisdictions with cross-border deals increasingly subject to parallel filings that impact timing.

Perhaps surprisingly, cross-border M&A in 2025 withstood these geopolitical pressures. The US was still by far the most attractive destination by both value (30% of all cross-border deals) and volume (17%), but both metrics declined on 2024 share, and share of value was sharply down from 2016 (38%).

The responses by CEOs as to their intended investment destination may indicate this is a trend that will continue.

10-year trends in cross-border M&A share by value and volume



Source: EY analysis and Dealogic; *Volume based on deals with a disclosed value.

While the US remains the top destination, it has lost some of its outsized appeal. It is no longer in the top five markets for intended investment for CEOs based in Asia, and has declined in ranking across most other markets, including in Europe.

Top five priorities for capital investment over the next 12 months



Increasing levels of governmental oversight and high-profile political interventions have made some CEOs more wary of pursuing some international deals. The focus on localization and regionalization highlighted in the September 2025 survey looks likely to extend into cross-border dealmaking.



Key questions and considerations for CEOs

1

Strategic question

Are we using transactions as a tactical growth lever – or as a deliberate accelerator to reimagine our enterprise?

Leading CEOs are aligning M&A tightly to transformation priorities, using acquisitions to accelerate productivity, digitalization and operating model change. When deployed strategically, transactions can pull forward years of organic transformation by importing capabilities, technology, and talent.

2

Strategic question

Do we have the discipline to capture transformational value – or are we relying on deal logic alone?

The speed advantage of M&A is only realized when integration is treated as a value creation engine from the earliest stages of the deal lifecycle. Clear articulation, tracking and ownership of value drivers from diligence through execution are essential to convert strategic intent into measurable outcomes.

3

Strategic question

Can our deal strategy withstand rising geopolitical and regulatory scrutiny without sacrificing ambition?

Geopolitical fragmentation and heightened regulatory oversight have raised the execution risk of cross-border deals, demanding greater selectivity and foresight. CEOs need to balance strategic reach with regulatory realism, building deal theses that anticipate scrutiny, localize where needed, and preserve flexibility in an increasingly regionalized world.

Summary

CEO Outlook 2026 highlights a clear message: sustained transformation will separate leaders from laggards in an uncertain global environment. Geopolitics and technology are reshaping the global economy and business environment faster than ever. Those who invest intentionally, rethink their operating models and use AI and M&A to accelerate change will create their own tailwinds and outpace competitors long before the environment stabilizes.

For a conversation about your growth strategy, please contact us:

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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 November and December 2025. 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 (21%), US\$1b-US\$4.9b (29%) and greater than US\$5b (30%).

The CEO Confidence Index is a measure of executives' outlook on the macroeconomic environment and company performance, derived from data collected as part of the EY-Parthenon CEO Outlook Survey. CEOs rated their outlook on 15 statements using a 5-point scale ranging from "very pessimistic" (0) to "very optimistic" (100). These responses were categorized into five thematic groups: sector growth, prices and inflation, company growth, talent and investment and technology. Higher index values indicate a more positive sentiment regarding the future state of the economy and their businesses. An index of 100 is fully optimistic, 50 is neutral and 0 is fully pessimistic.

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