VISION 2025

Where is the World Going in 2025 and Beyond?

CEO and Investor Outlook Survey

Teneo®

Contents

01 Foreword

Ursula Burns
Chairwoman
Teneo

Paul Keary
CEO
Teneo

In the three weeks immediately following the 2024 U.S. election, we took the pulse of more than 300 global CEOs and 380 institutional investors representing approximately $10 trillion USD in market cap and AUM to identify risks and opportunities in the year ahead.

Despite ongoing policy, political, legislative and regulatory challenges, CEOs and investors are bullish about prospects for growth in 2025.

Nearly 80% of CEOs predict the economy will improve in the next six months, a spike from just 45% last year. Both CEOs and investors anticipate strong M&A activity, increased levels of domestic and international investment, accelerated hiring and advancements in technology and innovation. However, amidst this positive outlook, CEOs and investors are closely monitoring escalating geopolitical tensions, investor activism and trade negotiations.

As always, the operating environment remains fluid – rife with challenges and opportunities. We hope that the insights in this report will serve as valuable guideposts as you navigate this dynamic environment in the year ahead.

Wishing you all the best in 2025.

02 Executive Summary

Macroeconomic Outlook

32-point year-over-year increase in CEOs who expect the global economy to improve in the first half of 2025.

- 77% of CEOs (up from 45% in 2024) and 86% of investors expect the global economy to improve in the first six months of 2025.
- Over 80% of CEOs and investors anticipate a resurgence in M&A in 2025, fueled by improved access to capital and policy changes under the Trump administration.
- The U.S. ranks as the most attractive investment destination amongst global CEOs.

The Trump Effect

Global CEOs and investors are optimistic about the economic impact of a second Trump administration, outweighing concerns about tariffs, geopolitical tensions and trade barriers.

- 50% of global CEOs are accelerating activities in areas such as domestic and international investment and hiring based on the outcome of the 2024 U.S. election.
- More than 64% of survey respondents believe that potentially disruptive Trump administration policy shifts in tariffs, along with rollbacks in taxes and regulation, will have a positive impact on their businesses in 2025.
- According to more than 80% of respondents, increased M&A volume, a strong dollar and trade disruption are the most likely outcomes of a second Trump administration.

Geopolitics

More than 76% of CEOs and 83% of investors believe that the outcome of 2024 global elections will improve the global economy and global stability.

- Changes to monetary policy, data privacy, environmental regulations and China policies rank among the most significant risks.
- The percentage of CEOs indicating that China will play a critical role in their business strategy in 2025 and over the next decade is more than double compared to 2023.
- CEOs and investors are confident that businesses are prepared to address a wide range of potentially disruptive issues, including conflicts in Russia / Ukraine and the Middle East.

Innovation

The world's biggest companies are all-in on AI; however, while they are willing to give AI investments time to mature, Wall Street is watching the clock.

- Nearly 80% of investors expect AI projects to be ROI-positive within the first year, while CEOs of large-cap companies (41%) are willing to let initiatives mature over 1-2 years before expecting positive results.
- Investors want Boards to be more involved in setting AI strategy and overseeing AI governance.
- Mid-cap companies are diversifying investments in technology (crypto, quantum computing, AR / VR), while the world's largest companies are prioritizing investments in AI.

ESG

Amidst evolving investor and stakeholder expectations, nearly every CEO in the survey (91%) is recalibrating their company's ESG programs.

- The majority of global CEOs (56%) remain committed to balancing ESG programs with core business objectives.
- In line with investor expectations, 91% of CEOs globally (up from 72% in 2024) have adjusted ESG initiatives in response to the politicization of ESG.
- Nearly all CEOs globally (94%) plan to continue efforts to recruit and retain diverse talent while remaining compliant with potential new employment rules.

Leadership

Current CEOs believe that the next generation of leaders will require fluency in data, transformation and all-things digital, while investors favor a more traditional skillset.

- CEOs anticipate a shift in skillset required for the next generation of CEOs, placing growing emphasis on technology, data and transformation / change management.
- This contrasts with investors' preference for a more traditional suite of leadership skills.
- CEOs and investors foresee a traditional leadership pipeline, with CFOs most likely to step into corner offices, followed by COOs and CTO / CIOs.

03 Macroeconomic Outlook

03 Macroeconomic Outlook

Outlook for H1 2025

The global macroeconomic outlook for 2025 reveals growing optimism for the year ahead, with 77% of CEOs (compared to just 45% last year) and 86% of investors indicating that the global economy is likely to improve over the first six months of 2025.

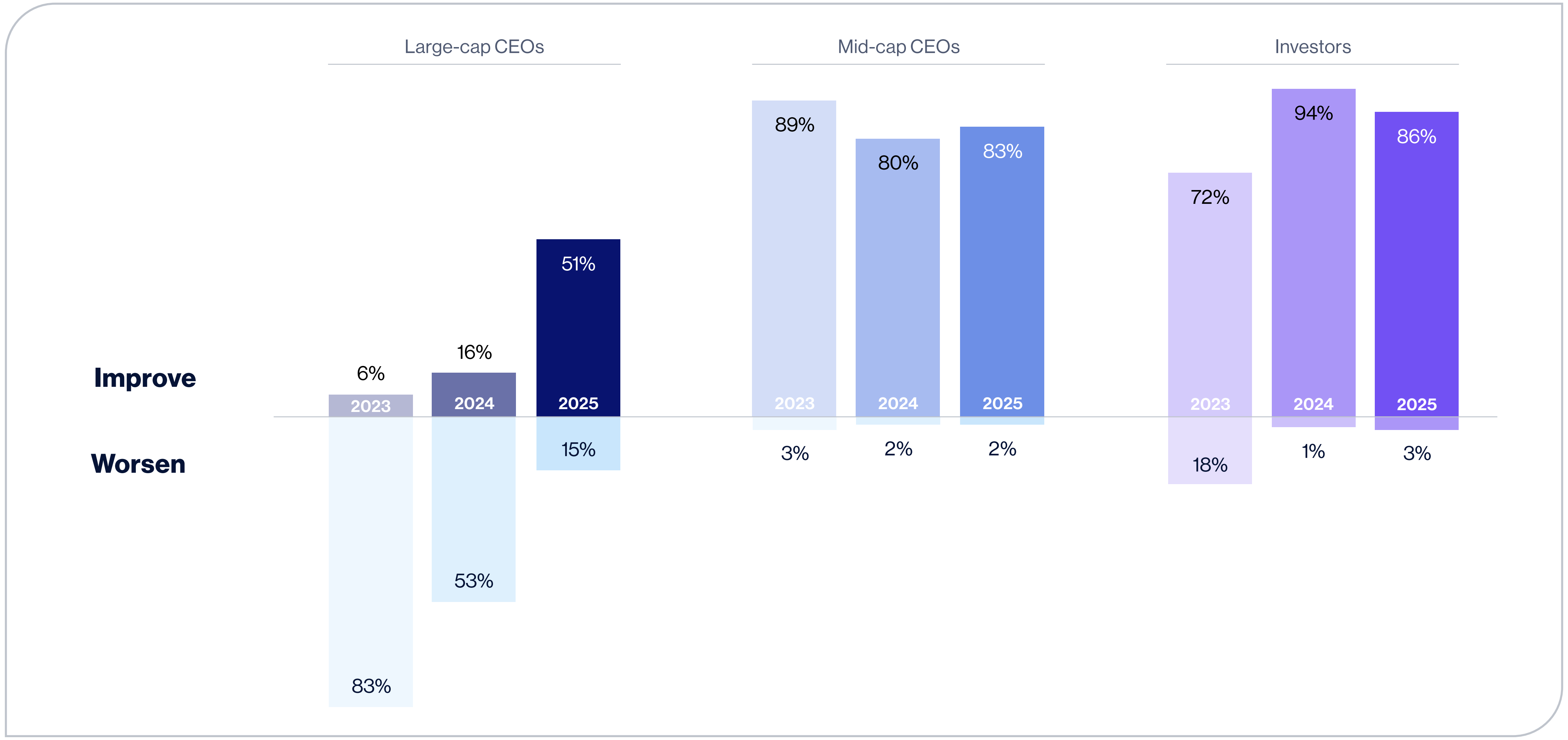
In a significant shift from previous years, a majority of large-cap CEOs (51%) are optimistic about the year ahead.

77%

of **CEOs** believe that the global economy will improve in the first half of 2025, compared to 45% last year.

Question: Do you expect the global economy to improve or worsen over the first six months of 2025?

Figure 1: Macroeconomic outlook, 2023-2025



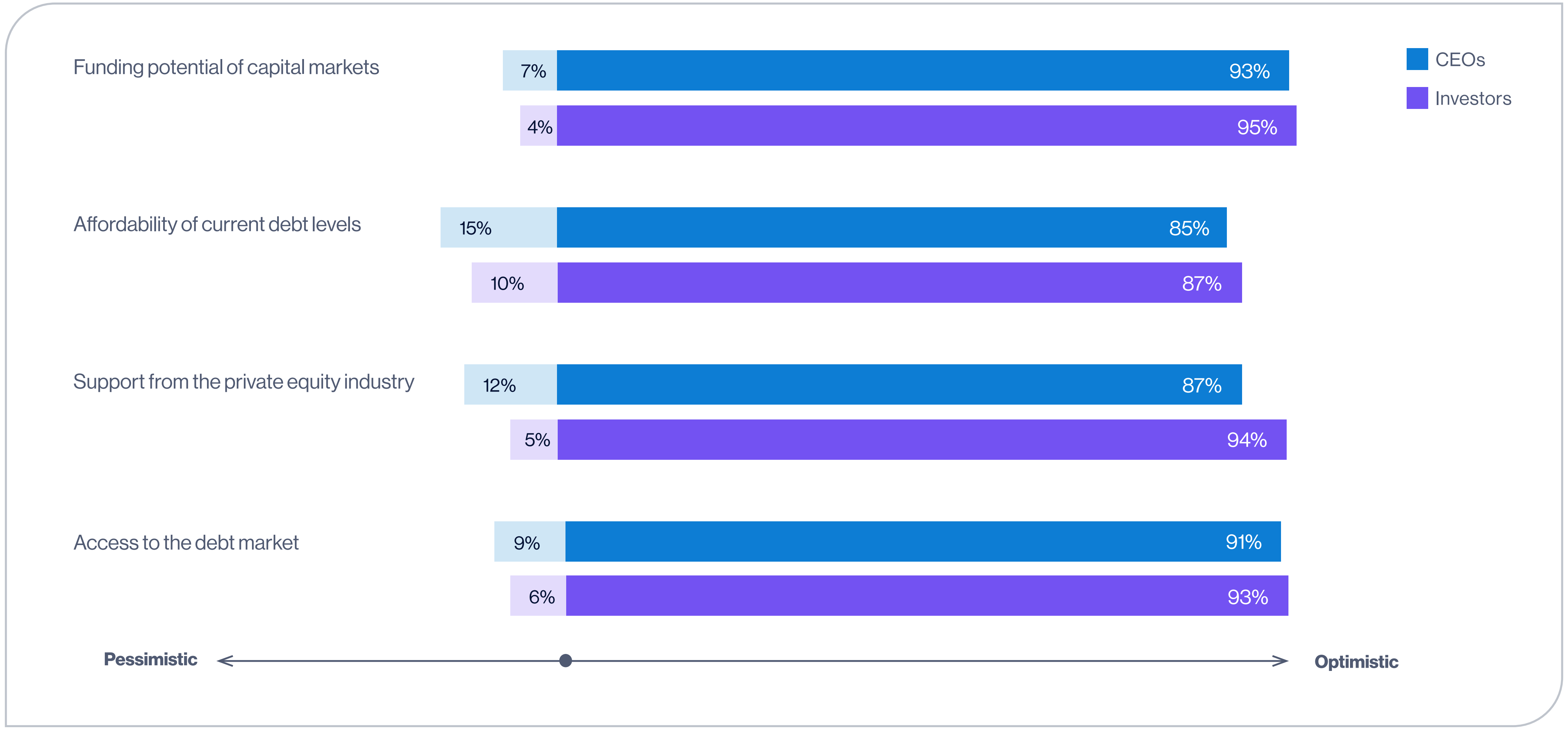
03 Macroeconomic Outlook

Access to Capital

Positive sentiment is largely driven by expectations of easier access to capital. CEOs are decidedly more optimistic on this front compared to last year, bringing their expectations in line with that of investors for the year ahead.

Question: **Looking ahead to the first six months of 2025, are you generally optimistic or pessimistic about the following?**

Figure 2: **Access to capital**



03 Macroeconomic Outlook

M&A Outlook

Greater access to capital, combined with the projected impacts of the incoming Trump administration, is expected to fuel a resurgence in M&A activity: **83% of CEOs and 87% of investors anticipate increased M&A activity in 2025.**

In last year's survey, 68% of both CEOs and investors predicted a rise in M&A activity in 2024. This has proven true so far this year, with deal levels (valued at $1 billion USD+) reaching their highest level in two years. The number of deals valued at $10 billion+ USD has doubled compared to the same period in 2023.[1]

Looking ahead to 2025, CEOs and investors alike will closely monitor regulatory developments and anticipated increases in investor activism – both of which pose significant potential barriers to M&A completion.

80%
CEOs

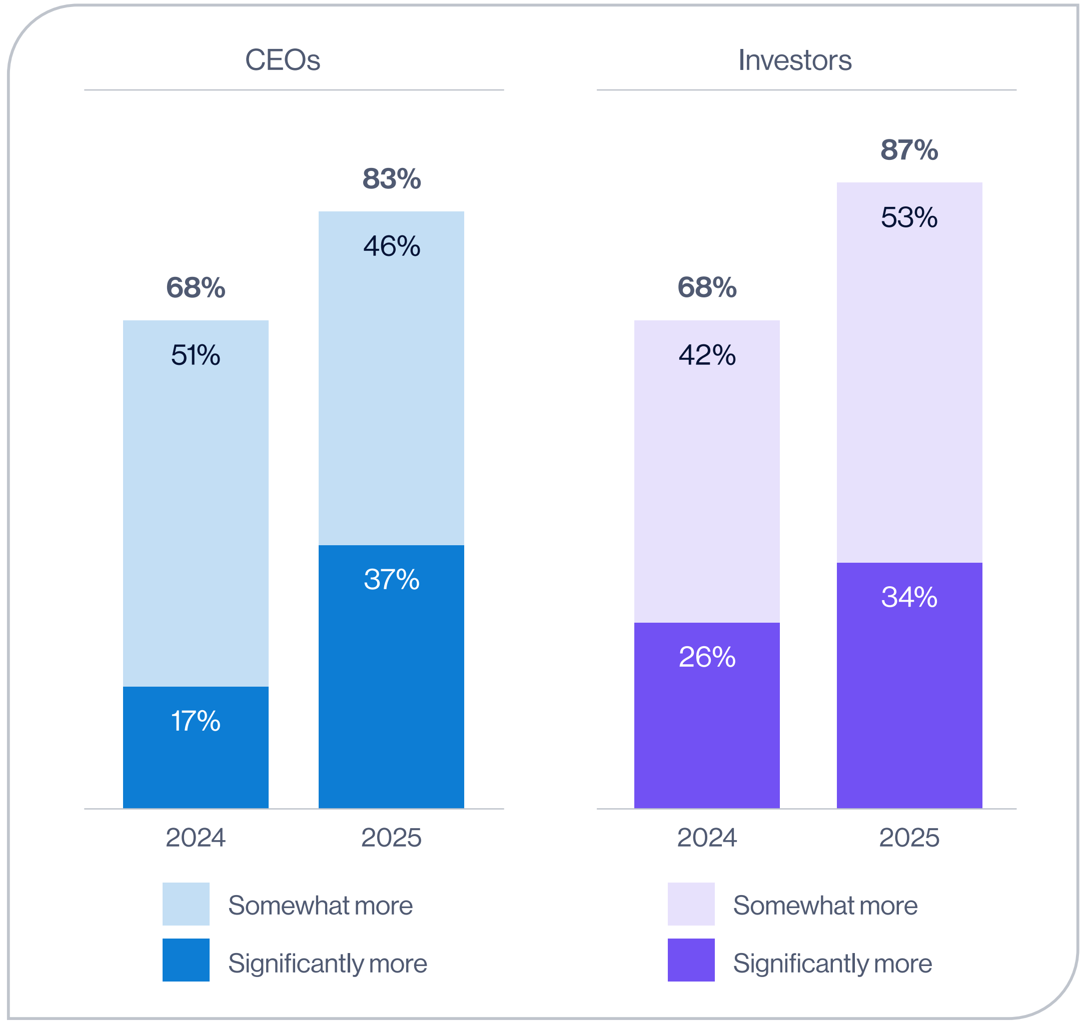
74%
Investors

predict a **positive impact** on M&A completion as a result of the **new Trump administration.**

[1] Large M&A deals stage comeback as market confidence returns, WTW

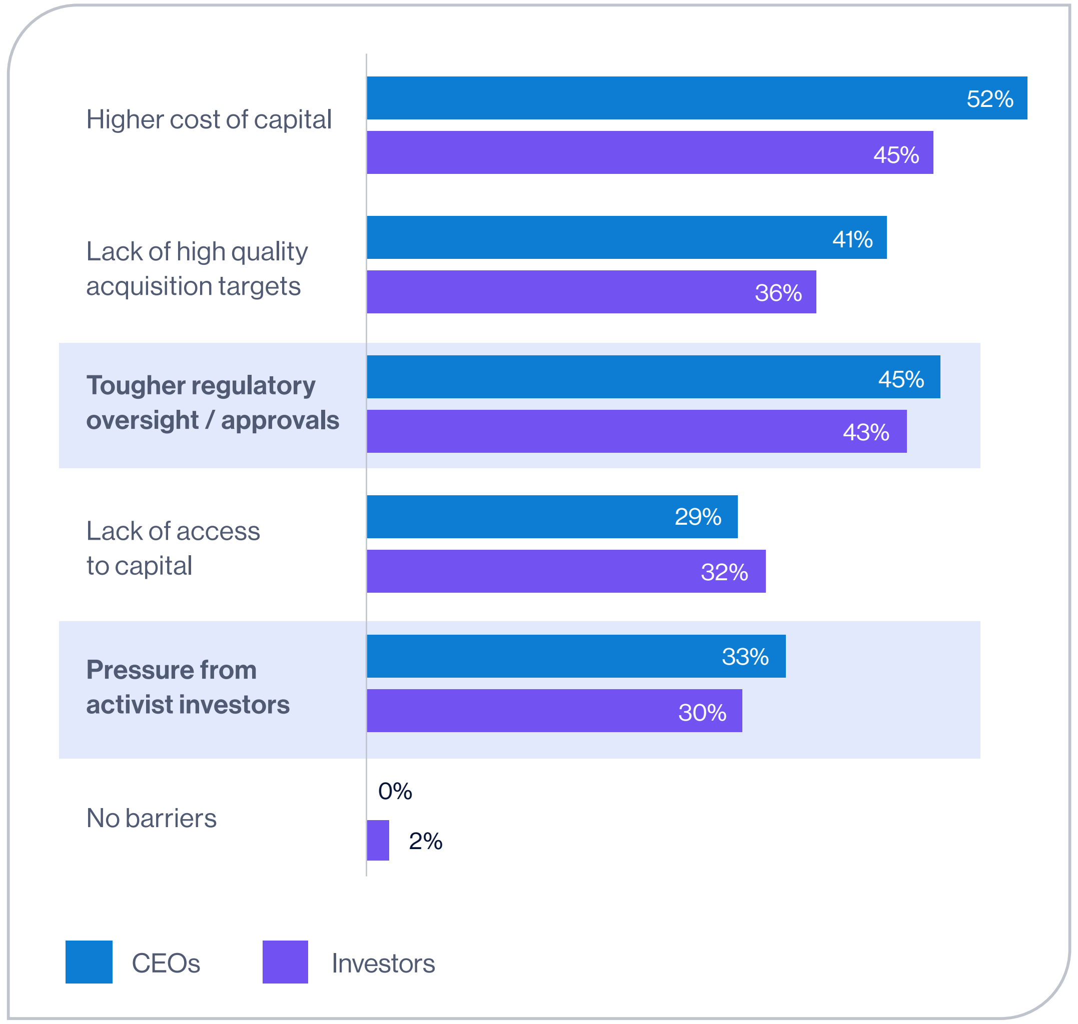
Question: Looking at the environment for M&A activity, are you generally expecting to see...

Figure 3: Expectations for M&A, 2024-2025



Question: Which, if any, of the following do you consider to be major barriers to M&A in 2025? (select all that apply)

Figure 4: Barriers to M&A, 2025



03 Macroeconomic Outlook

U.S. Emerges as Global Investment Destination Leader

According to global CEOs, the U.S. represents the most attractive investment destination in 2025. Conversely, Africa is drawing the lowest levels of global investment, with only CEOs from the Middle East identifying it as a priority target.

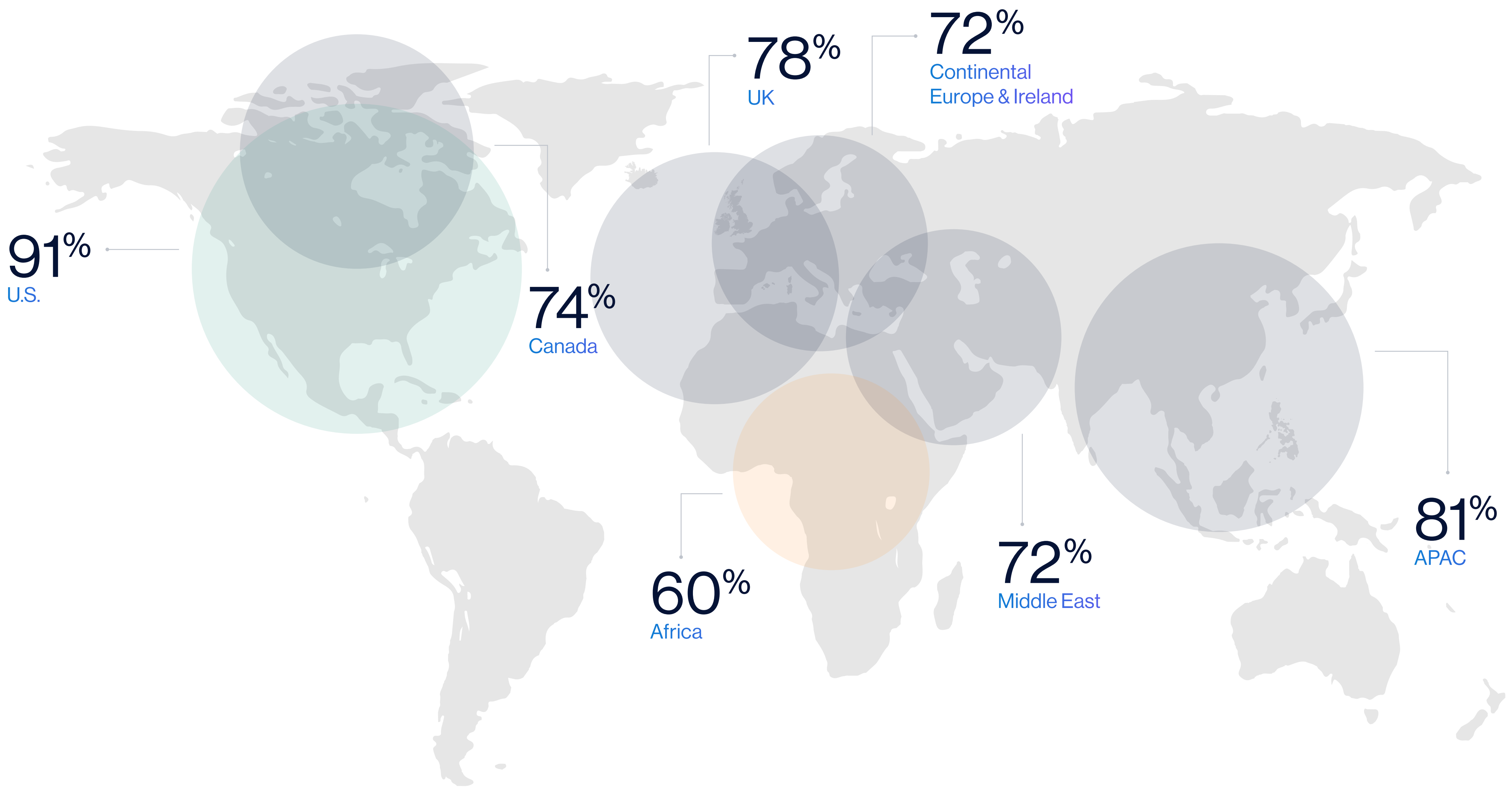
Businesses headquartered in APAC appear to be leading the charge in pursuing investment opportunities across various global markets. They are also looking to heavily invest close to home (95% exploring investments within APAC), with India emerging as the most attractive target.

70%

of **CEOs** from APAC are looking to increase investment in India in 2025.

Question: To what extent do you consider that each of the regional markets below is an attractive investment market for your business in 2025?

Figure 5: Attractive investment markets in 2025 (CEOs only)



03 Macroeconomic Outlook

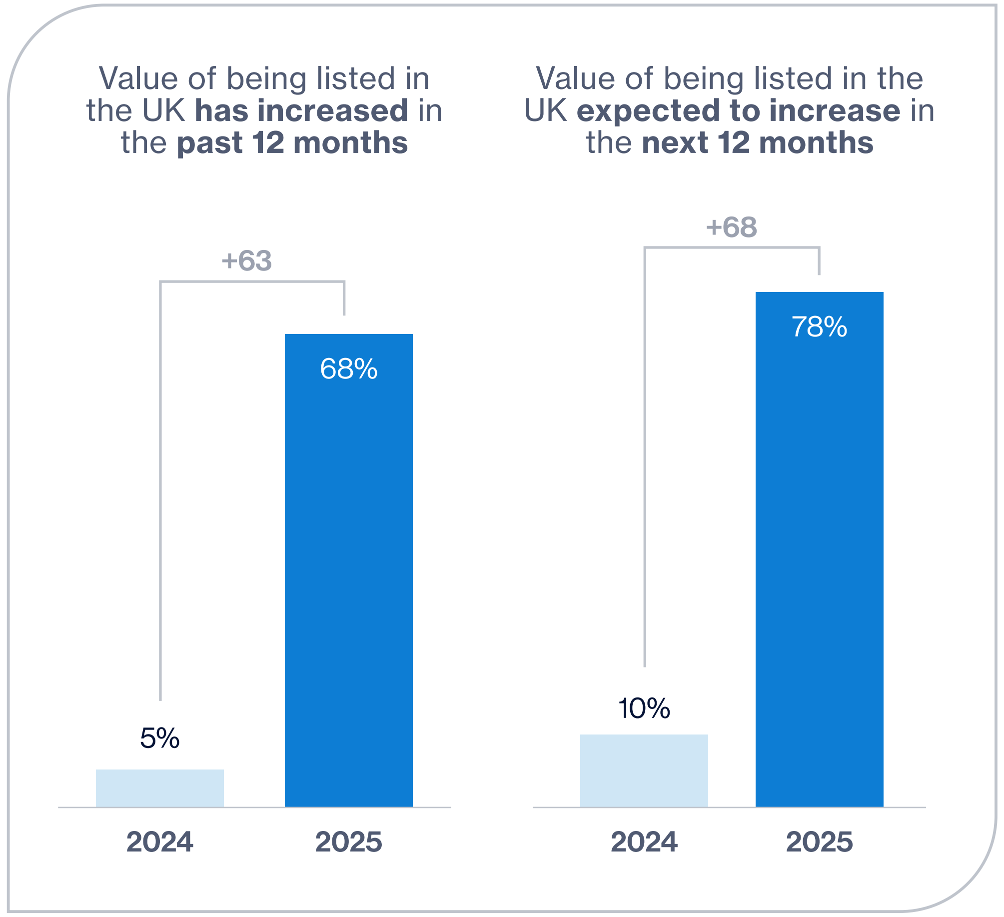
UK Insights

A significant shift in sentiment has occurred among UK CEOs, with a two-thirds majority (68%) now reporting that their companies derived value from listing domestically over the past 12 months. This represents a more than 13-fold increase from last year (5%). Looking ahead, 78% of UK CEOs are optimistic that the benefit of listing in the UK (versus listing in other markets) will extend into the next 12 months.

Despite this greater recognition of the benefit of listing in the UK – and while some may not choose to take action – **the percentage of UK-based companies that have discussed moving their listing away from the UK market has doubled since last year (from 27% to 56%).**

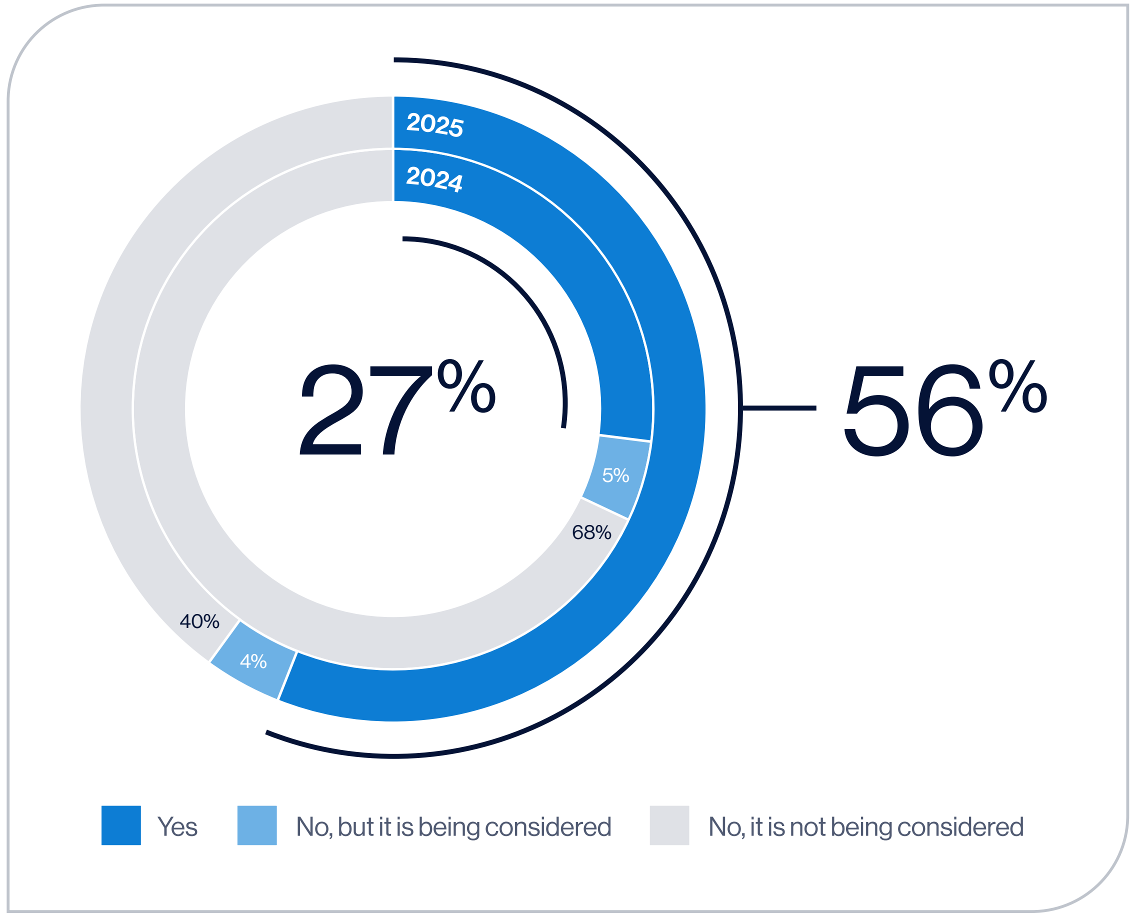
Question: Thinking about the past 12 months / next 12 months, do you feel the value your company gets from being listed in the UK vs. listing in other markets has increased or decreased / will increase or decrease?

Figure 6: Value of listing in the UK, 2024-2025 (UK CEOs only)



Question: Have you had a discussion with your Board about the potential of moving your listing away from the UK market?

Figure 7: Companies discussing moving listing from UK (UK CEOs only)



04

The Trump Effect

04 The Trump Effect

Investment Activities

With the outcome of the November 2024 U.S. election clearly decided, the markets have responded in overwhelming fashion.[2]

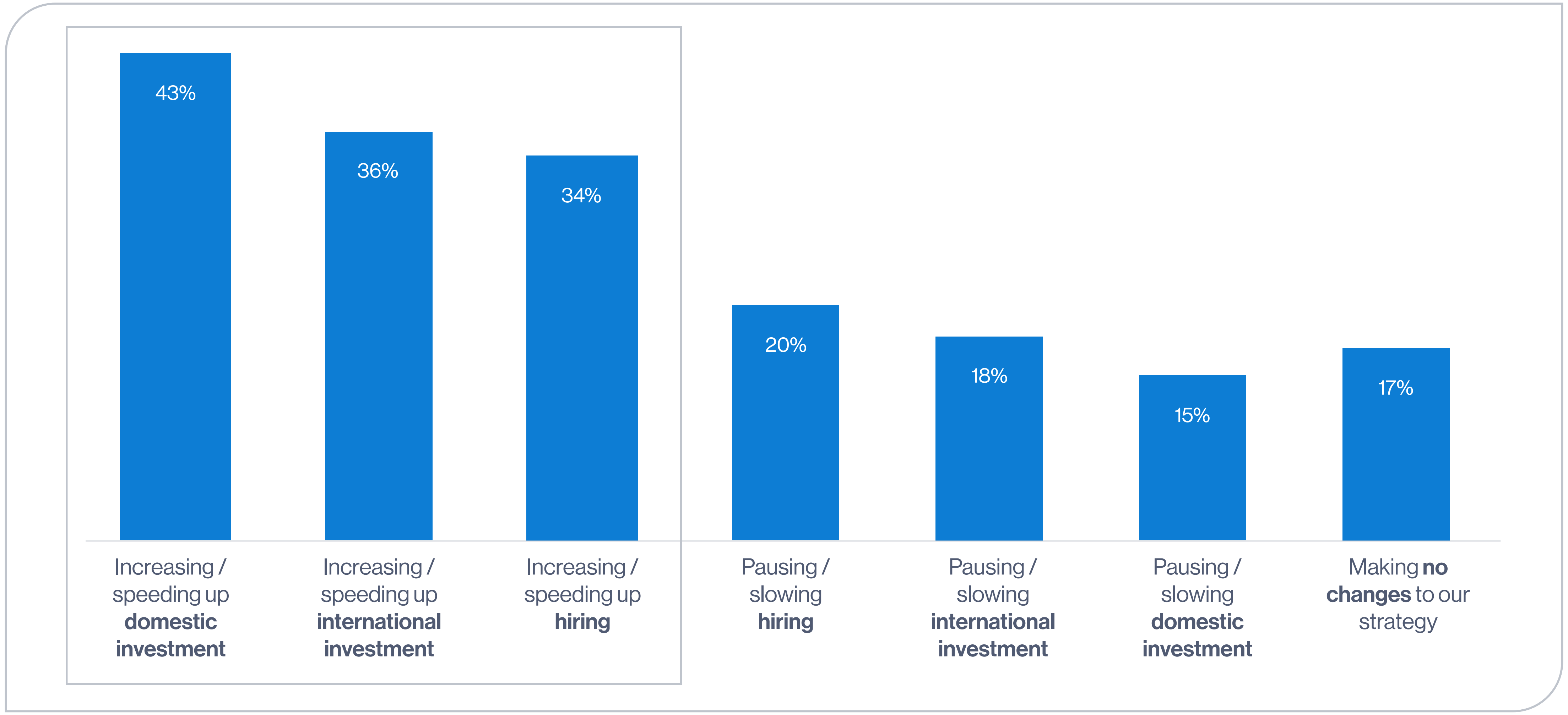
Looking ahead to 2025, global CEOs plan to ride this wave, with 43% citing plans to increase domestic investment spending and 34% planning to increase hiring.

50%

of global **CEOs** are increasing investments in some way based on the results of the U.S. election.

Question: Based on the results of the 2024 U.S. Presidential election, which of the following reflects your business strategy regarding its outcome? (select all that apply)

Figure 8: Business strategy as a result of the 2024 U.S. Presidential election (CEOs only)



[2] S&P 500 gains 5.4% in November, S&P Global

04 The Trump Effect

Policy and Legislative Shifts

Despite some concerns over trade and tariffs, the prospect of lower taxes and decreased regulation are leading to new optimistic highs. In fact, more than 64% of total respondents indicate that a broad range of these and other developments will have a positive impact on their business, almost one-third of which predict a significantly positive impact.

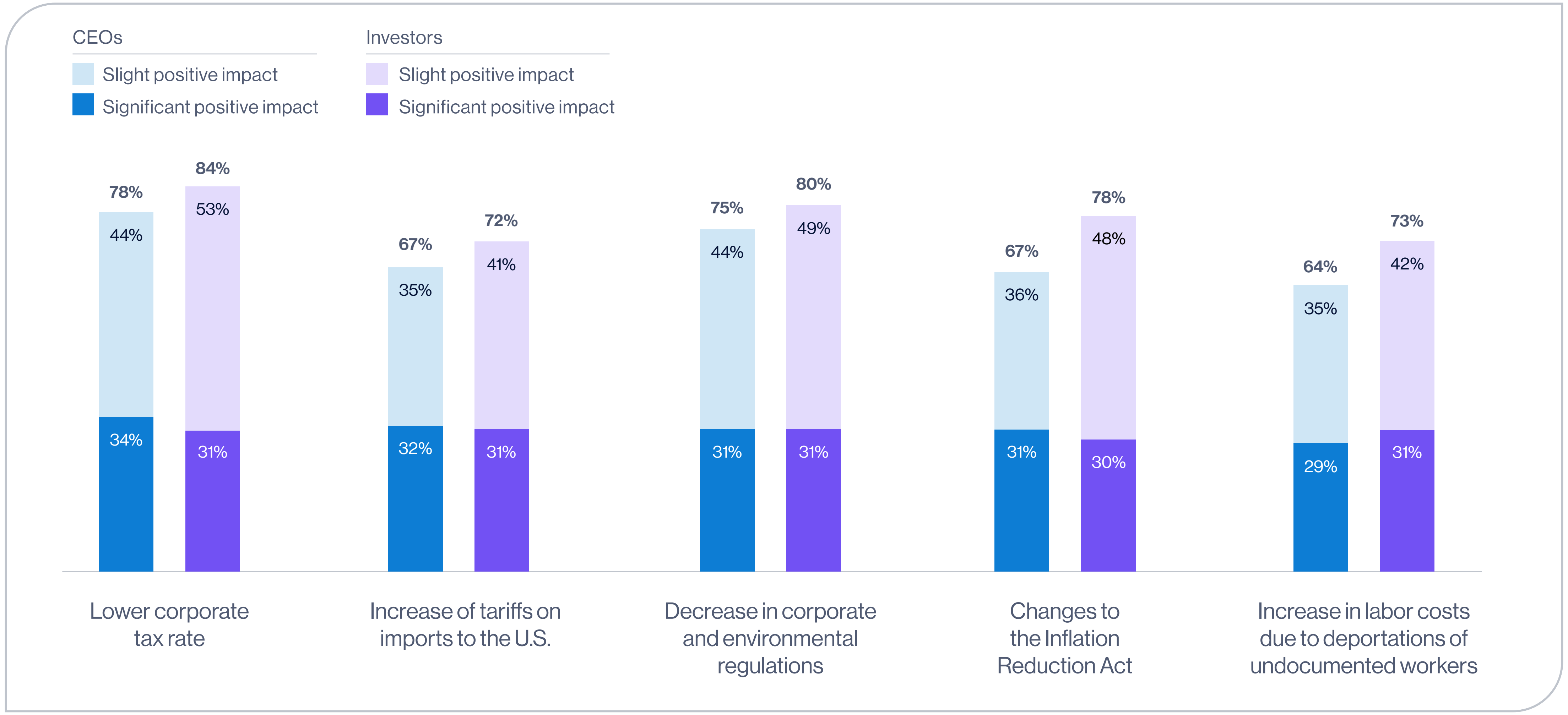
Mid-cap company CEOs are decidedly more optimistic than their large-cap counterparts, especially around tariffs and labor costs. This tension highlights the dual impact of such policies, which may create challenges for many businesses, but also may open opportunities for a subset of companies that benefit from reduced competition.

80%

of **mid-cap CEOs** believe that an increase of tariffs on imports to the U.S. will have a positive impact, compared to just 13% of large-cap CEOs.

Question: Anticipating a second Trump administration in the U.S., how much would the following scenarios affect your business strategy / leading corporations?

Figure 9: Potential business impacts of a second Trump administration



04 The Trump Effect

Corporate Preparedness

These likely changes have not come out of the blue. The majority of companies have spent months, if not years, preparing for election outcomes. In fact, survey data shows that 80% of respondents are well- (if not fully-) prepared for the wide range of policy shifts anticipated in 2025.

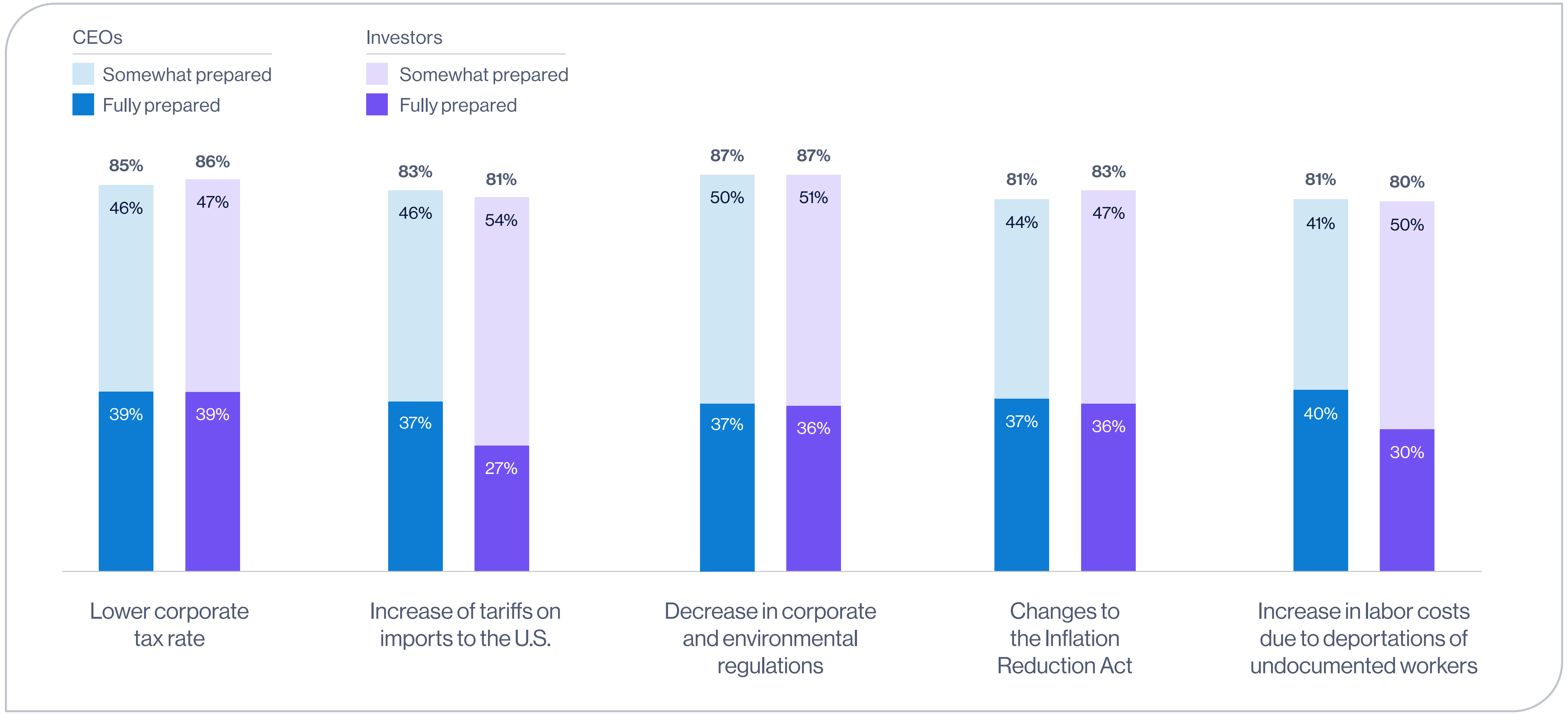
More than

80%

of **CEOs** and **investors** are confident that businesses are prepared to handle various potential shifts in U.S. policy.

Question: How well-prepared is your business / do you believe leading corporations are to handle each of the following potential shifts in U.S. policy?

Figure 10: Corporate preparedness for potential U.S. policy shifts



04 The Trump Effect

Likely Outcomes

The survey reveals widespread consensus among global CEOs and investors that a second Trump term will lead to several consequential outcomes. Trade disruption, increased M&A activity and a strong U.S. dollar rank as the top three most likely outcomes.

Question: Looking ahead to a second Trump administration in the U.S., how likely do you believe each of the following will be?

Figure 11: Trump administration scenario planning

Escalating trade wars

87% CEOs

82% Investors

Accelerated pace of M&A

86% CEOs

86% Investors

Appreciation of the U.S. dollar

82% CEOs

88% Investors

Supply chain disruptions

79% CEOs

80% Investors

A return of high rates of inflation in your market

79% CEOs

78% Investors

Increases in global conflict

75% CEOs

78% Investors

05
Geopolitics

05 Geopolitics

Impact of 2024 Global Elections

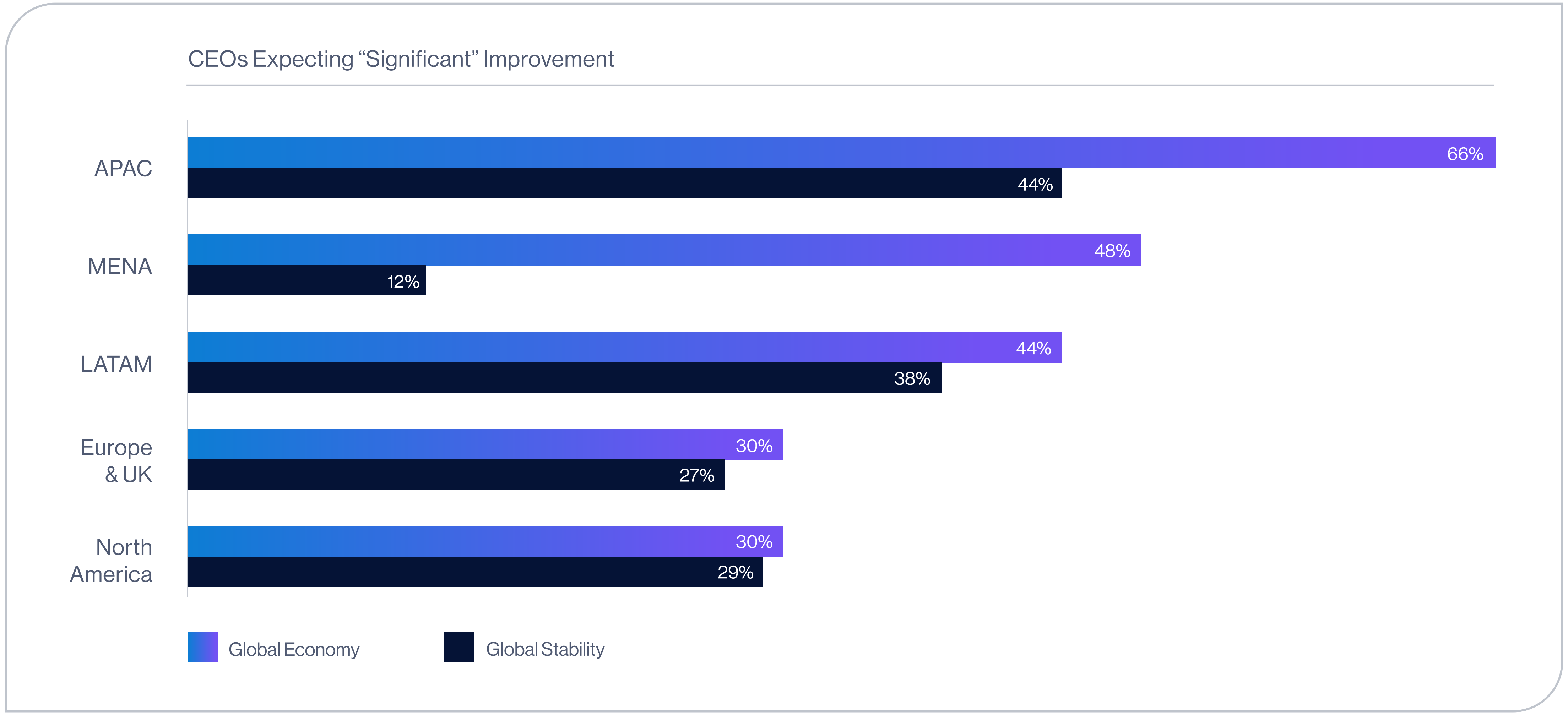
The past year was filled with significant elections around the globe. In a wave of anti-incumbency fever, 2024 elections led to changes in government, an influx of powerful populists and high fragmentation in Western democracies.

Despite these unprecedented and disruptive outcomes, more than 76% of CEOs and 83% of investors believe that 2024 election outcomes will improve the global economy and global stability.

Interestingly, the perspectives of CEOs anticipating "significant improvement" in 2025 diverges by region. For instance, CEOs from APAC exhibit the highest optimism about the global economy (66%), but are less confident on global stability (44%). Meanwhile, CEOs from the Middle East and North Africa (MENA) region are somewhat optimistic about prospects for the global economy (48%), but regional conflict has them nervous about global stability (12%).

Question: What impact, if any, do you believe the outcomes of the range of global elections in 2024 will have on:

Figure 12: Impact of 2024 global elections by region (CEOs only)



05 Geopolitics

CEOs and investors both indicate that policy changes related to monetary policy and government spending would have the greatest negative impact on their business in 2025.

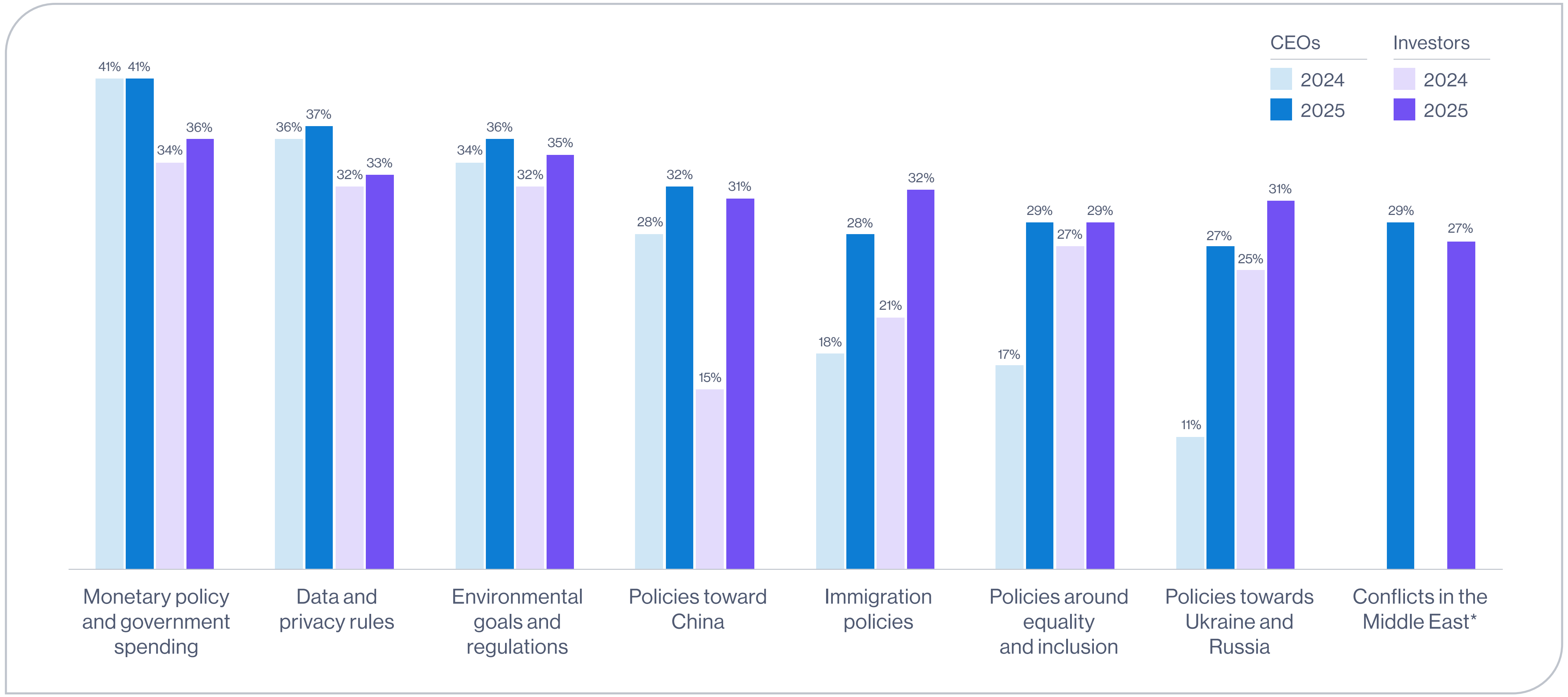
Compared to last year, there are noticeable jumps in the percentages of global CEOs who are concerned about negative impacts of policy changes related to immigration, equality and inclusion, and Russia / Ukraine.

CEOs and investors are equally monitoring developments in the Middle East, where capital is freely flowing through Gulf Cooperation Council (GCC) countries,[3] while others are roiled in geopolitical conflict.

[3] Transformation in Numbers: Unpacking GCC Decision Makers' Priorities and Perspectives, Teneo

Question: Thinking about the impacts of this year's elections around the world and the possibility of sudden shifts in policy and regulatory policies, which of the following policy disruptions would have the biggest negative impact on your business / leading corporations? (select all that apply)

Figure 13: Impactful policy disruptions, 2024-2025



* New for 2025

05 Geopolitics

Disruption in 2025

In addition to potentially disruptive policy changes, CEOs and investors continue to monitor a broader range of possible risks for 2025, with technology and supply chain issues at the forefront (Figure 14).

Nonetheless, survey respondents appear to be overwhelmingly confident (84% of CEOs and 82% of investors) in their ability to address these challenges based on preparations undertaken in 2024. It is worth noting that this level of confidence appears to dip slightly for CEOs (70%) when it comes to addressing environmental / climate disruption, expansion of the war in Ukraine and escalating conflict in the Middle East.

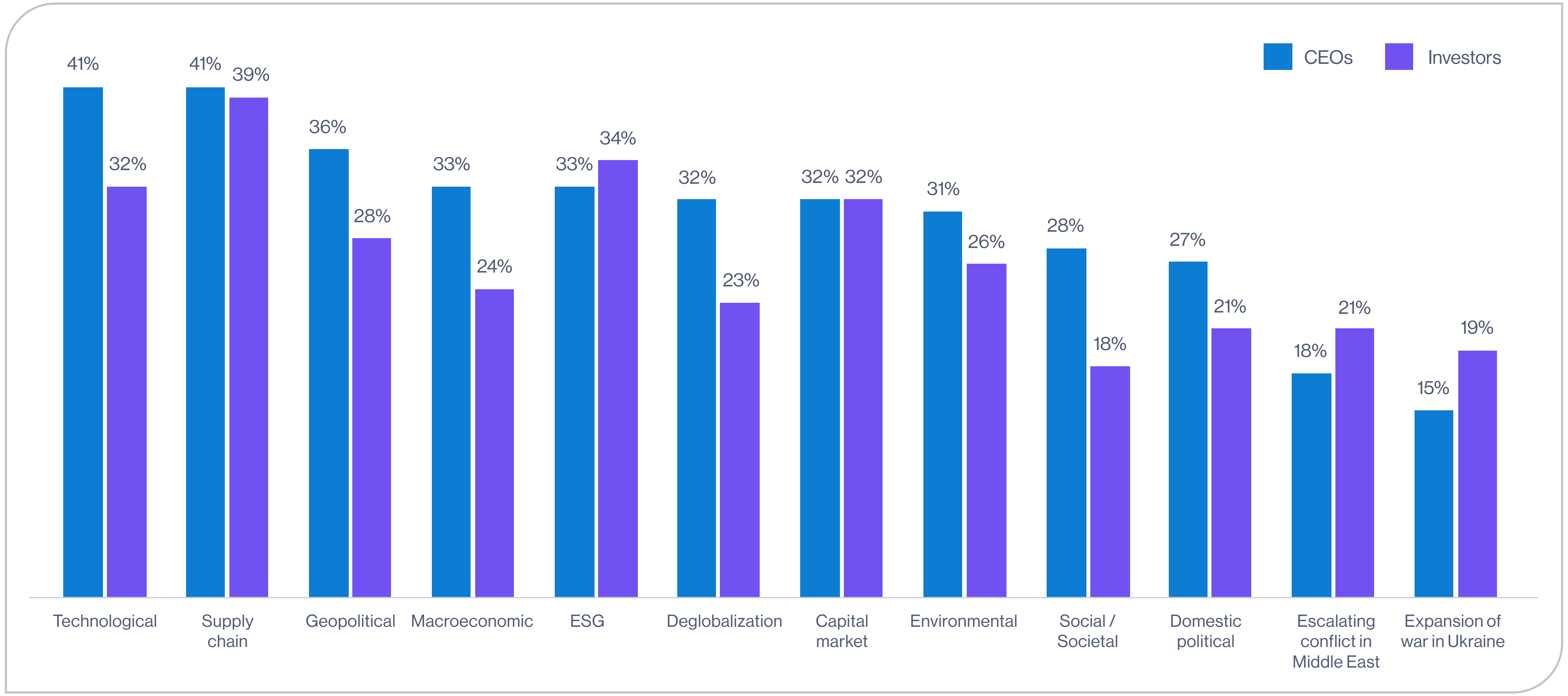
More than

67%

of **CEOs** and **investors** are confident that businesses are prepared to handle various types of disruption in 2025.

Question: **In which of the following areas is your business / are you preparing for further disruption in 2025?** (select all that apply)

Figure 14: Preparing for disruption



05 Geopolitics

Deglobalization

CEOs and investors agree that deglobalization has already begun and / or will happen in the future. While survey respondents are somewhat mixed on the exact timing, virtually all (98% of CEOs and 97% of investors) are concerned about the impact of deglobalization across a range of factors. CEOs appear to have disproportionately stronger concerns about the impact of geopolitical tensions (51%) and increased supply chain friction (46%), while CEOs and investors share mutual concern around greater barriers to trade (47% and 46%, respectively).

Despite these worries, 78% of both CEOs and investors note that they are somewhat or very confident that – based on preparations made in 2024 – businesses are in a strong position to handle the effects of deglobalization.

78%

of **CEOs** and **investors** are confident that businesses are in a strong position to address the effects of deglobalization.

Question: Which of the following aspects of deglobalization are you most concerned about? (select all that apply)

Figure 15: Deglobalization concerns (CEOs only)

- **46%** Increased supply chain friction
- **34%** Reduced access to customer markets
- **51%** Geopolitical tensions
- **29%** Inconsistent monetary policies
- **47%** Greater barriers to trade
- **30%** Cultural disconnections

05 Geopolitics

Importance of China

China remains a high priority for investors despite economic challenges and slowing GDP growth. However, for the first time since this survey's initial 2023 benchmark, CEOs now align with investors on this point. Compared to two years ago, the percentage of CEOs indicating that China is important to their corporate strategy has more than doubled across the board.

CEOs may be responding to China's growing influence in strategic industries of the future, including clean energy, electric vehicles and industrial robots. At the same time, some companies are preparing to shift supply chains out of China amidst expectations that anti-China protectionism will increase in the coming years.

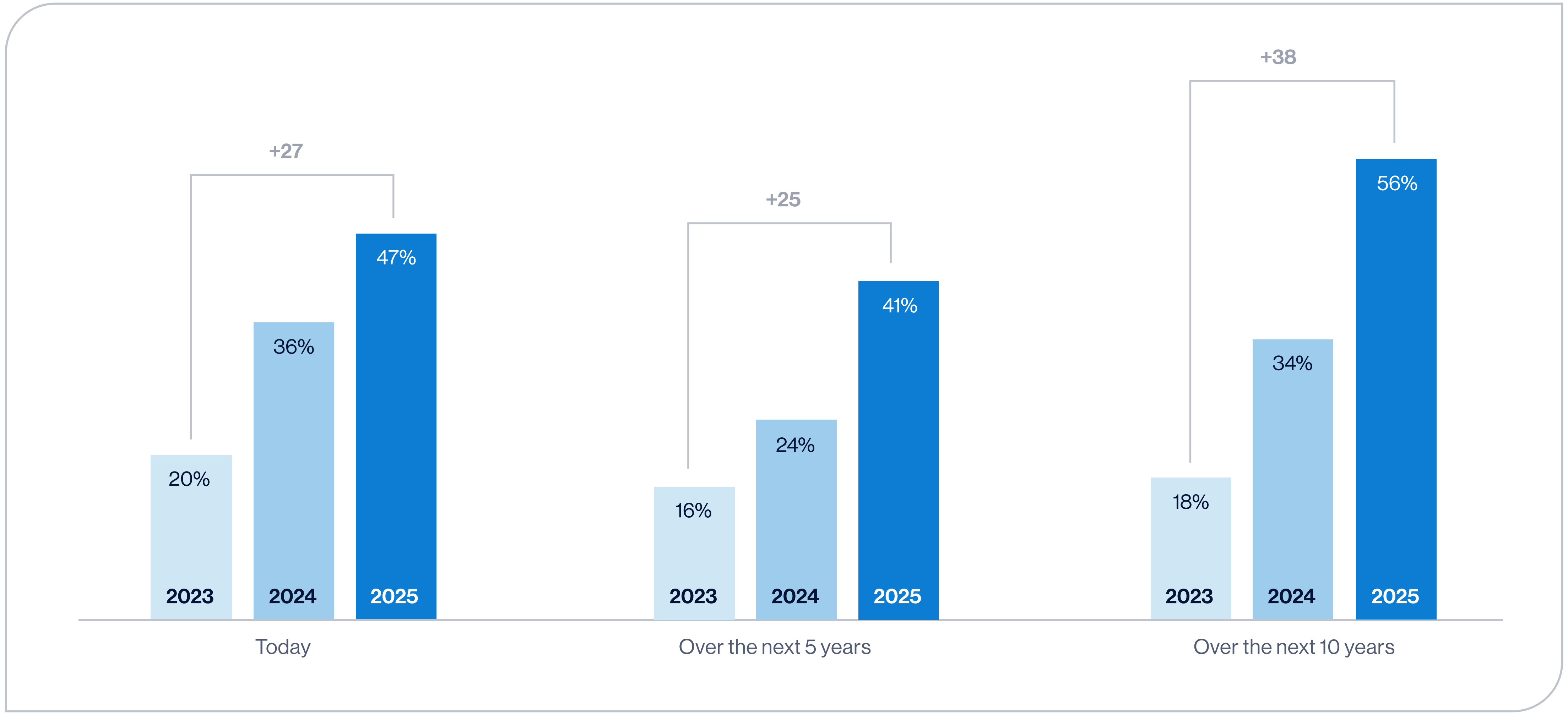
More than

48%

of investors over the past three years have consistently indicated that China is important to their business strategy.

Question: How important is China to your business / investment strategy...

Figure 16: Importance of China to business / investment strategy, 2023-2025 (CEOs only)



06
Innovation

06 Innovation

Investment Plans for 2025

CEOs and investors align on AI as the leading technological priority for 2025, with nearly all survey respondents (97% of CEOs and 98% of investors) planning to maintain or increase AI investments.

Overall, mid-cap CEOs and investors indicate a more balanced approach, diversifying technological investments across a broad range of emerging technologies alongside AI.

Meanwhile, large-company CEOs are fully committed to AI, leaving little room for other emerging technologies. Eighty percent of large-cap CEOs plan to accelerate AI spending in 2025, yet only 17% plan to increase spending in quantum computing and just 3% in crypto (compared to 48% of mid-cap CEOs and investors). This disconnect between the market and leading CEOs specifically around cryptocurrency – potentially driven by investors' greater sophistication with distributed finance and the blockchain – risks setting up an expectation gap for large companies that have yet to develop their crypto strategies.

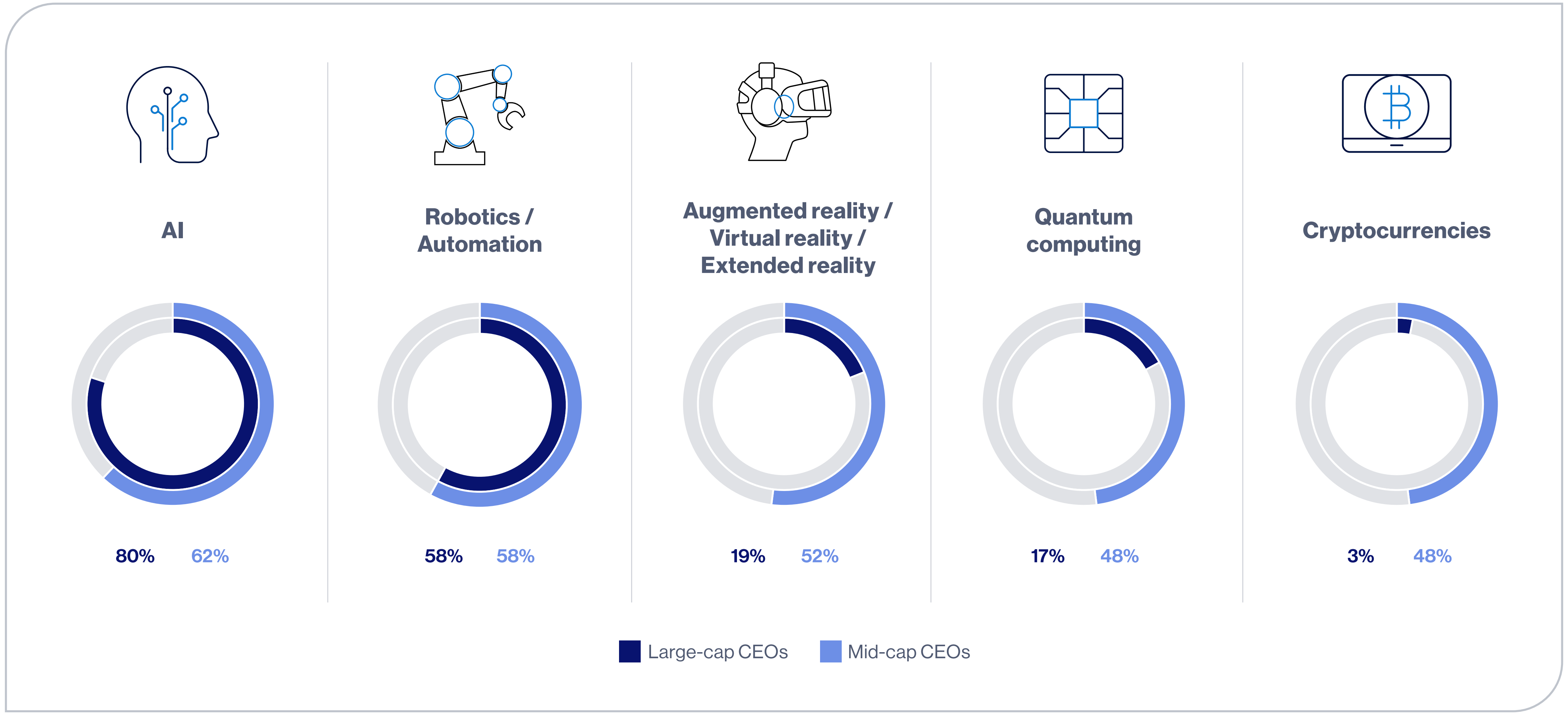
97% CEOs

98% Investors

plan to maintain or increase spending on AI in 2025.

Question: In 2025, will your company / do you believe leading corporations need to increase, maintain or decrease investment in each of the following technologies?

Figure 17: Increasing investment in technology in 2025 (CEOs only)



06 Innovation

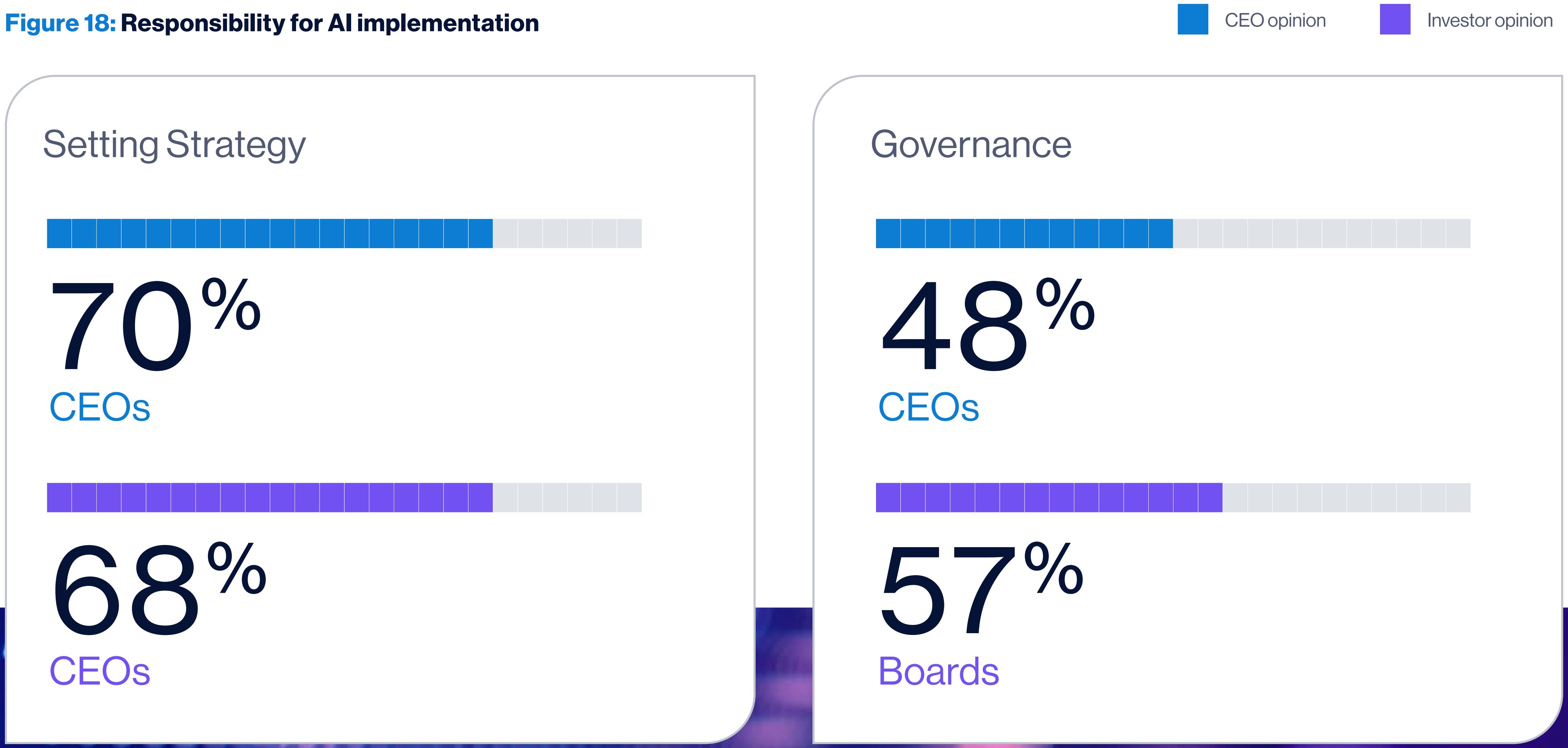
Leadership in AI Implementation

With substantial investment flowing into AI, strategic leadership is critical. CEOs are central in setting strategy (70%) and governance frameworks (48%) but rely heavily on CIOs and IT leaders to manage key aspects of AI implementations, including identifying use cases, vetting technologies, developing tools and upskilling the workforce.

Investors, however, express a desire for more top-down involvement from Boards and the broader C-suite in the implementation process. Without this, companies risk deploying AI initiatives that are misaligned with organizational strategy and Wall Street expectations.

Question: Who is / should be responsible for each of the following aspects of your / leading corporations' AI implementation? (select all that apply)

Figure 18: Responsibility for AI implementation



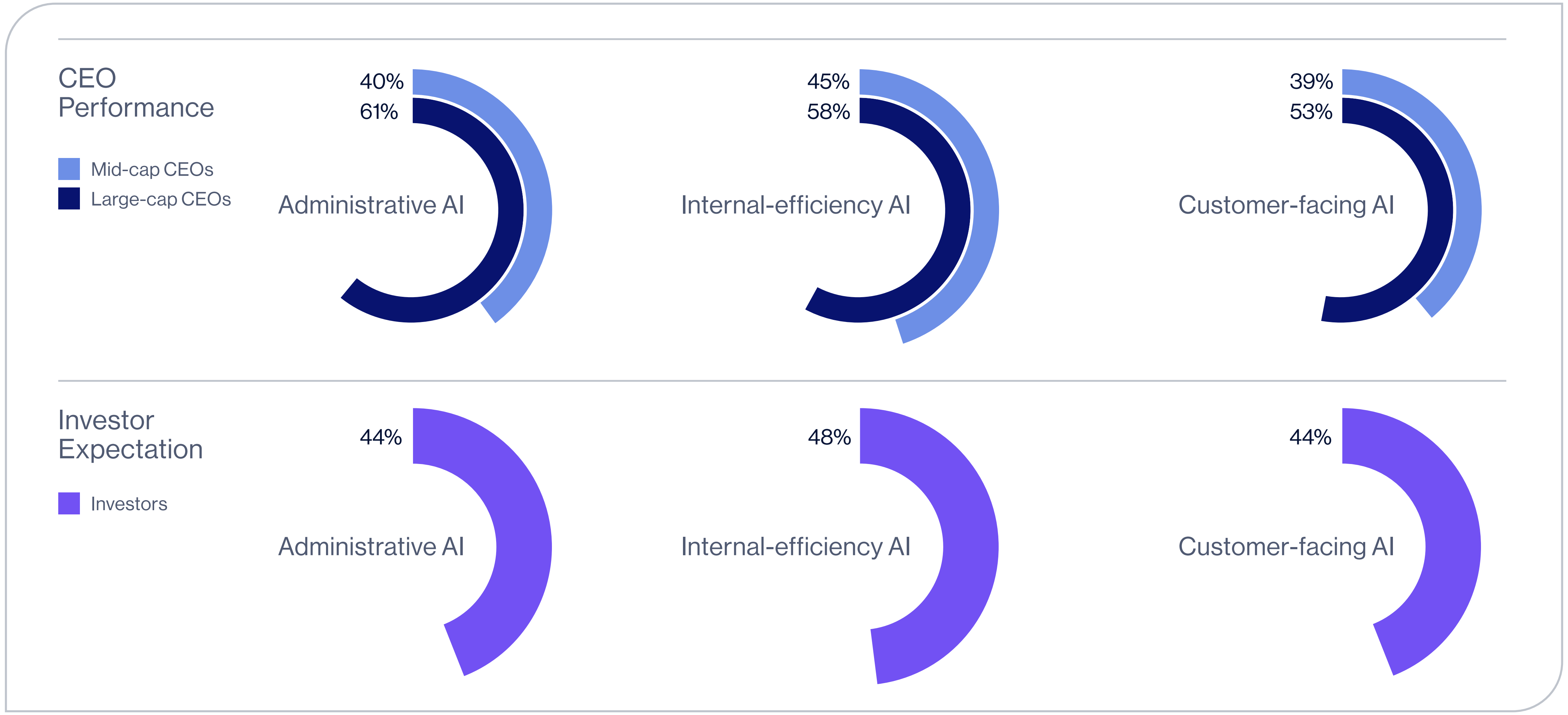
06 Innovation

ROI on AI Efforts

A little more than half of corporate America's AI efforts are generating positive ROI. CEOs of large-cap companies report significantly higher percentages of ROI-positive AI initiatives compared to mid-cap counterparts. The profitability advantage is evident across internal efficiencies, operational improvements and customer-facing applications.

Question: What percentage of your AI projects / AI projects at leading corporations have delivered / do you believe have delivered a tangible ROI?

Figure 19: Percentage of ROI-positive AI efforts



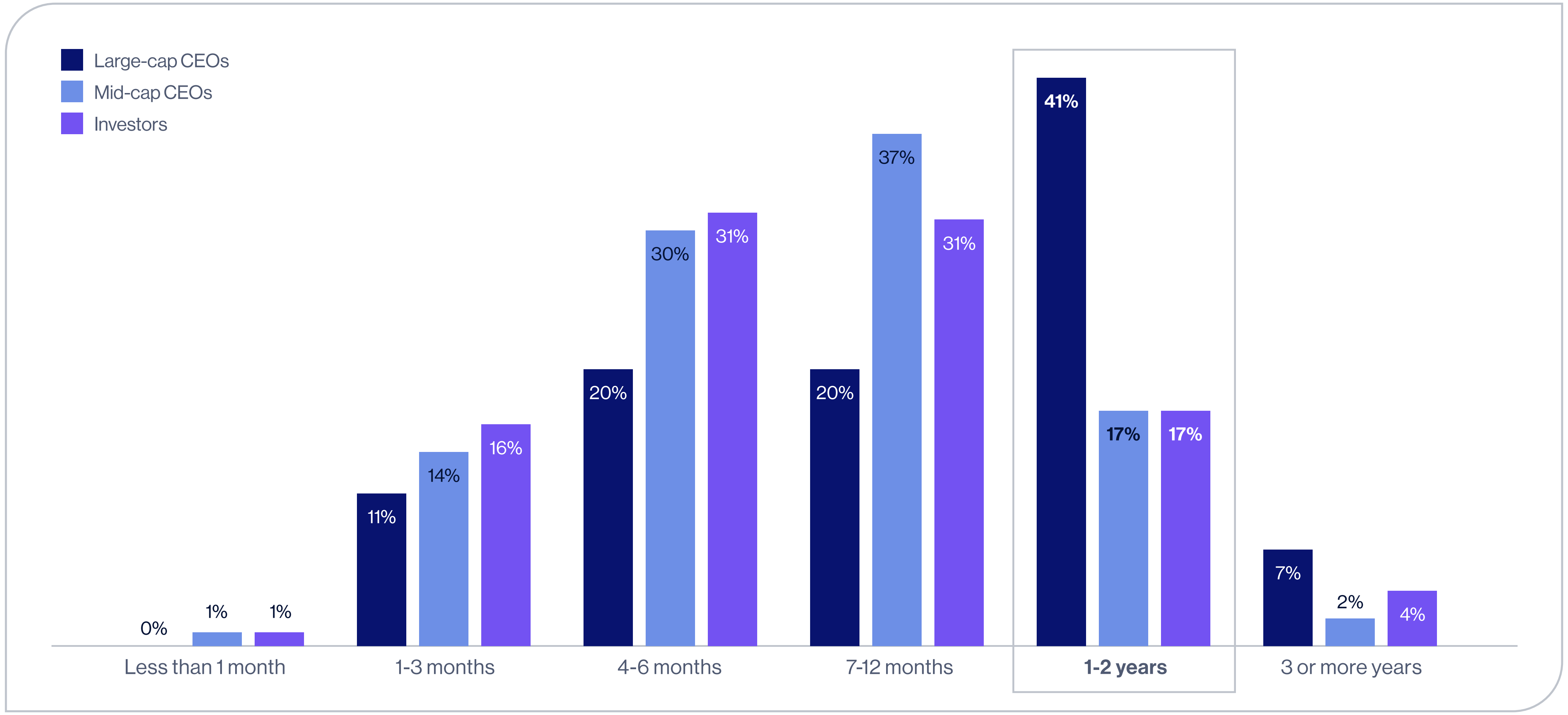
06 Innovation

These results may be pressuring smaller companies and their investors to pursue faster AI wins. Notably, 82% of mid-cap companies and 79% of investors expect AI projects to deliver positive ROI within 12 months, while CEOs of large-cap companies (41%) are willing to let initiatives mature over 1-2 years before expecting positive results.

Businesses are faced with the challenge of balancing rapid ROI expectations with thoughtful scaling. Leaders and investors must carefully weigh immediate performance against the broader value of transformative AI capabilities, ensuring investments achieve both short-term results and long-term growth.

Question: **For new AI initiatives, what is your timeline for expecting to see a positive ROI?**

Figure 20: **Expected timeline for positive ROI on AI projects**



07
ESG

07 ESG

Balancing ESG Programs with the Core Business

In the face of intensifying political and activist pressure on ESG issues – and in alignment with investor expectations – the majority of global CEOs (56%) remain committed to balancing ESG programs with the core business in the year ahead.

Compared to last year, there is a six-point decrease in CEOs and 14-point decrease in investors who are seeking this balance. The shift is not surprising, given the expected ESG-related policy changes addressed earlier in this report.

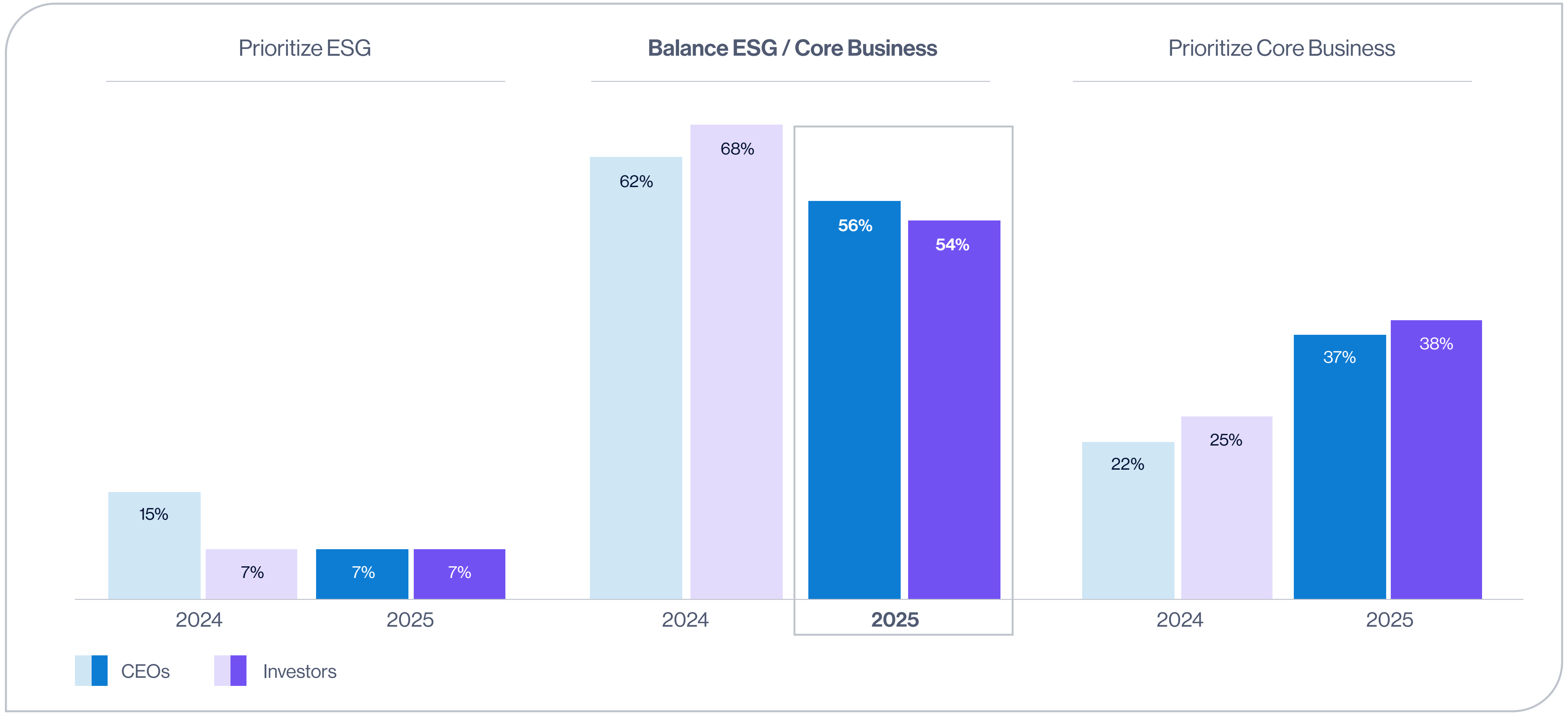
56% CEOs

54% Investors

plan to **balance ESG programs with the core business** in 2025.

Question: Looking ahead to 2025, how are you thinking / how should leading corporations think about your company's / their investment in ESG-related activities relative to the core business?

Figure 21: Prioritization of ESG activities relative to the core business, 2024-2025



07 ESG

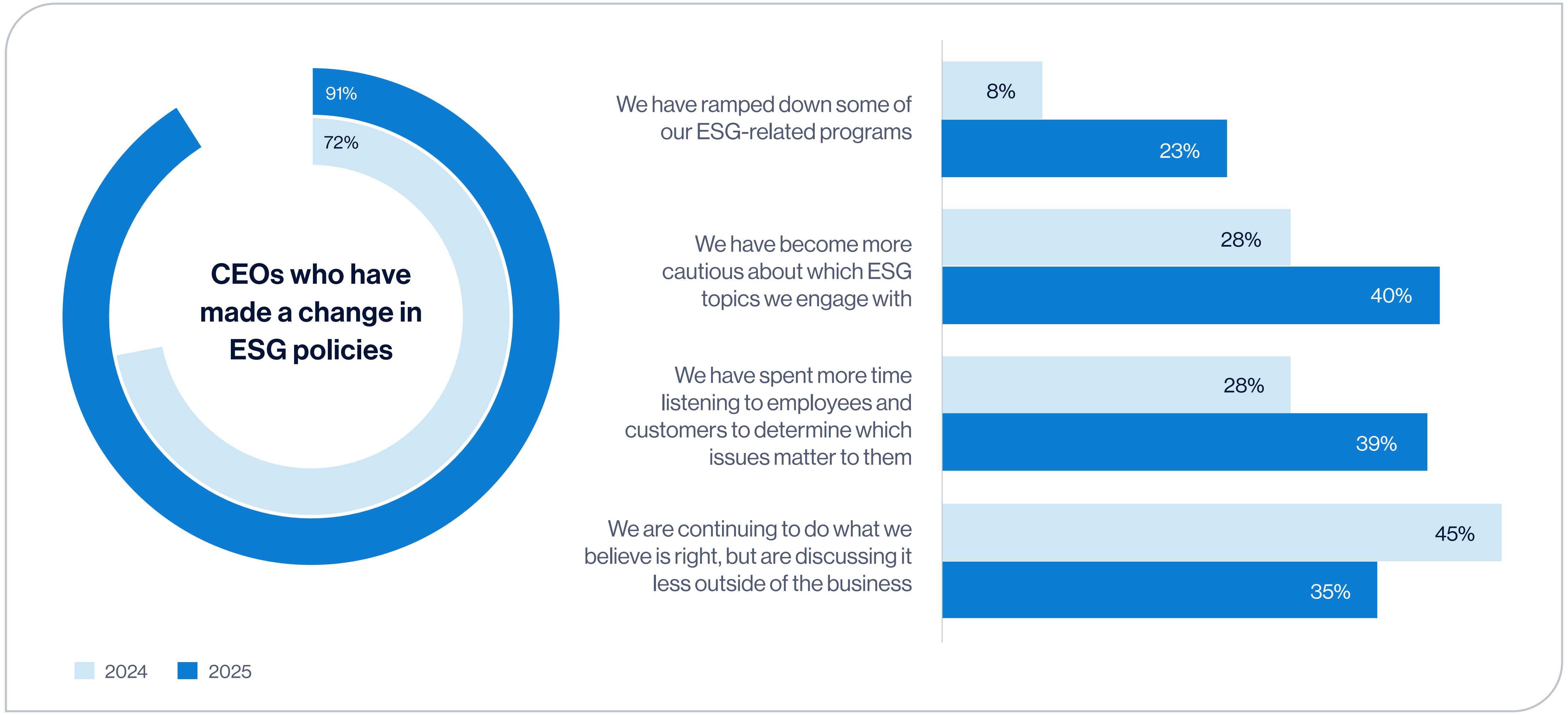
Recalibrating ESG Initiatives

Almost every CEO surveyed (91%, up from 72% in 2024) is recalibrating their ESG initiatives. Of those, 40% are exercising greater caution in selecting the issues or topics they engage with and 39% are spending more time listening to employees and customers to understand which issues matter most (a noticeable increase from 28% last year). More than one-third of CEOs are staying the course with what they believe is right but plan to discuss it less publicly. **Almost one-fourth of CEOs are scaling back some programs, marking a significant increase from last year.**

These actions generally align with expectations of investors who want to see a more cautious approach that involves deeper stakeholder engagement around continued ESG activities – a process that can be informed by regular materiality assessments.[4]

Question: How, if at all, has the politicization of ESG affected how your business operates? (select all that apply)

Figure 22: Response to politicization of ESG, 2024-2025 (CEOs only)



[4] Stand by ESG? Our Annual State of U.S. Sustainability Reports, Teneo

07 ESG

Recruiting and Retaining Diverse Talent

Amidst this charged environment, companies and investors are preparing for potential regulatory changes and / or new employment rules that may influence hiring practices in the year ahead. Nearly all CEOs globally (94%) indicate their intent to maintain or increase efforts to recruit and retain diverse talent while making necessary adjustments to comply with these possible regulations. This holds true even for U.S. CEOs (99%) who have faced particularly acute anti-DEI backlash.

0%

of **investors** expressed a desire for companies to end DEI efforts.

Question: In light of the recent backlash against DEI, how – if at all – are you thinking about your business' diversity, equity and inclusion (DEI) programs?

Figure 23: Plans for DEI programs (CEOs only)

46% Continuing

1% Ending

48% Increasing

4% Pausing / re-evaluating

07 ESG

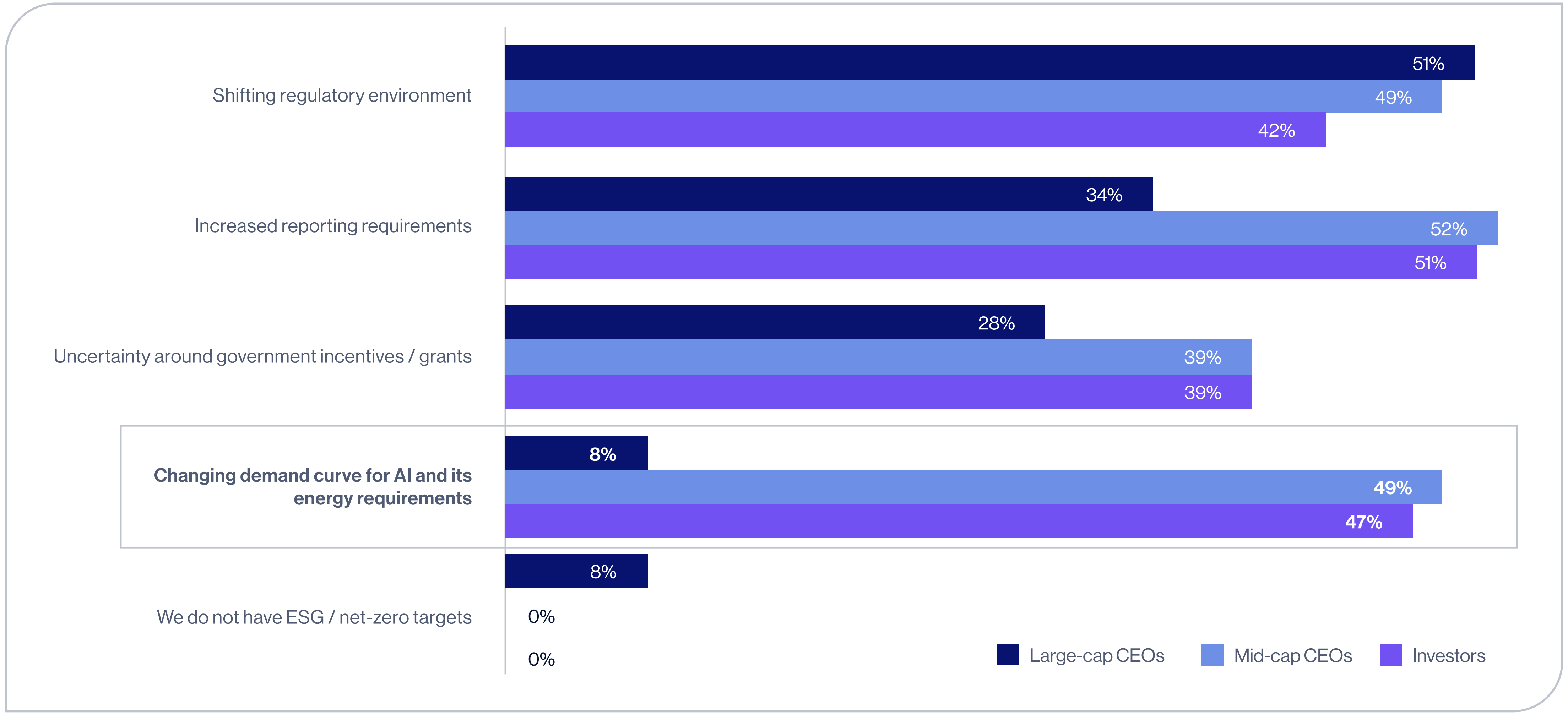
Achieving ESG Goals and Net-Zero Targets

As CEOs and investors affirm their commitment to ESG programs and seek tangible progress toward their goals, they are navigating a number of significant hurdles, including a shifting regulatory environment, increased reporting requirements, uncertainty around government incentives and – more recently – the energy demands of AI adoption.

While investors generally seem to acknowledge the challenges, these complexities appear to apply disproportionate pressure on mid-cap companies compared to their large-cap counterparts, particularly regarding AI-related energy requirements.

Question: **Which, if any, of the following are hindering your business' / leading corporations' ability to reach ESG goals / net-zero targets?**

Figure 24: **Hindrances to ESG goals / net-zero targets**



08
Leadership

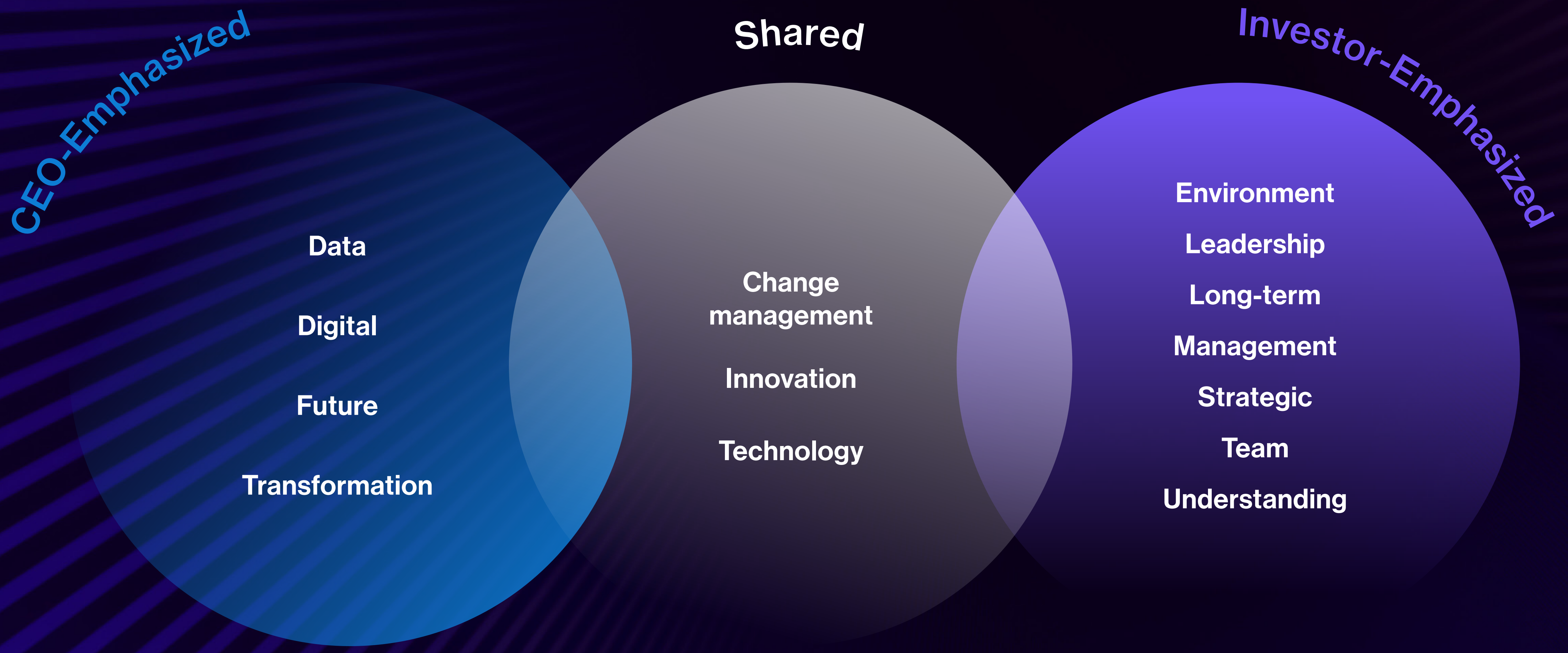
08 Leadership

Furthering a steady trend over the past three years, current CEOs believe that their successors will need to be disruption-proof. This will require increasing fluency in data, transformation and all-things digital. Meanwhile, investors will still require a more traditional suite of leadership skills.

Future CEOs will clearly need to be equipped with a unique blend of skills required to not just manage – but lead – through disruptive change.

Question: What skills and talents will the next generation of CEOs need to bring to your job / their jobs?

Figure 25: Skills and talents required of the next generation of CEOs



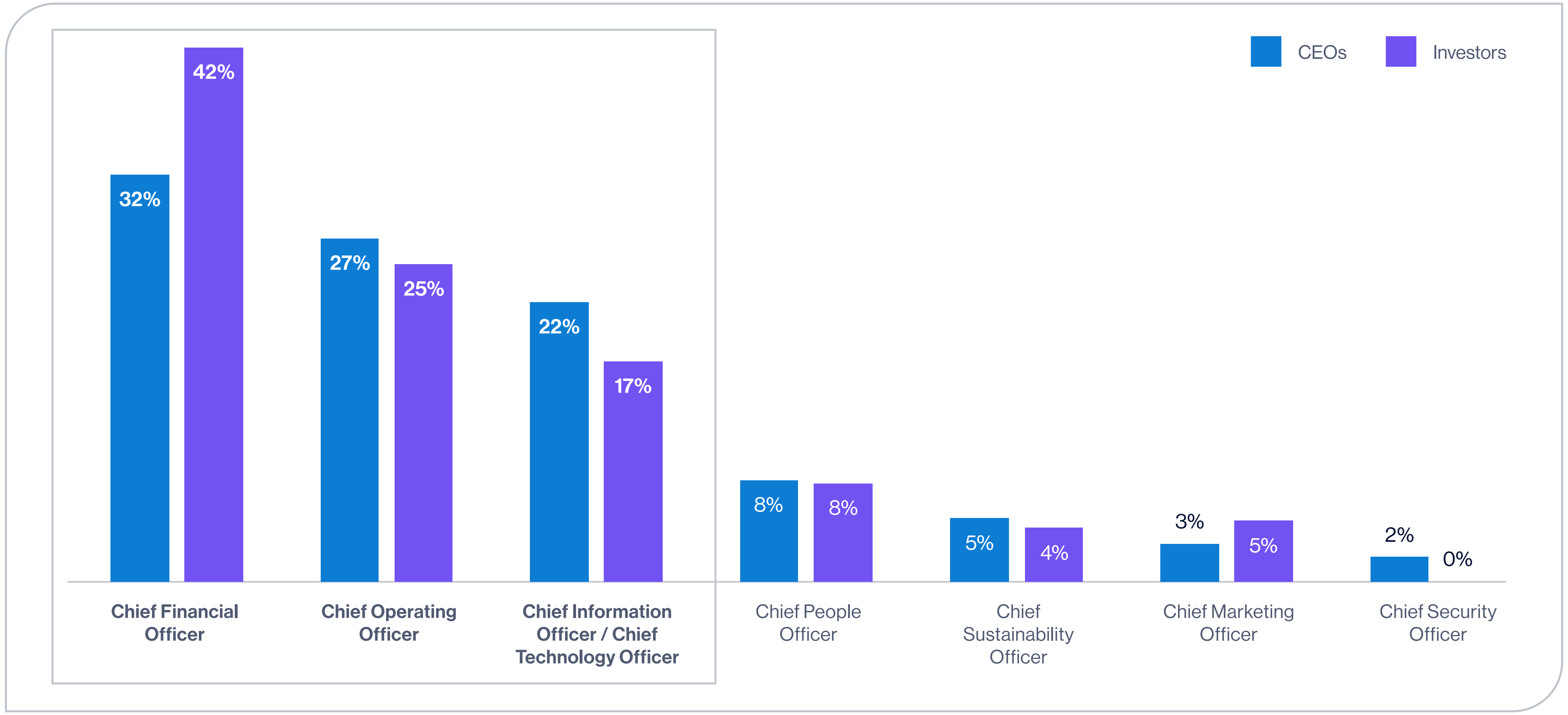
08 Leadership

A Broader Path to the Corner Office

CEOs (32%) and investors (42%) both favor a leadership pipeline that draws primarily from the CFO role, emphasizing the importance of financial bonafides as a foundation for the additional leadership qualifications outlined on the previous page. In addition, CEOs report openness to COO and CIO / CTO candidates – roles that align with the tech-savvy skillset they view as essential for future leadership.

Question: **The pathway to CEO is evolving. Which C-suite roles do you feel are most suited to the role of CEO in succession planning?**

Figure 26: **Pathway to CEO**



Methodology

For more information about the Vision 2025 survey, please contact info@teneo.com.

Teneo's Vision 2025 CEO and Investor Outlook Survey was conducted by the firm's in-house data, insights and analytics team. The survey includes the views of more than 300 global public company CEOs and 380 institutional investors representing approximately $10 trillion USD of company and portfolio value.

The CEOs surveyed represent a global distribution of publicly traded companies with a minimum annual revenue of $1 billion USD or greater. Large companies are defined as $10 billion+ USD in annual revenue; mid-sized companies are defined as $1 billion USD – $9.99 billion USD in annual revenue.

Investors surveyed include a global sampling of professional investors in investment banking, institutional investing, venture investing, asset management, private equity and hedge funds.

Research was conducted between November 11 and December 3, 2024.

Note: Some columns throughout the report may not total to 100% due to rounding.

Teneo is the global CEO advisory firm.

We partner with our clients globally to do great things for a better future.

Drawing upon our global team and expansive network of senior advisors, we provide advisory services across our five business segments on a stand-alone or fully integrated basis to help our clients solve complex business challenges. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.

Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organizational design, board and executive search, geopolitics and government affairs, corporate governance, ESG and DE&I.

The firm has more than 1,600 employees located in 40+ offices around the world.

teneo.com