BCG Investor Perspectives Series

European Edition, Q3 2025

SURVEY CONDUCTED SEPTEMBER 26–29, 2025

BCG Investor Perspectives Series | European Edition, Q3 2025

BCG surveyed leading investors September 26–29, 2025, to understand their perspectives on the European economy, the European stock market, and the strategic decisions and actions that senior executives and boards of directors are considering and making.

This is BCG's second European investor pulse check since April 2025. In addition, BCG has conducted 32 US investor pulse checks since March 2020.

Sources: BCG's European investor pulse checks, April 2025 (n = 151) and September 2025 (n = 150); BCG's US investor pulse check, September 2025 (n = 152).
[1]Respondents could select multiple markets, so the percentages total more than 100.

BCG conducted this pulse check to help corporate executives and boards of directors understand investors' perspectives in this rapidly changing environment.

About the respondents:

- They represent investment firms that have more than $5 trillion in combined assets under management
- More than 90% are portfolio managers and senior buy-side analysts who are responsible for buy, sell, and hold decisions
- They cover a broad spectrum of investor types and investment styles, including deep value, income, quality value, growth at a reasonable price (GARP), and core growth; they also include some quantitative, technical, and special situation investors
- Roughly 63% invest across all of Europe, while some invest exclusively in specific countries: 21% in the UK, 18% in Germany, 16% in Italy, and 15% in France[1]

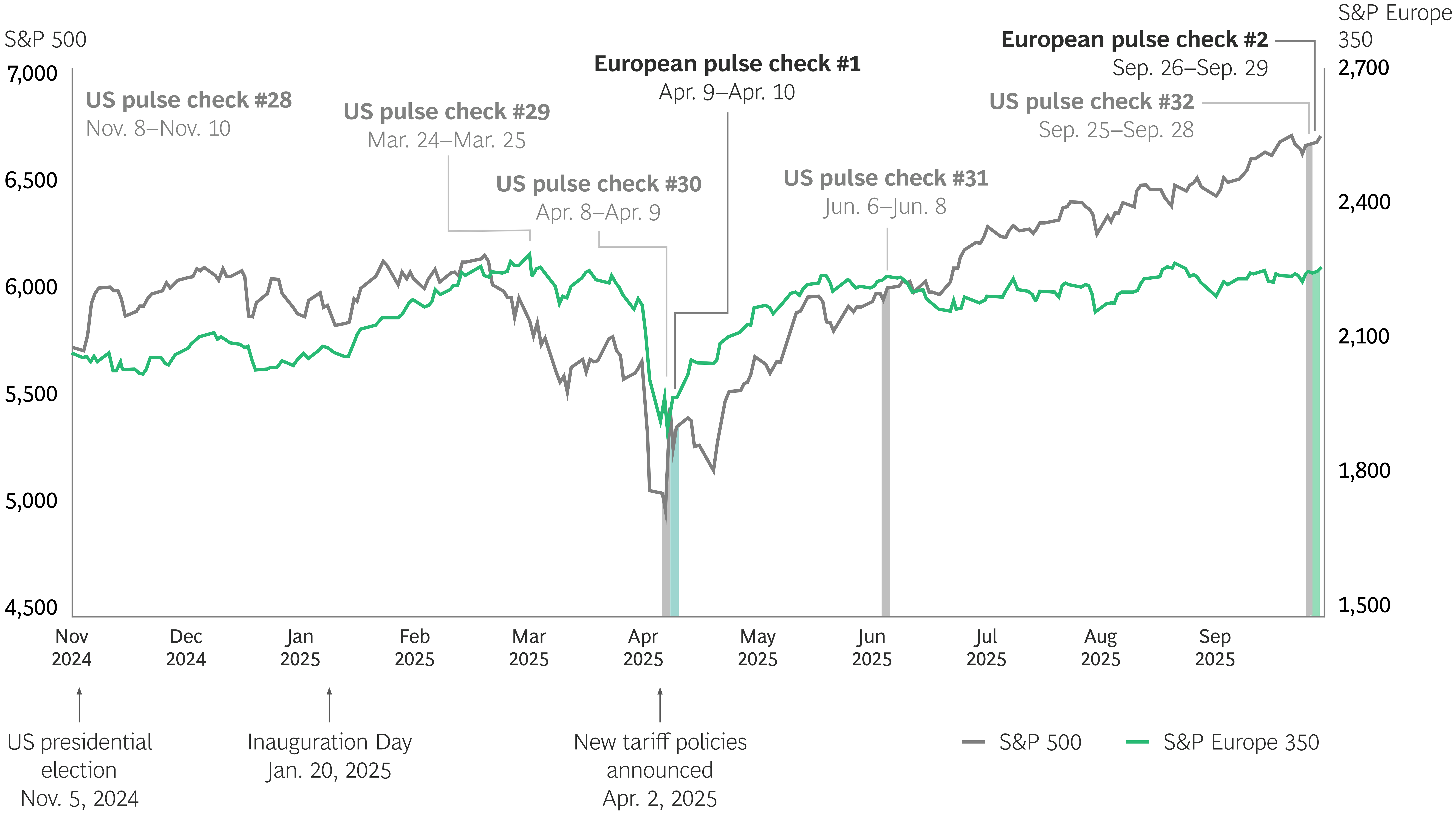
The survey focused on two key topics:

1. Investors' views of and expectations for the European economy and stock market, and their views on key risks and opportunities in the current environment
2. Investors' perspectives on important decisions and priorities that corporate executives and boards of directors are considering and making

- Because the market environment is evolving, especially regarding macroeconomic conditions, some questions from prior surveys were not asked or were replaced with new ones in this edition
- The analysis shared in this document represents an aggregated view that is not segmented by investor type; it is important for corporate executives and boards of directors to keep in mind their current and target investor type while interpreting the results
- The results were contrasted, where relevant, with findings from BCG's US pulse check conducted September 25–28, 2025—which reflects the views of surveyed US investors on the US economy and stock market—for comparison across regions
- The results represent the views of the surveyed investors only and should be regarded as a reflection of current investor sentiment and currently priced-in expectations—both of which are subject to change as new information becomes available; to understand BCG's point of view on current topics, please visit bcg.com

This edition presents findings from the recent European pulse check and compares them with results from the previous edition and the latest US pulse check

September 26–29



European pulse check #2

- S&P Europe 350 closed at about 2,230 on September 25, 2025 (roughly 3% below the all-time high)
- Conducted in parallel with US pulse check #32

European pulse check #1

- Initiated following the announcement of new tariff policies on April 2, 2025, and subsequent market decline
- S&P Europe 350 closed at 1,980 on April 8, 2025 (about 14% below the all-time high)
- Conducted in parallel with US pulse check #30

Sources: S&P Capital IQ; BCG analysis.

Overview of key insights from Q3 2025

September 26–29

Stock market and macro perspectives

European investors remain cautious about both the near-term economic and stock market outlooks, as well as medium-term return expectations given companies' valuations

- 49% of investors describe themselves as bullish for the next three years (14pp less than in the Q3 2025 US survey and down 12pp from the Q2 2025 European survey)
- Investors' concerns about market valuation levels have increased: 55% see the S&P as overvalued (vs. 72% in the Q3 2025 US survey and 38% in the Q2 European survey), and 18% cite overvaluation as a top-three risk factor (down 10pp from the Q3 US survey and up 9pp from the Q2 European survey)
- The expected three-year (annualized) TSR for the S&P Europe 350 sits at 6.5%, down 100 basis points from the Q2 2025 European survey

Investors cite ongoing conflicts in Ukraine and the Middle East, as well as US federal policies, as their main concerns and the dominant influences on market returns, followed by interest rates

- 70% of investors expect the wars in Ukraine and the Middle East to be key market drivers through 2026 (vs. 13% in the Q3 2025 US survey and 49% in the Q2 2025 European survey)
- US federal policies is the number two driver of market returns, highlighted by 69% of investors (vs. 79% in the Q3 2025 US survey and 88% in the Q2 2025 European survey)

Investors' concerns about tariffs and interest rates have moderated

- 30% of investors are concerned about stagnating world trade (vs. 25% in the Q3 2025 US survey and down from 56% in the Q2 2025 European survey)
- The expected negative economic impact of tariffs has softened, including its impact on consumer price levels (anticipated by 60% of European investors, vs. 68% in the Q3 2025 US survey and 72% in the Q2 European survey), consumer spending (55%, vs. 64% in Q3 in the US and 65% in Q2 in Europe), corporate profit margins (62%, vs. 67% in Q3 in the US and 73% in Q2 in Europe) and revenues (62%, vs. 58% in Q3 in the US and 71% in Q2 in Europe)

Implications and priorities for companies

Investors remain focused on long-term organic revenue growth, medium- to long-term margins, and capital discipline over momentum signals

- Organic revenue growth remains the clear number one investment consideration for investors (indicated by 46%, vs. 53% in the Q3 2025 US survey and down slightly from 48% in the Q2 2025 European survey)
- Medium-term margins and return on capital are ranked the second and third key investment factors, cited by 28% and 25% of investors—up 6pp and down 2pp, respectively, from the Q2 European survey
- Fewer investors see short-term margin outlook (9%, down 5pp from the Q2 2025 European survey) and business strategy and vision (18%, down from 7pp in Q2) as key investment factors

Most investors believe the impact of AI is already here or imminent, underscoring the need for companies to act decisively

- 82% of investors expect AI to have a meaningful impact on firms' financial performance (vs. 74% in the Q3 2025 US survey), with 57% of investors expecting this within the next 12 months (vs. 70% in Q3 in the US)
- 31% of investors expect AI developments to be a key driver of market returns through 2026 (23pp lower than in the Q3 2025 US survey and 18pp higher than in the Q2 European survey)
- European investors take a more balanced stance on companies' AI investment levels: 36% view current spending as too aggressive (vs. 48% in the Q3 2025 US survey), while 37% see it as too conservative (vs. 15% in Q3 in the US)

Investors highlight the importance of thoughtful, disciplined capital allocation

- Investors support active portfolio reshaping, with 70% wanting companies to divest noncore businesses and 75% supporting tuck-in acquisitions (vs. 78% and 74%, respectively, in the Q3 2025 US survey), up 5pp and 3pp from the Q2 2025 European survey
- 75% of investors expect firms to pay dividends at least at historical levels, and dividends have become a more important investment consideration for 66%
- 44% of investors limit their exposure to companies with normal leverage (about two times net debt to EBITDA), while 63% avoid companies with leverage of more than three times net debt to EBITDA

Source: BCG's European investor pulse checks, April 2025 and September 2025; n = ~150 for each survey.
Note: FCF = free cash flow; EPS = earnings per share.

European investors' current perspectives on the European economy and stock market

September 26–29

Macroeconomic outlook

INVESTORS WERE ASKED ABOUT THEIR VIEWS ON **EUROPEAN RECESSION RISKS**

59%

Investors that believe the next economic **recession will start in Europe by the end of 2026**

Above the September 2025 US survey result of 53% for the US economy, and below the April 2025 European result of 77%[1]

INVESTORS WERE ASKED ABOUT THEIR **INFLATION EXPECTATIONS**

26%

Investors that believe **inflation will remain elevated beyond year-end 2026**

Below the September 2025 US survey result of 38%, and above the April 2025 European result of 7%[1]

3.2%

The average expected **inflation rate for year-end 2025**

10 bps below the September 2025 US survey result, and in line with the April 2025 European result[1]

3.0%

The average expected **inflation rate for 2026 and 2027**

30 bps below the September 2025 US survey result, and in line with the April 2025 European result[1]

Bull vs. bear sentiment

INVESTORS WERE ASKED TO PLACE THEMSELVES ON THE **BULL-BEAR SPECTRUM** OVER DIFFERENT TIME PERIODS

33%

Investors that are **bullish for 2025**

Below the September 2025 US survey result of 36%, and above the April 2025 European result of 19%[1]

49%

Investors that are **bullish for the next three years[2, 3]**

Below the September 2025 US survey result of 63% and the April 2025 European result of 61%[1]

INVESTORS WERE ASKED ABOUT THEIR **SENTIMENT TODAY, COMPARED WITH THREE MONTHS AGO**

48%

Investors that are more bullish on the **economy**

Below the September 2025 US survey result of 50%, and above the April 2025 European result of 21%[1]

49%

Investors that are more bullish on the **stock market**

Below the September 2025 US survey result of 57%, and above the April 2025 European result of 23%[1]

Expected stock market low

S&P Europe 350 market low — **2,069**

vs. 1,776 in April 2025[1]

Implied potential **S&P decline from current level[2]** — **7%**

vs. 10% in April 2025[1]

Timing of low — **Q2 2026**

Stock market level in three years

S&P Europe 350 level of… — **2,510**

vs. 2,291 in April 2025[1]

…implies an **average annual TSR for the next three years[3]** — **6.5%**

vs. 6.2% for the September 2025 US survey, and vs. 7.5% for April 2025 European survey[1]

Bullish | Neutral | Bearish

Sources: BCG Investor Perspectives Series, European and US editions, April 2025 through September 2025; n = ~150 for each survey.
Note: bps = basis points.
[1]The April surveys were conducted immediately after the announcement of the new tariff policies on April 2, 2025. [2]S&P Europe 350 was approximately 2,230 during the survey window. [3]Through September 2028.

Geopolitical risks remain the top macro risk, while concerns on interest rates, stagnating trade, and consumer price inflation have softened in the European market

September 26–29

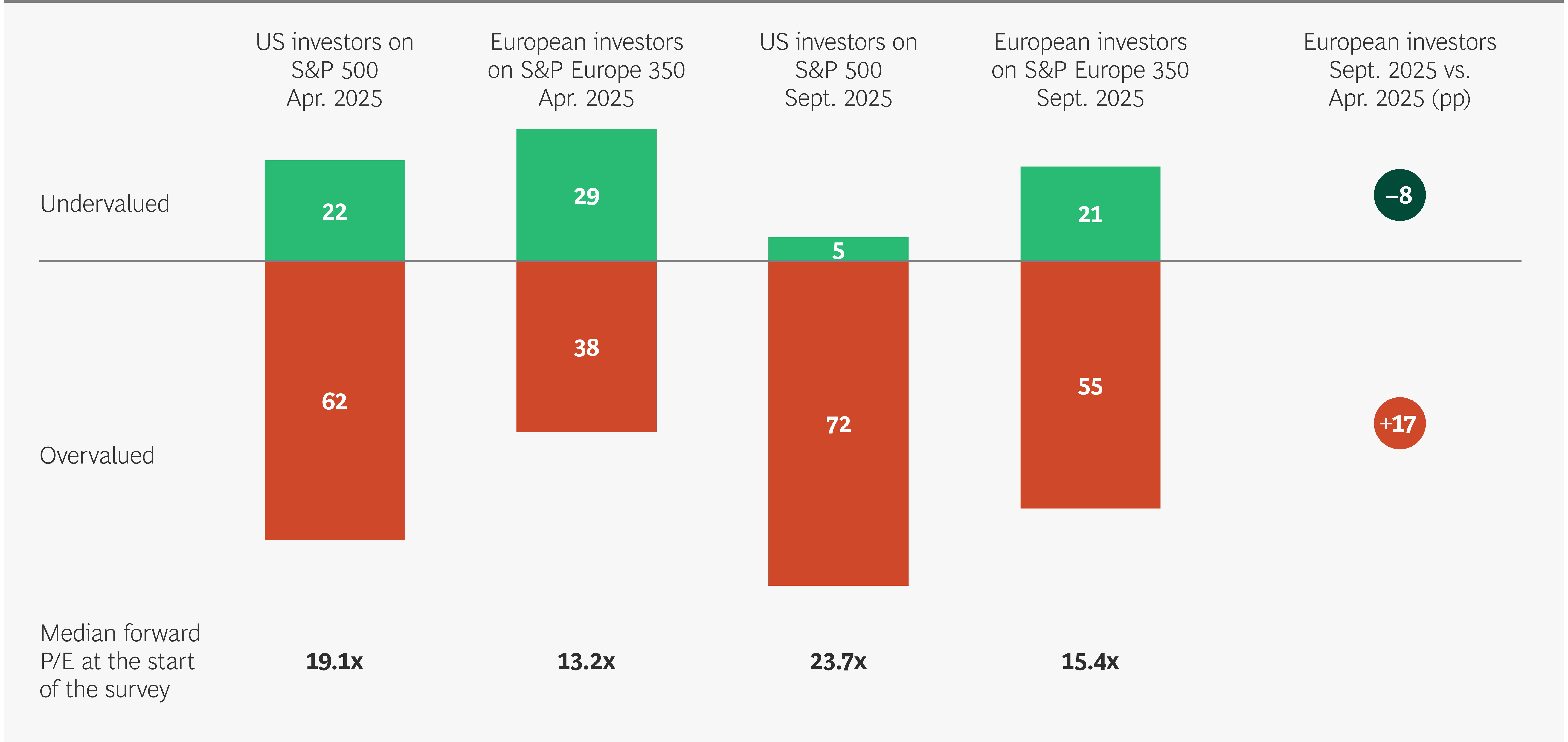
Most important macro risk factors[1]

Sources: S&P Capital IQ; BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: Top 14 answers are shown for legibility. NA = not applicable. Any apparent discrepancies when compared with prior survey results are due to rounding
[1]Survey question: What are the most important risks for investors to consider in today's environment? Rank the top three. [2]In previous surveys, this question referred to consumer price inflation and consumer sentiment.

Investors are increasingly concerned about valuation levels, with 55% believing the S&P Europe 350 is overvalued

September 26–29

Investors' perspectives on the current valuation levels of the S&P 500 and S&P Europe 350 (%)[1]



Investors anticipate that headwinds from the compression of valuation multiples will negatively impact market returns.

Given investors' perception that the market is overvalued, they believe that TSR will depend on improved fundamentals, such as growth, margin expansion, and free cash flow generation.

Sources: S&P Capital IQ; BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
[1]Survey questions: What is your opinion of the current valuation level of the S&P 500? (Asked in the US survey.) What is your opinion of the current valuation of the S&P Europe 350? (Asked in the European survey.)
For reference, the current (12-months trailing) median P/E of the S&P 500 is 29.5x and forward P/E (based on next-twelve-months earnings) is 23.7x. And the current (12-months trailing) median P/E of the S&P Europe 350 is 19.7x and forward P/E (based on next-twelve-months earnings) is 15.4x.

The market is seen as too optimistic on most macro factors, especially AI development and regulation, which is now a top-five driver of the European equity market

September 26–29

Key geopolitical and macro factors influencing the European and US equity markets[1]

Factor	Assessment of factors' importance: Investors that consider these factors to be among the top three factors (%)	Sept. 2025 vs. Apr. 2025 (pp)	Evaluation of the market's view: Investors that consider the market's view to be too bullish or too bearish on a given factor (%) — Too bearish[3]	Too bullish[3]	Net bullishness[2]	Sept. 2025 vs. Apr. 2025 (pp)
War in Ukraine and the Middle East	70	+21	5	35	30%	+15
US federal policies (for example, tax legislation, tariffs, and job cuts)	69	–19	11	41	30%	+23
Interest rate policy (for example, the number and magnitude of Federal Reserve rate cuts)	51	–10	7	29	22%	+4
AI development and regulation (for example, generative AI risks and the impact on semiconductors)	31	+17	12	52	40%	+15
China GDP outlook	19	–14	16	30	14%	–10
Cost of capital (for example, opportunities for efficiency across capital spending and working capital)	15	+1	7	24	17%	+3
Labor relations and cost (for example, risks of strikes and substantial declines in labor productivity)	14	+12	8	27	19%	+4
BRICS expansion (and global rivalries such as US-China)	11	+3	15	22	7%	–9
Green industrial policy (for example, clean energy incentives in the US and the European Green Deal)	7	+3	19	28	9%	+4
Rest-of-Asia trade and economic acceleration (for example, India and Southeast Asia)	6	–5	11	21	10%	+8
M&A activity and regulation (for example, FTC objections)	3	0	10	13	3%	–9
Structural changes in asset management and allocation (for example, shifts toward passive money and decline of the sell side)	3	–7	7	9	2%	–5

Europe | US | Too bearish[3] | Too bullish[3]

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: BRICS = Brazil, Russia, India, China, and South Africa; FTC = Federal Trade Commission. Any apparent discrepancies when compared with prior survey results are due to rounding.
[1]Survey questions: Which of the following factors do you believe will most influence the overall direction of the European equity market for 2025? Which of the following factors do you believe will most influence the overall direction of the US equity market for 2025? [2]Net bullishness is the share of investors considering the market to be too optimistic minus the share of investors considering the market being too pessimistic.
[3]The market being too bullish implies downside risk, whereas the market being too bearish implies potential upside risk.

Sentiment about the overall impact of US tariffs has become less negative, but European investors continue to see tariffs as inflationary and a drag on growth

September 26–29

Expected 12- to 24-month impact of US tariff policy (%)[1]	Strongly negative	Moderately negative	Little or none	Moderately positive	Strongly positive	Net perspective[2]: European investor views on impact in Europe, Sept. 2025	Net perspective[2]: European investor views on impact in US, Sept. 2025	Net perspective[2]: US investor views on impact in US, Sept. 2025	Net perspective[2]: European survey, Sept. 2025 vs. April 2025[3]
Corporate revenues	9	53	18	18	1	–43	NA	–34	+14
Corporate margins	15	47	19	18	0	–44	NA	–50	+18
Consumer price levels[4]	12	48	23	15	1	–44	–65	–53	+18
GDP growth	7	49	29	14	1	–41	–26	–11	+15
Government income	13	38	36	11	1	–39	+14	+34	–12
Consumer spending	11	44	29	11	5	–39	–53	–51	+14
Stock market performance	7	45	23	23	3	–26	–20	–23	+27
Interest rates[5]	5	23	33	30	5	+7	+13	+2	+9

Investor sentiment toward US tariffs has improved since April but remains cautious.

Most still expect the new tariff policies to have mainly negative effects on consumer prices (by driving inflation), corporate revenues and margins, stock market performance, and overall economic (GDP) growth.

In contrast, lower interest rates are viewed as the primary positive outcome.

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: Series do not sum to 100 because a small share of respondents reported being unsure of the prospective impact of US tariffs on a given indicator. Any apparent discrepancies when compared with prior survey results are due to rounding. NA = not applicable.
[1]Survey question: How would you rate the impact of the US tariff policy over the next 12 to 24 months? [2]Net perspective is the share of investors expecting positive impact minus the share of investors expecting negative impact. [3]Change in net perspective compared with the results from the same question asked in the survey conducted April 9–10, 2025. [4]Negative impact on consumer prices means the consumer price index will increase from current levels. [5]Positive impact on interest rates means that interest rates will decline from current levels.

Banks, tech, and energy are seen as policy and macro winners, with consumer and materials-based sectors lagging despite broad improvement in sentiment

September 26–29

Expected impact of the current economic climate and political agenda on different sectors (%)

Sector	Strongly negative	Moderately negative	Little or none	Moderately positive	Strongly positive	Net perspective[1]	European vs. US results, Sept. 2025 surveys	European survey, Sept. 2025 vs. Apr. 2025[2]
Financial institutions	1	21	35	37	5	+19	–12	+67
Technology-related industries	5	23	29	27	16	+15	–36	+67
Exploration-based industries	7	25	25	31	11	+11	–22	+48
Utilities	6	25	35	26	7	+2	–23	+28
Services industries	3	34	34	27	2	–7	–9	+45
Industrials and manufacturing industries	13	33	19	26	9	–11	–14	+56
Health care-related industries	11	33	29	23	4	–17	–3	+28
Materials-based industries	7	43	25	19	6	–24	–28	+38
Consumer industries	9	45	31	12	3	–40	–20	+22

Forty-nine percent of investors believe that they have a good handle on the likely impact of tariffs on the companies they invest in.[3]

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: Any apparent discrepancies in totals or comparisons with prior survey results are due to rounding.
[1]Net perspective is the share of investors expecting positive impact minus the share of investors expecting negative impact. [2]Change in net perspective compared with the results from the same question asked in the survey conducted April 9–10, 2025. The April 2025 results and calculations have been updated. [3]Percentage of investors agreeing with the statement, “I believe that I have a good understanding of how tariffs will impact the financial performance of the companies I invest in and cover.”

Investors are continuing to shift away from defensive positioning

September 26–29

Changes in investment practices and priorities

Investors that report making the following changes to capital allocation and investing practices or recommendations since the beginning of 2025 (%)[1]

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: Shown are the changes indicated by at least 25% of respondents. Any apparent discrepancies in comparisons with prior survey results are due to rounding.
[1]Survey question: How have your capital allocation and investing practices or recommendations changed since the beginning of 2025?

Durable organic revenue growth remains the top investment consideration, followed by margins, return on capital, and cash generation

September 26–29

Most important company-specific factors driving investment decisions or recommendations

Europe US

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: FCF = free cash flow; EPS = earnings per share. Any apparent discrepancies in comparisons with prior survey results are due to rounding. The ranking for climate and sustainability factors would likely be very different for sectors where environmental considerations are central to the investment thesis.

Investors increasingly want companies to prioritize top-line growth

September 26–29

Most important actions for financially healthy companies to prioritize in the current macroeconomic environment[1]

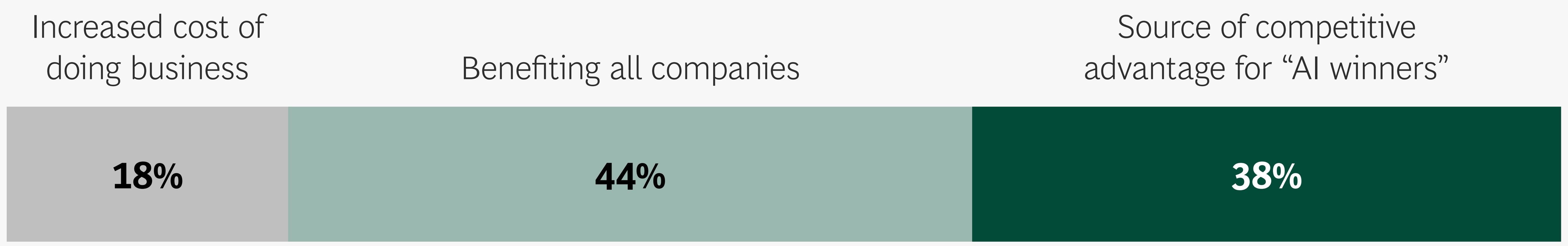
Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Notes: SG&A = selling, general, and administrative. Any apparent discrepancies in comparisons with prior survey results are due to rounding.
[1]Survey question: What actions should financially healthy companies prioritize in the current environment? (Financially healthy companies are those that have relatively strong and resilient free cash flow and a healthy balance sheet.)

Investors see AI as an imminent financial catalyst and have more balanced views on whether companies are investing appropriately, versus their US counterparts

September 26–29

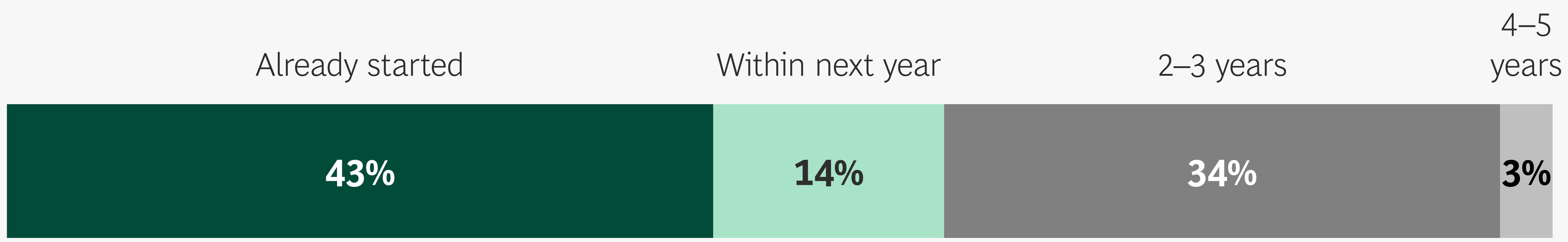
Views on AI in industries where AI will likely play an important role[1]

Role that AI will play[2]



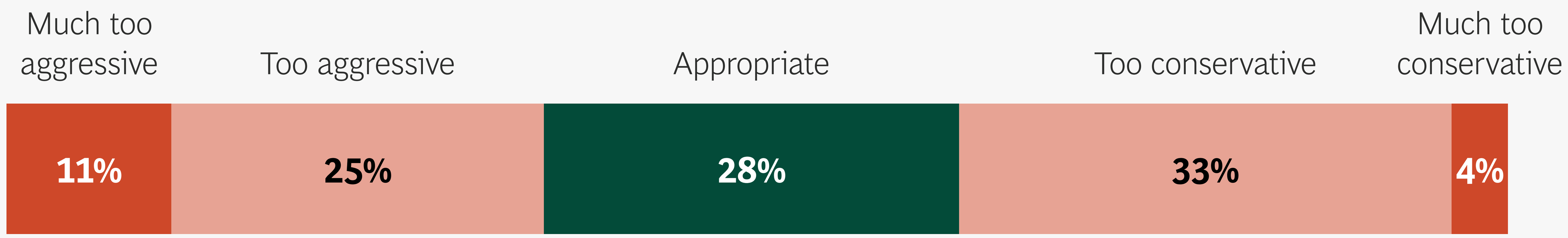
Almost 82% of investors expect real financial upsides from AI (vs. about 74% in the September 2025 US survey)

Timing of when AI will positively impact company fundamentals[3, 4]



Approximately 57% of investors expect impact within the next 12 months (vs. roughly 70% in the September 2025 US survey)

Perspective on AI investment levels of the companies that you invest in or cover[5]



About 36% believe current AI spending is too aggressive (vs. roughly 48% in the September 2025 US survey), while nearly 37% believe spending is too conservative (vs. about 15% in the US survey)

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
[1]Excluding technology companies focused on AI infrastructure and tools. [2]Survey question: What is your perspective on the GenAI investments being made by companies you invest in and cover that compete in industries where AI will likely play an important role, excluding technology companies focused on AI infrastructure, tools, etc.? [3]Survey question: When do you expect GenAI to have a materially positive impact on corporate fundamentals and profitability across most industries, excluding technology companies focused on AI infrastructure, tools, etc.? [4]Series does not sum to 100% because 4% of investors who believe material impact is more than five years out and 2% of investors who don't believe there will be an impact on growth or margins are not shown for legibility purposes. [5]Survey question: What is your perspective on the GenAI investments being made by companies you invest in and cover that compete in industries where AI will likely play an important role, excluding technology companies focused on AI infrastructure, tools, etc.?

Investors signal support for companies pursuing different paths to value creation and emphasize the importance of preparedness for transformation and activist threats

September 26–29

Do investors support companies that prioritize long-term investments or short-term performance?

82% | Investors that support companies **investing in innovation and go-to-market strategies, even if that affects margins short term**

1pp lower than the September 2025 US result of 83%, and 12pp higher than April 2025 European result of 70%

67% | Investors that support companies focusing on **reducing costs to strengthen near-term profitability and hunkering down**—that is, not reinvesting cost savings into medium- and longer-term growth

6pp lower than the September 2025 US result of 73%, and 8pp lower than April 2025 European result of 75%

How should companies prepare to tackle the challenges raised by the current environment?

75% | Investors that believe that in 2025 and 2026, there is an **increased need for transformative initiatives** (such as cost programs, pricing optimization, and growth acceleration) compared with prior years

5pp higher than the September 2025 US result of 70%, and 3pp lower than April 2025 European result of 78%

64% | Investors that believe companies should expect an increase in activist activity and, therefore, **take proactive steps to mitigate activism risk** by strengthening their businesses' fundamentals

5pp higher than the September 2025 US result of 59%, and 8pp higher than April 2025 European result of 56%

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: pp = percentage point. All questions were posed with respect to financially healthy companies, which were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet.

Investors support both portfolio pruning and compelling, disciplined acquisitions

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Should companies reshape their portfolios through divestitures or acquisitions, or both?

70% | Investors that believe **exiting or divesting lines of businesses** should be considered to strengthen the overall company in the current market environment

8pp lower than the September 2025 US result of 78%, and 5pp higher than April 2025 European result of 65%

64% | Investors that believe **acquisitions should be actively pursued** to strengthen the business at current valuation levels

In-line with the September 2025 US result of 64%, and 10pp higher than April 2025 European result of 54%

Do investors support tuck-in or even larger acquisitions in the current environment?

75% | Investors that support companies making **focused tuck-in acquisitions** (for example, well below 20% of their market cap) that do not materially increase their leverage

1pp higher than the September 2025 US result of 74%, and 3pp higher than April 2025 European result of 72%

64% | Investors that support companies making **substantial or even transformative acquisitions (clearly above 20% of their market cap)** that have the potential to be strategic and competitive game changers, even if they substantially increase short-term leverage (one to two years)

5pp lower than the September 2025 US result of 69%, and 2pp higher than April 2025 European result of 62%

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: pp = percentage point. All questions were posed with respect to financially healthy companies, which were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet.

Investors’ emphasis on dividends is high, whereas current valuation levels make share repurchases less attractive

September 26–29

Should companies prioritize dividends and/or repurchase shares?

75% | Investors that think it is **important to pay dividends that are at least in line with historical levels**

3pp higher than the September 2025 US result of 72%, and 11pp higher than April 2025 European result of 64%

66% | Investors that agree that **dividends have become a more important consideration** in decision making and recommendations in the current market environment

7pp higher than the September 2025 US result of 59%, and 1pp lower than April 2025 European result of 67%

35% | Investors that think it is important to **aggressively repurchase shares** in today’s market environment

8pp lower than the September 2025 US result of 43%, and 9pp lower than April 2025 European result of 44%

While investors gave companies substantial leeway in terms of cutting dividends during and after the COVID-19 pandemic, they have returned to seeing dividends as irrevocable commitments.

Seventy-five percent of investors believe it’s important for companies to pay dividends at or above historical levels—underscoring a strong preference for steady returns amid market volatility.

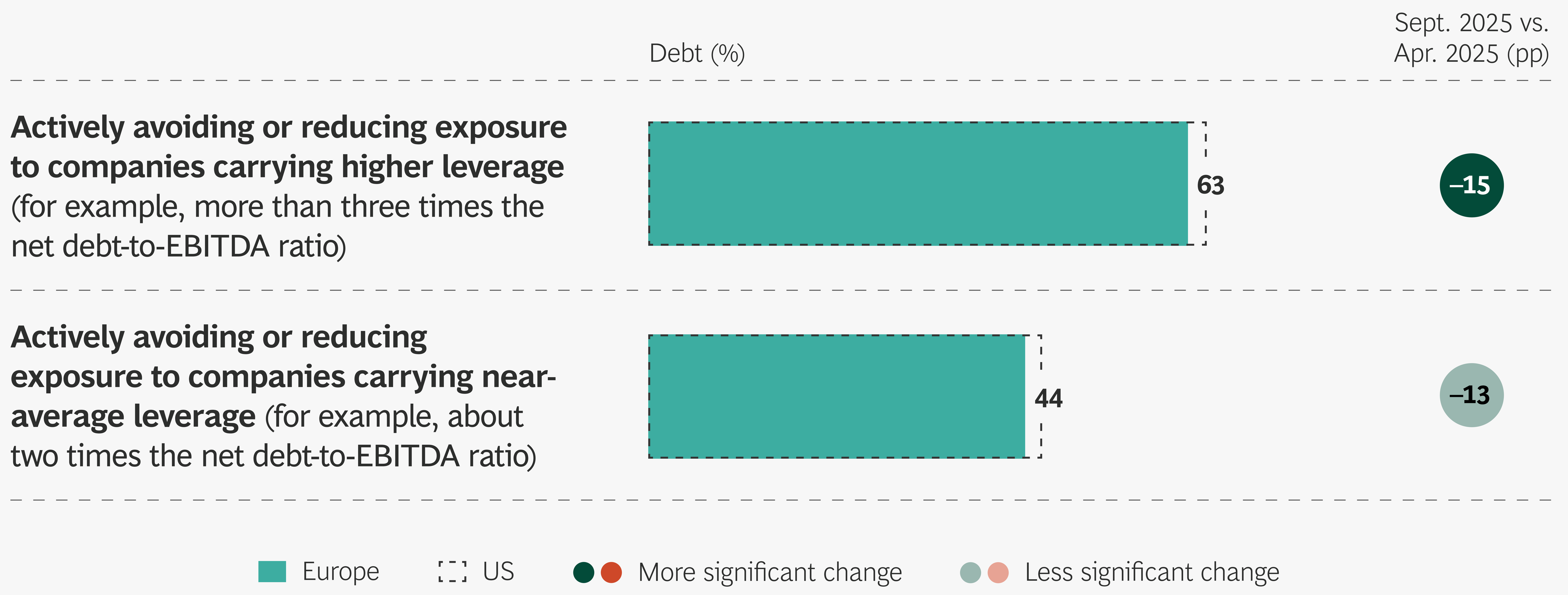
In contrast, while share repurchases still matter, investors’ support for them remains limited. This is unsurprising given the bearish sentiment and investors’ perspectives that equities are trading above their fair valuation.

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: pp = percentage point. All questions were posed with respect to financially healthy companies, which were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet.

Investors remain averse to high leverage, although less so than earlier this year

September 26–29

Investor perspectives and approaches regarding companies with debt



Most investors still avoid highly leveraged companies, although leverage concerns have moderated since earlier in 2025.

While investors continue to be averse to high levels of debt, the recent trend implies room for well-capitalized firms to carry moderate levels of debt (for example, two times the net debt-to-EBITDA ratio or less) as long as they can demonstrate resilient cash flows and credible plans to deleverage.

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: pp = percentage point. All questions were posed with respect to financially healthy companies, which were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet. Any apparent discrepancies when compared with April 2025 survey results are due to rounding.

A significant majority of investors favor sharper guidance and support enhanced C-suite engagement

September 26–29

Does the current environment present special challenges that companies need to address through guidance and engagement?

77% | Investors that believe that **most sell-side forecasts do not accurately reflect the current uncertainty** and fast-changing environment

6pp higher than the September 2025 US result of 71%

77% | **Investors that would like to engage more frequently with senior executives** of the companies they invest in or cover

3pp higher than the September 2025 US result of 74%

Companies should ensure clear guidance and proactively manage expectations, while providing more access for high-quality investors.

Sources: BCG Investor Perspectives Series, European Edition, Q3 2025, September 26–29, 2025 (n = 150); BCG Investor Perspectives Series, US Edition, Q3 2025, September 25–28, 2025 (n = 152).
Note: pp = percentage point. All questions were posed with respect to financially healthy companies, which were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet.

Comparison of BCG's US investor pulse checks (1/7)

September 26–29

	2020													2021	
What are your expectations for...	**Mar 22 #1**	**Apr 5 #2**	**Apr 19 #3**	**May 3 #4**	**May 17 #5**	**Jun 7 #6**	**Jun 28 #7**	**Jul 19 #8**	**Aug 9 #9**	**Sep 19 #10**	**Oct 17 #11**	**Nov 14 #12**	**Dec 13 #13**	**Feb 7 #14**	**Apr 30 #15**
Duration of COVID-19's impact on the US economy	Through Q3 2020	Through Q3 2020	Through Q4 2020	Through Q4 2020	Through Q4 2020	Through Q4 2020	Through Q1 2021	Through Q2 2021	Through Q2 2021	Through Q2 2021	End of Q2 or start of Q3 2021	Through Q2 2021	Through Q2 2021	Through Q4 2021	Through Q4 2021
Stock market decline:															
▪ S&P 500 level after the decline (from the current level at the time of the survey)	2,062 (–14%)	2,158 (–14%)	2,393 (–15%)	2,382 (–16%) ↓	2,449 (–16%) ↓	2,676 (–14%)	2,664 (–14%)	2,765 (–14%)	2,935 (–12%)	2,962 (–12%)	3,108 (–11%)	3,153 (–9%)	3,288 (–10%)	3,468 (–10%)	3,828 (–9%)
▪ Timing of decline	End of May 2020	End of June (Q2) 2020	Early Q3 2020	End of Q3 2020	End of Q3 2020	End of Q3 2020	End of Q3 2020	End of Q4 2020	End of Q4 2020	End of Q4 2020	End of Q1 2021	End of Q1 2021	End of Q2 2021	End of Q2 2021	End of Q3 2021
Three-year S&P 500 level (implied TSR)[1]	3,075 (11%) ↑	3,165 (10%)	3,411 (9%)	3,591 (9%)	3,525 (9%)	3,717 (8%)	3,685 (8%)	3,727 (7%)	3,869 (7%)	3,938 (7.5%)	4,061 (7.5%)	4,153 (7.5%)	4,232 (7%)	4,488 (7%)	4,840 (7%)
Bull vs. bear															
Investors that are bullish for:															
▪ Current CY	55%	53%	44%	46%	45%	41%	40%	35%	36%	45%	35%	38%	47%	51%	50%
▪ Next CY	63%	64%	67% ↑	64%	62%	55%	64%	57%	57%	65%	56%	55%	50%	41%	47%
▪ Next three years	65%	68%	69%	69%	64%	61%	61%	57%	60%	66%	63%	59%	57%	53%	52%
More bullish vs. last month/three months ago: economy[2]	Not asked	Not asked	34%	35%	30%	64%	35%	28%	43%	45%	39%	47%	60%	63%	73%
More bullish vs. last month/three months ago: stock market[2]	Not asked	Not asked	45%	40%	33%	53%	30%	31%	36%	34%	35%	49%	54%	59%	57%

↑ Series high ↓ Series low

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = approximately 150 for each survey.
Note: CY = calendar year.
[1]TSR is derived through the CAGR of the S&P 500 level and the S&P-average dividend yield. [2]Respondents were asked for their change in bullishness relative to the prior month until COVID-19 Investor Pulse Check #16 (June 2021) and relative to the three months prior since then.

Comparison of BCG's US investor pulse checks (2/7)

September 26–29

	2021		2022				2023			2024				2025				
What are your expectations for...	**Jun 20 #16**	**Oct 31 #17**	**Jan 31 #18**	**Mar 22 #19**	**Jun 21 #20**	**Oct 11 #21**	**Feb 22 #22**	**Jun 8 #23**	**Oct 13 #24**	**Jan 18 #25**	**Jun 16 #26**	**Sep 23 #27**	**Nov 10 #28**	**Mar 25 #29**	**Apr 9 #30**	**Jun 8 #31**	**Sep 25 #32**	**Difference (Sep 2025 vs. Jun 2025)**
Duration of COVID-19's impact on the US economy	Not asked	Not asked	End of Q2 2022	End of Q2 2022	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
Stock market decline:																		
▪ S&P 500 level after the decline (from the current level at the time of the survey)	3,812 (–9%)	4,140 (–10%)	3,875 (–10% to –12%)	3,920 (–10%)	3,240 (–12%)	3,375 (–10%)	3,712 (–8%)	3,878 (–9%)	3,965 (–9%)	4,397 (–8%)	4,984 (–8%)	5,257 (–8%)	5,523 (–7%) ↑	5,251 (–9%)	4,539 (–10%)	5,543 (–8%)	6,096 (–8%)	No change
▪ Timing of decline	End of Q4 2021	End of Q2 2022	End of Q2 2022	End of Q3 2022	End of Q4 2022	End of Q4 2022	End of Q2 2023	End of Q4 2023	End of Q1 2024	End of Q2 2024	End of Q4 2024	End of Q2 2025	End of Q2 2025	End of Q4 2025	End of Q4 2025	End of Q4 2025	End of Q1 2026	NA
Three-year S&P 500 level (implied TSR)[1]	4,829 (7%)	5,273 (6.5%)	5,120 (7%–7.5%)	5,140 (7%)	4,460 (8.5%)	4,400 (8%)	4,692 (7%)	4,953 (7%)	4,948 (6%)	5,532 (6.5%)	6,293 (6.5%)	6,546 (6%) ↓	6,920 (6.5%)	6,688 (6.5%)	5,978 (7%)	6,911 (6.0%) ↓	7,631 (6.2%)	+20bps
Bull vs. bear																		
Investors that are bullish for:																		
▪ Current CY	39%	41%	20%	22%	6%	5% ↓	22%	21%	19%	37%	41%	44%	65% ↑	25%	20%	28%	36%	+8pp
▪ Next CY	45%	43%	43%	41%	29%	25% ↓	51%	51%	38%	59%	51%	52%	57%	60%	48%	48%	41%	–7pp
▪ Next three years	52%	45% ↓	60%	62%	59%	62%	73%	69%	65%	67%	60%	60%	67%	76% ↑	66%	68%	63%	–5pp
More bullish than one or three months ago: economy[2]	55%	41%	33%	25%	14%	13% ↓	60%	58%	35%	62%	53%	59%	74% ↑	31%	18%	41%	50%	+9pp
More bullish than one or three months ago: stock market[2]	40%	42%	25% ↓	29%	27%	28%	53%	53%	37%	59%	53%	60%	75% ↑	37%	29%	45%	57%	+12pp

↑ Series high ↓ Series low Significant decrease Moderate decrease No change Moderate increase Significant increase

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = ~150 for each survey.
Note: CY = calendar year; NA = not applicable; bps = basis points; pp = percentage point.
[1]TSR is derived through the CAGR of the S&P 500 level and the S&P-average dividend yield. [2]Respondents were asked for their change in bullishness relative to the prior month until COVID-19 Investor Pulse Check #16 (June 2021) and relative to the three months prior since then.

Comparison of BCG's US investor pulse checks (3/7)

September 26–29

Investors that agree with the following statements about financially healthy companies (%)[1]

	2020													2021	
It is important for financially healthy companies to...[1]	**Mar 22 #1**	**Apr 5 #2**	**Apr 19 #3**	**May 3 #4**	**May 17 #5**	**Jun 7 #6**	**Jun 28 #7**	**Jul 19 #8**	**Aug 9 #9**	**Sep 19 #10**	**Oct 17 #11**	**Nov 14 #12**	**Dec 13 #13**	**Feb 7 #14**	**Apr 30 #15**
Prioritize building key business capabilities	89%	91%	92%	95% ↑	88%	91%	90%	91%	89%	90%	90%	93%	89%	95% ↑	88%
Actively pursue acquisitions	58%	64%	65%	66%	70%	68%	68%	69%	71%	72% ↑	65%	63%	65%	63%	71%
Actively consider exiting or divesting lines of business	Not asked	Not asked	Not asked	Not asked	65%	64% ↓	75%	67%	73%	75%	73%	77%	71%	83% ↑	75%
Aggressively repurchase shares	39%	44%	38%	36%	42%	43%	34% ↓	44%	37%	41%	43%	36%	36%	35%	41%
Maintain the dividend per share	41%	43%	35%	29% ↓	36%	43%	33%	36%	36%	37%	40%	45%	43%	47%	53%
Consider significant equity issuance a reasonable move	Not asked	48%	56%	55%	53%	53%	61%	59%	55%	37% ↓	56%	52%	61%	55%	55%
Deliver EPS that at least meets revised guidance or consensus	56%	64%	56%	51% ↓	54%	56%	58%	57%	57%	57%	64%	65%	71%	75%	79%
Expect an increase in activist activity and take proactive steps to mitigate risk	59%	66%	64%	70%	61%	65%	63%	66%	63%	57%	67%	67%	67%	68%	67%
Continue to fully pursue their ESG agenda and priorities[2]	Not asked	56%	46%	48%	45%	51%	48%	53%	51%	69% ↑	45%	48%	50%	50%	47%
Double down on ESG initiatives that create value and/or reduce risk longer term[2]	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked

↑ Series high ↓ Series low

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = ~150 for each survey.
Note: EPS = earnings per share; ESG = environmental, social, and governance.
[1]Financially healthy companies were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet. [2]Leading investment industry institutions and executives have voiced their strong and unwavering commitment to and focus on ESG and sustainable investing. However, most of the investors BCG recently surveyed indicated that ESG is not currently a primary consideration in day-to-day investment decisions and recommendations.

Comparison of BCG's US investor pulse checks (4/7)

September 26–29

Investors that agree with the following statements about financially healthy companies (%)[1]

	2021		2022				2023			2024				2025				
It is important for financially healthy companies to…[1]	**Jun 20 #16**	**Oct 31 #17**	**Jan 31 #18**	**Mar 22 #19**	**Jun 21 #20**	**Oct 11 #21**	**Feb 22 #22**	**Jun 8 #23**	**Oct 13 #24**	**Jan 18 #25**	**Jun 16 #26**	**Sep 23 #27**	**Nov 10 #28**	**Mar 25 #29**	**Apr 9 #30**	**Jun 8 #31**	**Sep 25 #32**	**Difference (Sep 2025 vs. Jun 2025)**
Prioritize building key business capabilities	86%	89%	89%	87%	83%	76% ↓	78%	91%	88%	84%	92%	91%	88%	87%	87%	87%	92%	+5pp
Actively pursue acquisitions	68%	71%	72% ↑	62%	69%	68%	68%	57%	61%	61%	59%	55% ↓	62%	60%	61%	65%	64%	–1pp
Actively consider exiting or divesting lines of business	77%	79%	75%	74%	78%	75%	75%	76%	81%	78%	80%	78%	78%	77%	77%	76%	78%	+2pp
Aggressively repurchase shares	36%	37%	43%	39%	47% ↑	44%	36%	37%	41%	38%	34% ↓	37%	37%	40%	43%	37%	43%	+6pp
Maintain the dividend per share	47%	45%	51%	49%	54%	47%	66%	68%	71%	74%	76%	76%	77%	79% ↑	76%	72%	72%	No change
Consider significant equity issuance a reasonable move	63% ↑	61%	61%	61%	54%	55%	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
Deliver EPS that at least meets revised guidance or consensus	78%	83%	86%	81%	72%	77%	71%	83%	86%	84%	89% ↑	85%	87%	86%	81%	83%	87%	+4pp
Expect an increase in activist activity and take proactive steps to mitigate risk	69%	69%	73% ↑	62%	61%	57%	63%	64%	67%	58%	63%	54% ↓	63%	62%	55%	55%	59%	+4pp
Continue to fully pursue their ESG agenda and priorities[2]	55%	45%	43%	44%	41%	37%	37%	32%	29%	25%	29%	27%	28%	21% ↓	21% ↓	30%	28%	–2pp
Double down on ESG initiatives that create value and/or reduce risk longer term[2]	49% ↑	45%	42%	41%	37%	35%	33%	30%	29%	29%	25%	24%	29%	23% ↓	23% ↓	23% ↓	Not asked	NA

↑ Series high ↓ Series low | Much less important | Less important | Minimal or no change | More important | Much more important

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = ~150 for each survey.
Note: EPS = earnings per share; ESG = environmental, social, and governance; NA = not applicable; pp = percentage point.
[1]Financially healthy companies were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet. [2]Leading investment industry institutions and executives have voiced their strong and unwavering commitment to and focus on ESG and sustainable investing. However, most of the investors BCG recently surveyed indicated that ESG is not currently a primary consideration in day-to-day investment decisions and recommendations.

Comparison of BCG's US investor pulse checks (5/7)

September 26–29

Investors that ranked these criteria among the top three investment risk factors (%)	2022				2023			2024				2025				
	Jan 31 #18	Mar 22 #19	Jun 21 #20	Oct 11 #21	Feb 22 #22	Jun 8 #23	Oct 13 #24	Jan 18 #25	Jun 16 #26	Sep 23 #27	Nov 10 #28	Mar 25 #29	Apr 9 #30	Jun 8 #31	Sep 25 #32	Difference (Sep 2025 vs. Jun 2025)
Interest rates and US Federal Reserve policy[1]	82%	84%	91% ↑	87%	69%	75%	77%	70%	65%	58%	45% ↓	50%	46%	51%	58%	+7pp
Consumer price inflation and sentiment[2]	Not asked	Not asked	Not asked	Not asked	42%	43%	45%	41%	53% ↑	45%	31% ↓	46%	53% ↑	38%	43%	+5pp
Geopolitical risks[3]	46%	63% ↑	38%	39%	39%	39%	53%	49%	42%	53%	49%	40%	33%	32% ↓	35%	+3pp
Cost and wage inflation[4]	39%	43%	45%	62% ↑	37%	40%	29%	36%	32%	25%	27%	24%	13%	12% ↓	16%	+4pp
Tightening of liquidity in capital markets	Not asked	Not asked	Not asked	Not asked	25% ↑	15%	16%	12%	6% ↓	6% ↓	9%	9%	19%	16%	7%	–9pp
Inflated asset valuation[5]	21%	13%	11%	8% ↓	22%	25%	21%	23%	23%	33% ↑	25%	21%	12%	19%	28%	+9pp
Public-sector debt and spending	12%	7%	4% ↓	8%	18%	15%	23%	22%	27%	28% ↑	25%	14%	10%	27%	19%	–8pp
Climate and other ESG-related risks[6]	7%	5%	7%	5%	12% ↑	7%	4%	5%	9%	5%	7%	1% ↓	2%	2%	1% ↓	–1pp
Supply chain and other operational risks[7]	19%	19%	19%	9%	11%	8%	5% ↓	12%	7%	7%	11%	9%	17%	21% ↑	9%	–12pp
Private-sector credit and default risks	2% ↓	6%	3%	3%	7%	3%	9%	12%	15% ↑	12%	6%	5%	8%	8%	5%	–3pp
Company-specific risks	7%	5% ↓	6%	5% ↓	7%	6%	7%	9%	12% ↑	10%	9%	7%	5% ↓	7%	12% ↑	+5pp
Lower growth in key regions and countries (for example, China)[8]	Not asked	Not asked	Not asked	Not asked	7%	18% ↑	7%	6%	6%	14%	9%	9%	11%	5% ↓	5% ↓	No change
Stagnation in world trade	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	27%	47%	55% ↑	39%	25% ↓	–14pp
Tax policy impact[9]	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	18%	15%	12%	19% ↑	9% ↓	–10pp
Macroeconomic risks	24% ↓	38%	58%	61% ↑	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
Pandemic- and COVID-19-related risks	33% ↑	12%	12%	5% ↓	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
Stock market liquidity risk	4% ↑	2% ↓	3%	4% ↑	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA

↑ Series high ↓ Series low Much higher risk Higher risk No change Lower risk Much lower risk

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = ~150 for each survey.
Note: The questions that pertain to this slide were added to the survey in October 2021. ESG = environmental, social, and governance; NA = not applicable; pp = percentage point.
[1]This factor was inflation and interest rate risk or inflation rates and US Federal Reserve policy in previous surveys. [2]This factor was consumer price inflation and consumer sentiment in prior surveys. [3]For example, the war in Ukraine, trade wars, and areas with civil unrest. [4]This factor was wage inflation or pressure in previous surveys. [5]This factor was asset price risks in recent surveys. [6]Leading investment industry institutions and executives have voiced their strong and unwavering commitment to and focus on ESG and sustainable investing. However, most of the investors BCG has surveyed indicated that ESG is not currently a primary consideration in day-to-day investment decisions and recommendations. [7]This factor was supply chain risk in previous surveys. [8]This factor was China growth (after COVID reopening) lower than expected in prior surveys. [9]For example, on corporate profits and consumer spending.

Comparison of BCG's US investor pulse checks (6/7)

September 26–29

Investors that ranked these criteria among the top three considerations for investment decisions or recommendations (%)		2022				2023			2024				2025				
		Jan 31 #18	Mar 22 #19	Jun 21 #20	Oct 11 #21	Feb 22 #22	Jun 8 #23	Oct 13 #24	Jan 18 #25	Jun 16 #26	Sep 23 #27	Nov 10 #28	Mar 25 #29	Apr 9 #30	Jun 8 #31	Sep 25 #32	Difference (Sep 2025 vs. Jun 2025)
Growth	Short-term growth momentum (for example, recovery from a recessionary environment)	19%	16%	11% ↓	13%	14%	22% ↑	15%	17%	15%	14%	17%	15%	19%	20%	13%	–7pp
	Long-term organic-growth outlook (for example, an attractive industry)	65%	61%	67% ↑	61%	50% ↓	53%	52%	52%	59%	54%	57%	59%	55%	58%	53%	–5pp
	Potential for market share gains	25%	28%	31%	32% ↑	18%	10% ↓	15%	10% ↓	17%	12%	14%	14%	10% ↓	12%	16%	+4pp
	M&A-driven growth opportunity	6%	7%	9%	11% ↑	7%	1% ↓	4%	7%	3%	7%	5%	2%	4%	5%	5%	No change
Margins and returns	Short-term margin outlook (that is, the impact of pricing, inflation, and transformation impact)	7%	7%	5% ↓	9%	7%	11%	11%	14% ↑	13%	7%	9%	12%	13%	10%	7%	–3pp
	Medium- to long-term margin potential (for example, operating leverage)	22%	20%	19%	15% ↓	19%	18%	21%	24% ↑	15% ↓	24% ↑	16%	19%	15% ↓	17%	22%	+5pp
	Return on capital (for example, ROIC or ROA and ROE)	19% ↓	29%	21%	23%	19% ↓	23%	22%	24%	27%	26%	31% ↑	23%	27%	24%	30%	+6pp
Cash flow and capital allocation	FCF conversion, generation, and/or yield	27%	29%	29%	31%	33%	26%	36%	35%	32%	39% ↑	25% ↓	28%	25% ↓	25% ↓	33%	+8pp
	Growth spending (such as M&A and capex)	Not asked	Not asked	Not asked	Not asked	5%	6%	8%	8%	10% ↑	7%	9%	9%	9%	7%	4% ↓	–3pp
	Dividend payout and yield[1]	9%	7%	6%	9%	11% ↑	5%	11% ↑	3% ↓	6%	6%	7%	11% ↑	7%	7%	8%	+1pp
	Buyback approach	Not asked	Not asked	Not asked	Not asked	5% ↑	1% ↓	1% ↓	2%	3%	4%	3%	3%	1% ↓	2%	3%	+1pp

↑ Series high ↓ Series low — Much less important — Less important — No change — More important — Much more important

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = approximately 150 for each survey.
Note: Questions on this slide were added to the survey in October 2021. ROIC = return on invested capital; ROA = return on assets; ROE = return on equity; FCF = free cash flow; pp = percentage point.
[1]This factor was attractive cash returns in previous surveys.

Comparison of BCG's US investor pulse checks (7/7)

September 26–29

Investors that ranked these criteria among the top three considerations for investment decisions or recommendations (%)		2022				2023			2024				2025				
		Jan 31 #18	Mar 22 #19	Jun 21 #20	Oct 11 #21	Feb 22 #22	Jun 8 #23	Oct 13 #24	Jan 18 #25	Jun 16 #26	Sep 23 #27	Nov 10 #28	Mar 25 #29	Apr 9 #30	Jun 8 #31	Sep 25 #32	Difference (Sep 2025 vs. Jun 2025)
Risk and valuation levels	Attractive valuation level	31% ↓	32% ↑	32% ↑	32% ↑	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
	Absolute valuation level	Not asked	Not asked	Not asked	Not asked	20%	16% ↓	20%	22%	18%	27% ↑	26%	25%	22%	16%	27%	+11pp
	Relative valuation (vs. peers or sector)	Not asked	Not asked	Not asked	Not asked	10%	17% ↑	11%	14%	10%	7% ↓	12%	11%	14%	13%	14%	+1pp
	Healthy balance sheet	29%	25%	34% ↑	31%	18%	21%	21%	14%	14%	11% ↓	11% ↓	12%	18%	13%	12%	–1pp
	Volatility of earnings	Not asked	Not asked	Not asked	Not asked	3%	2% ↓	5% ↑	3%	3%	3%	3%	3%	3%	3%	3%	No change
	EPS consistency and meeting guidance	Not asked	Not asked	Not asked	Not asked	3%	6%	3%	4%	3%	3%	4%	1% ↓	3%	2%	7% ↑	+5pp
	Macroeconomic risks	Not asked	Not asked	Not asked	Not asked	5%	9%	9%	8%	4%	8%	7%	3% ↓	11% ↑	8%	7%	–1pp
	Regulatory environment and changes	Not asked	Not asked	Not asked	Not asked	2%	2%	3%	1% ↓	1% ↓	2%	2%	2%	3%	7% ↑	3%	–4pp
Nonfinancial	Business strategy and vision[1]	16%	17%	15%	11% ↓	21%	25% ↑	17%	16%	23%	19%	18%	25% ↑	15%	21%	13%	–8pp
	Portfolio strategy, (re)shaping, and turnover	Not asked	Not asked	Not asked	Not asked	5%	7% ↑	1% ↓	3%	5%	5%	6%	5%	5%	7% ↑	5%	–2pp
	Management credibility and track record	Not asked	Not asked	Not asked	Not asked	12%	14% ↑	7% ↓	8%	9%	8%	9%	11%	8%	11%	11%	No change
	Management incentives and stock ownership	Not asked	Not asked	Not asked	Not asked	4%	1% ↓	2%	1% ↓	1% ↓	1% ↓	2%	4%	5% ↑	3%	2%	–1pp
	Climate and sustainability[2]	6%	6%	7% ↑	7% ↑	3%	4%	3%	6%	1%	1%	2%	3%	0% ↓	2%	2%	No change
	Climate and carbon footprint	5%	5%	4% ↓	6% ↑	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
	Other material environmental factors	1% ↓	1% ↓	3% ↑	1% ↓	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	NA
	Material social factors and stakeholder impact	5% ↑	3%	3%	2%	1%	0% ↓	0% ↓	1%	1%	0% ↓	1%	1%	1%	3%	1%	–2pp
	Corporate governance[3]	5% ↑	5% ↑	4%	5% ↑	3%	1% ↓	1% ↓	1% ↓	1% ↓	2%	2%	1% ↓	1% ↓	4%	1% ↓	–3pp

↑ Series high ↓ Series low Much less important Less important No change More important Much more important

Source: BCG's US investor pulse checks, March 2020 through September 2025; n = ~150 for each survey.
Note: The questions on this slide were added to the survey in October 2021. NA = not applicable; pp = percentage point; EPS = earnings per share.
[1]This factor was a compelling strategy to win in previous surveys. [2]This factor was asked as climate and carbon footprint and other material environmental factors. [3]This factor was best-in-class governance policies in previous surveys. This includes corporate policies, board composition, and effectiveness.

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