



BCG Investor Perspectives Series

European Edition, Q2 2025

SURVEY CONDUCTED APRIL 9–10, 2025

BCG Investor Perspectives Series | European Edition, Q2 2025

April 9–10, 2025, BCG conducted its first investor pulse check in Europe, surveying leading investors to understand their perspectives on the European economy, the European stock market, and the critical decisions and actions that senior executives and boards of directors are considering and making. In addition to this inaugural European survey, BCG has conducted 30 pulse checks in the US since March 2020.

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

About the respondents:

- More than 90% are portfolio managers and senior 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 and thematic investors
- Roughly 67% invest across Europe, 21% invest exclusively in the UK, and 13% invest in only Germany or France¹

The survey focused on two key topics:

1

Investors' views of and expectations for the European economy and stock markets, 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

- 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 April 8–9, 2025—which reflects the views of surveyed US investors on the US economy and stock market—for comparability across regions
- The results represent the views of surveyed investors only; to understand BCG's point of view on current topics, please visit [bcg.com](https://www.bcg.com)

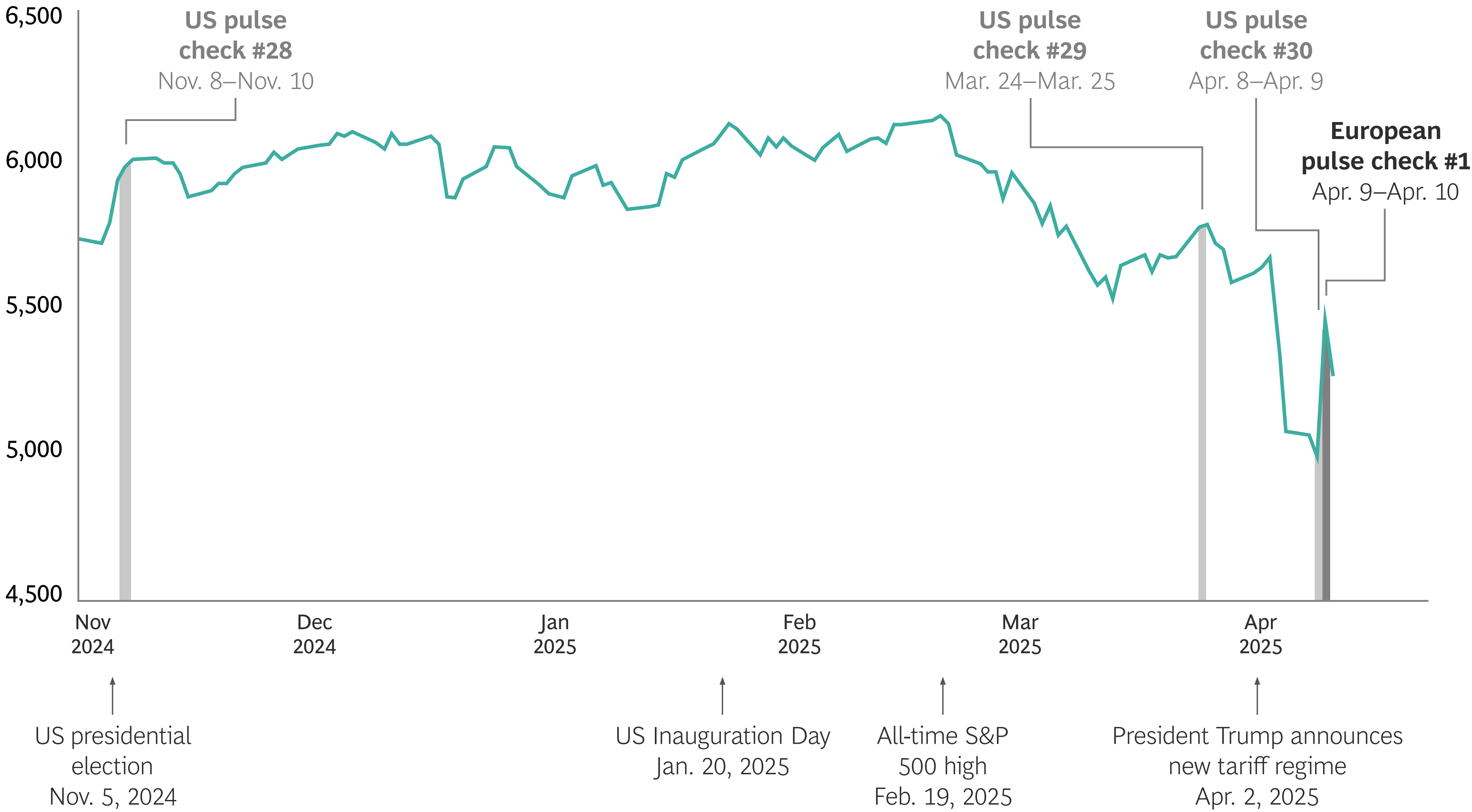
Source: BCG's European investor pulse check, April 2025 (n = 151).

¹Respondents could select multiple markets; therefore, the percentages do not add up to 100%.

This edition focuses on findings from the European and US investor pulse checks, both conducted in April 2025

April 9–10

S&P 500 index value



European pulse check #1

- Initiated following the announcement of the new US tariff regime 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)

US pulse check #30

- Initiated following the announcement of the new US tariff regime on April 2, 2025, and subsequent market decline
- S&P 500 closed at 5,060 points on April 7, 2025 (about 18% below the all-time high)

Sources: S&P Capital IQ; BCG analysis.
¹Approximately 90% of responses were received before the announcement of the current pause on most tariffs (beyond a 10% base tariff, and excluding those applicable to China).

Overview of key insights

April 9–10

Stock market and macro perspectives

European investors are cautious about the near-term economic and stock market outlook as they brace for a recession and market decline, but they show less concern about market overvaluation than US investors do.

- 19% of investors describe themselves as bullish on 2025 (vs. 20% in the US)
- 58% believe the European market will face a recession in 2025 (whereas 55% of US investors expect a US recession)
- 38% still see the S&P Europe 350 as overvalued (whereas 62% of US investors view the S&P 500 as overvalued)
- Investors expect an average market decline of 10% from current levels by the end of 2025 (same as US investors)

Investors have divergent views on the recent market turmoil but agree that US federal policies are a key driver.

- 88% rank US federal policies (tax legislation, tariffs, and jobs cuts) as a key factor that will continue influencing the European equity markets
- Geopolitical risks, stagnating global trade, and inflation are viewed as much greater risks, ranking as the top three most critical macro risks, respectively, stemming from a shift in US trade policy
- 34% of investors say it's too early to predict the implications of the recent corrections, while 21% view them as short-term selloffs, and 45% see them as indicative of a longer-term shift—either the start of a protracted bear market (22%) or a longer-term market rotation across industries or sectors (23%)

Despite short-term concerns, long-term sentiment remains positive.

- 61% of investors are bullish for the next three years (vs. 66% of US investors)
- The expected three-year total return for the S&P 350 Europe is 7.5%

Implications and priorities for companies

Investors have become more cautious in their asset allocation and investment practices.

- 70% of investors increased cash holdings, 52% of investors reported diversifying regionally, and 47% increased their exposure to other asset classes

Despite increased geopolitical and economic uncertainty, balancing short-term EPS delivery and longer-term growth is critical.

- 73% of investors expect companies to meet or exceed near-term guidance and consensus (vs. 81% in the US), and 85% want companies to prioritize investments in innovation and capabilities (vs. 87% in the US)
- Long-term organic growth is the clear number one investment consideration (highlighted by 48% of respondents vs. 55% in the US), followed by return on capital (27%) and free cash flow (26%)

Investors are looking for thoughtful capital allocation and continue to encourage active corporate portfolio management.

- Concerns about leverage are significant, with 79% of investors now avoiding companies carrying net debt higher than three times EBITDA (vs. 73% in the US) and 67% considering rollover risk (vs. 73% in the US)
- 64% of investors highlight the importance of dividend payouts remaining at or above historical levels (vs. 76% in the US), and 67% say that dividends have become a more important investment consideration in today's environment (vs. 63% in the US)
- 72% of investors support companies making focused tuck-in acquisitions (vs. 73% in the US), with 62% supporting transformative deals (vs. 57% in the US)

A deep dive into the impacts of the new US tariff regime

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The new US tariff regime announced on April 2 was a clear surprise for most European investors, with 81% (vs. 74% in the US) citing higher-than-anticipated rates, and 83% (vs. 82% in the US) not expecting tariffs to be imposed on so many countries.

There is consensus among European investors that the new US tariff regime will negatively impact both the European and US economies and stock markets. European investors exhibit more negative sentiment and expectations toward the US economy and stock market than do US investors.

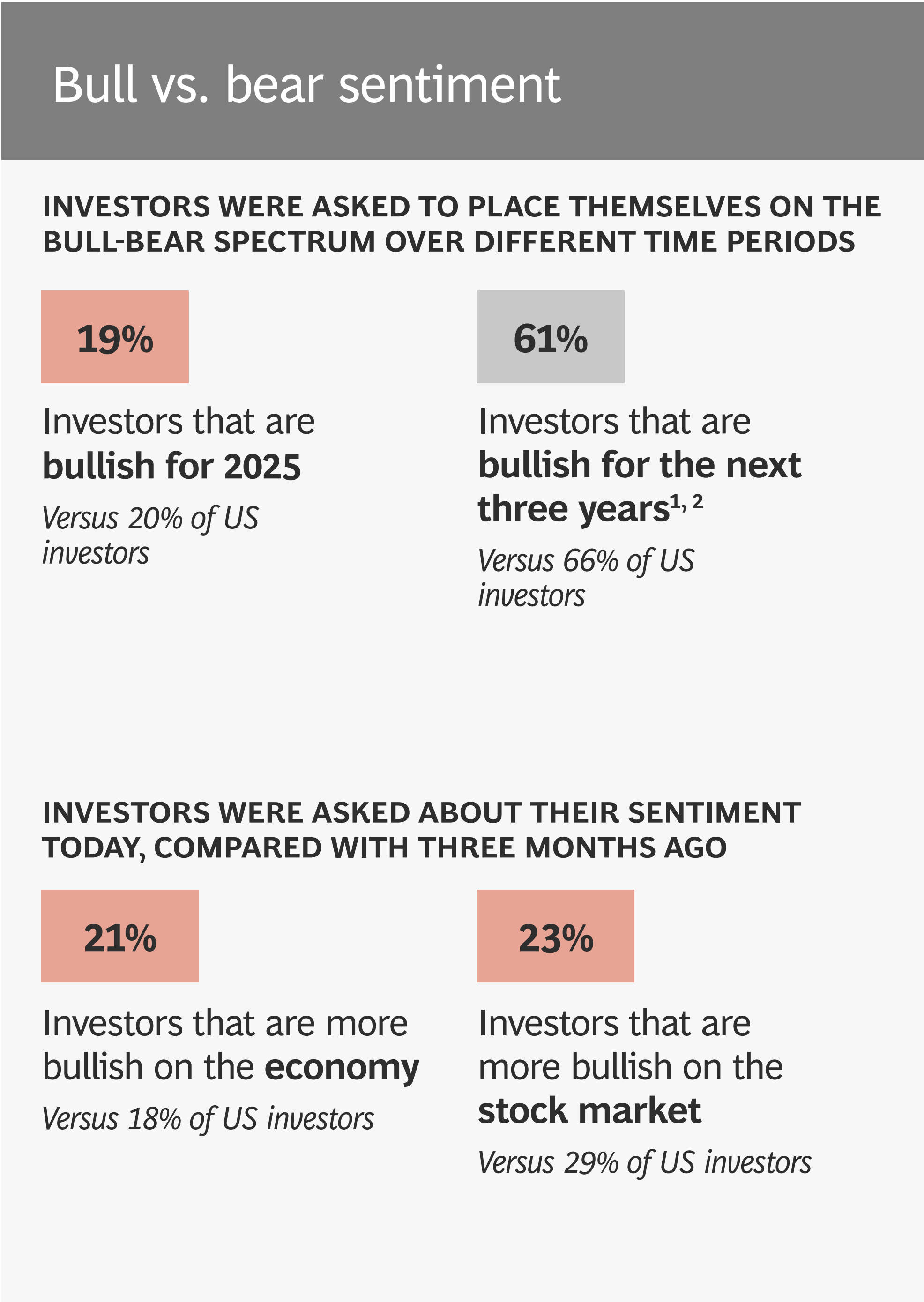
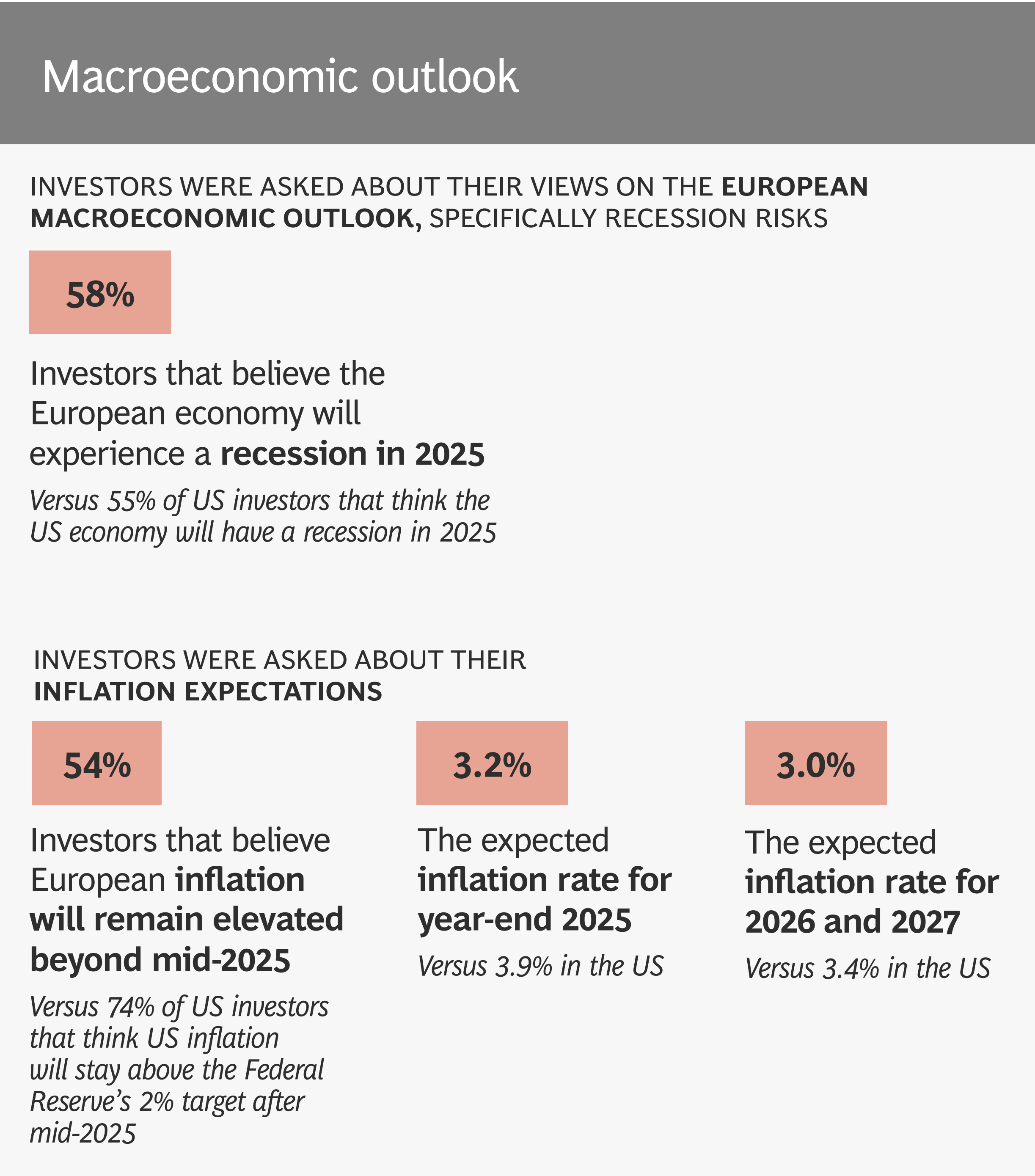
- 65% of European investors anticipate weaker consumer spending in Europe (whereas 80% of European investors and 78% of US investors expect weaker consumer spending in the US)
- 72% of European investors expect upward pressure on consumer prices in Europe (whereas 82% of European investors and 77% of US investors anticipate an impact in the US)
- 71% and 73% of European investors expect a negative impact on corporate revenues and margins, respectively (vs. 69% and 72% of US investors, respectively)
- 74% and 82% of European investors expect tariffs to negatively impact US GDP growth and the US stock market, respectively (vs. 66% and 73% of US investors)
- Investors believe every sector will be negatively impacted by the current macroeconomic and geopolitical climates, with the greatest impact felt by industrial and manufacturing industries (80% of European investors vs. 80% of US investors) and consumer industries (73% of European investors vs. 75% of US investors)

European investors expect a 1 percentage point increase, on average, of US effective tariff rates to 23.7% by October 2025 and down to 19.1% by April 2026, while US investors expect some degree of tariff rollback over the coming year (19.8% by October 2025 and 17.9% by April 2026), but remaining well above historical levels.¹

- 65% of investors in Europe (vs. 74% of investors in the US) believe trade policy will remain a top focus for at least the next three to six months, with 13% (vs. 19% in the US) expecting trade policy and the US tariff regime to be investors' primary focus for twelve months or longer
- 53% of investors in Europe (vs. 56% in the US) expect a de-escalation (between the current and prior levels or fully back to prior levels) or stabilization, while 47% of investors in Europe (vs. 45% in the US) expect tariffs to remain at or above the newly elevated levels

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

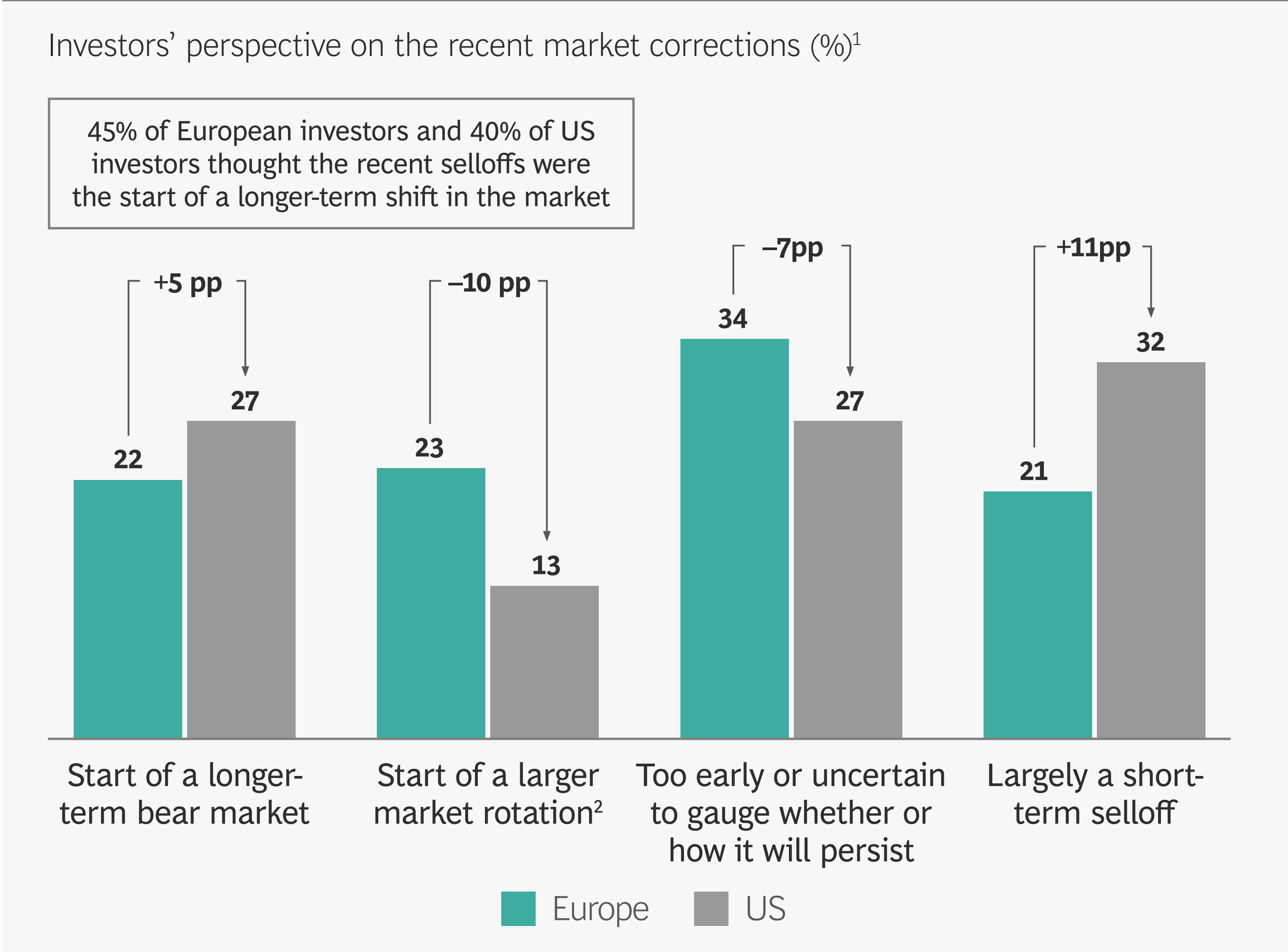
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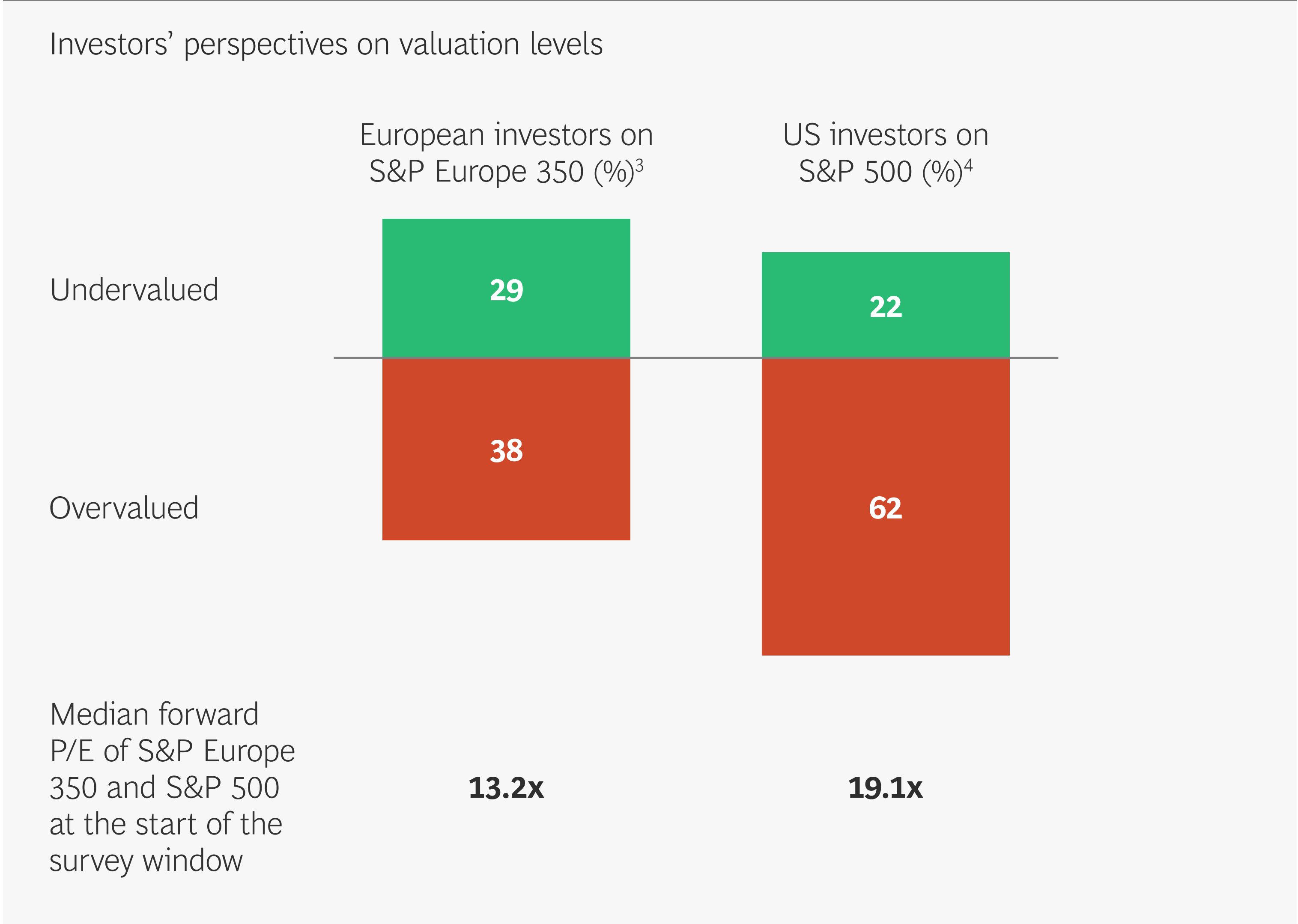
Investors are divided on how the market environment is likely to evolve following the corrections in March and April—38% consider the S&P Europe 350 to be overvalued

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US investors are more inclined to see a short-term selloff, while European investors say it's too early to tell



However, significantly more US investors than European ones see the market as overvalued

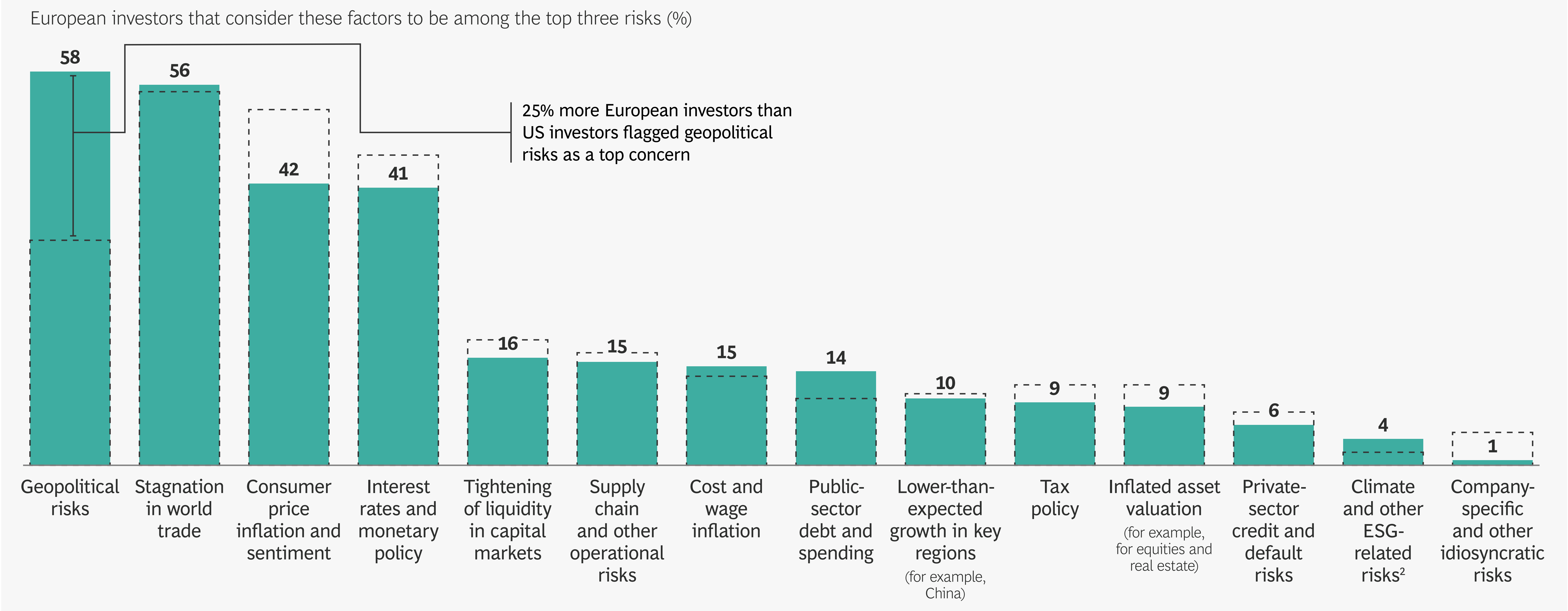


Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
¹Survey question: Which of the following best describes your perspective on the recent market correction? ²Market rotation refers to the reallocation of capital to different industries, sectors, and/or asset classes. ³Survey question: What is your opinion of the current valuation level of the S&P Europe 350? For reference, the current (12-months trailing) median P/E of the S&P Europe 350 is 17.0x and forward P/E (based on next-twelve-months earnings) is 13.2x. ⁴Survey question: What is your opinion of the current valuation level of the S&P 500? For reference, the current (12-months trailing) median P/E of the S&P 500 is 24.4x and forward P/E (based on next-twelve-months earnings) is 19.1x.

Geopolitical risks, stagnating trade, and inflation emerged as top concerns, followed by interest rates as an important macro risk in the European market

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Most important macro risk factors¹

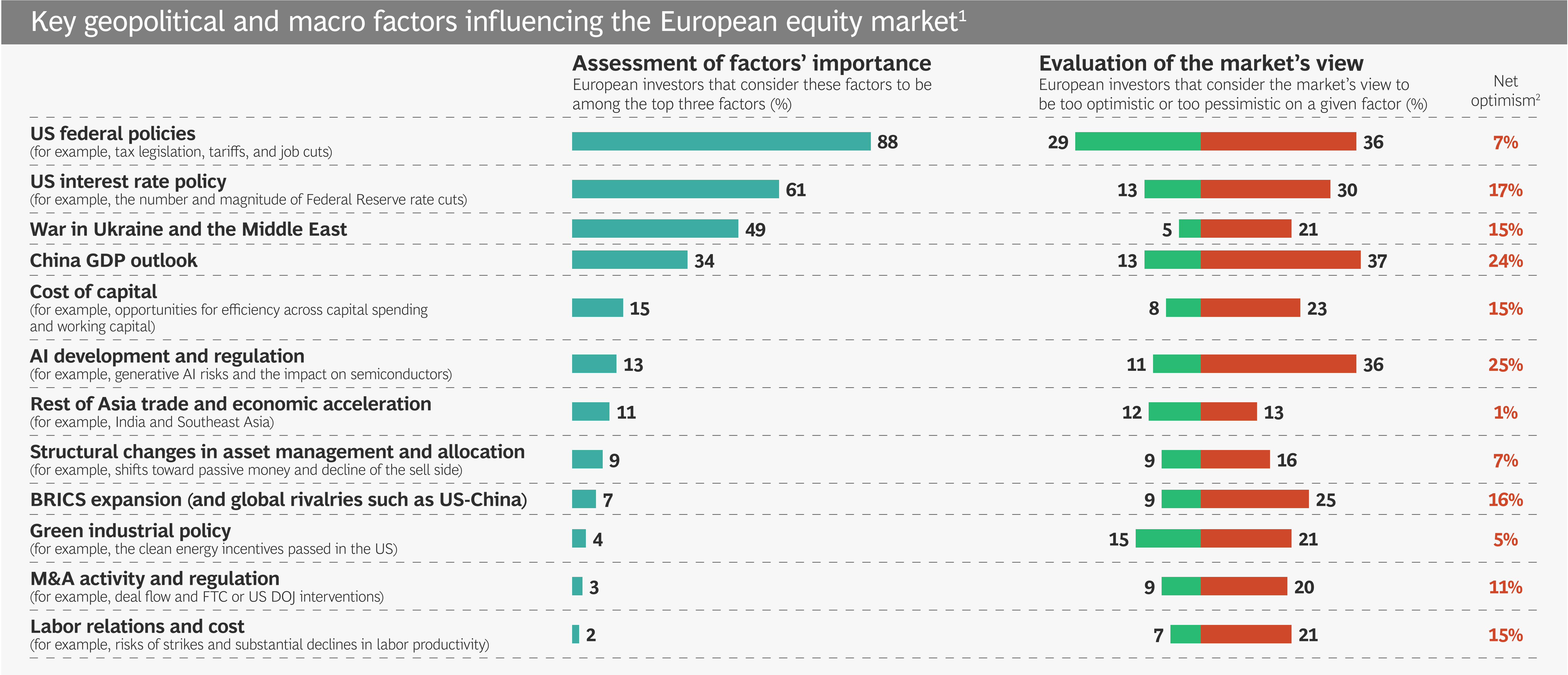


Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
Note: ESG = environmental, social, and governance.
¹Survey question: What are the most important risks for investors to consider in today's environment? Rank the top three. ²Leading investment industry institutions and executives have voiced their strong and unwavering commitment to and focus on ESG and sustainable investing. However, most investors indicated that ESG is not currently a primary consideration in day-to-day investment decisions and recommendations.

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The dominant market narrative for the rest of 2025 focuses on the US, with other themes having a more secondary or tertiary level of influence

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Source: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151.

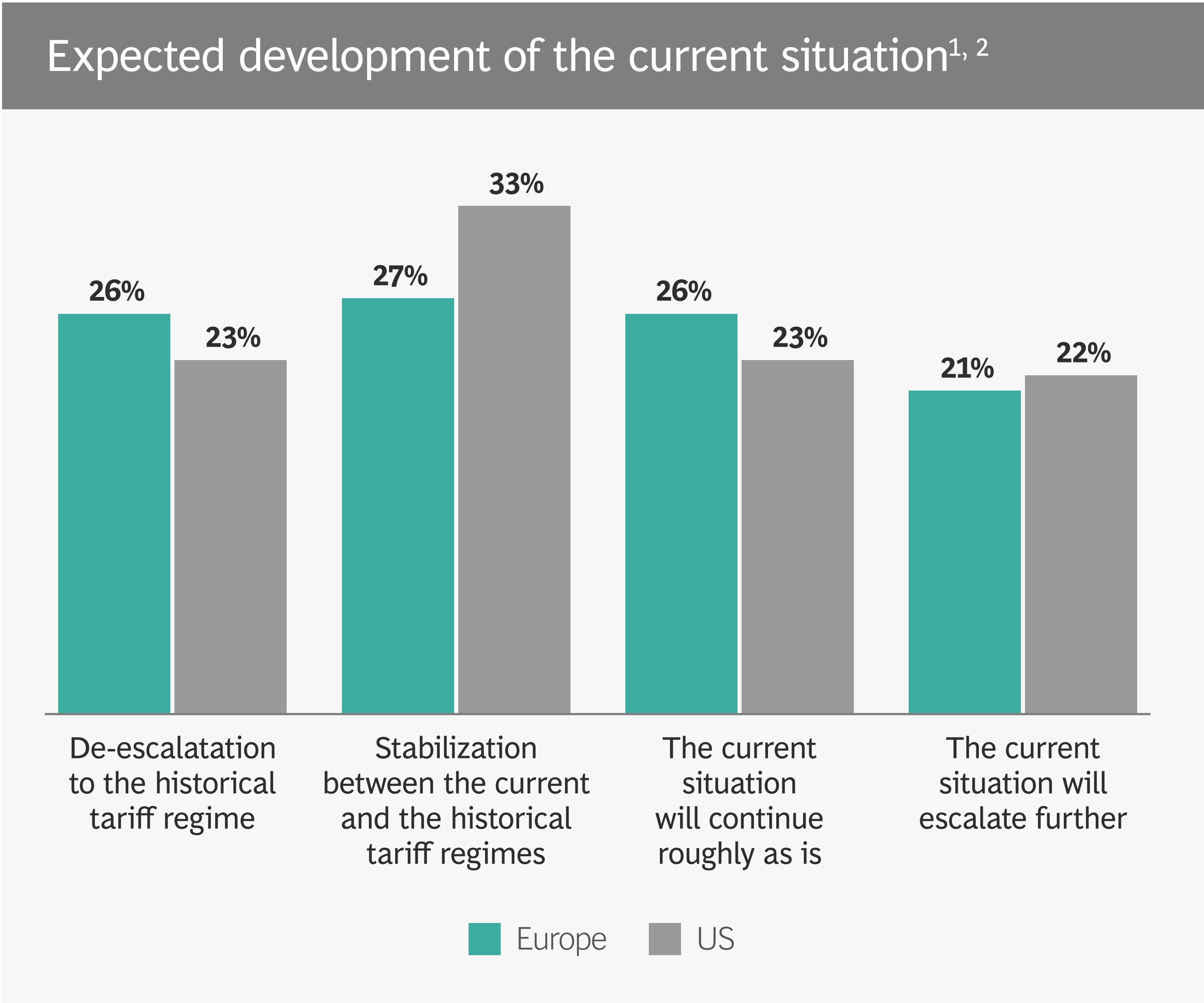
Note: BRICS = Brazil, Russia, India, China, and South Africa; FTC = Federal Trade Commission; DOJ = Department of Justice. Any apparent discrepancies in the calculations are due to rounding.

¹Survey question: Which of the following factors do you believe will most influence the overall direction of the equity market in European economies and stock markets for 2025? ²Net optimism is the share of investors considering the market to be too optimistic minus the share of investors considering the market being too pessimistic. ³The market being too optimistic implies downside risk, whereas the market being too pessimistic implies potential upside.

Too pessimistic³ Too optimistic³

A slight moderation of US tariffs is expected over the next 6 to 12 months, but European investors are split on de-escalation, status quo, or further escalation

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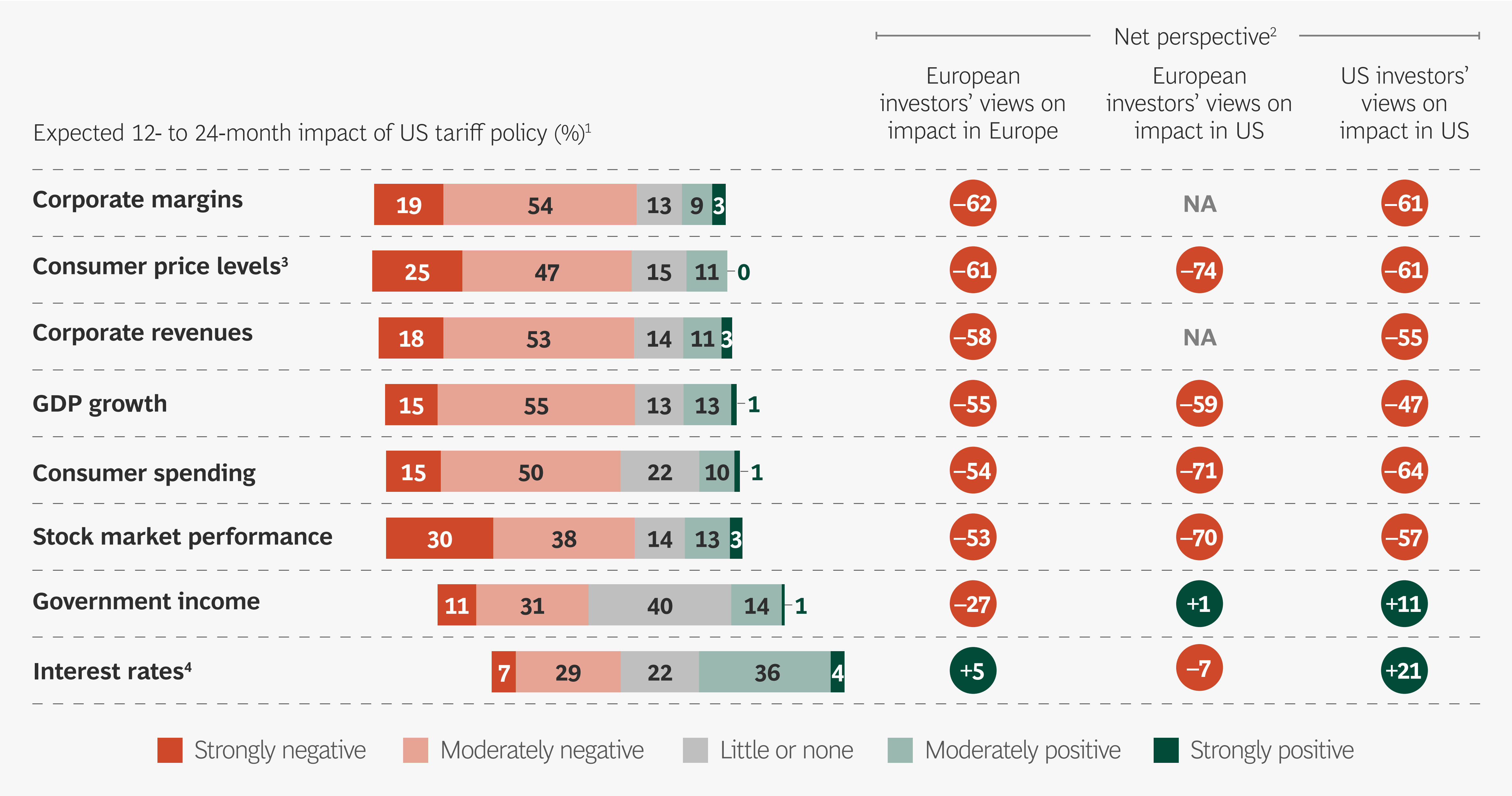
The effective tariff rate surged to 22.8% under the newly announced US regime on April 2, 2025.

European investor expectations suggest a 1 percentage point increase, on average, from those rates to 23.7% by October 2025 and down to 19.1% by April 2026, while US investors expects some degree of tariff rollback over the coming year.

Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
¹Survey question: Which of the following scenarios are most likely to play out over the next 6 to 12 months? ²Current situation refers to the market and trade environments instigated by the new US tariff regime announced on April 2, 2025. ³Survey question: What do you expect the US effective tariff rate to be over the following time frames (that is, the average tariff paid across all imports to the US)? For reference, the effective tariff rate based on the US tariff regime announced April 2, 2025, is 22.8%, whereas it was 2.4% on US Inauguration Day (January 20, 2025) and 9.1% on April 1, 2025.

European investors expect US tariff policy to push up consumer prices and put downward pressure on margins and revenues in Europe

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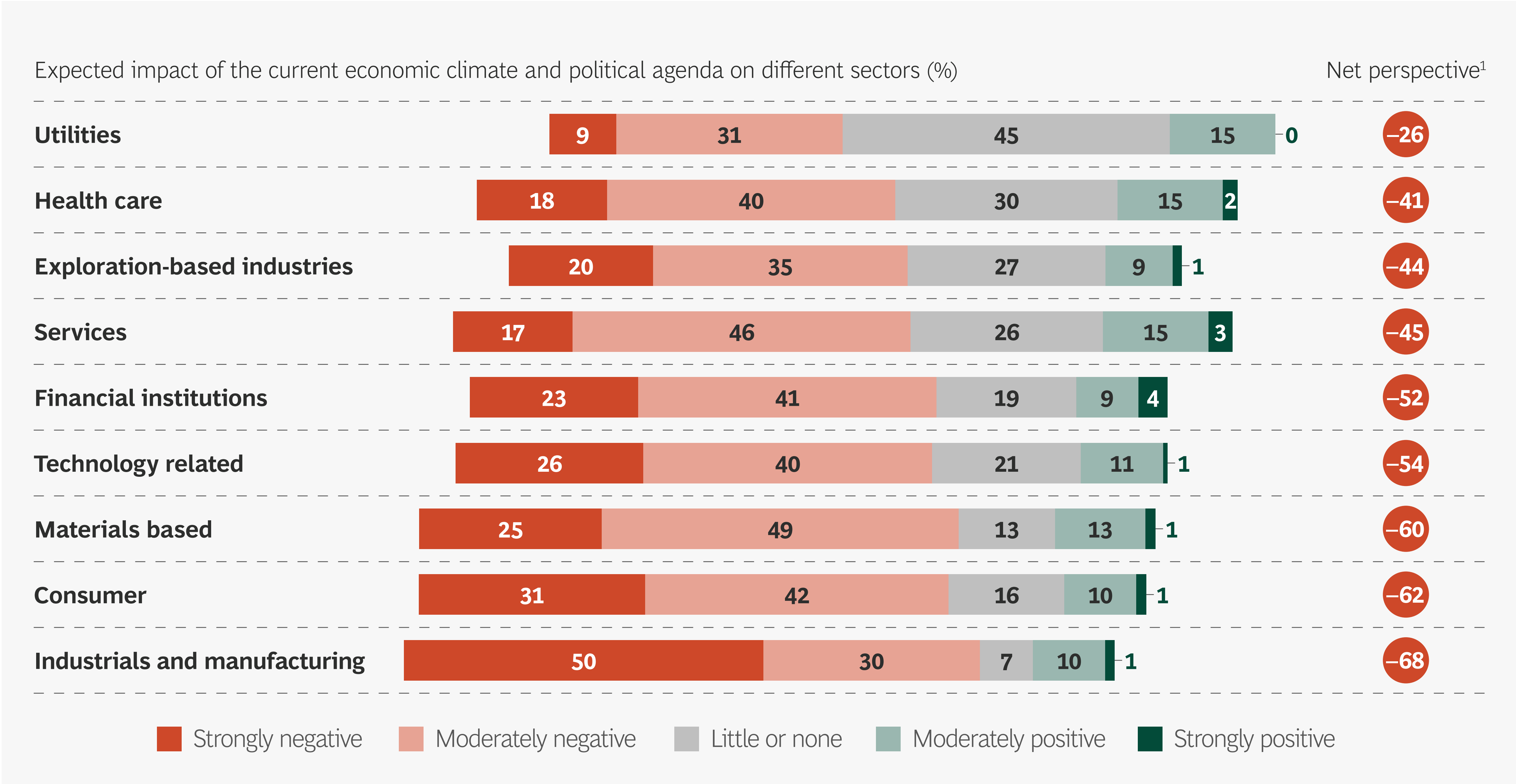
Most investors believe that the new US tariff regime will have mainly negative effects on consumer prices (leading to inflation), corporate financials (margins and revenues), stock market performance, and overall economic (GDP) growth.

In contrast, investors highlight the likely positive impact on lower interest rates as the main and probably only benefit.

Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025; n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
Note: NA = not applicable. Percentages do not sum to 100 because 1% to 4% of respondents reported being unsure of the prospective impact of US tariffs on a given indicator.
¹Survey question: How would you rate the impact of the US tariff policy over the next 12 to 24 months? ²Net perspective is the share of investors expecting positive impact minus the share of investors expecting negative impact.
³Negative impact on consumer prices means the consumer price index will increase from current levels. ⁴A positive impact on interest rates means that they will decline from current levels.

Investors see all sectors suffering, but they expect industrial and manufacturing and consumer to bear the brunt of the new US tariff regime and economic headwinds

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Industrials and manufacturing rely heavily on global supply chains—pricier inputs and retaliatory US tariffs could reduce the competitiveness of US-made goods and put strain on performance.

US tariffs are expected to fuel inflationary pressures and dampen consumer purchasing power—ultimately weakening demand in retail, travel, leisure, and other consumer-driven industries.

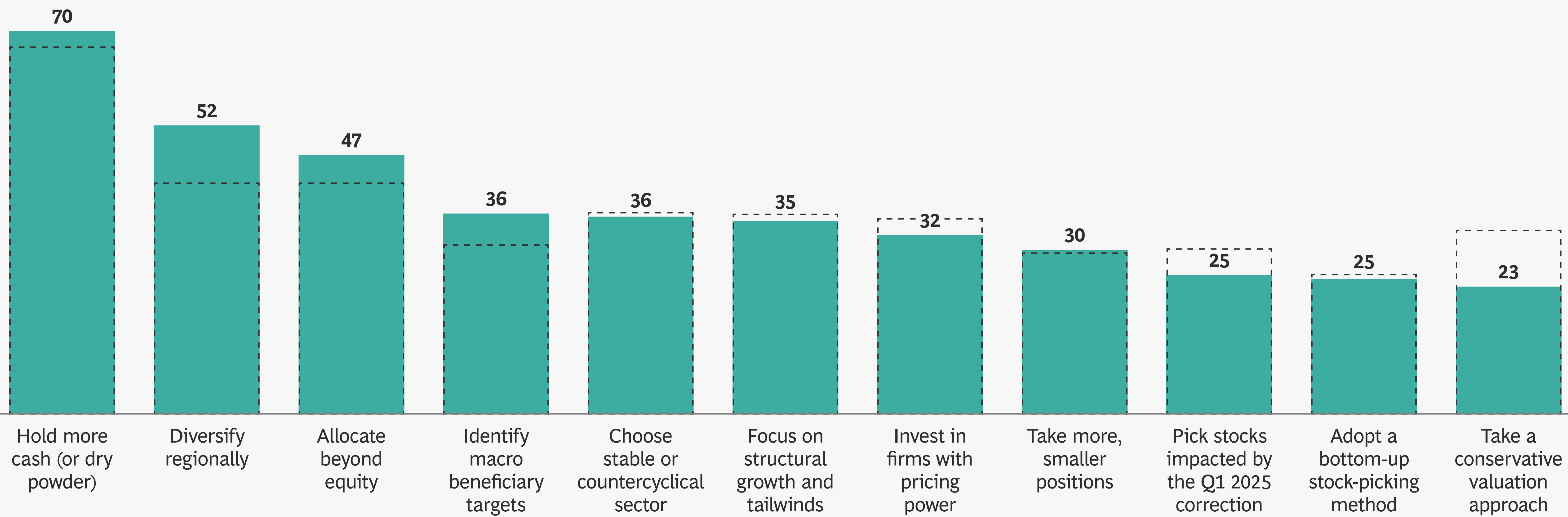
Source: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025; n = 151.
¹Net perspective is the share of investors expecting positive impact minus the share of investors expecting negative impact.

Investors have changed their capital allocation and investment practices in response to the current economic and capital market environment¹

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An emphasis on defensive positioning suggests investors are bracing for volatility and/or a potential downturn

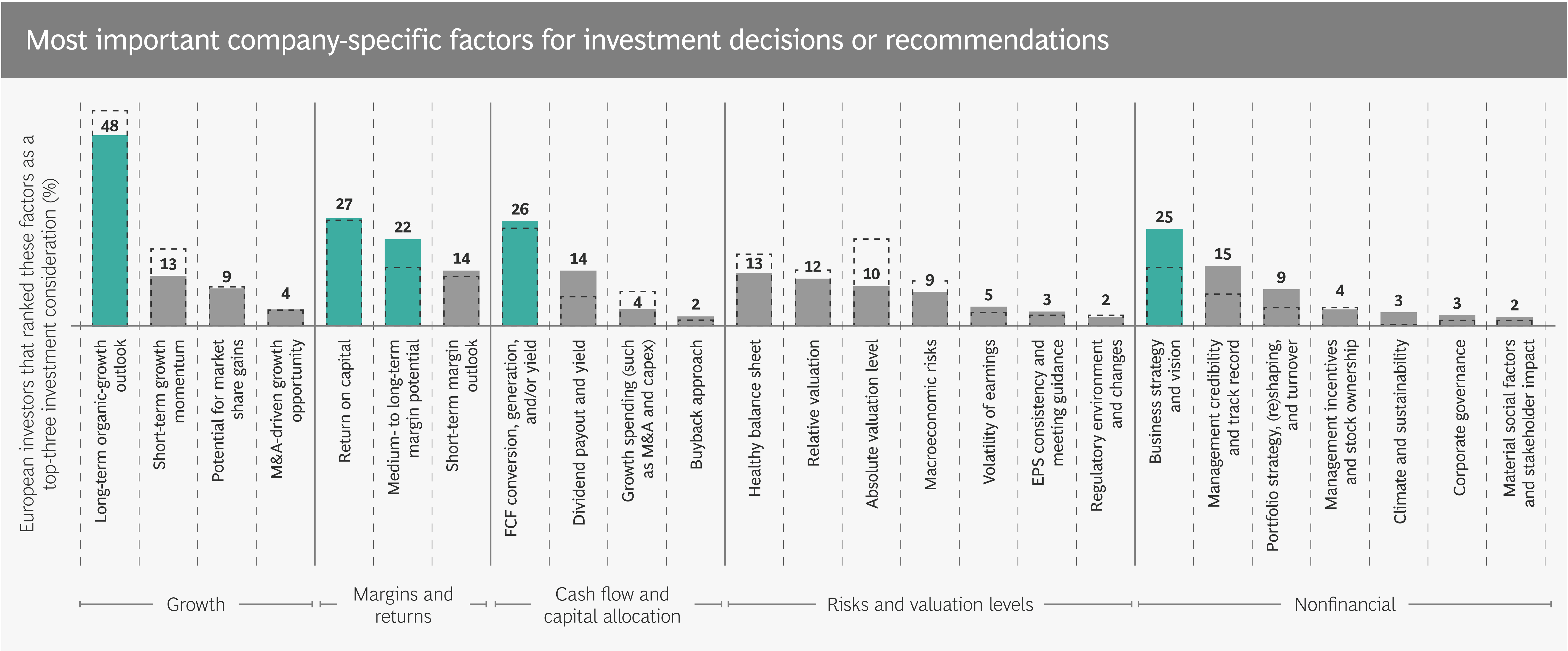
European investors that report making the following changes to capital allocation and investing practices or recommendations since the beginning of 2025 (%)²



Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
¹Current environment refers to the market and trade environments instigated by the new US tariff regime announced on April 2, 2025. ²Survey question: How have your capital allocation and investing practices or recommendations changed since the beginning of 2025?

Investors indicate a strong emphasis on growth, return on capital, and free cash flow, while also placing importance on strategic vision and clarity

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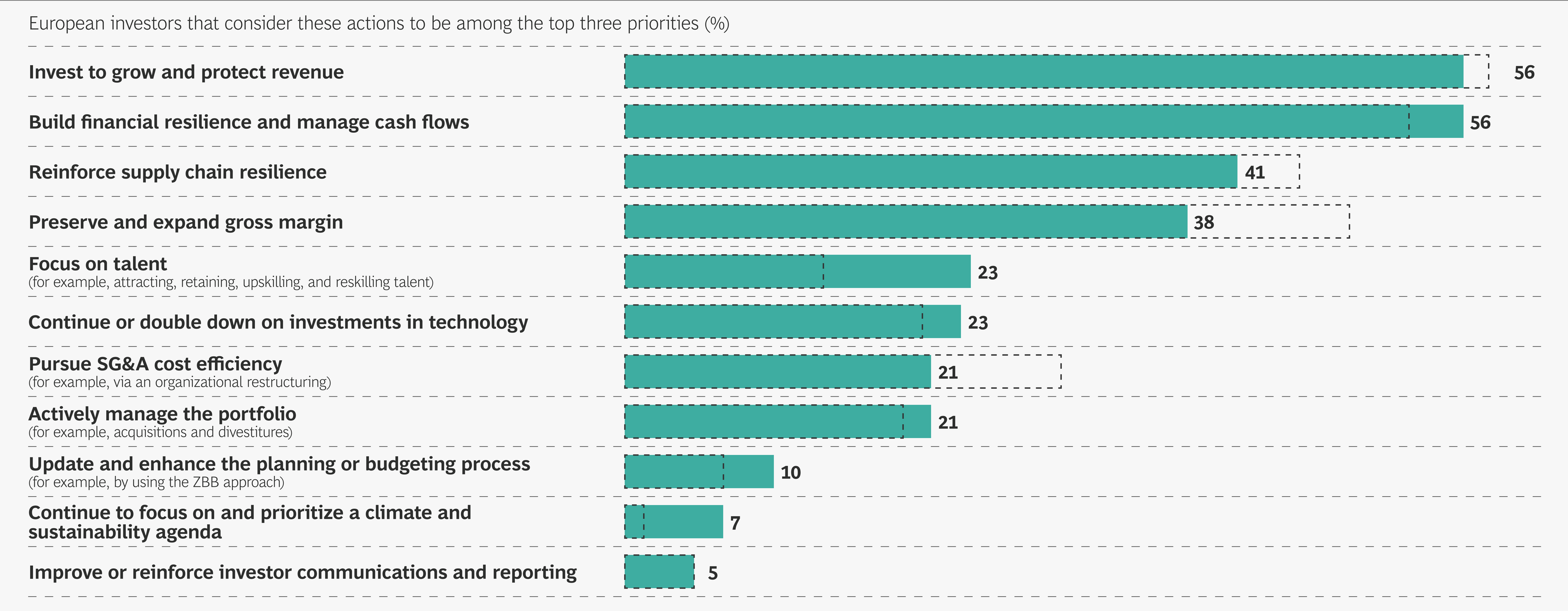
■ Europe ▨ US

Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
Note: FCF = free cash flow; EPS = earnings per share. The ranking for climate and sustainability factors would likely be very different for sectors where environmental considerations are central to the investment thesis.

Investors highlight growing and protecting revenue as the top management priority and report ensuring financial resilience as increasingly critical

April 9–10

Most important actions for financially healthy companies to prioritize in the current macroeconomic environment¹



Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
Note: SG&A = selling, general, and administrative; ZBB = zero-based budgeting.
¹Survey 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.)

European investors emphasize the need for companies to balance near-term expectations with investments that drive longer-term growth

April 9–10

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

70% | Investors that support companies **investing in innovation and go-to-market strategies, even if that affects margins short term**

10pp lower than the US result of 80%

75% | 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

5pp higher than the US result of 70%

56% | 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

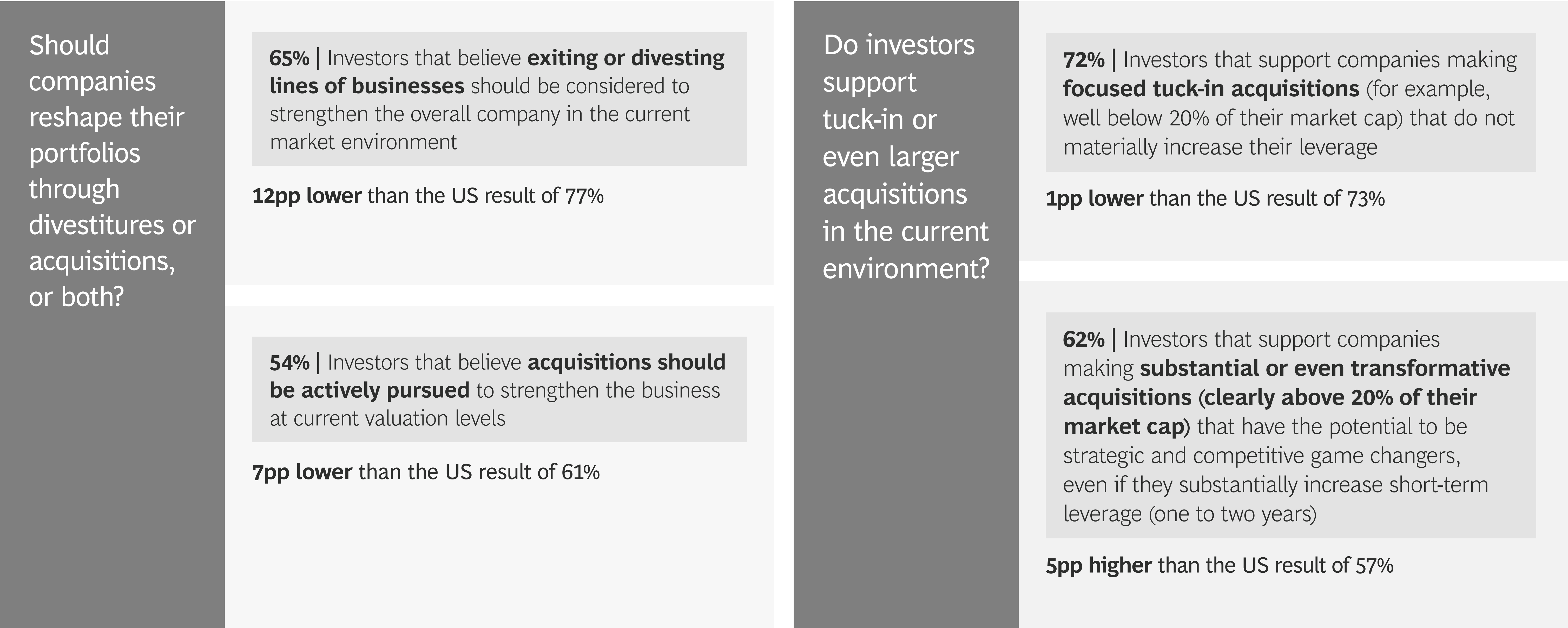
1pp higher than the US result of 55%

While these findings may appear contradictory, the data implies that companies should not use longer-term investments as an excuse to underperform near term.

Rather, companies should find alternative ways to fund these investments (for example, through cost reduction) and manage investor expectations by articulating their benefits in terms of longer-term advantage and value creation.

Despite market turmoil, European investors are broadly supportive of divestitures and M&A

April 9–10



Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
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.

European investors' emphasis on dividends is high, whereas current valuation levels make share repurchases less attractive

April 9–10

Should companies prioritize dividends and/or repurchase shares?

64% | Investors that think it is **important to pay dividends that are at least in line with historical levels**

12pp lower than the US result of 76%

67% | Investors that agree that **dividends have become a more important consideration** in decision making and recommendations in the current market environment

4pp higher than the US result of 63%

44% | Investors that think it is important to **aggressively repurchase shares** in today's market environment

1pp higher than the US result of 43%

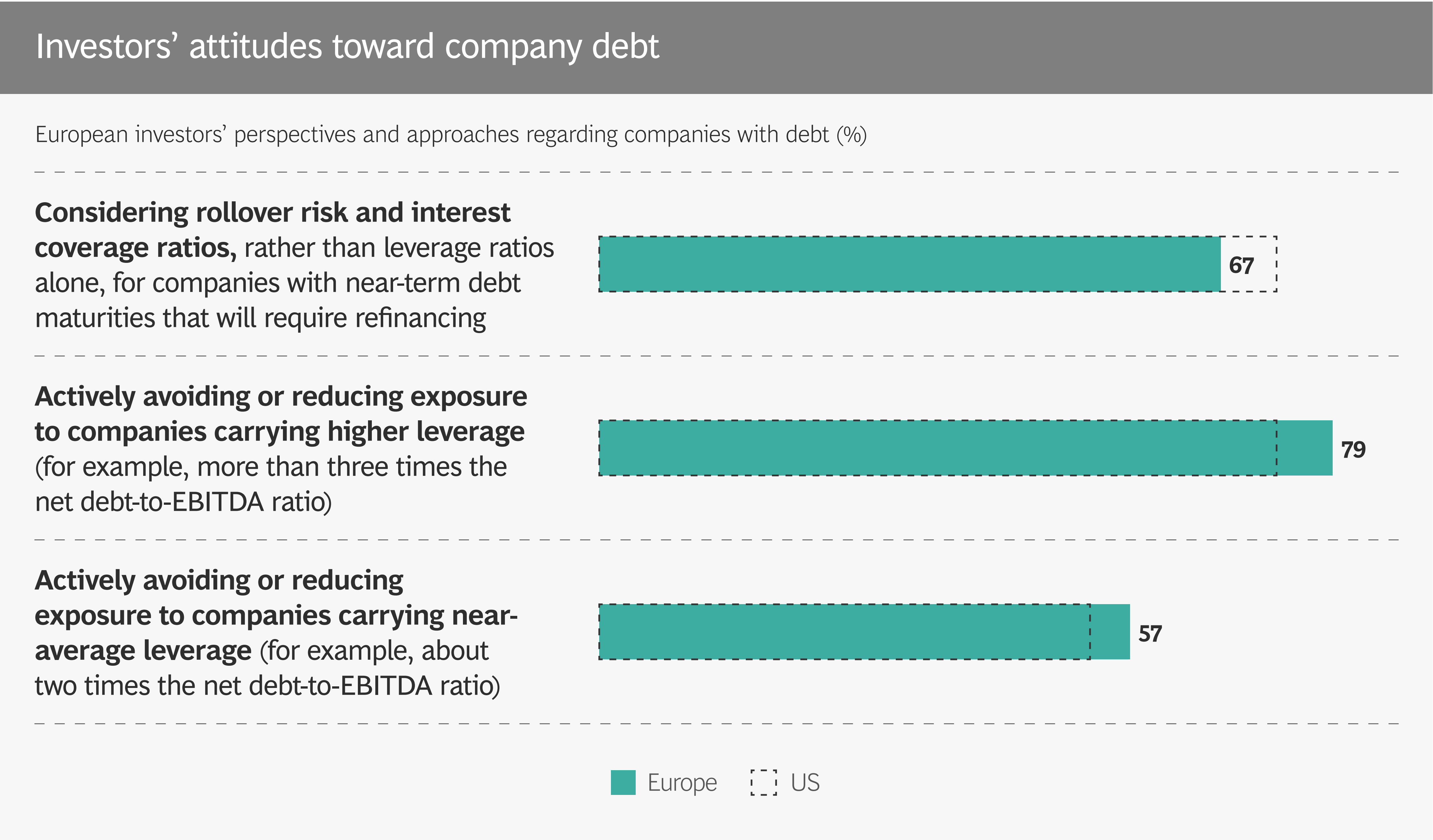
While investors gave companies substantial leeway in terms of cutting dividends during and after the COVID-19 pandemic, they have returned to seeing dividends as irrevocable commitments.

Sixty-four percent of European 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 is limited. This is unsurprising given the bearish sentiment and a majority of investors' perspectives that equities are trading above their fair valuation.

Investors have become increasingly cautious and conservative regarding corporate debt and high leverage

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European investors' perspectives on debt and leverage are conservative—most notably, 79% of investors are actively steering clear of companies with high leverage (more than 3x net debt/EBITDA), and even 57% are avoiding those with near-average leverage (about 2x).

In addition, many seasoned US investors have told BCG that interest coverage ratio has become an important consideration for the first time in 15 years.

Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
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.

European investors appear more focused on companies' ESG agendas than do US investors

April 9–10

Should companies continue to pursue or double down on the ESG agenda?

37% | Investors that think it is important to **continue fully pursuing the ESG agenda and priorities**, even if it means guiding to lower EPS or delivering below consensus

16pp higher than the US result of 21%

36% | Investors that say **companies should double down on ESG initiatives that create advantage, deliver attractive returns or reduce long-term risk**, or both, even if it means guiding to lower EPS or delivering below consensus over the next 12 months

13pp higher than the US result of 23%

While European investors continue to view ESG as a key agenda item, US investors' views regarding the importance of companies pursuing or even doubling down on their ESG agendas set new series lows in the April 2025 US pulse check.

Sources: BCG Investor Perspectives Series, European Edition, Q2 2025, April 9–10, 2025, n = 151; BCG Investor Perspectives Series, US Edition, Q1 and Q2 2025, April 8–9, 2025; n = 150.
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. ESG = environmental, social, and governance; EPS = earnings per share. 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 (1/7)

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
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
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%)
▪ 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
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%)
Bull vs. bear														
Investors that are bullish for:														
▪ Current CY	55%	53%	44%	46%	45%	41%	40%	35%	36%	45%	35%	38%	47%	51%
▪ Next CY	63%	64%	67% ↑	64%	62%	55%	64%	57%	57%	65%	56%	55%	50%	41%
▪ Next three years	65%	68%	69%	69%	64%	61%	61%	57%	60%	66%	63%	59%	57%	53%
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%
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%

↑ Series high ↓ Series low

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
Note: CY = calendar year.
¹S&P 500 was approximately 5,060 during the survey window. TSR is derived through the CAGR of the S&P 500 level and the S&P-average dividend yield. ²Respondents were asked for their change in bullishness relative to the prior month until COVID-19 Investor Pulse Check #16 (June 2021) and relative to three months prior since then.

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

	2021			2022				2023				2024				2025		
What are your expectations for...	Apr 30 #15	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	Difference (Apr. 2025 vs. Nov. 2024)	
Duration of COVID-19’s impact on the US economy	Through Q4 2021	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	NA	
Stock market decline:																		
S&P 500 level after the decline (from the current level at the time of the survey)	3,828 (−9%)	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%)	−3pp	
Timing of decline	End of Q3 2021	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	+2 quarters	
Three-year S&P 500 level (implied TSR) ¹	4,840 (7%)	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%)	+0.5pp	
Bull vs. bear																		
Investors that are bullish for:																		
Current CY	50%	39%	41%	20%	22%	6%	5% ↓	22%	21%	19%	37%	41%	44%	65% ↑	25%	20%	−45pp	
Next CY	47%	45%	43%	43%	41%	29%	25% ↓	51%	51%	38%	59%	51%	52%	57%	60% ↑	48%	−9pp	
Next three years	52%	52%	45% ↓	60%	62%	59%	62%	73%	69%	65%	67%	60%	60%	67%	76% ↑	66%	−1pp	
More bullish than one or three months ago: economy ²	73%	55%	41%	33%	25%	14%	13% ↓	60%	58%	35%	62%	53%	59%	74% ↑	31%	18%	−56pp	
More bullish than one or three months ago: stock market ²	57%	40%	42%	25% ↓	29%	27%	28%	53%	53%	37%	59%	53%	60%	75% ↑	37%	29%	−46pp	
↑ Series high ↓ Series low Significant decrease Moderate decrease No change Moderate increase Significant increase																		

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
Note: CY = calendar year; NA = not applicable; pp = percentage point.
¹S&P 500 was approximately 5,060 during the survey window. TSR is derived through the CAGR of the S&P 500 level and the S&P-average dividend yield. ²Respondents were asked for their change in bullishness relative to the prior month until COVID-19 Investor Pulse Check #16 (June 2021) and relative to three months prior since then.

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

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
Prioritize building key business capabilities	89%	91%	92%	95% ↑	88%	91%	90%	91%	89%	90%	90%	93%	89%	95% ↑
Actively pursue acquisitions	58%	64%	65%	66%	70%	68%	68%	69%	71%	72% ↑	65%	63%	65%	63%
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% ↑
Aggressively repurchase shares	39%	44%	38%	36%	42%	43%	34% ↓	44%	37%	41%	43%	36%	36%	35%
Maintain the dividend per share	41%	43%	35%	29% ↓	36%	43%	33%	36%	36%	37%	40%	45%	43%	47%
Consider significant equity issuance a reasonable move	Not asked	48%	56%	55%	53%	53%	61%	59%	55%	37% ↓	56%	52%	61%	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%
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%
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%
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

↑ Series high ↓ Series low

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
Note: EPS = earnings per share; ESG = environmental, social, and governance.
¹Financially healthy companies were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet. ²Leading 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)

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	Apr 30 #15	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	Difference (Apr. 2025 vs. Nov. 2024)	
Prioritize building key business capabilities	88%	86%	89%	89%	87%	83%	76% ↓	78%	91%	88%	84%	92%	91%	88%	87%	87%	−1pp	
Actively pursue acquisitions	71%	68%	71%	72% ↑	62%	69%	68%	68%	57%	61%	61%	59%	55% ↓	62%	60%	61%	−1pp	
Actively consider exiting or divesting lines of business	75%	77%	79%	75%	74%	78%	75%	75%	76%	81%	78%	80%	78%	78%	77%	77%	−1pp	
Aggressively repurchase shares	41%	36%	37%	43%	39%	47% ↑	44%	36%	37%	41%	38%	34% ↓	37%	37%	40%	43%	+6pp	
Maintain the dividend per share	53%	47%	45%	51%	49%	54%	47%	66%	68%	71%	74%	76%	76%	77%	79% ↑	76%	−1pp	
Consider significant equity issuance a reasonable move	55%	63% ↑	61%	61%	61%	54%	55%	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	79%	78%	83%	86%	81%	72%	77%	71%	83%	86%	84%	89% ↑	85%	87%	86%	81%	−6pp	
Expect an increase in activist activity and take proactive steps to mitigate risk	67%	69%	69%	73% ↑	62%	61%	57%	63%	64%	67%	58%	63%	54% ↓	63%	62%	55%	−8pp	
Continue to fully pursue their ESG agenda and priorities ²	47%	55%	45%	43%	44%	41%	37%	37%	32%	29%	25%	29%	27%	28%	21% ↓	21% ↓	−7pp	
Double down on ESG initiatives that create value and/or reduce risk longer term ²	Not asked	49% ↑	45%	42%	41%	37%	35%	33%	30%	29%	29%	25%	24%	29%	23% ↓	23% ↓	−6pp	

↑ Series high

↓ Series low

Much less important

Less important

Minimal or no change

More important

Much more important

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
Note: EPS = earnings per share; ESG = environmental, social, and governance; NA = not applicable; pp = percentage point.
¹Financially healthy companies were defined as companies with relatively strong and resilient free cash flow and a healthy balance sheet. ²Leading 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.

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

	2022				2023				2024				2025		
Investors that ranked these criteria among the top three investment risk factors (%)	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	Difference (Apr. 2025 vs. Nov. 2024)	
Interest rates and US Federal Reserve policy ¹	82%	84%	91% ↑	87%	69%	75%	77%	70%	65%	58%	45% ↓	50%	46%	+1pp	
Consumer price inflation and sentiment	Not asked	Not asked	Not asked	Not asked	42%	43%	45%	41%	53% ↑	45%	31% ↓	46%	53% ↑	+22pp	
Geopolitical risks ²	46%	63% ↑	38%	39%	39%	39%	53%	49%	42%	53%	49%	40%	33% ↓	−16pp	
Cost and wage inflation ³	39%	43%	45%	62% ↑	37%	40%	29%	36%	32%	25%	27%	24%	13% ↓	−14pp	
Tightening of liquidity in capital markets	Not asked	Not asked	Not asked	Not asked	25% ↑	15%	16%	12%	6% ↓	6% ↓	9%	9%	19%	+10pp	
Inflated asset valuation ⁴	21%	13%	11%	8% ↓	22%	25%	21%	23%	23%	33% ↑	25%	21%	12%	−13pp	
Public-sector debt and spending	12%	7%	4% ↓	8%	18%	15%	23%	22%	27%	28% ↑	25%	14%	10%	−15pp	
Climate and other ESG-related risks ⁵	7%	5%	7%	5%	12% ↑	7%	4%	5%	9%	5%	7%	1% ↓	2%	−5pp	
Supply chain and other operational risks ⁶	19% ↑	19% ↑	19% ↑	9%	11%	8%	5% ↓	12%	7%	7%	11%	9%	17%	+6pp	
Private-sector credit and default risks	2% ↓	6%	3%	3%	7%	3%	9%	12%	15% ↑	12%	6%	5%	8%	+2pp	
Company-specific risks	7%	5% ↓	6%	5% ↓	7%	6%	7%	9%	12% ↑	10%	9%	7%	5% ↓	−4pp	
Lower growth in key regions and countries (for example, China) ⁷	Not asked	Not asked	Not asked	Not asked	7%	18% ↑	7%	6% ↓	6% ↓	14%	9%	9%	11%	+2pp	
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% ↑	+28pp	
Tax policy impact ⁸	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	18% ↑	15%	12% ↓	−6pp	
Macroeconomic risks	24% ↓	38%	58%	61% ↑	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	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	NA	

↑ Series high ↓ Series low

Much higher risk Higher risk No change Lower risk Much lower risk

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
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.
¹This factor was inflation and interest rate risk or inflation rates and US Federal Reserve policy in previous surveys. ²For example, the war in Ukraine, trade wars, and areas with civil unrest. ³This factor was wage inflation or pressure in previous surveys.
⁴This factor was asset price risks in recent surveys. ⁵Leading 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. ⁶This factor was supply chain risk in previous surveys. ⁷This factor was China growth (after COVID reopening) lower than expected in prior surveys. ⁸For example, on corporate profits and consumer spending.

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

		2022				2023			2024				2025		
Investors that ranked these criteria among the top three considerations for investment decisions or recommendations (%)		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	Difference (Apr. 2025 vs. Nov. 2024)
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%	+2pp
	Long-term organic-growth outlook (for example, an attractive industry)	65%	61%	67% ↑	61%	50% ↓	53%	52%	52%	59%	54%	57%	59%	55%	−2pp
	Potential for market share gains	25%	28%	31%	32% ↑	18%	10% ↓	15%	10% ↓	17%	12%	14%	14%	10% ↓	−4pp
	M&A-driven growth opportunity	6%	7%	9%	11% ↑	7%	1% ↓	4%	7%	3%	7%	5%	2%	4%	−1pp
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%	+4pp
	Medium- to long-term margin potential (for example, operating leverage)	22%	20%	19%	15% ↓	19%	18%	21%	24% ↑	15% ↓	24% ↑	16%	19%	15% ↓	−1pp
	Return on capital (for example, ROIC or ROA and ROE)	19% ↓	29%	21%	23%	19% ↓	23%	22%	24%	27%	26%	31% ↑	23%	27%	−4pp
Cash flow and capital allocation	FCF conversion, generation, and/or yield	27%	29%	29%	31%	33%	26%	36%	35%	32%	39% ↑	25% ↓	28%	25% ↓	No change
	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%	No change
	Dividend payout and yield ¹	9%	7%	6%	9%	11% ↑	5%	11% ↑	3% ↓	6%	6%	7%	11% ↑	7%	No change
	Buyback approach	Not asked	Not asked	Not asked	Not asked	5% ↑	1% ↓	1% ↓	2%	3%	4%	3%	3%	1% ↓	−2pp

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

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
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.
¹This factor was attractive cash returns in previous surveys.

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

		2022				2023			2024				2025		
Investors that ranked these criteria among the top three considerations for investment decisions or recommendations (%)		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	Difference (Apr. 2025 vs. Nov. 2024)
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	NA
	Absolute valuation level	Not asked	Not asked	Not asked	Not asked	20%	16% ↓	20%	22%	18%	27% ↑	26%	25%	22%	−4pp
	Relative valuation (vs. peers or sector)	Not asked	Not asked	Not asked	Not asked	10%	17% ↑	11%	14%	10%	7% ↓	12%	11%	14%	+2pp
	Healthy balance sheet	29%	25%	34% ↑	31%	18%	21%	21%	14%	14%	11% ↓	11% ↓	12%	18%	+7pp
	Volatility of earnings	Not asked	Not asked	Not asked	Not asked	3%	2% ↓	5% ↑	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%	−1pp
	Macroeconomic risks	Not asked	Not asked	Not asked	Not asked	5%	9%	9%	8%	4%	8%	7%	3% ↓	11% ↑	+4pp
	Regulatory environment and changes	Not asked	Not asked	Not asked	Not asked	2%	2%	3% ↑	1% ↓	1% ↓	2%	2%	2%	3% ↑	+1pp
Nonfinancial	Business strategy and vision ¹	16%	17%	15%	11% ↓	21%	25% ↑	17%	16%	23%	19%	18%	25% ↑	15%	−3pp
	Portfolio strategy, (re)shaping, and turnover	Not asked	Not asked	Not asked	Not asked	5%	7% ↑	1% ↓	3%	5%	5%	6%	5%	5%	−1pp
	Management credibility and track record	Not asked	Not asked	Not asked	Not asked	12%	14% ↑	7% ↓	8%	9%	8%	9%	11%	8%	−1pp
	Management incentives and stock ownership	Not asked	Not asked	Not asked	Not asked	4%	1%	2%	1% ↓	1% ↓	1% ↓	2%	4%	5% ↑	+3pp
	Climate and sustainability ²	6%	6%	7% ↑	7% ↑	3%	4%	3%	6%	1%	1%	2%	3%	0% ↓	−2pp
	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	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	NA
	Material social factors and stakeholder impact	5% ↑	3%	3%	2%	1%	0% ↓	0% ↓	1%	1%	0% ↓	1%	1%	1%	No change
	Corporate governance ³	5% ↑	5% ↑	4%	5% ↑	3%	1% ↓	1% ↓	1% ↓	1% ↓	2%	2%	1% ↓	1% ↓	−1pp

↑ Series high ↓ Series low

Much less important Less important No change More important Much more important

Source: BCG’s investor pulse checks, March 2020 through April 2025; n = 150 for each survey, except for June 2023 (n = 151), January 2024 (n = 153), September 2024 (n = 153), and March 2025 (n = 151).
Note: Questions on this slide were added to the survey in October 2021. NA = not applicable; pp = percentage point; EPS = earnings per share.
¹This factor was a compelling strategy to win in previous surveys. ²This factor was asked as climate and carbon footprint and other material environmental factors. ³This factor was best-in-class governance policies in previous surveys. This includes corporate policies, board composition, and effectiveness.

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