The CEO Agenda 2025

European Edition

IN BLACK AND WHITE

Oliver Wyman Forum

EUROPE'S BUSINESS LEADERS SET A NEW GROWTH AGENDA

CEOs see opportunity in M&A, AI, and geopolitics, our survey finds

The global economy is sluggish this year, but Europe has been especially lethargic. The projected growth rate of a little over 1% in the European Union and the United Kingdom for 2025 trails most major advanced economies.

Pressures are mounting on all sides. Businesses face new trade barriers in the United States — their largest single external market — and increased competition from Chinese imports. Elevated interest rates are keeping financing conditions tight. And high debt levels are threatening domestic political stability, as evidenced by the recent collapse of former French Prime Minister François Bayrou's government over proposed austerity measures.

Amid these many challenges, Europe's business leaders reckon they need to create their own opportunities rather than wait for a rising tide to lift them, according to an Oliver Wyman Forum survey of 77 European chief executives conducted from June to August 2025.

Many are doing just that — by pursuing growth via organic and inorganic means, investing in artificial intelligence and the workforce skills needed to utilize it, and looking to carve their own opportunities out of an increasingly fragmented global market. A majority of respondents (56%) cited a growth driver as their top priority, with the most popular tactic being revenue uplift including pricing and customer loyalty.

The focus on growth broadly aligns with the approach of CEOs of New York Stock Exchange-listed companies surveyed by the Forum and NYSE earlier this year. In both regions, CEOs are emphasizing growth initiatives even as they maintain commercial discipline to fund and scale their ambitions.

Notably, Europeans are now eager to grow through dealmaking, an area where they have lagged in recent years. Eighty-seven percent of surveyed CEOs plan to pursue mergers or acquisitions in the next year or two. Among heads of publicly listed companies, the dealmaking appetite was 94%, closely mirroring the ambition of their NYSE-listed peers.

Another clear takeaway is the near unanimity among European CEOs about the potential of artificial intelligence, with 97% viewing AI as a business opportunity rather than a risk and 45% expressing fear of being left behind by competitors, both roughly on par with their NYSE counterparts.

But there are some regional differences. European CEOs diverge sharply from their trans-Atlantic peers on climate strategy: They were twice as likely to name climate transition as a short-term business opportunity and to name sustainability as a decisive factor for long-term competitiveness.

Geopolitics also has a prominent spot on CEOs' radars. Roughly four in five are taking new steps to address risks, with a strong focus on business continuity and scenario planning rather than supply chain de-risking. What is surprising is that European CEOs are more than twice as likely as their NYSE peers to see geopolitics as an opportunity, with cross-border mergers one favored target.

To be sure, the many clouds on the European horizon warrant caution. Europe's CEOs are more likely than their American peers to focus on cost containment and the burden of regulation.

Yet there's also a sense of urgency. As CEO tenures grow ever shorter, as boards get more involved in strategy, and as shareholder activism increases, European chief executives are spending nearly half their planning time on horizons of less than one year.

With growth and competitiveness at the top of the agenda, the time is ripe for European CEOs to make bold moves to boost their growth and earnings power. Our survey shows many plan to make such moves. The key will be turning intentions into action.

COMBINING GROWTH AMBITIONS WITH COST MANAGEMENT

Many European nations have been stagnating for years, with the United Kingdom and the euro area growing at barely half the rate of the United States over the past eight years, according to the IMF.

The number of European companies on the Fortune Global 500 has declined by more than 20% since 2000. In his 2024 report “The Future of European Competitiveness,” former European Commission President Mario Draghi bemoaned the fact that no EU company worth over €100 billion ($117 billion) had been founded in the past 50 years, a period during which six US companies valued at over €1 trillion each were established.

Such concerns are beginning to drive policy changes and boost investor sentiment. In March, the German parliament approved a plan to loosen the country’s strict debt limit and create a €500 billion fund for infrastructure to address economic and security challenges. In the UK, the Labour Party government began relaxing merger regulations this year to make them more comparable to North American rules. The STOXX Europe 600 index, which includes both EU and UK companies, outperformed the S&P 500 in the first half of this year for the first time since 2022 while the euro and the pound rose sharply against the dollar.

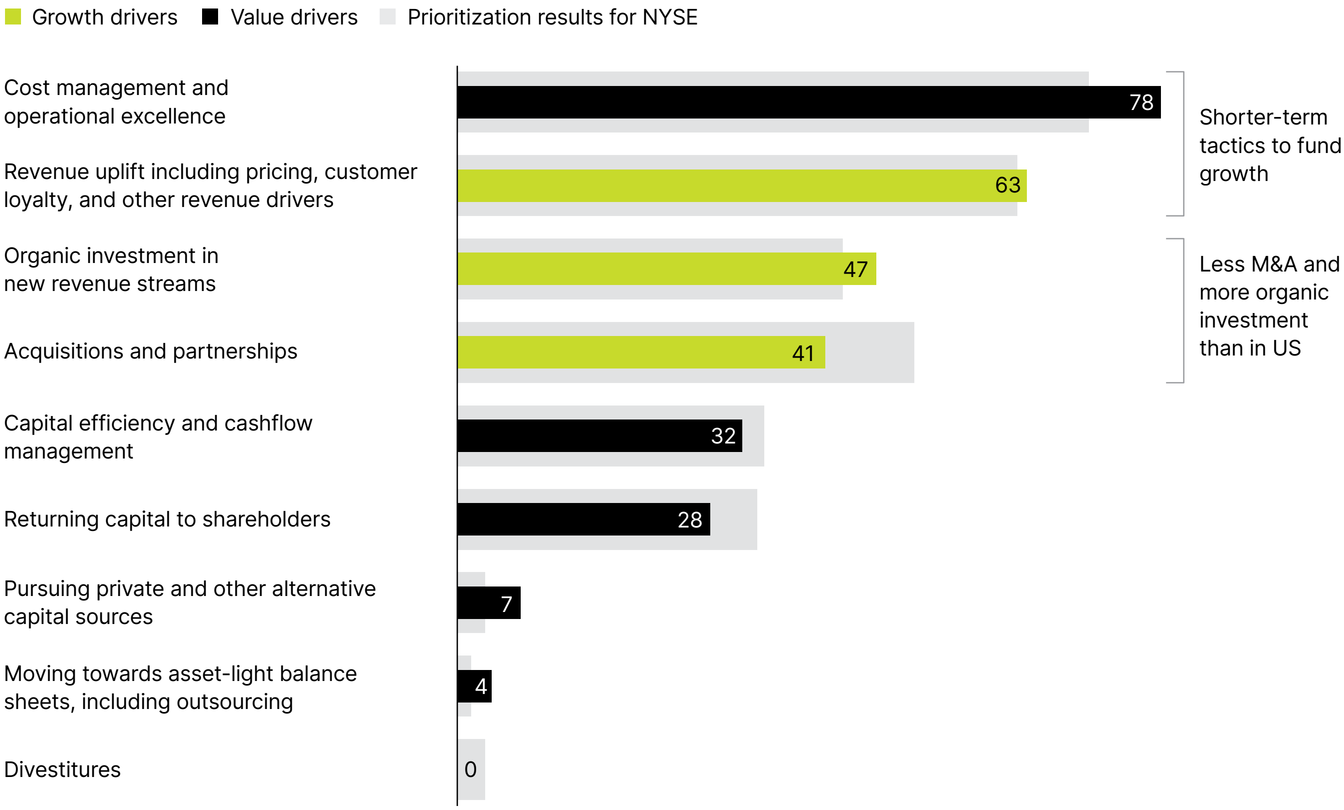
The evolving policy and financial environments create fresh opportunities to drive growth, and European business leaders are determined to capitalize. A majority of CEOs (56%) in the Oliver Wyman Forum survey selected a growth lever as their top priority for increasing shareholder value over the next one to two years, a share that rose to 67% among just UK CEOs. While the European figure lags somewhat behind NYSE CEOs, it still reflects a strong level of ambition across the region. In addition to revenue uplift, nearly half of European CEOs are prioritizing organic investment in new revenue streams.

Most European and UK CEOs selected a growth factor as their No. 1 priority

Question: “What are your top three priorities for increasing shareholder value in the next one to two years? (Select and rank top three)”
N (Europe)=77, N (NYSE)=165
Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

European CEOs' top three priorities for increasing shareholder value in the next one to two years

% of CEOs who selected as part of top three



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Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

Executives are combining their ambition with commercial discipline to fund and scale growth bets. Cost management is a clear focus: 78% of European CEOs included it among their top three priorities, slightly ahead of US CEOs (70%). One in five European CEOs ranked cost control as their number one priority. French CEOs stood out as the most cost-focused, with 35% naming cost control as their top priority.

As they pursue both growth initiatives and cost discipline, Europe's business leaders should be clear in communicating their strategy to financial market participants. That means articulating a corporate vision that can generate sustainable growth, boost returns on capital, and widen competitive moats. These are critical factors for long-term investors, who serve as key partners for CEOs.

STRONG EMPHASIS ON M&A AS BOARDS INCREASE STRATEGIC OVERSIGHT

Dealmaking is on the rise in Europe amid growing pressure to generate growth and improve performance. Eighty-seven percent of European CEOs plan to pursue deals in the next one to two years. That figure rises to 94% among CEOs of publicly listed companies — which represent nearly two-thirds of the survey sample — closely mirroring the ambition of their NYSE-listed peers.

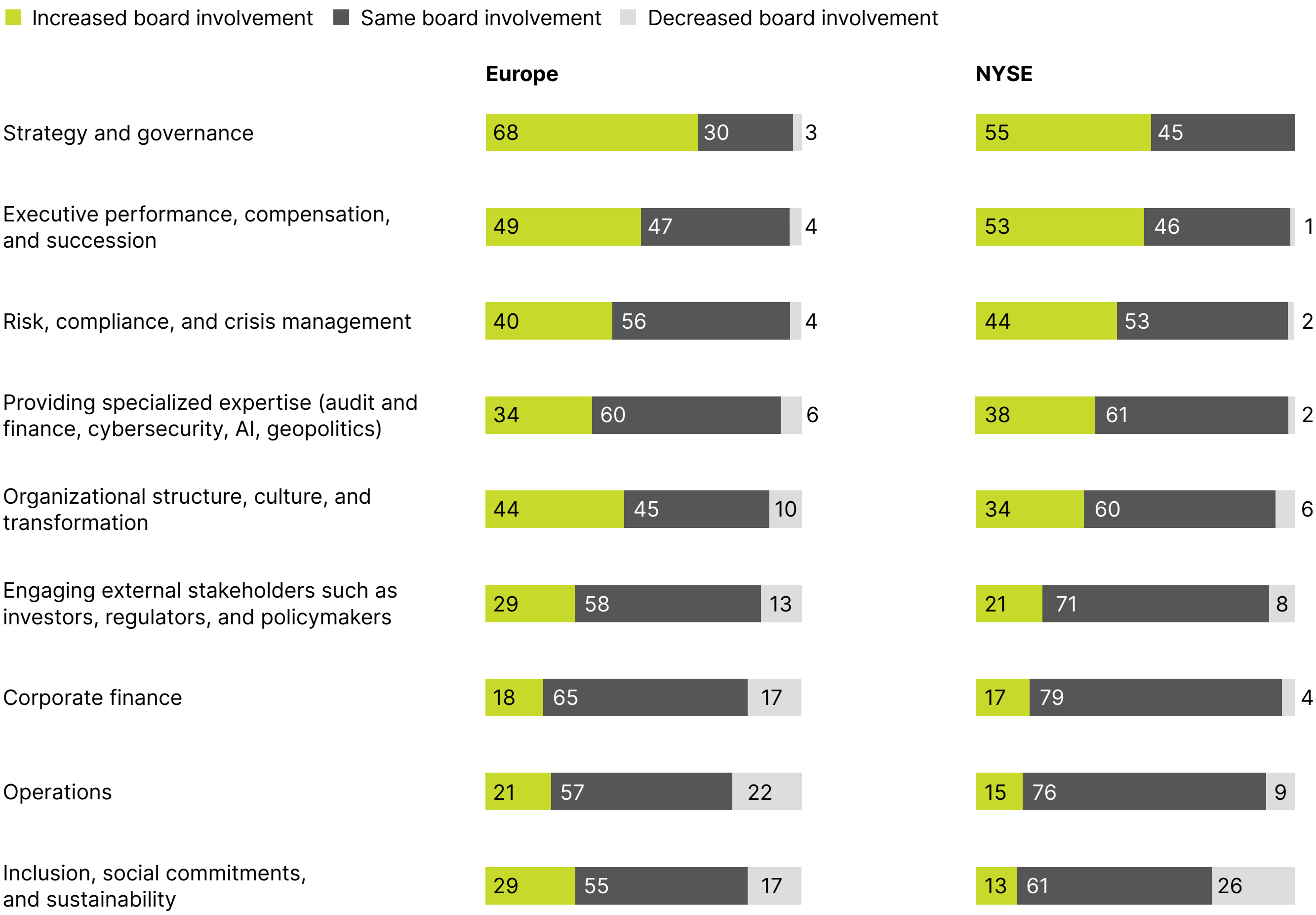
Structural and regulatory factors have long weighed on merger and acquisition activity in Europe, but policymakers in the UK and EU are rethinking the downsides of restrictive antitrust regimes. The UK, which began relaxing its merger control framework in 2025, trails the European average, with 81% of CEOs planning to conduct M&A activity in the next two years. The evolving regulatory climate and improved access to capital create an opportunity for European companies generally, and UK firms in particular, to pursue M&A more aggressively.

CEOs looking to do deals need to be rigorous in assessing the market and deciding where an acquisition — or perhaps divestment of an underperforming or misaligned unit — can further their growth strategy. Smaller, domestically focused firms tend to either prioritize in-market consolidation or position themselves as an attractive acquisition target, while larger firms pursue cross-border mergers to gain scale.

Acquisitions can be a quick way to move the needle on corporate performance, which may explain the strong dealmaking interest. Europe's CEOs dedicate 45% of their strategic planning to horizons of less than one year, and only 6% to long-term horizons of seven to 10 years. French CEOs show the strongest short-term focus, devoting 52% of planning time to the coming year and a mere 2% to the next seven to 10 years. The short-term thinking coincides with growing pressure from the boardroom and shareholders. Across Europe, 68% of CEOs report increased board involvement in strategy and governance, rising to 74% among UK CEOs.

Shifts in board involvement

% CEOs selected within each area



Question: "In the past 1-2 years, how has your board's level of involvement changed across the following topics? (On a scale of: Increased involvement, Same involvement, Decreased involvement)," N (Europe)=77, N (NYSE)=165

Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

STRENGTHENING CRISIS MANAGEMENT FOR GEOPOLITICAL RISK

European business leaders continue to face geopolitical risk as war grinds on in Ukraine, new tariffs hit exports to the United States, and China brings increased competition across a broad range of goods, including low-cost electric vehicles. Yet CEOs appear relatively sanguine, reflecting their familiarity with the environment and confidence in measures already taken to bolster resilience. A third of European survey respondents plan to de-risk or diversify their supply chains in the next two years, compared with a little over half of NYSE chiefs.

Seventy-four percent of European CEOs view geopolitics as a short-term business risk, a large share but significantly less than their NYSE peers. More striking is the other side of the ledger: 26% see opportunity in geopolitics, more than double the rate of the NYSE cohort. One particular opportunity stands out: Nearly a third of European CEOs say they plan to pursue cross-border mergers or acquisitions. This may partly reflect Europe's shrinking share of global economic output, which incentivizes more cross-border trade.

Trade restrictions and other geopolitical issues may create opportunities for European companies to gain market share in areas where suppliers and customers are looking to diversify. European automakers have increased their share of the European electric vehicle market this year, for example, as demand for US EV brands declined.

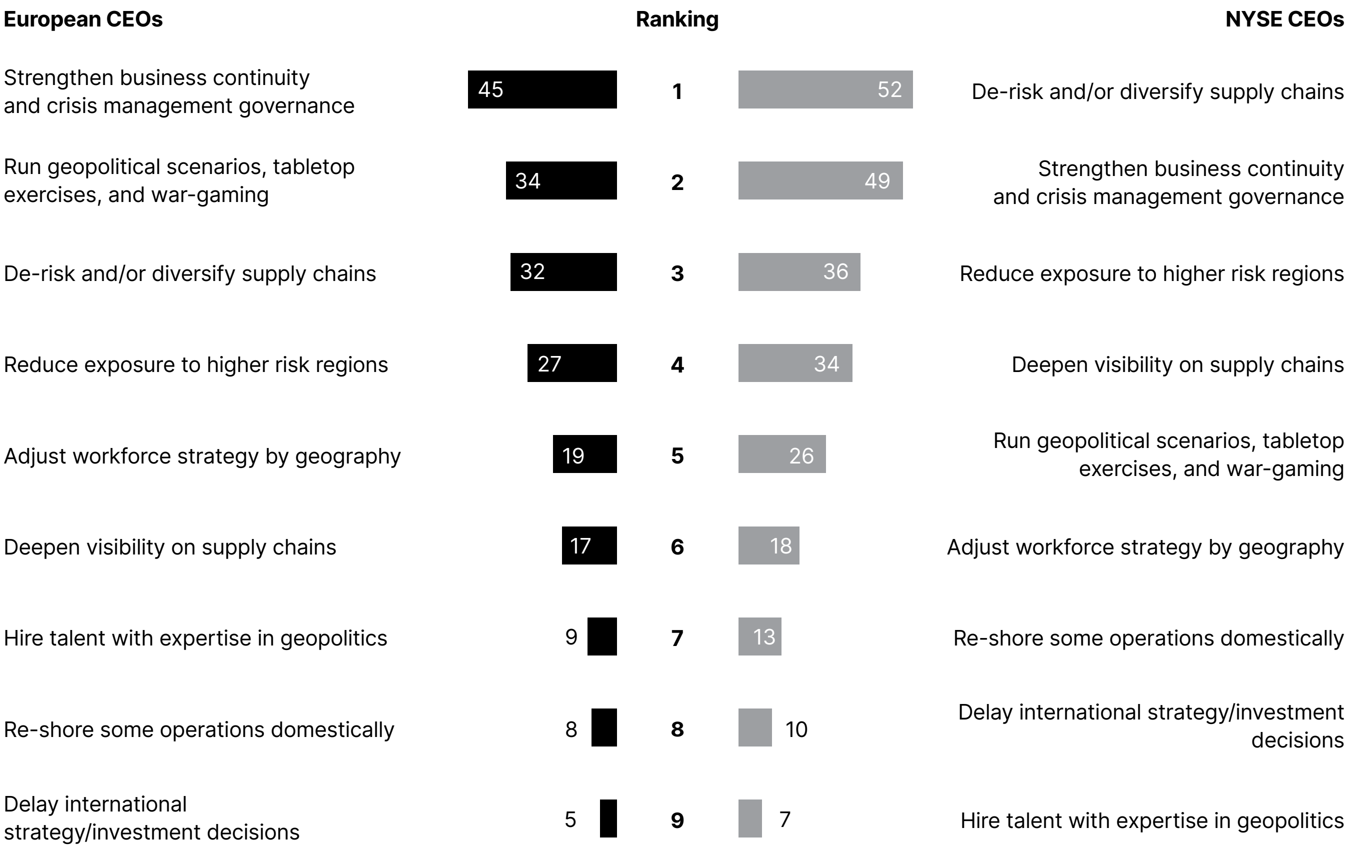
As Europe pivots to a more resilient and self-sufficient economic model, that can create openings for other industries such as advanced manufacturing, semiconductors, and defense and aerospace, especially if companies collaborate to gain scale. More broadly, European companies are adapting themselves to a fragmenting world — tailoring their value proposition by market, tracking their margins more granularly and in real time, increasing scenario planning, and decentralizing their businesses into geographic blocs.

In addition, with European CEOs seeing twice as much business impact from climate sustainability as Americans, the green economy offers opportunities for firms if they are clear about what niches they want to play in. The green economy — defined as companies producing goods and services with environmental benefits — is currently valued at $7.9 trillion in market capitalization.

In a world where politics increasingly shapes markets, a growing number of factors are outside CEOs' control. To mitigate this, CEOs are also engaging actively with government to voice their firms' needs, shape partnerships, and understand the direction of travel.

Actions to increase preparedness for geopolitical shocks

% CEOs selected



Question: "What steps will your company take in the next 1-2 years to increase its preparedness for geopolitical and supply chain shocks? (Select all that apply)," N (Europe)=77, N (NYSE)=165

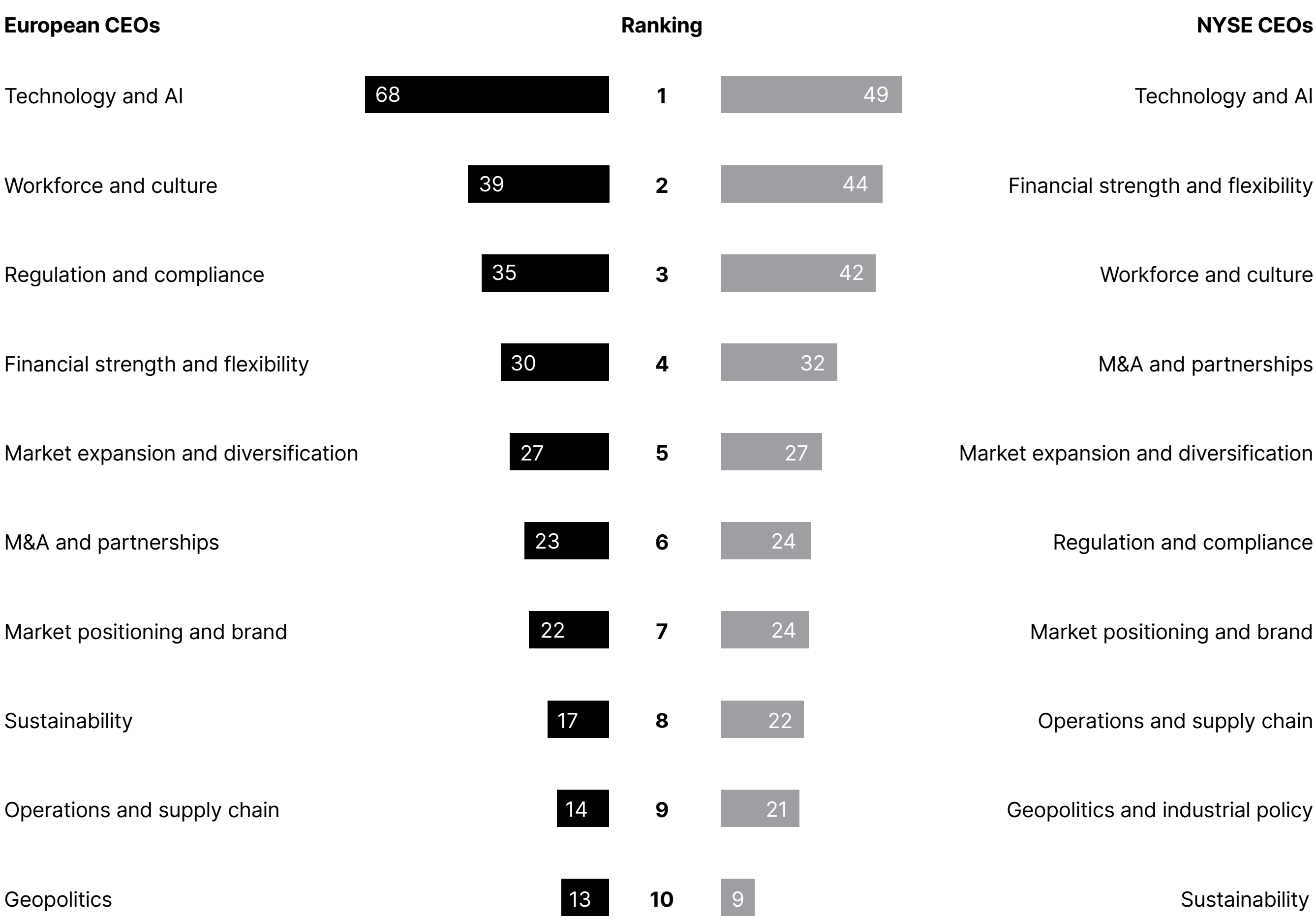
Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

BETTING BIG ON AI, WAITING ON RETURNS

European CEOs are just as bullish as their American peers on the potential of AI to transform their businesses, and they are investing across a broad range of use cases. Results, however, are taking longer to materialize.

Almost all European CEOs surveyed (97%) said they regarded AI as a business opportunity, roughly in line with their NYSE-listed counterparts, while two-thirds view AI and technology as critical to their company's long-term competitiveness compared with only 49% of Americans. As the CEO of one Swedish company we interviewed said, "Every board member is asking for our AI strategy."

Forces influencing long-term business competitiveness in the eyes of CEOs
% CEOs selected

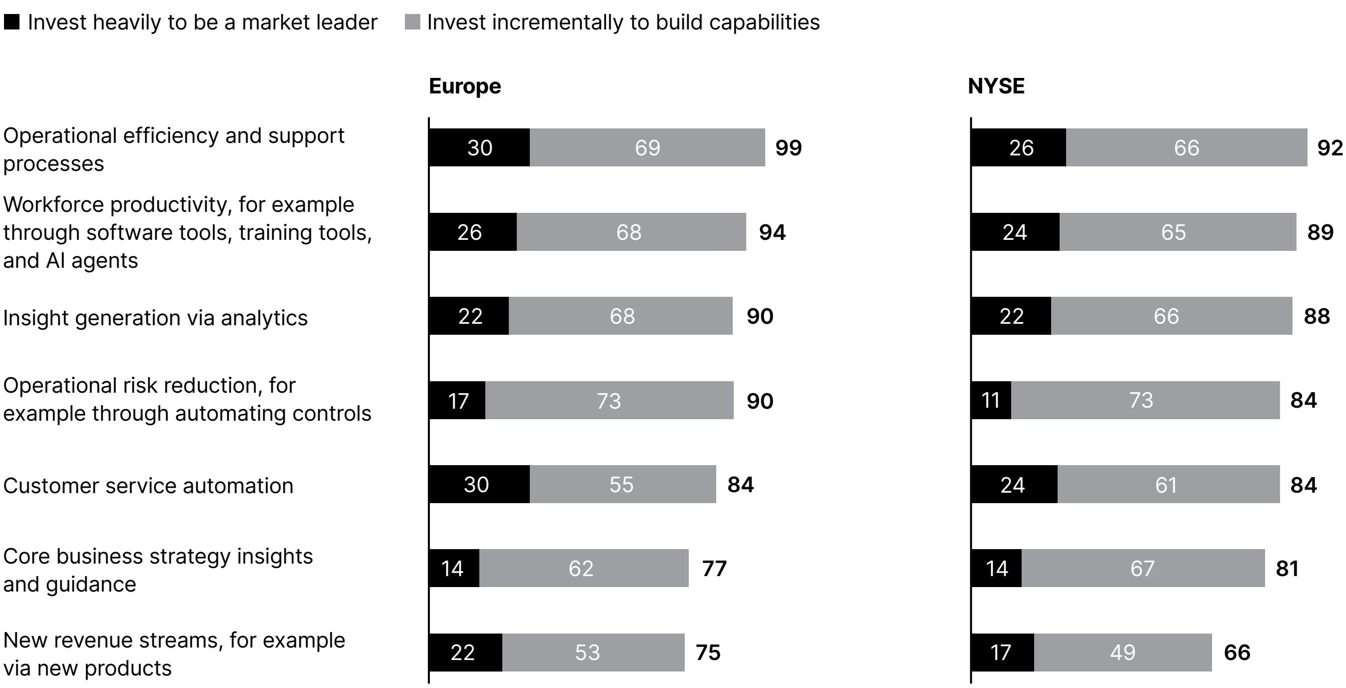


Question: "Over the next 5-10 years, which three forces within and outside of your company will have the biggest impact on your company's competitiveness?" N (Europe)=77, N (NYSE)=165
Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

Europeans are backing their commitment with money. Their internal investments across a range of AI use cases appear at least as ambitious as those of their NYSE-listed peers, although that may reflect survey timing. (European CEOs were surveyed three months after NYSE CEOs.) Particularly notable is the fact that a sizable number of Europeans are investing heavily to become market leaders, and three-quarters of these CEOs are deploying AI to unlock new revenue streams.

CEO level of investment in AI capabilities across use cases

% CEOs selected



Question: “To what extent are you investing in AI capabilities across the following areas?,” N (Europe)=77, N (NYSE)=165

Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

A significant number of these companies are leading the pack by generating improvement of over 10% in overall cost savings or revenue gains from the technology. Fourteen percent of European respondents are such AI leaders, compared with 17% of NYSE-listed CEOs.

Yet for many companies, the return on AI investment is lagging. Fifty-four percent of European CEOs reported achieving quantifiable financial impact from AI, compared with 60% of NYSE CEOs. And Europeans were half as likely as their NYSE peers to say return on AI investment met or exceeded expectations. This lag in returns is especially stark in the United Kingdom.

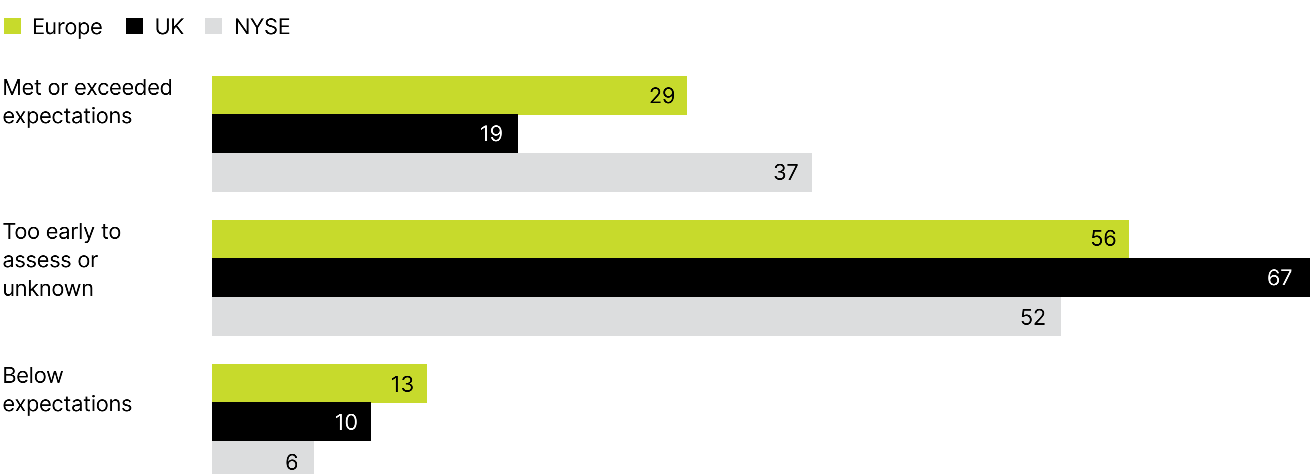
Two-thirds of UK CEOs said it was too early to assess the ROI on AI despite the fact that the country is the third-largest AI market in the world after the United States and China, valued at $92 billion (£72.3 billion) in 2024.

The lag in ROI may explain the widespread sense of urgency among leaders. Nearly half of European CEOs cited "not moving fast enough" as one of their top three AI-related concerns, a share that rises to 62% among French CEOs.

European firms could take inspiration from NYSE CEOs by adopting an ROI-first discipline, aiming to transform rather than tweak their business, and looking for opportunities in areas where others see risk, such as the potential for AI-driven adaptive pricing amid macro volatility.

ROI on AI investments

% CEOs selected



Question: "What is the financial impact for your company of your AI initiatives as of today in terms of return on investment?" N (Europe)=77, N (NYSE)=159

Source: Oliver Wyman Forum European CEO Survey 2025; Oliver Wyman Forum x NYSE CEO Survey 2025; Oliver Wyman Forum analysis

INVESTING IN WORKFORCE SKILLS WHILE EYEING AUTOMATION

European CEOs are aligning their talent strategies with a vision for competitiveness. These leaders ranked workforce and culture as the second-most important factor for long-term success after technology and AI (NYSE CEOs ranked it No. 3). Three out of five European CEOs also view talent as an opportunity in the short term, compared with 75% of NYSE bosses.

Share of CEOs who see talent as an opportunity

% CEOs selected

Question: "Are the following factors more of an opportunity or a risk for your business over the next 3 years? (Select one response for each topic)" N (Europe) = 77, N (UK) = 42, N (NYSE) = 165

Source: Oliver Wyman Forum European CEO survey 2025; Oliver Wyman Forum x NYSE CEO survey 2025; Oliver Wyman Forum analysis

Many European CEOs plan to seize that talent opportunity by upskilling their workforce rather than expanding headcount. Seventy-four percent of respondents reported that they are investing in employee development. That focus is well founded considering that the World Economic Forum estimates nearly 40% of current skill sets will be transformed or rendered obsolete by 2030.

Investing in workers' skills is especially important for fulfilling AI ambitions. It can attract talent by demonstrating a firm is keeping up with its competitors on AI, something that European workers (41%) are less likely to say of their employers than American workers (53%), according to the Oliver Wyman Forum's global consumer survey.

Some upskilling comes with a tilt toward experience. Roughly a third of European CEOs (34%) plan to focus on hiring mid- and senior-level professionals. This shift is accompanied by a move toward automation. More than a quarter (27%) of European CEOs plan to replace workers with technology, indicating a strategic emphasis on tech-driven productivity, particularly in junior roles. In the UK, for example, graduate job openings have declined by two-thirds since the launch of ChatGPT in 2022, to the lowest level in nearly seven years. This comes as 72% of European CEOs tell us their workforce size will either stay the same or decrease.

Whichever way European CEOs lean, these business leaders are keenly aware of their longtime challenges as well as the new opportunities that policy changes, financial market shifts, geopolitics, and technology may enable. Their determination to pursue growth in today's uncertain environment is a positive sign for the European private sector.

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