

Capital Markets Days in Europe in 2025:

Defining a Strategy at Times of Great Uncertainty?

EXECUTIVE SUMMARY

Since early September 2025, we have followed Capital Markets Days (CMDs) and Strategy Updates of 60 companies of different size and sectors in Europe to better understand how companies got to terms with significant changes in international trade policies, the regionalisation and weaponisation of foreign currency, tariffs and export licences as well as the growing dichotomy between equity valuation and the often subdued mid-term earnings outlook.

While the investment community remained largely underwhelmed, best reflected in the share price performance of the relevant companies at close of trading on the day of the CMD, there are a number of interesting observations worthwhile highlighting:

- An enormous amount of management consultancy parlance, which was in sharp contrast to original investor expectations and extremely repetitious. To our knowledge, not even one analyst or investor asked about “customer centricity” and/or “people & culture” (“performance culture”) during CMD Q&As.
- A great investor and analyst skepticism about the growth outlook provided by various European companies, particularly if they were to be adjusted for inflation. In turn, the investment community remained largely preoccupied with operating leverage, margin improvement and free cashflow generation.
- When it came to strategy adjustments, it was the operating model which (mostly new) management changed, including streamlining, decentralisation of decision-making and portfolio optimisation, though not much detail was provided in terms of incentivisation and management remuneration.
- On the day of the CMD, professional fund managers rewarded mostly those companies that either upgraded their dividend policy or announced major workforce reduction and, implicitly, showed the scope of further efficiency enhancement through automation, robotics and AI.
- Interestingly, only a minority discussed previously announced ESG targets without providing much update. In turn, the key focus of the 2025 autumn CMD season was on sustainability towards more “impactful delivery” (ABN AMRO) and, most importantly, on the social factor, with extensive coverage of employment engagement surveys, the attraction and development of talent, fast track Next Gen Leadership and how to “sharpen performance culture” (Heineken).

AUTHORS: Peter and Irina Kirkow, Kirkow Consulting GmbH & Co KG, Vienna/Austria

Tel: +43-664-5426098, E-mail: peter@kirkow-consulting.com and irina@kirkow-consulting.com

INTRODUCTION AND OVERVIEW

We have followed 60 European companies at their Capital Markets Days and Strategy Updates since early September 2025. The sample was difficult to identify, given company-specific idiosyncracies and – one could not help the impression - the desire to keep the event within a small and cosy group of analysts, mainstream investors and relationship banks. While there was perhaps understandably a preference to get analysts and investors to attend the event physically, it was surprising how challenging it was sometimes to identify an upcoming CMD. In addition, more than 10% of all CMDs were not even webcasted live.

While we took a neutral stance in our analysis and followed European companies of different sectors and size, we opted for a narrow timeframe of our research between early September and the second week of December,ⁱ as this covered a period when new US tariffs had already set in and companies were getting to terms about how to define their outlook for not only 2026 but also, and more importantly, for the mid-term (2027-28) and even long-term (2030 and beyond). In this respect, we note a wide range of different strategy outlooks and financial KPIs, where some companies took the opportunity to move existing 2027-28 targets out to 2030 (though often not clearly communicated), as the current economic uncertainty and tariff volatility took its toll. The adjusted strategy outlook and financial guidance was mostly in conjunction with senior management changes, a new business structure and/or M&A activity.

EXHIBIT 1: EVENT PURPOSE

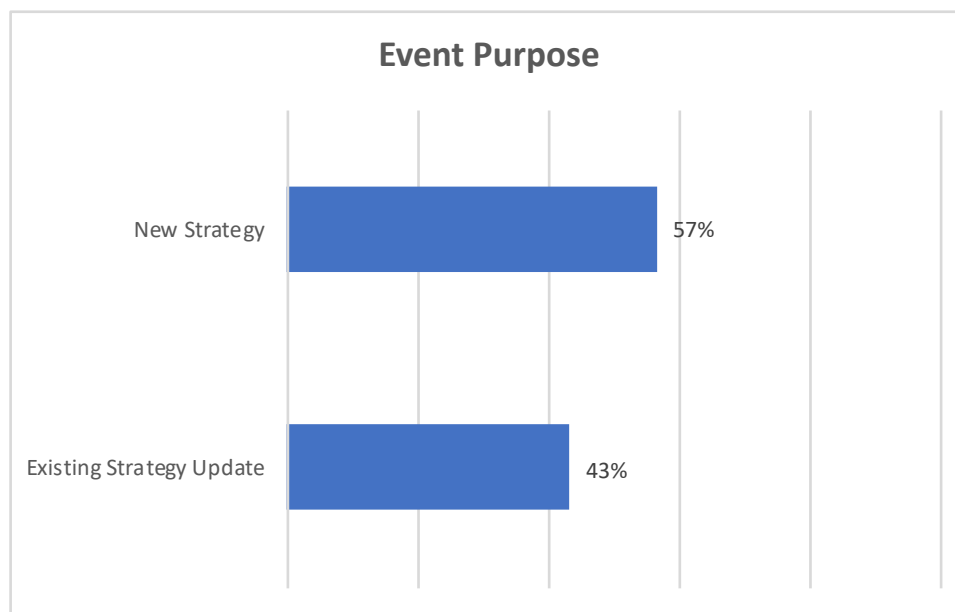
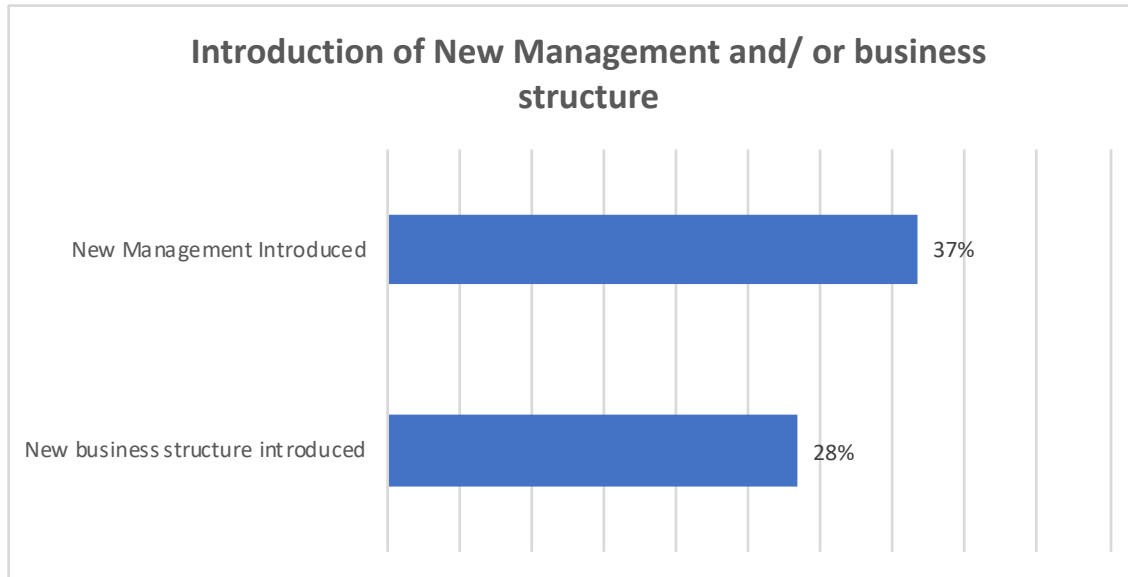
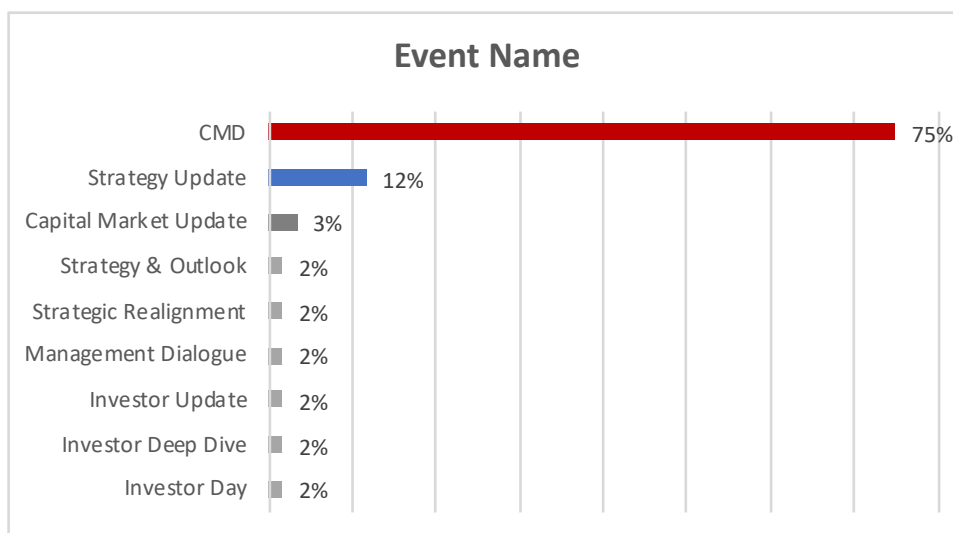


EXHIBIT 2: INTRODUCTION OF NEW MANAGEMENT AND/OR BUSINESS STRUCTURE



Among the 60 European companies we had followed, very different formats for this major investor event were chosen – ranging from CMD/Investor Day to Capital Markets and/or Strategy Update to Deep Dive (Deutsche Bank) and Management Dialogue (Swiss Re). While there is arguably a clear distinction between a CMD/Investor Day, mostly implying a new strategy definition, and a Capital Markets and/or Strategy Update, following up on the previous event one or two years later, various companies allowed for much interpretation as there were often implicit strategy adjustments during the latest reporting season (Carl Zeiss Meditec).

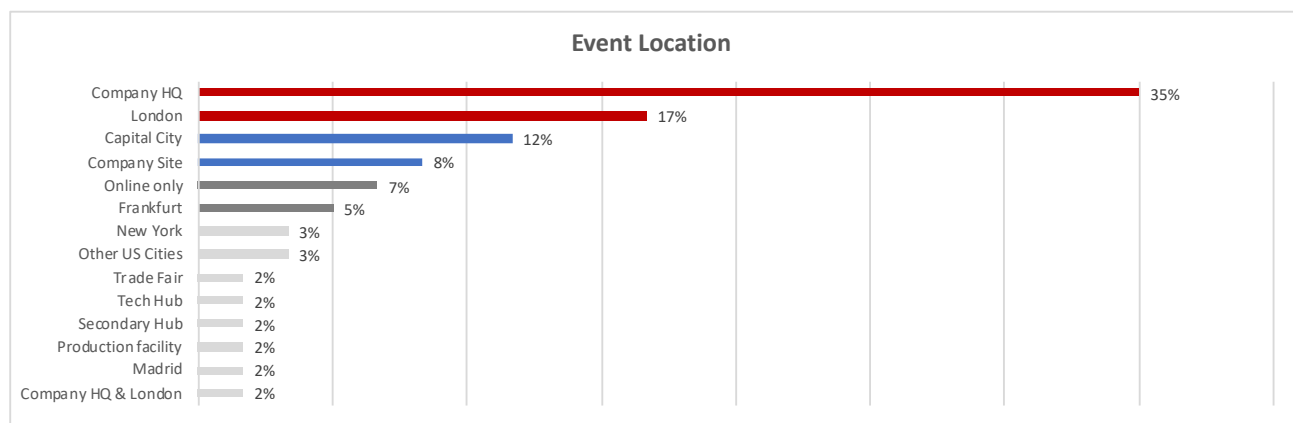
EXHIBIT 3: EVENT NAME



Similarly, the choice of event location reflected on the strategic ambition as major financial centres like London, New York and Frankfurt figured prominently. In this context, the fact that US cities

were still chosen by some major European companies (ABB, Skanska, TotalEnergies, Nokia) sent a clear message to the investment community that they remain committed to the US market.ⁱⁱ While just over one third chose their company headquarters, we also note a variety of alternative venues like company sites or specific production facilities, trade fairs or even tech hubs. Seven per cent of the total opted for an online only format.

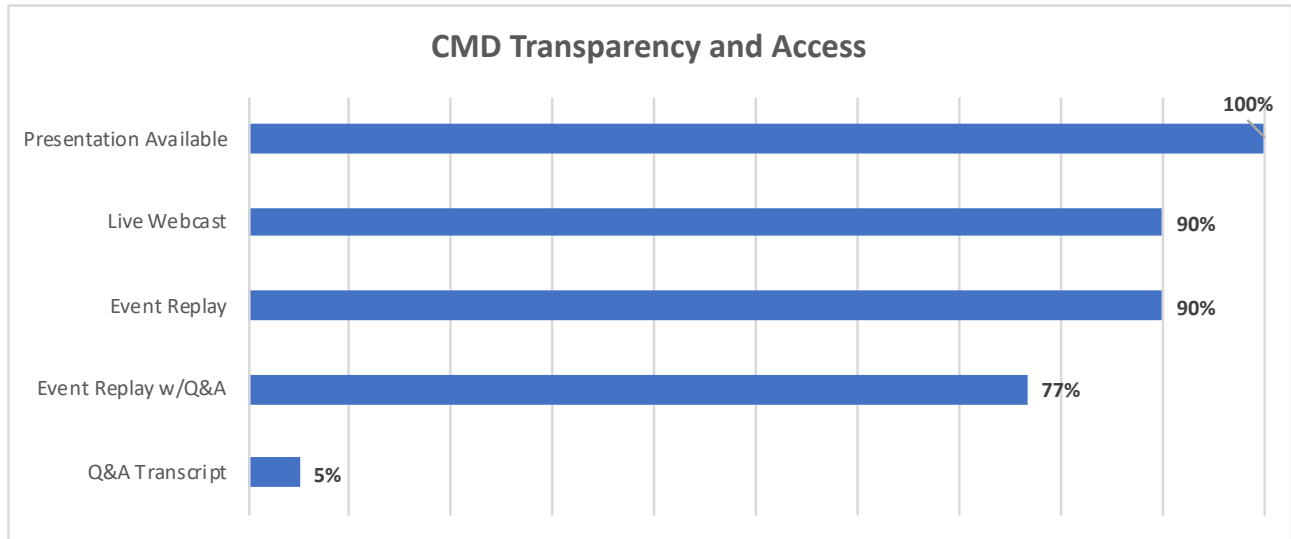
EXHIBIT 4: EVENT LOCATION



Finally, the varying scope and different levels of transparency and disclosure were somewhat puzzling: it was not clear why so many companies opted to keep tight-lipped in a more or less closed-door event. While all companies placed the CMD presentation on their website, only 90% provided a live webcast and equally 90% a webcast replay. The latter had often a significant time lag (up to two months), which made the replay a historical event at best. From an investor perspective, this is clearly not a timely update of relevant information, even if allowing for technical correction of the video replay.

Most importantly, we found most surprising the number of instances of the Q&A being cut out either from the live webcast or the replay. Clearly, from a neutral perspective the Q&A provides the best insight into the first market reaction and/or major analyst and investor concerns, which then largely explains the share price performance on that day. Even if allowing for the huge public interest in some new strategy announcements, it was rather disappointing that established brands like Deutsche Lufthansa cut out the Q&A in the webcast replay and opted instead for well-choreographed key messages on their website.ⁱⁱⁱ

EXHIBIT 5: CMD TRANSPARENCY AND ACCESS



In summary, the main interest of our research was about the substance companies were really prepared to provide at times of unprecedented uncertainty and, looking ahead, what key underlying structural and/or secular trends were identified in their strategy outline.

KEY STRATEGIC THEMES

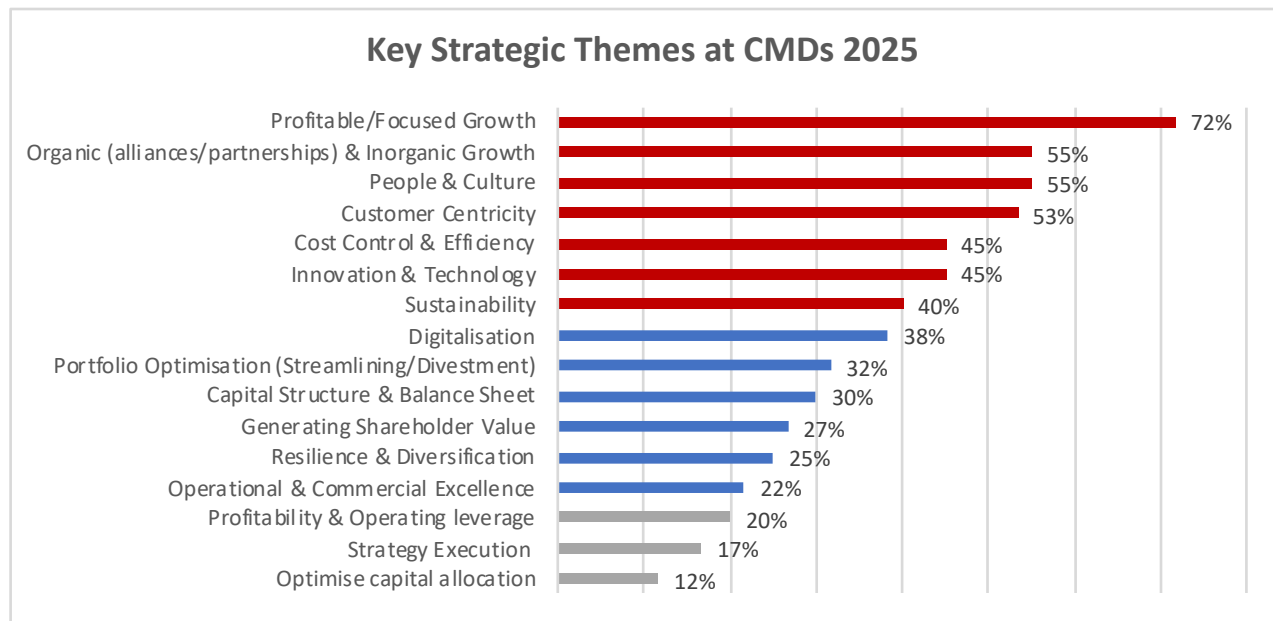
While companies still cited various megatrends impacting their business, there were some new themes dominating the strategy discussion by European corporates this year, including regionalisation, European sovereignty (digital, Capital Markets Union), Security & Defence and, interestingly, the focus on labour and the need to adjust to the new era of AI. In this context, some significant workforce reductions were announced accompanied by the acceleration of AI implementation, with some banks aiming to reduce full-time employees (FTEs) by 20%, including ABN AMRO (by 2028) and Deutsche Bank (2030)^{iv}

Given all the uncertainties about trade tariffs, currency exposure and export licenses, it was perhaps not surprising that European companies took the time to explain operational and structural adjustments extensively during their CMD presentations, often introduced by the Chief Operating Officer, including the shift in supply chains, regional procurement, energy, raw materials and technology (automation, robotics and AI). Judging by the scope of analyst and investor questions in the Q&A, this was no doubt of greatest interest at this year's CMD season.

However, the surprising observation for us was the extent of extremely repetitious management consultancy parlance, which was in sharp contrast to investor expectations. One of the most frequently used strategic themes was that of "customer centricity" (variously disguised in varying wordings like "customer focus" or "customer-oriented mindset"), which begs the question of why it is being highlighted now and whether this had not been important before. Similarly, "people &

culture“ figured prominently, although with a new tweak towards “performance culture“. In this context, the need for more teamwork was frequently emphasised (Team Nokia, ABB Way), although, to our knowledge, not even one analyst or investor asked about “customer centricity“ and/or “people & culture“ during CMD Q&As this year.

EXHIBIT 6: KEY STRATEGIC THEMES AT CMDs 2025



Still, to present the full picture, the main framework of interest for investors in terms of “growth – profitability – capital“ ranked highly, often expressed in different but somewhat overlapping themes for organic/inorganic or profitable growth, “cost control & efficiency“ and “capital structure & balance sheet“. At times of economic uncertainty, management consultancy language was also reflected in terms of “resilience & diversification“, “portfolio optimisation“ and “strategy execution“. However, we found interesting to compare our findings with McKinsey’s investor survey of fund managers’ specific interest in CMDs (published in August 2025), where investors clearly preferred to learn more about return, growth and profitability while, in turn, customers or sustainability ranked at the lower end.^v

EXHIBIT 7: MCKINSEY SURVEY ON INVESTOR CMD EXPECTATIONS

Investors cite return, growth, and profitability as the most crucial long-term strategy metrics.

Metrics preferred by investors for anchoring of companies' long-term strategies,¹ % of respondents

Metric type		Most cited within metric type
Return	62	ROIC, ROE, ROI, IRR, ARR ²
Growth	43	Revenue growth, EBITDA growth, EPS growth and other margin growth
Profitability	30	EBITDA, EBIT, EBITDA margin, NOPAT ³
Cash flow	11	Free cash flow, free cash flow margin, cash conversion
Leverage	5	D/E ⁴ ratio or other leverage ratios, net debt, credit rating
Market	2	Market share
Efficiency	2	Cost efficiency, usage
Customer	2	Client numbers, customer satisfaction score, retention
Valuation	1	EV/EBITDA, MOIC, ⁵ P/E
Sustainability	1	ESG ⁶ score and other sustainability metrics
Management	1	Outstanding management
Other	1	Performance vs benchmark, distribution

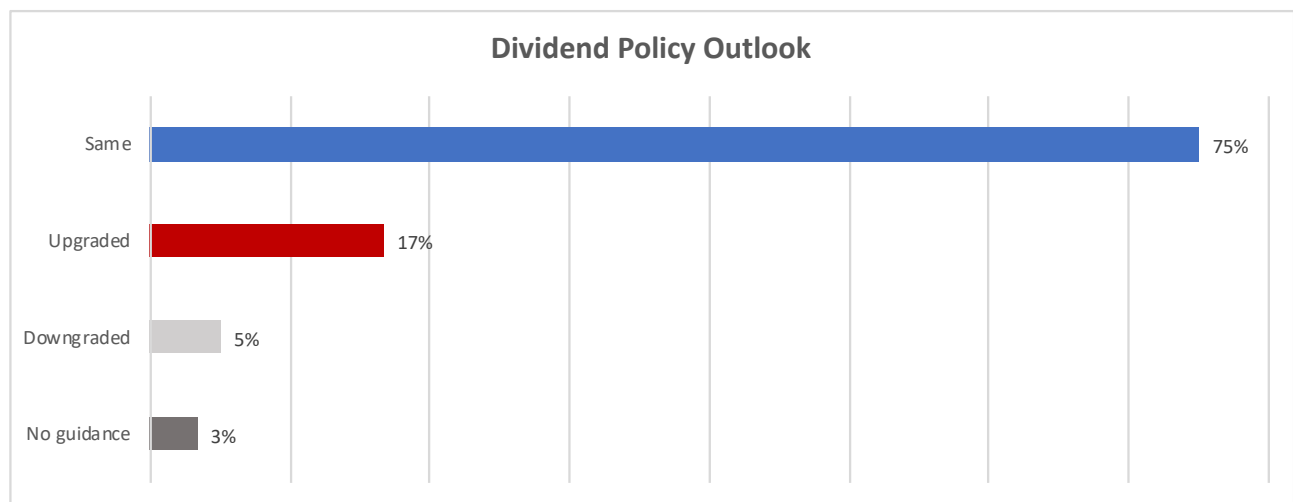
¹Question: What are the 3 to 5 key metrics you prefer companies to anchor their long-term strategy to (eg, ROIC, revenue growth, etc)? Respondents could provide up to 5 metrics in a free-text field; some count variation may occur given interpretation of free-text responses. ²Annual recurring revenue. ³Net operating profit after tax. ⁴Debt to equity. ⁵Multiple on invested capital. ⁶Environmental, social, and governance.
Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

As a final observation on key strategic themes, while in previous years corporate strategies were extensively explained in terms of “mission – vision – purpose”, only a small minority discussed specific company values and purpose this time, with “sustainability & responsibility” taking the lead in everything that was previously ESG-related. Given a more somber and realistic reflection on non-financial targets going forward, best expressed in terms of “sustainability with broad ambition [moving] to more impactful delivery” (Marguerite Berard, CEO of ABN AMRO), it was perhaps also no coincidence that the social factor within ESG figured most prominently, given all the pressure in terms of demographics, talent and technology, notably AI.

OUTLOOK AND GUIDANCE

When reaching the final stages of CMD presentations and coming to the outlook statement - although some companies elegantly presented this at the very beginning - we felt that companies most convincingly aligned their strategic ambition with the “growth – profitability – capital” framework investors would typically prefer. In this context, while cashflow and returns also figured prominently, the “special perk” for many European companies this year was to upgrade their dividend policy, which was often rewarded with a higher share price at close of trading on the day of the CMD. While many companies verbally promised a higher dividend by aiming for more profits in the mid and long term, our analysis considered as upgrades only cases of a higher payout ratio and/or additional interim or special dividends (while excluding share buy-backs). Clearly, companies tend to present shareholder return as a full package of dividends and buy-backs; however, we observed a clear investor preference for higher dividend payouts as reflected in the share price reaction on the day of the CMD or earlier if pre-announced (Hannover Re).

EXHIBIT 8: DIVIDEND POLICY OUTLOOK



Given the different sectors and sizes of companies in our sample, we refrained from comparing specific guidance KPIs and analysed outlook statements in more qualitative terms. However, what became clear this time was that hardly any company had linked new financial targets with the management short and long-term incentive scheme. To our knowledge, only Heineken presented this in a more comprehensive way and, for this reason, we include it in our Exhibit 1 in the Appendix. In addition, it was left to investors to figure out the extent of new financial targets' alignment with management contract expiry and/or remuneration, while the misalignment can easily undermine investor confidence in new strategic targets.

Finally, while there was clearly less focus on ESG targets, even those who included them in their presentation focused predominantly on social factors, highlighting various employment

engagement surveys, their effort to attract and develop talent (training, higher qualification), while even outlining the need for fast-track Next Gen Leadership and to “sharpen performance culture” (Heineken). As mentioned in the previous section, given all the focus on automation, robotics and AI in this year’s CMDs, the predominant focus on labour and the need to develop a more AI-savvy workforce was perhaps the most logical strategic link.

However, while almost every company mentioned their AI efforts in one way or the other, only a few really tried to quantify both the investment needed and the expected benefits over the next few years.^{vi} In the Appendix, we provide an example from Merck KGaA when trying to quantify the benefits of their AI implementation (Exhibit 2).

MAIN OBSERVATIONS

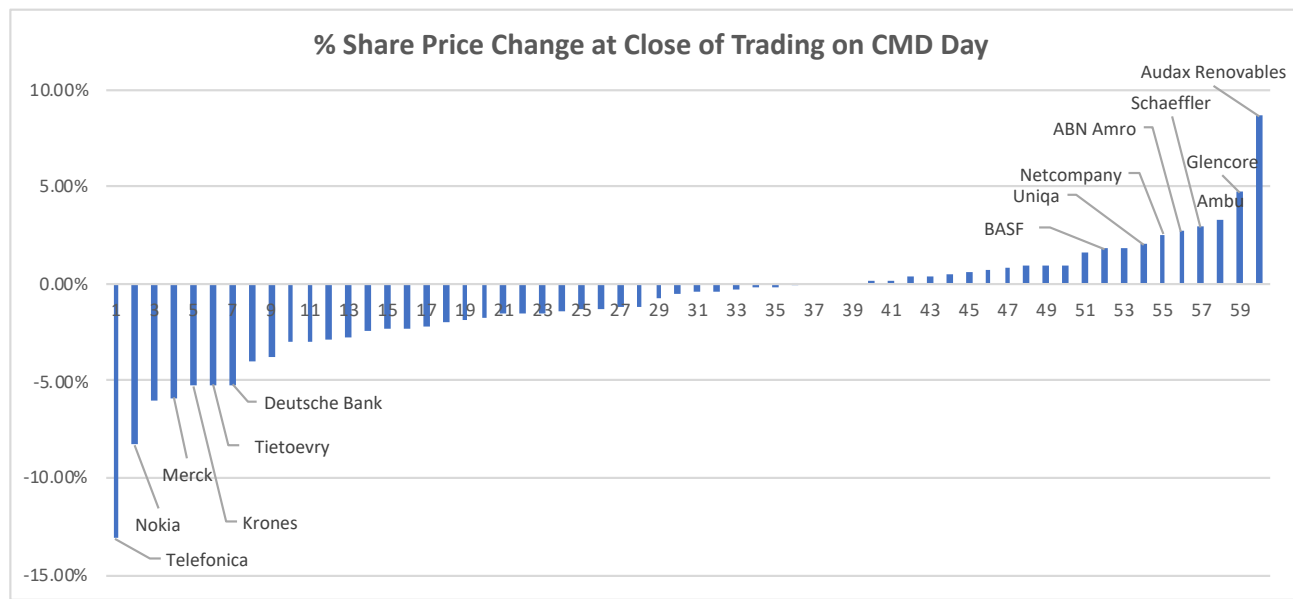
The strong influence of management/strategy consultants on the way many companies defined their new strategy and positioned themselves to the investment community was not only in sharp contrast to original investor expectations – judging by their preference for financial targets asked during the Q&A – but also added an unnecessary and very abstract stretch for the financially trained investor mindset. One could not help to feel that this was not only extremely repetitious – as if all these companies had used the same strategy advisors – but also that claims like “customer centricity”, “resilience & diversification” and “performance culture” were largely ignored by analysts and investors. While one might understandably want to include some strategy slides given the high cost of consultancy for these projects, it is probably up to the IR team to apply greater discipline and scrutiny to make sure that key strategic messages don’t get stranded.

At the same time, given that the topic of AI has grown on the investor radar screen, the impact and benefit companies would expect from their AI roll-out needs to be explained better. While most companies had mentioned AI in greater detail, hardly any of them really tried to quantify where it would make a difference in financial terms. Still, the awareness about the future impact of automation on workforce was shown by the example of ABN AMRO and Deutsche Bank, expecting to reduce their FTEs by 20% over the next few years. While there may be some other reasons, as ABN AMRO for instance had a large employment for regulatory data and anti-money laundering purposes which are no longer required, it became clear from this year’s CMD season that AI will have a massive impact on labour, both in terms of the smaller amount of workforce required as well as a different digital qualification and skill set.

Below we provide the share price analysis at close of trading on the day of the CMD for all 60 European companies we had followed since early September 2025. While this might only be a proxy assessment, particularly for those who had already pre-announced major targets and/or a new dividend policy ahead of the event, it still reflects the first spontaneous reaction by analysts and investors on that day. We often observed a first sharp share price reaction in the morning, when companies published their press release, which subsequently corrected when the CMD was going on. But it also got in the other direction, when analysts and investors got not convinced from what had been presented and challenged details during the Q&A (Telefonica, Nokia). We are

aware that this period included several days of more significant market correction, notably in terms of growing investor anxiety about the AI bubble and excessive investments into data centres (e.g. 18 November 2025), which impacted the share price in a disproportionate way.^{vii}

EXHIBIT 9: SHARE PRICE CHANGE AT CLOSE OF TRADING ON CMD DAY



In terms of the strategy timeframe and targets, we note many remaining grey areas, as companies were often just rolling over their existing strategy outlook for 2027-28 to 2030. Others provided meticulous details for both periods but failed to convince investors and analysts that they could grow in line with or even above the market.^{viii} While there had been a period in the past when companies reported greater detail on management remuneration together with new financial targets, this was a minority at best in our analysis this year, as fund managers and their governance experts were left to figure out whether management contracts could potentially expire before the new strategy period came to an end.^{ix}

Finally, we note the innovative usage of video clips, music, case studies, customer testimonies (typically more frequently used in the US) and deep dives into specific segments, product groups, markets and technologies (ABB, Skanska). Only a few featured a special section on HR, although this was often overcrowded with management consultancy terminology.^x Good examples of more interactive presentations between the CEO and CFO were provided by Merck KGaA and Zurich Insurance, while Deutsche Bank skillfully introduced their new CFO.^{xi}

RECOMMENDATIONS

1) Please think carefully **what you want to achieve**, including the **timing and location**.

- ◆ Adding a new angle to the investment proposition
- ◆ Addressing critical issues in the market perception
- ◆ Updating on operational and/or specific market development
- ◆ Introducing new management and/or company structure
- ◆ Differentiating yourself from the rest of the industry

2) **Management** needs to be **in the driving seat** (Nokia, Merck KGaA)

3) Provide **free access** to documents, live webcast and Q&A

- ◆ Keep frequent interaction with audience (Heineken, Zurich Insurance)
- ◆ Thoroughly update on industry developments (Schaeffler, Aurubis)
- ◆ Walk the extra mile in explaining details (Hannover Re, Telenor)
- ◆ Follow up with investors and analysts immediately for candid feedback and further input (ABB, Nokia)

ABOUT THE AUTHORS:

- ◆ Peter Kirkow, Managing Director, was formerly a sell-side analyst in London before joining Makinson Cowell, Europe's premier capital markets advisory, where he was made a partner in July 2008. Peter spearheaded the expansion into Continental Europe with a particular focus on German-speaking countries. Peter holds an MSocSci and PhD in Russian and East European Studies from the University of Birmingham (UK).
- ◆ Irina Kirkow, Financial Analyst, had previously specialised in structured finance in London focusing on asset-backed securities. Irina started her early professional career in 2002 at Fitch Ratings before joining AIG Asset Management (presently AIG Investments) in 2006 as a buy-side analyst. Irina holds an MSc in Investment Management from Bayes Business School (London).

LIST OF RELEVANT LITERATURE

Joseph Cyriac, Filip Abrahamsson Kwetzer and John Evers, “McKinsey survey shows investors seek fundamentals and long-term vision”, *McKinsey & Company*, August 2025

Will Hardcastle et al., “How aligned is CEO compensation with shareholder remuneration?”, *UBS*, 23 July 2025

Markus K. Brunnermeier, *The Resilient Society*, (Endeavor Literary Press, Colorado Springs, 2021)

Mark Galeotti, *The Weaponisation of Everything. A Field Guide to the New Way of War*, (Yale University Press, New Haven and London, 2022)

Daniel Susskind, *A World Without Work. Technology, Automation, and How We Should Respond*, (Allen Lane, London, 2020)

Carl Benedikt Frey, *The Technology Trap. Capital, Labor, and Power in the Age of Automation*, (Princeton University Press, Princeton & Oxford, 2019)

Gary Marcus and Ernest Davis, *Rebooting AI. Building Artificial Intelligence We Can Trust*, (Pantheon Books, New York, 2019)

Stuart Russell, *Human Compatible. Artificial Intelligence and the Problem of Control*, (Penguin Random House LLC, New York, 2019)

Robert J. Shiller, *Narrative Economics. How Stories Go Viral & Drive Major Economic Events*, (Princeton University Press, Princeton & Oxford, 2019)

Brunello Rosa with Casey Larsen, *Smart Money. How Digital Currencies Will Win the New Cold War – and Why the West Needs to Act Now*, (Bloomsbury Publishing, London, 2024)

Riccardo Rebonato, *How to Think About Climate Change. Insights from Economics for the Perplexed but Open-minded Citizen*, (Cambridge University Press, Cambridge, 2024)

Karen Hao, *Empire of AI. Inside the Reckless Race for Total Domination*, (Allen Lane, London, 2025)

Chris Miller, *Chip War. The Fight for the World's Most Critical Technology*, (Scribner, New York, 2022)

Stephen Witt, *The Thinking Machine. Jensen Huang, Nvidia, and the World's Most Coveted Microchip*, (Penguin Random House LLC, New York, 2025)

APPENDIX

EXHIBIT 1: HEINEKEN 2030 TARGETS INCLUDING INCENTIVE SCHEME

Our EverGreen 2030 Medium-Term Ambition

Deliver Superior & Balanced Growth with attractive shareholder returns

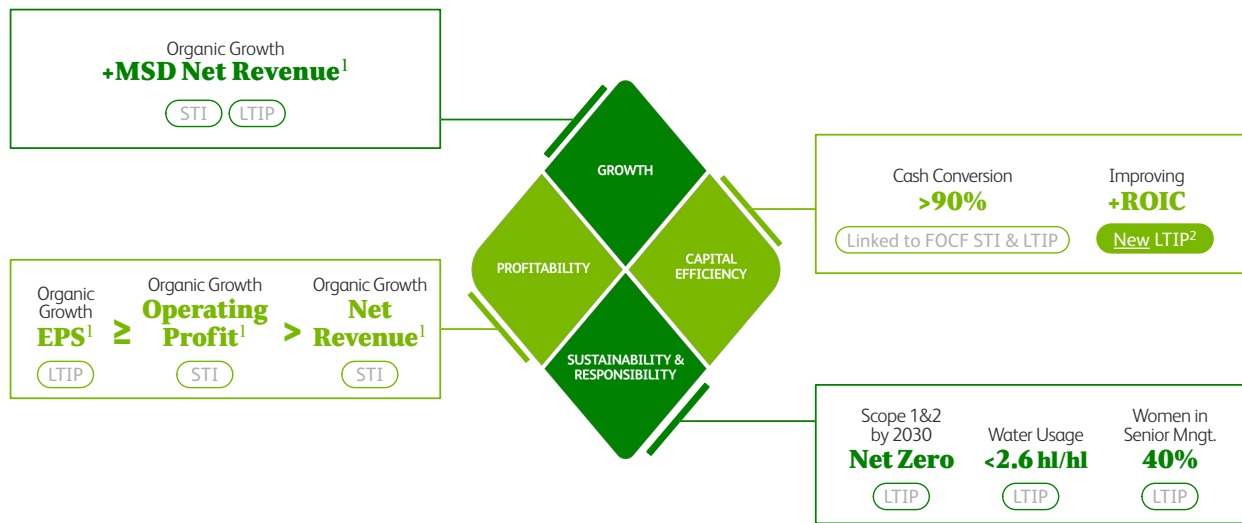
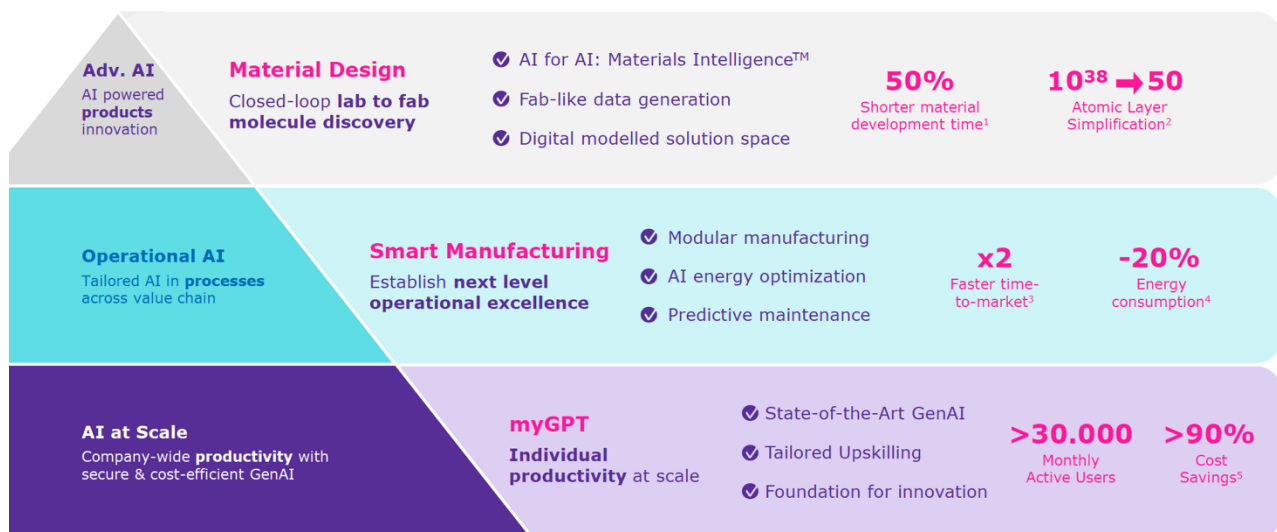


EXHIBIT 2: MERCK KGAA ATTEMPT TO QUANTIFY BENEFITS FROM AI IMPLEMENTATION

Group Leveraging AI to Maximize Business Value and Improve Efficiency



ENDNOTES

ⁱ While we had selectively followed some US (AMD, Caterpillar) and Asian companies (Hyundai Motors), we felt it would be more productive to narrow the focus of our research to European corporates as this made the comparison easier in terms of the implications of the changing global trade regime, notably the regionalisation and weaponisation of foreign currency, tariffs and export licences, with the two extremes over that period of time being probably the UK and Switzerland. We started our analysis with Babcock International on 4 September and finished with Munich Re and Schneider Electric on 11 December 2025. All except one Swedish company presented in English.

ⁱⁱ The fact that the invitations for the CMD in Autumn by the likes of ABB and Nokia were sent out in May – essentially one month after “Liberation Day” – confirms that these companies had thought carefully about the location.

ⁱⁱⁱ While the Lufthansa CMD 2025 took place on Monday, 29 September, some highly relevant information, notably about significant workforce reduction, had already been leaked to the German media on the Friday before. However, why Lufthansa opted to restrict the access to the Q&A and provides now only “key messages of the Q&A session”, remains unclear, see: <https://investor-relations.lufthansagroup.com/fileadmin/data/images/veranstaltungen/capital-markets-day-2025/assets/images/LHG-Capital-Markets-Day-20250929-QA-key-messages.pdf>

^{iv} Please note that ABN AMRO made the official announcement to reduce 5200 FTEs part of their presentation (slide 64), whereas Deutsche Bank just mentioned this in the Q&A, which perhaps is another argument why the Q&A is so important for analysts and investors.

^v Joseph Cyriac, Filip Abrahamsson Kwetczar and John Evers, “McKinsey survey shows investors seek fundamentals and long-term vision”, *McKinsey & Company*, August 2025

^{vi} For an earlier period in late May 2025, an excellent and very comprehensive example was NN Group (slides C.2 to C.17), with a special section on AI, see: <https://www.nn-group.com/site/binaries/content/assets/nn-group/investor-events/2025/nn-group-capital-markets-day-2025.pdf>.

^{vii} Interestingly, the share price of German defence manufacturer, Rheinmetall AG, was down both on 18 November 2025, the day when they announced massive growth targets at their CMD in Berlin, and even more on 19 November 2025, when first news about peace talks between US envoys and the Russian government appeared.

^{viii} One of the most fiercely debated guidance KPIs were those of Telefonica, promising to grow both top line and adjusted EBITDA by 1.5 to 2.5% in 2025-28 and then 2.5% to 3.5% in 2029-30, which was not only odd for investors and analysts as most other companies were aiming for profitable growth - and hence earnings growing faster than revenues - but also for not taking inflation into account. As the City analyst asked during the Q&A, what kind of growth could management really promise if the current industry inflation is in the range of 3%, mostly driven by spectrum, leasing and workforce. This then led to an extensive debate during the Q&A about inorganic growth options and the risk of overpaying and/or moving in different directions like data centres. The share price of Telefonica declined by more than 12% at close of trading on the day of the CMD despite the CEO highlighting right at the beginning that they had involved 182 Telefonica employees and another 154 external experts for their new 2026-30 strategy. Suffice to say this must have cost a fortune but was hardly rewarded by capital markets!

^{ix} For evidence that management remuneration remains an important issue for shareholder alignment, as shown in a special research for the European insurance industry, see: Will Hardcastle et al., “How aligned is CEO compensation with shareholder remuneration?”, *UBS*, 23 July 2025.

^x One example was the concept of “reach up, reach out and reach beyond”, presented by the head of HR at Palfinger AG in Austria, when trying to explain the transformation of their workforce and culture, which left investors and analysts only guessing what financial impact this might possibly have (see: Palfinger CMD 2025 presentation, slide 19): <https://www.palfinger.ag/de/investoren/capital-markets-day/capital-markets-day-2025>

^{xi} In fact, the outgoing CFO of Deutsche Bank, James von Moltke, presented right at the beginning the achieved results for 2025 compared to the original targets set in 2022, while the new CFO, Raja Akram, presented the new targets for 2028 at the end, which was probably one of the most convincing ways of introducing new management: https://investor-relations.db.com/reports-and-events/other-presentations-and-events?language_id=1#tab-container-1-investor-deep-dive-2025-2