HPA HighPoint Associates

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Economic and Business Outlook Survey

Q4 2025

Contents

Executive Summary

OVERVIEW

- HPA's Economic and Business Outlook Survey was conducted from November 14-21, 2025 in conjunction with Eden McCallum, a European-based firm
- We surveyed 379 business leaders from across the globe, with a focus on the U.S., UK, and rest of world (RoW)
- Our sample respondents work across a broad range of industries within companies of varying sizes and ownership models

ECONOMIC AND BUSINESS OUTLOOK

- Business leaders are generally pessimistic about the global and domestic economies, yet they remain optimistic about their companies' expected performance (>60% of all leaders are somewhat/very optimistic about their company's outlook in all countries, while U.S. respondents are particularly pessimistic about the domestic economic outlook)
- Domestic politics, geopolitical instability, and trade barriers are seen as the top 3 threats to the domestic economy's outlook, particularly trade barriers in the U.S., domestic politics in the UK, and geopolitics in RoW
- Changes in customer demand is the stand-out external factor seen to impact company performance (particularly for the U.S. and UK), with business model disruption and geopolitical instability (the latter, particularly for RoW) rounding out the top three
- Across geographies, optimizing data/AI usage is the top internal issue, along with talent and business model transformation

TARIFFS

- Business leaders across geographies expect the impact of announced/proposed U.S. tariffs to be negative, even those with little/no U.S. exposure
- They expect tariffs to impact revenue, costs, and supply chain most heavily, particularly costs for U.S. companies and supply chain for RoW
- 45% of business leaders have taken action or are exploring their options in response to tariffs, with supply chain, pricing and financial forecasting as the top three areas that leaders have focused on regarding tariffs

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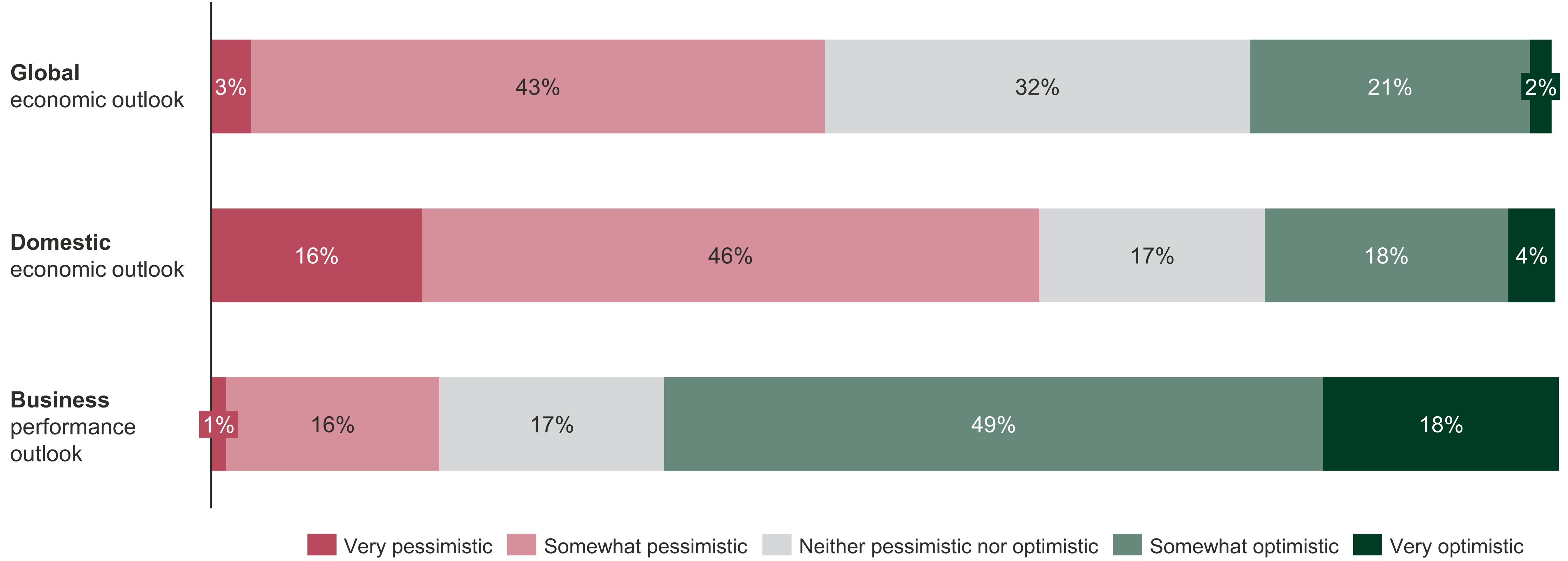
Business leaders' pessimism about the global, and particularly their domestic, economies contrasts with optimism about their companies' expected performance

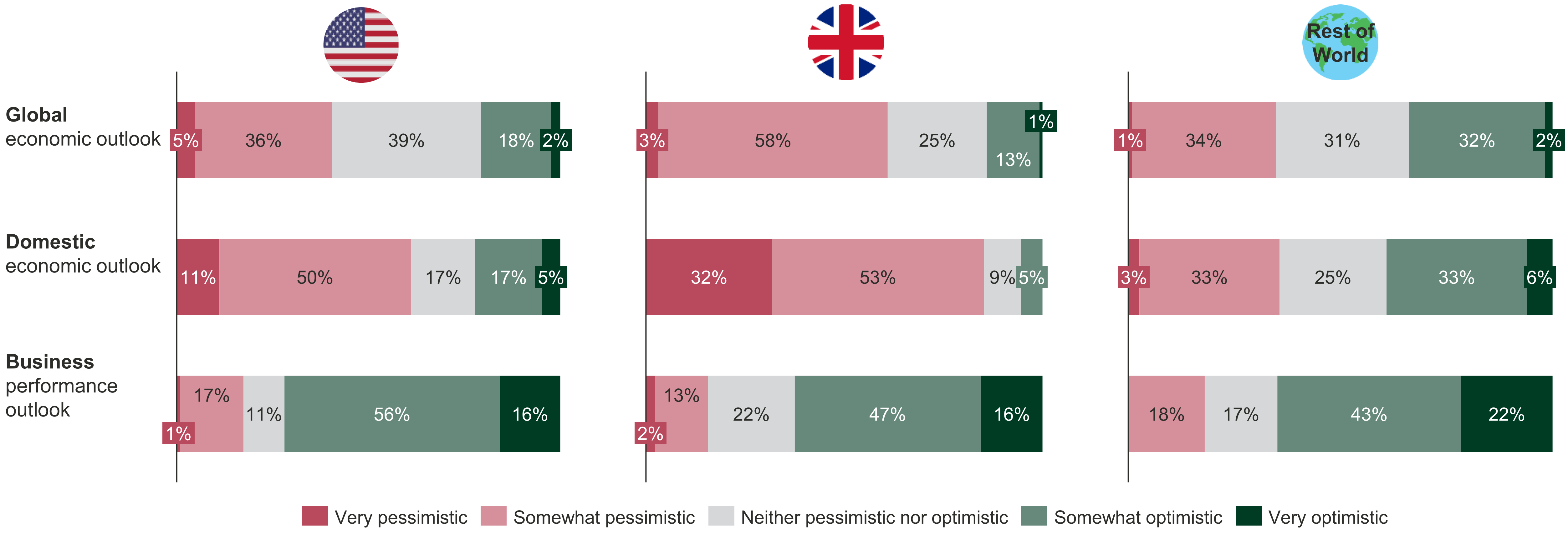
Economic outlook (Q4 '25)



n: 360-371
Notes: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

U.S. leaders are most positive about their business outlook; UK business leaders are particularly negative about their domestic and the global economy

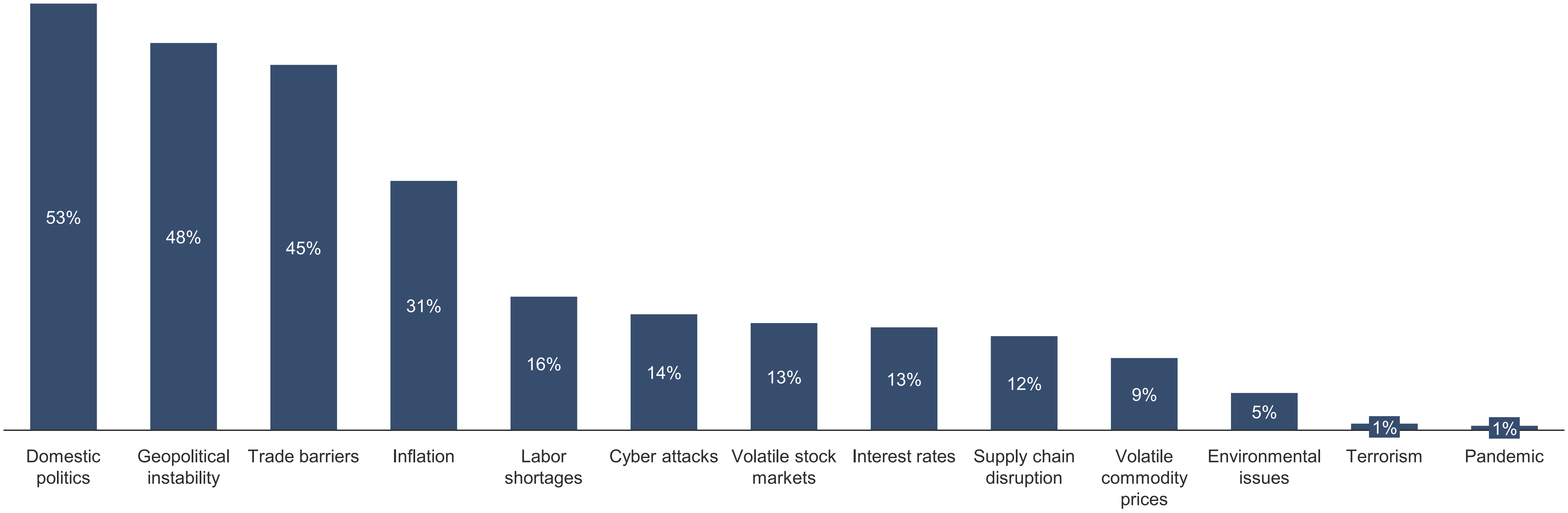
Economic outlook (Q4 '25), by country



U.S. n: 121-126; UK n: 128-129; RoW n: 111-115
Notes: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q9 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Domestic politics is seen as the greatest threat to the domestic economy by over half of respondents, followed by geopolitical instability and trade barriers/tariffs

Perceived threats to domestic economy (Q4 ’25)



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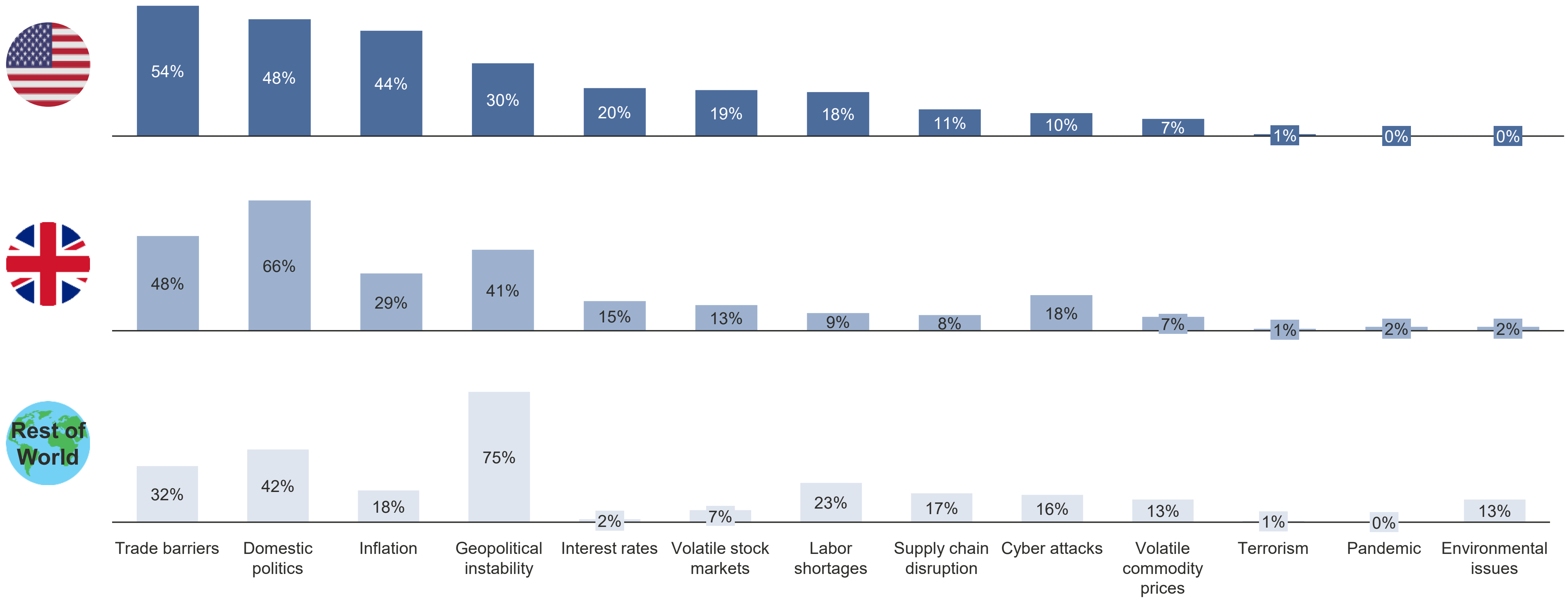
n: 371
Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Other’ or ‘Don’t know’. Other (textbox) responses n:40, includes comments around government and political instability (e.g., taxation, borrowing, policy uncertainty), a difficult regulatory and business environment (energy costs, compliance burden), broad economic weakness (low confidence, unemployment, stagflation), and rapid AI-driven labor market and social disruption
Source: HPA Business Outlook Survey: Q8 - What do you see as the greatest threats to your country’s economy over the next 1-2 years?

Trade barriers is the stand-out concern for the U.S., while the UK is more concerned about domestic politics, and RoW about geopolitical instability

Perceived threats to domestic economy (Q4 '25), by country



U.S. n: 126; UK n: 130; RoW n: 115
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: HPA Business Outlook Survey: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

While the top 3 threats to the domestic economy are largely similar across geographies, there are notable variations in intensity of these concerns

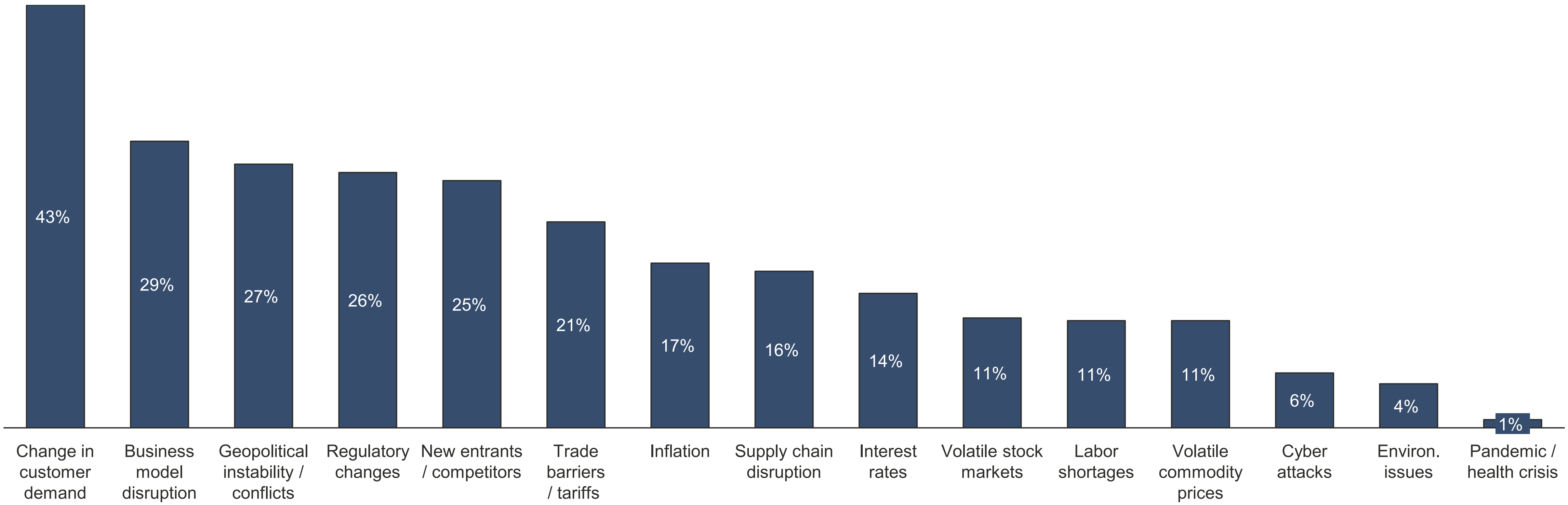
Perceived threats to domestic economy (Q4 '25), by country

UNITED STATES		UNITED KINGDOM		REST OF WORLD	
Trade barriers	54%	Domestic politics	66%	Geopolitical instability	75%
Domestic politics	48%	Trade barriers	48%	Domestic politics	42%
Inflation	44%	Geopolitical instability	41%	Trade barriers	32%
Geopolitical instability	30%	Inflation	29%	Labor shortages	23%
Interest rates	20%	Cyber attacks	18%	Inflation	18%
Volatile stock markets	19%	Interest rates	15%	Supply chain disruption	17%

U.S. n: 71 ; UK n: 130, RoW n: 170
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: HPA Business Outlook Survey: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

Customer demand is the stand-out factor expected to impact company performance; business model disruption and geopolitical instability are also top concerns

EXTERNAL factors impacting company performance (Q4 '25)



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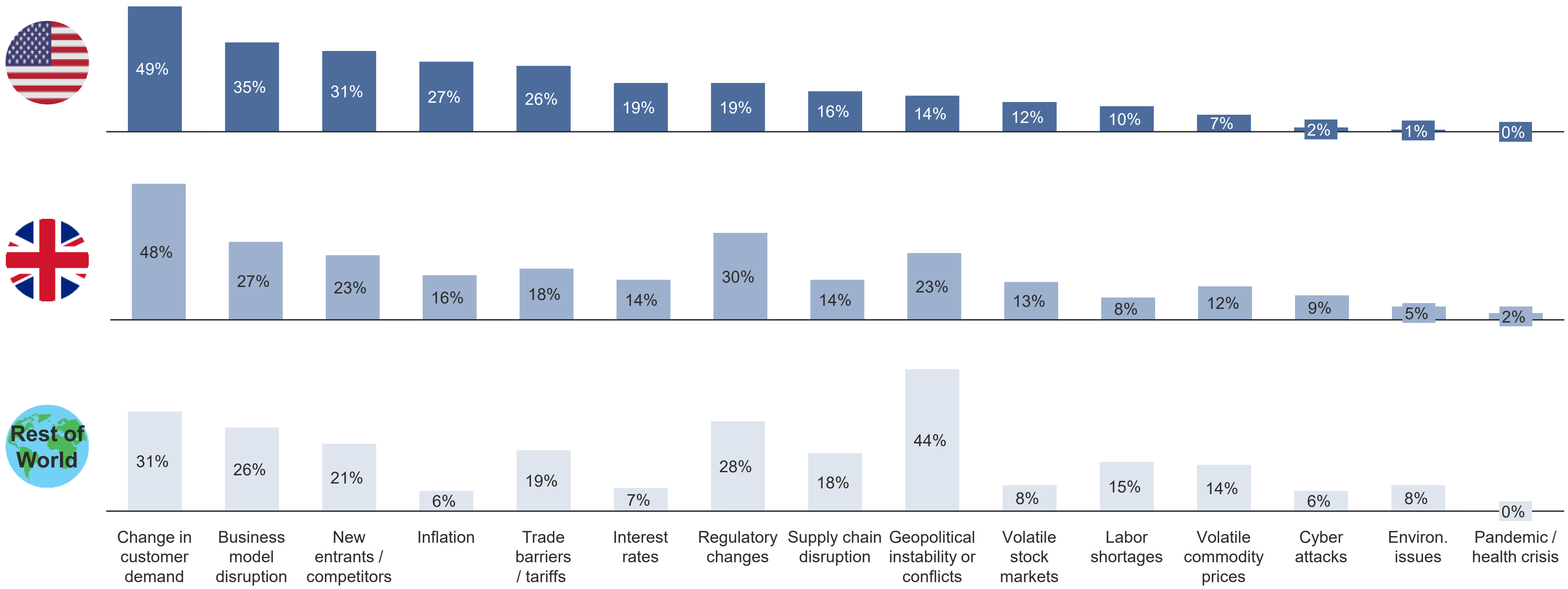
n: 360
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'. Other (textbox) responses n: 34, includes comments around AI (e.g., use by competitors, overspending, lowering prices), the business landscape (e.g., infrastructure, construction output, domestic politics), government policies (e.g., health, immigration), financial concerns (e.g., tax, corporate budgets), consumer trends (e.g., changing demographics, spending power), and business specific issues (e.g., supply, efficiency)
Source: HPA Business Outlook Survey: Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Business leaders in the U.S. and UK are more concerned about change in customer demand and less so about geopolitical tensions than RoW

EXTERNAL factors impacting company performance (Q4 ’25), by country



U.S. n: 121; UK n: 128; RoW n: 111
Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Other’ or ‘Don’t know’.
Source: HPA Business Outlook Survey: Q10 - What are the most important external factors likely to impact your company’s performance over the next 1-2 years?

Inflation remains a concern for the U.S., while the UK and RoW are more concerned about regulatory changes

EXTERNAL factors impacting company performance (Q4 '25), by country

UNITED STATES	
Change in customer demand	49%
Business model disruption	35%
New entrants/competitors	31%
Inflation	27%
Trade barriers/tariffs	26%

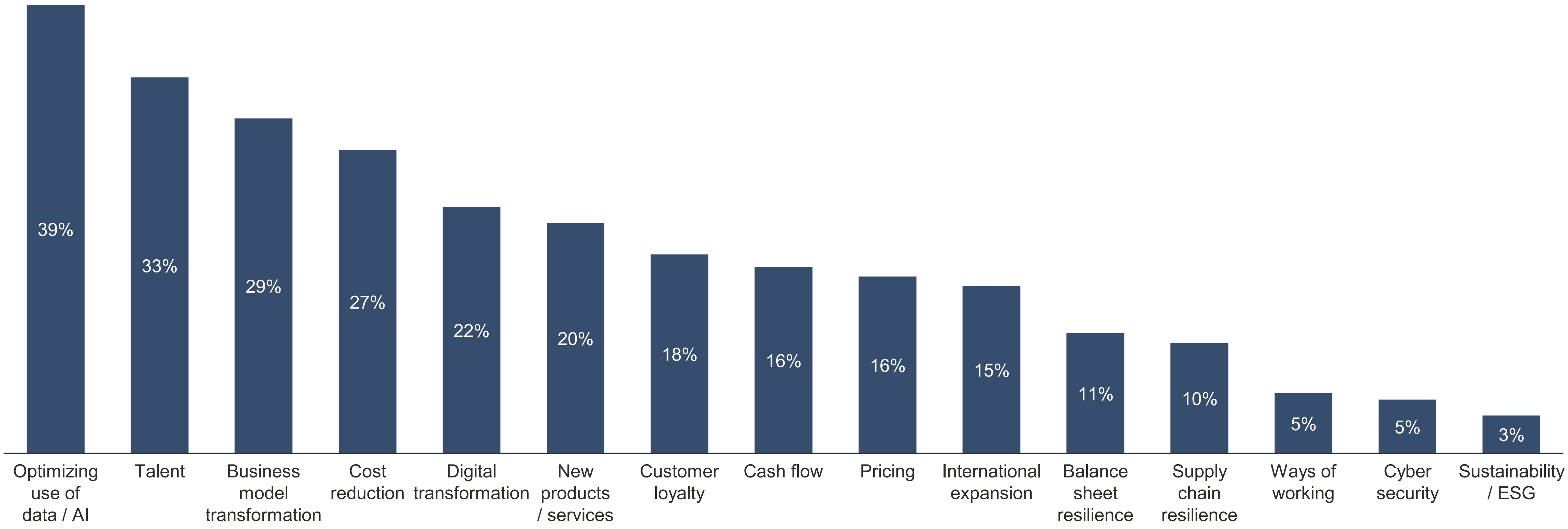
UNITED KINGDOM	
Change in customer demand	48%
Regulatory changes	30%
Business model disruption	27%
Geopolitical instability	23%
New entrants/competitors	23%

REST OF WORLD	
Geopolitical instability	44%
Change in customer demand	31%
Regulatory changes	28%
Business model disruption	26%
New entrants/competitors	21%

U.S. n: 121; UK n: 128; RoW n: 111
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'. Top 5 answers shown.
Source: HPA Business Outlook Survey: Q10 - What are the most important external factors likely to impact your company's performance over the next 1-2 years?

Optimizing use of data/AI is the top internal issue, along with talent and business model transformation, across all geographies

INTERNAL factors impacting company performance (Q4 ’25)



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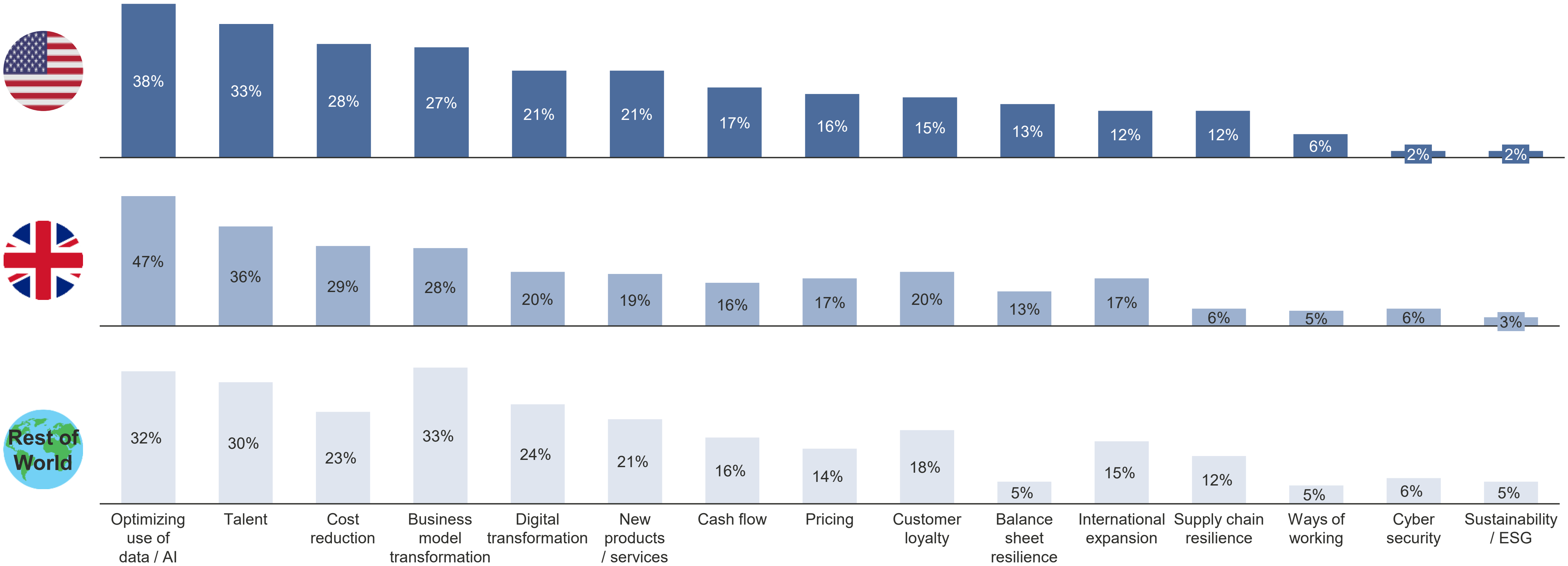
n: 360
Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Other’ or ‘Don’t know’. Other (textbox) responses n:17, includes comments around expansion (e.g., domestic expansion, cost of growth), business specific issues (e.g., product development, supply chain), business landscape (e.g., demand, availability of finance, market instability), and personnel issues (e.g., staffing)
Source: HPA Business Outlook Survey: Q11 - What are the most important internal issues for your company over the next 1-2 years?

U.S. and UK leaders, compared to those in RoW, report that cost reduction is an important factor; RoW leaders cite business model transformation as more significant

INTERNAL factors impacting company performance (Q4 '25), by country



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U.S. n: 121; UK n: 128; RoW n: 111
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'.
Source: HPA Business Outlook Survey: Q11 - What are the most important internal issues for your company over the next 1-2 years?

The top internal factors perceived to be impacting company performance are consistent globally

INTERNAL factors impacting company performance (Q4 '25), by country

UNITED STATES		UNITED KINGDOM		REST OF WORLD	
Optimizing use of data and AI	38%	Optimizing use of data and AI	47%	Business model transformation	33%
Talent	33%	Talent	36%	Optimizing use of data and AI	32%
Cost reduction	28%	Cost reduction	29%	Talent	30%
Business model transformation	27%	Business model transformation	28%	Digital transformation	24%
Digital transformation[1]	21%	Digital transformation[2]	20%	Cost reduction	23%

U.S. n: 121; UK n: 128; RoW n: 111
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Other' or 'Don't know'. Top 5 answers shown. (1) New products/services was also chosen by 21% of respondents; (2) Customer loyalty was also chosen by 20% of respondents
Source: HPA Business Outlook Survey: Q11 - What are the most important internal issues for your company over the next 1-2 years?

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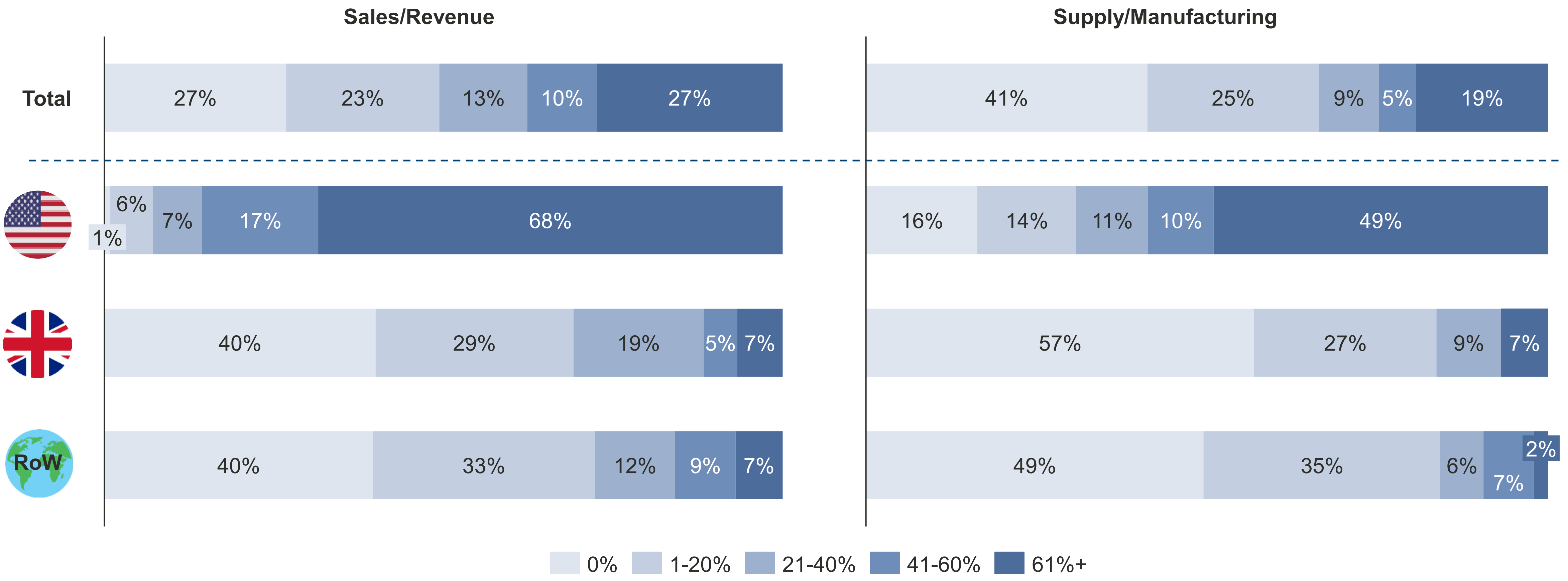
Outside the U.S., only a small proportion of surveyed business leaders have a significant amount of direct exposure to the U.S.…

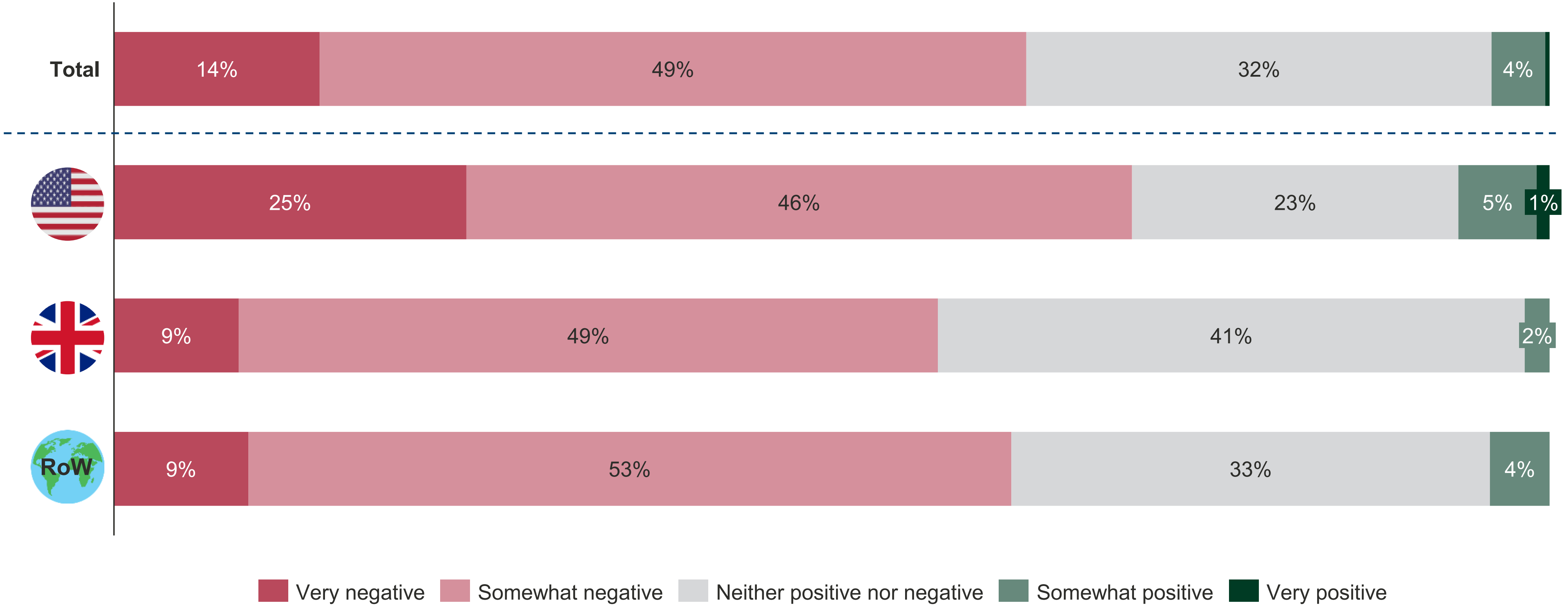
Proportion of businesses with exposure to the U.S. in terms of:



n: 338, U.S. n: 113, UK n: 123, RoW: n: 102
Note: Excludes those who answered ‘Don’t know’. (Sales/Revenue n: 6; Supply/Manufacturing n: 23).
Source: HPA Business Outlook Survey: Q12 - What proportion of your company’s business has exposure to the U.S. in terms of…[Sales/revenue or Supply/manufacturing]?

…and yet two-thirds expect tariffs to have a negative impact on their companies

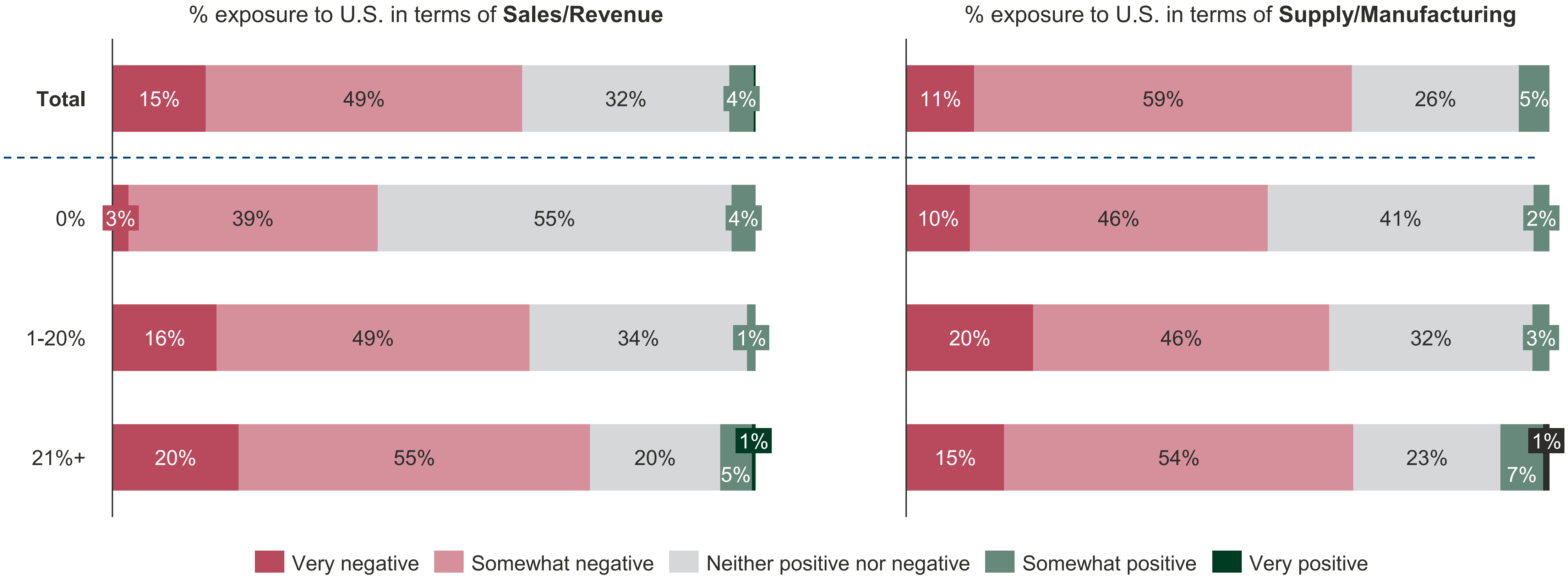
Expected impact of U.S. tariffs on companies over the next 1-2 years, by country



n: 338, U.S. n: 113, UK n: 123, RoW: n: 102
Note: Excludes those who answered 'Don't know' (n: 17).
Source: HPA Business Outlook Survey: Q13 - What impact do you expect the U.S. tariffs – either directly or indirectly (e.g., from their impact on the economy, retaliatory tariffs, etc.) to have on you r company over the next 1-2 years?

Even those with little direct exposure to the U.S. expect tariffs to have a negative impact on their companies

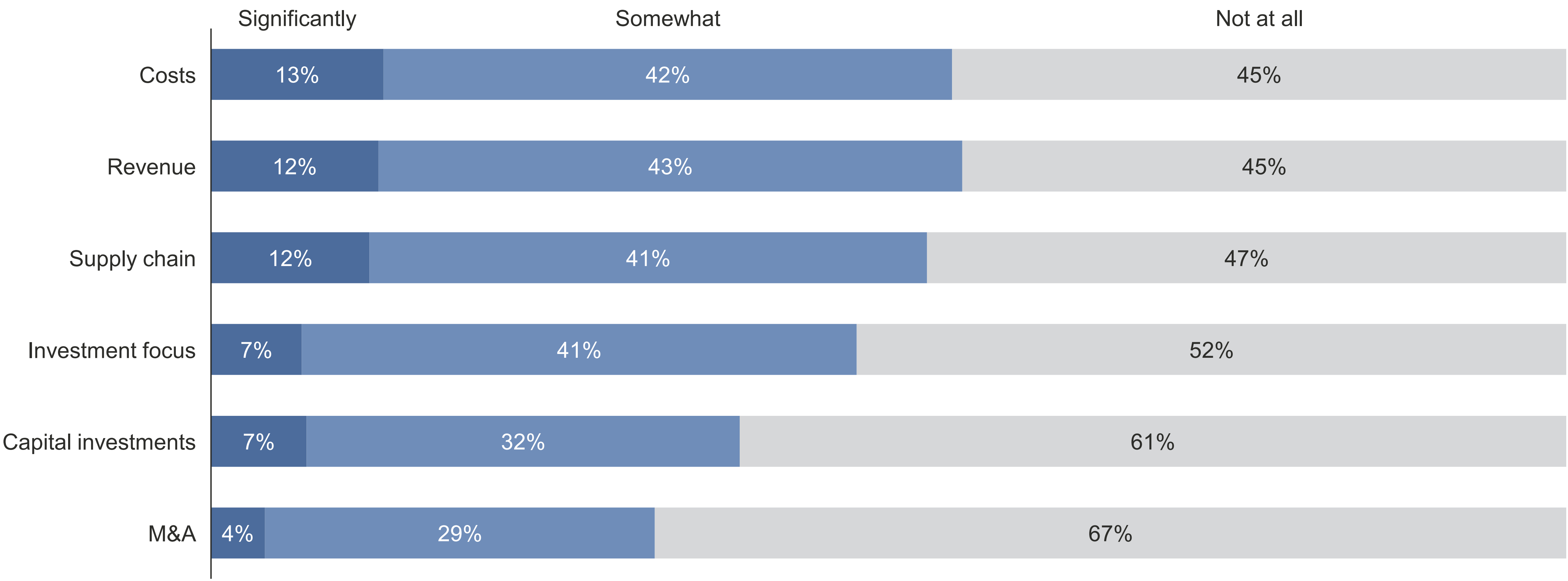
Expected impact of U.S. tariffs on companies over the next 1-2 years, by % exposure



Sales/Revenue n: 338; Supply/Manufacturing n: 338
Note: Excludes those who answered ‘Don’t know’ (Sales/Revenue = 6; Supply/Manufacturing = 23).
Source: HPA Business Outlook Survey: Q13 - What proportion of your company’s business has exposure to the U.S. in terms of…[Sales/revenue or Supply/manufacturing]?, Q15 - To the extent the announced/proposed tariffs are implemented, what impact do you expect them to have on your company over the next 1-2 years?

Business leaders expect tariffs to impact revenue, costs, and supply chain most heavily, with nearly half also expecting investment focus to be impacted

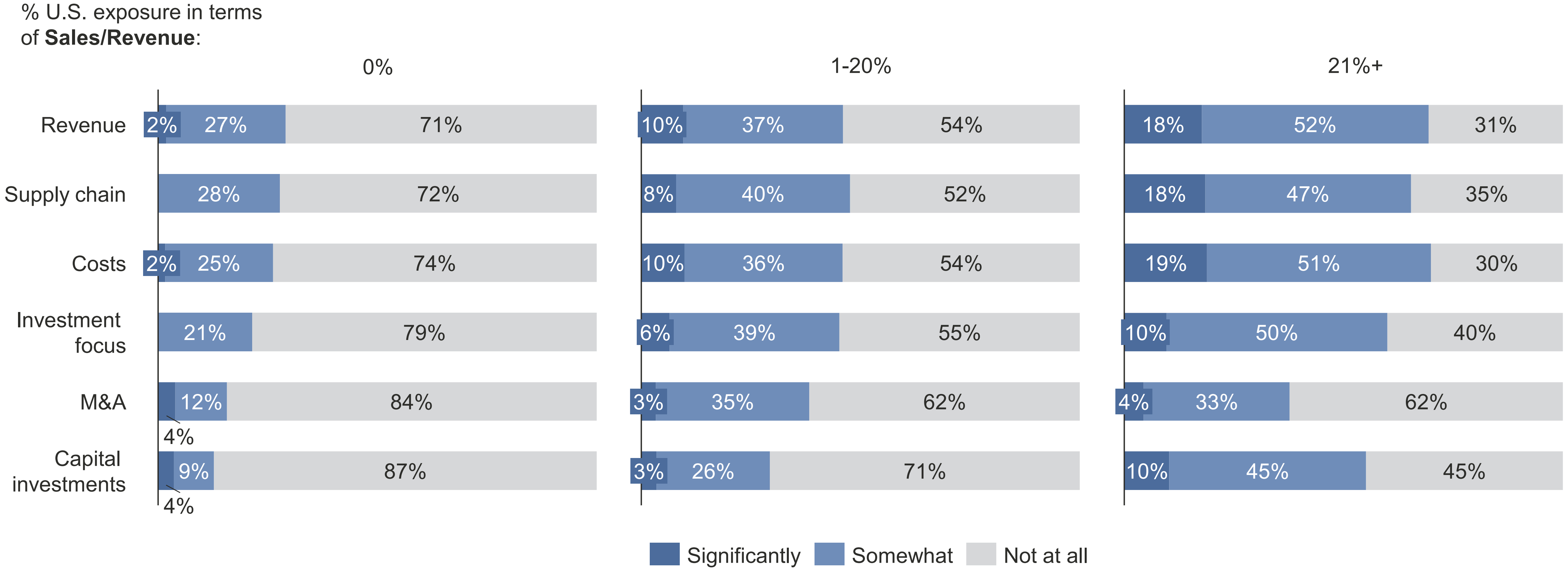
Extent of impact of U.S. tariffs on companies



n: 338
Note: Excludes those who answered 'Don't know' and 'Not applicable' (Revenue n=71; Costs = 71; Supply Chain = 90; Capital Investments = 97; M&A = 112; Investment Focus = 84).
Source: HPA Business Outlook Survey: Q14 - For your company, to what extent are the U.S. tariffs already impacting your company – either directly or indirectly?

Even those with little exposure to the U.S. expect announced tariffs to have some impact across each area of their company

Extent of impact of U.S. tariffs on companies, by % U.S. exposure



n: 338
Note: Excludes those who answered 'Don't know' and 'Not applicable'. (Revenue n: 71; Costs: 71; Supply Chain: 90; Capital Investments: 97; M&A: 112; Investment Focus: 84).
Source: HPA Business Outlook Survey: Q12 - What proportion of your company's business has exposure to the U.S. in terms of…[Sales/revenue or Supply/manufacturing]?
Q14 - For your company, to what extent are the U.S. tariffs already impacting your company – either directly or indirectly?

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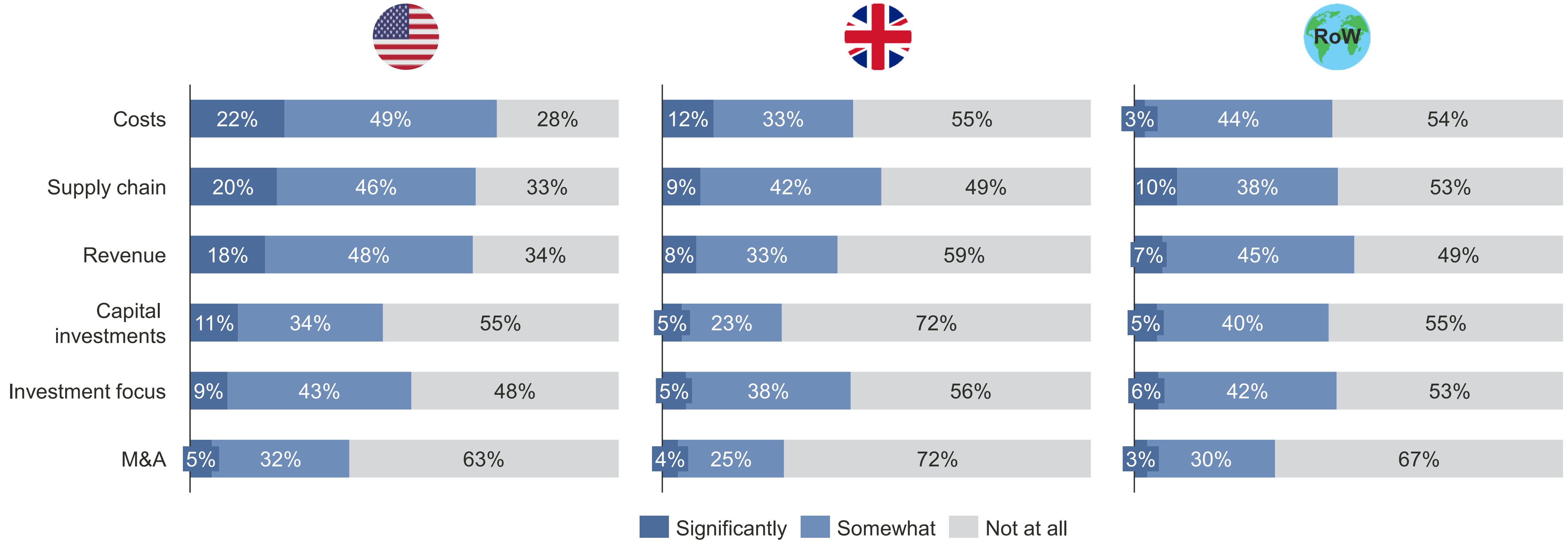
U.S. business leaders expect the greatest impact, as do business leaders in RoW

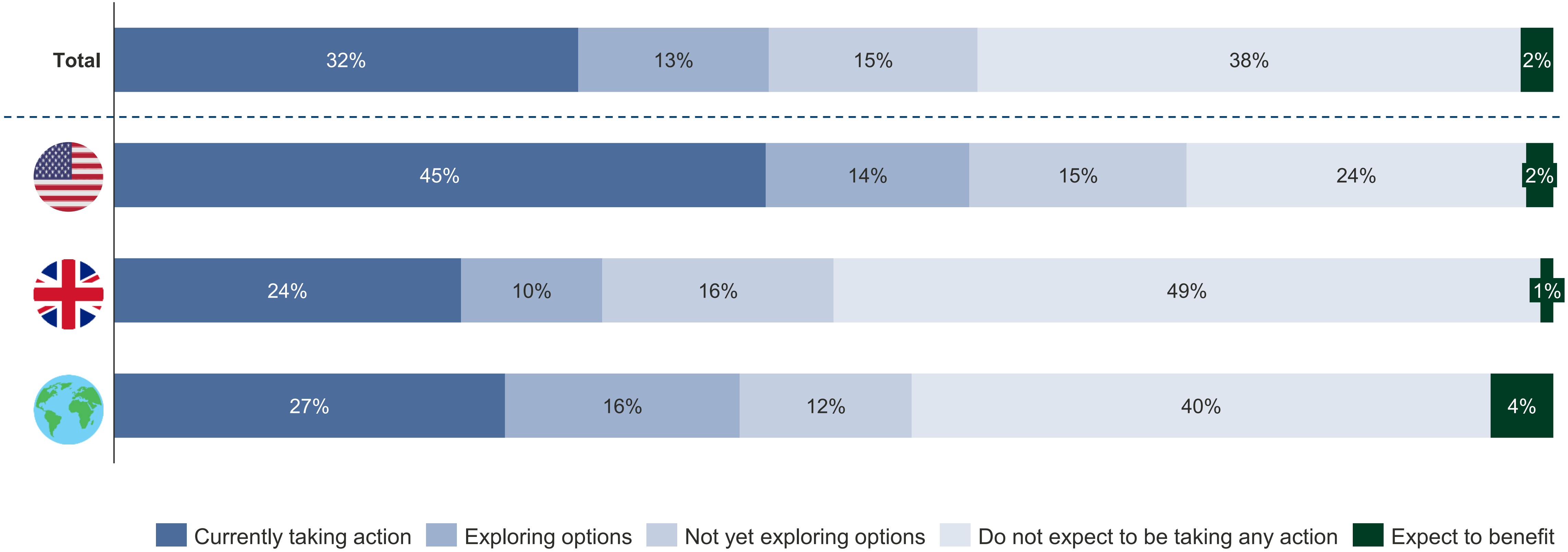
Extent of impact of U.S. tariffs on companies, by country



U.S. n: 113, UK n: 123, RoW: n: 38
Excludes those who answered 'Don't know' or 'Not applicable' (U.S. n: 16-35; UK n: 31-42; RoW: 20-35)
Source: HPA Business Outlook Survey: Q14 - For your company, to what extent are the U.S. tariffs already impacting your company – either directly or indirectly?

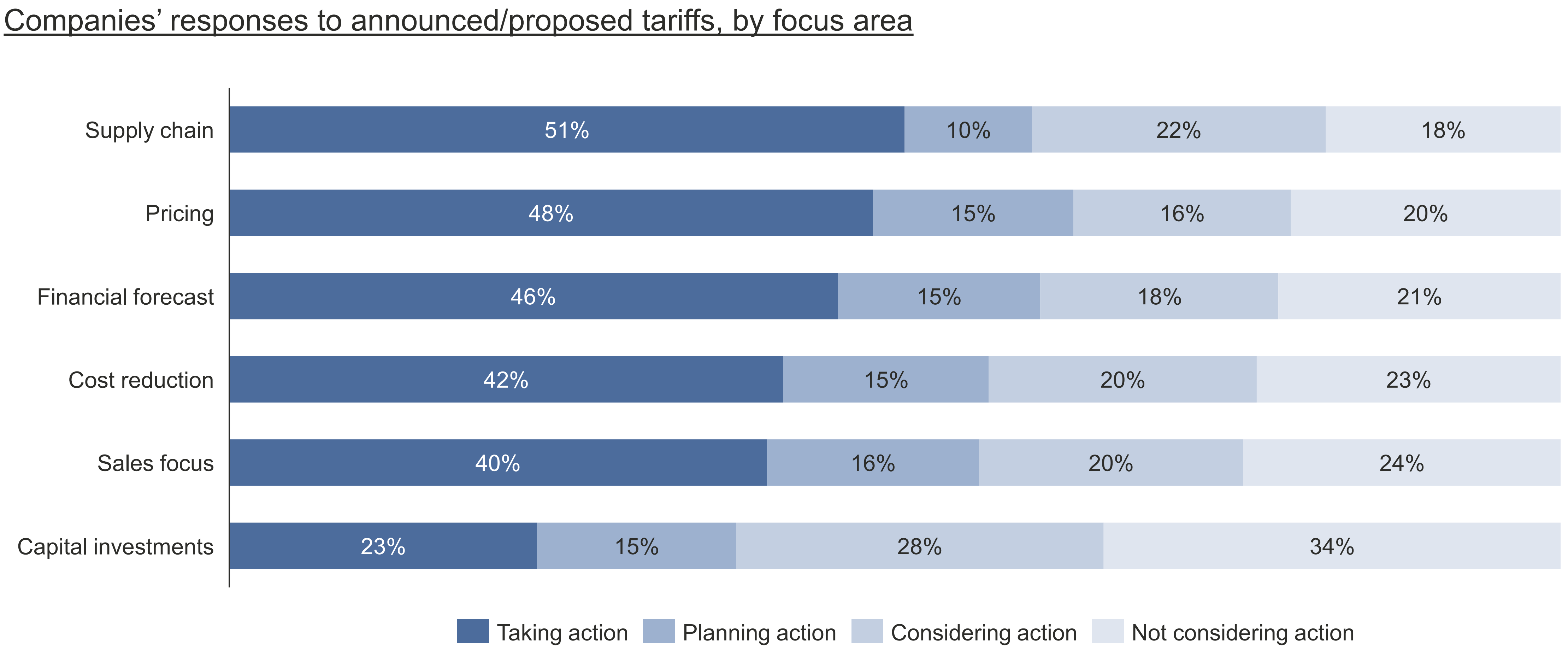
Across geographies, one-third of companies have already acted in response to tariffs, with nearly one-half of U.S. companies currently taking action

Companies' responses to announced/proposed tariffs, by country



n: 338, U.S. n: 113, UK n: 123, RoW: n: 102
Note: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q15 - Which best describes your company's current response to the U.S. tariffs (and their direct or indirect impact)?

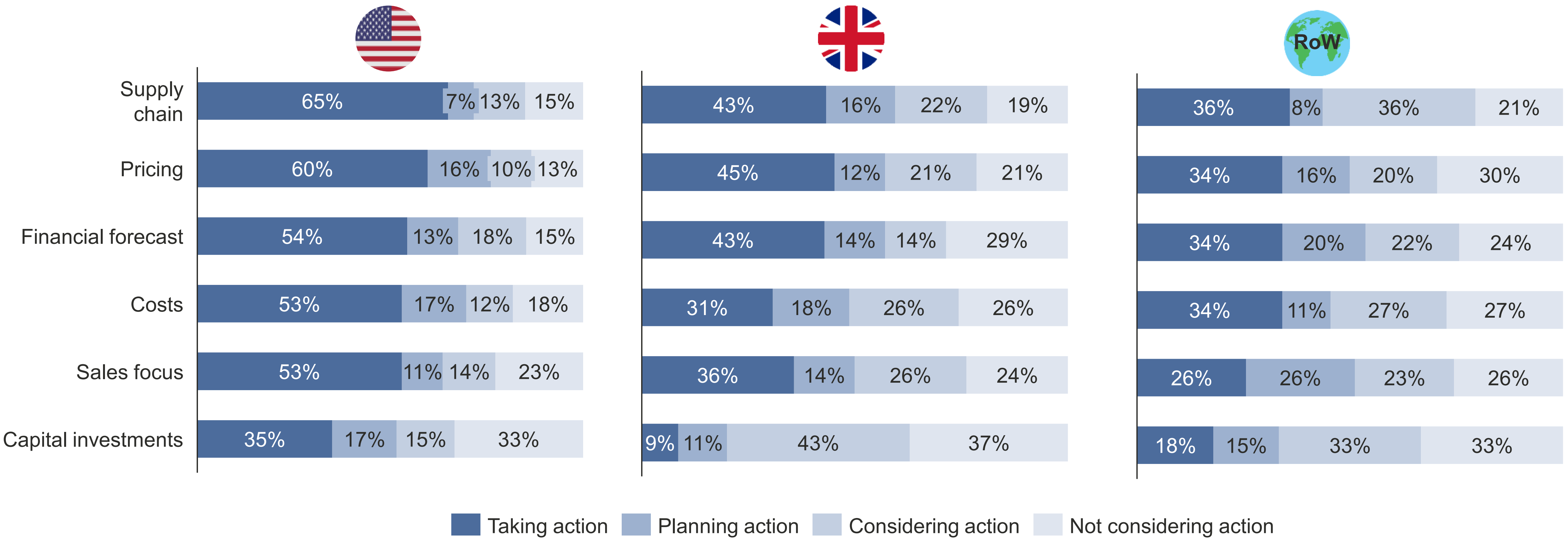
Of those taking/planning action, the responses have spanned focus areas, from supply chain to pricing and forecasting to cost reduction



n: 192
Note: Excludes those who answered 'Don't know', 'Not applicable', and those who do not expect to take any action in the previous question. (n: 117) or responded "Don't know" (n: 23) or "Other" (n: 6) to Q15
Source: HPA Business Outlook Survey: Q16 - If your company is planning to or taking action in response to the U.S. tariffs (and their direct or indirect impact), which of the following areas is your company planning/taking action in?

The relative picture is similar across geographies, though the U.S. has had a higher degree of focus on supply chain and pricing

Companies' responses to announced/proposed tariffs, by country and focus area



U.S. n: 81, UK n: 57, RoW: n: 54

Note: Excludes those who answered 'Don't know' or 'Not applicable' to Q16 (Supply Chain n: 56; Sales Focus n: 41; Pricing n: 39; Cost Reduction n: 43; Capital Investments n: 59; Financial Forecasts n: 31), and respondents who answered 'not expecting to be taking any action', 'don't know' or 'other' to Q15 (n: 117) or who responded "don't know" (n: 23) or "other" (n: 6)

Source: HPA Business Outlook Survey: Q16 - If your company is planning to or taking action in response to the U.S. tariffs (and their direct or indirect impact), which of the following areas is your company planning/taking action in?

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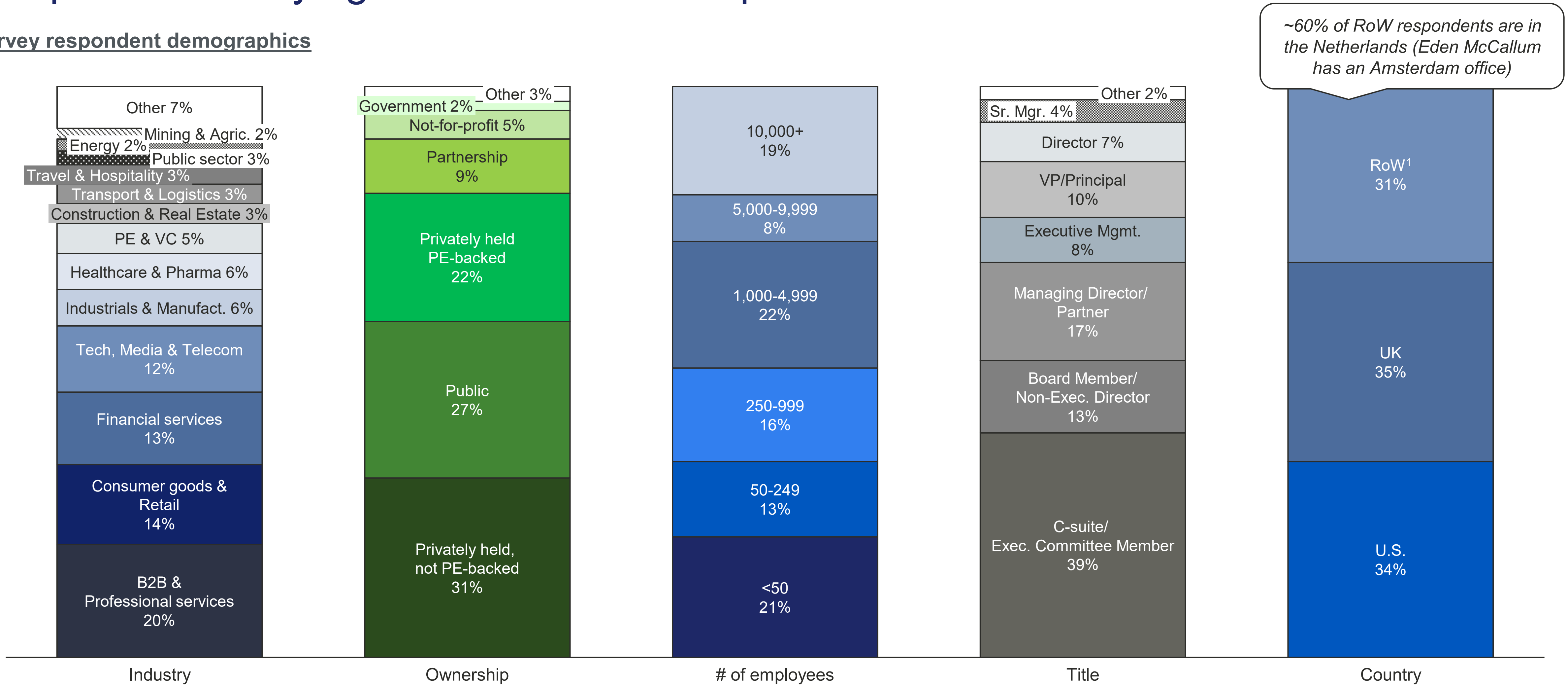
We surveyed 379 business leaders across a broad range of industries within companies of varying sizes and ownership models

Survey respondent demographics



n: 379

[1] RoW participants include Netherlands (72), Germany(6), Canada (4), France (4), Ireland (4), Switzerland (4), Belgium (3), Italy (3), China (2), UAE (2), Finland (2), Singapore (2), Sweden (1), Spain (1), Austria (1), Australia (1), India (1), Japan (1), Prefer not to say (2)

Source: HPA Business Outlook Survey: Q1 - Which industry is your company/organization in?; Q4 - How would you best describe your organization?; Q2 - How many people does your company/organization employ in total? Q5 - Which of the following best describes your role within your organization?; Q3 - In which country do you live?

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The sample also included a relatively even mix of business leaders at B2B and B2C companies

Key facts about the survey respondent sample

	INDUSTRY FOCUS		OWNERSHIP STRUCTURE				COMPANY SIZE (FTES)		
	B2B	B2C	Publicly listed	Privately held	Partnership	Gov or NGO	0-249	250-4,999	5,000+
U.S.	39%	61%	30%	51%	13%	6%	31%	37%	32%
UK	50%	50%	25%	58%	7%	9%	36%	42%	22%
RoW	57%	44%	31%	54%	11%	5%	35%	38%	28%

n: 379; B2B and B2C split excludes those who answered 'Other' for Industry focus (8 in U.S., 12 in UK, and 8 in RoW); Ownership structure split excludes those who answered 'Other' for ownership structure (2 in U.S., 2 in UK, 6 in RoW)
Source: HPA Business Outlook Survey: Q1 - Which industry is your company/organization in?; Q4 - How would you best describe your organization?; Q2 - How many people does your company/organization employ in total? Q5 - Which of the following best describes your role within your organization?; Q3 - In which country do you live?