

Strategy & Corporate Finance Practice

# McKinsey survey shows investors seek fundamentals and long-term vision

The latest investor survey underscores the importance of the right metrics and cohesive communications.

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**The search for stability** through a focus on value-creation fundamentals remains a constant for investors—even as they navigate inflation, geopolitical uncertainty, and the rise of AI. Our most recent survey of investor priorities reinforces this enduring theme, showing strong similarities to [our 2023 findings](#), while also revealing a few noteworthy shifts.<sup>1</sup>

Overall, investors continue to ask for hard data on the fundamentals that signal a company's long-term resilience. The previous survey highlighted cost efficiency, capital productivity, and product innovation as the key engines of future value. In the latest poll, respondents leaned slightly more toward headline profitability metrics—especially return on capital. The direction of travel is, therefore, less a wholesale change than a subtle reweighting: As always, investors care about the underlying levers, but in today's market, they want to see those levers translated into tangible financial outcomes.

Likewise, whereas respondents in the earlier survey focused on sustainable competitive advantage, superior margins, and disciplined capital allocation, the latest survey shows more concern with a broader rubric of overall financial performance and health. This marginal shift likely reflects the prevailing macro backdrop—swings between risk-on and risk-off sentiment, shifting interest rate expectations, and concerns over inflation—rather than a fundamental change in what long-term-oriented investors deem important.

Perhaps the most notable difference since our last survey (see sidebar, “Our methodology”) is the new importance of AI. In the most recent survey, 31 percent of respondents cite “AI and

## Our methodology

**The survey** was conducted between December 9 and 17, 2024, across Canada, Europe, and the United States, encompassing 81 investors across several industries, including technology, media, and communications; industrials; consumer; financials and insurance; pharmaceuticals; energy; materials; and travel and infrastructure. Roughly 75 percent of respondents manage portfolios exceeding \$1 billion, and roughly 85 percent operate with a time horizon of at least four years.

The prior survey, conducted in the third quarter of 2022, was of 19 chief investment officers of leading investment funds around the world. Because of differences between the two surveys—including differences in questions asked and how they were phrased—results cannot be directly compared, but do point to some directional differences.

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<sup>1</sup>The two surveys worded some similar questions differently and also asked many different questions.

technology utilization” as a characteristic of a winning company in 2025. In our 2023 findings, AI never came up as an important feature to which investors were paying attention, reflecting a rapid sea change in how investors view the role of technology. Also of note is a downtick in concern with environmental, social, and governance (ESG): In our prior survey, 20 percent of respondents said they consider ESG a top driver of long-term value creation. In the latest survey, only 18 percent of respondents rate it “very” or “extremely” important.

This article explores the latest survey’s findings and examines investor preferences in today’s complex financial landscape. We conclude by outlining actions that companies can take to ensure that they foster an optimal dialogue with their investors.

## **How investors assess a company: Performance data, long-term metrics, and the equity story**

Granular performance data builds credibility, but it’s [the broader equity story](#) that captures attention and inspires conviction. Respondents made it clear that they value consistency across all investor communication touchpoints and want all information to clearly tie back to the company’s equity story. To assess performance, survey results showed—unsurprisingly—that investors rely heavily on EBITDA, followed by ROIC and EBITDA margins (Exhibit 1). To assess an investment’s long-term potential, investors lean on metrics that inform them about return, growth, and profitability. The equity story heavily influences their view of an investment, survey results show.

### **Metrics investors rely on to evaluate a company’s long-term strategy**

Across industries and company types, respondents prioritize return, growth, and profitability as the foundation for evaluating a company’s long-term potential (Exhibit 2). These metrics serve as universal benchmarks for [value creation](#), enabling investors to assess whether a company’s strategy is positioned for long-term success.

Within specific sectors and company types, there is variation in which metrics are most highly valued. For example, investors in capital-expenditure-heavy industries—such as capital goods, industrials, and physical assets—cite cash metrics as important. Financial-industry investors prize balance sheet metrics, while investors in software and software-as-a-service companies focus on retention and churn statistics.

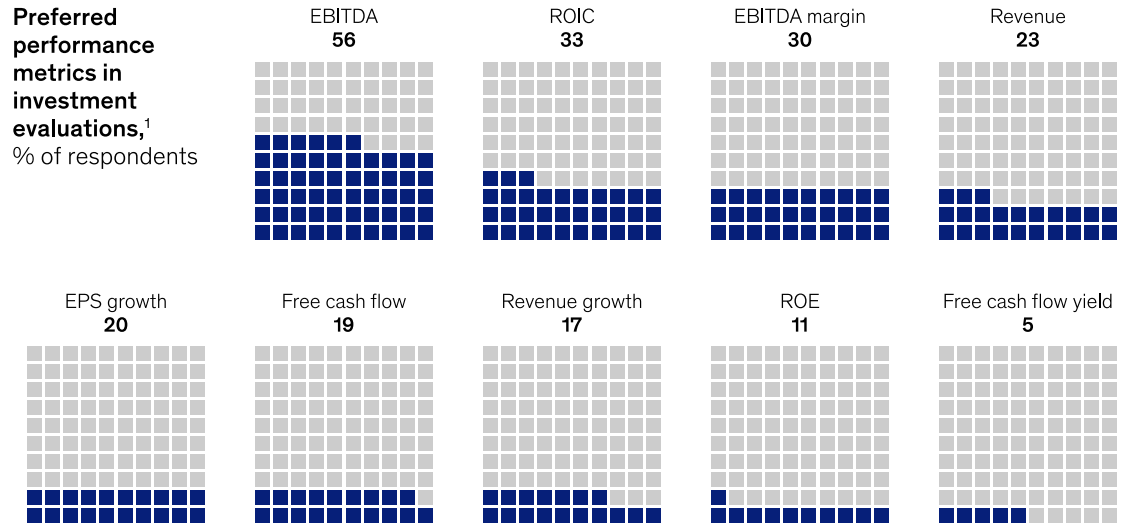
### **Crafting an equity story that inspires**

It’s crucial for companies to create a compelling equity story that clearly articulates how they create value today and how they plan to grow profitably over time. A majority of respondents consider an unattractive equity story a highly significant factor in an investment’s relative appeal (Exhibit 3).

By tying metrics to the equity story in a transparent and compelling way, companies can build investor confidence and strengthen the case for why they should remain committed for the long term.

Exhibit 1

## To evaluate company performance, more than half of survey respondents prioritize EBITDA and a third rely on ROIC.



<sup>1</sup>Question: Which performance metric do you prioritize most when assessing a company (eg, ROIC, EBITDA margins, free cash flow yield, EPS growth, etc)? Respondents could provide up to 3 metrics in a free-text field; some count variation may occur, given interpretation of free-text responses. Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

Exhibit 2

## 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,<sup>1</sup> % of respondents

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

<sup>1</sup>Question: 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. <sup>2</sup>Annual recurring revenue. <sup>3</sup>Net operating profit after tax. <sup>4</sup>Debt to equity. <sup>5</sup>Multiple on invested capital. <sup>6</sup>Environmental, social, and governance. Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

Exhibit 3

## For 82 percent of investors, a company’s equity story strongly influences their decisions.

**Perceived level of significance an unattractive equity story has on investment attractiveness,<sup>1</sup>**  
% of respondents



Note: Figures do not sum to 100%, because of rounding.  
<sup>1</sup>Question: How significant do you believe an unattractive equity story is as a risk factor for a potential initial public offering (IPO) or investment into the company?  
Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

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### What investors want from interactions with companies

Prior McKinsey research has indicated that investors feel that there is room for improvement in how companies communicate about their stories. In this year’s survey, over 90 percent of respondents said they believe a company’s equity story should align with other investor communications and guide the content of capital markets and investor days.

Companies can work on delivering these consistent messages on these days, on quarterly calls, and at each touchpoint with investors. Elevator pitches, in particular, demand improvement: 21 percent of respondents identified them as the most “insufficiently communicated aspect that is most crucial to address.” This feedback reflects a common challenge: Even within the same executive team, members may present differing versions of the company’s core narrative. Such inconsistencies can undermine investor confidence, creating the impression of a lack of strategic cohesion. To build trust and ensure the market receives a unified message, it’s essential for management teams to align on a single, compelling equity story that is consistently communicated at all levels and across all investor touchpoints.

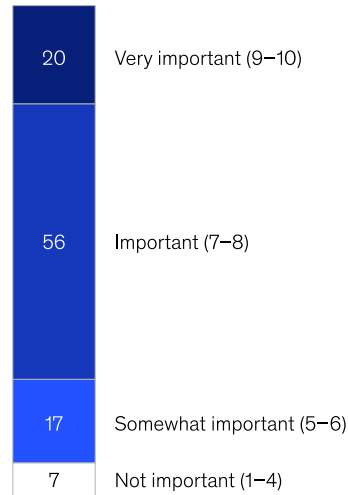
### What investors want out of capital markets days

Survey respondents identified capital markets days as a vital point of contact: 56 percent rated them as “important” to understand a potential investment’s prospects, and another 20 percent rated them as “very important.” More than 90 percent of respondents expressed a preference for a narrative that includes just a long-term perspective or both short- and long-term perspectives (Exhibit 4). This finding aligns with McKinsey’s long-standing research that shows that intrinsic investors are most focused on [the long-term drivers of value creation](#).

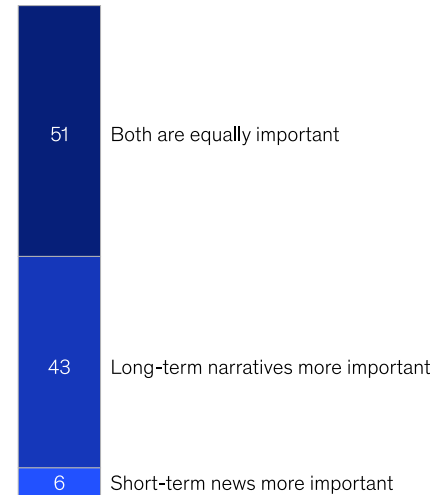
Exhibit 4

## Investors highly value capital markets days and want them to include long-term narratives.

**Importance of capital markets days for understanding company strategy,<sup>1</sup>**  
% of respondents



**Importance of short-term vs long-term narratives during capital markets days,<sup>2</sup>**  
% of respondents



<sup>1</sup>Question: On a scale of 1 to 10 (where 1 = not at all important and 10 = extremely important), how important are capital market days for understanding a company's strategy and prospects?

<sup>2</sup>Question: Which perspective is most important during capital markets days: emphasis on short-term versus long-term narratives?

Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

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### The characteristics of best-in-class quarterly calls

Over half of survey respondents consider the “materials shared” to be the most important factor in a quarterly call. More than a fifth cited “speakers” as the most important. By contrast, format and structure were rated as only moderately important, cited by 11 and 8 percent of respondents, respectively.

Interestingly, one-on-one follow-ups after quarterly calls were of limited interest to investors. This may reflect that investors (not to be confused with equity analysts) may simply not need much explanation from investor relations executives after [a quarterly call](#). However, additional responses show that investors highly value unscripted time with company decision-makers and more participation from company executives (Exhibit 5).

These are messages we've heard before: In our 2023 findings, respondents cited more time for Q&As and participation from a broader array of executives as top areas for improvement.

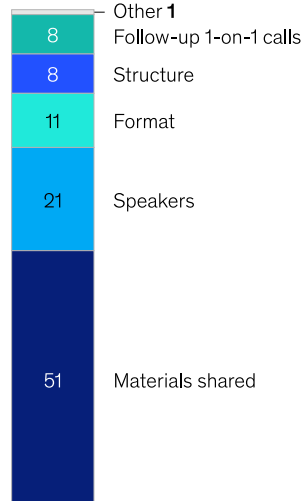
### What mattered most to investors at the time of the survey—and what always matters

Large numbers of respondents cited geopolitical risks, inflation and interest rates, and government regulations and political risks as their top concerns for the 2025 investment climate. It's interesting that these concerns were top of mind in December, even before tariffs became a common preoccupation (Exhibit 6).

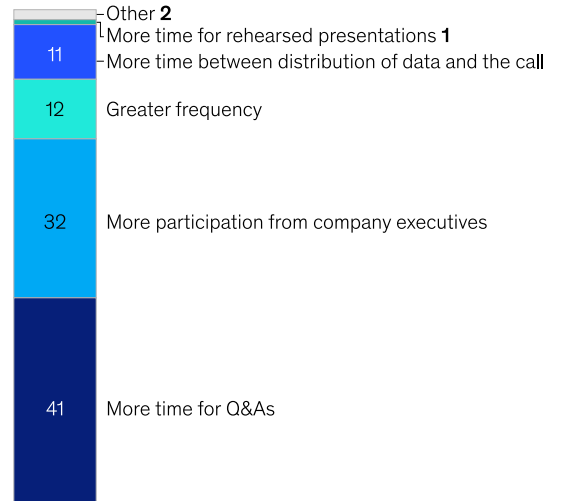
Exhibit 5

**Investors rate detailed materials and quality speakers highly on quarterly calls, but say there could be more Q&A and executive input.**

**Characteristics of best-in-class quarterly calls,<sup>1</sup>**  
% of respondents



**Potential improvement areas for investor communications,<sup>2</sup>** % of respondents



Note: Figures may not sum to 100%, because of rounding.

<sup>1</sup>Question: Among the quarterly results calls you listen to or participate in most often, what distinguishes the best examples of such events from others? Please rank 3 things that distinguish these, where 1 = top factor.

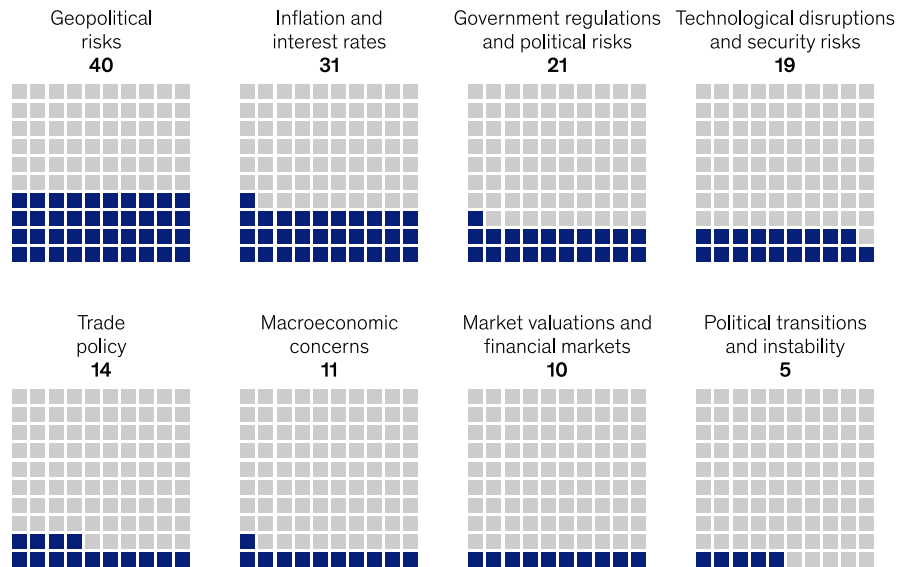
<sup>2</sup>Question: What would you like to improve in how companies do investor communications? Please rank 3 improvements, where 1 = top improvement.

Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

Exhibit 6

**Investors' top concerns for 2025 included geopolitical risks, inflation and interest rates, and government regulations.**

**Top concerns for investment climate,<sup>1</sup>** % of respondents



<sup>1</sup>Question: What are the top concerns you see for the investment climate in 2025? Respondents could enter more than 1 concern. Some count variations may occur, given interpretation of free-text responses and due to overlaps in responses across areas.

Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

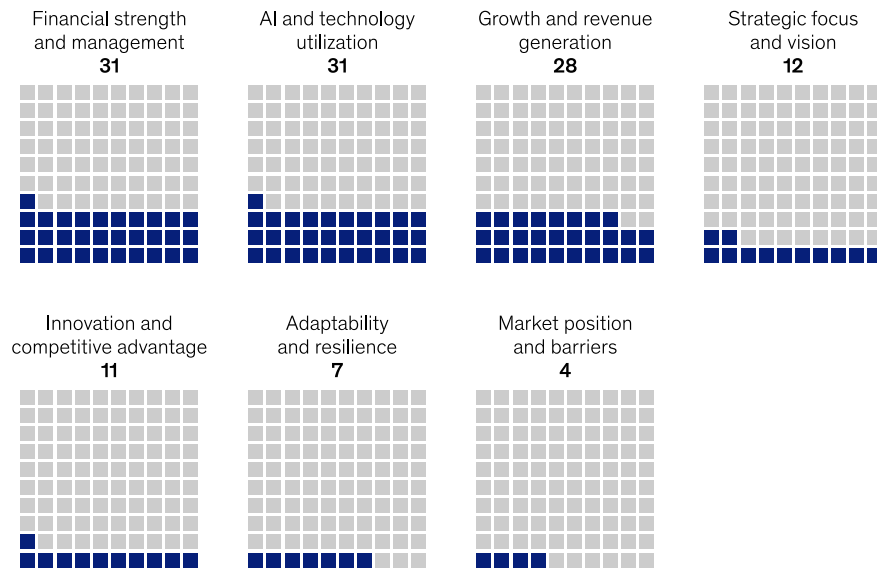
Additional responses showed that investors predicted that AI would be a key investment theme this year and that they perceive companies with a clear tech angle as more successful (Exhibit 7). By contrast, 82 percent of respondents indicated that they do not consider ESG factors to be a “very” or “extremely” important factor in an investment’s attractiveness.

Investor communication groups can keep the list of what worries and excites investors in 2025 in mind as they communicate about the areas investors use to gauge company attractiveness (Exhibit 8). Investors scrutinize six main areas, of which the top five are addressable by companies themselves.

Exhibit 7

## Investors predicted that companies with strong financial profiles and high AI and tech utilization would be winners in 2025.

Characteristics of top-performing companies,<sup>1</sup> % of respondents



<sup>1</sup>Question: What are the key company characteristics you see winning in 2025? Respondents could enter more than 1 concern. Some count variations may occur, given interpretation of free-text responses and due to overlaps in responses across areas.  
Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

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Exhibit 8

## When assessing company attractiveness, investors focus on six areas.

**Most important areas when assessing a company's attractiveness,<sup>1</sup>**  
% of respondents



<sup>1</sup>Question: What are the most important areas you look for to assess a company's attractiveness? Respondents could enter a single response in a free-text field, and responses were synthesized into 6 areas. Some count variations may occur, given interpretation of free-text responses.  
Source: McKinsey Investor Survey, Dec 9–17, 2024 (n = 81)

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### Key actions for companies

To effectively highlight value creation and position themselves as attractive investment opportunities, companies can ensure their narratives are firmly anchored in the right financial metrics. This includes focusing on fundamentals, such as ROIC to demonstrate returns and EBITDA to showcase growth. At the same time, companies can tailor their metrics to align with their specific sector or business model. For instance, retention rates are particularly relevant for software companies, while customer acquisition costs may be more critical for consumer-facing businesses.

Companies can also supply the metrics investors rely on to anchor on a long-term vision. Equity stories should be clear, supported by these metrics, and consistently communicated across investor interactions.

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In addition to robust reporting, meaningful and unscripted interactions with investors are essential. Open Q&A sessions provide a valuable forum for transparent exchange, fostering trust and understanding. Investor relations activities become even more critical during periods of transformation, as they help investors navigate uncertainties and maintain confidence in the company's direction. Companies can respond to investors' preferences by using capital markets days to clearly articulate long-term strategies, ensuring investors have a clear understanding of the company's trajectory and potential for sustainable growth.

Finally, companies can find ways to communicate the issues that are currently of greatest concern while addressing the six areas investors assess to gauge an investment's appeal.

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The survey results are a reminder of how important it is for companies to anchor their narrative in the right metrics, articulate a clear strategy, and foster open dialogue. By combining these actions, companies can effectively engage investors, build trust, and position themselves as compelling investment opportunities.

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