

Media release

Zurich, 16. Juli 2025

## Major Swiss companies tighten guidance – focus on the short term and strategic orientation

- **With two exceptions, all large companies listed on the SIX (SMI Expanded) publish financial targets for the future in an effort to manage investor expectations**
- **The vast majority combine quantitative and qualitative targets for this purpose**
- **In terms of time horizons, some companies are withdrawing their medium-term targets, while the number of those communicating annual targets is increasing**
- **The most common targets are sales and operating profit (EBIT, EBITA, or EBITDA)**
- **Compared with the previous year, more companies are publishing guidance for individual business segments and targeted dividends**
- **Companies are increasingly embedding these targets in the market context. Geopolitical information is generally given less weight in guidance; 15% of companies mention US tariffs in their targets**
- **Social targets have declined, while all companies publish environmental targets; two-thirds of companies publish Scope 3 targets**
- **Just under 80% of companies devote a separate chapter to guidance in their annual reports**

**Current best practice among Swiss companies listed on the stock exchange shows: Those who do not publish guidance are the exception in today's capital market environment. The gold standard is an annual forecast with qualitative and quantitative targets and a focus on sales and operating results. This was the finding of a study conducted for the tenth time by IRF, a leading strategic communications consultancy. There is also a current trend towards providing an outlook for individual business segments and the targeted dividend. Non-financial targets have become established with the legal requirements relating to environmental goals. There are significant differences in the breadth and depth of the information provided.**

In their annual reports for the 2024 financial year, 96% of Swiss companies included in the SMI Expanded provided an outlook\*. In the previous year, the figure was 93%. This means that almost all companies report forward-looking targets, either in qualitative and/or quantitative

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form. The proportion of companies making qualitative statements about the future stands at 88% and thus remains roughly constant. The proportion of companies making quantitative statements about the future is also at this level. A mix of both, i.e., qualitative and quantitative statements, accounts for 83% of companies. Another notable feature of this financial year is the renewed increase in the proportion of companies that devote a separate section of their annual report to the outlook, often accompanied by information on the market environment and current trends. This figure stands at 79%, representing a further increase of 7 percentage points. This proportion had already risen by 5 percentage points in last year's survey.

### **Short-term forecasts predominate**

In this year's survey, companies are focusing on the current fiscal year. Ninety percent of companies are providing a short-term forecast for the next twelve months (previous year: 83%). At the same time, the medium-term forecast (2-3 years) has declined significantly to 63%. In the previous year, it was still at 76%. The long-term forecast (3-5 years) remains constant at 21% (previous year: 22%). The focus on short-term on one hand and long-term targets on the other hand could be the result of guidance being increasingly underpinned by strategic key figures, as explained in the company presentations and in the guidance sections of the annual report. The key figures are based on the strategy cycle, which usually lasts three to five years for established companies. Short-term forecasts, however, are increasingly expected by the market.

Oliver Seifried, Partner at IRF, comments: "In a volatile and uncertain environment, the market's need for forward-looking, quantitative forecasts of business development by listed companies is particularly pronounced. At the same time, this volatility makes it difficult for companies to formulate reliable, quantitative forecasts. It is therefore all the more positive that more and more companies are devoting a separate chapter of their annual reports to forecasts of future business performance, including the underlying assumptions and derivations. These are based on long-term market trends, current market events and forces, as well as vision and strategy. This provides orientation and enables key figures to be classified in a forward-looking manner under changing conditions.»

### **Sales and, above all, operating profit remain the most important targets**

The key figures most frequently used for guidance are once again sales (77%) and operating profit (77%). These key figures are used in absolute terms, as changes or as margin forecasts. While operating profit figures remain roughly constant, fewer companies are providing sales forecasts compared with the previous year (-9%). In particular, the number of companies providing quantitative sales forecasts has fallen. "Due to many unknown and volatile market factors, we are again seeing a shift away from sales forecasts in guidance this year, especially among globally operating companies. Companies are focusing on metrics that they can influence directly and in the relatively short term. These include the operating cost structure and dividend targets," says Yasemin Diethelm-Ersan, Senior Consultant at IRF.

The target figures for cash flow and return on equity remain unchanged from the previous year. They account for 29% (2023: 30%) and 10% (2023: 9%) respectively. Forecasts for earnings or earnings per share are down 5 percentage points to 23%. Dividends as a target figure are seeing a sharp increase. A new 38% of companies are publishing a dividend target in their guidance (previously 26%) as a constant figure in a volatile environment.

When it comes to other guidance parameters, mentioning individual business areas is becoming more popular. Half of the companies mention the future development of business areas or product groups in their guidance. Last year, this figure was 39%. Only 19% of companies provide guidance by region, compared with 22% in the previous year. Information on cost savings and operational efficiency rose from 35% to 38%. The market position is mentioned in the guidance of only 10% of companies (previous year: 13%). Information on the expected development relative to the market increased from 13% to 15%.

Among the external factors explicitly mentioned in the company forecasts, market development and the economy are again the most frequently cited criteria, accounting for 79% and 58% respectively. The decline in the economic outlook by 7 percentage points is striking, while information on product-related markets rose by 5 percentage points. Forecasts for currencies also rose slightly (31% share compared to 28% in the previous year). Regarding geopolitical factors, only 15% of companies explicitly mention US tariffs in their guidance for the 2024 annual results (mainly in the months of January to March). At this point in time, the US tariffs have already been announced as a measure by the new US administration, but their scope and level have not yet been specified.

Yasemin Diethelm-Ersan: "In this year's analysis, it should be noted that the announcement of high tariffs by the US government fell in the middle of the annual reporting period. It can be assumed that some companies adapted their guidance concept to these circumstances and, for example, refrained from confirming or renewing their medium-term targets."

#### **Non-financial targets – large companies publish Scope 3 targets**

Following the legal introduction of non-financial reporting from the 2023 financial year onwards, 100% of SMI Expanded companies report environmental targets. Not all companies publish forecasts for social factors. Moreover, at 94%, they are down slightly from the previous year (96%). The high figures reflect the binding legal requirements for non-financial targets, which do not exist in this form for financial targets. It is interesting to note the depth with which companies disclose their non-financial targets. The analysis shows that 71% of the largest companies already publish quantitative Scope 3 targets, often supplemented by interim targets.

#### **Best practice in transition: a look at 2014**

Earnings forecasts are a powerful tool that can significantly influence stock valuations. By understanding how they work and how they affect market developments, investors can make more informed decisions. On the occasion of the tenth IRF Guidance Study, IRF looked back at the first study from 2014. Even back then, a majority of companies published financial guidance. However, this figure was only 62% (today 96%). Only 56% of companies provided sales forecasts (today 77%). However, operating guidance already accounted for the same proportion as today (78%). In addition, short-term forecasts dominated with 92%, as they do today. Medium-term and long-term outlooks, on the other hand, accounted for only 32% and 8%. Today, the figures are significantly higher at 63% and 21%. Finally, in 2014, 59% of companies voluntarily published environmental targets, whereas today 100% of companies are required to do so.

This shows that the best practice guidance at that time was largely in line with today's guidance. Key elements have become firmly established, while other aspects have been added or gained in importance over the past ten years, such as sales guidance. Overall, the outlook has become demonstrably more long-term, detailed, and broad over the years.

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#### **\*Method**

IRF conducted its tenth study on financial guidance provided by Swiss companies in connection with the publication of their annual results. Data was collected by analyzing the sections of the annual reports and presentations of the 2024 annual results in which the strategy or outlook was discussed. Media releases on the annual results also served as a source of data. The study covered the 48 companies from the SMI Expanded that had published their 2024 annual results at the time the study was conducted. The SMI Expanded comprises the 50 most highly capitalized stocks on the Swiss stock market.

#### **About IRF**

IRF is a leading Swiss consulting firm for economic issues. IRF counts around 40 Swiss and international companies among its regular clients. IRF has also made a name for itself in crisis communication and in supporting capital market transactions.

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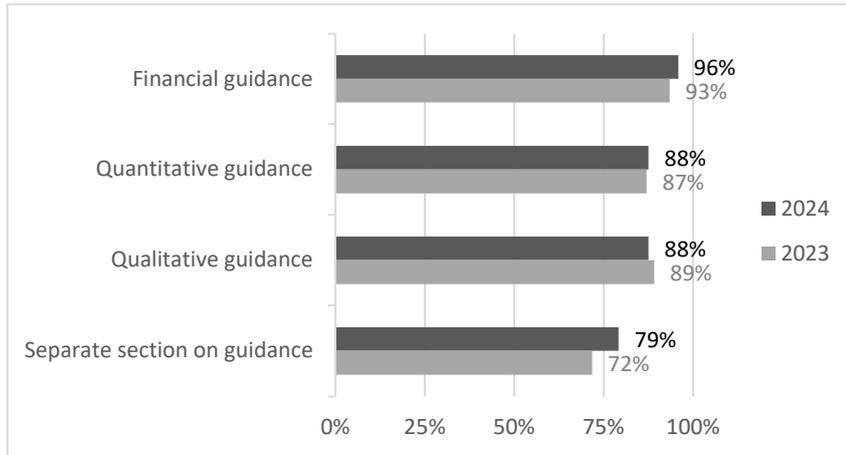
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**The full report is also available for download on the IRF website under "News".**

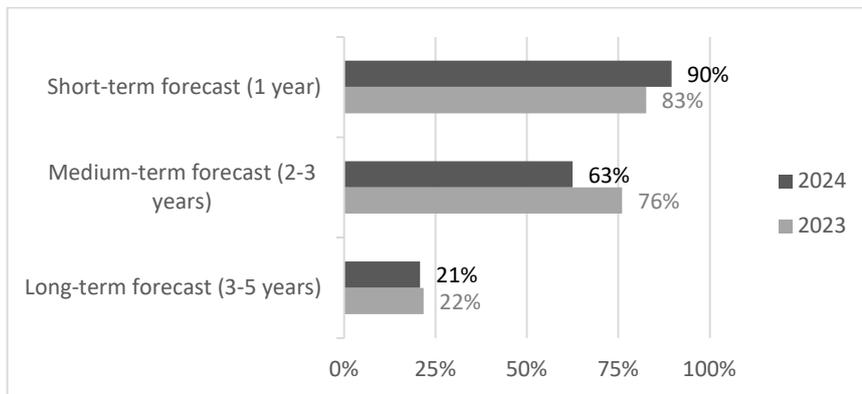
## Detailed study results for 2025

### Will financial guidance be provided as part of the 2024 annual reporting?



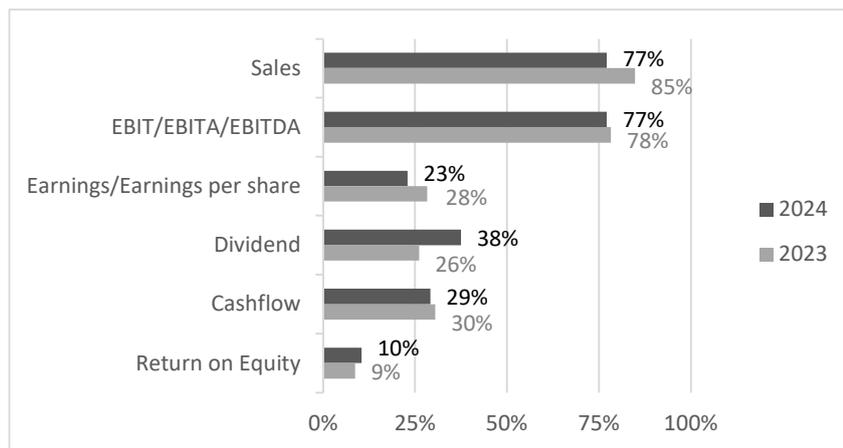
46 of the 48 companies surveyed provide financial guidance in their annual reports. This proportion has risen compared with the previous year. Quantitative and qualitative targets are used by 88% of companies. 79% of companies devote a separate section of their annual report to guidance.

### What time horizon does the guidance cover?



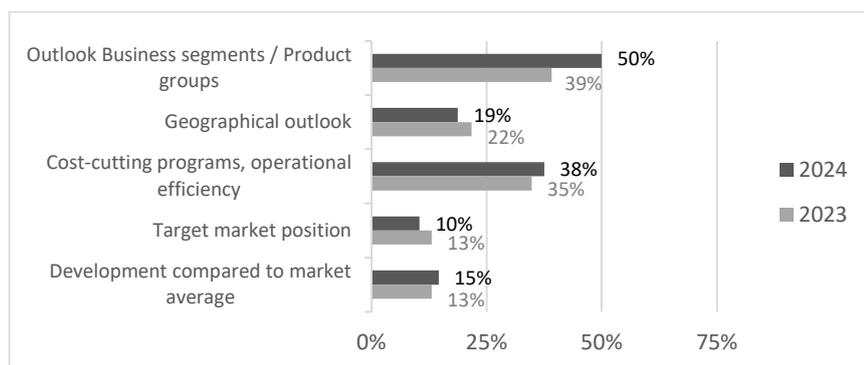
In terms of time horizon, 90% of companies make a statement for the next twelve months. Only 63% publish a medium-term forecast and 21% mention long-term targets.

### What key figures does the quantitative guidance include?



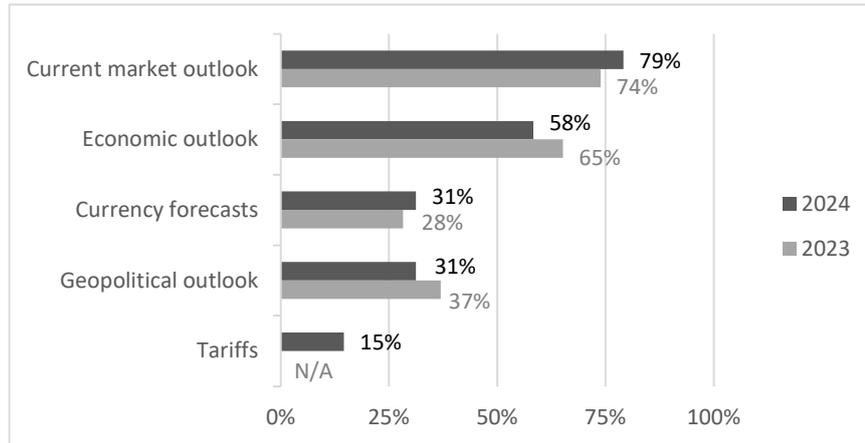
Both sales and operating results in the form of EBIT, EBITA, EBITDA, or margins are again the most frequently discussed topics, each accounting for 77% of responses. However, the proportion of companies that primarily cite sales as their target figure is declining. Dividends are making a big comeback this year, with 38% of companies citing them as a target. Cash flow and return on equity remain roughly unchanged from the previous year (29% and 10%).

### What internal performance parameters do the guidance cover?



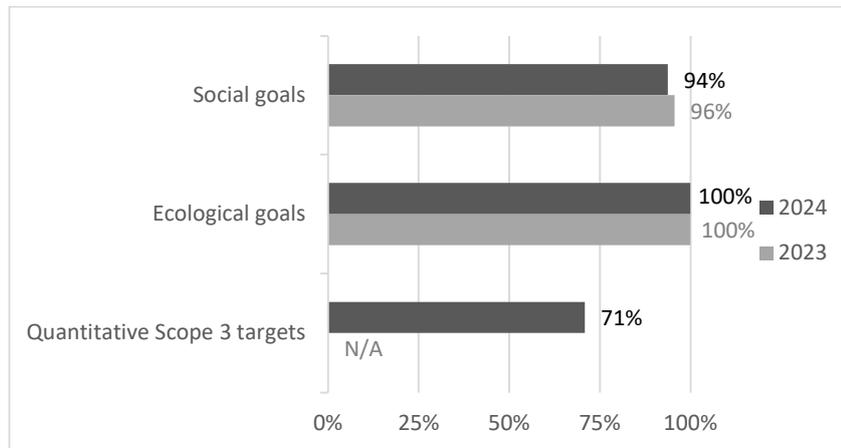
In terms of internal performance parameters, the sharp increase in information on business segments and product groups is striking. These now account for 50% of responses. The other parameters, such as regions, operational efficiency, market position, and market average, remain largely unchanged. They are mentioned in the outlook by 19%, 38%, 10%, and 15% of companies, respectively.

### What external factors does the guidance address?

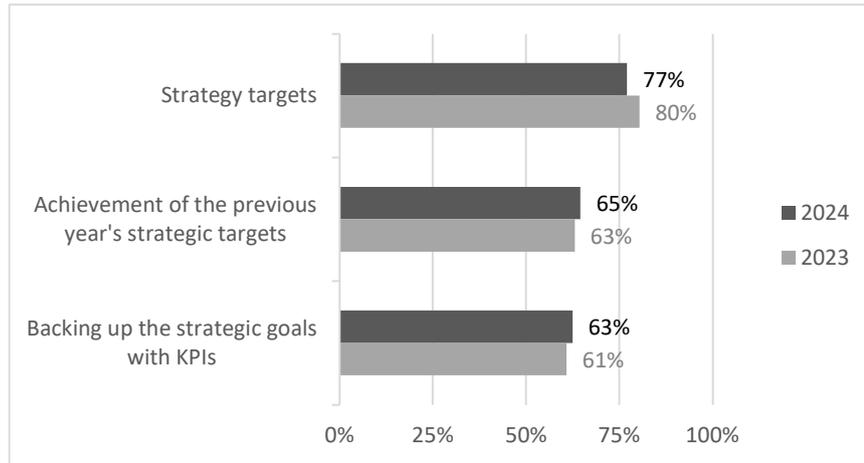


The market outlook and economic indicators continue to dominate the external parameters in the guidance, with the former rising slightly to 79% and the latter declining (58%). 31% of companies make specific currency forecasts, and the same proportion explicitly includes the geopolitical outlook in their guidance. As a new factor this year, 15% of companies mention US tariff policy in their guidance.

### Are non-financial KPIs also defined and discussed in the strategy discussion or outlook? Which areas do these come from?



While social targets are declining slightly, all companies are publishing environmental targets. This is against the backdrop of legal requirements that will apply from the 2023 financial year and set out a roadmap for reducing emissions. 71% of companies are already publishing Scope 3 emissions targets.

**What content is mentioned in the strategy discussion?**

77% of companies mention specific targets in their annual reports in the strategy discussion. 65% take stock and discuss the achievement of the previous year's strategic goals. 63% of companies back up their strategic goals with specific key figures. These figures have not changed significantly compared to the previous year.