



Survey Report

An Evolving World Order: Cost of Capital in the Current Environment

November 2025



Summary

On September 25, 2025, Kroll Managing Director Carla S. Nunes, CFA, and Director James P. Harrington discussed current and projected global economic conditions, global financial market performance, as well as trends in risk-free rates, equity risk premium, cost of debt, and country risk premium assumptions before a live audience of **407 participants**.*

Throughout the webinar, they polled the attendees on their views on the likelihood of an economic recession in 2026 and other valuation and cost of capital related topics.

In the following slides, you will find the results of these polling questions.

*Out of 407 live attendees, 21% were Kroll employees and 79% were external/third-party participants



1

In which country/region are your valuations primarily focused?

2

Do you believe the country/region where you are located will achieve a “soft landing” (i.e., inflation comes down without causing a big recession and a spike in unemployment) in 2026?

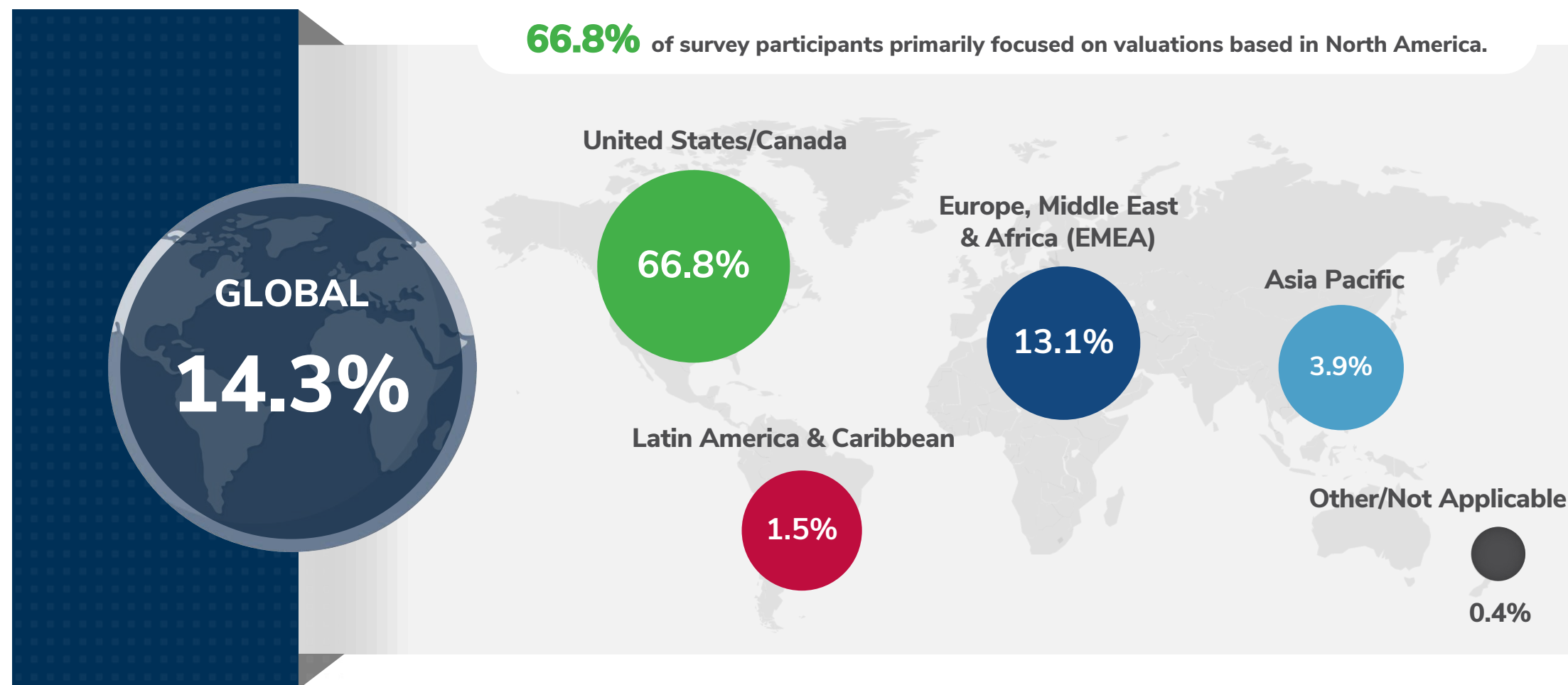
3

Which methods/data sources do you use as the equity (market) risk premium (ERP) input in your cost of equity estimates? [Select ALL that Apply]

4

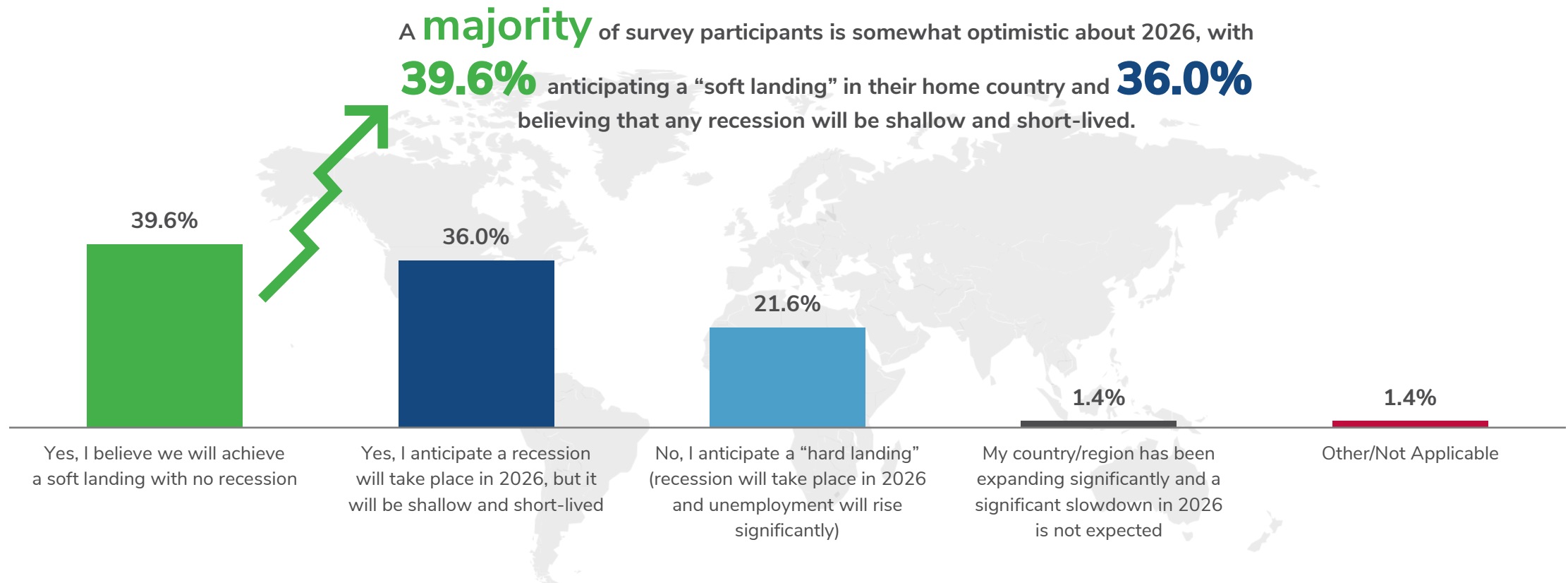
Do you believe that the overall cost of capital will return to the low levels observed during the COVID-19 recovery period?

In which country/region are your valuations primarily focused?



QUESTION 2

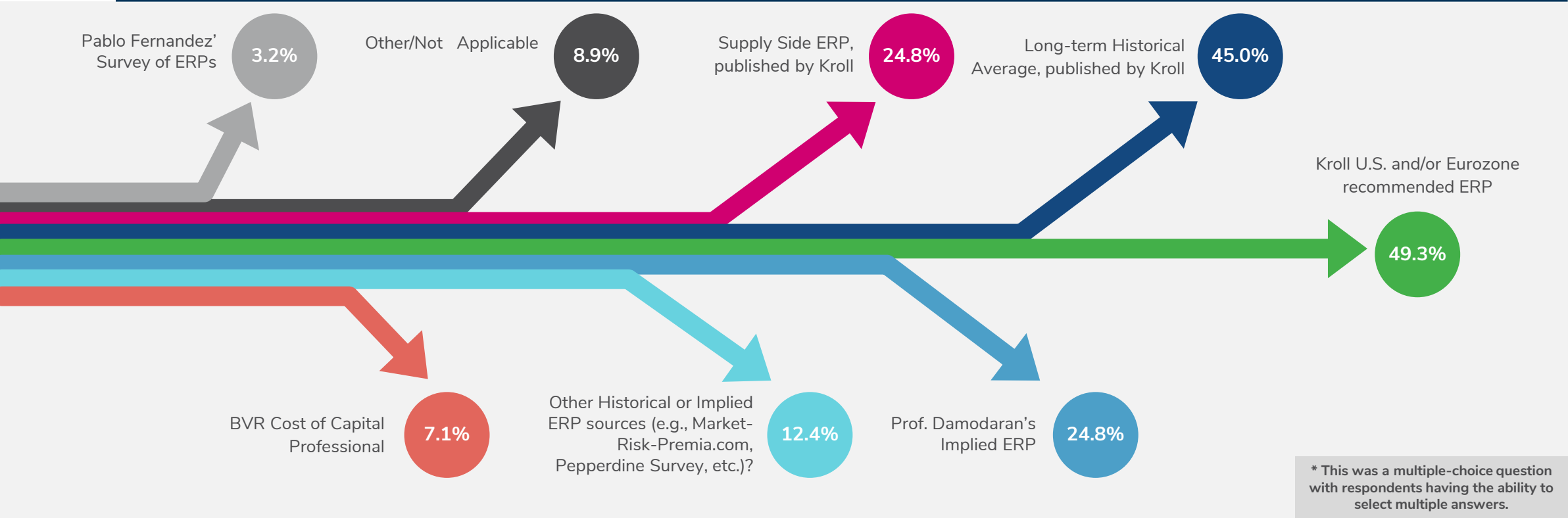
Do you believe the country/region where you are located will achieve a “soft landing” (i.e., inflation comes down without causing a big recession and a spike in unemployment) in 2026?



QUESTION 3

Which methods/data sources do you use as the equity (market) risk premium (ERP) input in your cost of equity estimates?*

Almost 50% of survey participants rely on the Kroll Recommended U.S. and/or Eurozone ERP, closely followed by the Long-Term Historical Average published by Kroll (45%) as a basis to estimate ERPs. Almost a quarter of the audience utilize the long-term Supply-Side ERP, also published by Kroll, with an equal proportion taking into consideration Professor Aswath Damodaran's Implied ERP.*



QUESTION 4

Do you believe that the overall cost of capital will return to the low levels observed during the COVID-19 recovery period?

The vast **majority** of survey respondents believes that the overall **cost of capital will remain higher** when compared to the COVID-19 recovery period.





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