

The background of the slide is a photograph of a cave interior. The cave walls and ceiling are covered in intricate, wavy patterns of ice or mineral deposits. A bright blue light source, possibly a flashlight or a small opening, illuminates the scene from the right, casting long shadows and highlighting the textures of the cave walls. A person is visible in the distance, standing near the light source, providing a sense of scale to the vast, dark cavern.

*corbin*

INSIDE THE  
**Buy•Side**

Q2'22 Earnings Primer®

July 14, 2022

# Inside The Buy-side® Q2'22 Earnings Primer®

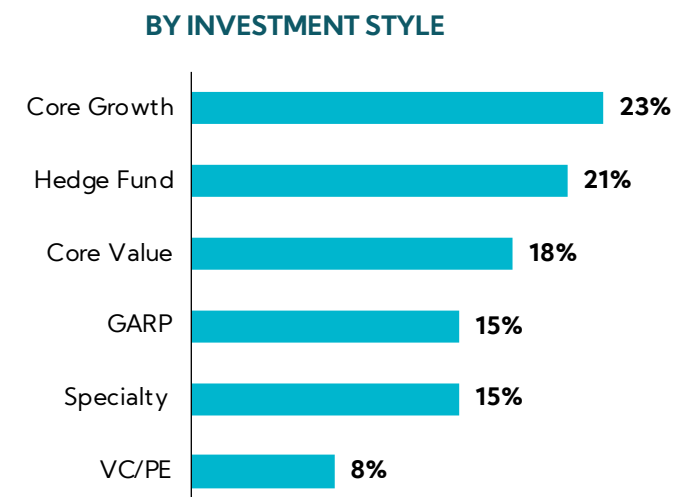
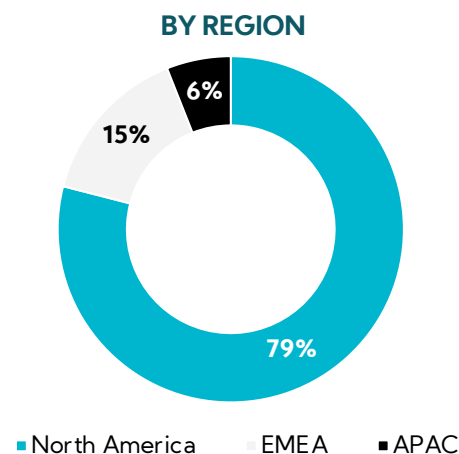
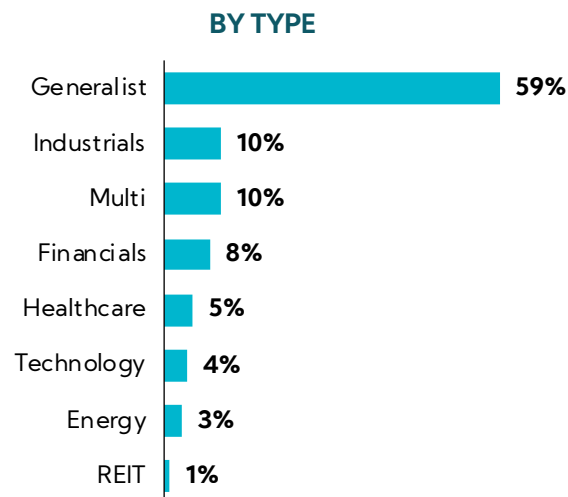
Since 2007, we have surveyed global investors quarterly on the equity markets, world economies and business climate. At the start of every earnings season, we publish our global *Inside The Buy-side Earnings Primer*®, which captures real-time *Voice of Investor*® sentiment and trends.

Leveraging our deep understanding of capital markets, cutting-edge technology and best practice knowledge, our research demonstrates the value we add by remaining at the forefront of global market trends, investor sentiment and effective communication strategies.

**Survey Scope:** 80 participants globally, comprising 80% buy side and 20% sell side; equity assets under management total ~\$5.0 trillion

**Survey Timeframe:** June 2 – July 8, 2022

Market Performance	Q2'22	YTD <sup>1</sup>
<b>U.S.</b>		
DJIA	(11.6%)	(13.6%)
NASDAQ	(22.7%)	(25.7%)
S&P 500	(16.7%)	(18.1%)
Russell 2000	(18.3%)	(21.2%)
<b>Europe</b>		
FTSE 100	(4.9%)	(2.7%)
Stoxx 600	(11.2%)	(15.2%)
<b>Asia</b>		
Hang Seng	(0.8%)	(7.5%)
Shanghai	3.5%	(7.6%)

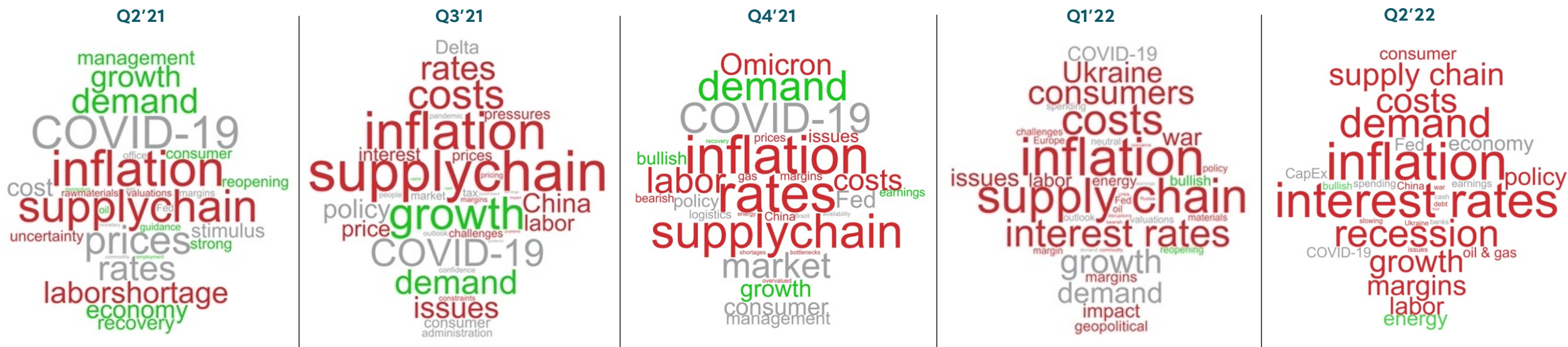




# Word Cloud: Visual Representation of Investment Community

## Focus Areas, Themes and Sentiment

*Escalating Inflation and Interest Rates Continue to Dominate Mindshare, while Recession Mentions Proliferate*



Top Mentions	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q/Q
Inflation	40	50	65	97	87	↓ 10
Interest Rates	8	16	40	24	39	↑ 15
Demand	20	18	32	14	34	↑ 20
Recession	0	0	1	2	31	↑ 29
Costs	14	22	18	35	29	↓ 6
Growth	16	23	16	16	25	↑ 9

### Key: Underlying Sentiment

- Positive
- Neutral
- Negative

# More Investors Expecting Worst-Case Scenario for Earnings Season, Setting the Stage for Continued Volatility – Several Records Set this Survey

## Second Consecutive Quarter of Increasingly Downbeat Sentiment

- **55%** of surveyed investors and analysts describe themselves as *Neutral to Bearish* or *Bearish*, up from 43% last quarter and the second-most downbeat level recorded, trailing only the onset of COVID-19; only 13% are *Neutral to Bullish* or *Bullish*, down from 26% QoQ
- **39%** describe executive tone as *Neutral to Bearish* or *Bearish*, up from 25% last quarter; notably, 33% report upbeat executive stance, in line QoQ
- Just **14%** believe strong demand levels/trends *will* continue in 2H 2022, down from 45% heading into Q1 earnings season and 82% heading into Q4 earnings season
- **90%** report *more concern* or a continued *high level of concern* (aided) with Fed policy, up from 57%, followed by inflation (89%) and stagflation (72%)
- **73%** cite inflation as a top area to address on earnings calls, in line with last quarter, followed by demand (39%), margins (38%), supply chain (30%) and labor, including productivity and hiring vs. layoff actions (28%)
- **43%** cite monetary policy as a top concern, with most investors expecting the year-end target Fed funds rate to be between 2.75% and 3.0%

## Investors Baking in Deteriorating KPIs and Anticipating Lowered Guidance – Views Likely Too Draconian based on Corporate Realities (Records Still Being Set) But an Economic Winter is Coming

- **60%+** expect *Worsening* organic growth, margins, EPS and FCF, the most downbeat views since June 2020
- After a mix of guides last quarter, **70%+** anticipate companies will *Lower* annual organic growth, EPS and margin guidance, in general, while 60% expect the same for FCF
- **47%** expect *Worse Than* sequential earnings, up from 30%, and **50%** expect consensus misses
- **72%** are *Concerned* or *Significantly Concerned* about a recession, with most expecting contraction in 2H 2022 or 1H 2023; the majority forecasts the expected downturn to be “short” and “shallow”
- **70%+** expect Global Capex, Consumer Confidence and Resi/Non Resi Construction to *Worsen* over the next six months; 54% expect Oil & Gas Markets to *Stay the Same*

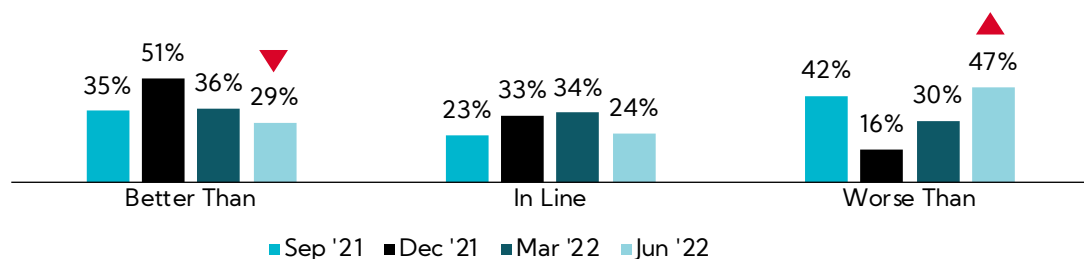
## Doom-and-Gloom Investor Mentality Leads to a Shift in Capital Deployment Preferences and Investment Rotation

- Capital deployment preferences shift to debt paydown and hoarding cash, and away from M&A
  - **50%** favor debt reduction as a top use of cash, up from 41% last quarter; reinvestment falls to lowest level recorded
  - **40%** encourage companies to hold dry powder/hoard cash, up from 33% last quarter and the highest level recorded since March 2020
  - Only **24%** favor M&A at this time, the lowest level since March 2020
- Investors remain in Healthcare, Energy/Materials and other recession-resistant sectors, including Financials, Consumer Staples and Utilities
  - Consumer Discretionary, REITs and Building Products see the most downbeat investor sentiment
- If we were to enter a recession, investors are focused on cost-cutting, inclusive of layoffs, as well as capex cuts
  - At this time, **38%** report growth investments should be maintained at current levels while the same number encourage companies to moderate growth capex

# Expectations for QoQ Deceleration and Consensus Misses Continue to Mount

72% of investors are currently prioritizing margin expansion over revenue growth

Q2'22 EARNINGS EXPECTATIONS VS. PRIOR QUARTER



## Better Than

"Putin's Ukraine war." **Buy Side, Generalist, N. America**

"With expectations low, it's take-out-the-garbage time for companies." **Buy Side, Multi, N. America**

"My expectations are better because commodity prices are higher." **Buy Side, Energy, N. America**

"Pricing benefit more in line with inflationary pressures relative to Q1'22." **Sell Side, Generalist, N. America**

"We still see strong operating fundamentals driving revenue, while inflationary cost drivers and potential headwinds due to rates seem to be lagging." **Sell Side, Generalist, N. America**

"Conditions through Q2 remained good, in line with expectations." **Sell Side, Industrials, N. America**

## In Line

"Lower input costs offset by weaker demand. This should help inflation in support of stable/higher valuations." **Buy Side, Generalist, N. America**

"It is split across my coverage. Some of the capital markets names who are reliant upon the market level are going to come in significantly worse but some of the names that are balance sheet driven, like banks, are going to come in better. Net-net, it will be about a wash QoQ." **Buy Side, Generalist, N. America**

"Inflationary pressure." **Buy Side, Generalist, N. America**

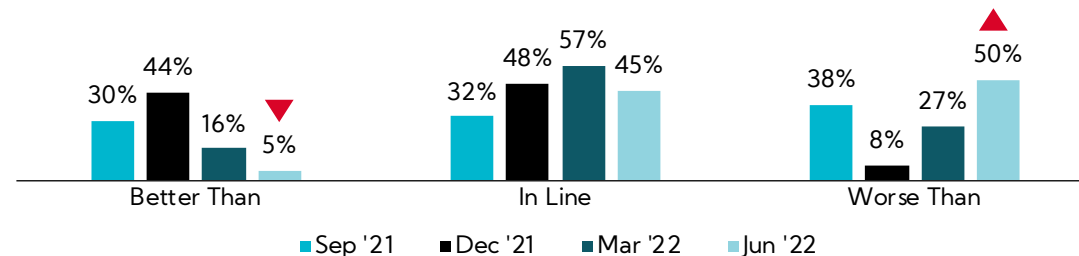
"We are in the weirdest economy ever - where energy and food prices are driving demand destruction, but the labor market is strong." **Buy Side, Generalist, N. America**

"Underlying corporate earnings will be okay." **Buy Side, Generalist, N. America**

"No indications from our investments that biz is declining." **Buy Side, Generalist, N. America**

"Aggregate levels of demand still very good." **Buy Side, Generalist, Europe**

Q2'22 EARNINGS EXPECTATIONS VS. CONSENSUS



## Worse Than

"Rates and demand." **Buy Side, Generalist, N. America**

"Margin compression." **Buy Side, Generalist, N. America**

"Supply chain, inflation, government policy." **Buy Side, Generalist, N. America**

"Profit margins are collapsing for many companies." **Buy Side, Generalist, N. America**

"Inflation and rising interest rates." **Buy Side, Generalist, N. America**

"Given the trend in analyst revisions, the expectation is for Q2'22 EPS to be lower than Q1'22. Given the rate of analyst revisions, Q2'22 in line with consensus." **Buy Side, Generalist, N. America**

"Expecting weakness on FX headwinds." **Buy Side, Multi, N. America**

"The market has priced most of this in." **Buy Side, Multi, N. America**

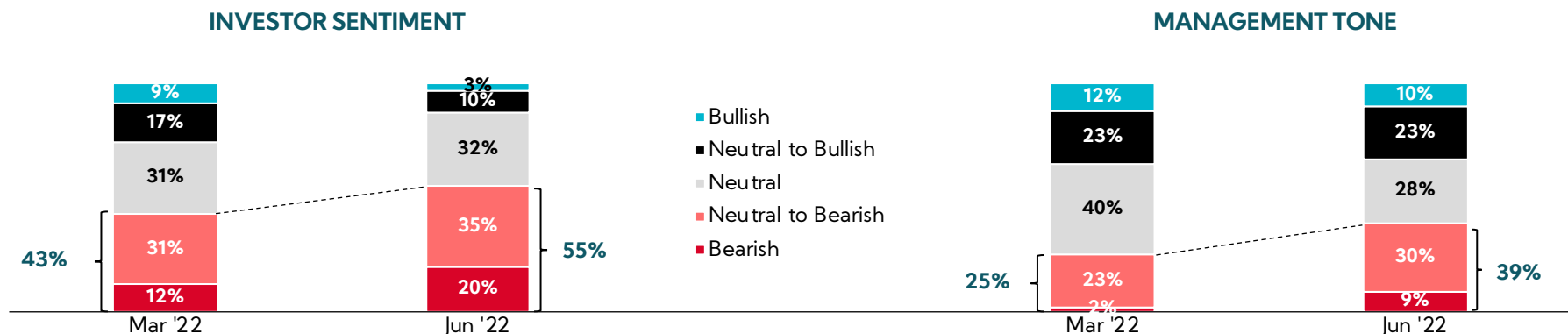
"Markets." **Buy Side, Generalist, Europe**

"Economic slowdown." **Buy Side, Generalist, Australia**

"European war, inflation, COVID-19, dislocated supply chains." **Sell Side, Generalist, Europe**

# Investor Sentiment the Most Downbeat Since the March 2020 (COVID-19 Onset) and December 2015 (Mini-Industrial Recession)

*Many companies not yet seeing the level of deceleration that most investors and analysts anticipating*



## Neutral to Bullish

*"Stable EPS outlook currently based on solid earnings backdrop and selectively cheap valuations drive bullish narrative."* **Buy Side, Generalist, N. America**

*"Most people I talk to are bullish on the outlook on what they are seeing in their business but recognize the macroenvironment is challenging and that things could change quickly."* **Buy Side, Generalist, N. America**

## Neutral

*"Too many conflicting economic signals."* **Buy Side, Generalist, N. America**

*"A lot of people who've never invested in this sort of environment combined with Fed heads spooking the market."* **Buy Side, Multi, N. America**

*"It's an uncertain time. People are less bullish because we're going into a world of higher interest rates, and that's usually not favorable for asset prices. It's not bad because, sometimes, high rates on their own are not a bad thing because higher rates are usually indicative of a strong economy, but the problem right now is you've got inflation running away and a world that's very indebted. If the central banks around the world are increasing interest rates, what happens to all that debt that needs to be serviced, and is it going to push us into recession?"* **Buy Side, Financials, N. America**

*"Management is always going to put their best foot forward, and they're always going to make it sound like things are great. You've got to be a bit cautious of that. Management teams don't tend to make a habit out of telling everything that's wrong with their business. I would say there is an acknowledgement that rates are increasing, but less willingness to acknowledge that values are going down because rates are increasing."* **Buy Side, Financials, N. America**

*"Optimism in operating fundamentals and performance QTD tempered by concerns around impact of unknowns."* **Sell Side, Generalist, N. America**

## Neutral to Bearish

*"No confidence in the govt./administration, poor energy policy, inflation, supply chain."* **Buy Side, Generalist, N. America**

*"Specific companies that provided guidance directed lower for the quarter and adjusted expectations downward for the full year."* **Buy Side, Generalist, N. America**

*"Inflation, interest rates, gas prices, political polarization, midterm elections, supreme court decisions, COVID-19 & Monkeypox."* **Buy Side, Multi, N. America**

*"Given the fact it is already in a bear market. I am slightly more neutral on equity valuations but bearish on the economy."* **Sell Side, Generalist, N. America**

*"Higher rates/housing market pressures."* **Sell Side, Generalist, N. America**

*"Current inflation and pending Fed rate hikes designed to slow demand."* **Sell Side, Industrials, N. America**

## Bearish

*"Inflation is completely on fire and core costs, like transportation, are rising faster than companies can increase their prices."* **Buy Side, Generalist, N. America**

*"Data."* **Buy Side, Generalist, N. America**

*"Rates, inflation...especially energy, labor."* **Buy Side, Generalist, N. America**

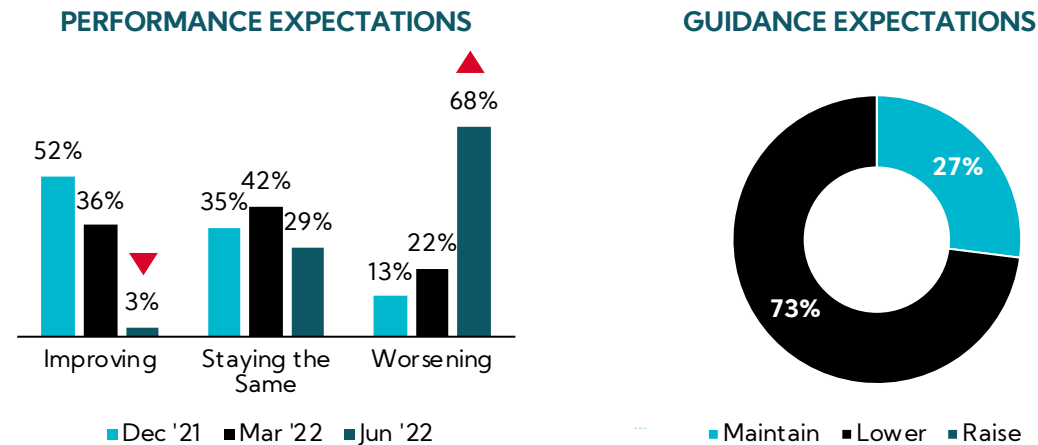
*"Overvaluations and P/E multiples for the S&P."* **Buy Side, Generalist, N. America**

*"Inflation and interest rates."* **Buy Side, Multi, N. America**

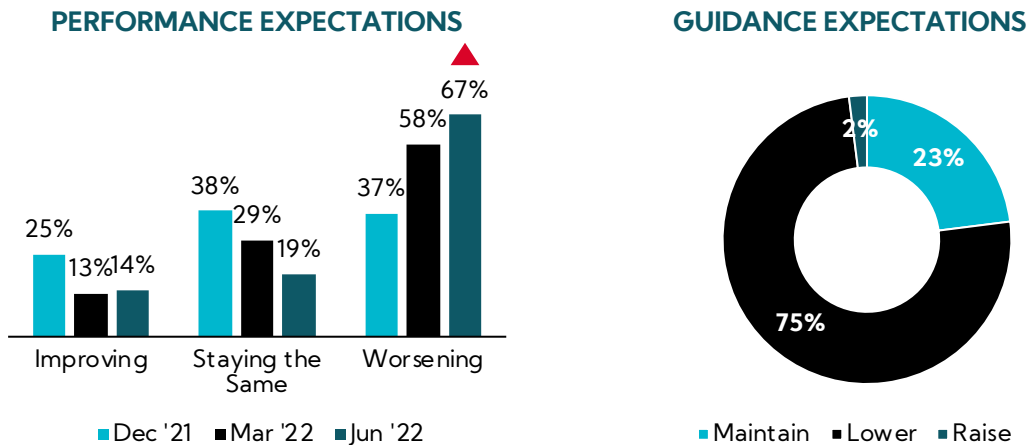
*"European war, inflation, COVID-19, dislocated supply chains."* **Sell Side, Generalist, Europe**

# Sounding Like a Broken Record...Outside of the COVID-19 Onset, KPIs See the Highest Level of Downbeat Expectations in Five Years

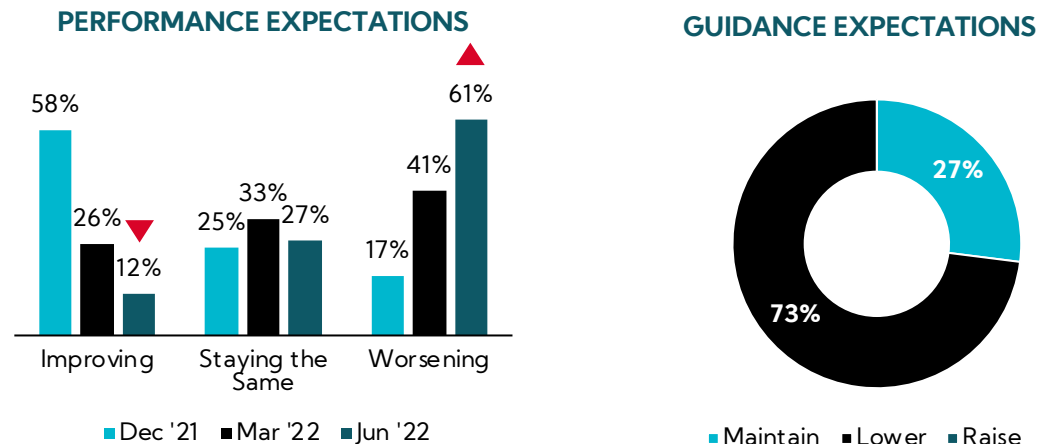
## ORGANIC GROWTH



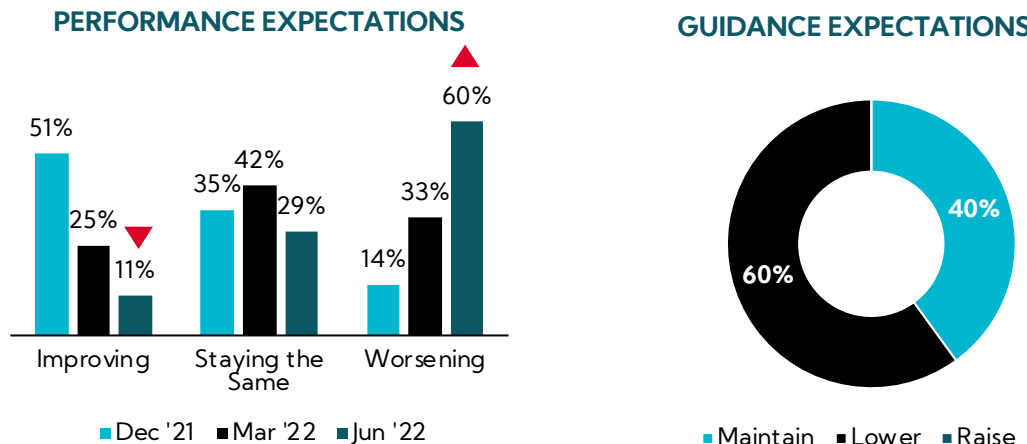
## MARGINS



## EPS



## FCF







**73%** (UNCH)  
Inflation, pricing power

**39%** (↑ 17pts)  
Demand

**38%** (↑ 10pts)  
Margins

**30%** (↓ 11pts)  
Supply chain

**28%** (↑ 11pts)  
Labor productivity, hiring  
vs. layoffs

## Topics of Interest for Upcoming Earnings Calls

*For the fifth consecutive quarter, inflation remains top of mind; demand, margins and labor increasingly in focus*

### Views from N. America

*"Preserving cash."* **Buy Side, Generalist**

*"Inflation, rising rates, geopolitical risks."* **Buy Side, Generalist**

*"Inflation impact on costs, the level of employees they want (i.e., hiring or firing?), what are they doing to get their debt reduced?"* **Buy Side, Generalist**

*"Hiring, margins, inventory buildup."* **Buy Side, Generalist**

*"Inflation, supply chain."* **Buy Side, Generalist**

*"Inflation, customer demand, pricing power."* **Buy Side, Generalist**

*"Free cash flow."* **Buy Side, Generalist**

*"What is demand for the product/service like through year end, can you get the people you need for your organization?"* **Buy Side, Generalist**

*"The main thing across all S&P 500 stocks is going to be how can you handle inflation."* **Buy Side, Generalist**

*"Supply chain, labor costs, any demand weakness."* **Buy Side, Generalist**

*"Labor productivity, demand, margins."* **Buy Side, Generalist**

*"Supply chain, return to work, employment needs/cutting or still adding."* **Buy Side, Generalist**

*"Future orders, pricing power, inventory outlook."* **Buy Side, Generalist**

*"Order trends by industry and region, are supply chain constraints easing? Price vs. cost."* **Buy Side, Generalist**

*"Short-term investment."* **Buy Side, Generalist**

*"Demand outlook, earnings scenarios based on largest risks (geopolitical, consumer, inflation, cost of debt, etc.)."* **Buy Side, Generalist**

*"Inventory management in the face of continuing supply chain challenges coupled with production challenges, managing margins going forward given the increase in input costs and what does the future look like as environments like this historically promote change."* **Buy Side, Generalist**

*"Contingency plans (cost control, capital allocation decisions) in recession scenario."* **Buy Side, Multi**

*"Gross margin growth/decline, CapEx, operating margin growth/decline."* **Buy Side, Multi**

*"Commitment to work with legislators to raise margin rates on oil and reduce specialization in energy markets. Cash flow versus debt repayment."* **Buy Side, Multi**

*"Macro/sustainability of growth, FX impact."* **Buy Side, Multi**

*"Inflation, supply chains, interest rates."* **Buy Side, Multi**

*"Margins, demand."* **Buy Side, Information Technology**

*Revenue trends and input from their key customers, level of pricing increases they are seeing from supply base and confidence they can increase pricing to keep up, view on inflationary pressure and turnover in labor."* **Sell Side, Generalist**

*"Consumer demand trends, margin outlook, expansion plans (accelerate or pullback)."* **Sell Side, Generalist**

*"Business trends as it relates to the cycle."* **Sell Side, Generalist**

*"Conditions in July vs. prior year, pricing, supply chain conditions."* **Sell Side, Industrials**

### Views from EMEA and APAC

*"Sales/volume growth, raw material costs, wage costs."* **Buy Side, Generalist**

*"Supply chain, input costs, margins."* **Buy Side, Generalist**

*"Economic conditions, management of supply chains, cost containment."* **Sell Side, Generalist**

*"Pass-through inflation, margin pressure, longer term impact of higher yields."* **Sell Side, Generalist**



# Top Concerns from Around the Globe *(unaided)*

*Inflation remains the top angst, with demand a new concern this quarter amid significantly greater concern over a recession*

1 (UNCH)	71% (↓ 25pts)	Inflation	2 (↑ 1)	43% (↑ 8pts)	Monetary policy	3 (↑ 1)	34% (↓ 5pts)	Supply chain disruption
4 (NEW)	22% (↑ 22pts)	Demand	5 (NEW)	22% (↑ 18pts)	Recession	6 (↓ 4)	22% (↓ 19pts)	Geopolitical conflicts/war

## Views from N. America

"Administration policy, energy policy, supply chain." **Buy Side, Generalist**

"Consumer demand falls more dramatically than expected, inflation continues to show acceleration prompting demand destruction and aggressive Fed action, oil prices spike." **Buy Side, Generalist**

"Debt levels high, growth slowdown, healthcare." **Buy Side, Generalist**

"Demand, inflation, credible earnings forecasts from analysts." **Buy Side, Generalist**

"Energy policy – there needs to be a change to allow more product to flow from and in the U.S. China locks down again; it looks like they are married to the zero-COVID-19 policy, which is hugely disruptive to the worldwide supply chain." **Buy Side, Generalist**

"Inflation, awful leadership, geopolitical challenges." **Buy Side, Generalist**

"Inflation, shortage of diesel fuel. 20% of U.S. companies are zombies. How many of them will be closed by their creditors? All? Half? A quarter?" **Buy Side, Generalist**

"Inflation and policy response, Ukraine and loss of confidence in and by the west, future of Republican party." **Buy Side, Generalist**

"Weak growth." **Buy Side, Generalist**

"Fed policy, fiscal policy, inflation." **Buy Side, Generalist**

"Biden administration policies, inflation, slow economic growth." **Buy Side, Multi**

"Inflation, recession, supply chain." **Buy Side, Multi**

"Inflation, interest rates, energy costs in winter." **Buy Side, Multi**

"Recession, Fed policy error, inflation." **Buy Side, Multi**

"Too many portfolio managers and quant coders who've never been through a market like this before, GOP taking control of house or senate, use of battlefield nukes by Russia or a mutation in SARS-COV-2 making it as contagious as omicron and as deadly as Delta." **Buy Side, Multi**

"Fed funds rate, consumer demand, inflation." **Sell Side, Generalist**

"Fed hiking into a slowing economy while concurrently removing liquidity from bond market, high level of uncertainty leads to risk aversion and multiple compression, lower than normal visibility into next few quarters' growth and margin." **Sell Side, Industrials**

## Views from EMEA/APAC

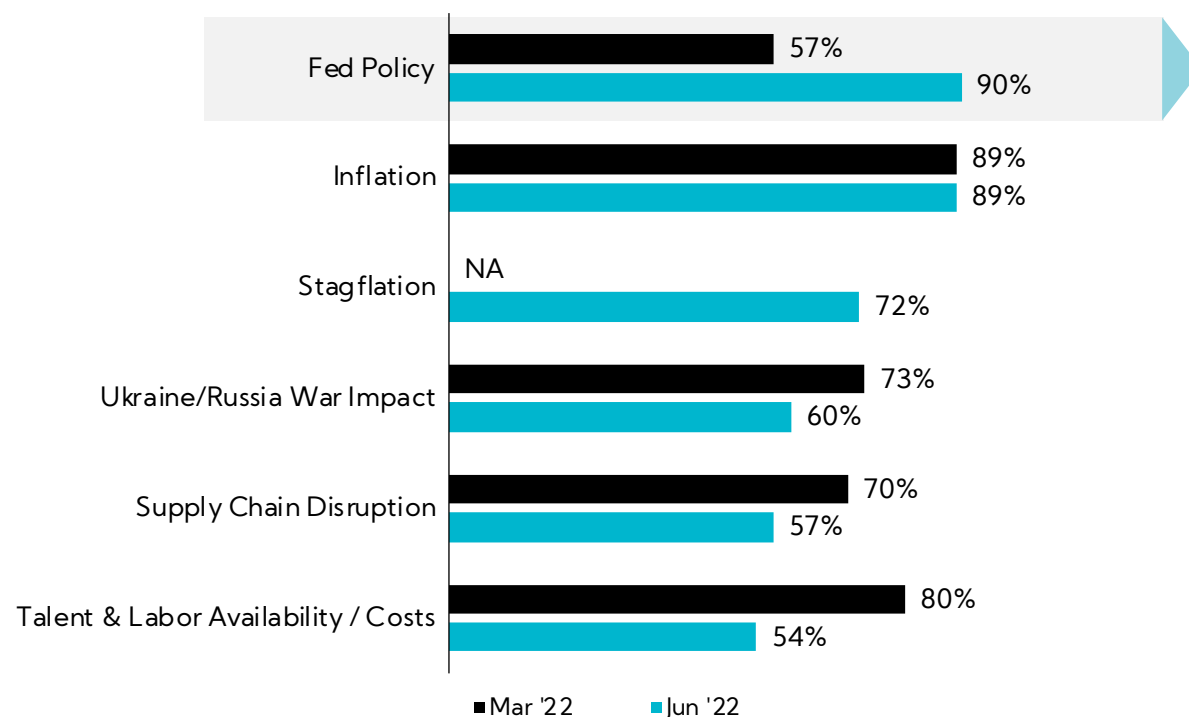
"Inflation, Fed policy, China lockdown." **Buy Side, Generalist**

"Global war due to nationalist policies, supply chain issues, containment policies for inflation." **Sell Side, Generalist**

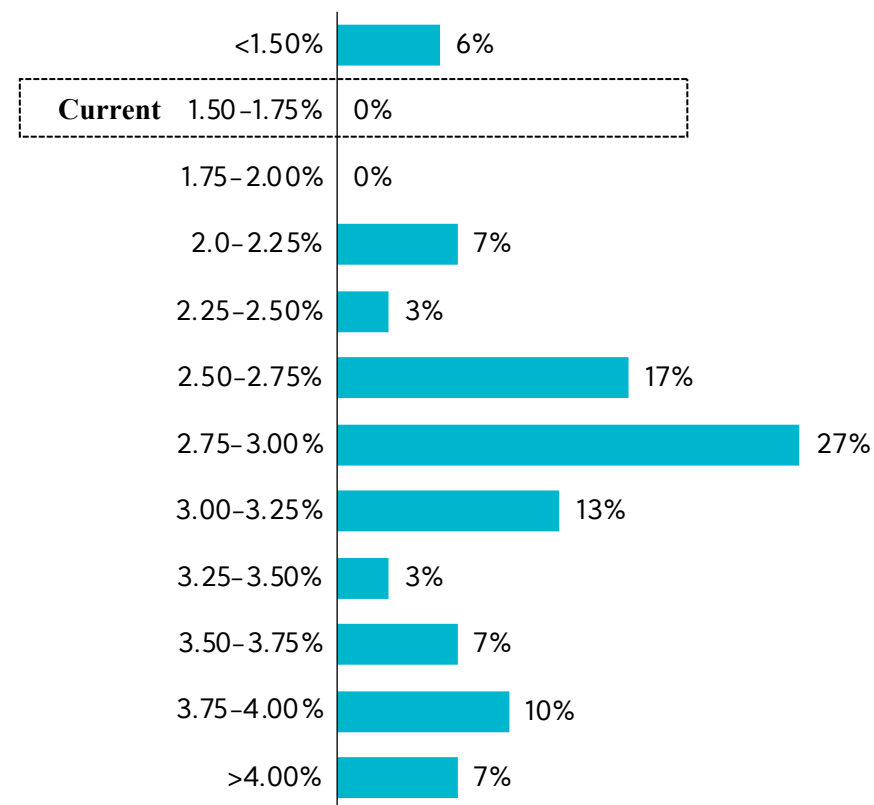
# 9 in 10 Investors Express High Level of Concern with U.S. Fed Policy *(Aided)*

*Most investors expect the target Fed funds rate to be between 2.75 - 3.00% by year-end*

**LEVEL OF CONCERN RELATIVE TO LAST QUARTER (AIDED)**  
*More Concerned or Continued High Level of Concern*



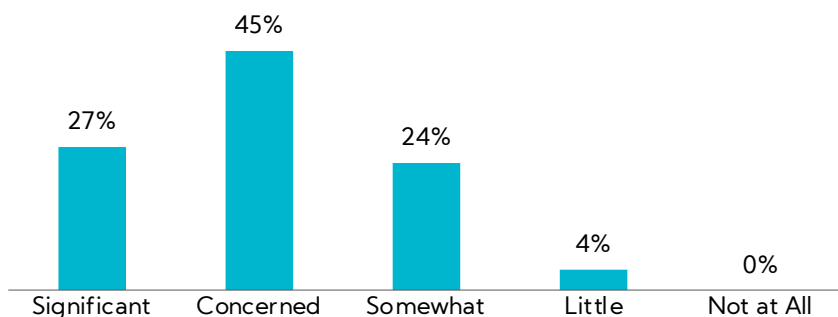
**EXPECTED TARGET U.S. FED FUNDS RATE BY YEAR-END 2022**



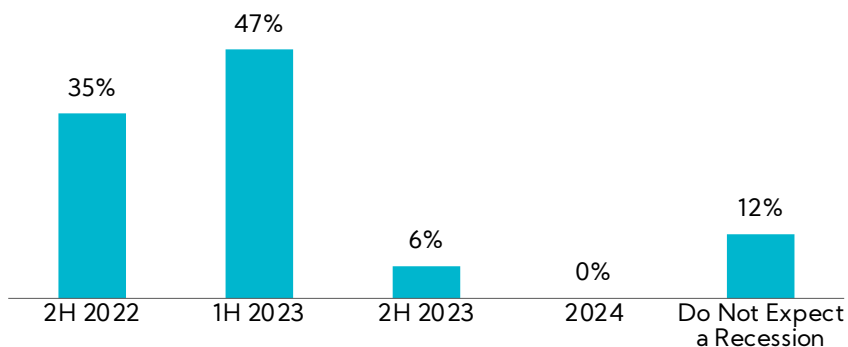
# Over 70% Concerned About a Recession with Slightly More Predicting Landfall in 1H 2023

*Expectations are largely for a “short” and “shallow” recession*

## LEVEL OF CONCERN ABOUT A RECESSION



## LIKELIHOOD OF A RECESSION



### Significant

*"Shallow, but not quick."* **Buy Side, Generalist, N. America**

*"Still defining the shape."* **Sell Side, Generalist, Europe**

### Concerned

*"It will be somewhat moderate."* **Buy Side, Generalist, N. America**

*"Short-lived, As I've been saying since March, we are potentially in one right now."* **Buy Side, Generalist, N. America**

*"I don't think that huge amounts of unemployment will happen. It would be a recession in GDP – people spending less."* **Buy Side, Generalist, N. America**

*"I see a potential recession looking like weakening of job market, negative growth for a couple quarters and hopefully nothing worse than that."* **Buy Side, Multi, N. America**

*"This is a natural cycle and needs to happen at some point to reset a lot of things."* **Buy Side, Multi, N. America**

*"We are already in a recession."* **Sell Side, Generalist, N. America**

*"I am concerned about a recession. It will actually be more mild than anything severe. People are thinking it will be like 2007–2008 but the drivers this time around seem different."* **Sell Side, Industrials, N. America**

### Somewhat

*"Mild recession at worst given tight job market."* **Buy Side, Generalist, N. America**

*"Recessions come, recessions go."* **Buy Side, Generalist, N. America**

*"I assume it is a Fed-induced recession that hopefully does not last too long or is not too deep."* **Buy Side, Generalist, N. America**

*"Fed needs to raise rates quickly to have leverage in a recession."* **Buy Side, Multi, N. America**

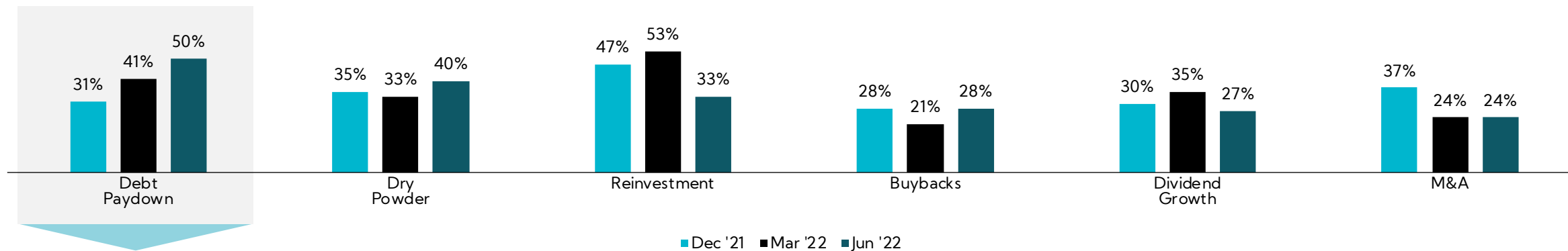
### Little

*"I think we are already in a recession but I don't think a recession is bad. As long as people can get jobs and with 11.4 million job openings – those laid off in 2022 should be able to find work of some type."* **Buy Side, Generalist, N. America**

# Capital Deployment Preferences Shift to Ultra-conservative Stance; Reinvestment Falls to Its Lowest Level Recorded

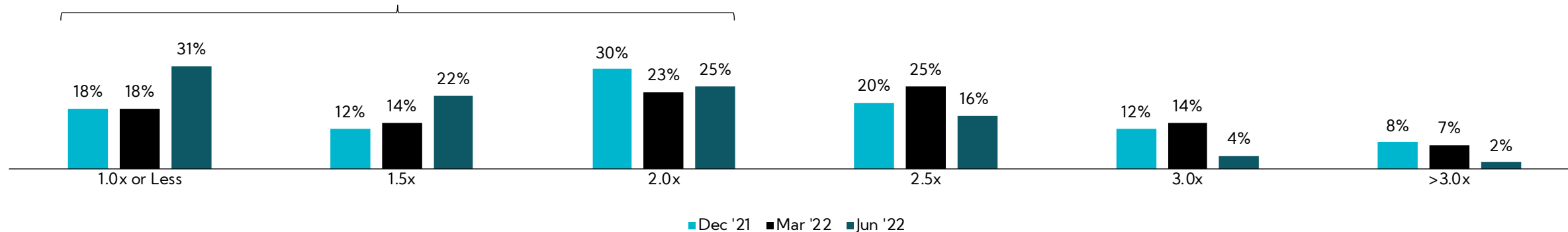
## PREFERRED USES OF CASH

In Descending Order of Top Two Preferences



## IDEAL NET DEBT-TO-EBITDA LEVEL

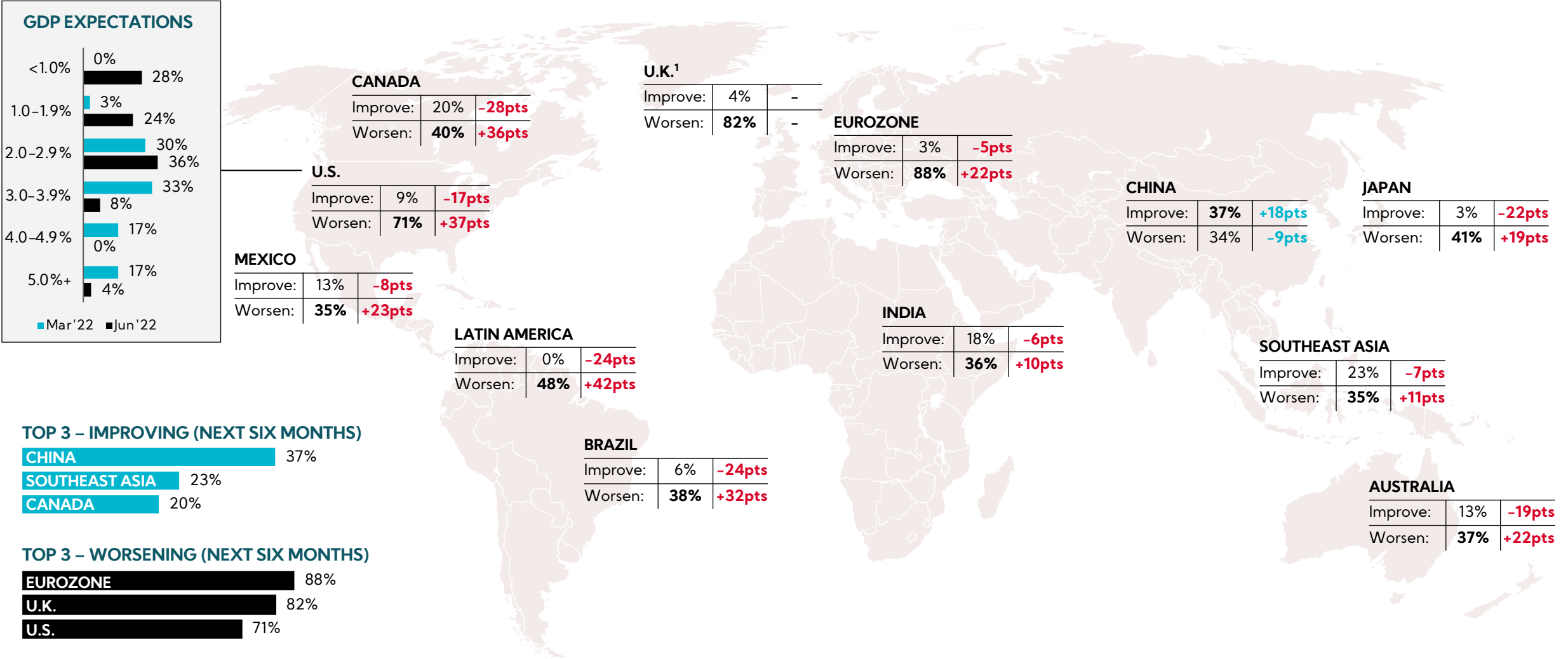
78% prefer 2.0x or less





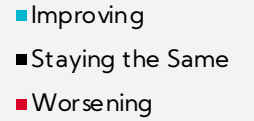
# Ukraine War, Energy and Supply Constraints Push Europe to Its Most Downbeat Outlook in Survey History; Expectations for China Picking Up

U.S. sees significant contraction in overall 2022 GDP expectations, with forecasts averaging 1.4%, down from 3.3% last quarter

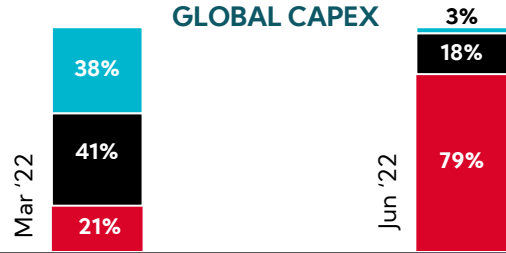


# Views on Key Economic Indicators over the Next Six Months

The majority of measures, including Global CapEx and Consumer Confidence, register the most downbeat outlooks in survey history



## GLOBAL CAPEX



*Staying the same:* "Spending on tech to increase productivity is the driver – and to fill holes in staffing." **Buy Side, Generalist, N. America**

*Worsening:* "Consensus among execs is for recession by 1H23." **Buy Side, Multi, N. America**

*Worsening:* "Fear of higher rates, lower activity levels." **Sell Side, Industrials, N. America**

## GLOBAL PMI



*Worsening:* "Incremental caution factors into manager outlooks." **Buy Side, Generalist, N. America**

*Worsening:* "Slowing growth, rising risks of a recession." **Buy Side, Multi, N. America**

*Worsening:* "Global economy slowing, inflationary pressures, rising interest rate choking off demand." **Sell Side, Generalist, Europe**

## CONSUMER CONFIDENCE



*Staying the same:* "Strong job market to remain resilient, supportive of spending." **Buy Side, Generalist, N. America**

*Worsening:* "Already seen a drop in consumer confidence. Employment, while currently robust, has yet to exhibit at-the-margin layoffs or postponement of restaffing. Gap in wages versus inflation, inflation in general, all dilute confidence." **Buy Side, Generalist, N. America**

## OIL & GAS MARKETS



*Improving:* "Strong commodity and supply shortages." **Buy Side, Generalist, N. America**

*Improving:* "Will get worse for summer season before it gets better after November once the gas companies get Republicans elected." **Buy Side, Multi, N. America**

*Staying the Same:* "Not enough production." **Buy Side, Generalist, N. America**

*Worsening:* "Government policy and ESG driving poor capital investment." **Buy Side, Generalist, N. America**

## NON-RESI CONSTRUCTION



*Staying the Same:* "Longer cycle industry should remain in positive growth for a few more years." **Buy Side, Generalist, N. America**

*Staying the Same:* "Infrastructure bill in place." **Sell Side, Generalist, N. America**

*Worsening:* "Office and retail seem oversupplied right now." **Buy Side, Generalist, N. America**

*Worsening:* "Who needs office space anymore?" **Buy Side, Multi, N. America**

*Worsening:* "Rates, inflation." **Buy Side, Generalist, N. America**

## RESI CONSTRUCTION



*Staying the Same:* "Shortage of housing stock." **Buy Side, Generalist, N. America**

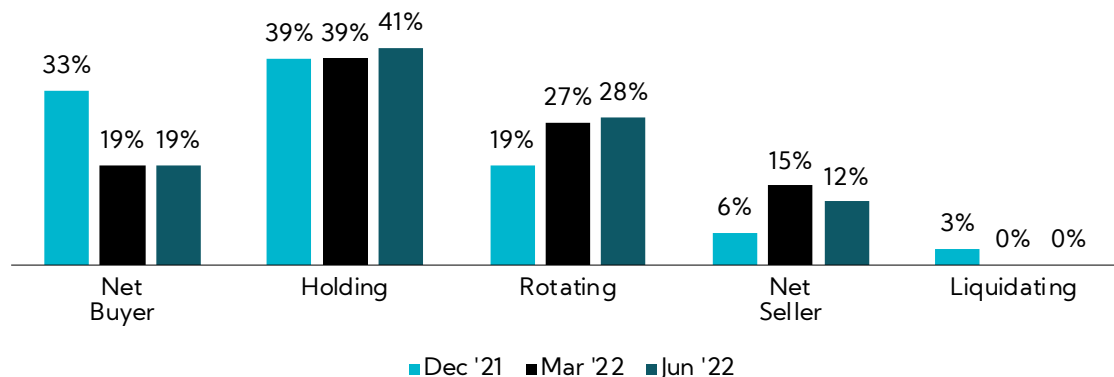
*Worsening:* "Peak market and higher rates take a toll." **Buy Side, Generalist, N. America**

*Worsening:* "Rates, inflation, easing wealth effect." **Buy Side, Multi, N. America**

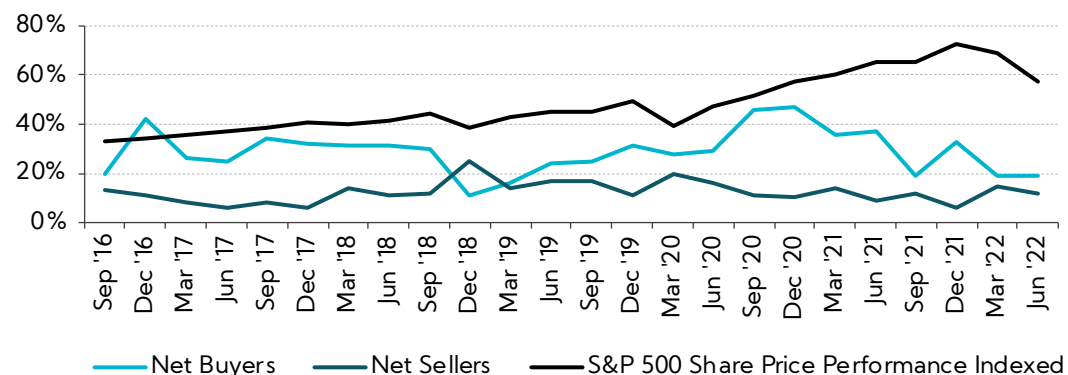
*Worsening:* "Higher rates will hurt affordability and slow construction." **Sell Side, Industrials, N. America**

# Investors Report Holding or Rotating, Not Selling in this Bear Market

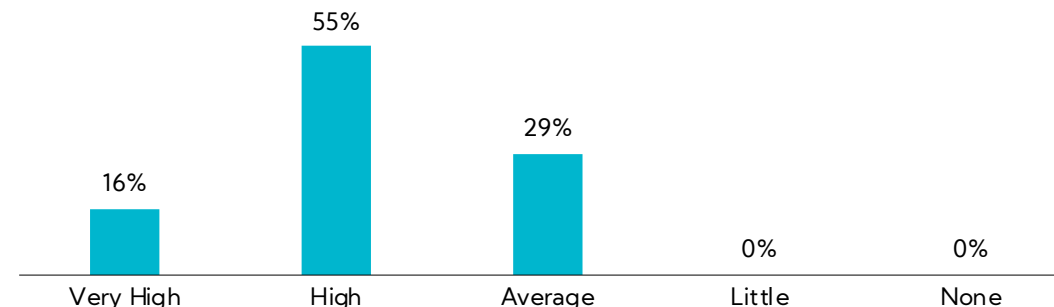
## QoQ INVESTMENT TRENDS



## NET BUYERS VS. NET SELLERS



## LEVEL OF RISK BEING ASSIGNED TO COMPANIES WITH BUSINESS/OPERATIONAL EXPOSURE IN CHINA



*"I am assigning very high risk. They are the entire reason why there is a shortage of refined products now. They are the ones that cut back their exports just as Russia invaded Ukraine."*  
**Buy Side, Generalist, N. America**

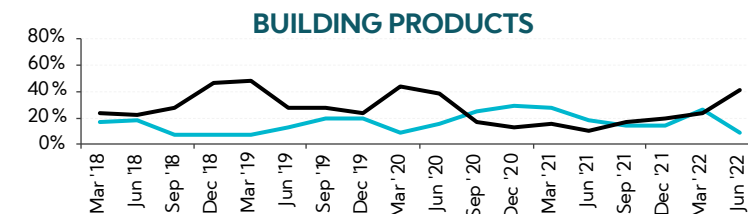
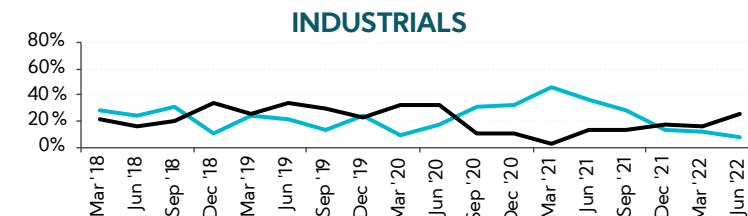
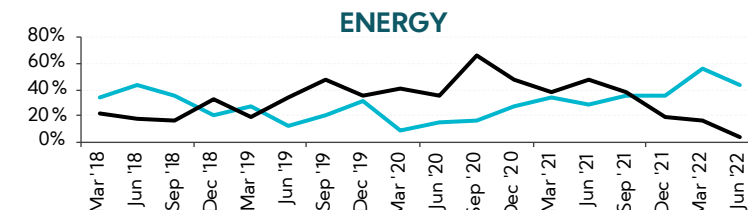
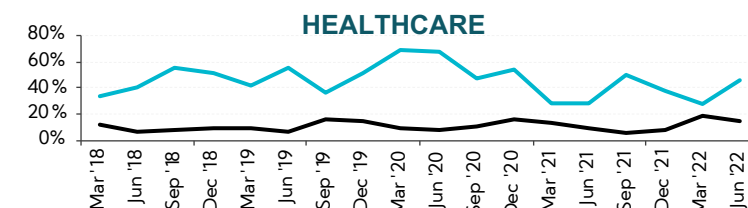
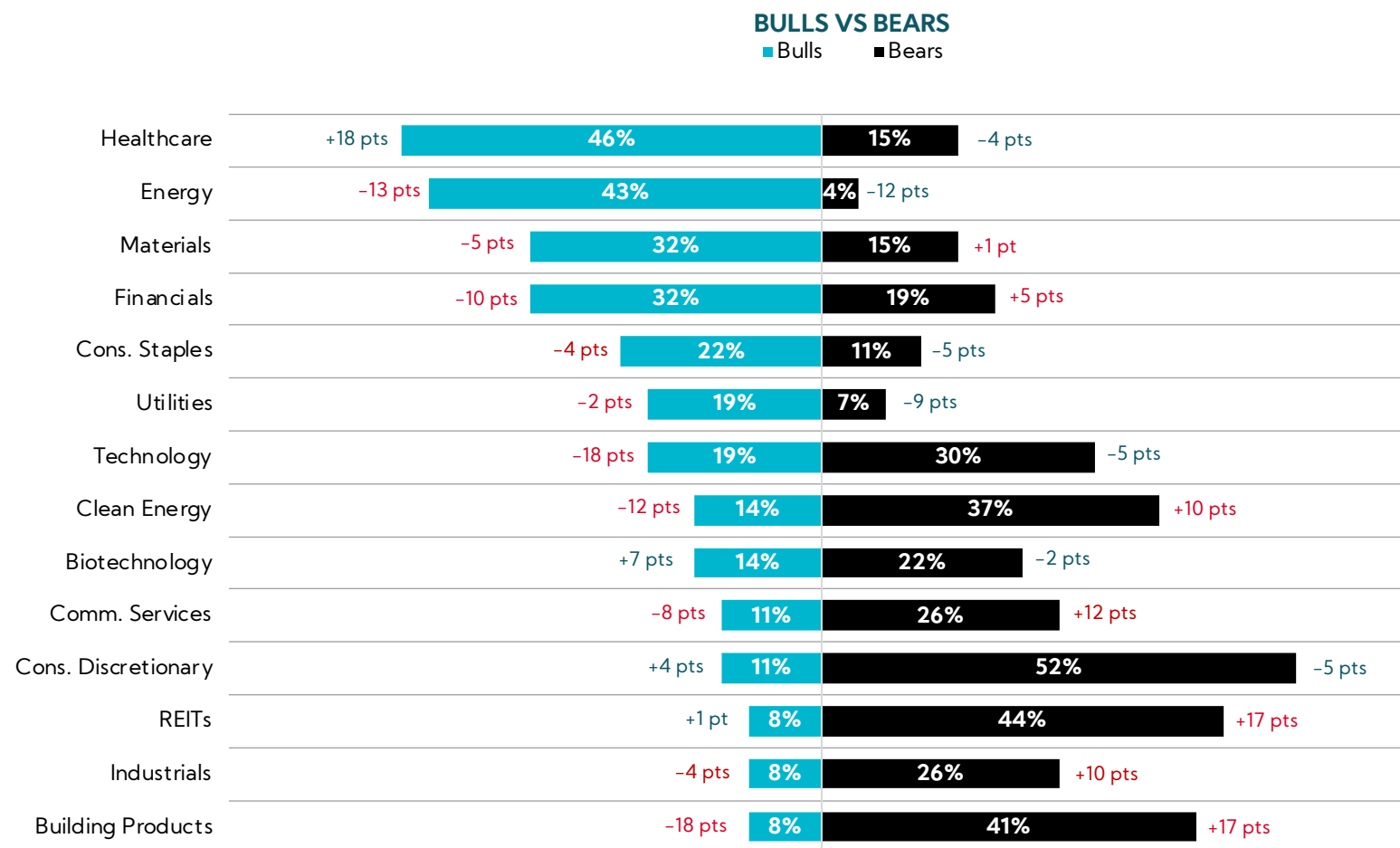
*"The political environment does not prioritize other countries' companies."*  
**Buy Side, Generalist, N. America**

*"Potential Taiwan/Xinjiang related disruption."*  
**Buy Side, Multi, N. America**

*"Geopolitical risk due to legacy issues from the Trump administration's nationalist/populist policies."*  
**Buy Side, Multi, N. America**

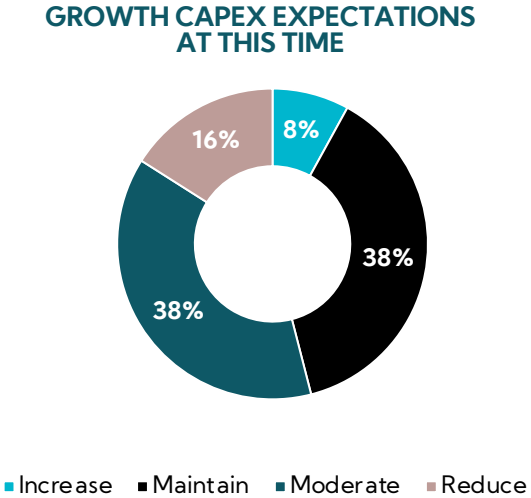
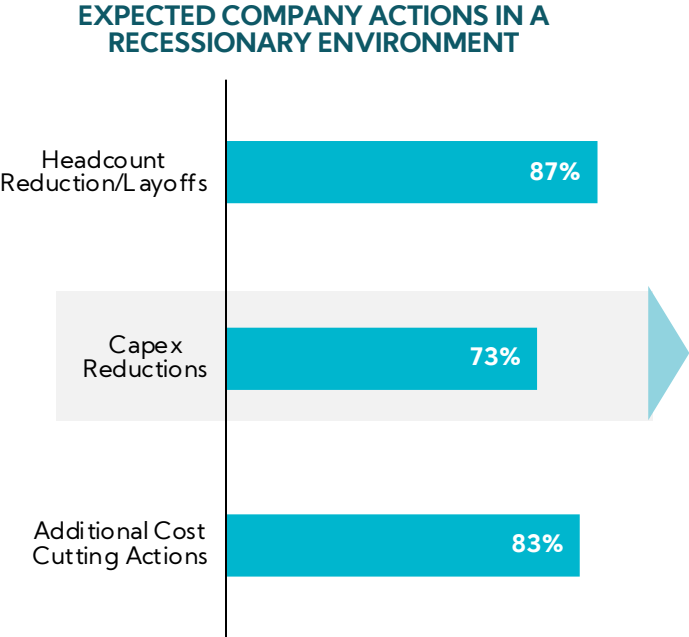
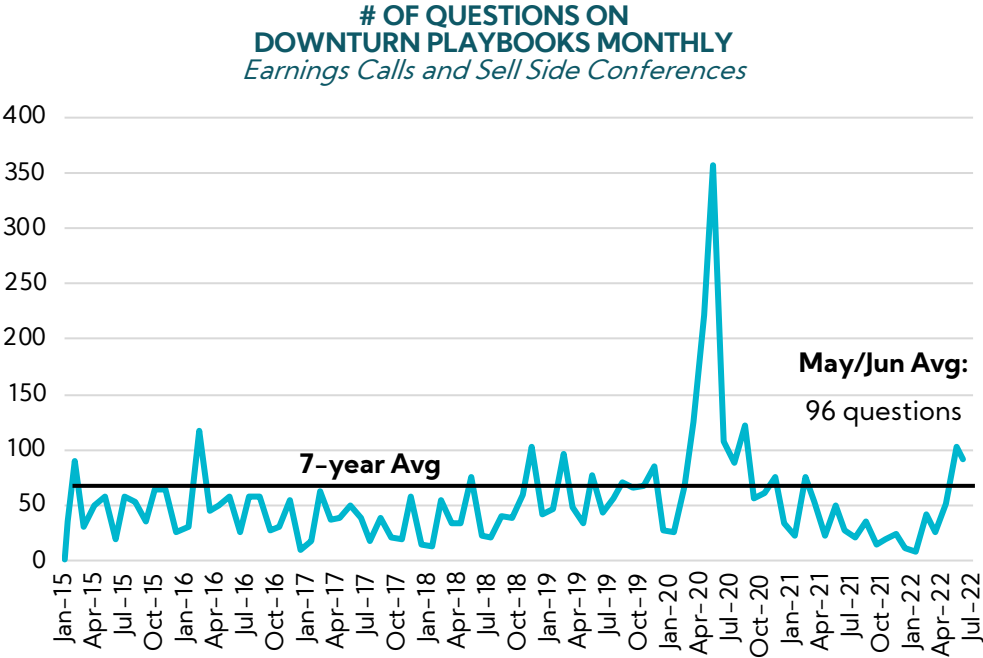
*"Investors are a little bit concerned about China and what's going to happen there. It's really hard to know what's going to happen. It seems quite risky."*  
**Buy Side, Multi, N. America**

# Bright Spots Include Healthcare, Energy and Basic Materials while Consumer Discretionary, REITs and Building Products See a Fare Share of Bears





# Amid Current Sentiment, Companies Are Receiving an Increasing Number of Questions on Downturn Playbooks



## DOWNTURN PLAYBOOKS – KEY COMMUNICATION AREAS

VARIABLE VS. FIXED COSTS	COST-CUTTING STRATEGIES	INVESTMENT/CAPEX APPROACH	FINANCIAL STRENGTH	MANAGEMENT EXPERIENCE IN DOWNTURNS
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# About Corbin

# We are a specialized research and advisory firm with a track record of value realization

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A photograph of a person in a red jacket standing in a cave, illuminated by a bright blue light source. The cave walls are textured and the floor is covered in rocks.

*corbin*

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