

corbin

Q2'25

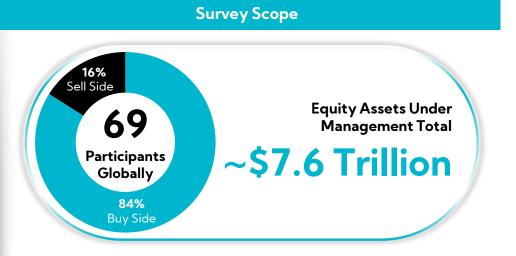
ISSUE: 63 July 10, 2025 **ISSUE:** 63 **Date:** July 10, 2025

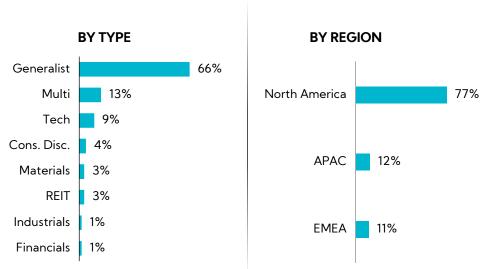


Since 2007, we have surveyed institutional investors and analysts globally on the equity markets, world economy, and business climate. At the start of every earnings season, we publish our flagship *Inside The Buy-Side® Earnings Primer®*, which captures real-time investor sentiment and trends.

Leveraging our capital markets experience, deep understanding of investor relations, and best practice knowledge, our research and advice is at the nexus of global market trends, investor sentiment, and effective investor communication strategies.

Survey Timeframe: June 3 – July 3, 2025





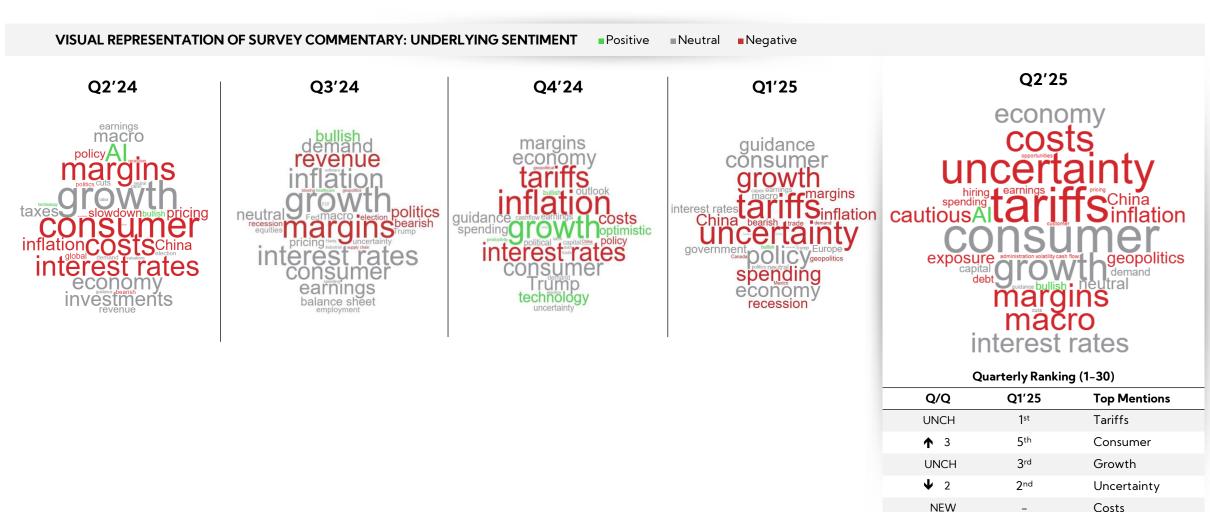
Market Performance ¹	YTD	Q2′25	Q2′24
U.S.			
DJIA	4.4%	5.0%	(1.8%)
NASDAQ	5.7%	17.8%	8.2%
S&P 500	5.9%	10.6%	3.9%
Russell 2000	(0.7%)	8.1%	(3.7%)
Europe			
FTSE 100	7.7%	2.1%	2.7%
Stoxx 600	7.1%	1.4%	(0.2%)
Asia			
Hang Seng	19.1%	4.1%	7.1%
Shanghai	3.9%	2.6%	(2.5%)

¹Source: FactSet; YTD as of 7/7/25 Market Close



Tariff Concerns and Uncertainty Continue to Dominate Mindshare

Investor sentiment rebounds following a de-escalation of trade policy turmoil, though commentary remains rife with reasons for a cautiously optimistic approach, led by increasing concern with the consumer; that said, recession fears fade considerably QoQ, and Al as a growth driver remains a bright spot



Investor Mindset Does a Shift-and-Lift to 'Cautious Optimism' as Sentiment Recovers from Largest QoQ Pullback in a Decade; A Concerning Consumer in Focus for 2H25

Investor Sentiment Rebounds Following Last Quarter's Sharp Pullback, though Not Fully Back to Bullish Levels Seen Last Year Post-U.S. Election; Economy Seen as Holding Up (For Now) and Executives Credited with Effectively Managing Expectations

- 50% report current sentiment as Neutral to Bullish or Bullish, up from 24% in Q1'25, though still shy of 65% heading into 2025; meanwhile, 24% characterize views as Neutral to Bearish or Bearish, well below the 40% registered last quarter
- 41% of investors describe executive tone as Neutral to Bullish or Bullish, up 12 points from Q1'25 but a far cry from 72% in Q4'24; less than one-quarter, 23%, fall into the Neutral to Bearish or Bearish camp, an improvement from the 35% observed last quarter
- **39%** expect Q2 earnings to be *Better Than* consensus, more than double the rate observed last survey, while an equal number, 39%, foresee *In Line* results, compared with 53% in the prior quarter
- For Q2 Revenue and EPS, most contributors expect Stable sequential performance, though 31% still anticipate Worsening conditions for earnings (compared with 44% last quarter); at the same time, the share of those expecting deterioration in Operating Margins and FCF continues to grow
- Tariffs and Growth/Demand trends top the list of focus areas for earnings calls, followed by Consumer Behavior, which saw a large uptick QoQ, and Margins/Pricing

Recession Fears Fade After Spiking Last Quarter, Though Nearly Half Continue to Expect 2025 U.S. GDP Growth to Slow Relative to 2024, as Geopolitics and Tariffs Remain Concerns; Notably, Investors Are Evenly Split on Preference for Margins vs. Growth

- 67% do not expect the current geopolitical policy to result in a U.S. recession, up from 41% last quarter; still, 47% anticipate 2025 U.S. GDP to be Lower YoY, albeit an improvement versus 64% last quarter; 29% expect GDP to be Higher, up from 22% observed last quarter
- Economic Slowdown tops the list of unaided concerns, while Geopolitics rockets to the #2 spot, more than tripling QoQ; Tariffs remain a concern, and fears over Inflation edge higher
 - When aided, U.S. Trade/Tariffs, the Consumer, and U.S./China Relations stand out, with each seeing roughly 75% of investors report *More* or *High* Levels of Concern
 - 56% believe we will see a resolution on tariffs sometime in 2025, while 55% report minimizing portfolio exposure to companies with tariff impact
- As for macro indicators, most show improved sentiment QoQ; however, U.S. Unemployment remains negative, with 75% expecting Worsening conditions over the next six months
- Investors are evenly split on whether they are prioritizing Growth or Margins, demonstrating a preference for companies to maintain prudent cost controls while strategically investing for growth
 - 59% report seeing cost-cutting across companies under coverage, while 41% observe hiring freezes

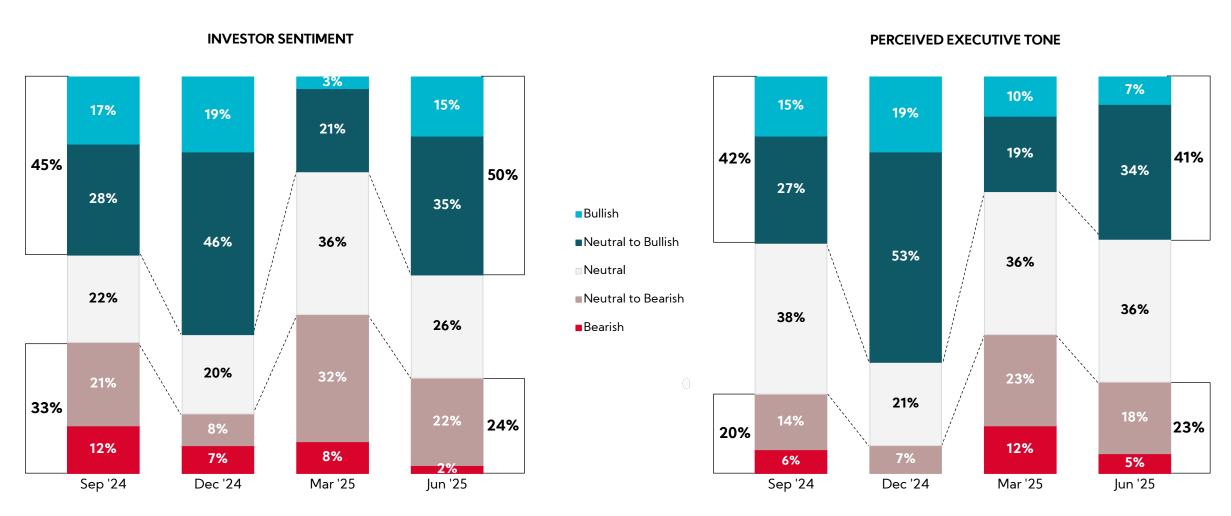
Debt Paydown Remains the Top Preferred Use of Cash, While Buyback Interest Hits an All-time High and Reinvestment Ebbs as a Top-two Use; Mid-caps Remain in Favor, and Investors Pile Back into Technology While Shunning Consumer Sectors

- 62% view debt paydown as the top preferred cash use, down only slightly QoQ
 - Interest in share buybacks jumps 15 points to 41%, a new record
 - Notably, reinvestment sees a precipitous drop in support as a #1 or #2 preferred use, with 50% citing incremental spend as a third focus
 - Dry powder retains the third position at 33% amid continued macro uncertainty
- Investors view mid-caps as the Most Compelling category, while large-caps drop to least preferred
- Tech leapfrogs Healthcare to regain top spot as the most favored sector, jumping 29 points QoQ to 72%, its highest since Sep. 2020; meanwhile, Healthcare still ranks #2 among most bullish sectors despite a 20-point increase in bearish sentiment
- Consumer Staples sees an influx of bears, up 21 points to its highest level on record, tied with Chemicals and Clean Energy as the most challenged sectors; views toward Consumer Discretionary remain deeply negative, though bearishness recedes somewhat QoQ



Investor Sentiment and Executive Tone Rebound Following Last Quarter's Pullback, the Largest in a Decade, though Bullishness Remains Below Late-2024 'Trump Bump' Levels

Level of Bullish / Neutral to Bullish sentiment among investors more than doubles and Bearish views recede somewhat, but one-quarter remains downbeat amid continued volatility with tariffs / tariff extensions and "struggling" consumer companies





Executives Described as Cautiously Optimistic Following a "Roller Coaster" 1H; Still, A Healthy Level of Prudence Remains

Bullish

"Onshoring, resilience of growth, and improving sentiment." Buy Side, N. America, Generalist

"Contrarian viewpoint; the market experts are too bearish." Buy Side, N. America, Multi

"Generally, we are bullish on the overall market because the Trump administration, as we move past the tariff stuff, is focused on deregulation and other pro-business initiatives. It appears they are willing to let the economy grow hot, which is positive for the broader equity market. The continued level of spend on AI is good for the economy and good for certain large sections of the S&P 500." Buy Side, N. America, Financials

"Of the executives I have met with or heard from recently, there is an increasing bullishness. It has been a rollercoaster year already. We started the year very bullish. There was a lot of optimism around what a new administration could bring, and it ended up bringing a lot of chaos. We have come out of this chaos and now it is good again. All the wars, geopolitics, and what is happening with China, such as Chinese relations and sales to China matter a lot, but things are looking up and getting better. We still have tariff extensions that need to be dealt with. That could bring the market back down. The most recent earnings season was largely positive, but now we are getting a few more quarters into tariffs and maybe it is beginning to bite into my hardware names." Buy Side, N. America, Tech

Neutral to Bullish

"Executives are hopeful but neutral." Buy Side, N. America, Generalist

"Al can provide earnings support and drive productivity." Buy Side, N. America, Generalist

"I would use cautiously optimistic rather than neutral." Buy Side, N. America, Generalist

"People are cautiously optimistic." Buy Side, N. America, Tech

"Still seeing earnings growth and a resilient economy." Buy Side, Australia, Generalist

Neutral

"The hard data is mixed that we're seeing in the economy, but to some extent it's probably gotten better relative to what people were thinking a couple months ago. And then soft data, qualitative commentary from companies, has remained pretty good. I'd say neutral overall."

Sell Side, N. America, Cons. Disc.

"I am neutral toward the overall market because it seems fairly valued relative to all the risks we have outside with tariffs, geopolitical conflicts, etc. The stock market has had a big move since then. There is a tone of relative stability with an overlay of caution from executives." Sell Side, N. America, Cons. Disc.

"Most companies we cover did a good job on Q1 earnings setting up expectations for Q2 with wider guidance ranges or baking in more conservatism. Overall, we are tentative. We are not out of the woods entirely. Certain subsectors may be more at risk than others, but expectations set by companies are in a decent spot. As for management tone, it varies depending on the company and what they have going for them internally, but people are talking about the macro maybe less so than before but still baking in that conservatism. Executives are cautiously bullish, but still conservative until they feel we are fully through all the volatility." Sell Side, N. America, Tech

Neutral to Bearish/Bearish

"Tariffs and uncertainty. Possible capex holiday." Buy Side, Europe, Generalist

"I am more neutral to bearish toward the market in general. There are many uncertainties. Some areas of the market are expensive and developments like private credit are worrisome. I recently got back from a big U.S. conference that had about 100 CEOs and they were more neutral to bullish. I was surprised there was not more negativity. There was not much talk about tariffs. They were not concerned there, felt they still had good businesses, and saw the consumer in decent shape. "Buy Side, Europe, Generalist"

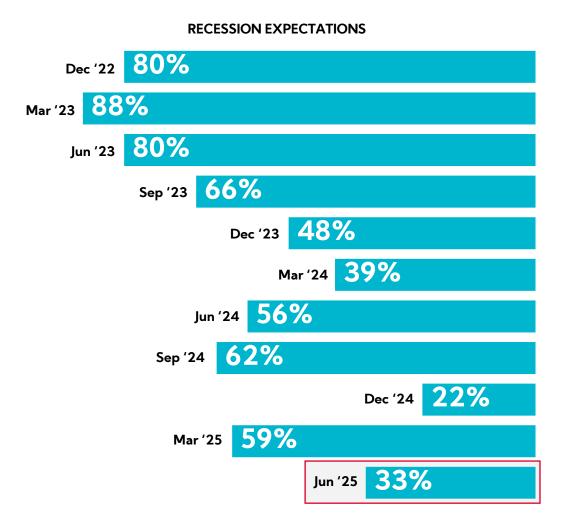
"Macro, consumer confidence, stretched valuations." Buy Side, Asia, Multi

"...executives have been bearish, but I also have seen a lot of consumer companies that have been struggling more, so it could be sector exposure. People are nervous." Buy Side, Africa, Generalist

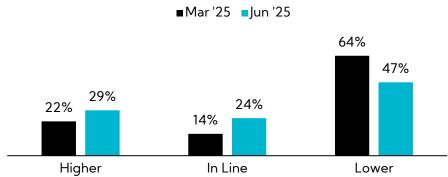


Recession Expectations Fade and 2025 GDP Growth Outlooks Are Less Downbeat, But Nearly Half Are Still Baking in Lower GDP Growth YoY

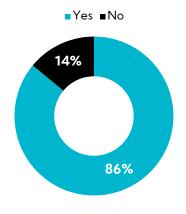
Roughly two-thirds now expect the U.S. to avoid a recession, a sharp reversal from the tariff knee-jerk captured in last quarter's survey; that said, nearly half still anticipate slower U.S. GDP growth YoY, with additional Fed rate cuts widely expected in 2025 – 50 bps seen as the most likely scenario







INVESTORS PRICING IN FED RATE CUTS

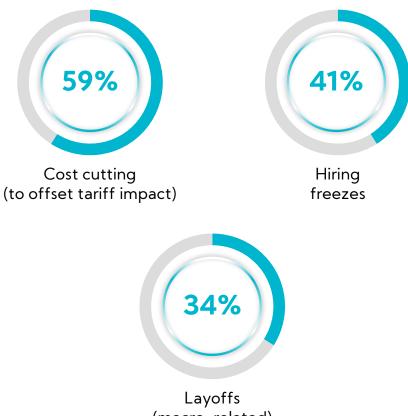


Investors Now Evenly Split on Margin vs. Growth Prioritization

Commentary reflects expectations for and recognition of companies maintaining prudent cost controls amid the uncertain macro backdrop, while pursuing strategic investments to drive scale and support long-term growth are back in favor

KPI PRIORITIZATION AT THIS POINT IN THE CYCLE ■Growth ■Margins 33% 50% 51% 54% 62% 71% 67% 50% 49% 46% 38% 29% Mar '24 Jun '24 Dec '24 Mar '25 Jun '25 Sep '24

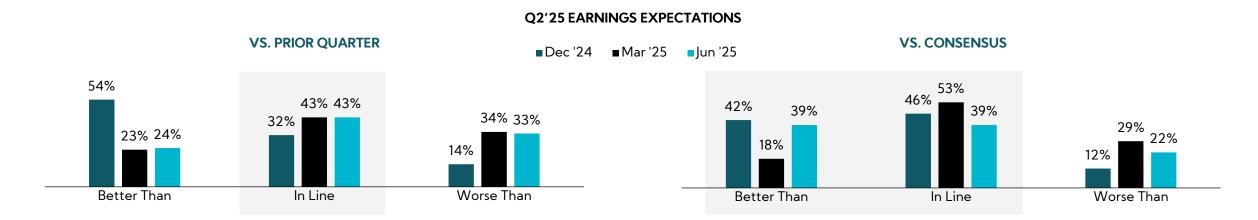
OBSERVATIONS OF COMPANY ACTIONS



(macro-related)

Consensus Beats Are the Bet as Executives Are Credited with Effectively Managing Expectations (and Then There's the Pull-forward Effect)

With regard to YoY prints, 41% anticipate Q2'25 results will outpace Q2'24, well above the 28% expecting lower YoY prints



Better Than

"Fears around uncertainty tend to overestimate the downside. Companies' ability to mitigate tariffs plus pauses etc. allow for upside surprises." Buy Side, N. America, Generalist

"Tax incentives and natural resources." Buy Side, N. America, Generalist

"Earnings momentum better than expectations regarding tariffs." **Buy Side, N. America, Generalist**

"Impact of tariffs will be less than anticipated." **Buy Side, N. America, Multi**

"Less inflation after tariffs means that companies swallowed some of the impact." **Buy Side, Europe, Multi**

In Line

"The tariffs continue to be missing from economic data, so we think that prices are not being affected by the tariffs that are currently in place." **Buy Side, N. America, Generalist**

"Need to adjust our products and services to current market."
Buy Side, N. America, Generalist

"A/." Buy Side, Europe, Generalist

"Tariffs, consumer weakening." Sell Side, N. America, Cons. Disc.

Worse Than

 ${\it "Tariff concerns."} \textbf{Buy Side, N. America, Generalist}$

"Consumer uncertainty." Buy Side, N. America, Generalist

"My view is driven by a combination of recent developments, past experiences, and the current level of communication and transparency. I evaluate sentiment based on trust, alignment of values, and the consistency between what's promised and what's delivered. "Buy Side, N. America, Multi

"The consumer is losing steam and there is a worsening macro." **Buy Side, Asia, Multi**

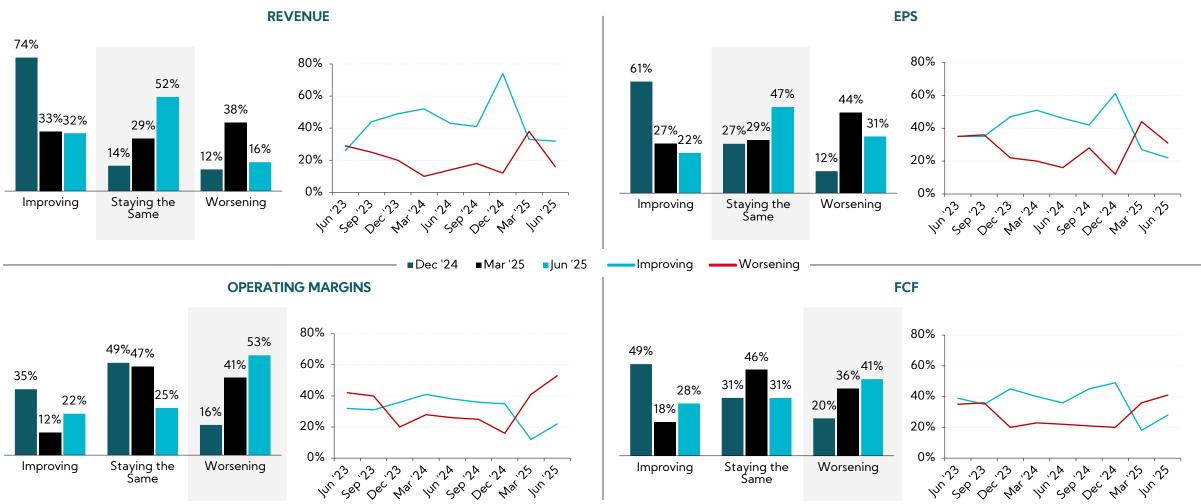
"Tariffs." Sell Side, N. America, Cons. Disc.



KPI Expectations are Mixed; While Most Anticipate Stable Revenue and EPS QoQ, the Share of Those Expecting Deterioration in Operating Margins and FCF Continues to Grow

Institutional investors and analysts exhibit most downbeat view toward sequential operating margin trajectory despite company efforts to offset impact

Q2'25 SEQUENTIAL PERFORMANCE EXPECTATIONS

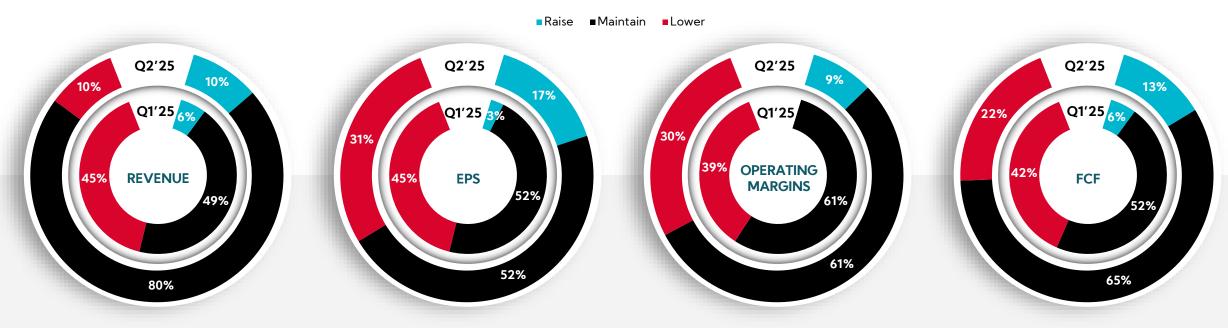




Companies Largely Expected to Maintain Annual Guides; Still, Nearly One-third Anticipate Lower EPS and Operating Margin Outlooks

Despite warming executive tone, investors expect companies to maintain a cautious stance toward annual outlooks

FULL YEAR 2025 GUIDANCE UPDATE EXPECTATIONS

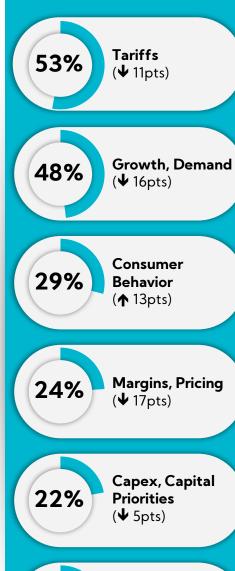


"I expect even guidance depending on which part of the sector." **Buy Side, N. America, Generalist**

"Companies want to make sure they have a low bar to step over, so they will not raise estimates given all of the uncertainty regarding tariffs." **Buy Side, N. America, Generalist**

"Companies are still very cautious." Buy Side, N. America, Multi

"Most companies we cover did a good job on Q1 earnings setting up expectations for Q2 with wider guidance ranges or baking in more conservatism. Overall, we are tentative. We are not out of the woods entirely. Certain subsectors may be more at risk than others, but expectations set by companies are in a decent spot." Sell Side, N. America, Tech



Geopolitics 19% (**1** 8pts) corhin

Topics of Interest for Upcoming Earnings Calls

Tariffs retain the top spot among topics to address on upcoming earnings calls, particularly as it relates to the impact on the broader demand environment; however, the consumer is increasingly in focus

Views from N. America

"Order flow and intake, tariff impact on business, any repositioning given tariffs." Buy Side, Generalist

"Capital allocation, the demand environment, their ability to generate price power without increasing expenses. So, margins. "Buy Side, Generalist

"Guidance, outlook, impact of the tariff narrative on their own market." Buy Side, Generalist

"Customers, end markets, what they are seeing in terms of demand, digital push they are making/how their customers are using it, what new value-added products they are focused on. "Buy Side, Generalist

"Margins, revenue growth, competitive dynamics." Buy Side, Generalist

"Current pipeline, new customer wins (for B2B businesses), role of Al in plans. "Buy Side, Generalist

"Sustainability of demand, tariff mitigation, use of Al to drive operating efficiency." Buy Side, Generalist

"New opportunities, team approaches, new products that are more resilient to tariffs/recessions." Buy Side, Generalist

"Tariffs, consumer strength, sentiment." Buy Side, Generalist

"Tariffs, consumer strength, effect of dollar weakness." Buy Side, Generalist

"Tariffs, commodity prices, guidance." Buy Side, Multi

"Impact of tariffs and inflation, ability to hire and impact of AI in their business, impact of interest rates and federal deficit." Buy Side, Multi

"Forward-looking strategy and resilience planning -How are they preparing for continued macroeconomic uncertainty, interest rate shifts, or geopolitical instability? Cash flow and capital allocation - how are they prioritizing spending between growth, debt reduction, dividends, and share buybacks? Operational efficiency and margin sustainability – what concrete steps are being taken to manage costs while still investing in innovation?" Buy Side, Multi

"Where is the consumer appetite for discretionary spend on things like travel? How are business decisions being thought of and being made in the uncertain environment and higher financing cost environment. Is there any signs of strengthening, softening in key regions?" Sell Side, Cons. Disc.

"Tariffs, state of consumer, holiday inventory availability. "Sell Side, Cons. Disc

"State of the consumer, freight costs, hiring trends." Sell Side, Cons. Disc.

"Al progress, margins, growth opportunities." Sell Side, REIT

Views from Abroad

"Tariffs, growth, margins." Buy Side, Europe, Generalist

"Tariffs, change in distribution patterns, Al." Buy Side, Europe, Generalist

"Tariff impact even if just scenarios, steps to mitigate impact of tariffs and geopolitics in general, stance on China." Buy Side, Europe, Multi

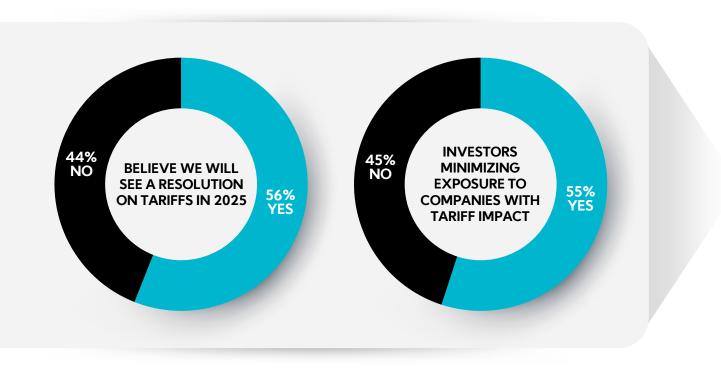
"Tariff impact, consumer, margins." Buy Side, Australia, Generalist

"Capital management, dividend policy, RO/C. "Buy Side, Asia, Multi

"Al, global uncertainty, tariffs." Buy Side, Asia, Multi

Mixed Views on Whether We Will See In-year Tariff Resolution; Majority Report Adjusting Portfolios to Minimize Impact

A slight majority believe we will see a resolution on tariffs in 2025, while 55% report minimizing portfolio exposure to companies with tariff impact



"By default, we are minimizing our portfolio exposure to companies with tariff impacts. It becomes a game of did the market overact, is there an opportunity, or are they not reacting enough and should have taken the names down and been more proactive in that way. It is not a very satisfying answer, but everything is relative, and it is our job to find the discrepancies. It is what we listen for in terms of the tariff commentary." Buy Side, N. America, Generalist

"There are less people on the sidelines now versus a month ago when the market started to showcase volatility. Generally speaking, whenever you have uncertainty, there is more money on the sidelines than not, so yes, less exposure from our clients' standpoint."

Sell Side, N. America, Cons. Disc.

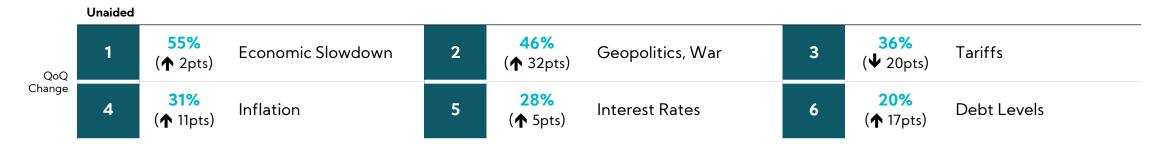
"A few months ago, clients were minimizing their portfolio exposure with companies with tariff impacts. Now that things have quieted down, it is hard to say exactly. From their perspective, things have maybe normalized out a little, but people are still cautious on it because things can change so quickly with the administration."

Sell Side, N. America, Tech

"Clients are minimizing their portfolio exposure to companies with tariff impacts." **Sell Side, N. America, Tech**

Top Concerns from Around the Globe

Economic slowdown tops the list, while geopolitics rockets to the #2 spot, more than tripling QoQ; tariffs remain a concern, and inflation apprehension rises



Views from N. America

"All the macro stuff, wars everywhere, tariffs, the impact of Al and how that's going to disrupt business models, pricing and competitive positioning." **Buy Side, Generalist**

"Margin sustainability, interest rate direction/inflation, capex spending going forward due to uncertainty in policy and macro headwinds that bring uncertainty for the management team to commit capital."

Buy Side, Generalist

"Political uncertainty, supply disruptions, U.S. deficit." **Buy Side, Generalist**

"Peak in cycle, poor management decisions, lack of free cash flow." **Buy Side, Generalist**

"Iran conflict, too late moves by the Fed, tariff talks." **Buy Side, Generalist**

"U.S. economy, consumer, tariffs." Buy Side, Multi

"The direction of long-term interest rates, the 10-year treasury, parts of the economy are doing well but some of the more labor-intensive parts of the economy are slowing down, whereas some parts more service-oriented or tied toward data and analytics seem to be accelerating. Generally, the broader economy, from the top down, is in a good spot. It looks like the current administration has a tendency or belief to let the economy run hot at the expense of inflation." Buy Side, Financials

"Tariffs, global war, FX." Sell Side, Cons. Disc.

"Margins, revenues, debt." Sell Side, REIT

"IT spending budgets on the corporate side, health of the consumer, interest rates, and inflation." **Sell Side, Tech**

Views from Abroad

"Tariffs, high valuations, inflation." Buy Side, Europe, Generalist
"War in Middle East, trade tension, U.S. protectionism." Buy Side,
Europe, Generalist

"Geopolitics including tariffs, long-term yields, inflation." **Buy Side, Europe, Multi**

"Tariffs, cautiousness, Taiwan/China." Buy Side, Europe, Multi

"Slowing economy, inflation, political policy uncertainty." **Buy Side, Australia, Generalist**

"Terrorist event, WWIII, Israel." Buy Side, Asia, Multi

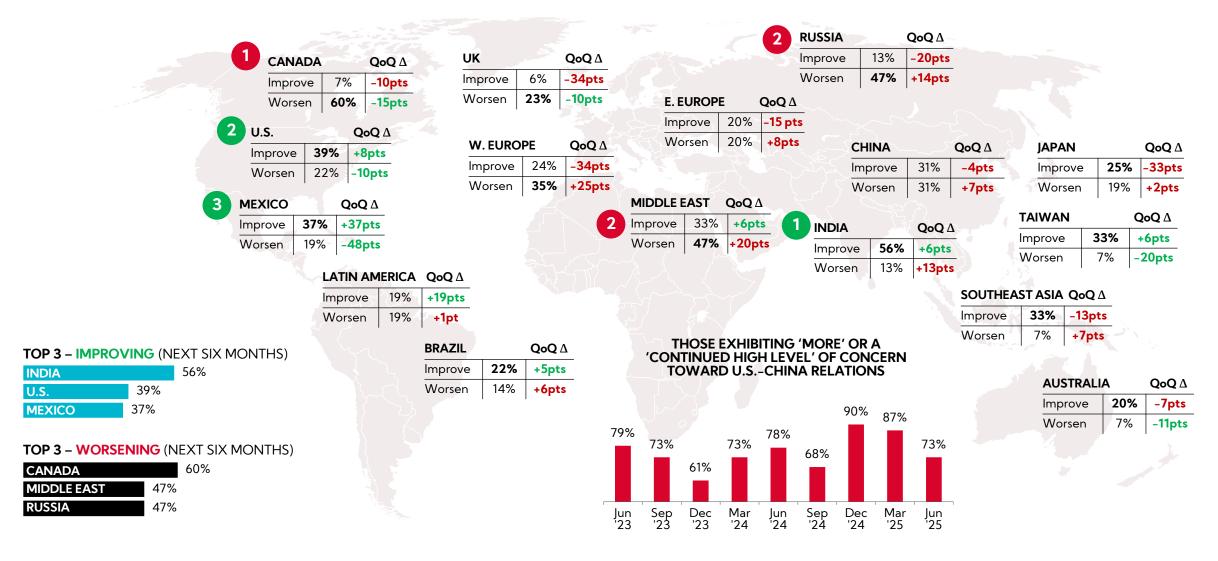
"Trump, war, disruption of supply chains." Buy Side, Asia, Multi

"Macro, rates, China." Buy Side, Asia, Multi

"Geopolitics is my top concern. It does not influence every company but it can influence all of us eventually if it goes bad. Consumer health, consequences of this buildup of global debt in countries, companies, and consumers. There has been a lot of debt for a long time, so what are the long-term consequences of that and does it all fall down in a spectacular fashion?" Buy Side, Africa, Generalist



Investors Are Most Positive on India Over the Next Six Months, while the U.S. and Mexico See Rebounding Support; Views Are Most Downbeat on Canada

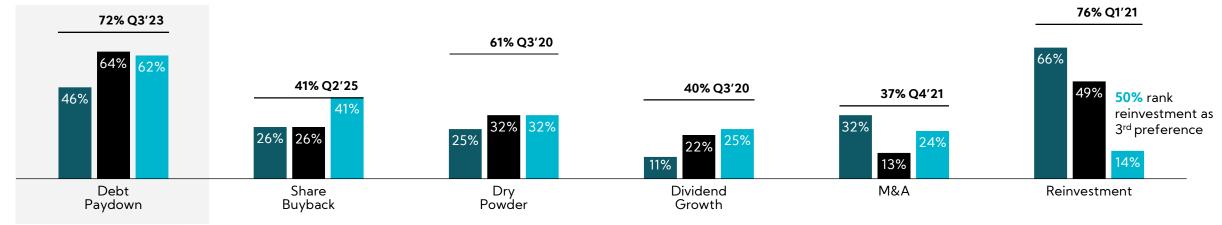


Debt Paydown Remains the #1 Preference, While Interest in Buybacks Hits a Record High; Reinvestment Ebbs as a Top Usage as Investors Continue to Support Preserving Dry Powder

A slight majority see companies increasing growth capex; support for M&A gets a shot in the arm

PREFERRED USES OF CASH

In Descending Order of Top Two Preferences



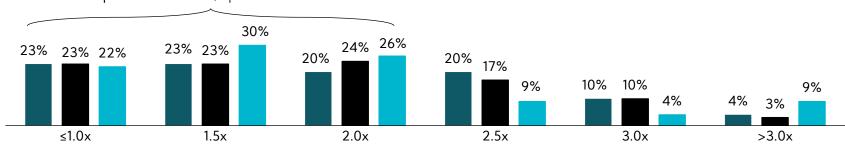
■ Jun '25

— 5-Year High

■ Mar '25

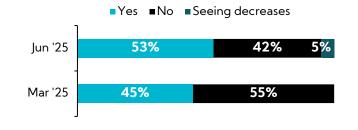
THRESHOLDS FOR IDEAL NET DEBT-TO-EBITDA

78% prefer 2.0x or less, up from 70%



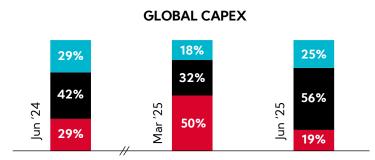
■ Dec '24

OBSERVATIONS OF COMPANIES INCREASING GROWTH CAPEX

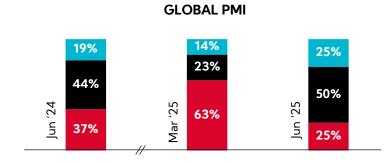


Views on Key Economic Indicators Over the Next Six Months

Widespread pessimism captured last quarter recedes as most indicators see fewer expecting worsening conditions QoQ; however, the U.S. Unemployment outlook remains negative, and the majority are more downbeat on Resi Construction



Staying the Same: "Companies are cautious, especially in capex." Buy Side, N. America, Generalist

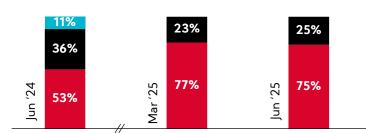




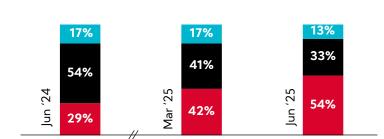


Improving: "It all depends on the growth of M2." Buy Side, N. America, Generalist

U.S. UNEMPLOYMENT

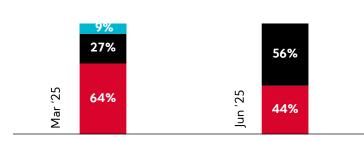


U.S. RESI CONSTRUCTION

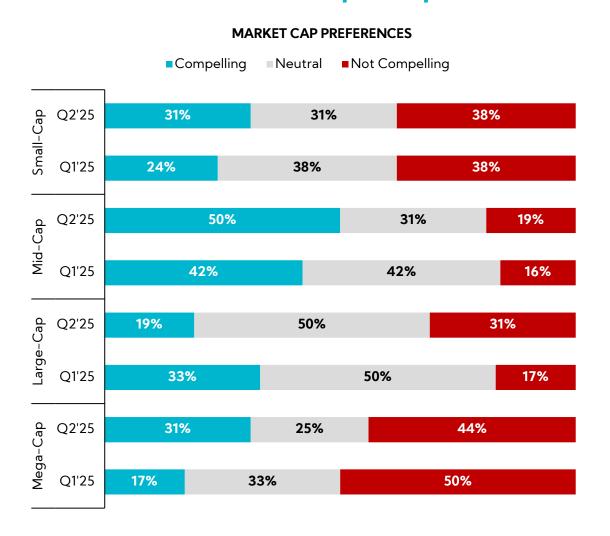


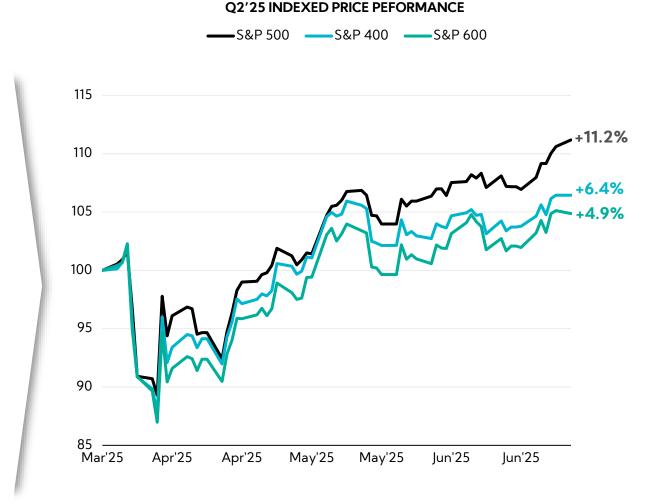
Improving: "Feels like we are at the bottom of this. Lower interest rate will cause expansion of this area." Buy Side,
N. America. Generalist

FX VOLATILITY



After a Run-up in Mega- and Large-cap Price Performances through Q2 and Amid Less Draconian Views, Mid-cap Companies See the Love

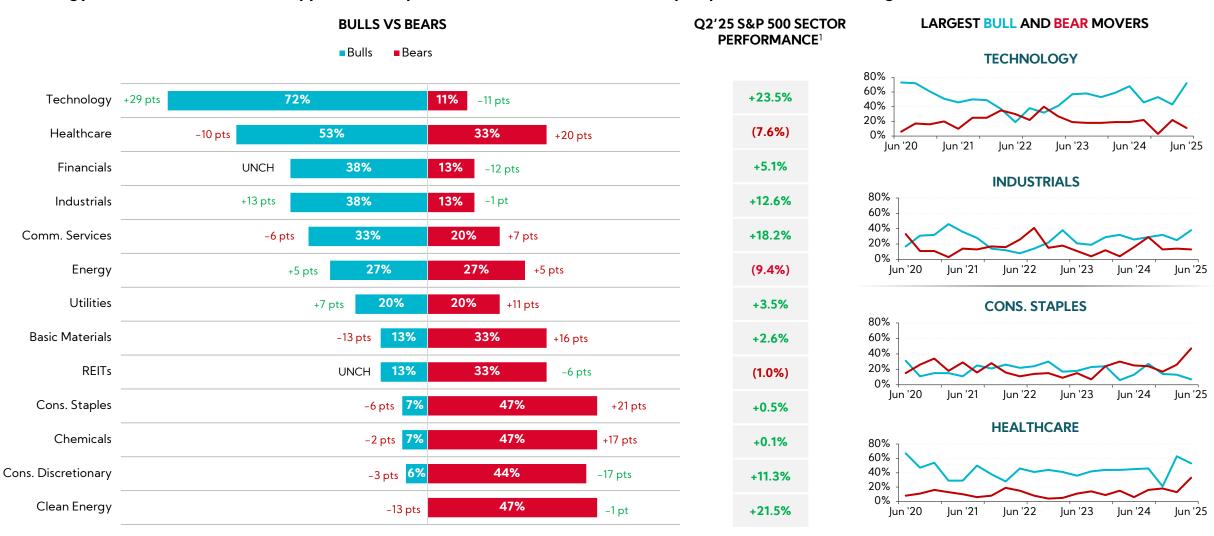






Investors Climb Back Aboard the Al Train as Tech Leapfrogs Healthcare, Which Sees a Notable Increase in Bears QoQ; Industrials, Utilities, and Energy Among the Few Seeing More Bulls

Technology receives the most bullish support since September 2020, while Consumer Staples pessimism rises to its highest level on record



¹Source: FactSet



Corbin Proprietary Research: Investor Days Hold Weight in Current Macro

Companies can cut through the noise and more effectively compete for shareholders through proactive, immersive education and providing access to leadership; by doing so, they mitigate risk and generate demand for shares



Investors who believe companies should host an investor day regardless of macro conditions or recent performance



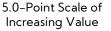
Investors who affirm investor days can drive a stock re-rating over time



Investors support companies holding an investor day every 2 years

INVESTMENT COMMUNITY: LEADING COMMUNICATION TOPICS

Aided; Weighted Average Shown





#1 driver of in-person attendance:

Access to
Management
beyond the
CEO and CFO

corbin

A Leading Investor Research and Strategic **Communications Advisory Firm**

We engage deeply with our clients — companies ranging from pre-IPO to over \$700 billion in market cap across all sectors globally — to increase equity market value.

We deliver research-based insights and execution excellence through a dedicated team of capital markets experts with deep sector and situational experience, a best practice approach, and an outperformance mindset.

We have a long track record of delivering successful client outcomes, most notably by rerating and compounding equity valuations through our Voice of Investor® research and counsel.





STRATEGIC MINDSET





PURPOSEFUL

Partner with Us

Leverage the experience and expertise of our specialized team

- Perception Studies
- Investor Days
- Investment Thesis / Equity Narrative Development
- Investor Presentations
- Investor Targeting & Marketing
- Investor Relations, Earnings Advisory
- Sustainability / ESG
- Strategic Communications / M&A
- IPO Preparedness
- Executive Coaching

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