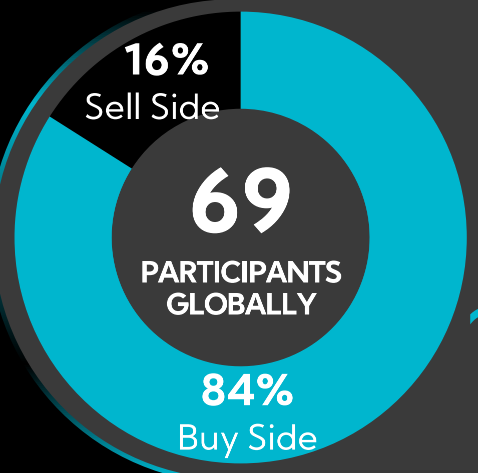
Q2'25 Earnings Season

Corbin's flagship ***Inside The Buy-Side® Earnings Primer®***

July 16, 2025

63rd Issue of Inside The Buy-Side® Earnings Primer®

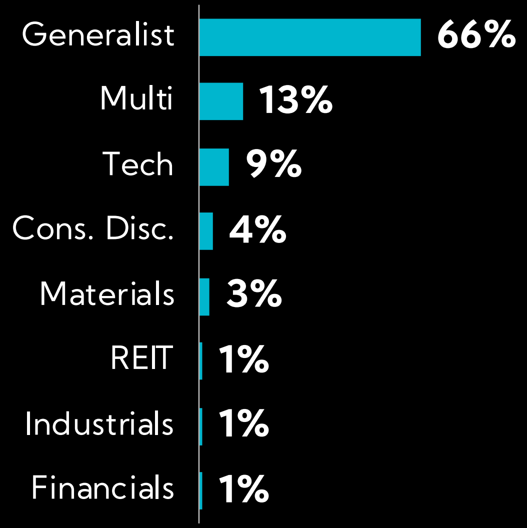
SURVEY TIMEFRAME
June 3 – July 3, 2025



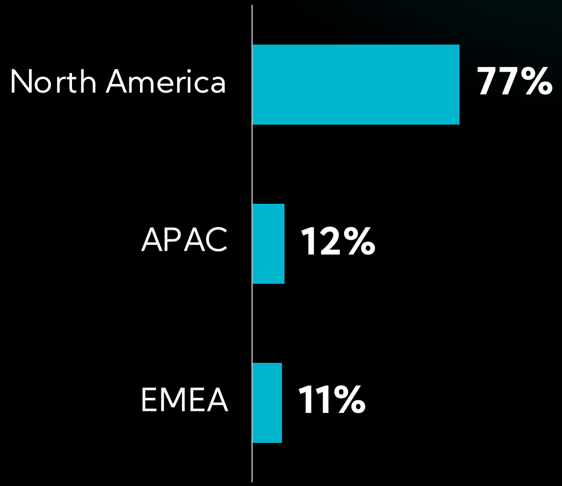
Equity Assets Under Management Total

~$7.6 Trillion

BY TYPE



BY REGION



Key Findings

1

Investor Mindset Does a Shift-and-Lift to 'Cautious Optimism' as Sentiment Recovers from Largest QoQ Pullback in a Decade; Majority Anticipate In-Year Tariff Resolution and Fed Rate Cuts

2

Most Anticipate Q2 Prints to Be In Line or Better Than Consensus; Views on Revenue and EPS More Optimistic than OM and FCF

3

While Recessionary Fears Fade After Spiking Last Quarter, a Slowing Economy Tops Concerns and More Are Bracing for Lower U.S. GDP YoY

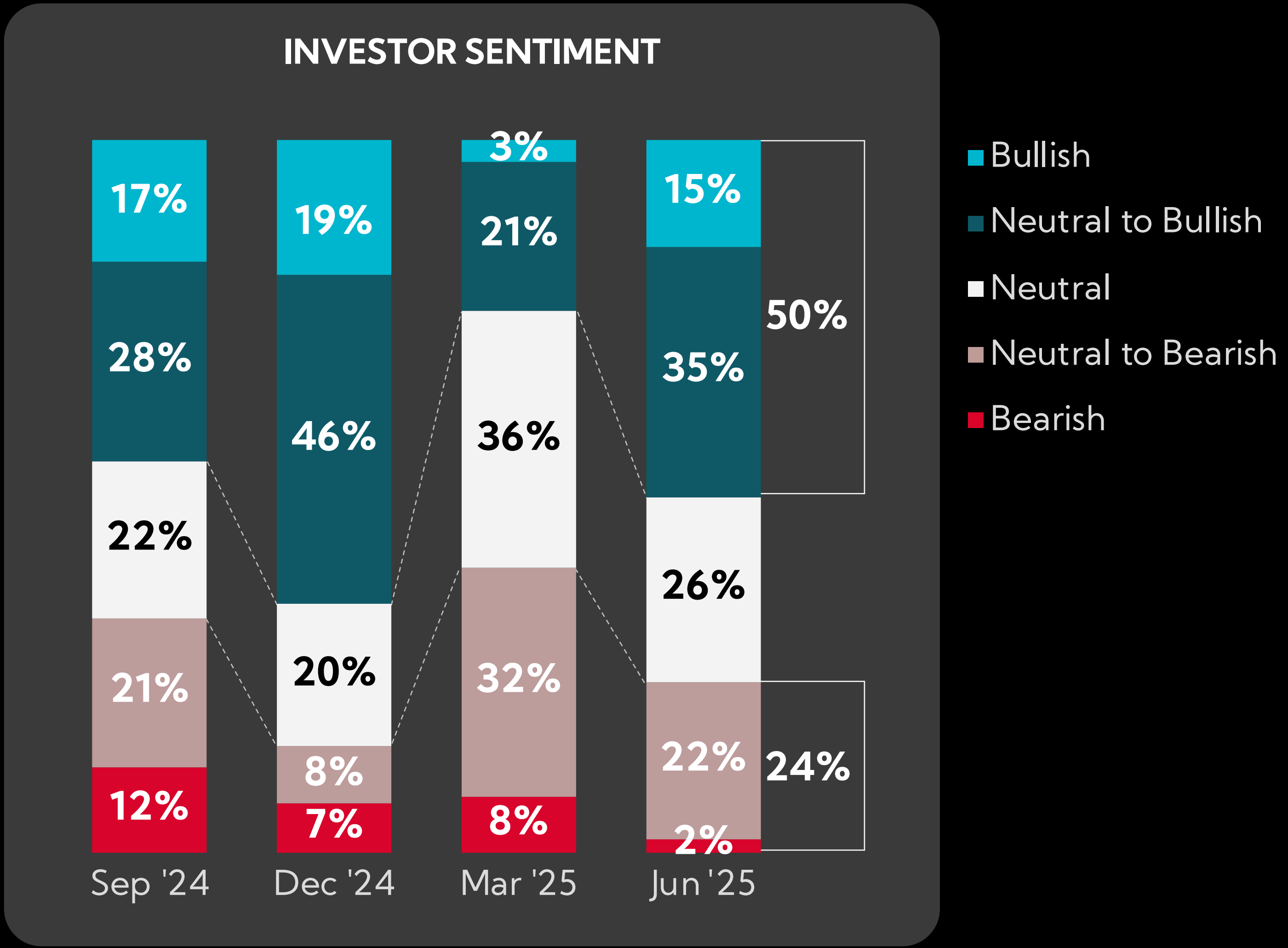
A Three-Quarter Retrospective: Perception is Reality and Sentiment is a Leading Indicator

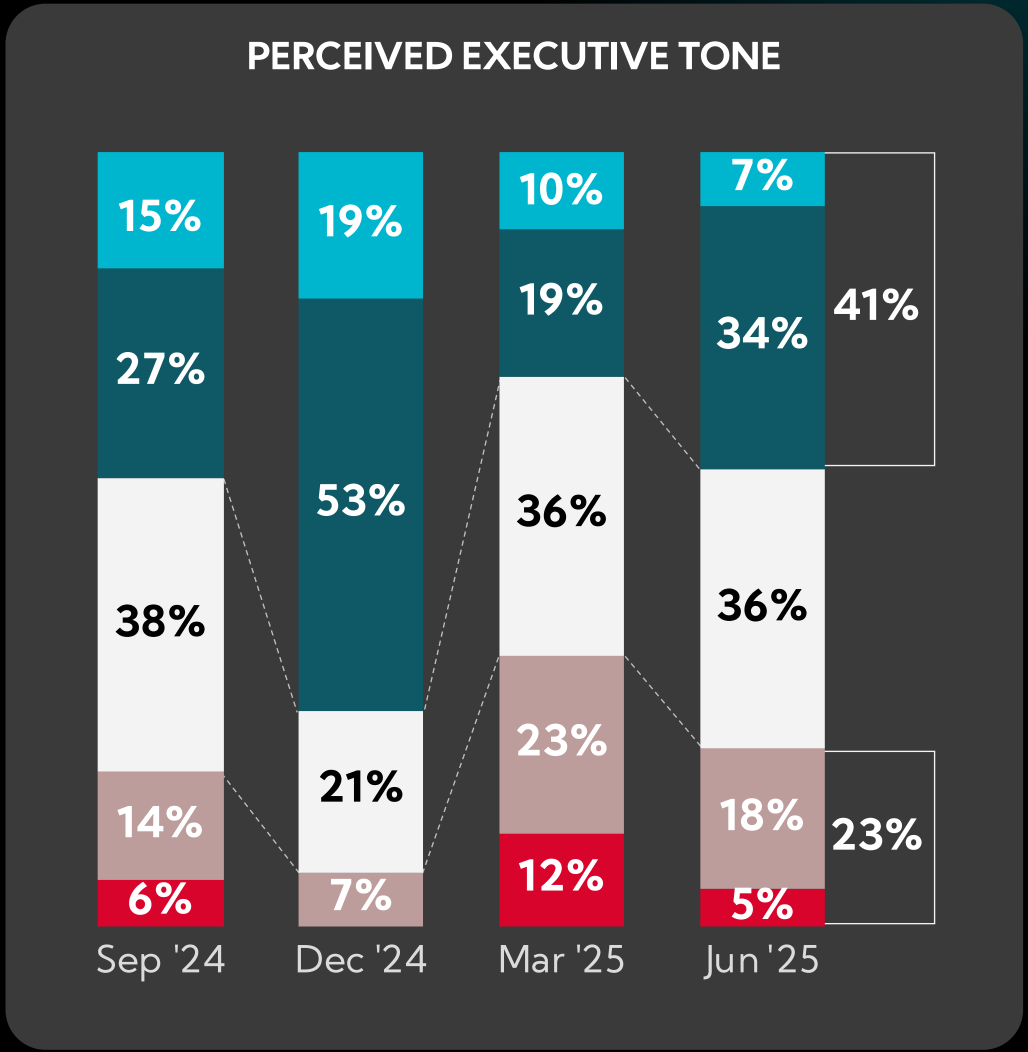
Q4’24

Q1’25

Q2’25

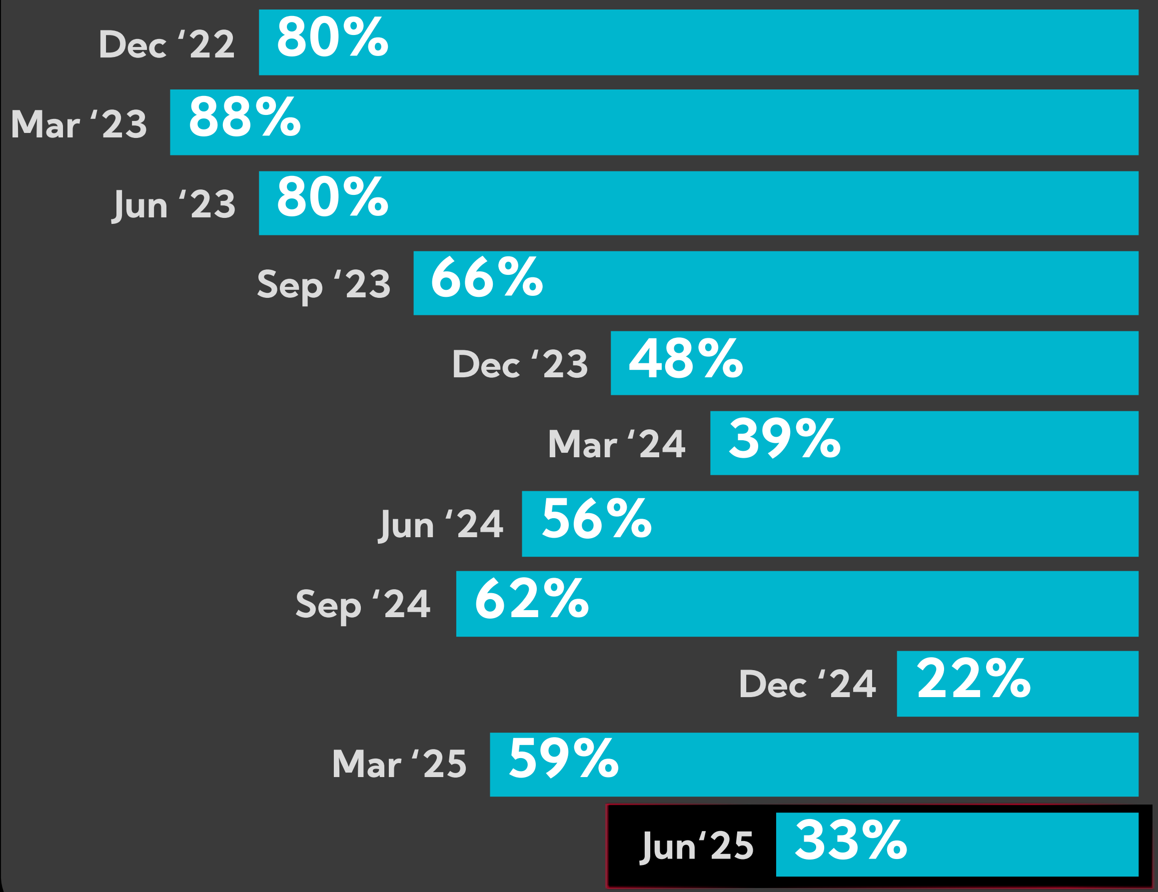
Investor Sentiment and Executive Tone Rebound Following Last Quarter's Pullback, the Largest in a Decade, though Bullishness Remains Below Late-2024 'Trump Bump' Levels



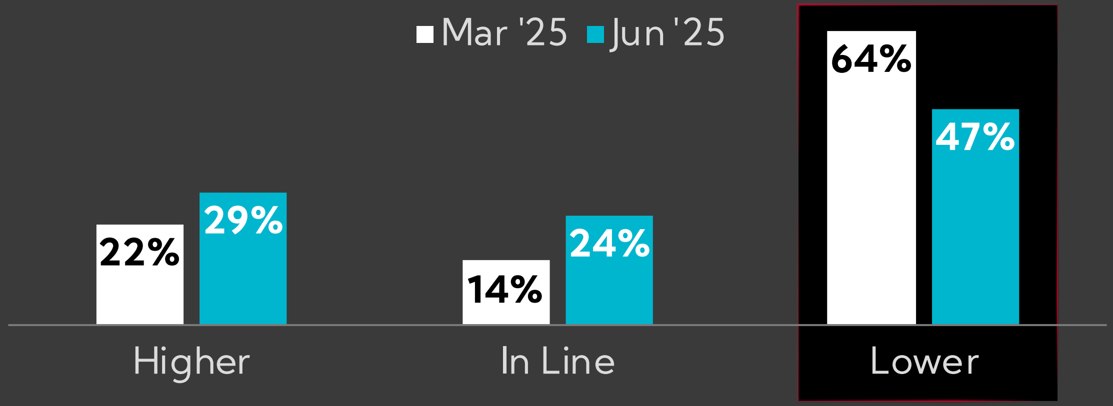


Recession Expectations Fade and 2025 GDP Growth Outlooks Are Less Downbeat, But Nearly Half Are Still Baking in Lower GDP Growth YoY

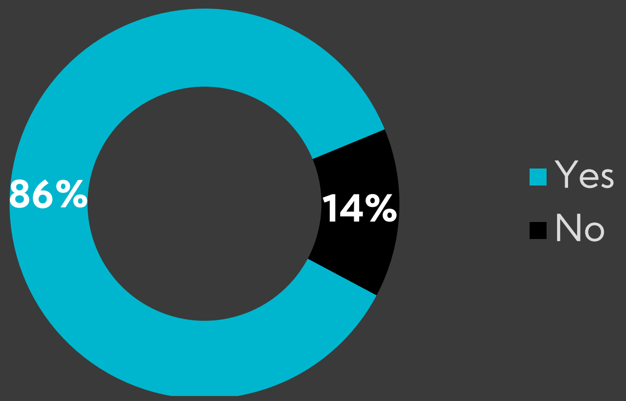
RECESSION EXPECTATIONS



2025 U.S. GDP GROWTH EXPECTATIONS RELATIVE TO 2024

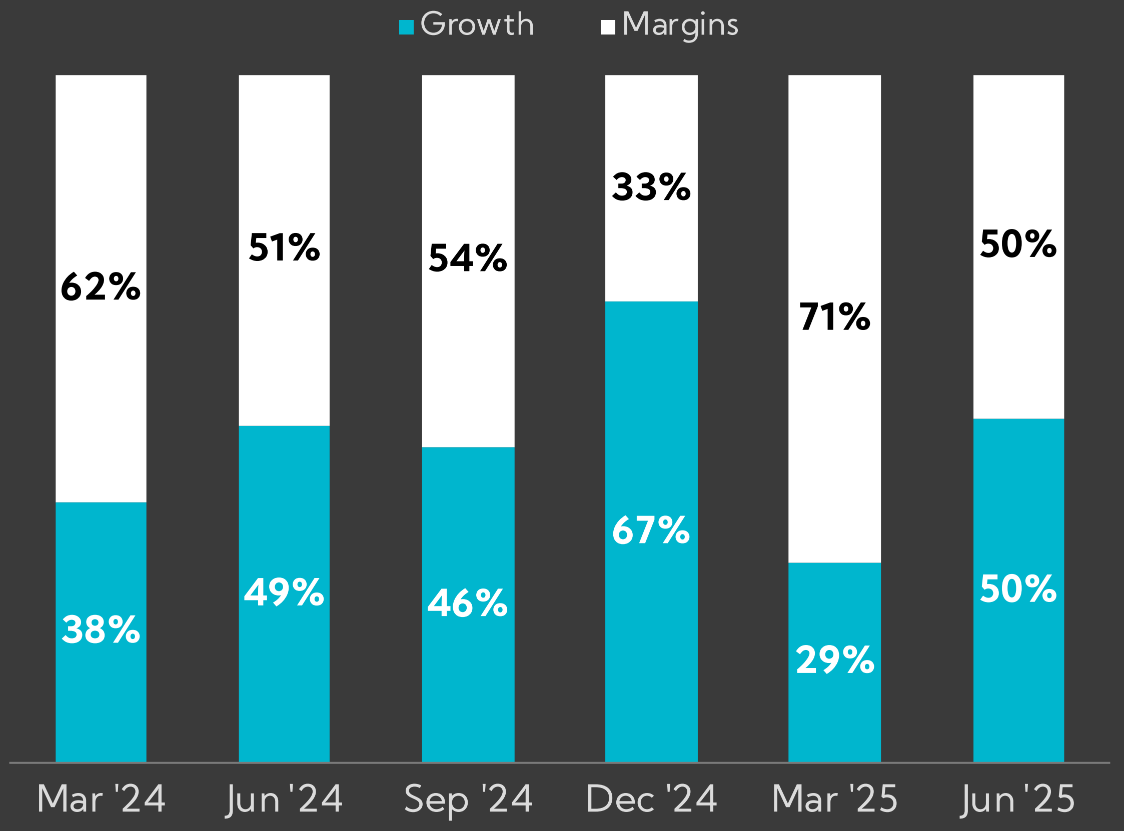


INVESTORS PRICING IN FED RATE CUTS



Tail of Two Cities: Investors Now Evenly Split on Margin vs. Growth Prioritization

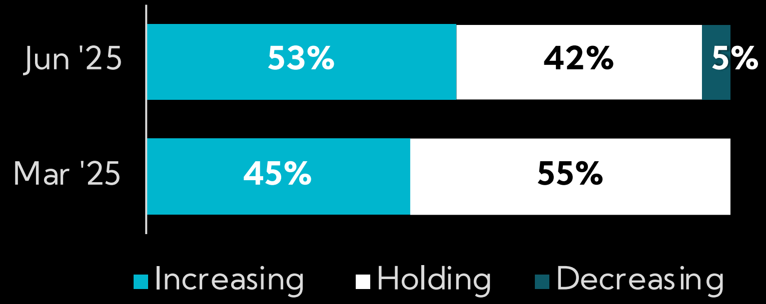
KPI PRIORITIZATION AT THIS POINT IN THE CYCLE



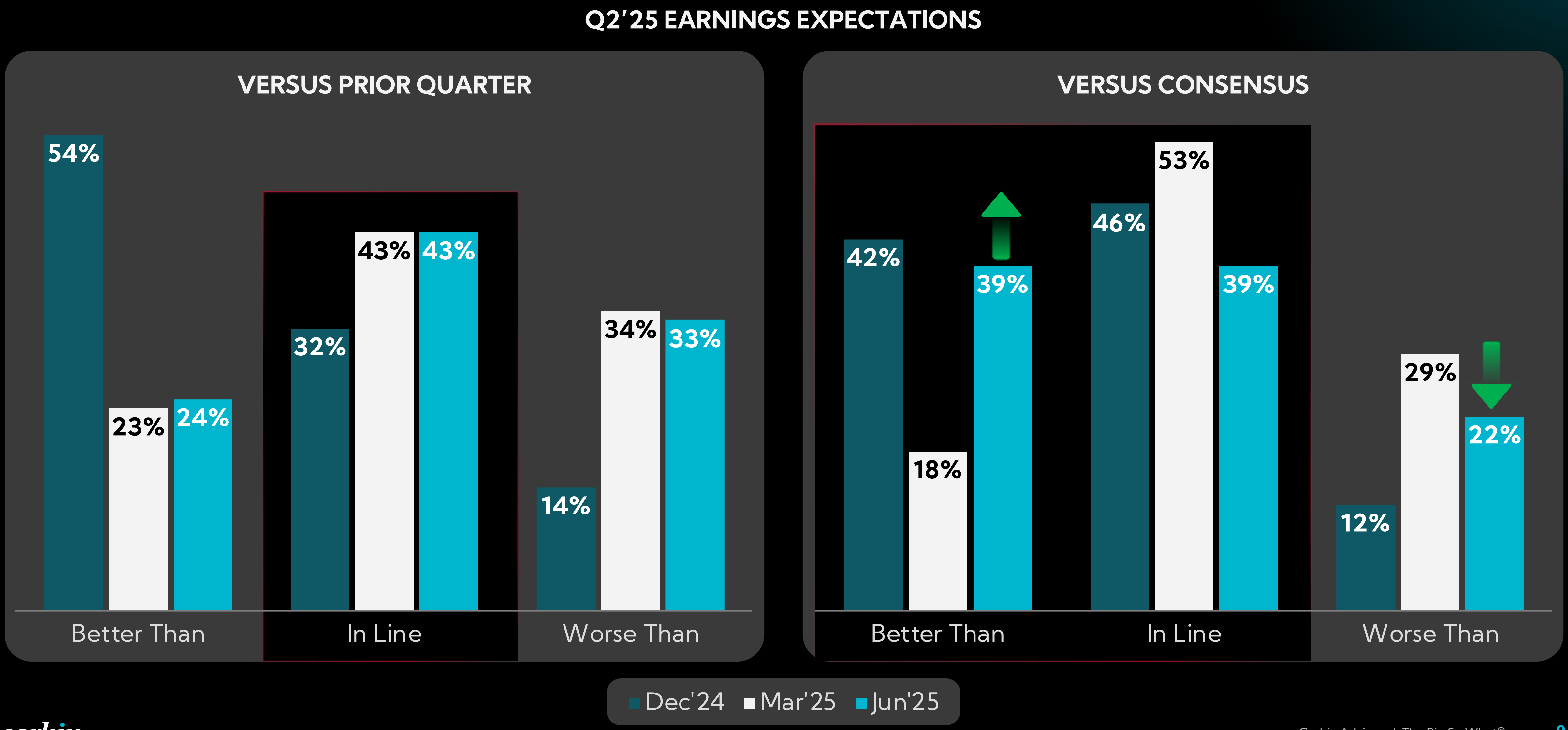
OBSERVATIONS OF COMPANY ACTIONS UNDER COVERAGE

EXPENSE MANAGEMENT

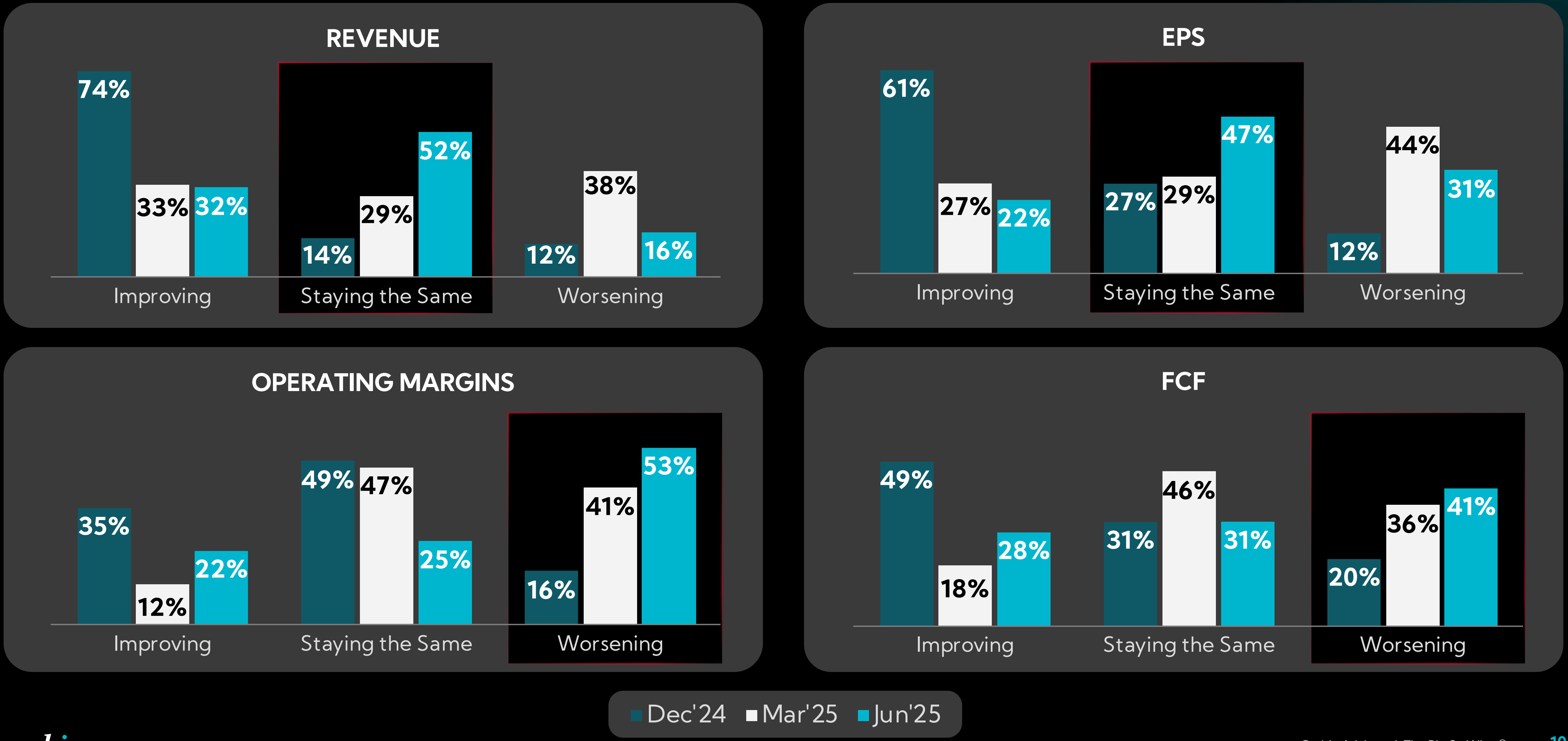
GROWTH CAPEX



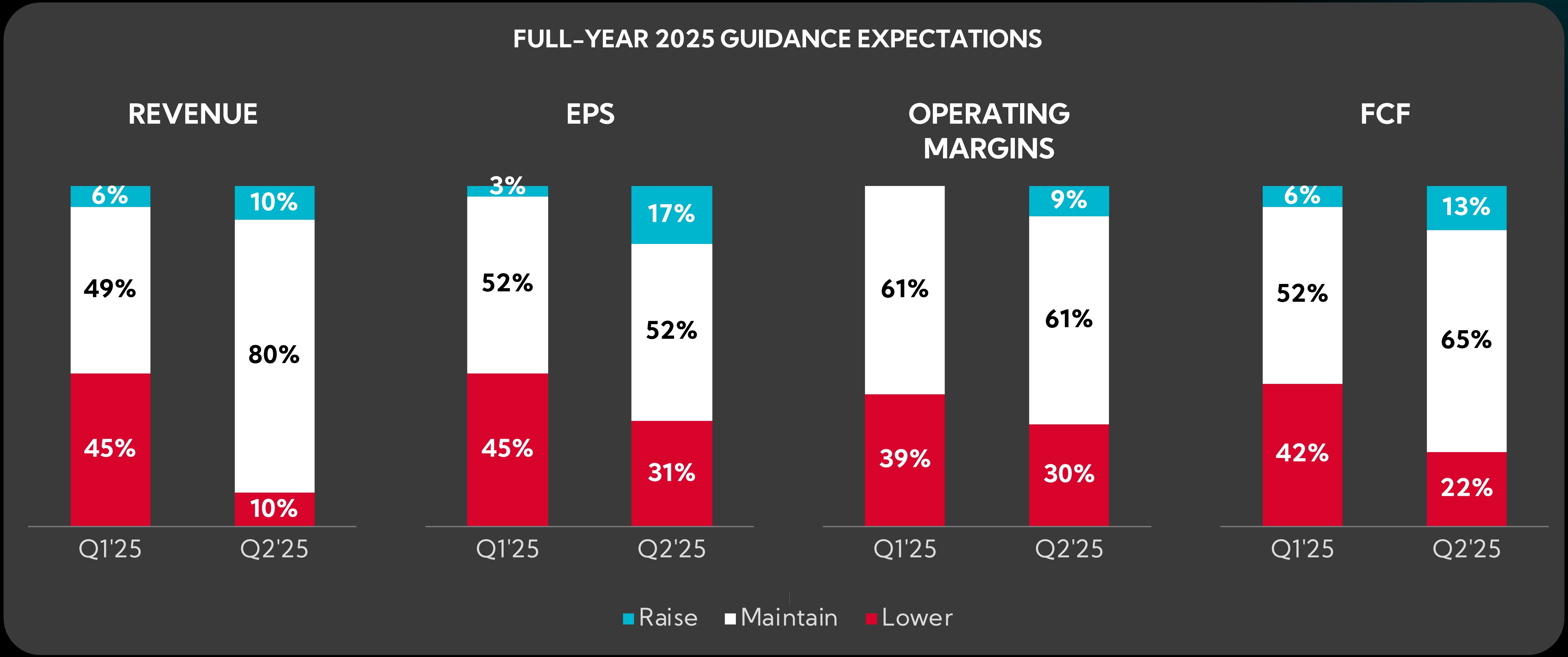
Consensus Beats Are the Bet as Executives Are Credited with Effectively Managing Expectations (and Then There's the Pull-Forward Effect)



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



Companies Largely Expected to Maintain Annual Guides



Topics of Interest for Upcoming Earnings Calls

53% Tariffs

48% Growth, Demand

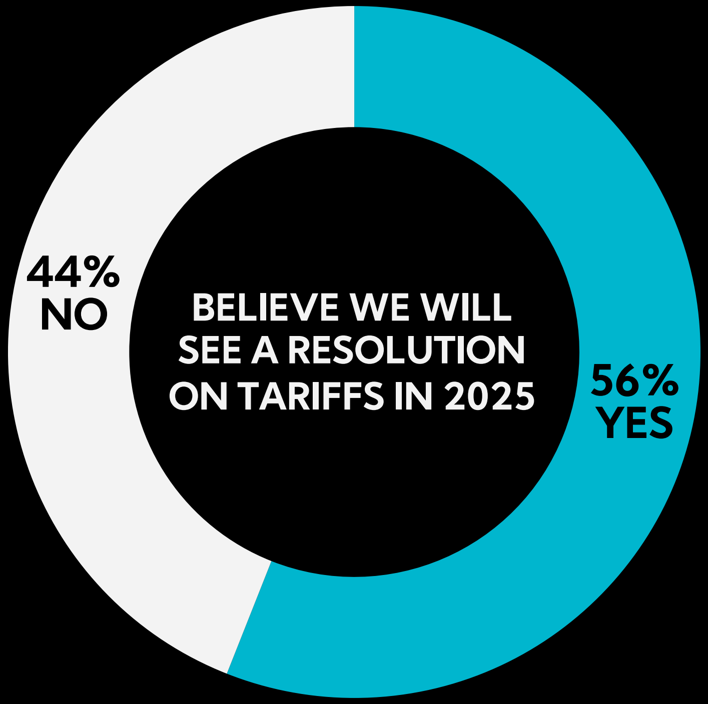
29% Consumer Behavior

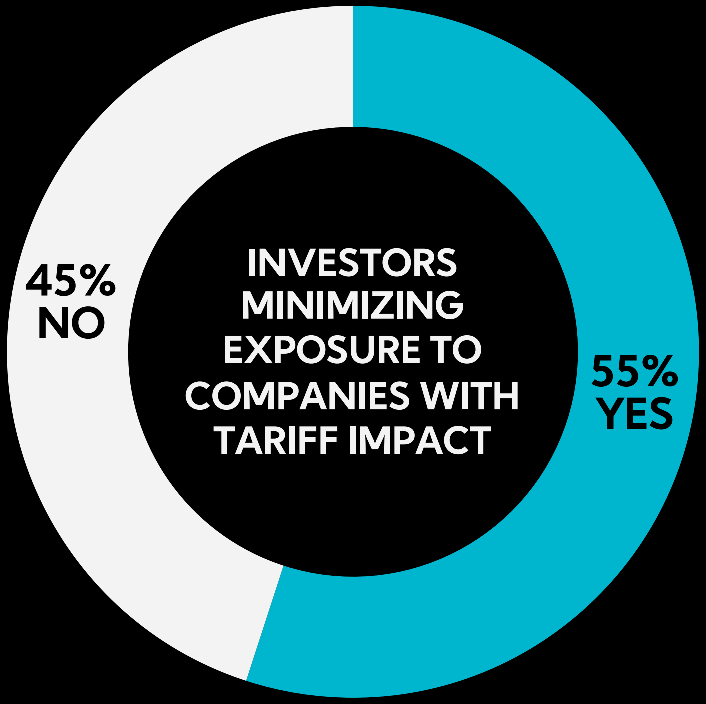
24% Margins, Pricing

22% Capex, Capital Priorities

19% Geopolitics

Tariff Spotlight: Slight Majority Believe We Will See In-Year Tariff Resolution and Similar Number Report Reducing Exposure to Companies with Known Impact

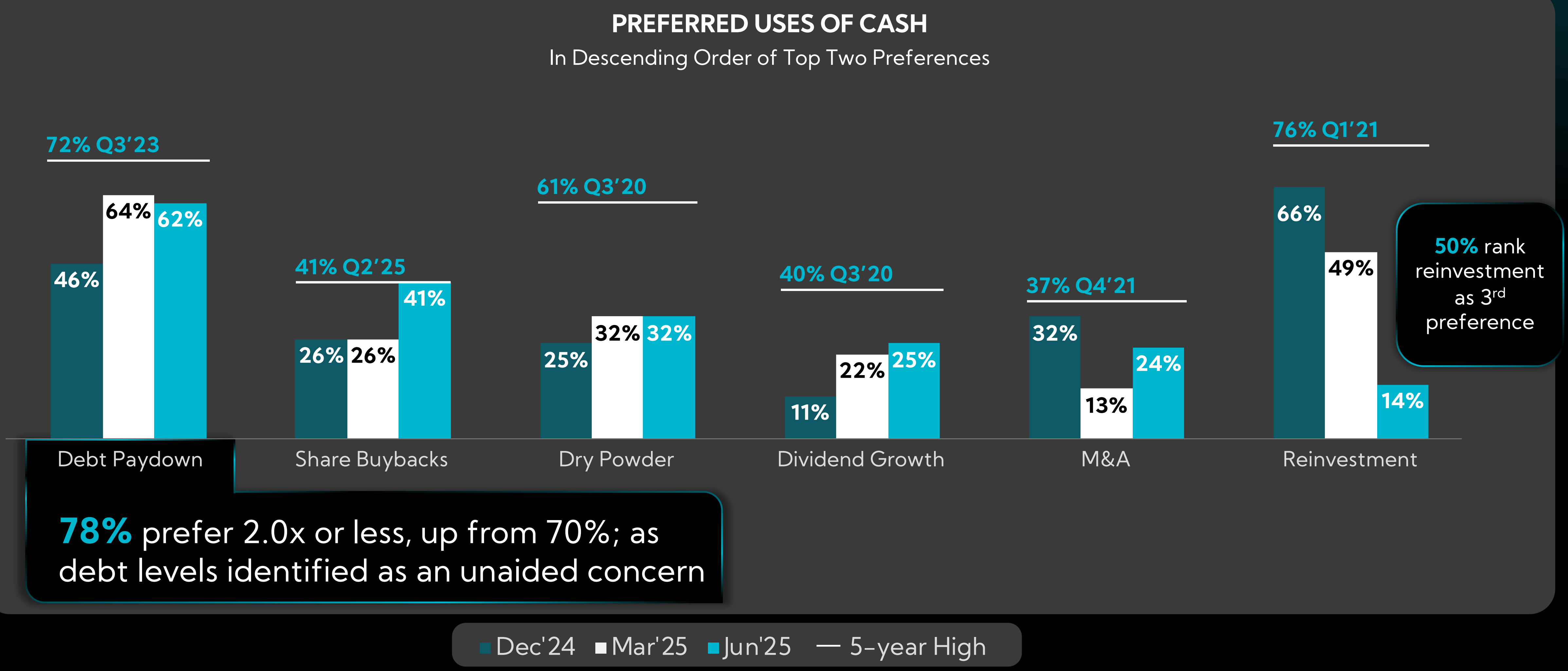




"By default, we are minimizing our portfolio exposure to companies with tariff impacts. It becomes a game of did the market overact, is there an opportunity or are they not reacting enough and should have taken the names down and been more proactive in that way. It is not a very satisfying answer, but 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

Debt Paydown Continues to Garner Top Support, While Interest in Buybacks Hits a Record High, and Reinvestment Ebbs as a #1 or #2 Preference



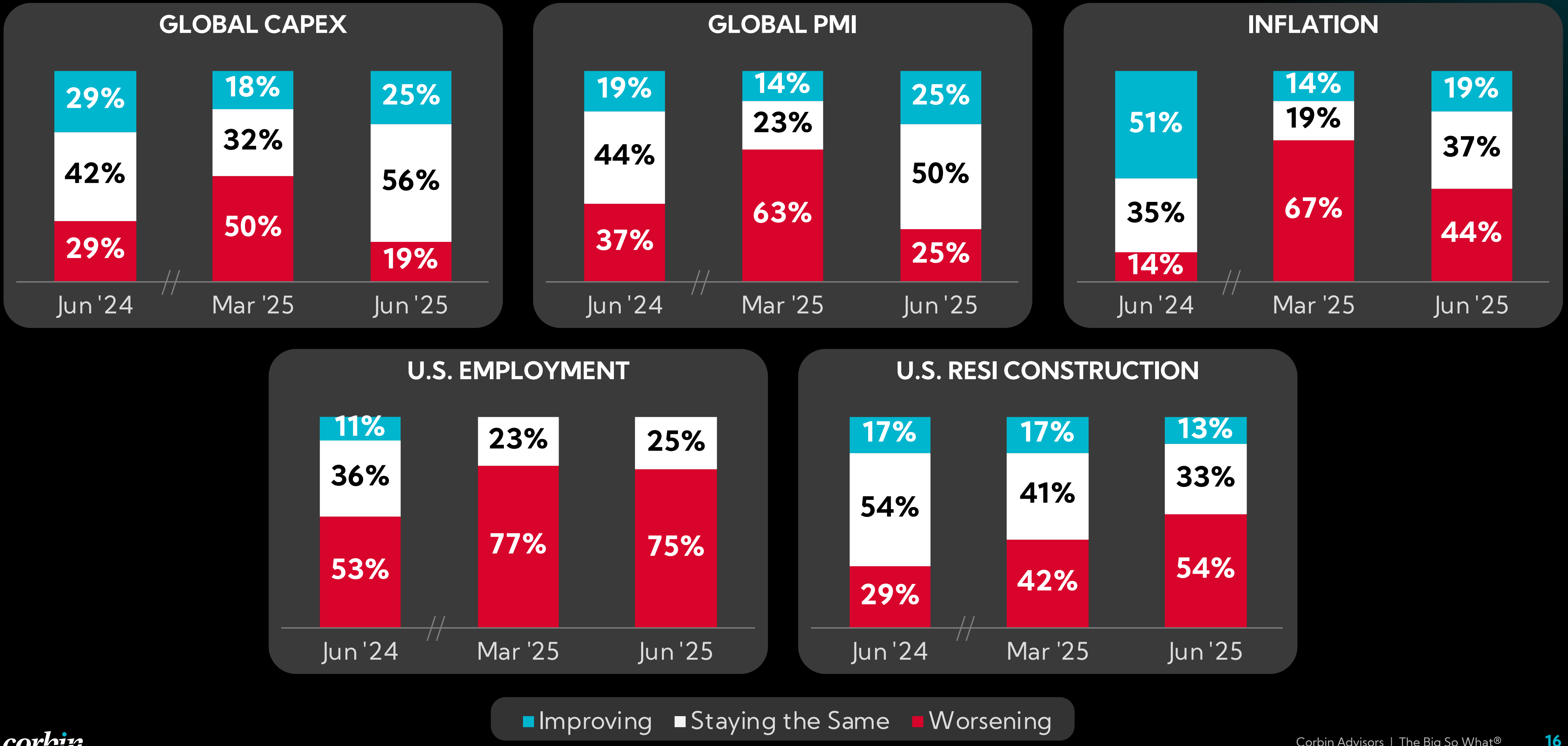
78% prefer 2.0x or less, up from 70%; as debt levels identified as an unaided concern

Top Concerns from Around the Globe

#	Concern	Q2'25 (Unaided)	Change
1	**Economic Slowdown / Macro**	55%	↑ 2pts
2	**Geopolitics, War**	46%	↑ 32pts
3	Tariffs	36%	↓ 20pts
4	Inflation	31%	↑ 11pts
5	Interest Rates	28%	↑ 5pts
6	Debt Levels	20%	↑ 17pts

Geopolitics rockets to the #2 spot, more than tripling QoQ

Views on Key Economic Indicators Over the Next Six Months



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, Albeit Improved QoQ

EXPECTED TO IMPROVE OVER THE NEXT SIX MONTHS

		QoQ Δ
INDIA	56%	+6pts
U.S.	39%	+8pts
MEXICO	37%	+37pts
TAIWAN	33%	+6pts
S.E. ASIA	33%	–13pts

EXPECTED TO WORSEN OVER THE NEXT SIX MONTHS

		QoQ Δ
CANADA	60%	–15pts
MIDDLE EAST	47%	+20pts
RUSSIA	47%	+14pts
W. EUROPE	35%	+25pts
CHINA	31%	+7pts

73% Exhibit More Concern or a Continued Level of High Concern over U.S./China relations, Down From 87%

Investors Climb Back Aboard the AI Train as Tech Leapfrogs Healthcare; Consumer-driven Sectors See Influx of Bears

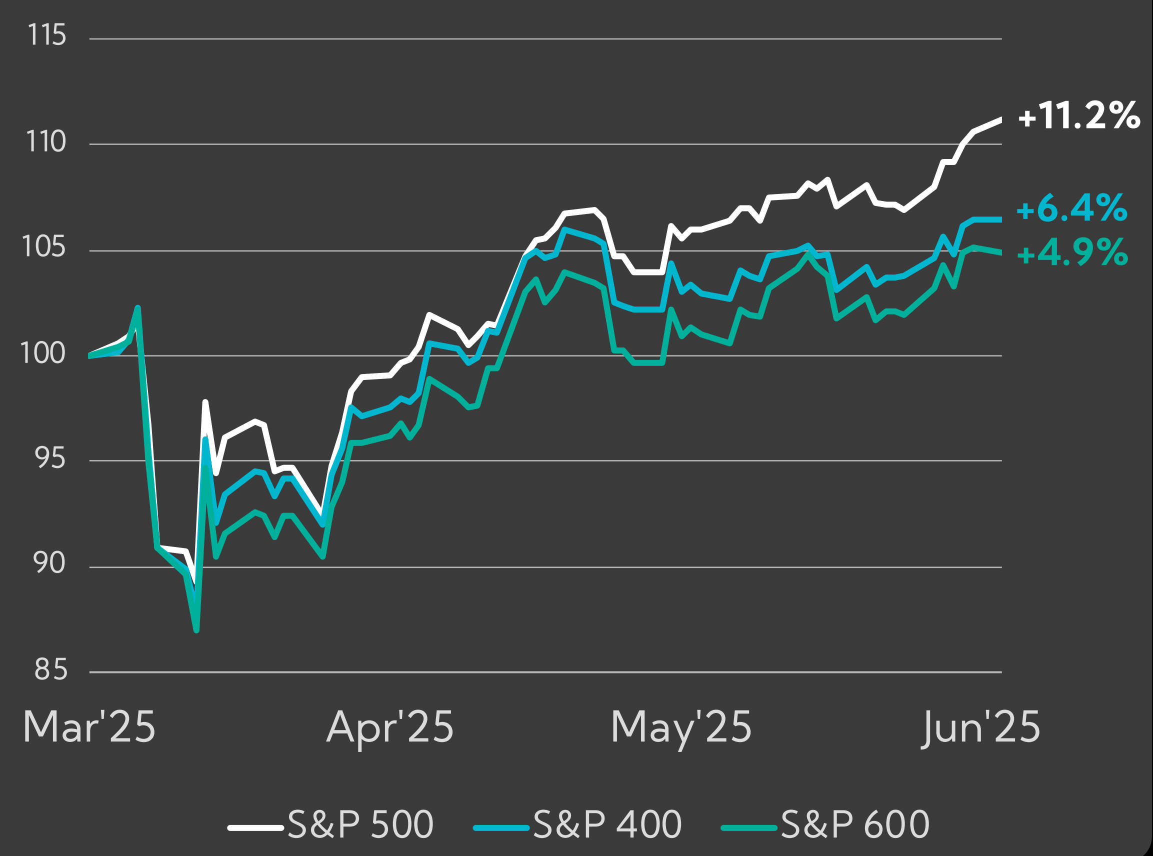
BULLS VS. BEARS

Sector	Bulls change	Bulls	Bears	Bears change	Q2'25 S&P 500 Performance[1]
Technology	+29 pts	72%	11%	-11 pts	+23.5%
Healthcare	-10 pts	53%	33%	+20 pts	(7.6%)
Financials	UNCH	38%	13%	-12 pts	+5.1%
Industrials	+13 pts	38%	13%	-1 pt	+12.6%
Comm. Services	-6 pts	33%	20%	+7 pts	+18.2%
Energy	+5 pts	27%	27%	+5 pts	(9.4%)
Utilities	+7 pts	20%	20%	+11 pts	+3.5%
Basic Materials	-13 pts	13%	33%	+16 pts	+2.6%
REITs	UNCH	13%	33%	-6 pts	(1.0%)
Cons. Staples	-6 pts	7%	47%	+21 pts	+0.5%
Chemicals	-2 pts	7%	47%	+17 pts	+0.1%
Cons. Discretionary	-3 pts	6%	44%	-17 pts	+11.3%
Clean Energy	-13 pts		47%	-1 pt	+21.5%

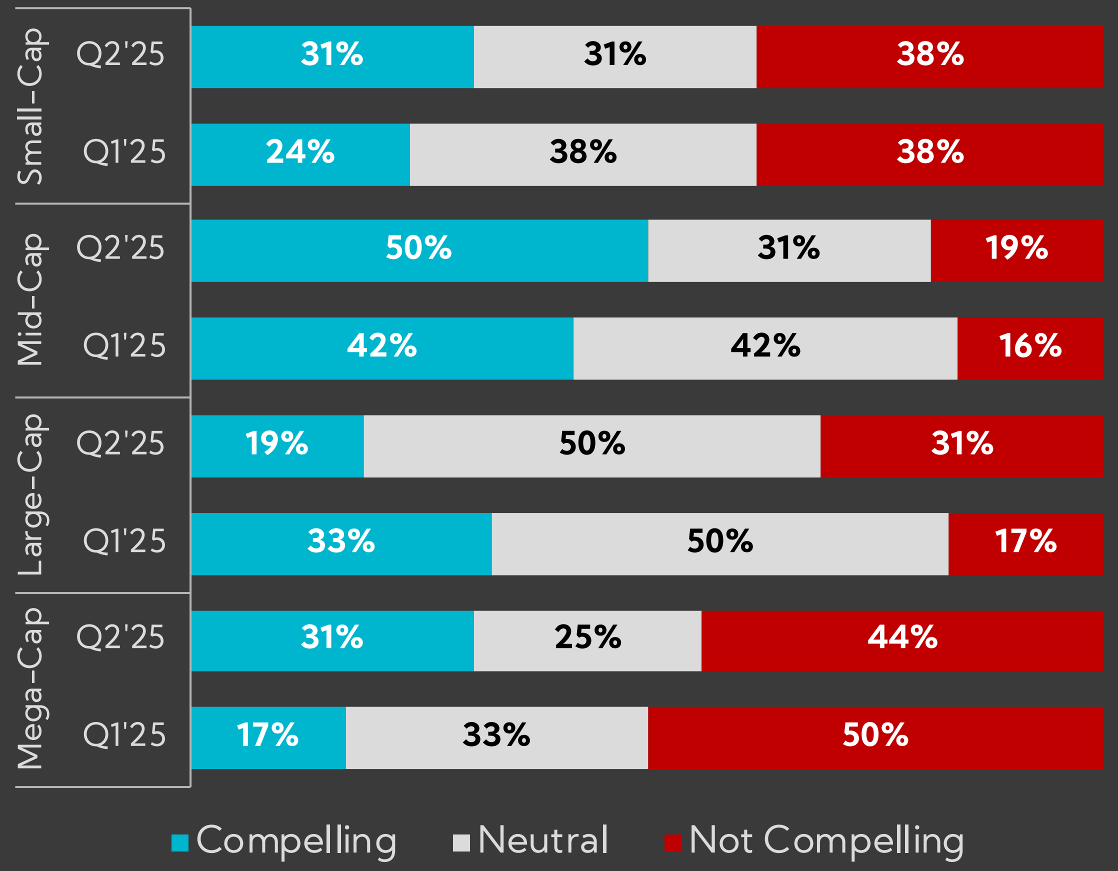
[1] Source: FactSet

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

Q2'25 INDEXED PRICE PEFORMANCE



MARKET CAP PREFERENCES



		Compelling	Neutral	Not Compelling
Small-Cap	Q2'25	31%	31%	38%
	Q1'25	24%	38%	38%
Mid-Cap	Q2'25	50%	31%	19%
	Q1'25	42%	42%	16%
Large-Cap	Q2'25	19%	50%	31%
	Q1'25	33%	50%	17%
Mega-Cap	Q2'25	31%	25%	44%
	Q1'25	17%	33%	50%

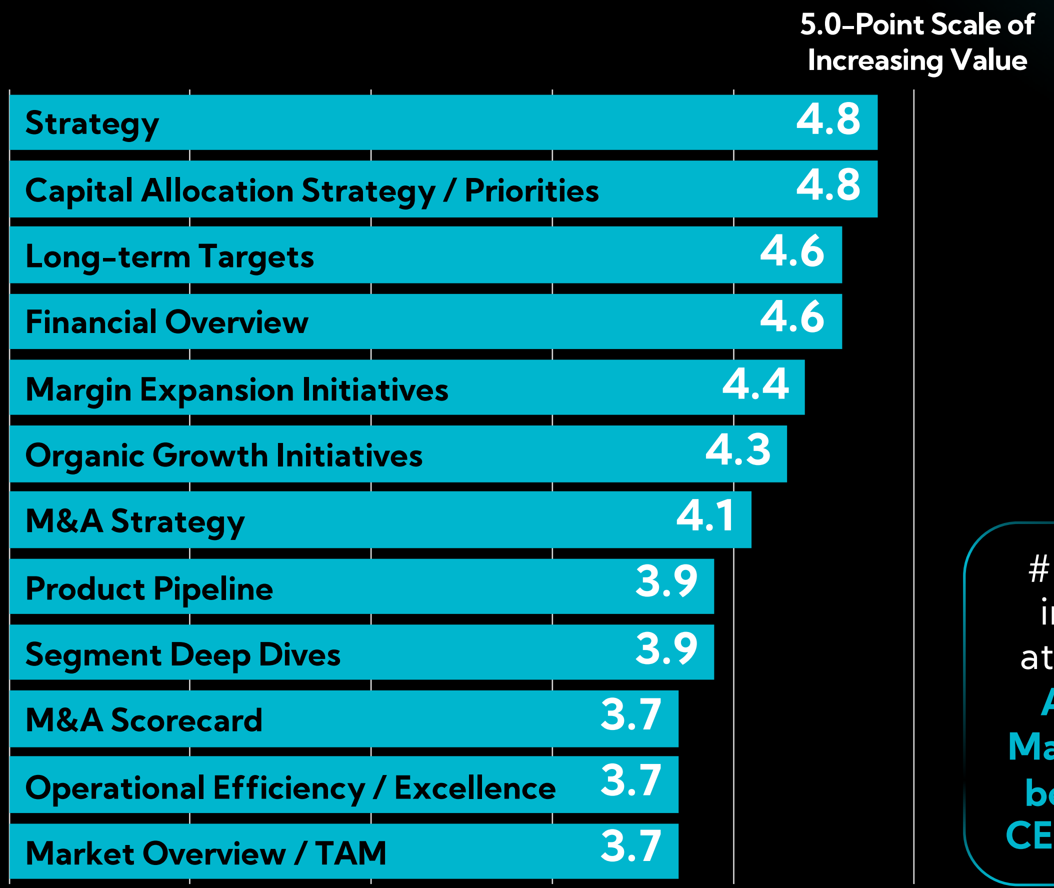
Corbin Proprietary Research: Investor Days Hold Weight in Current Macro

88% Investors who believe companies should host an investor day regardless of macro conditions or recent performance

84% 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**

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Thank You