THE BiG SO WHAT®

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Q3'25 Earnings Season

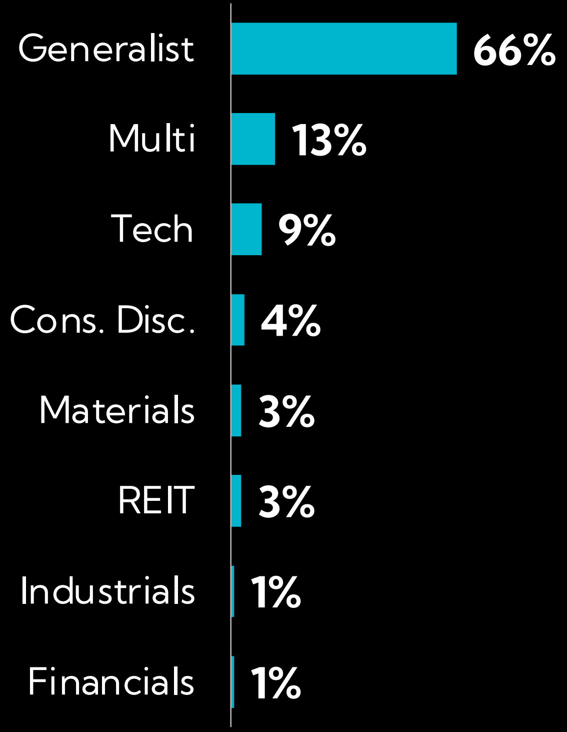
Corbin's flagship ***Inside The Buy-Side® Earnings Primer®***

October 15, 2025

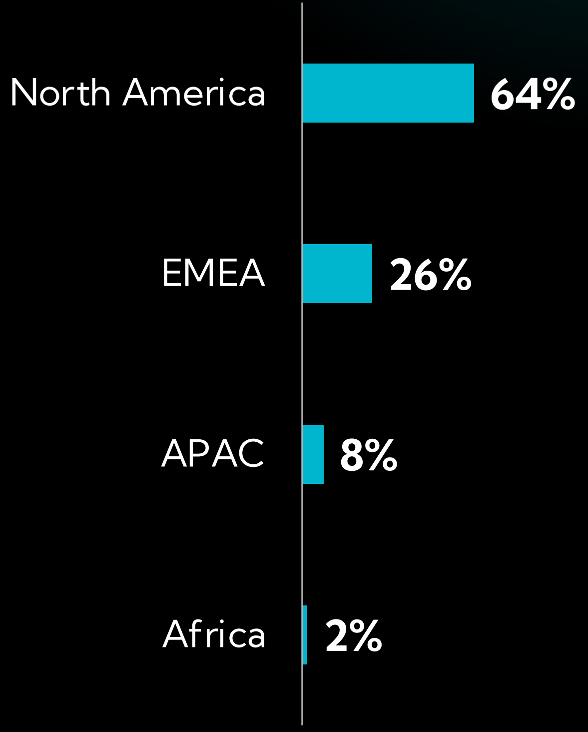
64th Issue of Inside The Buy-Side® Earnings Primer®

SURVEY TIMEFRAME
September 5 – October 2, 2025

BY TYPE



BY REGION



Key Findings

1

Investors Are Increasingly More Optimistic About the Future and Focused on Growth Albeit with a Watchful Eye on Tariff Knock-on Effects

—

Expect Real Tariff Landfall Exiting Q1'26

2

Buybacks Join Debt Paydown as Top Use of Cash, Underscoring View that All-Time High Market is Not Overvalued

—

Capital Allocation is in Focus

3

Heading into Q3'25 Earnings, Big Bets on Top-Line Outperformance and Stronger EPS with Expectations for 3x More Beats vs. Misses

—

The Bar is High

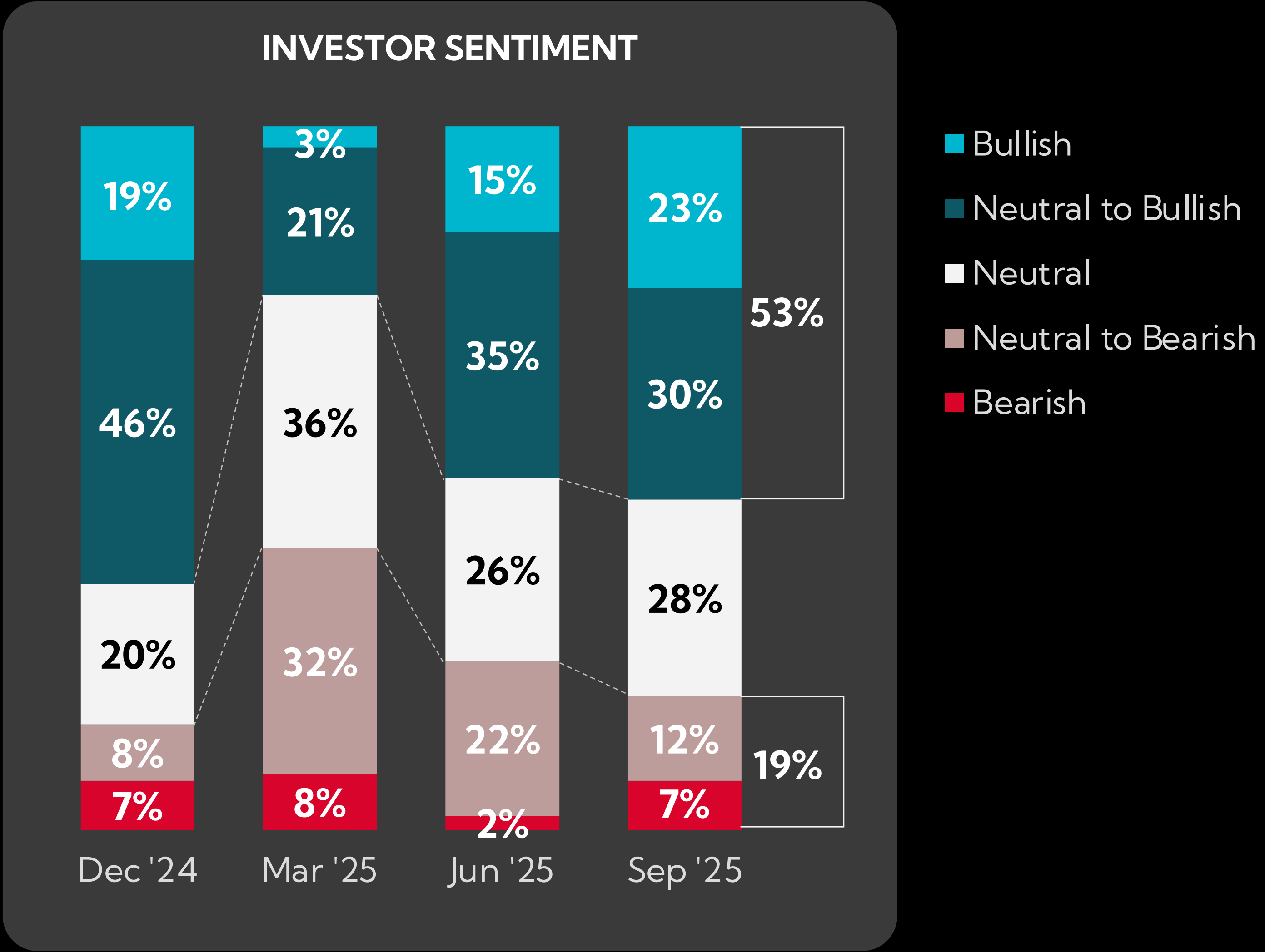
More Upbeat Views Seen QoQ with Tariffs, Inflation…and Growth…Front-and-Center

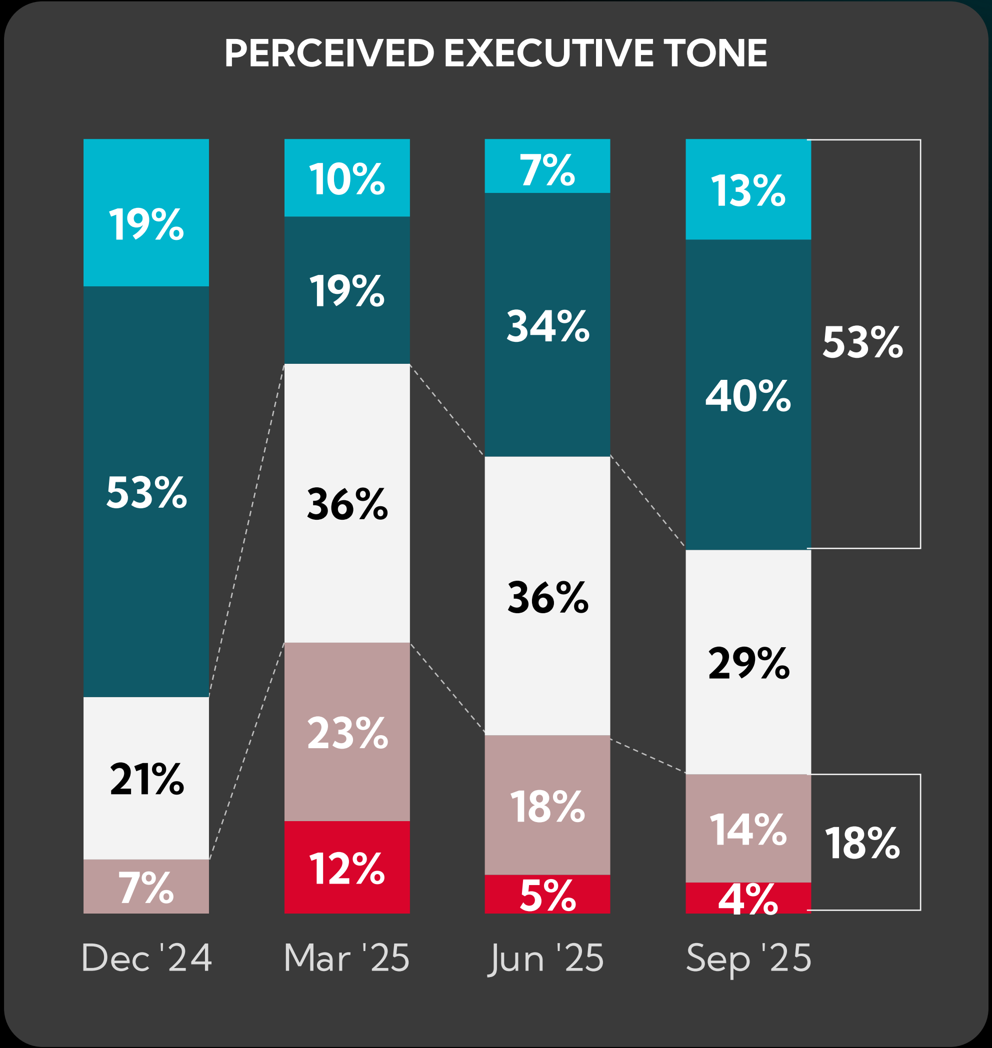
Q1'25

Q2'25

Q3'25

Investor Sentiment Remains Optimistic with Outright Bulls at Highest Level Since Mar. 2024; Executive Tone Follows Suit and Seen as Most Upbeat Since Dec. 'Trump Bump'





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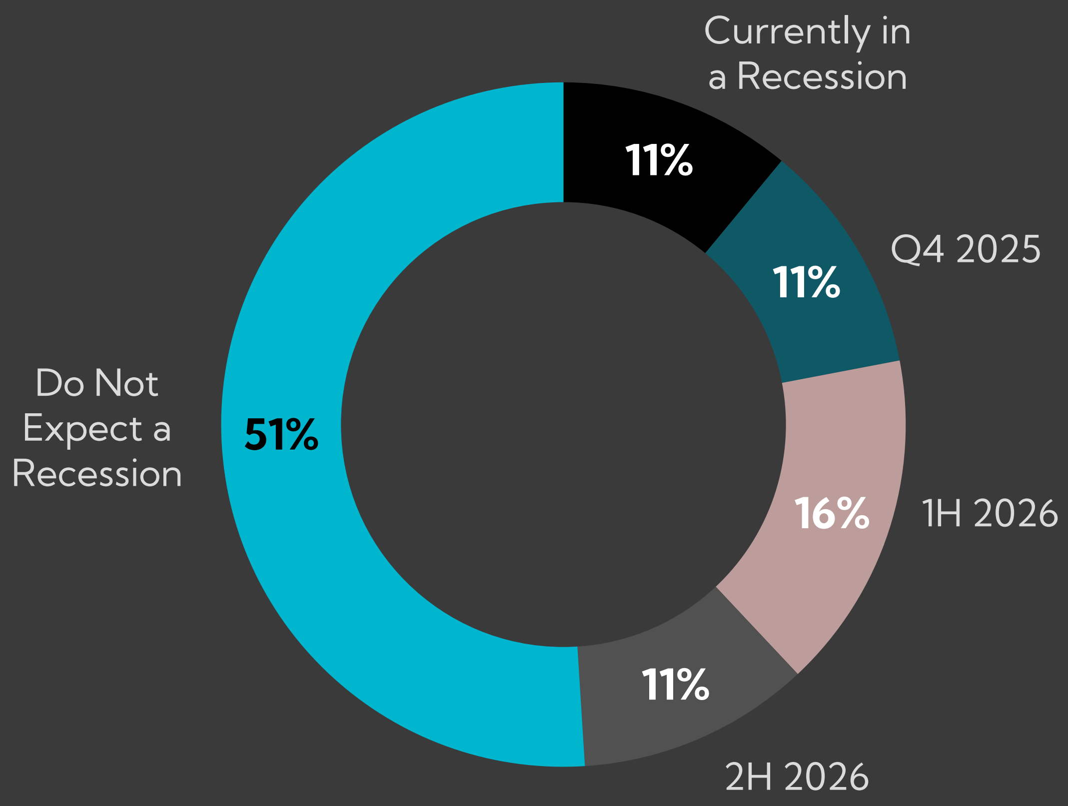
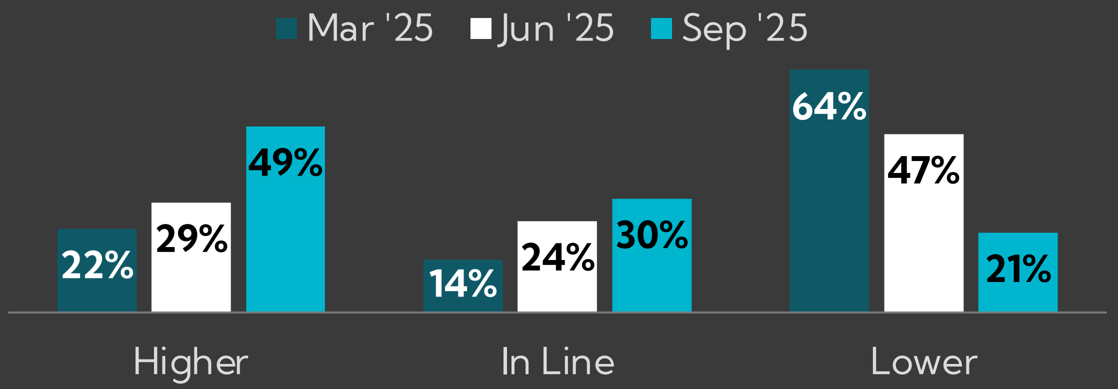
More Than Half of Investors Do Not Anticipate a Recession as 2025 U.S. GDP Outlooks Improve; Still, Investors Eye Potential Cracks on the Horizon

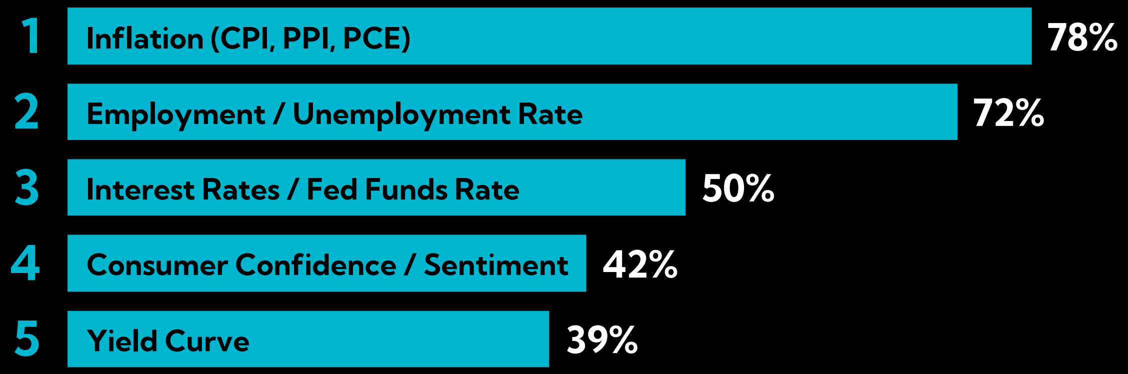
RECESSION EXPECTATIONS



2025 U.S. GDP GROWTH EXPECTATIONS RELATIVE TO 2024

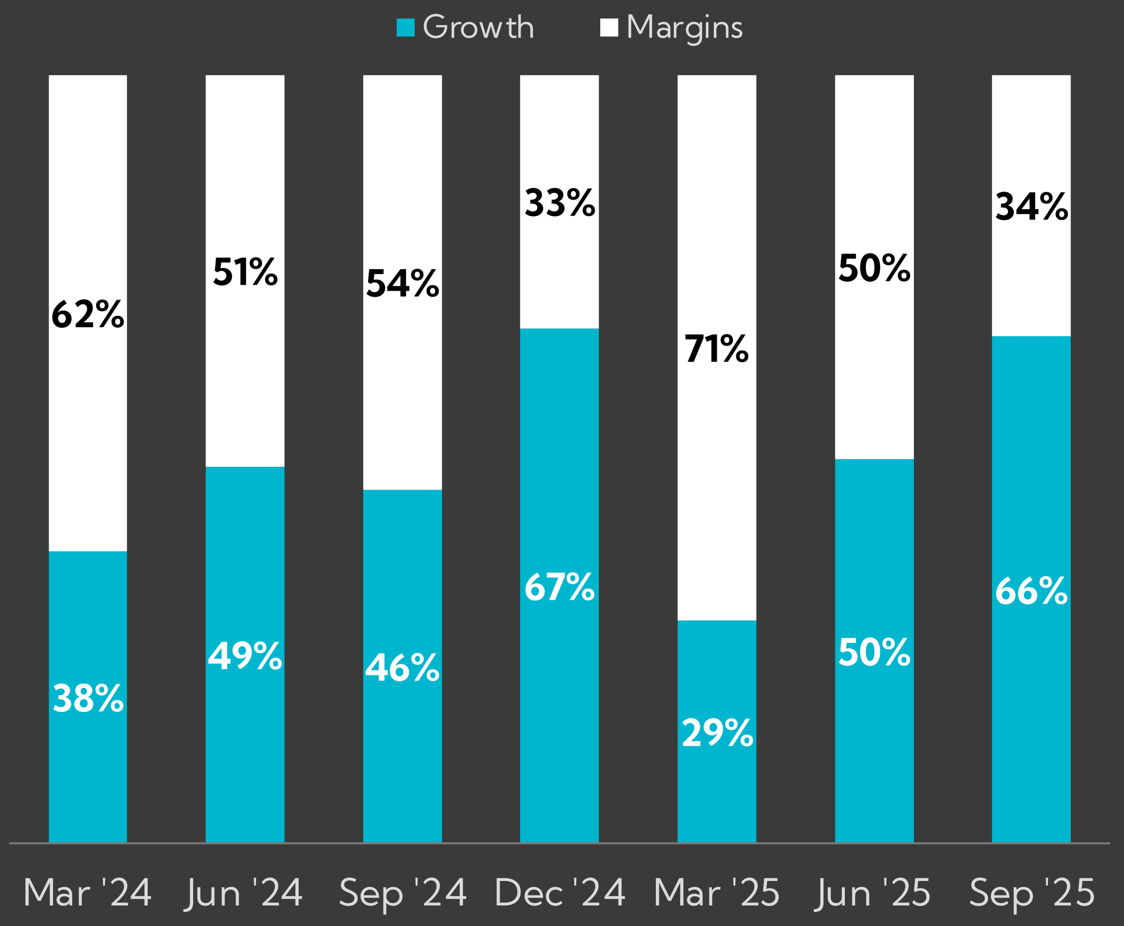


MOST IN-FOCUS ECONOMIC INDICATORS

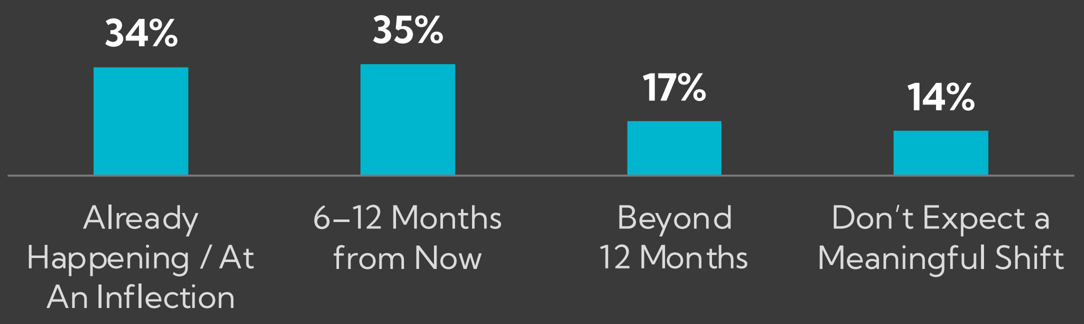


Hunger for Growth Continues to Climb, Surpassing Margin Mania Earlier this Year, Suggesting We May Be at an Inflection

KPI PRIORITIZATION AT THIS POINT IN THE CYCLE



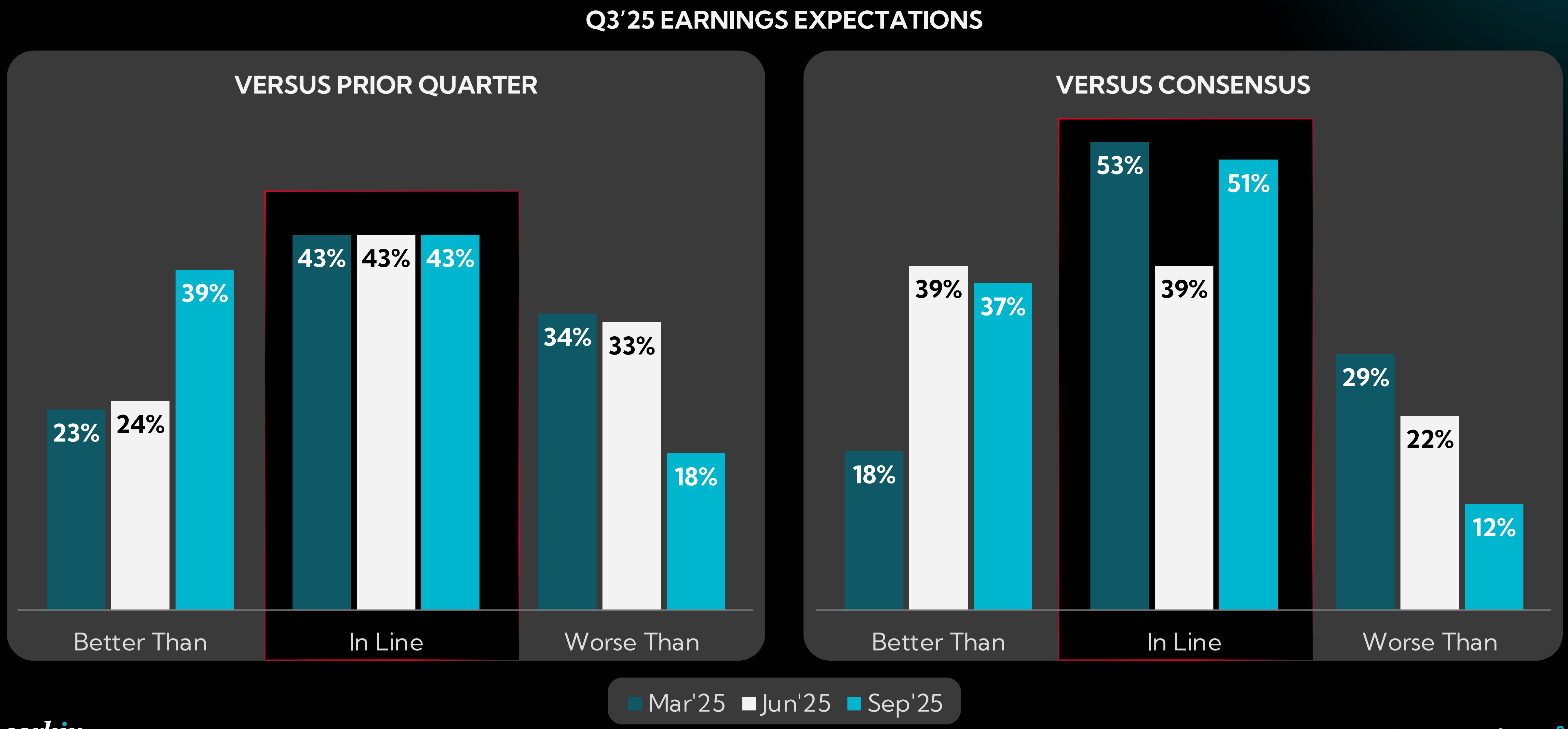
EXPECTATIONS FOR MANAGEMENT TEAMS TO SHIFT FROM A DEFENSIVE STANCE TO NET INVESTMENT TO DRIVE TOP-LINE GROWTH



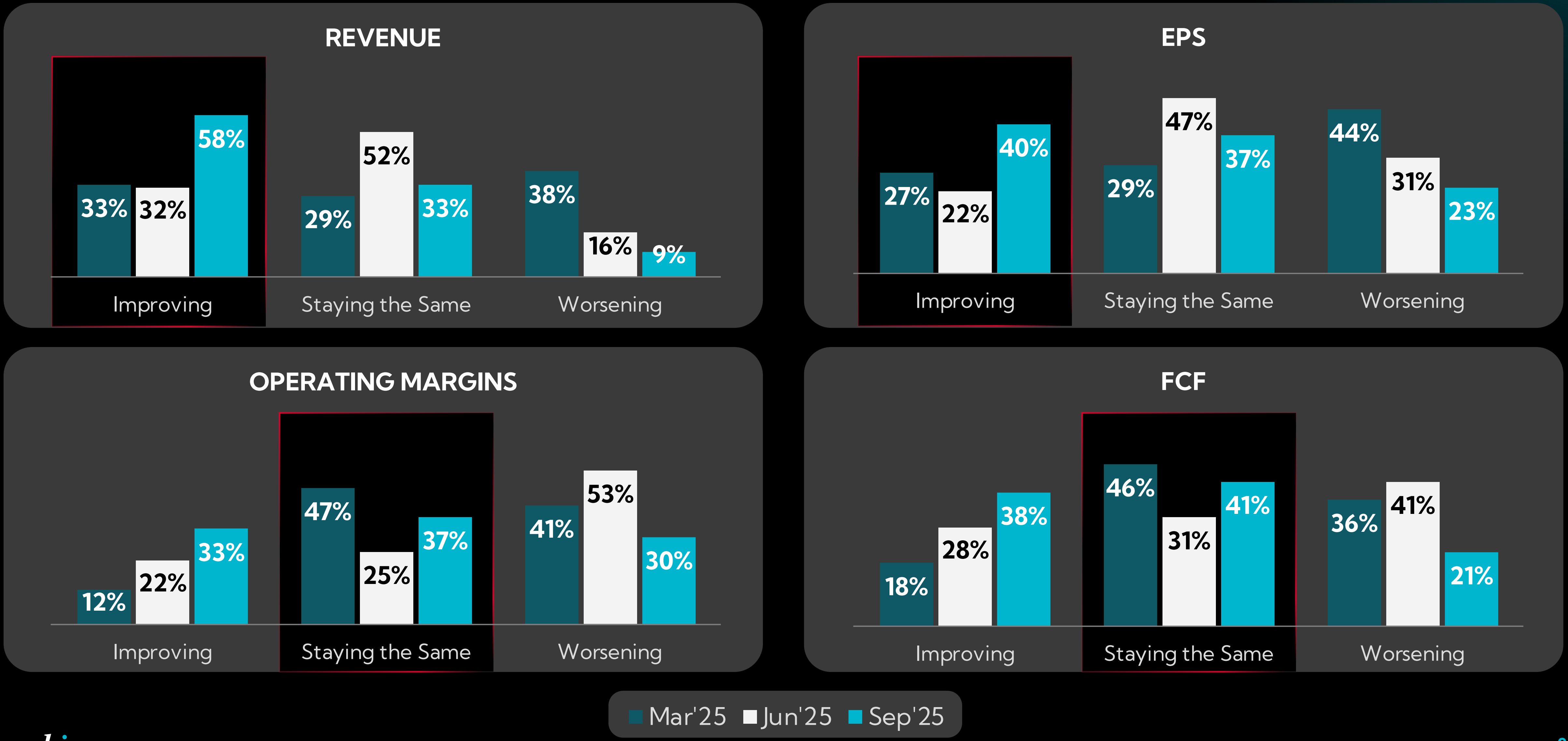
FACTORS THAT WOULD PROMPT A SHIFT IN PREFERENCE TOWARD FAVORING GROWTH INVESTMENT

1	Signs of demand strength	79%
2	Improved macro clarity	50%
3	Demonstrated margin stability	43%
4	Lower interest rates / improved cost of capital	29%

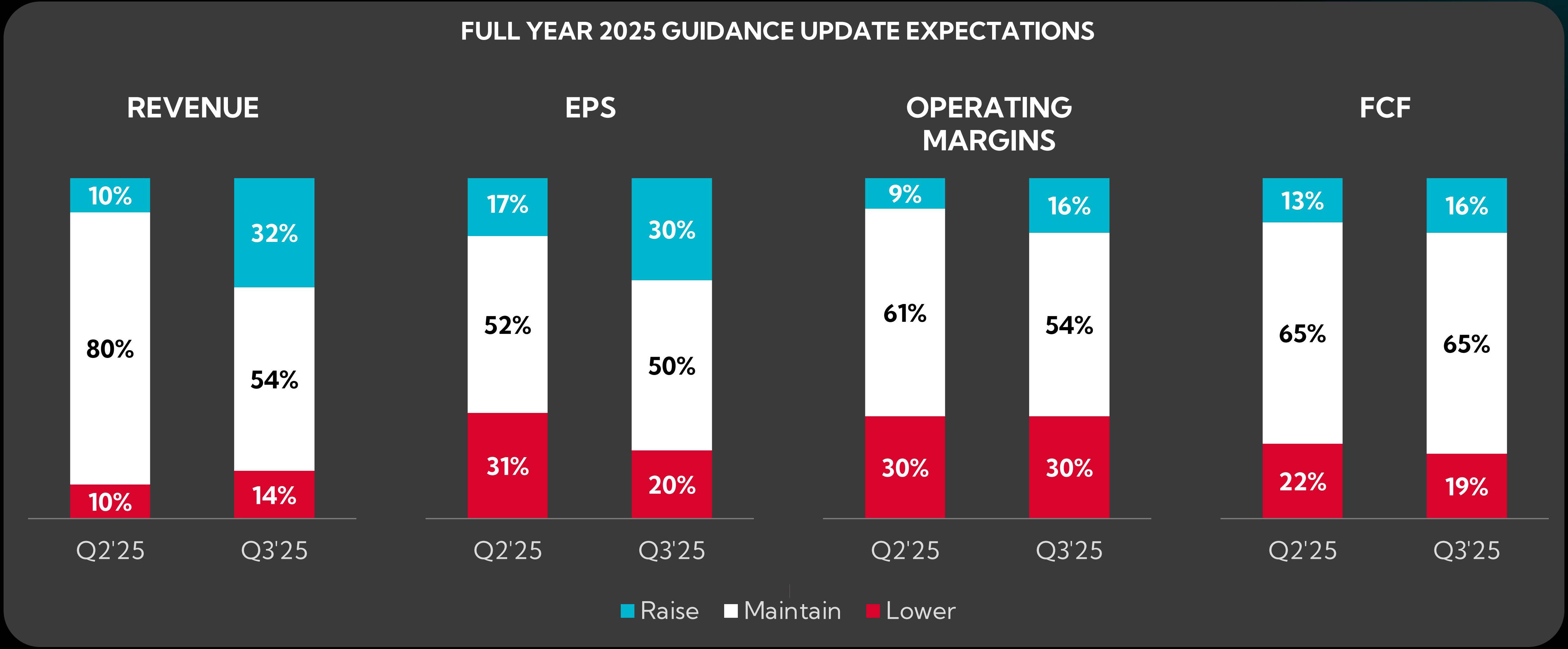
In-line Results Widely Anticipated, But with Consensus Beats Still Expected to Outpace Misses 3x



KPI Expectations Reveal Big QoQ Jumps in Revenue and EPS Optimism; Mixed Views on Margin and FCF, But with More Anticipating Improvement



Majority Expect Companies to *Maintain* Annual Guides, Though All Metrics See Upticks in Those Expecting *Raises* Relative to Last Quarter, Particularly Revenue and EPS



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Topics of Interest for Upcoming Earnings Calls

55% Tariffs, Knock-on Effects

54% Growth, Demand

36% Capex, Capital Priorities

25% Margins, Costs

23% Consumer Behavior

18% 2026 Outlook (That Time of Year)

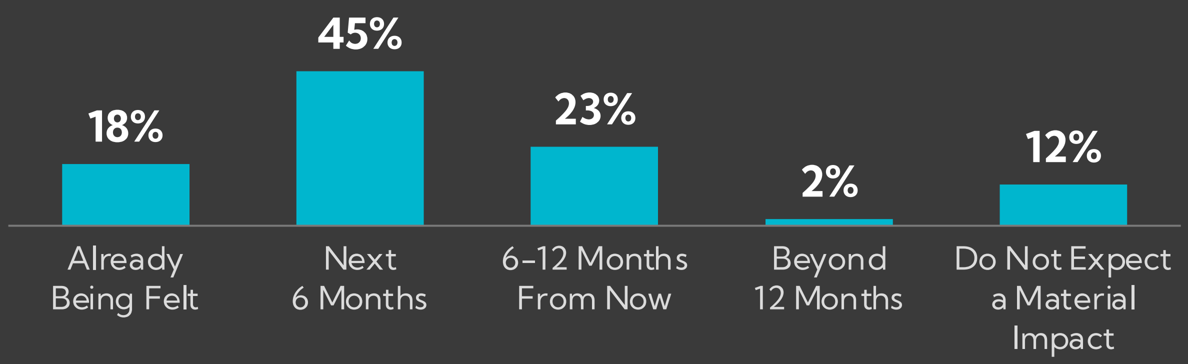
Top Concerns from Around the Globe

		Q3'25 (Unaided)	
1	Tariffs	57%	↑ 21pts
2	**Policy Impacts / Administration**	48%	↑ 28pts
3	Geopolitics	33%	↓ 13pts
4	Economic Slowdown	27%	↓ 28pts
5	Inflation	25%	↓ 6pts
6	Consumer Behavior	18%	↑ 8pts

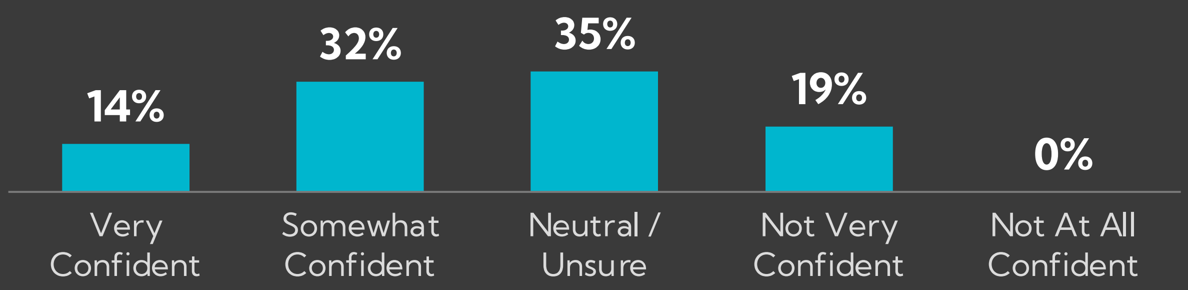
White House policy impacts jump to the #2 spot

Majority Expect Peak Tariff Impacts Within the Next Six Months; Varying Confidence in Mitigation Strategies Suggests a Degree of Skepticism

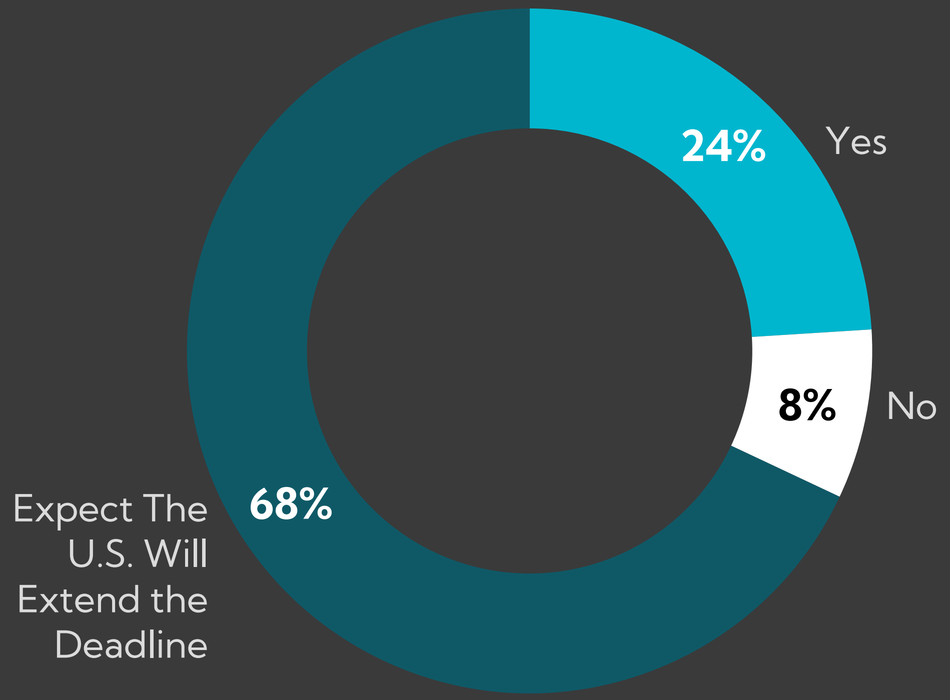
EXPECTATION FOR COMPANIES TO EXPERIENCE THE GREATEST FINANCIAL IMPACT FROM TARIFFS



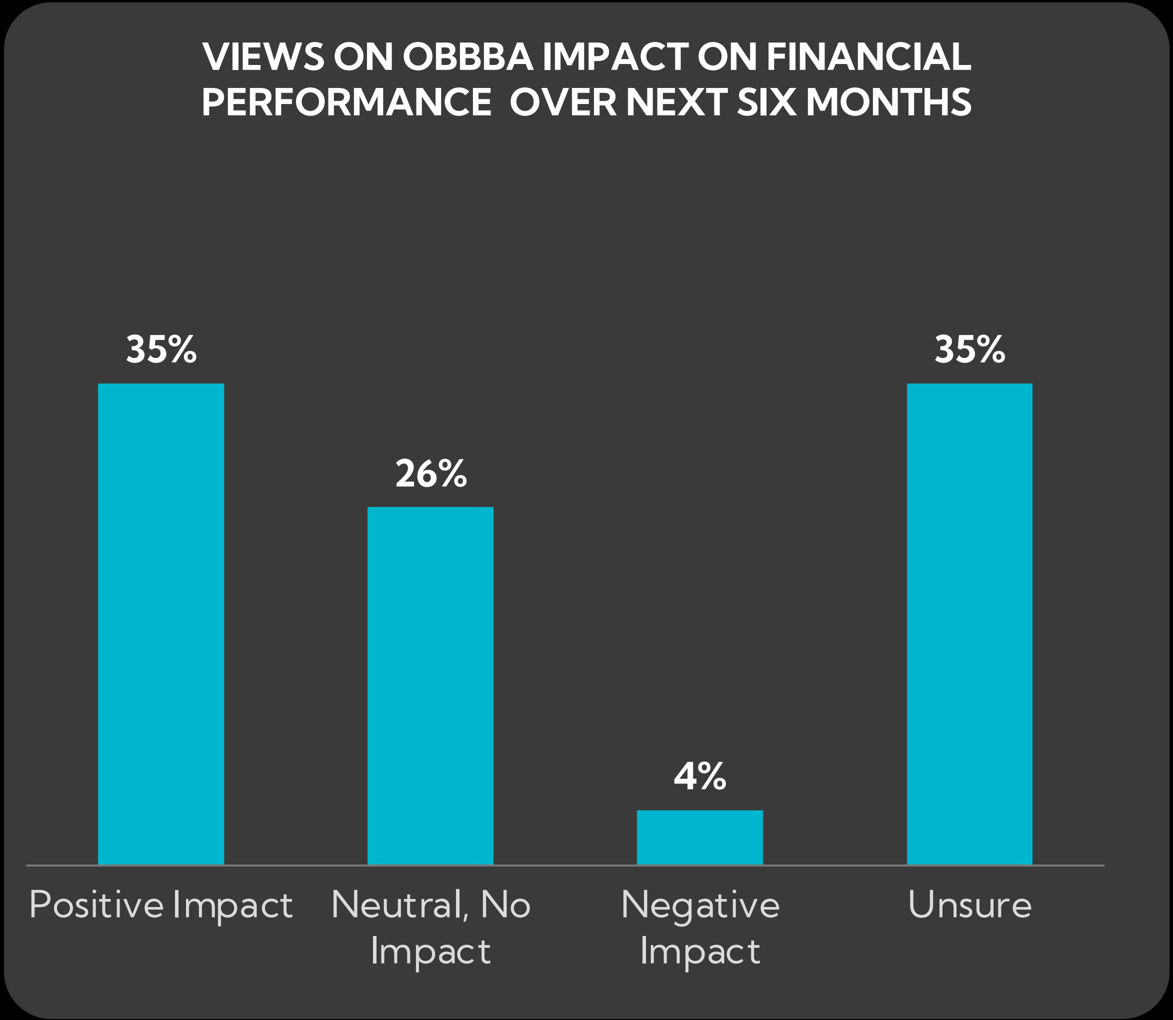
CONFIDENCE THAT COMPANIES HAVE EFFECTIVE STRATEGIES IN PLACE TO MITIGATE TARIFF IMPACT

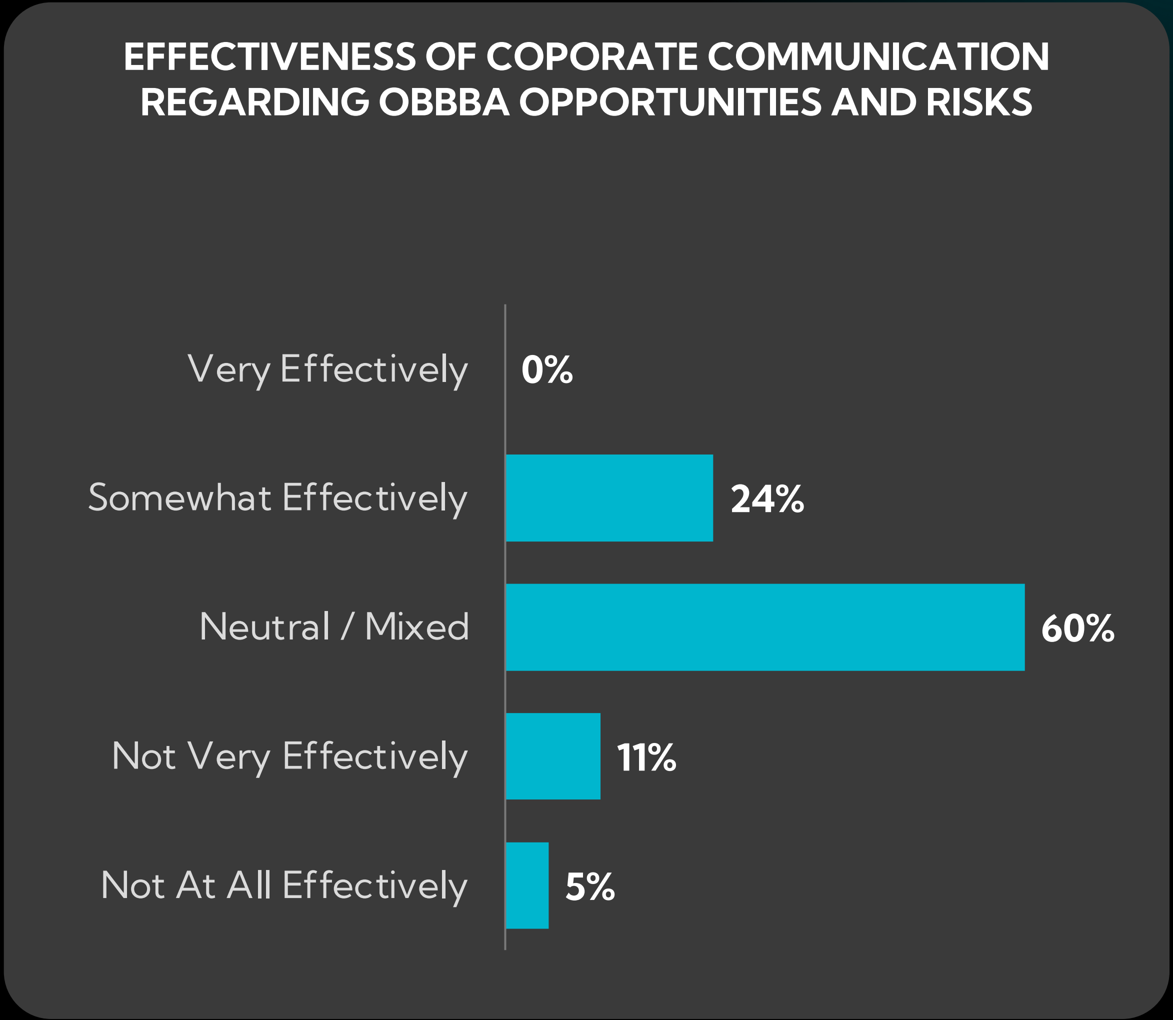


EXPECTATION FOR U.S.-CHINA TRADE AGREEMENT TO BE REACHED PRIOR TO NOV. EXPIRATION OF 90-DAY TARIFF TRUCE



Uncertainty Exists Over Whether the OBBBA Passage Will Provide a Meaningful Tailwind for Financial Performance; Pluses and Minuses Observed





Investors Remain Most Upbeat on Mexico, U.S., and India…Canada Sees Modest Improvement… Russia, UK, and Brazil Increasingly Expected to Worsen

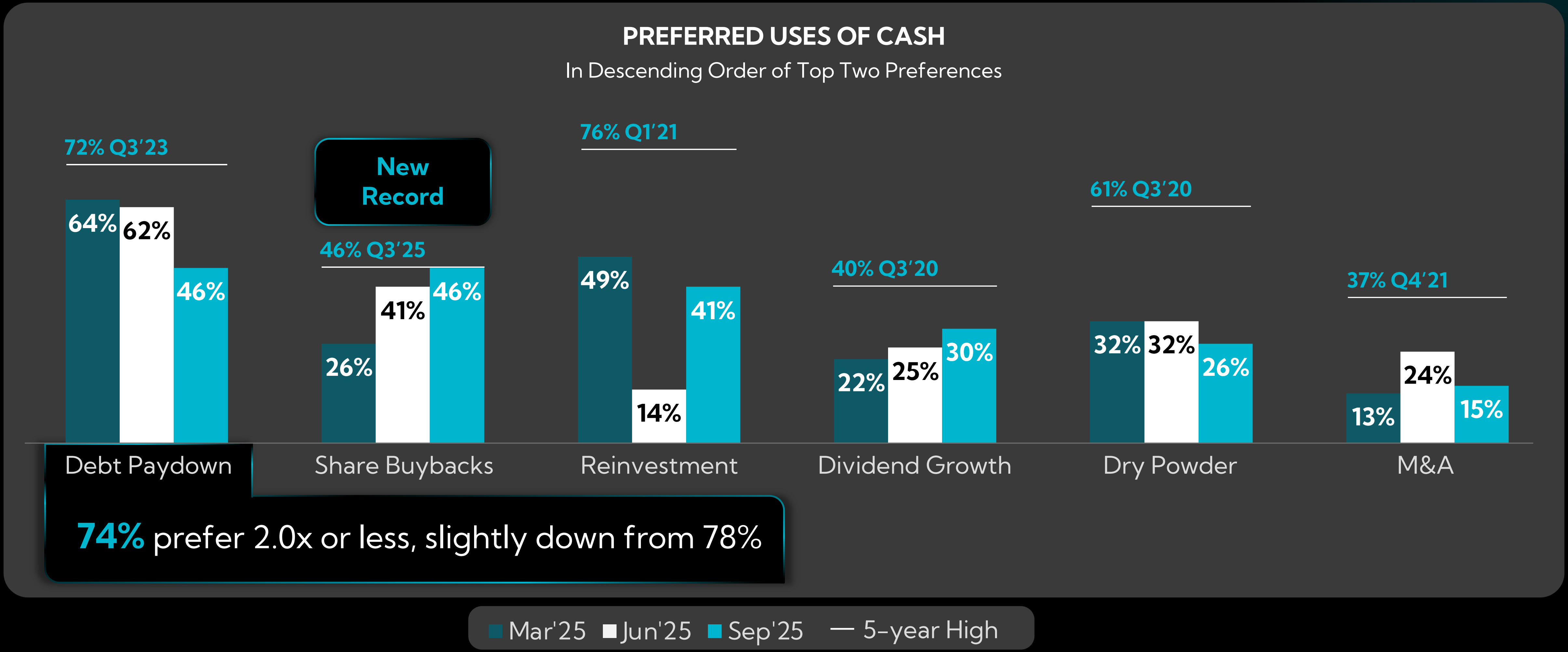
EXPECTED TO IMPROVE OVER THE NEXT SIX MONTHS

		QoQ Δ
MEXICO	48%	+11pts
U.S.	47%	+8pts
S.E. ASIA	47%	+14pts
INDIA	47%	–9pts
W. EUROPE	39%	+15pts

EXPECTED TO WORSEN OVER THE NEXT SIX MONTHS

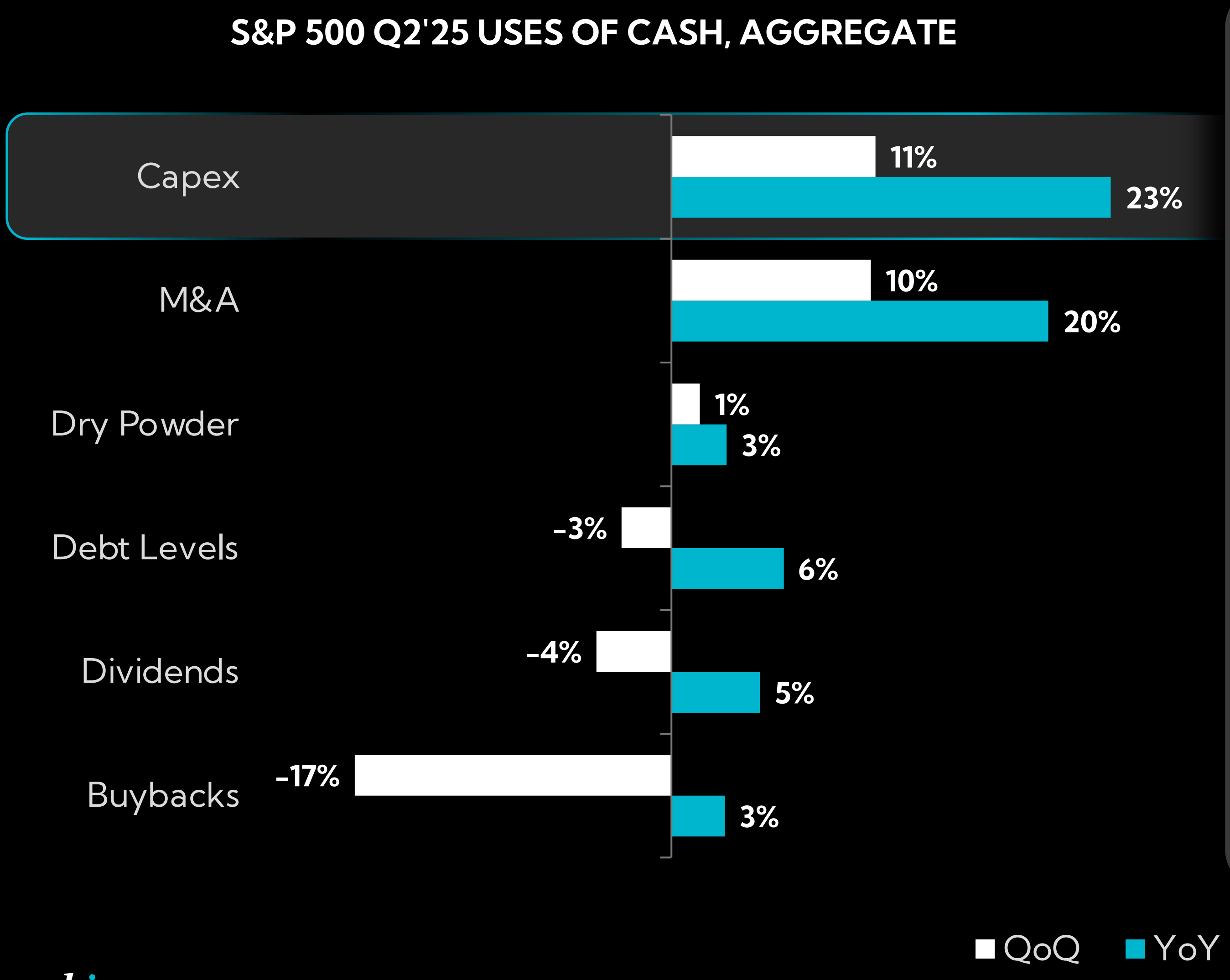
		QoQ Δ
RUSSIA	64%	+17pts
CANADA	47%	–16pts
UK	47%	+10pts
BRAZIL	35%	+18pts
CHINA	31%	–3pts

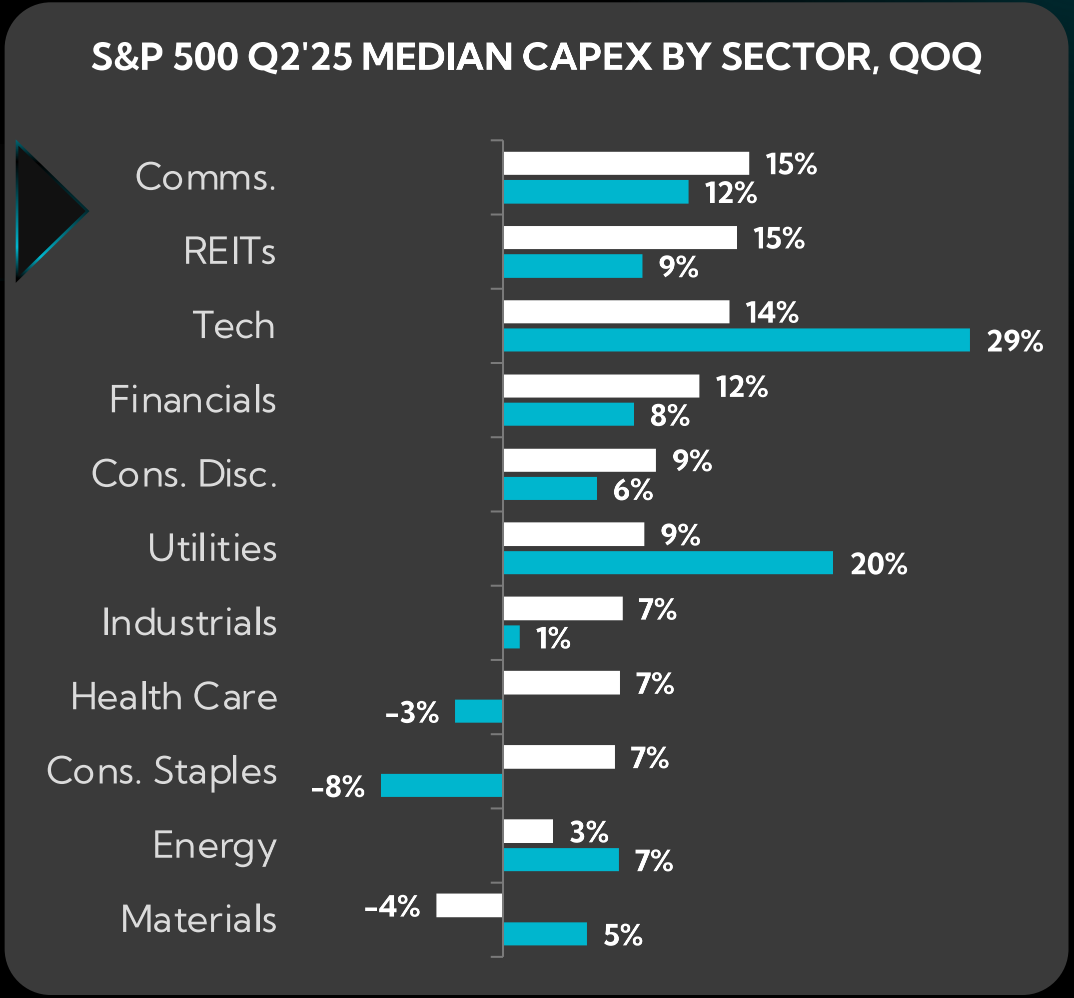
Debt Paydown and Buybacks Tie for Top Cash Use, with Support for Repurchases Reaching a High Watermark; Reinvestment Interest Rebounds



CAPITAL SPOTLIGHT

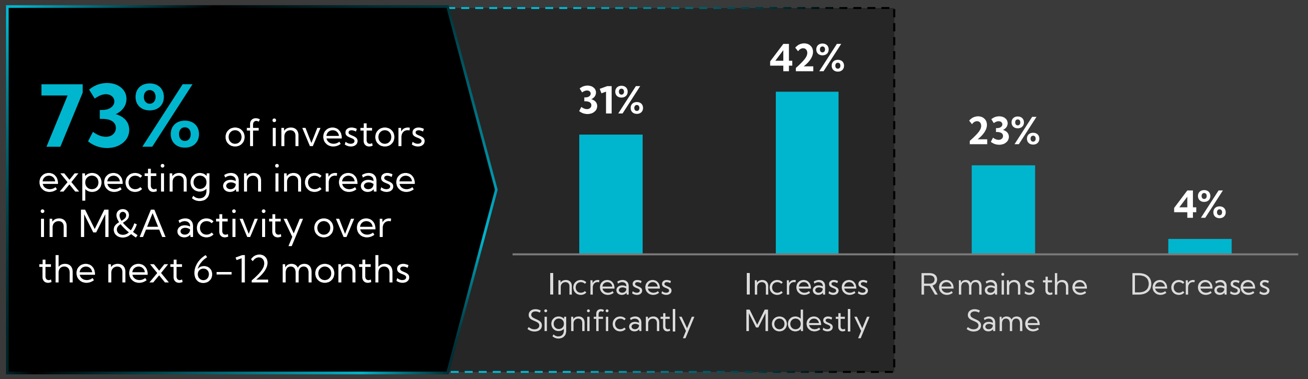
Capital Allocation Shifts Toward Growth as Capex and M&A Activity Experience Sharp Increases QoQ and YoY



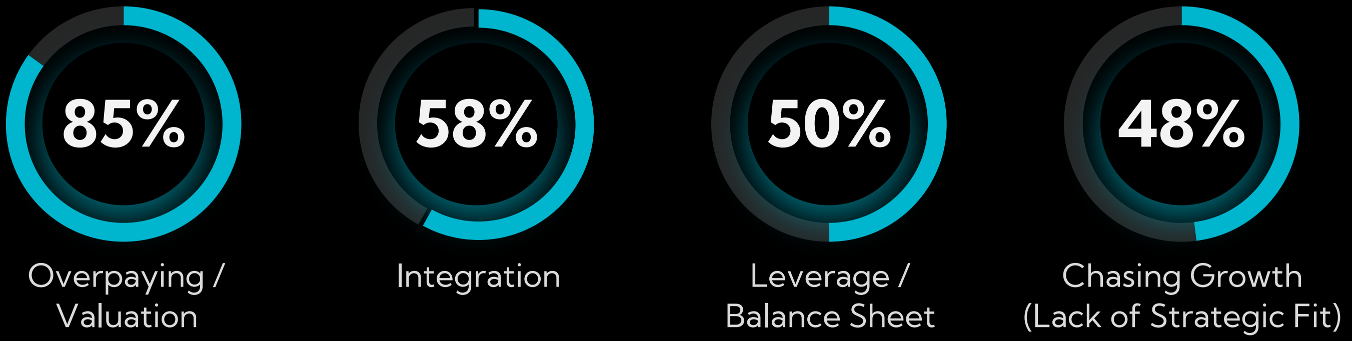


Vast Majority of Investors Expect M&A Activity to Increase Under the Current Regulatory Environment, with Bolt-ons Still Widely Preferred over Large, Transformational Acquisitions

IMPACT THE CURRENT REGULATORY ENVIRONMENT WILL HAVE ON M&A ACTIVITY OVER THE NEXT 6 – 12 MONTHS

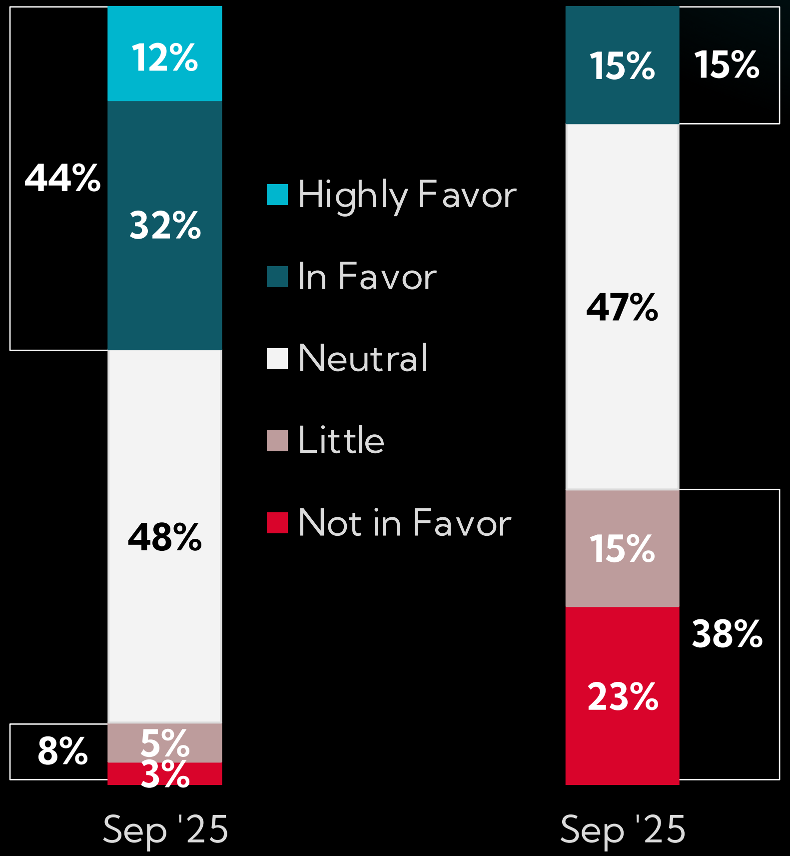


LEADING CONCERNS / RISKS WITH LARGE, TRANSFORMATIONAL M&A IN THE CURRENT ENVIRONMENT



BOLT-ON ACQUISITIONS

LARGE/ TRANSFORMATIONAL ACQUISITIONS



Tech Retains Top Spot, While Bulls Flock to Financials at Highest Rate Since 2021 and Investors (Finally) Show REITs Some Love with the Highest Level of Support in a Decade

BULLS VS. BEARS

Sector	Bulls change	Bulls	Bears	Bears change	Q3'25 S&P 500 PERFORMANCE[1]
Technology	–5 pts	67%	14%	+3 pts	+13.0%
Financials	+21 pts	59%	11%	–2 pts	+2.9%
Healthcare	–3 pts	50%	16%	–17 pts	+3.3%
Industrials	+4 pts	42%	11%	–2 pts	+4.6%
Comm. Services	+3 pts	36%	6%	–14 pts	+11.8%
REITs	+21 pts	34%	20%	–13 pts	+1.7%
Utilities	+11 pts	31%	8%	–12 pts	+6.8%
Cons. Discretionary	–13 pts	13%	30%	–14 pts	+9.4%
Basic Materials	+9 pts	22%	22%	–11 pts	+2.6%
Energy	–8 pts	19%	22%	–5 pts	+5.3%
Clean Energy	+19 pts	19%	42%	–5 pts	+28.4%
Cons. Staples	+7 pts	14%	29%	–18 pts	(2.9%)
Chemicals	–1 pt	6%	34%	–13 pts	(1.3%)

[1] Source: FactSet

Majority of Surveyed Investors Would Be Opposed to Proposed Shift in U.S. Reporting – from Quarterly to Semiannual

BACKGROUND

SEC has required quarterly reporting in the U.S. since 1970; including quarterly 10-Q filings and annual 10-K filing

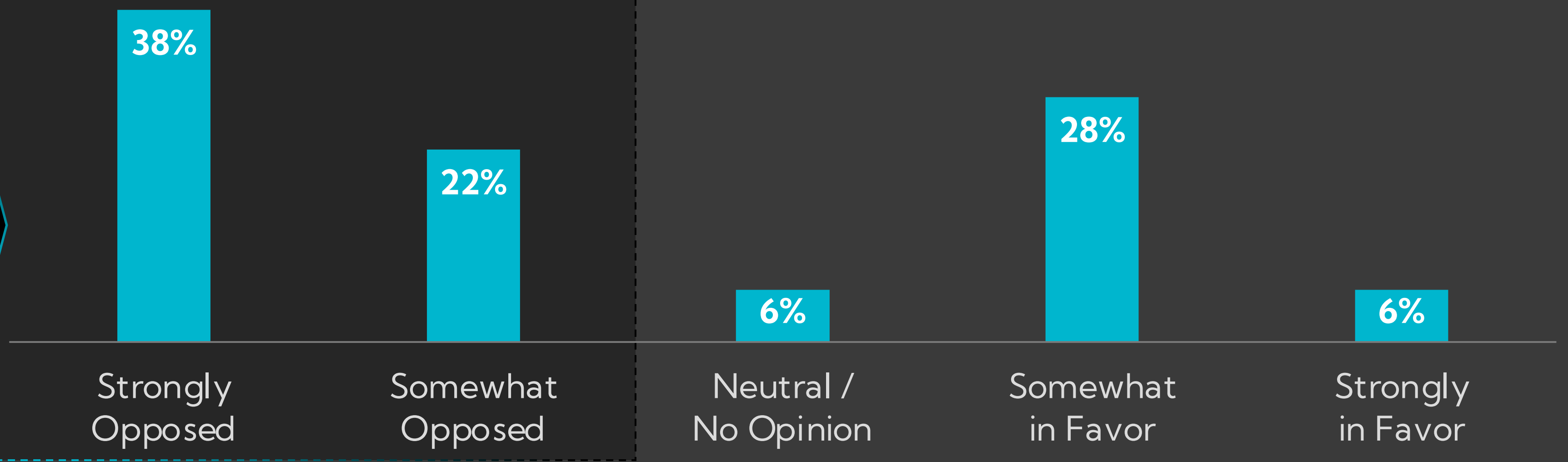
Importantly, **earnings press releases and calls are not SEC requirements,** but are standard/best practice; Reg FD (2000) reinforced broad, simultaneous disclosure

On **Sept. 15, 2025, President Trump renewed his call for a shift to semiannual reporting**; SEC Chair Paul Atkins signaled willingness to consider

PERSPECTIVE ON CHANGING TO SEMI-ANNUAL REPORTING

60%

Strongly to *Somewhat* opposed to a change in reporting, largely pointing to the negative impact on information flow and transparency



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