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Thought Leadership: Commencing the Quarter – Q2’26



July 2, 2026



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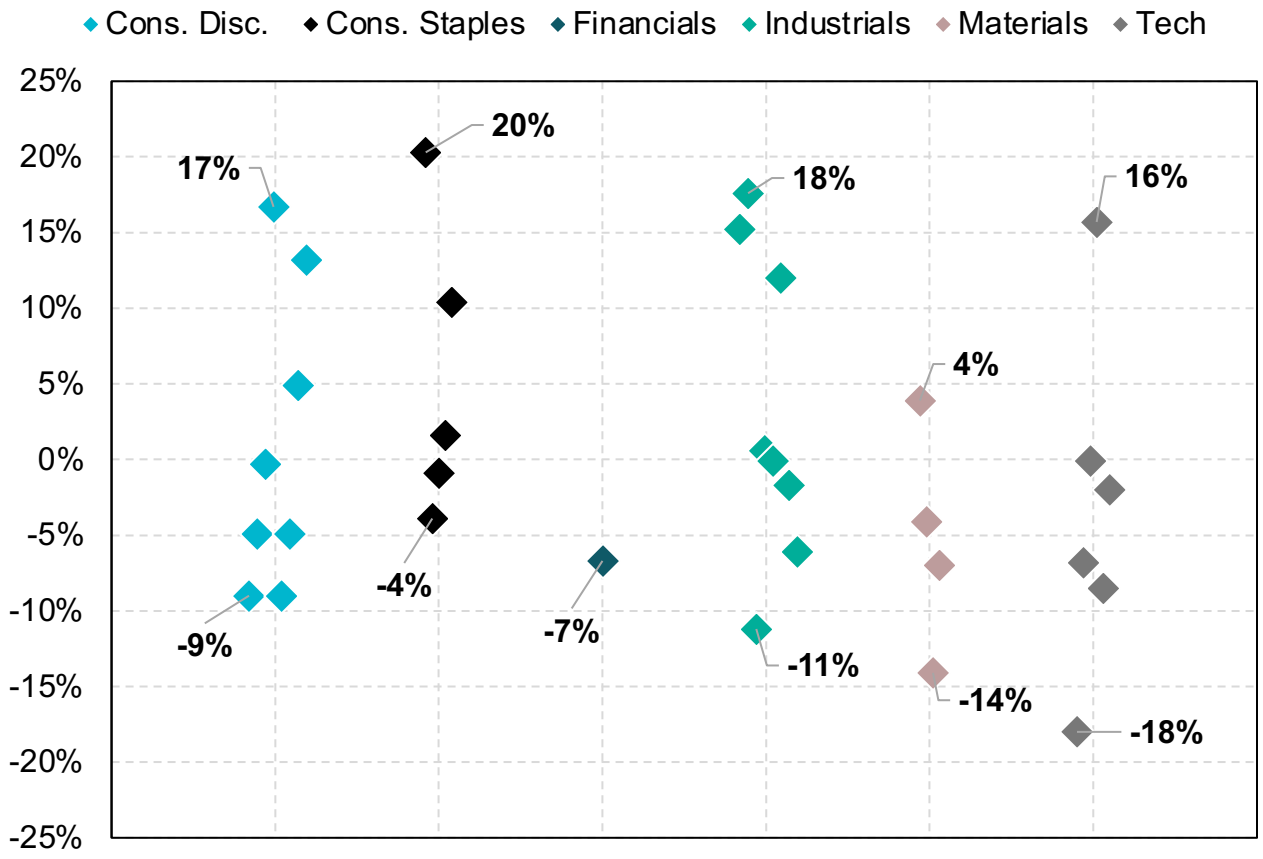
Setting the Stage: Overview of Off-cycle Reporters

Every quarter, we analyze earnings communications from off-cycle reporting over the month, across market caps and sectors, to identify key themes and emerging trends

Sectors (A-Z)	Count
Cons. Disc.	8
Cons. Staples	5
Financials	1
Industrials	8
Materials	4
Tech	6
Total	***32***

Market Cap	Count
Mega-cap (>$100B)	3
Large-cap ($10B to $100B)	15
Mid-cap ($2B to $10B)	8
Small-cap ($300m to $2B)	6

Q2'26 STOCK REACTIONS FOLLOWING OFF-CYCLE EARNINGS REPORTS[1]



[1] Source: FactSet, Corbin Advisors. Calculated as stock performance the day immediately following the release of earnings.

A Tale of Two Economies: Insatiable AI Demand Persists, Consumer Pressure Builds

1. **Macro & Outlook** commentary was broadly in line with last quarter, as early reporters signal durable earnings support from AI, infrastructure, and strategic actions, while elevated rates, geopolitical uncertainty, and limited second-half visibility serve as a hedge to full-year optimism

2. **Demand remains bifurcated**, with companies signaling strength in AI infrastructure and value-oriented retail, while rate-sensitive, big-ticket, and discretionary purchases continue to be met by a consumer still reeling from recent inflationary effects

3. **Pricing actions and subsequent effect on consumers** are quickly becoming a central area of focus during Q&A, as analysts dig deeper to understand volume tradeoffs and elasticity

4. **Consumer health remains in focus**, with early commentary suggesting that companies are walking a tighter line between value, traffic, and margin, as Bottom-K consumers continue feel building inflationary pressure

5. **The AI Capex Supercycle continues to power the infrastructure providers**, but service companies are still sorting out whether AI cuts costs, drives revenue, or is an existential threat

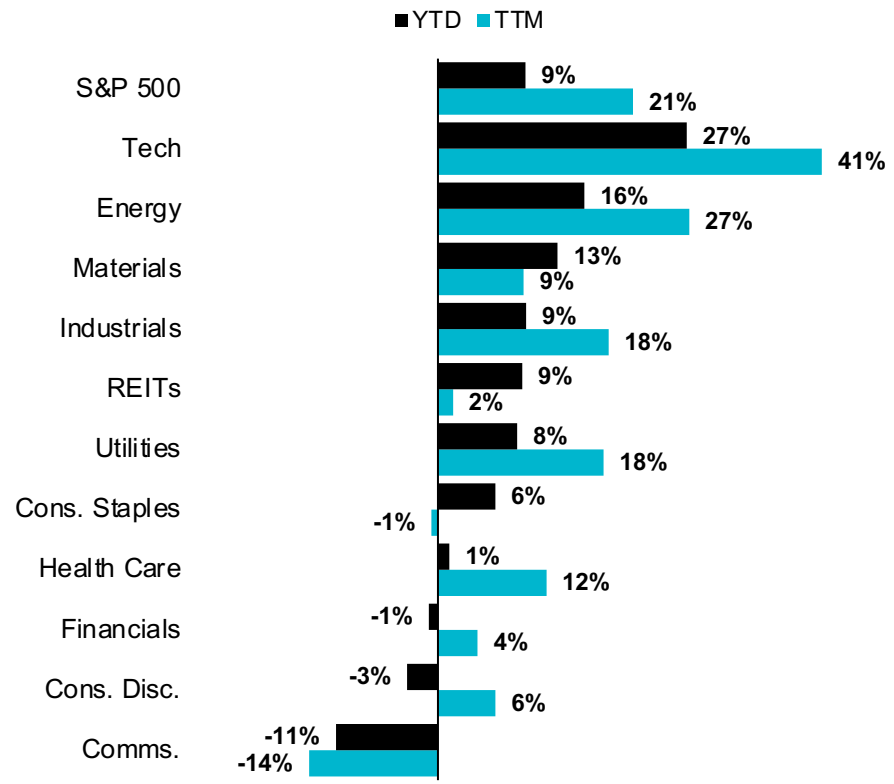
6. **Portfolio optimization and cleanup** are common focus areas among off-cycle reporters, with companies framing spin-offs, M&A, and restructurings as limiting cyclical exposure while setting the company up for future profitable growth

Year-to-Date Performance: Geopolitical Turmoil? Where?

U.S. equity markets see the strongest quarter since the COVID-19 recovery as secular tailwinds overpower short-term headwinds

S&P 500	**Markets saw the best quarterly performance in six years, led by gains across the Nasdaq and hyperscalers**
Tech	Remains the top-performing sector, powered by the AI trade
Energy	Clearest beneficiary of elevated oil prices
Materials	Outperformance being driven by supply / demand imbalance; many report recent pricing actions to combat rising costs
Industrials	Continue to benefit from the AI data center buildout; A&D also supporting performance
REITs	Performance in line with the S&P as benefits from defensive qualities were offset by exposure to "higher for longer" interest rates
Utilities	Slightly underperformed as higher yields weighed on the sector
Cons. Staples	Underperformed as fundamentals remain pressured by a consumer who is trading down
Health Care	Performance continued to be weighed down by policy risk, drug pricing, and Medicaid / ACA uncertainty
Financials	Hopes of lower interest rates were dashed as rates spiked on fears of persistent inflation
Cons. Disc.	Underperformance tied directly to continued strain on the consumer, particularly the Bottom of the K
Comms.	Worst-performing sector with several media and streaming giants taking significant haircuts on the back of bidding wars for content libraries

S&P 500 SECTOR PERFORMANCE
(Year-to-date and Trailing Twelve Months[1])



[1] Source: FactSet, Corbin Advisors. Sector performance reflects median performance for each period, data as of 6'30'26.

RECENT CONFERENCE ROUND-UP

War and Pricing Power: Rising Input Costs and Mitigation Strategies Take Center Stage

Despite an increasingly complex backdrop, management teams were broadly positive as most signal 2H'26 strength

Industrials & Transportation (5'19 – 5'21)

Wolfe Research

- Despite higher energy, shipping, and logistics costs, **management commentary was broadly positive**
- **No company raised the potential for deteriorating demand** related to rising gas prices, inflation, or consumer sentiment
- **Pricing power was a central theme** throughout the conference, with attendees detailing plans to **pass higher energy and costs through to consumers**; **nearly all attendees mentioned price increases were embedded in their outlooks**

Global Healthcare (6'8 – 6'10)

Goldman Sachs

- Management teams from Pharma and Biopharma companies **emphasized breakthrough products**, framing their upcoming pipeline as the path through patent cliffs
- **Healthcare service providers focused on growth**, whether through capacity or new franchise rollouts
- Specialty Pharma **emphasized business transformations** by either **moving away from commoditized products** and/or **creating new franchises** that prioritize margin expansion

Industrials & Materials (6'9 – 6'11)

Wells Fargo

- North American chemical producers pointed to **favorable pricing momentum and steady demand;** noted the ongoing conflict in Iran caused **European and Asian producers' costs to rise much more quickly than North American ones**, giving them meaningful pricing power
- Commentary around Transportation centered on a **supply-driven recovery**, with **most freight companies still reporting muted demand**
- Industrial discussions **largely focused on electrification and data centers**, with companies **emphasizing long-term tailwinds** from the buildout in addition to **structurally higher utility capex**

U.S. Financials (6'9 – 6'10)

Morgan Stanley

- Large money-center banks focused on a **surprisingly resilient** consumer; **bullish on consumer spending** despite rising inflation, though **some acknowledged that large tax refunds provided a near-term boost**
- **Regionals echoed this theme** but highlighted an **increasingly competitive loan environment**, while vowing to remain disciplined despite the challenges
- Asset managers cited **strong flow trends** over the past few months, **benefiting from recent volatility**, while alternative managers threw water on private credit fears

Price Target Revisions: Energy Leads While Consumer Staples Falter

Energy sector sees revision momentum as oil prices remain elevated, while the majority of Cons. Staples see a decrease

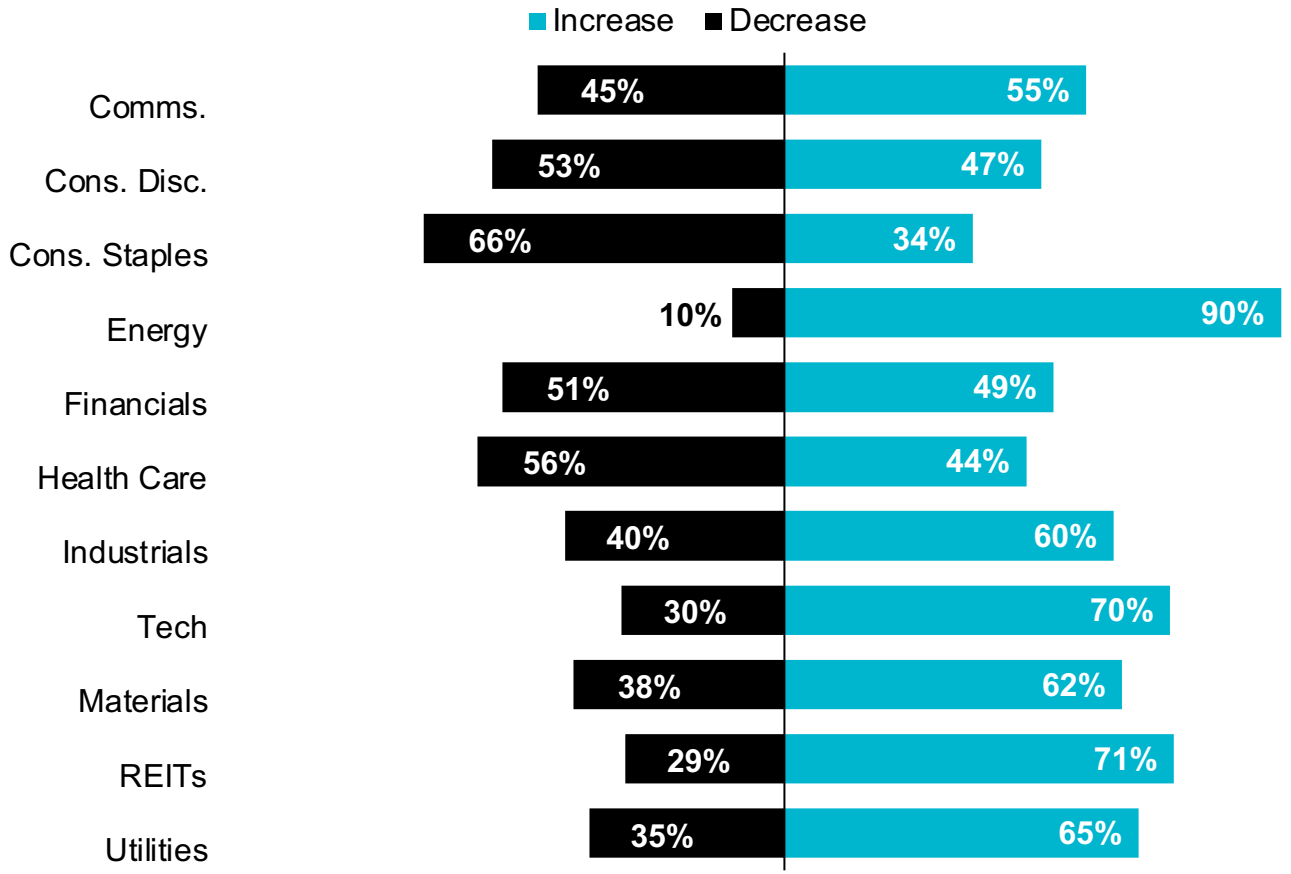
Increases

- Across Q2, the Energy sector saw the largest share of companies receiving increased price targets, followed by REITs and Tech
- The largest dollar-value increases in price targets have been for memory providers, as surging AI data center demand has resulted in worldwide memory shortages
- Select software companies across cybersecurity also saw large revisions as fears regarding AI disruption were seen as overstated

Decreases

- The largest dollar-value decreases in price targets were for companies lowering full-year guidance
- Consumer companies with products considered premium (as opposed to value-oriented) were among the hardest hit
- Companies disrupted by AI, such as Intuit, FICO, and Adobe, also received sizeable downward revisions

S&P 500: PRICE TARGET INCREASE / DECREASE[1]
(% of Companies)



[1] Source: FactSet, Corbin Advisors. Calculated as mean target price revisions from 3'31'26 to 6'30'26.

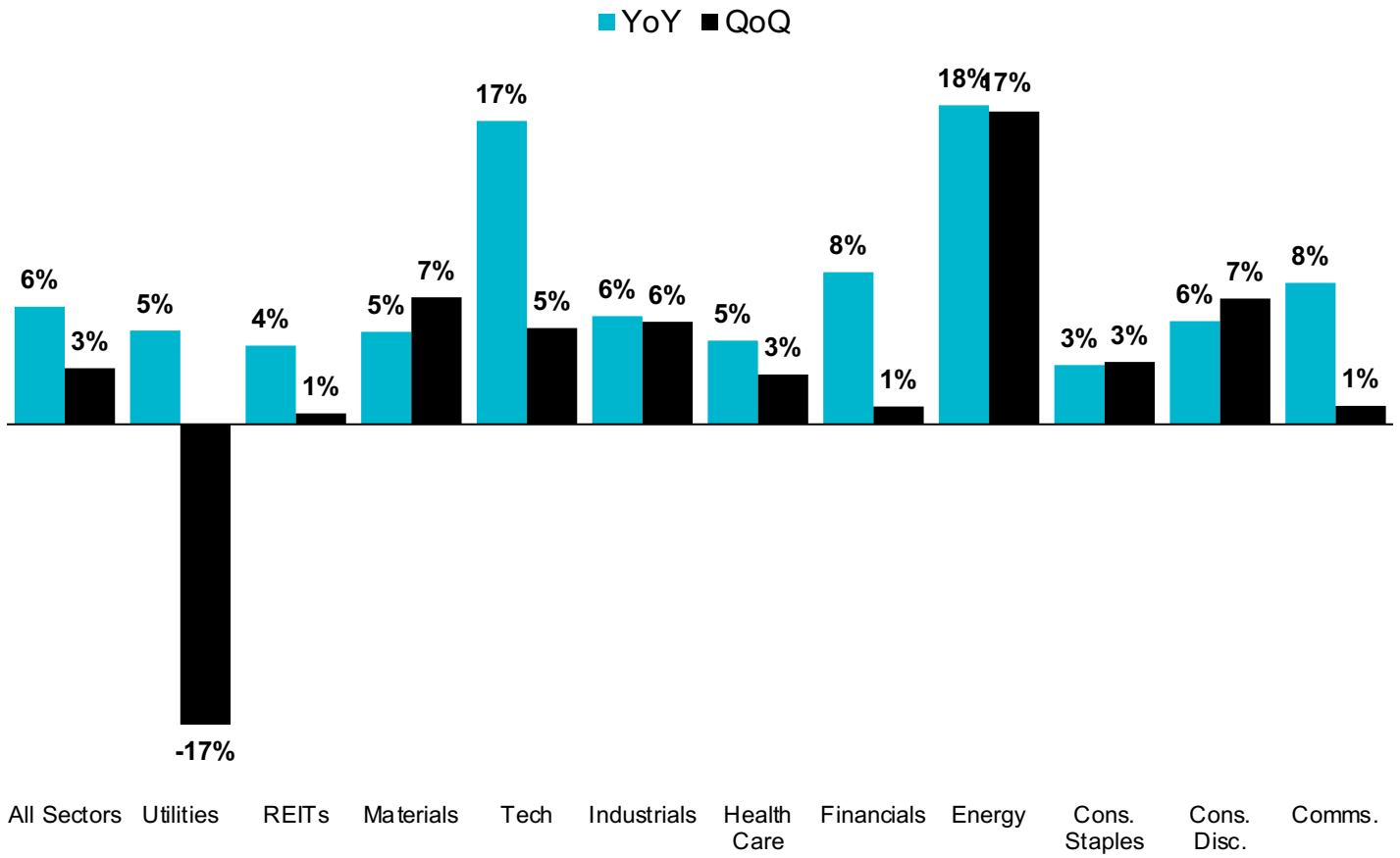
Revenue Estimates: Analysts Modeling for "Energetic" Growth in Energy

Top-line resilience expected despite concerns of tempered demand from a value-seeking consumer

S&P 500 enters Q2'26 earnings season with expectations for 6% top-line growth YoY and 3% QoQ

- Energy and Tech lead anticipated revenue growth for the S&P 500, as the AI Capex Supercycle and higher energy costs remain consistent themes
- Consumer Discretionary and Materials are both expected to see 7% sequential growth (6% and 5% YoY, respectively) as pricing actions begin to take effect

S&P 500: Q2'26 REVENUE INCREASE / DECREASE[1]



[1] Source: FactSet, Corbin Advisors. Calculated as median estimated QoQ and YoY sales growth by sector in Q2'26, data as of 6'30'2026.

SECOND QUARTER EXPECTATIONS

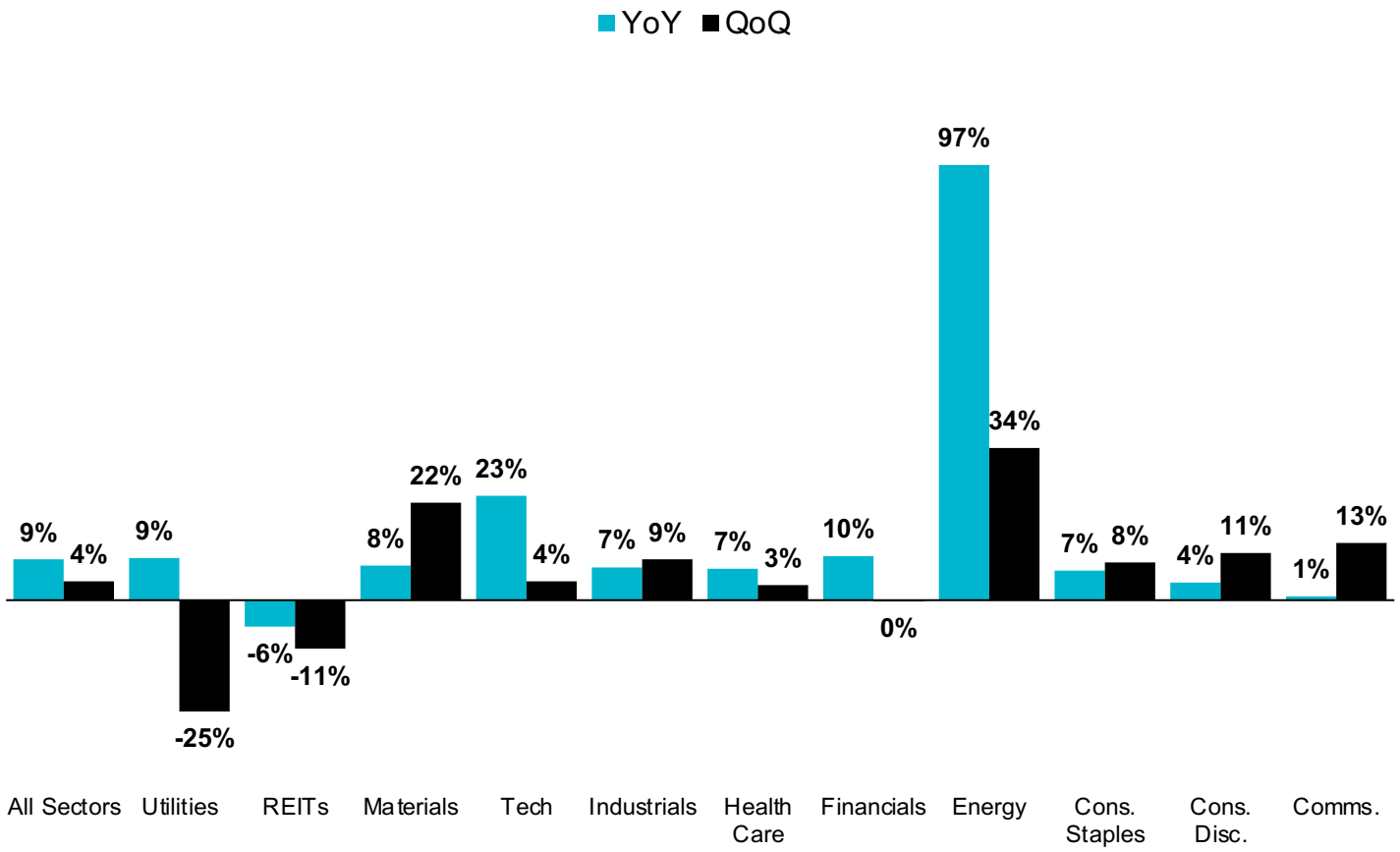
Earnings Estimates: Market Expecting Broad Stability with Pockets of Strength

Energy anticipated to nearly double earnings YoY; Materials looks to continue earnings momentum

Analysts anticipate 4% earnings growth QoQ and 9% YoY for the S&P 500

- Energy companies enter the Q2'26 reporting season with the highest expectations both QoQ and YoY
- Materials companies are expected to continue their momentum from the prior quarter, as companies push through pricing actions in response to ongoing supply constraints

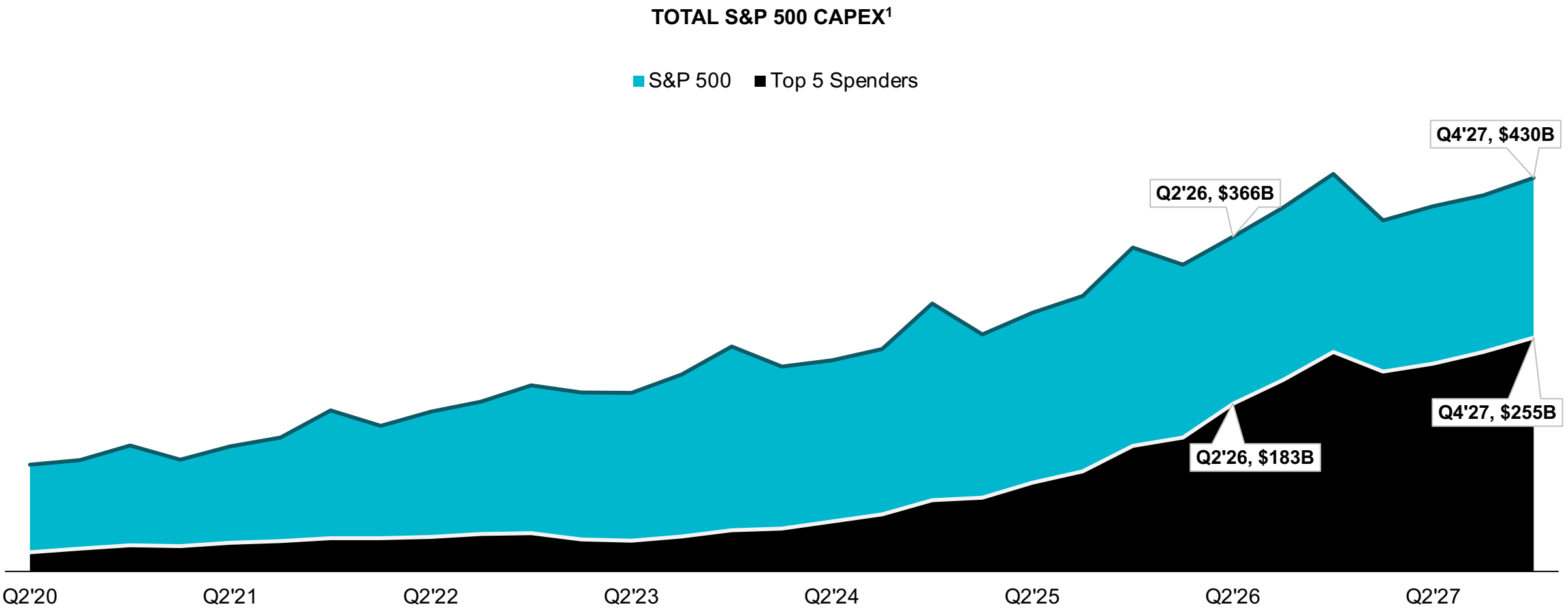
S&P 500: Q2'26 EARNINGS INCREASE / DECREASE[1]



[1] Source: FactSet, Corbin Advisors. Calculated as median estimated QoQ and YoY net income growth by sector in Q2'26, data as of 6'30'2026.

Capex: Hyperscaler Spending Continues to Power Markets with No Slowdown in Sight

AMZN, GOOG, MSFT, META, and ORCL are expected to account for ~50% of total Capex in Q2'26, approaching 60% by Q4'27



[1] Source: FactSet, Corbin Advisors. Includes both reported figures and estimates, data as of 6'30'2026.

Macro & Outlook: Companies are Experiencing Shared Headwinds Unequally

Paychex ($35.5B, Professional Services): “I would say the ***macro environment, despite all the potential challenges that we have going on globally around us, has been stable. No signs of recession***…And again, I'm just ***amazed at the resiliency***. So, I think we're going into this year with all the disruptions behind us with better focus. Our product and integration roadmaps are just accelerating. AI is helping us accelerate that even more in terms of the development roadmap.”

Carnival ($39.9B, Hotels, Restaurants & Leisure): “As conditions continue to normalize, we expect to benefit from the strong underlying demand, pricing and operational improvements that remain embedded in our business. And in fact, ***booking trends in recent weeks suggest we are already beginning to see a reversal of these headwinds***.”

H.B. Fuller ($3.2B, Chemicals): “Regardless of how or when the conflict in the Middle East resolves, ***we do not expect a rapid recovery of global supply chains.*** Even after activity normalizes in the Strait, ***we expect the aftershocks of this dislocation to persist, and the risk of intermittent shortages remains real as we progress through the remainder of the year. We also do not expect raw material costs to fully retrace to pre-disruption levels.*** The inflationary pressures introduced by this supply shock have ***reset the cost structure of our industry***, and we are managing our business accordingly."

Nike ($61.4B, Textiles, Apparel & Luxury Goods): “The environment around us ***continues to be volatile, including evolving tariff policies, ongoing disruption in the Middle East, oil prices and other factors that could impact operating costs, consumer behavior and weakness in store traffic and retail sales***. These assumptions reflect the macro environment as it stands today, and ***we are not expecting the environment to improve meaningfully over the next 6 months***.”

Lennar ($21.9B, Household Durables): “We're dealing with a ***constantly changing macro environment. And this past quarter has been particularly awkward***. You have geopolitical uncertainty that's driving elements of interest rate expectations, and certainly inflation expectations. And we just felt that as we manage sales and start pace, and as we are ***carefully managing our inventory levels, what we didn't want to do is kind of go headstrong into a clearly uncertain environment with just a conviction with a market that's just moving around too much***. We articulated last quarter that ***we had built up inventory looking forward to a more robust selling season, that didn't really materialize*** in force and at the same time, the uncertainties in the geopolitical world just said, ‘Let's err on the side of prudence’.”

Apogee Enterprises ($984M, Building Products): “We expect results to be ***weighed more heavily towards the second half of the year***, reflecting anticipated improvement in underlying market conditions as the year progresses.”

Demand: Remains Split between AI Infrastructure and Everything Else

Micron Technology ($1.3T, Semiconductors & Semiconductor Equipment): "Even in 2028, when supply begins to improve gradually, ***we see that the demand will continue to be on a robust trajectory as well, because these AI trends are very long-term trends***. AI is still in the very, very early innings. The whole token economics needs more memory. AI system performance is limited by memory capacity, memory performance, and memory bandwidth. So, as ***compute demand grows and our customers see a tremendous transformation opportunity ahead, and continue to make investments they have never made before to build this infrastructure, the demand trajectory is extremely strong. We are working hard to bring up supply, but we see tightness persisting beyond 2027***."

Oracle ($425.6B, Software): "***AI infrastructure makes the existing cloud infrastructure market look small. Everything we see shows this market size is trillions of dollars per year***."

Jabil ($39.4B, Electronic Equipment, Instruments & Components): "As we look from Q3 into Q4, ***we expect another meaningful step-up in revenue across all three end markets, supported by continued strength in AI-related programs*** and the timing of customer ramps."

Commercial Metals ($7.1B, Metals & Mining): "***Investments across data center, semiconductor capacity, and energy networks are driving a multiyear pipeline*** of construction activity with a significant concentration of these projects in our Sunbelt and East Coast footprints."

Worthington Enterprises ($2.6B, Machinery): "In construction, ***conditions remain mixed. There are small pockets that continue to do well, including data center-related activity. But we saw broader weakness*** as sustained improvement is still sensitive to interest rates and confidence."

KB Home ($3.8B, Household Durables): "We have taken actions to improve the margins of our business and to reshape our portfolio to be more resilient, less volatile, and better positioned to compound growth over time. ***Although buyers continue to demonstrate the desire for homeownership and the ability to qualify, consumer confidence remains low***... market conditions precipitated a ***less-than-optimal conversion of traffic to sales, as many consumers lack the confidence to purchase***."

MillerKnoll ($1.4B, Commercial Services & Supplies): "As expected, ***orders were down in the quarter compared to last year, primarily from lapping $55 million to $60 million in prior year order pull-ahead as a result of customers placing orders ahead of tariff-related surcharges and price increases***."

Pricing: Companies Continue to Seek Balance between Volume and Price

Campbell's ($6.9B, Food Products): "***If cost pressures remain kind, we could be looking at 5% to 6% inflation***. If we need to do some ***surgical pricing in different parts of the portfolio to maintain our margins,*** we'll clearly take a look at that. But more to come…***as the environment externally here globally is very volatile. It changes day-to-day. We're going to take the appropriate actions as necessary***."

Apogee Enterprises ($984M, Building Products): "In the quarter, our primary input costs, especially in our Metals segment, continued to be very volatile. So, ***we did implement…both pricing and surcharges to offset those costs***. We also made additional changes in our pricing structures and surcharges in our other segments as well. ***As our input costs change, we will have pricing discipline to make sure that we are passing those along to the best of our ability***."

McCormick & ($14.0B, Food Products): Consumer ***organic sales in the Americas were flat*** with pricing contribution of 3%, ***offset by volume decline. Volumes were impacted by shifting demand patterns and increased price gaps***. We remain focused on ***balancing volume growth and profitability*** across our business...***we're not trying to sacrifice either***.

Darden Restaurants ($23.6B, Hotels, Restaurants & Leisure): "As we look at next year, ***we expect pricing to be about 3%, which we expect to be in line with inflation***. From a quarterly cadence, ***we expect it to be slightly higher in the first half, higher than 3% in the first half and lower than 3% in the back half***."

Consumer Health: Value-Seeking Rises as Big-Ticket Items Feel it Most

Lennar ($21.9B, Household Durables): "On the employment side, the economy remains solid on the surface. ***But consumer psychology is being affected by anxieties about the long-term security of jobs amid rapid technological change. The advance of AI is raising questions about the future of employment across a wide range of the workforce. We see this in buyer behavior***. ***Traffic is inconsistent, intent is high, but urgency to close is still measured and deliberate rather than confident and energized***."

McCormick & ($14.0B, Food Products): "***Geopolitical volatility, elevated fuel costs and persistent inflation continue to weigh on consumer confidence. While affordability has been a consistent theme, the key shift this quarter, particularly given rising gas prices impacting budgets, was a more pronounced move towards value as consumers became increasingly selective and focused on maximizing their budget***."

Winnebago Industries ($891M, Automobiles): "Consumers who are drawn to the outdoor lifestyle remain engaged, ***but continue to navigate affordability pressures from cumulative inflation, elevated interest rates, and the uncertainty and related consequences around geopolitical events***, which is influencing the timing of discretionary purchases."

Nike ($61.4B, Textiles, Apparel & Luxury Goods): "The operating environment became more challenging as we progressed through the quarter. After a stronger start in March, especially in North America, by mid-April, we began to see a deceleration in retail sales trends. ***Our consumer is under pressure around the world***, and we can particularly see it having a larger impact on Sportswear, which declined double digits in the quarter with a similar decline in retail sales."

Casey's General Stores ($28.9B, Consumer Staples Distribution & Retail): "
"***Consumers are hanging in there. They're probably being a little more discerning about where they shop and how they spend their money. But we're seeing growth across all the income cohorts***. And the way we look at that is below $50,000 a year in income is low income. $50,000 to $100,000 a year is mid, and above $100,000 is higher income. And I'd say that all 3, we're seeing growth, ***a little bit less so in the lower income***. The other 2 cohorts…are spending comparably to what they've been spending on. In terms of specific behaviors, we're really not seeing much change inside the store. ***People are clearly seeing value in our rewards program and leveraging those points to take some cents off a gallon for fuel***."

AI Opportunity: Infrastructure Providers See Clearest Path Ahead, Services More Nuanced

Micron Technology ($1.3T, Semiconductors & Semiconductor Equipment): "***Agentic AI is structurally reshaping data center infrastructure***, extending beyond accelerator-only racks to include CPU racks for the agent control plane and program execution, and storage racks for rapidly expanding context store."

FedEx ($77.6B, Air Freight & Logistics): "The ***AI and data center space is an emerging and rapidly scaling growth engine for us***, delivering double-digit revenue growth. Rather than a narrow vertical, ***this space represents a horizontal ecosystem. We are capturing demand across the entire value chain, from traditional hyperscalers to the industrial and power infrastructures*** that support these massive buildouts."

Worthington Enterprises ($2.6B, Machinery): "During fiscal 2026, our teams continue to focus on productivity improvements across our network through transformation. These ***efficiency gains, driven by automation and AI-enabled technologies, continue to help us drive growth and operating leverage and contributed to our 150-bps reduction in SG&A*** as a percentage of sales in the quarter."

Costco Wholesale ($419.8B, Consumer Staples Distribution & Retail): "With ***consumers increasingly using AI to research products and services, we believe this has the potential to be a significant sales opportunity for Costco. We're now leveraging AI to enhance our product pages online***, which, in turn, is increasing our relevance with the large language models. ***While the volume of traffic generated from AI search is still low, we saw triple-digit growth in Q3, and this activity has the highest conversion rate of all traffic coming to our site***."

Paychex ($35.5B, Professional Services): "***We believe differentiated access to large datasets will be a key driver of AI leadership*** and that Paychex is exceptionally well positioned. For more than 50 years, we have been at the center of HR, payroll, and benefits, giving us access to a vast, proprietary, and growing amount of data. WISE now draws on more than 26 trillion data points, helping make our solutions smarter, more relevant, and more proactive. We believe that our unique technology, large dataset, and deep HR and compliance expertise make our AI-enabled HR solutions truly unique in the market. ***We're already seeing the benefits in practice with meaningful reductions in administrative work. We can now automatically create and update client employee handbooks as regulations or business needs change in real time. Our workforce management solutions intelligently generate schedules in minutes instead of hours and reduce timesheet approvals by more than 50%***."

Portfolio Optimization: M&A and Spinoffs Framed as De-Risking Cyclical Exposure

FedEx ($77.6B, Air Freight & Logistics): "We completed the spinoff of FedEx Freight on June 1, ***positioning both companies for success as separate, focused industry leaders***."

H.B. Fuller ($3.2B, Chemicals): "This (acquisition) establishes a scaled global platform in one of the most attractive end markets in our industry. ***It accelerates our portfolio transformation by shifting our mix toward higher-margin, faster-growing, and more resilient markets given it is largely non-discretionary and uncorrelated with economic cycles***."

"We are ***always considering our entire portfolio and evaluating fit, performance, best value to shareholders*** based on our very specific capital allocation requirements. ***We'll continue to evaluate the portfolio much like we did when we divested a Flooring business which didn't meet our objectives***."

Commercial Metals ($7.1B, Metals & Mining): [*When discussing TAG, or Transform, Advance, and Grow program*] "We have taken actions to improve the ***margins of our business and to reshape our portfolio to be more resilient, less volatile, and better positioned to compound growth over time***."

Progress Software ($1.4B, Software): "Our perspective on M&A is gradually becoming more optimistic as we see signs of sellers beginning to adjust their expectations. ***Our strong balance sheet enables us to rapidly execute on the right opportunity, and we remain very active in evaluating potential targets while staying disciplined***. Go-forward AI relevance remains one of the key criteria when evaluating acquisition targets. ***We have built significant shareholder value over many years through a thoughtful and deliberate acquisition strategy, and we will remain steadfast on our discipline and on our return thresholds***."

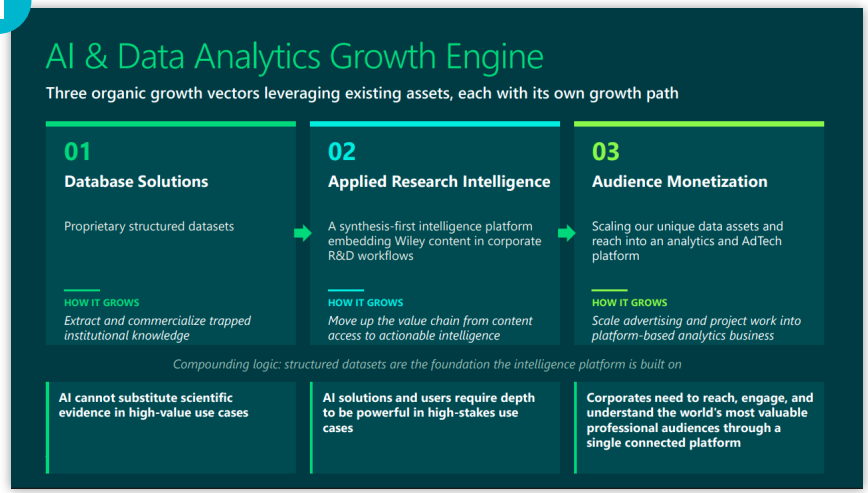
MillerKnoll ($1.4B, Commercial Services & Supplies): "***We've implemented a range of actions aimed at repositioning this story brand for long-term success. These include restructuring to better align costs with demand and strengthening leadership***."

Worthington Enterprises ($2.6B, Machinery): [*On recent acquisition of German steel and metals products producer*] "That diversification matters. ***A broader, more balanced portfolio paired with more value-added processing can improve the quality of earnings through the cycle and reduce reliance on any single end market or product category***."

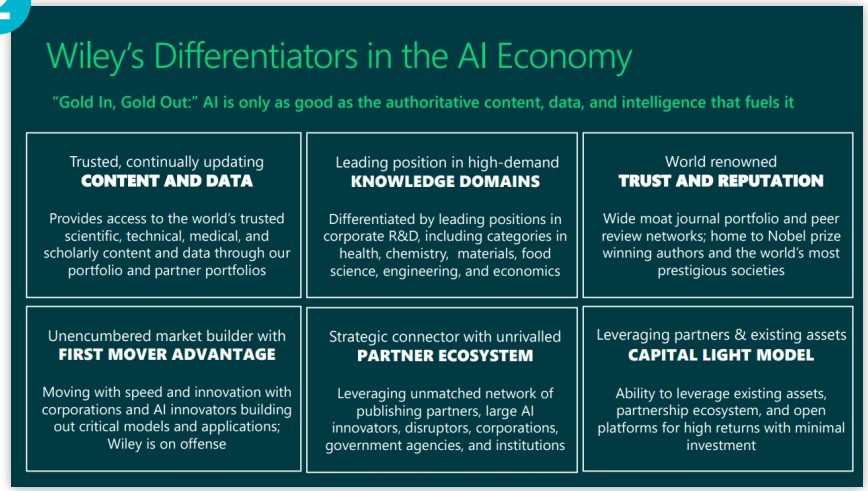
Wiley Fourth Quarter and Full-Year 2026 Results Presentation

Strong messaging around AI positioning, differentiation, trust, reputation, and the partner ecosystem

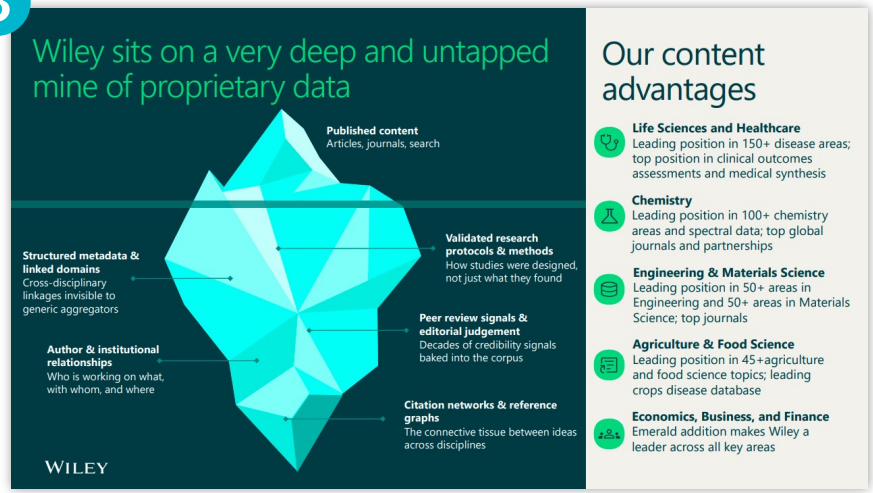
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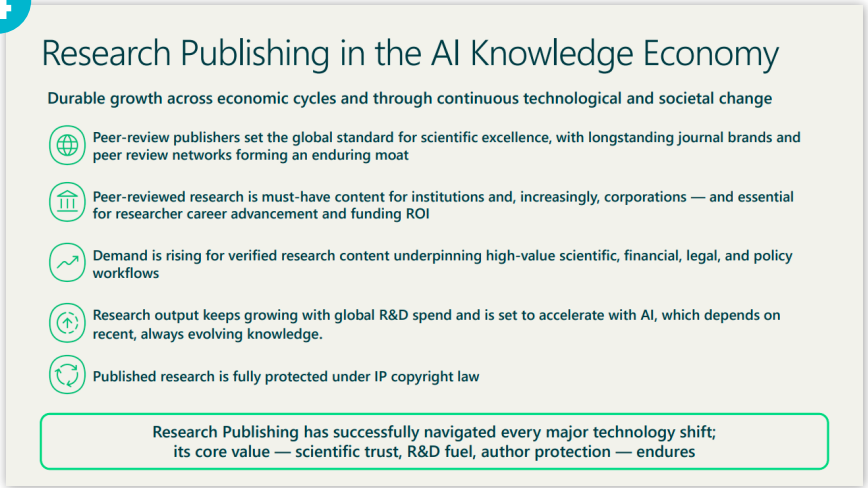
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Hallmarks of Strong AI Messaging

1. Clearly articulates the **AI model** and how it will be **monetized**
2. Focuses on **differentiation, trust,** and the **partner ecosystem** within the AI economy
3. Communicates the **magnitude of the opportunity ahead**
4. Provides management's **views supporting** the "***why***" and "***how***" of the AI story

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The Big So What®

Durable AI and infrastructure strength on one hand, consumer pressure on the other

1. **Demand has bifurcated, and the gap is widening.** AI infrastructure and value-oriented retail are showing durable, and in some cases, multi-year strength. Everything rate-sensitive or discretionary is seeing a more selective consumer.

2. **Companies are increasingly balancing price and volume.** Commentary has shifted from "*whether*" they can pass through cost to "*how much*" they can pass through before demand is harmed.

3. **Consumer health remains pressured.** Value-seeking and trading down is rising across income cohorts, but strain is being concentrated at the Bottom-of-the-K and across big-ticket, financed purchases

4. **Visibility is limited, and management teams have framed 2H conservatively.** Companies have anchored to durable earnings growth, driven by AI demand where applicable, but explicitly hedge the full-year view against a cloudy line of sight.

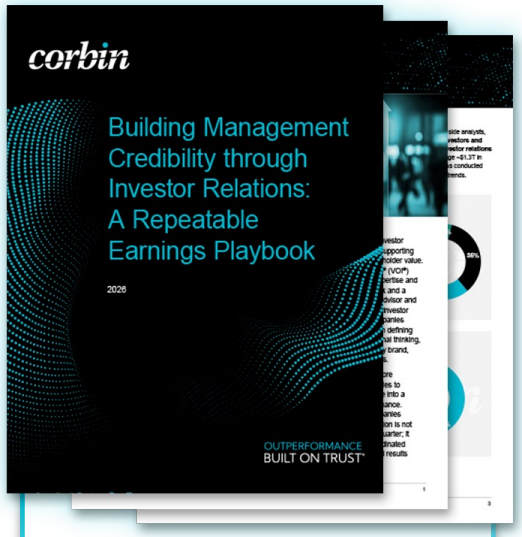


What the Street is Still Asking

1. **Is value-seeking contained to the Bottom-K consumer, or is it seeping?**
2. **Is AI a benefit to margins, a revenue driver, or an existential threat?**
3. **How far downstream do second-order inflationary effects travel?**
4. **Do pricing advantages for North American Chemical companies persist?**
5. **Are recent spin-offs, M&A, and restructuring genuinely de-risking cyclical exposure or just repackaging?**

Corbin's Latest, Cutting-Edge Earnings Thought Leadership

Earnings remain one of the most debated topics in the market and one of the highest-stakes opportunities for companies



Access Our Thought Leadership

Building Management Credibility through Investor Relations: A Repeatable Earnings Playbook

Our cutting-edge thought leadership, drawing on proprietary research and direct insights from institutional investors, analysts, and corporates, cuts through the noise to address best practices and fast-evolving aspects of earnings communications: what's actually moving the needle today, what isn't, and how IR teams are adapting in an AI-driven world.

In our thought leadership, we share data-driven insights and actionable recommendations across the issues that matter most, including messaging, channels, guidance, and AI.

95% of investors encourage companies to **produce an earnings presentation**

91% of corporates who say they **use AI to support earnings**, compared to 64% of investors, led by peer transcript analysis

82% consider **company-provided guidance *Important* or *Very Important*** to their evaluation process

71% report it takes **three to four consecutive quarters of outperformance** to (re)establish a track record

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Onward!



The Exchange
270 Farmington Ave., Ste. 260
Farmington, CT 06032

corbinadvisors.com