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Thought Leadership: Consumer Discretionary & Staples – Q2’26

July 31, 2026

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You Can’t Always Get What You Want… But You’ll Buy What You Need

1. **The American consumer remains stable but uneven in aggregate, with companies seeing diverging behaviors across incomes and countries.** While recent bank commentary has pointed to resilient spending and generally healthy consumer activity, consumer companies are seeing greater divergence by income, geography, and spending category, with lower-income households continuing to experience more pressure.

2. **Outlooks have been constructive on net, but management teams are preserving room for future uncertainty.** More than half of consumer companies raised annual revenue and EPS guidance, yet assumptions remain conservative around commodities, energy, freight, and further Middle East escalation.

3. **Lower-income consumers are increasingly making purchase decisions through a “need vs. want” lens.** Recurring, repair-and-maintenance, pet care, and other essentials are proving resilient, while larger or deferrable discretionary purchases face greater scrutiny and longer decision cycles.

4. **Consumers are protecting liquidity and “having their cake and eating it too” by choosing options that lower immediate payments, even if they prove less economical over the long term.** Smaller pack sizes, private-label adoption, trade-down, longer financing terms, adjustable-rate mortgages, and elevated incentives point to payment and cash-flow sensitivity.

5. **Companies report that customers are more willing to accept price increases if paired with product innovation and/or enhanced value.** Executive commentary is consistently linking innovation, improved customer experiences, and attractive value with price realization.

6. **Experiences remain a protected share of wallet with healthy demand despite caution elsewhere.** Travel, leisure, dining, and premium hospitality continue to benefit as consumers prioritize memorable experiences, even while becoming more selective across goods.

S&P 500 Earnings Snap: S&P 500 Reporting Highest Net Margin in More than 15 Years

The index is on track for a net profit margin of 15.7%, surpassing the previous high of 14.8% set in 2009

42% of the S&P 500 have reported earnings to date

Revenue

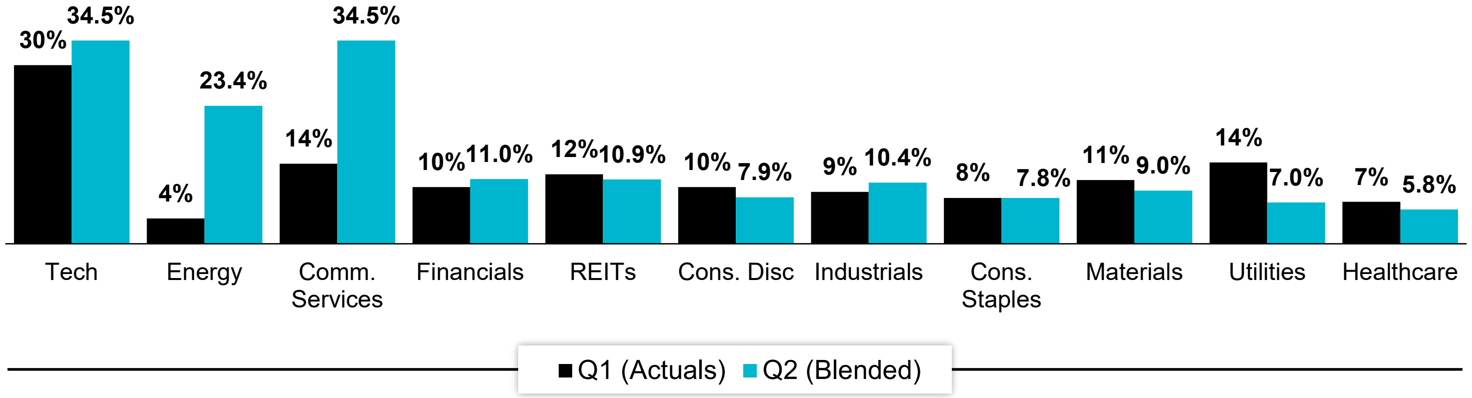
- **78.7%** have reported a positive revenue surprise
- Blended revenue growth is **12.9%**
- Companies are reporting revenue **2.6%** above consensus estimates

Earnings

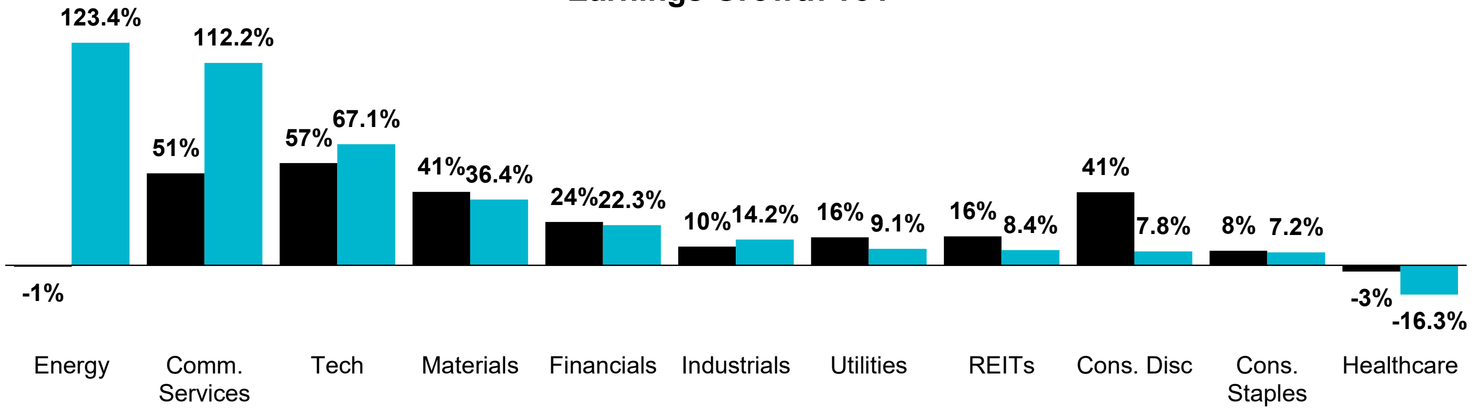
- **85.2%** have reported a positive EPS surprise
- Blended EPS growth is **39.6%**
- Companies are reporting earnings **8.3%** above consensus estimates

[1] Source: FactSet; Corbin Advisors; data as of 7'29'26; blended figures reflect both actuals and estimates

Revenue Growth YoY[1]



Earnings Growth YoY[1]



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Macro Commentary: Commentary Reveals a Stable But Uneven Consumer in Aggregate…

…with differences across income cohorts, categories, and regions as consumers experience inflation at varied rates and magnitudes

Coca-Cola ($379.8B, Beverages): "Across much of the world, ***we see an uneven consumer environment.*** The economy is strong in many places, yet many consumers face inflationary pressures, geopolitical uncertainty, and economic challenges. They are evaluating how they shop, what they value, and what they want to put in their basket. ***In markets like the US and Europe, the consumer backdrop is stable in aggregate, but many remain under pressure***. In China, sentiment remains cautious, and spending continues to be selective. ***Across Latin America, the consumer sentiment is mixed with improvements in Brazil and Central America, while consumers in other key markets remain under pressure***."

Deckers Outdoor ($14.2B, Textiles, Apparel & Luxury Goods): "We've seen some timing differences, as we've outlined before in Q1, but the ***demand continues to be robust really across all markets***. Yes, ***the consumer in Europe is probably a bit more pressured than it is in the U.S. as a result of energy prices going up***. But we're holding our own. And even in times of challenge, what ***I've experienced is consumers gravitate to premium brands and brands that make them feel good***. So we anticipate having a great year in Europe."

Domino's Pizza ($1.6B, Hotels, Restaurants & Leisure): "Our business continued to be ***impacted by a challenging macro environment***, which is ***pressuring consumers as well as heightened competition.***"

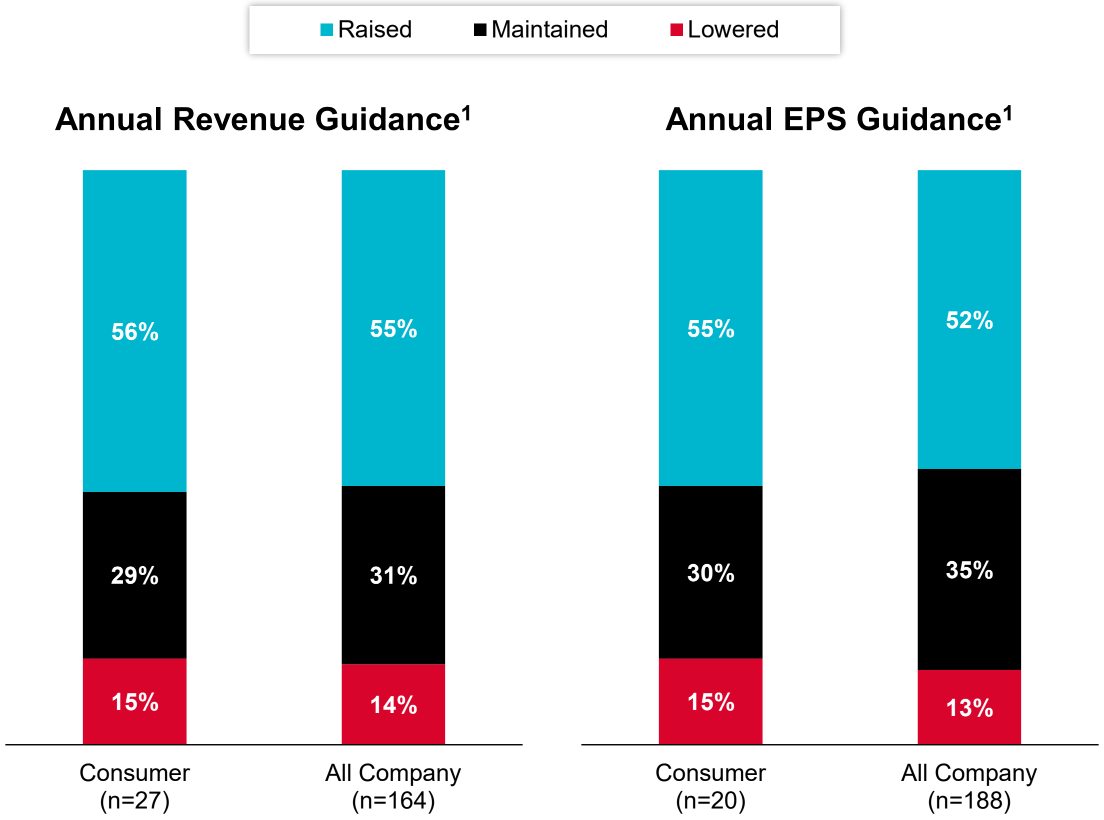
PepsiCo ($195.0B, Beverages): "Now we continue to see, ***as we look at the second half of the year, a very strong international business***, and it's continuing to perform well into the summer. We ***see an acceleration of our U.S. business***, both in the foods and the beverage business. And we continue to have a line of sight to the low end of our long-term 4% to 6% in the second half of the year."

Bunge ($20.4B, Agricultural Products & Services): "The broader operating environment continues to evolve. ***Geopolitical tensions, shifting trade flows and changing weather patterns across key growing regions are reshaping farmer behavior, crop availability and increasing volatility. As a result, customers at both ends of the value chain are relying on us more than ever to help them navigate risk***. This is not new territory for us. We have a long track record of managing market volatility and continuing to deliver for our stakeholders, all while growing our earnings."

Harley Davidson ($2.6B, Automobiles): "***We remain relatively pleased with the start to the year, particularly in the US. We remain mindful of the global consumer discretionary landscape, which remains uneven***. We are aware that pricing continues to be on the top of customers' minds given the ***current global setup that includes inflationary pressures, interest rates that continue to run above recent historical lows, and global geopolitical uncertainty***."

Outlook Commentary: Companies Opt to Raise Guides Despite Uncertainty

While higher input costs and geopolitical disruption are being embedded into outlooks, still more than half of consumer companies raised top and bottom-line guides; World Cup outperforming expectations cited as justification across industries



[1] Source: FactSet; Corbin Advisors; data through 7'29'26

Proctor & Gamble ($340.2B, Household Products): "As we enter fiscal 27, we ***continue to expect the environment around us to remain volatile and challenging*** from cost to currencies to consumer, competitor, retailer and geopolitical dynamics. We believe our going-in guidance for fiscal 27 prudently reflects these current market realities. Our outlook ***includes a cost headwind of approximately $1 billion after tax, driven by higher raw materials, energy, transportation costs and other premiums resulting from the conflict in the Middle East. This estimate assumes an effective Brent crude oil price of $90 a barrel***."

General Motors ($74.7B, Automobiles): "Based on our strong operating performance, including improved pricing and warranty assumptions, as well as a ***slightly better commodity outlook***, we are raising our full-year guidance across all of our key metrics. Before I address the key assumptions underlying our updated full-year guidance, I want to note that it ***assumes no material escalation in the Middle East and no significant increase in commodity or other inflationary pressures from current levels***."

Reynolds ($5.4B, Household Products): "***Given the North America-centric nature of our business, the impacts of the Iran conflict are generally limited to higher commodity costs*** and the effect of a more uncertain environment on consumer demand. We ***now expect approximately $400 million of commodity headwinds on an annualized basis, up from $200 million when we reported in April***."

Consumer Trends: Essentials Proving Resilient as Select Discretionary Spending Slows

Consumer companies have been distinguishing recurring, needs-based demand from deferrable discretionary purchases

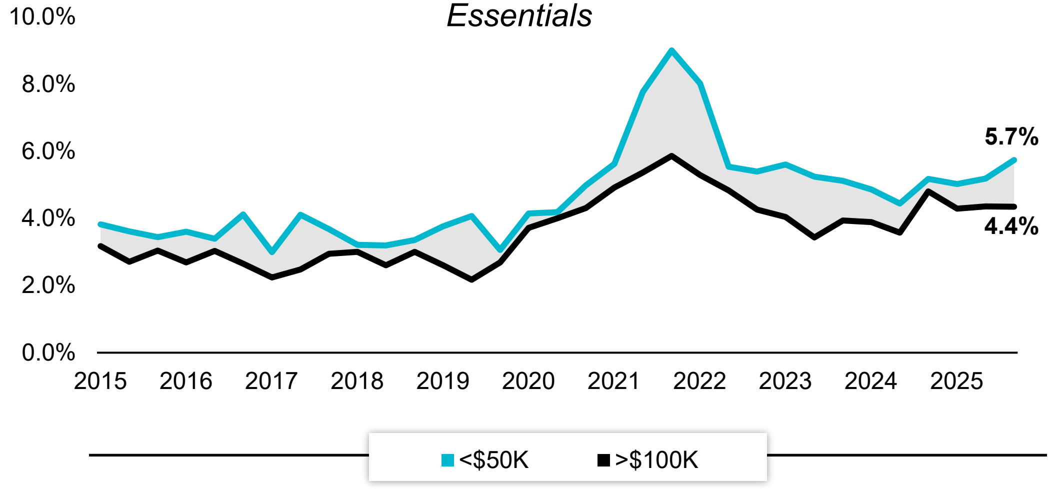
Tractor Supply ($16.5B, Specialty Retail): "What has ***not changed is customer engagement.*** What ***has changed is customer spending behavior***. Customers continue to invest in the care of their pets, animals, farms and properties, but they're shopping more deliberately, consolidating trips and ***prioritizing needs-based items while taking a more measured approach to discretionary purchases***."

Genuine Parts ($17.9B, Automotive Parts & Equipment): "Across our product categories during the quarter*, **we saw continued relative strength in our non-discretionary repair and maintenance and service categories***, which were both up low to mid-single digits."

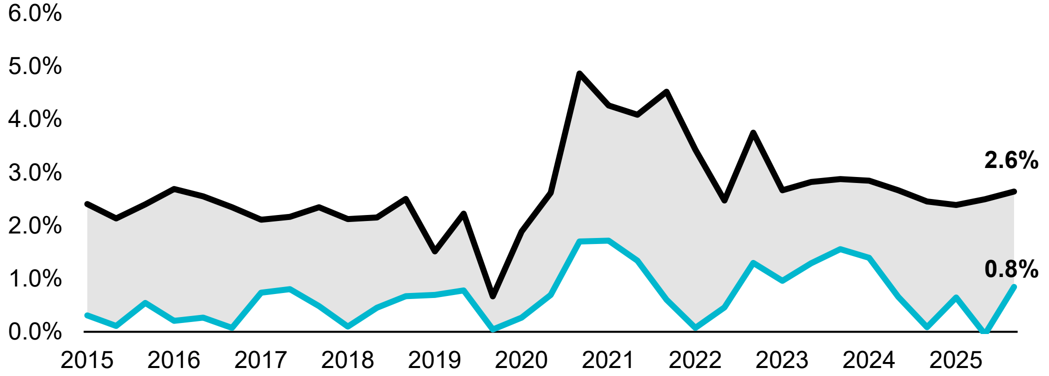
Reynolds ($5.4B, Household Products): "We believe our portfolio is well positioned for this environment, given the nature of our categories and the everyday value our products provide. ***What gives us confidence is the resilience of our categories. Consumers continue to need the products we make***, and when they look for value, both our Reynolds and Hefty brands, along with the store brands we supply, are positioned to meet these needs."

Polaris ($4.1B, Leisure Products): "The bulk of that growth in the quarter is really ***driven by utility to the more traditional industries*** we talk about with utility, where it's farmers, ranchers, vineyard owners, large property owners, things like that. ***On the rec side, look, it's been a couple of years. Feels like even longer. Just given where we're at in terms of the overall consumer, on the rec side, the vehicles are a want, not a need***."

Expected YoY Increase in Household Costs[1]
Essentials



Expected YoY Increase in Household Costs[1]
Non-Essentials



[1] Source: Federal Reserve Bank of New York, SCE Household Spending Survey; Corbin Advisors; data through 4'1'26

Consumer Trends (Cont.): Preserving Liquidity through Financing and Trade-Down

Consumers begin showing preference for adjustable-rate and longer-duration financing on large-ticket items, while trading down or choosing smaller sizes to minimize immediate outlay

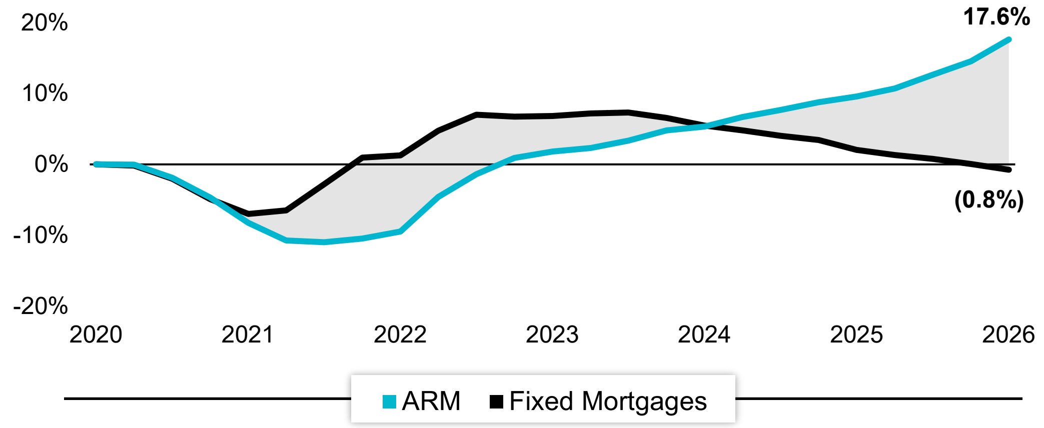
Proctor & Gamble ($340.2B, Household Products): "The ***consumers that are well off continue to behave as they've behaved before, larger pack sizes to find value***. The more ***pressured consumer*** that will be more impacted by gas prices or incremental gas cost per week continues ***to look for smaller pack sizes***."

Ford ($60.9B, Automobiles): "Ford Credit delivered another solid quarter, with EBT of $757 million, up $112 million. These results reflect our strong financing margin, our high-quality portfolio, and our continued focus on capital and risk management. ***We remain confident in the quality of our portfolio and ability to continue supporting the market shift toward longer-term financing options for customers***."

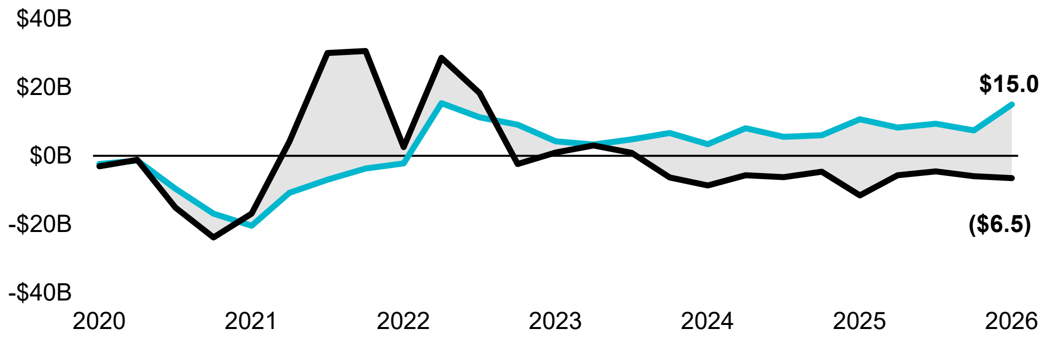
PulteGroup ($25.7B, Household Durables): "I'm very pleased to see that our incentives came down 50 basis points in the quarter. They're still high even though they did come down, and we'd expect, just ***given everything that the consumer is dealing with and the affordability challenges, that we'll remain in an elevated incentive environment***."

Century Communities ($2.0B, Household Durables): "In the second quarter, adjustable-rate mortgages accounted for nearly ***35% of the mortgages that we originated by volume of principal***, a further increase from Q1'26 levels of ~30% and ***well above first quarter 2025 levels of less than 5%.*** **Receptivity of our buyers to ARMs has been increasing, and this increased adoption of ARMs could help partially address the market's affordability challenges**."

Growth of Fixed and AR Mortgages[1]



Change in Total Mortgage Balances[1,2]



[1] Source: Federal Reserve Bank of Philadelphia, Large Bank Consumer Mortgage Balances; Corbin Advisors; data as of Q1'2026
[2] Change in total balance from the prior quarter

Consumer Sentiment: Market-Driven Optimism Meets Inflation-Driven Pessimism

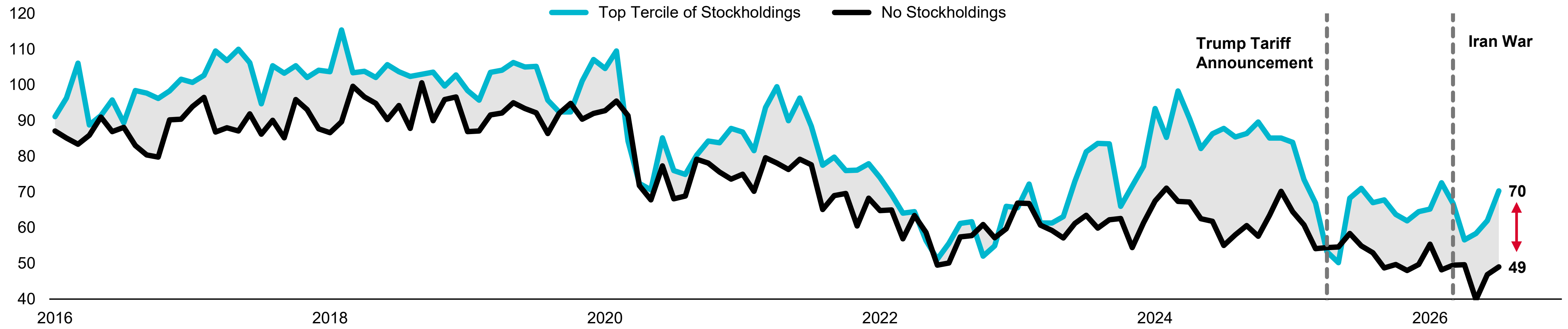
Consumer companies report diverging trends in demand across cohorts, necessitating sharp communication on pricing, merchandising, and customer engagement strategies

Albertsons Companies ($5.7B, Consumer Staples Distribution & Retail): “The most pressure is coming from our lowest-income customers. We’re seeing a shift to private label. We’re seeing a shift to value packaging and trade-downs… It’s a very bifurcated situation. ***Lower-income customers are shifting more to cheaper proteins, as an example. Our higher-end customers seem to be a little bit more resilient***.”

Boyd Gaming ($6.8B, Hotels, Restaurants & Leisure): “There’s a lot going on with the consumer these days. ***For the higher-end consumer, if they’re in the stock market, they’re doing quite well***.”

Polaris ($4.1B, Leisure Products): “The consumer remains somewhat on the sideline, ***especially at the low to middle of the range. The high-end customers I talked about, I don't want to say they're immune, but they tend to be more cash buyers.*** They've got higher disposable income, and ***they're not being as impacted***.”

Consumer Sentiment[1]



[1] Source: University of Michigan Survey; Corbin Advisors; data as of 7’1’26

Pricing Power: Companies Earn the Right to Increase Prices through Innovation and Value

Executive teams are tying pricing actions to measurable improvements in product quality and customer experience

Proctor & Gamble ($340.2B, Household Products): "Let me go back to Tide as the basis and then build from there. ***It beat our expectations, is the simple answer***. When you put such a massive investment in product performance on such a large part of the business, it's very difficult to estimate a number like high-single-digit growth. ***What did we do? We set the price the same and gave much better performance. Intuitively, you know it's going to work, but you can't really say whether it is going to grow 3%, 5% or 7%***. I really commend the team for having the courage of their conviction to say, ***'If I really step-change the performance of Tide, users will reward us.' What we have seen is a reward higher than we anticipated***."

Verizon ($191.6B, Telecommunication Services): "***Our new consumer value proposition launched in mid-June, and it is delivering well beyond our expectations across every metric***. It is built on a single idea: our customers should not have to do anything—no plan changes, no upsells, no fine print—to get more from the company they have chosen. ***They should get more just for being our customer***."

Royal Caribbean ($86.7B, Hotels, Restaurants & Leisure): "On the pricing side, every day price integrity is very top of mind for us. ***We're generally in a fortunate position where our guests appreciate the vacation experience we're offering, and they're willing to consider moderate price increases that we have been putting out there***."

Ford ($60.9B, Automobiles): "Turning to the products themselves, we're ***reinforcing our strength in our trucks, our vans, our personality utilities and off-roaders—iconic brands and distinctive products delivering real pricing power***. We can see it in the quarter. In Ford Blue, F-Series remains the number one truck brand, outselling the closest competitor by more than 80,000 units in the first half of this year, and it's on track for 50 straight years at the top."

Deckers Outdoor ($14.2B, Textiles, Apparel & Luxury Goods): "***I'm especially pleased with our progress across innovation and product newness, which are resonating globally***. The engagement we're seeing is not limited to a single region, channel or product family. ***It reflects the broader impact of our consistent approach to creating distinctive, consumer-led products that connect emotionally, perform exceptionally and amplify the relevance of our brands***. Our teams are ***bringing new and innovative ideas to market at the right time*** while staying focused on quality, authenticity and long-term brand health."

Reynolds ($5.4B, Household Products): "***While value remains paramount, consumers continue to respond meaningfully to innovation***. Fun Foil and our color-and-scent platforms in Waste are ***resonating with consumers seeking differentiated solutions***. We are focused on winning the highest-value occasions with our core and growth consumers, and ***we see real evolution in occasion-based purchasing behavior versus product-based purchasing behavior***."

Experiences and Leisure: Experiences Remain a Priority, Defying Caution Elsewhere

Companies report consumers making deliberate choices between needs and wants within the product category, but demand for experiences and leisure activities and "guilty pleasures" remains strong

Royal Caribbean ($86.7B, Hotels, Restaurants & Leisure): "***Consumers are becoming more deliberate about their spending, yet they still prioritize quality leisure time,*** which aligns with our differentiated portfolio and the compelling combination of experiences, choices and value we offer."

Wyndham Hotels & Resorts ($5.5B, Hotels, Restaurants & Leisure): "When we look at our ***middle-income consumers who, despite the affordability issues and not being happy about gas prices, are in relatively good shape***. And I think ***we all feel good about and very optimistic about the second half and the year ahead for several reasons***."

Cheesecake Factory ($5.0B, Hotels, Restaurants & Leisure): "I think that the value equation in the consumer's mind has pivoted a little bit, and the price points have compressed. ***People want those little indulgences, those little like mini vacations for an hour, that's clearly resonating across casual dining***."

Travel + Leisure ($4.8B, Hotels, Restaurants & Leisure): "Our strong second quarter and first half results demonstrate consistent execution and the durability of our business model. ***Healthy owner trends and robust travel demand translated into recurring upgrade sales, increasing new-owner sales, predictable cash flow and meaningful capital returns***. Our consumer ***remains healthy and continues to prioritize travel.*** First-half arrivals, adjusted for strategic resort closures, increased year-over-year and forward bookings give us clear visibility into continued growth in the second half."

Hilton Worldwide Holdings ($72.6B, Hotels, Restaurants & Leisure): "***Leisure was strong. I mean, it was in third place behind business transient and group in the quarter***. That has, I think, ultimately more to do with the shift in Easter and other sort of holiday timing going on. ***We feel very good about continued growth in leisure. We think it will be driven by high-end leisure growth***, but it'll also, if you believe what I'm saying about getting the middle class back into the game, that means not only are they going to be traveling more for business purposes, ***but we think they're going to be traveling more for leisure purposes, too***."

Las Vegas Sands ($31.5B, Hotels, Restaurants & Leisure): "Singapore remains an ideal market for high-value tourism spending, and ***our focus on creating unique and memorable entertainment and hospitality experiences for our guests continues to generate outstanding financial performance.*** Our results this quarter reinforce our view that Marina Bay Sands' structural earnings power has been ***elevated following our significant product investments, suite renovations, service enhancements, and the execution of our premium customer strategy***."

Analyst Q&A: Productivity and Visible Return Top of Mind for Investors Across Sectors

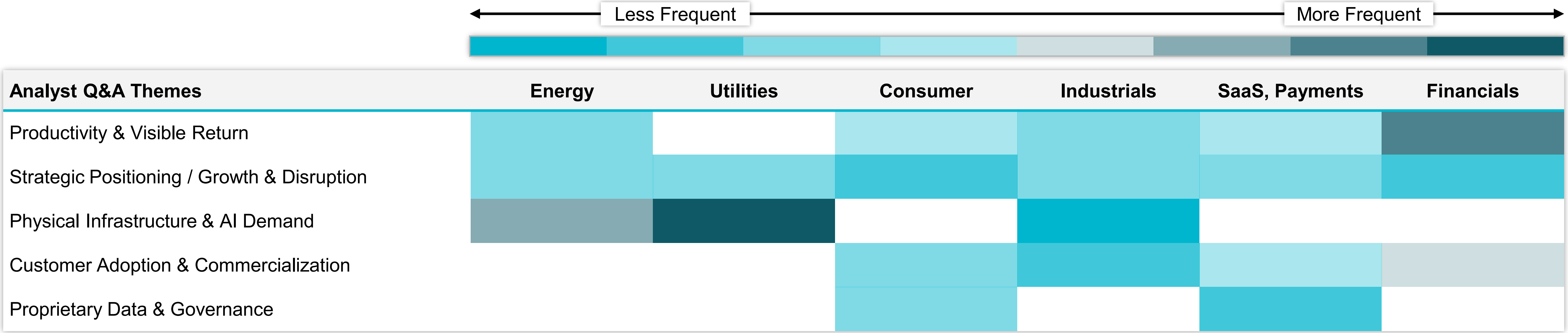
Recent conference discussions centered on productivity and strategic positioning, while infrastructure demand dominated Energy and Utilities and commercialization featured more prominently elsewhere

1. **Communicate specific and tangible impact to results:** Identify 2 – 3 use cases and disclose the impact to top- or bottom-line results. Investors now expect greater detail than generic language.

2. **Anticipate questions on demand visibility and implementation:** Our research that best-in-class companies have prepared responses on demand signals (non-financial KPIs like pipeline, pilots, conversion, etc.) and any barriers to customer adoption or implementation.

3. **Differentiate your story vs. peers:** Investors will compare your company's strategy or return to peers, so knowing where you site relative to peers is crucial in crafting your message.

4. **Don't let the central investment case get overshadowed by AI:** While it's still the dominant market driver, don't fall into the trap of making the entire narrative around AI if its not applicable. Even if your company isn't directly involved in AI software or infrastructure, there are still compelling reasons for an investor to purchase.



Source: Corbin Advisors; sample of select industry conferences prior to Q2'26 reporting season

The Big So What®

Companies are seeing continued consumer engagement, though spending patterns are shifting toward needs, experiences, and clearly differentiated value

1 **Consumers remain stable in the aggregate, but concerns over the bottom-income consumer persist.** Despite bank commentary pointing to a largely healthy consumer, consumer companies are reporting more visible pressure among lower-income consumers.

2 **Needs-based categories and experiences continue to defend share of wallet.** Essentials, repair and maintenance, pet care, and other recurring purchases remain durable, while demand for travel, dining, and premium leisure remains strong.

3 **Consumers are still spending, but increasingly on terms that protect cash flow and preserve liquidity.** Companies are adjusting the value proposition through smaller portions or flexible financing, giving payment-sensitive consumers more ways to participate.

4 **Pricing power is being earned through product innovation, quality, and enhanced value.** Companies describe a consumer that is more willing to accept price if that increase is also paired with enhancements.

What the Street is Still Asking

1. Which consumer cohorts, categories, or regions are driving the greatest divergence?
2. How much of second-half performance is dependent on pricing or a stable pricing environment?
3. Are you pairing recent pricing actions with enhanced consumer value and/or product innovation?
4. Are extended financing terms / adjustable-rate products a durable solution to affordability or do they increase credit risk?
5. Is resilience in travel and leisure broad-based or concentrated among the Top-of-the-K?

Appendix

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Company Disclosures Reflect Material Differences in Timing and Certainty

Tariffs now being discussed as a cost and planning issue for management teams, not a constraint on demand; most companies are still excluding from guidance at this time, but gap is narrowing

Sector	Discussed Tariff Refunds	Provided Amount[1]	Incl. in Guidance[2]	Excl. from Guidance
Cons. Disc.	18	8	4	8
Cons. Staples	11	6	4	4
Industrials	24	15	7	6
Health Care	11	8	4	4
Tech	4	3	2	1
Total	**68**	**40**	**21**	**23**

Hallmarks of Strong Tariff Refund Messaging
1. Quantify impact to earnings and margins
2. Provide results both including and excluding refund impact
3. Note whether including or excluding from guidance
4. Describe how refunds will be used or what they may offset

[1] Includes tariff refund, claim, or earnings benefit from tariffs directly quantified
[2] Includes management assumption, explicit or otherwise, of tariffs included in forward guidance

Notable Commentary

PepsiCo ($195.0B, Beverages): "And we do expect, like you said, ***approximately 1 point of EPS benefit from tariff refund claims likely in the quarter***. We expect a gradual improvement in North America, and ***we will be using the tariff, essentially the refunds to help offset some commodity inflation that we're seeing and allow us to continue to play offense in the business***."

Tractor Supply ($16.5B, Specialty Retail): "As we're stepping into a value proposition, as we're looking for ways to not drive higher cost from freight, ***we're using the benefits that we're receiving at this point with tariff refunds***. Now, tariff refunds are a bit choppy, and we said and expected there to be uncertainty and some choppiness across that. And so the benefits may not exactly land at the same time frame as some of the pricing initiatives that we're placing throughout this year. ***We're utilizing throughout this year the tariff benefits to be able to invest in those areas and avoid price increases for freight and be able to drive value***."

Levi Strauss & ($9.8B, Textiles, Apparel & Luxury Goods): "One is tariff refunds of $80 million. We've just started applying because most of our refunds go through the reconciliation process, and there's a defined window a week or so ago. And so we haven't built that into our -- internally. We haven't incorporated into our internal results. ***We are not incorporating it in our guidance, but it's substantial. And we haven't figured out what to do with it, right, because that will depend on the environment*** and a whole bunch of things."

Companies Quantify Tariff Refund Impact

Management teams can differentiate by offering refund disclosures that include the size of claim, impact to earnings, and timing

Company	Sector	Quantified Impact	Impact Timing	Notes
Amazon	Cons. Disc.	~$600M	Recognized in Q2’26	Noted tariff charges were passed through
Deckers Outdoor	Cons. Disc.	$120M claim size	Pending – timing unknown	Claim sized as tariffs paid
Ford	Cons. Disc.	$1.3B reimbursement booked; ~$500M cash expected in 2026	Booked in Q1’26; cash receipt expected during FY26	Updated adjusted free-cash-flow guidance includes the expected $500M receipt
Garmin	Cons. Disc.	$21M	Recognized in Q2’26	Described as important contributor to margin expansion; updated guidance includes the recorded benefit but assumes no additional recovery
General Motors	Cons. Disc.	$500M	Recognized in Q1’26	Noted that first-half tariff costs were $1.3B net of the benefit; full-year gross tariff-cost guidance remains $2.5B–$3.5B
Hasbro	Cons. Disc.	$50M claim size	Pending – timing unknown	Refund in process but not recognized
Nike	Cons. Disc.	$986M / $0.52 per sh	Recognized $986M in Q4’26, cash receipt in progress	Recognized full amount, collected ~$300M
Campbell’s	Cons. Staples	$0.03 - $0.04 per sh	Primarily Q4’26; recoveries may extend to FY27	Described impact as being offset by higher fuel costs
Hershey	Cons. Staples	$9M	Recognized in Q2’26	Noted that refunds offset freight and logistics pressure
McCormick	Cons. Staples	$31M full-year benefit / $0.07 per sh / 1.4% margin	$28M recognized in Q2, additional $3M for full year	Provides full size, per sh and margin impact
PepsiCo	Cons. Staples	1% EPS growth uplift	Expected in Q3’26	Refunds described as offset to commodity pressure
Procter & Gamble	Cons. Staples	Tariff receipts largely offset ~$0.06/share of higher Q4 energy, transportation and material costs	Recognized in fiscal Q4’26	Company quantified the cost pressure offset, rather than the gross refund proceeds
Walmart	Cons. Staples	Less than 1% of annual U.S. sales	Pending – timing unknown	Claim sized as percentage of annual U.S. sales

TARIFF REFUND SPOTLIGHT: HEALTH CARE

Companies Quantify Tariff Refund Impact

Company	Sector	Quantified Impact	Impact Timing	Notes
Baxter	Health Care	$75M / $0.11 EPS	Recognized in Q2’26 as a one-time benefit	Not contemplated in prior guidance; revised FY26 EPS guidance includes the benefit
Boston Scientific	Health Care	~$80M	Recognized in Q2’26	Represented substantially all expected refunds
GE HealthCare	Health Care	$23M adjusted EBIT / $0.04 EPS; $107M cash receipts	Recognized in Q2’26	Management maintained guidance rather than flowing the benefit through as a discrete raise, given other cost uncertainty
Intuitive Surgical	Health Care	$36M pre-tax / 130 bps of Q2 non-GAAP gross margin	Recognized in Q2’26	Provided Non-GAAP margins with and excluding refund impact
Mettler-Toledo	Health Care	$52M gross refund; $28M returned to customers; ~$24M net / $0.92 EPS	Recognized in Q2’26 as a one-time item	Excluded from adj. results and guidance
Agilent	Healthcare	$70M	Pending – timing unknown	Claim sized as tariffs paid
CooperCompanies	Healthcare	$15M expected earnings uplift	Potential FY26 benefit	Provided expected impact
Zimmer Biomet	Healthcare	$0.20 EPS impact / 2.0% margin benefit	Recognized in Q1’26 as one-time benefit	Described both EPS and margin impact

Companies Quantify Tariff Refund Impact

Company	Sector	Quantified Impact	Impact Timing	Notes
Deere	Industrials	$272M / 2.5% margin uplift	Recognized Q2’26 as one-time benefit	Described margin impact in quarterly and annual terms
Enerpac Tool Group	Industrials	$6M net benefit	Recognized in Q2’26	Noted that refunds helped offset pressures to gross margin
Fortive	Industrials	$4.5M recognized; another $20M–$25M expected	Q2’26, with additional receipts expected in coming quarters	Refunds are excluded from adjusted metrics, although management emphasized that the cash benefit is economic
GE Aerospace	Industrials	$100M refund received	Recognized in Q2’26	Management noted not material
Generac	Industrials	$71M pre-tax / ~$0.90 after-tax EPS / ~6 pts of gross margin	Recognized in Q2’26	Further recovery is assumed to be offset by potentially higher tariff rates
Graco	Industrials	$9M net benefit	Recognized in Q2’26	Contributed to gross margin expansion
Hubbell	Industrials	~$20M net benefit	Expected primarily in Q3’26	Noted that benefit expected to be divided roughly evenly between reportable segments
IDEX	Industrials	$0.08 EPS / 130 bps of adjusted EBITDA margin	Recognized in Q2’26	Noted that all refund activity was confined to Q2
Lennox	Industrials	~$30M total: $25M Home Comfort and $5M Building Climate	Recognized in Q2’26, earlier than expected	Expected refunds had been incorporated into tariff and inflation assumptions; noted that receipt timing allowed some pricing actions to be delayed
Masco	Industrials	$95M net Q2 benefit; $85M net full-year benefit	Recognized in Q2’26 and incorporated into FY26 guidance	Provided segment level impact
Pentair	Industrials	~$35M recognized; $35M–$50M full-year range	Q2’26 actual with additional FY26 outcomes included in guidance	Provided segment level impact
Stanley Black & Decker	Industrials	$0.17 EPS and ~250 bps of gross margin in Q2; $0.05 EPS and 60–70 bps of gross margin for FY26	Q2’26 actual; net full-year benefit included in guidance	Noted that the Q2 benefit is being redeployed into growth investment, incentive compensation and taxes; potential H2 refunds are excluded
Textron	Industrials	$21M gross / ~$18M net	Recognized in Q2’26	Provided segment level impact
Veralto	Industrials	~$16M / 110 bps of adjusted operating margin; potential additional ~$0.02 EPS	$16M recognized in Q2’26; additional timing uncertain	Provided segment level impact

Companies Quantify Tariff Refund Impact

Company	Sector	Quantified Impact	Impact Timing	Notes
Amphenol	Tech	$80M / $0.04 EPS	Recognized in Q2'26	Noted that tariff recovery contributed less than 1 point to operating margin
Apple	Tech	$0.11 EPS; ~2 pts of company gross margin and >2.5 pts of product gross margin	Recognized in fiscal Q3'26; ~1 pt included in Q4 gross-margin guidance	Plans to reinvest refund proceeds in U.S. manufacturing and related initiatives
First Solar	Tech	$89M net IEEPA-related benefit	Recognized in Q2'26	Estimate includes recoveries net of commercial obligations; FY26 guidance assumes a $60M–$80M net tariff impact, including new Section 301 costs

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Onward!

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