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NEWS RELEASE

Corbin Advisors Releases Q1'25 Inside The Buy-Side® Industrial Sentiment Survey®

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Amid Widespread VUCA, Survey Finds Investors Grappling with Tariff Impact and Timing, Suggesting Continued Choppiness and Potential Perception vs. Company Reality Misalignment Ahead

- Both investor sentiment and perceived executive tone exhibit double-digit pullbacks in optimism after two consecutive quarters of increasingly upbeat views
- With over 80% reporting instances of pull-forward demand, few expect Q1 to deliver negative surprises relative to consensus
- While views on 2025 Industrial organic growth have softened, more, 46%, continue to forecast expansion

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54% to 36%, respectively, the highest disparity observed

5-year high set in Q1'23, marking the second-highest QoQ

and preferred cash usage, followed by increased support
Test2

for Dividend Growth, while M&A falls out of favor

- Along with Tariffs, the leading area to address on upcoming earnings calls is Growth and Demand; respondents are also interested in Policy Impacts, updated Capex and Capital Priorities, and China exposure and trends
- Despite recognition of intensifying headwinds, more anticipate companies will Maintain annual guides this quarter; fewer than 15% expect executives to Raise

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HARTFORD, Conn.--(BUSINESS WIRE)-- Corbin Advisors, a strategic consultancy accelerating value realization globally, today released its quarterly Industrial Sentiment Survey®. The survey, part of Corbin Advisors' **Inside The Buy-Side®** flagship research publication, was conducted from March 6th to April 10th, 2025, and is based on responses from 52 institutional investors and sell-side analysts globally who actively cover the Industrial Sector. Participating buy-side firms collectively manage ~\$5.1 trillion in assets with ~\$624 billion invested in Industrials. Additionally, following the Trump Administration's April 2nd reciprocal tariff announcement, Corbin surveyed additional industrial investors and analysts from April 3rd to April 7th, 2025, to capture real-time views and expectations regarding upcoming earnings communications, including annual guidance.

Following last quarter's survey, which registered increasing optimism for 2025 and a renewed focus on growth, the Voice of Investor® captured in this survey reveals a reversal in sentiment. Investors are now leaning more bearish, with policy uncertainty weighing heavily on outlooks — prompting a shift toward margin preservation over growth and pushing expectations for a positive inflection in demand to late 2025 or even into 2026.

Notably, 44% of investors characterize sentiment as Bearish or Neutral to Bearish, a marked increase from 9% last quarter, while upbeat views have dropped significantly to 22% from 61%. An increasing number, 35%, describe executive tone as Bearish or Neutral to Bearish, up from just 6% last quarter, with only 25% painting management as Neutral to Bullish or Bullish, down from 44%.

"After several quarters of gradually rising optimism, in part spurred by the political clarity obtained in November and resultant optimism for accelerated growth in 2025, our survey identifies a U-turn in industrial investor sentiment — not just in the near term, but also for growth prospects for the remainder of the year," said **Rebecca Corbin**, Founder and CEO of Corbin Advisors. "As we enter Q1 earnings season, it's evident that tariffs and

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focus, and headline risks are resulting in a pullback in have shifted downward and outward, and nearly twice as while Q1 industrial prints are forecasted to be stable, and the curtain on demand trends, updates on customer chain dynamics, rare-earth commodity inputs, and scenario

Test3

planning. Notably, we may be in for a choppy few quarters of misaligned company reality and investor perception, as tariff and derivative economic growth impacts wend their way through the system, muddled by pull-forward demand trends. What companies aren't experiencing or fully seeing will not be reported in financials nor guidance, respectively, potentially setting investors up for a false sense of security in the near term based on the timing of effects. Transparency and conservatism will be critical to managing investor expectations and avoiding a future snap back when U.S. Administration actions to date touch down."

With 82% observing evidence of pull-forward purchasing, only 20% expect Q1 earnings misses versus consensus, while a majority, 73%, expect results to be In Line with analyst estimates. Perspectives on leading KPIs — Revenue, EPS, Operating Margins, and FCF — reveal an increase in those anticipating Worsening conditions across all measures, yet 40% of investors still predict sequential revenue improvements amid tariff-induced buying, while 60% anticipate stable Operating Margins.

In terms of full-year sector growth relative to 2024, expectations are again mixed. While more, 46%, continue to expect Higher industrial organic growth relative to last year, this represents a 20-point decrease QoQ, and 39% now expect Lower results, a 22% uptick. Furthermore, 58% of respondents have now postponed their expectations for a positive order inflection until Q4'25 or 2026, marking a considerable departure from the 80% who were optimistic about a post-U.S. election surge in the previous quarter. As a result, 64% are prioritizing margins over growth at this time, the highest level registered since tracking began in December 2023.

"There's a lot of policy uncertainty offset by several years of already mixed demand trends that eventually should reverse. You have potentially lower interest rates and some markets rebounding off multi-year soft patches but offset by a high degree of policy uncertainty," commented **a portfolio manager whose firm has over \$2 billion invested across the Industrial sector.**

Investors highlight Tariffs and Policy Uncertainty as top concerns this quarter, each increasing by double digits, followed by Inflation, which a majority, 61%, expect to Worsen over the next six months, a 34-point increase QoQ. Growth and Demand is the leading topic to address on earnings calls this quarter, though Capex and Capital Priorities are also of heightened interest.

To that end, Debt Paydown is cited as the leading preferred cash usage by 69%, just shy of the five-year high set in

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...rpassing Reinvestment, which garners 46% support, down
...creases to 31% from 9% last quarter, a further reflection of
...capital allocation option, cited by only 8%, with bolt-on

Regarding sub-sector views, Resi Construction sees the most significant increase in bullish sentiment, followed by Defense. Conversely, our survey registers a sharp rise in bearish sentiment for Autos and Transportation, while Non-Resi Construction remains out of favor.

About Corbin Advisors

Since 2007, Corbin Advisors has tracked investor sentiment on a quarterly basis. Access **Inside The Buy-Side®** and other research on real-time investor sentiment, IR best practices, and case studies at **CorbinAdvisors.com**.

Corbin is a leading investor research and investor communications advisory firm accelerating value realization globally. We engage deeply with our clients — companies ranging from pre-IPO to over \$550 billion in market cap across all sectors globally — to increase equity market value. We deliver research-based insights and execution excellence through a cultivated and caring team of 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.

Inside The Buy-Side®, our industry-leading research publication, is covered by news affiliates globally and regularly featured on CNBC.

To learn more about us and our impact, visit **CorbinAdvisors.com**.

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