

WHAT WE SAW EARLY IN 2025

**Five calls we made early and
how they played out**

Breakwater Capital Markets

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Introduction

In 2025, we made several calls about:

- Guidance evolution
- Tariffs & inflation risk
- 24-hour trading
- Real-time valuation
- Strategic IR roles

Here's what happened.

1

Defending Valuation Without Certainty

What we said (April 2025):

- Tariff uncertainty would push companies to withdraw or qualify guidance and defend valuation through scenario logic rather than false precision.

What happened:

- Guidance withdrawals and increased qualifications clustered in tariff-exposed sectors as forecasting confidence deteriorated.
- Management teams relied more heavily on scenario framing.
- Sell-side commentary increasingly emphasized ranges and downside cases alongside traditional point estimates

Outcome: We were early and accurate on the evolution of guidance practices.

“Q&A: How to Defend Valuation When Pulling Quarterly Guidance in a Tariff-Driven Market” (Apr 2025)

2

Inflation Isn't Done

What we said (May 2025):

- While markets celebrated cooling inflation, we warned that tariff pass-through had yet to hit.
- We advised companies to stress-test margins and rely on scenario ranges rather than point guidance.

What happened:

- Tariffs drove an estimated ~1.8% increase in consumer prices.
- Inflation proved stickier than expected, with sell-side research increasingly attributing this to tariffs.
- Margin pressure emerged across many tariff-exposed sectors.

Outcome: We were early and right on inflation dynamics and guidance strategy.

*“Transparency over Precision: How to Navigate the Investor Guidance Amid Inflation-Tariff Disconnect”
(May 2025)*

3

The Markets Never Sleep

What we said (Feb 2025):

- 24-hour trading isn't hypothetical — it's an imminent structural shift that will compress information windows and require around-the-clock IR monitoring.

What happened:

- Nasdaq formalized plans for 24/5 trading with a targeted H2 2026 rollout.
- Extended-hours market structure became a live regulatory and operational reality.
- IR teams are actively planning for continuous market operations.

Outcome: We were early and validated.

“What 24-Hour Trading Could Mean for Investor Relations — And How to Prepare” (Feb 2025)

4

The Age of Infinite Momentum

What we said (Mar 2025):

- Markets would shift from periodic repricing to continuous valuation, with AI-driven models and real-time data compressing price discovery from quarters to minutes.

What happened:

- Valuation became faster and more dynamic, with prices adjusting intraday as new data, narratives, and risk signals emerged.
- Markets didn't reach full automation, but repricing increasingly reflected AI-driven analytics, real-time information flow, and heightened interconnectedness.

Outcome: We were spot-on in the reframing of modern valuation dynamics.

“The Age of Infinite Momentum Has Arrived” (Mar 2025)

5

Elevating IR to the C-Suite

What we said (Jan 2025):

- IR should be a C-suite strategic function, combining investor engagement, macro scenario planning, and valuation narrative architecture.

What happened:

- IR continued its shift from disclosure to a strategic valuation function embedded in senior decision-making.
- Leading organizations leveraged IR to connect market perception, capital allocation, and long-term strategy.
- Boards paid growing attention to valuation narratives.

Outcome: We were early but directionally right.

“The Case for Chief Strategic Investor Engagement Officers” (Jan 2025)

The Common Thread

What separated these calls:

Structural over cyclical

We focused on permanent shifts in market infrastructure, regulation, and investor behavior, not short-term earnings beats or Fed headlines.

Operational over theoretical

Each insight came with execution tools: scenario frameworks, guidance models, sentiment tracking, and communication playbooks.

Early but actionable

Clients had 6–12 months to prepare, early enough to build advantage and practical enough to act immediately.

Where We're Still Early

Three areas to watch in 2026:

1. All-source sentiment models

- The buy-side already operates unified intelligence systems combining fundamental research, alternative data, sentiment, and macro signals—while most IR teams still rely on fragmented inputs like street research and point-in-time perception studies.

That gap is narrowing. Companies that build internal sentiment models will gain real-time insight into valuation drivers.

2. IR organizational evolution

- IR is moving from disclosure compliance toward strategic valuation architecture.
- IR leaders are moving into Strategy and CFO-adjacent roles.
- Boards are discussing valuation narratives at the governance level.

Organizational structures will soon reflect this reality.

3. The impact of 24-hour trading

- Exchanges are committed. Nasdaq plans 24/5 by H2 2026.
- The question is no longer whether markets will extend, but how transformative the shift will be.

Will this simply lengthen after-hours trading, or fundamentally change IR workflows? We are preparing for the latter.

READY FOR WHAT'S NEXT?

The frontier keeps moving.

The question isn't whether these shifts will happen—it's whether you'll be ready.

Want to discuss your 2026 IR strategy? Connect with us.

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