

GLOBAL INVESTOR VALUATION SENSITIVITY SURVEY

THE BREAKWATER CAPITAL MARKETS
GLOBAL INSTITUTIONAL SURVEY
CAPTURED PERSPECTIVE FROM OVER 800
LONG-ONLY INVESTORS ACROSS FUNDS
REPRESENTING TRILLIONS OF DOLLARS IN
ASSETS UNDER MANAGEMENT. THE
SURVEY RAN FROM APRIL 1 TO JUNE 30,
2026 AND REPRESENTS A
GEOGRAPHICALLY DIVERSE PERSPECTIVE
INCLUDING NORTH AMERICA, EUROPE, THE
MIDDLE EAST AND ASIA.

BREAKWATER CAPITAL MARKETS

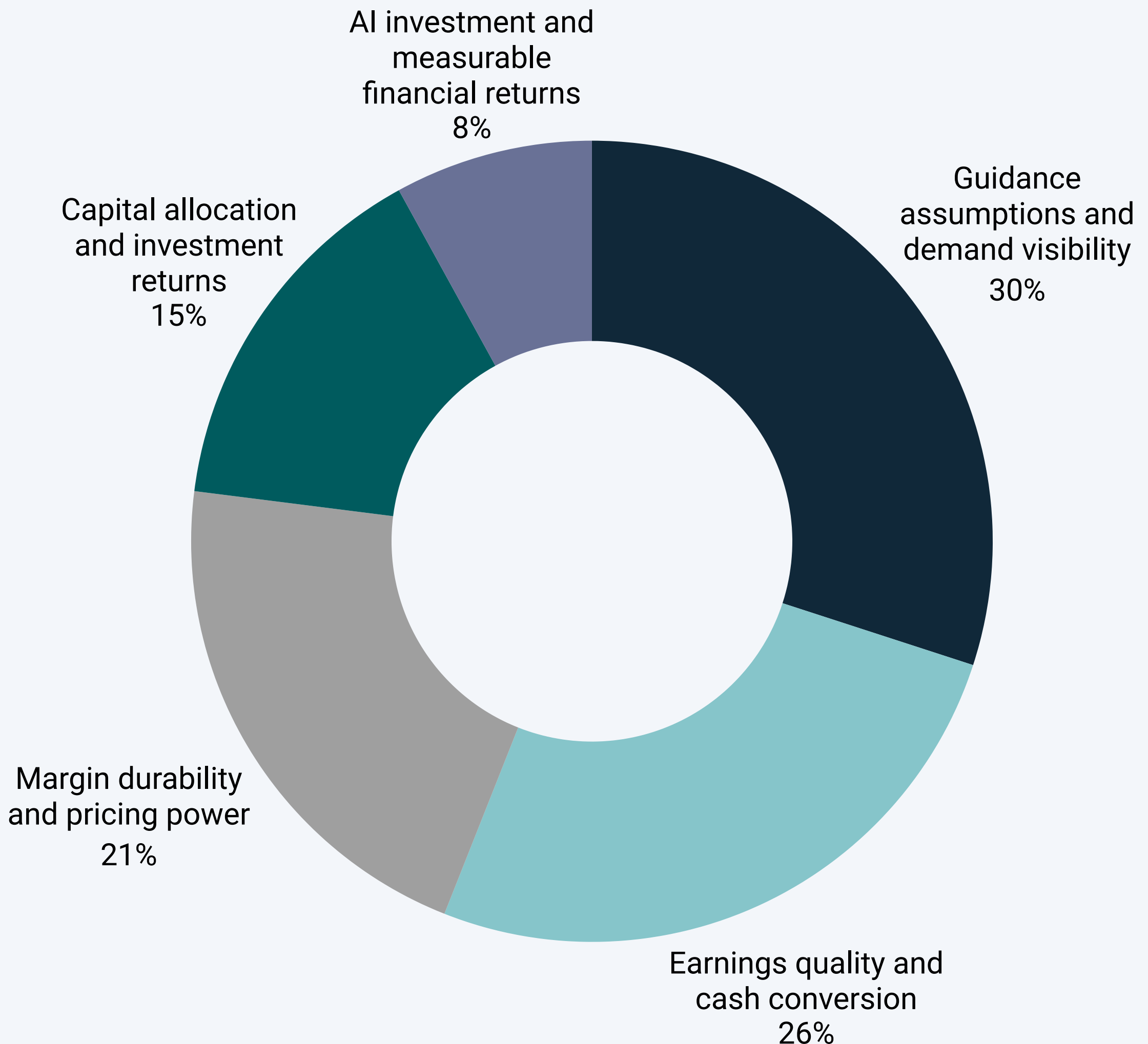
breakwatercapitalmarkets@breakwaterstrategy.com

BREAKWATER

Section 1:
Valuation
Sensitivity
Going Into the
Q2 2026 Call

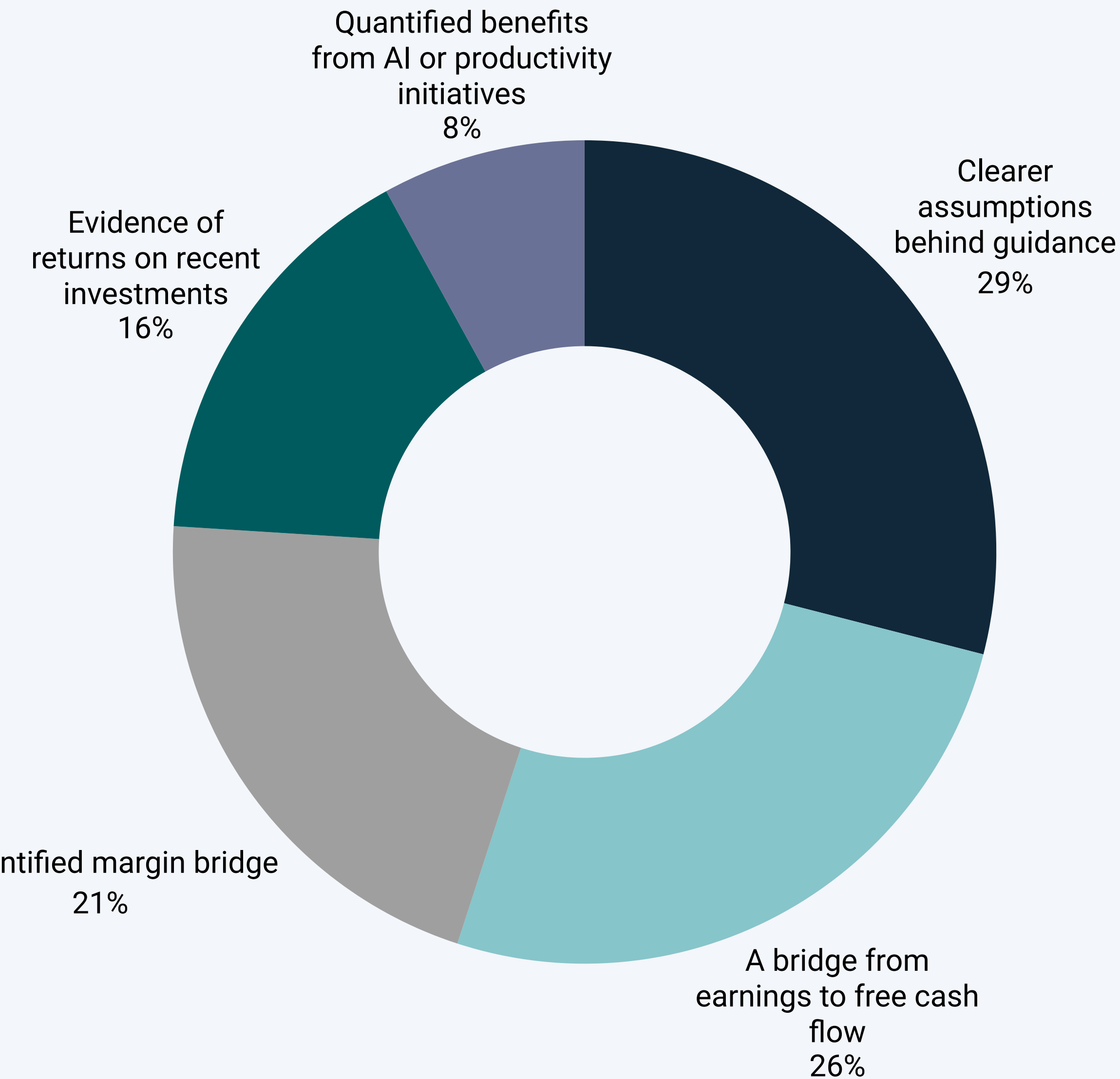
01

Which topic is most likely to influence your valuation view during the Q2 2026 earnings call?



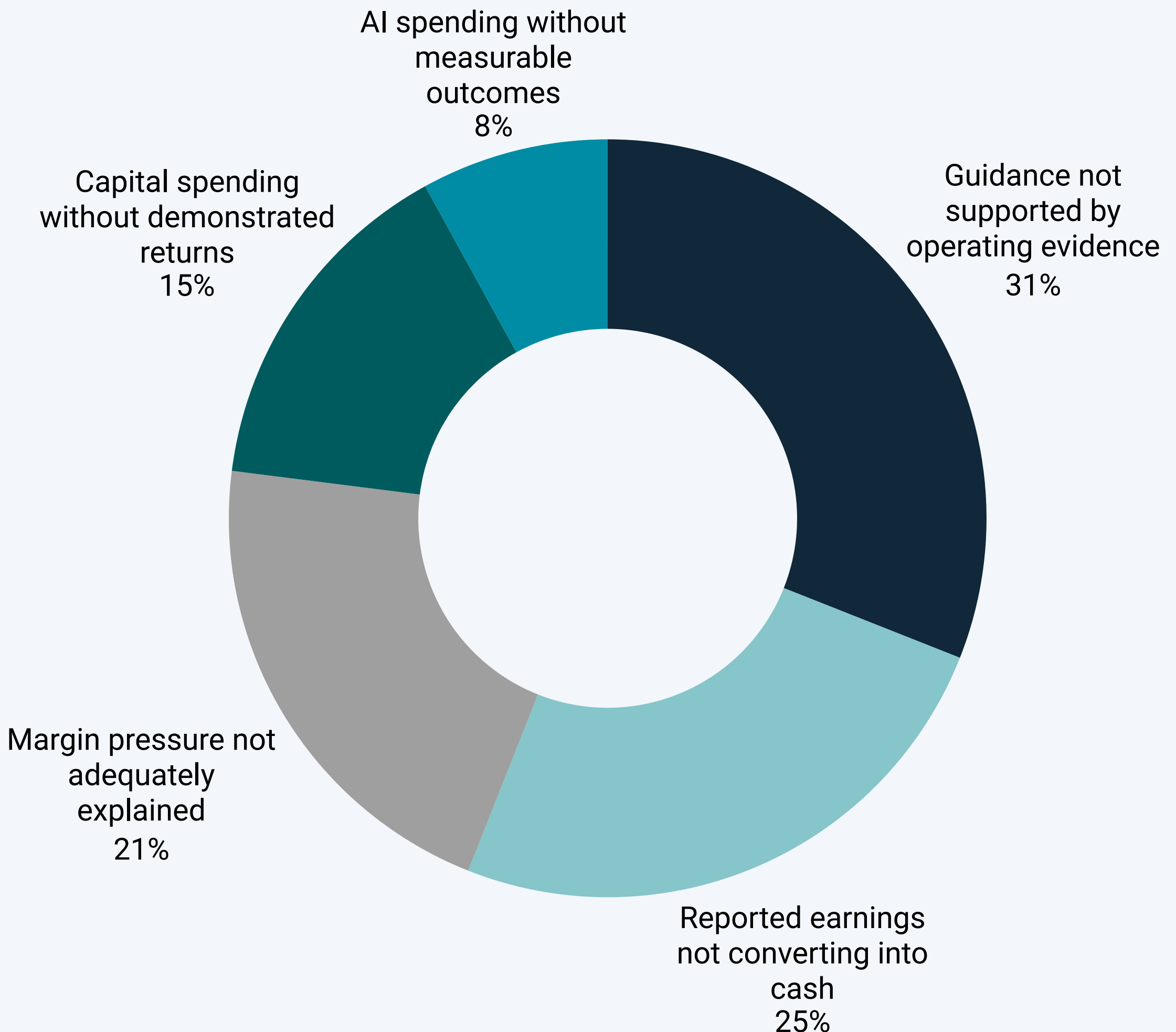
02

Which disclosure would be most likely to increase your confidence in the company's valuation?



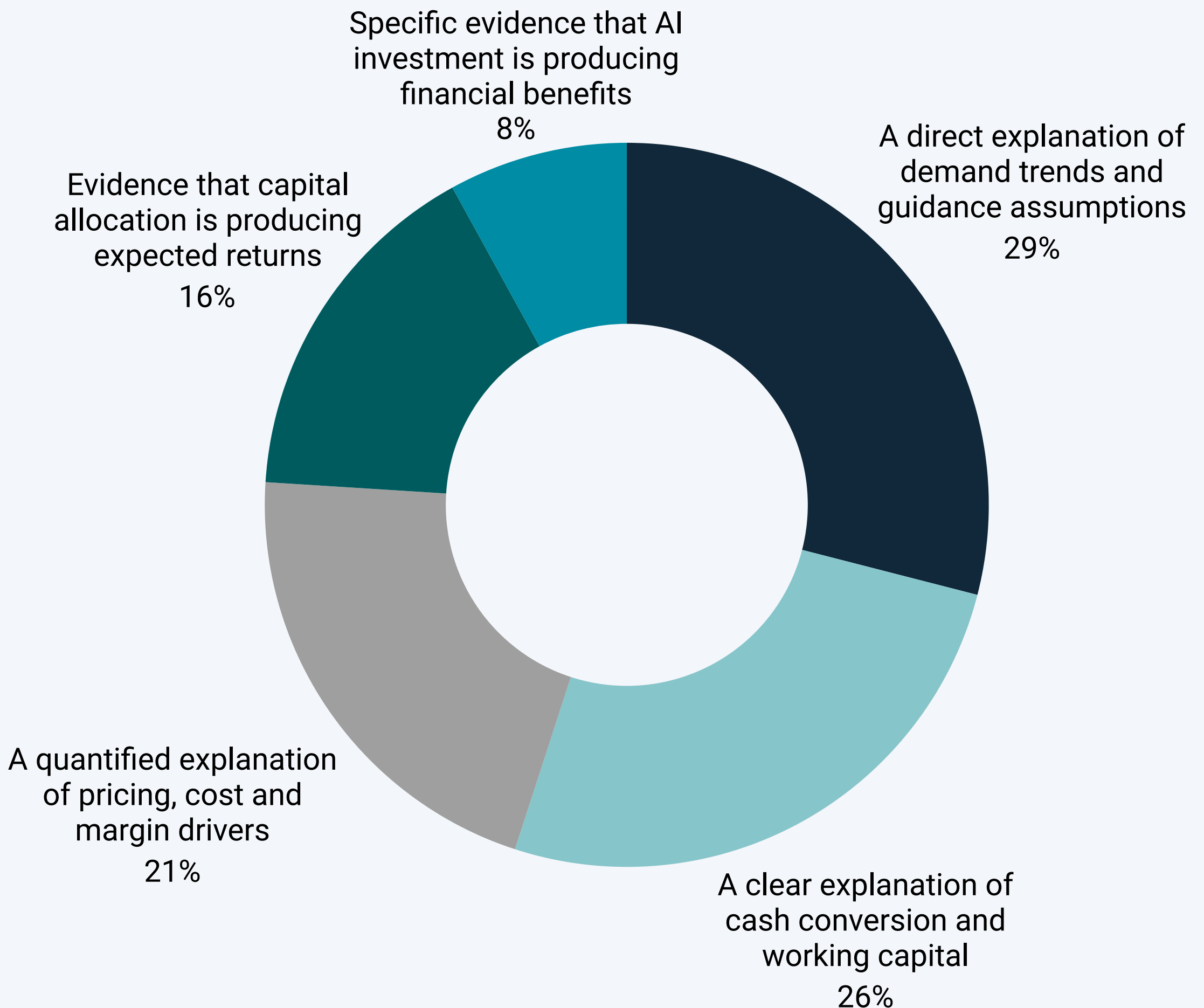
03

Which issue would be most likely to cause you to reduce your valuation after the Q2 2026 call?



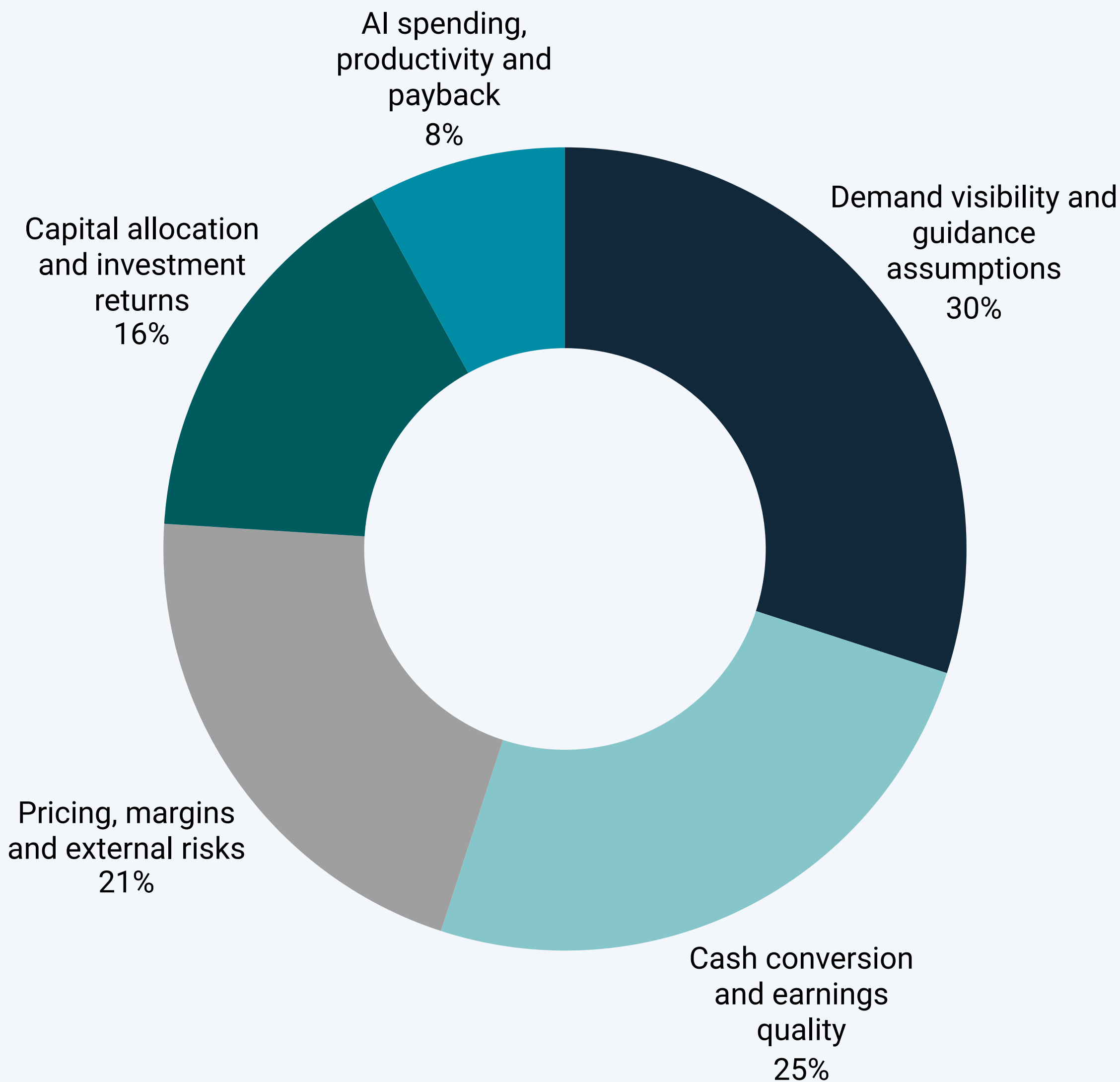
04

Which management answer would most improve your valuation confidence during Q&A?



05

Which topic should management proactively address before analysts ask about it?



Section 2:

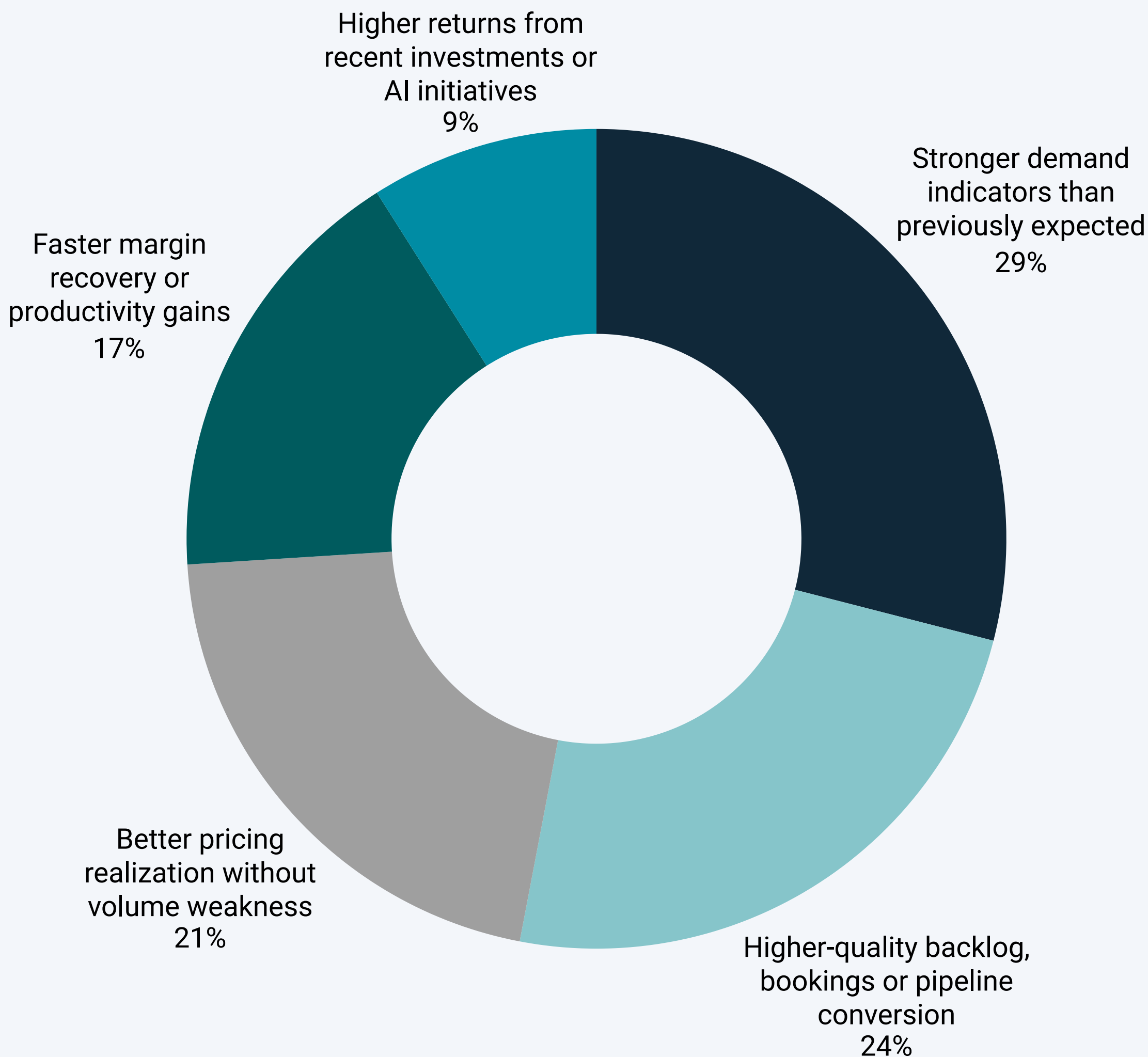
Forecast

Revision

Sensitivity

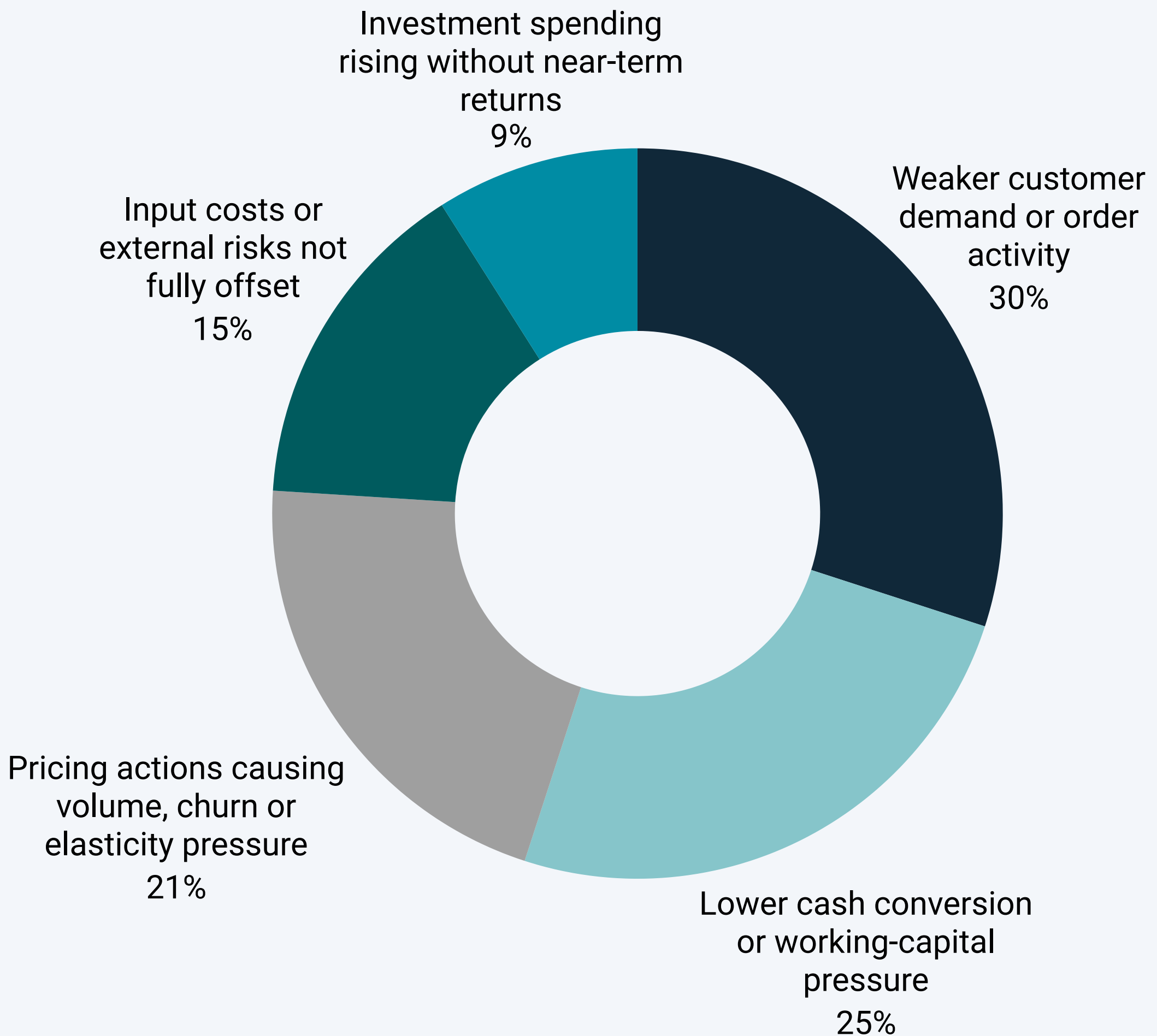
06

Which Q2 2026 disclosure would be most likely to cause you to raise revenue or earnings forecasts?



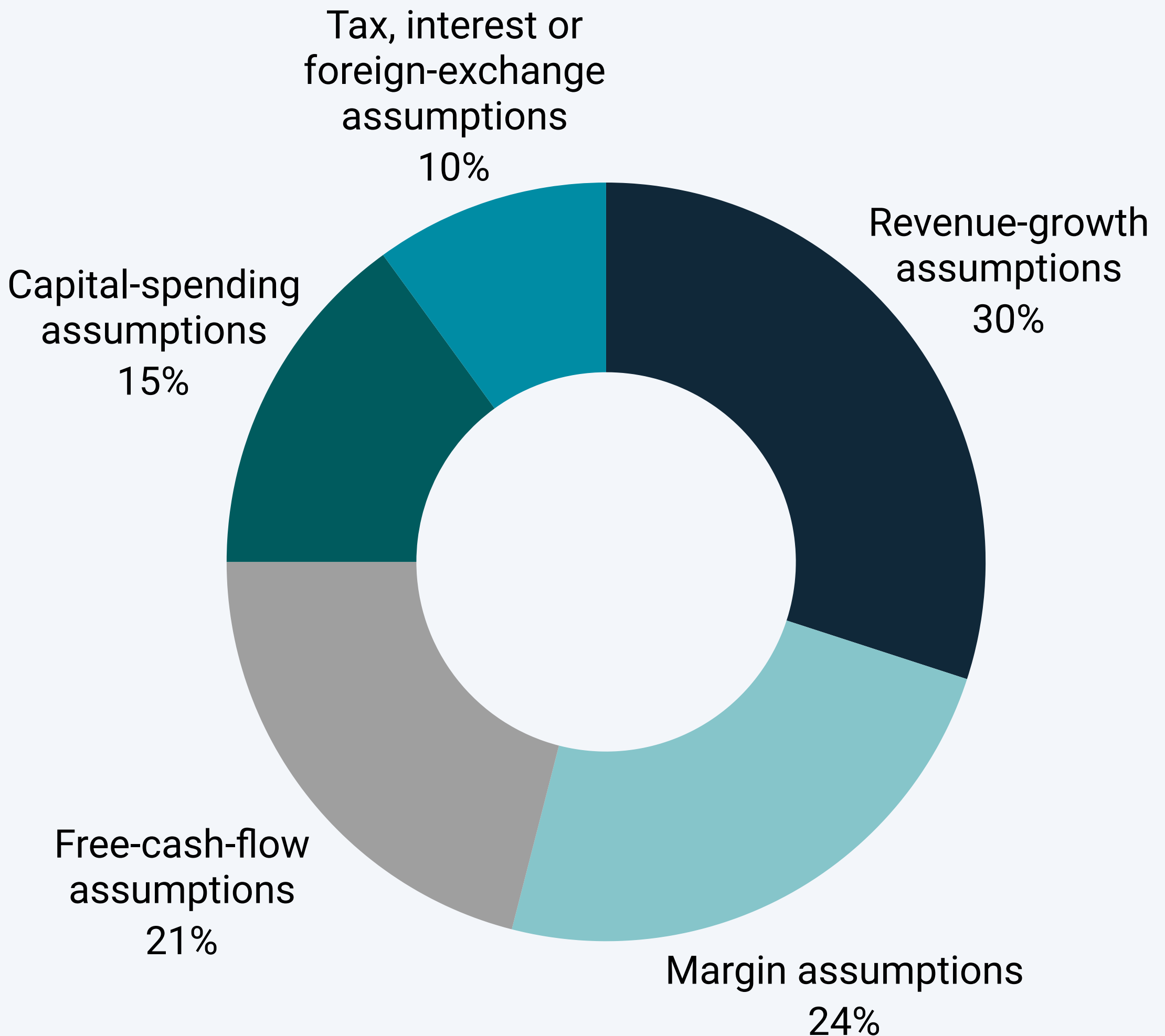
07

Which Q2 2026 disclosure would be most likely to cause you to lower revenue or earnings forecasts?



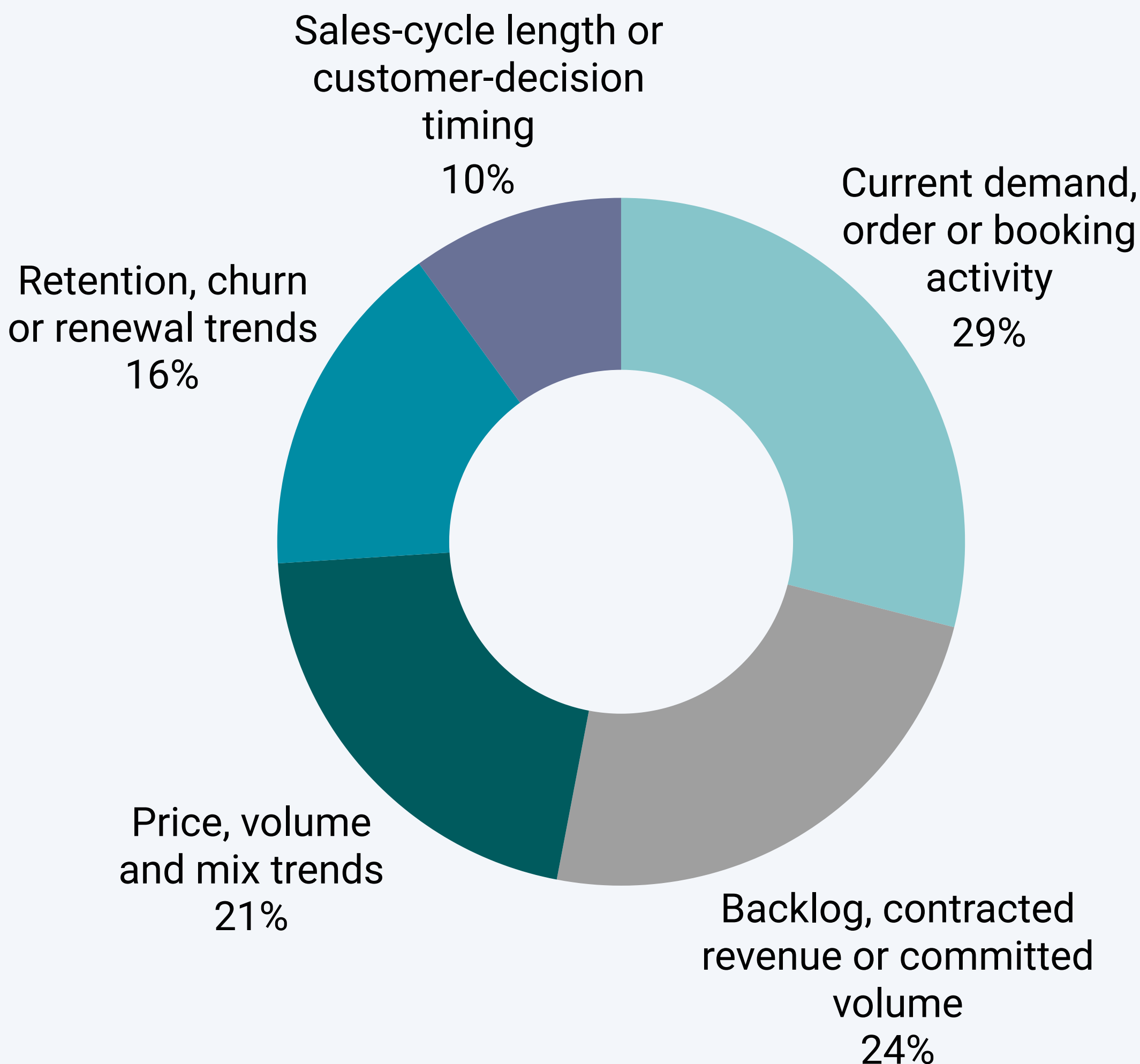
08

Which guidance element would most affect your forecast assumptions?



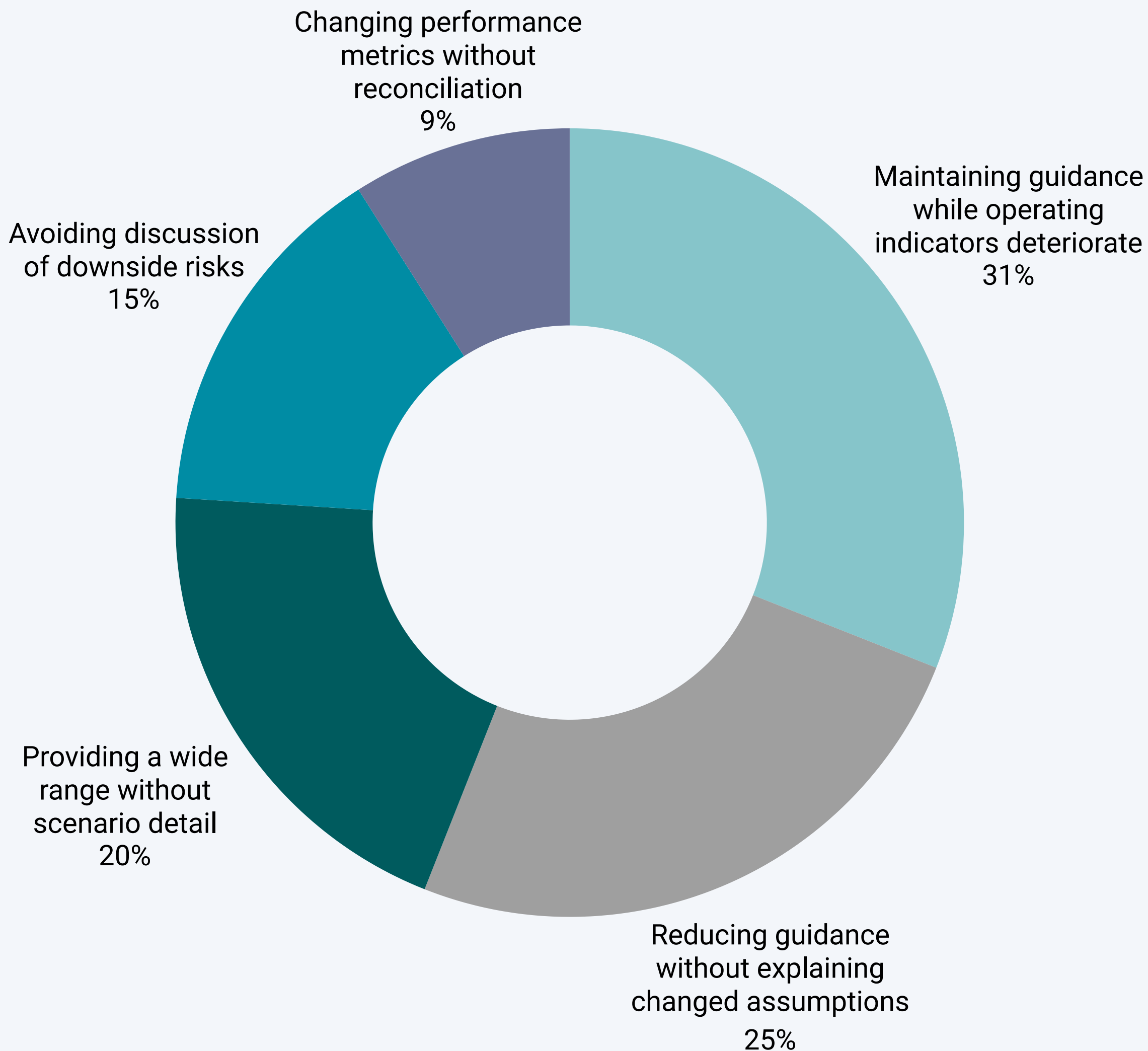
09

Which operating metric would be most useful for validating management's forecast?



10

What would most undermine confidence in management's Q2 2026 outlook?

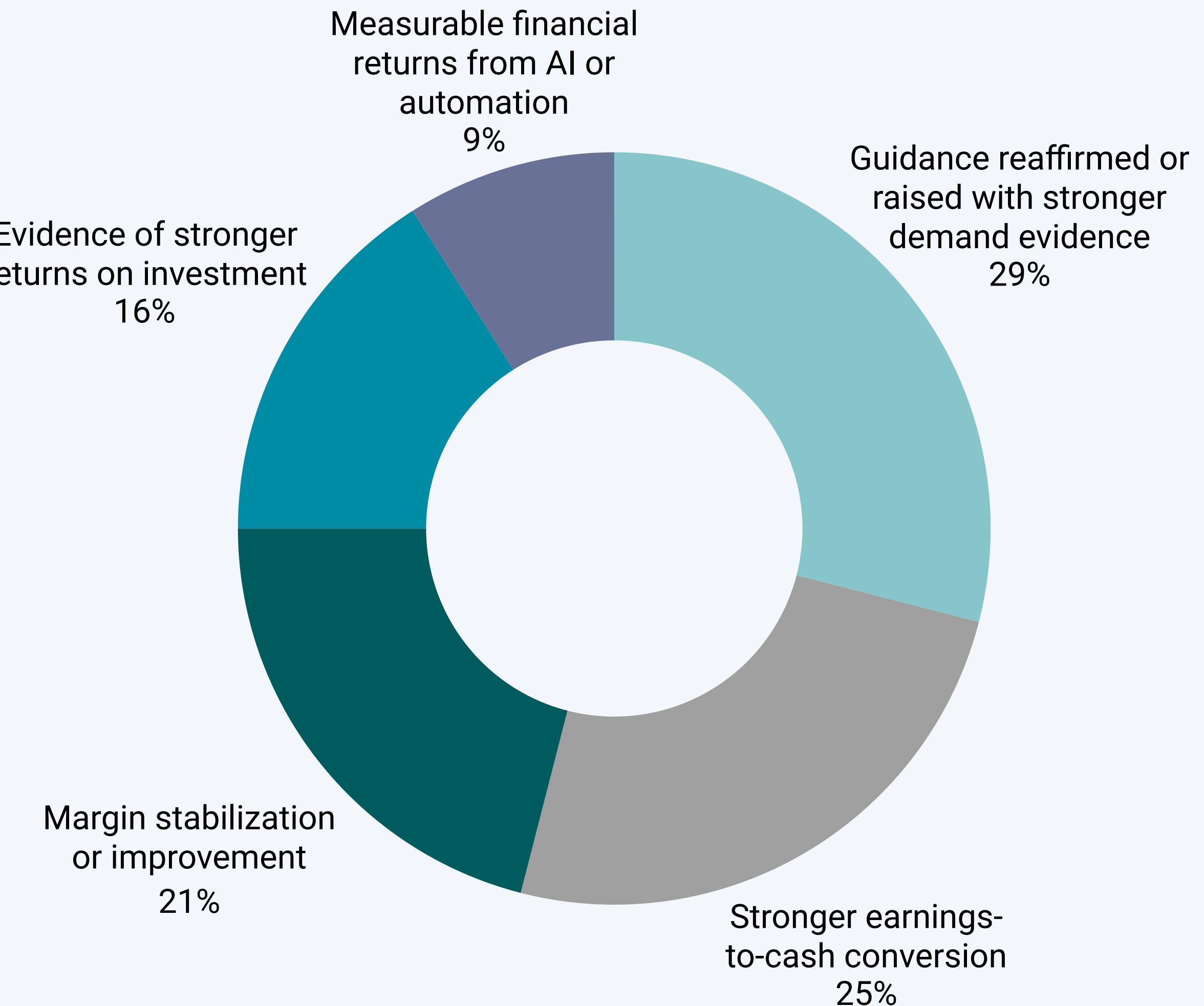


Section 3:

Multiple Expansion and Compression Sensitivity

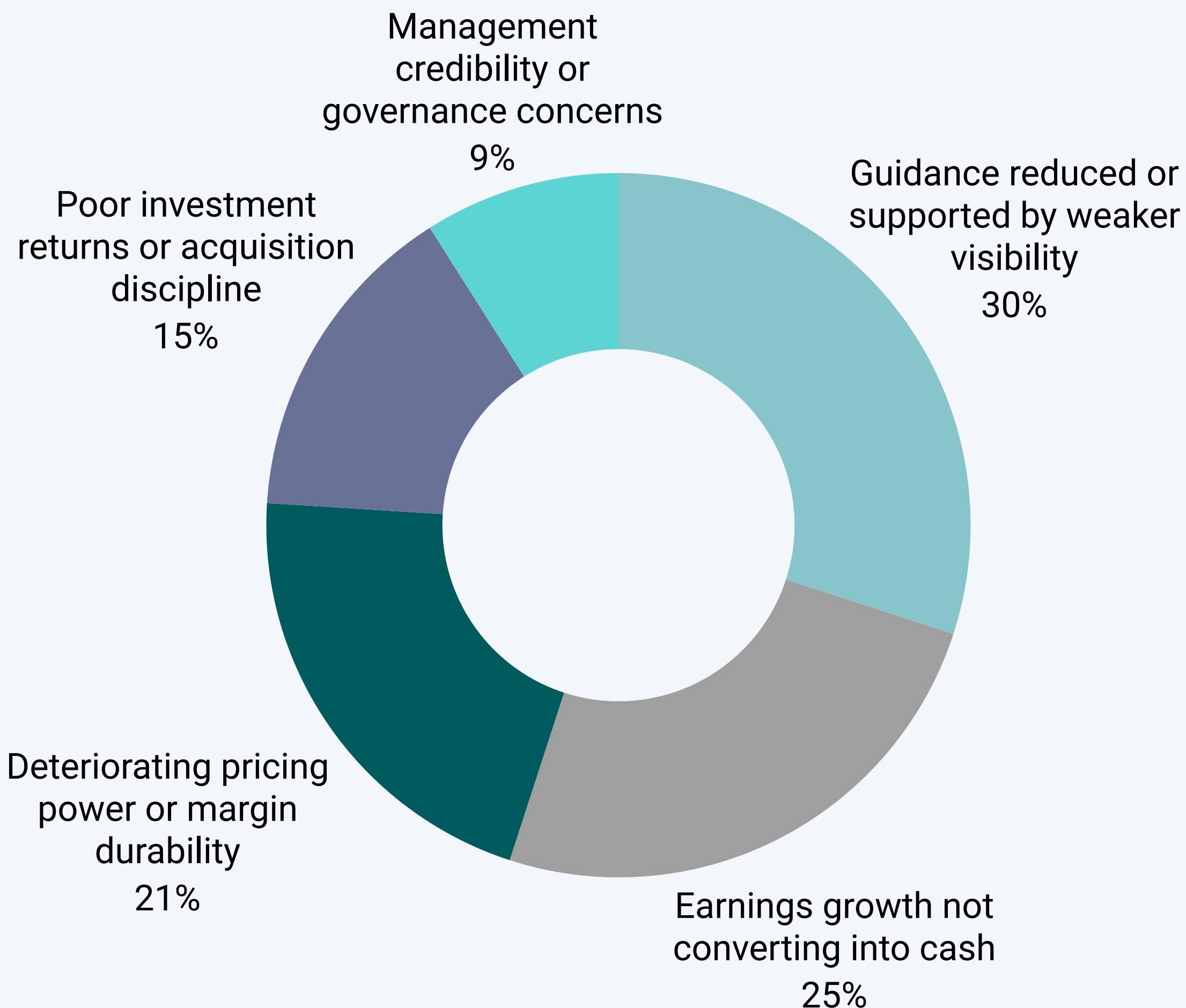
11

Which Q2 2026 development would be most likely to support multiple expansion?



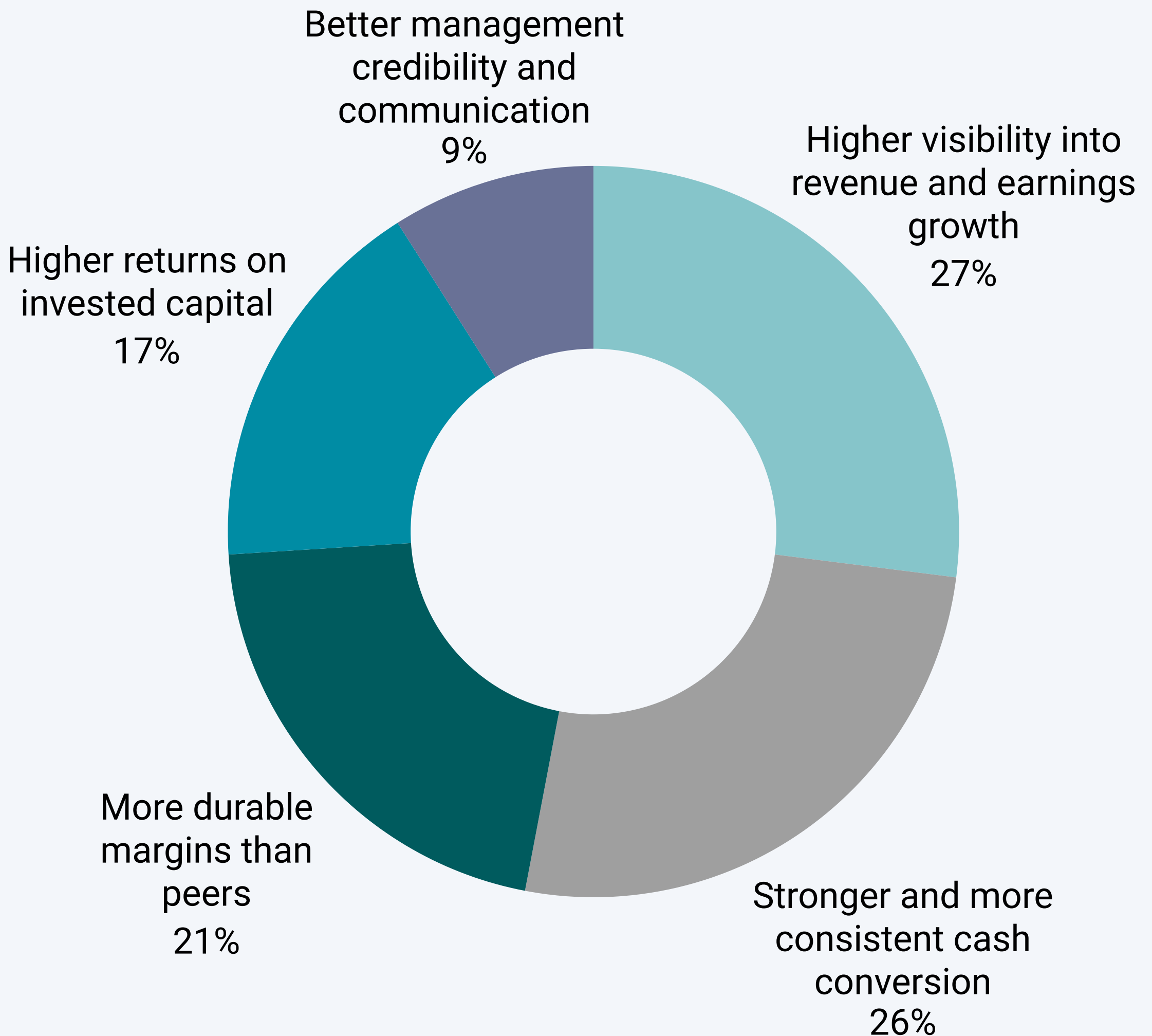
12

Which Q2 2026 development would be most likely to cause multiple compression?



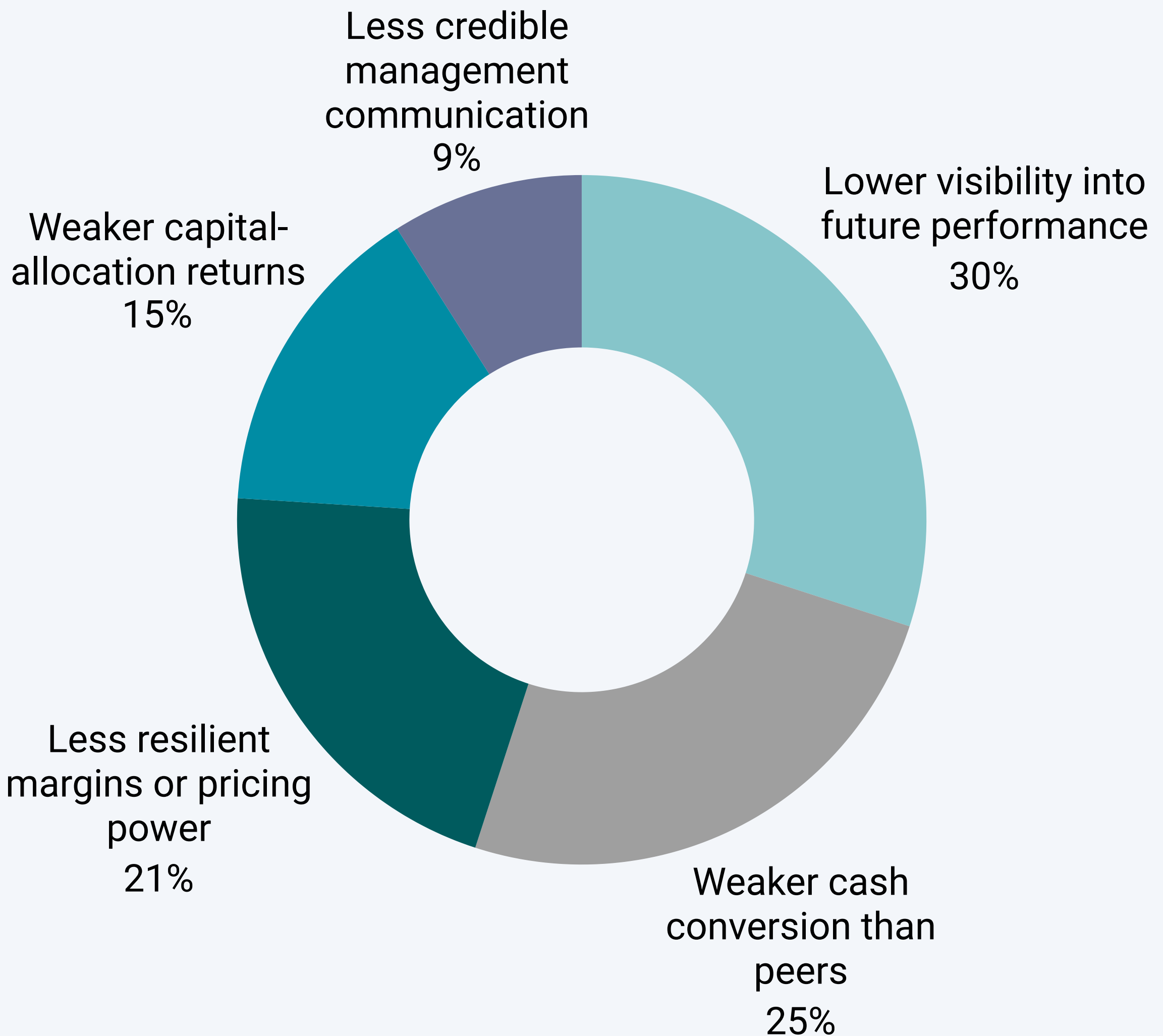
13

Which evidence would most support a peer-relative valuation premium?



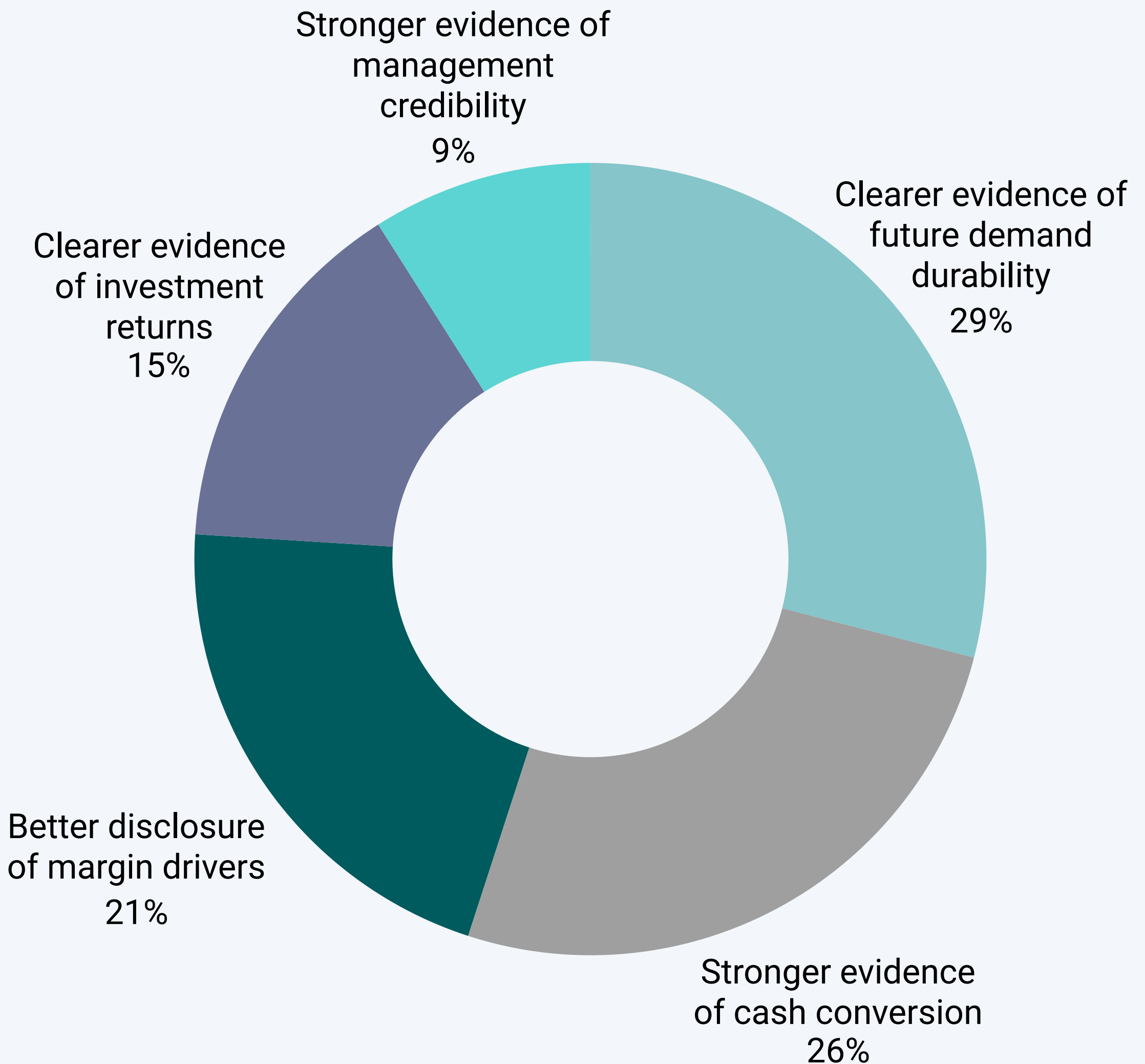
14

Which evidence would most justify a peer-relative valuation discount?



15

Which disclosure would be most likely to change your valuation multiple?



Section 4:

Required

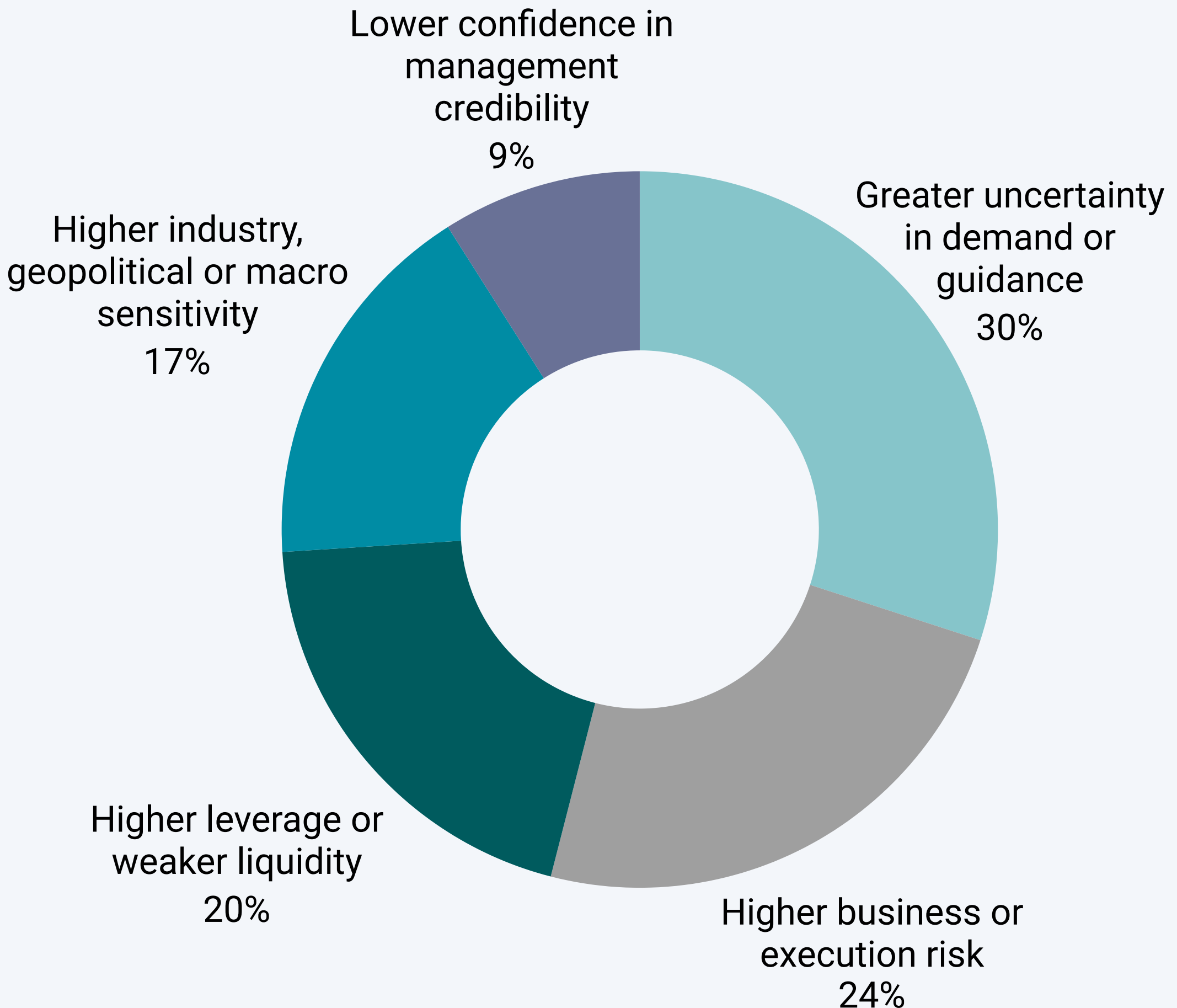
Return, Risk,

and Position

Sizing

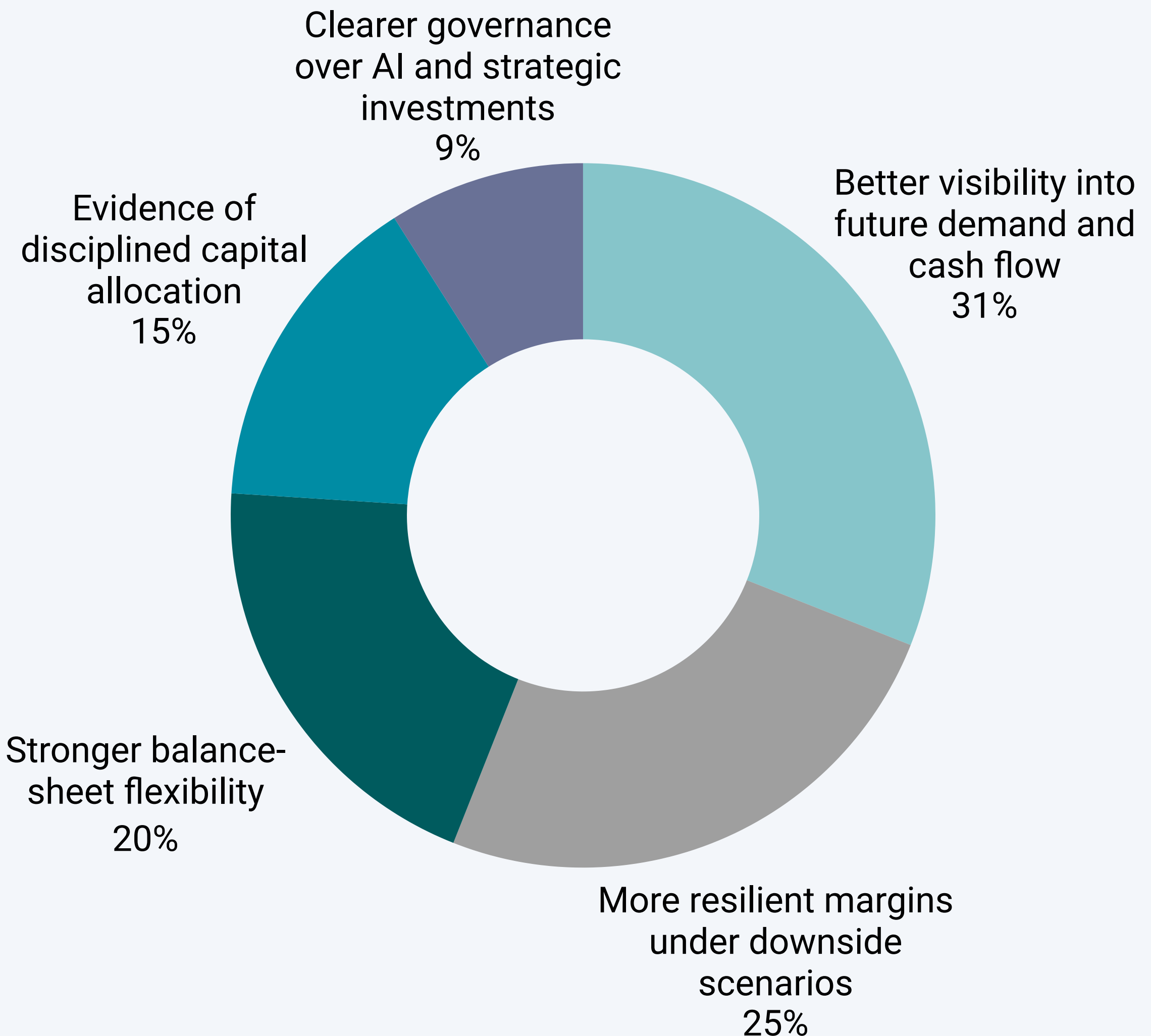
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Which issue would be most likely to increase your required return or discount rate after the call?



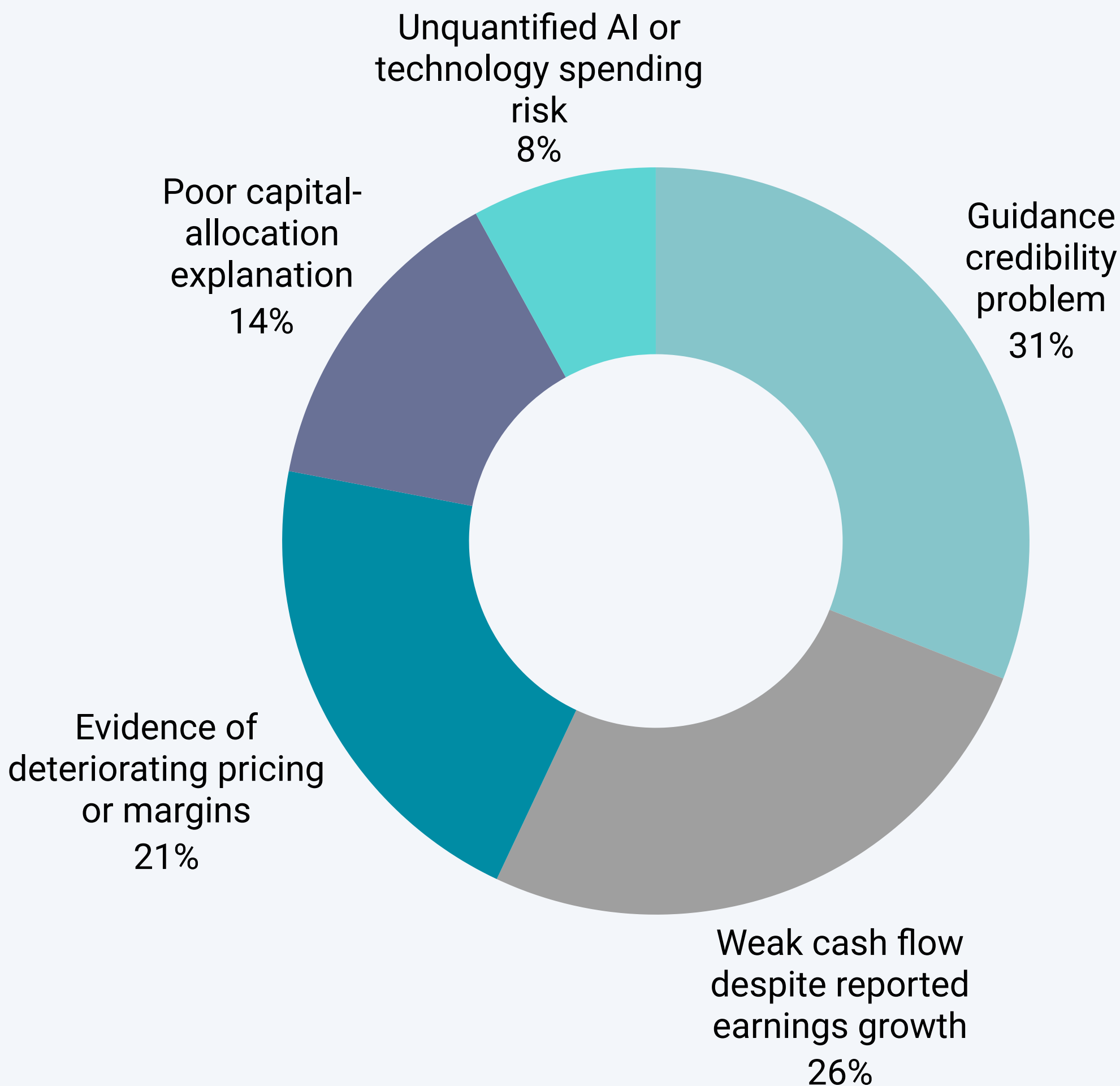
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Which disclosure would be most likely to reduce your required return or risk premium?



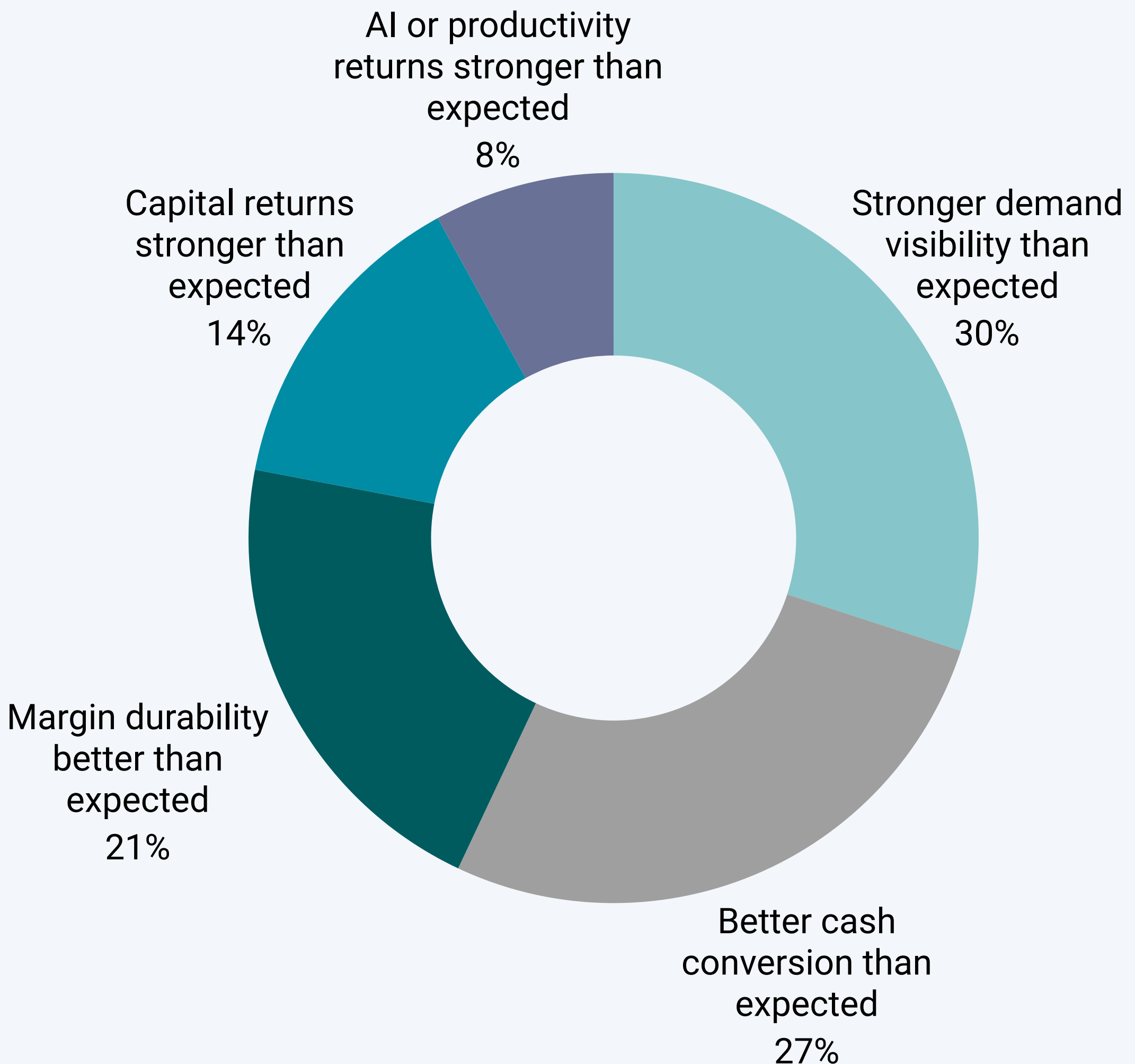
18

Which issue would most likely cause you to reduce position size after the earnings call?



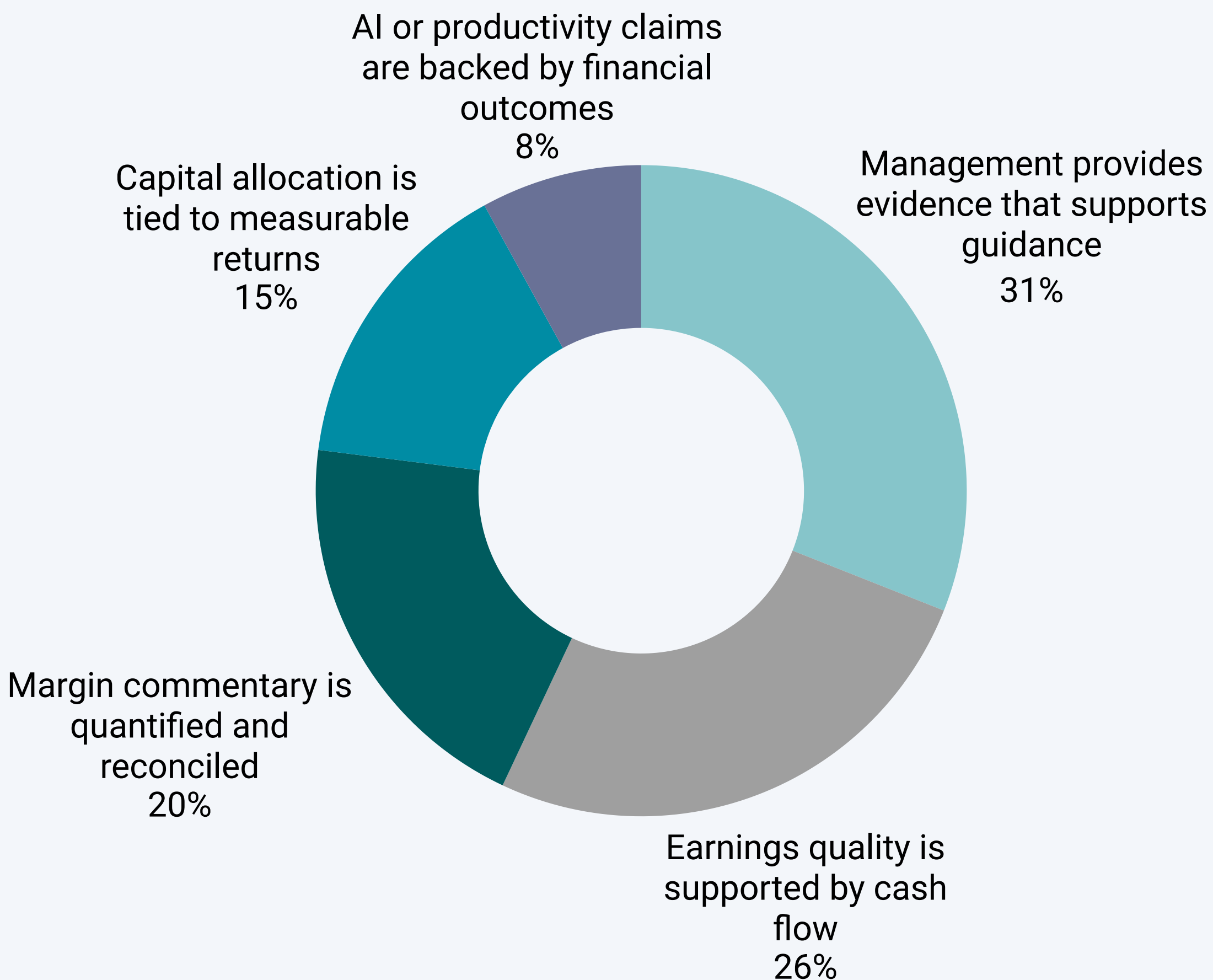
19

Which issue would most likely cause you to increase position size after the earnings call?



20

What most increases your conviction in a valuation view after an earnings call?



Section 5:

Proof

Required to

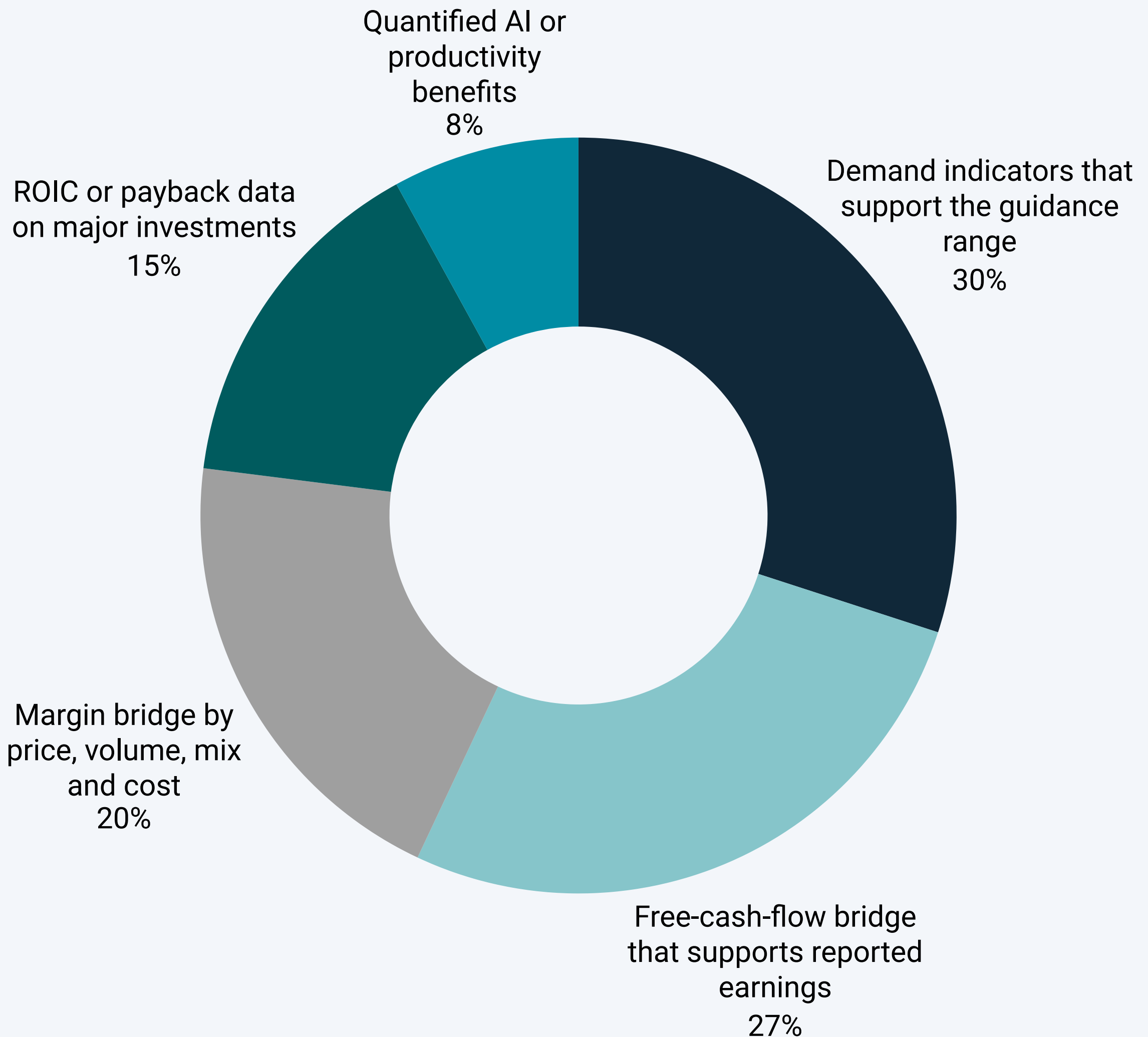
Support the

Valuation

Narrative

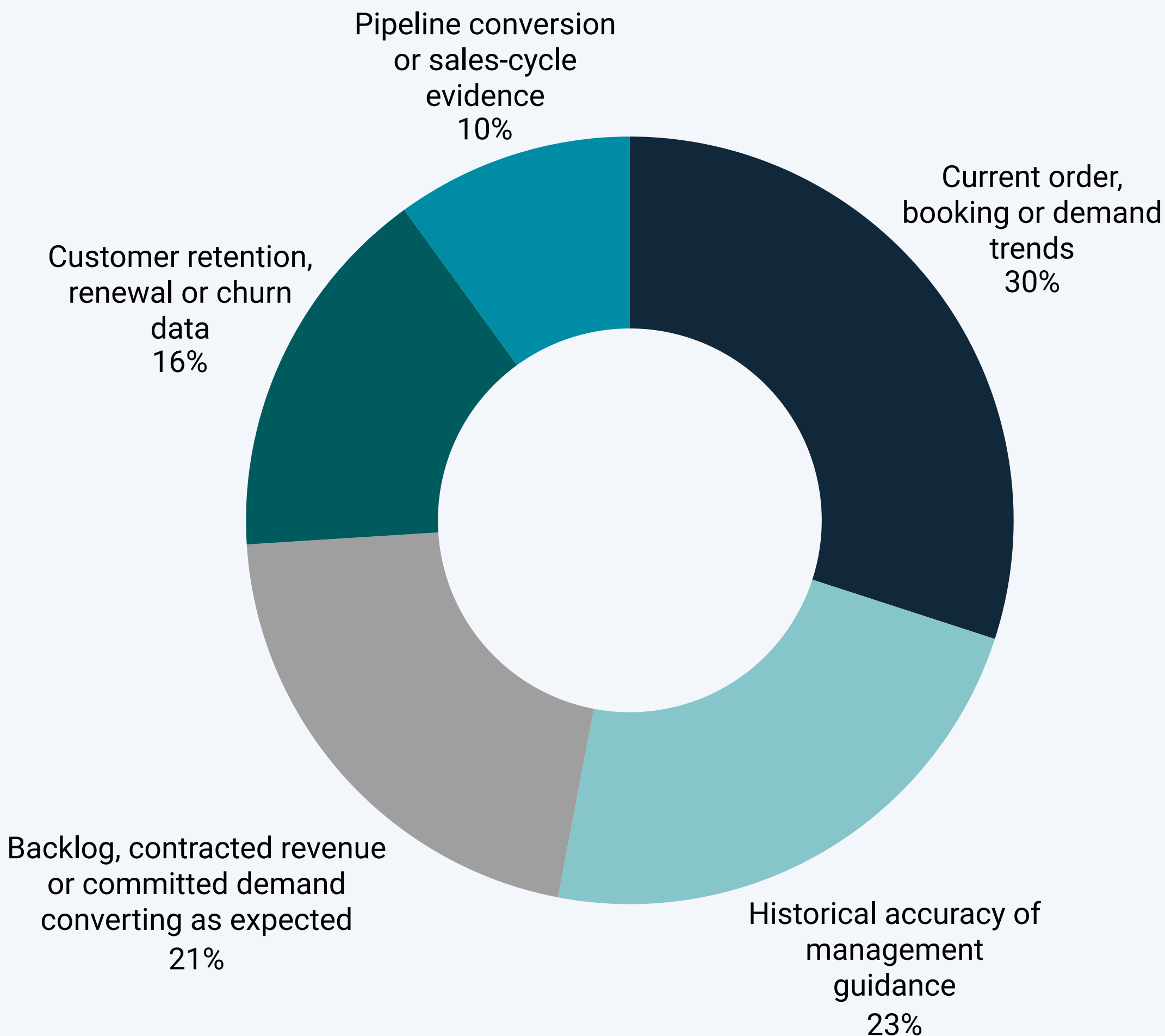
21

Which proof point would most increase your confidence in management's valuation narrative?



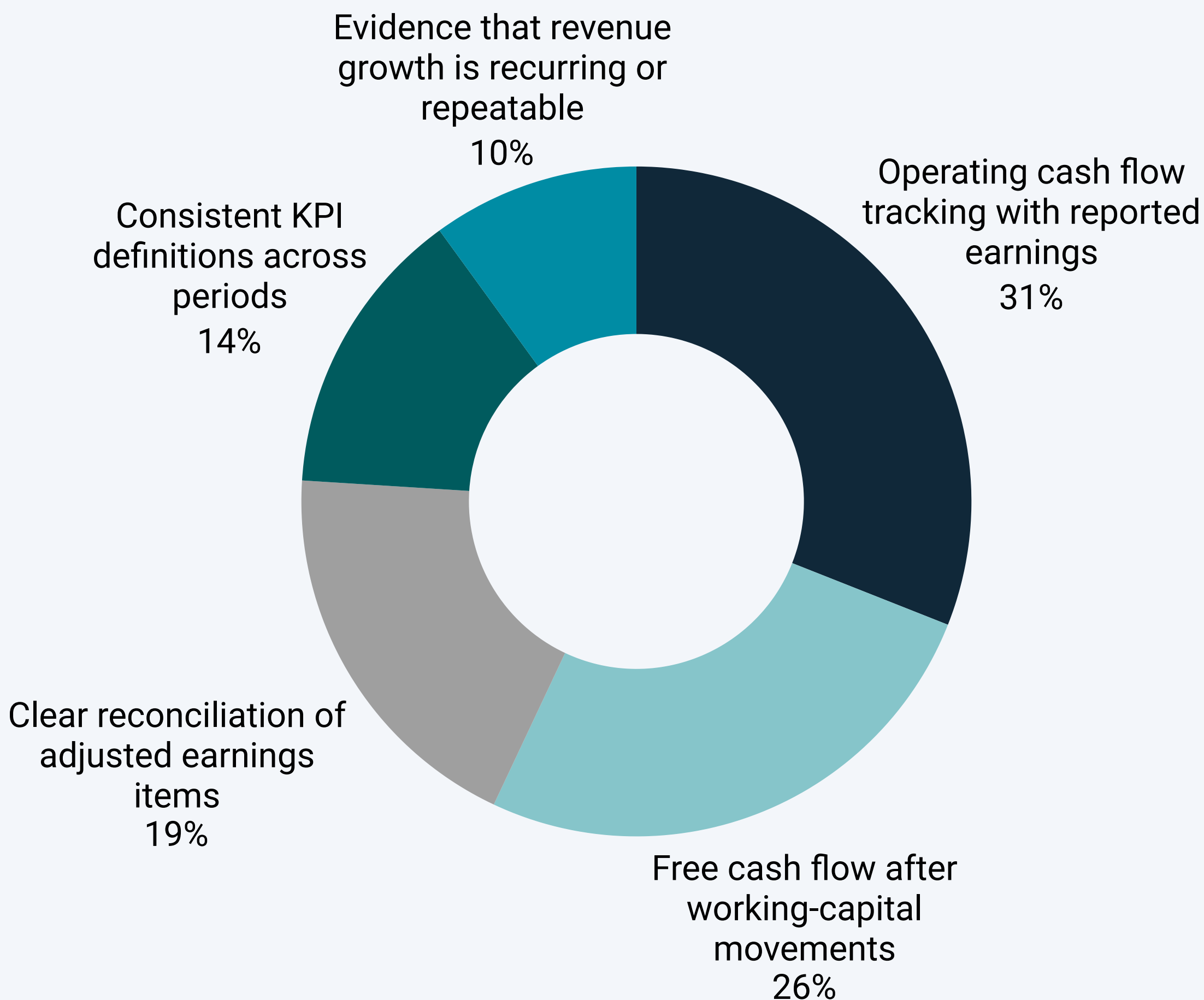
22

Which proof point would most improve confidence that guidance is achievable?



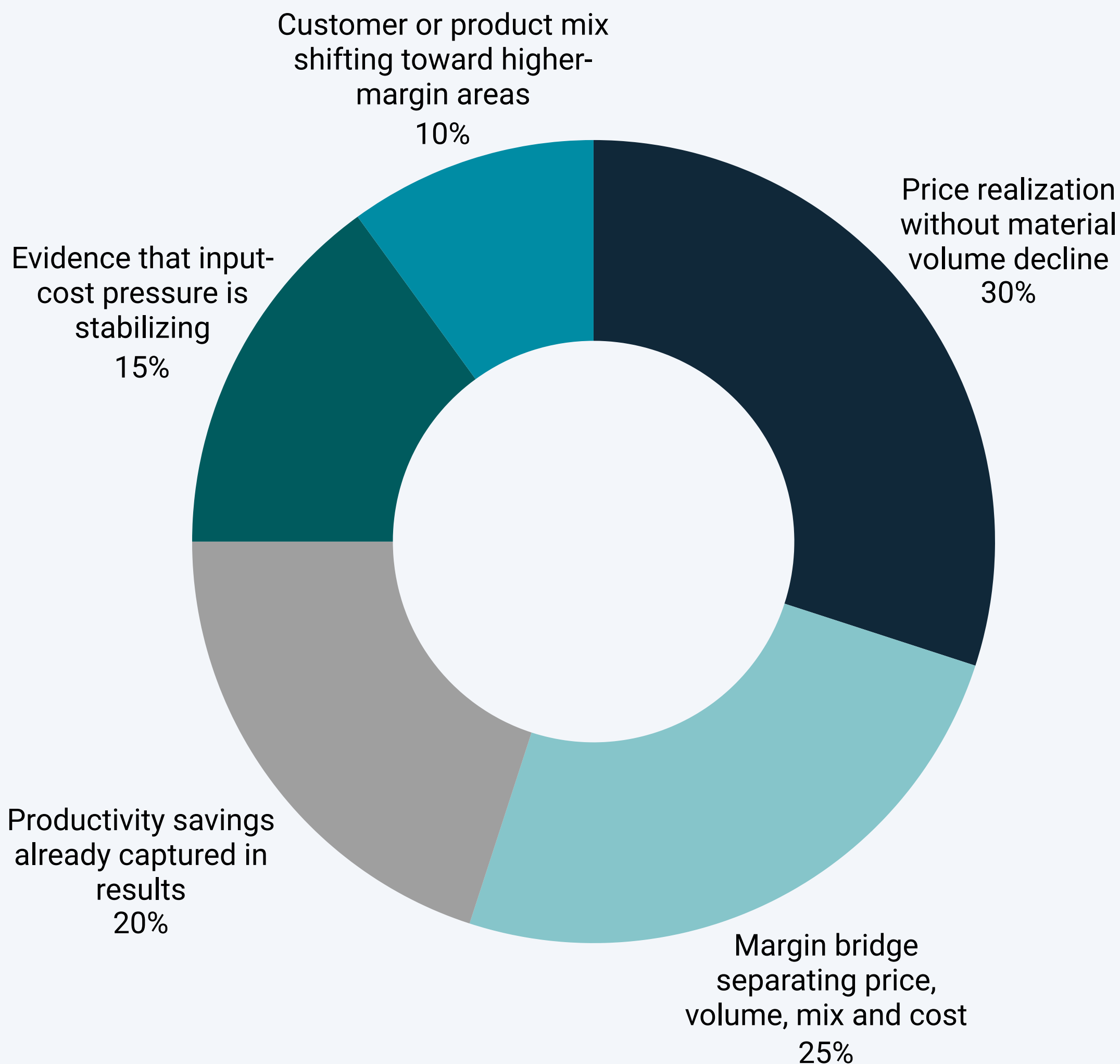
23

Which proof point would most improve confidence in earnings quality?



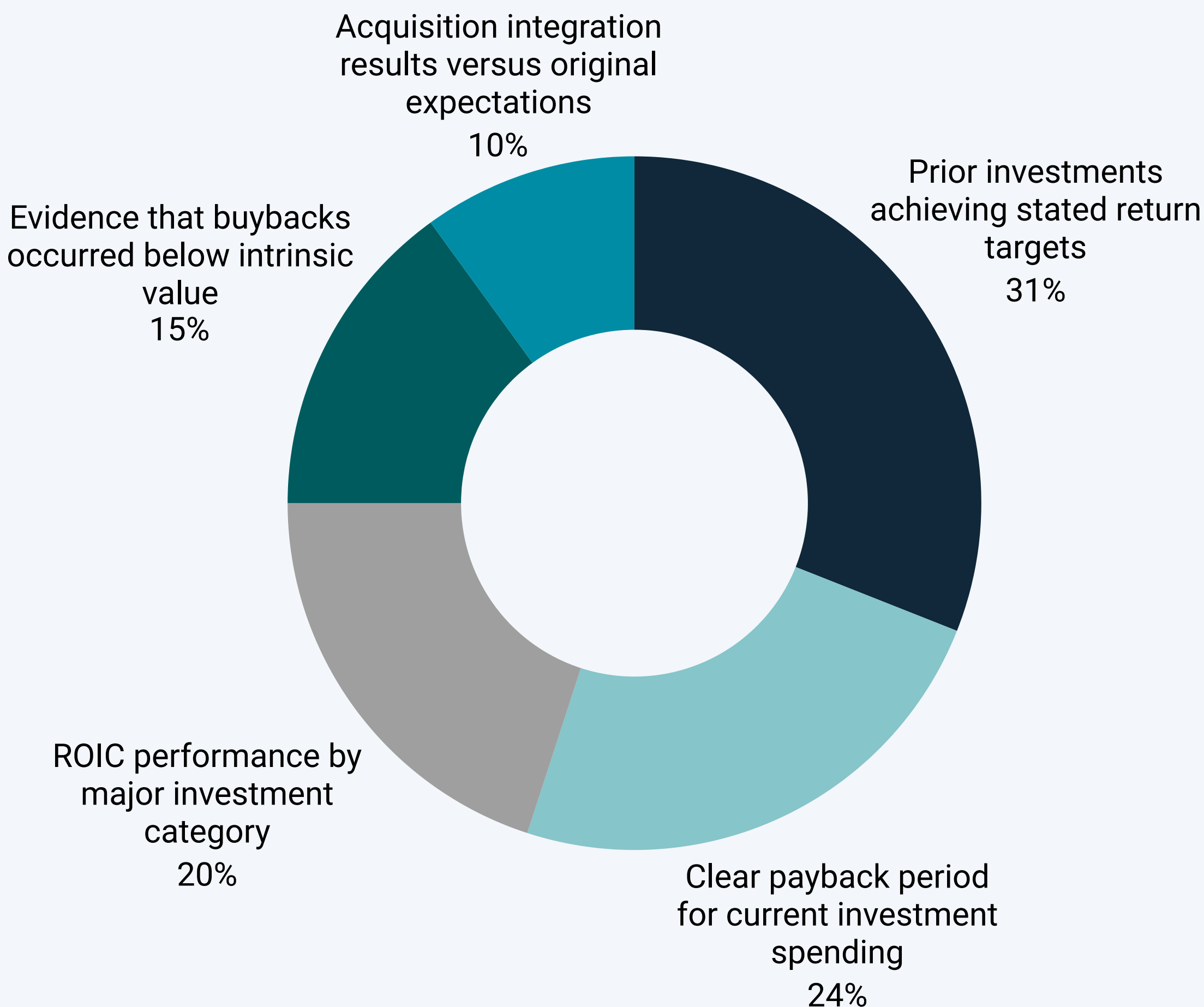
24

Which proof point would most improve confidence in margin durability?



25

Which proof point would most improve confidence in capital-allocation discipline?



Section 6:

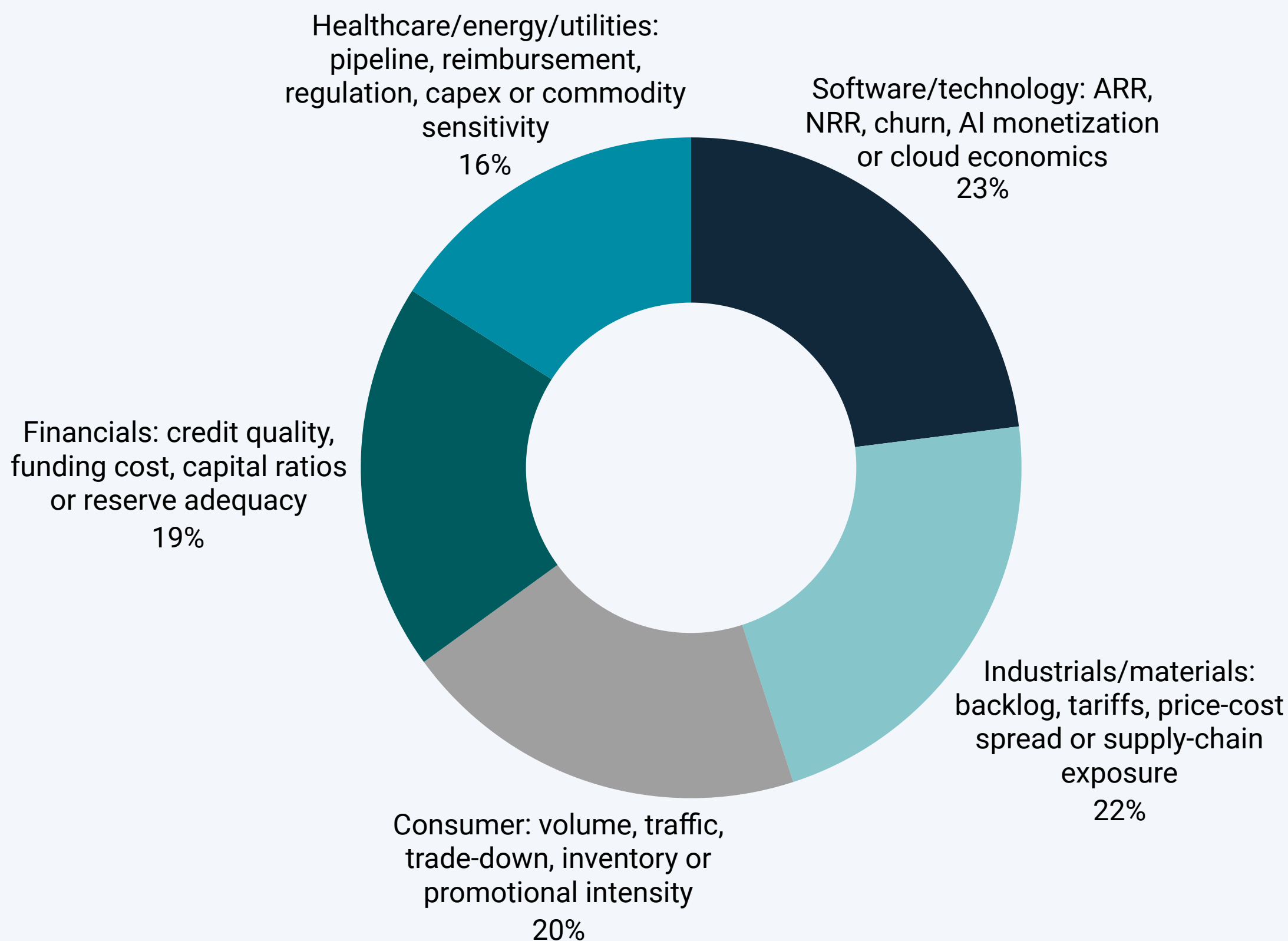
Sector

Valuation

Overlay

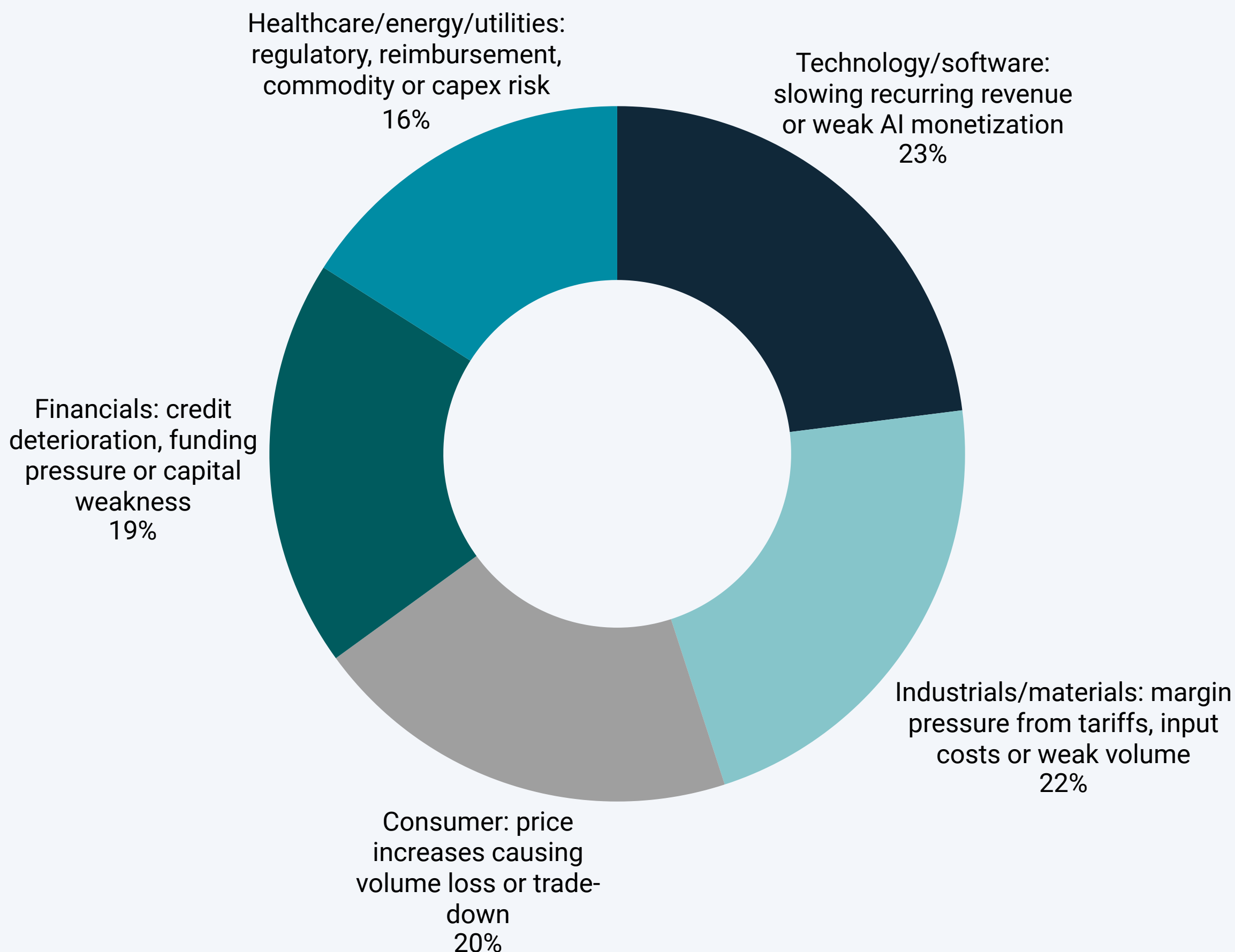
26

**For companies where the topic
is financially material, which
sector-specific disclosure
would most improve valuation
confidence?**



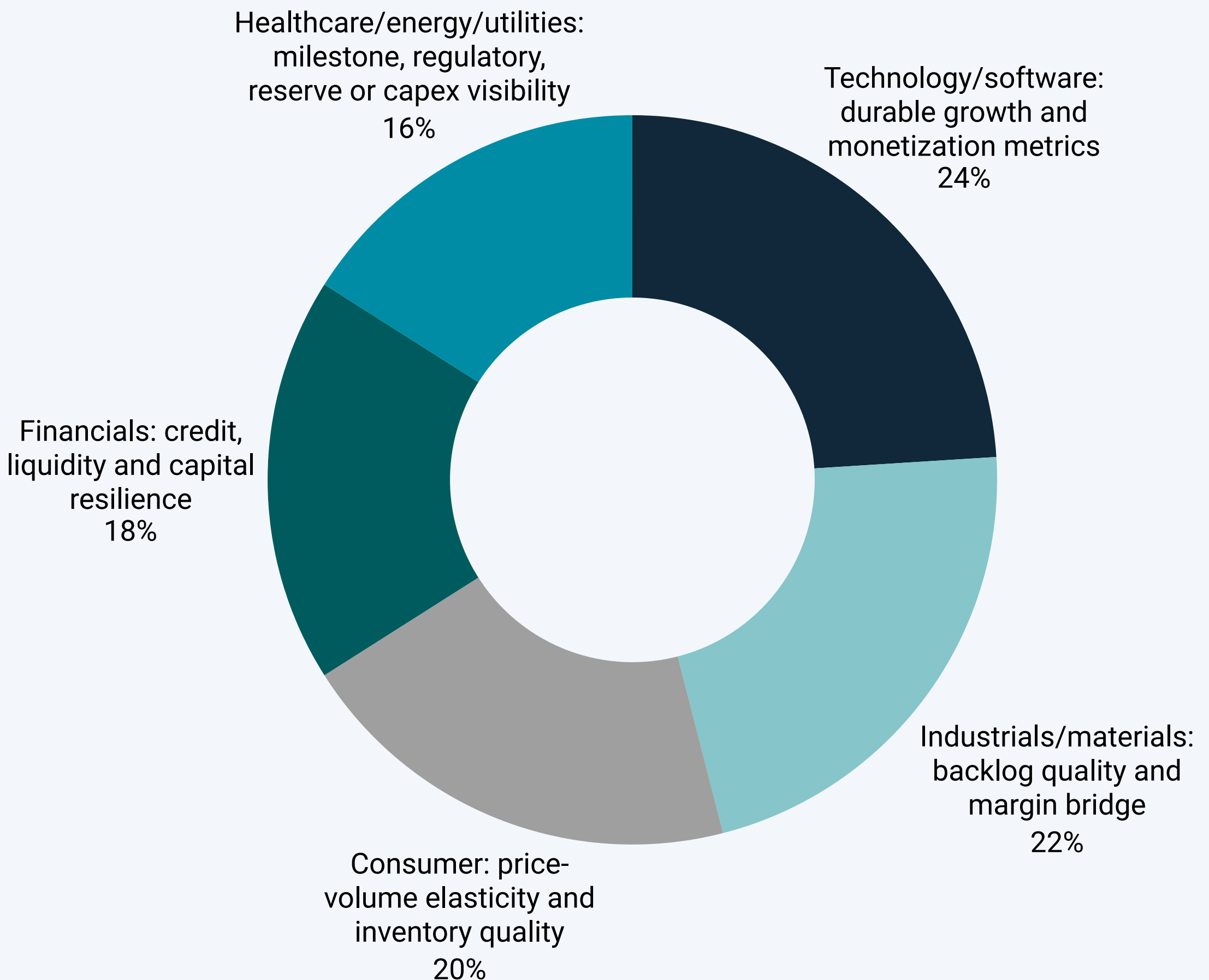
27

Which sector-specific weakness would most likely create a valuation discount?



28

Which sector-specific proof point would most help management defend the valuation?



Section 7:

Disclosure and

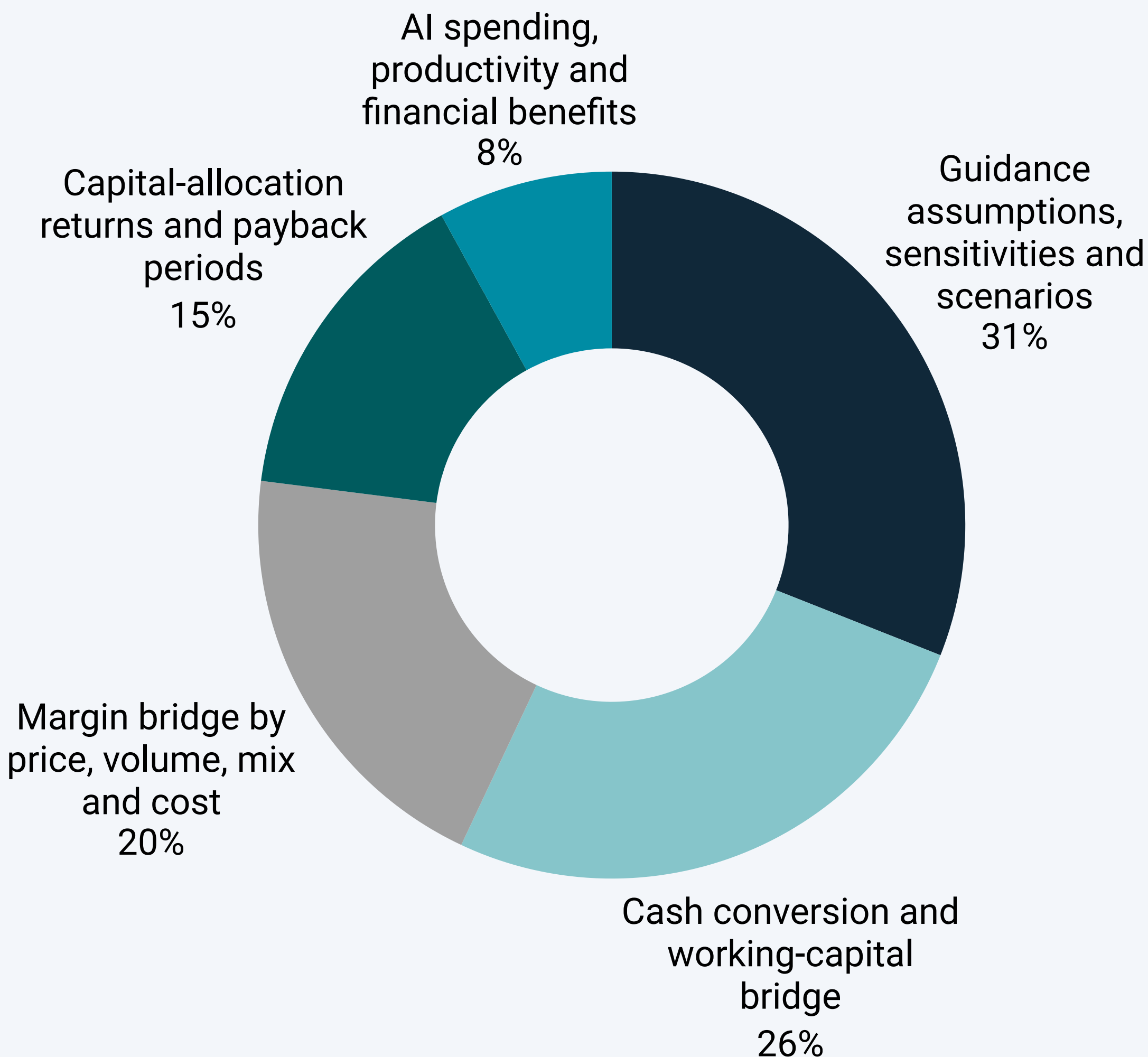
Q&A

Preparation

for IROs

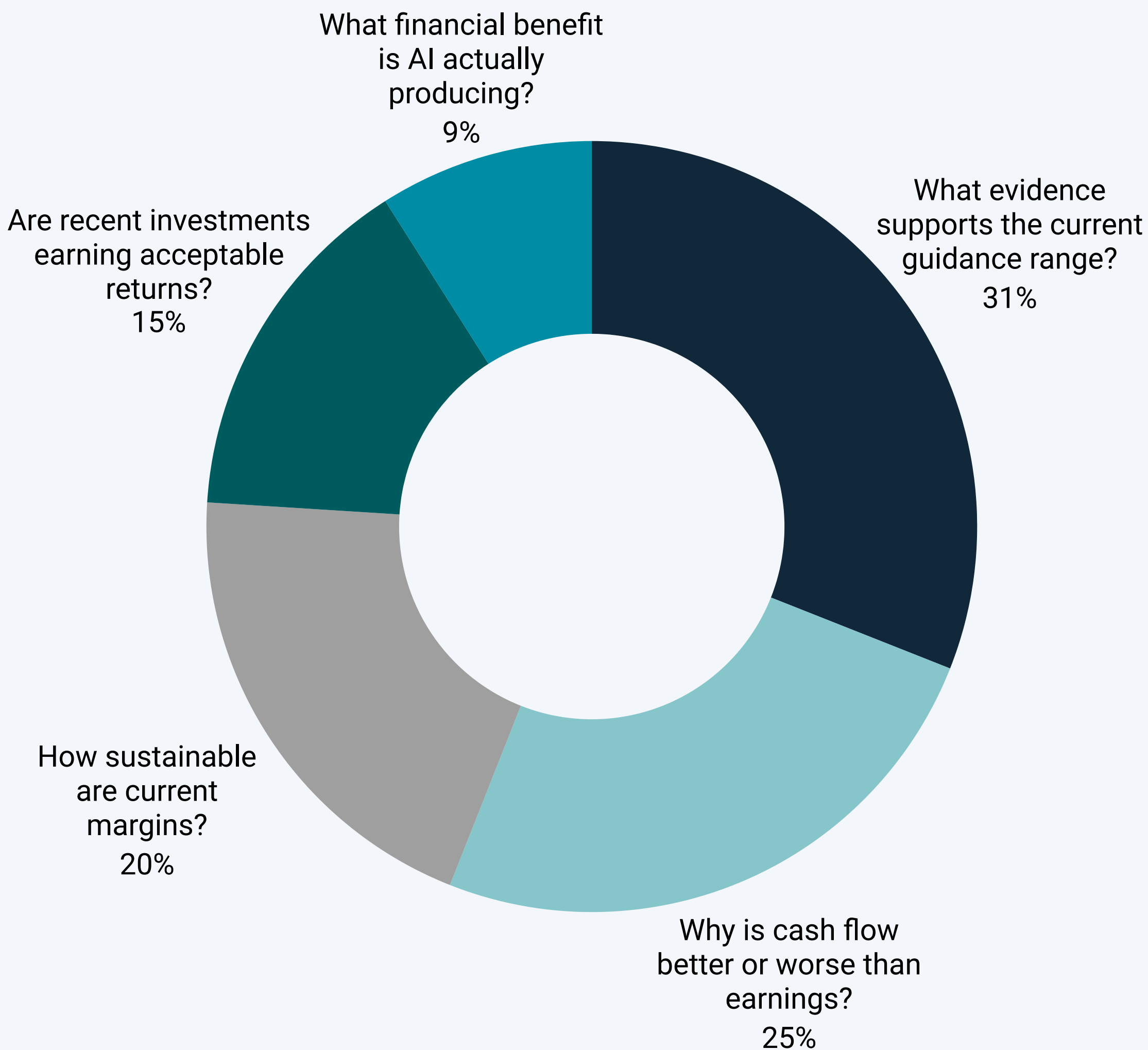
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Which disclosure should the IRO prioritize improving before the Q2 2026 call?



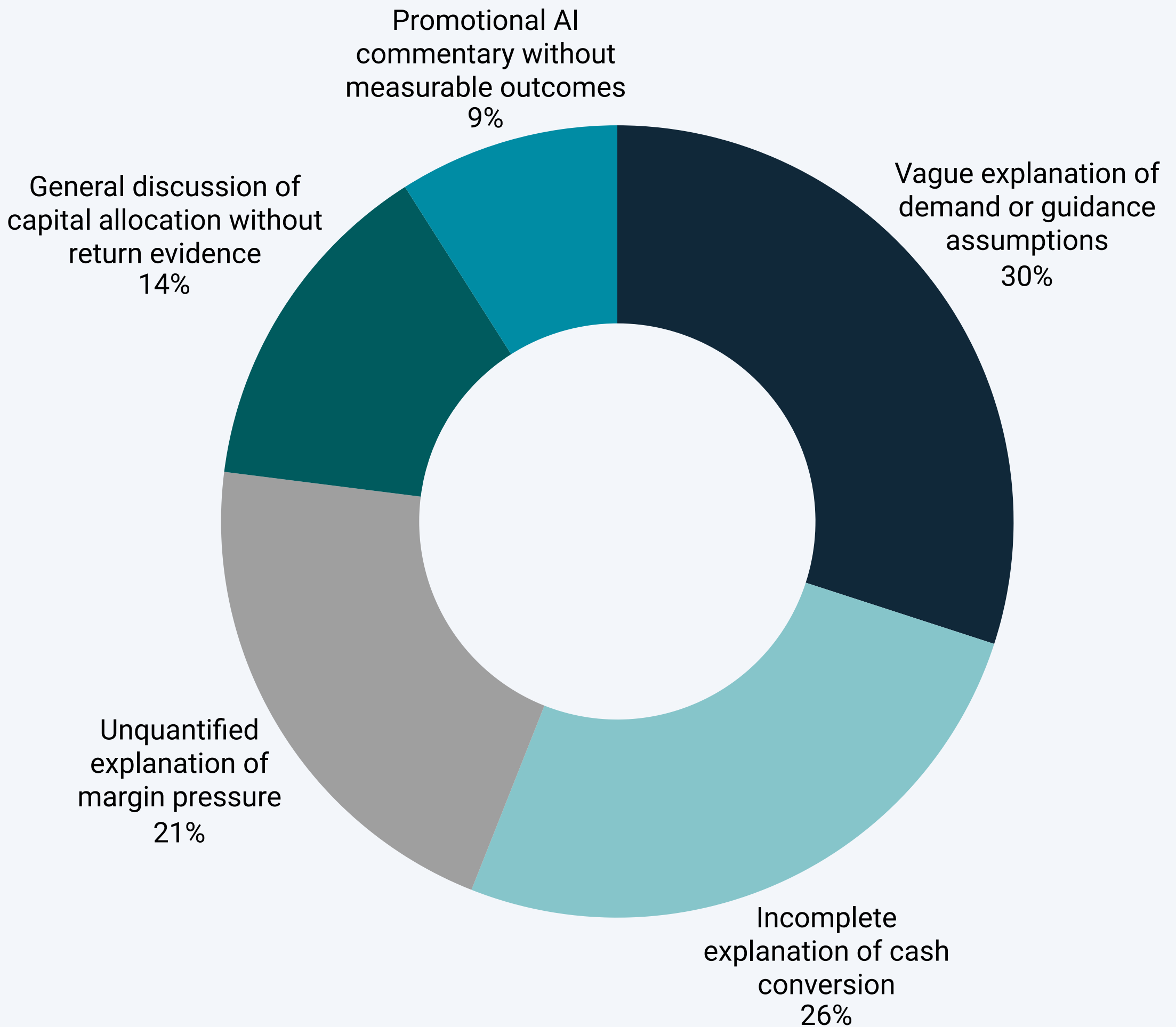
30

Which analyst question would be most important for management to prepare for?



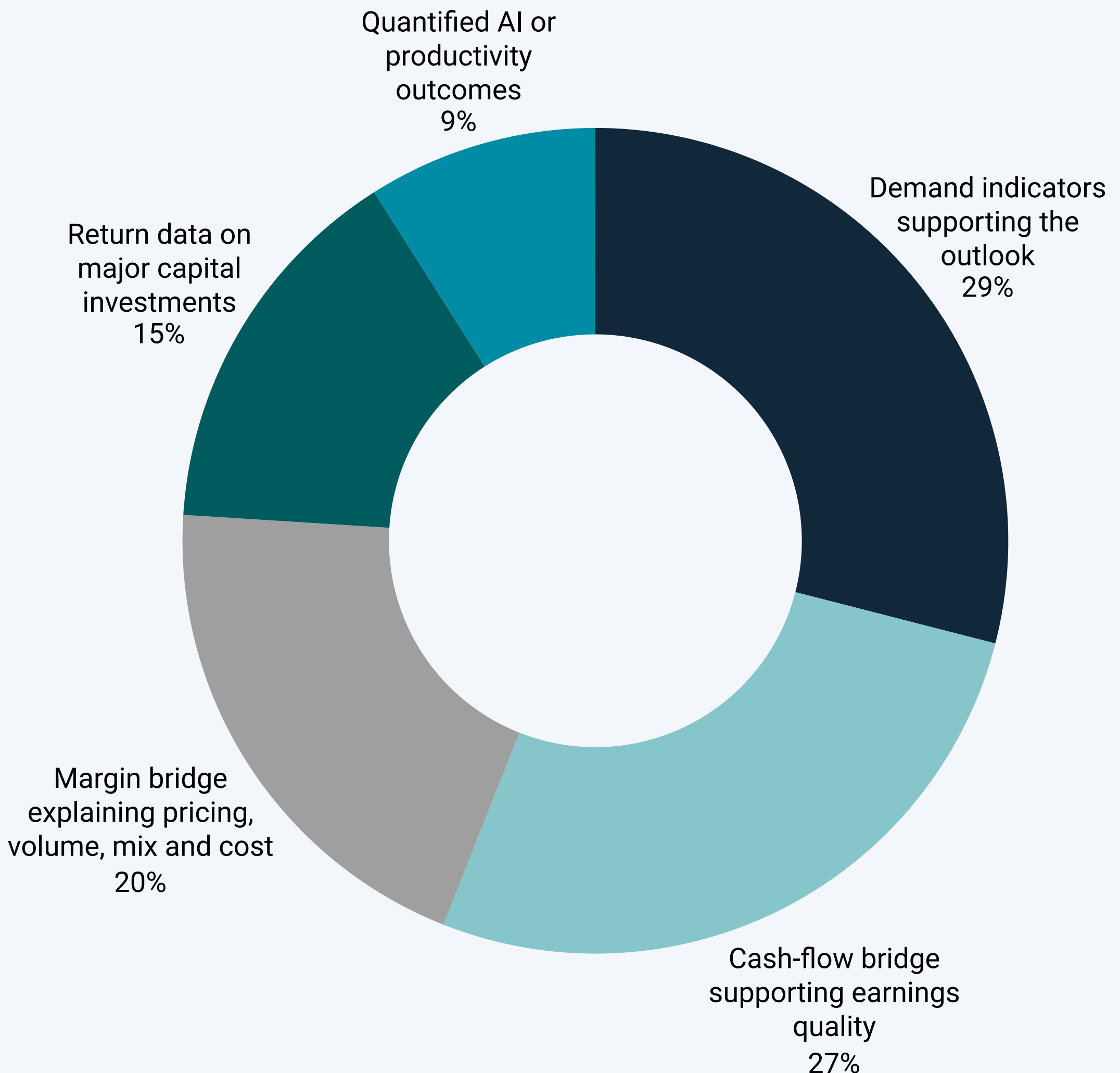
31

Which weak answer would be most likely to hurt valuation confidence?



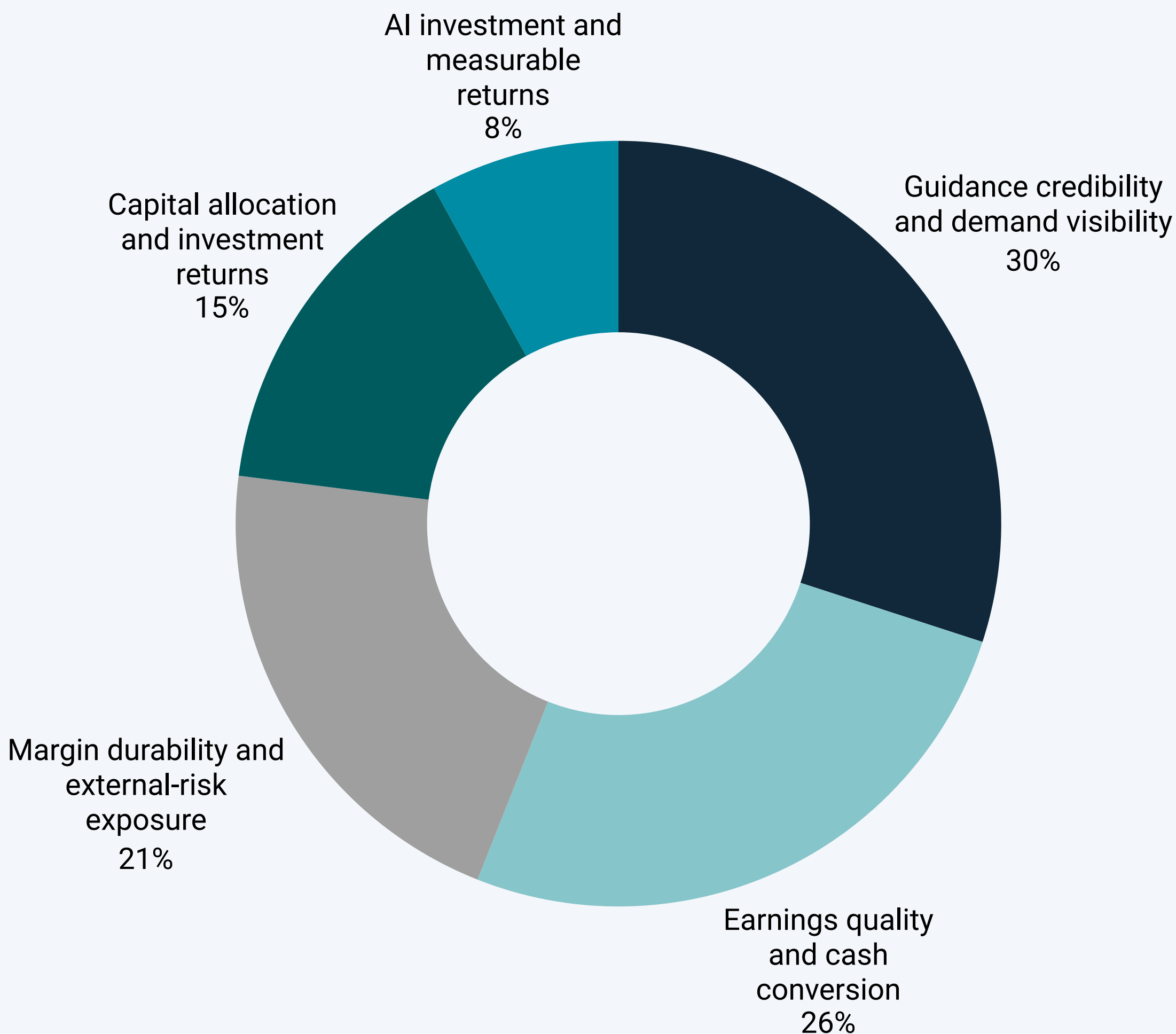
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Which evidence should management bring into the call to support valuation confidence?



33

Which topic should receive the greatest board and management attention before the Q2 2026 earnings call?



IRO READOUT

Highest-priority message for Q2 2026:

Investors are most valuation-sensitive to whether management can support guidance with observable operating evidence. Guidance credibility, demand visibility and cash conversion should lead the earnings-call preparation process.

MOST IMPORTANT PROOF POINTS

Management should bring five categories of evidence into the call:

1. Demand indicators supporting guidance
2. Cash-flow bridge supporting reported earnings
3. Margin bridge by price, volume, mix and cost
4. Return data on major investments
5. Quantified productivity or AI benefits where financially material

BIGGEST VALUATION RISKS

The most likely valuation-negative issues are:

- Guidance that is not supported by operating evidence
- Earnings growth that does not convert into cash
- Margin pressure that is not quantified
- Capital spending without demonstrated returns
- AI spending without measurable financial outcomes

BREAKWATER CAPITAL MARKETS

Capital markets and investor relations advisory elevating valuations, providing advanced investor intelligence, and optimizing executive decision-making and investor communications.

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