
Four learnings from Q2 earnings

- **An analyst view by Edward Zhou, Invesco Global Equities**

LONDON, 08 September 2025 – Q2 results provided the setup for some volatile moves across the market. With market valuations near all-time highs, increasing trepidation around the US consumer and with the tariff impact yet to fully emerge, companies have to meet the high hurdle of investor expectations. We believe companies with strong operational execution capabilities which are able to adapt to a rapidly changing political environment, are best positioned to thrive.

Q2 earning review - Four learnings:

1. Tariff tantrums: post tariff implementation, we are starting to see the first signs of pressure on company income statements. Whilst most of our investment companies (Safran, Rolls Royce and Abbott among others) have adeptly offset this headwind via internal supply procurement initiatives, companies with overly reliant Chinese supply chains have taken the brunt of the impact. Apple management have guided to an ongoing \$1.1b of ongoing tariff impact to be incurred.

2. Consumer conundrums: impact on the consumer is still yet to be fully felt with many US companies still drawing down on their pre-tariff inventories. With many companies (Costco, Walmart, Home Depot) announcing tariff driven price increases in recent months, this will likely change. All the while, consumption patterns are adapting in response – the logistics companies within our portfolios are seeing some signs of pull-forward in shipments volumes supporting this trend.

3. Man's search for value (in goods and services): in times of increased uncertainty and wallet tightening, services with differentiated value propositions are increasingly resonating with US consumers. Companies such as Coca-Cola and Coca-Cola EuroPacific Partners are exploiting their marketing prowess to target new consumer occasions and take share within the global beverage market. On the other side of the spectrum, cruise companies have been able to expand and invest in their service (new itineraries) whilst offering a record high discount to land based alternatives, driving a new cohort of customers to experience an underpenetrated leisure offering.

4. Big tech does not equal big turmoil (at least not yet!): In Q2, Big tech names such as Microsoft and Meta have once again proven to be a safe harbour in a volatile storm of Q2 earnings.

Increasing datapoints support the notion of resilience in spending on cloud services and digital ads thanks to "AI-driven efficiencies".

Stephen Anness, Head of Global Equities at Invesco, comments: *"In an uncertain world, we remain committed to rigorous stock analysis and delivering diversified portfolios, with the aim of providing returns for our investors through changing market environments".*

ENDS

Press contact:

Michelle Ballington
Head of UK Media Relations
Invesco
michelle.ballington@invesco.com
+44(0)1491 416353

Beth Hall
Invesco
Beth.hall@invesco.com
+44(0) 1491417324

Notes to editors:

[Edward Zhou](#) is an analyst for the Henley-based Global Equities team.
[Stephen Anness](#) is head of Global Equities.

About Invesco Ltd.

Invesco is a global independent investment management firm. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. With offices in more than 20 countries, Invesco managed \$2 trillion in assets on behalf of clients worldwide as of June 30, 2025. For more information, visit invesco.com/uk.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance does not predict future returns.

Forecasts are not reliable indicators of future performance.

Important Information

This press release is for trade press only.

This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security, or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication.

Views and opinions are based on current market conditions and are subject to change.

Telephone calls may be recorded.

This document is issued in the UK by Invesco Fund Managers Limited, Perpetual Park Drive, Henley-on-Thames, Oxfordshire, RG9 1HH. Authorised and regulated by the Financial Conduct Authority.