US Credit Research and Strategy

All about AI: Lessons from earnings calls (April 13-17)

AI has become a prominent topic on earnings calls. While management commentary is broadly positive, the credibility and materiality of initiatives vary across issuers. We aggregate fundamental analyst views to assess where AI influences core operations and where effects remain incremental.

AI commentary on earnings calls is widespread but uneven in substance. Artificial intelligence has become a recurring and increasingly substantive topic on earnings calls as management teams discuss potential implications for business models, cost structures, and competitive dynamics. While AI is often presented as a clear positive, the nature, credibility, and materiality of its effects vary widely across issuers. For credit investors, distinguishing between aspirational commentary and meaningful change is becoming more important as AI-related investment and disruption accelerate across sectors.

In our *All about AI* series, we build on our Corporate Earnings Scorecard and aggregate views and quotes from our fundamental analyst teams across investment grade and high yield. Using the same universe of issuers, analysts assign a qualitative score from 1 to 5 for each company and highlight relevant excerpts from earnings releases and calls, alongside their own commentary.

This series is designed to separate meaningful AI effects from earnings call noise. As shown in Figure 10, the framework evaluates issuers across two dimensions. Exposure reflects whether AI is likely to be a headwind, a tailwind, or have a limited net effect on the core business, independent of management framing. Adoption reflects the degree to which companies are investing in AI and translating those efforts into execution. At the low end, a score of 1 indicates minimal AI investment and a greater risk that AI represents a headwind. At the high end, a score of 5 indicates a high level of investment backed by credible execution and AI acting as a tailwind to the business. Together, these assessments provide a structured framework for evaluating where AI is likely to matter for credit and where its effects remain incremental or uncertain.

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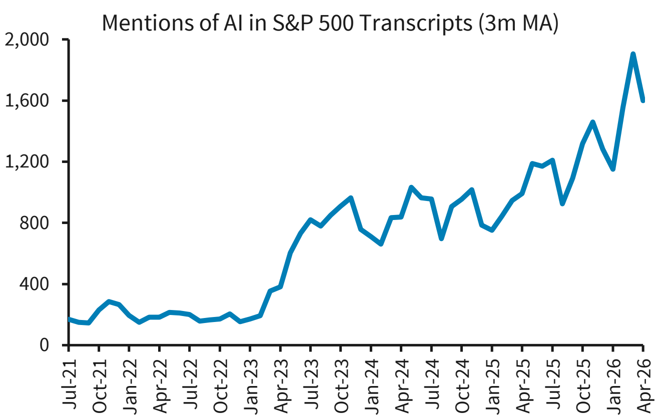
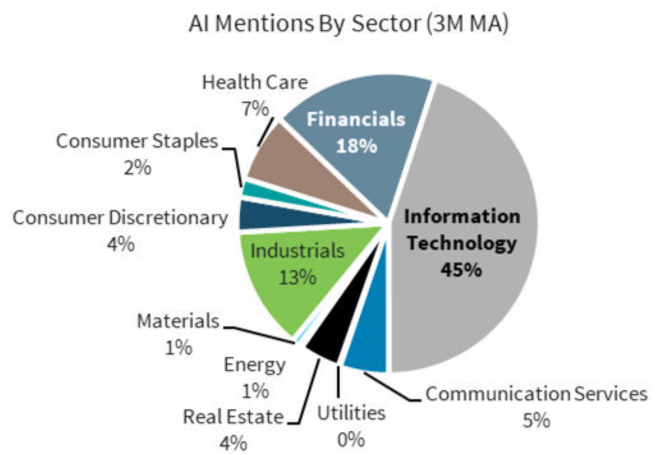
FIGURE 1. Management commentary on AI has increased meaningfully



Note: Data based on AI-identified mentions in S&P500 transcripts.

Source: Bloomberg, Barclays Research

FIGURE 2. AI mentions by sector

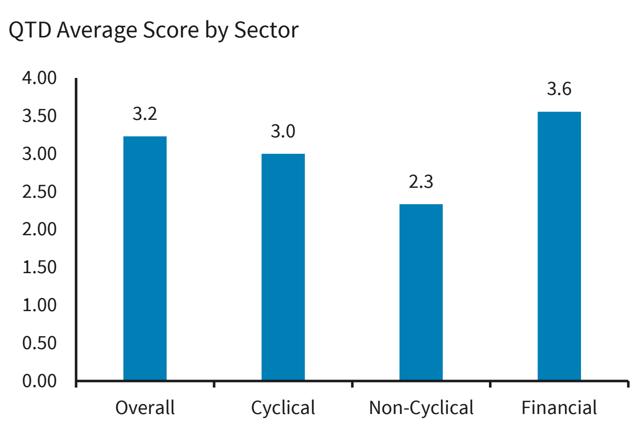


Note: As of April 19, 2026. Data based on AI-identified mentions in S&P500 transcripts.
Source: Bloomberg, Barclays Research

AI scores have clustered in the middle-to-upper range among early reporters. Based on a limited sample of 14 issuers that our analysts follow and that have reported earnings, the quarter-to-date distribution is centered on scores of 3 and 4, with no early-season outliers at either end of the range (Figure 4). This points to a broadly constructive but measured tone, with management teams emphasizing credible deployment and ongoing investment while stopping short of framing AI as a near-term driver of revenue or fundamental business model change.

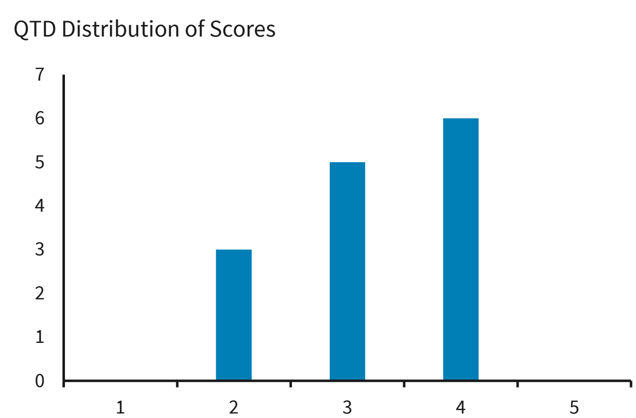
Financials currently show the highest quarter-to-date average AI score. Bank commentary has consistently framed AI as a capability already in use tied to efficiency, risk management, and cyber-security rather than as a standalone growth initiative (Figure 3). Taken together, early earnings commentary suggests that banks are making tangible progress on integrating AI into core operations, with benefits most evident in productivity, controls, and service quality, supporting a constructive read-through for the sector.

FIGURE 3. AI earnings scores (1 = worst, 5 = best) for companies that have reported 1Q26 results



Note: Scores are a simple average of a scale where 1 is the worst and 5 is the best.
Source: Barclays Research

FIGURE 4. Distribution of scores in 1Q26



Source: Barclays Research

Investment Grade

IG Media & Cable/A&D: Andrew Keches, CFA | +1 212 412 5248 | BCI, US

FIGURE 5. AI Scorecard

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
Netflix Inc (NFLX)*	3	Neutral	Credible Investing	"We expect GenAI to help make content better and better, better tools, better processes...So, we see that as all great opportunities to leverage new technical capabilities across every aspect of the business"	

Not Covered credits indicated with *.
Source: Company filings/presentations, Barclays Research

IG Consumer/Retail : Priya Ohri-Gupta, CFA | +1 212 412 3759 | BCI, US

FIGURE 6. AI Scorecard

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
PepsiCo (PEP)	3	Neutral	Credible Investing	AI and data analytics cited as important drivers of productivity, supporting cost savings across transportation, logistics, supply chain, and go-to-market execution. AI-enabled digital ordering systems used to streamline order capture and improve sales efficiency. These efforts are part of a broader, multi-year productivity program, with continued runway to fund consumer value and affordability. No expected material disruption or direct AI-related product exposure.	LINK

Not Covered credits indicated with *.
Source: Company filings/presentations, Barclays Research

IG Healthcare: Afsah Quadri | +1 212 412 2343 | BCI, US

FIGURE 7. AI Scorecard

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
Abbott Laboratories (ABT)*	2	Neutral	Minimal Investing/No Investment Plans	ABT should benefit from AI adoption, particularly in Diagnostics, Diabetes Care, and Med Devices, though management did not provide specific AI initiatives.	
Johnson & Johnson (JNJ)*	2	Neutral	Minimal Investing/No Investment Plans	AI should complement JNJ's core business by improving R&D productivity, clinical development, etc, though management did not lay out specific AI initiatives.	

Not Covered credits indicated with *.
Source: Company filings/presentations, Barclays Research

IG Financials: Peter Troisi | +1 212 412 3695 | BCI, US

FIGURE 8. AI Scorecard

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
Marsh & McLennan (MRSH)	2	Headwind	Credible Investing & Realizing Meaningful Benefits	Noted three pillar approach: 1) growth - whether that's AI products or consulting capabilities or advising on AI deployment; 2) productivity; 3) efficiency. While we believe the company is proactive in implementing AI, we remain cautious on the long [illegible] effects of AI on consulting and portions of its brokering business (but view thi[illegible] lower than its peers).	
Travelers (TRV)	3	Neutral	Credible Investing	TRV highlighted that concerns about AI disrupting insurance distribution is a [illegible] conversation for a later time.	

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
Bank of America (BAC)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	Noted that it invested "heavily" in cyber-security to ensure safety and in a "never down" system and that AI will lead to cost efficiencies and help with client interaction.	LINK
Citigroup (C)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	Will cover AI more in-depth on its Investor Day (May 7). Noted that buckets it looks at are: 1) business strategy, 2) productivity gains, 3) defensive capabilities, such as cyber-fraud.	LINK
Goldman Sachs (GS)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	Commented that cyber has been at the core of its business for a long time. GS has Anthropic's Mythos model and is working with the company to harness its capabilities.	LINK
JPMorgan Chase (JPM)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	Noted that cyber is one of its largest risks and believes that it is well protected due to heavy investments. JPM noted that it has top experts, constantly interfaces with the government, and constantly updates its processes.	LINK
Morgan Stanley (MS)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	Currently has Anthropic's Mythos model. Noted that cyber has been a top priority and that it views AI also as an efficiency and effectiveness tool.	LINK
Wells Fargo (WFC)	4	Neutral	Credible Investing & Realizing Meaningful Benefits	WFC noted that Fargo, its AI-powered virtual assistant, has reached over a billion customer interactions.	LINK

Not Covered credits indicated with *.
Source: Company filings/presentations, Barclays Research

High Yield

HY Retail/Food & Beverage/Consumer Products: Hale Holden | +1 212 412 1524 | BCI, US

FIGURE 9. **AI Scorecard**

Issuer	AI Score (1-5)	Exposure	Adoption	Comments on AI exposure and adoption	Link to Report
Albertsons Co. (ACI)	3	Neutral	Credible Investing	ACI is investing heavily in its AI-enabled shopping assistant, which it believes has contributed to a meaningful lift in basket size. Additionally, the company is utilizing AI for pricing decisions, labor optimization, and supply chain optimization.	LINK

Not Covered credits indicated with *.
Source: Company filings/presentations, Barclays Research

Methodology

Scores represent analysts' subjective judgments based on the grid shown in Figure 10, which is intended to provide consistent guideposts across sectors and issuers.

FIGURE 10. AI Scorecard Methodology

		EXPOSURE		
		Headwind (AI substitutes core business)	**Neutral (limited direct impact)**	**Tailwind (AI complements core business)**
ADOPTION	**Credible Investing and Realizing Meaningful Benefits**	Headwind Exposure Credible Investing & Realizing Benefits (2)	Neutral Exposure Credible Investing & Realizing Benefits (4)	Tailwind Exposure Credible Investing & Realizing Benefits (5)
	Credible Investing	Headwind Exposure Credible Investing (2)	Neutral Exposure Credible Investing (3)	Tailwind Exposure Credible Investing (4)
	Minimal Investing / No Investment Plans	Headwind Exposure Minimal Investing / No Investment Plans (1)	Neutral Exposure Minimal Investing / No Investment Plans (2)	Tailwind Exposure Minimal Investing / No Investment Plans (2)

Source: Barclays Research