# Top Buyback Surprises from Q1 2025 Earnings Season

As of Q1 2025, buyback activity has exceeded expectations, with many companies across sectors returning capital to shareholders despite economic uncertainty. Notably, major tech firms like Alphabet, Meta, and Apple made substantial repurchase announcements, with Meta executing its largest-ever quarterly buyback. The financial sector also saw significant increases in buybacks, as Citigroup, Morgan Stanley, and Goldman Sachs demonstrated strong confidence in their capital positions. Visa surprised with a $30 billion buyback, while Uber launched a $1.5 billion accelerated repurchase. In contrast, UPS and General Motors paused their buybacks due to operational and macroeconomic challenges. Overall, while financially strong companies, particularly in tech, continue aggressive repurchase programs, others facing external pressures are taking a more cautious approach.

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With approximately 80% of S&P 500 companies having reported earnings, the Guzman team wanted to share the most notable buyback surprises from the 1Q 2025 earnings season:

**Buybacks Exceed Expectations:** Surprisingly, buyback announcements have accelerated overall, surpassing our initial expectations. In our March update, we anticipated a pause or slowdown due to the impact of tariffs and resulting economic uncertainty. However, companies across multiple sectors continue to actively return capital to shareholders, demonstrating confidence and strong balance sheets despite market headwinds. We are watching closely to see whether this trend continues into 2Q 2025.

**Tech Sector Commitment to Shareholder Return**: While not entirely unexpected, major tech firms' renewed pledge to robust shareholder returns was impressive. Alphabet re-authorized a substantial $70 billion share repurchase program, matching its record-setting prior authorization. Meta Platforms executed its largest-ever quarterly buyback, repurchasing $13.4 billion in Q1, while maintaining a significant $70 billion authorization and introducing its first dividend. Interestingly, Apple slightly reduced its authorization to $100 billion, representing a $10 billion decrease compared to its previous level.

**Major Banks Signal Strong Confidence**: Key financial firms notably increased buyback activity, signaling optimism even amid economic uncertainty. Citigroup executed its largest quarterly buyback since 2022, repurchasing $1.75 billion of shares—highlighting confidence in its capital position and the effectiveness of its strategic restructuring. Morgan Stanley resumed share buybacks after a pause, completing around $1 billion in repurchases, reaffirming its improved capital management post-integration of acquisitions. Meanwhile, Goldman Sachs authorized a $40 billion buyback program and executed a record $4.36 billion repurchase in Q1, showcasing its robust capital buffer.

**Visa's Large-Scale Repurchase Program**: Visa surprised the market by announcing a new $30 billion buyback authorization. Management emphasized that the program—one of the largest in the financial sector—reflects the strength of its balance sheet and its commitment to returning excess capital to shareholders.

**Uber Technologies Accelerates Share Repurchase**: Uber Technologies initiated a meaningful $1.5 billion Accelerated Share Repurchase (ASR) early in Q1 as part of a larger $7 billion buyback authorization. Management framed the timing as strategic, explicitly stating that the stock was undervalued. This move reflects strong internal conviction about the company's future earnings trajectory and market positioning.

**Pauses from UPS and General Motors**: In contrast, some companies opted to pause buybacks. UPS unexpectedly halted further buybacks after completing its full-year 2025 planned repurchase of $1 billion entirely in Q1, redirecting capital toward operational enhancements and transformation initiatives. Likewise, General Motors suspended its share repurchase program, citing expected cost increases and tariff-related uncertainty, despite posting stronger-than-anticipated quarterly earnings. These pauses indicate strategic caution and prudent capital management in sectors facing unique macro and operational challenges.

With overall strong buyback performance continuing, we're observing an emerging theme of bifurcation in corporate behavior. On one hand, financially strong companies—particularly in technology—demonstrated significant capacity to fund multi-billion-dollar buybacks while simultaneously pursuing strategic investments in areas like AI. Their actions underscore the powerful free cash flow generation of their businesses. On the other hand, companies facing external headwinds, such as potential tariffs, are showing increased caution, as seen in GM's decision to pause repurchases despite strong near-term results.

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