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Key Metrics

- **Earnings Scorecard:** For Q1 2025 (with 36% of S&P 500 companies reporting actual results), 73% of S&P 500 companies have reported a positive EPS surprise and 64% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q1 2025, the blended (year-over-year) earnings growth rate for the S&P 500 is 10.1%. If 10.1% is the actual growth rate for the quarter, it will mark the second-straight quarter of double-digit earnings growth reported by the index.
- **Earnings Revisions:** On March 31, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q1 2024 was also 7.2%. Seven sectors are reporting higher earnings today (compared to March 31) due to positive EPS surprises.
- **Earnings Guidance:** For Q2 2025, 10 S&P 500 companies have issued negative EPS guidance and 12 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 19.8. This P/E ratio is below the 5-year average (19.9) but above the 10-year average (18.3).

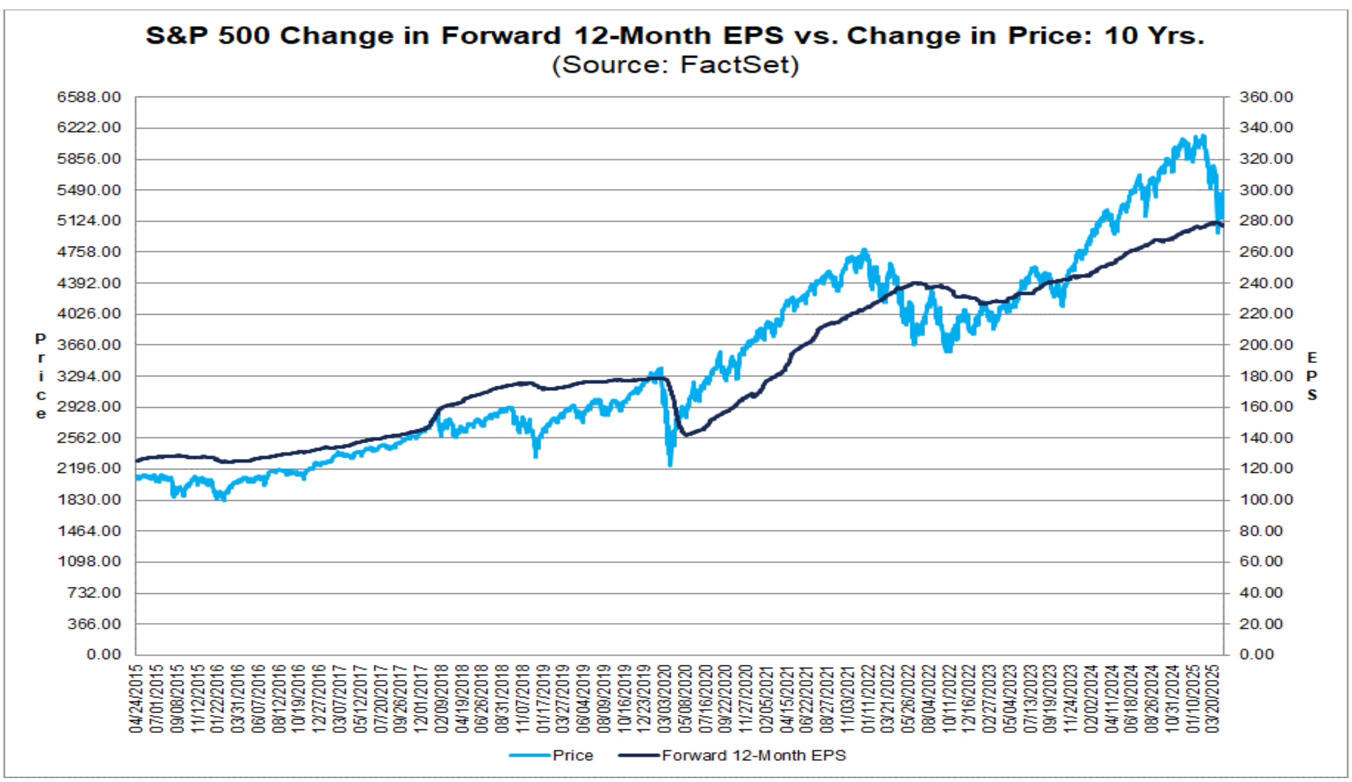

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Table of Contents

Commentary

Charts

Topic of the Week: 1

S&P 500 Reporting Net Profit Margin Above 12% for the 4th Straight Quarter

Given continuing concerns in the market about tariffs and higher costs, what is the S&P 500 reporting for a net profit margin for Q1?

The blended net profit margin for the S&P 500 for Q1 2025 is 12.4%, which is below the previous quarter's net profit margin, but above the year-ago net profit margin and above the 5-year average (11.7%).

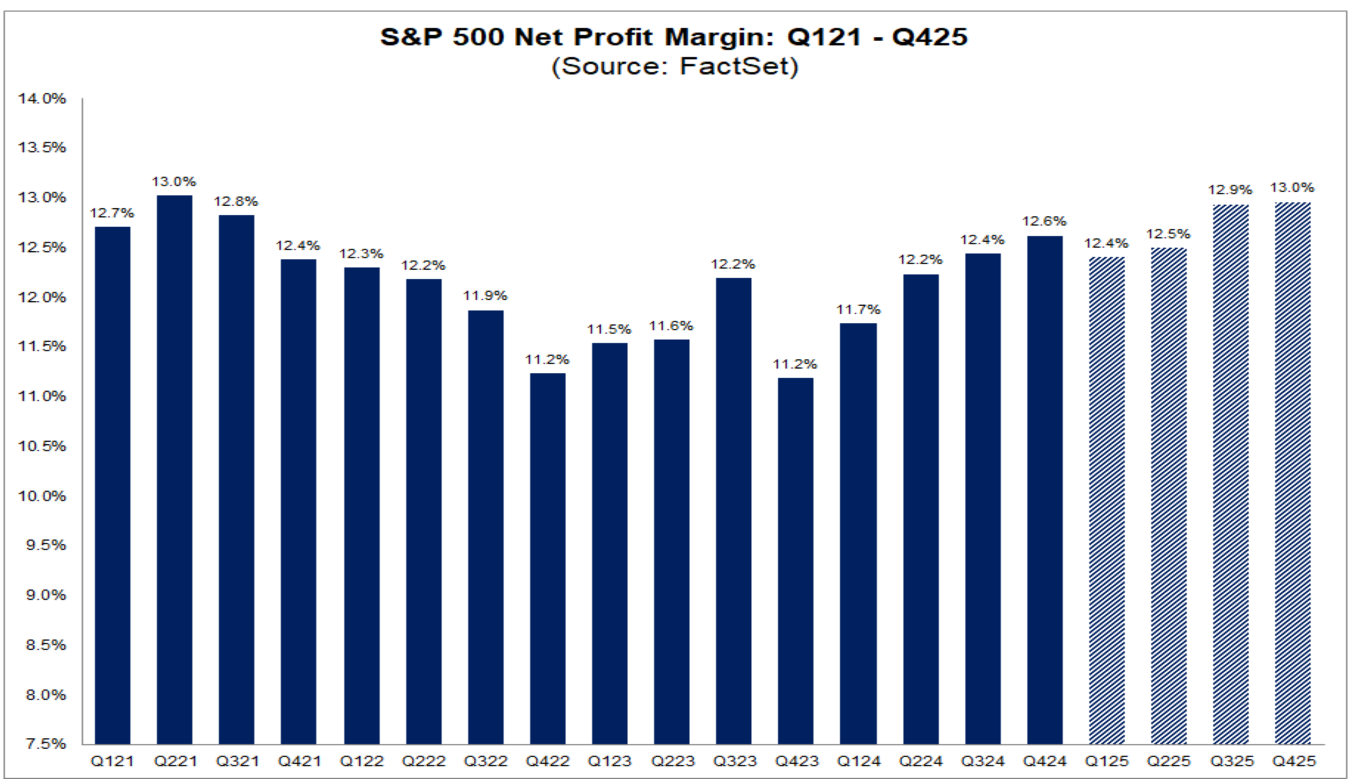
In fact, this quarter marks the 4th consecutive quarter that the S&P 500 is reporting a net profit margin above 12%. The last time the index reported four straight quarters of net profit margins above 12% was Q3 2021 through Q2 2022.

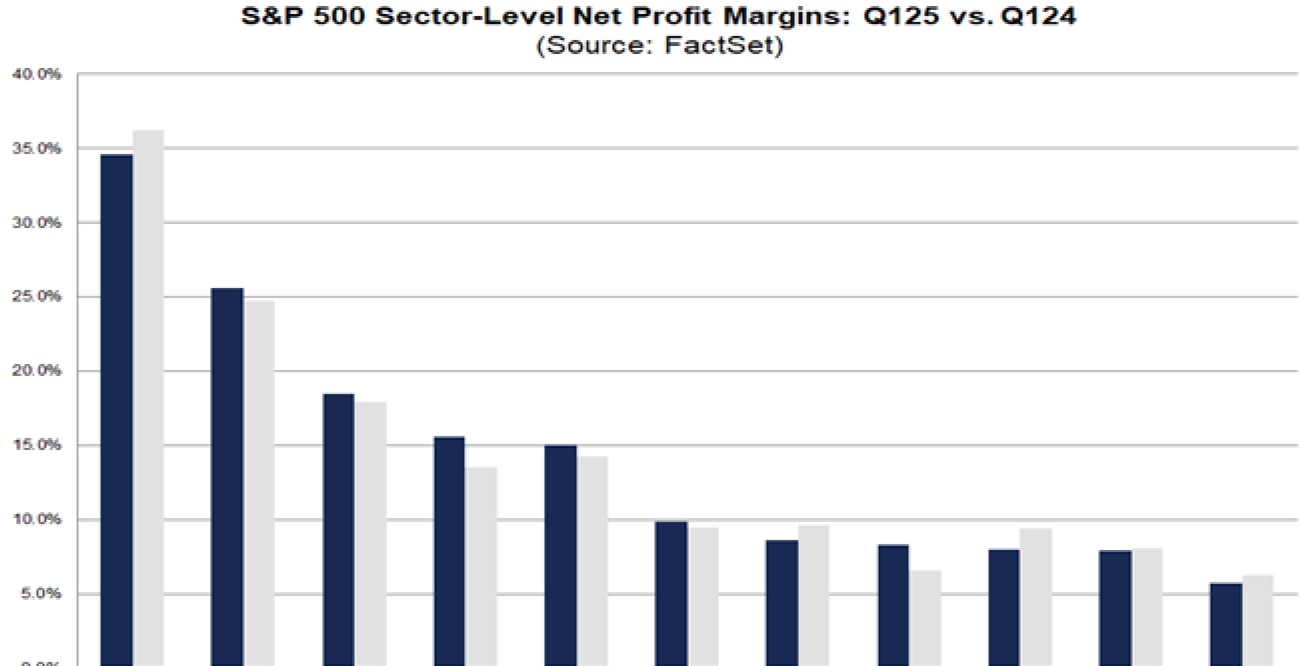
At the sector level, six sectors are reporting a year-over-year increase in their net profit margins in Q1 2025 compared to Q1 2024, led by the Communication Services (15.6% vs. 13.5%) and Health Care (8.3% vs, 6.6%) sectors. On the other hand, five sectors are reporting a year-over-year decrease in their net profit margins in Q1 2025 compared to Q1 2024, led by the Real Estate (34.6% from 36.2%) and Energy (8.0% vs. 9.4%) sectors.

Six sectors are reporting net profit margins in Q1 2025 that are above their 5-year averages, led by the Communication Services (15.6% vs. 11.9%) sector. On the other hand, five sectors are reporting net profit margins in Q1 2025 that are below their 5-year averages, led by the Materials (8.6% vs. 11.1%) sector.

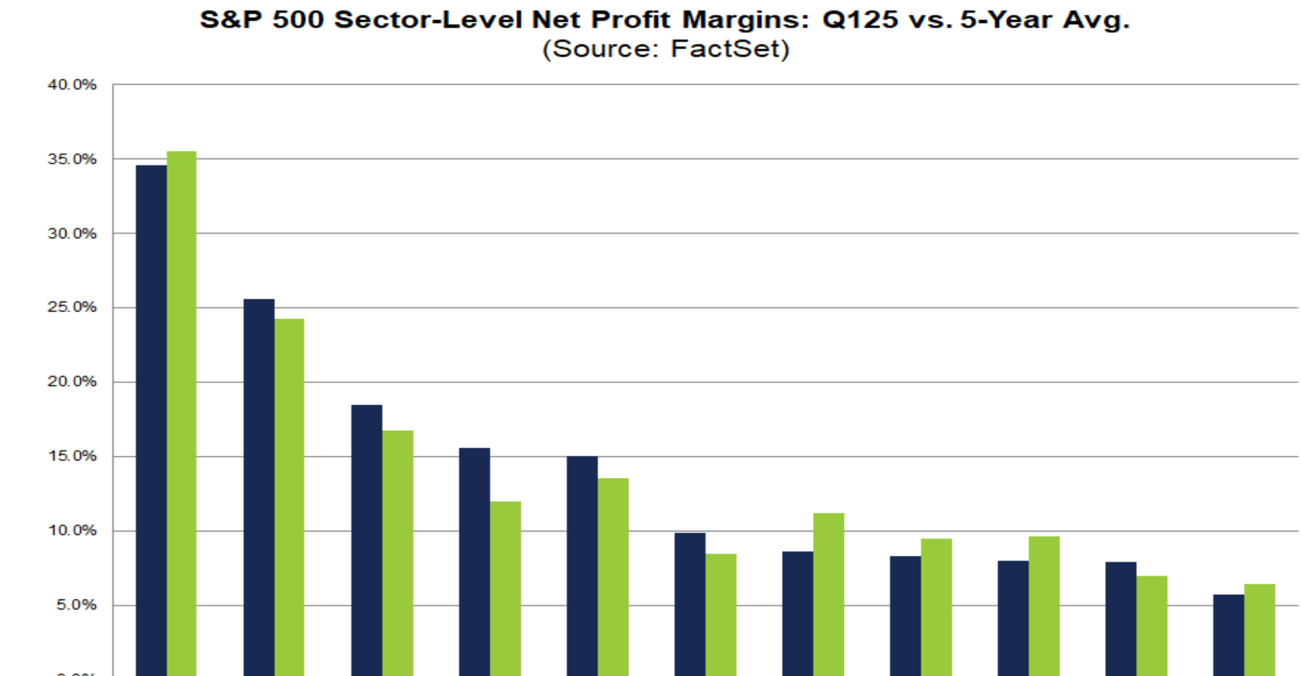
Four sectors are reporting a quarter-over-quarter increase in their net profit margins in Q1 2025 compared to Q4 2024, led by the Utilities (15.0% vs. 12.7%) sector. On the other hand, seven sectors are reporting a quarter-over-quarter decrease in their net profit margins in Q1 2025 compared to Q4 2024, led by the Information Technology (25.6% vs. 26.8%) sector.

It is interesting to note that analysts believe net profit margins for the S&P 500 will be improve through the rest of 2025. As of today, the estimated net profit margins for Q2 2025 through Q4 2025 are 12.5%, 12.9%, and 13.0%, respectively.

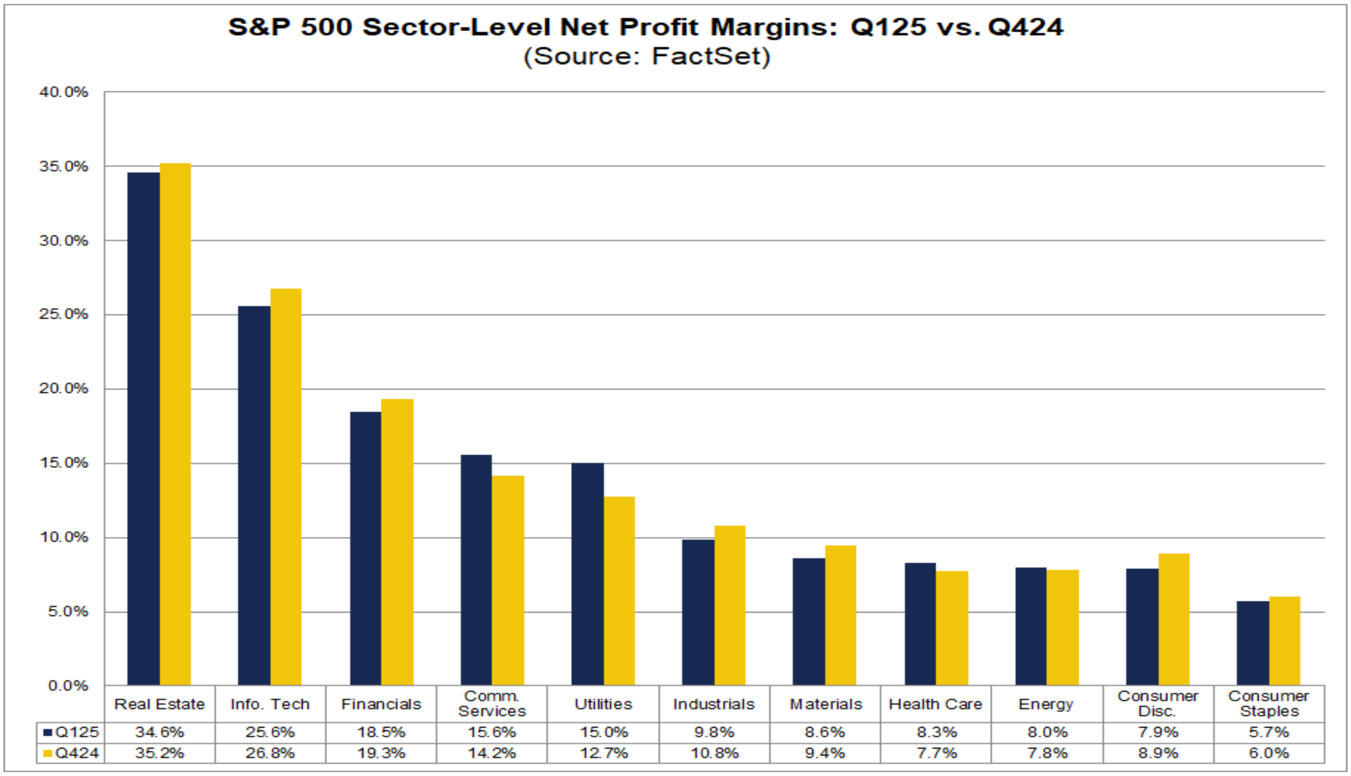




	Real Estate	Info. Tech.	Financials	Comm. Services	Utilities	Industrials	Materials	Health Care	Energy	Consumer Disc.	Consumer Staples
Q125	34.6%	25.6%	18.5%	15.6%	15.0%	9.8%	8.6%	8.3%	8.0%	7.9%	5.7%
Q124	36.2%	24.7%	17.9%	13.5%	14.3%	9.4%	9.6%	6.6%	9.4%	8.0%	6.3%



	Real Estate	Info. Tech.	Financials	Comm. Services	Utilities	Industrials	Materials	Health Care	Energy	Consumer Disc.	Consumer Staples
Q125	34.6%	25.6%	18.5%	15.6%	15.0%	9.8%	8.6%	8.3%	8.0%	7.9%	5.7%
5-Yr. Avg.	35.5%	24.3%	16.8%	11.9%	13.6%	8.5%	11.1%	9.5%	9.6%	6.9%	6.4%



	Real Estate	Info. Tech	Financials	Comm. Services	Utilities	Industrials	Materials	Health Care	Energy	Consumer Disc.	Consumer Staples
Q125	34.6%	25.6%	18.5%	15.6%	15.0%	9.8%	8.6%	8.3%	8.0%	7.9%	5.7%
Q424	35.2%	26.8%	19.3%	14.2%	12.7%	10.8%	9.4%	7.7%	7.8%	8.9%	6.0%

Topic of the Week: 2

S&P 500 Energy and Utilities Sectors Earnings Previews: Q1 2025

Energy Sector: Largest Year-Over-Year Earnings Decline of all 11 Sectors

The Energy sector will be a focus for the market this week, as Exxon Mobil and Chevron are scheduled to report earnings on May 2. The Energy sector is reporting largest (year-over-year) earnings decline of all eleven sectors in the S&P 500 for Q1 2025 at -14.2%. Lower year-over-year oil prices are contributing to the year-over-year decrease in earnings for this sector, as the average price of oil in Q1 2025 ($71.38) was 7% below the average price for oil in Q1 2024 ($76.91).

It is interesting to note that analysts have continued to lower EPS estimates for companies in the Energy sector since the end of the first quarter. As a result, the blended earnings decline for the Energy sector has increased to -14.2% from -12.3% since March 31.

At the sub-industry level, 3 of the 5 sub-industries in the sector are reporting (or are expected to report) a year-over-year decline in earnings: Oil & Gas Refining & Marketing (-108%), Integrated Oil & Gas (-15%), and Oil & Gas Equipment & Services (-8%). On the other hand, two sub-industries are reporting year-over-year growth in earnings: Oil & Gas Exploration & Production (15%) and Oil & Gas Storage & Transportation (12%).

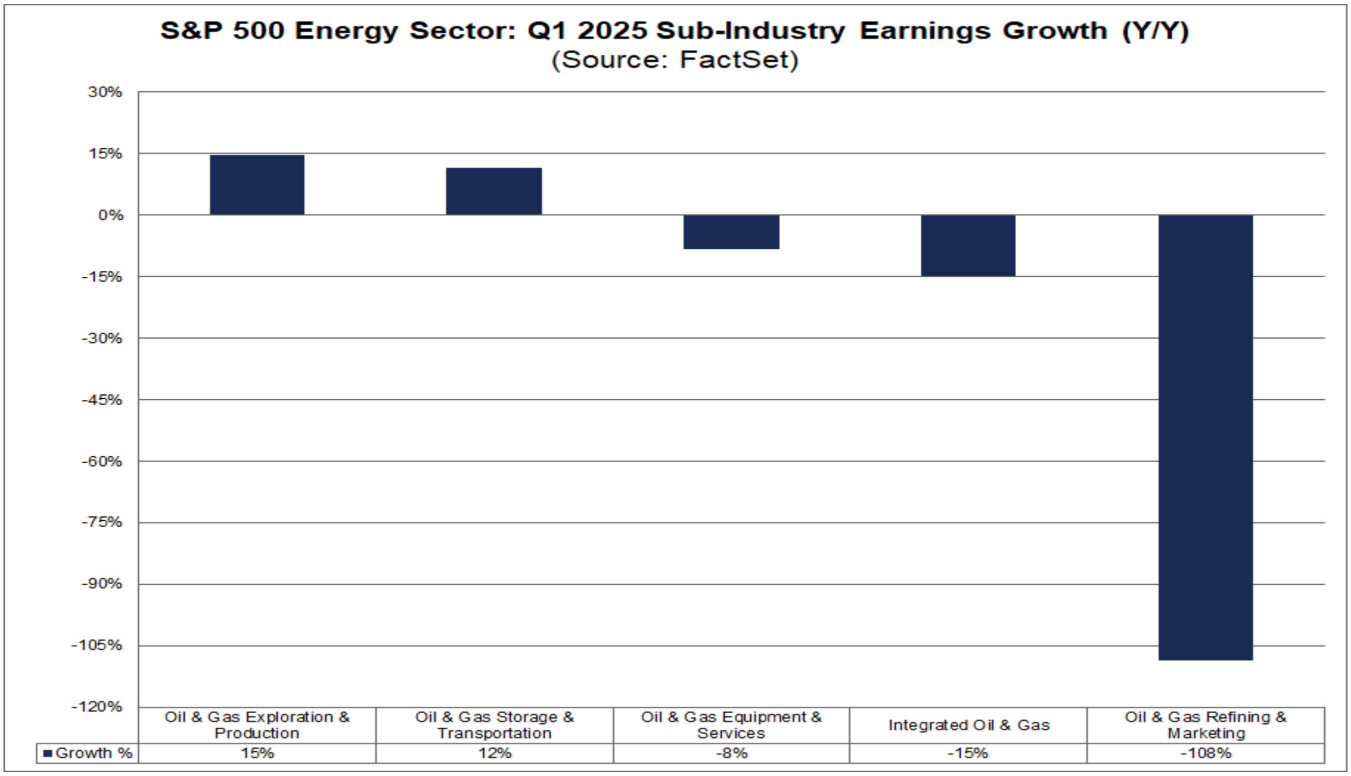
The Oil & Gas Refining & Marketing sub-industry is also the largest contributor to the earnings decline for the sector. If this sub-industry were excluded, the blended earnings decline for the Energy sector would improve to -3.4% from -14.2%.

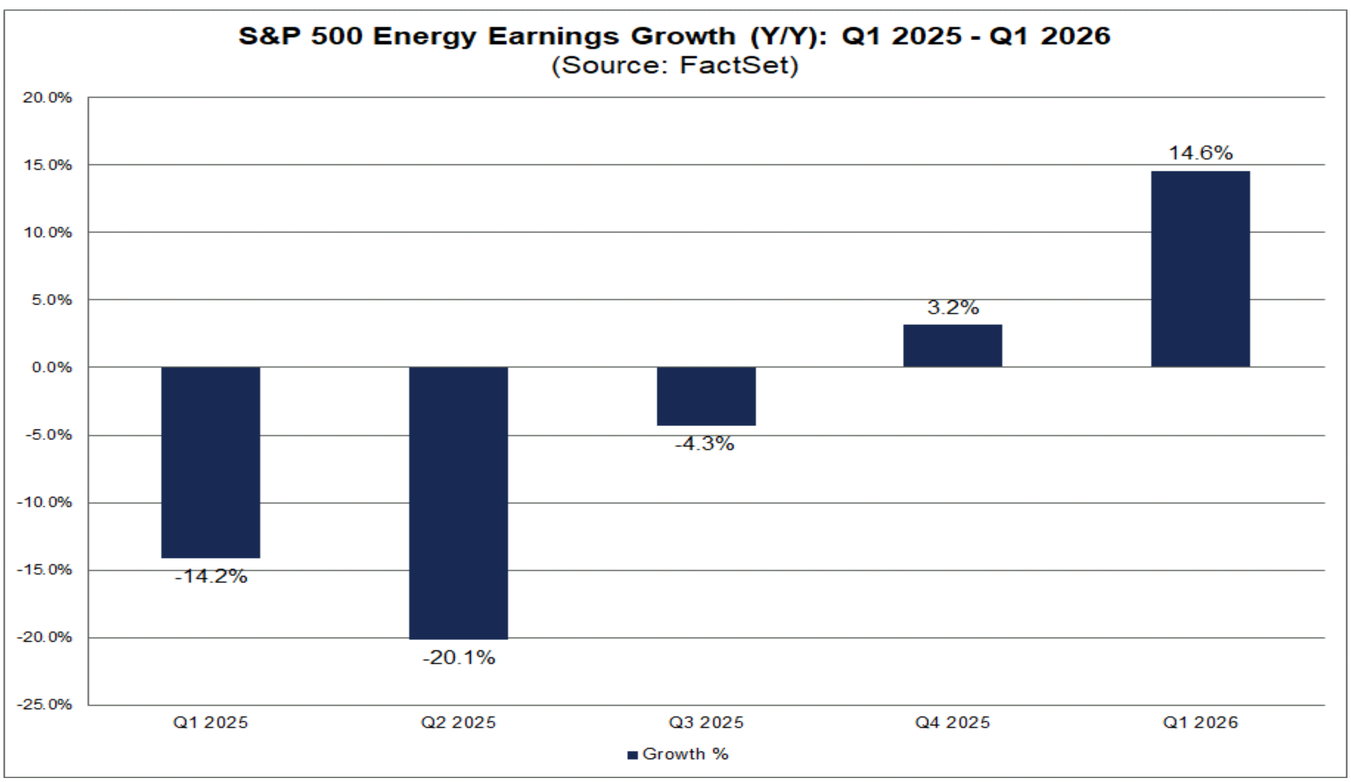
Looking ahead, analysts are predicting earnings growth for the sector starting in Q4 2025. For Q2 2025 and Q3 2025, analysts are calling for earnings declines of -20.1% and -4.3%, respectively. For Q4 2025 and Q1 2026, analysts are expecting earnings growth rates of 3.2% and 14.6%, respectively.

FactSet Senior Energy Analyst Connor McLean provided commentary on key trends to watch for the Energy sector during this earnings season. For more commentary from Connor, please go to: https://insight.factset.com/author/connor-mclean

Entering the second quarter of 2025, the big question is how companies will position themselves in the face of price uncertainty. OPEC+ has announced it will unwind 2.2 MMb/d of voluntary production cuts, introducing supply-side pressure on the global market at a time when tariffs are driving significant uncertainty around global demand growth. With WTI futures averaging near $60/bbl through the end of 2026, upstream companies may be more conservative in their messaging than in previous quarters.

Any pullback in oil-directed growth could add additional support to an outlook for US gas that is already viewed as constructive. Henry Hub pricing has recovered following a strong winter, and demand for US LNG remains robust as new facilities have come online. Projections for substantial growth in AI-driven gas demand add another potential tailwind for long-term gas pricing, particularly in regions facing pipeline infrastructure constraints and policy headwinds that could delay renewable development.


S&P 500 Energy Sector: Q1 2025 Sub-Industry Earnings Growth (Y/Y)
(Source: FactSet)
30%
15%
0%
-15%
-30%
-45%
-60%
-75%
-90%
-105%
-120%
Oil & Gas Exploration & Production
Oil & Gas Storage & Transportation
Oil & Gas Equipment & Services
Integrated Oil & Gas
Oil & Gas Refining & Marketing
Growth %
15%
12%
-8%
-15%
-108%


S&P 500 Energy Earnings Growth (Y/Y): Q1 2025 - Q1 2026
(Source: FactSet)
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
-20.0%
-25.0%
-14.2%
-20.1%
-4.3%
3.2%
14.6%
Q1 2025
Q2 2025
Q3 2025
Q4 2025
Q1 2026
Growth %

Utilities Sector: All 5 Industries Reporting Year-Over-Year Earnings Growth

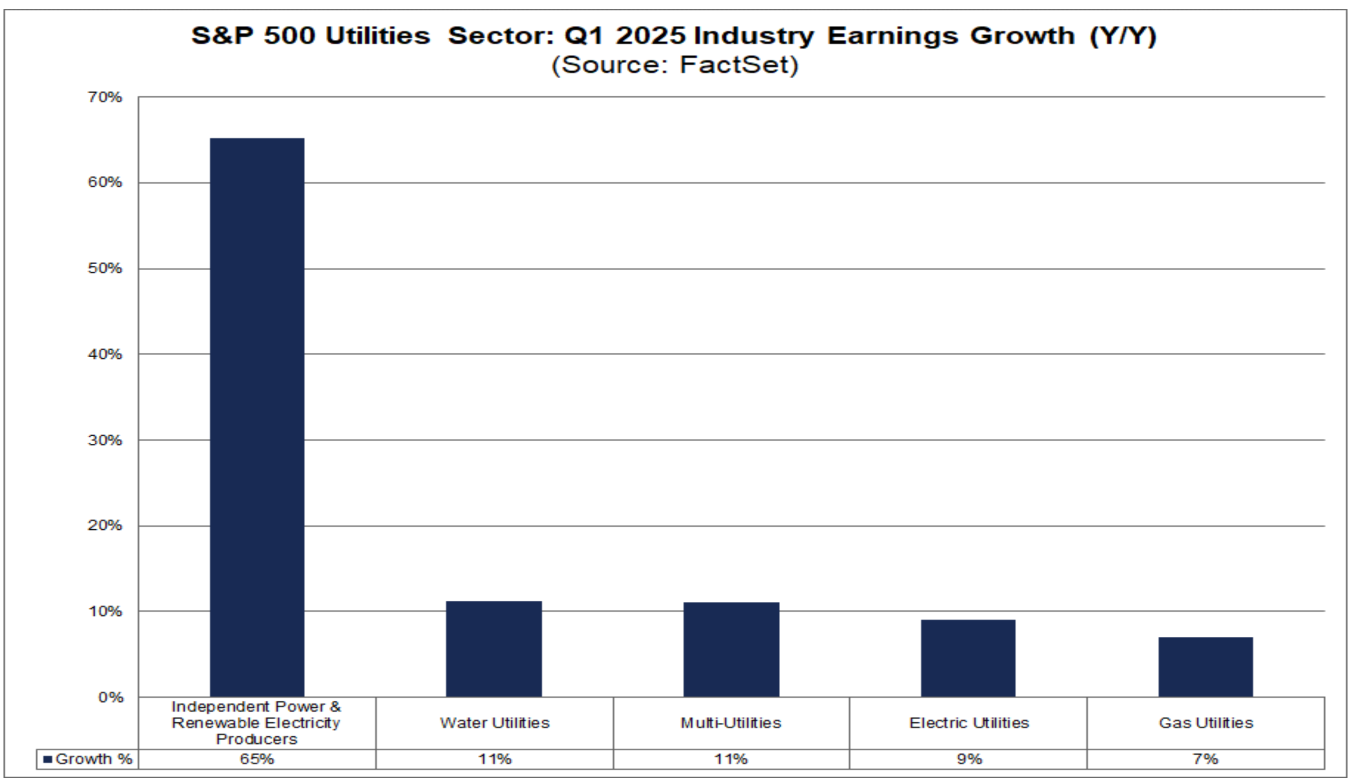
The Utilities sector will also be a focus for the market over the next two weeks, as 81% of the companies in this sector are scheduled to report earnings over this period. The Utilities sector is reporting the fourth-largest (year-over-year) earnings growth rate of all eleven sectors in the S&P 500 for Q1 at 10.7%.

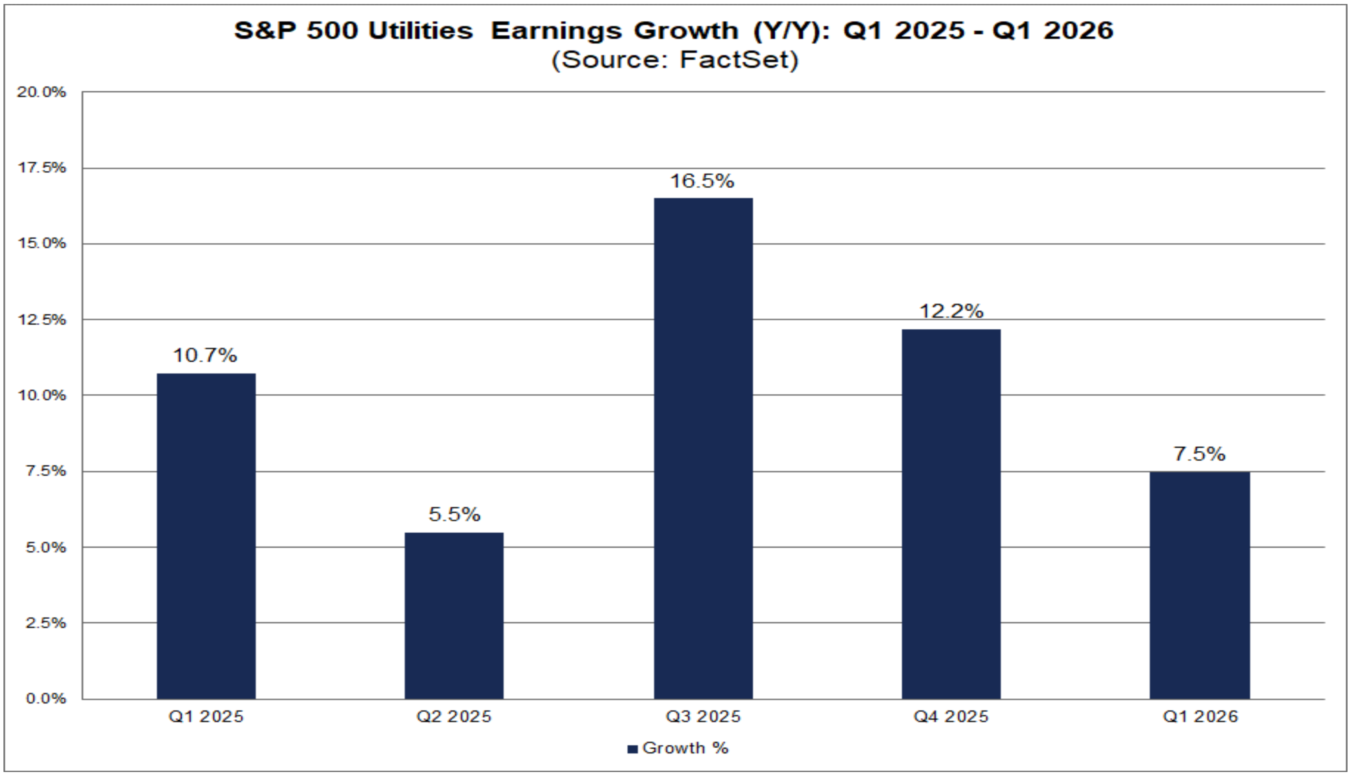
At the industry level, all 5 industries in the sector are reporting (or are projected to report) year-over-year earnings growth: Independent Power and Renewable Energy Producers (65%), Water Utilities (11%), Multi-Utilities (11%), Electric Utilities (9%), and Gas Utilities (7%).

Looking ahead, analysts believe earnings growth for the sector will continue over the next four quarters. For Q2 2025 through Q1 2026, analysts are calling for earnings growth rates of 5.5%, 16.5%, 12.2%, and 7.5%, respectively.

FactSet Senior Content Manager Nate Miller discussed key trends to watch related to the Utilities sector during this earnings season. For more commentary from Nate, please go to: https://insight.factset.com/author/nate-miller

Soon after taking office, President Trump declared an energy emergency and quickly called for a pause on wind turbine leasing and permitting, potentially affecting up to 90% of prospective wind projects. His tariff strategy and the threat of trade wars has disrupted supply chains globally, and an effective tariff rate of up to 245% on China is likely to seriously hamper PV panel imports, especially if neighboring countries with satellite factories are subject to tariffs as well following the 90-day pause. Additionally, a series of executive orders were signed in early April that are meant to strengthen the coal industry by recategorizing coal as a mineral, expanding federal land leases for mining, and ordering the review of State policies pertaining to addressing climate change, emissions, and environmental justice. Any coal retirements that get pushed back or postponed due to these executive orders would minimize gas upside, but may help towards meeting large, forecasted load increases driven by data centers and AI.




S&P 500 Utilities Earnings Growth (Y/Y): Q1 2025 - Q1 2026
(Source: FactSet)
20.0%
17.5%
15.0%
12.5%
10.0%
7.5%
5.0%
2.5%
0.0%
10.7%
5.5%
16.5%
12.2%
7.5%
Q1 2025
Q2 2025
Q3 2025
Q4 2025
Q1 2026
Growth %

Q1 Earnings Season: By The Numbers

Overview

At this stage of the earnings season, the S&P 500 is reporting solid results for the first quarter. Although the percentage of S&P 500 companies reporting positive earnings surprises is below recent averages, the magnitude of earnings surprises is above recent averages. As a result, the index is reporting higher earnings for the first quarter today relative to the end of last week and relative the end of the quarter. The index is also reporting double-digit earnings growth for the second consecutive quarter.

Overall, 36% of the companies in the S&P 500 have reported actual results for Q1 2025 to date. Of these companies, 73% have reported actual EPS above estimates, which is below the 5-year average of 77% and below the 10-year average of 75%. In aggregate, companies are reporting earnings that are 10.0% above estimates, which is above the 5-year average of 8.8% and above the 10-year average of 6.9%. Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

During the past week, positive EPS surprises reported by companies in the Communication Services sector were the largest contributors to the increase in the overall earnings growth rate for the index over this period. Since March 31, positive EPS surprises reported by companies in the Communication Services and Financials sectors have been largest contributors to the increase in the overall earnings growth rate for the index over this period.

As a result, the index is reporting higher earnings for the first quarter today relative to the end of last week and relative to the end of the quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the first quarter is 10.1% today, compared to an earnings growth rate of 7.0% last week and an earnings growth rate of 7.2% at the end of the first quarter (March 31).

If 10.1% is the actual growth rate for the quarter, it will mark the second consecutive quarter of double-digit earnings growth for the index. It will also mark the seventh consecutive quarter of year-over-year earnings growth.

Six of the eleven sectors are reporting year-over-year growth, led by the Health Care, Communications Services, Information Technology, and Utilities sectors. On the other hand, five sectors are reporting a year-over-year decline in earnings, led by the Energy sector.

In terms of revenues, 64% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 69% and equal to the 10-year average of 64%. In aggregate, companies are reporting revenues that are 1.0% above the estimates, which is below the 5-year average of 2.1% and below the 10-year average of 1.4%. Again, historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

During the past week, positive revenue surprises reported by companies in multiple sectors (led by the Health Care sector) were the largest contributors to the increase in the overall revenue growth rate for the index during this period. Since March 31, positive revenue surprises reported by companies in the Health Care sector, partially offset by negative revenue surprises reported by companies in the Consumer Discretionary sector, have been the largest contributors to the increase in the overall revenue growth rate for the index over this period.

As a result, the blended revenue growth rate for the first quarter is 4.6% today, compared to a revenue growth rate of 4.3% last week and a revenue growth rate of 4.4% at the end of the first quarter (March 31).

If 4.6% is the actual revenue growth rate for the quarter, it will mark the 18th consecutive quarter of revenue growth for the index.

Ten sectors are reporting year-over-year growth in revenues, led by the Information Technology and Health Care sectors. On the other hand, the Industrials sector is the only sector reporting a year-over-year decline in revenues.

For Q2 2025 through Q4 2025, analysts are calling for earnings growth rates of 6.4%, 8.8%, and 8.3%, respectively. For CY 2025, analysts are predicting (year-over-year) earnings growth of 9.7%.

The forward 12-month P/E ratio is 19.8, which is below the 5-year average (19.9) but above the 10-year average (18.3). This P/E ratio is also below the forward P/E ratio of 20.2 recorded at the end of the first quarter (March 31).

During the upcoming week, 180 S&P 500 companies (including 11 Dow 30 components) are scheduled to report results for the first quarter.

Scorecard: Magnitude of Positive EPS Surprises Is Above 5-Year Average

Percentage of Companies Beating EPS Estimates (73%) is Below 5-Year Average

Overall, 36% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 73% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 22% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year average (77%), below the 5-year average (77%), and below the 10-year average (75%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Health Care (89%) sector has the highest percentage of companies reporting earnings above estimates, while the Energy (43%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+10.0%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 10.0% above expectations. This surprise percentage is above the 1-year average (+6.1%), above the 5-year average (+8.8%) and above the 10-year average (+6.9%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

The Communication Services (+24.5%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Alphabet ($2.81 vs. $2.01) and Interpublic Group of Companies ($0.33 vs. $0.26) have reported the largest positive EPS surprises.

The Materials (+17.1%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Dow ($0.02 vs. -$0.01) and Newmont Corporation ($1.25 vs. $0.92) have reported the largest positive EPS surprises.

The Information Technology (+8.1%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Intel ($0.13 vs. $0.01), Amphenol ($0.63 vs. $0.52), Texas Instruments ($1.28 vs. $1.07), and IBM ($1.60 vs. $1.42) have reported the largest positive EPS surprises.

The Financials (+7.6%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Travelers Companies ($1.91 vs. $0.79), Discover Financial Services ($4.25 vs. $3.37), Morgan Stanley ($2.60 vs. $2.21), Chubb ($3.68 vs. $3.17), and Goldman Sachs ($14.12 vs. $12.32) have reported the largest positive EPS surprises.

The Industrials (+7.6%) sector is also reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Boeing (-$0.49 vs. -$1.21), GE Vernova ($1.07 vs. $0.45), Southwest Airlines (-$0.13 vs. -$0.18), United Airlines Holdings ($0.91 vs. $0.75), and Delta Air Lines ($0.46 vs. $0.38) have reported the largest positive EPS surprises.

Market Rewarding Positive EPS Surprises More Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies for Q1 more than average and punishing negative earnings surprises reported by S&P 500 companies for Q1 less than average.

Companies that have reported positive earnings surprises for Q1 2025 have seen an average price increase of +2.4% two days before the earnings release through two days after the earnings release. This percentage increase is well above the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q1 2025 have seen an average price decrease of -1.9% two days before the earnings release through two days after the earnings. This percentage decrease is smaller than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (64%) is Below 5-Year Average

In terms of revenues, 64% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 36% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (61%), below the 5-year average (69%), and equal to the 10-year average (64%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Communication Services (90%), Information Technology (88%), and Health Care (84%) sectors have the highest percentages of companies reporting revenues above estimates, while the Real Estate (40%), Energy (43%), and Consumer Discretionary (44%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.0%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 1.0% above expectations. This surprise percentage is above the 1-year average (+0.9%), but below the 5-year average (+2.1%) and below the 10-year average (+1.4%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Materials (+3.1%), Health Care (+1.9%), and Information Technology (+1.8%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Consumer Discretionary (-0.7%) and Real Estate (-0.4%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Communication Services Sector

Increase in Blended Earnings This Week Due to Communication Services Sector

The blended (year-over-year) earnings growth rate for the first quarter is 10.1%, which is above the earnings growth rate of 7.0% last week. Positive EPS surprises reported by companies in the Communication Services sector were the largest contributors to the increase in the overall earnings growth rate during the past week. Outside of this sector, positive surprises reported by companies in the Health Care, Industrials, and Information Technology sectors were also contributors to the increase in the overall earnings growth rate during this period.

In the Communication Services sector, the positive EPS surprise reported by Alphabet ($2.81 vs. $2.01) was the largest contributor to the increase in the overall earnings growth rate for the index during the past week. Outside of Alphabet, Netflix ($6.61 vs. $5.67) and Comcast ($1.09 vs. $0.99) were also substantial contributors to the increase in the earnings growth rate for the index during this time. As a result, the blended earnings growth rate for the Communication Services sector increased to 23.3% from 4.5% over this period.

In the Health Care sector, the positive EPS surprise reported by Bristol Myers Squibb ($1.80 vs. $1.49) was a significant contributor to the increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Health Care sector increased to 36.7% from 33.3% over this period.

In the Industrials sector, the positive EPS surprise reported by Boeing (-$0.49 vs. -$1.21) was a substantial contributor to the increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Industrials sector increased to 3.2% from 0.2% over this period.

In the Information Technology sector, the positive EPS surprise reported by Intel ($1.80 vs. $1.49) was a significant contributor to the increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Information Technology sector increased to 15.1% from 14.2% over this period.

Increase in Blended Revenues This Week Due to Health Care Sector

The blended (year-over-year) revenue growth rate for the first quarter is 4.6%, which is above the revenue growth rate of 4.3% last week. Positive revenue surprises reported by companies in multiple sectors (led by the Health Care sector), were the largest contributors to the slight increase in the overall revenue growth rate for the index during this period.

Communication Services Sector Has Seen Largest Increase in Earnings since March 31

The blended (year-over-year) earnings growth rate for Q1 2025 of 10.1% is above the estimate of 7.2% at the end of the first quarter (March 31). Seven sectors have recorded an increase in their earnings growth rate or a decrease in their earnings decline since the end of the quarter due to upward revisions to EPS estimates and positive earnings surprises, led by the Communication Services (to 23.3% from 4.9%) and Financials (to 6.6% from 2.6%) sectors. These two sectors have also been the largest contributors to the increase in the earnings growth rate for the index since March 31. On the other hand, two sectors have recorded a decrease in their earnings growth rate or an increase in their earnings decline since the end of the quarter due to downward revisions to earnings estimates and negative earnings surprises: Consumer Discretionary (to -0.3% from 1.6%) and Energy (to -14.2% from -12.3%) sectors. Two sectors (Real Estate and Utilities) have recorded no change in its blended earnings growth rate since March 31.

In the Communication Services sector, the positive EPS surprise reported by Alphabet ($2.81 vs. $2.01) has been the largest contributor to the increase in the overall earnings growth rate for the index since March 31. Outside of Alphabet, Netflix ($6.61 vs. $5.67) and Comcast ($1.09 vs. $0.99) have also been substantial contributors to the increase in the earnings growth rate for the index during this time. As a result, the blended earnings growth rate for the Communication Services sector has increased to 23.3% from 4.9% over this period.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($5.07 vs. $4.63), Bank of America ($0.90 vs. $0.82), Goldman Sachs ($14.12 vs. 12.32), Wells Fargo ($1.39 vs. $1.23), and Morgan Stanley ($2.60 vs. $2.21) have been significant contributors to the increase in the earnings growth rate for the index since March 31. As a result, the blended earnings growth rate for the Financials sector has increased to 6.6% from 2.6% over this period.

Health Care Sector Has Seen Largest Increase in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2025 of 4.6% is above the estimate of 4.4% at the end of the first quarter (March 31). Seven sectors have recorded an increase in their revenue growth rate or a decrease in their revenue decline since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Health Care (to 8.5% from 7.7%) sector. This sector has also been the largest contributor to the increase in the revenue growth rate for the index since March 31. On the other hand, one sector has recorded a decrease in its revenue growth rate since the end of the quarter due to downward revisions to revenue estimates and negative revenue surprises: Consumer Discretionary (to 1.9% from 2.8%). This sector has also been the largest detractor to the increase in the revenue growth rate for the index since March 31. Three sectors have seen no change in their earnings growth rates since March 31.

In the Health Care sector, the positive revenue surprises reported by Centene Corporation ($46.62 billion vs. $42.76 billion) and Elevance Health ($48.77 billion vs. $46.30 billion) have been the largest contributors to the increase in the revenue growth rate for the index since March 31. As a result, the blended revenue growth rate for the Health Care sector has increased to 8.5% from 7.7% over this period.

In the Consumer Discretionary sector, the downward revisions to revenue estimates and negative revenue surprise reported by Tesla ($19.34 billion vs $20.11 billion) has been the largest detractor to the increase in the revenue growth rate for the index since March 31. As a result, the blended revenue growth rate for the Consumer Discretionary sector has decreased to 1.9% from 2.8% over this period.

Earnings Growth: 10.1%

The blended (year-over-year) earnings growth rate for Q1 2025 is 10.1%, which is below the 5-year average earnings growth rate of 11.3% but above the 10-year average earnings growth rate of 8.9%. If 10.1% is the actual growth rate for the quarter, it will mark the second consecutive quarter of double-digit earnings growth for the index. It will also mark the seventh consecutive quarter of year-over-year earnings growth.

Six of the eleven sectors are reporting year-over-year earnings growth, led by the Health Care, Communication Services, Information Technology, and Utilities sectors. On the other hand, five sectors are reporting a year-over-year decline in earnings, led by the Energy sector.

Health Care: Bristol Myers Squibb is Largest Contributor to Year-Over-Year Growth

The Health Care sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 36.7%. At the industry level, 4 of the 5 industries in the sector are reporting year-over-year earnings growth: Pharmaceuticals (113%), Biotechnology (63%), Health Care Providers & Services (10%), and Health Care Equipment & Supplies (5%). On the other hand, the Life Sciences, Tools, & Services (-3%) industry is the only industry reporting a year-over-year decline in earnings.

At the company level, Bristol Myers Squibb ($1.80 vs. -$4.40) and Gilead Sciences ($1.81 vs. -$1.32) are the largest contributors to earnings growth for the sector. Both companies are benefitting from easy comparisons to weaker (non-GAAP) earnings reported in the year-ago quarter due to IPR&D and other charges that were included in their non-GAAP EPS. If these two companies were excluded, the blended earnings growth rate for the Health Care sector would fall to 4.4% from 36.7%.

Communication Services: Alphabet is Largest Contributor to Year-Over-Year Growth

The Communication Services sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 23.3%. At the industry level, 3 of the 5 industries in the sector are reporting year-over-year earnings growth. All 3 industries are reporting earnings growth above 20%: Interactive Media & Services (34%), Entertainment (33%), and Wireless Telecommunication Services (23%). On the other hand, two industries are reporting a year-over-year decline in earnings: Media (-3%) and Diversified Telecommunication Services (-1%).

At the company level, Alphabet ($2.81 vs. $1.89) is the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the Communication Services sector would fall to 8.1% from 23.3%.

Information Technology: Semiconductors Industry Is Largest Contributor to Year-Over-Year Growth

The Information Technology sector is reporting the third-highest (year-over-year) earnings growth rate of all eleven sectors at 15.1%. At the industry level, 5 of the 6 industries in the sector are reporting year-over-year earnings growth: Semiconductors & Semiconductor Equipment (34%), Electronic Equipment, Instruments, & Components (21%), Software (10%), Communication Services (6%), and Technology Hardware, Storage, & Peripherals (4%). On the other hand, the IT Services (-7%) industry is the only industry reporting a year-over-year decline in earnings.

The Semiconductors & Semiconductor Equipment industry is also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Information Technology sector would fall to 6.9% from 15.1%.

Utilities: All 5 Industries Reporting Year-Over-Year Growth

The Utilities sector is reporting the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 10.7%. At the industry level, all 5 industries in the sector are reporting (or are projected to report) year-over-year earnings growth: Independent Power and Renewable Energy Producers (65%), Water Utilities (11%), Multi-Utilities (11%), Electric Utilities (9%), and Gas Utilities (7%).

Energy: 3 of 5 Sub-Industries Reporting Year-Over-Year Decline

The Energy sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -14.2%. Lower year-over-year oil prices are contributing to the year-over-year decrease in earnings for this sector, as the average price of oil in Q1 2025 ($71.38) was 7% below the average price for oil in Q1 2024 ($76.91). At the sub-industry level, 3 of the 5 sub-industries in the sector are reporting a year-over-year decline in earnings: Oil & Gas Refining & Marketing (-108%), Integrated Oil & Gas (-15%), and Oil & Gas Equipment & Services (-8%). On the other hand, two sub-industries are reporting year-over-year growth in earnings: Oil & Gas Exploration & Production (15%) and Oil & Gas Storage & Transportation (12%).

The Oil & Gas Refining & Marketing sub-industry is also the largest contributor to the earnings decline for the sector. If this sub-industry were excluded, the blended earnings decline for the Energy sector would improve to -3.4% from -14.2%.

Revenue Growth: 4.6%

The blended (year-over-year) revenue growth rate for Q1 2025 is 4.6%, which is below the 5-year average revenue growth rate of 7.0% and below the 10-year average revenue growth rate of 5.2%. If 4.6% is the actual growth rate for the quarter. it will mark the 18th consecutive quarter of revenue growth for the index.

At the sector level, ten sectors are reporting year-over-year growth in revenues, led by the Information Technology and Health Care sectors. On the other hand, the Industrials sector is the only sector reporting a year-over-year decline in revenues.

Information Technology: All 6 Industries Reporting Year-Over-Year Growth

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 11.3%. At the industry level, all 6 industries in the sector are reporting year-over-year revenue growth: Semiconductors & Semiconductor Equipment (27%), Communication Equipment (11%), Software (10%), Electronic Equipment, Instruments, & Components (9%), Technology Hardware, Storage, & Peripherals (4%), and IT Services (4%).

Health Care: 4 of 5 Industries Reporting Year-Over-Year Growth

The Health Care sector is reporting the second-highest (year-over-year) revenue growth rate of all eleven sectors at 8.5%. At the industry level, 4 of the 5 industries in the sector are reporting year-over-year revenue growth: Health Care Providers & Services (10%), Biotechnology (5%), Health Care Equipment & Supplies (3%), and Pharmaceuticals (3%). On the other hand, the Life Sciences, Tools, & Services (less than -1%) industry is the only industry reporting a year-over-year decline in revenue.

Industrials: 5 of 12 Industries Reporting Year-Over-Year Decline

The Industrials sector is reporting the largest (year-over-year) revenue decline of all eleven sectors at -0.9%. At the industry level, 5 of the 12 industries in the sector are reporting a year-over-year decline in revenue, led by the Industrial Conglomerates (-8%), Building Products (-8%), and Machinery (-7%) industries. On the other hand, 7 of the 12 industries in the sector are reporting year-over-year revenue growth, led by the Construction & Engineering (17%) and Commercial Services & Supplies (10%) industries.

Net Profit Margin: 12.4%

The blended net profit margin for the S&P 500 for Q1 2025 is 12.4%, which is below the previous quarter’s net profit margin of 12.6%, but above the year-ago net profit margin of 11.8% and above the 5-year average of 11.7%.

At the sector level, six sectors are reporting a year-over-year increase in their net profit margins in Q1 2025 compared to Q1 2024, led by the Communication Services (15.6% vs. 13.5%) and Health Care (8.3% vs. 6.6%) sectors. On the other hand, five sectors are reporting a year-over-year decrease in their net profit margins in Q1 2025 compared to Q1 2024, led by the Real Estate (34.6% vs. 36.2%) and Energy (8.0% vs. 9.4%) sectors.

Six sectors are reporting net profit margins in Q1 2025 that are above their 5-year averages, led by the Communication Services (15.6% vs. 11.9%) sector. On the other hand, five sectors are reporting net profit margins in Q1 2025 that are below their 5-year averages, led by the Materials (8.6% vs. 11.1%) sector.

Forward Estimates & Valuation

Guidance: Negative Guidance Percentage for Q2 is Below 5-Year and 10-Year Averages

At this point in time, 22 companies in the index have issued EPS guidance for Q2 2025. Of these 22 companies, 10 have issued negative EPS guidance and 12 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q2 2025 is 45% (10 out of 22), which is below the 5-year average of 57% and below the 10-year average of 62%.

At this point in time, 258 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 258 companies, 151 have issued negative EPS guidance and 107 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 59% (151 out of 258).

The term "guidance" (or "preannouncement") is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

Earnings: S&P 500 Expected to Report Earnings Growth of 10% for CY 2025

For the first quarter, S&P 500 companies are reporting year-over-year growth in earnings of 10.1% and year-over-year growth in revenues of 4.6%.

For Q2 2025, analysts are projecting earnings growth of 6.4% and revenue growth of 4.0%.

For Q3 2025, analysts are projecting earnings growth of 8.8% and revenue growth of 4.8%.

For Q4 2025, analysts are projecting earnings growth of 8.3% and revenue growth of 5.4%.

For CY 2025, analysts are projecting earnings growth of 9.7% and revenue growth of 5.0%.

For CY 2026, analysts are projecting earnings growth of 13.8% and revenue growth of 6.3%.

Valuation: Forward P/E Ratio is 19.8, Above the 10-Year Average (18.3)

The forward 12-month P/E ratio for the S&P 500 is 19.8. This P/E ratio is below the 5-year average of 19.9 but above the 10-year average of 18.3. It is also below the forward 12-month P/E ratio of 20.2 recorded at the end of the first quarter (March 31). Since the end of the first quarter (March 31), the price of the index has decreased by 6.7%, while the forward 12-month EPS estimate has decreased by 0.6%. At the sector level, the Consumer Discretionary (24.9) and Information Technology (24.1) sectors have the highest forward 12-month P/E ratios, while the Energy (14.3) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 24.6, which is below the 5-year average of 24.7 but above the 10-year average of 22.3.

Targets & Ratings: Analysts Project 20% Increase in Price Over Next 12 Months

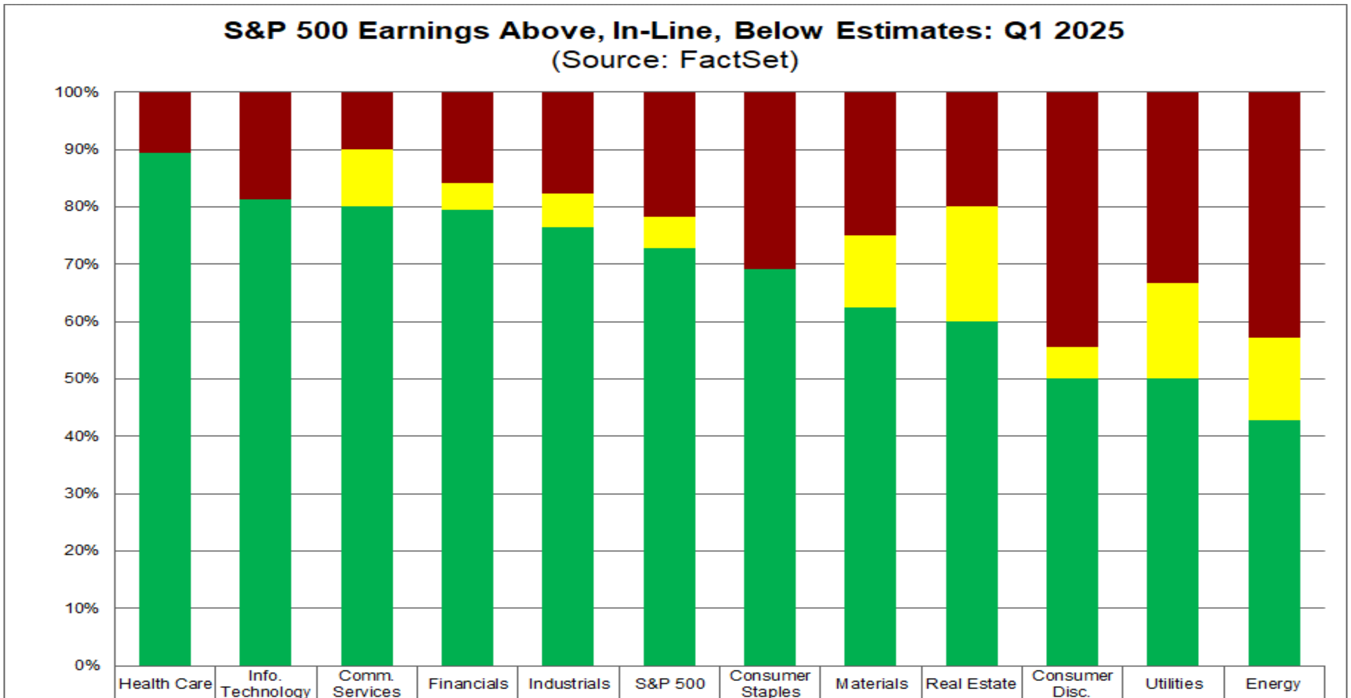
The bottom-up target price for the S&P 500 is 6578.84, which is 19.9% above the closing price of 5484.77. At the sector level, the Information Technology (+27.8%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Consumer Staples (+9.6%) and Financials (9.8%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 12,457 ratings on stocks in the S&P 500. Of these 12,457 ratings, 56.3% are Buy ratings, 38.4% are Hold ratings, and 5.3% are Sell ratings. At the sector level, the Energy (66%), Communication Services (64%), and Information Technology (63%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (40%) sector has the lowest percentage of Buy ratings.

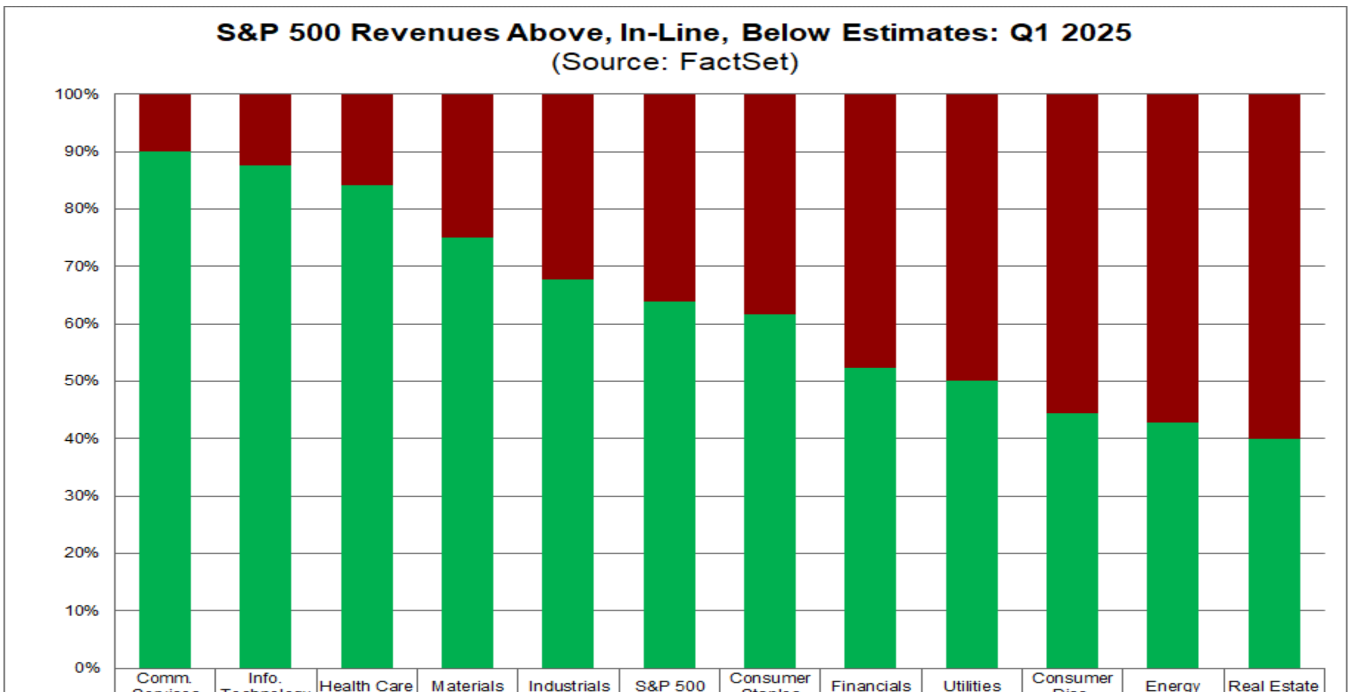
Companies Reporting Next Week: 180

During the upcoming week, 180 S&P 500 companies (including 11 Dow 30 components) are scheduled to report results for the first quarter.

Q1 2025: Scorecard

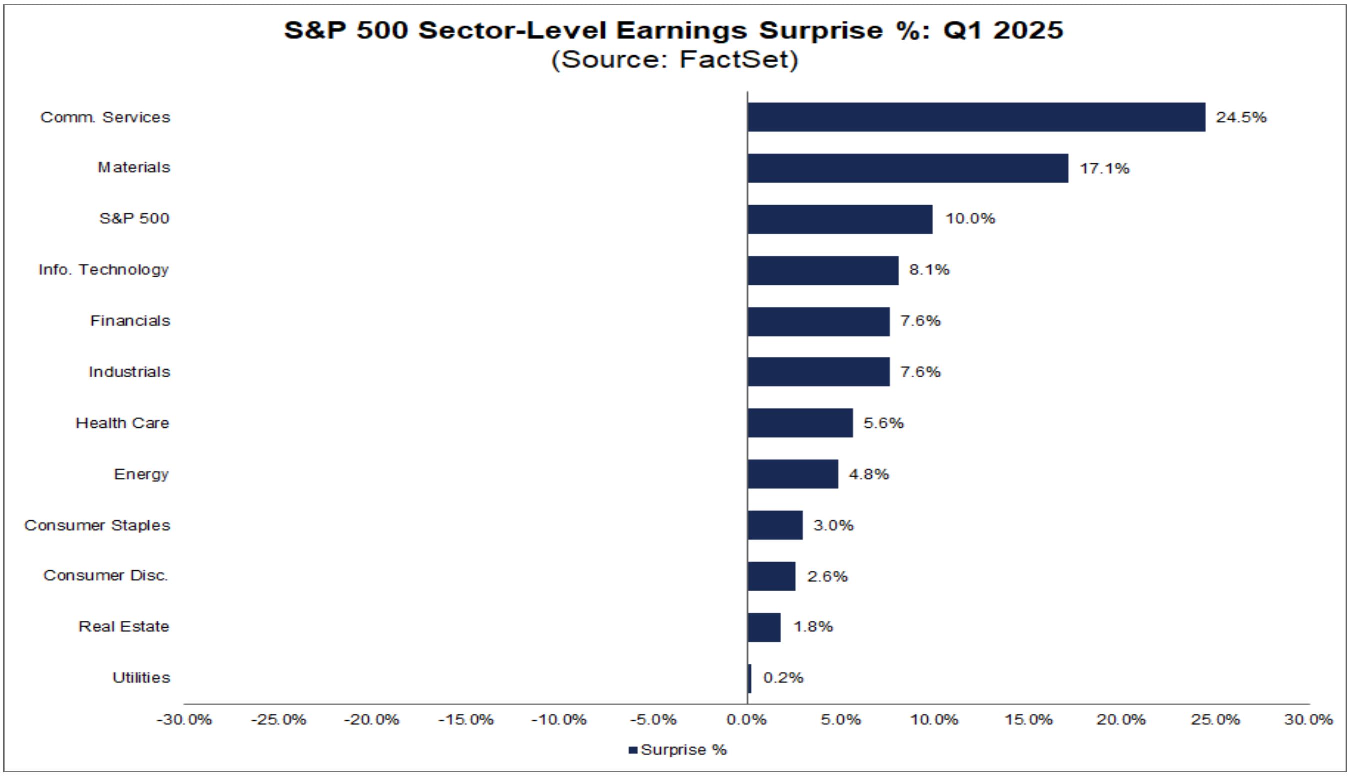


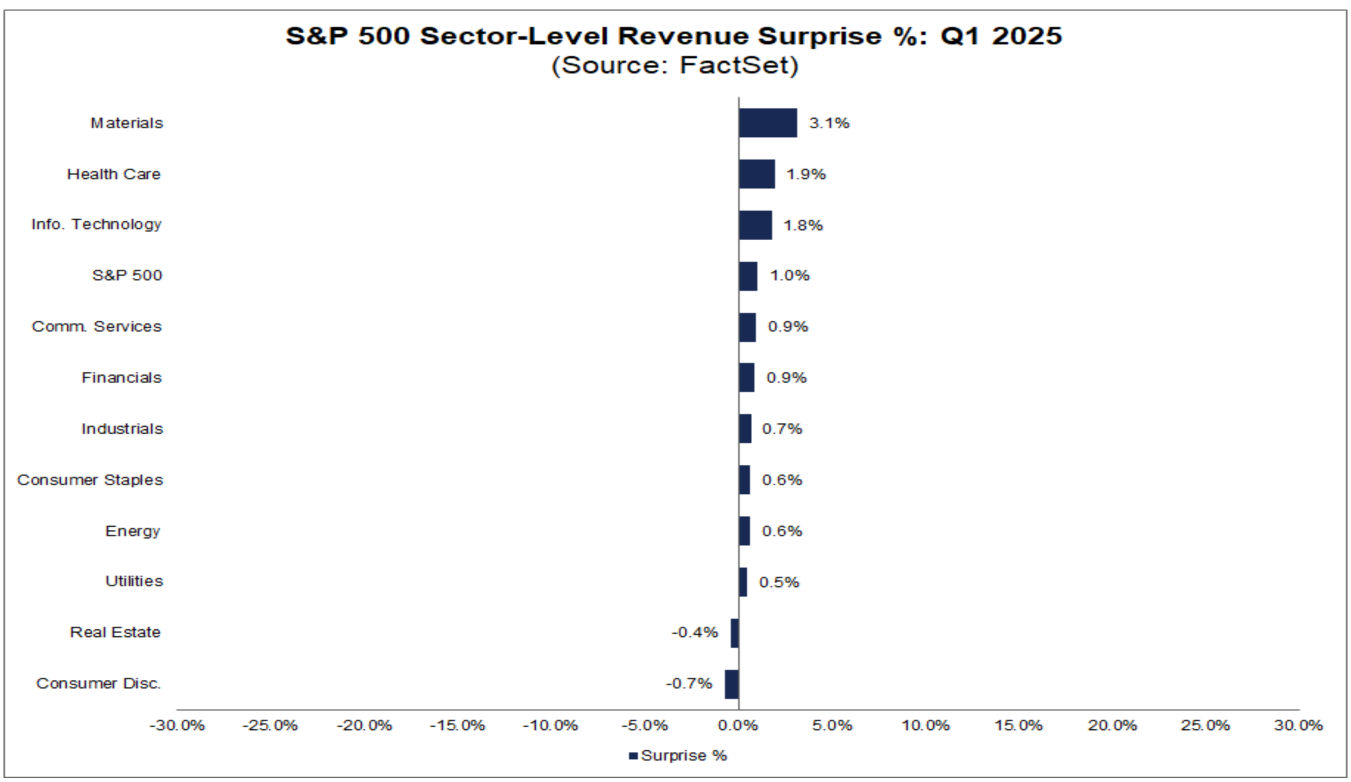
	Health Care	Info. Technology	Comm. Services	Financials	Industrials	S&P 500	Consumer Staples	Materials	Real Estate	Consumer Disc.	Utilities	Energy
Below	11%	19%	10%	16%	18%	22%	31%	25%	20%	44%	33%	43%
In-Line	0%	0%	10%	5%	6%	6%	0%	13%	20%	6%	17%	14%
Above	89%	81%	80%	80%	76%	73%	69%	63%	60%	50%	50%	43%



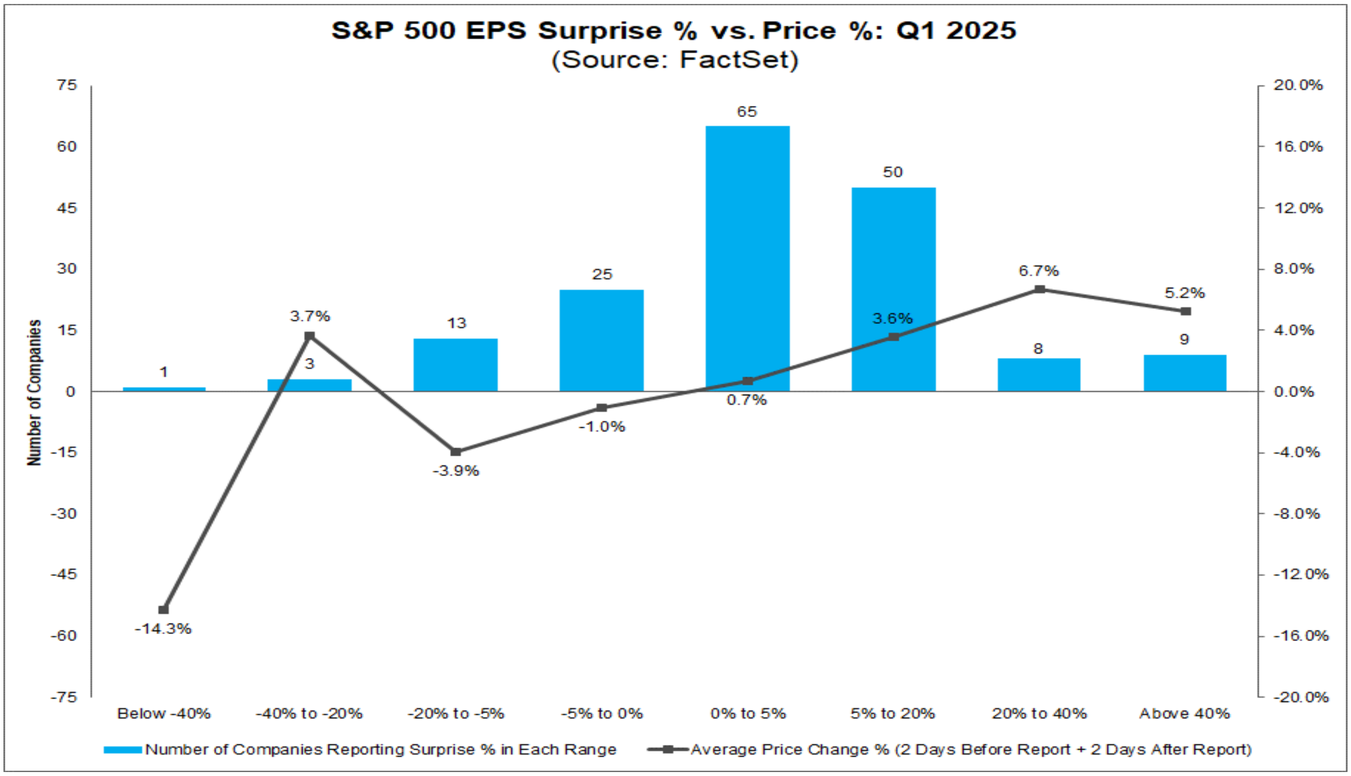
	Comm. Services	Info. Technology	Health Care	Materials	Industrials	S&P 500	Consumer Staples	Financials	Utilities	Consumer Disc.	Energy	Real Estate
Below	10%	13%	16%	25%	32%	36%	38%	48%	50%	56%	57%	60%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	90%	88%	84%	75%	68%	64%	62%	52%	50%	44%	43%	40%

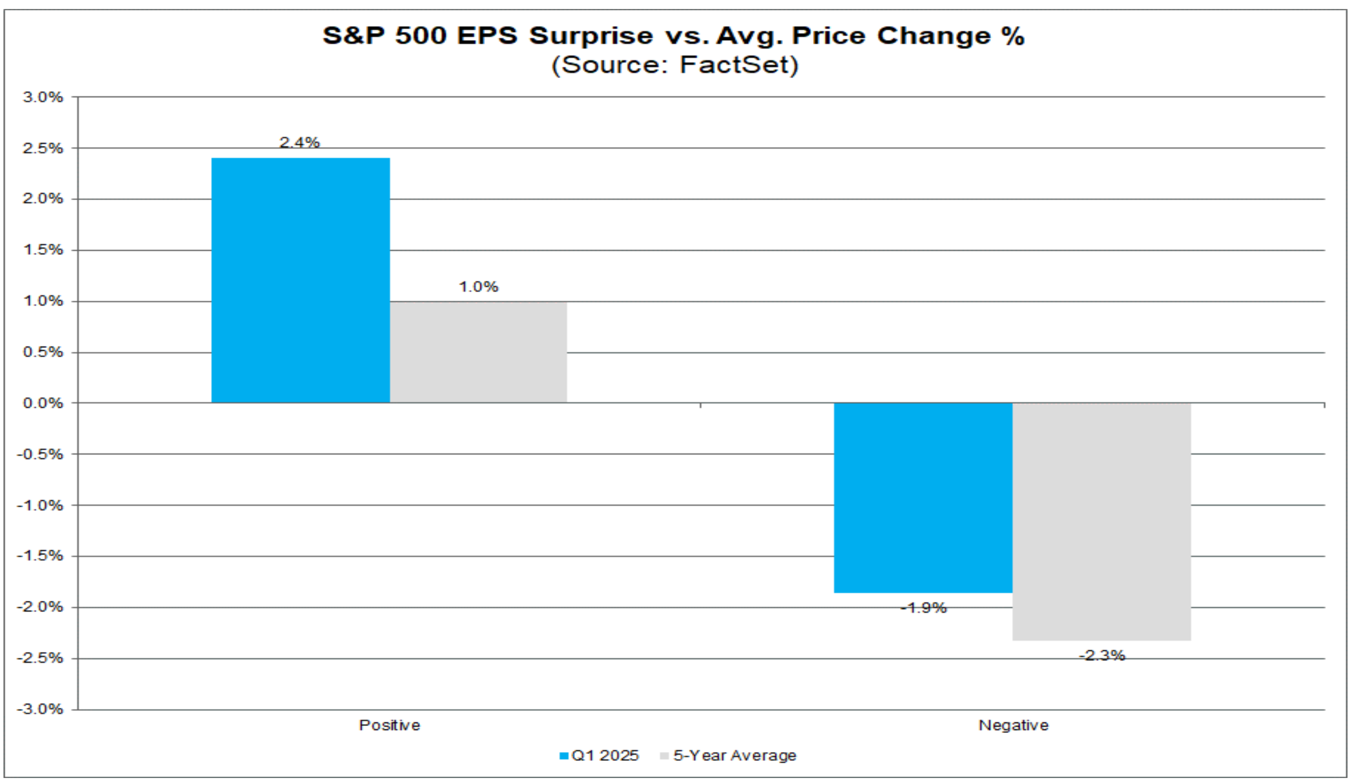
Q1 2025: Surprise



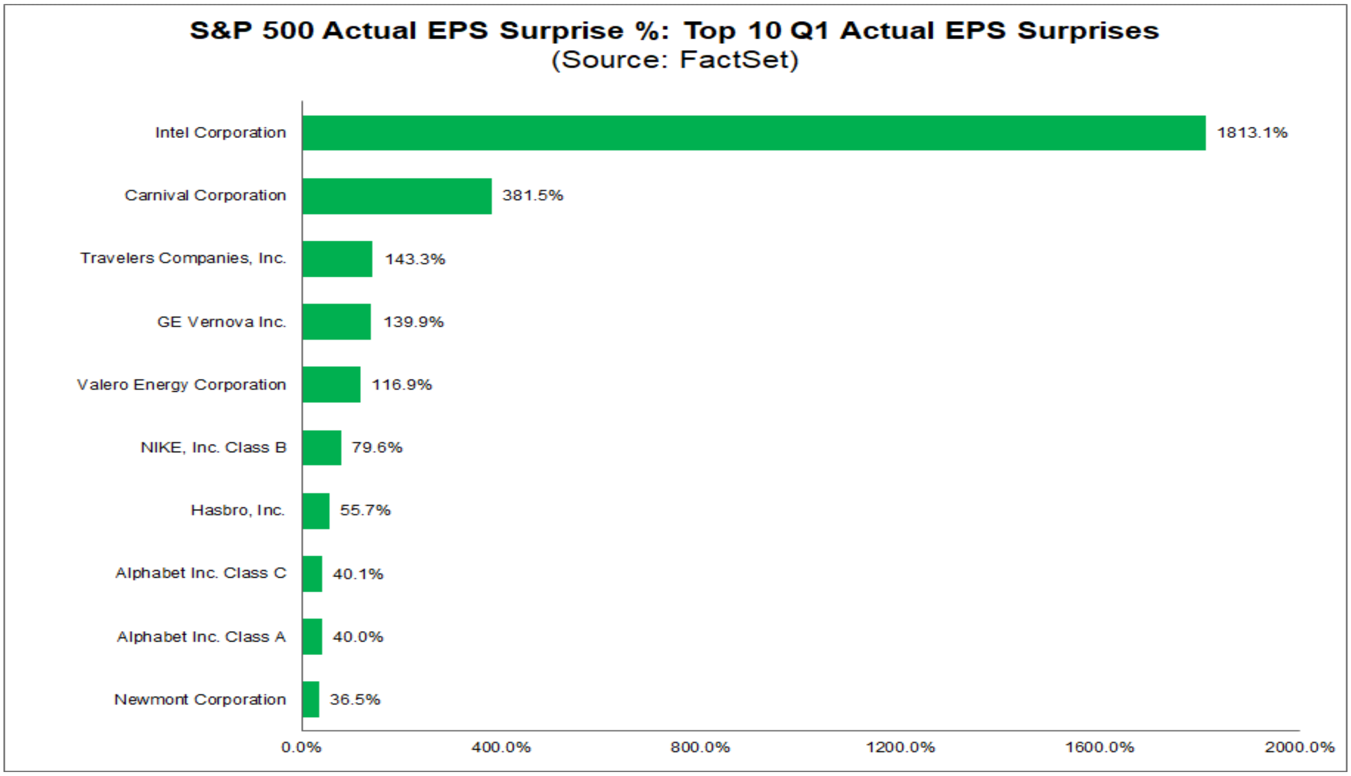


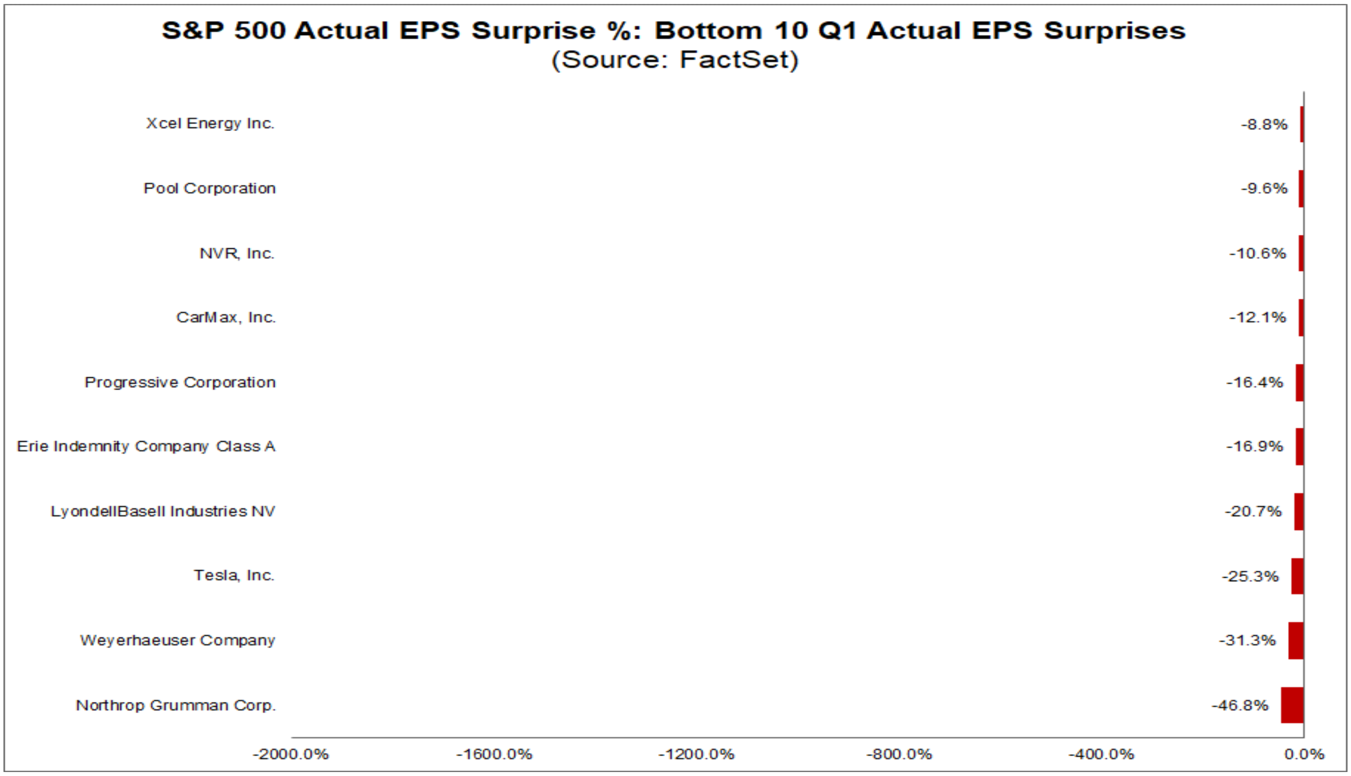
Q1 2025: Surprise



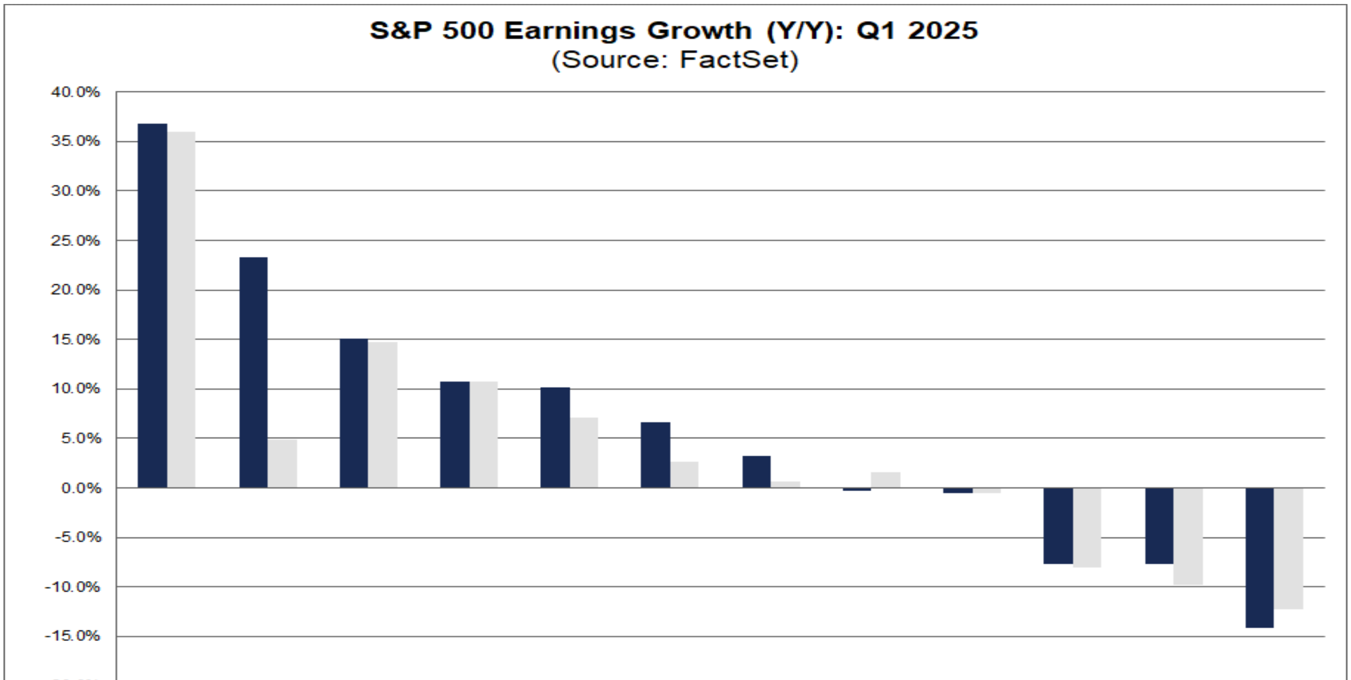


Q1 2025: Surprise

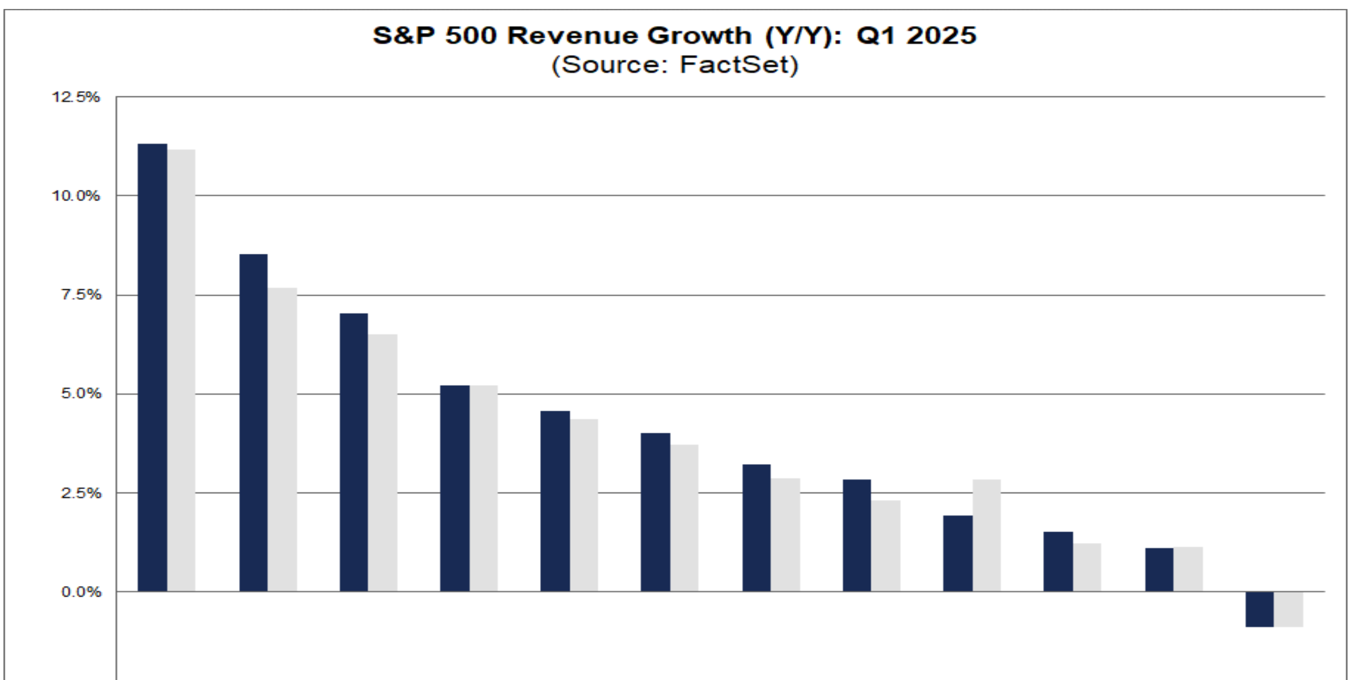




Q1 2025: Growth

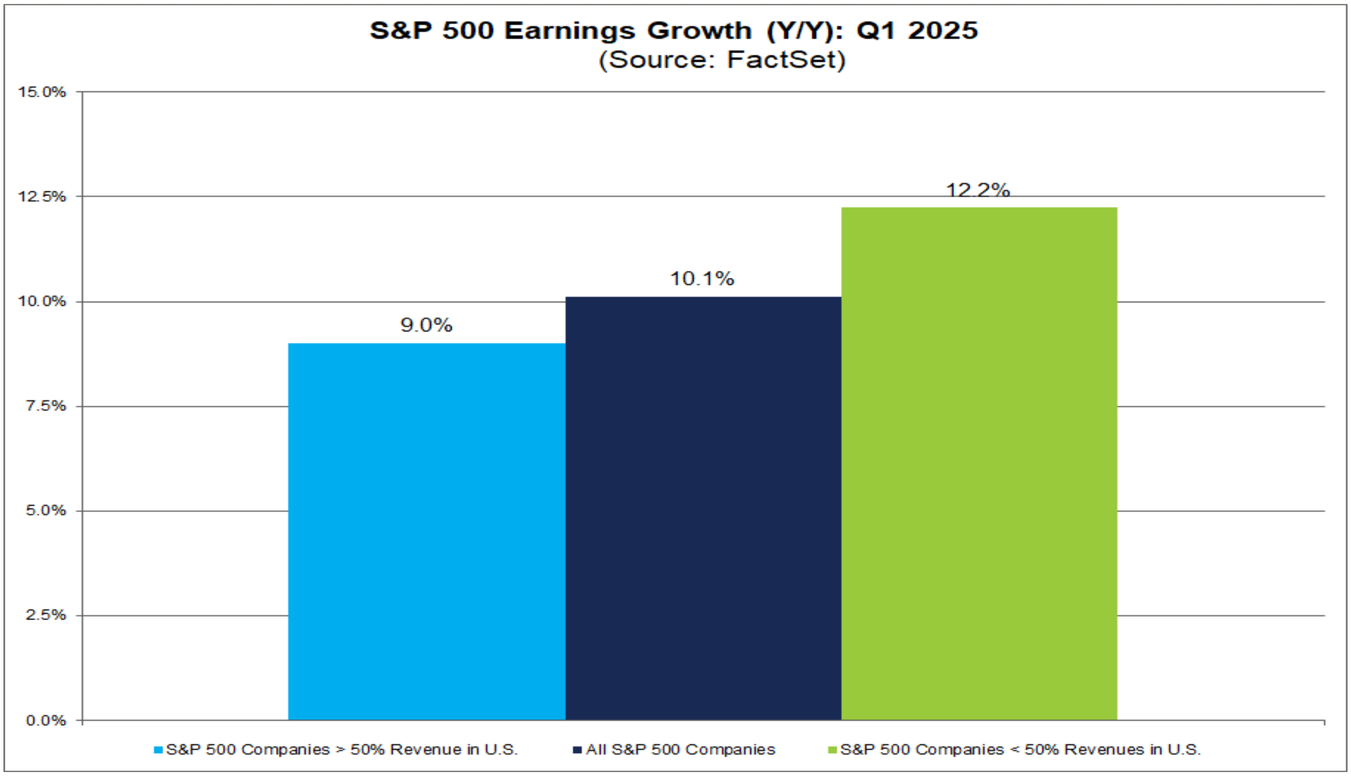


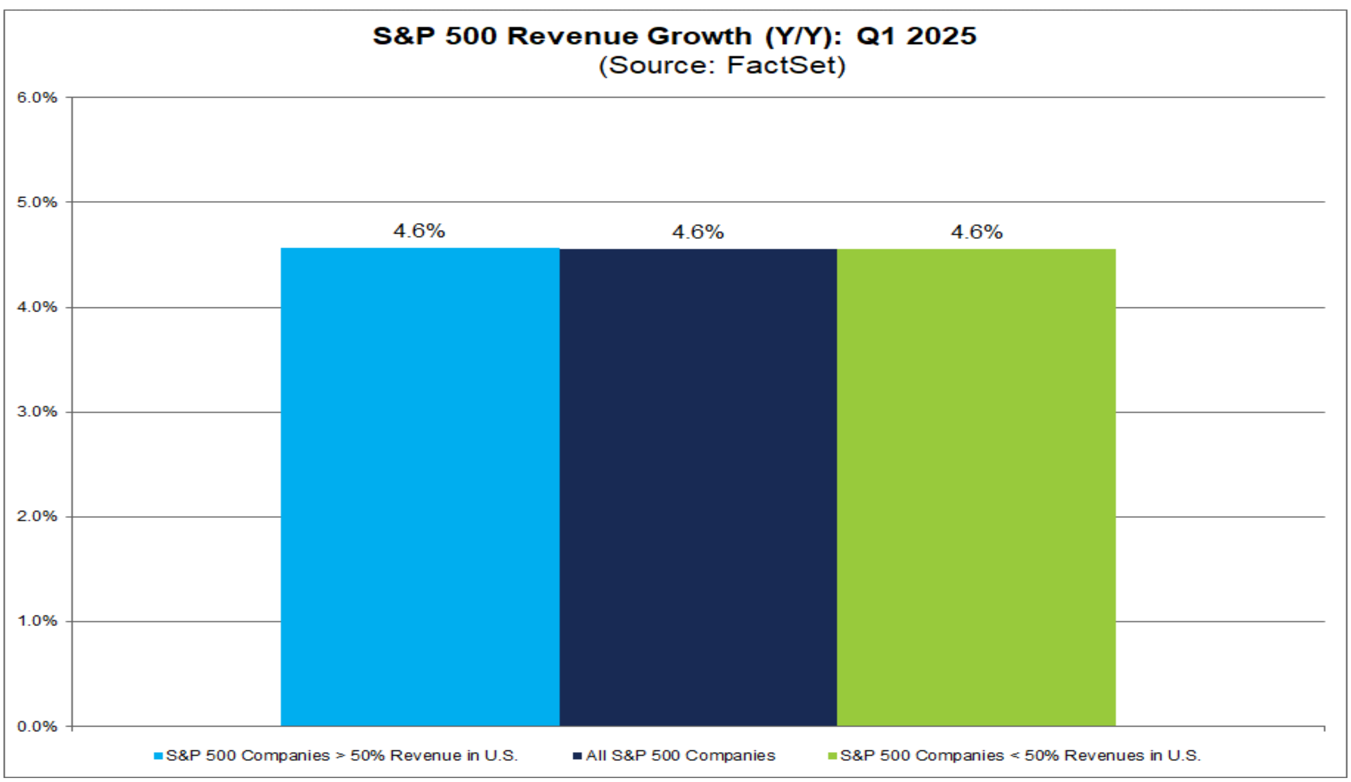
	Health Care	Comm. Services	Info. Technology	Utilities	S&P 500	Financials	Industrials	Consumer Disc.	Real Estate	Consumer Staples	Materials	Energy
Today	36.7%	23.3%	15.1%	10.7%	10.1%	6.6%	3.2%	-0.3%	-0.6%	-7.7%	-7.7%	-14.2%
31-Mar	36.0%	4.9%	14.8%	10.7%	7.2%	2.6%	0.7%	1.6%	-0.6%	-8.1%	-9.8%	-12.3%



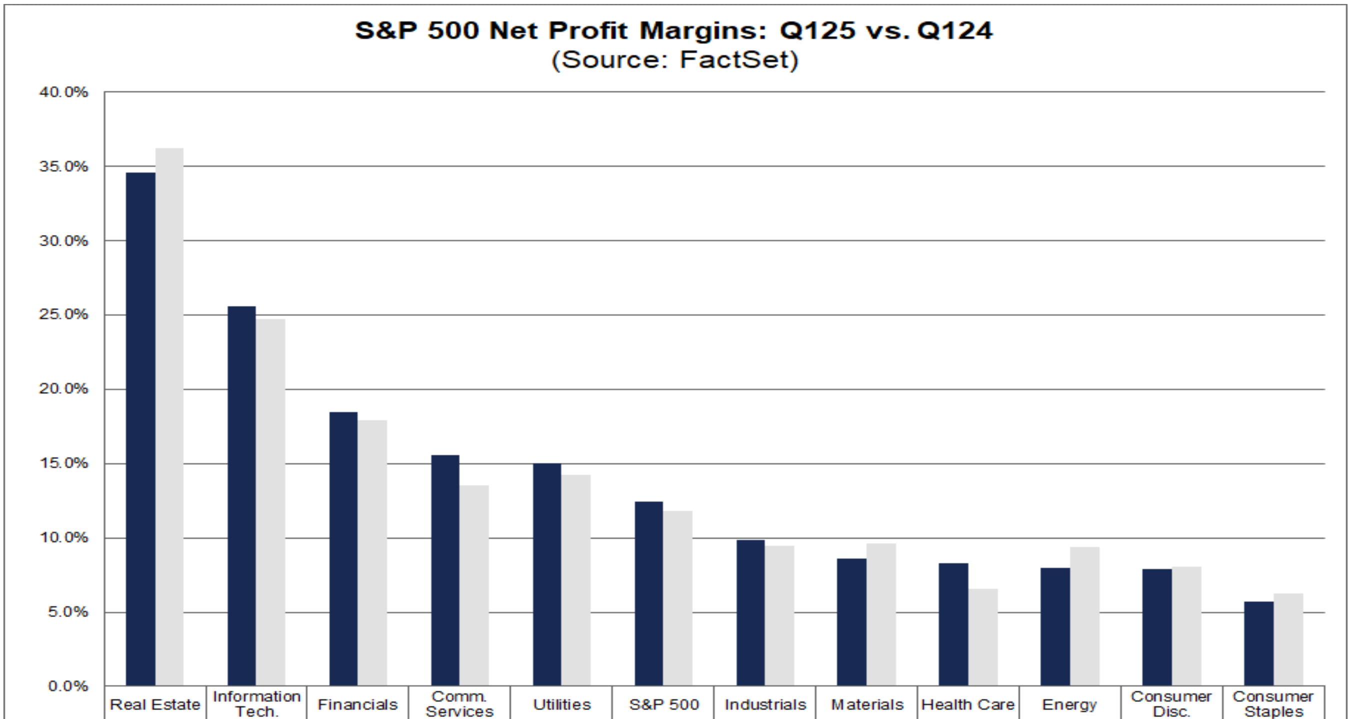
	Info. Technology	Health Care	Comm. Services	Utilities	S&P 500	Real Estate	Financials	Materials	Consumer Disc.	Energy	Consumer Staples	Industrials
Today	11.3%	8.5%	7.0%	5.2%	4.6%	4.0%	3.2%	2.8%	1.9%	1.5%	1.1%	-0.9%
31-Mar	11.2%	7.7%	6.5%	5.2%	4.4%	3.7%	2.9%	2.3%	2.8%	1.2%	1.1%	-0.9%

Q1 2025: Growth

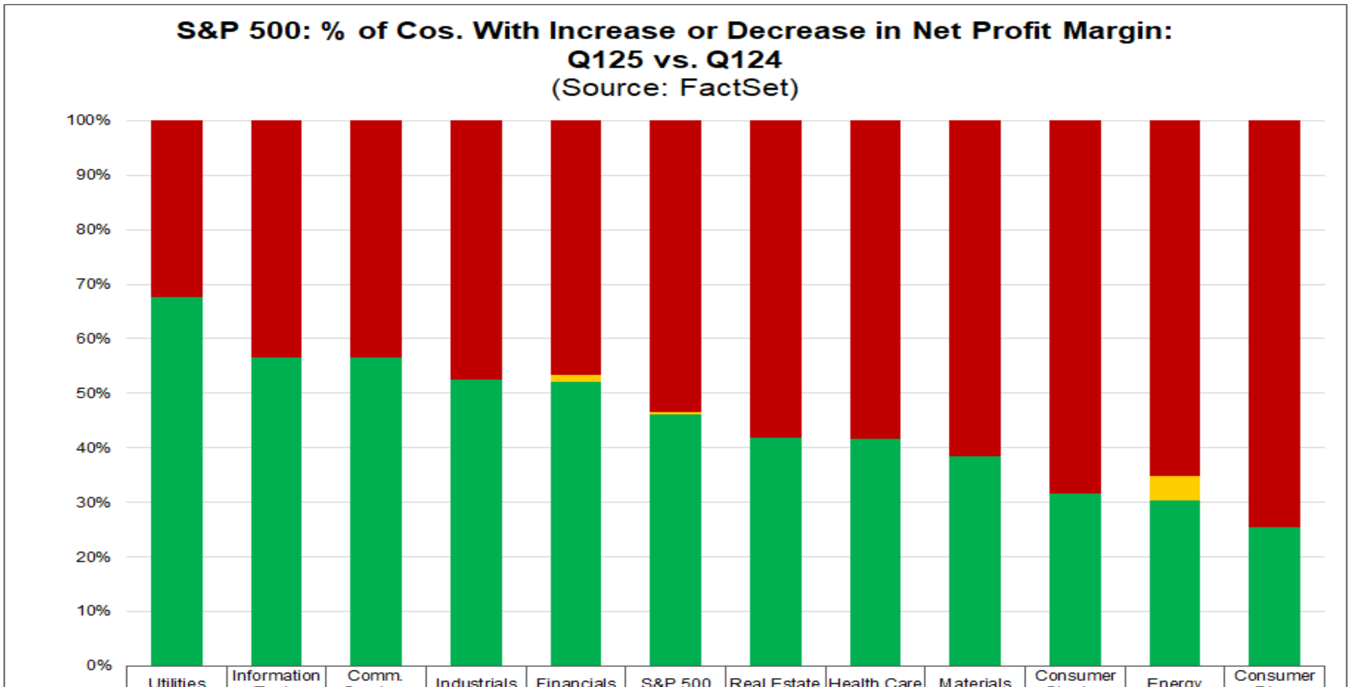




Q1 2025: Net Profit Margin

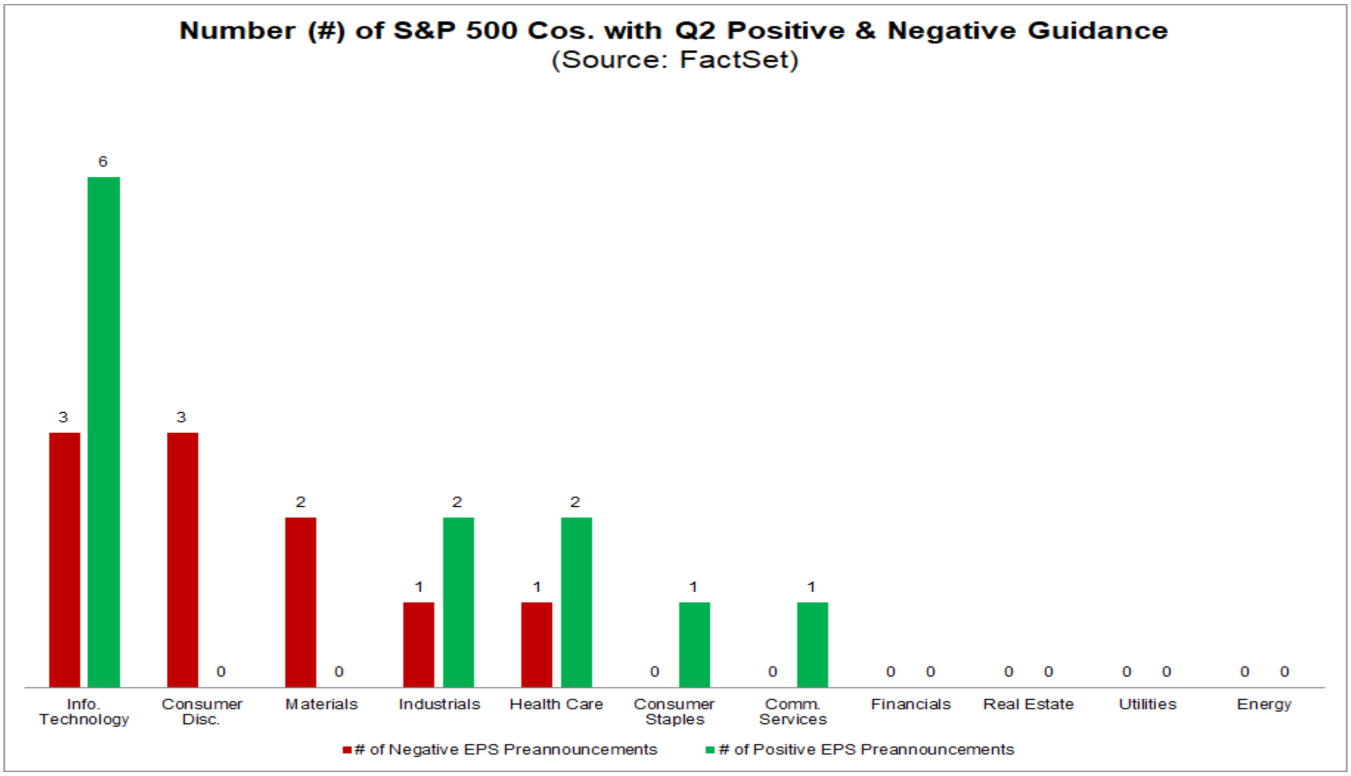


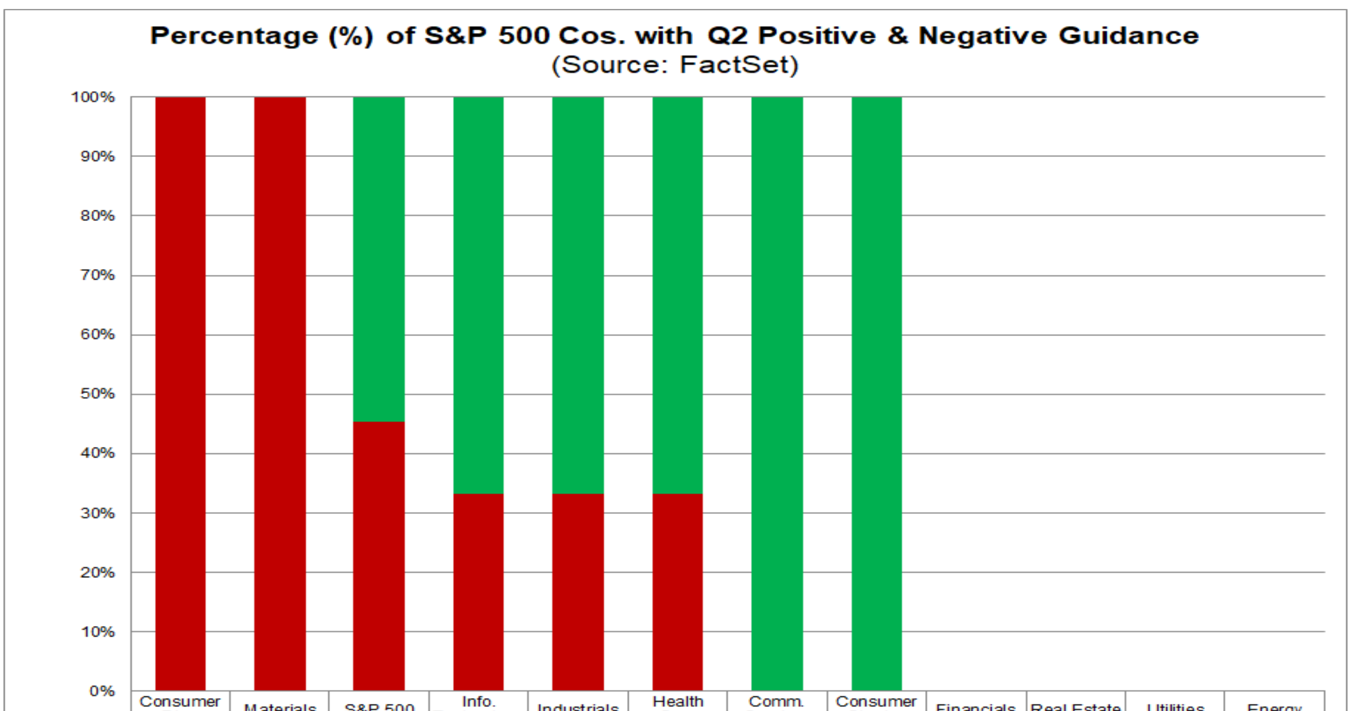
	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Industrials	Materials	Health Care	Energy	Consumer Disc.	Consumer Staples
Q125	34.6%	25.6%	18.5%	15.6%	15.0%	12.4%	9.8%	8.6%	8.3%	8.0%	7.9%	5.7%
Q124	36.2%	24.7%	17.9%	13.5%	14.3%	11.8%	9.4%	9.6%	6.6%	9.4%	8.0%	6.3%



	Utilities	Information Tech.	Comm. Services	Industrials	Financials	S&P 500	Real Estate	Health Care	Materials	Consumer Staples	Energy	Consumer Disc.
Down %	32%	43%	43%	47%	47%	53%	58%	58%	62%	68%	65%	75%
None %	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	4%	0%
Up %	68%	57%	57%	53%	52%	46%	42%	42%	38%	32%	30%	25%

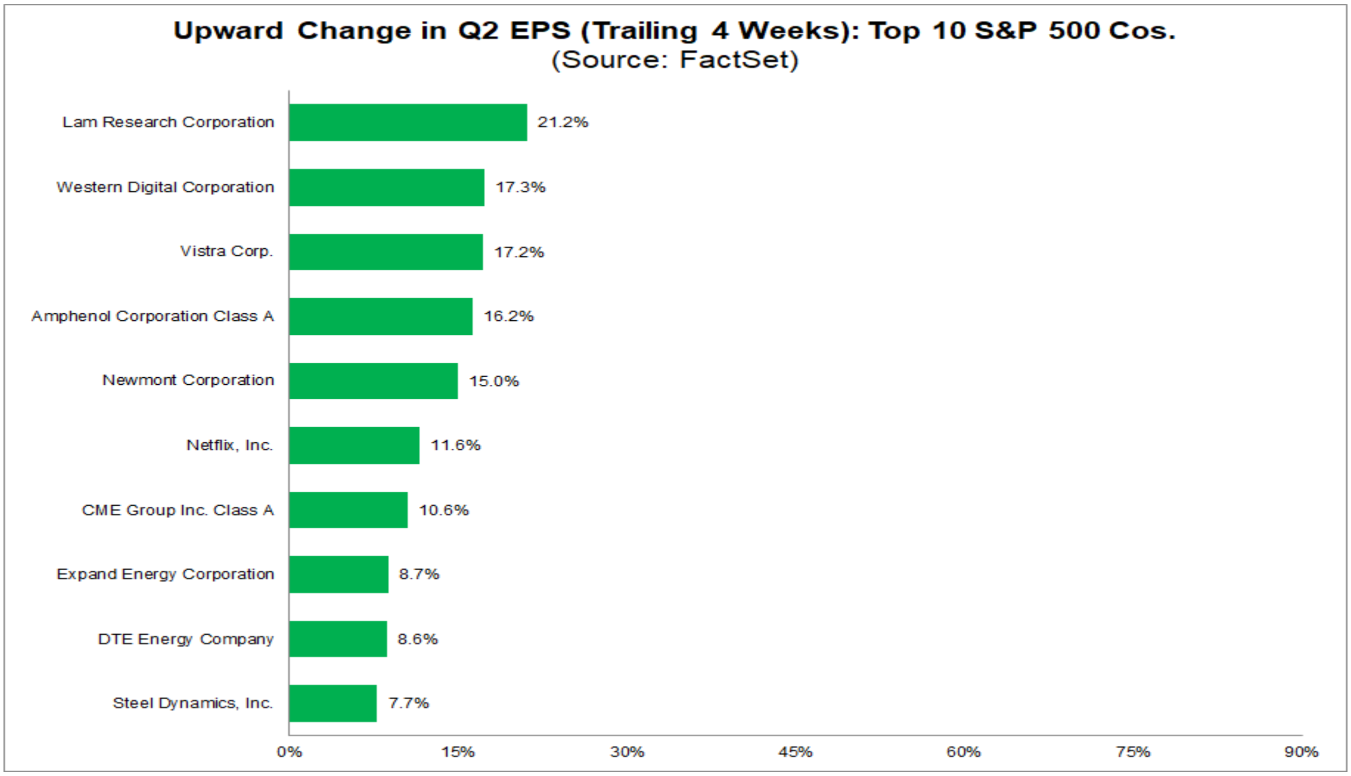
Q2 2025: Guidance

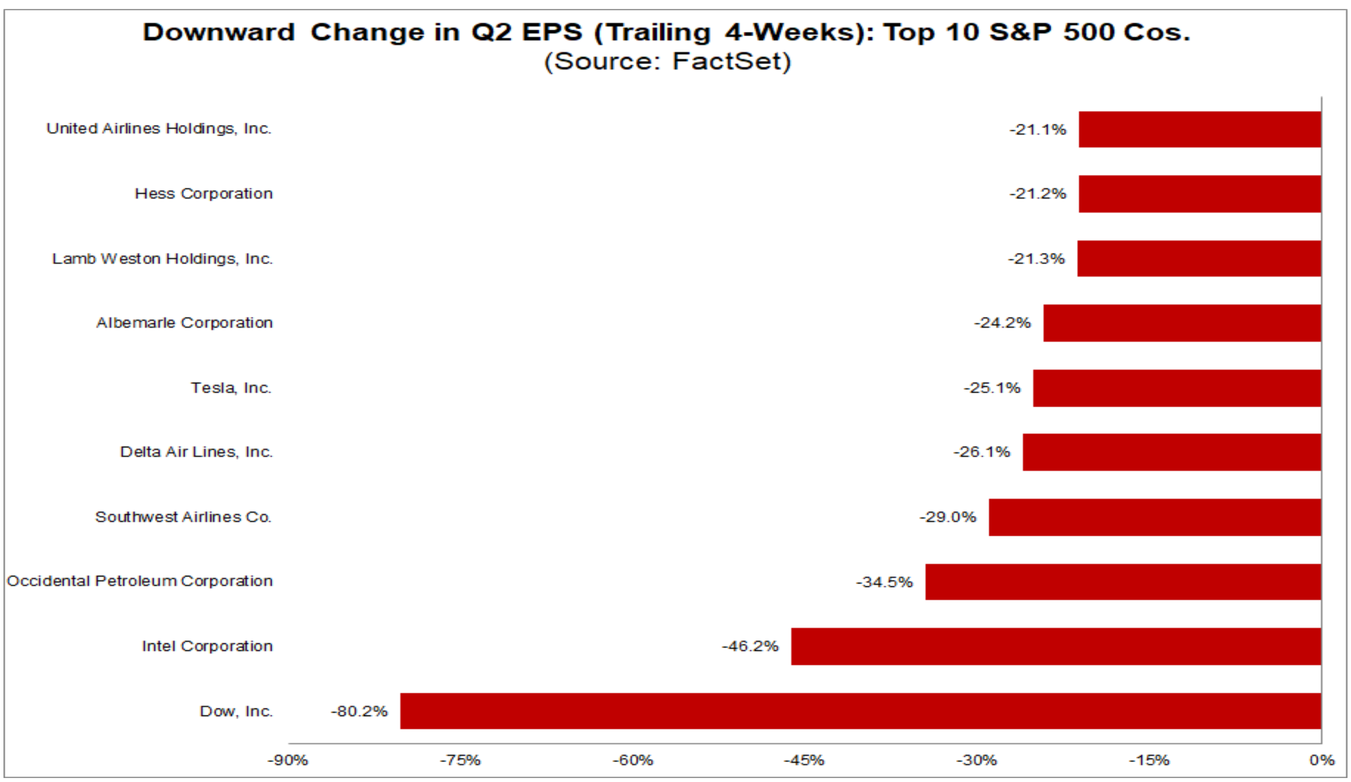




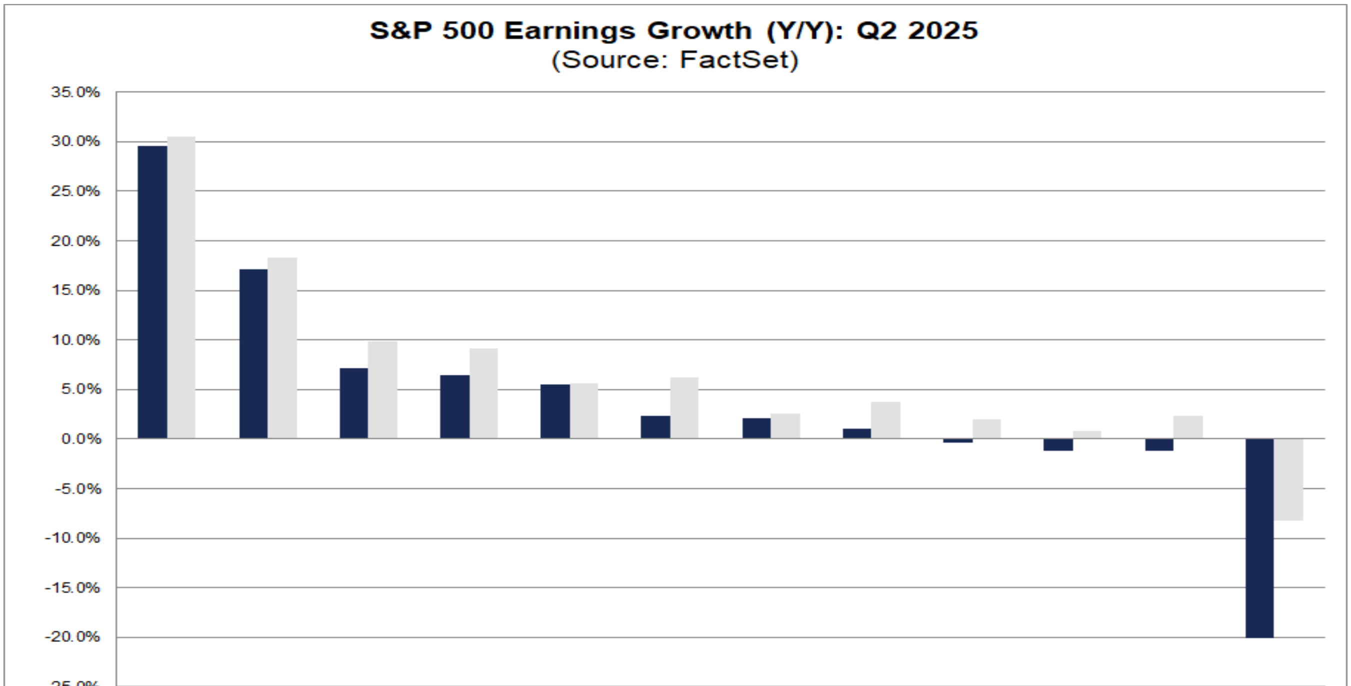
	Consumer Disc.	Materials	S&P 500	Info. Technology	Industrials	Health Care	Comm. Services	Consumer Staples	Financials	Real Estate	Utilities	Energy
Positive	0%	0%	55%	67%	67%	67%	100%	100%	0%	0%	0%	0%
Negative	100%	100%	45%	33%	33%	33%	0%	0%	0%	0%	0%	0%

Q2 2025: EPS Revisions

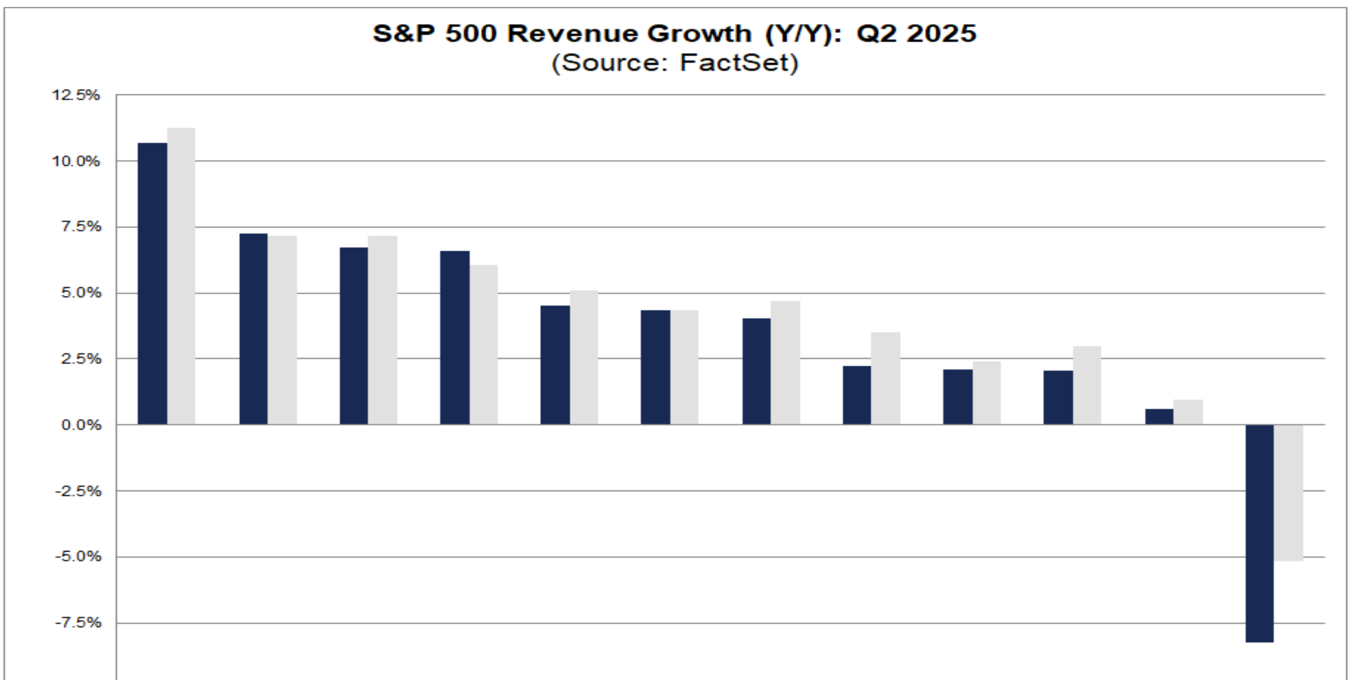




Q2 2025: Growth

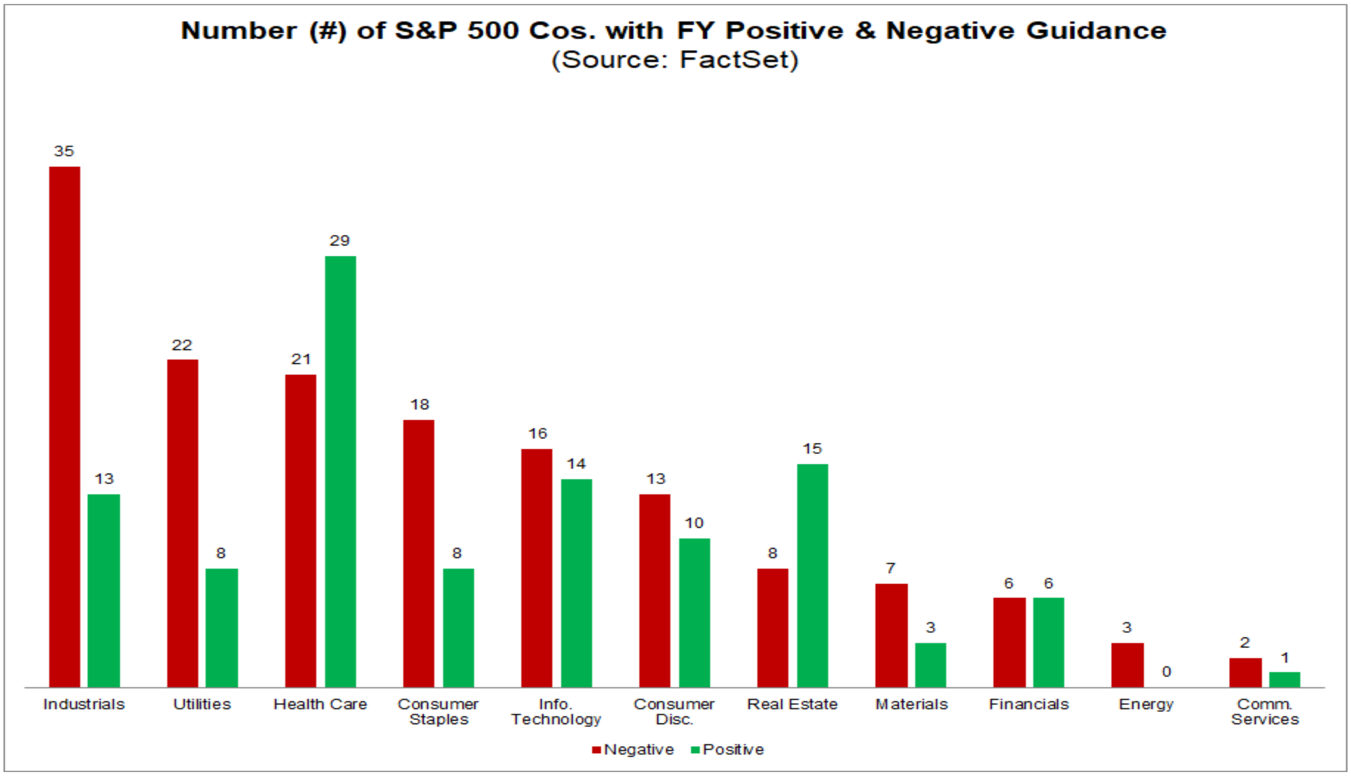


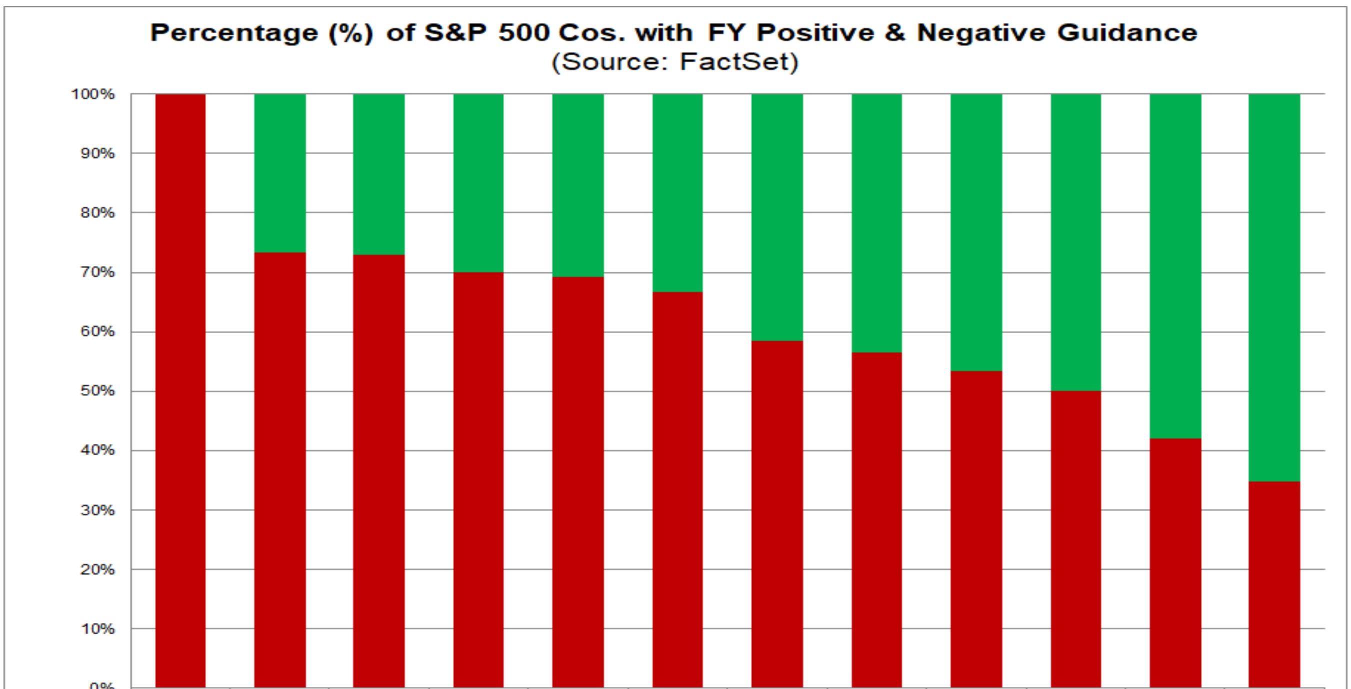
	Comm. Services	Info. Technology	Health Care	S&P 500	Utilities	Industrials	Real Estate	Financials	Materials	Consumer Staples	Consumer Disc.	Energy
Today	29.5%	17.2%	7.2%	6.4%	5.5%	2.3%	2.1%	1.0%	-0.4%	-1.1%	-1.2%	-20.1%
31-Mar	30.6%	18.3%	9.9%	9.2%	5.6%	6.3%	2.5%	3.7%	2.0%	0.8%	2.4%	-8.3%



	Info. Technology	Health Care	Comm. Services	Utilities	Financials	Real Estate	S&P 500	Consumer Disc.	Consumer Staples	Industrials	Materials	Energy
Today	10.7%	7.3%	6.7%	6.6%	4.5%	4.4%	4.0%	2.3%	2.1%	2.0%	0.6%	-8.3%
31-Mar	11.3%	7.2%	7.2%	6.1%	5.1%	4.3%	4.7%	3.5%	2.4%	3.0%	1.0%	-5.2%

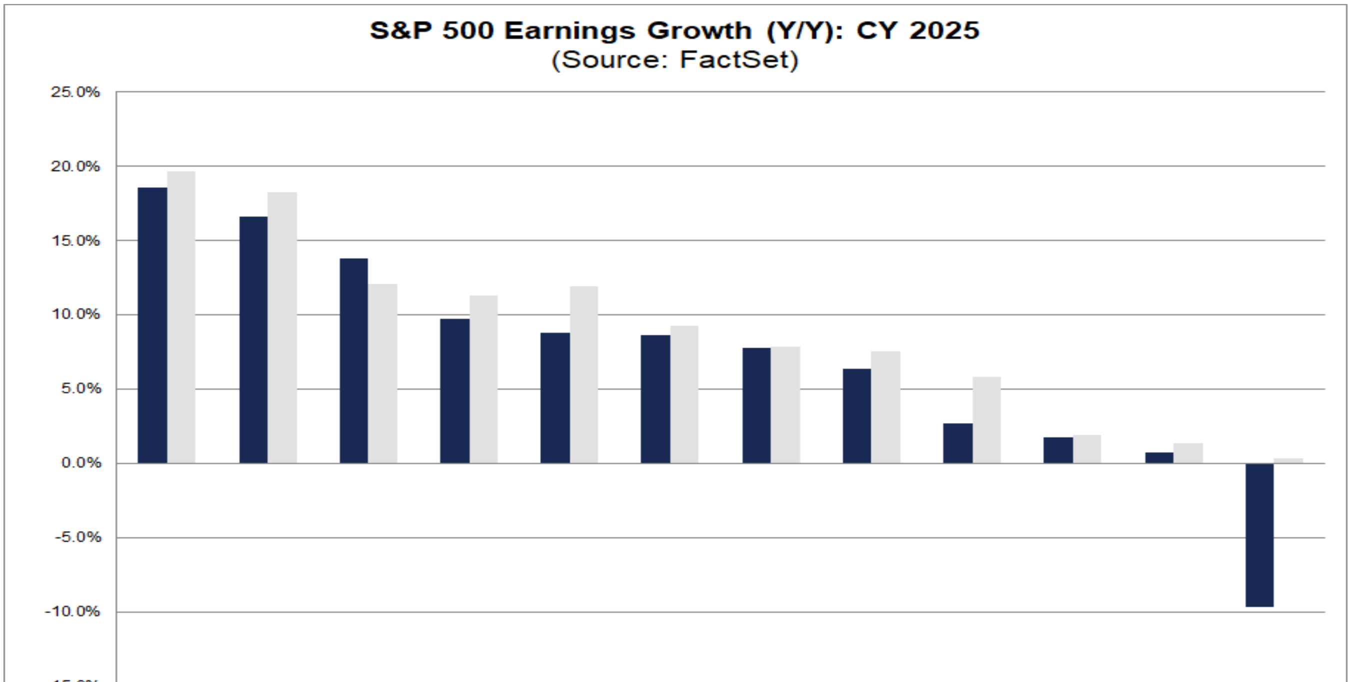
FY 2025 / 2026: EPS Guidance



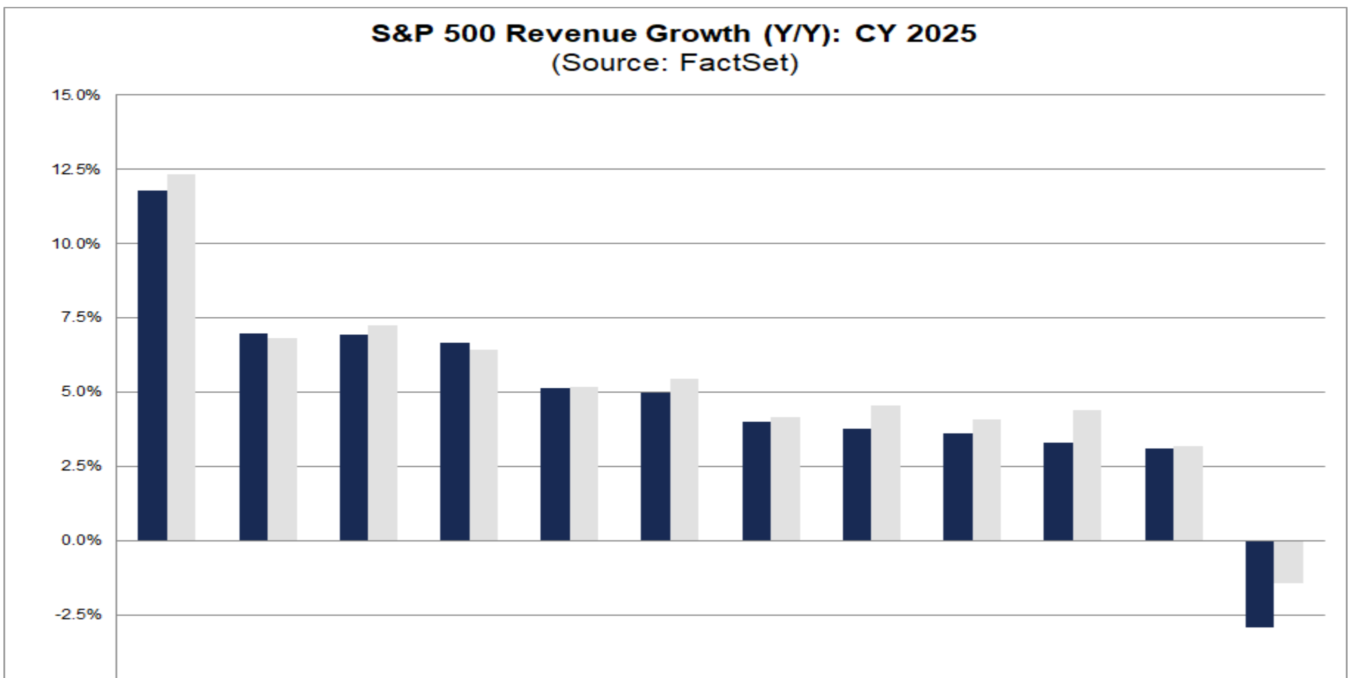


	Energy	Utilities	Industrials	Materials	Consumer Staples	Comm. Services	S&P 500	Consumer Disc.	Info. Technology	Financials	Health Care	Real Estate
Positive	0%	27%	27%	30%	31%	33%	41%	43%	47%	50%	58%	65%
Negative	100%	73%	73%	70%	69%	67%	59%	57%	53%	50%	42%	35%

CY 2025: Growth

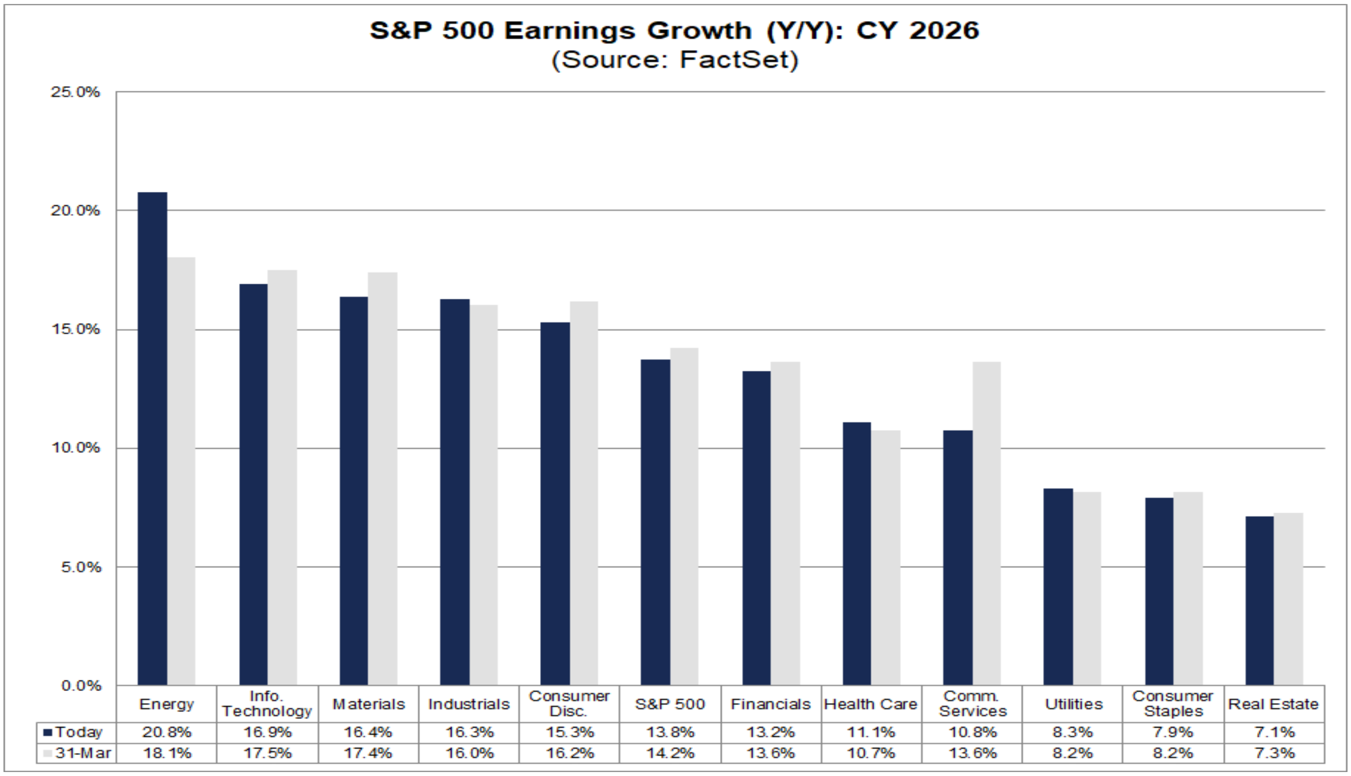


	Info. Technology	Health Care	Comm. Services	S&P 500	Industrials	Materials	Utilities	Financials	Consumer Disc.	Real Estate	Consumer Staples	Energy
Today	18.6%	16.6%	13.8%	9.7%	8.8%	8.7%	7.7%	6.4%	2.7%	1.7%	0.7%	-9.7%
31-Mar	19.7%	18.2%	12.1%	11.3%	12.0%	9.3%	7.8%	7.5%	5.8%	1.9%	1.4%	0.4%

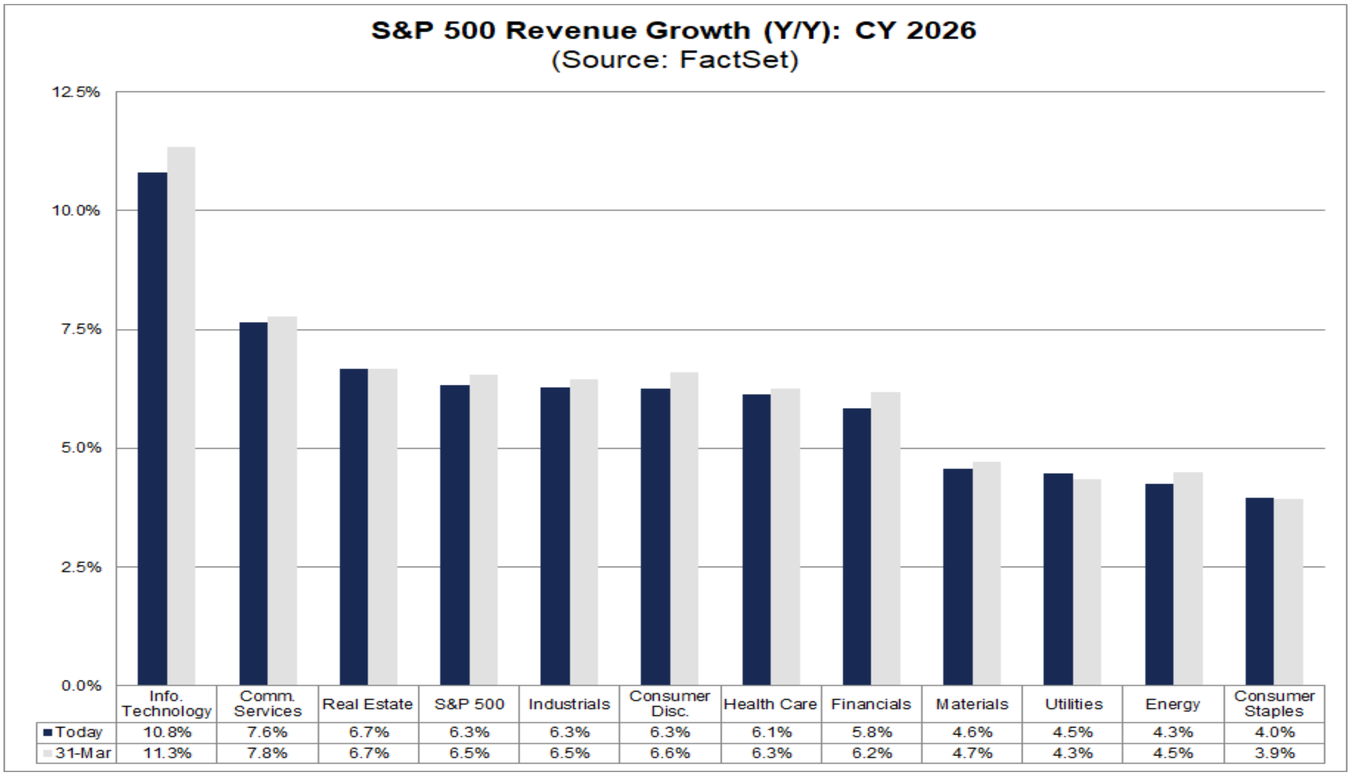


	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	S&P 500	Materials	Industrials	Financials	Consumer Disc.	Consumer Staples	Energy
Today	11.8%	7.0%	6.9%	6.6%	5.1%	5.0%	4.0%	3.7%	3.6%	3.3%	3.1%	-2.9%
31-Mar	12.3%	6.8%	7.3%	6.4%	5.2%	5.4%	4.2%	4.5%	4.1%	4.4%	3.2%	-1.4%

CY 2026: Growth

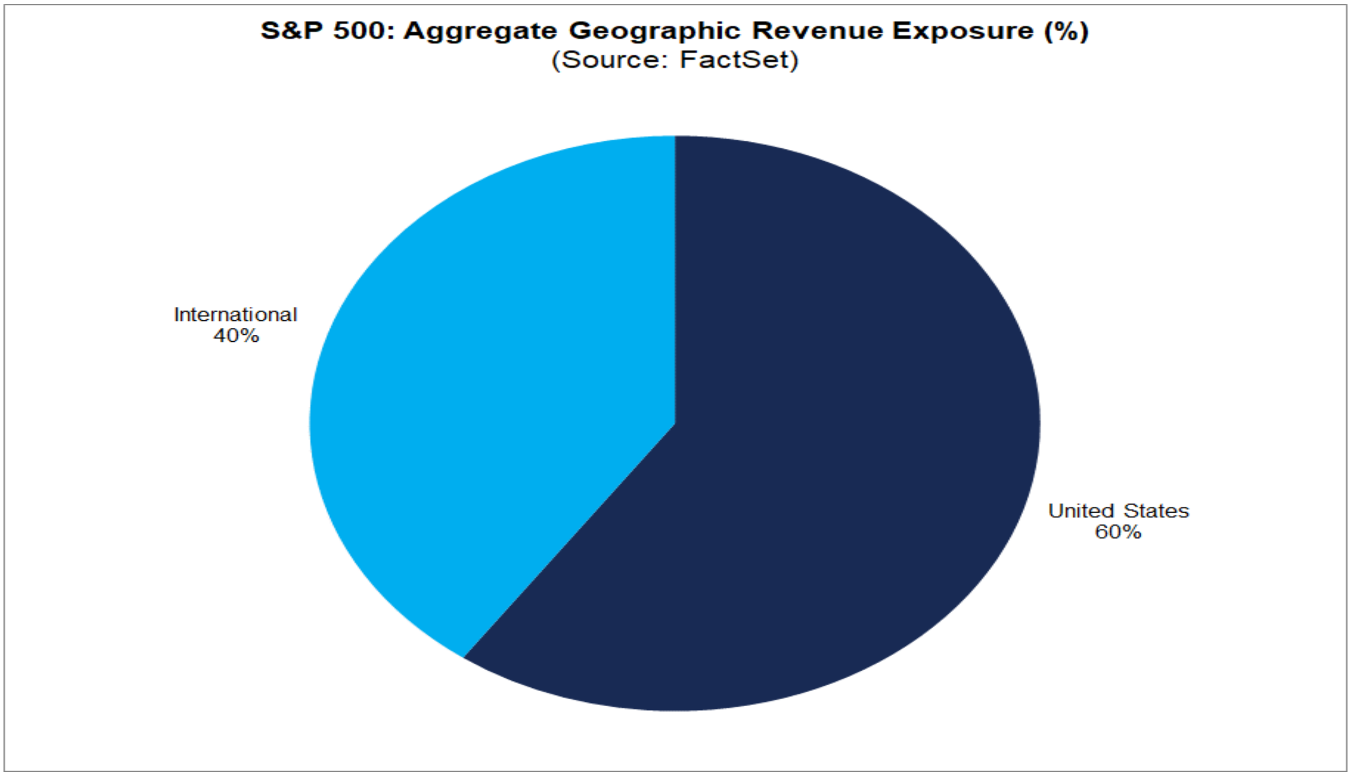


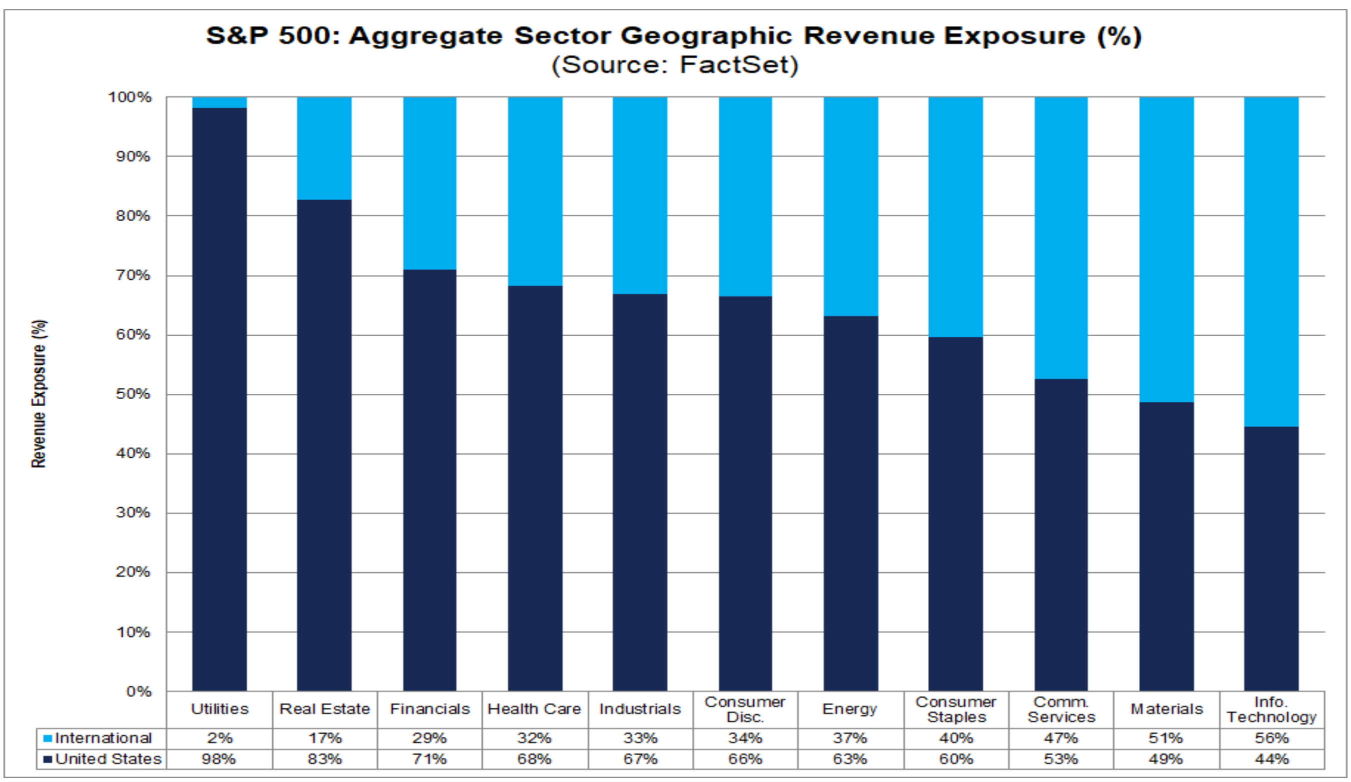
	Energy	Info. Technology	Materials	Industrials	Consumer Disc.	S&P 500	Financials	Health Care	Comm. Services	Utilities	Consumer Staples	Real Estate
Today	20.8%	16.9%	16.4%	16.3%	15.3%	13.8%	13.2%	11.1%	10.8%	8.3%	7.9%	7.1%
31-Mar	18.1%	17.5%	17.4%	16.0%	16.2%	14.2%	13.6%	10.7%	13.6%	8.2%	8.2%	7.3%



	Info. Technology	Comm. Services	Real Estate	S&P 500	Industrials	Consumer Disc.	Health Care	Financials	Materials	Utilities	Energy	Consumer Staples
Today	10.8%	7.6%	6.7%	6.3%	6.3%	6.3%	6.1%	5.8%	4.6%	4.5%	4.3%	4.0%
31-Mar	11.3%	7.8%	6.7%	6.5%	6.5%	6.6%	6.3%	6.2%	4.7%	4.3%	4.5%	3.9%

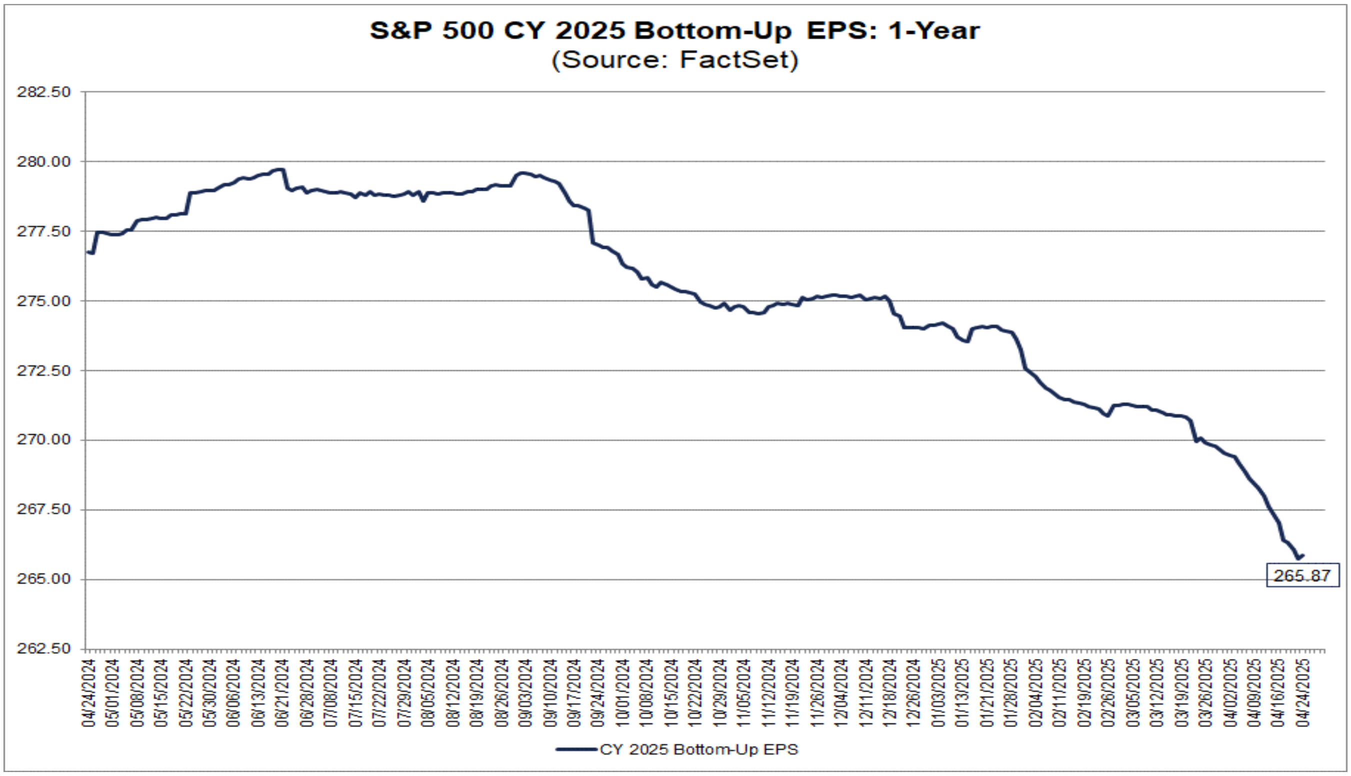
Geographic Revenue Exposure

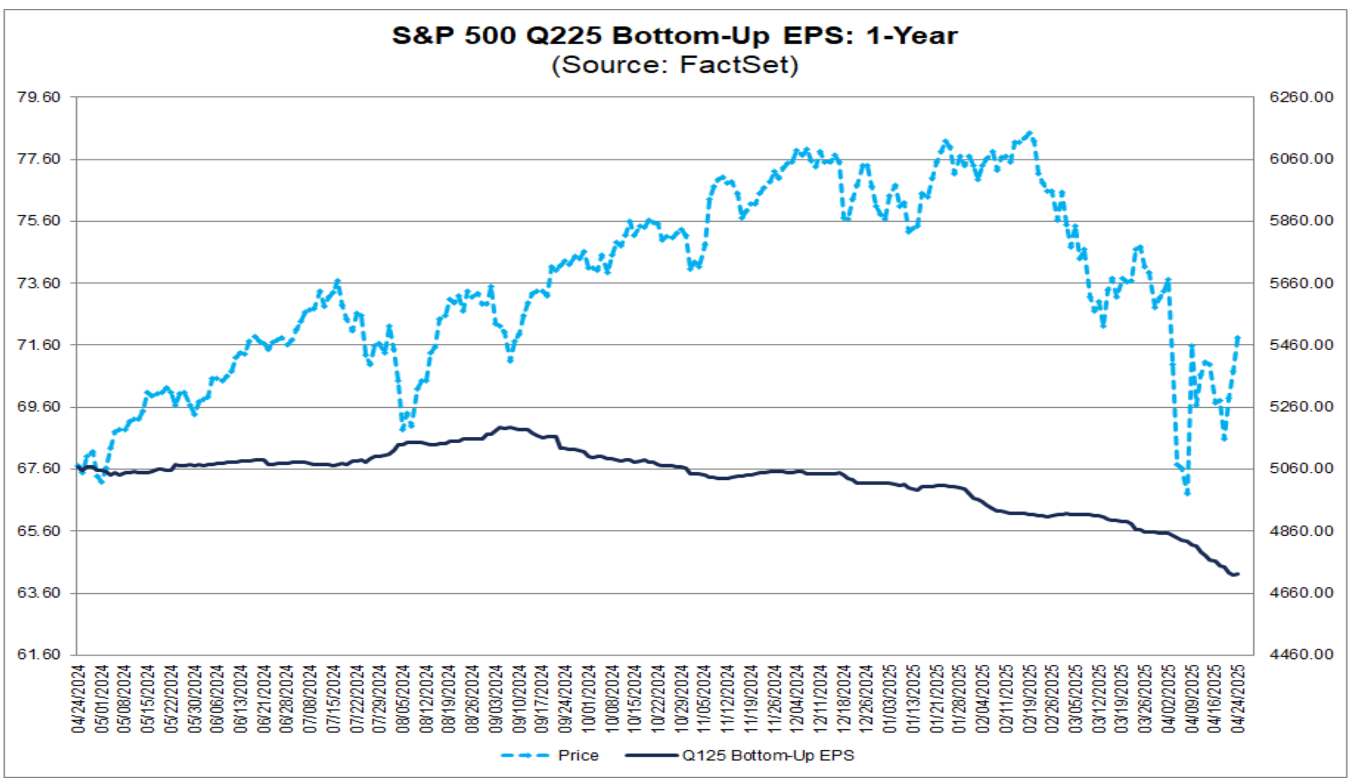




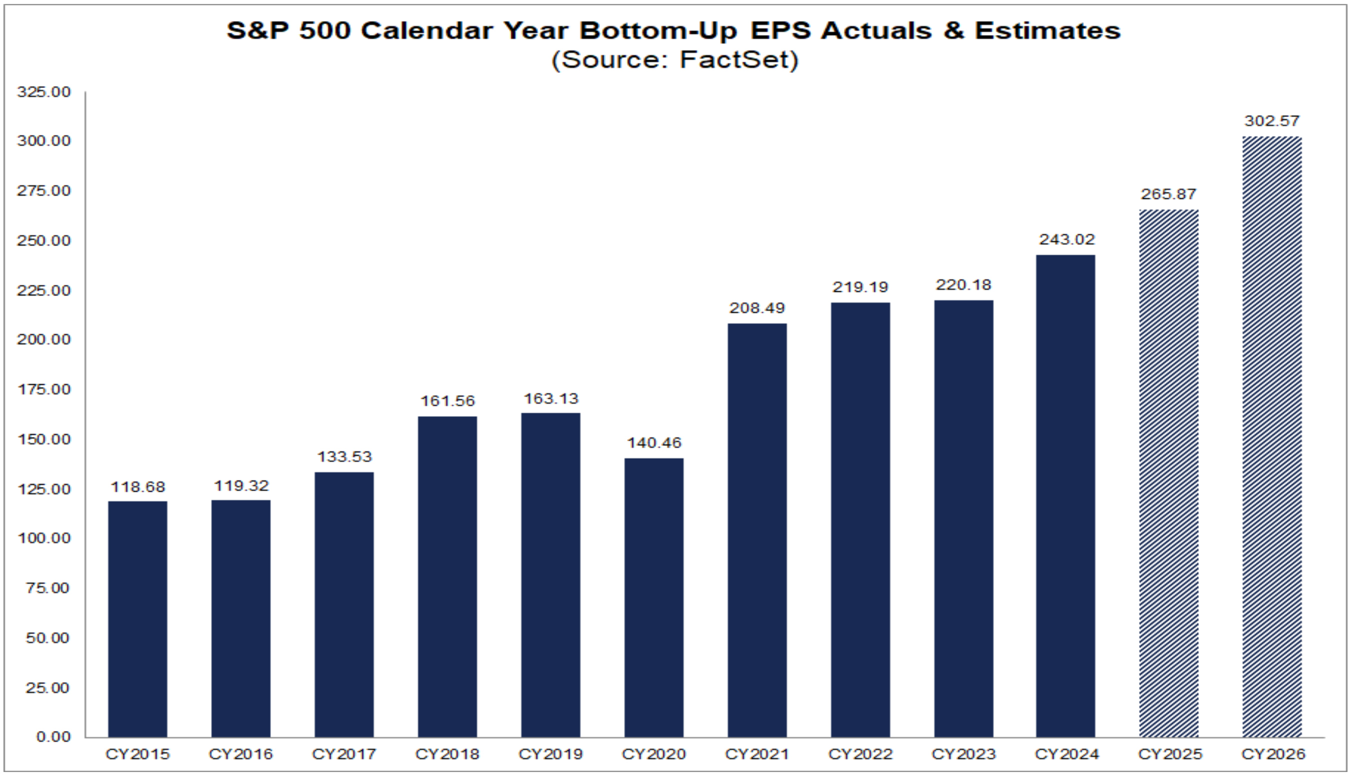
	Utilities	Real Estate	Financials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	17%	29%	32%	33%	34%	37%	40%	47%	51%	56%
United States	98%	83%	71%	68%	67%	66%	63%	60%	53%	49%	44%

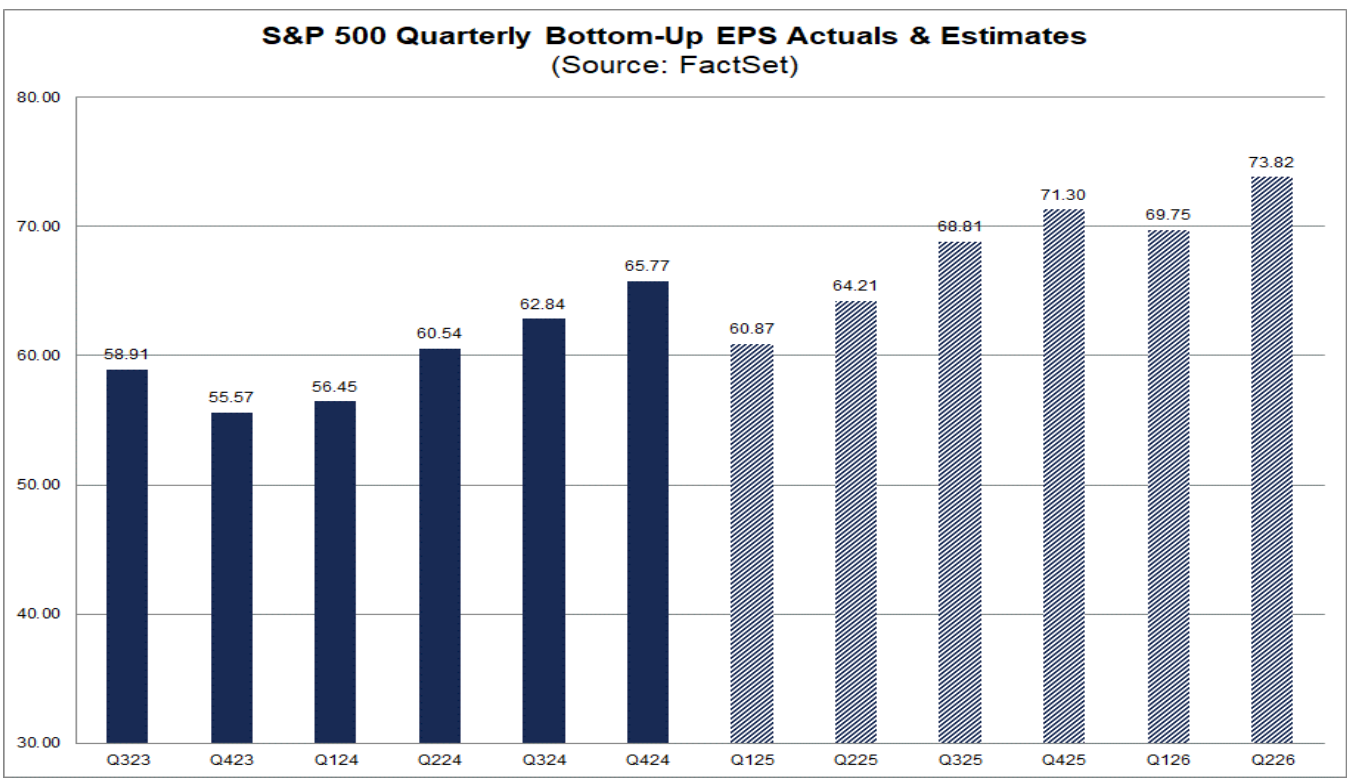
Bottom-Up EPS Estimates



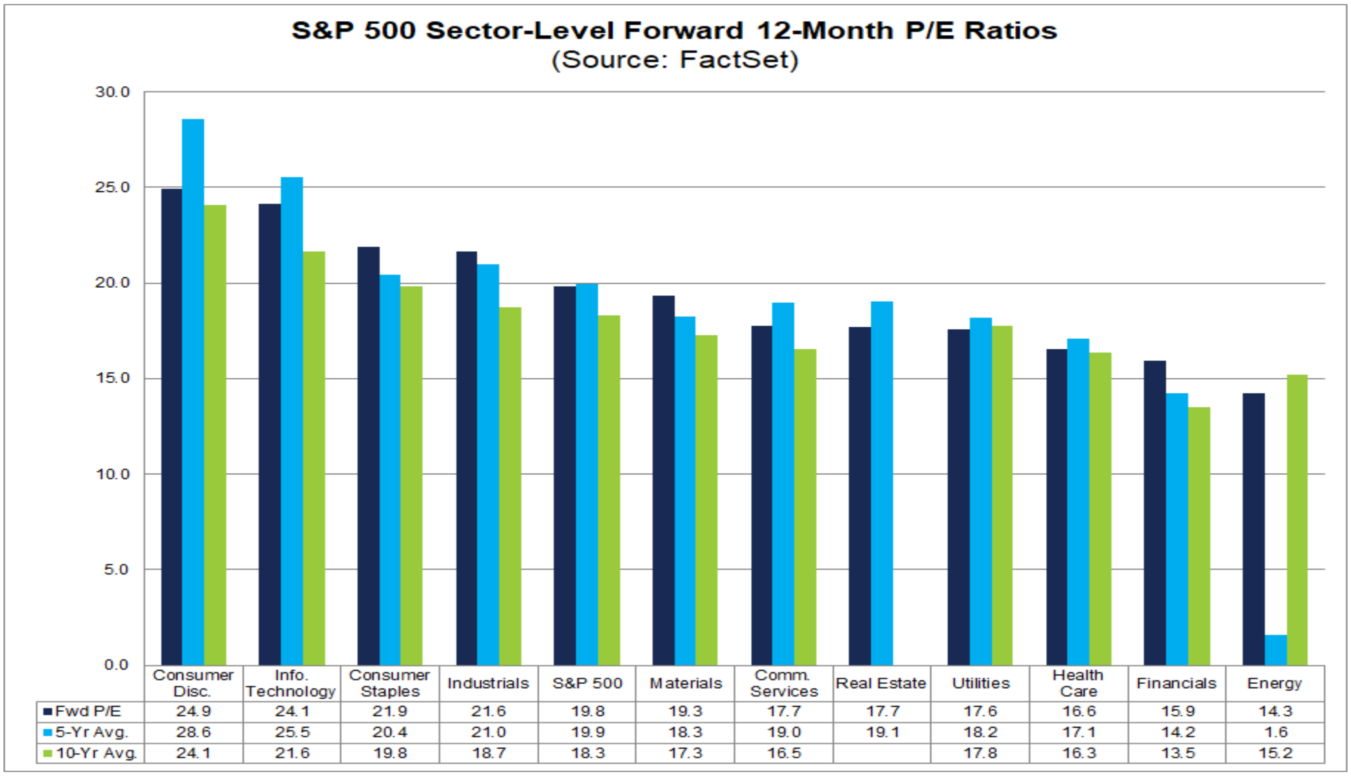


Bottom-Up EPS Estimates: Current & Historical

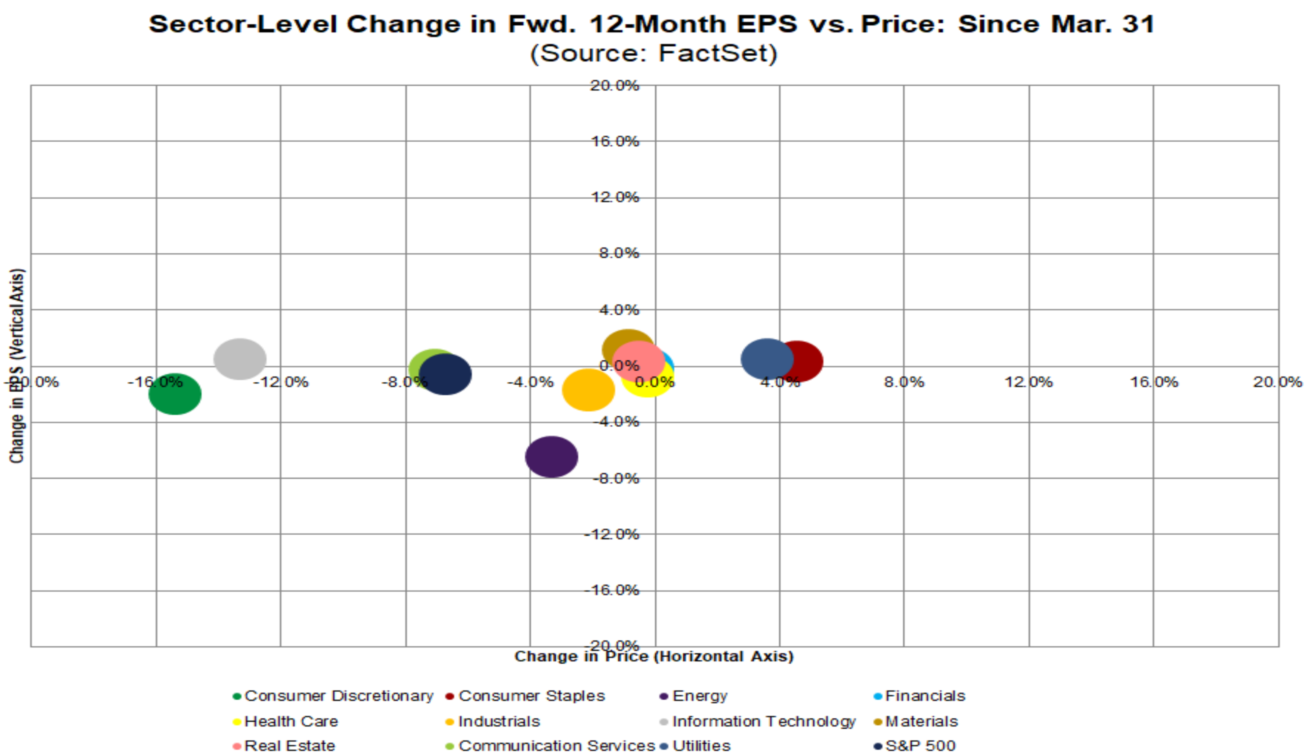




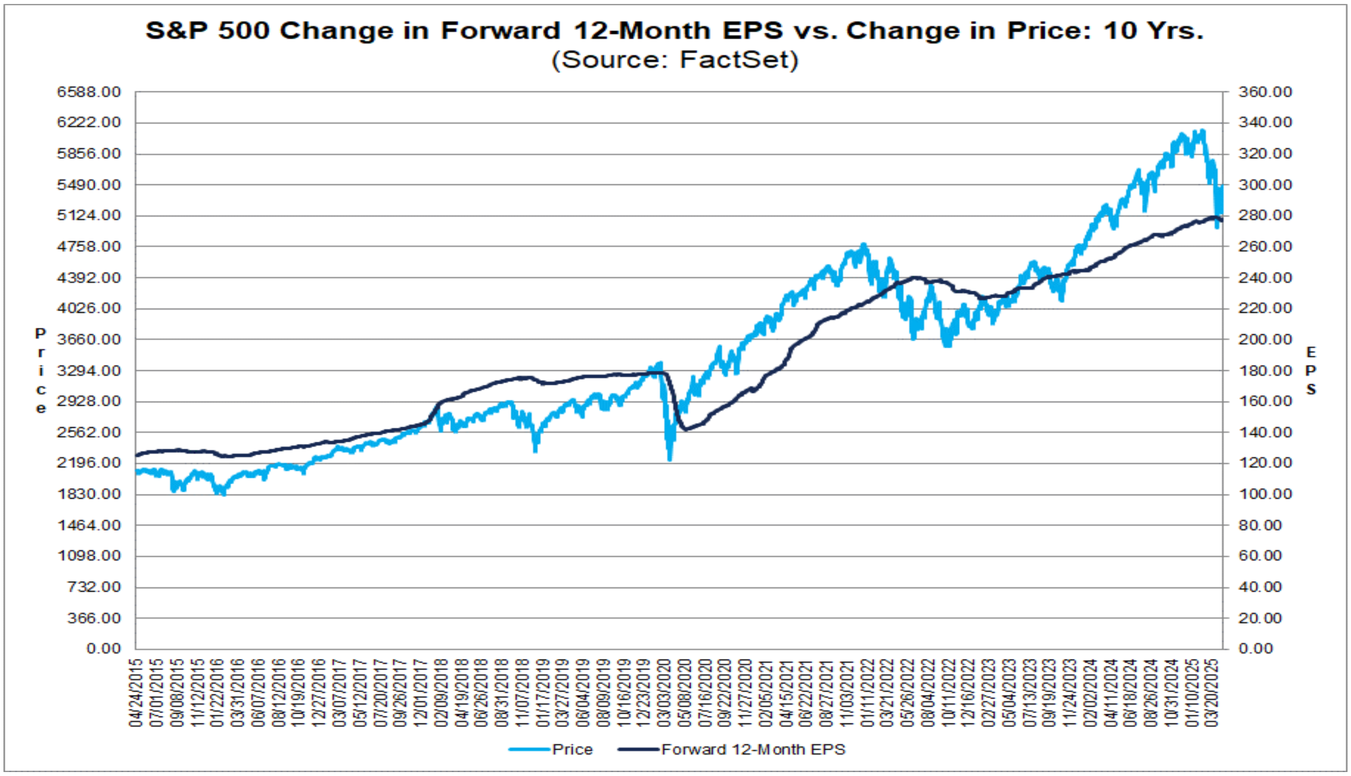
Forward 12M P/E Ratio: Sector Level

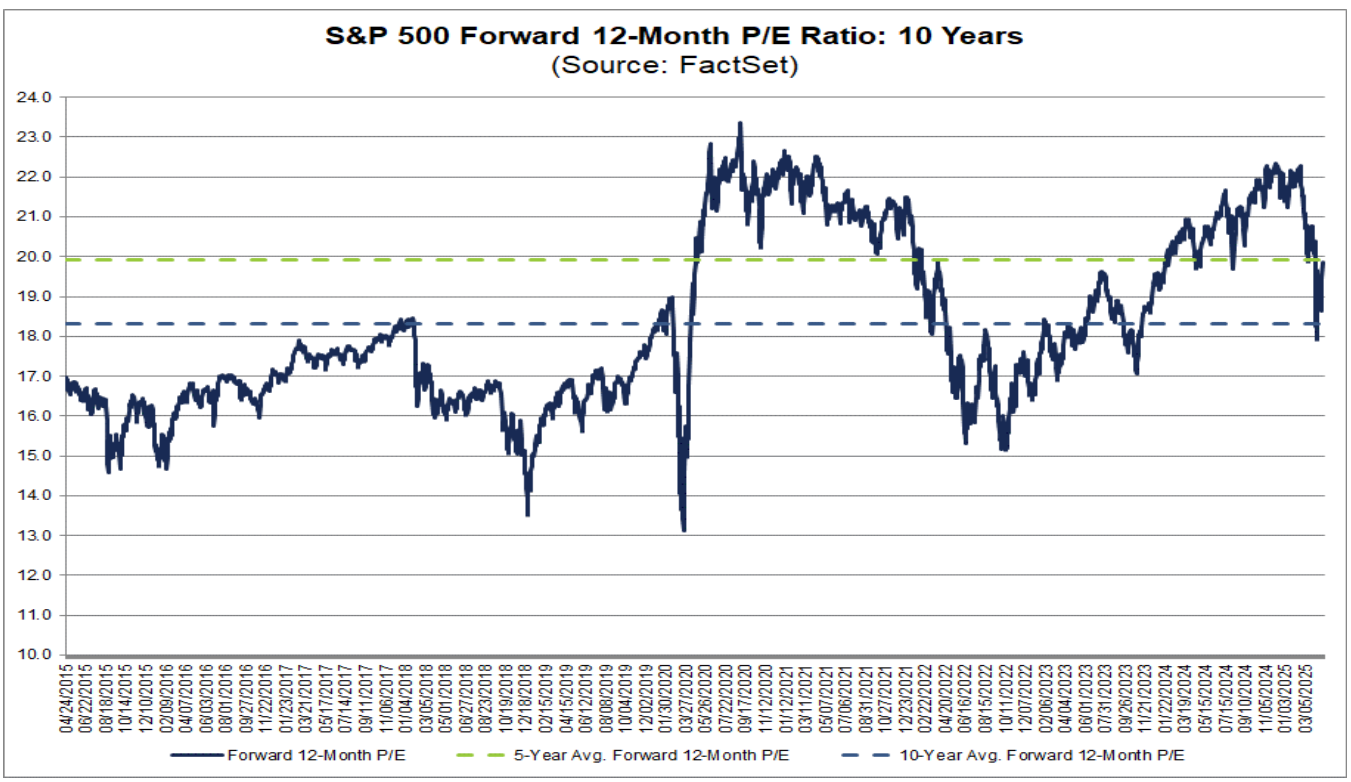


	Consumer Disc.	Info. Technology	Consumer Staples	Industrials	S&P 500	Materials	Comm. Services	Real Estate	Utilities	Health Care	Financials	Energy
Fwd P/E	24.9	24.1	21.9	21.6	19.8	19.3	17.7	17.7	17.6	16.6	15.9	14.3
5-Yr Avg.	28.6	25.5	20.4	21.0	19.9	18.3	19.0	19.1	18.2	17.1	14.2	1.6
10-Yr Avg.	24.1	21.6	19.8	18.7	18.3	17.3	16.5		17.8	16.3	13.5	15.2

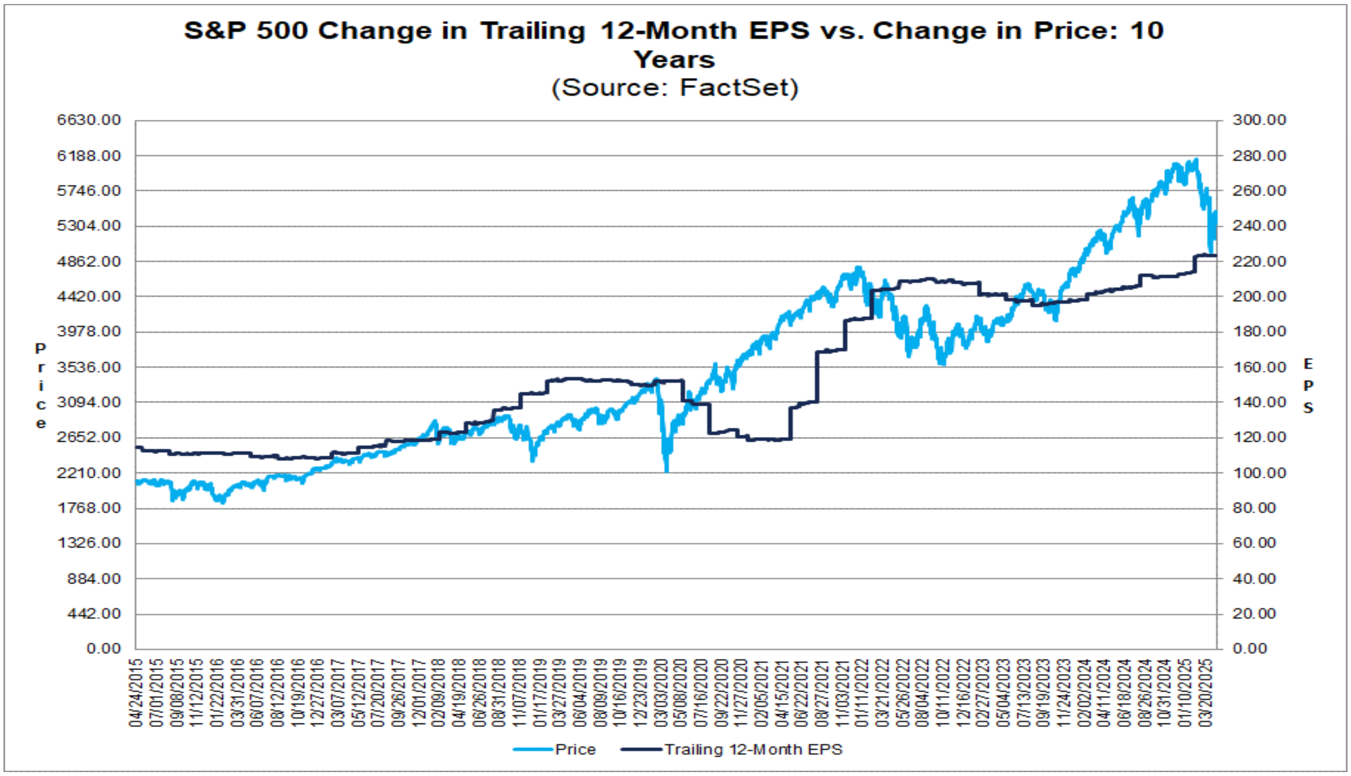


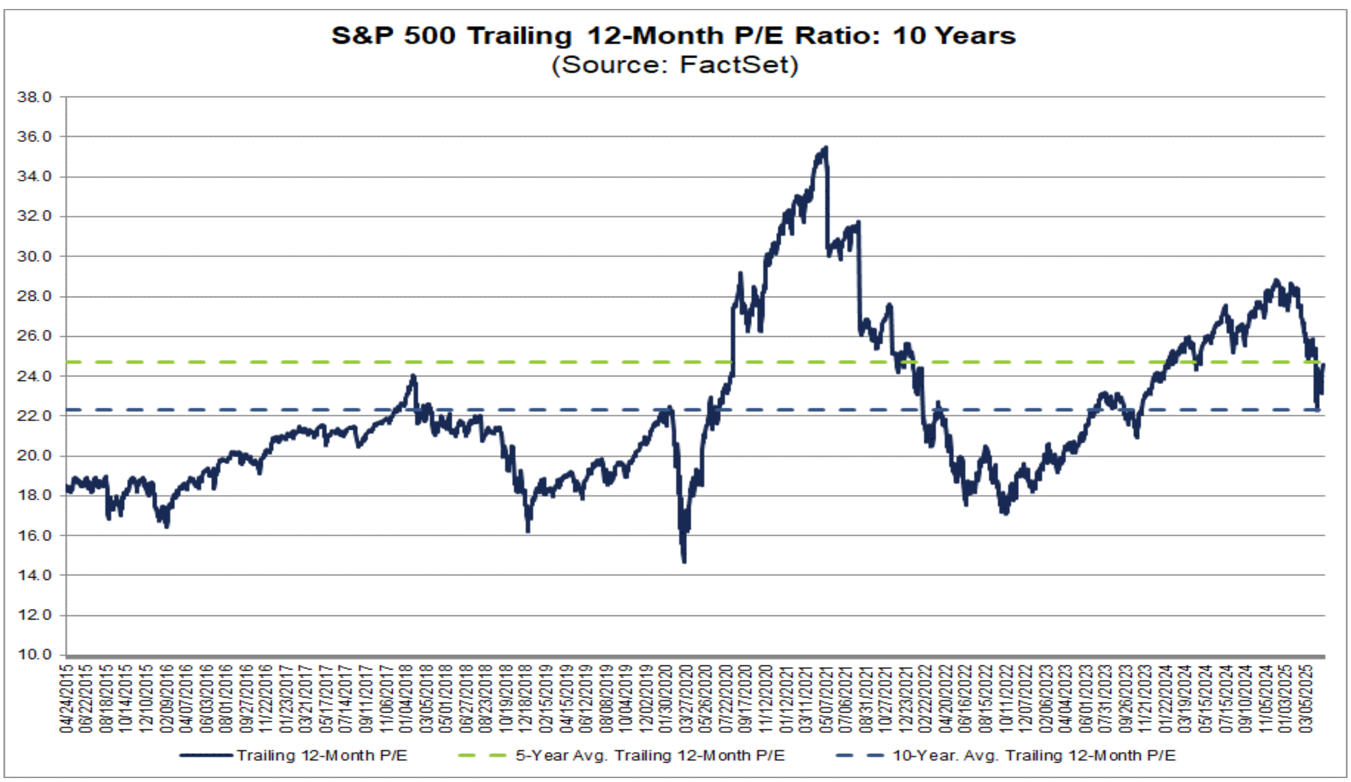
Forward 12M P/E Ratio: 10-Years



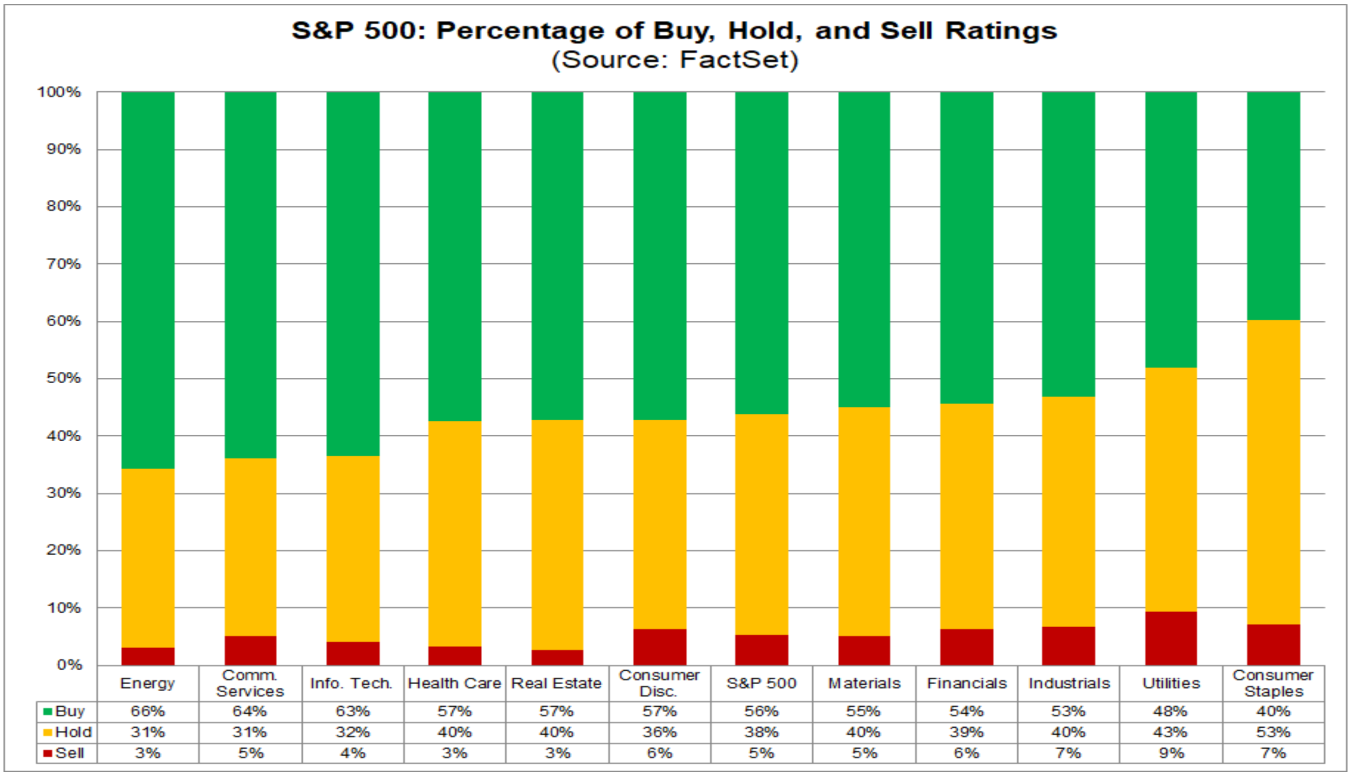


Trailing 12M P/E Ratio: 10-Years

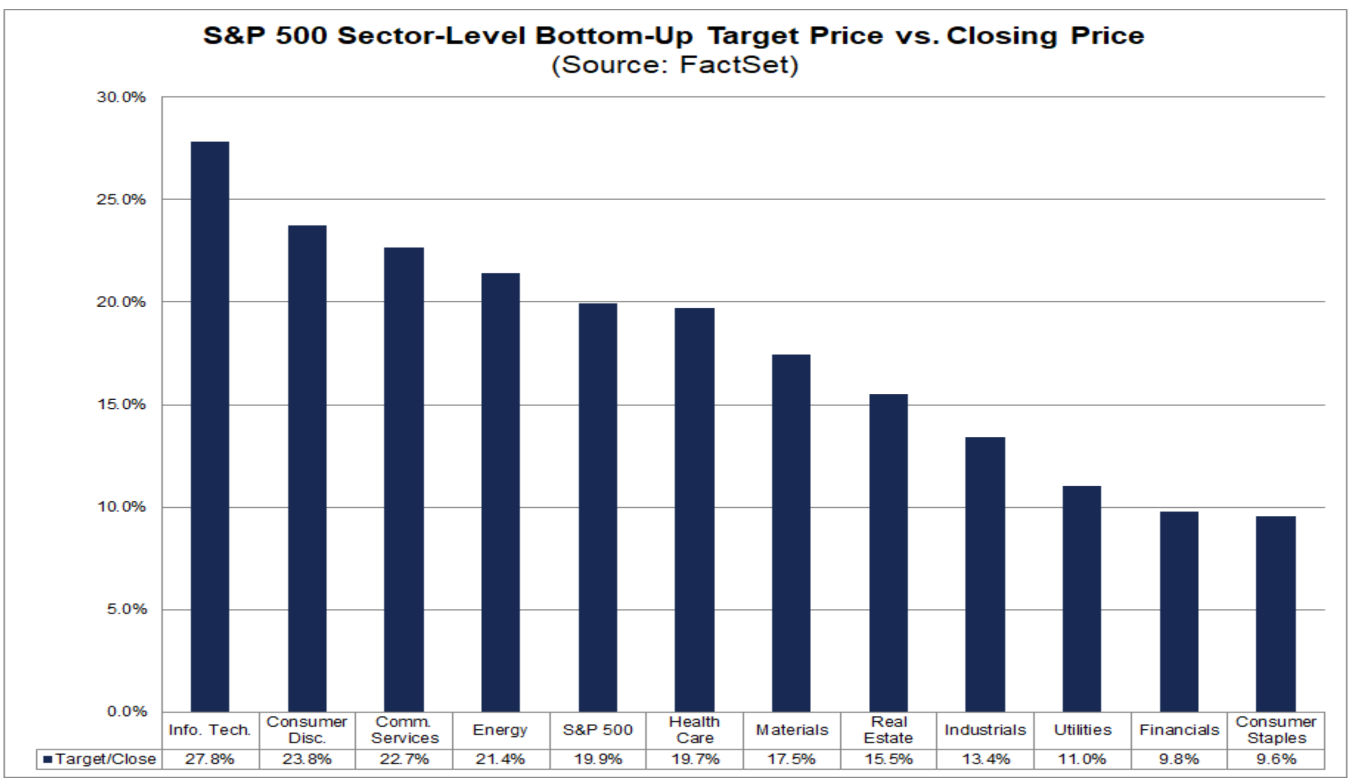




Targets & Ratings



	Energy	Comm. Services	Info. Tech.	Health Care	Real Estate	Consumer Disc.	S&P 500	Materials	Financials	Industrials	Utilities	Consumer Staples
Buy	66%	64%	63%	57%	57%	57%	56%	55%	54%	53%	48%	40%
Hold	31%	31%	32%	40%	40%	36%	38%	40%	39%	40%	43%	53%
Sell	3%	5%	4%	3%	3%	6%	5%	5%	6%	7%	9%	7%



	Info. Tech.	Consumer Disc.	Comm. Services	Energy	S&P 500	Health Care	Materials	Real Estate	Industrials	Utilities	Financials	Consumer Staples
Target/Close	27.8%	23.8%	22.7%	21.4%	19.9%	19.7%	17.5%	15.5%	13.4%	11.0%	9.8%	9.6%

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