John Butters
VP, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

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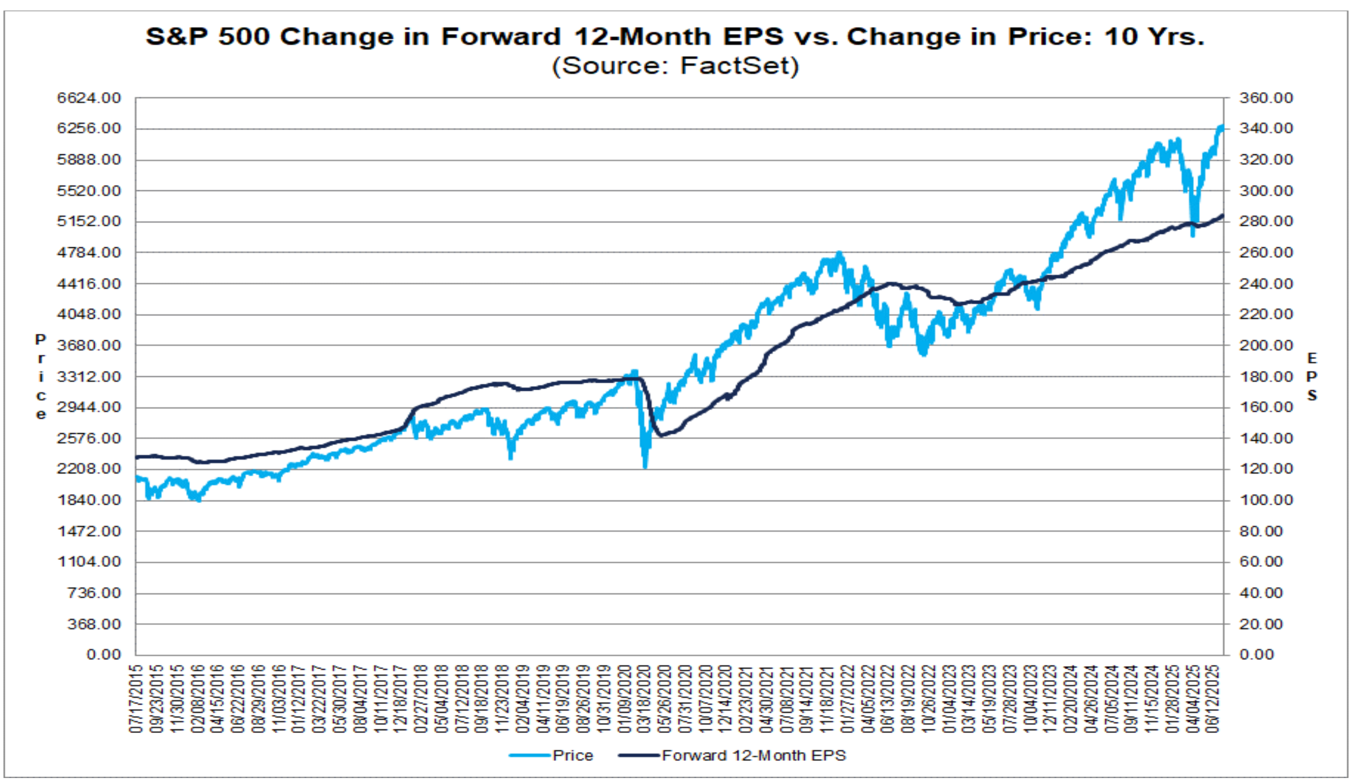
Key Metrics

- **Earnings Scorecard:** For Q2 2025 (with 12% of S&P 500 companies reporting actual results), 83% of S&P 500 companies have reported a positive EPS surprise and 83% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q2 2025, the blended (year-over-year) earnings growth rate for the S&P 500 is 5.6%. If 5.6% is the actual growth rate for the quarter, it will mark the lowest earnings growth reported by the index since Q4 2023 (4.0%).
- **Earnings Revisions:** On June 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q2 2025 was 4.9%. Seven sectors are reporting (or are expected to report) higher earnings today (compared to June 30) due to positive EPS surprises and upward revisions to EPS estimates.
- **Earnings Guidance:** For Q3 2025, 3 S&P 500 companies have issued negative EPS guidance and 4 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.2. This P/E ratio is above the 5-year average (19.9) and above the 10-year average (18.4).



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Topic of the Week:

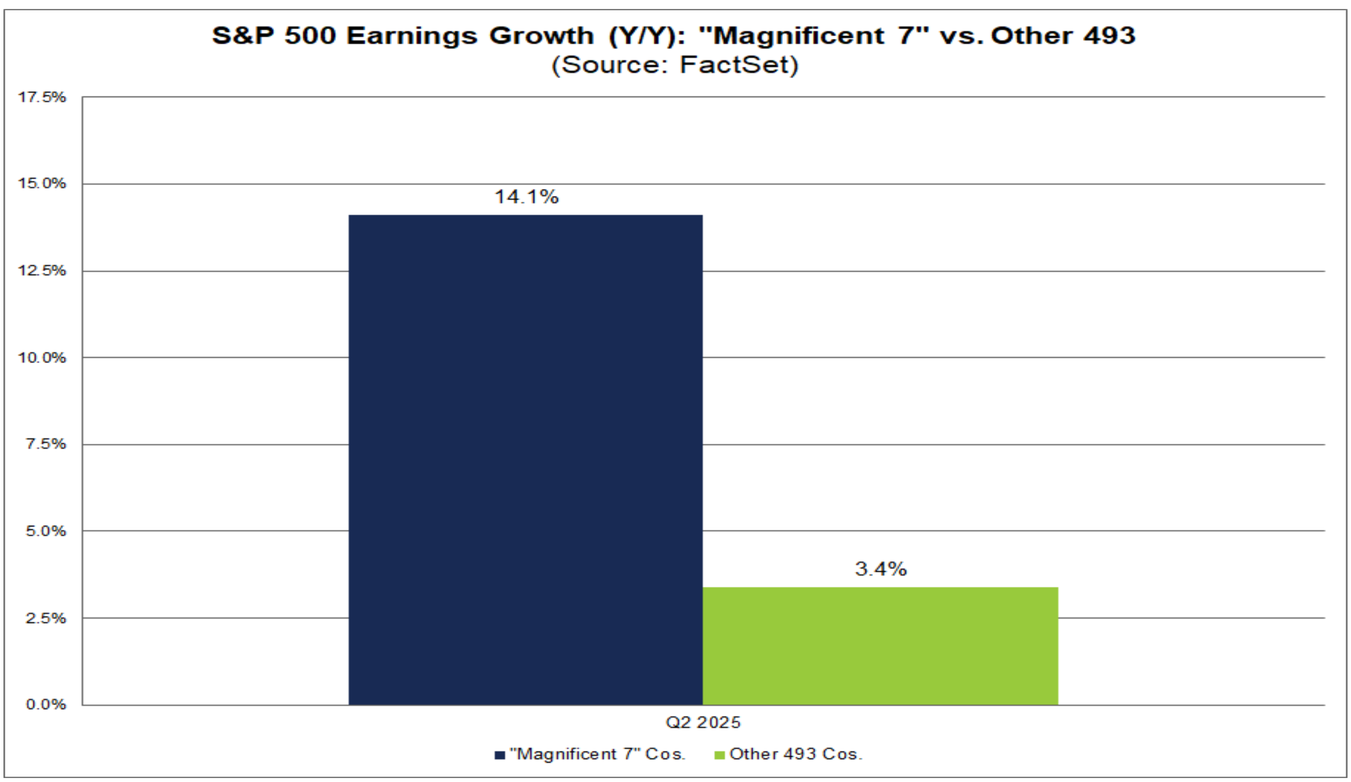
Are "Magnificent 7" Companies Still Top Contributors to Earnings Growth for the S&P 500 for Q2?

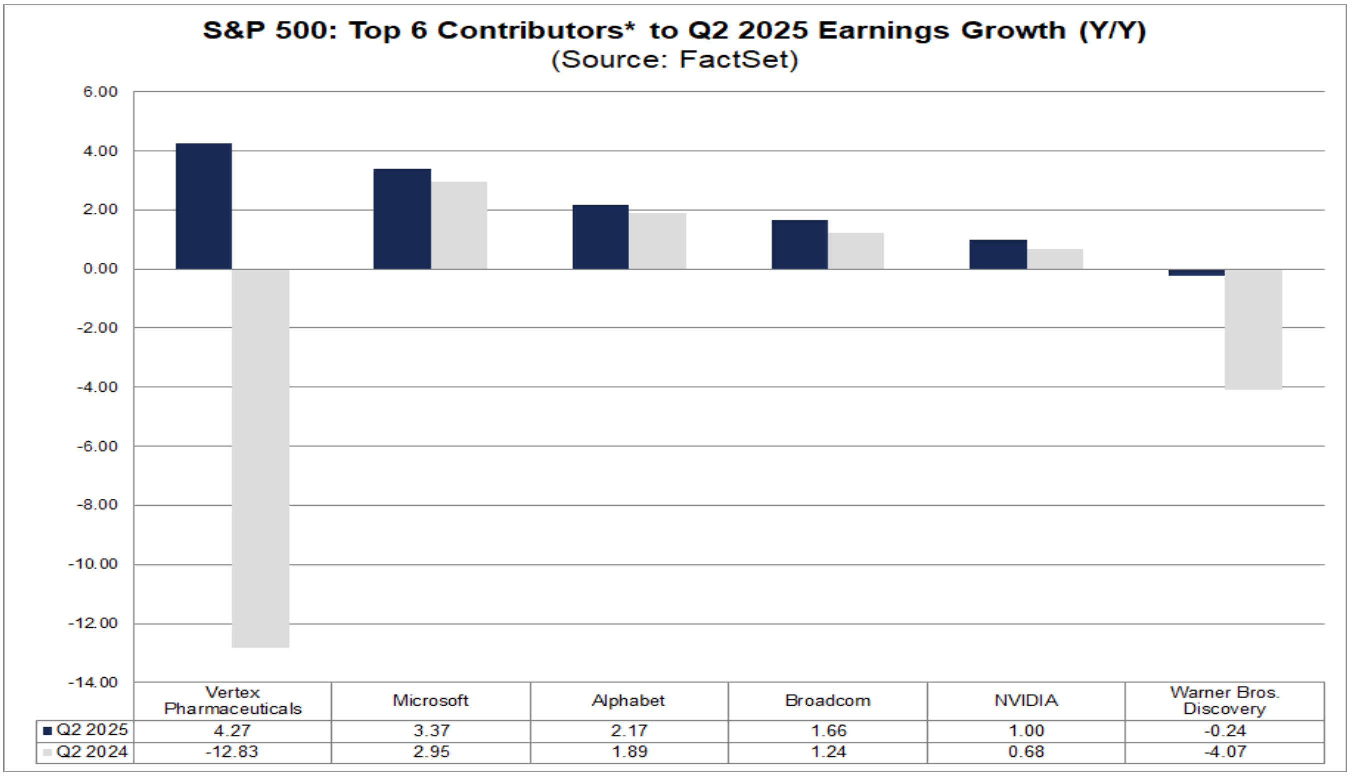
A number of the companies in the "Magnificent 7" have been top contributors to year-over-year earnings growth for the S&P 500 in recent quarters. Are companies in the "Magnificent 7" still expected to drive earnings higher for the S&P 500 for the second quarter?

The answer is yes. Overall, the blended earnings growth rate for the S&P 500 for Q2 2025 is 5.6%. The top six contributors to year-over-year earnings growth for the S&P 500 for Q2 (in order of contribution) are Warner Bros. Discovery, NVIDIA, Vertex Pharmaceuticals, Microsoft, Broadcom, and Alphabet. Thus, three of the top six contributors to year-over-year earnings growth for the index for the second quarter are "Magnificent 7" companies. Outside of these three companies, both Warner Bros. Discovery and Vertex Pharmaceuticals are benefitting from easy comparisons to weaker earnings reported in the year-ago quarter due to charges and expenses that were included in their year-ago EPS.

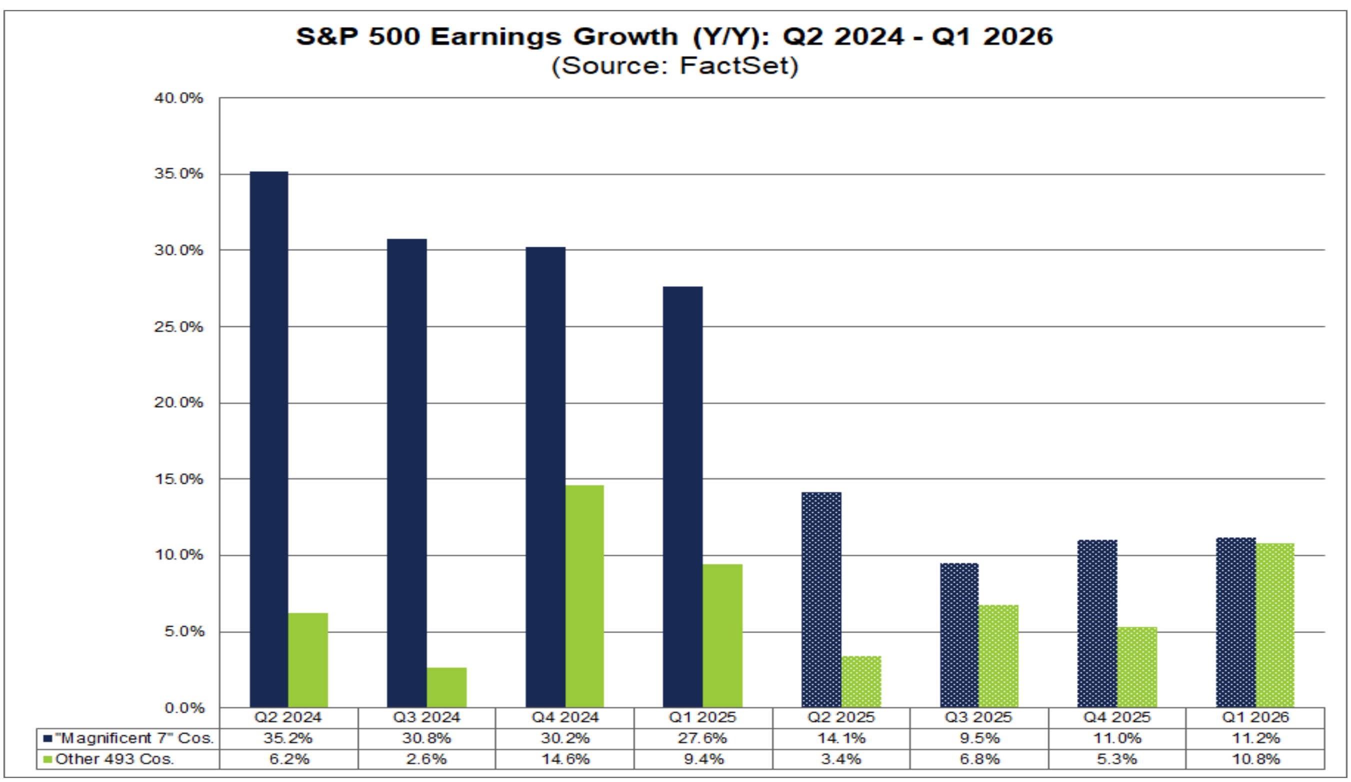
In aggregate, the "Magnificent 7" companies are expected to report year-over-year earnings growth of 14.1% for the second quarter. Excluding these seven companies, the blended (combines actual and estimated results) earnings growth rate for the remaining 493 companies in the S&P 500 would be 3.4% for Q2 2025.

Looking ahead, analysts expect lower earnings growth for the "Magnificent 7" companies over the next three quarters relative to Q2 2025. For Q3 2025 through Q1 2026, analysts are predicting earnings growth rates for these seven companies of 9.5%, 11.0%, and 11.2%, respectively. On the other hand, analysts expect higher earnings growth for the other 493 companies over the next three quarters relative to Q2 2025. For Q3 2025 through Q1 2026, analysts are projecting earnings growth rates for these 493 companies of 6.8%, 5.3%, and 10.8%, respectively.





*Not in order of contribution



Q2 Earnings Season: By The Numbers

Overview

At this early stage, the second quarter earnings season for the S&P 500 is off to a strong start compared to expectations. Both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are above their 10-year averages. As a result, the index is reporting higher earnings for the second quarter today relative to the end of last week and relative the end of the quarter. However, the index is also reporting its lowest year-over-year earnings growth rate since Q4 2023 (4.0%).

Overall, 12% of the companies in the S&P 500 have reported actual results for Q2 2025 to date. Of these companies, 83% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 75%. In aggregate, companies are reporting earnings that are 7.9% above estimates, which is below the 5-year average of 9.1% but 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 Financials sector were the largest contributors to the increase in the overall earnings growth rate for the index over this period. Since June 30, positive EPS surprises reported by companies in the Financials sector, partially offset by downward revisions to EPS estimates for companies in the Health Care sector, have been the 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 second 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 second quarter is 5.6% today, compared to an earnings growth rate of 4.4% last week and an earnings growth rate of 4.9% at the end of the second quarter (June 30).

If 5.6% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate reported by the index since Q4 2023 (4.0%). However, it will also mark the eighth consecutive quarter of year-over-year earnings growth for the index.

Six of the eleven sectors are reporting (or are projected to report) year-over-year growth, led by the Communication Services and Information Technology sectors. On the other hand, four sectors are reporting (or are predicted to report) a year-over-year decline in earnings, led by the Energy sector. One sector (Health Care) is reporting flat (0%) year-over-year earnings.

In terms of revenues, 83% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 70% and above the 10-year average of 64%. In aggregate, companies are reporting revenues that are 1.9% above the estimates, which is below the 5-year average of 2.1% but above 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 the Financials and Health Care sectors were the largest contributors to the increase in the overall revenue growth rate for the index over this period. Since June 30, positive revenue surprises reported by companies in the Financials and Health Care sectors and upward revisions to revenue estimates for companies in the Industrials 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 second quarter is 4.4% today, compared to a revenue growth rate of 4.3% last week and a revenue growth rate of 4.2% at the end of the second quarter (June 30).

If 4.4% is the actual revenue growth rate for the quarter, it will mark the 19th consecutive quarter of revenue growth for the index.

Ten sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Information Technology sector. On the other hand, the Energy sector is the only reporting a year-over-year decline in revenues.

For Q3 2025 and Q4 2025, analysts are calling for earnings growth rates of 7.4% and 6.8%, respectively. For CY 2025 analysts are predicting (year-over-year) earnings growth of 9.3%.

The forward 12-month P/E ratio is 22.2, which is above the 5-year average (19.9) and above the 10-year average (18.4). This P/E ratio is also slightly above the forward P/E ratio of 22.1 recorded at the end of the second quarter (June 30).

During the upcoming week, 112 S&P 500 companies (including 5 Dow 30 companies) are scheduled to report results for the second quarter.

Scorecard: Percentage of Positive EPS & Revenue Surprises Are Above 5-Year Averages

Percentage of Companies Beating EPS Estimates (83%) is Above 5-Year Average

Overall, 12% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 83% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 12% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year average (77%), above the 5-year average (78%), and above 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 Communication Services (100%), Information Technology (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Health Care (33%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+7.9%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 7.9% above expectations. This surprise percentage is above the 1-year average (+6.3%), below the 5-year average (+9.1%), 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 Financials (+11.5%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Travelers Companies ($6.51 vs. $3.65), Citigroup ($1.96 vs. $1.66), JPMorgan Chase ($5.24 vs. $4.48), Wells Fargo ($1.60 vs. $1.41), and Goldman Sachs ($10.91 vs. $9.65) have reported the largest positive EPS surprises.

The Information Technology (+6.1%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Micron Technology ($1.91 vs. $1.60) and Jabil ($2.55 vs. $2.31) have reported the largest positive EPS surprises.

The Industrials (+5.5%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, GE Aerospace ($1.66 vs. $1.43) has reported the largest positive EPS surprise.

The Consumer Discretionary (+5.4%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Carnival Corporation ($0.35 vs. $0.25) and CarMax ($1.38 vs. $1.16) 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 Q2 more than average and punishing negative earnings surprises reported by S&P 500 companies for Q2 less than average.

Companies that have reported positive earnings surprises for Q2 2025 have seen an average price increase of +2.5% 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 Q2 2025 have seen an average price decrease of -2.3% two days before the earnings release through two days after the earnings. This percentage decrease is slightly smaller than the 5-year average price decrease of -2.4% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (83%) is Above 5-Year Average

In terms of revenues, 83% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 17% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (62%), above the 5-year average (70%), and above the 10-year average (65%). 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 (100%), Consumer Discretionary (100%), Energy (100%), Health Care (100%), Information Technology (100%), and Real Estate (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Staples (57%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.9%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 1.9% above expectations. This surprise percentage is above the 1-year average (+0.9%), below the 5-year average (+2.1%), and above 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 Information Technology (+3.7%) and Health Care (+2.6%) sectors are reporting the largest positive (aggregate) difference between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Financials Sector

Increase in Blended Earnings This Week Due to Financials Sector

The blended (year-over-year) earnings growth rate for the second quarter is 5.6%, which is above the earnings growth rate of 4.4% last week. Positive EPS surprises reported by companies in the Financials sector were the largest contributors to the increase in the overall earnings growth rate during the past week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($5.24 vs. $4.48), Travelers Companies ($6.51 vs. $3.65), Citigroup ($1.96 vs. $1.66), Wells Fargo ($1.60 vs. $1.41), and Goldman Sachs ($10.91 vs. $9.65) were the largest contributors 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 Financials sector increased to 8.6% from 2.6% over this period.

Increase in Blended Revenues This Week Due to Financials Sector

The blended (year-over-year) revenue growth rate for the second quarter is 4.4%, which is above the revenue growth rate of 4.3% last week. Positive revenue surprises reported by companies in the Financials and Health Care sectors were the largest contributors to the slight increase in the overall revenue growth rate for the index during this period.

Financials Sector Has Seen Largest Increase in Earnings since June 30

The blended (year-over-year) earnings growth rate for Q2 2025 of 5.6% is above the estimate of 4.9% at the end of the second quarter (June 30). 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 Financials (to 8.6% from 2.3%) sector. The Financials sector has also been the largest positive contributor to earnings for the index since June 30. On the other hand, three 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, led by the Utilities (to 0.6% from 5.1%) and Health Care (to 0.0% from 4.0%) sectors. The Health Care sector has also been the largest negative contributor to earnings for the index since June 30. The Consumer Staples (-3.0%) sector has seen no change in its earnings decline since June 30.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($5.24 vs. $4.48), Travelers Companies ($6.51 vs. $3.65), Wells Fargo ($1.60 vs. $1.41), Citigroup ($1.96 vs. $1.66), and Goldman Sachs ($10.91 vs. $9.65) have been the largest positive contributors to earnings for the index since June 30. As a result, the blended earnings growth rate for the Financials sector has increased to 8.6% from 2.3% over this period.

In the Health Care sector, the downward revisions to EPS estimates for Bristol Myers Squibb (to $1.06 from $1.67), Centene Corporation (to $0.30 from $2.01), and AbbVie (to $2.94 from $3.22) have been the largest negative contributors to earnings for the index since June 30. As a result, the blended earnings growth rate for the Health Care sector has decreased to 0.0% from 4.0% over this period.

Financials Sector Has Seen Largest Increase in Revenues since June 30

The blended (year-over-year) revenue growth rate for Q2 2025 of 4.4% is above the estimate of 4.2% at the end of the second quarter (June 30). Nine 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 Financials (to 5.4% from 4.6%) and Industrials (to 2.4% from 1.8%) sectors. The Financials, Industrials, and Health Care (8.0% vs. 7.8%) sectors have been the largest positive contributors to revenues for the index since June 30. On the other hand, one sector has recorded a decrease in its revenue growth rate due to downward revisions to revenue estimates: Utilities (to 4.6% from 6.0%). One sector has seen no change in its revenue growth rate since June 30: Real Estate (4.6%).

In the Financials sector, the positive revenue surprises reported by Goldman Sachs ($14.58 billion vs. $13.51 billion) and JPMorgan Chase ($44.91 billion vs. $43.81 billion) have been significant positive contributors to revenues for the index since June 30. As a result, the blended revenue growth rate for the Financials sector has increased to 5.4% from 4.6% over this period.

In the Industrials sector, the upward revisions to revenue estimates for Boeing (to $21.76 billion from $20.00 billion) have been a substantial positive contributor to revenues for the index since June 30. As a result, the blended revenue growth rate for the Industrials sector has increased to 2.4% from 1.8% over this period.

In the Health Care sector, the positive revenue surprise reported by Elevance Health ($49.42 billion vs. $48.19 billion) has been a significant positive contributor to revenues for the index since June 30. As a result, the blended revenue growth rate for the Health Care sector has increased to 8.0% from 7.8% over this period.

Earnings Growth: 5.6%

The blended (year-over-year) earnings growth rate for Q2 2025 is 5.6%, which is below the 5-year average earnings growth rate of 12.7% and below the 10-year average earnings growth rate of 9.2%. If 5.6% is the actual growth rate for the quarter, it will mark the lowest earnings growth reported by the index since Q4 2023 (4.0%). However, it will also mark the eighth consecutive quarter of year-over-year earnings growth for the index.

Six of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Communication Services and Information Technology sectors. On the other hand, five sectors are reporting (or are projected to report) a year-over-year decline in earnings, led by the Energy sector.

Communication Services: Warner Bros. Discovery Is Largest Contributor to Year-Over-Year Growth

The Communication Services sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 29.9%. At the industry level, 3 of the 5 industries in the sector are expected to report year-over-year earnings growth: Entertainment ($5.5 billion vs. -$4.9 billion), Interactive Media & Services (13%), and Wireless Telecommunication Services (4%). On the other hand, two industries are reporting (or are projected to report) a year-over-year decline in earnings: Media (-5%) and Diversified Telecommunication Services (-1%).

At the company level, Warner Bros. Discovery (-$0.24 vs. -$4.07) is the largest contributor to earnings growth for the sector. The company is benefitting from an easy comparison to weaker earnings reported in the year-ago quarter due to a $9.1 billion non-cash goodwill impairment charge and other expenses that were included in its GAAP EPS for Q2 2024. If this company were excluded, the blended earnings growth rate for the Communication Services sector would fall to 8.4% from 29.9%.

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

The Information Technology sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 16.5%. At the industry level, all 6 industries in the sector are reporting (or are projected to report) year-over-year earnings growth: Semiconductors & Semiconductor Equipment (34%), Electronic Equipment, Instruments, & Components (16%), Software (13%), Communication Equipment (12%), IT Services (9%), and Technology Hardware, Storage, & Peripherals (less than 1%).

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 8.6% from 16.5%.

Energy: 4 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 -25.4%. 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 Q2 2025 ($63.68) was 21% below the average price for oil in Q2 2024 ($80.66). At the sub-industry level, 4 of the 5 sub-industries in the sector are reporting (or are predicted to report) a year-over-year decline in earnings. All 4 are reporting (or are projected to report) a double-digit decline: Integrated Oil & Gas (-34%), Oil & Gas Refining & Marketing (-33%), Oil & Gas Exploration & Production (-20%), and Oil & Gas Equipment & Services (-14%). On the other hand, the Oil & Gas Storage & Transportation (14%) sub-industry is the only sub-industry reporting year-over-year growth in earnings.

Revenue Growth: 4.4%

The blended (year-over-year) revenue growth rate for Q2 2025 is 4.4%, which is below the 5-year average revenue growth rate of 7.2% and below the 10-year average revenue growth rate of 5.4%. If 4.4% is the actual growth rate for the quarter. it will mark the 19th consecutive quarter of revenue growth for the index.

At the sector level, ten sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Information Technology sector. On the other hand, the Energy sector is the only sector that is 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 12.4%. At the industry level, all 6 industries in the sector are reporting (or are projected to report) year-over-year revenue growth: Semiconductors & Semiconductor Equipment (23%), Software (14%), Electronic Equipment, Instruments, & Components (12%), Communication Equipment (9%), IT Services (7%), and Technology Hardware, Storage, & Peripherals (5%).

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

The Energy sector is reporting the largest (year-over-year) revenue decline of all eleven sectors at -9.6%. Lower year-over-year oil prices are contributing to the year-over-year decrease in revenues for this sector, as the average price of oil in Q2 2025 ($63.68) was 21% below the average price for oil in Q2 2024 ($80.66). At the sub-industry level, 3 of the 5 sub-industries in the sector are reporting (or are predicted to report) a year-over-year decline in revenues: Oil & Gas Refining & Marketing (-16%), Integrated Oil & Gas (-14%), and Oil & Gas Equipment & Services (-7%). On the other hand, two sub-industries are reporting (or are projected to report) year-over-year growth in revenues: Oil & Gas Storage & Transportation (29%) and Oil & Gas Exploration & Production (9%).

Net Profit Margin: 12.3%

The blended net profit margin for the S&P 500 for Q2 2025 is 12.3%, which is below the previous quarter's net profit margin of 12.7%, but above the year-ago net profit margin of 12.2% and above the 5-year average of 11.8%.

At the sector level, three sectors are reporting a year-over-year increase in their net profit margins in Q2 2025 compared to Q2 2024: Communication Services (14.0% vs. 11.6%), Information Technology (24.9% vs. 24.0%), and Financials (19.4% vs. 18.8%). On the other hand, eight sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q2 2025 compared to Q2 2024, led by the Energy (7.5% vs. 9.1%) sector.

Five sectors are reporting net profit margins in Q2 2025 that are above their 5-year averages, led by the Financials (19.4% vs. 17.2%), Industrials (10.6% vs. 8.6%) and Communication Services (14.0% vs. 12.2%) sectors. On the other hand, six sectors are reporting (or are expected to report) net profit margins in Q2 2025 that are below their 5-year averages, led by the Energy (7.5% vs. 9.9%) sector.

Forward Estimates & Valuation

Quarterly Guidance: % of Cos. Issuing Negative EPS Guidance for Q3 is Below Average

At this point in time, 7 companies in the index have issued EPS guidance for Q3 2025. Of these 7 companies, 3 have issued negative EPS guidance and 4 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q3 2025 is 43% (3 out of 7), which is below the 5-year average of 57% and below the 10-year average of 61%.

At this point in time, 261 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 261 companies, 136 have issued negative EPS guidance and 125 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 52% (136 out of 261).

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 9% for CY 2025

For the second quarter, S&P 500 companies are reporting year-over-year growth in earnings of 5.6% and year-over-year growth in revenues of 4.4%.

For Q3 2025, analysts are projecting earnings growth of 7.4% and revenue growth of 4.9%.

For Q4 2025, analysts are projecting earnings growth of 6.8% and revenue growth of 5.4%.

For CY 2025, analysts are projecting earnings growth of 9.3% and revenue growth of 5.1%.

For CY 2026, analysts are projecting earnings growth of 14.0% and revenue growth of 6.3%.

Valuation: Forward P/E Ratio is 22.2, Above the 10-Year Average (18.4)

The forward 12-month P/E ratio for the S&P 500 is 22.2. This P/E ratio is above the 5-year average of 19.9 and above the 10-year average of 18.4. It is also slightly above the forward 12-month P/E ratio of 22.1 recorded at the end of the second quarter (June 30). Since the end of the second quarter (June 30), the price of the index has increased by 1.5%, while the forward 12-month EPS estimate has increased by 0.8%. At the sector level, the Information Technology (30.0) and Consumer Discretionary (28.4) sectors have the highest forward 12-month P/E ratios, while the Energy (15.3) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 27.6, which is above the 5-year average of 25.0 and above the 10-year average of 22.5.

Targets & Ratings: Analysts Project 8% Increase in Price Over Next 12 Months

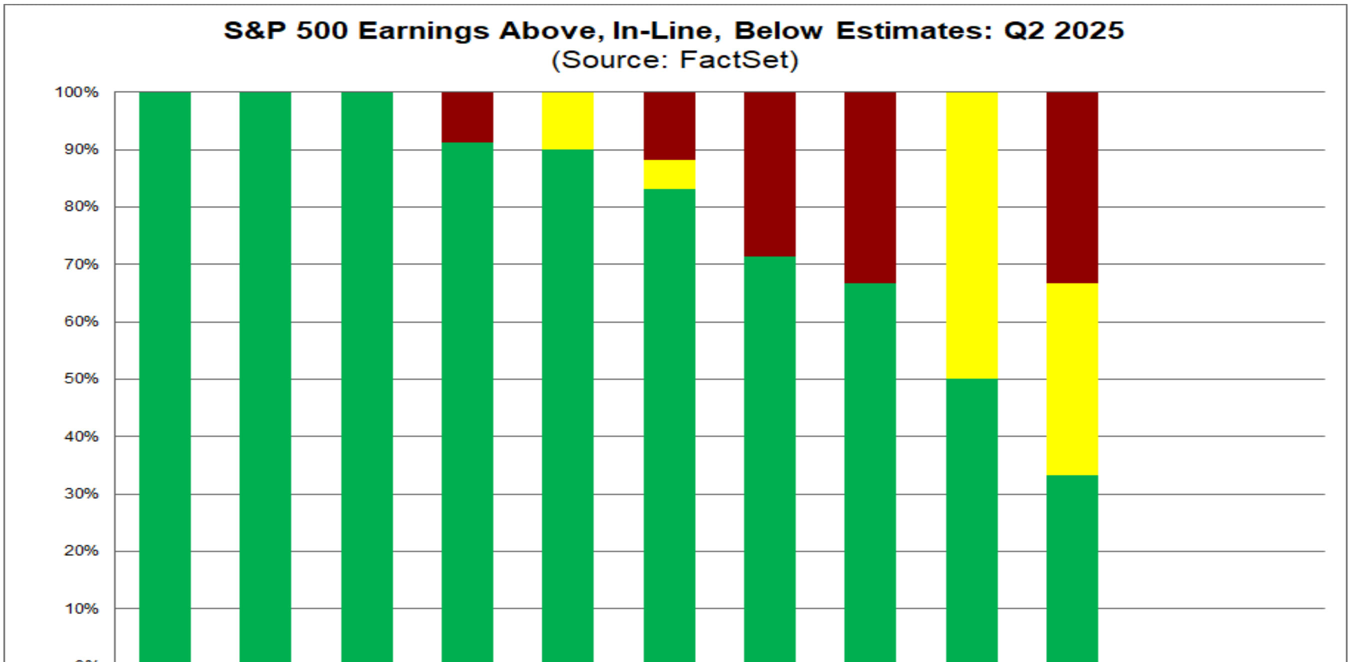
The bottom-up target price for the S&P 500 is 6799.75, which is 8.0% above the closing price of 6297.36. At the sector level, the Health Care (+19.7%) and Energy (+14.0%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Industrials (+4.2%) and Information Technology (4.9%) 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 12,460 ratings on stocks in the S&P 500. Of these 12,460 ratings, 56.4% are Buy ratings, 38.5% are Hold ratings, and 5.1% are Sell ratings. At the sector level, the Energy (67%), Communication Services (65%), 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.

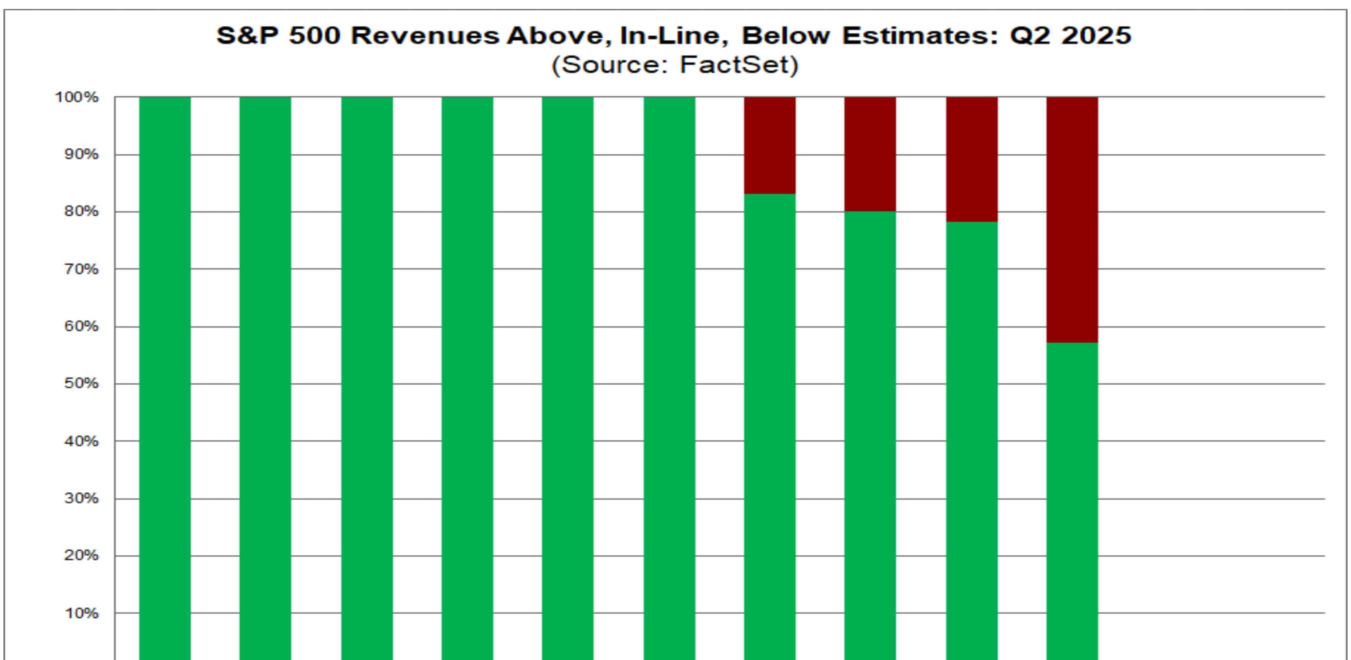
Companies Reporting Next Week: 112

During the upcoming week, 112 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the second quarter.

Q2 2025: Scorecard

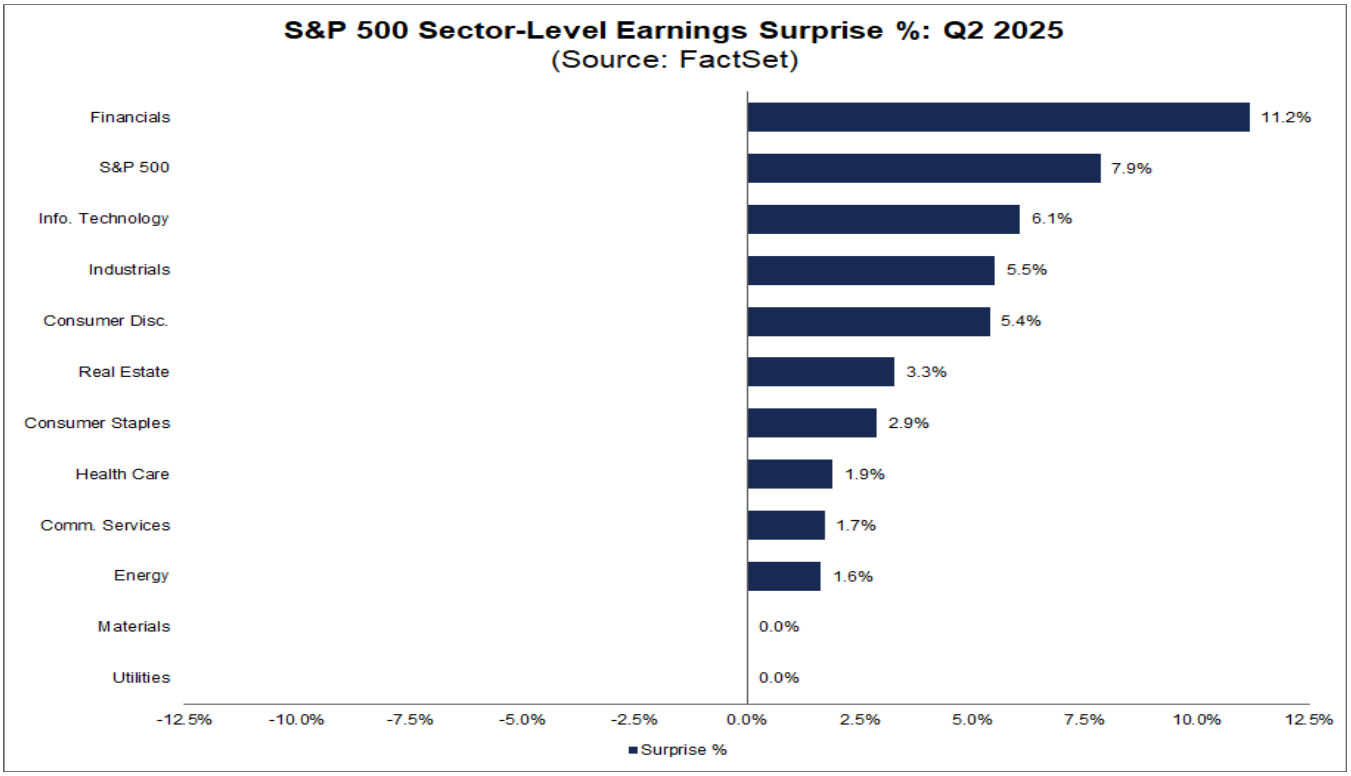


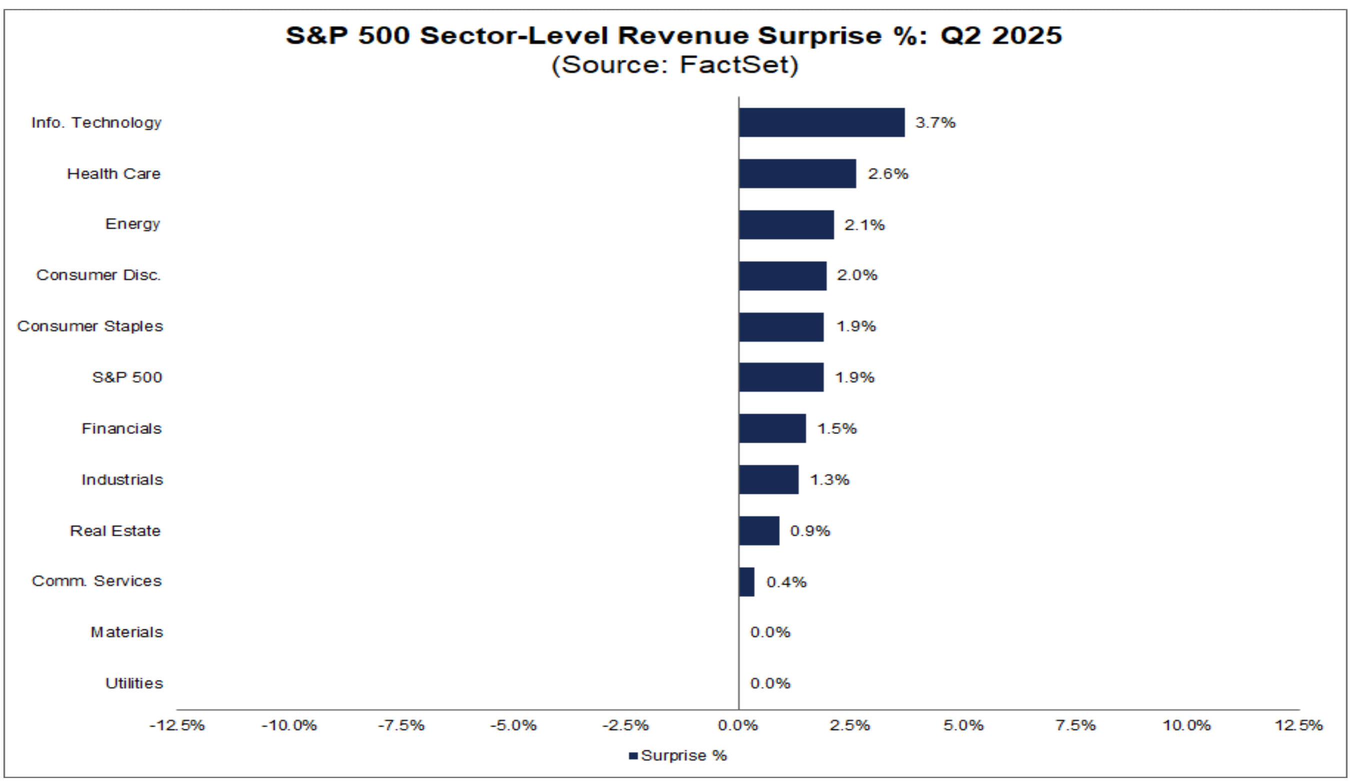
	Comm. Services	Info. Technology	Real Estate	Financials	Industrials	S&P 500	Consumer Staples	Consumer Disc.	Energy	Health Care	Materials	Utilities
Below	0%	0%	0%	9%	0%	12%	29%	33%	0%	33%	0%	0%
In-Line	0%	0%	0%	0%	10%	5%	0%	0%	50%	33%	0%	0%
Above	100%	100%	100%	91%	90%	83%	71%	67%	50%	33%	0%	0%



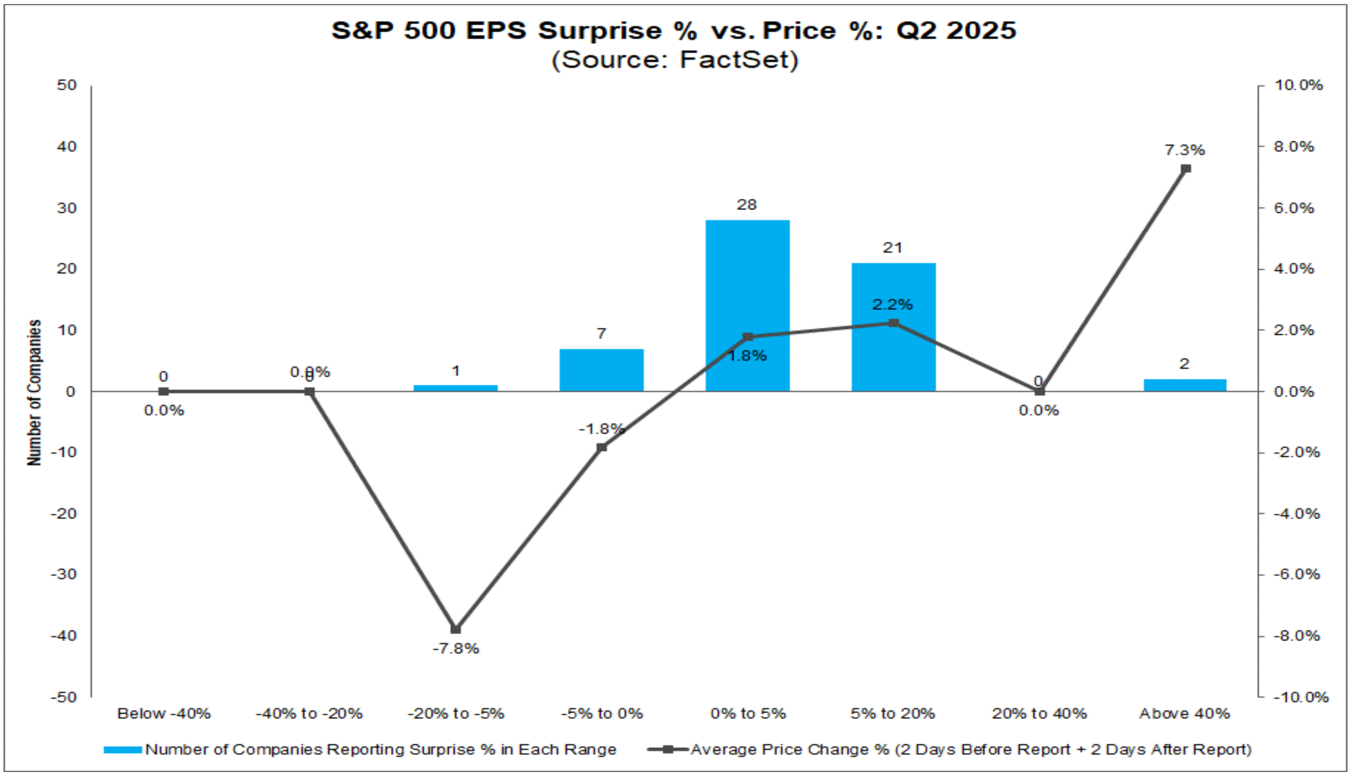
	Comm. Services	Consumer Disc.	Energy	Health Care	Info. Technology	Real Estate	S&P 500	Industrials	Financials	Consumer Staples	Materials	Utilities
Below	0%	0%	0%	0%	0%	0%	17%	20%	22%	43%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	100%	100%	100%	83%	80%	78%	57%	0%	0%

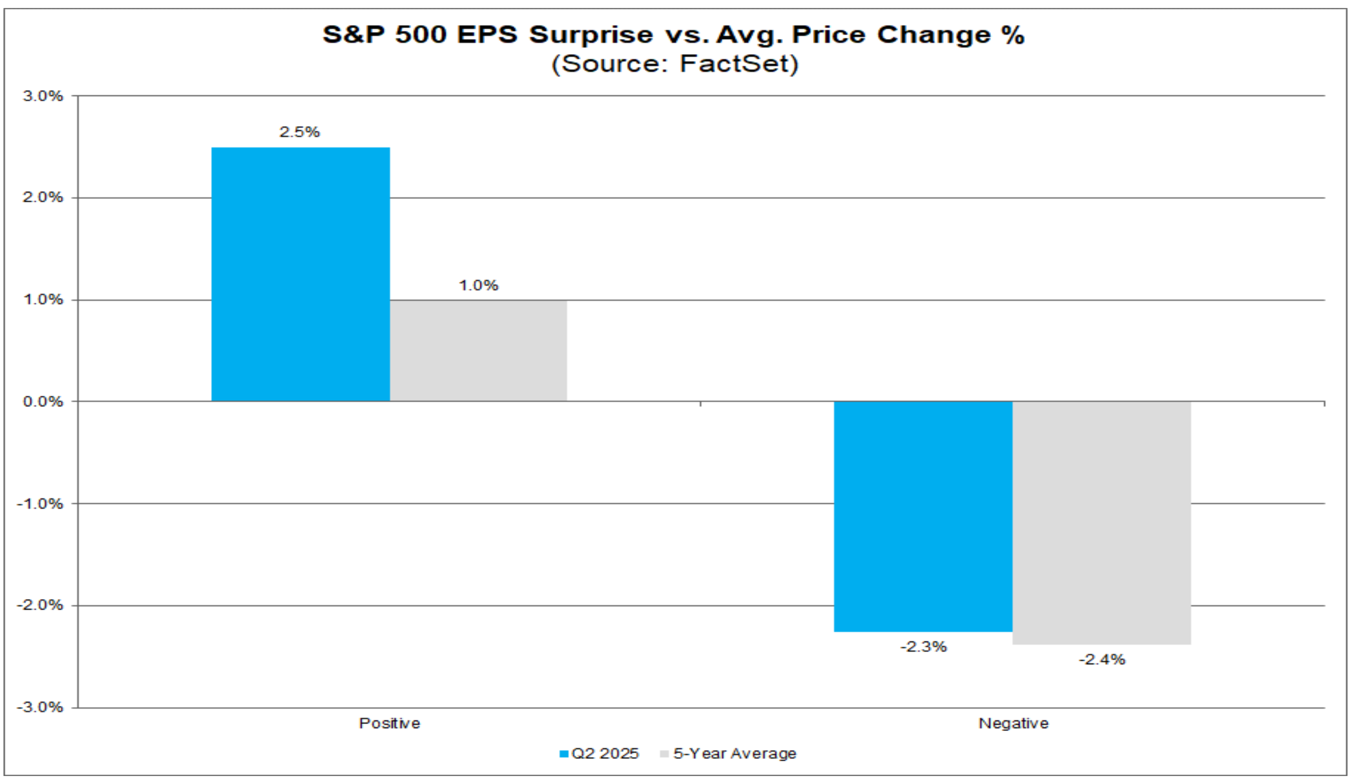
Q2 2025: Surprise



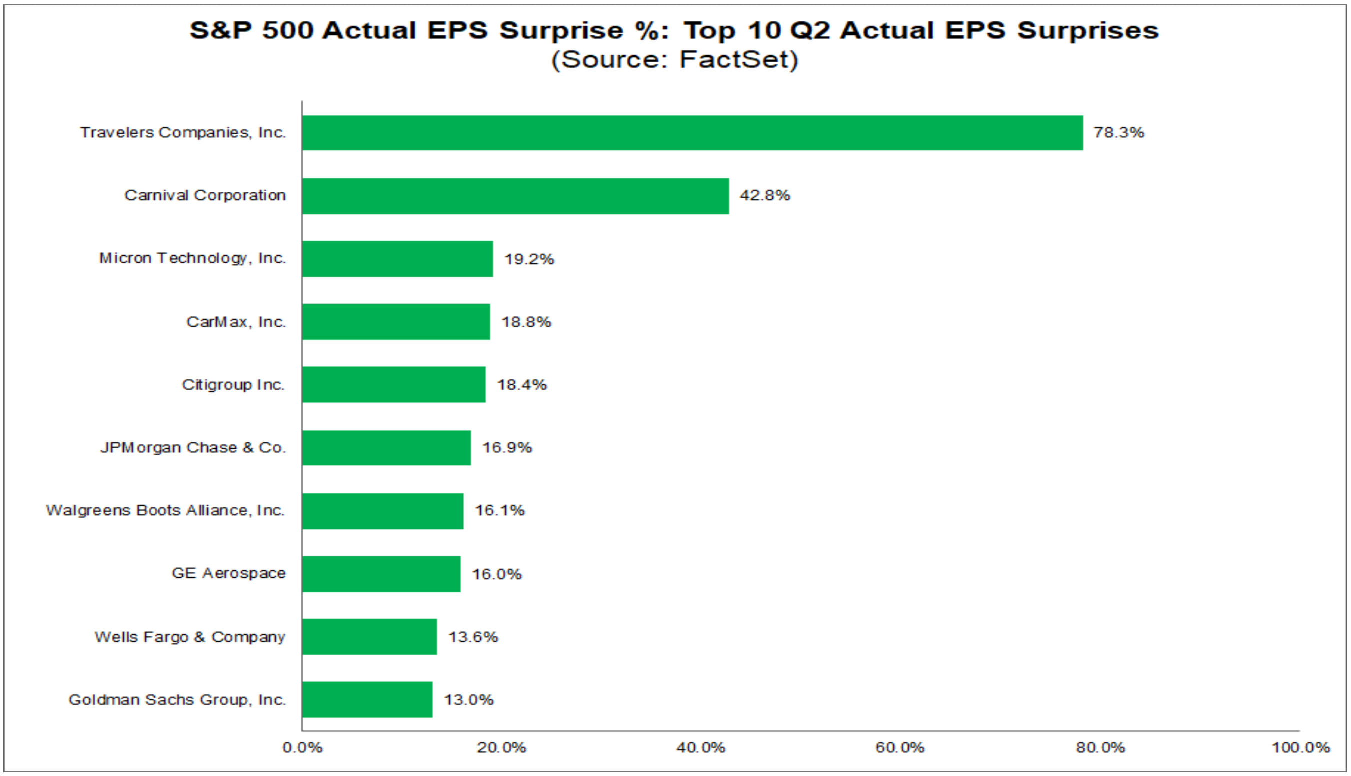


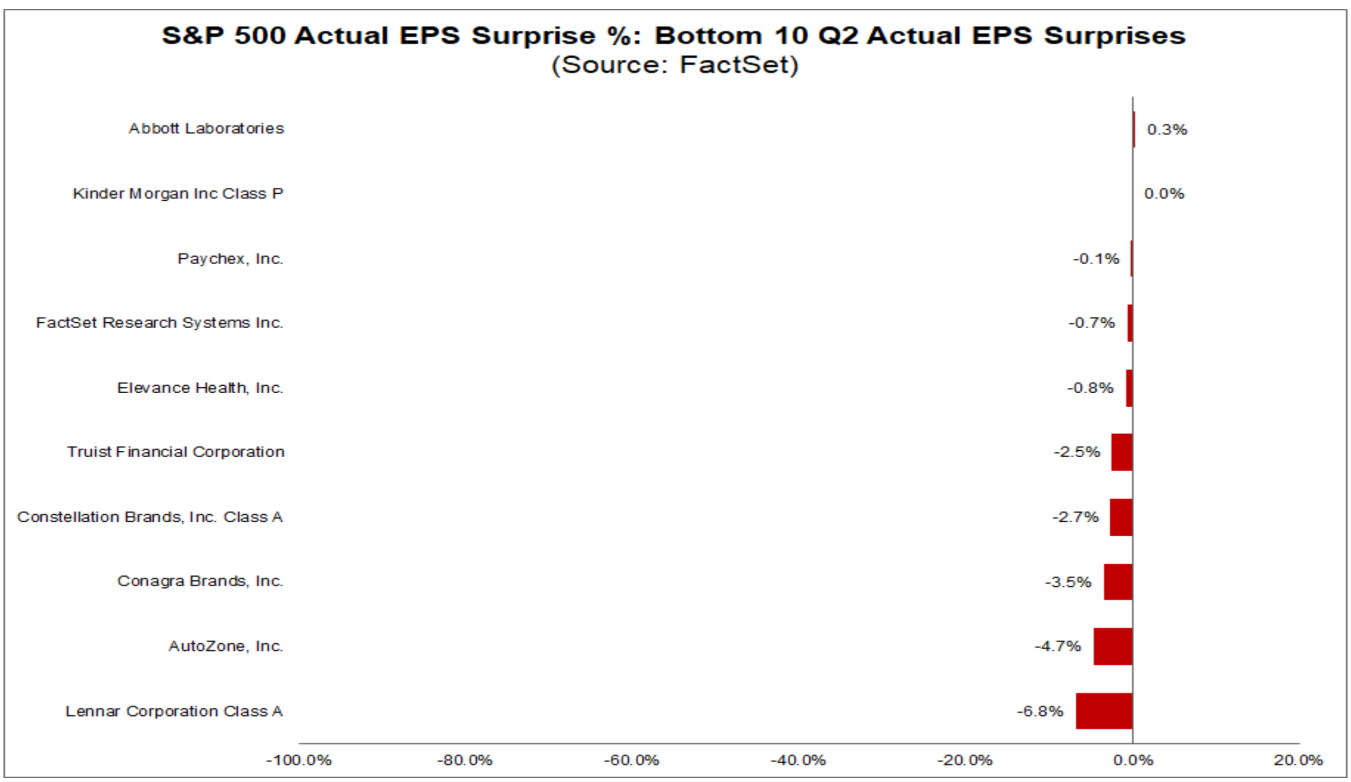
Q2 2025: Surprise



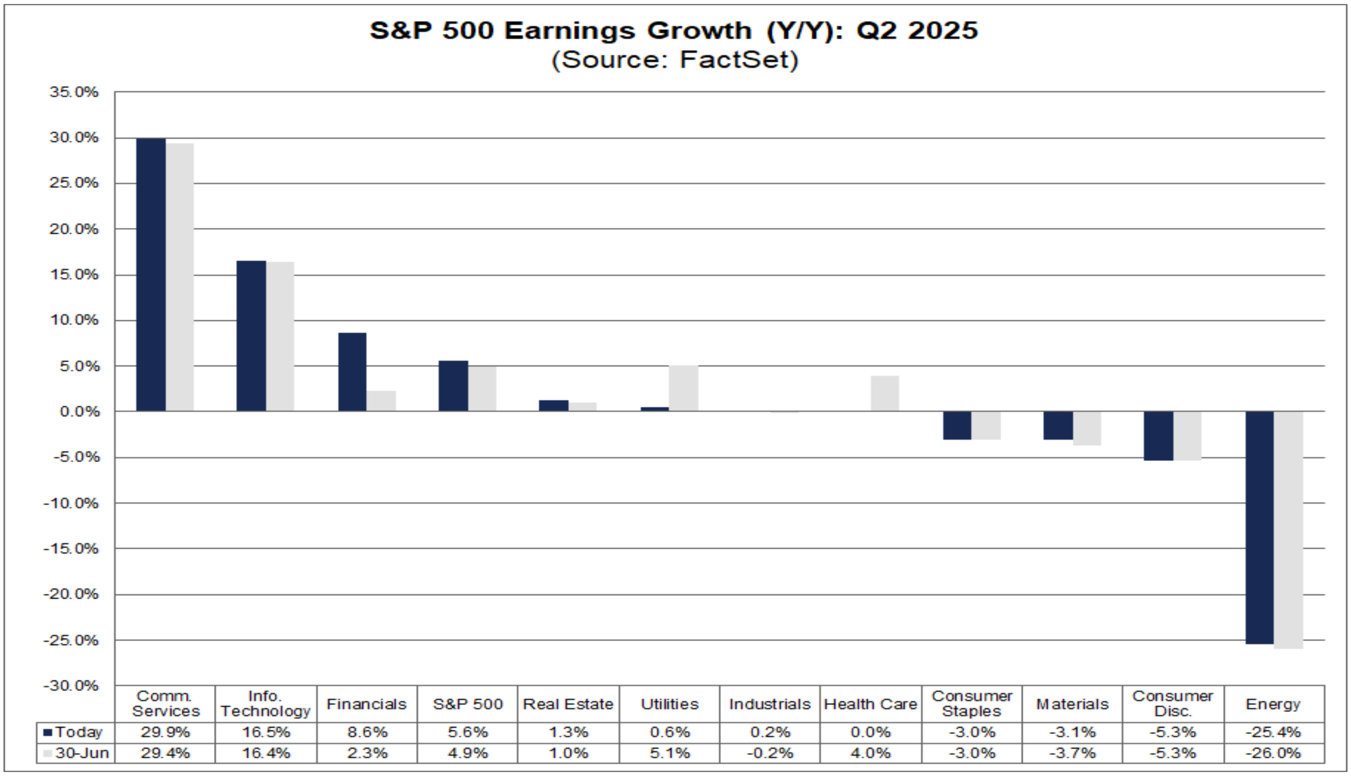


Q2 2025: Surprise

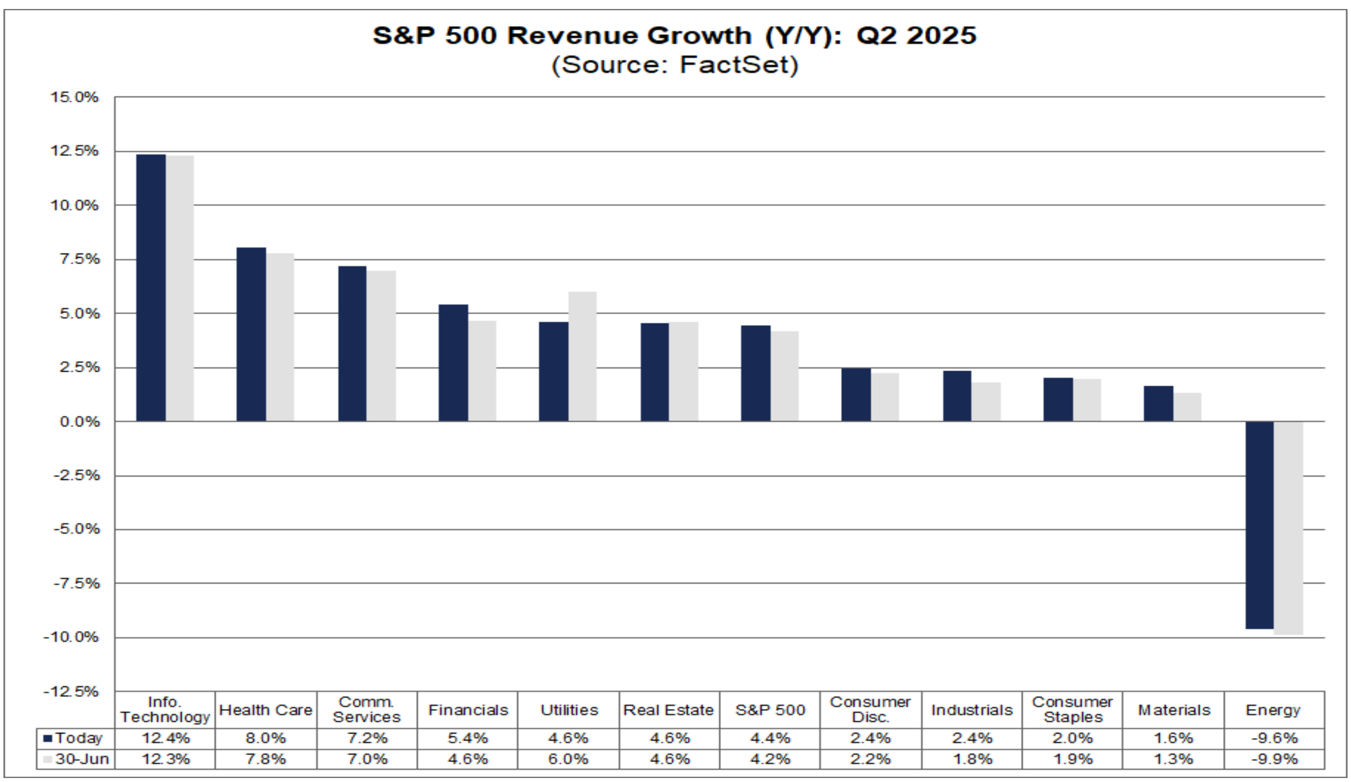




Q2 2025: Growth

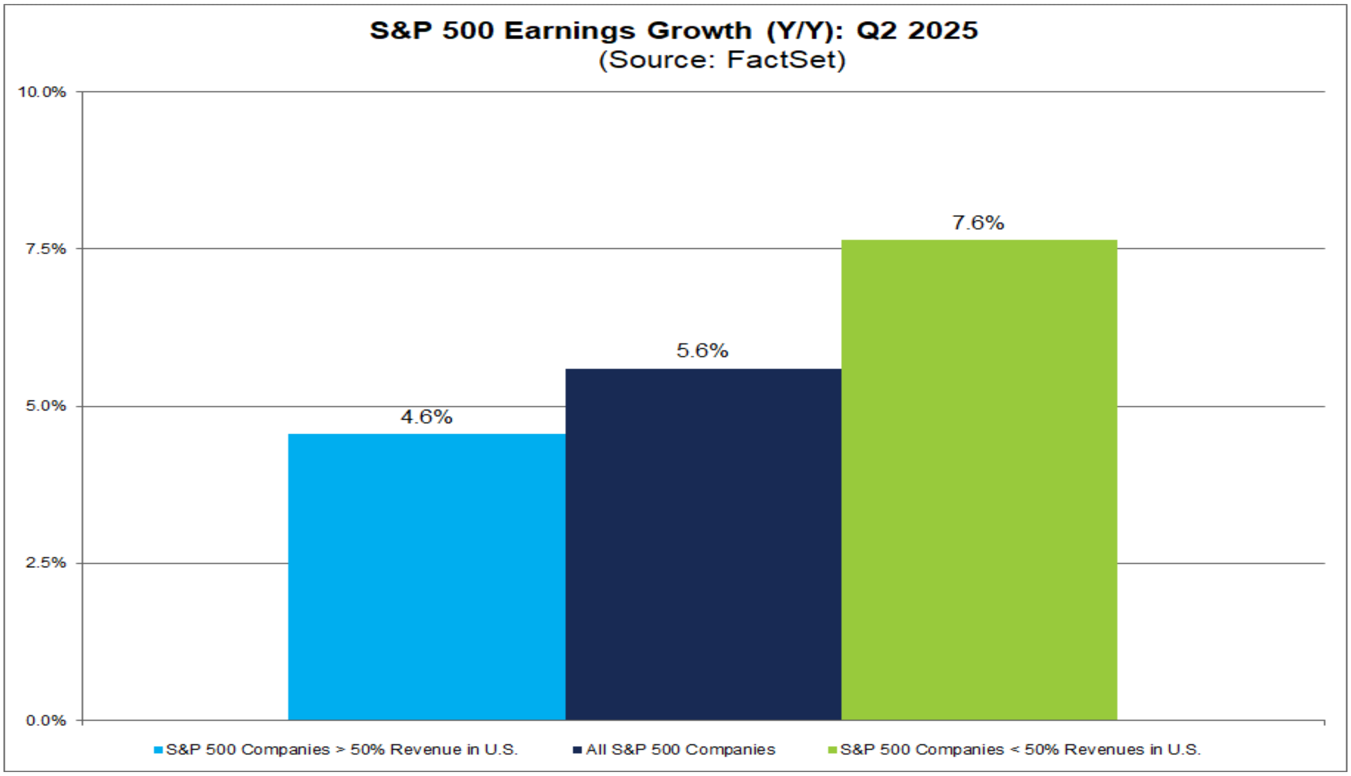


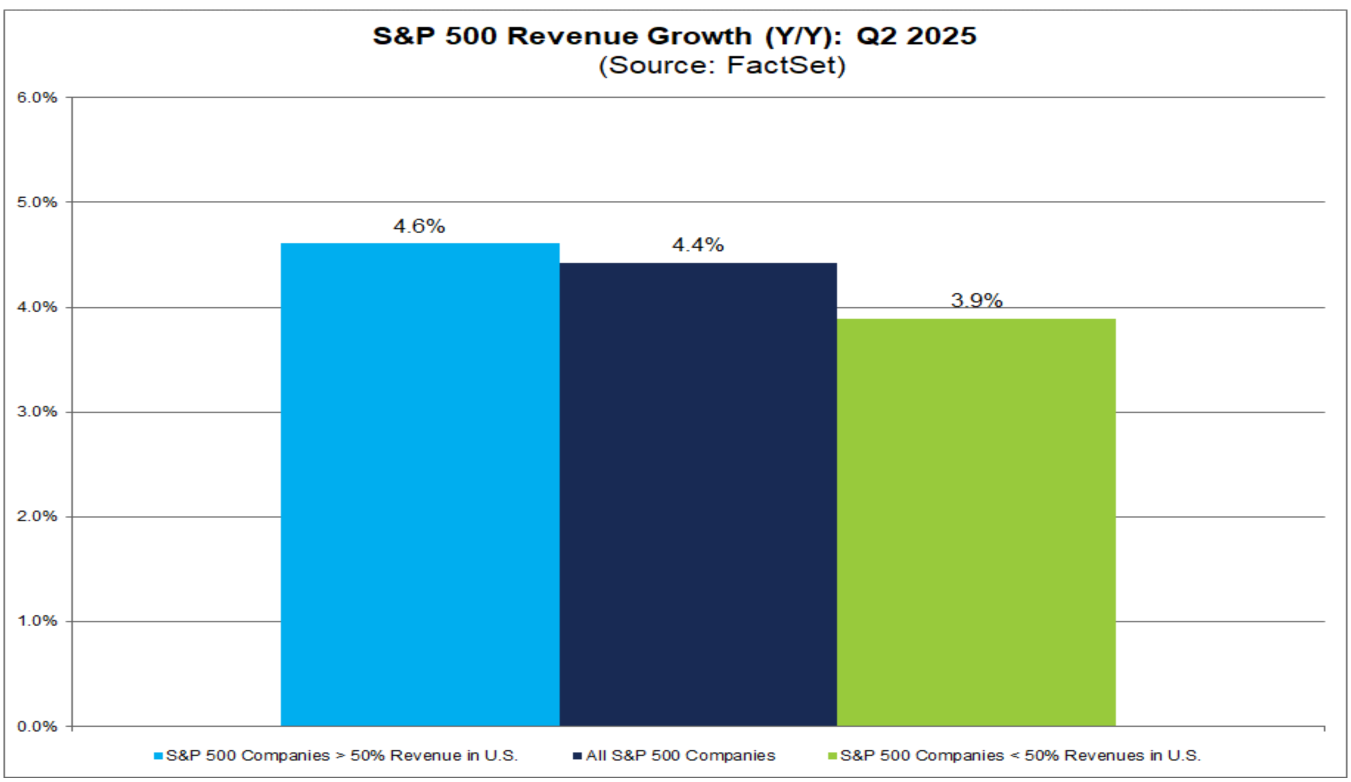
	Comm. Services	Info. Technology	Financials	S&P 500	Real Estate	Utilities	Industrials	Health Care	Consumer Staples	Materials	Consumer Disc.	Energy
Today	29.9%	16.5%	8.6%	5.6%	1.3%	0.6%	0.2%	0.0%	-3.0%	-3.1%	-5.3%	-25.4%
30-Jun	29.4%	16.4%	2.3%	4.9%	1.0%	5.1%	-0.2%	4.0%	-3.0%	-3.7%	-5.3%	-26.0%



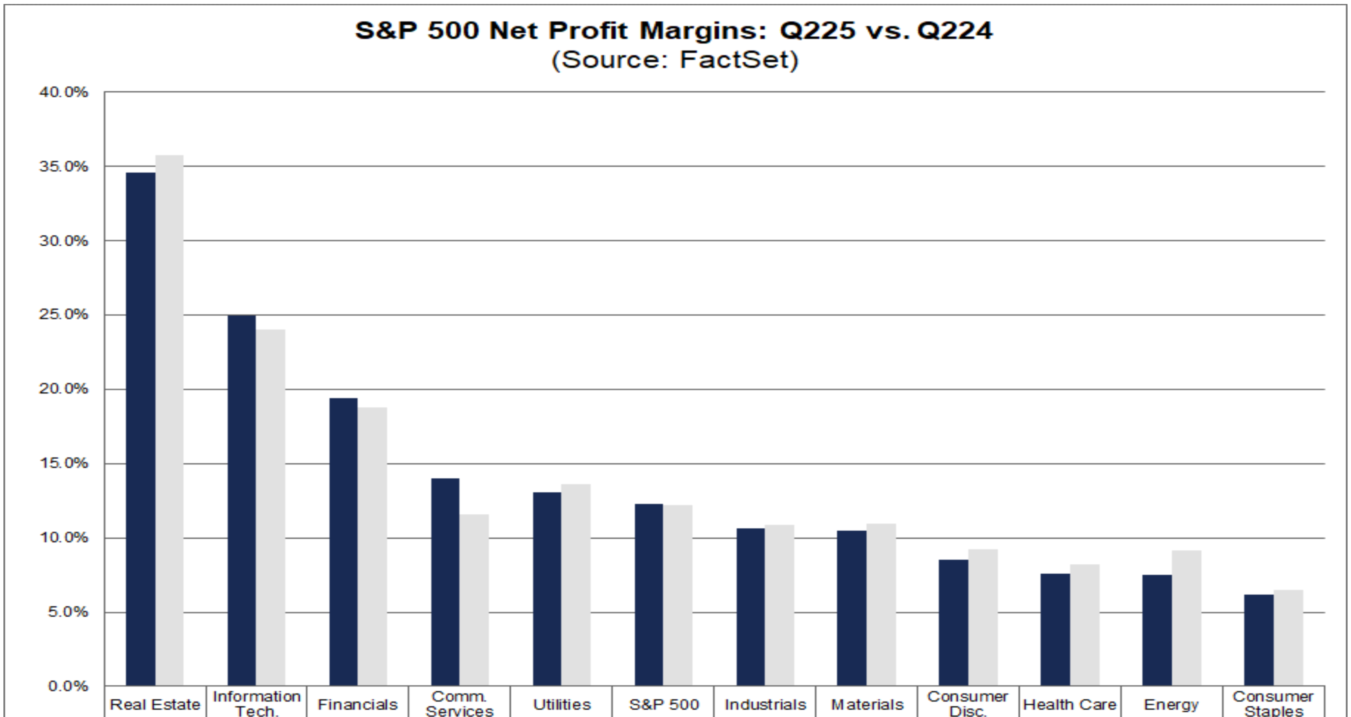
	Info. Technology	Health Care	Comm. Services	Financials	Utilities	Real Estate	S&P 500	Consumer Disc.	Industrials	Consumer Staples	Materials	Energy
Today	12.4%	8.0%	7.2%	5.4%	4.6%	4.6%	4.4%	2.4%	2.4%	2.0%	1.6%	-9.6%
30-Jun	12.3%	7.8%	7.0%	4.6%	6.0%	4.6%	4.2%	2.2%	1.8%	1.9%	1.3%	-9.9%

Q2 2025: Growth

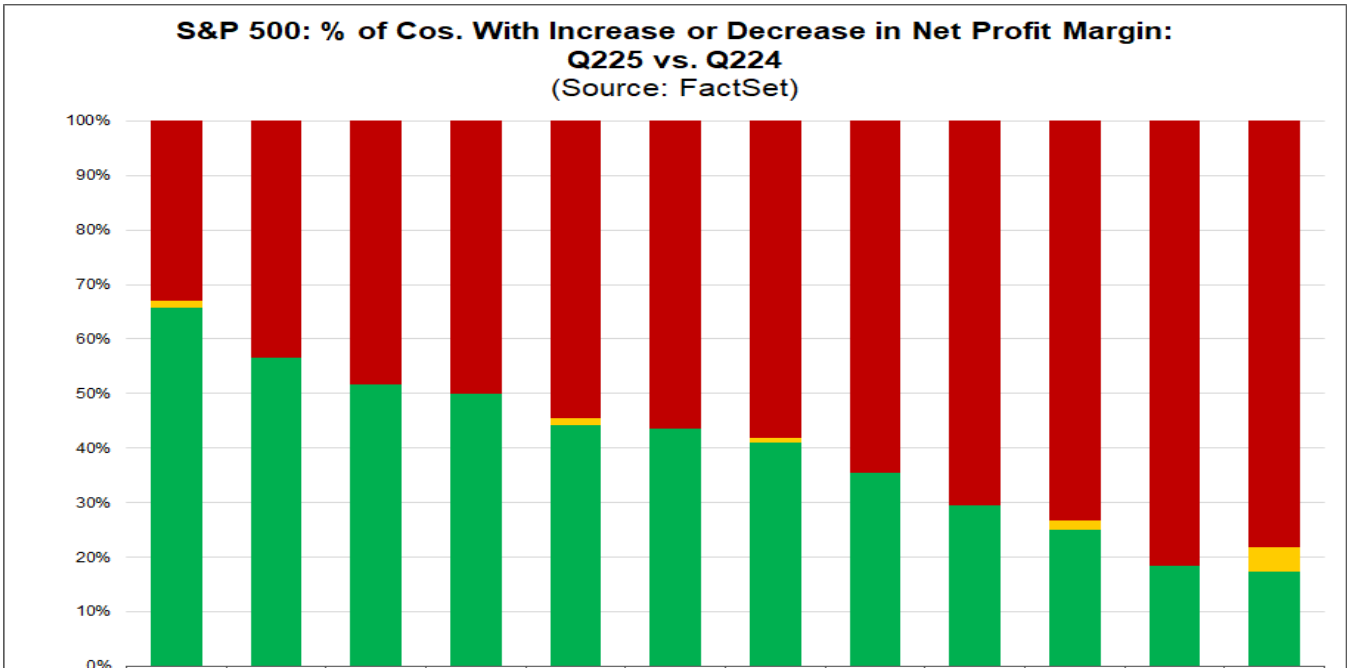




Q2 2025: Net Profit Margin

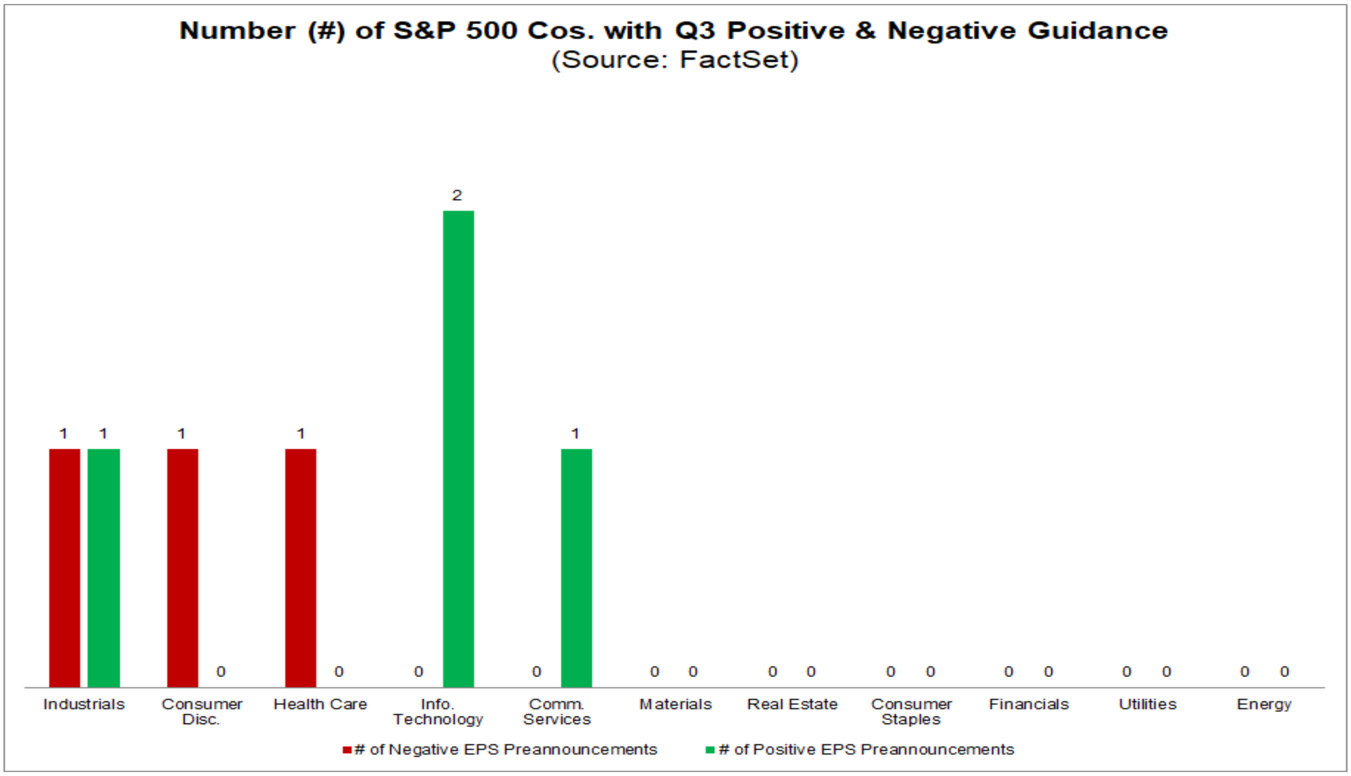


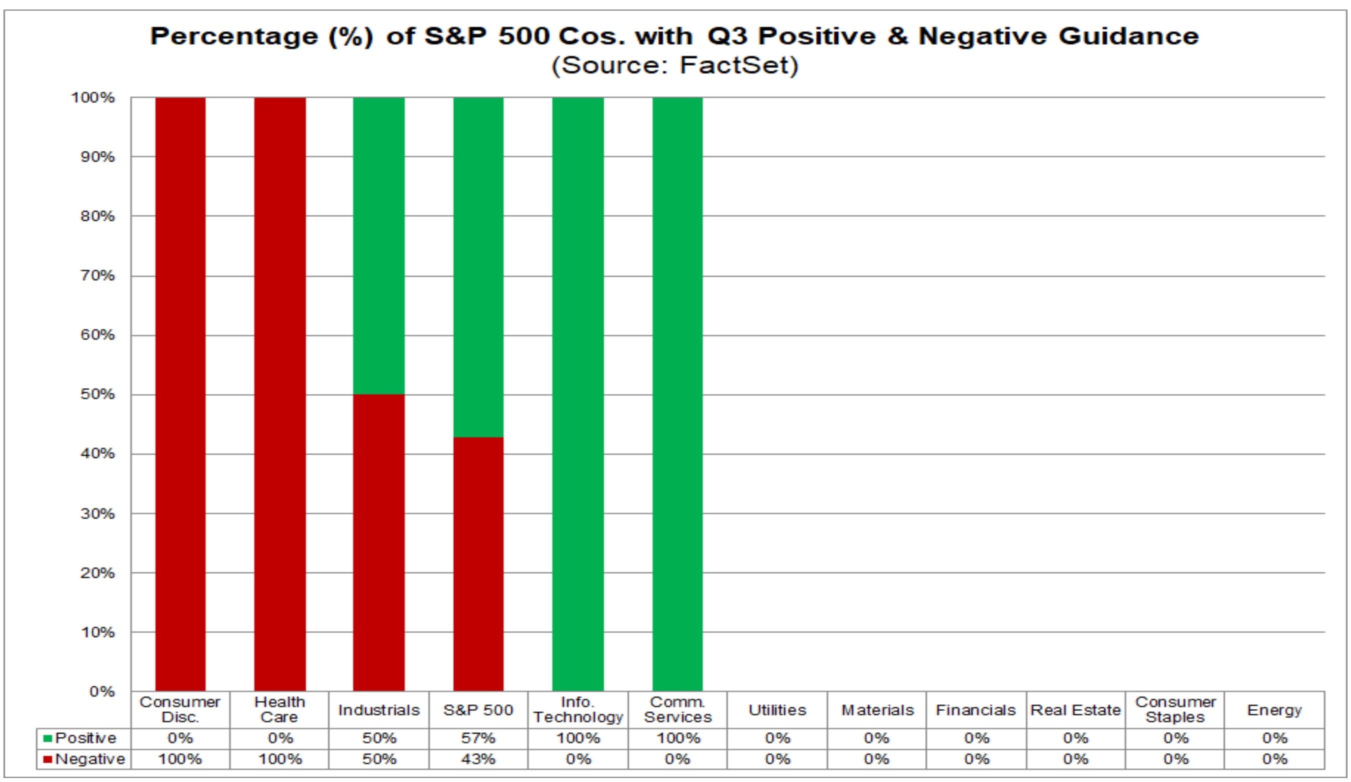
	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Industrials	Materials	Consumer Disc.	Health Care	Energy	Consumer Staples
Q125	34.6%	24.9%	19.4%	14.0%	13.1%	12.3%	10.6%	10.4%	8.5%	7.6%	7.5%	6.1%
Q124	35.7%	24.0%	18.8%	11.6%	13.6%	12.2%	10.9%	11.0%	9.2%	8.2%	9.1%	6.5%



	Financials	Comm. Services	Utilities	Materials	Industrials	Information Tech.	S&P 500	Real Estate	Consumer Disc.	Health Care	Consumer Staples	Energy
Down %	33%	43%	48%	50%	54%	57%	58%	65%	71%	73%	82%	78%
None %	1%	0%	0%	0%	1%	0%	1%	0%	0%	2%	0%	4%
Up %	66%	57%	52%	50%	44%	43%	41%	35%	29%	25%	18%	17%

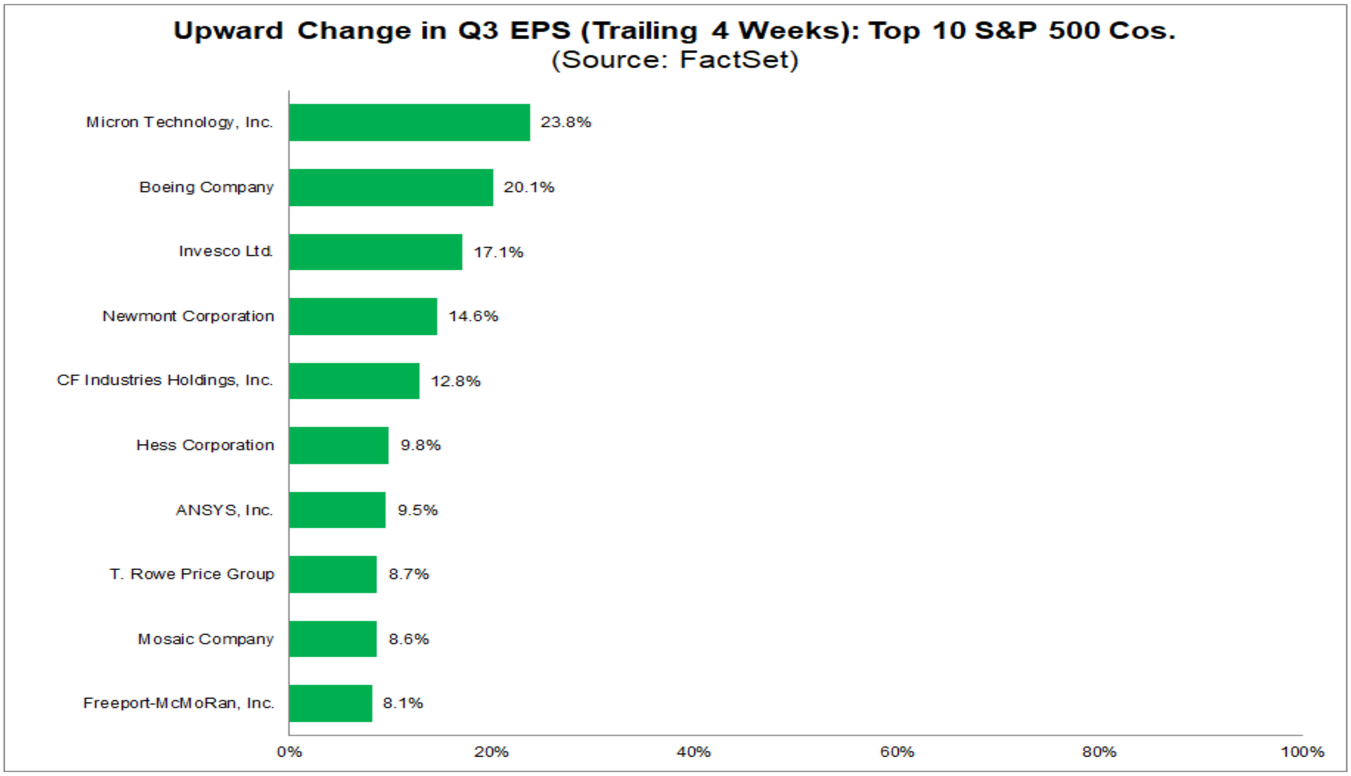
Q3 2025: Guidance

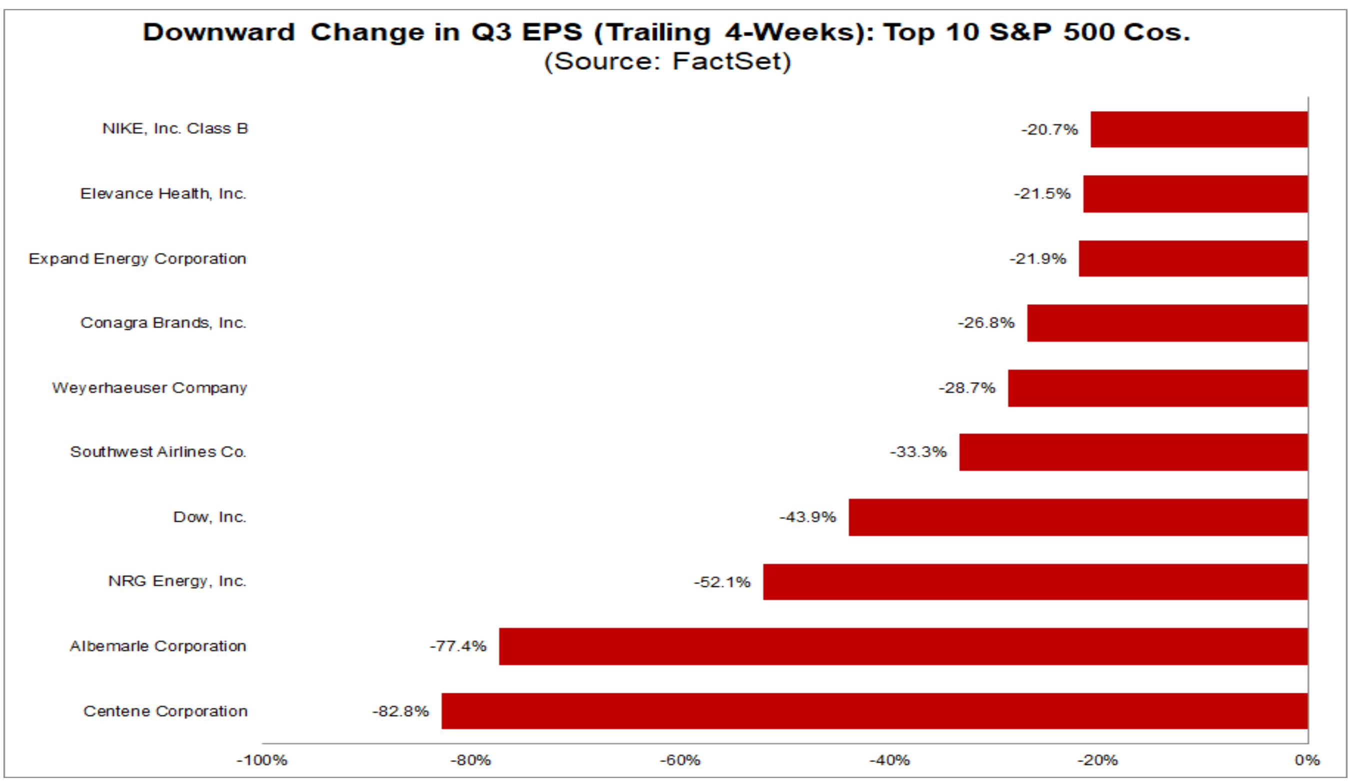




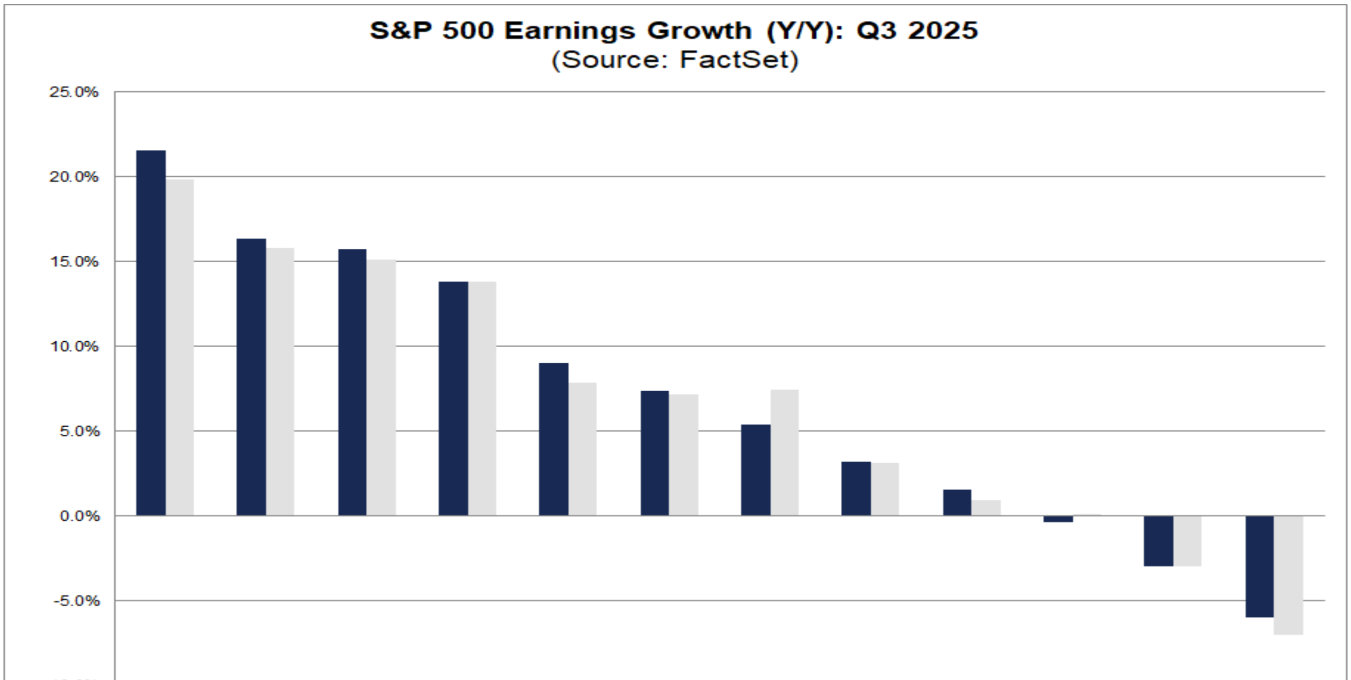
	Consumer Disc.	Health Care	Industrials	S&P 500	Info. Technology	Comm. Services	Utilities	Materials	Financials	Real Estate	Consumer Staples	Energy
Positive	0%	0%	50%	57%	100%	100%	0%	0%	0%	0%	0%	0%
Negative	100%	100%	50%	43%	0%	0%	0%	0%	0%	0%	0%	0%

Q3 2025: EPS Revisions

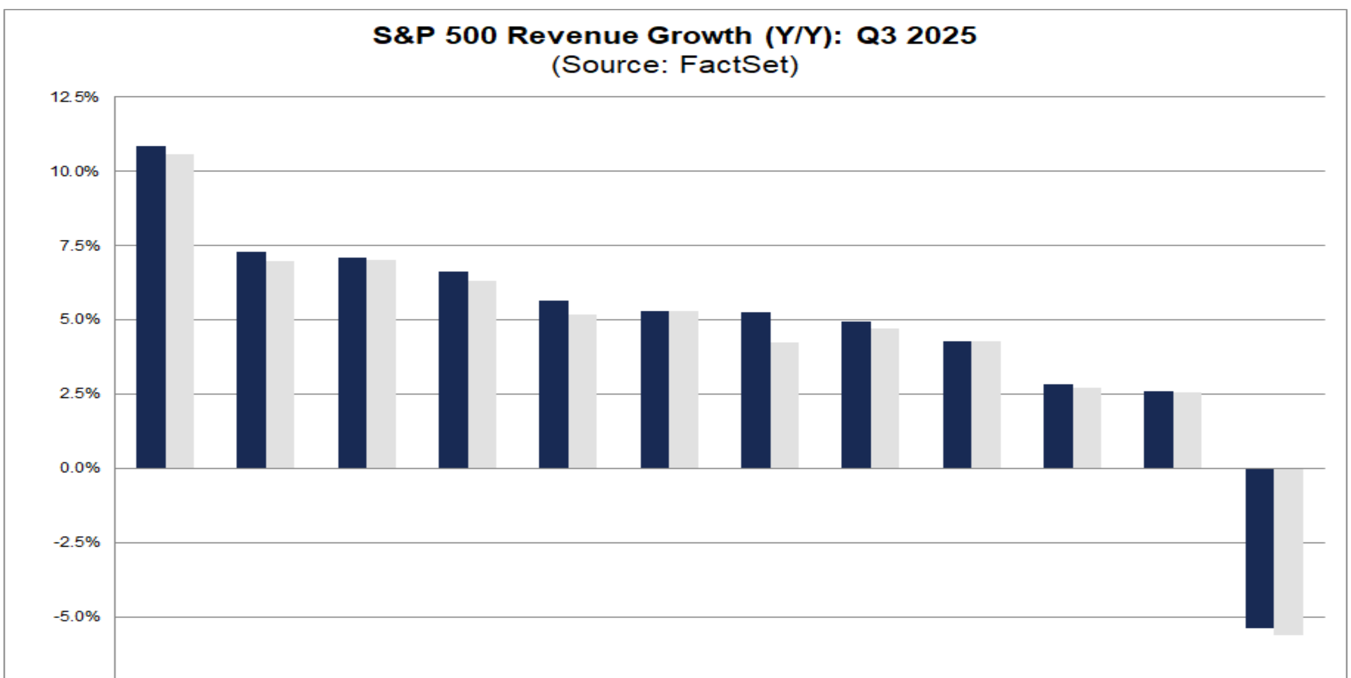




Q3 2025: Growth

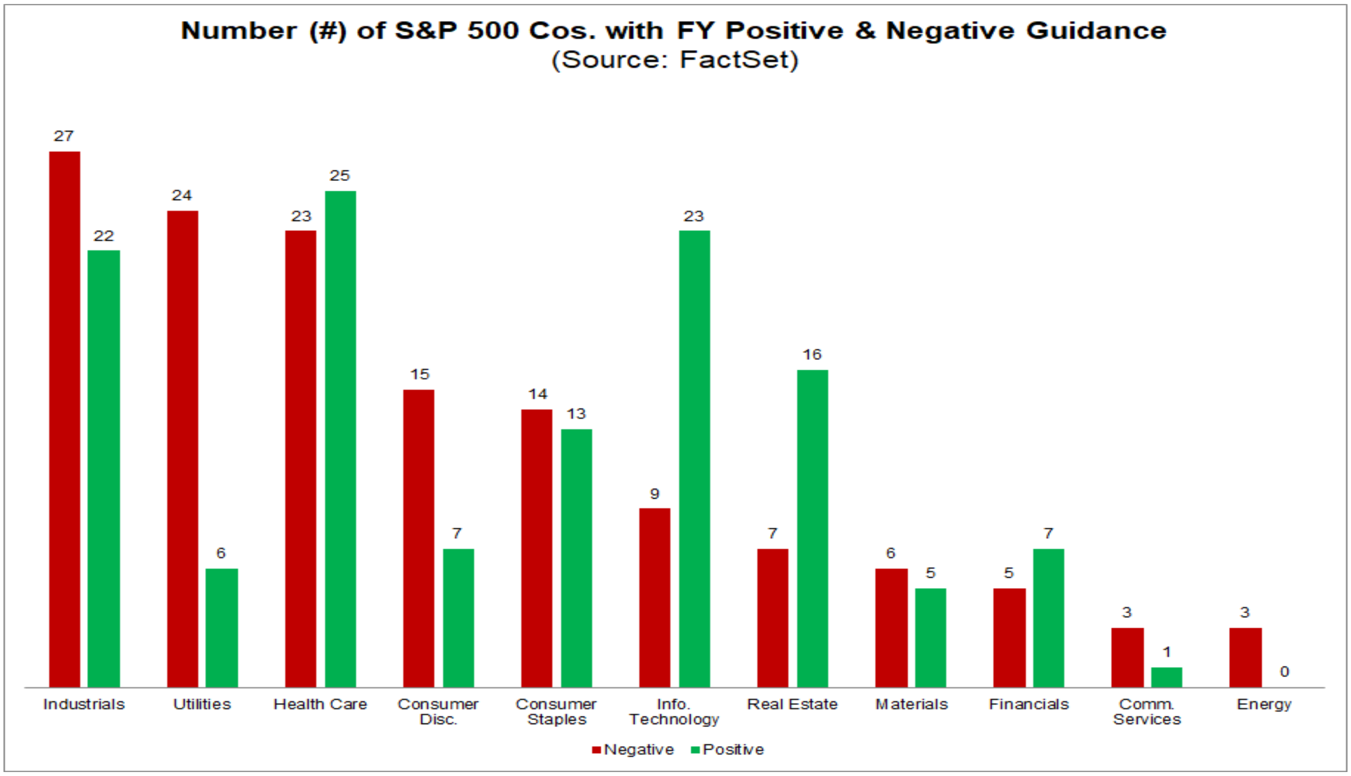


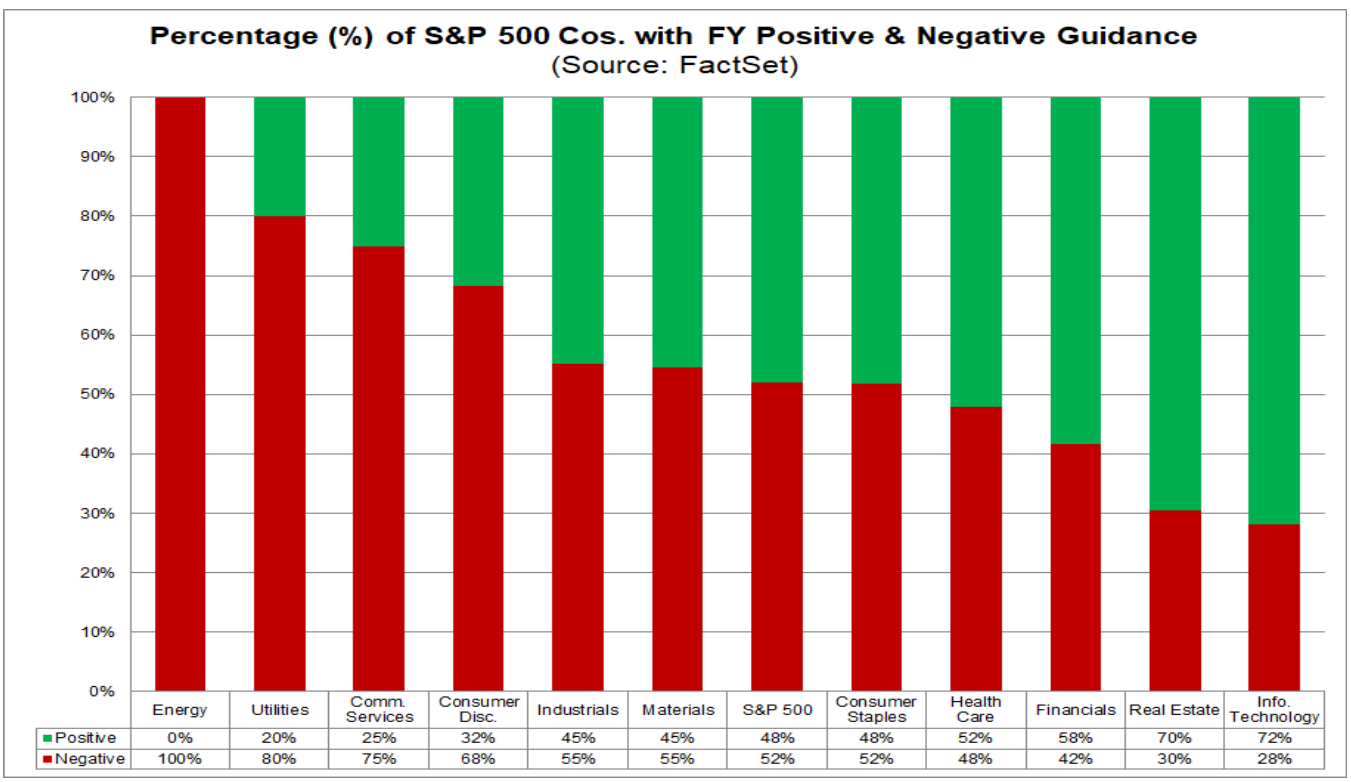
	Materials	Info. Technology	Utilities	Industrials	Financials	S&P 500	Health Care	Real Estate	Comm. Services	Consumer Staples	Consumer Disc.	Energy
Today	21.6%	16.3%	15.7%	13.8%	9.0%	7.4%	5.4%	3.2%	1.6%	-0.4%	-2.9%	-6.0%
30-Jun	19.9%	15.8%	15.1%	13.9%	7.8%	7.2%	7.4%	3.1%	0.9%	0.1%	-2.9%	-7.0%



	Info. Technology	Utilities	Health Care	Comm. Services	Financials	Real Estate	Materials	S&P 500	Industrials	Consumer Staples	Consumer Disc.	Energy
Today	10.8%	7.3%	7.1%	6.6%	5.6%	5.3%	5.2%	4.9%	4.3%	2.8%	2.6%	-5.4%
30-Jun	10.6%	7.0%	7.0%	6.3%	5.2%	5.3%	4.2%	4.7%	4.3%	2.7%	2.6%	-5.6%

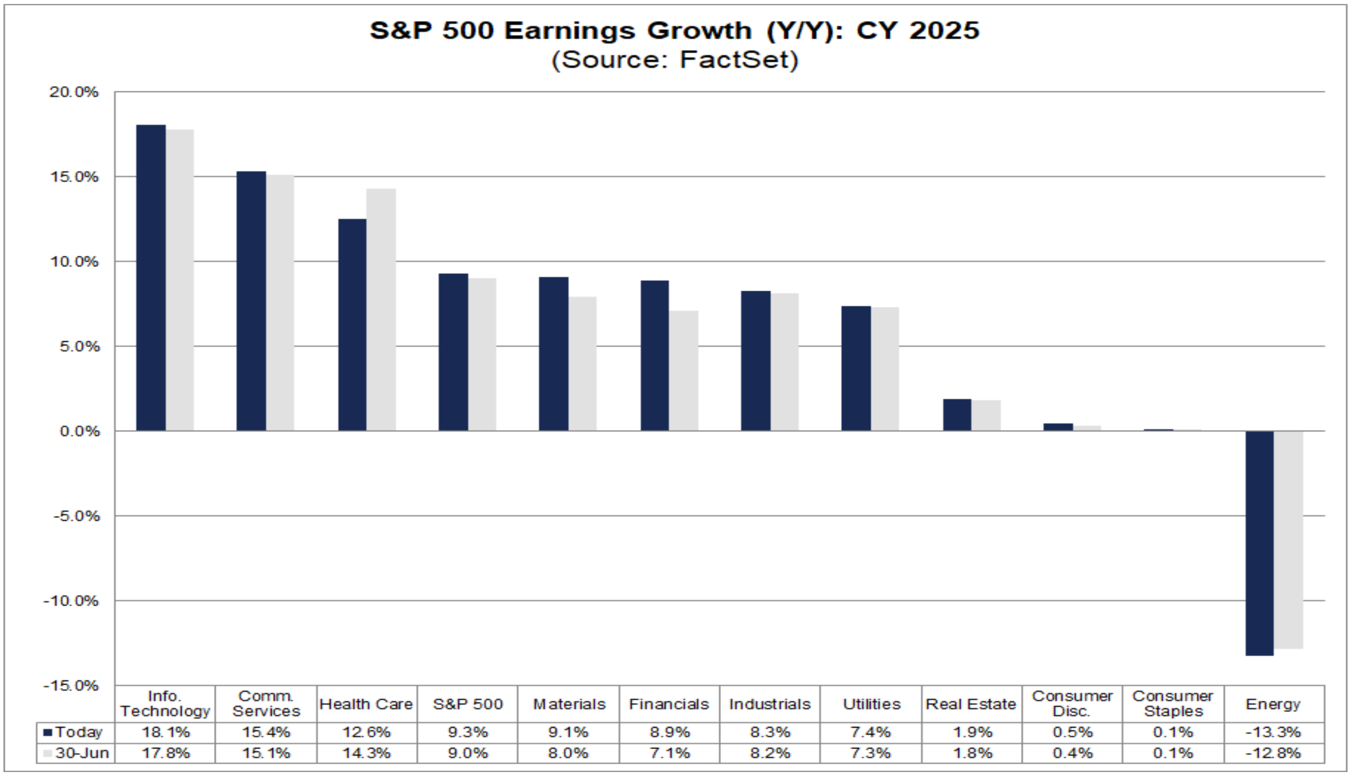
FY 2025 / 2026: EPS Guidance



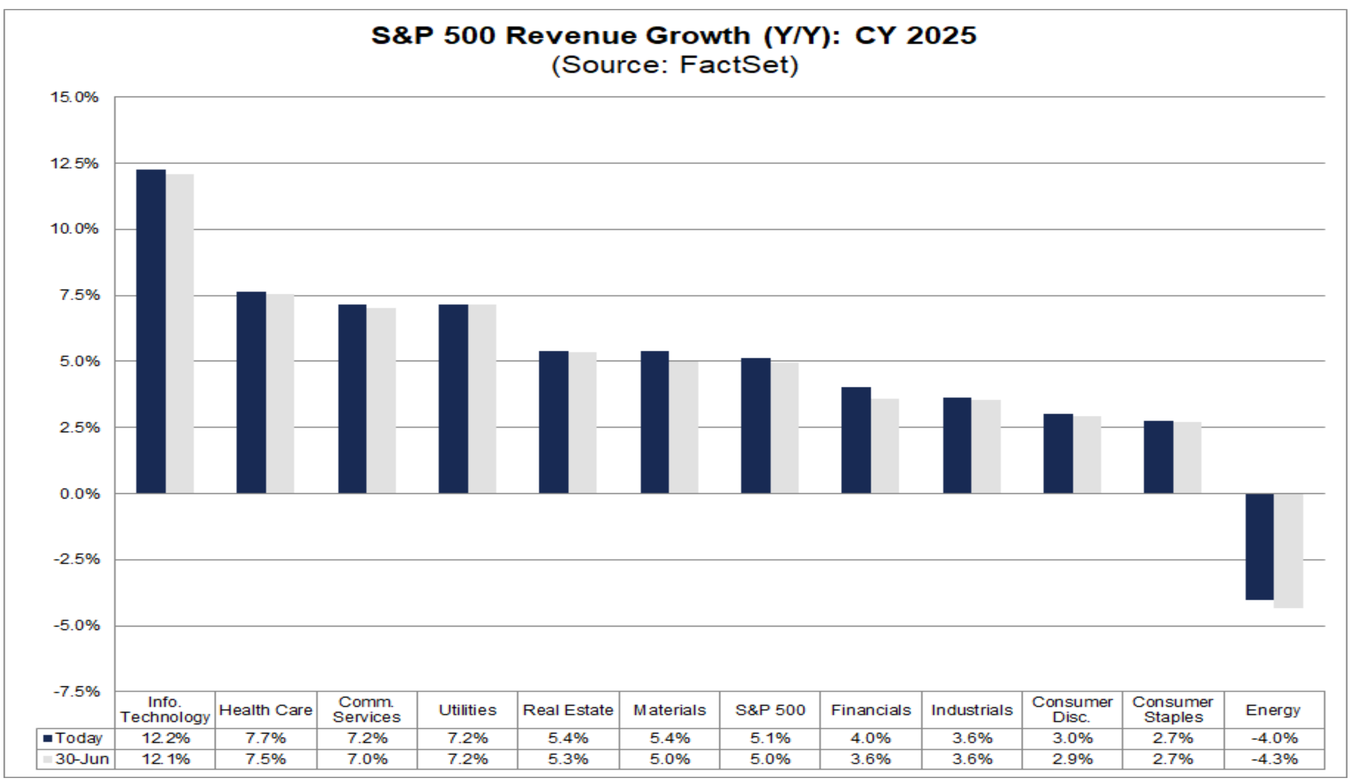


	Energy	Utilities	Comm. Services	Consumer Disc.	Industrials	Materials	S&P 500	Consumer Staples	Health Care	Financials	Real Estate	Info. Technology
Positive	0%	20%	25%	32%	45%	45%	48%	48%	52%	58%	70%	72%
Negative	100%	80%	75%	68%	55%	55%	52%	52%	48%	42%	30%	28%

CY 2025: Growth

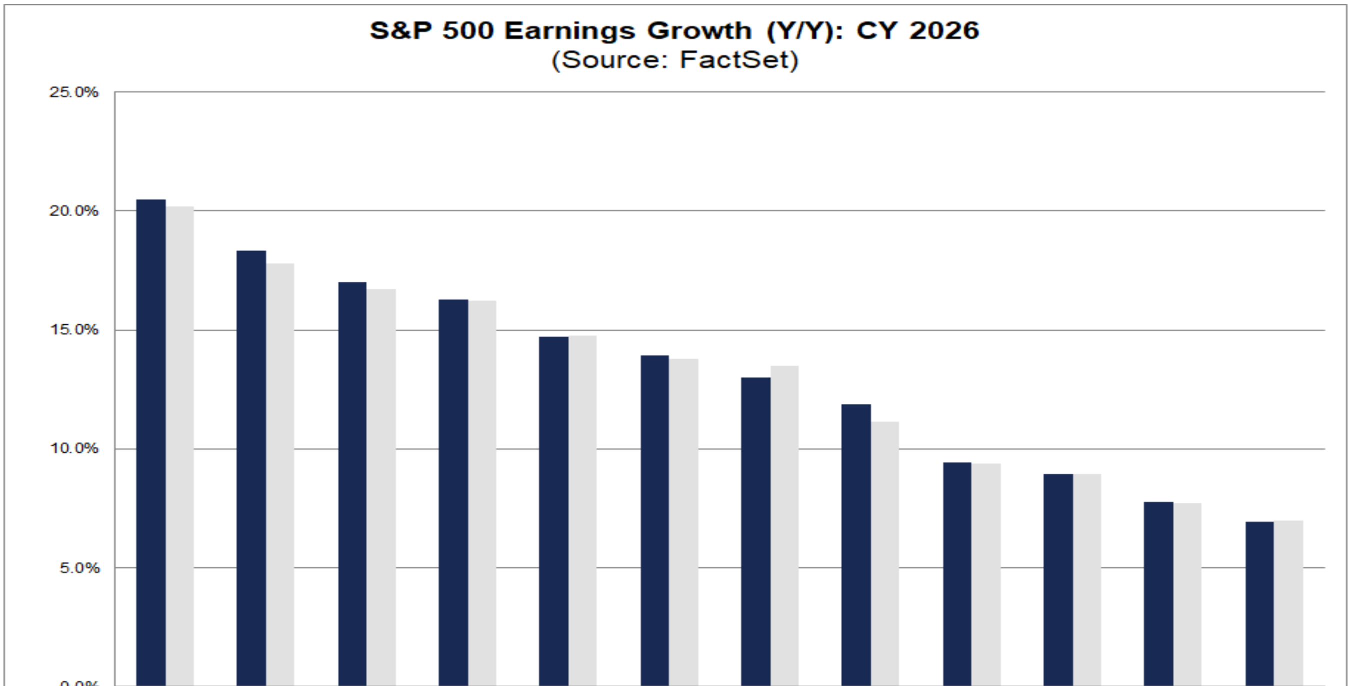


	Info. Technology	Comm. Services	Health Care	S&P 500	Materials	Financials	Industrials	Utilities	Real Estate	Consumer Disc.	Consumer Staples	Energy
Today	18.1%	15.4%	12.6%	9.3%	9.1%	8.9%	8.3%	7.4%	1.9%	0.5%	0.1%	-13.3%
30-Jun	17.8%	15.1%	14.3%	9.0%	8.0%	7.1%	8.2%	7.3%	1.8%	0.4%	0.1%	-12.8%

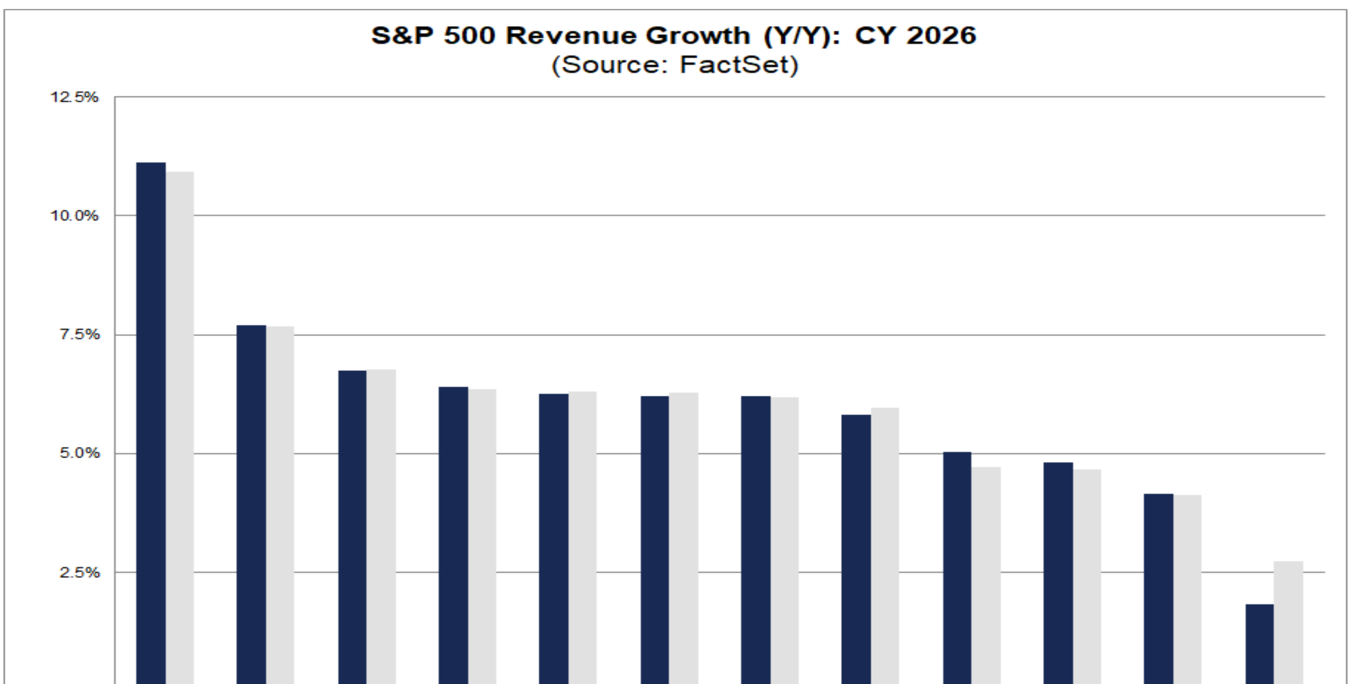


	Info. Technology	Health Care	Comm. Services	Utilities	Real Estate	Materials	S&P 500	Financials	Industrials	Consumer Disc.	Consumer Staples	Energy
Today	12.2%	7.7%	7.2%	7.2%	5.4%	5.4%	5.1%	4.0%	3.6%	3.0%	2.7%	-4.0%
30-Jun	12.1%	7.5%	7.0%	7.2%	5.3%	5.0%	5.0%	3.6%	3.6%	2.9%	2.7%	-4.3%

CY 2026: Growth

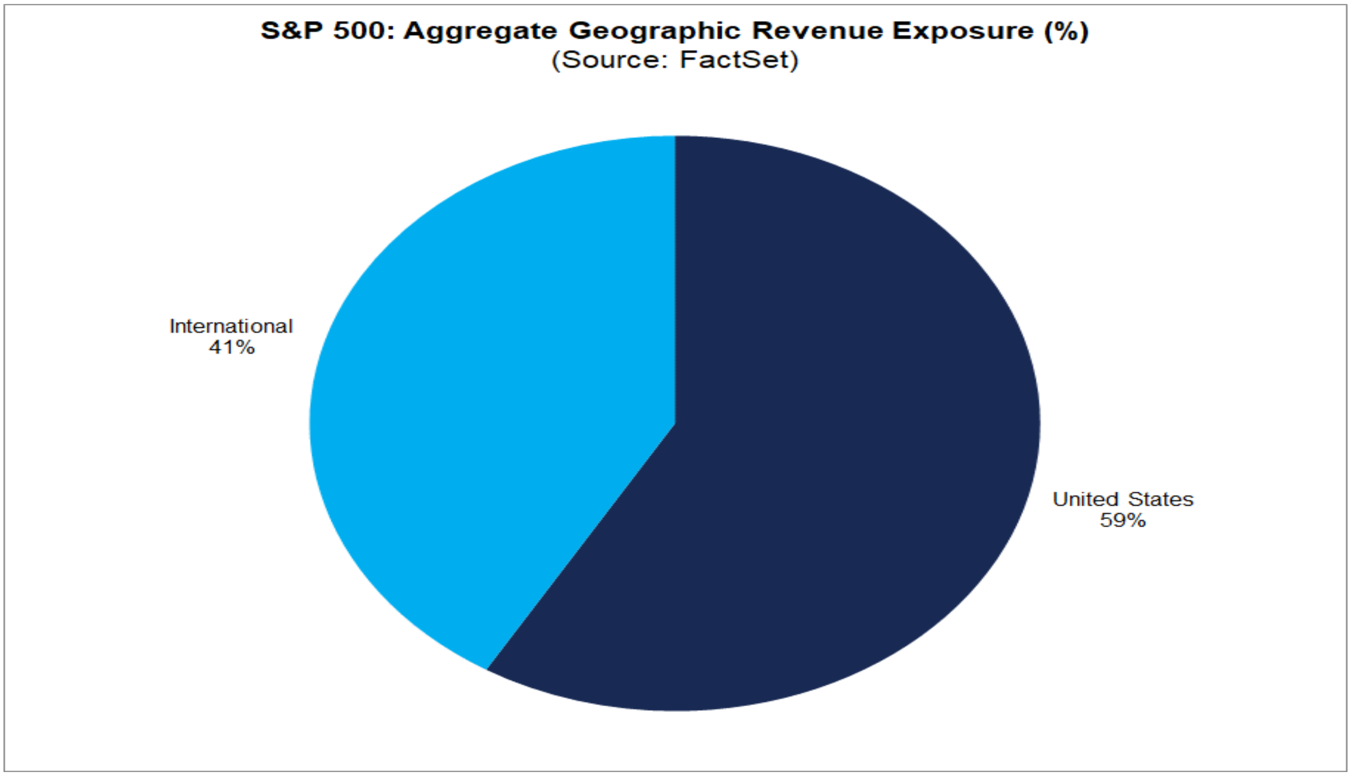


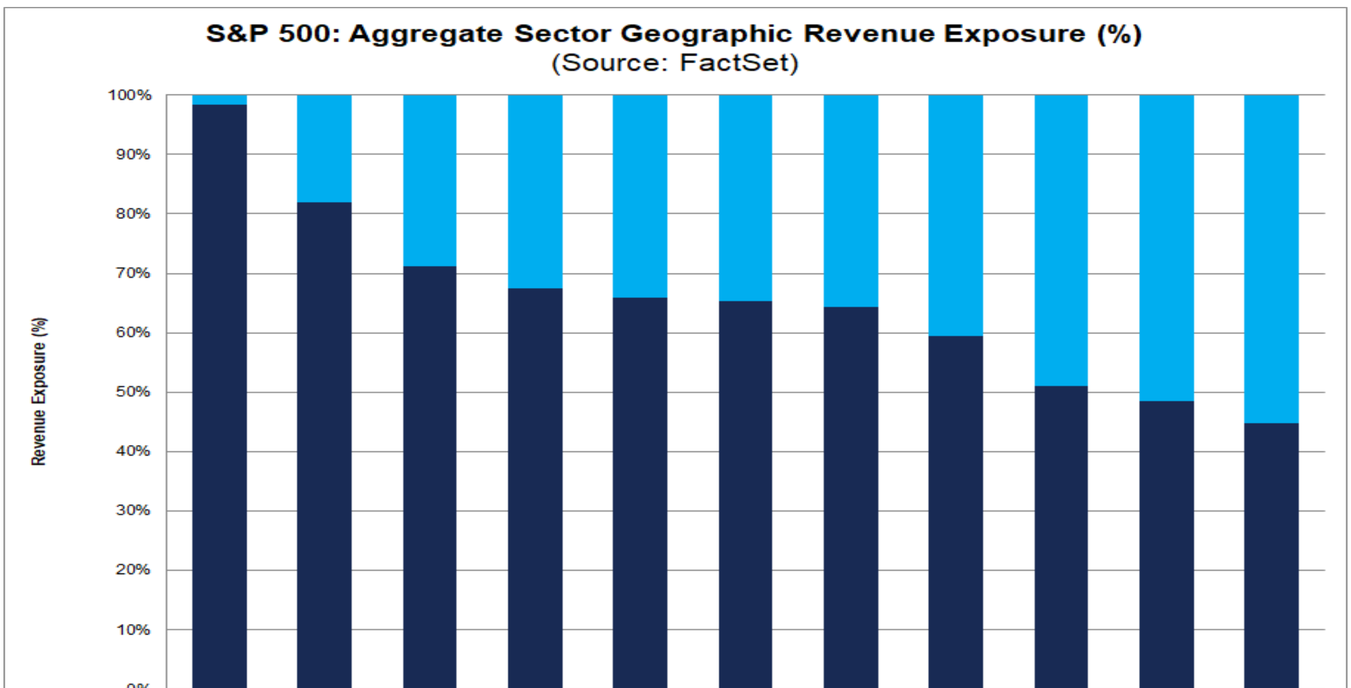
	Energy	Info. Technology	Materials	Industrials	Consumer Disc.	S&P 500	Financials	Health Care	Comm. Services	Utilities	Consumer Staples	Real Estate
Today	20.5%	18.3%	17.0%	16.3%	14.7%	14.0%	13.0%	11.9%	9.4%	8.9%	7.8%	6.9%
30-Jun	20.2%	17.8%	16.7%	16.2%	14.8%	13.8%	13.5%	11.2%	9.4%	9.0%	7.7%	7.0%



	Info. Technology	Comm. Services	Real Estate	Financials	S&P 500	Industrials	Consumer Disc.	Health Care	Utilities	Materials	Consumer Staples	Energy
Today	11.1%	7.7%	6.7%	6.4%	6.3%	6.2%	6.2%	5.8%	5.0%	4.8%	4.2%	1.8%
30-Jun	10.9%	7.7%	6.8%	6.4%	6.3%	6.3%	6.2%	6.0%	4.7%	4.7%	4.1%	2.7%

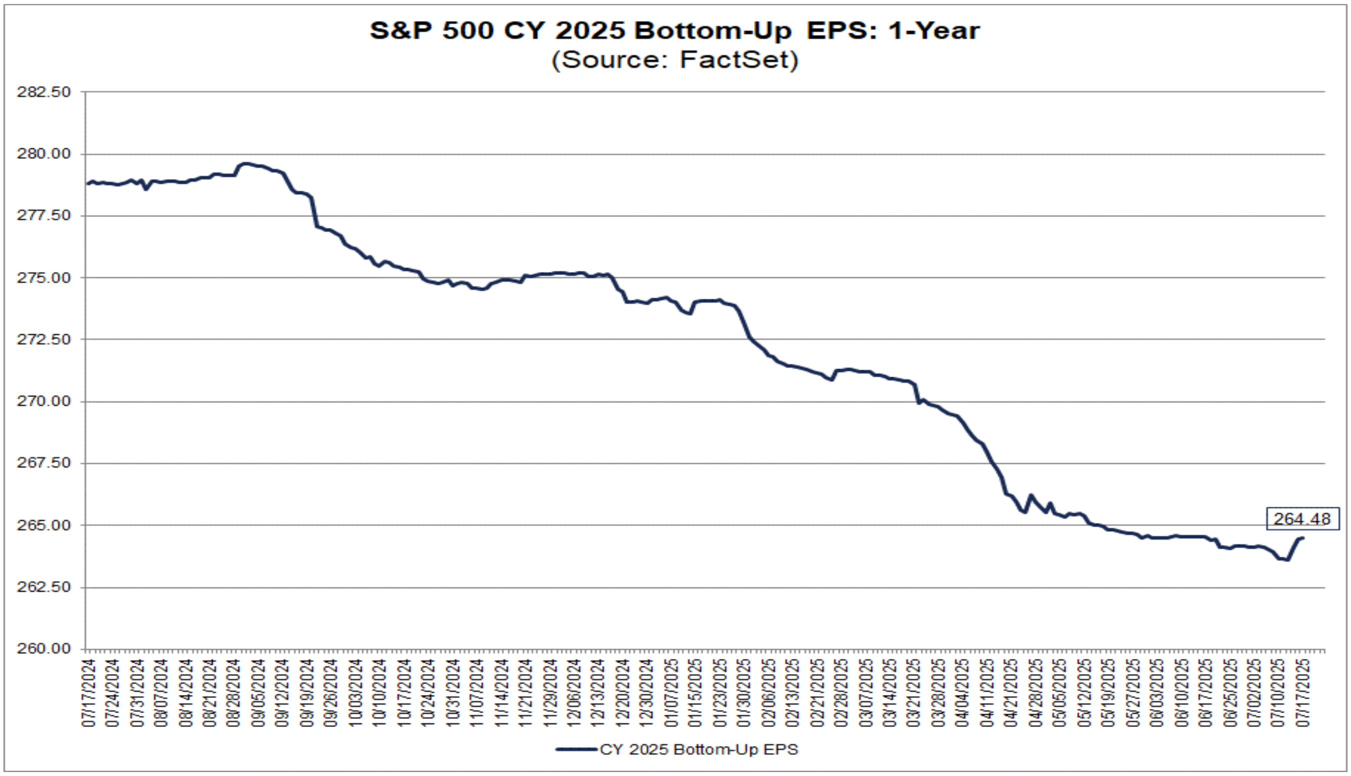
Geographic Revenue Exposure

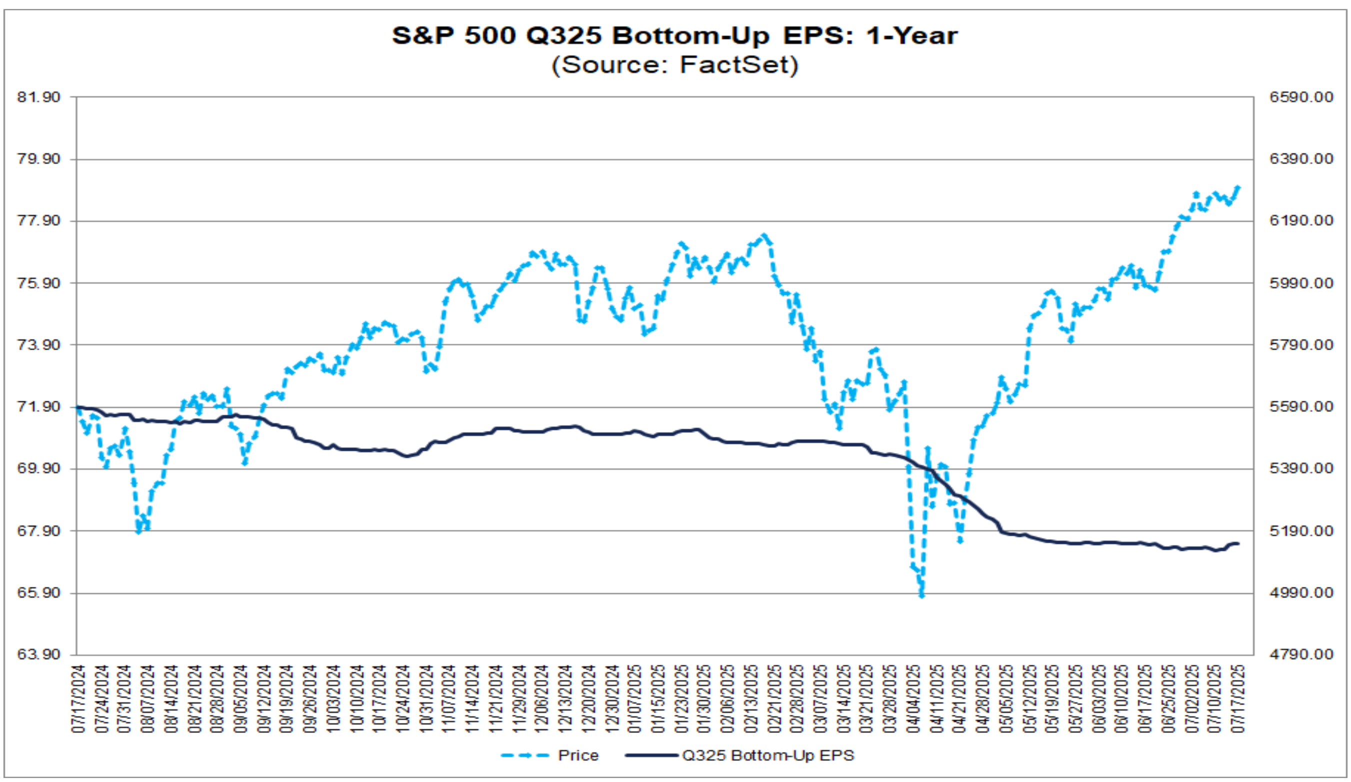




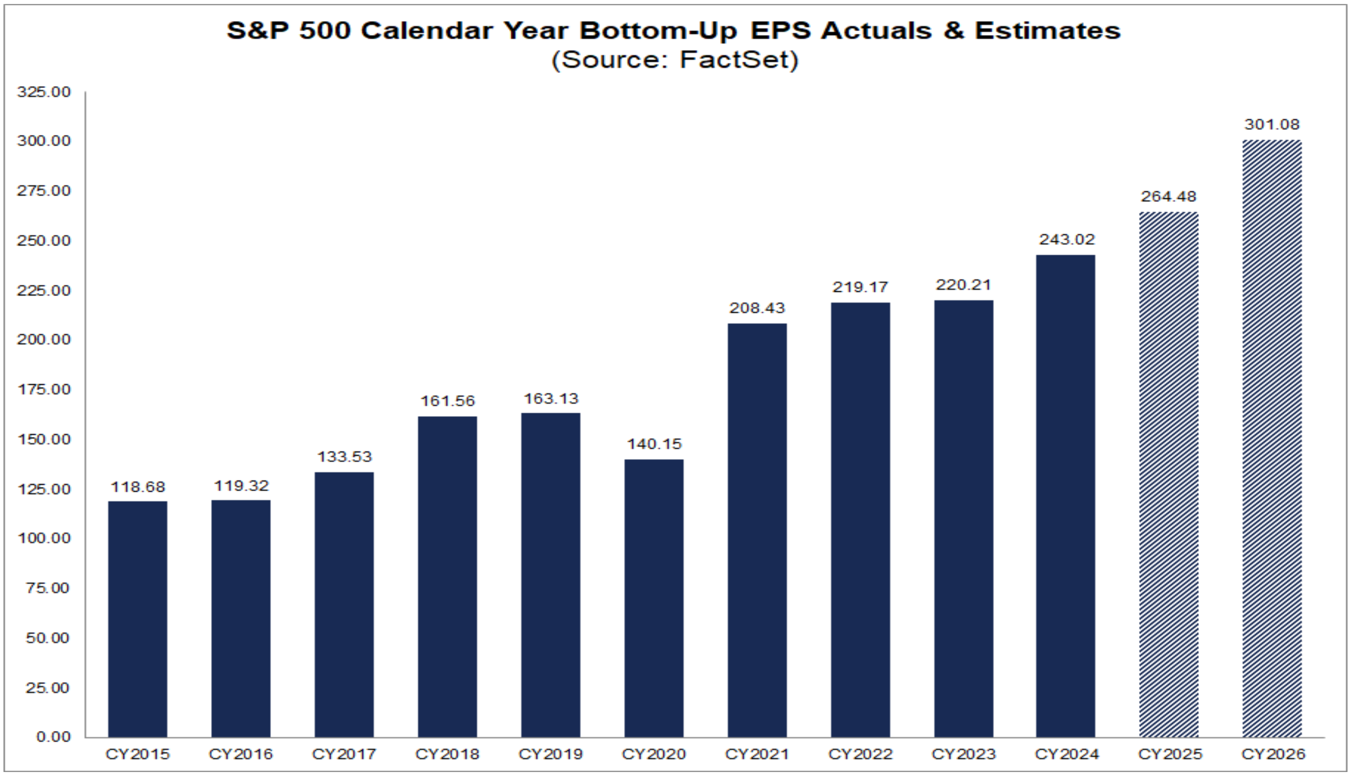
	Utilities	Real Estate	Financials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	18%	29%	33%	34%	35%	36%	41%	49%	52%	55%
United States	98%	82%	71%	67%	66%	65%	64%	59%	51%	48%	45%

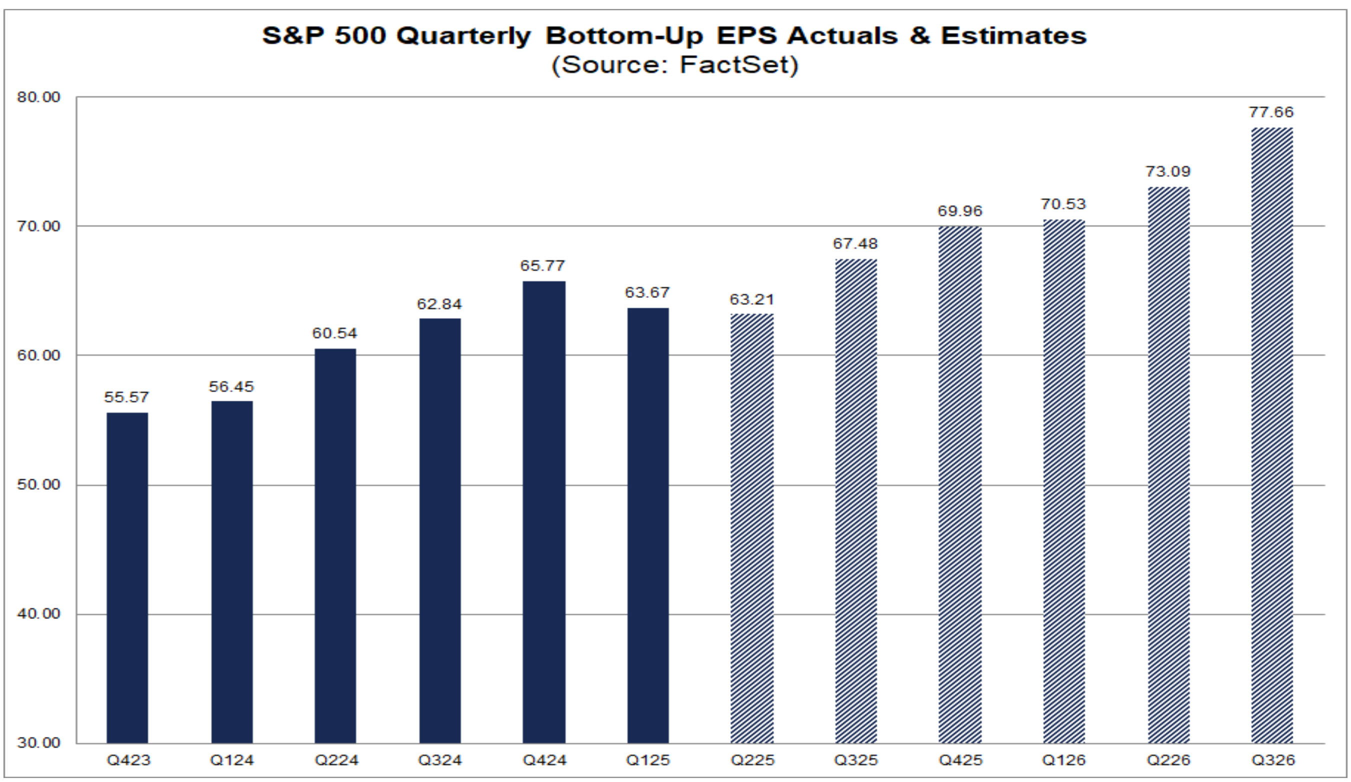
Bottom-Up EPS Estimates



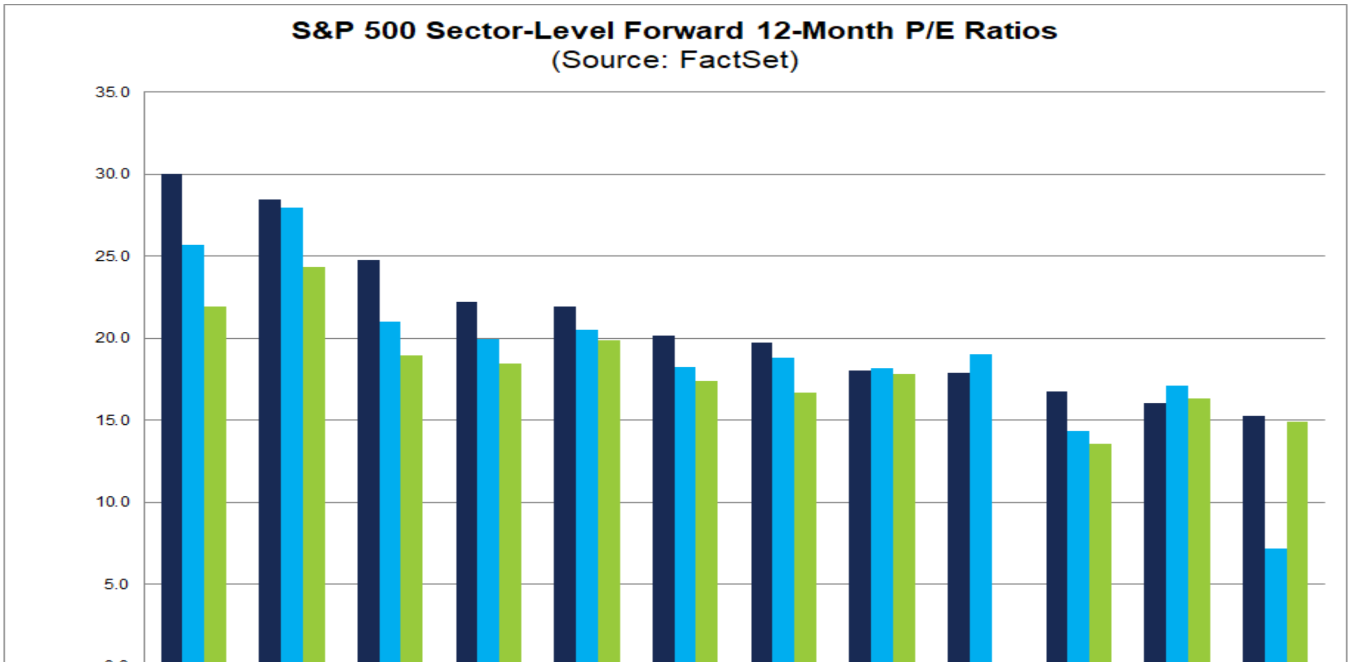


Bottom-Up EPS Estimates: Current & Historical

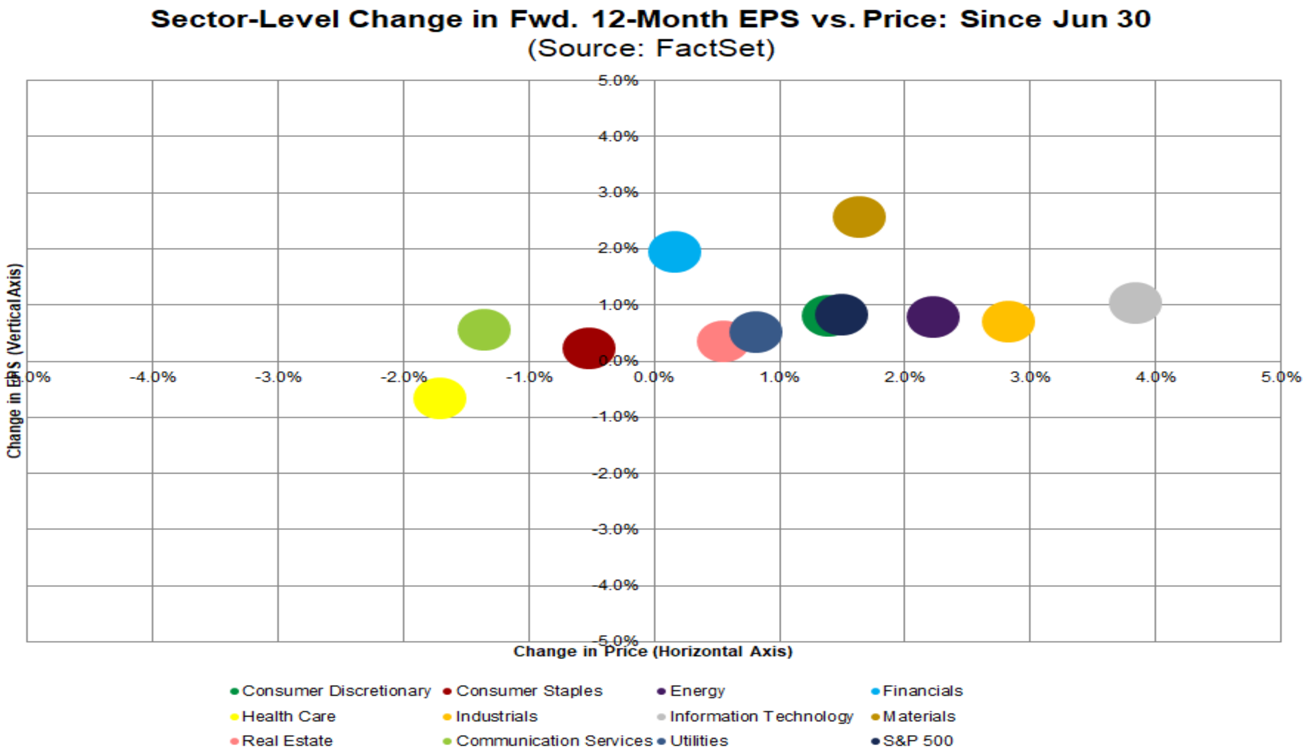




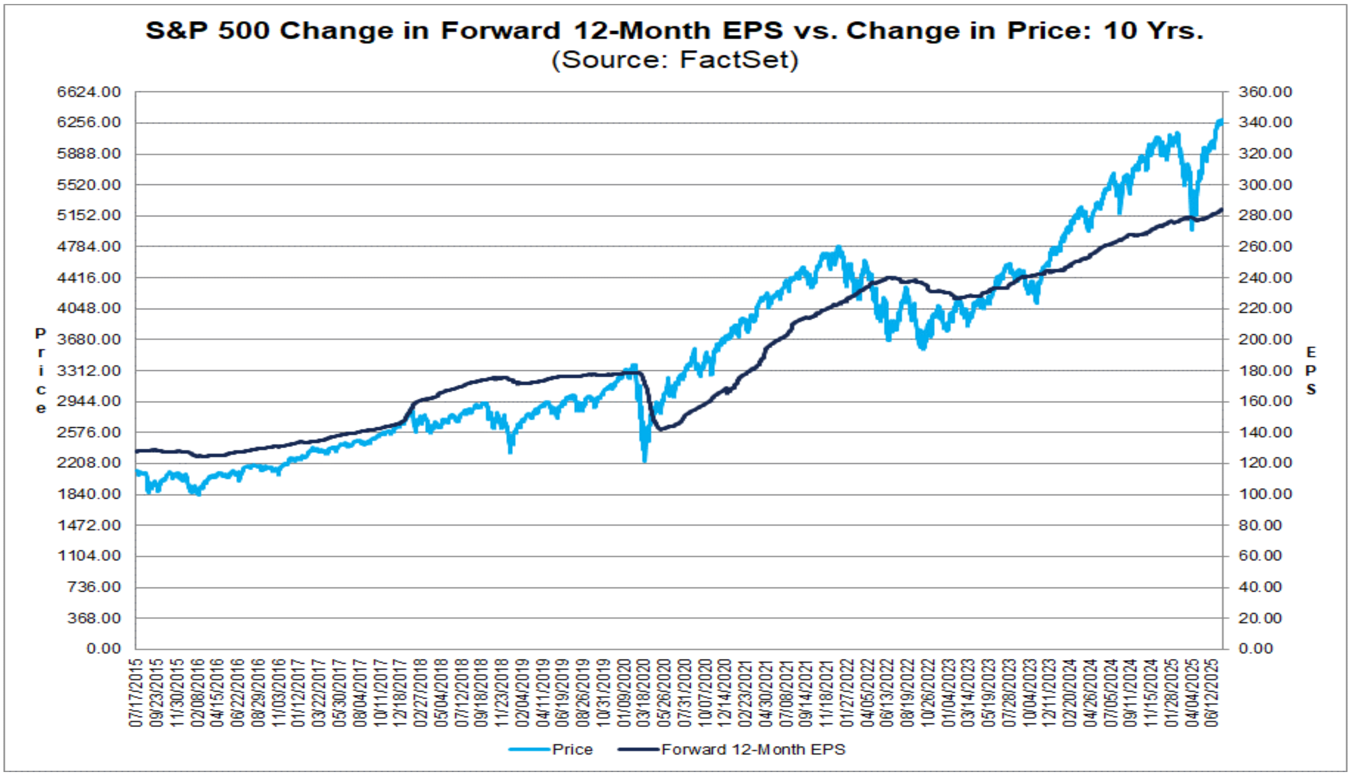
Forward 12M P/E Ratio: Sector Level

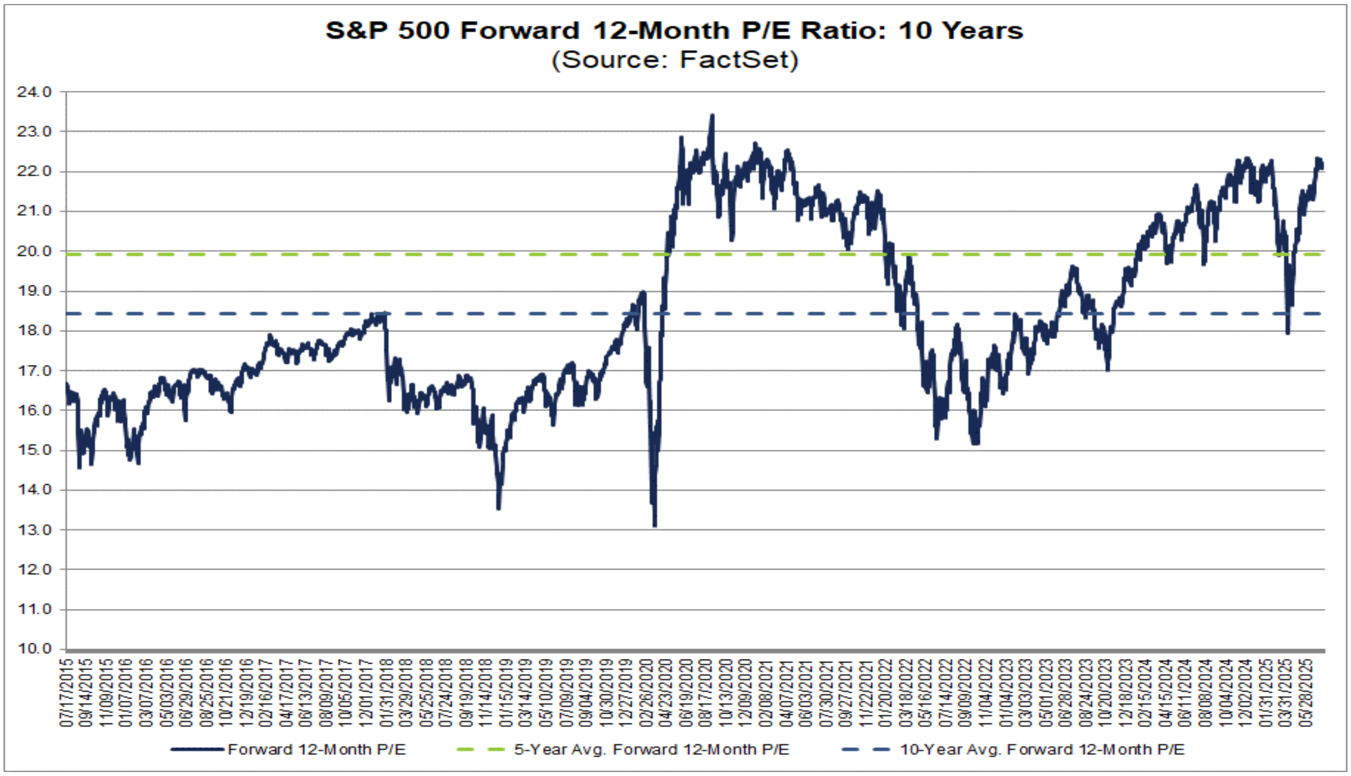


	Info. Technology	Consumer Disc.	Industrials	S&P 500	Consumer Staples	Materials	Comm. Services	Utilities	Real Estate	Financials	Health Care	Energy
Fwd P/E	30.0	28.4	24.8	22.2	21.9	20.2	19.7	18.0	17.9	16.7	16.1	15.3
5-Yr Avg.	25.7	27.9	21.0	19.9	20.5	18.2	18.8	18.2	19.0	14.3	17.1	7.2
10-Yr Avg.	21.9	24.3	18.9	18.4	19.9	17.4	16.7	17.8		13.6	16.3	14.9

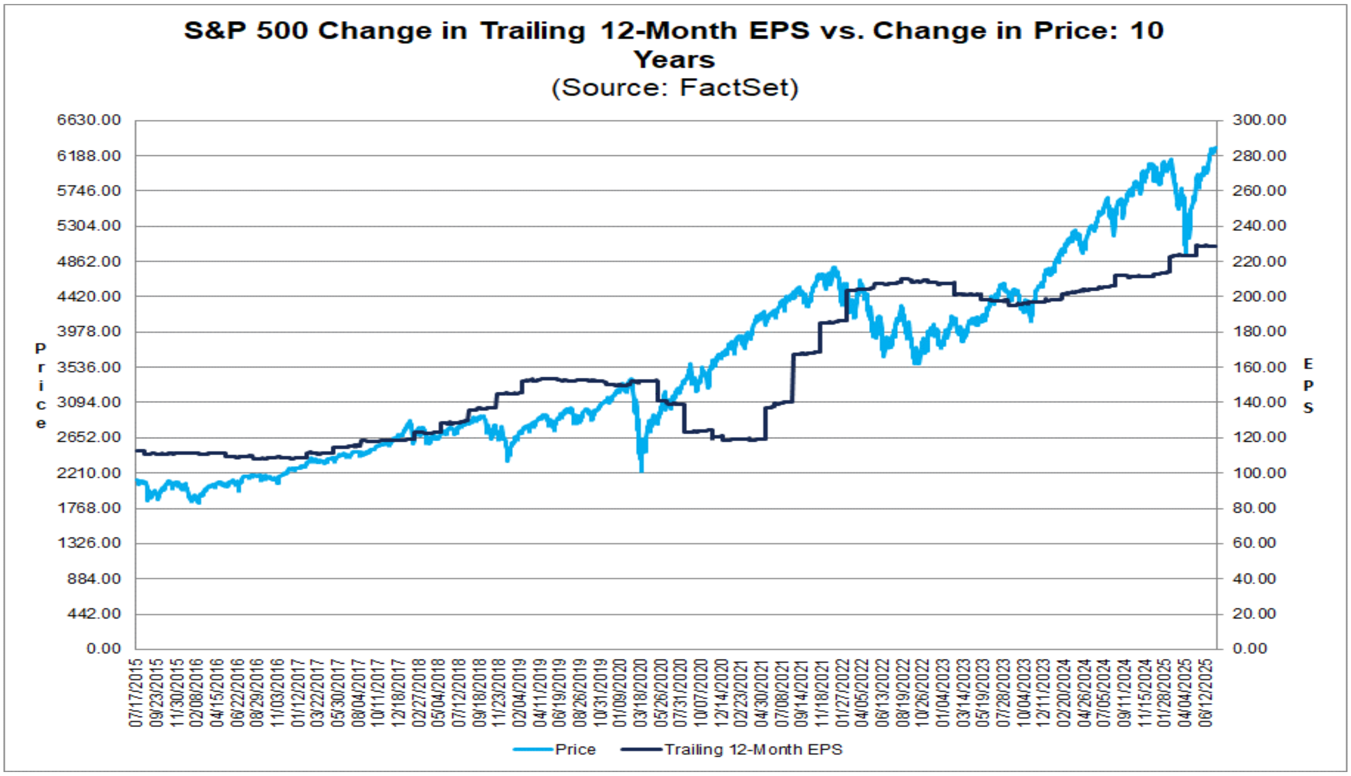


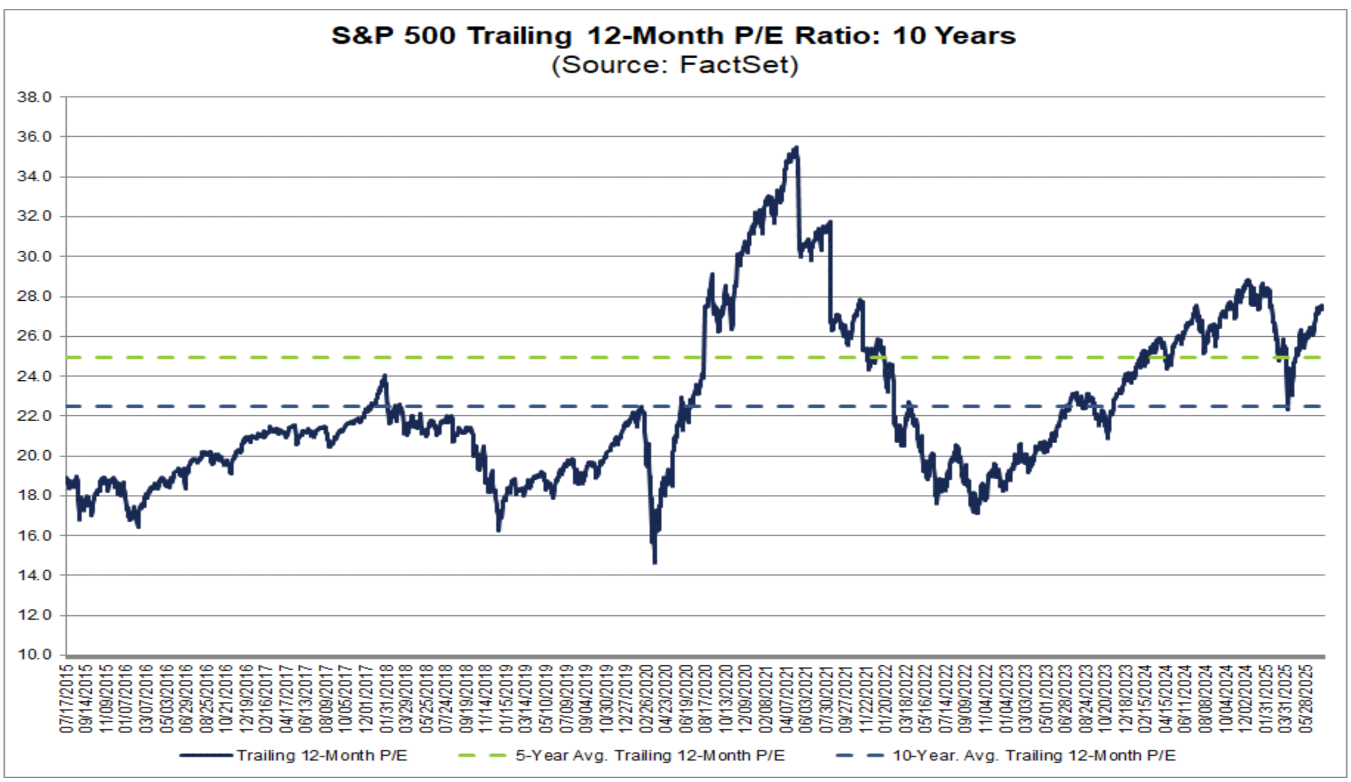
Forward 12M P/E Ratio: 10-Years





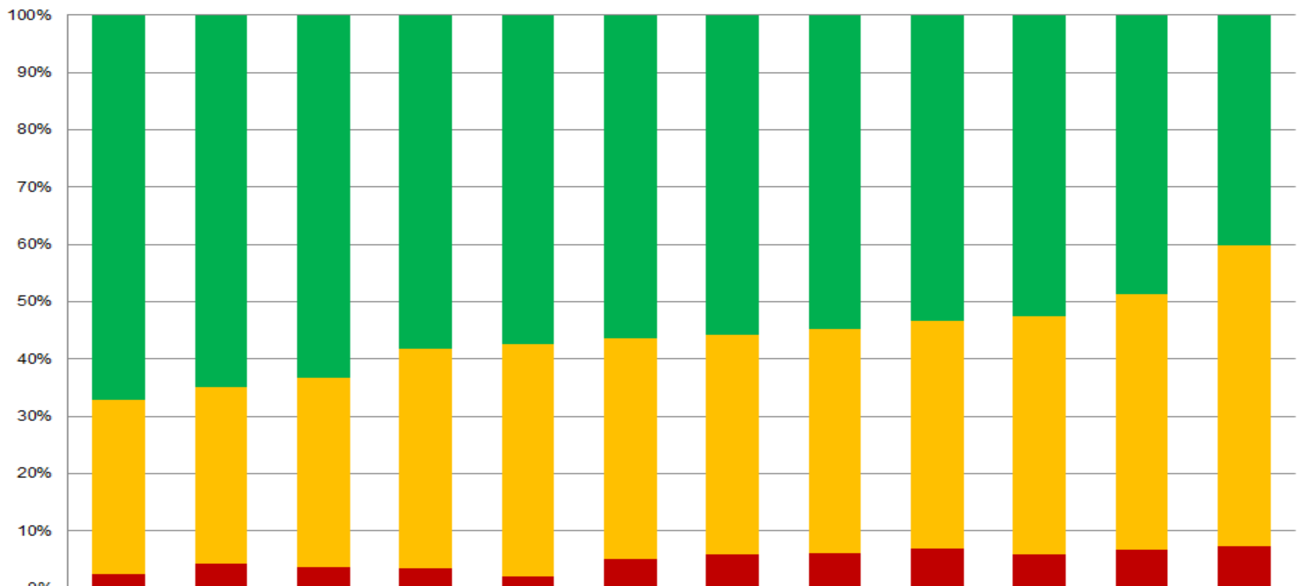
Trailing 12M P/E Ratio: 10-Years





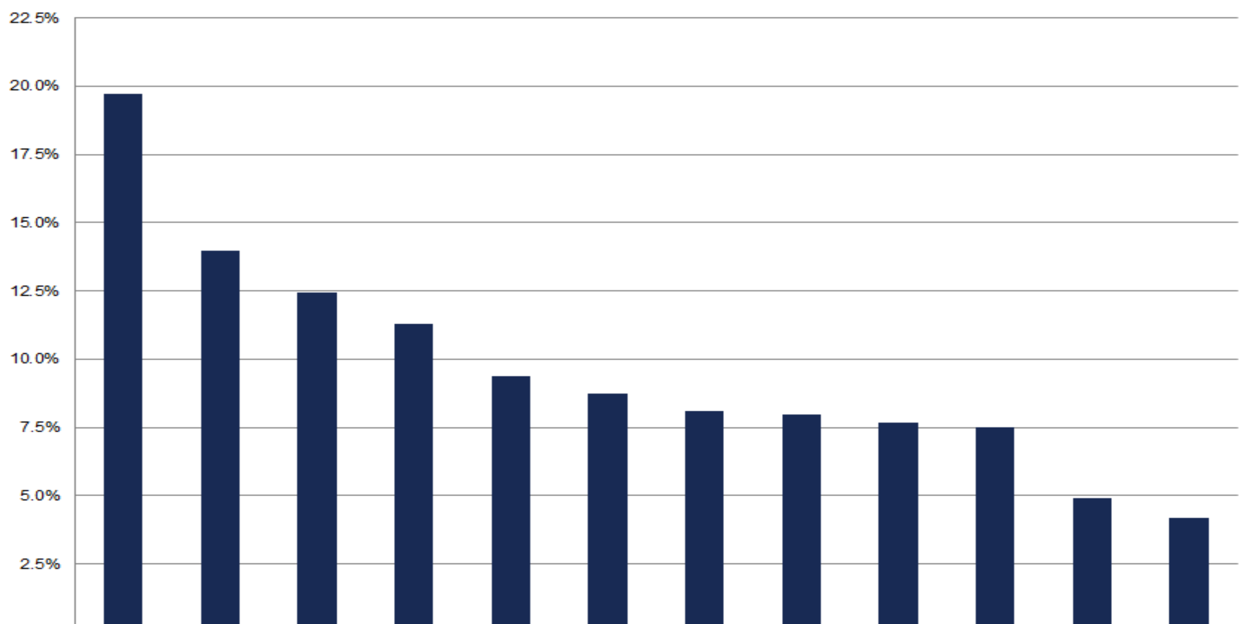
Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings
(Source: FactSet)



	Energy	Info. Tech.	Comm. Services	Health Care	Real Estate	S&P 500	Materials	Consumer Disc.	Financials	Industrials	Utilities	Consumer Staples
Buy	67%	65%	63%	58%	57%	56%	56%	55%	53%	53%	49%	40%
Hold	30%	31%	33%	38%	41%	39%	38%	39%	40%	42%	45%	53%
Sell	2%	4%	4%	4%	2%	5%	6%	6%	7%	6%	7%	7%

S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)



	Health Care	Energy	Real Estate	Materials	Utilities	Consumer Staples	Comm. Services	S&P 500	Consumer Disc.	Financials	Info. Tech.	Industrials
Target/Close	19.7%	14.0%	12.5%	11.3%	9.4%	8.7%	8.1%	8.0%	7.7%	7.5%	4.9%	4.2%

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