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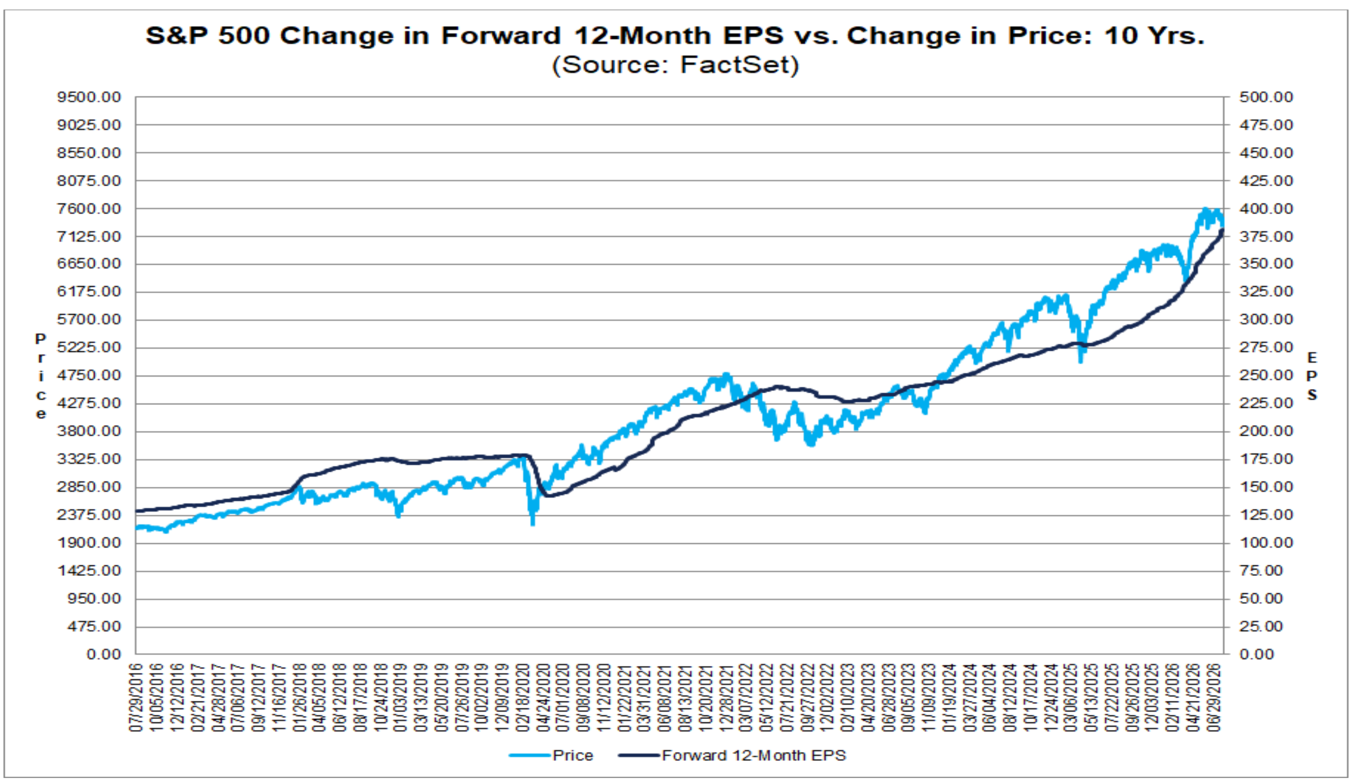
Key Metrics

- **Earnings Scorecard:** For Q2 2026 (with 61% of S&P 500 companies reporting actual results), 86% of S&P 500 companies have reported a positive EPS surprise and 77% of S&P 500 companies has reported a positive revenue surprise.
- **Earnings Growth:** For Q2 2026, the blended (year-over-year) earnings growth rate for the S&P 500 is 47.4%. If 47.4% is the actual growth rate for the quarter, it will mark the highest earnings growth rate reported by the index since Q2 2021 (91.6%).
- **Earnings Revisions:** On June 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q2 2026 was 23.2%. Nine sectors are reporting higher earnings today (compared to June 30) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q3 2026, 20 S&P 500 companies have issued negative EPS guidance and 34 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 19.6. This P/E ratio is below the 5-year average (19.9) but above the 10-year average (19.0).



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Topic of the Week: 1

Amazon Drives S&P 500 Earnings Growth for Q2 Above 45% On Valuation Gains

During the past week, the (blended) earnings growth rate for the S&P 500 for the second quarter increased to 47.4% from 38.0%. If 47.4 is the actual growth rate for the quarter, it will mark the highest year-over-year earnings growth rate reported by the index since Q2 2021 (91.6%). Eight sectors are now reporting double-digit earnings growth for Q2 2026, led by the Energy (135.3%), Communication Services (109.8%), Consumer Discretionary (90.7%), and Information Technology (69.4%) sectors.

Given the substantial increase in the Q2 earnings growth for the S&P 500 during the past week, which companies were the largest contributors to this increase?

At the company level, the positive EPS surprise reported by Amazon.com ($5.75 vs. $1.82) was the largest contributor to the increase in the Q2 earnings growth rate for the S&P 500 during the past week. This company alone accounted for 76% of the net dollar-level increase in earnings for the S&P 500 over this period.

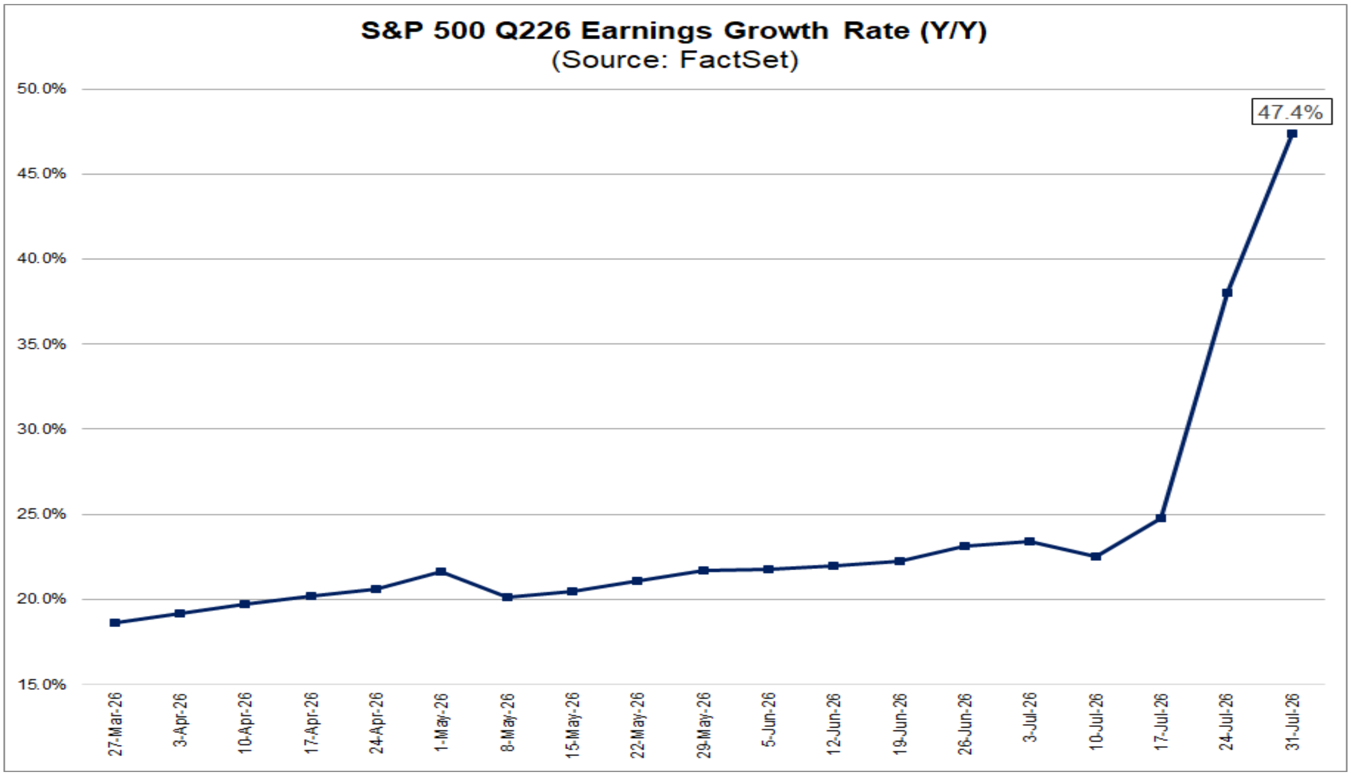
However, it should be noted that EPS reported on a GAAP basis by Amazon.com was used for both the earnings surprise and the earnings growth rate calculations, as the majority of analysts contributing EPS estimates to FactSet for Amazon.com are providing EPS estimates on a GAAP basis for this company. Historically, Amazon.com has only reported EPS numbers on a GAAP basis.

While all publicly traded U.S companies report EPS on a GAAP (generally accepted accounting principles) basis, many U.S. companies also choose to report EPS on a non-GAAP basis. There are mixed opinions in the market about the use of non-GAAP EPS. Supporters of the practice argue that it provides the market with a more accurate picture of earnings from the day-to-day operations of companies, as items that companies deem to be one-time events or nonoperating in nature are typically excluded from the non-GAAP EPS numbers. Critics of the practice argue that there is no industry-standard definition of non-GAAP EPS, and companies can take advantage of the lack of standards to exclude items that (more often than not) have a negative impact on earnings to boost non-GAAP EPS.

It is important to note that the (GAAP) EPS actual for Amazon.com for Q2 2026 included non-operating, pre-tax other income of $53.4 billion, primarily from investments in Anthropic. However, as previously stated, the vast majority of analysts providing EPS estimates to FactSet used the (GAAP) actual EPS of $5.75 including the other income as the comparable number to their estimates.

As a result, Amazon.com is now the second-largest contributor to year-over-year earnings growth for the S&P 500 for Q2 2026, trailing only Alphabet. Last week, Alphabet also reported an unusually large EPS surprise due to (GAAP) EPS that included a net gain of $98.0 billion primarily due to net unrealized gains on equity securities. For more details, please see this article: Alphabet Drives S&P 500 Earnings Growth to Highest Level Since 2021 On Valuation Gains

If Alphabet and Amazon.com were excluded, the blended earnings growth rate for the S&P 500 for Q2 2026 would fall to 28.8% from 47.4%. Thus, even excluding Alphabet and Amazon.com, the S&P 500 would still be reporting its 2nd consecutive quarter of year-over-year earnings growth above 20% and 7th consecutive quarter of double-digit earnings growth.


S&P 500 Q226 Earnings Growth Rate (Y/Y)
(Source: FactSet)
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
47.4%
27-Mar-26
3-Apr-26
10-Apr-26
17-Apr-26
24-Apr-26
1-May-26
8-May-26
15-May-26
22-May-26
29-May-26
5-Jun-26
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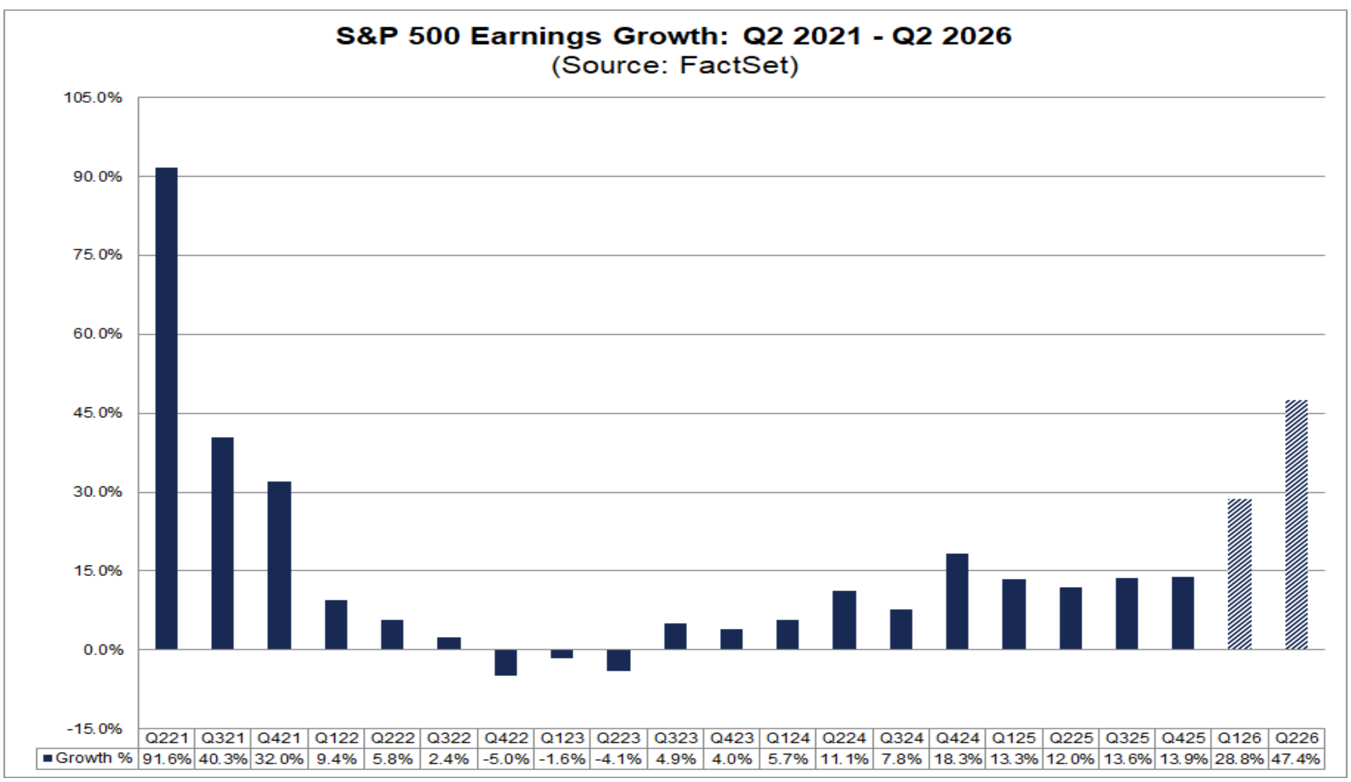
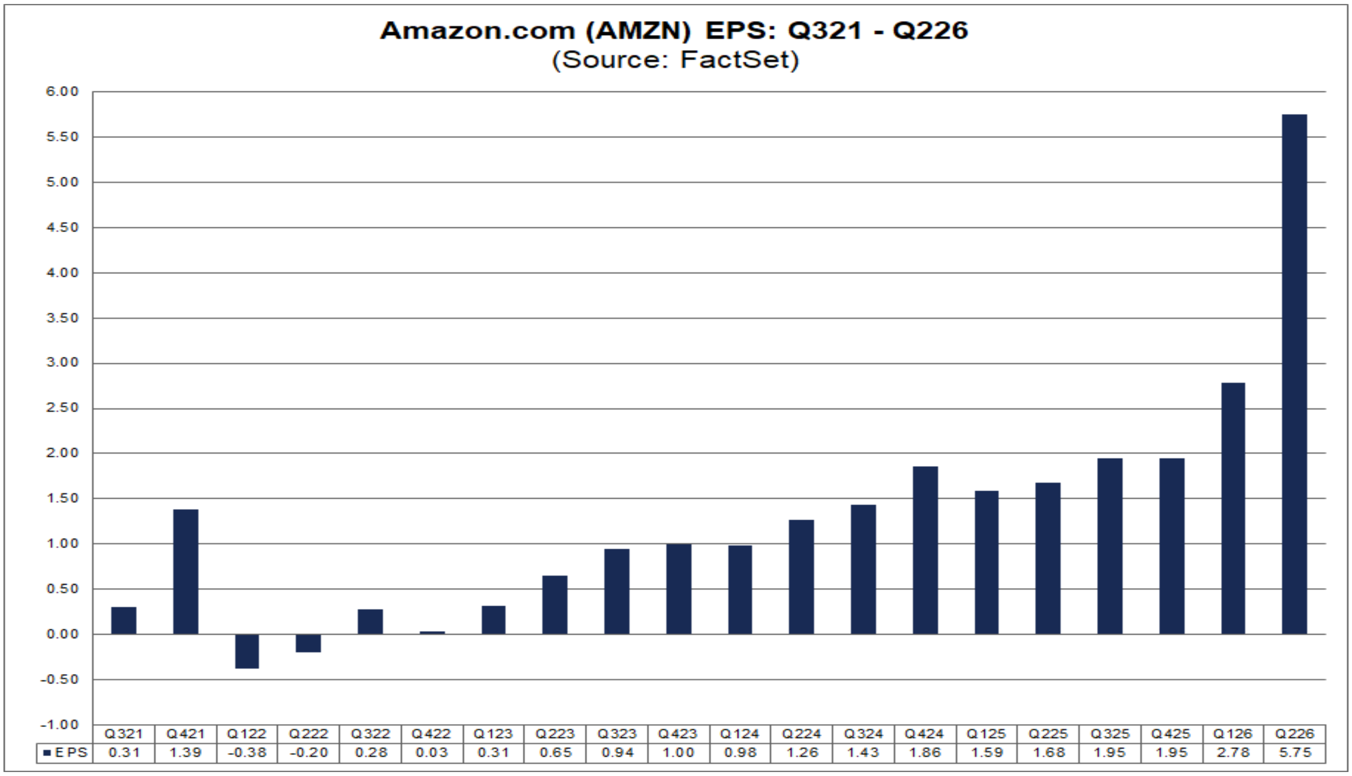
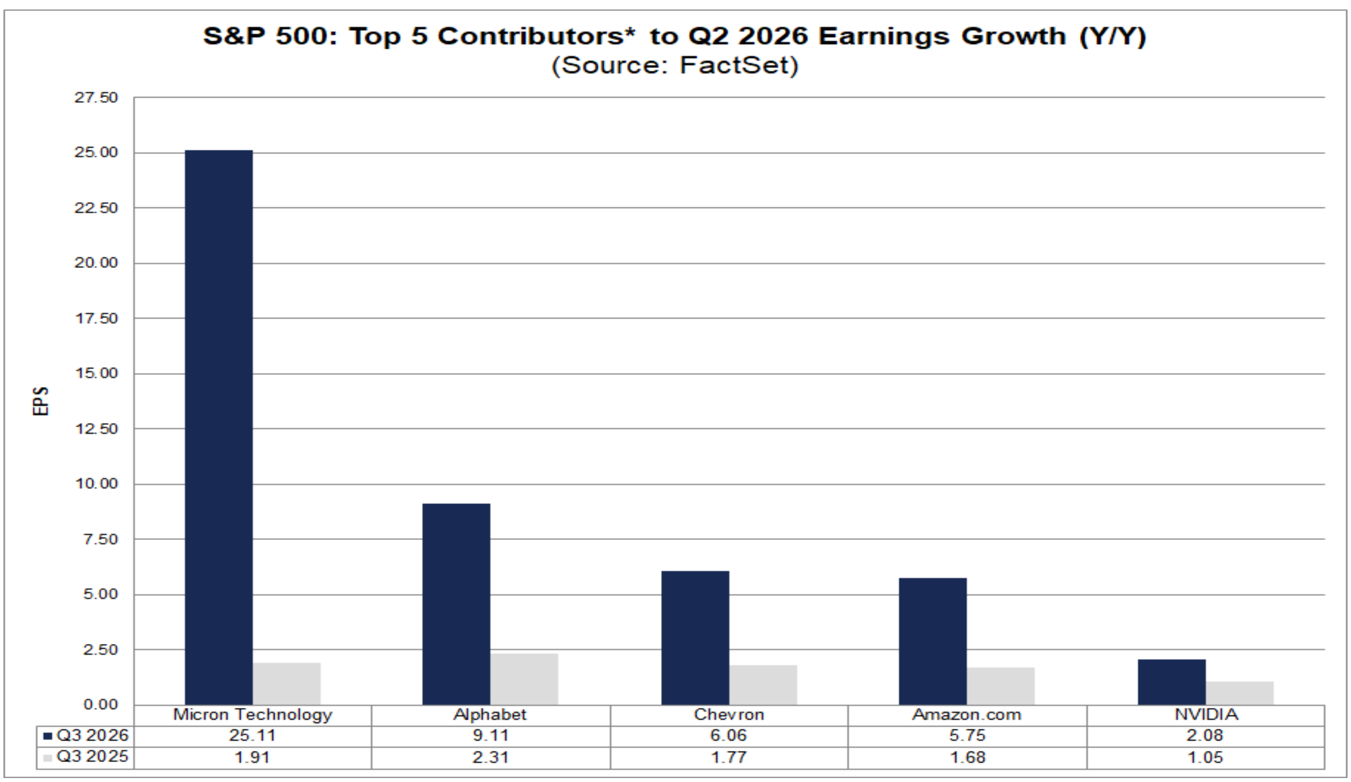
17-Jul-26
24-Jul-26
31-Jul-26


S&P 500 Earnings Growth: Q2 2021 - Q2 2026
(Source: FactSet)
105.0%
90.0%
75.0%
60.0%
45.0%
30.0%
15.0%
0.0%
-15.0%
Q221 Q321 Q421 Q122 Q222 Q322 Q422 Q123 Q223 Q323 Q423 Q124 Q224 Q324 Q424 Q125 Q225 Q325 Q425 Q126 Q226
Growth % 91.6% 40.3% 32.0% 9.4% 5.8% 2.4% -5.0% -1.6% -4.1% 4.9% 4.0% 5.7% 11.1% 7.8% 18.3% 13.3% 12.0% 13.6% 13.9% 28.8% 47.4%



	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425	Q126	Q226
EPS	0.31	1.39	-0.38	-0.20	0.28	0.03	0.31	0.65	0.94	1.00	0.98	1.26	1.43	1.86	1.59	1.68	1.95	1.95	2.78	5.75



	Micron Technology	Alphabet	Chevron	Amazon.com	NVIDIA
Q3 2026	25.11	9.11	6.06	5.75	2.08
Q3 2025	1.91	2.31	1.77	1.68	1.05

*Not in order of contribution

Topic of the Week: 2

S&P 500 Companies With More International Exposure Reporting Higher Earnings Growth for Q2

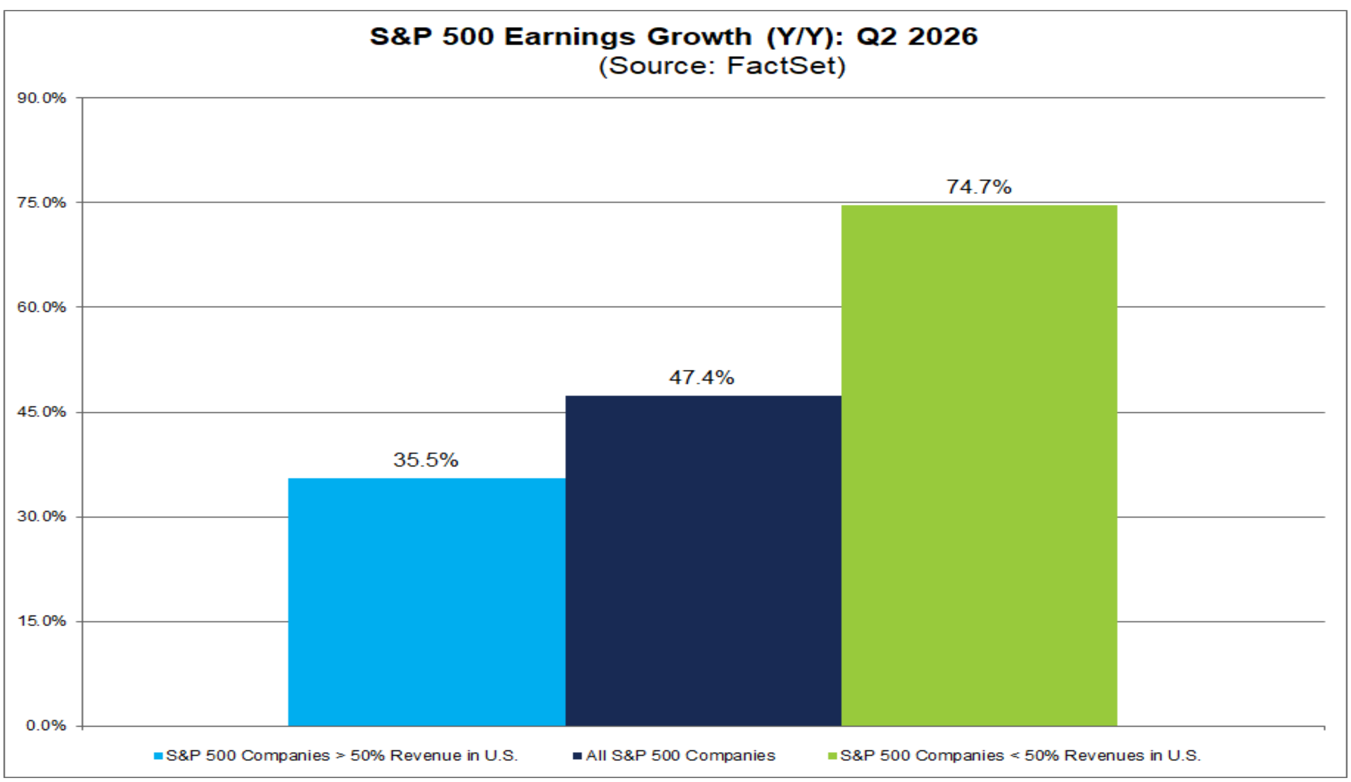
Given the recent strength in the U.S. dollar, are S&P 500 companies with more international revenue exposure reporting lower (year-over-year) earnings and revenue growth for Q2 compared to S&P 500 companies with more domestic revenue exposure?

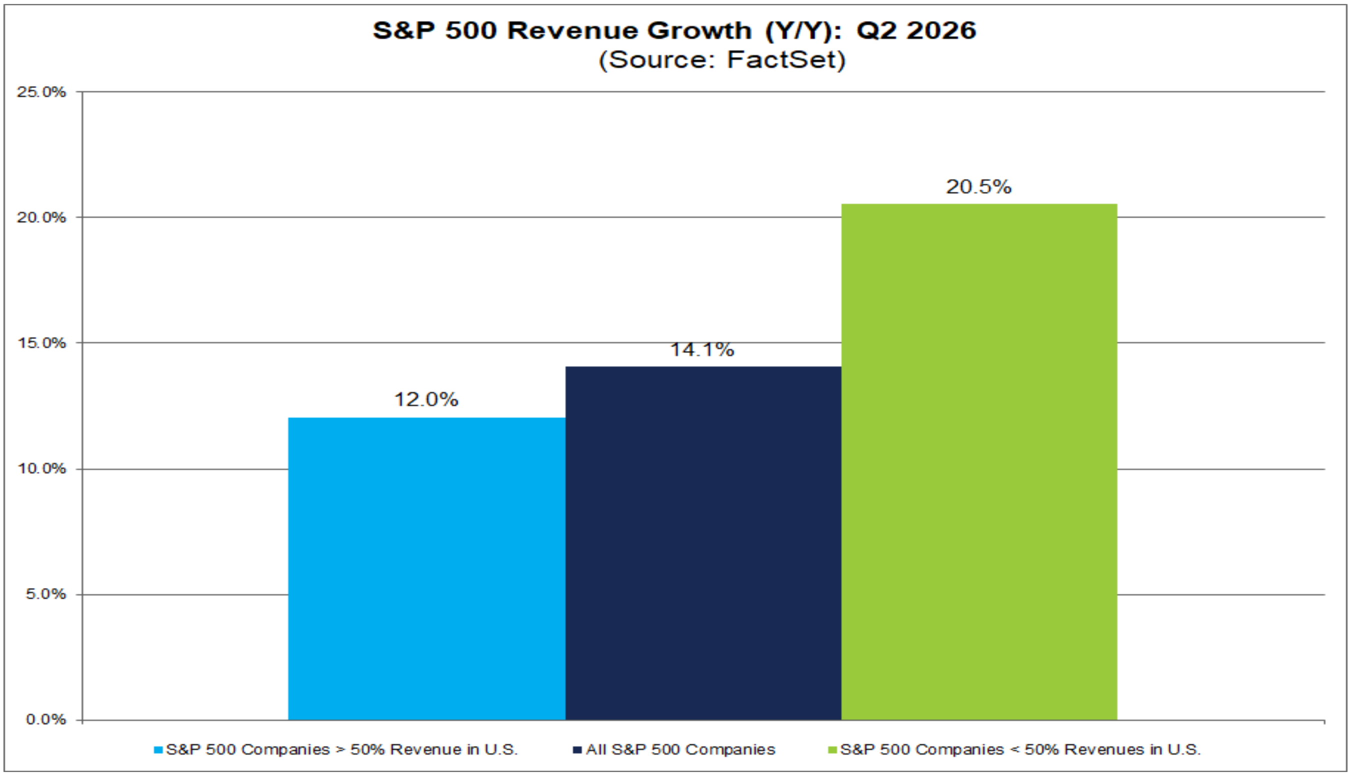
The answer is no. FactSet Geographic Revenue Exposure data (based on the most recently reported fiscal year data for each company in the index) was used to answer this question. For this analysis, the index was divided into two groups: companies that generate more than 50% of sales inside the U.S. (more domestic exposure) and companies that generate more than 50% of sales outside the U.S. (more international exposure). Aggregate earnings and revenue growth rates were then calculated based on these two groups.

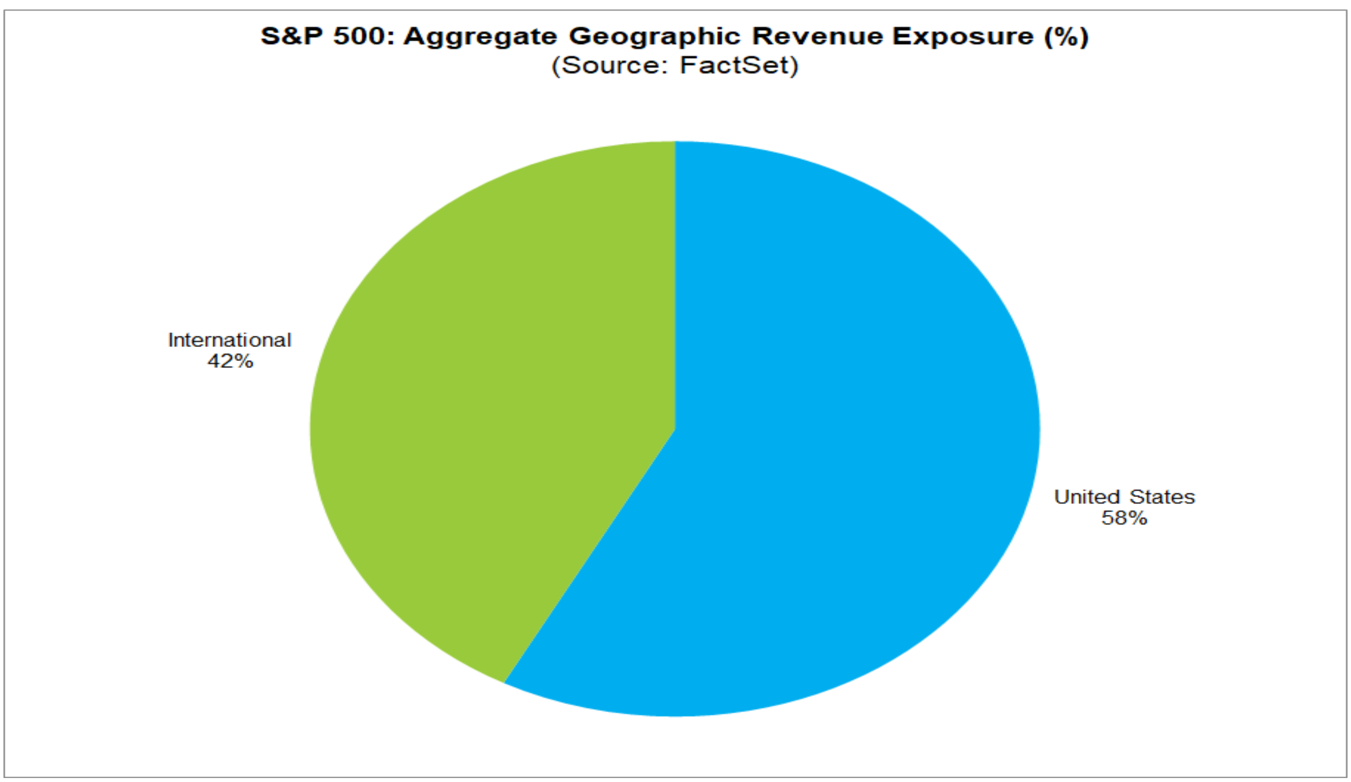
The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the S&P 500 for Q2 2026 is 47.4%. For companies that generate more than 50% of sales inside the U.S., the blended earnings growth rate is 35.5%. For companies that generate more than 50% of sales outside the U.S., the blended earnings growth rate is 74.7%.

The blended revenue growth rate for the S&P 500 for Q2 2026 is 14.1%. For companies that generate more than 50% of sales inside the U.S., the blended revenue growth rate is 12.0%. For companies that generate more than 50% of sales outside the U.S., the blended revenue growth rate is 20.5%.

What is driving the outperformance of S&P 500 companies with higher international revenue exposure? At the company level, Alphabet, Exxon Mobil, and Chevron are 3 of the top 5 contributors to both earnings and revenue growth for S&P 500 companies with more international revenue exposure. Excluding these 3 companies, the blended earnings and revenue growth rates for S&P 500 companies with more international exposure would fall to 27.5% and 16.0%.




S&P 500 Revenue Growth (Y/Y): Q2 2026
(Source: FactSet)
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
12.0%
14.1%
20.5%
S&P 500 Companies > 50% Revenue in U.S.
All S&P 500 Companies
S&P 500 Companies < 50% Revenues in U.S.


S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)
International
42%
United States
58%

Topic of the Week: 3

Analysts Increasing in Quarterly EPS Estimates for S&P 500 for 2nd Straight Quarter

Given concerns in the market about higher oil prices, have analysts lowered EPS estimates more than normal for S&P 500 companies for the third quarter?

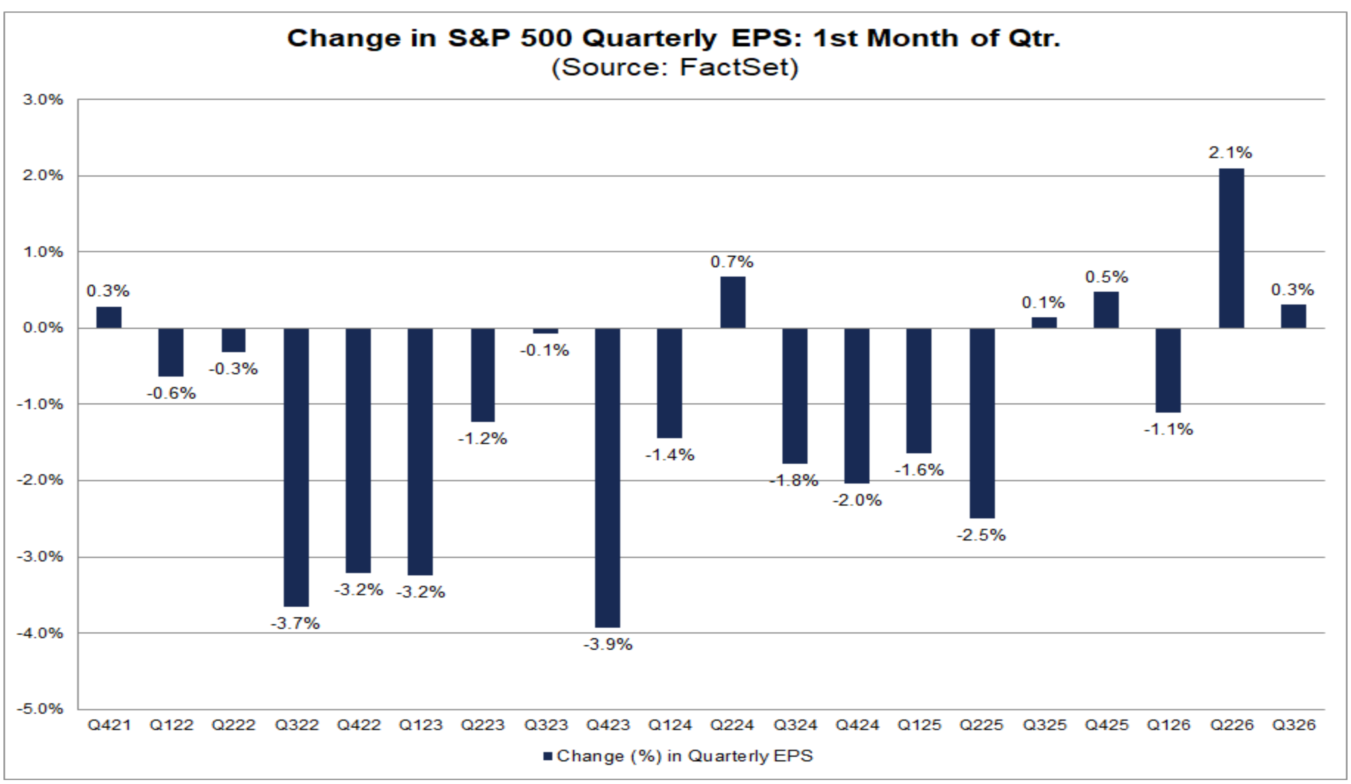
The answer is no. During the month of July, analysts increased EPS estimates for S&P 500 companies for the third quarter. The Q3 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for Q3 for all the companies in the index) increased by 0.3% (to $88.95 from $88.67) from June 30 to July 30.

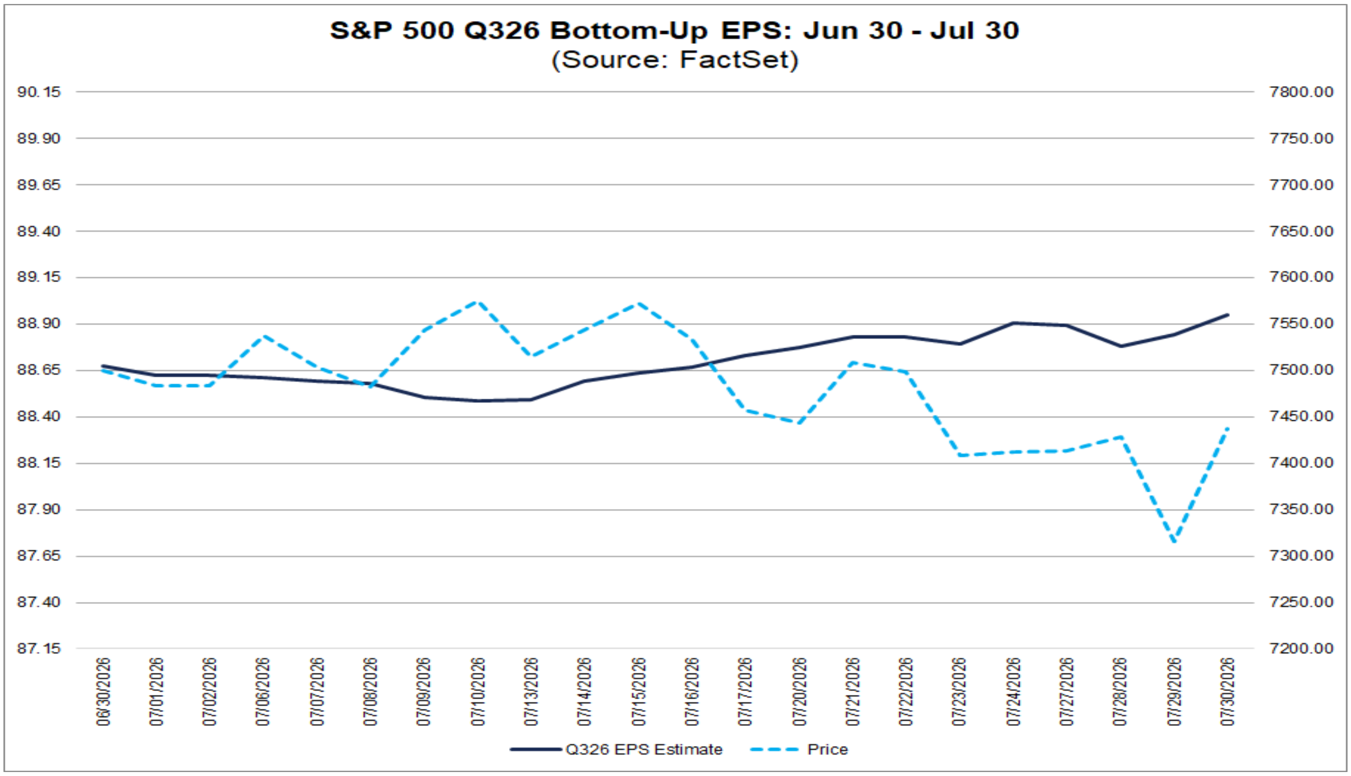
In a typical quarter, analysts usually reduce earnings estimates during the first month of a quarter. During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.0%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.3%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has also been 1.7%. During the past 20 years (80 quarters), the average decline in the bottom-up EPS estimate during the first month of a quarter has been 1.9%.

This marks the 2nd consecutive quarter and the 4th time in the past 5 quarters that the bottom-EPS estimate has increased during the first month of the quarter.

At the sector level, five of the eleven sectors witnessed an increase in their bottom-up EPS estimate for Q3 2026 from June 30 to July 30, led by the Energy (+2.6%) and Financials (+1.7%) sectors. On the other hand, six sectors recorded a decrease in their bottom-up EPS estimate for Q3 2026 during this period, led by the Materials (-5.0%) sector.

Analysts also increased earnings estimates for the full year during the month of July. From June 30 through July 30, the CY 2026 bottom-up EPS estimate increased by 3.2% (to $351.33 from $340.49).




S&P 500 Q326 Bottom-Up EPS: Jun 30 - Jul 30
(Source: FactSet)
90.15
89.90
89.65
89.40
89.15
88.90
88.65
88.40
88.15
87.90
87.65
87.40
87.15
7800.00
7750.00
7700.00
7650.00
7600.00
7550.00
7500.00
7450.00
7400.00
7350.00
7300.00
7250.00
7200.00
06/30/2026
07/01/2026
07/02/2026
07/06/2026
07/07/2026
07/08/2026
07/09/2026
07/10/2026
07/13/2026
07/14/2026
07/15/2026
07/16/2026
07/17/2026
07/20/2026
07/21/2026
07/22/2026
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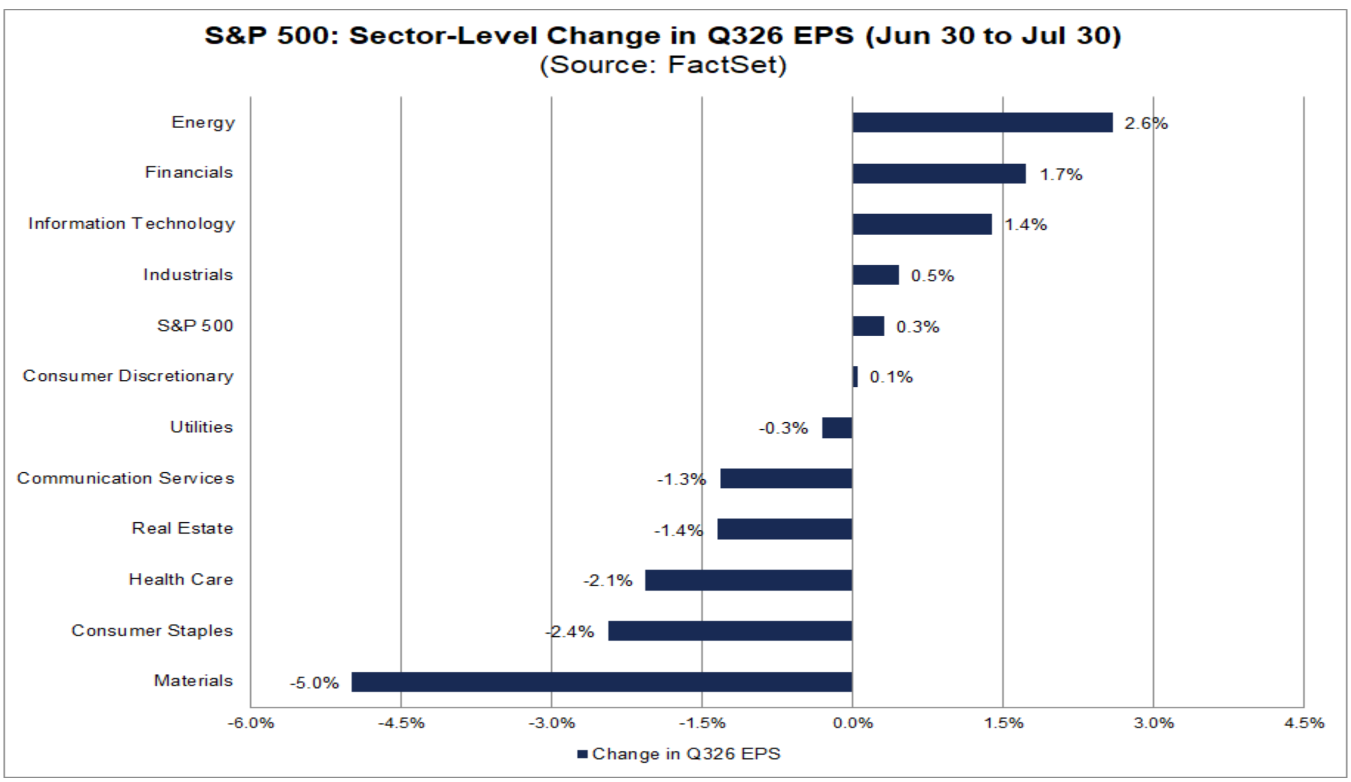
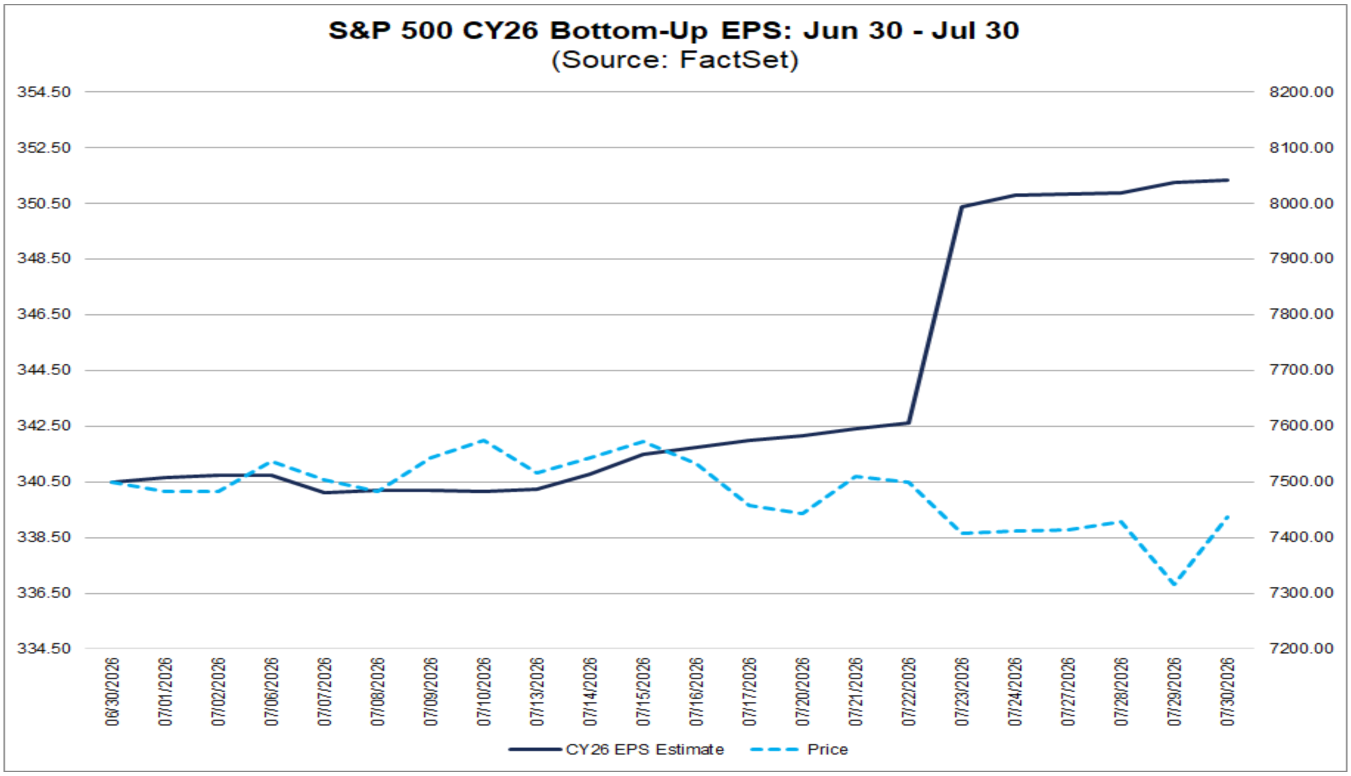
07/30/2026
Q326 EPS Estimate
Price


S&P 500: Sector-Level Change in Q326 EPS (Jun 30 to Jul 30)
(Source: FactSet)
Energy
Financials
Information Technology
Industrials
S&P 500
Consumer Discretionary
Utilities
Communication Services
Real Estate
Health Care
Consumer Staples
Materials
2.6%
1.7%
1.4%
0.5%
0.3%
0.1%
-0.3%
-1.3%
-1.4%
-2.1%
-2.4%
-5.0%
-6.0%
-4.5%
-3.0%
-1.5%
0.0%
1.5%
3.0%
4.5%
Change in Q326 EPS


S&P 500 CY26 Bottom-Up EPS: Jun 30 - Jul 30
(Source: FactSet)
354.50
352.50
350.50
348.50
346.50
344.50
342.50
340.50
338.50
336.50
334.50
8200.00
8100.00
8000.00
7900.00
7800.00
7700.00
7600.00
7500.00
7400.00
7300.00
7200.00
06/30/2026
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07/17/2026
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07/21/2026
07/22/2026
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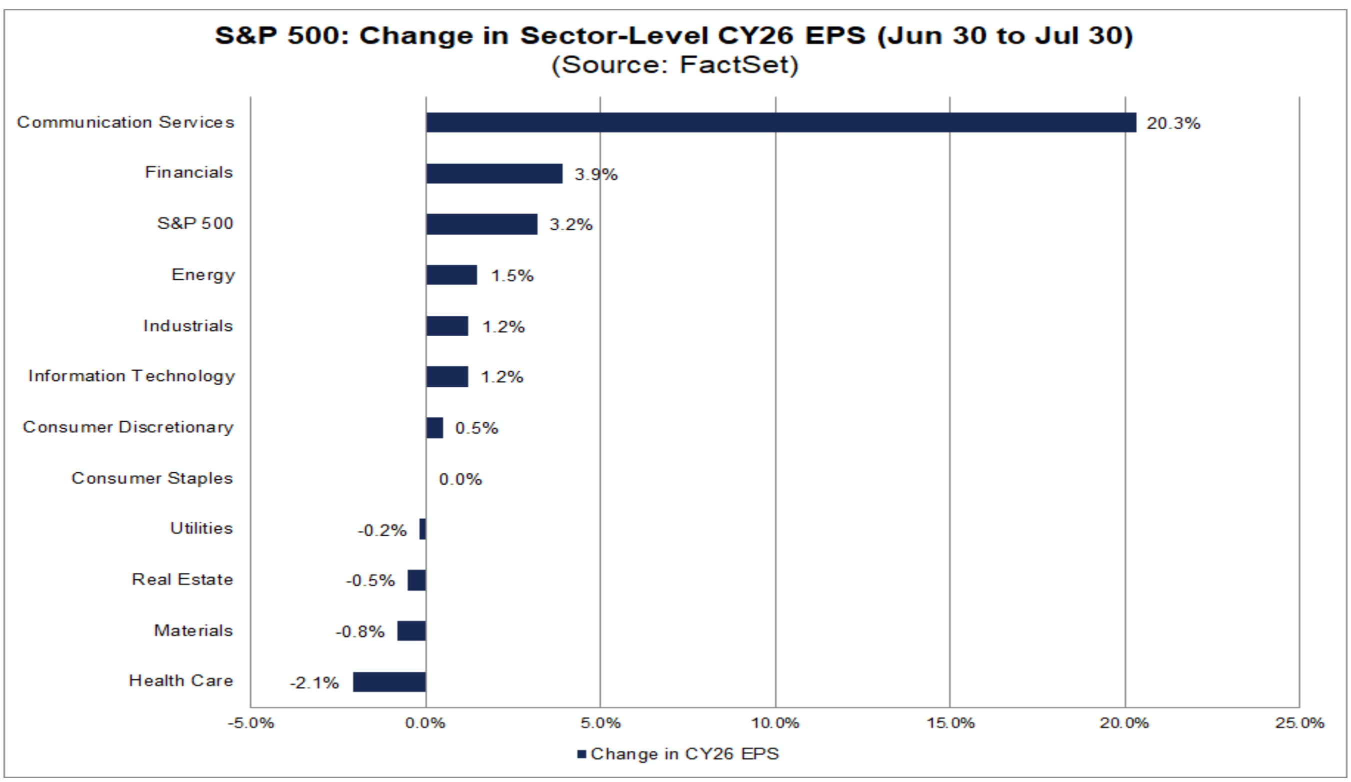
07/30/2026
CY26 EPS Estimate
Price


S&P 500: Change in Sector-Level CY26 EPS (Jun 30 to Jul 30)
(Source: FactSet)
Communication Services
20.3%
Financials
3.9%
S&P 500
3.2%
Energy
1.5%
Industrials
1.2%
Information Technology
1.2%
Consumer Discretionary
0.5%
Consumer Staples
0.0%
Utilities
-0.2%
Real Estate
-0.5%
Materials
-0.8%
Health Care
-2.1%
-5.0%
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
Change in CY26 EPS

Q2 Earnings Season: By The Numbers

Overview

More than halfway through the Q2 earnings season, the S&P 500 is reporting impressive results, even if one excludes the unusually large EPS surprises reported by Alphabet and Amazon.com. Overall, both the percentage of S&P 500 companies reporting positive earnings surprises and the magnitude of earnings surprises are above recent averages. 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. In addition, the index is also reporting its highest (year-over-year) earnings growth rate since Q2 2021.

Overall, 61% of the companies in the S&P 500 have reported actual results for Q2 2026 to date. Of these companies, 86% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 76%. If 86% is the actual number for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since Q2 2021 (87%). In aggregate, companies are reporting earnings that are 31.4% above estimates, which is also above the 5-year average of 7.0% and above the 10-year average of 7.4%. If 31.4% is the actual number for the quarter, it will mark the highest earnings surprise reported by the index since FactSet began tracking this metric in 2008. The current record for the highest earnings surprise is 23.2%, which occurred in Q2 2020. 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 unusually high earnings surprise percentage for the index is mainly due to the unusually large positive EPS surprises reported by Alphabet ($9.11 vs. $2.88) and Amazon.com ($5.75 vs. $1.82) for Q2. The (GAAP) EPS actual for Alphabet for Q2 included a gain of $98 billion, while the (GAAP) EPS actual for Amazon.com for Q2 included non-operating, pre-tax other income of $53.4 billion (primarily from investments in Anthropic). Excluding Alphabet and Amazon.com, the earnings surprise percentage for the S&P 500 for Q2 2026 would fall to 9.2% from 31.4%. However, this surprise percentage is still above the 5-year and 10-year averages.

During the past week, the positive EPS surprise reported by Amazon.com was the largest contributor to the increase in the overall earnings growth rate for the index over this period. Since June 30, the positive EPS surprises reported by Alphabet and Amazon.com 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 47.4% today, compared to an earnings growth rate of 38.0% last week and an earnings growth rate of 23.2% at the end of the second quarter (June 30).

If 47.4% is the actual growth rate for the quarter, it will mark the highest earnings growth rate reported by the index since Q2 2021 (91.6%). It will also mark the second consecutive quarter of earnings growth above 20% and the seventh consecutive quarter of double-digit earnings growth for the index.

Excluding Alphabet and Amazon.com, the blended earnings growth rate for the S&P 500 for Q2 2026 would fall to 28.8% from 47.4%. However, this would still mark the mark the second consecutive quarter of earnings growth above 20% and the seventh consecutive quarter of double-digit earnings growth for the index.

Ten of the eleven sectors are reporting year-over-year growth. Eight of these ten sectors are reporting double-digit growth, led by the Energy, Communication Services, Consumer Discretionary, Information Technology, and Materials sectors. On the other hand, the Health Care sector is the only sector reporting a year-over-year decline in earnings.

In terms of revenues, 77% 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 68%. In aggregate, companies are reporting revenues that are 2.9% above the estimates, which is also above the 5-year average of 1.9% and above the 10-year average of 1.6%. If 2.9% is the actual number for the quarter, it will mark the highest revenue surprise reported by the index since Q2 2022 (3.2%). 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.

As a result, the blended revenue growth rate for the second quarter is 14.1% today, compared to a revenue growth rate of 13.2% last week and a revenue growth rate of 12.2% at the end of the second quarter (June 30).

During the past week, positive revenue surprises reported by companies in multiple sectors (led by the Energy 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, Health Care, Energy, and Consumer Discretionary sectors have been the largest contributors to the increase in the overall revenue growth rate for the index over this period.

If 14.1% is the actual revenue growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q4 2021 (16.1%). It will also mark the second consecutive quarter of double-digit revenue growth for the index.

All eleven sectors are reporting year-over-year growth in revenues. Five of these eleven sectors are reporting double-digit growth, led by the Information Technology, Energy, and Communication Services sectors.

For Q3 2026 and Q4 2026, analysts are calling for earnings growth rates of 27.4% and 25.2%. For CY 2026, analysts are predicting (year-over-year) earnings growth of 29.1%.

The forward 12-month P/E ratio is 19.6, which is below the 5-year average (19.9) but above the 10-year average (19.0). This P/E ratio is also below the forward P/E ratio of 20.4 recorded at the end of the second quarter (June 30).

During the upcoming week, 136 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the second quarter.

Scorecard: Number & Magnitude of Positive EPS Surprises Are Above Average

Percentage of Companies Beating EPS Estimates (86%) is Above 5-Year Average

Overall, 61% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 86% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 11% 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 (80%), above the 5-year average (78%), and above the 10-year average (76%). 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 (100%), Industrials (90%), Materials (89%), Information Technology (89%), and Financials (87%) sectors have the highest percentages of companies reporting earnings above estimates, while the Consumer Discretionary (75%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+31.4%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 31.4% above expectations. This surprise percentage is above the 1-year average (+9.2%), above the 5-year average (+7.0%), and above the 10-year average (+7.4%). 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.

If 31.4% is the actual number for the quarter, it will mark the highest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record for the highest earnings surprise percentage is 23.2%, which occurred in Q2 2020.

The unusually high earnings surprise percentage is mainly due to the unusually large positive EPS surprises reported by Alphabet ($9.11 vs. $2.88) and Amazon.com ($5.75 vs. $1.82). The (GAAP) EPS actual for Alphabet for Q2 2026 included a gain of $98 billion, while the (GAAP) EPS actual for Amazon.com included non-operating, pre-tax other income of $53.4 billion (primarily from investments in Anthropic). Excluding Alphabet and Amazon.com, the surprise percentage for the S&P 500 for Q2 2026 would fall to 9.2% from 31.4%.

The Consumer Discretionary (+120.2%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NIKE ($0.72 vs. $0.12) and Amazon.com ($5.75 vs. $1.82) have reported the largest positive EPS surprises. The (GAAP) EPS actual for NIKE for Q2 2026 included a $0.52 benefit related to the expected recovery of the IEEPA tariffs, while the (GAAP) EPS actual for Amazon.com for Q2 2026 included non-operating, pre-tax other income of $53.4 billion (primarily from investments in Anthropic).

The Communication Services (+101.1%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Alphabet ($9.11 vs. $2.88) has reported the largest positive EPS surprise. The (GAAP) EPS actual for Alphabet for Q2 2026 included a gain of $98 billion.

The Financials (+14.9%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Travelers Companies ($10.04 vs. $5.41), Goldman Sachs ($20.98 vs. $14.51), Robinhood Markets ($0.62 vs. $0.43), and JPMorgan Chase ($7.70 vs. $5.59) have reported the largest positive EPS surprises. The (GAAP) EPS actual for Robinhood Markets included a gain of $0.14, while the (GAAP) EPS actual for JPMorgan Chase for Q2 2026 included gains of $1.56.

The Health Care (+11.9%) sector is reporting the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Centene Corporation ($2.51 vs. $1.09), Baxter International ($0.56 vs. $0.37), Incyte Corporation ($3.09 vs. $2.20), Regeneron Pharmaceuticals ($14.29 vs. $10.16), and UnitedHealth Group ($6.38 vs. $4.81) have reported the largest positive EPS surprises.

The Information Technology (+11.4%) sector is reporting the fifth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Intel ($0.42 vs. $0.22), First Solar ($3.92 vs. $2.90), Fortinet ($0.90 vs. $0.75), and Micron Technology ($25.11 vs. $20.86) has reported the largest positive EPS surprises.

Market Rewarding Positive EPS Surprises Less Than Average

To date, the market is rewarding positive earnings surprises reported by S&P 500 companies for Q2 less than average and also punishing negative EPS surprises reported by S&P 500 companies for Q2 less than average.

Companies that have reported positive earnings surprises for Q2 2026 have seen an average price increase of +0.1% two days before the earnings release through two days after the earnings release. This percentage increase is well below 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 2026 have seen an average price decrease of -2.4% two days before the earnings release through two days after the earnings release. This percentage decrease is smaller than the 5-year average price decrease of -3.0% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (77%) is Above 5-Year Average

In terms of revenues, 77% of the companies have reported actual revenues above estimated revenues, 0% of the companies have reported actual revenues equal to estimated revenues, and 23% of the companies have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (78%), but above the 5-year average (70%), and above the 10-year average (68%). 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 (97%) and Consumer Staples (93%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (50%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+2.9%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 2.9% above expectations. This surprise percentage is above the 1-year average (+1.9%), above the 5-year average (+1.9%), and above the 10-year average (+1.6%). 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.

If 2.9% is the actual number for the quarter, it will mark the highest revenue surprise reported by the index since Q2 2022 (3.2%).

At the sector level, the Energy (+10.1%) and Financials (+4.7%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Utilities (-1.6%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Amazon.com

Increase in Blended Earnings This Week Due to Amazon.com

The blended (year-over-year) earnings growth rate for the second quarter is 47.4%, which is above the earnings growth rate of 38.0% last week. The positive EPS surprise reported by Amazon.com ($5.75 vs. $1.82) was the largest contributor to the increase in the overall earnings growth rate during the past week. The (GAAP) EPS actual for Amazon.com for Q2 2026 included non-operating, pre-tax other income of $53.4 billion, primarily from investments in Anthropic.

Increase in Blended Revenues This Week Due to Multiple Sectors

The blended (year-over-year) revenue growth rate for the second quarter is 14.1%, which is above the revenue growth rate of 13.2% last week. Positive revenue surprises reported by companies in the multiple sectors (led by the Energy and Health Care sectors) were the largest contributors to the increase in the overall revenue growth rate during the past week.

Alphabet and Amazon.com Have Led Increase in Earnings since June 30

The blended (year-over-year) earnings growth rate for Q2 2026 of 47.4% is above the estimate of 23.2% at the end of the second quarter (June 30). Nine 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 109.8% from 7.3%) and Consumer Discretionary (to 90.7% from 5.0%) sectors. These two sectors have also been the largest contributors to the increase in the earnings growth rate for the index since June 30, led by Alphabet and Amazon.com. 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, led by the Health Care (to -14.0% from -8.9%) sector. The Health Care sector has also been the largest detractor to the increase in the earnings growth rate for the index since June 30.

In the Communication Services sector, the positive EPS surprise reported by Alphabet ($9.11 vs. $2.88) has been the largest contributor to the increase in the earnings growth rate for the index since June 30. The (GAAP) EPS actual for Alphabet for Q2 2026 included a gain of $98 billion. As a result, the blended earnings growth rate for the Communication Services sector has increased to 109.8% from 7.3% over this period.

In the Consumer Discretionary sector, the positive EPS surprise reported by Amazon.com ($5.75 vs. $1.82) has been the second-largest contributor to the increase in the earnings growth rate for the index since June 30. The (GAAP) EPS actual for Amazon.com for Q2 2026 included non-operating, pre-tax other income of $53.4 billion (primarily from investments in Anthropic). As a result, the blended earnings growth rate for the Consumer Discretionary sector has increased to 90.7% from 5.0% over this period.

Excluding Alphabet and Amazon.com, the blended earnings growth rate for the S&P 500 for Q2 2026 would fall to 28.8% from 47.4%.

Outside of the Communication Services and Consumer Discretionary sectors, the Financials and Information Technology sectors have also been substantial contributors to the increase in the overall earnings growth rate for the S&P 500 since the end of the quarter.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($7.70 vs. $5.59), Goldman Sachs ($20.98 vs. $14.54), Travelers Companies ($10.04 vs. $5.41), Morgan Stanley ($3.46 vs. $2.93), Well Fargo ($2.00 vs. $1.72), and Citigroup ($3.15 vs. $2.74) have been significant contributors to the increase in the earnings growth rate for the index since June 30. The (GAAP) EPS actual for JPMorgan Chase for Q2 2026 included gains of $1.56. As a result, the blended earnings growth rate for the Financials sector has increased to 20.1% from 5.4% over this period.

In the Information Technology sector, the positive EPS surprises reported by Microsoft ($4.74 vs. $4.24), Apple ($2.02 vs. $1.89), and Intel ($0.42 vs. $0.22) have been substantial contributors to the increase in the earnings growth rate for the index since June 30. As a result, the blended earnings growth rate for the Information Technology sector has increased to 69.4% from 63.3% over this period.

On the other hand in the Health Care sector, the decrease in the mean EPS estimates for Merck (to -$0.27 from $2.12) and Eli Lilly & Company (to $6.01 from $8.80) have been the largest detractors to the increase in the earnings growth rate since June 30, as the majority of analysts providing (non-GAAP) EPS estimates for Merck and Eli Lilly are including IPR&D charges in their estimates for Q2. As a result, the estimated earnings decline for the Health Care sector has increased to -14.0% from -8.9% over this period.

Financials Sector Has Seen Largest Increase in Revenues since June 30

The blended (year-over-year) revenue growth rate for Q2 2026 of 14.1% is above the estimate of 12.2% at the end of the second quarter (June 30). Ten 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 Energy (to 31.7% from 27.6%) and Financials (to 12.6% from 8.9%) sectors. The Financials, Health Care (to 6.2% from 4.6%), Energy, and Consumer Discretionary (to 9.2% from 7.1%) sectors have been the largest contributors to the increase in the revenue growth rate for the index since June 30. On the other hand, the Utilities (to 6.1% from 8.3%) sector is the only sector that 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.

In the Financials sector, the positive revenue surprises reported by JPMorgan Chase ($57.35 billion vs. $50.72 billion), Goldman Sachs ($20.34 billion vs. $16.22 billion), and Morgan Stanley ($21.35 billion vs. $19.67 billion), have been substantial contributors to the increase in the revenue growth rate for the index since June 30. As a result, the blended revenue growth rate for the Financials sector has increased to 12.6% from 8.9% over this period.

In the Health Care sector, the positive revenue surprise reported by Centene Corporation ($53.58 billion vs. $47.64 billion) has been a significant contributor to the increase in the revenue growth rate for the index since June 30. As a result, the blended revenue growth rate for the Health Care sector has increased to 6.2% from 4.6% over this period.

In the Energy sector, the positive revenue surprises reported by Chevron ($70.06 billion vs. $62.72 billion) and Valero Energy ($44.48 billion vs. $39.47 billion) have been substantial contributors to the increase in the revenue growth rate for the index since June 30. As a result, the blended revenue growth rate for the Energy sector has increased to 31.7% from 28.6% over this period.

In the Consumer Discretionary sector, the positive revenue surprise reported by Amazon.com ($220.61 billion vs. $197.03 billion) and the upward revisions to revenue estimates and positive revenue surprise for Tesla ($28.24 billion vs. $27.28 billion) have been substantial contributors to the increase in the revenue growth rate for the index since June 30. As a result, the blended revenue growth rate for the Consumer Discretionary sector has increased to 9.2% from 7.1% over this period.

Earnings Growth: 47.4%

The blended (year-over-year) earnings growth rate for Q2 2026 is 47.4%, which is above the 5-year average earnings growth rate of 15.2% and above the 10-year average earnings growth rate of 11.2%. If 47.4% is the actual growth rate for the quarter, it will mark the highest earnings growth rate reported by the index since Q2 2021 (91.6%). It will also mark the 2nd consecutive quarter of year-over-year earnings growth above 20% and the 7th consecutive quarter of double-digit growth for the index.

Ten of the eleven sectors are reporting year-over-year earnings growth. Eight of these ten sectors are reporting double-digit growth, led by the Energy, Communication Services, Consumer Discretionary, Information Technology, and Materials sectors. On the other hand, the Health Care sector is the only sector reporting a year-over-year decline in earnings.

Energy Sector: 3 of 5 Sub-Industries Reporting (Y/Y) Earnings Growth Above 100%

The Energy sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 135.3%. Higher (average) oil prices on a year-over-year basis are contributing to the year-over-year increase in earnings for this sector, as the average price of oil in Q2 2026 ($92.55) was 45% above the average price of oil in Q2 2025 ($63.68). At the sub-industry level, 4 of the 5 sub-industries are reporting double-digit (year-over-year) growth in earnings: Oil & Gas Refining & Marketing (277%), Integrated Oil & Gas (172%), Oil & Gas Exploration & Production (105%), and Oil & Gas Storage & Transportation (11%) On the other hand, the Oil & Gas Equipment & Services (-9%) sub-industry is the only sub-industry in the sector reporting a year-over-year decline in earnings.

Communication Services: Alphabet Is Largest Contributor to (Y/Y) Earnings Growth

The Communication Services sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 109.8%. At the industry level, 3 of the 5 industries in the sector are reporting year-over-year earnings growth: Interactive Media & Services (182%), Media (16%), and Diversified Telecommunication Services (1%). On the other hand, 2 of the 5 industries in the sector are reporting a year-over-year decline in earnings: Entertainment (-13%) and Wireless Telecommunication Services (-1%).

At the company level, Alphabet ($9.11 vs. $2.31) is the largest contributor to earnings growth for the sector. The (GAAP) EPS actual for Alphabet for Q2 2026 included a gain of $98 billion. If this company were excluded, the Communication Services sector would be reporting a year-over-year decline in earnings of -5.7% rather than earnings growth of 109.8%.

Alphabet is also the largest contributor to earnings growth for the entire S&P 500 for Q2 2026. If this company were excluded, the blended earnings growth rate for the S&P 500 would fall to 35.7% from 47.4%.

Consumer Discretionary: Amazon.com Is Largest Contributor to (Y/Y) Earnings Growth

The Consumer Discretionary sector is reporting the third-highest (year-over-year) earnings growth rate of all eleven sectors at 90.7%. At the industry level, 6 of the 9 industries in the sector are reporting year-over-year earnings growth, led by the Broadline Retail (239%), Textile, Apparel, & Luxury Goods (58%), and Automobiles (18%) industries. On the other hand, 3 of the 9 industries are reporting a year-over-year decline in earnings, led by Automobile Components (-23%) and Household Durables (-14%) industries.

At the company level, Amazon.com ($5.75 vs. $1.68) is the largest contributor to earnings growth for the sector. The (GAAP) EPS actual for Amazon.com for Q2 2026 included non-operating, pre-tax other income of $53.4 billion, primarily from investments in Anthropic. If this company were excluded, the blended earnings growth rate for Consumer Discretionary sector would fall to 6.6% from 90.7%.

Amamzon.com is also the second-largest contributor to earnings growth for the entire S&P 500 for Q2 2026. If this company were excluded, the blended earnings growth rate for the S&P 500 would fall to 41.1% from 47.4%.

Information Technology: Semiconductors Industry Is Largest Contributor to (Y/Y) Earnings Growth

The Information Technology sector is reporting the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 69.4%. At the industry level, all 6 industries in the sector are reporting year-over-year earnings growth: Semiconductors & Semiconductor Equipment (135%), Technology Hardware, Storage, & Peripherals (53%), Electronic Equipment, Instruments, & Components (39%), Software (26%), Communication Services (22%), and IT Services (5%).

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 33.0% from 69.4%.

Materials: All 4 Industries Reporting (Y/Y) Earnings Growth

The Materials sector is reporting the fifth-largest (year-over-year) earnings growth of all eleven sectors at 42.6%. At the industry level, all 4 industries in the sector are reporting (year-over-year) earnings growth: Chemicals (53%), Metals & Mining (50%), Containers & Packaging (21%), and Construction Materials (8%) industry.

Health Care: Gilead Sciences and Merck are Largest Contributors to (Y/Y) Earnings Decline

On the other hand, the Health Care sector is reporting the largest (year-over-year) decline in earnings of all 11 sectors at -14.0%. At the industry level, only 2 of the 6 industries in the sector are reporting a year-over-year decline in earnings: Biotechnology (-75%) and Pharmaceuticals (-20%). On the other hand, 4 of the 6 industries are reporting year-over-year growth in earnings: Health Care Providers & Services (24%), Health Care Technology (11%), Life Sciences, Tools, & Services (10%), and Health Care Equipment & Supplies (10%).

At the company level, Gilead Sciences (-$7.26 vs. $2.01) and Merck (-$0.27 vs. $2.13) are the largest contributors to the earnings decline for the sector, as the majority of analysts providing (non-GAAP) EPS estimates for Gilead Sciences and Merck are including IPR&D charges in their estimates for Q2. If these two companies were excluded, the Health Care sector would be reporting earnings growth of 11.2% rather than an earnings decline of -14.0%.

Revenue Growth: 14.1%

The blended (year-over-year) revenue growth rate for Q2 2026 is 14.1%, which is above the 5-year average revenue growth rate of 8.8% and above the 10-year average revenue growth rate of 6.6%. If 14.1% is the actual growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q4 2021 (16.1%) and the second-straight quarter that the index has reported revenue growth above 10.0%.

At the sector level, all eleven sectors are reporting year-over-year growth in revenues. Five of these eleven sectors are reporting double-digit growth, led by the Information Technology, Energy, and Communication Services sectors.

Information Technology: All 6 Industries Reporting (Y/Y) Revenue Growth

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 35.6%. At the industry level, all 6 industries in the sector are reporting year-over-year revenue growth: Semiconductors & Semiconductor Equipment (77%), Technology Hardware, Storage, & Peripherals (30%), Electronic Equipment, Instruments, & Components (20%), Software (18%), Communication Equipment (18%), and IT Services (3%).

Energy: All 5 Sub-Industries Reporting (Y/Y) Revenue Growth

The Energy sector is reporting the second-highest (year-over-year) revenue growth rate of all eleven sectors at 31.7%. Higher (average) year-over-year oil prices are contributing to the year-over-year increase in revenues for this sector, as the average price of oil in Q2 2026 ($92.55) was 45% above the average price for oil in Q2 2025 ($63.68). At the sub-industry level, all 5 sub-industries in the sector are reporting year-over-year growth in revenues: Integrated Oil & Gas (45%), Oil & Gas Refining & Marketing (32%), Oil & Gas Exploration & Production (25%), Oil & Gas Storage & Transportation (13%), and Oil & Gas Equipment & Services (2%).

Communication Services: All 5 Industries Reporting (Y/Y) Revenue Growth

The Communication Services sector is reporting the third-highest (year-over-year) revenue growth rate of all eleven sectors at 15.2%. At the industry level, all 5 industries in the sector are reporting year-over-year revenue growth: Interactive Media & Services (25%), Media (8%), Wireless Telecommunication Services (8%), Entertainment (7%), and Diversified Telecommunication Services (less than 1%).

Net Profit Margin: 16.7%

The blended net profit margin for the S&P 500 for Q2 2026 is 16.7%, which is above the previous quarter's net profit margin of 14.8%, above the year-ago net profit margin of 12.9%, and above the 5-year average of 12.4%.

If 16.7% is the actual net profit margin for the quarter, it will mark the highest net profit margin reported by the index since FactSet began tracking this metric in 2009. The previous record (going back to 2009) is 14.8%, which occurred in the previous quarter.

At the company level, Alphabet and Amazon.com are the largest contributors to the record-high net profit margin for the S&P 500 due to the unusually large EPS surprises reported by these companies (including valuation gains). If these two companies were excluded, the blended net profit margin for the index would fall to 14.7 from 16.7%. This would still mark the second-highest net profit margin reported by the index since FactSet began tracking this metric in 2009.

At the sector level, eight sectors are reporting a year-over-year increase in their net profit margins in Q2 2026 compared to Q2 2025, led by the Communication Services (27.6% vs. 15.2%), Consumer Discretionary (16.3% vs. 9.4%), Information Technology (31.5% vs. 25.2%), and Energy (13.7% vs. 7.7%) sectors. On the other hand, three sectors are reporting a year-over-year decrease in their net profit margins in Q2 2026 compared to Q2 2025, led by the Health Care (6.6% vs. 8.1%) sector.

Nine sectors are reporting net profit margins in Q2 2026 that are above their 5-year averages, led by the Communication Services (27.6% vs. 13.0%), Consumer Discretionary (16.3% vs. 8.0%), and Information Technology (31.5% vs. 25.6%) sectors. On the other hand, three sectors are reporting net profit margins in Q2 2026 that are below their 5-year averages, led by the Health Care (6.6% vs. 8.9%) and Real Estate (34.1% vs. 35.6%) and sectors.

Forward Estimates & Valuation

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

At this point in time, 54 companies in the index have issued EPS guidance for Q3 2026. Of these 54 companies, 20 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q3 2026 is 37% (20 out of 54), which is below the 5-year average of 58% and below the 10-year average of 60%.

At this point in time, 267 companies in the index have issued EPS guidance for the current fiscal year (FY 2026 or FY 2027). Of these 267 companies, 102 have issued negative EPS guidance and 165 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 38% (102 out of 267).

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 29% for CY 2026

For the second quarter, S&P 500 companies are reporting year-over-year growth in earnings of 47.4% and year-over-year growth in revenues of 14.1%.

For Q3 2026, analysts are projecting earnings growth of 27.4% and revenue growth of 10.9%.

For Q4 2026, analysts are projecting earnings growth of 25.2% and revenue growth of 10.6%.

For CY 2026, analysts are projecting earnings growth of 29.1% and revenue growth of 11.1%.

For CY 2027, analysts are projecting earnings growth of 14.1% and revenue growth of 8.5%.

Valuation: Forward P/E Ratio is 19.6, Above the 10-Year Average (19.0)

The forward 12-month P/E ratio for the S&P 500 is 19.6. This P/E ratio is below the 5-year average of 19.9 but above the 10-year average of 19.0. It is also below the forward 12-month P/E ratio of 20.4 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 decreased 0.8% while the forward 12-month EPS estimate has increased by 3.3%. At the sector level, the Industrials (24.7) and Consumer Discretionary (24.3) sectors have the highest forward 12-month P/E ratios, while the Energy (13.7) and Financials (15.3) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 27.2, which is above the 5-year average of 24.4 and above the 10-year average of 23.5.

Targets & Ratings: Analysts Project 22% Increase in Price Over Next 12 Months

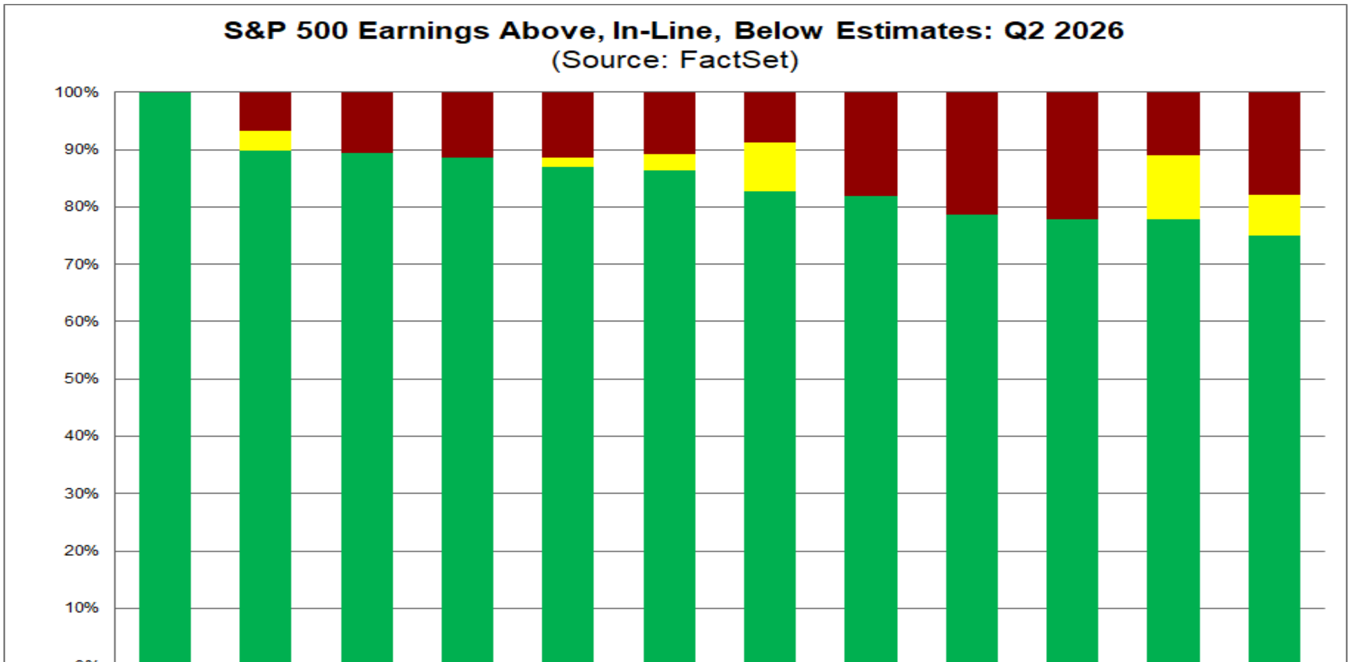
The bottom-up target price for the S&P 500 is 9060.03, which is 21.8% above the closing price of 7437.63. At the sector level, the Communication Services (+29.9%) and Information Technology (+29.3%) sectors are expected to see the largest price increases, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Financials (+10.4%) and Real Estate (+10.5%) 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 12,956 ratings on stocks in the S&P 500. Of these 12,956 ratings, 59.2% are Buy ratings, 35.9% are Hold ratings, and 4.9% are Sell ratings. At the sector level, the Information Technology (69%), Communication Services (67%), Materials (65%), Energy (63), and Health Care (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (44%) sector has the lowest percentage of Buy ratings.

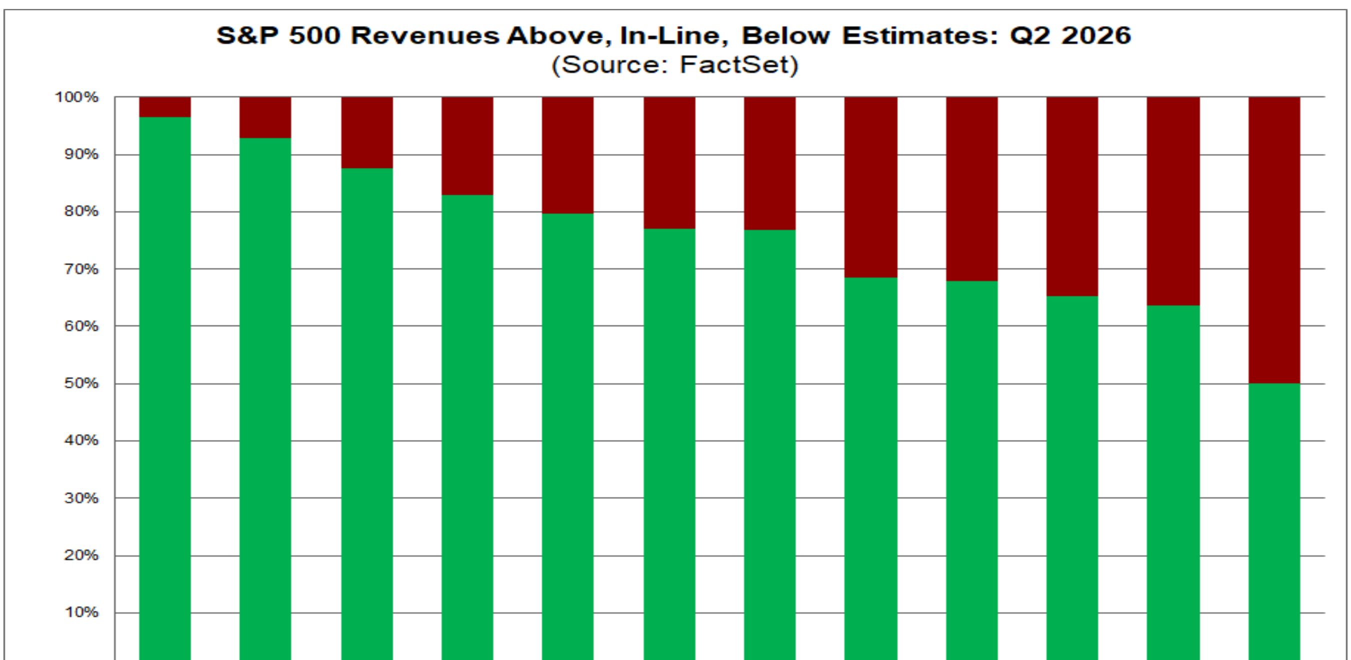
Companies Reporting Next Week: 136

During the upcoming week, 136 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the second quarter.

Q2 2026: Scorecard

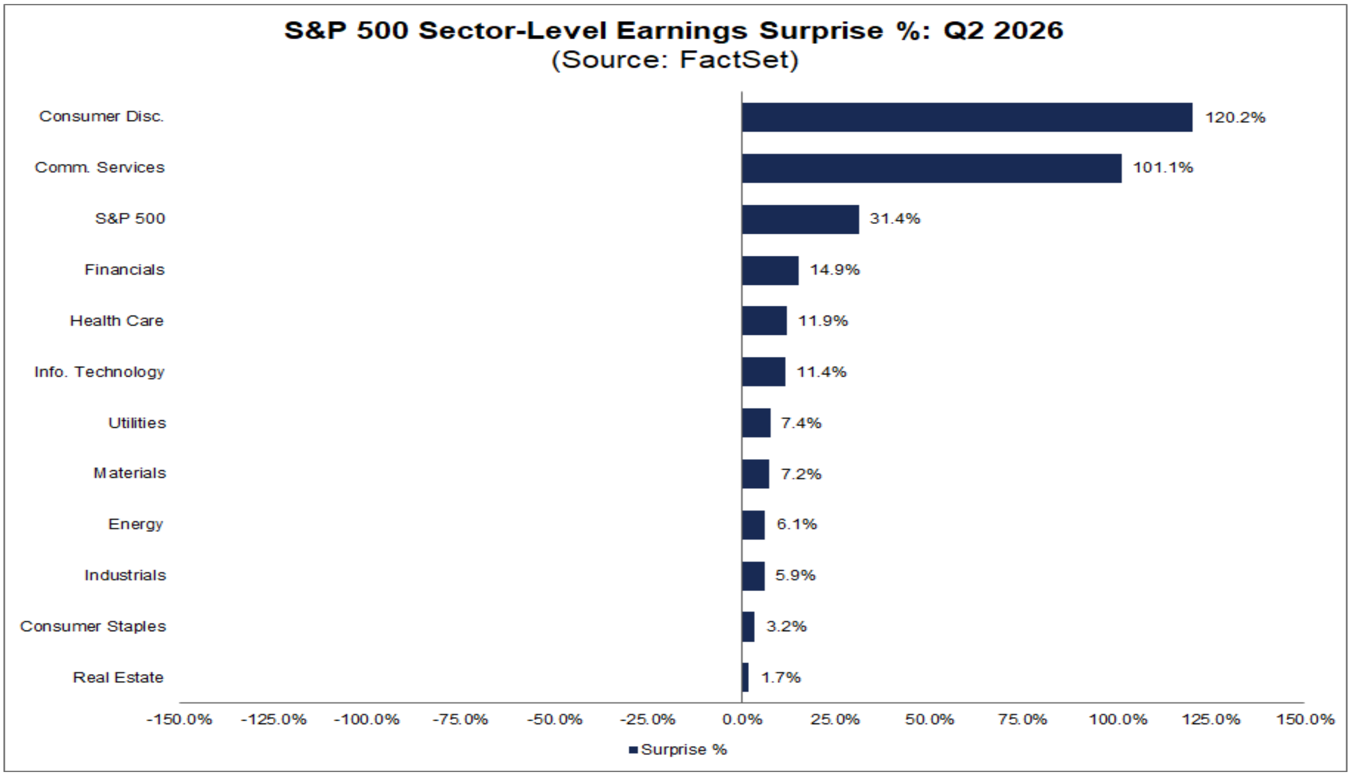


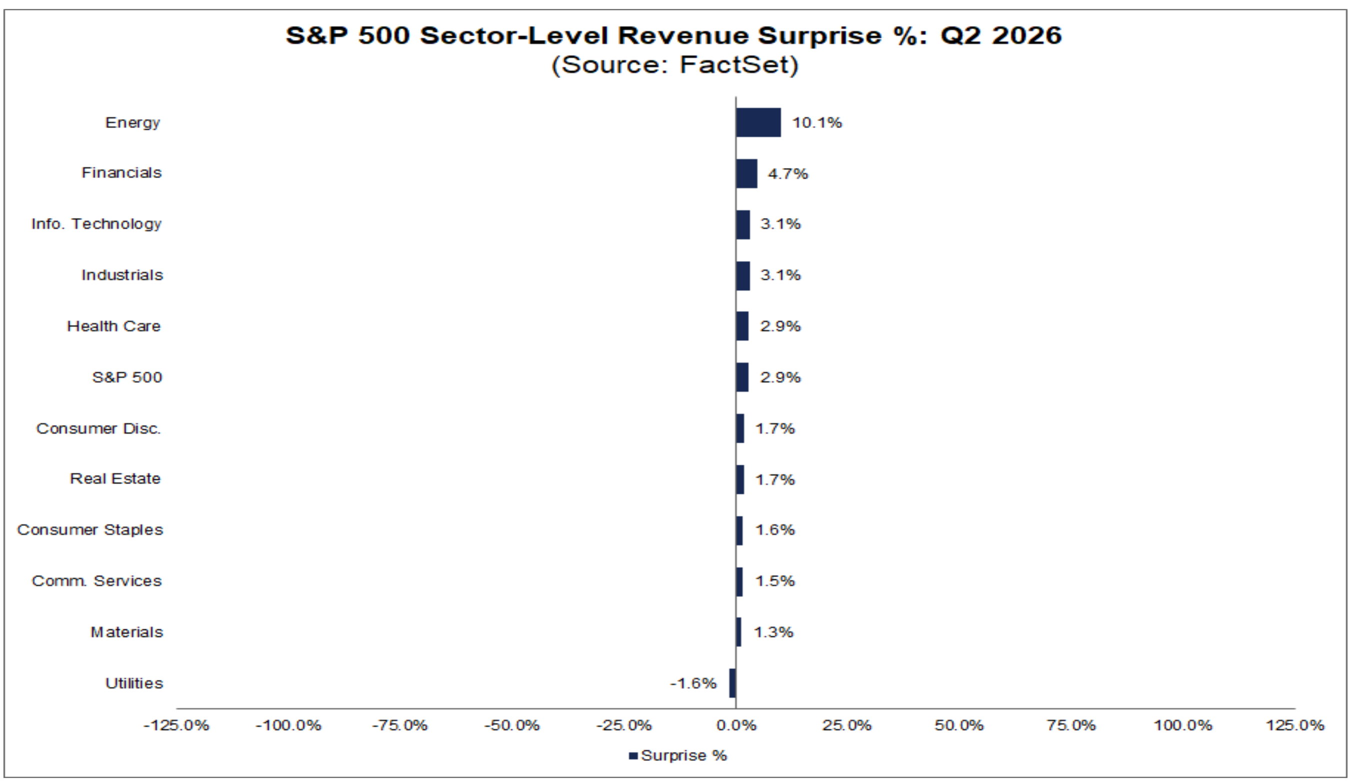
	Health Care	Industrials	Materials	Info. Technology	Financials	S&P 500	Real Estate	Comm. Services	Consumer Staples	Energy	Utilities	Consumer Disc.
Below	0%	7%	11%	11%	11%	11%	9%	18%	21%	22%	11%	18%
In-Line	0%	3%	0%	0%	2%	3%	9%	0%	0%	0%	11%	7%
Above	100%	90%	89%	89%	87%	86%	83%	82%	79%	78%	78%	75%



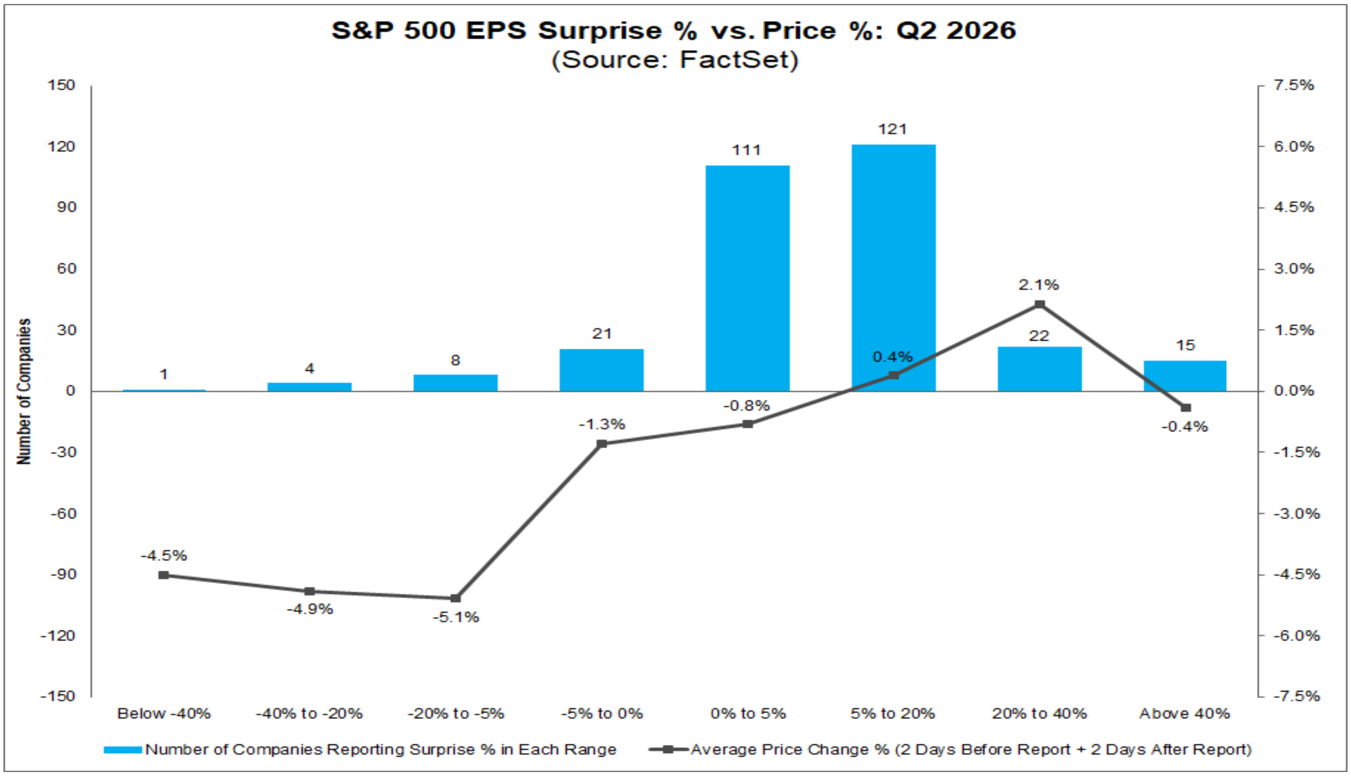
	Health Care	Consumer Staples	Energy	Info. Technology	Industrials	Financials	S&P 500	Materials	Consumer Disc.	Real Estate	Comm. Services	Utilities
Below	3%	7%	13%	17%	20%	23%	23%	32%	32%	35%	36%	50%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	97%	93%	88%	83%	80%	77%	77%	68%	68%	65%	64%	50%

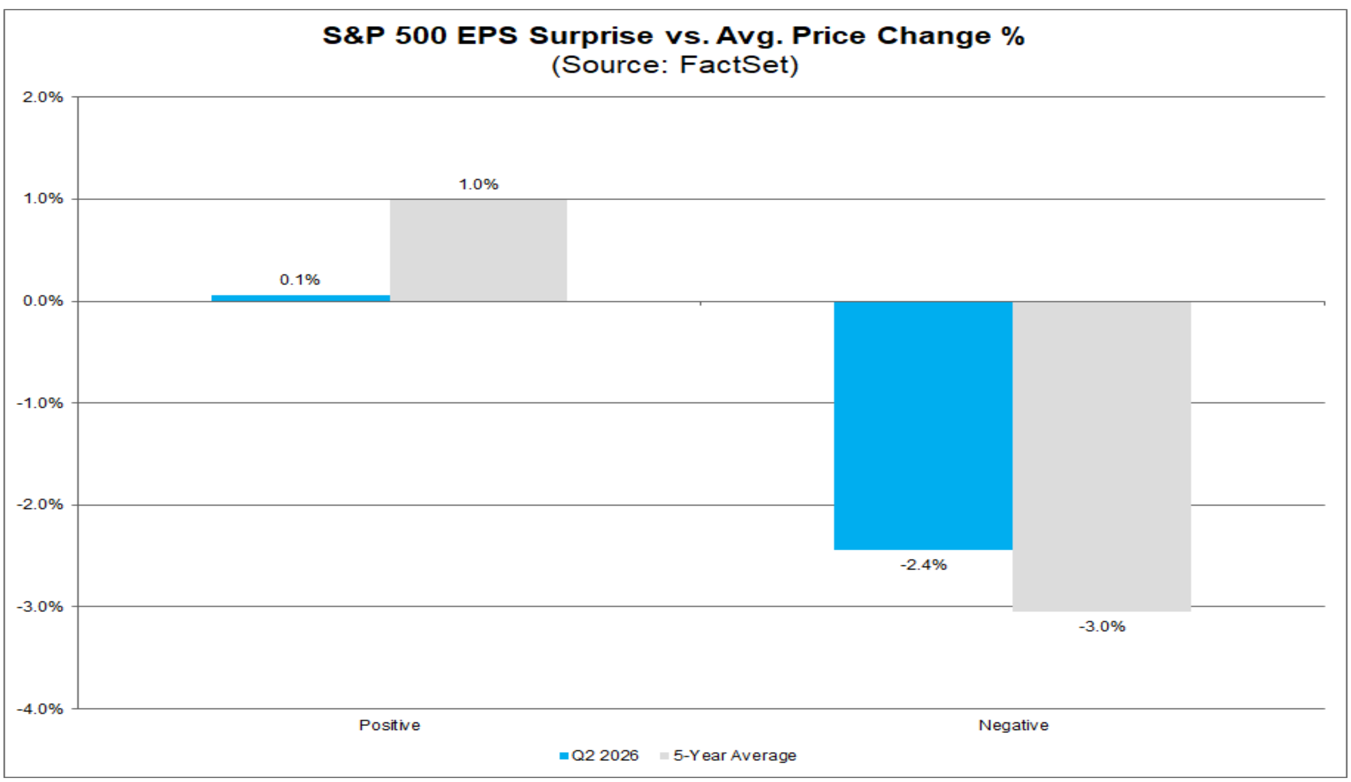
Q2 2026: Surprise



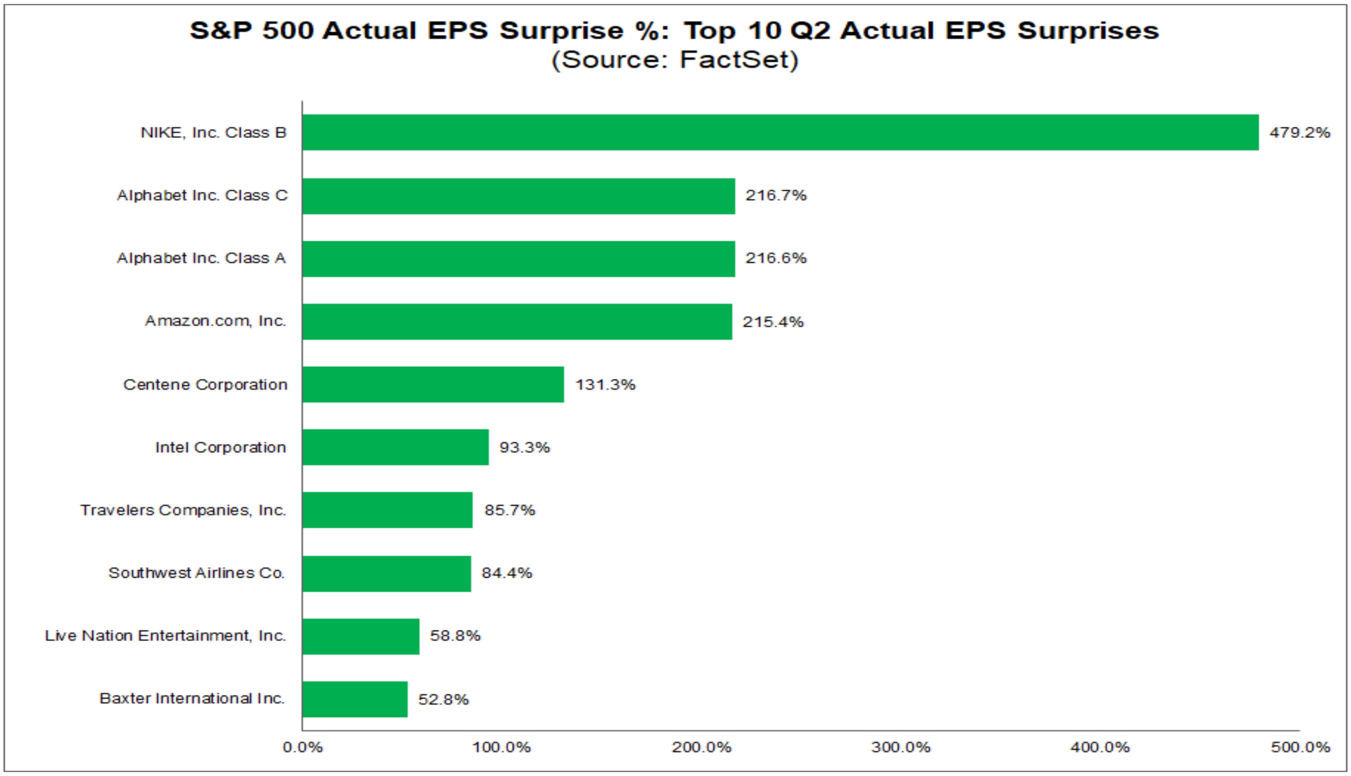


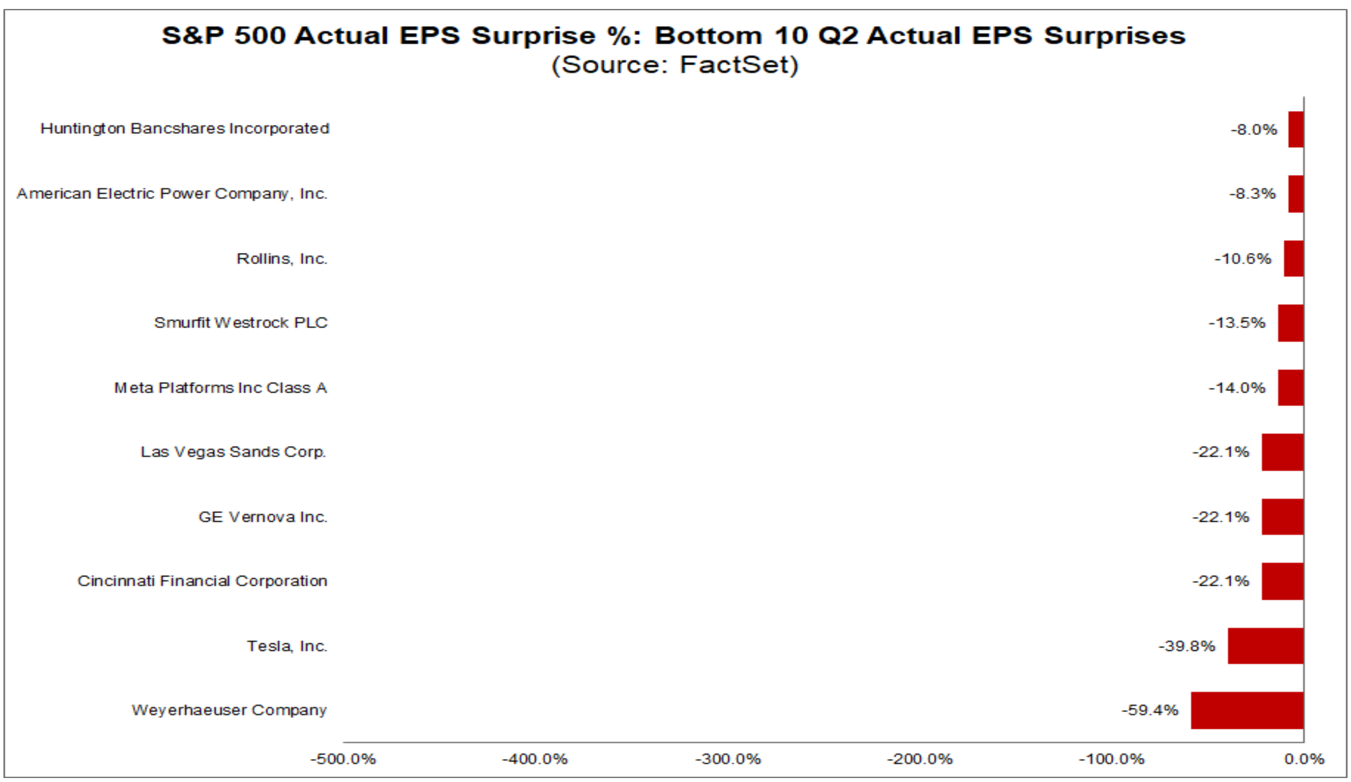
Q2 2026: Surprise



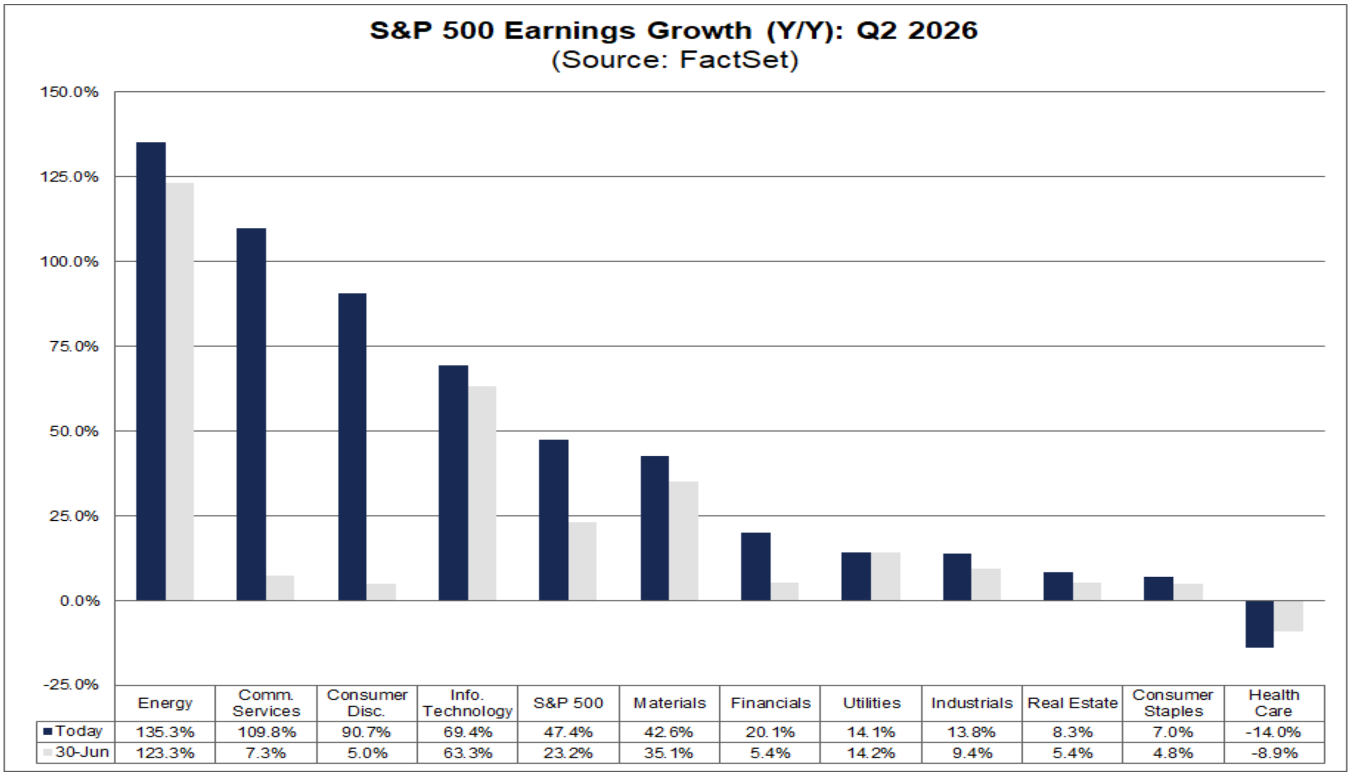


Q2 2026: Surprise

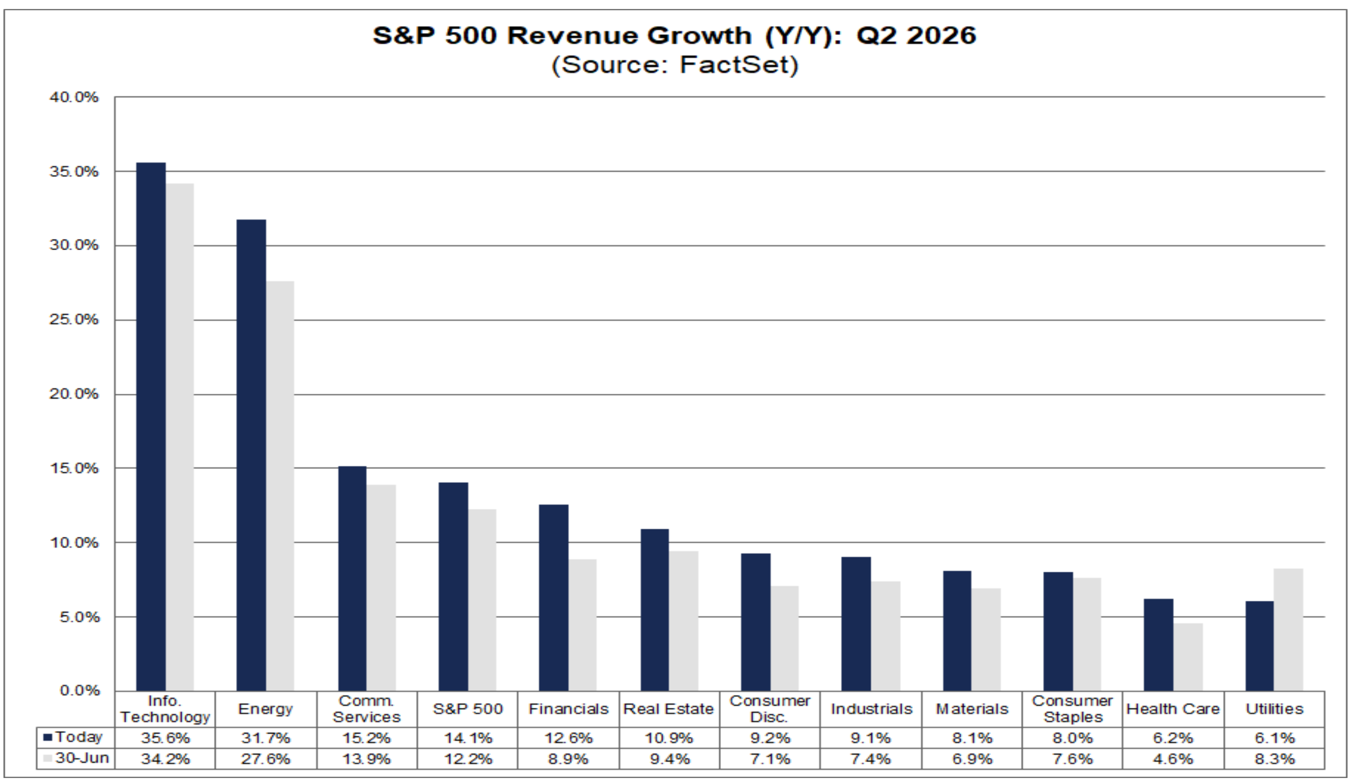




Q2 2026: Growth

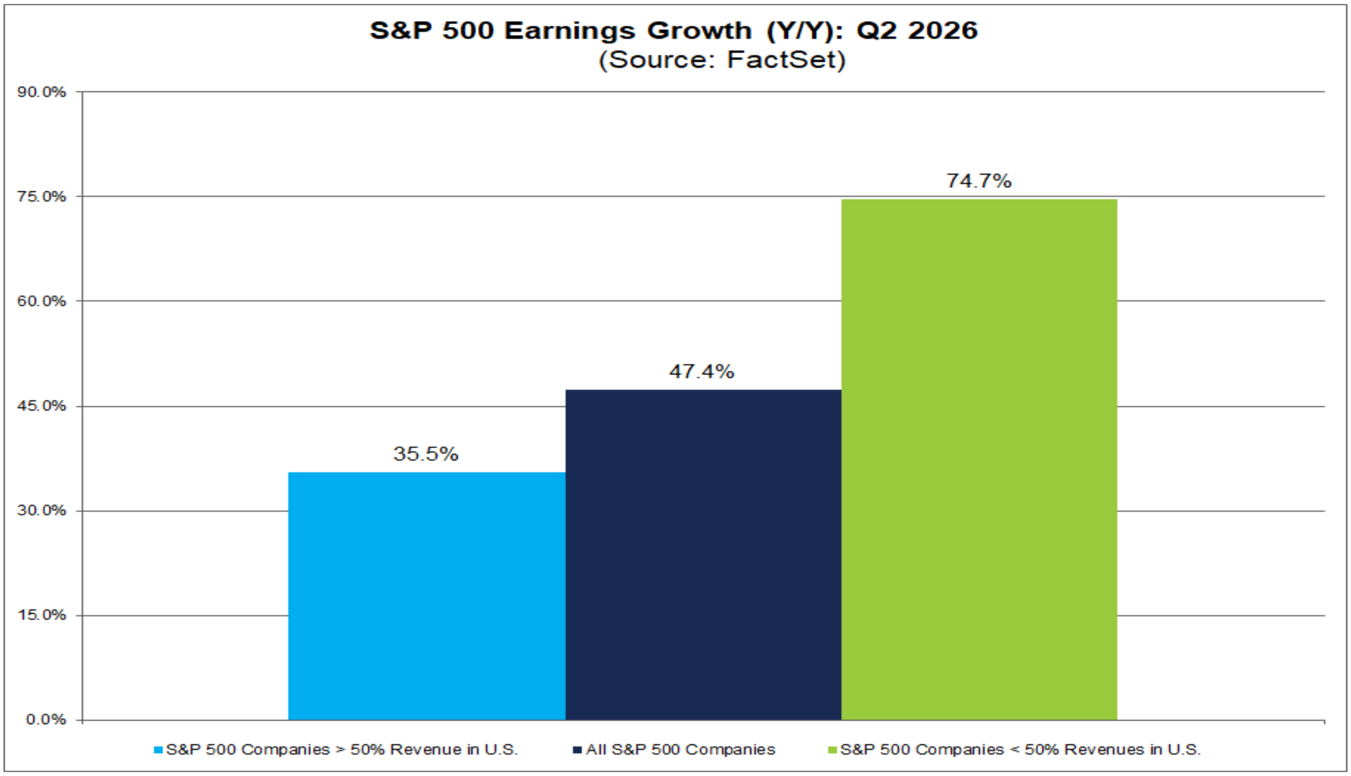


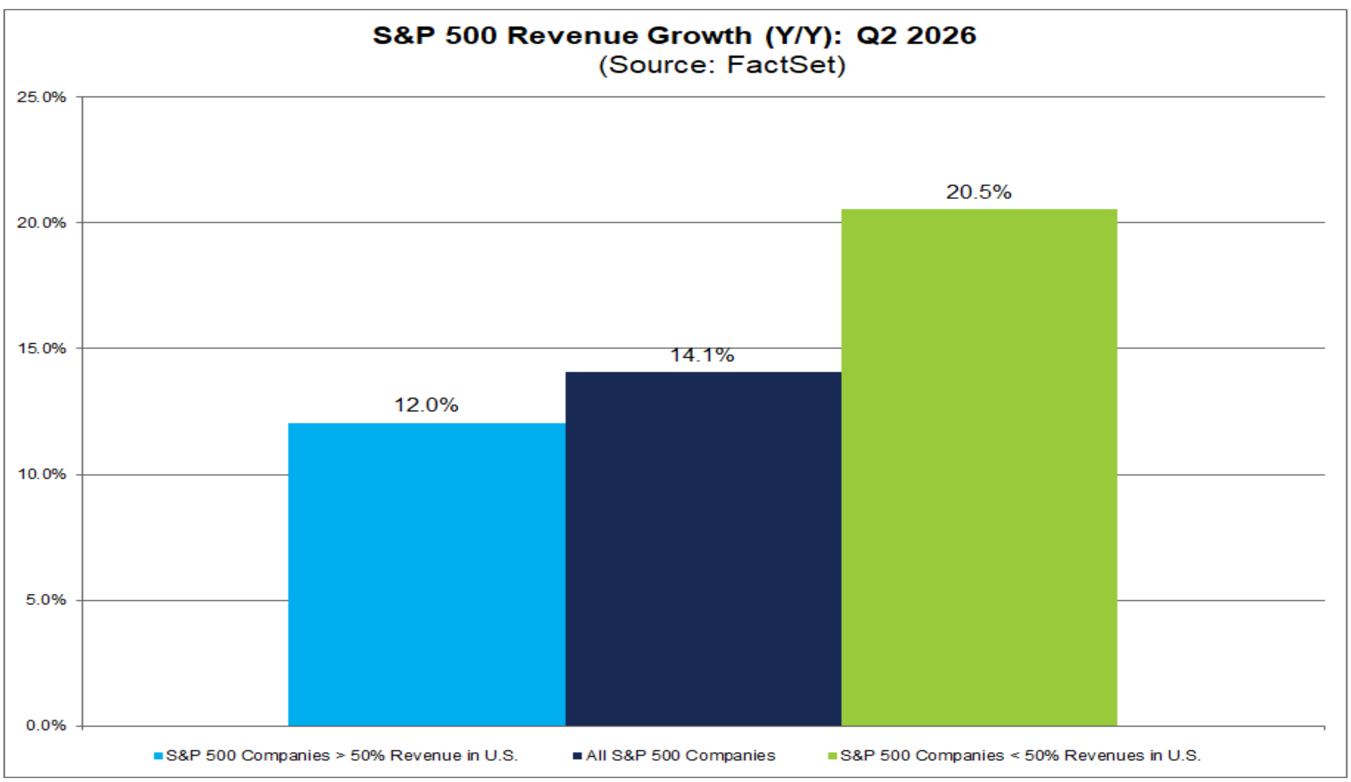
	Energy	Comm. Services	Consumer Disc.	Info. Technology	S&P 500	Materials	Financials	Utilities	Industrials	Real Estate	Consumer Staples	Health Care
Today	135.3%	109.8%	90.7%	69.4%	47.4%	42.6%	20.1%	14.1%	13.8%	8.3%	7.0%	-14.0%
30-Jun	123.3%	7.3%	5.0%	63.3%	23.2%	35.1%	5.4%	14.2%	9.4%	5.4%	4.8%	-8.9%



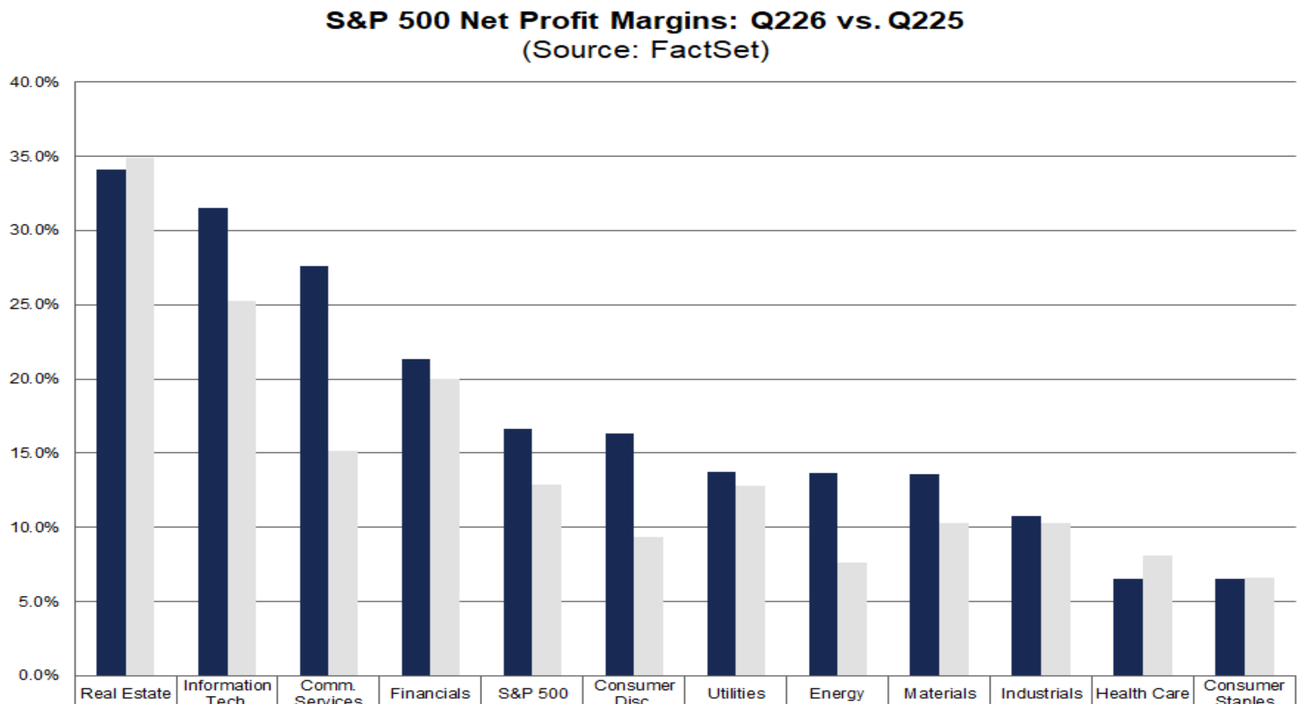
	Info. Technology	Energy	Comm. Services	S&P 500	Financials	Real Estate	Consumer Disc.	Industrials	Materials	Consumer Staples	Health Care	Utilities
Today	35.6%	31.7%	15.2%	14.1%	12.6%	10.9%	9.2%	9.1%	8.1%	8.0%	6.2%	6.1%
30-Jun	34.2%	27.6%	13.9%	12.2%	8.9%	9.4%	7.1%	7.4%	6.9%	7.6%	4.6%	8.3%

Q2 2026: Growth

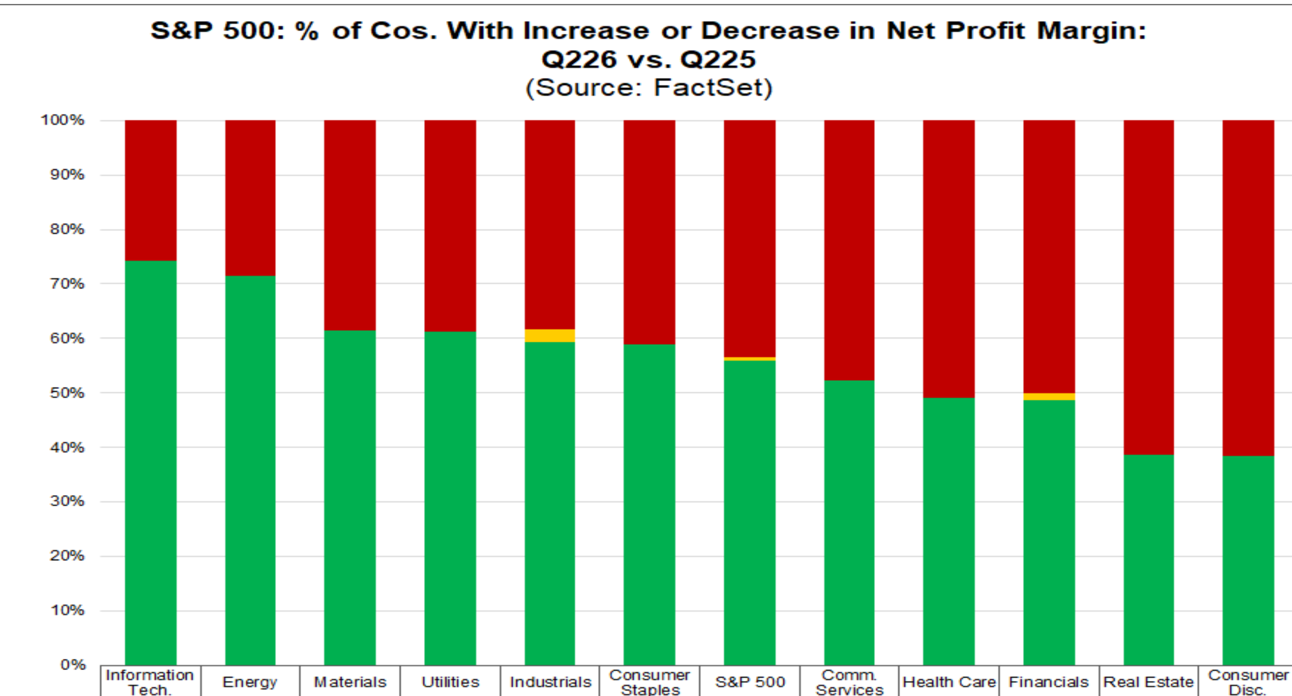




Q2 2026: Net Profit Margin

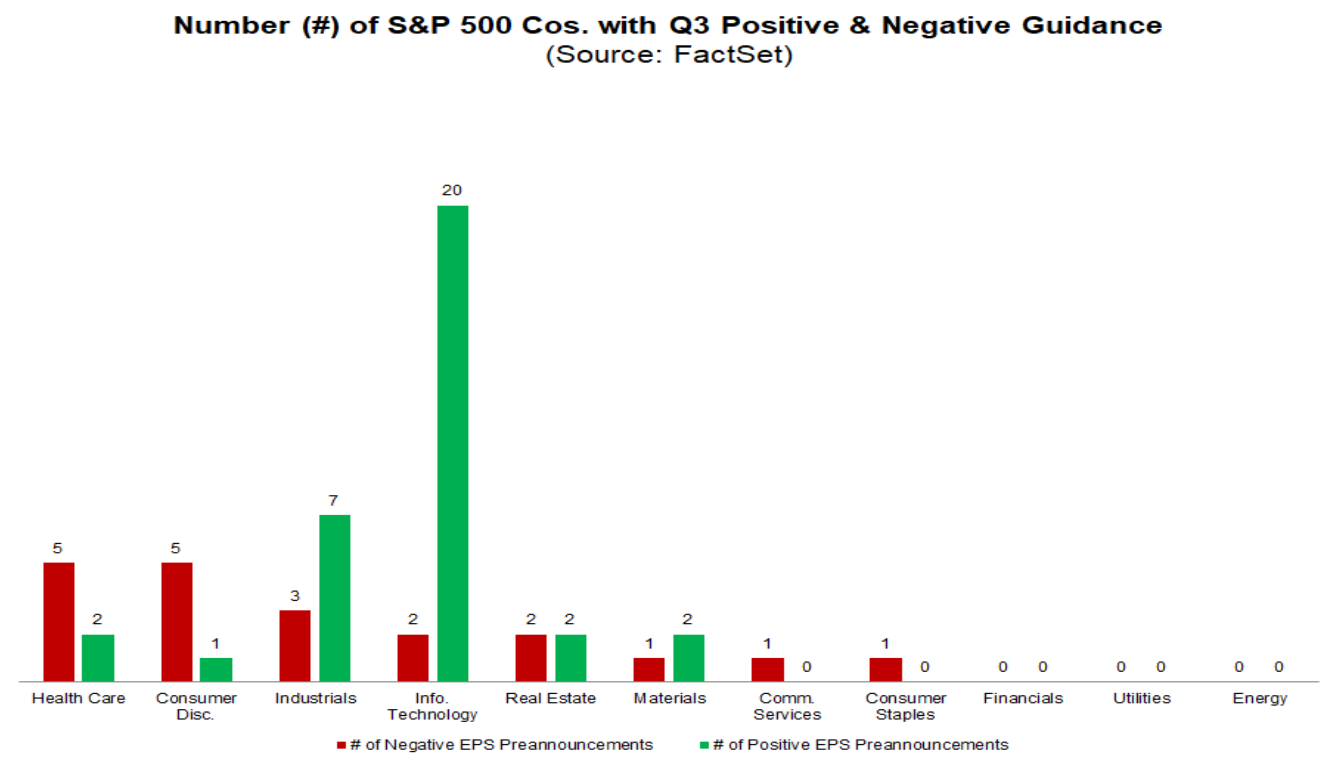


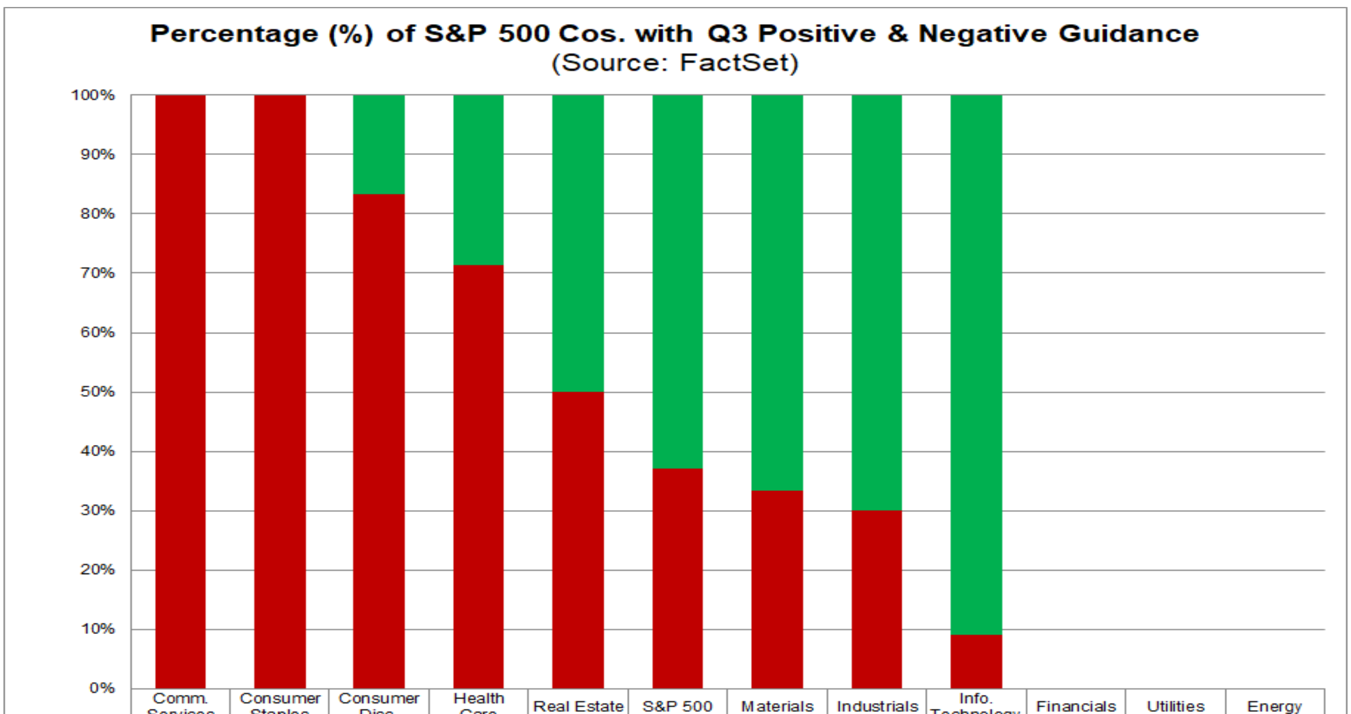
	Real Estate	Information Tech.	Comm. Services	Financials	S&P 500	Consumer Disc.	Utilities	Energy	Materials	Industrials	Health Care	Consumer Staples
Q226	34.1%	31.5%	27.6%	21.3%	16.7%	16.3%	13.7%	13.7%	13.6%	10.7%	6.6%	6.5%
Q225	34.9%	25.2%	15.2%	20.0%	12.9%	9.4%	12.8%	7.7%	10.3%	10.3%	8.1%	6.6%



	Information Tech.	Energy	Materials	Utilities	Industrials	Consumer Staples	S&P 500	Comm. Services	Health Care	Financials	Real Estate	Consumer Disc.
Down %	26%	29%	38%	39%	38%	41%	44%	48%	51%	50%	61%	62%
None %	0%	0%	0%	0%	2%	0%	1%	0%	0%	1%	0%	0%
Up %	74%	71%	62%	61%	59%	59%	56%	52%	49%	49%	39%	38%

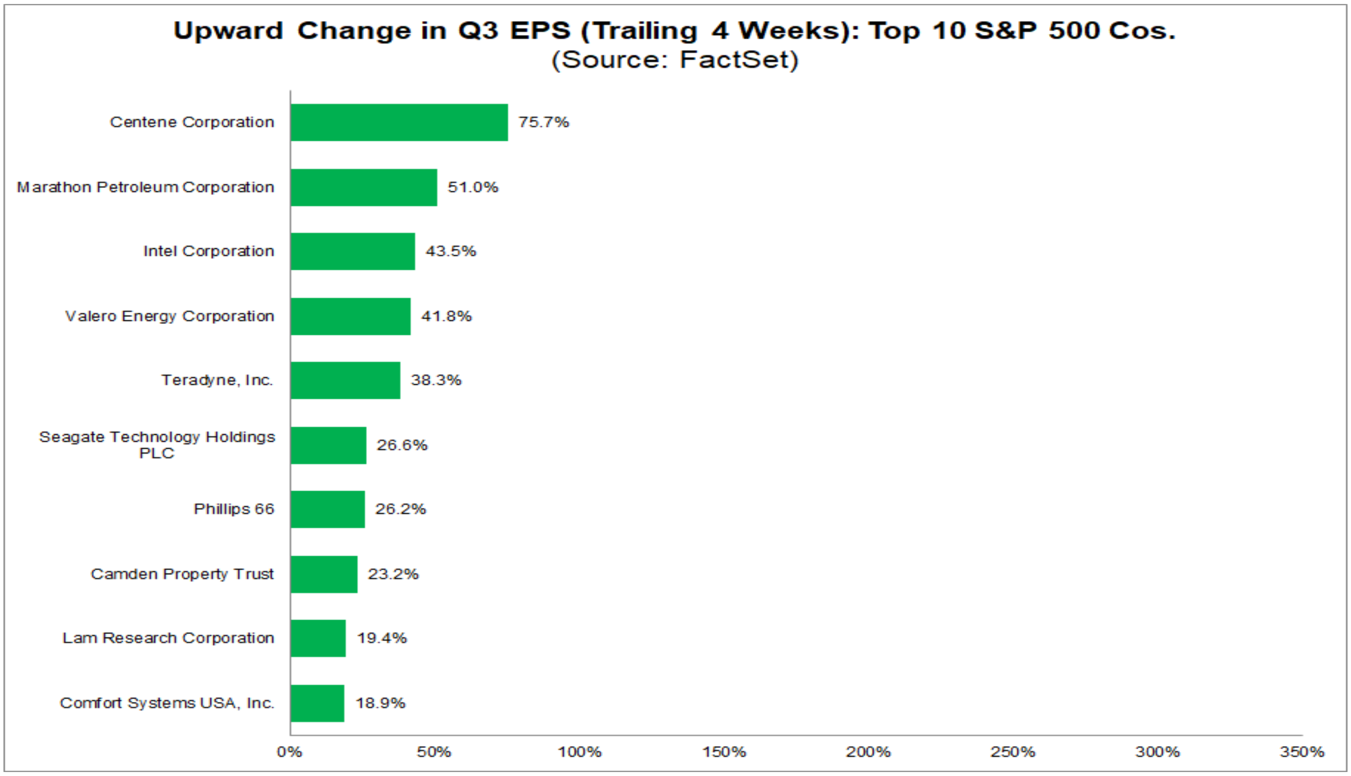
Q3 2026: Guidance

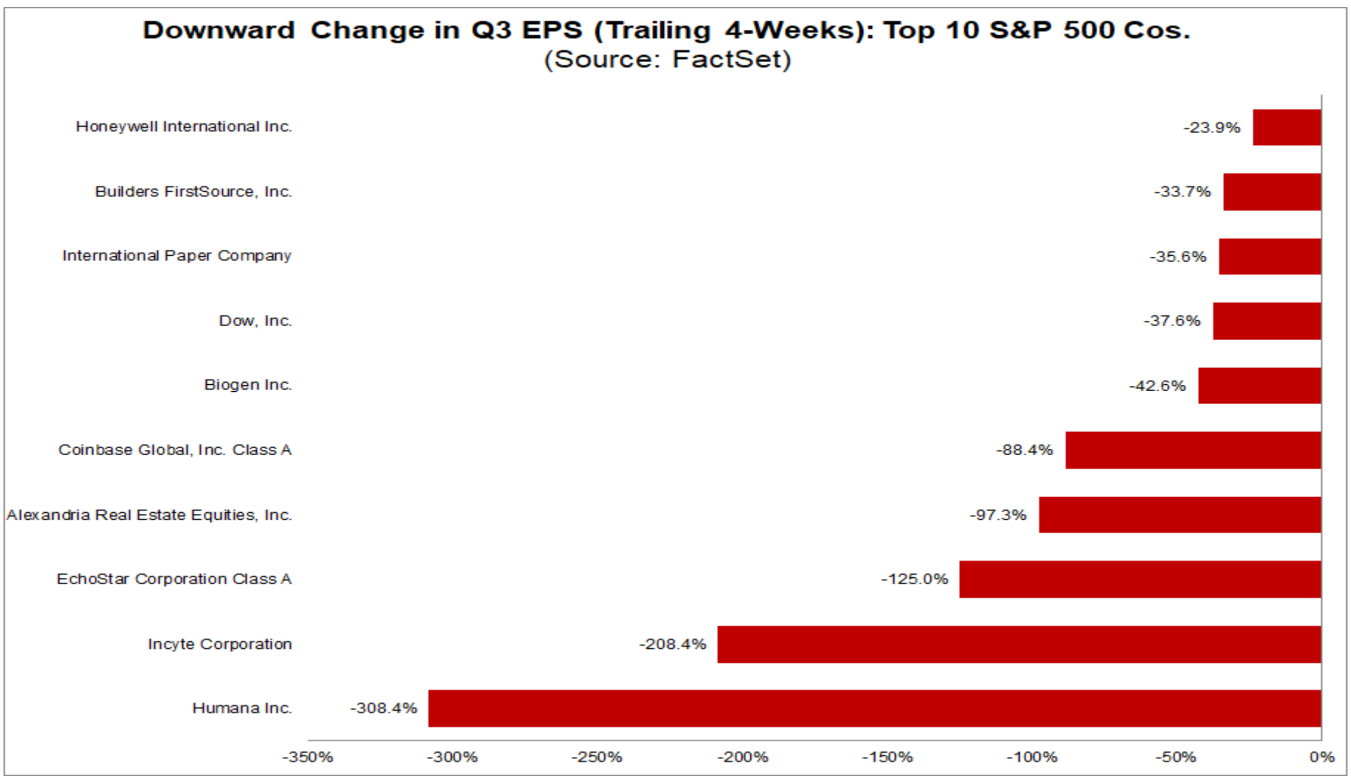




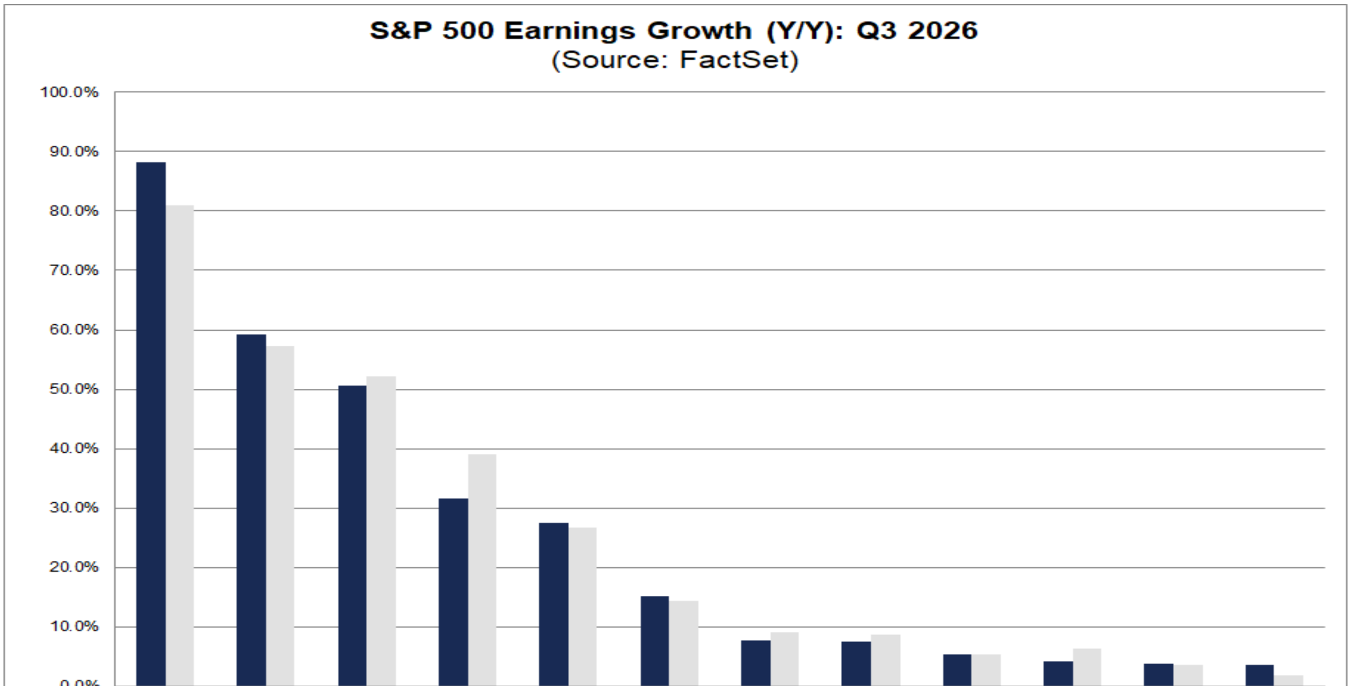
	Comm. Services	Consumer Staples	Consumer Disc.	Health Care	Real Estate	S&P 500	Materials	Industrials	Info. Technology	Financials	Utilities	Energy
Positive	0%	0%	17%	29%	50%	63%	67%	70%	91%	0%	0%	0%
Negative	100%	100%	83%	71%	50%	37%	33%	30%	9%	0%	0%	0%

Q3 2026: EPS Revisions

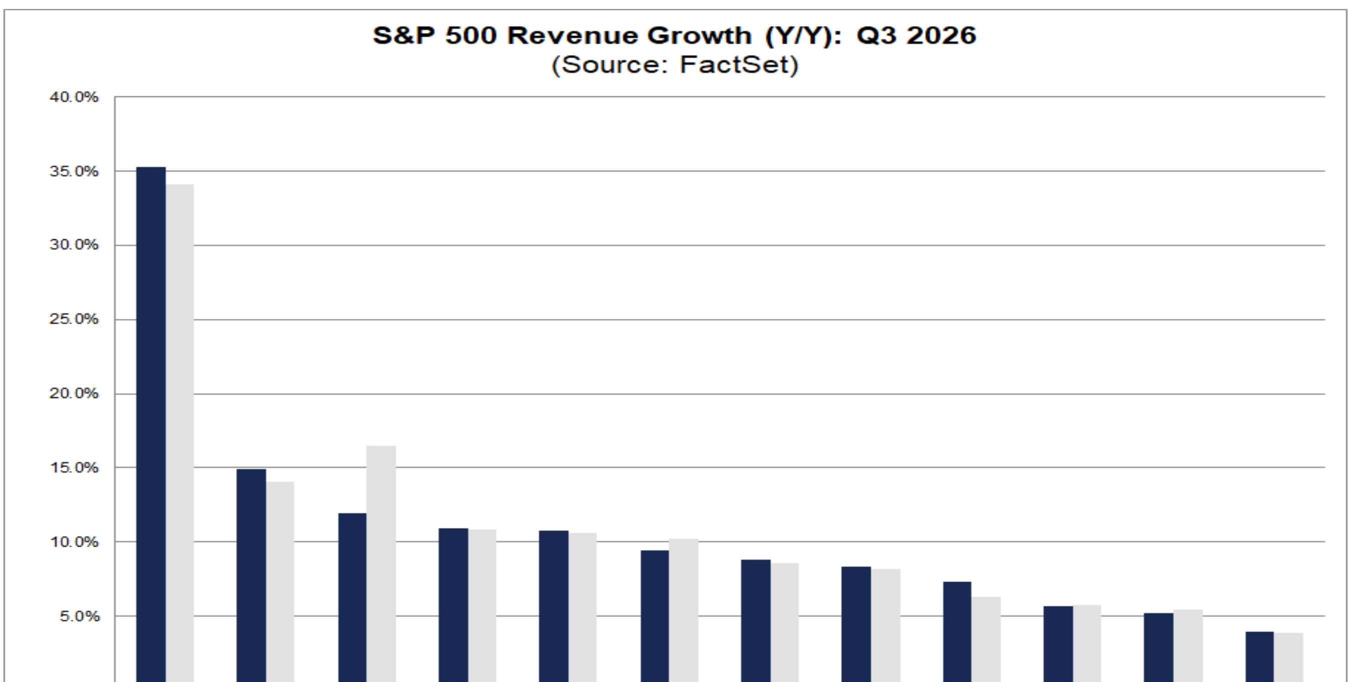




Q3 2026: Growth

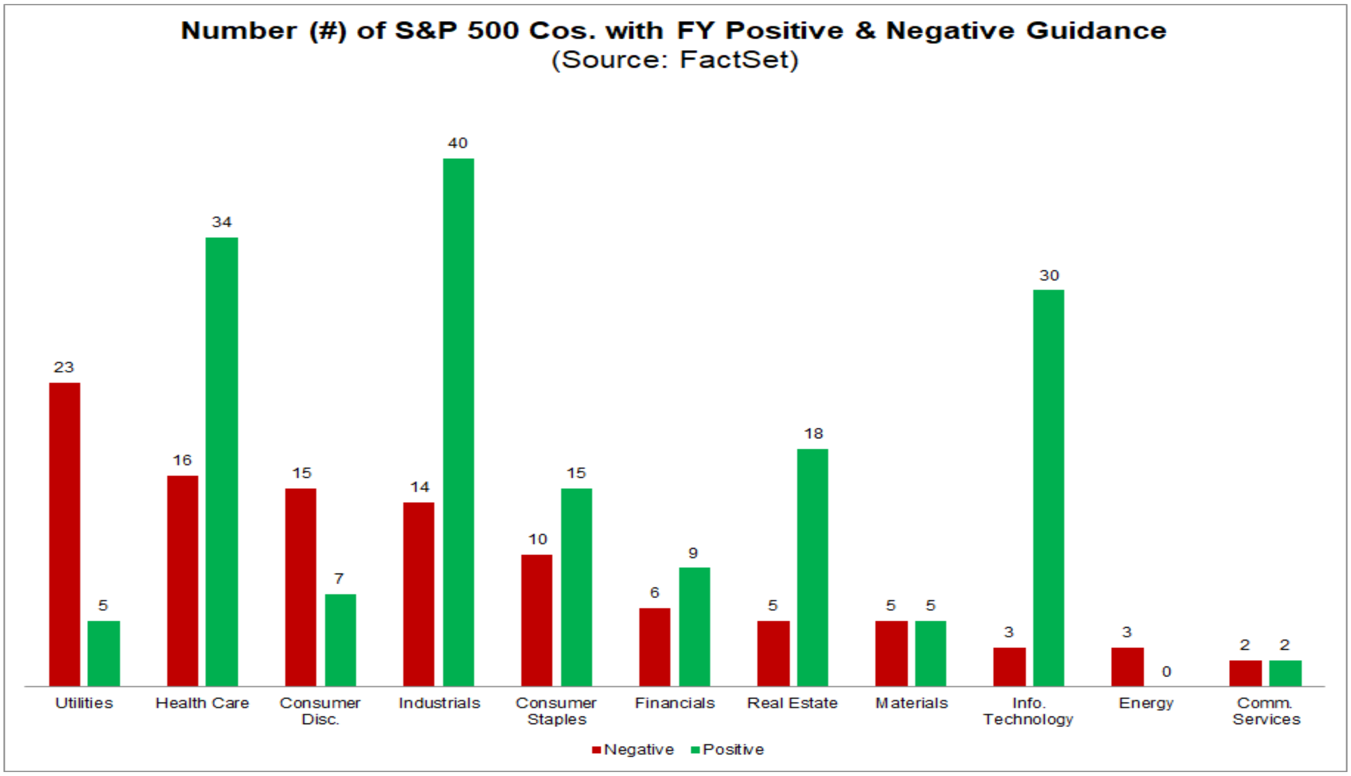


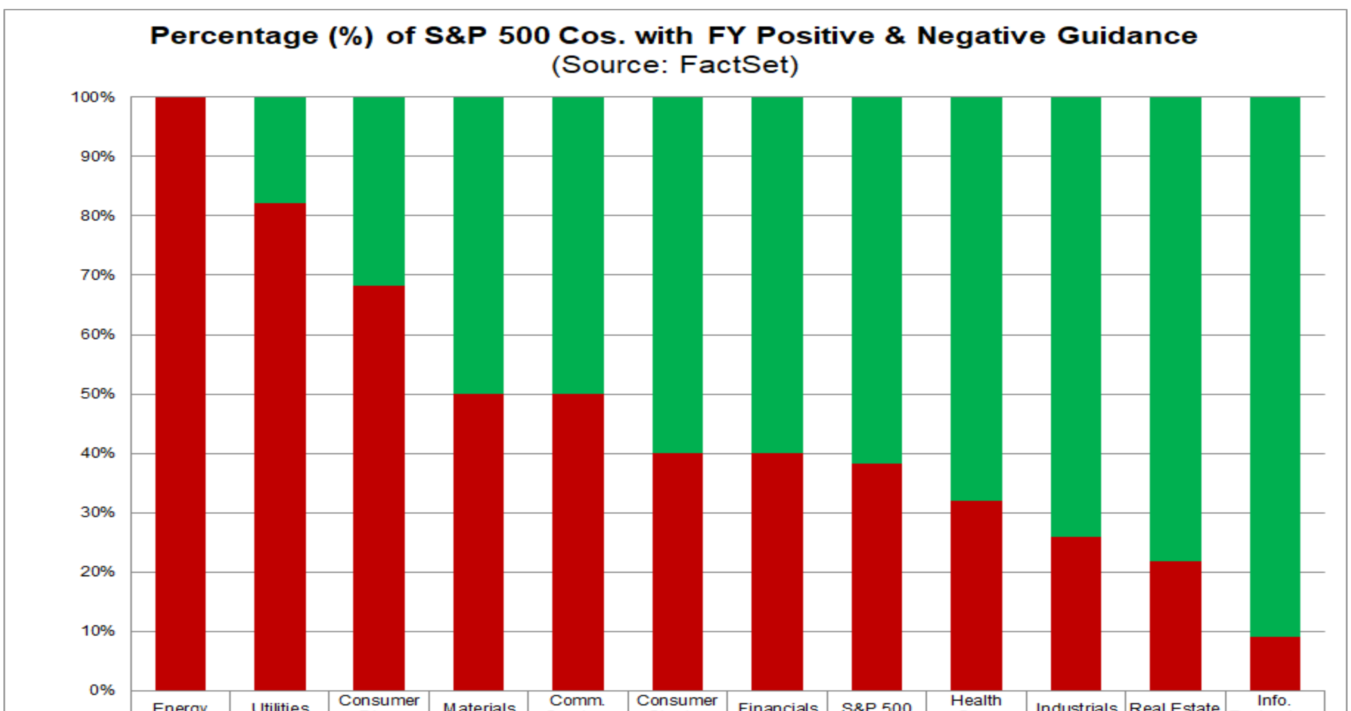
	Energy	Info. Technology	Comm. Services	Materials	S&P 500	Industrials	Health Care	Utilities	Real Estate	Consumer Staples	Consumer Disc.	Financials
Today	88.2%	59.2%	50.7%	31.6%	27.4%	15.2%	7.7%	7.6%	5.4%	4.1%	3.9%	3.6%
30-Jun	81.0%	57.2%	52.2%	39.1%	26.8%	14.4%	9.0%	8.7%	5.4%	6.3%	3.6%	1.8%



	Info. Technology	Comm. Services	Energy	S&P 500	Utilities	Materials	Real Estate	Industrials	Financials	Consumer Staples	Consumer Disc.	Health Care
Today	35.3%	14.9%	12.0%	10.9%	10.8%	9.4%	8.8%	8.3%	7.3%	5.7%	5.2%	4.0%
30-Jun	34.1%	14.0%	16.5%	10.9%	10.6%	10.2%	8.6%	8.2%	6.3%	5.7%	5.5%	3.9%

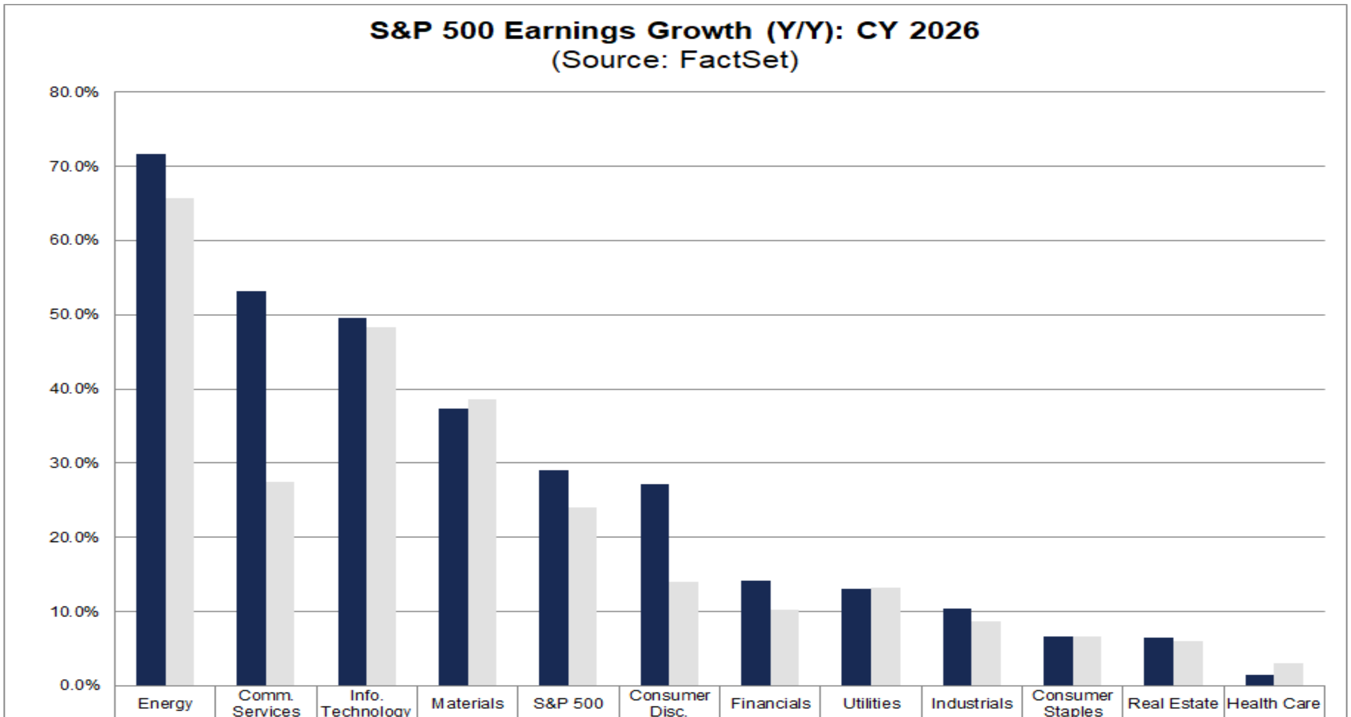
FY 2026 / 2027: EPS Guidance



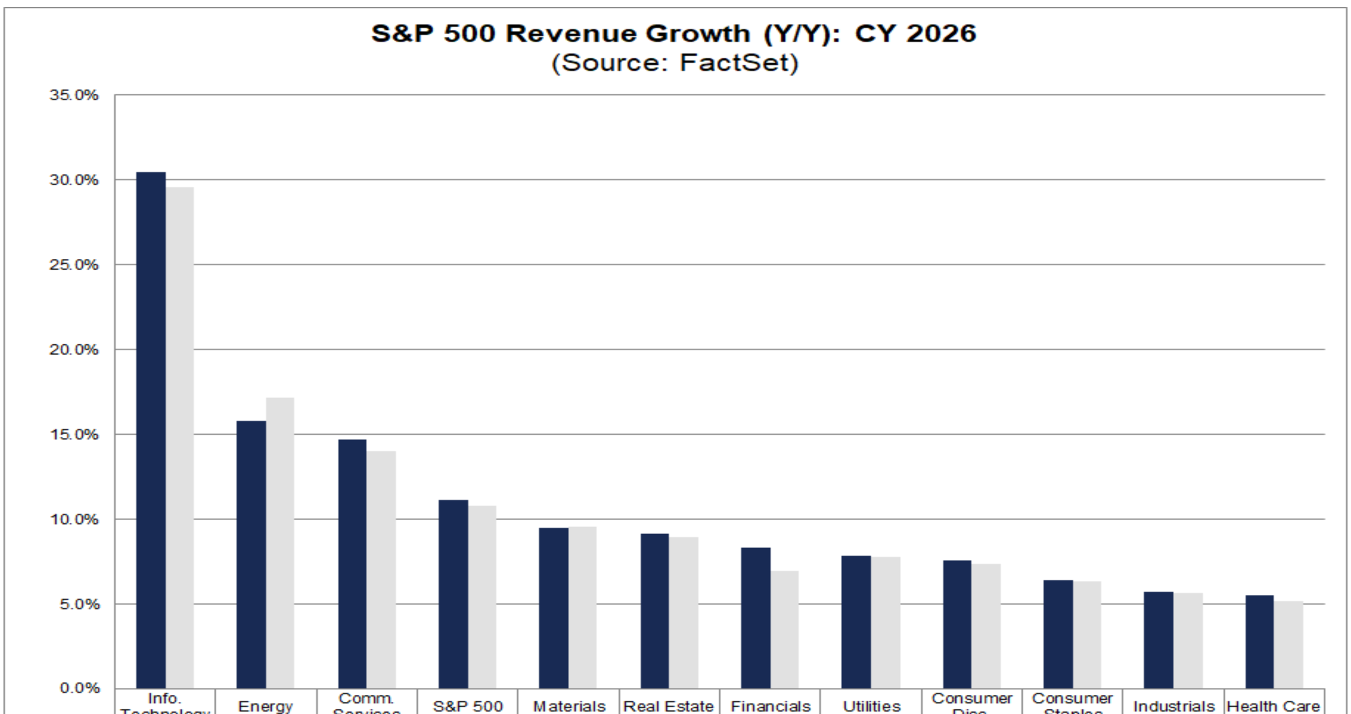


	Energy	Utilities	Consumer Disc.	Materials	Comm. Services	Consumer Staples	Financials	S&P 500	Health Care	Industrials	Real Estate	Info. Technology
Positive	0%	18%	32%	50%	50%	60%	60%	62%	68%	74%	78%	91%
Negative	100%	82%	68%	50%	50%	40%	40%	38%	32%	26%	22%	9%

CY 2026: Growth

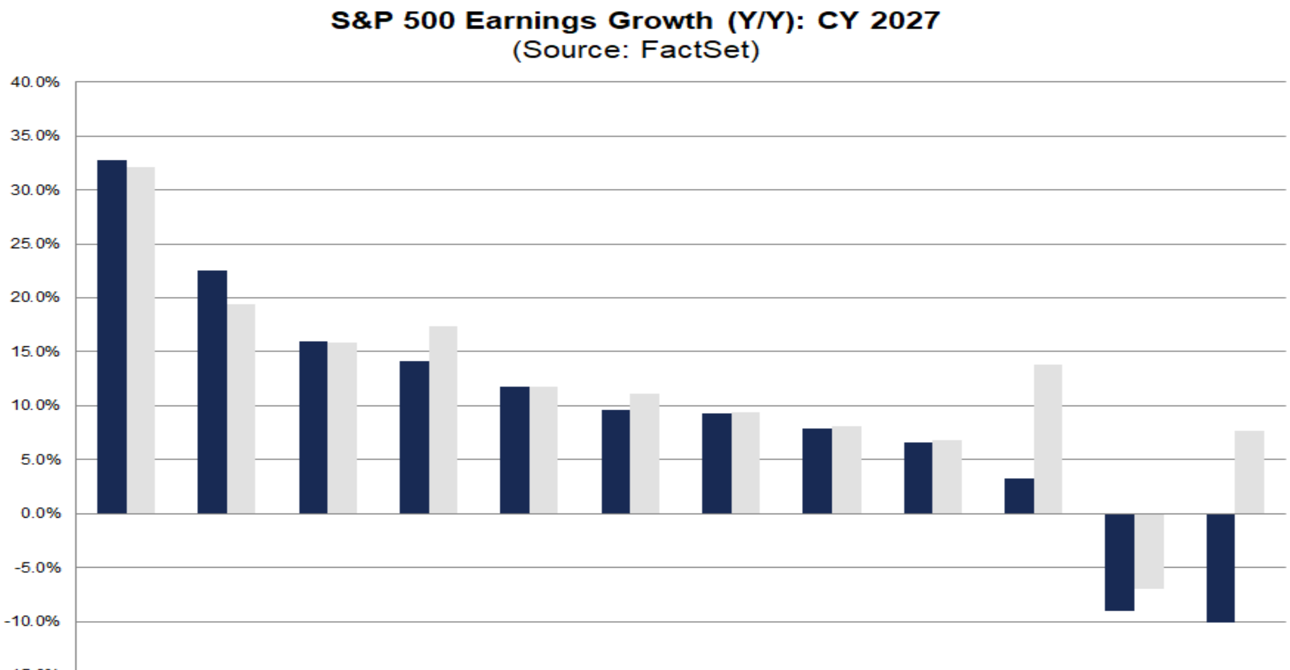


	Energy	Comm. Services	Info. Technology	Materials	S&P 500	Consumer Disc.	Financials	Utilities	Industrials	Consumer Staples	Real Estate	Health Care
Today	71.7%	53.2%	49.6%	37.3%	29.1%	27.1%	14.2%	13.1%	10.4%	6.7%	6.5%	1.5%
30-Jun	65.7%	27.6%	48.3%	38.7%	24.0%	14.1%	10.3%	13.3%	8.8%	6.6%	6.0%	3.1%

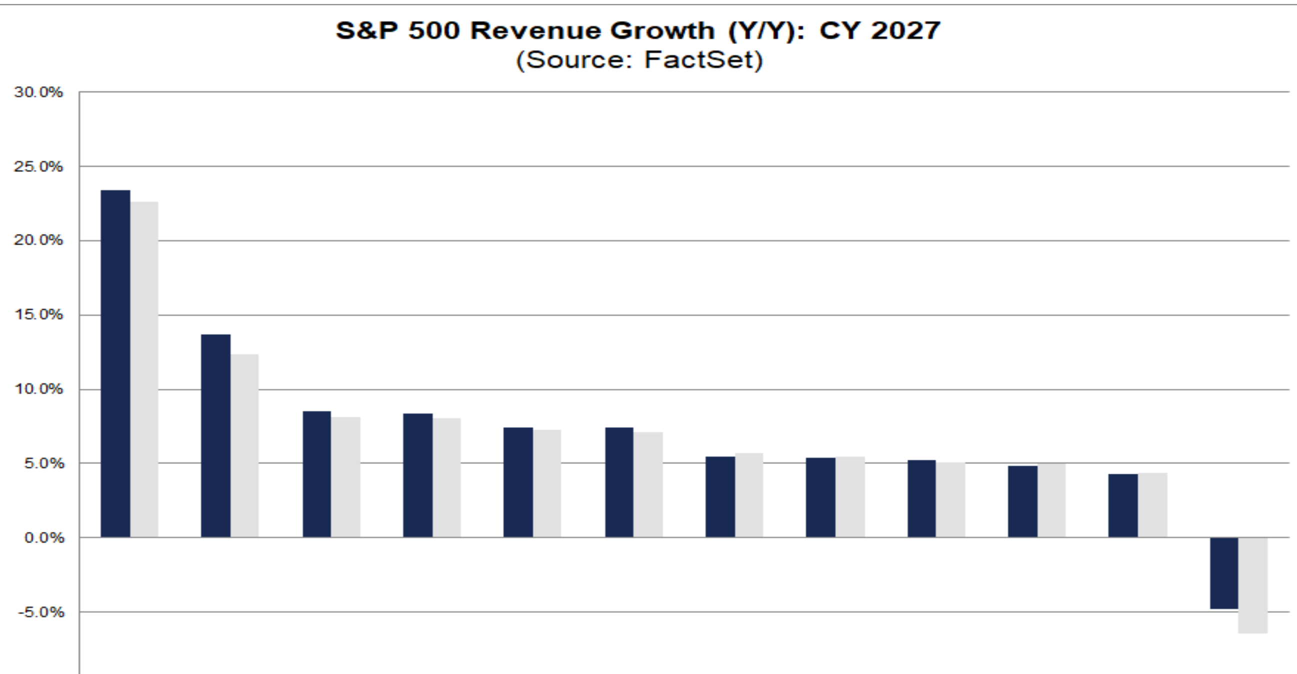


	Info. Technology	Energy	Comm. Services	S&P 500	Materials	Real Estate	Financials	Utilities	Consumer Disc.	Consumer Staples	Industrials	Health Care
Today	30.4%	15.8%	14.7%	11.1%	9.5%	9.1%	8.3%	7.9%	7.6%	6.4%	5.7%	5.5%
30-Jun	29.6%	17.2%	14.0%	10.8%	9.5%	9.0%	7.0%	7.8%	7.4%	6.4%	5.7%	5.2%

CY 2027: Growth

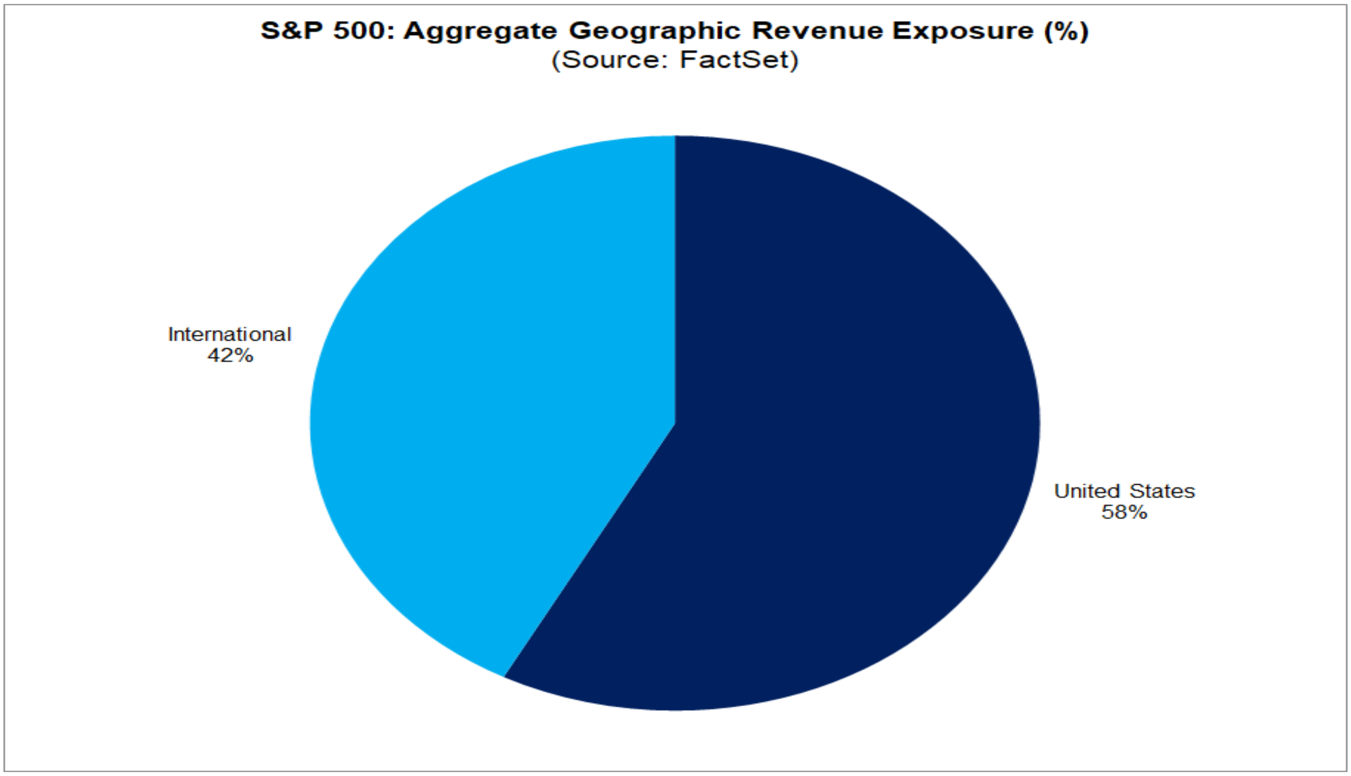


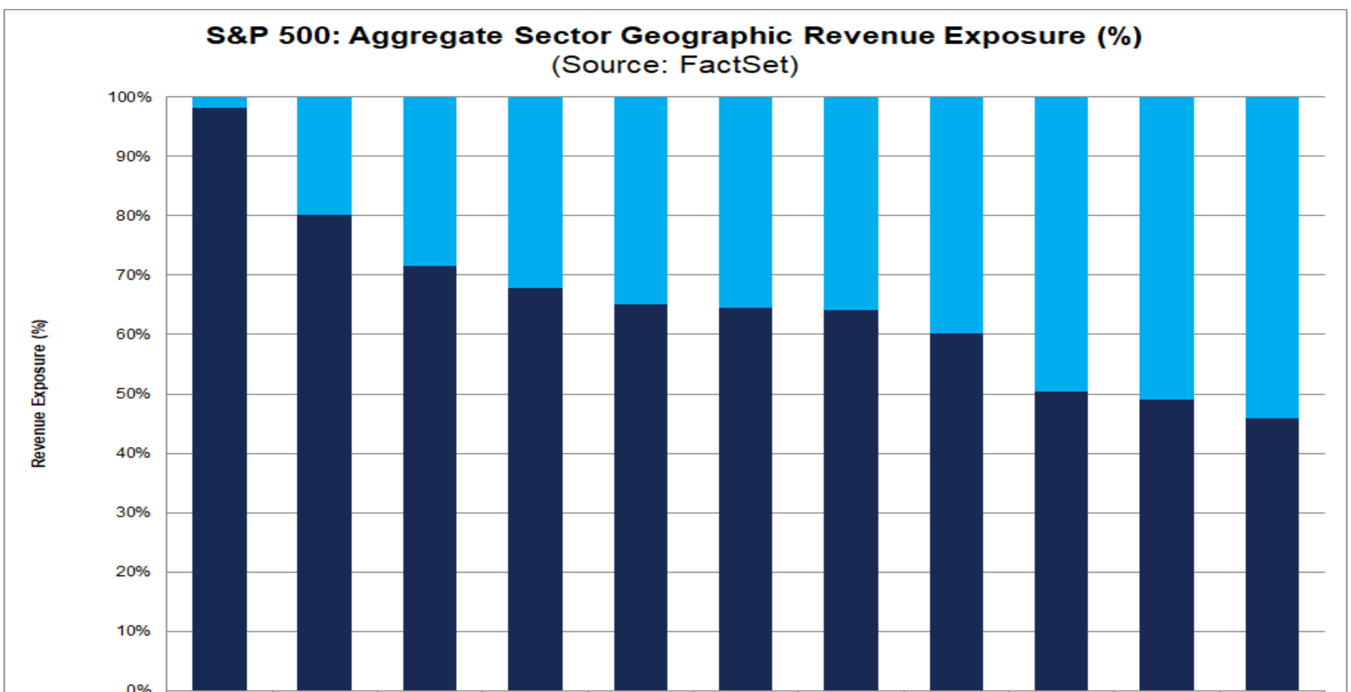
	Info. Technology	Health Care	Industrials	S&P 500	Materials	Financials	Utilities	Consumer Staples	Real Estate	Consumer Disc.	Energy	Comm. Services
Today	32.8%	22.5%	16.0%	14.1%	11.8%	9.6%	9.2%	7.9%	6.6%	3.3%	-9.1%	-10.0%
30-Jun	32.1%	19.5%	15.9%	17.4%	11.8%	11.1%	9.4%	8.0%	6.8%	13.9%	-7.0%	7.7%



	Info. Technology	Comm. Services	S&P 500	Consumer Disc.	Industrials	Real Estate	Financials	Materials	Utilities	Health Care	Consumer Staples	Energy
Today	23.4%	13.7%	8.5%	8.4%	7.4%	7.4%	5.5%	5.4%	5.2%	4.8%	4.3%	-4.8%
30-Jun	22.6%	12.3%	8.1%	8.1%	7.2%	7.1%	5.7%	5.4%	5.1%	5.0%	4.4%	-6.4%

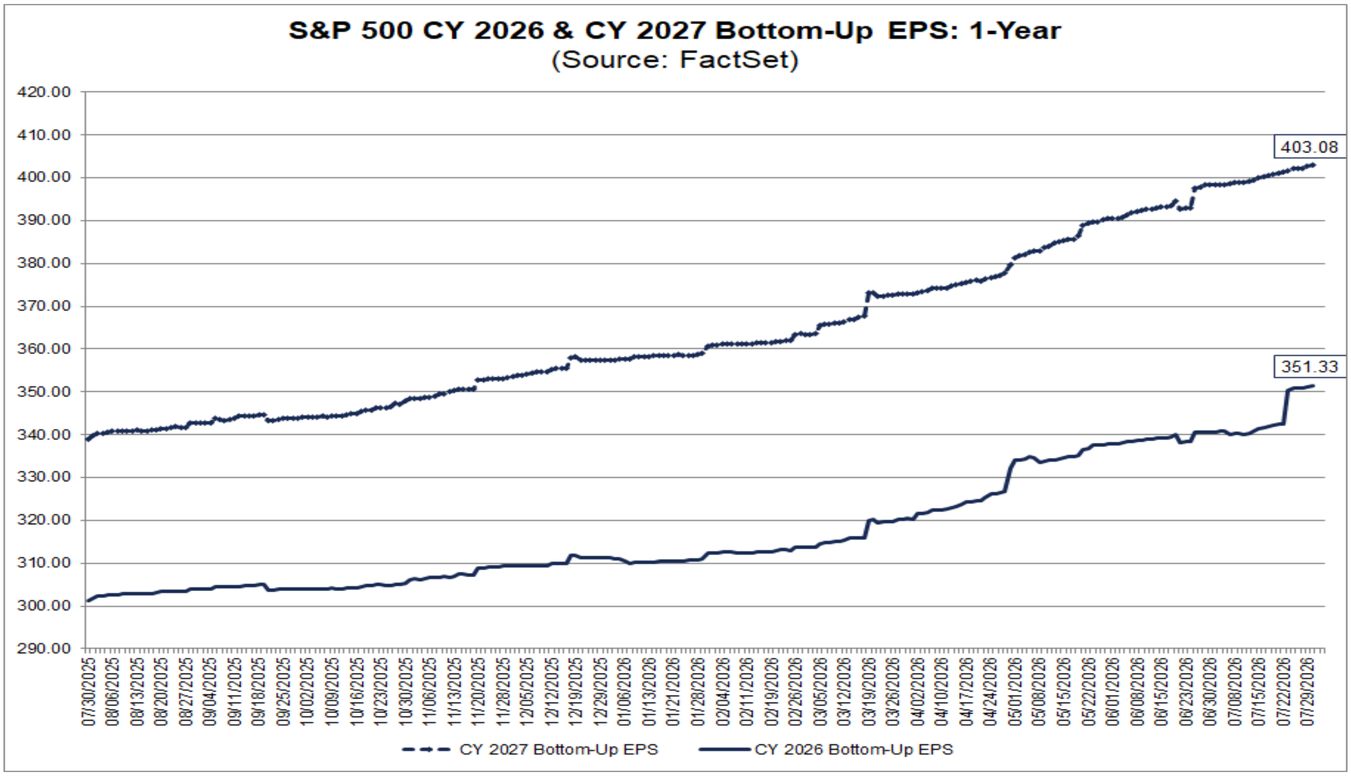
Geographic Revenue Exposure

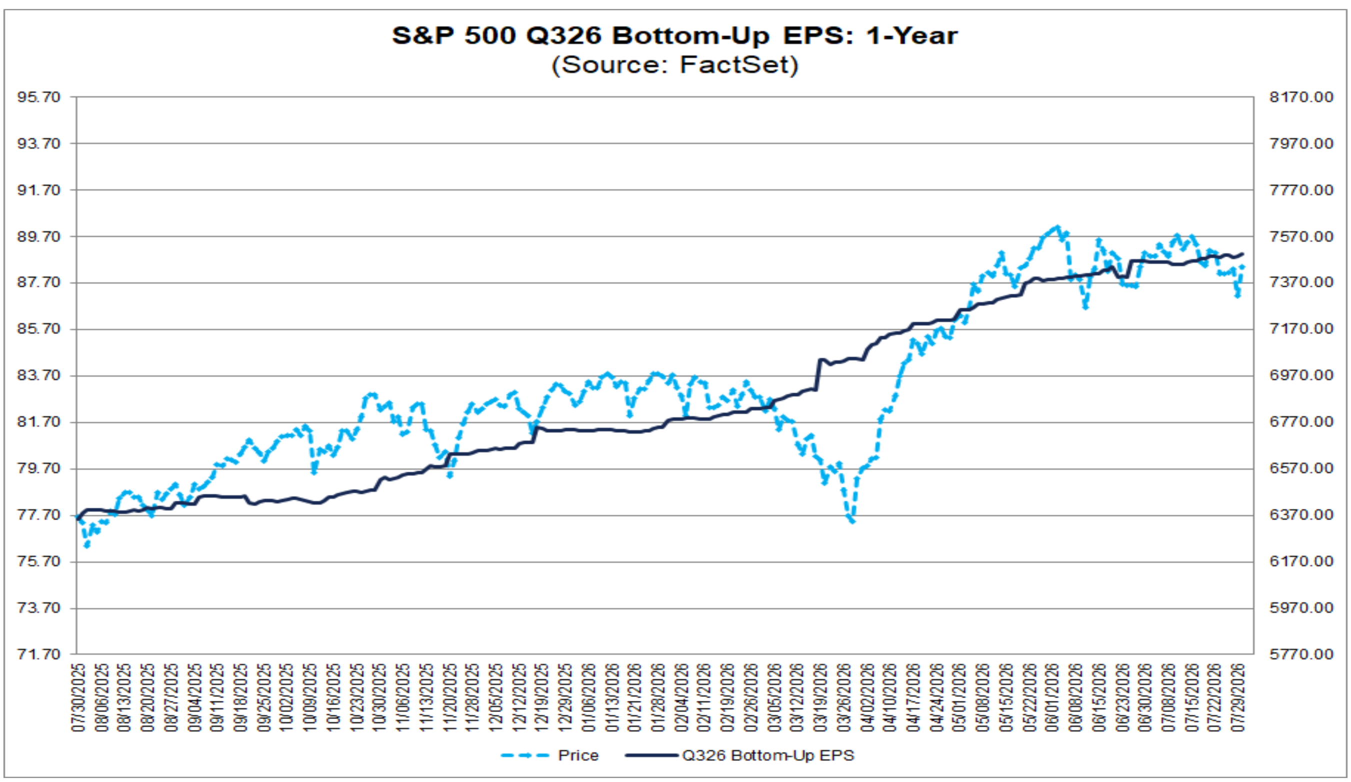




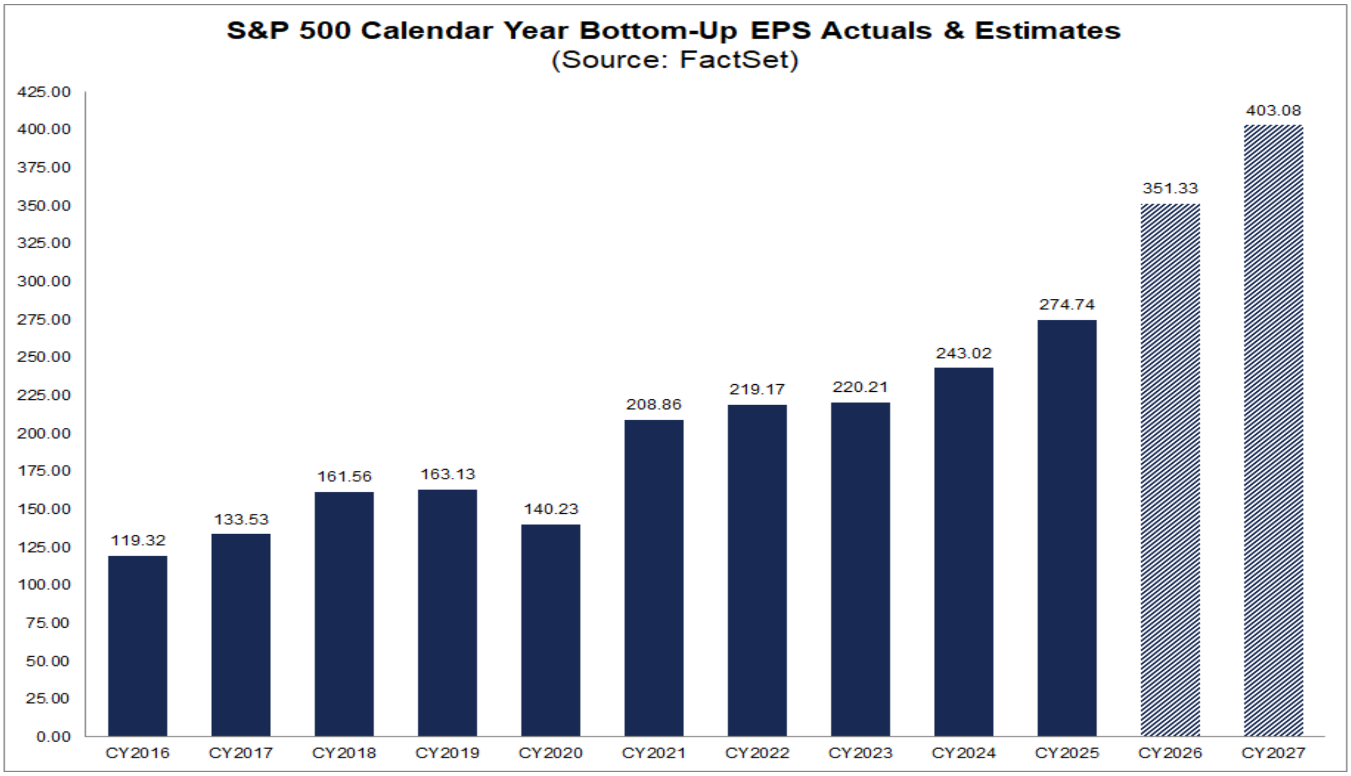
	Utilities	Real Estate	Financials	Health Care	Consumer Disc.	Energy	Industrials	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	20%	28%	32%	35%	36%	36%	40%	50%	51%	54%
United States	98%	80%	72%	68%	65%	64%	64%	60%	50%	49%	46%

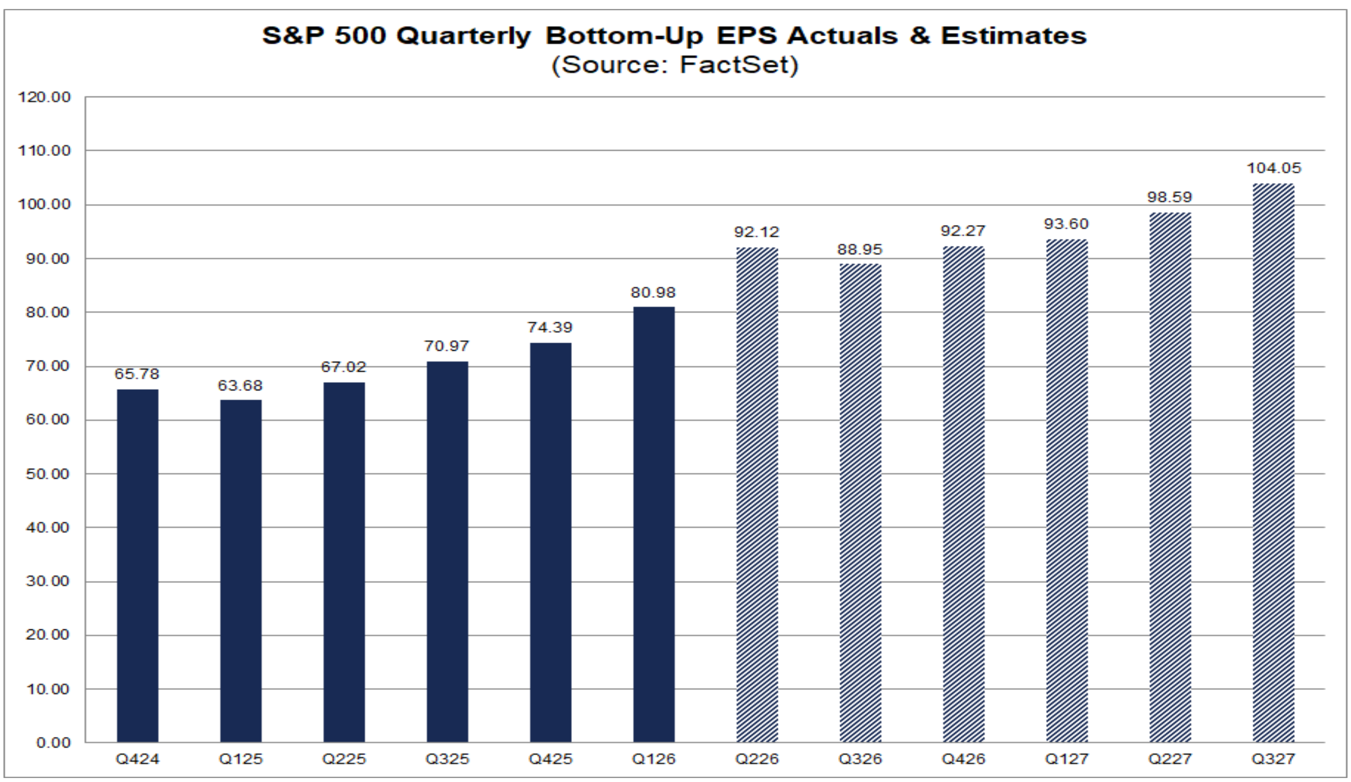
Bottom-Up EPS Estimates





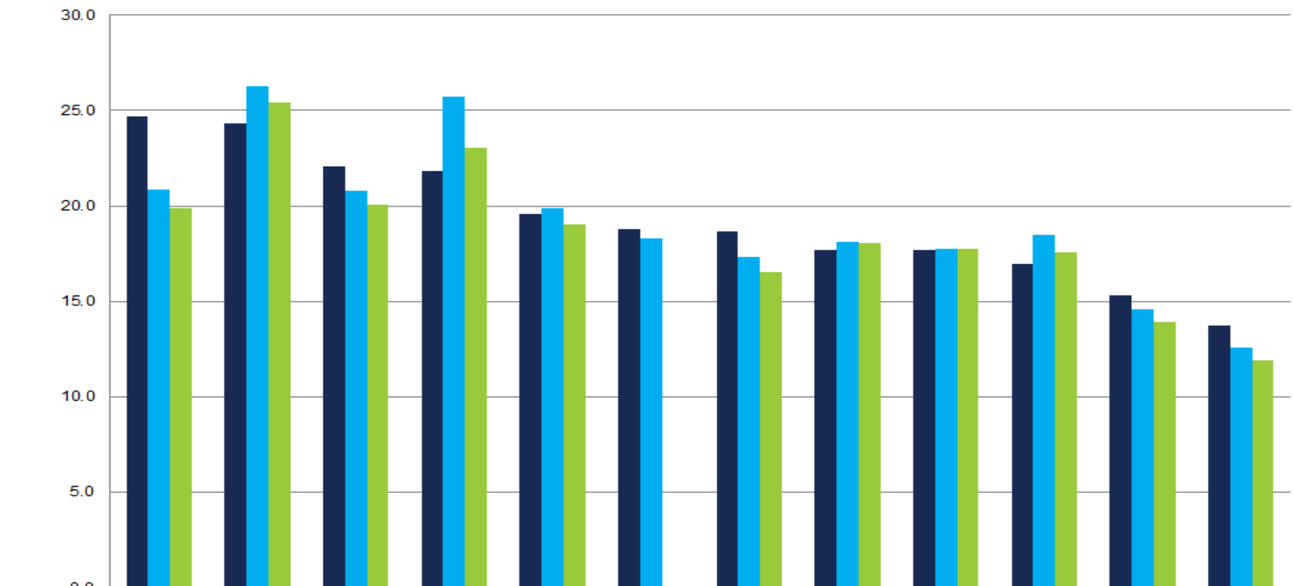
Bottom-Up EPS Estimates: Current & Historical





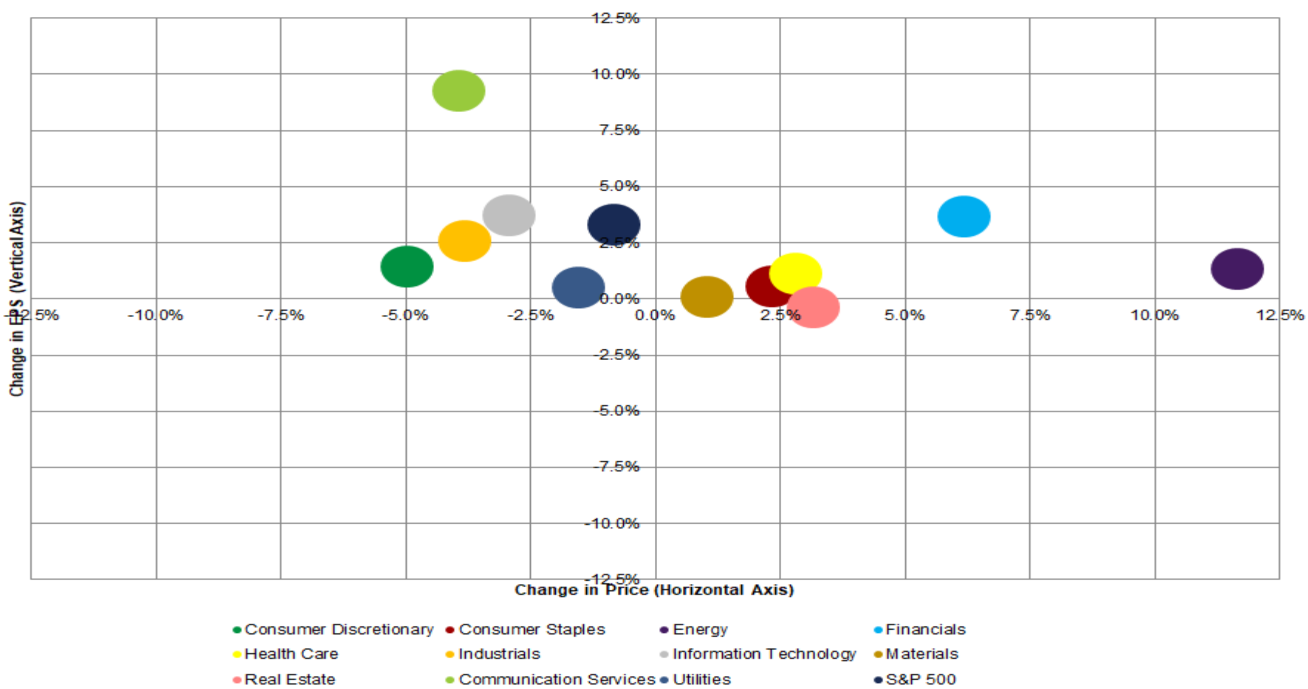
Forward 12M P/E Ratio: Sector Level

S&P 500 Sector-Level Forward 12-Month P/E Ratios
(Source: FactSet)

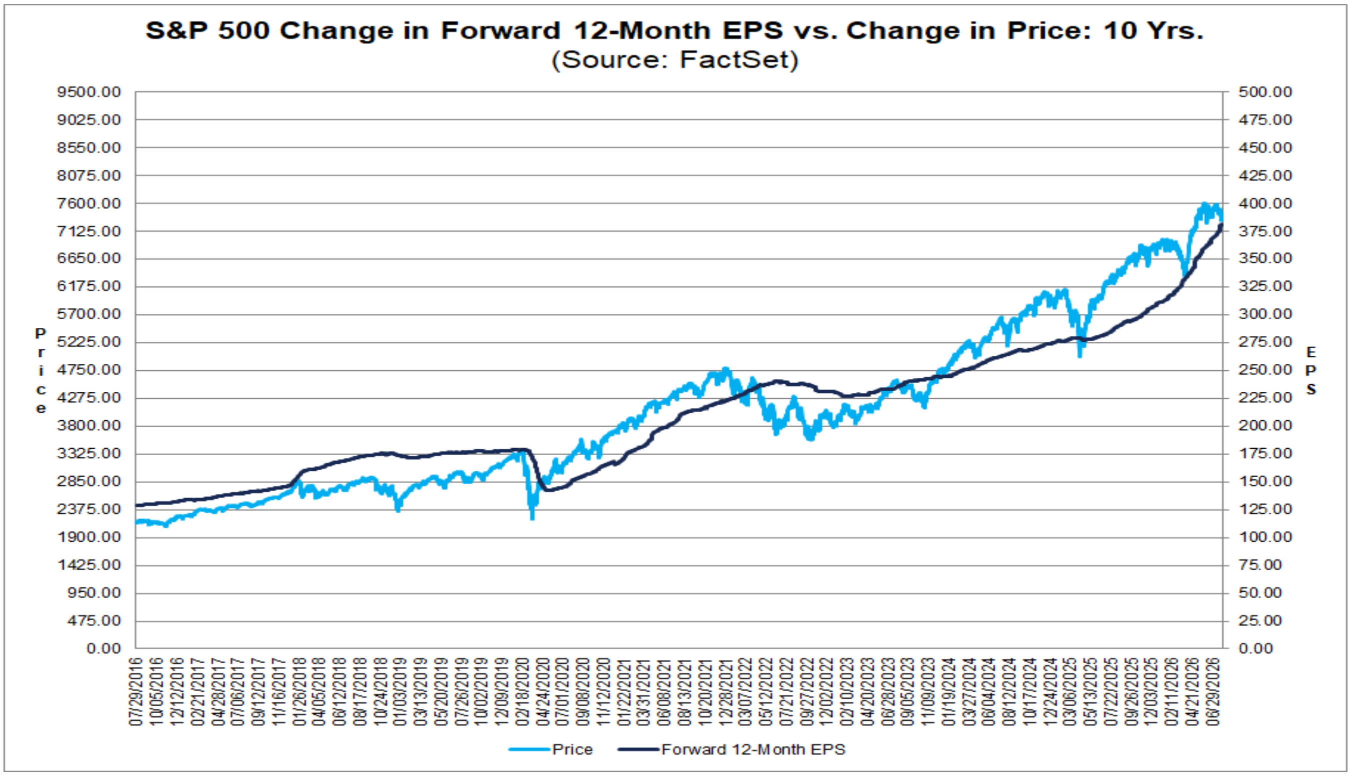


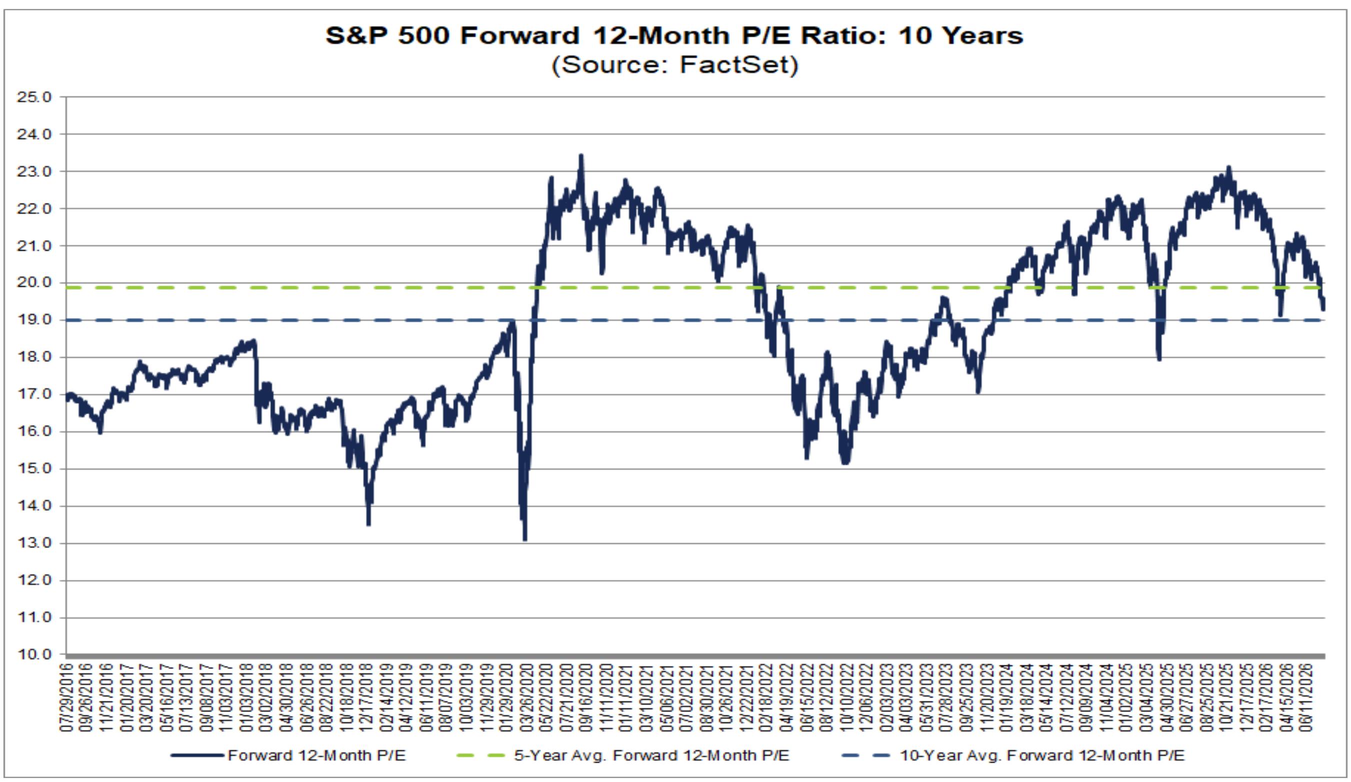
	Industrials	Consumer Disc.	Consumer Staples	Info. Technology	S&P 500	Real Estate	Health Care	Utilities	Materials	Comm. Services	Financials	Energy
Fwd P/E	24.7	24.3	22.1	21.8	19.6	18.8	18.7	17.7	17.7	17.0	15.3	13.7
5-Yr Avg.	20.9	26.3	20.8	25.7	19.9	18.3	17.3	18.1	17.8	18.5	14.6	12.6
10-Yr Avg.	19.9	25.4	20.1	23.0	19.0		16.5	18.0	17.7	17.5	13.9	11.9

Sector-Level Change in Fwd. 12-Month EPS vs. Price: Since Jun 30
(Source: FactSet)

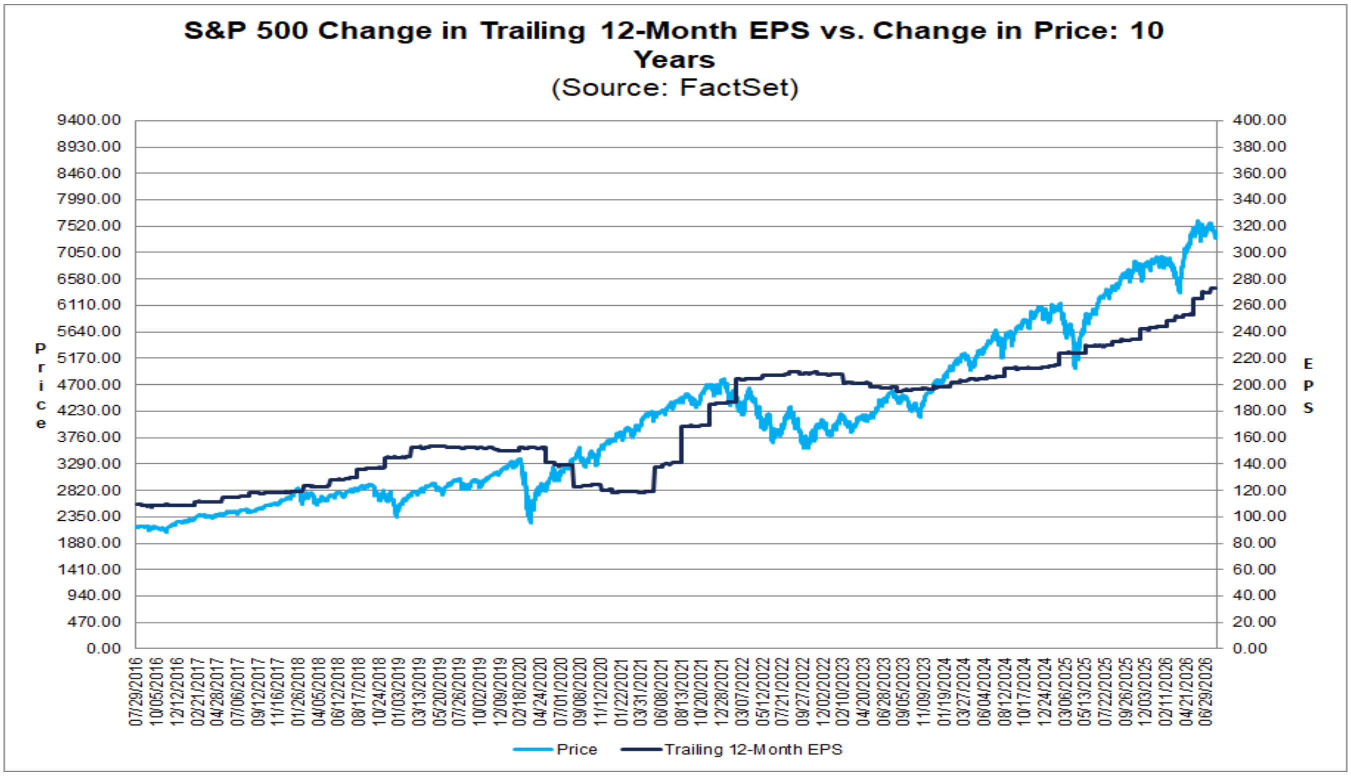


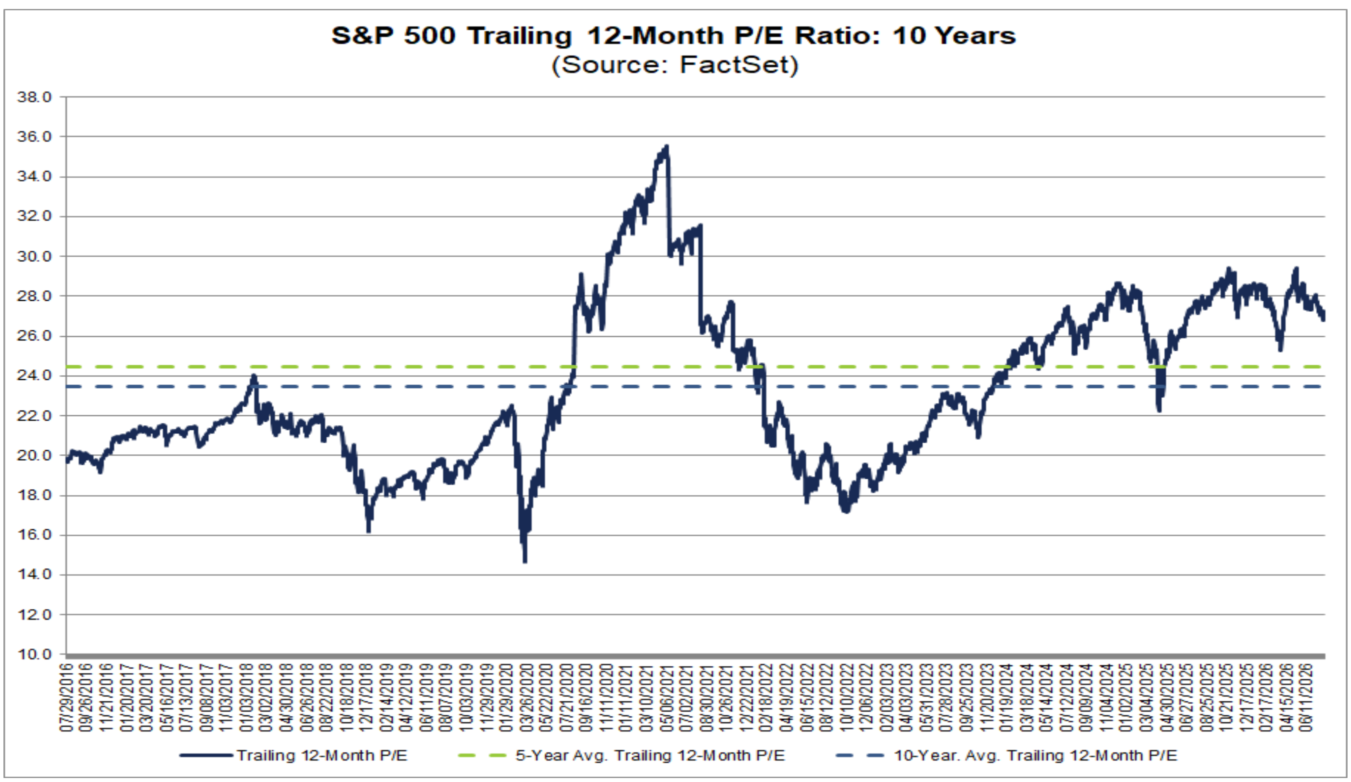
Forward 12M P/E Ratio: 10-Years





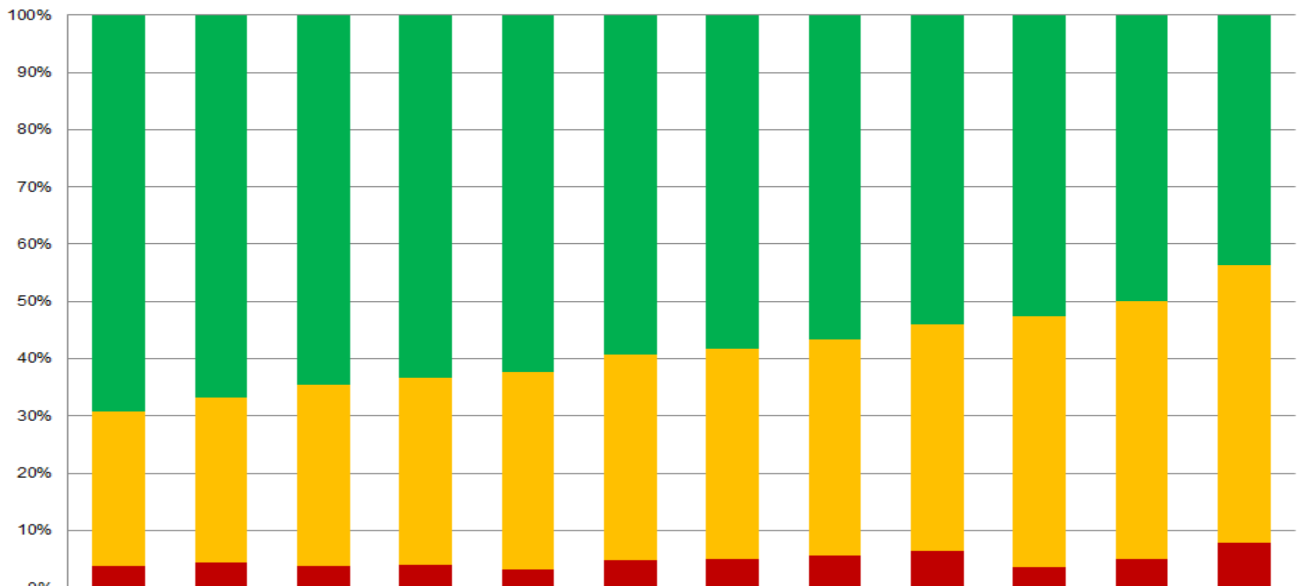
Trailing 12M P/E Ratio: 10-Years





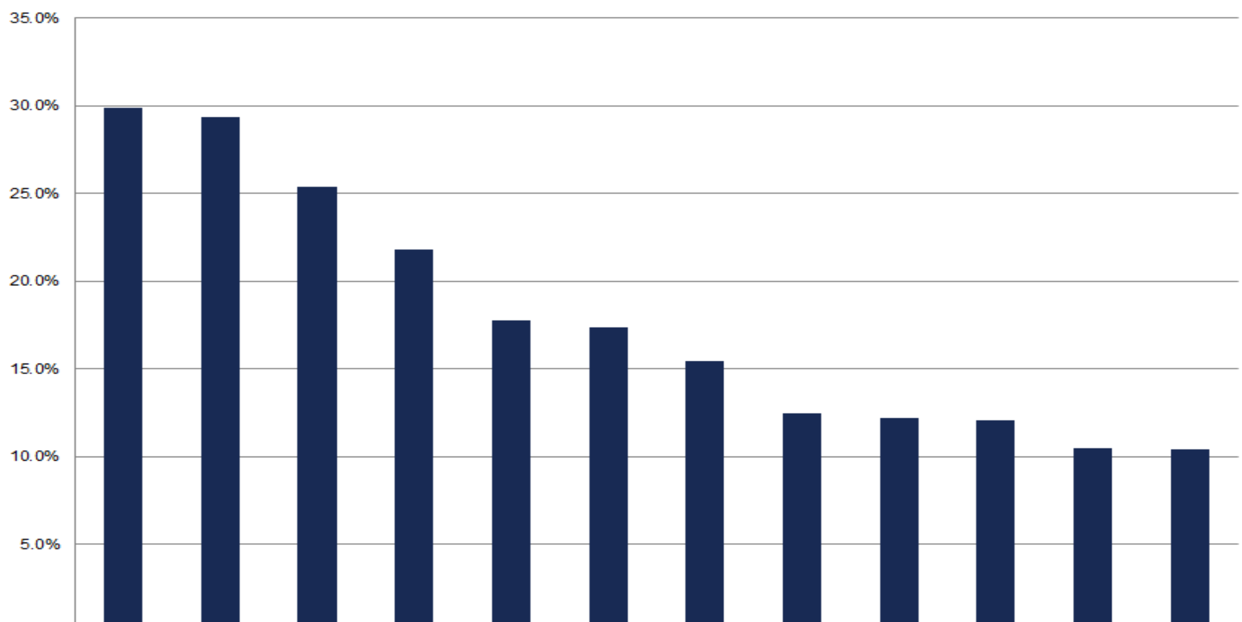
Targets & Ratings

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



	Info. Tech.	Comm. Services	Materials	Energy	Health Care	S&P 500	Consumer Disc.	Industrials	Financials	Real Estate	Utilities	Consumer Staples
Buy	69%	67%	65%	63%	62%	59%	58%	57%	54%	53%	50%	44%
Hold	27%	29%	32%	33%	35%	36%	37%	38%	39%	44%	45%	49%
Sell	4%	4%	4%	4%	3%	5%	5%	6%	6%	4%	5%	8%

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



	Comm. Services	Info. Tech.	Consumer Disc.	S&P 500	Industrials	Materials	Utilities	Consumer Staples	Health Care	Energy	Real Estate	Financials
Target/Close	29.9%	29.3%	25.4%	21.8%	17.7%	17.4%	15.4%	12.4%	12.2%	12.1%	10.5%	10.4%

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