

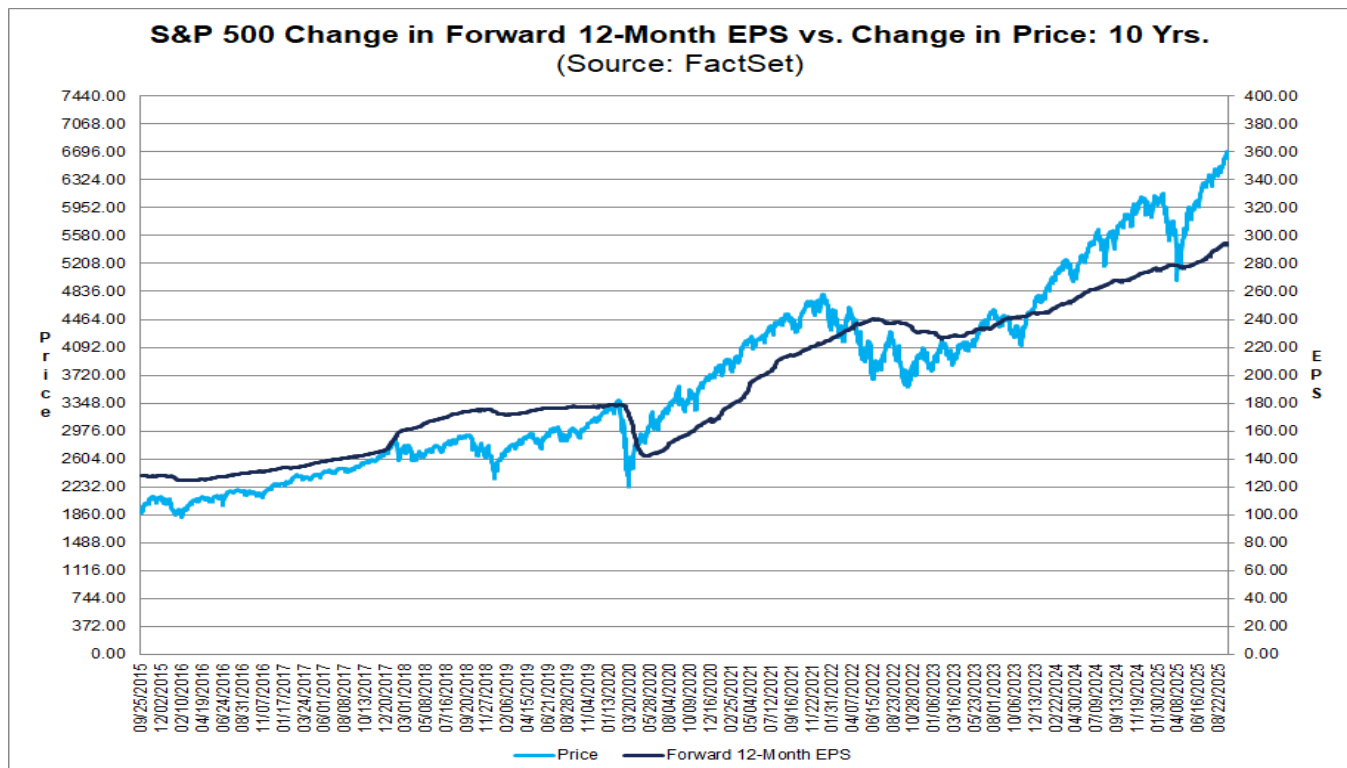
John Butters  
VP, Senior Earnings Analyst  
[jbutters@factset.com](mailto:jbutters@factset.com)

Media Questions/Requests  
[media\\_request@factset.com](mailto:media_request@factset.com)

September 26, 2025

## Key Metrics

- **Earnings Growth:** For Q3 2025, the estimated (year-over-year) earnings growth rate for the S&P 500 is 7.9%. If 7.9% is the actual growth rate for the quarter, it will mark the ninth consecutive quarter of earnings growth for the index.
- **Earnings Revisions:** On June 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q3 2025 was 7.3%. Six sectors are expected to report higher earnings today (compared to June 30) due to upward revisions to EPS estimates.
- **Earnings Guidance:** For Q3 2025, 56 S&P 500 companies have issued negative EPS guidance and 56 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.5. This P/E ratio is above the 5-year average (19.9) and above the 10-year average (18.6).
- **Earnings Scorecard:** For Q3 2025 (with 14 S&P 500 companies reporting actual results), 9 S&P 500 companies have reported a positive EPS surprise and 9 S&P 500 companies have reported a positive revenue surprise.



To receive this report via e-mail or view other articles with FactSet content, please go to: <https://insight.factset.com/>  
To learn more about the FactSet difference ("Why FactSet?"), please go to: <https://www.factset.com/why-factset>

## Table of Contents

## Commentary

<b>Key Metrics</b>	<b>1</b>
<b>Table of Contents</b>	<b>2</b>
<b>Topic of the Week</b>	<b>3</b>
<b>Overview</b>	<b>5</b>
<b>Earnings Revisions</b>	<b>6</b>
<b>Earnings Guidance</b>	<b>7</b>
<b>Earnings Growth</b>	<b>8</b>
<b>Revenue Growth</b>	<b>9</b>
<b>Forward Estimates &amp; Valuation</b>	<b>11</b>

## Charts

<b>Q225 Earnings &amp; Revenue Scorecard</b>	<b>12</b>
<b>Q225 Earnings &amp; Revenue Surprises</b>	<b>13</b>
<b>Q225 Earnings &amp; Revenue Growth</b>	<b>15</b>
<b>Q225 Net Profit Margin</b>	<b>18</b>
<b>Q325 EPS Guidance</b>	<b>19</b>
<b>Q325 EPS Revisions</b>	<b>20</b>
<b>Q325 Earnings &amp; Revenue Growth</b>	<b>21</b>
<b>FY25 / FY26 EPS Guidance</b>	<b>22</b>
<b>CY25 Earnings &amp; Revenue Growth</b>	<b>23</b>
<b>CY26 Earnings &amp; Revenue Growth</b>	<b>24</b>
<b>Geographic Revenue Exposure</b>	<b>25</b>
<b>Bottom-Up EPS Estimates</b>	<b>26</b>
<b>Forward 12-Month P/E Ratio</b>	<b>28</b>
<b>Trailing 12-Month P/E Ratio</b>	<b>30</b>
<b>Target &amp; Ratings</b>	<b>31</b>

## Topic of the Week:

## Industry Analysts Project 11% Increase in S&amp;P 500 Price Over the Next 12 Months

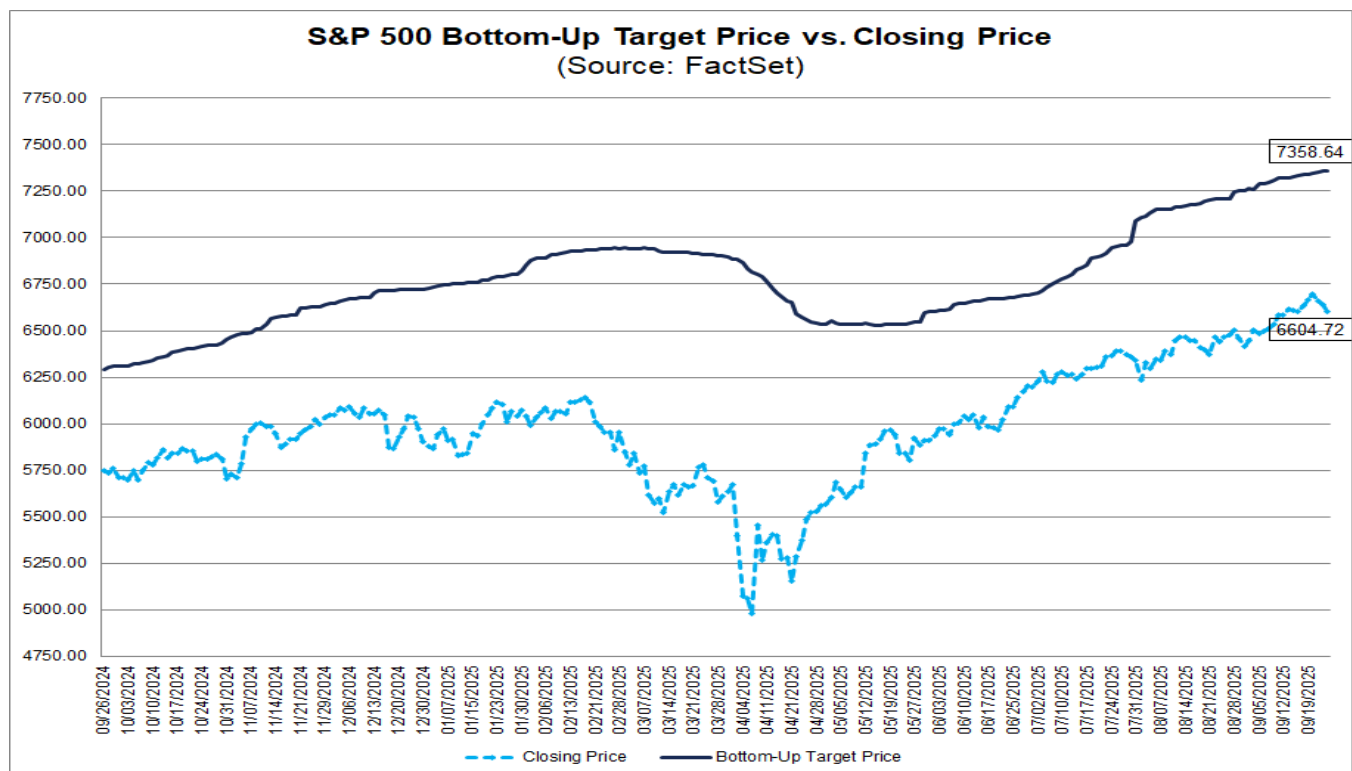
After recently closing at a record-high value, where do industry analysts believe the price of the S&P 500 will go from here?

Industry analysts in aggregate predict the S&P 500 will see a price increase of 11.4% over the next twelve months. This percentage is based on the difference between the bottom-up target price and the closing price for the index as of yesterday (September 25). The bottom-up target price is calculated by aggregating the median target price estimates (based on company-level estimates submitted by industry analysts) for all the companies in the index. On September 25, the bottom-up target price for the S&P 500 was 7,358.64, which was 11.4% above the closing price of 6,604.72.

At the sector level, the Health Care (+15.5%) sector is expected to see the largest price increase, as this sector had the largest upside difference between the bottom-up target price and the closing price on September 25. On the other hand, the Communications Services (+7.5%) sector is expected to see the smallest price increase, as this sector had the smallest upside difference between the bottom-up target price and the closing price on September 25.

At the company level, the ten stocks in the S&P 500 (with a minimum of 5 target prices) with the largest upside and downside differences between their median target price and closing price (on September 25) can be found on page 4.

It is interesting to note that after falling to a recent low of 6,526.32 on May 14, the bottom-up target price for the S&P 500 has increased by 12.8% (to 7,353.68 from 6,526.32) over the past four months. At the sector level, ten sectors have recorded an increase in their bottom-up target price since May 14, led by the Information Technology sector at 23.2% (to 6,252.40 from 5,075.67).

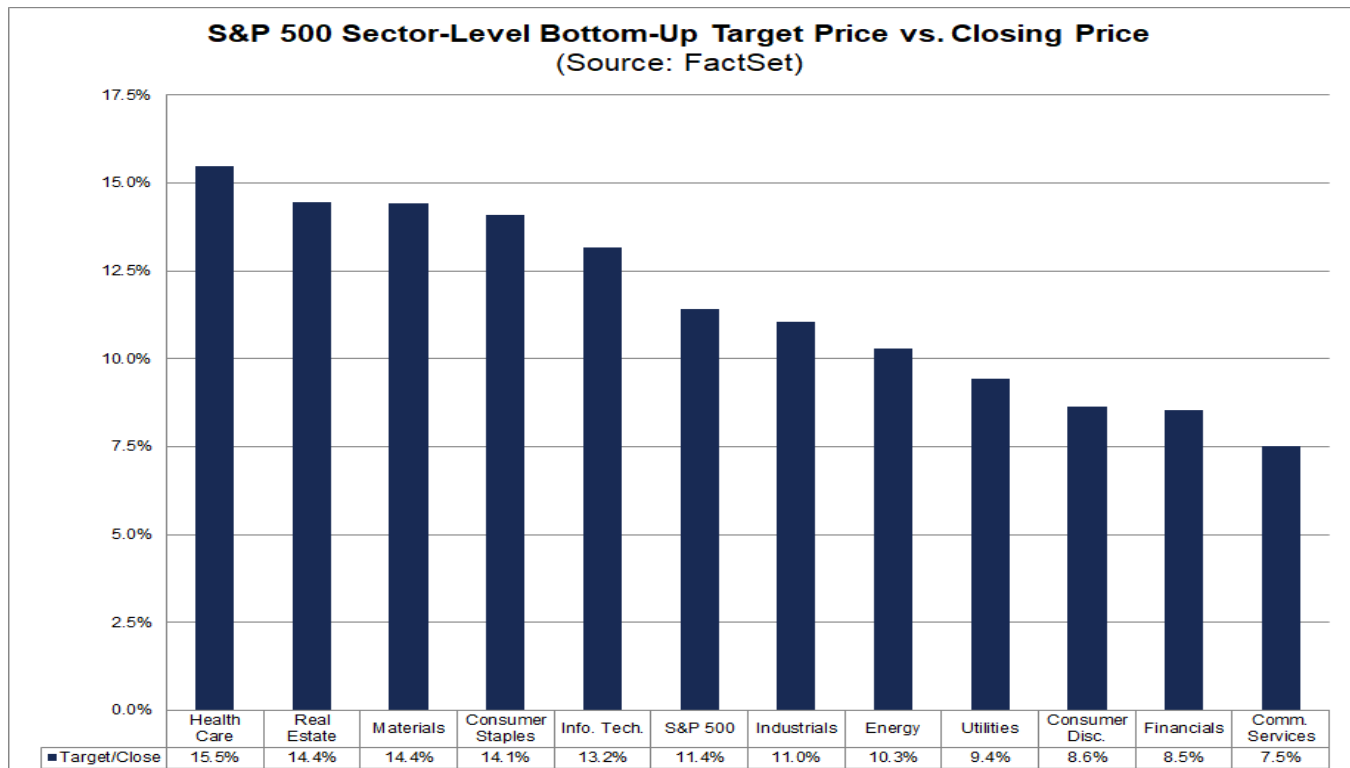


**Difference Between Median Target Price & Closing Price: Top 10 (Source: FactSet)**

Company	Target	Closing	Diff (\$)	Diff (%)
Trade Desk, Inc. Class A	75.00	46.76	28.24	<b>60.4%</b>
Align Technology, Inc.	189.00	124.88	64.12	<b>51.3%</b>
DexCom, Inc.	102.00	68.30	33.70	<b>49.3%</b>
Chipotle Mexican Grill, Inc.	58.00	39.33	18.67	<b>47.5%</b>
PG&E Corporation	21.00	14.44	6.56	<b>45.4%</b>
EPAM Systems, Inc.	215.00	149.99	65.01	<b>43.3%</b>
Zoetis, Inc. Class A	200.00	141.13	58.87	<b>41.7%</b>
International Flavors & Fragrances Inc.	84.50	60.30	24.20	<b>40.1%</b>
Fiserv, Inc.	180.00	128.66	51.34	<b>39.9%</b>
Smurfit Westrock PLC	59.00	42.28	16.72	<b>39.5%</b>

**Difference Between Median Target Price & Closing Price: Bottom 10 (Source: FactSet)**

Company	Target	Closing	Diff (\$)	Diff (%)
Paramount Skydance Corporation Class B	11.00	18.93	-7.93	<b>-41.9%</b>
Intel Corporation	23.00	33.99	-10.99	<b>-32.3%</b>
Warner Bros. Discovery, Inc. Series A	14.50	19.78	-5.28	<b>-26.7%</b>
Seagate Technology Holdings PLC	180.00	219.85	-39.85	<b>-18.1%</b>
Tesla, Inc.	349.00	423.39	-74.39	<b>-17.6%</b>
Centene Corporation	30.00	34.39	-4.39	<b>-12.8%</b>
Western Digital Corporation	94.00	107.21	-13.21	<b>-12.3%</b>
Skyworks Solutions, Inc.	70.00	79.36	-9.36	<b>-11.8%</b>
Lam Research Corporation	115.00	128.13	-13.13	<b>-10.2%</b>
Teradyne, Inc.	121.00	132.87	-11.87	<b>-8.9%</b>

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

## Q3 Earnings Season: By The Numbers

### Overview

Heading into the end of the quarter, analysts and companies have been more optimistic than normal in their earnings outlooks for the third quarter. As a result, estimated earnings for the S&P 500 for the third quarter are higher today compared to expectations at the start of the quarter. On a year-over-year basis, the index is expected to report earnings growth for the ninth-straight quarter.

In terms of estimate revisions for companies in the S&P 500, analysts have increased earnings estimates for Q3 2025. On a per-share basis, estimated earnings for the third quarter have increased by 0.3% since June 30. In a typical quarter, analysts usually lower earnings estimates during the quarter. Over the past five years (20 quarters), earnings expectations have fallen by 1.4% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have fallen by 3.2% on average during a quarter.

In terms of guidance, both the number and percentage of S&P 500 companies issuing positive EPS guidance for Q3 2025 are higher than average. At this point in time, 112 companies in the index have issued EPS guidance for Q3 2025. Of these companies, 56 have issued negative EPS guidance and 56 have issued positive EPS guidance. The number of companies issuing positive EPS guidance is well above the 5-year average (42) and well above the 10-year average (39). The percentage of S&P 500 companies issuing positive EPS guidance for Q3 2025 is 50% (56 out of 112), which is also well above the 5-year average of 43% and well above the 10-year average of 39%.

Due to the upward revisions to earnings estimates by analysts and the positive EPS guidance issued by companies, the estimated (year-over-year) earnings growth rate for Q3 2025 is higher today relative to the start of the third quarter. As of today, the S&P 500 is expected to report (year-over-year) earnings growth of 7.9%, compared to the estimated (year-over-year) earnings growth rate of 7.3% on June 30.

If 7.9% is the actual growth rate for the quarter, it will mark the ninth consecutive quarter of year-over-year earnings growth for the index.

Eight of the eleven sectors are projected to report year-over-year growth, led by the Information Technology, Utilities, Materials, and Financials sectors. On the other hand, three sectors are predicted to report a year-over-year decline in earnings, led by the Energy and Consumer Staples sectors.

In terms of revenues, analysts have also raised their estimates during the quarter. As of today, the S&P 500 is expected to report (year-over-year) revenue growth of 6.3%, compared to the expectations for revenue growth of 4.8% on June 30.

If 6.3% is the actual revenue growth rate for the quarter, it will mark the second-highest growth rate reported by the index since Q3 2022 (11.0%), trailing on the previous quarter. It will also mark the 20th consecutive quarter of revenue growth for the index.

Ten sectors are projected to report year-over-year growth in revenues, led by the Information Technology, Communication Services, and Health Care sectors. On the other hand, the Energy sector is the only sector predicted to report a year-over-year decline in revenues.

For Q4 2025 through Q2 2026, analysts are calling for earnings growth rates of 7.3%, 11.7%, and 12.7%, respectively. For CY 2025 analysts are predicting (year-over-year) earnings growth of 10.8%.

The forward 12-month P/E ratio is 22.5, which is above the 5-year average (19.9) and above the 10-year average (18.6). This P/E ratio is also above the forward P/E ratio of 22.1 recorded at the end of the second quarter (June 30).

During the upcoming week, 5 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the third quarter.

## Earnings Revisions: Technology Sector Has Seen Largest Increase in EPS Estimates Since June 30

### No Change in Earnings Growth Rate for Q3 This Week

During the past week, the estimated earnings growth rate for the S&P 500 for Q3 2025 remained unchanged at 7.9%.

The estimated earnings growth rate for the S&P 500 for Q3 2025 of 7.9% today is above the estimate of 7.3% at the start of the quarter (June 30), as estimated earnings for the index of \$593.3 billion today are 0.6% above the estimate of \$589.7 billion at the start of the quarter. Six sectors have recorded an increase in (expected) dollar-level earnings due to upward revisions to earnings estimates, led by the Information Technology, Financials, and Communication Services sectors. On the other hand, five sectors have recorded a decrease in expected (dollar-level) earnings due to downward revisions to earnings estimates, led by the Health Care and Materials sectors.

### Information Technology: NVIDIA and Apple Lead Earnings Increase Since June 30

The Information Technology sector has recorded the largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 4.3% (to \$146.1 billion from \$140.1 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 20.9% today from 15.9% on June 30. This sector has also recorded the second-largest increase in price of all 11 sectors since June 30 at 11.3%. Overall, 54 of the 68 companies (79%) in the Information Technology sector have seen an increase in their mean EPS estimate during this time. Of these 54 companies, 13 have recorded an increase in their mean EPS estimate of more than 10%, led by Skyworks Solutions (to \$1.40 from \$0.99), Lam Research (to \$1.21 from \$0.98), Micron Technology (to \$3.03 from \$2.49), and Palantir Technologies (to \$0.17 from \$0.14). However, NVIDIA (to \$1.24 from \$1.17), Apple (to \$1.76 from \$1.65), Microsoft (to \$3.65 from \$3.56), and Micron Technology have been the largest contributors to the increase in expected (dollar-level) earnings for this sector since June 30.

### Financials: Progressive and JPMorgan Chase Lead Earnings Increase Since June 30

The Financials sector has recorded the second-largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 3.2% (to \$107.3 billion from \$104.0 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 11.0% today from 7.6% on June 30. This sector has also recorded an increase in price of 2.1% since June 30. Overall, 51 of the 75 companies (68%) in the Financials sector have seen an increase in their mean EPS estimate during this time. Of these 51 companies, 9 have recorded an increase in their mean EPS estimate of more than 10%, led by Robinhood Markets (to \$0.45 from \$0.28), Allstate (to \$6.01 from \$4.36), and Progressive (to \$4.80 from \$3.53). Progressive and JPMorgan Chase (to \$4.74 from \$4.48) have been the largest contributors to the increase in expected (dollar-level) earnings for this sector since June 30.

### Communication Services: Meta Platforms and Alphabet Lead Earnings Increase Since June 30

The Communication Services sector has recorded the third-largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 2.8% (to \$65.3 billion from \$63.5 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 3.6% today from 0.8% on June 30. This sector has also recorded the largest increase in price of all 11 sectors since June 30 at 12.7%. Overall, 7 of the 21 companies (33%) in the Communication Services sector have seen an increase in their mean EPS estimate during this time. Of these 7 companies, 1 has recorded an increase in its mean EPS estimate of more than 10%: Meta Platforms (to \$6.66 from \$5.89). Meta Platforms and Alphabet (to \$2.32 from \$2.23) have been the largest contributors to the increase in expected (dollar-level) earnings for this sector since June 30.



### Health Care: UnitedHealth Group Leads Earnings Decrease Since June 30

On the other hand, the Health Care sector has recorded the largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -6.5% (to \$70.6 billion from \$75.5 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has decreased to 0.3% today from 7.3% on June 30. This sector has also recorded the second-largest decrease in price of all 11 sectors since June 30 at -0.5%. Overall, 33 of the 60 companies (55%) in the Health Care sector have seen a decrease in their mean EPS estimate during this time. Of these 33 companies, 7 have recorded a decline in their mean EPS estimate of more than 10%, led by Centene Corporation (to -\$0.14 from \$1.58), UnitedHealth Group (to \$2.81 from \$5.15), Elevance Health (to \$5.19 from \$8.62), and Molina Healthcare (to \$4.00 from \$6.26). UnitedHealth Group, Centene Corporation, Pfizer (to \$0.72 from \$0.87), and Elevance Health have been the largest contributors to the decrease in expected (dollar-level) earnings for this sector since June 30.

### Materials: Dow Leads Earnings Decrease Since June 30

The Materials sector has recorded the second-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -4.7% (to \$11.4 billion from \$12.0 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has decreased to 13.8% today from 19.4% on June 30. Despite the decline in expected earnings, this sector has recorded an increase in price of 0.6% since June 30. Overall, 18 of the 26 companies (69%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 18 companies, 10 have recorded a decline in their mean EPS estimate of more than 10%, led by Dow (to -\$0.29 from \$0.14), Albemarle (to -\$0.90 from -\$0.38), Eastman Chemical (to \$1.21 from \$1.92), and LyondellBasell Industries (to \$0.87 from \$1.28). Dow has also been the largest contributor to the decrease in expected (dollar-level) earnings for this sector since June 30.

### Index-Level EPS Estimate: 0.3% Increase Since June 30

The Q3 bottom-up EPS estimate (which is an aggregation of the median Q3 earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings of the index) has increased by 0.3% (to \$67.53 from \$67.32) since June 30. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 1.4% on average during a quarter. Over the past ten years (40 quarters), earnings expectations have fallen by 3.2% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 3.4% on average during a quarter. Over the past twenty years (60 quarters), earnings expectations have fallen by 4.3% on average during a quarter.

**Guidance: Number of Cos. Issuing Positive EPS Guidance for Q3 is Above Average**

### Quarterly Guidance: Number of Cos. Issuing Positive EPS Guidance for Q3 is Above Average

At this point in time, 112 companies in the index have issued EPS guidance for Q3 2025. Of these 112 companies, 56 have issued negative EPS guidance and 56 have issued positive EPS guidance. The number of S&P 500 companies issuing negative EPS guidance for Q3 2025 is below the 5-year average of 57 and below the 10-year average of 62. The number of companies issuing positive EPS guidance for Q3 2025 is above the 5-year average of 42 and above the 10-year average of 39.

The percentage of companies issuing negative EPS guidance for Q3 2025 is 50% (56 out of 112), which is below the 5-year average of 57% and below the 10-year average of 61%. The percentage of S&P 500 companies issuing positive EPS guidance for Q3 2025 is 50% (56 out of 112), which is above the 5-year average of 43% and above the 10-year average of 39%.

At the sector level, the Information Technology sector has the highest number of companies issuing positive EPS guidance for the quarter at 36.

**Annual Guidance: 39% of S&P 500 Companies Issuing Negative Guidance for Current Year**

At this point in time, 266 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 266 companies, 103 have issued negative EPS guidance and 163 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 39% (103 out of 266).

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 Growth: 7.9%**

The estimated (year-over-year) earnings growth rate for Q3 2025 is 7.9%, which is below the 5-year average earnings growth rate of 14.9% and below the 10-year average earnings growth rate of 9.5%. If 7.9% is the actual growth rate for the quarter, it will mark the ninth consecutive quarter of year-over-year earnings growth for the index.

Eight of the eleven sectors are expected to report year-over-year earnings growth, led by the Information Technology, Utilities, Materials, and Financials sectors. On the other hand, three sectors are projected to report a year-over-year decline in earnings, led by the Energy and Consumer Staples sectors.

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

The Information Technology sector is expected to report the highest (year-over-year) earnings growth rate of all eleven sectors at 20.9%. At the industry level, all 6 industries in the sector are projected to report year-over-year earnings growth: Semiconductors & Semiconductor Equipment (45%), Electronic Equipment, Instruments, & Components (22%), Software (12%), Communication Equipment (8%), IT Services (6%), and Technology Hardware, and Storage, & Peripherals (5%).

The Semiconductors & Semiconductor Equipment industry is also the expected to be the largest contributor to earnings growth for the sector.

**Utilities: NRG Energy Is Largest Contributor to Year-Over-Year Growth**

The Utilities sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 17.5%. At the industry level, all 5 industries in the sector are projected to report year-over-year earnings growth: Independent Power and Renewable Electricity Producers (101%), Electric Utilities (14%), Gas Utilities (14%), Multi-Utilities (10%), and Water Utilities (9%).

At the company level, NRG Energy (\$2.07 vs. -\$3.79) is expected to be the largest contributor to earnings growth for the sector.

**Materials: 3 of 4 Industries Expected to Report Year-Over-Year Growth**

The Materials sector is expected to report the third-highest (year-over-year) earnings growth rate of all eleven sectors at 13.8%. At the industry level, 3 of the 4 industries in the sector are projected to report year-over-year earnings growth. All 3 are predicted to report double-digit growth: Containers & Packaging (94%), Metals & Mining (40%), and Construction Materials (16%). On the other hand, the Chemicals (-7%) industry is the only industry projected to report a year-over-year decline in earnings.



**Financials: All 5 Industries Expected to Report Year-Over-Year Growth**

The Financials sector is expected to report the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 11.0%. At the industry level, all 5 industries in the sector are projected to report year-over-year earnings growth: Consumer Finance (26%), Capital Markets (14%), Financial Services (10%), Insurance (9%), and Banks (9%).

**Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline**

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -3.4%. 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 to date in Q3 2025 (\$65.02) is 15% below the average price for oil in Q3 2024 (\$76.06). At the sub-industry level, 3 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in earnings: Oil & Gas Equipment & Services (-20%), Integrated Oil & Gas (-12%), and Oil & Gas Exploration & Production (-4%). On the other hand, two sub-industries are projected to report year-over-year earnings growth: Oil & Gas Refining & Marketing (57%) and Oil & Gas Storage & Transportation (24%).

**Consumer Staples: Food Products Industry Is Largest Contributor to Year-Over-Year Decline**

The Consumer Staples sector is expected to report the second-highest (year-over-year) earnings decline of all eleven sectors at -3.2%. At the industry level, 4 of the 6 industries in the sector are projected to report a year-over-year decline in earnings: Food Products (-23%), Household Products (-4%), Personal Care Products (-3%), and Beverages (-2%). On the other hand, two industries are predicted to report year-over-year earnings growth: Tobacco (7%) and Consumer Staples Distribution & Retail (3%).

The Food Products industry is also the expected to be the largest contributor to the earnings decline for the sector.

**Revenue Growth: 6.3%**

The estimated (year-over-year) revenue growth rate for Q3 2025 is 6.3%, which is below the 5-year average revenue growth rate of 7.2% but above the 10-year average revenue growth rate of 5.4%. If 6.3% is the actual growth rate for the quarter, it will mark the second-highest growth rate reported by the index since Q3 2022 (11.0%), trailing on the previous quarter. It will also mark the 20<sup>th</sup> consecutive quarter of revenue growth for the index.

At the sector level, ten sectors are expected to report year-over-year growth in revenues, led by the Information Technology, Communication Services, and Health Care sectors. On the other hand, the Energy sector is the only sector that is projected to report a year-over-year decline in revenues.

**Information Technology: All 6 Industries Expected to Report Year-Over-Year Growth**

The Information Technology sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 14.2%. At the industry level, all 6 industries in the sector are projected to report year-over-year revenue growth: Semiconductors & Semiconductor Equipment (26%), Electronic Equipment, Instruments, & Components (15%), Software (15%), Communication Equipment (8%), IT Services (7%), and Technology Hardware, Storage, & Peripherals (7%).

**Communication Services: 4 of 5 Industries Expected to Report Year-Over-Year Growth**

The Communication Services sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 8.4%. At the industry level, 4 of the 5 industries in the sector are projected to report year-over-year revenue growth: Interactive Media & Services (14%), Wireless Telecommunication Services (7%), Entertainment (6%), and Diversified Telecommunication Services (2%). On the other hand, the Media (-3%) industry is the only industry in the sector predicted to report a year-over-year decline in earnings.

**Health Care: All 5 Industries Expected to Report Year-Over-Year Growth**

The Health Care sector is expected to report the third-highest (year-over-year) revenue growth rate of all eleven sectors at 8.0%. At the industry level, all 5 industries in the sector are projected to report year-over-year revenue growth: Health Care Providers & Services (9%), Health Care Equipment & Supplies (8%), Pharmaceuticals (6%), Life Sciences, Tools, & Services (3%), and Biotechnology (1%).

**Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Decline**

The Energy sector is expected to report the largest (year-over-year) revenue decline of all eleven sectors at -1.2%. 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 to date in Q3 2025 (\$65.02) is 15% below the average price for oil in Q3 2024 (\$76.06). At the sub-industry level, 3 of the 5 sub-industries in the sector are predicted to report a year-over-year decline in revenues: Oil & Gas Refining & Marketing (-6%), Integrated Oil & Gas (-4%), and Oil & Gas Equipment & Services (-3%). On the other hand, two sub-industries are projected to report year-over-year growth in revenues: Oil & Gas Storage & Transportation (28%) and Oil & Gas Exploration & Production (15%).

## Forward Estimates & Valuation

### Earnings: S&P 500 Expected to Report Earnings Growth of 11% for CY 2025

For the third quarter, S&P 500 companies are expected to report year-over-year growth in earnings of 7.9% and year-over-year growth in revenues of 6.3%.

For Q4 2025, analysts are projecting earnings growth of 7.3% and revenue growth of 6.4%.

For CY 2025, analysts are projecting earnings growth of 10.8% and revenue growth of 6.1%.

For Q1 2026, analysts are projecting earnings growth of 11.7% and revenue growth of 7.1%.

For Q2 2026, analysts are projecting earnings growth of 12.7% and revenue growth of 6.4%.

For CY 2026, analysts are projecting earnings growth of 13.8% and revenue growth of 6.6%.

### Valuation: Forward P/E Ratio is 22.5, Above the 10-Year Average (18.6)

The forward 12-month P/E ratio for the S&P 500 is 22.5. This P/E ratio is above the 5-year average of 19.9 and above the 10-year average of 18.6. It is also 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 6.4%, while the forward 12-month EPS estimate has increased by 4.3%. At the sector level, the Information Technology (30.0) and Consumer Discretionary (29.0) sectors have the highest forward 12-month P/E ratios, while the Energy (15.5) sector has the lowest forward 12-month P/E ratio.

The trailing 12-month P/E ratio is 28.3, which is above the 5-year average of 25.0 and above the 10-year average of 22.7.

### Targets & Ratings: Analysts Project 11% Increase in Price Over Next 12 Months

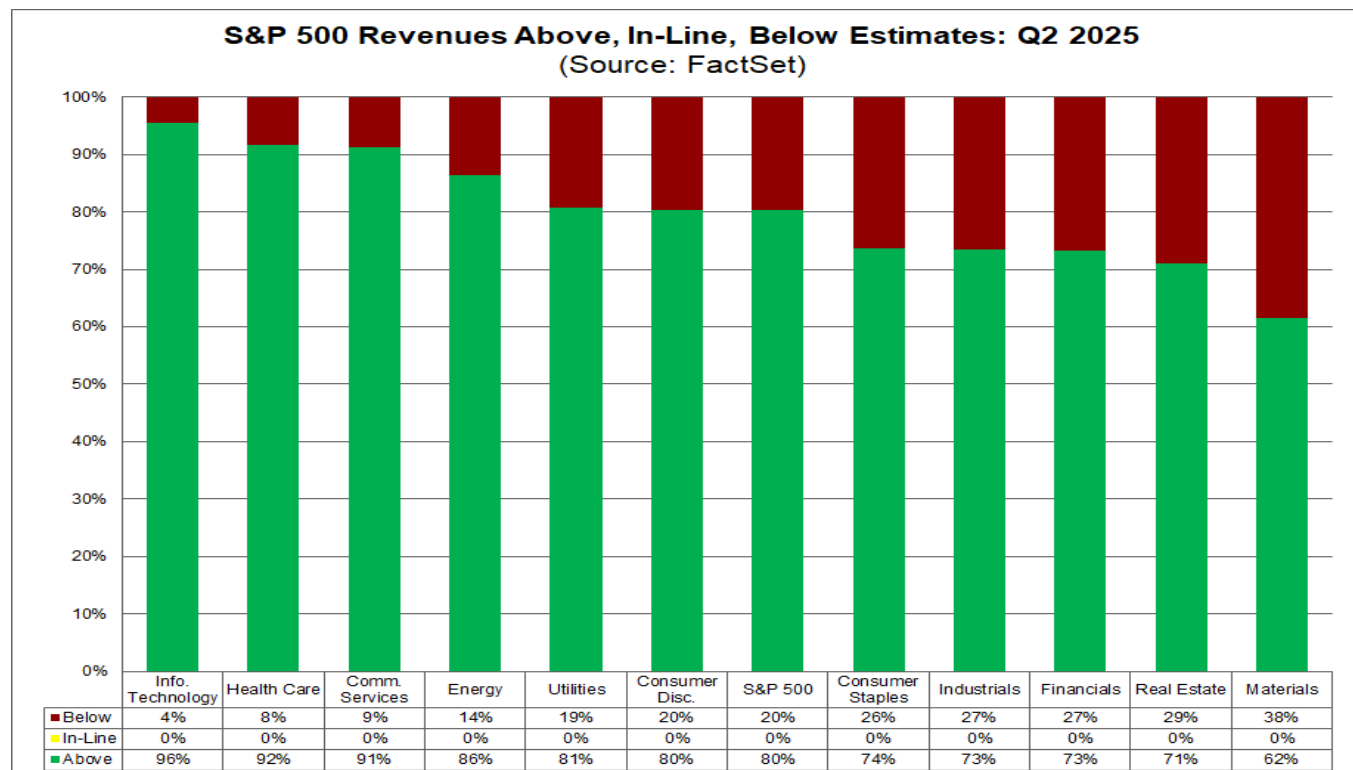
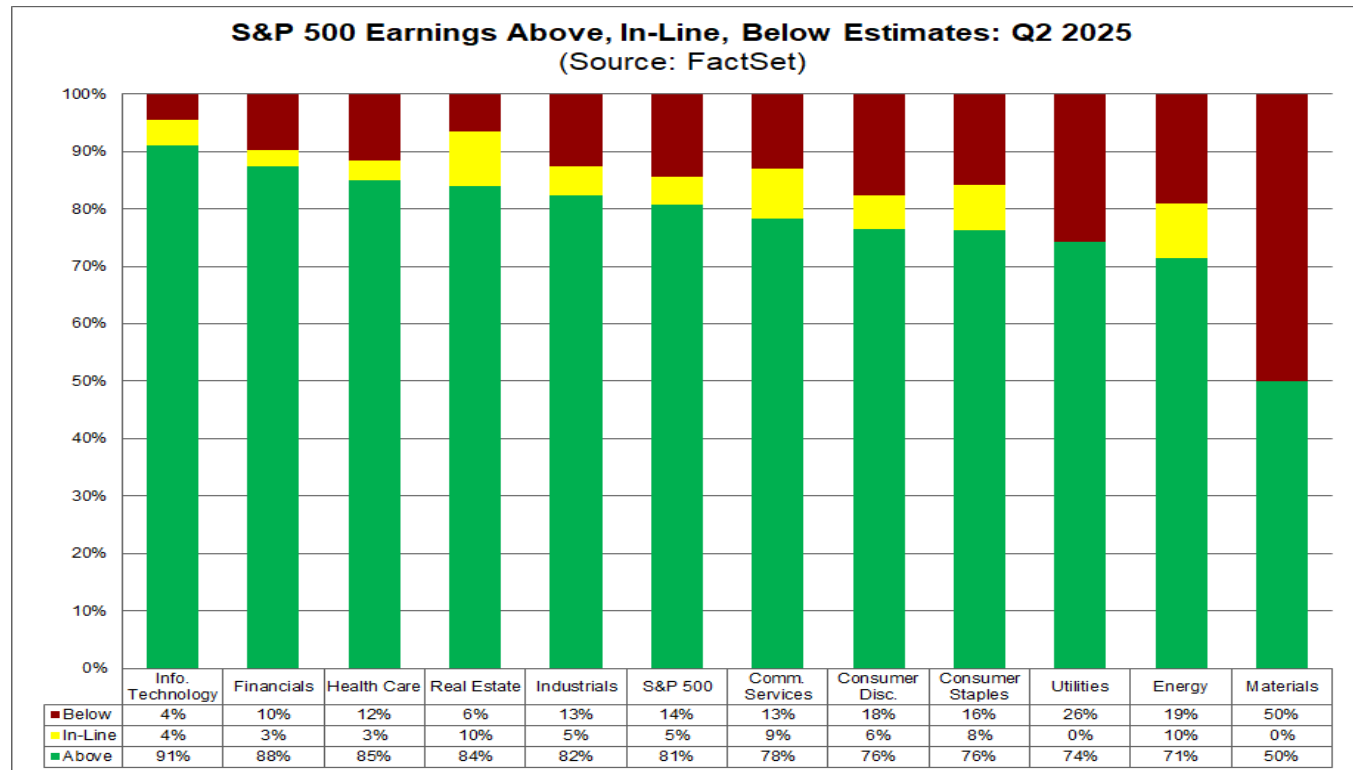
The bottom-up target price for the S&P 500 is 7358.64, which is 11.4% above the closing price of 6604.72. At the sector level, the Health Care (+15.5%) sector is expected to see the largest price increase, as this sector has the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Communication Services (+7.5%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 12,372 ratings on stocks in the S&P 500. Of these 12,372 ratings, 56.0% are Buy ratings, 38.8% are Hold ratings, and 5.2% are Sell ratings. At the sector level, the Information Technology (65%), Energy (64%), and Communication Services (63%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

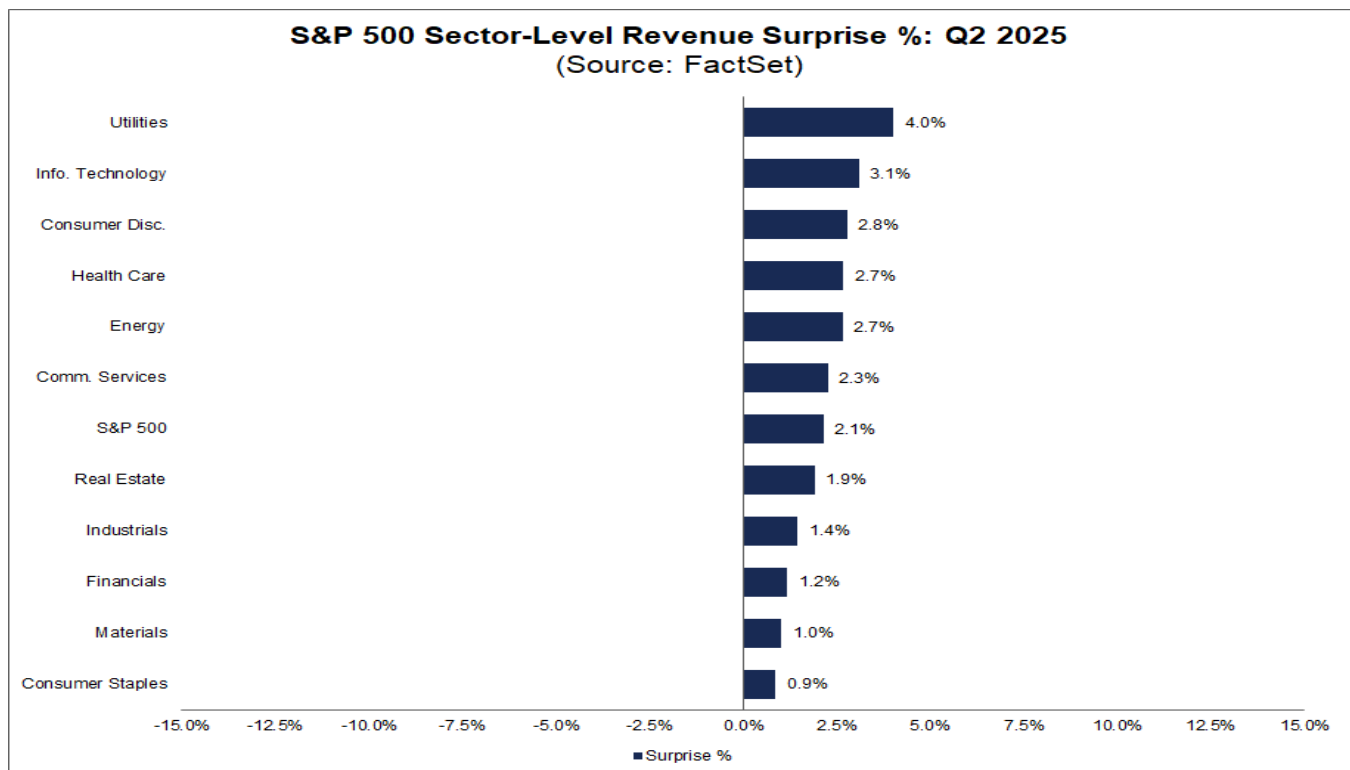
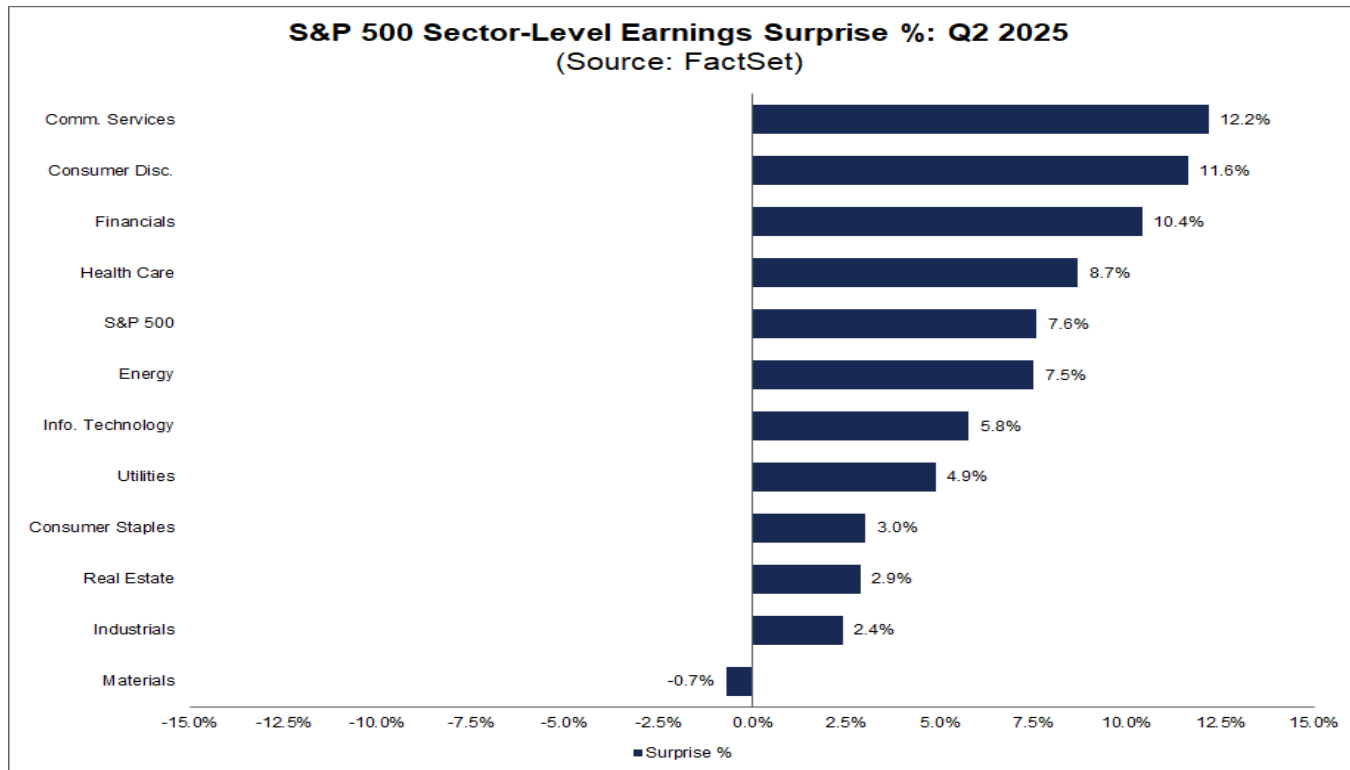
### Companies Reporting Next Week: 5

During the upcoming week, 5 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the third quarter.

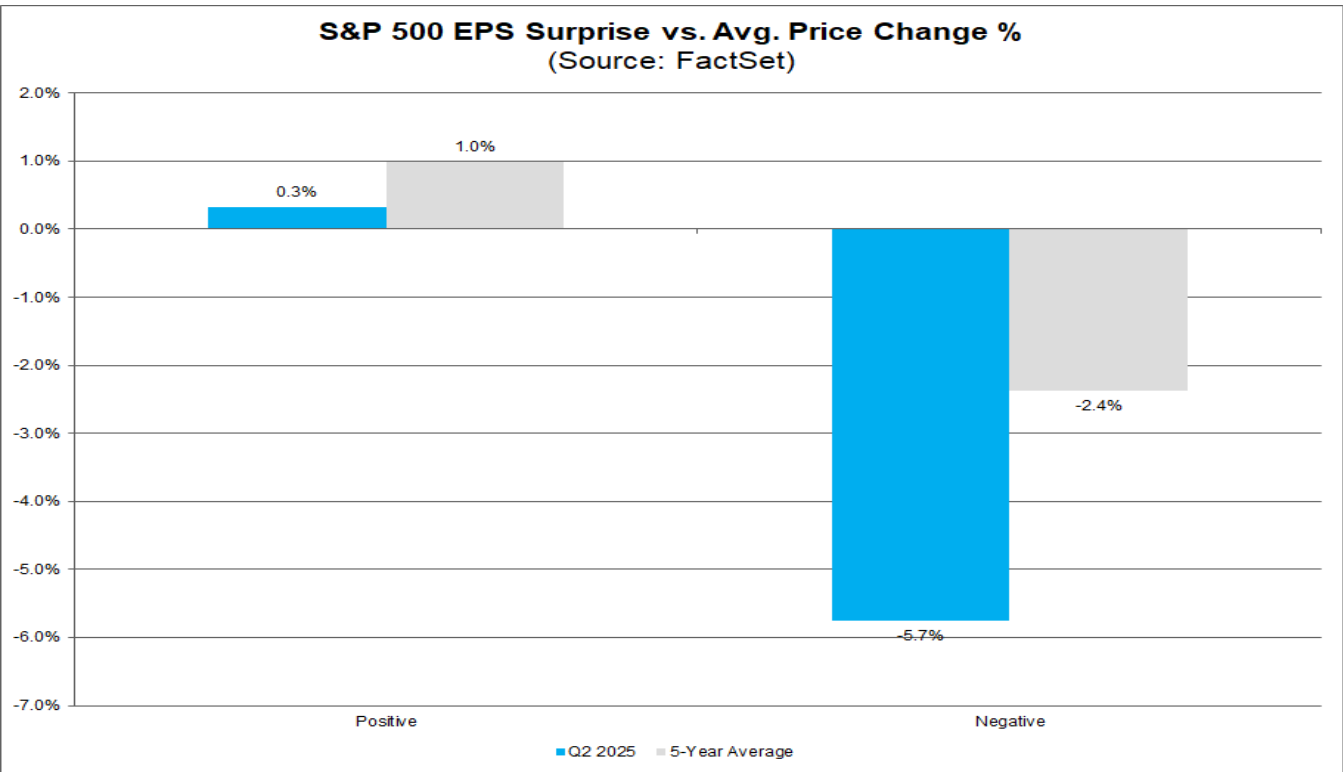
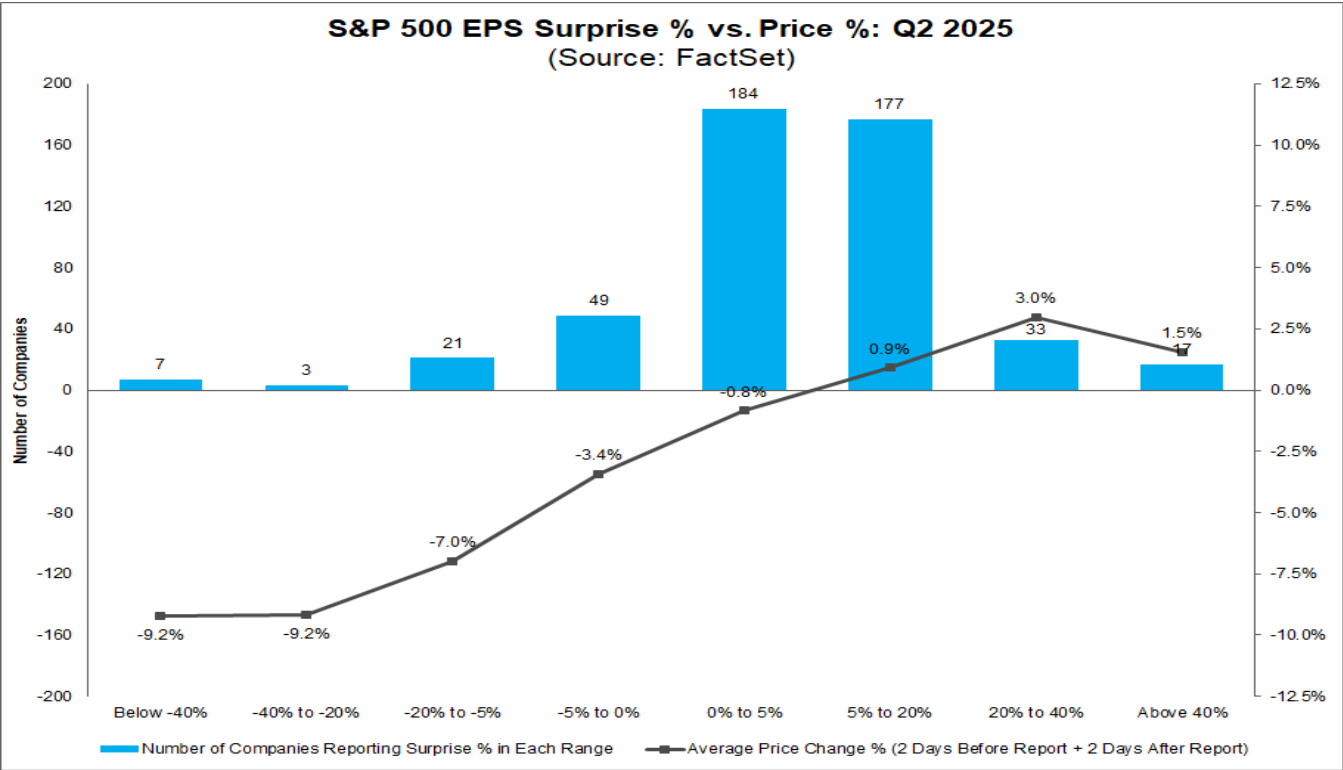
## Q2 2025: Scorecard



## Q2 2025: Surprise

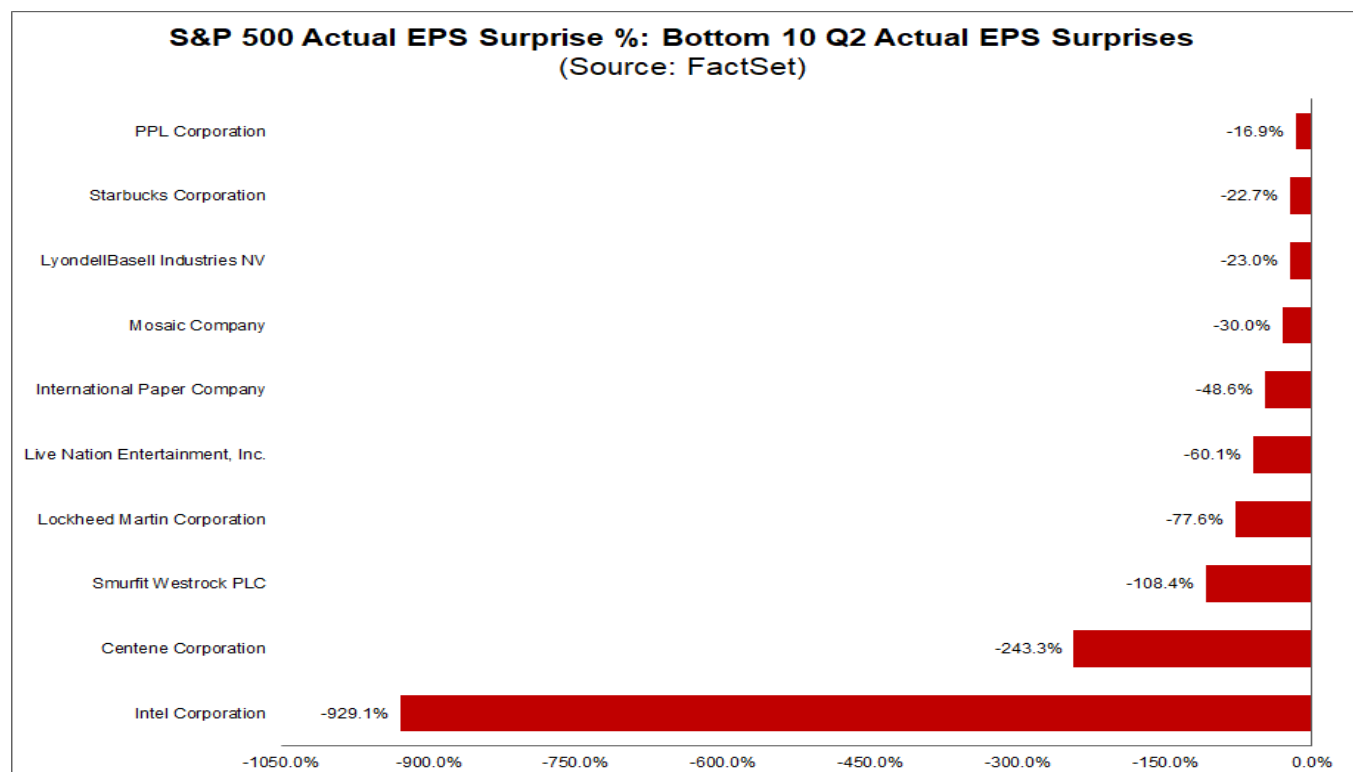
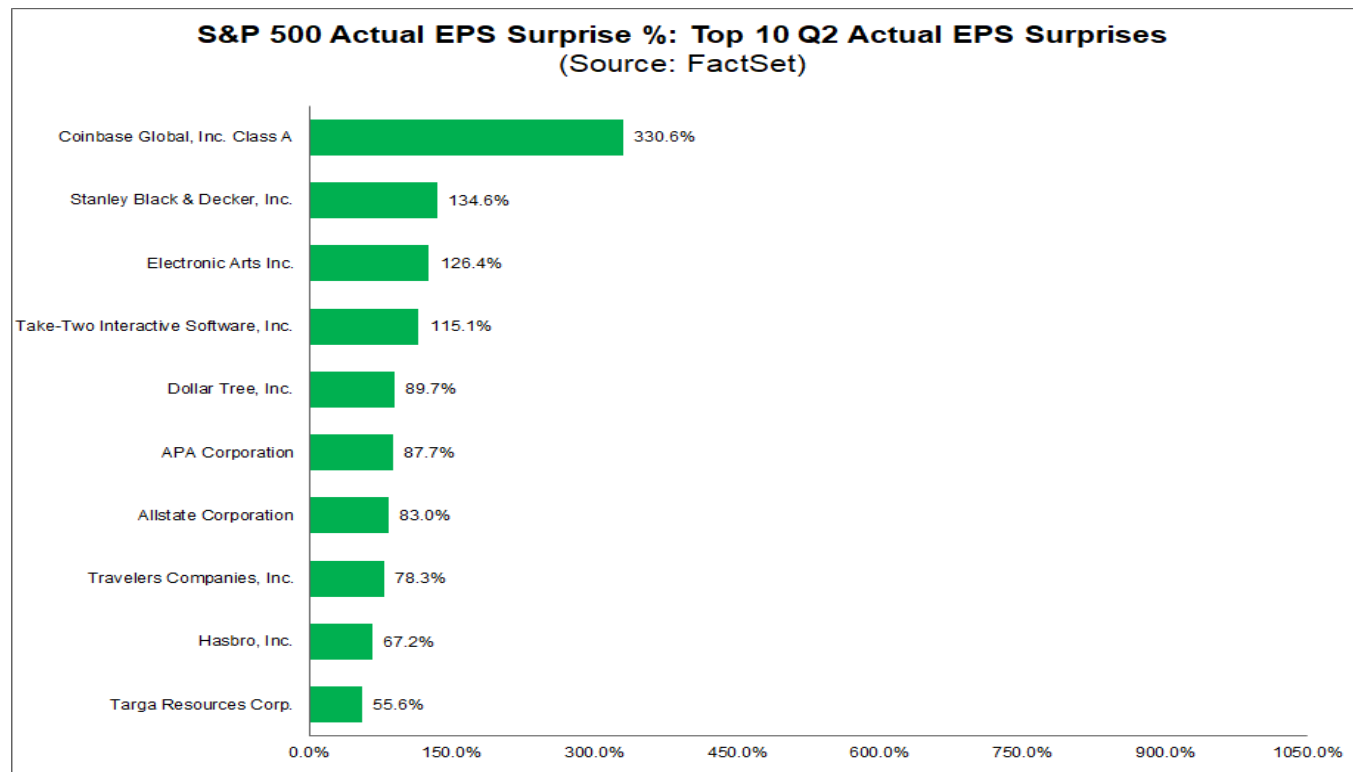


Q2 2025: Surprise

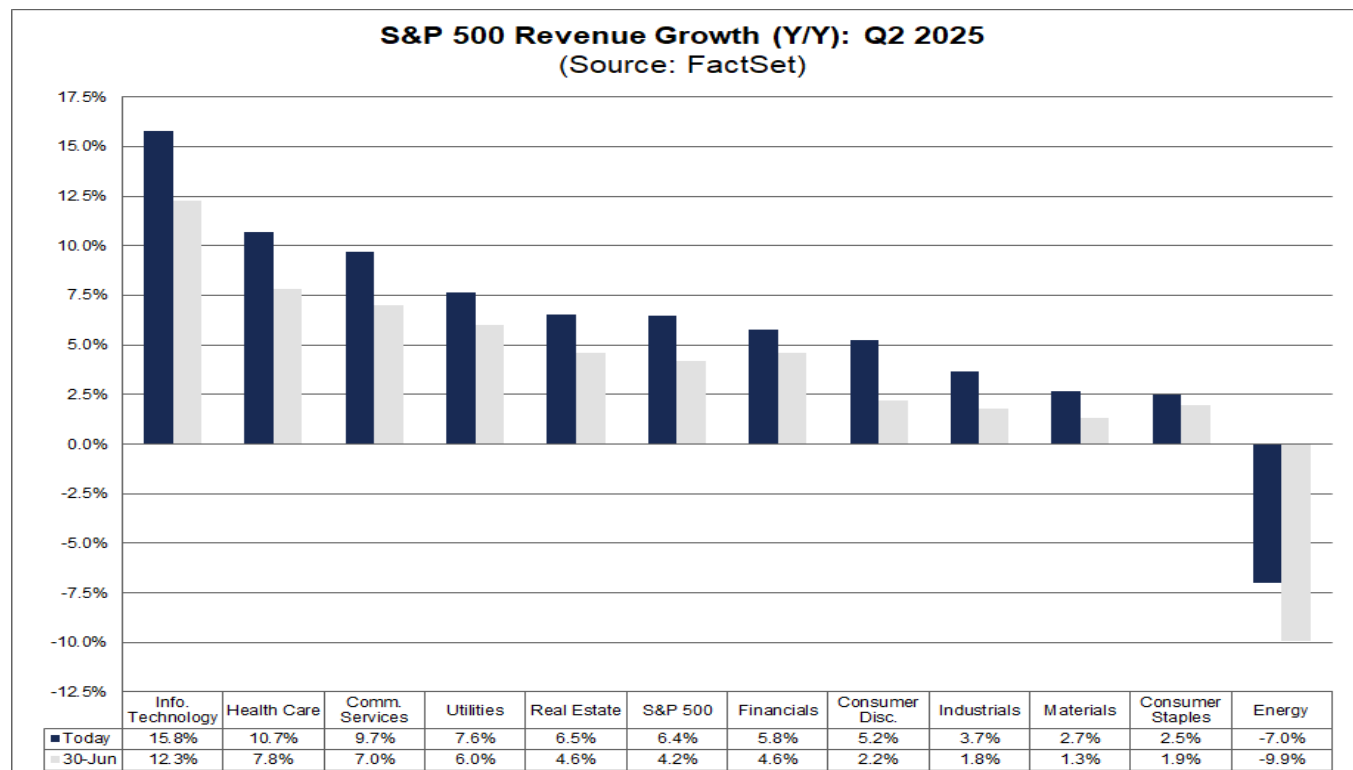
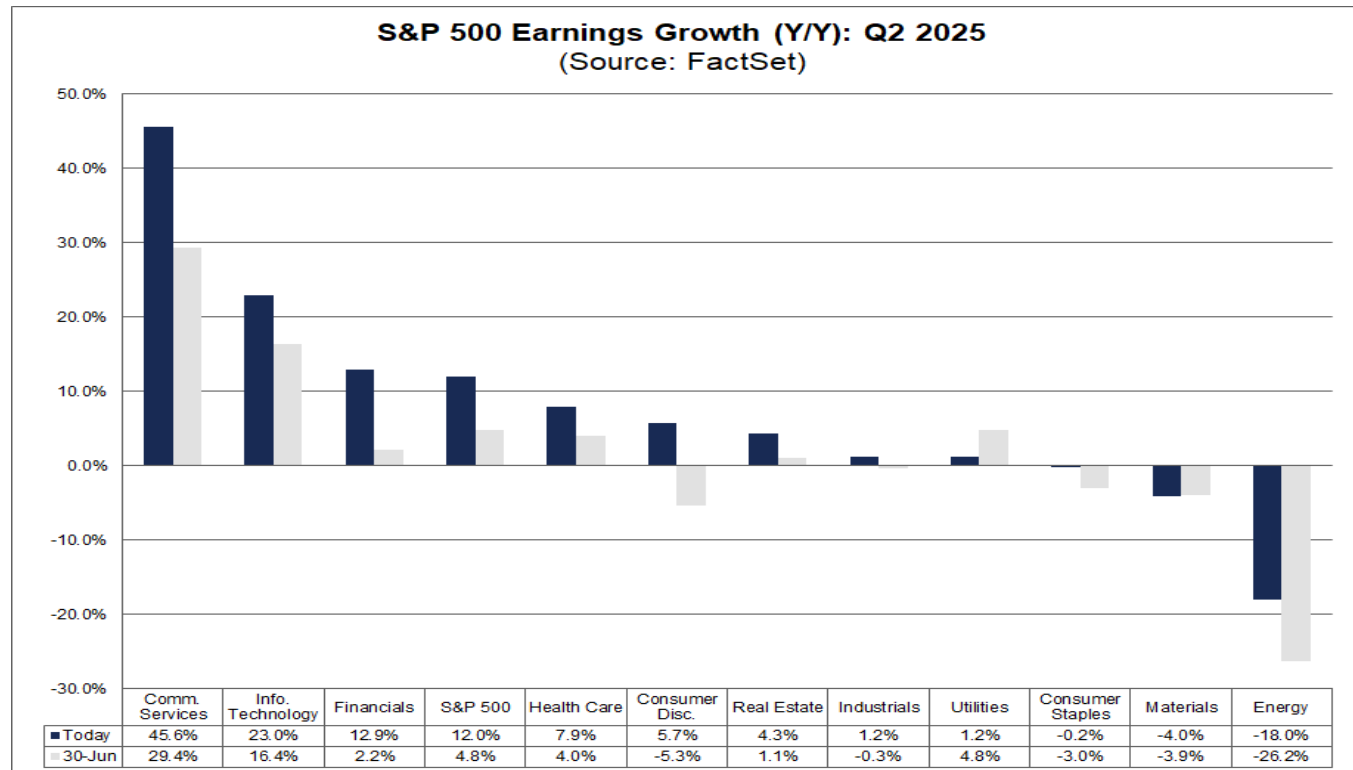




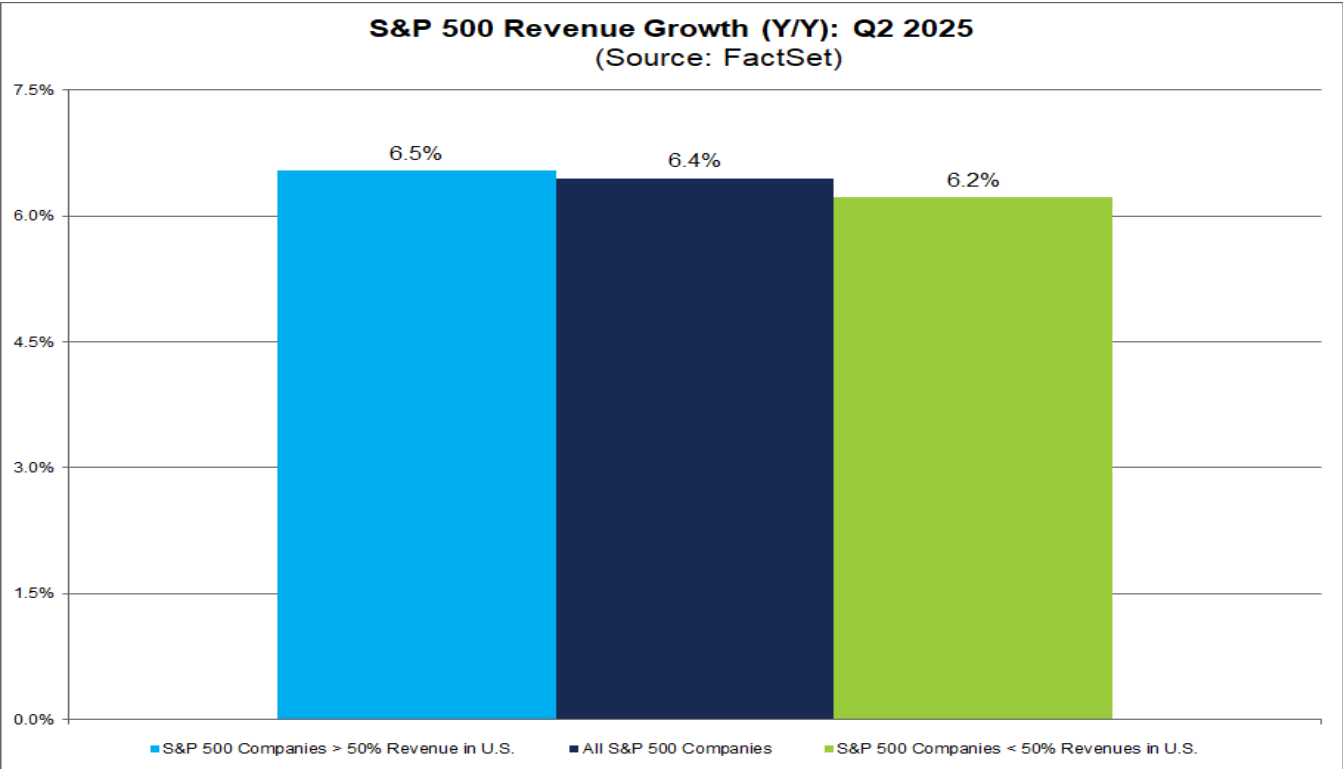
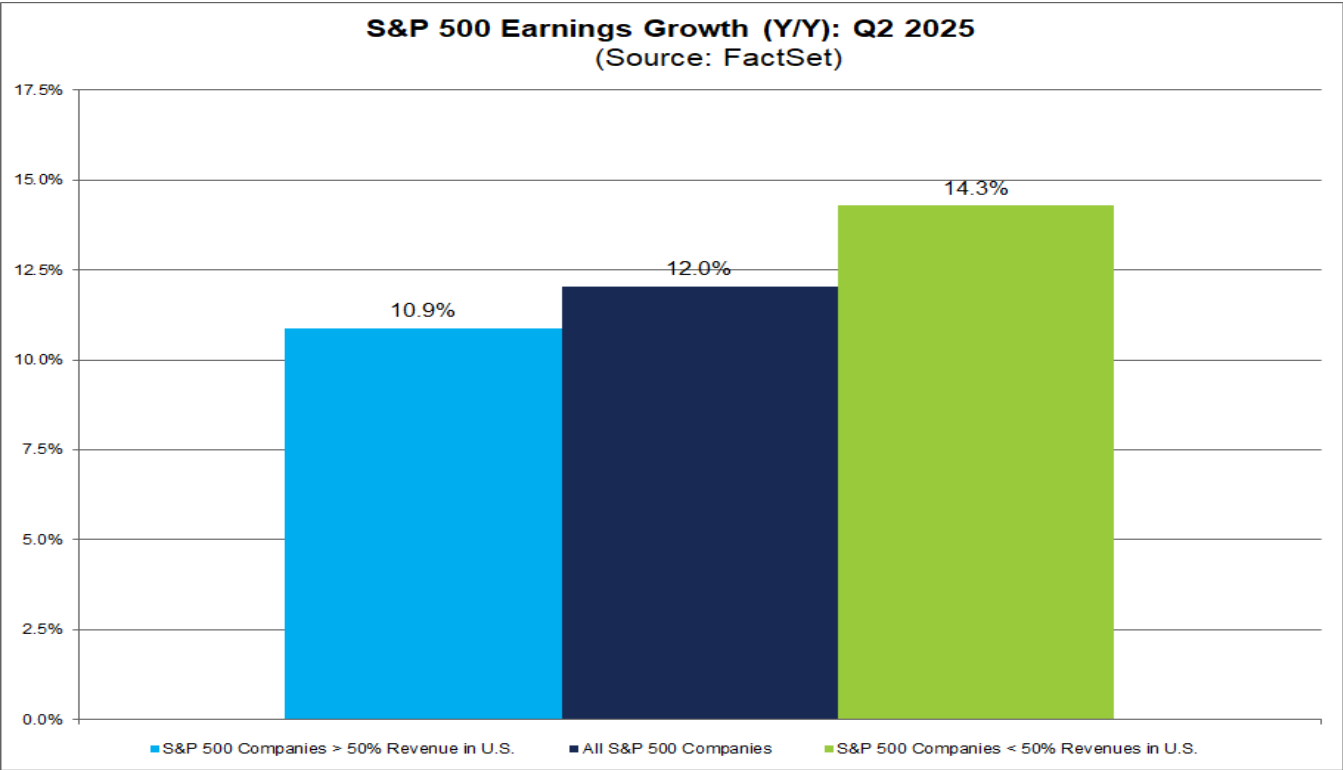
## Q2 2025: Surprise



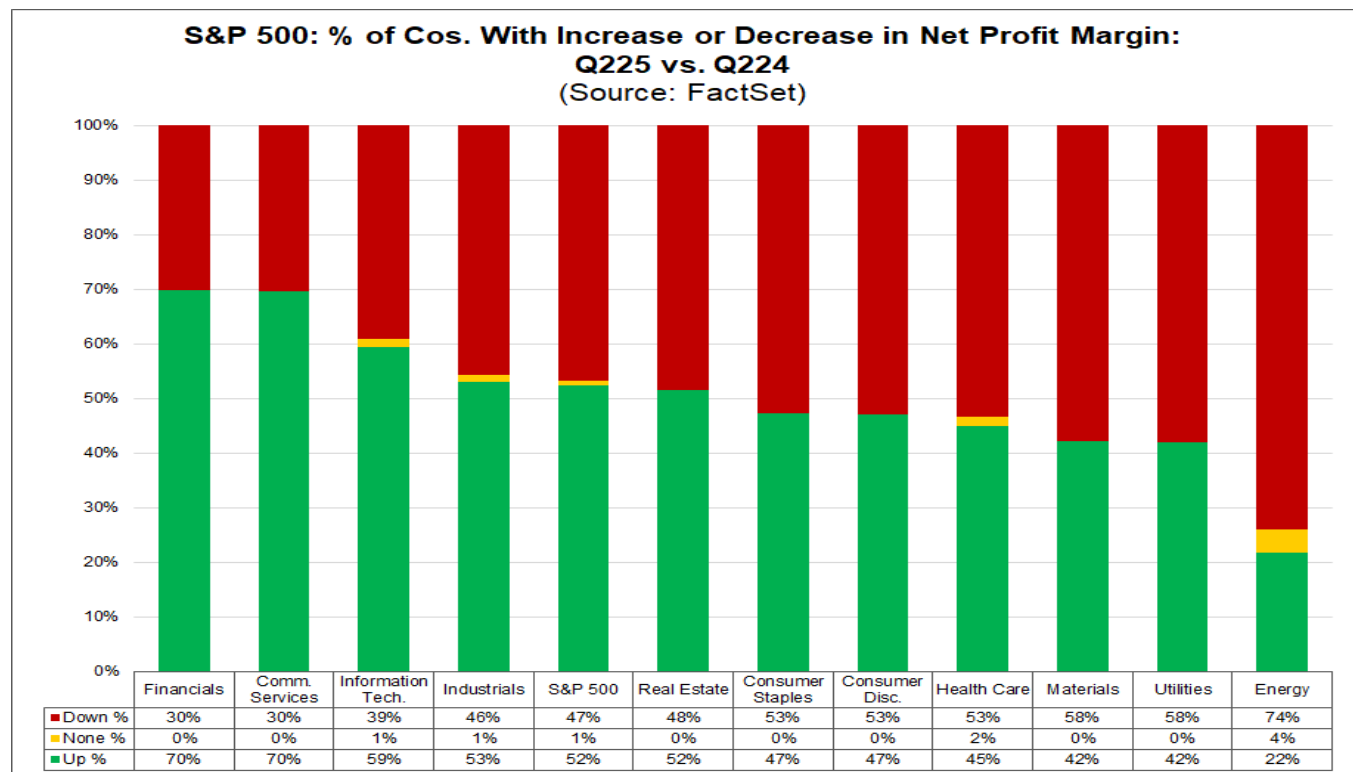
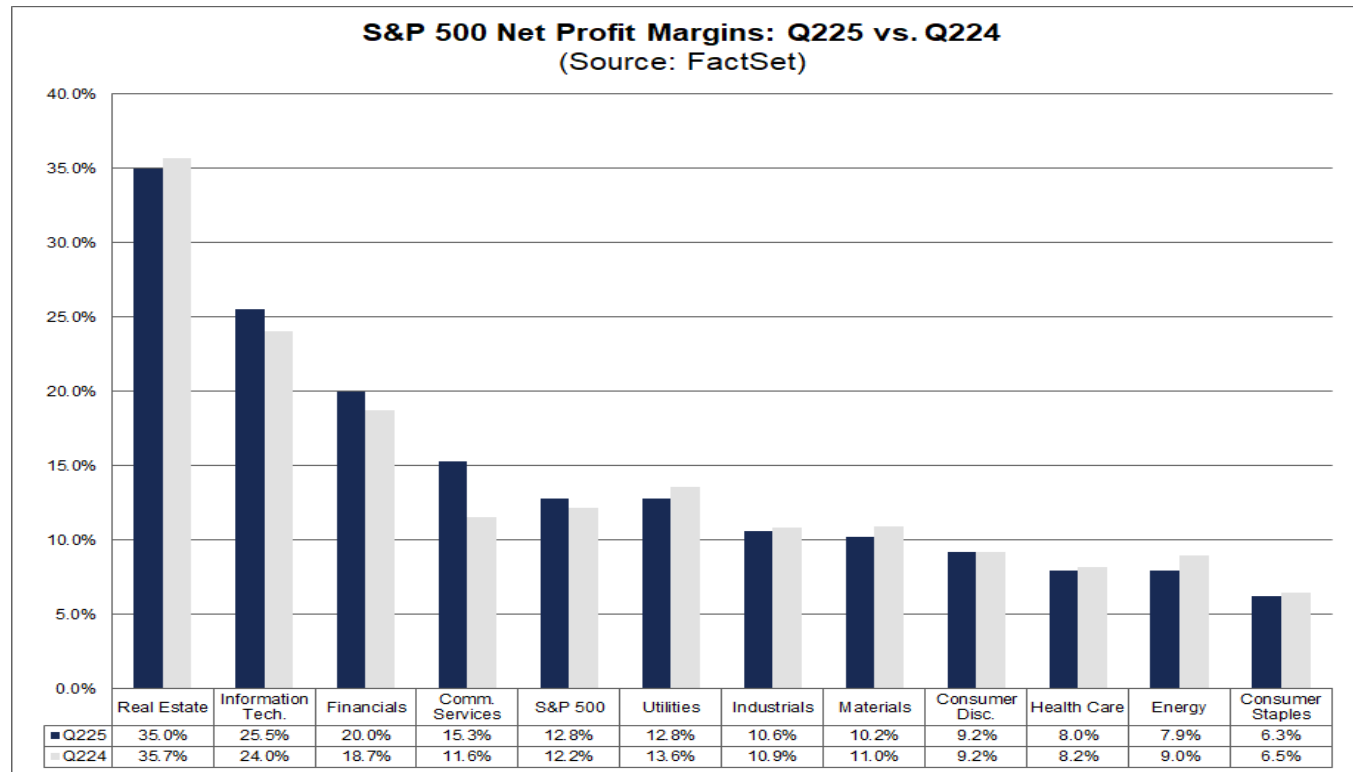
## Q2 2025: Growth



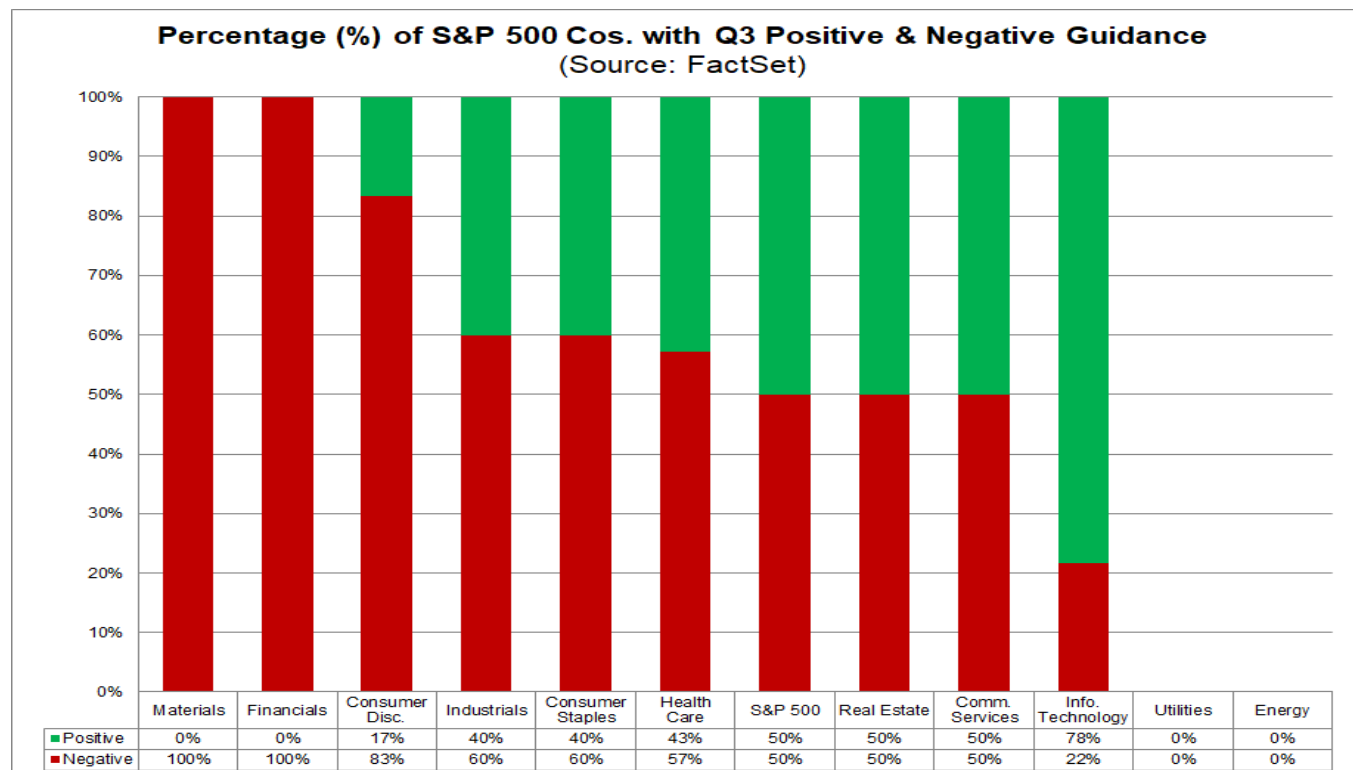
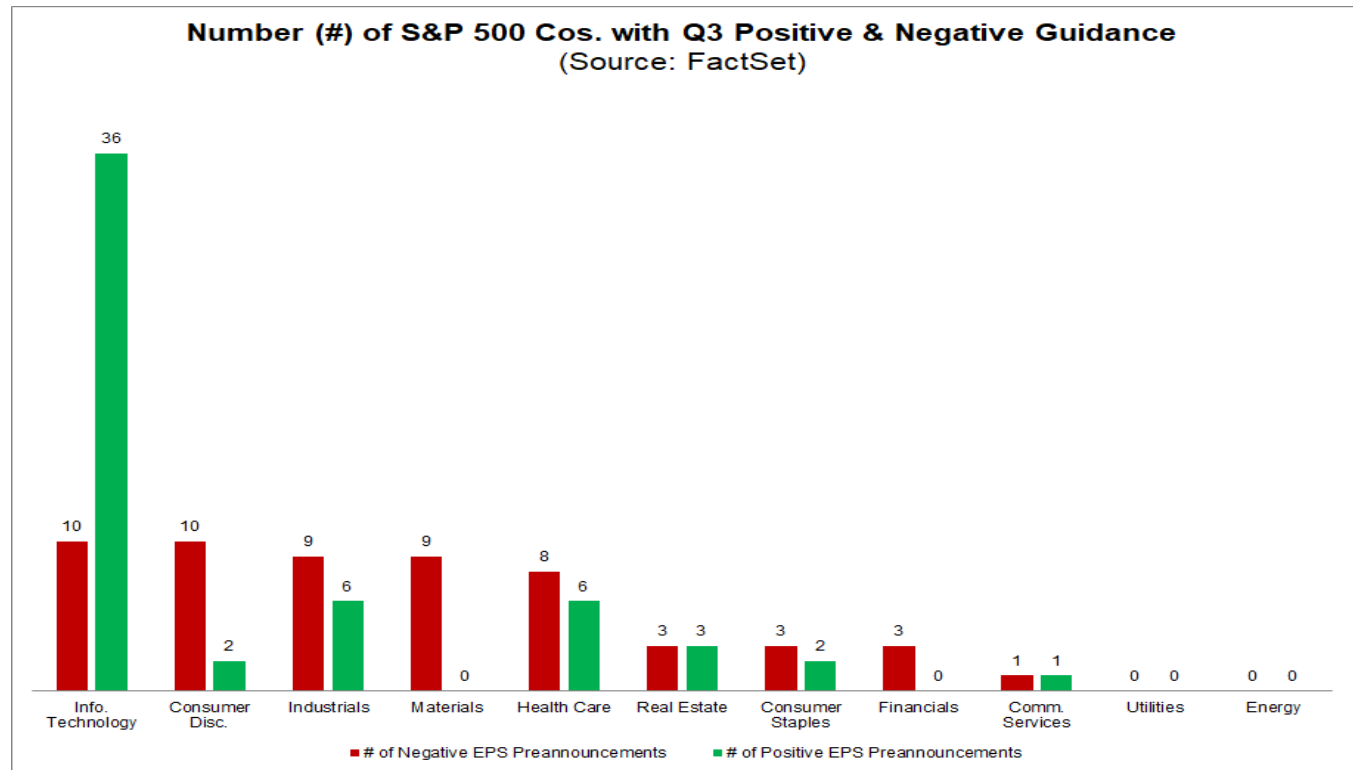
Q2 2025: Growth



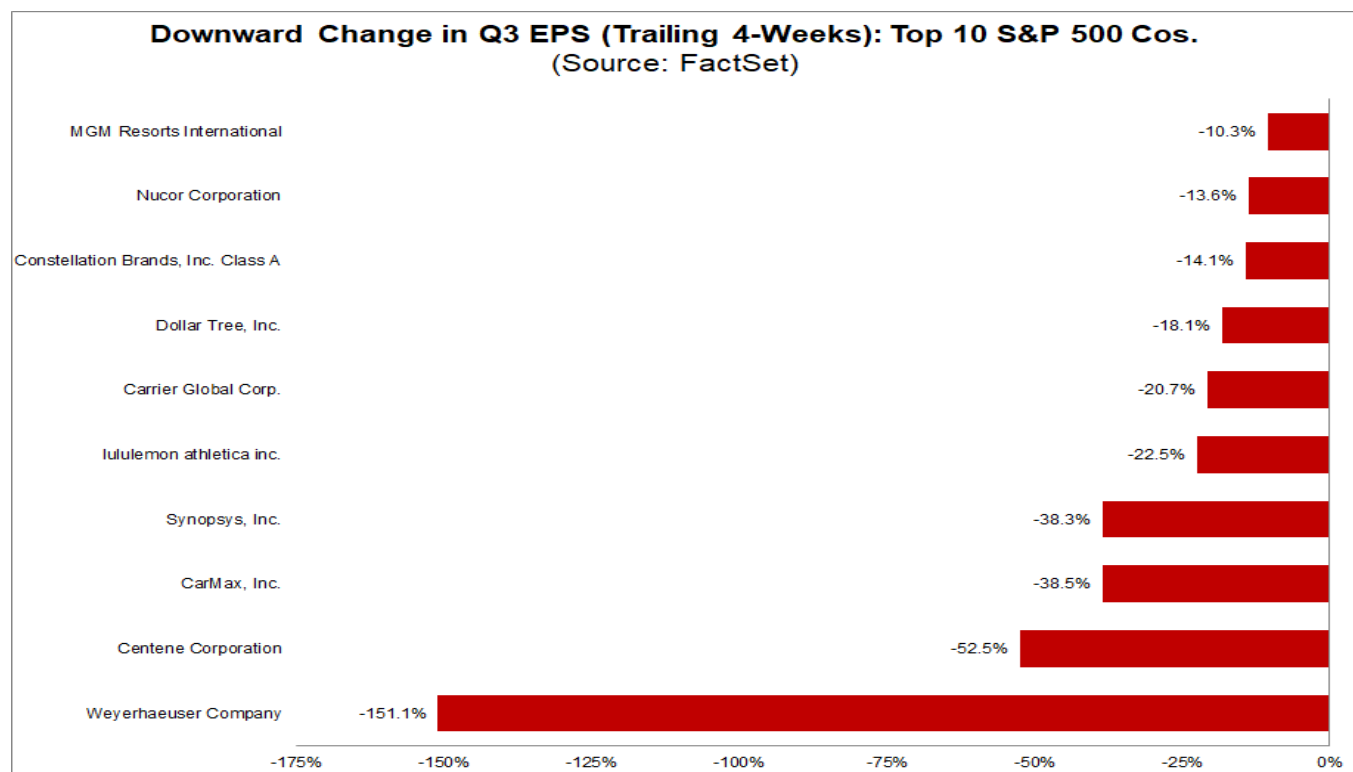
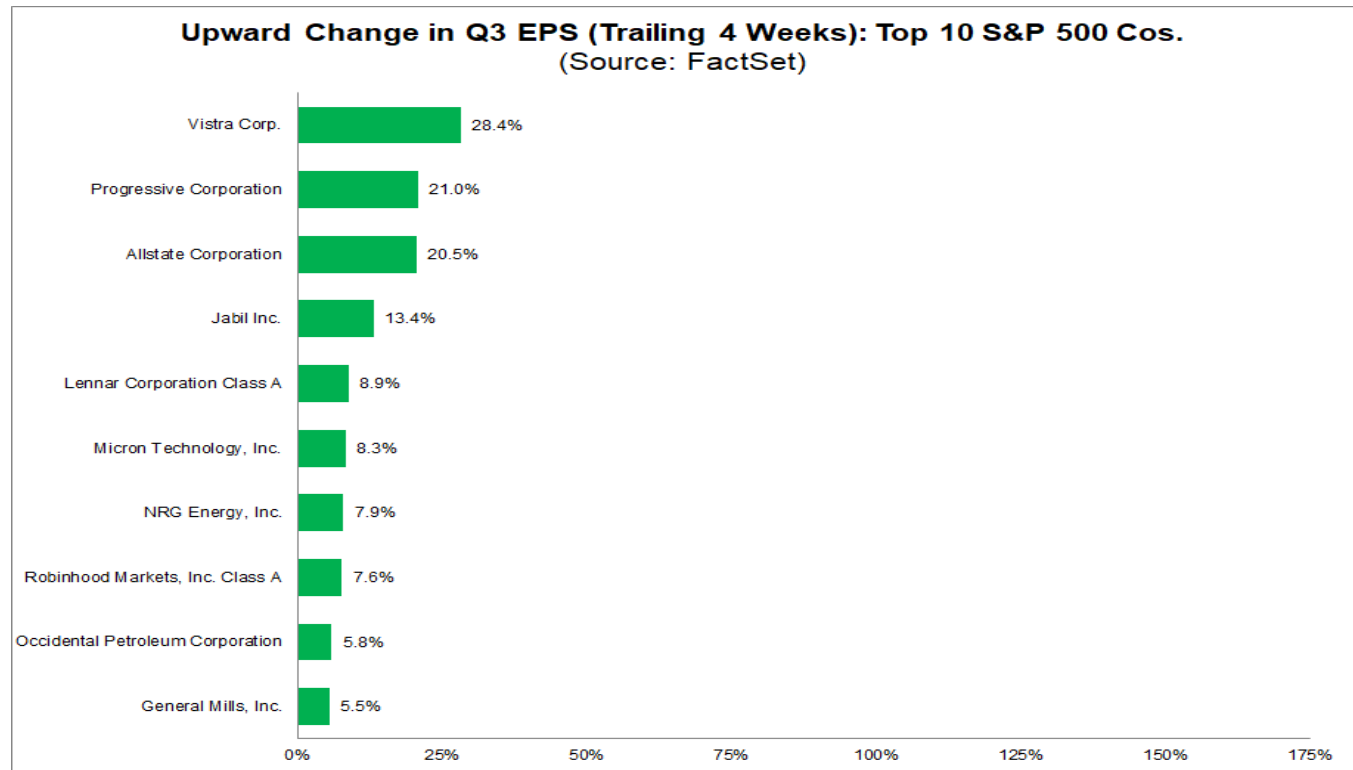
## Q2 2025: Net Profit Margin



## Q3 2025: Guidance

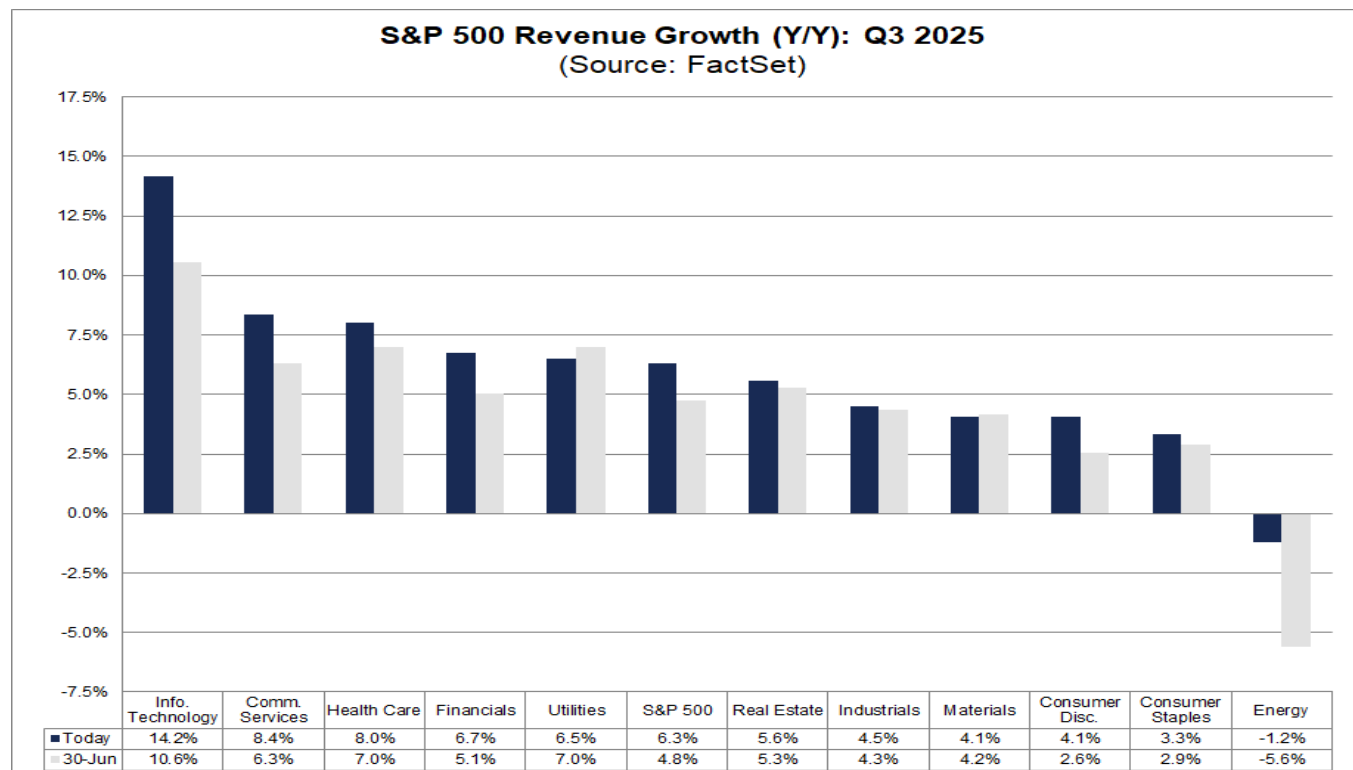
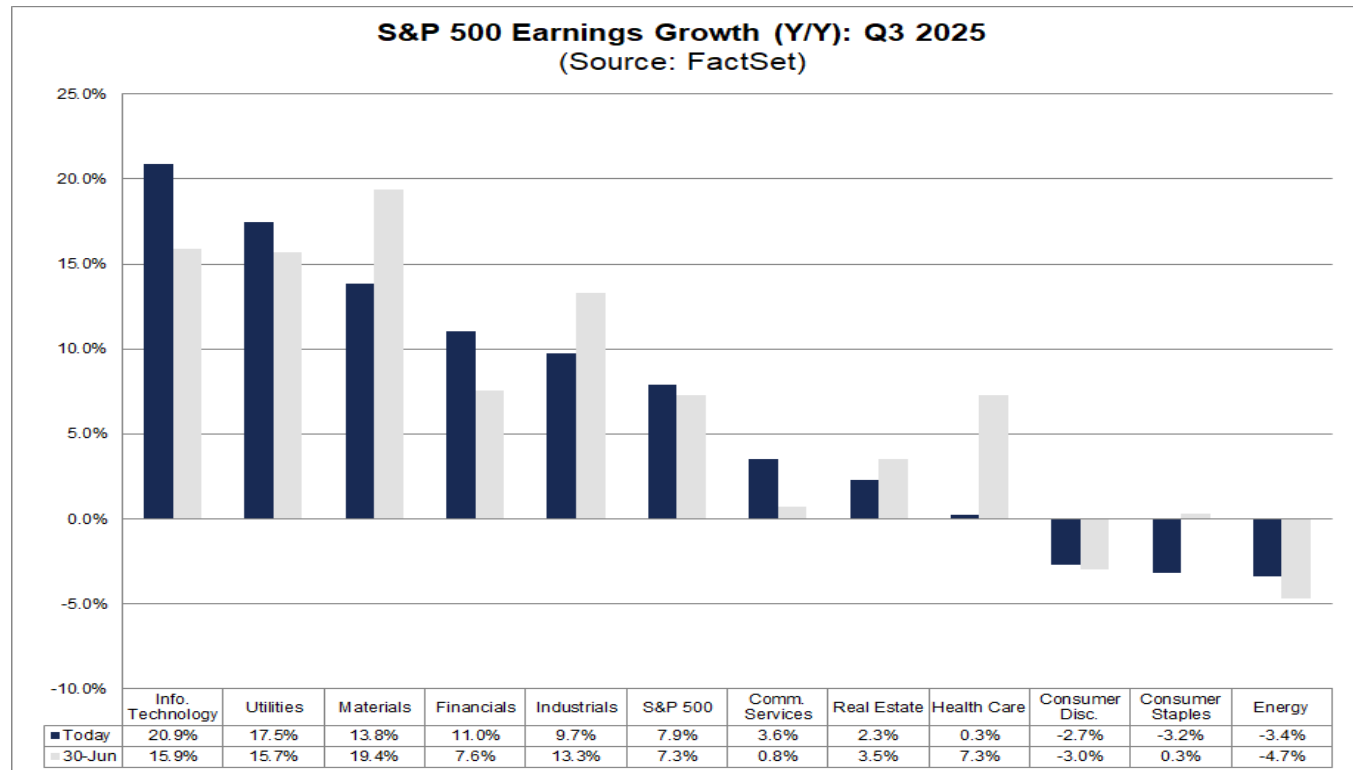


## Q3 2025: EPS Revisions

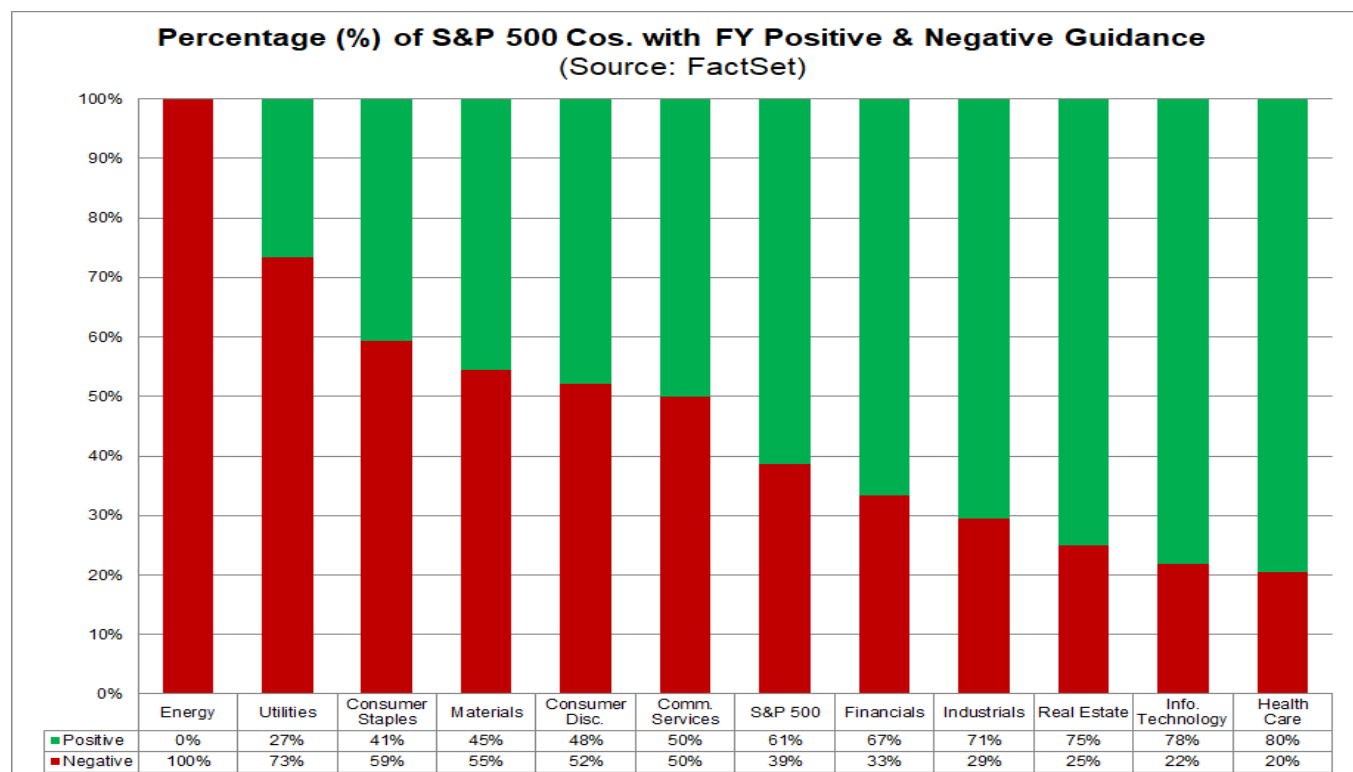
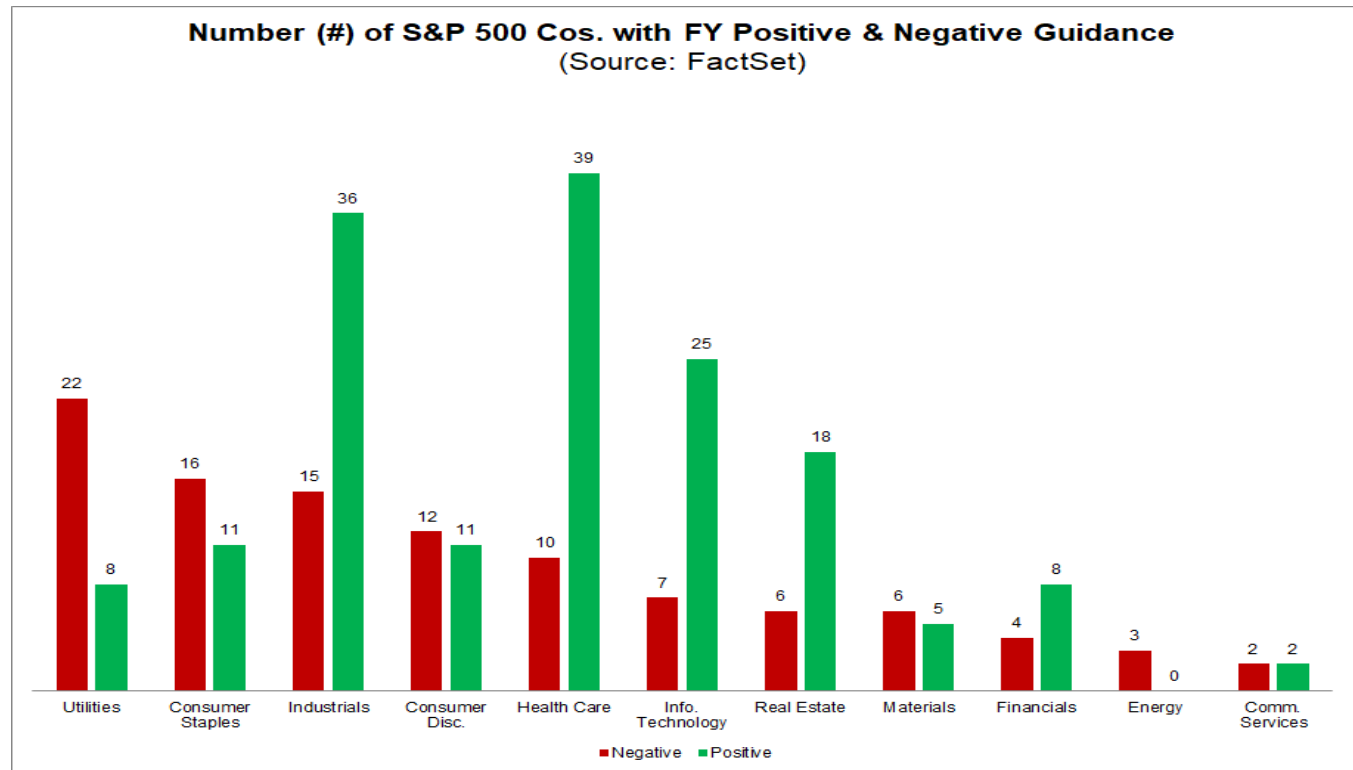




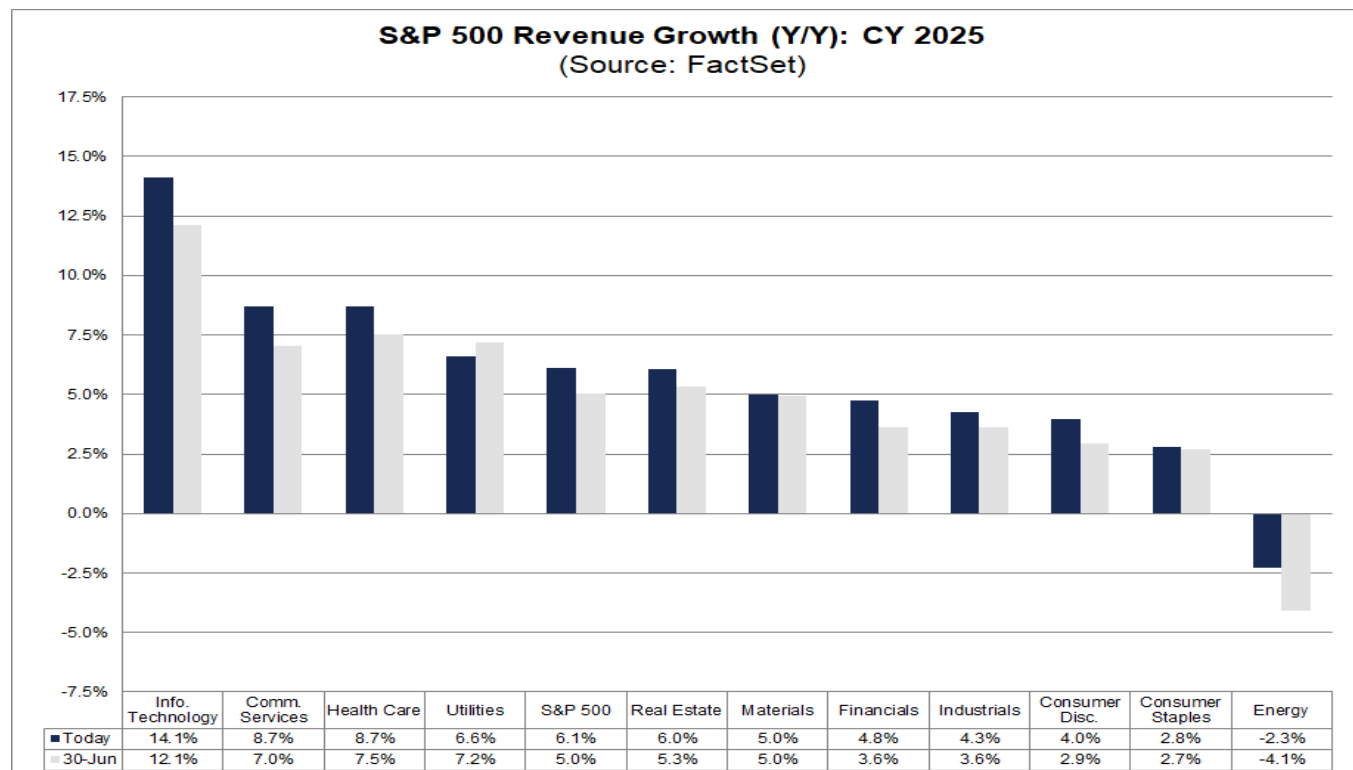
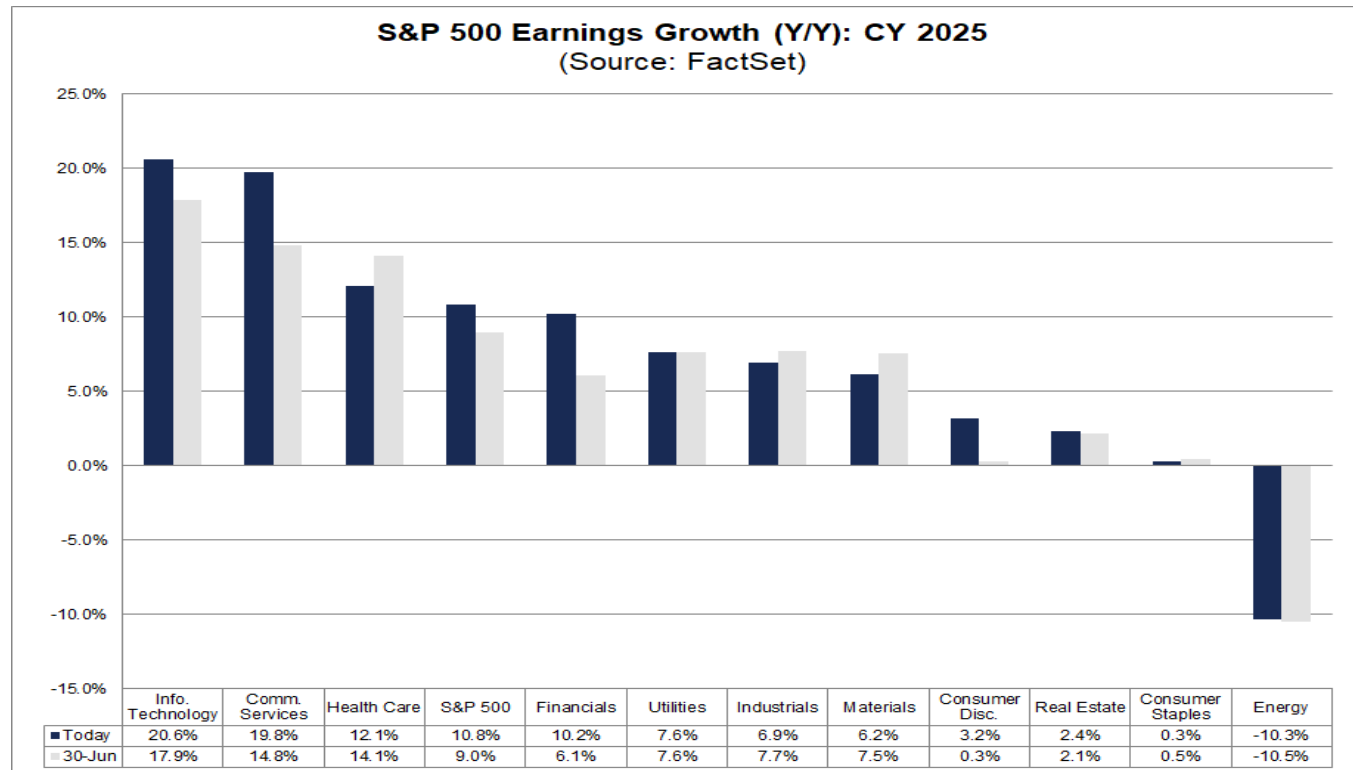
## Q3 2025: Growth



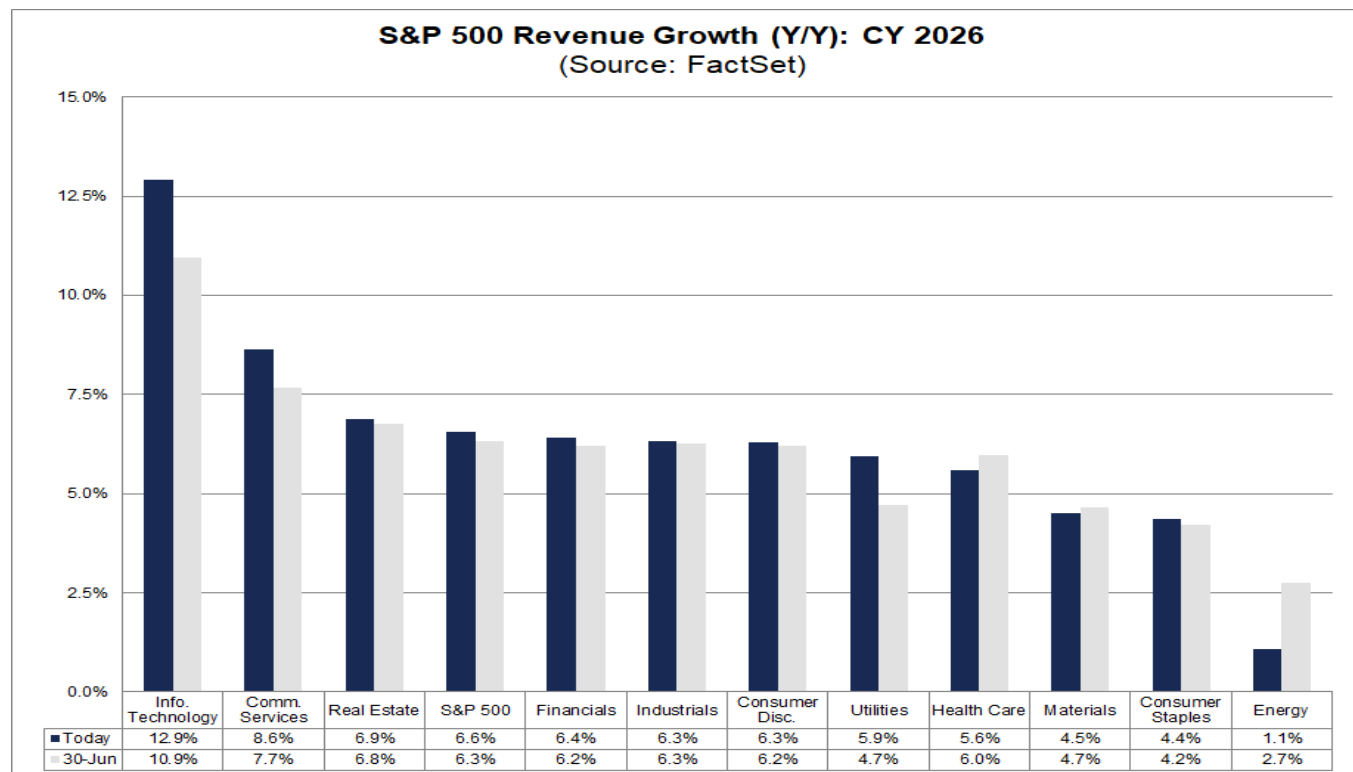
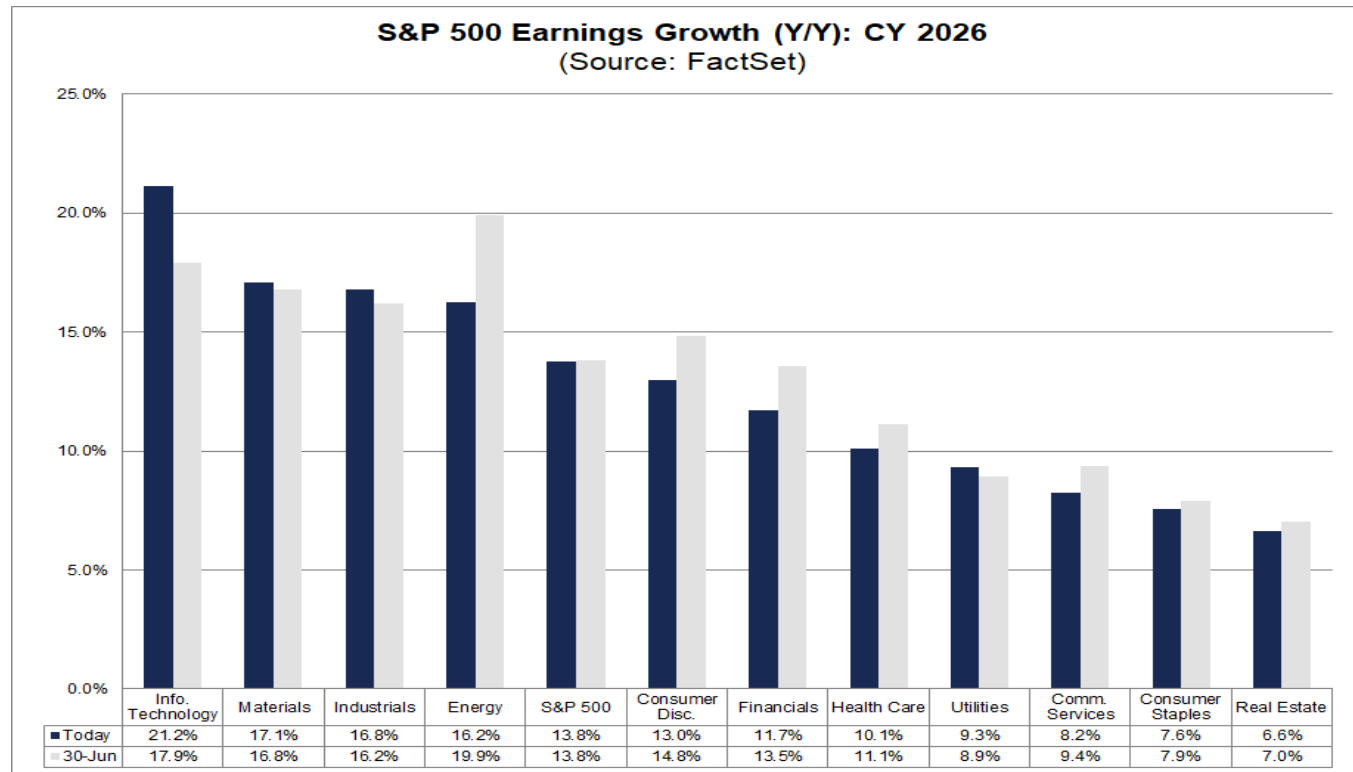
## FY 2025 / 2026: EPS Guidance



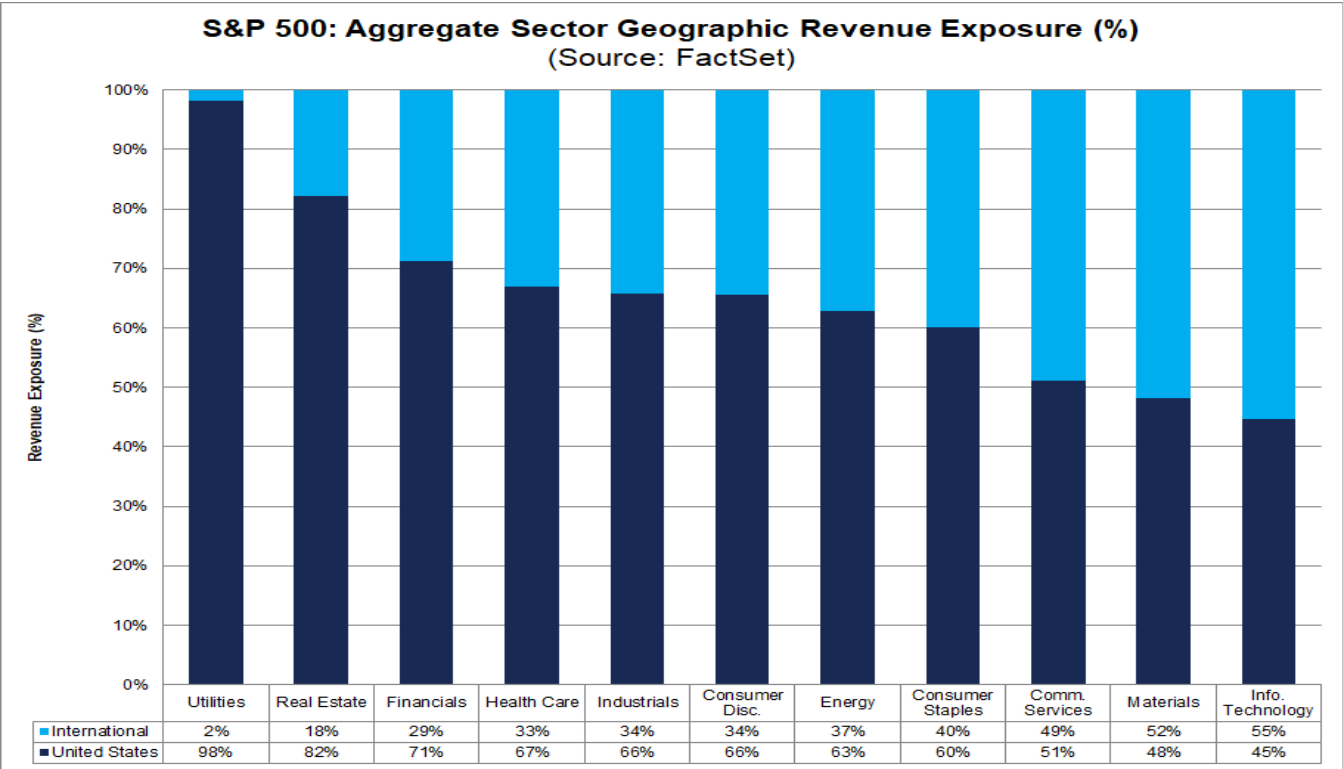
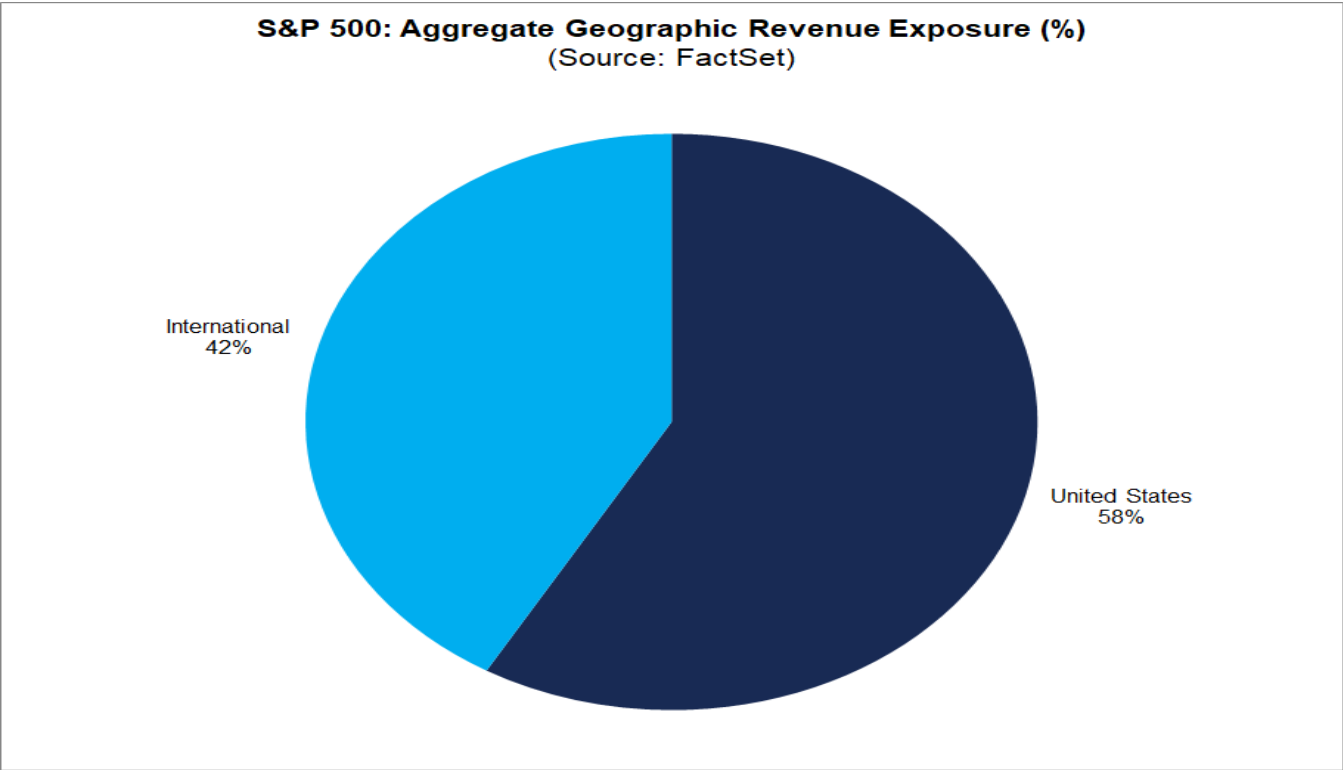
## CY 2025: Growth



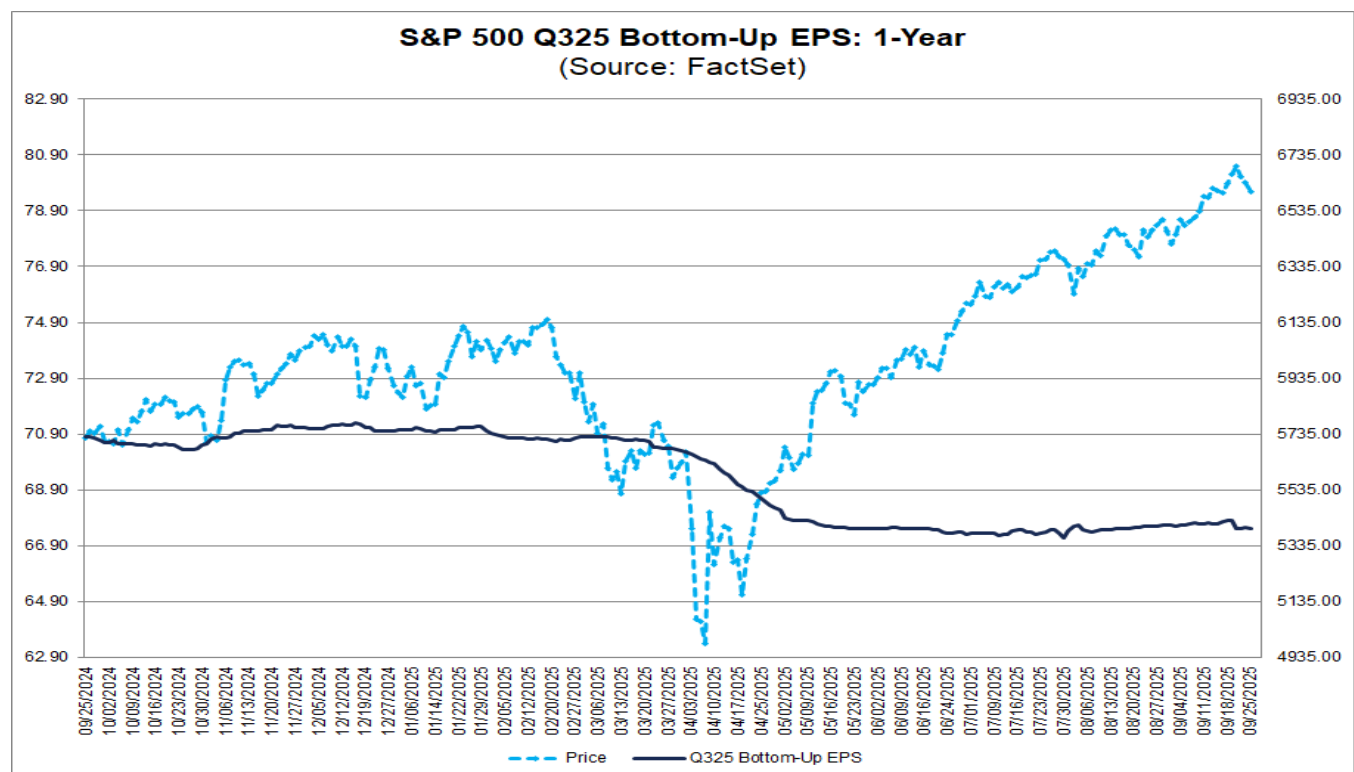
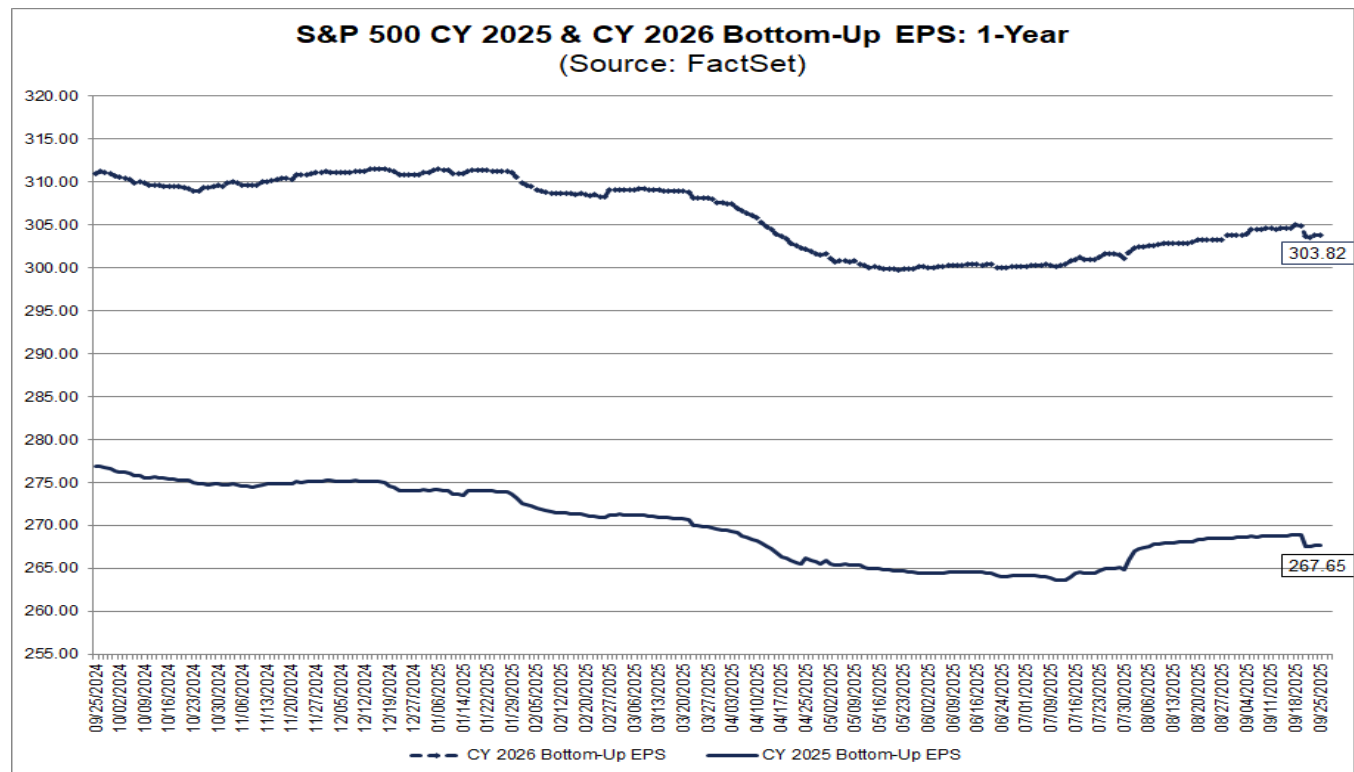
## CY 2026: Growth



Geographic Revenue Exposure

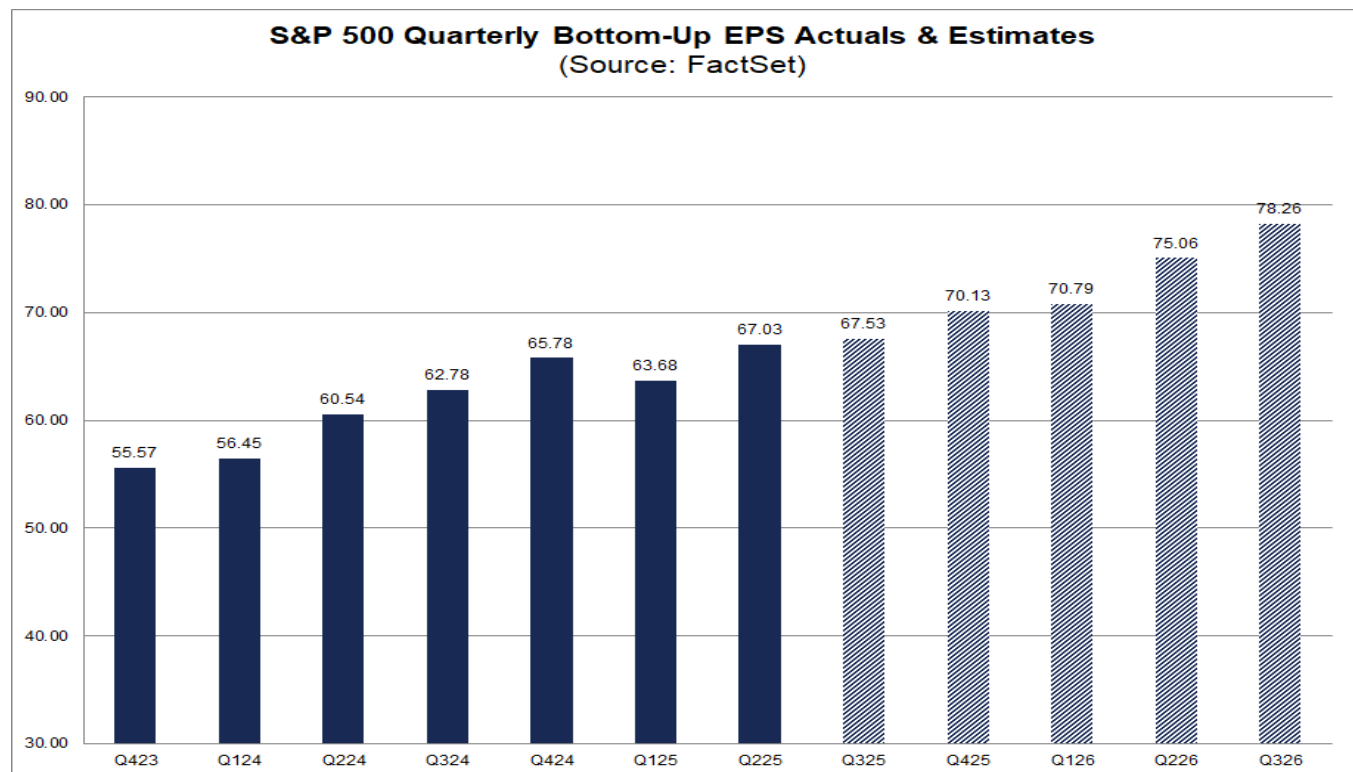
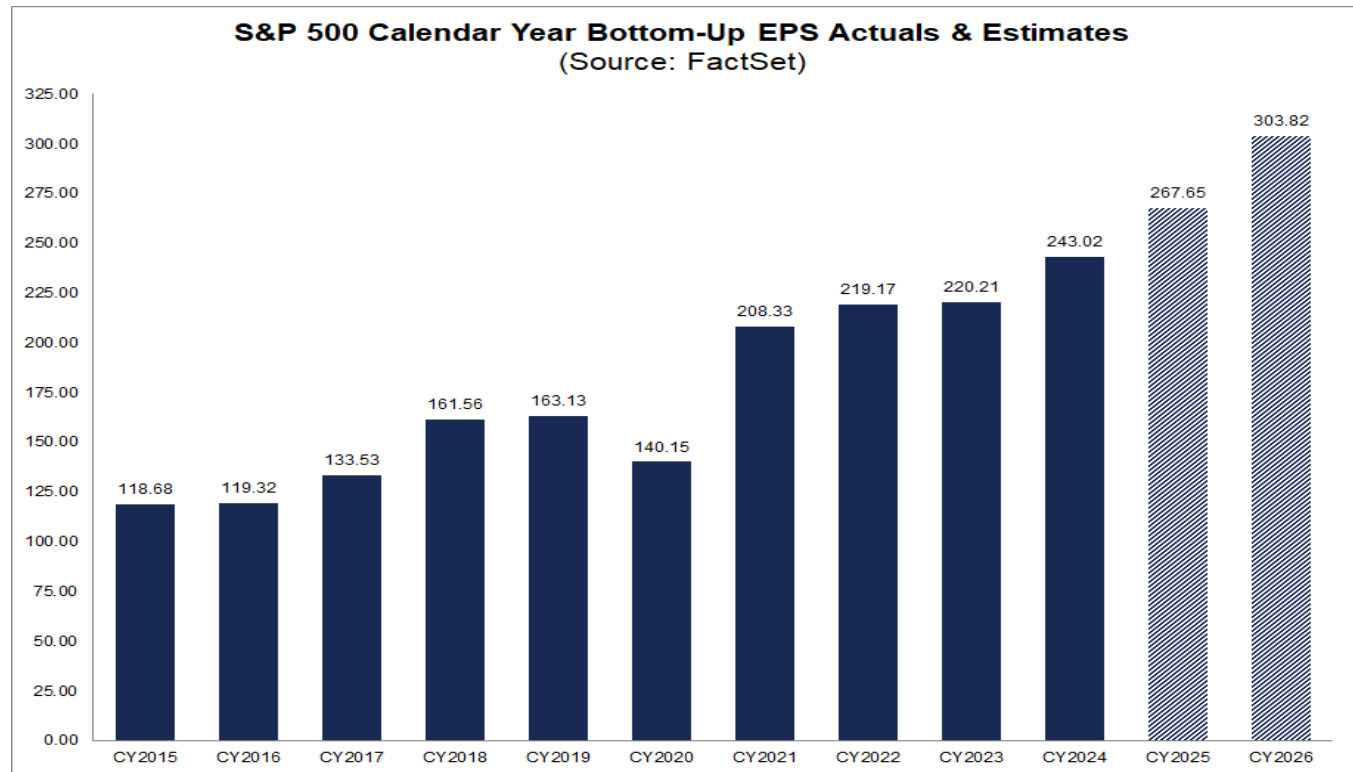


## Bottom-Up EPS Estimates

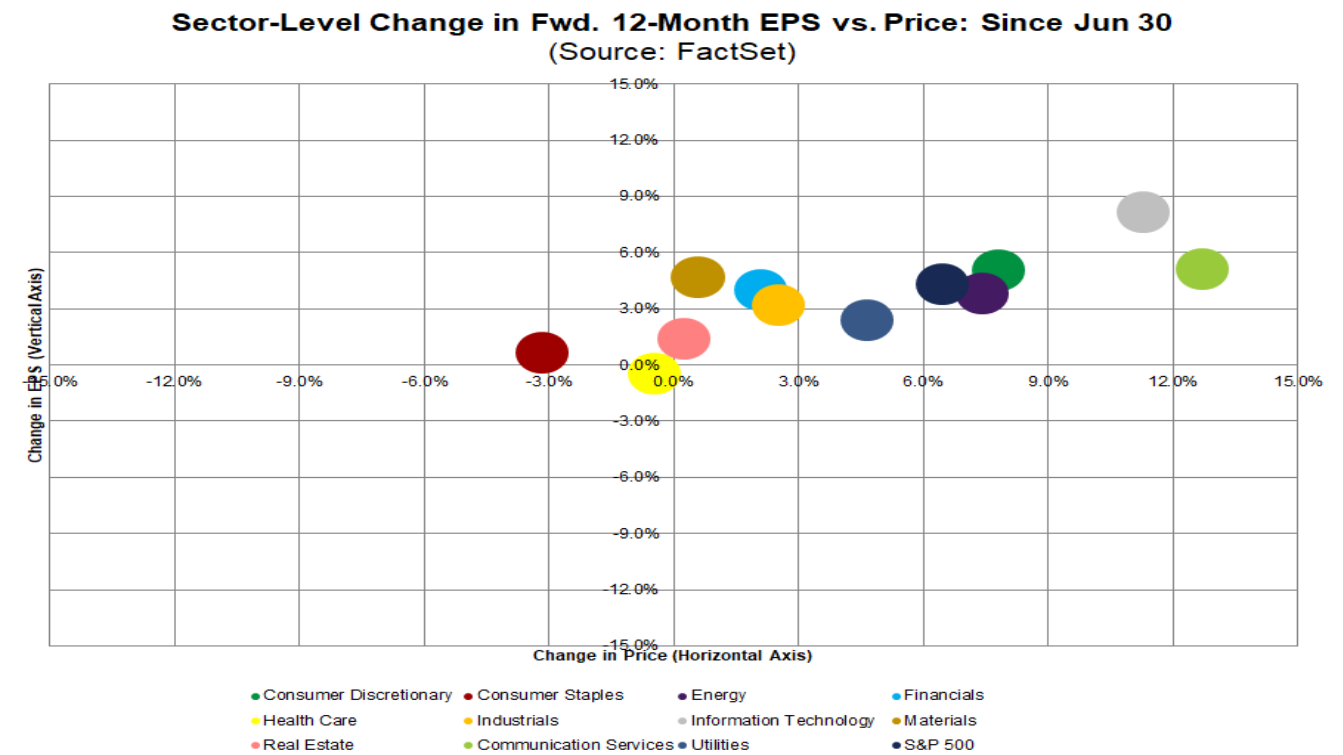
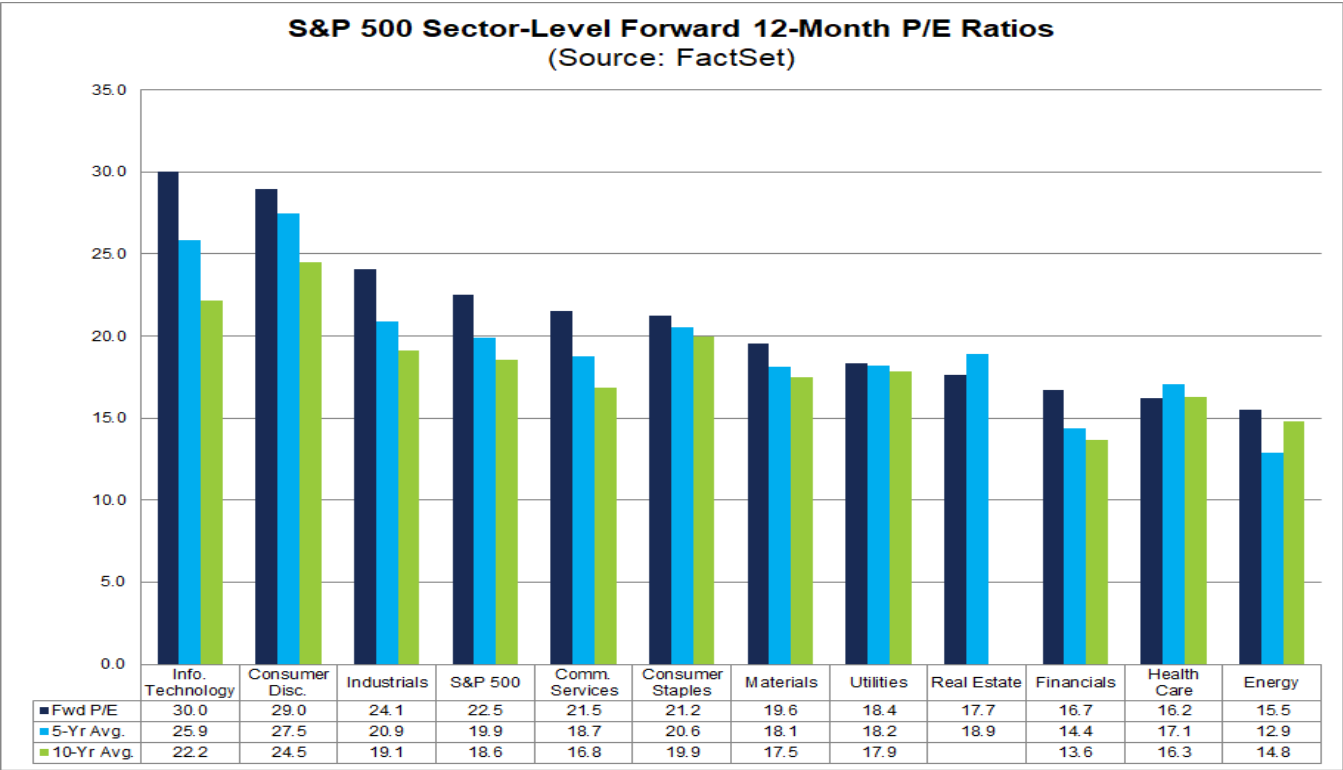




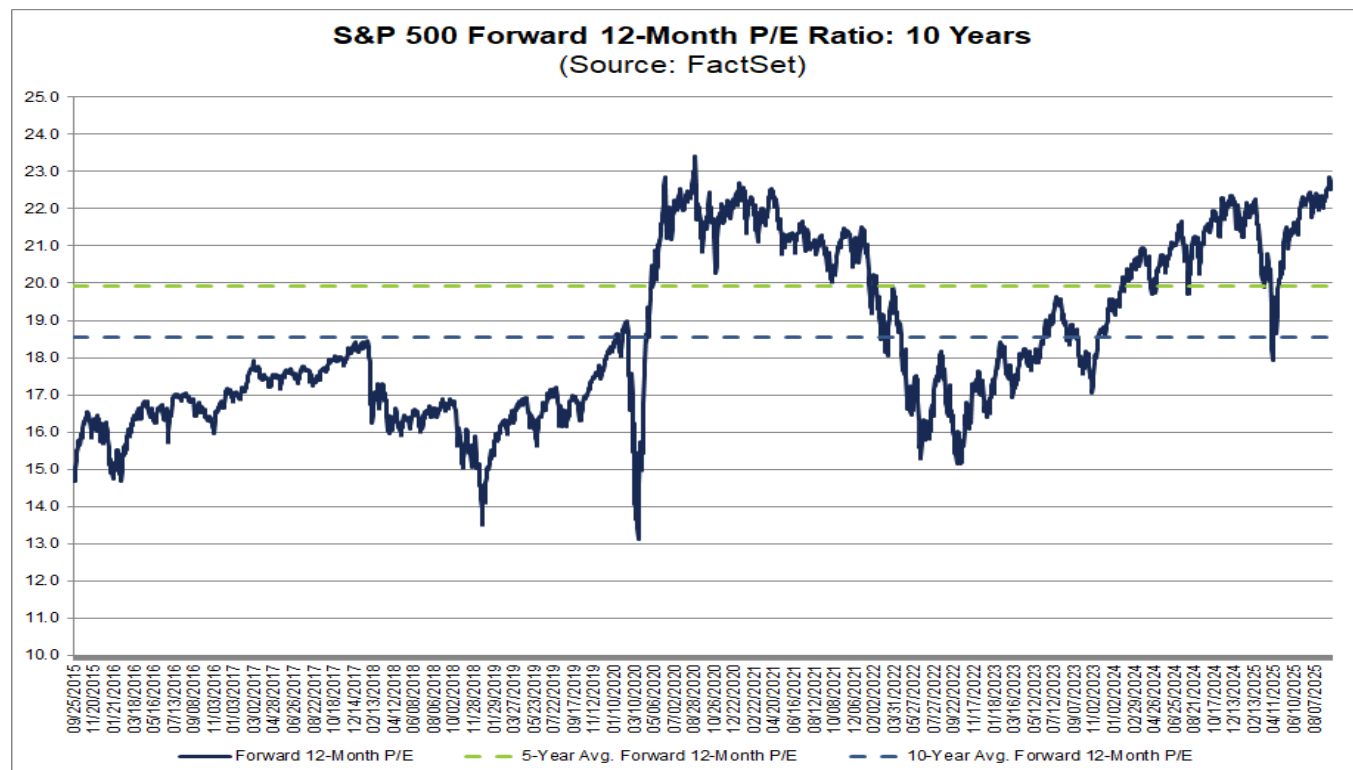
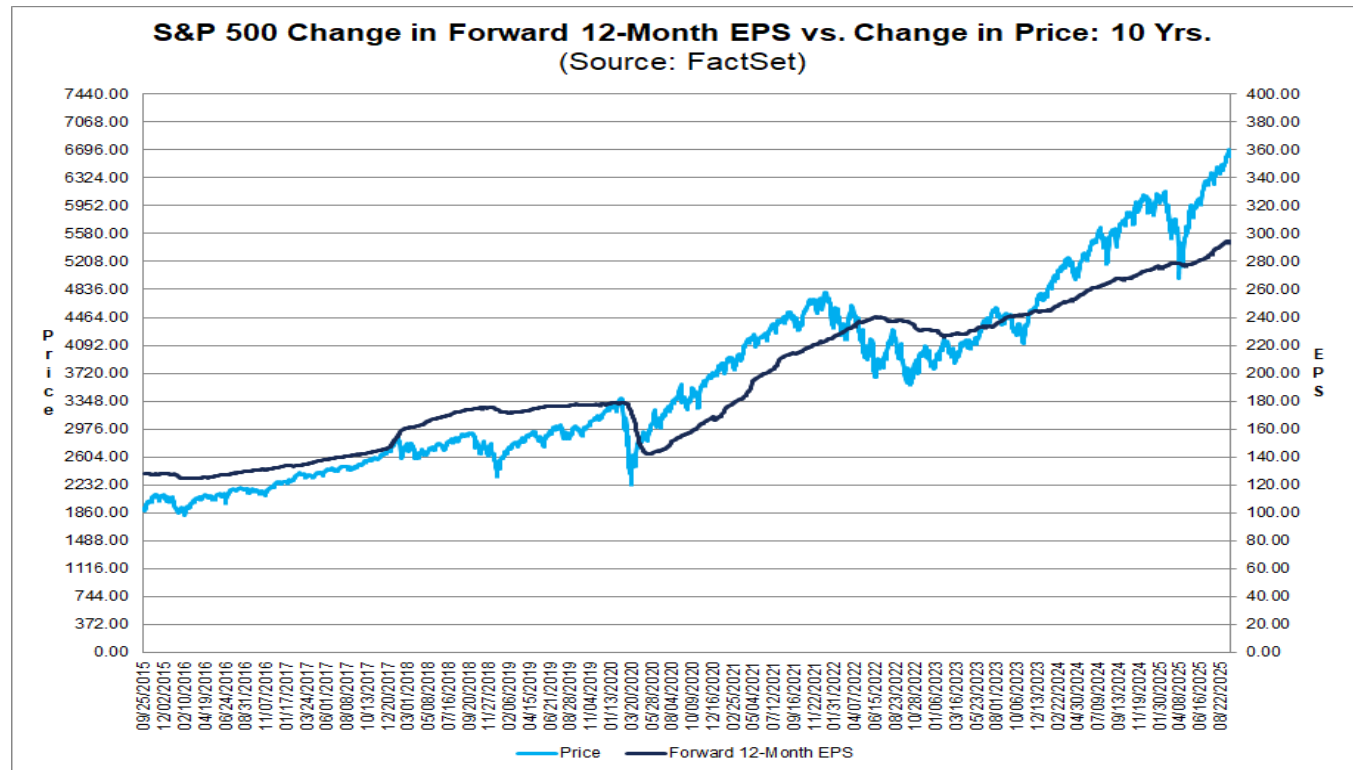
## Bottom-Up EPS Estimates: Current &amp; Historical



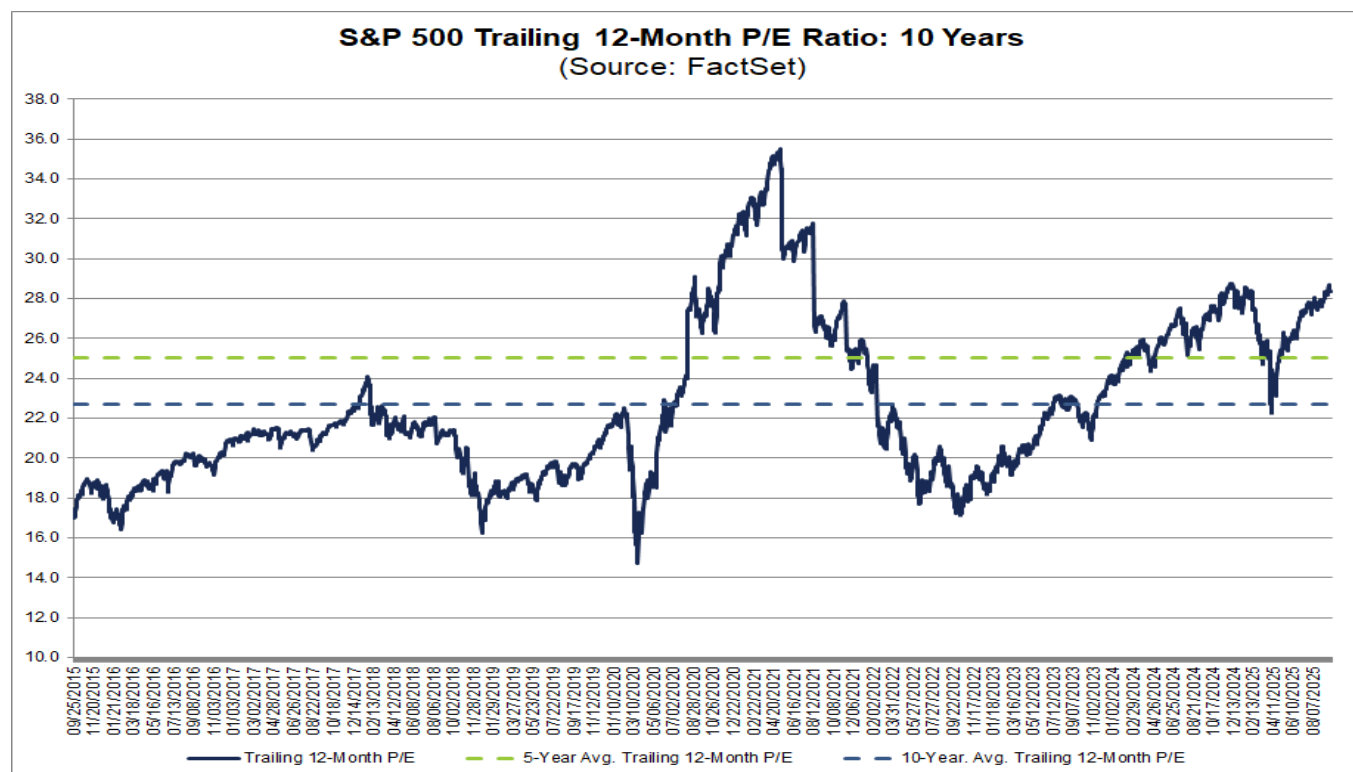
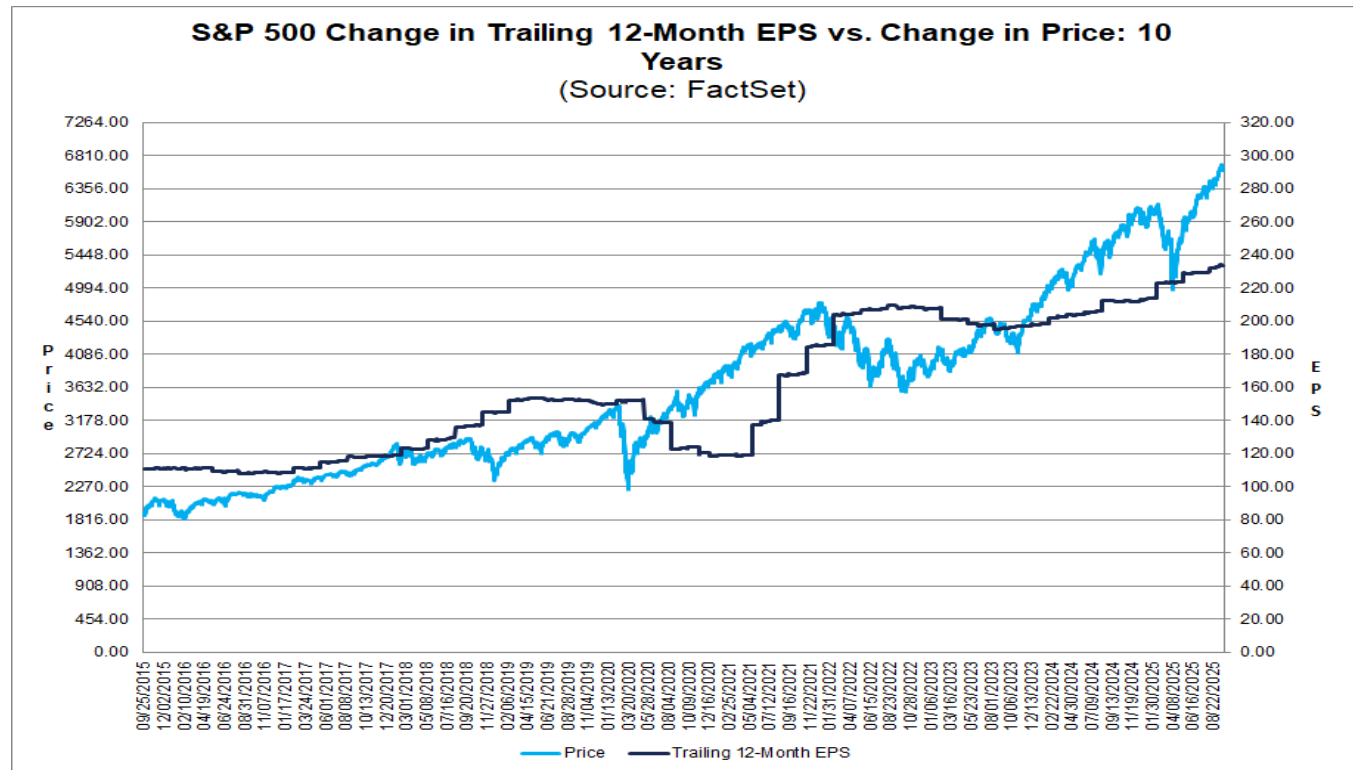
Forward 12M P/E Ratio: Sector Level



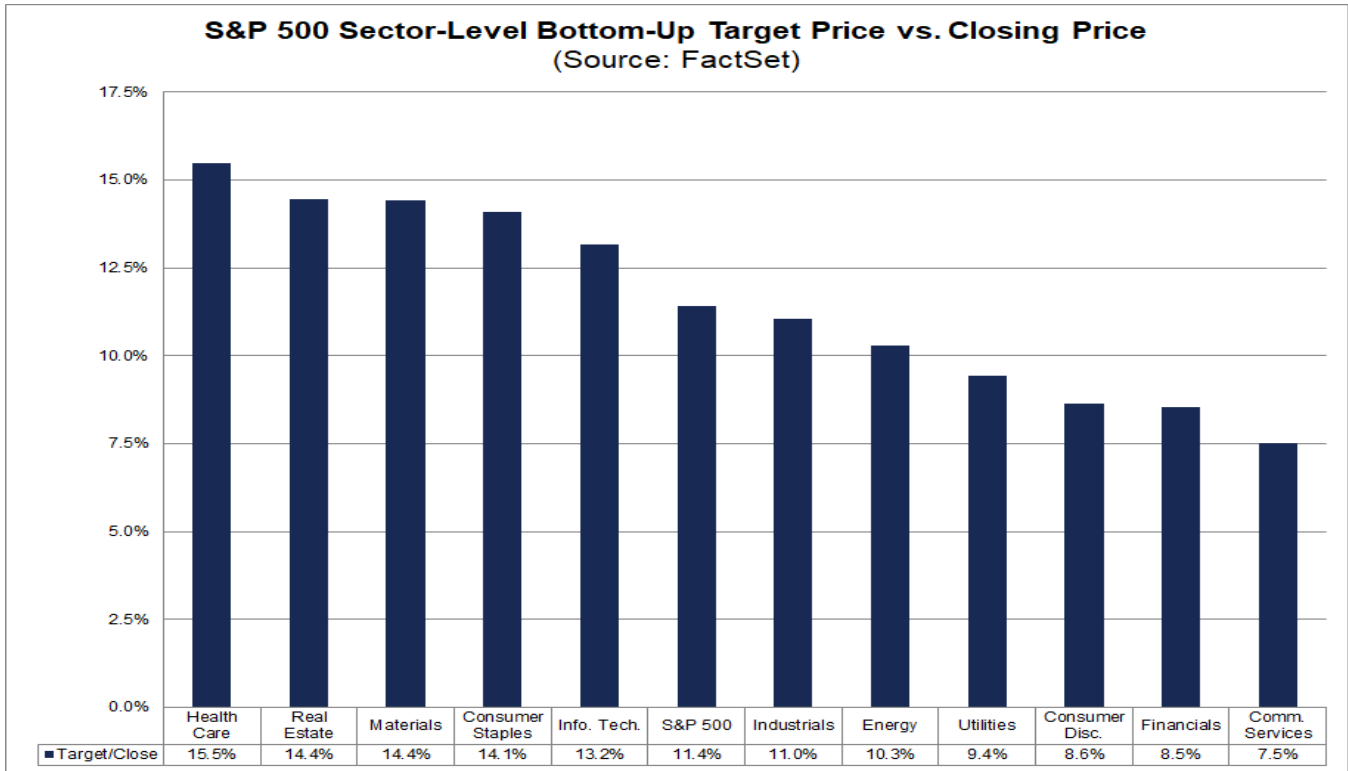
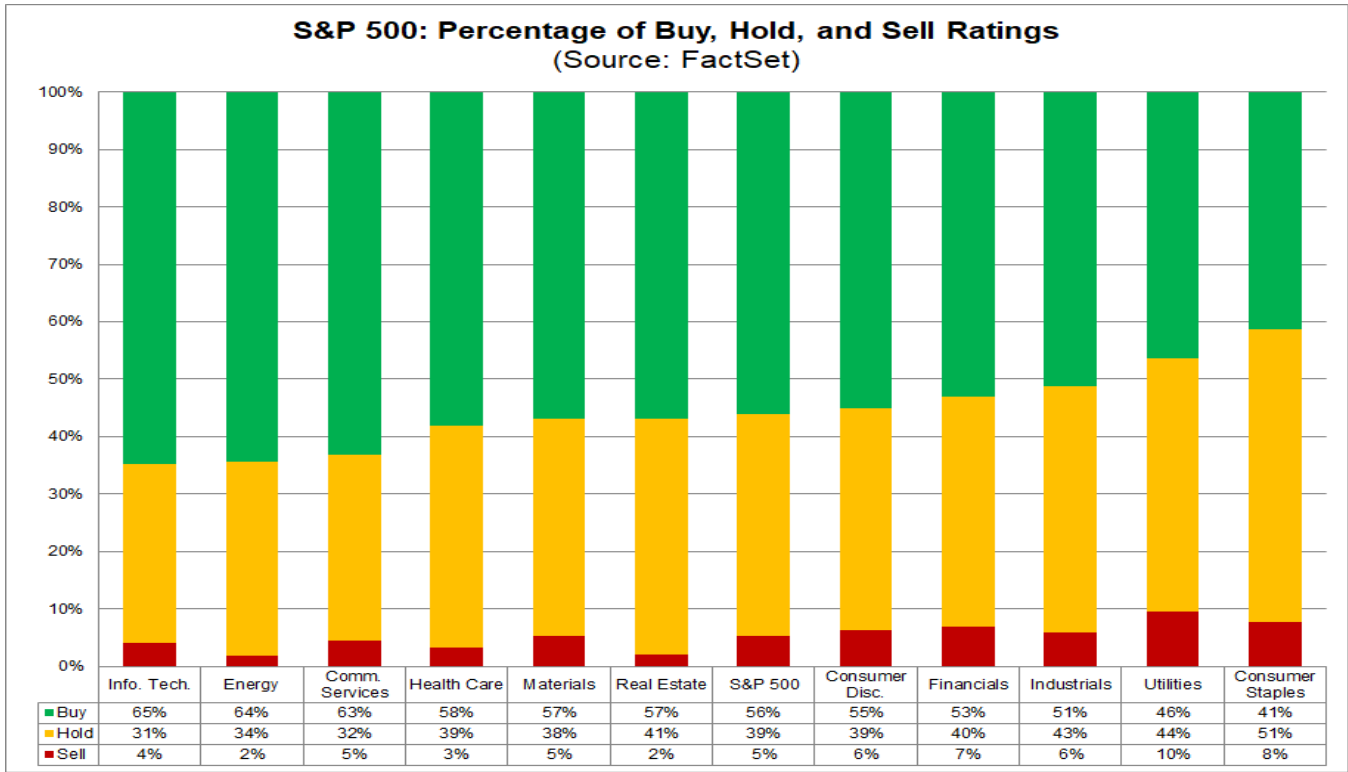
## Forward 12M P/E Ratio: 10-Years



## Trailing 12M P/E Ratio: 10-Years



Targets & Ratings



**Important Notice**

The information contained in this report is provided “as is” and all representations, warranties, terms and conditions, oral or written, express or implied (by common law, statute or otherwise), in relation to the information are hereby excluded and disclaimed to the fullest extent permitted by law. In particular, FactSet, its affiliates and its suppliers disclaim implied warranties of merchantability and fitness for a particular purpose and make no warranty of accuracy, completeness or reliability of the information. This report is for informational purposes and does not constitute a solicitation or an offer to buy or sell any securities mentioned within it. The information in this report is not investment advice. FactSet, its affiliates and its suppliers assume no liability for any consequence relating directly or indirectly to any action or inaction taken based on the information contained in this report.

FactSet aggregates and redistributes estimates data and does not conduct any independent research. Nothing in our service constitutes investment advice or FactSet recommendations of any kind. Estimates data is provided for information purposes only.

FactSet has no relationship with creators of estimates that may reasonably be expected to impair its objective presentation of such estimate or recommendation. FactSet redistributes estimates as promptly as reasonably practicable from research providers.

**About FactSet**

FactSet (NYSE:FDS | NASDAQ:FDS) supercharges financial intelligence, offering enterprise data and information solutions that power our clients to maximize their potential. Our cutting-edge digital platform seamlessly integrates proprietary financial data, client datasets, third-party sources, and flexible technology to deliver tailored solutions across the buy-side, sell-side, wealth management, private equity, and corporate sectors. With over 47 years of expertise, a presence in 20 countries, and extensive multi-asset class coverage, we leverage advanced data connectivity alongside AI and next-generation tools to streamline workflows, drive productivity, and enable smarter, faster decision-making. Serving approximately 9,000 global clients and over 237,000 individual users, FactSet is a member of the S&P 500 dedicated to innovation and long-term client success. Learn more at [www.factset.com](https://www.factset.com) and follow us on [X](#) and [LinkedIn](#).