EARNINGS INSIGHT

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Key Metrics

- **Earnings Scorecard**: For Q3 2023 (with 6% of S&P 500 companies reporting actual results), 84% of S&P 500 companies have reported a positive EPS surprise and 66% of S&P 500 companies have reported a positive revenue surprise.

- **Earnings Growth**: For Q3 2023, the blended (year-over-year) earnings growth rate for the S&P 500 is 0.4%. If 0.4% is the actual growth rate for the quarter, it will mark the first quarter of year-over-year earnings growth for the index since Q3 2022.

- **Earnings Revisions**: On September 30, the estimated (year-over-year) earnings decline for the S&P 500 for Q3 2023 was -0.3%. Five sectors are reporting (or are expected to report) higher earnings today compared to September 30 due to positive EPS surprises and upward revisions to EPS estimates.

- **Earnings Guidance**: For Q4 2023, 4 S&P 500 companies have issued negative EPS guidance and 5 S&P 500 companies have issued positive EPS guidance.

- **Valuation**: The forward 12-month P/E ratio for the S&P 500 is 18.1. This P/E ratio is below the 5-year average (18.7) but above the 10-year average (17.5).

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Topic of the Week:
S&P 500 Will Likely Report Year-Over-Year Earnings Growth for First Time Since Q3 2022

As of today, the S&P 500 is reporting year-over-year earnings growth of 0.4% for the third quarter, which would mark the first quarter of year-over-year earnings growth reported by the index since Q3 2022. Given that most S&P 500 companies report actual earnings above estimates, what is the likelihood the index will report an actual earnings growth of 0.4% for the quarter?

Based on the average improvement in the earnings growth rate during the earnings season, the index will likely report year-over-year growth in earnings or more than 0.4% for Q3.

When companies in the S&P 500 report actual earnings above estimates during an earnings season, the overall earnings growth rate for the index increases because the higher actual EPS numbers replace the lower estimated EPS numbers in the calculation of the growth rate. For example, if a company is projected to report EPS of $1.05 compared to year ago EPS of $1.00, the company is projected to report earnings growth of 5%. If the company reports actual EPS of $1.10 (a $0.05 upside earnings surprise compared to the estimate), the actual earnings growth rate for the company for the quarter is now 10%, five percentage points above the estimated growth rate (10% - 5% = 5%).

In fact, the actual earnings growth rate has exceeded the estimated earnings growth rate at the end of the quarter in 37 of the past 40 quarters for the S&P 500. The only exceptions were Q1 2020, Q3 2022, and Q4 2022.

Over the past ten years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 6.6% on average. During this same period, 74% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 5.4 percentage points on average (over the past ten years) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings decline at the end of Q3 (September 30) of -0.3%, the actual earnings growth rate for the quarter would be 5.1% (-0.3% + 5.4% = 5.1%).

Over the past five years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 8.5% on average. During this same period, 77% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 7.3 percentage points on average (over the past five years) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings decline at the end of Q3 (September 30) of -0.3%, the actual earnings growth rate for the quarter would be 7.0% (-0.3% + 7.3% = 7.0%).

Over the past four quarters (Q3 2022 through Q2 2023), actual earnings reported by S&P 500 companies have exceeded estimated earnings by 4.4% on average. During these four quarters, 74% of companies in the S&P 500 reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate increased by 1.6 percentage points on average (during the past four quarters) due to the number and magnitude of positive earnings surprises. If this average increase is applied to the estimated earnings decline at the end of Q3 (September 30) of -0.3%, the actual earnings growth rate for the quarter would be 1.3% (-0.3% + 1.6% = 1.3%).

How are the numbers trending to date? Of the 32 S&P 500 companies that have reported actual earnings for Q3 2023 through October 13, 84% have reported actual EPS above the mean EPS estimate. In aggregate, actual earnings reported by these 32 companies have exceeded estimated earnings by 10.1%. Thus, at this very early stage of the earnings season for Q3, both the number of companies reporting positive EPS surprises and the magnitude of these EPS surprises are trending above the 5-year averages. Will this strong performance continue for the rest of the earnings season? Since September 30, the earnings growth rate for the S&P 500 has increased by 0.7 percentage points (to 0.4% from -0.3%).
Q3 Earnings Season: By The Numbers

Overview

At this very early stage, the third quarter earnings season for the S&P 500 is off to a strong start. Both the number of positive earnings surprises and the magnitude of these earnings surprises are above their 5-year and 10-year averages. As a result, the index is reporting higher earnings for the third quarter today relative to the end of last week and relative to the end of the quarter. The index is now reporting year-over-year growth in earnings for the first time since Q3 2022.

Overall, 6% of the companies in the S&P 500 have reported actual results for Q3 2023 to date. Of these companies, 84% have reported actual EPS above estimates, which is above the 5-year average of 77% and above the 10-year average of 74%. In aggregate, companies are reporting earnings that are 10.1% above estimates, which is above the 5-year average of 8.5% and above the 10-year average of 6.6%.

As a result, the index is reporting higher earnings for the third 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 third quarter is 0.4% today, compared to an earnings decline of -0.3% last week and an earnings decline of -0.3% at the end of the third quarter (September 30).

Positive earnings surprises reported by companies in the Financials sector have been the largest contributor to the improvement in the overall earnings growth rate for the index over the past week and since the end of the quarter.

If 0.4% is the actual growth rate for the quarter, it will mark the first quarter of year-over-year earnings growth reported by the index since Q3 2022 (2.3%).

Eight of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Communication Services and Consumer Discretionary sectors. On the other hand, three sectors are reporting (or are expected to report) a year-over-year decline in earnings, led by the Energy and Materials sectors.

In terms of revenues, 66% of S&P 500 companies have reported actual revenues above estimates, which is below the 5-year average of 68% but above the 10-year average of 64%. In aggregate, companies are reporting revenues that are 0.9% above the estimates, which is below the 5-year average of 2.0% and below the 10-year average of 1.3%.

The blended revenue growth rate for the third quarter is 1.9% today, compared to a revenue growth rate of 1.7% last week and a revenue growth rate of 1.6% at the end of the third quarter (September 30).

Upward revisions to revenue estimates for companies in the Energy sector have been the largest contributor to the increase in the overall revenue growth rate for the index over the past week and since the end of the quarter.

If 1.9% is the actual revenue growth rate for the quarter, it will mark the 11th consecutive quarter of revenue growth for the index.

Nine sectors are reporting (or are projected to report) year-over-year growth in revenues, led by the Consumer Discretionary sector. On the other hand, two sectors are predicted to report a year-over-year decline in revenues: Energy and Materials.

Looking ahead, analysts expect (year-over-year) earnings growth of 7.6% for Q4 2023. For CY 2023, analysts predict (year-over-year) earnings growth of 0.9%. For CY 2024, analysts are calling for (year-over-year) earnings growth of 12.2%.

The forward 12-month P/E ratio is 18.1, which is below the 5-year average (18.7) but above the 10-year average (17.5). It is also above the forward P/E ratio of 18.1 recorded at the end of the third quarter (September 30).
During the upcoming week, 55 S&P 500 companies (including five Dow 30 components) are scheduled to report results for the third quarter.

For a list of the high-profile S&P 500 companies reporting earnings next week and a schedule of their earnings calls, please go to the following link: https://www.factset.com/lp/quarterly-earnings-calls

Scorecard: Number of Positive EPS Surprises Are Above 5-Year and 10-Year Averages

Percentage of Companies Beating EPS Estimates (84%) is Above 5-Year Average

Overall, 6% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 84% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 9% 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 (74%), above the 5-year average (77%), and above the 10-year average (74%).

At the sector level, the Health Care (100%), Industrials (100%), and Information Technology (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Financials (71%) and Consumer Staples (75%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+10.1%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 10.1% above expectations. This surprise percentage is above the 1-year average (+4.4%), above the 5-year average (+8.5%), and above the 10-year average (6.6%).

The Financials (+14.8%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Citigroup ($1.63 vs. $1.23), BlackRock ($10.91 vs. $8.34) and Wells Fargo ($1.48 vs. $1.24) have reported the largest positive EPS surprises.

The Consumer Discretionary (+12.6%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Domino’s Pizza ($4.18 vs. $3.31), NIKE ($0.94 vs. $0.76) and Carnival ($0.86 vs. $0.75) have reported the largest positive EPS surprises.

Market Punishing Positive EPS Surprises

To date, the market is punishing positive earnings surprises reported by S&P 500 companies on average, while rewarding negative EPS surprises reported by S&P 500 companies on average.

Companies that have reported positive earnings surprises for Q3 2023 have seen an average price decrease of -0.7% two days before the earnings release through two days after the earnings release. This percentage decrease is much smaller than the 5-year average price increase of +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q3 2023 have seen an average price increase of +3.4% two days before the earnings release through two days after the earnings. This percentage increase is much larger than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (66%) is Below 5-Year Average

In terms of revenues, 66% of companies have reported actual revenues above estimated revenues and 34% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is below the 1-year average (69%) and below the 5-year average (68%), but above the 10-year average (64%).
At the sector level, the Health Care (100%) sector has the highest percentage of companies reporting revenues above estimates, while the Industrials (40%) and Information Technology (50%) sectors have the lowest percentages of companies reporting revenues above estimates.

**Revenue Surprise Percentage (+0.9%) is Below 5-Year Average**

In aggregate, companies are reporting revenues that are 0.9% above expectations. This surprise percentage is below the 1-year average (+2.1%), below the 5-year average (+2.0%), and below the 10-year average (+1.3%).

At the sector level, the Financials (+1.9%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues, while the Industrials (-0.1%) and Information Technology (-0.1%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

**Revisions: Improvement in Blended Earnings This Week Due to Financials Sector**

**Improvement in Blended Earnings This Week Due to Financials Sector**

The blended (year-over-year) earnings growth rate for the third quarter is 0.4%, which is above the earnings decline of -0.3% last week. Positive earnings surprises reported by companies in the Financials sector were the largest contributor to the improvement in earnings for the index during the past week.

In the Financials sector, the positive EPS surprises reported by JPMorgan Chase ($4.33 vs. $3.95), Wells Fargo ($1.48 vs. $1.24), Citigroup ($1.63 vs. $1.23), and BlackRock ($10.91 vs. $8.34) were the largest contributors to the improvement in earnings for the index during the week. As a result, the blended earnings growth rate for the Financials sector increased to 13.4% from 9.2% over this period.

**Improvement in Blended Revenues This Week Due to Energy Sector**

The blended (year-over-year) revenue growth rate for the third quarter is 1.9%, which is above the revenue growth rate of 1.7% last week. Upward revisions to revenue estimates for companies in the Energy sector were the largest contributors to the improvement in the revenue growth rate for the index during the past week.

**Earnings Growth: 0.4%**

The blended (year-over-year) earnings growth rate for Q3 2023 is 0.4%, which is below the 5-year average earnings growth rate of 10.6% and below the 10-year average earnings growth rate of 8.4%. If 0.4% is the actual growth rate for the quarter, it will mark the first quarter of year-over-year earnings growth for the index since Q3 2022 (2.3%).

Eight of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Communication Services and Consumer Discretionary sectors. On the other hand, three sectors are reporting (or are expected) to report a year-over-year decline in earnings, led by the Energy and Materials sectors.

**Communication Services: Meta Platforms is Largest Contributor to Year-Over-Year Growth**

The Communication Services sector is expected to report the largest (year-over-year) earnings growth rate of all eleven sectors at 30.7%. At the industry level, 3 of the 5 industries in the sector are expected to report a year-over-year increase in earnings of 50% or more: Wireless Telecommunication Services (300%), Entertainment (184%), and Interactive Media & Services (50%). On the other hand, two industries are expected to report a (year-over-year) decline in earnings: Diversified Telecommunication Services (-10%) and Media (-7%).

At the company level, Meta Platforms ($3.59 vs. $1.64), Warner Bros. Discovery (-$0.06 vs. -$0.76), and T-Mobile ($1.70 vs. $0.40) are predicted to be the largest contributors to earnings growth for the sector. If these three companies were excluded, the estimated earnings growth rate for Communication Services sector would fall to 10.8% from 30.7%.
Consumer Discretionary: Amazon Is Largest Contributor to Year-Over-Year Growth

The Consumer Discretionary sector is reporting the second-highest (year-over-year) earnings growth rate of all eleven sectors at 22.1%. At the industry level, 3 of the 9 industries in the sector are reporting (or are expected to report) a year-over-year increase in earnings of 25% or more: Broadline Retail (167%), Hotels, Restaurants, & Leisure (92%), and Leisure Products (27%). On the other hand, six industries are reporting (or are expected to report) a year-over-year decline in earnings. Two of these six industries are reporting (or are predicted to report) a decrease in earnings of more than 10%: Household Durables (-14%) and Automobiles (-13%).

At the industry level, the Hotels, Restaurants, & Leisure and Broadline Retail industries are the largest contributors to earnings growth for the sector. If these two industries were excluded, the Consumer Discretionary sector would be reporting a (year-over-year) decline in earnings of -9.1% instead of year-over-year earnings growth if 22.1%.

At the company level, Amazon.com ($0.58 vs. $0.28) is the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the sector would fall to 14.4% from 22.1%.

Energy: Largest Detractor to Year-Over-Year Earnings Growth for S&P 500

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -37.6%. Lower year-over-year oil prices are contributing to the year-over-year decrease in earnings for this sector. Despite the rise in price during September, the average price of oil in Q3 2023 ($82.22) was still 10% below the average price for oil in Q3 2022 ($91.43). At the sub-industry level, three of the five sub-industries in the sector are expected to report a (year-over-year) decrease in earnings of more than 20%: Integrated Oil & Gas (-47%), Oil & Gas Exploration & Production (-41%), and Oil & Gas Refining & Marketing (-22%). On the other hand, the other two sub-industries are predicted to report (year-over-year) earnings growth or more than 10%: Oil & Gas Equipment & Services (28%) and Oil & Gas Storage & Transportation (12%).

The Energy sector is also the largest detractor to overall earnings growth for the S&P 500. If this sector were excluded, the blended earnings growth rate for the S&P 500 would improve to 5.7% from 0.4%.

Materials: 3 of 4 Industries Expected To Report Year-Over-Year Decline of More Than 20%

The Materials sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -22.7%. At the industry level, three of the four industries in this sector are predicted to report a year-over-year decline in earnings of 20% or more: Containers & Packaging (-28%), Chemicals (-24%), and Metals & Mining (-23%). On the other hand, the Construction Materials (28%) industry is the only industry in the sector projected to report (year-over-year) earnings growth.

Revenue Growth: 1.9%

The blended (year-over-year) revenue growth rate for Q3 2023 is 1.9%, which is below the 5-year average revenue growth rate of 7.2% and below the 10-year average revenue growth rate of 5.0%. If 1.9% is the actual revenue growth rate for the quarter, it will mark the 11th consecutive quarter of revenue growth for the index.

At the sector level, nine sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Consumer Discretionary sector. On the other hand, two sectors are expected to report a year-over-year decline in revenues: Energy and Materials.
Consumer Discretionary: 5 of 9 Industries Expected to Report Year-Over-Year Growth

The Consumer Discretionary sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 7.0%. At the industry level, 5 of the 9 industries in the sector are reporting (or are expected to report) a year-over-year increase in revenues. Two of these five industries are projected to report revenue growth at or above 10%: Hotels, Restaurants, & Leisure (21%) and Broadline Retail (11%).

Energy: 4 of 5 Sub-Industries Expected To Report Year-Over-Year Decline of More Than 10%

The Energy sector is expected to report the largest (year-over-year) revenue decline of all eleven sectors at -16.3%. Lower year-over-year oil prices are contributing to the year-over-year decrease in revenues for this sector. Despite the rise in price during September, the average price of oil in Q3 2023 ($82.22) was still 10% below the average price for oil in Q3 2022 ($91.43). At the sub-industry level, four of the five sub-industries in the sector are expected to report a (year-over-year) decrease in revenues of more than 10%: Oil & Gas Exploration & Production (-25%), Integrated Oil & Gas (-20%), Oil & Gas Refining & Marketing (-12%), and Oil & Gas Storage & Transportation (-11%). On the other hand, the Oil & Gas Equipment & Services (14%) sub-industry is the only sub-industry predicted to report (year-over-year) revenue growth in the sector.

Materials: Chemicals Industry Leads Year-Over-Year Decline

The Materials sector is expected to report the second-highest (year-over-year) decline in revenues at -10.0%. At the industry level, three of the four industries in the sector are predicted to report a (year-over-year) decrease in revenues: Chemicals (-12%), Metals & Mining (-11%), and Containers & Packaging (-6%). On the other hand, the Construction Materials (10%) industry is the only industry expected to report a year-over-year growth in revenues.

Net Profit Margin: 11.7%

The blended net profit margin for the S&P 500 for Q3 2023 is 11.7%, which is above the previous quarter’s net profit margin of 11.6% and above the 5-year average of 11.4%, but below the year-ago net profit margin of 11.9%.

At the sector level, six sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q3 2023 compared to Q3 2022, led by the Communication Services (12.1% vs. 9.8%) sector. On the other hand, five sectors are reporting (or are expected to report) a year-over-year decrease in their net profit margins in Q3 2023 compared to Q3 2022, led by the Energy (10.7% vs. 14.4%) sector.

Eight sectors are reporting (or are expected to report) net profit margins in Q3 2023 that are above their 5-year averages, led by the Energy (10.7% vs. 8.4%) sector. On the other hand, three sectors are reporting (or are expected to report) net profit margins in Q3 2023 that are below their 5-year averages, led by the Health Care (8.9% vs. 10.3%) and Materials (9.7% vs. 10.9%) sectors.
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Forward Estimates and Valuation

Quarterly Guidance: % of S&P 500 Companies Issuing Negative Guidance for Q4 Below 5-Year Average
At this point in time, 9 companies in the index have issued EPS guidance for Q4 2023. Of these 9 companies, 4 have issued negative EPS guidance and 5 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q4 2023 is 44% (4 out of 9), which is below the 5-year average of 59% and below the 10-year average of 64%.

At this point in time, 267 companies in the index have issued EPS guidance for the current fiscal year (FY 2023 or FY 2024). Of these 267 companies, 105 have issued negative EPS guidance and 162 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 39% (105 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 1% for CY 2023
For the third quarter, S&P 500 companies are reporting year-over-year growth in earnings of 0.4% and year-over-year growth in revenues of 1.9%.

For Q4 2023, analysts are projecting earnings growth of 7.6% and revenue growth of 4.0%.

For CY 2023, analysts are projecting earnings growth of 0.9% and revenue growth of 2.4%.

For Q1 2024, analysts are projecting earnings growth of 8.1% and revenue growth of 4.7%.

For Q2 2024, analysts are projecting earnings growth of 11.7% and revenue growth of 5.4%.

For CY 2024, analysts are projecting earnings growth of 12.2% and revenue growth of 5.6%.

Valuation: Forward P/E Ratio is 18.1, Above the 10-Year Average (17.5)
The forward 12-month P/E ratio for the S&P 500 is 18.1. This P/E ratio is below the 5-year average of 18.7 but above the 10-year average of 17.5. It is also above the forward 12-month P/E ratio of 17.8 recorded at the end of the third quarter (September 30). Since the end of the third quarter (September 30), the price of the index has increased by 1.4%, while the forward 12-month EPS estimate has increased by 0.2%. At the sector level, the Information Technology (25.3) and Consumer Discretionary (23.6) sectors have the highest forward 12-month P/E ratios, while the Energy (11.2) and Financials (13.1) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 21.7, which is below the 5-year average of 22.4 but above the 10-year average of 20.8.

Targets & Ratings: Analysts Project 18% Increase in Price Over Next 12 Months
The bottom-up target price for the S&P 500 is 5115.99, which is 17.6% above the closing price of 4349.61. At the sector level, the Real Estate (+22.1%), Consumer Discretionary (+22.0%), and Consumer Staples (+21.0%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Communication Services (+13.9%) and Energy (+14.2%) 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 11,168 ratings on stocks in the S&P 500. Of these 11,168 ratings, 54.7% are Buy ratings, 39.8% are Hold ratings, and 5.6% are Sell ratings. At the sector level, the Energy (65%) sector has the highest percentage of Buy ratings, while the Consumer Staples (46%) sector has the lowest percentage of Buy ratings.

**Companies Reporting Next Week: 55**

During the upcoming week, 55 S&P 500 companies (including 5 Dow 30 components) are scheduled to report results for the third quarter.

For a list of the high-profile S&P 500 companies reporting earnings next week and a schedule of their earnings calls, please go to the following link: [https://www.factset.com/lp/quarterly-earnings-calls](https://www.factset.com/lp/quarterly-earnings-calls)
Q3 2023: Scorecard
Q3 2023: Scorecard

**S&P 500 Sector-Level Earnings Surprise %: Q3 2023**
(Source: FactSet)

- Financials: 14.8%
- Consumer Disc.: 12.6%
- S&P 500: 10.1%
- Industrials: 8.6%
- Info. Technology: 5.1%
- Consumer Staples: 4.2%
- Health Care: 3.8%
- Materials: 0.0%
- Comm. Services: 0.0%
- Utilities: 0.0%
- Energy: 0.0%
- Real Estate: 0.0%

**S&P 500 Sector-Level Revenue Surprise %: Q3 2023**
(Source: FactSet)

- Financials: 1.9%
- Health Care: 1.0%
- Consumer Disc.: 1.0%
- S&P 500: 0.9%
- Consumer Staples: 0.5%
- Info. Technology: -0.1%
- Industrials: -0.1%
- Real Estate: 0.0%
- Comm. Services: 0.0%
- Energy: 0.0%
- Materials: 0.0%
- Utilities: 0.0%
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Q3 2023: Scorecard

S&P 500 EPS Surprise % vs. Price %: Q3 2023
(Source: FactSet)

S&P 500 EPS Surprise vs. Avg. Price Change %
(Source: FactSet)
Q3 2023: Scorecard

**S&P 500 Actual EPS Surprise %: Top 10 Q3 Actual EPS Surprises**
(Source: FactSet)

- Lamb Weston Holdings, Inc.: 50.5%
- Citigroup Inc.: 32.9%
- BlackRock, Inc.: 30.6%
- Domino's Pizza, Inc.: 26.4%
- NIKE, Inc. Class B: 24.4%
- FedEx Corporation: 22.6%
- Wells Fargo & Company: 19.1%
- PNC Financial Services Group, Inc.: 16.0%
- Carnival Corporation: 14.4%
- Conagra Brands, Inc.: 10.8%

**S&P 500 Actual EPS Surprise %: Bottom 10 Q3 Actual EPS Surprises**
(Source: FactSet)

- Accenture Plc Class A: 2.3%
- Darden Restaurants, Inc.: 2.2%
- Paychex, Inc.: 1.6%
- Costco Wholesale Corporation: 0.9%
- General Mills, Inc.: 0.8%
- Cintas Corporation: 0.7%
- CarMax, Inc.: -0.2%
- McCormick & Company, Incorporated: -0.3%
- Walgreens Boots Alliance, Inc.: -2.4%
- FactSet Research Systems Inc.: -16.4%
Q3 2023: Growth

**S&P 500 Earnings Growth (Y/Y): Q3 2023**
(Source: FactSet)

**S&P 500 Revenue Growth (Y/Y): Q3 2023**
(Source: FactSet)
Q3 2023: Growth

**S&P 500 Earnings Growth (Y/Y): Q3 2023**
(Source: FactSet)

- S&P 500 Companies > 50% Revenue in U.S.: 3.7%
- All S&P 500 Companies: 0.4%
- S&P 500 Companies < 50% Revenues in U.S.: -5.7%

**S&P 500 Revenue Growth (Y/Y): Q3 2023**
(Source: FactSet)

- S&P 500 Companies > 50% Revenue in U.S.: 3.2%
- All S&P 500 Companies: 1.9%
- S&P 500 Companies < 50% Revenues in U.S.: -2.2%
Q3 2023: Net Profit Margin

S&P 500 Net Profit Margins: Q323 vs. Q322
(Source: FactSet)

S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin:
Q323 vs. Q322
(Source: FactSet)
Q4 2023: Guidance

**Number (№) of S&P 500 Cos. with Q4 Positive & Negative Guidance**
(Source: FactSet)

**Percentage (%) of S&P 500 Cos. with Q4 Positive & Negative Guidance**
(Source: FactSet)
Q4 2023: EPS Revisions

### Upward Change in Q4 EPS (Trailing 4 Weeks): Top 10 S&P 500 Cos.

(Source: FactSet)

- Pinnacle West Capital Corporation: 46.0%
- Alexandria Real Estate Equities, Inc.: 34.2%
- Equity Residential: 16.6%
- Marathon Oil Corporation: 13.6%
- Boeing Company: 12.2%
- Occidental Petroleum Corporation: 11.0%
- APA Corporation: 10.5%
- Hess Corporation: 9.2%
- ConocoPhillips: 8.6%
- Devon Energy Corporation: 8.4%

### Downward Change in Q4 EPS (Trailing 4-Weeks): Top 10 S&P 500 Cos.

(Source: FactSet)

- Fox Corporation Class B: -19.2%
- United Airlines Holdings, Inc.: -19.8%
- Eversy, Inc.: -20.6%
- Walgreens Boots Alliance, Inc.: -21.7%
- Alaska Air Group, Inc.: -23.7%
- Paramount Global Class B: -27.3%
- Carnival Corporation: -36.7%
- Southwest Airlines Co.: -37.5%
- American Airlines Group Inc.: -62.4%
- Warner Bros. Discovery, Inc. Series A: -187.2%
Q4 2023: Growth

S&P 500 Earnings Growth (Y/Y): Q4 2023
(Source: FactSet)

S&P 500 Revenue Growth (Y/Y): Q4 2023
(Source: FactSet)
FY 2023 / 2024: EPS Guidance
CY 2023: Growth

S&P 500 Earnings Growth (Y/Y): CY 2023
(Source: FactSet)

S&P 500 Revenue Growth (Y/Y): CY 2023
(Source: FactSet)
CY 2024: Growth
Geographic Revenue Exposure

S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)

- International: 41%
- United States: 59%

S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)

- Utilities: 1%
- Real Estate: 16%
- Financials: 29%
- Industrials: 32%
- Consumer Discretionary: 34%
- Health Care: 34%
- Energy: 39%
- Consumer Staples: 41%
- Communication Services: 45%
- Materials: 52%
- Information Technology: 59%

- International: 1% 16% 29% 32% 34% 34% 39% 41% 45% 52% 59%
- United States: 99% 82% 71% 68% 66% 66% 61% 59% 55% 48% 41%
Bottom-Up EPS Estimates

S&P 500 CY 2023 & CY 2024 Bottom-Up EPS: 1-Year
(Source: FactSet)

S&P 500 Q423 Bottom-Up EPS: 1-Year
(Source: FactSet)
Bottom-Up EPS Estimates: Current & Historical

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates
(Source: FactSet)

S&P 500 Quarterly Bottom-Up EPS Actuals & Estimates
(Source: FactSet)
Forward 12M P/E Ratio: Sector Level
Forward 12M P/E Ratio: 10-Years
Trailing 12M P/E Ratio: 10-Years

S&P 500 Change in Trailing 12-Month EPS vs. Change in Price: 10 Years
(Source: FactSet)

S&P 500 Trailing 12-Month P/E Ratio: 10 Years
(Source: FactSet)
EARNINGS INSIGHT

Targets & Ratings

![S&P 500: Percentage of Buy, Hold, and Sell Ratings](chart1)

*Source: FactSet*

![S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price](chart2)

*Source: FactSet*
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