

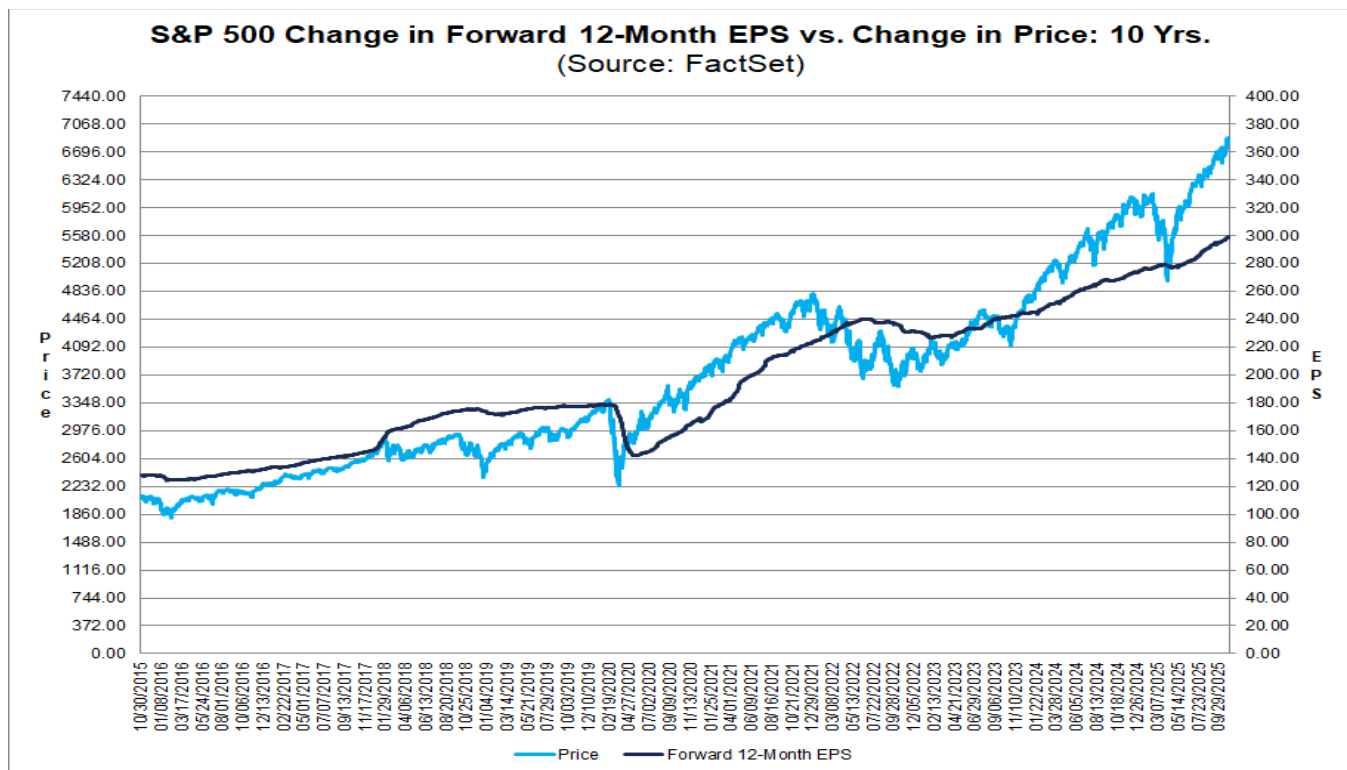
John Butters
VP, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

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Key Metrics

- **Earnings Scorecard:** For Q3 2025 (with 91% of S&P 500 companies reporting actual results), 82% of S&P 500 companies have reported a positive EPS surprise and 77% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2025, the blended (year-over-year) earnings growth rate for the S&P 500 is 13.1%. If 13.1% is the actual growth rate for the quarter, it will mark the 4th consecutive quarter of double-digit earnings growth for the index.
- **Earnings Revisions:** On September 30, the estimated (year-over-year) earnings growth rate for the S&P 500 for Q3 2025 was 7.9%. Ten sectors are reporting higher earnings today (compared to September 30) due to positive EPS surprises.
- **Earnings Guidance:** For Q4 2025, 42 S&P 500 companies have issued negative EPS guidance and 31 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 22.7. This P/E ratio is above the 5-year average (20.0) and above the 10-year average (18.6).



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Topic of the Week:

Are S&P 500 Companies Citing Impact from the Government Shutdown on Q3 Earnings Calls?

During each corporate earnings season, companies may comment on government actions that are having an impact or may have an impact on their business in the current quarter or in future quarters. Given the continuing federal government shutdown, have S&P 500 companies commented on the government shutdown during their earnings conference calls for the third quarter?

The answer is yes. FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term “government shutdown” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from September 15 through November 6.

Overall, the term “government shutdown” was cited on 76 earnings calls conducted by S&P 500 companies during this period. This marks the highest number of earnings calls citing “government shutdown” since Q4 2018 (77), and the second-highest number of earnings calls citing “government shutdown” over the past 10 years. On a percentage basis, the term “government shutdown” has been cited on 18% (76 out of 432) on the earnings calls conducted by S&P 500 companies from September 15 through November 6.

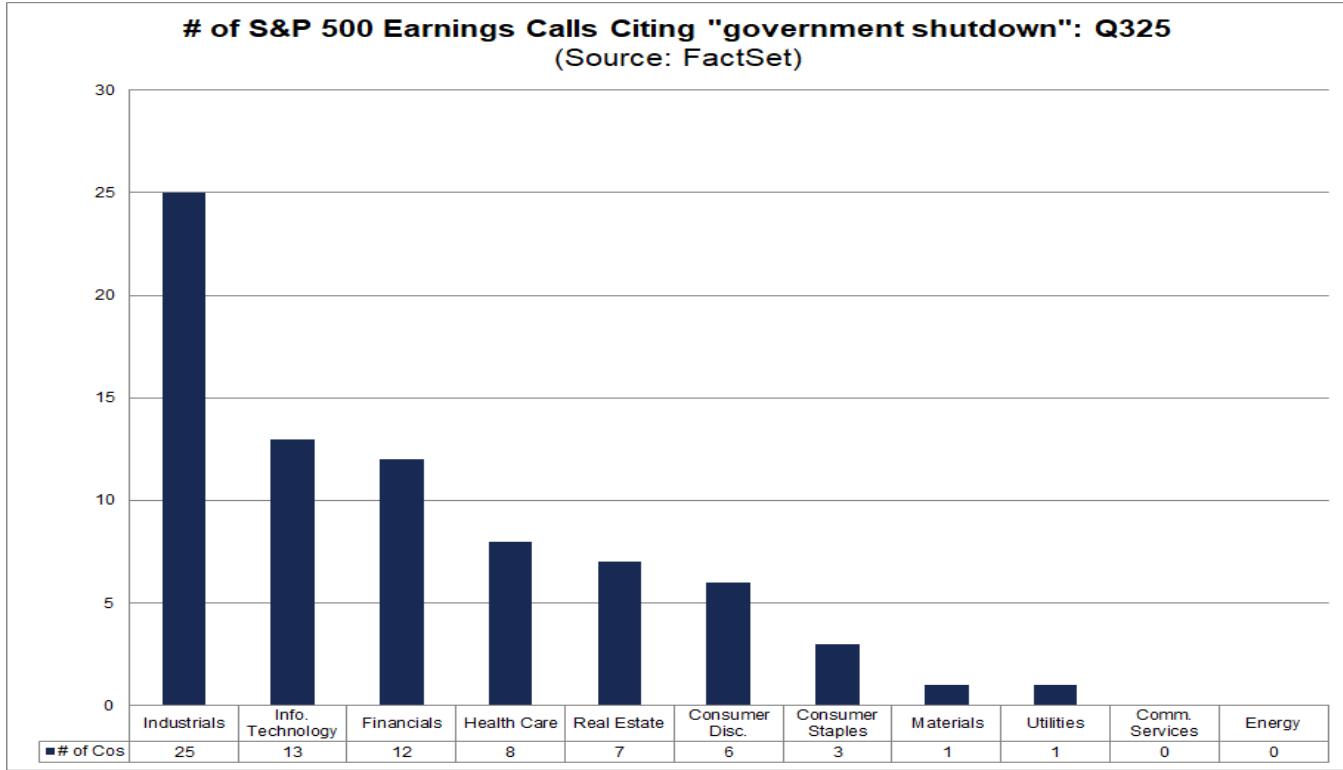
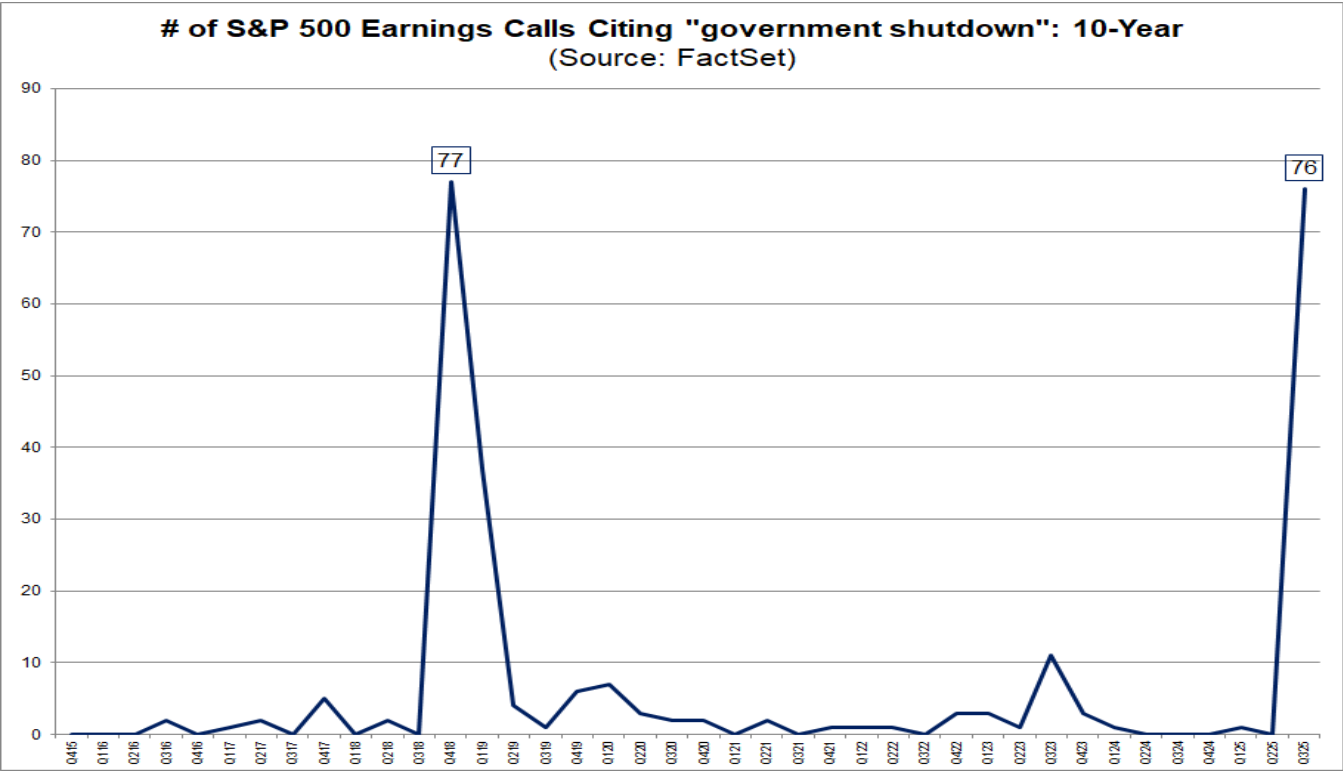
At the sector level, the Industrials sector has the highest number (25) and percentage (35%) of earnings calls where the term “government shutdown” was cited. Within the Industrials sector, the Aerospace & Defense (5), Professional Services (5), Machinery (3), and Passenger Airlines (3) industries have the highest number of earnings calls where the term “government shutdown” was cited.

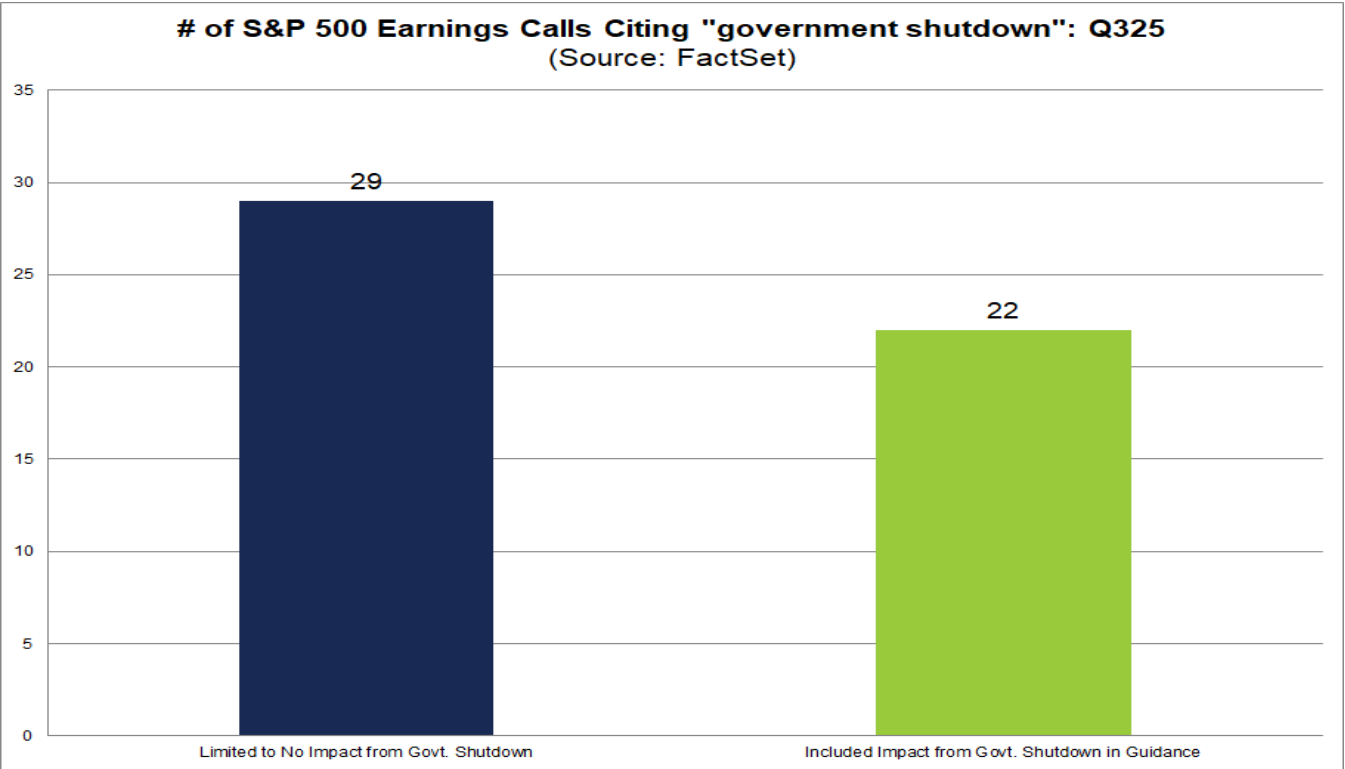
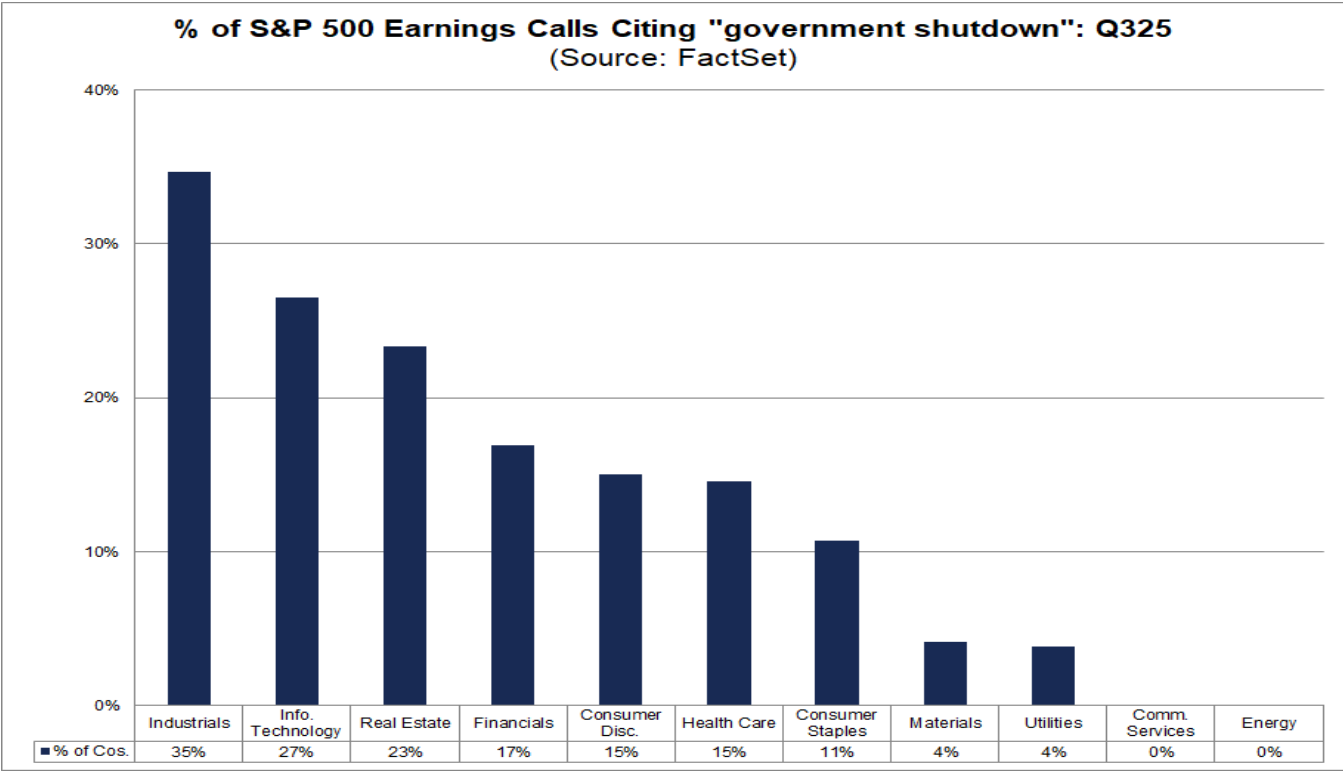
Outside of the Industrials sector, the Information Technology (13) and Financials (12) sectors have the highest number of earnings calls where the term “government shutdown” was cited, while the Information Technology (27%) and Real Estate (23%) sectors have the highest percentages of earnings calls where the term “government shutdown” was cited.

What are these companies saying about the government shutdown?

Overall, 29 companies stated or implied that they were seeing little to no impact from the government shutdown at this point in time. However, a number of these companies also stated that they would see or may see a negative impact from the shutdown the longer it continues. As a result, 22 companies stated that they included some impact or potential impact from the government shutdown in their guidance for Q4 or for the full year. Many of these companies stated they were providing a wider guidance range or more conservative guidance range than normal to account for the uncertainty of the government shutdown.

A list of the 29 companies that stated they were seeing little to no impact from the government shutdown and a list of the 22 companies that included some impact from the government shutdown in their guidance and their comments can be found in Appendix 1 starting on page 36.





Q3 Earnings Season: By The Numbers

Overview

At the end of the peak weeks of the third quarter earnings season, the S&P 500 is reporting solid results relative to analyst expectations. The percentage of S&P 500 companies reporting positive earnings surprises is above the 10-year average, while the magnitude of earnings surprises is equal to the 10-year average. 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 also reporting double-digit earnings growth for the fourth straight quarter. In addition, S&P 500 companies are reporting impressive numbers for revenues relative to analyst expectations and year-ago results.

Overall, 91% of the companies in the S&P 500 have reported actual results for Q3 2025 to date. Of these companies, 82% have reported actual EPS above estimates, which is above the 5-year average of 78% and above the 10-year average of 75%. If 82% is the final number for the quarter, it will mark the largest percentage of S&P 500 companies reporting a positive EPS surprise for a quarter since Q3 2021 (also 82%). In aggregate, companies are reporting earnings that are 7.0% above estimates, which is below the 5-year average of 8.4% but equal to the 10-year average of 7.0%. Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

During the past week, positive EPS surprises reported by companies in the Industrials, Financials, and Health Care sectors were the largest contributors to the increase in the overall earnings growth rate for the index over this period. Since September 30, positive EPS surprises reported by companies in the Financials, Information Technology, and Consumer Discretionary sectors, partially offset by negative EPS surprises reported by companies in the Communication Services sector, have been the largest contributors to the increase in the overall earnings growth rate for the index over this period.

As a result, the index is reporting higher earnings for the 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 13.1% today, compared to an earnings growth rate of 10.7% last week and an earnings growth rate of 7.9% at the end of the third quarter (September 30).

If 13.1% is the actual growth rate for the quarter, it will mark the fourth consecutive quarter of double-digit (year-over-year) earnings growth for the index. It will also mark the ninth consecutive quarter of year-over-year earnings growth for the index.

Eight of the eleven sectors are reporting (or have reported) year-over-year growth, led by Information Technology, Financials, Utilities, Materials, and Industrials sectors. On the other hand, three sectors are reporting a year-over-year decline in earnings, led by the Communication Services sector.

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 66%. In aggregate, companies are reporting revenues that are 2.1% above the estimates, which is equal to the 5-year average of 2.1% but above the 10-year average of 1.4%. Again, historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

During the past week, positive revenue surprises reported by companies in multiple sectors (led by the Financials and Consumer Staples sectors) were the largest contributors to the increase in the overall revenue growth rate for the index over this period. Since September 30, positive revenue surprises reported by companies in the Health Care, Financials, and Consumer Discretionary sectors have been the largest contributors to the increase in the overall revenue growth rate for the index over this period.

As a result, the blended revenue growth rate for the third quarter is 8.3% today, compared to a revenue growth rate of 7.9% last week and a revenue growth rate of 6.3% at the end of the third quarter (September 30).

If 8.3% is the actual revenue growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q3 2022 (11.0%). It will also mark the 20th consecutive quarter of revenue growth for the index.

All eleven sectors are reporting (or have reported) year-over-year growth in revenues, led by the Information Technology, Health Care, and Communication Services sectors.

For Q4 2025 through Q2 2026, analysts are calling for earnings growth rates of 7.5%, 11.8%, and 12.7%, respectively. For CY 2025 analysts are predicting (year-over-year) earnings growth of 11.6%.

The forward 12-month P/E ratio is 22.7, which is above the 5-year average (20.0) and above the 10-year average (18.6). However, this P/E ratio is slightly below the forward P/E ratio of 22.8 recorded at the end of the third quarter (September 30).

During the upcoming week, 11 S&P 500 companies (including 2 Dow 30 companies) are scheduled to report results for the third quarter.

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

Percentage of Companies Beating EPS Estimates (82%) is Above 5-Year Average

Overall, 91% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 82% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 15% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year average (77%), above the 5-year average (78%), and above the 10-year average (75%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

If 82% is the final number for the quarter, it will mark the largest percentage of S&P 500 companies reporting a positive EPS surprise for a quarter since Q3 2021 (also 82%).

At the sector level, the Health Care (93%), Consumer Staples (93%), Information Technology (92%), and Financials (89%) sectors have the highest percentages of companies reporting earnings above estimates, while the Communication Services (62%) sector has the lowest percentage of companies reporting earnings above estimates.

Earnings Surprise Percentage (+7.0%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 7.0% above expectations. This surprise percentage is below the 1-year average (+7.3%) and below the 5-year average (+8.4%), but equal to the 10-year average (+7.0%). 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 Industrials (+15.6%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Southwest Airlines (\$0.11 vs. -\$0.04), Uber Technologies (\$3.11 vs. \$0.69), and UPS (\$1.74 vs. \$1.29) have reported the largest positive EPS surprises.

The Health Care (+12.1%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Centene Corporation (\$0.50 vs. -\$0.14), Moderna (-\$0.51 vs. -\$2.12), Incyte Corporation (\$2.26 vs. \$1.61), Pfizer (\$0.87 vs. \$0.63), Biogen (\$4.81 vs. \$3.88), Eli Lilly & Company (\$7.02 vs. \$5.69), Regeneron Pharmaceuticals (\$11.83 vs. \$9.65), and Elevance Health (\$6.03 vs. \$4.93) have reported the largest positive EPS surprises.

The Consumer Discretionary (+12.0%) sector is reporting the third-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, NIKE (\$0.49 vs. \$0.27), Ford Motor (\$0.45 vs. \$0.35), Las Vegas Sands (\$0.78 vs. \$0.62), Amazon.com (\$1.95 vs. \$1.57), and General Motors (\$2.80 vs. \$2.29) have reported the largest positive EPS surprises.

The Financials (+8.8%) sector reported the fourth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Allstate (\$11.17 vs. \$7.55), Aflac (\$2.49 vs. \$1.77), Invesco (\$0.61 vs. \$0.45), Morgan Stanley (\$2.80 vs. \$2.10), Cincinnati Financial (\$2.85 vs. \$2.14), Capital One Financial (\$5.95 vs. \$4.49), Assurant (\$5.76 vs. \$4.37), and Coinbase Global (\$1.50 vs. \$1.13) reported the largest positive EPS surprises.

The Information Technology (+8.1%) sector is reporting the fifth-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Intel (\$0.23 vs. \$0.02), PTC (\$3.47 vs. \$2.27), Palantir Technologies (\$0.21 vs. \$0.17), and Datadog (\$0.55 vs. \$0.45) have reported the largest positive EPS surprises.

On the other hand, the Communication Services (-9.3%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Meta Platforms (\$1.05 vs. \$6.72), Live Nation Entertainment (\$0.73 vs. \$1.32), TKO Group Holdings (\$0.47 vs. \$0.59), and Netflix (\$5.87 vs. \$6.96) have reported the largest negative EPS surprises.

Market Punishing Negative EPS Surprises More Than Average

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

Companies that have reported positive earnings surprises for Q3 2025 have seen an no average price change (0.0%) two days before the earnings release through two days after the earnings release. This percentage is below 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 2025 have seen an average price decrease of -5.1% two days before the earnings release through two days after the earnings. This percentage decrease is much larger than the 5-year average price decrease of -2.6% 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 above the 1-year average (67%), above the 5-year average (70%), and above the 10-year average (66%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Information Technology (92%) and Health Care (84%) sectors have the highest percentages of companies reporting revenues above estimates, while the Materials (58%) and Communication Services (67%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+2.1%) is Equal to 5-Year Average

In aggregate, companies are reporting revenues that are 2.1% above expectations. This surprise percentage is above the 1-year average (+1.2%), equal to the 5-year average (+2.1%), and above the 10-year average (+1.4%). Historical averages reflect actual results from all 500 companies, not the actual results from the percentage of companies that have reported through this point in time.

At the sector level, the Consumer Staples (+2.9%) and Consumer Discretionary (+2.7%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues.

Revisions: Increase in Blended Earnings This Week Due to Multiple Sectors**Increase in Blended Earnings This Week Due to Multiple Sectors**

The blended (year-over-year) earnings growth rate for the third quarter is 13.1%, which is above the earnings growth rate of 10.7% last week. Positive EPS surprises reported by companies in the Industrials, Financials, and Health Care sectors were the largest contributors to the increase in the overall earnings growth rate during the past week.

In the Industrials sector, the positive EPS surprise reported by Uber Technologies (\$3.11 vs. \$0.69) was the largest contributor to the increase in the earnings growth rate for the index during the past week. The (GAAP) actual EPS for Uber Technologies for Q3 included a \$4.9 billion benefit from a tax valuation release. As a result, the blended earnings growth rate for the Industrials sector increased to 15.0% from 2.1% over this period.

In the Financials sector, the positive EPS surprises reported by Allstate (\$11.17 vs. \$7.55) and Berkshire Hathaway (\$6.26 vs. \$5.72) were significant contributors to the increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Financials sector increased to 23.7% from 20.9% over this period.

In the Health Care sector, the positive EPS surprises reported by Pfizer (\$0.87 vs. \$0.63) and Moderna (-\$0.51 vs. -\$2.12) were substantial contributors to the increase in the earnings growth rate for the index during the past week. As a result, the blended earnings growth rate for the Health Care sector increased to 5.2% from 1.4% over this period.

Increase in Blended Revenues This Week Due to Multiple Sectors

The blended (year-over-year) revenue growth rate for the third quarter is 8.3%, which is above the revenue growth rate of 7.9% last week. Positive revenue surprises reported by companies in multiple sectors (led by the Financials and Consumer Staples sectors) were the largest contributors to the increase in the overall revenue growth rate for the index during this period.

Financials Sector Has Seen Largest Increase in Earnings since September 30

The blended (year-over-year) earnings growth rate for Q3 2025 of 13.1% is above the estimate of 7.9% at the end of the third quarter (September 30). Ten sectors have recorded an increase in their earnings growth rate or a decrease in their earnings decline since the end of the quarter due to upward revisions to EPS estimates and positive earnings surprises, led by the Financials (to 23.7% from 11.6%) and Consumer Discretionary (to 8.0% from -2.4%) sectors. The Financials, Information Technology (to 27.1% from 20.9%), and Consumer Discretionary sectors have been the largest contributors to the increase in the earnings growth rate for the index since September 30. On the other hand, one sector has recorded a decrease in its earnings growth rate due to downward revisions to earnings estimates and negative earnings surprises: Communication Services (to -7.1% from 3.0%). The Communication Services sector has also been the largest detractor to the increase in the earnings growth rate for the index since September 30.

In the Financials sector, the positive EPS surprises reported by Allstate (\$11.17 vs. \$7.55), Morgan Stanley (\$2.80 vs. \$2.10), Capital One Financial (\$5.95 vs. \$4.49), Berkshire Hathaway (\$6.26 vs. \$5.72), Bank of America (\$1.06 vs. \$1.04), JPMorgan Chase (\$5.97 vs. \$4.85), and Chubb (\$7.49 vs. \$6.17) have been significant contributors to the increase in the earnings growth rate for the index since September 30. As a result, the blended earnings growth rate for the Financials sector has increased to 23.7% from 11.6% over this period.

In the Information Technology sector, the positive EPS surprises reported by Microsoft (\$4.13 vs. \$3.67), Apple (\$1.85 vs. \$1.78), and Intel (\$0.23 vs. \$0.02) have been substantial contributors to the increase in the earnings growth rate for the index since September 30. As a result, the blended earnings growth rate for the Information Technology sector increased to 27.1% from 20.9% over this period.

In the Consumer Discretionary sector, the positive EPS surprise reported by Amazon.com (\$1.95 vs. \$1.57) has been a significant contributor to the increase in the earnings growth rate for the index since September 30. As a result, the blended earnings growth rate for the Consumer Discretionary sector increased to 8.0% from -2.4% over this period.

In the Communication Services sector, the negative EPS surprise reported by Meta Platforms (\$1.05 vs. \$6.72) has been the largest detractor to the increase in the earnings growth rate for the index since September 30. The (GAAP) actual EPS for Meta Platforms for Q3 included a one-time, non-cash income tax charge of \$15.93 billion. However, the impact of the negative EPS surprise reported by Meta Platforms has been partially offset by the positive EPS surprise reported by Alphabet (\$2.87 vs. \$2.27). As a result, the Communication Services sector is now reporting a decline in earnings of -7.1% compared to expected earnings growth of 3.0% on September 30.

Health Care and Financials Sectors Have Seen Largest Increases in Revenues since September 30

The blended (year-over-year) revenue growth rate for Q3 2025 of 8.3% is above the estimate of 6.3% at the end of the third quarter (September 30). Ten of eleven 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 Consumer Discretionary (to 7.2% from 4.1%) and Financials (to 9.4% from 6.8%) sectors. The Health Care (to 10.3% from 8.0%), Financials, and Consumer Discretionary sectors have been the largest contributors to the increase in the revenue growth rate for the index since September 30. On the other hand, one sector has recorded a decrease in its revenue growth rate due to downward revisions to earnings estimates and negative earnings surprises: Materials (to 3.1% from 4.0%).

In the Health Care sector, the positive revenue surprises reported by Cardinal Health (\$64.01 billion vs. \$59.24 billion), CVS Health (\$102.87 billion vs. \$98.81 billion), Centene Corporation (\$49.69 billion vs. \$47.72 billion), Cigna Group (\$69.57 billion vs. \$67.58 billion), and Eli Lilly & Company (\$17.60 billion vs. \$16.05 billion) have been significant contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Health Care sector has increased to 10.3% from 8.0% over this period.

In the Financials sector, the positive revenue surprises reported by Apollo Global Management (\$9.82 billion vs. \$4.92 billion), Prudential (\$16.24 billion vs. \$14.14 billion), Morgan Stanley (\$18.22 billion vs. \$16.69 billion), JPMorgan Chase (\$46.43 billion vs. \$45.47 billion), Goldman Sachs (\$15.18 billion vs. \$14.12 billion), and Citigroup (\$22.09 billion vs. \$21.09 billion) have been significant contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Financials sector has increased to 9.4% from 6.8% over this period.

In the Consumer Discretionary sector, the positive revenue surprises reported by Ford Motor (\$50.53 billion vs. \$47.05 billion), General Motors (\$48.59 billion vs. \$45.04 billion), Tesla (\$28.10 billion vs. \$27.23 billion), and Amazon.com (\$180.17 billion vs. \$177.91 billion) have been substantial contributors to the increase in the revenue growth rate for the index since September 30. As a result, the blended revenue growth rate for the Consumer Discretionary sector has increased to 7.2% from 4.1% over this period.

Earnings Growth: 13.1%

The blended (year-over-year) earnings growth rate for Q3 2025 is 13.1%, which is below the 5-year average earnings growth rate of 14.9% but above the 10-year average earnings growth rate of 9.5%. If 13.1% is the actual growth rate for the quarter, it will mark the fourth consecutive quarter of double-digit (year-over-year) earnings growth for the index. It will also mark the ninth consecutive quarter of year-over-year earnings growth for the index.

Eight of the eleven sectors are reporting (or have reported) year-over-year earnings growth, led by the Information Technology, Financials, Utilities, Materials, and Industrials sectors. On the other hand, three sectors are reporting a year-over-year decline in earnings, led by the Communication Services sector.

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

The Information Technology sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 27.1%. At the industry level, all 6 industries in the sector are reporting double-digit (year-over-year) earnings growth: Semiconductors & Semiconductor Equipment (49%), Electronic Equipment, Instruments, & Components (30%), Software (23%), IT Services (11%), Communication Equipment (10%), and Technology Hardware, Storage, & Peripherals (10%),

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 16.9% from 27.1%.

Financials: All 5 Industries Reported Double-Digit (Year-Over-Year) Growth

The Financials sector reported the second-highest (year-over-year) earnings growth rate of all eleven sectors at 23.7%. At the industry level, all 5 industries in the sector reported double-digit (year-over-year) earnings growth: Consumer Finance (55%), Insurance (32%), Capital Markets (29%), Banks (17%), and Financial Services (15%).

Utilities: NRG Energy Was Largest Contributor to Year-Over-Year Growth

The Utilities sector reported the third-highest (year-over-year) earnings growth rate of all eleven sectors at 23.2%. At the industry level, all 5 industries in the sector reported year-over-year earnings growth: Independent Power and Renewable Electricity Producers (33%), Gas Utilities (29%), Electric Utilities (25%), Multi-Utilities (17%), and Water Utilities (8%).

At the company level, NRG Energy (\$2.78 vs. -\$3.79) was the largest contributor to earnings growth for the sector. If this company were excluded, the blended earnings growth rate for the Utilities sector would fall to 14.9% from 23.2%.

Materials: Metals & Mining Industry Led Year-Over-Year Growth

The Materials sector reported the fourth-highest (year-over-year) earnings growth rate of all eleven sectors at 20.2%. At the industry level, all 4 industries in the sector reported year-over-year earnings growth: Metals & Mining (68%), Containers & Packaging (25%), Construction Materials (12%), and Chemicals (3%).

The Metals & Mining industry was also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Materials sector would fall to 6.9% from 20.2%.

Communication Services: Meta Platforms Is Largest Contributor to Year-Over-Year Decline

The Communication Services sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -7.1%. At the industry level, all 5 industries in the sector are reporting a year-over-year earnings decline: Wireless Telecommunication Services (-11%), Entertainment (-11%), Interactive Media & Services (-8%), Media (-4%), and Diversified Telecommunication Services (-4%).

At the company level, Meta Platforms (\$1.05 vs. \$6.03) is the largest contributor to the earnings decline for the sector. The (GAAP) actual EPS for Meta Platforms for Q3 included a one-time, non-cash income tax charge of \$15.93 billion. If this company were excluded, the Communication Services sector would be reporting earnings growth of 12.8% rather than an earnings decline of -7.1%.

Revenue Growth: 8.3%

The blended (year-over-year) revenue growth rate for Q3 2025 is 8.3%, which is above the 5-year average revenue growth rate of 8.0% and above the 10-year average revenue growth rate of 5.7%. If 8.3% is the actual growth rate for the quarter, it will mark the highest revenue growth rate reported by the index since Q3 2022 (11.0%). It will also mark the 20th consecutive quarter of revenue growth for the index.

At the sector level, all eleven sectors are reporting year-over-year growth in revenues, led by the Information Technology, Health Care, and Communication Services sectors.

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

The Information Technology sector is reporting the highest (year-over-year) revenue growth rate of all eleven sectors at 15.4%. At the industry level, all 6 industries in the sector are reporting year-over-year revenue growth: Semiconductors & Semiconductor Equipment (28%), Electronic Equipment, Instruments, & Components (18%), Software (17%), Communication Equipment (9%), IT Services (8%), and Technology Hardware, Storage, & Peripherals (7%).

Health Care: All 5 Industries Reporting Year-Over-Year Growth

The Health Care sector is reporting the second-highest (year-over-year) revenue growth rate of all eleven sectors at 10.3%. At the industry level, all 5 industries in the sector are reporting year-over-year revenue growth: Health Care Providers & Services (11%), Health Care Equipment & Supplies (9%), Pharmaceuticals (9%), Biotechnology (6%), and Life Sciences, Tools, & Services (5%).

Communication Services: 4 of 5 Industries Reporting Year-Over-Year Growth

The Communication Services sector is reporting the third-highest (year-over-year) earnings growth rate of all eleven sectors at 10.0%. At the industry level, 4 of the 5 industries in the sector are reporting year-over-year revenue growth: Interactive Media & Services (18%), Wireless Telecommunication Services (9%), Entertainment (5%), and Diversified Telecommunication Services (2%). On the other hand, the Media (-2%) industry is the only industry reporting a year-over-year decline in revenues.

Net Profit Margin: 13.1%

The blended net profit margin for the S&P 500 for Q3 2025 is 13.1%, which is above the previous quarter's net profit margin of 12.8%, above the year-ago net profit margin of 12.5% and above the 5-year average of 12.1%.

At the sector level, six sectors are reporting (or have reported) a year-over-year increase in their net profit margins in Q3 2025 compared to Q3 2024, led by the Information Technology (27.7% vs. 25.1%), Financials (20.3% vs. 17.9%), and Utilities (17.1% vs. 14.8%) sectors. On the other hand, five sectors are reporting (or have reported) a year-over-year decrease in their net profit margins in Q3 2025 compared to Q3 2024, led by the Communication Services (12.4 vs. 14.8%) sector.

Six sectors are reporting (or have reported) net profit margins in Q3 2025 that are above their 5-year averages, led by the Utilities (17.1% vs. 13.6%) and Information Technology (27.7% vs. 24.7%) sectors. On the other hand, five sectors are reporting (or have reported) net profit margins in Q3 2025 that are below their 5-year averages, led by the Energy (8.1% vs. 9.8%), Health Care (7.8% vs. 9.3%), and Materials (10.0% vs. 11.3%) sectors.

Forward Estimates & Valuation

Quarterly Guidance: % of Cos. Issuing Negative EPS Guidance for Q4 is Below 10-Year Average

At this point in time, 73 companies in the index have issued EPS guidance for Q4 2025. Of these 73 companies, 42 have issued negative EPS guidance and 31 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance for Q4 2025 is 58% (42 out of 73), which is above the 5-year average of 57% but below the 10-year average of 61%.

At this point in time, 269 companies in the index have issued EPS guidance for the current fiscal year (FY 2025 or FY 2026). Of these 269 companies, 113 have issued negative EPS guidance and 156 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 42% (113 out of 269).

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 12% for CY 2025

For the third quarter, S&P 500 companies are reporting year-over-year growth in earnings of 13.1% and year-over-year growth in revenues of 8.3%.

For Q4 2025, analysts are projecting earnings growth of 7.5% and revenue growth of 7.1%.

For CY 2025, analysts are projecting earnings growth of 11.6% and revenue growth of 6.8%.

For Q1 2026, analysts are projecting earnings growth of 11.8% and revenue growth of 7.7%.

For Q2 2026, analysts are projecting earnings growth of 12.7% and revenue growth of 6.8%.

For CY 2026, analysts are projecting earnings growth of 13.7% and revenue growth of 6.9%.

Valuation: Forward P/E Ratio is 22.7, Above the 10-Year Average (18.6)

The forward 12-month P/E ratio for the S&P 500 is 22.7. This P/E ratio is above the 5-year average of 20.0 and above the 10-year average of 18.6. However, it is slightly below the forward 12-month P/E ratio of 22.8 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 1.6%, while the forward 12-month EPS estimate has increased by 2.0%. At the sector level, the Information Technology (30.4) and Consumer Discretionary (29.7) sectors have the highest forward 12-month P/E ratios, while the Energy (15.3) and Financials (15.9) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 29.0, which is above the 5-year average of 25.1 and above the 10-year average of 22.8.

Targets & Ratings: Analysts Project 17% Increase in Price Over Next 12 Months

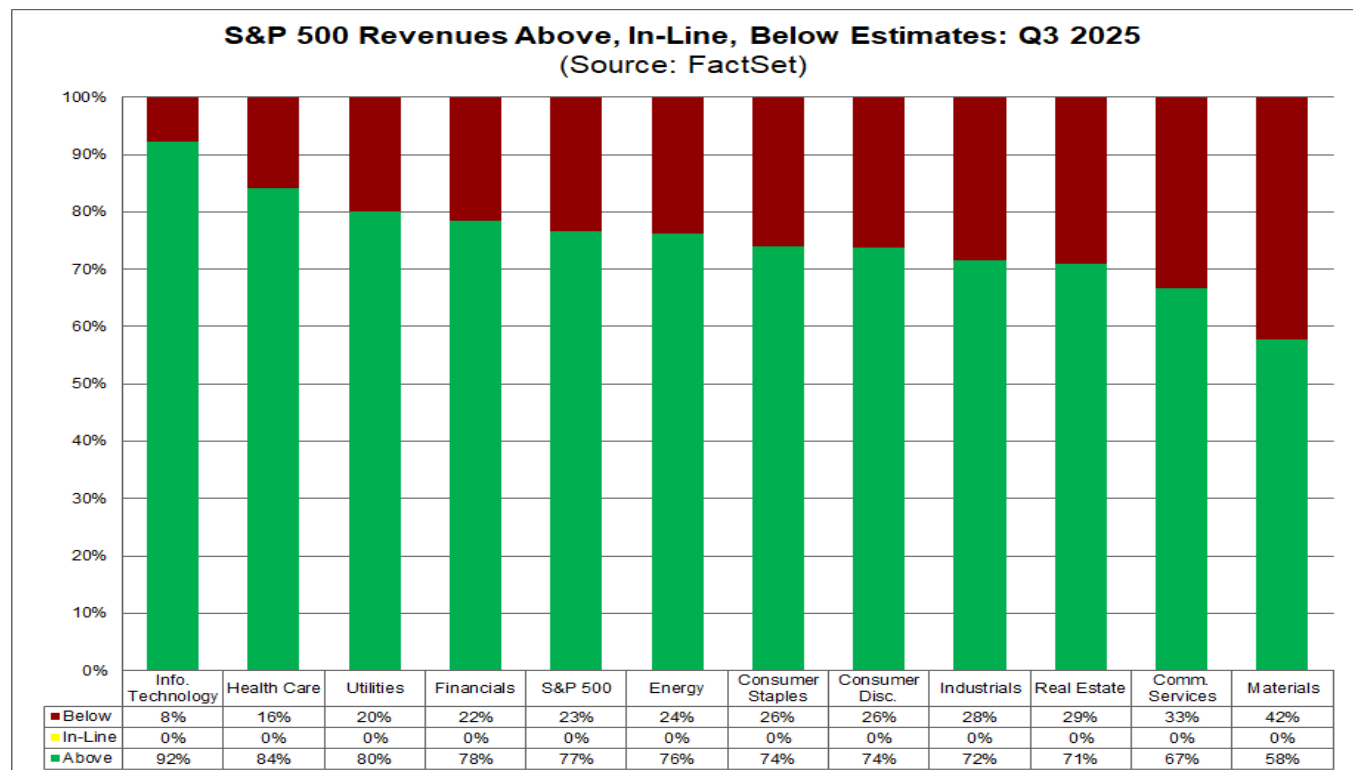
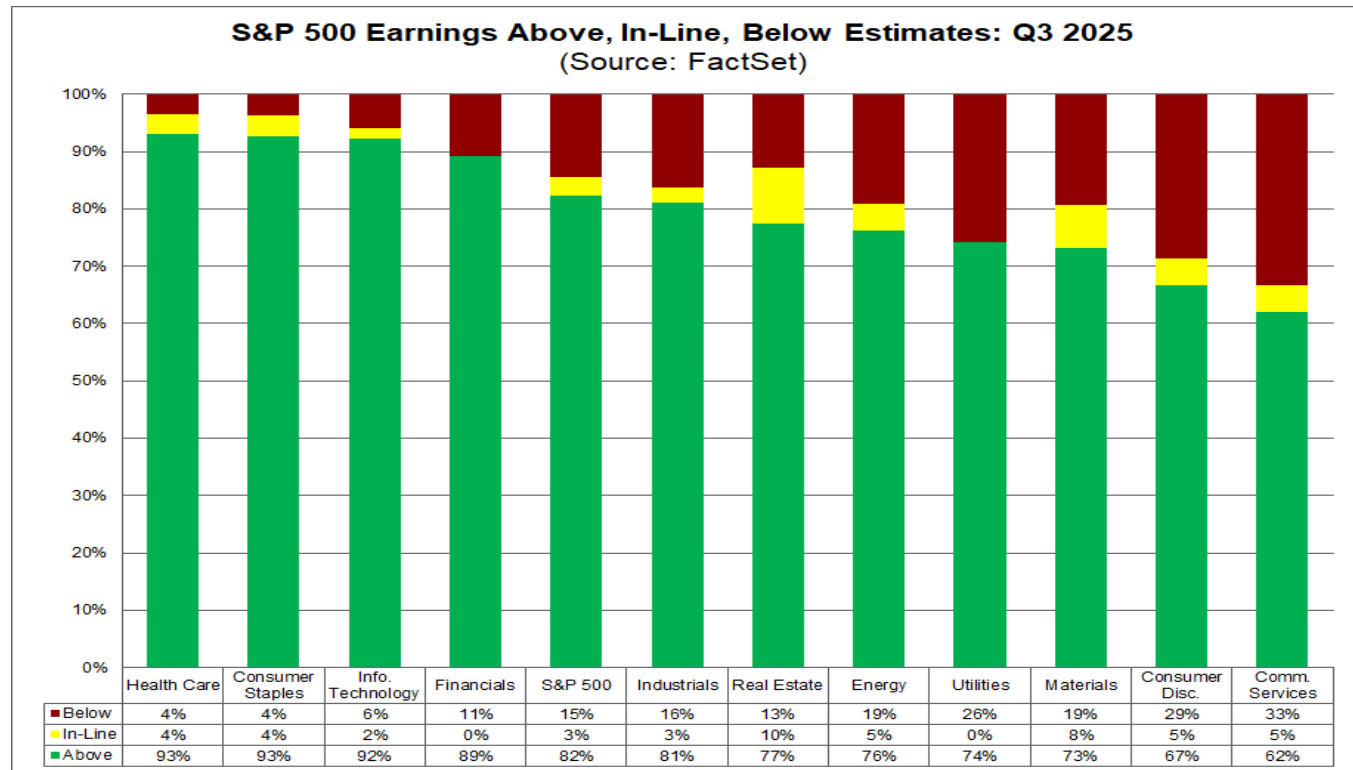
The bottom-up target price for the S&P 500 is 7836.92, which is 16.6% above the closing price of 6720.32. At the sector level, the Communication Services (+22.8) and Materials (+22.4%) sector is expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+12.4%) 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 12,581 ratings on stocks in the S&P 500. Of these 12,581 ratings, 56.3% are Buy ratings, 38.5% are Hold ratings, and 5.1% are Sell ratings. At the sector level, the Information Technology (65%), Energy (65%), and Communication Services (64%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (42%) sector has the lowest percentage of Buy ratings.

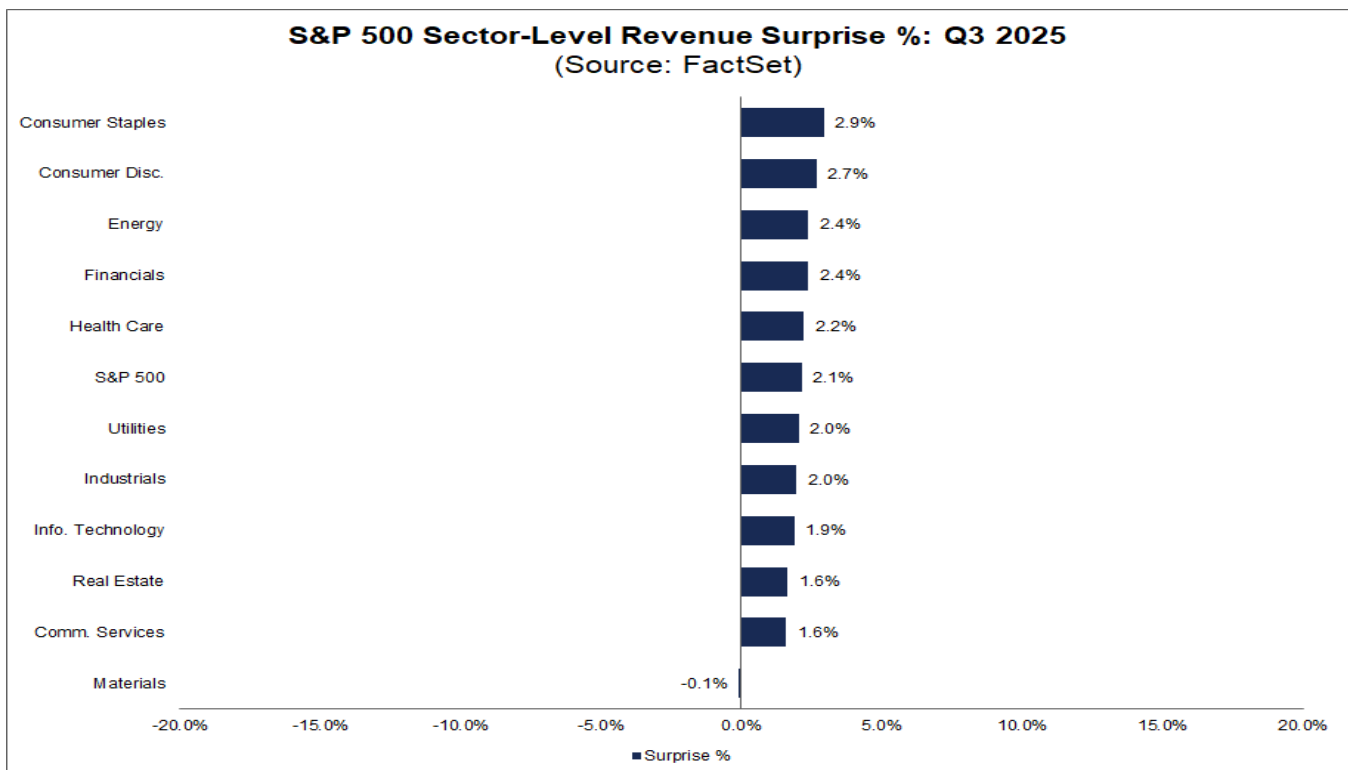
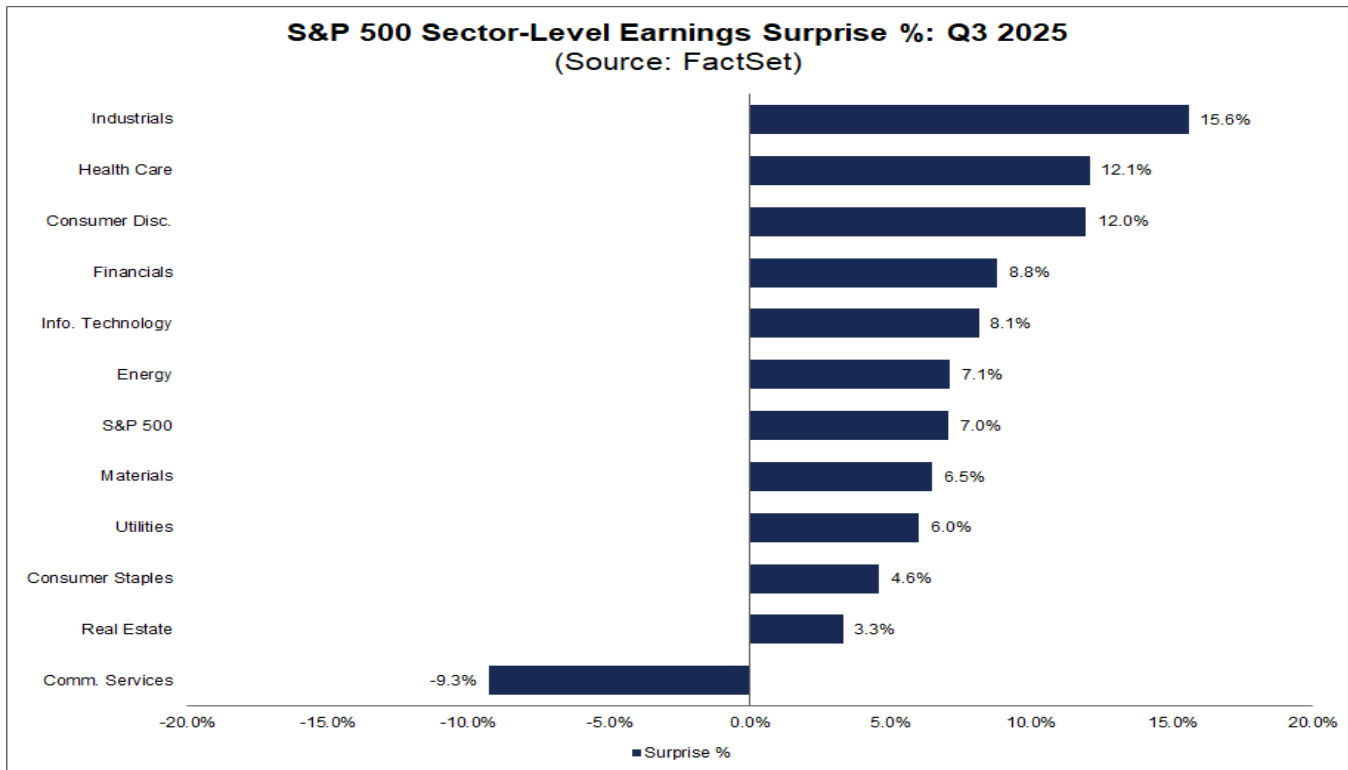
Companies Reporting Next Week: 11

During the upcoming week, 11 S&P 500 companies (including 2 Dow 30 components) are scheduled to report results for the third quarter.

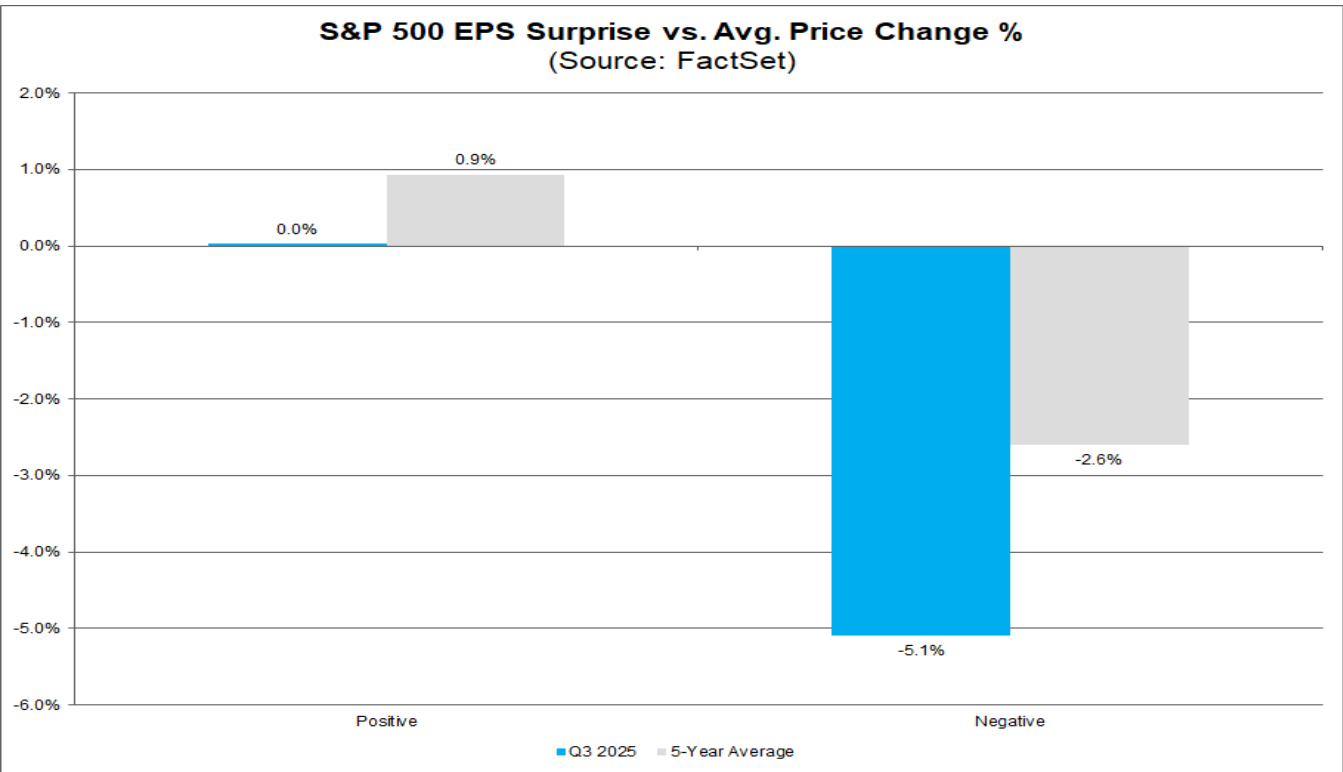
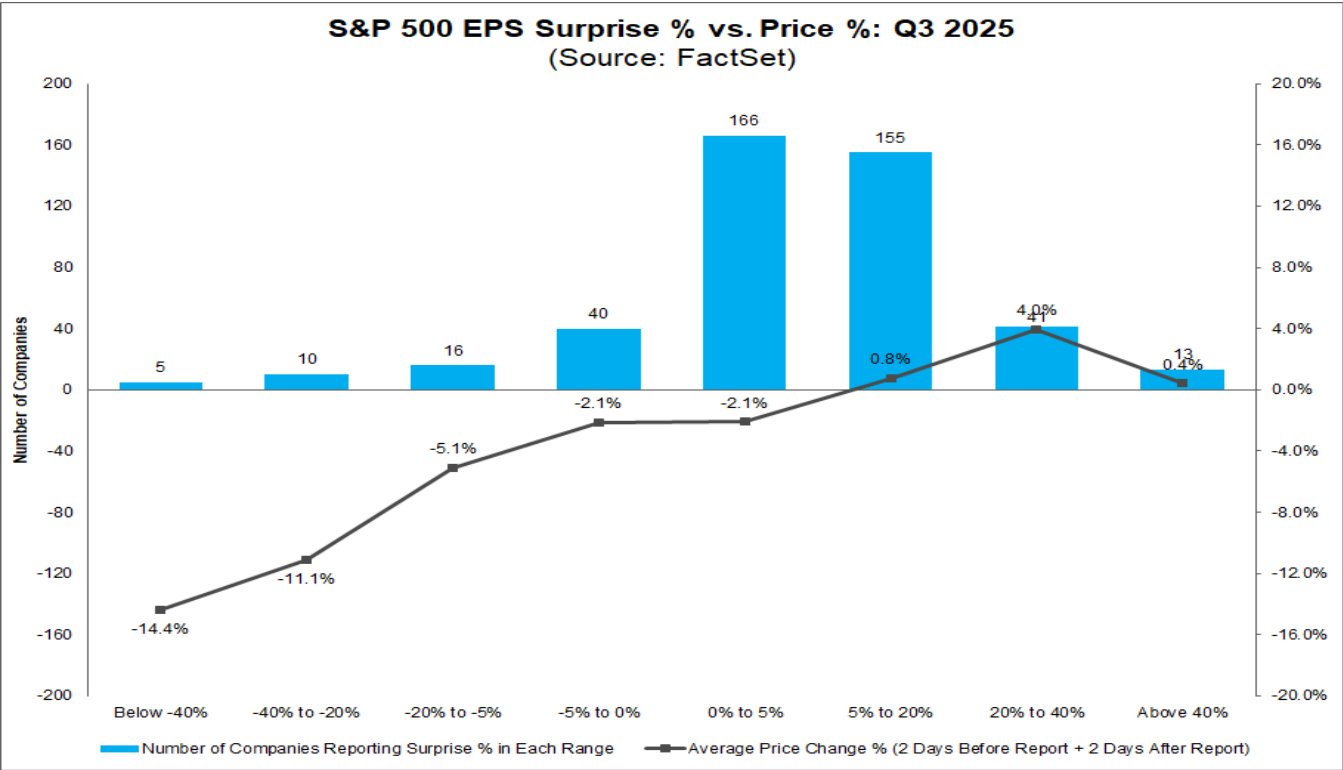
Q3 2025: Scorecard



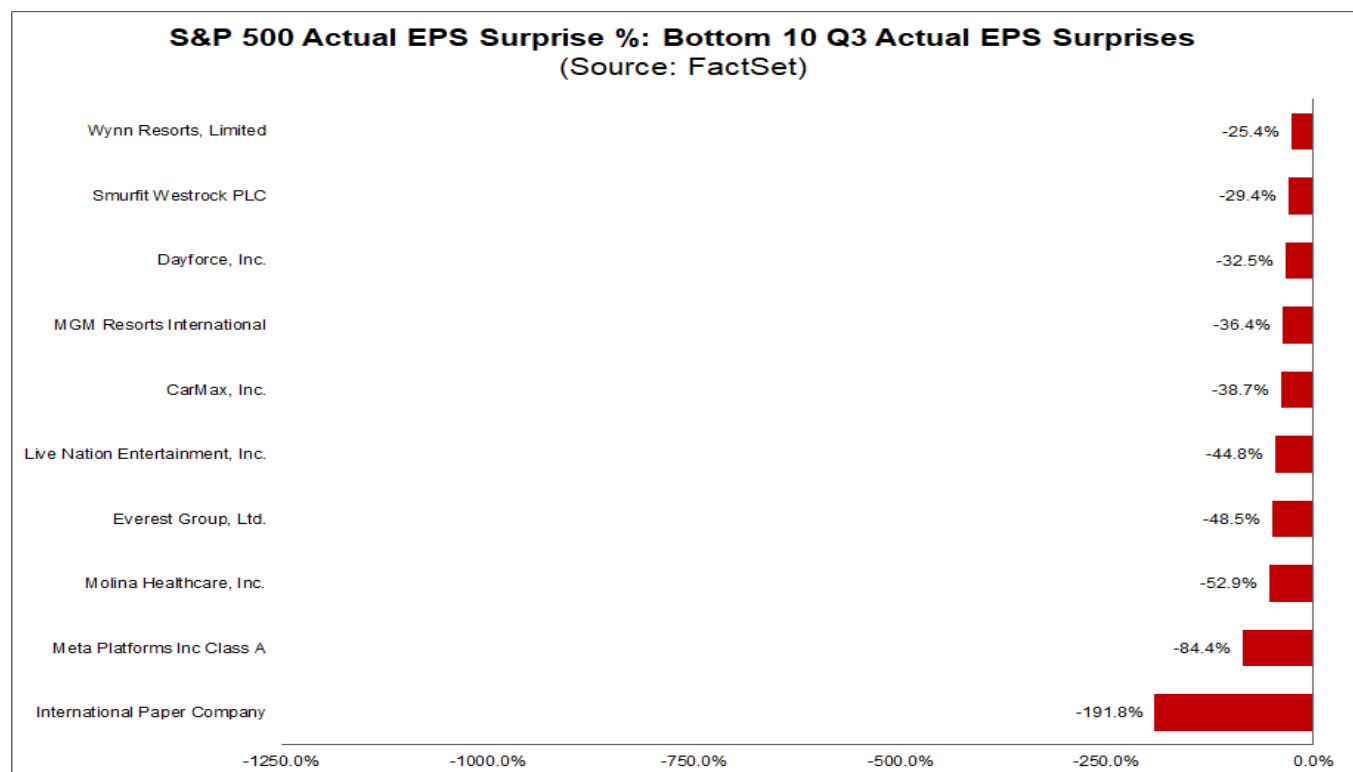
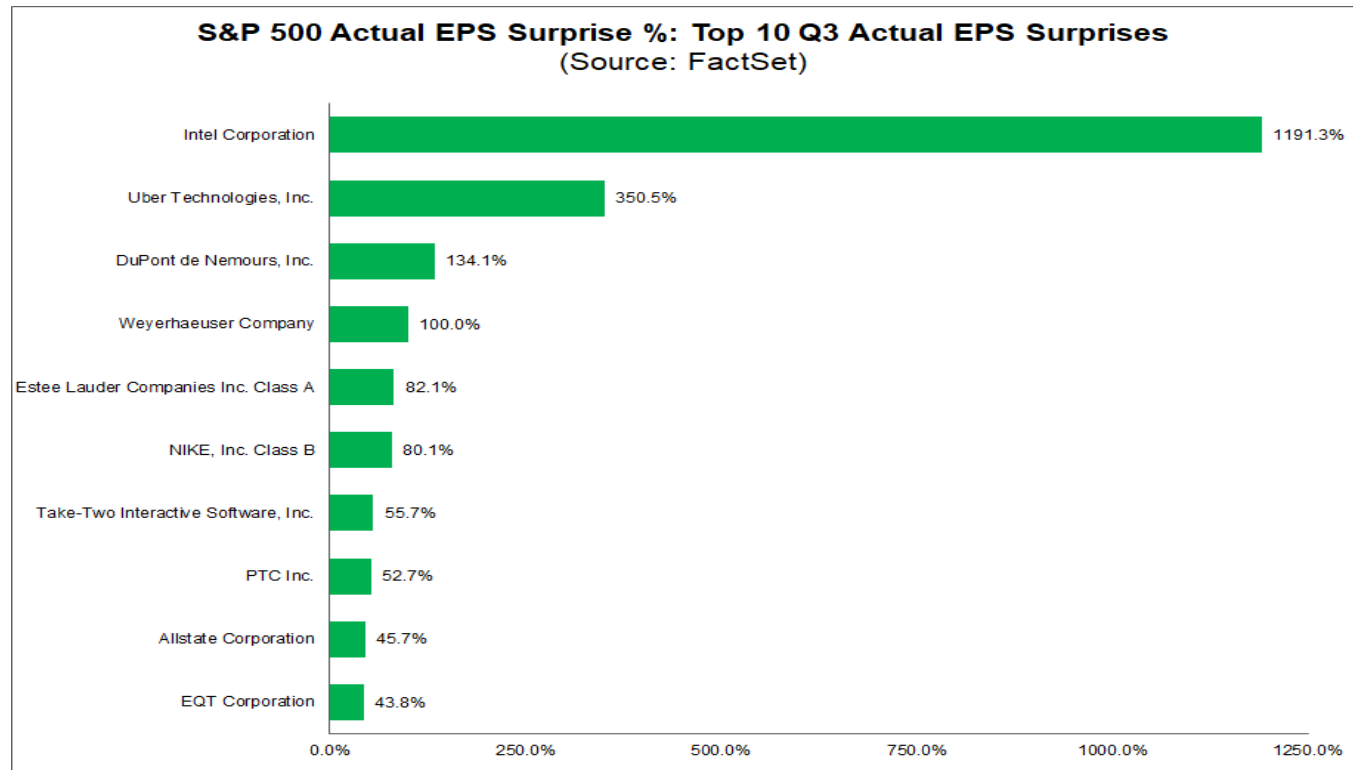
Q3 2025: Surprise



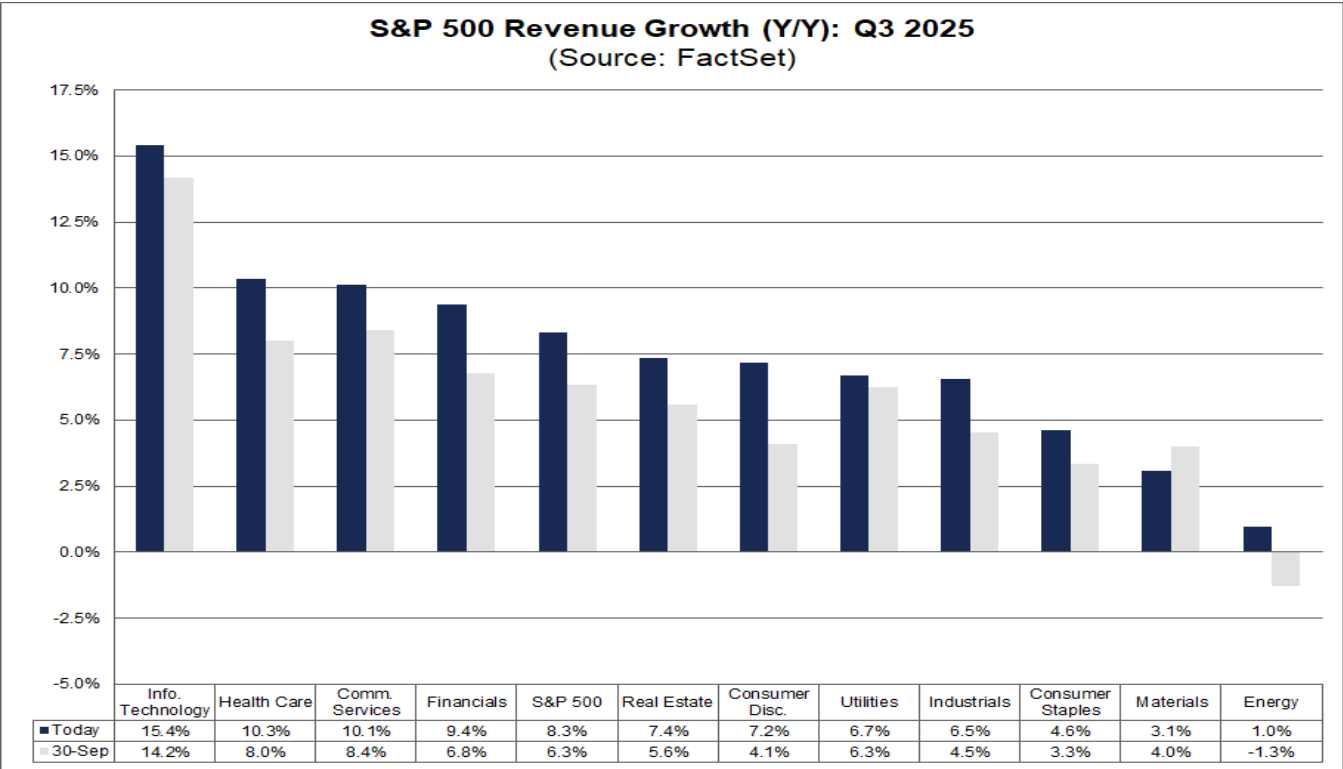
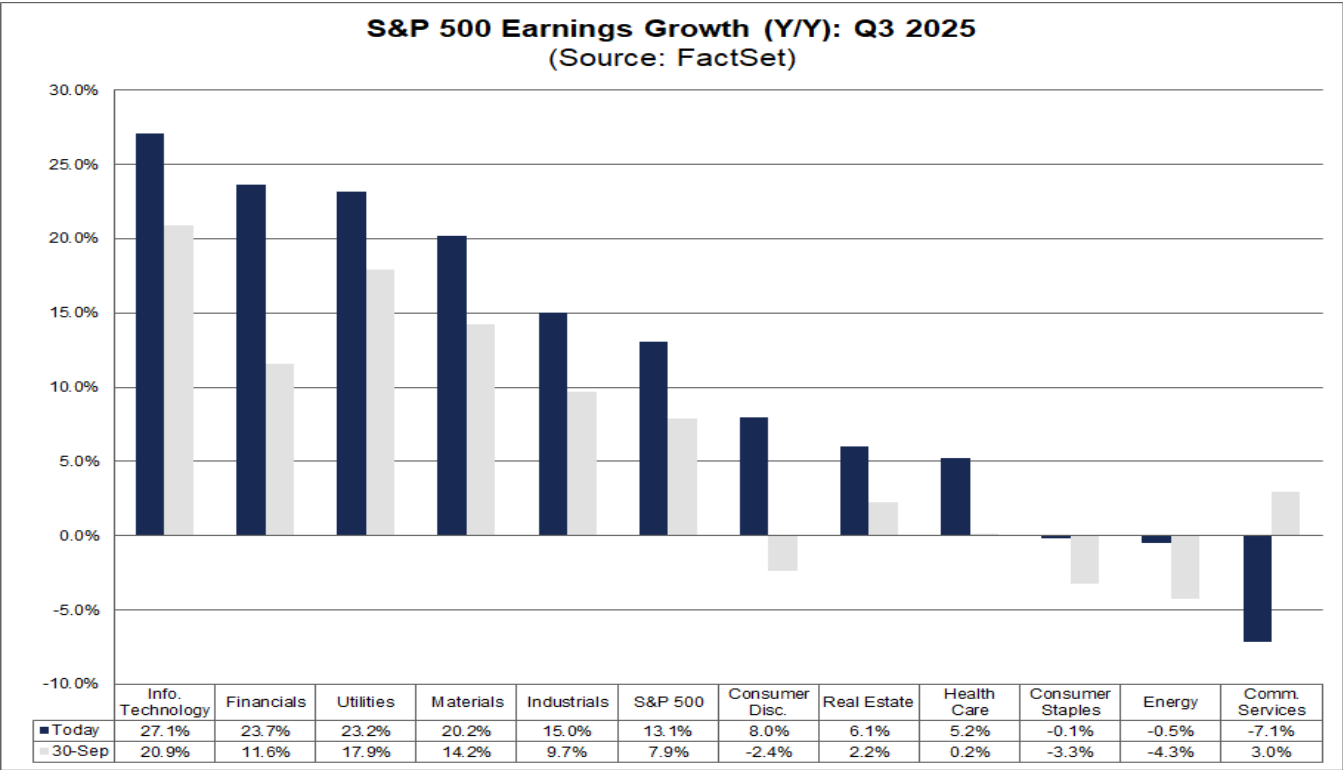
Q3 2025: Surprise



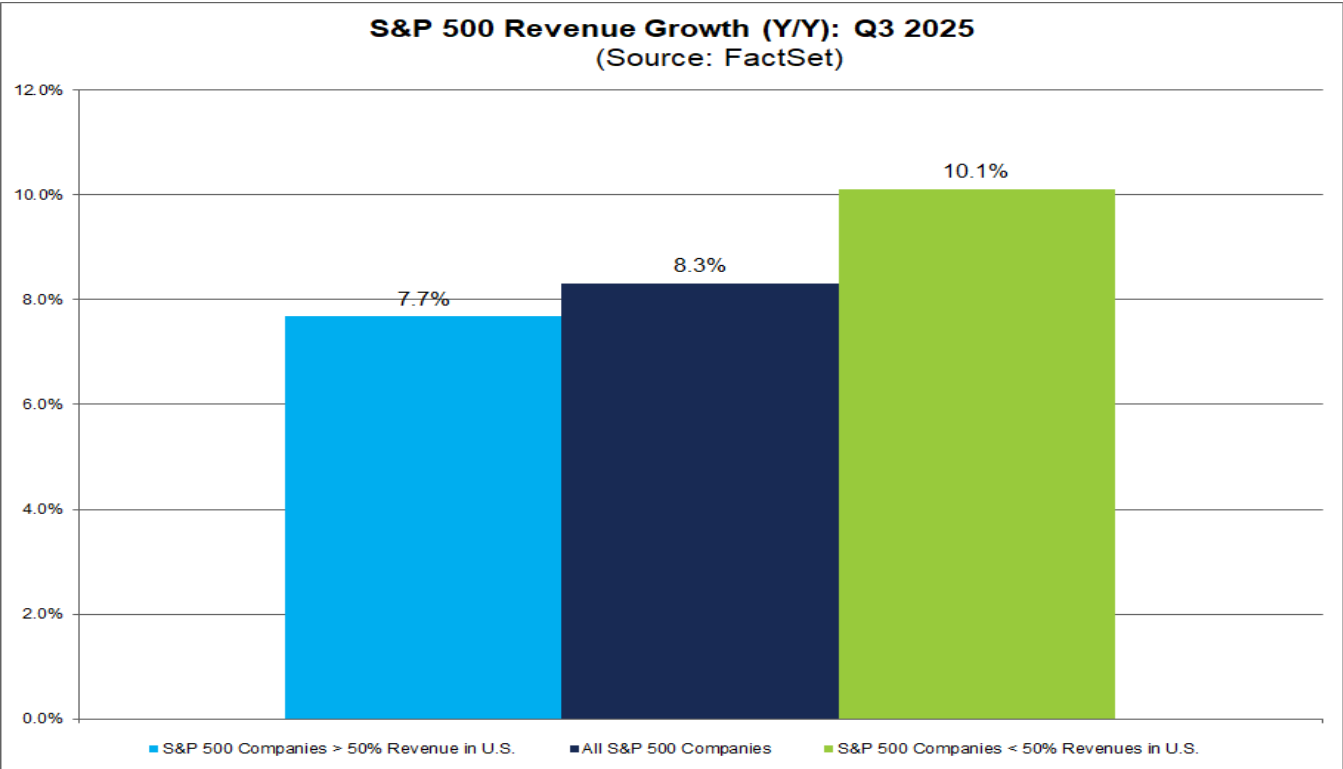
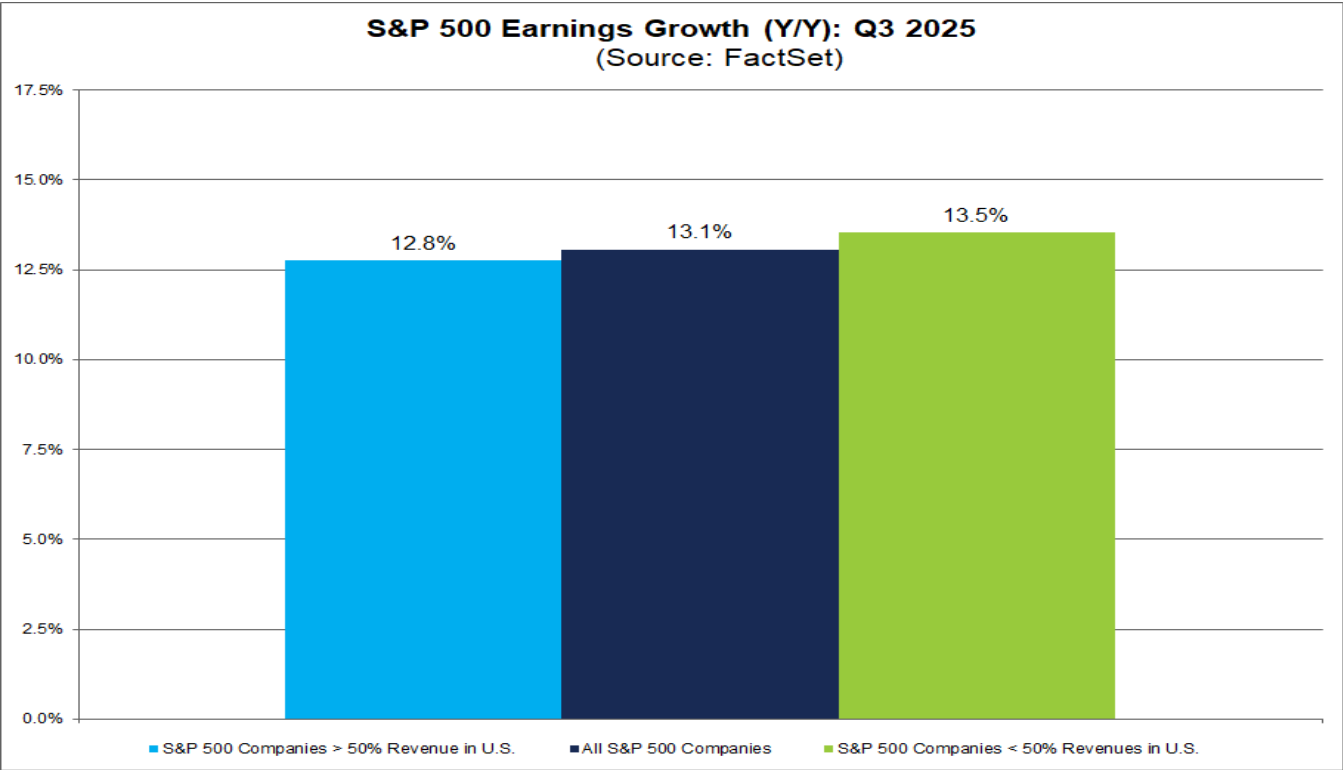
Q3 2025: Surprise



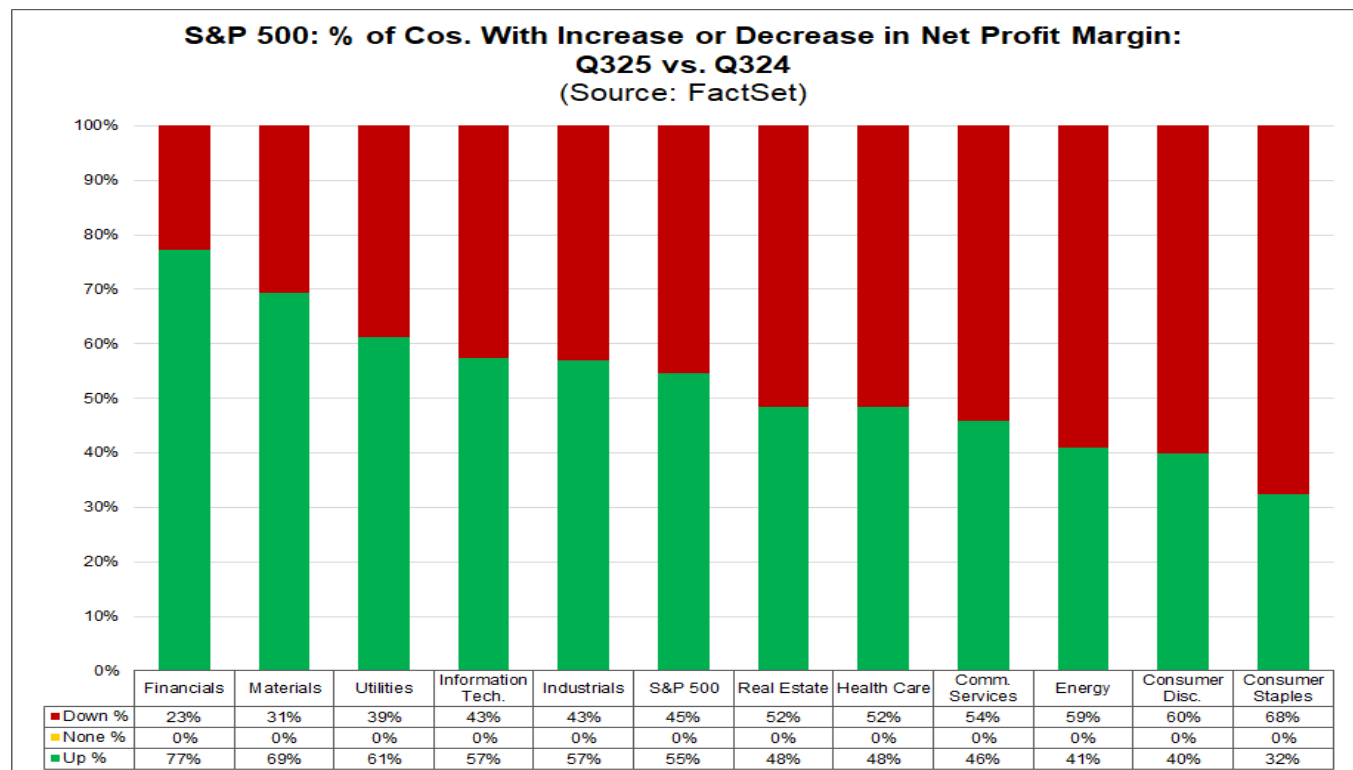
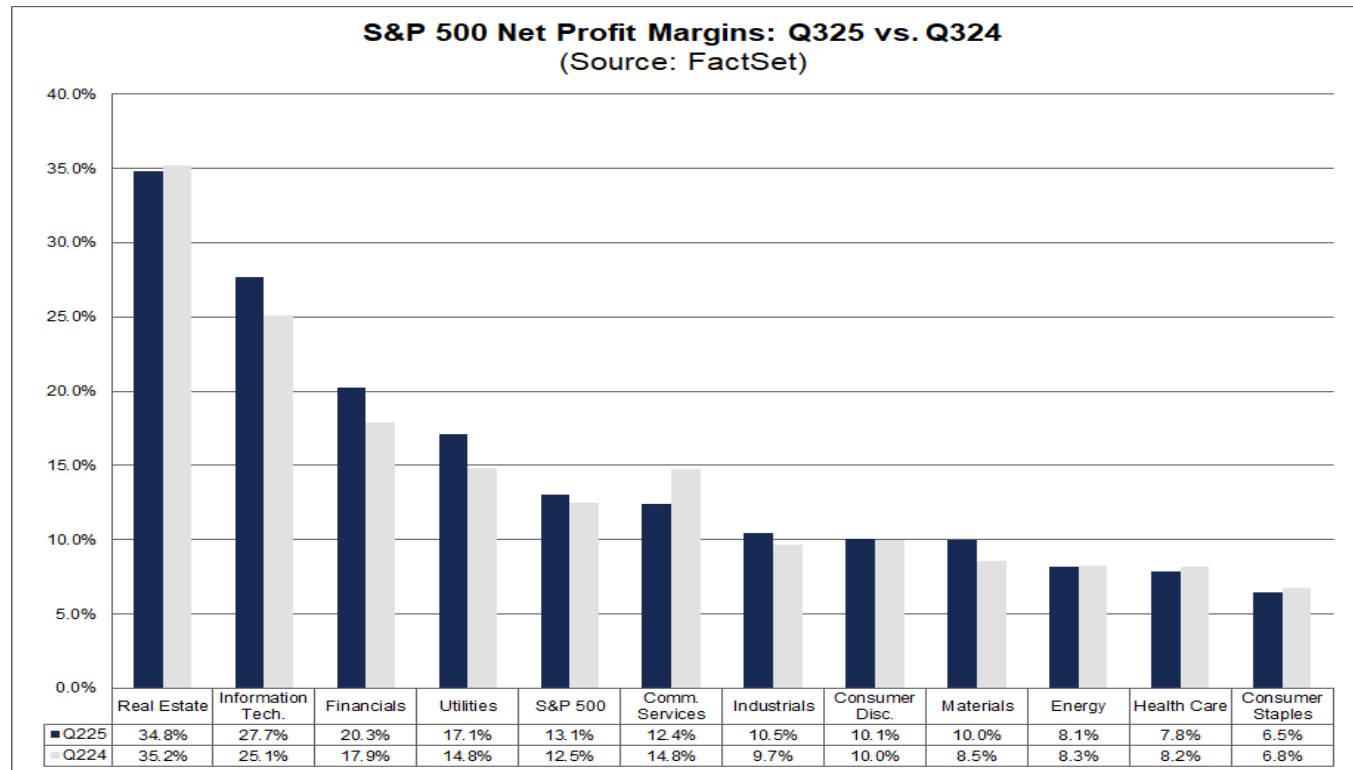
Q3 2025: Growth



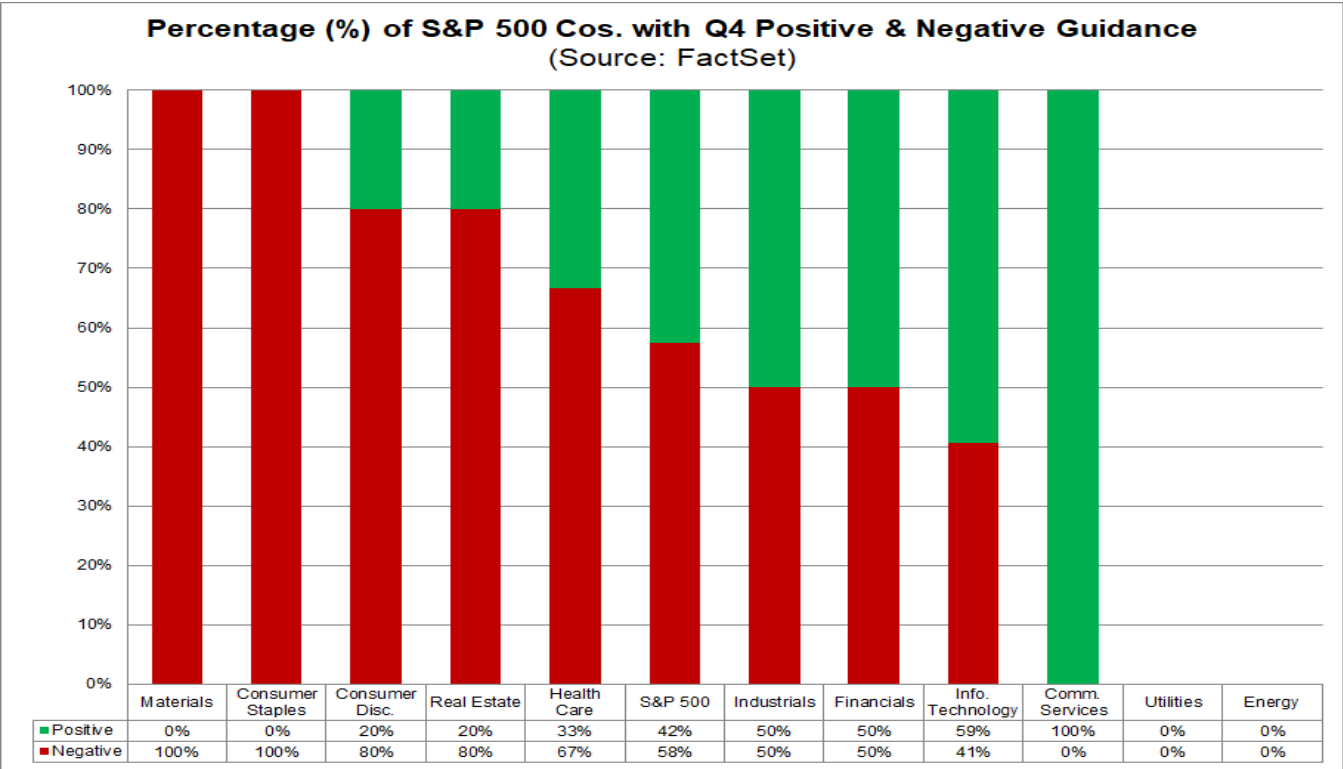
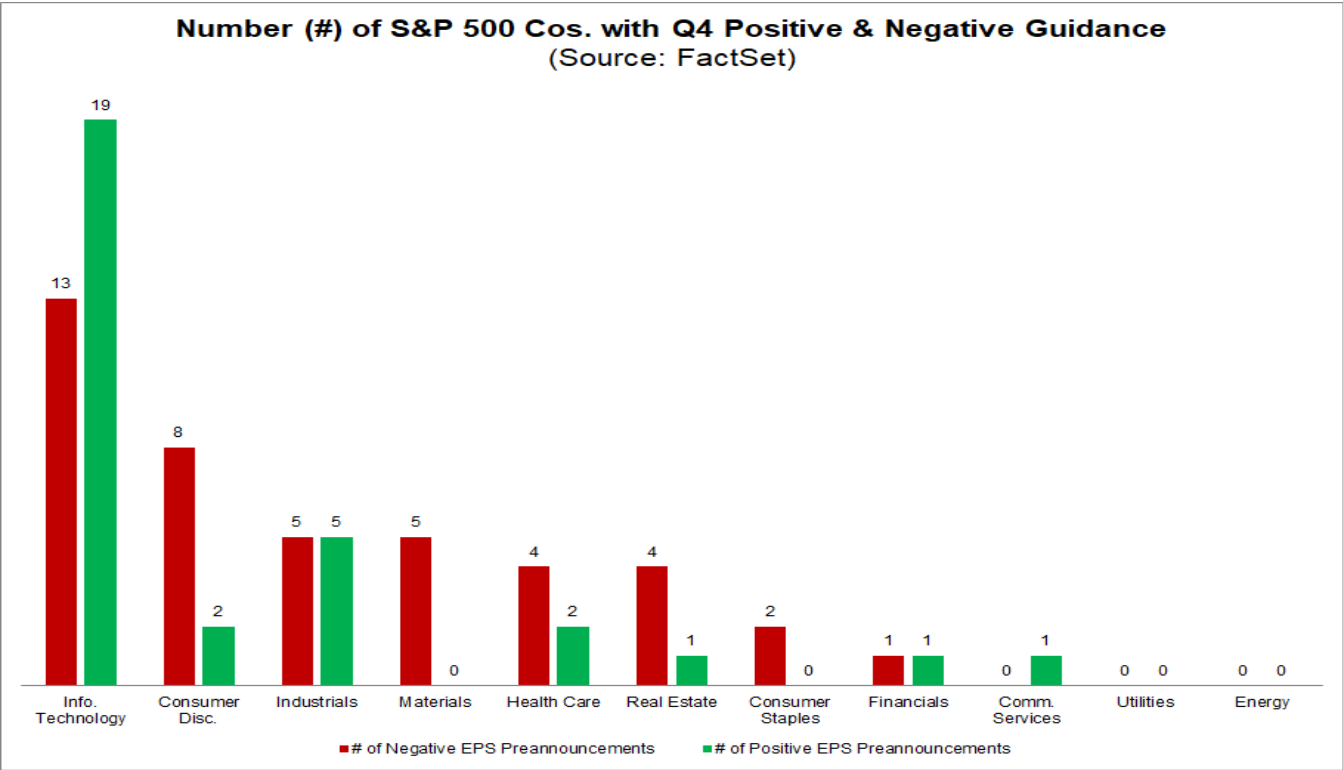
Q3 2025: Growth



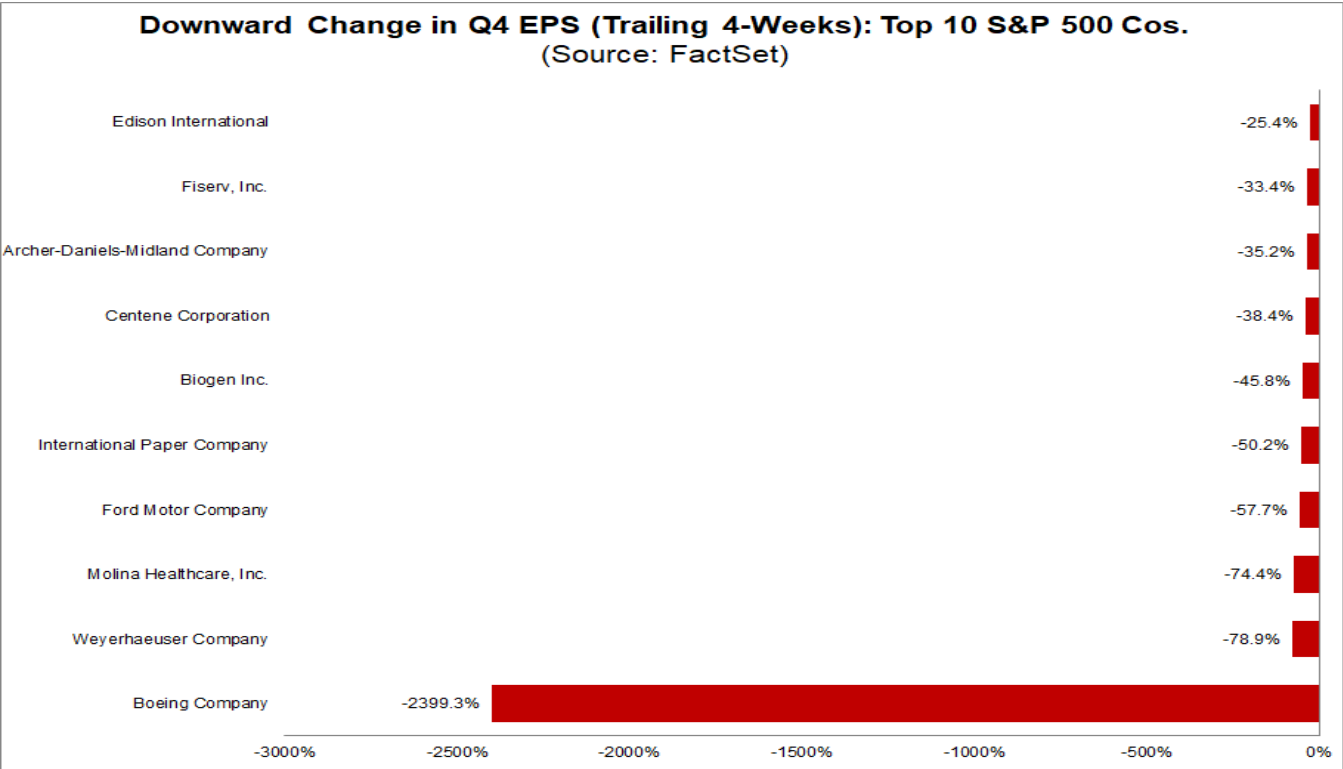
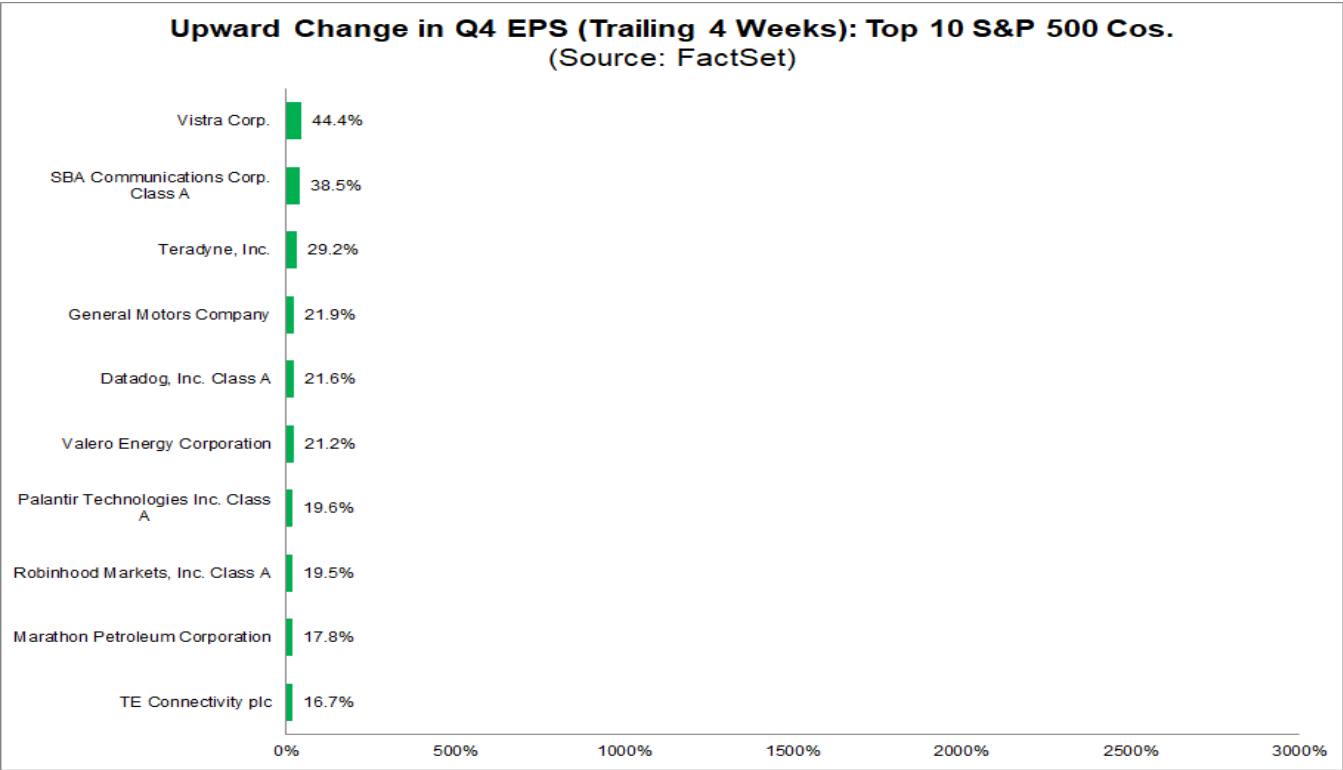
Q3 2025: Net Profit Margin



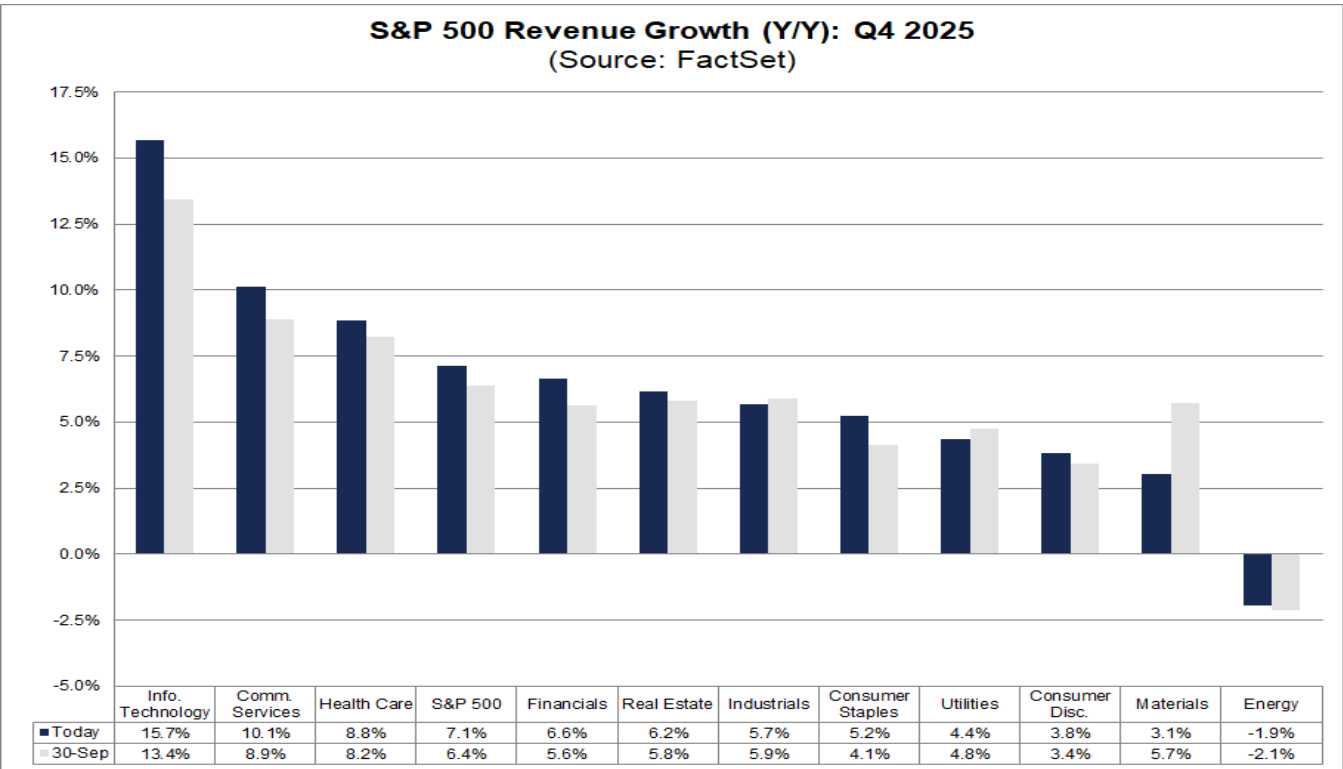
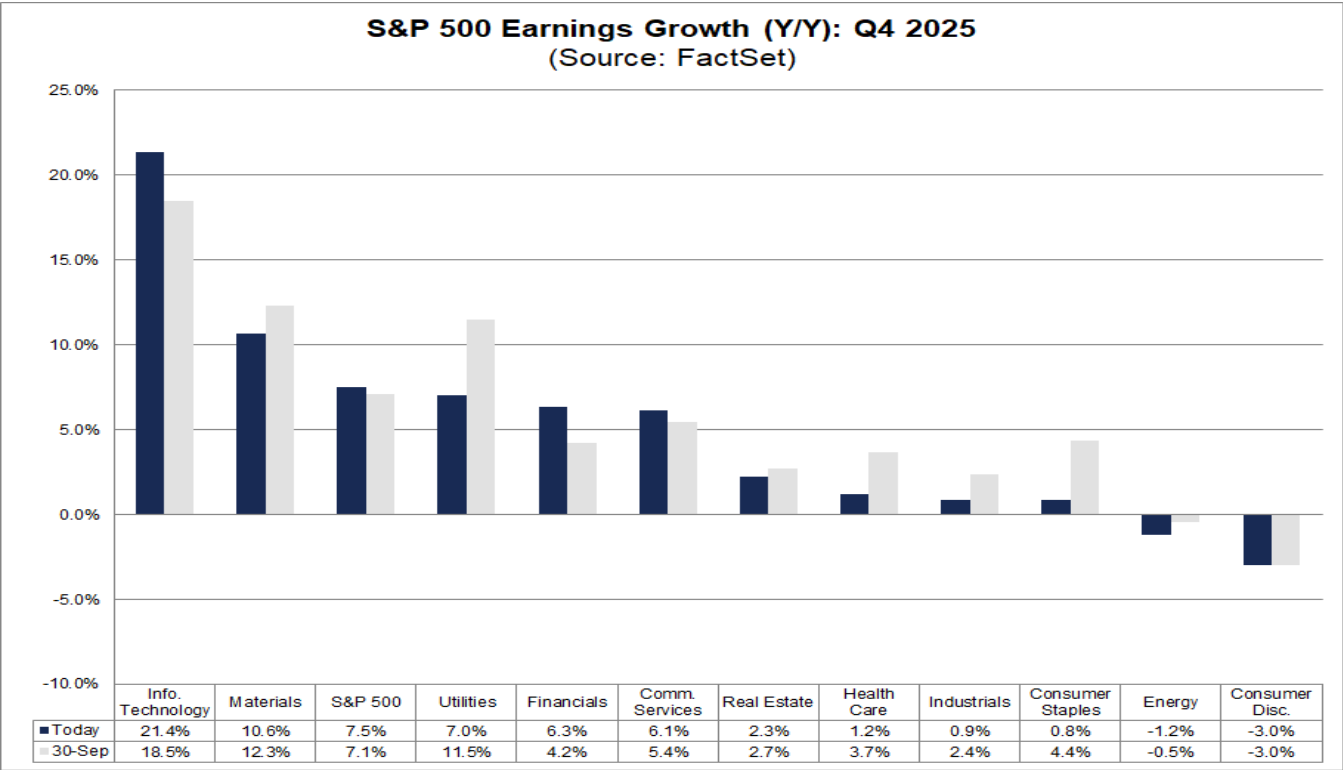
Q4 2025: Guidance



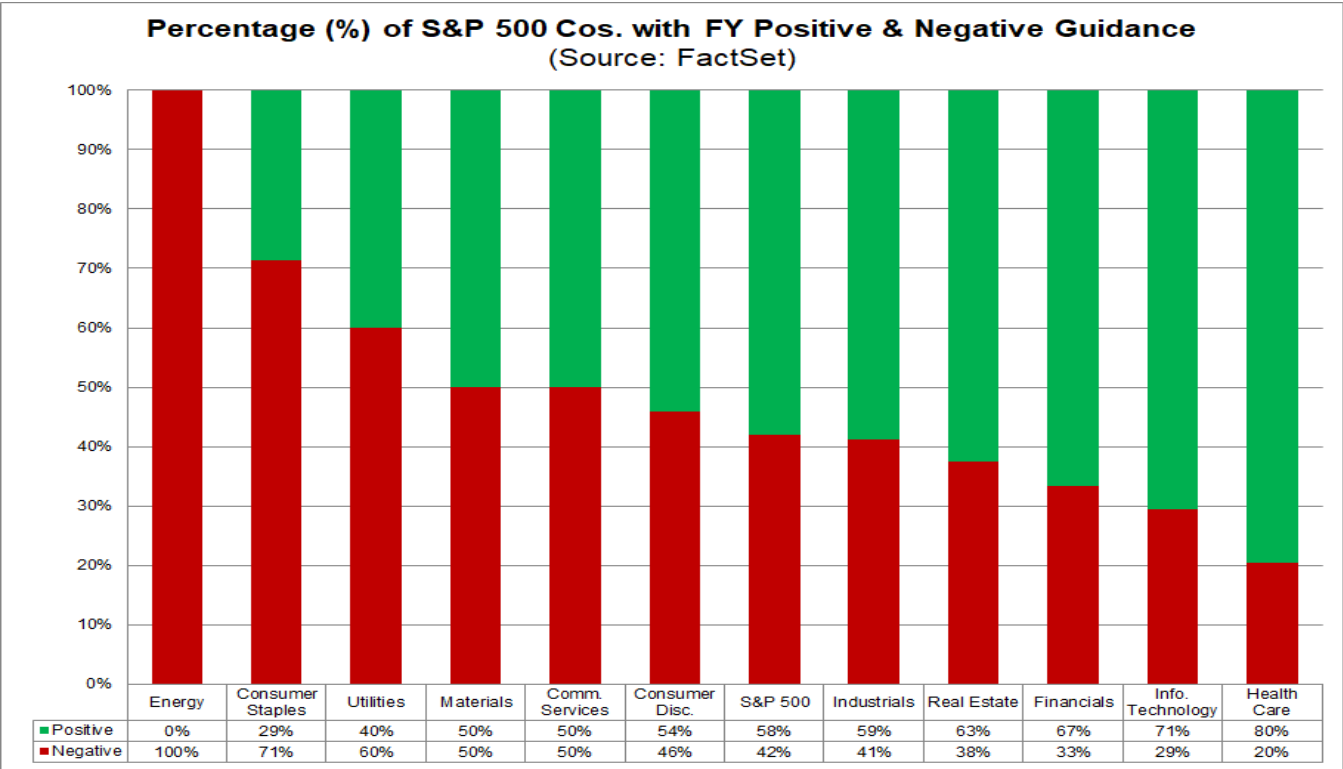
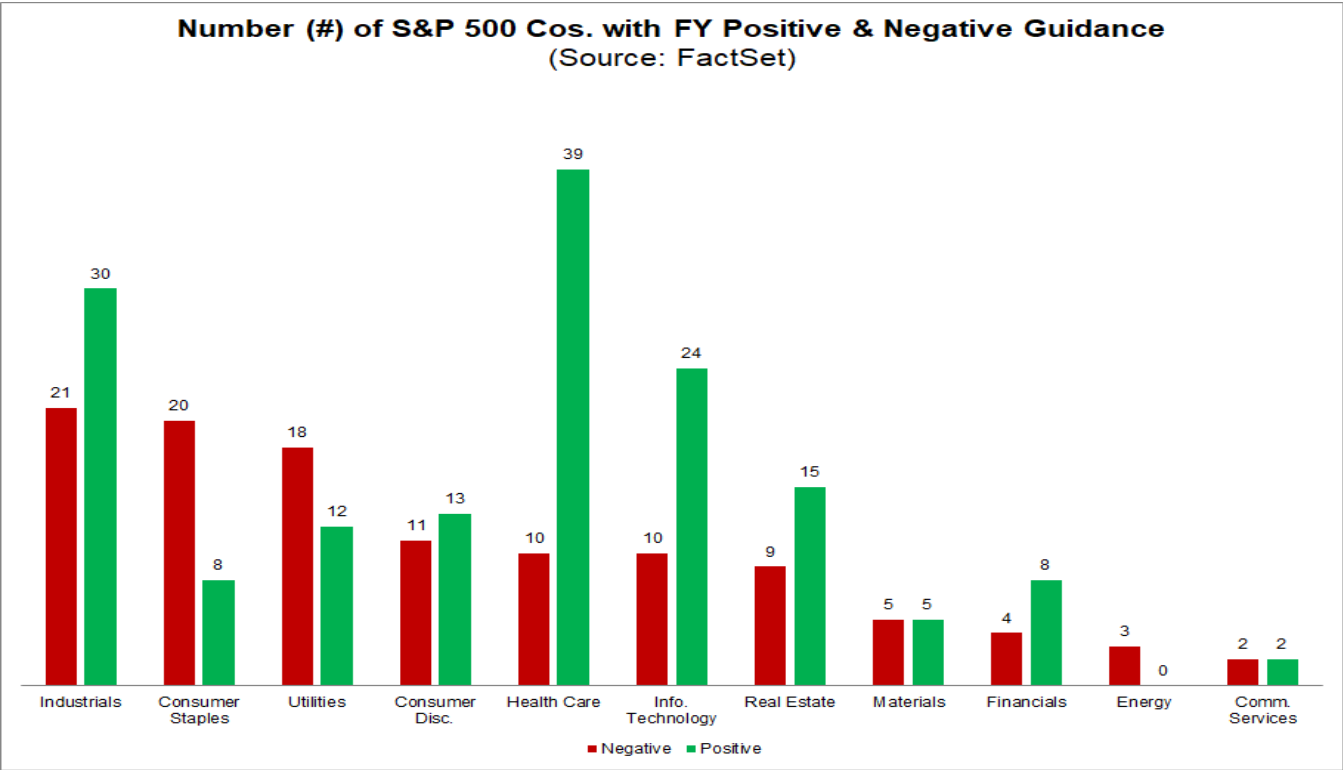
Q4 2025: EPS Revisions



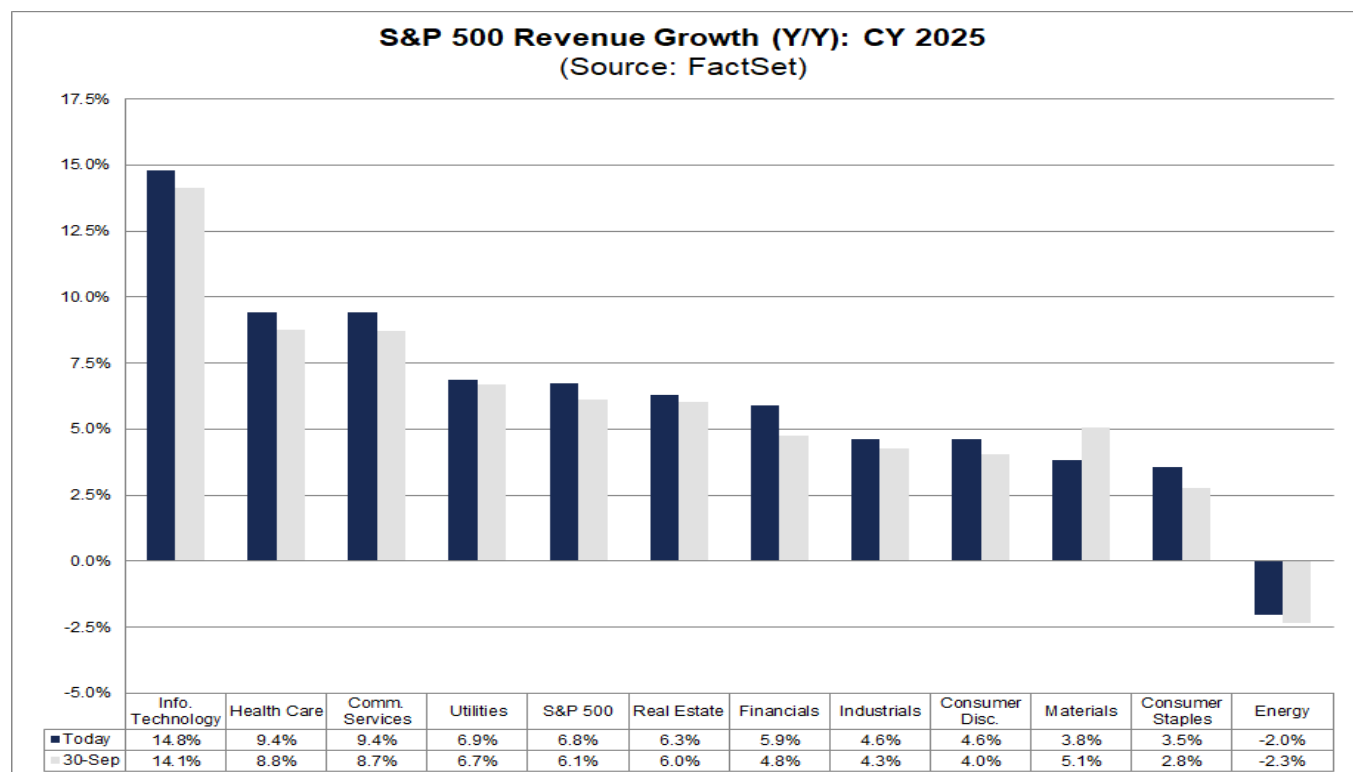
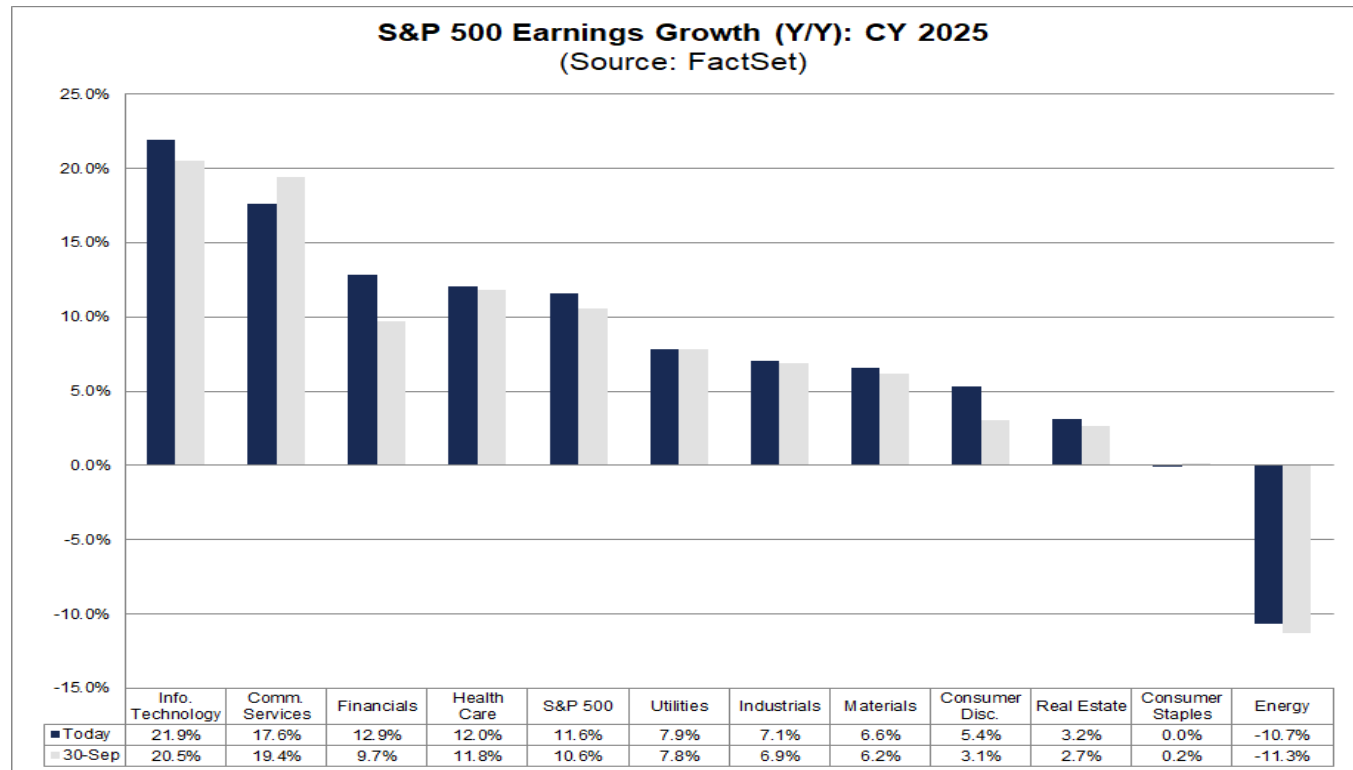
Q4 2025: Growth



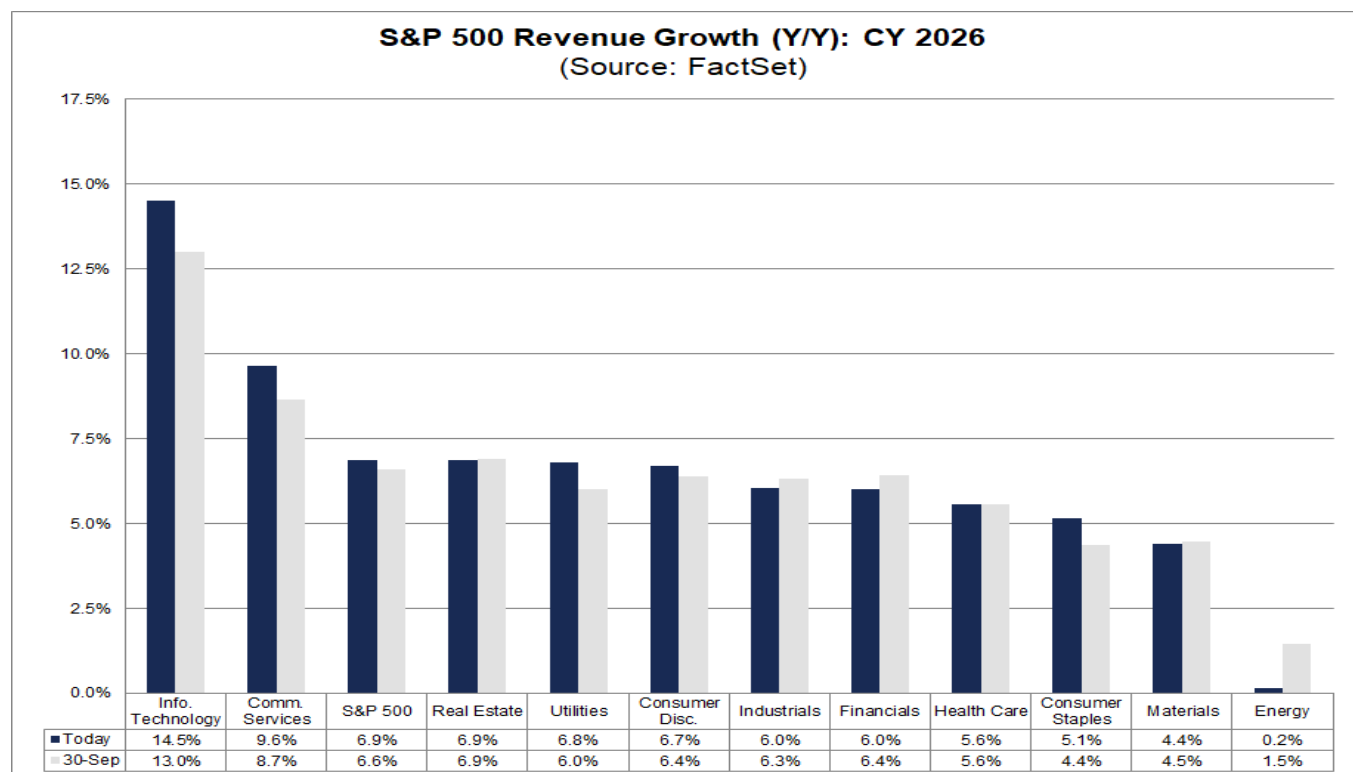
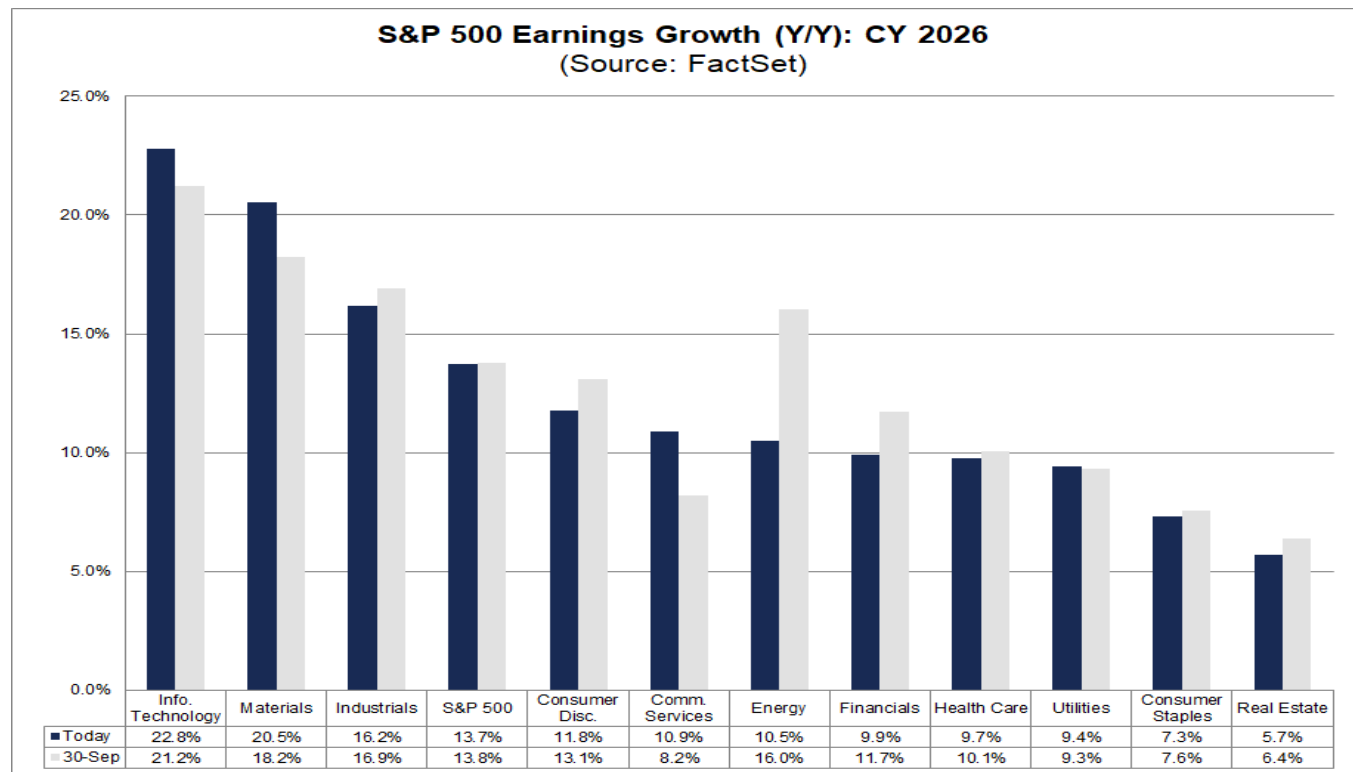
FY 2025 / 2026: EPS Guidance



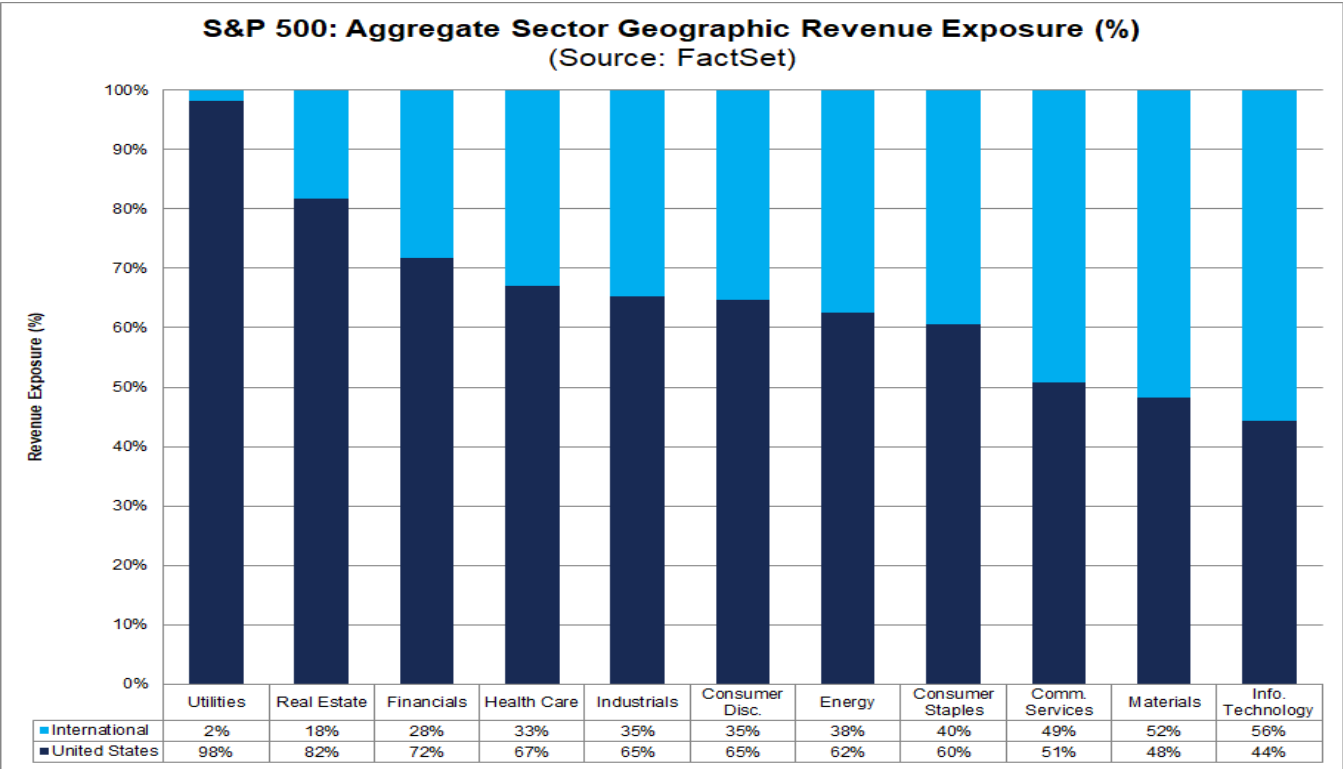
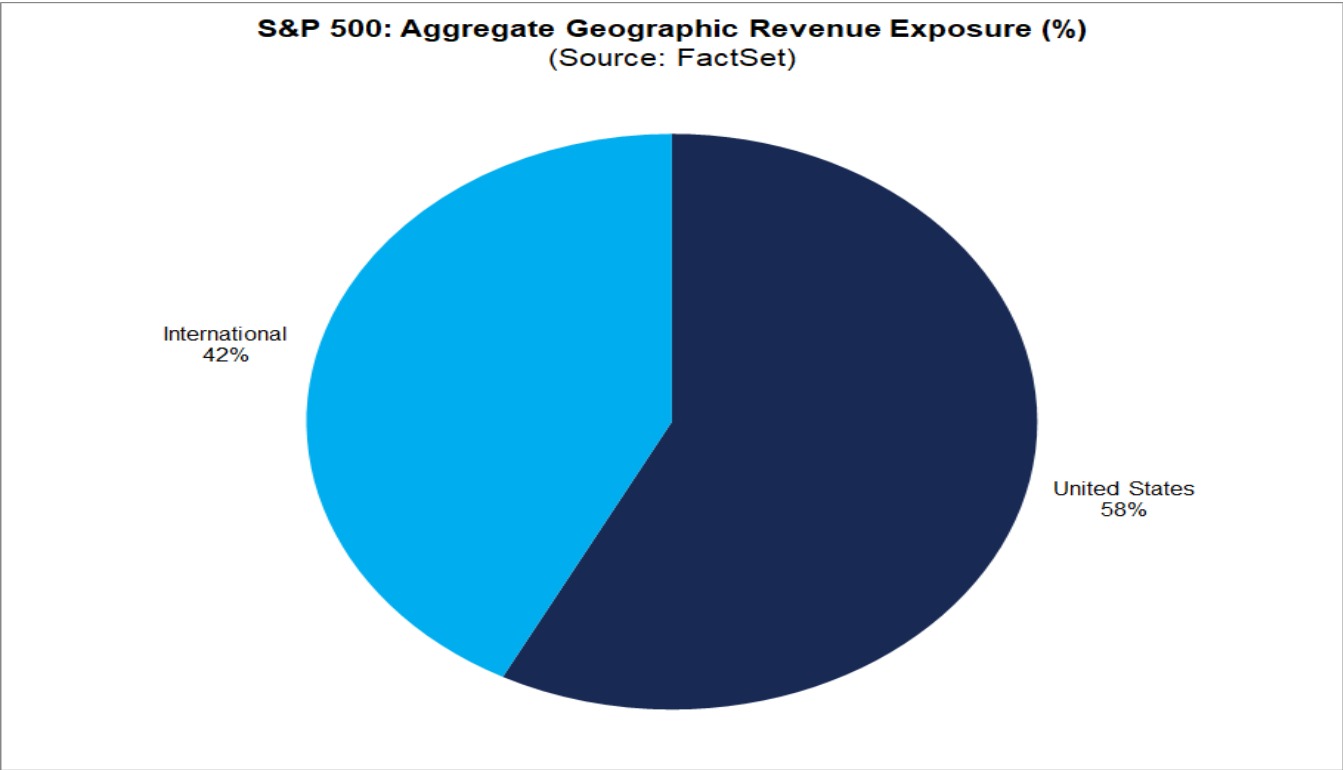
CY 2025: Growth



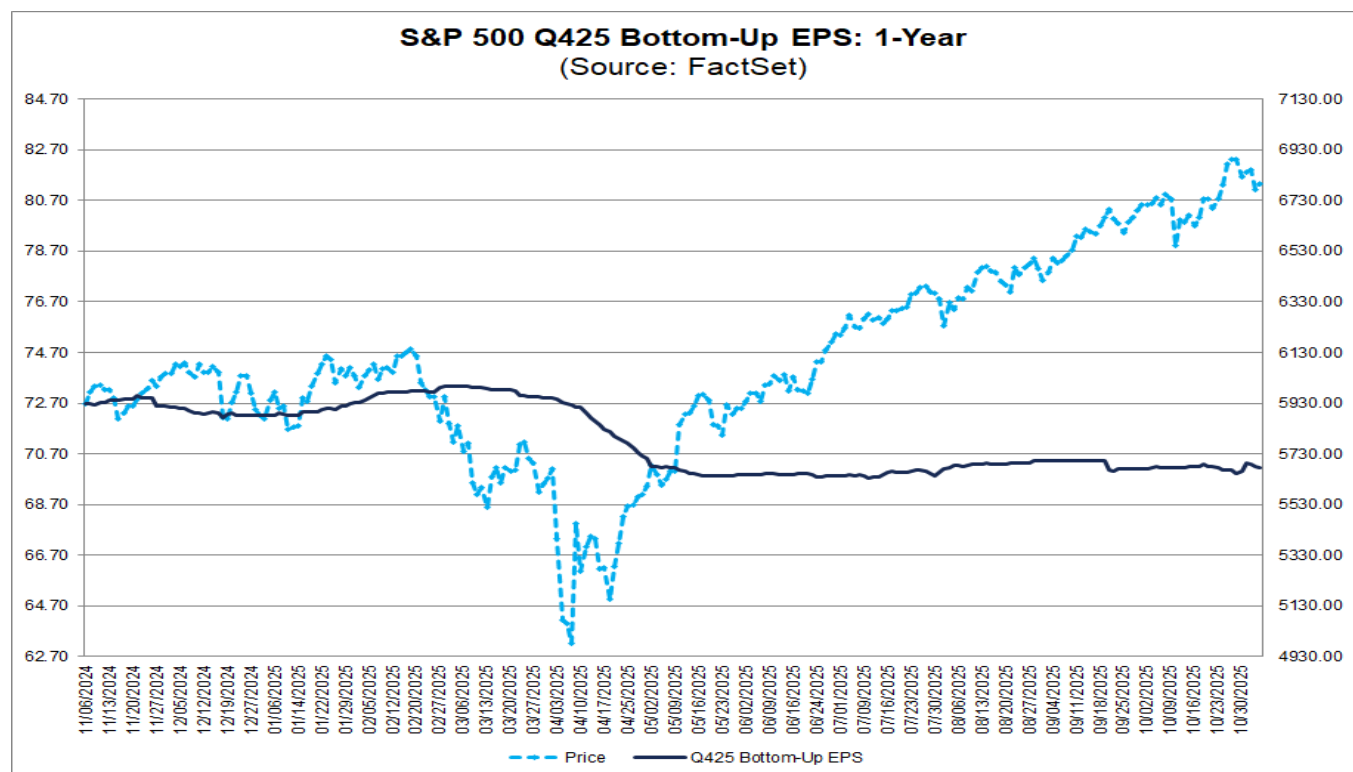
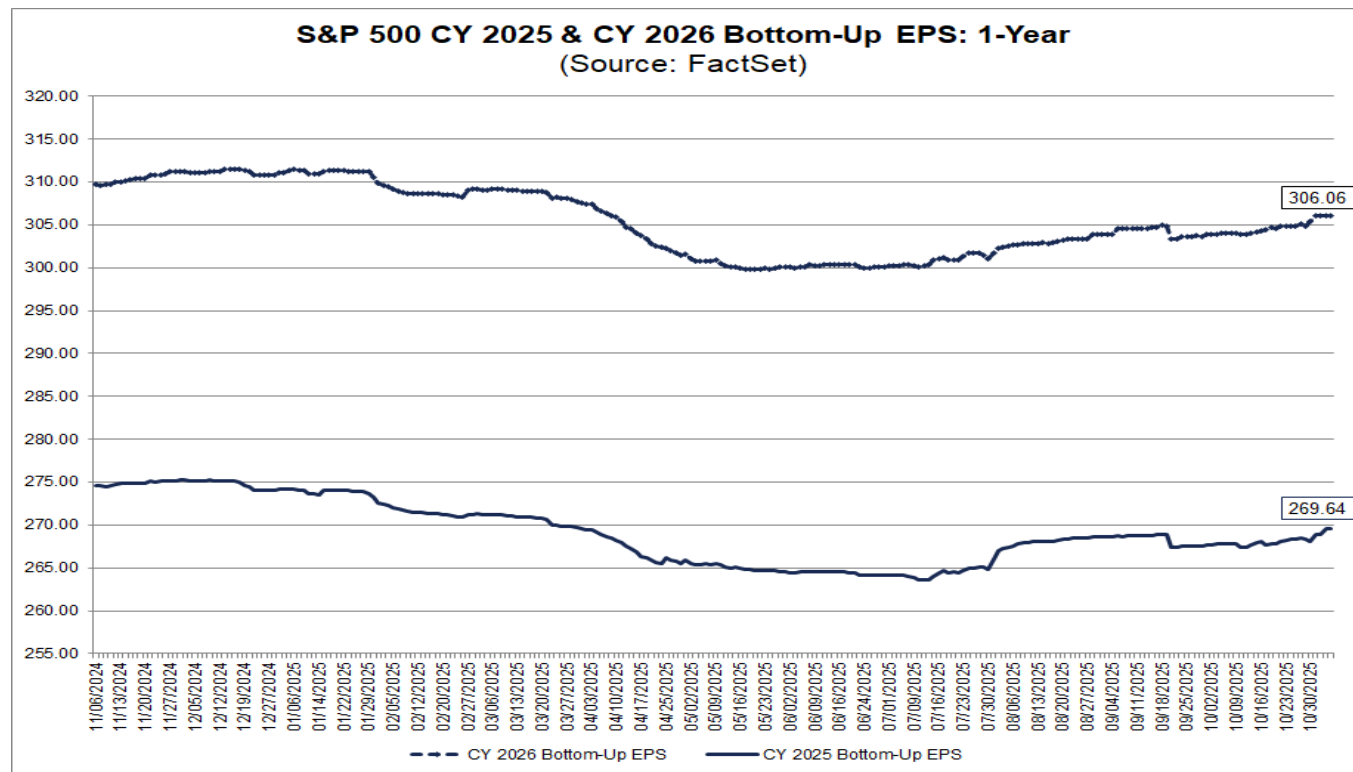
CY 2026: Growth



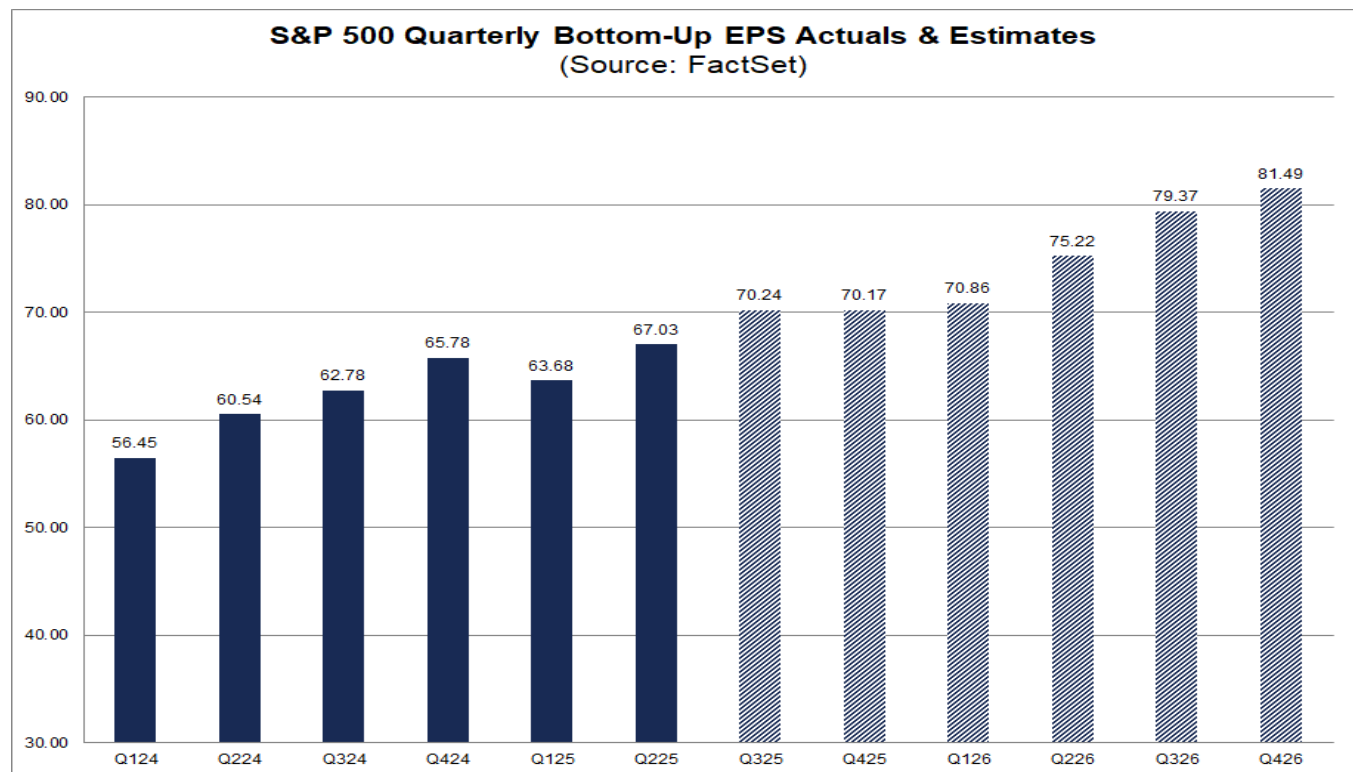
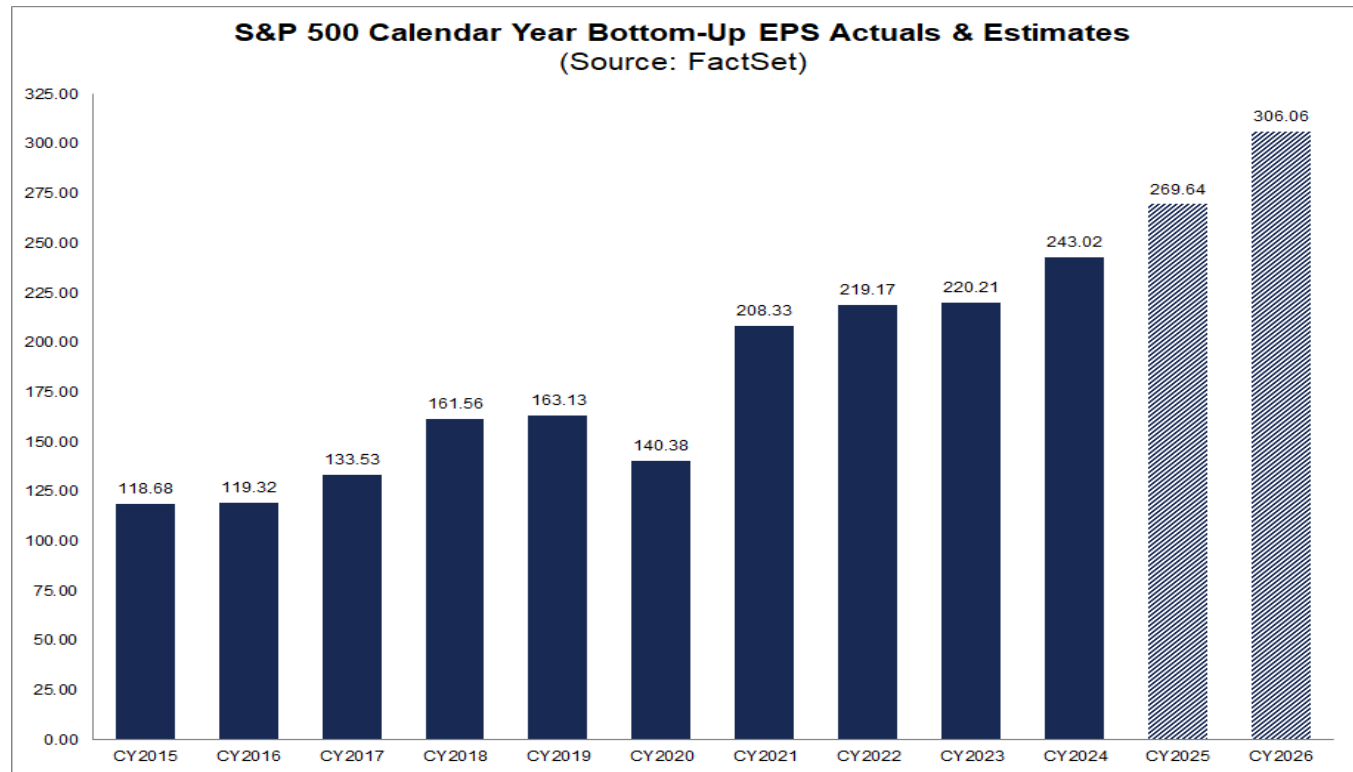
Geographic Revenue Exposure



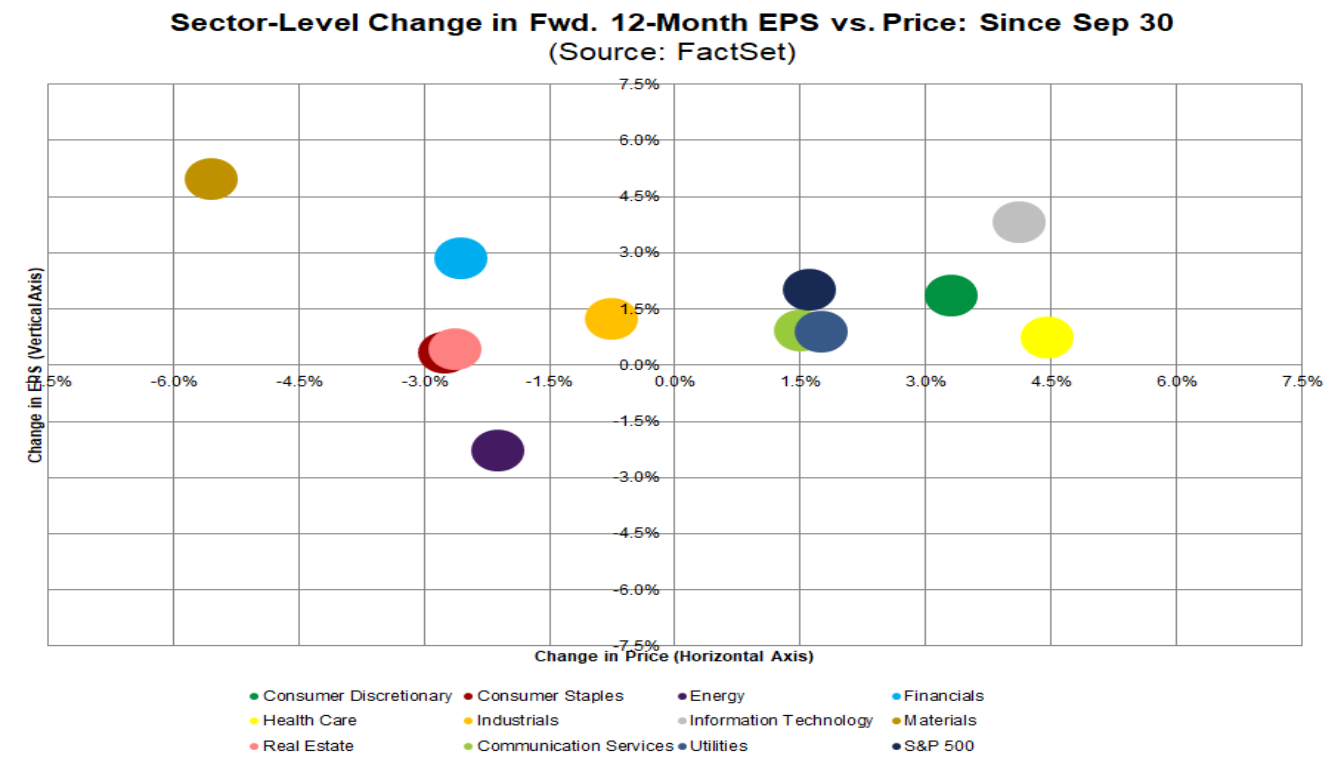
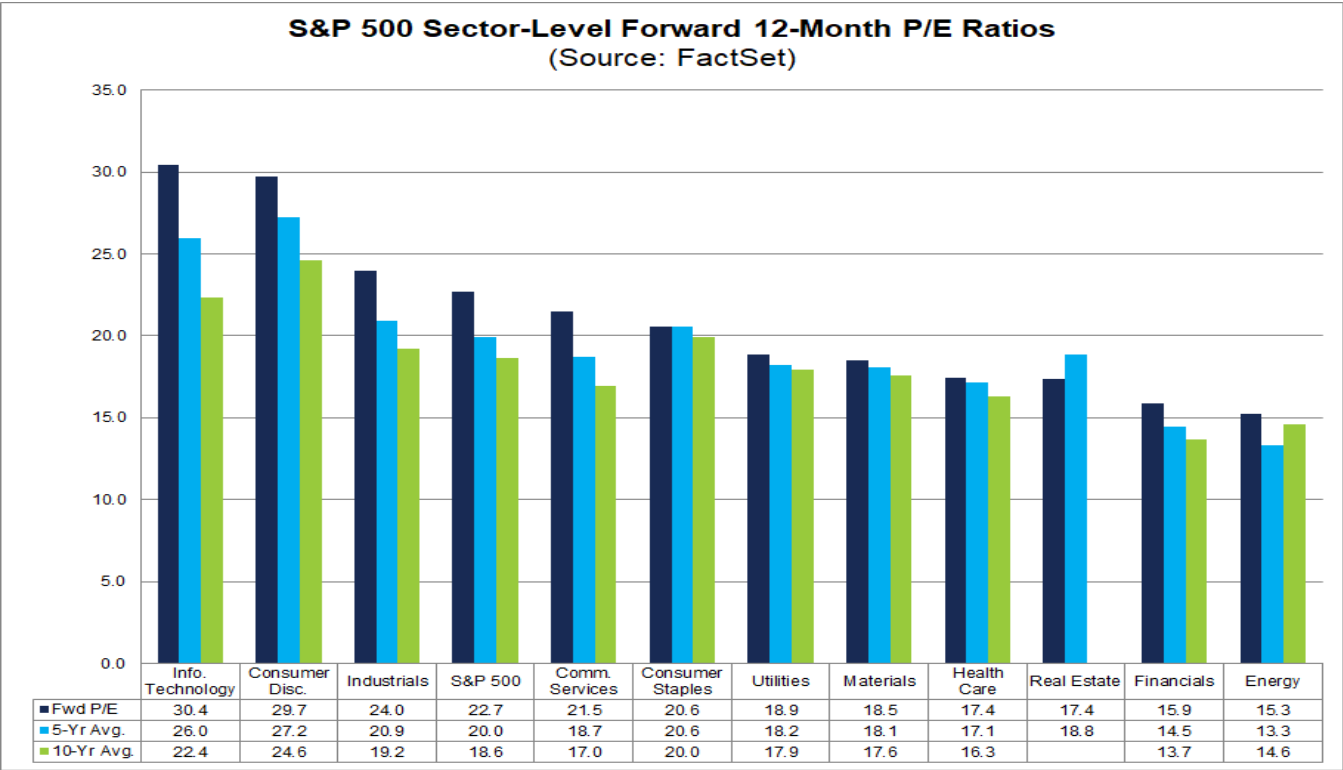
Bottom-Up EPS Estimates



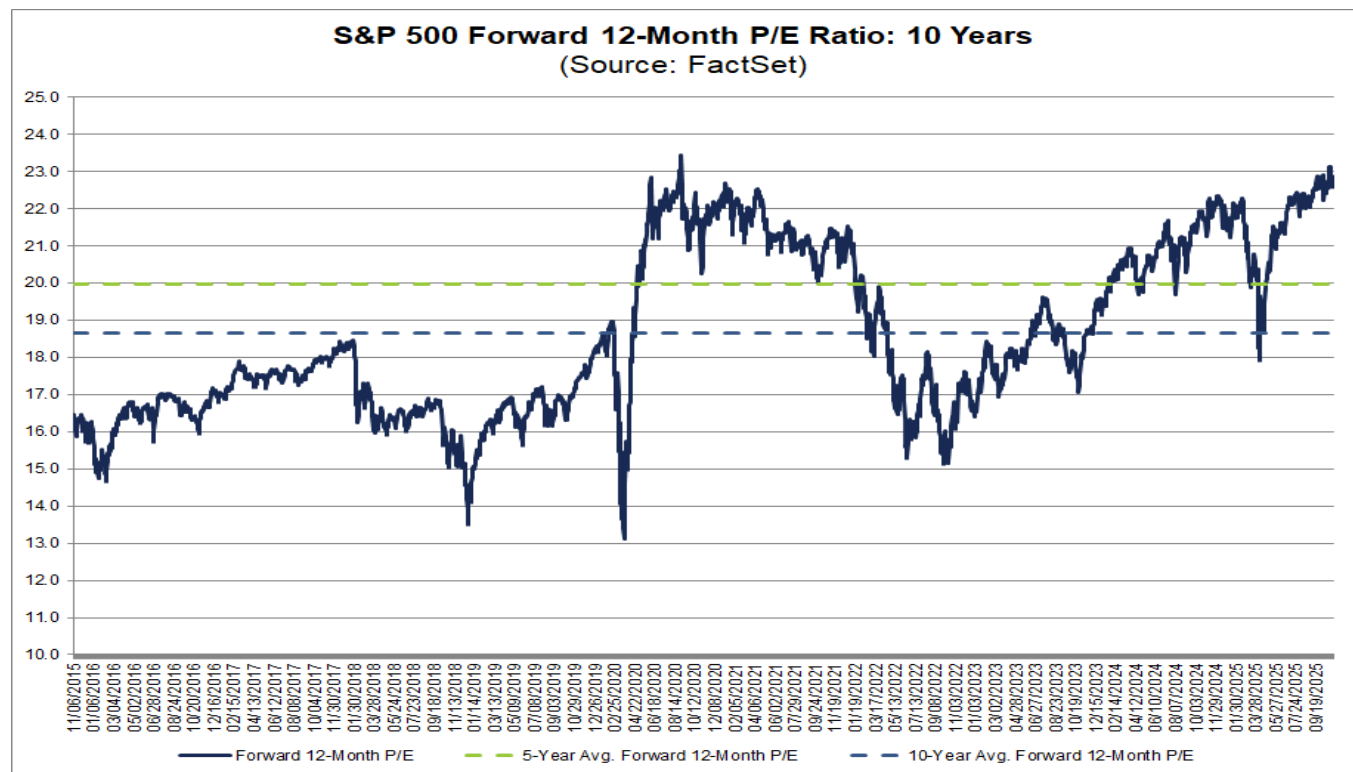
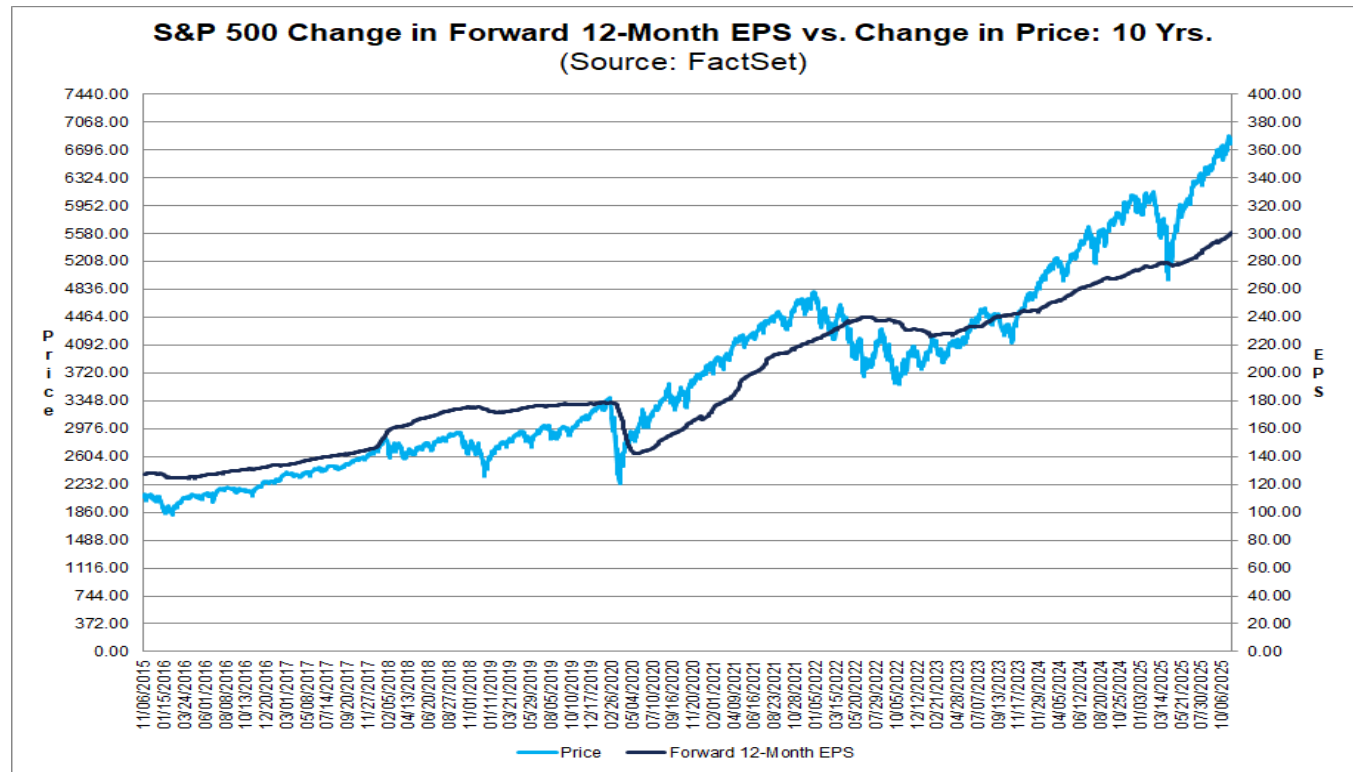
Bottom-Up EPS Estimates: Current & Historical



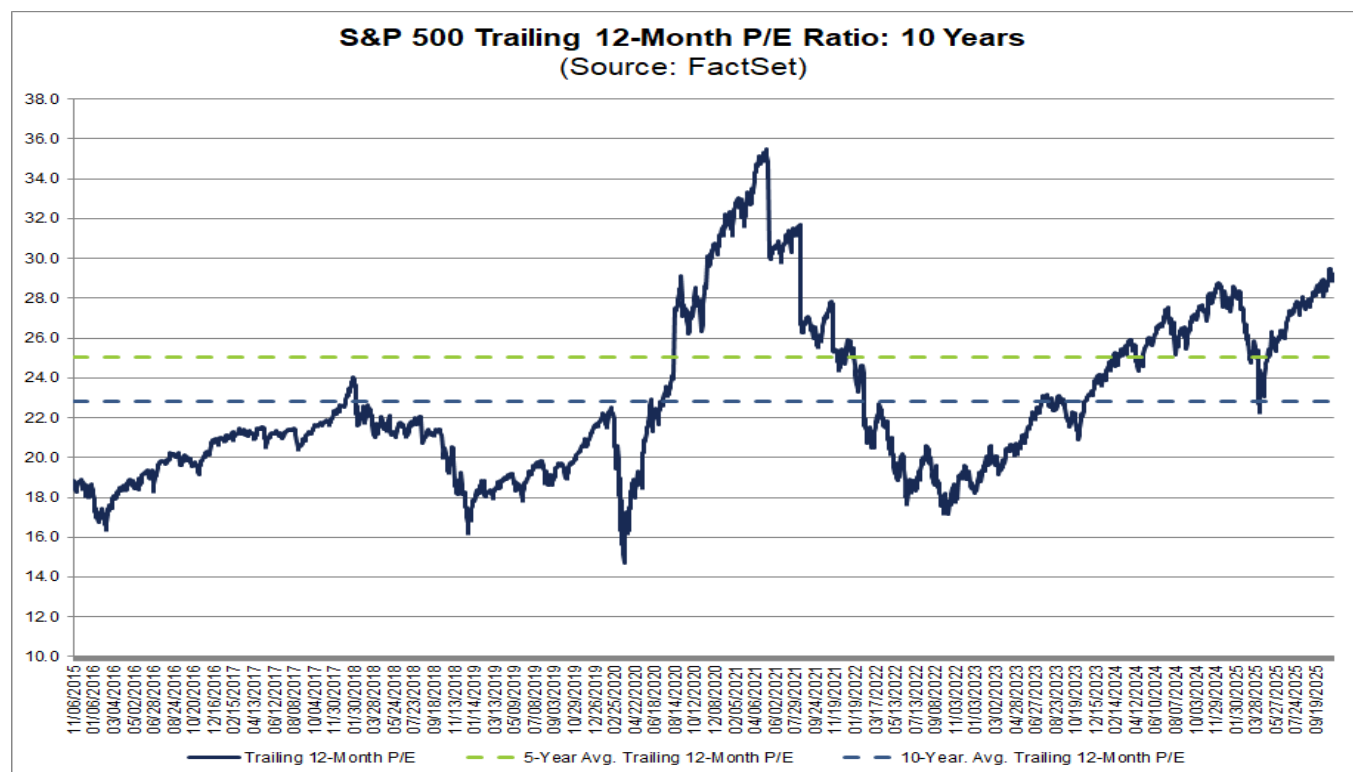
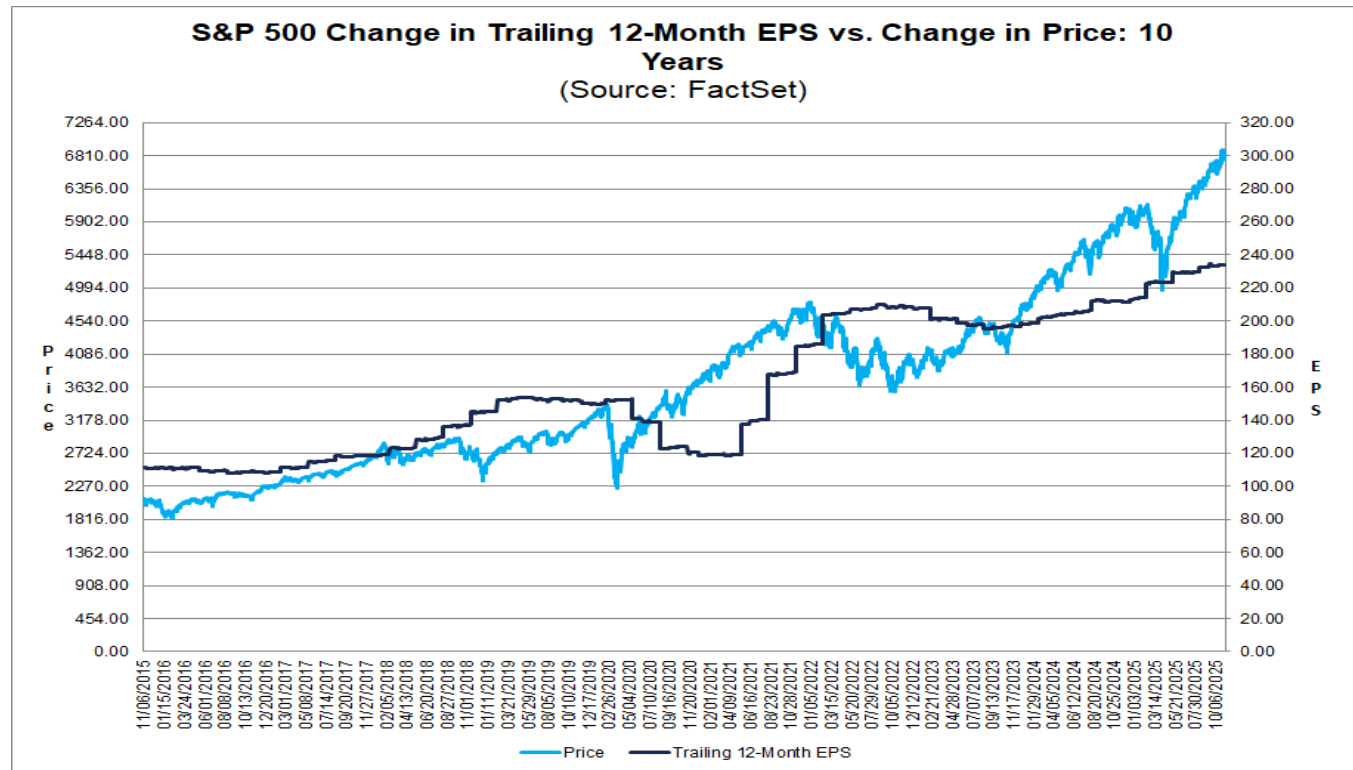
Forward 12M P/E Ratio: Sector Level



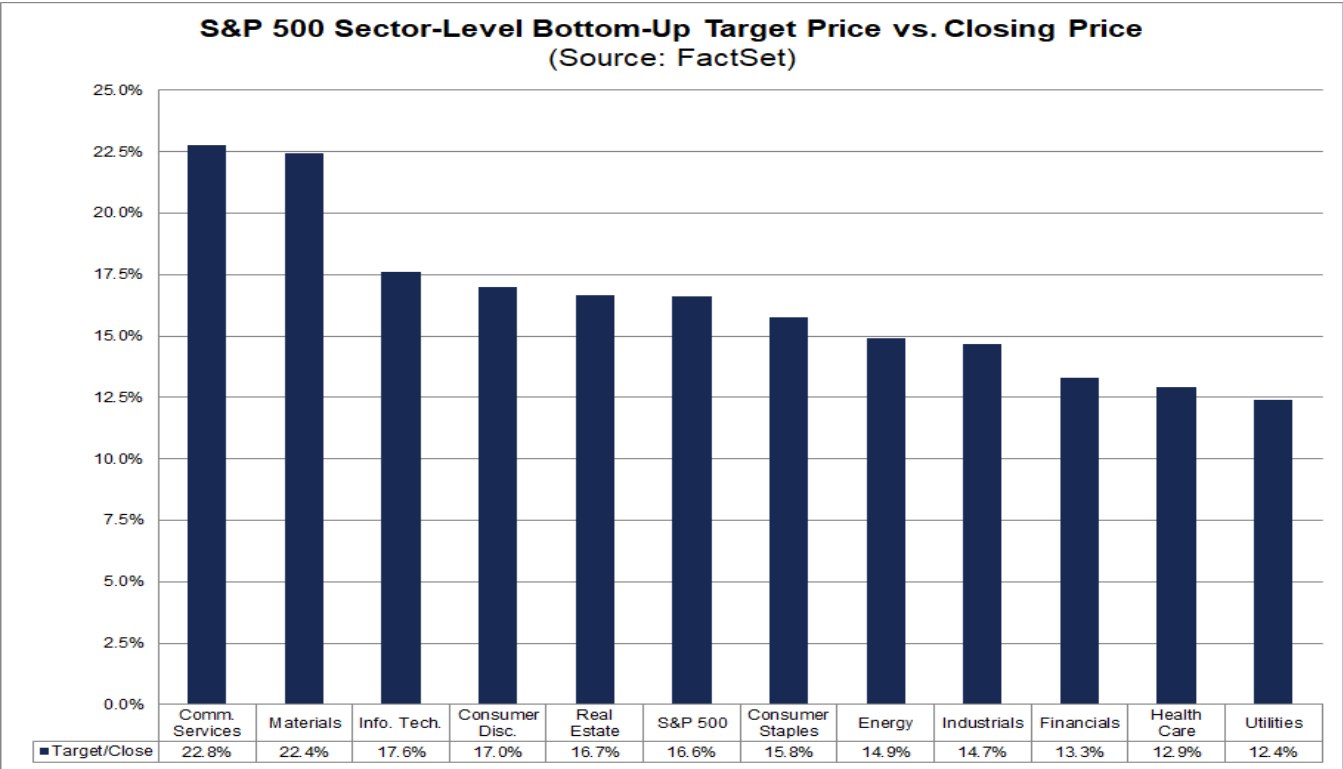
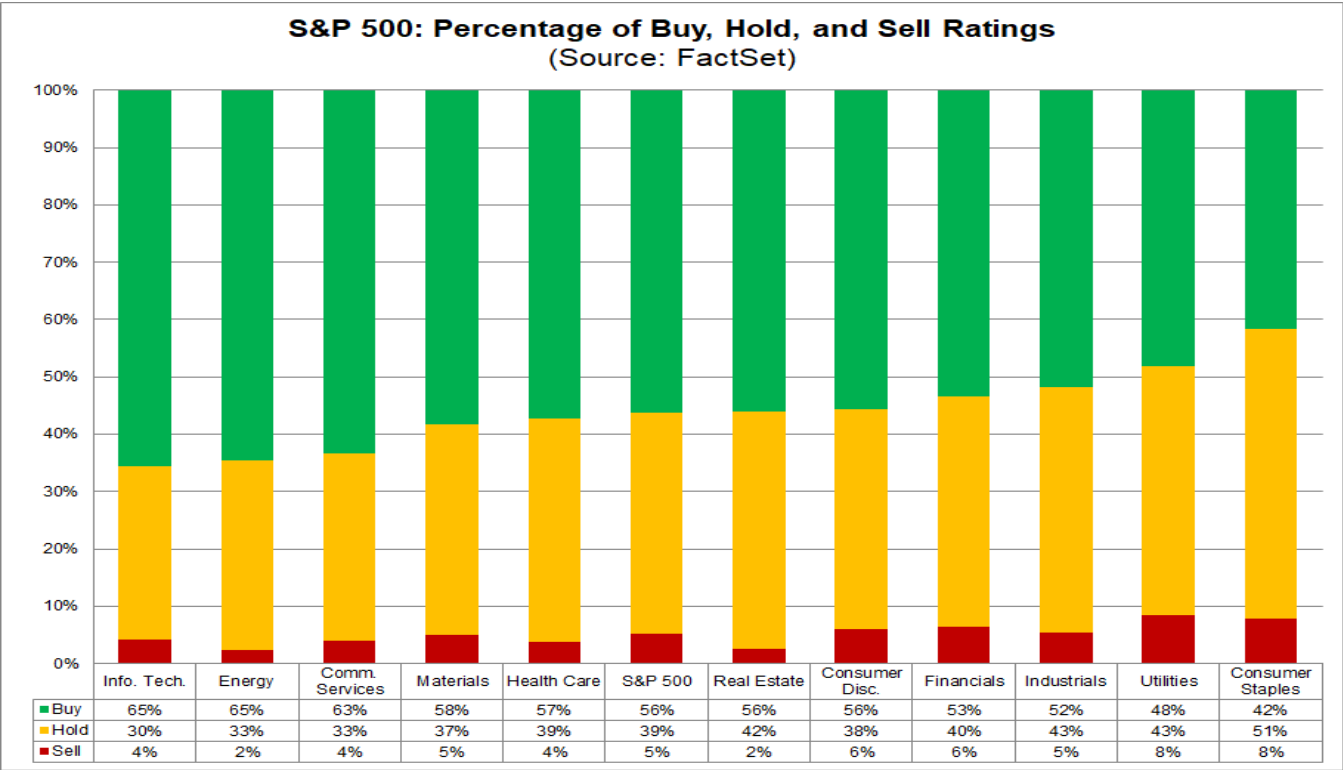
Forward 12M P/E Ratio: 10-Years



Trailing 12M P/E Ratio: 10-Years



Targets & Ratings



Appendix: 1: Earnings Call Citations – Government Shutdown

Limited to No Impact: 29 (Statements in **bold** highlighted by author)

In terms of the Paychex specifically, we don't have a heavy concentration with government, with the Federal government. And so, I don't expect any impact directly to our business. I'm sure we'll have some clients in the DC area that you may have some issues. And then, we don't have a lot of H-1B visa issues internally as a company. So, again, I don't view those things as a big issue. -Paychex (Sep. 30)

While we are monitoring potential impacts from the US government shutdown, we have not seen a material effect to-date. For the December quarter, we expect total revenue to grow 2% to 4% year-over-year, on top of last year's record performance with solidly profitable unit revenues. -Delta Air Lines (Oct. 9)

Despite sluggish end market demand and caution related to trade policy and tariffs, margin pressures, government shutdowns...regional and other sales leadership expectations are generally favorable for continued strong growth due to share gains. -Fastenal (Oct. 13)

During the third quarter, the market climbed a huge wall of worry with little pause. There was no shortage of traditional reasons for investors to be concerned about the economy or the markets, but as they cropped up, they are treated either as a positive, like the huge sums of money being spent on AI, or the minor impediment like the government shutdown. -Interactive Brokers Group (Oct. 16)

From a government shutdown, we are monitoring and looking at various sectors that potentially could happen. Obviously, it hasn't been around long enough to know. But we've seen some stress in government contractors obviously, this puts more stress on them because of the shutdown. So that's important. The SBA business is kind of shut down right now. So that's some stress from that. HUD and FHA, we're looking at that to see what impact that might have. You have C&I healthcare from a reimbursement perspective, that will probably impact if it goes longer, reimbursements might slow down or stop. And then non-profits that get grants, and then government employees, which is heart and soul of the government and those people at all. So we're monitoring all those areas. **Haven't really seen anything yet, but if it goes on a few months, I think you're starting to see some stress maybe.** -M&T Bank (Oct. 16)

First, the controllers – despite a lot of the press, the controllers or professionals – the vast majority of the controller workforce is showing up to business. We also have more communication and coordination at all levels with the FAA than I ever have seen in my entire career. And some of those two means that the system is actually running – well, we have our lowest cancellation rate in the decade for October, second best on time performance. From a bookings perspective the first couple of weeks, there hasn't really been a measurable impact in the first couple of weeks of October. Though, I think the longer this drags on, obviously, the risk will grow on both of those points. -United Airlines Holdings (Oct. 16)

As far as the government shutdown goes, this is not our first rodeo with a government shutdown. And we haven't really seen any impact at this particular point in time. And if I go back historically, I think the last – not the last one, but maybe the one before was like 35 days or something like that, it didn't really have an impact. -American Express (Oct. 17)

We have seen a limited negative impact from the US federal government shutdown to date, specifically in transaction volumes with some federal agencies. Our guidance does not assume that the federal shutdown extends materially to the extent that the shutdown extends materially, we would likely see an impact on our government business, principally from delayed verification activity. Overall, our guidance assumes economic and market conditions do not change meaningfully from the levels we saw in September. And does not assume a broader economic slowdown driven by an extended federal government shutdown. We are centered in the guidance ranges we provided...You saw we guided that we expect government to grow sequentially in the fourth quarter and exit kind of at high-single digits. That's just from core growth. I think John mentioned, as far as the government shutdown, we haven't seen an impact yet. We don't know how long this is going to go on. **But a government shutdown would likely more be a deferral of revenue as opposed to a loss of revenue, if it was going on for an extended period of time. But again, we haven't seen an impact in that. And that's kind of what we put in our guidance was that this will be resolved and won't have an impact on us in the fourth quarter.** -Equifax (Oct. 21)

Before I turn to 2026, let me address the US government shutdown. It is unclear how long it might persist, but we are hopeful it will be resolved in the near term. Assuming it is, we do not anticipate any significant impact on our financial results. -Northrop Grumman (Oct. 21)

The easiest one is, on the current government shutdown, I would tell you that we see a de minimis impact to IBM. It's always hard to say zero because something could happen. We still got two months to go in the quarter. But so far, we have not seen any impact from the shutdown. And the reason for that is the makeup of our business. -IBM (Oct. 22)

However, given the current US government shutdown, we're a bit measured on expectations for new contract awards or acceptance of allowance of shipments that we need export licenses for and, of course, cash collections from the government will be somewhat delayed. The prior shutdown in December 2018 and early 2019 lasted about 35 days. I believe today, we're in the 22nd or 23rd day. **In that – at that time between 2018 and 2019, we didn't really experience any significant impact from the shutdown, and we similarly don't expect to have much impact except if the shutdown were to stretch for months and, God forbid, to the end of the year.** If it goes that long, it may affect about 25% of our sales somewhat, which are related to the government, but any temporary impact to commercial sales for which we may be dependent on US government exports may be somewhat affected. **Overall, I do not think this is going to affect Teledyne significantly.** -Teledyne Technologies (Oct. 22)

So we don't have a real crystal ball here. **We're watching this closely, obviously, particularly as it relates to the airlines. So far, we've seen no disruption of service, but we're watching this very closely, because we all are reading the stories about what's happening with people not showing up to work.** From a volume perspective, in the United States, here we are at the end of October, and we're right on where we thought we would be, if not a little bit better. **So we haven't factored in any significant impact to the peak season, because we rely on what our customers are telling us and our customers are telling us those can peak, that they're going to have a good peak. So we haven't factored any of that in. But of course, it's smart to always think about what could happen.** Hopefully, there will be a resolution soon. That's what we should hope for. -UPS (Oct. 28)

On the government shutdown front, we haven't seen anything meaningful. Funding mechanisms have always been slow to move in general in this space, especially with municipalities. And previously allocated funds will still make their way down to fund projects. **So, right now, we don't see any meaningful impact. In the near term, there could be a pause on EPA grant application reviews, but I don't see that that's going to have any material impact on Q4 or quite frankly, on the full year of 2026.** So, all in all, we feel good about the municipal resilience not only in the US, but more broadly across the globe. -Xylem (Oct. 28)

The government shutdown has had minimal impact on government contractor leasing activities. -BXP Corporation (Oct. 29)

So the government business for us is mostly state and local government agencies. So in that sense, the federal government shutdown is not a big factor. Our direct exposure to federal government is relatively small, just a little bit in our FAL business and Fluke and AHS. So it really just hasn't been a major factor for us right now. -Fortive (Oct. 29)

Oh, and the government – sorry, the government funding...question, really that doesn't have the effect you might think. The North American fire and rescue markets are actually really good. They've been good for a while now. -IDEX Corporation (Oct. 29)

So all that being said, F1 does feel good. The leisure activity is there. We obviously can generate through value. We saw it with the Fabulous sale. We literally doubled the bookings in that particular week. So we feel better about it. There's a lot out in front of us. **The FAA, in its considerations with the government shutdown may or may not have an impact. It has not to-date, thankfully, but there's no precursor to what that will mean for the next six weeks or so.** -MGM Resorts International (Oct. 29)

And I would say relative to your second question, Deane, we watch the government environment closely. At this point, we've really not seen any material impact. -Veralto Corporation (Oct. 29)

I'll take the government shutdown first. I mean, so far, to be honest, it hasn't been much of an issue for us. Obviously, if it continues...it might become a bigger issue, but it's really a non-event at this point. -AMETEK (Oct. 30)

Government was strong and we'll see how that goes with the government shutdown but right now government was strong and we also saw some strength in office, which was good to see. -Trane Technologies (Oct. 30)

Throughout the year, we have not seen any fundamental change in public sector demand, nor have we seen any material impact on demand from DOGE or related initiatives or more recently, the federal government shutdown. -Tyler Technologies (Oct. 30)

There is nothing related to the government shutdown or anything else. -Dominion Energy (Oct. 31)

Specifically to your question, I think the selling environment that we're seeing is pretty stable. It is – we haven't seen any slowdown in conversations because of the government shutdown. -Broadridge Financial Solutions (Nov. 4)

Regarding the current government shutdown, most of our programs have not been impacted ...Though we take pride as a team in what we've accomplished, we remain focused on finishing out 2025 strong and setting a path for a successful 2026. **As Tom indicated, the shutdown impact so far has been modest** and we remain confident in our ability to thrive in the missions we serve despite any near-term uncertainty. -Leidos Holdings (Nov. 4)

The fact is this portion of our business from a shutdown perspective, performs hugely resiliently. So if you think about federal DOT, how they're going to work, highways, bridges, roads and streets because of the way funding flows through on that typically is not impacted by shutdowns. And of course, the states continue to be in a really attractive place, at least in the geographies in which we're operating. -Martin Marietta Materials (Nov. 4)

I'll just start by saying that we're, obviously, in record territory already with the government shutdown, and we haven't seen any noticeable major differences in our academic customer buying patterns like this month versus the prior month. So, again, we're encouraged that academic has appeared to have stabilized over the past quarter, and we're seeing that continue thus far even with the academic shutdown or even with the government shutdown, sorry. -Bio-Techne Corporation (Nov. 5)

We have not experienced any meaningful impact from NIH budget uncertainty or the government shutdown to date. -Chales River Laboratories (Nov. 5)

Our guidance also takes into account the limited impact we saw from the government shutdown in October, primarily in Washington, D.C. and San Diego. If the government shutdown continues through the end of the year, full year RevPAR growth could be negatively impacted. -Host Hotels & Resorts (Nov. 6)

And in the US, just to be clear, we haven't seen a change in trend yet. But we're watching very carefully, and this weekend will be a critical one as we head into that. So, we're watching the government shutdown very closely. -Expedia (Nov. 6)

Impact or Potential Impact Included in Guidance: 22 (Statements in **bold** highlighted by author)

Ravi, to your question of an act of God. I think we've calibrated the range of earnings per share for Q4 with government shutdown in mind. It is one act of God, not two acts of God, but we've got reasonable room there for continued government shutdown. But it's not infinite. -United Airlines Holdings (Oct. 16)

*We are certainly seeing in recent weeks the government shutdown having some impact on the government's ability to move quickly to make decisions and have the right resources available. So, we're all hopeful that the shutdown can come to a quick resolution and that we can resume work on some of these important decisions that would open up the spend plans and ultimate awards that will come from the government as they seek to move forward quickly... **As I mentioned, the guidance that we updated for 2025 includes what we can foresee, including some of the delays that we talked about on program awards and timing. But at the same time, we are assuming that this only goes a few more weeks, say, around mid-November.*** If it goes beyond that, we may start to see some additional delays in getting funding on contract or even delays in receiving payment before year end that could impact our cash flows for the year. We don't anticipate that at this time, but it's certainly something we're watching. And so we're very hopeful, as I said, that the government will agree to reopen soon, even if under a continuing resolution. -Northrop Grumman (Oct. 21)

No, I mean, look, we're sort of almost a month into the – into our 22 days, I guess, into the government shutdown with them, so almost a month of that in the forecast. So, we have factored for that into the forecast in the fourth quarter. And our full year scenarios, which is a range, really encompass if the government shut – even if the government shutdown keeps going, we think we'll be within that range. So, it is affecting the numbers. I think that – who knows if our forecast would have come down anyway, probably given what came in the third quarter, we might have been a little bit lower for the fourth quarter anyway. But we are factoring for it and it is affecting the numbers somewhat. -Hilton Worldwide Holdings (Oct. 22)

*Risks remain with ongoing tariff and trade negotiations. **And the full impact of a prolonged government shutdown on market conditions is difficult to predict. That said, we believe we've accounted for the broad spectrum of the most plausible scenarios in our updated guidance.*** -Moody's (Oct. 22)

*On government shutdown, the way I would say is obviously post-quarter, we're in the middle of it right now. I think it adds a little bit to customer hesitancy, right? It does add some uncertainty. And it obviously will delay some expenditures directly by the US government as well on the things that they actually purchase. **We put into our implied guidance range for the fourth quarter, a reasonable set of action – outcomes based on the government shutdown, on based on our own experience and how we think it's playing out and feel well-positioned to navigate that.*** So, that's how we thought about it at this point in time. -Thermo Fisher Scientific (Oct. 22)

As we look to the final quarter of year, we expect to deliver mid-single-digit organic revenue growth. This outlook reflects high single-digit growth in our recurring revenue base, offset by declines in nonrecurring revenue, primarily due to anticipated softness in our Deltek business stemming from the ongoing government shutdown. Given the uncertainty surrounding the duration impact of the shutdown, we see potential outcomes across the full range of our MSD outlook, from the lower to the higher end. That said, our businesses in this segment continue to compete and execute exceptionally well. The primary variable remains a higher level of market uncertainty than we typically experience for our Deltek business. Now let's turn to Page 15 and review our Q4 and updated full year 2025 guidance. **Starting with the full year outlook, we continue to expect total revenue to remain in the 13% area. Also given the delays at Neptune and the temporary impact of the government shutdown, which is slowing year-end commercial activity at Deltek, we now expect organic revenue to land in the 6% area versus our previous 6% to 7% range.** -Roper Technologies (Oct. 23)

*Looking ahead to the fourth quarter, we expect RASM to be in the range of up 1% to 3%. **This outlook assumes the positive inflection in demand we've seen across the industry since early July remains at current levels through the end of the quarter. It also reflects the planned acceleration from our initiatives, the approximate 2-point year-over-year increase in fourth quarter capacity since July, and the recent observed impact of the government shutdown.*** -Southwest Airlines (Oct. 23)

Having said that, the uncertain duration and future potential impacts of the government shutdown creates a lack of clear visibility into our cash forecast for the remainder of the year. We are taking prudent actions to conserve cash and liquidity. If a resolution can be reached in the near term, we would expect to be able to achieve the forecast that I just discussed. However, in the event of protracted shutdown, it is unclear how and when our cash flow will be impacted despite our careful efforts to diligently manage cash...**Overall, we are increasing our EPS forecast to between \$15.30 to \$15.35. Some of you may regard this as a cautious forecast given the performance year-to-date. Let me remind you that we're in the midst of a government shutdown with no end in sight. The longer it lasts, the more it will impact us particularly the shorter-cycle businesses.** So forecast in this environment are difficult at best and less reliable than one would hope. -General Dynamics (Oct. 24)

Let me start with – in terms of the US federal government, we have in our guidance, assumed some level of disruption in that segment of our business, especially in the first quarter with the government shutdown. That clearly is having an impact on projects being delayed or approvals being delayed. It is our hope that this normalizes over the course of the year. But certainly in Q1, we have assumed that the numbers that we would see from the federal sector would not be what we have seen historically in that part of the business because of the government shutdown. -F5, Inc. (Oct. 27)

I think as you then look at the government shutdown, I think the bigger impact there right now that we're seeing is more so on the reagent side, which we have baked in some modest assumptions there for the fourth quarter. I would say, again, it's modest. It's not something that is a huge number to embed into the guidance. -Revvity (Oct. 27)

Yeah. I'd say on the second part of your question, Deane, I'd say the only real impact we've seen on the government shutdown has – we've seen it a bit in our Light Commercial business. That business is weaker than we thought going into 4Q. We thought 4Q would be flattish. We're now saying down about 15%. And part of it is even though rates seem to be coming down a bit for some of the small businesses, they've been a little bit limited on lending and credit. And some of that is loans processed by the SBA have been put on hold. So that's the one area with the shutdown that we've seen that we can directly correlate to a business has probably been in our Light Commercial business. -Carrier Global (Oct. 28)

Start coming in towards D.C. in that Virginia portfolio where you've got a more urban concentration competing with the supply. And I've still got solid occupancies, but I got pockets where I don't have pricing power, where I had to start utilizing concessions. And then you get into D.C., Northwest D.C., along with D.C. kind of the district central area. I've got occupancies that are running 95%, 95.5%. I've got concession use that has clearly increased in the last four weeks. And I got net effective prices that are down 4%. So we've modeled that out for the rest of the year. I wouldn't – we're not seeing kind of folks that lost their job with the government turning in keys. We're not seeing kind of any of this increase in lease breaks. You're just seeing an overall slowdown in the top of the funnel and this willingness to commit to a lease. And I think for us, we'll have to expect that to continue through the balance of the year. I think consumer sentiment is tricky, right? It can shift on us very quickly and turn back positive. You can get past the government shutdown. You can get some confidence back in hiring. And then that market is going to be really well positioned again because we just have a huge decline in competitive supply coming to our advantage next year that it's not going to take much for us to have pricing power. The trick is exactly when is that inflection point take hold. -Equity Residential (Oct. 29)

For Q4, I would note that while our public sector pipeline and demand is very strong, the ongoing government shutdown may impact deal timing in our US federal business in Q4. Given the timeline requirements to complete standard procurement processes, we've prudently factored in this timing dynamic into our guidance. -ServiceNow (Oct. 29)

As I mentioned on the previous slide, while the softness we've experienced has been somewhat broad based, it has been most pronounced in the mid-Atlantic and LA. The mid-Atlantic has been choppy since the second quarter, and has softened further during Q3 as the probability of a government shutdown increased. Given the shutdown has become a reality and is heading into a second month in a couple of days, we expect continued weakness in the region through year end. -AvalonBay Communities (Oct. 30)

Macroeconomic uncertainty always exist, especially around tariffs, trades, and now we have the government shutdown again. But we believe our guidance reflects the potential impact of such uncertainty as we view it today. -EMCOR Group (Oct. 30)

Well, I mentioned it on the script that we do serve the federal government and select agencies there, the bulk of our business serves state and local. And we're watching carefully the timing impact. If there were to be an impact, it would likely increase our expectations for next year in the \$12.6 billion, but we've lost five weeks. The government needs to reopen. Budgets need to be approved and the queue and the backlog needs to be worked in an efficient way. Those are our expectations in the guide that we've given for \$11.650 billion....Yes. And I think that, Tomer, that point that Jason made is real important. I talked about in answer to Tim's question expected revenue of \$12.6 billion. If there is any impact, we expect that to be additive to our \$12.6 billion. -Motorola Solutions (Oct. 30)

Now, moving to the updated outlook for the remainder of 2025. As D.G. mentioned at the beginning of the call, we're nearing our full year 2025 adjusted EPS outlook, which reflects slightly lower sales to account for the Cromwell divestiture, FX updates, and the impact of the government shutdown, which we're assuming reaches a resolution by mid-November. These top-line headwinds are offset by higher margins resulting in an EPS midpoint consistent with the prior guide. In total, the updated guide includes daily organic constant currency sales growth of between 4.4%, and 5.1%, and a diluted adjusted EPS range of \$39 to \$39.75...October growth is off to a slow start of approximately 1% on a preliminary daily constant currency basis as we lapped a fairly significant hurricane-related sales benefit in the first two weeks of the month, and as we face current year headwinds from the government shutdown. However, if we just looked at the last two weeks of the month, which exclude the prior year hurricane impact, October total company sales are up in the 4% to 5% range on a daily constant currency basis. More in line with what we saw in the third quarter, but still reflecting the impact of the government shutdown, which is weighing on public sector sales. -W.W. Grainger (Oct. 31)

Given the recent government shutdown, we believe our continued prudence is warranted. Our remaining 2025 outlook assumes continued frictional impacts in the government education segments, potential funding shortfalls for healthcare customers and a level of general economic uncertainty and caution. -CDW Corporation (Nov. 4)

Let me provide a little perspective on the guidance. First, with a quarter to go, we left wider ranges around revenue and EPS than usual, a proactive hedge against the less predictable government environment. Second, our team and our diverse portfolio are proving to be exceedingly agile. We've been able to absorb top-line hits that could approach 3%, split nearly equally across government efficiency imperatives and the potential for up to a three-month shutdown, and still slightly improve revenue guidance over the year. -Leidos Holdings (Nov. 4)

So I'll start out by saying that we believe a 3.5% to 4% yield growth on a year-over-year basis is strong. And we're very happy with it. If you're asking whether they were modest impacts by the government shutdown, hard not to believe that that's a modest headwind to the business. -Norwegian Cruise Line Holdings (Nov. 4)

Our guidance also takes into account the limited impact we saw from the government shutdown in October, primarily in Washington, D.C. and San Diego. If the government shutdown continues through the end of the year, full year RevPAR growth could be negatively impacted. -Host Hotels & Resorts (Nov. 6)

As I mentioned in my prepared remarks, our outlook already reflects the stable trends we saw in October, factors in the 6 points of lapping from the prior-year acceleration in November and December. And we're always thoughtful about our guide and how we factor in room for unknowns like this type of thing. So, within our construct for Q4, we feel good that we can absorb air, in particular, because if you think about air, air Q3 – air revenue for Q3, to put it in context, was \$101 million or around \$300 million year-to-date. And it remains our major – and air remains a major priority for us to continue to expand our presence, both on a stand-alone basis as well as bundling. But with already one-third of our revenue booked from air in Q4, even a significant reduction in a \$100 million run rate for Q4, we should be able to absorb all or most of that in our outlook. So, we factor these types of things in when we think about guidance, particularly in dynamic environments like this. -Expedia (Nov. 6)

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