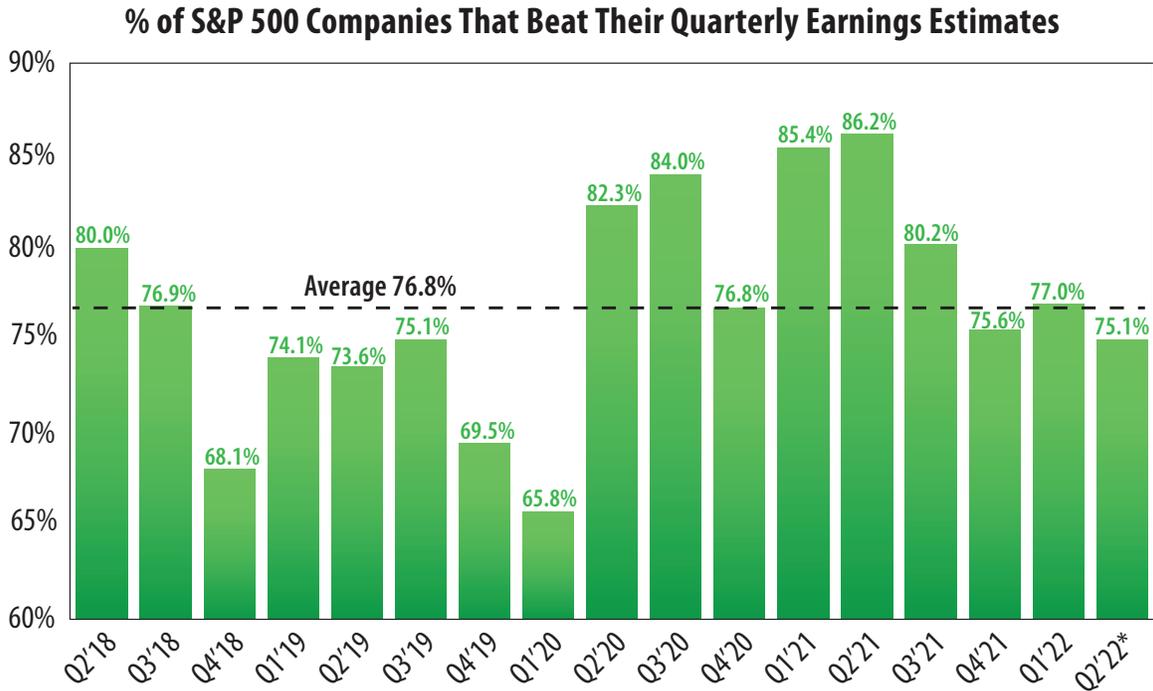


A Snapshot Of The S&P 500 Index Earnings Beat Rate



Source: S&P Dow Jones Indices. Average spans Q2'18 – Q2'22. *Q2'22 beat rate based on 478 company results.

View from the Observation Deck

1. As we head into the close of the Q2'22 corporate earnings reporting season, we thought it would be a good time to review the percentage of S&P 500 Index companies that exceed their estimates on a quarterly basis.
2. Equity analysts adjust their corporate earnings estimates on an ongoing basis. Regardless of whether they adjust their estimates up or down, companies typically have a consensus target number or range to hit.
3. From Q2'18 through Q2'22 (17 quarters), the average earnings beat rate for the companies that comprise the index was 76.8%, slightly above the 75.1% beat rate for the 478 companies that have reported results for Q2'22.
4. During the COVID-19 pandemic (Q1'20-Q2'22), the average quarterly beat rate has been 78.8%.
5. The S&P 500 Index posted a cumulative total return of 58.9% for this period (3/31/20-8/31/22), according to Bloomberg.
6. Information Technology (88.2%), Industrials (82.9%) and Health Care (78.7%) have registered the highest earnings beat rates in Q2'22 (not in chart), according to S&P Dow Jones Indices. Real Estate has the lowest beat rate in the quarter at 58.1%.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 is a capitalization-weighted index comprised of 500 companies used to measure large-cap U.S. stock market performance.

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