

Cash Flow and Carey



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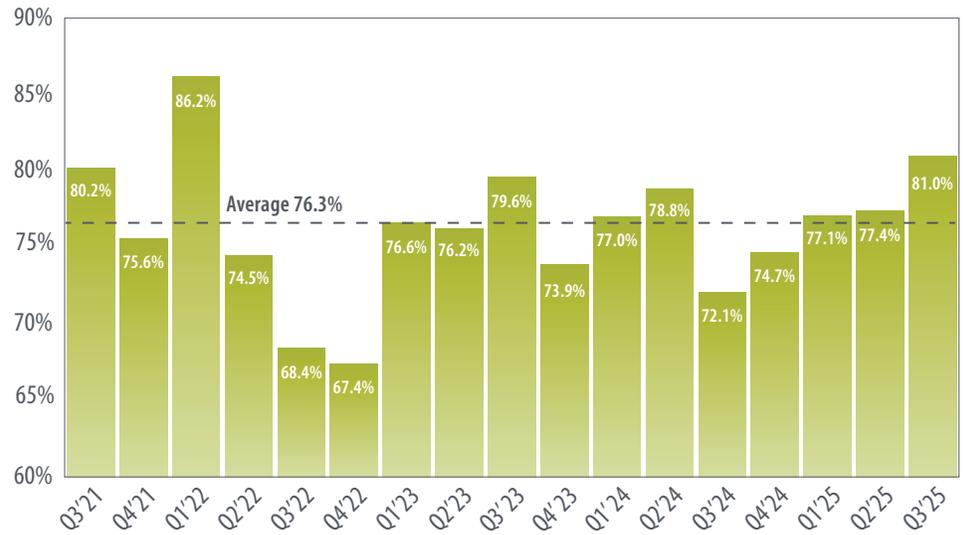
11/11/25

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A Snapshot of the S&P 500 Index Earnings Beat Rate

% of S&P 500 Companies That Beat Their Quarterly Earnings Estimates



S&P Dow Jones Indices. Average spans Q321 – Q3'25. Beat rate based on 433 company results.

View from the Observation Deck

We update this post on an ongoing basis to provide investors with insight regarding the earnings climate of the S&P 500 Index ("Index"). While quarterly earnings estimates are a useful indicator of a company's financial performance, they are not guarantees. Equity analysts are continually adjusting these estimates as new information is obtained. As of the open on 11/6/25, 433 of the 503 stocks that comprise the Index had reported Q3'25 earnings, according to data from S&P Dow Jones Indices.

FactSet reported that the Q3'25 blended, year-over-year (y-o-y) earnings growth rate for the Index stood at 13.1% as of 11/7/25.

Should this hold, it will mark the fourth consecutive quarter of double-digit earnings growth for the Index.

The percentage of Index companies that beat earnings expectations in Q3'25 (82% as of 11/7/25) is above the 4-year average of 76.3%.

Notably, the 4-year average in today's chart reflects favorable comparisons to COVID-era earnings in 2020 and 2021. We expect the average will decline as those results are removed from our dataset.

The three sectors with the highest Q3'25 y-o-y earnings growth rates and their percentages were as follows (as of 11/7/25): Information Technology (27.1%); Financials (23.7%); and Utilities (23.2%) For comparison, Consumer Staples, Energy, and Communication Services experienced y-o-y earnings growth rates of -0.1%, -0.5%, and -7.1%, respectively.

Takeaway

At 82%, an above-average number of Index constituents reported earnings that exceeded estimates in Q3'25 (data thru 11/7). Calendar year earnings estimates hint at record observations in the years to come. FactSet reported that the Index's bottom-up calendar-year earnings will total a record 269.64 and 306.06 in 2025 and 2026, representing y-o-y increases of 11.6% and 13.7%, respectively. For comparison, the Index's y-o-y earnings growth rate averaged 9.5% over the past 10 years. Estimates for record earnings are notable, especially given recent multiple expansion. FactSet reported that the Index's forward price-to-earnings (P/E) ratio stood at 23.1 on 10/29/25, well above its 10-year average of 18.6. Are equity markets overpriced, or are lofty valuations justified by burgeoning earnings growth? Stay tuned!