

Zacks Earnings Trends

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Earnings Estimates Keep Increasing: A Closer Look

Here are the key points:

- The Q4 earnings season is off to a solid start, with the growth pace accelerating and most management teams painting a stable-to-positive outlook for their businesses. Companies are comfortably beating consensus estimates, with the Q4 EPS and revenue beats percentages tracking above historical averages.
- Favorable management commentary is helping estimates for 2026 Q1 and beyond to go up. This positive revisions trend is particularly notable for the Finance sector at this stage, but estimates are also trending higher for the Tech, Retail, Construction, and Transportation sectors.
- Total earnings for the 51 S&P 500 members that have reported Q4 results are up +17.2% from the same period last year on +7.5% higher revenues, with 88.2% beating EPS estimates and 72.5% beating revenue estimates.
- The Q4 earnings and revenue growth pace at this stage represents a clear acceleration from what we had seen from this same group of companies in the first three quarters of 2025. The EPS and revenue beats percentages are tracking above the 20-quarter averages for this group of 51 index members, though the Q4 revenue beats percentage is tracking below what we had seen from this group of companies in the preceding two quarters.
- For the Finance sector, we now have Q4 results from 42.8% of the sector's market capitalization in the S&P 500 index. Total earnings for these companies are up +13.9% from the same period last year on +7.0% higher revenues, with 90.5% of the companies beating EPS estimates and 71.4% beating revenue estimates.
- These Finance sector results represent an improvement over historical averages for the group, but the growth rates and beats percentages are tracking below what we had seen in the preceding two quarters.
- Looking at 2025 Q4 as a whole, total S&P 500 earnings are currently expected to be up +8.7% from the same period last year on +7.9% higher revenues. This will be the 10th quarter of back-to-back positive earnings growth for the index.

- The Tech sector has been a key growth driver since 2023 and is on track to play that role in 2025 Q4 and beyond as well. Q4 earnings growth drops to +5.1% from +8.7% after removing the Tech sector's enormous contribution from the aggregate numbers. The Tech sector is currently expected to account for almost half of S&P 500 earnings growth in 2026.
- Q4 earnings are expected to be above the year-earlier level for 8 of the 16 Zacks sectors, with Aerospace (earnings growth of +63.6%), Tech (+15.3%), and Finance (+18.7%) enjoying double-digit earnings growth.
- Q4 earnings are expected to be below the year-earlier level for 8 of the 16 Zacks sectors, with Autos (earnings decline of -21.9%), Transportation (-7.9%), and Consumer Staples (-4.0%) as the notable decliners.
- Q4 earnings for the 'Magnificent 7' group of companies are expected to be up +17.2% from the same period last year on +16.5% higher revenues. Excluding the 'Mag 7' contribution, Q4 earnings for the rest of the index would be up only +5.7% (vs. +8.7%).
- Looking at the calendar year picture, total S&P 500 earnings are expected to grow by +12.2% in 2026, with the growth pace dropping to +8% when the Tech sector's contribution is excluded.
- All 16 Zacks sectors are expected to enjoy positive earnings growth in 2026, the first time since 2018, with nine sectors expected to achieve double-digit growth, including Aerospace (+38.3%), Autos (+22.8%), Basic Materials (+23.1%), Tech (+20.5%), Transportation (+13.3%), and Industrials (+11.6%).
- The aggregate revisions trend for 2026 is positive, as had consistently been the case in 2025 as well. Since the start of 2025 Q4, rising estimates for the Tech, Finance, and six other sectors (Autos, Retail, Transportation, Construction, Industrials, and Business Services) have more than offset negative estimate revisions at the remaining 8 Zacks sectors.
- Sectors suffering significant negative estimate revisions since the start of 2025 Q4 include Energy, Basic Materials, Conglomerates, Aerospace, and others. Had it not been for the Tech sector's positive estimate revisions, the aggregate revisions trend would have been modestly negative since the start of 2025 Q4.

- For the Mag 7 group, total 2026 earnings are expected to increase by +17.3% on +15.7% higher revenues, which would follow the group's estimated 2025 earnings growth of +22.3% on +19.3% higher revenues. Excluding the Mag 7 contribution, total earnings for the remaining S&P 500 companies are expected to grow +10.4% in 2026, which compares to +9.9% growth in 2025, +4.4% growth in 2024, and a -4.7% decline in 2023.
- The implied 'EPS' for the S&P 500 index, calculated using the current 2026 P/E of 22.9X and index close, as of January 20th, is \$296.25. The multiple has been calculated using the index's total market cap and aggregate bottom-up earnings for each year. This implied bottom-up index 'EPS' estimate for 2026 compares to the current top-down consensus estimate of \$312.50, with a range of \$310 to \$315.
- Using the same methodology of market cap and aggregate bottom-up earnings estimates, the index P/E works out to 20.7X for 2026 on an ex-Mag 7 basis. The Mag 7 companies are currently expected to bring in 26.8% of total S&P 500 earnings in 2026 and account for 33.4% of the index's total market capitalization.

Rising Finance Sector Earnings Estimates

The market's reaction to results from JPMorgan (JPM), Bank of America (BAC), Citigroup (C), and others suggests a disappointing performance from these banking leaders. We don't think the banks' Q4 results or comments about the outlook are negative and see these stocks' post-release weakness in a 'sell-the-news' type of framework, particularly after their recent outperformance.

Citigroup shares have been particularly hot over the past year, outperforming its peers and the broader market as investors gain more confidence in the new management team's restructuring and repositioning plans. Market participants had been justifiably skeptical earlier, as Citigroup appeared unable to turn its fortunes around over the years. Unlike Citigroup, JPMorgan shares benefited from its reputation for operating excellence and industry leadership.

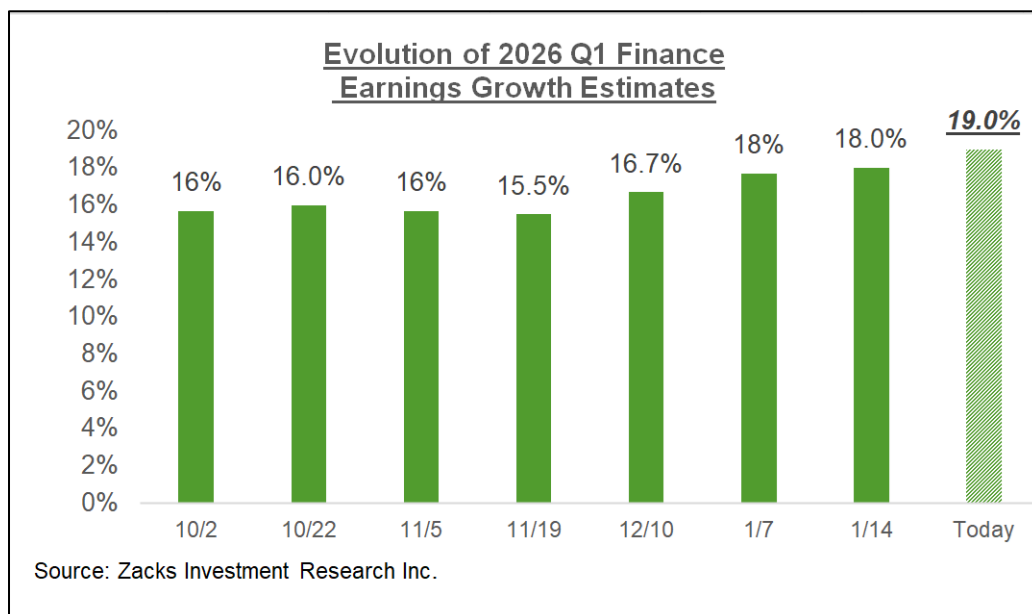
We should keep in mind, however, that Citi, Bank of America, and JPMorgan shares had been losing ground since the start of the New Year, with the Q4 earnings results adding to the downtrend.

The chart below shows the one-year performance of JPMorgan, Citigroup, and Bank of America shares relative to the S&P 500 index.

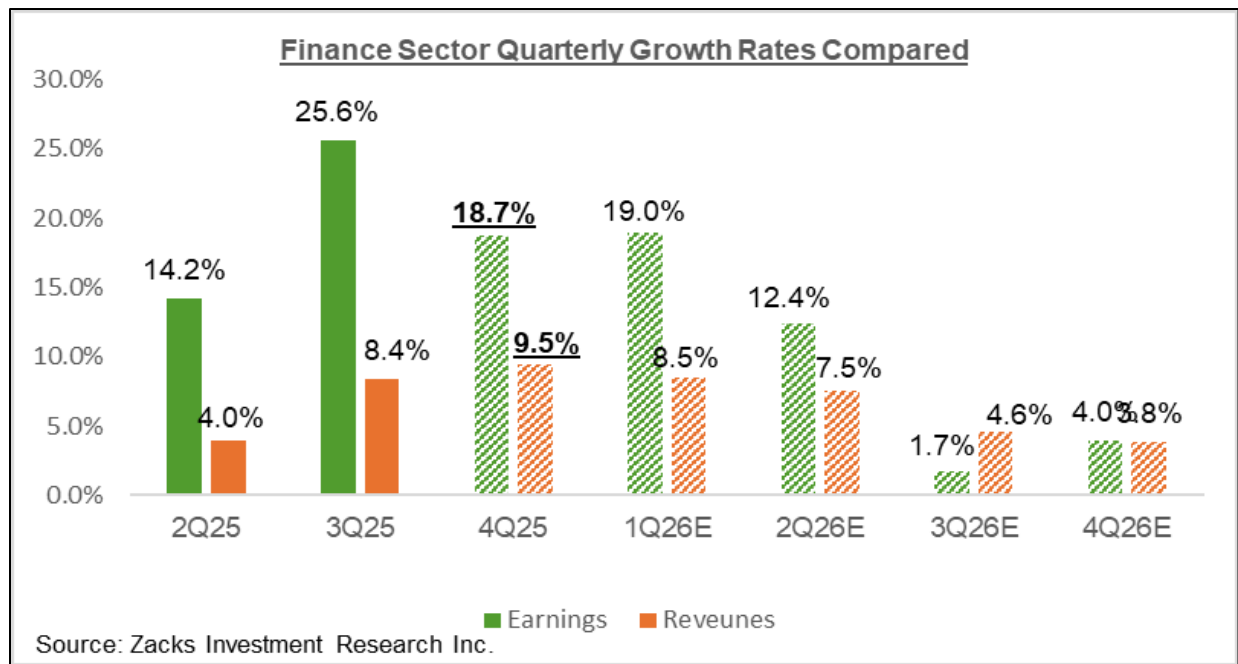


Management teams' macroeconomic commentary has been reassuring, with favorable consumer spending and stable credit quality trends. The outlook for loan demand and investment banking advisory services remains positive, even though growth has longer to arrive as a result of policy uncertainty like tariffs and the Fed. Headlines about the administration's credit card plans remain headwinds, but the overall outlook remains positive.

Management teams' outlook of stable-to-positive business trends is starting to show up in the group's revisions trend, with estimates for the current period (2026 Q1) going up, as the chart below shows.

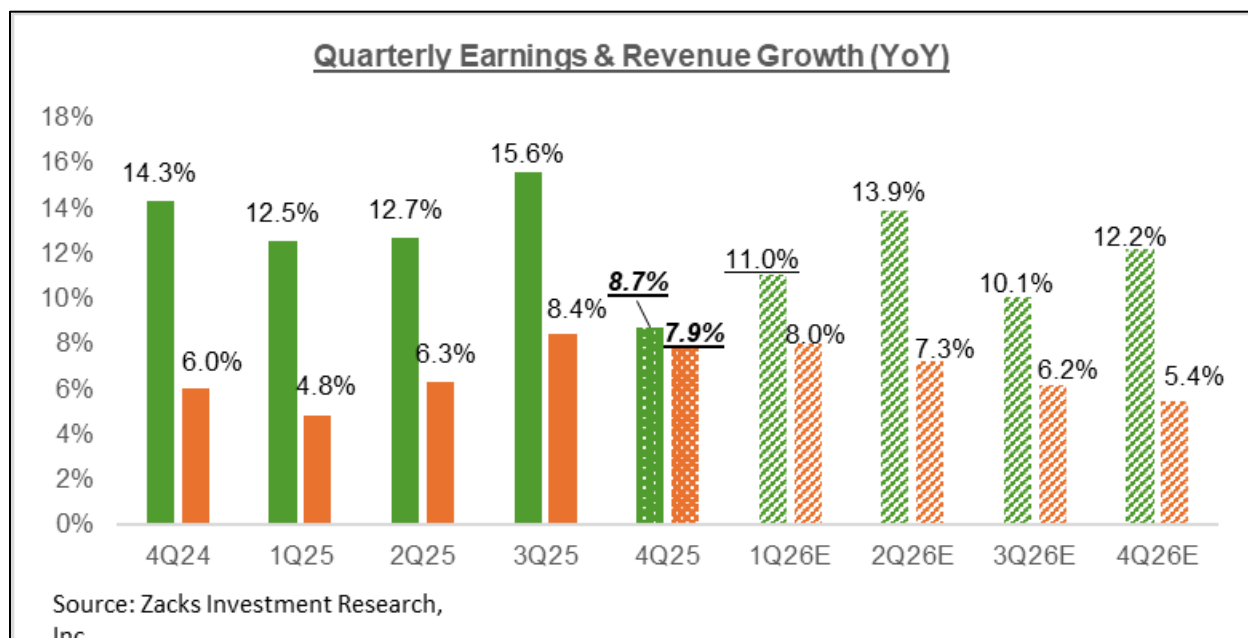


The chart below shows the Finance sector's growth picture on a quarterly basis.

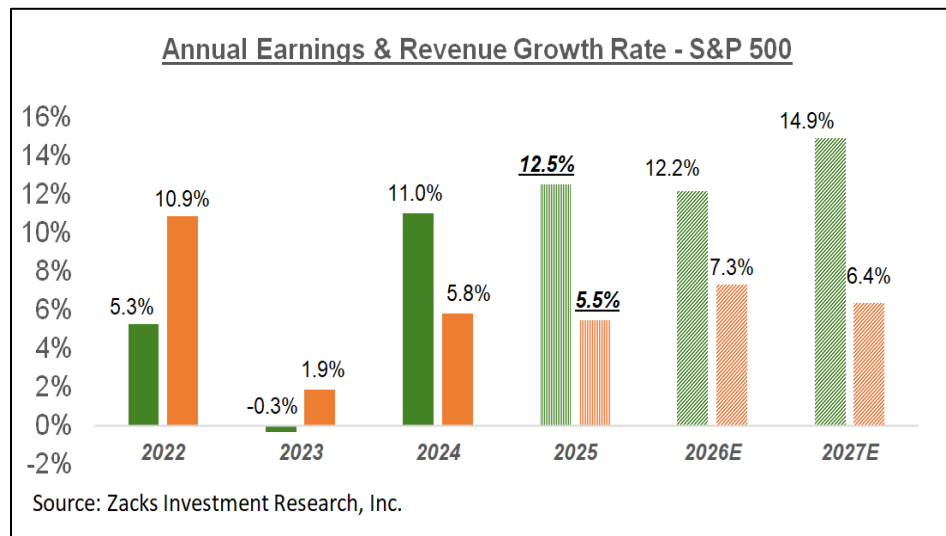


The Earnings Big Picture

The chart below shows expectations for 2025 Q4 in terms of what was achieved in the preceding four periods and what is currently expected for the next three quarters.



The chart below shows the overall earnings picture for the S&P 500 index on an annual basis.



The Tech sector has an outsized role in the S&P 500 index. The sector is expected to bring 36% of the index's total earnings over the coming four-quarter period and currently accounts for 42.5% of the index's total market capitalization. The Tech sector's positive estimate revision trend is a major reason its members enjoy a strong market following and support.

The Report in Detail

Note: This report has six sections. The first section, titled Q4 Earnings Season Scorecard, provides a real-time update of the earnings season, puts the results thus far in a historical context, and highlights the major sectors. The second section, titled the Blended Picture, presents the composite or blended Q4 expectations by combining the actual results that have come out with estimates for the still-to-come companies. The Third section, titled the Context, puts the blended Q4 expectations in the context of what was reported in the preceding quarters and what is expected in the coming quarter(s). This section provides both earnings and revenues on a quarterly basis, both the dollar amounts as well as the year-over-year growth rates. The fourth section, titled Annual Data, presents the earnings and revenues data on an annual basis. The fifth section, titled Small-Cap Earnings, presents the earnings picture for the S&P 600 index. The final section visually presents the market capitalization and earnings contribution of the 16 Zacks sectors.

Section 1 – Q4 Earnings Scorecard

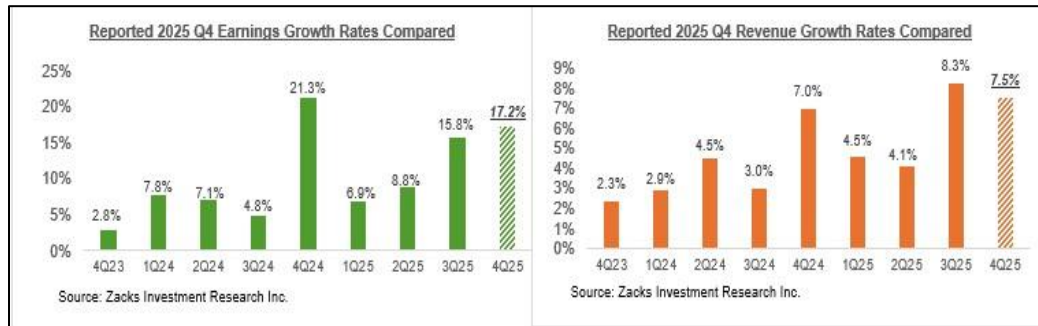
Total earnings for the 51 S&P 500 members that have already reported are up +17.2% from the same period last year on +7.5% higher revenues, with 88.2% beating EPS estimates and 72.5% beating revenue estimates.

	2025 Q4 Scorecard						
	% Reported		Earnings		Revenue		Blended Beat %
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	
Consumer Staples	13.3%	3.4%	-20.6%	100.0%	-6.6%	75.0%	75.0%
Consumer Discrt	14.3%	34.7%	13.5%	100.0%	8.1%	75.0%	75.0%
Retail	9.7%	8.7%	8.0%	33.3%	8.2%	33.3%	0.0%
Medical	1.7%	9.0%	21.5%	100.0%	9.1%	100.0%	100.0%
Auto/Tires/Trks	0.0%	0.0%	-	-	-	-	-
Basic Materials	0.0%	0.0%	-	-	-	-	-
Industrial Prod	4.2%	4.0%	12.2%	0.0%	11.1%	0.0%	0.0%
Construction	11.8%	11.2%	-42.6%	50.0%	-7.4%	100.0%	50.0%
Conglomerates	50.0%	37.8%	7.4%	100.0%	3.7%	0.0%	0.0%
Computer & Tech	8.2%	5.2%	62.3%	100.0%	18.8%	85.7%	85.7%
Aerospace	7.7%	1.8%	14.2%	100.0%	7.3%	100.0%	100.0%
Oils/Energy	4.2%	1.3%	-6.3%	100.0%	0.8%	100.0%	100.0%
Finance	22.6%	42.8%	13.9%	90.5%	7.0%	71.4%	71.4%
Utilities	0.0%	0.0%	-	-	-	-	-
Transportation	30.8%	25.7%	-2.5%	100.0%	4.7%	75.0%	75.0%
Business Svcs	4.0%	0.5%	1.2%	100.0%	6.9%	100.0%	100.0%
S&P 500	10.2%	11.1%	17.2%	88.2%	7.5%	72.5%	68.6%
Excluding Finance	7.4%	6.5%	22.8%	86.7%	7.9%	73.3%	66.7%
Excluding Oil	10.5%	11.5%	17.3%	88.0%	7.6%	72.0%	68.0%
Excluding Tech	10.6%	15.6%	10.8%	86.4%	6.0%	70.5%	65.9%
Source: Zacks Investment Research, Inc.							
Data as of: <u>January 21, 2026</u>				www.zacks.com			

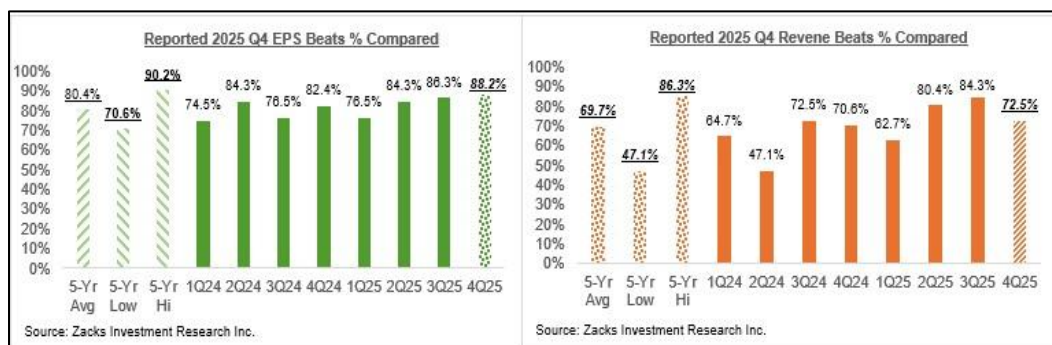
Note: Here are a few key points to keep in mind while reading this table.

- All the earnings analysis in this report pertains to the S&P 500 index, a handy proxy for the entire business world. We use the index's current membership as the basis for all period comparisons, meaning that even historical periods reflect the index's current membership.
- We divide the corporate world into 16 sectors compared to the official S&P 11 GICS. We have stand-alone sectors like Autos, Construction, Conglomerates, Aerospace, Transportation, and Business Services that provide for a better understanding of trends in these key areas of the economy.
- All references to 'earnings' mean 'total earnings' or 'aggregate net income' and not 'mean or median EPS.'
- We make adjustments to reported GAAP earnings to account for non-recurring or one-time items, but we do consider employee stock options (ESOs) as a legitimate business expense. Unlike Zacks, Wall Street and all other data vendors don't treat ESO's as a recurring business expense.

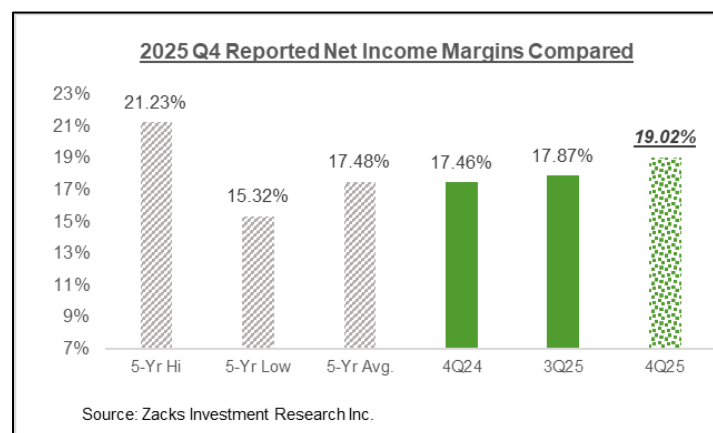
The comparison charts below show the Q4 earnings and revenue growth rates in a historical context.



The comparison charts below show the Q4 EPS and revenue beats percentages in a historical context.

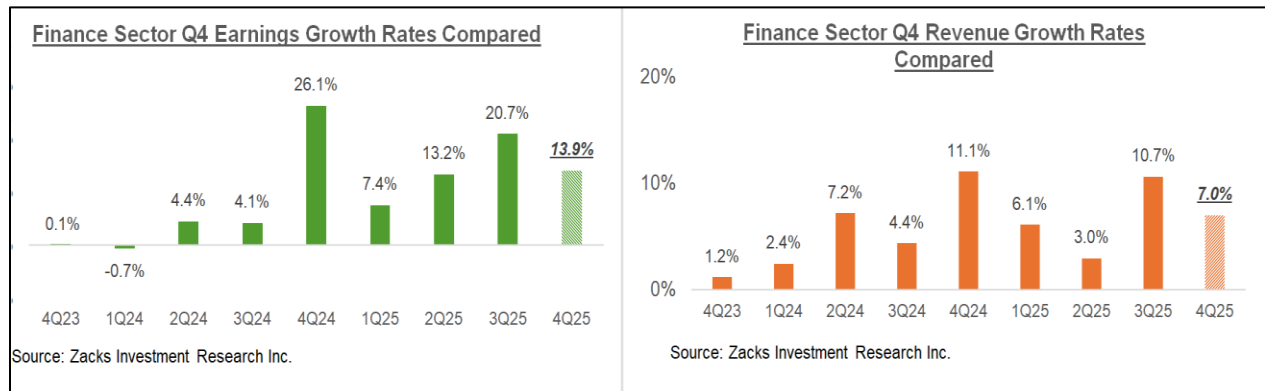


The chart below shows how the net income margins for the companies that have reported compare to other recent periods.

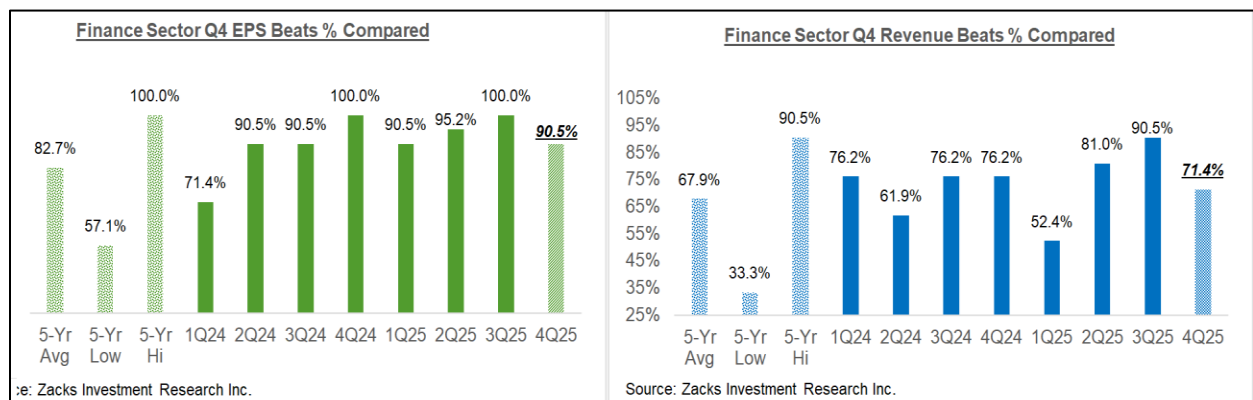


For the Finance sector, we now have Q4 results from 42.5% of the sector's market capitalization in the S&P 500 index. Total earnings for these Finance sector companies are up +13.9% from the same period last year on +7% higher revenues, with 90.5% beating EPS estimates and 71.4% beating revenue estimates.

The comparison charts below put the Q4 earnings and revenue growth rates relative to other recent periods.



The comparison charts below put the sector's Q4 EPS and revenue beats percentages relative to other recent periods.



Section 2 – The Blended Picture

Total Q4 earnings, or aggregate net income for the S&P 500 index, are expected to be up +8.7% from the same period last year on +7.9% higher revenues. The summary table below shows the blended or composite Q4 expectations and the actuals for the preceding period (2025 Q3).

S&P 500 Blended Summary Picture						
Zacks Sectors	Year-over-Year Growth					
	Earnings		Revenues		Margins	
	4Q25	3Q25	4Q25E	3Q25	4Q25E	3Q25
Cons. Staples	-4.0%	-0.9%	2.4%	1.9%	-0.76%	-0.4%
Cons. Discretionary	-2.2%	-2.2%	5.2%	2.7%	-0.71%	-0.6%
Retail/Wholesale	2.8%	16.6%	6.4%	7.0%	-0.23%	0.60%
Medical	-1.9%	4.4%	8.8%	10.4%	-0.76%	-0.4%
Autos	-21.9%	-20.7%	-6.8%	4.0%	-0.78%	-1.7%
Basic Materials	1.8%	11.5%	7.5%	10.1%	-0.42%	0.1%
Industrial Products	-2.5%	3.0%	10.5%	9.8%	-1.67%	-0.9%
Construction	-17.2%	-9.1%	0.4%	2.8%	-1.91%	-1.4%
Conglomerates	2.3%	6.9%	1.6%	4.4%	0.12%	0.4%
Technology	15.3%	27.3%	16.3%	15.5%	-0.22%	2.5%
Aerospace	63.6%	79.3%	12.2%	14.6%	2.30%	1.3%
Oil/Energy	-0.2%	3.2%	-1.0%	1.2%	0.06%	0.2%
Finance	18.7%	25.6%	9.5%	8.4%	1.61%	2.9%
Utilities	4.1%	6.7%	9.5%	7.6%	-0.65%	-0.2%
Transportation	-7.9%	0.3%	1.5%	0.9%	-0.86%	0.0%
Business Services	3.8%	6.8%	7.3%	7.7%	-0.81%	-0.2%
S&P 500	8.7%	15.6%	7.9%	8.4%	0.10%	0.86%
ex Finance	6.5%	13.4%	7.7%	8.4%	-0.1%	0.6%
ex Oil/Energy	9.1%	16.2%	8.6%	9.0%	0.06%	0.9%
ex Tech	5.1%	10.2%	9.2%	9.4%	-0.27%	0.1%
Source: Zacks Investment Research, Inc.						
www.zacks.com						

Eight of the 16 Zacks sectors are expected to earn less in 2025 Q4 relative to the year-earlier period. These include Cons. Staples (-4.0%), Cons. Discretionary (-2.2%), Medical (-1.9%), Autos (-21.9%), Industrial Products (-2.5%), Construction (-17.2%), Oil/Energy (-0.2%), and Transportation (-7.9%).

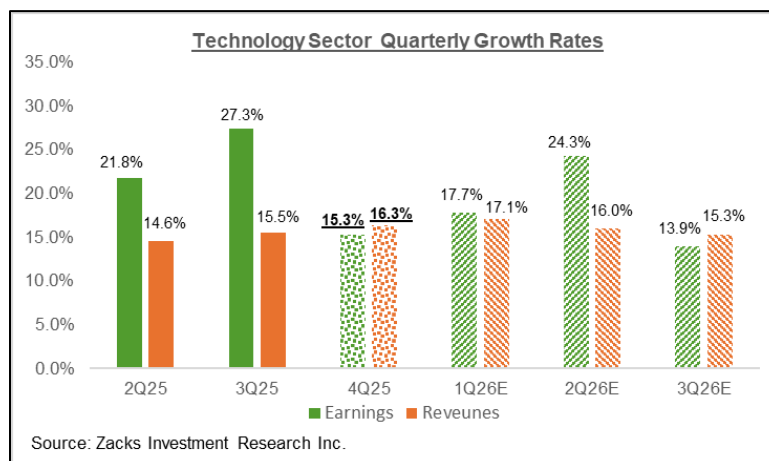
On the positive side, eight of the 16 Zacks sectors are projected to post positive growth, including Basic Materials (+1.8%), Conglomerates (+2.3%), Retail (+2.8%), Technology (+15.3%), Aerospace (+63.6%), Utilities (+4.1%), Finance (+18.7%), and Business Services (+3.8%).

The chart below shows the absolute quarterly dollar total estimate for 2025 Q4 for the index as a whole in the context of what was actually achieved in the last eight periods and what is expected in the following three quarters.



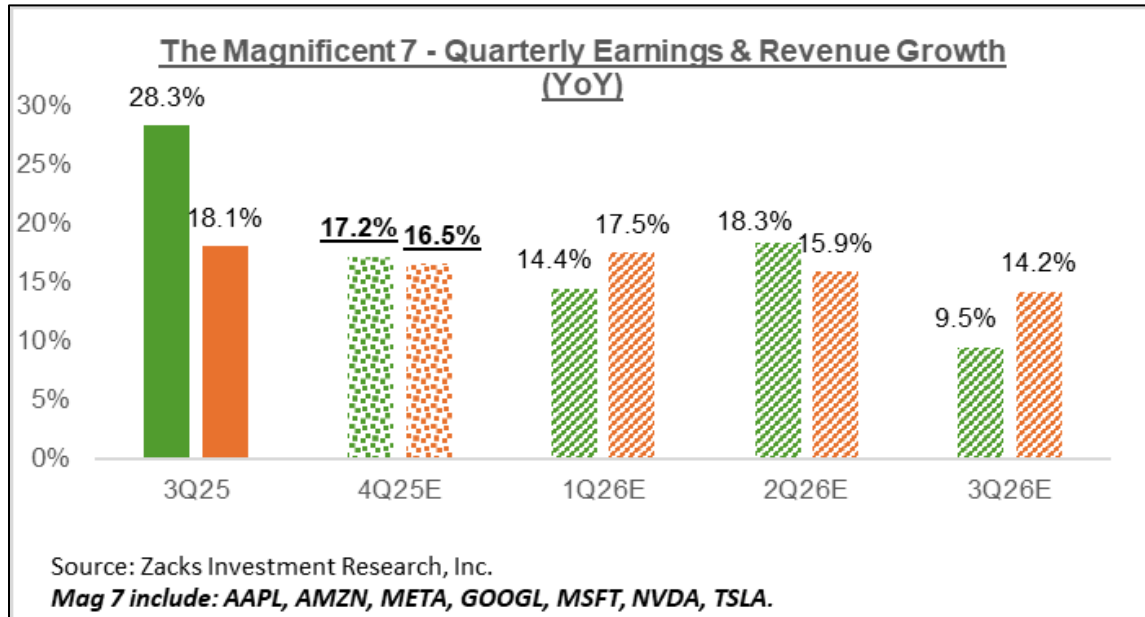
As you can see above, the quarterly earnings tally is on track to be the second-highest ever, beating out the previous period (2025 Q3).

Total **Tech sector** earnings are expected to grow +15.3% in Q4 on +16.3% higher revenues, which follows earnings growth of +27.3% on +15.5% higher revenues in the preceding quarter (2025 Q3). The Tech sector's growth pace is expected to continue, as shown below.

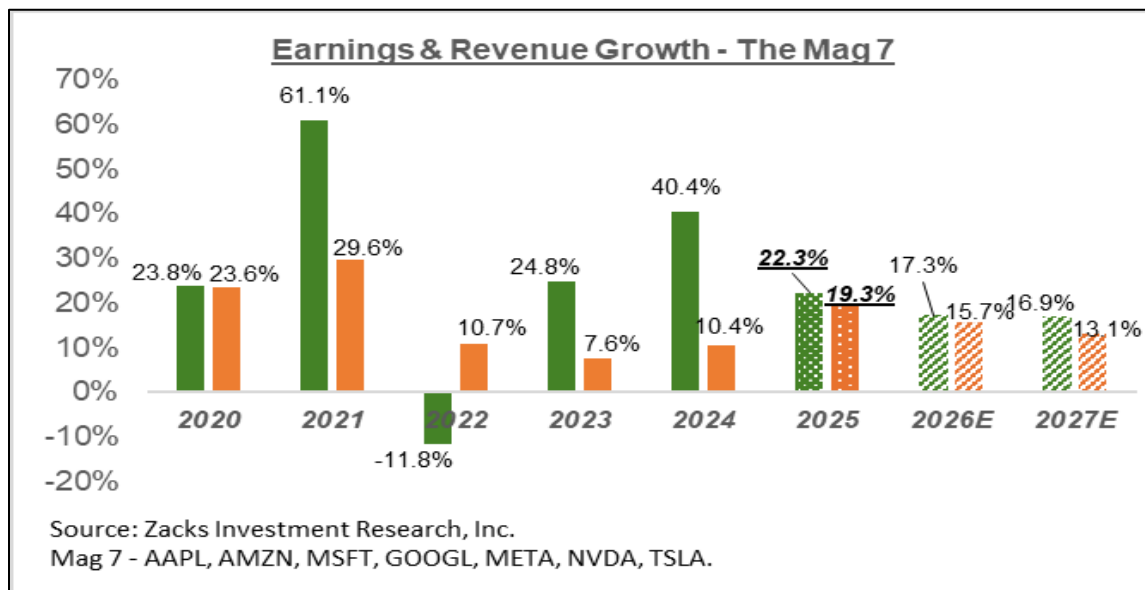


The Magnificent 7

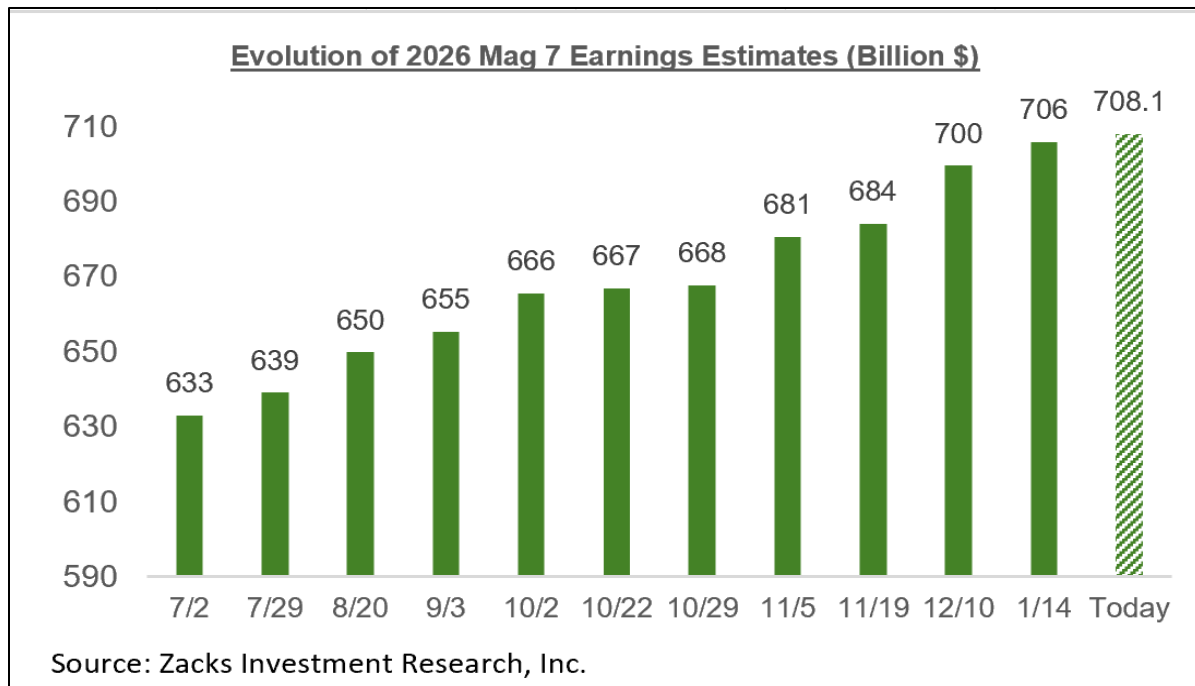
For the 'Mag 7' companies - Microsoft, Alphabet, Meta, Apple, Tesla, Nvidia, and Amazon - total Q4 earnings are expected to be up +17.2% on +16.5% higher revenues. This follows the group's +28.3% earnings growth in Q3 on +18.1% higher revenues, as the chart below shows.



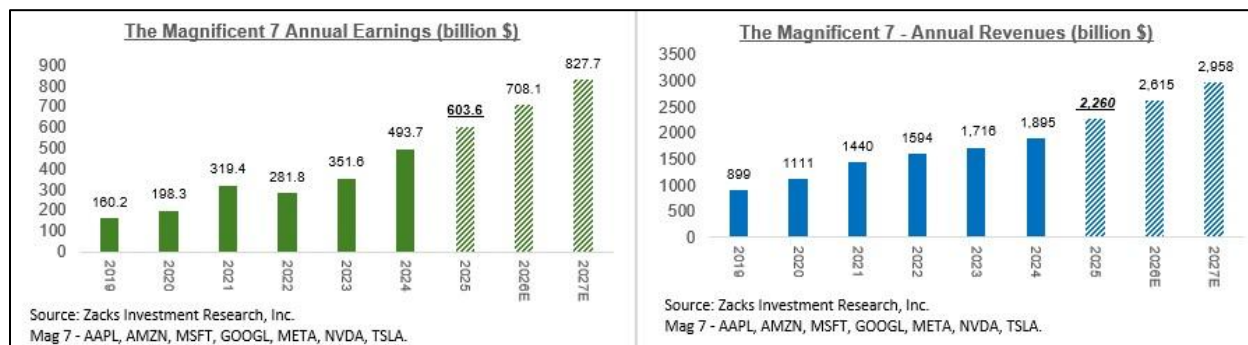
The chart below shows the group's earnings picture on an annual basis.



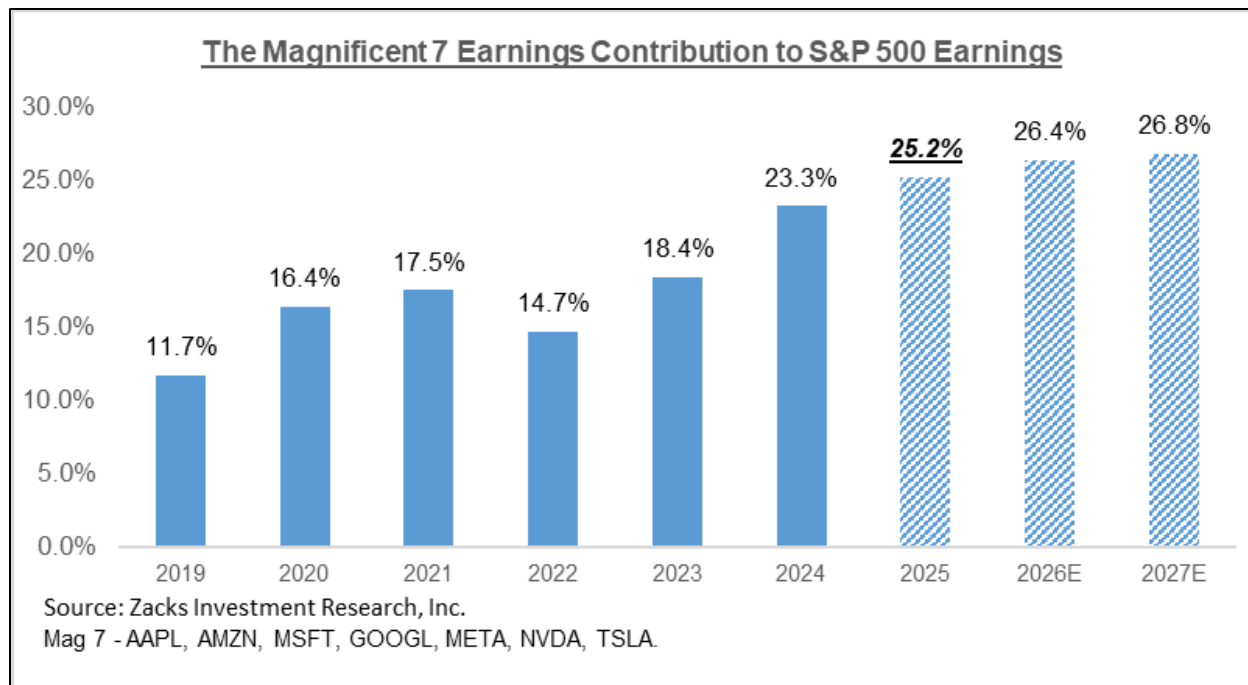
The chart below shows how aggregate 2026 Mag 7 earnings estimates have evolved since the start of last July. Please note that we have rounded up/down the numbers so that the image looks less 'busy'.



The charts below show the dollar-level Mag 7 earnings and revenues, estimates for the current year and the next two, and actuals for the preceding six years.



The Mag 7 stocks accounted for 25.6% of all S&P 500 earnings in 2025 Q3, with the proportion expected to increase to 28.3% in 2025 Q4. The chart below shows the group's earnings contribution on an annual basis.



As you can see above, these 7 mega-cap companies combined accounted for 23.3% of all S&P 500 earnings in 2024, up from 18.3% in 2023 and 11.7% in 2019. The Mag 7 is expected to bring in 25.2% of total index earnings in 2025, but the rest of the 493 index members also start pitching in.

Section Three - The Context

Let's compare earnings expectations for 2025 Q4 to what companies earned in the last few quarters and what they are expected to earn in the coming quarters.

Table 2 – Earnings Growth Context

Zacks Sectors	Earnings Growth (YoY)								
	3Q26E	2Q26E	1Q26E	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24
Consumer Staples	4.7%	3.6%	2.4%	-4.0%	-0.9%	0.6%	-5.0%	2.7%	3.3%
Consumer Discrt	18.6%	2.9%	5.3%	-2.2%	-2.2%	139.2%	5.7%	18.5%	13.5%
Retail	5.2%	9.1%	7.5%	2.8%	16.6%	13.2%	12.6%	27.9%	18.0%
Medical	10.1%	6.8%	-0.1%	-1.9%	4.4%	7.7%	43.0%	13.4%	7.8%
Auto/Tires/Trks	8.5%	3.8%	20.5%	-21.9%	-20.7%	-23.6%	-37.8%	-7.1%	9.4%
Basic Materials	12.7%	18.7%	21.7%	1.8%	11.5%	-7.1%	-9.2%	-2.0%	-7.9%
Industrial Prod	13.4%	9.6%	2.9%	-2.5%	3.0%	-5.6%	-9.2%	-3.5%	-6.5%
Construction	9.9%	1.6%	-13.5%	-17.2%	-9.1%	-9.4%	-11.7%	1.1%	-2.0%
Conglomerates	-3.0%	-2.5%	-2.8%	2.3%	6.9%	8.6%	-4.9%	-17.1%	-7.3%
Computer & Tech	13.9%	24.3%	17.7%	15.3%	27.3%	21.8%	24.1%	26.5%	23.8%
Aerospace	148.9%	12.1%	1.5%	63.6%	79.3%	26.6%	23.2%	-38.5%	-61.3%
Oils/Energy	6.2%	11.8%	-3.4%	-0.2%	3.2%	-16.9%	-10.3%	N/M	N/M
Finance	1.7%	12.4%	19.0%	18.7%	25.6%	14.2%	1.6%	17.5%	6.2%
Utilities	0.6%	8.9%	4.9%	4.1%	6.7%	4.4%	16.5%	8.8%	12.2%
Transportation	14.7%	11.6%	7.7%	-7.9%	0.3%	-4.4%	N/M	N/M	N/M
Business Svcs	11.3%	6.5%	7.2%	3.8%	6.8%	12.6%	8.2%	14.5%	14.2%
S&P 500	10.1%	13.9%	11.0%	8.7%	15.6%	12.7%	12.5%	14.3%	8.8%
Excluding Finance	12.1%	14.2%	9.3%	6.5%	13.4%	12.3%	15.3%	13.6%	9.4%
Excluding Oil	10.3%	14.0%	11.7%	9.1%	16.2%	14.4%	13.9%	17.0%	11.3%
Source: Zacks Investment Research, Inc.									
Data as of:	January 21, 2026							www.zacks.com	

Note – N/M means ‘not meaningful,’ reflecting the year-over-year change from negative earnings to positive earnings.

Table 3 – Revenue Growth Context

Zacks Sectors	Revenue Growth (YoY)								
	3Q26E	2Q26E	1Q26E	4Q25E	3Q25	2Q25	1Q25	4Q24	3Q24
Cons. Staples	3.4%	3.2%	4.3%	2.4%	1.9%	0.8%	-2.4%	0.9%	0.0%
Cons. Discretionary	5.0%	4.4%	4.6%	5.2%	2.7%	3.2%	2.0%	7.2%	3.6%
Retail/Wholesale	6.5%	6.8%	7.5%	6.4%	7.0%	6.3%	4.2%	5.2%	5.2%
Medical	4.6%	5.4%	6.4%	8.8%	10.4%	10.8%	8.9%	9.4%	10.7%
Autos	-2.0%	-0.2%	4.1%	-6.8%	4.0%	-2.1%	-4.0%	4.1%	5.8%
Basic Materials	1.7%	8.9%	13.1%	7.5%	10.1%	4.9%	-1.2%	-0.4%	1.5%
Industrial Products	5.1%	6.6%	8.9%	10.5%	9.8%	2.9%	-4.3%	-4.6%	-4.7%
Construction	5.3%	4.4%	2.4%	0.4%	2.8%	-1.7%	-2.9%	0.4%	16.8%
Conglomerates	-1.2%	0.2%	-0.3%	1.6%	4.4%	4.3%	-8.8%	-8.9%	-8.6%
Technology	15.3%	16.0%	17.1%	16.3%	15.5%	14.6%	11.6%	11.4%	12.0%
Aerospace	6.2%	4.3%	6.1%	12.2%	14.6%	11.7%	-0.1%	-10.0%	-3.8%
Oil/Energy	-2.0%	1.5%	-1.4%	-1.0%	1.2%	-6.7%	1.7%	2.6%	-3.2%
Finance	4.6%	7.5%	8.5%	9.5%	8.4%	4.0%	2.8%	8.1%	6.1%
Utilities	7.2%	7.9%	9.0%	9.5%	7.6%	7.4%	11.3%	2.2%	3.7%
Transportation	4.5%	4.3%	2.8%	1.5%	0.9%	-0.4%	1.2%	2.7%	3.2%
Business Services	7.3%	6.6%	7.1%	7.3%	7.7%	8.3%	6.6%	8.1%	8.5%
S&P 500	6.2%	7.3%	8.0%	7.9%	8.4%	6.3%	4.8%	6.0%	6.0%
ex Finance	6.4%	7.2%	7.9%	7.7%	8.4%	6.6%	5.2%	5.7%	6.0%
ex Oil/Energy	6.8%	7.7%	8.8%	8.6%	9.0%	7.4%	5.1%	6.3%	6.8%

Source: Zacks Investment Research, Inc.

Data as of: January 21, 2026www.zacks.com

The next two tables present the same data in a different format – instead of year-over-year growth rates, we have the dollar level of total earnings and revenues for each of these quarters.

Table 4 – Total Quarterly Earnings

<u>Zacks Sectors</u>	<u>Quarterly Earnings (billion dollars)</u>								
	<u>3Q26E</u>	<u>2Q26E</u>	<u>1Q26E</u>	<u>4Q25</u>	<u>3Q25</u>	<u>2Q25</u>	<u>1Q25</u>	<u>4Q24</u>	<u>3Q24</u>
Cons. Staples	28.3	28.1	24.3	24.2	27.0	27.1	23.7	25.2	27.3
Cons. Discretionary	25.2	21.6	17.6	17.1	21.3	21.0	16.7	17.479	21.7
Retail/Wholesale	53.4	51.3	43.8	47.6	50.7	47.1	40.7	46.3	43.5
Medical	81.1	78.0	74.6	66.0	73.6	73.1	74.6	67.2	70.5
Autos	8.3	7.3	6.3	5.2	7.7	7.0	5.3	6.7	9.7
Basic Materials	11.8	11.4	9.9	8.5	10.5	9.6	8.1	8.3	9.4
Industrial Products	13.5	12.8	11.5	10.8	11.9	11.7	11.2	11.1	11.6
Construction	9.3	8.5	4.6	6.5	8.5	8.3	5.3	7.8	9.3
Conglomerates	2.9	2.9	2.6	2.6	3.0	2.9	2.7	2.5	2.8
Technology	253.9	234.7	220.4	234.1	222.8	188.9	187.1	203.0	175.0
Aerospace	10.8	10.0	8.9	8.8	4.4	9.0	8.8	5.4	2.4
Oil/Energy	29.3	27.4	24.7	24.9	27.6	24.5	25.6	24.9	26.8
Finance	125.4	123.1	120.8	123.4	123.3	109.5	101.5	103.9	98.2
Utilities	20.7	14.8	18.7	13.7	20.6	13.5	17.8	13.1	19.3
Transportation	10.4	11.3	7.4	9.5	9.1	10.1	6.9	10.4	9.1
Business Services	24.8	24.1	22.1	22.1	22.3	22.6	20.6	21.3	20.9
S&P 500	709.2	667.3	618.1	624.8	644.3	586.0	556.6	574.6	557.4
ex Finance	583.8	544.2	497.3	501.5	521.0	476.5	455.1	470.7	459.3
ex - Oil	679.9	639.9	593.4	600.0	616.6	561.5	531.1	549.7	530.7
Source: Zacks Investment Research, Inc.									
Data as of:	January 21, 2026							www.zacks.com	

Table 5 – Total Quarterly Revenues

<u>Zacks Sectors</u>	<u>Quarterly Revenues (billion dollars)</u>								
	<u>3Q26E</u>	<u>2Q26E</u>	<u>1Q26E</u>	<u>4Q25E</u>	<u>3Q25</u>	<u>2Q25</u>	<u>1Q25</u>	<u>4Q24</u>	<u>3Q24</u>
Cons. Staples	210.1	209.8	195.4	212.0	203.3	203.2	187.4	207.0	199.6
Cons. Discretionary	185.2	177.3	169.6	180.1	176.4	169.9	162.2	171.3	171.8
Retail/Wholesale	738.4	701.3	669.9	724.1	693.4	656.4	623.2	680.6	648.3
Medical	989.8	962.4	922.4	952.5	946.1	912.7	866.6	875.2	857.2
Autos	140.7	137.2	125.6	129.6	143.5	137.4	120.7	139.0	138.0
Basic Materials	120.5	119.2	114.5	111.3	118.5	109.5	101.2	103.6	107.6
Industrial Products	94.1	92.8	87.7	86.3	89.6	87.1	80.5	78.1	81.6
Construction	83.7	79.8	67.0	72.6	79.5	76.5	65.4	72.3	77.3
Conglomerates	16.5	16.5	15.6	16.1	16.7	16.5	15.6	15.9	16.0
Technology	950.8	908.3	866.7	913.8	824.4	783.3	740.0	785.6	714.0
Aerospace	125.5	119.6	112.3	120.6	118.2	114.7	105.8	107.5	103.1
Oil/Energy	325.8	319.2	314.7	322.0	332.6	314.6	319.3	325.2	328.5
Finance	604.2	594.1	589.3	596.7	577.8	552.6	543.2	545.0	533.0
Utilities	127.1	111.9	126.2	109.4	118.5	103.7	115.8	99.9	110.1
Transportation	114.7	113.9	106.4	113.1	109.8	109.2	103.4	111.4	108.8
Business Services	97.0	95.5	89.9	91.8	90.4	89.5	84.0	85.6	84.0
S&P 500	4924.3	4758.8	4573.3	4752.1	4638.7	4436.8	4234.4	4403.1	4279.0
ex Finance	4320.1	4164.7	3983.9	4155.5	4060.9	3884.3	3691.1	3858.1	3745.9
ex Oil/Energy	4598.5	4439.6	4258.6	4430.1	4306.1	4122.3	3915.1	4077.9	3950.4

Source: Zacks Investment Research, Inc.

Data as of: January 21, 2026 www.zacks.com

It may be obvious, but it's still useful to explain what we mean by total earnings.

This means the sum of net income for all companies in the S&P 500. For historical periods through the reported 2025 Q4 results, we have taken the total earnings (net income, not EPS) for each company in the S&P 500 and added them up to arrive at the sector and index level totals (we do adjust reported GAAP earnings for non-recurring items, but consider employee stock options as a legitimate business expense).

For the coming quarters, including the still-to-come 2025 Q4 results, we have taken the Zacks Consensus EPS for each company in the index, multiplied that by the corresponding share count (from the last reported quarter) to arrive at the total earnings for each company. And then we aggregated them to arrive at the totals for each sector and the index as a whole. The lack of accuracy in real-time share count notwithstanding, this gives us a fairly accurate view of the total earnings picture.

Section 4 - Annual Earnings

Total earnings or aggregate net income for the S&P 500 index for 2025 are on track to be up +12.5%, with 2026 earnings expected to be up +12.2%.

Table 6 – Summary Annual Earnings Picture

Zacks Sectors	Annual Summary - Year-over-Year Change								
	Earnings			Revenues			Margins		
	2026E	2025	2024	2026E	2025	2024	2026E	2025	2024
Cons. Staples	3.1%	-0.9%	4.3%	3.1%	2.6%	-0.2%	0.00%	-0.46%	0.57%
Cons. Discretionary	8.5%	20.8%	8.8%	4.8%	3.7%	3.6%	0.39%	1.57%	0.46%
Retail/Wholesale	9.5%	11.2%	24.6%	6.9%	6.5%	5.2%	0.17%	0.29%	1.02%
Medical	8.2%	11.1%	4.2%	6.1%	12.2%	8.9%	0.15%	-0.08%	-0.37%
Autos	22.8%	-26.3%	-8.2%	2.1%	-4.7%	4.4%	0.95%	-1.39%	-0.84%
Basic Materials	23.1%	-2.7%	-11.7%	9.2%	4.7%	-0.7%	1.05%	-0.63%	-1.11%
Industrial Products	11.6%	-5.6%	-0.6%	6.3%	4.5%	-1.7%	0.65%	-1.41%	0.15%
Construction	5.0%	-14.2%	6.1%	3.8%	-31.8%	8.7%	0.12%	1.98%	-0.19%
Conglomerates	3.8%	2.2%	-6.5%	0.4%	1.5%	3.5%	0.56%	0.11%	-1.78%
Technology	20.5%	20.0%	26.6%	15.3%	11.8%	10.0%	1.14%	1.72%	3.08%
Aerospace	38.3%	37.1%	-21.9%	6.8%	10.4%	4.9%	1.96%	1.29%	-1.83%
Oil/Energy	2.3%	-6.6%	N/M	-0.6%	-1.3%	-1.5%	0.24%	-0.45%	-1.95%
Finance	4.6%	20.5%	11.8%	7.5%	1.3%	8.8%	-0.56%	3.39%	0.48%
Utilities	9.3%	5.9%	11.1%	8.9%	8.4%	0.1%	0.05%	-0.34%	1.47%
Transportation	13.3%	-3.6%	-0.1%	4.0%	0.2%	1.7%	0.73%	-0.33%	-0.16%
Business Services	9.6%	8.2%	15.9%	7.2%	7.3%	8.8%	0.57%	0.21%	1.50%
S&P 500	12.2%	12.5%	11.0%	7.3%	5.5%	5.8%	0.60%	0.84%	0.59%
ex Finance	14.0%	10.7%	10.8%	7.3%	6.1%	5.4%	0.77%	0.51%	0.58%
ex Oil/Energy	12.6%	13.6%	13.4%	7.9%	6.0%	6.5%	0.60%	0.92%	0.79%
Source: Zacks Investment Research, Inc.									
Data as of: January 21, 2026 www.zacks.com									

Table 8 – Annual Earnings Growth

	Earnings Growth (YoY)								
	2027E	2026E	<u>2025</u>	2024	2023	2022	2021	2020	2019
Consumer Staples	7.5%	3.1%	-0.9%	4.3%	3.2%	3.9%	11.8%	2.3%	2.4%
Consumer Discrt	15.1%	8.5%	20.8%	8.8%	24.4%	54.6%	129.3%	-77.2%	14.9%
Retail	15.6%	9.5%	11.2%	24.6%	24.6%	-19.0%	45.5%	6.5%	4.9%
Medical	13.1%	8.2%	11.1%	4.2%	-21.3%	7.5%	26.3%	10.7%	9.2%
Auto/Tires/Trks	16.3%	22.8%	-26.3%	-8.2%	-3.6%	42.1%	107.2%	-23.0%	-13.0%
Basic Materials	14.5%	23.1%	-2.7%	-11.7%	-26.0%	4.3%	109.6%	-7.7%	-14.5%
Industrial Prod	14.1%	11.6%	-5.6%	-0.6%	16.4%	12.0%	44.6%	-10.9%	2.6%
Construction	14.2%	5.0%	-14.2%	6.1%	-2.0%	18.6%	52.1%	18.8%	-6.0%
Conglomerates	10.5%	3.8%	2.2%	-6.5%	-4.1%	1.3%	14.1%	-10.1%	-8.5%
Computer & Tech	18.1%	20.5%	20.0%	26.6%	9.3%	-4.9%	40.8%	7.0%	-4.7%
Aerospace	15.8%	38.3%	37.1%	-21.9%	15.5%	3.0%	135.6%	-65.9%	-22.0%
Oils/Energy	24.0%	2.3%	-6.6%	-20.0%	-29.8%	158.7%	-2087.8%	-107.9%	-32.1%
Finance	10.9%	4.6%	20.5%	11.8%	10.0%	-16.6%	61.5%	-18.3%	3.9%
Utilities	8.3%	9.3%	5.9%	11.1%	8.9%	2.9%	2.3%	2.4%	11.4%
Transportation	12.1%	13.3%	-3.6%	-0.1%	-9.2%	61.2%	360.3%	-84.8%	5.1%
Business Svcs	13.5%	9.6%	8.2%	15.9%	10.8%	14.9%	25.5%	-5.2%	17.3%
S&P 500	14.9%	12.2%	12.5%	11.0%	-0.3%	5.3%	50.5%	-11.4%	-0.1%
Excluding Finance	15.9%	14.0%	10.7%	10.8%	-2.4%	11.2%	47.7%	-9.5%	-1.1%
Excluding Oil	14.6%	12.6%	13.6%	13.4%	3.0%	-1.3%	43.8%	-7.8%	1.7%
Excluding Tech	13.1%	8.0%	9.1%	5.1%	-3.6%	9.2%	54.6%	-17.4%	1.5%
Source: Zacks Investment Research, Inc.									
Data as of:	January 21, 2026				www.zacks.com				

Table 8 (b) – Aggregate Annual Earnings Totals

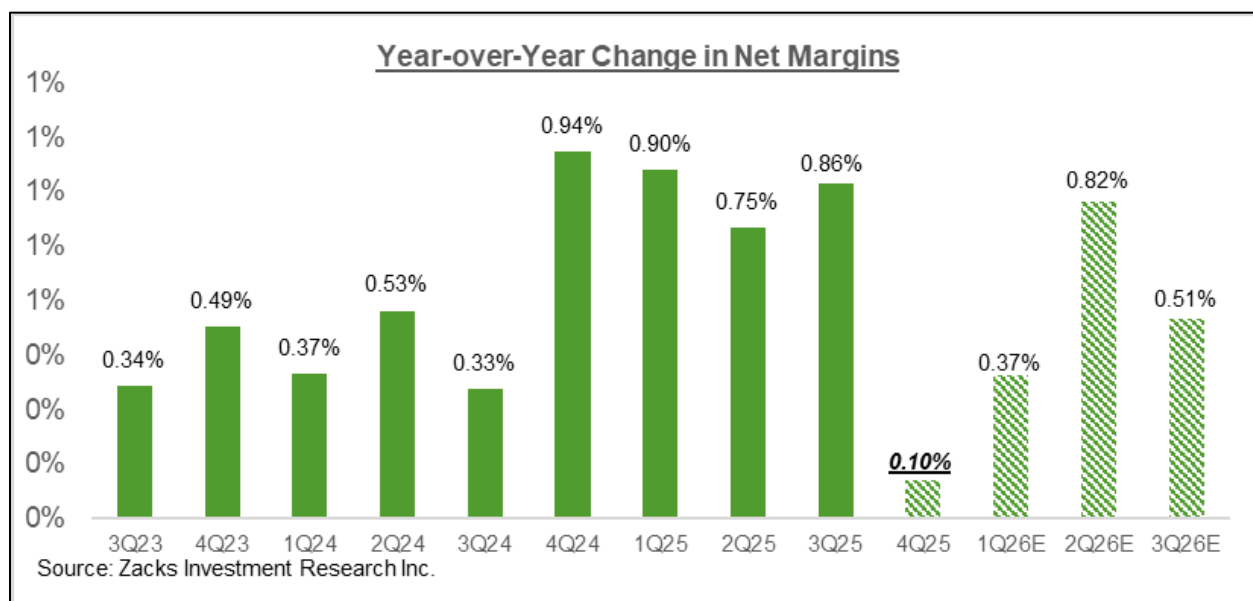
Zacks Sectors	Annual Earnings (billion dollars)										
	2027E	2026E	2025	2024	2023	2022	2021	2020	2019	2018	2017
Cons. Staples	113.9	106.0	102.9	103.8	99.5	96.4	92.8	83.0	81.1	79.2	72.2
Cons. Discretionary	94.8	82.4	75.9	62.8	57.7	46.4	30.0	13.1	57.5	50.0	42.9
Retail/Wholesale	233.9	202.4	184.8	166.1	133.4	107.0	132.1	90.8	85.3	81.3	64.3
Medical	348.7	308.4	285.1	256.6	246.4	313.2	291.4	230.7	208.4	190.9	167.0
Autos	35.8	30.8	25.1	34.0	37.1	38.4	27.1	13.1	17.0	19.5	19.6
Basic Materials	50.8	44.3	36.0	37.0	42.0	56.7	54.4	26.0	28.1	32.9	24.8
Industrial Products	57.4	50.3	45.1	47.8	48.1	41.3	36.9	25.5	28.6	27.9	21.1
Construction	34.0	29.8	28.4	33.1	31.2	31.8	26.8	17.6	14.8	15.8	12.4
Conglomerates	12.3	11.2	10.7	10.5	11.2	11.7	11.6	10.1	11.3	12.3	11.1
Technology	1142.3	966.8	802.6	669.0	528.5	483.6	508.7	361.4	337.8	354.4	278.0
Aerospace	48.8	42.1	30.4	22.2	28.4	24.6	23.9	10.1	29.7	38.1	35.0
Oil/Energy	130.0	104.8	102.4	109.7	137.1	195.3	75.5	-3.8	48.1	70.9	36.4
Finance	554.0	499.6	477.5	396.4	354.6	322.3	386.3	239.2	292.7	281.6	233.5
Utilities	76.5	70.6	64.6	61.0	54.9	50.4	49.0	47.9	46.8	42.0	37.8
Transportation	44.9	40.0	35.3	36.6	36.7	40.4	25.1	5.4	35.9	34.2	27.0
Business Services	108.5	95.6	87.2	80.6	69.5	62.8	54.6	43.5	45.9	39.1	31.8
S&P 500	3086.5	2685.2	2394.0	2127.3	1916.2	1922.6	1826.0	1213.6	1369.1	1370.1	1114.8
ex Finance	2532.5	2185.5	1916.4	1730.9	1561.6	1600.3	1439.7	974.5	1076.4	Plot Area point "2025"	
ex - Oil	2956.5	2580.3	2291.5	2017.6	1779.1	1727.3	1750.5	1217.4	1321.0	Value: 802.6	
ex Tech	1944.2	1718.3	1591.4	1458.3	1387.8	1438.9	1317.3	852.3	1031.3	1015.7	836.9
Source: Zacks Investment Research, Inc.											
Data as of: January 21, 2026 www.zacks.com											

Table 9 – Annual Revenues Growth

Zacks Sectors	Revenue Growth (YoY)								
	2027E	2026E	<u>2025</u>	2024	2023	2022	2021	2020	2019
Cons. Staples	2.7%	3.1%	2.6%	-0.2%	3.0%	8.4%	9.4%	0.5%	5.6%
Cons. Discretionary	4.3%	4.8%	3.7%	3.6%	10.3%	22.6%	12.9%	-16.3%	10.1%
Retail/Wholesale	3.2%	6.9%	6.5%	5.2%	4.9%	7.2%	13.3%	12.2%	5.7%
Medical	6.1%	6.1%	12.2%	8.9%	5.2%	9.5%	13.7%	9.4%	11.5%
Autos	3.9%	2.1%	-4.7%	4.4%	13.5%	23.7%	14.3%	-12.7%	-2.4%
Basic Materials	3.0%	9.2%	4.7%	-0.7%	-9.2%	9.7%	34.6%	-5.9%	-5.3%
Industrial Products	6.1%	6.3%	4.5%	-1.7%	2.3%	12.1%	13.9%	-6.0%	0.0%
Construction	6.2%	3.8%	-31.8%	8.7%	11.3%	4.4%	21.5%	40.1%	3.2%
Conglomerates	4.4%	0.4%	1.5%	3.5%	-0.6%	-11.6%	7.6%	-5.8%	-7.7%
Technology	12.4%	15.3%	11.8%	10.0%	-4.7%	7.5%	18.4%	8.9%	3.1%
Aerospace	7.1%	6.8%	10.4%	4.9%	9.1%	-4.3%	-1.2%	-3.2%	0.2%
Oil/Energy	6.4%	-0.6%	-1.3%	-1.5%	-15.8%	45.6%	69.3%	-33.2%	-2.3%
Finance	5.0%	7.5%	1.3%	8.8%	12.1%	-1.1%	18.4%	-0.2%	4.5%
Utilities	5.0%	8.9%	8.4%	0.1%	-0.7%	15.7%	14.6%	-7.2%	0.9%
Transportation	5.2%	4.0%	0.2%	1.7%	-2.7%	20.7%	28.2%	-18.5%	3.8%
Business Services	7.2%	7.2%	7.3%	8.8%	9.3%	11.9%	11.8%	1.2%	8.7%
S&P 500	6.4%	7.3%	5.5%	5.8%	1.9%	10.9%	18.4%	0.6%	4.3%
ex Finance	6.6%	7.3%	6.1%	5.4%	0.5%	12.7%	18.4%	0.7%	4.3%
ex Oil/Energy	6.4%	7.9%	6.0%	6.5%	3.8%	8.0%	15.5%	3.5%	4.9%
Source: Zacks Investment Research, Inc.									
Data as of:	<u>January 21, 2026</u>						www.zacks.com		

The Margins Picture

Net margins (aggregate net income divided by aggregate revenues) are expected to be 13.1% in Q4, down from 13.9% in the preceding period and unchanged from 13.1% in the year-earlier period. The chart below shows the year-over-year changes in net margins.

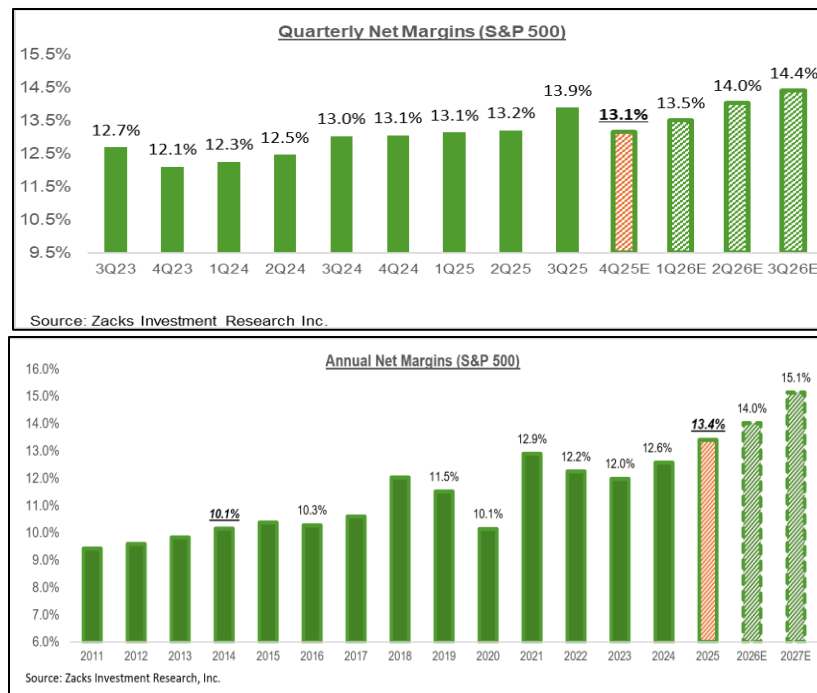


Looking at net margins on an annual basis, full-year 2025 margins are expected to reach 13.4%, up from 2024's 12.6% and 2023's 12%. The expectation is for margins to rise to 14.0% in 2026 and 15.1% in 2027.

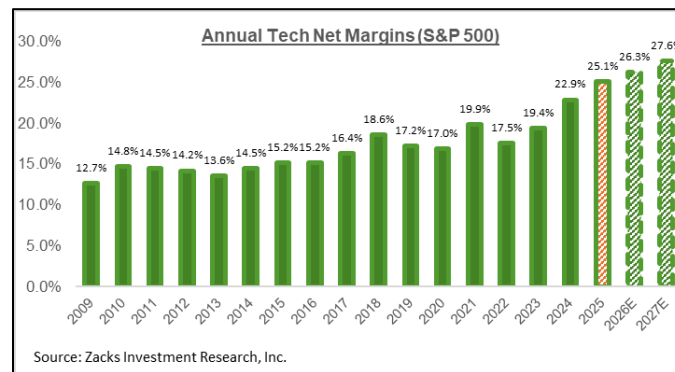
The charts below show current margins expectations in a historical context. The first chart shows margins on a quarterly basis, while the second shows annual margins since 2007.

As you can see in the annual chart, margins reached their cyclical high point in 2018 due to the tax cut legislation but modestly contracted the following year (2019) and pulled back massively in 2020 due to the pandemic. Margins bounced back impressively in 2021, reaching a new all-time record.

The expectation is that the ongoing inflationary pressures ease over time, with margins expanding in 2025.



A significant portion of the margin gains this year is coming from the Tech sector, as the chart below illustrates.



The Tech sector's favorable margin outlook reflects the ever-rising share of space's profitability from the higher-margin software and services side. The current optimism about the coming AI boom is likely a significant contributor to expectations for next year and beyond.

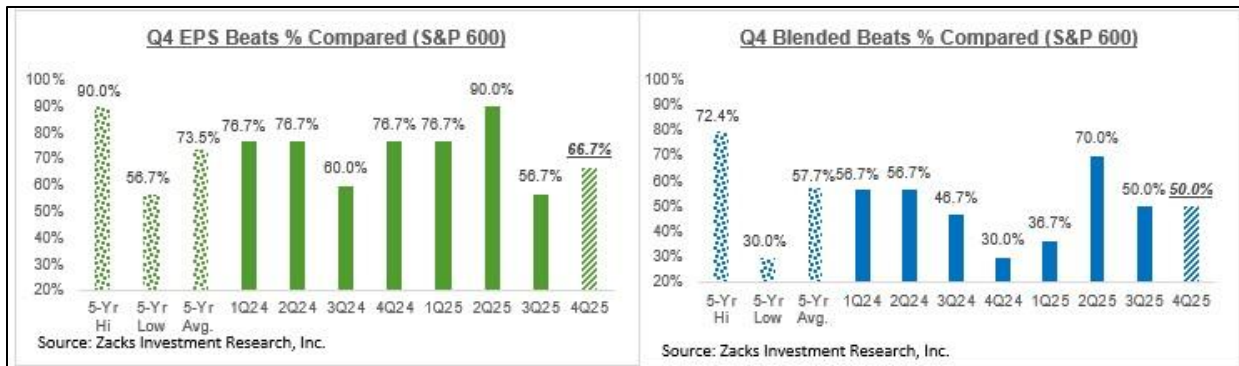
The emerging tariff regime is expected to become a new headwind for the margins outlook, even if only part of the incrementally higher expense is passed on to end consumers. It is still too early to precisely model the impact of these macroeconomic developments on earnings and margins, but there is little doubt that the net effect will be negative.

Section 5 - The Small-Cap Data – S&P 600 Index

For the S&P 600 index, we now have Q4 results from 30 index members. Total earnings for these companies are down -5.4% from the same period last year on -0.3% lower revenues, with 66.7% beating EPS estimates and 70.0% beating revenue estimates.

	2025 Q4 Scorecard - S&P 600 Index						
	% Reported		Earnings		Revenue		
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	Blended Beat %
Consumer Staples	13.6%	14.2%	1.7%	66.7%	0.6%	66.7%	33.3%
Consumer Disc.	2.3%	0.0%	-21.1%	100.0%	-1.5%	100.0%	100.0%
Retail	6.3%	11.3%	-29.6%	50.0%	-4.1%	100.0%	50.0%
Medical	1.4%	1.1%	-20.8%	100.0%	-2.6%	100.0%	100.0%
Autos	0.0%	0.0%	-	-	-	-	-
Basic Materials	16.0%	11.7%	-29.0%	75.0%	-1.9%	50.0%	25.0%
Industrial Prod	18.5%	14.9%	-7.9%	40.0%	2.1%	40.0%	20.0%
Construction	8.7%	4.1%	48.3%	50.0%	14.4%	100.0%	50.0%
Conglomerates	0.0%	0.0%	-	-	-	-	-
Tech	2.7%	1.2%	21.5%	100.0%	7.2%	50.0%	50.0%
Aerospace	33.3%	21.6%	40.6%	100.0%	15.9%	100.0%	100.0%
Oil/Energy	0.0%	0.0%	-	-	-	-	-
Finance	4.9%	5.0%	22.3%	62.5%	13.2%	75.0%	62.5%
Utilities	0.0%	0.0%	-	-	-	-	-
Transportation	5.0%	3.2%	-34.5%	100.0%	-19.4%	100.0%	100.0%
Business Svcs	0.0%	0.0%	-	-	-	-	-
S&P 600	5.0%	4.3%	-5.4%	66.7%	-0.3%	70.0%	50.0%
Excluding Finance	5.0%	4.0%	-16.4%	68.2%	-1.3%	68.2%	45.5%
Excluding Oil	5.3%	4.5%	-5.4%	66.7%	-0.3%	70.0%	50.0%
Source: Zacks Investment Research, Inc.							
Data as of:		January 21, 2026				www.zacks.com	

The proportion of these 30 index members beating both EPS and revenue estimates, or the so-called 'blended beats %', is 50.0%.



For the S&P 600 index as a whole, 2025 Q4 earnings are expected to be down -2.1% from the same period last year on +3.4% higher revenues, as the summary table below shows.

Zacks Sectors	Year-over-Year Growth - S&P 600					
	Earnings		Revenues		Margins	
	4Q25E	3Q25	4Q25E	3Q25	4Q25E	3Q25
Cons. Staples	-11.4%	6.3%	0.3%	-0.2%	-0.4%	0.2%
Cons. Discretionary	-14.2%	-18.2%	9.1%	-0.1%	-1.2%	-1.2%
Retail/Wholesale	-9.8%	8.1%	1.1%	3.4%	-0.5%	0.1%
Medical	-12.5%	76.9%	5.6%	9.2%	-1.4%	3.5%
Autos	-3.7%	8.3%	-1.5%	0.4%	-0.1%	0.3%
Basic Materials	-20.3%	-23.1%	2.9%	-1.8%	-1.4%	-1.8%
Industrial Products	7.7%	17.1%	5.6%	2.6%	0.1%	0.9%
Construction	-27.8%	-9.7%	-3.4%	10.2%	-1.8%	-1.5%
Conglomerates	-217.0%	-132.7%	-20.4%	-19.2%	15.8%	13.7%
Technology	-5.3%	36.2%	9.5%	6.4%	-1.0%	1.6%
Aerospace	31.7%	31.9%	9.5%	13.0%	0.9%	0.9%
Oil/Energy	-63.4%	220.7%	0.3%	-1.4%	-3.2%	3.9%
Finance	29.3%	44.8%	8.1%	11.3%	2.9%	3.6%
Utilities	-47.9%	-37.4%	-11.1%	-19.3%	-2.4%	-0.6%
Transportation	1.3%	32.1%	-2.1%	-1.6%	0.1%	0.8%
Business Services	5.8%	4.3%	9.3%	9.0%	-0.2%	-0.2%
S&P 600	-2.1%	25.3%	3.4%	3.4%	-0.3%	1.2%
ex Finance	-14.9%	18.0%	2.7%	2.3%	-0.9%	0.7%
ex Oil/Energy	2.2%	19.7%	3.7%	3.9%	-0.1%	0.9%

Source: Zacks Investment Research, Inc.

Data as of: January 21, 2026

www.zacks.com

The Detailed Small-Cap Earnings Picture (S&P 600)

Let's take a look at how consensus earnings expectations for 2025 Q4 compared to what companies earned in the last few quarters and what they are expected to earn in the coming quarters.

Quarterly Earnings Growth

	Earnings Growth (YoY)								
	3Q26E	2Q26E	1Q26E	4Q25E	3Q25	2Q25	1Q25	4Q24	3Q24
Consumer Staples	5.1%	3.4%	-0.3%	-11.4%	6.3%	-3.8%	2.3%	10.7%	1.8%
Consumer Discret	23.3%	23.0%	62.9%	-14.2%	-18.2%	-6%	-32.4%	24.8%	-8.6%
Retail	5.4%	-1.4%	0.3%	-9.8%	8.1%	7.1%	-8.6%	1.4%	-6.1%
Medical	-12.7%	12.3%	-33.2%	-12.5%	76.9%	42.3%	52.7%	30.8%	49.6%
Auto/Tires/Trks	10.9%	11.5%	1.1%	-3.7%	8.3%	-1.1%	7.0%	4.0%	6.7%
Basic Materials	28.5%	16.3%	11.6%	-20.3%	-23.1%	-2.9%	-1.6%	-0.5%	19.2%
Industrial Prod	13.0%	16.7%	9.1%	7.7%	17.1%	0.6%	10.3%	-4.5%	-9.7%
Construction	5.1%	0.4%	-10.6%	-27.8%	-9.7%	-1.7%	-1.3%	21.2%	3.7%
Conglomerates	59.2%	-73.9%	-128.8%	-217.0%	-132.7%	319.1%	2242.9%	-800.0%	-458.7%
Computer & Tech	7.7%	7.5%	7.3%	-5.3%	36.2%	45.5%	57.6%	26.9%	97.3%
Aerospace	5.0%	10.0%	42.8%	31.7%	31.9%	45.9%	18.4%	88.9%	27.0%
Oils/Energy	4.4%	-9.0%	-29.1%	-63.4%	220.7%	N/M	N/M	-18.0%	-75.7%
Finance	20.1%	18.4%	34.9%	29.3%	44.8%	11.1%	17.8%	28.5%	-2.0%
Utilities	-22.9%	-70.6%	-27.9%	-47.9%	-37.4%	33.3%	-27.4%	-10.0%	-5.9%
Transportation	112.1%	78.2%	3356.8%	1.3%	32.1%	-284.8%	-92.9%	-8.0%	-47.0%
Business Svcs	13.8%	11.7%	14.4%	5.8%	4.3%	-0.3%	-2.4%	0.5%	2.9%
S&P 600	14.1%	10.9%	12.7%	-2.1%	25.3%	11.5%	7.3%	12.7%	-5.6%
Excluding Finance	11.3%	7.5%	1.7%	-14.9%	18.0%	11.7%	2.8%	7.3%	-6.9%
Excluding Oil	14.8%	12.2%	15.1%	2.2%	19.7%	14.5%	9.1%	15.7%	2.8%

Source: Zacks Investment Research, Inc.

Data as of: January 21, 2026 www.zacks.com

Quarterly Revenue Growth

	Revenue Growth (YoY)								
	3Q26E	2Q26E	1Q26E	4Q25E	3Q25	2Q25	1Q25	4Q24	3Q24
Cons. Staples	2.2%	3.7%	1.1%	0.3%	-0.2%	-1.2%	2.1%	2.9%	2.4%
Cons. Discretionary	9.0%	8.2%	10.6%	9.1%	-0.1%	2.8%	-1.9%	2.6%	0.5%
Retail/Wholesale	1.9%	2.0%	1.3%	1.1%	3.4%	2.9%	2.0%	2.3%	0.4%
Medical	4.5%	6.8%	-0.3%	5.6%	9.2%	7.4%	10.4%	11.9%	24.4%
Autos	2.3%	2.1%	-1.1%	-1.5%	0.4%	-3.3%	-3.4%	-2.2%	-1.4%
Basic Materials	8.1%	7.6%	8.1%	2.9%	-1.8%	1.8%	-1.1%	-1.8%	0.6%
Industrial Products	3.8%	3.8%	3.6%	5.6%	2.6%	3.0%	2.8%	3.3%	8.2%
Construction	2.5%	2.2%	-0.4%	-3.4%	10.2%	29.1%	31.4%	27.3%	21.3%
Conglomerates	-0.2%	-0.5%	-3.5%	-20.4%	-19.2%	-21.5%	-23.5%	-2.4%	-7.8%
Technology	9.7%	11.1%	12.6%	9.5%	6.4%	2.8%	1.0%	1.2%	-5.2%
Aerospace	2.5%	9.4%	11.5%	9.5%	13.0%	10.4%	7.0%	13.8%	11.2%
Oil/Energy	6.2%	5.1%	0.3%	0.3%	-1.4%	-0.8%	2.0%	-7.1%	-4.6%
Finance	5.2%	5.6%	7.5%	8.1%	11.3%	6.1%	3.1%	18.3%	2.1%
Utilities	-0.6%	-9.0%	-8.6%	-11.1%	-19.3%	-9.8%	-7.9%	-10.9%	-3.6%
Transportation	5.6%	4.4%	2.0%	-2.1%	-1.6%	-0.2%	-0.5%	3.8%	1.0%
Business Services	4.1%	3.6%	6.4%	9.3%	9.0%	8.0%	1.6%	-0.2%	-0.5%
S&P 600	4.9%	4.8%	3.9%	3.4%	3.4%	3.7%	2.6%	4.3%	2.3%
ex Finance	4.9%	4.7%	3.4%	2.7%	2.3%	3.3%	2.6%	2.5%	2.3%
ex Oil/Energy	4.8%	4.8%	4.3%	3.7%	3.9%	4.1%	2.7%	5.5%	3.0%

Source: Zacks Investment Research, Inc.

Data as of: January 21, 2026

www.zacks.com

The next two tables present the same data in a different format – instead of year-over-year growth rates, we have the dollar level of total earnings and revenues for each of these quarters.

Total Quarterly Earnings

<u>Zacks Sectors</u>	<u>Quarterly Earnings (billion dollars)</u>								
	<u>3Q26E</u>	<u>2Q26E</u>	<u>1Q26E</u>	<u>4Q25E</u>	<u>3Q25</u>	<u>2Q25</u>	<u>1Q25</u>	<u>4Q24</u>	<u>3Q24</u>
Cons. Staples	0.74	0.75	0.48	0.70	0.71	0.73	0.48	0.80	0.67
Cons. Discretionary	2.18	2.11	1.14	1.55	1.77	1.71	0.70	1.81	2.16
Retail/Wholesale	1.47	1.84	1.26	2.01	1.39	1.86	1.26	2.23	1.29
Medical	2.08	2.01	1.38	1.74	2.39	1.79	2.06	1.99	1.35
Autos	0.84	0.84	0.67	0.52	0.76	0.75	0.66	0.54	0.70
Basic Materials	1.58	1.65	1.44	0.95	1.23	1.42	1.29	1.19	1.60
Industrial Products	1.29	1.25	1.07	0.98	1.14	1.07	0.99	0.91	0.98
Construction	1.63	1.62	1.03	1.13	1.55	1.61	1.15	1.57	1.72
Conglomerates	0.09	0.07	0.05	0.13	0.05	0.29	-0.16	-0.11	-0.17
Technology	2.22	1.89	1.71	1.87	2.06	1.76	1.59	1.97	1.51
Aerospace	0.13	0.16	0.13	0.11	0.12	0.14	0.09	0.09	0.09
Oil/Energy	1.81	1.27	0.70	0.55	1.73	1.39	0.99	1.50	0.54
Finance	9.25	8.77	8.34	8.56	7.70	7.41	6.18	6.63	5.32
Utilities	0.12	0.08	0.30	0.27	0.16	0.28	0.42	0.52	0.25
Transportation	1.19	0.89	0.24	0.30	0.56	0.50	0.01	0.30	0.42
Business Services	1.28	1.12	0.97	0.99	1.13	1.00	0.85	0.94	1.08
S&P 600	27.89	26.31	20.92	22.38	24.44	23.72	18.55	22.86	19.51
ex Finance	18.64	17.55	12.57	13.82	16.75	16.31	12.37	16.24	14.19
ex - Oil	26.08	25.05	20.22	21.84	22.71	22.33	17.57	21.37	18.97
Source: Zacks Investment Research, Inc.									
Data as of:	January 21, 2026								www.zacks.com

Total Quarterly Revenues

	<u>Quarterly Revenues (billion dollars)</u>								
	<u>3Q26E</u>	<u>2Q26E</u>	<u>1Q26E</u>	<u>4Q25E</u>	<u>Q421</u>	<u>2Q25</u>	<u>1Q25</u>	<u>4Q24</u>	<u>3Q24</u>
Cons. Staples	20.95	21.54	20.28	21.42	20.49	20.76	20.05	21.36	20.53
Cons. Discretionary	35.05	34.36	32.02	34.84	32.15	31.76	28.96	31.93	32.20
Retail/Wholesale	49.68	50.54	47.42	52.64	48.75	49.55	46.80	52.05	47.14
Medical	27.56	27.04	25.46	26.56	26.36	25.32	25.54	25.16	24.14
Autos	17.64	17.96	16.91	16.05	17.24	17.58	17.09	16.30	17.17
Basic Materials	20.25	21.09	19.88	19.20	18.73	19.59	18.39	18.66	19.06
Industrial Products	16.12	16.18	15.33	15.70	15.53	15.58	14.80	14.86	15.13
Construction	22.98	22.54	19.06	20.92	22.42	22.04	19.13	21.65	20.33
Conglomerates	1.36	1.32	1.24	1.40	1.37	1.32	1.29	1.76	1.69
Technology	31.71	30.99	30.17	30.07	28.90	27.90	26.79	27.47	27.16
Aerospace	2.07	2.19	2.03	1.99	2.01	2.00	1.82	1.82	1.78
Oil/Energy	32.58	31.37	29.79	29.47	30.66	29.85	29.70	29.38	31.09
Finance	51.35	50.04	48.10	49.10	48.79	47.39	44.77	45.42	43.83
Utilities	7.40	7.53	8.41	7.96	7.44	8.28	9.21	8.95	9.22
Transportation	17.81	17.40	16.20	16.37	16.87	16.67	15.89	16.73	17.15
Business Services	21.76	21.22	20.37	20.81	20.90	20.49	19.14	19.03	19.18
S&P 600	376.25	373.29	352.68	364.50	358.61	356.09	339.36	352.53	346.79
ex Finance	324.91	323.25	304.58	315.40	309.82	308.69	294.59	307.11	302.96
ex Oil/Energy	343.67	341.93	322.89	335.02	327.95	326.24	309.66	323.15	315.70
Source: Zacks Investment Research, Inc.									
Data as of:	January 21, 2026								www.zacks.com

Looking at the small-cap index on an annual basis, earnings growth turned positive in 2025 after two years of declines, as the following two tables show.

<u>Zacks Sectors</u>	Earnings Growth (YoY) - S&P 600								
	2027E	2026E	<u>2025</u>	2024	2023	2022	2021	2020	2019
Consumer Staples	14.6%	2.1%	-2.0%	-5.4%	-22.5%	0.0%	15.9%	-4.7%	6.5%
Consumer Discrt	8.2%	15.6%	-3.9%	-9.5%	-6.8%	22.0%	363.6%	-75.2%	7.5%
Retail	15.9%	5.3%	-1.5%	-9.9%	-16.7%	-8.7%	193.5%	-43.8%	0.7%
Medical	24.2%	7.7%	20.9%	31.5%	-1.5%	-20.5%	165.2%	-12.5%	-22.0%
Auto/Tires/Trks	17.7%	19.6%	-2.5%	-2.0%	-8.5%	-3.7%	84.7%	-27.9%	-26.7%
Basic Materials	18.0%	26.5%	-1.1%	-15.8%	-22.1%	15.1%	90.8%	-14.8%	-25.7%
Industrial Prod	8.3%	11.9%	3.8%	9.8%	10.6%	9.3%	29.6%	-15.9%	-11.2%
Construction	11.2%	4.7%	-16.9%	2.4%	-8.2%	26.3%	74.3%	36.0%	3.5%
Conglomerates	21.7%	6.1%	N/A	N/A	N/A	N/A	-152.2%	-313.8%	171.9%
Computer & Tech	12.3%	6.3%	49.9%	-18.8%	-22.6%	21.7%	92.3%	-42.8%	-11.3%
Aerospace	20.1%	23.9%	43.6%	-7.5%	-9.8%	15.5%	-8.3%	0.0%	19.9%
Oils/Energy	40.8%	7.1%	-4.6%	-42.6%	-2.9%	365.1%	-310.3%	-136.0%	10.4%
Finance	7.6%	9.1%	42.3%	7.4%	-10.9%	-20.7%	85.5%	-28.5%	8.6%
Utilities	12.6%	-29.0%	-25.0%	-15.4%	-50.4%	-12.2%	11.4%	21.0%	8.9%
Transportation	36.0%	73.7%	0.7%	-48.7%	-39.3%	25.1%	2587.9%	-94.7%	9.9%
Business Svcs	18.2%	16.5%	5.7%	-5.4%	-11.4%	13.8%	29.8%	-19.4%	-6.0%
S&P 500	14.2%	10.8%	15.7%	-7.2%	-13.1%	4.6%	104.8%	-34.1%	-1.4%
Excluding Finance	17.8%	11.7%	4.9%	-12.1%	-13.8%	16.7%	115.4%	-36.8%	-5.6%
Excluding Oil	12.8%	11.0%	17.1%	-3.2%	-14.1%	-2.9%	96.6%	-30.2%	-1.8%
Source: Zacks Investment Research, Inc.									
Data as of:	<u>January 21, 2026</u>			www.zacks.com					

The chart below represents the total earnings of the small-cap index, rather than the growth rates.



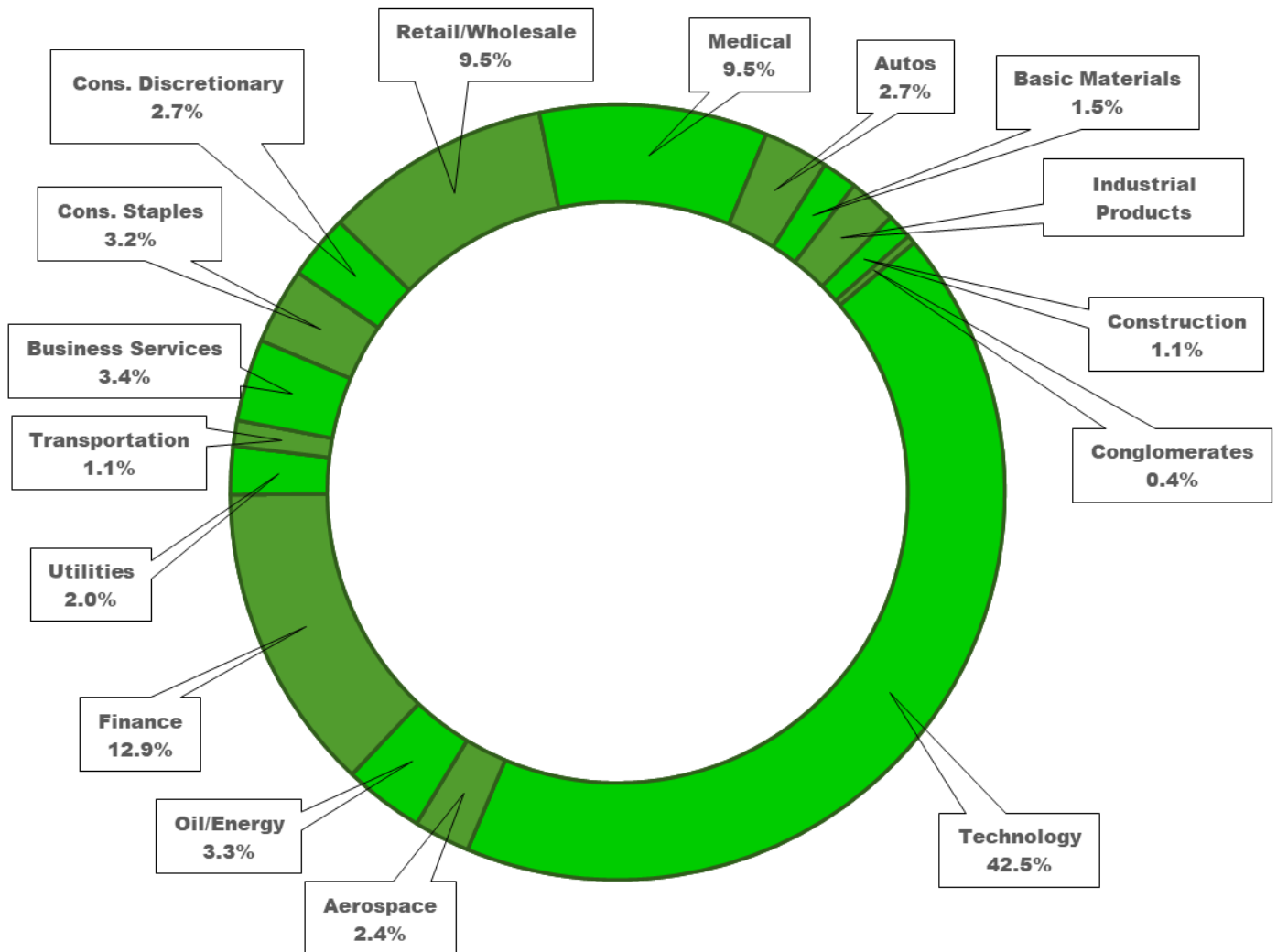
Section 6: Market Cap vs. Total Earnings

The charts below show the share of total forward 12-month earnings (next four quarters) as well as the share of total market capitalization for each of the 16 Zacks sectors in the S&P 500 index. Since the S&P 500 is a market-cap-weighted index, each sector's market cap share is also its index weight.

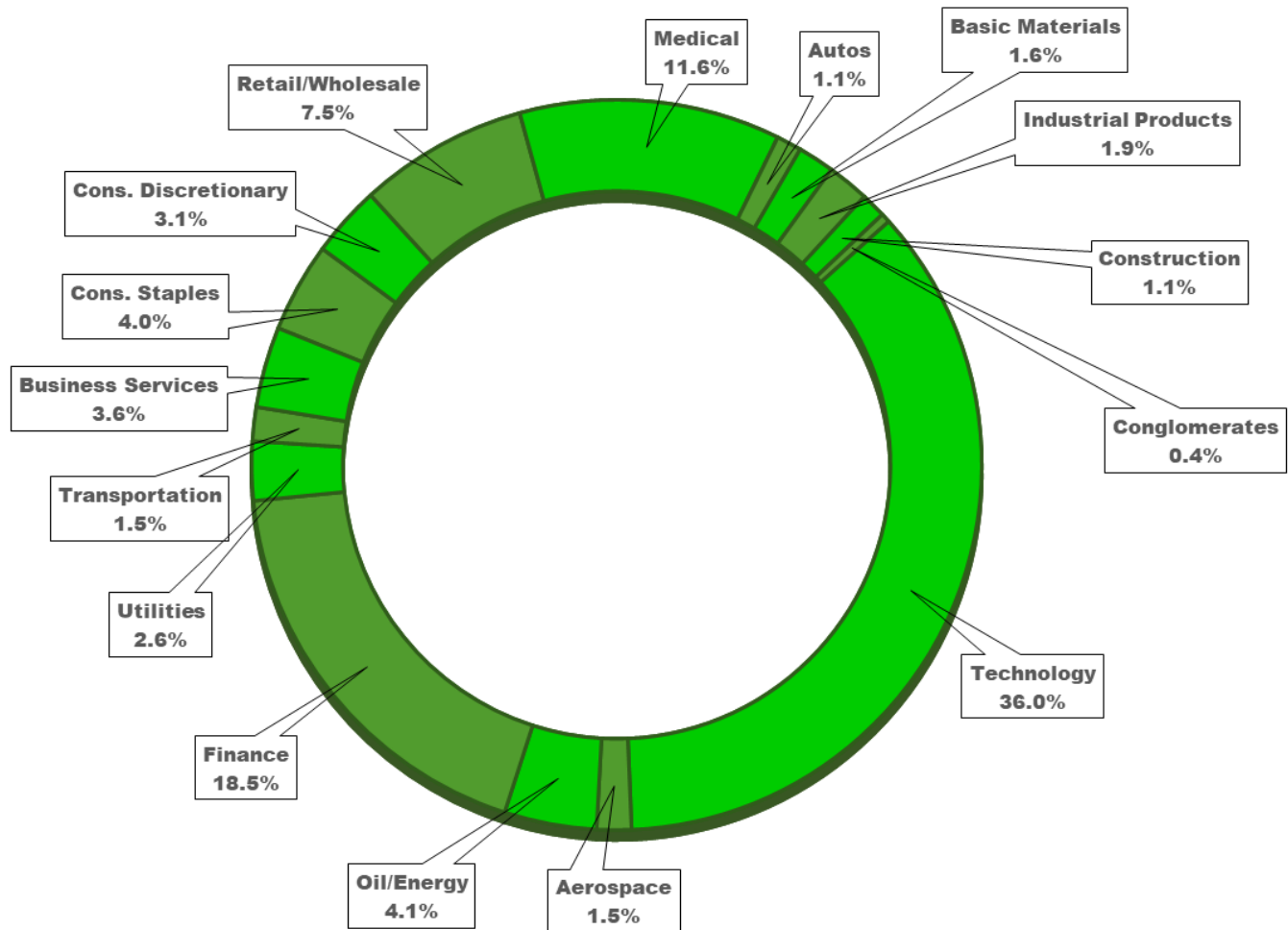
The Finance and Technology sectors account for the lion's share of the index's total market capitalization and also contribute a large proportion of its total earnings. Technology is by far the biggest earnings contributor, as you can see in the charts below.

Relative market cap weights in the small-cap S&P 600 index are totally different from the large-cap index. The Finance sector is a much bigger part of the small-cap index, while the Tech sector is a significantly smaller part.

% Share of Market Cap (S&P 500)



% Share FTM Earnings (S&P 500)



Want more information about this report or about Zacks Investment Research?

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