Sector and Market Earnings Trends

Sheraz Mian | smian@zacks.com

Q2 Earnings Scorecard: Record Margins, Strong Beats, and Upward Revisions

Here are the key points:

- For the 451 S&P 500 companies reporting Q2 results (representing 90.2% of total index membership), aggregate earnings grew +41.6% year-over-year on +14.7% higher revenues. Positive Surprises were widespread, with 83.4% beating EPS estimates and 76.5% topping revenue estimates.

- Q2 performance significantly exceeded recent historical baselines. Both growth rates and beat percentages tracked comfortably above this group's 20-quarter averages.

- Earnings season has concluded for half of the 16 Zacks sectors, including Finance, Energy, and Basic Materials, with most remaining sectors having the majority of their results. Retail and Tech remain the exceptions, with a significant number of results still outstanding.

- Aggregate figures were heavily bolstered by Micron's (MU) strong quarterly report and an unrealized gain on Alphabet's (GOOGL) SpaceX stake. However, the baseline growth pace still represents a notable acceleration relative to other recent periods when these growth drivers are stripped out.

- Excluding Micron and Alphabet, Q2 earnings for the remaining 449 reporting index members rose +21.5% (compared to +41.6% unadjusted) on +13.6% higher revenue (compared to +14.7% unadjusted), maintaining a solid growth profile.

- Net margins for the reporting group reached 16.6%, marking a 20-quarter high. On an adjusted basis (excluding Micron and Alphabet), net margins stood at 13.86% - still surpassing the 20-quarter average (12.8%) and the 20-quarter high (13.8%)

- For the Tech sector, we now have Q2 results from 69% of the sector's market capitalization in the S&P 500 index. Total earnings for these Tech companies are up +98.9% from the same period last year on +23.9% higher revenues, with 79.1% of the companies beating EPS estimates and 83.6% beating revenue estimates.

- This is a notably better performance from these Tech companies relative to what we have seen from the group in other recent periods, even after accounting for the outsized gains at Alphabet and Micron.

- Looking at Q2 as a whole, total S&P 500 earnings are on track to be up +43.3% from the same period last year on +15.4% higher revenues, with 13 of the 16 Zacks sectors expected to enjoy positive earnings growth.

- Q2 earnings were above the year-earlier level for 13 of the 16 Zacks sectors, with strong growth in the Energy (+142.8% earnings growth), Basic Materials (+52.3%), Tech (+94.9%), Utilities (+13.8%), Aerospace (+16.2%), and Industrial Products (+28.8%) sectors.

- Q2 earnings were below the year-earlier level for 3 of the 16 sectors, including Consumer Discretionary (-2.3%), Conglomerates (-36.0%), and Medical (-6.8%).

- Continuing its role as a critical growth catalyst since 2023 Q3, the Tech sector surged in 2026 Q2 with +94.9% earnings growth. Excluding Tech's substantial contribution, aggregate S&P 500 Q2 earnings growth moderates to +18.7% (compared to +43.3% including Tech).

- Q2 earnings growth within the Tech sector remains heavily concentrated in Nvidia (NVDA), Micron (MU), and Alphabet (GOOGL). Stripping the contribution of these three companies reduces Q2 earnings growth for the remainder of the Tech sector to +33.2% (down from +94.9%).

- Q2 earnings for the 'Magnificent 7' group of companies are expected to be up +85.5% from the same period last year on +27.5% higher revenues. Excluding the 'Mag 7' contribution, Q2 earnings for the rest of the index would be up +30.0% (vs. +43.3%).

- For 2026 Q3, total S&P 500 earnings are currently expected to be up +21.7% from the same period last year on +10.9% higher revenues, with earnings estimates modestly moving higher since the start of the quarter.

- Q3 earnings estimates have been revised upward across half of the 16 Zacks sectors since early July, led by notable positive momentum in Energy, Tech, Finance, and Transportation. Strip away any one of these top three heavyweights—Tech, Finance, or Energy—and aggregate Q3 revisions for the remainder of the index would shift into modestly negative territory.

- Q3 earnings estimates have been under pressure for 10 of the 16 Zacks sectors since the start of July, with Conglomerates, Consumer Staples, Consumer Discretionary, Autos, and Business Services suffering notable negative revisions.

- Looking at the calendar year picture, total S&P 500 earnings are expected to grow by +27.0% in 2026, with the growth pace dropping to +14.7% when the Tech sector's contribution is excluded.

- Full-year 2026 earnings are expected to be above the 2025 level for 15 of the 16 Zacks sectors, with nine sectors expected to enjoy double-digit growth - Aerospace (+49.8%), Autos (+23.9%), Basic Materials (+43.9%), Industrial Products (+15.1%), Tech (+50.7%), Finance (+14.4%), Transportation (+11.4%), Utilities (+10.0%), and Oil/Energy (+76.5%).

- The aggregate revisions trend for 2026 remains positive, with full-year 2026 estimates for 10 of the 16 Zacks sectors increasing since the start of March. Energy sector estimates have risen the most since the start of March, followed by the Tech and Basic Materials sectors.

- On the negative side, full-year 2026 estimates remain under pressure for 6 of the 16 Zacks sectors, including Consumer Discretionary, Construction, Transportation, Autos, and Medical.

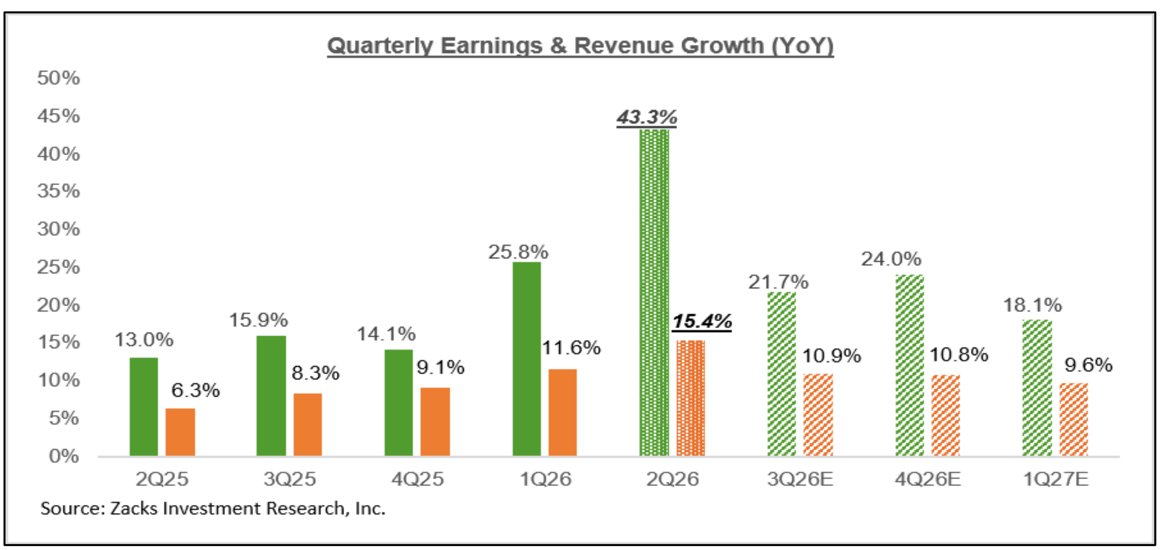
- For the Mag 7 group, total 2026 earnings are expected to increase by +43.4% on +21.0% higher revenues, which would follow the group's 2025 earnings growth of +24.8% on +15.5% higher revenues. Excluding the Mag 7 contribution, total earnings for the remaining S&P 500 companies are expected to grow +21.3% in 2026, which compares to +9.8% growth in 2025, +4.4% growth in 2024, and a -4.4% decline in 2023.

- The implied 'EPS' for the S&P 500 index, calculated using the current 2026 P/E of 23.0X and index close, as of August 11th, is $335.55. 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 $328.15, with a range of $285 to $350.

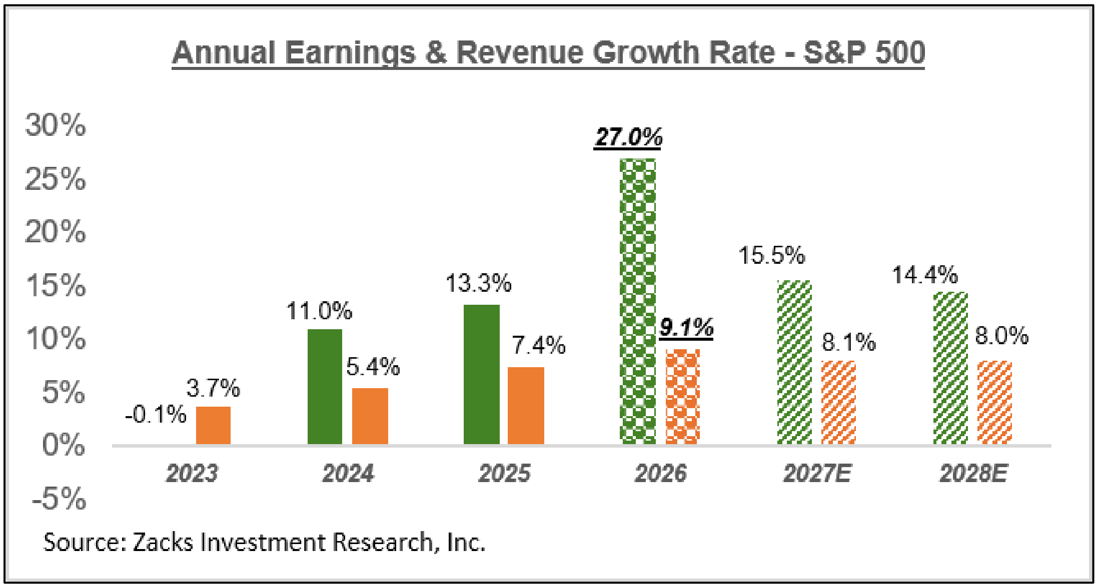
- Using the same methodology of market cap and aggregate bottom-up earnings estimates, the index P/E works out to 21.6X for 2026 on an ex-Mag 7 basis. The Mag 7 companies are expected to account for 29.5% of total S&P 500 earnings in 2026 and 33.3% of the index's total market capitalization.

The Earnings Big Picture

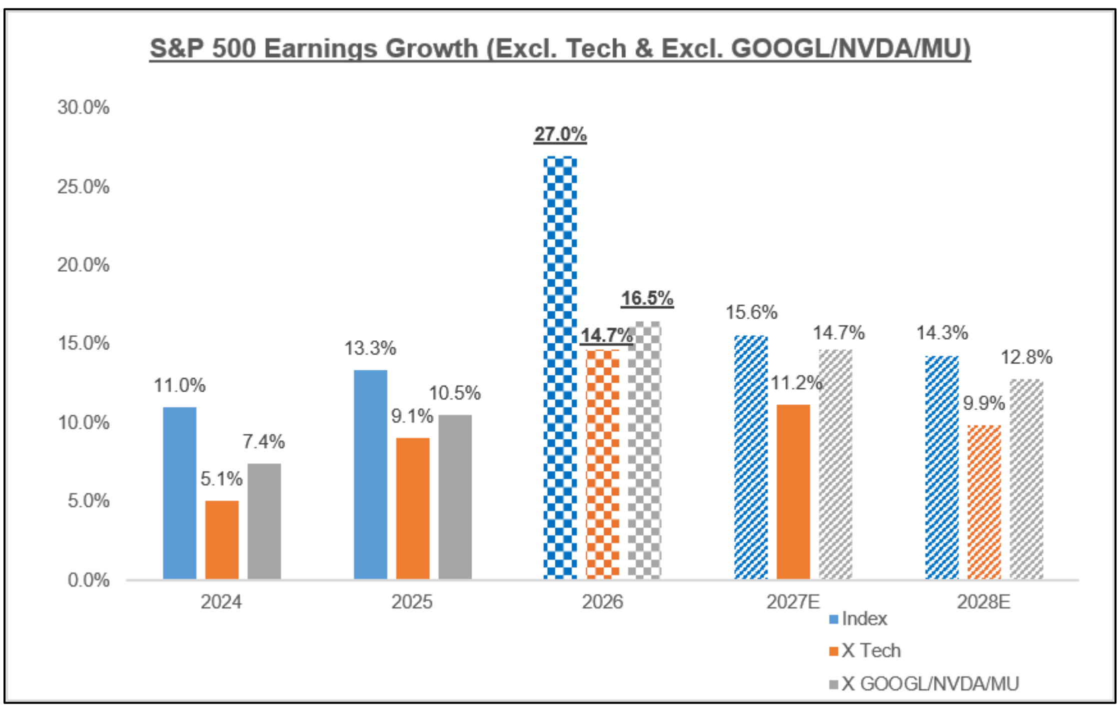
The chart below shows S&P 500 expectations for 2026 Q2 in terms of what was achieved in the preceding four periods and what is currently expected for the following three quarters.



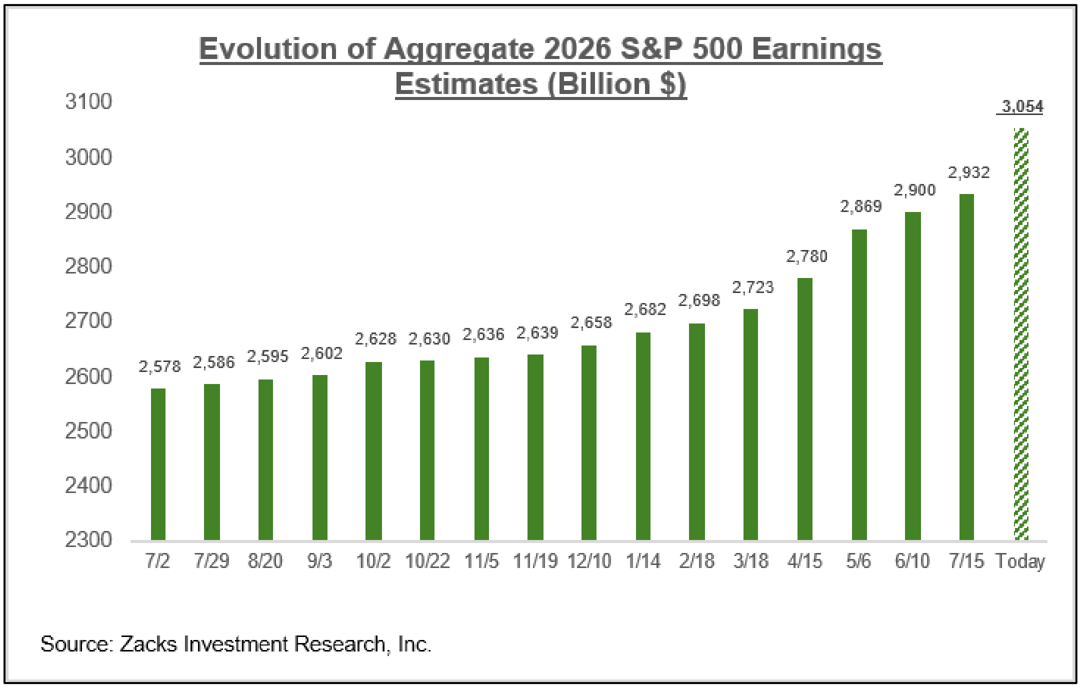
The chart below shows the overall earnings picture for the S&P 500 index on an annual basis.



The chart below shows the significant contribution of the Tech sector to the aggregate growth picture. The chart also shows how critical Nvidia, Micron, and Alphabet are to the 2026 aggregate growth tally.



Estimates for full-year 2026 have also been steadily going up, particularly since the start of March. The chart below shows the evolution of aggregate S&P 500 earnings estimates since last July.



Full-year 2026 earnings estimates have increased for 10 of the 16 Zacks sectors since the start of March, with the most pronounced gains in the Energy, Basic Materials, Tech, Industrials, Utilities, and Business Services sectors. On the negative side, estimates have been under pressure for the Transportation, Autos, Medical, and Consumer Discretionary sectors since the start of March.

The Report in Detail

This report has six sections:

(1) ***Q2 Earnings Season Scorecard*** provides a real-time update on the earnings season, places the results thus far in historical context, and highlights the major sectors.

(2) ***The Blended Picture*** presents the composite or blended Q2 expectations by combining the actual results that have been released with estimates for the still-to-come companies.

(3) ***The Context*** puts the blended Q2 expectations in the context of what was reported in the preceding quarters and what is expected in the coming quarter(s). It provides earnings and revenues on a quarterly basis, including both dollar amounts and year-over-year growth rates.

(**4)** ***Annual Data*** presents the earnings and revenues data on an annual basis.

(5) ***The Small-Cap Data – S&P 600 Index*** presents the earnings picture for the S&P 600 index.

(6) ***Market Cap vs. Total Earnings*** visually presents the market capitalization and earnings contribution of the 16 Zacks sectors.

Section 1 – The Q2 Earnings Scorecard

Total Q2 earnings for the 451 S&P 500 members that have reported results already are up +41.6% from the same period last year on +14.7% higher revenues, with 83.4% beating EPS estimates and 76.5% beating revenue estimates.

	2026 Q2 Scorecard						
	% Reported		Earnings		Revenue		
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	Blended Beat %
Consumer Staples	85.2%	96.5%	6.2%	78.3%	5.7%	73.9%	69.6%
Consumer Discrt	96.3%	99.0%	-1.6%	80.8%	3.9%	76.9%	65.4%
Retail	54.8%	68.9%	11.9%	76.5%	15.5%	58.8%	47.1%
Medical	93.2%	96.6%	-7.3%	96.4%	7.4%	89.1%	85.5%
Auto/Tires/Trks	100.0%	100.0%	4.4%	60.0%	4.1%	60.0%	20.0%
Basic Materials	100.0%	100.0%	52.3%	73.7%	16.7%	73.7%	52.6%
Industrial Prod	88.0%	84.7%	26.4%	95.5%	14.9%	90.9%	86.4%
Construction	100.0%	100.0%	5.8%	88.2%	8.7%	76.5%	70.6%
Conglomerates	100.0%	100.0%	-36.0%	100.0%	-29.2%	100.0%	100.0%
Computer & Tech	77.0%	69.0%	98.9%	79.1%	23.9%	83.6%	68.7%
Aerospace	100.0%	100.0%	16.2%	85.7%	15.4%	92.9%	85.7%
Oils/Energy	100.0%	100.0%	142.8%	83.3%	42.5%	70.8%	62.5%
Finance	100.0%	100.0%	22.3%	79.6%	13.2%	77.4%	63.4%
Utilities	100.0%	100.0%	13.8%	72.4%	4.5%	41.4%	27.6%
Transportation	92.9%	97.4%	3.1%	100.0%	12.2%	76.9%	76.9%
Business Svcs	92.6%	95.8%	8.1%	92.0%	9.0%	68.0%	68.0%
S&P 500	**90.2%**	**82.1%**	**41.6%**	**83.4%**	**14.7%**	**76.5%**	**66.3%**
Excluding Finance	88.0%	79.6%	46.7%	84.4%	14.9%	76.3%	67.0%
Excluding Oil	89.7%	81.4%	36.5%	83.4%	12.2%	76.8%	66.5%
Excluding Tech	93.0%	93.3%	19.3%	84.1%	12.9%	75.3%	65.9%

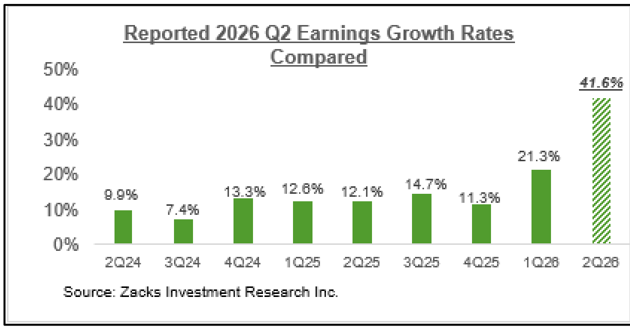
Source: Zacks Investment Research, Inc.

8/12/2026 www.zacks.com

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

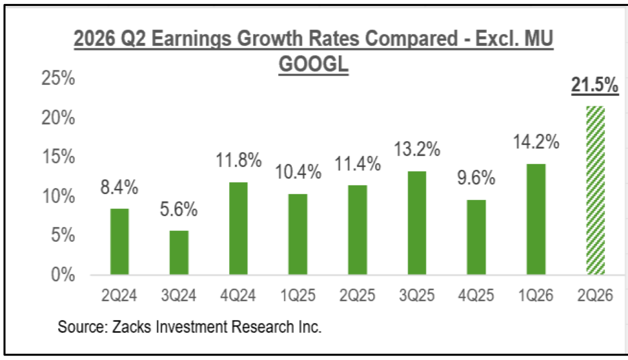
a. *All the earnings analysis in this report pertains to the S&P 500 index, a handy proxy for the entire business world. We use the index's current membership as the basis for all period comparisons, meaning that even historical periods reflect the index's current membership.*
b. *We divide the corporate 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.*
c. *All references to 'earnings' mean 'total earnings' or 'aggregate net income' and not 'mean or median EPS.'*
d. *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.*

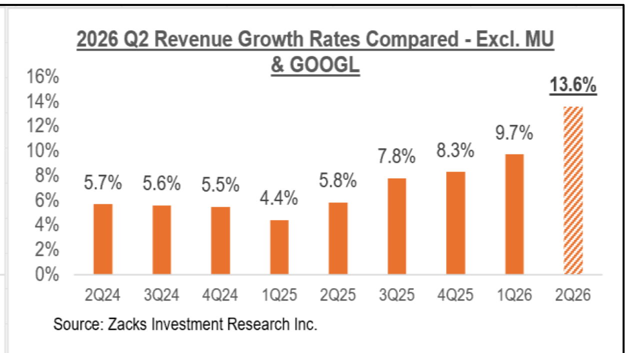
The comparison charts below show the Q2 earnings and revenue growth rates relative to other recent periods.



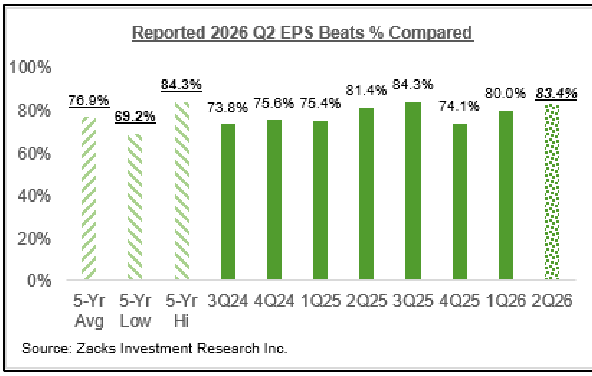
Please note that the 451 S&P 500 members that have reported results at this stage include Micron, whose Q2 earnings increased +1350.1% from the same period, with the year-over-year change amounting to more than $26 billion. In other words, Micron's amazing quarterly numbers are a major contributor to the very strong +41.6% earnings growth at this stage. Unlike Micron, Alphabet's results benefited from unrealized gains on its SpaceX stake.

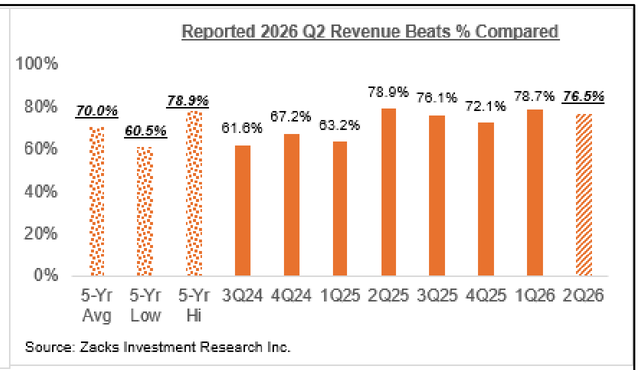
The Q2 earnings growth pace drops to +21.5% from +41.6% once Micron and Alphabet's enormous contributions are excluded. The comparison charts below show the Q2 earnings and revenue growth rates while excluding Micron and Alphabet from the results across all periods.



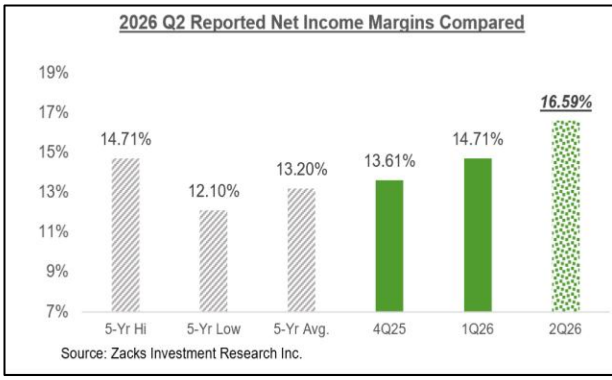


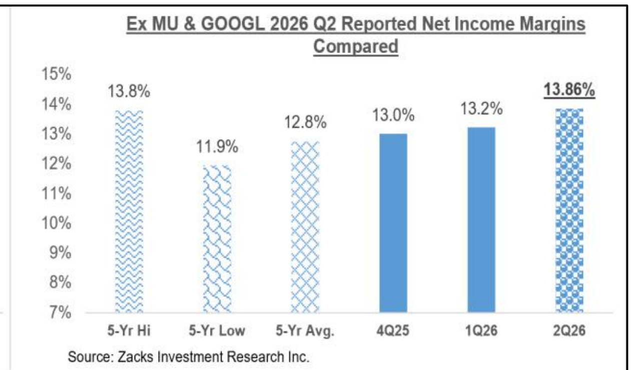
The comparison charts below show the Q2 EPS and revenue beats percentages relative to other recent periods.





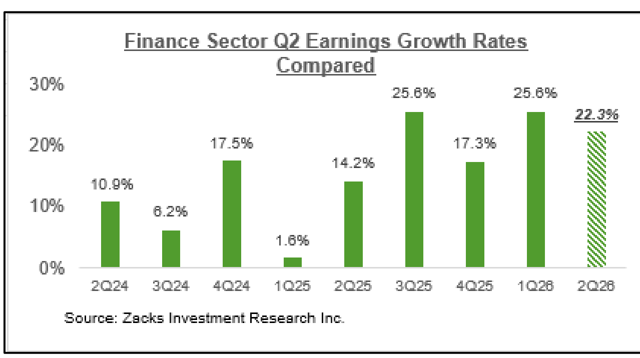
The comparison chart below puts the Q2 reported net margins for these 451 index members relative to other recent periods. As you can see below, margins are tracking well above the 5-year high at this stage. The right-hand chart shows the reported net margins while excluding Micron and Alphabet's results from Q2, as well as all preceding periods.

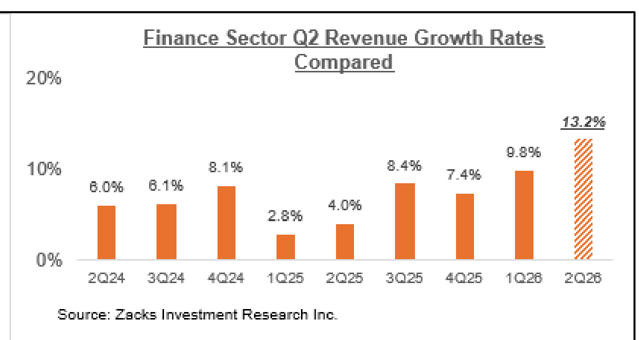




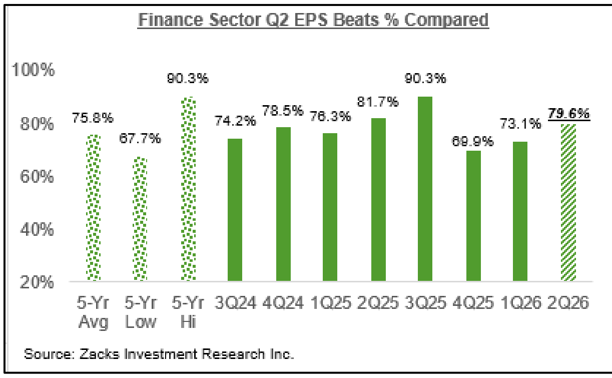
For the **Finance sector**, we now have Q2 results from all of the sector's companies in the S&P 500 index. Total earnings for these companies were up +22.3% from the same period last year on +13.2% higher revenues, with 79.6% of the companies beating EPS estimates and 77.4% of the companies beating revenue estimates.

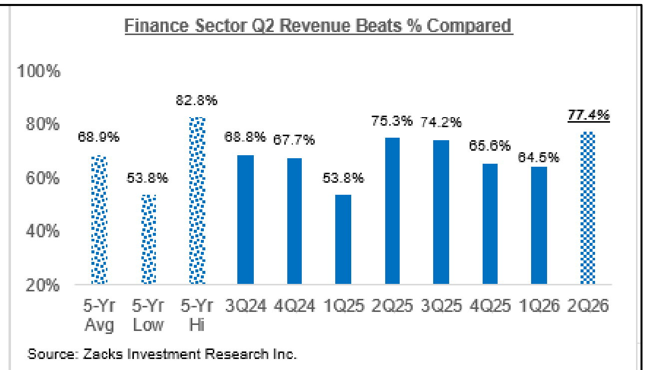
The comparison charts below show the Q2 earnings and revenue growth rates in a historical context.





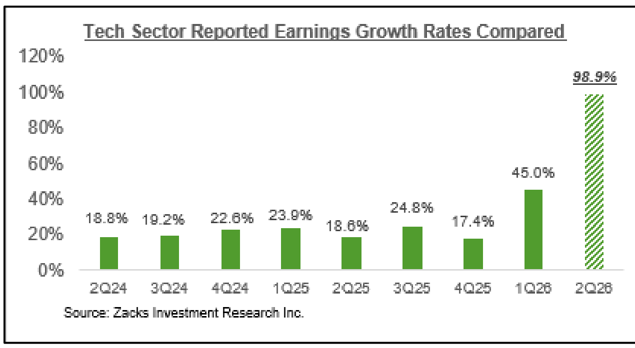
The comparison charts below show the Q2 EPS and revenue beats percentages in a historical context.

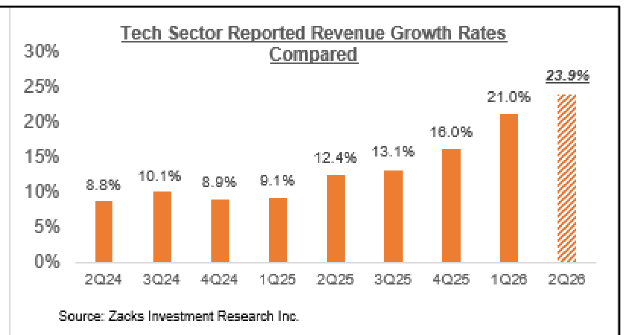




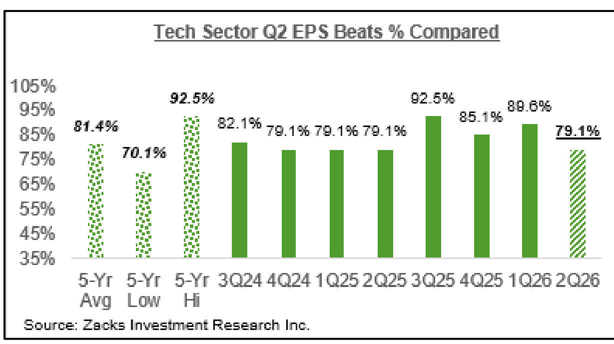
For the **Tech sector**, we now have Q2 results from 77% of the sector's companies in the S&P 500 index. Total earnings for these companies are up +98.9% from the same period last year on +23.9% higher revenues, with 79.1% of the companies beating EPS estimates and 83.6% of the companies beating revenue estimates.

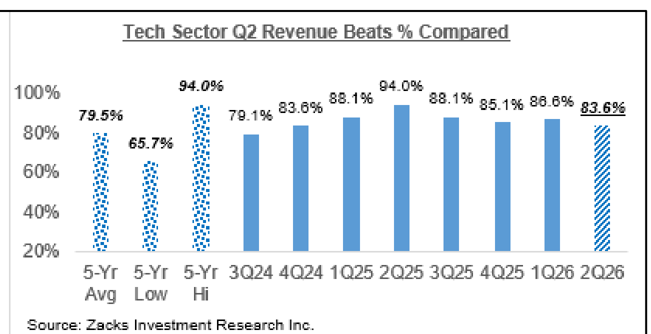
The comparison charts below show the Q2 earnings and revenue growth rates in a historical context.





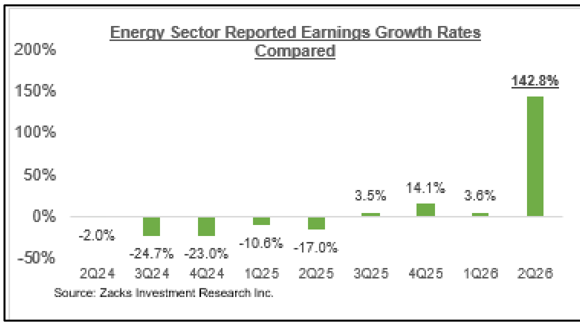
The comparison charts below show the Q2 EPS and revenue beats percentages in a historical context.

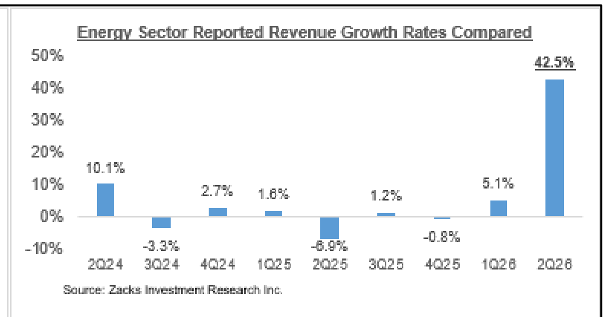




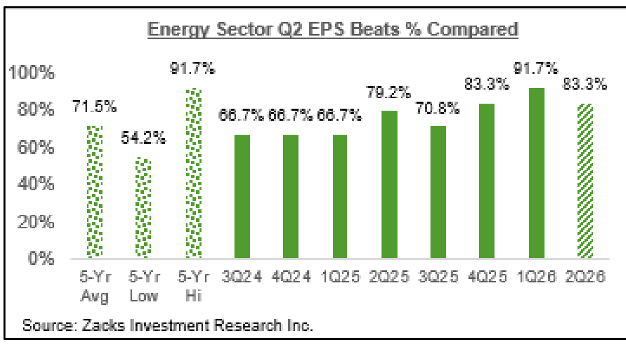
For the **Energy sector**, we now have Q2 results from all of the sector's companies in the S&P 500 index. Total earnings for these companies are up +142.8% from the same period last year on +42.5% higher revenues, with 83.3% beating EPS estimates and 70.8% beating revenue estimates.

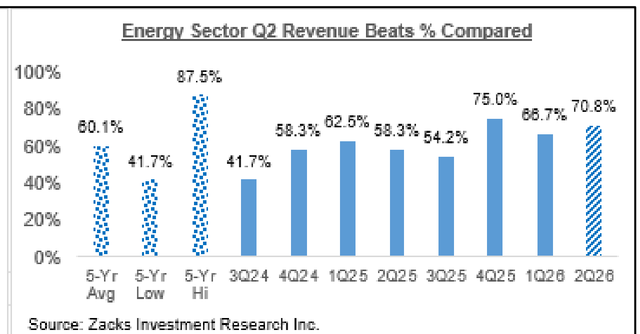
The comparison charts below show the Q2 earnings and revenue growth rates in a historical context.





The comparison charts below show the Q2 EPS and revenue beats percentages in a historical context.





Section 2 – The Blended Picture

Total Q2 earnings, or aggregate net income for the S&P 500 index, are expected to be up +43.3% from the same period last year on +15.4% higher revenues. The summary table below shows the blended (or composite) Q2 expectations and the actuals for the preceding period (2026 Q1).

S&P 500 Blended Summary Picture						
Zacks Sectors	Year-over-Year Growth					
	Earnings		Revenues		Margins	
	2Q26	1Q26	2Q26E	1Q26	2Q26E	1Q26
Cons. Staples	6.5%	6.5%	5.5%	5.3%	0.13%	0.1%
Cons. Discretionary	-2.3%	-17.0%	3.8%	6.0%	-0.74%	-2.2%
Retail/Wholesale	9.0%	4.1%	9.8%	9.8%	-0.05%	-0.34%
Medical	-6.8%	-2.3%	7.5%	7.1%	-1.07%	-0.8%
Autos	4.4%	69.6%	4.1%	4.0%	0.01%	2.7%
Basic Materials	52.3%	41.0%	16.7%	15.8%	2.68%	1.7%
Industrial Products	28.8%	11.4%	23.5%	13.9%	0.57%	-0.3%
Construction	5.8%	-4.7%	8.7%	5.8%	-0.29%	-0.8%
Conglomerates	-36.0%	1.4%	-29.2%	-2.9%	-1.71%	0.8%
Technology	94.9%	54.8%	29.7%	27.0%	11.95%	5.5%
Aerospace	16.2%	13.3%	15.4%	10.7%	0.05%	0.2%
Oil/Energy	142.8%	3.6%	42.5%	5.1%	5.52%	-0.1%
Finance	22.3%	25.6%	13.2%	9.8%	1.58%	2.7%
Utilities	13.8%	15.3%	4.5%	11.8%	1.15%	0.5%
Transportation	5.4%	10.2%	12.2%	4.5%	-0.56%	0.4%
Business Services	8.3%	12.4%	9.2%	12.1%	-0.20%	0.1%
S&P 500	**43.3%**	**25.8%**	**15.4%**	**11.6%**	**3.20%**	**1.67%**
ex Finance	48.1%	25.8%	15.7%	11.8%	3.4%	1.5%
ex Oil/Energy	38.9%	26.9%	13.3%	12.1%	3.08%	1.8%
ex Tech	18.7%	11.0%	17.6%	13.9%	0.07%	-0.2%

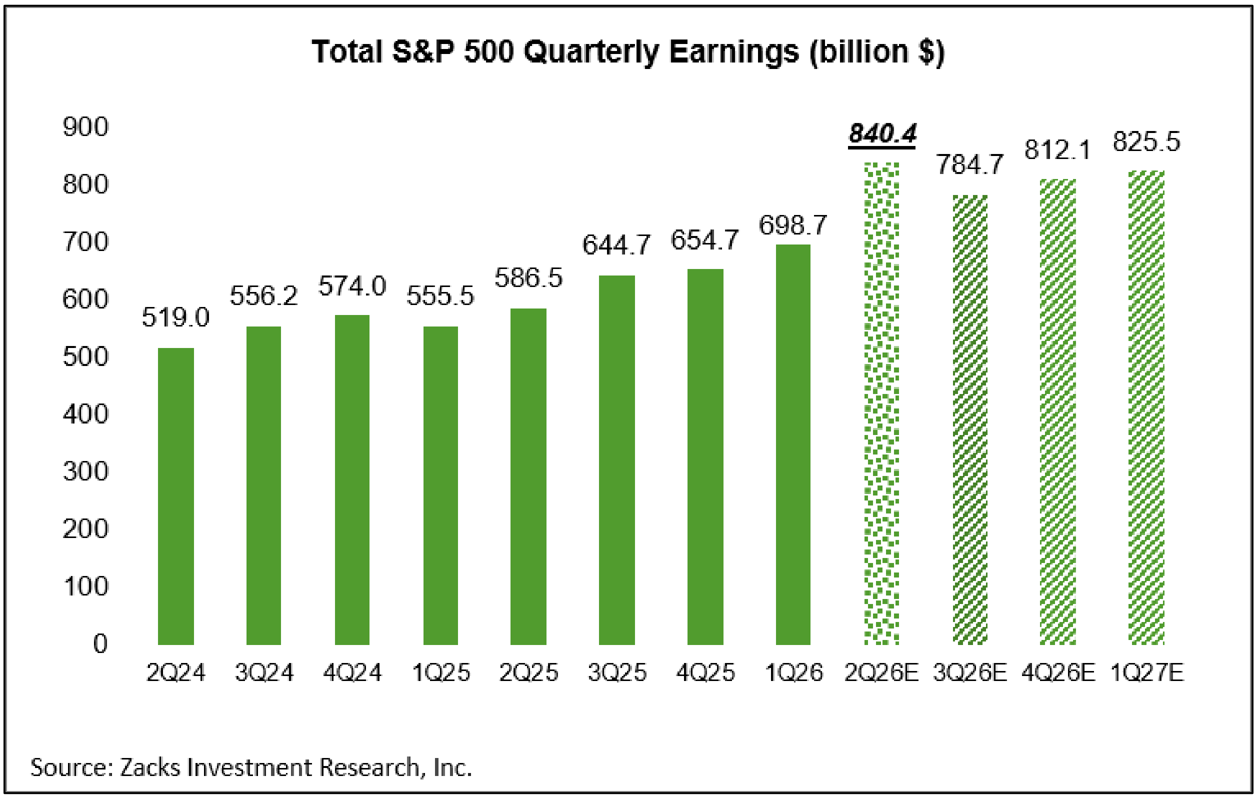
Source: Zacks Investment Research, Inc.

www.zacks.com

Earnings growth remained broad-based in Q2 2026, with 13 of the 16 Zacks sectors producing year-over-year expansion. Growth is led by strong surges in Oil/Energy (+142.8%), Tech (+94.9%), Basic Materials (+52.3%), and Industrial Products (+28.8%), along with solid double-digit gains in Finance (+22.3%), Aerospace (+16.2%), and Utilities (+13.8%). Moderate expansion is anticipated across Retail/Wholesale (+9.0%), Business Services (+8.3%), Consumer Staples (+6.5%), Construction (+5.8%), Transportation (+5.4%), and Autos (+4.4%).

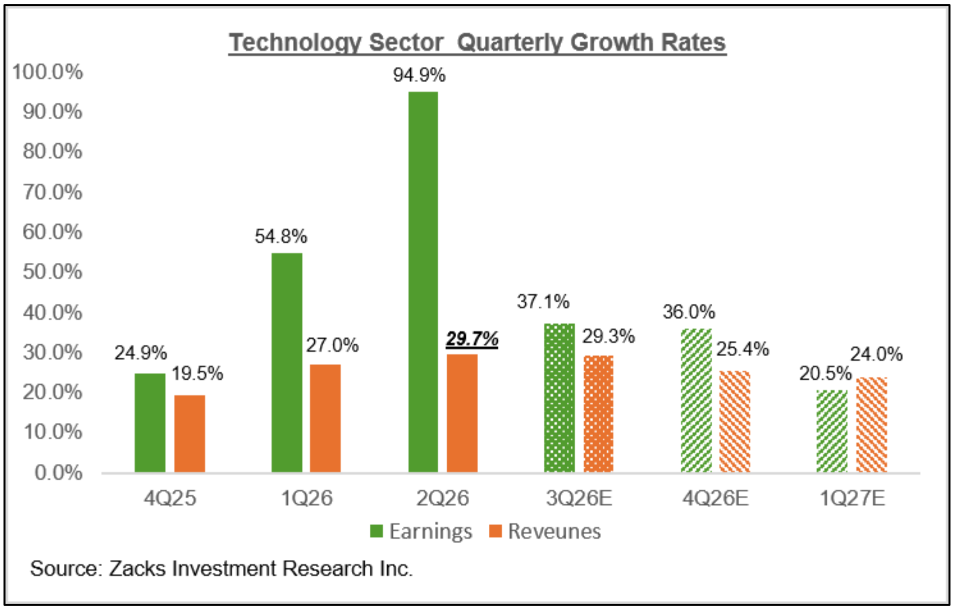
Conversely, only 3 sectors are slated to post year-over-year earnings declines: Conglomerates (-36.0%), Medical (-6.8%), and Consumer Discretionary (-2.3%).

The chart below shows the absolute quarterly dollar total estimate for 2026 Q2 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 two quarters.



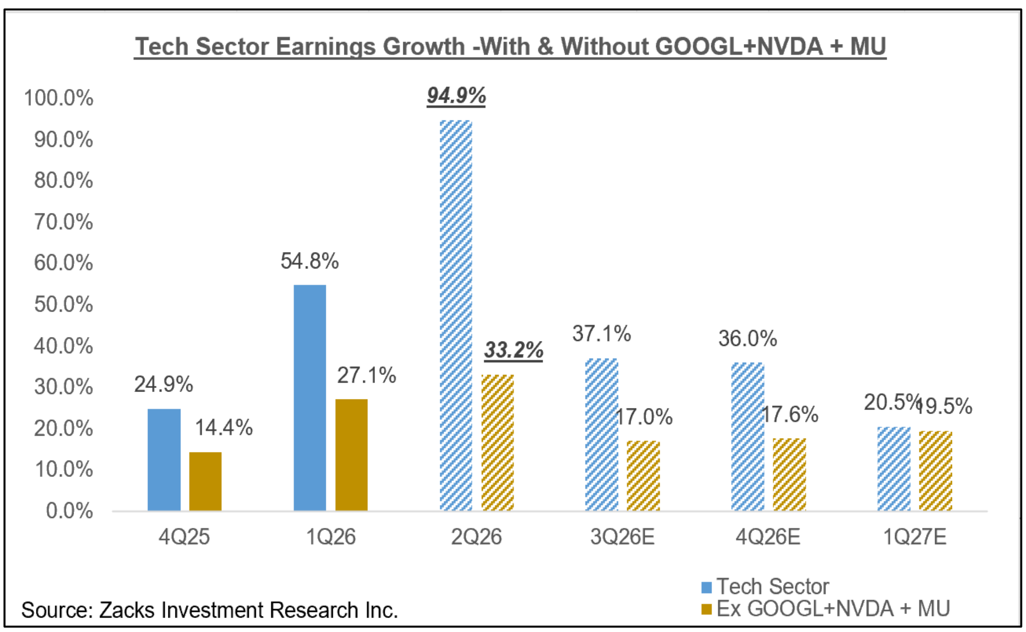
As you can see above, the quarterly earnings tally is on track to be a new all-time quarterly record.

Total **Tech sector** earnings are expected to grow +94.9% in Q2 on +29.7% higher revenues, which follows earnings growth of +54.8% on +27.0% higher revenues in the preceding quarter (2026 Q1). The Tech sector’s growth pace is expected to continue, as shown below.



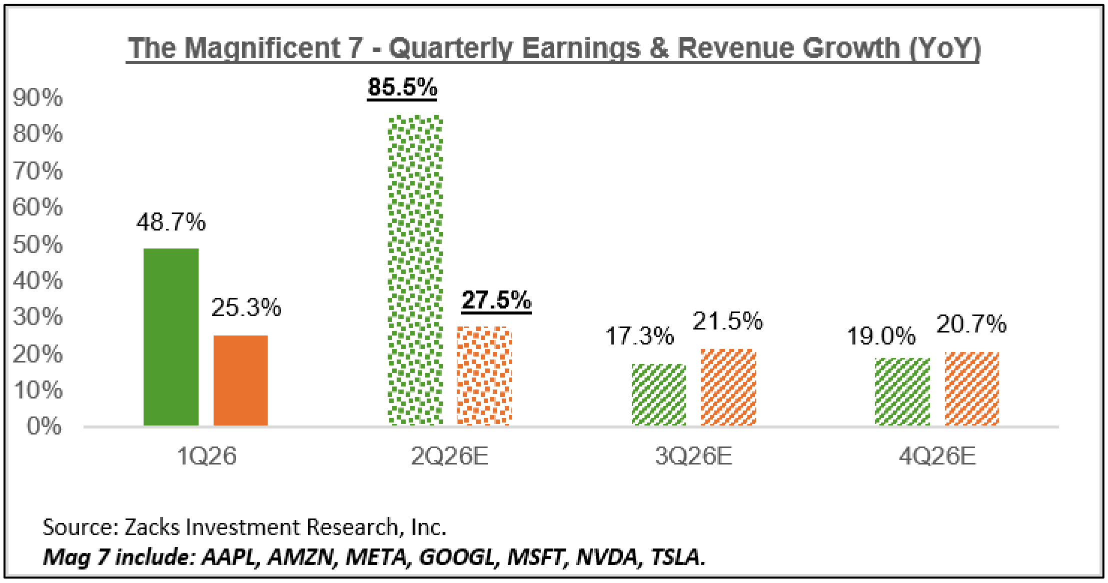
We should keep in mind that Alphabet, Nvidia, and Micron Technology are significant contributors to the Tech sector's growth profile. Excluding the contribution from these three companies, Q2 earnings growth for the Zacks Tech sector drops to +31.4%.

The chart below shows the sector's earnings and revenue growth picture with and without these three major earnings contributors.

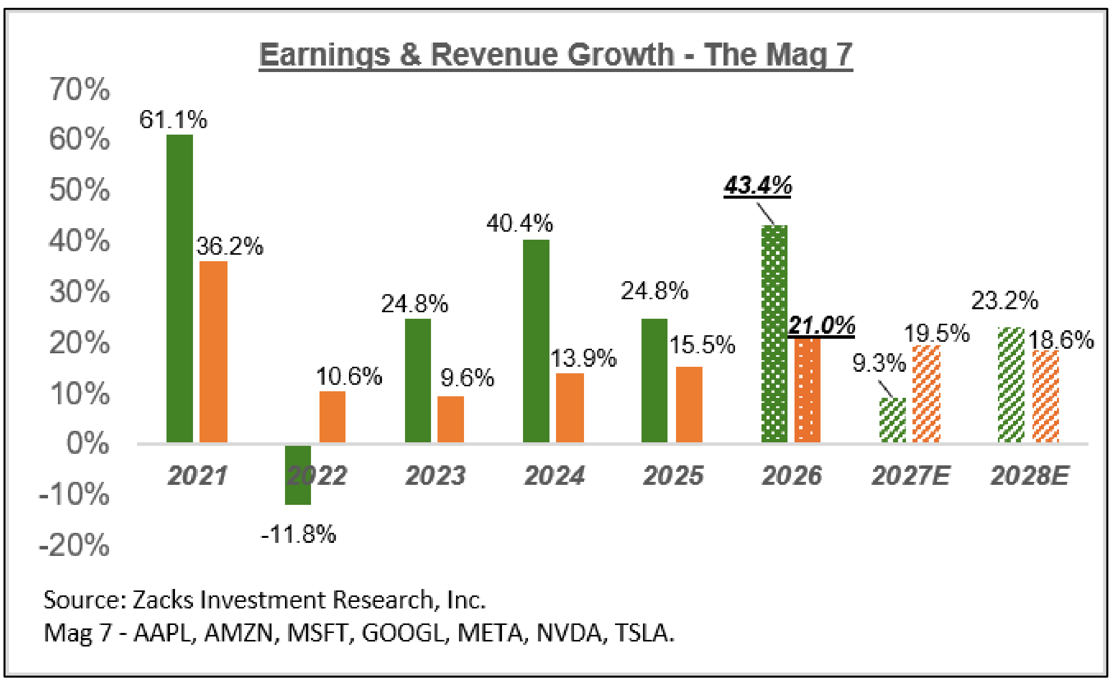


The Magnificent 7

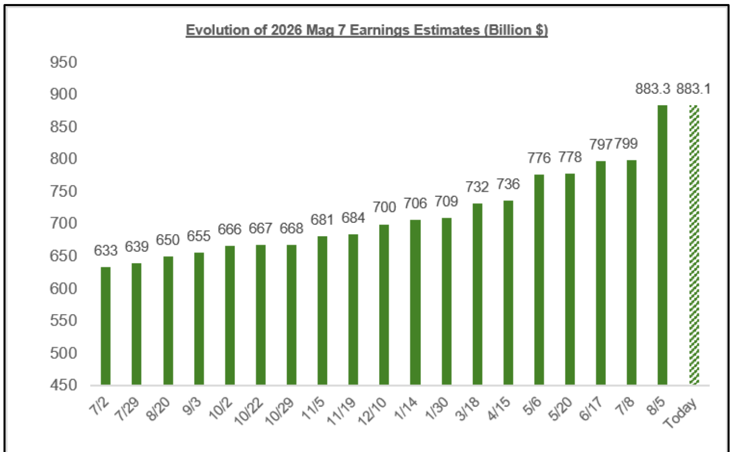
For the 'Mag 7' companies - Microsoft, Alphabet, Meta, Apple, Tesla, Nvidia, and Amazon - total Q2 earnings are expected to be up +85.5% on +27.5% higher revenues. This follows the group's +48.7% earnings growth in Q1 on +25.3% higher revenues, as the chart below shows.



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

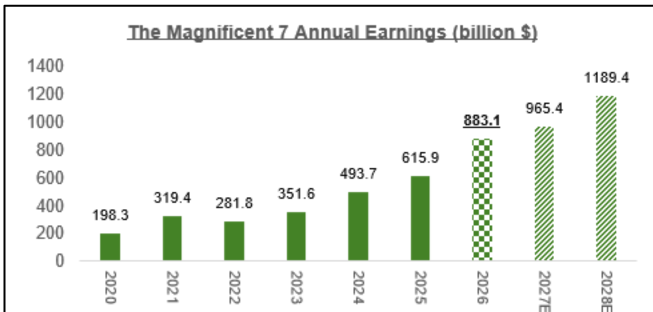


The chart below shows how aggregate 2026 Mag 7 earnings estimates have evolved since the start of last July. Please note that we have rounded up/down the numbers so that the image looks less 'busy'.

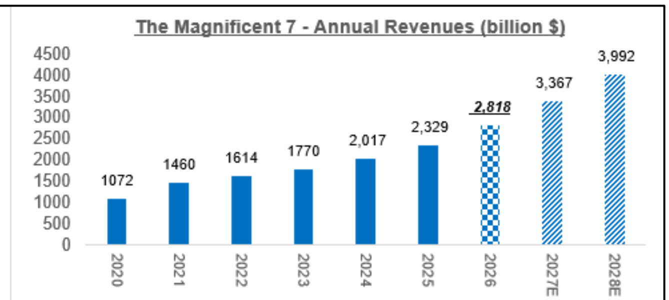


Source: Zacks Investment Research, Inc.

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.

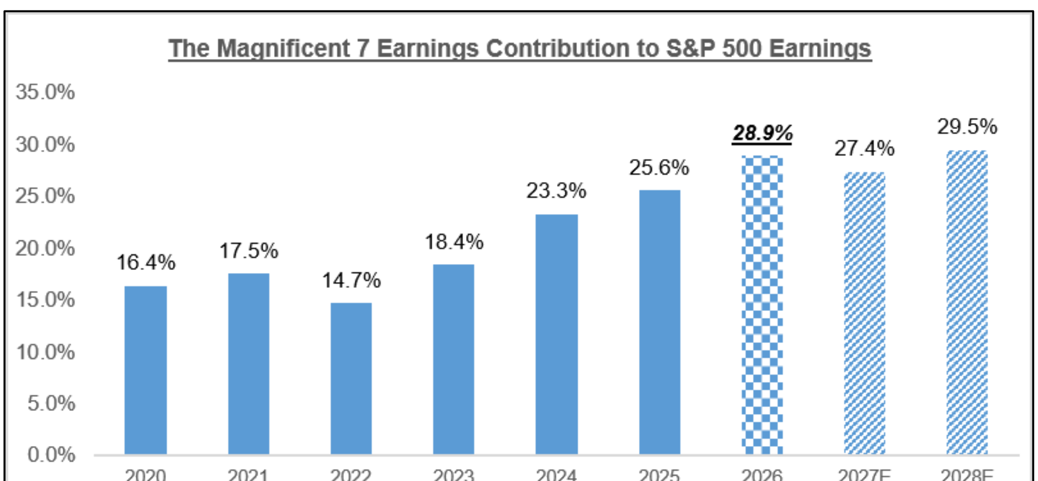


Source: Zacks Investment Research, Inc.
Mag 7 - AAPL, AMZN, MSFT, GOOGL, META, NVDA, TSLA.



Source: Zacks Investment Research, Inc.
Mag 7 - AAPL, AMZN, MSFT, GOOGL, META, NVDA, TSLA.

The Mag 7 stocks accounted for 29.5% of all S&P 500 earnings in 2026 Q1, with the proportion expected to increase to 31.0% in 2026 Q2. The chart below shows the group's earnings contribution on an annual basis.

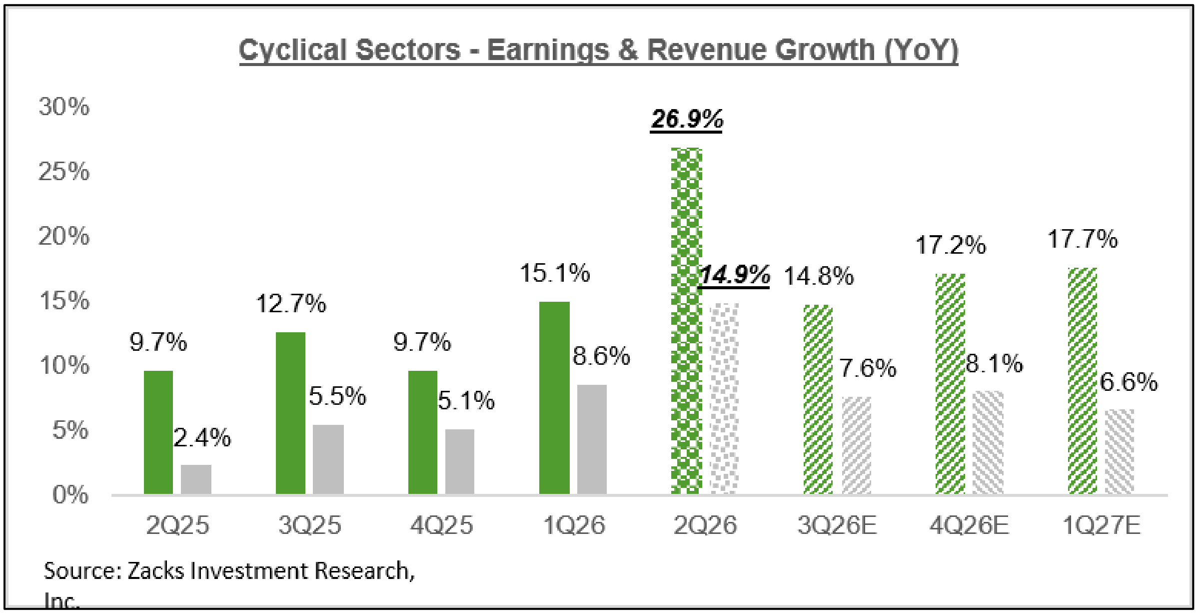


Source: Zacks Investment Research, Inc.
Mag 7 - AAPL, AMZN, MSFT, GOOGL, META, NVDA, TSLA.

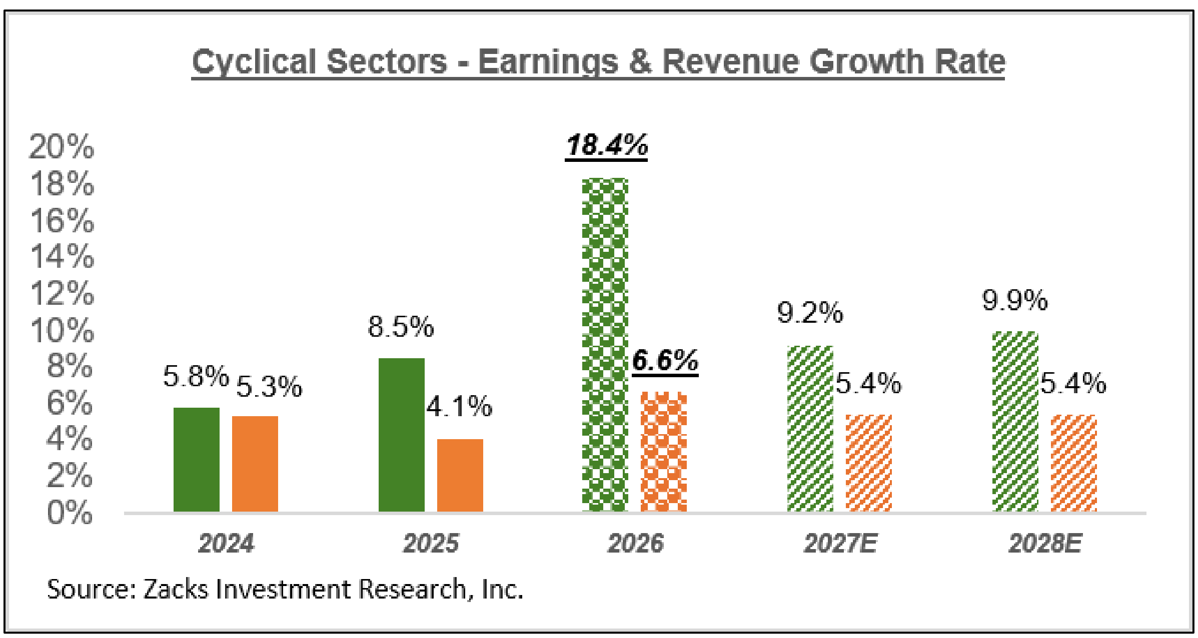
As you can see above, these 7 mega-cap companies combined accounted for 25.6% of all S&P 500 earnings in 2025, up from 23.2% in 2024 and 16.4% in 2020. The Mag 7 is expected to bring in 28.9% of total index earnings in 2026, but the rest of the 493 index members also start pitching in.

Earnings Along Cyclical & Non-Cyclical Lines

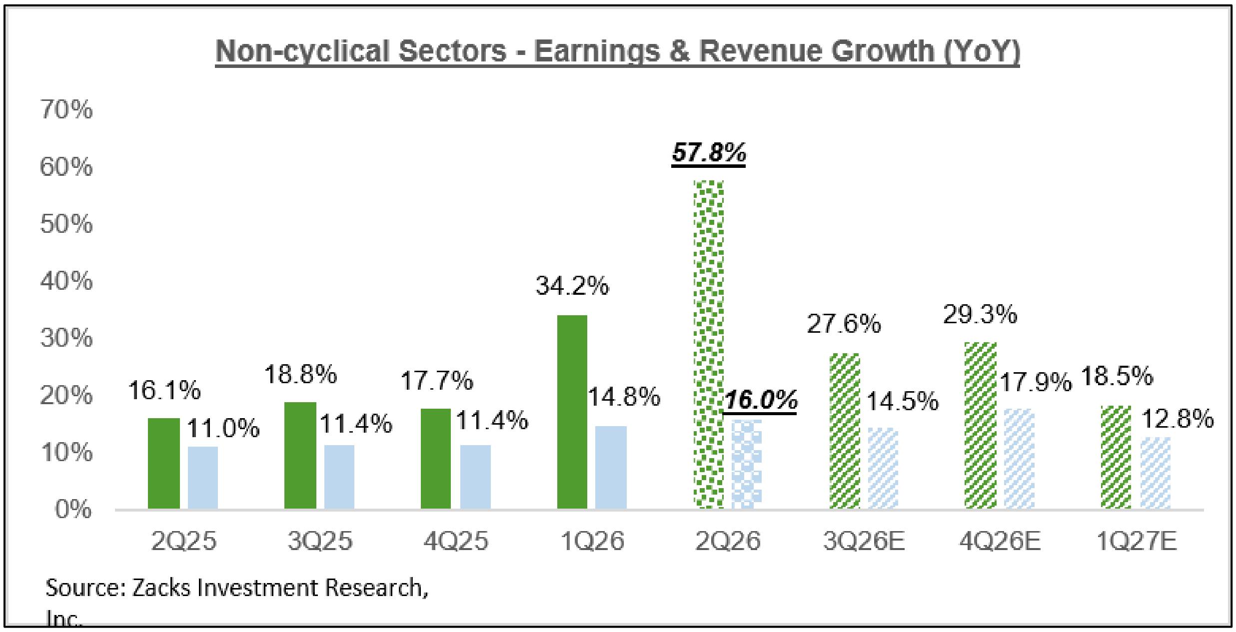
No sector is entirely non-cyclical, as even the Tech sector has plenty of cyclical exposure. But if we combine 11 of the 16 Zacks sectors with varying degrees of cyclical exposure, this is how the quarterly and annual growth picture will look.



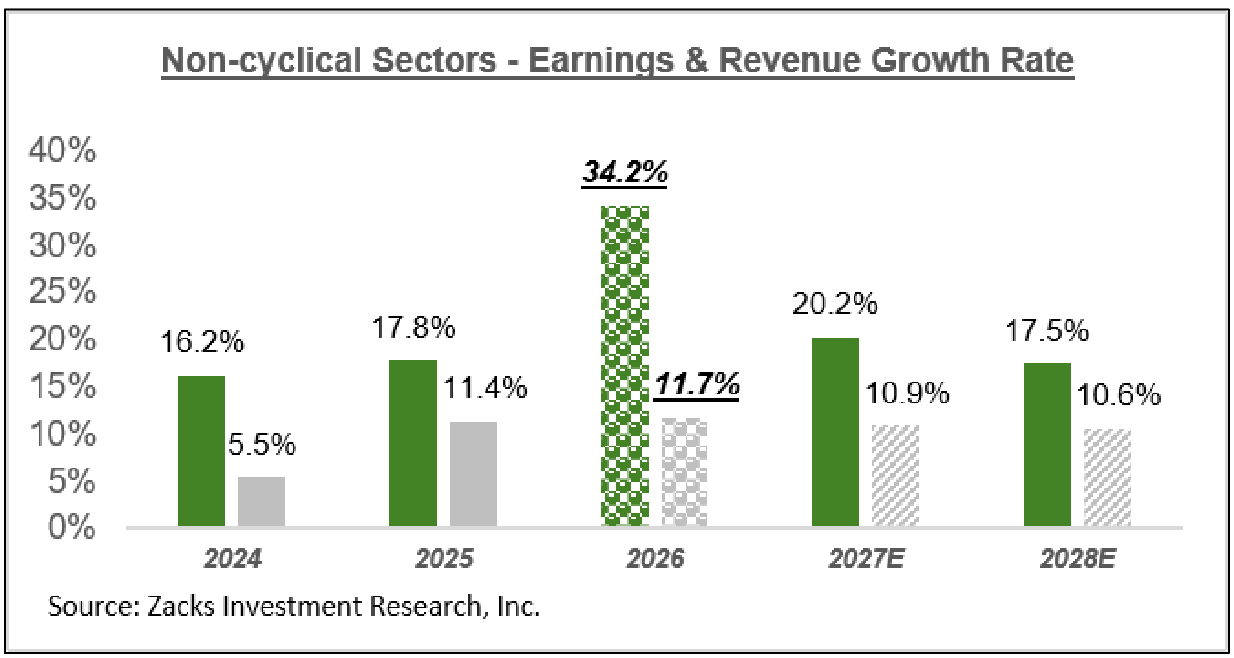
This is how the growth picture will look on an annual basis.



The chart below shows the quarterly earnings and revenue growth pace for the non-cyclical sectors.



The chart below shows the growth picture on an annual basis.



Section Three - The Context

Let's compare earnings expectations for 2026 Q2 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)								
	1Q27E	4Q26E	3Q26E	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25
Consumer Staples	5.2%	5.6%	0.3%	***6.5%***	6.5%	0.9%	-0.5%	0.7%	-4.7%
Consumer Discrt	39.0%	8.9%	8.9%	***-2.3%***	-17.0%	-0.6%	-0.1%	138.5%	6.1%
Retail	26.5%	16.1%	5.3%	***9.0%***	4.1%	6.5%	16.4%	13.2%	12.5%
Medical	20.2%	14.7%	5.9%	***-6.8%***	-2.3%	0.7%	4.8%	7.8%	43.4%
Auto/Tires/Trks	-6.7%	31.3%	5.8%	***4.4%***	69.6%	-14.9%	-21.9%	-25.2%	-40.2%
Basic Materials	19.4%	42.0%	31.1%	***52.3%***	41.0%	12.1%	11.5%	-7.1%	-9.2%
Industrial Prod	15.6%	21.8%	19.8%	***28.8%***	11.4%	3.3%	3.0%	-5.6%	-9.2%
Construction	12.9%	18.2%	5.7%	***5.8%***	-4.7%	-16.0%	-9.1%	-9.4%	-11.7%
Conglomerates	-32.2%	-31.6%	-35.4%	***-36.0%***	1.4%	4.0%	6.9%	8.6%	-4.9%
Computer & Tech	20.5%	36.0%	37.1%	***94.9%***	54.8%	24.9%	27.9%	22.2%	24.5%
Aerospace	17.6%	48.4%	158.9%	***16.2%***	13.3%	53.5%	79.3%	38.6%	23.2%
Oils/Energy	58.9%	59.7%	92.0%	***142.8%***	3.6%	14.1%	3.5%	N/M	N/M
Finance	8.4%	7.7%	3.5%	***22.3%***	25.6%	17.3%	25.6%	14.2%	1.6%
Utilities	-1.0%	7.6%	8.9%	***13.8%***	15.3%	8.6%	6.0%	4.5%	16.9%
Transportation	14.2%	23.1%	18.0%	***5.4%***	10.2%	-5.7%	N/M	N/M	N/M
Business Svcs	9.4%	9.7%	8.8%	***8.3%***	12.4%	9.4%	7.0%	12.7%	8.6%
S&P 500	**18.1%**	**24.0%**	**21.7%**	***43.3%***	**25.8%**	**14.1%**	**15.9%**	**13.0%**	**12.7%**
Excluding Finance	20.3%	27.8%	26.0%	***48.1%***	25.8%	13.3%	13.8%	12.7%	15.5%
Excluding Oil	16.5%	22.4%	18.5%	***38.9%***	26.9%	14.1%	16.6%	14.8%	14.1%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 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)								
	1Q27E	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25
Cons. Staples	3.9%	5.5%	5.0%	***5.5%***	5.3%	1.1%	2.1%	0.9%	-2.5%
Cons. Discretionary	3.0%	3.8%	8.0%	***3.8%***	6.0%	5.0%	-0.9%	3.6%	1.4%
Retail/Wholesale	7.4%	7.8%	7.4%	***9.8%***	9.8%	7.0%	7.0%	6.4%	2.7%
Medical	4.4%	4.5%	4.4%	***7.5%***	7.1%	10.5%	10.4%	10.7%	8.9%
Autos	6.6%	6.9%	0.9%	***4.1%***	4.0%	-5.0%	3.8%	-2.3%	-4.1%
Basic Materials	6.7%	7.4%	6.2%	***16.7%***	15.8%	10.6%	10.1%	4.9%	-1.2%
Industrial Products	15.5%	17.2%	18.1%	***23.5%***	13.9%	12.6%	9.8%	2.9%	-4.3%
Construction	7.5%	11.0%	8.3%	***8.7%***	5.8%	2.4%	2.8%	-1.7%	-2.9%
Conglomerates	-27.2%	-27.0%	-29.8%	***-29.2%***	-2.9%	-0.7%	4.4%	4.3%	-8.8%
Technology	24.0%	25.4%	29.3%	***29.7%***	27.0%	19.5%	15.4%	14.6%	10.4%
Aerospace	12.1%	11.6%	11.8%	***15.4%***	10.7%	17.8%	14.6%	11.7%	-0.1%
Oil/Energy	8.0%	13.2%	11.3%	***42.5%***	5.1%	-0.8%	1.2%	-6.9%	1.6%
Finance	5.5%	6.3%	6.1%	***13.2%***	9.8%	7.4%	8.4%	4.0%	2.8%
Utilities	2.7%	5.5%	7.6%	***4.5%***	11.8%	11.8%	6.7%	8.3%	11.9%
Transportation	7.2%	9.6%	11.9%	***12.2%***	4.5%	1.9%	0.9%	-0.4%	1.2%
Business Services	5.5%	8.1%	8.5%	***9.2%***	12.1%	9.0%	7.8%	8.1%	6.3%
S&P 500	**9.6%**	**10.8%**	**10.9%**	***15.4%***	**11.6%**	**9.1%**	**8.3%**	**6.3%**	**4.5%**
ex Finance	10.2%	11.4%	11.6%	***15.7%***	11.8%	9.3%	8.2%	6.7%	4.7%
ex Oil/Energy	9.8%	10.6%	10.9%	***13.3%***	12.1%	9.9%	8.9%	7.5%	4.7%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.co

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

Zacks Sectors	Quarterly Earnings *(billion dollars)*								
	1Q27E	4Q26E	3Q26E	2Q26	1Q26	4Q25	3Q25	2Q25	1Q25
Cons. Staples	25.9	26.1	26.6	***28.3***	24.6	24.7	26.5	26.5	23.1
Cons. Discretionary	18.9	18.5	23.8	***20.9***	13.6	17.0	21.9	21.351	16.4
Retail/Wholesale	53.8	57.1	52.7	***51.1***	42.5	49.2	50.0	46.8	40.8
Medical	87.2	77.3	77.8	***67.8***	72.6	67.4	73.5	72.7	74.3
Autos	7.7	7.0	7.6	***6.8***	8.2	5.4	7.2	6.6	4.9
Basic Materials	13.7	13.2	13.7	***14.6***	11.4	9.3	10.5	9.6	8.1
Industrial Products	14.4	13.9	14.3	***15.0***	12.4	11.4	11.9	11.7	11.2
Construction	5.7	7.8	9.0	***8.8***	5.0	6.6	8.5	8.3	5.3
Conglomerates	1.8	1.8	1.9	***1.9***	2.7	2.6	3.0	2.9	2.7
Technology	350.0	346.8	307.2	***369.3***	290.5	254.9	224.1	189.5	187.6
Aerospace	11.7	12.3	11.3	***11.4***	10.0	8.3	4.4	9.8	8.8
Oil/Energy	42.7	46.5	53.9	***60.1***	26.9	29.2	28.1	24.8	25.9
Finance	138.1	131.3	127.6	***133.9***	127.4	121.9	123.3	109.5	101.5
Utilities	19.3	14.2	21.6	***14.7***	19.5	13.2	19.9	12.9	16.9
Transportation	8.7	12.0	10.7	***10.7***	7.6	9.8	9.1	10.1	6.9
Business Services	26.0	26.3	25.0	***25.2***	23.8	23.9	22.9	23.2	21.1
S&P 500	**825.5**	**812.1**	**784.7**	***840.4***	**698.7**	**654.7**	**644.7**	**586.5**	**555.5**
ex Finance	687.4	680.8	657.1	***706.5***	571.3	532.8	521.4	476.9	454.0
ex - Oil	782.8	765.5	730.8	***780.3***	671.8	625.5	616.6	561.7	529.6

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

Table 5 – Total Quarterly Revenues

Zacks Sectors	Quarterly Revenues *(billion dollars)*								
	1Q27E	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25
Cons. Staples	197.6	212.6	206.0	***207.3***	190.2	201.6	196.3	196.5	180.5
Cons. Discretionary	176.4	188.0	184.3	***176.7***	171.2	181.2	170.7	170.2	161.5
Retail/Wholesale	736.5	786.0	744.5	***721.6***	685.6	728.8	693.4	657.1	624.2
Medical	956.0	998.2	975.6	***968.4***	915.7	955.2	934.4	901.1	855.2
Autos	128.4	136.2	139.5	***137.6***	120.5	127.5	138.3	132.2	115.9
Basic Materials	125.0	123.1	125.8	***127.7***	117.2	114.6	118.5	109.5	101.2
Industrial Products	106.0	103.0	105.8	***107.6***	91.8	87.9	89.6	87.1	80.5
Construction	74.4	82.2	86.1	***83.1***	69.2	74.0	79.5	76.5	65.4
Conglomerates	11.0	11.5	11.7	***11.7***	15.1	15.8	16.7	16.5	15.6
Technology	1184.8	1196.8	1083.9	***1033.4***	955.8	954.0	838.2	796.8	752.6
Aerospace	131.2	141.3	132.2	***132.4***	117.1	126.6	118.2	114.7	105.8
Oil/Energy	364.5	367.8	371.5	***449.8***	337.5	325.0	333.9	315.6	321.2
Finance	629.5	621.9	613.2	***625.5***	596.6	585.1	577.8	552.6	543.2
Utilities	129.5	114.1	123.2	***104.2***	126.0	108.1	114.5	99.6	112.8
Transportation	115.9	124.4	122.9	***122.5***	108.1	113.5	109.8	109.2	103.4
Business Services	106.7	108.4	105.4	***105.2***	101.2	100.2	97.2	96.3	90.3
S&P 500	**5173.4**	**5315.3**	**5131.8**	***5114.7***	**4718.7**	**4799.1**	**4627.1**	**4431.5**	**4229.4**
ex Finance	4543.9	4693.4	4518.6	***4489.1***	4122.1	4214.0	4049.3	3878.9	3686.2
ex Oil/Energy	4809.0	4947.5	4760.3	***4664.9***	4381.3	4474.1	4293.2	4115.9	3908.3

Source: Zacks Investment Research, Inc.

Data as of: August 12, 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 2026 Q2 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 2026 Q2 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 2026 are on track to be up +27.0%, with 2027 earnings expected to be up +15.5%.

Table 6 – Summary Annual Earnings Picture

	Annual Summary - Year-over-Year Change								
	Earnings			Revenues			Margins		
Zacks Sectors	2027E	**2026**	2025	**2027E**	**2026**	2025	2027E	**2026**	2025
Cons. Staples	5.1%	***3.8%***	0.9%	2.5%	***15.4%***	0.9%	0.32%	***-1.45%***	0.00%
Cons. Discretionary	13.5%	***1.2%***	22.9%	3.9%	***4.2%***	2.6%	1.00%	***-0.32%***	1.85%
Retail/Wholesale	19.9%	***8.6%***	12.7%	9.8%	***8.9%***	6.1%	0.65%	***-0.02%***	0.41%
Medical	21.2%	***1.7%***	12.6%	2.2%	***5.3%***	10.6%	1.40%	***-0.26%***	0.14%
Autos	16.1%	***23.9%***	-25.9%	4.4%	***1.1%***	-1.6%	0.62%	***1.02%***	-1.49%
Basic Materials	9.7%	***43.9%***	-1.7%	3.2%	***12.8%***	9.3%	0.66%	***2.29%***	-0.93%
Industrial Products	14.6%	***15.1%***	-0.5%	7.1%	***9.4%***	11.0%	0.93%	***0.66%***	-1.46%
Construction	14.9%	***4.5%***	-13.1%	7.7%	***8.1%***	2.9%	0.62%	***-0.32%***	-1.79%
Conglomerates	13.8%	***-31.8%***	1.0%	3.6%	***-26.7%***	5.2%	1.55%	***-1.18%***	-0.71%
Technology	22.0%	***50.7%***	22.6%	21.9%	***18.4%***	14.7%	0.02%	***6.47%***	1.52%
Aerospace	19.7%	***49.8%***	35.5%	8.3%	***12.2%***	12.8%	0.90%	***2.15%***	1.08%
Oil/Energy	-9.4%	***76.5%***	N/M	-3.9%	***17.9%***	-1.1%	-0.71%	***4.15%***	-0.19%
Finance	8.0%	***14.4%***	15.3%	7.2%	***-1.4%***	4.7%	0.17%	***3.01%***	1.72%
Utilities	9.1%	***10.0%***	8.3%	5.5%	***7.6%***	9.6%	0.49%	***0.31%***	-0.18%
Transportation	18.6%	***11.4%***	-1.3%	3.5%	***7.2%***	1.8%	1.22%	***0.31%***	-0.26%
Business Services	15.1%	***7.4%***	9.8%	3.1%	***9.8%***	7.4%	2.62%	***-0.49%***	0.50%
S&P 500	***15.5%***	***27.0%***	**13.3%**	**8.1%**	***9.1%***	**7.4%**	1.05%	***2.15%***	**0.68%**
ex Finance	*17.1%*	***30.0%***	12.9%	8.2%	***10.7%***	7.9%	1.18%	***2.13%***	0.54%
ex Oil/Energy	*17.2%*	***24.7%***	14.3%	9.1%	***8.4%***	8.2%	1.15%	***2.02%***	0.72%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 ***www.zacks.com***

Table 8 – Annual Earnings Growth

	Earnings Growth (YoY)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Consumer Staples	7.3%	5.1%	***3.8%***	0.9%	4.4%	2.6%	4.3%	12.0%	2.0%
Consumer Discrt	13.9%	13.5%	***1.2%***	22.9%	8.8%	27.3%	59.1%	183.1%	-82.4%
Retail	19.5%	19.9%	***8.6%***	12.7%	24.6%	24.5%	-19.4%	43.1%	9.1%
Medical	10.0%	21.2%	***1.7%***	12.6%	4.2%	-21.3%	7.7%	25.9%	10.6%
Auto/Tires/Trks	1.8%	16.1%	***23.9%***	-25.9%	-9.1%	-4.8%	42.4%	110.0%	-20.2%
Basic Materials	10.8%	9.7%	***43.9%***	-1.7%	-11.7%	-26.0%	4.3%	109.6%	-7.7%
Industrial Prod	13.4%	14.6%	***15.1%***	-0.5%	-0.6%	16.4%	12.0%	44.6%	-10.9%
Construction	14.3%	14.9%	***4.5%***	-13.1%	6.1%	-2.0%	18.6%	52.1%	18.8%
Conglomerates	26.7%	13.8%	***-31.8%***	1.0%	-6.5%	-4.1%	1.3%	14.1%	-10.1%
Computer & Tech	20.6%	22.0%	***50.7%***	22.6%	26.4%	9.2%	-4.9%	41.0%	7.2%
Aerospace	14.3%	19.7%	***49.8%***	35.5%	-21.9%	15.5%	3.0%	135.6%	-65.9%
Oils/Energy	-2.6%	-9.4%	***76.5%***	-3.3%	-19.5%	-28.8%	151.7%	-4874.3%	-103.3%
Finance	7.9%	8.0%	***14.4%***	15.3%	11.8%	10.0%	-16.6%	61.5%	-18.3%
Utilities	8.7%	9.1%	***10.0%***	8.3%	11.6%	9.4%	2.9%	1.3%	1.6%
Transportation	8.1%	18.6%	***11.4%***	-1.3%	-2.0%	-3.7%	50.8%	227.8%	-77.2%
Business Svcs	13.9%	15.1%	***7.4%***	9.8%	15.6%	11.2%	15.1%	26.7%	-6.9%
S&P 500	14.4%	15.5%	***27.0%***	13.3%	11.0%	-0.1%	5.1%	50.4%	-11.1%
Excluding Finance	15.7%	17.1%	***30.0%***	12.9%	10.8%	-2.1%	10.9%	47.6%	-9.1%
Excluding Oil	15.3%	17.2%	***24.7%***	14.3%	13.4%	3.2%	-1.4%	43.8%	-7.6%
Excluding Tech	9.9%	11.2%	14.7%	9.1%	5.1%	-3.2%	8.9%	54.3%	-17.1%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

Table 8 (b) – Aggregate Annual Earnings Totals

Zacks Sectors	Annual Earnings *(billion dollars)*								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	119.0	110.9	***105.6***	101.8	100.9	96.6	94.1	90.3	80.6
Cons. Discretionary	100.1	87.9	***77.4***	76.5	62.3	57.2	45.0	28.3	10.0
Retail/Wholesale	290.1	242.8	***202.5***	186.3	165.4	132.7	106.6	132.3	92.4
Medical	389.5	354.0	***292.0***	287.2	255.1	244.7	311.1	288.8	229.4
Autos	35.2	34.5	***29.7***	24.0	32.4	35.7	37.5	26.3	12.5
Basic Materials	63.6	57.4	***52.4***	36.4	37.0	42.0	56.7	54.4	26.0
Industrial Products	71.1	62.7	***54.7***	47.5	47.8	48.1	41.3	36.9	25.5
Construction	39.4	34.5	***30.0***	28.7	33.1	31.2	31.8	26.8	17.6
Conglomerates	10.4	8.2	***7.2***	10.6	10.5	11.2	11.7	11.6	10.1
Technology	1819.7	1509.5	***1237.7***	821.4	670.0	530.1	485.6	510.4	361.9
Aerospace	61.6	53.9	***45.0***	30.1	22.2	28.4	24.6	23.9	10.1
Oil/Energy	167.9	172.5	***190.3***	107.8	111.5	138.4	194.4	77.2	-1.6
Finance	609.0	564.3	***522.5***	456.9	396.4	354.6	322.3	386.3	239.2
Utilities	81.8	75.2	***69.0***	62.7	57.9	51.9	47.4	46.1	45.5
Transportation	51.6	47.7	***40.2***	36.1	36.6	37.3	38.8	25.7	7.8
Business Services	127.5	111.9	***97.2***	90.6	82.5	71.4	64.2	55.8	44.0
S&P 500	4037.5	3528.1	***3053.6***	2404.7	2121.5	1911.5	1913.1	1820.9	1211.0
ex Finance	3428.6	2963.8	***2531.1***	1947.8	1725.1	1556.9	1590.8	1434.7	971.9
ex - Oil	3869.6	3355.6	***2863.3***	2296.9	2010.0	1773.1	1718.7	1743.7	1212.7
ex Tech	2217.8	2018.6	1815.9	1583.2	1451.5	1381.4	1427.5	1310.6	849.1

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026

Table 9 – Annual Revenues Growth

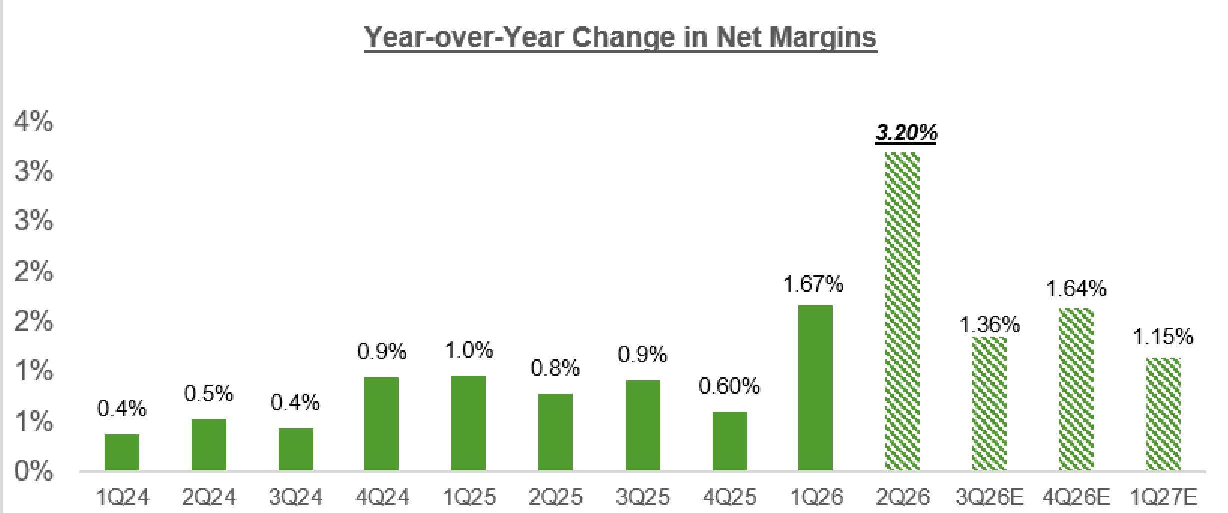
Zacks Sectors	Revenue Growth (YoY)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	3.3%	2.5%	15.4%	0.9%	-9.0%	2.7%	10.1%	9.8%	0.2%
Cons. Discretionary	4.7%	3.9%	4.2%	2.6%	3.9%	11.9%	22.9%	13.5%	-17.8%
Retail/Wholesale	9.1%	9.8%	8.9%	6.1%	8.5%	5.2%	6.9%	13.0%	12.7%
Medical	5.6%	2.2%	5.3%	10.6%	6.0%	5.2%	9.3%	11.3%	7.0%
Autos	5.0%	4.4%	1.1%	-1.6%	4.6%	13.4%	24.2%	14.1%	-12.9%
Basic Materials	2.8%	3.2%	12.8%	9.3%	-0.5%	-13.3%	8.6%	37.3%	-6.2%
Industrial Products	6.9%	7.1%	9.4%	11.0%	-1.6%	6.9%	11.2%	14.2%	-7.0%
Construction	7.1%	7.7%	8.1%	2.9%	15.2%	5.5%	11.2%	5.5%	0.4%
Conglomerates	1.5%	3.6%	-26.7%	5.2%	2.9%	-6.5%	-11.6%	7.6%	-5.8%
Technology	16.5%	21.9%	18.4%	14.7%	9.6%	2.5%	7.9%	17.1%	10.8%
Aerospace	6.8%	8.3%	12.2%	12.8%	4.9%	9.1%	-4.3%	-1.2%	-3.2%
Oil/Energy	-0.1%	-3.9%	17.9%	-1.1%	-1.7%	-15.8%	44.8%	68.2%	-32.8%
Finance	4.3%	7.2%	-1.4%	4.7%	8.4%	16.3%	5.8%	10.2%	-2.0%
Utilities	6.7%	5.5%	7.6%	9.6%	1.0%	-1.3%	16.3%	14.3%	-7.8%
Transportation	2.9%	3.5%	7.2%	1.8%	2.2%	-0.3%	16.7%	25.1%	-14.1%
Business Services	7.8%	3.1%	9.8%	7.4%	7.1%	14.9%	11.9%	11.2%	1.4%
S&P 500	8.0%	8.1%	9.1%	7.4%	5.4%	3.7%	11.9%	16.2%	-0.3%
ex Finance	8.5%	8.2%	10.7%	7.9%	4.9%	2.0%	12.8%	17.1%	-0.1%
ex Oil/Energy	8.6%	9.1%	8.4%	8.2%	6.0%	5.9%	9.2%	13.3%	2.5%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

The Margins Picture

Net margins (aggregate net income divided by aggregate revenues) are expected to be 16.4% in Q2, up from 14.8% in the preceding period and up from 13.2% in the year-earlier period. The chart below shows the year-over-year changes in net margins.



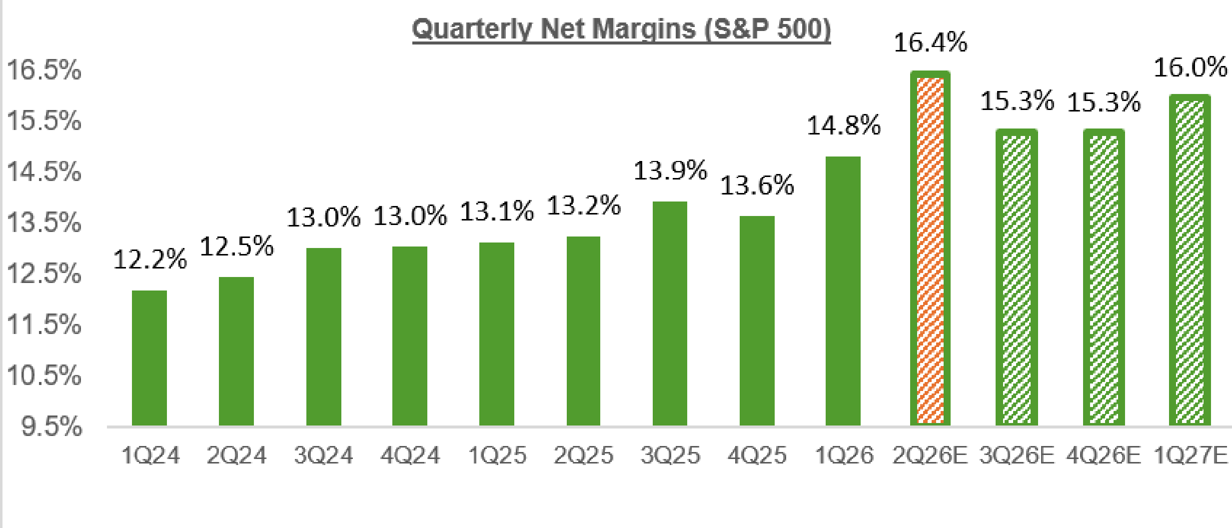
Source: Zacks Investment Research Inc.

Looking at net margins on an annual basis, full-year 2026 margins are expected to reach 15.2%, up from 2025's 13.1% and 2024's 12.4%. Margins are expected to rise to 16.3% in 2027 and 17.3% in 2028.

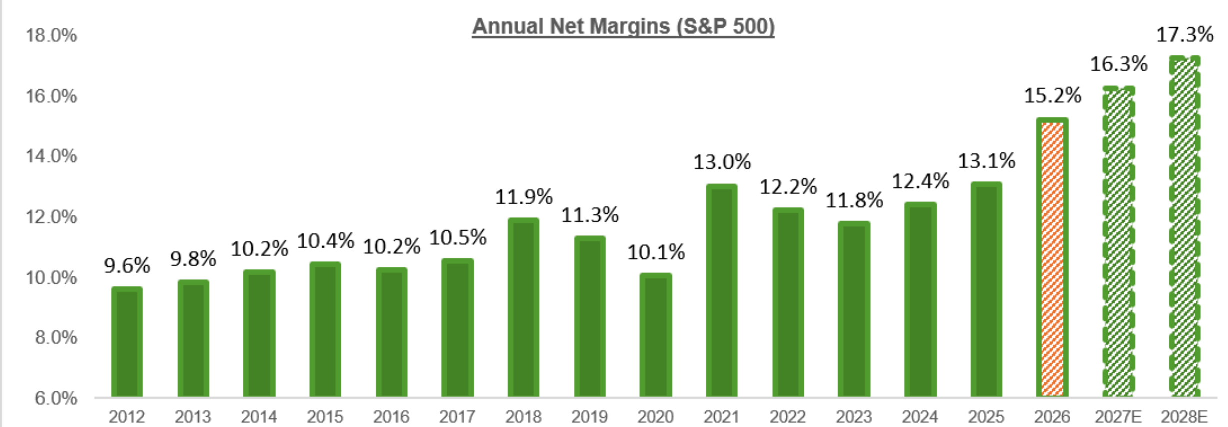
The charts below show current margins expectations in a historical context. The first chart shows margins on a quarterly basis, while the second shows annual margins since 2012.

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 2026.

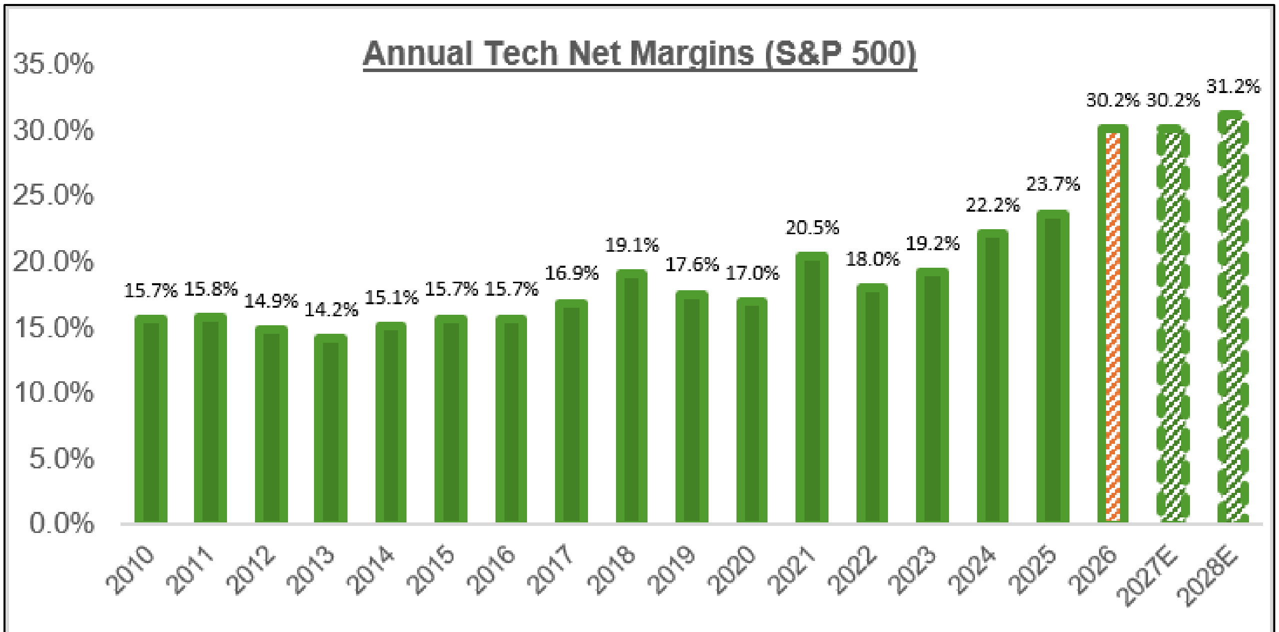


Source: Zacks Investment Research Inc.



Source: Zacks Investment Research, Inc.

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



Source: Zacks Investment Research, Inc.

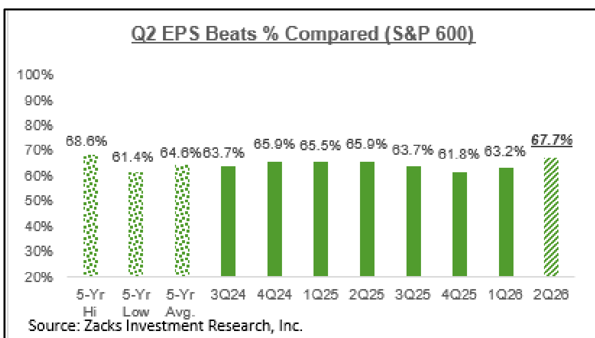
The Tech sector's favorable margin outlook reflects the ever-rising share of space's profitability from the higher-margin software and services side. The current optimism about the coming AI boom is likely a significant contributor to expectations for next year and beyond.

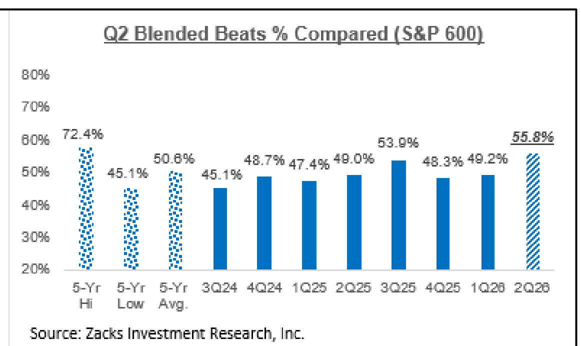
Section 5 - The Small-Cap Data – S&P 600 Index

For the S&P 600 index, we now have Q2 results from 557 index members. Total earnings for these companies are up +22.5% from the same period last year on +10.5% higher revenues, with 67.7% beating EPS estimates and 75.9% beating revenue estimates.

	2026 Q2 Scorecard						
	% Reported		Earnings		Revenue		
	Total Companies	Total Market Cap	Growth YoY	Beat %	Growth YoY	Beat %	Blended Beat %
Consumer Staples	67.9%	59.0%	-5.0%	73.7%	0.6%	63.2%	57.9%
Consumer Discretionary	89.1%	83.0%	41.0%	73.2%	7.3%	87.8%	70.7%
Retail	72.4%	70.0%	6.6%	66.7%	3.2%	66.7%	52.4%
Medical	96.9%	92.6%	20.4%	76.2%	10.1%	85.7%	68.3%
Auto/Tires/Trks	100.0%	97.5%	0.4%	58.8%	8.8%	76.5%	47.1%
Basic Materials	95.8%	96.0%	-7.3%	78.3%	4.6%	87.0%	78.3%
Industrial Products	89.7%	87.6%	54.8%	61.5%	14.9%	73.1%	53.8%
Construction	92.6%	80.6%	-9.5%	64.0%	4.0%	56.0%	44.0%
Conglomerates	50.0%	83.0%	119.4%	100.0%	-21.7%	100.0%	100.0%
Computer & Tech	91.5%	79.7%	28.3%	63.1%	9.5%	83.1%	53.8%
Aerospace	66.7%	68.1%	43.6%	100.0%	27.7%	100.0%	100.0%
Oils/Energy	100.0%	94.5%	79.8%	60.6%	35.6%	84.8%	54.5%
Finance	100.0%	91.9%	16.3%	64.2%	9.2%	70.4%	49.1%
Utilities	100.0%	91.5%	98.6%	75.0%	21.6%	56.3%	37.5%
Transportation	93.8%	86.9%	43.3%	66.7%	14.5%	60.0%	46.7%
Business Services	86.1%	78.5%	37.9%	74.2%	9.8%	83.9%	61.3%
S&P 600	**92.7%**	**85.9%**	**22.5%**	**67.7%**	**10.5%**	**75.9%**	**55.8%**
Excluding Finance	90.0%	83.9%	25.5%	69.1%	10.8%	78.1%	58.5%
Excluding Oil	92.3%	85.2%	18.7%	68.1%	8.1%	75.4%	55.9%
Source: Zacks Investment Research, Inc.							
Data as of:	*August 12, 2026*						www.zacks.com

The proportion of these 557 index members beating both EPS and revenue estimates, or the so-called 'blended beats %', is 55.8%.





For the S&P 600 index as a whole, 2026 Q2 earnings are expected to be up +20.5% from the same period last year on +9.6% higher revenues, as the summary table below shows.

Zacks Sectors	Year-over-Year Growth - S&P 600					
	Earnings		Revenues		Margins	
	2Q26E	1Q26	2Q26E	1Q26	2Q26E	1Q26
Cons. Staples	***-3.0%***	-23.7%	***-0.2%***	-1.7%	***-0.1%***	-0.9%
Cons. Discretionary	***28.8%***	85.3%	***6.8%***	9.5%	***1.4%***	1.6%
Retail/Wholesale	***2.6%***	12.8%	***3.0%***	1.0%	***0.0%***	0.3%
Medical	***34.8%***	-9.3%	***10.1%***	3.3%	***1.8%***	-0.8%
Autos	***0.8%***	-8.0%	***8.8%***	4.3%	***-0.2%***	-0.4%
Basic Materials	***-8.0%***	-37.7%	***4.5%***	-1.6%	***-0.9%***	-2.6%
Industrial Products	***48.1%***	14.1%	***12.5%***	11.3%	***2.3%***	0.2%
Construction	***-6.6%***	-11.7%	***4.2%***	2.3%	***-0.8%***	-0.8%
Conglomerates	***-1.4%***	-16.7%	***-18.1%***	-24.4%	***2.1%***	0.9%
Technology	***26.9%***	25.1%	***10.3%***	8.4%	***0.9%***	0.9%
Aerospace	***13.9%***	105.6%	***20.4%***	24.6%	***-0.4%***	2.4%
Oil/Energy	***78.9%***	1.0%	***35.6%***	8.1%	***1.6%***	-0.2%
Finance	***15.3%***	27.4%	***9.2%***	14.0%	***0.9%***	1.7%
Utilities	***76.0%***	-32.1%	***21.6%***	-9.8%	***2.1%***	-1.4%
Transportation	***37.1%***	16.0%	***13.6%***	-5.6%	***0.7%***	0.4%
Business Services	***26.0%***	15.8%	***8.6%***	15.6%	***0.8%***	0.0%
S&P 600	***20.5%***	**10.9%**	***9.6%***	**5.7%**	***0.7%***	0.3%
ex Finance	***22.8%***	2.4%	***9.6%***	4.4%	***0.7%***	-0.1%
ex Oil/Energy	***17.0%***	11.4%	***7.4%***	5.4%	***0.6%***	0.3%
Source: Zacks Investment Research, Inc.						
Data as of:	August 12, 2026			www.zacks.com		

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

Let’s take a look at how consensus earnings expectations for 2026 Q2 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)								
	1Q27E	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25
Consumer Staples	10.9%	5.3%	-14.0%	*-3.0%*	-23.7%	-13.7%	-5.5%	-4.8%	-10.1%
Consumer Discrt	19.3%	24.6%	8.1%	*28.8%*	85.3%	19%	1.9%	26.1%	3.9%
Retail	5.4%	4.0%	3.7%	*2.6%*	12.8%	0.8%	11.6%	10.9%	-7.8%
Medical	8.4%	46.8%	-12.8%	*34.8%*	-9.3%	-28.9%	70.1%	48.2%	20.6%
Auto/Tires/Trks	20.0%	27.7%	5.5%	*0.8%*	-8.0%	0.0%	1.8%	-12.1%	2.1%
Basic Materials	37.1%	34.5%	17.9%	*-8.0%*	-37.7%	-28.9%	-14.8%	-3.5%	-0.3%
Industrial Prod	3.2%	45.3%	35.0%	*48.1%*	14.1%	4.4%	16.2%	7.2%	13.9%
Construction	12.4%	2.1%	-1.4%	*-6.6%*	-11.7%	-6.8%	5.7%	8.1%	5.9%
Conglomerates	13.0%	-1.9%	2.2%	*-1.4%*	-16.7%	-6.9%	-3.8%	10.4%	-12.0%
Computer & Tech	18.7%	22.5%	8.1%	*26.9%*	25.1%	3.5%	27.3%	26.0%	19.0%
Aerospace	18.5%	40.0%	15.3%	*13.9%*	105.6%	93.1%	96.4%	95.1%	414.3%
Oils/Energy	98.2%	88.3%	36.3%	*78.9%*	1.0%	N/M	N/M	-16.3%	-13.3%
Finance	17.9%	12.1%	21.6%	*15.3%*	27.4%	30.7%	40.0%	11.3%	18.0%
Utilities	107.3%	-31.4%	129.4%	*76.0%*	-32.1%	44.6%	-37.4%	85.9%	-10.9%
Transportation	154.1%	40.5%	55.0%	*37.1%*	16.0%	11.3%	-27.6%	-31.9%	-34.0%
Business Svcs	6.9%	7.1%	4.2%	*26.0%*	15.8%	20.2%	11.5%	3.8%	9.8%
S&P 600	**22.1%**	**18.6%**	**13.1%**	***20.5%***	**10.9%**	**6.3%**	**23.1%**	**9.3%**	**7.2%**
Excluding Finance	24.8%	22.4%	9.1%	*22.8%*	2.4%	-4.1%	16.5%	8.4%	2.4%
Excluding Oil	18.3%	15.5%	11.7%	*17.0%*	11.4%	8.6%	18.7%	11.3%	8.6%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

Quarterly Revenue Growth

	Revenue Growth (YoY)								
	1Q27E	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25
Cons. Staples	1.9%	1.8%	0.7%	*-0.2%*	-1.7%	-1.5%	-1.1%	-1.2%	1.0%
Cons. Discretionary	2.2%	6.2%	4.6%	*6.8%*	9.5%	0.3%	-0.5%	2.1%	-3.2%
Retail/Wholesale	3.0%	2.5%	1.2%	*3.0%*	1.0%	0.5%	3.9%	3.2%	0.7%
Medical	5.5%	8.3%	6.5%	*10.1%*	3.3%	5.1%	11.7%	10.1%	11.8%
Autos	2.2%	7.2%	6.6%	*8.8%*	4.3%	0.8%	-0.4%	-2.7%	-4.3%
Basic Materials	4.6%	6.9%	6.5%	*4.5%*	-1.6%	-6.1%	-1.9%	1.4%	-1.1%
Industrial Products	3.7%	11.4%	12.7%	*12.5%*	11.3%	6.6%	4.8%	5.4%	5.1%
Construction	6.2%	5.8%	4.3%	*4.2%*	2.3%	2.6%	14.4%	31.8%	33.1%
Conglomerates	3.0%	-21.3%	-23.6%	*-18.1%*	-24.4%	6.0%	3.3%	0.1%	-4.5%
Technology	9.3%	8.9%	7.6%	*10.3%*	8.4%	7.4%	6.3%	2.0%	0.8%
Aerospace	7.1%	8.3%	7.6%	*20.4%*	24.6%	27.8%	25.5%	26.2%	27.6%
Oil/Energy	10.8%	18.6%	18.5%	*35.6%*	8.1%	3.8%	-0.5%	0.4%	2.0%
Finance	4.2%	4.2%	5.7%	*9.2%*	14.0%	10.9%	12.6%	6.9%	0.6%
Utilities	28.5%	29.9%	32.1%	*21.6%*	-9.8%	-10.0%	-19.3%	-9.8%	-7.9%
Transportation	21.0%	23.6%	17.2%	*13.6%*	-5.6%	-9.6%	-1.5%	0.6%	9.0%
Business Services	1.9%	6.3%	7.9%	*8.6%*	15.6%	11.2%	8.7%	7.6%	1.8%
S&P 600	**5.7%**	**7.6%**	**7.2%**	***9.6%***	**5.7%**	**3.0%**	**4.2%**	**4.3%**	**2.5%**
ex Finance	5.9%	8.2%	7.4%	*9.6%*	4.4%	1.8%	2.9%	3.9%	2.8%
ex Oil/Energy	5.2%	6.7%	6.2%	*7.4%*	5.4%	3.0%	4.6%	4.6%	2.5%

Source: Zacks Investment Research, Inc.

Data as of: August 12, 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

Zacks Sectors	Quarterly Earnings *(billion dollars)*								
	1Q27E	4Q26E	3Q26E	2Q26E	1Q26	4Q25	3Q25	2Q25	1Q25
Cons. Staples	1.01	1.40	1.19	**1.28**	0.91	1.33	1.38	1.33	1.19
Cons. Discretionary	1.58	1.80	2.04	**3.17**	1.33	1.45	1.89	2.46	0.72
Retail/Wholesale	1.39	2.24	1.46	**1.85**	1.32	2.15	1.41	1.80	1.17
Medical	1.45	1.94	1.88	**2.32**	1.34	1.32	2.16	1.72	1.47
Autos	0.74	0.86	0.91	**0.74**	0.62	0.68	0.87	0.73	0.67
Basic Materials	1.10	1.19	1.44	**1.32**	0.81	0.88	1.22	1.44	1.29
Industrial Products	1.18	1.45	1.57	**1.63**	1.14	1.00	1.16	1.10	1.00
Construction	1.18	1.38	1.67	**1.63**	1.05	1.35	1.70	1.75	1.19
Conglomerates	0.06	0.08	0.08	**0.07**	0.06	0.08	0.08	0.07	0.07
Technology	2.52	2.87	2.53	**2.30**	2.13	2.34	2.34	1.82	1.70
Aerospace	0.09	0.08	0.06	**0.09**	0.07	0.06	0.06	0.08	0.04
Oil/Energy	2.15	2.08	2.15	**2.63**	1.09	1.11	1.58	1.47	1.07
Finance	10.39	10.82	10.30	**9.40**	8.81	9.65	8.47	8.15	6.92
Utilities	0.73	0.52	0.36	**0.70**	0.35	0.76	0.16	0.40	0.52
Transportation	0.59	0.76	0.60	**0.62**	0.23	0.54	0.39	0.45	0.20
Business Services	1.53	1.67	1.65	**1.69**	1.44	1.56	1.59	1.34	1.24
S&P 600	**27.69**	**31.13**	**29.90**	**31.45**	**22.68**	**26.25**	**26.43**	**26.11**	**20.45**
ex Finance	17.30	20.32	19.60	**22.06**	13.86	16.60	17.96	17.96	13.53
ex - Oil	25.54	29.05	27.75	**28.82**	21.59	25.14	24.86	24.64	19.38

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

Total Quarterly Revenues

	Quarterly Revenues *(billion dollars)*								
	1Q27E	4Q26E	3Q26E	2Q26E	Q421	4Q25	3Q25	2Q25	1Q25
Cons. Staples	29.11	30.95	29.82	**29.39**	28.57	30.41	29.62	29.46	29.07
Cons. Discretionary	35.07	36.31	36.31	**37.39**	34.33	34.19	34.72	35.00	31.35
Retail/Wholesale	46.63	51.47	47.77	**49.09**	45.26	50.24	47.18	47.64	44.81
Medical	23.71	24.52	23.98	**24.02**	22.47	22.64	22.52	21.83	21.76
Autos	22.41	22.73	23.02	**23.69**	21.92	21.20	21.61	21.78	21.01
Basic Materials	18.85	18.75	19.83	**20.46**	18.02	17.55	18.63	19.57	18.31
Industrial Products	16.62	17.06	17.11	**17.21**	16.03	15.32	15.19	15.30	14.41
Construction	22.57	24.62	25.60	**24.91**	21.24	23.27	24.55	23.92	20.77
Conglomerates	0.56	0.64	0.59	**0.60**	0.54	0.81	0.78	0.73	0.72
Technology	33.63	34.25	33.07	**32.43**	30.77	31.45	30.74	29.42	28.38
Aerospace	1.32	1.26	1.17	**1.38**	1.23	1.16	1.09	1.14	0.99
Oil/Energy	34.95	35.48	35.75	**39.98**	31.54	29.93	30.16	29.49	29.16
Finance	57.45	59.10	56.84	**56.98**	55.13	56.72	53.75	52.17	48.37
Utilities	10.67	10.46	9.83	**10.07**	8.31	8.06	7.44	8.28	9.21
Transportation	14.16	14.61	14.97	**14.63**	11.70	11.83	12.78	12.87	12.40
Business Services	28.38	28.58	28.46	**27.93**	27.84	26.89	26.36	25.72	24.08
S&P 600	**396.09**	**410.81**	**404.13**	**410.15**	**374.90**	**381.65**	**377.11**	**374.28**	**354.78**
ex Finance	338.63	351.71	347.29	**353.17**	319.77	324.93	323.36	322.11	306.41
ex Oil/Energy	361.14	375.33	368.38	**370.17**	343.36	351.72	346.95	344.80	325.62

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026 www.zacks.com

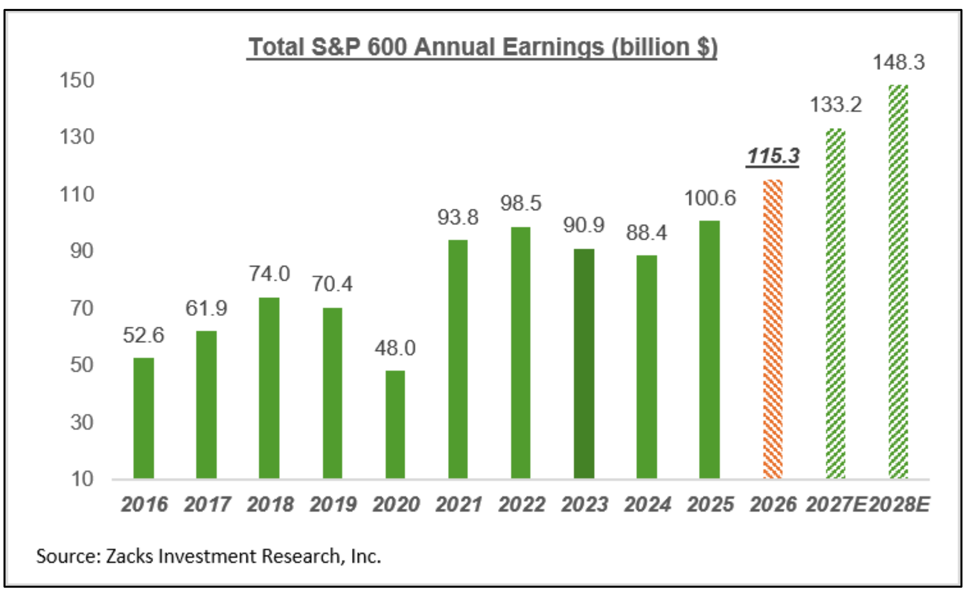
Looking at the small-cap index on an annual basis, earnings growth turned positive in 2025 after two years of declines, as the following table shows.

Zacks Sectors	Annual Earnings (billion dollars)								
	2028E	2027E	2026	2025	2024	2023	2022	2021	2020
Cons. Staples	5.5	5.0	***4.9***	5.5	6.1	6.3	6.2	6.6	5.2
Cons. Discretionary	10.1	8.9	***8.4***	6.5	5.4	5.8	4.6	4.8	1.0
Retail/Wholesale	8.5	7.5	***6.6***	6.5	6.1	6.6	8.2	9.1	3.5
Medical	10.8	8.7	***7.0***	6.4	5.6	4.1	3.8	5.1	2.2
Autos	5.3	4.5	***3.5***	2.9	3.0	2.8	3.1	3.6	1.3
Basic Materials	6.3	5.7	***4.5***	4.9	5.1	6.1	7.6	6.8	3.6
Industrial Products	6.6	6.2	***5.3***	4.2	4.1	3.5	2.6	2.0	1.4
Construction	7.2	6.6	***5.8***	5.9	6.1	5.9	6.2	5.2	3.0
Conglomerates	0.4	0.3	***0.3***	0.3	0.3	0.3	0.2	0.1	0.1
Technology	13.1	11.8	***9.9***	9.6	6.3	7.0	7.2	6.1	2.3
Aerospace	0.5	0.4	***0.3***	0.2	0.1	0.1	0.2	0.2	0.2
Oil/Energy	11.7	9.8	***7.7***	5.3	5.2	9.1	10.0	1.8	-1.0
Finance	47.0	44.7	***40.6***	33.2	26.3	24.6	26.2	32.1	18.6
Utilities	2.7	2.4	***2.0***	1.6	1.4	1.6	3.3	3.8	3.4
Transportation	4.1	3.2	***2.1***	1.6	2.1	2.1	3.4	1.6	-0.4
Business Services	8.5	7.4	***6.5***	5.9	5.2	5.1	5.6	5.0	3.8
S&P 600	148.3	133.2	***115.3***	100.6	88.4	90.9	98.5	93.8	48.0
ex Finance	101.3	88.5	***74.7***	67.4	62.1	66.3	72.3	61.7	29.4
ex - Oil	136.5	123.4	***107.6***	95.3	83.2	81.8	88.5	92.1	49.1

Source: Zacks Investment Research, Inc.

Data as of: August 12, 2026

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

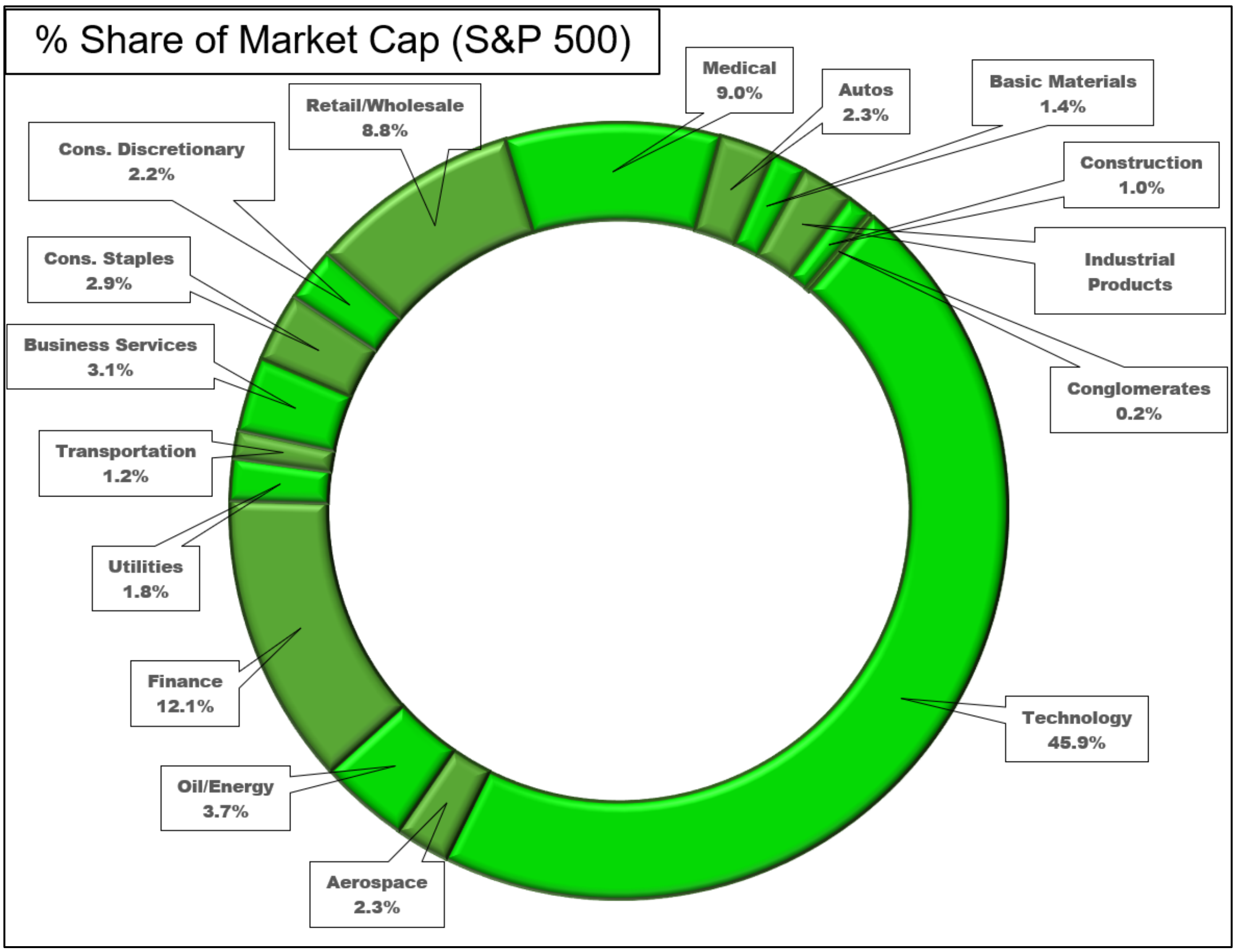


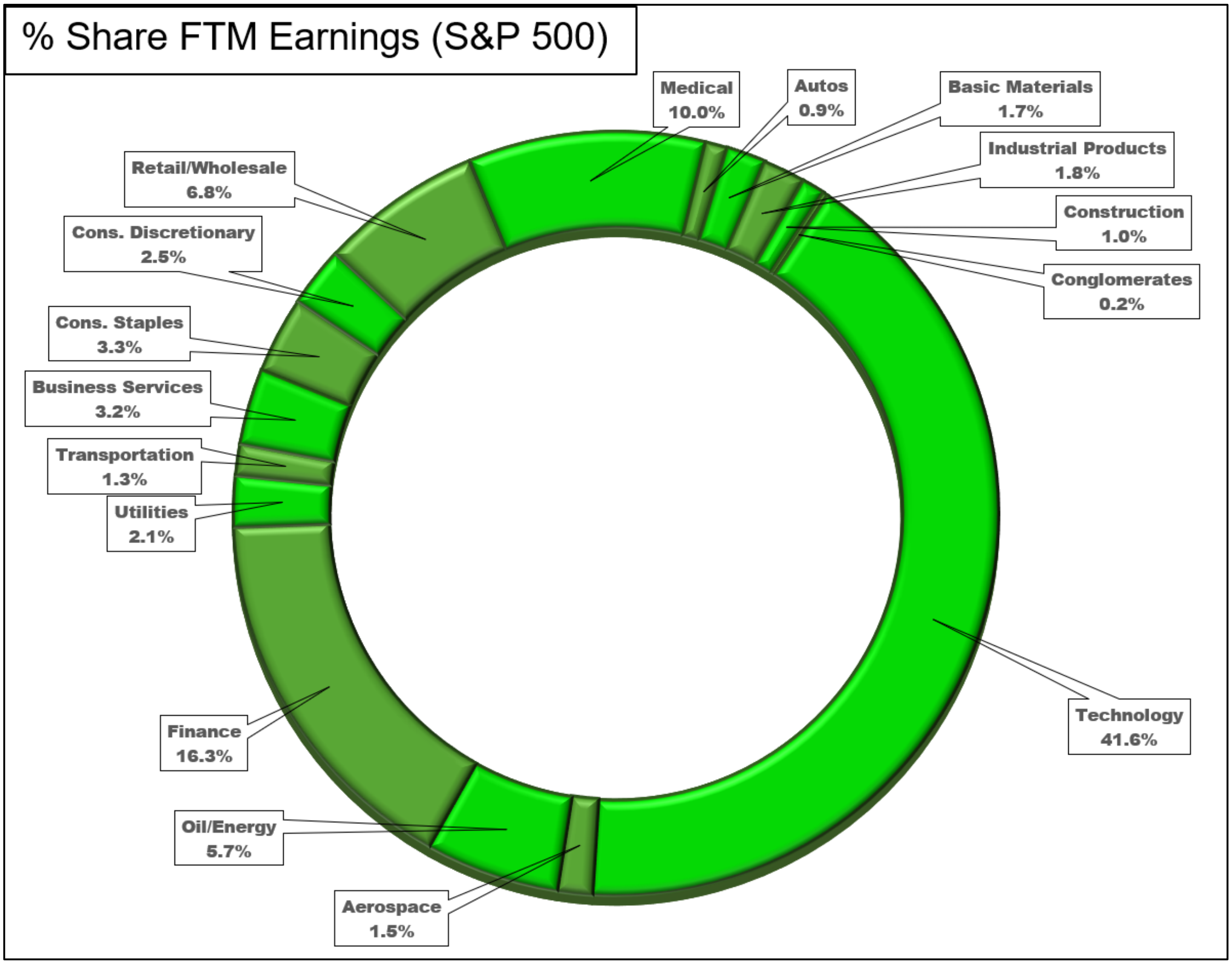
Section 6: Market Cap vs. Total Earnings

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.





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

Contact Terry Ruffolo at 312-265-9213 or at truffolo@zacks.com

Visit the Zacks Media Room at zacks.com/media-room