

August 19, 2026

- One year ago, on August 18, 2025, the S&P 500 closed at 6,449.15.
- At that time, the FY 2025 EPS estimate was \$266.47, giving the S&P 500 a P/E ratio of 24.20x.
- The FY 2026 EPS estimate was \$302.73, representing a forward P/E ratio of 21.30x.
- Fast forward one year, and the S&P 500 closed last night at 7,691.76, a gain of +19.27%.
- With the S&P 500 up nearly 20%, you might expect valuation multiples to be higher. They are not.
- The FY 2026 EPS estimate has risen from \$302.73 one year ago to \$359.89 today.
- Based on that higher earnings estimate, the current FY 2026 P/E ratio is 21.37x, which is -11.68% below the comparable 24.20x P/E ratio one year ago.
- Based on the current FY 2027 EPS estimate, the S&P 500 trades at 18.68x earnings, -12.30% below the comparable 21.30x forward P/E ratio one year ago.
- In other words, the S&P 500 has gained +19.27% over the past year, but earnings expectations have risen even faster. As a result, valuations are roughly 11% to 12% lower than they were one year ago.

S&P 500 Quarterly EPS growth expectations

Date	2Q26A/E EPS Growth	3Q26E EPS Growth	4Q26E EPS Growth	1Q27E EPS Growth
5/1/2026	12.54%	13.21%	15.19%	-
6/1/2026	13.88%	14.92%	15.45%	9.93%
7/1/2026	15.37%	16.65%	18.69%	12.03%
8/1/2026	21.27%	17.51%	19.49%	12.65%
8/12/2026	24.51%	17.83%	20.32%	13.12%
8/18/2026	24.57%	18.24%	20.73%	13.85%
8/19/2026	24.70%	18.19%	20.71%	13.84%

Source: The Earnings Scout

S&P 500 Annual EPS estimates

*S&P 500	FY 2026E	FY 2027E
\$7,691.76	\$359.89	\$411.87
Price to Earnings	21.37x	18.68x
P/E 1 Year Ago	24.20x	21.30x

*Closing Price on August 18, 2026

Source: The Earnings Scout

- There is an important catch. One year ago, EPS estimates were falling, but they were falling at a slower rate. On a rate of change basis, the earnings outlook was improving.
- Improving earnings revision momentum tends to support higher valuation multiples because investors are willing to pay more for a strengthening earnings outlook.
- Today, EPS estimates are rising, but over the past three months they have been rising at a slower rate than they did during the peak of the 1Q 2026 earnings season.
- That change in momentum matters. If positive estimate revisions continue to slow, investors may become less willing to pay higher multiples for future earnings growth.
- The key question is no longer whether earnings estimates are rising. They are. The key question is whether positive earnings revision momentum can reaccelerate.

Nick Raich, CFA®
 Chief Executive Officer
 The Earnings Scout
 312.391.6805
nick.raich@earningscout.com
www.EarningsScout.com
[@EarningsScout](https://twitter.com/EarningsScout)



2Q 2026 Earnings Scorecard, as of 9:00 AM ET on August 19, 2026

Sector	EPS Growth	Avg EPS Surprise	Exceeded	Matched	Missed	Reported	% Reported
Energy	173.11%	14.80%	86%	5%	10%	21	100%
Information Technology	70.18%	10.63%	93%	0%	7%	72	83%
Materials	42.73%	4.33%	80%	0%	20%	25	100%
Financials	21.47%	11.93%	88%	3%	9%	67	100%
Industrials	17.06%	8.52%	88%	3%	9%	78	96%
Health Care	9.58%	13.50%	96%	0%	4%	55	93%
Consumer Staples	8.35%	5.71%	81%	0%	19%	26	81%
Utilities	8.06%	5.55%	71%	10%	19%	31	100%
Consumer Discretionary	7.95%	3.36%	86%	2%	12%	43	86%
Real Estate	6.64%	6.83%	83%	10%	7%	30	100%
Communication Services	6.53%	4.58%	76%	0%	24%	17	100%
S&P 500	25.64%	9.15%	87%	3%	11%	465	93%

Source: The Earnings Scout

2Q 2026 Sales Scorecard, as of 9:00 AM ET on August 19, 2026

Sector	Sales Growth	Sales Surprise	Exceeded	Missed	Reported	% Reported	Tax Rate
Energy	42.77%	23.50%	81%	19%	21	100%	24.31%
Information Technology	26.19%	4.25%	85%	15%	72	83%	19.02%
Financials	14.33%	7.00%	82%	18%	67	100%	21.56%
Industrials	12.11%	3.74%	81%	19%	78	96%	21.70%
Materials	11.16%	2.06%	76%	24%	25	100%	24.80%
Real Estate	11.00%	3.03%	83%	17%	30	100%	7.11%
Consumer Discretionary	10.16%	2.39%	70%	30%	43	86%	22.00%
Communication Services	10.12%	2.41%	71%	29%	17	100%	17.83%
Consumer Staples	9.84%	-0.02%	77%	23%	26	81%	21.98%
Health Care	7.47%	3.33%	91%	9%	55	93%	26.45%
Utilities	5.46%	0.20%	48%	52%	31	100%	14.05%
S&P 500	14.50%	5.04%	79%	21%	465	93%	21.11%

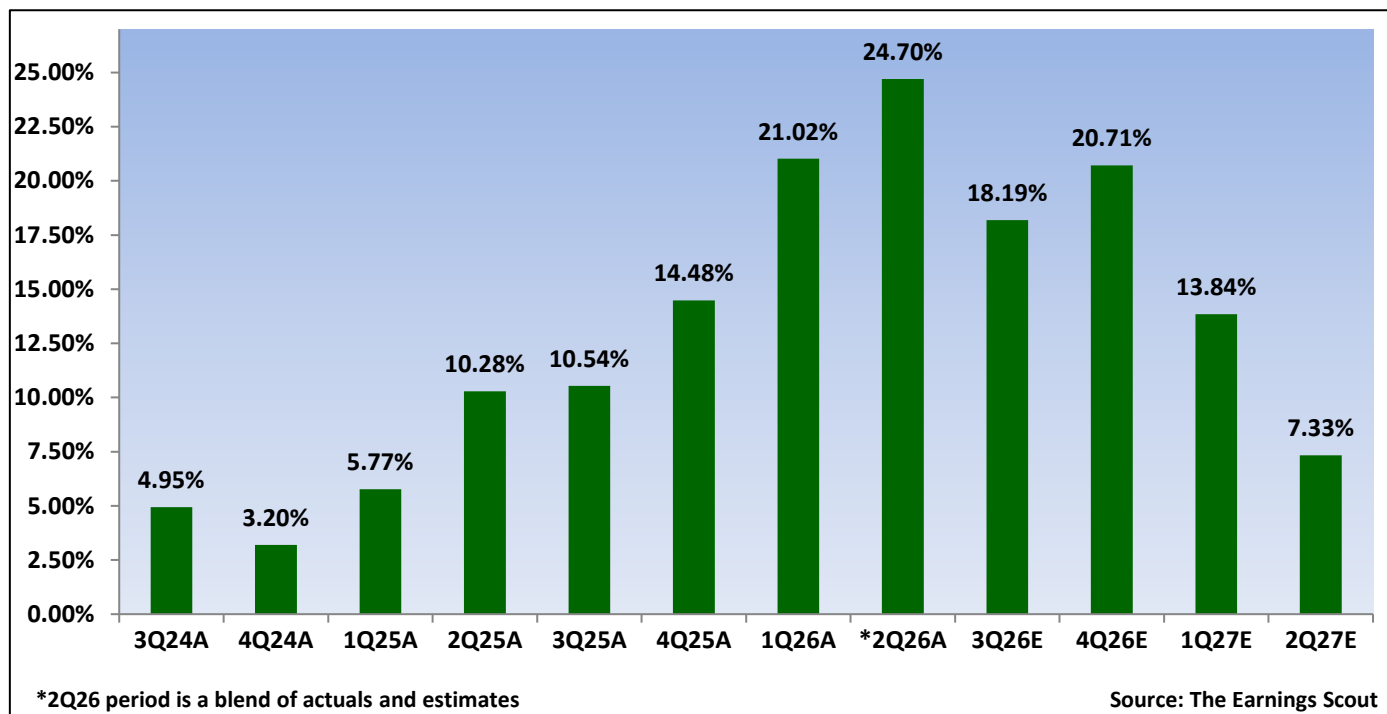
Source: The Earnings Scout

How do the "blended" 2Q 2026 expectations compare to prior periods?

Period	EPS Growth	Sales Growth	Avg EPS Surprise	Exceeded	Matched	Missed	Sales Beats	Sales Misses
*2Q26A	24.70%	15.17%	9.15%	87%	3%	11%	79%	21%
1Q26A	21.02%	10.82%	8.98%	86%	3%	11%	81%	19%
4Q25A	14.48%	9.39%	4.27%	76%	5%	19%	73%	27%
3Q25A	10.54%	8.55%	5.22%	82%	4%	14%	77%	23%
2Q25A	10.28%	6.53%	7.38%	77%	3%	21%	79%	21%
3 Yr Avg.	7.63%	5.91%	6.32%	78%	4%	17%	68%	32%



Actual and Estimated EPS growth



Actual and Estimated S&P 500 Sales growth

