

March 14, 2025

GLOBAL EARNINGS UPDATE

Earnings and Sales Growth: Looking to the end of 2025, analysts expect Developed and Emerging markets to grow EPS by 10.6% and 13.8% respectively, at the median, from 7.3% and 13.4% respectively in 2024. This increased growth in the Developed world and sustained growth in the Emerging world is encouraging, with sales growth experiencing a modest increase in estimates from 2024 to 2025 as well. These estimates, particularly in Europe, could climb further if peace is reached between Ukraine and Russia, if central banks follow through with, in some cases, delayed dovish interest rate policy, and if global inflation is not reignited at the same time. However, a headwind to global corporate growth could be trade wars escalated by increasing tariffs (whether employed for negotiation, reshoring American manufacturing, or decreasing trade deficits).

Earnings Expectation Trends: From a region perspective, 2025 earnings expectations have been stable Q/Q with Emerging Asia (+0.8% Q/Q) changing the most. This has been driven by higher optimism in India (+2.1% Q/Q), that could be the result of a pushback effect with forecasts for 2024 median EPS growth declining -3.5% Q/Q. In Brazil, bottom-line estimates for 2025 are down at the median -2.5% Q/Q in addition to a -3.7% Q/Q decline in 2024 forecasts as well. Canadian estimates are up (+0.7% Q/Q) perhaps due to higher commodity prices, but it will be interesting to see what the effects of barriers to trade with the US will be on these earnings forecasts.

Region / Select Countries	FY24 Expected Earnings Growth	Q/Q Change ¹	FY25 Expected Earnings Growth	Q/Q Change ¹	FY24 Expected Sales Growth	Q/Q Change ¹	FY25 Expected Sales Growth	Q/Q Change ¹	CY24 Local Market Total Return
Developed	7.3%	+0.0%	10.6%	-0.4%	4.7%	+0.1%	5.1%	-0.1%	21.6%
Americas	7.7%	-0.2%	10.6%	-0.5%	5.2%	+0.2%	5.6%	-0.1%	25.0%
U.S.	7.9%	-0.1%	10.4%	-0.9%	5.2%	+0.2%	5.7%	-0.1%	25.1%
Canada	7.0%	+0.1%	11.2%	+0.7%	6.3%	+0.0%	4.9%	-0.3%	23.0%
Europe	5.9%	-0.3%	10.9%	-0.1%	3.4%	+0.1%	4.8%	-0.1%	8.8%
Germany	7.8%	-2.0%	12.4%	+0.1%	2.7%	+1.7%	4.9%	-0.3%	18.5%
U.K.	3.8%	-0.1%	10.1%	-1.0%	2.7%	+0.1%	5.0%	+0.1%	9.5%
Pacific	8.6%	+0.9%	9.9%	+0.3%	4.8%	+0.1%	4.0%	-0.1%	18.1%
Japan (Mar)	9.3%	+1.2%	10.0%	-0.1%	5.2%	+0.1%	3.9%	-0.1%	21.2%
Australia (Jun)	4.0%	+0.9%	11.3%	-0.1%	4.7%	+1.8%	4.5%	-0.1%	11.7%
Emerging	13.4%	-1.0%	13.8%	+0.4%	7.6%	-0.4%	8.2%	+0.0%	13.7%
Americas	10.0%	-2.4%	11.6%	+0.2%	7.1%	+0.0%	6.0%	+0.0%	-9.3%
Brazil	10.7%	-3.7%	14.7%	-2.5%	7.6%	-0.3%	6.4%	-0.2%	-11.4%
Mexico	7.8%	-3.2%	11.7%	+2.0%	7.4%	+1.0%	7.1%	+0.8%	-10.2%
EMEA ²	9.5%	+0.7%	11.5%	+0.5%	7.3%	+0.0%	7.6%	+0.7%	9.2%
South Africa	12.3%	-1.5%	12.8%	-0.1%	5.1%	+0.5%	7.3%	+0.0%	10.8%
Saudi Arabia	15.5%	+0.7%	16.0%	+0.5%	8.2%	+0.3%	8.5%	-1.7%	1.0%
Asia	14.9%	-1.4%	14.9%	+0.8%	7.9%	-0.3%	8.8%	-0.2%	17.2%
China	14.9%	+1.5%	12.2%	+0.1%	5.3%	-0.3%	7.8%	+0.2%	19.8%
S. Korea	16.4%	-2.2%	19.6%	+0.4%	4.9%	-1.2%	6.9%	+0.3%	-12.1%

Countries / regions with a significant portion of companies with non-calendar year end fiscal years are so noted in parentheses

¹: Change in the median growth rate of each region/country compared to the median of last quarter. ²: EMEA: Europe, Middle East and Africa; Source: Refinitiv Financial; MSCI; Smith Asset Management Group. Data as of Dec. 31, 2024; Values calculated using median estimates; Returns include dividends reinvested. **Past performance is not indicative of future results. As with any investment vehicle, there is always a potential for profit as well as the possibility of loss. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector.**

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