

June 3, 2025



GLOBAL EARNINGS UPDATE

Prepared by: Smith Group Asset Management, LLC

Earnings and Sales Growth

While tariffs have impacted estimates, the absolute rates of 2025 EPS growth in the Developed Markets (8.1%) and Emerging Markets (11.1%) are still firmly positive. Forecasted sales growth has demonstrated greater stability this period. Emerging Asia currently has the highest estimates for both top and bottom lines, from a region perspective, with South Korea expected to grow earnings per share at the median company by 22.1% despite a more moderate 6.6% anticipated sales growth due to strength in technology.

Earnings Expectation Trends

Particularly in Europe, expectations have declined with American tariffs in one form or another set to be in place, as the United States exerts its influence as the global hegemon. European nations such as France (-5.0% Q/Q) and the Netherlands (-3.1% Q/Q) have 2025 forecasted earnings which have shifted downward as worldwide trade dynamics are being re-sorted. Notably, the Scandinavian countries such as Sweden (+2.3% Q/Q) did not experience negative trajectory and actually had an increase in positive sentiment at the median company. Interestingly, Mexico (+2.7% Q/Q) seems to have not been as affected yet by news of tariffs while Canada (-1.4% Q/Q) looks to have already felt at least some of the effects. Earnings estimates for the Emerging Asia region are down marginally -0.6% Q/Q, despite positive revisions in China and South Korea, with India down -1.8% Q/Q and negative sentiment change seen in Southeast Asian countries as well.

REGION / SELECT COUNTRIES	FY25 EXPECTED EARNINGS GROWTH	Q/Q CHANGE ¹	FY26 EXPECTED EARNINGS GROWTH	Q/Q CHANGE ¹	FY25 EXPECTED SALES GROWTH	Q/Q CHANGE ¹	FY26 EXPECTED SALES GROWTH	Q/Q CHANGE ¹	YTD LOCAL MARKET TOTAL RETURN
Developed	8.1%	-2.2%	11.2%	-0.4%	5.1%	-0.1%	5.1%	+0.1%	-2.6%
Americas	8.0%	-2.6%	11.9%	-0.3%	5.4%	-0.2%	5.6%	+0.1%	-4.3%
U.S.	7.6%	-2.7%	12.0%	-0.3%	5.2%	-0.5%	5.7%	+0.0%	-4.5%
Canada	9.8%	-1.4%	10.4%	+0.1%	8.1%	+3.2%	4.5%	+0.3%	1.4%
Europe	8.0%	-2.9%	10.9%	-0.5%	5.0%	+0.2%	4.9%	+0.1%	6.3%
Germany	9.6%	-2.7%	12.1%	-0.8%	4.9%	+0.0%	4.8%	+0.1%	10.9%
U.K.	7.4%	-2.8%	10.5%	-1.1%	4.4%	-0.6%	5.1%	+0.0%	6.4%
Pacific	8.8%	+0.4%	9.2%	-0.7%	4.6%	-0.2%	4.3%	+0.3%	-3.0%
Japan (Mar)	10.4%	+1.1%	9.7%	-0.3%	4.9%	-0.2%	4.1%	+0.2%	-4.4%
Australia (Jun)	5.8%	+1.8%	10.5%	-0.8%	3.7%	-0.9%	4.8%	+0.3%	-3.2%
Emerging	11.1%	-0.8%	12.7%	+0.6%	7.1%	-0.4%	8.2%	+0.6%	2.7%
Americas	11.5%	+0.0%	11.7%	+1.5%	6.2%	+0.2%	6.1%	+0.2%	7.5%
Brazil	11.5%	-3.2%	15.7%	-0.1%	6.4%	+0.0%	8.1%	+0.5%	6.9%
Mexico	14.4%	+2.7%	9.0%	+4.0%	7.4%	+0.4%	6.5%	+1.4%	6.9%
EMEA²	9.9%	-1.6%	11.4%	+1.0%	7.0%	-0.7%	7.3%	+1.0%	6.9%
South Africa	14.2%	+1.4%	11.5%	+0.4%	6.6%	-0.7%	8.0%	+1.2%	11.0%
Saudi Arabia	10.1%	-5.9%	15.0%	+1.1%	7.8%	-0.8%	8.2%	+1.0%	1.6%
Asia	11.5%	-0.6%	13.4%	+0.6%	7.3%	-0.5%	8.7%	+0.4%	1.7%
China	12.7%	+0.5%	11.5%	+0.8%	7.1%	-0.7%	8.3%	+1.0%	15.0%
S. Korea	22.1%	+2.5%	16.7%	+3.3%	6.6%	-0.3%	6.8%	+0.7%	5.2%

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 Mar. 31, 2025; 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.**

Performance and Firm Disclosures

This material is for recipient use only. Smith Group is not soliciting any action based upon it.

The material is based upon information we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. Opinions included in this material are as of date of publication and are subject to change without prior notice. Firm: Originally founded in 1995, Smith Group Asset Management, LLC is now part of Cantor Fitzgerald, starting in July 2021. Smith Group is a registered investment advisor that specializes in equity investment management services. The firm manages assets for a diverse list of clients, which includes foundations, endowments, corporate pensions, public funds, multi-employer plans and high-net worth individuals. Effective Jan. 1, 2006, the firm was redefined to exclude wrap SMA business. Smith Group claims compliance with the Global Investment Performance Standards (GIPS®). Smith Group has received a firm-wide verification for the period Jan. 1, 1996 - Dec. 31, 2023. GIPS® Advertising Guidelines were used to draft these disclosures. To receive a complete list and description of Smith Group's composites and/or a presentation that adheres to the GIPS standards, contact John Brim, CFA at (214) 880-4608, or write to Smith Group, 100 Crescent Court, Suite 1150, Dallas, TX 75201, or john.brim@cantor.com. **Reporting Season Data:** Information provided for the Global Mid-Large Cap universe is based on information we consider reliable and reflects the reported quarterly and annual earnings and revenue information of the median company in the respective group of companies. The information provided is not intended to reflect stock or portfolio performance but rather reflect the reported earnings and revenues of the median company and consensus earnings and revenues expectations as reported by Refinitiv Financial Services. Smith Group makes no claim of performance based on the reported data nor does Smith Group claim that any historic relationship between the reported earnings and revenues and consensus expectations will exist in the future. **Earnings Surprise:** According to many academic studies, earnings surprise has had a positive relationship to relative performance in most time periods and for most companies. However, this does not mean that this relationship exists for all time periods and for all companies. There is no assurance that the historic positive relationship between earnings surprise and relative performance will exist in the future. Nor is there any assurance that the historic ability of Smith Group to forecast a high rate of positive earnings surprise companies will exist in the future. **Performance and Indices:** All performance returns include the impact of cash, cash equivalents, dividends and interest. The S&P 500, Russell 1000, Russell 1000 Growth and Russell 1000 Value, are unmanaged indices of the shares of large U.S. corporations. The Russell 2000, Russell 2000 Growth and Russell 2000 Value, are unmanaged indices of the shares of small U.S. corporations. The MSCI Europe Australia Far East (EAFE), MSCI Emerging Markets (EM), MSCI All-Country World ex. U.S. (ACWI ex. U.S.) and MSCI All-Country World ex. U.S. (ACWI ex. U.S.) are free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. All index performance includes capital appreciation and reinvested dividends and is presented gross of fees. **Holdings, Economic Sectors and Characteristics:** It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities and economic sectors shown. A list of recommendations made within the last twelve months is available upon request. The information shown is not intended nor should it be construed to be a recommendation to buy or sell an individual security or economic sector. Any portfolio characteristics or holdings that are shown are intended to present the portfolio as it existed on the date of the report. You should not assume that these same characteristics or holdings will exist in the future.

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. Actual results may differ from composite returns, depending on account size, investment guidelines and/or restrictions, inception date and other factors. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector.

This message is intended only for the designated recipient(s). It may contain confidential, privileged or proprietary information. This message does not constitute an offering for investment interests. This message is not, and under no circumstances is to be construed as, a prospectus, advertisement or public offering of investment interests. If you are not a designated recipient, you may not review, copy or distribute this message. If you receive this message in error, please notify the sender by reply email and delete this message. Thank you.

Not a Deposit	May Lose Value	No Bank Guarantee
Not insured by the FDIC, NCUA or any other government agency		

Current Publication Date: 6/13/2025