

Executive Briefing: Quarterly Performance Summary and Benchmarks

Second-quarter 2026 results from company earnings releases and SEC filings.

COVERAGE

Sector		Company revenue		Companies included	207
Consumer Products and Durables	56	Over \$5 billion	82		
Life Sciences	52	\$1 billion to \$5 billion	77		
Industrial Equipment and Machinery	40	Under \$1 billion	48		
Automotive	23				
Aerospace and Defense	20				
Chemicals	16				



Q2 2026: continued and increasing optimism, performance and guidance

Summary: 207 US public companies in six sectors, Q2 2026 earnings releases and SEC filings

Broad and accelerating. Across sectors, revenue, earnings and optimism are strong and rising. This is not a one-sector story: every sector grew, and executives in every sector are more confident than they were three months ago.

AI, defense and Life Sciences lead. Sectors serving the AI supply chain (e.g., goods and services for the data-center and power build-out) and defense, along with Life Sciences, are leading with torrid growth and the most confident executives. These are multi-year spending cycles, and their guidance says they are far from over.

Consumer markets lag. Sectors directly exposed to consumer markets (e.g., Consumer Products and Automotive) are lagging on growth and earnings. Their executives remain optimistic, but cautiously so. That optimism may not be justified: struggling consumers are pushing back on price, and many of these companies have little room left to raise it. As a result, those companies are leaning on cost reduction to protect earnings.

Inflation is an increasing worry. Inflation has overtaken tariffs as the most-cited headwind. Arcpath anticipates that it will pressure pricing, cost management and, ultimately, earnings well beyond the companies naming it today, and consumer markets will feel it first.

Tariff refunds support earnings. Tariffs have faded as a concern, and refunds of tariffs already paid are now among the most-cited tailwinds. However, they are a one-time windfall that Arcpath has removed from this analysis.

EPS growth, All Sectors

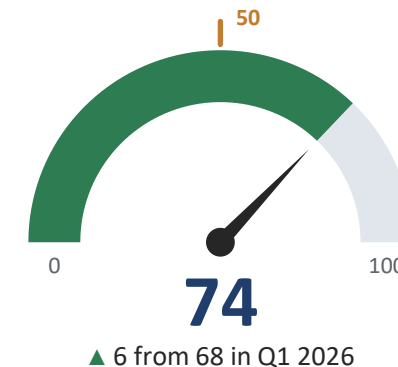
Quarterly, YoY: Q2 2026 against Q2 2025

+13.5%

▲ up from +11.2% in Q1 2026

Executive sentiment index, All Sectors

Quarterly: Q2 2026 against Q1 2026



50 is neutral; above 50, executives on balance raised guidance and spoke positively about their markets. [How it is scored: page 12](#)

Q2 2026: EPS up 13.5%, sentiment up in all six sectors, guidance raised in five of six

Key results: All Sectors and by sector; 207 US public companies, Q2 2026 earnings releases



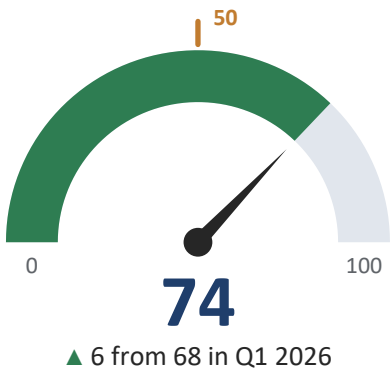
EPS growth, All Sectors

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Executive sentiment index, All Sectors

Quarterly: Q2 2026 against Q1 2026



50 is neutral; above 50, executives on balance raised guidance and spoke positively about their markets. [How it is scored: page 12](#)

Guidance raised in five sectors; Automotive slightly lower

Full-year revenue guidance (annual): change since Q1 2026 releases, percentage points

	Change in Annual Revenue Guidance (pts) [†]	Guided annual revenue growth	Share of companies	
	-1 0 +1 +2 +3		Raised	Lowered
All Sectors	+1.4	6.4%	59%	16%
Aerospace and Defense	+2.5	12.8%	87%	0%
Chemicals †	+1.4%	n/a	43%	14%
Life Sciences	+1.2	7.2%	60%	17%
Industrial Equipment	+1.1	9.3%	78%	7%
Consumer Products	+0.4	1.9%	43%	30%
Automotive †	-0.1%	n/a	42%	11%

[†] Profit guidance in place of revenue guidance for Automotive and Chemicals: companies guiding revenue hold under half of these sectors' weight, so the change shown is in profit guidance (EPS, or the main profit measure), %.

How to use this briefing

What it covers, how to read it, and where to find each topic

What it is

A quarterly review of financial and operational results and executive sentiment at 207 US public companies in six sectors, drawn from their earnings releases and SEC filings.

How to use it

Designed for rapid benchmarking: in a few minutes, see how each sector is performing and where a company stands against its peers.

- Two-minute read: [pages 2 and 3](#)
- Your sector: [page 5](#)
- Trends by sector: [appendix A1 and A2](#)
- Your company against its peers: [page 7](#)

How to read the numbers

- Quarterly results compare a quarter with the same quarter a year earlier (YoY) or with the quarter before (QoQ).
- Annual results cover the last four quarters (TTM), or the full year for guidance.
- Sentiment runs from 0 to 100; 50 is neutral and higher is more positive.
- **Green** means improving, **red** deteriorating, **grey** unchanged.
- All Sectors means the six sectors combined.

Source: company earnings releases and SEC filings (SEC EDGAR), Q2 2026; Arcpath analysis.

What's inside

<u>2</u>	<u>Summary</u> What happened in Q2, and what does it mean?
<u>3</u>	<u>Key results</u> How did companies do, and what do they expect?
<u>5</u>	<u>Sectors at a glance</u> How did each sector do?
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<u>7</u>	<u>Benchmarks</u> How do companies compare with their peers?
<u>8</u>	<u>Sentiment</u> How do executives feel, and what are they citing?
<u>9</u>	<u>Costs and inventory</u> Are companies cutting costs and building inventory?

APPENDIX

<u>A1</u> page 10	<u>Growth by sector</u> How is each sector trending?
<u>A2</u> page 11	<u>Inventory by sector</u> Where is inventory building?
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[Definitions and method: page 12](#)

Q2 at a glance: sentiment and revenue grew in every sector

Sector breakdown: financial metrics, sentiment and operational metrics, Q2 2026

In brief

- ▲ **Financial:** revenue growth (quarterly, YoY) picked up in Life Sciences, Automotive and Chemicals, and slowed in Consumer Products and Industrial Equipment.
- ▲ **Financial:** revenue QoQ rose in all six sectors, as it usually does in the second quarter: All Sectors +8.2%, against +7.7% a year earlier.
- ▲ **Sentiment:** the index rose in all six sectors; guidance was raised in five sectors and slightly lower in Automotive.
- **Operational:** inventory grew more slowly than revenue in six sectors; 31% of companies cite a cost program.

Sector	FINANCIAL METRICS					SENTIMENT		OPERATIONAL METRICS	
	Revenue growth	Revenue growth	Operating income growth	EPS growth	Operating margin	Sentiment index	Revenue guidance	Cost programs	Inventory
	Quarterly, YoY	Quarterly, QoQ	Quarterly, YoY	Quarterly, YoY	Annual (TTM)	Quarterly; change QoQ	Annual (full year); change vs Q1, pts	Share of companies	Quarterly, YoY
Consumer Products	+2.3%	+2.1%	+2.6%	+0.4%	12.7%	61 ▲ 4	1.9% ▲ 0.4	48%	-4.4%
Life Sciences	+11.3%	+9.5%	+16.2%	+16.3%	29.4%	77 ▲ 7	7.2% ▲ 1.2	13%	+7.7%
Industrial Equipment	+9.3%	+8.8%	+15.0%	+19.2%	16.7%	83 ▲ 6	9.3% ▲ 1.1	15%	+8.0%
Automotive	+3.2%	+9.3%	-1.7%	+6.9%	3.7%	72 ▲ 10	Profit † ▼ 0.1%	43%	-3.5%
Aerospace and Defense	+12.5%	+7.0%	+23.9%	+27.5%	15.4%	94 ▲ 10	12.8% ▲ 2.5	20%	+9.0%
Chemicals	+11.0%	+16.7%	+9.4%	+11.6%	12.1%	65 ▲ 7	Profit † ▲ 1.4%	69%	-3.2%
All Sectors	+8.0%	+8.2%	+10.7%	+13.5%	16.5%	74 ▲ 6	6.4% ▲ 1.4	31%	+2.8%

Analysis by sector: [appendix A1 and A2, pages 10 and 11](#)

† **Profit guidance in place of revenue guidance for Automotive and Chemicals:** companies guiding revenue hold under half of these sectors' weight, so the change shown is in profit guidance (EPS, or the main profit measure), %. Inventory: total inventory on the balance sheet (raw materials, work in process and finished goods), net of reserves.

Source: company earnings releases and SEC filings (SEC EDGAR), Q2 2026; Arcpath analysis.

[Definitions and method: page 12](#)

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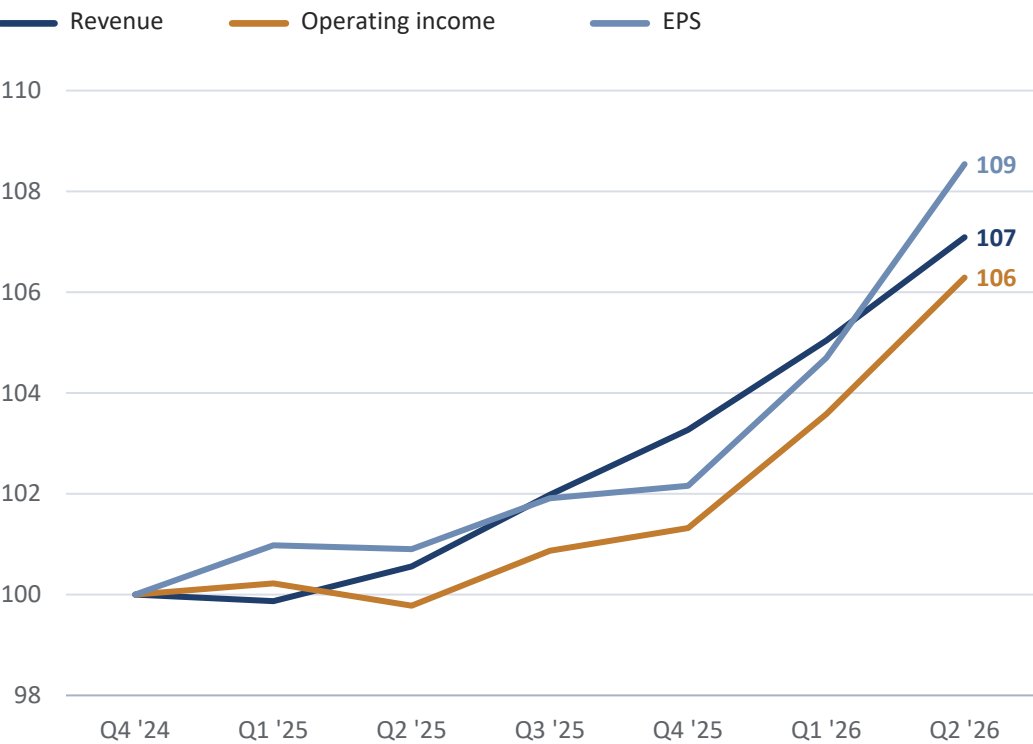
All Sectors: growth picked up in Q2, with profits rising faster than revenue

Financial metrics: All Sectors combined, and revenue growth by sector



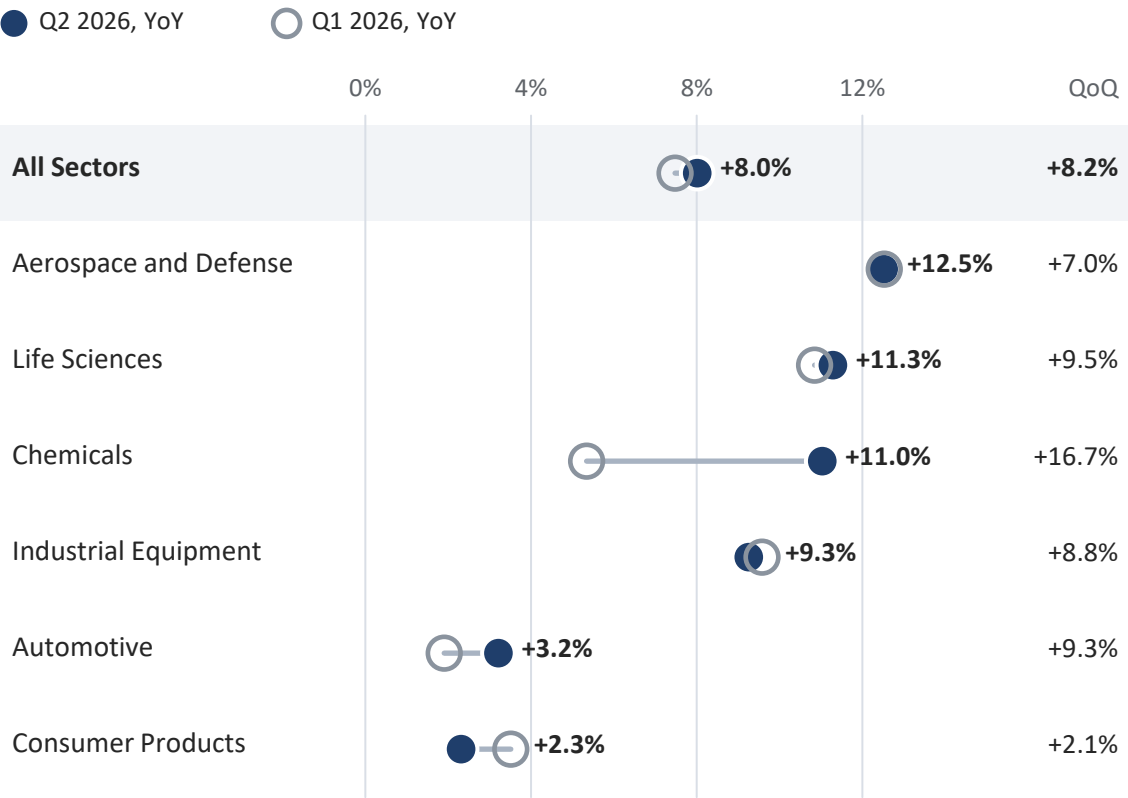
All Sectors: growth indices

Annual (TTM): trailing four quarters, index January 1, 2025 = 100



Revenue growth by sector

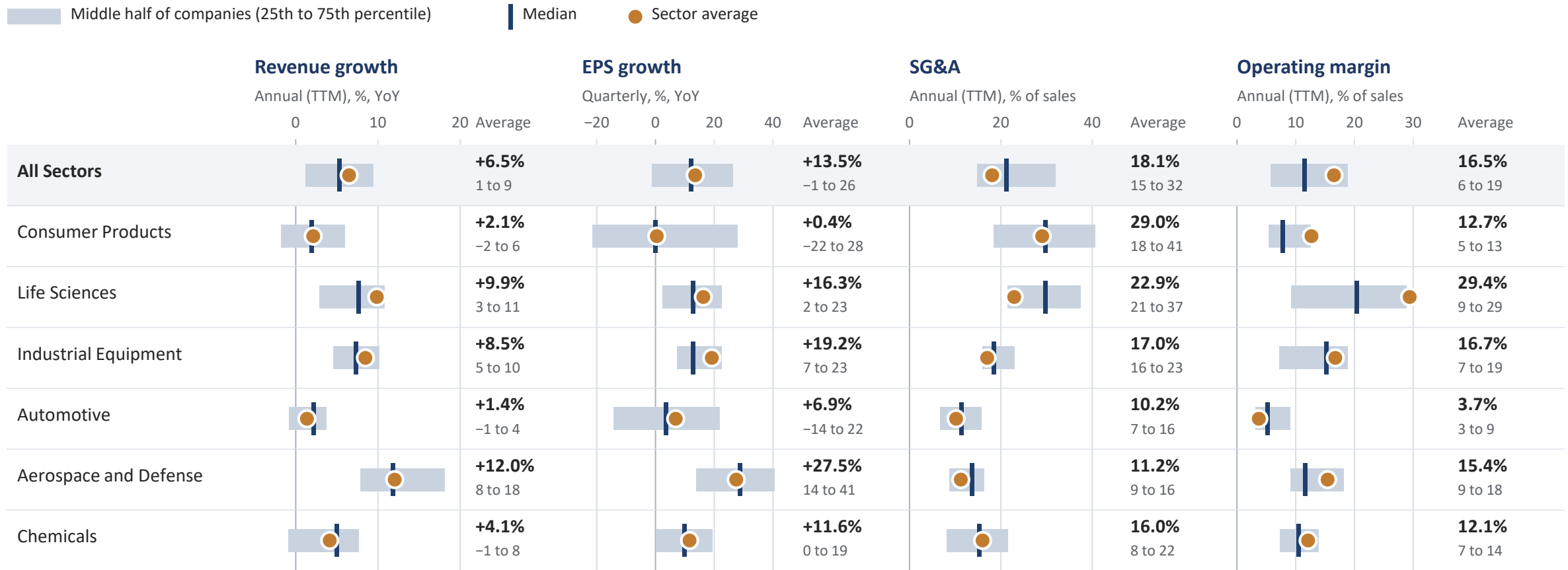
Quarterly, YoY: Q2 2026 and Q1 2026; QoQ for Q2 2026



- ▲ All Sectors: revenue grew +8.0% YoY in Q2, against +7.5% in Q1; operating income +10.7% and EPS +13.5%.
- ▲ Aerospace and Defense grew fastest (+12.5% YoY); Chemicals picked up most (+11.0% from +5.3%); Consumer Products slowed most (+2.3% from +3.5%).

Aerospace and Defense leads on growth and Life Sciences on margin; Automotive trails

Benchmarks to Q2 2026: sector average and the middle half of companies; the basis is under each measure



▲ Life Sciences has the widest margins (29.4% on average); Aerospace and Defense the fastest revenue growth (+12.0%) and the highest EPS growth (+27.5%).

▼ Automotive has the thinnest margins (3.7%); Consumer Products has the lowest EPS growth (+0.4%) and the highest SG&A.

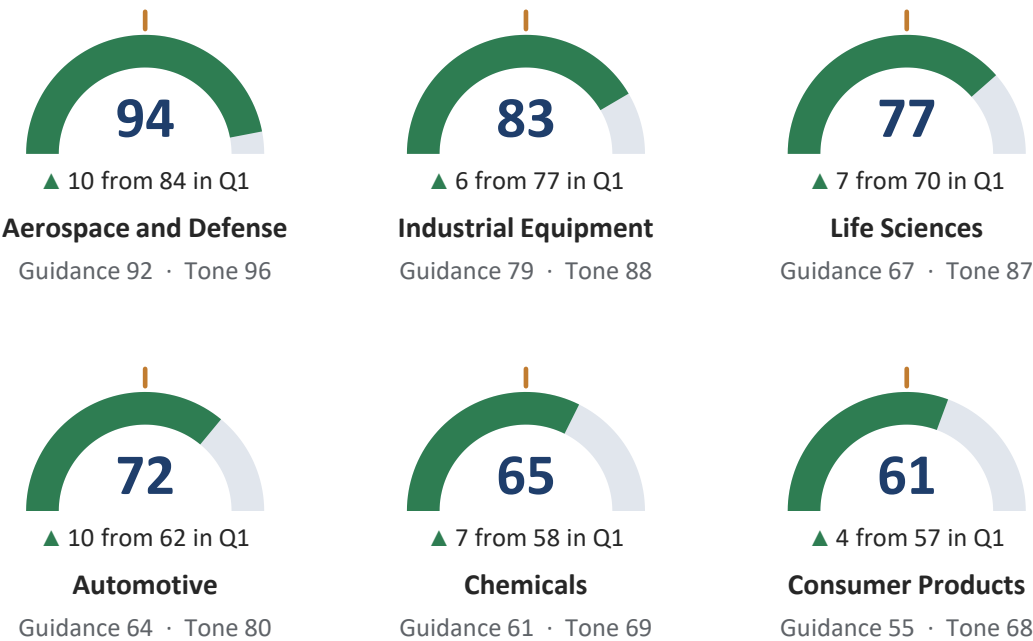
Sentiment is high and rose in all six sectors; Aerospace and Defense leads by a wide margin



Sentiment: the index by sector, and what executives cited in Q2 2026 earnings releases

Sentiment index by sector

Quarterly: Q2 2026 against Q1 2026, with the two halves of each score



Change from Q1: ■ Improving ■ Deteriorating ■ Unchanged

[How the index is scored: page 12](#)

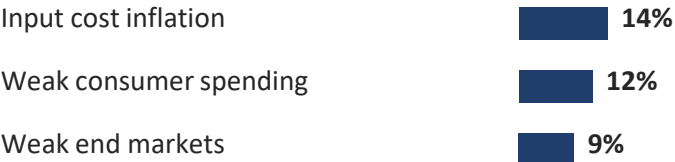
What executives cited

Share of companies citing each theme in their Q2 release (204 scored)

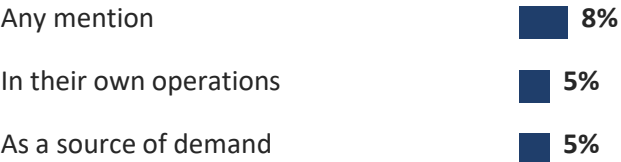
▲ Tailwinds



▼ Headwinds



AI and other new technology



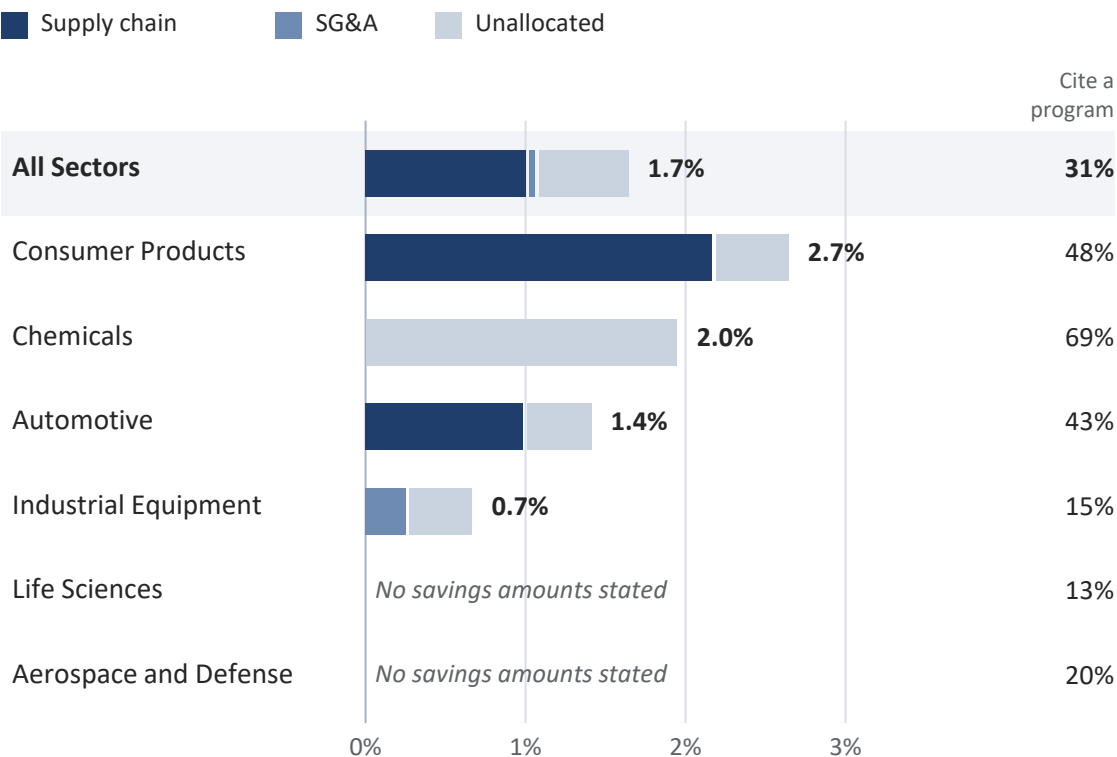
All Sectors: inventory grew more slowly than revenue; 31% cite a cost program

Operational metrics: announced cost programs, and inventory against revenue



Cost programs by sector

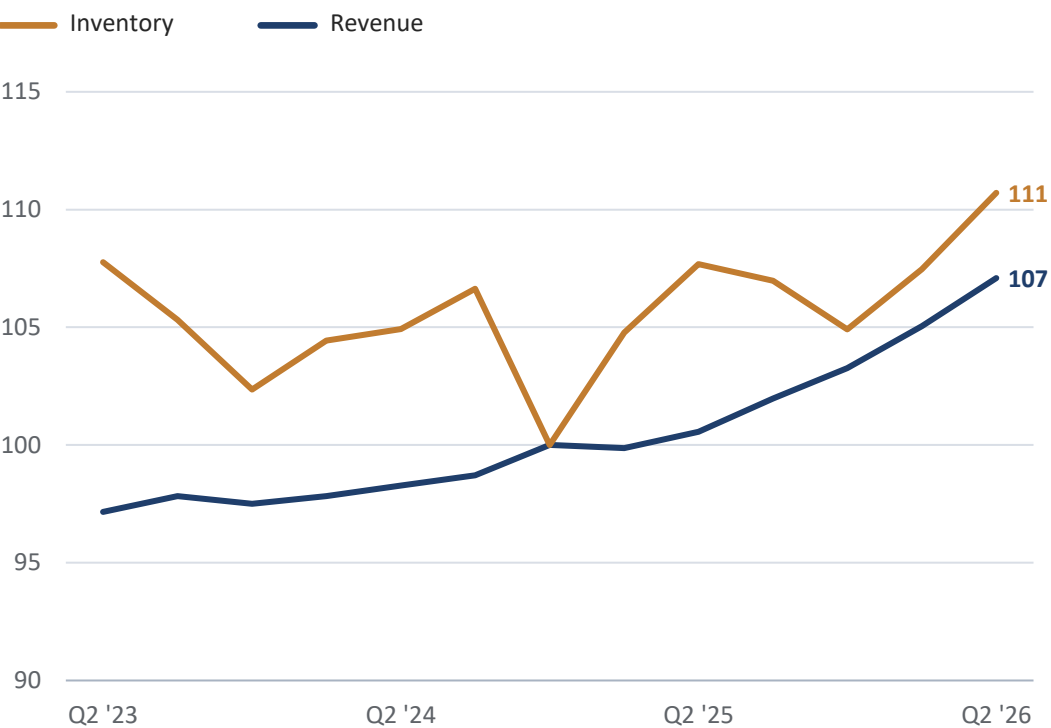
Savings companies state in their releases, % annual net sales



Savings are averages for the companies that state a specific amount.

All Sectors: inventory and revenue

Quarterly: quarter-end inventory; revenue annual (TTM); December 31, 2024 = 100



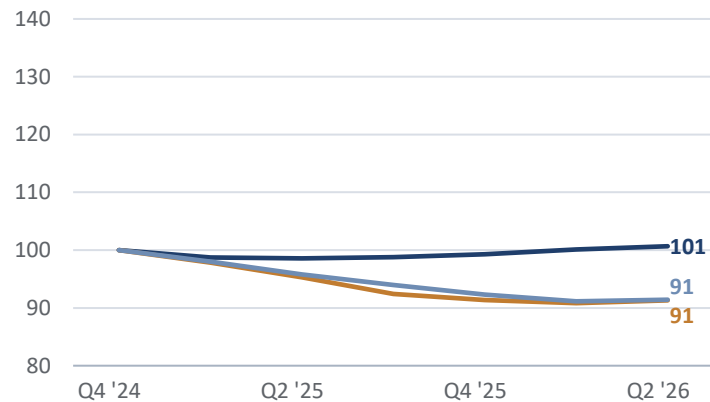
- Chemicals (69%) and Consumer Products (48%) cite programs most often; companies that state savings average 1.7% annual net sales.
- All Sectors: inventory rose +2.8% YoY against +6.5% for revenue (TTM).

Aerospace and Defense leads, then Life Sciences; Automotive and Consumer Products trail

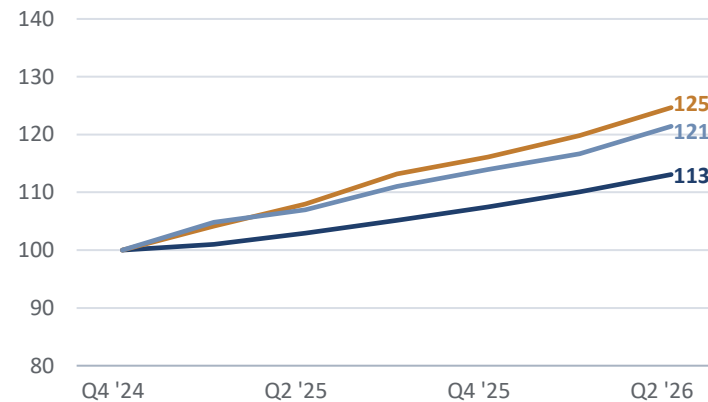
Growth by sector: indices on the last four quarters (TTM), January 1, 2025 = 100; same scale in every chart

Revenue Operating income EPS

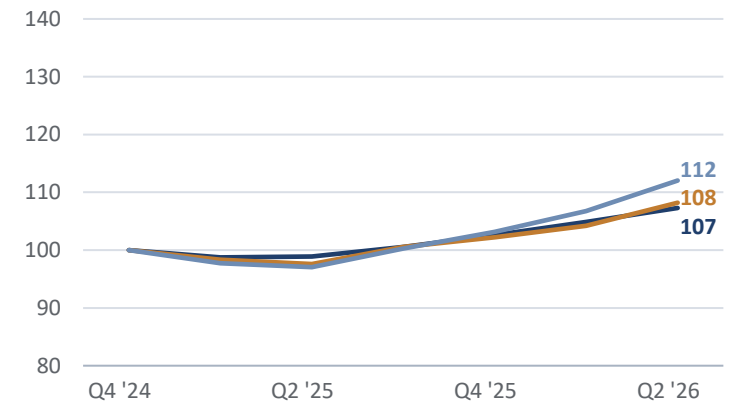
Consumer Products



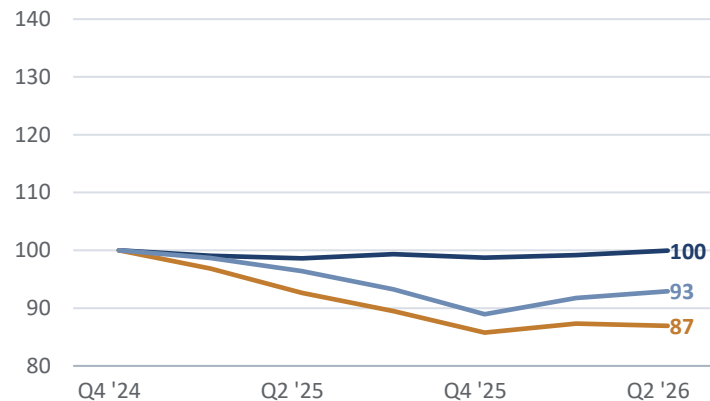
Life Sciences



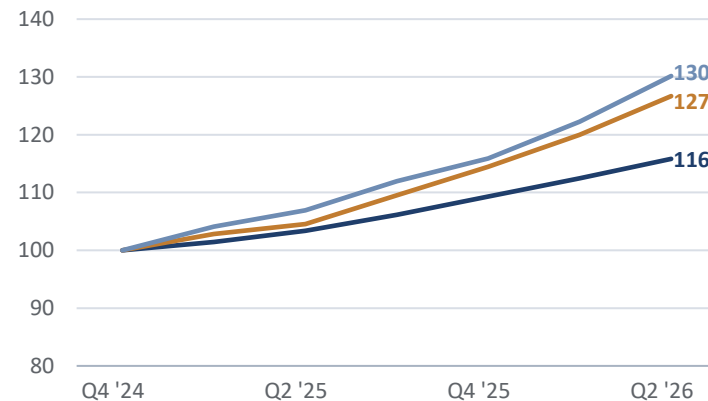
Industrial Equipment



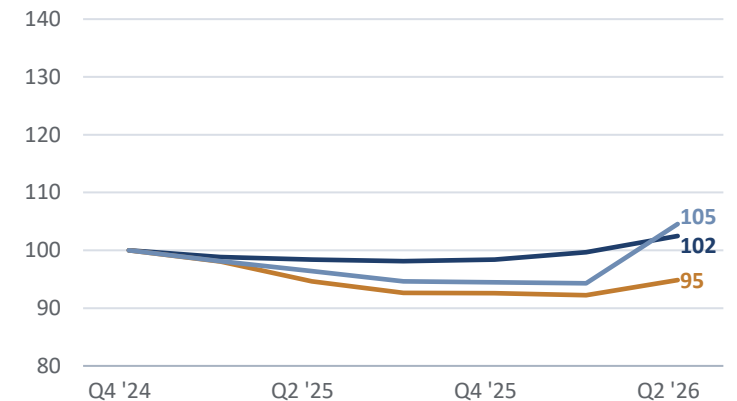
Automotive



Aerospace and Defense



Chemicals



Chemicals EPS: Albemarle's recovery (adjusted EPS \$3.75 against \$0.11 a year earlier) drives the Q2 rise.

Source: company earnings releases and SEC filings (SEC EDGAR), Q2 2026; Arcpath analysis.

[Definitions and method: page 12](#)

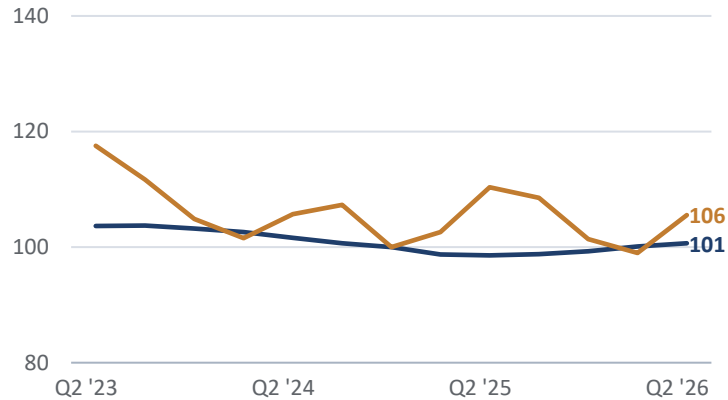
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Inventory is building fastest in Aerospace and Defense, then Industrial Equipment

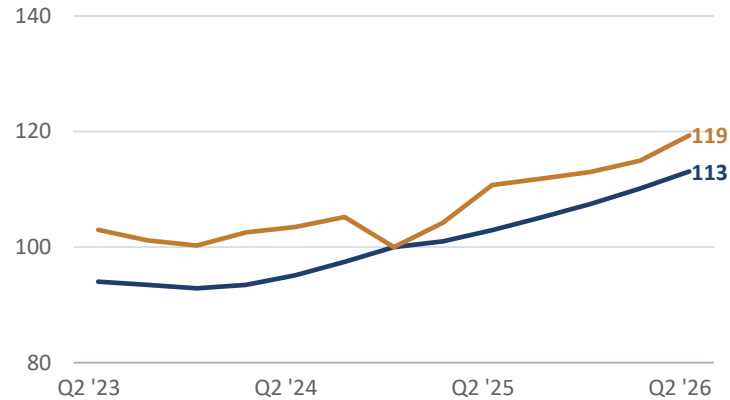
Inventory and revenue (TTM) by sector, December 31, 2024 = 100

— Inventory — Revenue

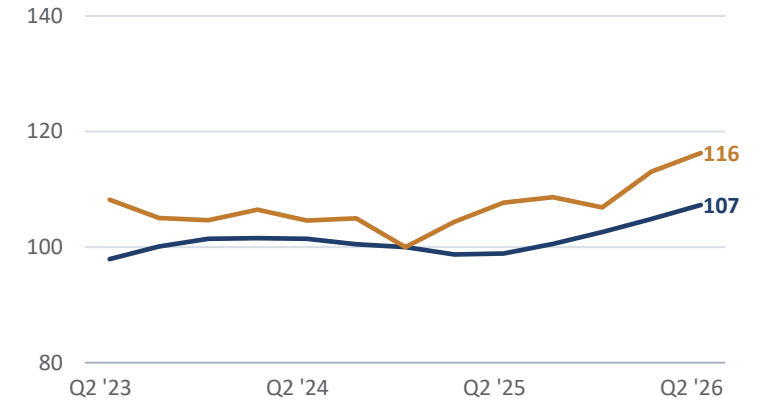
Consumer Products



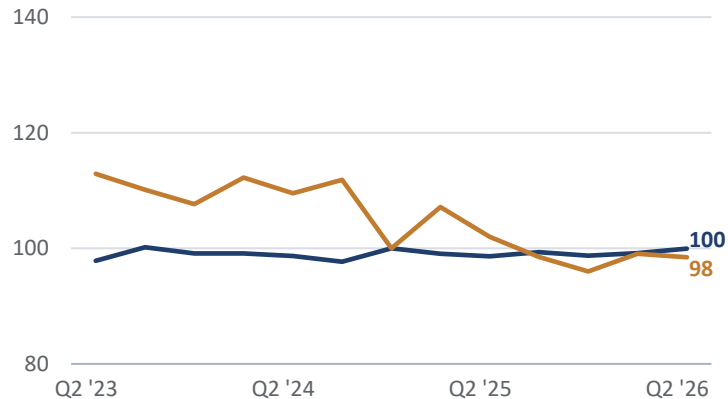
Life Sciences



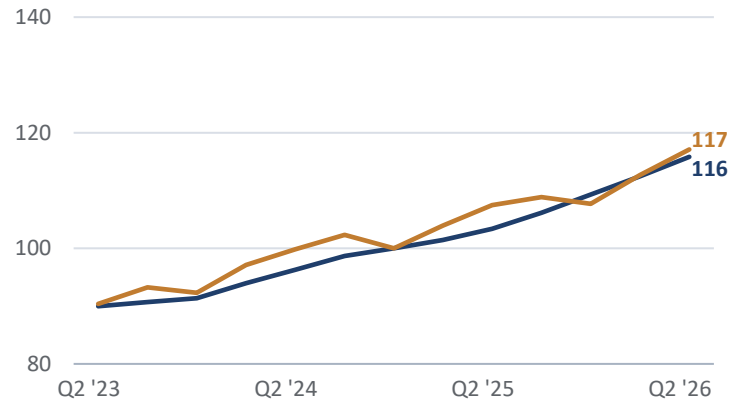
Industrial Equipment



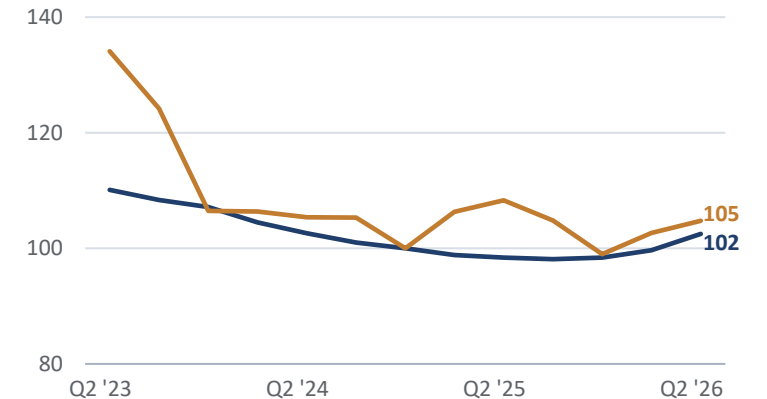
Automotive



Aerospace and Defense



Chemicals



Source: company earnings releases and SEC filings (SEC EDGAR), Q2 2026; Arcpath analysis.

[Definitions and method: page 12](#)

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Method and sources

Definitions, how the results are calculated, and where the data come from; Arcpath methodology version 1.7

Terms

Quarterly: a quarter's own results.

Annual: the trailing twelve months (TTM: the last four reported quarters), or the full fiscal year for guidance.

YoY (year over year): against the same period a year earlier.

QoQ (quarter over quarter): against the previous quarter; seasonal sectors are also read against the same comparison a year earlier.

Pts: percentage points.

All Sectors: the six sectors combined by revenue. Measures that count companies, such as sentiment, count each company once.

Coverage and sources

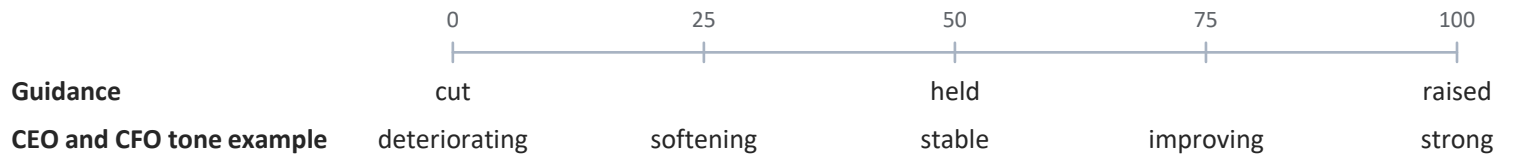
207 US public companies in six sectors, grouped by revenue band; data from company earnings releases and SEC filings (SEC EDGAR). Q2 2026 covers fiscal quarters ending May to July 2026.

Profit excludes tariff refunds and one-time charges for research projects bought from other companies (acquired in-process R&D, mostly at drug makers).

A company is left out of a quarter's operating income and EPS results when its profit base is too small or too volatile to measure: its margin over the prior four quarters was below 2% (for quarterly growth rates, its profit a year earlier was zero or negative), or its margin moved more than 15 percentage points. It stays in all other results.

Sentiment index

Each company gets two scores from 0 to 100, and the index is the average across all companies. 50 is neutral.



Tone: what the CEO and CFO say about their own markets, including the economy, in the release. Revenue and profit guidance count half each.

Guidance

Guided annual revenue growth: each company's full-year revenue guidance midpoint against its prior-year revenue, weighted by revenue.

Change: against the same companies' guidance in Q1, like for like, in points; tariff refunds, acquired in-process R&D and stated deal effects removed.

Profit guidance: shown where companies guiding revenue hold under half of a sector's weight.

Raised and lowered: share of companies giving guidance; lowered includes withdrawn.

Themes

Share of companies citing each tailwind, headwind, or use of AI or other new technology in their release; a company can cite several. Earnings calls are not covered.

Growth and profit

Indices: the last four quarters, January 1, 2025 = 100; each company weighted by its share of sector revenue, capped at 10%.

Profit: each company's adjusted operating income and EPS (excluding one-time items).

Benchmarks and costs

Benchmarks: operating margin is GAAP operating income before restructuring and impairment charges. Revenue growth, SG&A and operating margin use the trailing twelve months (TTM: the last four reported quarters); EPS growth compares the latest quarter with the same quarter a year earlier. The average is the sector result; the middle half spans the 25th to 75th percentile of companies.

Cost programs: savings stated in releases, % annual net sales; share of companies citing a program in Q1 or Q2.

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Arcpath is a business transformation consulting firm built for a market that traditional consulting models no longer serve well. Senior practitioners who have run transformations, rather than only advised on them, bring deep analytical rigor and structured, repeatable methods.

Client engagement is made faster and more consistent by an AI platform that uses benchmarks, models and proven templates from one engagement to the next. The outcome is strategy through execution in a single disciplined process, at a fraction of the traditional timeline.

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Leadership

Dave Sievers, Founder and CEO

Dave has spent more than thirty years leading large-scale transformations. A former partner at Deloitte Consulting, he founded Archstone Consulting and grew it into a nationally recognized strategy and operations firm before its acquisition by The Hackett Group, where he led one of the industry's foremost strategy and business transformation practices. He holds an MBA from Columbia University and a degree in mechanical engineering from Lehigh University.

Related white papers

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- [Sales & Operations Planning as Transformation](#)
- [Product Line Management as a Component of Business Transformation](#)