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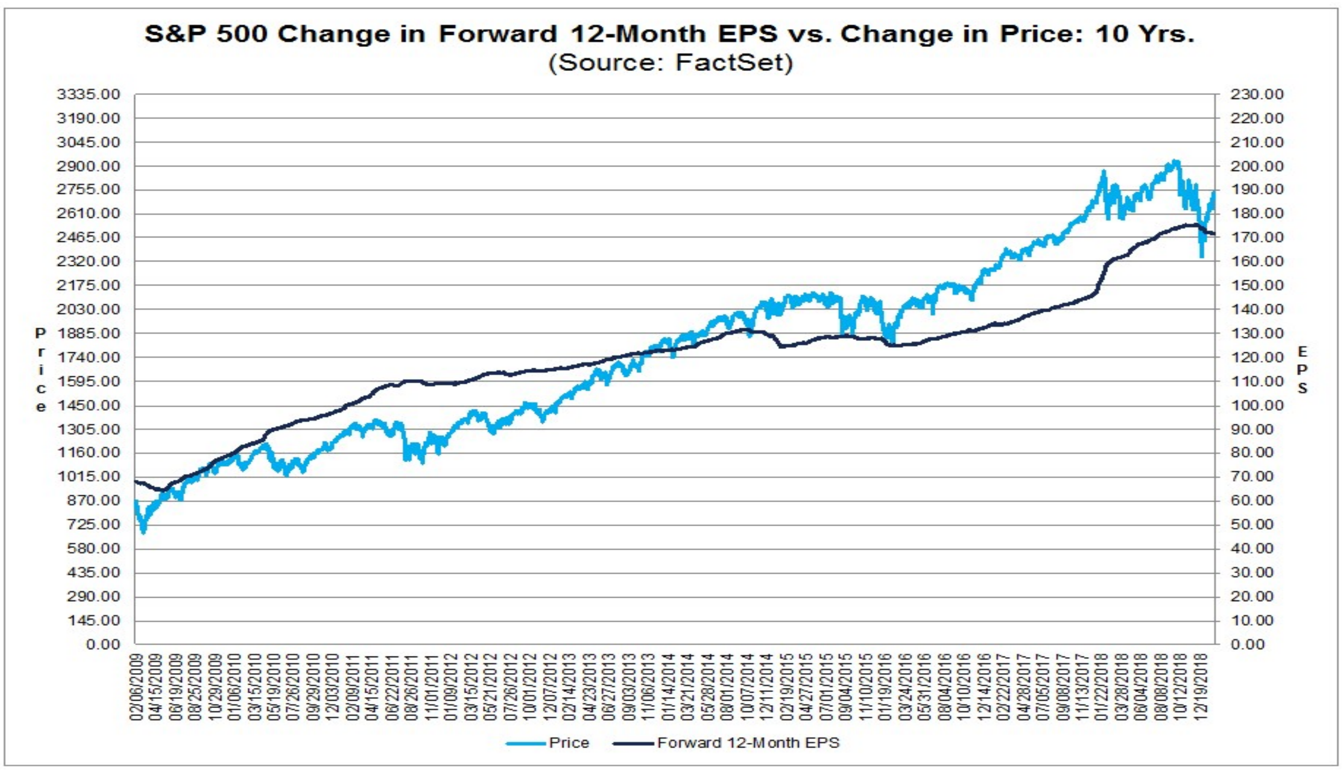
February 8, 2019

Key Metrics

- **Earnings Scorecard:** For Q4 2018 (with 66% of the companies in the S&P 500 reporting actual results for the quarter), 71% of S&P 500 companies have reported a positive EPS surprise and 62% have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2018, the blended earnings growth rate for the S&P 500 is 13.3%. If 13.3% is the actual growth rate for the quarter, it will mark the fifth straight quarter of double-digit earnings growth for the index.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2018 was 12.1%. Six sectors have higher growth rates today (compared to December 31) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q1 2019, 53 S&P 500 companies have issued negative EPS guidance and 12 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 15.8. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.6).



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Topic of the Week:

Are S&P 500 Companies with More Global Exposure Reporting Lower Earnings Growth in Q4?

Coming into the Q4 earnings season, there were concerns in the market about the impact of the stronger U.S. dollar, slower global economic growth, and trade tensions on companies in the S&P 500 with higher international revenue exposure. With about two-thirds (66%) of the companies in the index reporting actual results for Q4, are S&P 500 companies with higher global revenue exposure underperforming S&P 500 companies with lower global revenue exposure in terms of earnings growth and revenue growth for Q4 2018?

The answer is yes.

FactSet Geographic Revenue Exposure data (based on the most recently reported fiscal year data for each company in the index) was used to answer this question. For this analysis, the index was divided into two groups: companies that generate more than 50% of sales inside the U.S. (less global exposure) and companies that generate less than 50% of sales inside the U.S. (more global exposure). Aggregate earnings and revenue growth rates were then calculated based on these two groups.

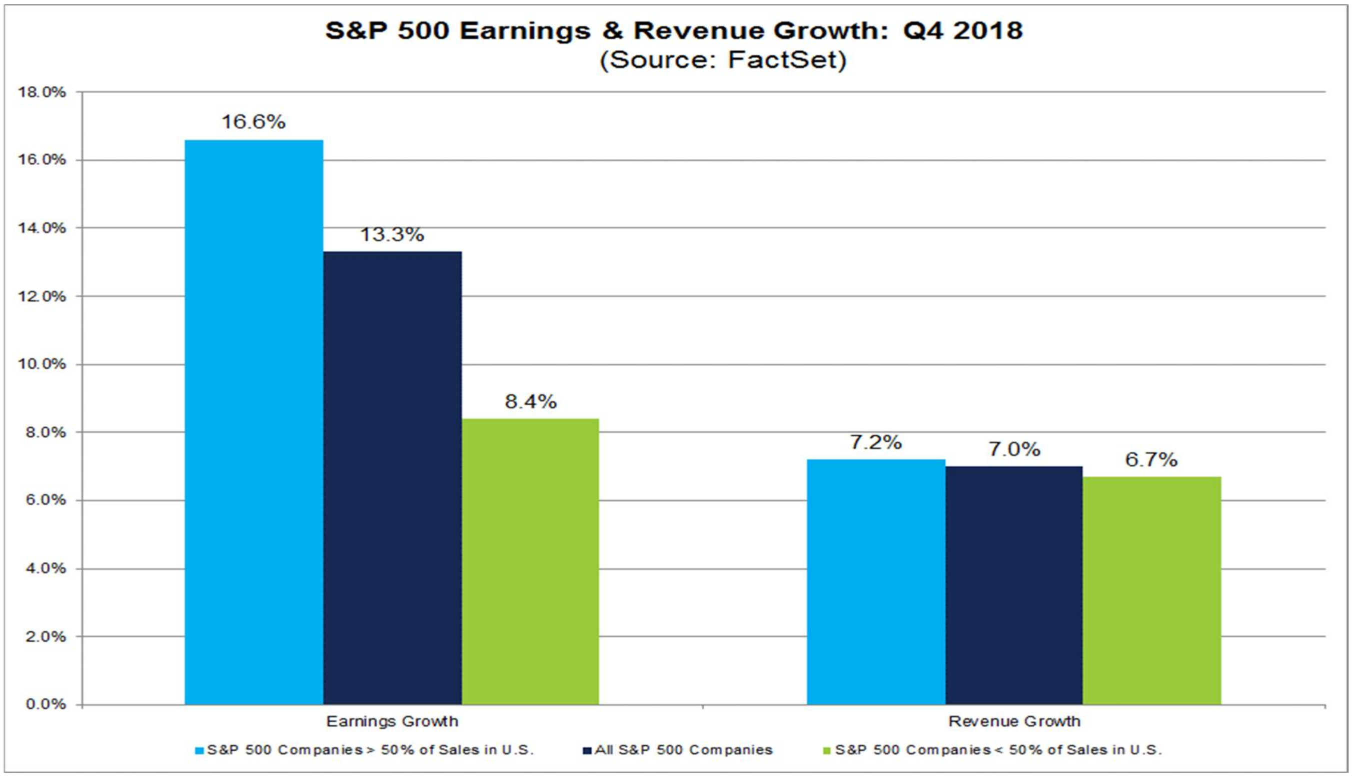
The blended (combines actual results for companies that have reported and estimated results for companies yet to report) earnings growth rate for the S&P 500 for Q4 2018 is 13.3%. For companies that generate more than 50% of sales inside the U.S., the blended earnings growth rate is 16.6%. For companies that generate less than 50% of sales inside the U.S., the blended earnings growth rate is 8.4%.

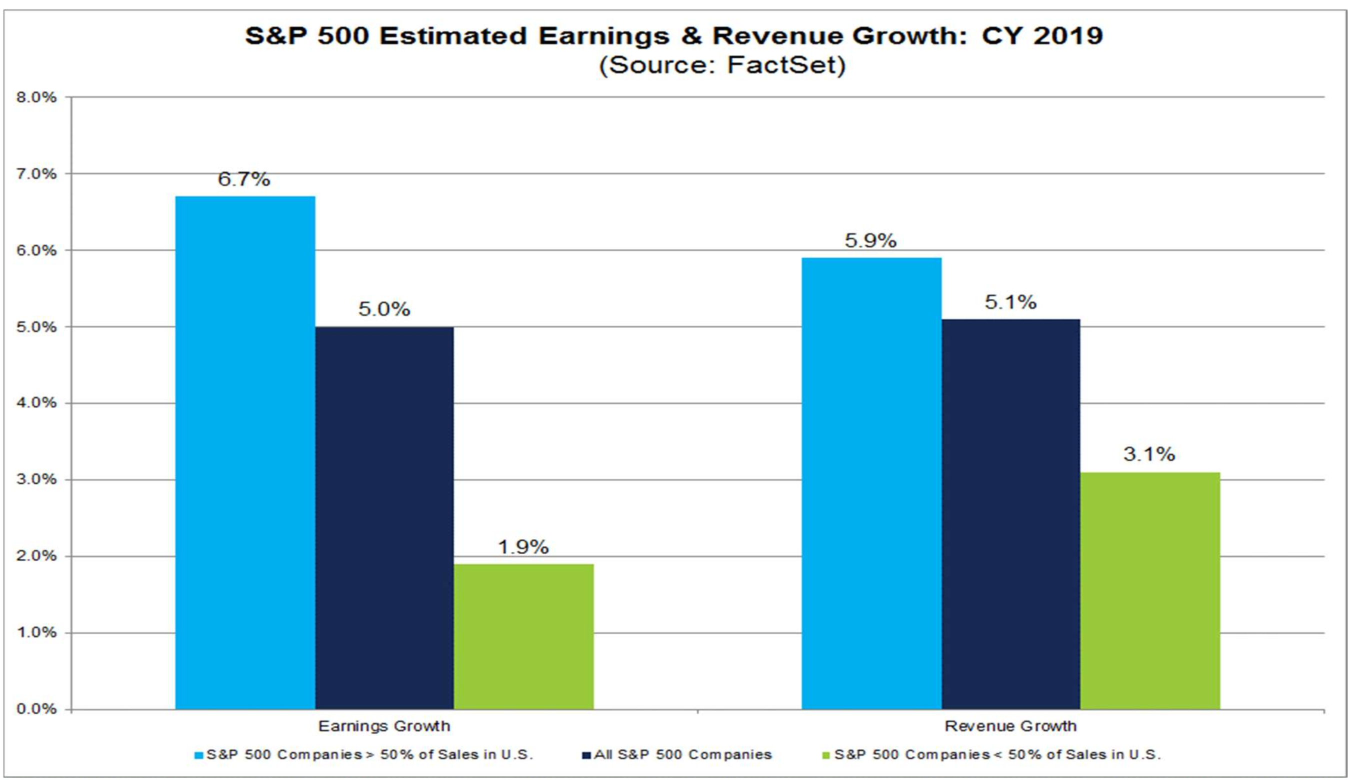
The blended revenue growth rate for the S&P 500 for Q4 2018 is 7.0%. For companies that generate more than 50% of sales inside the U.S., the blended revenue growth rate is 7.2%. For companies that generate less than 50% of sales inside the U.S., the blended revenue growth rate is 6.7%.

Based on current EPS and revenue estimates for 2019, S&P 500 companies with higher global revenue exposure are also expected to underperform S&P 500 companies with lower global revenue exposure in terms of earnings and revenue growth for 2019.

The estimated earnings growth rate for the S&P 500 for CY 2019 is 5.0%. For companies that generate more than 50% of sales inside the U.S., the estimated earnings growth rate is 6.7%. For companies that generate less than 50% of sales inside the U.S., the estimated earnings growth rate is 1.9%.

The estimated revenue growth rate for the S&P 500 for CY 2019 is 5.1%. For companies that generate more than 50% of sales inside the U.S., the estimated revenue growth rate is 5.9%. For companies that generate less than 50% of sales inside the U.S., the estimated revenue growth rate is 3.1%.


S&P 500 Earnings & Revenue Growth: Q4 2018
(Source: FactSet)
18.0%
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
16.6%
13.3%
8.4%
7.2%
7.0%
6.7%
Earnings Growth
Revenue Growth
S&P 500 Companies > 50% of Sales in U.S.
All S&P 500 Companies
S&P 500 Companies < 50% of Sales in U.S.


S&P 500 Estimated Earnings & Revenue Growth: CY 2019
(Source: FactSet)
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
6.7%
5.0%
1.9%
5.9%
5.1%
3.1%
Earnings Growth
Revenue Growth
S&P 500 Companies > 50% of Sales in U.S.
All S&P 500 Companies
S&P 500 Companies < 50% of Sales in U.S.

Q4 Earnings Season: By The Numbers

Overview

To date, 66% of the companies in the S&P 500 have reported actual results for Q4 2018. In terms of earnings, the percentage of companies reporting actual EPS above estimates (71%) is equal to the 5-year average. In aggregate, companies are reporting earnings that are 4.0% above the estimates, which is below the 5-year average. In terms of revenues, the percentage of companies reporting actual revenues above estimates (62%) is above the 5-year average. In aggregate, companies are reporting revenues that are 1.2% above the estimates, which is also above the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report), year-over-year earnings growth rate for the fourth quarter is 13.3% today, which is above the earnings growth rate of 12.0% last week. Positive earnings surprises reported companies in the Communication Services and Energy sectors were mainly responsible for the increase in the earnings growth rate during the week. If 13.3% is the actual growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year earnings growth. Five sectors are reporting double-digit earnings growth, led by the Energy, Communication Services, and Industrials sectors.

The blended, year-over-year revenue growth rate for the fourth quarter is 7.0% today, which is above the revenue growth rate of 6.7% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the increase in the revenue growth rate during the week. All eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communications Services, Energy, and Real Estate.

Looking ahead, analysts predict a decline in earnings for the first quarter of 2019 and low single-digit growth in earnings for the second and third quarters of 2019.

The forward 12-month P/E ratio is 15.8, which is below the 5-year average but above the 10-year average.

During the upcoming week, 65 S&P 500 companies (including 2 Dow 30 components) are scheduled to report results for the fourth quarter.

Scorecard: Actual Revenues Outperforming 5-Year Averages Relative to Revenue Estimates

Percentage of Companies Beating EPS Estimates (71%) is Equal to 5-Year Average

Overall, 66% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 71% have reported actual EPS above the mean EPS estimate, 7% have reported actual EPS equal to the mean EPS estimate, and 22% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (77%) average but equal to the 5-year (71%) average.

At the sector level, the Communication Services (88%), Industrials (86%), and Information Technology (83%) sectors have the highest percentages of companies reporting earnings above estimates, while the Utilities (29%) and Real Estate (29%) sectors have the lowest percentages of companies reporting earnings (or FFO for Real Estate) above estimates.

Earnings Surprise Percentage (+4.0%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 4.0% above expectations. This surprise percentage is below the 1-year (+6.0%) average and below the 5-year (+4.8%) average.

The Energy sector (+19.9%) is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Valero Energy ($2.12 vs. $1.13) and Phillips 66 ($4.87 vs. $2.86) have reported the largest positive EPS surprises.

The Communication Services (+8.8%) sector is reporting second the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Netflix ($0.30 vs. $0.24), Twitter ($0.31 vs. $0.25), News Corporation ($0.18 vs. $0.14), and Walt Disney ($1.84 vs. $1.54) have reported large positive EPS surprises.

The Materials (-2.8%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Freeport-McMoRan ($0.11 vs. $0.18), LyondellBasell Industries ($1.80 vs. $2.27), and Eastman Chemical ($1.39 vs. $1.61) have reported the largest negative EPS surprises.

Market Rewarding Positive EPS Surprises More and Punishing Negative EPS Surprises Less

To date, the market is rewarding positive earnings surprises more than average and punishing negative earnings surprises less than average.

Companies that have reported positive earnings surprises for Q4 2018 have seen an average price increase of +1.9% two days before the earnings release through two days after the earnings release. This percentage increase is larger than the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2018 have seen an average price decrease of -0.3% two days before the earnings release through two days after the earnings release. This percentage decrease is much smaller than the 5-year average price decrease of -2.6% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (62%) is Above 5-Year Average

In terms of revenues, 62% of companies have reported actual sales above estimated sales and 38% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (72%) but above the 5-year average (60%).

At the sector level, the Health Care (87%) sector has the highest percentage of companies reporting revenues above estimates, while the Materials (20%) sector has the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.2%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 1.2% above expectations. This surprise percentage is below the 1-year (+1.4%) average but above the 5-year (+0.7%) average.

The Utilities (+7.5%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues. Within this sector, DTE Energy (3.75 billion vs. $2.86 billion), Exelon ($8.65 billion vs.$7.20 billion), CMS Energy ($1.83 billion vs. $1.60 billion) have reported the largest positive revenue surprises.

The Materials (-2.5%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, LyondellBasell Industries ($8.88 billion vs. $9.66 billion), WestRock Company ($4.33 billion vs. $4.51 billion), and DowDuPont ($20.1 billion vs. $20.9 billion) have reported the largest negative revenue surprises.

Revisions: Increases in Blended Earnings and Revenue Growth Rates this Week

Increase in Blended Earnings Growth This Week Due to Positive Surprises in Two Sectors

The blended, year-over-year earnings growth rate for the fourth quarter is 13.3% today, which is above the earnings growth rate of 12.0% last week. Positive earnings surprises reported by companies in the Communication Services and Energy sectors were mainly responsible for the increase in the earnings growth rate during the week.

In the Communication Services sector, the positive EPS surprises reported by Alphabet ($12.77 vs. $10.86) and Walt Disney ($1.84 vs. $1.54) were significant contributors to the increase in the overall earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Communication Services sector improved to 21.9% from 15.2% during the week.

In the Energy sector, the positive EPS surprises reported by Phillips 66 ($4.87 vs. $2.86) and Marathon Petroleum ($2.41 vs. $1.89) were significant contributors to the increase in the overall earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Energy sector improved to 98.3% from 87.6% during the week.

Increase in Blended Revenue Growth This Week Due to Positive Surprises in Multiple Sectors

The blended, year-over-year revenue growth rate for the fourth quarter is 7.0% today, which is above the revenue growth rate of 6.7% last week. Positive revenue surprises reported by companies in multiple sectors were responsible for the increase in the earnings growth rate during the week.

Energy Sector Has Seen Largest Increase in Earnings Growth since December 31

The blended, year-over-year earnings growth rate for Q4 2018 of 13.3% is above the estimate of 12.1% at the end of the fourth quarter (December 31). Six sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Energy (to 98.2% from 75.8%) sector. Five sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Materials (to 1.0% from 9.4%) and Utilities (to -5.1% from 0.9%) sectors.

Utilities & Health Care Sectors Have Seen Largest Increases in Revenue Growth since December 31

The blended, year-over-year revenue growth rate for Q4 2018 of 7.0% is above the estimate of 6.4% at the end of the fourth quarter (December 31). Six sectors have recorded an increase in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Utilities (to 2.5% from -1.0%) and Health Care (to 9.1% from 5.8%) sectors. Three sectors have recorded a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Materials (to 7.1% from 10.2%) sector. Two sectors (Communication Services and Real Estate) have the same revenue growth rates today relative to December 31.

Earnings Growth: 13.3%

The blended (year-over-year) earnings growth rate for Q4 2018 is 13.3%. If 13.3% is the final growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year growth in earnings. Five sectors are reporting double-digit earnings growth, led by the Energy, Communication Services, and Industrials sectors.

Energy: 4 of 6 Sub-Industries Reporting Double-Digit Growth

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 98.2%. At the sub-industry level, five of the six sub-industries in the sector are reporting earnings growth for the quarter: Oil & Gas Drilling (N/A due to $0 earnings in year-ago), Oil & Gas Refining & Marketing (205%), Oil & Gas Exploration & Production (125%), Integrated Oil & Gas (85%), and Oil & Gas Storage & Transportation (64%). The Oil & Gas Equipment & Services (-6%) sub-industry is the only sub-industry reporting a year-over-year decline in earnings in the sector.

Communication Services: 3 of 4 Industries Reporting Double-Digit Growth

The Communication Services sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 21.9%. At the industry level, all four industries in this sector are reporting earnings growth for the quarter. Three of these four industries are reporting earnings growth of more than 20%: Diversified Telecommunications Services (32%), Media (25%), and Interactive Media & Services (22%).

Industrials: 10 of 12 Industries Reporting Double-Digit Growth

The Industrials sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 18.6%. At the industry level, 10 of the 12 industries in this sector are reporting earnings growth for the quarter. All ten of these industries are reporting double-digit growth in earnings, led by the Construction & Engineering (58%), Trading Companies & Distributors (41%), Road & Rail (37%), Aerospace & Defense (35%), and Airlines (31%) industries.

At the company level, General Electric is the largest detractor to earnings growth for the sector. The company reported actual EPS of $0.17 for Q4 2018, compared to actual EPS of $0.27 in the year-ago quarter. If this company were excluded, the blended earnings growth rate for the sector would improve to 23.4% from 18.6%.

Revenue Growth: 7.0%

The blended (year-over-year) revenue growth rate for Q4 2018 is 7.0%. All eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communication Services, Energy, and Real Estate.

Communication Services: Alphabet Leads Growth on Easy Comparison to Year-Ago Revenues ex-TAC

The Communication Services sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 20.2%. At the industry level, all four industries in this sector are reporting revenue growth. Two of these four industries are reporting double-digit revenue growth: Interactive Media & Services (47%) and Media (17%).

At the company level, Alphabet is the largest contributor to revenue growth for this sector due to an unusual apple-to-orange comparison between revenues for Q4 2018 and Q4 2017. For Q4 2018, the majority of analysts provided estimates for total revenues (including traffic acquisition costs) for Alphabet. On this basis, Alphabet reported revenues of $39.276 billion in Q4 2018. For Q4 2017, the majority of analysts provided estimates for total revenues excluding traffic acquisition costs for Alphabet. On this basis, Alphabet reported revenues of $25.873 billion in Q4 2017. Thus, in the growth rate calculation, total revenues (including TAC) of $39.276 billion in Q4 2018 are being compared to total revenues excluding TAC of $25.873 billion in Q4 2017. In addition, the company's revenue numbers are counted twice in the growth rate calculation (once for GOOG and once for GOOGL) because the company is a dual-listed ticker in the index. As a result of the apple-to-orange comparison and the dual-listing, Alphabet is the largest contributor to revenue growth for the sector and the index as a whole. If this company were excluded, the blended revenue growth rate for the Communications Services sector would fall to 11.7% from 20.2%, and the blended revenue growth rate for the index would fall to 6.2% from 7.0%.

Energy: 4 of 6 Sub-Industries Reporting Double-Digit Growth

The Energy sector is reporting the second highest (year-over-year) revenue growth of all eleven sectors at 12.3%. At the sub-industry level, five of the six sub-industries in the sector are reporting revenue growth for the quarter. Four of these five sub-industries are reporting double-digit revenue growth: Oil & Gas Drilling (31%), Oil & Gas Refining & Marketing (19%), Oil & Gas Exploration & Production (13%), and Integrated Oil & Gas (10%).

Real Estate: CBRE Group Leads Growth

The Real Estate sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 10.9%. At the company level, CBRE Group is the largest contributor to revenue growth for the sector. The mean revenue estimate for CBRE Group for Q4 2018 is $5.96 billion, compared to actual revenue of $4.34 billion in the year-ago quarter. If this company were excluded, the estimated revenue growth rate for the sector would fall to 5.3% from 10.9%.

Looking Ahead: Forward Estimates and Valuation

Guidance: More S&P 500 Companies Issuing Negative EPS Guidance for Q1 than Average

The term “guidance” (or “preannouncement”) is defined as a projection or estimate for EPS provided by a company in advance of the company reporting actual results. Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued. Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

At this point in time, 65 companies in the index have issued EPS guidance for Q1 2019. Of these 65 companies, 53 have issued negative EPS guidance and 12 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 82% (53 out of 65), which is above the 5-year average of 71%.

Earnings: Year-over-Year Decline Projected for Q1 2019

For the fourth quarter, companies are reporting earnings growth of 13.3% and revenue growth of 7.0%. For CY 2018, companies are reporting earnings growth of 20.2% and revenue growth of 8.9%. However, analysts expect a decline in earnings in Q1 2019 and low, single-digit growth in earnings in Q2 2019 and Q3 2019.

For Q1 2019, analysts are projecting a decline in earnings (-1.7%) and revenue growth of 5.4%.

For Q2 2019, analysts are projecting earnings growth of 1.2% and revenue growth of 4.7%.

For Q3 2019, analysts are projecting earnings growth of 2.5% and revenue growth of 4.5%.

For Q4 2019, analysts are projecting earnings growth of 9.0% and revenue growth of 5.0%.

For CY 2019, analysts are projecting earnings growth of 5.0% and revenue growth of 5.1%.

Valuation: Forward P/E Ratio is 15.8, Above the 10-Year Average (14.6)

The forward 12-month P/E ratio is 15.8. This P/E ratio is below the 5-year average of 16.4 but above the 10-year average of 14.6. It is also above the forward 12-month P/E ratio of 14.4 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 7.9%, while the forward 12-month EPS estimate has decreased by 1.3%.

At the sector level, the Consumer Discretionary (19.6) sector has the highest forward 12-month P/E ratio, while the Financials (11.3) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 13% Increase in Price Over Next 12 Months

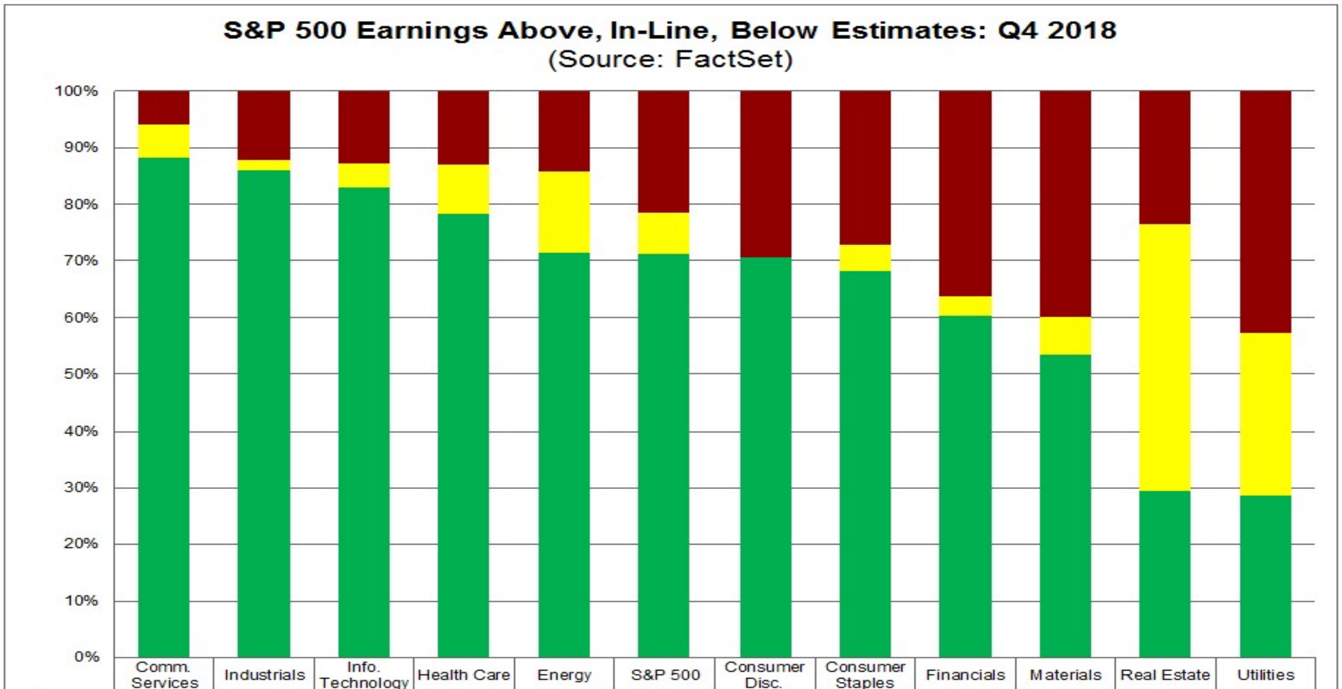
The bottom-up target price for the S&P 500 is 3054.67, which is 12.9% above the closing price of 2706.05. At the sector level, the Energy (+19.8%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (+1.1%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 11,080 ratings on stocks in the S&P 500. Of these 11,080 ratings, 54.3% are Buy ratings, 40.1% are Hold ratings, and 5.7% are Sell ratings. At the sector level, the Energy (67%) sector has the highest percentage of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

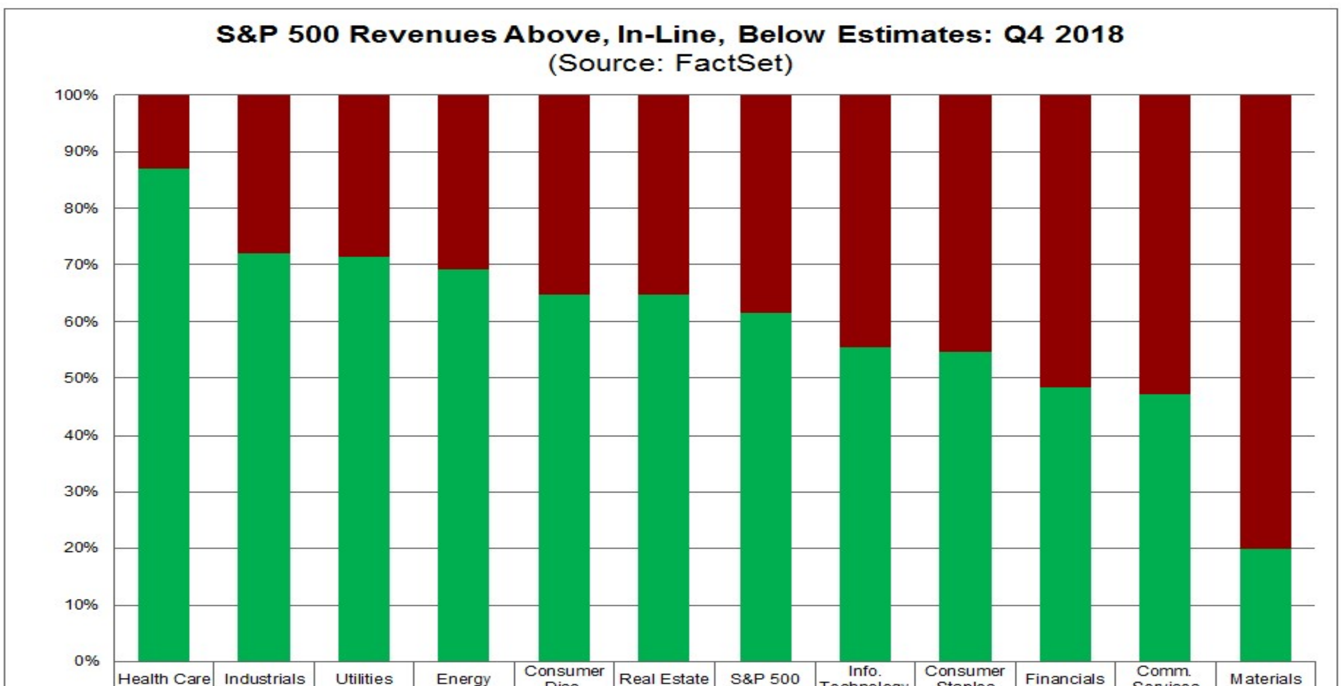
Companies Reporting Next Week: 65

During the upcoming week, 65 S&P 500 companies (including 2 Dow 30 components) are scheduled to report results for the fourth quarter.

Q4 2018: Scorecard

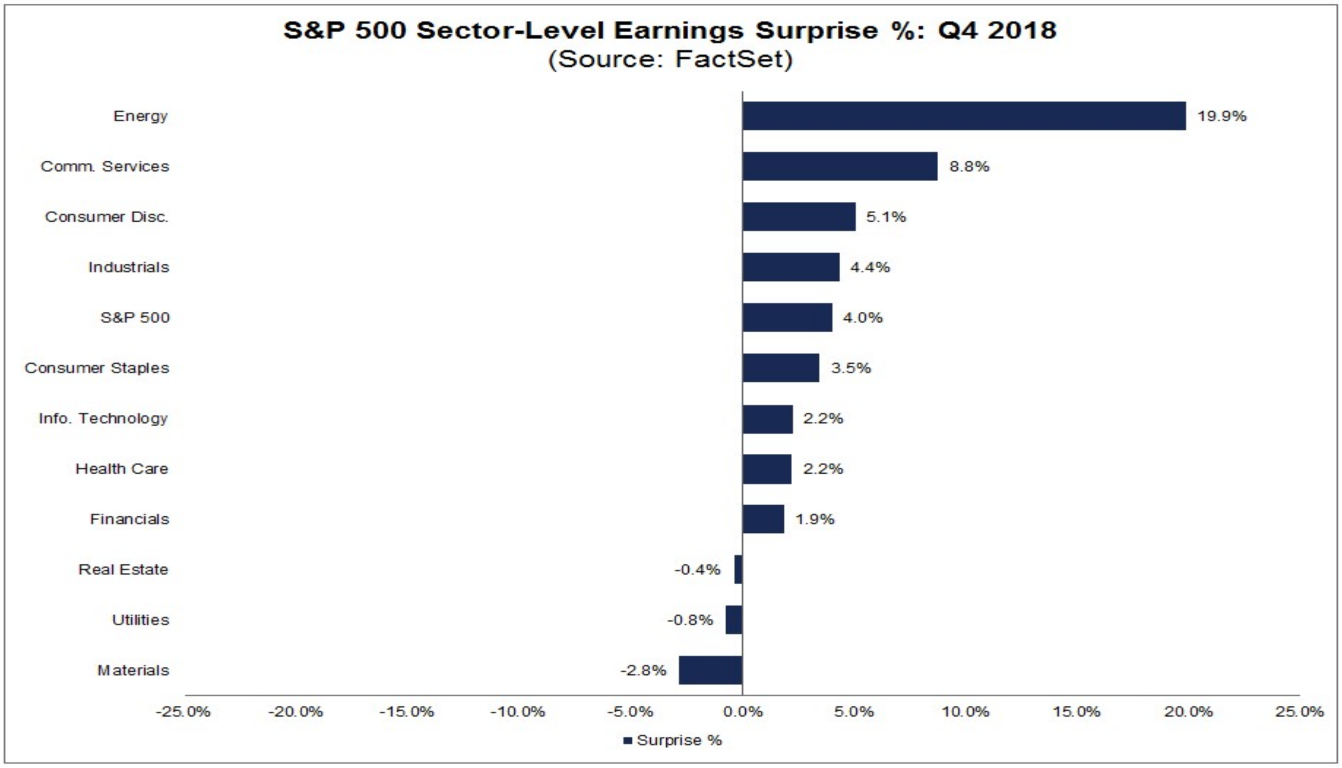


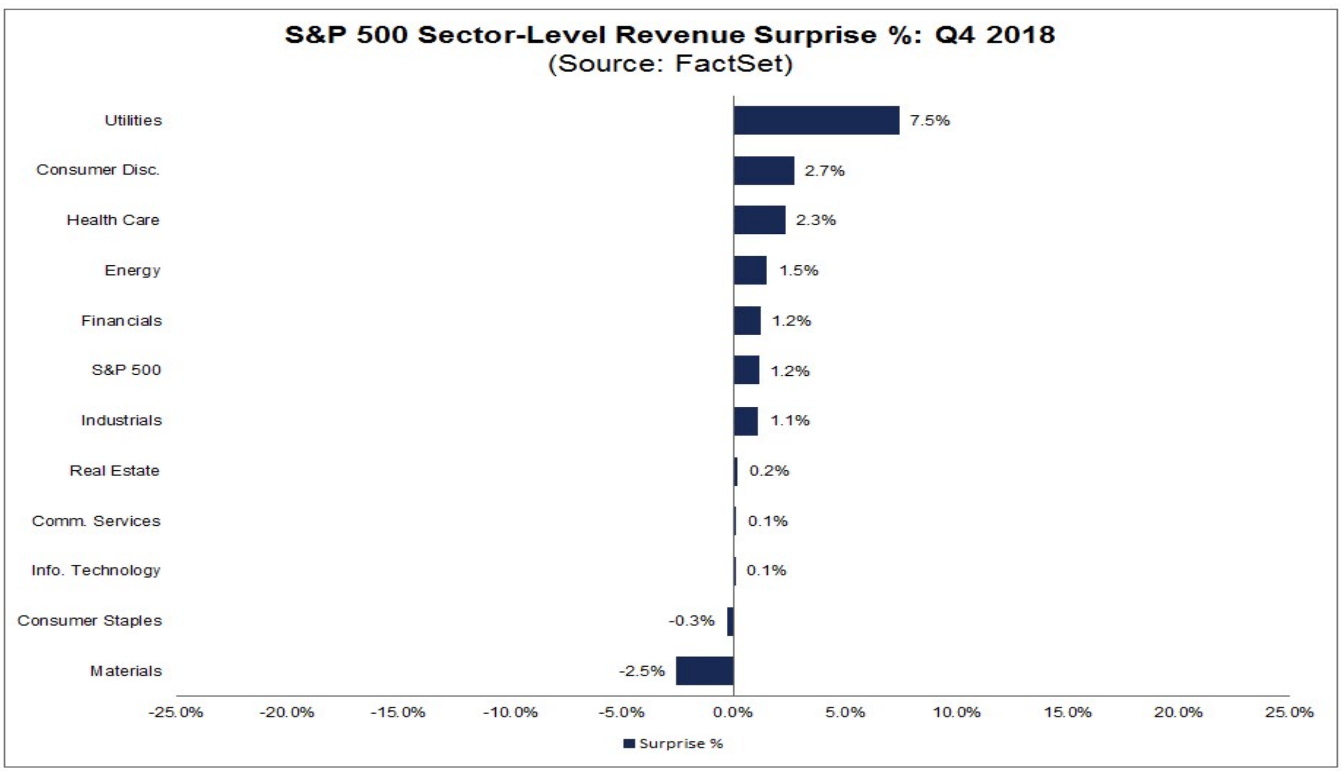
	Comm. Services	Industrials	Info. Technology	Health Care	Energy	S&P 500	Consumer Disc.	Consumer Staples	Financials	Materials	Real Estate	Utilities
Below	6%	12%	13%	13%	14%	22%	29%	27%	36%	40%	24%	43%
In-Line	6%	2%	4%	9%	14%	7%	0%	5%	3%	7%	47%	29%
Above	88%	86%	83%	78%	71%	71%	71%	68%	60%	53%	29%	29%



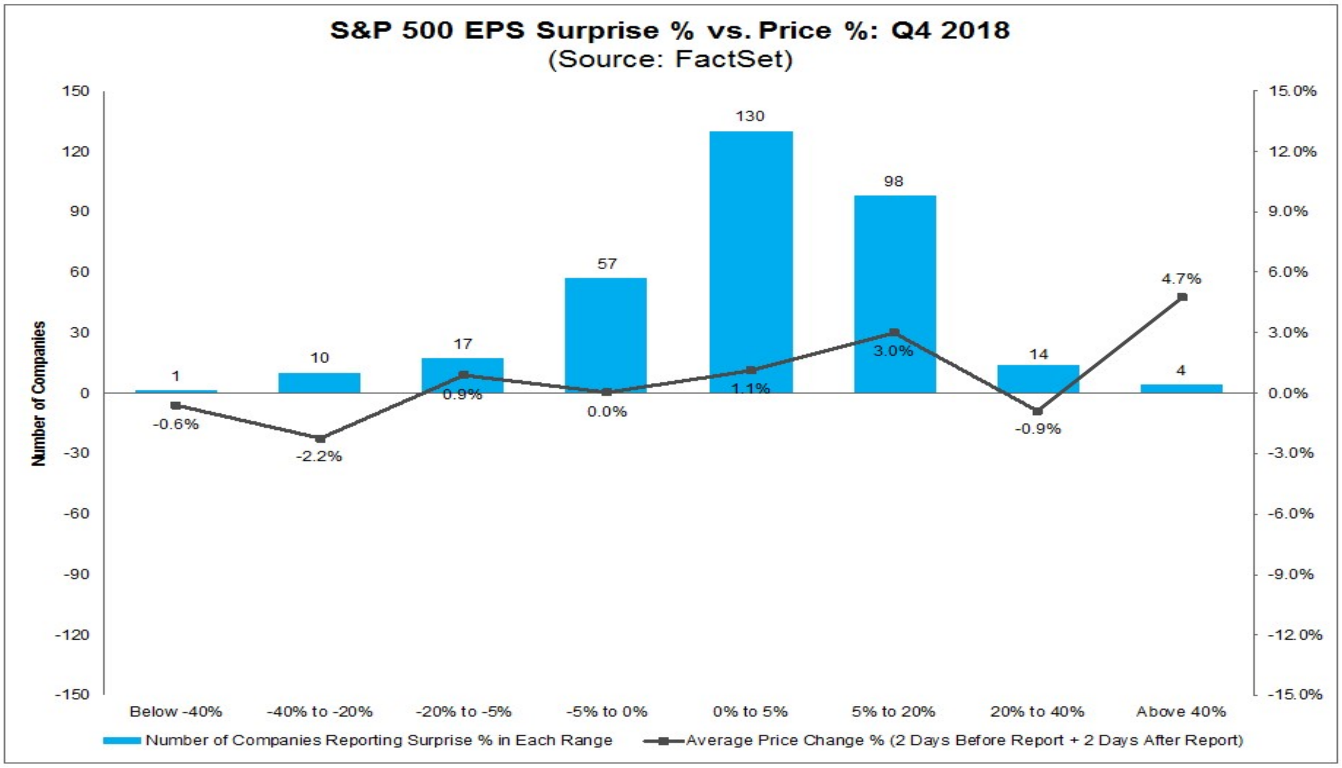
	Health Care	Industrials	Utilities	Energy	Consumer Disc.	Real Estate	S&P 500	Info. Technology	Consumer Staples	Financials	Comm. Services	Materials
Below	13%	28%	29%	31%	35%	35%	38%	45%	45%	52%	53%	80%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	87%	72%	71%	69%	65%	65%	62%	55%	55%	48%	47%	20%

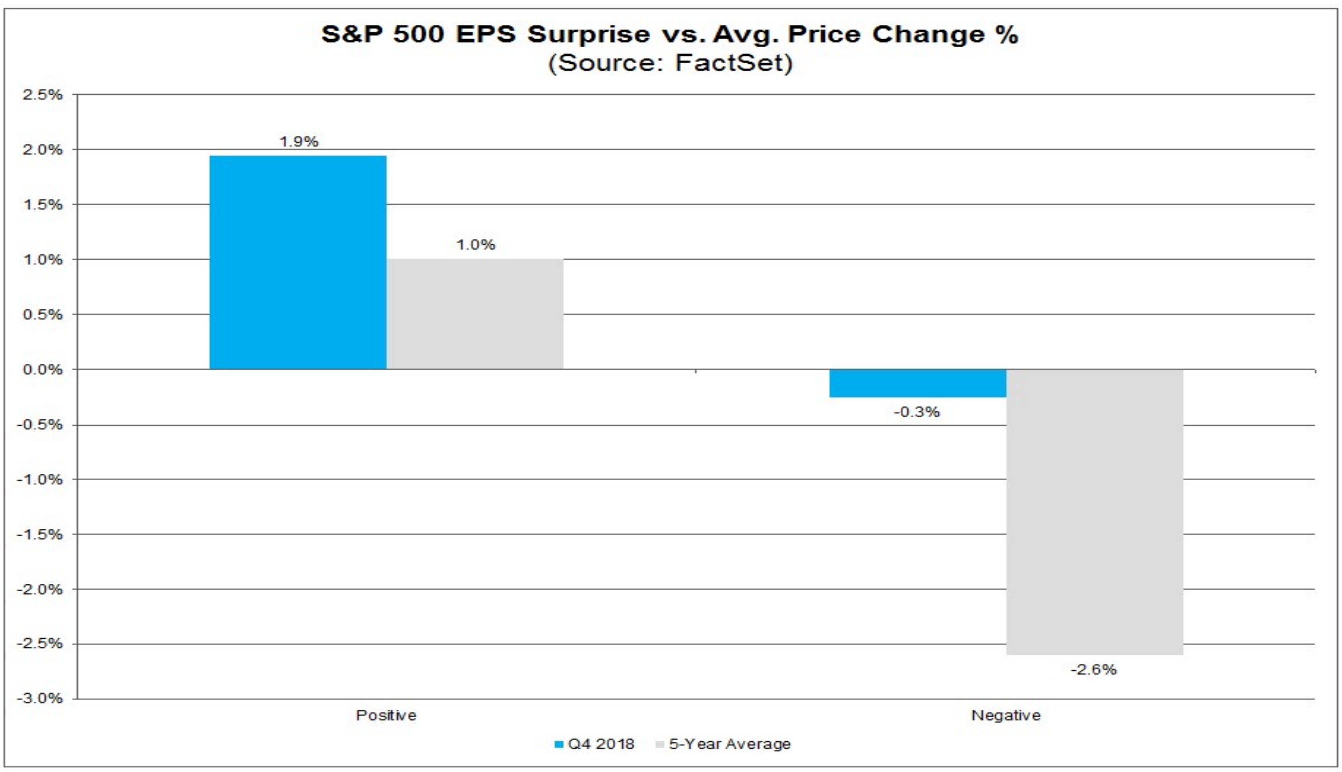
Q4 2018: Scorecard



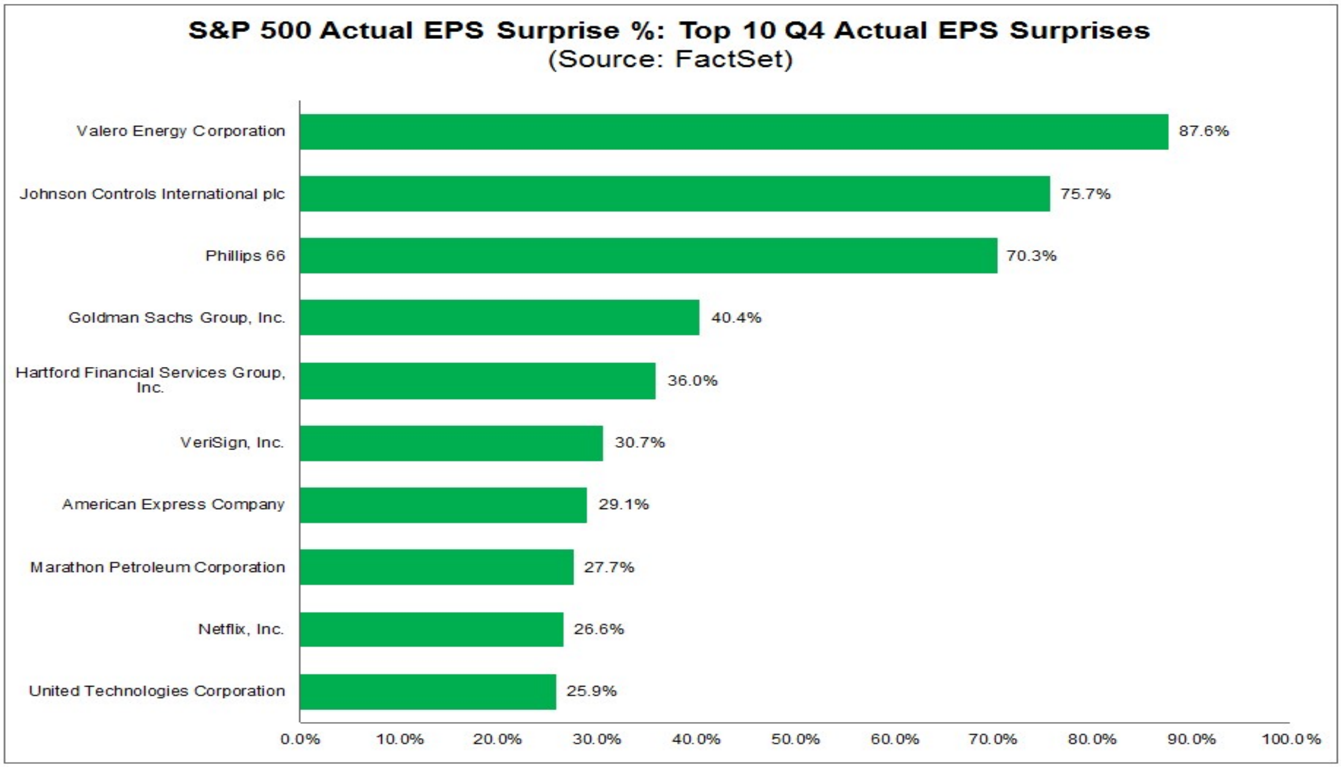


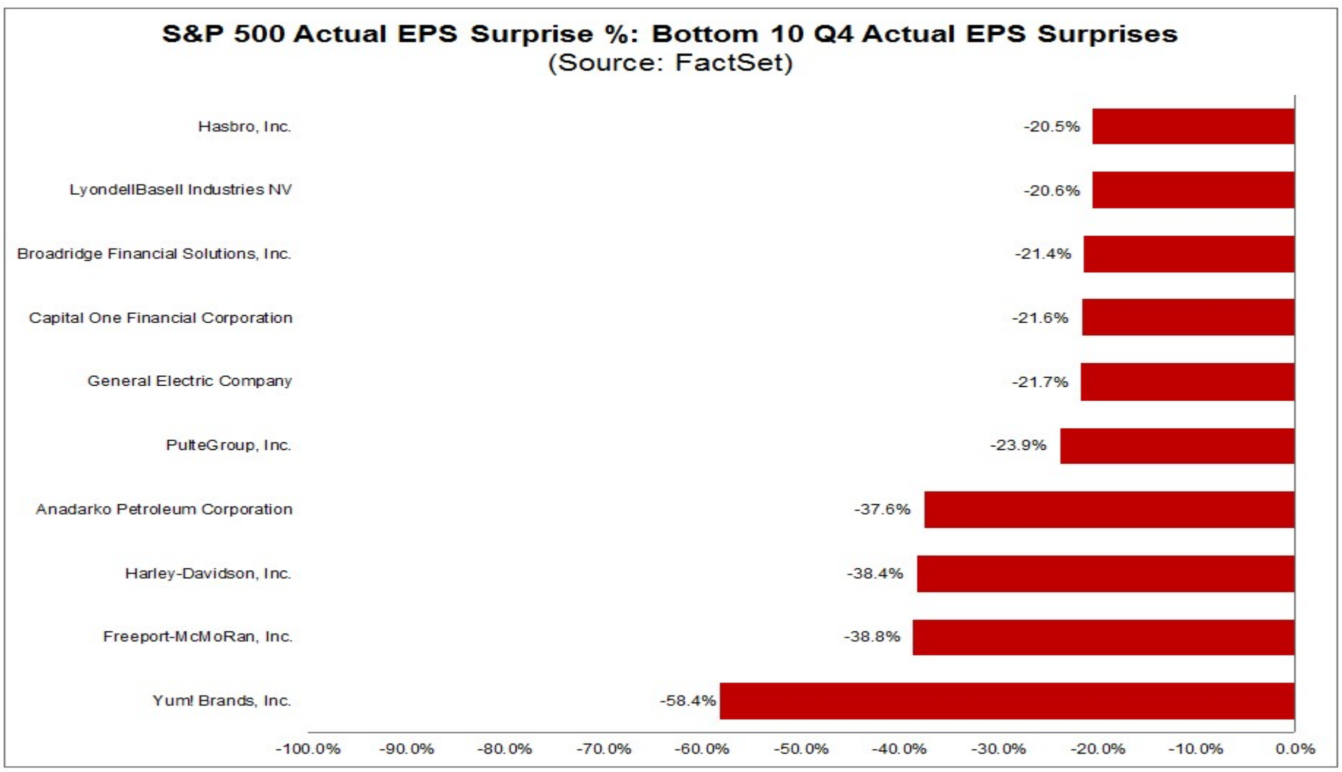
Q4 2018: Scorecard



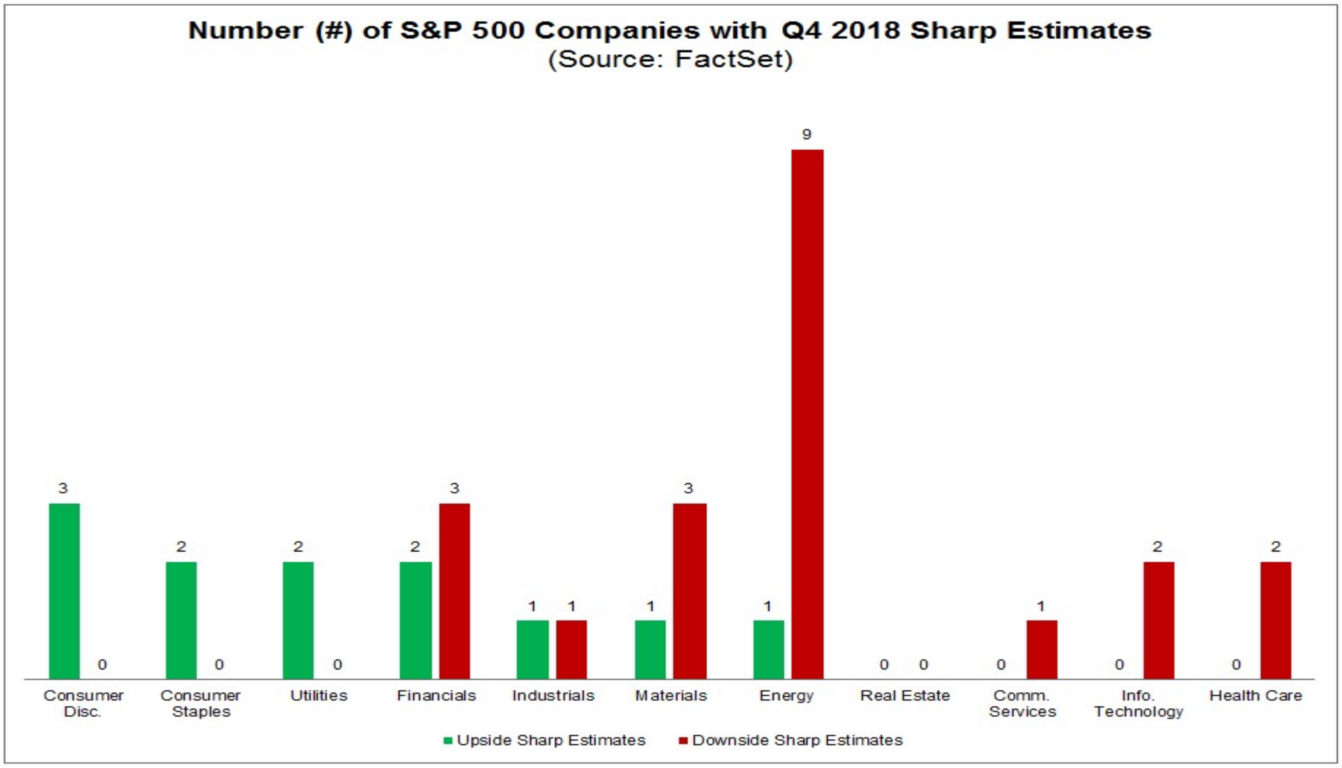


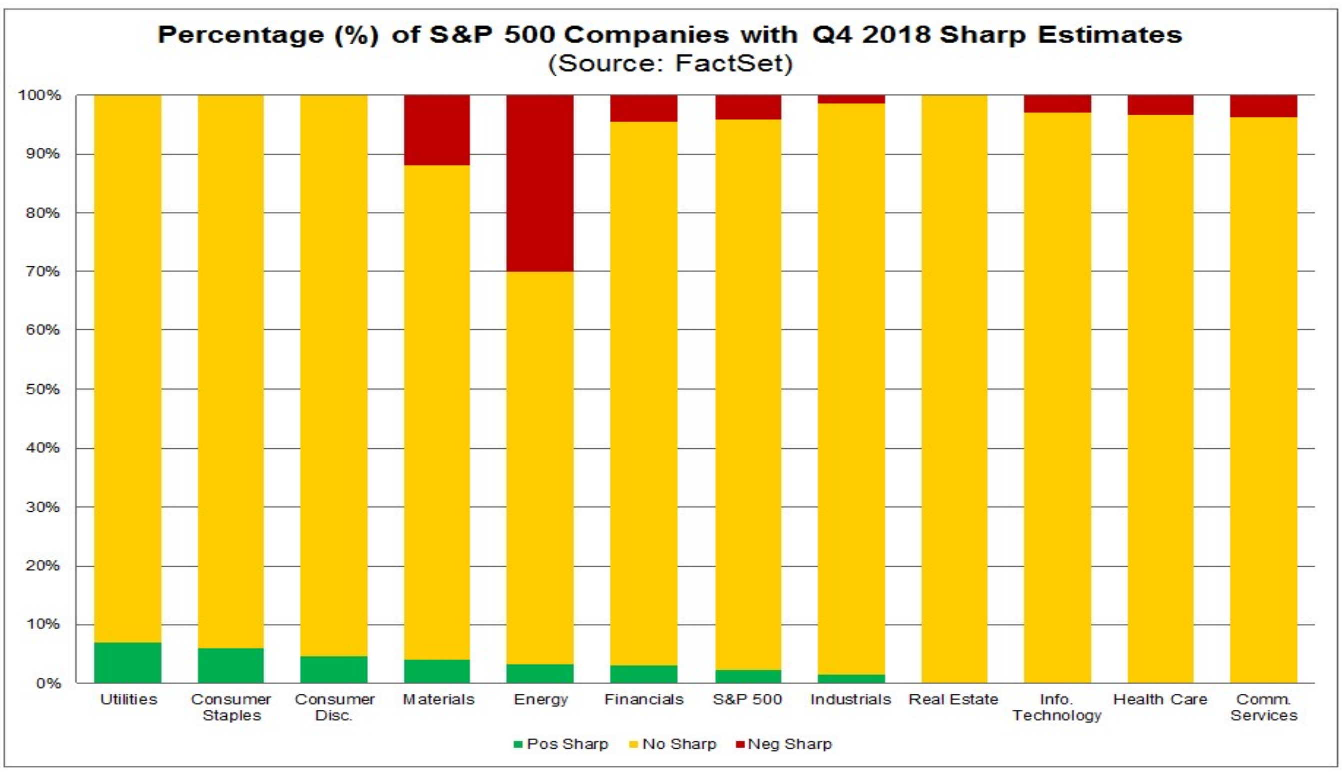
Q4 2018: Scorecard



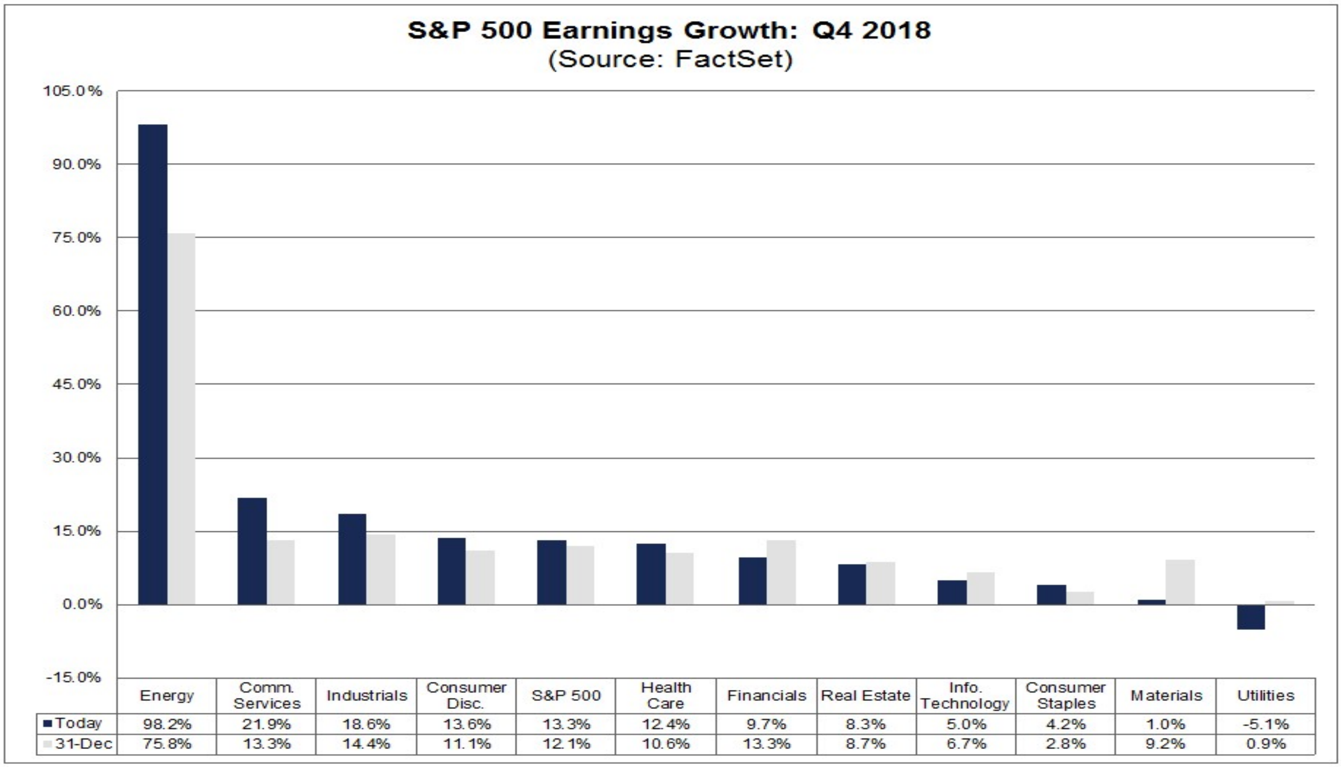


Q4 2018: Projected EPS Surprises (Sharp Estimates)

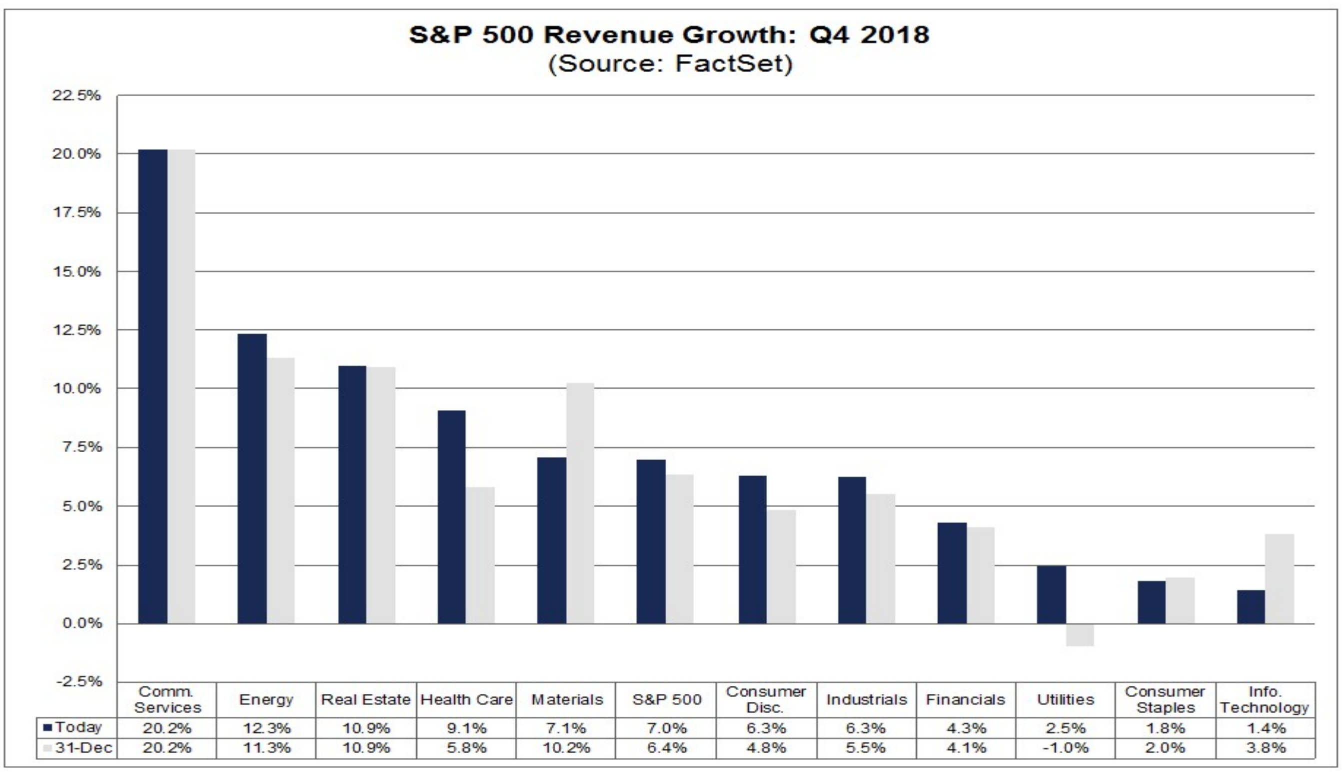




Q4 2018: Growth

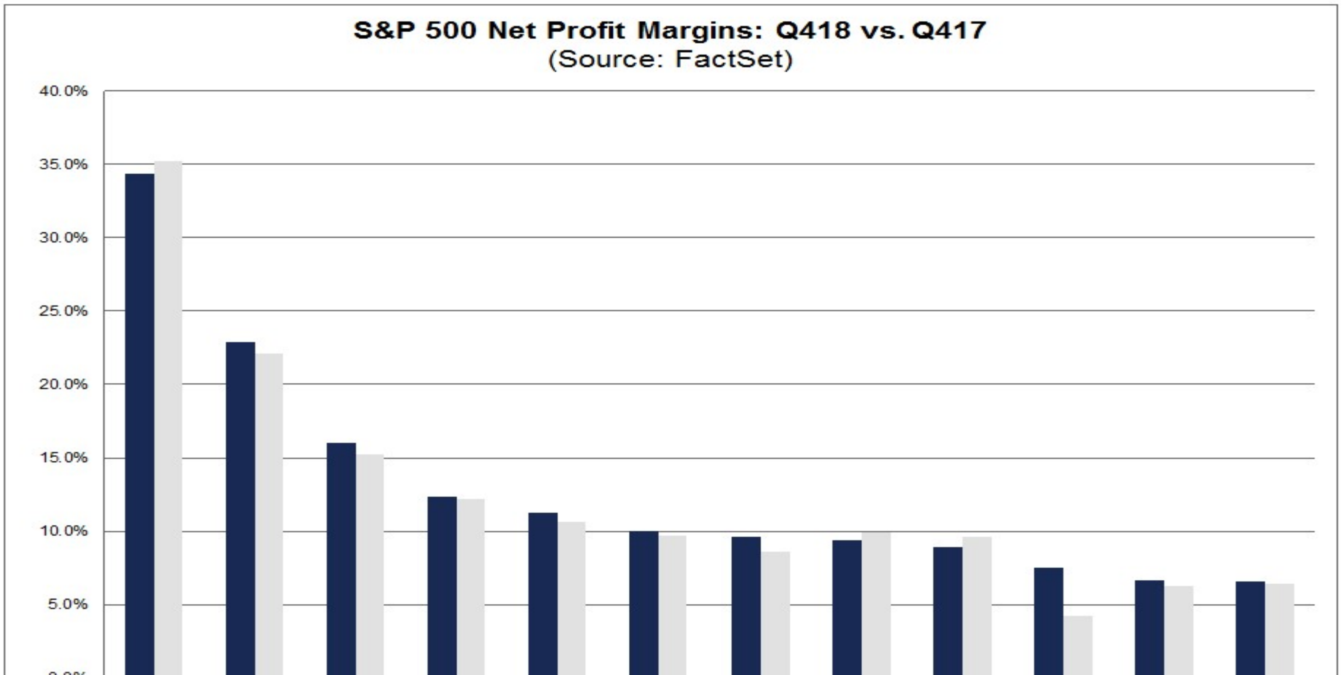


	Energy	Comm. Services	Industrials	Consumer Disc.	S&P 500	Health Care	Financials	Real Estate	Info. Technology	Consumer Staples	Materials	Utilities
Today	98.2%	21.9%	18.6%	13.6%	13.3%	12.4%	9.7%	8.3%	5.0%	4.2%	1.0%	-5.1%
31-Dec	75.8%	13.3%	14.4%	11.1%	12.1%	10.6%	13.3%	8.7%	6.7%	2.8%	9.2%	0.9%

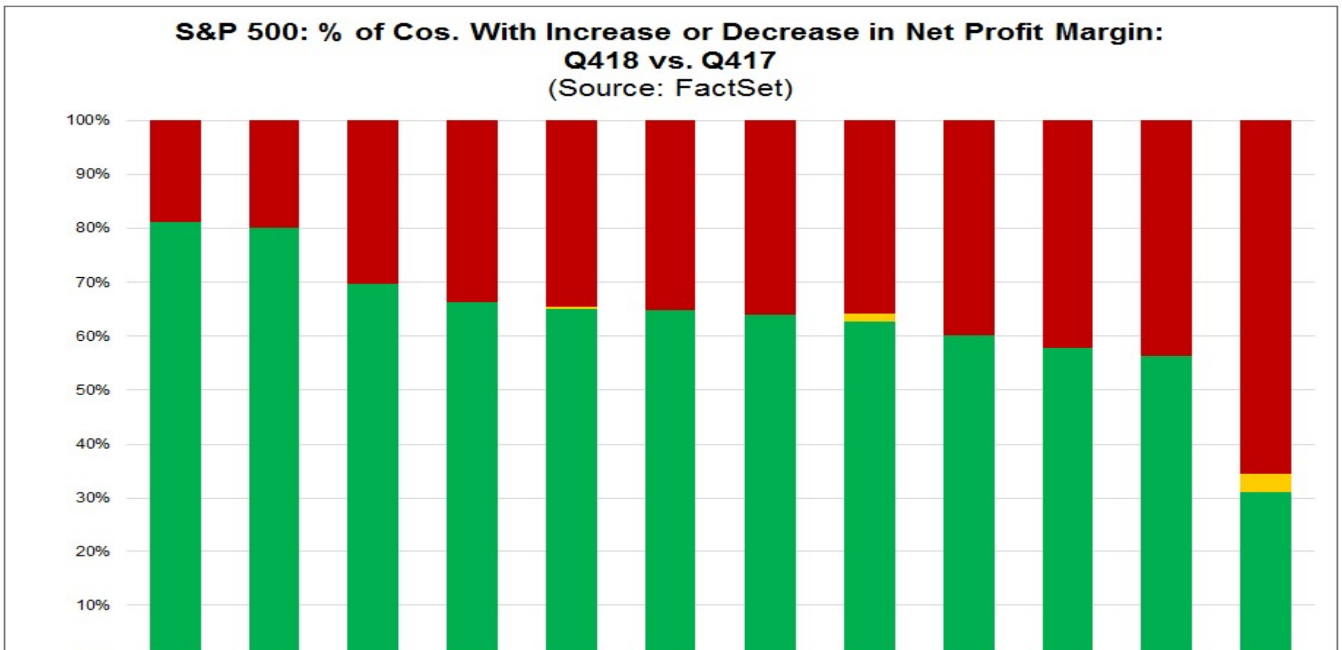


	Comm. Services	Energy	Real Estate	Health Care	Materials	S&P 500	Consumer Disc.	Industrials	Financials	Utilities	Consumer Staples	Info. Technology
Today	20.2%	12.3%	10.9%	9.1%	7.1%	7.0%	6.3%	6.3%	4.3%	2.5%	1.8%	1.4%
31-Dec	20.2%	11.3%	10.9%	5.8%	10.2%	6.4%	4.8%	5.5%	4.1%	-1.0%	2.0%	3.8%

Q4 2018: Net Profit Margin

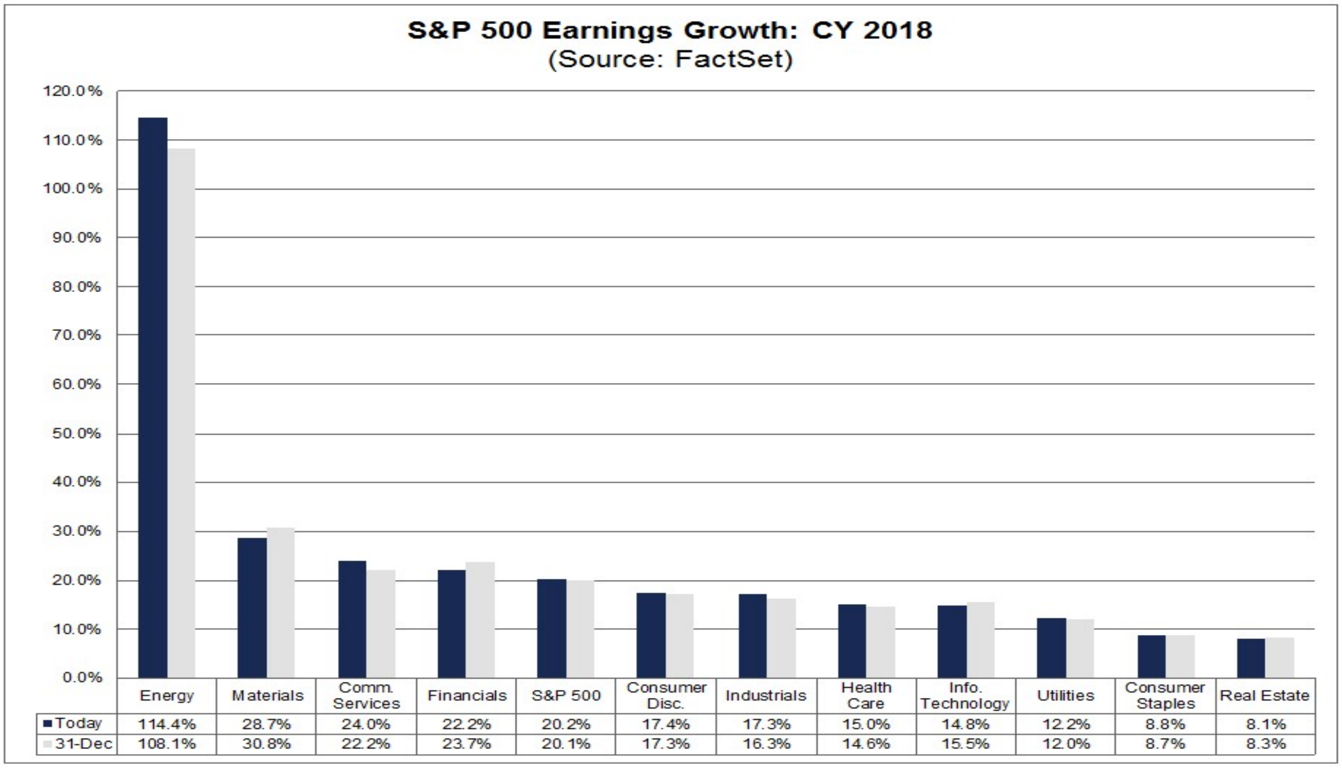


	Real Estate	Information Tech.	Financials	Comm. Services	S&P 500	Health Care	Industrials	Materials	Utilities	Energy	Consumer Disc.	Consumer Staples
Q418	34.4%	22.9%	16.1%	12.4%	11.3%	10.0%	9.6%	9.4%	8.9%	7.6%	6.7%	6.6%
Q417	35.2%	22.1%	15.3%	12.2%	10.7%	9.7%	8.6%	10.0%	9.6%	4.3%	6.2%	6.5%

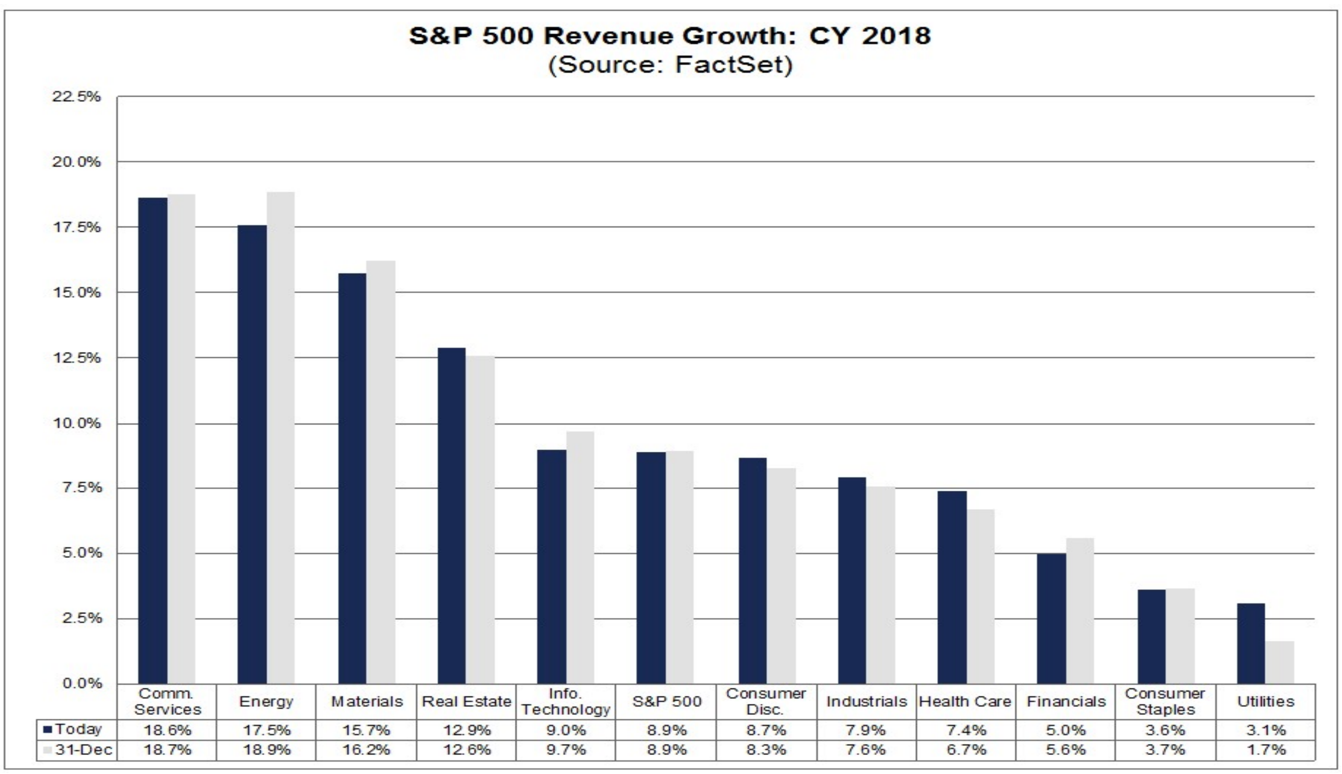


	Industrials	Energy	Consumer Staples	Information Tech.	S&P 500	Consumer Disc.	Health Care	Financials	Materials	Comm. Services	Real Estate	Utilities
Down %	19%	20%	30%	34%	35%	35%	36%	36%	40%	42%	44%	66%
None %	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	3%
Up %	81%	80%	70%	66%	65%	65%	64%	63%	60%	58%	56%	31%

CY 2018: Growth

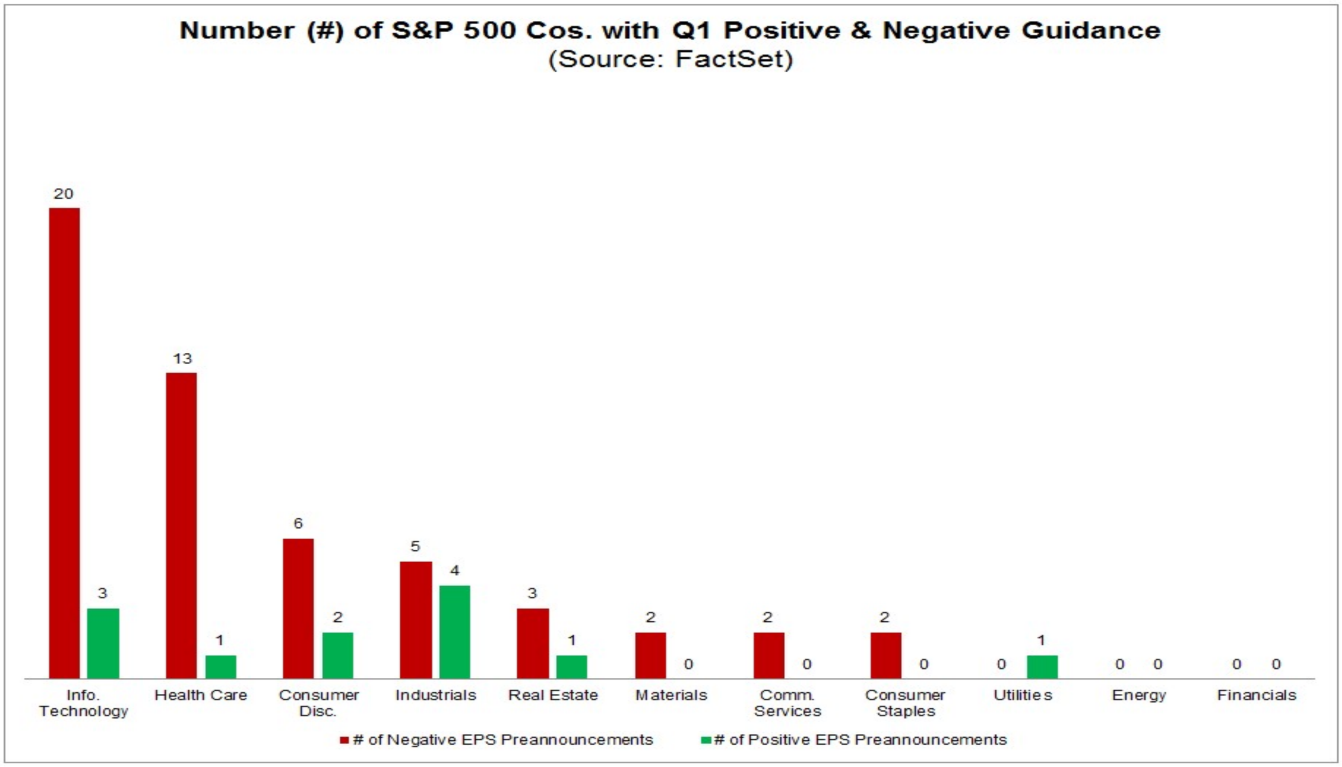


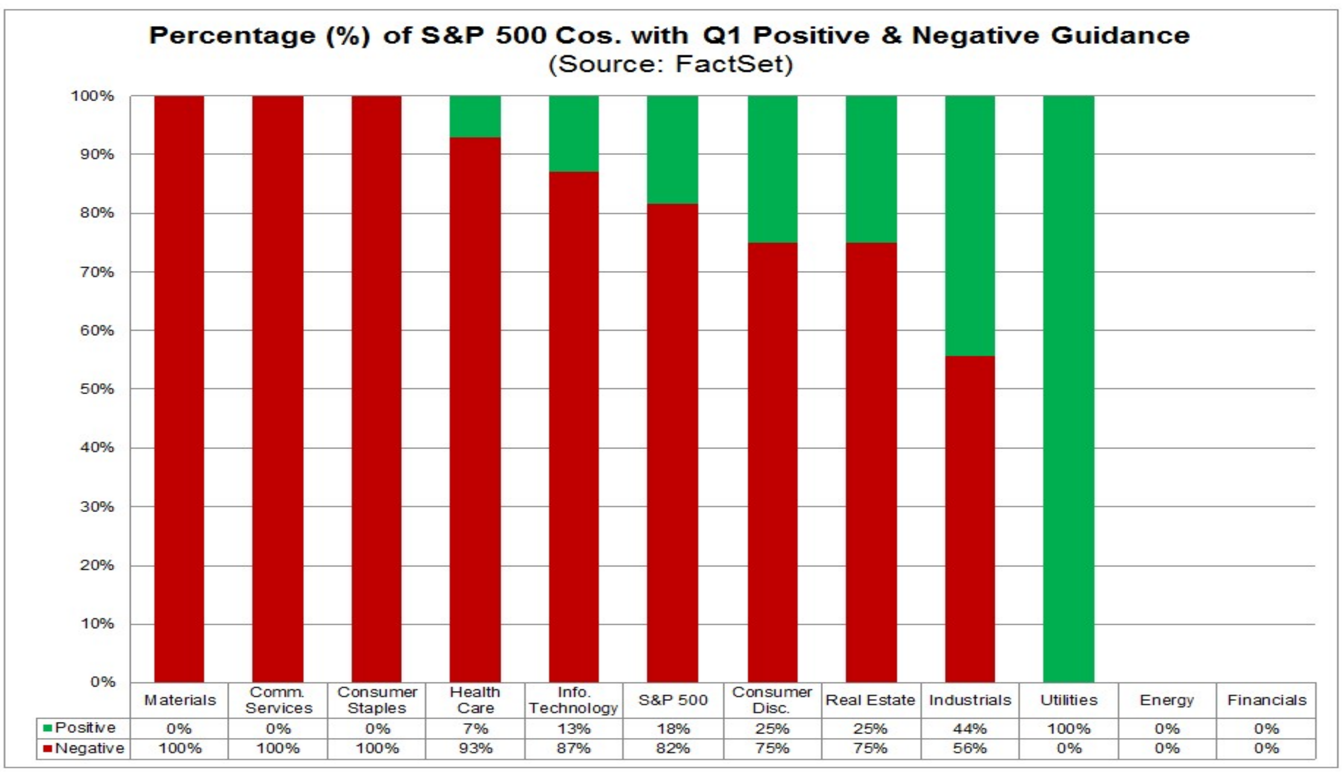
	Energy	Materials	Comm. Services	Financials	S&P 500	Consumer Disc.	Industrials	Health Care	Info. Technology	Utilities	Consumer Staples	Real Estate
Today	114.4%	28.7%	24.0%	22.2%	20.2%	17.4%	17.3%	15.0%	14.8%	12.2%	8.8%	8.1%
31-Dec	108.1%	30.8%	22.2%	23.7%	20.1%	17.3%	16.3%	14.6%	15.5%	12.0%	8.7%	8.3%



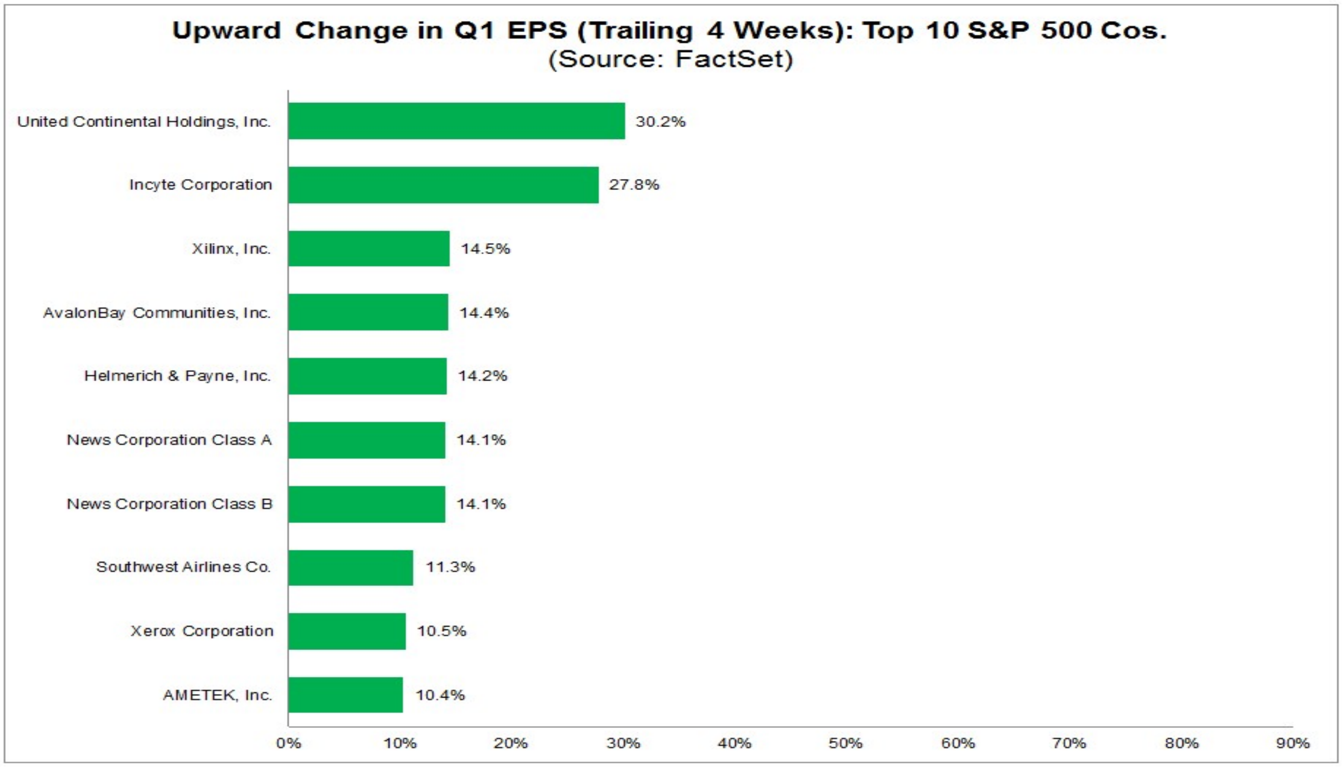
	Comm. Services	Energy	Materials	Real Estate	Info. Technology	S&P 500	Consumer Disc.	Industrials	Health Care	Financials	Consumer Staples	Utilities
Today	18.6%	17.5%	15.7%	12.9%	9.0%	8.9%	8.7%	7.9%	7.4%	5.0%	3.6%	3.1%
31-Dec	18.7%	18.9%	16.2%	12.6%	9.7%	8.9%	8.3%	7.6%	6.7%	5.6%	3.7%	1.7%

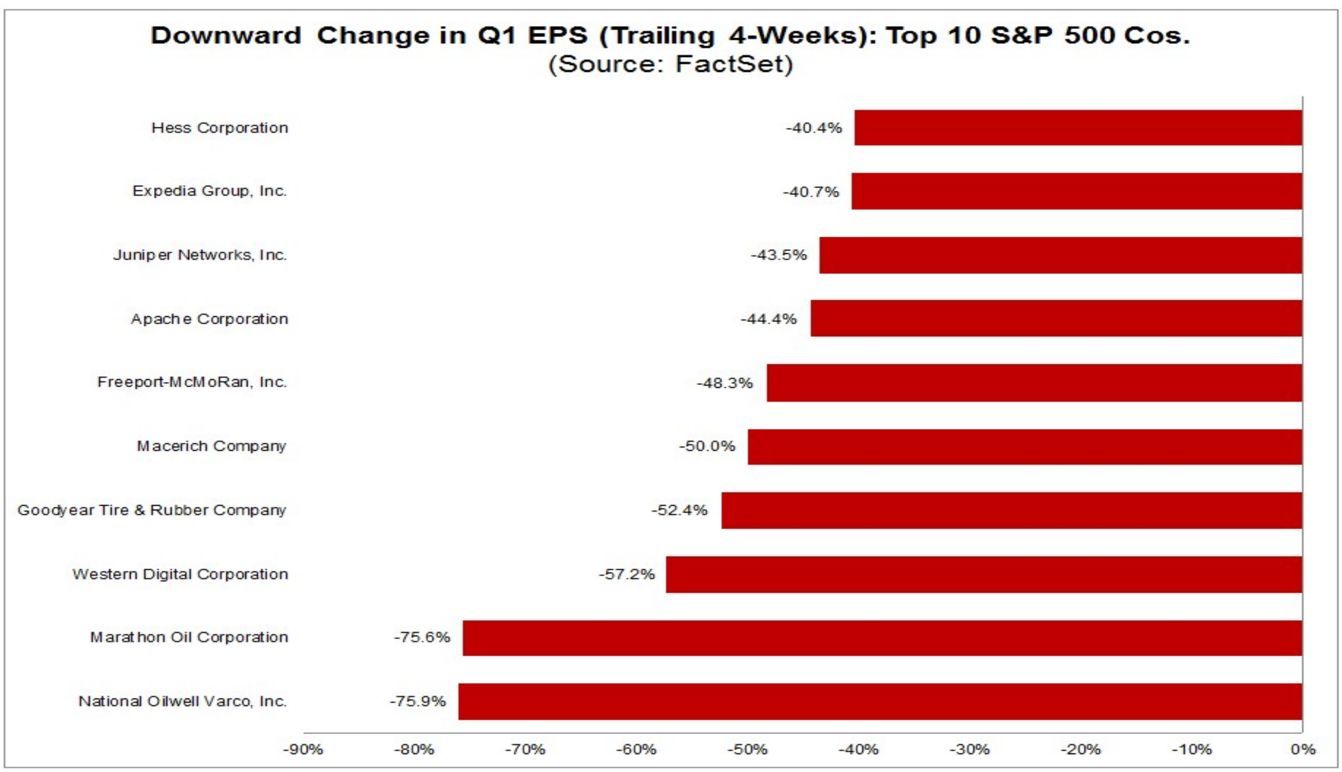
Q1 2019: EPS Guidance



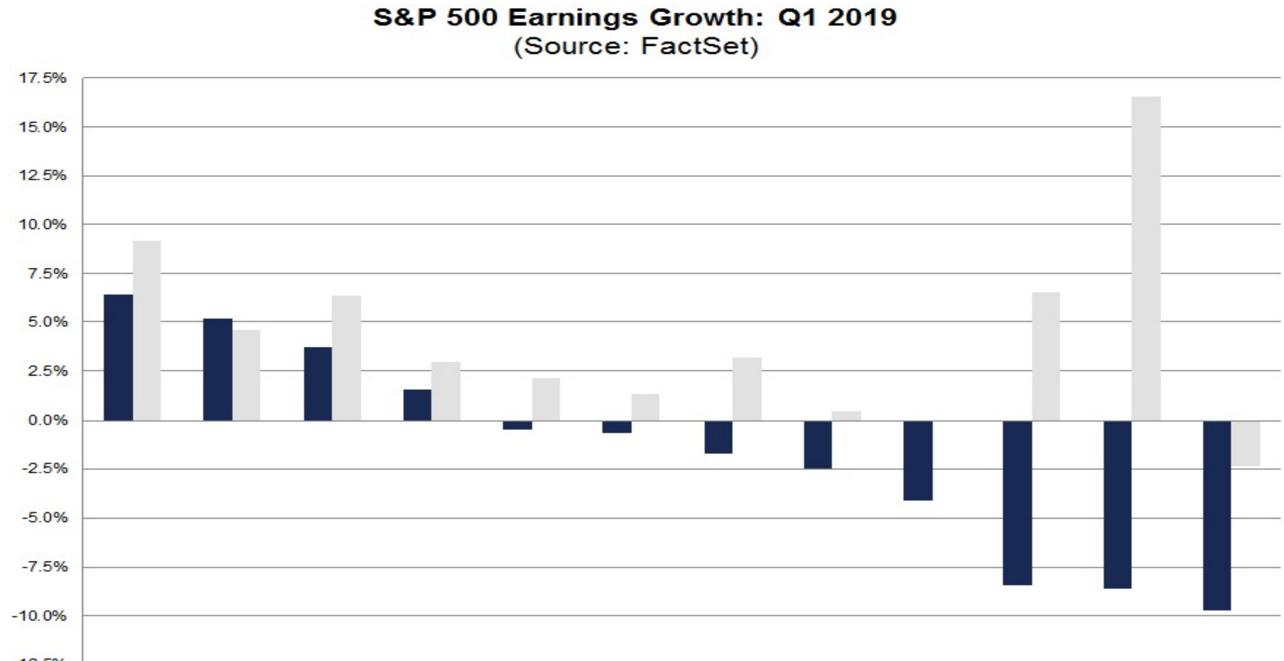


Q1 2019: EPS Revisions

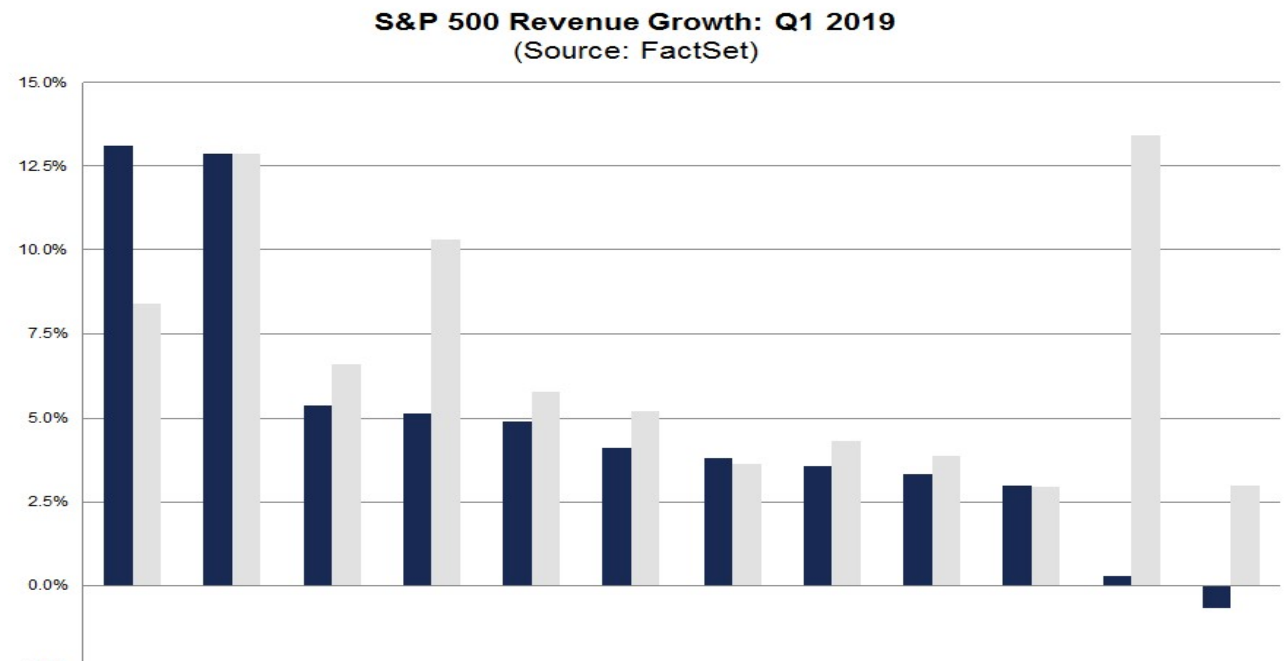




Q1 2019: Growth

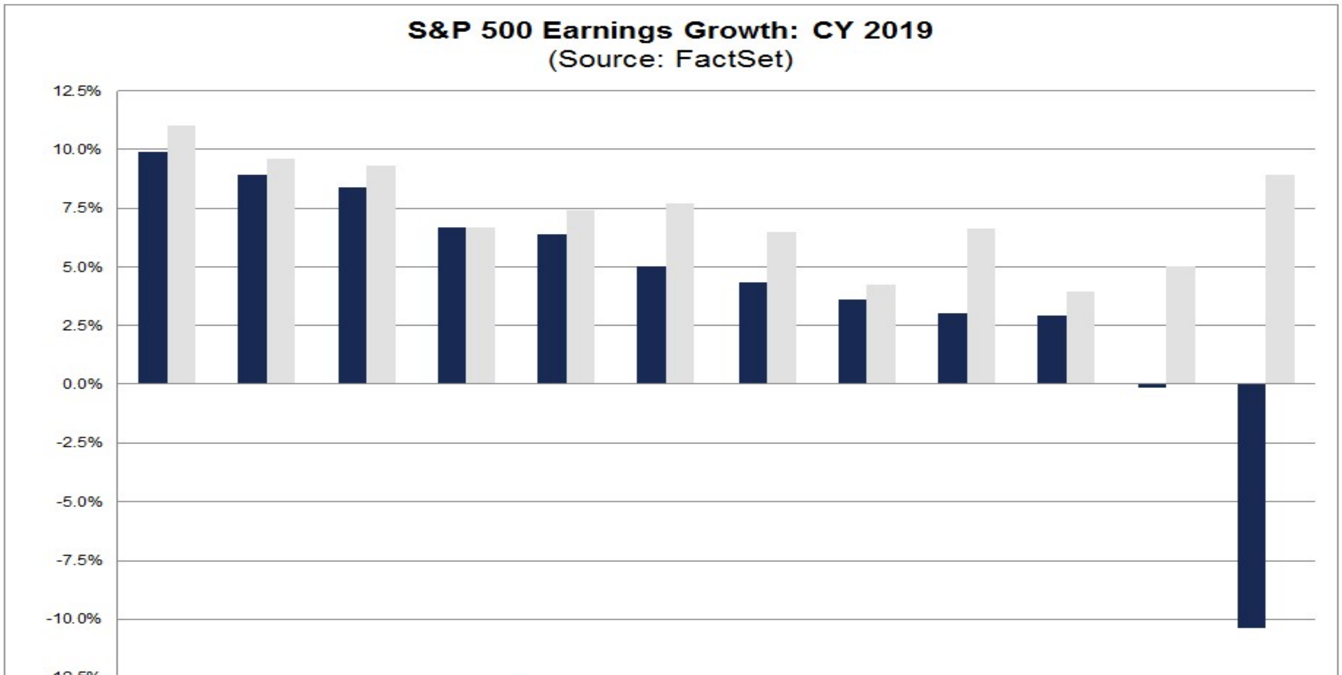


	Health Care	Utilities	Industrials	Real Estate	Financials	Consumer Staples	S&P 500	Comm. Services	Consumer Disc.	Materials	Energy	Info. Technology
Today	6.4%	5.2%	3.7%	1.6%	-0.4%	-0.6%	-1.7%	-2.5%	-4.1%	-8.4%	-8.6%	-9.7%
31-Dec	9.2%	4.6%	6.3%	2.9%	2.1%	1.4%	3.2%	0.5%	-0.1%	6.5%	16.5%	-2.4%

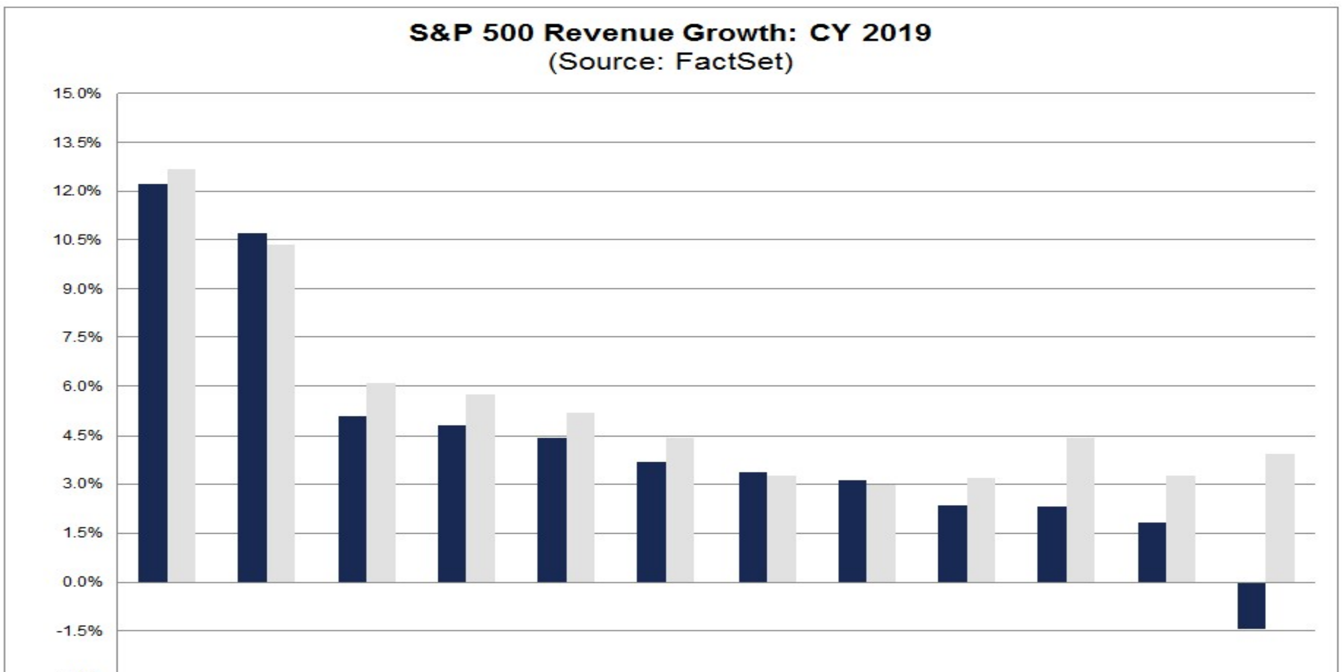


	Health Care	Comm. Services	S&P 500	Materials	Financials	Industrials	Utilities	Real Estate	Consumer Disc.	Consumer Staples	Energy	Info. Technology
Today	13.1%	12.9%	5.4%	5.1%	4.9%	4.1%	3.8%	3.6%	3.3%	3.0%	0.3%	-0.7%
31-Dec	8.4%	12.9%	6.6%	10.3%	5.8%	5.2%	3.6%	4.3%	3.9%	2.9%	13.4%	3.0%

CY 2019: Growth



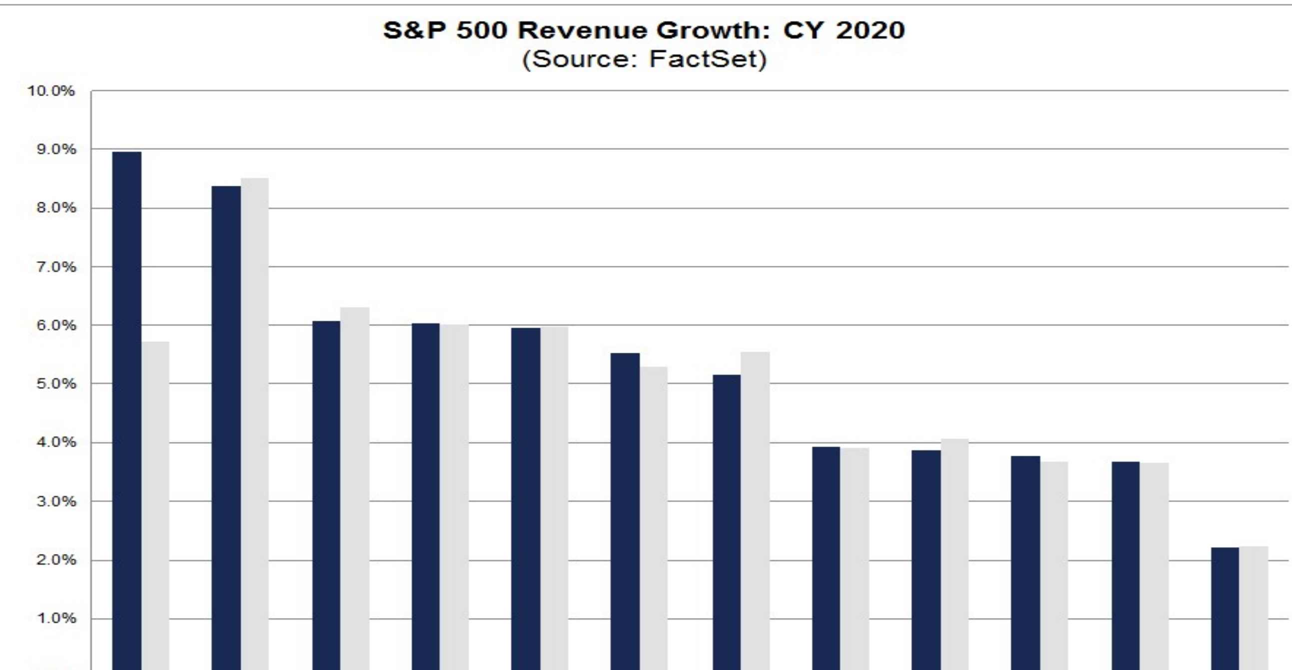
	Industrials	Consumer Disc.	Financials	Utilities	Health Care	S&P 500	Comm. Services	Consumer Staples	Info. Technology	Real Estate	Materials	Energy
Today	9.9%	8.9%	8.4%	6.7%	6.4%	5.0%	4.4%	3.6%	3.0%	2.9%	-0.2%	-10.4%
31-Dec	11.0%	9.6%	9.3%	6.7%	7.4%	7.7%	6.5%	4.2%	6.6%	3.9%	5.0%	8.9%



	Health Care	Comm. Services	S&P 500	Consumer Disc.	Industrials	Real Estate	Consumer Staples	Financials	Utilities	Info. Technology	Materials	Energy
Today	12.2%	10.7%	5.1%	4.8%	4.4%	3.7%	3.4%	3.1%	2.4%	2.3%	1.8%	-1.4%
31-Dec	12.7%	10.4%	6.1%	5.7%	5.2%	4.4%	3.3%	3.0%	3.2%	4.4%	3.3%	4.0%

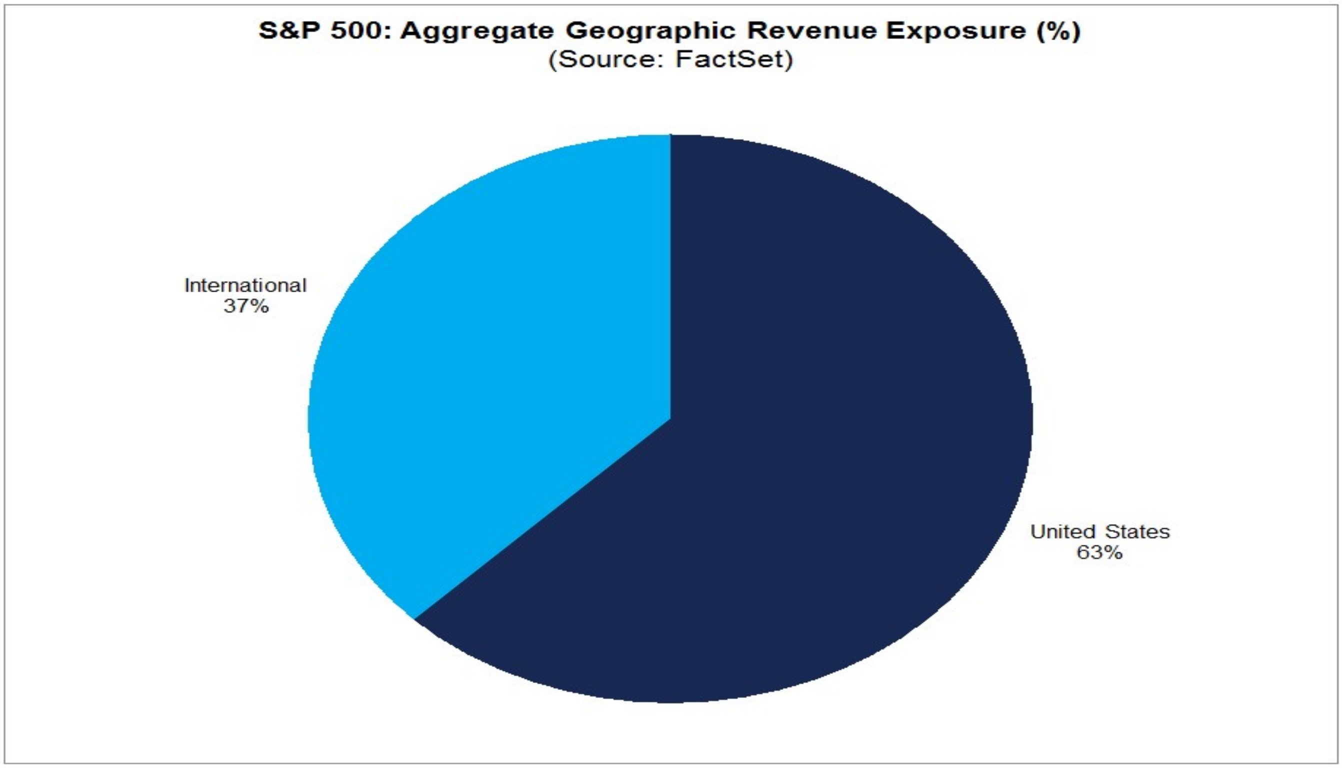
CY 2020: Growth

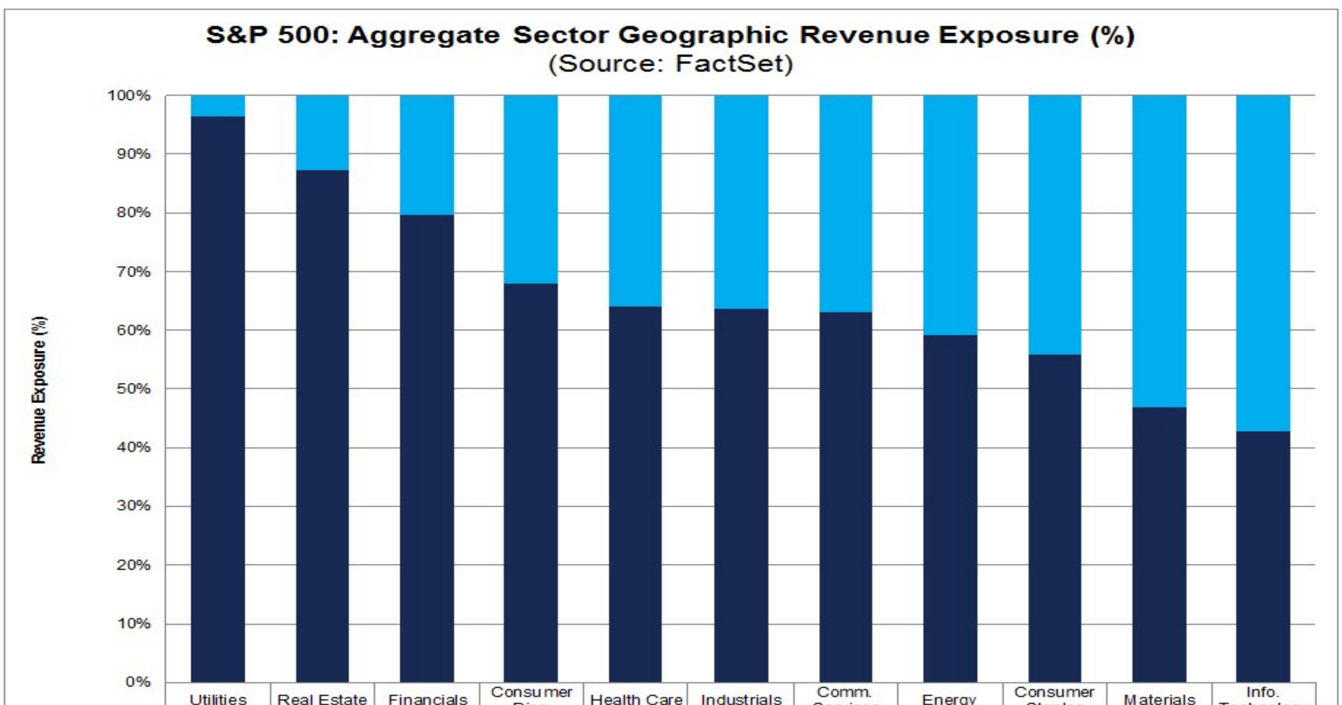
	Energy	Consumer Disc.	Materials	Info. Technology	S&P 500	Industrials	Comm. Services	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	29.7%	13.9%	13.5%	11.6%	11.4%	11.2%	10.9%	10.1%	9.7%	7.0%	6.1%	5.6%
31-Dec	25.1%	14.1%	12.8%	11.3%	11.2%	11.8%	10.5%	10.1%	9.4%	6.9%	6.5%	5.4%



	Energy	Comm. Services	Consumer Disc.	Info. Technology	Health Care	S&P 500	Real Estate	Financials	Materials	Consumer Staples	Industrials	Utilities
Today	9.0%	8.4%	6.1%	6.0%	6.0%	5.5%	5.2%	3.9%	3.9%	3.8%	3.7%	2.2%
31-Dec	5.7%	8.5%	6.3%	6.0%	6.0%	5.3%	5.5%	3.9%	4.1%	3.7%	3.7%	2.2%

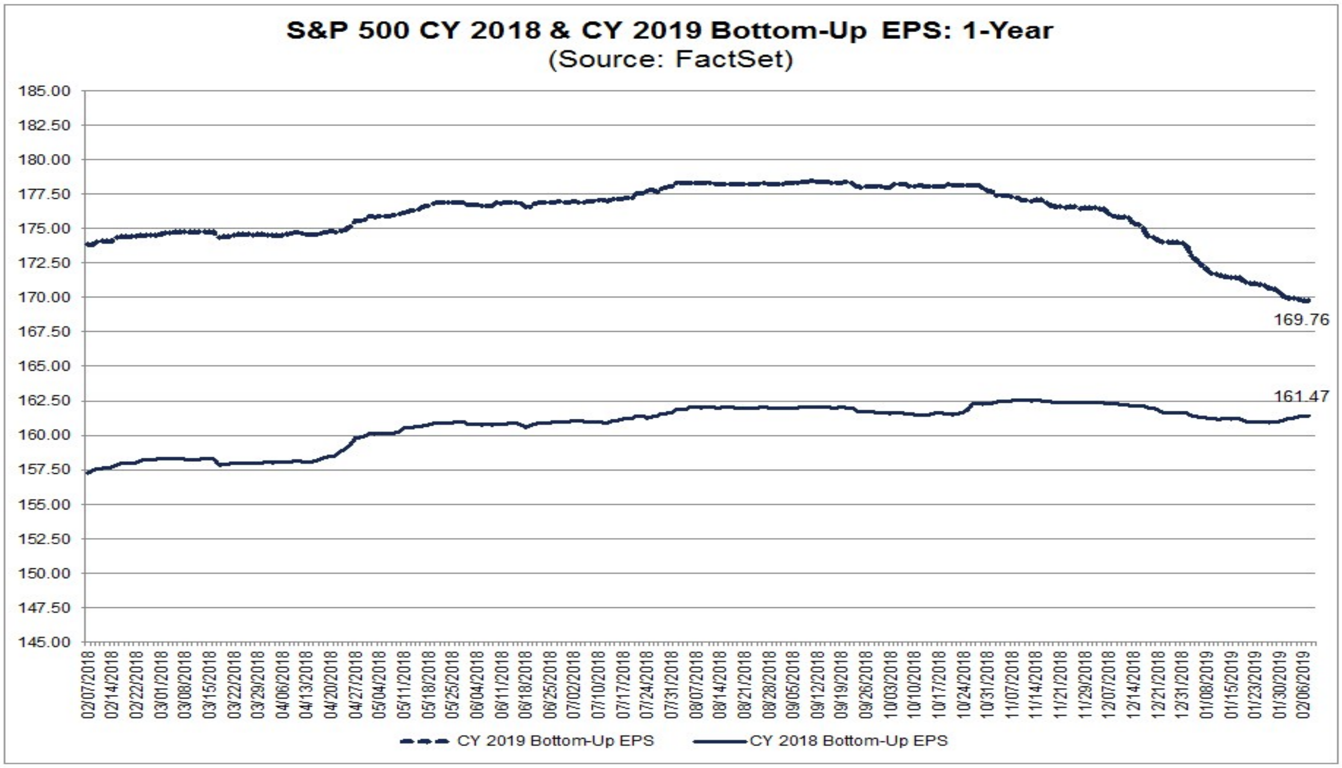
Geographic Revenue Exposure

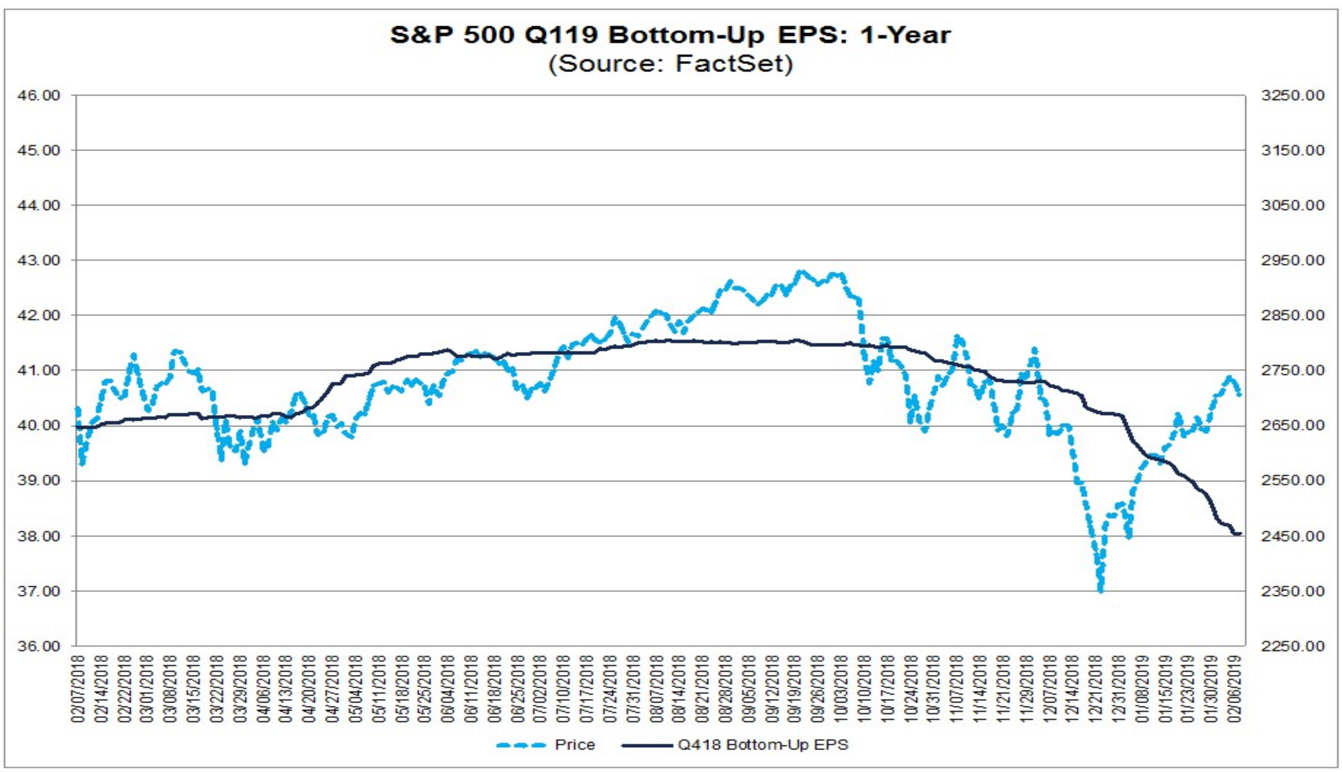




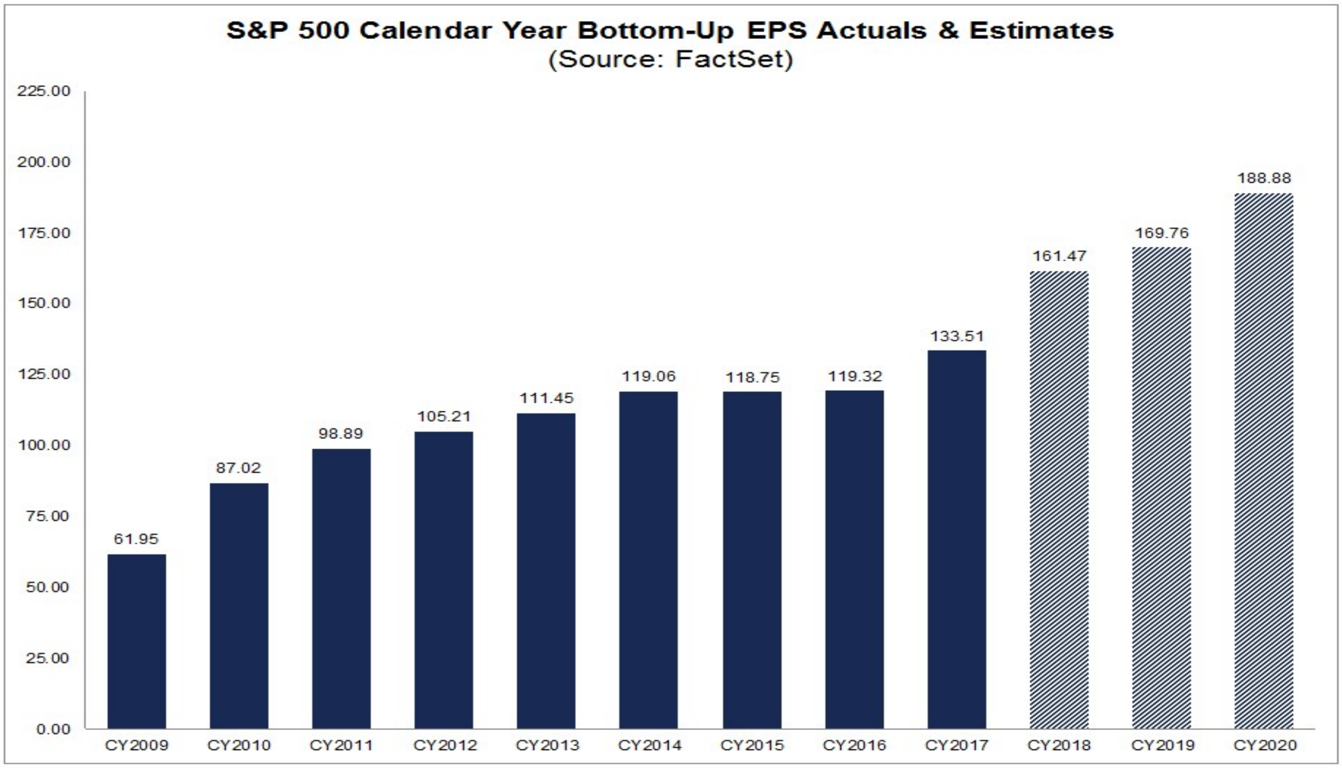
	Utilities	Real Estate	Financials	Consumer Disc.	Health Care	Industrials	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	4%	13%	20%	32%	36%	36%	37%	41%	44%	53%	57%
United States	96%	87%	80%	68%	64%	64%	63%	59%	56%	47%	43%

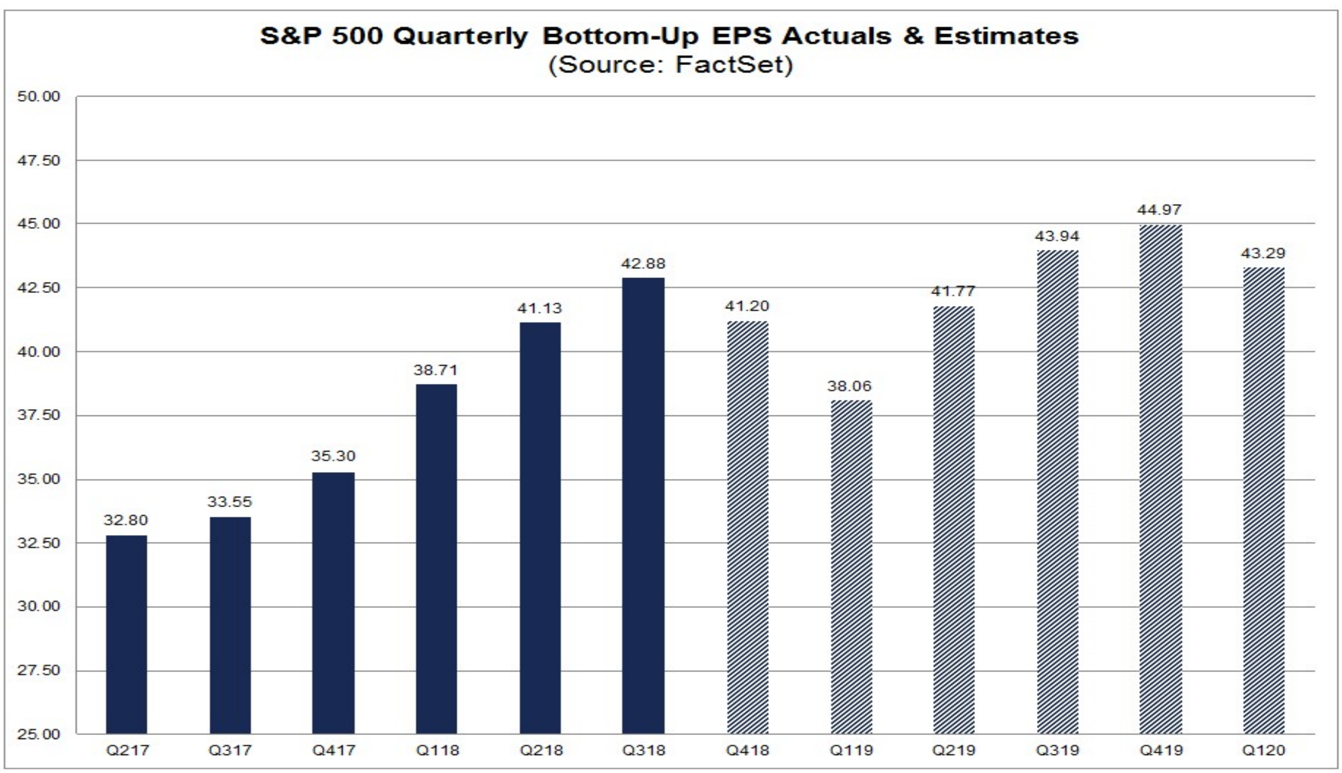
Bottom-up EPS Estimates: Revisions



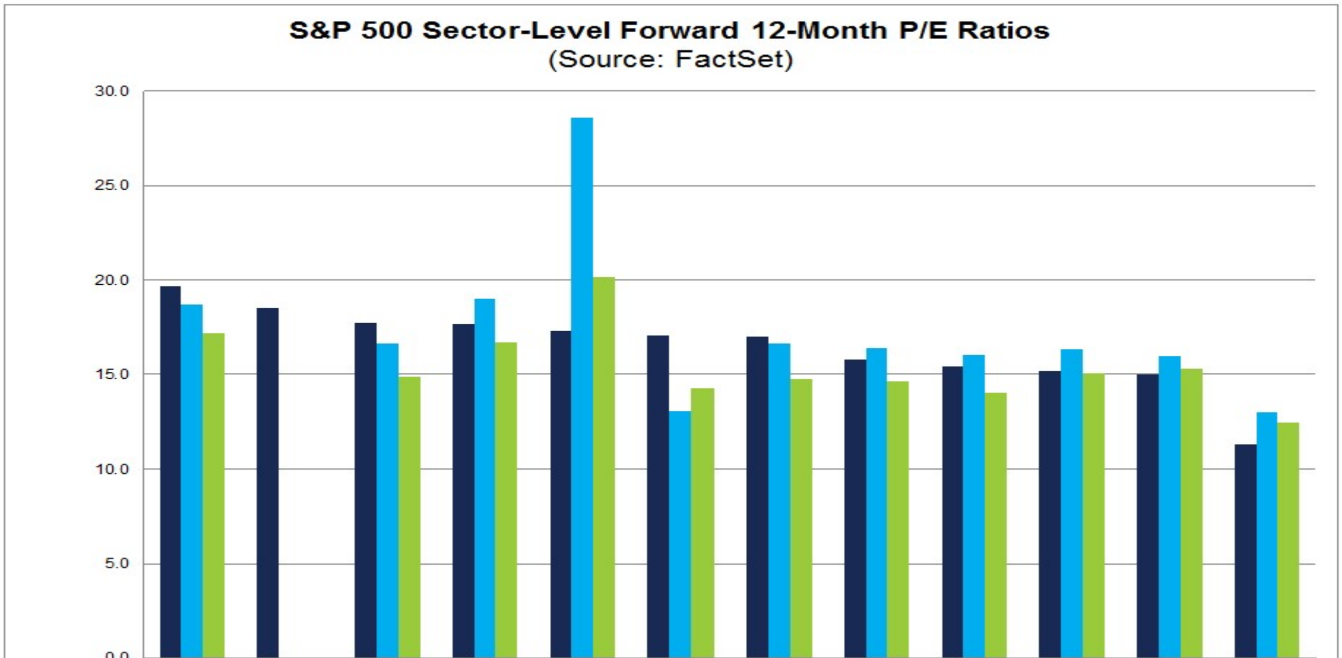


Bottom-up EPS Estimates: Current & Historical

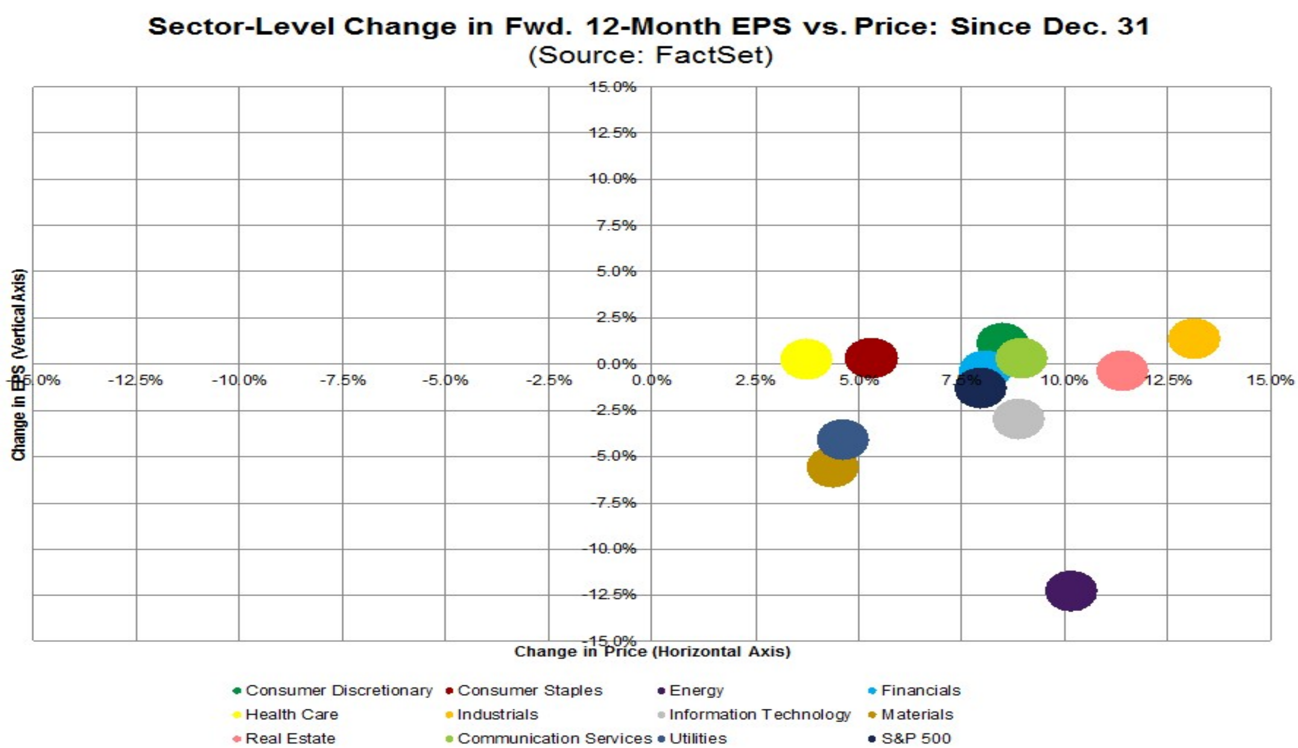




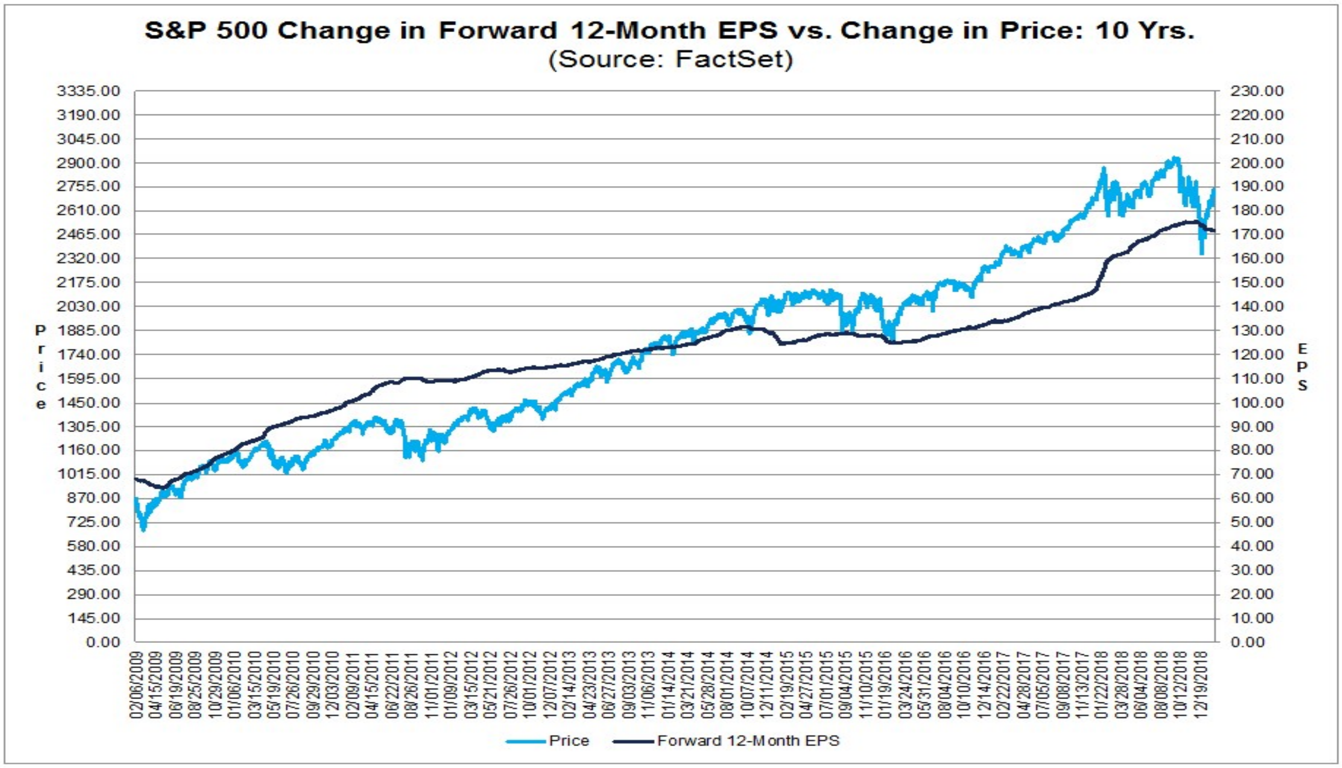
Forward 12M P/E Ratio: Sector Level

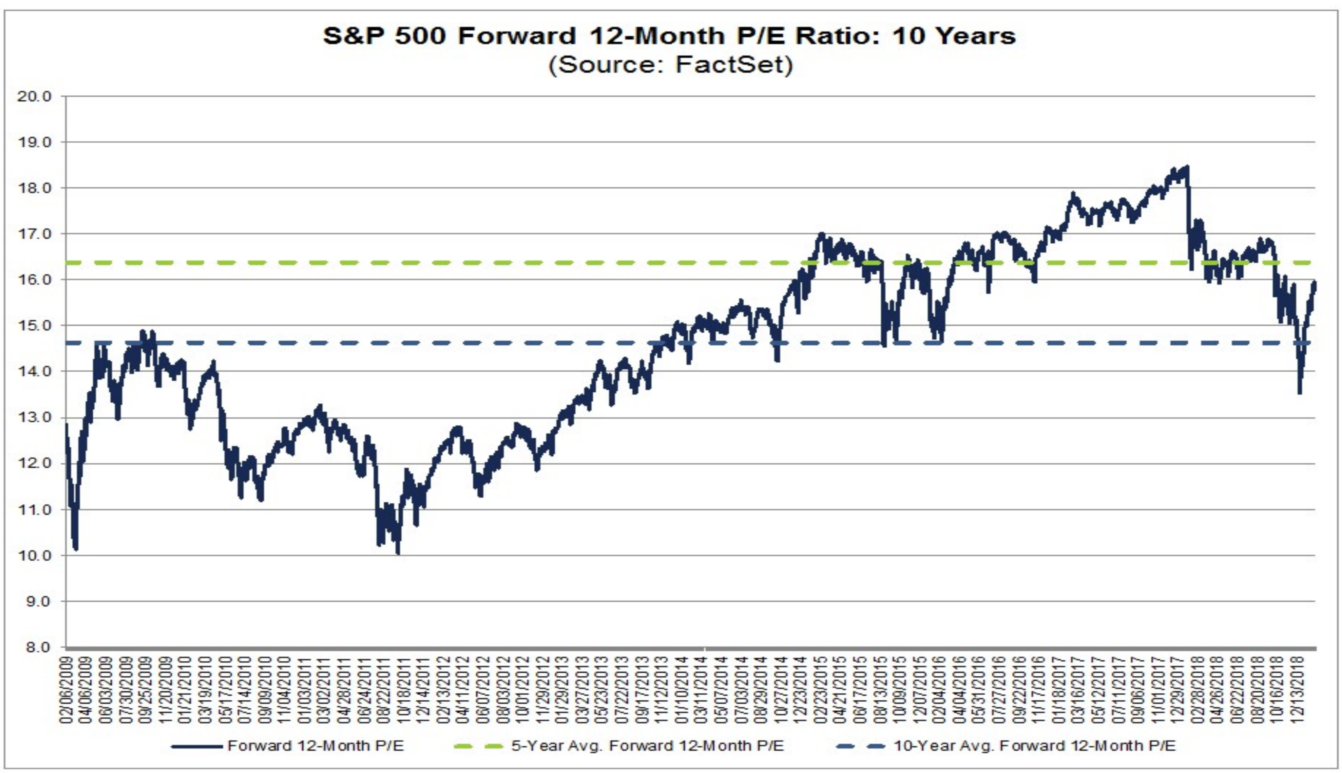


	Consumer Disc.	Real Estate	Utilities	Consumer Staples	Energy	Comm. Services	Info. Technology	S&P 500	Health Care	Industrials	Materials	Financials
Fwd P/E	19.6	18.5	17.7	17.6	17.3	17.0	17.0	15.8	15.4	15.1	15.0	11.3
5-Yr Avg.	18.7		16.6	19.0	28.6	13.1	16.6	16.4	16.0	16.3	15.9	13.0
10-Yr Avg.	17.2		14.8	16.7	20.1	14.2	14.8	14.6	14.0	15.0	15.3	12.5

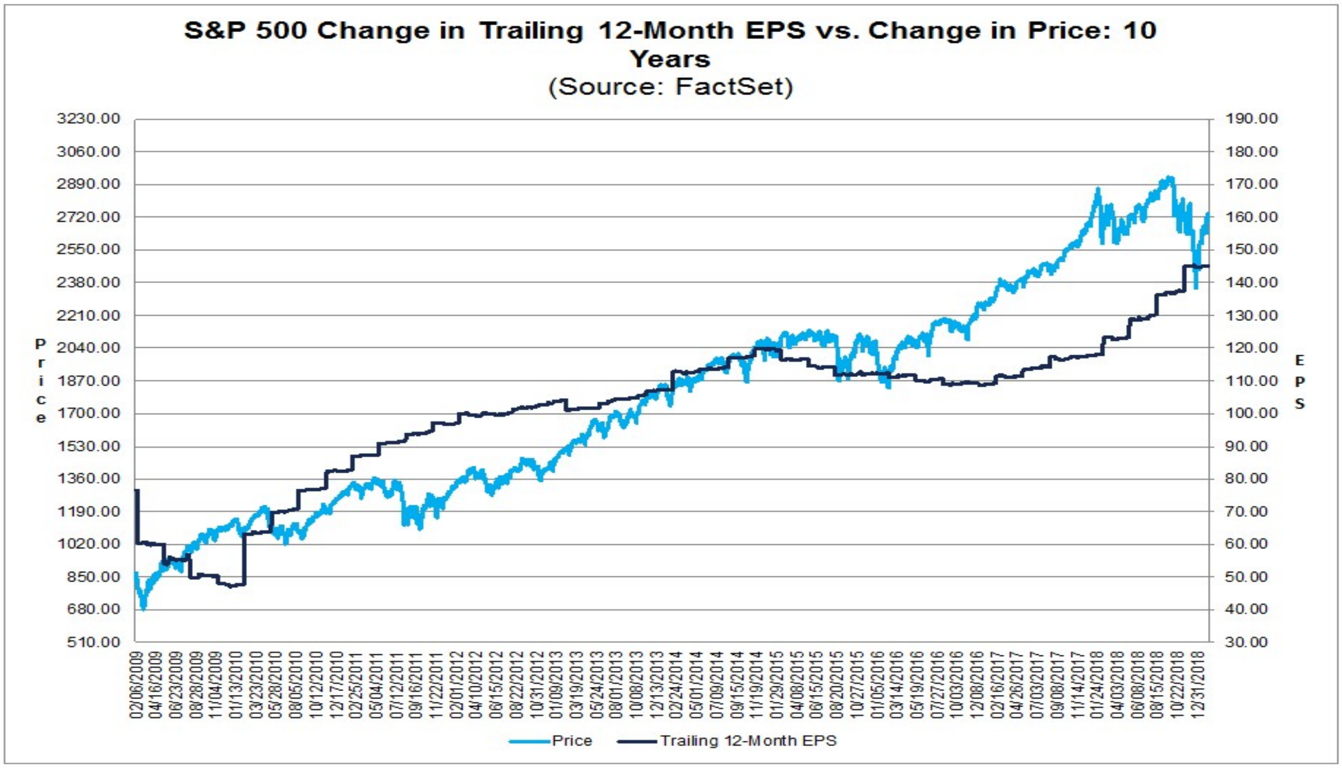


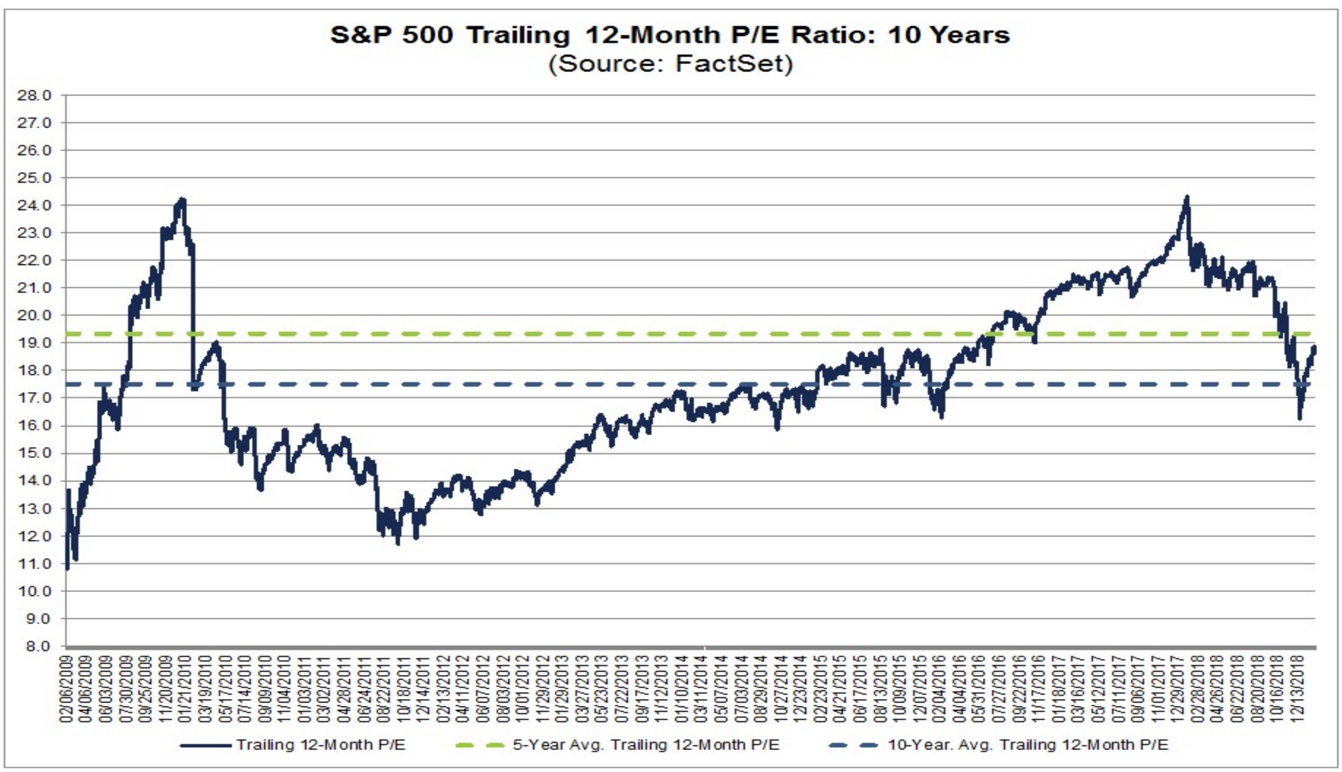
Forward 12M P/E Ratio: 10-Years



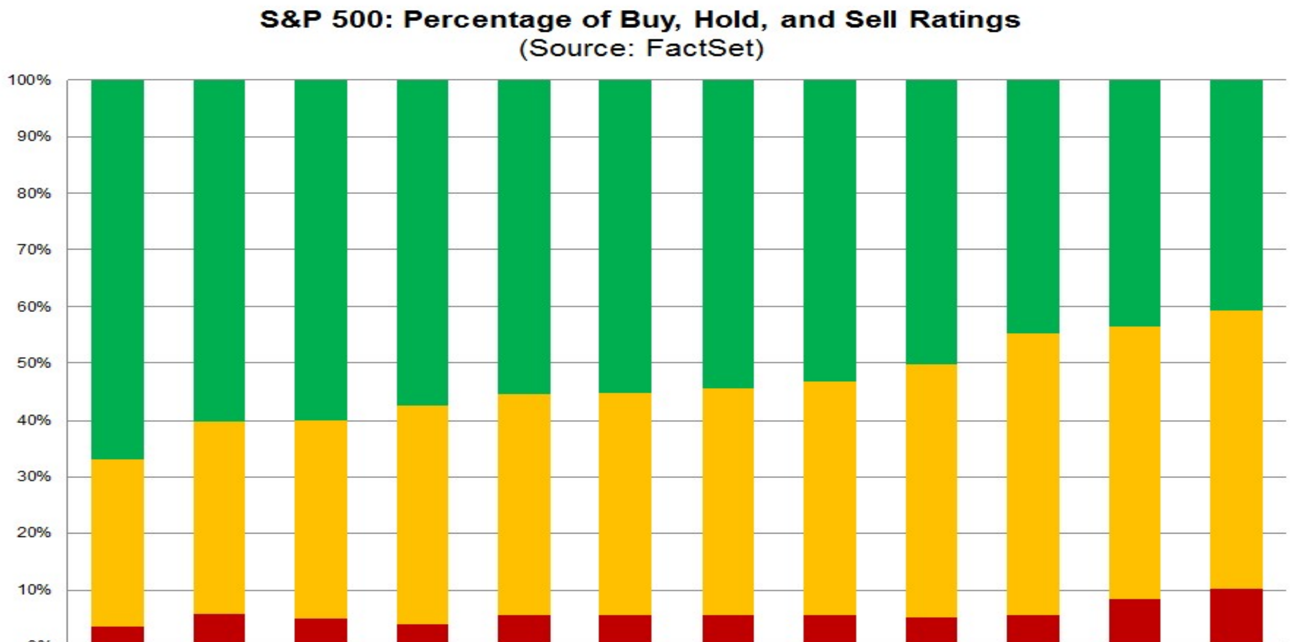


Trailing 12M P/E Ratio: 10-Years

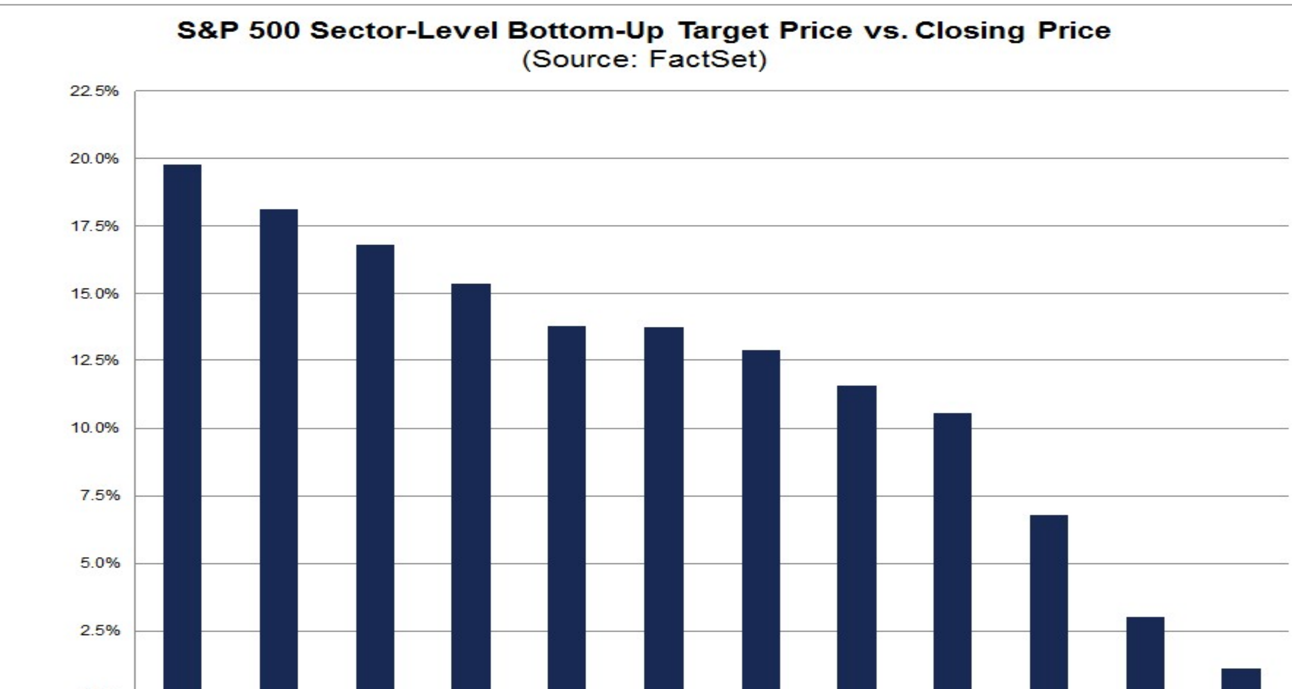




Targets & Ratings



	Energy	Comm. Services	Health Care	Materials	Info. Tech.	Industrials	S&P 500	Consumer Disc.	Financials	Real Estate	Utilities	Consumer Staples
Buy	67%	60%	60%	57%	55%	55%	54%	53%	50%	45%	44%	41%
Hold	29%	34%	35%	39%	39%	39%	40%	41%	44%	50%	48%	49%
Sell	4%	6%	5%	4%	6%	6%	6%	6%	5%	6%	8%	10%



	Energy	Comm. Services	Consumer Disc.	Materials	Financials	Health Care	S&P 500	Info. Tech.	Industrials	Consumer Staples	Real Estate	Utilities
Target/Close	19.8%	18.1%	16.8%	15.4%	13.8%	13.7%	12.9%	11.6%	10.6%	6.8%	3.0%	1.1%

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