Key Metrics

- **Earnings Scorecard:** For Q4 2018 (with 96% of the companies in the S&P 500 reporting actual results for the quarter), 69% of S&P 500 companies have reported a positive EPS surprise and 61% have reported a positive revenue surprise.

- **Earnings Growth:** For Q4 2018, the blended earnings growth rate for the S&P 500 is 13.1%. If 13.1% 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%. Seven 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, 73 S&P 500 companies have issued negative EPS guidance and 26 S&P 500 companies have issued positive EPS guidance.

- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.2. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.7).
Topic of the Week:

**Largest Cuts to S&P 500 EPS Estimates Since Q1 2016**

During the first two months of the first quarter, analysts lowered earnings estimates for companies in the S&P 500 for the quarter. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates of all the companies in the index) dropped by 6.5% (to $37.60 from $40.21) during this period. How significant is a 6.5% decline in the bottom-up EPS estimate during the first two months of a quarter? How does this decrease compare to recent quarters?

During the past five years (20 quarters), the average decline in the bottom-up EPS estimate during the first two months of a quarter has been 2.4%. During the past ten years, (40 quarters), the average decline in the bottom-up EPS estimate during the first two months of a quarter has been 2.8%. During the past fifteen years, (60 quarters), the average decline in the bottom-up EPS estimate during the first two months of a quarter has been 2.9%. Thus, the decline in the bottom-up EPS estimate recorded during the first two months of the first quarter was larger than the 5-year average, the 10-year average, and the 15-year average.

In fact, the first quarter marked the largest percentage decline in the bottom-up EPS estimate over the first two months of a quarter since Q1 2016 (-8.4%).

At the sector level, all eleven sectors recorded a decline in their bottom-up EPS estimate during the first two months of the quarter, led by the Energy (-32.3%), Materials (-15.2%), and Information Technology (-8.2%) sectors. Overall, nine sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 5-year average, eight sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 10-year average, and seven sectors recorded a larger decrease in their bottom-up EPS estimate relative to their 15-year average.

As the bottom-up EPS estimate for the index declined during the first two months of the quarter, the value of the S&P 500 increased during this same period. From December 31 through February 28, the value of the index increased by 11.1% (to 2784.49 from 2506.85). The first quarter marked the 15th time in the past 20 quarters in which the bottom-up EPS estimate decreased while the value of the index increased during the first two months of the quarter.
Q4 Earnings Season: By The Numbers

Overview

To date, 96% 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 (69%) is below the 5-year average. In aggregate, companies are reporting earnings that are 3.3% above the estimates, which is also below the 5-year average. In terms of revenues, the percentage of companies reporting actual revenues above estimates (61%) is slightly above the 5-year average. In aggregate, companies are reporting revenues that are 0.3% above the estimates, which is below 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 13.1% today, which is equal to the earnings growth rate of 13.1% last week. If 13.1% 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. All eleven sectors are reporting year-over-year earnings growth. Five sectors are reporting double-digit earnings growth, led by the Energy, Communication Services, and Consumer Discretionary sectors.

The blended, year-over-year revenue growth rate for the fourth quarter is 5.8% today, which is below the revenue growth rate of 6.6% last week. The negative revenue surprise reported by Berkshire Hathaway was mainly responsible for the decrease in the revenue growth rate during the week. Ten of the eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communications Services, Real Estate, and Energy. The Financials sector is the only sector reporting a year-over-year decline in revenues.

Looking ahead, analysts predict a decline in earnings for the first quarter (-3.2%) of 2019 and low single-digit growth in earnings for the second (0.3%) and third (1.9%) quarters of 2019.

The forward 12-month P/E ratio is 16.2, which is below the 5-year average but above the 10-year average.

During the upcoming week, ten S&P 500 companies are scheduled to report results for the fourth quarter and one S&P 500 company is scheduled to report results for the first quarter.

Scorecard: Below Average Number and Magnitude of Positive EPS Surprises

Percentage of Companies Beating EPS Estimates (69%) is Below 5-Year Average

Overall, 96% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 69% have reported actual EPS above the mean EPS estimate, 9% 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 and below the 5-year (71%) average.

At the sector level, the Information Technology (85%) sector has the highest percentage of companies reporting earnings above estimates, while the Real Estate (44%) sector has the lowest percentage of companies reporting earnings (FFO for Real Estate) above estimates.

Earnings Surprise Percentage (+3.3%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 3.3% above expectations. This surprise percentage is below the 1-year (+6.0%) average and below the 5-year (+4.8%) average.

The Energy sector (+12.9%) 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 (+8.2%) sector reported the second 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 the largest positive EPS surprises.
The Materials (-0.7%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, CF Industries Holdings ($0.21 vs. $0.44), Freeport-McMoRan ($0.11 vs. $0.18), and LyondellBasell Industries ($1.80 vs. $2.27) 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 +2.1% 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 -0.8% 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 (61%) is Above 5-Year Average

In terms of revenues, 61% of companies have reported actual sales above estimated sales and 39% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (72%) but slightly above the 5-year average (60%).

At the sector level, the Health Care (82%) sector has the highest percentage of companies reporting revenues above estimates, while the Materials (38%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.3%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 0.3% above expectations. This surprise percentage is below the 1-year (+1.4%) average and below the 5-year (+0.7%) average.

The Health Care (+1.9%) and Consumer Discretionary (+1.9%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues. Within the Health Care sector, Nektar Therapeutics (39.8 million vs. $25.9 million) and Cigna ($14.30 billion vs. $12.18 billion) have reported the largest positive revenue surprises. Within the Consumer Discretionary sector, Hilton Worldwide Holdings ($2.29 billion vs. $2.09 billion), Ford Motor ($41.80 billion vs. $38.73 billion), and General Motors ($38.40 billion vs. $36.01 billion) have reported the largest positive revenue surprises.

The Financials (-4.6%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, Berkshire Hathaway ($28.21 billion vs. $48.45 billion) and Morgan Stanley ($8.55 billion vs. $9.30 billion) have reported the largest negative revenue surprises.

The Materials (-1.8%) sector is reporting the second largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, CF Industries Holdings ($1.13 billion vs. $1.24 billion) and LyondellBasell Industries ($8.88 billion vs. $9.66 billion) have reported the largest negative revenue surprises.

Revisions: Decrease in Blended Revenue Growth Rate this Week

No Change in Blended Earnings Growth This Week

The blended, year-over-year earnings growth rate for the fourth quarter is 13.1% today, which is equal to the earnings growth rate of 13.1% last week.
Decrease in Blended Revenue Growth This Week Due to Berkshire Hathaway

The blended, year-over-year revenue growth rate for the fourth quarter is 5.8% today, which is below the revenue growth rate of 6.6% last week. The negative revenue surprise reported by Berkshire Hathaway ($28.21 billion vs. $48.45 billion) was mainly responsible for the decrease in the revenue growth rate during the week. As a result, the blended revenue growth rate for the Financials sector dropped to -5.6% from 0.1% during this period.

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

The blended, year-over-year earnings growth rate for Q4 2018 of 13.1% is above the estimate of 12.1% at the end of the fourth quarter (December 31). Seven 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 93.5% from 75.7%) sector. Four 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 Financials (to 8.0% from 13.3%) sector.

Health Care Sector Has Seen Largest Increase in Revenue Growth since December 31

The blended, year-over-year revenue growth rate for Q4 2018 of 5.8% is below the estimate of 6.4% at the end of the fourth quarter (December 31). Seven 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 Health Care (to 9.1% from 5.8%) sector. Four 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 Financials (to -5.6% from 4.1%) sector.

Earnings Growth: 13.1%

The blended (year-over-year) earnings growth rate for Q4 2018 is 13.1%. If 13.1% 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 Consumer Discretionary sectors.

Energy: 4 of 6 Sub-Industries Reporting Growth Above 50%

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 93.5%. 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 (206%), Oil & Gas Exploration & Production (107%), Integrated Oil & Gas (86%), and Oil & Gas Storage & Transportation (54%). The Oil & Gas Equipment & Services (-23%) sub-industry is the only sub-industry that reported a year-over-year decline in earnings in the sector.

Communication Services: 3 of 4 Industries Reported Growth Above 20%

The Communication Services sector reported the second highest (year-over-year) earnings growth of all eleven sectors at 22.2%. At the industry level, all four industries in this sector reported earnings growth for the quarter. Three of these four industries reported earnings growth of more than 20%: Diversified Telecommunications Services (33%), Media (26%), and Interactive Media & Services (22%).

Consumer Discretionary: Amazon.com Leads Growth

The Consumer Discretionary sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 15.7%. At the industry level, 9 of the 11 industries in this sector are reporting earnings growth for the quarter. Six of these nine industries are reporting double-digit growth in earnings, led by the Leisure Products (367%) and Internet & Direct Marketing Retail (84%) industries. The Automobiles (-18%) and Auto Components (-7%) industries are the only two industries that reported year-over-year declines in earnings for the quarter.

At the company level, Amazon.com is the largest contributor to earnings growth for the sector. The company reported actual EPS of $6.04 for Q4 2018, compared to EPS of $2.16 in the year-ago quarter. If this company were excluded, the blended earnings growth rate for the sector would improve to 8.3% from 15.7%.
Revenue Growth: 5.8%

The blended (year-over-year) revenue growth rate for Q4 2018 is 5.8%. Ten of the eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communication Services, Real Estate, and Energy. The Financials sector is the only sector reporting a year-over-year decline in revenues.

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

The Communication Services sector reported the highest (year-over-year) revenue growth of all eleven sectors at 20.4%. At the industry level, all four industries in this sector reported revenue growth. Two of these four industries reported double-digit revenue growth: Interactive Media & Services (47%) and Media (17%).

At the company level, Alphabet was 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 was 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 12.0% from 20.4%, and the blended revenue growth rate for the index would fall to 5.0% from 5.8%.

Real Estate: CBRE Group Led Growth

The Real Estate sector reported the second highest (year-over-year) revenue growth of all eleven sectors at 12.6%. At the company level, CBRE Group was the largest contributor to revenue growth for the sector. CBRE Group reported revenues of $6.29 billion for Q4 2018, compared to revenues of $4.34 billion in the year-ago quarter. If this company were excluded, the blended revenue growth rate for the sector would fall to 5.8% from 12.6%.

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

The Energy sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 12.1%. 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 Exploration & Production (20%), Oil & Gas Refining & Marketing (17%), and Integrated Oil & Gas (11%).

Financials: Berkshire Hathaway Leads Decline

The Financials sector is the only sector reporting a year-over-year decline in revenues at -5.6%. At the industry level, four of the five industries are reporting revenue growth, led by the Consumer Finance (10%) industry. The only industry reporting a decline in revenues is the Diversified Financial Services (-53%).

At the company level, Berkshire Hathaway is the largest contributor to the revenue decline for this sector and the largest detractor to revenue growth for the index. Berkshire Hathaway reported revenues of $28.21 billion for Q4 2018, compared to revenues of $58.30 billion in the year-ago quarter. If this company were excluded, the blended revenue growth rate for the Financials sector would improve to 3.5% from -5.6%, and the blended revenue growth rate for the index would increase to 7.0% from 5.8%.
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, 99 companies in the index have issued EPS guidance for Q1 2019. Of these 99 companies, 73 have issued negative EPS guidance and 26 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 74% (73 out of 99), 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 13.1% and revenue growth of 5.8%. For CY 2018, companies are reporting earnings growth of 20.0% and revenue growth of 8.7%. 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 (-3.2%) and revenue growth of 5.2%.
For Q2 2019, analysts are projecting earnings growth of 0.3% and revenue growth of 4.8%.
For Q3 2019, analysts are projecting earnings growth of 1.9% and revenue growth of 4.6%.
For Q4 2019, analysts are projecting earnings growth of 8.5% and revenue growth of 6.2%.
For CY 2019, analysts are projecting earnings growth of 4.1% and revenue growth of 5.1%.

Valuation: Forward P/E Ratio is 16.2, Above the 10-Year Average (14.6)

The forward 12-month P/E ratio is 16.2. This P/E ratio is below the 5-year average of 16.4 but above the 10-year average of 14.7. 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 11.1%, while the forward 12-month EPS estimate has decreased by 1.2%.

At the sector level, the Consumer Discretionary (20.1) sector has the highest forward 12-month P/E ratio, while the Financials (11.6) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 10% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3061.58, which is 10.0% above the closing price of 2784.49. At the sector level, the Energy (16.0%) and Communication Services (+15.5%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+1.3%) and Real Estate (+3.8%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 10,992 ratings on stocks in the S&P 500. Of these 10,992 ratings, 53.5% are Buy ratings, 40.5% are Hold ratings, and 6.0% are Sell ratings. At the sector level, the Energy (67%) sector has the highest percentage of Buy ratings, while the Consumer Staples (39%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 11

During the upcoming week, ten S&P 500 companies are scheduled to report results for the fourth quarter and one S&P 500 company is scheduled to report results for the first quarter.
Q4 2018: Scorecard

### S&P 500 Earnings Above, In-Line, Below Estimates: Q4 2018
(Source: FactSet)

### S&P 500 Revenues Above, In-Line, Below Estimates: Q4 2018
(Source: FactSet)
Q4 2018: Scorecard

**S&P 500 Sector-Level Earnings Surprise %: Q4 2018**
(Source: FactSet)

- Energy: 12.9%
- Comm. Services: 8.2%
- Consumer Disc.: 5.4%
- Utilities: 4.0%
- S&P 500: 3.3%
- Info. Technology: 3.0%
- Consumer Staples: 2.8%
- Health Care: 2.4%
- Real Estate: 1.3%
- Industrials: 0.9%
- Financials: 0.1%
- Materials: -0.7%

**S&P 500 Sector-Level Revenue Surprise %: Q4 2018**
(Source: FactSet)

- Health Care: 1.2%
- Consumer Disc.: 1.0%
- Utilities: 1.0%
- Real Estate: 1.0%
- Industrials: 1.1%
- Energy: 1.1%
- Comm. Services: 0.3%
- S&P 500: 0.3%
- Info. Technology: 0.1%
- Consumer Staples: 0.1%
- Materials: -0.1%
- Financials: -4.6%
Q4 2018: Scorecard

S&P 500 EPS Surprise % vs. Price %: Q4 2018
(Source: FactSet)

S&P 500 EPS Surprise vs. Avg. Price Change %
(Source: FactSet)
Q4 2018: Scorecard

S&P 500 Actual EPS Surprise %: Top 10 Q4 Actual EPS Surprises
(Source: FactSet)

- NRG Energy, Inc.: 1228.1%
- Under Armour, Inc.: 112.8%
- Under Armour, Inc.: 111.6%
- Incyte Corporation: 88.3%
- Valero Energy Corporation: 87.6%
- Entergy Corporation: 80.3%
- Johnson Controls International plc: 75.7%
- Phillips 66: 70.3%
- Newmont Mining Corporation: 64.2%
- NVIDIA Corporation: 49.4%

S&P 500 Actual EPS Surprise %: Bottom 10 Q4 Actual EPS Surprises
(Source: FactSet)

- Freeport-McMoRan, Inc.: -38.8%
- Fluor Corporation: -46.9%
- CF Industries Holdings, Inc.: -52.0%
- Yum! Brands, Inc.: -58.4%
- Energy, Inc.: -65.8%
- Devon Energy Corporation: -67.0%
- TechnipFMC Plc: -124.5%
- Loews Corporation: -153.7%
- American International Group, Inc.: -248.9%
- Nielsen Holdings Plc: -979.9%
Q4 2018: Projected EPS Surprises (Sharp Estimates)

Number (#) of S&P 500 Companies with Q4 2018 Sharp Estimates
(Source: FactSet)

Percentage (%) of S&P 500 Companies with Q4 2018 Sharp Estimates
(Source: FactSet)
Q4 2018: Growth

S&P 500 Earnings Growth: Q4 2018
(Source: FactSet)

S&P 500 Revenue Growth: Q4 2018
(Source: FactSet)
Q4 2018: Net Profit Margin

**S&P 500 Net Profit Margins: Q418 vs. Q417**
(Source: FactSet)

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<th>Sector</th>
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<td>S&amp;P 500</td>
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<td>Energy</td>
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**S&P 500: % of COS. With Increase or Decrease in Net Profit Margin:**
(Q418 vs. Q417)
(Source: FactSet)

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Earnings Insight

CY 2018: Growth

S&P 500 Earnings Growth: CY 2018
(Source: FactSet)

S&P 500 Revenue Growth: CY 2018
(Source: FactSet)
Q1 2019: EPS Guidance

Number (#) of S&P 500 Cos. with Q1 Positive & Negative Guidance
(Source: FactSet)

Percentage (%) of S&P 500 Cos. with Q1 Positive & Negative Guidance
(Source: FactSet)
Earnings Insight

Q1 2019: EPS Revisions

**Upward Change in Q1 EPS (Trailing 4 Weeks): Top 10 S&P 500 Cos.**
(Source: FactSet)

- Apartment Investment and Management Company Class A: 136.7%
- Marathon Oil Corporation: 131.7%
- Apache Corporation: 59.2%
- Quanta Services, Inc.: 42.3%
- Interpublic Group of Companies, Inc.: 32.0%
- Fidelity National Information Services, Inc.: 25.3%
- Hilton Worldwide Holdings Inc.: 24.9%
- Norwegian Cruise Line Holdings Ltd.: 18.4%
- Welltower, Inc.: 17.5%
- AutoZone, Inc.: 15.2%

**Downward Change in Q1 EPS (Trailing 4-Weeks): Top 10 S&P 500 Cos.**
(Source: FactSet)

- News Corporation Class B: -47.1%
- Activision Blizzard, Inc.: -50.0%
- Nielsen Holdings Plc: -52.0%
- L Brands, Inc.: -70.6%
- Newell Brands Inc: -82.7%
- Under Armour, Inc. Class C: -100.0%
- Under Armour, Inc. Class A: -100.8%
- Noble Energy, Inc.: -122.9%
- National Oilwell Varco, Inc.: -123.4%
- Hasbro, Inc.: -144.1%
Q1 2019: Growth

S&P 500 Earnings Growth: Q1 2019
(Source: FactSet)

S&P 500 Revenue Growth: Q1 2019
(Source: FactSet)
CY 2019: Growth

**S&P 500 Earnings Growth: CY 2019**
(Source: FactSet)

**S&P 500 Revenue Growth: CY 2019**
(Source: FactSet)
CY 2020: Growth

S&P 500 Earnings Growth: CY 2020
(Source: FactSet)

S&P 500 Revenue Growth: CY 2020
(Source: FactSet)
Geographic Revenue Exposure

S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)

United States 62%
International 38%

S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)

<table>
<thead>
<tr>
<th>Sector</th>
<th>International</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>3%</td>
<td>97%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Financials</td>
<td>22%</td>
<td>84%</td>
</tr>
<tr>
<td>Consumer Dis.</td>
<td>32%</td>
<td>78%</td>
</tr>
<tr>
<td>Comm. Services</td>
<td>37%</td>
<td>68%</td>
</tr>
<tr>
<td>Health Care</td>
<td>38%</td>
<td>63%</td>
</tr>
<tr>
<td>Industrials</td>
<td>39%</td>
<td>52%</td>
</tr>
<tr>
<td>Energy</td>
<td>41%</td>
<td>52%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>45%</td>
<td>60%</td>
</tr>
<tr>
<td>Materials</td>
<td>53%</td>
<td>4%</td>
</tr>
<tr>
<td>Info Technology</td>
<td>57%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Bottom-up EPS Estimates: Revisions

(Source: FactSet)

S&P 500 Q119 Bottom-Up EPS: 1-Year
(Source: FactSet)
Bottom-up EPS Estimates: Current & Historical

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates
(Source: FactSet)

S&P 500 Quarterly Bottom-Up EPS Actuals & Estimates
(Source: FactSet)
Forward 12M P/E Ratio: Sector Level

S&P 500 Sector-Level Forward 12-Month P/E Ratios
(Source: FactSet)

Sector-Level Change in Fwd. 12-Month EPS vs. Price: Since Dec. 31
(Source: FactSet)
Forward 12M P/E Ratio: 10-Years
Trailing 12M P/E Ratio: 10-Years
Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings
(Source: FactSet)

S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)
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