Key Metrics

- **Earnings Growth**: For Q1 2019, the estimated earnings decline for the S&P 500 is -3.4%. If -3.4% is the actual decline for the quarter, it will mark the first year-over-year decline in earnings for the index since Q2 2016.

- **Earnings Revisions**: On December 31, the estimated earnings growth rate for Q1 2019 was 2.8%. All eleven sectors have lower growth rates today (compared to December 31) due to downward revisions to EPS estimates.

- **Earnings Guidance**: For Q1 2019, 76 S&P 500 companies have issued negative EPS guidance and 27 S&P 500 companies have issued positive EPS guidance.

- **Valuation**: The forward 12-month P/E ratio for the S&P 500 is 16.0. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.7).

- **Earnings Scorecard**: For Q1 2019 (with 2 companies in the S&P 500 reporting actual results for the quarter), two S&P 500 companies have reported a positive EPS surprise and one has reported a positive revenue surprise.

To receive this report via e-mail or view other articles with FactSet content, please go to: [https://insight.factset.com/](https://insight.factset.com/)
Topic of the Week:

S&P 500 Companies with More Global Exposure Could See Double-Digit Earnings Decline in Q1

“The global expansion is continuing to lose steam, and faster than anticipated a few months ago. Growth in Europe has been particularly disappointing, as trade growth both within the EU and with external partners has stalled. Business and consumer confidence has plummeted in advanced economies as trade tensions persist, high levels of policy uncertainty in Europe linger, and the pace of China’s slowdown continues to raise concerns.” -Laurence Boone, OECD Chief Economist (March 6)

With about a month to go before the start of the Q1 earnings season, there are 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. Given these concerns, are S&P 500 companies with higher global revenue exposure expected to underperform S&P 500 companies with lower global revenue exposure in terms of earnings growth and revenue growth for Q1 2019?

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 estimated earnings decline for the S&P 500 for Q1 2019 is -3.4%. For companies that generate more than 50% of sales inside the U.S., the estimated earnings growth rate is 1.0%. For companies that generate less than 50% of sales inside the U.S., the estimated earnings decline is -11.2%.

The estimated revenue growth rate for the S&P 500 for Q1 2019 is 4.9%. For companies that generate more than 50% of sales inside the U.S., the estimated revenue growth rate is 6.5%. For companies that generate less than 50% of sales inside the U.S., the estimated revenue growth rate is 0.7%.
Q1 Earnings Season: By The Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts have made larger cuts than average to EPS estimates for Q1 2019 to date. On a per-share basis, estimated earnings for the first quarter have fallen by 6.6% since December 31. This percentage decline is larger than the 5-year average (-2.4%), the 10-year average (-2.8%), and the 15-year average (-2.9%) for the first two months of a quarter.

In addition, a larger percentage of S&P 500 companies have lowered the bar for earnings for Q1 2019 relative to recent quarters. Of the 103 companies that have issued EPS guidance for the first quarter, 76 have issued negative EPS guidance and 27 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 74% (76 out of 103), which is above the 5-year average of 71%.

Because of the net downward revisions to earnings estimates, the estimated (year-over-year) earnings decline for Q1 2019 is -3.4% today compared to the estimated (year-over-year) earnings growth rate of 2.8% on December 31. If -3.4% is the actual decline for the quarter, it will mark the first year-over-year decline in earnings for the index since Q2 2016. Four sectors are predicted to report year-over-year earnings growth, led by the Utilities and Health Care sectors. Seven sectors are projected to report a year-over-year decline in earnings, led by the Energy, Materials, and Information Technology sectors.

Because of the net downward revisions to revenue estimates, the estimated (year-over-year) revenue growth rate for Q1 2019 is 4.9% today compared to the estimated (year-over-year revenue) growth rate of 6.6% on December 31. Nine of the eleven sectors are projected to report year-over-year growth in revenues, led by the Health Care and Communication Services sectors. Two sectors are predicted to report a year-over-year decline in revenues: Energy and Information Technology.

Looking at future quarters, analysts see single-digit earnings growth for the second quarter and third quarter of 2019, followed by high single-digit earnings growth in the fourth quarter of 2019.

The forward 12-month P/E ratio is 16.0, which is below the 5-year average but above the 10-year average.

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

Estimate Revisions: Largest Declines in Energy, Materials, & Technology

Slight Decline in Estimated Earnings Growth Rate for Q1 This Week

The estimated earnings decline for the first quarter is -3.4% this week, which is slightly larger than the estimated earnings decline of -3.3% last week. Small downward revisions to estimates for companies in multiple sectors were responsible for the slight increase in the overall decline during the week.

The estimated earnings decline for Q1 2019 of -3.4% today is below the estimated earnings growth rate of 2.8% at the start of the quarter (December 31). All eleven sectors have a recorded a decrease in expected earnings growth due to downward revisions to earnings estimates, led by the Energy, Materials, and Information Technology sectors.

Energy: 93% of Companies Have Seen a Decline in Q1 Earnings Expectations

The Energy sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to -13.4% from 16.2%). Despite the decline in expected earnings, this sector has witnessed the second largest increase in price of all eleven sectors since December 31 at 13.0%. Overall, 27 of the 29 companies (93%) in the Energy sector have seen a decrease in their mean EPS estimate during this time. Of these 27 companies, 23 have recorded a decrease in their mean EPS estimate of more than 10%, led by Hess Corporation (to -$0.32 from -$0.02), National Oilwell Varco (to -$0.01 from $0.07), and Noble Energy (to -$0.02 from $0.16). However, Exxon Mobil (to $0.94 from $1.15) and Chevron (to $1.52 from $1.85) have been the largest contributors to the decrease in expected earnings for this sector since the start of the quarter. Both companies have witnessed double-digit increases in their stock prices since December 31.
Materials: 96% of Companies Have Seen a Decline in Q1 Earnings Expectations

The Materials sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to -11.5% from 5.4%). Despite the decline in expected earnings, this sector has witnessed an increase in price of 7.7% since December 31. Overall, 24 of the 25 companies (96%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 24 companies, 13 have recorded a decrease in their mean EPS estimate of more than 10%, led by Freeport McMoRan (to $0.07 from $0.20). However, DowDuPont (to $0.90 from $1.25) has been the largest contributor to the decrease in expected earnings for this sector since the start of the quarter. The stock price of DowDuPont has increased slightly since December 31.

Information Technology: Apple and Intel Lead Decline

The Information Technology sector has recorded the third largest decrease in expected earnings growth since the start of the quarter (to -10.6% from -2.8%). Despite the decline in expected earnings, this sector has witnessed the third largest increase in price of all eleven sectors since December 31 at 12.3%. Overall, 52 of the 68 companies (77%) in the Information Technology sector have seen a decrease in their mean EPS estimate during this time. Of these 52 companies, 21 have recorded a decrease in their mean EPS estimate of more than 10%, led by Western Digital (to $0.47 from $1.11), NVIDIA (to $0.62 from $1.30), and Juniper Networks (to $0.21 from $0.37). However, Apple (to $2.40 from $2.95) and Intel (to $0.87 from $1.01) have been the largest contributors to the decrease in expected earnings for this sector since the start of the quarter. Both companies have witnessed increases in their stock prices since December 31.

Index-Level (Bottom-Up) EPS Estimate: Above Average Decline to Date

The Q1 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) has decreased by 6.6% (to $37.55 from $40.21) since December 31. This percentage decline is larger than the 5-year average (-2.4%), the 10-year average (-2.8%), and the 15-year average (-2.9%) for the first two months of a quarter.

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, 103 companies in the index have issued EPS guidance for Q1 2019. Of these 103 companies, 76 have issued negative EPS guidance and 27 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 74% (76 out of 103), which is above the 5-year average of 71%.

Earnings Decline: -3.4%

The estimated earnings decline for Q1 2019 is -3.4%. If -3.4% is the final growth rate for the quarter, it will mark the first time the index has reported a year-over-year decline in earnings since Q2 2016 (-3.2%). Four of the eleven sectors are expected to report year-over-year growth in earnings, led by the Utilities and Health Care sectors. Seven sectors are expected to report a year-over-year decline in earnings. Three of these seven sectors are projected to report a double-digit decline in earnings: Energy, Materials, and Information Technology.

Utilities: Dominion Leads Growth on Easy Comparison to Year-Ago Pre-Merger Earnings

The Utilities sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 4.6%. At the industry level, all five industries in this sector are predicted to report earnings growth for the quarter. Two of these five industries are projected to report double-digit growth in earnings: Gas Utilities (12%) and Multi-Utilities (11%).
At the company level, Dominion Energy is expected to be the largest contributor to earnings growth for the sector. However, the estimated earnings for Q1 2019 ($931 million) reflect the combined earnings of Dominion and SCANA, while the actual earnings for Q1 2018 ($745 million) reflect the standalone Dominion Energy. This apples-to-oranges comparison is the main reason Dominion Energy is projected to be the largest contributor to earnings growth for the sector. If this company were excluded, the estimated earnings growth rate for the sector would fall to 3.1% from 4.6%.

Health Care: Health Care Providers & Services Industry Leads Growth

The Health Care sector is expected to report the second highest (year-over-year) earnings growth of all eleven sectors at 4.3%. At the industry level, five of the six industries in this sector are expected to reporting earnings growth for the quarter. One of these five industries is predicted to report double-digit earnings growth: Health Care Providers & Services (15%). The Pharmaceuticals (-3%) industry is the only industry projected to report a year-over-year decline in earnings for the quarter.

Energy: 3 of 6 Sub-Industries Expected to Report Double-Digit Decline

The Energy sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -13.4%. Lower oil prices are helping to drive the expected decline in earnings for the sector, as the average price of oil in Q1 2019 ($53.53) to date is 15% lower than the average price of oil in Q1 2018 ($62.89). At the sub-industry level, three of the six sub-industries in the sector are projected to report a decline in earnings for the quarter: Oil & Gas Exploration & Production (-24%), Integrated Oil & Gas (-17%), and Oil & Gas Equipment & Services (-16%). On the other hand, the other three sub-industries in the sector are projected to report earnings growth for the quarter: Oil & Gas Drilling (N/A due to year-ago loss), Oil & Gas Storage & Transportation (26%), and Oil & Gas Refining & Marketing (18%).

Materials: Freeport-McMoRan and DowDuPont Lead Decline

The Materials sector is expected to report the second largest (year-over-year) earnings decline of all eleven sectors at -11.5%. At the industry level, three of the four industries in this sector are predicted to report a decline in earnings for the quarter. One of these thee industries is expected to report a double-digit decline: Metals & Mining (-40%).

At the company level, Freeport-McMoRan and DowDuPont are expected to be the largest contributors to the decline in earnings for the sector. The mean EPS estimate for Freeport-McMoRan for Q1 2019 is $0.07, compared to year-ago EPS of $0.46. The mean EPS estimate for DowDuPont for Q1 2019 is $0.90, compared to year-ago EPS of $1.12. If these two companies were excluded, the estimated earnings growth rate for the sector would increase to 0.9% from -11.5%.

Information Technology: Apple and Micron Technology Lead Decline

The Information Technology sector is expected to report the third highest (year-over-year) earnings decline of all eleven sectors at -10.6%. At the industry level, three of the six industries in this sector are predicted to report a decline in earnings for the quarter. Two of three industries are projected to report a double-digit decline in earnings: Semiconductors & Semiconductor Equipment (-24%) and Technology Hardware, Storage, & Peripherals (-22%).

At the company level, Apple and Micron Technology are expected to be the largest contributors to the decline in earnings for the sector. The mean EPS estimate for Apple for Q1 2019 is $2.40, compared to year-ago EPS of $2.73. The mean EPS estimate for Micron Technology for Q1 2019 is $1.66, compared to year-ago EPS of $2.82. If these two companies were excluded, the estimated earnings decline for the sector would improve to -6.2% from -10.6%.

Revenue Growth: 4.9%

The estimated (year-over-year) revenue growth rate for Q1 2019 is 4.9%. Nine of the eleven sectors are expected to report year-over-year growth in revenues. Two of these nine sectors are projected to report double-digit growth in revenues: Health Care and Communication Services. On the other hand, the Energy and Information Technology sectors are the only two sectors predicted to report a year-over-year decline in revenues.
Health Care: Cigna and CVS Lead Growth on Easy Comparisons to Year-Ago Pre-Merger Revenues

The Health Care sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 13.0%. At the industry level, all six industries in this sector are predicted to report revenue growth for the quarter. One of these six industries is projected to report double-digit growth in revenues: Health Care Providers & Services (18%).

At the company level, Cigna and CVS Health are expected to be the largest contributors to revenue growth for the sector. However, the revenue growth rates for both companies are being boosted by apples-to-oranges comparisons of post-merger revenues to pre-merger revenues. The mean revenue estimate for Cigna for Q1 2019 ($33.99 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q1 2018 ($11.38 billion) reflects the standalone revenue for Cigna. The mean revenue estimate for CVS Health for Q1 2019 ($60.13 billion) reflects the combined revenues of CVS Health and Aetna, while the actual revenue for Q1 2018 ($45.69 billion) reflects the standalone revenue for CVS Health. These apples-to-oranges comparisons are the main reason Cigna and CVS Health are projected to be the largest contributors to revenue growth for the sector. If these companies were excluded, the estimated revenue growth rate for the sector would fall to 5.7% from 13.0%.

Communication Services: 3 of 4 Industries to Report Double-Digit Growth

The Communication Services sector is expected to report the second highest (year-over-year) revenue growth of all eleven sectors at 12.6%. At the industry level, all four industries in this sector are projected to report revenue growth. Three of these four industries are predicted to report double-digit revenue growth: Interactive Media & Services (21%), Media (13%), and Diversified Telecommunication Services (10%).

Energy: 2 of 6 Sub-Industries to Report Decline

The Energy sector is expected to report the highest (year-over-year) decline in revenue of all eleven sectors at -3.4%. At the sub-industry level, only two of the six sub-industries in the sector are projected to report a decline in revenue: Oil & Gas Exploration & Production (-12%) and Integrated Oil & Gas (-9%). On the other hand, four sub-industries are projected to report revenue growth, led by the Oil & Gas Drilling (23%) sub-industry.

Information Technology: 2 of 6 Industries to Report Decline

The Information Technology sector is expected to report the second largest (year-over-year) decline in revenue at -1.0%. At the industry level, only two of the six industries are projected to report a decline in revenue: Semiconductors & Semiconductor Equipment (-7%) and Technology Hardware, Storage, & Peripherals (-6%). On the other hand, four industries are projected to report revenue growth, led by the Software (10%) industry.
Looking Ahead: Forward Estimates and Valuation

Earnings: Single-Digit Earnings Growth Projected for 2019

For the first quarter, analysts are expecting S&P 500 companies to reporting a decline in earnings of -3.4% and growth in revenue of 4.9%. For the remainder of 2019, analysts are predicting low single-digit earnings growth for the second and third quarters and high single digit earnings growth for the fourth quarter.

For Q2 2019, analysts are projecting earnings growth of 0.2% and revenue growth of 4.6%.

For Q3 2019, analysts are projecting earnings growth of 1.7% and revenue growth of 4.5%.

For Q4 2019, analysts are projecting earnings growth of 8.1% and revenue growth of 4.8%.

For CY 2019, analysts are projecting earnings growth of 3.9% and revenue growth of 5.0%.

Valuation: Forward P/E Ratio is 16.0, Above the 10-Year Average (14.6)

The forward 12-month P/E ratio is 16.0. 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 9.7%, while the forward 12-month EPS estimate has decreased by 1.0%.

At the sector level, the Consumer Discretionary (19.8) 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 12% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3068.22, which is 11.6% above the closing price of 2748.93. At the sector level, the Energy (16.7%) and Consumer Discretionary (+16.2%) 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 (+1.0%) 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 11,006 ratings on stocks in the S&P 500. Of these 11,006 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 (40%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 1

During the upcoming week, 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)
Earnings Insight

Q4 2018: Scorecard

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

S&P 500 Sector-Level Revenue Surprise %: Q4 2018
(Source: FactSet)
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. Class A: 112.8%
- Under Armour, Inc. Class C: 111.6%
- Incyte Corporation: 88.2%
- 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)

- Harley-Davidson, Inc.: -38.4%
- Freeport-McMoRan, Inc.: -38.0%
- Fluor Corporation: -46.9%
- CF Industries Holdings, Inc.: -52.0%
- Yum! Brands, Inc.: -58.4%
- Energy, Inc.: -65.8%
- Devon Energy Corporation: -57.0%
- TechnipFMC Plc: -124.5%
- Lowe’s Corporation: -153.7%
- American International Group, Inc.: -248.9%
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)
Earnings Insight

Q4 2018: Net Profit Margin

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

S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin:
Q418 vs. Q417
(Source: FactSet)
CY 2018: Growth

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Today</th>
<th>31-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>112.4%</td>
<td>107.9%</td>
</tr>
<tr>
<td>Materials</td>
<td>28.8%</td>
<td>30.9%</td>
</tr>
<tr>
<td>Comm. Services</td>
<td>24.1%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Financials</td>
<td>21.7%</td>
<td>23.7%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>20.0%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Consumer Disc.</td>
<td>17.6%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>17.1%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Health Care</td>
<td>15.1%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>14.3%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Info. Technology</td>
<td>14.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>5.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>8.9%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Today</th>
<th>31-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Services</td>
<td>18.5%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Energy</td>
<td>17.9%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Materials</td>
<td>15.7%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13.4%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Info. Technology</td>
<td>9.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>8.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Consumer Disc.</td>
<td>8.6%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>7.9%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Health Care</td>
<td>7.5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Financials</td>
<td>4.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3.0%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
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)
Q1 2019: EPS Revisions

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

1. Marathon Oil Corporation: 204.9%
2. Apache Corporation: 131.9%
3. Apartment Investment and Management Company Class A: 92.8%
4. Quanta Services, Inc.: 46.5%
5. Nielsen Holdings Plc: 45.2%
6. Fidelity National Information Services, Inc.: 25.3%
7. Hilton Worldwide Holdings Inc: 25.0%
8. Norwegian Cruise Line Holdings Ltd: 20.0%
9. Host Hotels & Resorts, Inc: 18.3%
10. AutoZone, Inc: 15.1%

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

1. News Corporation Class A: -42.0%
2. News Corporation Class B: -42.0%
3. Activision Blizzard, Inc: -49.6%
4. Alaska Air Group, Inc: -60.5%
5. Newell Brands Inc: -55.1%
6. L Brands, Inc: -55.9%
7. Under Armour, Inc. Class C: -96.7%
8. Under Armour, Inc. Class A: -99.7%
9. Noble Energy, Inc: -137.2%
10. Hasbro, Inc: -368.2%
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)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Today</th>
<th>31-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrials</td>
<td>9.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Consumer Disc.</td>
<td>7.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Financials</td>
<td>7.5%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>5.1%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Comm Services</td>
<td>4.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>3.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2.1%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Info Technology</td>
<td>2.1%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>1.4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Materials</td>
<td>-2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Energy</td>
<td>-12.2%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Today</th>
<th>31-Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care</td>
<td>12.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Comm Services</td>
<td>10.9%</td>
<td>10.4%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>5.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Consumer Disc.</td>
<td>4.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Financials</td>
<td>4.6%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Industrials</td>
<td>4.5%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Info Technology</td>
<td>2.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Materials</td>
<td>1.5%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Energy</td>
<td>-4.5%</td>
<td></td>
</tr>
</tbody>
</table>
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: 61%
- International: 39%

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

- Utilities: 3% International, 97% United States
- Real Estate: 1% International, 99% United States
- Financials: 24% International, 76% United States
- Consumer Discretionary: 32% International, 68% United States
- Consumer Staples: 37% International, 63% United States
- Health Care: 38% International, 62% United States
- Industrials: 39% International, 61% United States
- Energy: 41% International, 59% United States
- Basic Materials: 45% International, 55% United States
-技术: 54% International, 46% United States
- Information Technology: 57% International, 43% United States
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
Important Notice
The information contained in this report is provided “as is” and all representations, warranties, terms and conditions, oral or written, express or implied (by common law, statute or otherwise), in relation to the information are hereby excluded and disclaimed to the fullest extent permitted by law. In particular, FactSet, its affiliates and its suppliers disclaim implied warranties of merchantability and fitness for a particular purpose and make no warranty of accuracy, completeness or reliability of the information. This report is for informational purposes and does not constitute a solicitation or an offer to buy or sell any securities mentioned within it. The information in this report is not investment advice. FactSet, its affiliates and its suppliers assume no liability for any consequence relating directly or indirectly to any action or inaction taken based on the information contained in this report.

FactSet aggregates and redistributes estimates data and does not conduct any independent research. Nothing in our service constitutes investment advice or FactSet recommendations of any kind. Estimates data is provided for information purposes only.

FactSet has no relationship with creators of estimates that may reasonably be expected to impair its objective presentation of such estimate or recommendation. FactSet redistributes estimates as promptly as reasonably practicable from research providers.

About FactSet
FactSet (NYSE:FDS | NASDAQ:FDS) delivers superior analytics, service, content, and technology to help more than 66,000 users see and seize opportunity sooner. We are committed to giving investment professionals the edge to outperform, with fresh perspectives, informed insights, and the industry-leading support of our dedicated specialists. We’re proud to have been recognized with multiple awards for our analytical and data-driven solutions and repeatedly ranked as one of Fortune’s 100 Best Companies to Work For and a Best Workplace in the United Kingdom and France. Subscribe to our thought leadership blog to get fresh insight delivered daily at insight.factset.com. Learn more at www.factset.com and follow on Twitter: www.twitter.com/factset.