

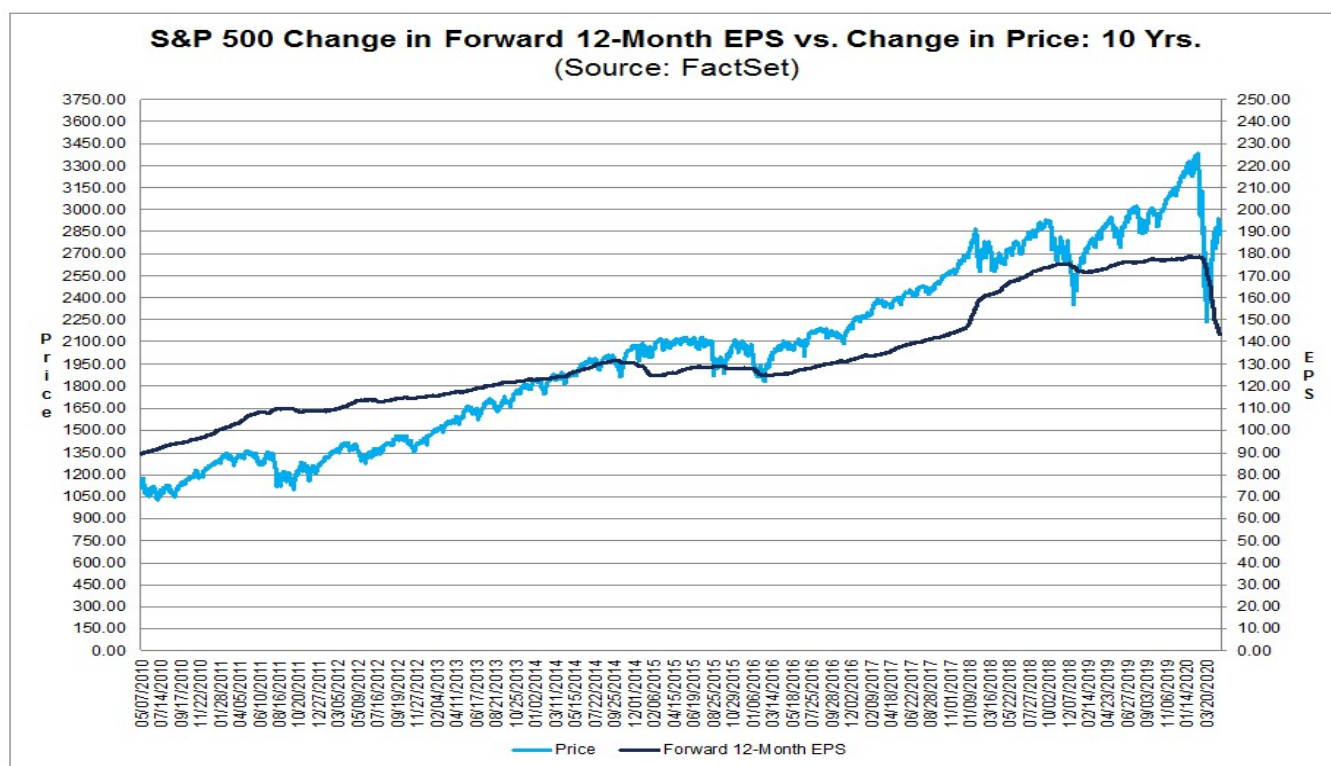
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Key Metrics

- **Earnings Scorecard:** For Q1 2020 (with 86% of the companies in the S&P 500 reporting actual results), 66% of S&P 500 companies have reported a positive EPS surprise and 58% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q1 2020, the blended earnings decline for the S&P 500 is -13.6%. If -13.6% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q3 2009 (-15.7%).
- **Earnings Revisions:** On March 31, the estimated earnings decline for Q1 2020 was -6.9%. Four sectors have lower growth rates today (compared to March 31) due to downward revisions to EPS estimates and negative EPS surprises.
- **Earnings Guidance:** For Q2 2020, 16 S&P 500 companies have issued negative EPS guidance and 16 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 20.4. This P/E ratio is above the 5-year average (16.7) and above the 10-year average (15.1). The last time the forward 12-month P/E ratio was above 20.0 was April of 2002.



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Topic of the Week:

S&P 500 Forward P/E Ratio Rises Above 20.0 as EPS Estimates Continue to Fall

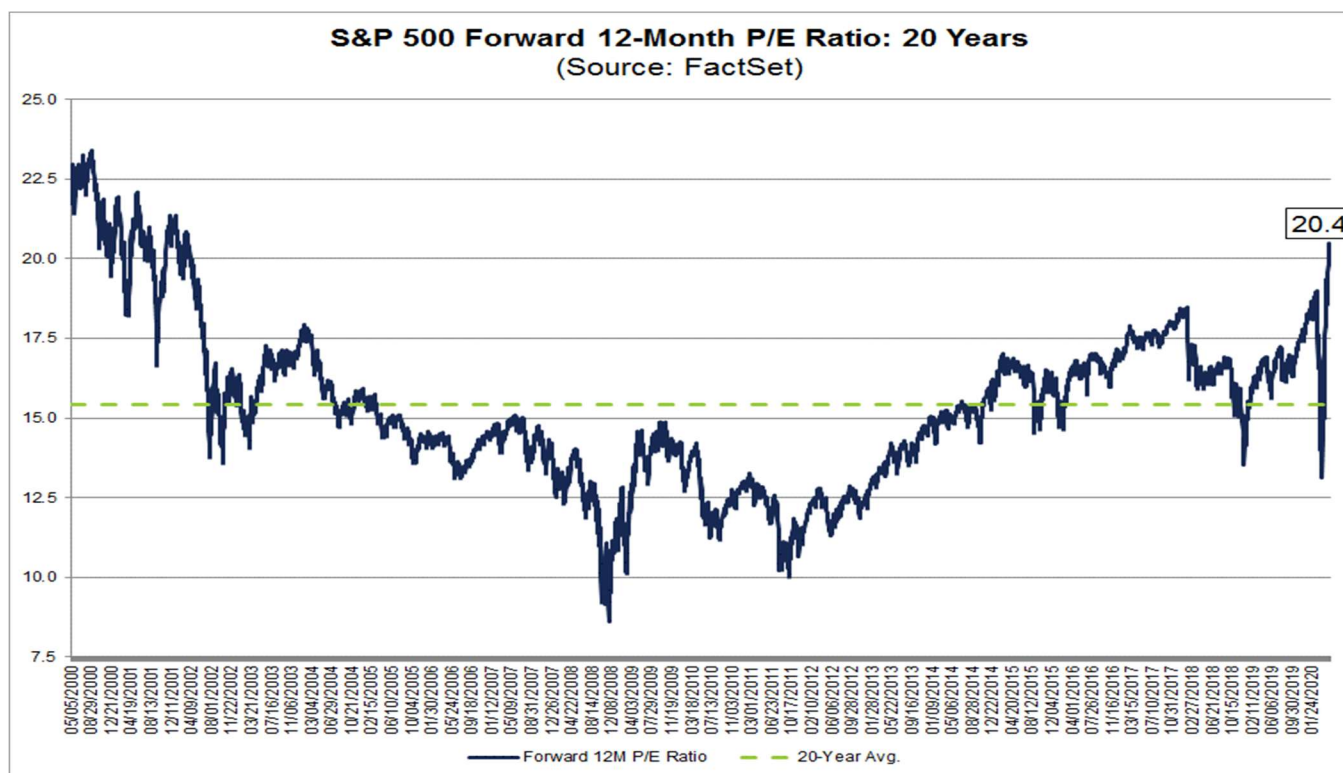
On May 7, the forward 12-month P/E ratio for the S&P 500 was 20.4, which marked the sixth time in the past seven trading days in which the P/E ratio for the index was above 20.0. How does this 20.4 P/E ratio compare to historical averages? What is driving the recent increase in the P/E ratio?

The forward 12-month P/E ratio of 20.4 on May 7 was above the four most recent historical averages for the S&P 500: 5-year (16.7), 10-year (15.1), 15-year (14.6), and 20-year (15.4). In fact, this past week marked the first time the forward 12-month P/E ratio had been equal to (or above) 20.0 since April 10, 2002 (20.0). However, it is important to note that even at 20.4, the forward 12-month P/E ratio was still below the peak P/E ratio of the past 20 years for the index of 23.4 recorded on September 1, 2000.

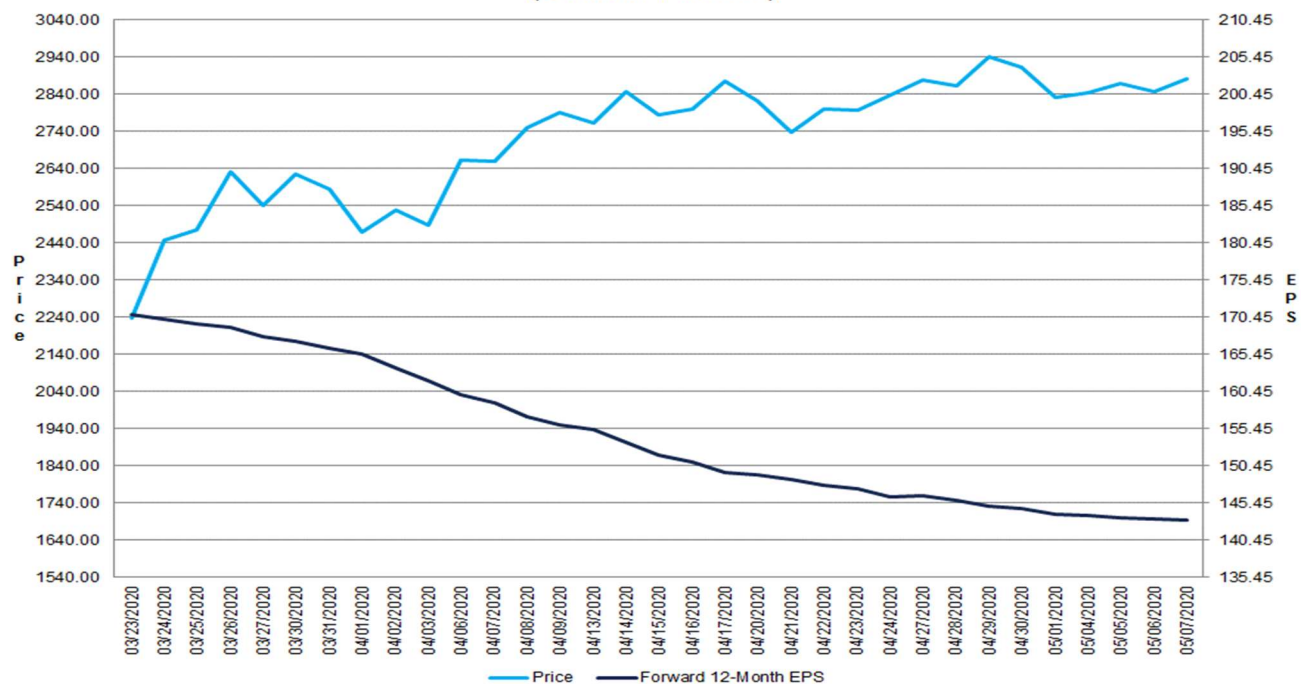
At the sector level, nine sectors had forward 12-month P/E ratios on May 7 that exceeded their 20-year averages, led by the Consumer Discretionary (36.6 vs. 17.8) sector. A forward 12-month P/E ratio for the Energy sector was not available on May 7 due to the projected loss for the sector in CY 2020 (P/E ratio was negative). A 20-year average P/E ratio is not available for the Real Estate sector.

What is driving the rise in the forward 12-month P/E ratio? On March 23, the forward 12-month P/E ratio was 13.1, as the price of the index hit its lowest value since 2016 at 2237.40. Since March 23, the price of the S&P 500 has increased by 28.8%, while the forward 12-month EPS estimate has decreased by 16.2%. Thus, the increase in the “P” and the decrease in the “E” have both been drivers of the sharp increase in the P/E ratio over the past seven weeks.

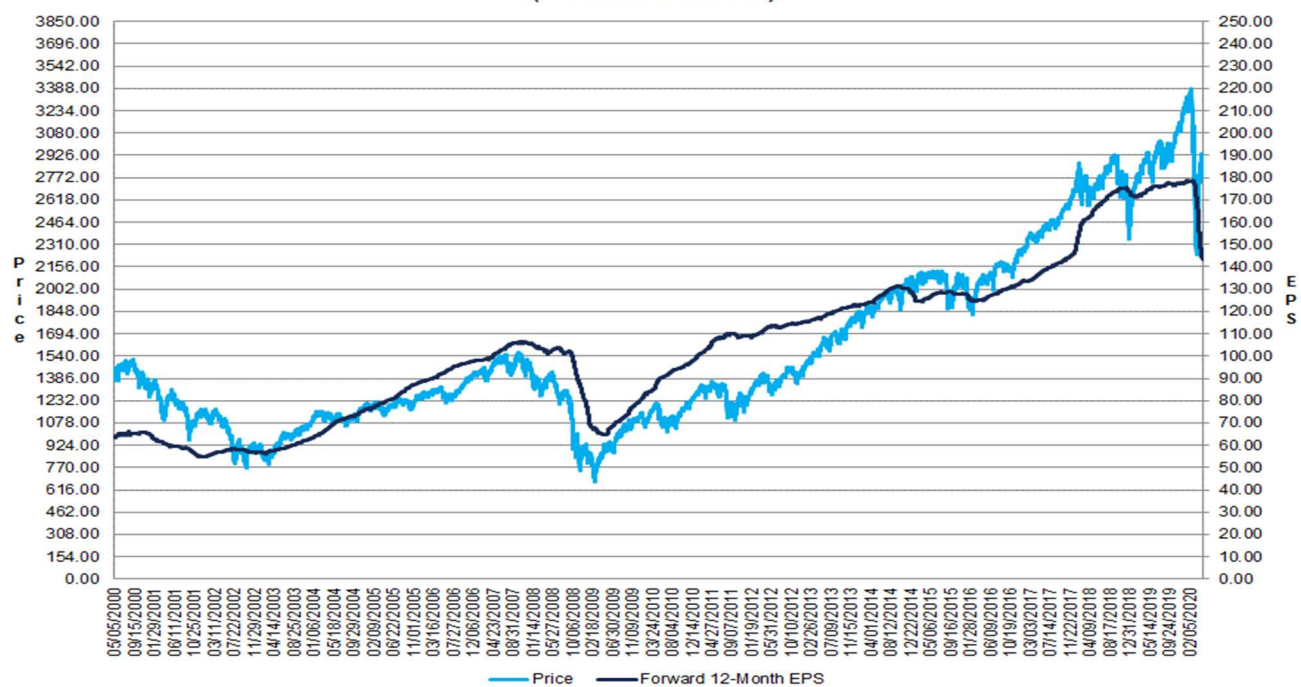
It is interesting to note that over the past 20 years, the correlation coefficient between the daily forward 12-month EPS estimate for the S&P 500 and the daily closing price of the S&P 500 is 0.92 (where 1.0 is a perfect positive linear relationship). Thus, both numbers tend to move in the same direction over time. Given the added uncertainty around estimates for future earnings due to COVID-19 (79 S&P 500 companies had withdrawn annual EPS guidance during the Q1 earnings season through April 30), this correlation may temporarily not hold. But assuming it still holds, it would seem unlikely that the increase in the price of the index and the decrease in the expected EPS for the index will continue much longer. Will the price of the index begin to fall, or will the forward 12-month EPS estimate begin to rise?

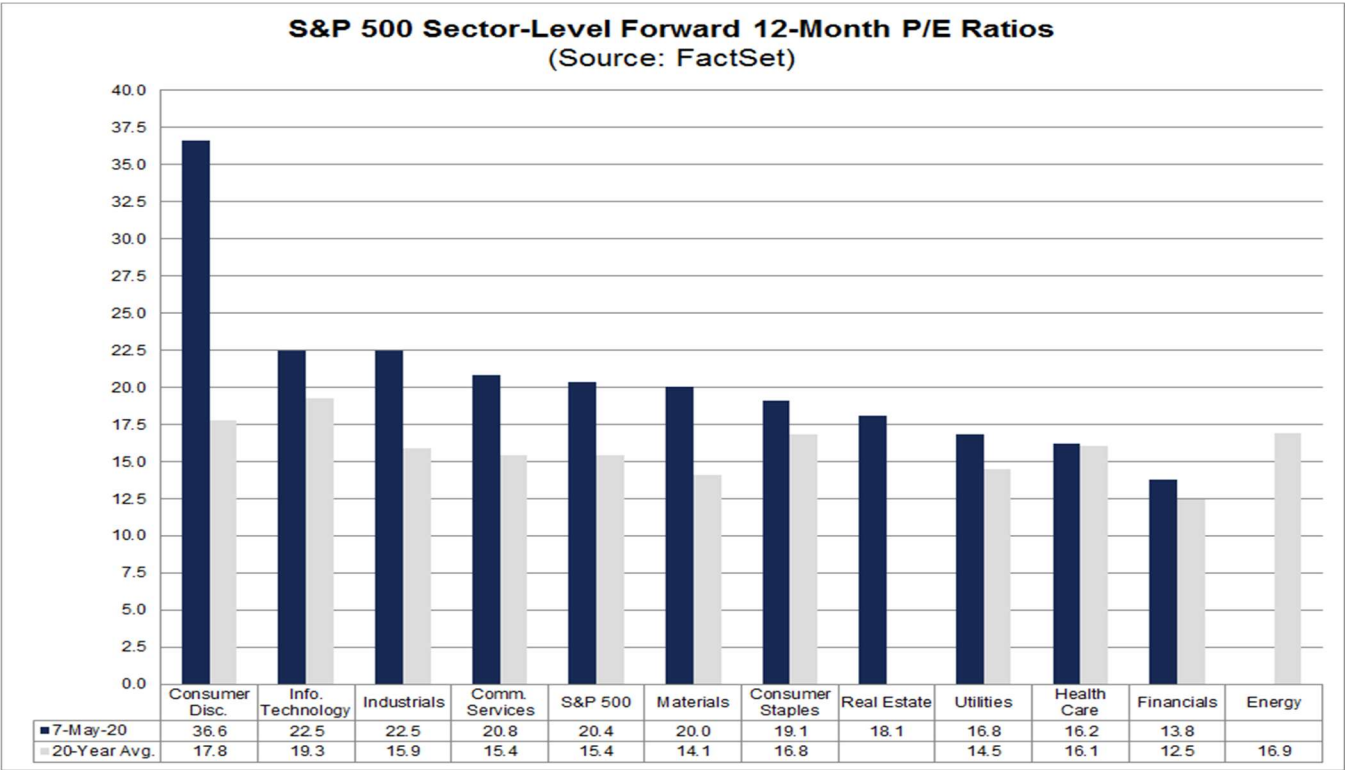


S&P 500 Change in Forward 12M EPS vs. Price: Since Mar. 23
(Source: FactSet)



S&P 500 Change in Forward 12M EPS vs. Price: 20 Yrs.
(Source: FactSet)





Q1 Earnings Season: By The Numbers

Overview

To date, 86% of the companies in the S&P 500 have reported actual results for Q1 2020. In terms of earnings, the percentage of companies reporting actual EPS above estimates (66%) is below the 5-year average. In aggregate, companies are reporting earnings that are 2.3% above the estimates, which is also below the 5-year average. In terms of sales, the percentage of companies (58%) reporting actual sales above estimates is below the 5-year average. In aggregate, companies are reporting sales that are 0.9% above estimates, which is 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) earnings decline for the first quarter is -13.6%, which is smaller than the earnings decline of -14.3% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Industrials sector) were mainly responsible for the decrease in the overall earnings decline during the week. If -13.6% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q3 2009 (-15.7%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings. Six sectors are reporting year-over-year growth in earnings, led by the Health Care and Utilities sectors. Five sectors are reporting a year-over-year decline in earnings: Consumer Discretionary, Financials, Energy, Industrials, and Materials.

The blended revenue growth rate for the first quarter is 0.6%, which is slightly below the revenue growth rate of 0.7% last week. Negative revenue surprises reported by companies in the Utilities and Energy sectors were mainly responsible for the decrease in the overall revenue growth rate during the week. If 0.6% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%). Six sectors are reporting year-over-year growth in revenues, led by the Health Care sector. Five sectors are reporting a year-over-year decline in revenues, led by the Materials and Energy sectors.

Looking at future quarters, analysts predict a (year-over-year) decline in earnings in the second quarter (-40.6%), third quarter (-23.0%), and fourth quarter (-11.4%) of 2020. However, they are also project a return to earnings growth in Q1 2021 (12.2%).

The forward 12-month P/E ratio is 20.4, which is above the 5-year average and above the 10-year average. This week marked the first time the S&P 500 recorded a forward 12-month P/E ratio of 20.0 or higher since April of 2002.

During the upcoming week, 21 S&P 500 companies (including one Dow 30 component) are scheduled to report results for the first quarter.

Scorecard: Fewer Companies Beating EPS Estimates & Revenue Estimates Than Average

Percentage of Companies Beating EPS Estimates (66%) is Below 5-Year Average

Overall, 86% of the companies in the S&P 500 have reported earnings to date for the first quarter. Of these companies, 66% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 29% 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 (74%) average and below the 5-year (73%) average.

If 66% is the final number for the quarter, it will mark the lowest percentage of S&P 500 companies reporting actual EPS above the mean EPS estimate since Q4 2016 (65%).

At the sector level, the Consumer Staples (81%), Materials (81%), and Health Care (80%) sectors have the highest percentage of companies reporting earnings above estimates, while the Consumer Discretionary (49%), Financials (51%), and Real Estate (53%) sectors have the lowest percentages of companies reporting earnings (or FFO for Real Estate) above estimates.

Earnings Surprise Percentage (+2.3%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 2.3% above expectations. This surprise percentage is below the 1-year (+4.8%) average and below the 5-year (+4.9%) average.

If 2.3% is the final number for the quarter, it will mark the lowest surprise percentage reported by the index since Q3 2013 (+2.2%).

The Energy sector (+130.3%) sector reported the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Exxon Mobil (\$0.53 vs. \$0.01), Noble Energy (\$0.18 vs. \$0.03), ConocoPhillips (\$0.45 vs. \$0.16), and Chevron (\$1.29 vs. \$0.65) reported the largest positive EPS surprises.

The Financials sector (-20.1%) sector reported the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Capital One Financial (-\$3.02 vs. \$1.88), Comerica (-\$0.46 vs. \$0.98), Discover Financial Services (-\$0.25 vs. \$0.72), and Wells Fargo (\$0.01 vs. \$0.37) reported the largest negative EPS surprises.

The Consumer Discretionary sector (-6.4%) sector is reporting the second largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Las Vegas Sands (-\$0.02 vs. \$0.05), Hanesbrands (\$0.05 vs. \$0.11), Booking Holdings (\$3.77 vs. \$5.61), Carnival (\$0.22 vs. \$0.27), and Amazon.com (\$5.01 vs. \$6.16) have reported the largest negative EPS surprises.

Market Punishing Earnings Misses Less Than Average

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 Q1 2020 have seen an average price increase of +1.2% two days before the earnings release through two days after the earnings. This percentage increase is above the 5-year average price increase of +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q1 2020 have seen an average price decrease of -0.8% two days before the earnings release through two days after the earnings. This percentage decrease is much smaller than the 5-year average price decrease of -2.8% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (58%) is Below 5-Year Average

In terms of revenues, 58% of companies have reported actual sales above estimated sales and 42% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (59%) and below the 5-year average (59%).

At the sector level, the Health Care (82%) and Information Technology (73%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (13%) and Energy (41%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.9%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 0.9% above expectations. This surprise percentage is above the 1-year (+0.4%) average and above the 5-year (+0.6%) average.

At the sector level, the Information Technology (+3.1%), Health Care (+2.9%), and Real Estate (+2.6%) sectors are reporting the largest positive (aggregate) differences between actual revenue and estimated revenue, while the Utilities (-7.0%) sector is reporting the largest negative (aggregate) difference between actual revenue and estimated revenue.

Revisions: Decrease in Blended Earnings Decline this Week

Decrease in Blended Earnings Decline This Week

The blended (year-over-year) earnings decline for the first quarter is -13.6%, which is smaller than the earnings decline of -14.3% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Industrials sector) were mainly responsible for the decrease in the overall earnings decline during the week.

In the Industrials sector, the positive EPS surprise reported by Raytheon Technologies (\$1.78 vs. \$1.01) was a substantial contributor to the decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Industrials sector fell to -25.9% from -32.4% over this period.

Slight Decrease in Blended Revenue Growth This Week Due to Utilities and Energy

The blended (year-over-year) revenue growth rate for the first quarter is 0.6%, which is smaller than the revenue growth rate of 0.7% last week. Negative revenue surprises reported by companies in the Utilities and Energy sectors were mainly responsible for the slight decrease in the overall revenue growth rate during the week.

Financials and Consumer Discretionary Sectors Have Seen Largest Decreases in Earnings since March 31

The blended (year-over-year) earnings decline for Q1 2020 of -13.6% is larger than the estimate of -6.9% at the end of the first quarter (March 31). Seven sectors have recorded an improvement 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 -27.9% from -40.3%) 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 -43.5% from -8.8%) and Consumer Discretionary (to -50.1% from -29.1%) sectors.

Utilities Sector Has Seen Largest Decrease in Revenues since March 31

The blended (year-over-year) revenue growth rate for Q1 2020 of 0.6% is smaller than the estimate of 1.7% at the end of the first quarter (March 31). Four sectors have recorded an improvement in revenue growth due to upward revisions to revenue estimates and positive revenue surprises, led by the Health Care (to 9.3% from 7.3%) sector. Seven 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 Utilities (to -4.6% from -4.7%) sector.

Earnings Decline: -13.6%

The blended (year-over-year) earnings decline for Q1 2020 is -13.6%, which is below the 5-year average earnings growth rate of 6.3%. If -13.6% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q3 2009 (-15.7%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings.

S&P 500 companies with more international revenue exposure are reporting a smaller decline in earnings relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended earnings decline is -2.7%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended earnings decline is -19.5%.

Six sectors are reporting year-over-year growth in earnings, led by the Health Care and Utilities sectors. Five sectors are reporting a year-over-year decline in earnings: Consumer Discretionary, Financials, Energy, Industrials, and Materials.

Health Care: Pharmaceuticals Industry Leads Year-Over-Year Growth

The Health Care sector (along with the Utilities sector) is reporting the highest (year-over-year) earnings growth of all eleven sectors at 6.8%. At the industry level, four of the six industries in this sector are reporting growth in earnings: Pharmaceuticals (18%), Health Care Technology (9%), Biotechnology (6%), and Health Care Providers & Services (3%). On the other hand, the other two industries in the sector are reporting a decline in earnings: Health Care Equipment & Supplies (-9%) and Life Sciences Tools & Services (-3%).

Utilities: 3 of 5 Industries Reporting Year-Over-Year Growth At or Above 10%

The Utilities sector (along with Health Care sector) is reporting the highest (year-over-year) earnings growth of all eleven sectors at 6.8%. At the industry level, all five industries in this sector are reporting growth in earnings. Three of these five industries are reporting double-digit growth: Gas Utilities (12%), Multi-Utilities (11%), and Water Utilities (10%).

Consumer Discretionary: 8 of 11 Industries Reporting Year-Over-Year Decline of 30% or More

The Consumer Discretionary sector is reporting the largest (year-over-year) earnings decline of all eleven sectors at -50.1%. At the industry level, nine of the eleven industries in this sector are reporting a decline in earnings. Eight of these nine industries are reporting a decline of 30% or more: Automobiles (-98%), Multiline Retail (-85%), Textiles, Apparel, & Luxury Goods (-64%), Hotels, Restaurants, & Leisure (-62%), Internet & Direct Marketing Retail (-34%), Diversified Consumer Services (-33%), Specialty Retail (-33%), and Auto Components (-30%).

Financials: 4 of 5 Industries Reported Year-Over-Year Decline of More Than 10%

The Financials sector reported the second largest (year-over-year) earnings decline of all eleven sectors at -43.5%. At the industry level, four of the five industries in this sector reported a decline in earnings: Consumer Finance (-120%), Banks (-63%), Insurance (-13%), and Capital Markets (-11%). On the other hand, the Diversified Financial Services (+7%) industry is the only industry that reported growth in the sector.

Energy: 3 of 6 Sub-Industries Reported Year-Over-Year Decline of More Than 20%

The Energy sector reported the third largest (year-over-year) decline in earnings of all eleven sectors at -27.9%. Lower oil prices contributed to the earnings decline for this sector, as the average price of oil in Q1 2020 (\$45.78) was 17% below the average price in Q1 2019 (\$54.90). At the sub-industry level, three of the six sub-industries in the sector reported a decline in earnings for the quarter of more than 20%: Oil & Gas Drilling (-102%), Oil & Gas Exploration & Production (-63%), and Integrated Oil & Gas (-23%). On the other hand, the other three sub-industries in the sector reported growth in earnings for the quarter: Oil & Gas Refining & Marketing (59%), Oil & Gas Storage & Transportation (10%) and Oil & Gas Equipment & Services (6%).

Industrials: Boeing and Airlines Industry Lead Year-Over-Year Decline

The Industrials sector is reporting the fourth largest (year-over-year) earnings decline of all eleven sectors at -25.9%. At the industry level, nine of the twelve industries in this sector are reporting a decline in earnings. Five of these nine industries are reporting a double-digit decline: Airlines (-248%), Air Freight & Logistics (-33%), Machinery (-30%), Construction & Engineering (-19%), and Industrial Conglomerates (-16%).

At the company level, Boeing and the five companies in the Airlines industry are the largest contributors to the year-over-year decline in earnings for the sector. Boeing reported actual EPS of -\$1.70 for Q1 2020, compared to year-ago EPS of \$3.16. If these six companies were excluded, the blended earnings decline for the sector would improve to -4.5% from -25.9%.

Materials: All 4 Industries Reporting Year-Over-Year Decline of 15% or More

The Materials sector is reporting the fifth largest (year-over-year) earnings decline of all eleven sectors at -19.8%. At the industry level, all four industries in this sector are reporting a double-digit decline in earnings: Metals & Mining (-46%), Chemicals (-18%), Containers & Packaging (-16%), and Construction Materials (-15%).

Revenue Growth: 0.6%

The blended (year-over-year) revenue growth rate for Q1 2020 is 0.6%, which is below the 5-year average revenue growth rate of 3.5%. If 0.6% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%).

S&P 500 companies with more international revenue exposure are reporting a decline in revenues relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended revenue decline is -2.7%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended revenue growth rate is 1.7%.

Six sectors are reporting year-over-year growth in revenues, led by the Health Care sector. Five sectors are reporting a year-over-year decline in revenues, led by the Materials and Energy sectors.

Health Care: 5 of 6 Industries Reporting Year-Over-Year Growth

The Health Care sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 9.3%. At the industry level, five of the six industries in this sector are reporting year-over-year growth in revenues, led by the Pharmaceuticals (11%), Biotechnology (11%), and Health Care Providers & Services (11%) industries.

Materials: DuPont Leads Decline on Hard Comparison to Year-Ago Pre-Split Revenues

The Materials sector is reporting the largest (year-over-year) decline in revenue of all eleven sectors at -16.1%. At the industry level, two of the four industries in this sector are reporting a decline in revenue for the quarter: Chemicals (-23%) and Metals & Mining (-6%).

At the company level, DuPont is the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline is boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The actual revenue reported by DuPont for Q1 2020 (\$5.22 billion) reflects the standalone revenue for DuPont, while the actual revenue for Q1 2019 (\$19.65 billion) reflects the combined revenue for DowDuPont (DuPont, Dow, and Corteva). This apples-to-oranges comparison is the main reason DuPont is projected to be the largest contributor to the revenue decline for the sector. If this company were excluded, the estimated revenue decline for the sector would improve to -3.2% from -16.1%.

Energy: 4 of 6 Sub-Industries Reported Year-Over-Year Decline of More Than 10%

The Energy sector reported the second largest (year-over-year) decline in revenue of all eleven sectors at -11.4%. Lower oil prices contributed to the revenue decline for this sector, as the average price of oil in Q1 2020 (\$45.78) was 17% below the average price in Q1 2019 (\$54.90). At the sub-industry level, all six sub-industries in the sector reported a year-over-year decline in revenue. Four sub-industries reported a double-digit decline: Oil & Gas Exploration & Production (-28%), Oil & Gas Storage & Transportation (-12%), Oil & Gas Drilling (-12%), and Oil & Gas Refining & Marketing (-12%).

Looking Ahead: Forward Estimates and Valuation

Guidance: Negative Guidance for Q2 is Below Average to Date

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, 32 companies in the index have issued EPS guidance for Q2 2020. Of these 32 companies, 16 have issued negative EPS guidance and 16 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 50% (16 out of 32), which is below the 5-year average of 70%.

Through April 30, 79 S&P 500 companies had withdrawn or confirmed a previous withdrawal of annual EPS guidance for FY 2020. A list of these companies can be found in Appendix 1 on pages 30 through 35.

Earnings: Analysts Expect Earnings Decline of -19.7% for CY 2020

For the first quarter, S&P 500 companies are reporting a decline in earnings of -13.6% and growth in revenues of 0.6%. Analysts expect an earnings decline of -19.7% and a revenue decline of -3.7% for CY 2020.

For Q2 2020, analysts are projecting an earnings decline of -40.6% and a revenue decline of -10.9%.

For Q3 2020, analysts are projecting an earnings decline of -23.0% and a revenue decline of -5.2%.

For Q4 2020, analysts are projecting an earnings decline of -11.4% and a revenue decline of -1.2%.

For CY 2020, analysts are projecting an earnings decline of -19.7% and a revenue decline of -3.4%.

For CY 2021, analysts are projecting earnings growth of 26.9% and revenue growth of 8.5%.

Valuation: Forward P/E Ratio is 20.4, Above the 10-Year Average (15.1)

The forward 12-month P/E ratio is 20.4. This week marked the first time the S&P 500 recorded a forward 12-month P/E ratio of 20.0 or higher since April of 2002. The current P/E ratio of 20.4 is above the 5-year average of 16.7 and above the 10-year average of 15.1. It is also above the forward 12-month P/E ratio of 15.6 recorded at the end of the first quarter (March 31). Since the end of the first quarter (March 31), the price of the index has increased by 11.5%, while the forward 12-month EPS estimate has decreased by 13.9%.

At the sector level, the Consumer Discretionary (36.6) sector has the highest forward 12-month P/E ratio, while the Financials (13.8) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 11% Increase in Price Over Next 12 Months

The bottom-up target price for the S&P 500 is 3209.95, which is 11.4% above the closing price of 2881.19. At the sector level, the Utilities (+17.6%) 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 Energy (+7.4%) and Information Technology (+7.5%) 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.

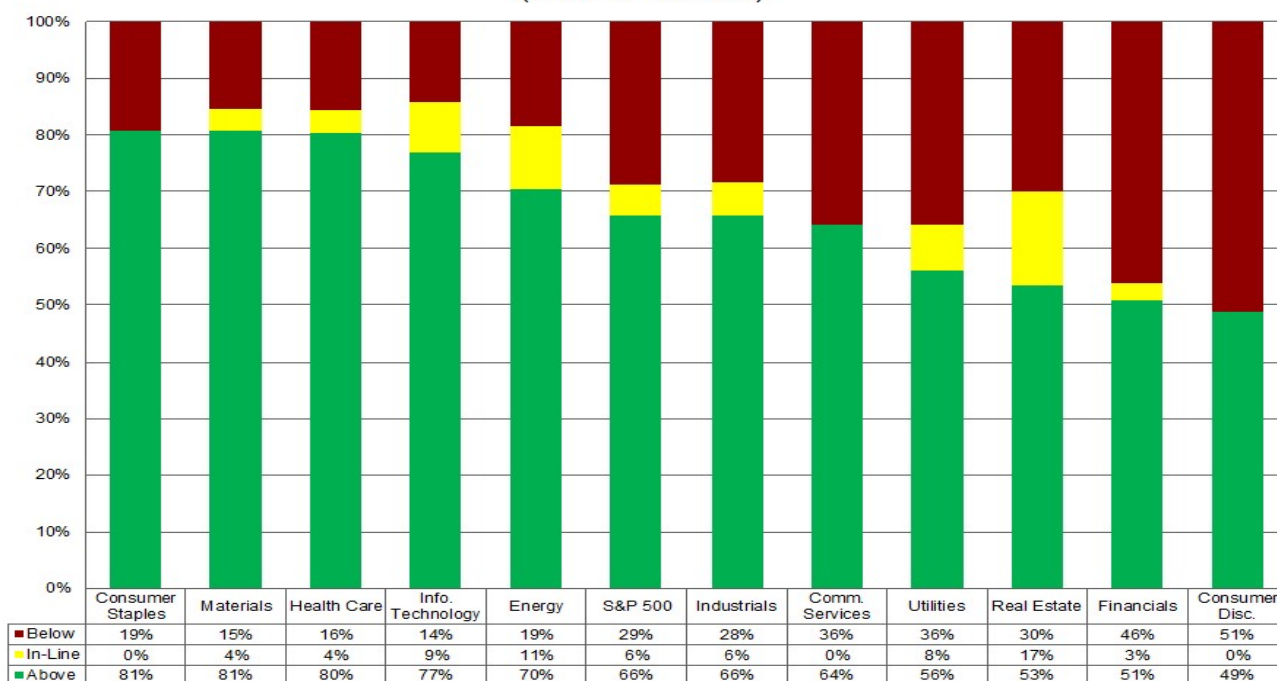
Overall, there are 10,281 ratings on stocks in the S&P 500. Of these 10,281 ratings, 52.3% are Buy ratings, 41.8% are Hold ratings, and 5.9% are Sell ratings. At the sector level, the Energy (63%) sector has the highest percentage of Buy ratings, while the Consumer Staples (43%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 21

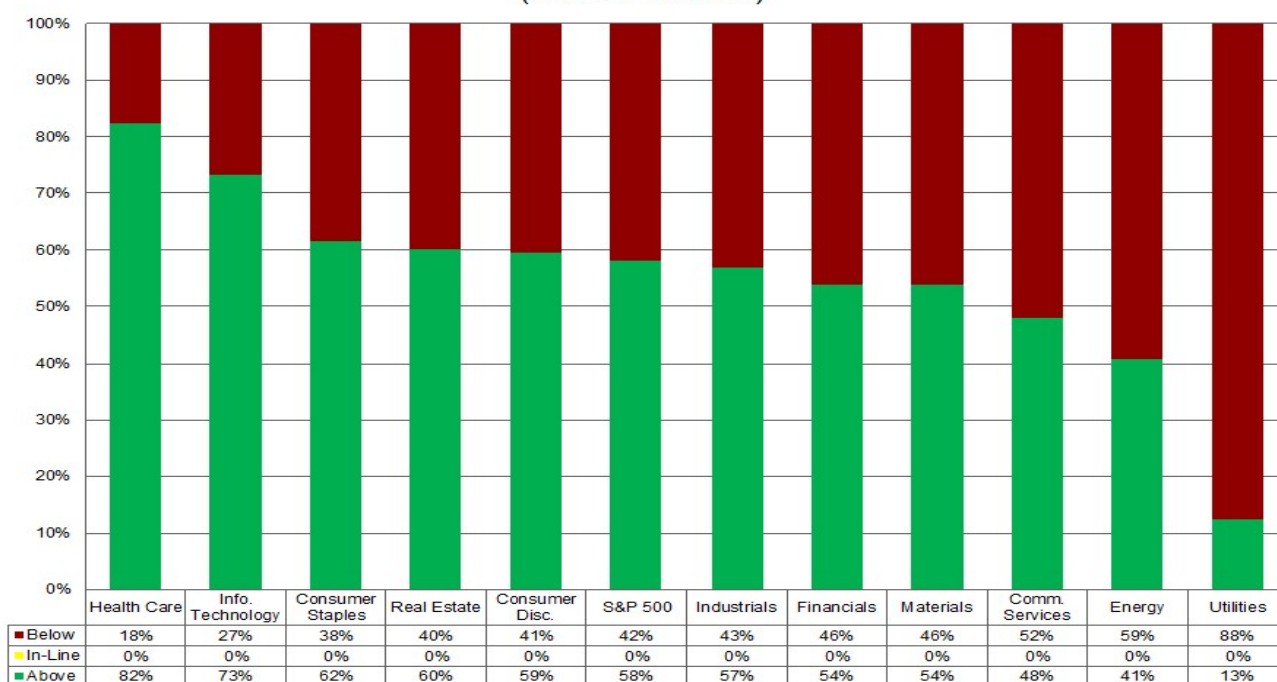
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Q1 2020: Scorecard

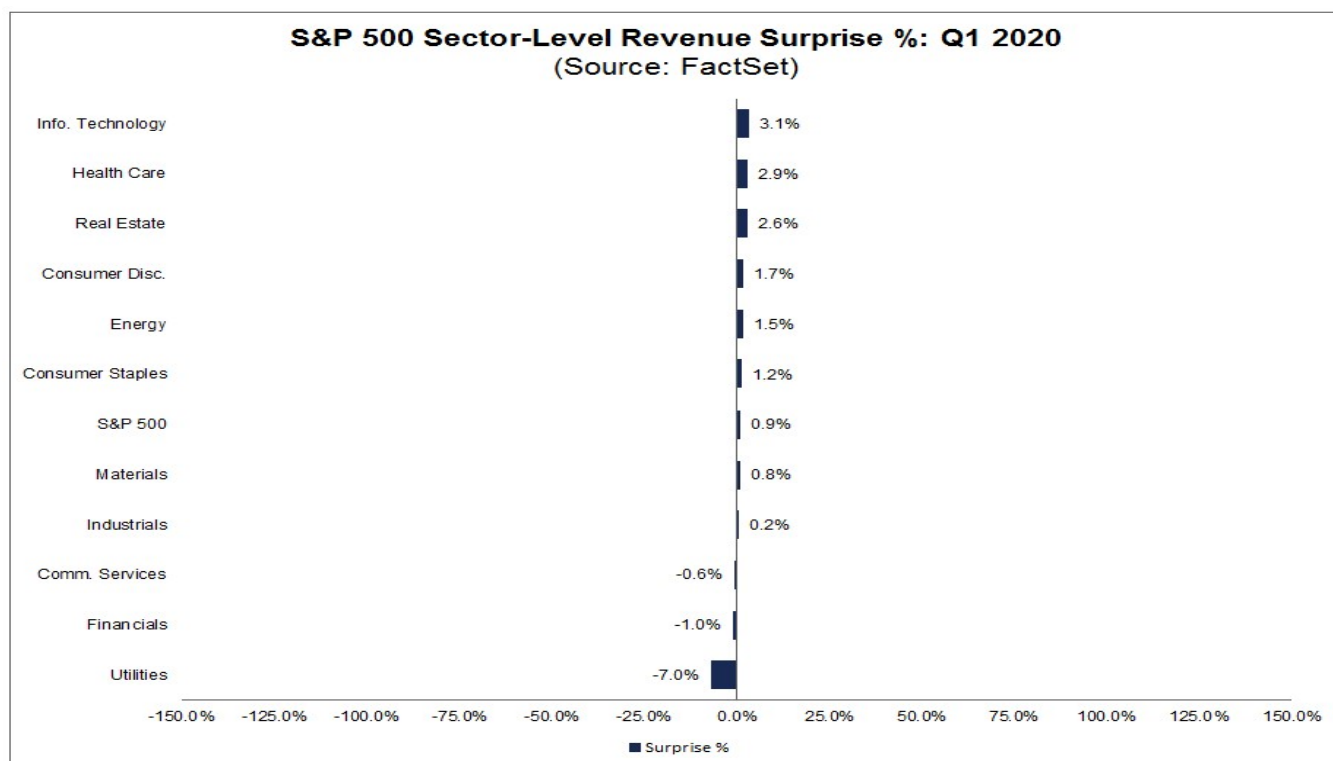
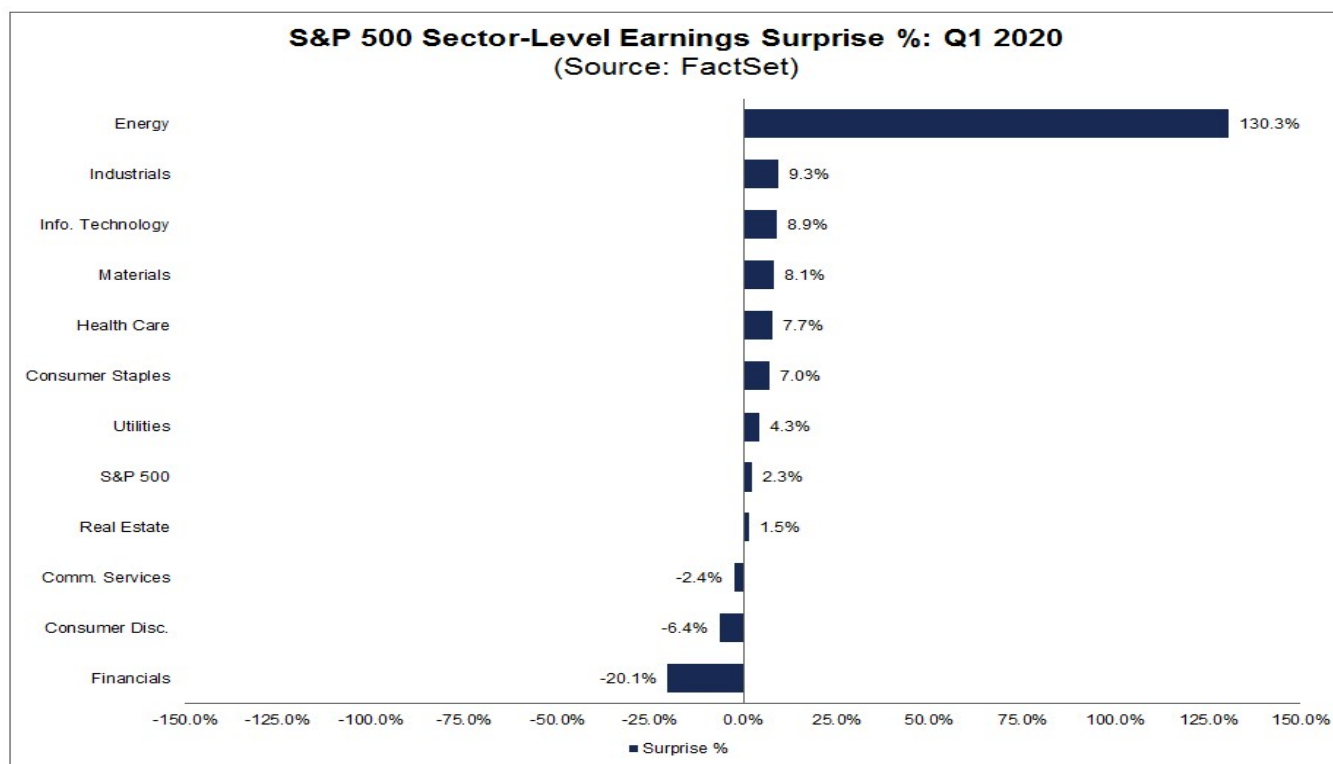
S&P 500 Earnings Above, In-Line, Below Estimates: Q1 2020
(Source: FactSet)



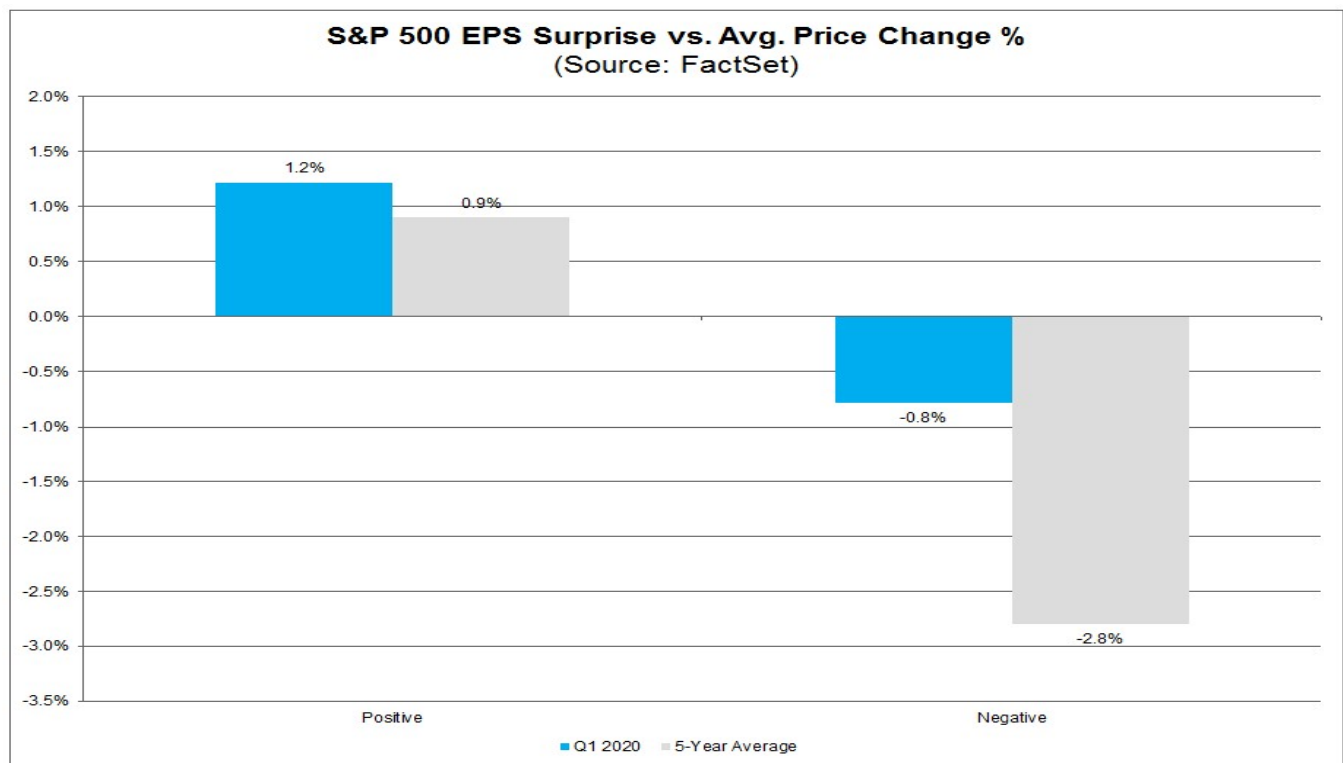
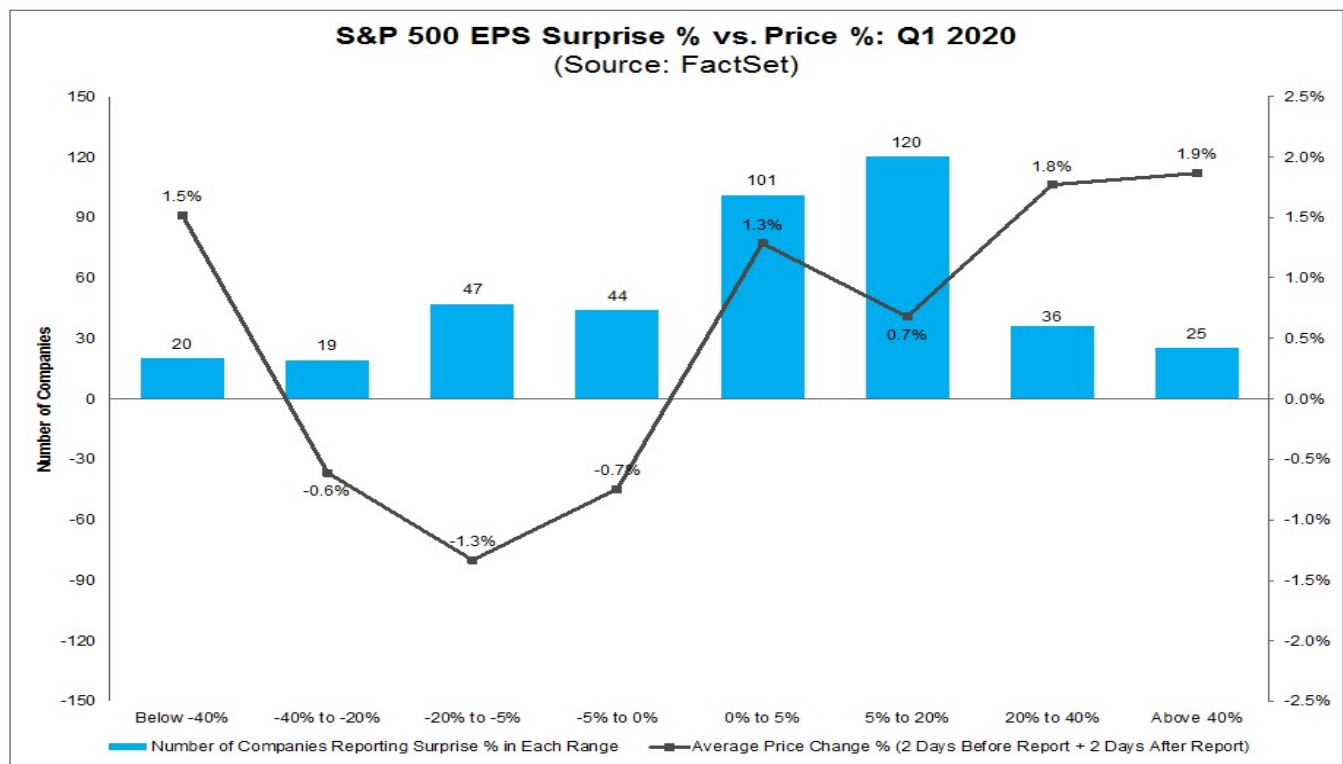
S&P 500 Revenues Above, In-Line, Below Estimates: Q1 2020
(Source: FactSet)



Q1 2020: Scorecard

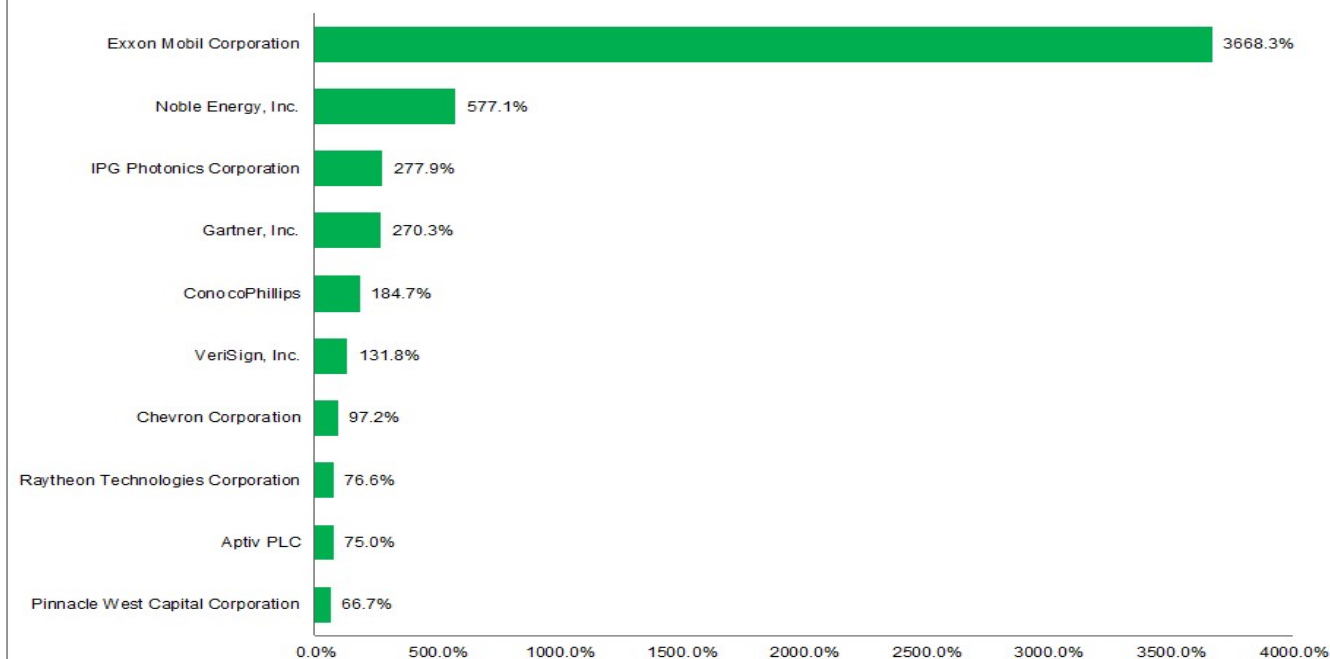


Q1 2020: Scorecard

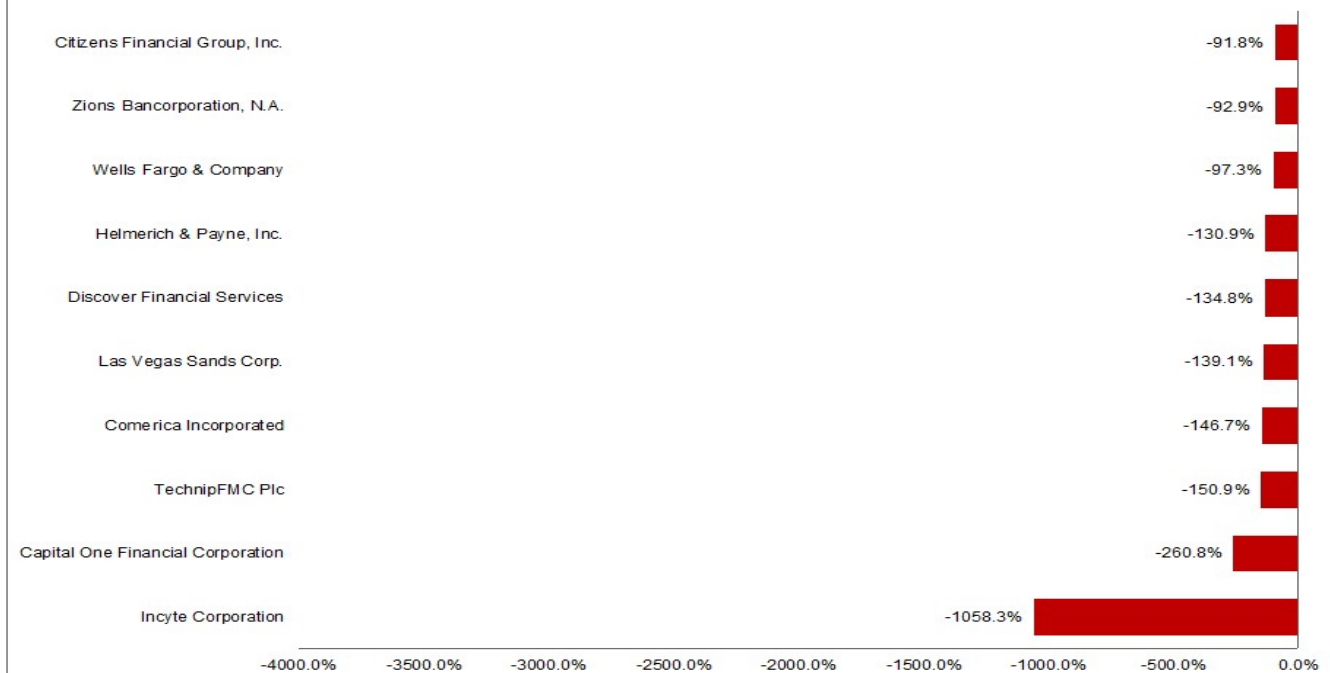


Q1 2020: Scorecard

S&P 500 Actual EPS Surprise %: Top 10 Q1 Actual EPS Surprises
(Source: FactSet)

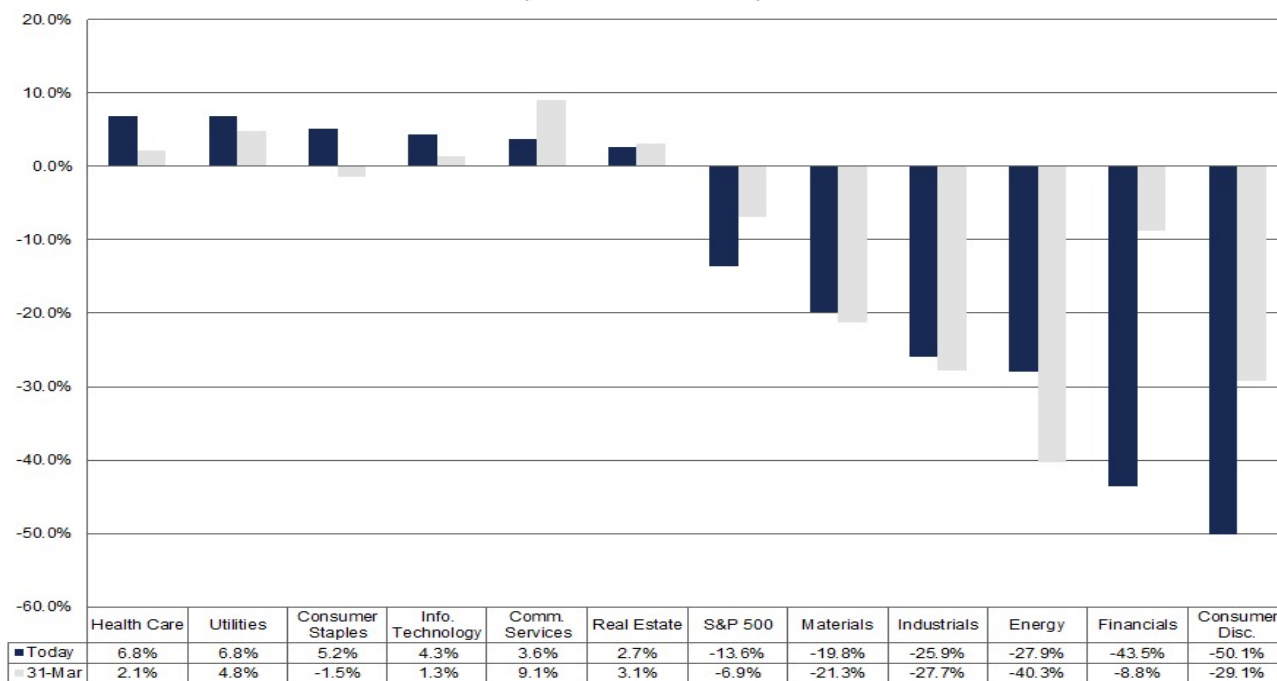


S&P 500 Actual EPS Surprise %: Bottom 10 Q1 Actual EPS Surprises
(Source: FactSet)

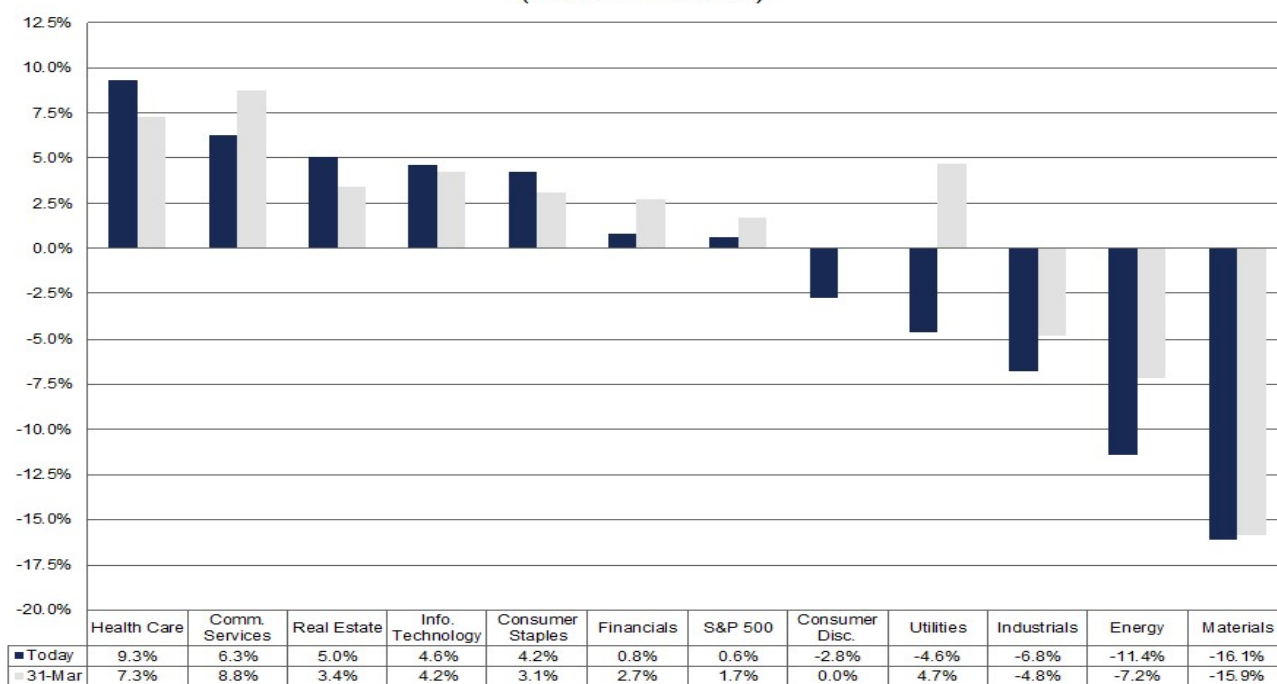


Q1 2020: Growth

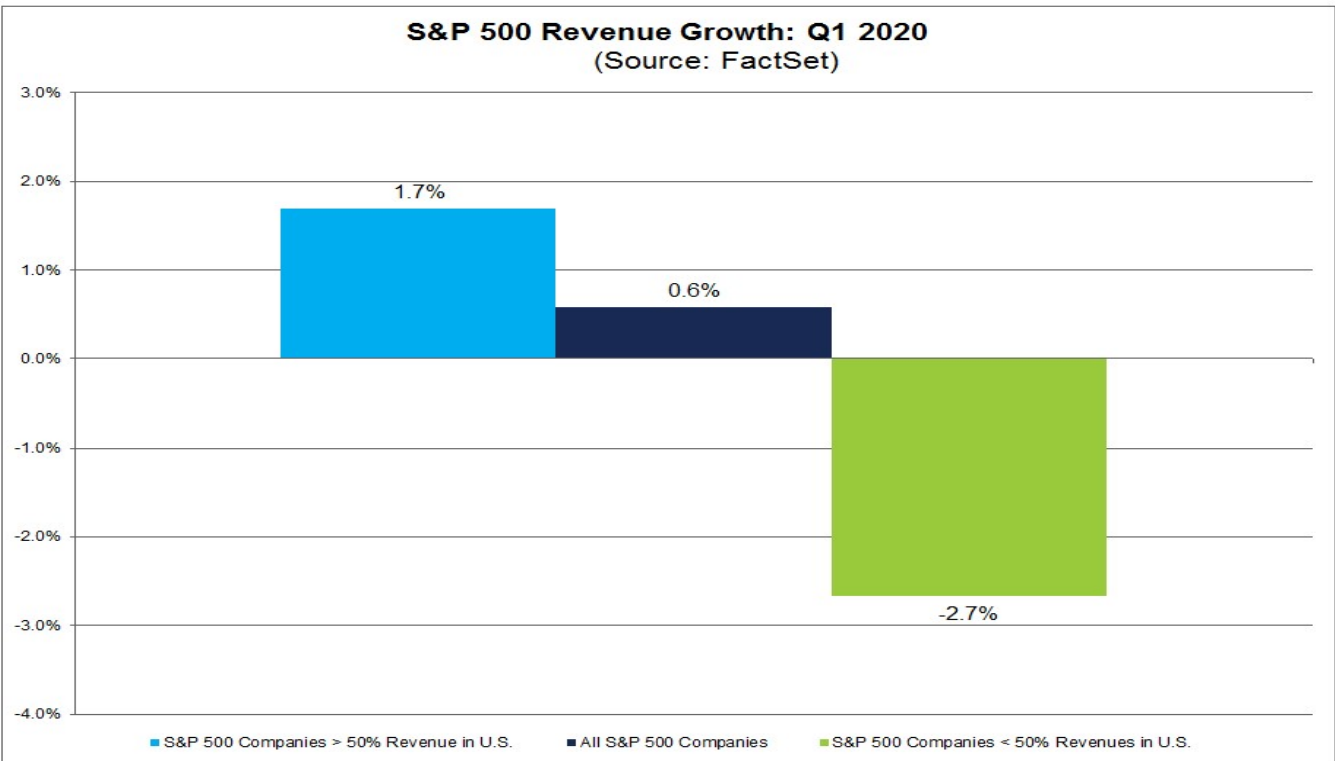
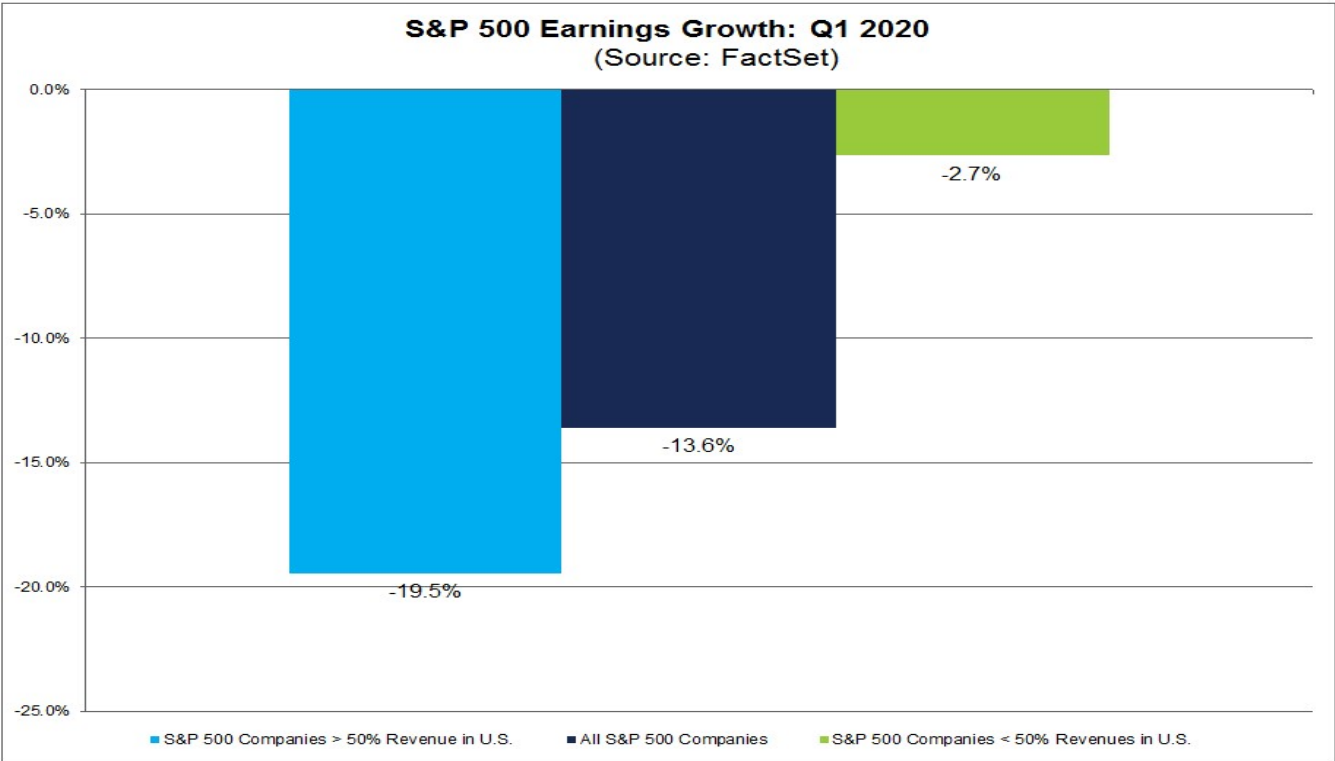
S&P 500 Earnings Growth: Q1 2020
(Source: FactSet)



S&P 500 Revenue Growth: Q1 2020
(Source: FactSet)



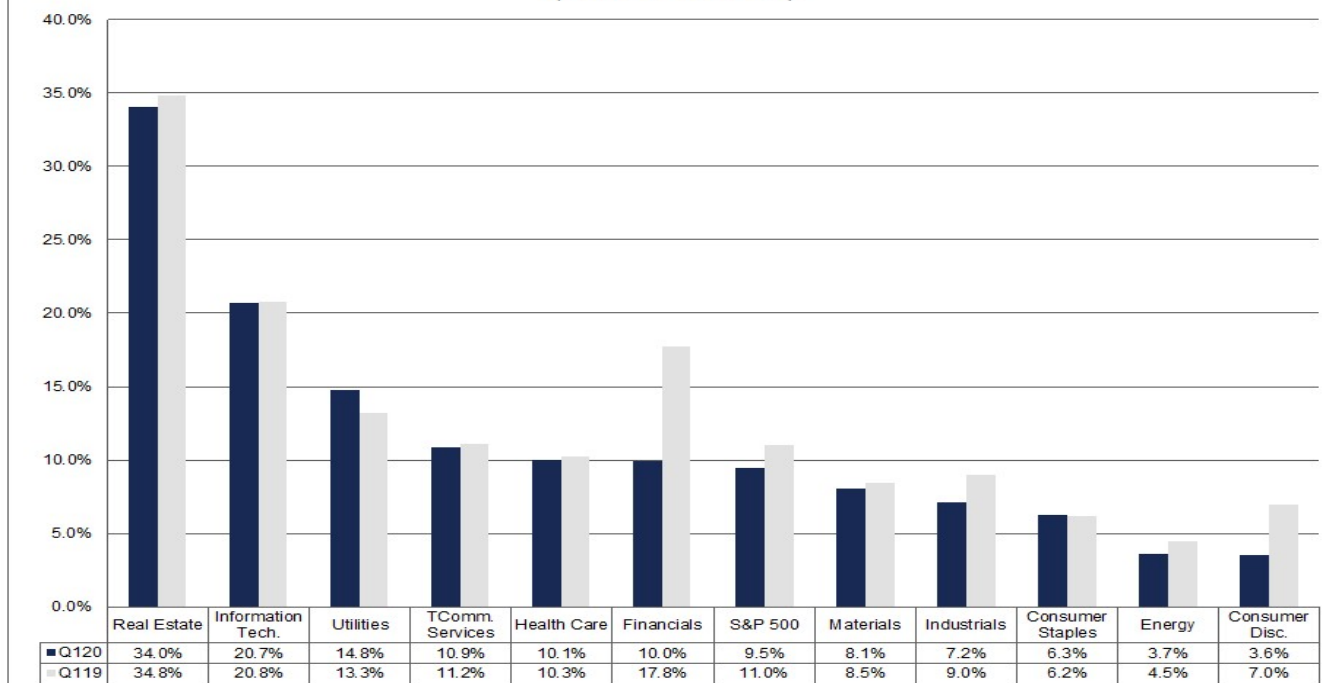
Q1 2020: Growth



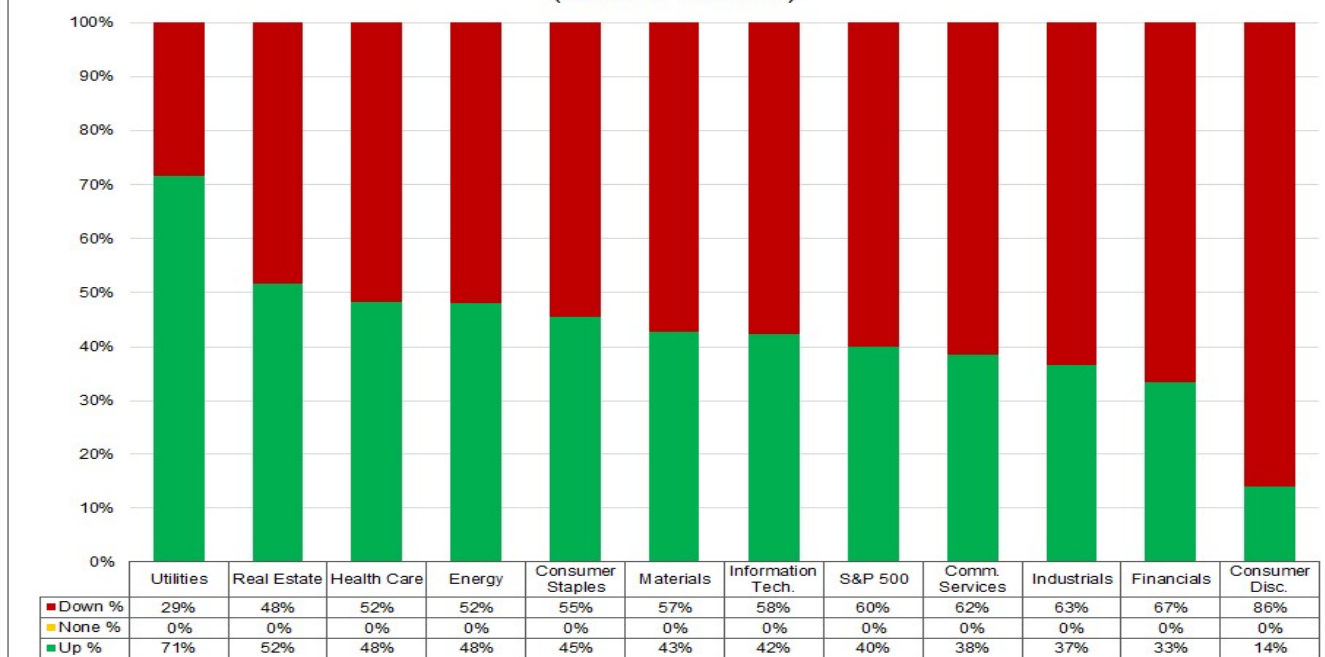
Q1 2020: Net Profit Margin

S&P 500 Net Profit Margins: Q120 vs. Q119

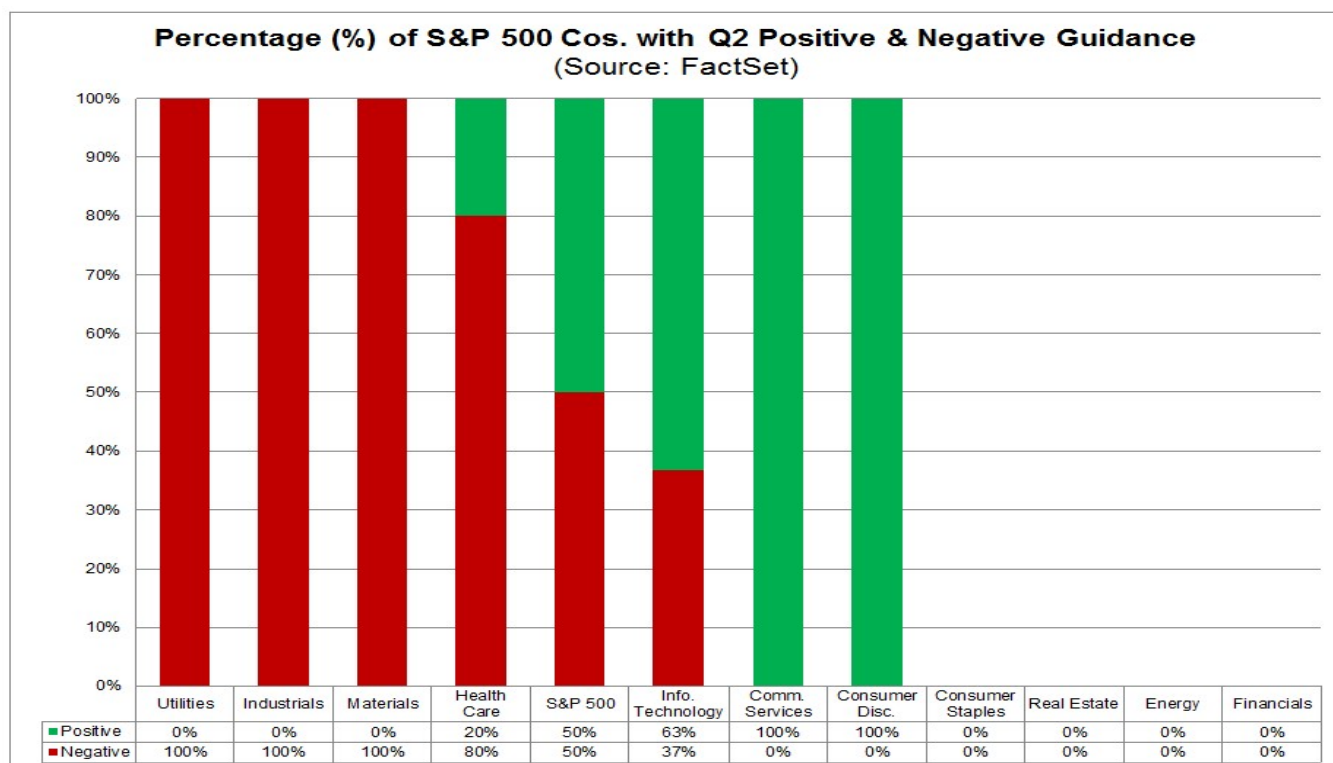
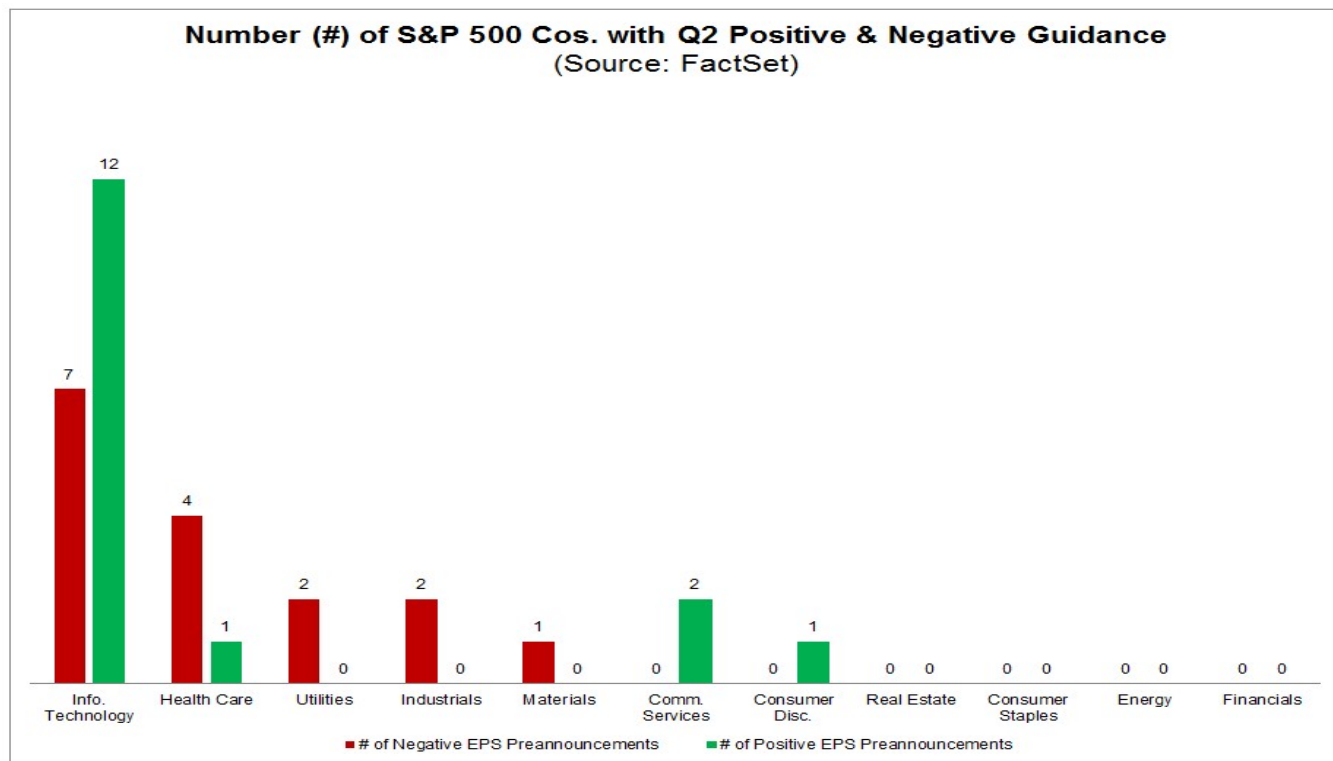
(Source: FactSet)

**S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin:****Q120 vs. Q119**

(Source: FactSet)

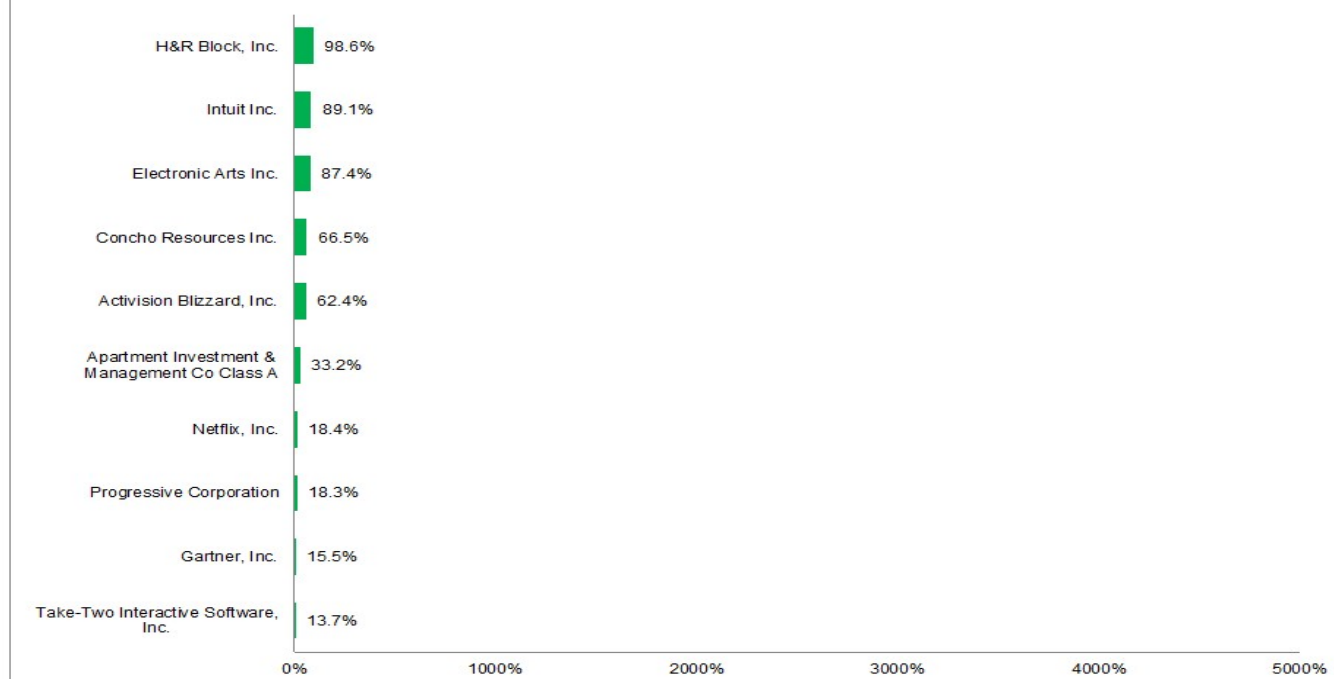


Q2 2020: EPS Guidance

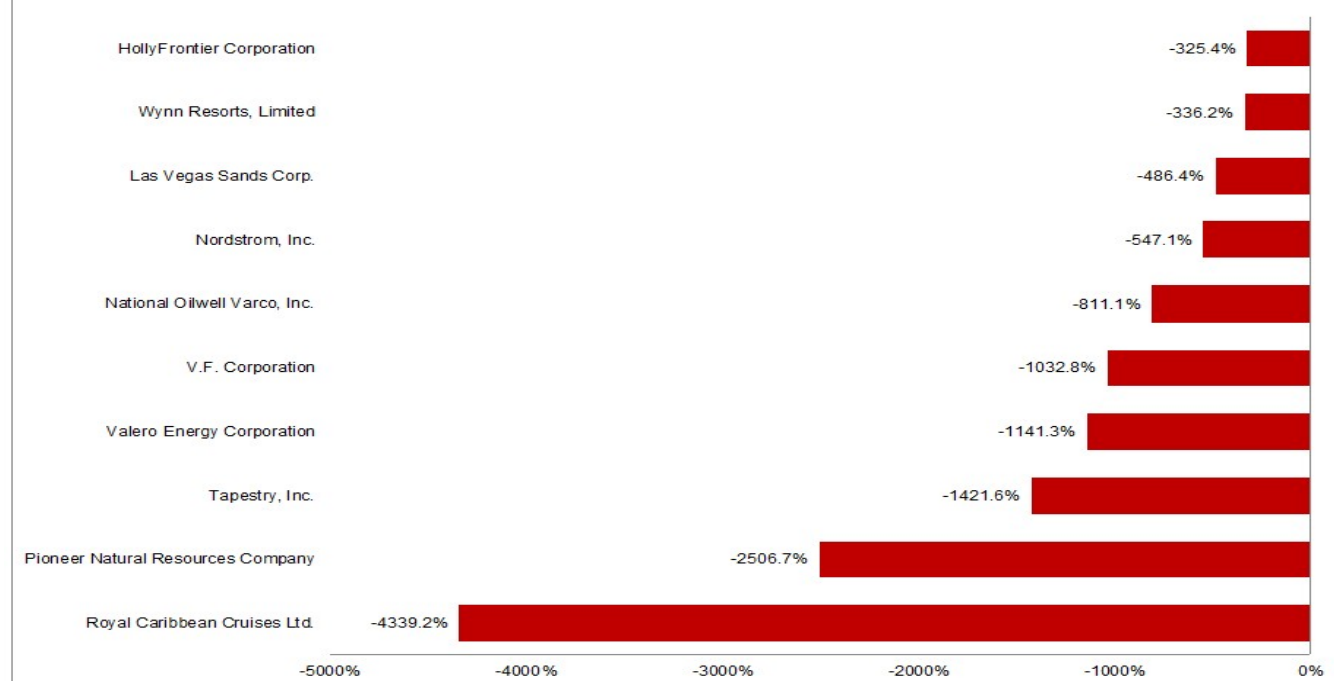


Q2 2020: EPS Revisions

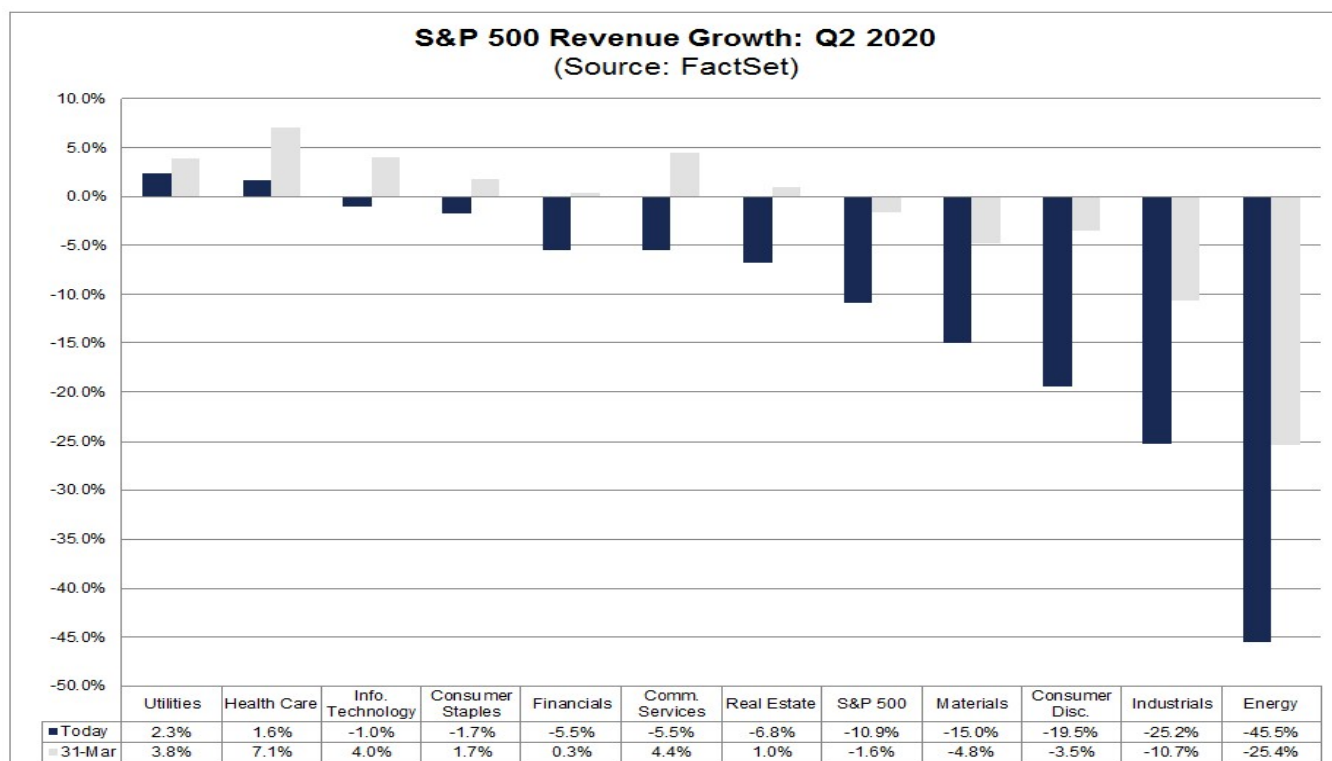
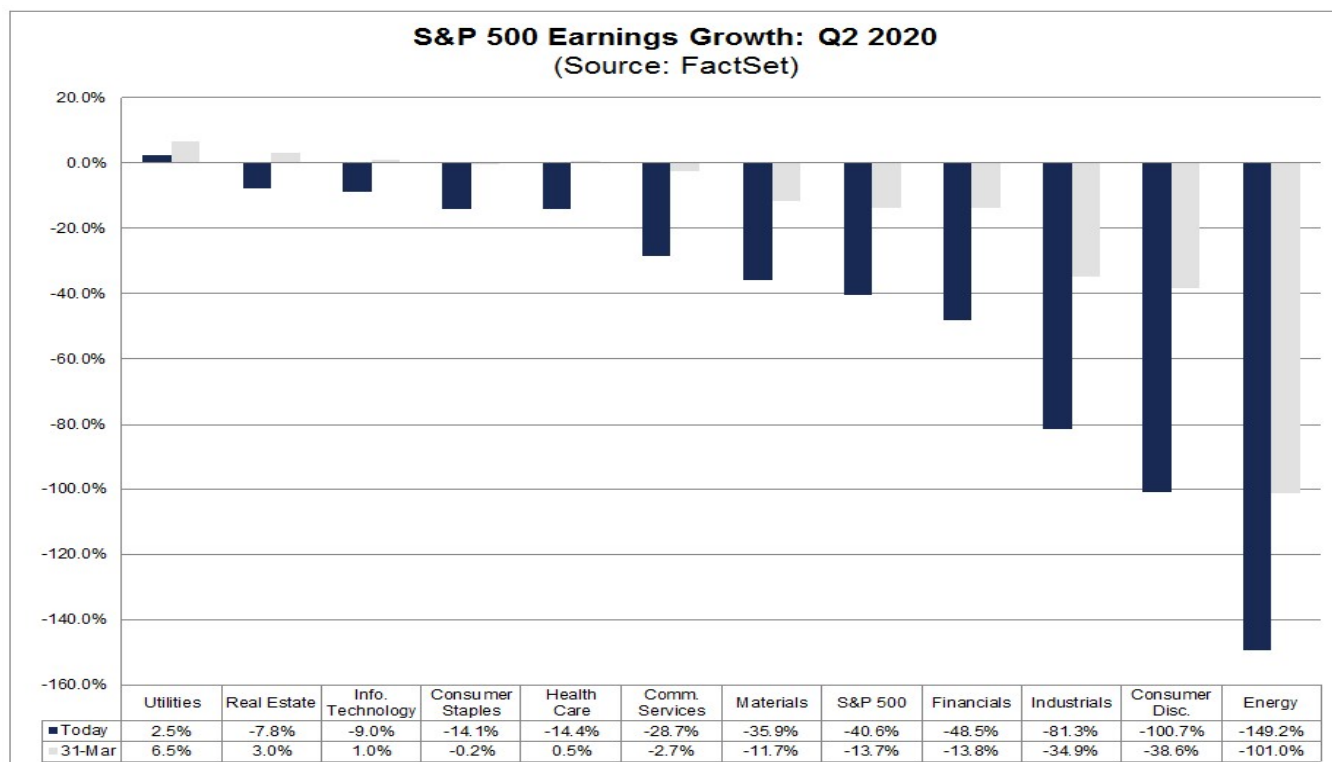
Upward Change in Q2 EPS (Trailing 4 Weeks): Top 10 S&P 500 Cos.
(Source: FactSet)



Downward Change in Q2 EPS (Trailing 4-Weeks): Top 10 S&P 500 Cos.
(Source: FactSet)



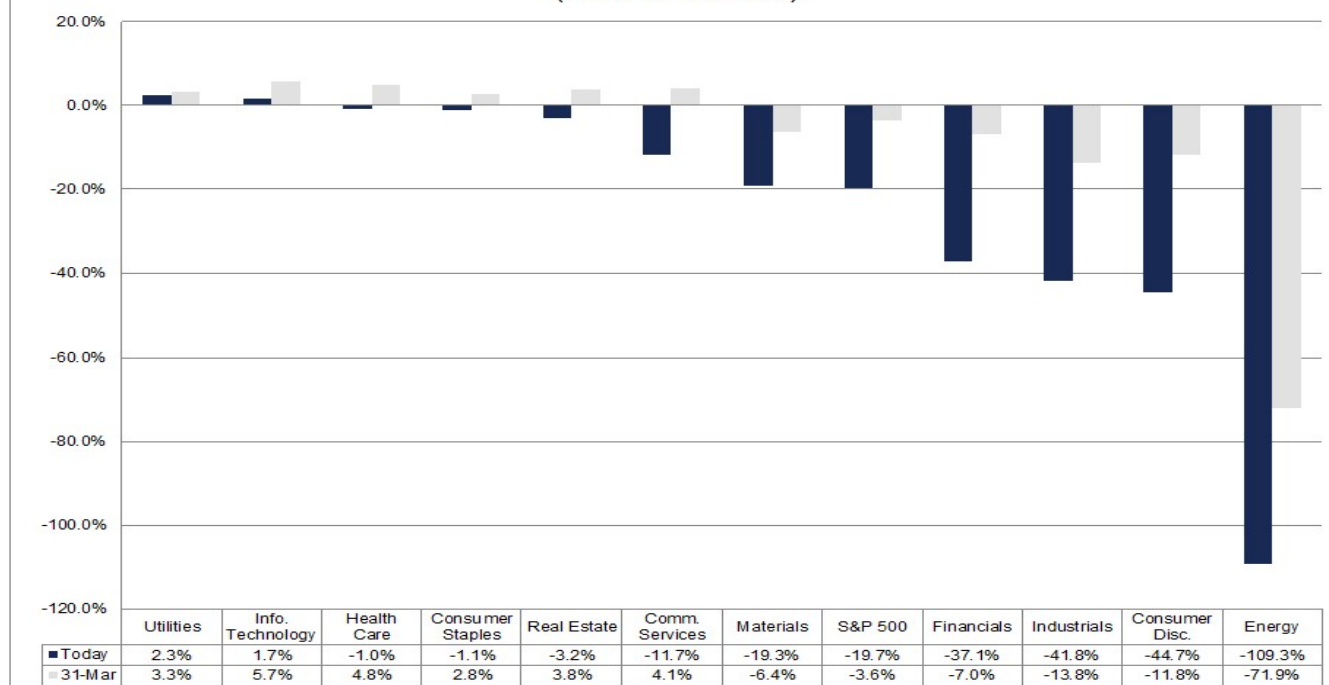
Q2 2020: Growth



CY 2020: Growth

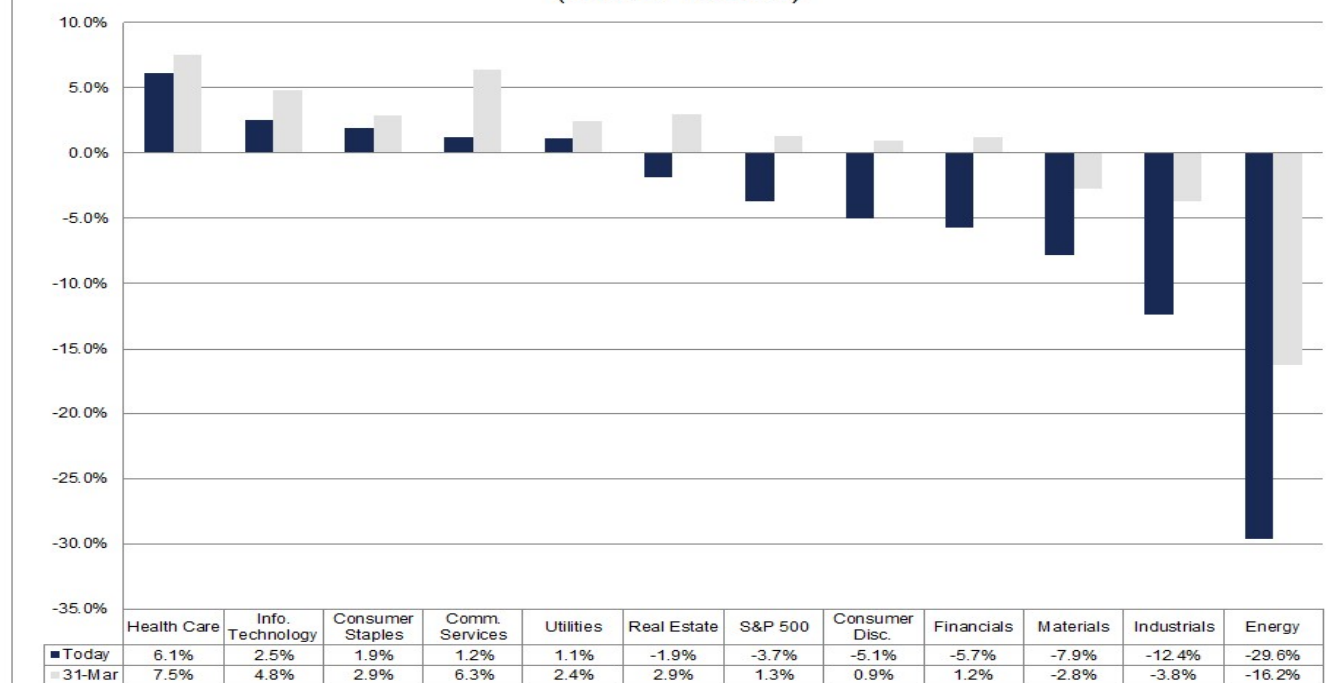
S&P 500 Earnings Growth: CY 2020

(Source: FactSet)



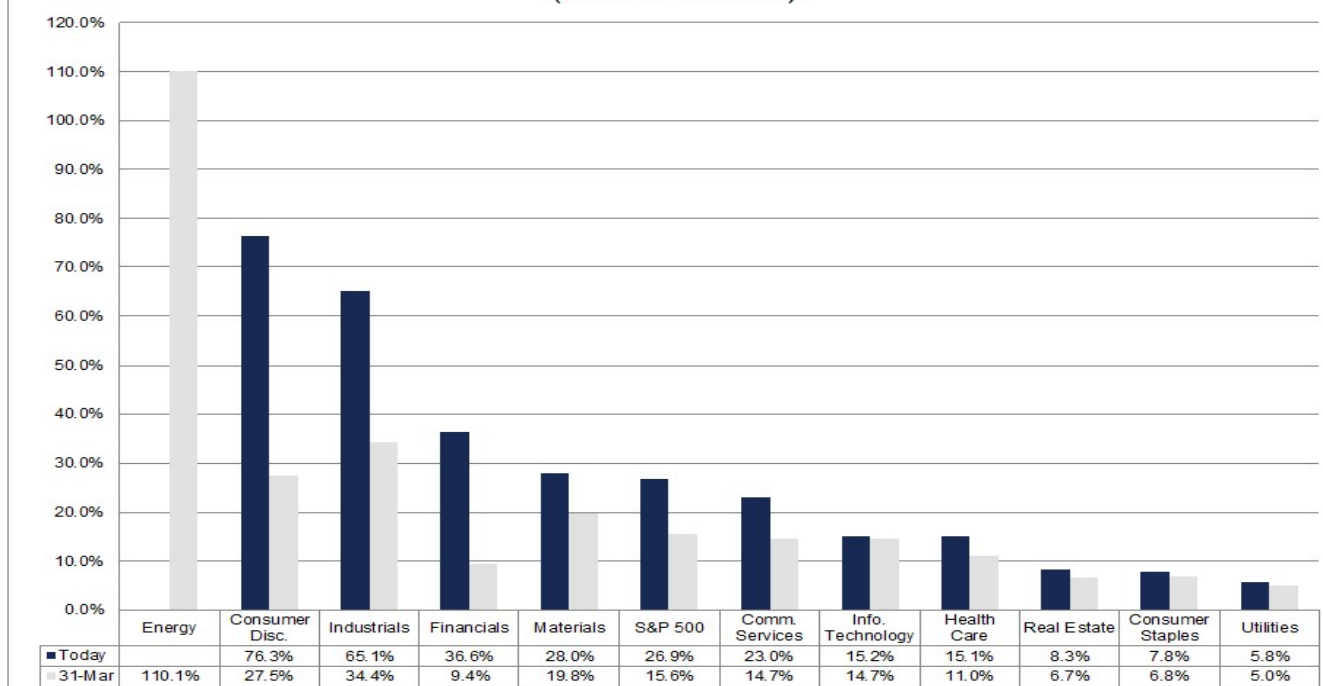
S&P 500 Revenue Growth: CY 2020

(Source: FactSet)

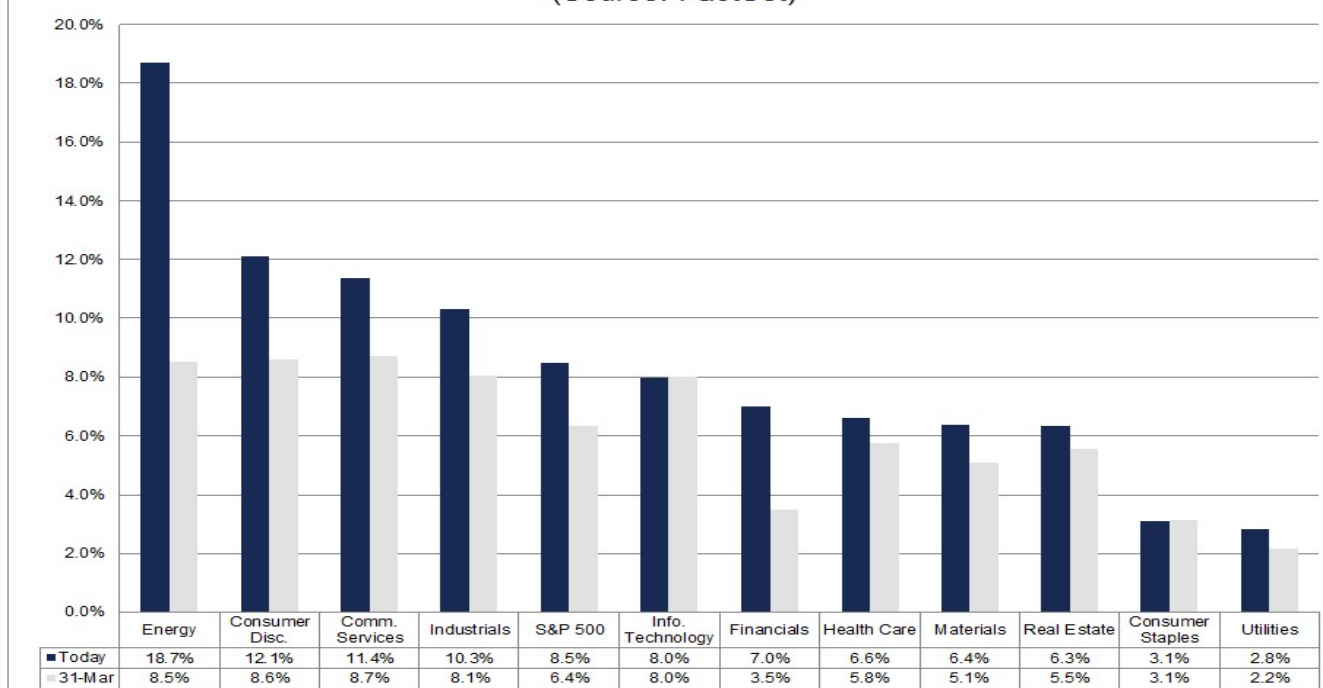


CY 2021: Growth

S&P 500 Earnings Growth: CY 2021
(Source: FactSet)

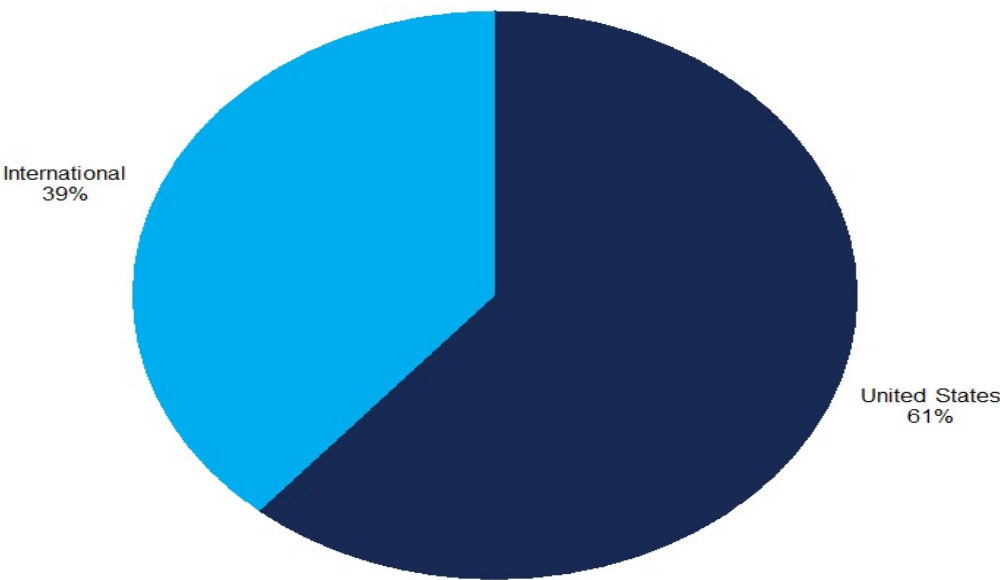


S&P 500 Revenue Growth: CY 2021
(Source: FactSet)

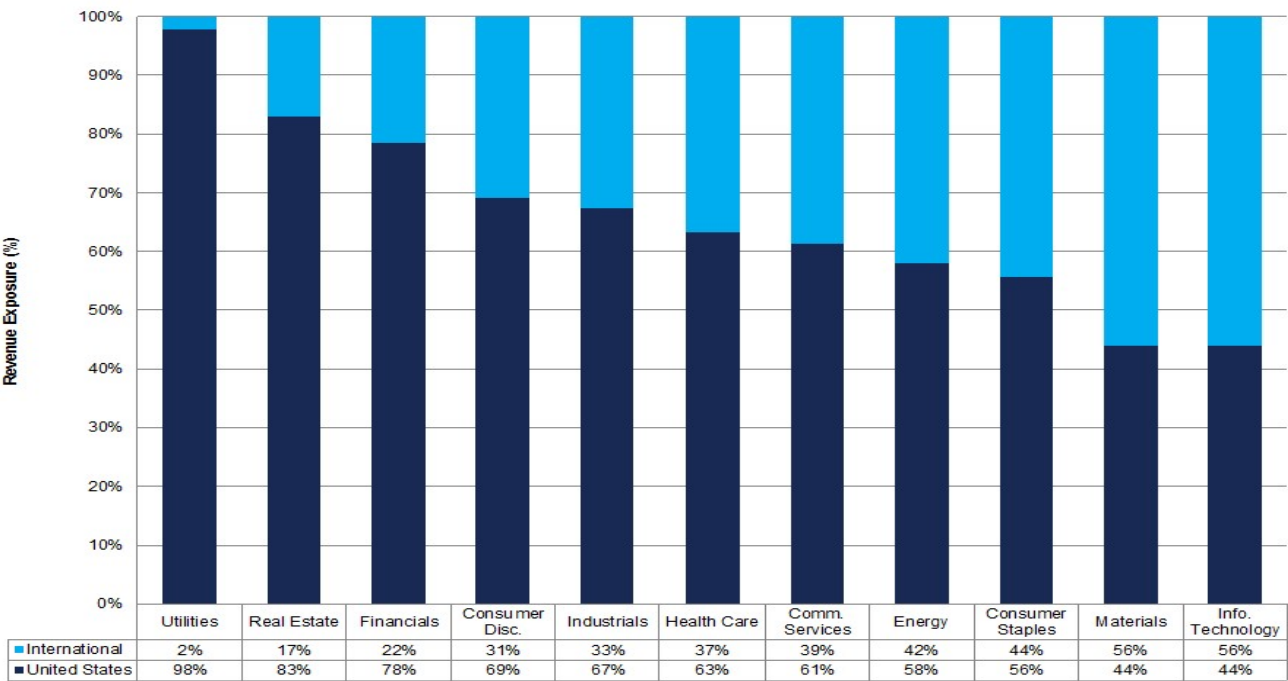


Geographic Revenue Exposure

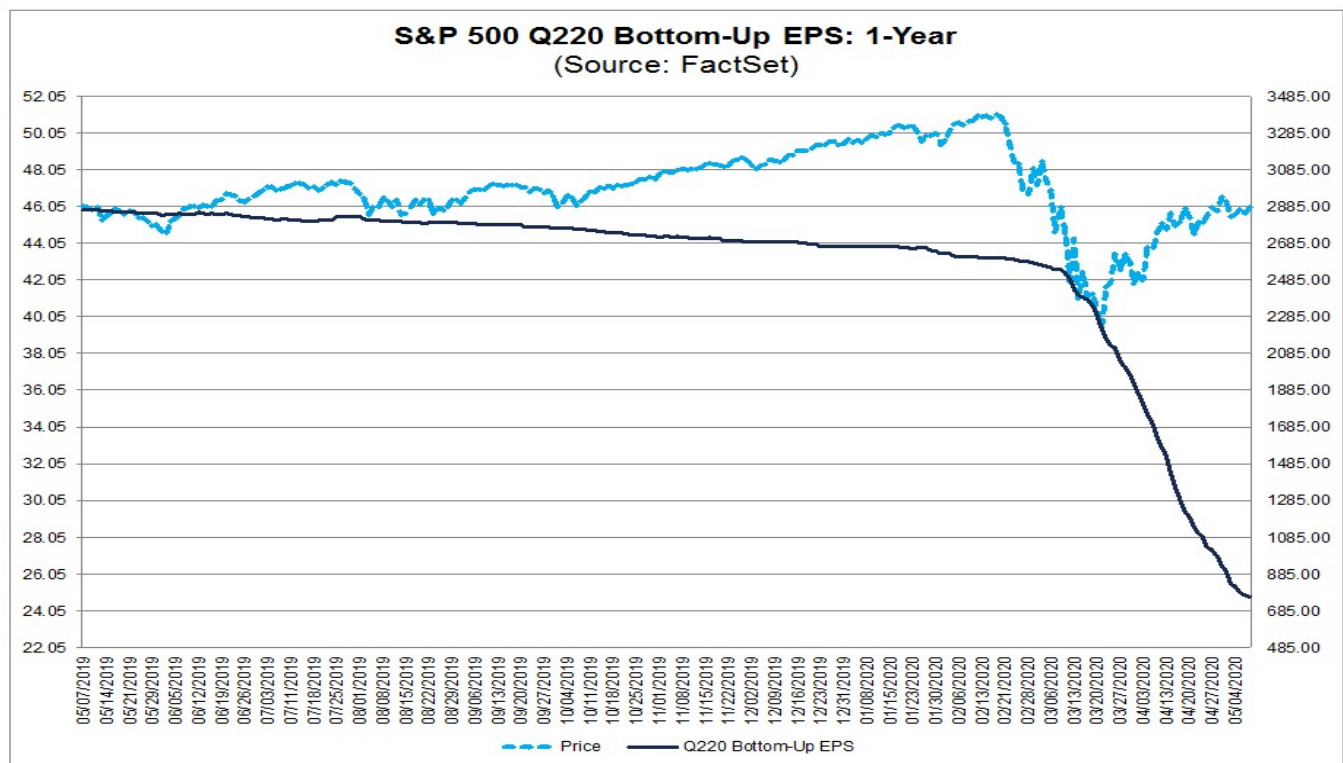
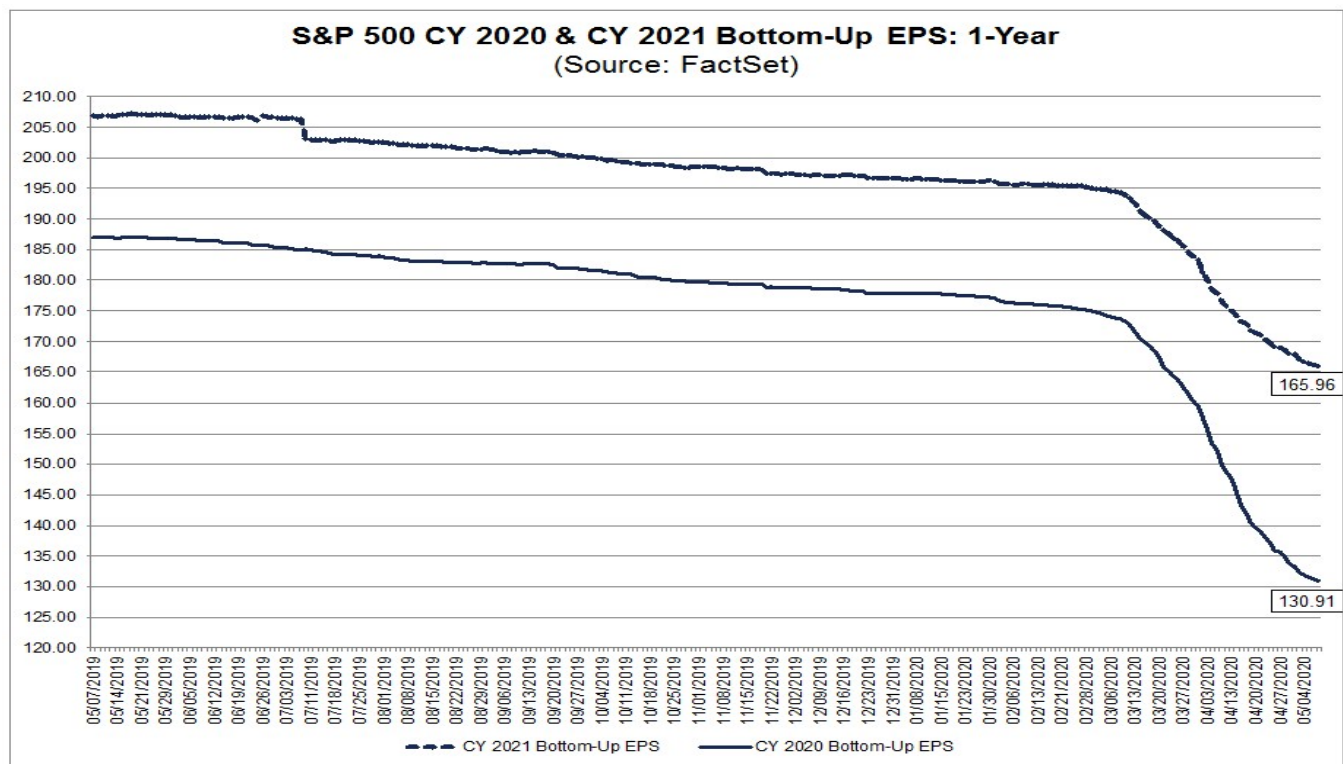
S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)



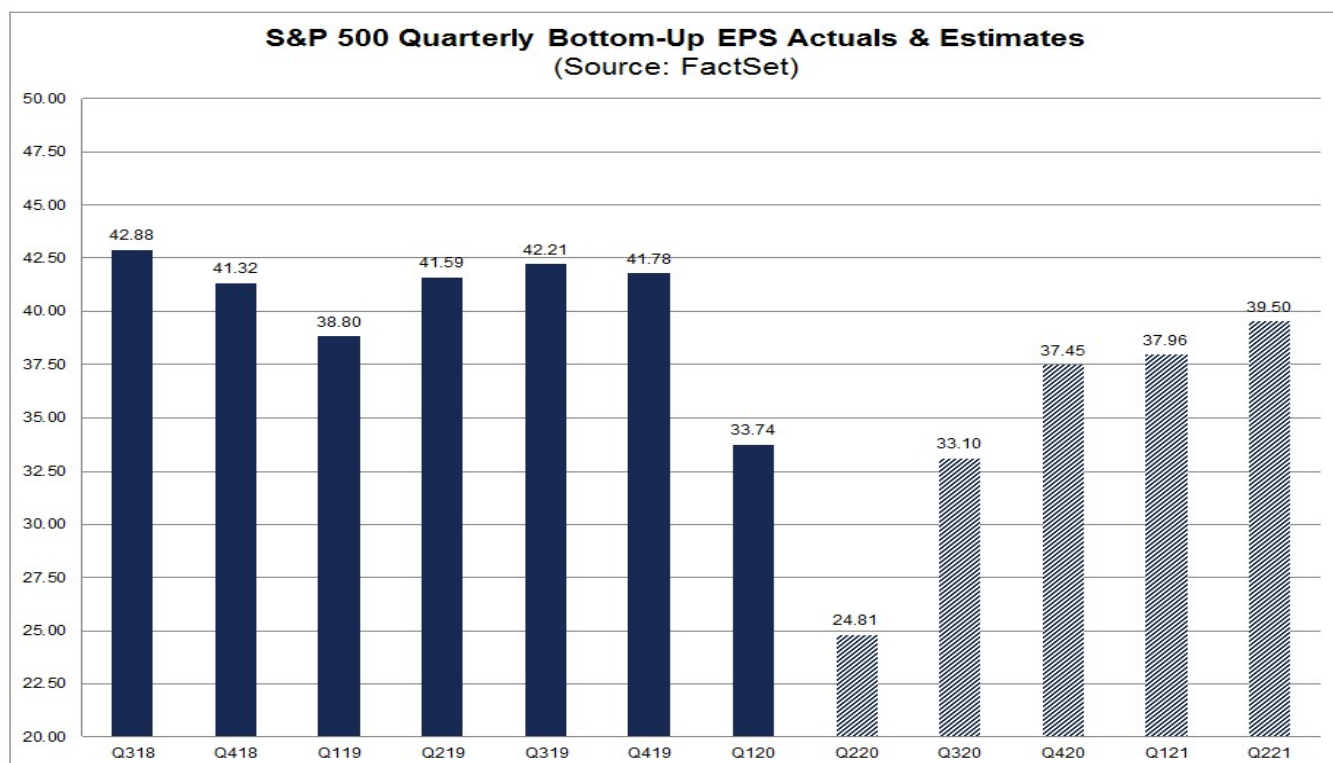
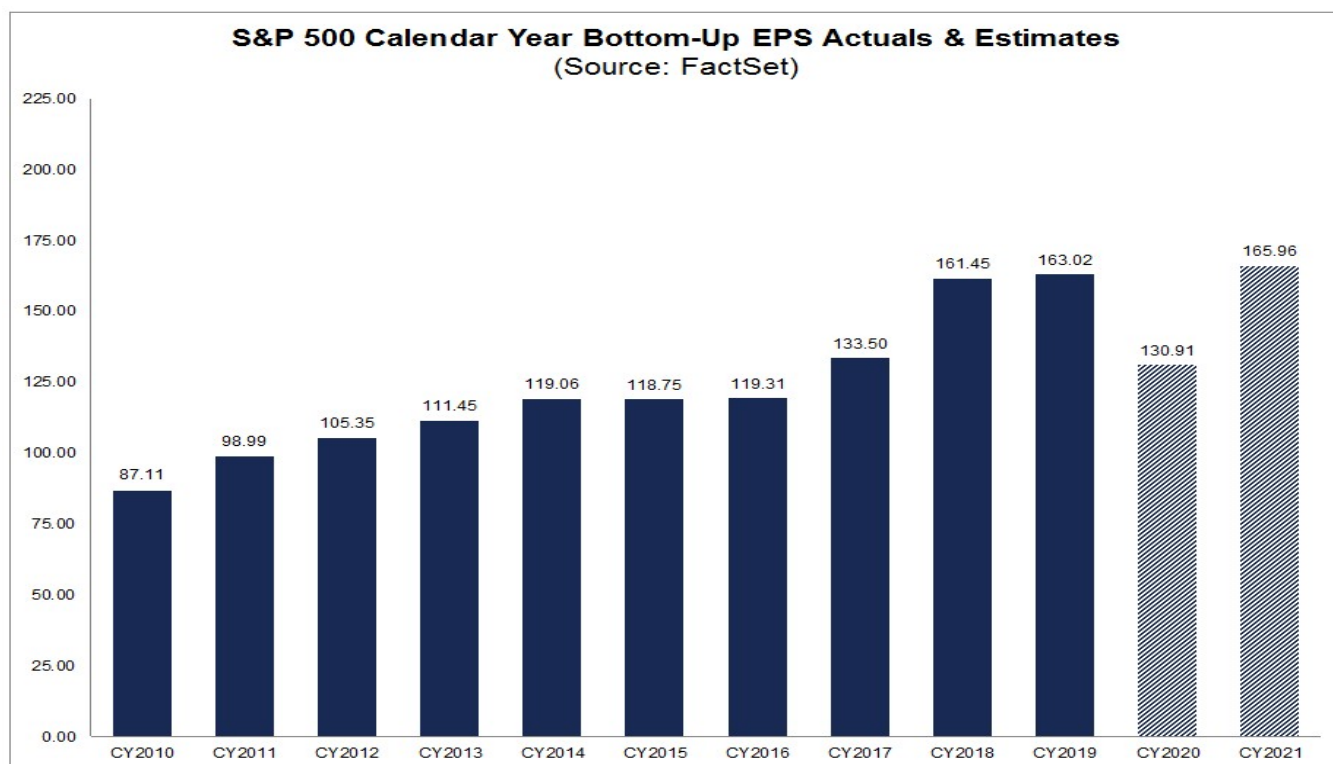
S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)



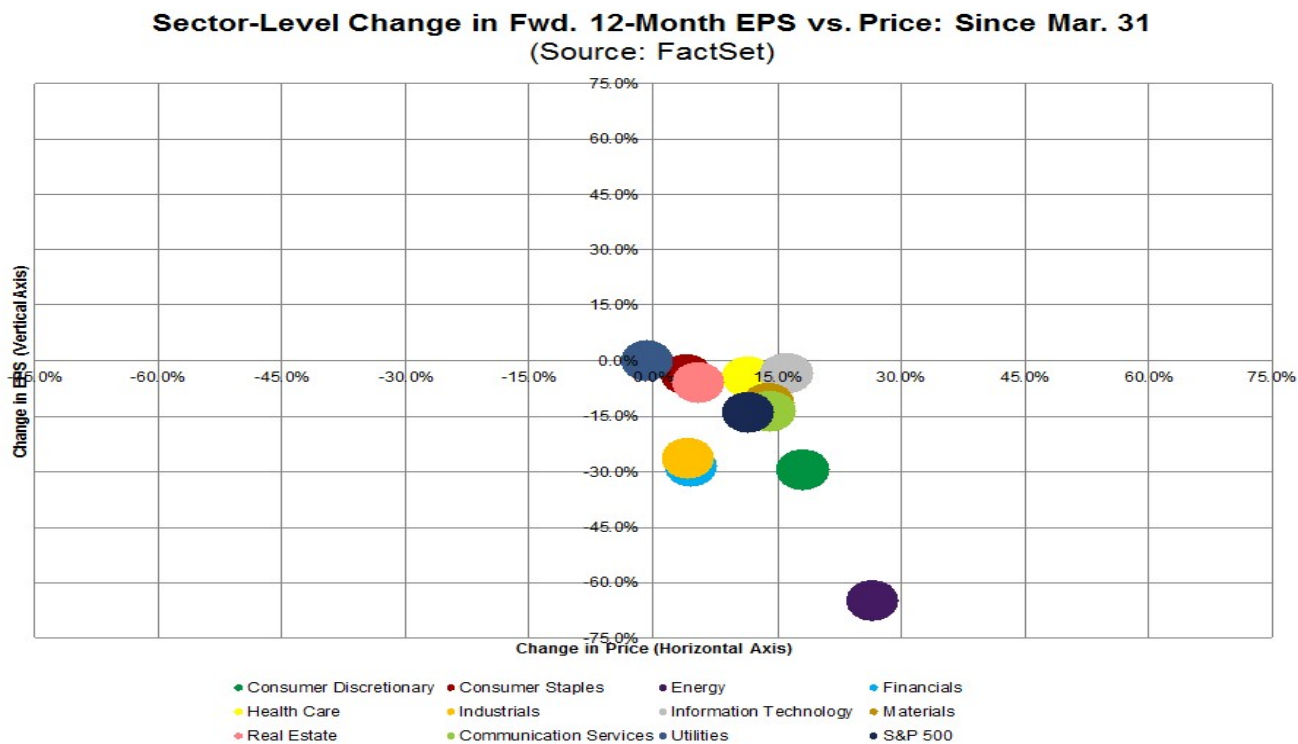
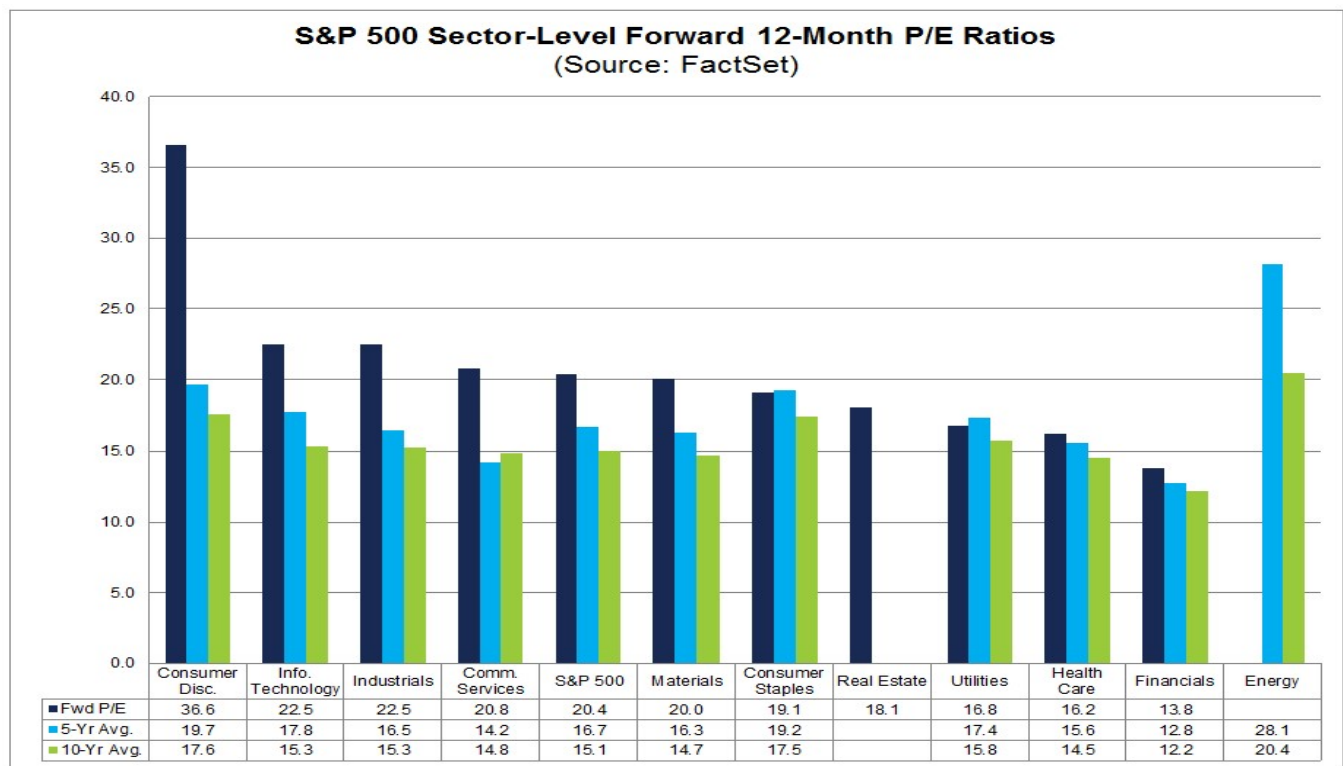
Bottom-up EPS Estimates: Revisions



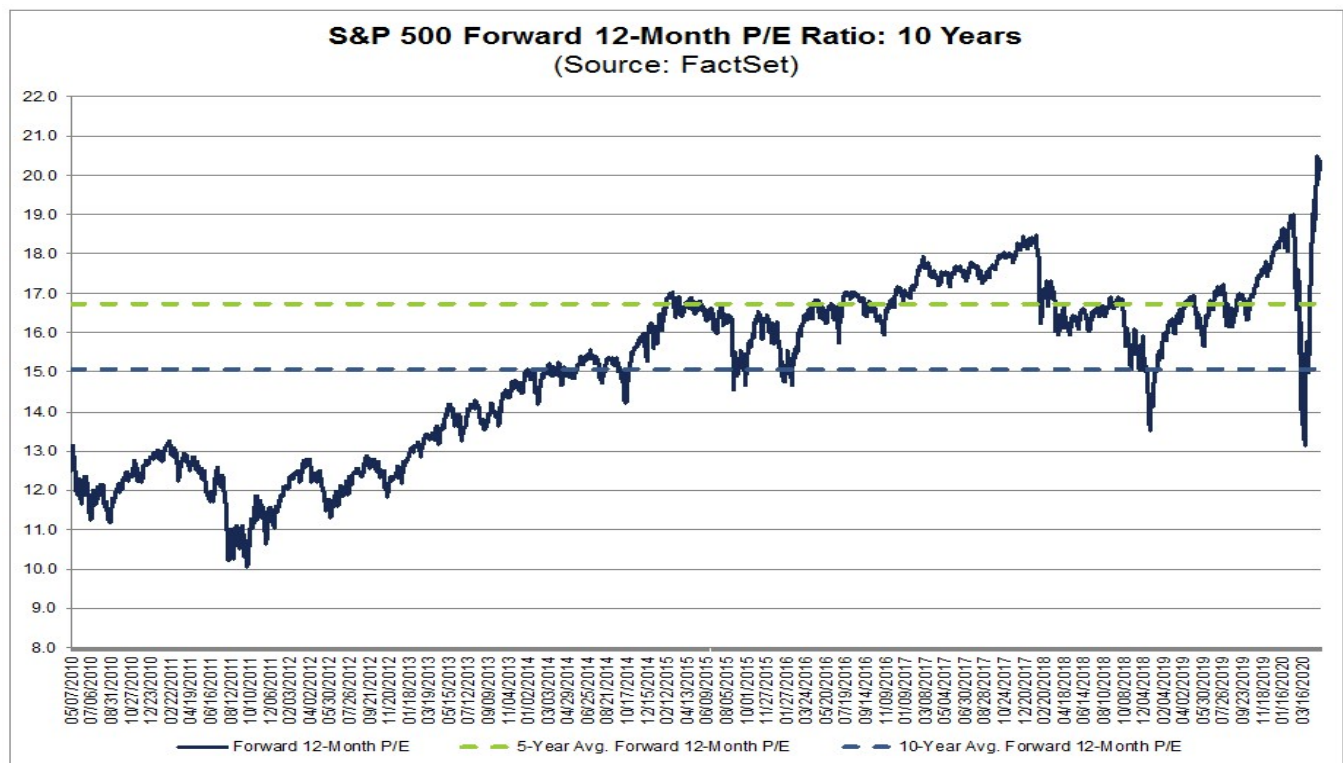
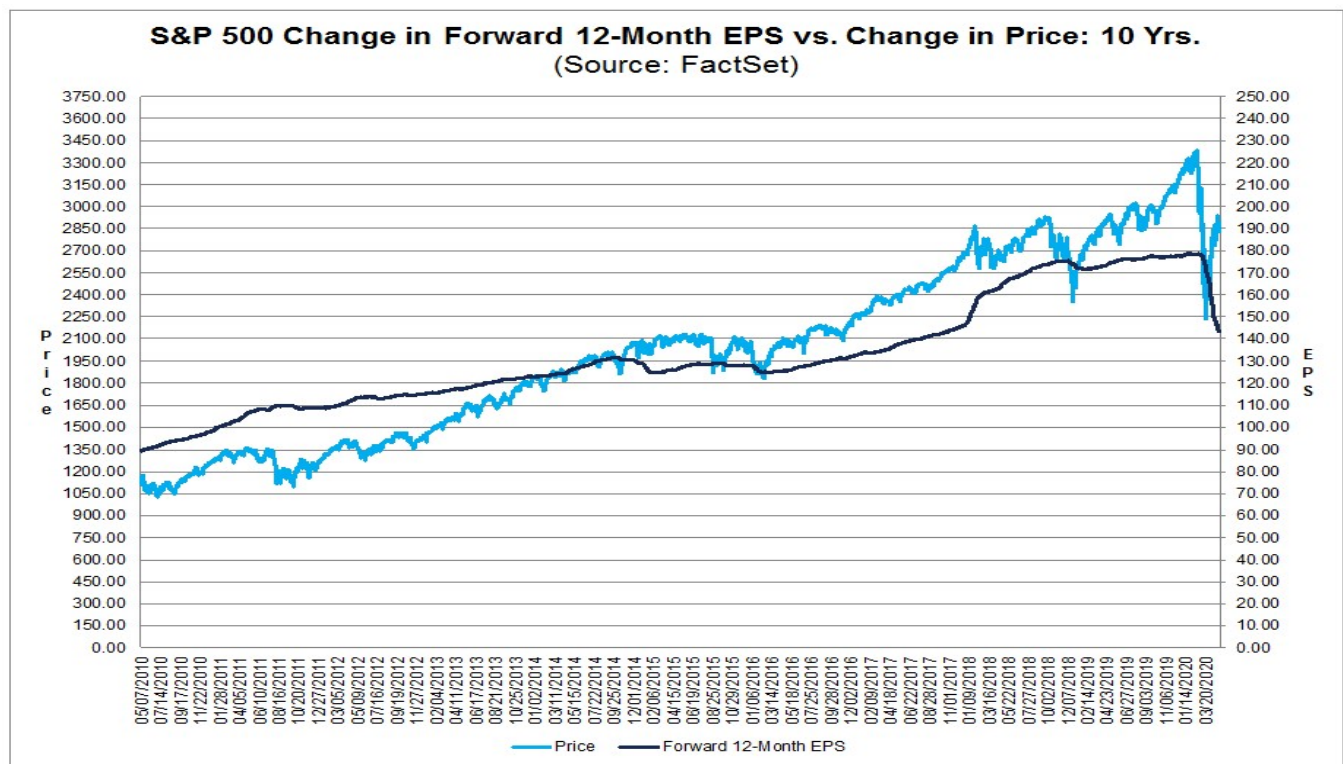
Bottom-up EPS Estimates: Current & Historical



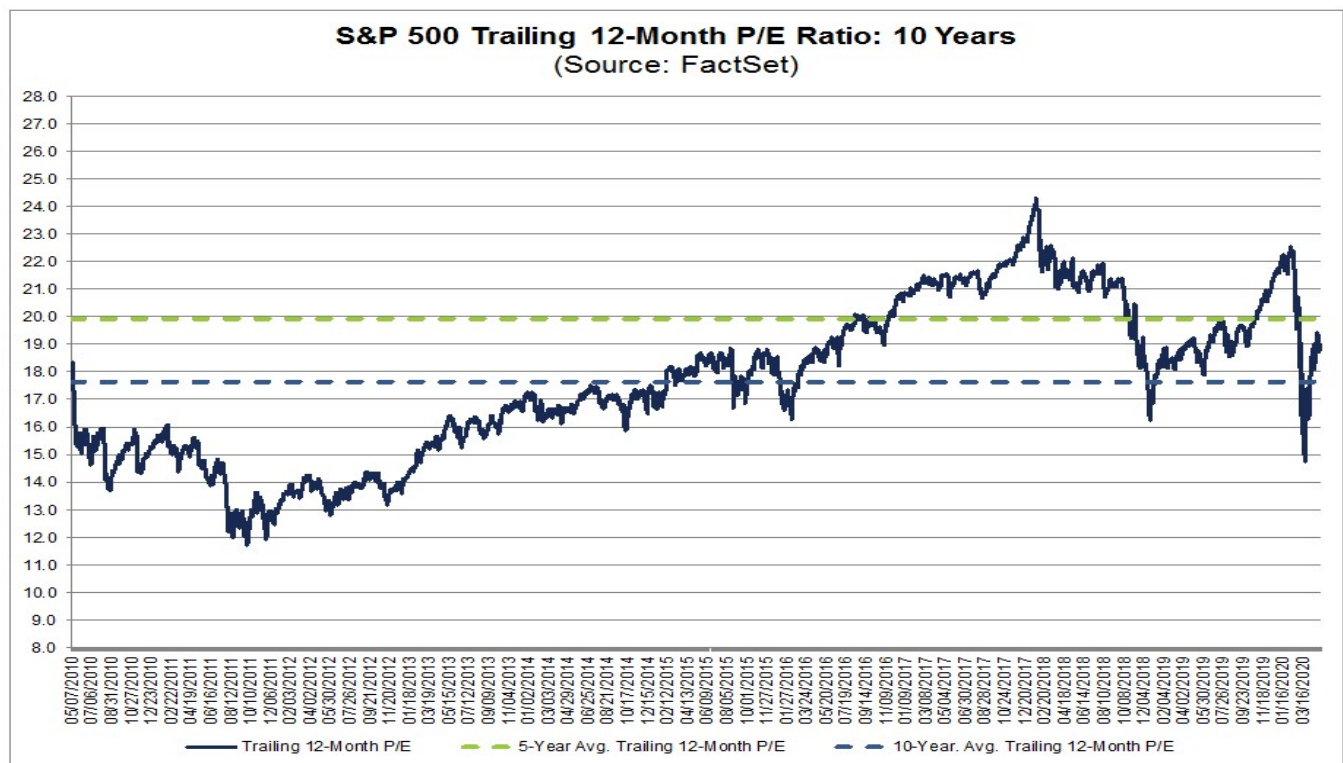
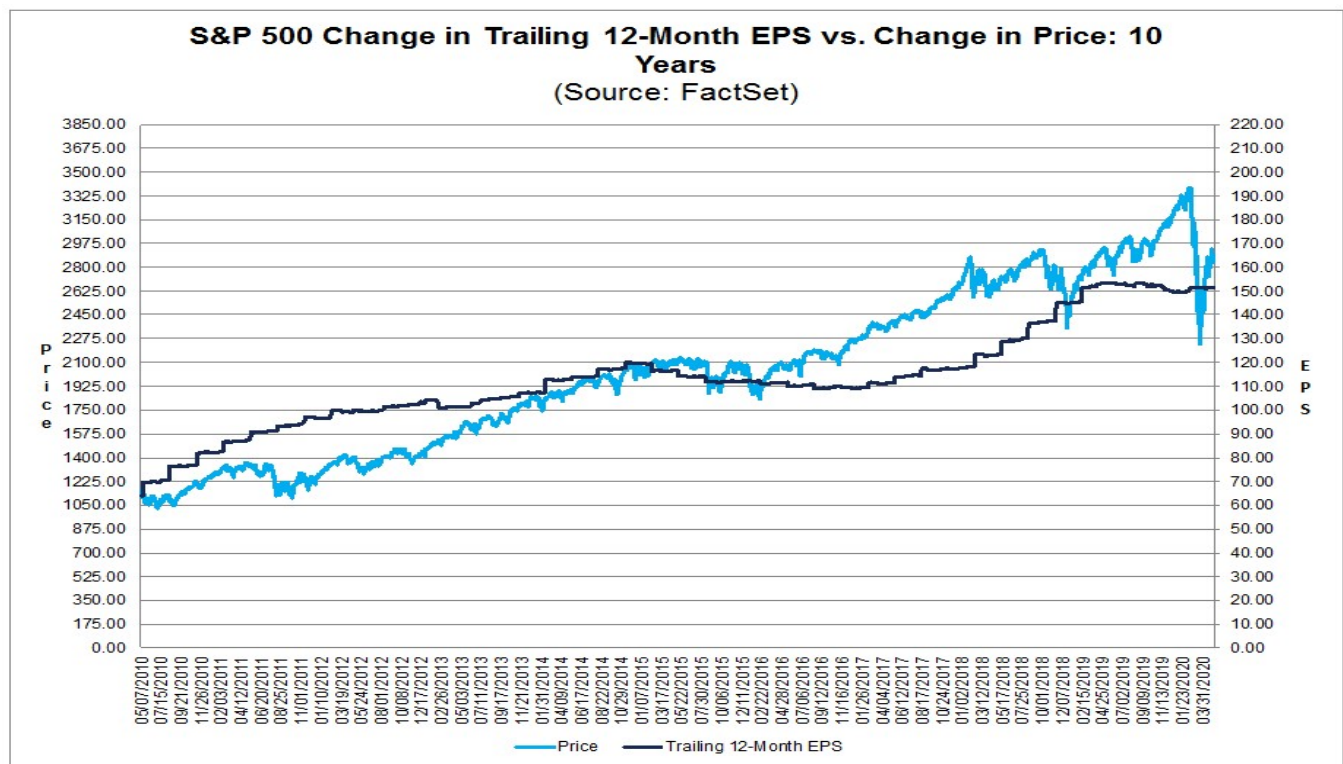
Forward 12M P/E Ratio: Sector Level



Forward 12M P/E Ratio: 10-Years



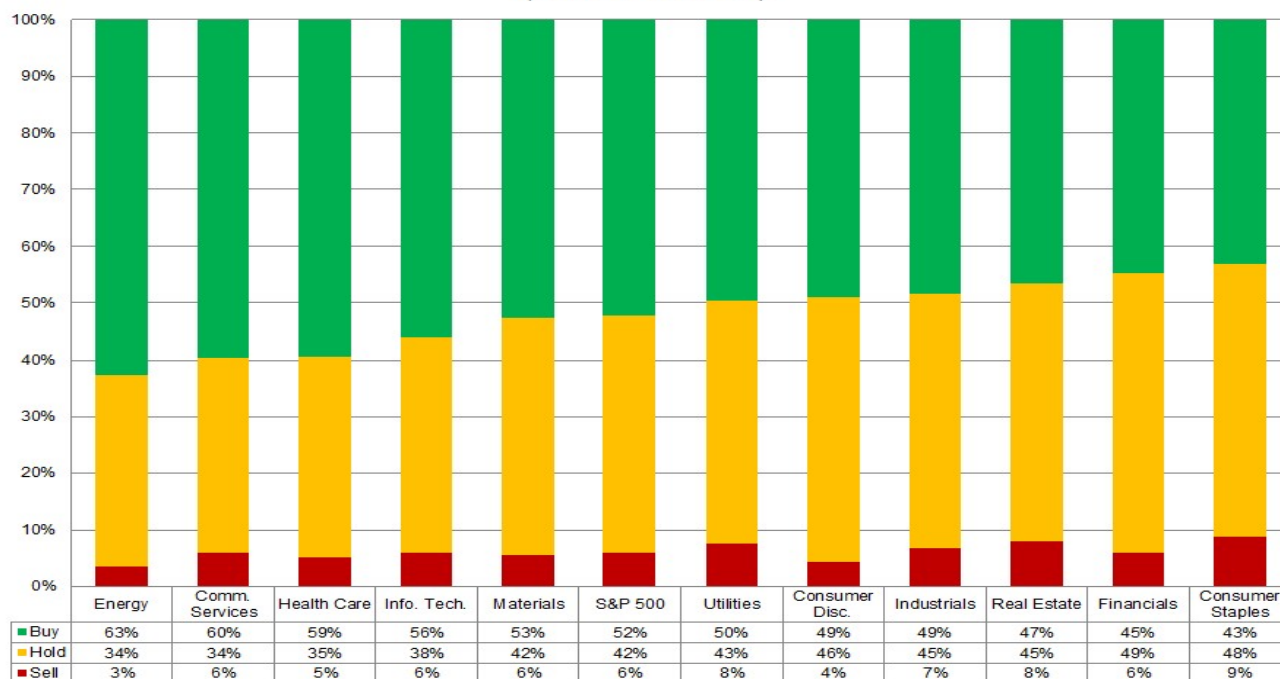
Trailing 12M P/E Ratio: 10-Years



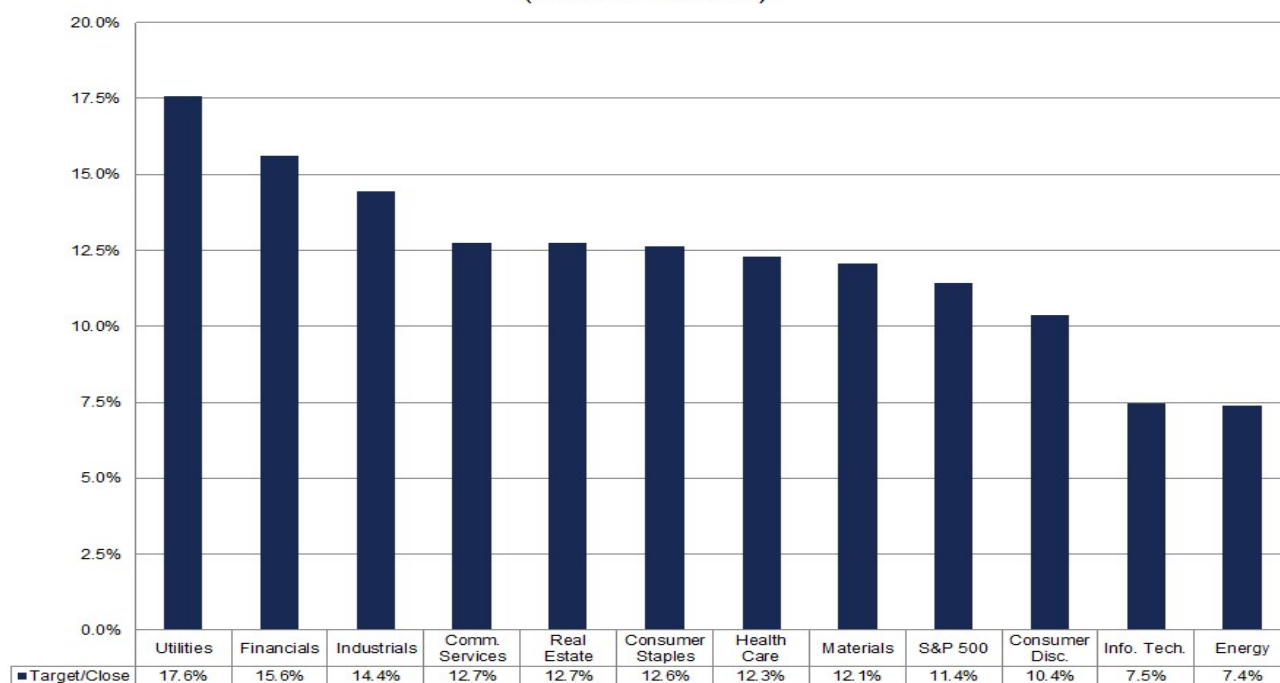
Targets & Ratings

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)



Appendix 1: FY 2020 EPS Guidance Comments in Q1 Earnings Season (thru Apr. 30)

Withdrawing or Not Providing FY20 EPS Guidance (79)

"We are suspending our fiscal 2020 earnings forecast for our consolidated and segment results due to the great uncertainty caused by the coronavirus pandemic." -FedEx (Mar. 17)

"Due to the uncertainty, including the severity and duration of the pandemic, we are not providing guidance for the fourth quarter of fiscal 2020 at this time and withdrawing our full fiscal year guidance." -Cintas Corporation (Mar. 19)

"Given the uncertainty of the situation, the Corporation is currently unable to provide an earnings forecast, however it expects a net loss on both a U.S. GAAP and adjusted basis for the fiscal year ending November 30, 2020." -Carnival Corporation (Mar. 19)

"The Company is withdrawing its full year financial outlook for fiscal 2020." -Darden Restaurants (Mar. 19)

"McCormick previously issued its fiscal 2020 guidance on January 28, 2020, which did not include the impact of COVID-19. Due to the rapidly evolving situation and the high degree of uncertainty relating to the impacts of COVID-19, including on consumer demand across all channels and the global economy, the company is withdrawing its fiscal 2020 guidance." -McCormick & Co. (Mar. 31)

"Turning now to guidance, Stefano has already mentioned that we were well on track to confirm our full year adjusted EPS guidance. Second quarter EPS was ahead of our expectations. We delivered sequential improvement in our US sales comps. And a majority of our business initiatives were on track, including cash generation and the Transformational Cost Management Program. However, given the many rapidly-changing variables related to the COVID-19 pandemic, right now, we're not in a position to accurately forecast the future impacts of COVID-19." -Walgreens Boots Alliance (Apr. 2)

"Fiscal 2021 EPS guidance is unavailable at this time due to potential impacts on the business from COVID-19." -Constellation Brand (Apr. 3)

"Due to uncertainties regarding the duration and impact of the coronavirus (COVID-19) pandemic, Abbott is suspending its previously announced annual guidance for 2020." -Abbott Laboratories (Apr. 16)

"Due to the general economic uncertainty created by the global COVID-19 pandemic, KCS is withdrawing previously provided revenue, volume, operating ratio and earnings per share guidance." -Kansas City Southern (Apr. 17)

"Due to the rapidly evolving environment and continued uncertainties resulting from the economic impact globally of the coronavirus disease ("COVID-19"), we are not providing guidance for the second quarter of 2020, and are withdrawing our previously announced guidance for full year 2020, which was issued on February 12, 2020." -Equifax (Apr. 20)

"IBM is withdrawing its full-year 2020 guidance in light of the current COVID-19 crisis." -IBM (Apr. 20)

"In addition, given the great uncertainty of the current environment, we feel it's prudent to hold off providing fiscal year 2020 guidance. We expect to come back in our second quarter call in July with greater clarity." -Coca-Cola (Apr. 21)

"Due to the COVID-19 pandemic and the resulting negative impact to the global demand environment we are unable to forecast with certainty the effect on Dover's financial and operational results, which could be material, and as such, Dover's previously communicated guidance for full year 2020 revenue growth and adjusted EPS has been suspended." -Dover (Apr. 21)

"As a result, at this time the Company cannot reasonably estimate the impact the COVID-19 pandemic will have on its operating and financial results. Due to this continued uncertainty, the Company is withdrawing its previously issued guidance for 2020." -HCA Healthcare (Apr. 21)

"Given the inherent uncertainty surrounding the COVID-19 pandemic and the related impact on PMI's business globally, the company is currently unable to forecast its full-year financial results with reasonable accuracy. PMI is therefore withdrawing its 2020 reported diluted EPS forecast of at least \$5.50, originally provided on February 6, 2020." -Philip Morris International (Apr. 21)

"As we look ahead, the overall demand and operating environment remains highly uncertain. The full impact of the COVID-19 pandemic on our business will depend on many unpredictable future developments, including the length and severity of the crisis, potential additional government actions and the overall impact of the pandemic on the global economy, among many other factors. As a result, until conditions become more predictable, we believe it is prudent to withdraw our full-year sales and EPS guidance, and we will not be providing a specific outlook for the coming quarter." -Amphenol (Apr. 22)

"Due to the lack of visibility related to COVID-19 pandemic and recovery, the Company has withdrawn financial guidance at this time." -AT&T (Apr. 22)

"Due to the rapidly evolving situation and the high degree of uncertainty related to the duration and potential impacts of COVID-19 and the overall environment, including global business and economic activity, consumer and end-market demand, global supply chain operations, and volatility in foreign currency exchange rates and commodity costs, the company is withdrawing its previous 2020 guidance and not providing any additional outlook at this time." -Kimberly-Clark (Apr. 22)

"As many of you know, we withdrew our 2020 guidance on March 31 given the unprecedented uncertainty caused by COVID-19 pandemic. We expect to provide updated 2020 guidance at a more appropriate time when visibility improves around the impact of COVID-19 and the duration of current stay-at-home measures in place across the United States." -Quest Diagnostics (Apr. 22)

"Thermo Fisher announced on April 6, 2020, that it withdrew its 2020 annual guidance due to the evolving COVID-19 pandemic and related customer impact." -Thermo Fisher (Apr. 22)

"Given the unprecedented and rapidly evolving uncertainty related to COVID-19, the Company is withdrawing all previously issued 2020 guidance." -O'Reilly Automotive (Apr. 22)

"Given this uncertainty, Air Products is not providing fiscal third quarter EPS guidance and we believe it is prudent to withdraw our prior fiscal year 2020 EPS and CapEx guidance." -Air Products and Chemicals (Apr. 23)

"The company previously withdrew its 2020 outlook for revenue and EPS due to the uncertainty surrounding the COVID-19 pandemic, as well as its impact on demand and the supply chain." -Allegion (Apr. 23)

"Given the uncertain climate and the limited visibility into the duration of this health crisis and its impact on the economy and consumer spending, and consistent with other companies, we are suspending our guidance for 2020." -Alliance Data Systems (Apr. 23)

"Due to the rapidly evolving situation and the high degree of uncertainty, we do not believe we are able to estimate the full-year financial impact with reasonable accuracy and, therefore, believe it is prudent to withdraw our fiscal 2020 full-year guidance at this time." -Hershey (Apr. 23)

"Given the uncertainty related to the COVID-19 pandemic, the Company withdrew its guidance for fiscal 2020 on April 7, 2020." -Tractor Supply Company (Apr. 23)

"Given the uncertainty around the depth and duration of this pandemic, and the related economic response, we are suspending our guidance for 2020." -W.W. Grainger (Apr. 23)

"Due to the uncertain scope and duration of the COVID-19 pandemic, and uncertain timing of a global recovery and economic normalization, we are unable to estimate the overall impacts on our operations and financial results as we move forward. As a result, we are withdrawing all prior financial guidance, which was provided on January 30, 2020, and suspending all future financial guidance for the balance of the year." -IDEX Corporation (Apr. 23)

"Moving to the full year, with limited visibility due to the uncertainty driven by COVID-19, we are not guiding the full year." -Intel (Apr. 23)

"In summary, we are certainly in unprecedented times, and looking ahead, it's impossible to forecast our financial results for the rest of the year without knowing the answer to the two questions Steve posed earlier: when and how quickly the economy improves, and what happens to unemployment and the pace of small business recovery?" -American Express (Apr. 24)

"Due to uncertainties regarding the duration and impact of the coronavirus (COVID-19) pandemic, Celanese is suspending its previously announced annual adjusted earnings per share guidance for 2020." -Celanese (Apr. 27)

"Due to the heightened level of uncertainty over global economic demand, the company is withdrawing all of its previously communicated full year sales and earnings guidance." -PPG Industries (Apr. 27)

"Due to the continued uncertainty regarding COVID-19, we are withdrawing our previously issued operating results forecast and earnings guidance for the year ending December 31, 2020." -Universal Health Services (Apr. 27)

"Due to the evolving and uncertain impact of the COVID-19 pandemic, 3M currently is not able to estimate the full duration, magnitude and pace of recovery across its diverse end markets with reasonable accuracy. Therefore, 3M believes it is prudent to withdraw its previously communicated full-year 2020 outlook, which was provided on January 28, 2020." -3M (Apr. 28)

"Caterpillar's financial results for the remainder of 2020 will be impacted by continued global economic uncertainty due to the COVID-19 pandemic. As such, Caterpillar withdrew its earnings guidance on March 26 and is not providing a financial outlook for 2020 at this time." -Caterpillar (Apr. 28)

"As earlier communicated, the uncertain outlook regarding the full extent of the pandemic's impact on the global economy and its longevity do not provide an adequate basis for us to provide either quarterly or annual earnings forecasts, so our forward earnings guidance remains suspended." -Ecolab (Apr. 28)

"Given the uncertainties associated with the magnitude and duration of the COVID-19 pandemic on our business, the Company's previous financial outlook regarding fiscal year 2020 is no longer applicable." -PepsiCo (Apr. 28)

"The company is withdrawing its full year guidance due to limited visibility of COVID-19 impact on future demand." -TE Connectivity (Apr. 28)

"At this time, UPS is unable to predict the extent of the business impact or the duration of the coronavirus pandemic, or reasonably estimate its operating performance in future quarters. As a result, the company is withdrawing its previously issued 2020 revenue and diluted earnings per share growth guidance." -UPS (Apr. 28)

"Due to the evolving and significant uncertainties related to the impact of the COVID-19 pandemic, Waters is withdrawing its full-year 2020 financial guidance, which was previously provided on February 4, 2020." -Waters Technology (Apr. 28)

"The company is withdrawing its 2020 financial guidance for revenue, adjusted operating margin, EPS and free cash flow due to the high level of economic uncertainty and disruption caused by COVID-19." -Xerox (Apr. 28)

"As a result of this uncertainty, especially as it relates to the holiday shopping season in Q4, we are withdrawing full year 2020 guidance at this time." -Akamai Technologies (Apr. 28)

"Although the Company's office rent collections were strong in April, due to the uncertainty of the impacts of the COVID-19 pandemic, including the unknown duration and impact of shelter-in-place requirements and the uncertain economic climate, the Company believes it is prudent to withdraw its guidance for full year 2020 EPS and FFO." - Boston Properties (Apr. 28)

"Turning to our outlook. In mid-March, we withdrew our financial guidance for 2020. As a reminder, when we gave you our outlook in early February, we said it excluded impacts of COVID-19. Today, unfortunately, the economic environment remains too uncertain to provide updated guidance for the year." -Ford Motor (Apr. 28)

"Due to the COVID-19 pandemic, visibility is limited at this time in a number of markets, so the company is temporarily withdrawing its full-year outlook." -Mondelez International (Apr. 28)

"Given the current industry and economic environment, it is impractical for ONEOK to provide traditional financial guidance for 2020 and beyond at this time." -ONEOK (Apr. 28)

"Therefore, until we have greater visibility into the impact, in the U.S. in particular, and except for the selected metrics noted below, total company guidance for fiscal 2020 will remain suspended as communicated in our April 8 letter to Starbucks stakeholders." -Starbucks (Apr. 28)

"As the impact of the pandemic on global demand for the company's products cannot be reasonably estimated at this time, the company has suspended its annual EPS guidance provided in January." -Avery Dennison (Apr. 29)

"On March 30, 2020, the company withdrew its sales and EPS guidance for the full year 2020, originally provided on February 5, 2020. Due to the uncertain scope and duration of the COVID-19 pandemic, timing of global recovery and economic normalization, the company is unable to estimate the overall impacts on its operations and financial results for the remainder of 2020." -Boston Scientific (Apr. 29)

"We are withdrawing our fiscal 2020 guidance due to the rapid and unpredictable economic changes caused by the COVID-19 pandemic." -Garmin (Apr. 29)

"Given the evolving nature of the COVID-19 pandemic, at this time, GE cannot forecast with reasonable accuracy the full duration, magnitude, and pace of recovery across our end markets, operations, and supply chains. As a result, on April 9, 2020, GE withdrew its guidance for 2020." -GE (Apr. 29)

"Given the ongoing and rapidly changing nature of the COVID-19 pandemic, there is significant uncertainty regarding the duration and severity of the pandemic as well as any future government restrictions. As a result, the Company is withdrawing its 2020 financial guidance provided on February 13, 2020." -LabCorp (Apr. 29)

"However, I'd like to share with you how we are currently thinking about the second quarter, understanding that we have withdrawn our formal guidance for 2020 and 2021." -Masco (Apr. 29)

"Recognizing challenges to production and the potential for volatility in core earnings drivers associated with the evolving nature of the global COVID-19 pandemic, it is challenging to forecast with reasonable accuracy the full duration, magnitude, and pace of recovery across our distribution and operations. Therefore, we believe it is prudent to withdraw adjusted earnings guidance for 2020." -AFLAC (Apr. 29)

"However, because the scope and duration of the COVID-19 pandemic are uncertain, the Company cannot currently quantify these effects. The Company therefore withdrew its financial guidance for the second quarter and full year 2020 via press release on April 7, 2020." -Hologic (Apr. 29)

"Due to the volatility and uncertainty associated with the COVID-19 pandemic and its potential impact on demand, the Company's ability to manufacture and supply product and overall fluidity of the current environment, amongst other factors, the Company is not providing updated fiscal 2020 guidance at this time." -Perrigo (Apr. 29)

"Due to the uncertainties related to the impact of the COVID-19 pandemic and economic recovery scenarios, Altria withdraws its full-year 2020 adjusted diluted EPS guidance of \$4.39 to \$4.51 and, as a result, Altria also withdraws its 2020 to 2022 compounded annual adjusted diluted EPS growth objective of 4% to 7%." -Altria Group (Apr. 30)

"We began the quarter on track to exceed our guidance. However, the COVID-19 pandemic and unprecedented drop in demand during March radically changed our outlook. Given the unpredictable nature of this event, we suspended our guidance for all of 2020." -American Airlines Group (Apr. 30)

"Given the high-degree of uncertainty around the potential financial impacts from the COVID-19 pandemic on Baxter's operations, the company is not in a position to provide guidance for the second quarter or full-year 2020 at this time." -Baxter International (Apr. 30)

"Despite a strong first quarter, the Company is withdrawing its calendar 2020 Outlook due to the high degree of uncertainty regarding the impact of COVID-19 on consumer demand, the global business economy, global supply chain operations, decisions by all levels of government, and movements in foreign exchange and commodity costs." -Church & Dwight (Apr. 30)

"And I'll begin by stating that due to the economic uncertainty from the COVID-19 pandemic, we're withdrawing our full year 2020 guidance." -Eaton (Apr. 30)

"Due to the uncertainty and unpredictability of the COVID-19 pandemic, HanesBrands withdrew its first-quarter and full-year guidance on March 25, 2020. Until visibility of the pandemic's effect on global economies improves, the company will not provide quarterly and full-year guidance and expectations." -HanesBrands (Apr. 30)

"The Company is withdrawing its previously announced full year 2020 guidance due to the unpredictability of the duration and the magnitude of impacts from the COVID-19 pandemic on veterinary service providers." -IDEXX Laboratories (Apr. 30)

"On March 26, 2020, the Company filed a current report on Form 8-K withdrawing its financial guidance previously issued on February 20, 2020 due to the continued uncertainties from the impact of the COVID-19 pandemic. Given the continuation of these uncertainties, including the timing of the removal of mobility restrictions and the rate at which demand for auto repairs will improve, we are not issuing updated financial guidance at this time." -LKQ (Apr. 30)

"The current environment makes it difficult to forecast results with any reasonable amount of accuracy. For that reason, we are withdrawing our earnings guidance for fiscal year 2020." -Parker-Hannifin (Apr. 30)

"For 2020, Pentair has withdrawn its guidance due to the uncertainty of the duration and extent of the COVID-19 pandemic impact." -Pentair (Apr. 30)

"On April 2nd, the Company withdrew its full year guidance as a result of the uncertain macro environment." -Stanley Black & Decker (Apr. 30)

"Given the dynamic nature of the Covid-19 crisis and lack of visibility, the potential financial impact to our business cannot be accurately projected. Therefore, the Company is not providing guidance for its fiscal fourth quarter and full year 2020." -Tapestry (Apr. 30)

"As a result of the ongoing uncertainty regarding both the scope and duration of the COVID-19 global pandemic, Teleflex is withdrawing its previously issued 2020 financial guidance (on February 20)." Teleflex (Apr. 30)

"While we suspended our earnings guidance for the year due to the uncertainty around the COVID-19 pandemic, I would like to briefly touch upon the outlook for each segment." -Textron (Apr. 30)

"Due to the uncertainties caused by the COVID-19 pandemic, Willis Towers Watson is withdrawing (and consequently fully disclaims) its full-year 2020 guidance." -Willis Towers Watson (Apr. 30)

"Due to the heightened level of uncertainty related to the impact of COVID-19, the company is withdrawing its 2020 full-year earnings and cash flow forecast guidance." -Eastman Chemical (Apr. 30)

"Given the unprecedented public health crisis posed by the COVID-19 pandemic as well as the broad economic restrictions imposed across the globe, forecasting the balance of the year has become more challenging. Under the circumstances, we are withdrawing our previously issued full year 2020 guidance and will not be providing guidance for the second quarter." -Fortive (Apr. 30)

"Due to the uncertainty around COVID-19 effects on near-term demand in the U.S. and in other countries in which the Company operates, the Company is suspending any previous financial guidance or projections for 2020 or beyond." -Fortune Brands Home & Security (Apr. 30)

"Given the continued uncertainty in the trajectory of the pandemic and in remdesivir clinical data, it's premature to define what the right post-donation business model is to create a sustainable long-term supply for global needs. In the context of a strong underlying business and Q1 results, we will continue to monitor the situation and expect to provide additional insights and outlook on our Q2 earnings call." -Gilead Sciences (Apr. 30)

"As previously announced on April 14, 2020, Illumina has withdrawn its fiscal 2020 full year revenue and earnings per share guidance due to the COVID-19 pandemic." -Illumina (Apr. 30)

"Due to the uncertain scope and duration of the pandemic, and uncertain timing of global recovery and economic normalization, we are unable to estimate the overall impacts on our operations and financial results, which could be material. Accordingly, we will not be providing second quarter or full-year organic sales growth or earnings guidance for 2020." -Stryker (Apr. 30)

"The worldwide spread of COVID-19 has created significant uncertainty in the global economy and the extent to which COVID-19 will impact the Company's future results is difficult to reasonably estimate at this time; therefore we are not providing a fiscal full-year 2020 outlook." -Visa (Apr. 30)

"The broader macroeconomic environment continuing to rapidly evolve, the full impact of COVID-19 on our business results remain highly uncertain and we're unable to provide a meaningful full-year guidance at this time." -Whirlpool (May 1)

Providing FY20 EPS Guidance Below Previous Guidance (24)

"The company now expects diluted EPS to be in the range of \$7.48 to \$7.70, compared with \$7.66 to \$7.84 previously." -Accenture (Mar. 19)

"In terms of our forward view for 2020, as Lance stated, due to the uncertainty, we have developed three scenarios to take into account different assumptions on how the virus, the price of oil, and economic situation evolve over the next few months and quarters. Our supplemental schedules detail the three scenarios with the following ranges: revenue of \$4.275 billion to \$4.425 billion; organic growth of between 1% and 4%, normalized for the impact of the Q2 events; adjusted EBITDA of \$1.825 billion to \$1.85 billion; and adjusted EPS of \$2.76 to \$2.81. As Lance mentioned, we would direct your estimate to the lower end of these ranges at this time." -IHS Markit (Mar. 24)

"Net income diluted earnings per share growth are now anticipated to increase approximately 7% and adjusted net income and adjusted diluted earnings per share are expected to grow approximately 6%." -Paychex (Mar. 25)

"Accounting for that, we would be comfortable with your models reflecting reported adjusted EPS ranging from \$7.50 to \$7.90, a range of minus 13.6% to minus 9.0%, based on what we know today." -Johnson & Johnson (Apr. 14)

"Management has updated the fiscal year 2020 outlook to reflect the changing demand environment associated with COVID-19 and the concurrent unfolding energy market dynamics. GAAP earnings per share guidance is \$2.62 to \$2.82. Adjusted earnings per share guidance, which excludes restructuring actions and related costs, is \$3.00 to \$3.20, compared to prior guidance of \$3.55 to \$3.80. This drop in guidance reflects the negative impact of reduced global demand, partially offset by aggressive cost containment actions, reduced stock compensation and other non-operating items." -Emerson Electric (Apr. 21)

"Taking these assumptions into account, we are lowering our 2020 core FFO guidance midpoint by \$0.11. We now expect a range between \$3.55 and \$3.65 per share which includes \$0.15 of net promote income." -Prologis (Apr. 21)

"Globe Life projects that net operating income per share will be in the range of \$6.65 to \$7.15 for the year ending December 31, 2020. The reduction in our earnings guidance, as well as the wider range, reflects the impact of COVID-19 on our operations." -Globe Life (Apr. 22)

"The Company is revising its earnings guidance ranges for the year ending December 31, 2020 to net income per share of \$1.83 to \$2.33 and FFO per share of \$6.60 to \$7.10 per share as we expect that the global COVID-19 pandemic will have an impact on our business, and our industry as a whole, going forward." -SL Green Realty (Apr. 22)

"Additionally, the company now expects full year 2020 adjusted earnings per share of \$4.75 to \$5.25 versus previous guidance of \$6.15 to \$6.40." -Edwards Lifesciences (Apr. 23)

"The company now expects adjusted EPS growth (non-GAAP) of -2 to 2 percent, an update from prior guidance for 2020 adjusted EPS growth (non-GAAP) of 2 to 4 percent. This updated expectation is based on a scenario that assumes significant headwinds prevailing through second-quarter 2020." -Verizon Communications (Apr. 24)

"Guidance for 2020 has been updated to reflect our current view of existing market conditions and assumptions for the year ending December 31, 2020, including the estimated impact stemming from the COVID-19 pandemic on our financial and operating results." -Alexandria Real Estate Equities (Apr. 27)

"Based on these assumptions, the company is revising the full year guidance it had previously provided on February 12, 2020. IQVIA now expects full-year 2020 revenue to be between \$10,600 million and \$10,925 million, Adjusted EBITDA to be between \$2,200 million and \$2,300 million, and Adjusted Diluted Earnings per Share to be between \$5.75 and \$6.10. This guidance includes the total estimated impact from general business disruption caused by the COVID-19 virus." -IQVIA Holdings (Apr. 28)

"Merck lowered its full-year 2020 non-GAAP EPS to be between \$5.17 and \$5.37, including a negative impact from foreign exchange of approximately 3.5% at mid-April exchange rates." -Merck & Co. (Apr. 28)

"The COVID-19 pandemic and global efforts to respond to it are rapidly evolving. The duration, severity, and geographic scope of its impacts on our supply chain, business operations and financial condition, and those of our suppliers, distributors, business partners and customers are highly uncertain. Based on the information available to us at the time of this release, the following table provides guidance for projected sales growth and earnings per share for fiscal 2020..." -Rockwell Automation (Apr. 28)

"The Company's previous guidance provided on January 30, 2020 did not reflect any impact from COVID-19. Based on current assumptions, the Company now expects full year adjusted DEPS of \$11.60 - \$12.60." -Roper Technologies (Apr. 28)

"Adjusted diluted EPS guidance is decreased from a range of \$10.40 to \$10.60 to a new range of \$9.95 to \$10.15." -S&P Global (Apr. 28)

"For the full year, we expect adjusted diluted EPS to be \$2.78 to \$2.90 with a \$2.84 midpoint reflecting 6% growth over 2019. This is down from the previous range of \$3.09 to \$3.19 and due to the projected impact of the pandemic with about half of the impact related to the second quarter guidance." -Cerner (Apr. 28)

"As a result of our lowered revenue and margin outlook, we now expect adjusted diluted earnings per share to grow 4% to 7% in fiscal 2020." -ADP (Apr. 29)

"So, on a companywide basis at this point, we see EPS at \$11.30 to \$11.40 per fully diluted share for the year." -General Dynamics (Apr. 29)

"So as a result of the revenue impact, first quarter marketable securities impact, and interest related to the first quarter bond offering, we now expect our EPS will range between \$21.80 and \$22.20." -Northrop Grumman (Apr. 29)

"On an adjusted basis, we expect full year 2020 earnings per share of \$19 to \$21." -Sherwin-Williams (Apr. 29)

"Our 2020 guidance for Core FFO has been revised to \$1.41 to \$1.51 per diluted share, compared to the initial range of \$1.48 to \$1.54 per diluted share." -Duke Realty Trust (Apr. 29)

"This is reflected in our full year 2020 adjusted diluted EPS guidance, which we have lowered and widened to a range of \$7.80 to \$8.40." -Moody's (Apr. 30)

"Adjusted EPS is now expected to be in the range of \$1.43 to \$1.58, lower than our previous range of \$1.67 to \$1.80." -Nielsen Holdings (Apr. 30)

Maintaining Previous FY20 EPS Guidance (19)

"The company maintained its full year earnings per share outlook for 2020, including net earnings of \$15.45 to \$15.75 per share and adjusted net earnings of \$16.25 to \$16.55 per share. As the year progresses, the company will continue to evaluate the impact of COVID-19 across its balanced and diversified businesses." -UnitedHealth Group (Apr. 15)

"As we stand here today, though, we continue to believe our guidance ranges for the fiscal year on both the top and bottom lines remain relevant. Our internal forecasts remain within these ranges, but I must again emphasize ranges, and I must again emphasize the degree of uncertainty and volatility we face day-to-day...We currently expect organic sales growth for the year in a range of 4% to 5%, assuming continued operations in our facilities and those of our customers and suppliers. On the bottom line, we're forecasting core earnings per share growth in the range of 8% to 11% for the year." -Procter & Gamble (Apr. 17)

"For fiscal 2020, our guidance is as follows: revenue in the range of \$2.545 billion to \$2.585 billion, non-GAAP operating margin of 32% to 33%, GAAP EPS in the range of \$1.58 to \$1.68, non-GAAP EPS in the range of \$2.40 to \$2.50." -Cadence Design Systems (Apr. 20)

"Moving on to chart 8, based on our review of COVID-19-related potential impacts, as Marilyn noted, we are lowering the midpoint of our guidance range on sales by \$375 million, while holding our guidance for segment operating profit, earnings per share, and cash from operations." -Lockheed Martin (Apr. 21)

"For 2020, NextEra Energy continues to expect its adjusted earnings per share to be in the range of \$8.70 to \$9.20." -NextEra Energy (Apr. 22)

"The company is affirming its full-year operating (non-GAAP) guidance of \$2.40 to \$2.60 per share." -FirstEnergy (Apr. 23)

"As the ultimate impacts of the pandemic on Michigan's economy and our business remain uncertain, at this time CMS Energy is not changing guidance for 2020 adjusted earnings of \$2.64 - \$2.68 per share, as announced on January 30th..."* -CMS Energy (Apr. 27)

"Now on our full year outlook. Our earnings trajectory remains consistent, as you can see from the unchanged adjusted EPS guidance range." -Centene (Apr. 28)

"DTE Energy reaffirms 2020 operating EPS guidance of \$6.47-\$6.75." -DTE Energy (Apr. 28)

"Pfizer Inc. reported financial results for first-quarter 2020, reaffirmed its 2020 financial guidance for revenues and Adjusted diluted EPS and updated certain other components of its 2020 financial guidance primarily to reflect actual and anticipated impacts from the novel coronavirus disease of 2019 (COVID-19)." -Pfizer (Apr. 28)

"While the details and metrics underlying our EPS guidance will undoubtedly look different from previous expectations, based on our balance business mix, coupled with extensive modeling, factoring various scenarios, we are maintaining our original full-year adjusted earnings per share guidance of greater than \$22.30." -Anthem (Apr. 29)

"While acknowledging the inherent uncertainty surrounding the ongoing crisis, Humana is maintaining its FY 2020 Adjusted EPS range of \$18.25 to \$18.75." -Humana (Apr. 29)

"The following table sets forth Crown Castle's current Outlook for full year 2020, which remains unchanged from the previous full year 2020 Outlook." -Crown Castle (Apr. 29)

"The company expects net revenue between \$9.56 billion and \$9.76 billion, representing Organic FX- Neutral growth of 1% - 3%, with GAAP earnings per diluted share from continuing operations in the range of \$2.20 - \$2.30 and non-GAAP earnings per diluted share from continuing operations in the range of \$3.00 - \$3.10." -eBay (Apr. 29)

"As such, we are reaffirming our full year EPS outlook of \$18.00 to \$18.60." -Cigna (Apr. 30)

"Kellogg Company affirmed its full-year financial guidance, with sales and profit delivery shifting toward the first half of the year." -Kellogg (Apr. 30)

"2020 Projected Full Year Adjusted EPS = \$3.10 - \$3.22" -Southern Company (Apr. 30)

"And now turning to slide 32, we are reaffirming our guidance with the revenue range of \$25.0 billion to \$25.6 billion, and a non-GAAP EPS range of \$14.85 to \$15.60." -Amgen (Apr. 30)

"We are reaffirming our guidance range of \$4.32 to \$4.62 per share." -Edison International (Apr. 30)

Providing FY20 EPS Guidance Above Previous Guidance (4)

“Constant-currency adjusted diluted earnings per share are now expected to increase 6% to 8% from the base of \$3.22 earned in fiscal 2019, which is ahead of the previous range of 3% to 5%. The primary drivers of our increased EPS guidance are the increased forecasts for adjusted operating profit and the expectation for reduced interest expense that I mentioned earlier.” -General Mills (Mar. 18)

“We’re updating our full year guidance today to note that we now expect to exceed our prior full year guidance for total company sales and profit metrics.” -ConAgra Brands (Mar. 31)

“However, based on the strength of our first quarter and visibility into the near-term pipeline, we are raising the top end of our full year outlook for revenue and EPS.” -Citrix Systems (Apr. 23)

“The company has updated certain elements of its 2020 financial guidance on a reported basis and a non-GAAP basis to reflect both management’s expectations for operational performance and the uncertainty surrounding the extent and duration of the impact of the COVID-19 pandemic...Based on the key assumptions outlined above, the company has adjusted earnings per share for 2020 to now be in the range of \$6.20 to \$6.40 on a reported basis and \$6.70 to \$6.90 on a non-GAAP basis.” -Eli Lilly (Apr. 23)

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