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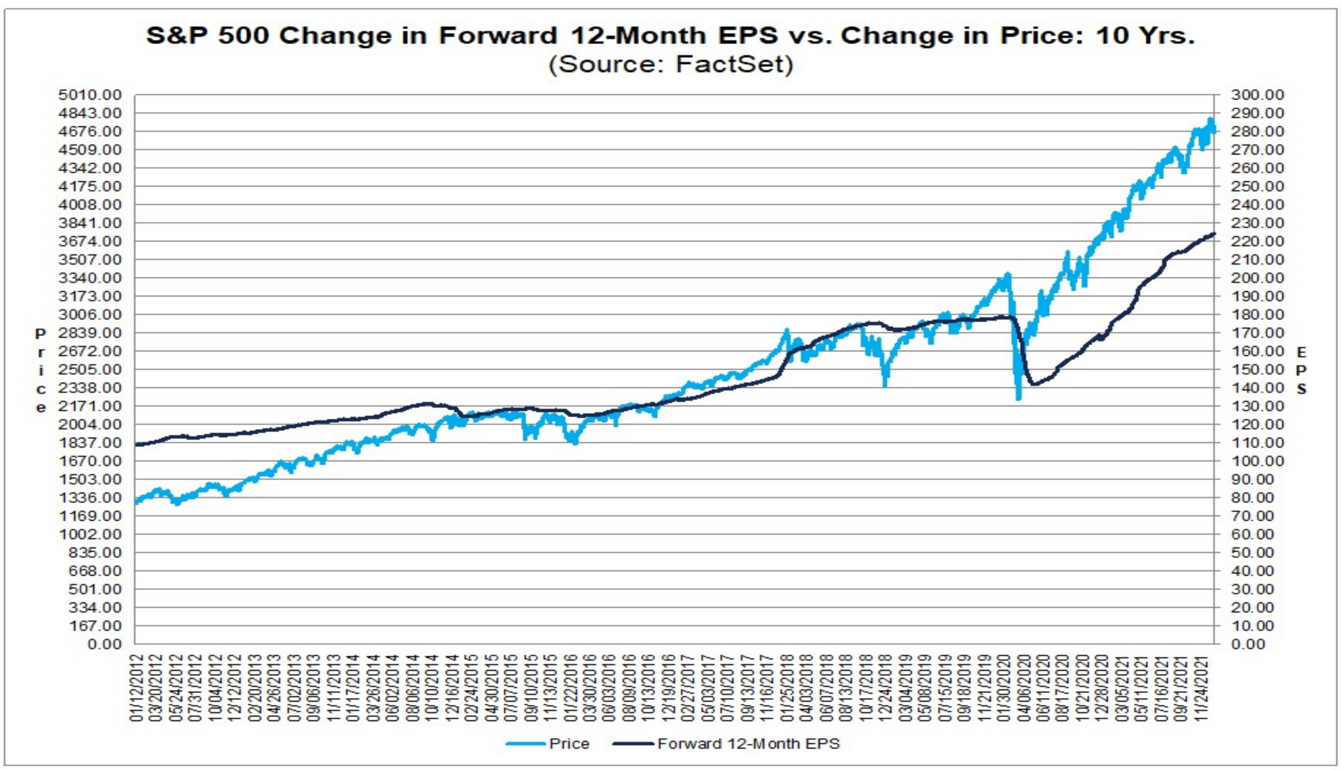
Author's Note: ***The FactSet Earnings Insight report is being published one day early this week due to a schedule issue tomorrow for the author. The next edition of the report will be published on January 21.***

Key Metrics

- **Earnings Scorecard:** For Q4 2021 (with 4% of S&P 500 companies reporting actual results), 76% of S&P 500 companies have reported a positive EPS surprise and 90% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2021, the blended earnings growth rate for the S&P 500 is 21.8%. If 21.8% is the actual growth rate for the quarter, it will mark the fourth straight quarter of earnings growth above 20%.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2021 was 21.4%. Eight sectors are reporting higher earnings today (compared to December 30) due to upward revisions to EPS estimates and positive EPS surprises
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 21.1. This P/E ratio is above the 5-year average (18.5) and above the 10-year average (16.7).



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Topic of the Week: 1

60% of S&P 500 Companies Are Citing Negative Impact of Labor Costs on Q4 Earnings Calls

While the majority of S&P 500 companies will report earnings results for Q4 2021 over the next few weeks, 4% of the companies in the index (20 companies) have already reported earnings results for the fourth quarter (through January 12). Given expectations for earnings growth of more than 20% for the fourth quarter, have these companies discussed specific factors that had a negative impact on earnings or revenues for the fourth quarter (or are expected to have a negative impact in future quarters) during their earnings conference calls?

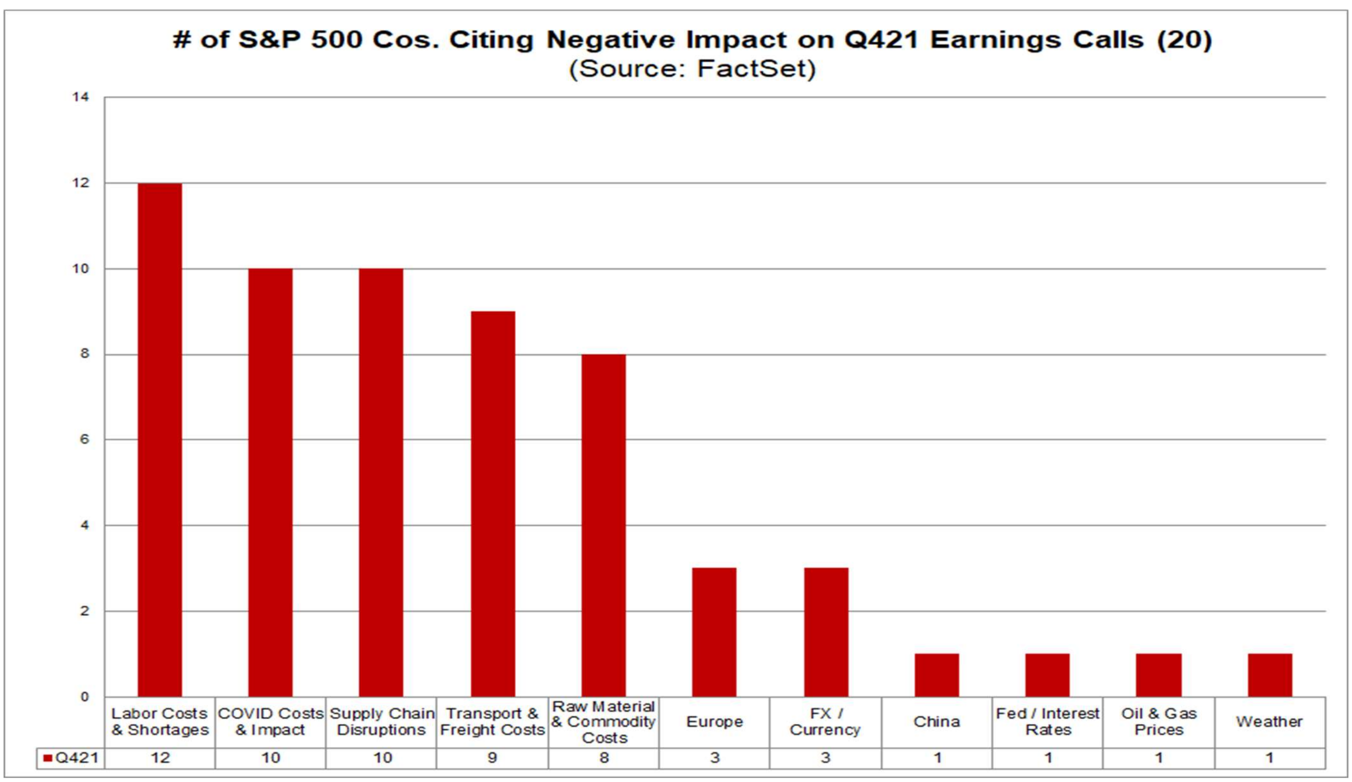
To answer this question, FactSet searched for specific terms related to a number of factors (e.g. “currency,” “labor,” etc.) in the conference call transcripts of the 20 S&P 500 companies that have conducted fourth quarter earnings conference calls through January 12 to see how many companies discussed these factors. FactSet then looked to see if the company cited a negative impact, expressed a negative sentiment (e.g. “volatility,” “uncertainty,” “pressure,” “headwind,” etc.), or discussed clear underperformance in relation to the factor for either the quarter just reported or in guidance for future quarters. The results are shown below.

Labor costs and shortages have been cited by the highest number companies in the index to date as a factor that either had a negative impact on earnings or revenues in Q4, or is expected to have a negative impact on earnings or revenues in future quarters. Of these 20 companies, 12 (or 60%) have discussed a negative impact from this factor. After labor shortages and costs, COVID costs and impacts (10) and supply chain costs and disruptions (10) have been discussed by the highest number of S&P 500 companies.

It is interesting to note that despite the negative impacts cited by these companies, they reported aggregate (year-over-year) earnings growth of 27.7%. It appears most of these companies are raising prices to offset these negative impacts, as 17 of these 20 companies (85%) discussed increasing prices or improving price realization on their earnings calls.

It is also important to note that most of the companies utilized in this analysis have a fourth quarter ending in November. Thus, it is possible that an even higher percentage of companies may see a negative impact from COVID costs and impacts, as the most recent COVID wave did not hit the U.S. until December.

A list of the companies discussing the top factors and price increases can be found in Appendix 1 on pages 30-35.



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Topic of the Week: 2

S&P 500 Likely to Report Earnings Growth of More Than 25% for the 4th Straight Quarter

As of today, the S&P 500 is expected to report (year over-year) earnings growth of 21.8% for the fourth quarter. Given that most S&P 500 companies report actual earnings above estimates, what is the likelihood the index will report actual growth in earnings of 21.8% for the quarter?

Based on the 5-year average improvement in earnings growth during each earnings season due to companies reporting positive earnings surprises, it is likely the index will report earnings growth of nearly 30% for the fourth quarter, which would be the fourth consecutive quarter of (year-over-year) earnings growth at or above 25%.

When companies in the S&P 500 report actual earnings above estimates during an earnings season, the overall earnings growth rate for the index increases because the higher actual EPS numbers replace the lower estimated EPS numbers in the calculation of the growth rate. For example, if a company is projected to report EPS of $1.05 compared to year ago EPS of $1.00, the company is projected to report earnings growth of 5%. If the company reports actual EPS of $1.10 (a $0.05 upside earnings surprise compared to the estimate), the actual earnings growth for the company for the quarter is now 10%, five percentage points above the estimated growth rate (10% - 5% = 5%).

Over the past five years, actual earnings reported by S&P 500 companies have exceeded estimated earnings by 8.6% on average. During this same period, 76% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 7.6 percentage points on average (over the past five years) due to the number and magnitude of positive earnings surprises.

If this average increase is applied to the estimated earnings growth rate at the end of Q4 (December 31) of 21.4%, the actual earnings growth rate for the quarter would be 29.0% (21.4% + 7.6% = 29.0%). If the S&P 500 reports year-over-year growth in earnings of 29.0% in Q4, it would mark the fourth straight quarter of (year-over-year) earnings growth above 25%. The last time the index report four straight quarters of (year-over-year) earnings growth above 25% was Q4 2009 through Q3 2010.

However, during the past six quarters (Q2 2020 through Q3 2021), actual earnings reported by S&P 500 companies have exceeded estimated earnings by 17.5% on average. During these six quarters, 84% of companies in the S&P 500 have reported actual EPS above the mean EPS estimate on average. As a result, from the end of the quarter through the end of the earnings season, the earnings growth rate has increased by 18.4 percentage points on average due to the number and magnitude of positive earnings surprises over these past six quarters.

If this average increase is applied to the estimated earnings growth rate at the end of Q4 (December 31) of 21.4%, the actual earnings growth rate for the quarter would be 39.8% (21.4% + 18.4% = 39.8%). If the S&P 500 reports year-over-year growth in earnings of 39.8% in Q4, it would mark the fourth straight quarter of (year-over-year) earnings growth above 35%. The index has not reported four straight quarters of (year-over-year) earnings growth of 35% or more going back to at least 2008.

Of the 20 S&P 500 companies that have reported actual earnings for Q4 2021 to date, 76% have reported actual EPS above the mean EPS estimate. In aggregate, actual earnings reported by these 20 companies have exceeded estimated earnings by 7.5%. Therefore, at this very early stage of the Q4 earnings season, both the number of companies reporting positive earnings surprises and the magnitude of the positive surprises are trending closer to the 5-year average. Since December 31, the earnings growth rate for the S&P 500 has increased by 0.4 percentage points (to 21.8% from 21.4%).

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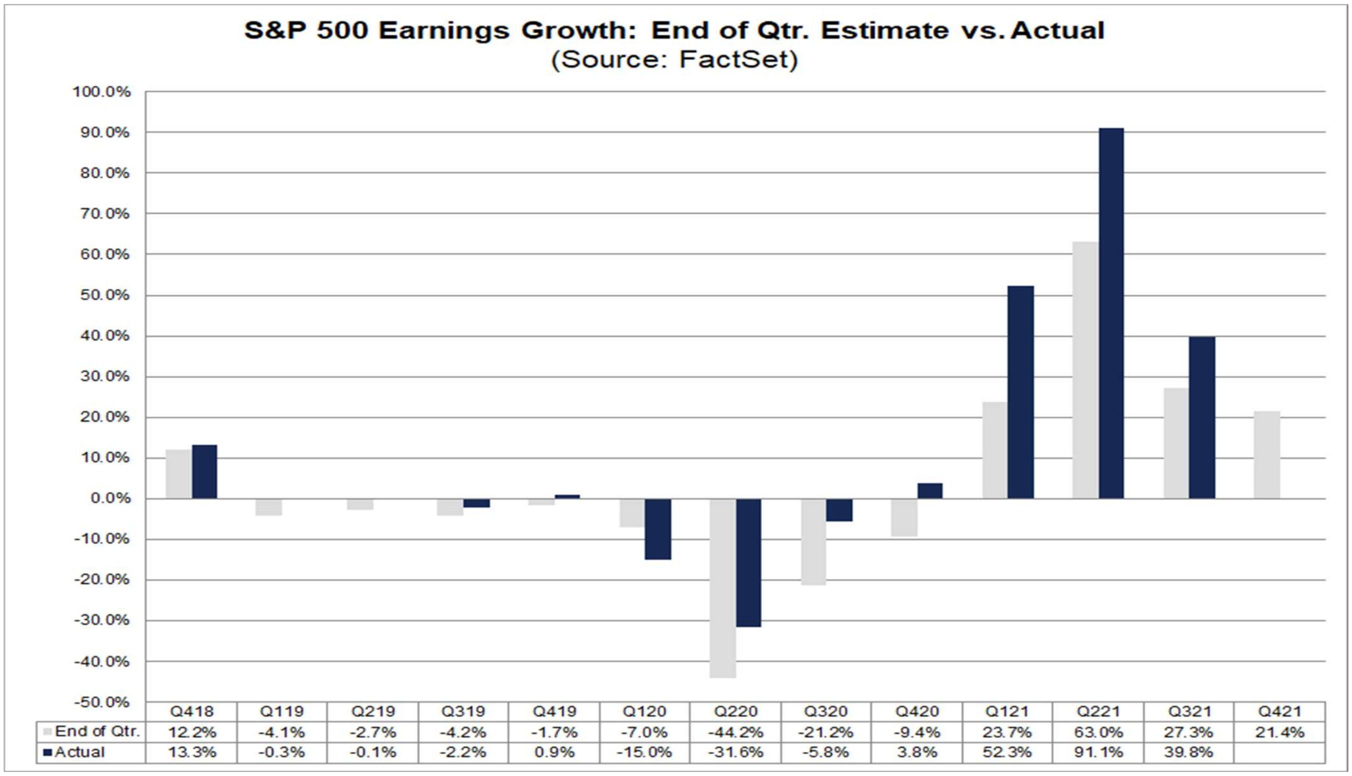

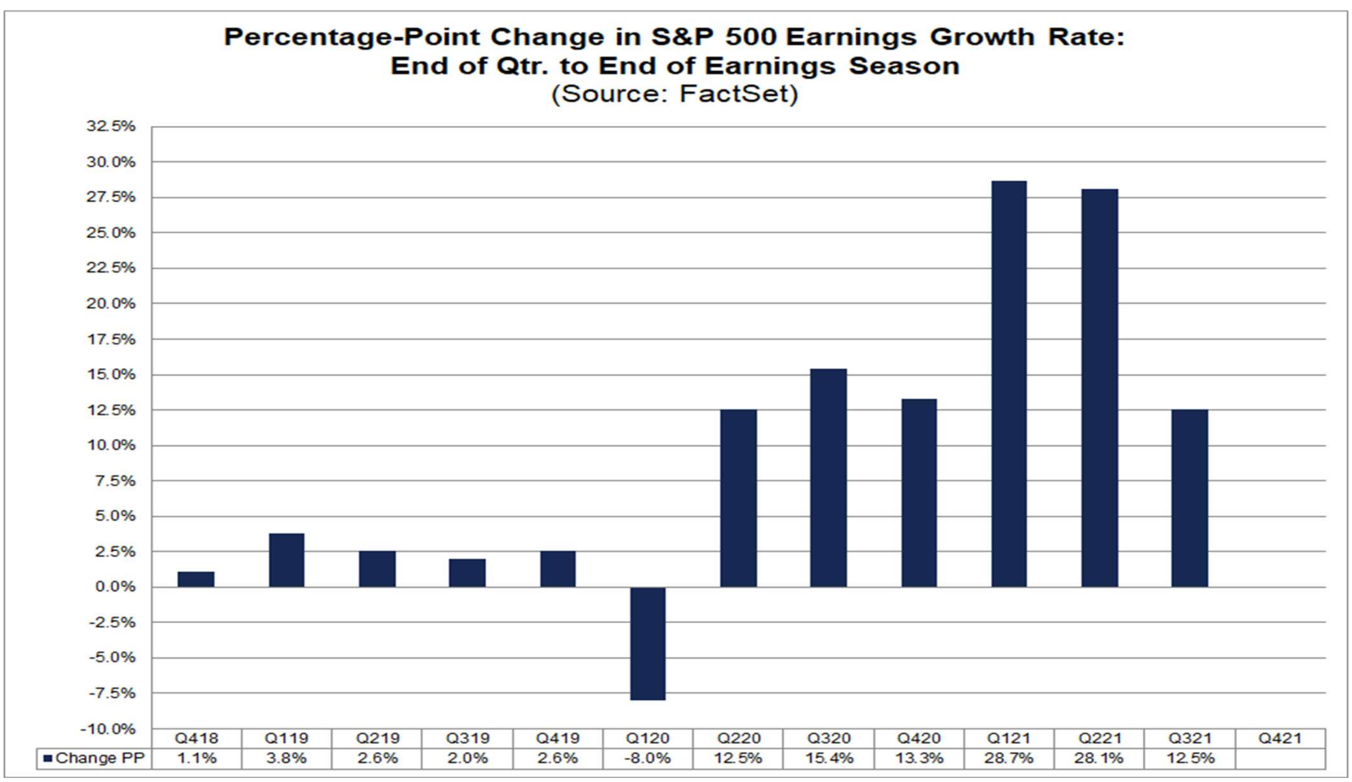

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Q4 Earnings Season: By The Numbers

Overview

At this point in time, the percentage of S&P 500 companies beating EPS estimates is equal to the average, while the magnitude of these positive surprises is below the average. As a result, the index is reporting slightly higher earnings for the fourth quarter today relative to the end of last week and relative to the end of the quarter. The index is reporting earnings growth of more than 20% for the fourth straight quarter and earnings growth of more than 40% for the full year. These above-average growth rates are due to a combination of higher earnings for 2021 and an easier comparison to weaker earnings in 2020 due to the negative impact of COVID-19 on a number of industries.

Overall, 4% of the companies in the S&P 500 have reported actual results for Q2 2021 to date. Of these companies, 76% have reported actual EPS above estimates, which is equal to the 5-year average of 76%. In aggregate, companies are reporting earnings that are 7.5% above estimates, which is below the 5-year average of 8.6%.

Due to these positive EPS surprises, the index is reporting slightly higher earnings for the fourth quarter today relative to the end of last week and relative to the end of the quarter. The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings growth rate for the fourth quarter is 21.8% today, compared to an earnings growth rate of 21.7% last week and an earnings growth rate of 21.4% at the end of the fourth quarter (December 31).

If 21.8% is the actual growth rate for the quarter, it will mark the fourth straight quarter of 20% earnings growth or more for the index. The last time the index reported four straight quarters of earnings growth above 20% was Q4 2009 through Q3 2010. The unusually high growth rate is due to a combination of higher earnings in Q4 2021 and an easier comparison to lower earnings in Q4 2020 due to the negative impact of COVID-19 on a number of industries. Nine sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Energy, Industrials, and Materials sectors.

In terms of revenues, 90% of S&P 500 companies have reported actual revenues above estimates, which is above the 5-year average of 68%. If 90% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. In aggregate, companies are reporting revenues that are 2.7% above the estimates, which is also above the 5-year average of 1.5%.

Due to these positive revenue surprises, the index is reporting slightly higher revenue for the fourth quarter today relative to the end of the quarter. The blended revenue growth rate for the fourth quarter is 12.9% today, compared to a revenue growth rate of 21.9% last week and a revenue growth rate of 12.8% at the end of the fourth quarter (December 31).

If 12.9% is the actual growth rate for the quarter, it will mark the third-highest (year-over-year) revenue growth rate reported by the index since FactSet began tracking this metric in 2008, trailing only the previous two quarters. All eleven sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Energy and Materials sectors.

For CY 2021, the blended earnings growth rate is 45.3%. Looking ahead to the first half of CY 2022, analysts expect earnings growth of 6.2% for Q1 2022 and 4.2% for Q2 2022.

The forward 12-month P/E ratio is 21.1, which is above the 5-year average (18.5) and above the 10-year average (16.7). However, it is slightly below the forward P/E ratio of 21.3 recorded at the end of the fourth quarter (December 31), as prices have decreased while EPS estimates have increased over the past few weeks.

During the upcoming week, 38 S&P 500 companies (including four Dow 30 components) are scheduled to report results for the fourth quarter.

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Scorecard: More Companies Beating Sales Estimates Than Average

Percentage of Companies Beating EPS Estimates (76%) is Equal to 5-Year Average

Overall, 4% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 76% have reported actual EPS above the mean EPS estimate, 5% have reported actual EPS equal to the mean EPS estimate, and 19% 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 (83%) average but equal to the 5-year (76%) average.

At the sector level, the Financials (100%) and Industrials (100%) sectors have the highest percentages of companies reporting earnings above estimates, while the Consumer Discretionary (67%) and Consumer Staples (67%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+7.5%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 7.5% above expectations. This surprise percentage is below the 1-year (+15.7%) average and below the 5-year (+8.6%) average.

The Industrials (+12.8%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Delta Air Lines ($0.22 vs. $0.16) and FedEx ($4.83 vs. $4.28) has reported the largest positive EPS surprises.

The Consumer Staples (+11.4%) sector is reporting the second-largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Lamb Weston Holdings ($0.50 vs. $0.33) and Walgreens Boots Alliance ($1.68 vs. $1.36) have reported the largest positive EPS surprises.

Market Rewarding Positive Surprises More Than Average

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

Companies that have reported positive earnings surprises for Q4 2021 have seen an average price increase of +2.8% two days before the earnings release through two days after the earnings release. This percentage increase is above the 5-year average price increase of +0.8% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2021 have seen an average price increase of +3.0% two days before the earnings release through two days after the earnings. This percentage increase is larger than the 5-year average price decrease of -2.3% during this same window for companies reporting negative earnings surprises.

Percentage of Companies Beating Revenue Estimates (90%) is at Record-High Level

In terms of revenues, 90% of companies have reported actual revenues above estimated revenues and 10% have reported actual revenues below estimated revenues. The percentage of companies reporting revenues above estimates is above the 1-year average (78%) and above the 5-year average (68%).

If 90% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive revenue surprise since FactSet began tracking this metric in 2008. The current record is 87%, which occurred in Q2 2021.

At the sector level, the Consumer Staples (100%), Financials (100%), Information Technology (100%), and Industrials (100%) sectors have the highest percentages of companies reporting revenues above estimates, while the Consumer Discretionary (67%) sector has the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+2.7%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 2.7% above expectations. This surprise percentage is below the 1-year (+3.5%) average but above the 5-year (+1.5%) average.

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At the sector level, the Industrials (+4.7%) and Consumer Discretionary (+4.2%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Financials (+1.3%) and Consumer Staples (+1.6%) sectors are reporting the smallest positive (aggregate) differences between actual revenues and estimated revenues.

Revisions: Small Increase in Blended Earnings Growth

Small Increase in Blended Earnings Growth Rate This Week

The blended (year-over-year) earnings growth rate for the fourth quarter is 21.8%, which is slightly larger than the earnings growth rate of 21.7% last week.

No Change in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the fourth quarter is 12.9%, which is equal to the revenue growth rate of 12.9% last week.

Earnings Growth: 21.8%

The blended (year-over-year) earnings growth rate for Q4 2021 is 21.8%, which is above the 5-year average earnings growth rate of 13.7%. If 21.8% is the actual growth rate for the quarter, it will mark the fourth straight quarter of year-over-year earnings growth above 20%. The unusually high growth rate is due to a combination of higher earnings in Q4 2021 and an easier comparison to lower earnings in Q4 2020 due to the negative impact of COVID-19 on a number of industries. Nine of the eleven sectors are reporting (or are expected to report) year-over-year earnings growth, led by the Energy, Industrials, and Materials sectors.

Energy: Exxon Mobil and Chevron Are Largest Contributors to Higher Year-Over-Year Earnings

The Energy sector is expected to report earnings of $28.5 billion for Q4 2021 compared to a loss of -$0.1 billion in Q4 2020. Thus, a year-over-year growth rate is not being calculated for the Energy sector due to the loss reported by the sector in Q4 2020. Higher year-over-year oil prices are contributing to the year-over-year improvement in earnings for this sector, as the average price of oil in Q4 2021 ($77.10) was 81% above the average price for oil in Q4 2020 ($42.70). At the sub-industry level, all five sub-industries in the sector are projected to report a year-over-year increase in earnings. A growth rate is not being calculated for two of these five sub-industries due to losses reported in the year-ago quarter. However, both are predicted to report profits in Q4 2021: Integrated Oil & Gas and Oil & Gas Refining & Marketing. The other three sub-industries that are expected to report year-over-year growth are the Oil & Gas Exploration & Production (2,754%), Oil & Gas Equipment & Services (162%), and Oil & Gas Storage & Transportation (6%) sub-industries. At the company level, Exxon Mobil, Chevron, and ConocoPhillips are expected to be the largest contributors to the year-over-year improvement in earnings for the sector. Combined, these three companies account for $16.7 billion of the projected $28.6 billion year-over-year increase in earnings for the sector.

Industrials: Boeing and Airlines Industry Are Largest Contributors to Year-Over-Year Growth

The Industrials sector is reporting the highest (year-over-year) earnings growth rate of all eleven sectors at 108.6%. At the industry level, 11 of the 12 industries in the sector are reporting (or are projected to report) a year-over-year increase in earnings. A growth rate is not being calculated for the two of these industries due to losses reported in the year-ago quarter: Airlines and Aerospace & Defense. The Aerospace & Defense industry is predicted to report a profit in Q4 2021 ($6.5 billion) compared to a loss in Q4 2020 (-$2.3 billion), while the Airlines industry is reporting a smaller loss in Q4 2021 (-$1.5 billion) compared to Q4 2020 (-$7.3 billion). Six of these remaining nine industries are reporting (or are predicted to report) earnings growth at or above 10%: Trading Companies & Distributors (29%), Electrical Equipment (17%), Air Freight & Logistics (17%), Construction & Engineering (16%), Road & Rail (12%), and Commercial Services & Supplies (10%). The Machinery (-8%) industry is the only industry projected to report a year-over-year decline in earnings in the sector. Boeing and the five companies in the Airlines industry are the largest contributors to earnings growth for the sector. If these companies were excluded, the estimated earnings growth rate for the Industrials sector would fall to 5.5% from 108.6%.

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Materials: Nucor is Largest Contributor to Year-over-Year Growth

The Materials sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 60.6%. At the industry level, all four industries in this sector are expected to report year-over-year earnings growth, led by the Metals & Mining (134%) and Chemicals (51%) industries. At the company level, Nucor is expected to be the largest contributor to year-over-year earnings growth for the sector. If this company were excluded, the estimated earnings growth rate for the Materials sector would fall to 43.2% from 60.8%.

Revenue Growth: 12.9%

The blended (year-over-year) revenue growth rate for Q4 2021 is 12.9%, which is well above the 5-year average revenue growth rate of 6.5%. If 12.9% is the actual growth rate for the quarter, it will mark the third-highest year-over-year revenue growth rate reported by the index since FactSet began tracking this metric in 2008, trailing only the previous two quarters. The current record is 25.3%, which occurred in Q2 2021. All eleven sectors are reporting (or are expected to report) year-over-year growth in revenues, led by the Energy and Materials sectors.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Growth Above 50%

The Energy sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 66.8%. Higher year-over-year oil prices are contributing to the year-over-year improvement in revenues for this sector, as the average price of oil in Q4 2021 ($77.10) was 81% above the average price for oil in Q4 2020 ($42.70). At the sub-industry level, all five sub-industries in the sector are projected to report double-digit (year-over-year) growth in revenues: Oil & Gas Exploration & Production (122%), Integrated Oil & Gas (79%), Oil & Gas Refining & Marketing (52%), Oil & Gas Storage & Transportation (33%), and Oil & Gas Equipment & Services (10%).

Materials: Metals & Mining Industry Leads Year-Over-Year Growth

The Materials sector is expected to report the second-highest (year-over-year) revenue growth of all eleven sectors at 24.5%. At the industry level, all four industries in this sector are projected to report year-over-year growth in revenues. Three of these four industries are predicted to report revenue growth above 20%: Metals & Mining (55%), Construction Materials (28%), and Chemicals (24%).

Net Profit Margin: 11.9%

The blended net profit margin for the S&P 500 for Q4 2021 is 11.9%, which is above the 5-year average of 11.0% and the year-ago net profit margin of 11.0%, but below the previous quarter's net profit margin of 12.9%.

If 11.9% is the actual net profit margin for the quarter, it will mark the fifth-highest net profit margin reported by the index since FactSet began tracking this metric in 2008. The current record is 13.1%, which occurred in Q2 2021.

At the sector level, five sectors are reporting (or are expected to report) a year-over-year increase in their net profit margins in Q4 2021 compared to Q4 2020, led by the Energy (10.3% vs. N/A) sector. Five sectors are reporting (or are expected to report) net profit margins in Q4 2021 that are above their 5-year averages, also led by the Energy (10.3% vs. 5.3%) sector.

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Looking Ahead: Forward Estimates and Valuation

Guidance: % of S&P 500 Companies Issuing Negative EPS Guidance for Q1 is Below Average

At this point in time, 4 companies in the index have issued EPS guidance for Q1 2022. Of these 4 companies, 2 have issued negative EPS guidance and 2 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 50% (2 out of 4), which is below the 5-year average of 60%.

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.

Earnings: S&P 500 Reporting Earnings Growth of 45% for CY 2021

For the fourth quarter, S&P 500 companies are reporting earnings growth of 21.8% and revenue growth of 12.9%. For the full year, the index is reporting earnings growth of 45.3% and revenue growth of 15.9%

For Q1 2022, analysts are projecting earnings growth of 6.2% and revenue growth of 9.7%.

For Q2 2022, analysts are projecting earnings growth of 4.2% and revenue growth of 7.7%.

For CY 2022, analysts are projecting earnings growth of 9.4% and revenue growth of 7.6%.

Valuation: Forward P/E Ratio is 21.1, Above the 10-Year Average (16.7)

The forward 12-month P/E ratio is 21.1. This P/E ratio is above the 5-year average of 18.5 and above the 10-year average of 16.6. However, it is below the forward 12-month P/E ratio of 21.3 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 decreased by 0.8%, while the forward 12-month EPS estimate has increased by 0.4%. At the sector level, the Consumer Discretionary (30.7) and Information Technology (27.3) sectors have the highest forward 12-month P/E ratios, while the Energy (12.5) and Financials (15.6) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 25.1, which is above the 5-year average of 23.0 and above the 10-year average of 19.9.

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

The bottom-up target price for the S&P 500 is 5301.67, which is 12.2% above the closing price of 4726.35. At the sector level, the Communication Services (21.9%) 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 Consumer Staples (+4.3%) 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 10,825 ratings on stocks in the S&P 500. Of these 10,825 ratings, 56.6% are Buy ratings, 37.1% are Hold ratings, and 6.2% are Sell ratings. At the sector level, the Energy (66%), Information Technology (62%), Communication Services (62%), and Health Care (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (42%) and Utilities (49%) sectors have the lowest percentages of Buy ratings.

Companies Reporting Next Week: 38

During the upcoming week, 38 S&P 500 companies (including four Dow 30 components) are scheduled to report results for the fourth quarter.

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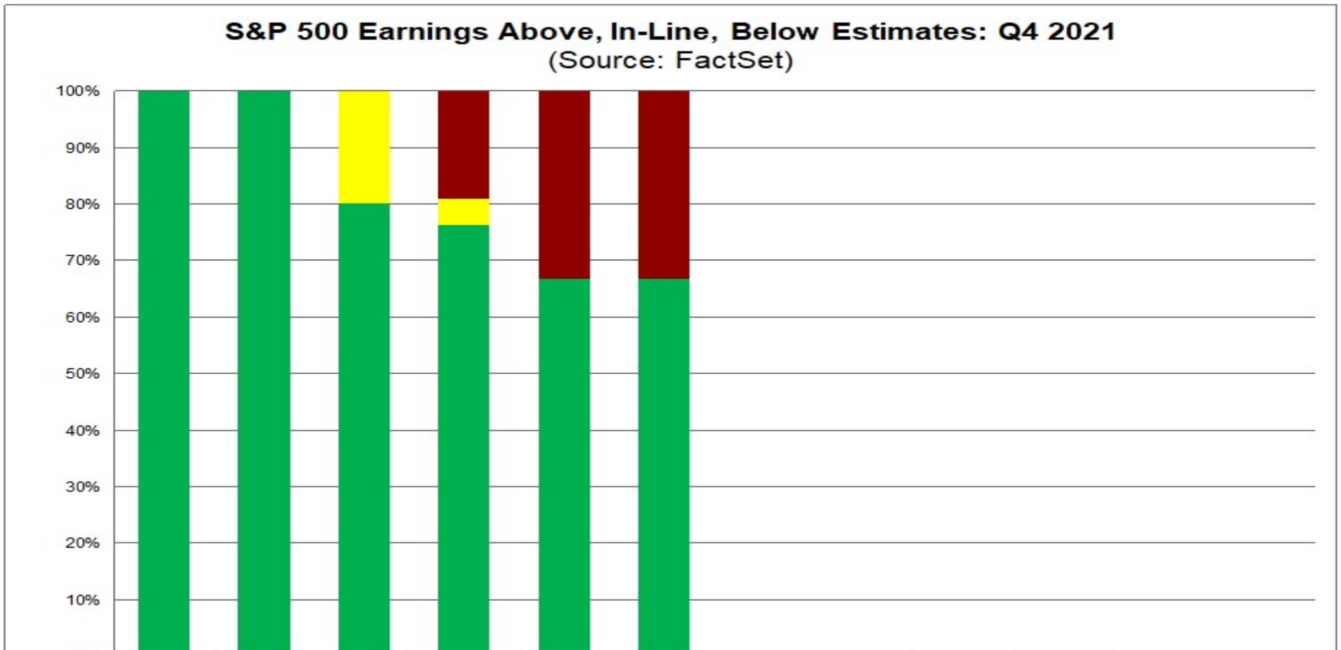
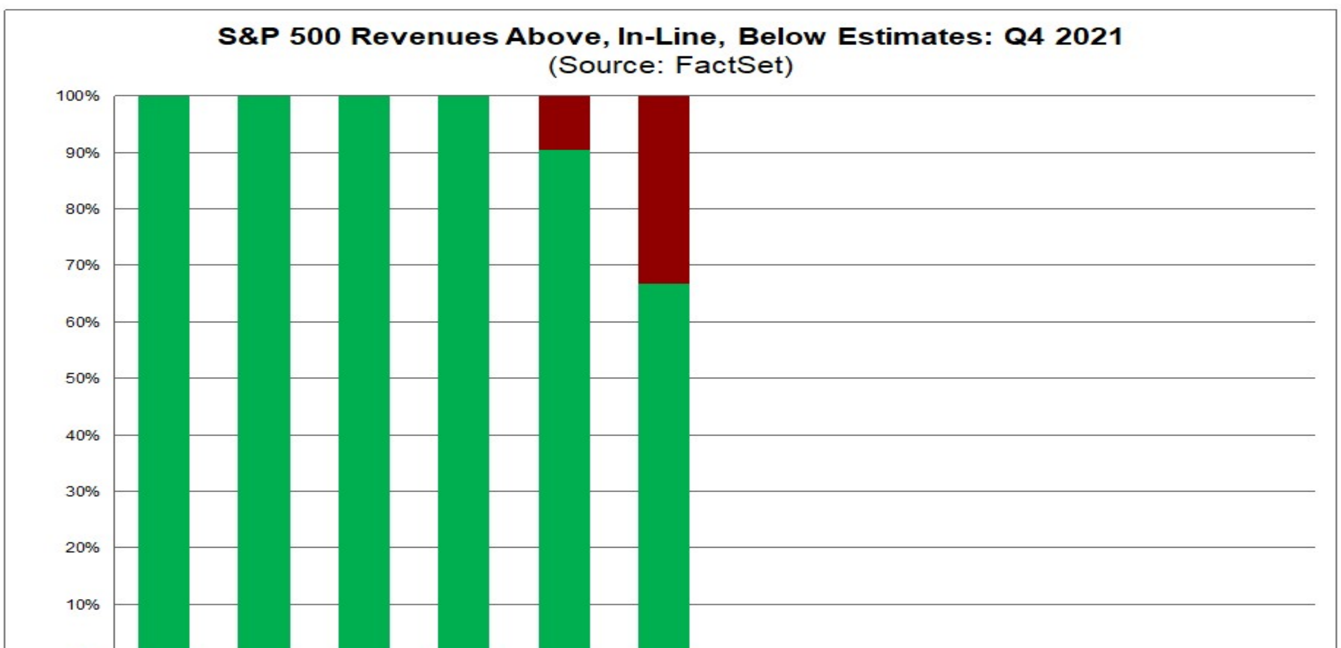
Q4 2021: Scorecard



	Financials	Industrials	Info. Technology	S&P 500	Consumer Disc.	Consumer Staples	Health Care	Real Estate	Comm. Services	Energy	Utilities	Materials
Below	0%	0%	0%	19%	33%	33%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	20%	5%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	80%	76%	67%	67%	0%	0%	0%	0%	0%	0%



	Consumer Staples	Financials	Info. Technology	Industrials	S&P 500	Consumer Disc.	Real Estate	Materials	Health Care	Utilities	Energy	Comm. Services
Below	0%	0%	0%	0%	10%	33%	0%	0%	0%	0%	0%	0%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	100%	100%	100%	100%	90%	67%	0%	0%	0%	0%	0%	0%

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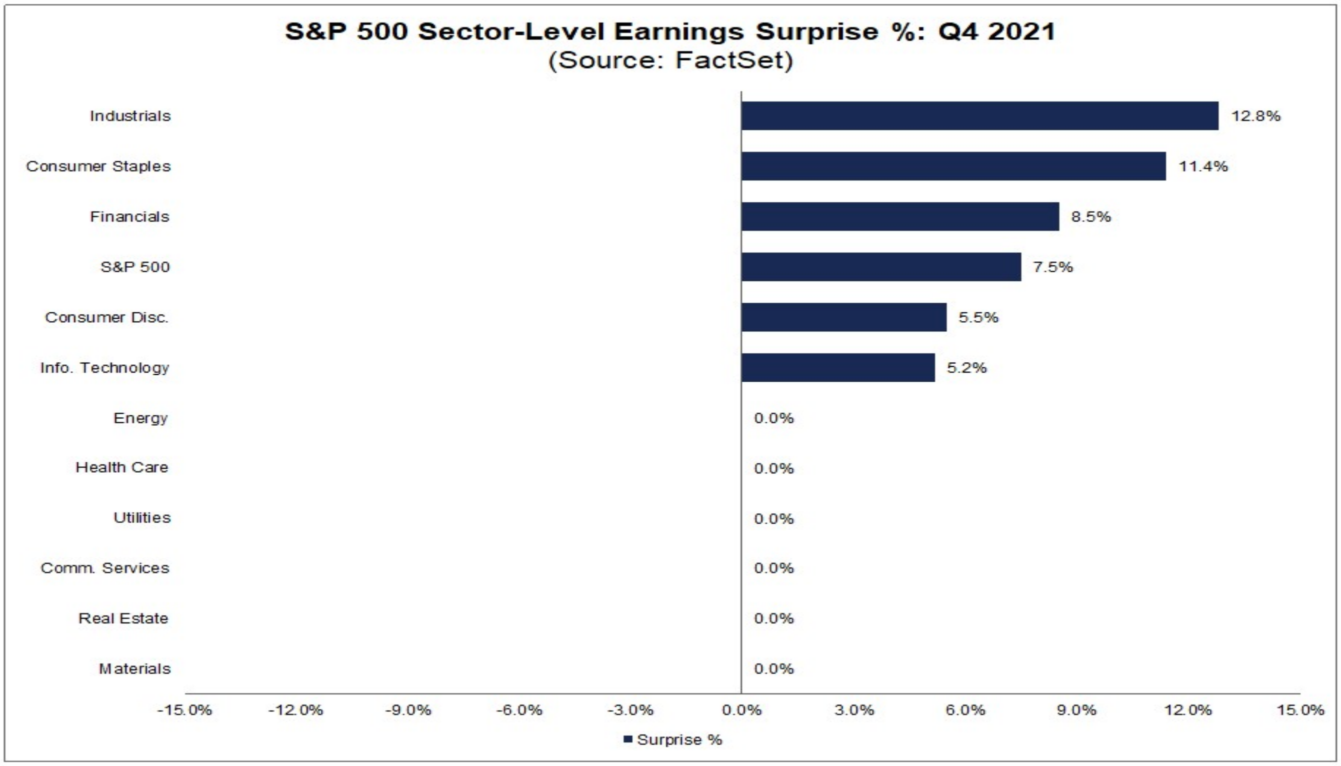
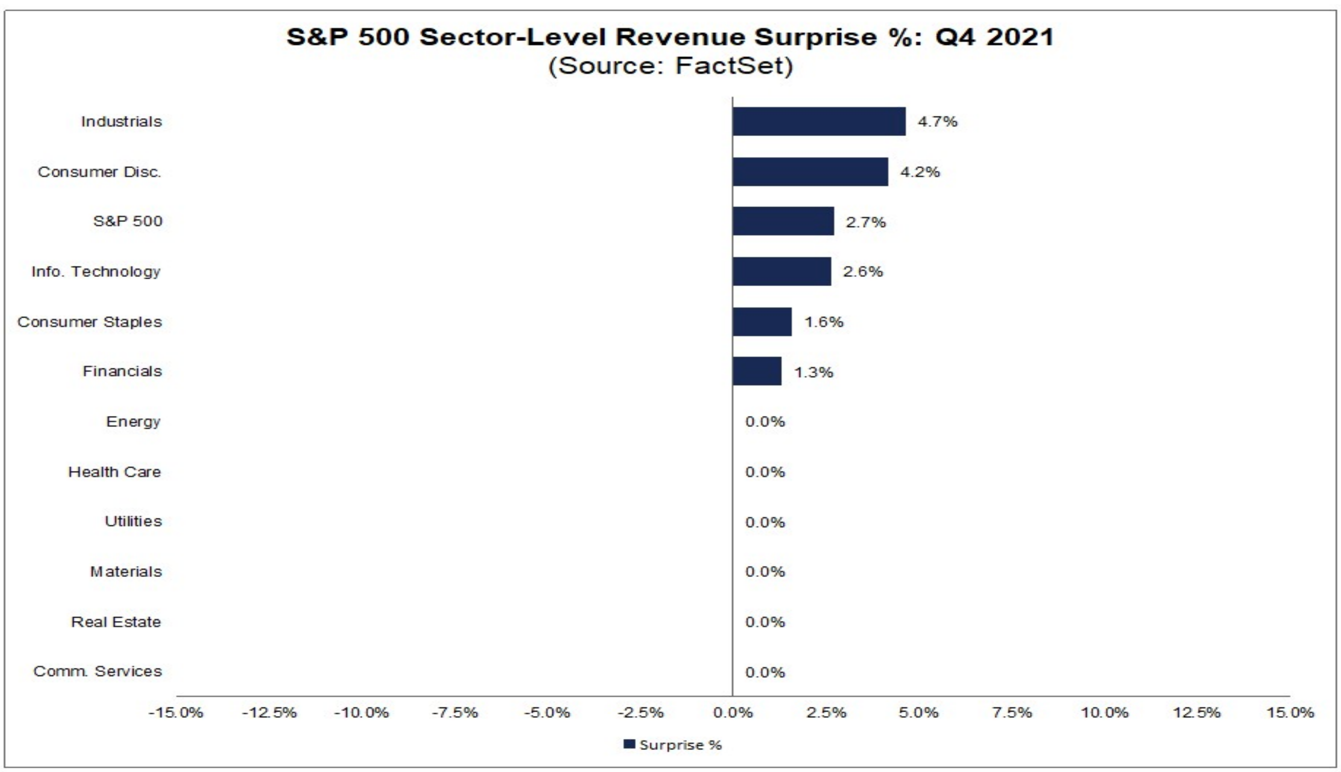
Q4 2021: Scorecard





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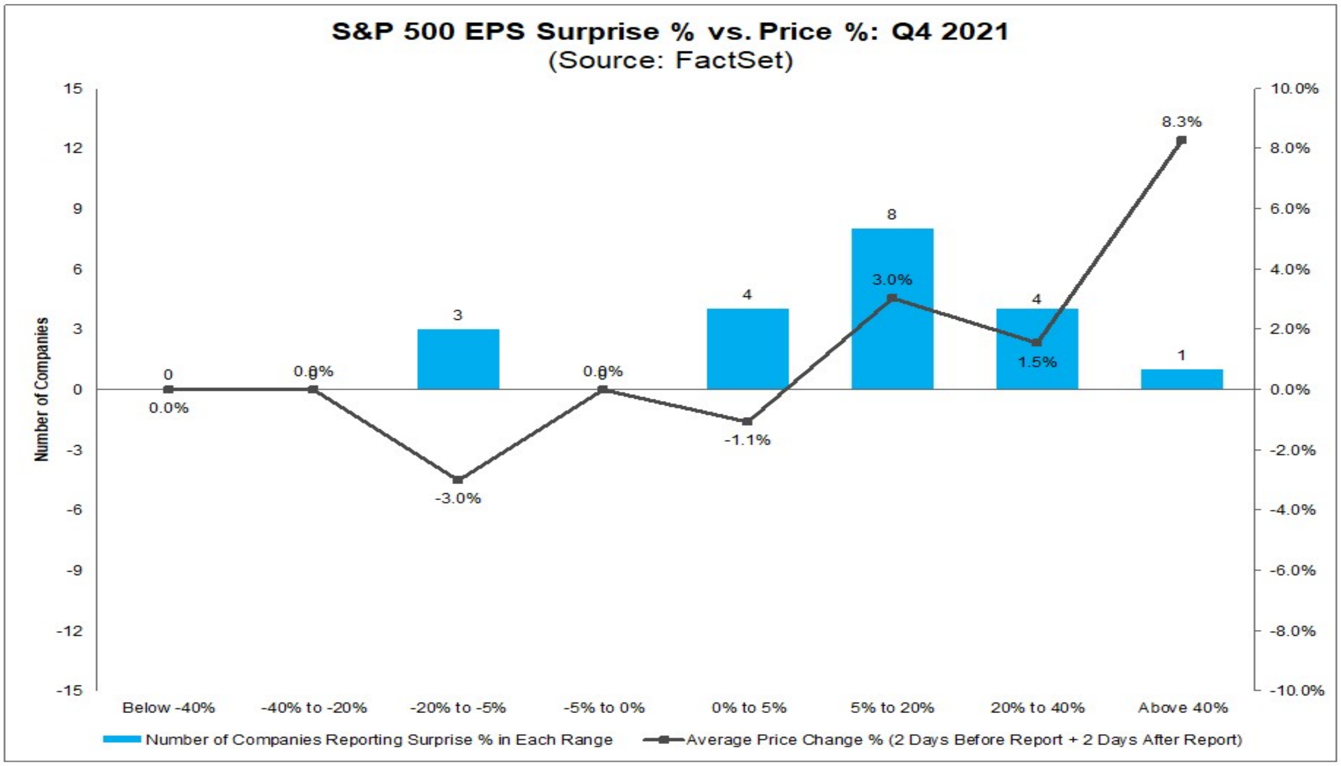
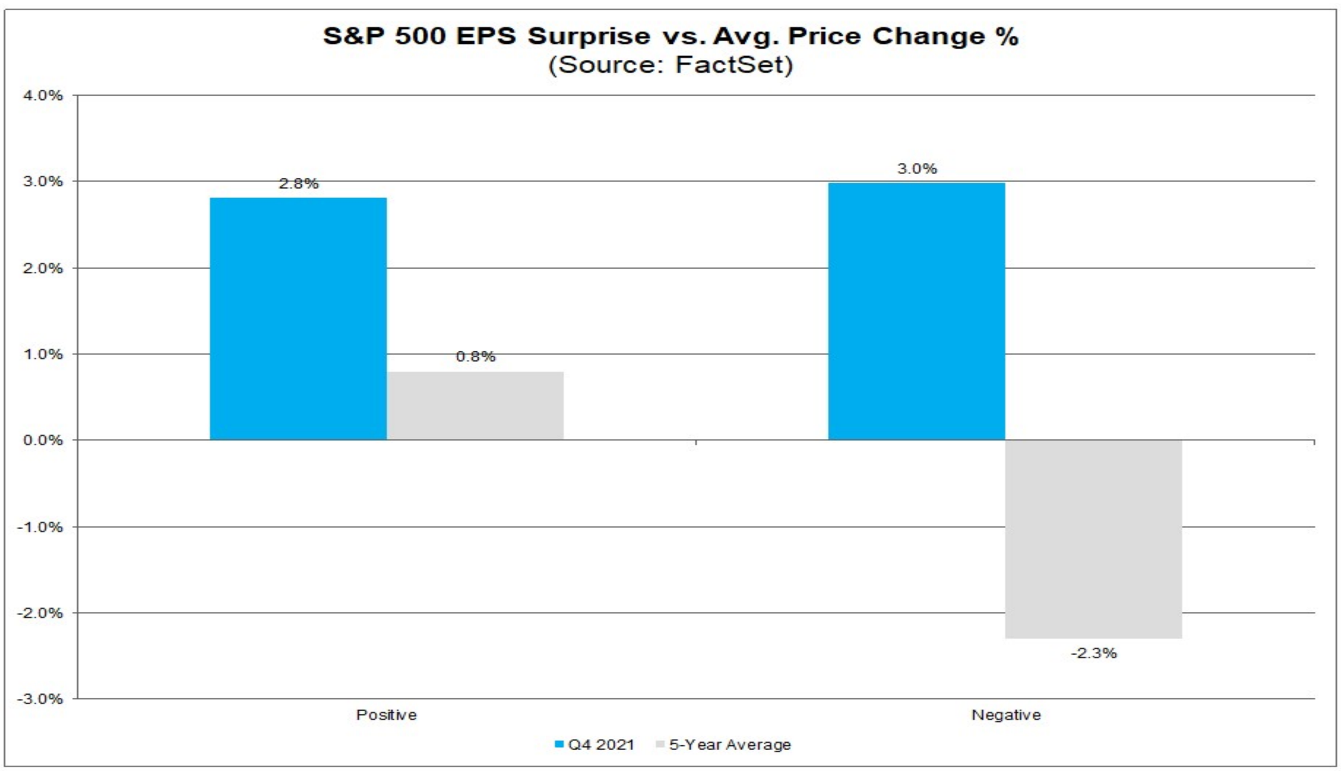
Q4 2021: Scorecard





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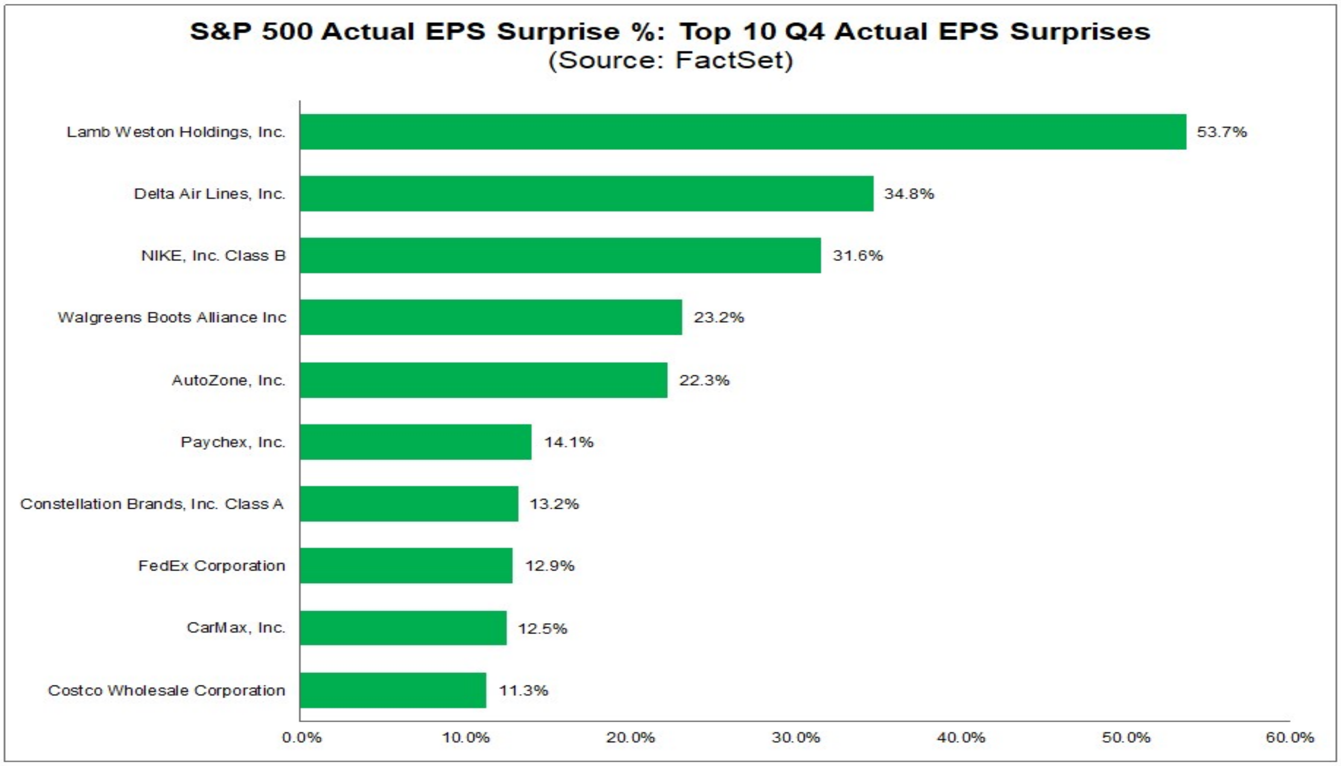
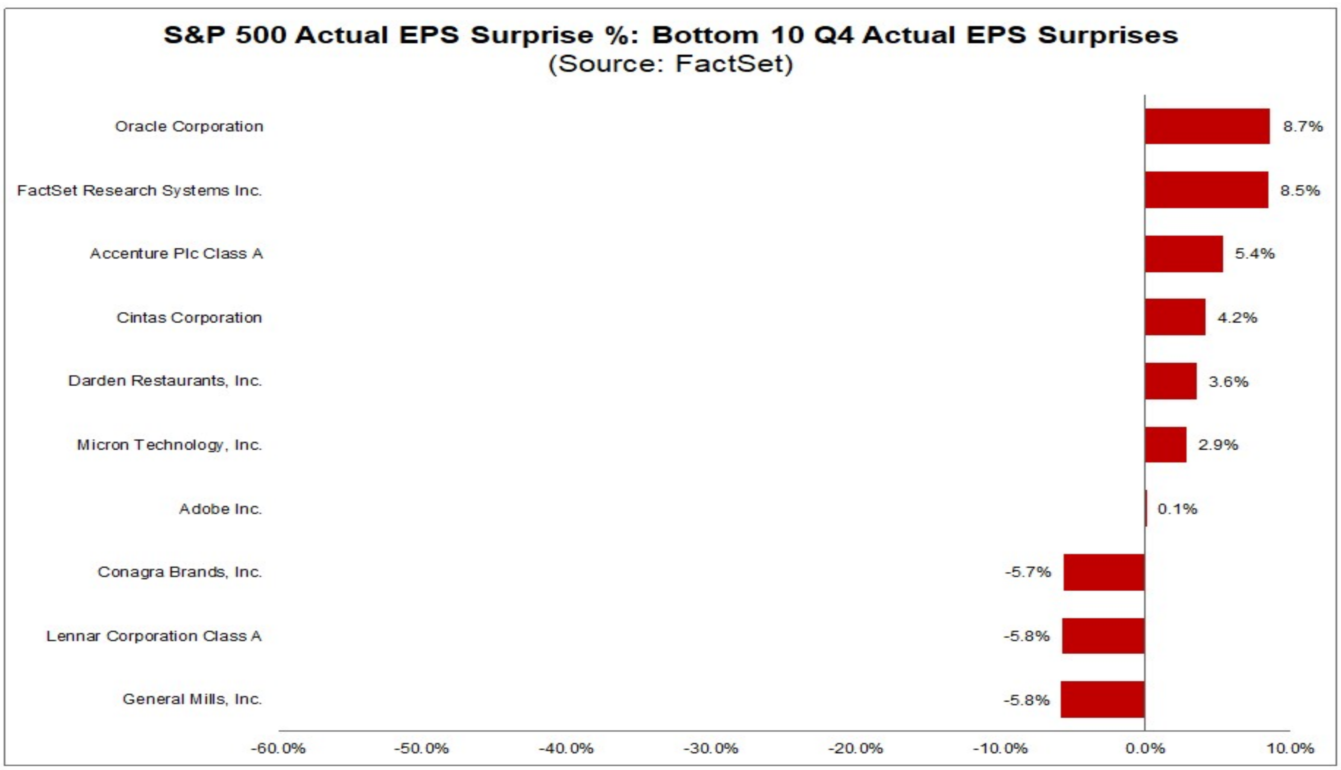
Q4 2021: Scorecard





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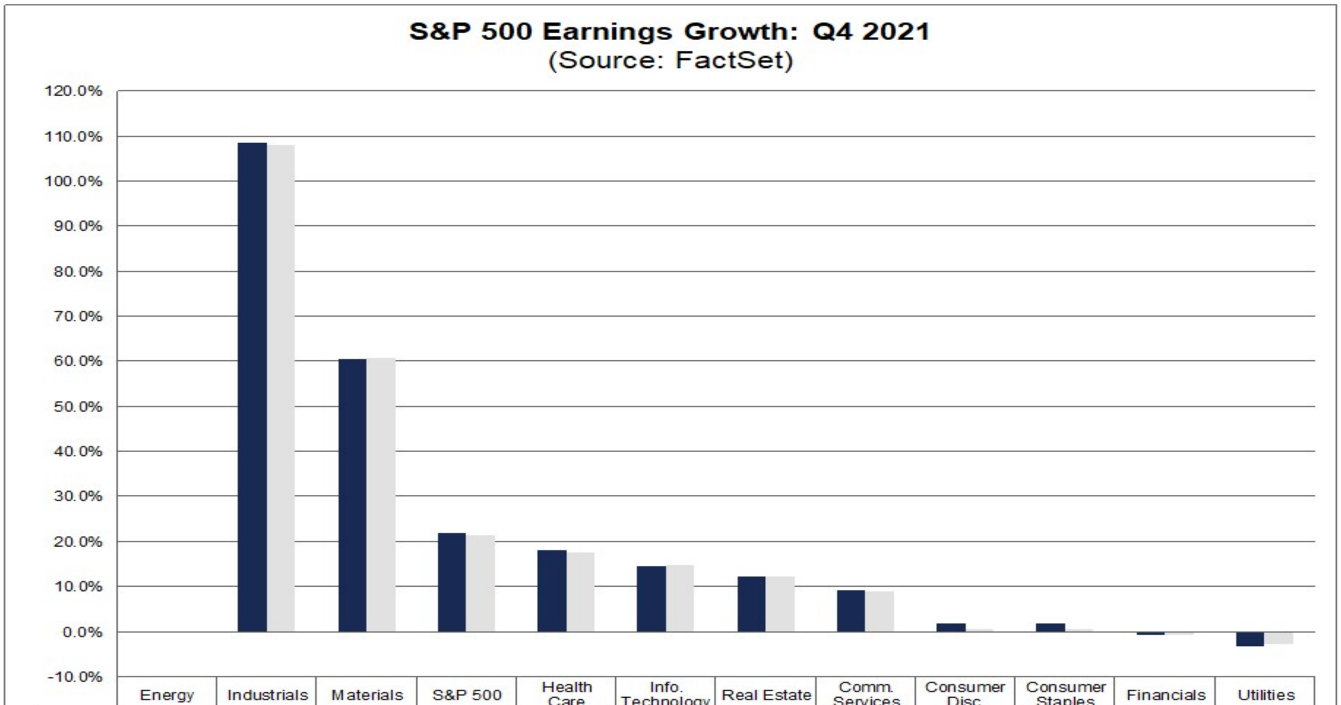
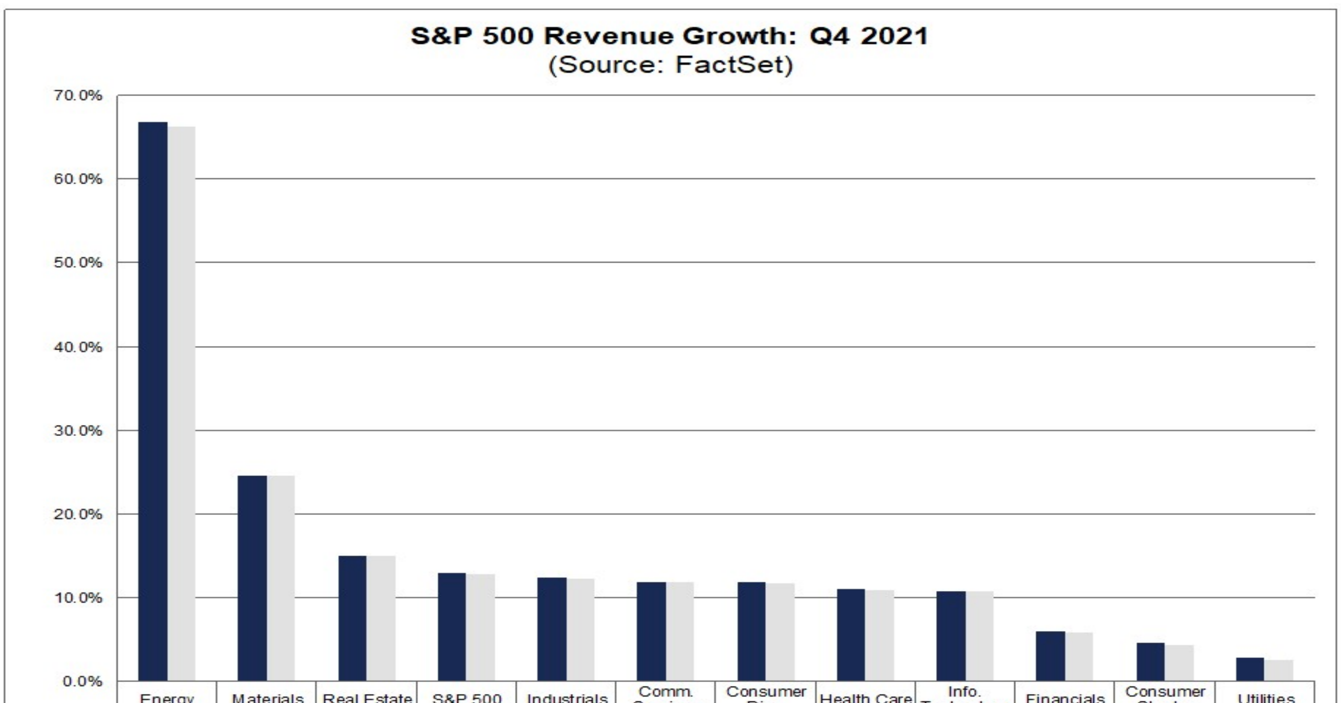
Q4 2021: Growth



	Energy	Industrials	Materials	S&P 500	Health Care	Info. Technology	Real Estate	Comm. Services	Consumer Disc.	Consumer Staples	Financials	Utilities
Today		108.6%	60.6%	21.8%	18.1%	14.5%	12.3%	9.2%	1.8%	1.7%	-0.7%	-3.4%
31-Dec		108.1%	60.6%	21.4%	17.7%	14.6%	12.2%	9.0%	0.5%	0.6%	-0.8%	-2.7%



	Energy	Materials	Real Estate	S&P 500	Industrials	Comm. Services	Consumer Disc.	Health Care	Info. Technology	Financials	Consumer Staples	Utilities
Today	66.8%	24.5%	15.0%	12.9%	12.4%	11.8%	11.8%	11.0%	10.7%	5.9%	4.6%	2.8%
31-Dec	66.3%	24.6%	15.0%	12.8%	12.3%	11.8%	11.6%	10.8%	10.8%	5.9%	4.3%	2.5%

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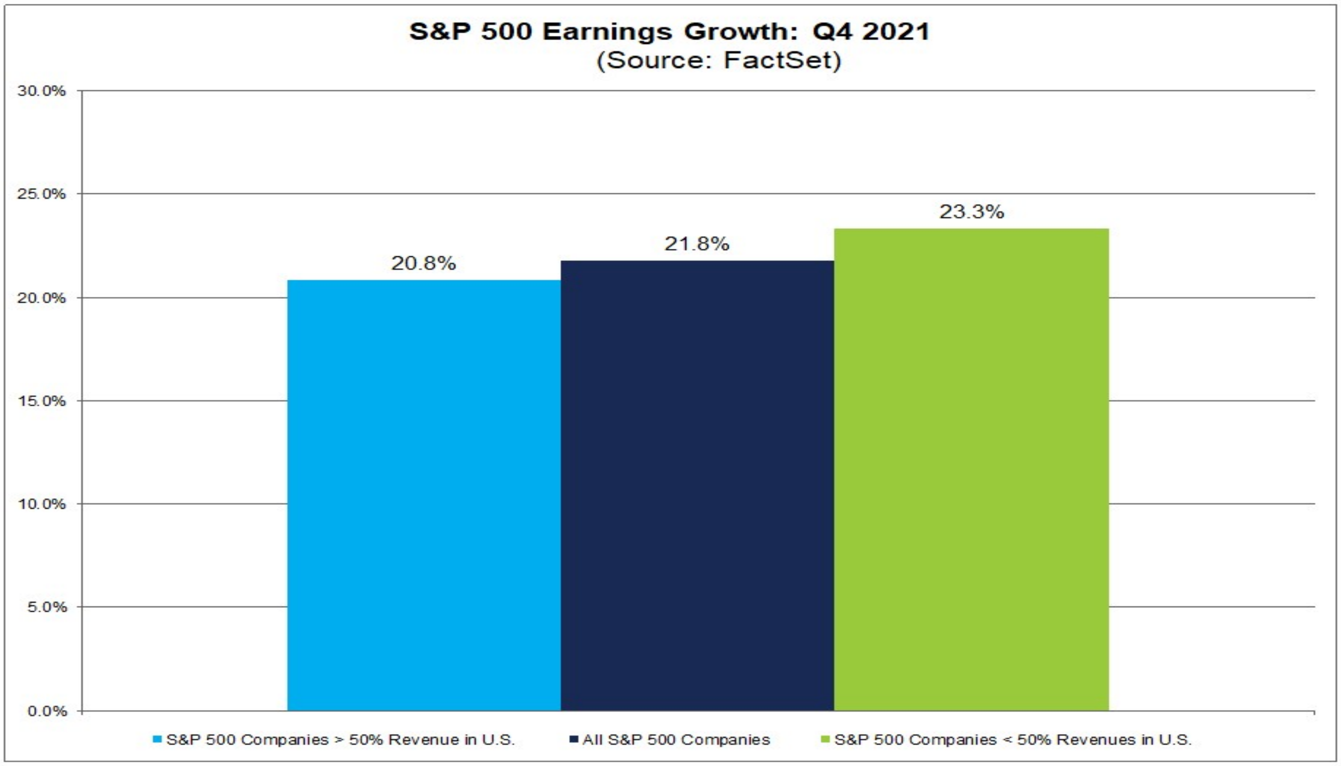
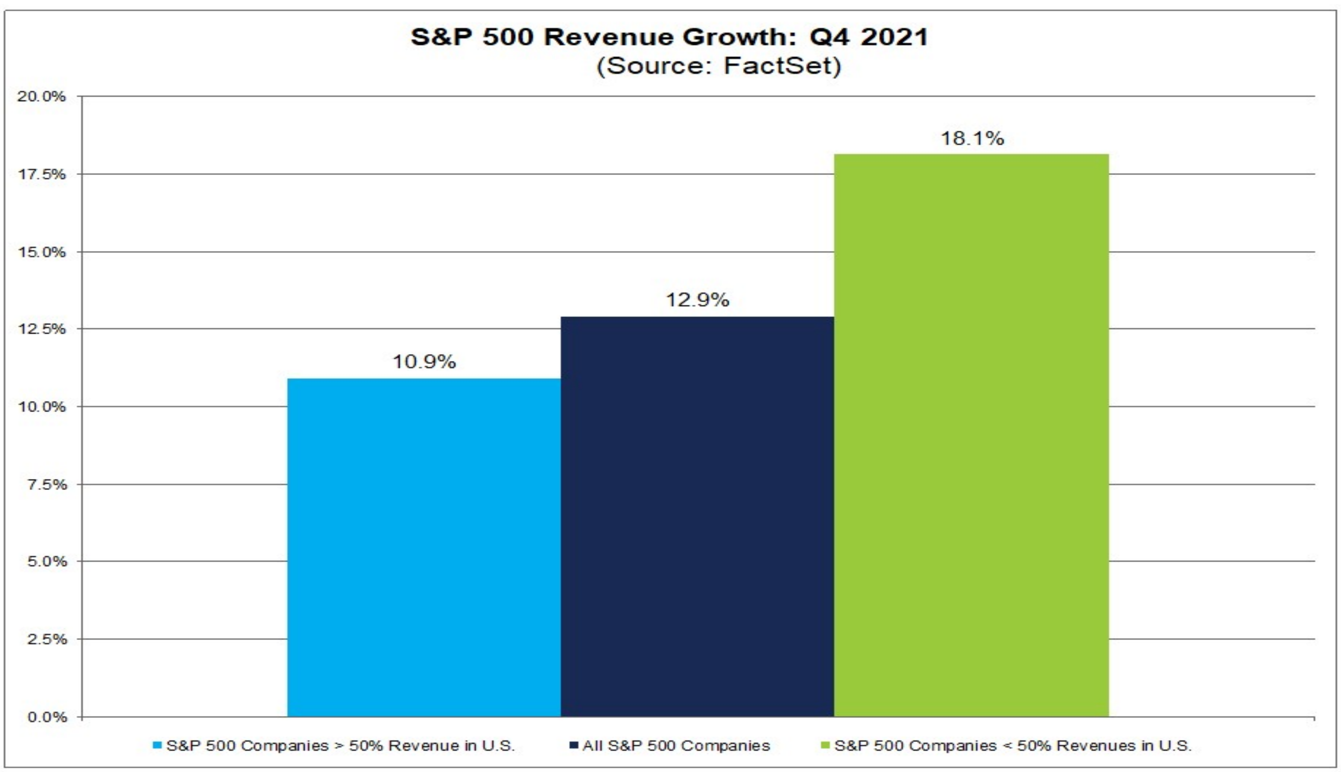
Q4 2021: Growth





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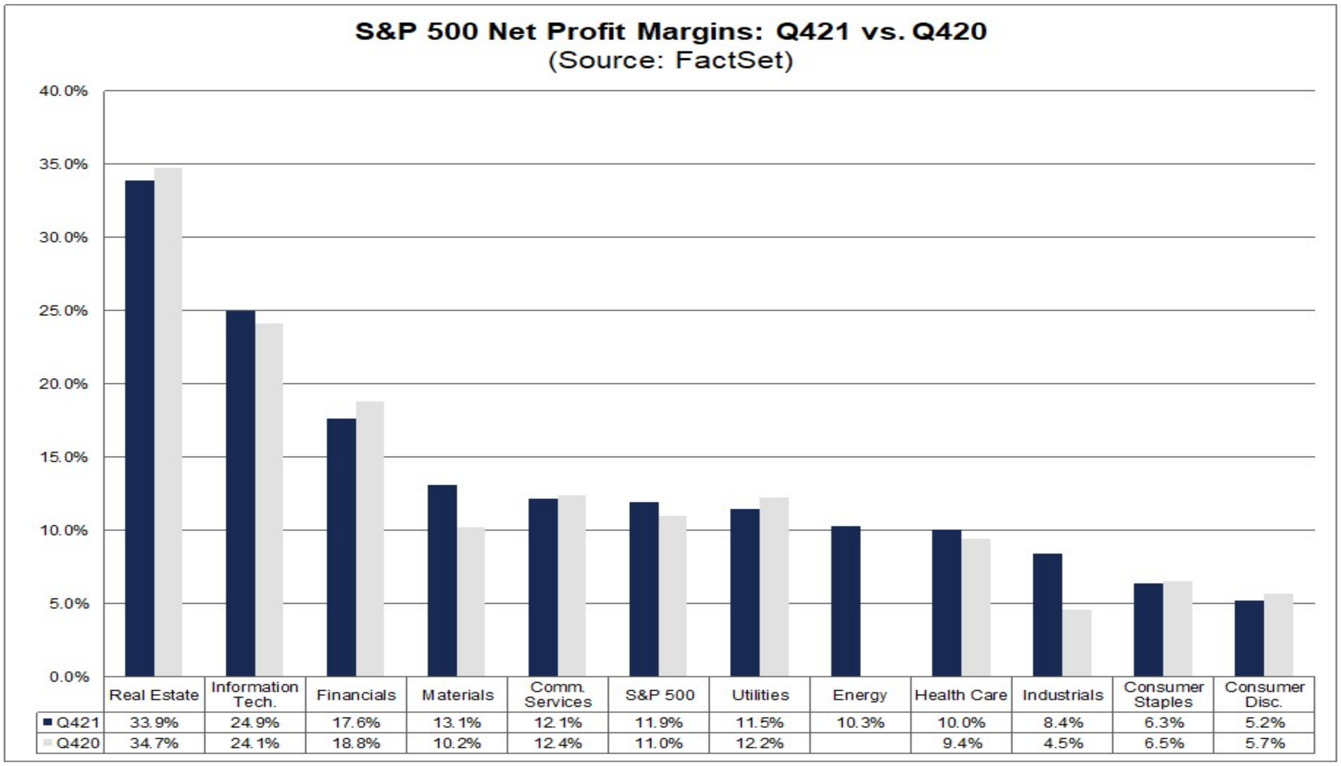
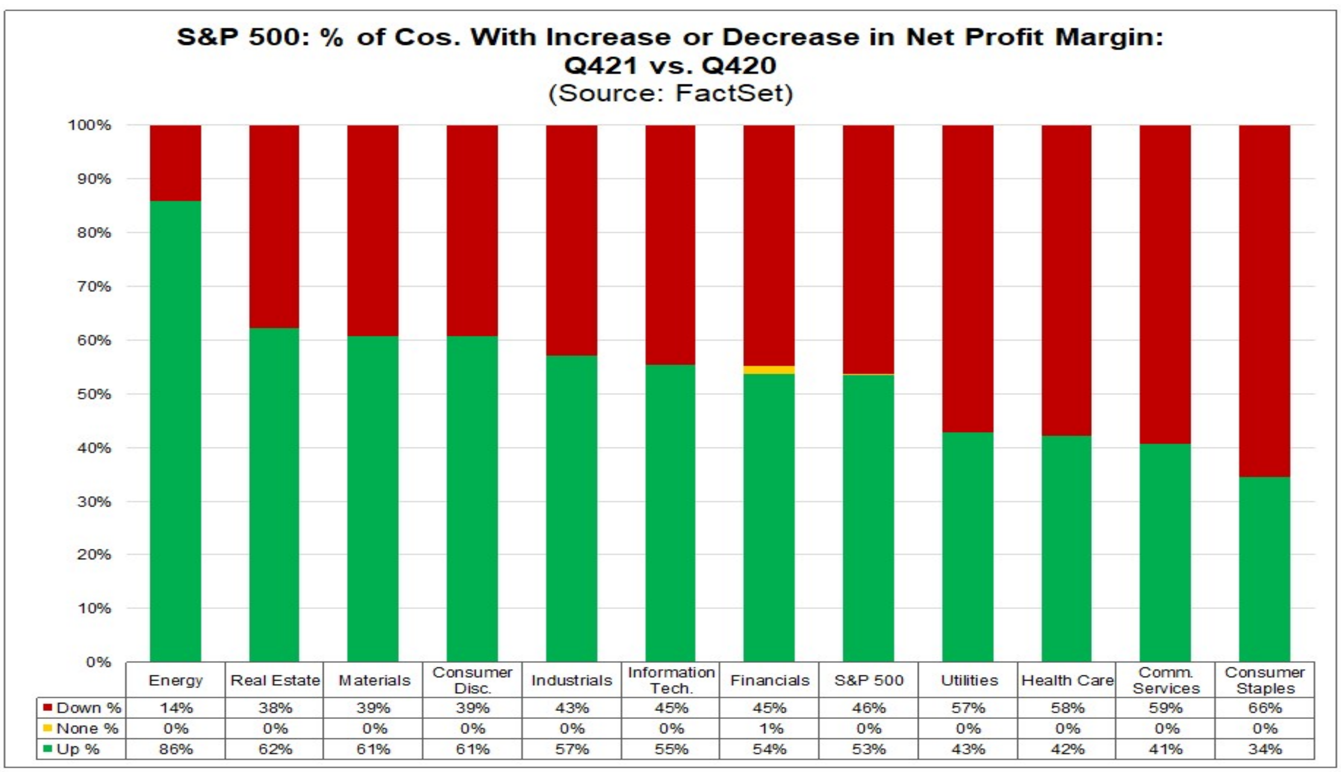
Q4 2021: Net Profit Margin



	Real Estate	Information Tech.	Financials	Materials	Comm. Services	S&P 500	Utilities	Energy	Health Care	Industrials	Consumer Staples	Consumer Disc.
Q421	33.9%	24.9%	17.6%	13.1%	12.1%	11.9%	11.5%	10.3%	10.0%	8.4%	6.3%	5.2%
Q420	34.7%	24.1%	18.8%	10.2%	12.4%	11.0%	12.2%		9.4%	4.5%	6.5%	5.7%



	Energy	Real Estate	Materials	Consumer Disc.	Industrials	Information Tech.	Financials	S&P 500	Utilities	Health Care	Comm. Services	Consumer Staples
Down %	14%	38%	39%	39%	43%	45%	45%	46%	57%	58%	59%	66%
None %	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Up %	86%	62%	61%	61%	57%	55%	54%	53%	43%	42%	41%	34%

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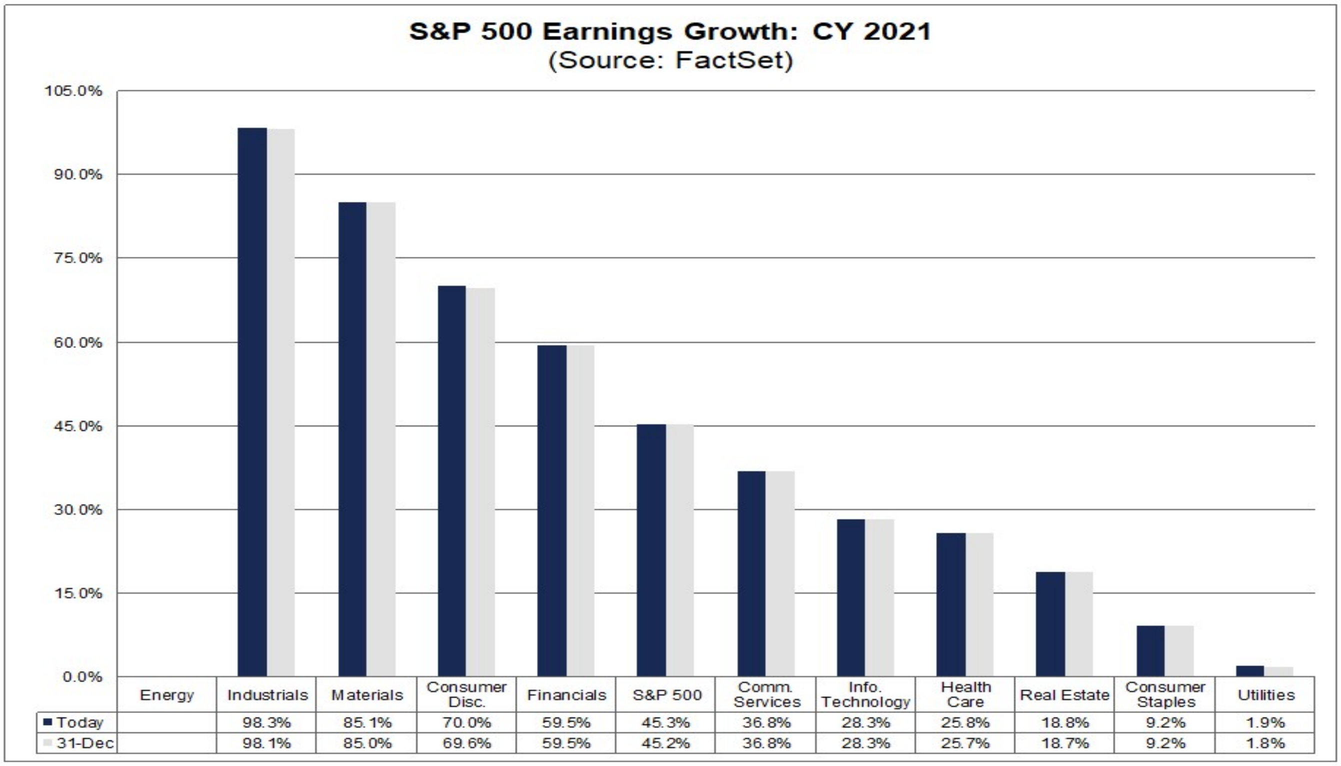
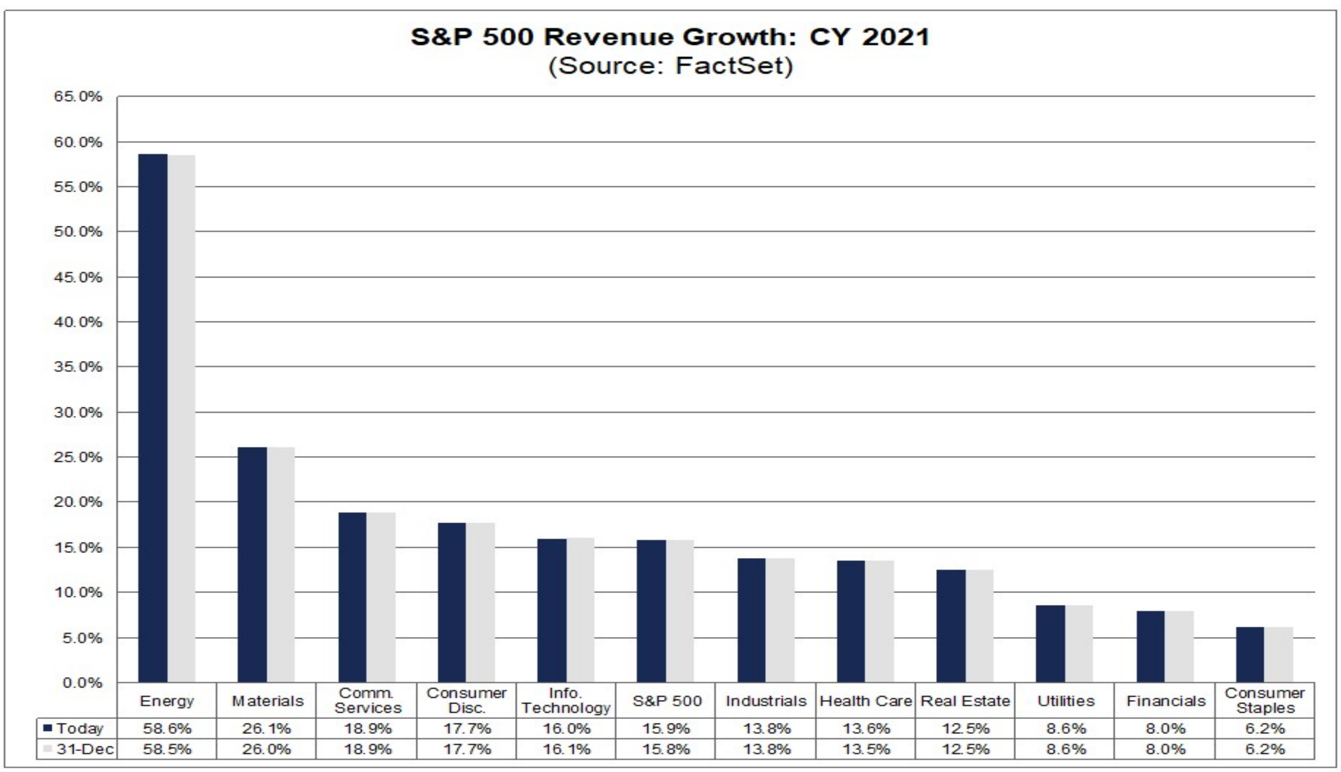
CY 2021: Growth



	Energy	Industrials	Materials	Consumer Disc.	Financials	S&P 500	Comm. Services	Info. Technology	Health Care	Real Estate	Consumer Staples	Utilities
Today		98.3%	85.1%	70.0%	59.5%	45.3%	36.8%	28.3%	25.8%	18.8%	9.2%	1.9%
31-Dec		98.1%	85.0%	69.6%	59.5%	45.2%	36.8%	28.3%	25.7%	18.7%	9.2%	1.8%



	Energy	Materials	Comm. Services	Consumer Disc.	Info. Technology	S&P 500	Industrials	Health Care	Real Estate	Utilities	Financials	Consumer Staples
Today	58.6%	26.1%	18.9%	17.7%	16.0%	15.9%	13.8%	13.6%	12.5%	8.6%	8.0%	6.2%
31-Dec	58.5%	26.0%	18.9%	17.7%	16.1%	15.8%	13.8%	13.5%	12.5%	8.6%	8.0%	6.2%

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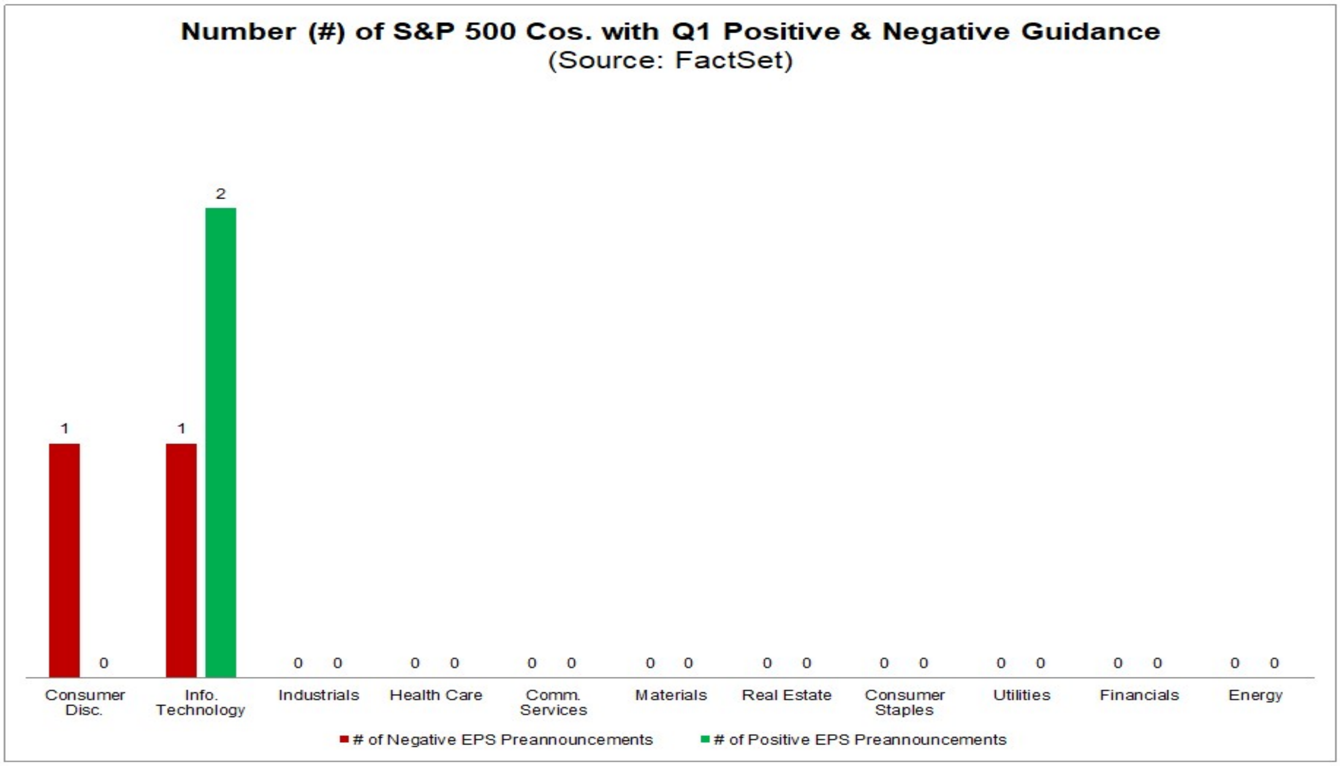
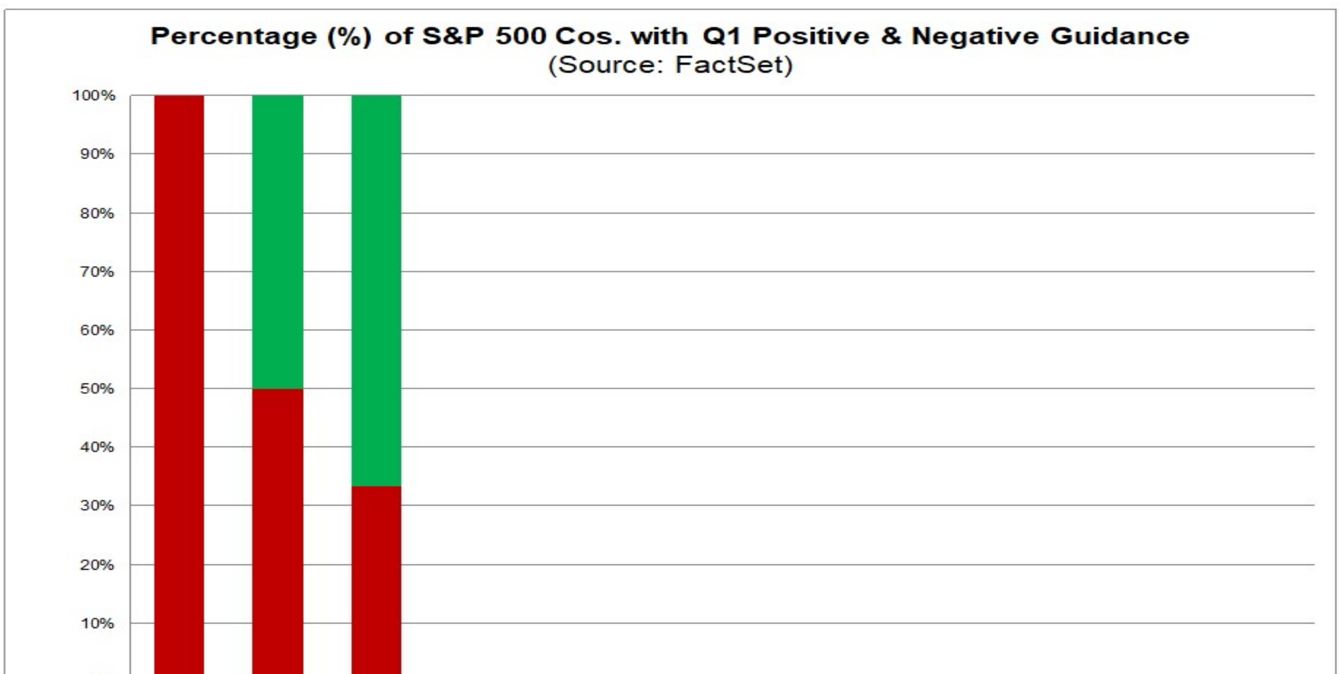
Q1 2022: EPS Guidance





	Consumer Disc.	S&P 500	Info. Technology	Comm. Services	Consumer Staples	Industrials	Materials	Health Care	Utilities	Real Estate	Financials	Energy
Positive	0%	50%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Negative	100%	50%	33%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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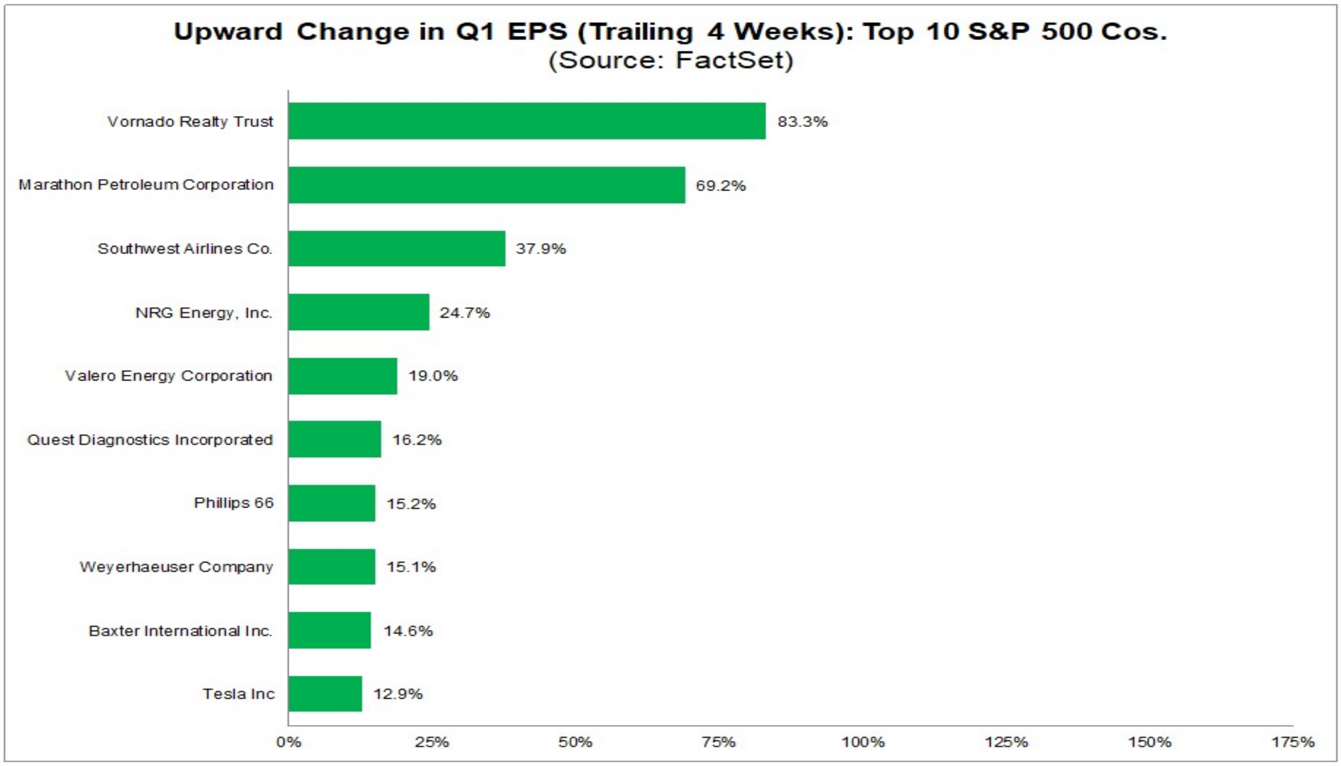
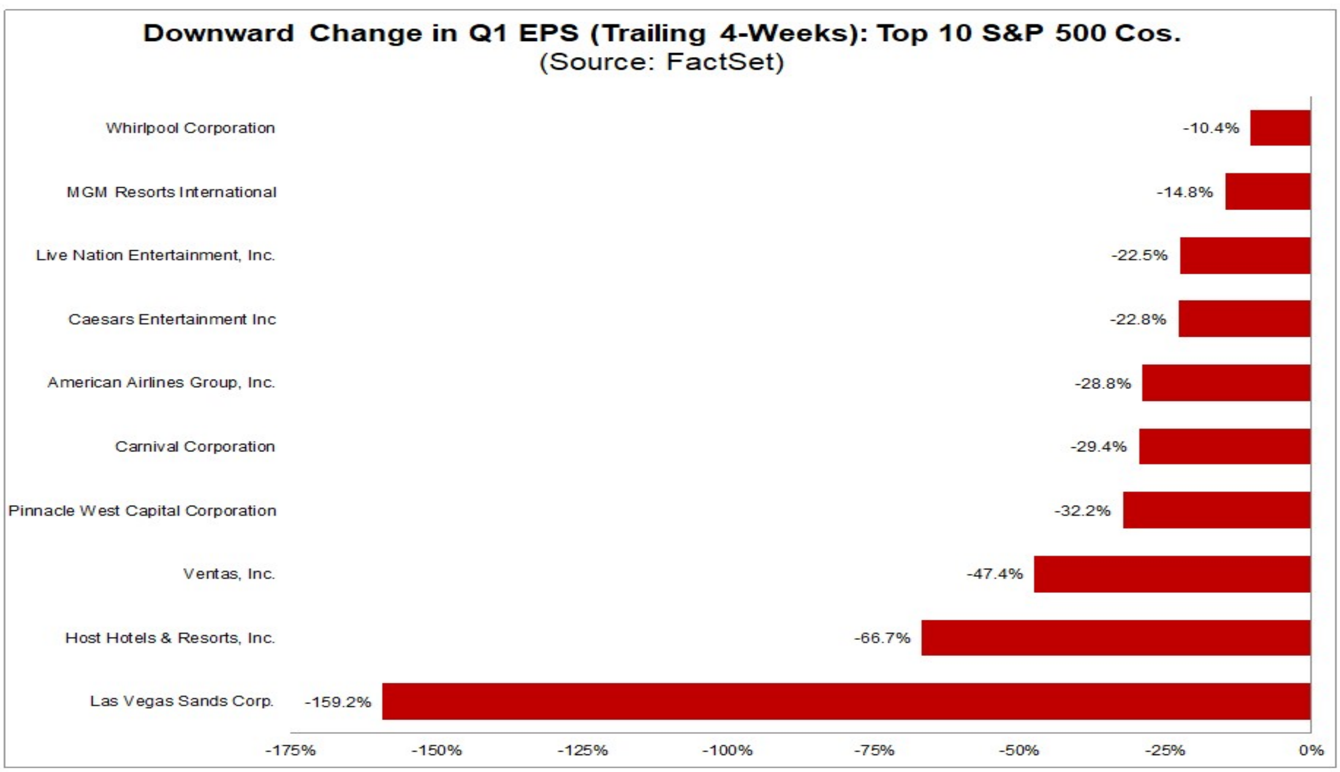
Q1 2022: EPS Revisions





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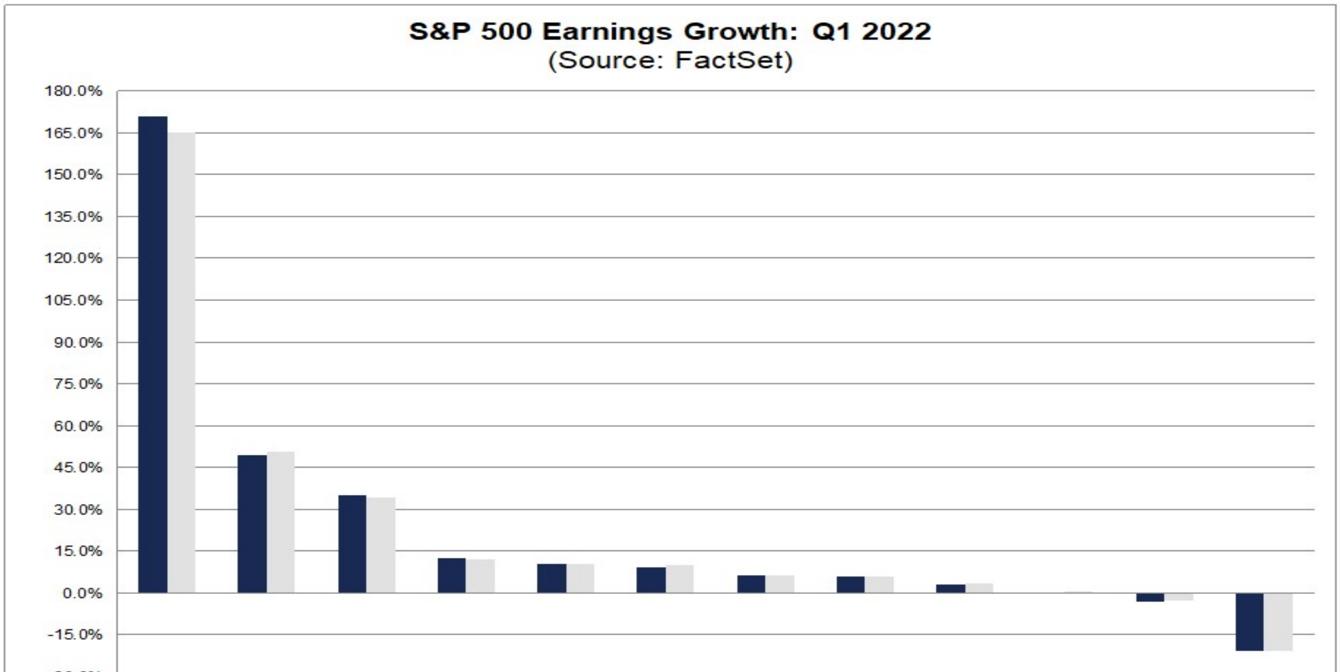
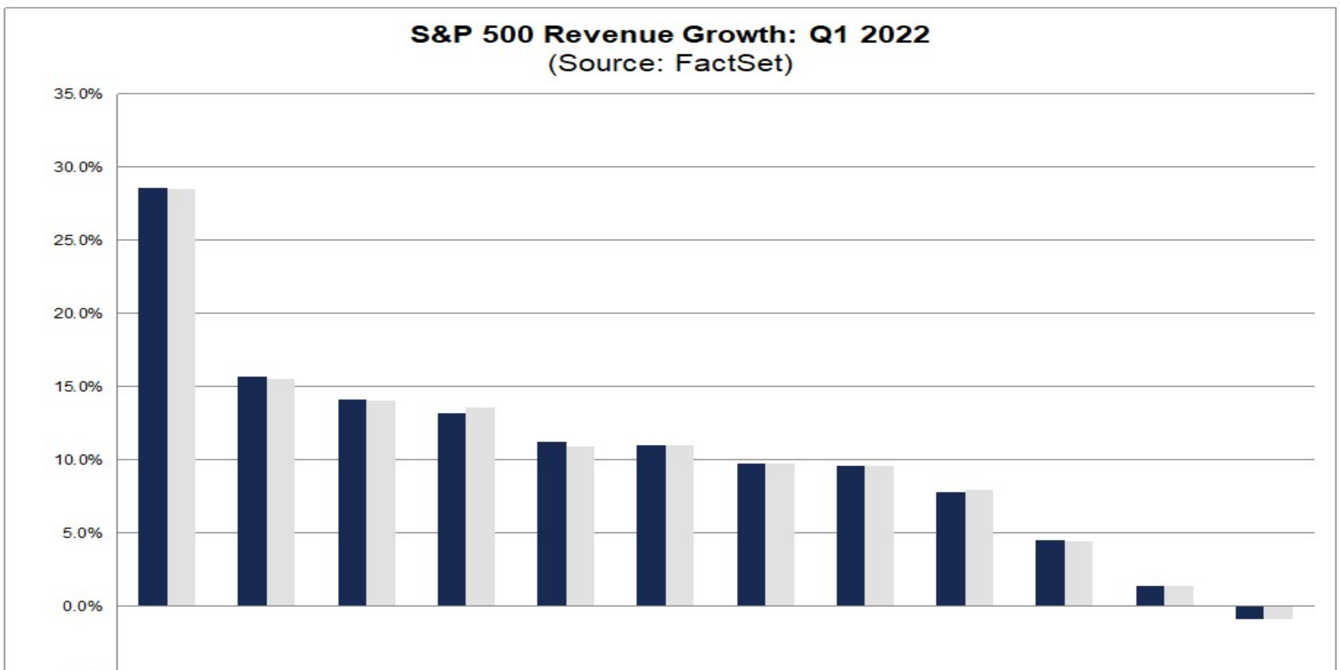
Q1 2022: Growth



	Energy	Industrials	Materials	Real Estate	Health Care	Utilities	S&P 500	Info. Technology	Consumer Staples	Comm. Services	Consumer Disc.	Financials
Today	170.9%	49.3%	34.9%	12.4%	10.3%	9.1%	6.2%	6.0%	3.0%	-0.1%	-3.3%	-20.9%
31-Dec	165.2%	50.7%	34.3%	12.1%	10.3%	9.8%	6.2%	5.9%	3.3%	0.0%	-2.7%	-20.9%



	Energy	Materials	Real Estate	Industrials	Consumer Disc.	Health Care	S&P 500	Comm. Services	Info. Technology	Consumer Staples	Financials	Utilities
Today	28.6%	15.7%	14.1%	13.2%	11.2%	11.0%	9.7%	9.6%	7.8%	4.5%	1.4%	-0.9%
31-Dec	28.5%	15.5%	14.0%	13.6%	10.9%	11.0%	9.7%	9.6%	7.9%	4.4%	1.3%	-0.9%

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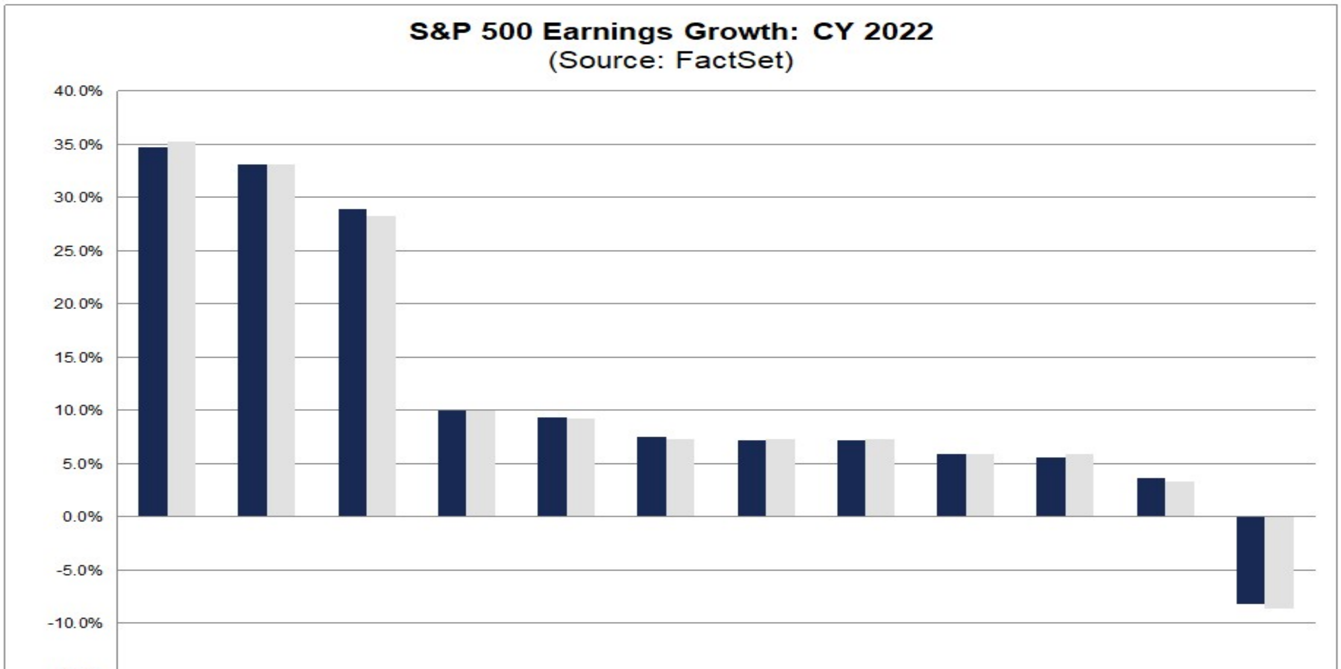
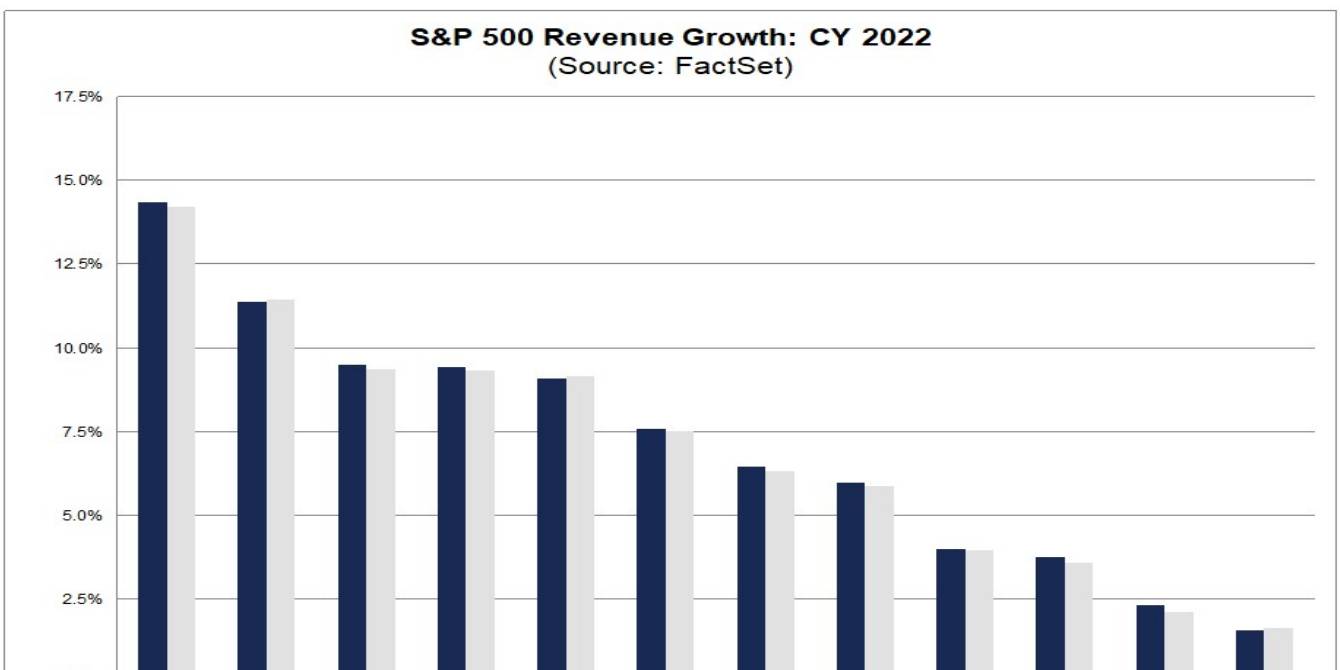
CY 2022: Growth



	Industrials	Consumer Disc.	Energy	Info. Technology	S&P 500	Health Care	Real Estate	Comm. Services	Consumer Staples	Utilities	Materials	Financials
Today	34.8%	33.1%	28.8%	10.0%	9.4%	7.5%	7.2%	7.2%	5.8%	5.6%	3.6%	-8.2%
31-Dec	35.3%	33.1%	28.2%	10.0%	9.3%	7.3%	7.2%	7.2%	5.9%	5.9%	3.3%	-8.6%



	Consumer Disc.	Industrials	Real Estate	Comm. Services	Info. Technology	S&P 500	Health Care	Energy	Consumer Staples	Materials	Financials	Utilities
Today	14.3%	11.4%	9.5%	9.4%	9.1%	7.6%	6.5%	6.0%	4.0%	3.7%	2.3%	1.5%
31-Dec	14.2%	11.4%	9.3%	9.3%	9.2%	7.5%	6.3%	5.9%	4.0%	3.6%	2.1%	1.6%

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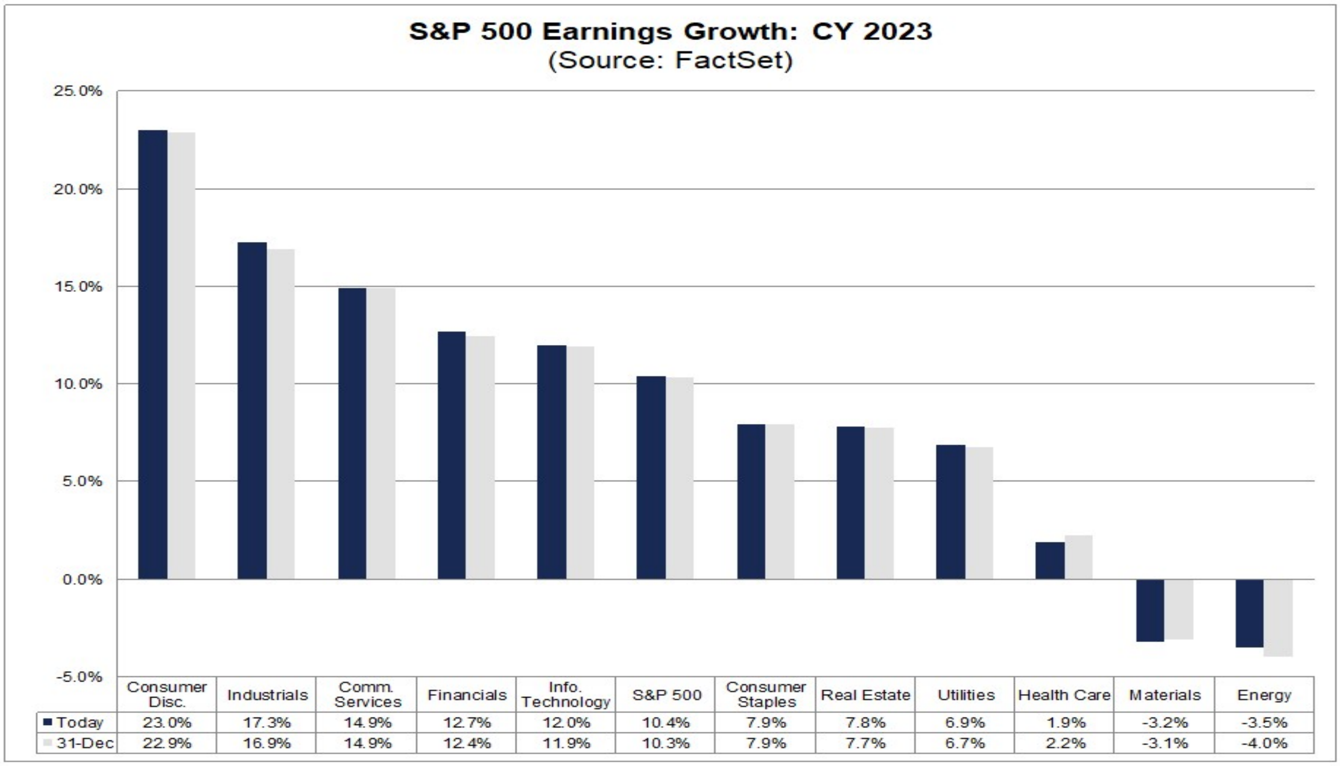
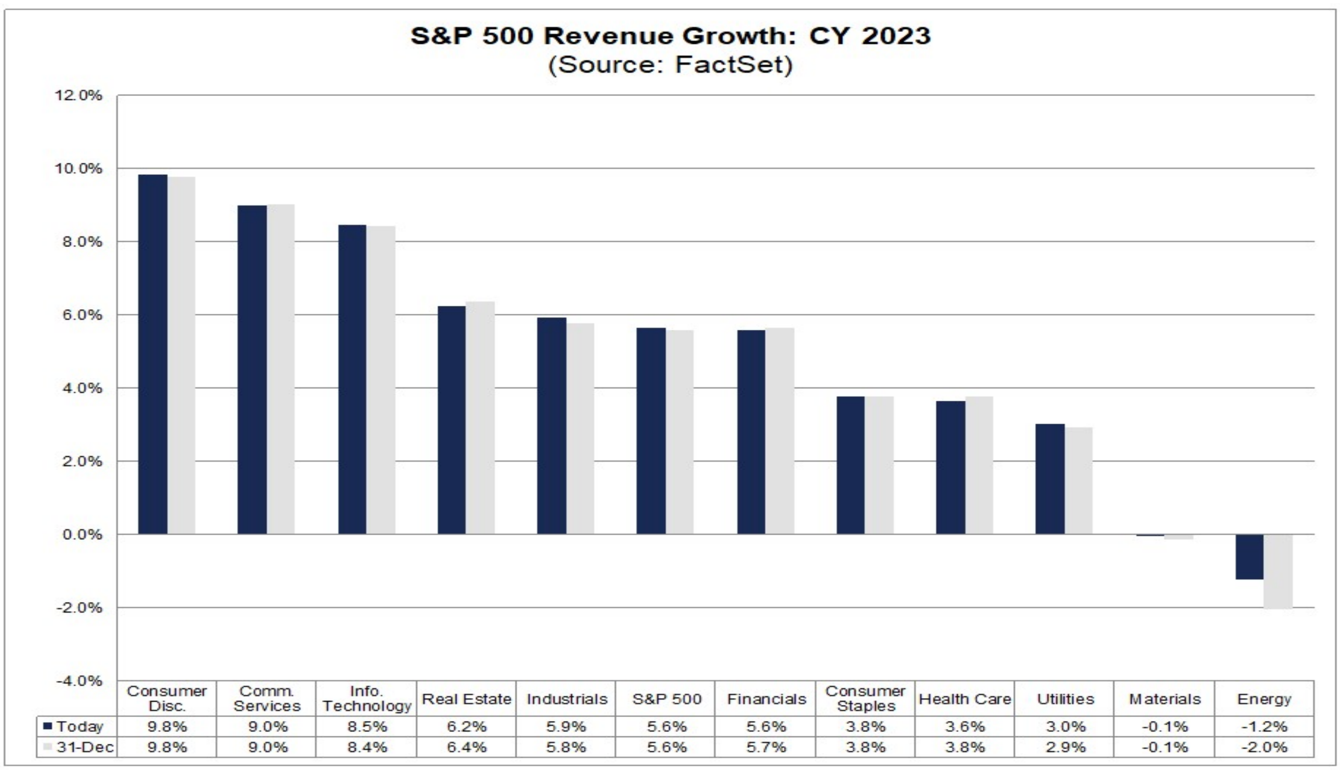
CY 2023: Growth



	Consumer Disc.	Industrials	Comm. Services	Financials	Info. Technology	S&P 500	Consumer Staples	Real Estate	Utilities	Health Care	Materials	Energy
Today	23.0%	17.3%	14.9%	12.7%	12.0%	10.4%	7.9%	7.8%	6.9%	1.9%	-3.2%	-3.5%
31-Dec	22.9%	16.9%	14.9%	12.4%	11.9%	10.3%	7.9%	7.7%	6.7%	2.2%	-3.1%	-4.0%



	Consumer Disc.	Comm. Services	Info. Technology	Real Estate	Industrials	S&P 500	Financials	Consumer Staples	Health Care	Utilities	Materials	Energy
Today	9.8%	9.0%	8.5%	6.2%	5.9%	5.6%	5.6%	3.8%	3.6%	3.0%	-0.1%	-1.2%
31-Dec	9.8%	9.0%	8.4%	6.4%	5.8%	5.6%	5.7%	3.8%	3.8%	2.9%	-0.1%	-2.0%

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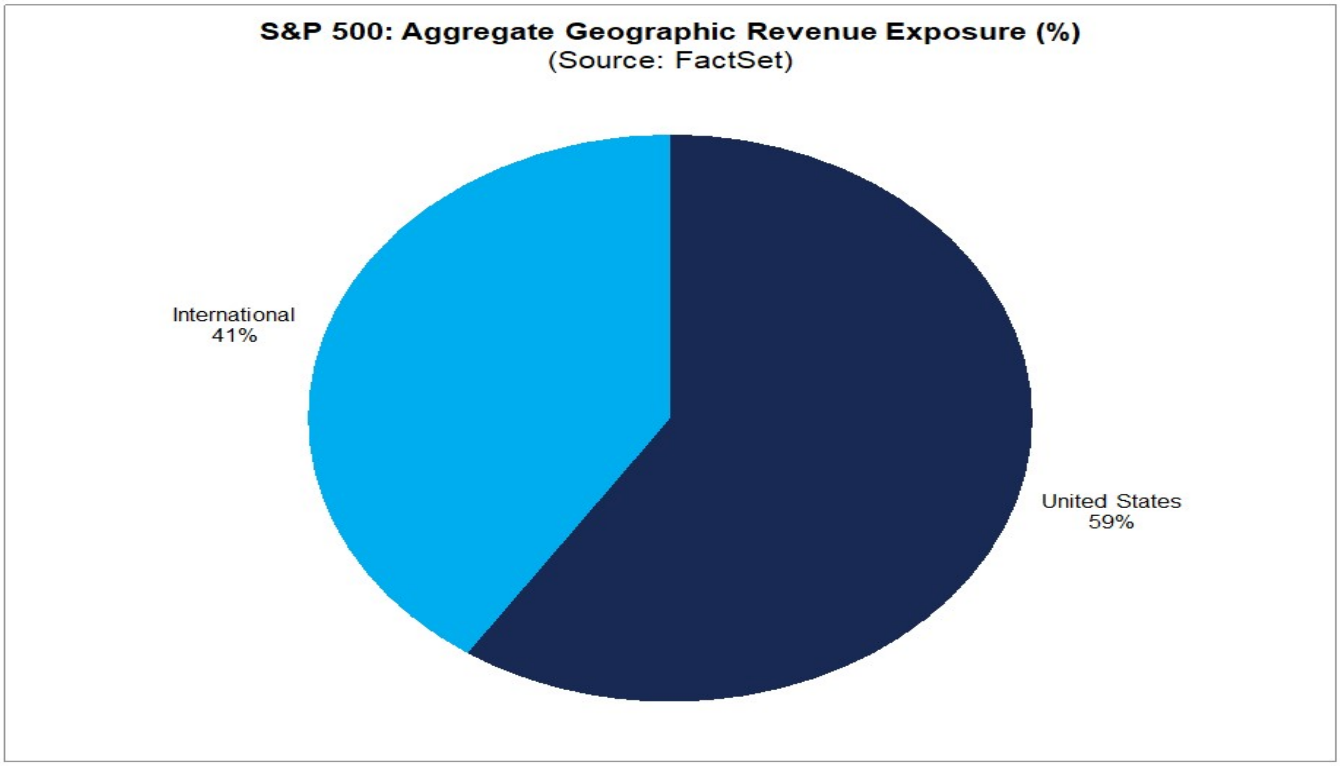
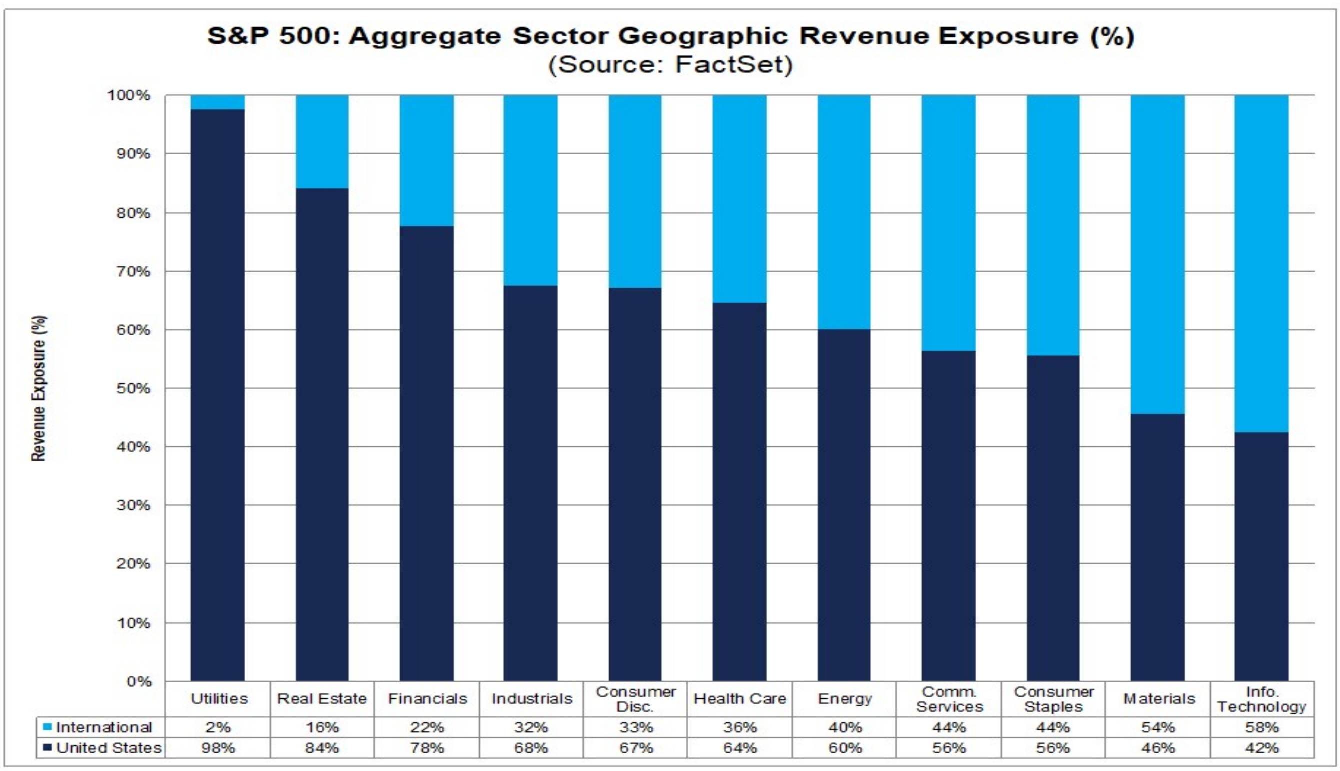
Geographic Revenue Exposure





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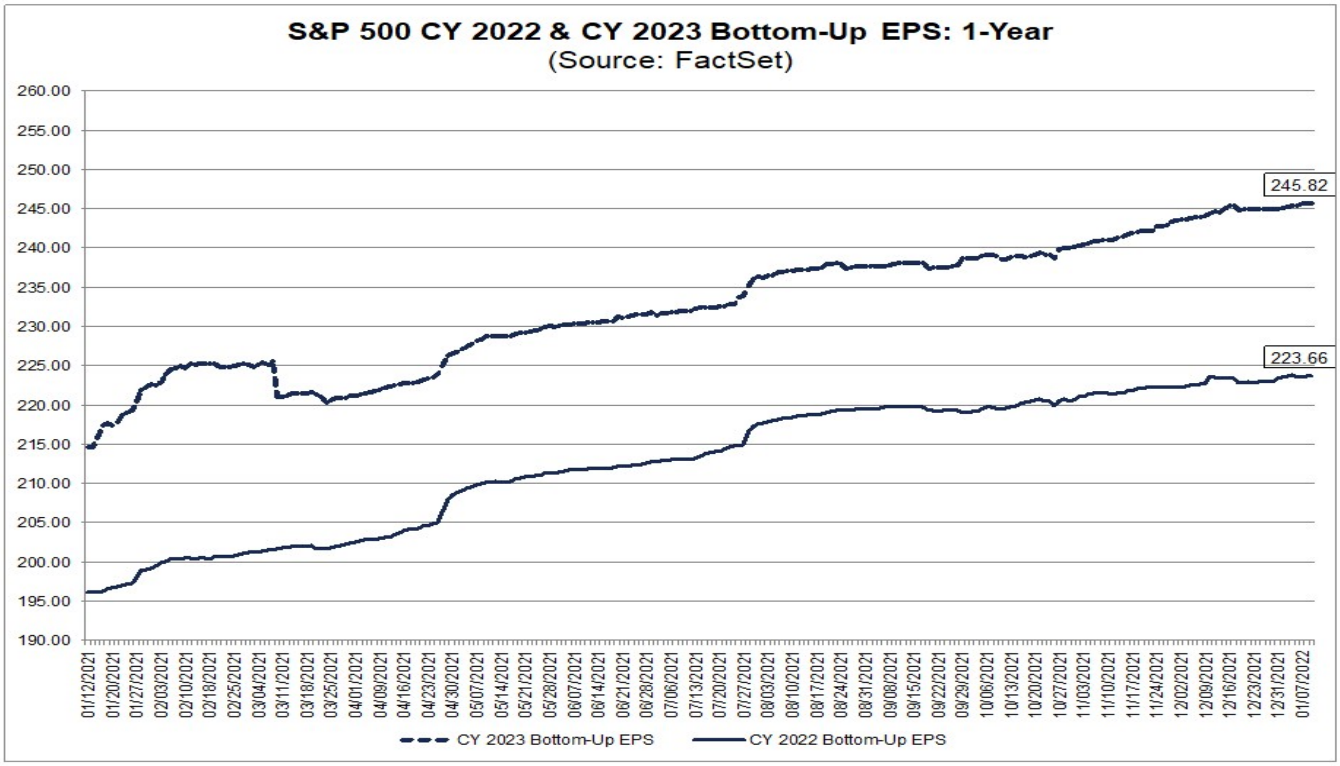
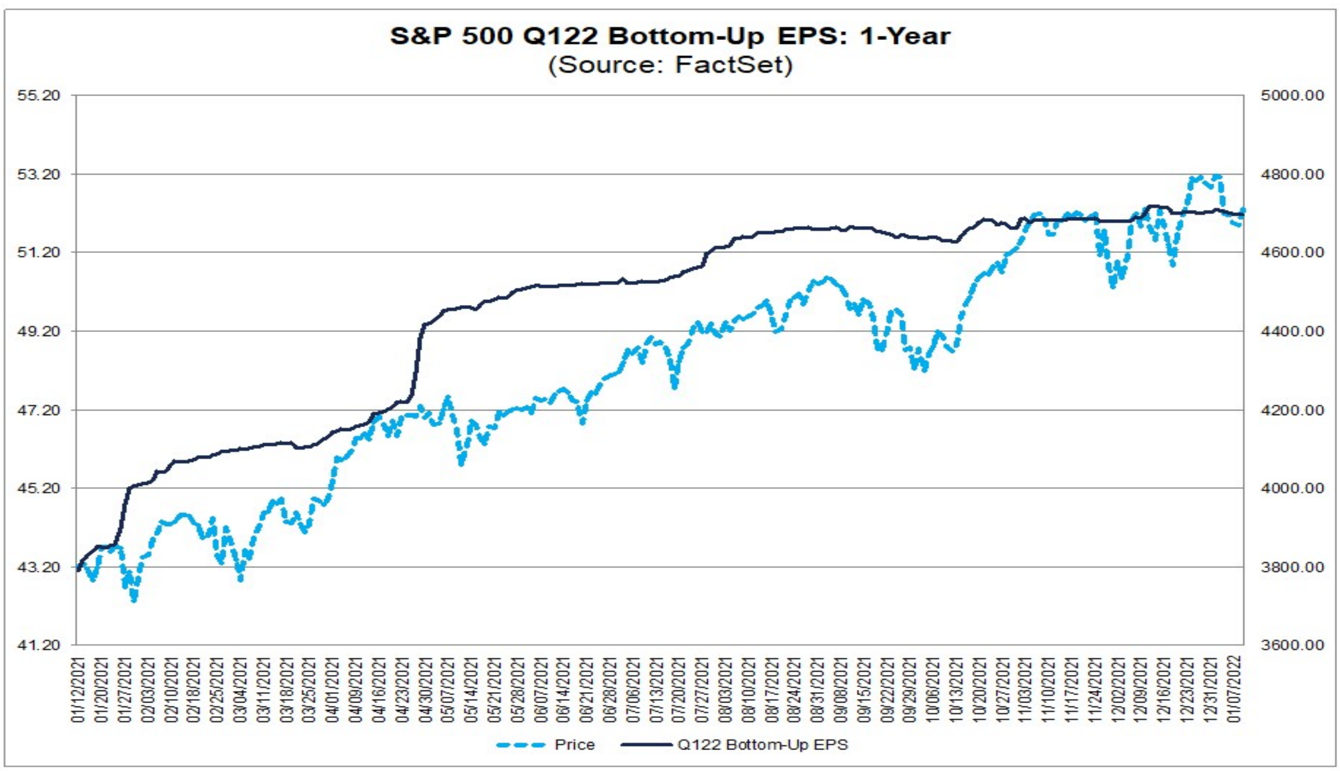
Bottom-up EPS Estimates: Revisions





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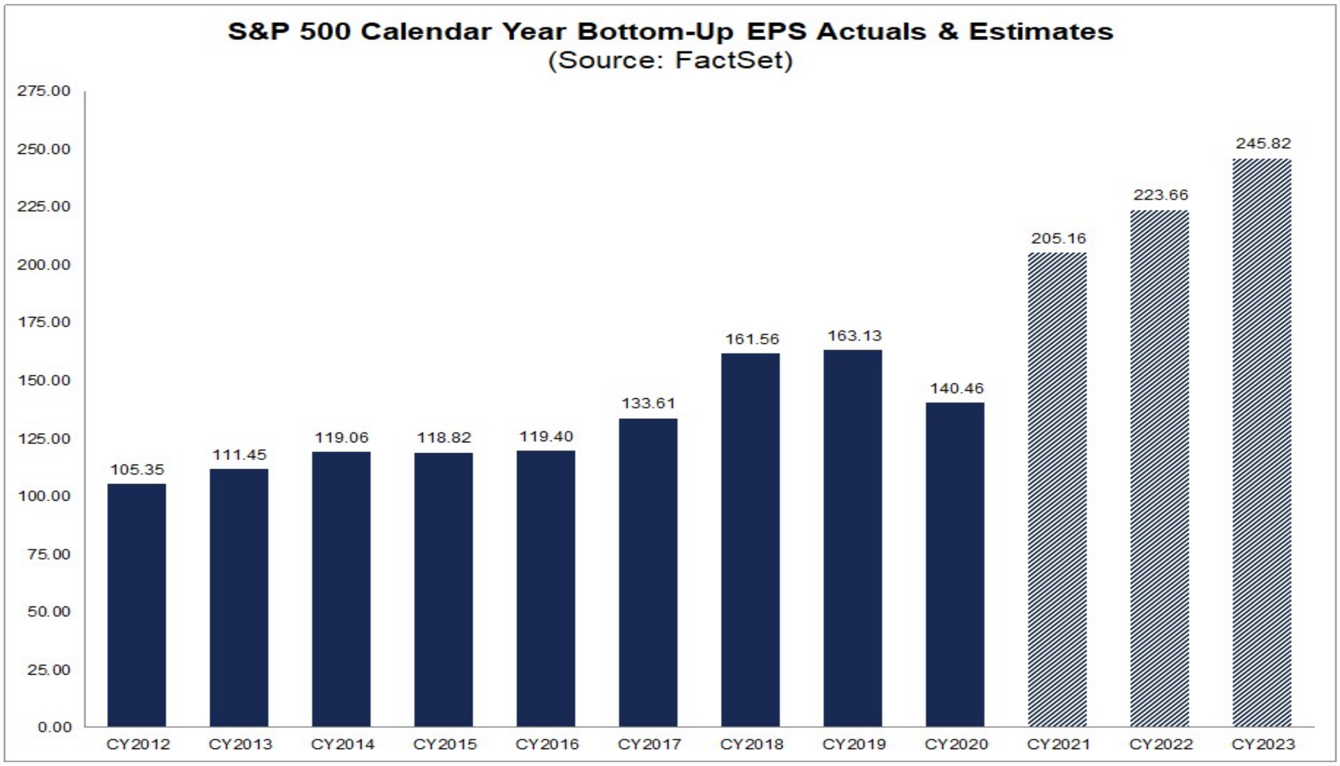
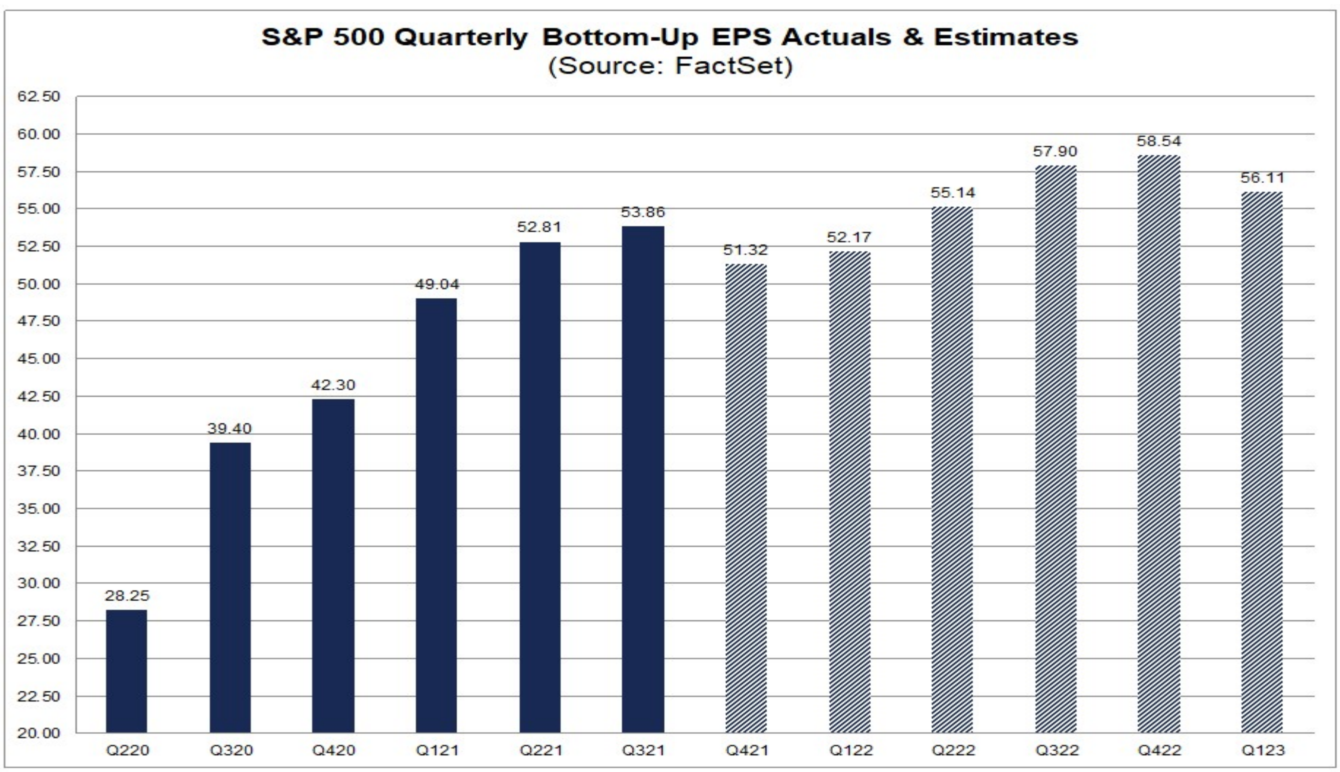
Bottom-up EPS Estimates: Current & Historical





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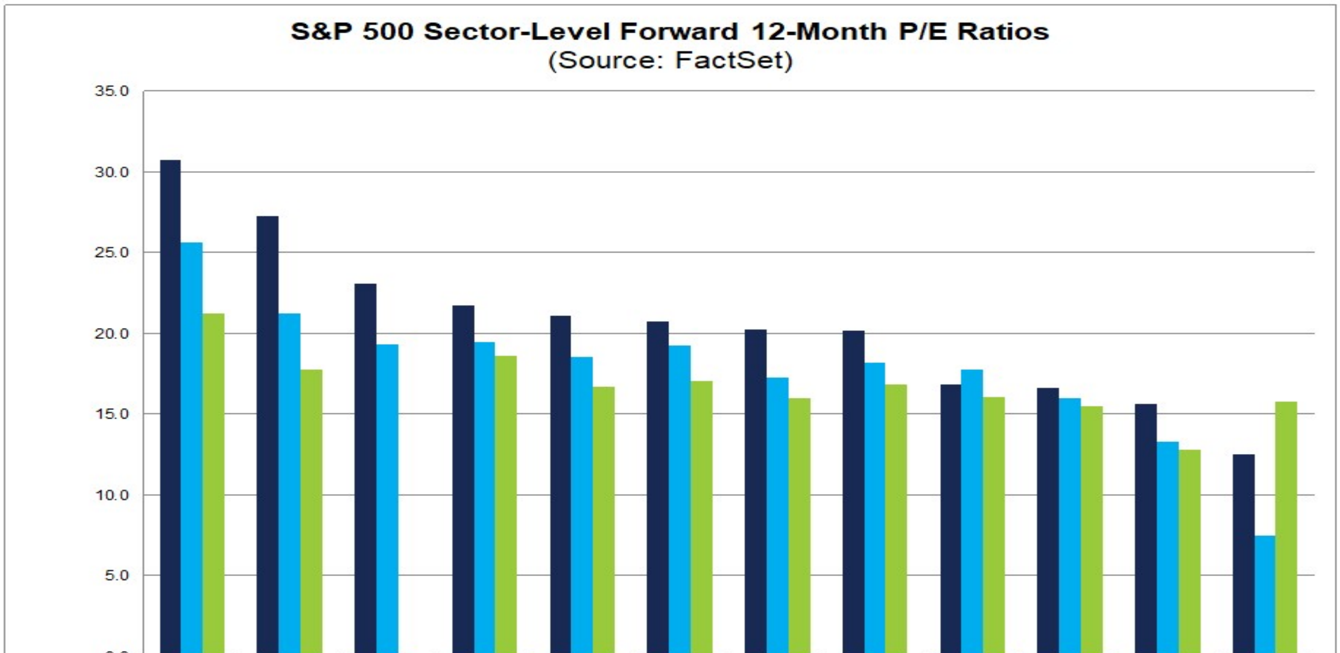
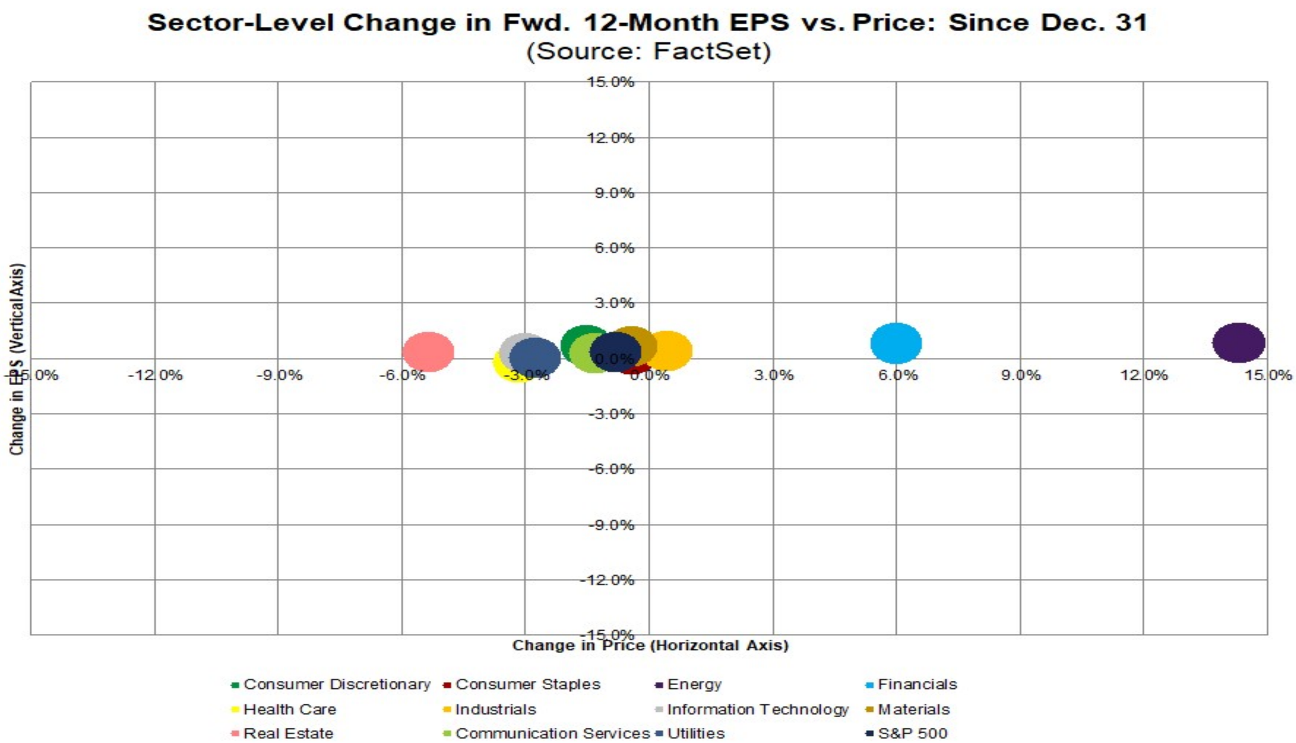
Forward 12M P/E Ratio: Sector Level



	Consumer Disc.	Info. Technology	Real Estate	Consumer Staples	S&P 500	Industrials	Comm. Services	Utilities	Materials	Health Care	Financials	Energy
Fwd P/E	30.7	27.3	23.1	21.7	21.1	20.8	20.3	20.2	16.8	16.7	15.6	12.5
5-Yr Avg.	25.6	21.3	19.3	19.5	18.5	19.3	17.3	18.2	17.8	16.0	13.3	7.5
10-Yr Avg.	21.3	17.7		18.6	16.7	17.1	16.0	16.9	16.1	15.5	12.8	15.8



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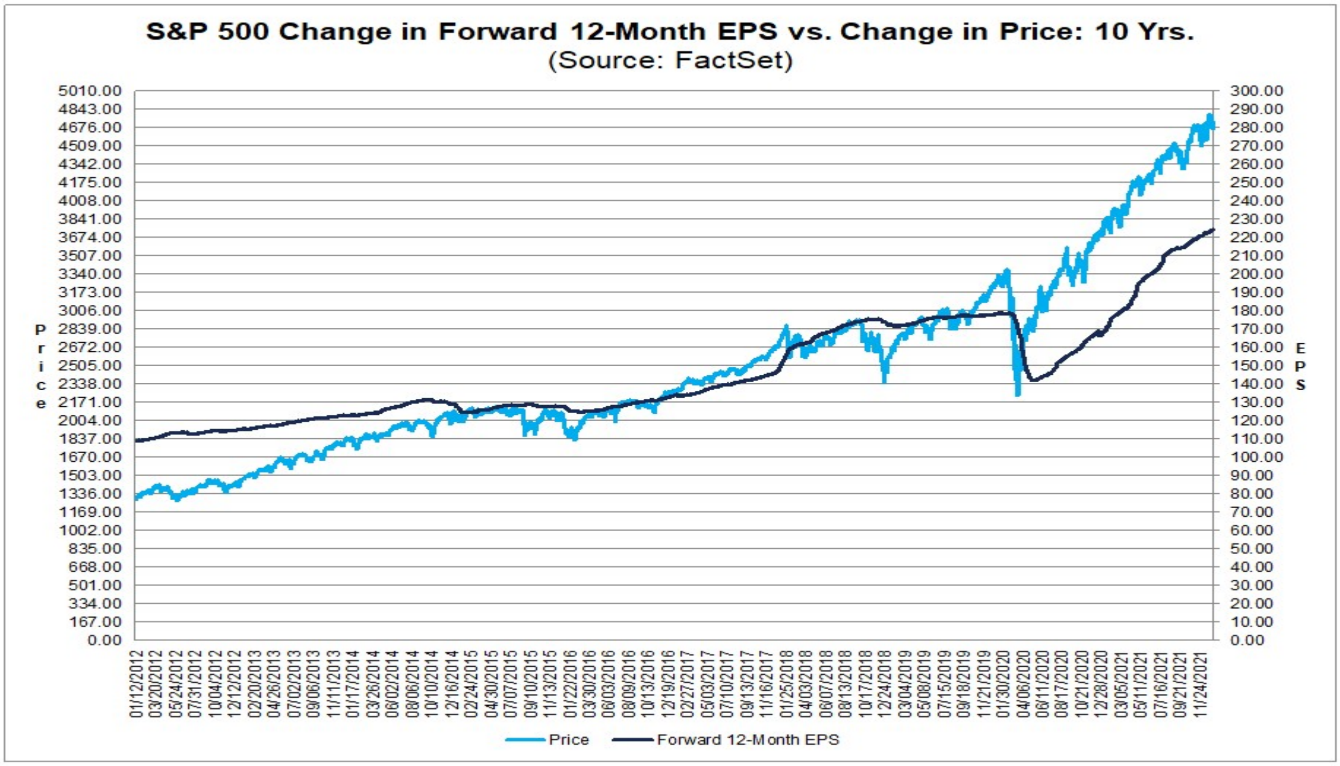
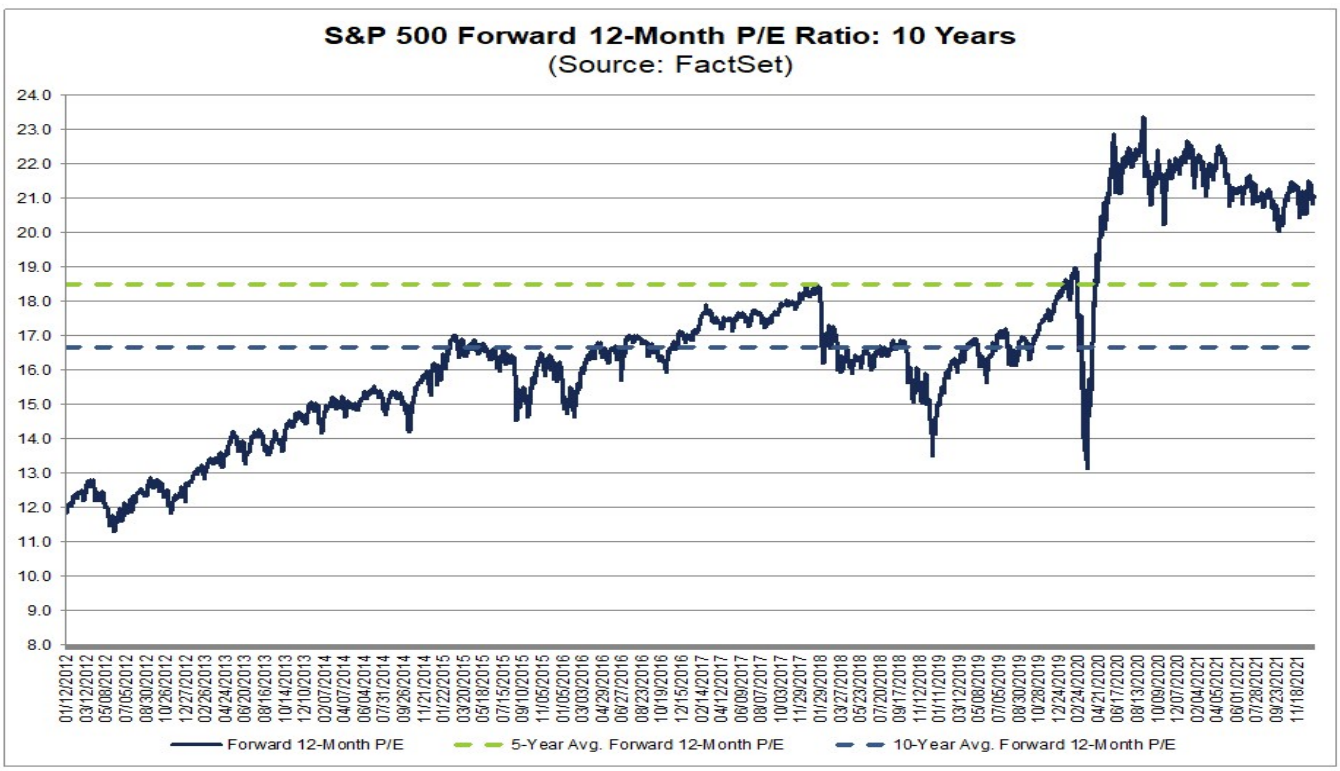
Forward 12M P/E Ratio: 10-Years





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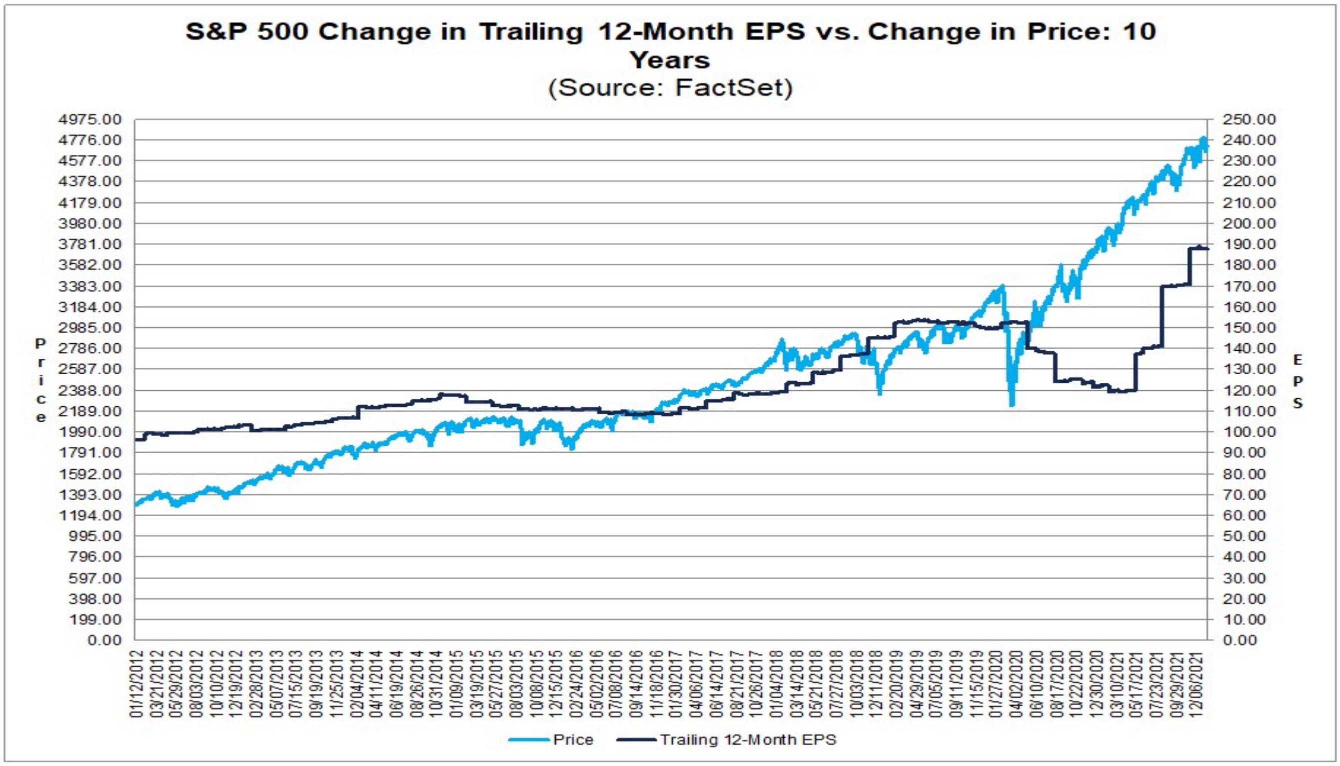
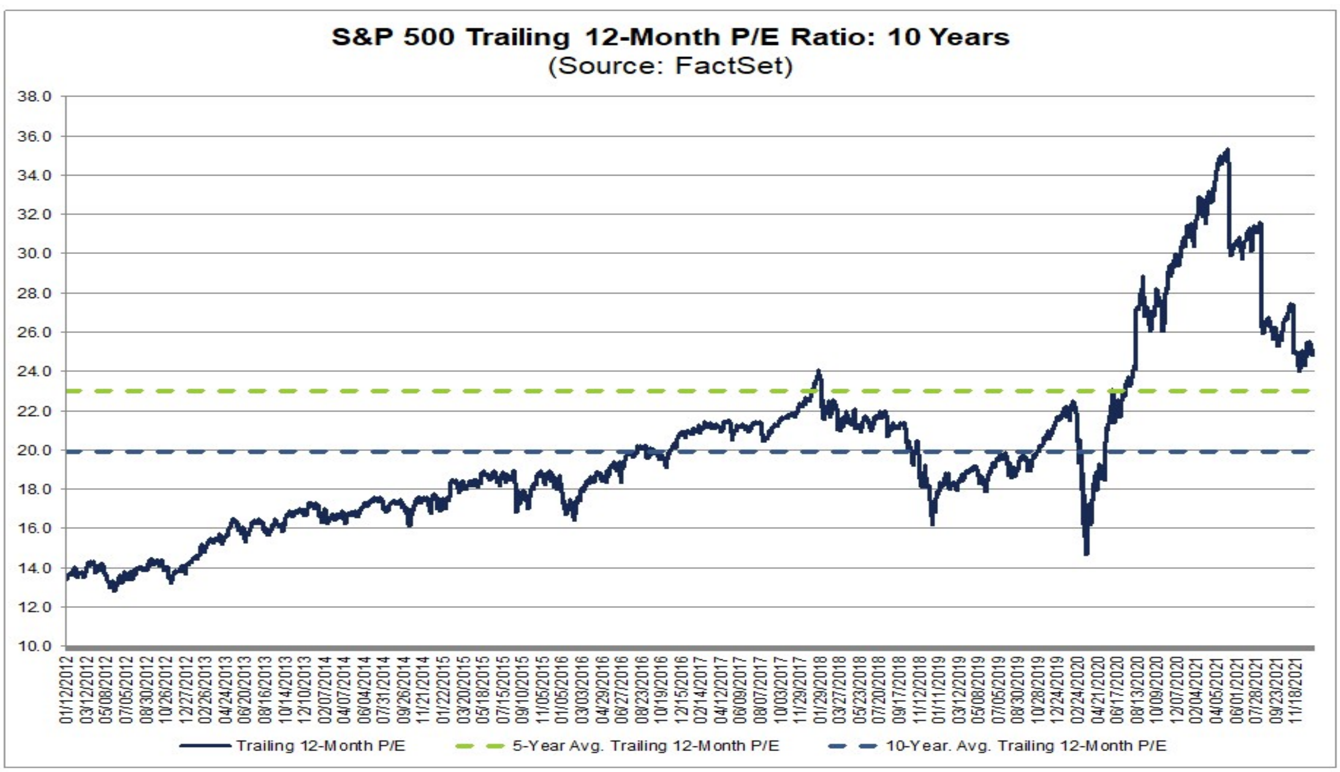
Trailing 12M P/E Ratio: 10-Years





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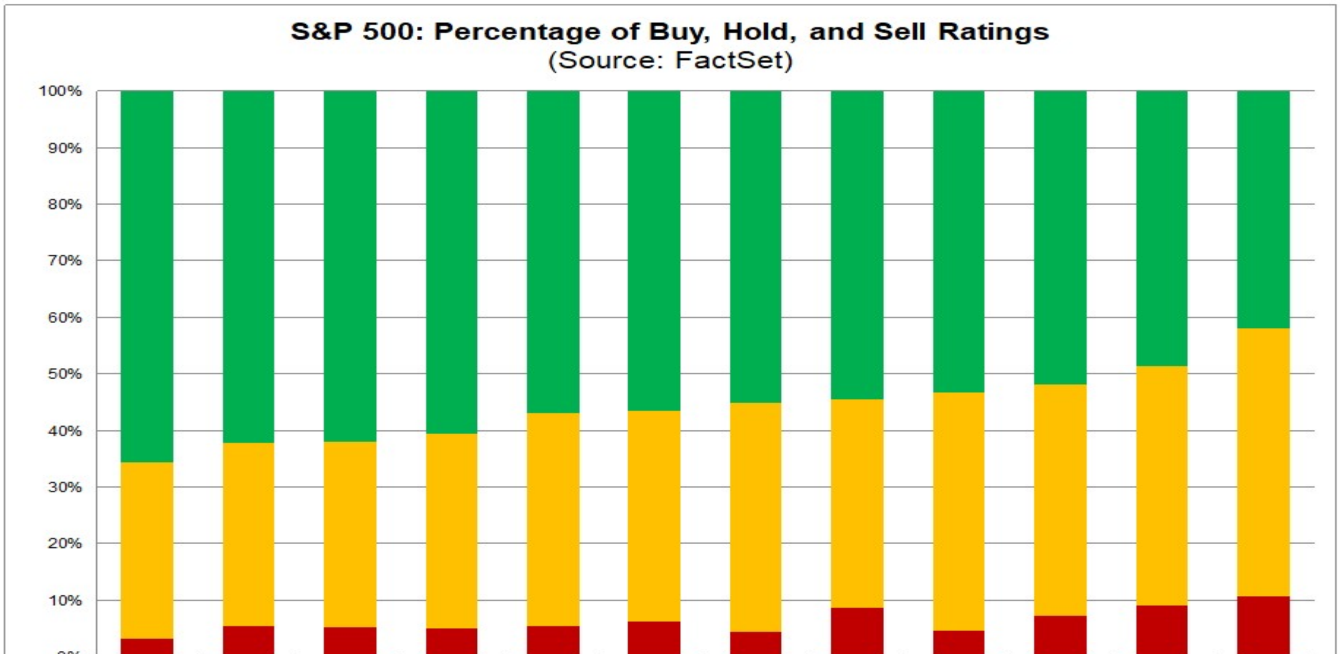
Targets & Ratings



	Energy	Info. Tech.	Comm. Services	Health Care	Consumer Disc.	S&P 500	Materials	Industrials	Real Estate	Financials	Utilities	Consumer Staples
Buy	66%	62%	62%	61%	57%	57%	55%	55%	53%	52%	49%	42%
Hold	31%	32%	33%	34%	38%	37%	41%	37%	42%	41%	42%	47%
Sell	3%	5%	5%	5%	5%	6%	4%	9%	5%	7%	9%	11%

	Comm. Services	Info. Tech.	Consumer Disc.	S&P 500	Industrials	Health Care	Real Estate	Materials	Energy	Financials	Utilities	Consumer Staples
Target/Close	21.9%	13.2%	13.1%	12.2%	12.2%	11.9%	9.3%	8.9%	8.0%	7.8%	7.3%	4.3%

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Appendix 1: Q4 Earnings Call Comments

Labor Costs & Shortages (12)

We could see mid-single-digit inflation in retails, as rising raw material pricing, labor and transportation costs are all impacting us and our suppliers. We have no way to say how long this will last, but our industry has been disciplined about pricing for decades, and we expect that to continue. -AutoZone (Dec. 7)

Moving on to inflation, again, it's pretty much the same story that we told during each of the last two quarters. There have been and are a variety of inflationary pressures that we and others are seeing from labor cost to freight cost, to higher demand, to container shortages and port delays, to increased demand on certain product categories, much of what you see and read out there. Various shortages on everything from chips to oils and chemicals supplied by facilities hit by the Gulf storms a while back. Higher commodities prices. -Costco (Dec. 9)

We experienced cost pressures in Q4 in other material categories and on labor that will start to flow through closings in the second half of 2022. -Lennar (Dec. 16)

So, for us as it relates to inflation and wages, we see for our business that we will continue to have wage increases in the market for certain skills, and that varies by geography, and we expect it really to continue. So then, what are we doing, and it's not so different from what other clients are doing, is that we're focused on pricing to absorb our higher labor costs. And one of the things that we point out, Lisa, is that we were very pleased with the improved pricing that we had this quarter on our record bookings, but we have more work to do. And so, one of the things that I wanted to just point out is that it's going to take some time for the improved pricing to flow through our P&L, and that's going to lag the higher compensation that we see. It may even result for us in some operating margin contraction in Q2, although we expect to continue to expand margin by 10 to 30 basis points for the full year. -Accenture (Dec. 16)

To further impact our second-quarter results, I will highlight several key drivers. The difficult labor market once again had the largest effect on our bottom line, representing an estimated $470 million in additional year-over-year costs. As I did last quarter, I'll separate the effect of the labor market into two components: higher rates and network inefficiencies resulting from labor shortages. -FedEx (Dec. 16)

And while we're happy with our performance, cost pressures continue to exceed our expectations on both commodities and labor with total inflation of 6% this quarter. -Darden Restaurants (Dec. 17)

So it's right to note that there's a little bit of tightness in the labor market, which, of course, makes it challenging. -Micron Technology (Dec. 20)

To add to the challenge, industry-wide shortages in the labor market are impacting every part of the supply chain, adding significant costs that are above and beyond inflation. We're seeing record levels of disruptions across our raw material suppliers, internal and external production facilities, our own distribution centers, our customers' warehouses and the logistics networks required to connect each of these elements of the supply chain. These disruptions are resulting in service challenges and elevated costs across the industry. -General Mills (Dec. 21)

So yes, we were impacted $0.02 to $0.03 in the quarter from incremental transitory costs and that included higher overtime across all of our supply chain operations, given the labor challenges and higher inventory write-offs. -Conagra Brands (Jan. 6)

Lost production days and unplanned downtimes were primarily due to labor shortages across our manufacturing network, including COVID-related absenteeism. -Lamb Weston (Jan. 6)

Moving on to Beer margins, Beer operating margin decreased 130 basis points versus prior year to 41.3%. Benefits from favorable pricing and marketing timing were more than offset by unfavorable COGS. The expected increase in COGS was driven by several headwinds that included the following…Second, increased brewery costs driven by labor inflation in Mexico, increased head count, incremental spend related to capacity expansion, and annual brewery maintenance that was performed during the quarter. -Constellation Brands (Jan. 6)

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Recent labor challenges led to somewhat softer script volumes in the first quarter and these investments should help to improve the situation. -Walgreens Boots Alliance (Jan. 6)

Supply Chain Disruptions & Costs (10)

Our supply chain, our manufacturers and their supply chains, nobody built for 25% excess capacity that would last for 20 months. Our teams have done a really, really, really good job of managing through it. That said, we have challenges. Our in-stock levels are not where we want them to be. They haven't been the whole time. And they'll go down a little bit and they'll come up a little bit, but we're generally 3% or 4% below the in-stock levels that we want on a weekly basis. To your point, are we seeing things change that give us optimism about the future? And the answer is yes. But as soon as we do, we see another part of the supply chain that is more challenged. -AutoZone (Dec. 7)

From a supply chain perspective, similar issues that we outlined 12 weeks ago on the last quarterly call. Each issue ebbs and flows a little bit. But overall, the factors pressuring supply chains and inflation include port delays, container challenges, COVID disruptions, shortages of various components, raw materials, ingredients, and even packaging supplies, labor cost pressures, and truck and driver challenges…Virtually all departments are impacted. We've ordered early in many cases, as I mentioned I think earlier – on earlier calls, given the longer lead times. Less product and packaging challenges, but still quite a bit. Still some limitations on key items, but improving. Again, it ebbs and flows. -Costco (Dec. 9)

I will now give an update on how we managed through the impact of supply chain disruptions in the fourth quarter, and how we've planned for managing through them in 2022. As Stuart noted, we've had to deal with our fair share of disruptions. Similar to the third quarter, these disruptions are affecting different trades at different times and in different geographies. They are intermittent and they continue. It continues to be a game of whack-a-mole that creates stress and uncertainty for an already strained labor base as materials often do not show up when expected. In the fourth quarter, the supply categories that were most impacted on a national basis were garage doors, windows, paint, HVAC condensers and flex duct and cabinets. Regionally, there were a variety of disruptions in the delivery of materials and/or the availability of labor. On average, this increased our fourth quarter cycle time by an additional two weeks from the third quarter, bringing the year-over-year increase to a range of four to six weeks. -Lennar (Dec. 16)

In terms of the supply chain and sourcing question, we're global, we source from all over the world. There's lots of dynamics everywhere. We've had single challenges – issue challenges at times with provisions or procuring particular services in a particular area, but, overall, we're able to sail in a great way for the guests where the guests are having a great time in a way that is compliant and very much in the best interest of public health. -Carnival (Dec. 20)

So we're not going to predict gross margins, but clearly that will be beneficial. And as I said clearly, across the technology cost structure will be beneficial. And then the offsetting negative would generally be the – from a cost perspective, would be these supply chain costs that we experienced. -Micron Technology (dec. 20)

We're also planning for supply chain costs for the full year to increase relative to our estimates 90 days ago, with a greater impact in the second half. -NIKE (Dec. 20)

So as you think about it in relation to last year, we saw a ramp-up in external supply chain costs in the back half of the year. We don't expect these costs that we're seeing for disruptions to really materially change in the balance of our year, but just to replace the ramp-up in those external supply chain costs, and the wider guidance reflects the volatility on the call. -General Mills (Dec. 21)

We also expect that some of the additional costs we incurred in the second quarter to support shipments and getting product to consumers will continue into the third quarter given the continued challenges in supply chain. -Conagra Brands (Jan. 6)

We expect volume growth in the third quarter will decelerate sequentially versus the 6% we delivered in second quarter as a result of the near-term impact of COVID variants on restaurant traffic and demand, the macro industry supply chain constraints and labor challenges that will continue to affect production run rates and throughput in our factory, and global logistics disruptions and container shortages that affect both domestic and export shipments. We expect further deceleration in the fourth quarter as we begin to lap some of the higher volume comparisons from the prior year. -Lamb Weston Holdings (Jan. 6)

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Looking ahead to fiscal year 2023, we expect significant cost increases for the business including supply chain disruptions, inflationary cost pressures on product, freight, and warehousing costs. -Constellation Brands (Jan. 6)

COVID-19 Costs & Impact (9)

From a supply chain perspective, similar issues that we outlined 12 weeks ago on the last quarterly call. Each issue ebbs and flows a little bit. But overall, the factors pressuring supply chains and inflation include port delays, container challenges, COVID disruptions, shortages of various components, raw materials, ingredients, and even packaging supplies, labor cost pressures, and truck and driver challenges. -Costco (Dec. 9)

Beyond the labor effects, our results for the second quarter also included the following headwinds: $90 million related to investments in the Ground network, as Raj outlined earlier, that are critical to improving service and adding capacity; an estimated $75 million in incremental air network costs at Express due to the continued effect of COVID restrictions on our operations; and lastly, a $70 million effect year-over-year from higher federal excise taxes as the waiver ended on December 31 of 2020. -FedEx (Dec. 16)

So, a majority of our restaurants are well staffed. The exclusions that we've seen are still the most complicating factor. As exclusions for COVID, they still – the most complicating factors, especially on the weekends when we're busy. -Darden Restaurants (Dec. 17)

So, the other thing, keep in mind, that affected the fourth quarter was the Delta variant in the month of August impacted bookings, many of which might have been for the fourth quarter. And as a result of that, we had hoped to have higher occupancy in the fourth quarter. But between the Delta variant and everything else and a few itinerary changes that we had, we were very pleased with the overall 59%. -Carnival (Dec. 20)

And also, I think we just have a bigger chunk of expenses associated with COVID mitigation and so forth that's impacting us in the first quarter that we weren't seeing nearly that level in the first quarter of last year. So that's been somewhat of a headwind to the cost declines year-over-year. -Micron Technology (Dec. 20)

Now, let's turn to our financial outlook. As we approach the end of the second year of the pandemic, it is becoming even more challenging to compare quarters and fiscal years due to multiple waves of COVID-related disruption at different times across the consumer marketplace and now supply chain. We expect the operating environment to remain volatile as COVID variants continue to cause disruption to business operations. -NIKE (Dec. 20)

And so that's an inefficiency. And there are a variety of things that created that in Q2. We think some of that dynamic will persist in Q3, although it might look differently. It might be more Omicron-driven absenteeism for the first, whatever it's going to be, six, seven weeks of Q3 and less of something else where we've seen improvements already taking place. So that's what I was referring to earlier when I said some things are already improving, then you got other things a bit of whack-a-mole that start to create a bit of a headwind like the Omicron absenteeism. But when you put it all together on that piece of it, I'd say, we'll persevere. That's why we expect volumes – we're still focused on getting as much volume as we can out in Q3 even if it comes at less efficiency than what we normally expect. -Conagra Brands (Jan. 6)

We expect volume growth in the third quarter will decelerate sequentially versus the 6% we delivered in second quarter as a result of the near-term impact of COVID variants on restaurant traffic and demand, the macro industry supply chain constraints and labor challenges that will continue to affect production run rates and throughput in our factory, and global logistics disruptions and container shortages that affect both domestic and export shipments. We expect further deceleration in the fourth quarter as we begin to lap some of the higher volume comparisons from the prior year. -Lamb Weston Holdings (Jan. 6)

And before I close, just a couple quick notes on Canopy Growth. Clearly, recent results have been disappointing and there are meaningful near-term challenges facing Canopy and the overall cannabis market in Canada as store openings have been slower than previously anticipated due to the pandemic. -Constellation Brands (Jan. 6)

Transportation & Freight Costs (9)

We could see mid-single-digit inflation in retails, as rising raw material pricing, labor and transportation costs are all impacting us and our suppliers. We have no way to say how long this will last, but our industry has been disciplined about pricing for decades, and we expect that to continue. -AutoZone (Dec. 7)

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Moving on to inflation, again, it's pretty much the same story that we told during each of the last two quarters. There have been and are a variety of inflationary pressures that we and others are seeing from labor cost to freight cost, to higher demand, to container shortages and port delays, to increased demand on certain product categories, much of what you see and read out there. Various shortages on everything from chips to oils and chemicals supplied by facilities hit by the Gulf storms a while back. Higher commodities prices. -Costco (Dec. 9)

To further impact our second-quarter results, I will highlight several key drivers. The difficult labor market once again had the largest effect on our bottom line, representing an estimated $470 million in additional year-over-year costs…Of the $470 million, we estimate $230 million was incurred in higher wage and purchase transportation rates. This included higher wage rates and paid premiums for team members and higher rates paid for third-party transportation services. -FedEx (Dec. 16)

Gross margin increased 280 basis points versus the prior year, driven primarily by higher NIKE Direct margins due to lower markdowns, higher full price mix and foreign currency exchange rates, partially offset by increased freight and logistics costs. -NIKE (Dec. 20)

Obviously, freight and logistics remains a challenge for all of our businesses. -General Mills (Dec. 21)

The second quarter gross inflation rate of 16.4% of cost of goods sold was approximately 100 basis points or $20 million higher than expected, driven by higher-than-anticipated increases in proteins and transportation, which are both difficult to hedge. -Conagra Brands (Jan. 6)

Gross profit in the quarter declined $18 million, as the benefit of increased sales was more than offset by higher manufacturing and transportation costs on a per-pound basis. Double-digit inflation for commodities and transportation costs accounted for almost 90% of the increase in cost per pound…Freight costs rose, especially for ocean freight and trucking, as global logistics networks continued to struggle. Our costs also increased due to an unfavorable mix of higher cost trucking versus rail in order to meet service obligations for our certain customers. -Lamb Weston (Jan. 6)

Looking ahead to fiscal year 2023, we expect significant cost increases for the business including supply chain disruptions, inflationary cost pressures on product, freight, and warehousing costs. -Constellation Brands (Jan. 6)

However, gross margin declined slightly, constrained by higher shrink from organized crime theft and increased import freight costs. -Walgreens Boots Alliance (Jan. 6)

Raw Material & Commodity Costs (8)

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Turning to the construction cost impacts on our fourth quarter closings, were primarily from the lumber increases taken earlier in the year that are now impacting cost as homes close. In the fourth quarter, costs were up $6.78 per square foot over the third quarter, and lumber accounted for $4.18 of that increase. We will still see increased costs from lumber in our first quarter deliveries. But starting in Q2 and through Q3, we will benefit from lumber cost reductions. We experienced cost pressures in Q4 in other material categories and on labor that will start to flow through closings in the second half of 2022. -Lennar (Dec. 16)

And while we're happy with our performance, cost pressures continue to exceed our expectations on both commodities and labor with total inflation of 6% this quarter. -Darden Restaurants (Dec. 17)

On a full-year basis, we are now estimating cost of goods sold headwinds to be approximately $500 million higher than what was assumed in our initial fiscal 2022 outlook. This includes full-year input cost inflation we now estimate to be 8% to 9%, as well as elevated costs related to supply chain disruptions. -General Mills (Dec. 21)

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We have increased our gross inflation expectations to approximately 14%, largely driven by higher estimated costs versus the previous estimate for proteins, transportation, dairy and resin. We will continue to monitor these input costs closely and will be quick to respond using all available margin levers. -Conagra Brands (Jan. 6)

Gross profit in the quarter declined $18 million, as the benefit of increased sales was more than offset by higher manufacturing and transportation costs on a per-pound basis. Double-digit inflation for commodities and transportation costs accounted for almost 90% of the increase in cost per pound. Of the two, commodities played a bigger role and were again, led by edible oils, including canola oil which nearly doubled versus the prior-year quarter. -Lamb Weston (Jan. 6)

Moving on to Beer margins, Beer operating margin decreased 130 basis points versus prior year to 41.3%. Benefits from favorable pricing and marketing timing were more than offset by unfavorable COGS. The expected increase in COGS was driven by several headwinds that included the following. First, increased material costs due to rising commodity prices and inflationary headwinds that on average are in the mid to high single-digit range predominantly driven by wood pallets, aluminum, steel and cartons. -Constellation Brands (Jan. 6)

Price Increases or Improved Price Realization (17)

As Bill mentioned earlier in the call, we're continuing to see cost inflation in certain product categories, along with rising transportation and distribution center costs. We're continuing to take pricing actions to offset inflation and consistent with prior inflationary cycles, the industry pricing remains rational. -AutoZone (Dec. 7)

Well, I think as it relates to passing on, we've always said we want to be the last to raise the price and the first to lower the price, recognizing there is a limit to what you can do based on these cost increases…Those numbers are kind of a combination of our cost increases, as well as our – some price increases. -Costco (Dec. 9)

In the fourth quarter, new orders, deliveries, gross margins were solid in each of our operating regions. We continue to achieve price increases and saw strength in all product cost categories, from entry-level to move-up and in our active adult communities. -Lennar (Dec. 16)

So then, what are we doing, and it's not so different from what other clients are doing, is that we're focused on pricing to absorb our higher labor costs. And one of the things that we point out, Lisa, is that we were very pleased with the improved pricing that we had this quarter on our record bookings, but we have more work to do. -Accenture (Dec. 16)

Our general rate increase will take place in January, and we expect a strong capture rate. In January, the Ground Economy Peak surcharge will be replaced by the new Ground Economy Delivery surcharge at $1, solidifying the price point for our economy product. -FedEx (Dec. 16)

Our teams continue to demonstrate agility in managing through this environment. This quarter, we implemented several mitigating actions to preserve the strength of our business model while balancing the impact to our guests and team members. One of these actions was taking additional pricing. For the second quarter, total pricing was 2%, and we expect back half pricing to approach 4%, resulting in total pricing of just under 3% for the full fiscal year. -Darden Restaurants (Dec. 17)

Turning to booking trends, our cumulative advanced book position for the second half of 2022 and the first half of 2023 are at the higher end of historical ranges and at higher prices compared to 2019, with or without FCCs but normalized for bundled packages. -Carnival (Dec. 20)

So we delivered very strong gross margins, as you saw in the first quarter, 47%, right in line with where we thought we'd be. Just keep in mind that just a year ago, our gross margins were just a little bit over 30%. So this is a pretty significant improvement in the gross margins. And, of course, some of that obviously comes from pricing, but it also comes from a good cost discipline and the beginnings of the ramp of 1-alpha and 176-layer that we saw last year and into this year. -Micron Technology (Dec. 20)

As I mentioned in my prepared remarks, the biggest drivers of gross margin expansion this quarter and, frankly, the biggest driver relative to what we had guided 90-days ago was the level of full-price realization and lower markdown rates versus what we had anticipated for a holiday season. And so we were surprised by it, and it just is reflective of the strength of the brand and the connections that we've got with consumers. -NIKE (Dec. 20)

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So one of the things that is important to note is that most of our contracts indicate that we can take price increases if warranted at 3% or up to the rate of inflation. Now we're not obviously going to price up to the rate of inflation, which recently has been quite a bit higher. But I think it's important to note that the sales team, led by Helen Shan has done a good job of upping the realization on the price front for us, being very careful to provide appropriate value to our customers. -FactSet Research Systems (Dec. 21)

We've also taken actions to manage cost and support our profitability, including leveraging our Strategic Revenue Management capability to execute significant pricing actions across our portfolio, resulting in organic price/mix stepping up from Q1 to Q2. And we expect a further increase in price/mix in the back half of the year. -General Mills (Dec. 21)

And maybe then the last bucket I'll throw out there is we've talked quite a bit about resuming pricing and pricing is helping a little bit this year. And so, margin improvement, I think we can throw it in those four buckets and it's – I would say it certainly is leading to some pretty good performance... -Cintas (Dec. 22)

For the third quarter of FY 2022, our diversified business model delivered total sales of $8.5 billion, up 64% compared with the third quarter of FY 2021, driven by both higher average selling prices and volume gains. Net earnings per diluted share was $1.63, up 15% from a year ago. -CarMax (Dec. 22)

We have, I think, throughout the pandemic shown agility in terms of responding very quickly and creating value-added products and services for our clients. That's helped both to raise our average revenue per client, also helped us to justify the price realization that we've done. -Paychex (Dec. 22)

The additional pricing actions, which are critical, we announced in December and they were accepted. And we have a small impact in Q3 given the timing, but we'll have a much bigger impact on Q4 from the pricing. So the pricing has been announced. It's been accepted, and we have very good visibility to that for forecasting purposes. So Q4 will benefit meaningfully from these pricing actions. -Conagra Brands (Jan. 6)

With respect to pricing, we're making good progress in implementing recent pricing actions to manage input cost inflation. In the second quarter, we began to see the initial benefits of the price increases that took effect in the summer in our Foodservice and Retail segments, as well as in some of our international businesses. We expect the benefit of these prices will continue to build as the year progresses. In December, we began implementing another round of pricing actions in our Foodservice and Retail segments. While these actions do not affect our second quarter results, we'll see a gradual benefit from them over the next six months. -Lamb Weston (Jan. 6)

For full year fiscal 2022, we now expect net sales growth to land in the 10% to 11% range and operating income growth to land in the 6% to 7% range reflecting the continued strength of our core beer portfolio. As previously communicated, we expect price increases within our beer portfolio to land slightly above our typical 1% to 2% range. -Constellation Brands (Jan. 6)

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