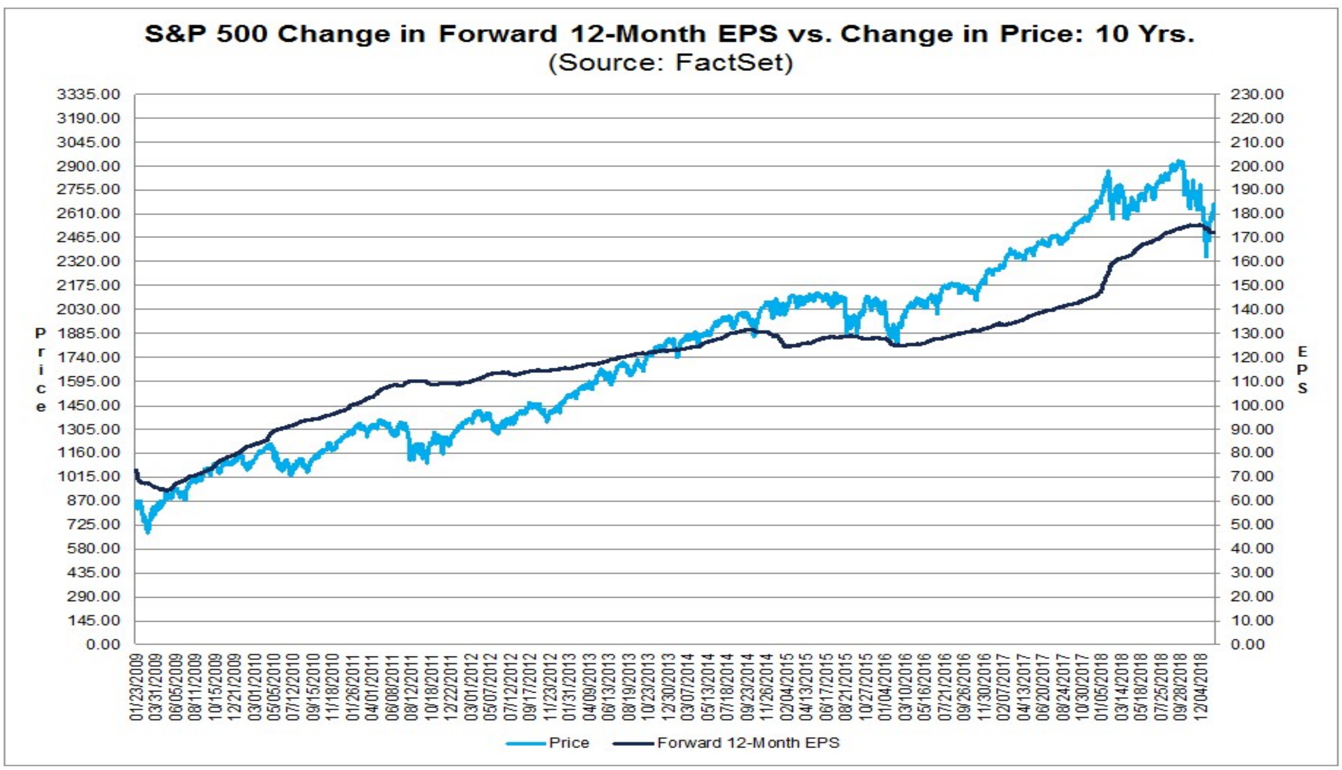
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

January 25, 2019

Key Metrics

- **Earnings Scorecard:** For Q4 2018 (with 22% of the companies in the S&P 500 reporting actual results for the quarter), 71% of S&P 500 companies have reported a positive EPS surprise and 59% have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2018, the blended earnings growth rate for the S&P 500 is 10.9%. If 10.9% is the actual growth rate for the quarter, it will mark the fifth straight quarter of double-digit earnings growth for the index.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2018 was 12.2%. Six sectors have lower growth rates today (compared to December 31) due to downward revisions to EPS estimates and negative EPS surprises.
- **Earnings Guidance:** For Q1 2019, 15 S&P 500 companies have issued negative EPS guidance and 1 S&P 500 company has issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 15.4. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.6).



To receive this report via e-mail or view other articles with FactSet content, please go to: https://insight.factset.com/

All data published in this report is available on FactSet. Please contact media_request@factset.com or 1-877-FACTSET for more information.

Topic of the Week:

How Many S&P 500 Companies Are Seeing a Negative Impact from the Government Shutdown?

During each corporate earnings season, it is not unusual for companies to comment on subjects that had an impact on their earnings and revenues for a given quarter or may have an impact on earnings and revenues for future quarters. Through Thursday (January 24), approximately 21% of the companies in the S&P 500 (106 companies) had reported earnings results for the fourth quarter. Given the continuation of the government shutdown, have companies in the S&P 500 commented on the "shutdown" during their earnings conference calls for the fourth quarter?

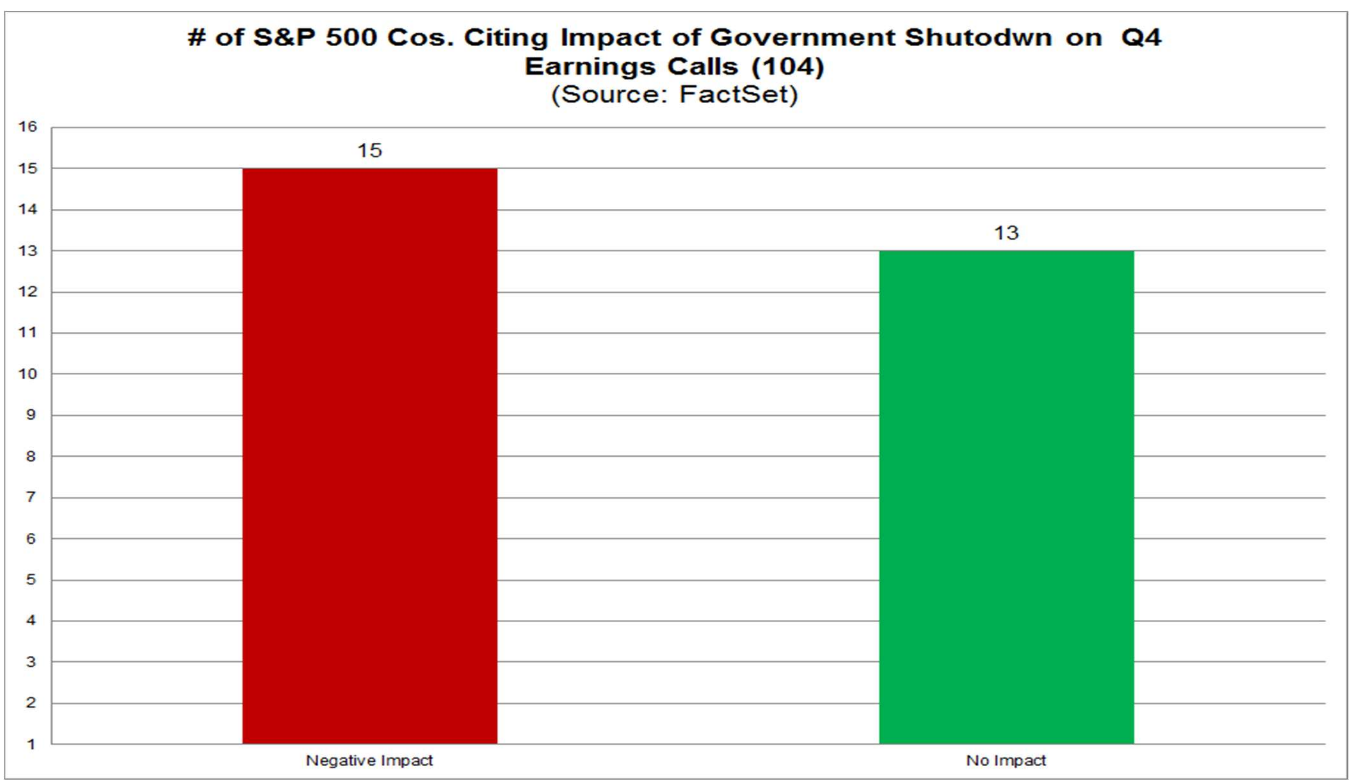
To answer this question, FactSet searched for the term "shutdown" in the conference call transcripts of the 104 S&P 500 companies that had conducted fourth quarter earnings conference calls through January 24.

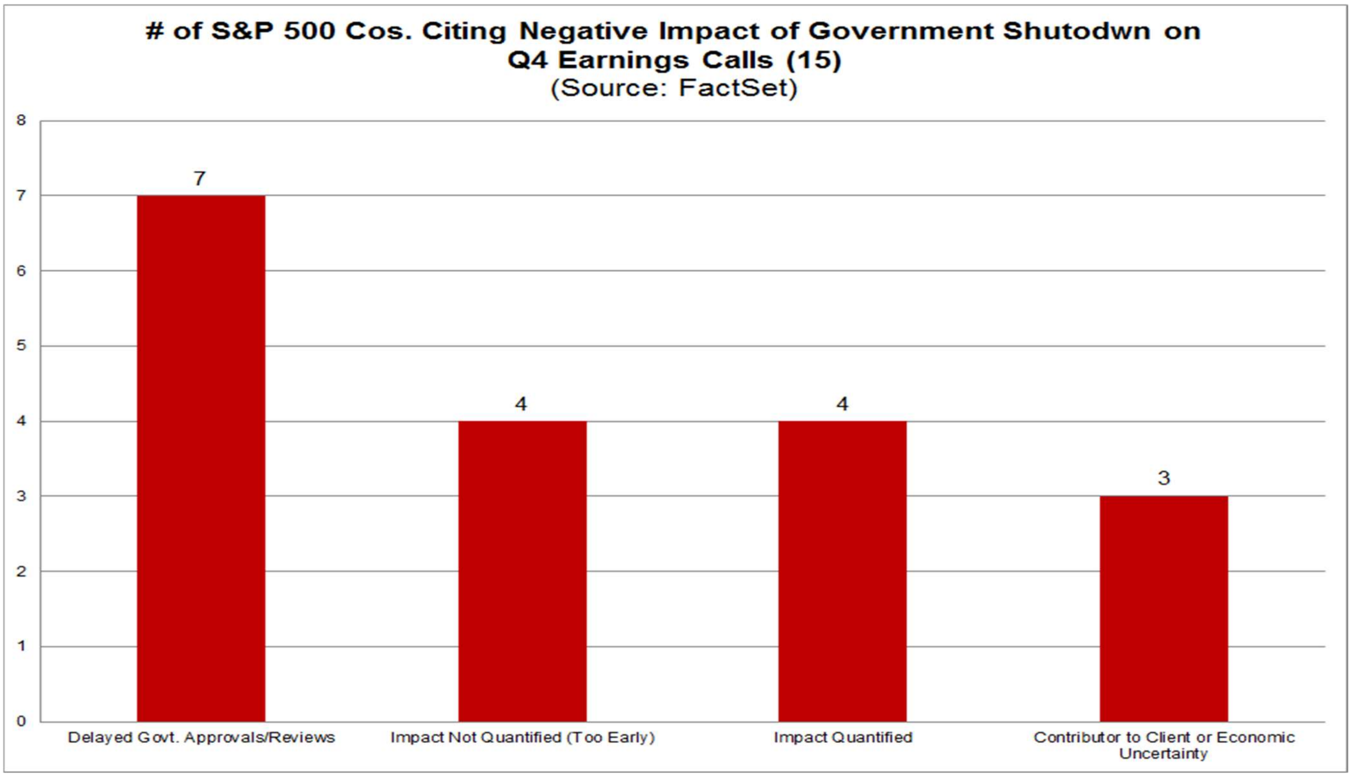
Of these 104 companies, 34 (or 33%) cited the term "shutdown" during their earnings call. At the sector level, the Financials (11) and Industrials (11) sectors had the highest number of companies discussing "shutdown" on Q4 earnings calls. Combined, these two sectors accounted for nearly two-thirds of the total number.

Overall, 13 of the 34 companies that have discussed the term "shutdown" on their earnings calls saw no impact from the government shutdown.

On the other hand, 15 of the 34 companies that have discussed the term "shutdown" on their earnings call saw some direct or indirect negative impact due to the government shutdown. Seven companies discussed a delay (or potential delay) in getting necessary government approvals or reviews. Four companies discussed a negative impact from the shutdown, but stated it was too early to quantify the impact. Four companies discussed a quantifiable negative impact from the shutdown. Finally, three companies stated that the government shutdown was a contributor to client or overall economic uncertainty. The number of companies do not add to 15, as Delta Air Lines, Southwest Airlines, and SVB Financial Group discussed both a delay in a government approval and a quantifiable negative impact on revenues.

The specific comments from the companies that discussed a negative impact due to the government shutdown can be found on the next few pages.





Negative: Delayed Government Approvals/Reviews (7)

"But for sure, if we don't see the ability to get approvals from the SEC on IPOs, to a lesser extent, some of the M&A deals that need approvals from government agencies, it will be problematic in the ability to see those activity levels play out and fees be realized. So, I mean, it's one of many things that would behoove us to end this sooner rather than later." JPMorgan Chase (Jan. 15)

"Now with respect to the government shutdown, we are seeing some pressure on our business…The bigger impact is on our operation. With non-essential work at the FAA shutdown, our Airbus A220 start date is likely to be pushed back due to delays in the certification process." -Delta Air Lines (Jan. 15)

"Before diving into the results for the quarter and our increased outlook for the full year, I'd like to provide a brief update on the upcoming Kontoor Brands spin-off. We filed the initial Form 10 registration statement with the SEC in mid-December. We remain on track for a public filing in early March. However, the government shutdown has the potential to delay the public filing." -V.F. Corporation (Jan. 18)

"So, to answer the second part of question first, we have seen an impact, but it's not in probably the way that you might expect. We've actually won business, but there is no one in the central procurement agency to actually process the paperwork. And so, our guidance anticipates that this does not go on through the remainder of the quarter, but somebody is actually going to be there to process or we will find another route in which to process those orders. If we find that this continues to go throughout the quarter, we probably would expect some impact that is not anticipated in our guidance." -F5 Networks (Jan. 23)

"I think we can have growth in M&A, whether we have growth in underwritings, it's – if the government stays shut down, that would be hard to do…So, but certainly if it stays shut down, it's going to have an impact…There will be probably some catch-up if the market's reasonable, if it opens up, but it's hard without the FCC, not too many people are going to issue with them closed." -Raymond James Financial (Jan. 24)

"With SVB Leerink, we expect core fee income growth in the high-60s. This reflects our expectations of slow investment banking revenues in the first quarter due to the impact of the government shutdown on the SEC IPO review process." -SVB Financial Group (Jan. 24)

"Our primary operational focus in the near term is getting that ETOPS authorization…But until the government shutdown ends, we are at a standstill. Now you may have heard that there was an additional FAA personnel authorized to return to work, but the work that they can do is limited to safety-specific activity. And certification of new or expanded operational capabilities it doesn't fall within that definition and thus the standstill. If the shutdown ends within a week, I think we have a reasonable chance of beginning service in the first quarter of 2019. Otherwise, it will likely be in the second quarter." -Southwest Airlines (Jan. 24)

Negative: Impact Not Quantified (4)

"We do have the largest exposure, the biggest presence in D.C. But as we said, it's hard for us to know what the impact is right now or what it's going to be or how long it's going to go. And really what we did is gave a wider range to reflect that uncertainty. Maybe after the quarter when it's all over, we'll try to look back and see what that impact was. But right now, we're not going to try to pin a number on it." -United Continental Holdings (Jan. 16)

"We have seen some impact, but there is a lot of uncertainty as to kind of what's going to happen going forward. So, we have not yet put a dollar value on it. But what we've seen to-date is included in our guidance for the first quarter." - American Airlines Group (Jan. 24)

"It is too early to know what the impact of the partial federal government shutdown will have on our economy. Federal government's share of unemployment across our territory ranges between 0.7% in Arkansas to 7.2% in Texas, with some portion of these numbers being unaffected military employees. The longer the shutdown lasts the higher impact we would expect to see in residential and commercial sales due to lower personal income and spending." -American Electric Power (Jan. 24)

"I think noise is the right way to put it. I mean, it is a headwind. If you look at it specifically, within our public sector business, state and local are a much larger parts for Citrix than Federal, but I think it's reasonably to us – reasonable at least to assume that there's going to be some broader impact at some point. I mean, I can't point to it quantitatively, but qualitatively there's conversations that everyone is having just trying to understand the potential impact on their business, whether it's from U.S. shutdown, whether it's from global changes with Brexit or whether it's things like ongoing political volatility." -Citrix Systems (Jan. 24)

Negative: Impact Quantified (4)

"Now with respect to the government shutdown, we are seeing some pressure on our business. On the revenue front, we're experiencing about $25 million per month in lower government travel." -Delta Air Lines (Jan. 15)

"With SVB Leerink, we expect core fee income growth in the high-60s. This reflects our expectations of slow investment banking revenues in the first quarter due to the impact of the government shutdown on the SEC IPO review process." -SVB Financial Group (Jan. 24)

"And finally just like everyone, we are keeping a very close eye on the impact of the government shutdown and we currently estimate a $10 million to $15 million negative impact in January revenues thus far. And that is built into our Q1 RASM guidance." -Southwest Airlines (Jan. 24)

"So far, I would say the impact on as has been – certainly, it's calculable, but not big. It's a small impact for us right now. I would say we get a little more concerned if the shutdown goes longer because it has knock-on effects to other things." -W.W. Grainger (Jan. 24)

Negative: Contributor to Client or Economic Uncertainty (3)

"The geopolitical comment, however, affects all this. It provides a backdrop of obdurate uncertainty. Trade wars, government shutdown, China slowdown, EU slowdown, Brexit, you name it, both here and abroad, impact people's economic growth outlook." -Bank of America (Jan. 16)

“Having said that, I would say that we've got the same caution that we would have had on prior calls around the overall economic and political backdrop that's going on right now and that customer sentiment still remains somewhat mixed around tariffs and government shutdown, labor constraints, et cetera. So we've got to factor that into the equation overall.” -Comerica (Jan. 16)

“Let me just add one more comment that I found the most interesting, probably the most interesting statistic that I've seen about the economy is something called the global Economic Policy Uncertainty Index…it's a scale of the degree of policy uncertainty around the world. And let me give you a couple of points. During the 9/11 attack and the Iraq-Iran – excuse Iraq war breaking out that index was at 200. At the peak of the global financial crisis it was at 210 and Brexit it got to 300 and today given the China war and the government shutdown and all that it's well north of 300. Now I have no idea whether there is any academic rigor or anything related to this index, but I just found it fascinating that the world thinks we're in a much less certain environment. Now certain is – uncertain is usually viewed as bad.” -Prologis (Jan. 22)

Q4 Earnings Season: By The Numbers

Overview

To date, 22% of the companies in the S&P 500 have reported actual results for Q4 2018. In terms of earnings, the percentage of companies reporting actual EPS above estimates (71%) is equal to the 5-year average. In aggregate, companies are reporting earnings that are 3.0% above the estimates, which is below the 5-year average. In terms of revenues, the percentage of companies reporting actual revenues above estimates (59%) is below the 5-year average. In aggregate, companies are reporting revenues that are 0.2% above the estimates, which is also below the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report), year-over-year earnings growth rate for the fourth quarter is 10.9% today, which is above the earnings growth rate of 10.6% last week. Positive earnings surprises reported companies in the Industrials and Information Technology sectors were mainly responsible for the small increase in the earnings growth rate during the week. If 10.9% is the actual growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year earnings growth. Six sectors are reporting double-digit earnings growth, led by the Energy, Industrials, and Communication Services sectors.

The blended, year-over-year revenue growth rate for the fourth quarter is 6.1% today, which is equal to the revenue growth rate of 6.1% last week. Ten of the eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communications Services, Real Estate, and Energy.

Looking at future quarters, analysts see low, single-digit earnings growth for the first three quarters of 2019.

The forward 12-month P/E ratio is 15.4, which is below the 5-year average but above the 10-year average.

During the upcoming week, 126 S&P 500 companies (including 13 Dow 30 components) are scheduled to report results for the fourth quarter.

Scorecard: Companies Beating EPS and Revenue Estimates by Smaller Margins Than Average

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

Overall, 22% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 71% have reported actual EPS above the mean EPS estimate, 3% have reported actual EPS equal to the mean EPS estimate, and 26% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (77%) average but equal to the 5-year (71%) average.

At the sector level, the Communication Services (100%), Industrials (90%), and Information Technology (88%) sectors have the highest percentages of companies reporting earnings above estimates, while the Energy (33%) and Materials (33%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+3.0%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 3.0% above expectations. This surprise percentage is below the 1-year (+6.0%) average and below the 5-year (+4.8%) average.

The Consumer Discretionary (+8.9%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Lennar ($2.42 vs. $1.93), V.F. Corporation ($1.31 vs. $1.10), Starbucks ($0.75 vs. $0.65), and NIKE ($0.52 vs. $0.46) have reported large positive EPS surprises.

The Industrials sector (+8.1%) is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, United Technologies ($1.95 vs. $1.55), J.B. Hunt Transport Services ($1.78 vs. $1.48), and United Continental Holdings ($2.41 vs. $2.04) have reported the largest positive EPS surprises.

The Materials (-9.7%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, Freeport-McMoRan ($0.11 vs. $0.18) has reported the largest negative EPS surprise.

Market Rewarding Positive and Negative Earnings Surprises

To date, the market is rewarding both positive and negative earnings surprises

Companies that have reported positive earnings surprises for Q4 2018 have seen an average price increase of +1.3% two days before the earnings release through two days after the earnings. This percentage increase larger than the 5-year average price increase of +1.0% during this same window for companies reporting upside earnings surprises.

Companies that have reported negative earnings surprises for Q4 2018 have seen an average price increase of +0.6% two days before the earnings release through two days after the earnings. This percentage increase is an improvement relative to the 5-year average price decrease of -2.6% during this same window for companies reporting downside earnings surprises.

Percentage of Companies Beating Revenue Estimates (59%) is Below 5-Year Average

In terms of revenues, 59% of companies have reported actual sales above estimated sales and 41% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (72%) and below the 5-year average (60%).

At the sector level, the Industrials (80%) sector has the highest percentage of companies reporting revenues above estimates, while the Materials (0%) sector has the lowest percentage of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.2%) is Below 5-Year Average

In aggregate, companies are reporting revenues that are 0.2% above expectations. This surprise percentage is below the 1-year (+1.4%) average and below the 5-year (+0.7%) average.

The Industrials (+1.4%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues. Within this sector, United Technologies ($18.04 billion vs. $16.82 billion) and United Rentals ($2.31 billion vs. $2.2 billion) have reported the largest positive revenue surprises.

The Utilities (-3.9%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, NextEra Energy ($4.39 billion vs. $4.97 billion) has reported the largest negative revenue surprise.

Revisions: Slight Increase in Blended Earnings Growth Rate this Week

Increase in Blended Earnings Growth This Week Due to Industrials and Technology

The blended, year-over-year earnings growth rate for the fourth quarter is 10.9% today, which is slightly above the earnings growth rate of 10.6% last week. Positive earnings surprises reported by companies in the Industrials and Information Technology sectors were mainly responsible for the small increase in the earnings growth rate during the week.

In the Industrials sector, the positive EPS surprise reported by United Technologies ($1.95 vs. $1.55) was a significant contributor to the increase in the overall earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Industrials sector improved to 17.0% from 15.2% during the week.

In the Information Technology sector, the positive EPS surprise reported by Intel ($1.28 vs. $1.22) was a significant contributor to the increase in the overall earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Information Technology sector improved to 4.0% from 3.4% during the week.

No Change Blended Revenue Growth This Week

The blended, year-over-year revenue growth rate for the fourth quarter is 6.1% today, which is equal to the revenue growth rate of 6.1% last week.

Utilities and Materials Sectors Have Seen Largest Decreases in Earnings Growth since December 31

The blended, year-over-year earnings growth rate for Q4 2018 of 10.9% is below the estimate of 12.2% at the end of the fourth quarter (December 31). Five sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Industrials (to 17.0% from 14.6%) and Consumer Discretionary (to 12.3% from 11.1%) sectors. Six 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 Utilities (to -6.8% from 0.9%) and Materials (to 2.9% from 9.4%) sectors.

Information Technology Sector Has Seen Largest Decrease in Revenue Growth since December 31

The blended, year-over-year revenue growth rate for Q4 2018 of 6.1% is below the estimate of 6.4% at the end of the fourth quarter (December 31). Five sectors have recorded an increase in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Health Care (to 7.3% from 5.8%) sector. Four sectors have recorded a decrease in revenue growth during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Information Technology (to 1.5% from 3.8%) sector. Two sectors (Consumer Discretionary and Consumer Staples) have the same revenue growth rates today relative to December 31.

Earnings Growth: 10.9%

The blended (year-over-year) earnings growth rate for Q4 2018 is 10.9%. If 10.9% is the final growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year growth in earnings. Six sectors are reporting double-digit earnings growth, led by the Energy, Industrials, and Communication Services sectors.

Energy: Broad-Based Growth

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 73.0%. At the sub-industry level, five of the six sub-industries in the sector are reporting earnings growth for the quarter: Oil & Gas Drilling (N/A due to $0 earnings in year-ago), Oil & Gas Exploration & Production (133%), Oil & Gas Refining & Marketing (99%), Integrated Oil & Gas (65%), and Oil & Gas Storage & Transportation (64%). The Oil & Gas Equipment & Services (-6%) sub-industry is the only sub-industry reporting a year-over-year decline in earnings in the sector.

Industrials: 8 of 12 Industries Reporting Double-Digit Growth

The Industrials sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 17.0%. At the industry level, 9 of the 12 industries in this sector are reporting earnings growth for the quarter. Eight of these nine industries are reporting double-digit growth in earnings, led by the Construction & Engineering (54%), Trading Companies & Distributors (41%), and Road & Rail (38%) industries.

At the company level, General Electric is the largest detractor to earnings growth for the sector. The mean EPS estimate for GE for Q4 2018 is $0.22, compared to actual EPS of $0.27 in the year-ago quarter. If this company were excluded, the blended earnings growth rate for the sector would improve to 20.1% from 17.0%.

Communication Services: 2 of 4 Industries Reporting Double-Digit Growth

The Communication Services sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 13.7%. At the industry level, three of the four industries in this sector are reporting earnings growth for the quarter. Two of these three industries are reporting double-digit growth in earnings: Diversified Telecommunications Services (31%) and Media (26%).

Revenue Growth: 6.1%

The blended (year-over-year) revenue growth rate for Q4 2018 is 6.1%. Ten of the eleven sectors are reporting year-over-year growth in revenues. Three sectors are reporting double-digit growth in revenues: Communication Services, Real Estate, and Energy.

Communication Services: Alphabet Leads Growth

The Communication Services sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 20.2%. At the industry level, all four industries in this sector are reporting revenue growth. Three of these four industries are reporting double-digit revenue growth: Interactive Media & Services (45%), Media (17%), and Diversified Telecommunication Services (10%).

At the company level, Alphabet is projected to be the largest contributor to revenue growth for this sector. The mean revenue estimate for Alphabet for Q4 4018 is $38.9 billion, compared to revenue of $25.9 billion in the year-ago quarter. Because Alphabet is a dual-listed ticker in the index, the company's revenue numbers are counted twice in the growth rate calculation (once for GOOG and once for GOOGL). If this company were excluded, the blended revenue growth rate for this sector would fall to 12.1% from 20.2%.

Real Estate: CBRE Group Leads Growth

The Real Estate sector is reporting the second highest (year-over-year) revenue growth of all eleven sectors at 11.1%. At the company level, CBRE Group is projected to be the largest contributor to revenue growth for the sector. The mean revenue estimate for CBRE Group for Q4 2018 is $5.96 billion, compared to revenue of $4.34 billion in the year-ago quarter. If this company were excluded, the estimated revenue growth rate for the sector would fall to 5.5% from 11.1%.

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

The Energy sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 10.2%. At the sub-industry level, five of the six sub-industries in the sector are reporting revenue growth for the quarter. Four of these five sub-industries are reporting double-digit revenue growth: Oil & Gas Drilling (27%), Oil & Gas Refining & Marketing (14%), Integrated Oil & Gas (11%), and Oil & Gas Exploration & Production (10%), The Oil & Gas Storage & Transportation (-3%) sub-industry is the only sub-industry reporting a year-over-year decline in revenue in the sector.

Looking Ahead: Forward Estimates and Valuation

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

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

At this point in time, 16 companies in the index have issued EPS guidance for Q1 2019. Of these 16 companies, 15 have issued negative EPS guidance and 1 has issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 94% (15 out of 16), which is above the 5-year average of 71%.

Low, Single-Digit Growth Projected for First 3 Quarters of 2019

For the fourth quarter, companies are reporting earnings growth of 10.9% and revenue growth of 6.1%. For CY 2018, companies are reporting earnings growth of 19.9% and revenue growth of 8.7%. However, analysts expect low, single-digit earnings growth for the first three quarters of 2019.

For Q1 2019, analysts are projecting earnings growth of 0.7% and revenue growth of 6.1%.

For Q2 2019, analysts are projecting earnings growth of 2.4% and revenue growth of 5.3%.

For Q3 2019, analysts are projecting earnings growth of 3.1% and revenue growth of 5.0%.

For Q4 2019, analysts are projecting earnings growth of 11.1% and revenue growth of 6.2%.

For CY 2019, analysts are projecting earnings growth of 6.3% and revenue growth of 5.2%.

Valuation: Forward P/E Ratio is 15.4, Above the 10-Year Average (14.6)

The forward 12-month P/E ratio is 15.4. This P/E ratio is below the 5-year average of 16.4 but above the 10-year average of 14.6. It is also above the forward 12-month P/E ratio of 14.4 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has increased by 5.4%, while the forward 12-month EPS estimate has decreased by 1.0%.

At the sector level, the Consumer Discretionary (19.5) sector has the highest forward 12-month P/E ratio, while the Financials (11.3) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 15% Increase in Price Over Next 12 Months

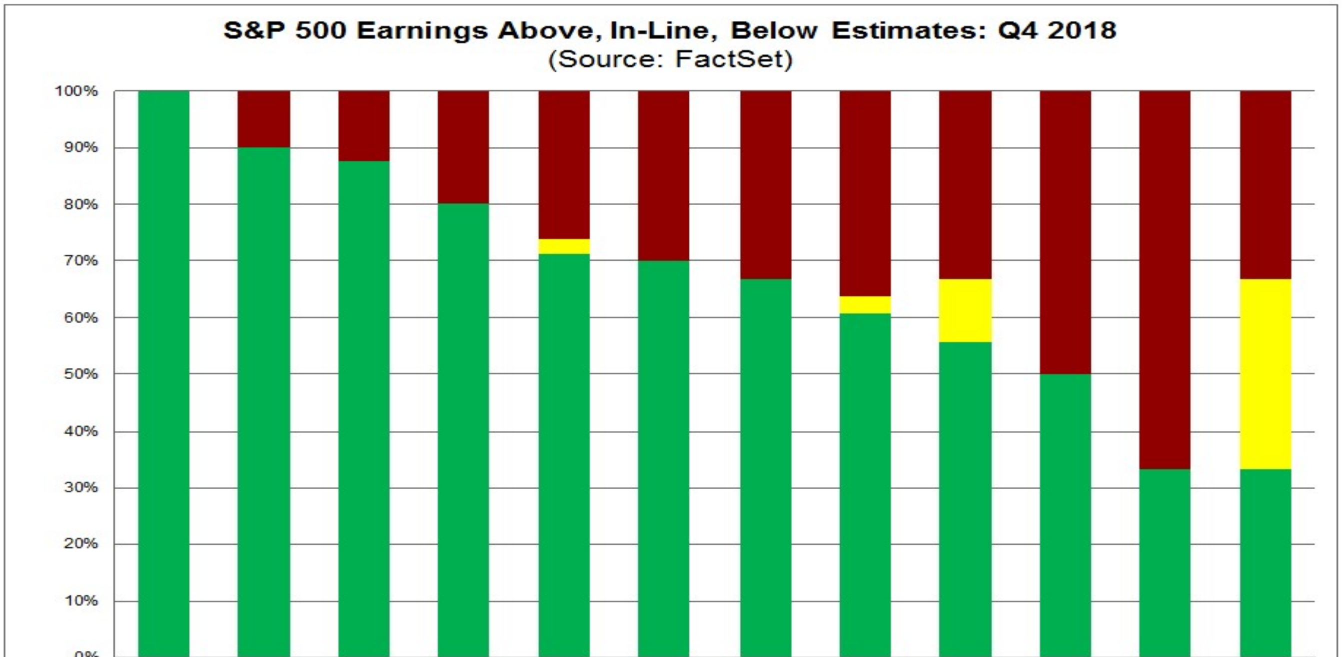
The bottom-up target price for the S&P 500 is 3047.43, which is 15.3% above the closing price of 2642.33. At the sector level, the Energy (+22.1%) and Communication Services (+20.9%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+2.8%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 11,156 ratings on stocks in the S&P 500. Of these 11,156 ratings, 54.6% are Buy ratings, 39.9% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Energy (67%) sector has the highest percentage of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

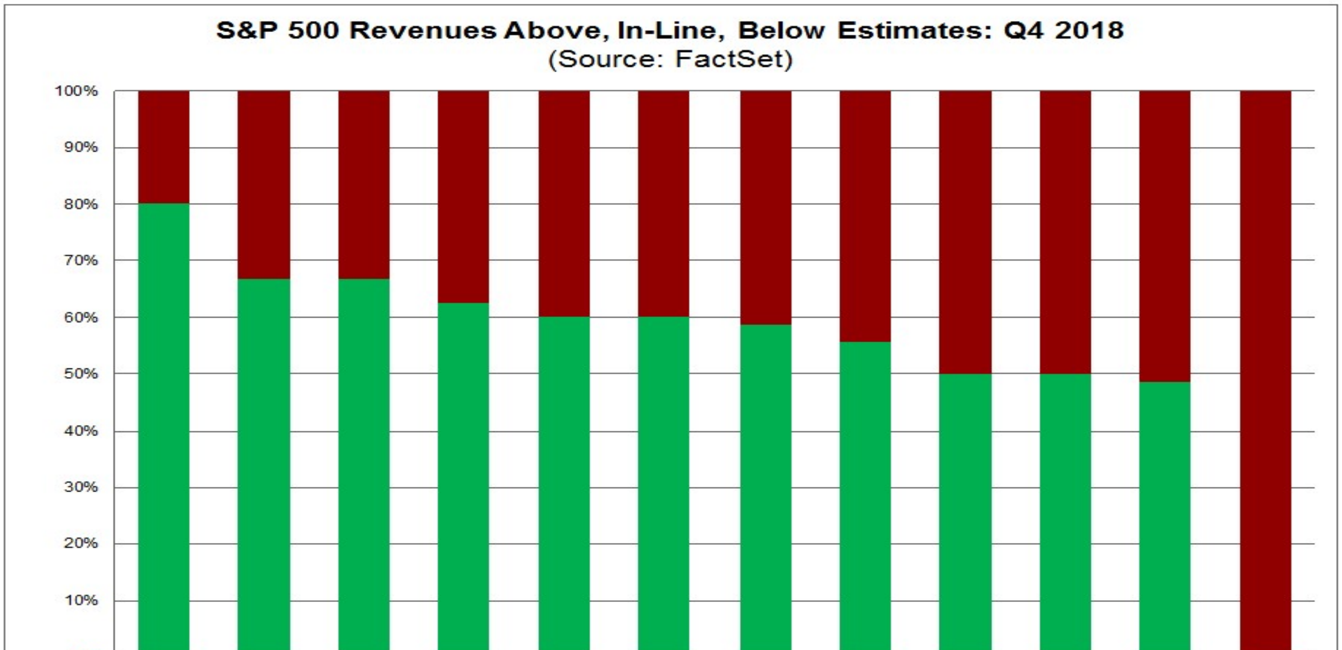
Companies Reporting Next Week: 126

During the upcoming week, 126 S&P 500 companies (including 13 Dow 30 components) are scheduled to report results for the fourth quarter.

Q4 2018: Scorecard

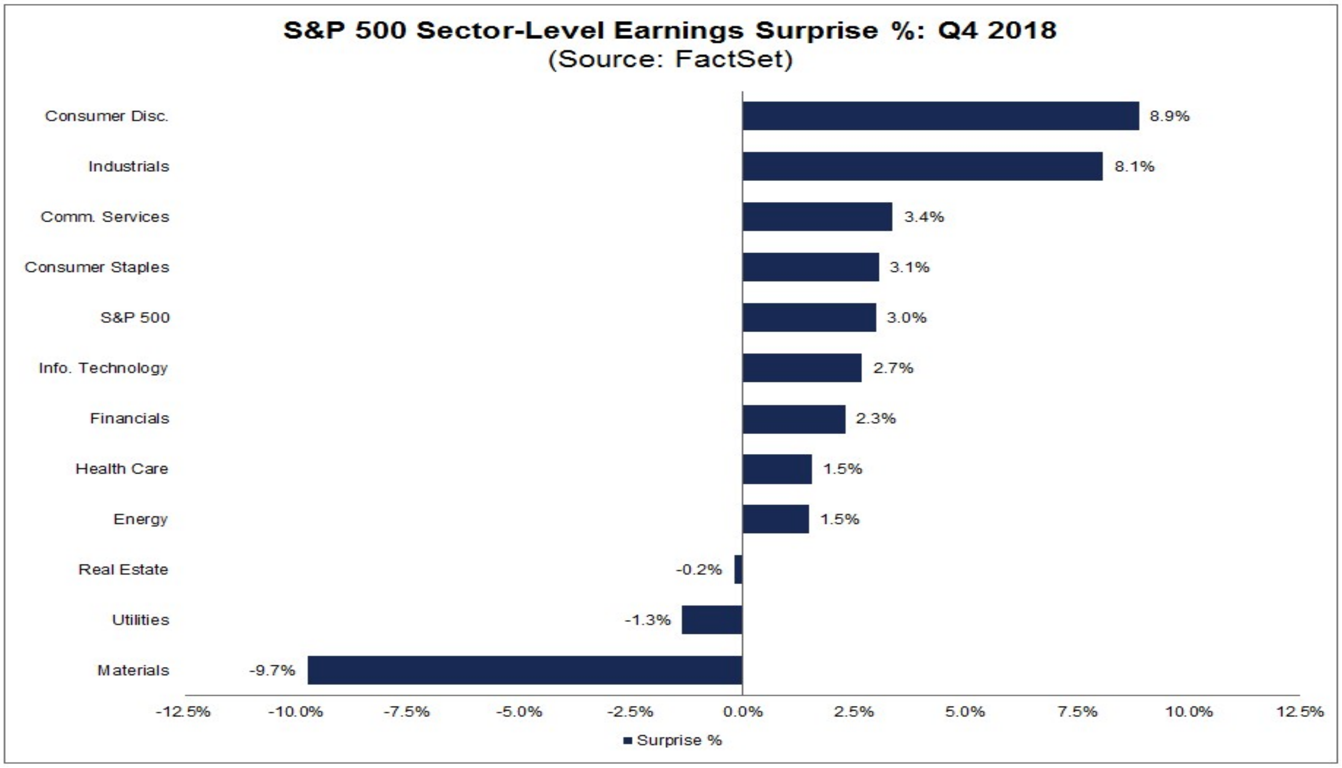


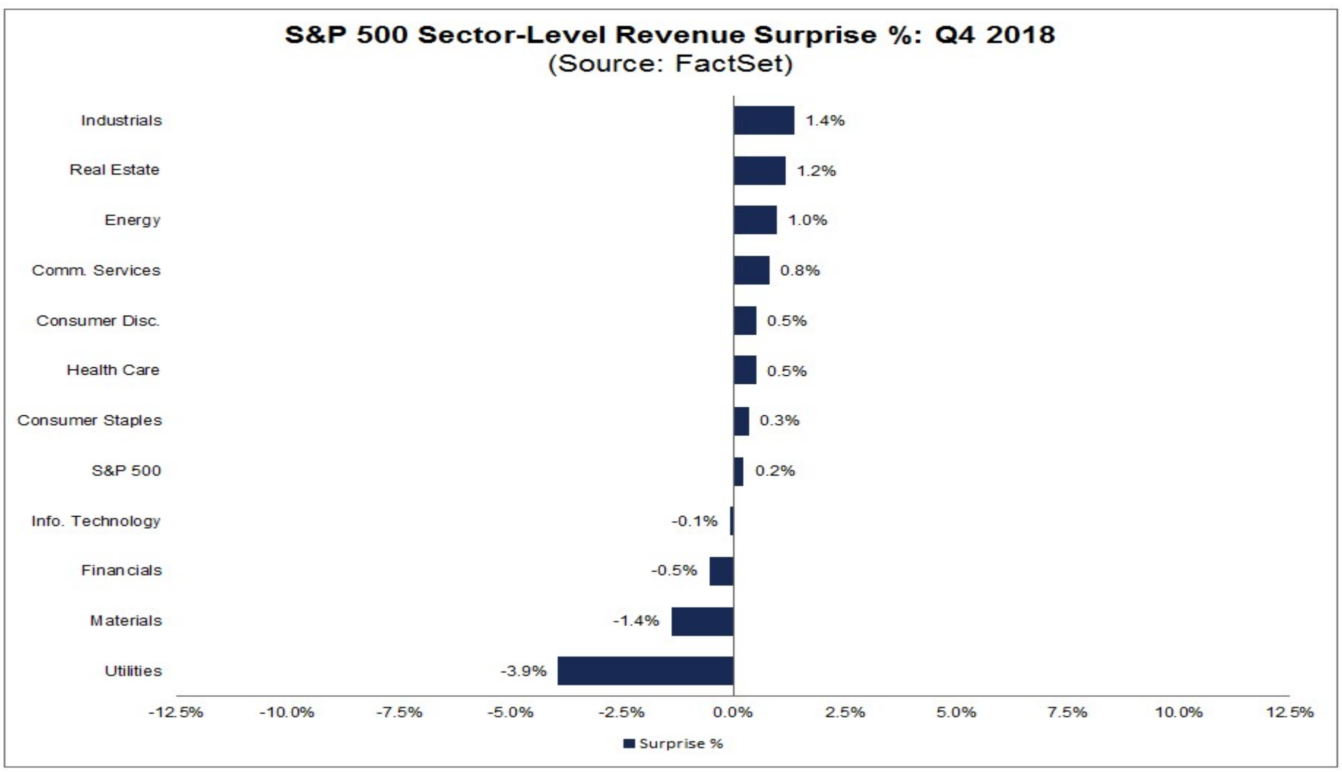
	Comm. Services	Industrials	Info. Technology	Consumer Disc.	S&P 500	Consumer Staples	Real Estate	Financials	Health Care	Utilities	Materials	Energy
Below	0%	10%	13%	20%	26%	30%	33%	36%	33%	50%	67%	33%
In-Line	0%	0%	0%	0%	3%	0%	0%	3%	11%	0%	0%	33%
Above	100%	90%	88%	80%	71%	70%	67%	61%	56%	50%	33%	33%



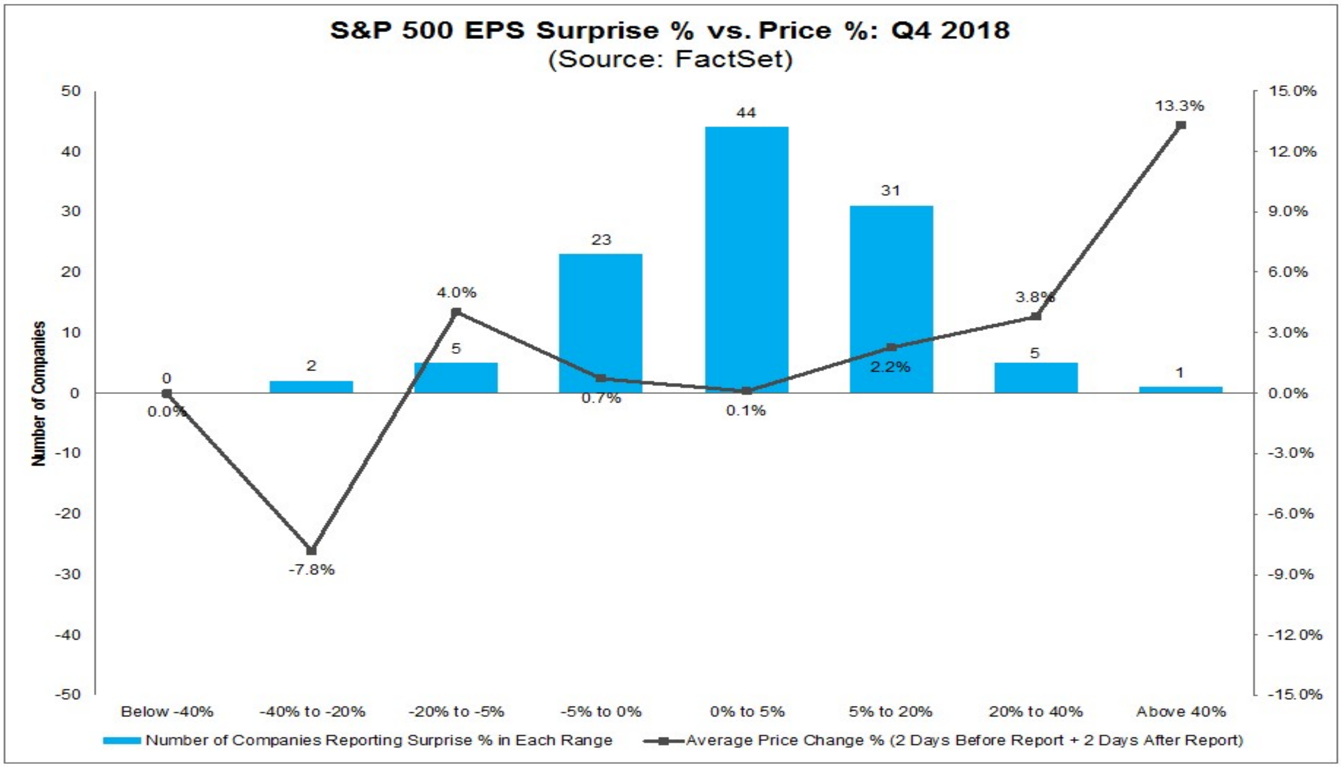
	Industrials	Energy	Real Estate	Info. Technology	Consumer Disc.	Consumer Staples	S&P 500	Health Care	Utilities	Comm. Services	Financials	Materials
Below	20%	33%	33%	38%	40%	40%	41%	44%	50%	50%	52%	100%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	80%	67%	67%	63%	60%	60%	59%	56%	50%	50%	48%	0%

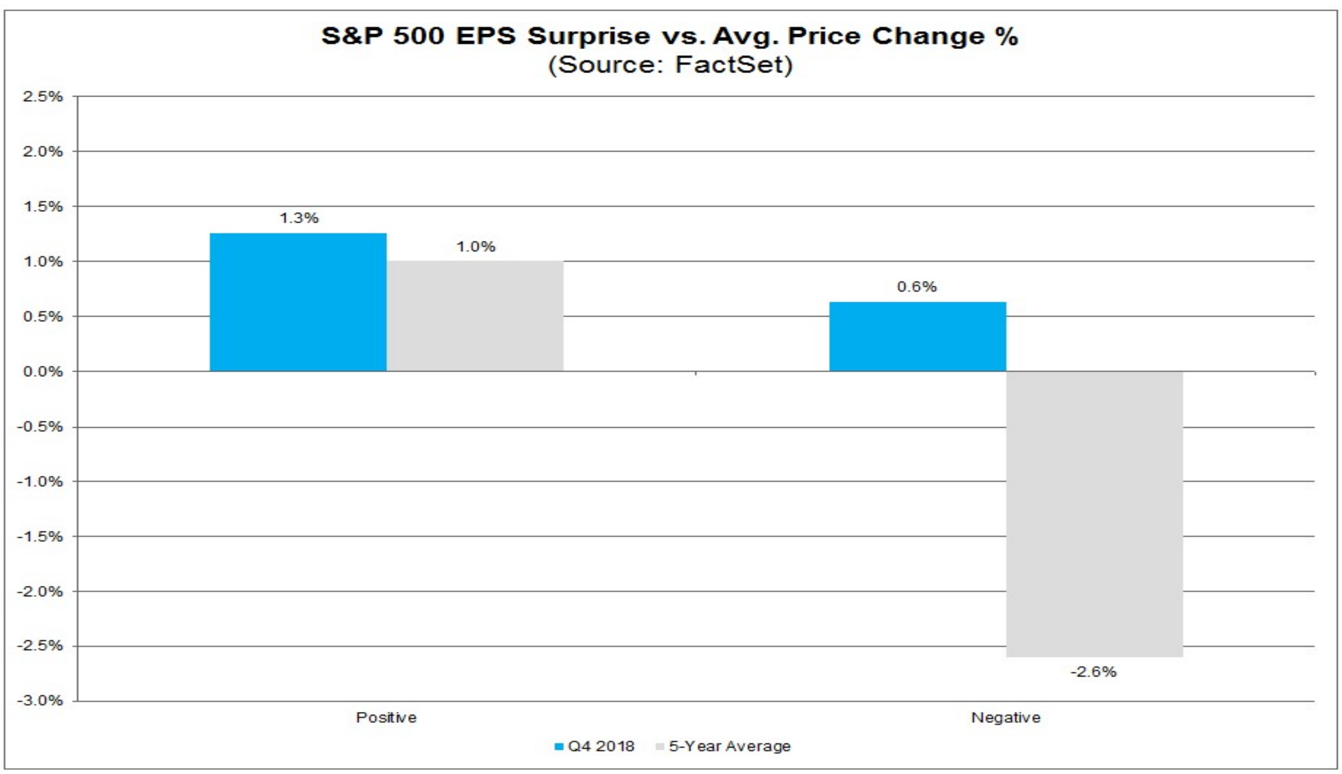
Q4 2018: Scorecard



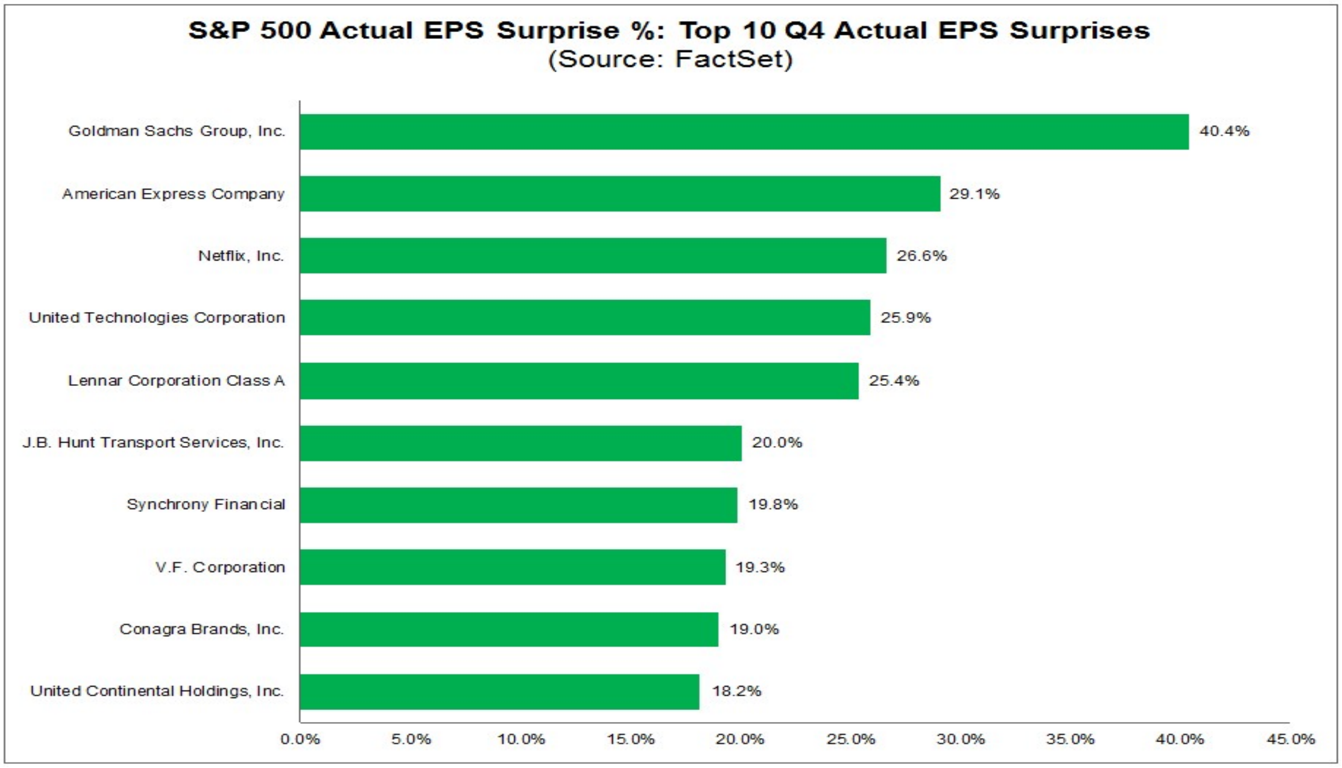


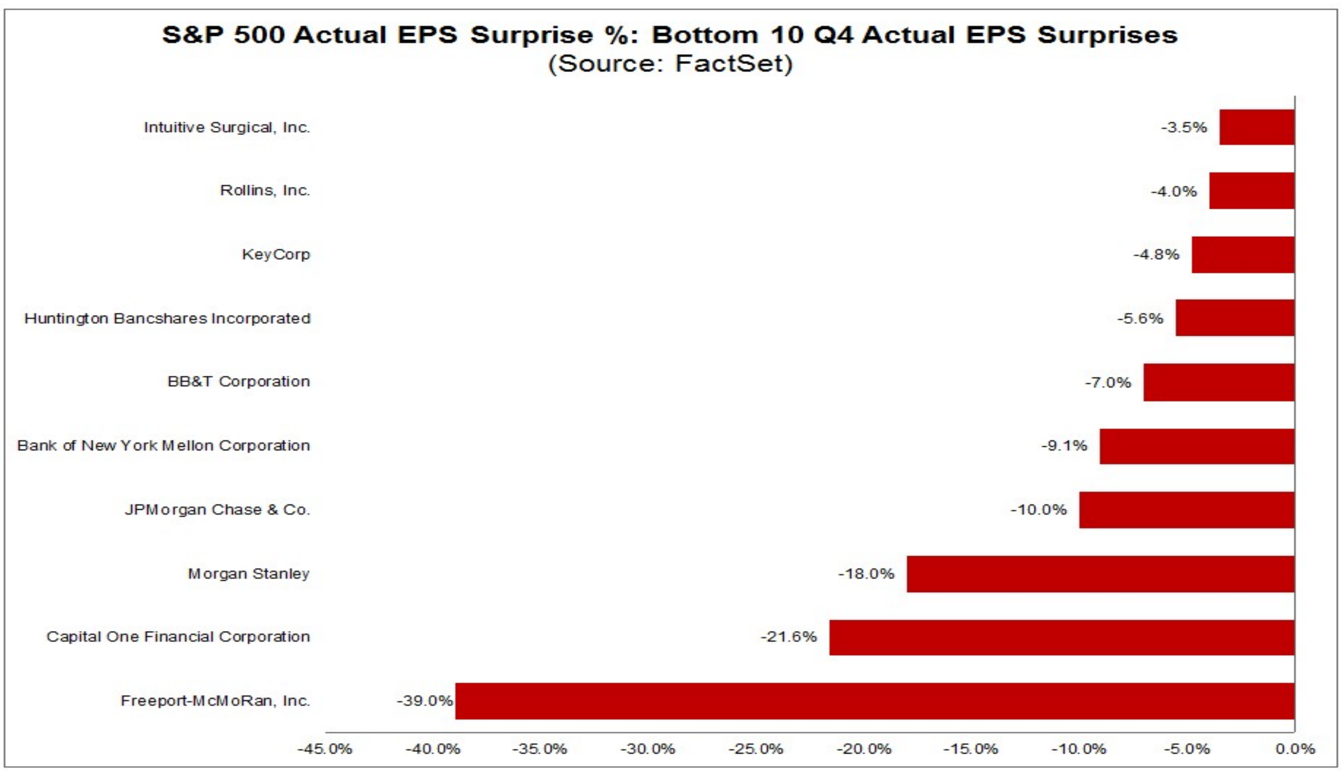
Q4 2018: Scorecard



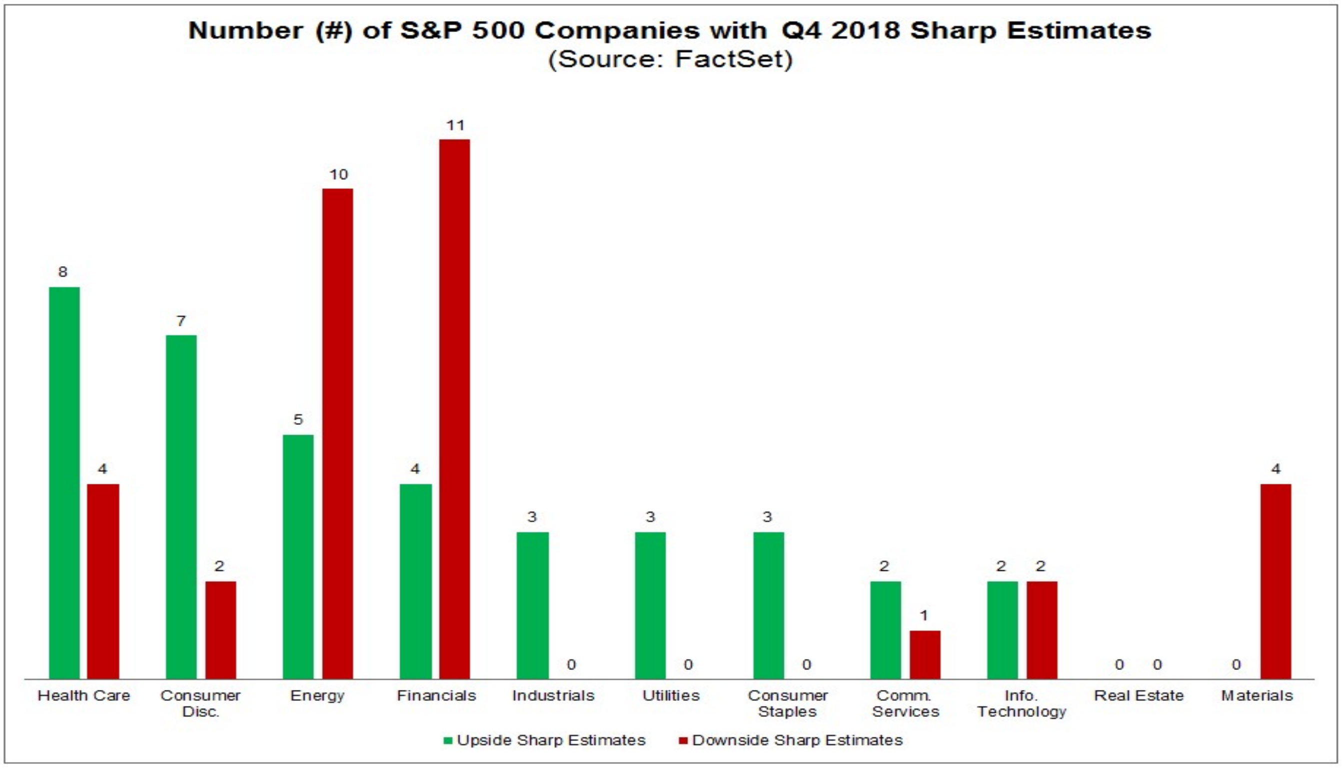


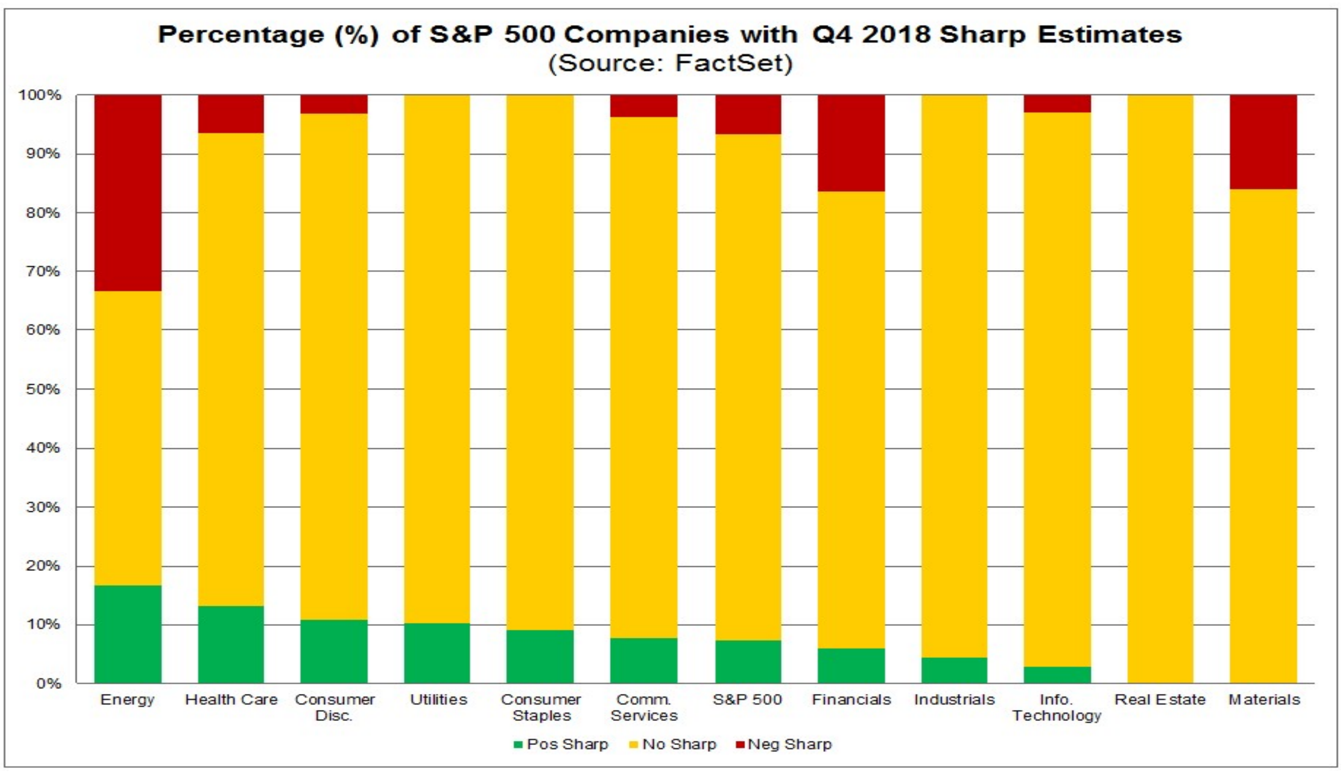
Q4 2018: Scorecard



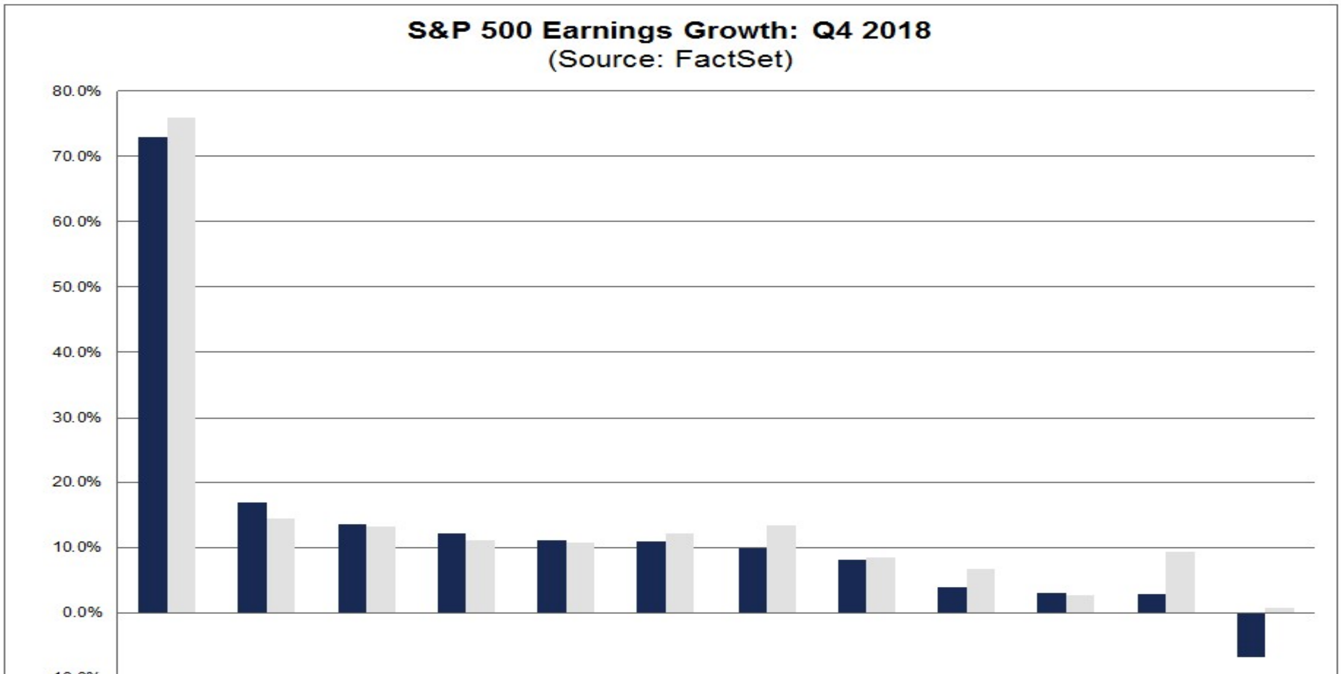


Q4 2018: Projected EPS Surprises (Sharp Estimates)

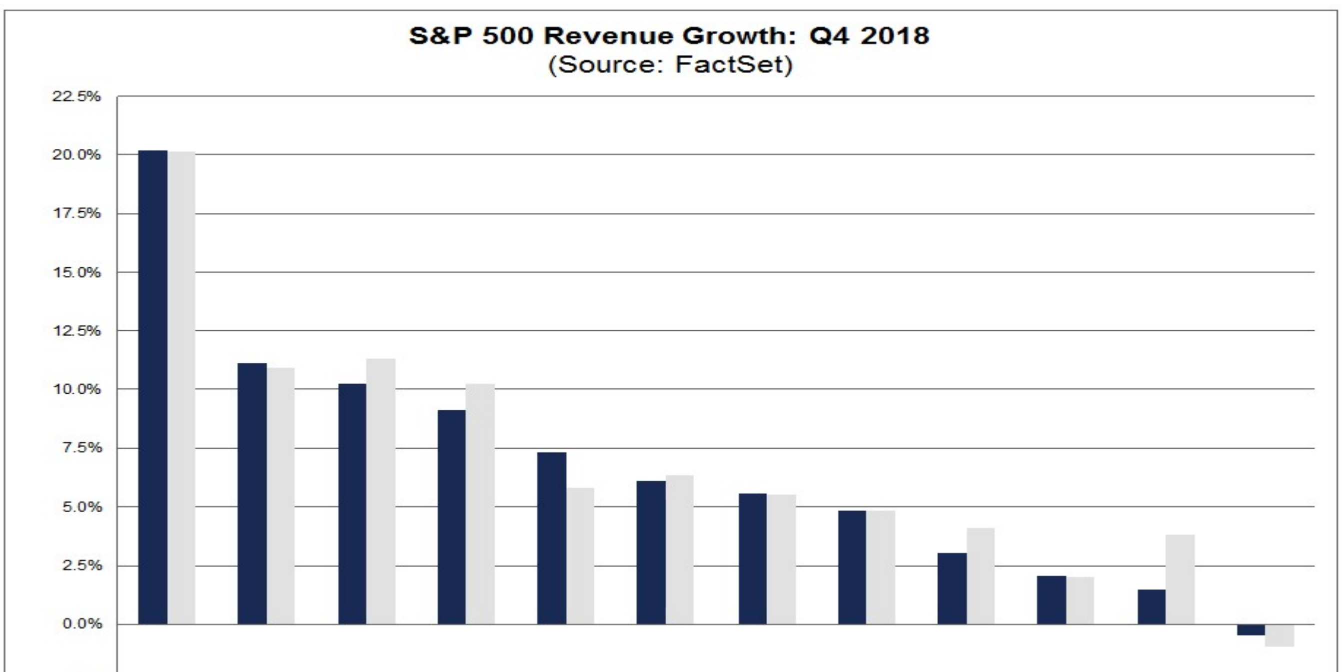




Q4 2018: Growth

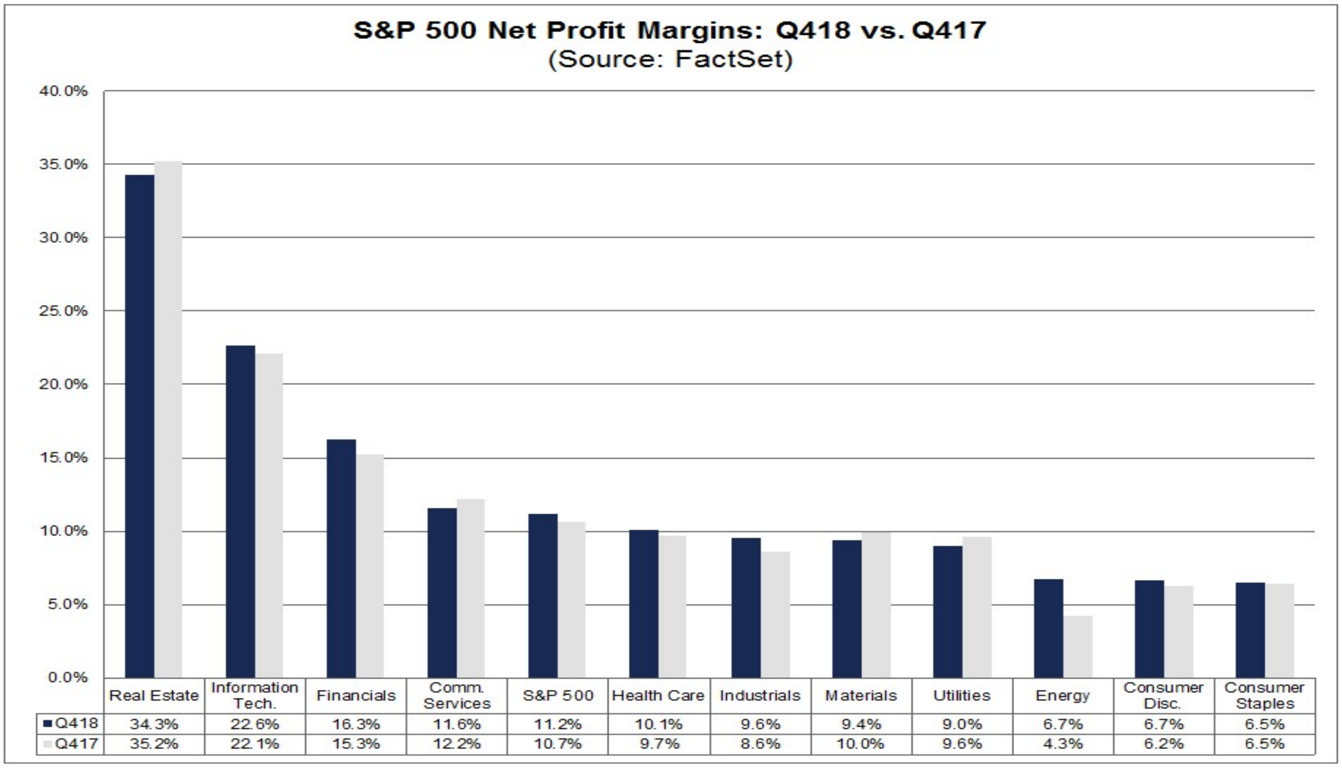


	Energy	Industrials	Comm. Services	Consumer Disc.	Health Care	S&P 500	Financials	Real Estate	Info. Technology	Consumer Staples	Materials	Utilities
Today	73.0%	17.0%	13.7%	12.3%	11.1%	10.9%	10.0%	8.2%	4.0%	3.2%	2.9%	-6.8%
31-Dec	75.9%	14.6%	13.3%	11.1%	10.8%	12.2%	13.5%	8.6%	6.8%	2.8%	9.4%	0.9%

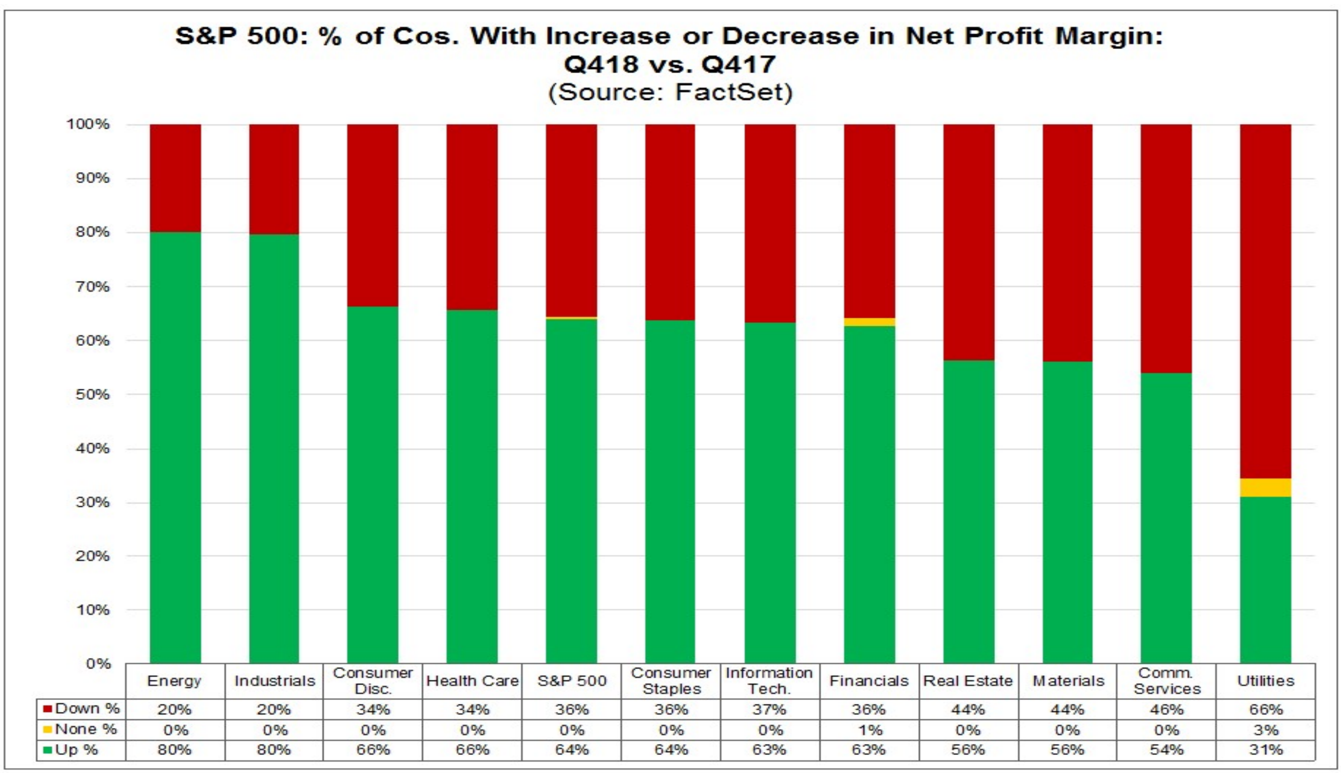


	Comm. Services	Real Estate	Energy	Materials	Health Care	S&P 500	Industrials	Consumer Disc.	Financials	Consumer Staples	Info. Technology	Utilities
Today	20.2%	11.1%	10.2%	9.2%	7.3%	6.1%	5.6%	4.8%	3.0%	2.0%	1.5%	-0.5%
31-Dec	20.1%	10.9%	11.3%	10.2%	5.8%	6.4%	5.5%	4.8%	4.1%	2.0%	3.8%	-1.0%

Q4 2018: Net Profit Margin

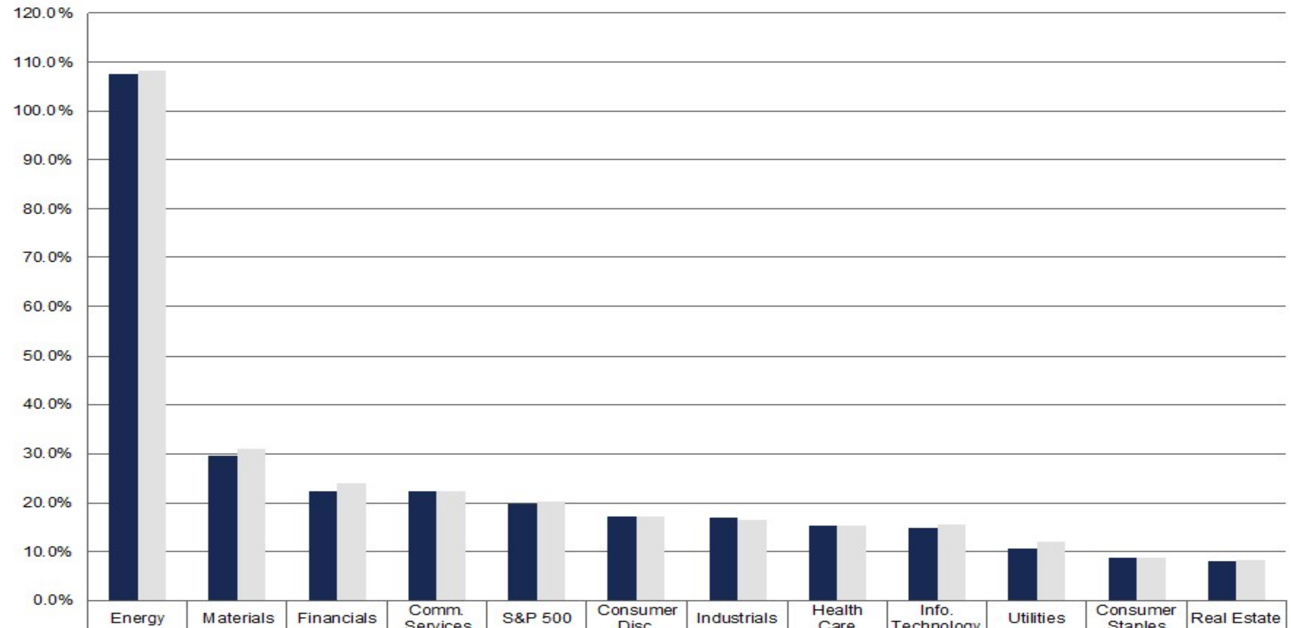


	Real Estate	Information Tech.	Financials	Comm. Services	S&P 500	Health Care	Industrials	Materials	Utilities	Energy	Consumer Disc.	Consumer Staples
Q418	34.3%	22.6%	16.3%	11.6%	11.2%	10.1%	9.6%	9.4%	9.0%	6.7%	6.7%	6.5%
Q417	35.2%	22.1%	15.3%	12.2%	10.7%	9.7%	8.6%	10.0%	9.6%	4.3%	6.2%	6.5%

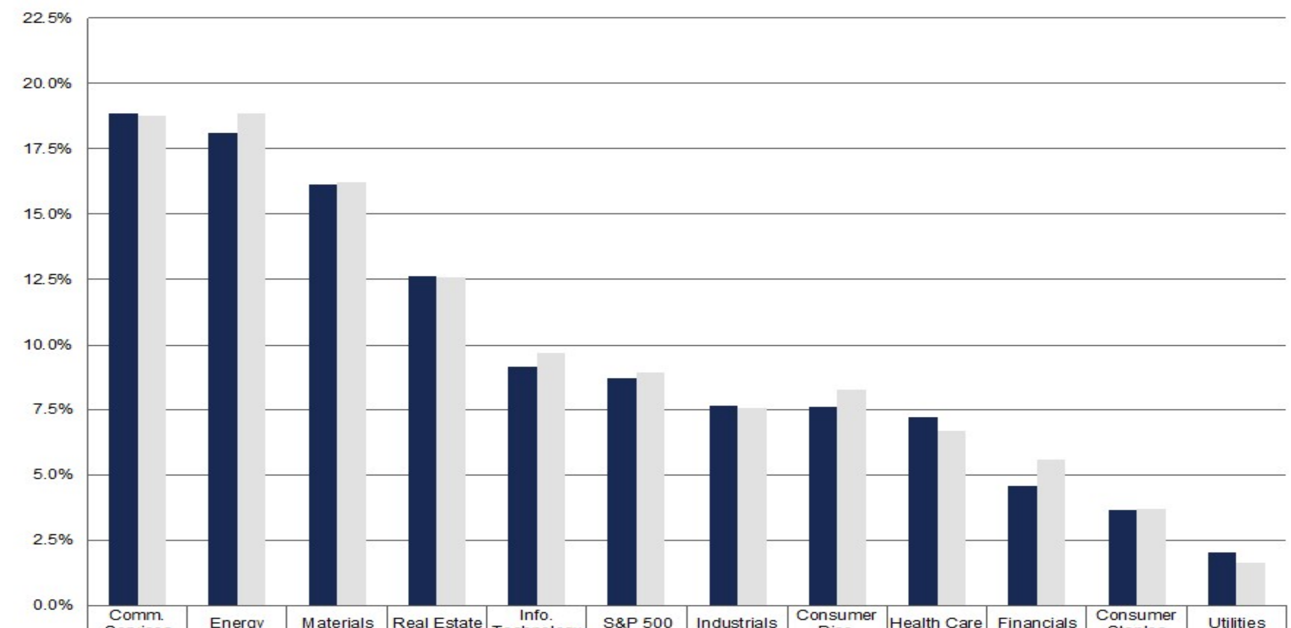


	Energy	Industrials	Consumer Disc.	Health Care	S&P 500	Consumer Staples	Information Tech.	Financials	Real Estate	Materials	Comm. Services	Utilities
Down %	20%	20%	34%	34%	36%	36%	37%	36%	44%	44%	46%	66%
None %	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	3%
Up %	80%	80%	66%	66%	64%	64%	63%	63%	56%	56%	54%	31%

CY 2018: Growth

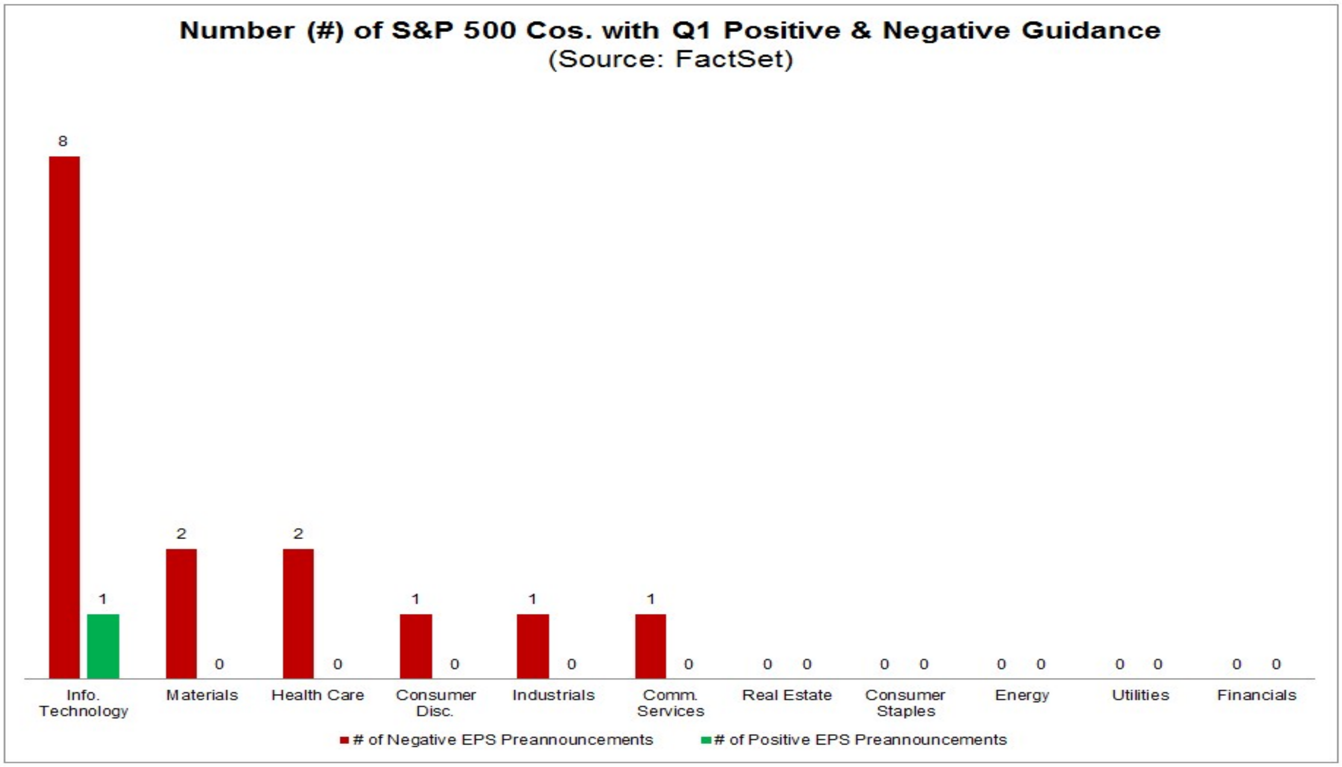


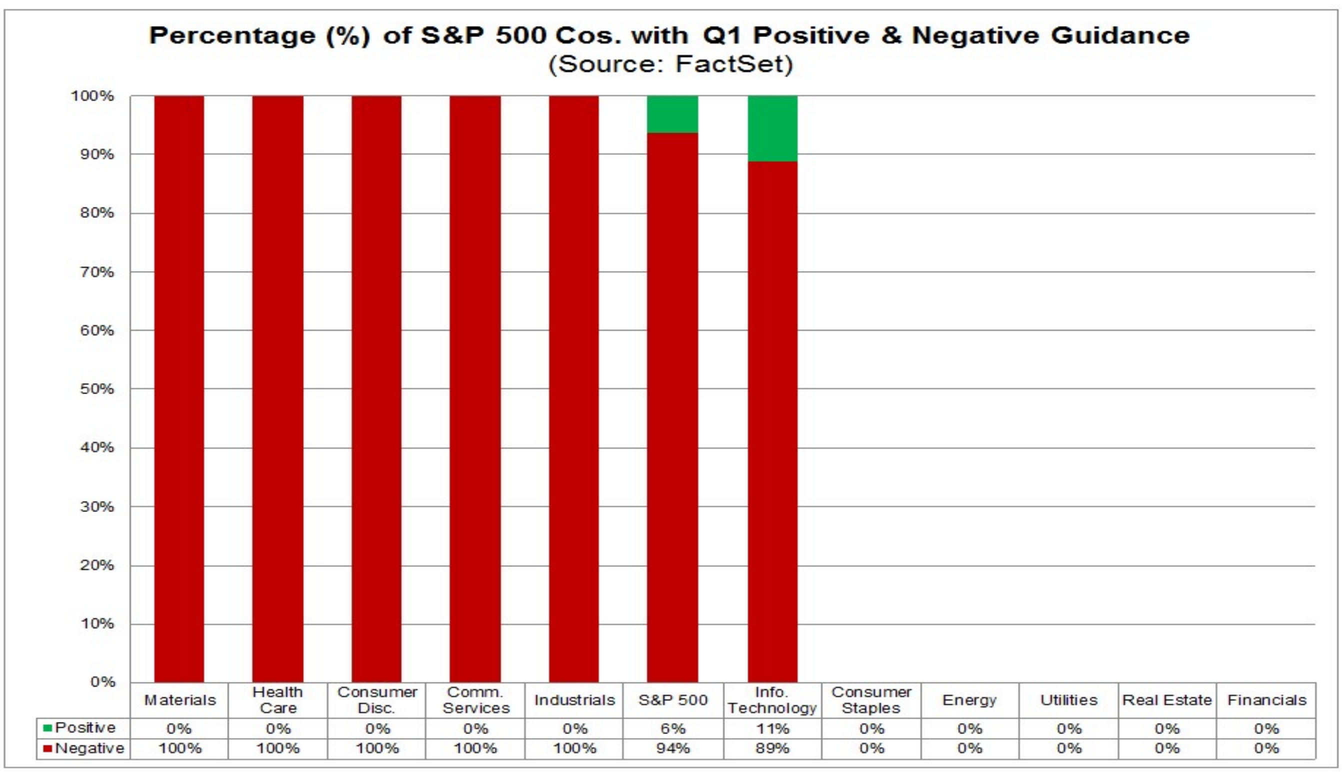
	Energy	Materials	Financials	Comm. Services	S&P 500	Consumer Disc.	Industrials	Health Care	Info. Technology	Utilities	Consumer Staples	Real Estate
Today	107.6%	29.7%	22.5%	22.4%	19.9%	17.3%	17.0%	15.5%	14.9%	10.6%	8.7%	8.1%
31-Dec	108.3%	31.1%	23.9%	22.3%	20.3%	17.3%	16.5%	15.3%	15.5%	12.0%	8.7%	8.2%



	Comm. Services	Energy	Materials	Real Estate	Info. Technology	S&P 500	Industrials	Consumer Disc.	Health Care	Financials	Consumer Staples	Utilities
Today	18.9%	18.1%	16.1%	12.6%	9.2%	8.7%	7.7%	7.6%	7.2%	4.6%	3.7%	2.0%
31-Dec	18.7%	18.8%	16.2%	12.6%	9.7%	8.9%	7.6%	8.3%	6.7%	5.6%	3.7%	1.7%

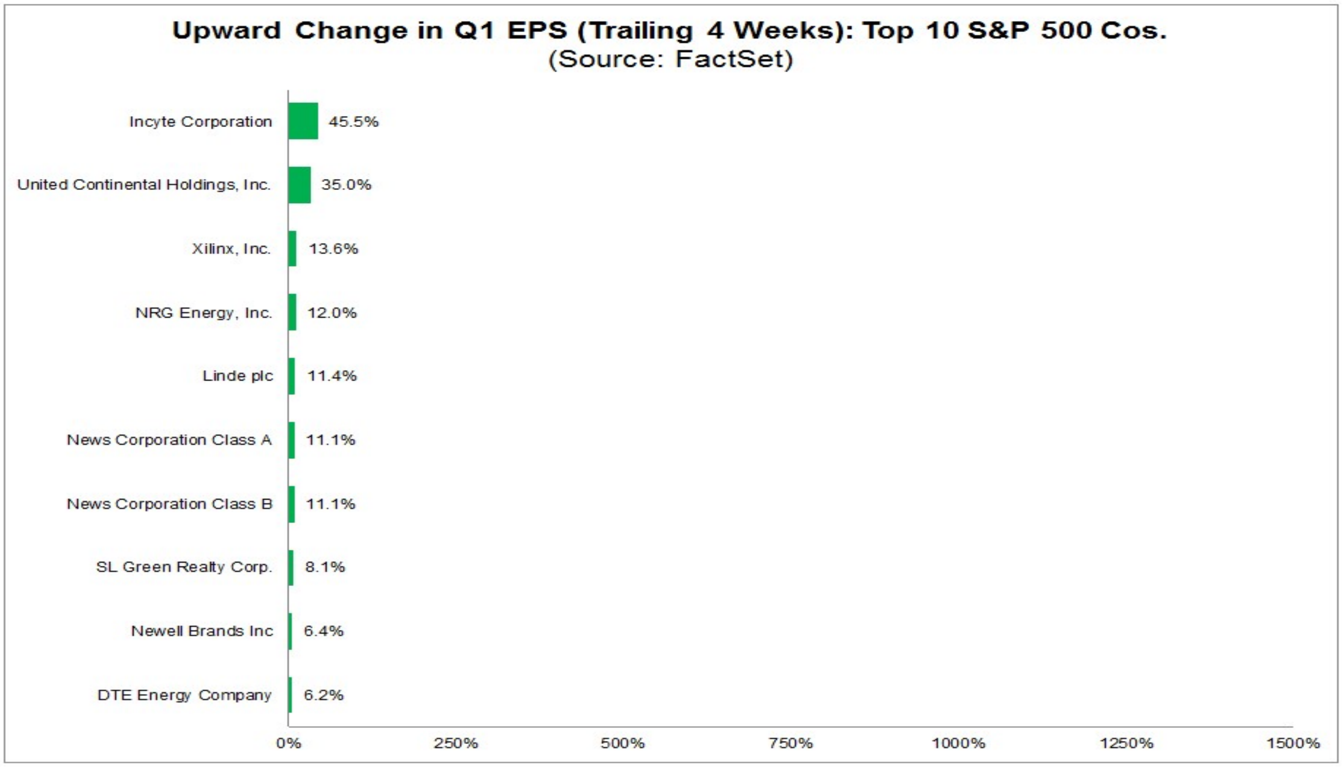
Q1 2019: EPS Guidance

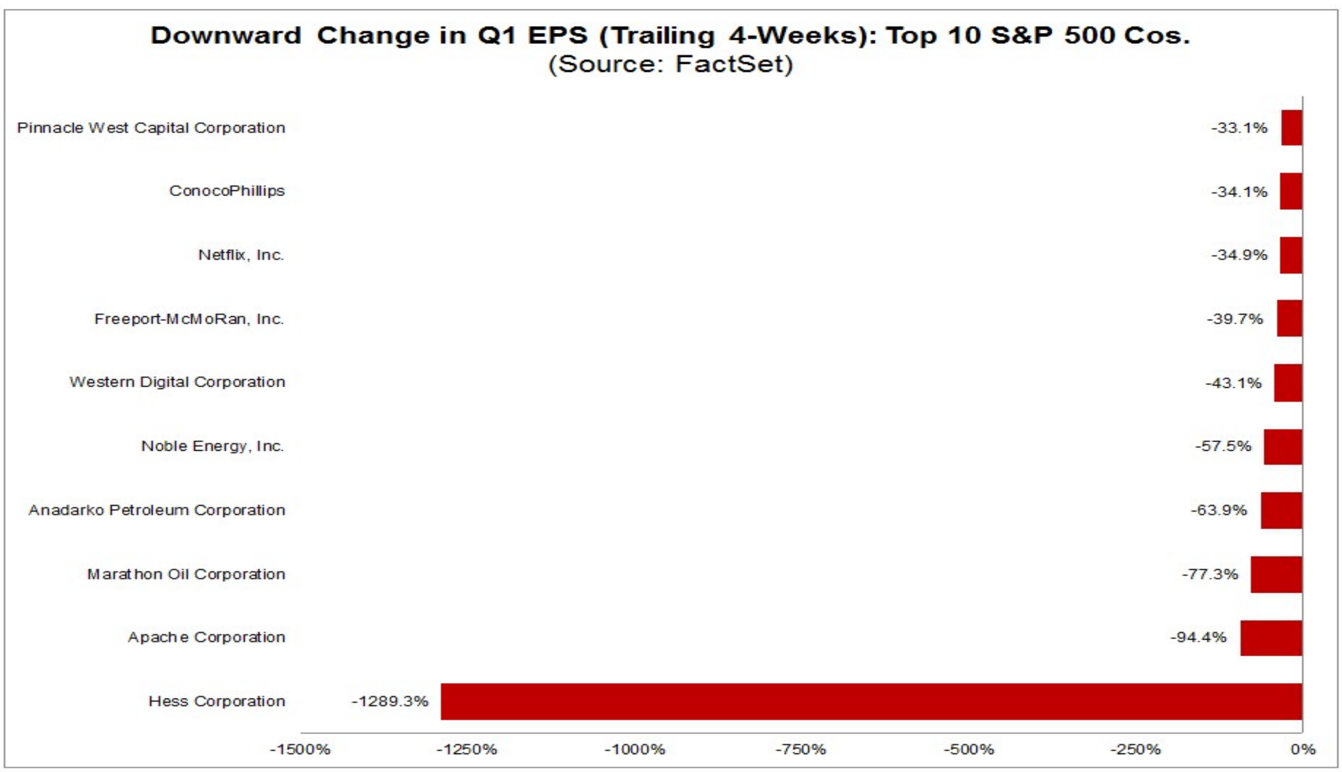




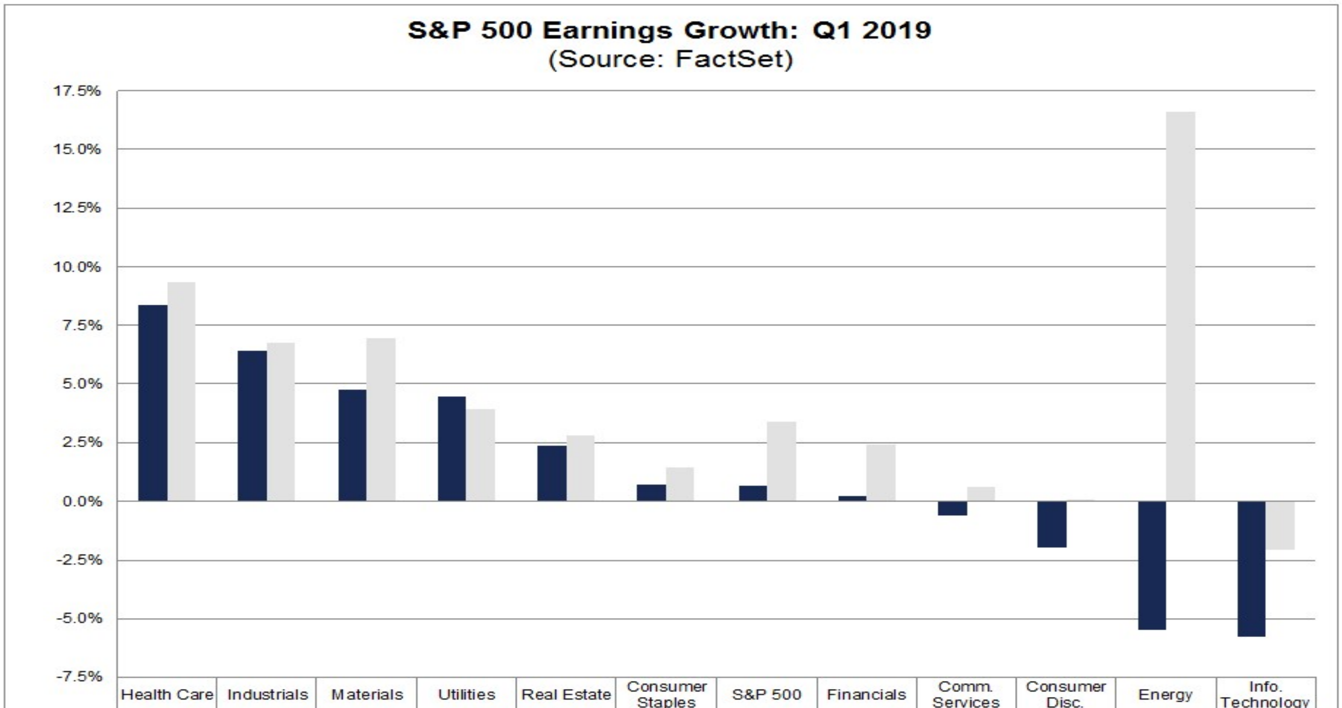
	Materials	Health Care	Consumer Disc.	Comm. Services	Industrials	S&P 500	Info. Technology	Consumer Staples	Energy	Utilities	Real Estate	Financials
Positive	0%	0%	0%	0%	0%	6%	11%	0%	0%	0%	0%	0%
Negative	100%	100%	100%	100%	100%	94%	89%	0%	0%	0%	0%	0%

Q1 2019: EPS Revisions

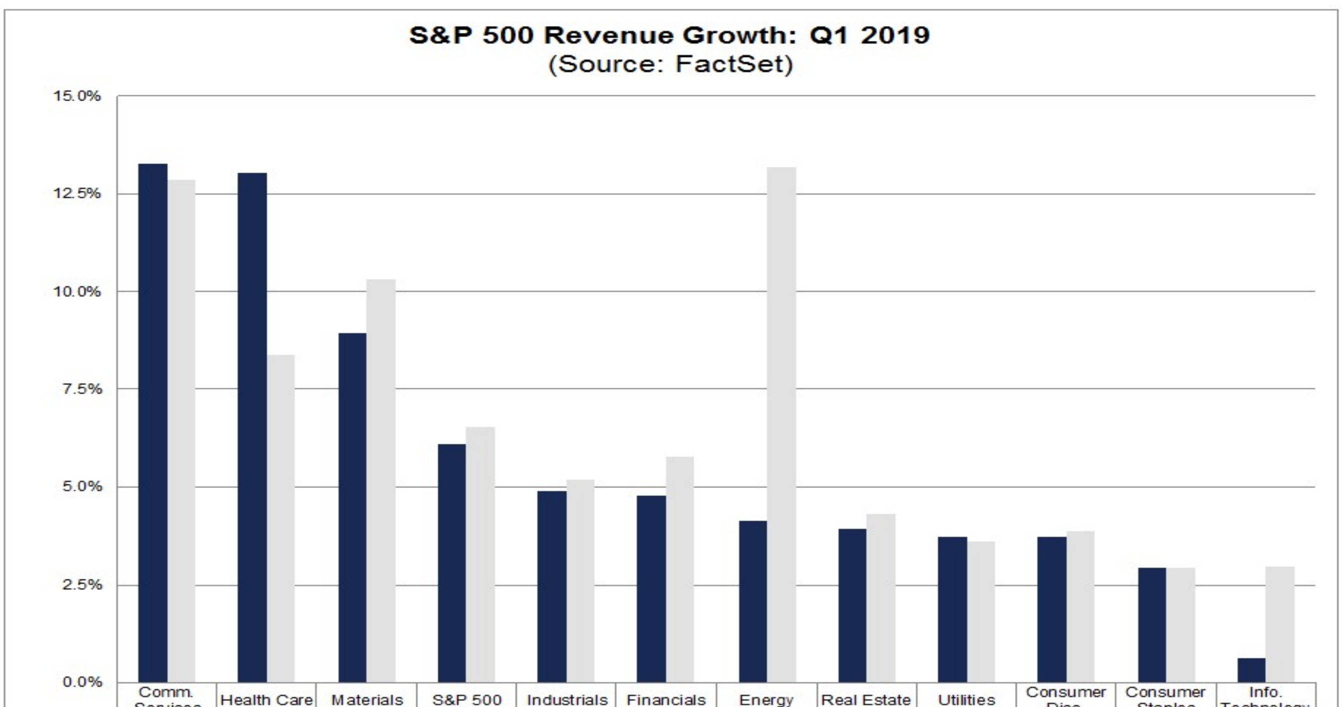




Q1 2019: Growth

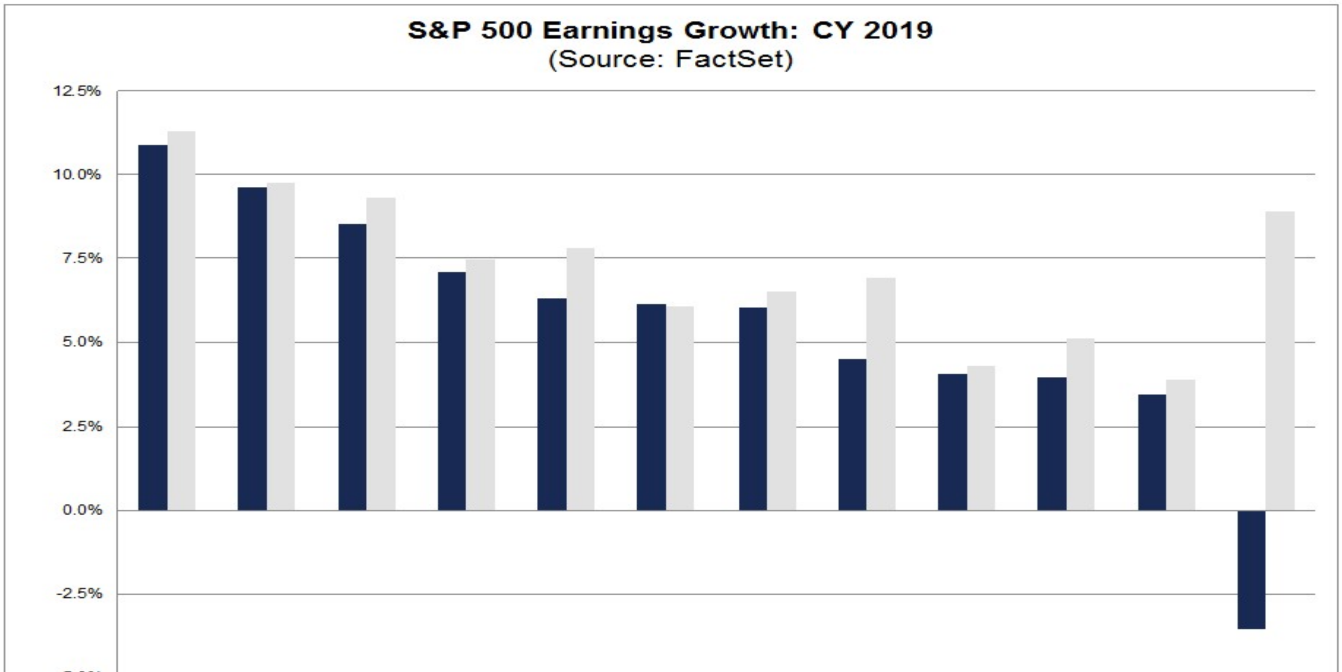


	Health Care	Industrials	Materials	Utilities	Real Estate	Consumer Staples	S&P 500	Financials	Comm. Services	Consumer Disc.	Energy	Info. Technology
Today	8.4%	6.4%	4.8%	4.5%	2.4%	0.7%	0.7%	0.2%	-0.6%	-2.0%	-5.5%	-5.8%
31-Dec	9.3%	6.8%	6.9%	4.0%	2.8%	1.5%	3.4%	2.4%	0.6%	0.1%	16.6%	-2.1%

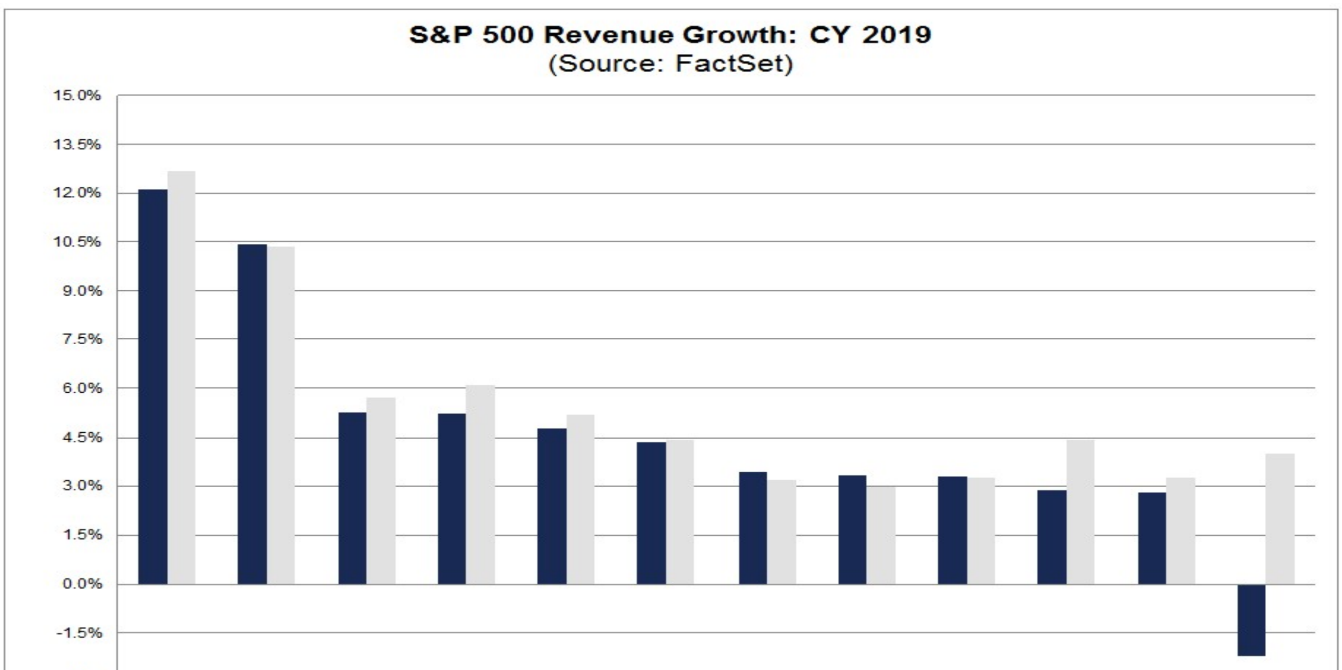


	Comm. Services	Health Care	Materials	S&P 500	Industrials	Financials	Energy	Real Estate	Utilities	Consumer Disc.	Consumer Staples	Info. Technology
Today	13.3%	13.0%	8.9%	6.1%	4.9%	4.8%	4.1%	3.9%	3.7%	3.7%	2.9%	0.6%
31-Dec	12.9%	8.4%	10.3%	6.5%	5.2%	5.8%	13.2%	4.3%	3.6%	3.9%	3.0%	3.0%

CY 2019: Growth

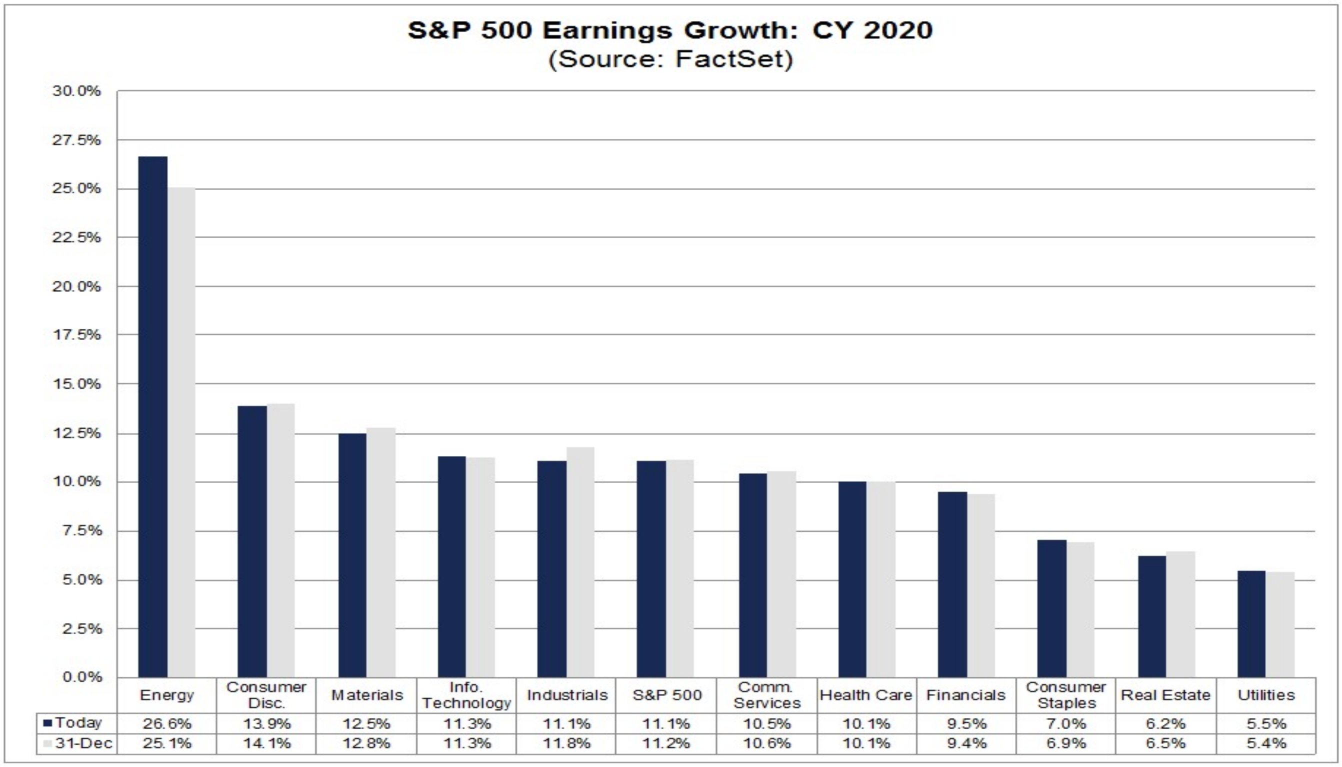


	Industrials	Consumer Disc.	Financials	Health Care	S&P 500	Utilities	Comm. Services	Info. Technology	Consumer Staples	Materials	Real Estate	Energy
Today	10.9%	9.6%	8.5%	7.1%	6.3%	6.1%	6.0%	4.5%	4.1%	3.9%	3.4%	-3.6%
31-Dec	11.3%	9.8%	9.3%	7.5%	7.8%	6.1%	6.5%	6.9%	4.3%	5.1%	3.9%	8.9%

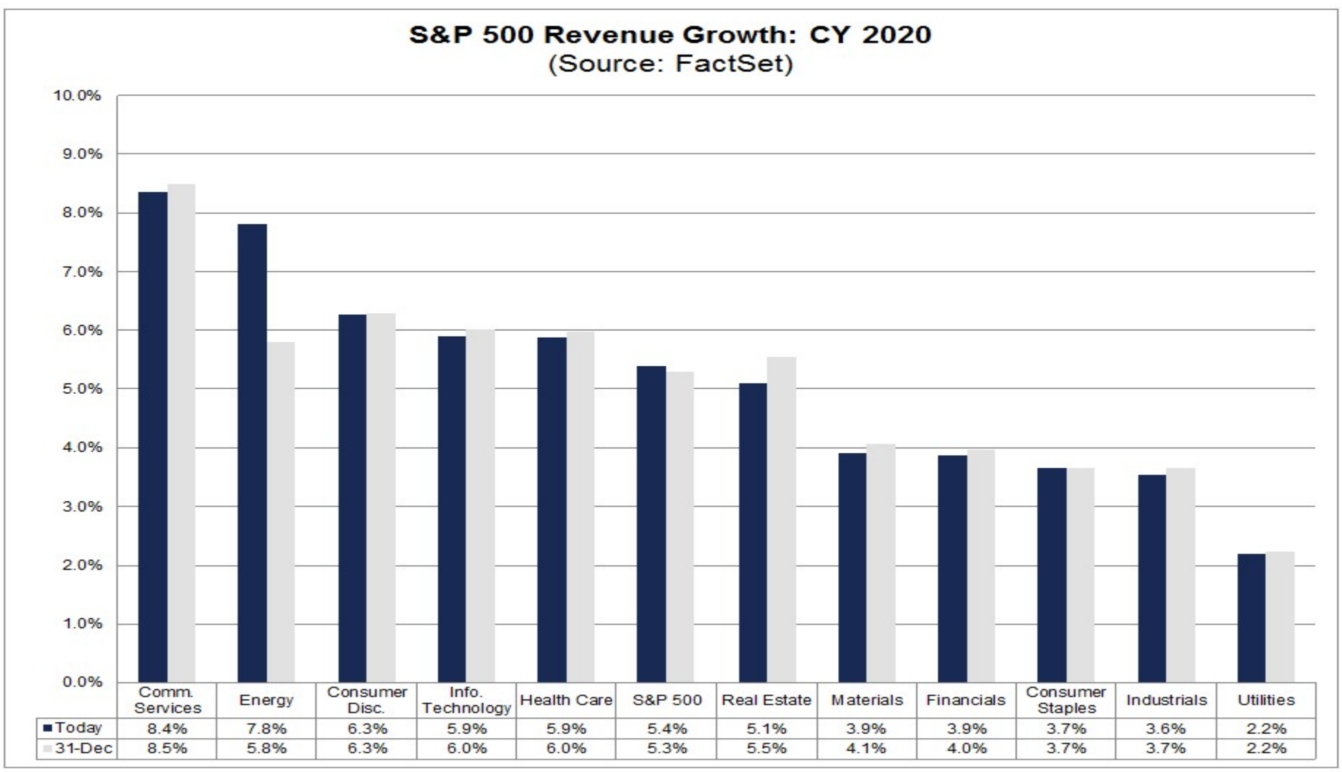


	Health Care	Comm. Services	Consumer Disc.	S&P 500	Industrials	Real Estate	Utilities	Financials	Consumer Staples	Info. Technology	Materials	Energy
Today	12.1%	10.4%	5.3%	5.2%	4.8%	4.4%	3.4%	3.4%	3.3%	2.9%	2.8%	-2.2%
31-Dec	12.7%	10.3%	5.7%	6.1%	5.2%	4.4%	3.2%	3.0%	3.3%	4.4%	3.3%	4.0%

CY 2020: Growth

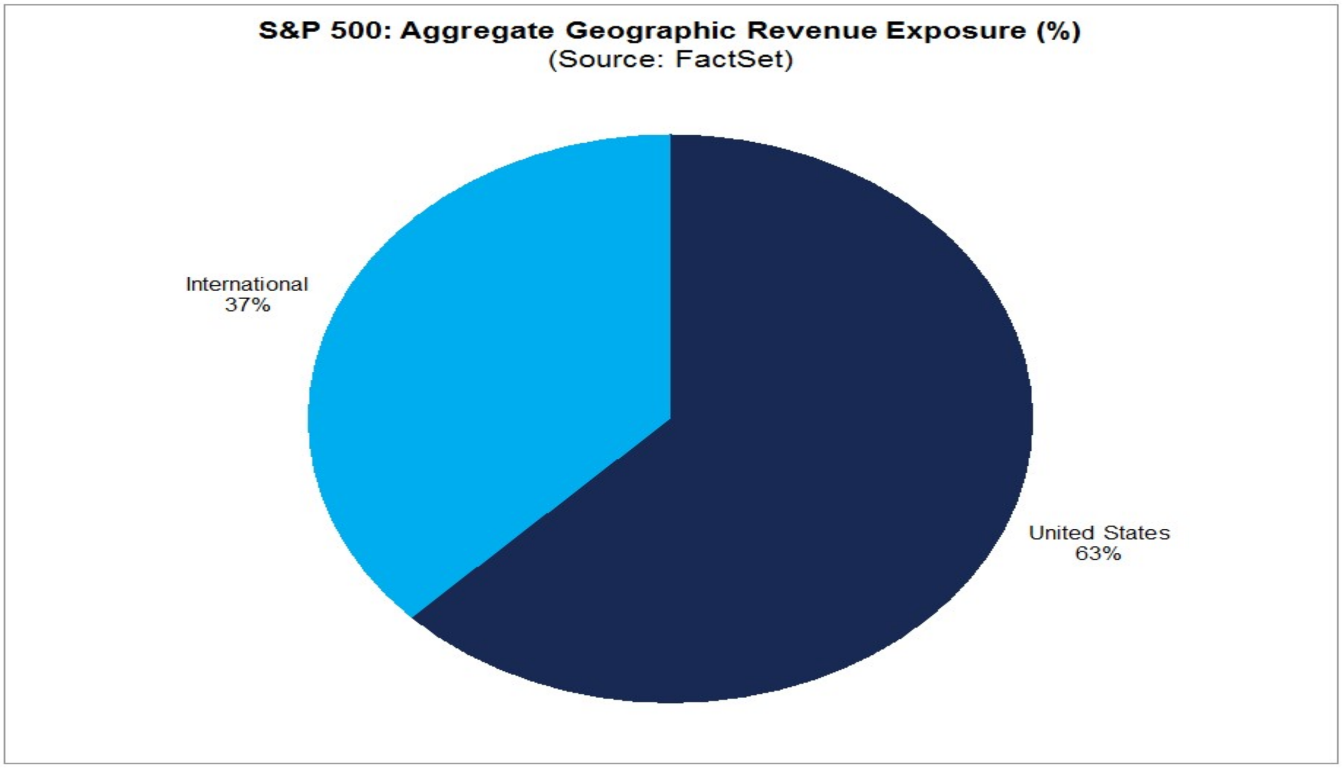


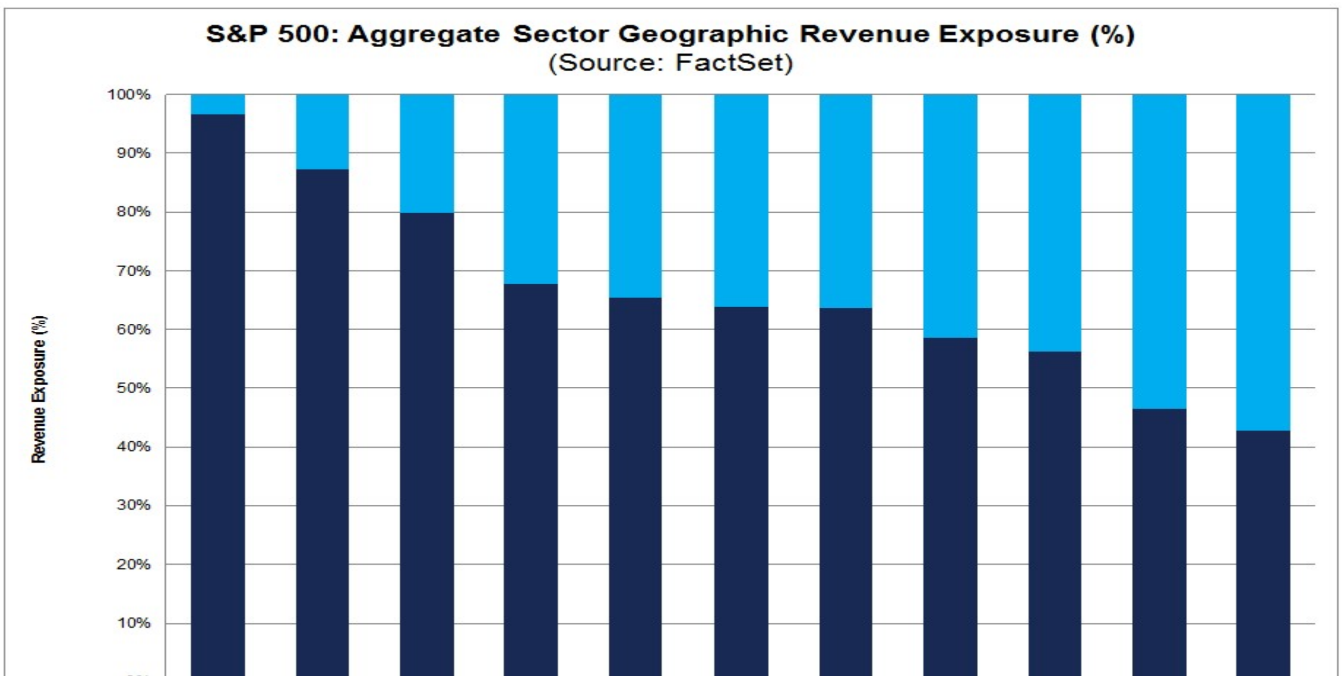
	Energy	Consumer Disc.	Materials	Info. Technology	Industrials	S&P 500	Comm. Services	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	26.6%	13.9%	12.5%	11.3%	11.1%	11.1%	10.5%	10.1%	9.5%	7.0%	6.2%	5.5%
31-Dec	25.1%	14.1%	12.8%	11.3%	11.8%	11.2%	10.6%	10.1%	9.4%	6.9%	6.5%	5.4%



	Comm. Services	Energy	Consumer Disc.	Info. Technology	Health Care	S&P 500	Real Estate	Materials	Financials	Consumer Staples	Industrials	Utilities
Today	8.4%	7.8%	6.3%	5.9%	5.9%	5.4%	5.1%	3.9%	3.9%	3.7%	3.6%	2.2%
31-Dec	8.5%	5.8%	6.3%	6.0%	6.0%	5.3%	5.5%	4.1%	4.0%	3.7%	3.7%	2.2%

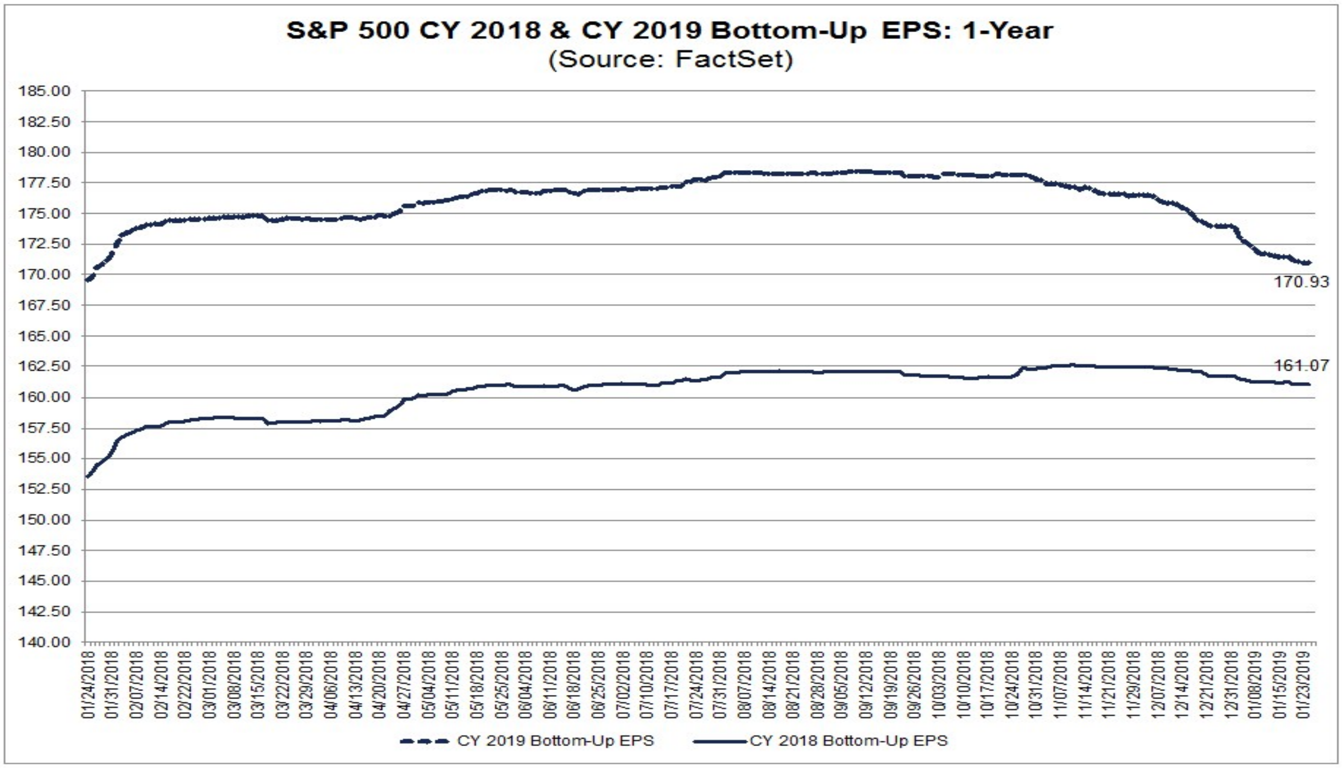
Geographic Revenue Exposure

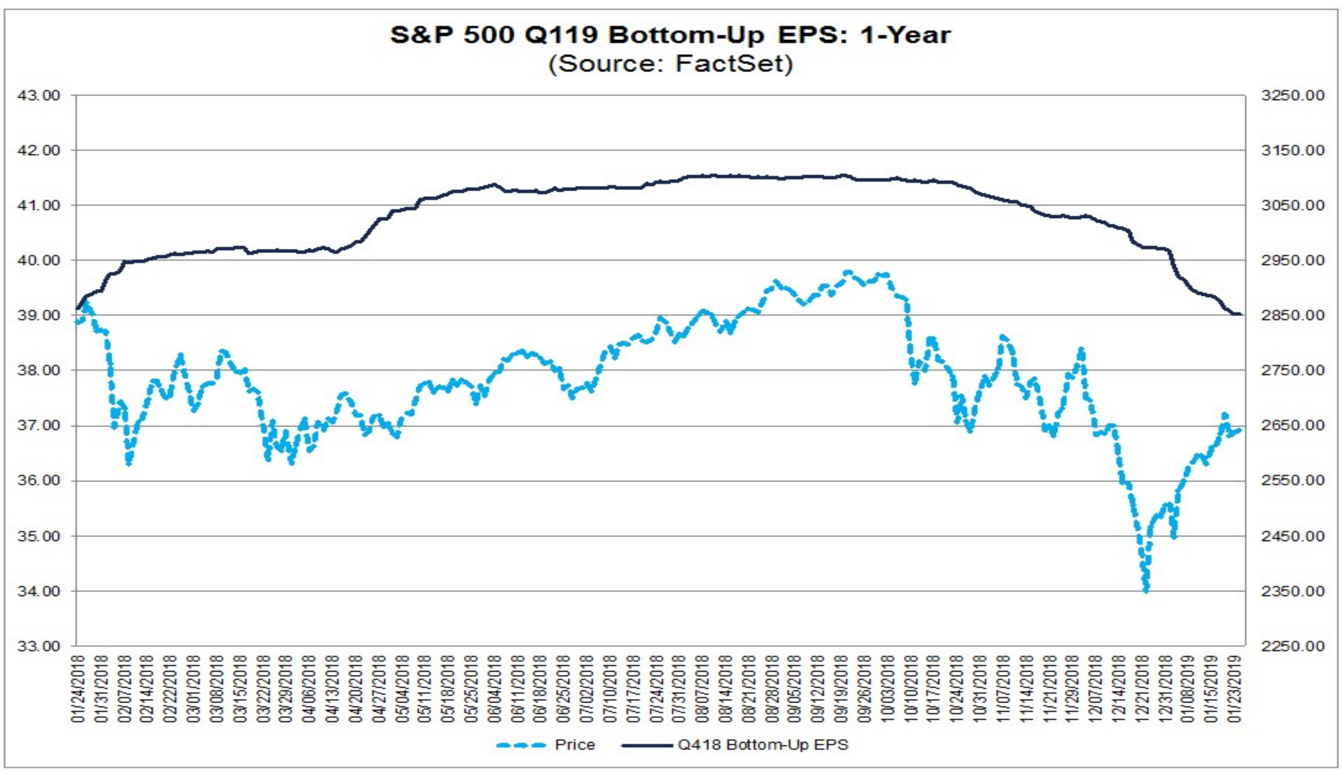




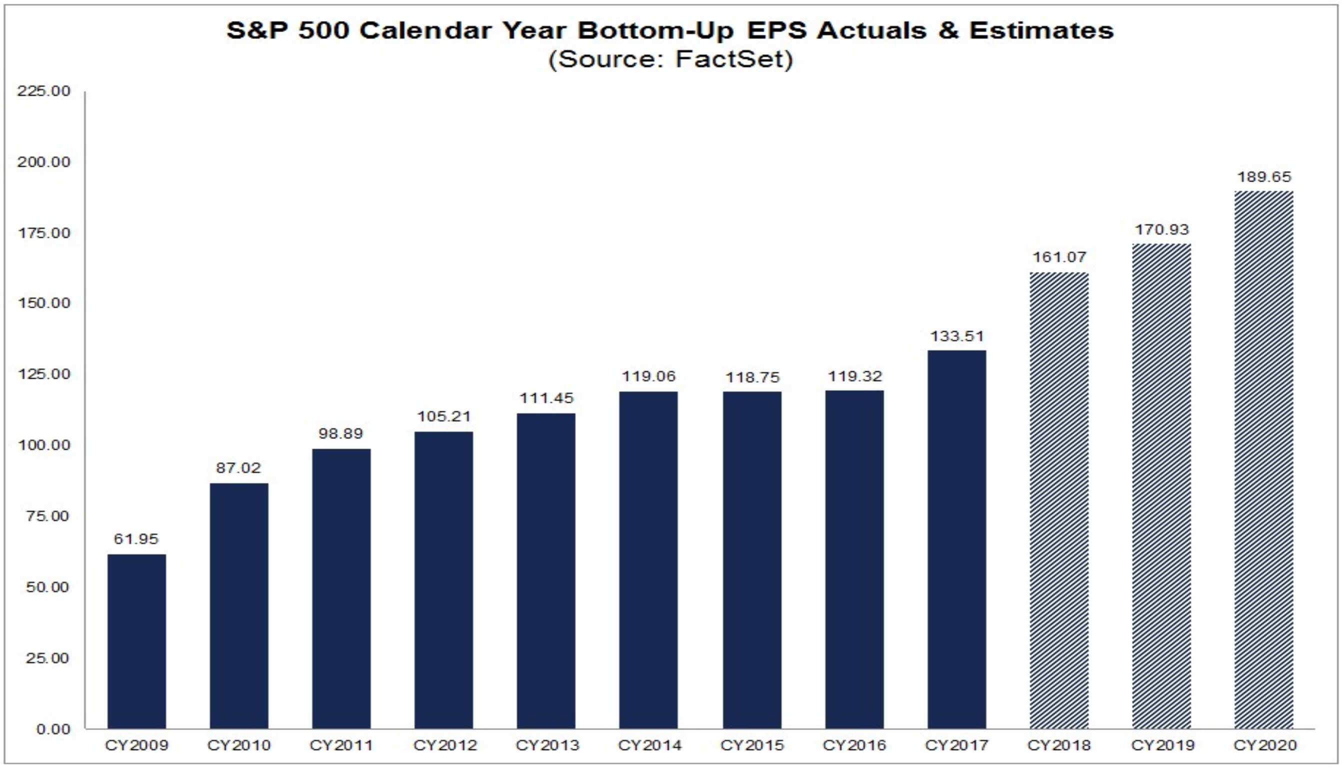
	Utilities	Real Estate	Financials	Consumer Disc.	Comm. Services	Industrials	Health Care	Energy	Consumer Staples	Materials	Info. Technology
International	3%	13%	20%	32%	35%	36%	36%	41%	44%	53%	57%
United States	97%	87%	80%	68%	65%	64%	64%	59%	56%	47%	43%

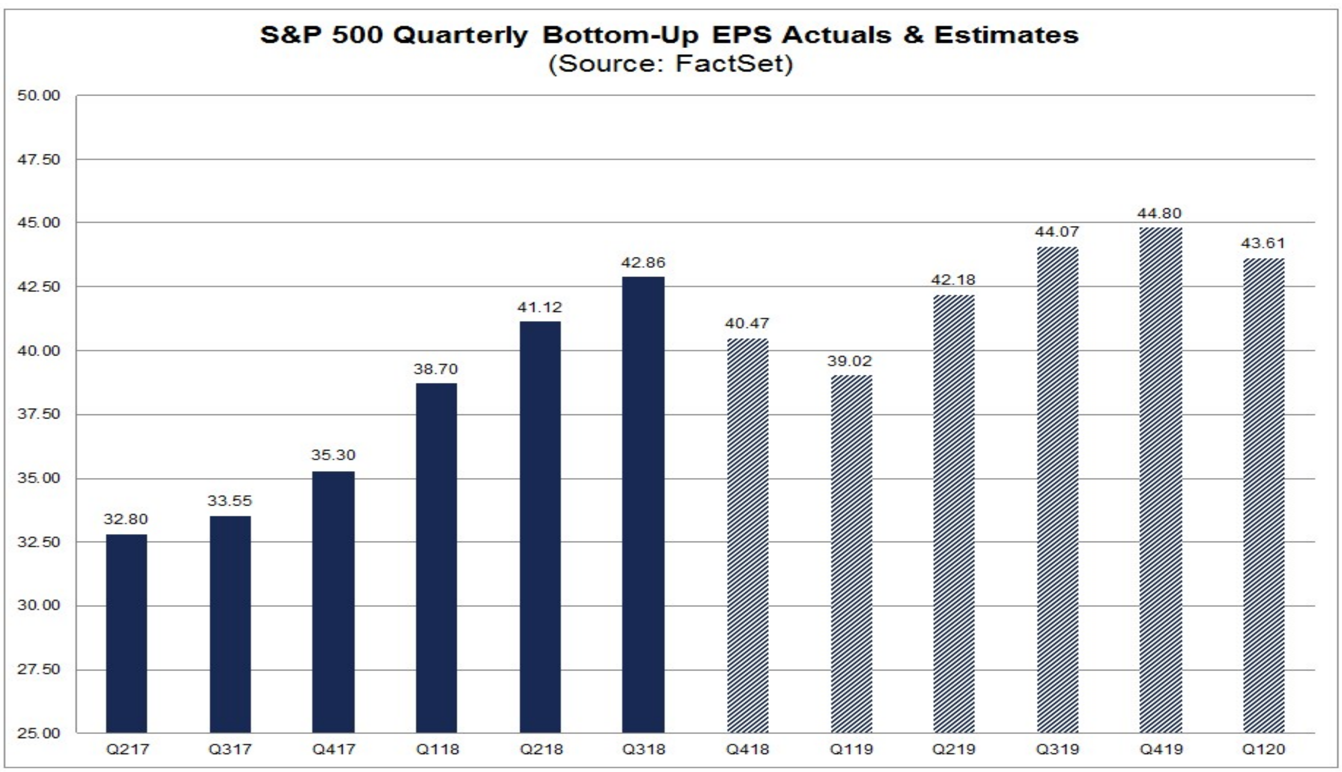
Bottom-up EPS Estimates: Revisions



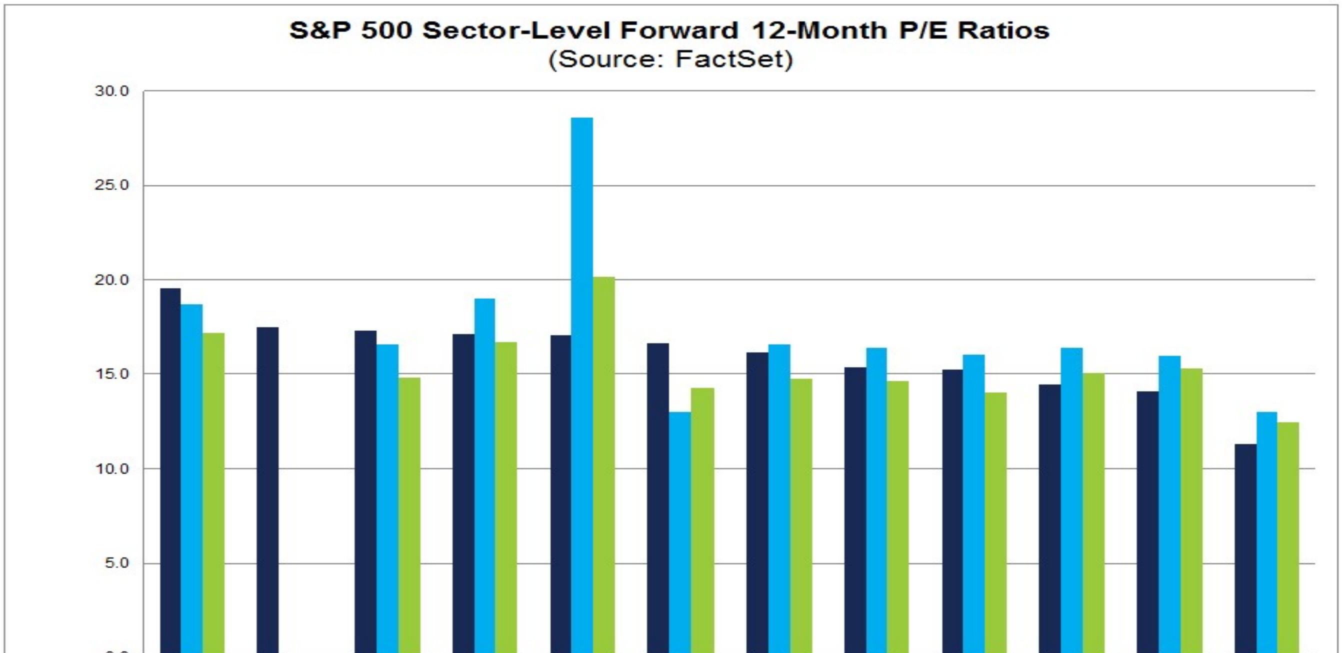


Bottom-up EPS Estimates: Current & Historical

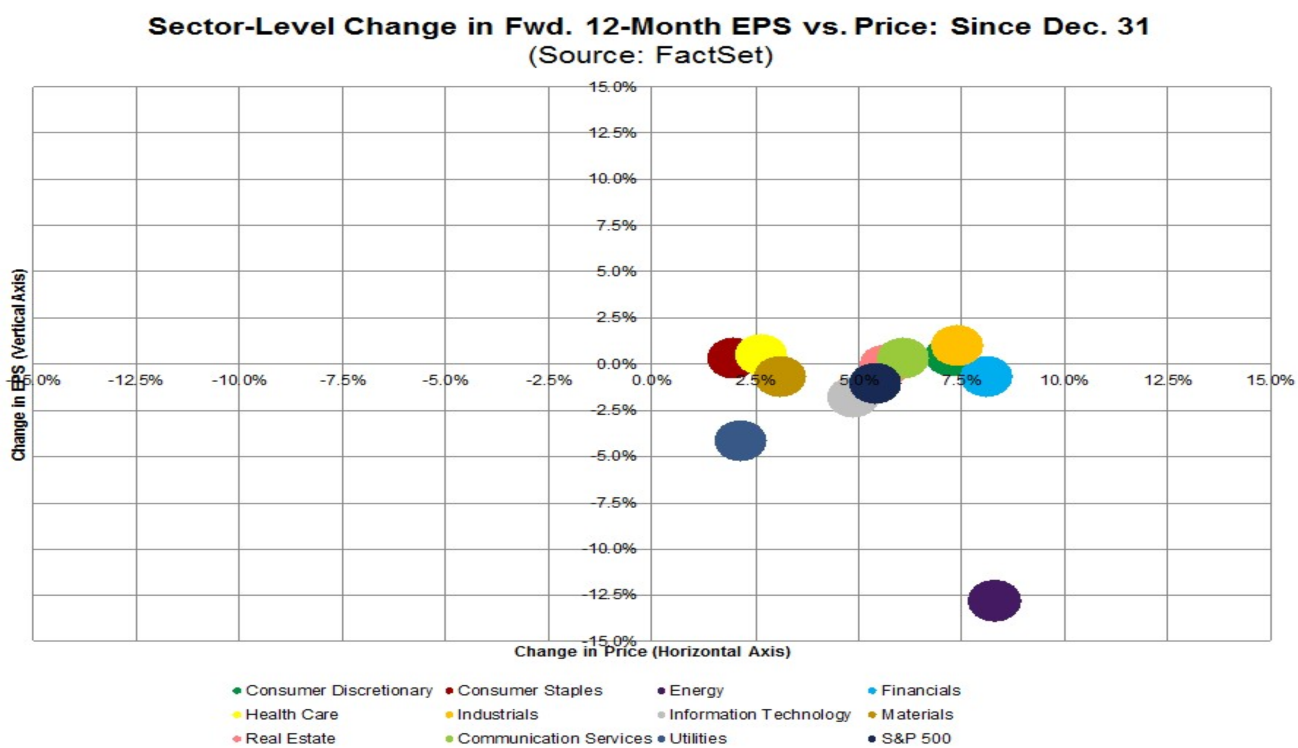




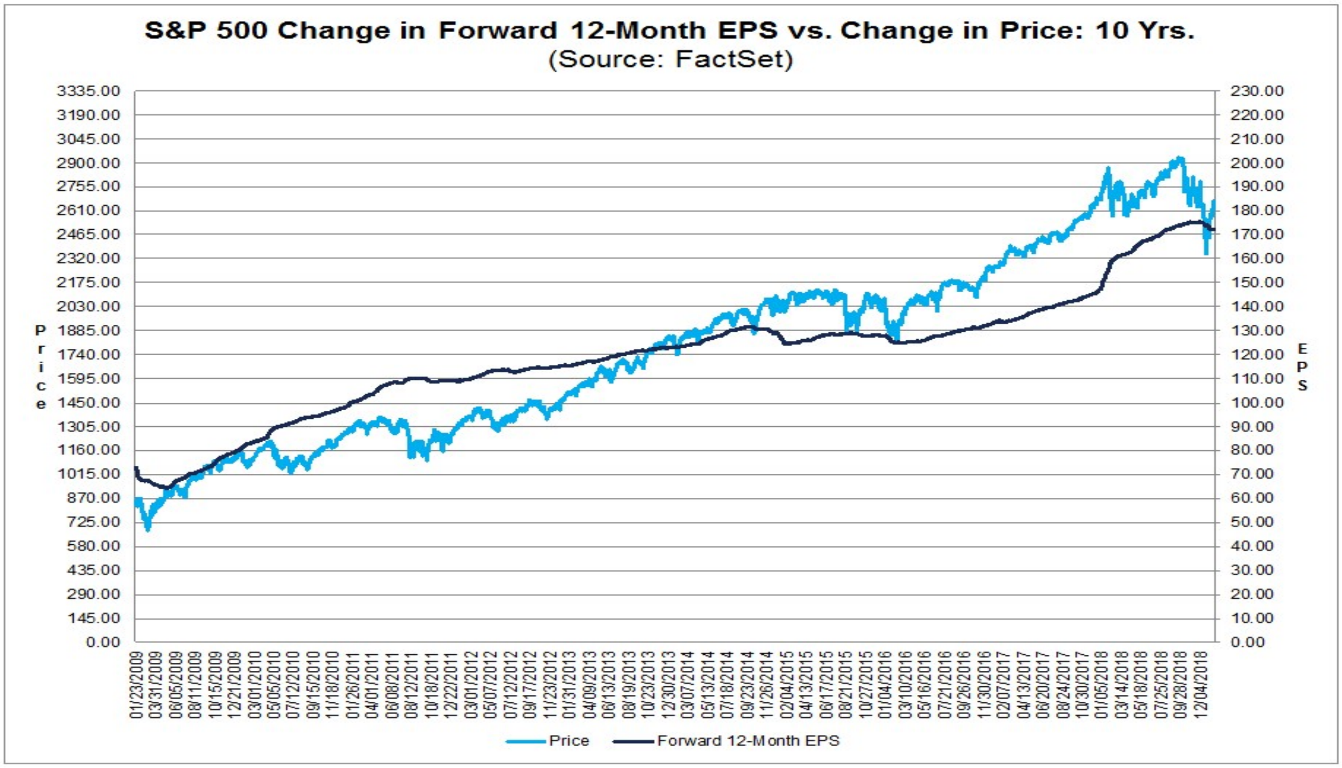
Forward 12M P/E Ratio: Sector Level

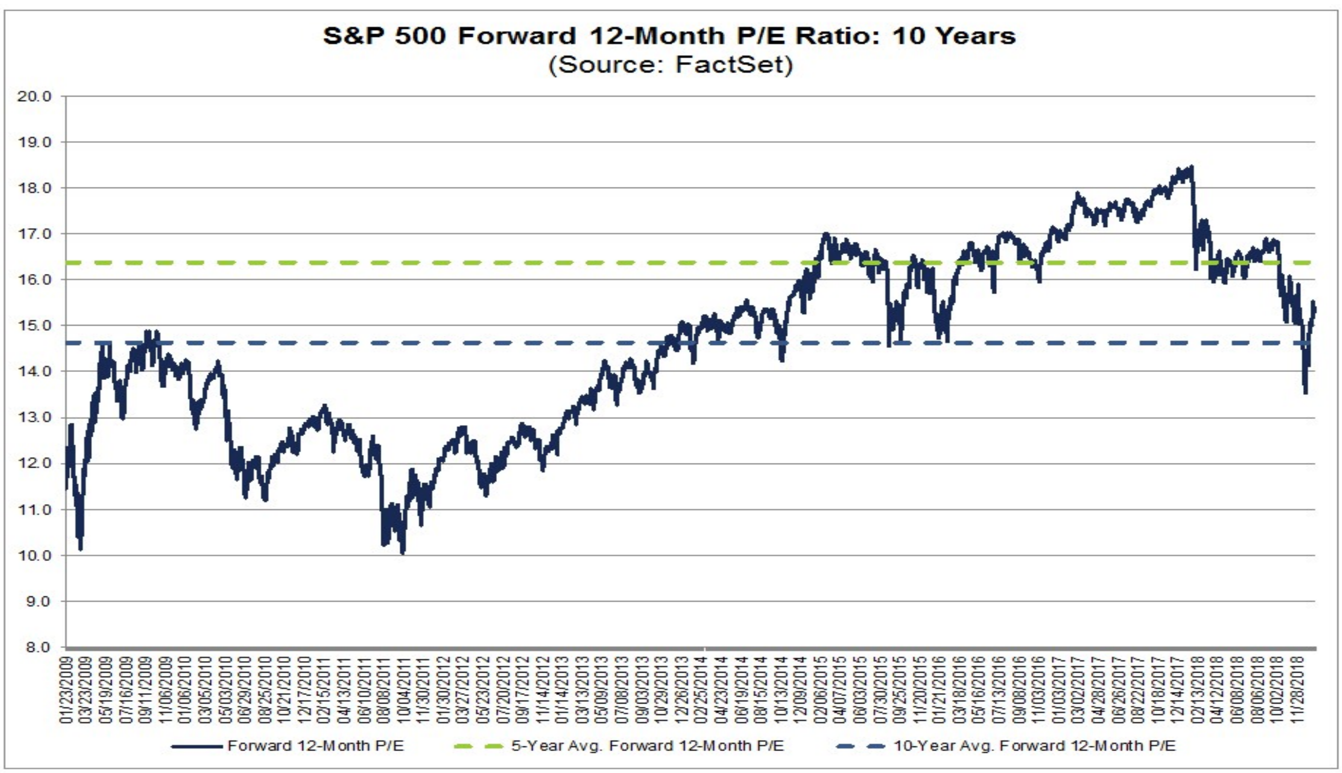


	Consumer Disc.	Real Estate	Utilities	Consumer Staples	Energy	Comm. Services	Info. Technology	S&P 500	Health Care	Industrials	Materials	Financials
Fwd P/E	19.5	17.5	17.3	17.1	17.1	16.6	16.1	15.4	15.2	14.4	14.0	11.3
5-Yr Avg.	18.7		16.6	19.0	28.6	13.1	16.6	16.4	16.0	16.3	15.9	13.0
10-Yr Avg.	17.2		14.8	16.7	20.1	14.2	14.7	14.6	14.0	15.0	15.3	12.5

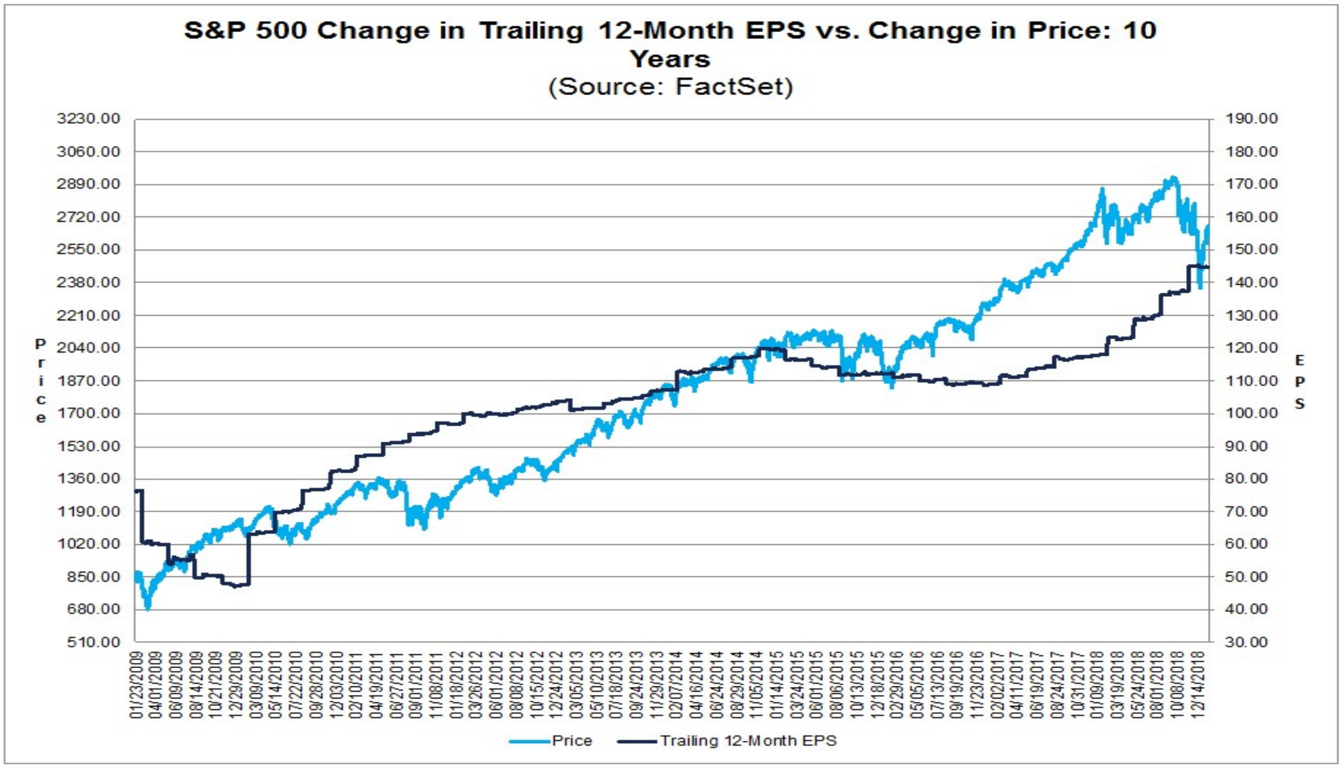


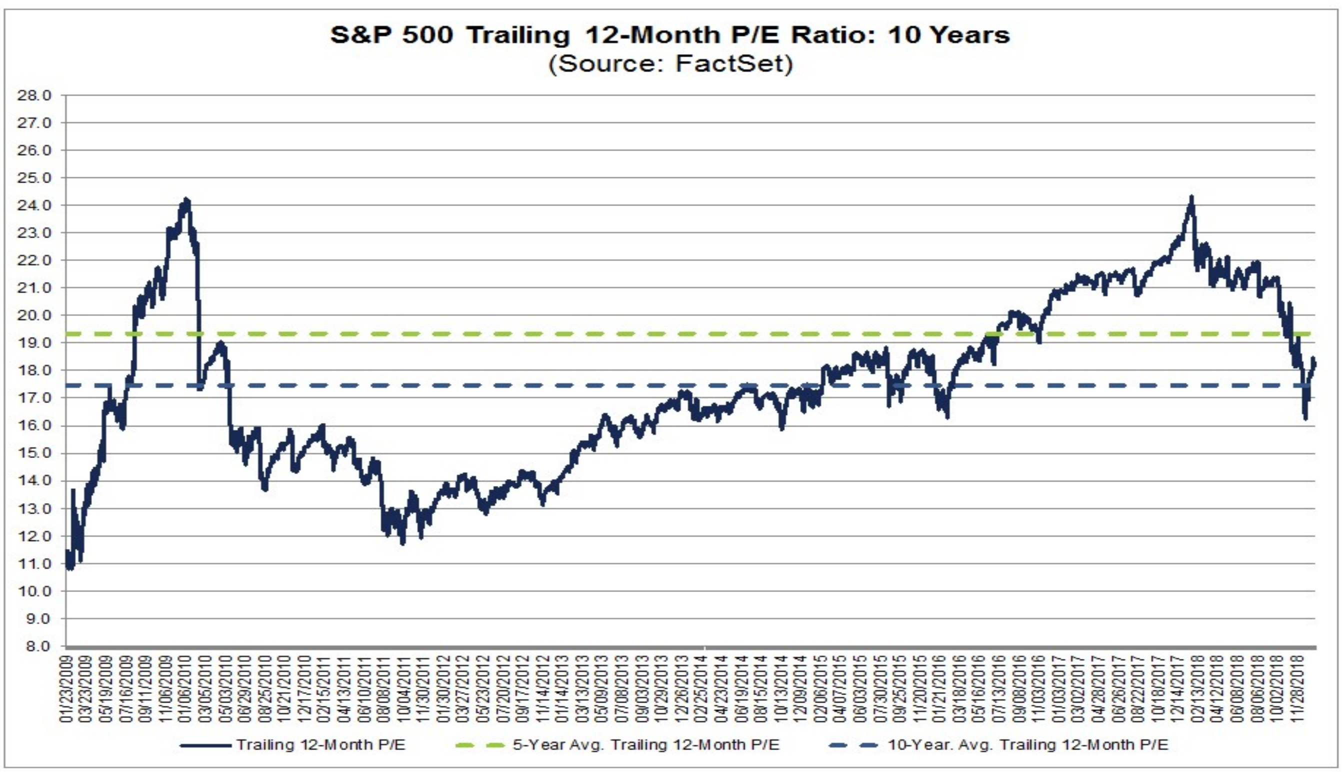
Forward 12M P/E Ratio: 10-Years



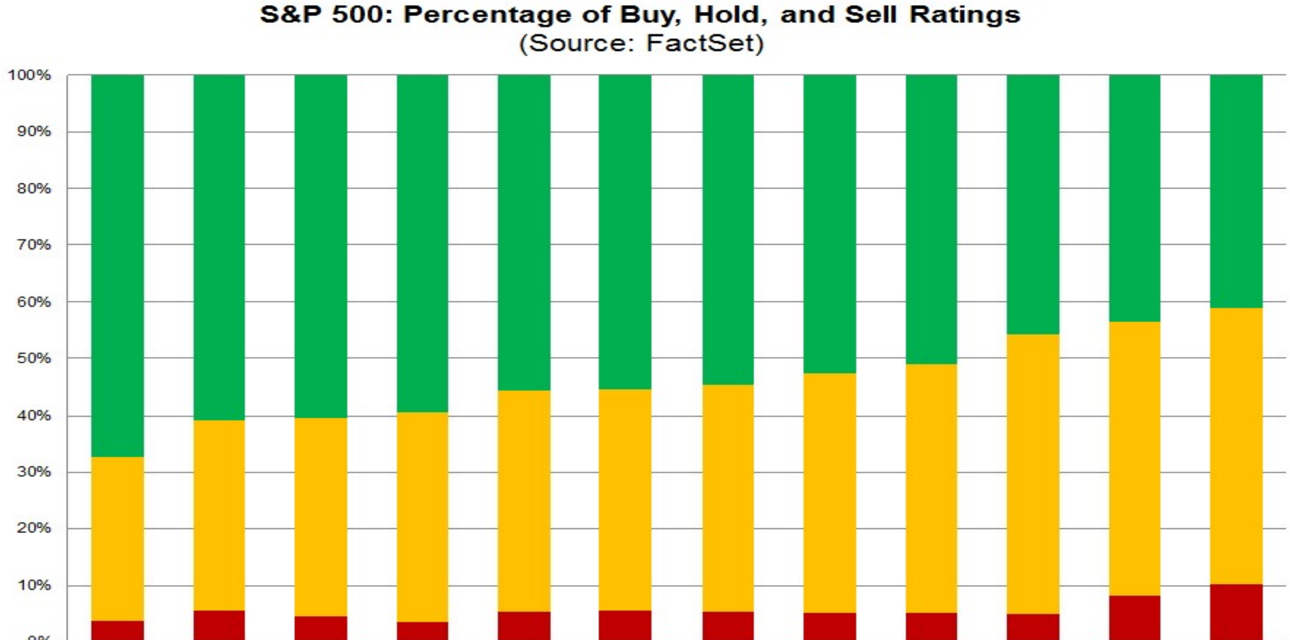


Trailing 12M P/E Ratio: 10-Years





Targets & Ratings



	Energy	Comm. Services	Health Care	Materials	Info. Tech.	Industrials	S&P 500	Consumer Disc.	Financials	Real Estate	Utilities	Consumer Staples
Buy	67%	61%	60%	59%	55%	55%	55%	53%	51%	46%	44%	41%
Hold	29%	33%	35%	37%	39%	39%	40%	42%	44%	49%	48%	49%
Sell	4%	6%	5%	4%	5%	6%	5%	5%	5%	5%	8%	10%

	Energy	Comm. Services	Materials	Consumer Disc.	Info. Tech.	S&P 500	Industrials	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Target/Close	22.1%	20.9%	18.4%	17.4%	16.3%	15.3%	15.1%	14.6%	13.0%	10.5%	7.8%	2.8%

Important Notice
The information contained in this report is provided “as is” and all representations, warranties, terms and conditions, oral or written, express or implied (by common law, statute or otherwise), in relation to the information are hereby excluded and disclaimed to the fullest extent permitted by law. In particular, FactSet, its affiliates and its suppliers disclaim implied warranties of merchantability and fitness for a particular purpose and make no warranty of accuracy, completeness or reliability of the information. This report is for informational purposes and does not constitute a solicitation or an offer to buy or sell any securities mentioned within it. The information in this report is not investment advice. FactSet, its affiliates and its suppliers assume no liability for any consequence relating directly or indirectly to any action or inaction taken based on the information contained in this report.

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

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

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