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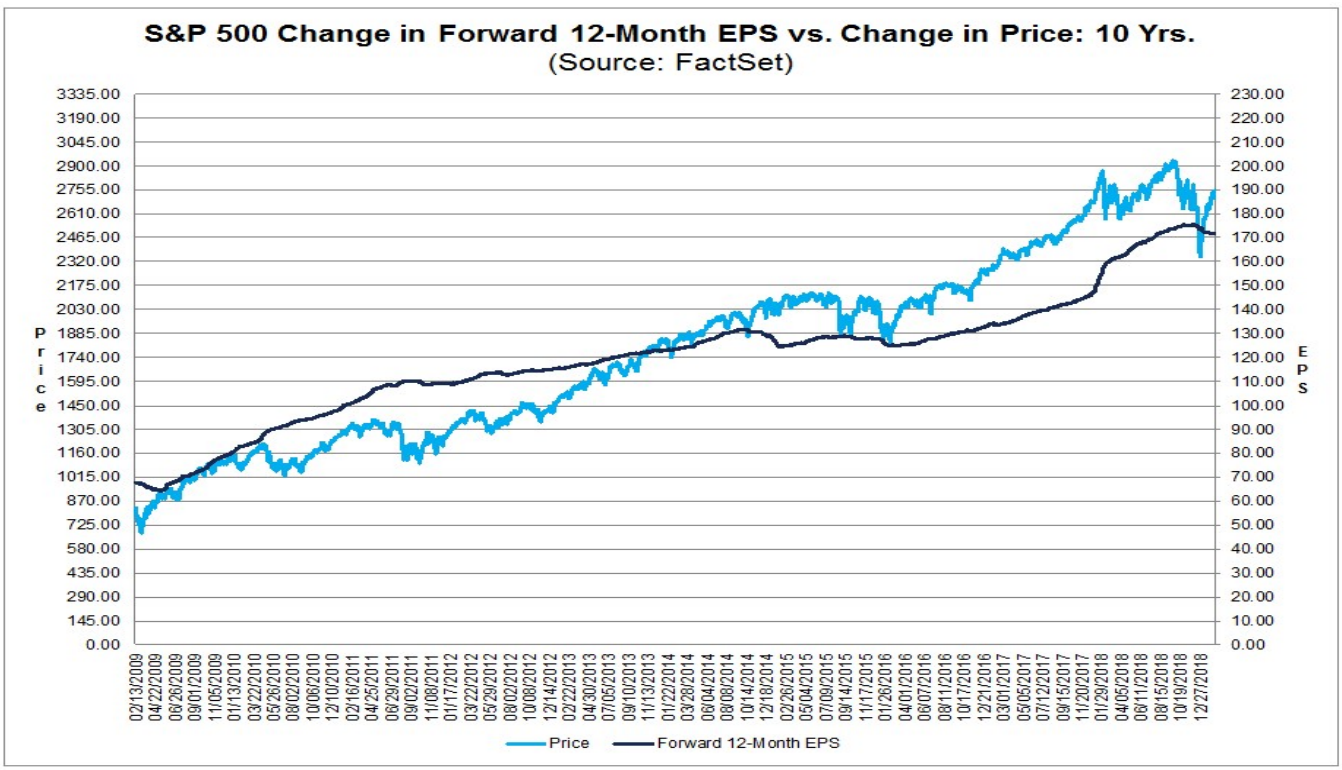
February 15, 2019

Key Metrics

- **Earnings Scorecard:** For Q4 2018 (with 79% of the companies in the S&P 500 reporting actual results for the quarter), 70% of S&P 500 companies have reported a positive EPS surprise and 62% have reported a positive revenue surprise.
- **Earnings Growth:** For Q4 2018, the blended earnings growth rate for the S&P 500 is 13.1%. If 13.1% is the actual growth rate for the quarter, it will mark the fifth straight quarter of double-digit earnings growth for the index.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q4 2018 was 12.1%. Seven sectors have higher growth rates today (compared to December 31) due to upward revisions to EPS estimates and positive EPS surprises.
- **Earnings Guidance:** For Q1 2019, 59 S&P 500 companies have issued negative EPS guidance and 19 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.0. This P/E ratio is below the 5-year average (16.4) but above the 10-year average (14.6).



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Topic of the Week:

S&P 500 Companies Seeing Best Price Reaction to Negative EPS Surprises in 9 Years

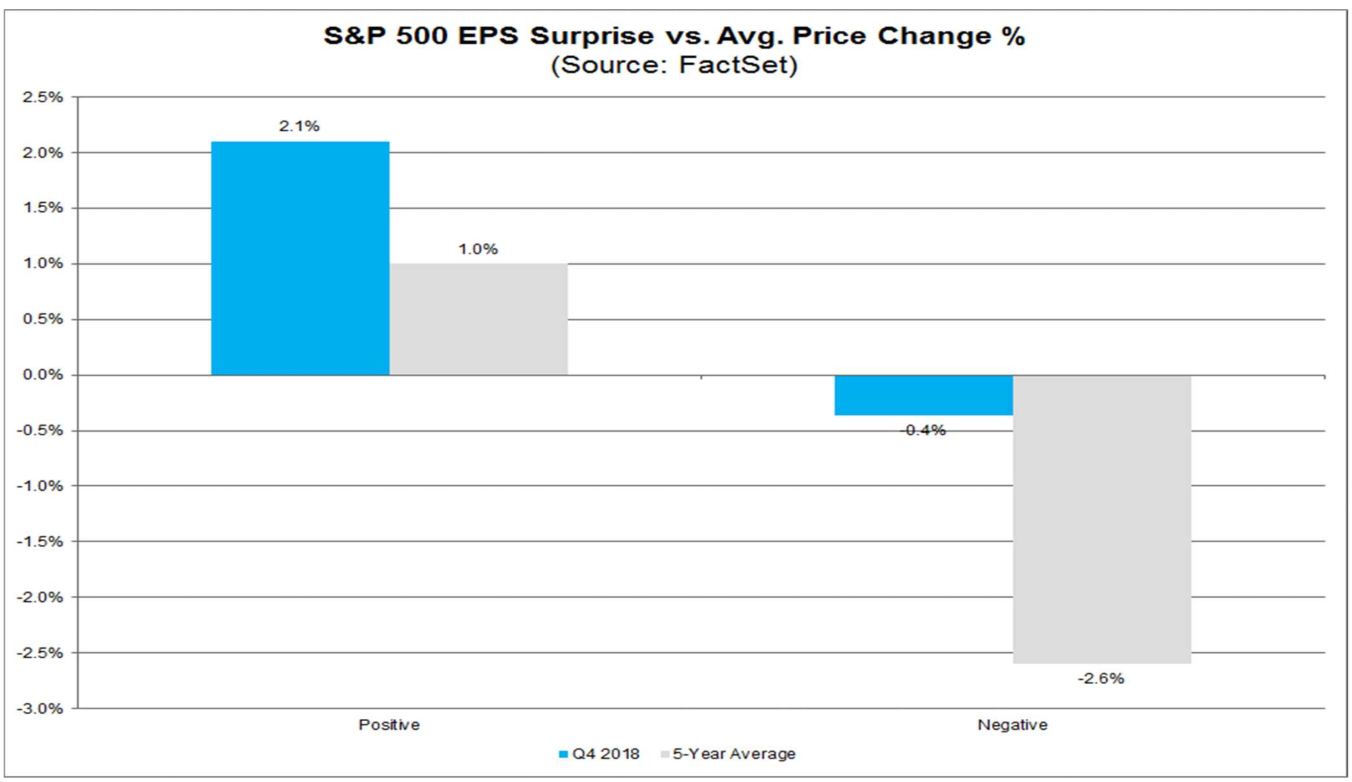
To date, almost 80% of the companies in the S&P 500 have reported earnings for the fourth quarter. Of these companies, 70% have reported actual EPS above the mean EPS estimate, which is slightly below the 5-year average of 71%. In aggregate, earnings have exceeded expectations by 3.5%, which is below the 5-year average of 4.8%. The earnings growth rate for the S&P 500 has improved by one percentage point since December 31 (to 13.1% from 12.1%), which is below the 5-year average of a 3.8 percentage point improvement during an earnings season.

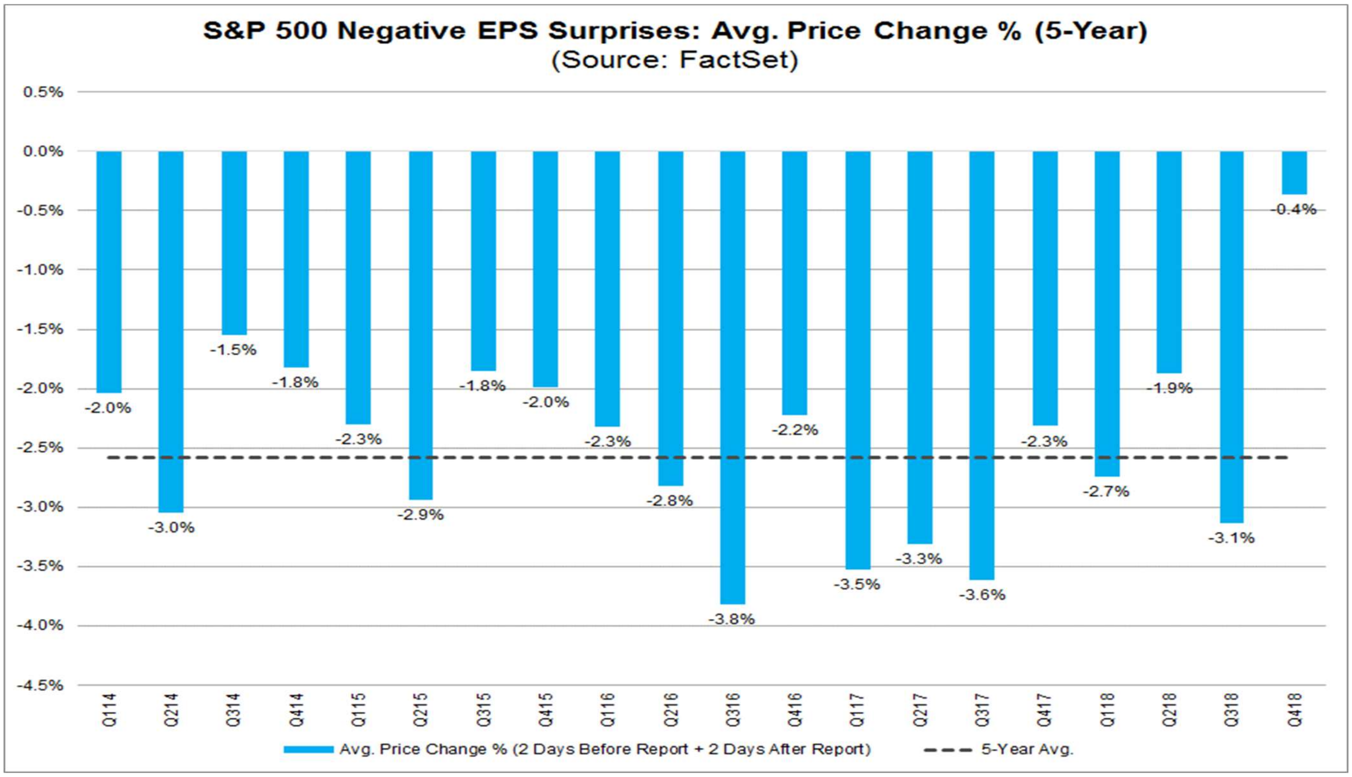
Given the below-average performance of actual earnings relative to analyst estimates and the below-average improvement in the earnings growth rate over the past few weeks, how has the market responded to negative EPS surprises during the Q4 earnings season?

Companies in the S&P 500 that have reported negative earnings surprises for Q4 have seen a decrease in price of 0.4% on average from two days before the company reported actual results through two days after the company reported actual results. Over the past five years, companies in the S&P 500 that have reported negative earnings surprises have witnessed a 2.6% decrease in price on average during this 4-day window.

If the final percentage for the quarter is -0.4%, it will mark the smallest average price decline over this 4-day window for S&P 500 companies reporting negative EPS surprises since Q2 2009 (-0.2%).

Why isn't the market punishing companies (on average) that have reported negative earnings surprises? It is likely not due to EPS guidance or analyst revisions to EPS estimates for the first quarter. To date, 76% (59 of 78) of the companies that have issued EPS guidance for Q4 have issued negative guidance. This percentage is above the 5-year average of 71%. In aggregate, analysts have made larger cuts than average to first quarter EPS estimates (-5.8%) during the first half of the quarter.




S&P 500 Negative EPS Surprises: Avg. Price Change % (5-Year)
(Source: FactSet)
0.5%
0.0%
-0.5%
-1.0%
-1.5%
-2.0%
-2.5%
-3.0%
-3.5%
-4.0%
-4.5%
-2.0%
-3.0%
-1.5%
-1.8%
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-1.9%
-3.1%
-0.4%
Q114
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Q216
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Q416
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Q317
Q417
Q118
Q218
Q318
Q418
Avg. Price Change % (2 Days Before Report + 2 Days After Report)
5-Year Avg.

Q4 Earnings Season: By The Numbers

Overview

To date, 79% 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 (70%) is below the 5-year average. In aggregate, companies are reporting earnings that are 3.5% above the estimates, which is also below the 5-year average. In terms of revenues, the percentage of companies reporting actual revenues above estimates (62%) is above the 5-year average. In aggregate, companies are reporting revenues that are 1.1% above the estimates, which is also above the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report), year-over-year earnings growth rate for the fourth quarter is 13.1% today, which is slightly below the earnings growth rate of 13.2% last week. Negative earnings surprises reported by companies in the Financials sector were mainly responsible for the small decrease in the earnings growth rate during the week. If 13.1% is the actual growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year earnings growth. Five sectors are reporting double-digit earnings growth, led by the Energy, Communication Services, and Industrials sectors.

The blended, year-over-year revenue growth rate for the fourth quarter is 7.0% today, which is equal to the revenue growth rate of 7.0% last week. All 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 ahead, analysts predict a decline in earnings for the first quarter (-2.2%) of 2019 and low single-digit growth in earnings for the second (1.0%) and third quarters (2.4%) of 2019.

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

During the upcoming week, 49 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the fourth quarter.

Scorecard: EPS Below Average While Revenues Above Average vs. Analyst Estimates

Percentage of Companies Beating EPS Estimates (70%) is Below 5-Year Average

Overall, 79% of the companies in the S&P 500 have reported earnings to date for the fourth quarter. Of these companies, 70% have reported actual EPS above the mean EPS estimate, 8% have reported actual EPS equal to the mean EPS estimate, and 23% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is below the 1-year (77%) average and below the 5-year (71%) average.

At the sector level, the Industrials (85%) and Information Technology (84%) sectors have the highest percentages of companies reporting earnings above estimates, while the Utilities (36%) and Real Estate (38%) sectors have the lowest percentages of companies reporting earnings (FFO for Real Estate) above estimates.

Earnings Surprise Percentage (+3.5%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 3.5% above expectations. This surprise percentage is below the 1-year (+6.0%) average and below the 5-year (+4.8%) average.

The Energy sector (+17.7%) is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Valero Energy ($2.12 vs. $1.13) and Phillips 66 ($4.87 vs. $2.86) have reported the largest positive EPS surprises.

The Communication Services (+8.8%) sector is reporting second the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Netflix ($0.30 vs. $0.24), Twitter ($0.31 vs. $0.25), News Corporation ($0.18 vs. $0.14), and Walt Disney ($1.84 vs. $1.54) have reported large positive EPS surprises.

The Materials (-3.0%) sector is reporting the largest negative (aggregate) difference between actual earnings and estimated earnings. Within this sector, CF Industries Holdings ($0.21 vs. $0.44), Freeport-McMoRan ($0.11 vs. $0.18), and LyondellBasell Industries ($1.80 vs. $2.27) have reported the largest negative EPS surprises.

Market Rewarding Positive EPS Surprises More and Punishing Negative EPS Surprises Less

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

Companies that have reported positive earnings surprises for Q4 2018 have seen an average price increase of +2.1% two days before the earnings release through two days after the earnings release. This percentage increase is larger than the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q4 2018 have seen an average price decrease of -0.4% two days before the earnings release through two days after the earnings release. This percentage decrease is much smaller than the 5-year average price decrease of -2.6% during this same window for companies reporting negative earnings surprises.

For more details, please see pages 2 and 3.

Percentage of Companies Beating Revenue Estimates (62%) is Above 5-Year Average

In terms of revenues, 62% of companies have reported actual sales above estimated sales and 38% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is below the 1-year average (72%) but above the 5-year average (60%).

At the sector level, the Health Care (84%) and Industrials (73%) sectors have the highest percentages of companies reporting revenues above estimates, while the Materials (30%) and Financials (50%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.1%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 1.1% above expectations. This surprise percentage is below the 1-year (+1.4%) average but above the 5-year (+0.7%) average.

The Utilities (+5.2%) sector is reporting the largest positive (aggregate) difference between actual revenues and estimated revenues. Within this sector, DTE Energy (3.75 billion vs. $2.86 billion) and Exelon ($8.81 billion vs. $7.20 billion) have reported the largest positive revenue surprises.

The Materials (-2.4%) sector is reporting the largest negative (aggregate) difference between actual revenues and estimated revenues. Within this sector, CF Industries Holdings ($1.13 billion vs. $1.24 billion) and LyondellBasell Industries ($8.88 billion vs. $9.14 billion) have reported the largest negative revenue surprises.

Revisions: Decrease in Blended Earnings Growth Rate this Week

Decrease in Blended Earnings Growth This Week Due to Financials

The blended, year-over-year earnings growth rate for the fourth quarter is 13.1% today, which is slightly below the earnings growth rate of 13.2% last week. Negative earnings surprises reported by companies in the Financials sector were mainly responsible for the small decrease in the earnings growth rate during the week.

In the Financials sector, the negative EPS surprises reported by AIG (-$0.63 vs. $0.42) and Loews Corporation (-$0.28 vs. $0.52) were significant contributors to the small decrease in the overall earnings growth rate for the index during the week. As a result, the blended earnings growth rate for the Financials sector fell to 7.7% from 9.6% during the week.

No Change in Blended Revenue Growth This Week

The blended, year-over-year revenue growth rate for the fourth quarter is 7.0% today, which is equal to the revenue growth rate of 7.0% last week.

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

The blended, year-over-year earnings growth rate for Q4 2018 of 13.1% is above the estimate of 12.1% at the end of the fourth quarter (December 31). Seven sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Energy (to 97.5% from 75.7%) sector. Four sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Materials (to 1.2% from 9.2%) sector.

Utilities & Health Care Sectors Have Seen Largest Increases in Revenue Growth since December 31

The blended, year-over-year revenue growth rate for Q4 2018 of 7.0% is above the estimate of 6.4% at the end of the fourth quarter (December 31). Eight 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 Utilities (to 2.4% from -1.0%) and Health Care (to 9.1% from 5.8%) sectors. Three 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 Materials (to 7.0% from 10.2%) sector.

Earnings Growth: 13.1%

The blended (year-over-year) earnings growth rate for Q4 2018 is 13.1%. If 13.1% is the final growth rate for the quarter, it will mark the first time the index has not reported earnings growth above 20% since Q4 2017. However, it will also mark the fifth straight quarter of double-digit earnings growth for the index. Ten of the eleven sectors are reporting year-over-year growth in earnings. Five sectors are reporting double-digit earnings growth, led by the Energy, Communication Services, and Industrials sectors.

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

The Energy sector is reporting the highest (year-over-year) earnings growth of all eleven sectors at 97.5%. At the sub-industry level, five of the six sub-industries in the sector are reporting earnings growth for the quarter: Oil & Gas Drilling (N/A due to $0 earnings in year-ago), Oil & Gas Refining & Marketing (203%), Oil & Gas Exploration & Production (121%), Integrated Oil & Gas (86%), and Oil & Gas Storage & Transportation (57%). The Oil & Gas Equipment & Services (-6%) sub-industry is the only sub-industry reporting a year-over-year decline in earnings in the sector.

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

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

Industrials: 10 of 12 Industries Reporting Double-Digit Growth

The Industrials sector is reporting the third highest (year-over-year) earnings growth of all eleven sectors at 18.3%. At the industry level, 10 of the 12 industries in this sector are reporting earnings growth for the quarter. All ten of these industries are reporting double-digit growth in earnings, led by the Construction & Engineering (58%), Trading Companies & Distributors (41%), Road & Rail (37%), Aerospace & Defense (35%), and Airlines (31%) industries. The Industrial Conglomerates (-14%) and Professional Services (-9%) industries are the only two industries reporting year-over-year declines in earnings for the quarter.

At the company level, General Electric is the largest detractor to earnings growth for the sector. The company reported actual EPS of $0.17 for Q4 2018, 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 23.1% from 18.3%.

Revenue Growth: 7.0%

The blended (year-over-year) revenue growth rate for Q4 2018 is 7.0%. All 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 on Easy Comparison to Year-Ago Revenues ex-TAC

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

At the company level, Alphabet is the largest contributor to revenue growth for this sector due to an unusual apple-to-orange comparison between revenues for Q4 2018 and Q4 2017. For Q4 2018, the majority of analysts provided estimates for total revenues (including traffic acquisition costs) for Alphabet. On this basis, Alphabet reported revenues of $39.276 billion in Q4 2018. For Q4 2017, the majority of analysts provided estimates for total revenues excluding traffic acquisition costs for Alphabet. On this basis, Alphabet reported revenues of $25.873 billion in Q4 2017. Thus, in the growth rate calculation, total revenues (including TAC) of $39.276 billion in Q4 2018 are being compared to total revenues excluding TAC of $25.873 billion in Q4 2017. In addition, the company’s revenue numbers are counted twice in the growth rate calculation (once for GOOG and once for GOOGL) because the company is a dual-listed ticker in the index. As a result of the apple-to-orange comparison and the dual-listing, Alphabet is the largest contributor to revenue growth for the sector and the index as a whole. If this company were excluded, the blended revenue growth rate for the Communications Services sector would fall to 12.0% from 20.4%, and the blended revenue growth rate for the index would fall to 6.2% from 7.0%.

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 12.3%. At the company level, CBRE Group is the largest contributor to revenue growth for the sector. CBRE Group reported revenues of $6.29 billion for Q4 2018, compared to revenues of $4.34 billion in the year-ago quarter. If this company were excluded, the blended revenue growth rate for the sector would fall to 5.4% from 12.3%.

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 11.9%. At the sub-industry level, five of the six sub-industries in the sector are reporting revenue growth for the quarter. Four of these five sub-industries are reporting double-digit revenue growth: Oil & Gas Drilling (31%), Oil & Gas Refining & Marketing (17%), Oil & Gas Exploration & Production (16%), and Integrated Oil & Gas (11%).

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, 78 companies in the index have issued EPS guidance for Q1 2019. Of these 78 companies, 59 have issued negative EPS guidance and 19 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 76% (59 out of 78), which is above the 5-year average of 71%.

Earnings: Year-over-Year Decline Projected for Q1 2019

For the fourth quarter, companies are reporting earnings growth of 13.1% and revenue growth of 7.0%. For CY 2018, companies are reporting earnings growth of 20.1% and revenue growth of 8.9%. However, analysts expect a decline in earnings in Q1 2019 and low, single-digit growth in earnings in Q2 2019 and Q3 2019.

For Q1 2019, analysts are projecting a decline in earnings (-2.2%) and revenue growth of 5.3%.

For Q2 2019, analysts are projecting earnings growth of 1.0% and revenue growth of 4.7%.

For Q3 2019, analysts are projecting earnings growth of 2.4% and revenue growth of 4.5%.

For Q4 2019, analysts are projecting earnings growth of 9.1% and revenue growth of 5.0%.

For CY 2019, analysts are projecting earnings growth of 4.8% and revenue growth of 4.9%.

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

The forward 12-month P/E ratio is 16.0. This P/E ratio is below the 5-year average of 16.4 but above the 10-year average of 14.6. 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 9.5%, while the forward 12-month EPS estimate has decreased by 1.2%.

At the sector level, the Consumer Discretionary (19.9) 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 11% Increase in Price Over Next 12 Months

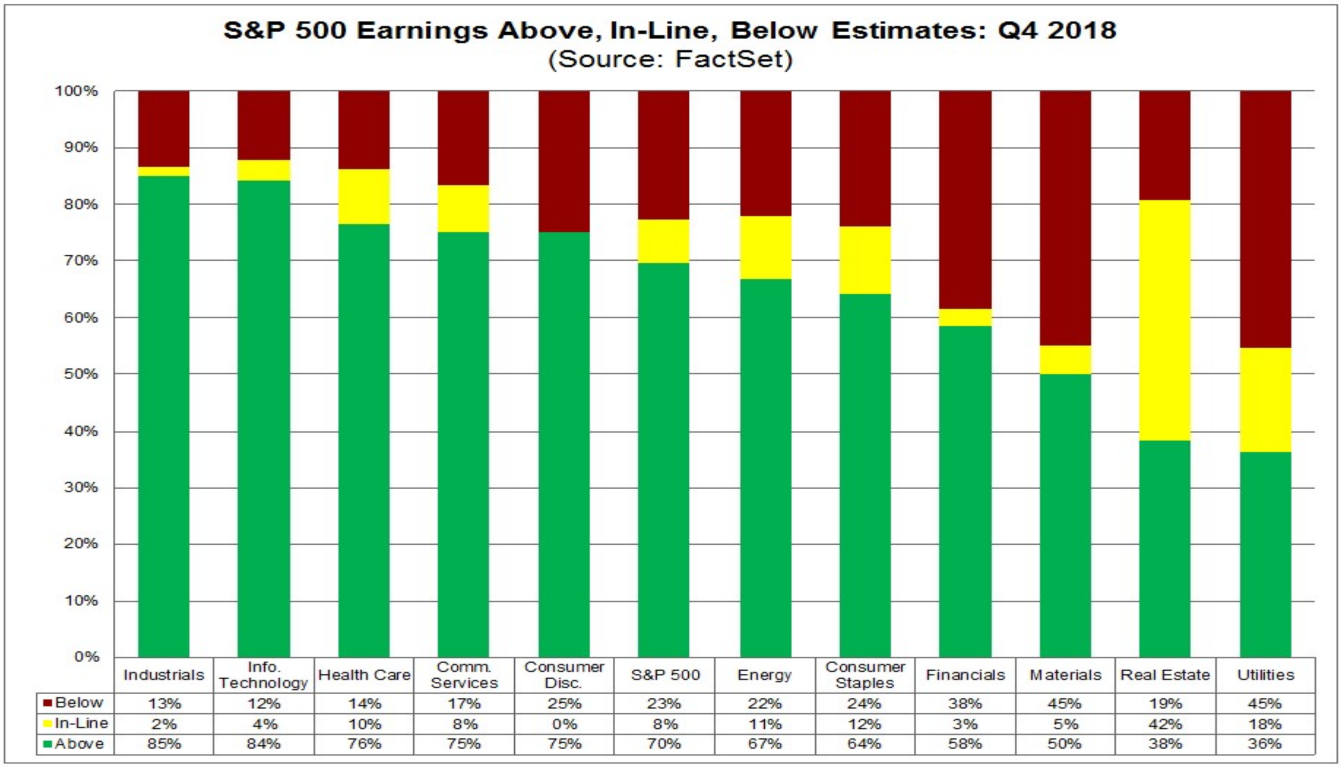
The bottom-up target price for the S&P 500 is 3058.74, which is 11.4% above the closing price of 2745.73. At the sector level, the Energy (+17.0%) and Communication Services (+16.7%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Utilities (+1.9%) and Real Estate (+2.8%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 11,042 ratings on stocks in the S&P 500. Of these 11,042 ratings, 54.0% are Buy ratings, 40.2% are Hold ratings, and 5.8% are Sell ratings. At the sector level, the Energy (67%) sector has the highest percentage of Buy ratings, while the Consumer Staples (40%) sector has the lowest percentage of Buy ratings.

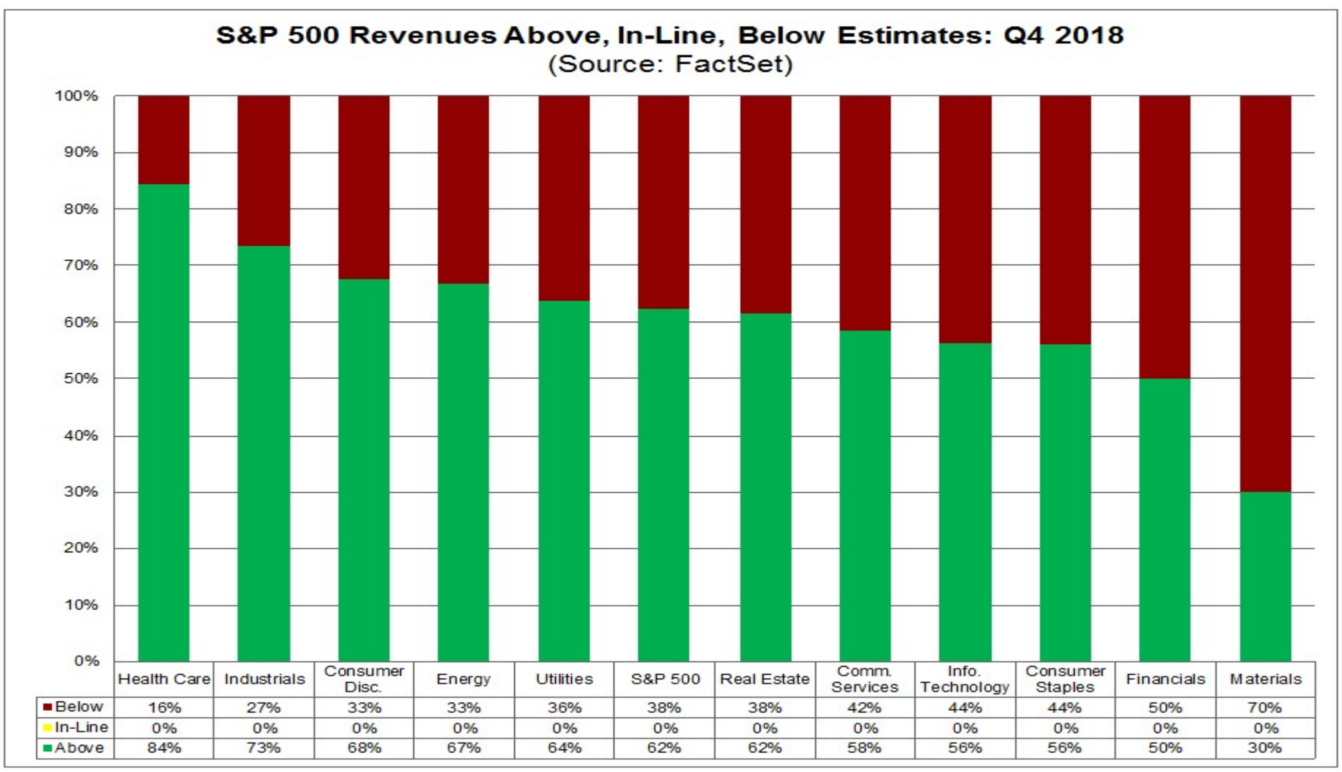
Companies Reporting Next Week: 49

During the upcoming week, 49 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the fourth quarter.

Q4 2018: Scorecard

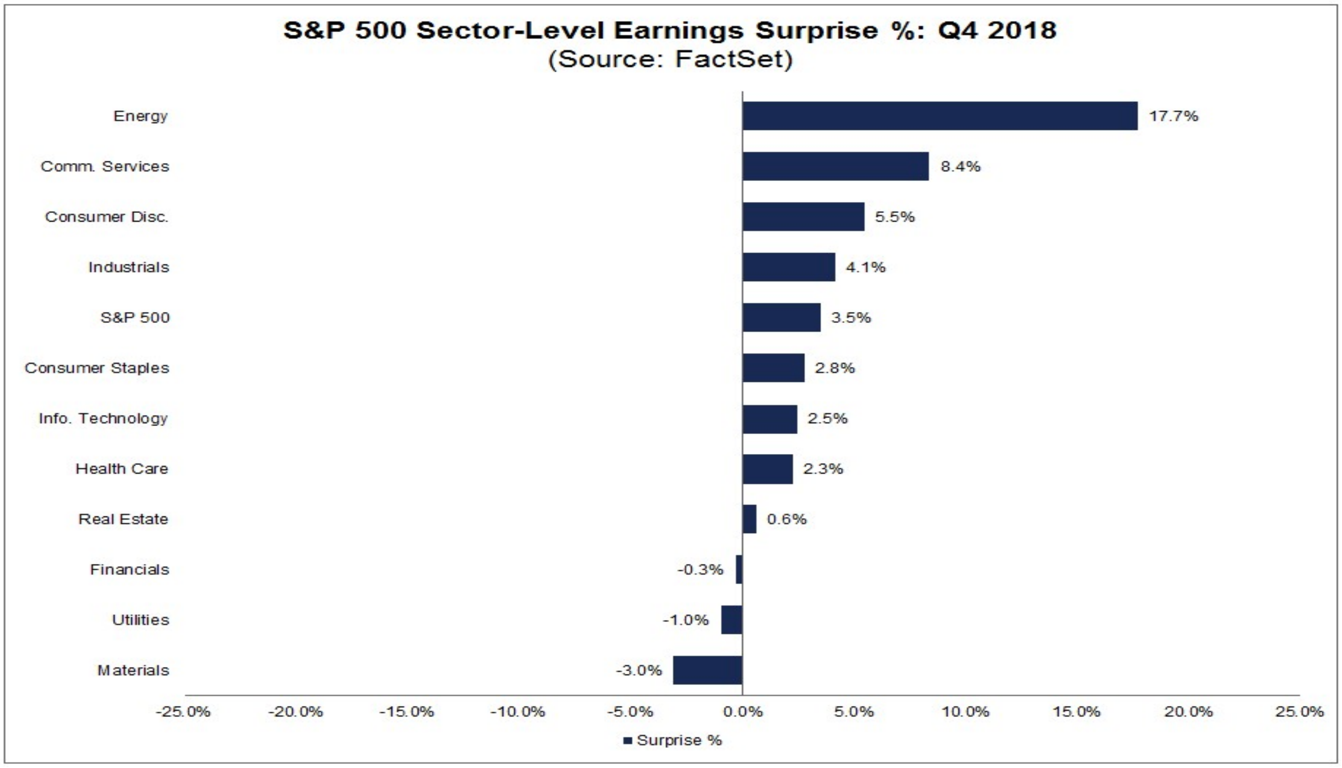


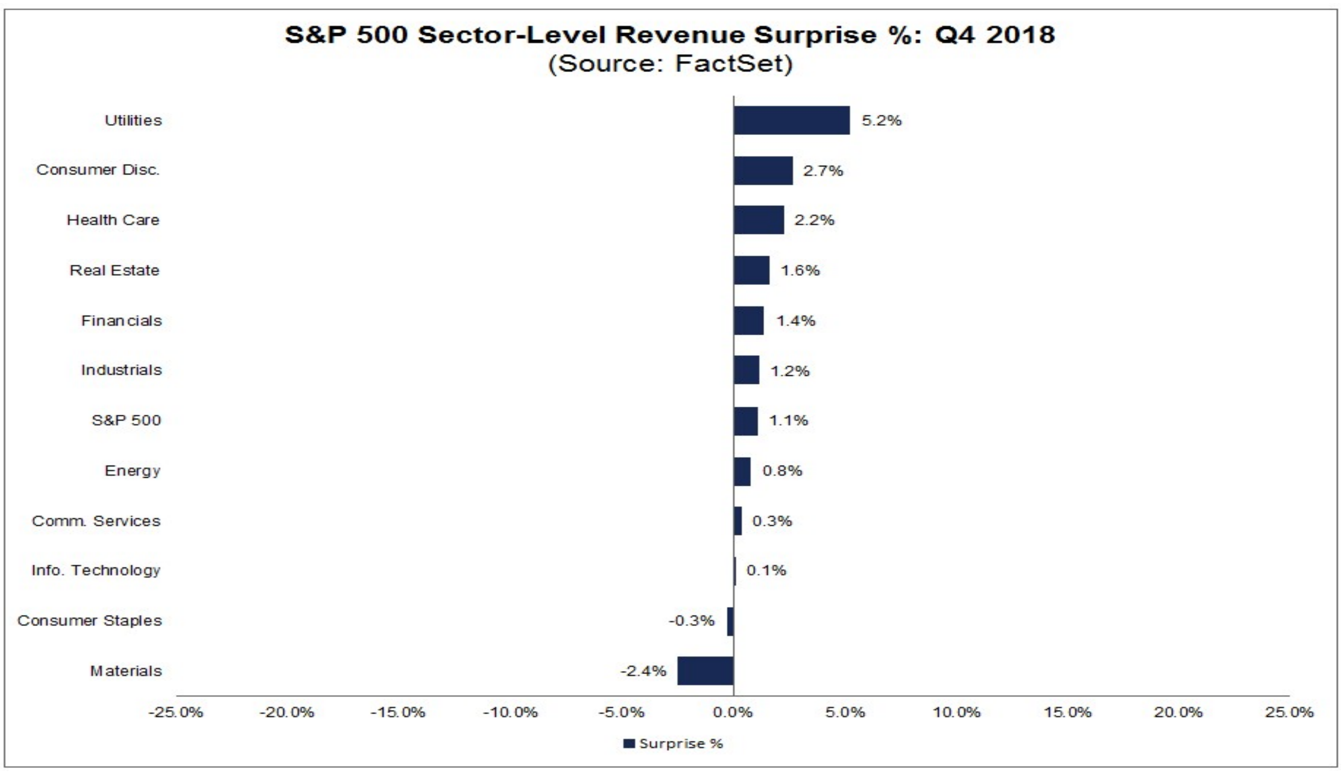
	Industrials	Info. Technology	Health Care	Comm. Services	Consumer Disc.	S&P 500	Energy	Consumer Staples	Financials	Materials	Real Estate	Utilities
Below	13%	12%	14%	17%	25%	23%	22%	24%	38%	45%	19%	45%
In-Line	2%	4%	10%	8%	0%	8%	11%	12%	3%	5%	42%	18%
Above	85%	84%	76%	75%	75%	70%	67%	64%	58%	50%	38%	36%



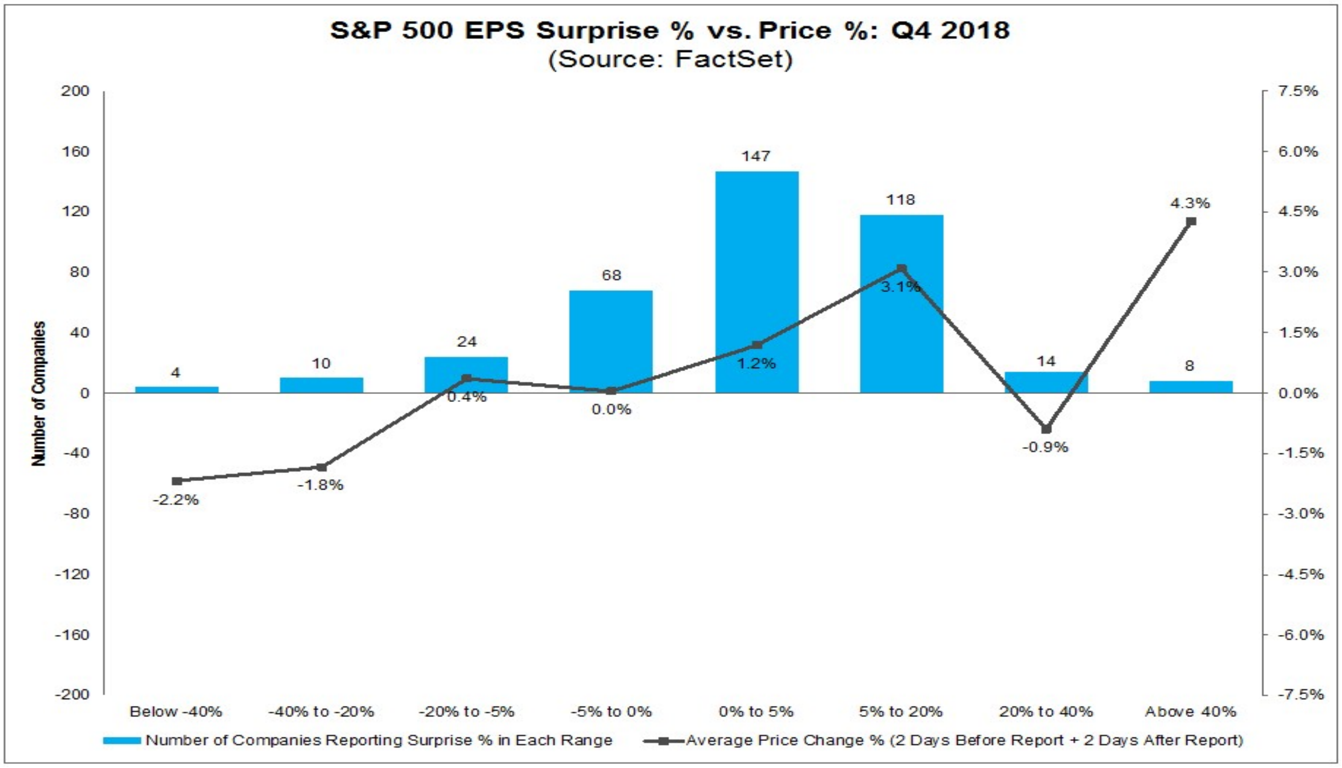
	Health Care	Industrials	Consumer Disc.	Energy	Utilities	S&P 500	Real Estate	Comm. Services	Info. Technology	Consumer Staples	Financials	Materials
Below	16%	27%	33%	33%	36%	38%	38%	42%	44%	44%	50%	70%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	84%	73%	68%	67%	64%	62%	62%	58%	56%	56%	50%	30%

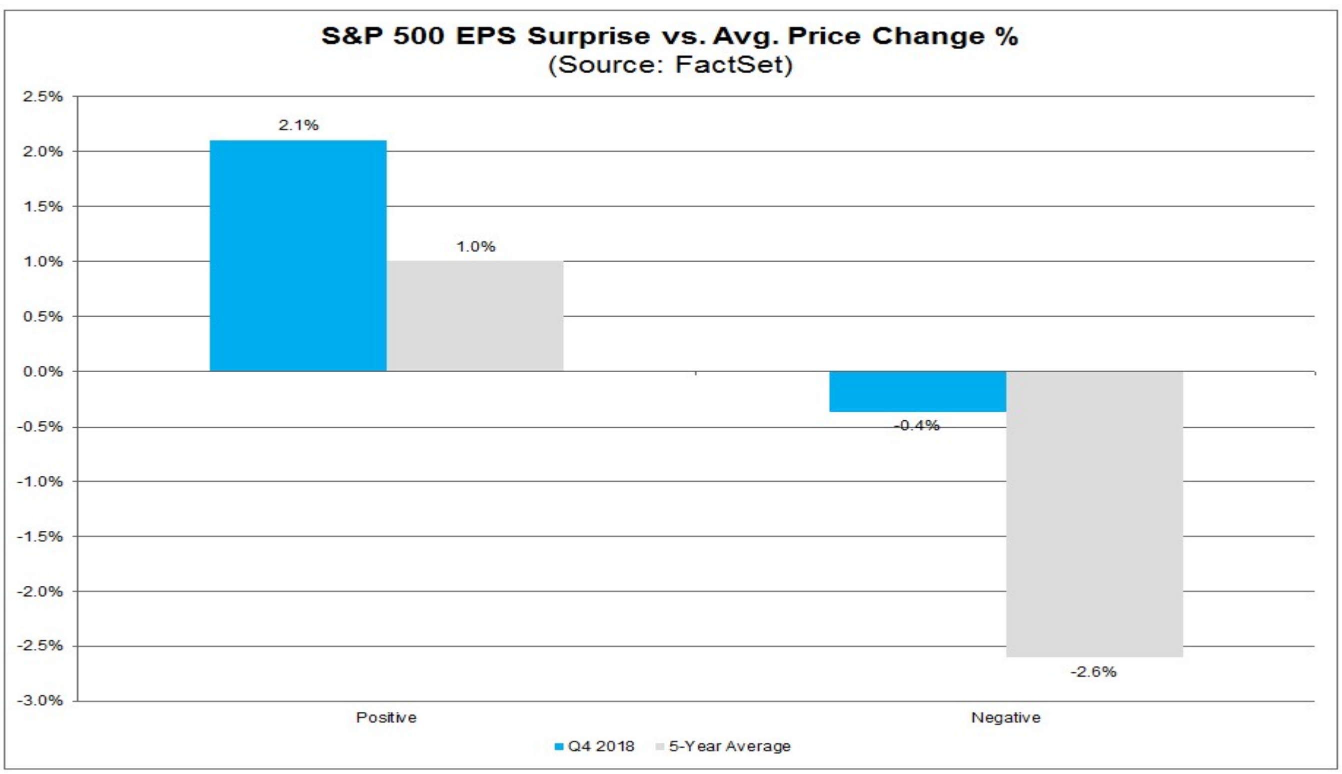
Q4 2018: Scorecard



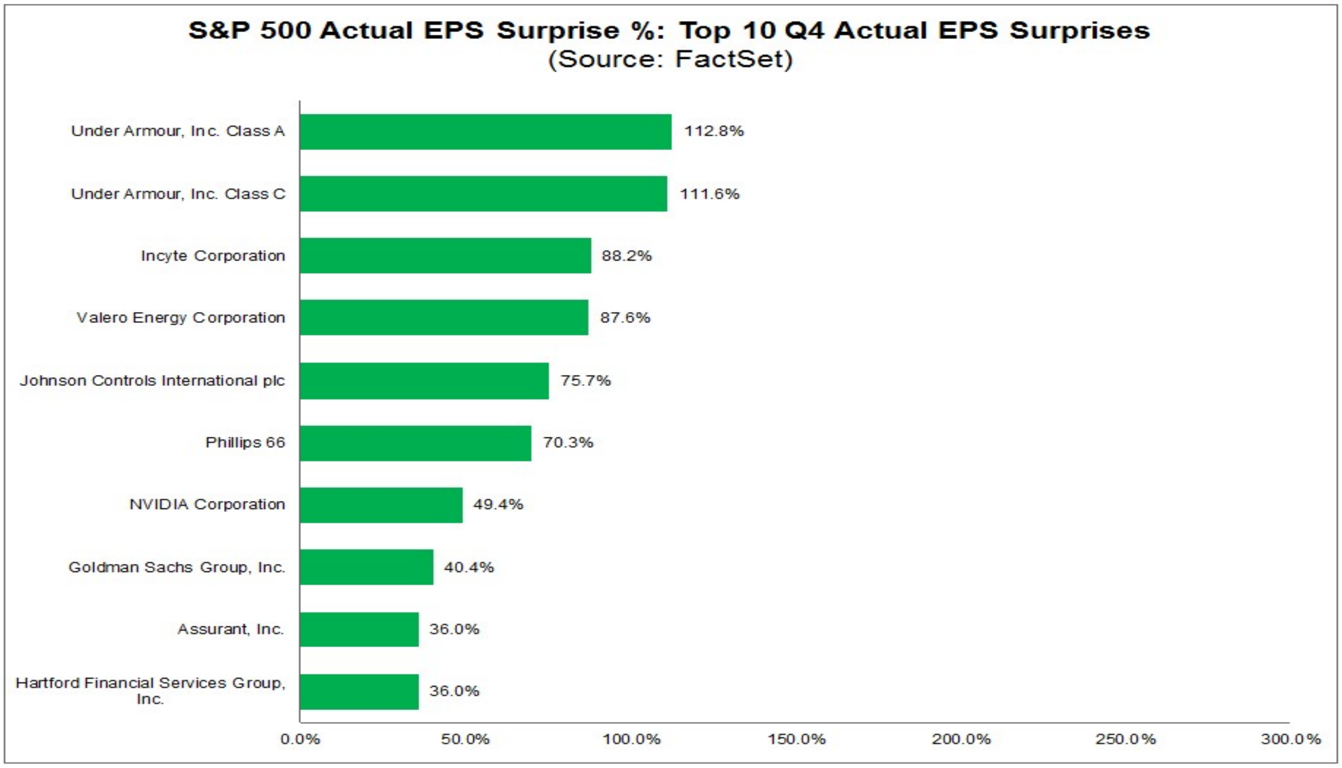


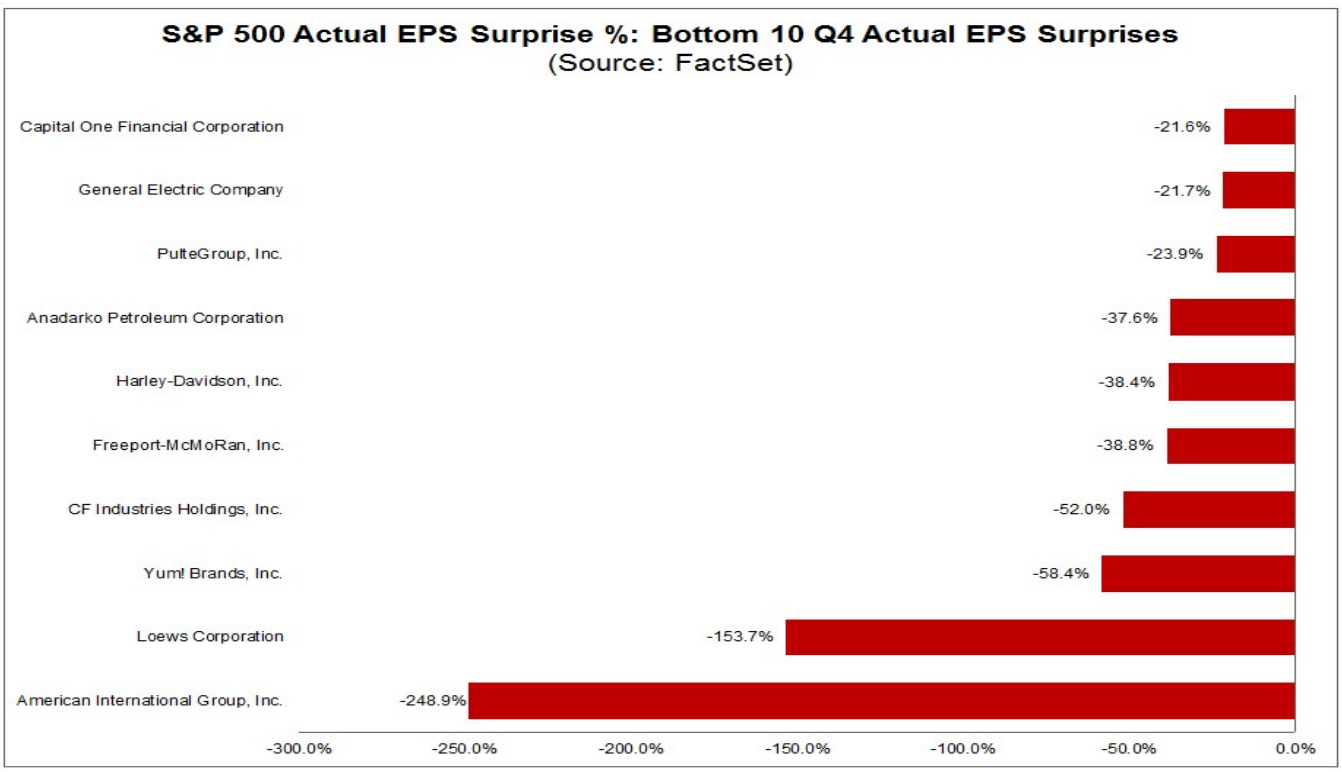
Q4 2018: Scorecard



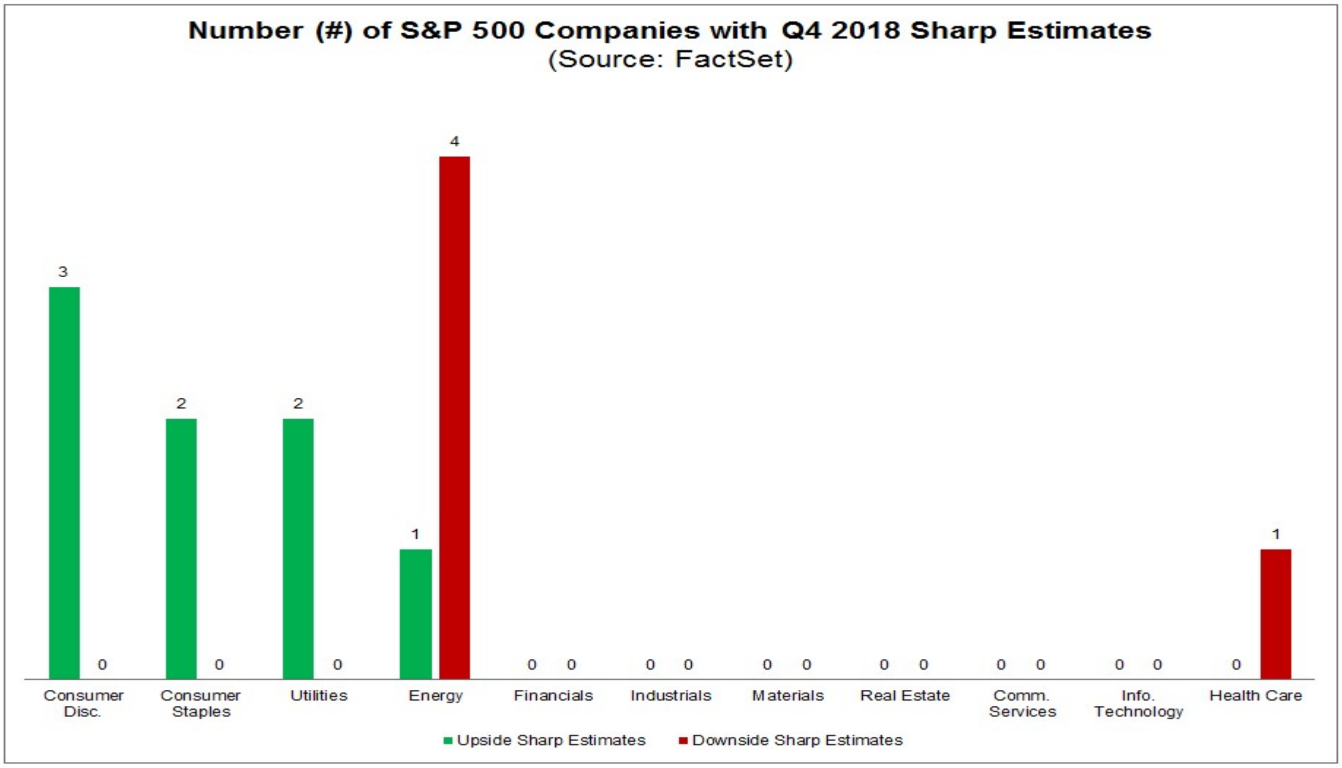


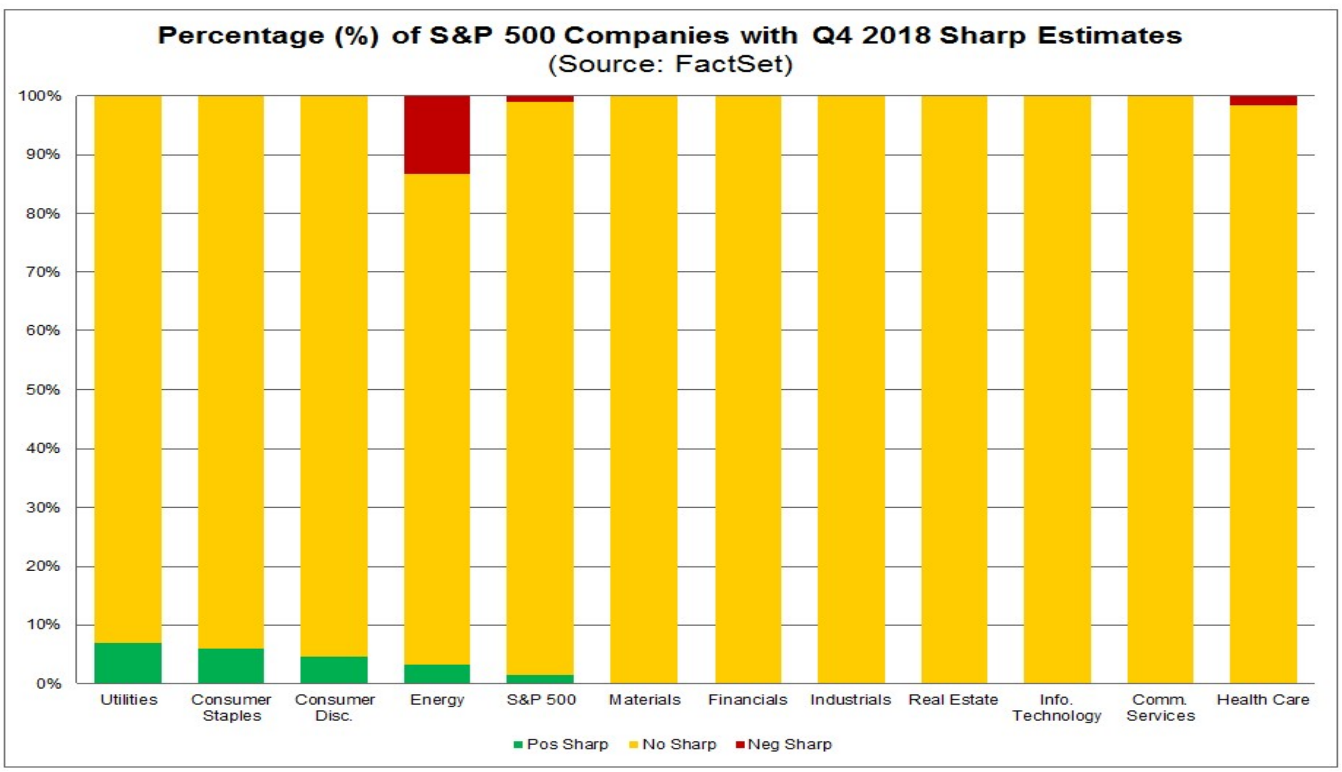
Q4 2018: Scorecard



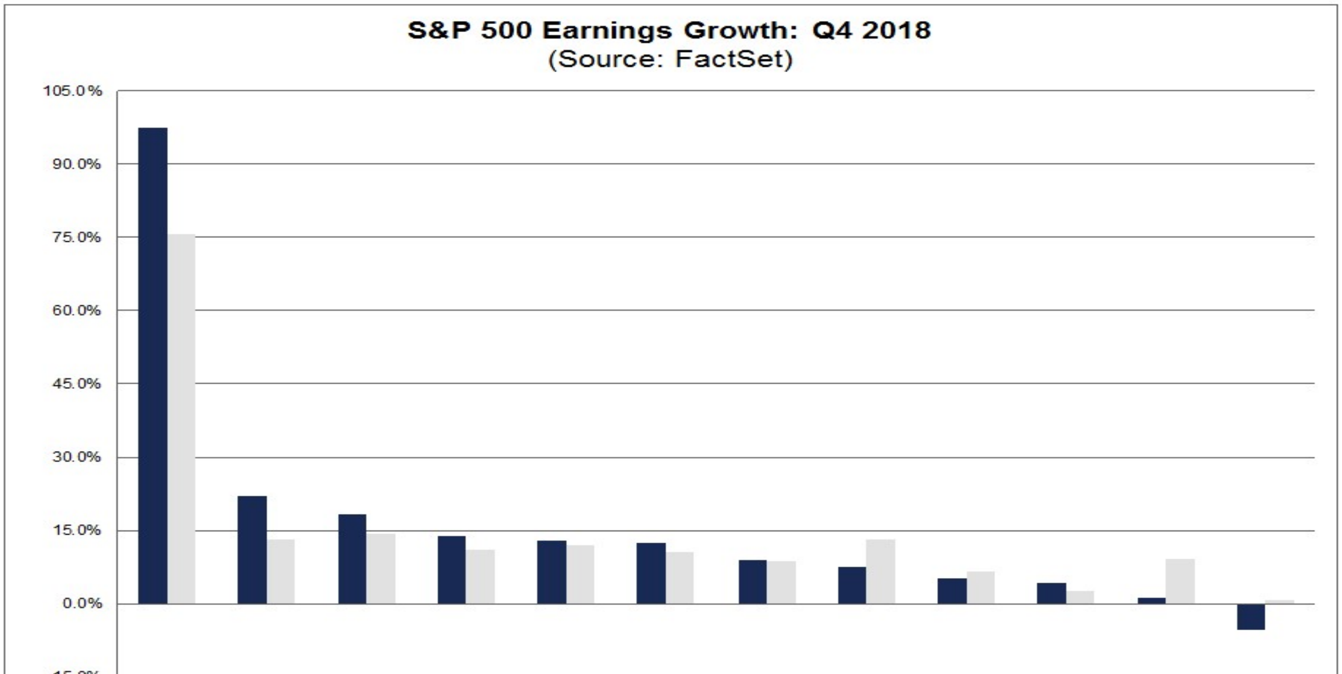


Q4 2018: Projected EPS Surprises (Sharp Estimates)

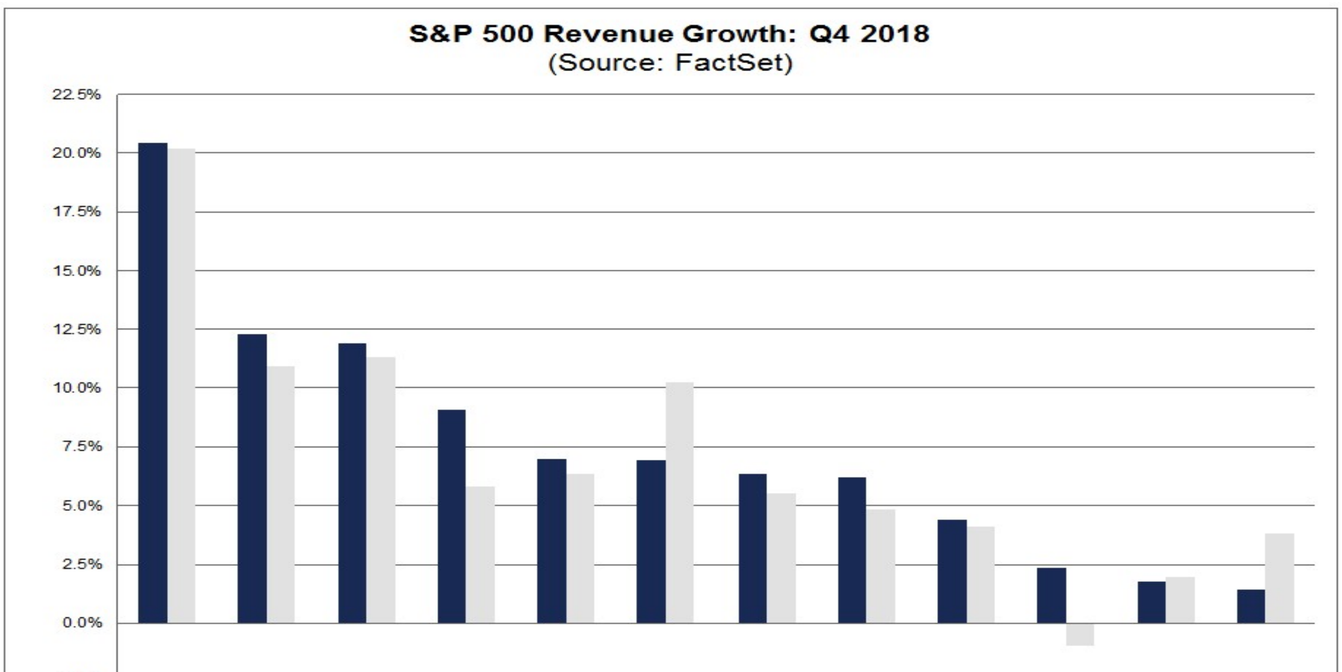




Q4 2018: Growth

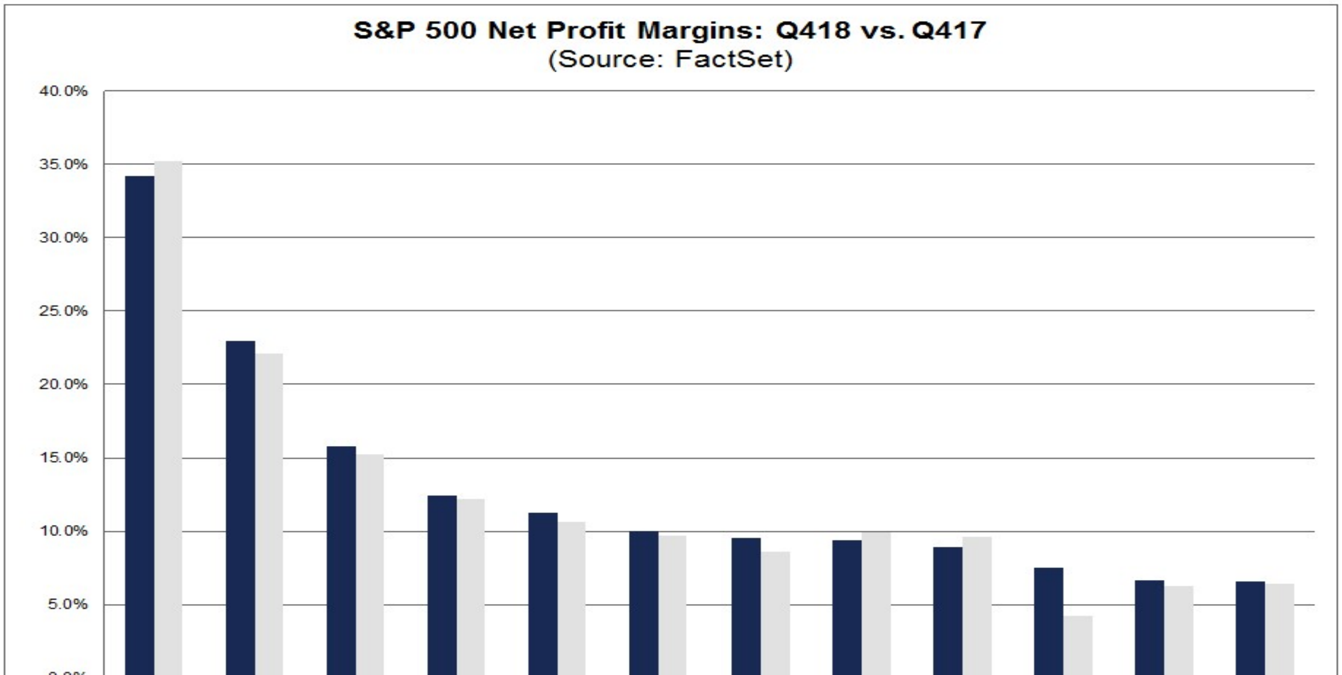


	Energy	Comm. Services	Industrials	Consumer Disc.	S&P 500	Health Care	Real Estate	Financials	Info. Technology	Consumer Staples	Materials	Utilities
Today	97.5%	22.2%	18.3%	13.9%	13.1%	12.5%	9.0%	7.7%	5.3%	4.3%	1.2%	-5.2%
31-Dec	75.7%	13.3%	14.4%	11.1%	12.1%	10.6%	8.8%	13.3%	6.7%	2.8%	9.2%	0.9%

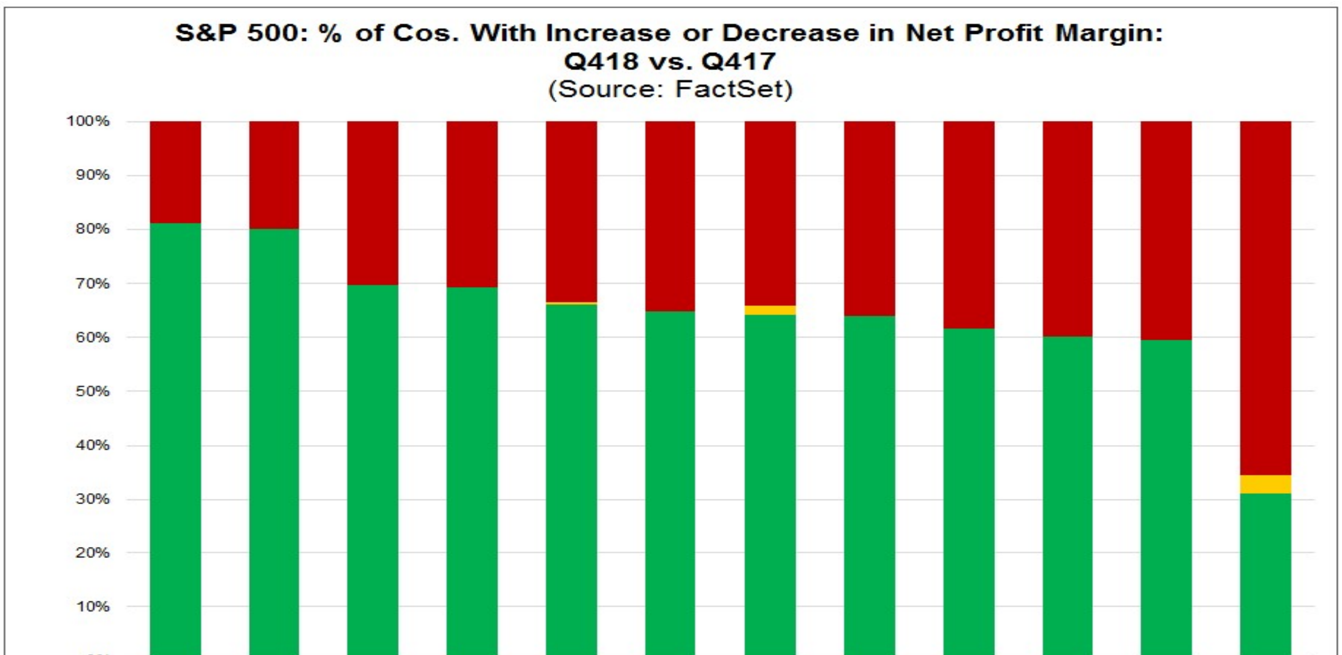


	Comm. Services	Real Estate	Energy	Health Care	S&P 500	Materials	Industrials	Consumer Disc.	Financials	Utilities	Consumer Staples	Info. Technology
Today	20.4%	12.3%	11.9%	9.1%	7.0%	7.0%	6.4%	6.2%	4.4%	2.4%	1.8%	1.4%
31-Dec	20.2%	10.9%	11.3%	5.8%	6.4%	10.2%	5.5%	4.8%	4.1%	-1.0%	2.0%	3.8%

Q4 2018: Net Profit Margin

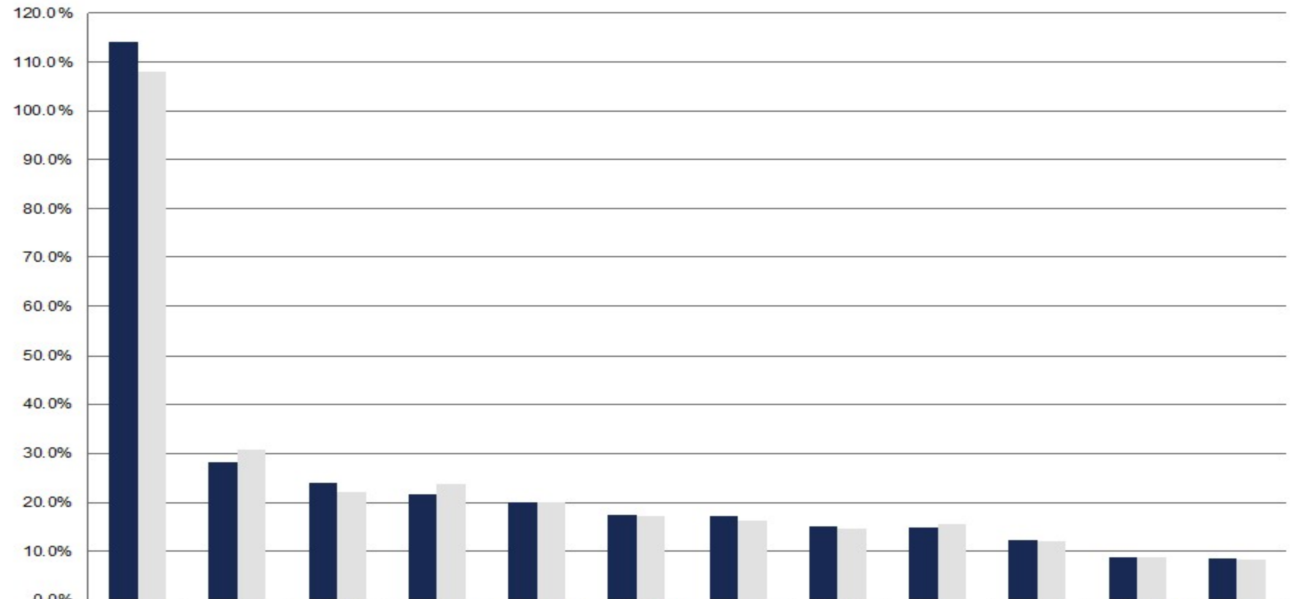


	Real Estate	Information Tech.	Financials	Comm. Services	S&P 500	Health Care	Industrials	Materials	Utilities	Energy	Consumer Disc.	Consumer Staples
Q418	34.2%	22.9%	15.8%	12.4%	11.3%	10.0%	9.6%	9.4%	8.9%	7.6%	6.7%	6.6%
Q417	35.2%	22.1%	15.3%	12.2%	10.7%	9.7%	8.6%	10.0%	9.6%	4.3%	6.2%	6.5%

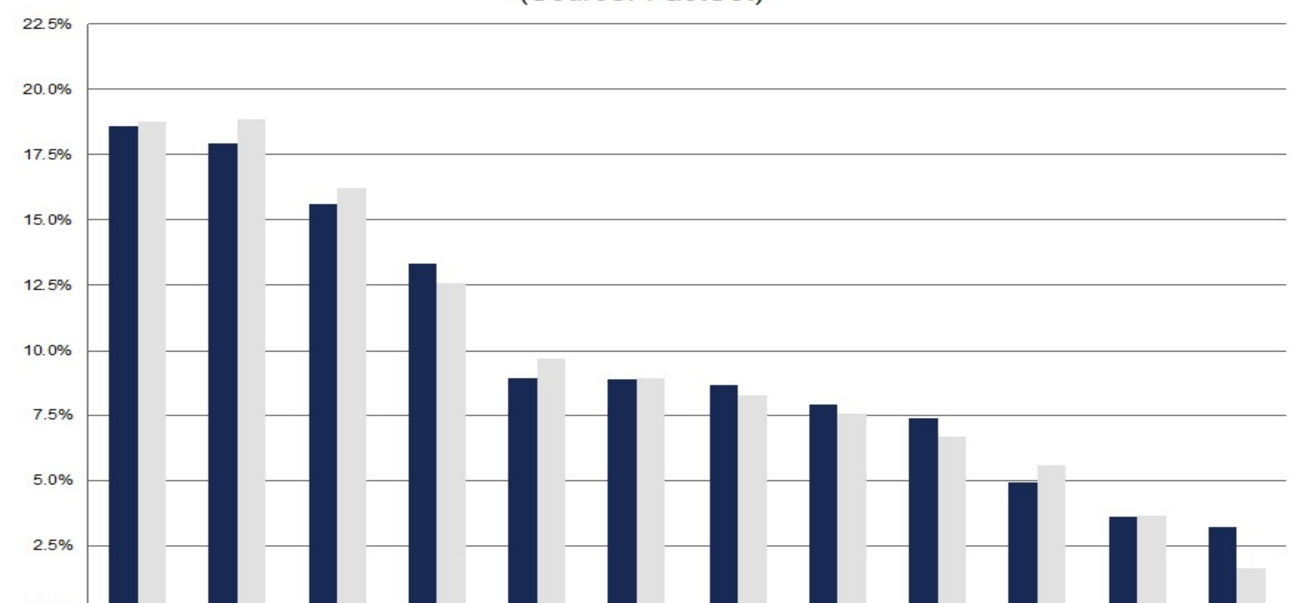


	Industrials	Energy	Consumer Staples	Information Tech.	S&P 500	Consumer Disc.	Financials	Health Care	Comm. Services	Materials	Real Estate	Utilities
Down %	19%	20%	30%	31%	34%	35%	34%	36%	38%	40%	41%	66%
None %	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	3%
Up %	81%	80%	70%	69%	66%	65%	64%	64%	62%	60%	59%	31%

CY 2018: Growth

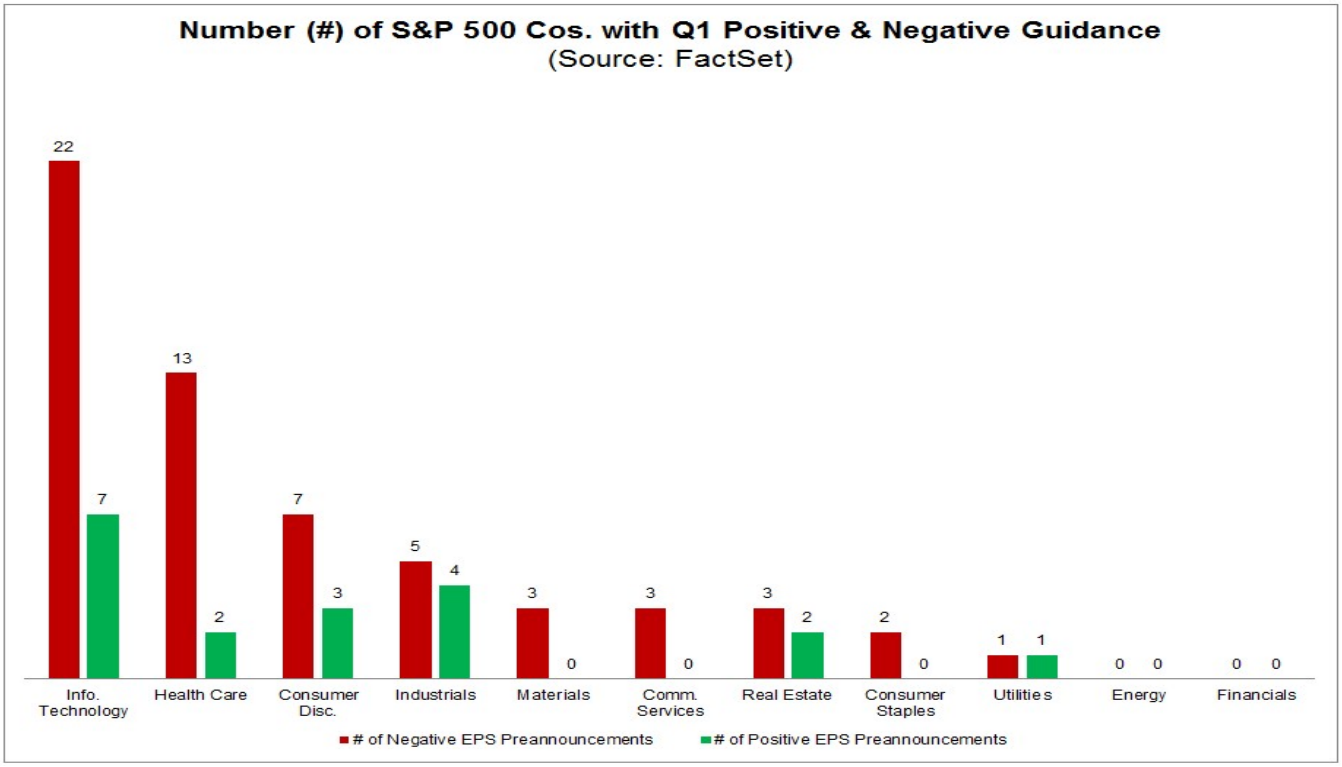


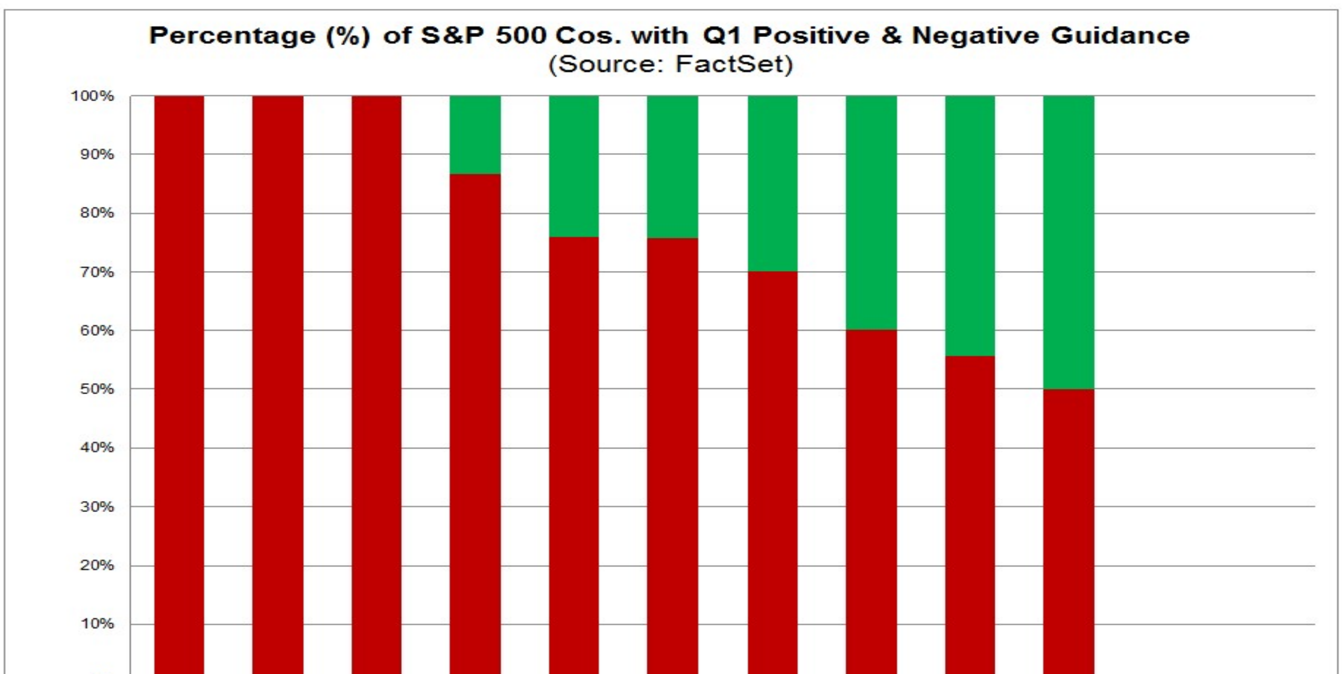
	Energy	Materials	Comm. Services	Financials	S&P 500	Consumer Disc.	Industrials	Health Care	Info. Technology	Utilities	Consumer Staples	Real Estate
Today	114.1%	28.2%	24.1%	21.6%	20.1%	17.4%	17.2%	15.1%	14.8%	12.4%	8.8%	8.5%
31-Dec	108.0%	30.8%	22.2%	23.7%	20.1%	17.3%	16.3%	14.6%	15.5%	12.0%	8.7%	8.4%



	Comm. Services	Energy	Materials	Real Estate	Info. Technology	S&P 500	Consumer Disc.	Industrials	Health Care	Financials	Consumer Staples	Utilities
Today	18.6%	17.9%	15.6%	13.3%	9.0%	8.9%	8.7%	7.9%	7.4%	5.0%	3.6%	3.2%
31-Dec	18.7%	18.9%	16.2%	12.6%	9.7%	8.9%	8.3%	7.6%	6.7%	5.6%	3.7%	1.7%

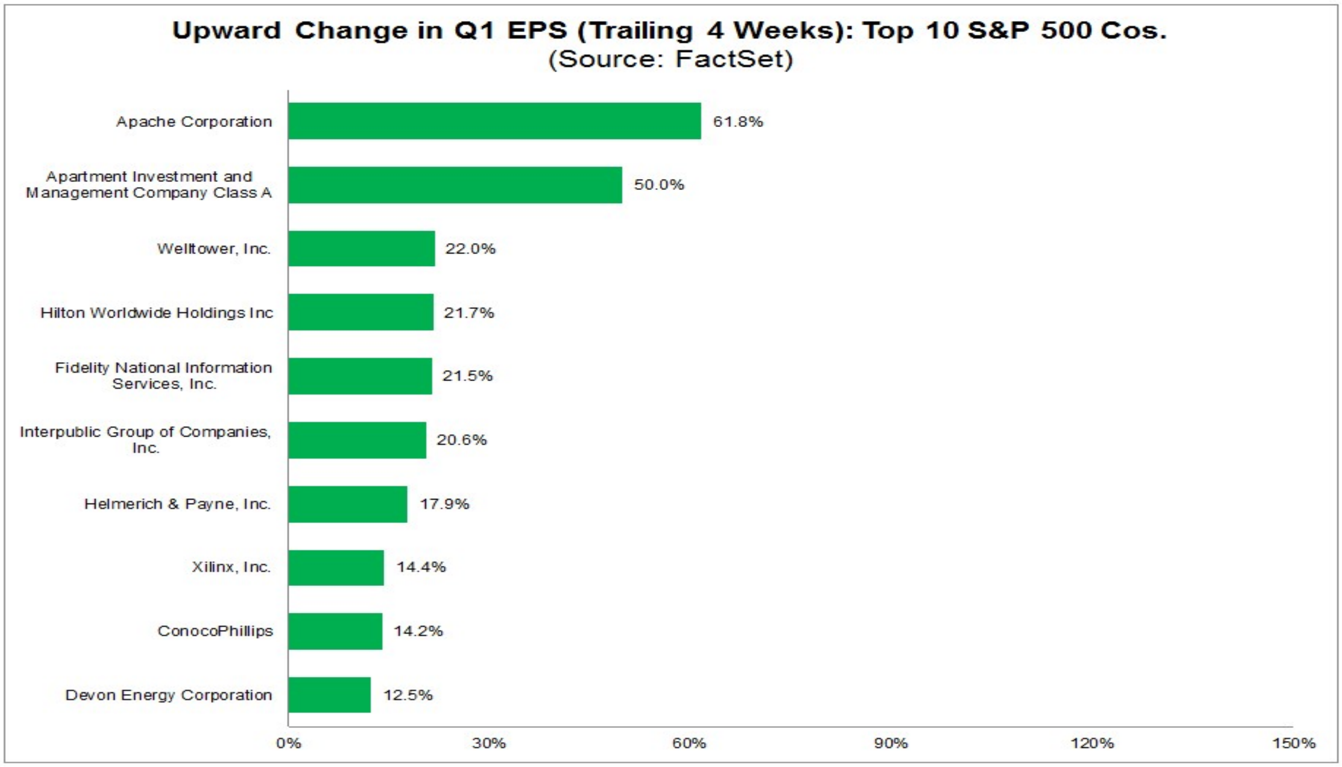
Q1 2019: EPS Guidance

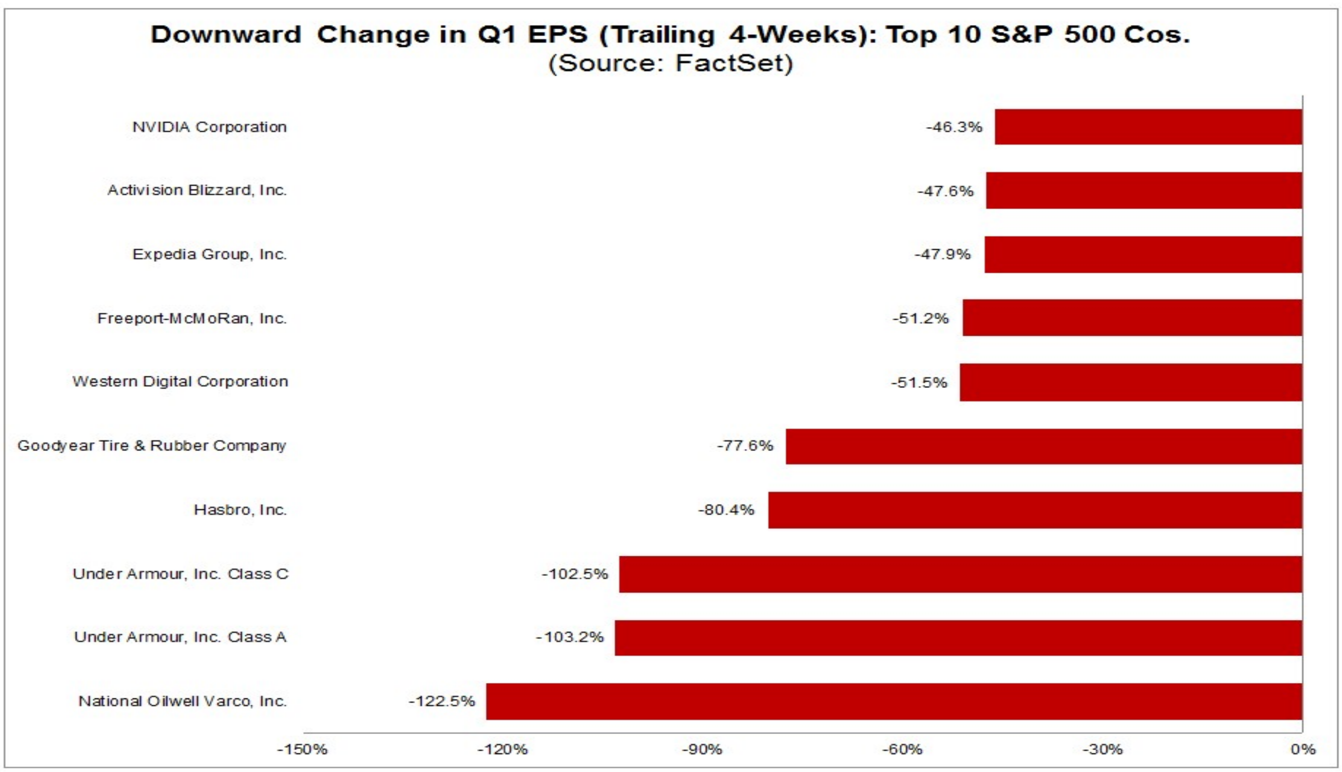




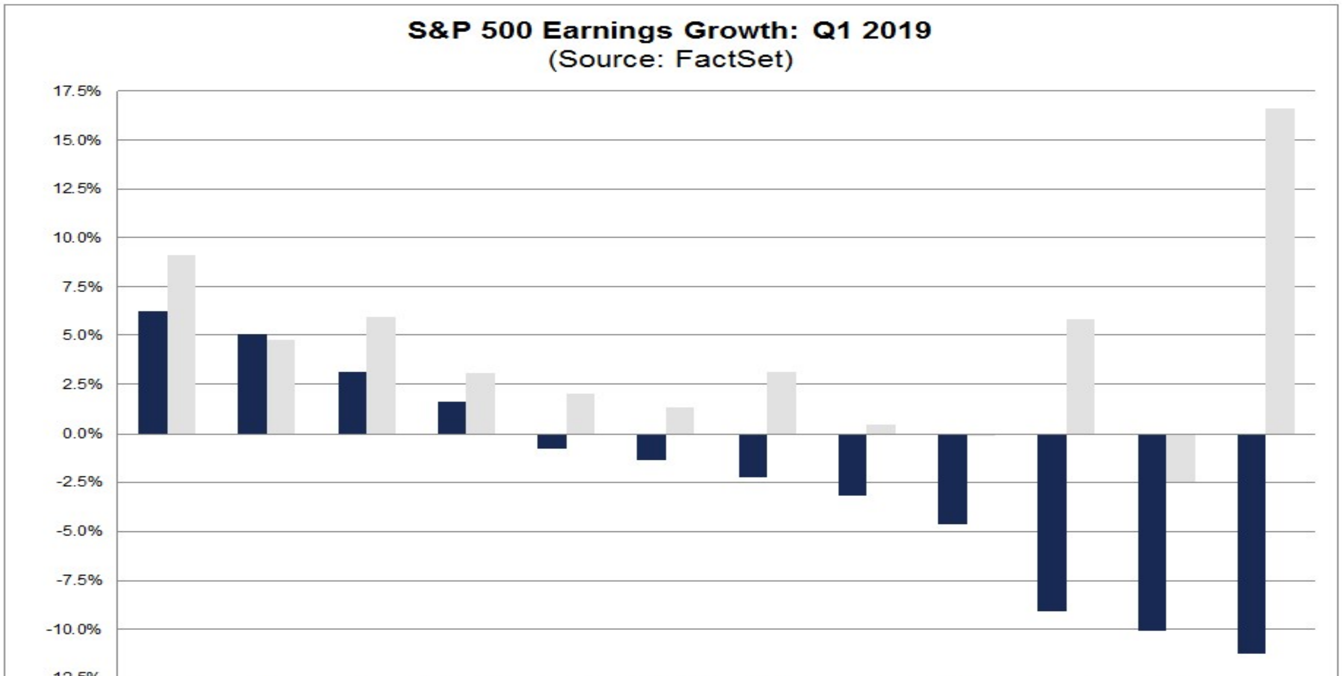
	Materials	Comm. Services	Consumer Staples	Health Care	Info. Technology	S&P 500	Consumer Disc.	Real Estate	Industrials	Utilities	Energy	Financials
Positive	0%	0%	0%	13%	24%	24%	30%	40%	44%	50%	0%	0%
Negative	100%	100%	100%	87%	76%	76%	70%	60%	56%	50%	0%	0%

Q1 2019: EPS Revisions

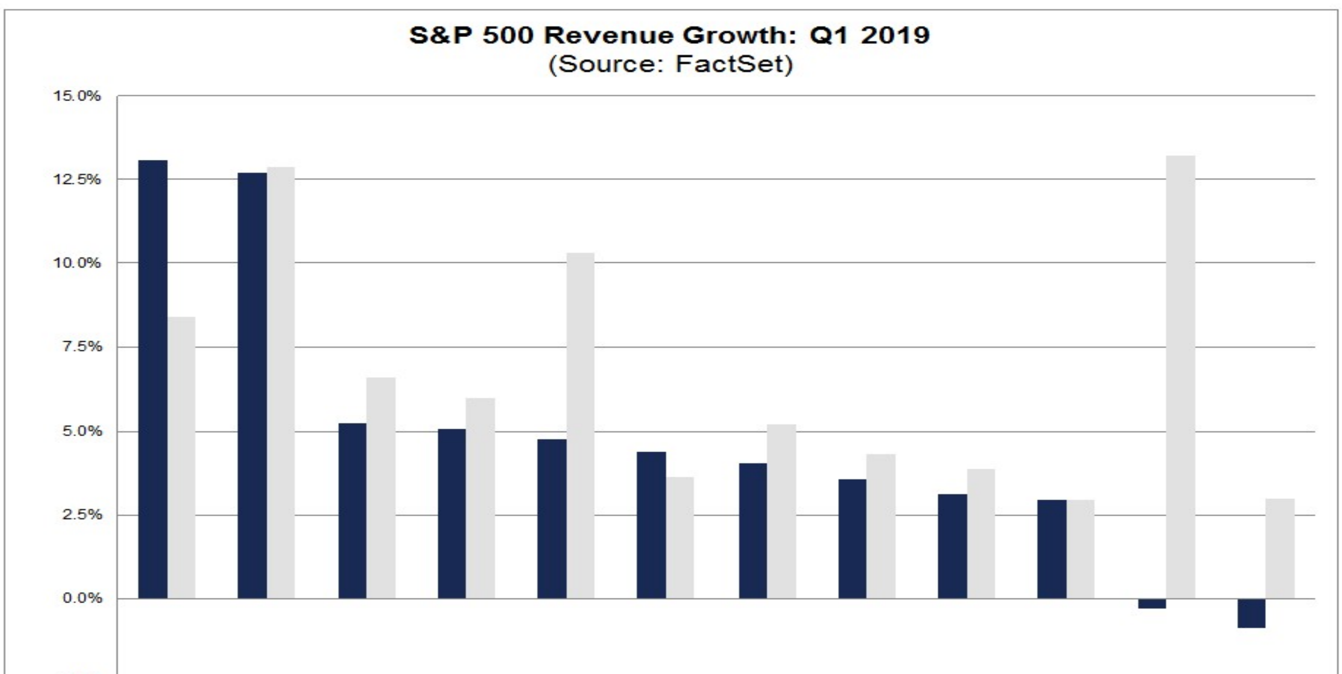




Q1 2019: Growth

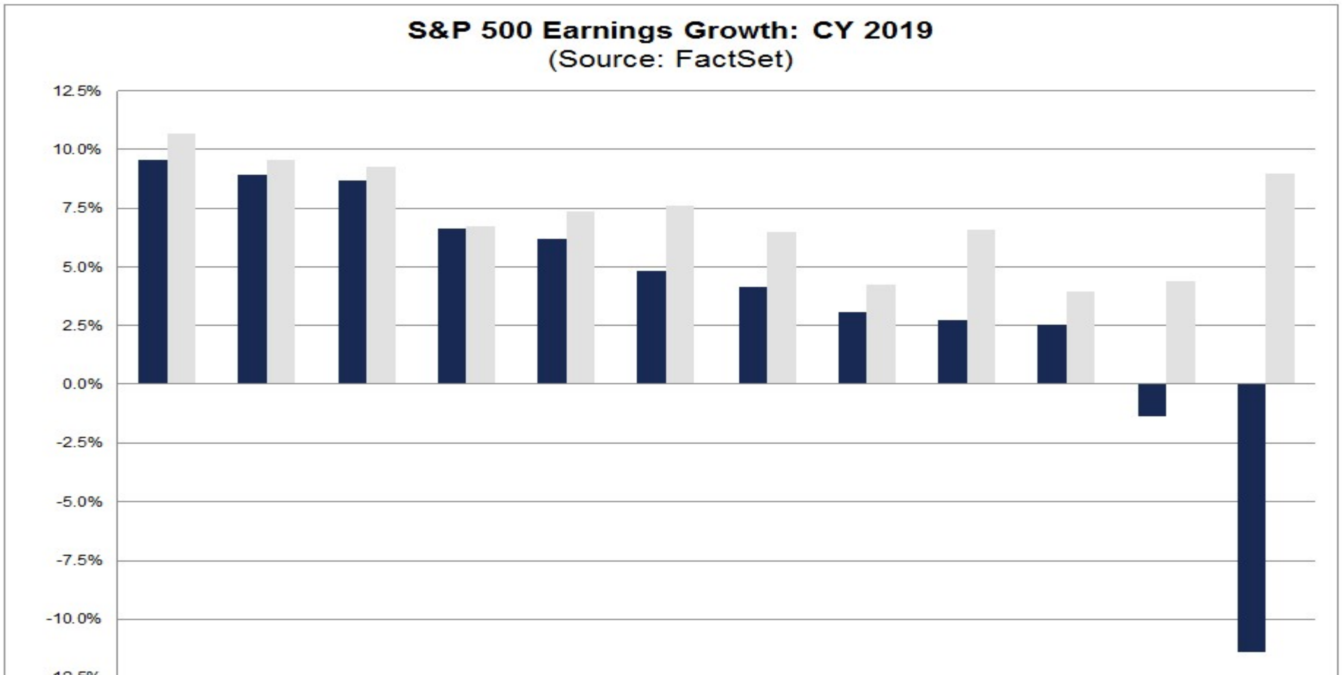


	Health Care	Utilities	Industrials	Real Estate	Financials	Consumer Staples	S&P 500	Comm. Services	Consumer Disc.	Materials	Info. Technology	Energy
Today	6.2%	5.0%	3.1%	1.7%	-0.8%	-1.3%	-2.2%	-3.2%	-4.6%	-9.1%	-10.1%	-11.2%
31-Dec	9.1%	4.8%	5.9%	3.0%	2.0%	1.4%	3.1%	0.5%	-0.1%	5.8%	-2.4%	16.6%

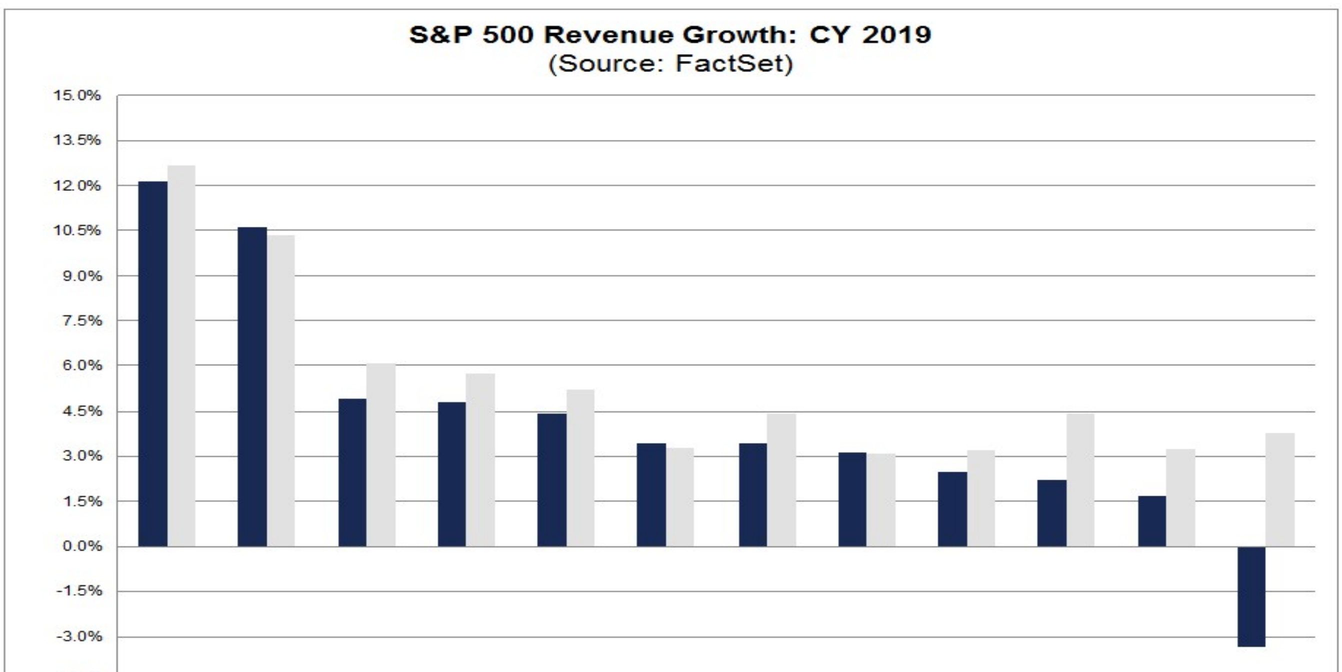


	Health Care	Comm. Services	S&P 500	Financials	Materials	Utilities	Industrials	Real Estate	Consumer Disc.	Consumer Staples	Energy	Info. Technology
Today	13.1%	12.7%	5.3%	5.1%	4.8%	4.4%	4.0%	3.6%	3.1%	3.0%	-0.3%	-0.9%
31-Dec	8.4%	12.9%	6.6%	6.0%	10.3%	3.6%	5.2%	4.3%	3.9%	2.9%	13.2%	3.0%

CY 2019: Growth

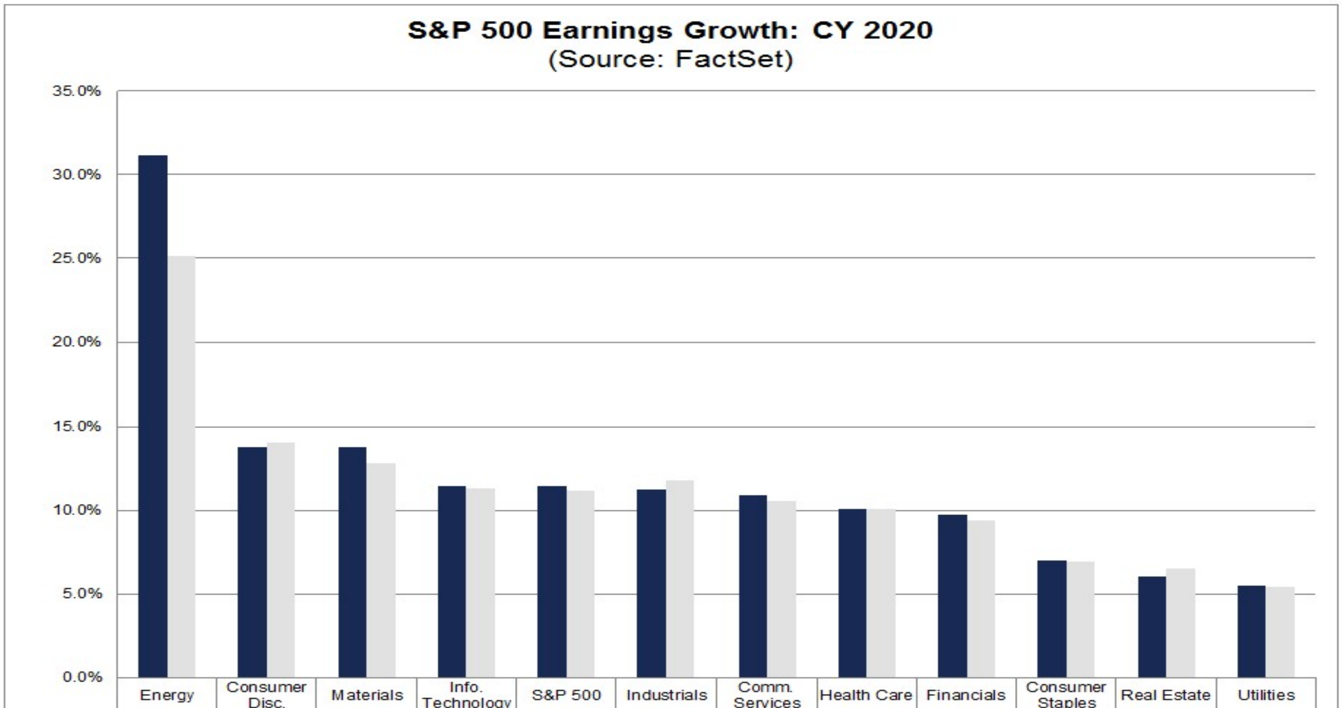


	Industrials	Consumer Disc.	Financials	Utilities	Health Care	S&P 500	Comm. Services	Consumer Staples	Info. Technology	Real Estate	Materials	Energy
Today	9.5%	8.9%	8.7%	6.6%	6.2%	4.8%	4.1%	3.0%	2.7%	2.5%	-1.3%	-11.4%
31-Dec	10.7%	9.6%	9.2%	6.7%	7.3%	7.6%	6.5%	4.2%	6.6%	3.9%	4.4%	9.0%

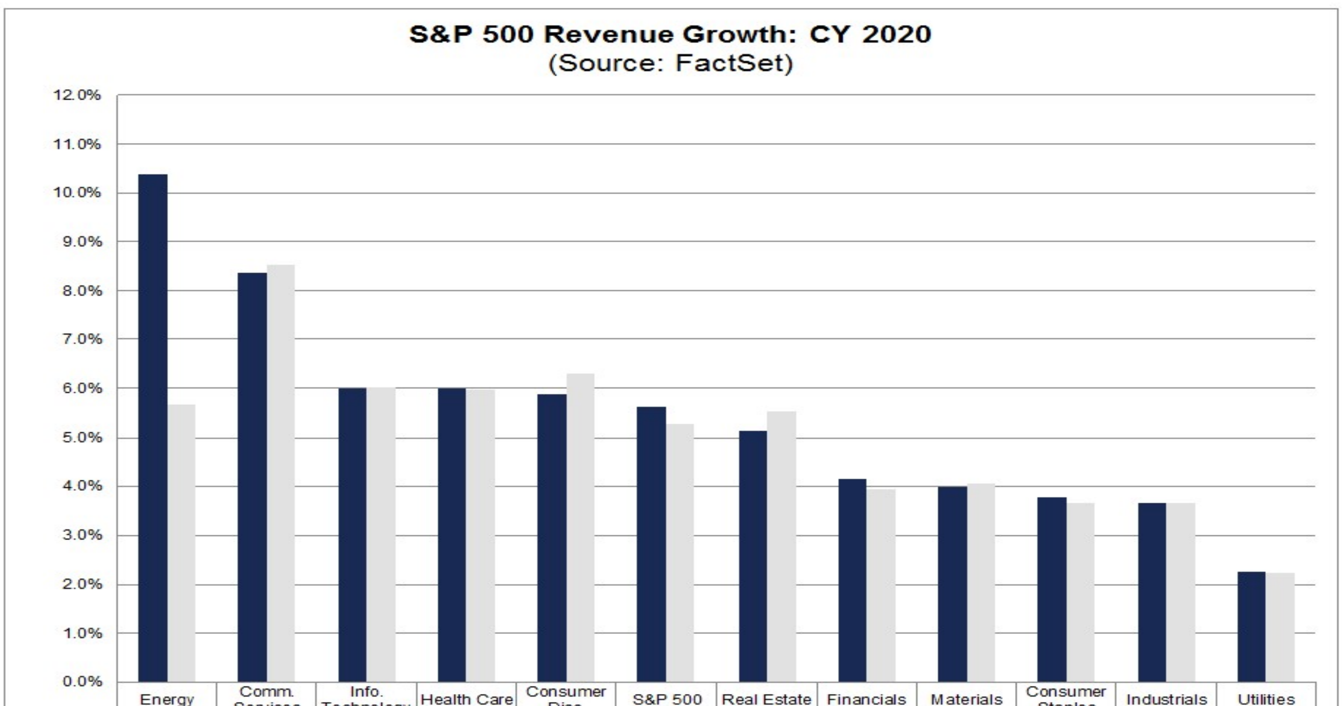


	Health Care	Comm. Services	S&P 500	Consumer Disc.	Industrials	Consumer Staples	Real Estate	Financials	Utilities	Info. Technology	Materials	Energy
Today	12.1%	10.6%	4.9%	4.8%	4.4%	3.5%	3.5%	3.1%	2.5%	2.2%	1.7%	-3.3%
31-Dec	12.7%	10.4%	6.1%	5.7%	5.2%	3.3%	4.4%	3.1%	3.2%	4.4%	3.3%	3.8%

CY 2020: Growth

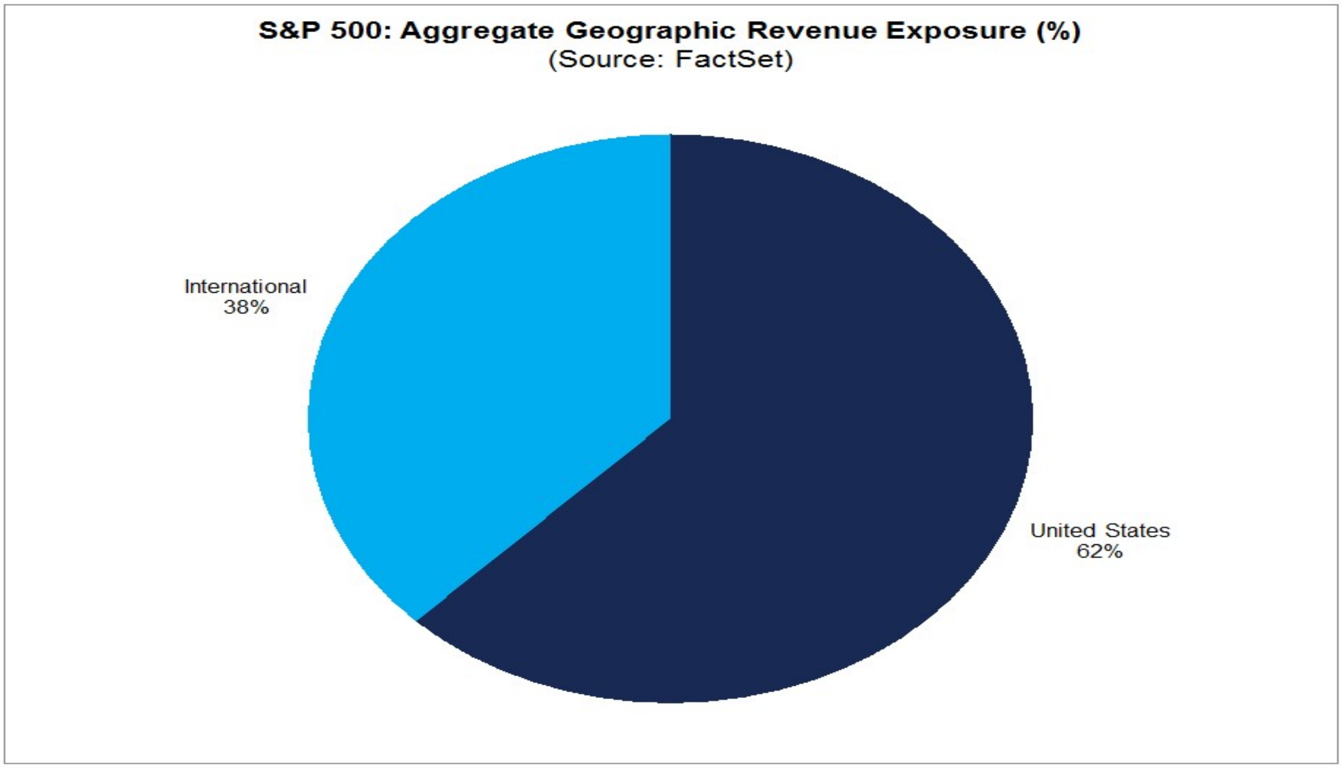


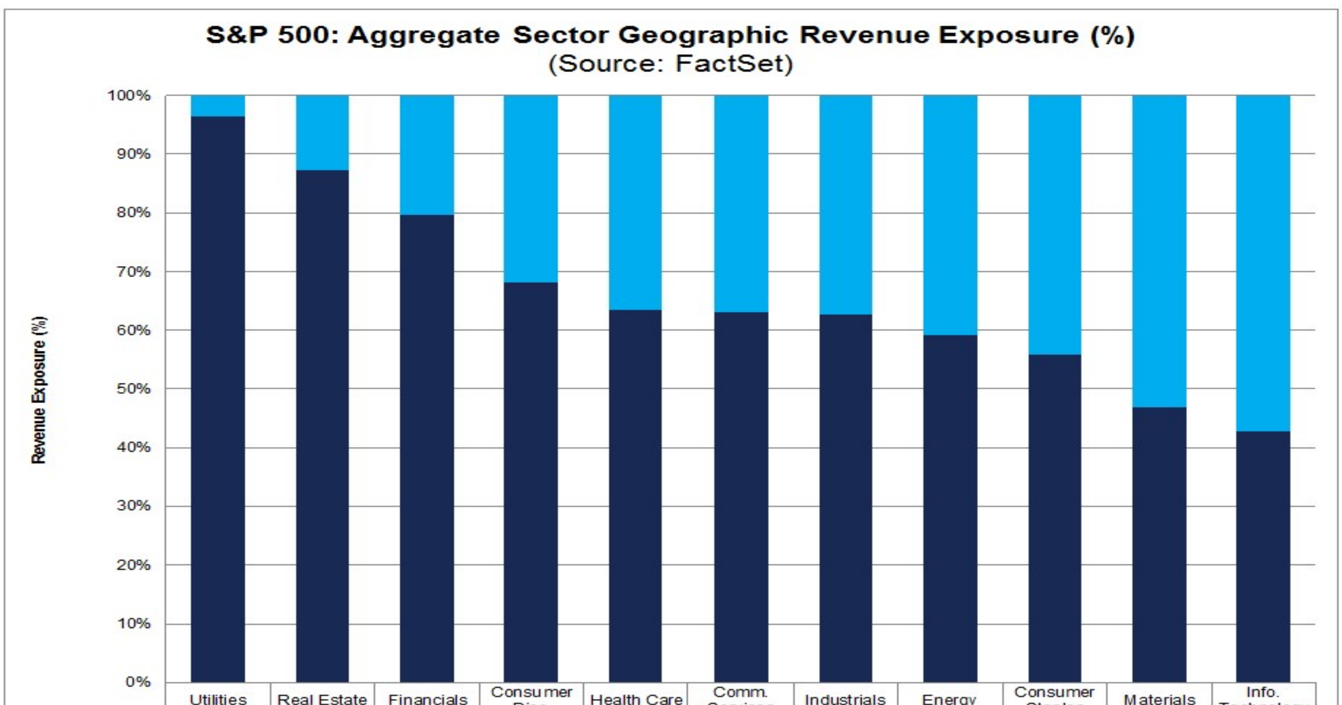
	Energy	Consumer Disc.	Materials	Info. Technology	S&P 500	Industrials	Comm. Services	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	31.2%	13.8%	13.8%	11.4%	11.4%	11.2%	10.9%	10.1%	9.7%	7.0%	6.0%	5.5%
31-Dec	25.1%	14.1%	12.8%	11.3%	11.2%	11.8%	10.5%	10.1%	9.4%	6.9%	6.5%	5.4%



	Energy	Comm. Services	Info. Technology	Health Care	Consumer Disc.	S&P 500	Real Estate	Financials	Materials	Consumer Staples	Industrials	Utilities
Today	10.4%	8.4%	6.0%	6.0%	5.9%	5.6%	5.1%	4.2%	4.0%	3.8%	3.7%	2.3%
31-Dec	5.7%	8.5%	6.0%	6.0%	6.3%	5.3%	5.5%	4.0%	4.1%	3.7%	3.7%	2.2%

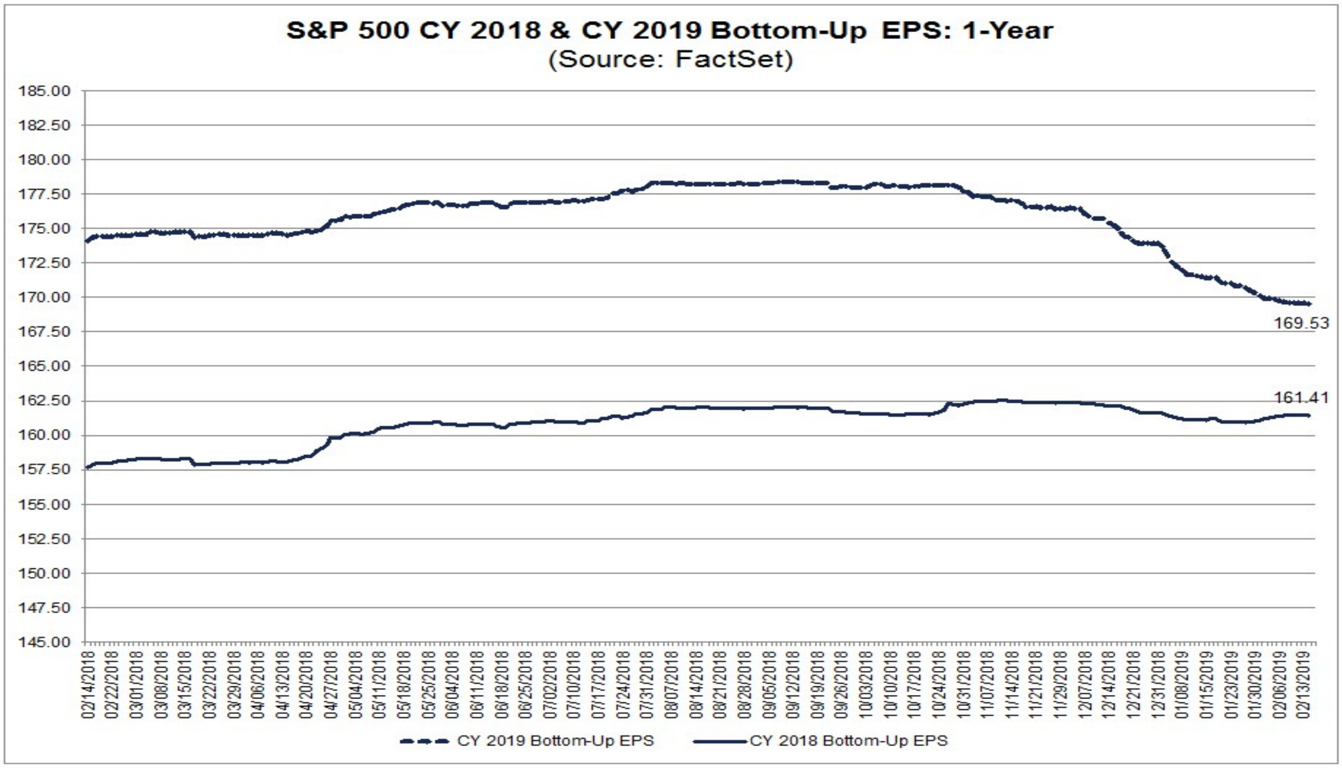
Geographic Revenue Exposure

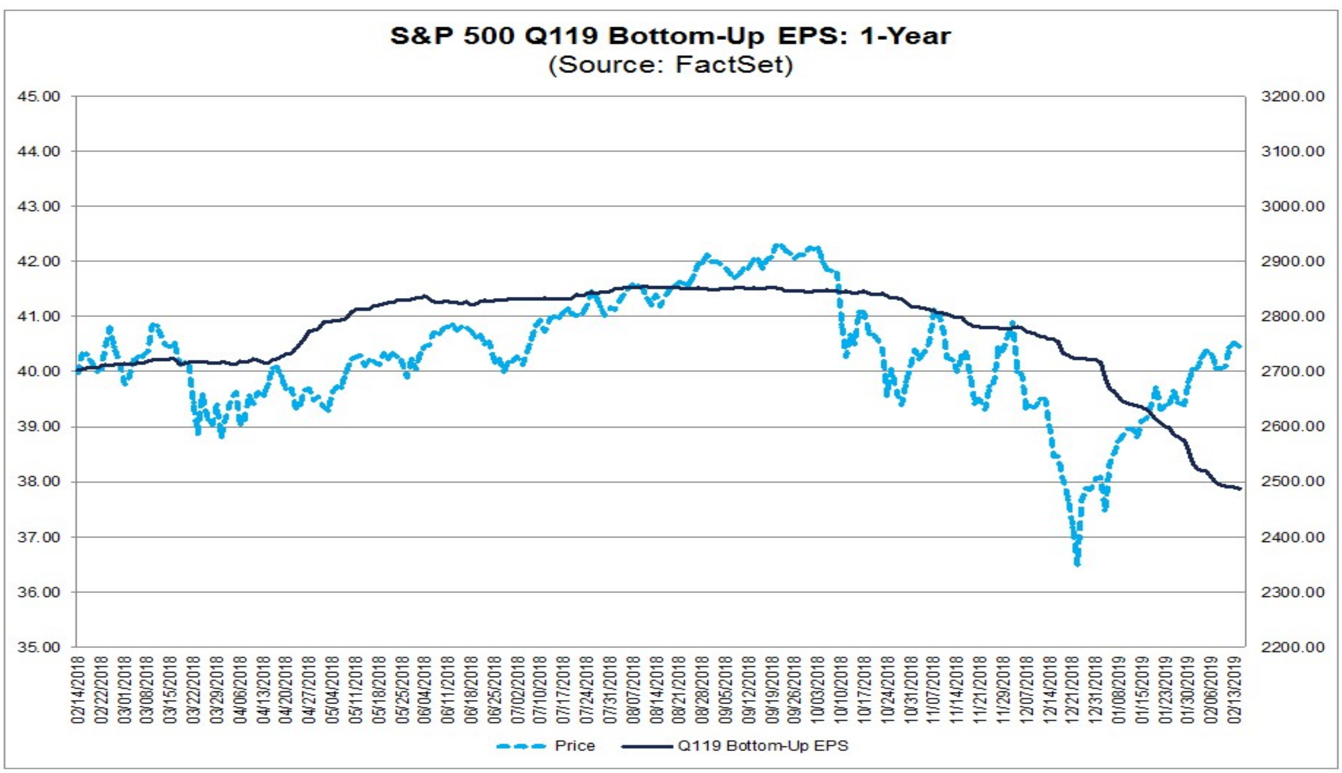




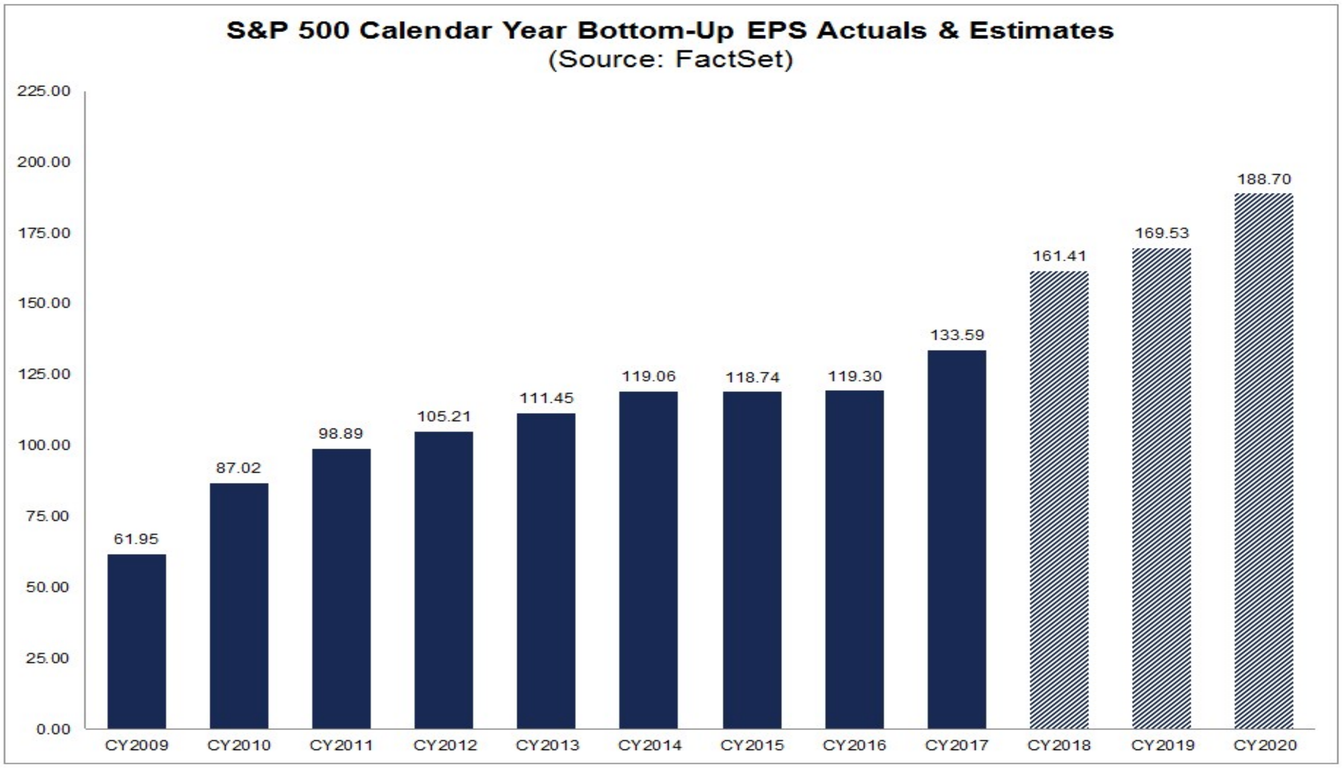
	Utilities	Real Estate	Financials	Consumer Disc.	Health Care	Comm. Services	Industrials	Energy	Consumer Staples	Materials	Info. Technology
International	4%	13%	20%	32%	37%	37%	37%	41%	44%	53%	57%
United States	96%	87%	80%	68%	63%	63%	63%	59%	56%	47%	43%

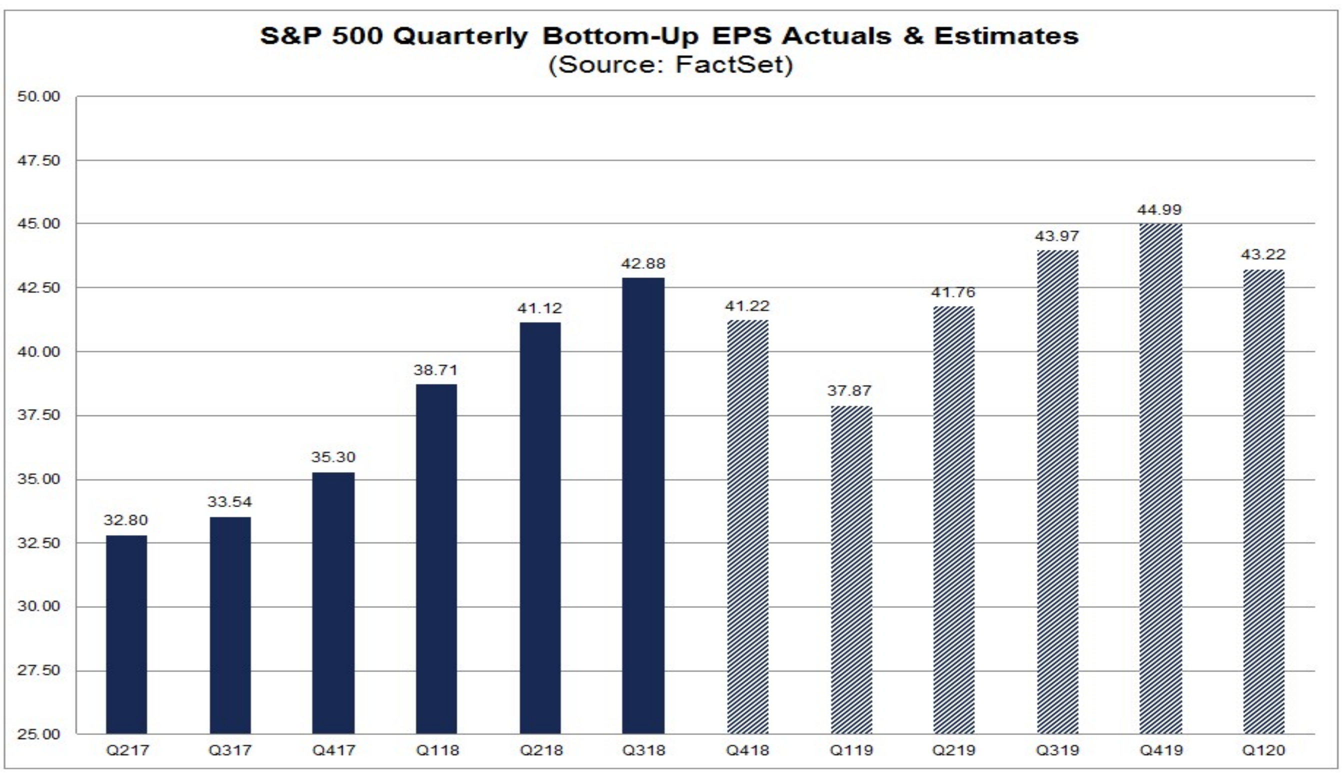
Bottom-up EPS Estimates: Revisions



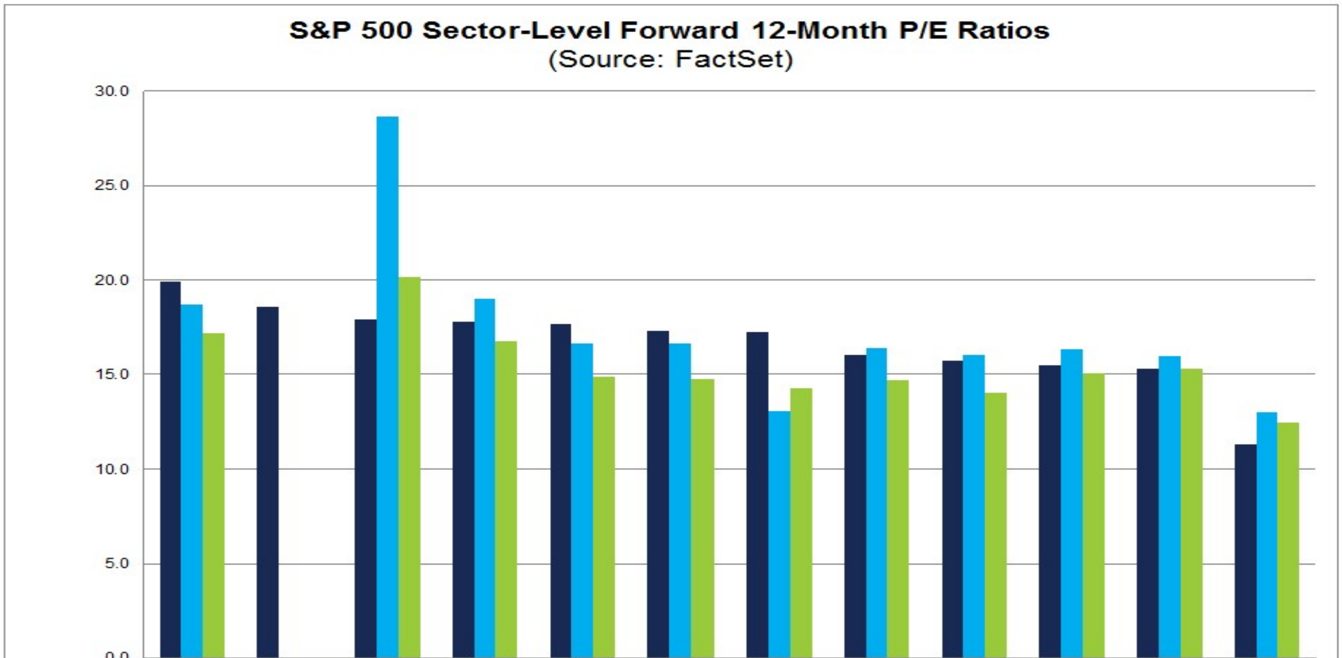


Bottom-up EPS Estimates: Current & Historical

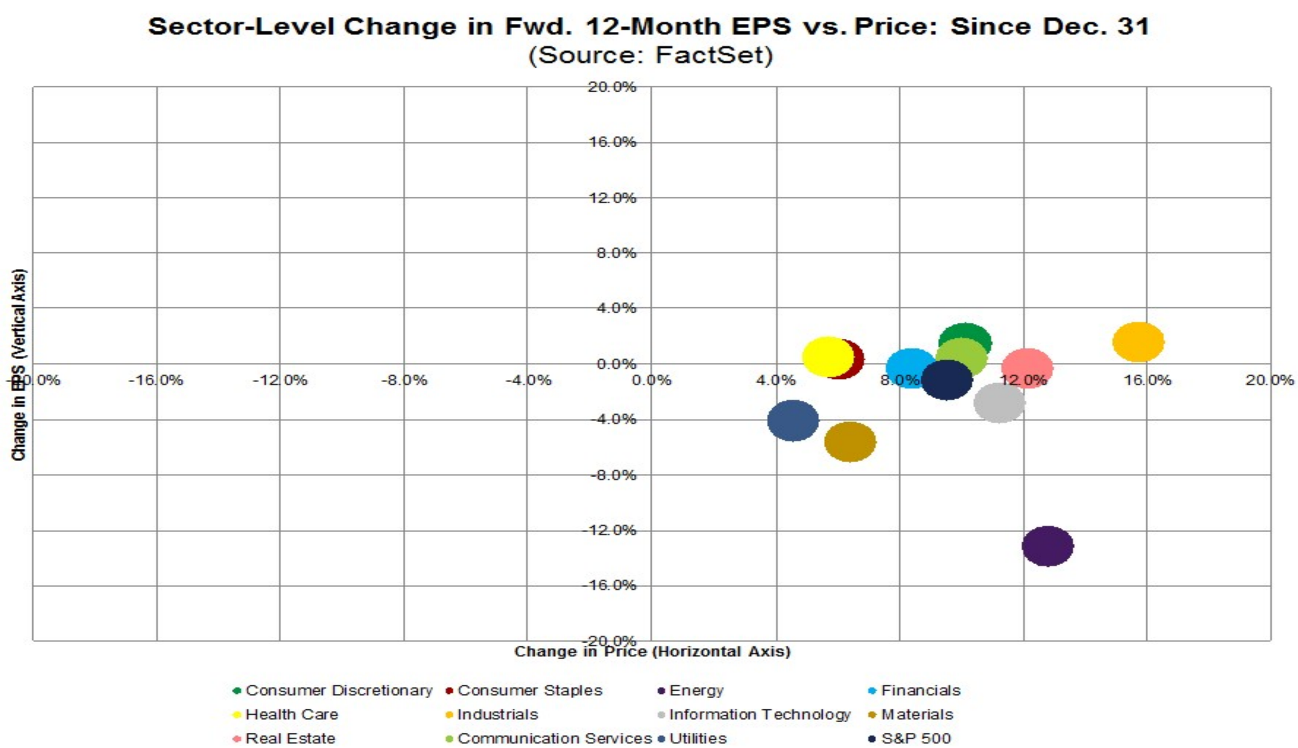




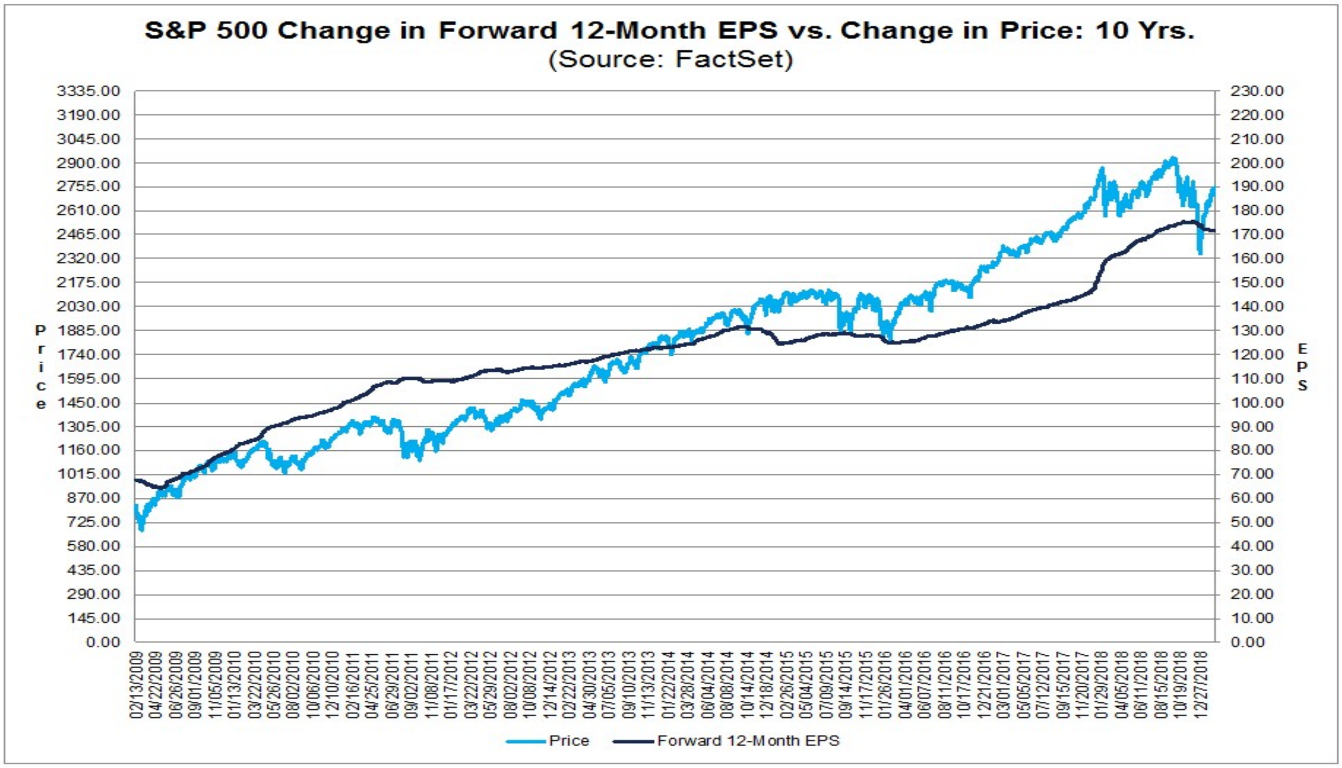
Forward 12M P/E Ratio: Sector Level

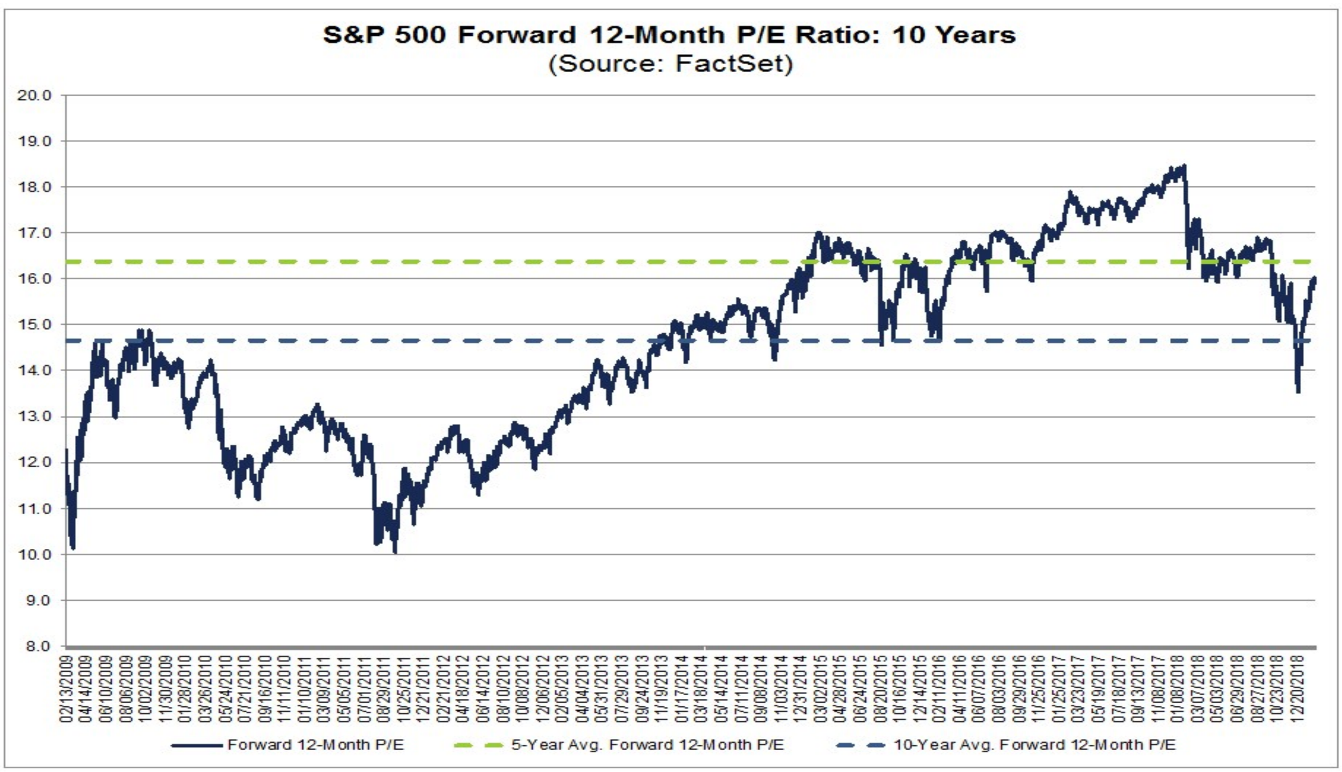


	Consumer Disc.	Real Estate	Energy	Consumer Staples	Utilities	Info. Technology	Comm. Services	S&P 500	Health Care	Industrials	Materials	Financials
Fwd P/E	19.9	18.6	17.9	17.8	17.7	17.3	17.2	16.0	15.7	15.5	15.3	11.3
5-Yr Avg.	18.7		28.6	19.0	16.6	16.6	13.1	16.4	16.0	16.3	15.9	13.0
10-Yr Avg.	17.2		20.1	16.7	14.8	14.8	14.3	14.6	14.0	15.0	15.3	12.5

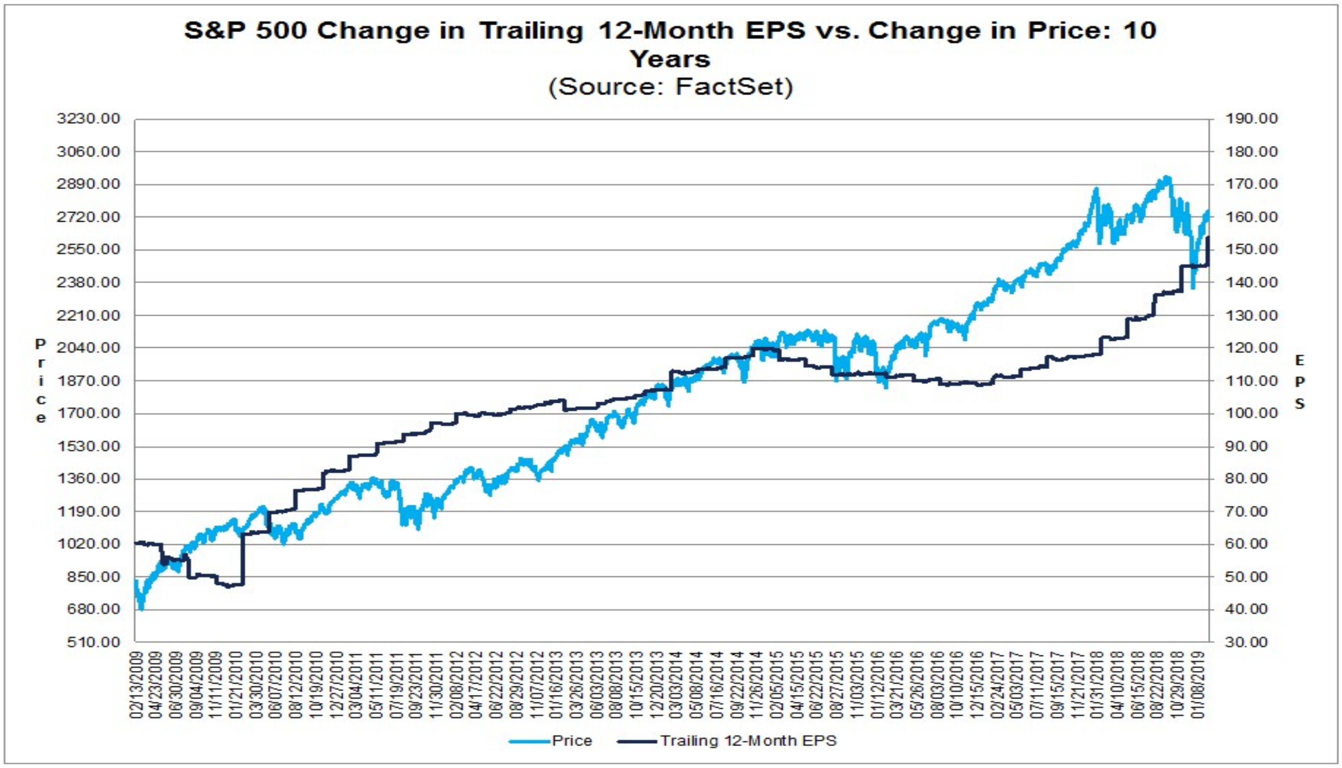


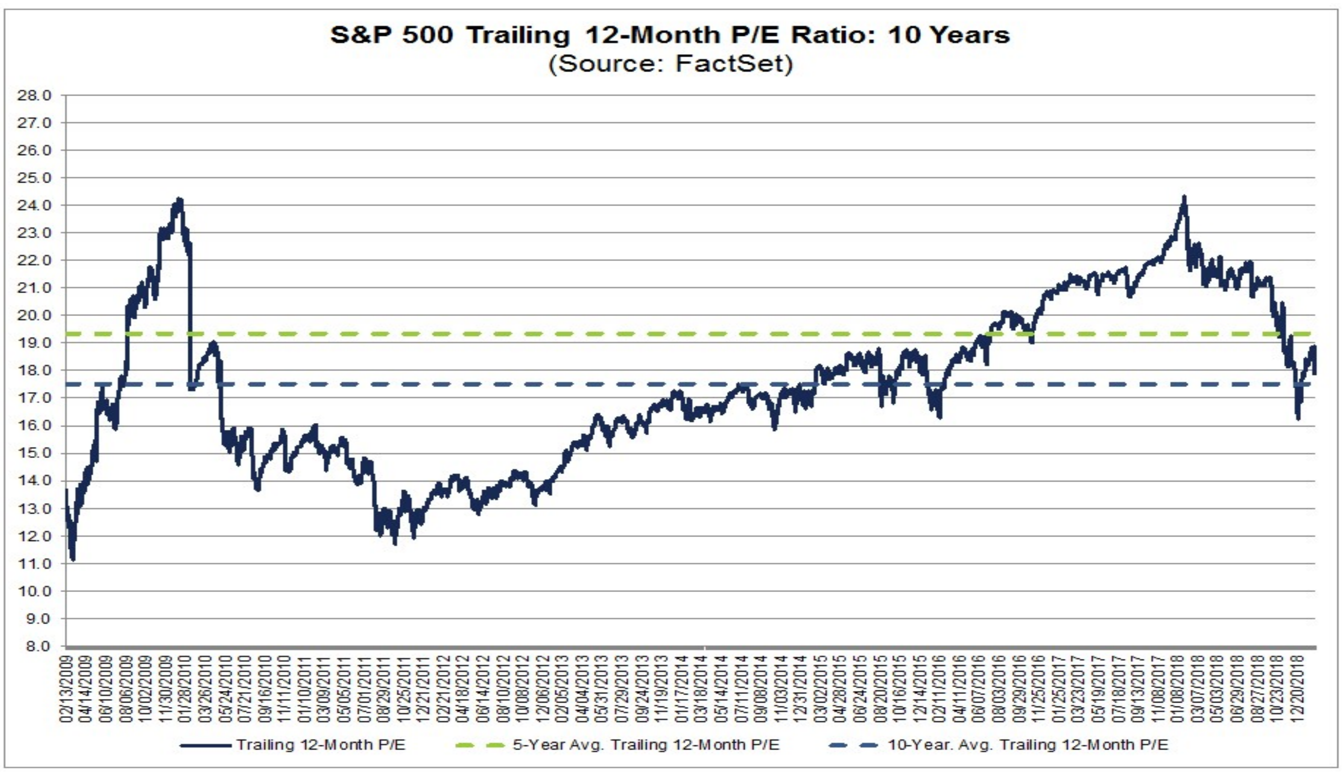
Forward 12M P/E Ratio: 10-Years



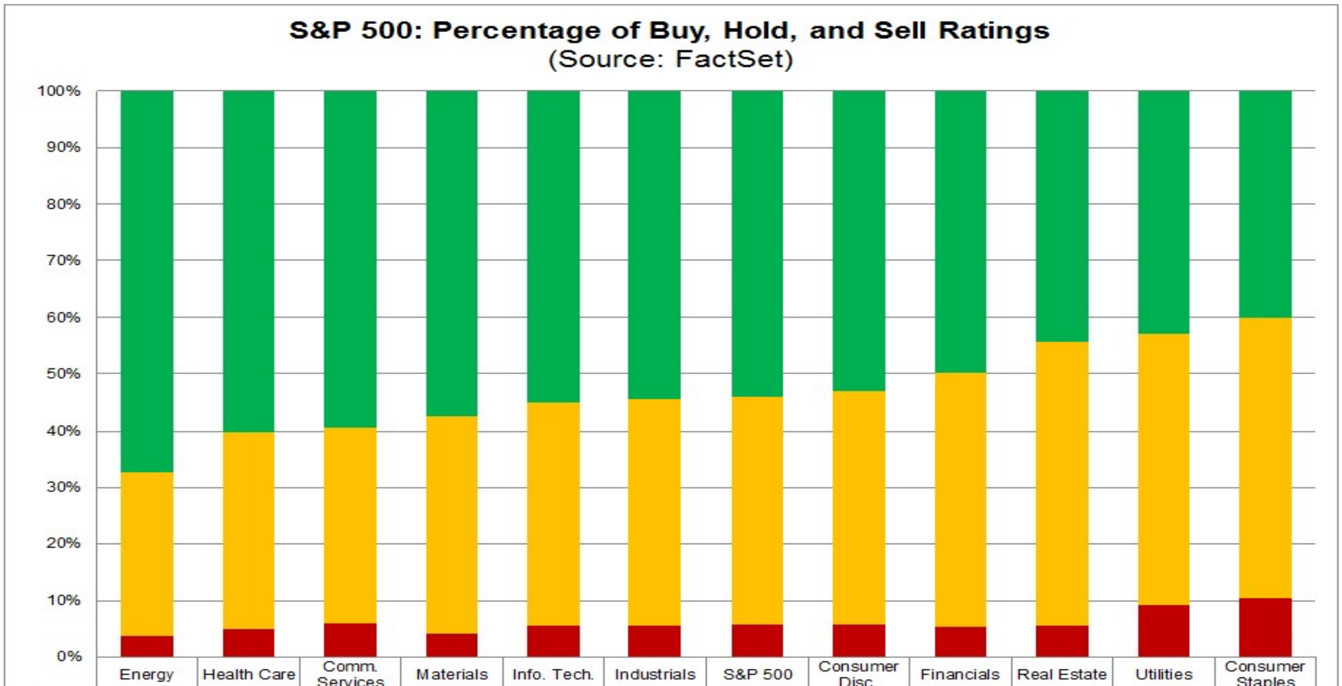


Trailing 12M P/E Ratio: 10-Years





Targets & Ratings



	Energy	Health Care	Comm. Services	Materials	Info. Tech.	Industrials	S&P 500	Consumer Disc.	Financials	Real Estate	Utilities	Consumer Staples
Buy	67%	60%	59%	57%	55%	54%	54%	53%	50%	44%	43%	40%
Hold	29%	35%	35%	38%	39%	40%	40%	41%	45%	50%	48%	49%
Sell	4%	5%	6%	4%	6%	6%	6%	6%	5%	6%	9%	10%

	Energy	Comm. Services	Consumer Disc.	Materials	Financials	Health Care	S&P 500	Info. Tech.	Industrials	Consumer Staples	Real Estate	Utilities
Target/Close	17.0%	16.7%	15.2%	13.3%	13.3%	11.7%	11.4%	9.5%	8.5%	6.7%	2.8%	1.9%

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