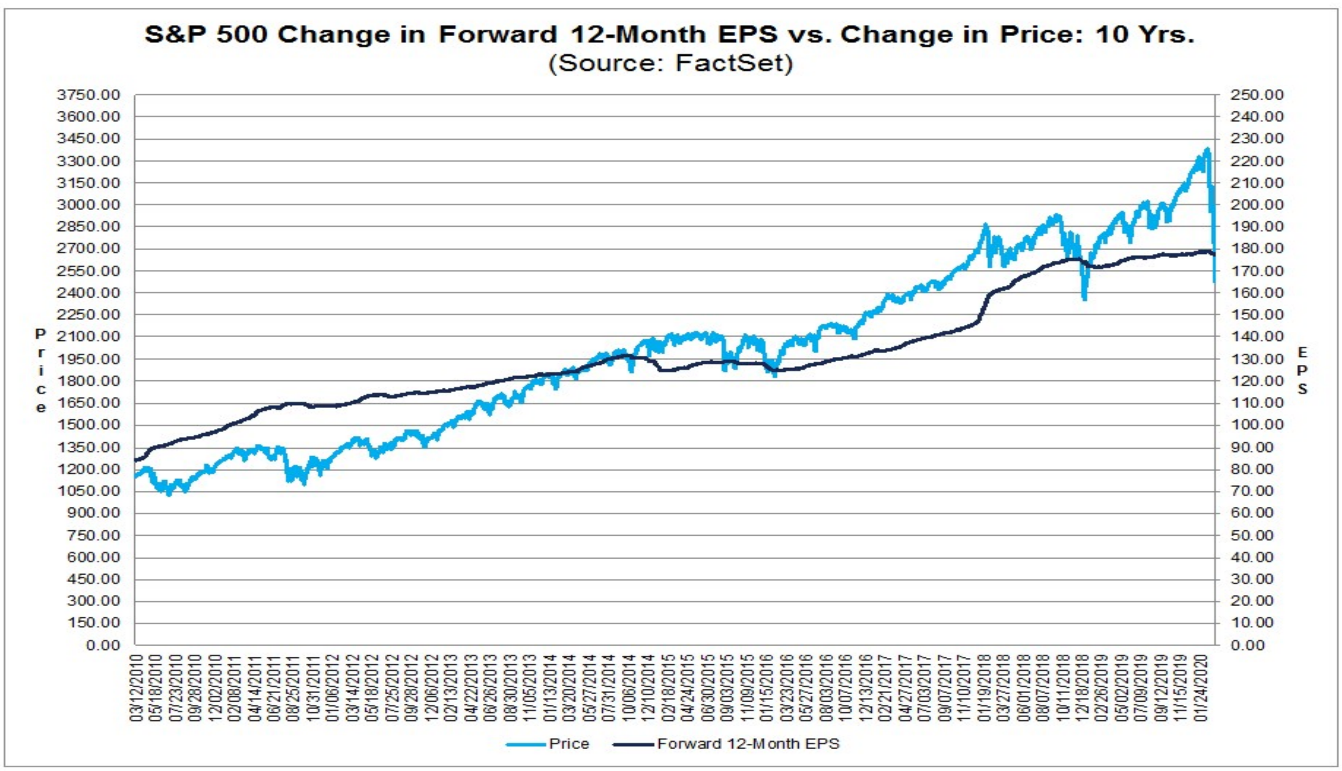
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

March 13, 2020

Key Metrics

- **Earnings Growth:** For Q1 2020, the estimated earnings decline for the S&P 500 is -1.2%. If -1.2% is the actual decline for the quarter, it will mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings.
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2020 was 4.4%. Ten sectors have lower growth rates today (compared to December 31) due to downward revisions to EPS estimates.
- **Earnings Guidance:** For Q1 2020, 72 S&P 500 companies have issued negative EPS guidance and 32 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 14.0. This P/E ratio is below the 5-year average (16.7) and below the 10-year average (15.0).
- **Earnings Scorecard:** For Q1 2020 (with 4 companies in the S&P 500 reporting actual results), 4 S&P 500 companies have reported a positive EPS surprise and 3 S&P 500 companies have reported a positive revenue surprise.



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Topic of the Week: 1

S&P 500 Forward P/E Ratio Falls Below 10-Year Average of 15.0

On March 12, the closing price for the S&P 500 was 2480.64. Based on this closing price, the forward 12-month P/E ratio for the S&P 500 on that date was 14.0. How does this 14.0 P/E ratio compare to historical averages? How much has it changed in recent weeks?

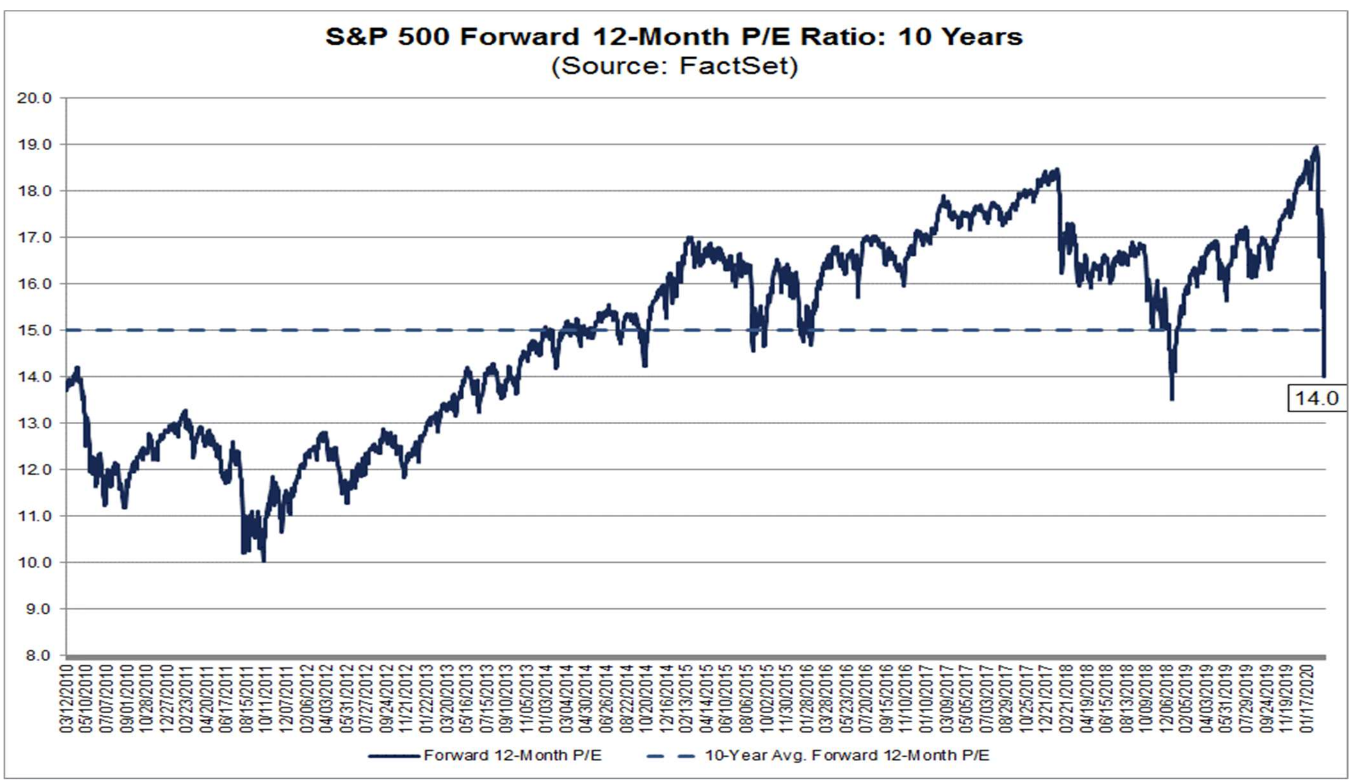
The forward 12-month P/E ratio of 14.0 on March 12 was below the four most recent historical averages for the S&P 500: 5-year (16.7), 10-year (15.0), 15-year (14.6), and the 20-year (15.5).

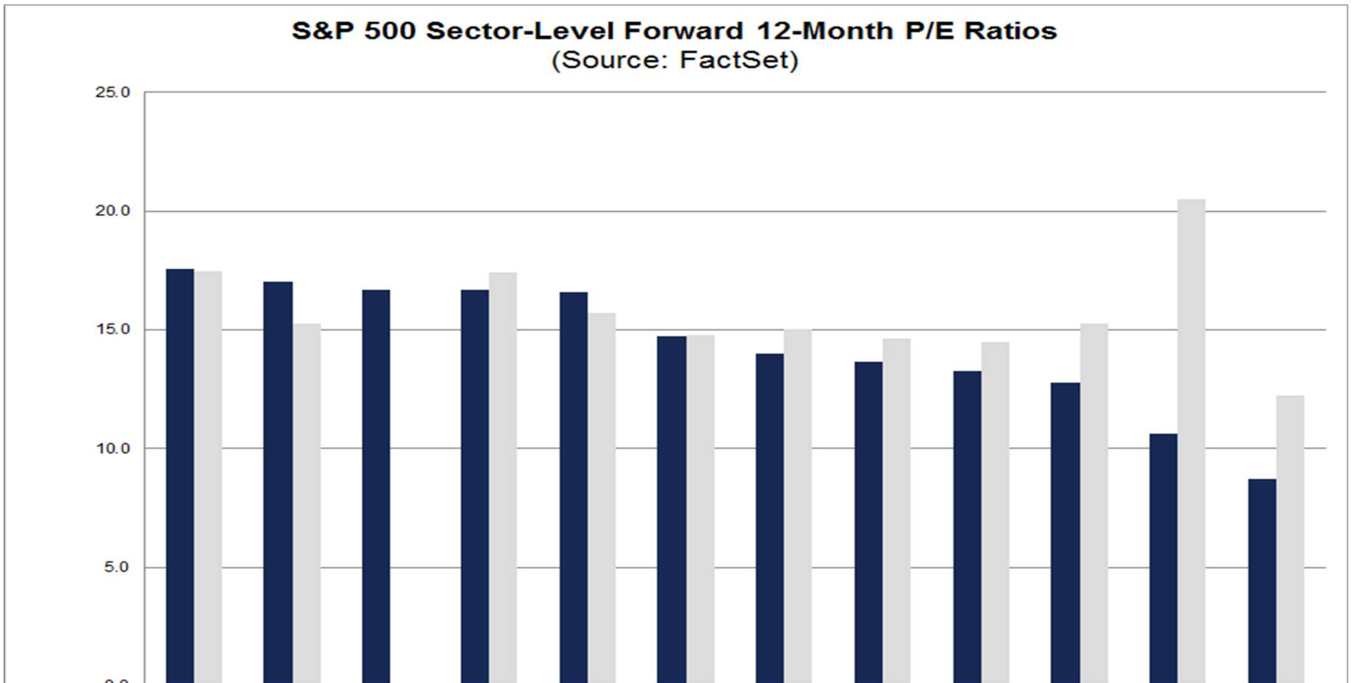
In fact, this marked the first time the forward 12-month P/E was below the 10-year average of 15.0 since January 8, 2019 (14.9). It also marked the lowest forward 12-month P/E ratio for the index since December 24, 2018 (13.5). However, it is important to note that at 14.0, the forward 12-month P/E ratio was still well above the lowest P/E ratio of the past 10 years of 10.0 recorded on October 3, 2011.

At the sector level, seven sectors had forward 12-month P/E ratios on March 12 that were below their 10-year averages, led by the Energy (10.6 vs. 20.5), Financials (8.7 vs. 12.2), and Industrials (12.8 vs. 15.3) sectors. Three sectors had forward 12-month P/E ratios that were above their 10-year averages on that date, led by the Information Technology (17.0 vs. 15.3) sector. A 10-year average P/E ratio is not available for the Real Estate sector.

On February 19, 2020, the S&P 500 closed at a record-high value of 3386.15. The forward 12-month P/E ratio on that date was 19.0. Since February 19, the price of the S&P 500 has decreased by 26.7%, while the forward 12-month EPS estimate has decreased by 0.7%. Thus, the decrease in the "P" has been the main driver of the decrease in the P/E ratio since February 19.

It is important to note that analysts were still projecting record-high EPS for the S&P 500 of $173.43 in CY 2020 and $193.92 on March 12. If not, the forward 12-month P/E ratio would have been higher than 14.0.





	Consumer Disc.	Info. Technology	Real Estate	Consumer Staples	Utilities	Comm. Services	S&P 500	Materials	Health Care	Industrials	Energy	Financials
Fwd P/E	17.6	17.0	16.7	16.7	16.6	14.7	14.0	13.7	13.3	12.8	10.6	8.7
10-Yr Avg.	17.5	15.3		17.4	15.7	14.8	15.0	14.6	14.5	15.3	20.5	12.2

Topic of the Week: 2

Despite Falling Oil Prices & EPS Estimates, Energy Sector Has Highest Buy Ratings % in S&P 500

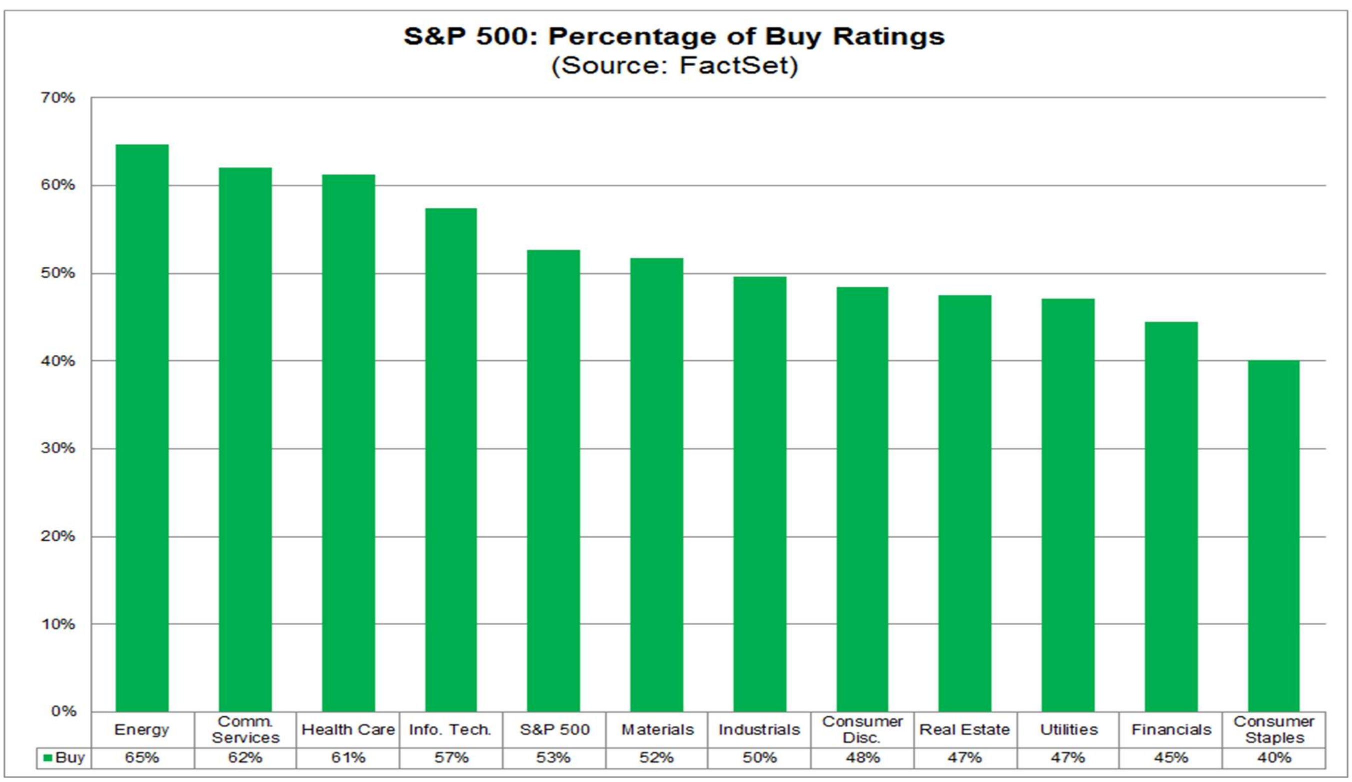
As of today, the Energy sector has the highest percentage of Buy ratings on companies of all eleven sectors in the S&P 500 at 65%. However, analysts have been optimistic in terms of their ratings on companies in the Energy sector for some time. In fact, this sector has had the highest percentage of Buy ratings of all eleven sectors at each month end going back to September 2008. Over this period, the average (month-end) percentage of Buy ratings for the Energy sector has been 65%, compared to 52% for the entire S&P 500. Given the high number of Buy ratings analysts have issued for companies in this sector over the past 18 months, has the Energy sector outperformed other sectors in terms of price over this time?

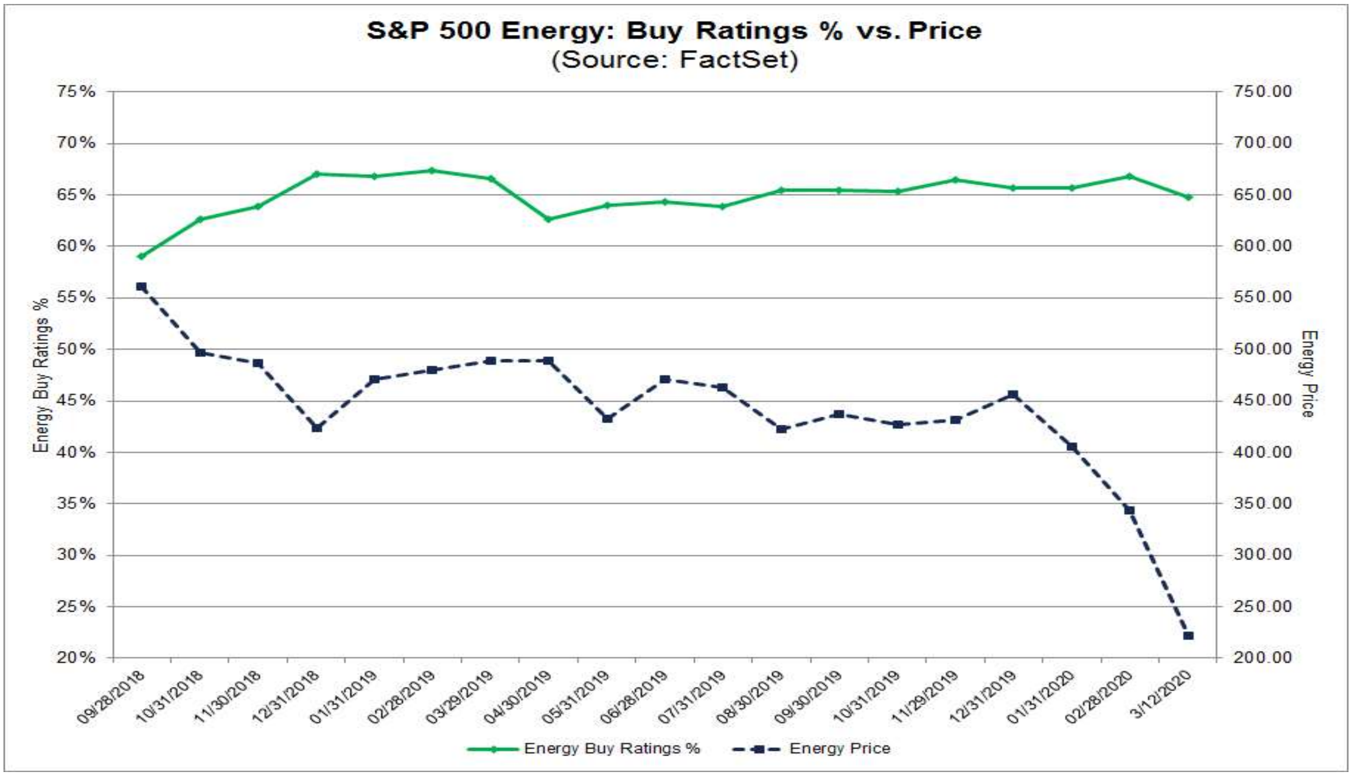
The answer is no. Since September 30, 2018, the Energy sector has actually seen the largest price decrease of all eleven sectors at -60.5% (to $221.69 from $560.91). Over this same time frame, the S&P 500 has seen a price decrease of -14.9% (to 2480.64 from 2913.98).

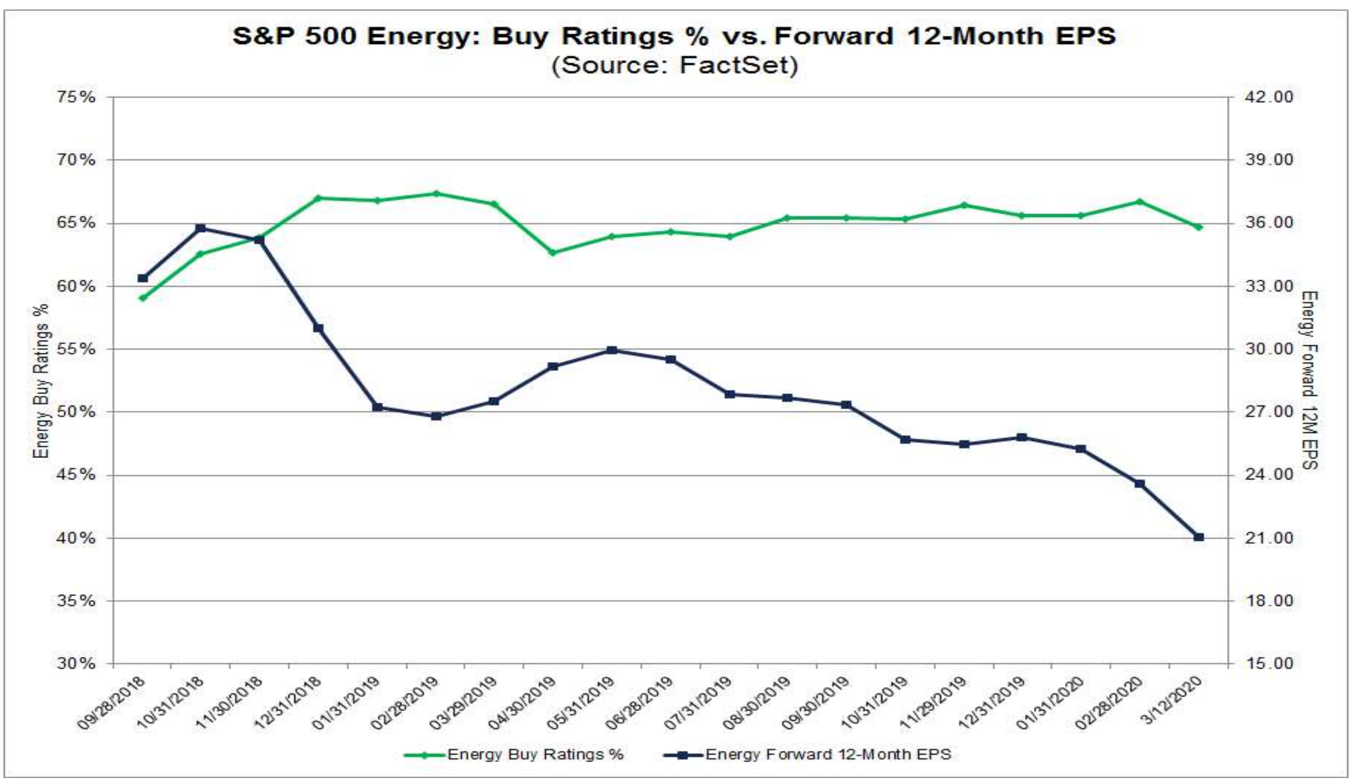
The sharp decline in the price for the Energy sector can be attributed to both falling earnings expectations and a decrease in the price of oil. Since September 30, 2018, the Energy sector has also seen the largest decline of all eleven sectors in its (rolling) forward 12-month EPS estimate at -37.0% (to $21.04 from $33.39). Over this same period, the forward 12-month EPS estimate for the S&P 500 has increased by 2.1%. Falling oil prices were a significant contributor to this decrease in expected future earnings, as the price of oil (WTI) has declined by 57.0% (to $31.50 from $73.25) since September 30, 2008.

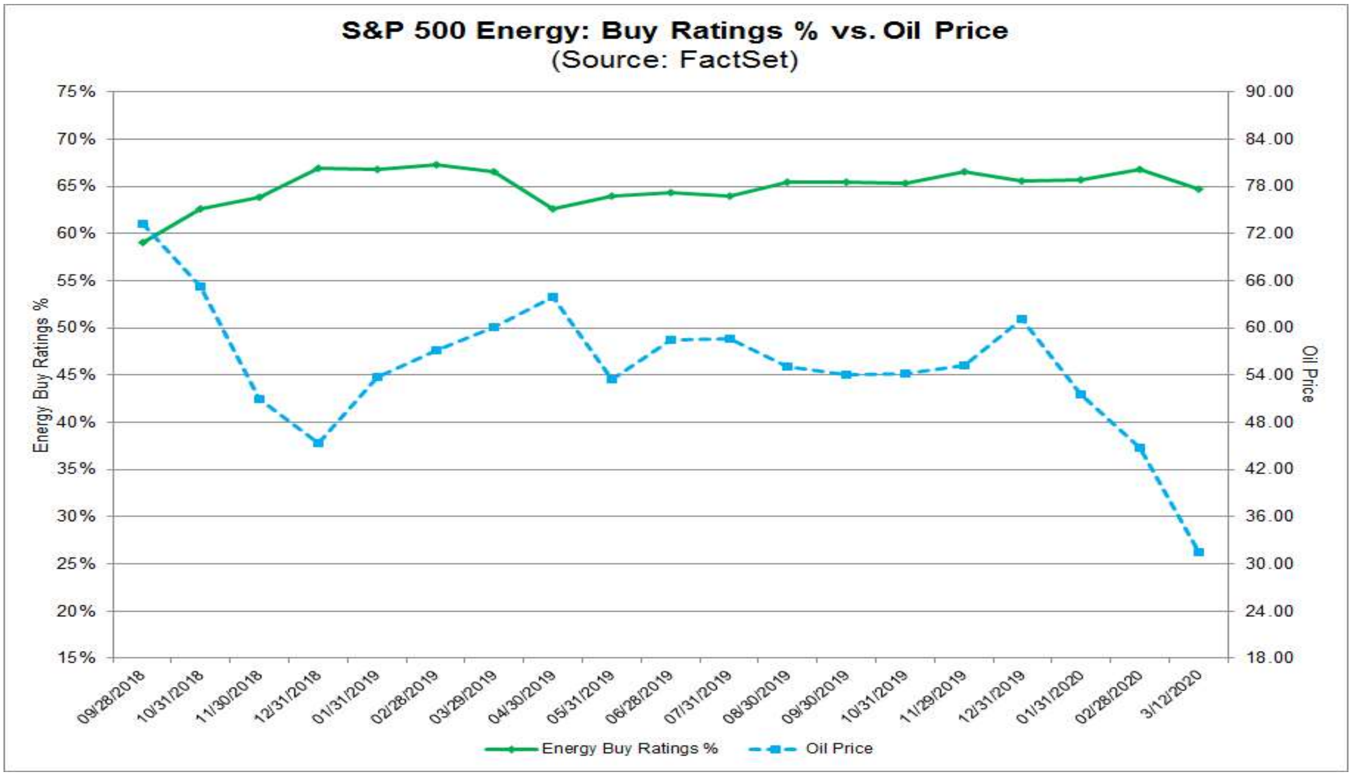
Given the sharp decline in the price of oil over the past week and continuing downward revisions to EPS estimates for companies in this sector, will analysts maintain their Buy ratings for companies in the Energy sector going forward? Since February 29, the number of Buy ratings on companies in the Energy sector has declined by 21, which has caused the percentage of Buy ratings in this sector to fall to 65% today from 67% on February 29. However, even at 65%, the Energy sector still has the highest percentage of Buy ratings of all eleven sectors.

Thus, analysts will need to become more pessimistic in their ratings for the Energy sector or more optimistic in their ratings for other sectors for the Energy sector to fall from the top spot in terms of Buy ratings for the S&P 500.




S&P 500 Energy: Buy Ratings % vs. Price
(Source: FactSet)
Energy Buy Ratings %
Energy Price
75% 70% 65% 60% 55% 50% 45% 40% 35% 30% 25% 20%
750.00 700.00 650.00 600.00 550.00 500.00 450.00 400.00 350.00 300.00 250.00 200.00
09/28/2018 10/31/2018 11/30/2018 12/31/2018 01/31/2019 02/28/2019 03/29/2019 04/30/2019 05/31/2019 06/28/2019 07/31/2019 08/30/2019 09/30/2019 10/31/2019 11/29/2019 12/31/2019 01/31/2020 02/28/2020 3/12/2020
Energy Buy Ratings %
Energy Price


S&P 500 Energy: Buy Ratings % vs. Forward 12-Month EPS
(Source: FactSet)
Energy Buy Ratings %
Energy Forward 12M EPS
75% 70% 65% 60% 55% 50% 45% 40% 35% 30%
42.00 39.00 36.00 33.00 30.00 27.00 24.00 21.00 18.00 15.00
09/28/2018 10/31/2018 11/30/2018 12/31/2018 01/31/2019 02/28/2019 03/29/2019 04/30/2019 05/31/2019 06/28/2019 07/31/2019 08/30/2019 09/30/2019 10/31/2019 11/29/2019 12/31/2019 01/31/2020 02/28/2020 3/12/2020
Energy Buy Ratings %
Energy Forward 12-Month EPS


S&P 500 Energy: Buy Ratings % vs. Oil Price
(Source: FactSet)
75%
70%
65%
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
Energy Buy Ratings %
90.00
84.00
78.00
72.00
66.00
60.00
54.00
48.00
42.00
36.00
30.00
24.00
18.00
Oil Price
09/28/2018
10/31/2018
11/30/2018
12/31/2018
01/31/2019
02/28/2019
03/29/2019
04/30/2019
05/31/2019
06/28/2019
07/31/2019
08/30/2019
09/30/2019
10/31/2019
11/29/2019
12/31/2019
01/31/2020
02/28/2020
3/12/2020
Energy Buy Ratings %
Oil Price

Q1 Earnings Season: By The Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts have made larger cuts than average to earnings estimates for Q1 2020 to date. On a per-share basis, estimated earnings for the first quarter have decreased by 5.0% since December 31. This percentage decline is larger than the 5-year average (-3.2%), 10-year average (-3.2%), and 15-year average (-4.5%) for a quarter.

However, a slightly smaller percentage of S&P 500 companies have lowered the bar for earnings for Q1 2020 relative to recent averages. Of the 104 companies that have issued EPS guidance for the fourth quarter, 72 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (72 out of 104), which is slightly below the 5-year average of 70%.

Because of the net downward revisions to earnings estimates, the estimated (year-over-year) earnings decline for Q1 2020 is -1.2% today compared to the estimated (year-over-year) earnings growth rate of 4.4% on December 31. If -1.2% is the actual decline for the quarter, it will mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings. Five sectors are predicted to report year-over-year earnings growth, led by the Communication Services sectors. Six sectors are projected to report a year-over-year decline in earnings, led by the Materials, Industrials, Energy, and Consumer Discretionary sectors.

Because of the net downward revisions to revenue estimates, the estimated (year-over-year) revenue growth rate for Q1 2020 is 3.5% today compared to the estimated (year-over-year) revenue growth rate of 4.8% on December 31. Nine sectors are projected to report year-over-year growth in revenues, led by the Communication Services sector. Two sectors are predicted to report a year-over-year decline in revenues, led by the Materials sector.

Looking at future quarters, analysts see earnings growth of 0.9% and 6.2% in the second and third quarters of 2020.

The forward 12-month P/E ratio is 14.0, which is below the 5-year average and below the 10-year average.

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

Earnings Revisions: Largest Estimate Cuts in Energy Sector

Increase in Estimated Earnings Decline for Q1 This Week

The estimated earnings decline for the first quarter is -1.2% this week, which is larger than the estimated earnings decline of -0.4% last week. Downward revisions to EPS estimates in multiple sectors (led by the Energy and Industrials sectors) were responsible for the increase in the earnings decline during the week.

Overall, the estimated earnings decline for Q1 2020 of -1.2% today is below the estimated earnings growth rate of 4.4% at the start of the quarter (December 31). Ten sectors have a recorded a decrease in expected earnings growth since the start of the quarter due to downward revisions to earnings estimates, led by the Energy, Industrials, Materials, and Consumer Discretionary sectors. On the other hand, the Information Technology sector is the only sector that has recorded an increase in expected earnings growth since the start of the quarter due to upward revisions to earnings estimates.

Energy: Exxon Mobil and Chevron Lead Earnings Decrease Since Dec. 31

The Energy sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to -14.3% from 29.6%). This sector has also witnessed the largest decline in price (-51.4%) of all eleven sectors since December 31, as the price of oil has fallen by 48% (to $31.50 from $61.06) over this period. Overall, 25 of the 27 companies (93%) in the Energy sector have seen a decrease in their mean EPS estimate during this time. Of these 25 companies, 19 have recorded a decrease in their mean EPS estimate of more than 10%, led by Hess Corporation (to -$0.35 from -$0.09) and Occidental Petroleum (to -0.24 from $0.20). However, Exxon Mobil (to $0.44 from $0.81), Chevron (to $1.19 from $1.60), Marathon Petroleum (to $0.36 from $1.08), and Occidental Petroleum (to -$0.24 from $0.20) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Industrials: Boeing Leads Earnings Decrease Since Dec. 31

The Industrials sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to -16.3% from -0.4%). This sector has also witnessed the fourth largest decline in price (-28.7%) of all eleven sectors since December 31. Overall, 64 of the 71 companies (90%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 64 companies, 24 have recorded a decrease in their mean EPS estimate of more than 10%, led by Boeing (to -$0.86 from $3.08), American Airlines Group (to $0.00 from $0.48), United Airlines Holdings (to $0.21 from $0.88), and Alaska Air Group (to $0.10 from $0.40). Boeing has also been the largest contributor to the decrease in expected earnings for this sector since December 31.

Materials: 89% of Companies Have Seen Decline in Earnings Expectations Since Dec. 31

The Materials sector has recorded the third largest decrease in expected earnings growth since the start of the quarter (to -18.0% from -3.9%). This sector has also witnessed the third largest decline in price (-29.5%) of all eleven sectors since December 31. Overall, 25 of the 28 companies (89%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 25 companies, 13 have recorded a decrease in their mean EPS estimate of more than 10%, led by Mosaic (to -$0.07 from $0.13) and Freeport-McMoRan (to -$0.03 from $0.08). However, DuPont (to $0.70 from $1.04) has been the largest contributor to the decrease in expected earnings for this sector since December 31.

Consumer Discretionary: Ford & GM Lead Earnings Decrease since Dec. 31

The Consumer Discretionary sector has recorded the fourth largest decrease in expected earnings growth since the start of the quarter (to -12.0% from 1.5%). This sector has also witnessed the fifth largest decrease in price (-22.3%) of all eleven sectors since December 31. Overall, 51 of the 63 companies (81%) in the Consumer Discretionary sector have seen a decrease in their mean EPS estimate during this time. Of these 51 companies, 29 have recorded a decrease in their mean EPS estimate of more than 10%, led by Under Armour (to -$0.12 from $0.06), Expedia Group (to -$0.70 from -$0.29), L Brands (to -$0.04 from $0.12), and Wynn Resorts (to -$0.21 from $1.33). However, Ford Motor (to $0.22 from $0.41) and General Motors (to $1.11 from $1.52) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Information Technology: Intel and Microsoft Lead Earnings Increase since Dec. 31

The Information Technology sector has recorded the largest increase in expected earnings growth since the start of the quarter (to 4.8% from 4.2%). Despite the increase in earnings, this sector has witnessed a decrease in price (-18.1%) since December 31. Overall, 21 of the 71 companies (30%) in the Information Technology sector have seen an increase in their mean EPS estimate during this time. Of these 21 companies, 7 have recorded an increase in their mean EPS estimate of more than 10%, led by NortonLifeLock (to $0.19 from $0.06) and Western Digital (to $0.95 from $0.68). However, Intel (to $1.30 from $1.03) and Microsoft (to $1.32 from $1.24) have been the largest contributors to the increase in expected earnings for this sector since December 31.

Index-Level (Bottom-Up) EPS Estimate: Above-Average Decrease

The Q1 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all the companies in the index and can be used as a proxy for the earnings for the index) has decreased by 5.0% (to $38.66 from $40.68) since December 31. This percentage decline is larger than the 5-year average (-3.2%), 10-year average (-3.2%), and 15-year average (-4.5%) for a quarter.

Guidance: Negative Guidance for Q1 is Slightly Below Average to Date

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

At this point in time, 104 companies in the index have issued EPS guidance for Q1 2020. Of these 104 companies, 72 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (72 out of 104), which is slightly below the 5-year average of 70%.

Earnings Decline: -1.2%

The estimated (year-over-year) earnings decline for Q1 2020 is -1.2%, which is below the 5-year average earnings growth rate of 6.4%. If. If -1.2% is the actual decline for the quarter, it will mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings.

Five sectors are predicted to report year-over-year growth in earnings, led by the Communication Services sectors. Six sectors are predicted to report a year-over-year decline in earnings, led by the Materials, Industrials, Energy, and Consumer Discretionary sectors.

Communication Services: Facebook & Alphabet Lead Year-Over-Year Growth

The Communication Services sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 12.6%. At the industry level, three of the five industries in this sector are projected to report growth in earnings: Interactive Media & Services (47%), Media (6%), and Diversified Telecommunication Services (>1%). On the other hand, the other two industries in the sector are projected to report a decline in earnings: Entertainment (-13%) and Wireless Telecommunication Services (-3%).

At the company level, Facebook and Alphabet are projected to be the largest contributors to year-over-year growth in earnings for the sector. The mean EPS estimate for Facebook for Q1 is $1.93, compared to year-ago EPS of $0.85. The mean EPS estimate for Alphabet for Q1 is $12.01, compared to year-ago EPS of $9.50. If these two companies were excluded, the estimated growth rate for the sector would fall to -1.4% from 12.6%.

Materials: 3 of 4 Industries to Report Year-Over-Year Decline of More Than 15%

The Materials sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -18.0%. At the industry level, three of the four industries in this sector are projected to report a decline in earnings: Containers & Packaging (-22%), Chemicals (-18%), Metals & Mining (-17%), and Chemicals (-16%). On the other hand, the Construction Materials (6%) industry is the only industry projected to report earnings growth for the quarter.

Industrials: Boeing Leads Year-Over-Year Decline

The Industrials sector is expected to report the second largest (year-over-year) earnings decline of all eleven sectors at -16.3%. At the industry level, ten of the twelve industries in this sector are projected to report a decline in earnings. Five of these ten industries are expected to report a double-digit decline: Airlines (-48%), Air Freight & Logistics (-23%), Aerospace & Defense (-23%), Machinery (-20%), and Construction & Engineering (-19%).

At the company level, Boeing is projected to be the largest contributor to the year-over-year decline in earnings for the sector. The mean EPS estimate for Boeing for Q1 is -$0.73, compared to year-ago EPS of $3.16. If this company were excluded, the estimated decline for the sector would improve to -9.9% from -16.3%.

Energy: 3 of 6 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 25%

The Energy sector is expected to report the third largest (year-over-year) decline in earnings of all eleven sectors at -14.3%. At the sub-industry level, three of the six sub-industries in the sector are expected to report a decline in earnings for the quarter: Oil & Gas Drilling (-85%), Oil & Gas Exploration & Production (-33%), and Integrated Oil & Gas (-29%). On the other hand, the other three sub-industries in the sector are expected to report growth in earnings for the quarter: Oil & Gas Refining & Marketing (229%), Oil & Gas Equipment & Services (34%), and Oil & Gas Storage & Transportation (12%).

Consumer Discretionary: Automobile Industry Leads Year-Over-Year Decline

The Consumer Discretionary sector is expected to report the fourth largest (year-over-year) earnings decline of all eleven sectors at -12.0%. At the industry level, six of the eleven industries in this sector are projected to report a decline in earnings. Five of these six industries are expected to report a double-digit decline: Automobiles (-33%), Hotels, Restaurants, & Leisure (-23%), Auto Components (-21%), Textiles, Apparel, & Luxury Goods (-16%), and Internet & Direct Marketing Retail (-12%).

Revenue Growth: 3.5%

The estimated (year-over-year) revenue growth rate for Q1 2020 is 3.5%, which is equal to the 5-year average revenue growth rate of 3.5%.

Nine sectors are expected to report year-over-year growth in revenues, led by Communication Services sector. Two sectors are expected to report a year-over-year decline in revenues, led by the Materials sector.

Communication Services: Entertainment & Interactive Media Lead Year-Over-Year Growth

The Communication Services sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 10.1%. At the industry level, all five industries in this sector are expected to report growth in revenues. Two of these five industries are expected to report double-digit revenue growth: Entertainment (23%) and Interactive Media & services (19%).

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

The Materials sector is expected to report the largest (year-over-year) decline in revenue of all eleven sectors at -14.7%. At the industry level, two of the four industries in this sector are predicted to report a decline in revenue for the quarter: Chemicals (-22%) and Metals & Mining (-1%).

At the company level, DuPont is expected to be the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline is boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The estimated revenue for DuPont for Q1 2020 ($5.08 billion) reflects the standalone revenue for DuPont, while the actual revenue for Q1 2019 ($19.65 billion) reflects the combined revenue for DowDuPont (DuPont, Dow, and Corteva). This apples-to-oranges comparison is the main reason DuPont is projected to be the largest contributor to the revenue decline for the sector. If this company were excluded, the estimated revenue decline for the sector would improve to -1.3% from -14.7%.

Looking Ahead: Forward Estimates and Valuation

Earnings: Analysts Expect 5% Earnings Growth for CY 2020

For the first quarter, analysts expect S&P 500 companies to report a decline in earnings of -1.2% and growth in revenues of 3.5%. Analysts expect earnings growth of 5.1% and revenue growth of 4.5% for CY 2020

For Q2 2020, analysts are projecting earnings growth of 0.9% and revenue growth of 3.2%.

For Q3 2020, analysts are projecting earnings growth of 6.2% and revenue growth of 4.8%.

For Q4 2020, analysts are projecting earnings growth of 9.3% and revenue growth of 5.1%.

For CY 2020, analysts are projecting earnings growth of 5.1% and revenue growth of 4.5%.

Valuation: Forward P/E Ratio is 14.0, Below the 10-Year Average (15.0)

The forward 12-month P/E ratio is 14.0. This P/E ratio is below the 5-year average of 16.7 and below the 10-year average of 15.0. It is also below the forward 12-month P/E ratio of 18.2 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 23.2%, while the forward 12-month EPS estimate has decreased by 0.2%.

At the sector level, the Consumer Discretionary (17.6) and Information Technology (17.0) sectors have the highest forward 12-month P/E ratios, while the Financials (8.7) sector has the lowest forward 12-month P/E ratio.

For more details, please see pages 2 and 3.

Targets & Ratings: Analysts Project 46% Increase in Price Over Next 12 Months

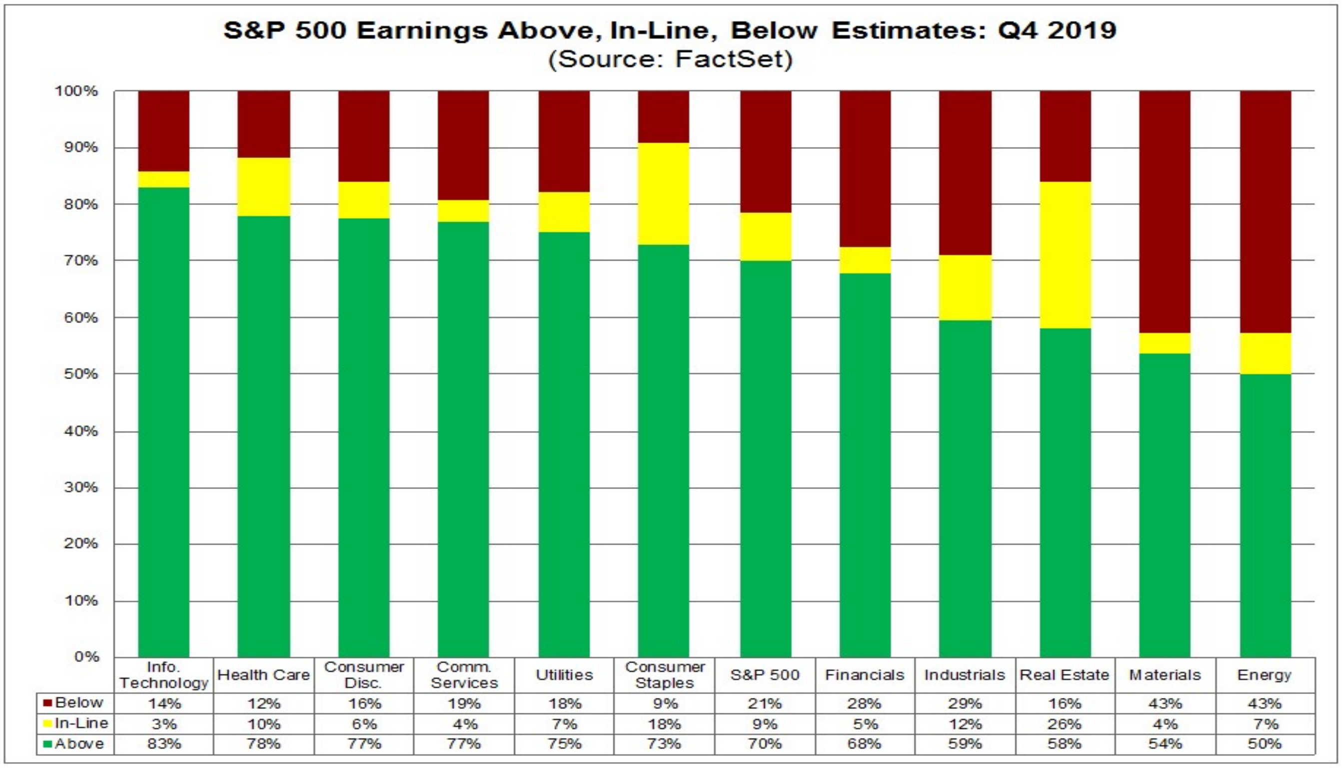
The bottom-up target price for the S&P 500 is 3616.18, which is 45.8% above the closing price of 2480.64. At the sector level, the Energy (+110.0%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Utilities (+30.4%) and Consumer Staples (+30.5%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 10,209 ratings on stocks in the S&P 500. Of these 10,209 ratings, 52.7% are Buy ratings, 41.3% are Hold ratings, and 6.0% are Sell ratings. At the sector level, the Energy (65%) sector has the highest percentage of Buy ratings, while the Consumer Staples (40%) sector has the lowest percentage of Buy ratings.

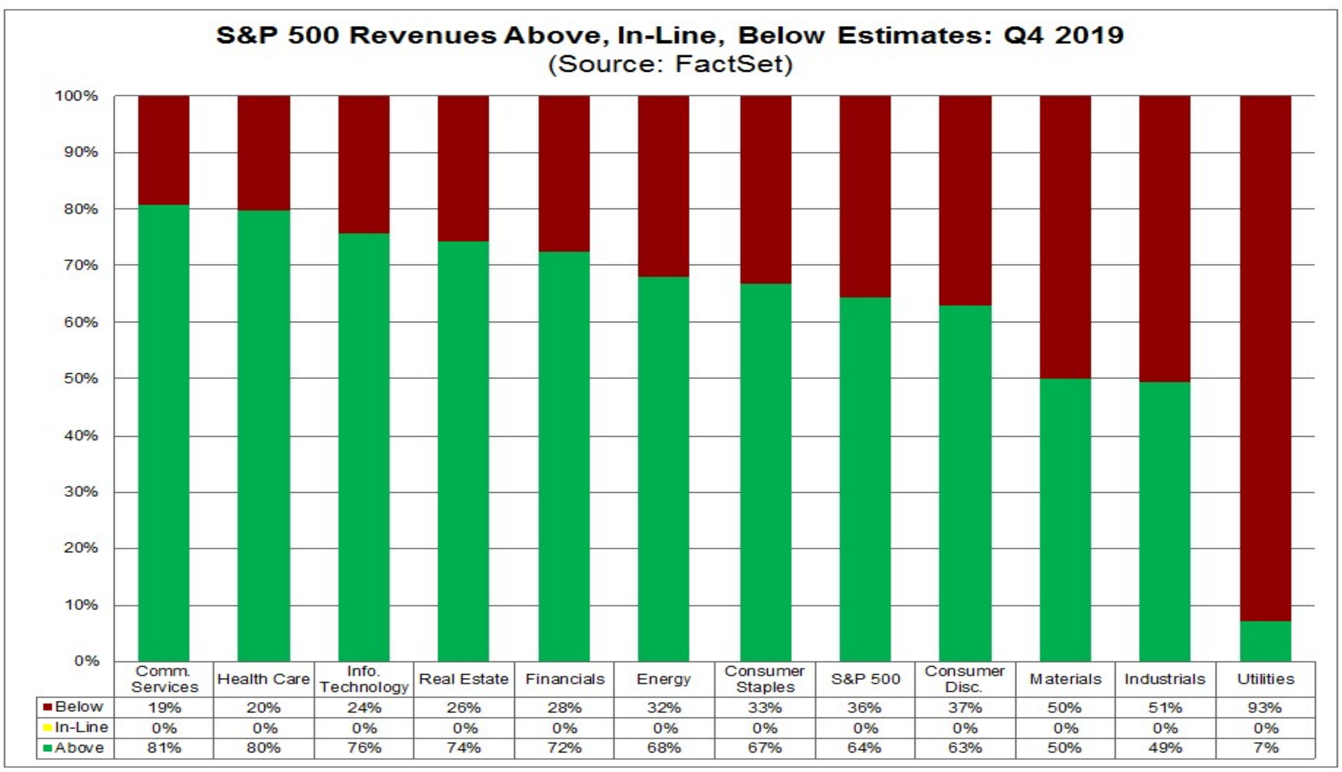
Companies Reporting Next Week: 7

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

Q4 2019: Scorecard

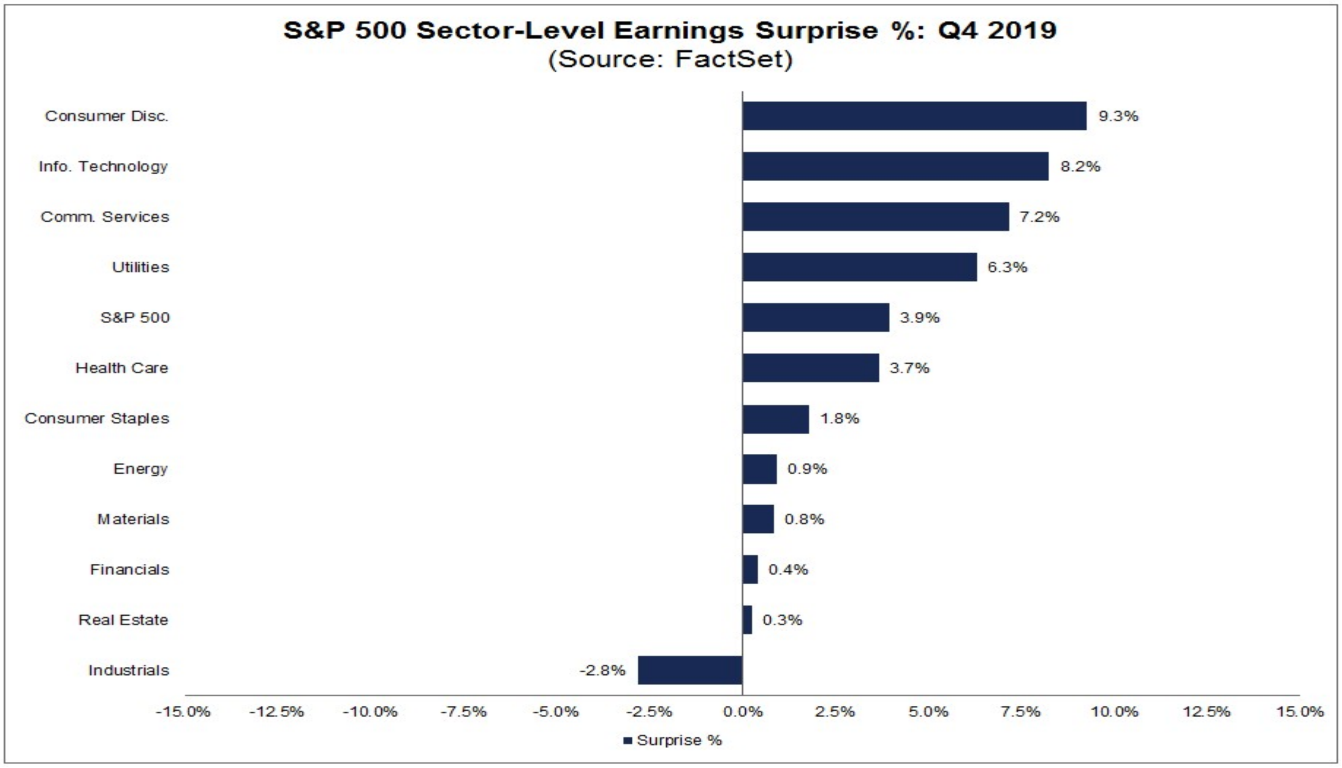


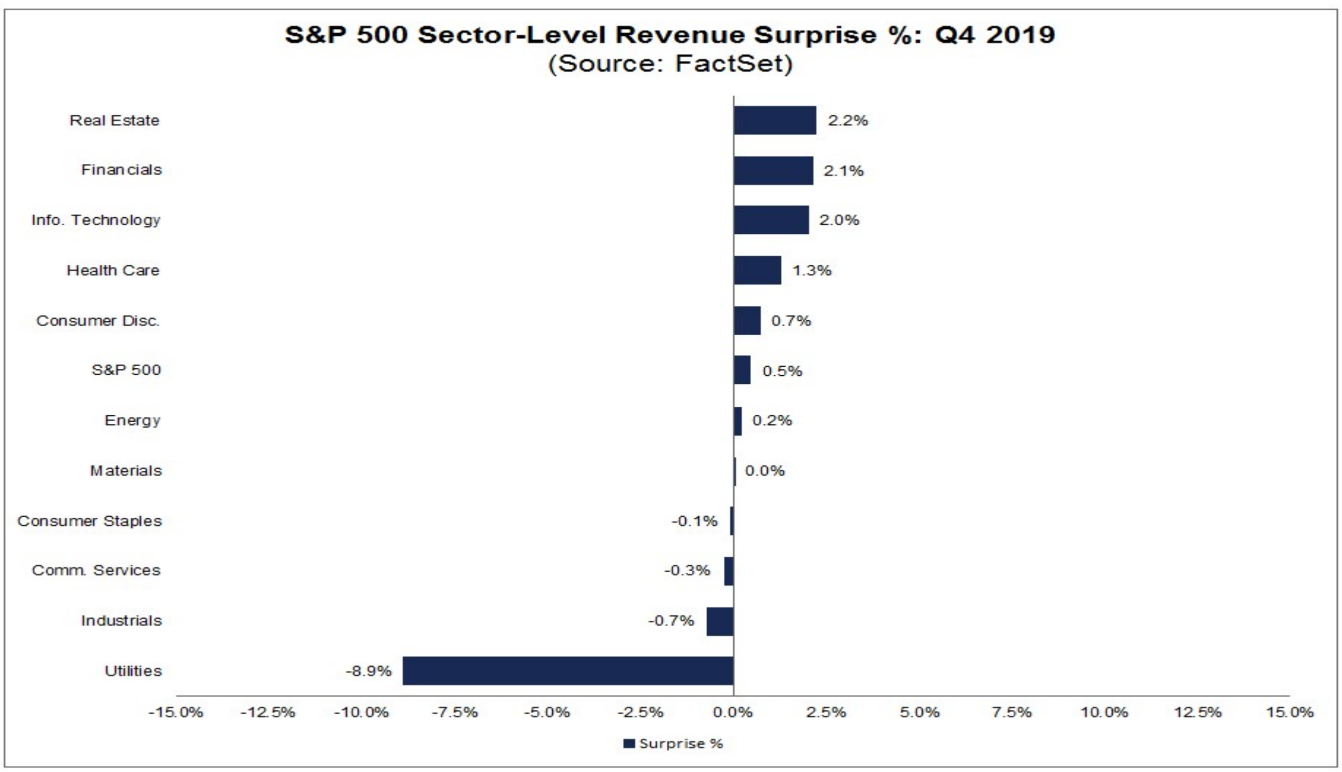
	Info. Technology	Health Care	Consumer Disc.	Comm. Services	Utilities	Consumer Staples	S&P 500	Financials	Industrials	Real Estate	Materials	Energy
Below	14%	12%	16%	19%	18%	9%	21%	28%	29%	16%	43%	43%
In-Line	3%	10%	6%	4%	7%	18%	9%	5%	12%	26%	4%	7%
Above	83%	78%	77%	77%	75%	73%	70%	68%	59%	58%	54%	50%



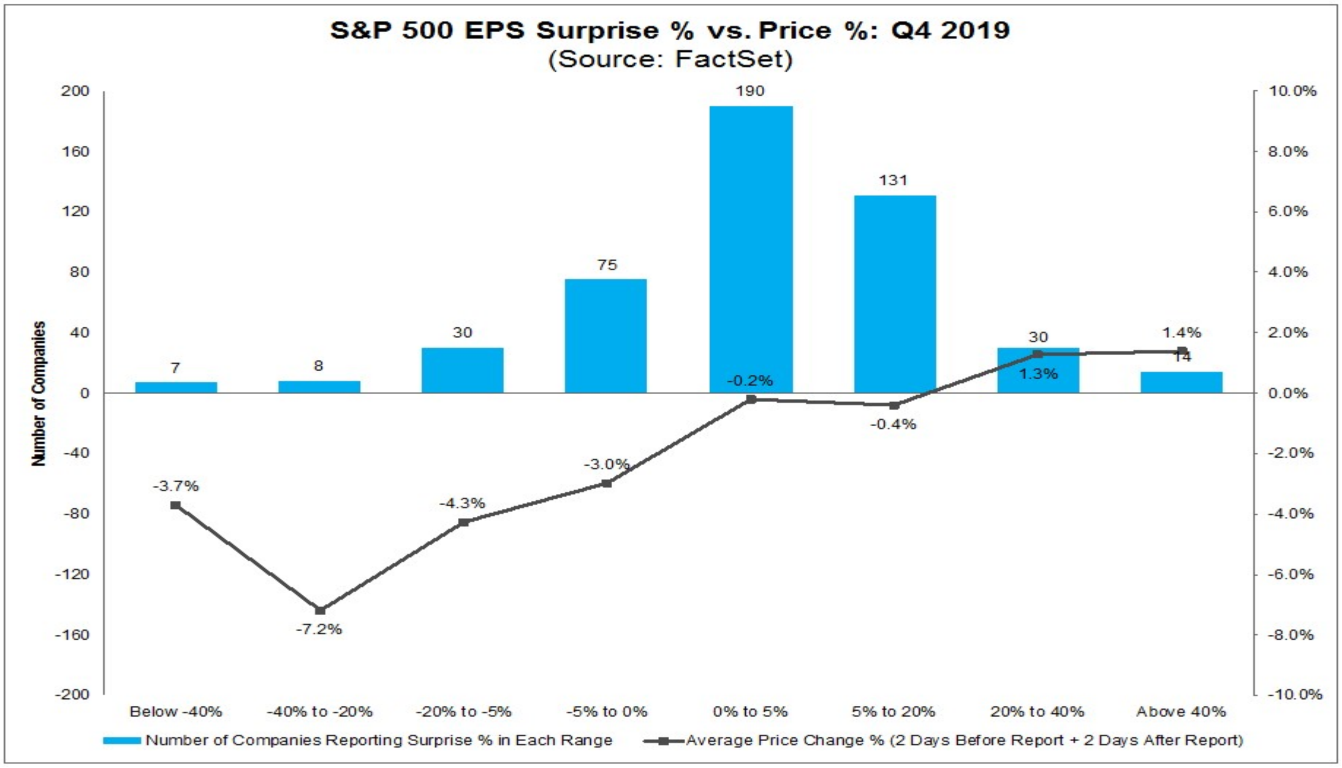
	Comm. Services	Health Care	Info. Technology	Real Estate	Financials	Energy	Consumer Staples	S&P 500	Consumer Disc.	Materials	Industrials	Utilities
Below	19%	20%	24%	26%	28%	32%	33%	36%	37%	50%	51%	93%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	81%	80%	76%	74%	72%	68%	67%	64%	63%	50%	49%	7%

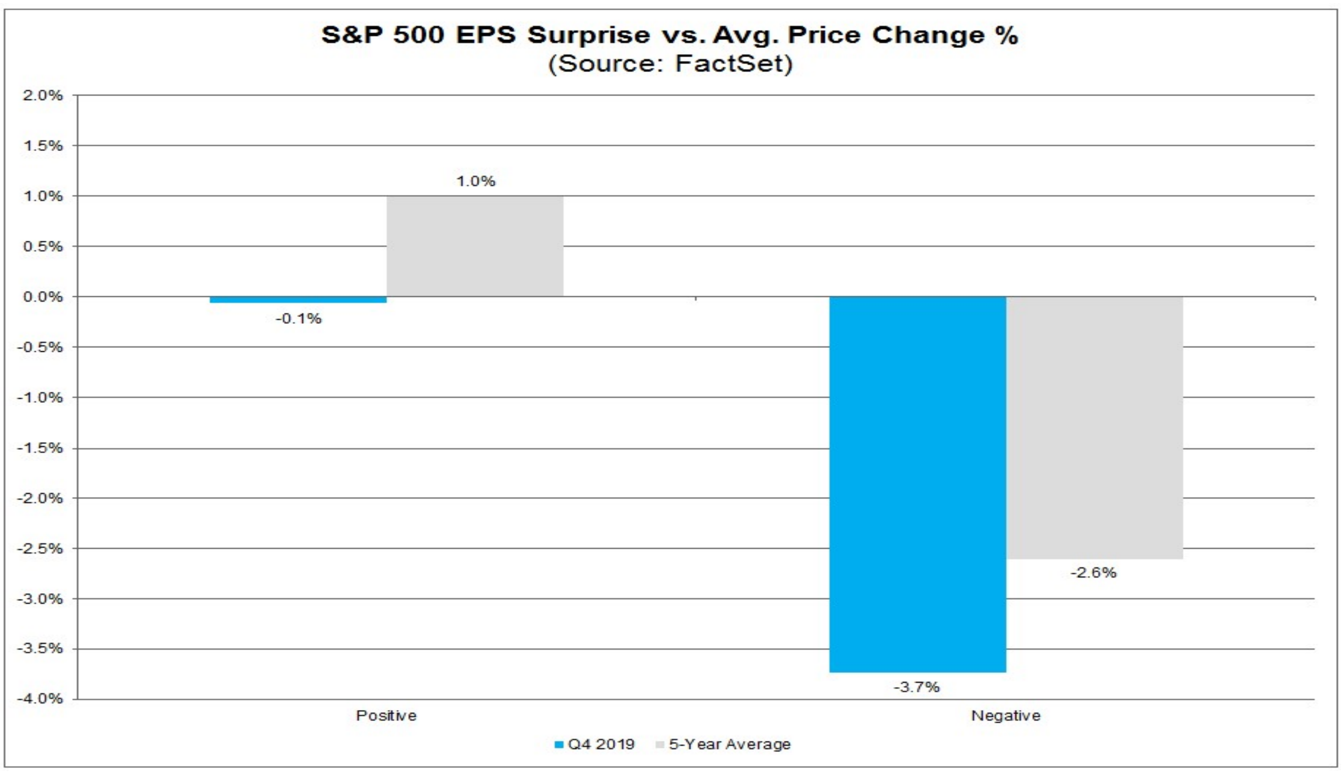
Q4 2019: Scorecard



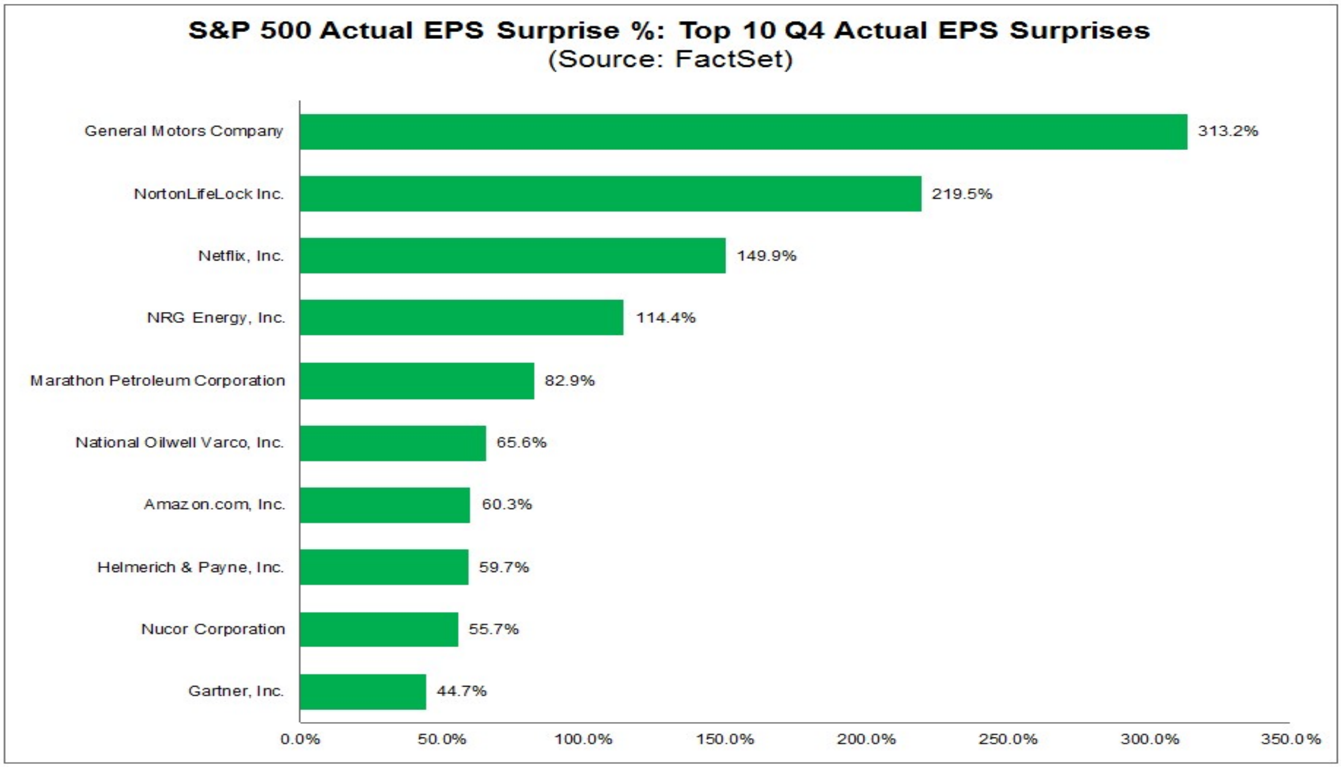


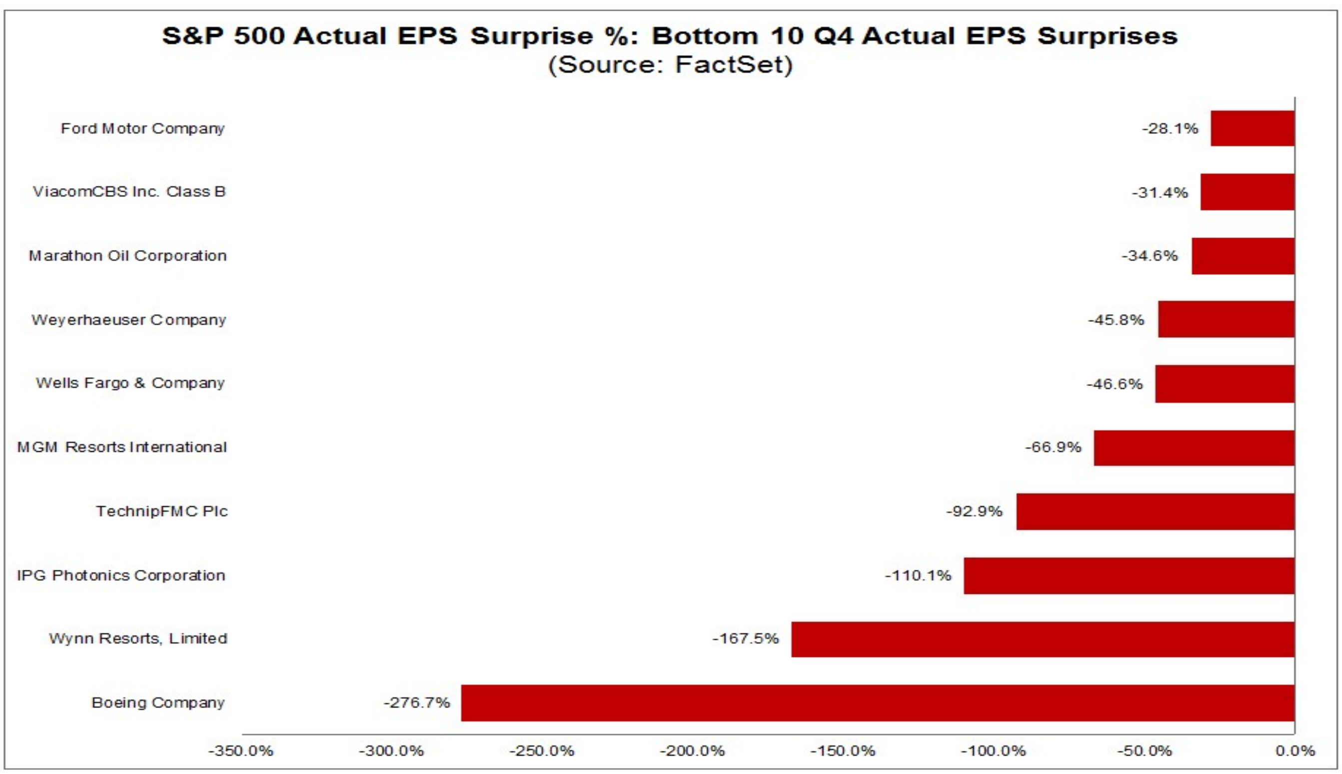
Q4 2019: Scorecard



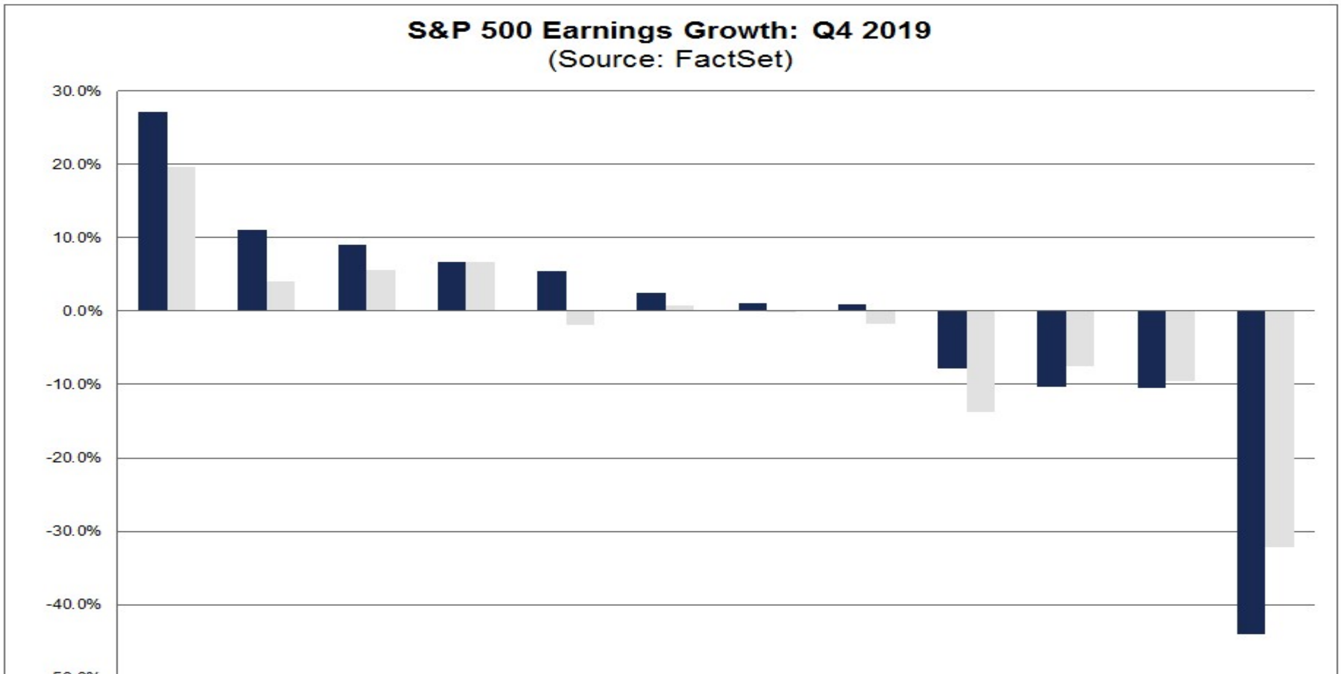


Q4 2019: Scorecard

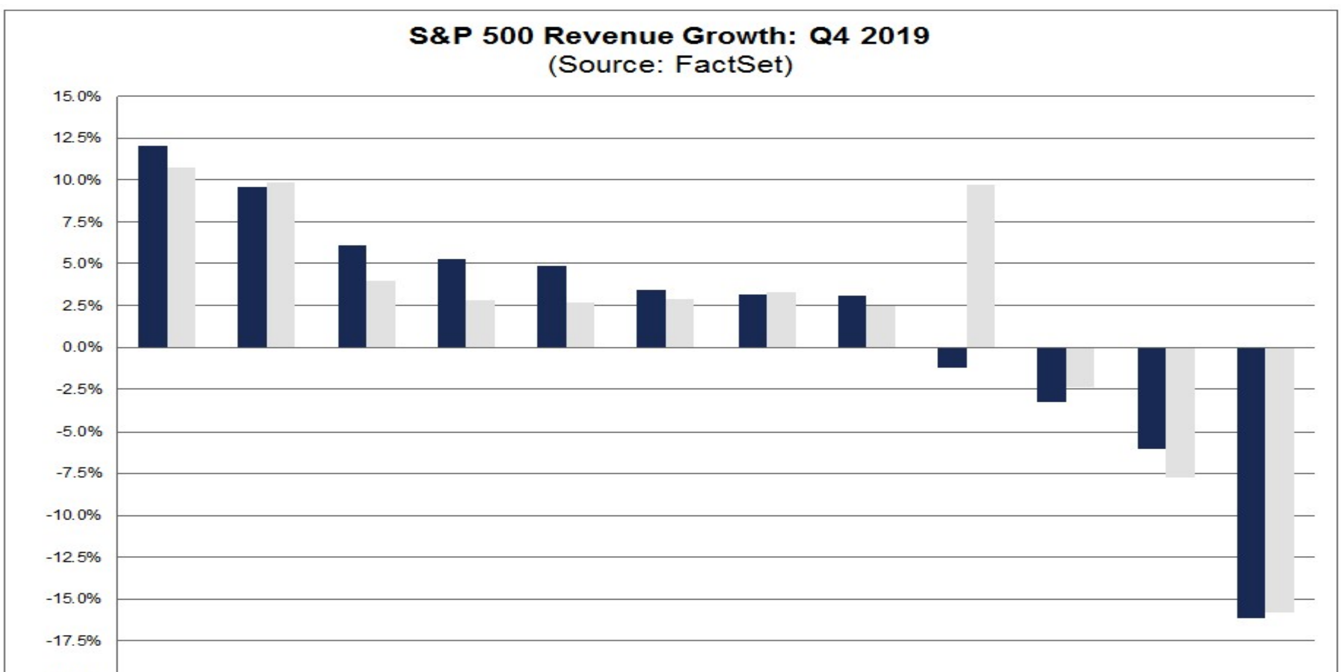




Q4 2019: Growth

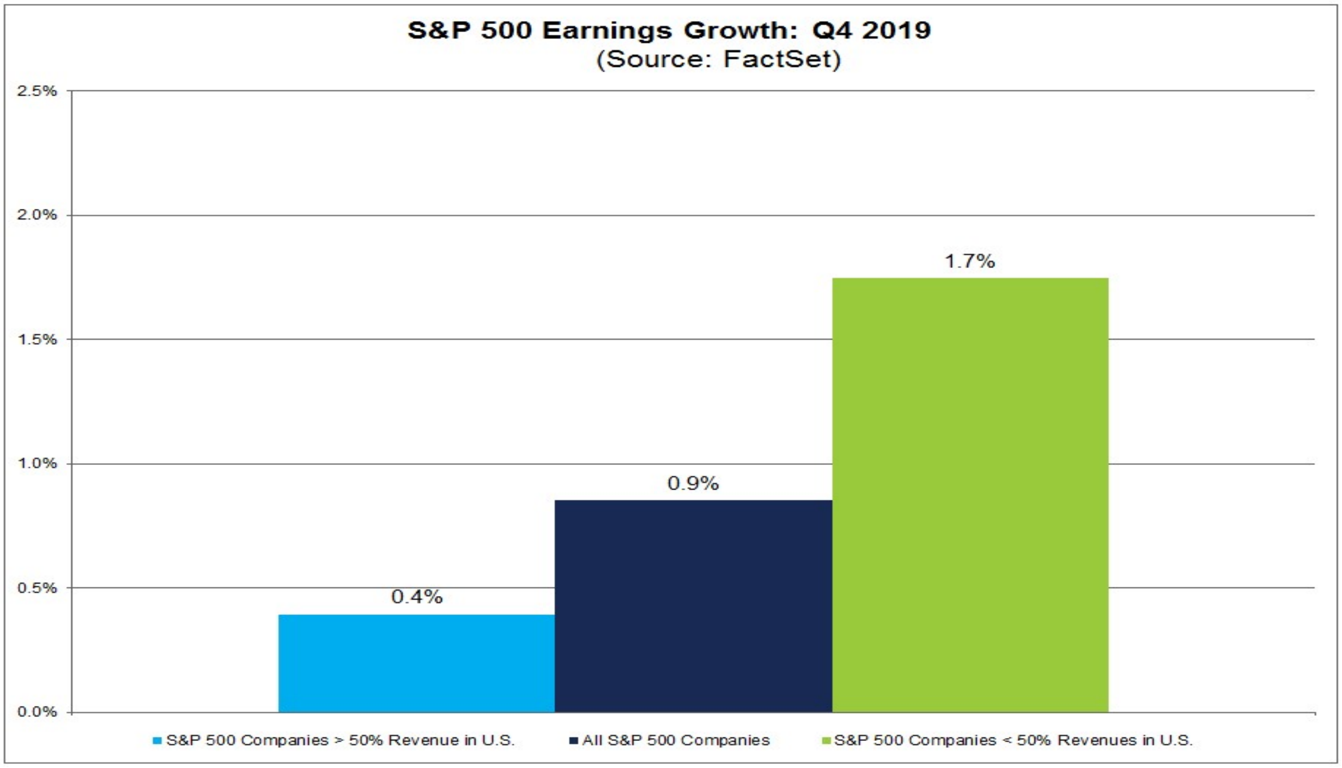


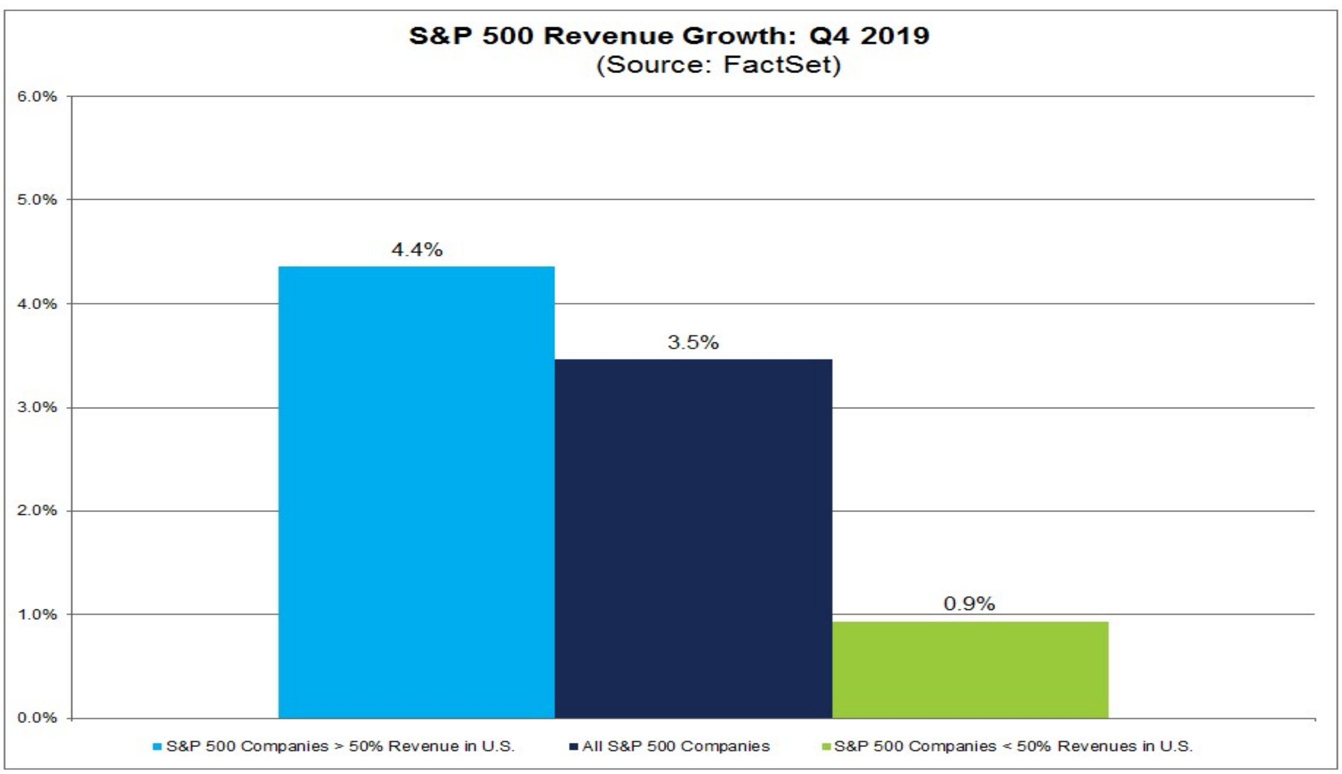
	Utilities	Comm. Services	Health Care	Financials	Info. Technology	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Industrials	Materials	Energy
Today	27.1%	11.0%	9.1%	6.7%	5.5%	2.5%	1.0%	0.8%	-7.9%	-10.4%	-10.6%	-44.0%
31-Dec	19.6%	4.0%	5.6%	6.7%	-2.0%	0.6%	-0.2%	-1.7%	-13.6%	-7.6%	-9.5%	-32.2%



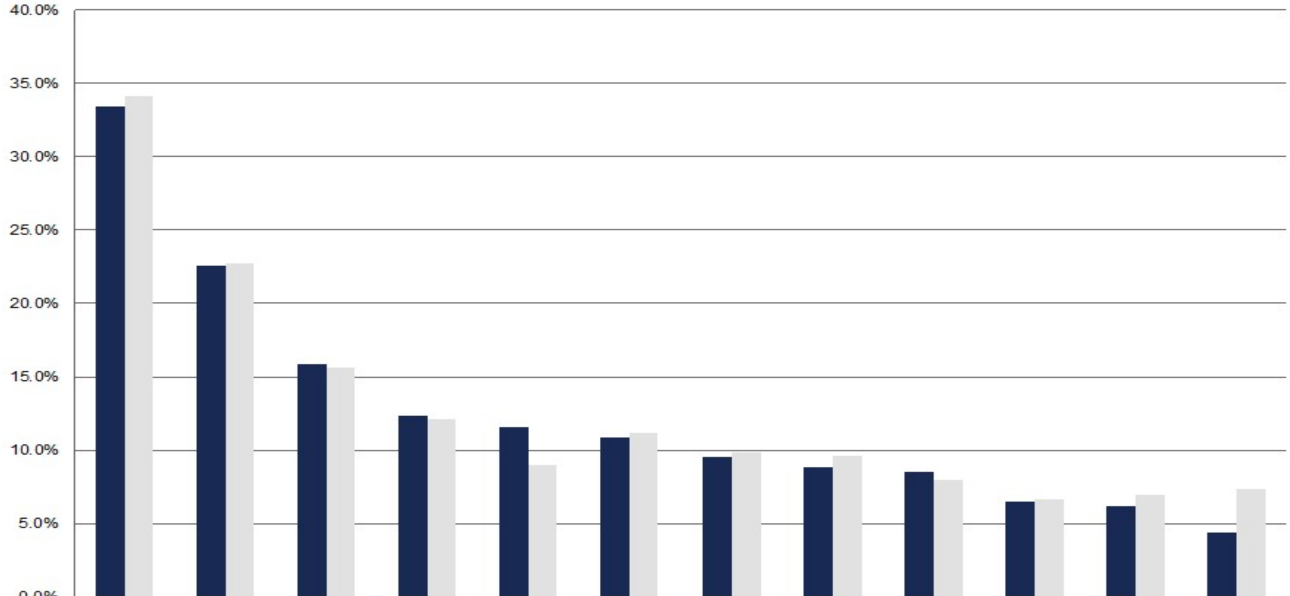
	Health Care	Comm. Services	Info. Technology	Financials	Real Estate	S&P 500	Consumer Staples	Consumer Disc.	Utilities	Industrials	Energy	Materials
Today	12.0%	9.6%	6.1%	5.3%	4.9%	3.5%	3.1%	3.1%	-1.2%	-3.2%	-6.0%	-16.1%
31-Dec	10.7%	9.8%	4.0%	2.8%	2.7%	2.9%	3.3%	2.4%	9.7%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

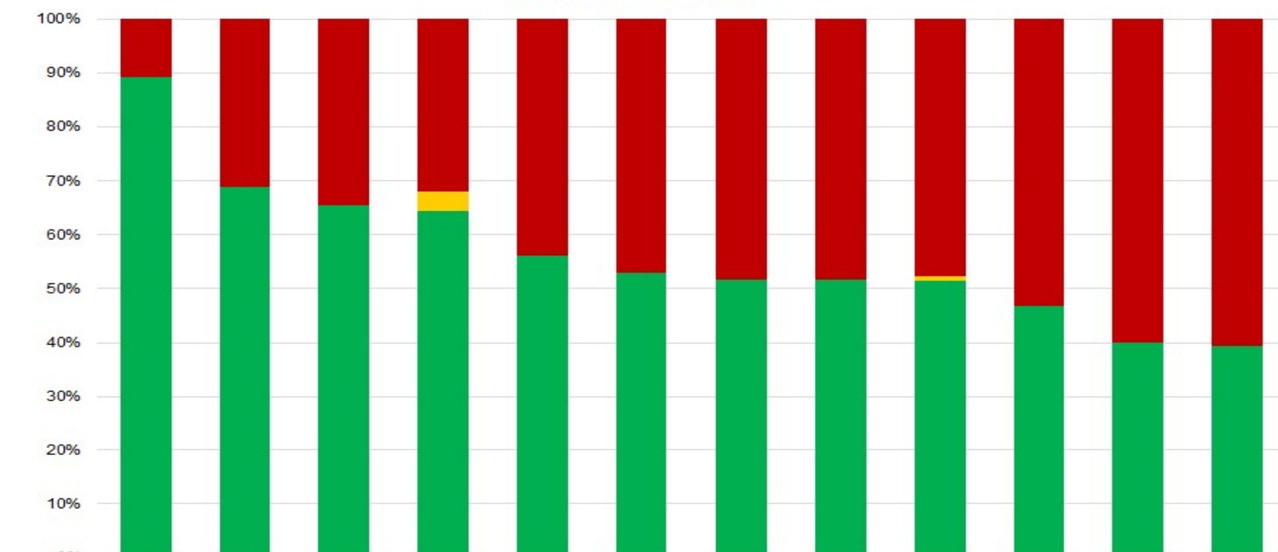




Q4 2019: Net Profit Margin

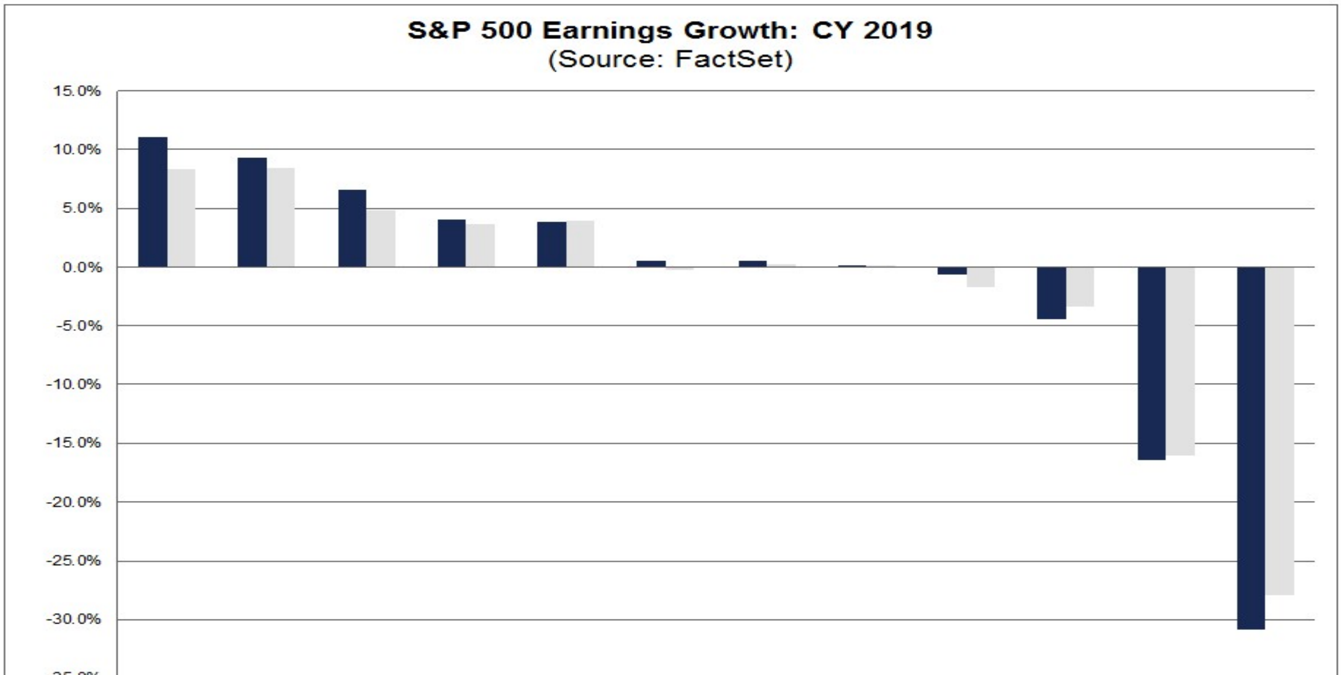


	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.4%	22.5%	15.9%	12.4%	11.6%	10.9%	9.6%	8.9%	8.6%	6.5%	6.2%	4.4%
Q418	34.2%	22.7%	15.7%	12.2%	9.0%	11.2%	9.9%	9.6%	8.0%	6.6%	7.0%	7.4%

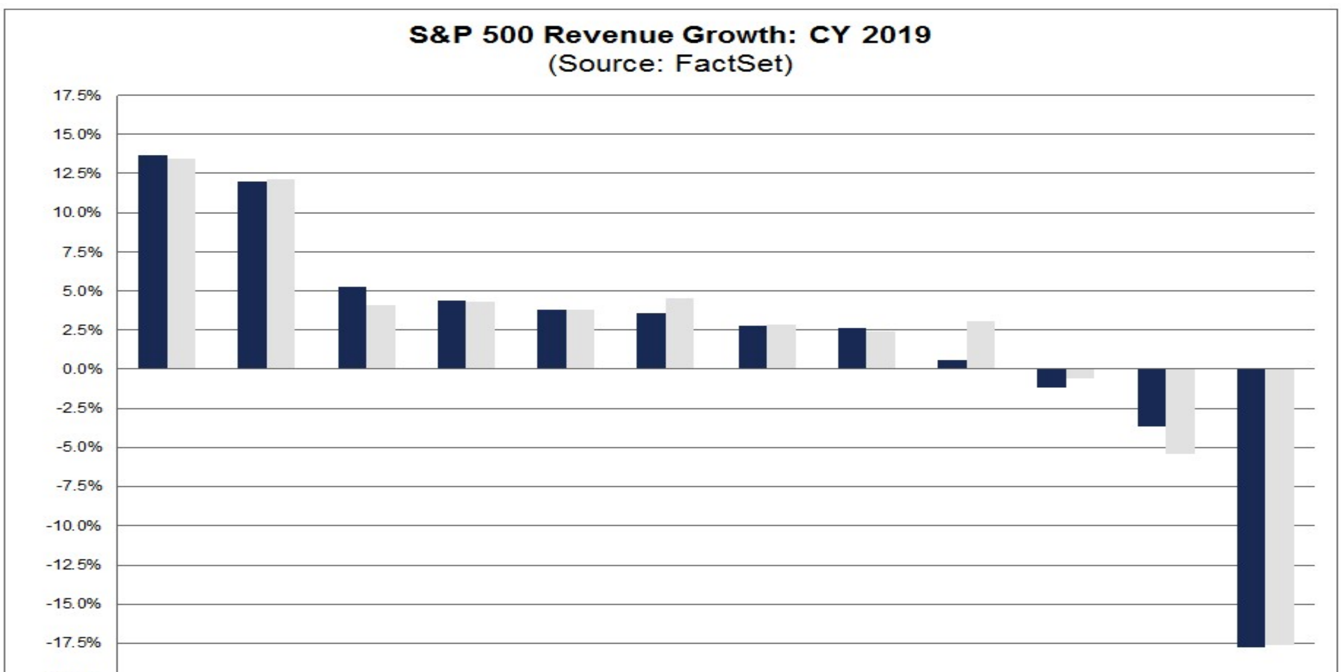


	Utilities	Health Care	Comm. Services	Materials	Financials	Industrials	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Information Tech.	Energy
Down %	11%	31%	35%	32%	44%	47%	48%	48%	48%	53%	60%	61%
None %	0%	0%	0%	4%	0%	0%	0%	0%	1%	0%	0%	0%
Up %	89%	69%	65%	64%	56%	53%	52%	52%	51%	47%	40%	39%

CY 2019: Growth

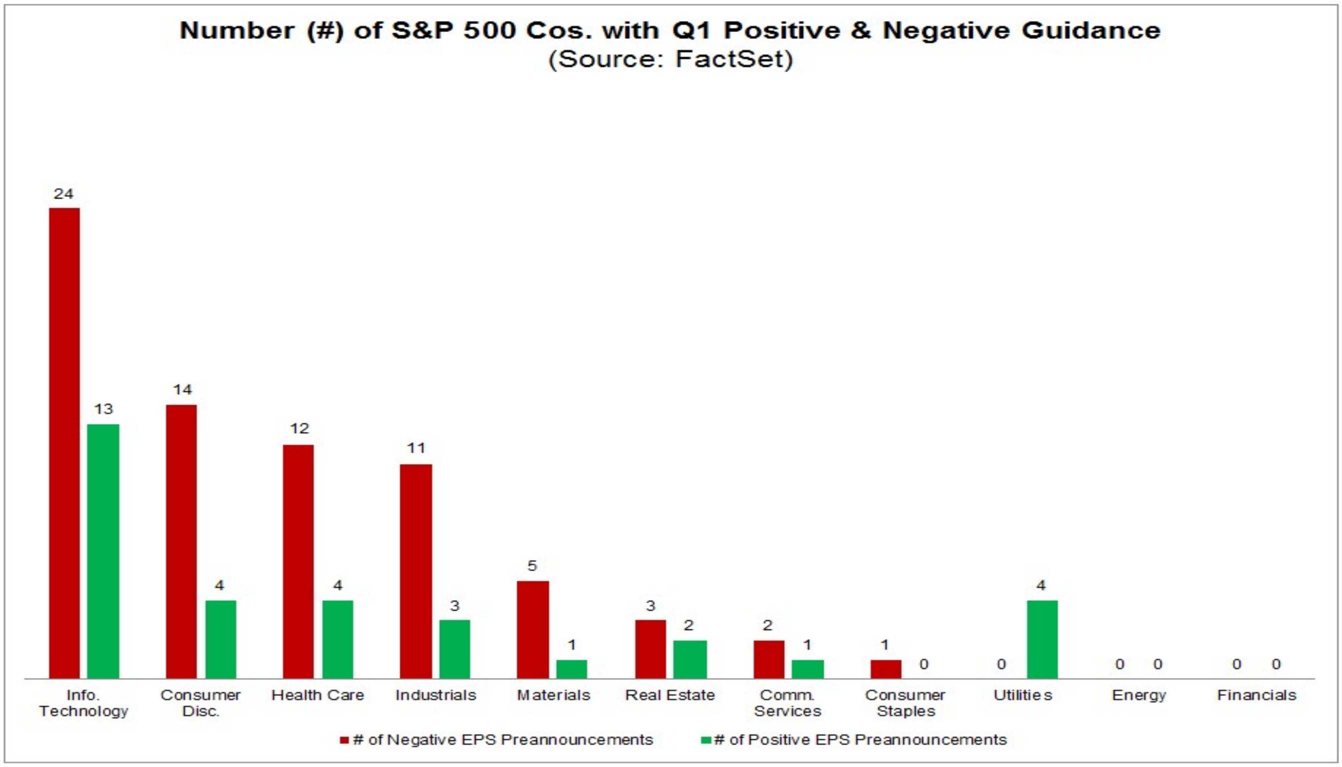


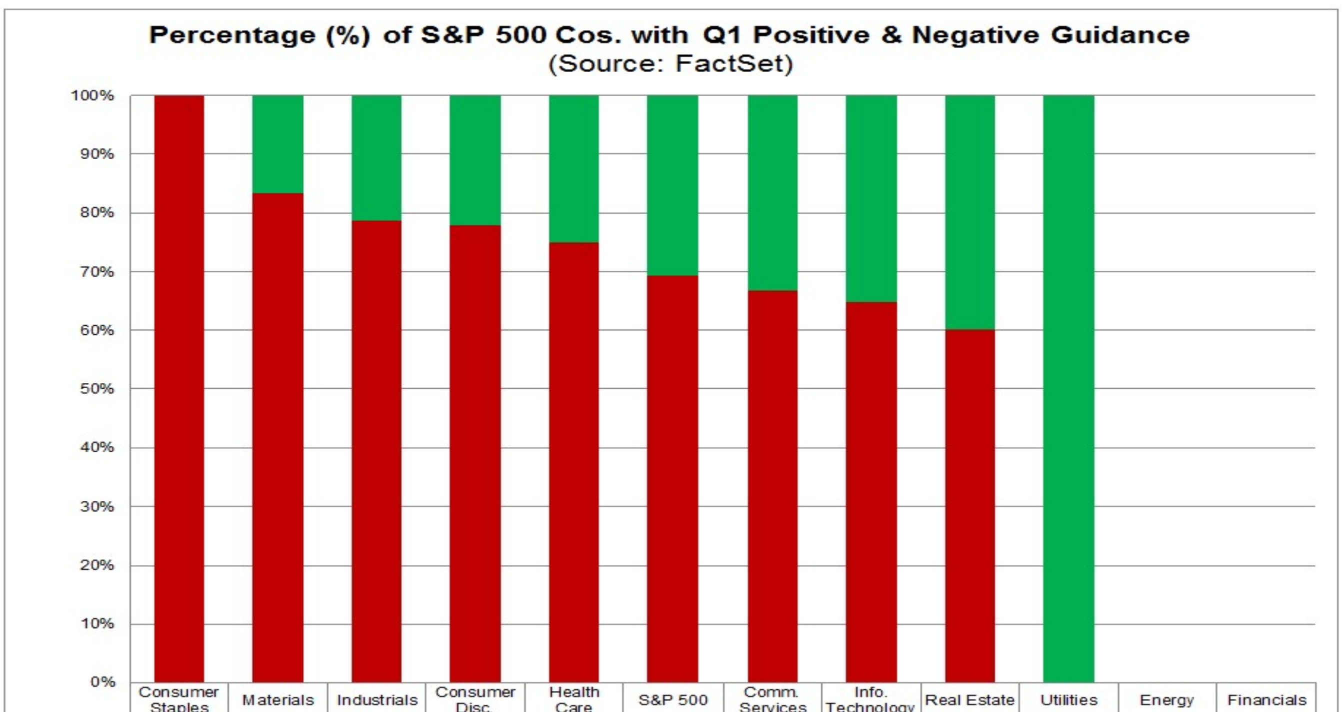
	Utilities	Health Care	Comm. Services	Real Estate	Financials	Info. Technology	S&P 500	Consumer Staples	Consumer Disc.	Industrials	Materials	Energy
Today	11.0%	9.3%	6.6%	4.0%	3.8%	0.5%	0.5%	0.0%	-0.7%	-4.5%	-16.4%	-30.8%
31-Dec	8.4%	8.5%	4.8%	3.6%	3.9%	-0.3%	0.2%	0.1%	-1.7%	-3.4%	-16.0%	-27.9%



	Health Care	Comm. Services	Real Estate	Consumer Disc.	S&P 500	Financials	Consumer Staples	Info. Technology	Utilities	Industrials	Energy	Materials
Today	13.7%	12.0%	5.3%	4.3%	3.8%	3.6%	2.8%	2.6%	0.5%	-1.2%	-3.6%	-17.8%
31-Dec	13.5%	12.1%	4.1%	4.3%	3.8%	4.5%	2.8%	2.4%	3.1%	-0.6%	-5.4%	-17.6%

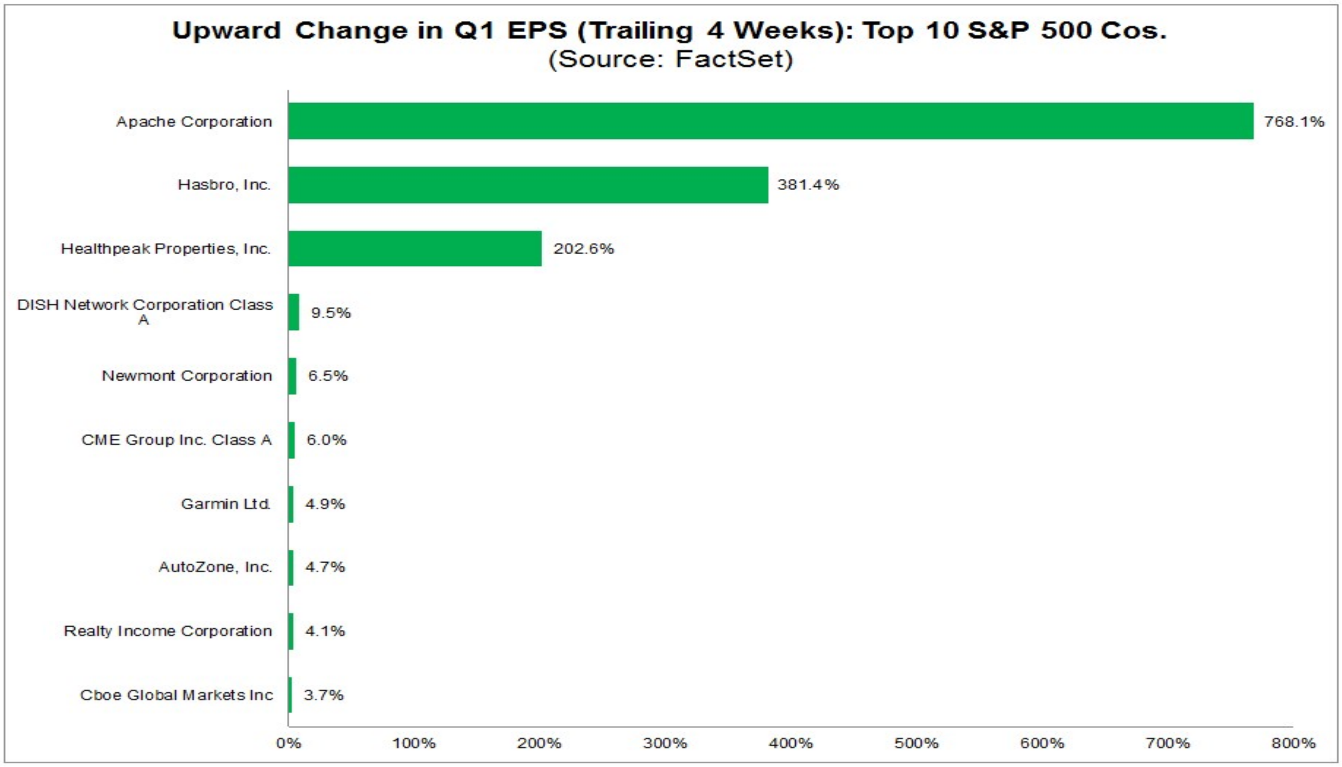
Q1 2020: EPS Guidance

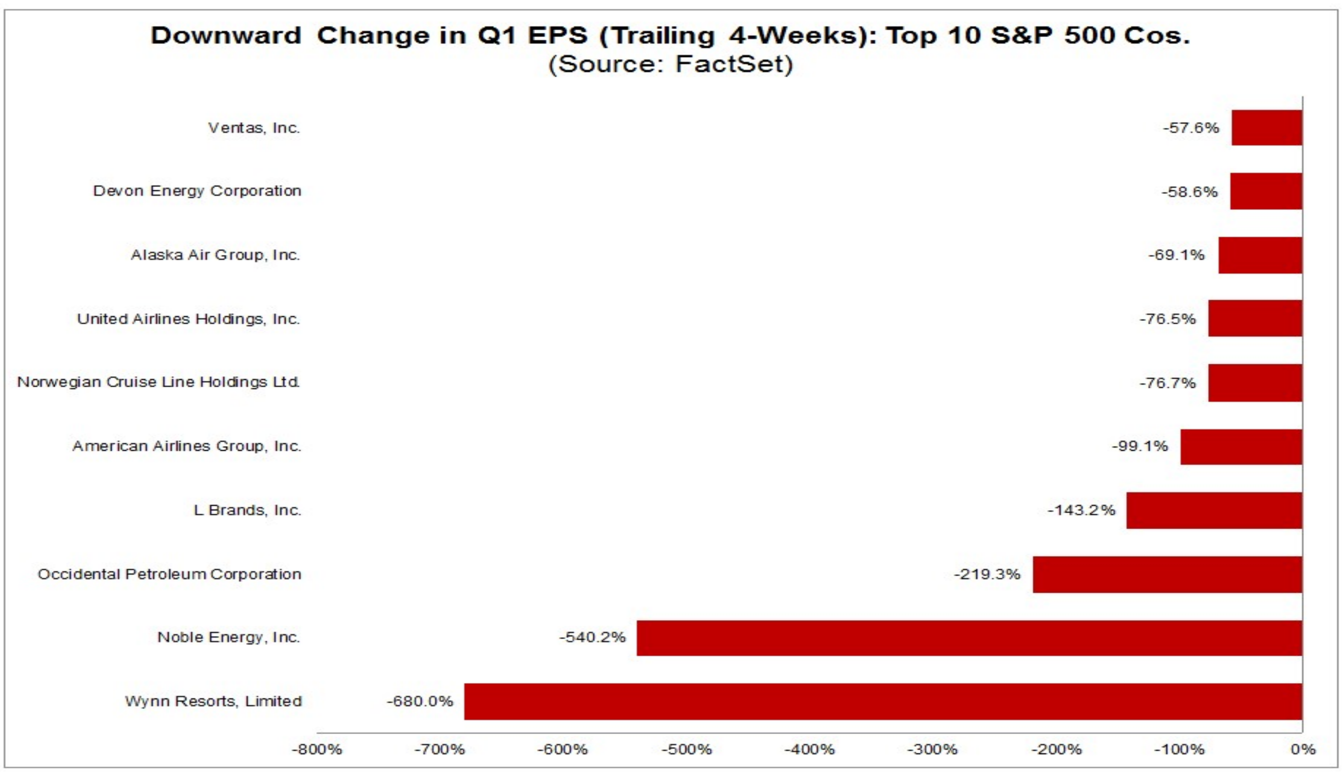




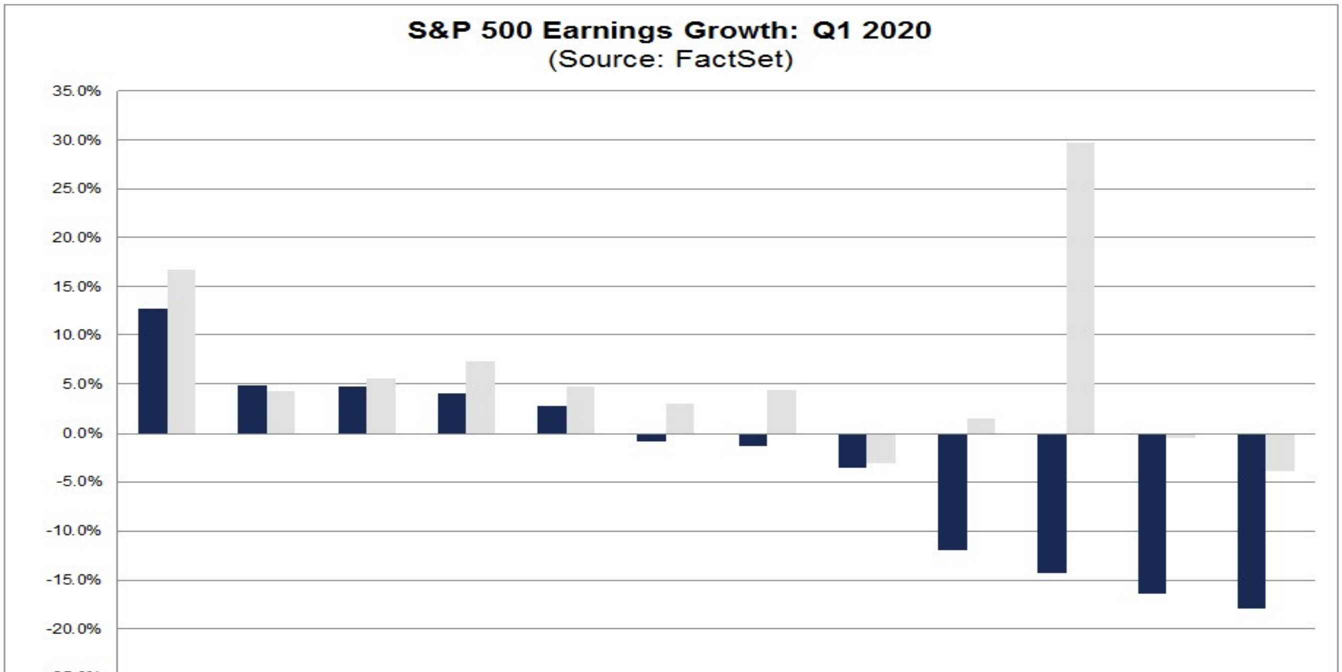
	Consumer Staples	Materials	Industrials	Consumer Disc.	Health Care	S&P 500	Comm. Services	Info. Technology	Real Estate	Utilities	Energy	Financials
Positive	0%	17%	21%	22%	25%	31%	33%	35%	40%	100%	0%	0%
Negative	100%	83%	79%	78%	75%	69%	67%	65%	60%	0%	0%	0%

Q1 2020: EPS Revisions

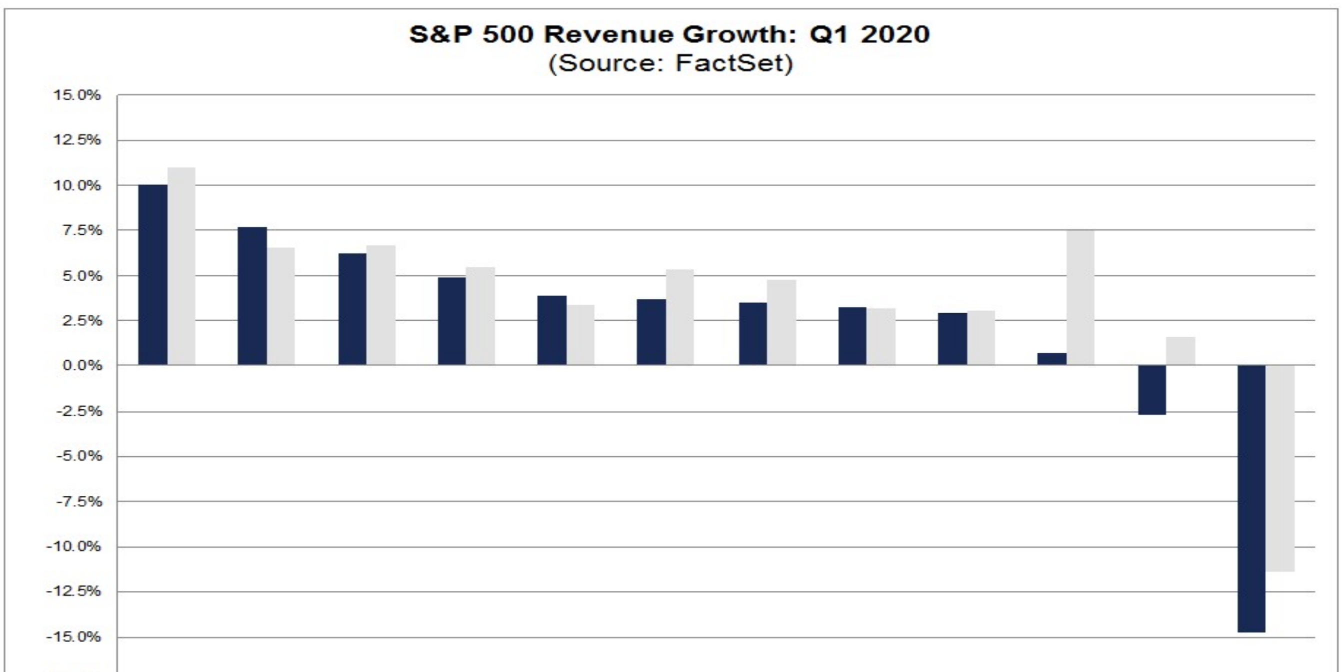




Q1 2020: Growth

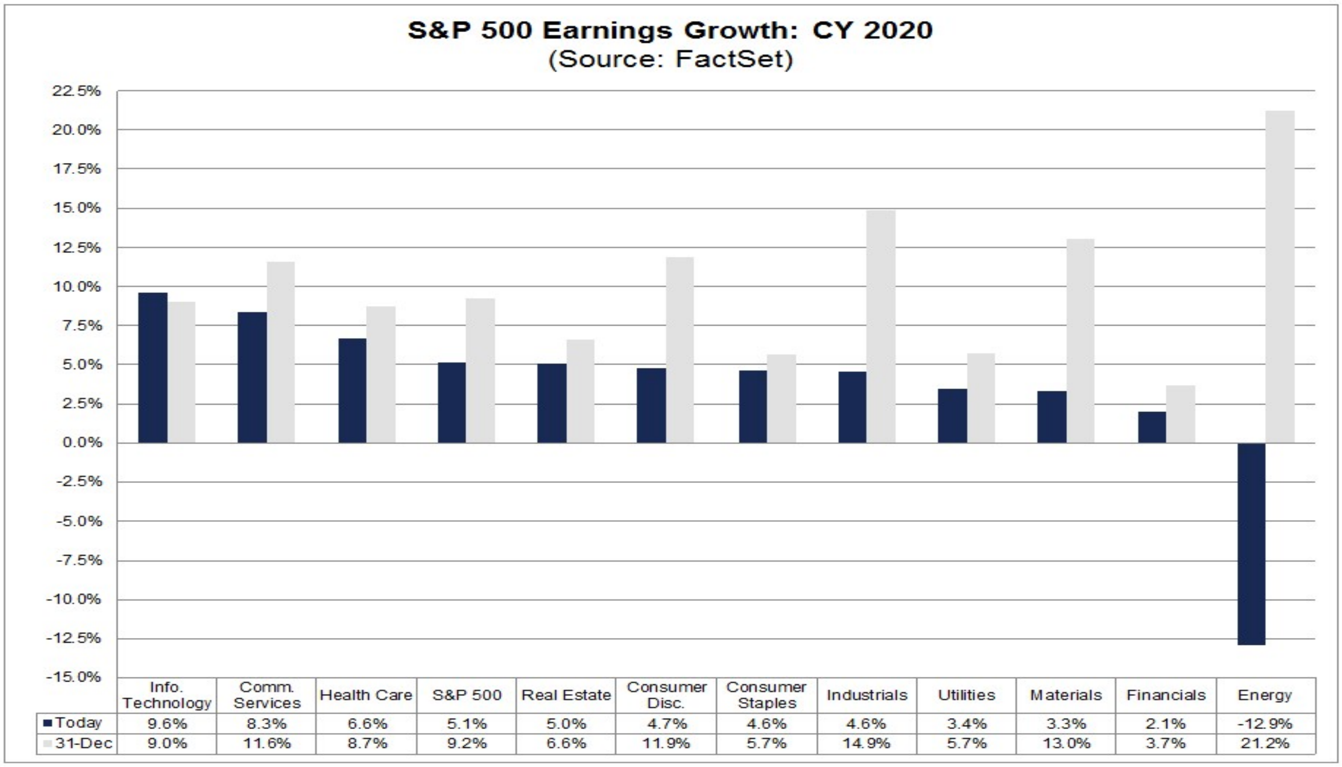


	Comm. Services	Info. Technology	Utilities	Health Care	Real Estate	Consumer Staples	S&P 500	Financials	Consumer Disc.	Energy	Industrials	Materials
Today	12.6%	4.8%	4.7%	4.0%	2.8%	-0.8%	-1.2%	-3.4%	-12.0%	-14.3%	-16.3%	-18.0%
31-Dec	16.7%	4.2%	5.6%	7.4%	4.7%	3.1%	4.4%	-3.0%	1.5%	29.6%	-0.4%	-3.9%

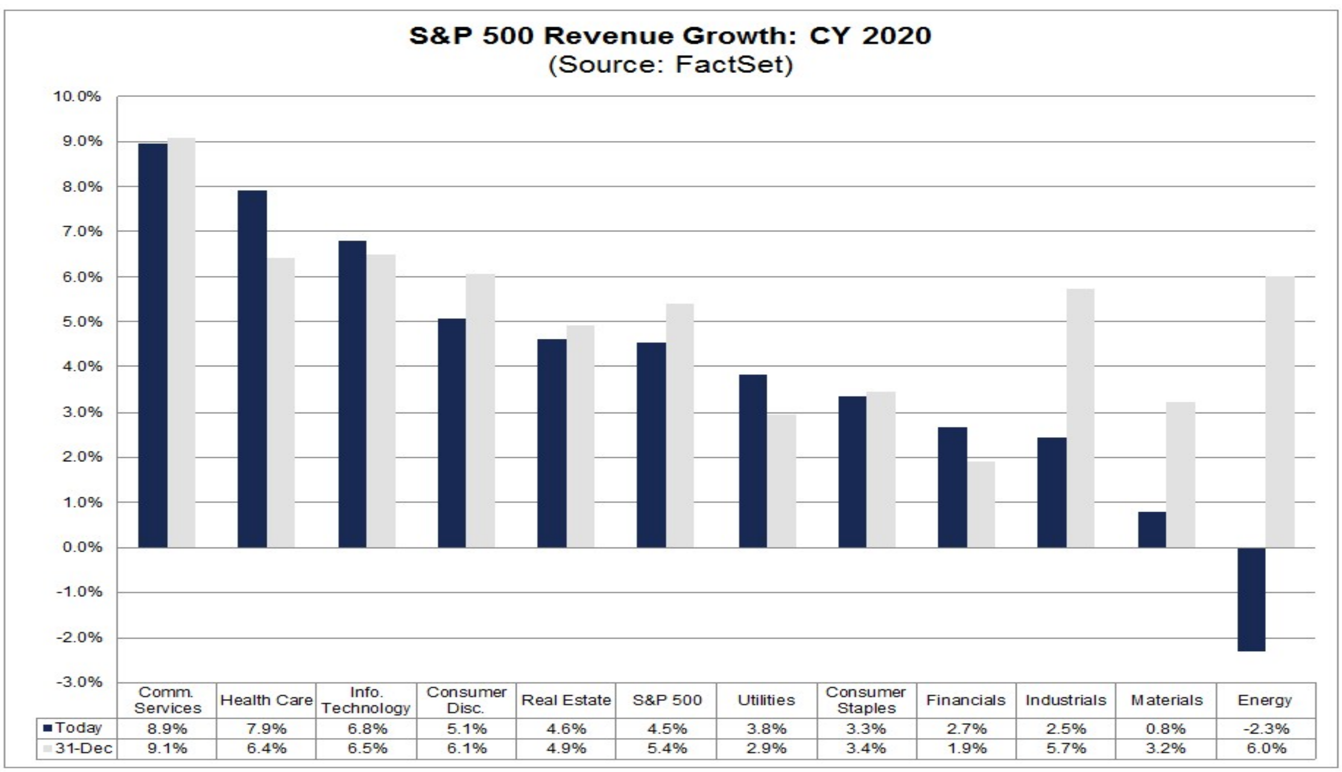


	Comm. Services	Health Care	Info. Technology	Utilities	Real Estate	Consumer Disc.	S&P 500	Financials	Consumer Staples	Energy	Industrials	Materials
Today	10.1%	7.7%	6.2%	4.9%	3.9%	3.7%	3.5%	3.2%	2.9%	0.7%	-2.7%	-14.7%
31-Dec	11.0%	6.5%	6.6%	5.4%	3.3%	5.4%	4.8%	3.2%	3.0%	7.5%	1.6%	-11.4%

CY 2020: Growth

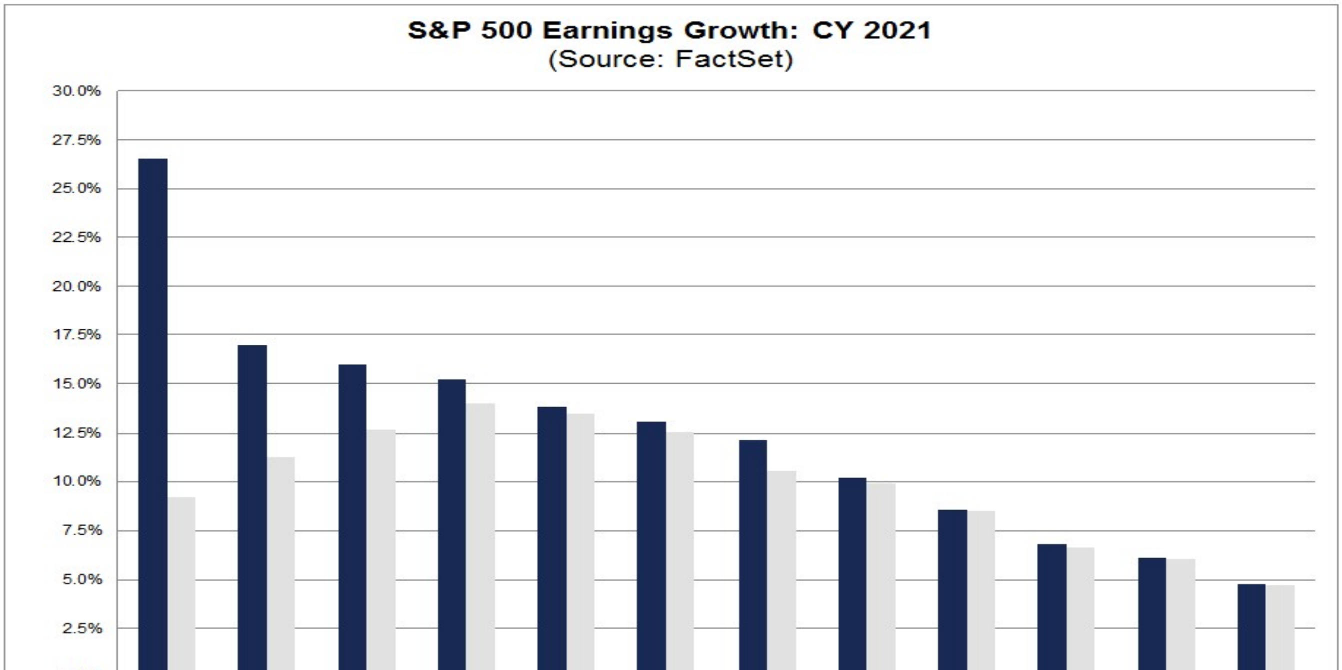


	Info. Technology	Comm. Services	Health Care	S&P 500	Real Estate	Consumer Disc.	Consumer Staples	Industrials	Utilities	Materials	Financials	Energy
Today	9.6%	8.3%	6.6%	5.1%	5.0%	4.7%	4.6%	4.6%	3.4%	3.3%	2.1%	-12.9%
31-Dec	9.0%	11.6%	8.7%	9.2%	6.6%	11.9%	5.7%	14.9%	5.7%	13.0%	3.7%	21.2%

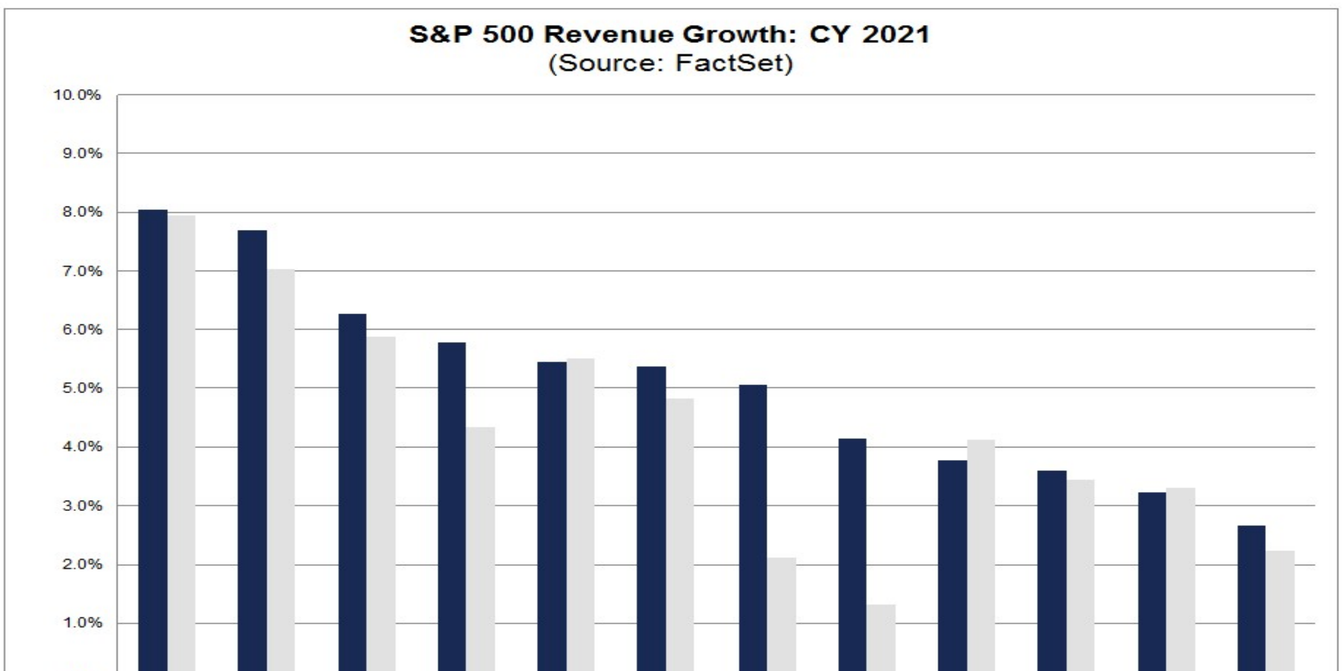


	Comm. Services	Health Care	Info. Technology	Consumer Disc.	Real Estate	S&P 500	Utilities	Consumer Staples	Financials	Industrials	Materials	Energy
Today	8.9%	7.9%	6.8%	5.1%	4.6%	4.5%	3.8%	3.3%	2.7%	2.5%	0.8%	-2.3%
31-Dec	9.1%	6.4%	6.5%	6.1%	4.9%	5.4%	2.9%	3.4%	1.9%	5.7%	3.2%	6.0%

CY 2021: Growth

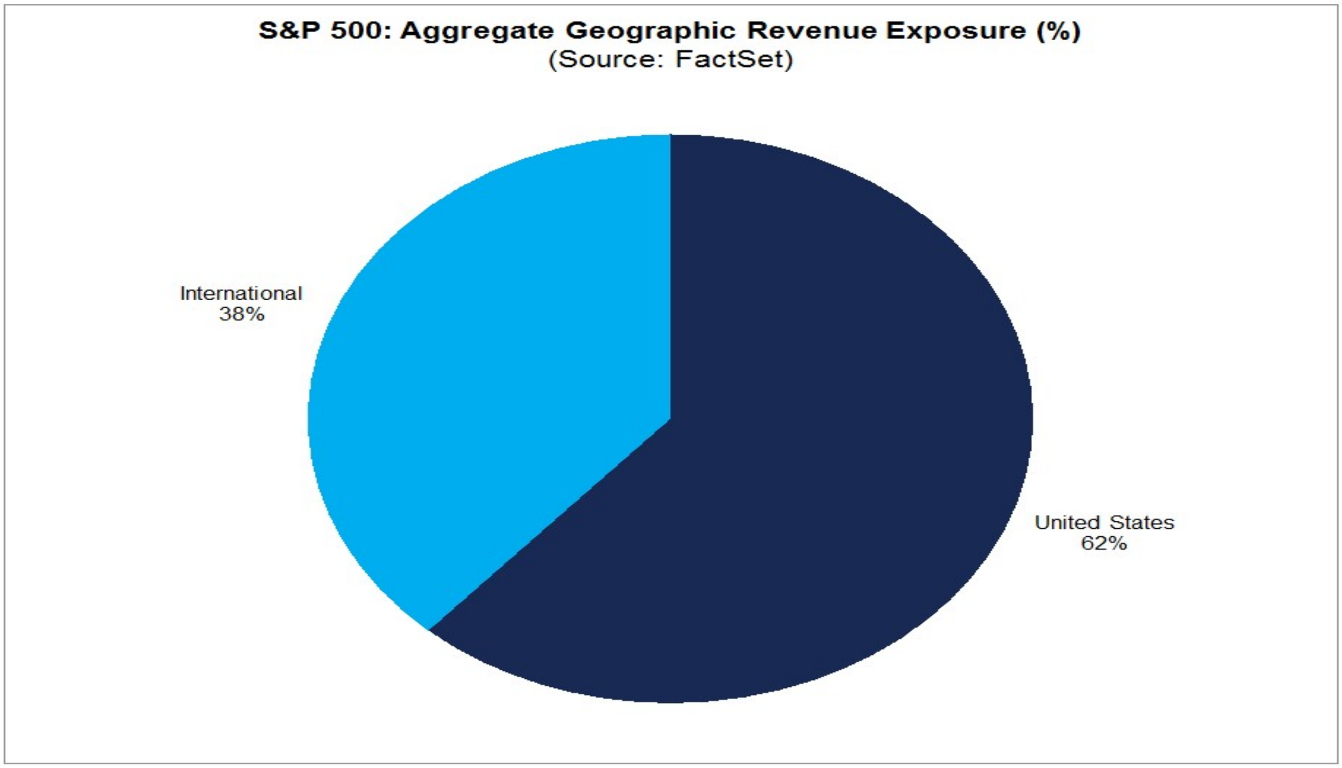


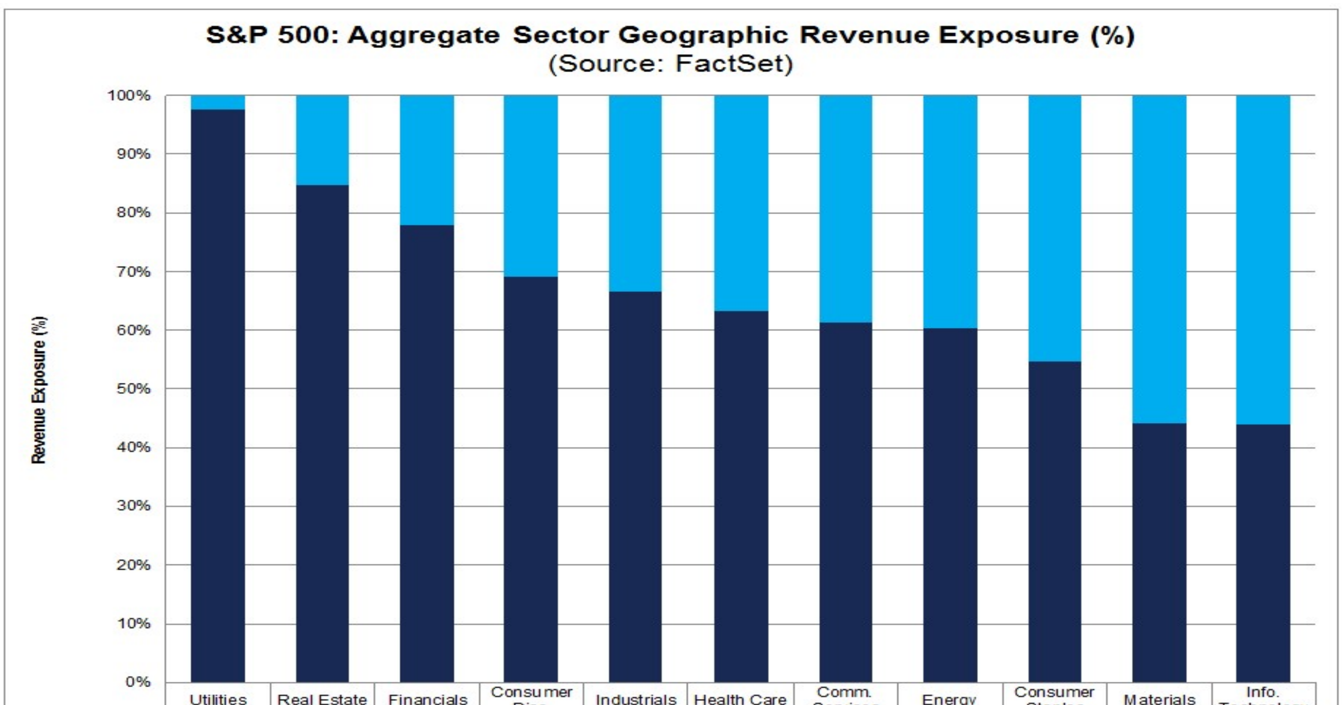
	Energy	Industrials	Consumer Disc.	Materials	Info. Technology	Comm. Services	S&P 500	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	26.5%	16.9%	15.9%	15.2%	13.9%	13.1%	12.2%	10.2%	8.6%	6.8%	6.1%	4.8%
31-Dec	9.2%	11.3%	12.7%	14.1%	13.5%	12.5%	10.6%	9.9%	8.5%	6.6%	6.0%	4.7%



	Comm. Services	Info. Technology	Consumer Disc.	Industrials	Health Care	S&P 500	Real Estate	Energy	Materials	Financials	Consumer Staples	Utilities
Today	8.0%	7.7%	6.3%	5.8%	5.4%	5.4%	5.0%	4.1%	3.8%	3.6%	3.2%	2.7%
31-Dec	8.0%	7.0%	5.9%	4.3%	5.5%	4.8%	2.1%	1.3%	4.1%	3.4%	3.3%	2.2%

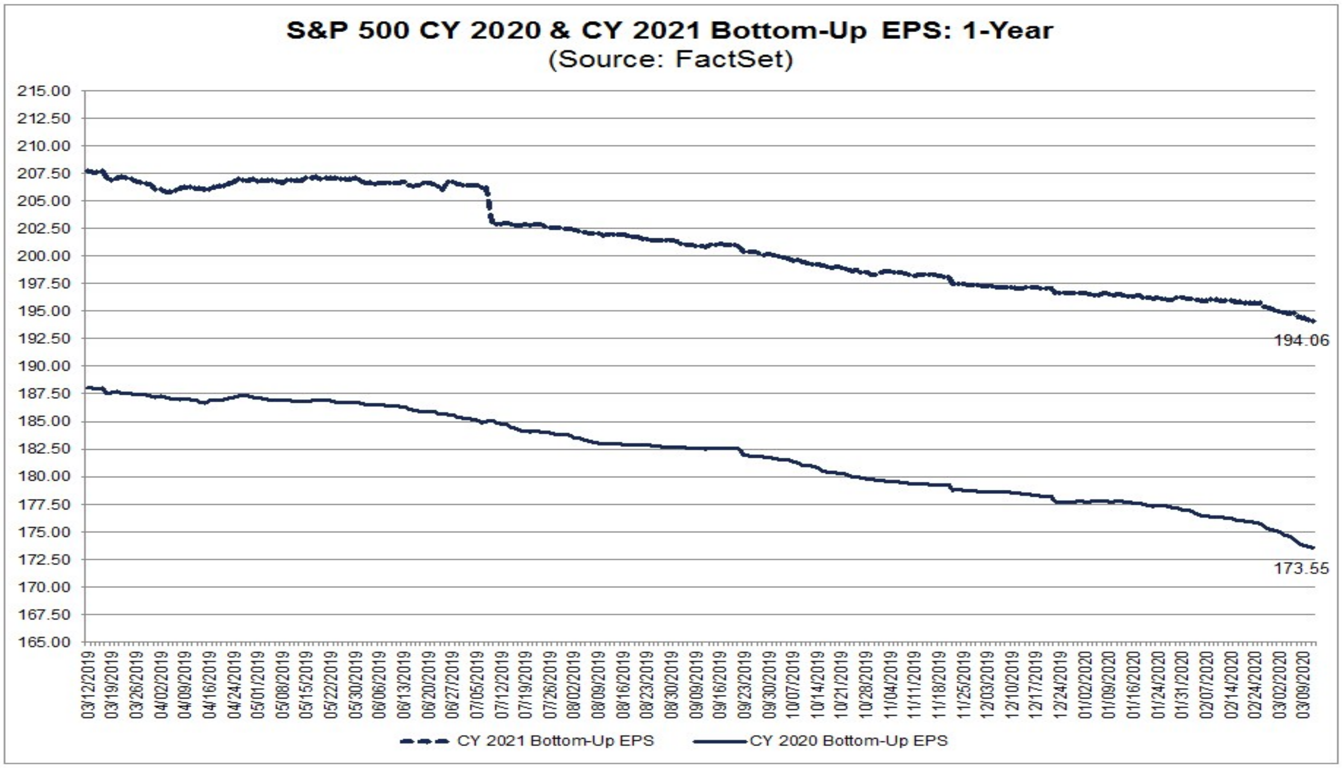
Geographic Revenue Exposure

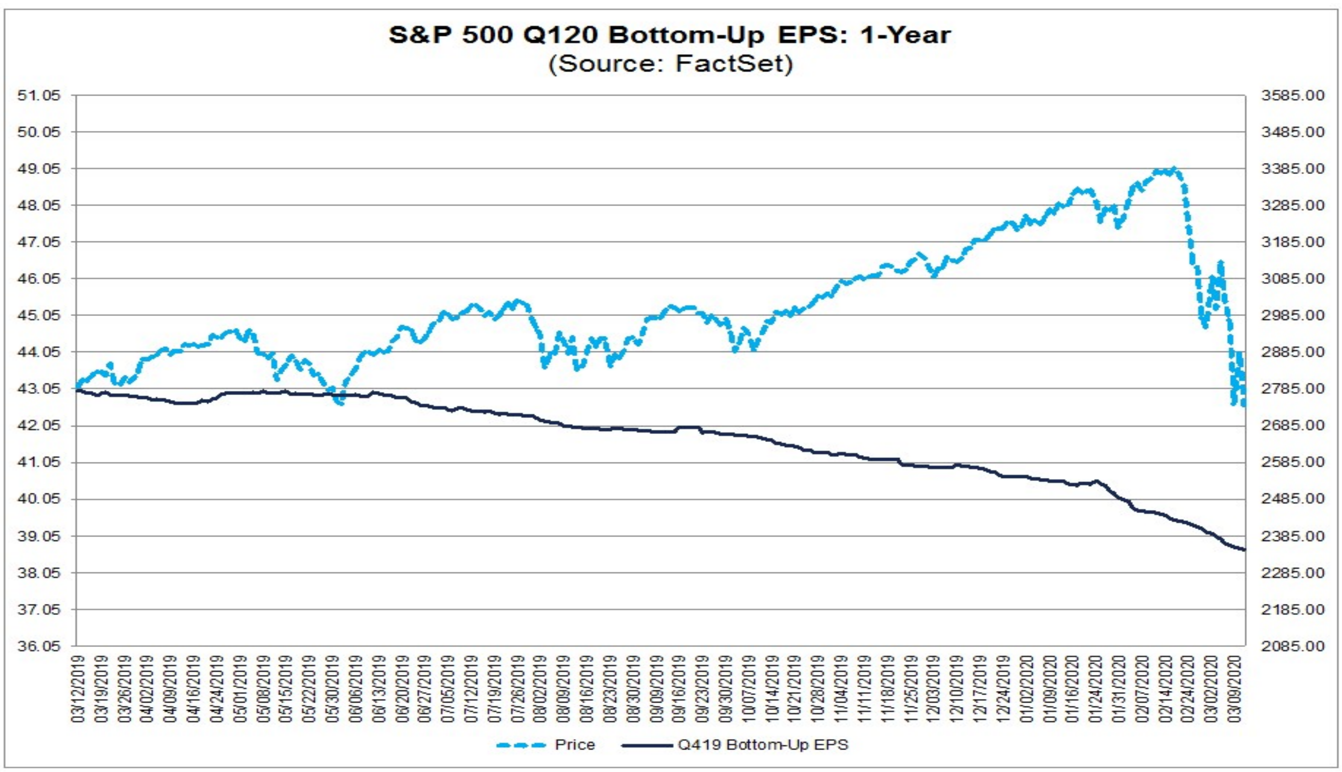




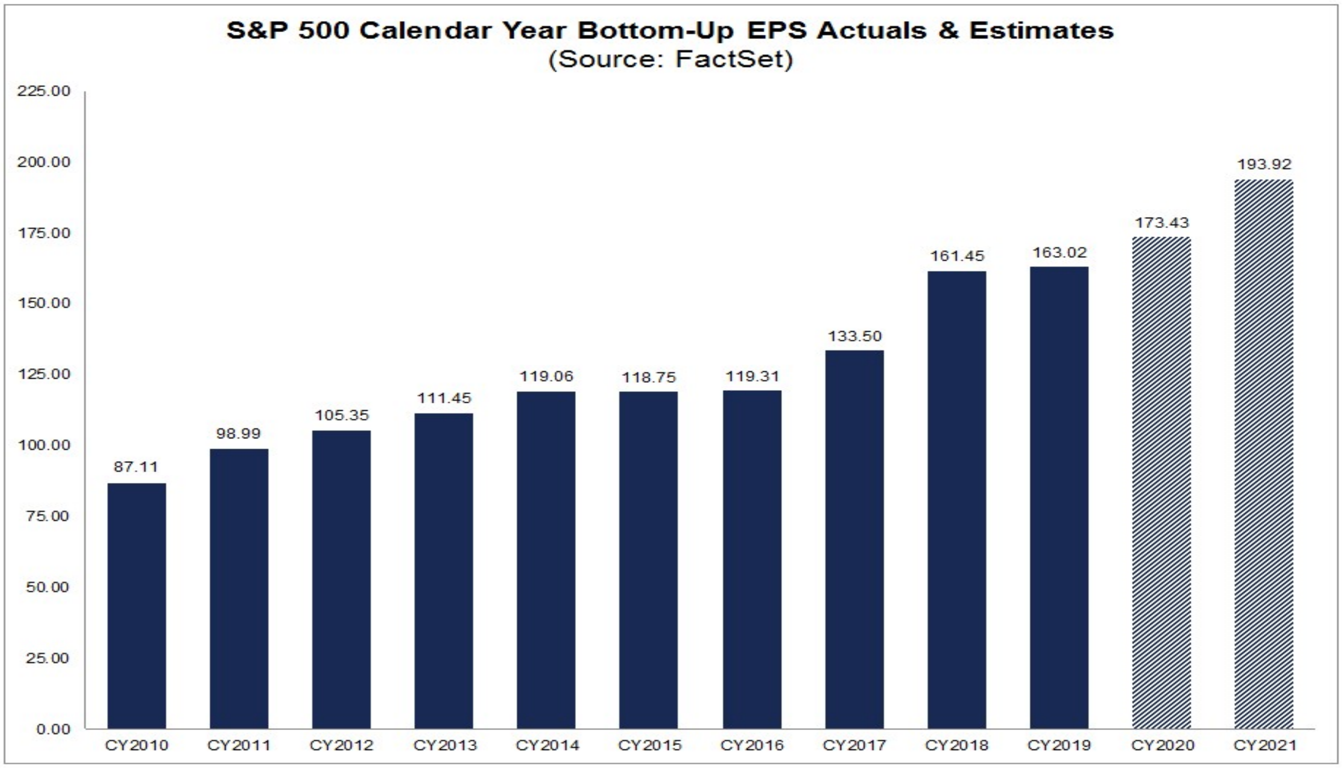
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	2%	15%	22%	31%	34%	37%	39%	40%	45%	56%	56%
United States	98%	85%	78%	69%	66%	63%	61%	60%	55%	44%	44%

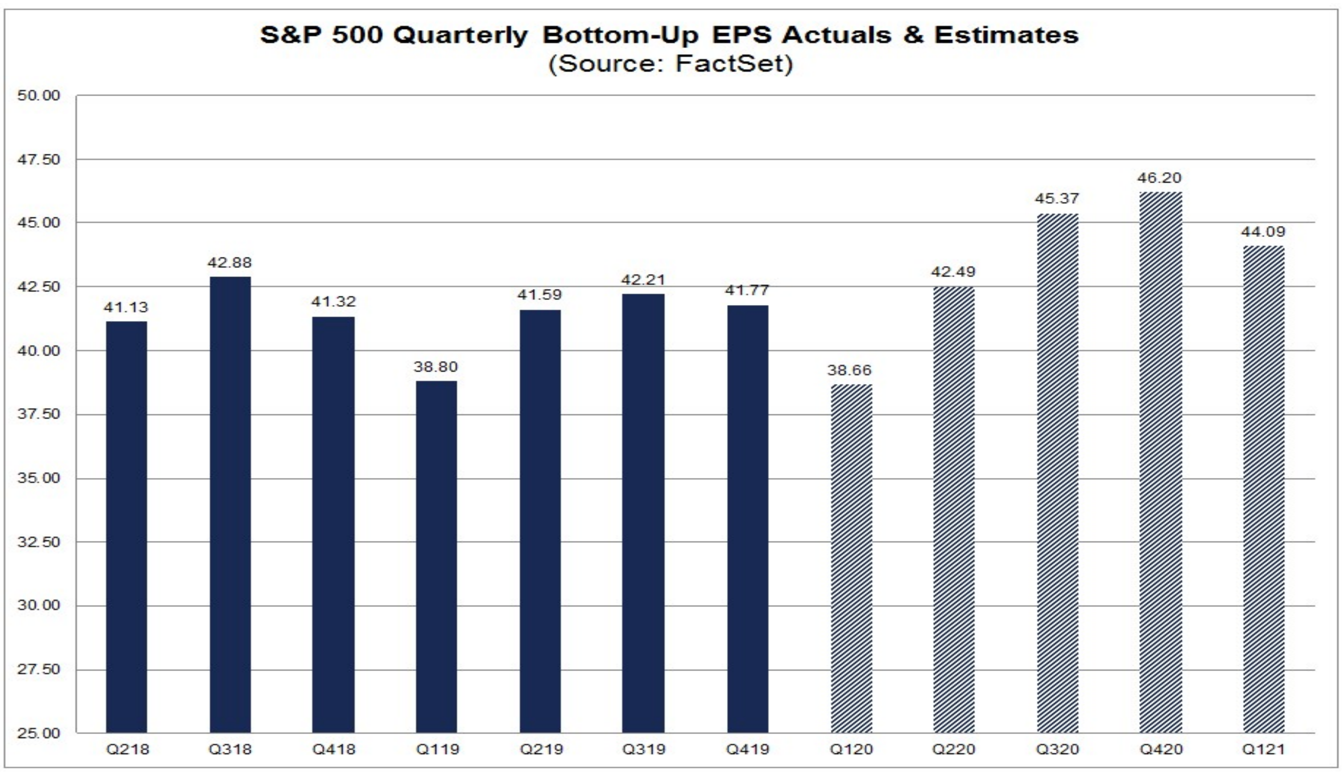
Bottom-up EPS Estimates: Revisions



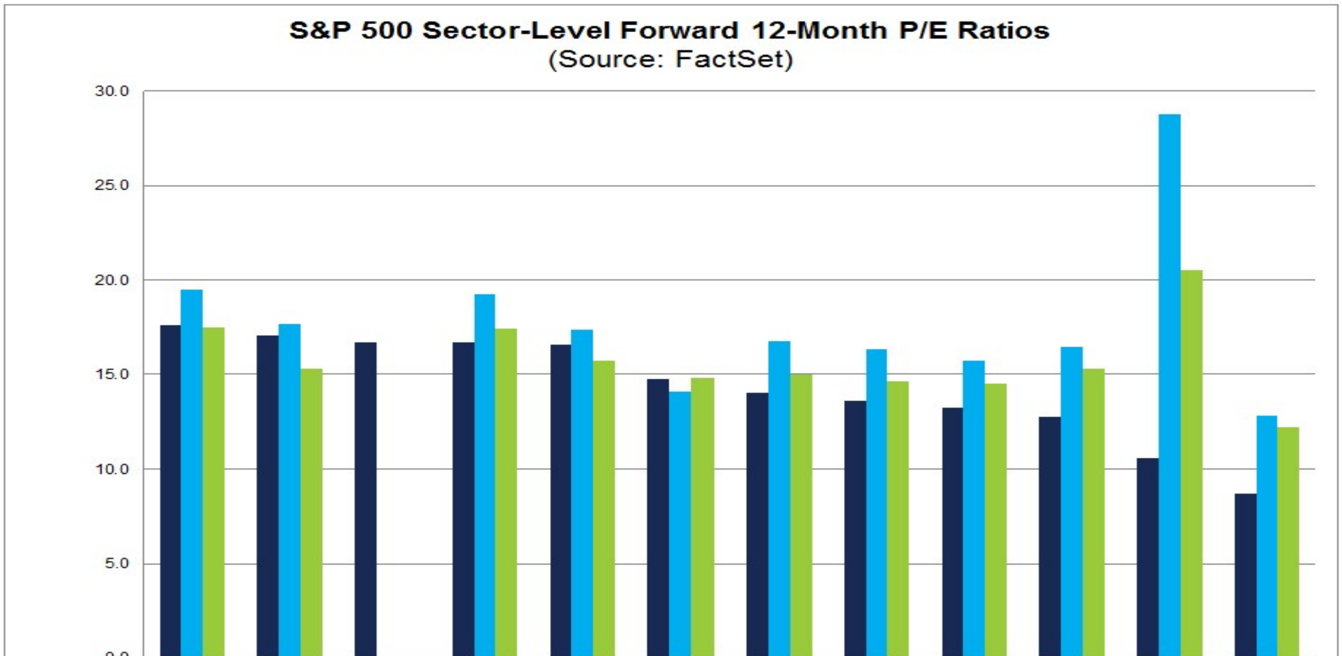


Bottom-up EPS Estimates: Current & Historical

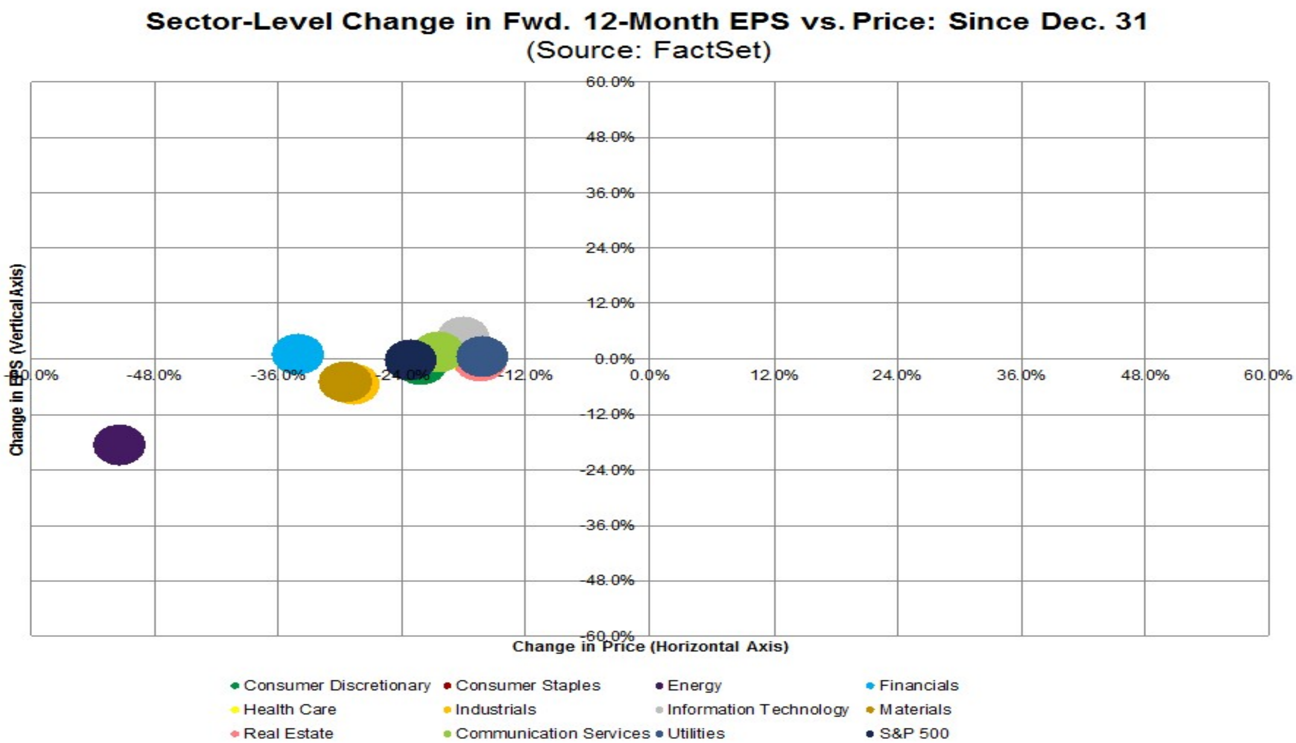




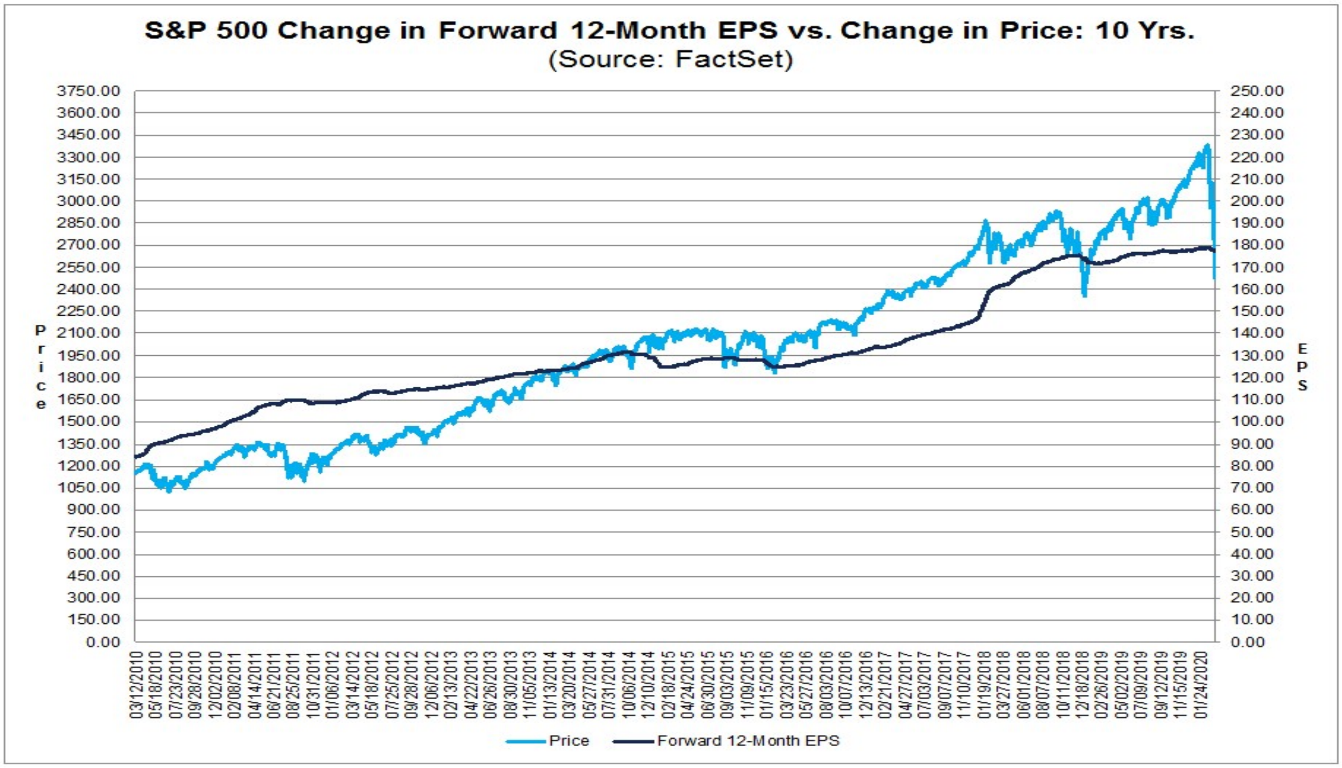
Forward 12M P/E Ratio: Sector Level

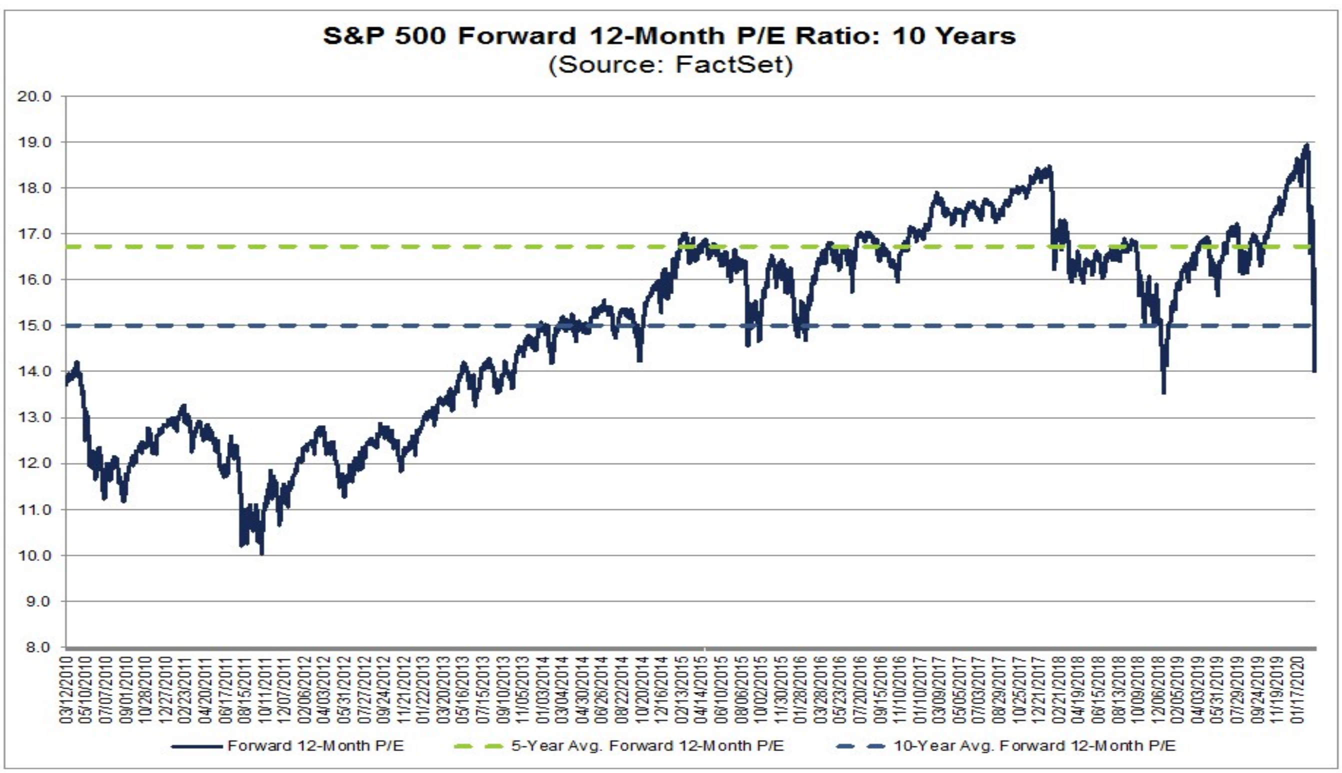


	Consumer Disc.	Info. Technology	Real Estate	Consumer Staples	Utilities	Comm. Services	S&P 500	Materials	Health Care	Industrials	Energy	Financials
Fwd P/E	17.6	17.0	16.7	16.7	16.6	14.7	14.0	13.7	13.3	12.8	10.6	8.7
5-Yr Avg.	19.5	17.7		19.3	17.3	14.1	16.7	16.3	15.7	16.4	28.8	12.8
10-Yr Avg.	17.5	15.3		17.4	15.7	14.8	15.0	14.6	14.5	15.3	20.5	12.2

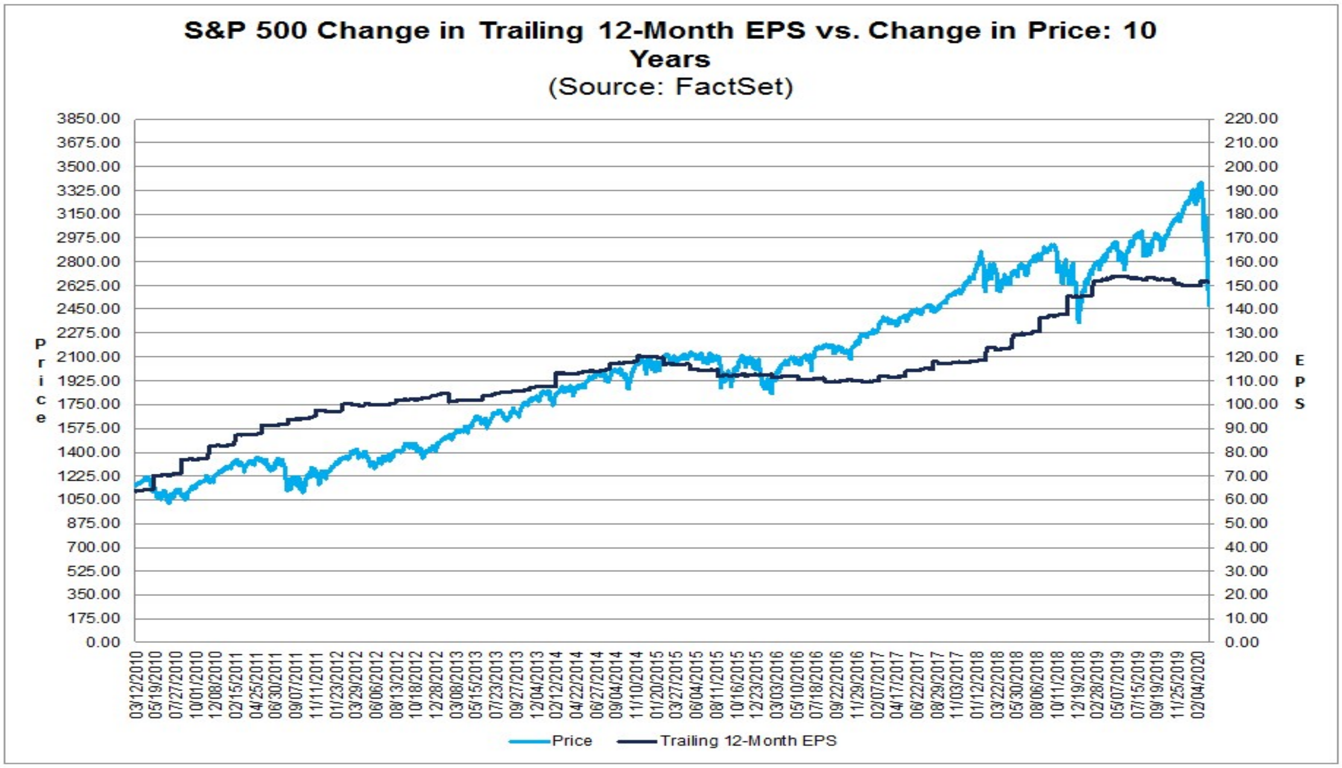


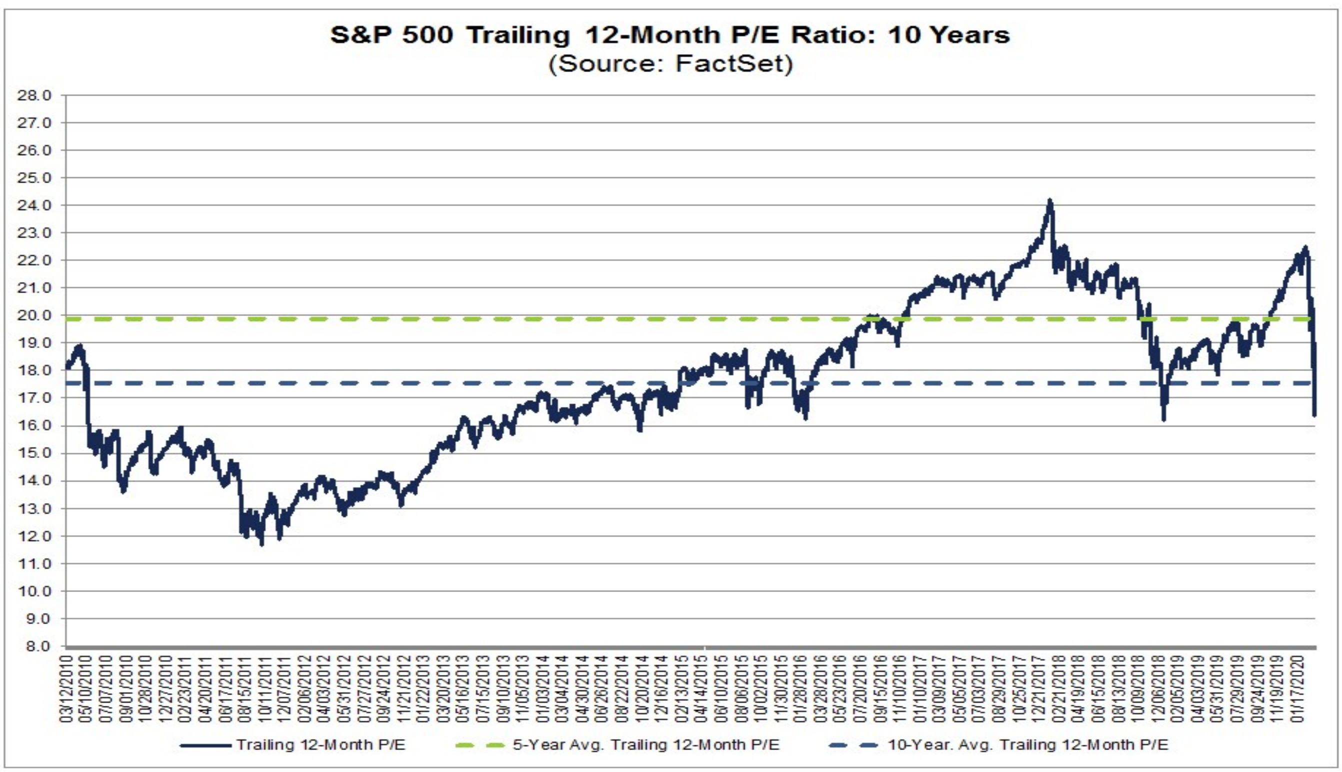
Forward 12M P/E Ratio: 10-Years





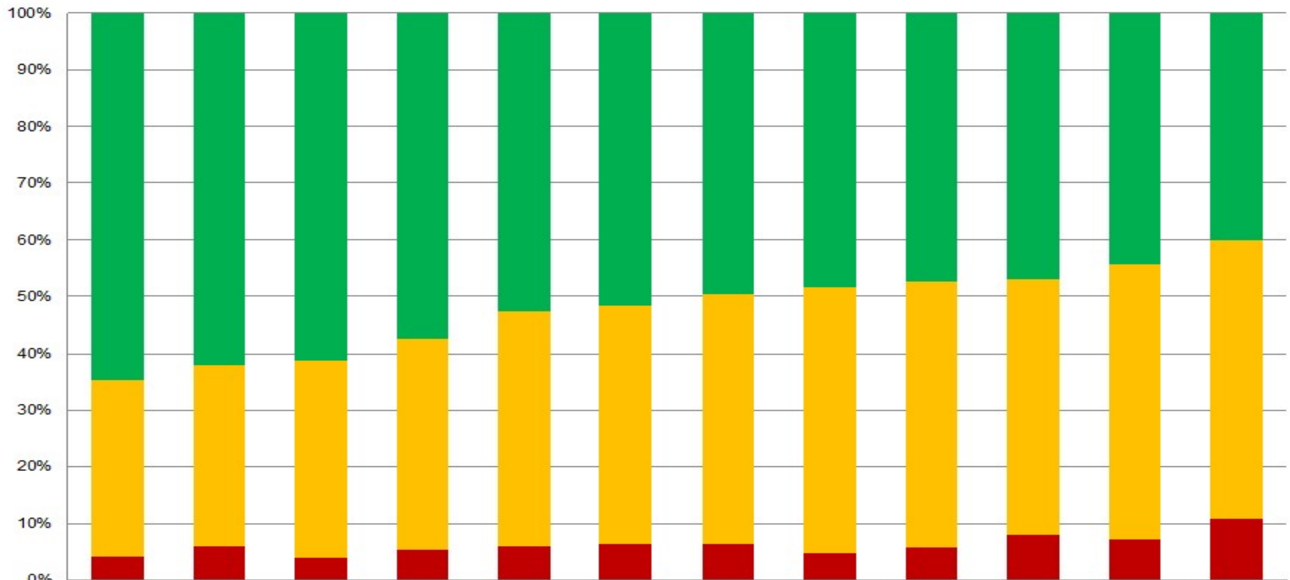
Trailing 12M P/E Ratio: 10-Years





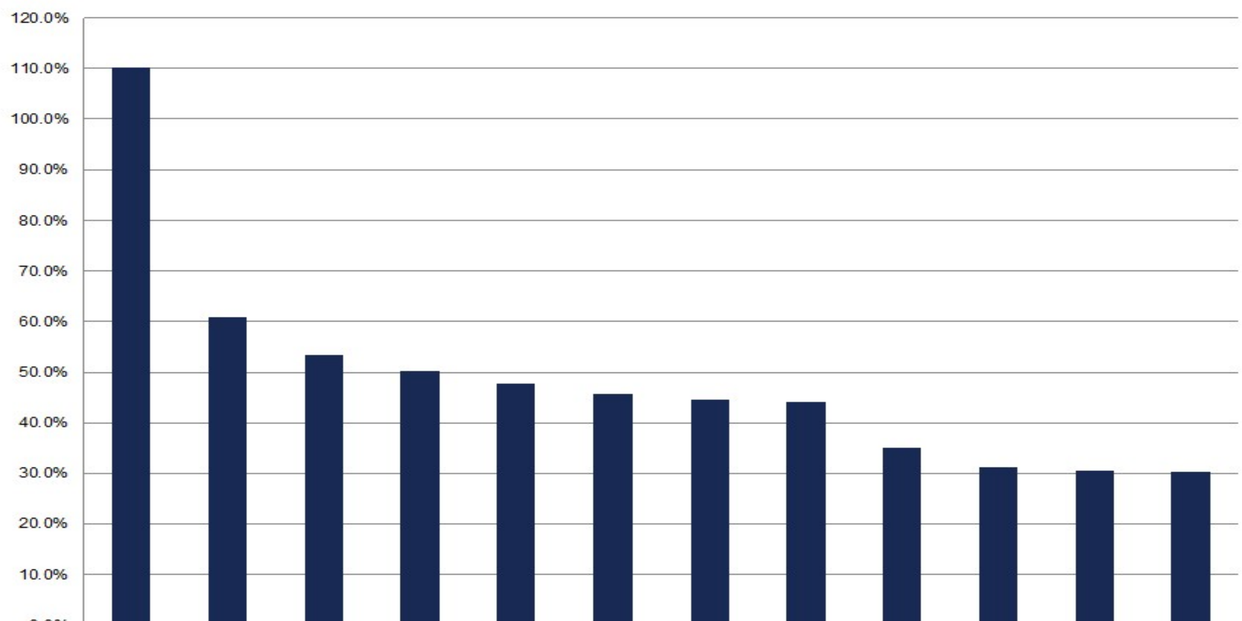
Targets & Ratings

S&P 500: Percentage of Buy, Hold, and Sell Ratings
(Source: FactSet)



	Energy	Comm. Services	Health Care	Info. Tech.	S&P 500	Materials	Industrials	Consumer Disc.	Real Estate	Utilities	Financials	Consumer Staples
Buy	65%	62%	61%	57%	53%	52%	50%	48%	47%	47%	45%	40%
Hold	31%	32%	35%	37%	41%	42%	44%	47%	47%	45%	48%	49%
Sell	4%	6%	4%	5%	6%	6%	6%	5%	6%	8%	7%	11%

S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price
(Source: FactSet)



	Energy	Financials	Industrials	Materials	Consumer Disc.	S&P 500	Comm. Services	Info. Tech.	Health Care	Real Estate	Consumer Staples	Utilities
Target/Close	110.3%	60.8%	53.4%	50.4%	47.7%	45.8%	44.7%	44.2%	35.1%	31.3%	30.5%	30.4%

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