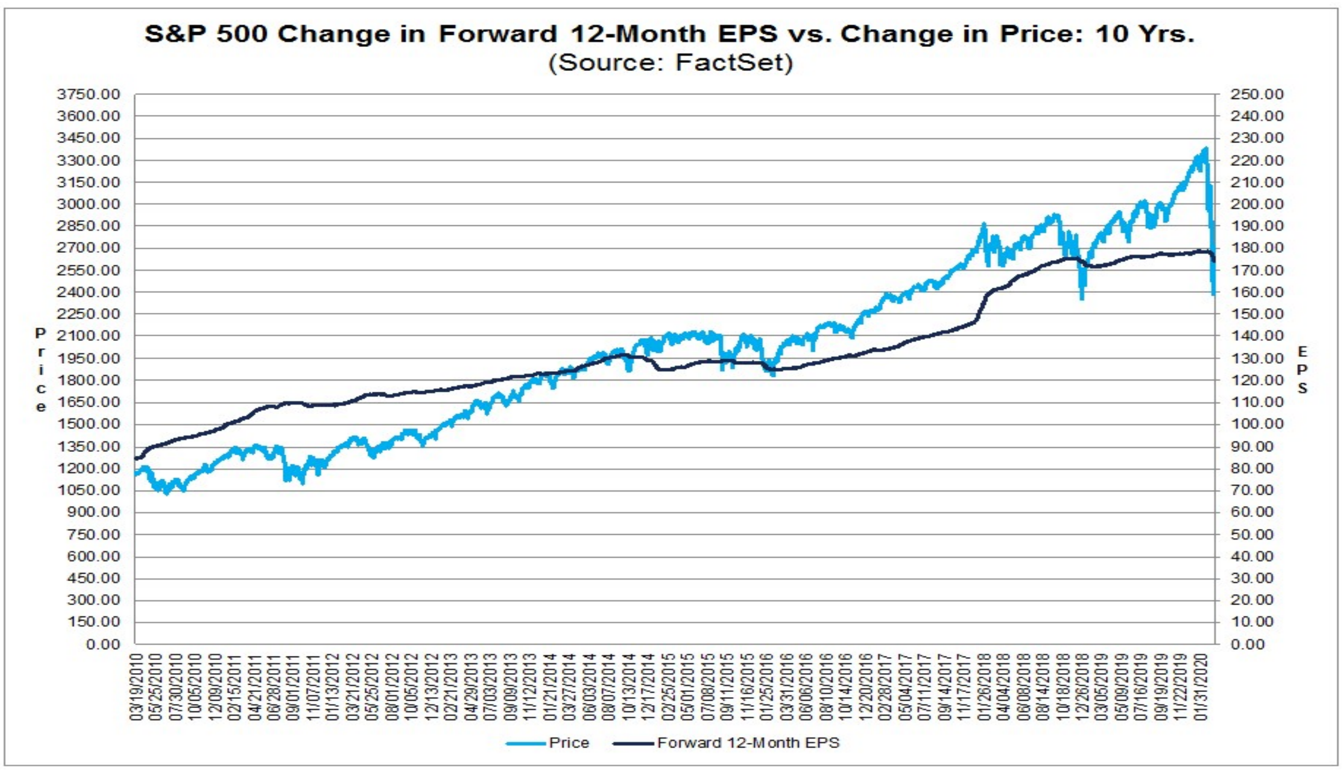
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

March 20, 2020

Key Metrics

- **Earnings Growth:** For Q1 2020, the estimated earnings decline for the S&P 500 is -2.9%. If -2.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q2 2016 (-3.2%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2020 was 4.4%. All eleven 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 34 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 13.9. 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 10 companies in the S&P 500 reporting actual results), 9 S&P 500 companies have reported a positive EPS surprise and 8 S&P 500 companies have reported a positive revenue surprise.



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: 1

Are S&P 500 Companies Quantifying the Financial Impact of Coronavirus in Guidance?

During each corporate earnings season, it is not unusual for companies to comment on subjects that had an impact on their earnings and revenues in a given quarter or may have an impact on earnings and revenues in future quarters. Given the sharp declines in the stock market in recent weeks as numerous industries have shut down or virtually shut down due to the coronavirus, have companies in the S&P 500 commented on the impact of the coronavirus during their quarterly earnings conference calls over the past few months?

To answer this question, FactSet searched for the words “coronavirus” and “COVID-19” in the conference call transcripts of the 479 S&P 500 companies that conducted quarterly earnings conference calls from January 1 through March 18. Of these 479 companies, 213 (44%) cited either the term “coronavirus” or “COIVD-19” during the call. At the sector level, the Consumer Discretionary (39), Information Technology (39), Industrials (35), and Health Care (34) sectors had the highest number of companies discussing “coronavirus” or “COVID-19” on quarterly earnings calls.

For the 213 companies that discussed “coronavirus” or “COVID-19” on their quarterly earnings calls, the average revenue exposure to China is 6.0%. For all S&P 500 companies, the average revenue exposure to China is 4.2%.

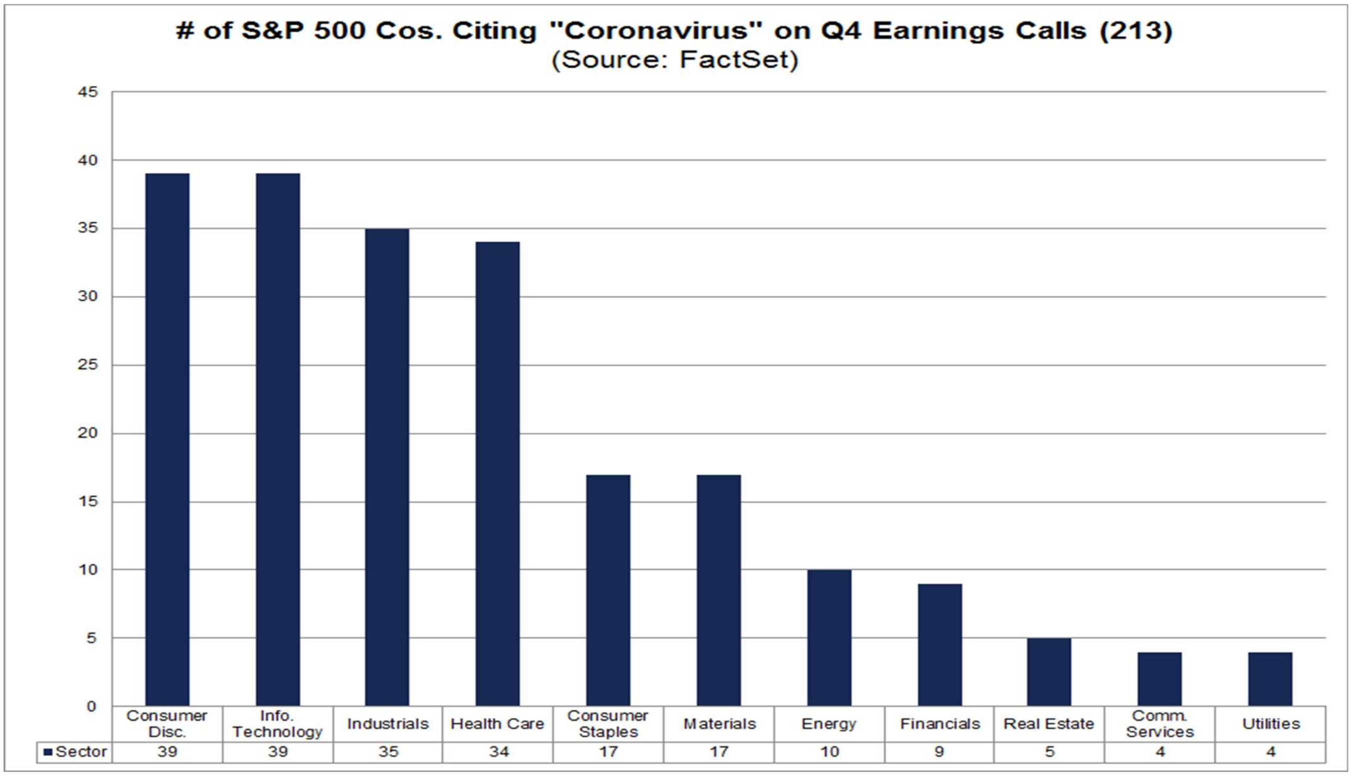
While many of these 213 companies discussed the current negative impact or the potential future negative impact of the coronavirus on their businesses, 76 companies (36%) stated during their quarterly earnings call that it was too early (or difficult) to quantify the financial impact or were not including any impact from the coronavirus in their guidance for the current quarter or current year. On the other hand, 58 companies (27%) included some impact from the coronavirus in their guidance or modified guidance in some capacity due to the virus. A full list of these 134 companies and their comments can be found in “Appendix 1” on pages 35 through 48 of this report.

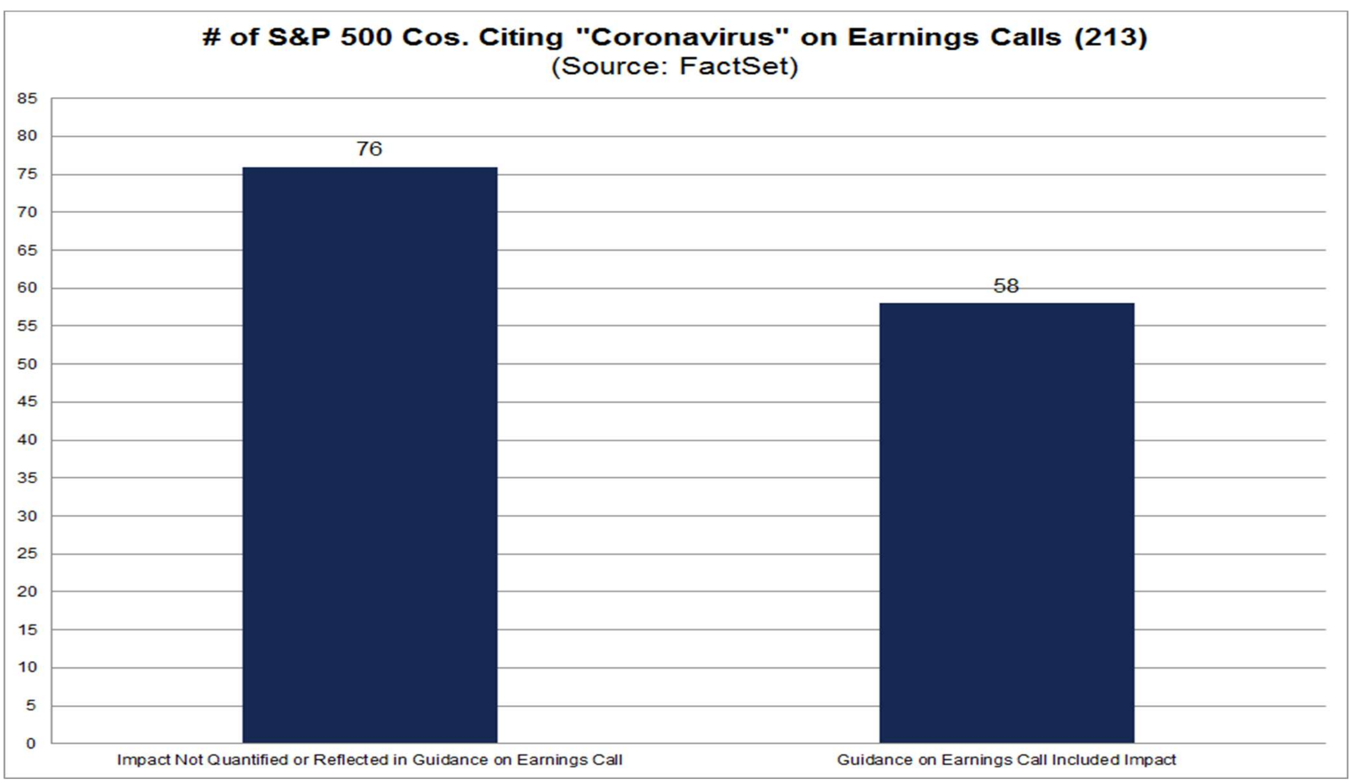
However, it should be noted that the vast majority of these quarterly earnings calls occurred before many industries in the U.S. were forced to reduce capacity or close all together due to social distance policies implemented in March to help reduce the spread of the virus. Of the 213 companies that cited “coronavirus” or “COVID-19” on quarterly earnings calls, 192 of these companies (90%) conducted their quarterly earnings calls in January or February. Have S&P 500 companies that discussed “coronavirus” or “COVID-19” during their quarterly earnings calls provided revised guidance on the impact of the virus in recent weeks?

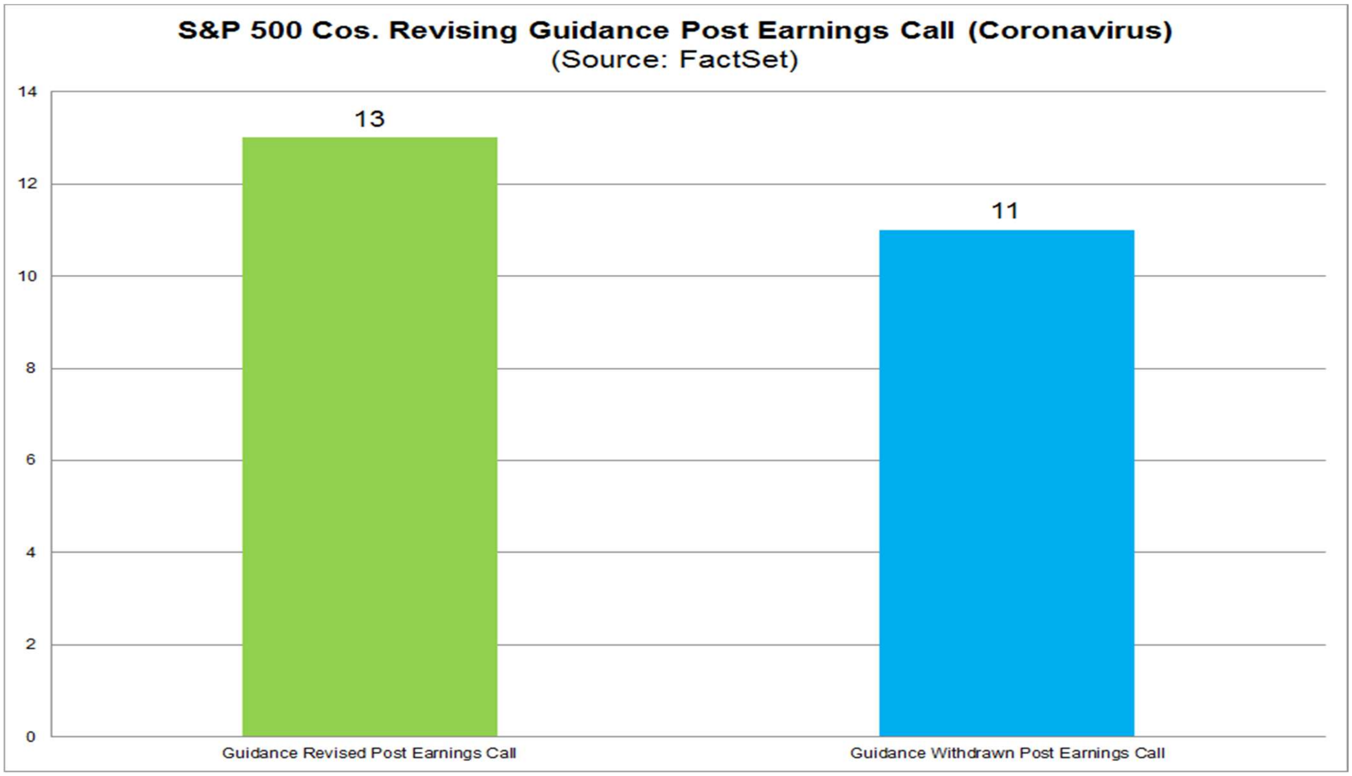
The answer is not many. Of the combined 134 companies that either stated it was too early to quantify an impact from coronavirus (76) or did include an impact from coronavirus in their guidance (58) during their quarterly earnings calls, only 13 companies have issued quarterly or annual guidance since their call with a revised impact from the virus. On the other hand, 11 companies have withdrawn, suspended, or not confirmed previous quarterly or annual guidance since their quarterly earnings call. A list of these 24 companies can be found on pages 4 through 6. The remaining companies either did not provide an update after their quarterly earnings call, were still unable to quantify an impact, or left previous guidance unchanged.

Given the rapid changes that are taking place in the U.S. and global economy to combat the virus and the little time remaining in the first quarter, many S&P 500 companies may not provide any further updates on the impact of the coronavirus in guidance or suspend previous guidance until they report actual results for the first quarter in April and May. As Boston Scientific stated during a conference on March 11, *“We feel very good about the underlying growth, the core Boston Scientific business, ex-COVID-19, but…we're not going to reiterate our guidance. At this point, we're not going to update our guidance from that February 5 call and we'll do that on our April call.”*

Thus, there may be not be much change to the number of S&P 500 companies issuing EPS guidance between now and the start of earnings season. To date, 72 S&P 500 companies have issued negative EPS guidance for Q1, which is below the 5-year average of 75.


# of S&P 500 Cos. Citing "Coronavirus" on Q4 Earnings Calls (213)
(Source: FactSet)
45
40
35
30
25
20
15
10
5
0
Consumer Disc.
Info. Technology
Industrials
Health Care
Consumer Staples
Materials
Energy
Financials
Real Estate
Comm. Services
Utilities
Sector
39
39
35
34
17
17
10
9
5
4
4


# of S&P 500 Cos. Citing "Coronavirus" on Earnings Calls (213)
(Source: FactSet)
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
76
58
Impact Not Quantified or Reflected in Guidance on Earnings Call
Guidance on Earnings Call Included Impact



Guidance Revised Post-Earnings Call Due to Coronavirus (13)

"In response to continuing developments related to the coronavirus outbreak in China, Ralph Lauren Corporation is following the guidance of local authorities and global health organizations as it prioritizes the health and safety of its employees, consumers and partners. As part of this, approximately two thirds of the Company's stores in the Chinese mainland have been temporarily closed over the past week. The Company also expects broader impact across its businesses in China and parts of Asia due to significantly reduced travel and retail traffic. The Company's fourth quarter Fiscal 2020 guidance is now estimated to be negatively impacted by $55 million to $70 million in sales and $35 million to $45 million in operating income in Asia, driven by current trends in China, Japan, and Korea." -Ralph Lauren (Feb. 13)

"Our quarterly guidance issued on January 28, 2020 reflected the best information available at the time as well as our best estimates about the pace of return to work following the end of the extended Chinese New Year holiday on February 10. Work is starting to resume around the country, but we are experiencing a slower return to normal conditions than we had anticipated. As a result, we do not expect to meet the revenue guidance we provided for the March quarter due to two main factors." -Apple (Feb. 17)

"The Coca-Cola Company – which is presenting today at the Consumer Analyst Group of New York (CAGNY) Conference – is reaffirming its full year guidance in connection with the presentation, along with sharing the expected impact from COVID-19 on first quarter 2020 results. The company currently estimates an approximate 2- to 3-point impact to unit case volume, 1- to 2-point impact to organic revenue and 1- to 2-penny impact to earnings per share for the first quarter. Based on its latest forecasts, the company still expects to achieve its previously provided full year guidance." -Coca-Cola (Feb. 21)

"The fundamentals of our business remain strong, as our switched volume and switched transaction growth remain in-line with our expectations. However, cross-border travel, and to a lesser extent cross-border e-commerce growth, is being impacted by the Coronavirus. As a result, we now expect that if the trends we have seen recently -- primarily in our cross-border drivers -- continue through the end of the quarter, year-over-year net revenue growth in the first quarter will be approximately 2-3 percentage points lower than discussed on our January 29, 2020 earnings call. Under these circumstances, we would expect year-over-year net revenue growth of 9-10% in the first quarter on a currency-neutral basis, excluding acquisitions." -MasterCard (Feb. 26)

"On February 4, 2020, as part of our fourth quarter fiscal 2020 earnings call, we issued quarterly net sales guidance of up 2% to 9% sequentially, which was a wider than usual range, to reflect uncertainty related to the public health situation in China. Our business in the Americas and Europe is trending towards our original expectations. However, we see very weak demand in Asia, especially in China, driven by the COVID-19 fears, and customers returning to work at a slower pace than anticipated. Our supply chain is also returning to normal operations at a slower pace than we anticipated when we last spoke publicly about this at the Goldman Sachs Technology and Internet Conference on February 12, 2020. Based on our current assessment, we expect our net sales for the fourth quarter of fiscal 2020 to be about flat sequentially. We are not able to provide updated earnings per share (EPS) guidance at the current time and we are withdrawing our prior EPS guidance." -Microchip Technology (Mar. 2)

"Visa has been actively monitoring the coronavirus (or COVID-19) situation and its impact globally. Our priority has been the safety of our employees, including comprehensive plans to support employee wellness, as well as support for our clients and the communities affected. Through February 28, 2020, the most significant impact has been on travel to and from Asia. This has resulted in a sharp slowdown of our cross-border business, in particular travel related spending in both card present and card not present. Cross-border eCommerce unrelated to travel has thus far not been significantly impacted, except in some Asian markets. In markets where Visa processes the majority of our transactions, domestic spending growth, both credit and debit, remains largely stable with the exception of some impact in Hong Kong and Singapore. Cross-border growth rates have deteriorated week by week since the coronavirus outbreak in China, and trends through February 28, 2020 do not yet fully reflect the impact of the coronavirus spreading outside of Asia. As such, we anticipate that this deteriorating trend has not bottomed out yet. Because the situation remains fluid, it is not possible to accurately forecast the growth trend for the rest of our second fiscal quarter or the remainder of fiscal 2020. Based on trends through the end of February, and assuming some continuing deterioration in March, Visa expects second fiscal quarter net revenue growth to be approximately 2.5-3.5 percentage points lower than the outlook we shared on our January 30, 2020 earnings call." -Visa (Mar. 2)

"On January 29, 2020, Qorvo provided March 2020 quarterly revenue guidance of $800 million to $840 million. Since then, the novel coronavirus (COVID-19) has impacted the smartphone supply chain and customer demand more than anticipated. Qorvo currently estimates revenue in the March quarter of approximately $770 million, or $50 million below the midpoint." -Qorvo (Mar. 3)

"The business disruption related to COVID-19 in China is expected to have an adverse impact to Starbucks GAAP and non-GAAP earnings per share ("EPS") for Q2 FY20 in the range of $0.15 to $0.18. This estimate reflects the impact of expected lost sales for the period, as well as continued expenses related to partner wages and benefits, store operations and additional costs incurred in response to the COVID-19 outbreak including incremental partner-related benefits, inventory write-offs and store safety-related items. -Starbucks (Mar. 5)

"PerkinElmer, Inc, a global leader committed to innovating for a healthier world, today announced that it expects first quarter 2020 revenue and earnings per share, both on a GAAP and non-GAAP basis, to be below the Company's previously communicated guidance. Prahlad Singh, president and chief executive officer of PerkinElmer, stated, 'We experienced a significant deterioration in demand in China during the month of February due to the extension of the Lunar New Year holiday and the ongoing and protracted commercial disruptions in the region as a result of COVID-19.'" -Perkin-Elmer (Mar. 9)

”Varian today announced that the COVID-19 outbreak will negatively impact the company's operating results. Across the company's Asia-Pacific geographies, healthcare resources are being prioritized for the treatment and management of the outbreak. Consequently, the company is experiencing delays in hardware and software installations and acceptance, as well as in the delivery of interventional oncology procedures. While no orders have been cancelled, the company expects revenues to be negatively impacted and, as of today, estimates second quarter of fiscal 2020 revenues to be in the range of $800 million to $825 million. While uncertainty remains around the duration, severity and geographic scope of the COVID-19 outbreak, the company preliminarily estimates 7 to 9 percent revenue growth for fiscal year 2020. The company's outlook could shift if the dynamics of the outbreak change materially.” -Varian Medical Systems (Mar. 9)

“So I would say in the quarter in February and a little bit in January, and certainly our expectation in March is that we will see an impact in Asia-Pacific ex Australia and New Zealand. We have an estimate for that now, which we did not have a month ago. We think that's about an impact of US$15 million, that's one, five million dollars of revenue for the first quarter. That's about 80 basis points on the first quarter revenue growth.” -Global Payments (Mar. 10)

“But I would start by just saying that at this time, we do see an impact of the virus on our Q2 financial results and let me try to frame that for you. So, overall, we now expect a low single-digit organic revenue decline in the quarter. And as you recall, we expect that organic revenue growth to be up low single-digits. I would point out that some of that revenue shortfall relates to our 60%-owned Hitachi JV which will result in a lower minority interest charge as well.” -Johnson Controls (Mar. 12)

“With the outbreak spreading significantly since Expedia's fourth quarter earnings call on February 13, 2020, we now expect the negative impact in the first quarter related to COVID-19 to be in excess of the $30-$40 million range provided at that time.” -Expedia (Mar. 13)

Guidance Withdrawn Post-Earnings Call Due to Coronavirus (11)

“On February 4, 2020, as part of our fourth quarter fiscal 2020 earnings call, we issued quarterly net sales guidance of up 2% to 9% sequentially, which was a wider than usual range, to reflect uncertainty related to the public health situation in China. Our business in the Americas and Europe is trending towards our original expectations. However, we see very weak demand in Asia, especially in China, driven by the COVID-19 fears, and customers returning to work at a slower pace than anticipated. Our supply chain is also returning to normal operations at a slower pace than we anticipated when we last spoke publicly about this at the Goldman Sachs Technology and Internet Conference on February 12, 2020. Based on our current assessment, we expect our net sales for the fourth quarter of fiscal 2020 to be about flat sequentially. We are not able to provide updated earnings per share (EPS) guidance at the current time and we are withdrawing our prior EPS guidance.” -Microchip Technology (Mar. 2)

“Booking Holdings Inc. announced today that it is withdrawing its previously announced first quarter 2020 financial guidance as a result of the worsening impact of the COVID-19 outbreak on travel demand.” -Booking Holdings (Mar. 9)

“So, I want to start by addressing the coronavirus situation and its impact on our industry. Look, this is a very fluid situation, and an environment in which it's incredibly difficult to forecast future demand. So given this uncertainty, we've suspended our financial guidance for the first quarter and the full year of 2020.” -American Airlines Group (Mar. 10)

“Hilton Worldwide Holdings Inc. today announced the withdrawal of its previously announced first quarter and full year 2020 outlook due to the evolving impact of the novel coronavirus (COVID-19) on the global economy.” -Hilton Worldwide Holdings (Mar. 10)

“These government directives may impact our ability to meet our March quarter financial guidance. The March 2020 quarter financial guidance we provided on January 29, 2020 reflected the best information available as of that time, but due to the disruptions and uncertainties resulting from these recent actions, the Company is withdrawing its prior financial guidance for the fiscal quarter ending March 29, 2020.” -Lam Research (Mar. 17)

“The company had previously communicated that its 2020 guidance did not include the impact of the COVID-19 outbreak. Given the recent government actions and the heightened impact and uncertainty of changes in the magnitude, duration and geographic reach of COVID-19, the company is withdrawing its first quarter and full-year 2020 guidance.” -Royal Caribbean Cruises (Mar. 10)

"We feel very good about the underlying growth, the core Boston Scientific business, ex-COVID-19, but we continue to challenge and we're – be a challenging situation, we're not going to reiterate our guidance. At this point, we're not going to update our guidance from that February 5 call and we'll do that on our April call." -Boston Scientific (Mar. 11)

"Expedia Group, Inc. announced today that it is withdrawing its full-year 2020 Adjusted EBITDA guidance due to the growing impact from the COVID-19 outbreak and the resulting uncertainty on travel trends." -Expedia (Mar. 13)

"The Company issued its fiscal 2020 guidance on March 3, 2020, which did not include the impact of COVID-19. Due to heightened uncertainty relating to the impacts of COVID-19 on the Company's business operations, including the duration and impact on overall customer demand, the Company is withdrawing its 2020 guidance." -Nordstrom (Mar. 16)

"Ulta Beauty, Inc. today announced updates to its operations in response to the continued spread of COVID-19…Due to the fast-moving nature of this situation and the uncertainty of impacts on costs and revenue, the Company is withdrawing guidance previously issued for fiscal 2020. The Company is not providing an updated outlook at this time." -Ulta Beauty (Mar. 17)

"These actions may impact the company's ability to meet the fiscal second quarter 2020 financial guidance provided on February 24, 2020. This guidance reflected the best information available as of that time. Due to the disruption and uncertainties resulting from this situation, the company is currently unable to quantify the full coronavirus impact and will provide additional information during the next earnings call." -Keysight Technologies (Mar. 18)

Topic of the Week: 2

S&P 500 Now Projected to Report a Year-over-Year Decline in Earnings in Q2 2020

The estimated earnings decline for the S&P 500 for the first quarter is -2.9%. If -2.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q2 2016 (-3.2%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings. Looking at the second quarter (Q2 2020), what are analyst expectations for year-over-year earnings? Do analysts believe the earnings declines will continue in the second quarter of 2020 also?

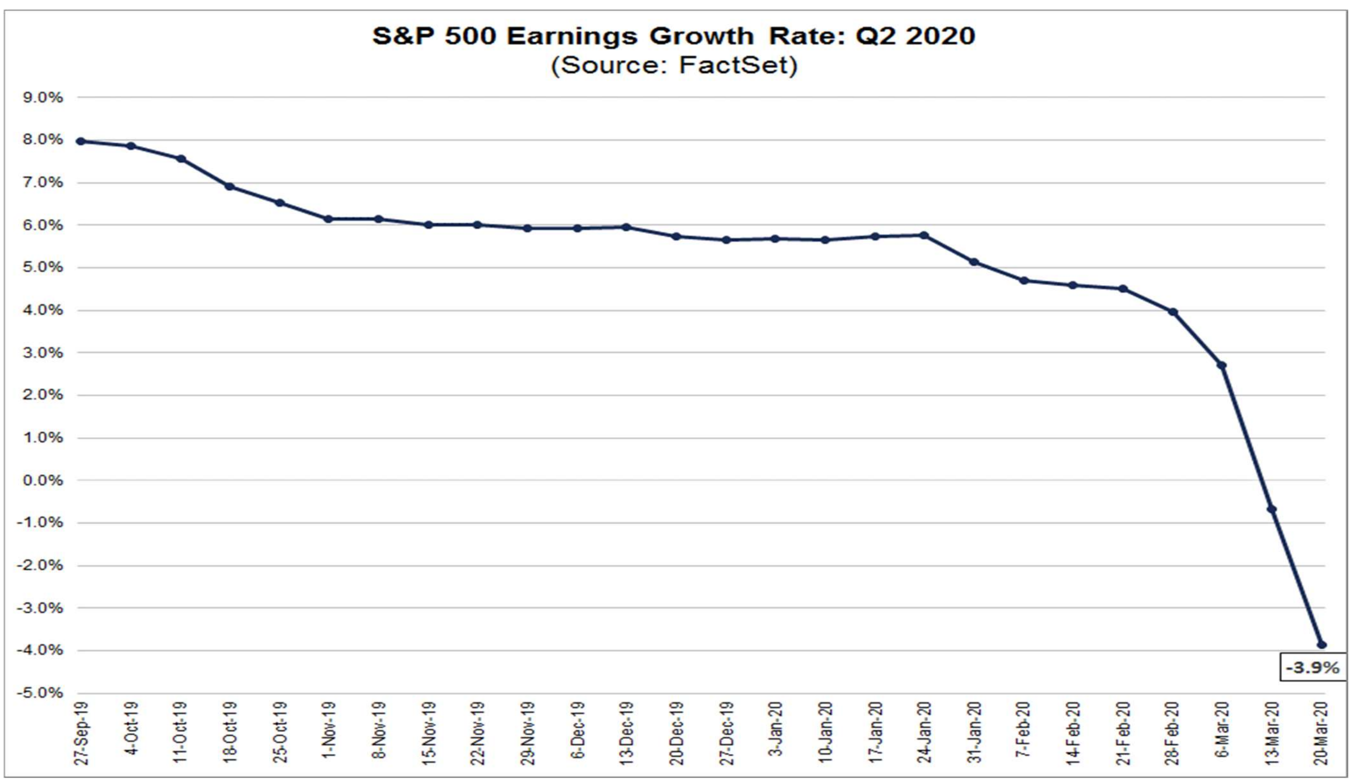
The answer is yes.

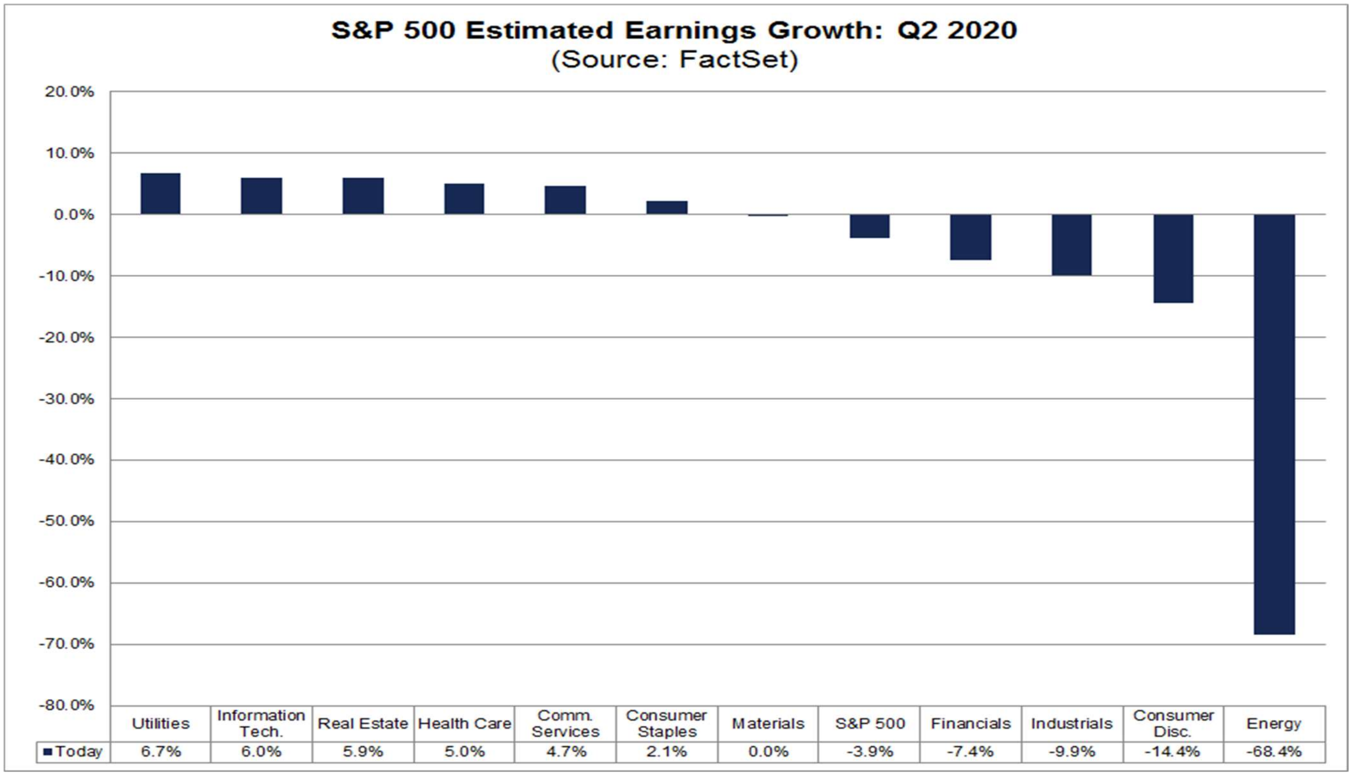
Last week, the aggregate earnings growth rate for Q2 2020 changed from slight year-over-year earnings growth on March 12 (+0.8%) to a slight year-over-year earnings decline on March 13 (-0.7%).

However, expectations for earnings growth for Q2 2020 have been falling over the past few months. On September 30, the estimated earnings growth rate for Q2 2020 was 8.0%. By December 31, the estimated earnings growth rate had fallen to 5.7%. Today, the estimated earnings decline is -3.9%.

Four of the eleven sectors are now projected to report a year-over-year decrease in earnings for the second quarter: Energy (-68.4%), Consumer Discretionary (-14.4%), Industrials (-9.9%), and Financials (-7.4%).

If the index reports a year-over-year decline in earnings of -3.9% in the second quarter, it will mark the largest year-over-year decline in earnings for the index since Q1 2016 (-6.9%). It will also mark fifth time in the past six quarters in which the index has reported a year-over-year decline in earnings. Analysts in aggregate currently expect earnings growth to return in Q3 2020 (3.0%) and double-digit earnings growth to return in Q1 2021 (14.1%).




S&P 500 Estimated Earnings Growth: Q2 2020
(Source: FactSet)
20.0%
10.0%
0.0%
-10.0%
-20.0%
-30.0%
-40.0%
-50.0%
-60.0%
-70.0%
-80.0%
Utilities
Information Tech.
Real Estate
Health Care
Comm. Services
Consumer Staples
Materials
S&P 500
Financials
Industrials
Consumer Disc.
Energy
Today
6.7%
6.0%
5.9%
5.0%
4.7%
2.1%
0.0%
-3.9%
-7.4%
-9.9%
-14.4%
-68.4%

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 6.2% 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 106 companies that have issued EPS guidance for the fourth quarter, 72 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 68% (72 out of 106), 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 -2.9% today compared to the estimated (year-over-year) earnings growth rate of 4.4% on December 31. If -2.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q2 2016 (-3.2%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings. 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 Energy, Industrials, Materials, 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 2.5% today compared to the estimated (year-over-year) revenue growth rate of 4.8% on December 31. If 2.5% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%). Eight sectors are projected to report year-over-year growth in revenues, led by the Communication Services sector. Three sectors are predicted to report a year-over-year decline in revenues, led by the Materials sector.

Looking at future quarters, analysts predict a decline in earnings of -3.9% in the second quarter followed by growth in earnings of 3.0% in the third quarter.

The forward 12-month P/E ratio is 13.9, which is below the 5-year average and below the 10-year average.

During the upcoming week, four S&P 500 companies (including 1 Dow 30 component) 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 -2.9% this week, which is larger than the estimated earnings decline of -1.8% last week. Downward revisions to EPS estimates in multiple sectors (led by the Consumer Discretionary, 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 -2.9% today is below the estimated earnings growth rate of 4.4% at the start of the quarter (December 31). All eleven 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, Consumer Discretionary, and Materials sectors.

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 -27.6% from 29.6%). This sector has also witnessed the largest decline in price (-57.9%) of all eleven sectors since December 31, as the price of oil has fallen by 59% (to $25.22 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, 23 have recorded a decrease in their mean EPS estimate of more than 10%, led by Apache Corporation (to -$0.11 from -$0.01), Hess Corporation (to -$0.43 from -$0.09), Occidental Petroleum (to -$0.42 from $0.20), Marathon Oil (to -$0.02 from $0.10), and Devon Energy (to -$0.01 from $0.37). However, Exxon Mobil (to $0.37 from $0.81) and Chevron (to $1.02 from $1.60) 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 -19.9% from -0.3%). This sector has also witnessed the third largest decline in price (-33.9%) 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, 26 have recorded a decrease in their mean EPS estimate of more than 10%, led by American Airlines Group (to -$0.58 from $0.48), United Airlines Holdings (to -$0.77 from $0.88), Boeing (to -$1.10 from $3.08), and Alaska Air Group (to -$0.06 from $0.40). Boeing has also 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 third largest decrease in expected earnings growth since the start of the quarter (to -16.1% from 1.5%). This sector has also witnessed a decrease in price of -25.9% since December 31. Overall, 52 of the 63 companies (83%) in the Consumer Discretionary sector have seen a decrease in their mean EPS estimate during this time. Of these 52 companies, 36 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 -$0.84 from -$0.29), L Brands (to -$0.10 from $0.12), Macy’s (to -$0.21 from $0.29), Nordstrom (to -$0.08 from $0.27), Wynn Resorts (to -$0.27 from $1.33) and Gap (to -$0.01 from $0.19). However, Ford Motor (to $0.20 from $0.41) and General Motors (to $0.98 from $1.52) have been the largest contributors to the decrease in expected earnings for this sector since December 31.

Materials: 86% of Companies Have Seen Decline in Earnings Expectations Since Dec. 31

The Materials sector has recorded the fourth largest decrease in expected earnings growth since the start of the quarter (to -18.7% from -3.9%). This sector has also witnessed the fourth largest decline in price (-31.7%) of all eleven sectors since December 31. Overall, 24 of the 28 companies (86%) in the Materials sector have seen a decrease in their mean EPS estimate during this time. Of these 24 companies, 14 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 -$0.04 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.

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 6.2% (to $38.15 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, 106 companies in the index have issued EPS guidance for Q1 2020. Of these 106 companies, 72 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 68% (72 out of 106), which is slightly below the 5-year average of 70%.

Earnings Decline: -2.9%

The estimated (year-over-year) earnings decline for Q1 2020 is -2.9%, which is below the 5-year average earnings growth rate of 6.4%. If -2.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q2 2016 (-3.2%). It will also mark the fourth time in the past five quarters in which the index has reported a year-over-year decline in earnings.

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 Energy, Industrials, Materials, 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 11.7%. At the industry level, three of the five industries in this sector are projected to report growth in earnings: Interactive Media & Services (46%), Media (5%), and Diversified Telecommunication Services (less than1%). On the other hand, the other two industries in the sector are projected to report a decline in earnings: Entertainment (-16%) and Wireless Telecommunication Services (-4%).

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 $1.92, compared to year-ago EPS of $0.85. The mean EPS estimate for Alphabet for Q1 is $11.86, compared to year-ago EPS of $9.50. If these two companies were excluded, the estimated growth rate for the sector would fall to -2.2% from 11.7%.

Energy: 3 of 6 Sub-Industries Expected to Report Year-Over-Year Decline of More Than 40%

The Energy sector is expected to report the largest (year-over-year) decline in earnings of all eleven sectors at -27.6%. Lower oil prices are contributing to the earnings decline for this sector, as the average price of oil in Q1 2019 to date ($49.25) is 10% below the average price in Q1 2019 ($54.90). 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 of more than 40%: Oil & Gas Drilling (-88%), Oil & Gas Exploration & Production (-53%), and Integrated Oil & Gas (-43%). On the other hand, the other three sub-industries in the sector are expected to report double-digit growth in earnings for the quarter: Oil & Gas Refining & Marketing (211%), Oil & Gas Equipment & Services (33%), and Oil & Gas Storage & Transportation (13%).

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 -19.9%. 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 (-97%), Aerospace & Defense (-25%), Air Freight & Logistics (-24%), Machinery (-22%), 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 -$1.10, compared to year-ago EPS of $3.16. If this company were excluded, the estimated decline for the sector would improve to -13.0% from -19.9%.

Materials: 3 of 4 Industries to Report Year-Over-Year Decline of More Than 10%

The Materials sector is expected to report the third largest (year-over-year) earnings decline of all eleven sectors at -18.7%. At the industry level, three of the four industries in this sector are projected to report a decline in earnings of more than 10%: Containers & Packaging (-23%), Chemicals (-19%), and Metals & Mining (-15%). On the other hand, the Construction Materials (5%) industry is the only industry projected to report earnings growth for the quarter.

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 -16.1%. At the industry level, nine of the eleven industries in this sector are projected to report a decline in earnings. Six of these nine industries are expected to report a double-digit decline: Automobiles (-43%), Auto Components (-27%), Hotels, Restaurants, & Leisure (-26%), Textiles, Apparel, & Luxury Goods (-24%), Multiline Retail (-17%), and Internet & Direct Marketing Retail (-13%).

Revenue Growth: 2.5%

The estimated (year-over-year) revenue growth rate for Q1 2020 is 2.5%, which is below the 5-year average revenue growth rate of 3.5%. If 2.5% is the actual growth rate for the quarter, it will mark the lowest year-over-year growth in revenue for the index since Q2 2016 (-0.2%).

Eight sectors are expected to report year-over-year growth in revenues, led by Communication Services sector. Three 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 9.8%. 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 (21%) and Interactive Media & services (18%).

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 -15.0%. 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 (-2%).

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 ($5.09 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 -1.7% from -15.0%.

Looking Ahead: Forward Estimates and Valuation

Earnings: Analysts Expect 2.5% Earnings Growth for CY 2020

For the first quarter, analysts expect S&P 500 companies to report a decline in earnings of -2.9% and growth in revenues of 2.5%. Analysts expect earnings growth of 2.5% and revenue growth of 3.2% for CY 2020

For Q2 2020, analysts are projecting an earnings decline of -3.9% and revenue growth of 1.2%.

For Q3 2020, analysts are projecting earnings growth of 3.0% and revenue growth of 3.1%.

For Q4 2020, analysts are projecting earnings growth of 7.3% and revenue growth of 4.3%.

For CY 2020, analysts are projecting earnings growth of 2.5% and revenue growth of 3.2%.

Valuation: Forward P/E Ratio is 13.9, Below the 10-Year Average (15.0)

The forward 12-month P/E ratio is 13.9. 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 25.4%, while the forward 12-month EPS estimate has decreased by 2.0%.

At the sector level, the Consumer Staples (17.2), Information Technology (17.0), and Consumer Discretionary (17.0) sectors have the highest forward 12-month P/E ratios, while the Financials (8.4) sector has the lowest forward 12-month P/E ratio.

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

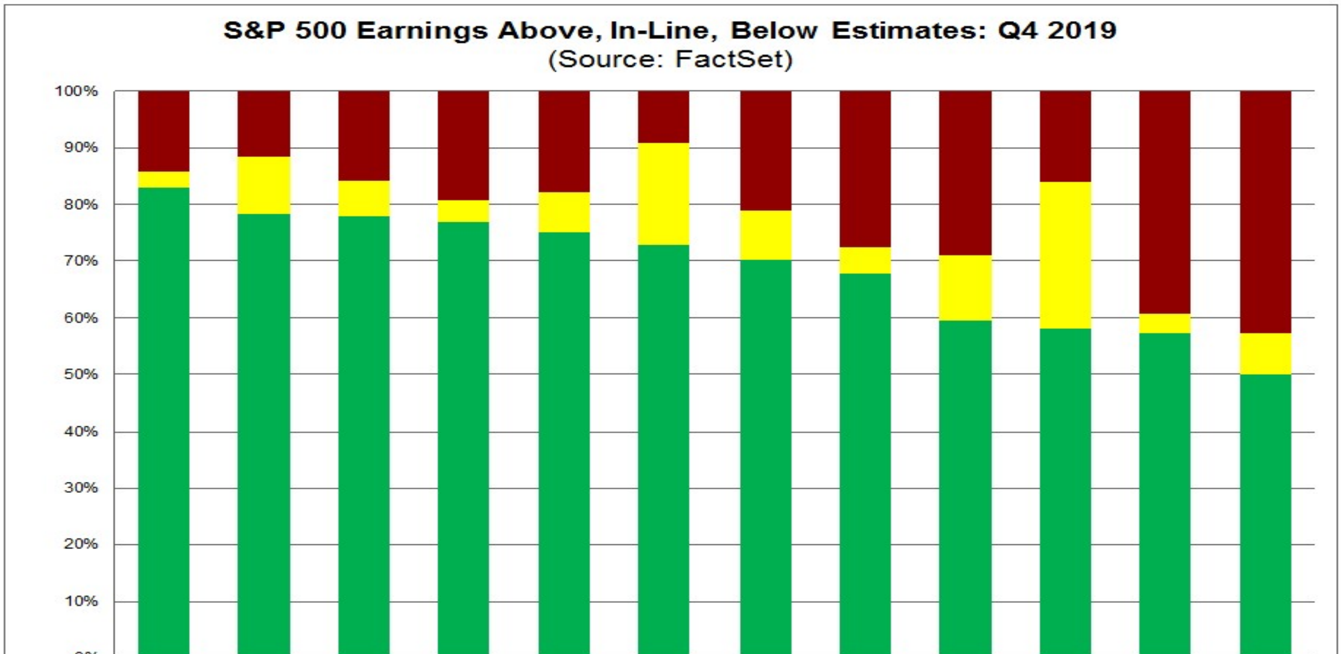
The bottom-up target price for the S&P 500 is 3515.80, which is 45.9% above the closing price of 2409.39. At the sector level, the Energy (+89.0%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Consumer Staples (+25.6%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price.

Overall, there are 10,206 ratings on stocks in the S&P 500. Of these 10,206 ratings, 53.4% are Buy ratings, 40.9% are Hold ratings, and 5.8% are Sell ratings. At the sector level, the Energy (65%) sector has the highest percentage of Buy ratings, while the Consumer Staples (42%) sector has the lowest percentage of Buy ratings.

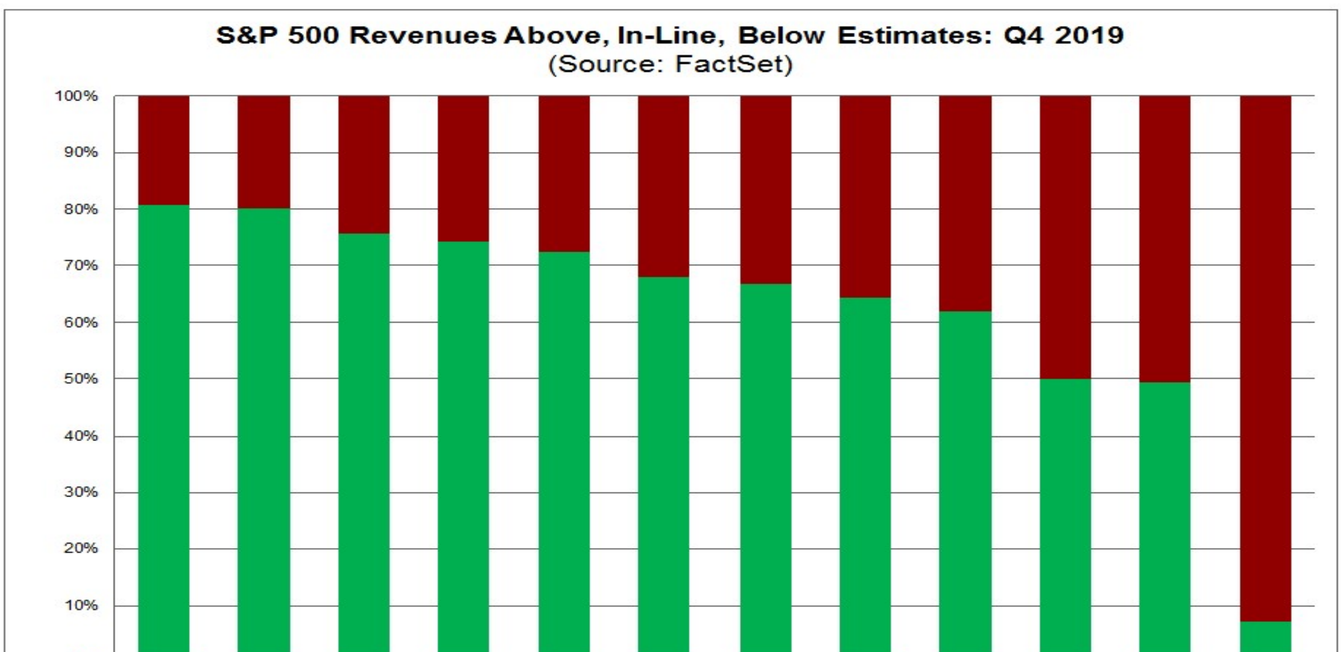
Companies Reporting Next Week: 4

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

Q4 2019: Scorecard

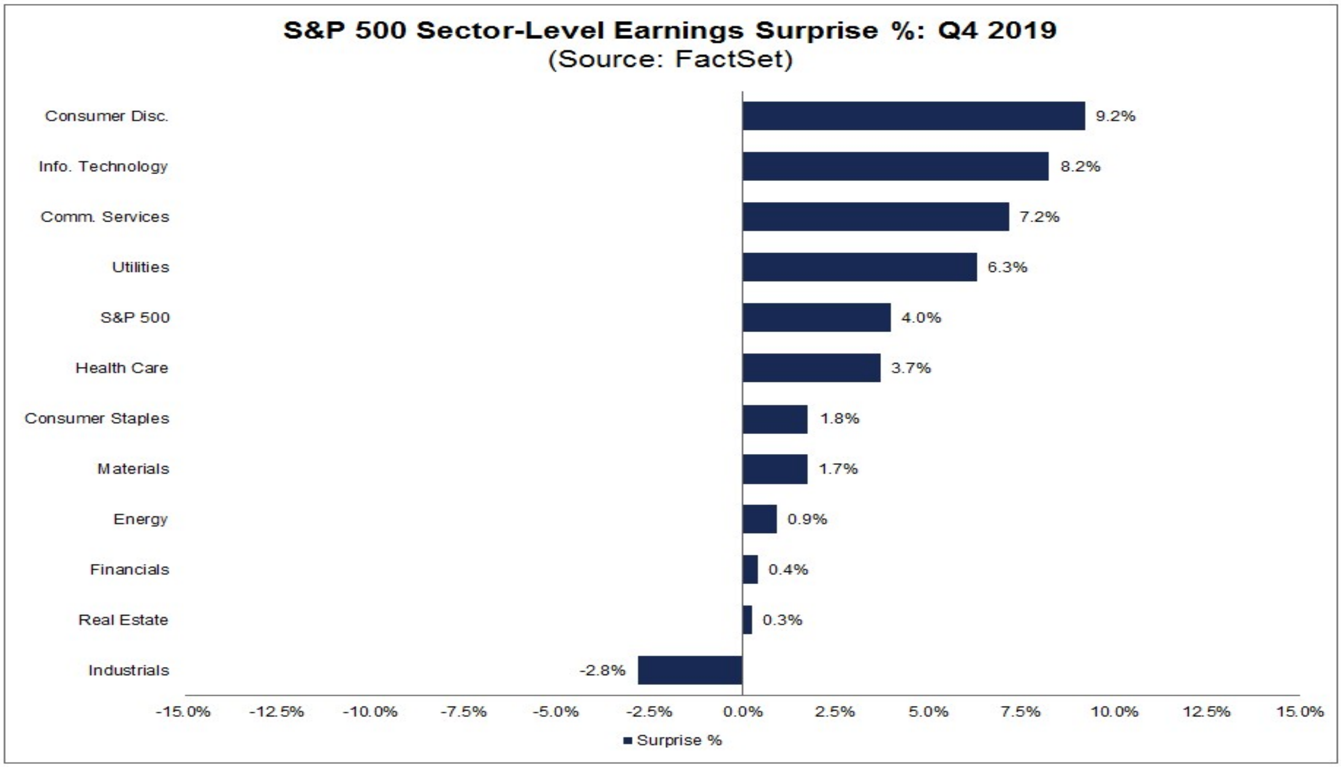


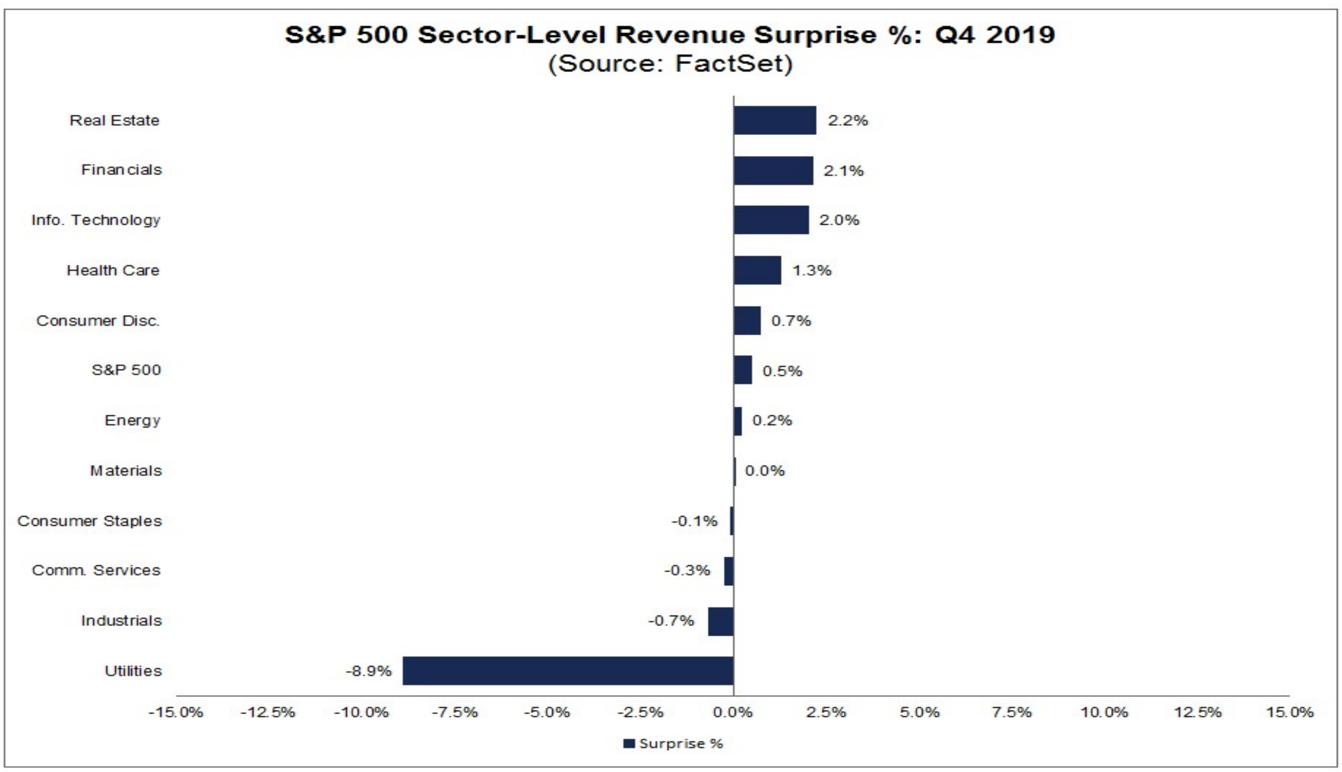
	Info. Technology	Health Care	Consumer Disc.	Comm. Services	Utilities	Consumer Staples	S&P 500	Financials	Industrials	Real Estate	Materials	Energy
Below	14%	12%	16%	19%	18%	9%	21%	28%	29%	16%	39%	43%
In-Line	3%	10%	6%	4%	7%	18%	9%	5%	12%	26%	4%	7%
Above	83%	78%	78%	77%	75%	73%	70%	68%	59%	58%	57%	50%



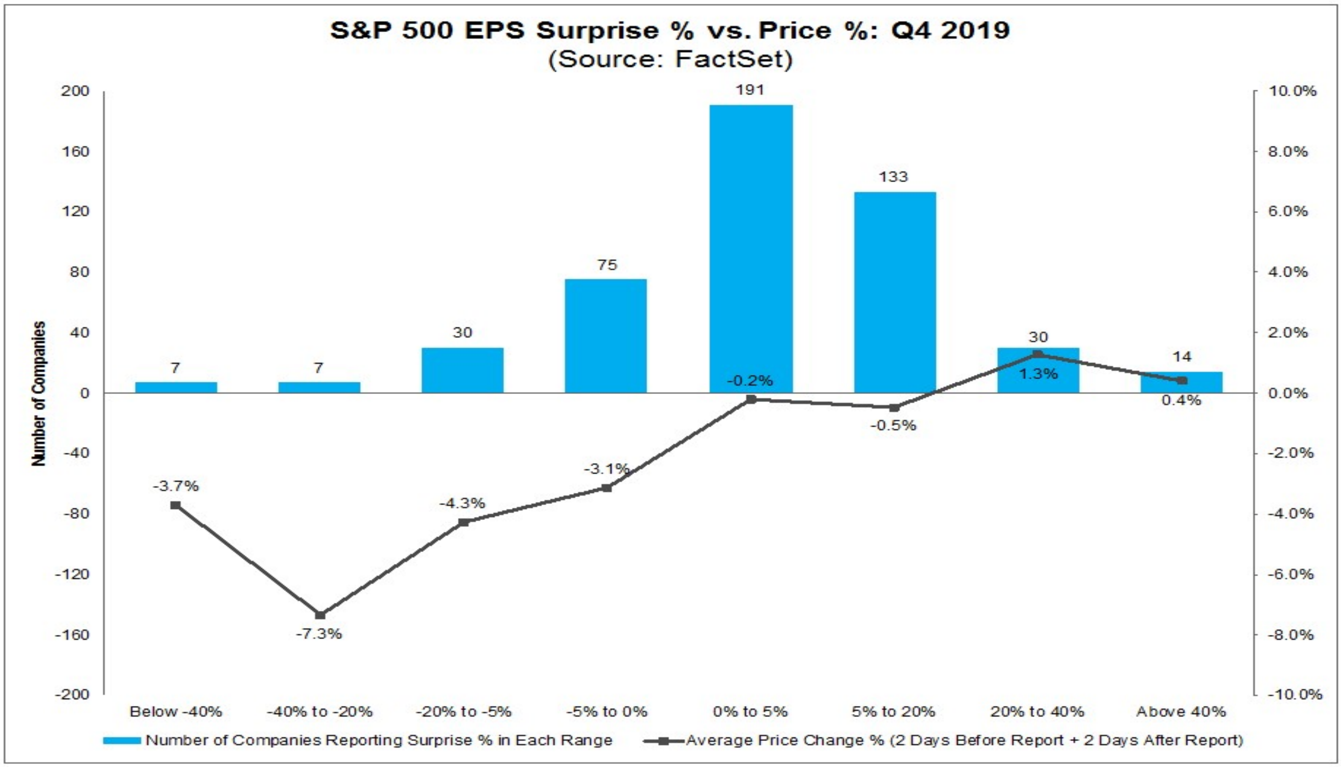
	Comm. Services	Health Care	Info. Technology	Real Estate	Financials	Energy	Consumer Staples	S&P 500	Consumer Disc.	Materials	Industrials	Utilities
Below	19%	20%	24%	26%	28%	32%	33%	36%	38%	50%	51%	93%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	81%	80%	76%	74%	72%	68%	67%	64%	62%	50%	49%	7%

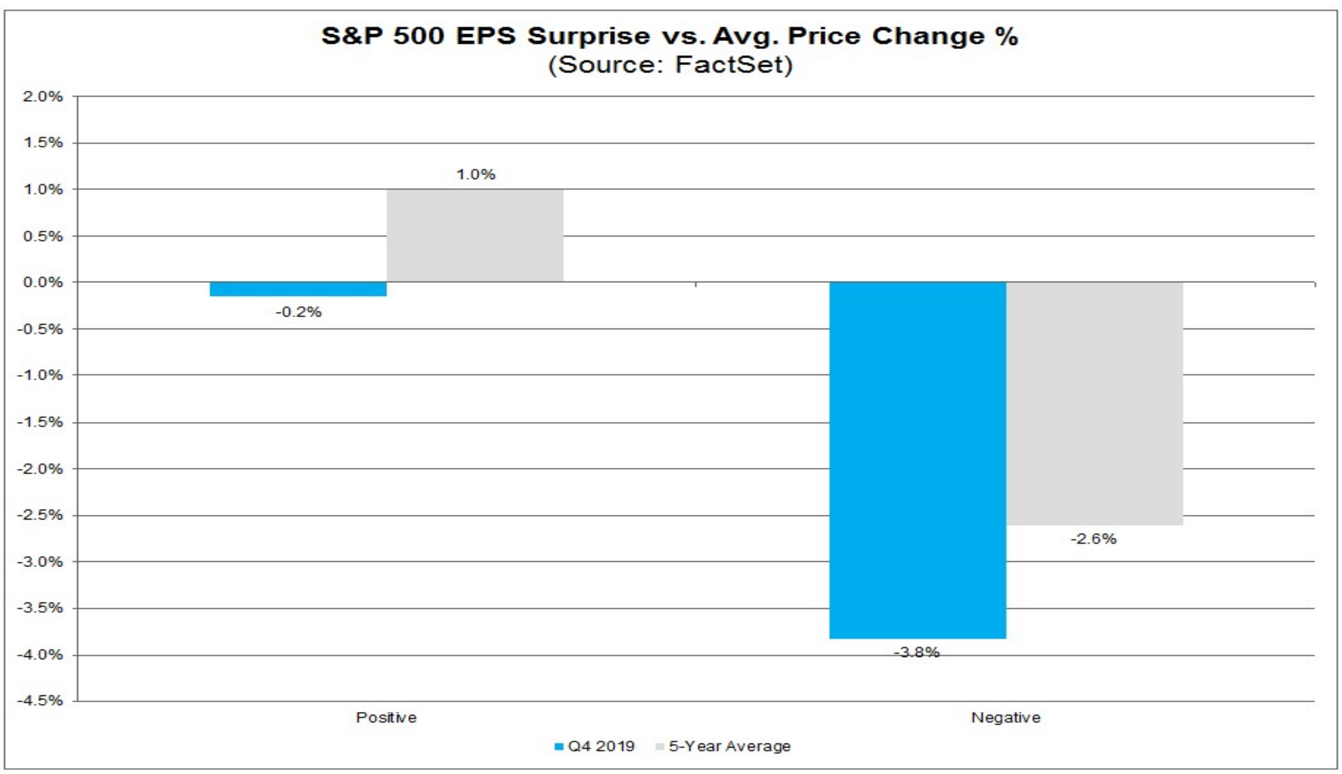
Q4 2019: Scorecard



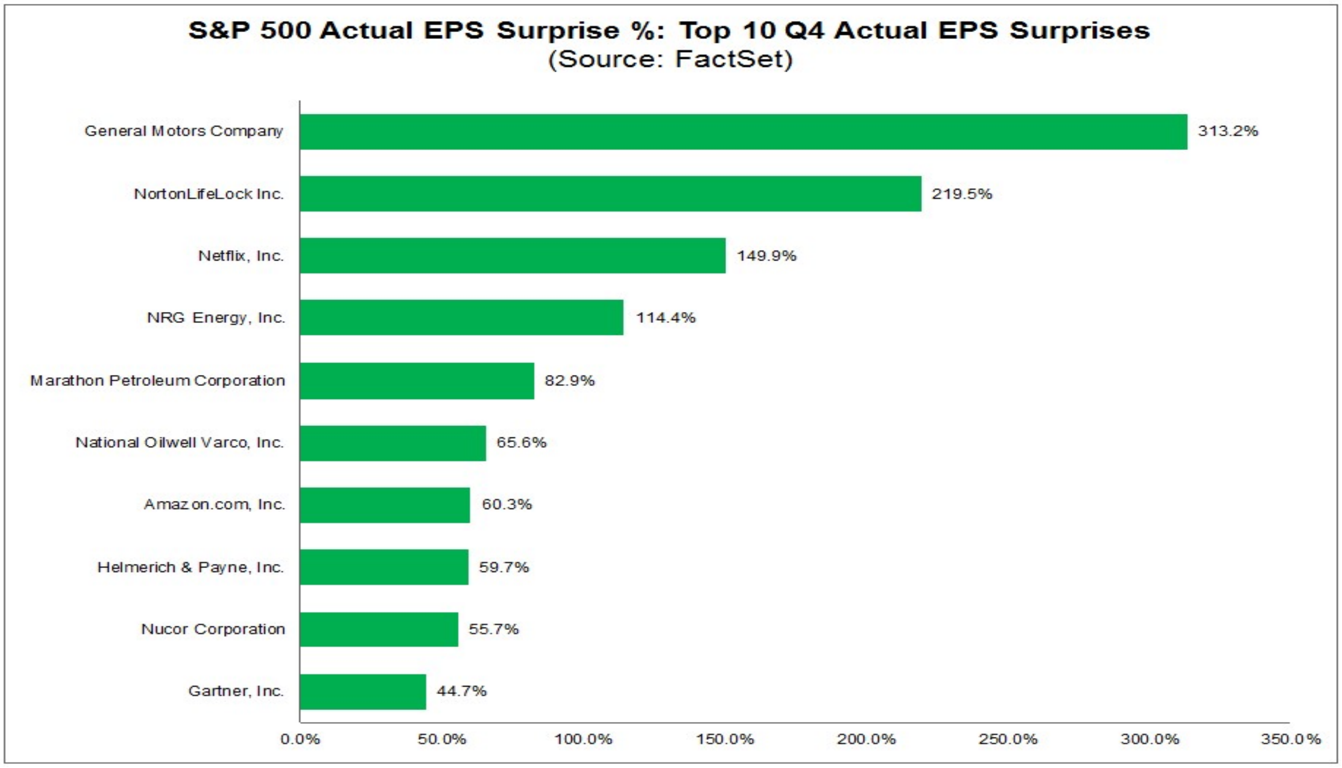


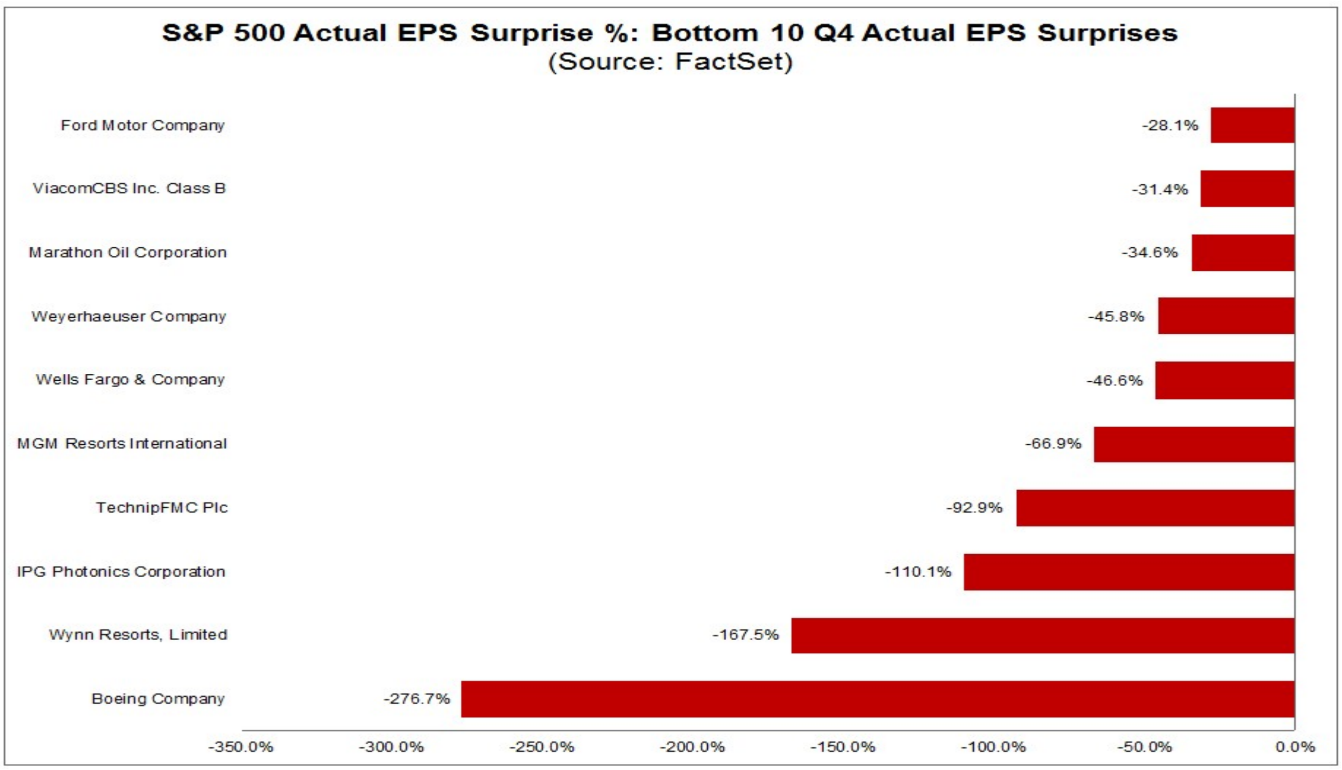
Q4 2019: Scorecard



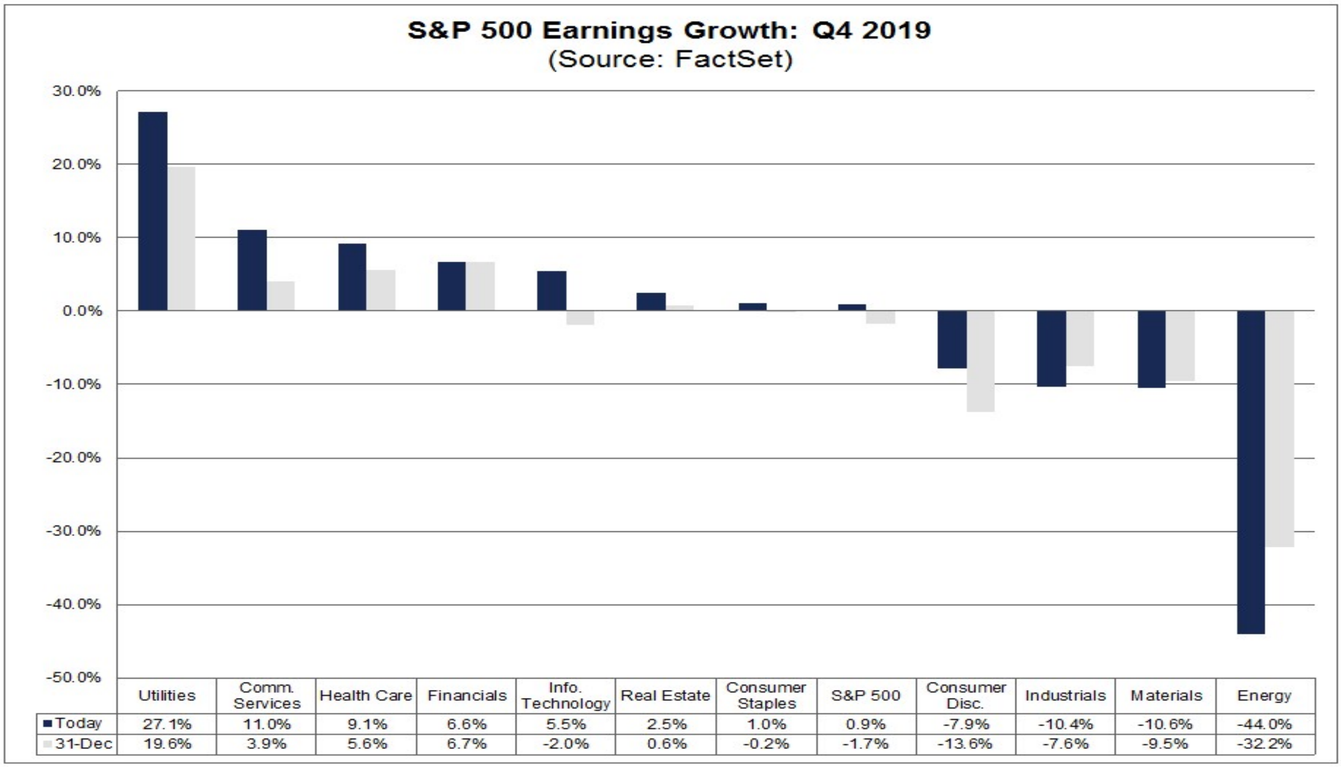


Q4 2019: Scorecard

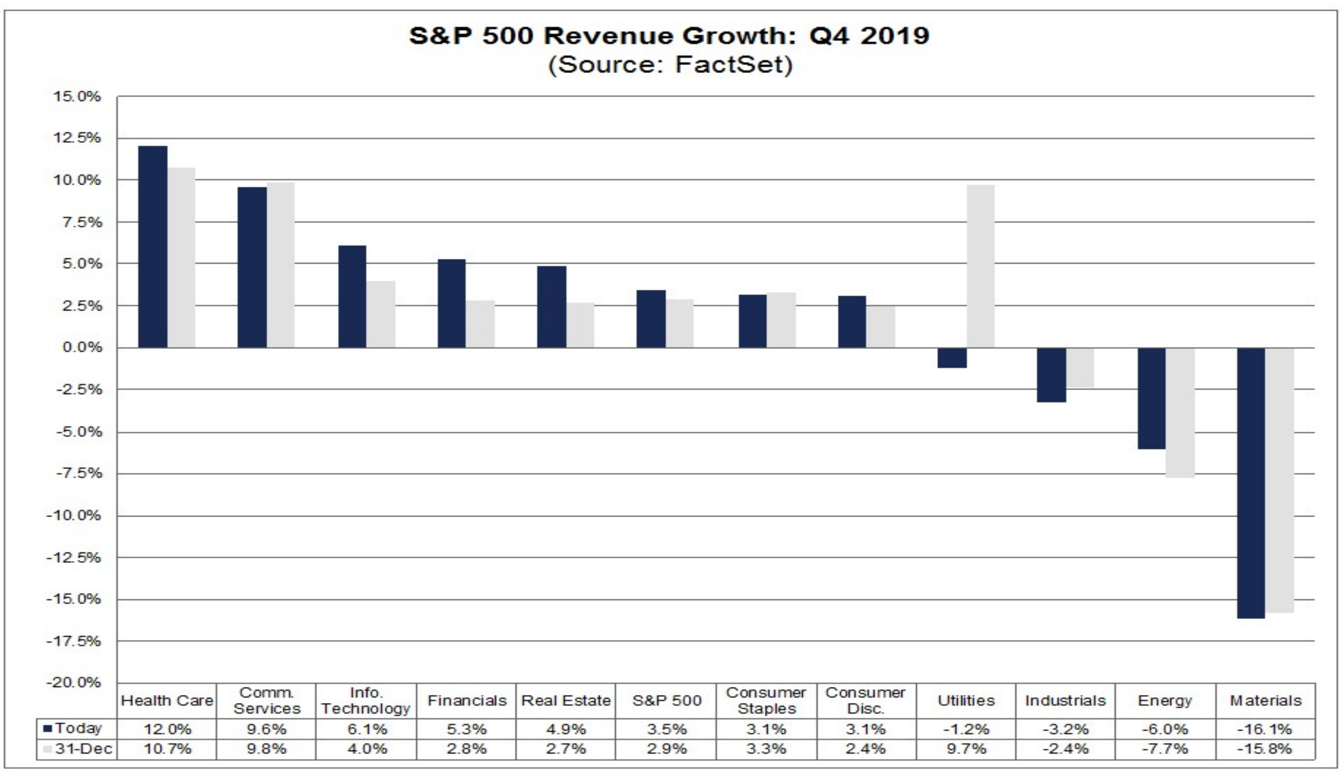




Q4 2019: Growth

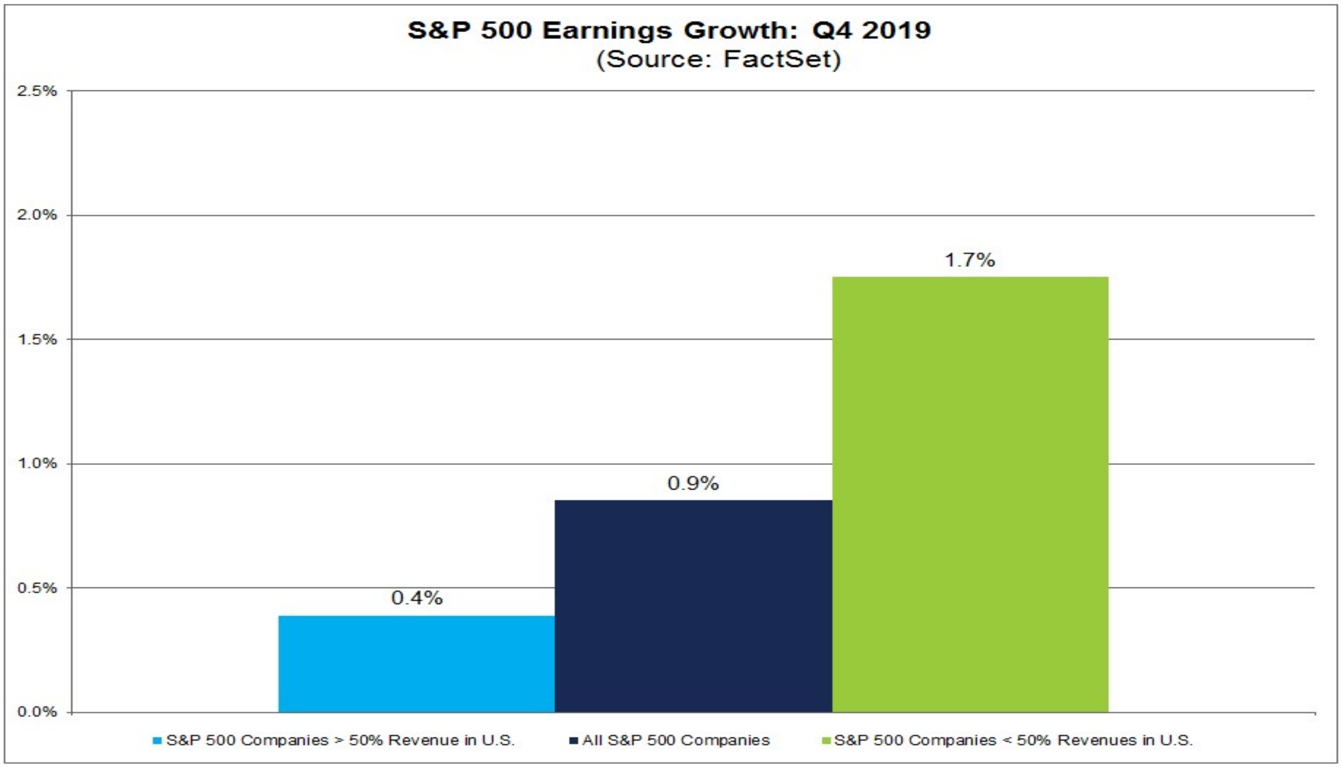


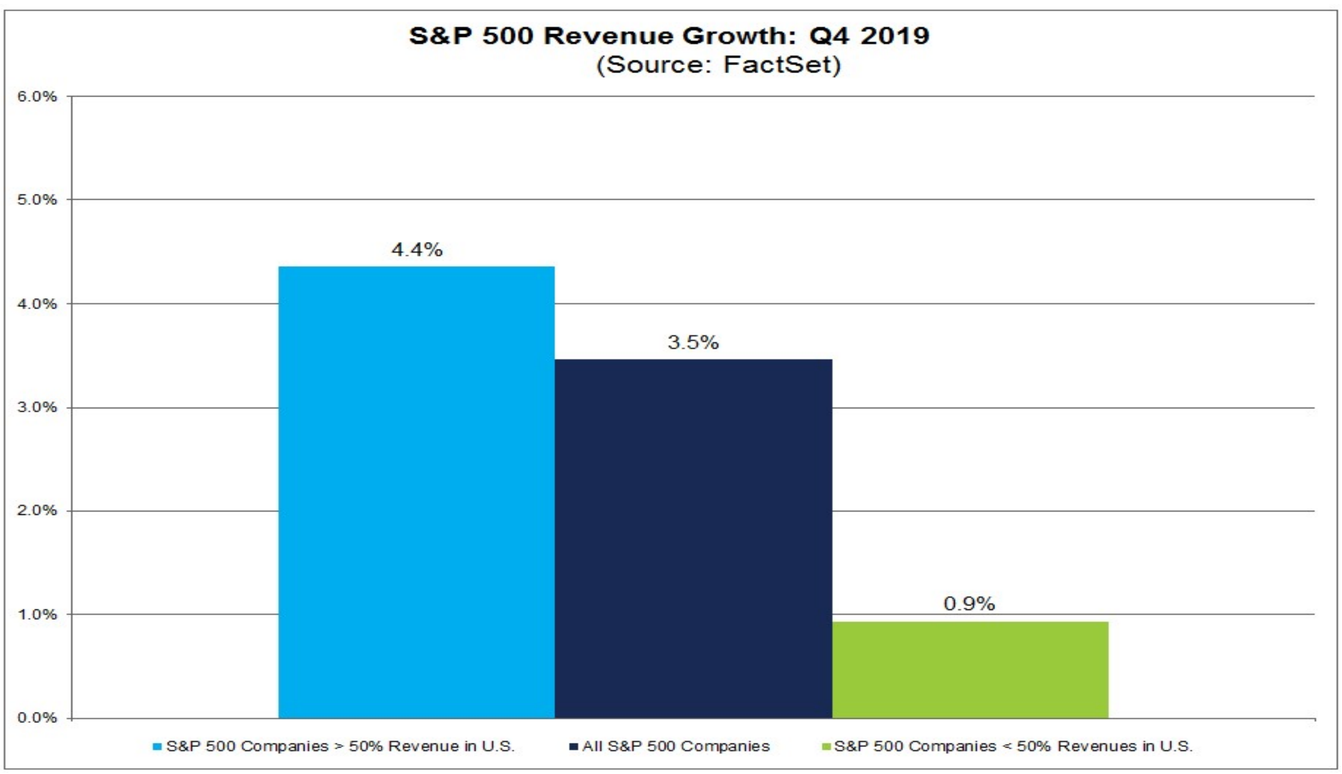
	Utilities	Comm. Services	Health Care	Financials	Info. Technology	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Industrials	Materials	Energy
Today	27.1%	11.0%	9.1%	6.6%	5.5%	2.5%	1.0%	0.9%	-7.9%	-10.4%	-10.6%	-44.0%
31-Dec	19.6%	3.9%	5.6%	6.7%	-2.0%	0.6%	-0.2%	-1.7%	-13.6%	-7.6%	-9.5%	-32.2%



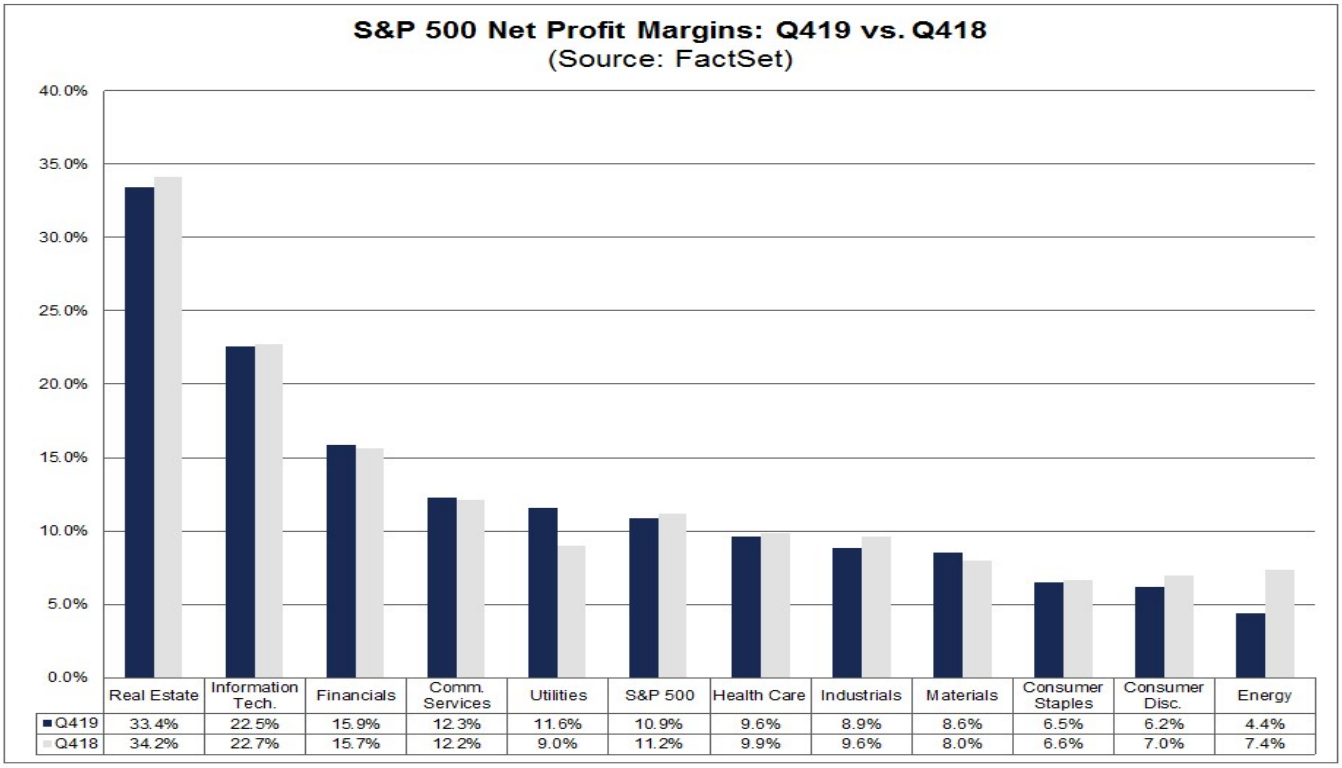
	Health Care	Comm. Services	Info. Technology	Financials	Real Estate	S&P 500	Consumer Staples	Consumer Disc.	Utilities	Industrials	Energy	Materials
Today	12.0%	9.6%	6.1%	5.3%	4.9%	3.5%	3.1%	3.1%	-1.2%	-3.2%	-6.0%	-16.1%
31-Dec	10.7%	9.8%	4.0%	2.8%	2.7%	2.9%	3.3%	2.4%	9.7%	-2.4%	-7.7%	-15.8%

Q4 2019: Growth

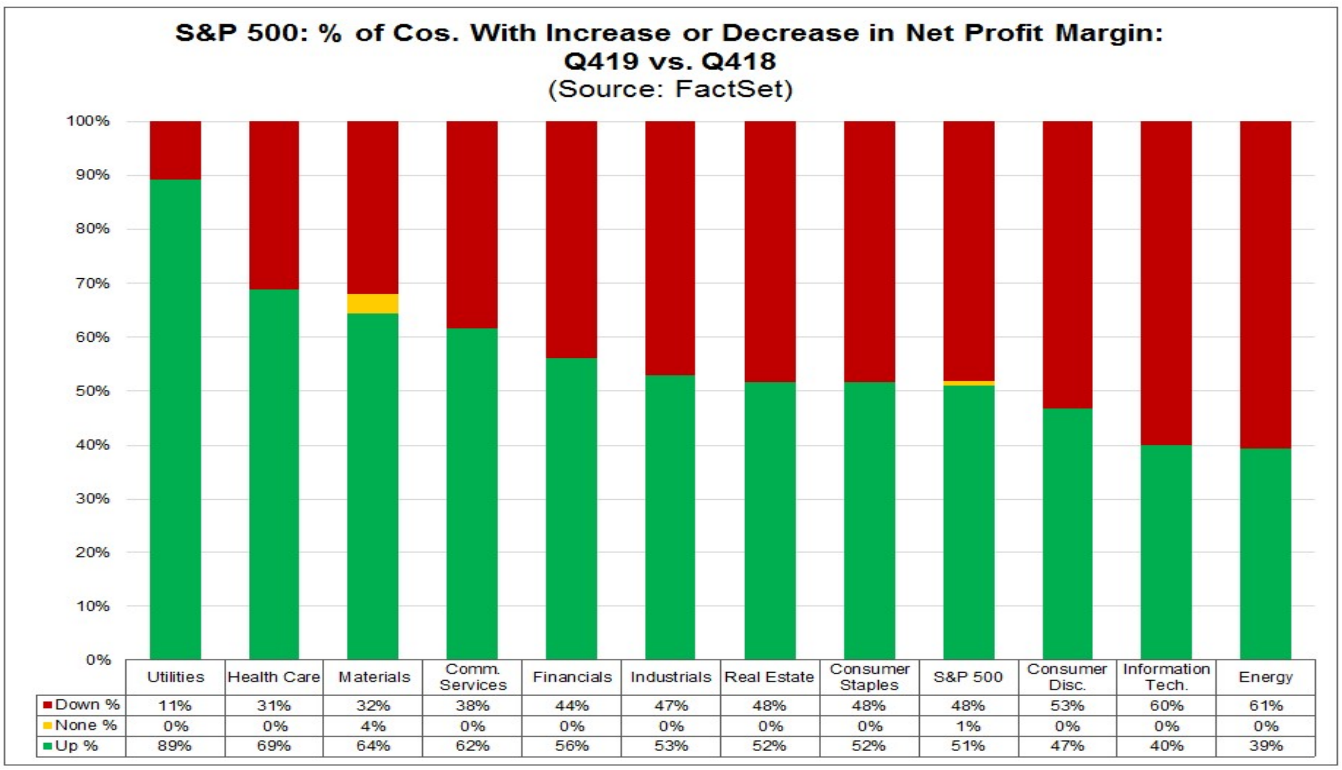




Q4 2019: Net Profit Margin

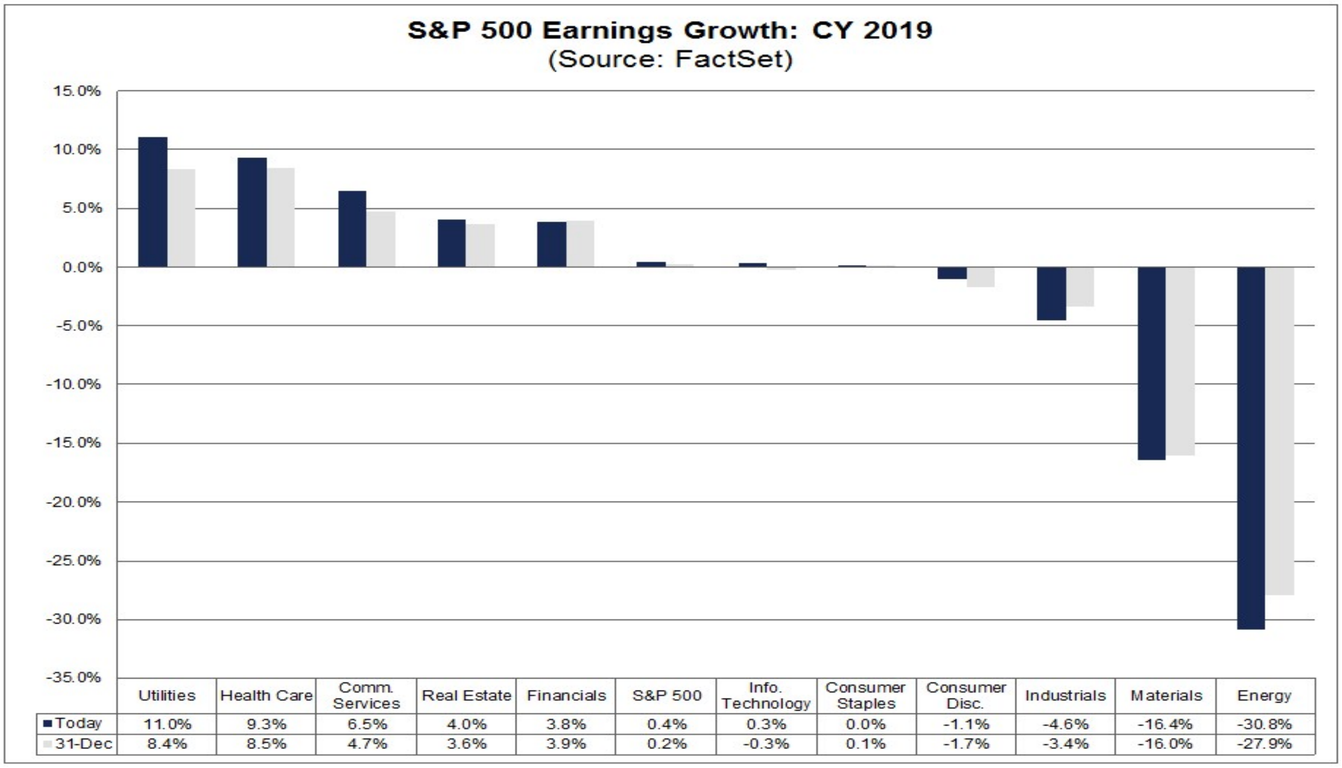


	Real Estate	Information Tech.	Financials	Comm. Services	Utilities	S&P 500	Health Care	Industrials	Materials	Consumer Staples	Consumer Disc.	Energy
Q419	33.4%	22.5%	15.9%	12.3%	11.6%	10.9%	9.6%	8.9%	8.6%	6.5%	6.2%	4.4%
Q418	34.2%	22.7%	15.7%	12.2%	9.0%	11.2%	9.9%	9.6%	8.0%	6.6%	7.0%	7.4%

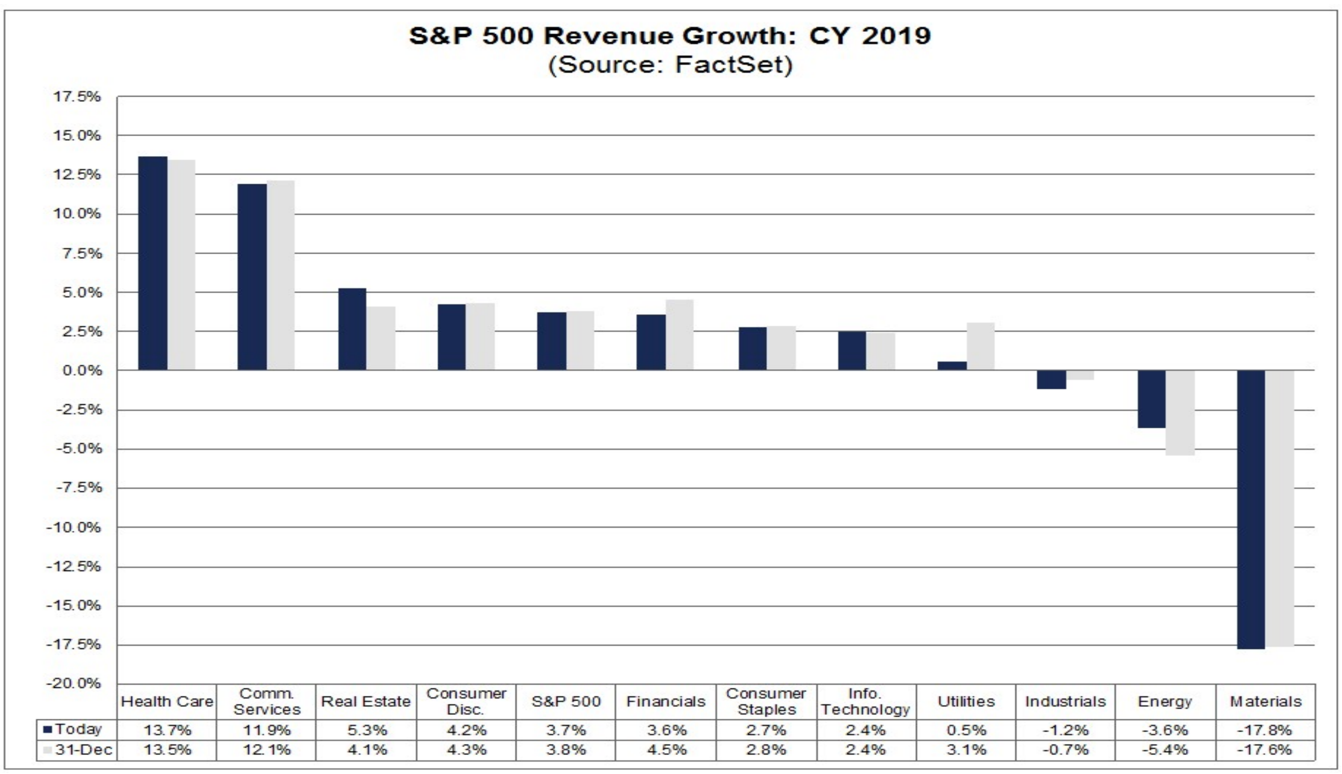


	Utilities	Health Care	Materials	Comm. Services	Financials	Industrials	Real Estate	Consumer Staples	S&P 500	Consumer Disc.	Information Tech.	Energy
Down %	11%	31%	32%	38%	44%	47%	48%	48%	48%	53%	60%	61%
None %	0%	0%	4%	0%	0%	0%	0%	0%	1%	0%	0%	0%
Up %	89%	69%	64%	62%	56%	53%	52%	52%	51%	47%	40%	39%

CY 2019: Growth

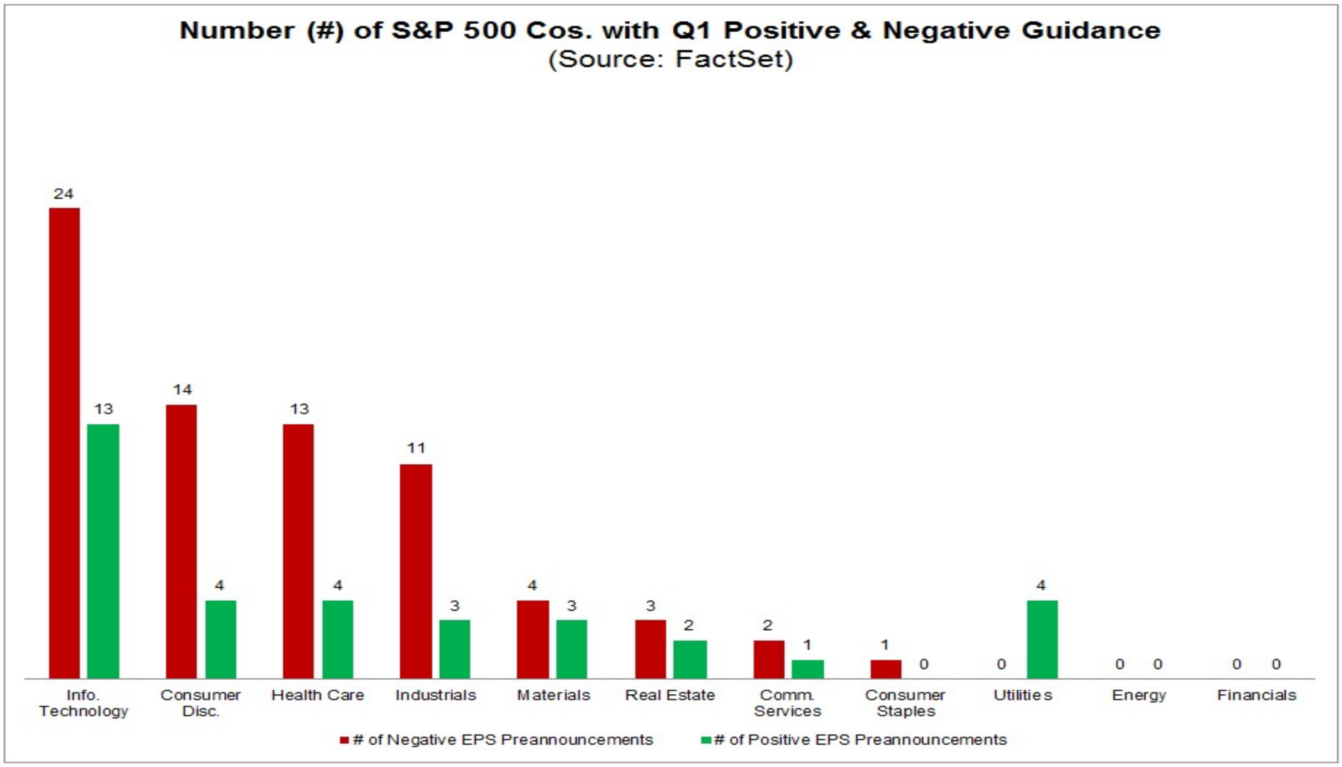


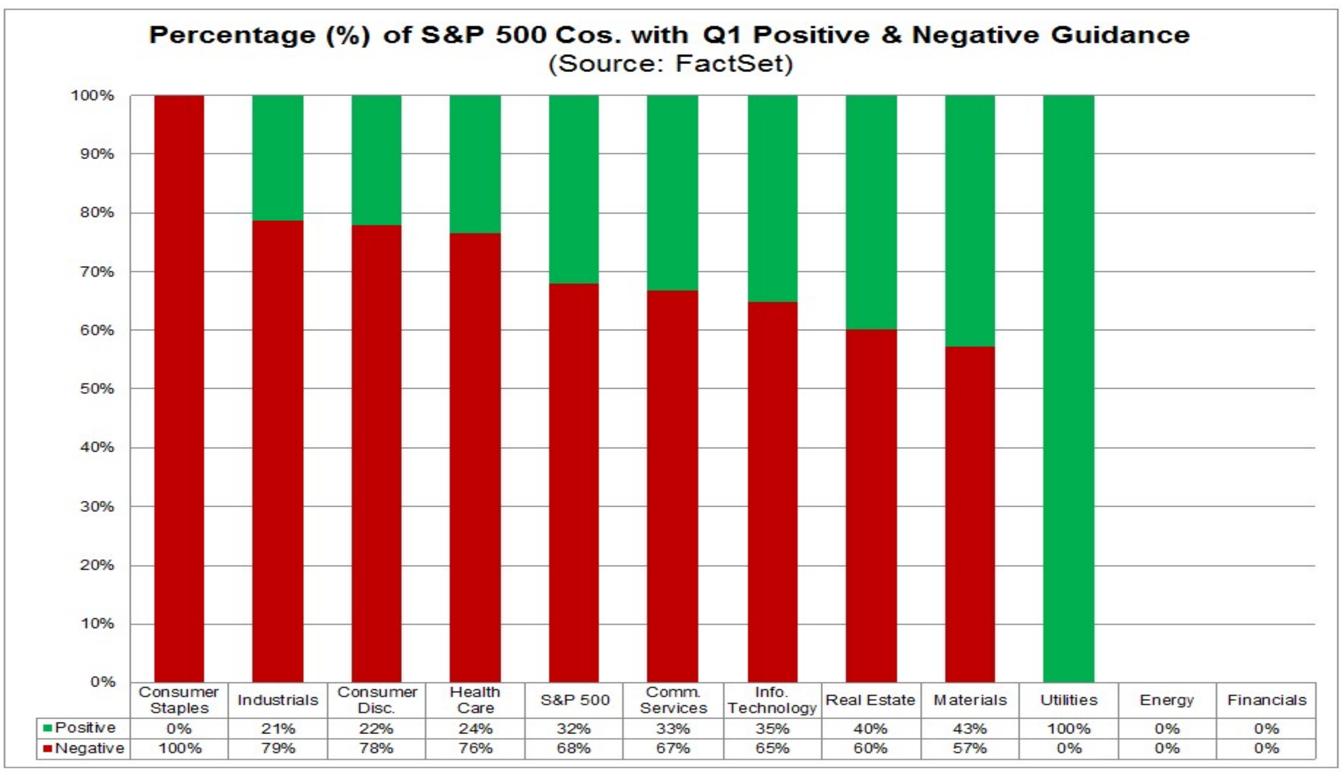
	Utilities	Health Care	Comm. Services	Real Estate	Financials	S&P 500	Info. Technology	Consumer Staples	Consumer Disc.	Industrials	Materials	Energy
Today	11.0%	9.3%	6.5%	4.0%	3.8%	0.4%	0.3%	0.0%	-1.1%	-4.6%	-16.4%	-30.8%
31-Dec	8.4%	8.5%	4.7%	3.6%	3.9%	0.2%	-0.3%	0.1%	-1.7%	-3.4%	-16.0%	-27.9%



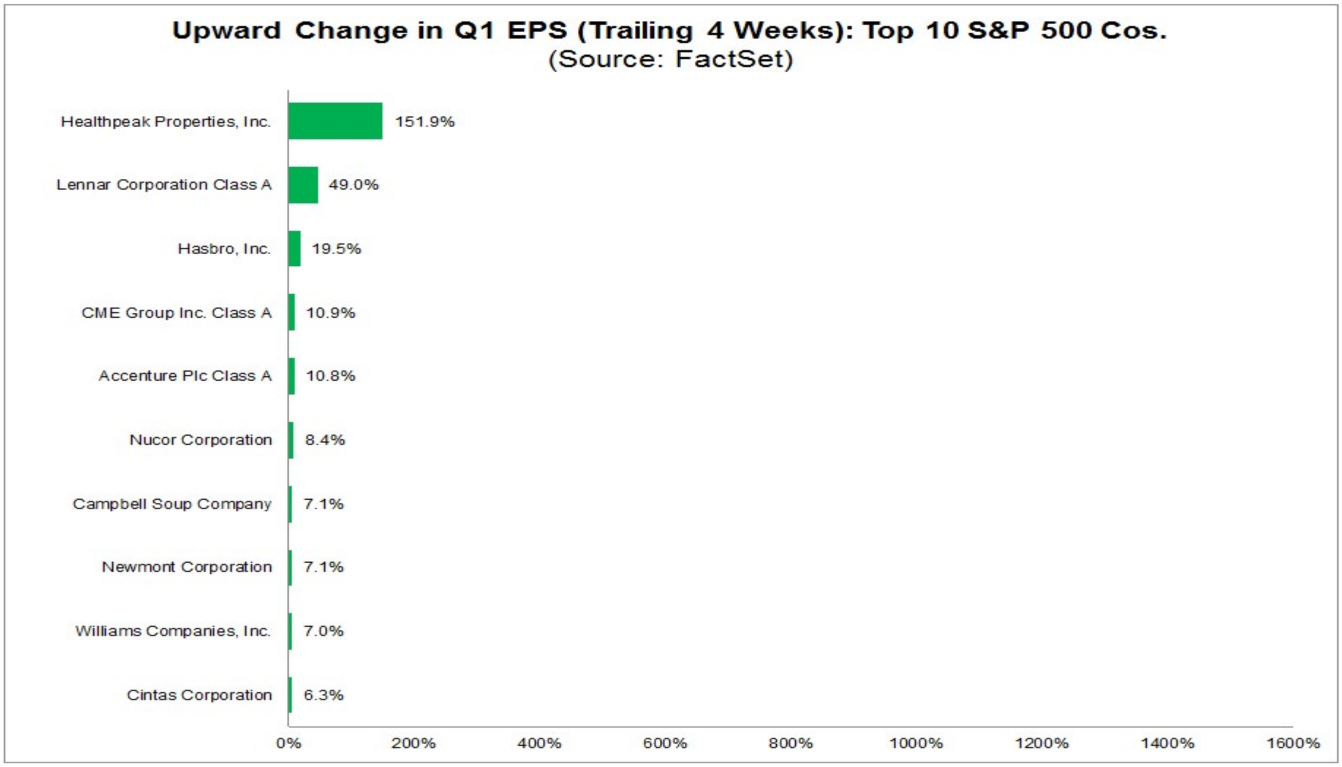
	Health Care	Comm. Services	Real Estate	Consumer Disc.	S&P 500	Financials	Consumer Staples	Info. Technology	Utilities	Industrials	Energy	Materials
Today	13.7%	11.9%	5.3%	4.2%	3.7%	3.6%	2.7%	2.4%	0.5%	-1.2%	-3.6%	-17.8%
31-Dec	13.5%	12.1%	4.1%	4.3%	3.8%	4.5%	2.8%	2.4%	3.1%	-0.7%	-5.4%	-17.6%

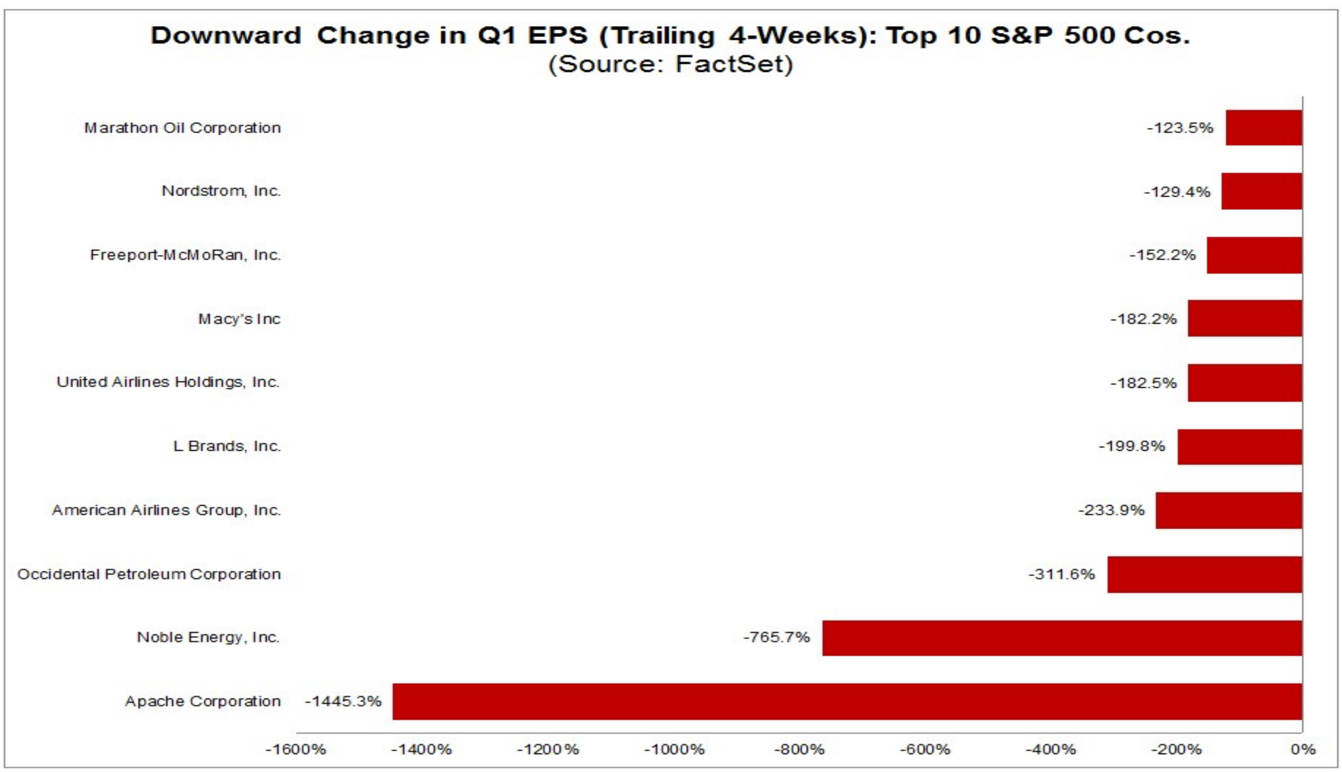
Q1 2020: EPS Guidance





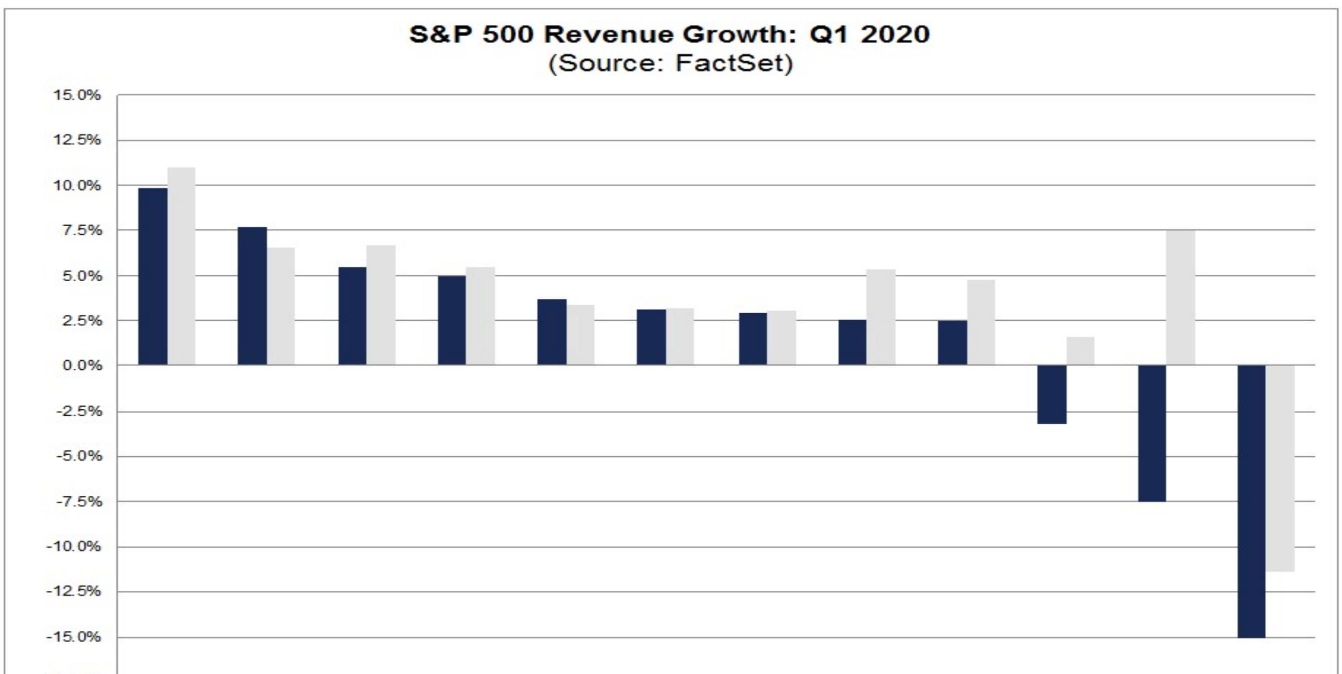
Q1 2020: EPS Revisions





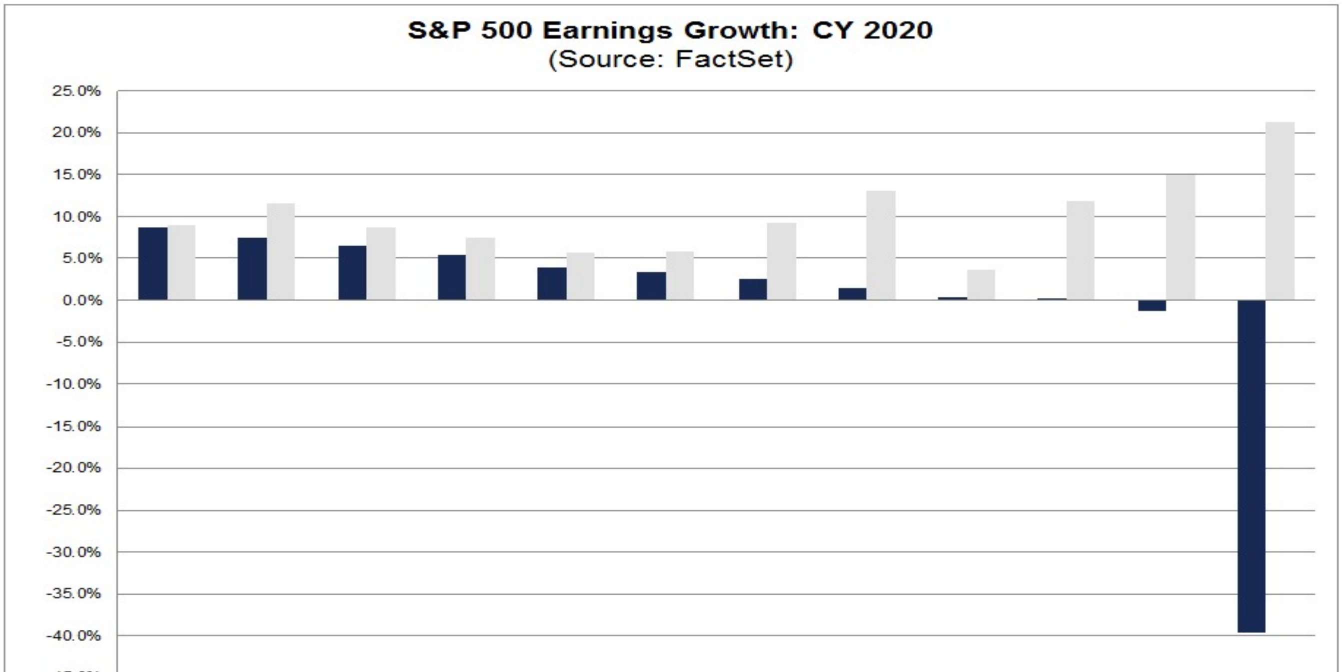
Q1 2020: Growth

	Comm. Services	Utilities	Health Care	Info. Technology	Real Estate	Consumer Staples	S&P 500	Financials	Consumer Disc.	Materials	Industrials	Energy
Today	11.7%	4.7%	3.9%	3.6%	3.5%	-1.1%	-2.9%	-4.6%	-16.1%	-18.7%	-19.9%	-27.6%
31-Dec	16.7%	5.6%	7.4%	4.1%	5.6%	3.1%	4.4%	-3.1%	1.5%	-3.9%	-0.3%	29.6%

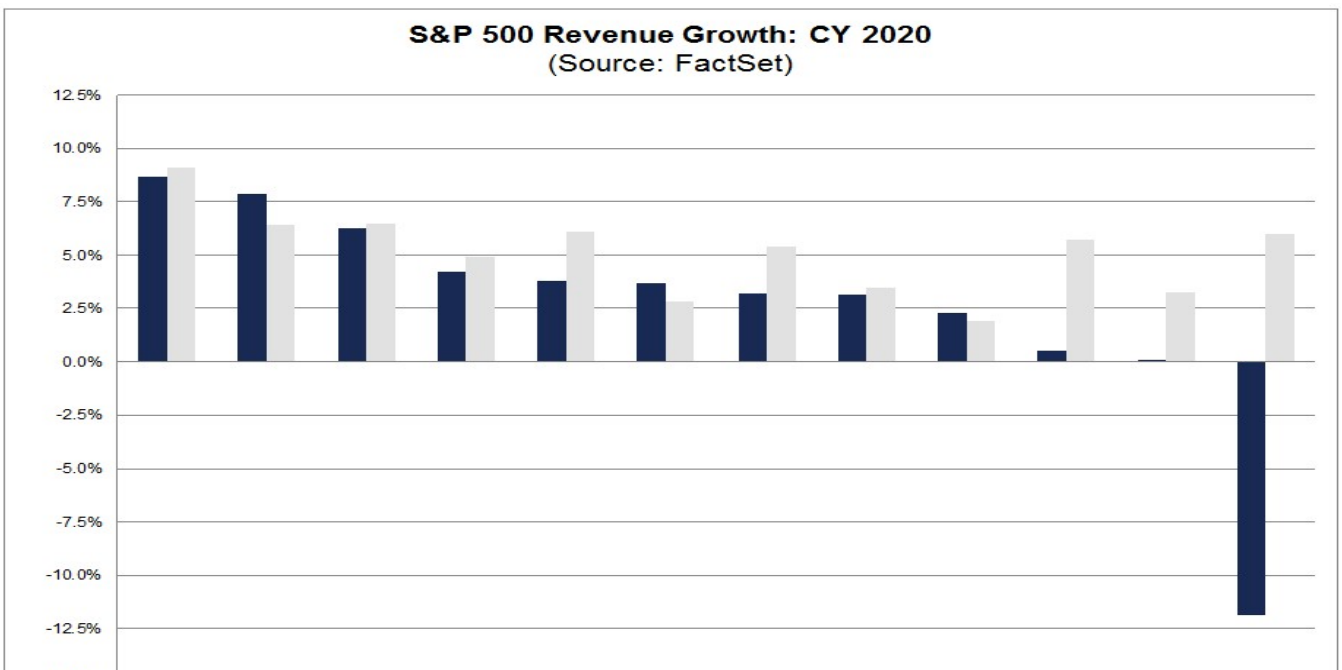


	Comm. Services	Health Care	Info. Technology	Utilities	Real Estate	Financials	Consumer Staples	Consumer Disc.	S&P 500	Industrials	Energy	Materials
Today	9.8%	7.7%	5.5%	4.9%	3.7%	3.1%	2.9%	2.6%	2.5%	-3.2%	-7.5%	-15.0%
31-Dec	11.0%	6.5%	6.6%	5.4%	3.3%	3.2%	3.0%	5.4%	4.8%	1.6%	7.5%	-11.4%

CY 2020: Growth

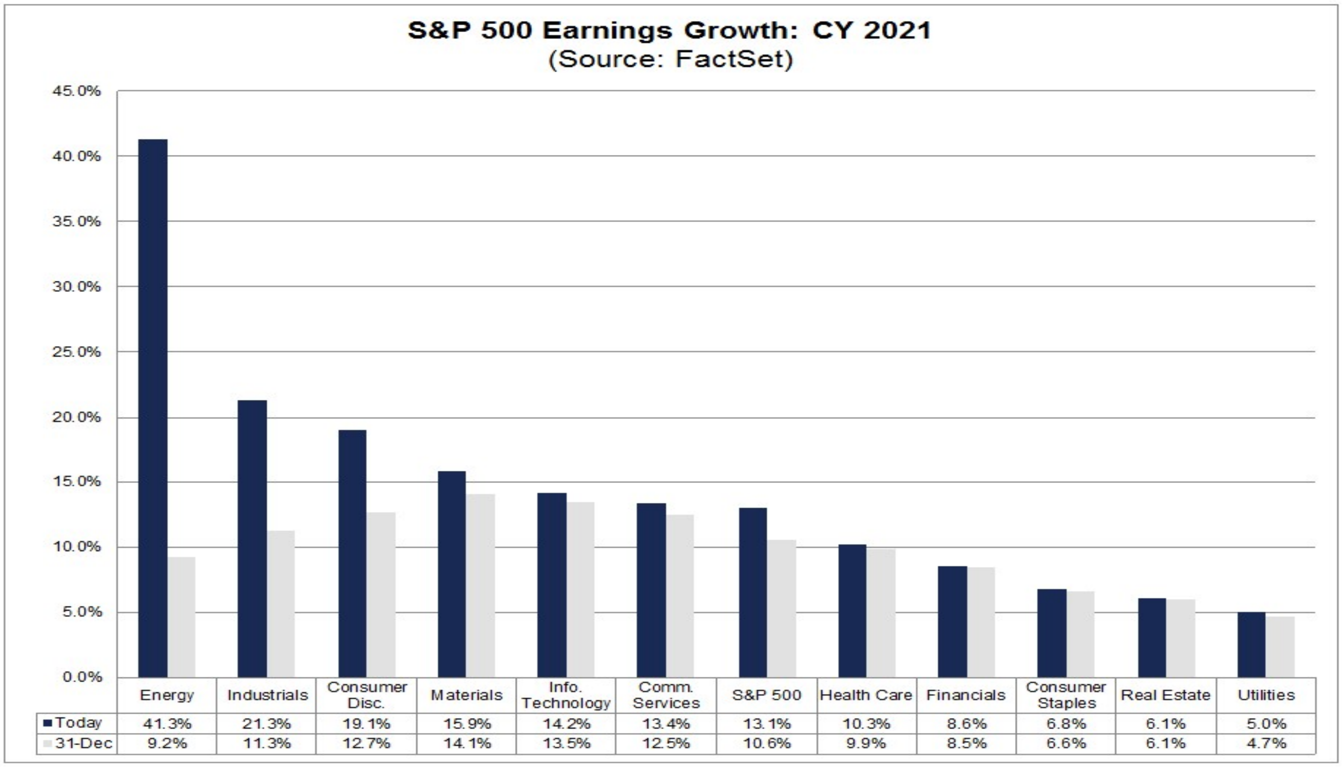


	Info. Technology	Comm. Services	Health Care	Real Estate	Consumer Staples	Utilities	S&P 500	Materials	Financials	Consumer Disc.	Industrials	Energy
Today	8.7%	7.4%	6.5%	5.5%	3.9%	3.3%	2.5%	1.4%	0.3%	0.0%	-1.3%	-39.6%
31-Dec	8.9%	11.6%	8.7%	7.5%	5.6%	5.8%	9.2%	13.0%	3.6%	11.8%	15.0%	21.2%

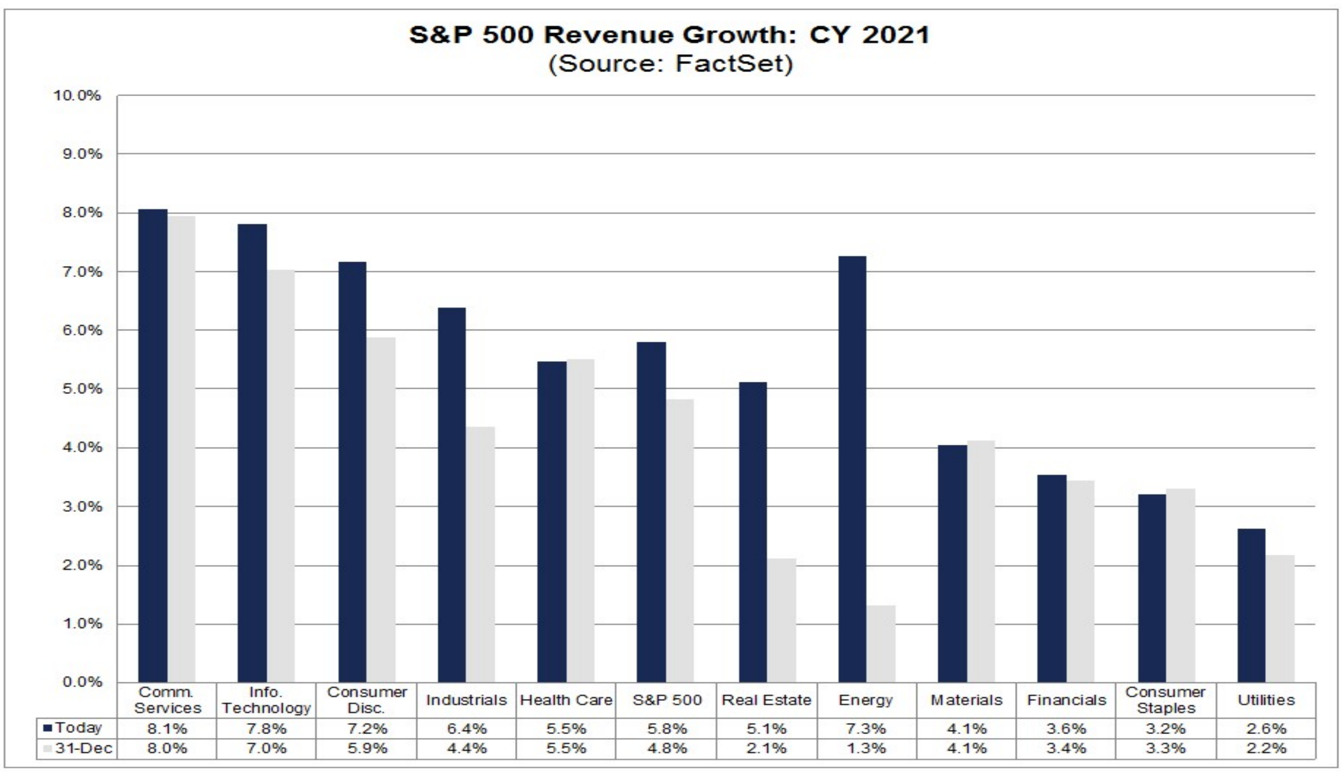


	Comm. Services	Health Care	Info. Technology	Real Estate	Consumer Disc.	Utilities	S&P 500	Consumer Staples	Financials	Industrials	Materials	Energy
Today	8.7%	7.9%	6.2%	4.2%	3.8%	3.7%	3.2%	3.1%	2.3%	0.5%	0.1%	-11.8%
31-Dec	9.1%	6.4%	6.5%	4.9%	6.1%	2.8%	5.4%	3.4%	1.9%	5.7%	3.2%	6.0%

CY 2021: Growth

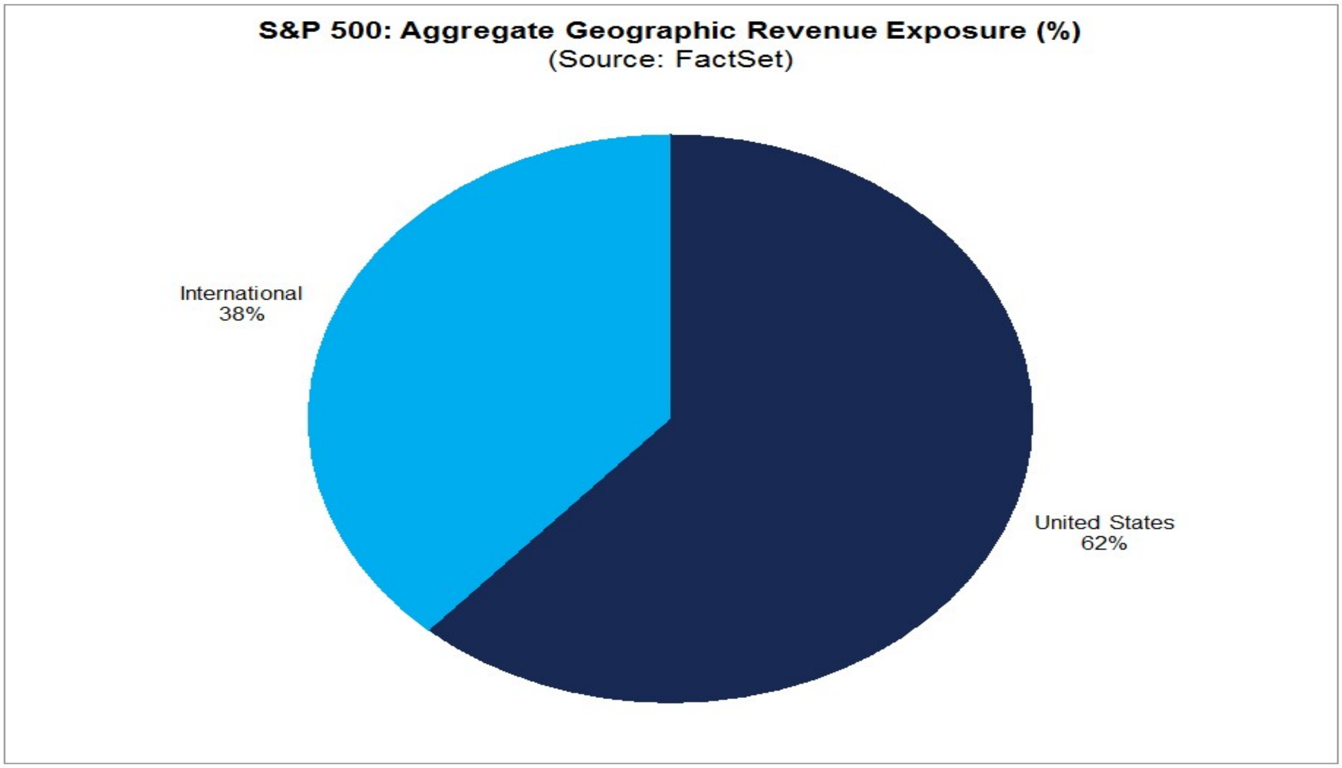


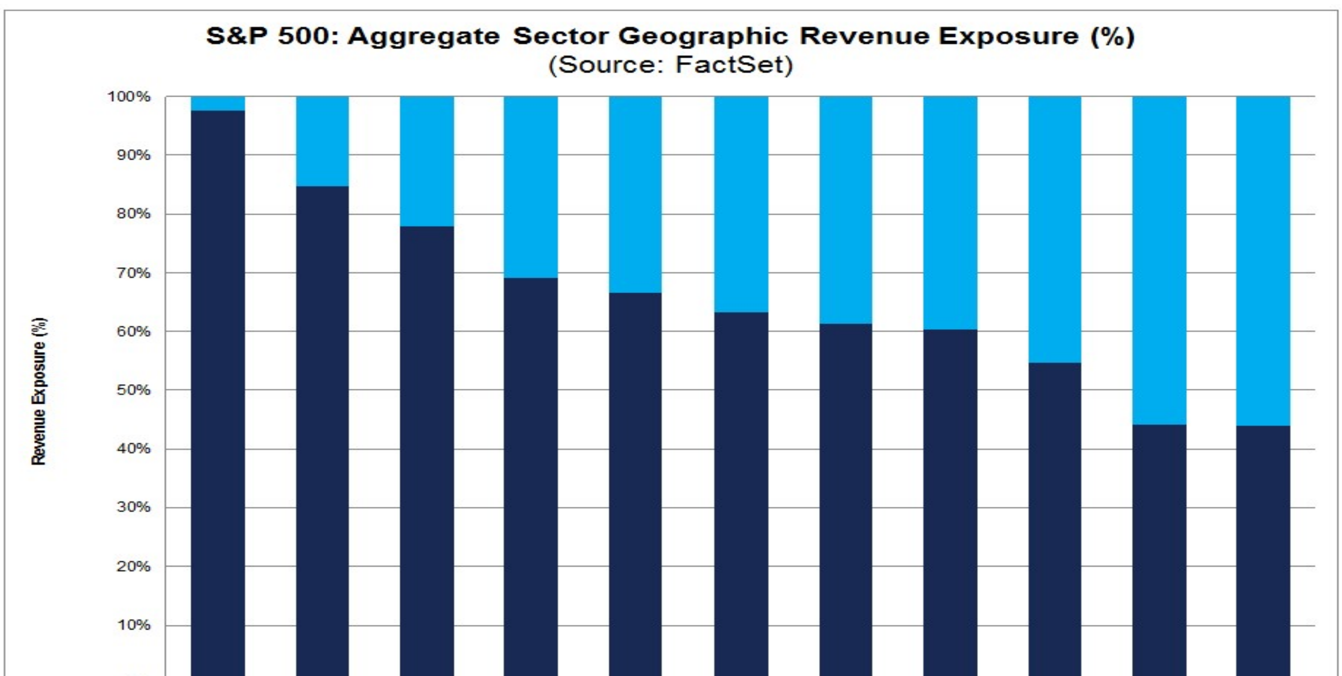
	Energy	Industrials	Consumer Disc.	Materials	Info. Technology	Comm. Services	S&P 500	Health Care	Financials	Consumer Staples	Real Estate	Utilities
Today	41.3%	21.3%	19.1%	15.9%	14.2%	13.4%	13.1%	10.3%	8.6%	6.8%	6.1%	5.0%
31-Dec	9.2%	11.3%	12.7%	14.1%	13.5%	12.5%	10.6%	9.9%	8.5%	6.6%	6.1%	4.7%



	Comm. Services	Info. Technology	Consumer Disc.	Industrials	Health Care	S&P 500	Real Estate	Energy	Materials	Financials	Consumer Staples	Utilities
Today	8.1%	7.8%	7.2%	6.4%	5.5%	5.8%	5.1%	7.3%	4.1%	3.6%	3.2%	2.6%
31-Dec	8.0%	7.0%	5.9%	4.4%	5.5%	4.8%	2.1%	1.3%	4.1%	3.4%	3.3%	2.2%

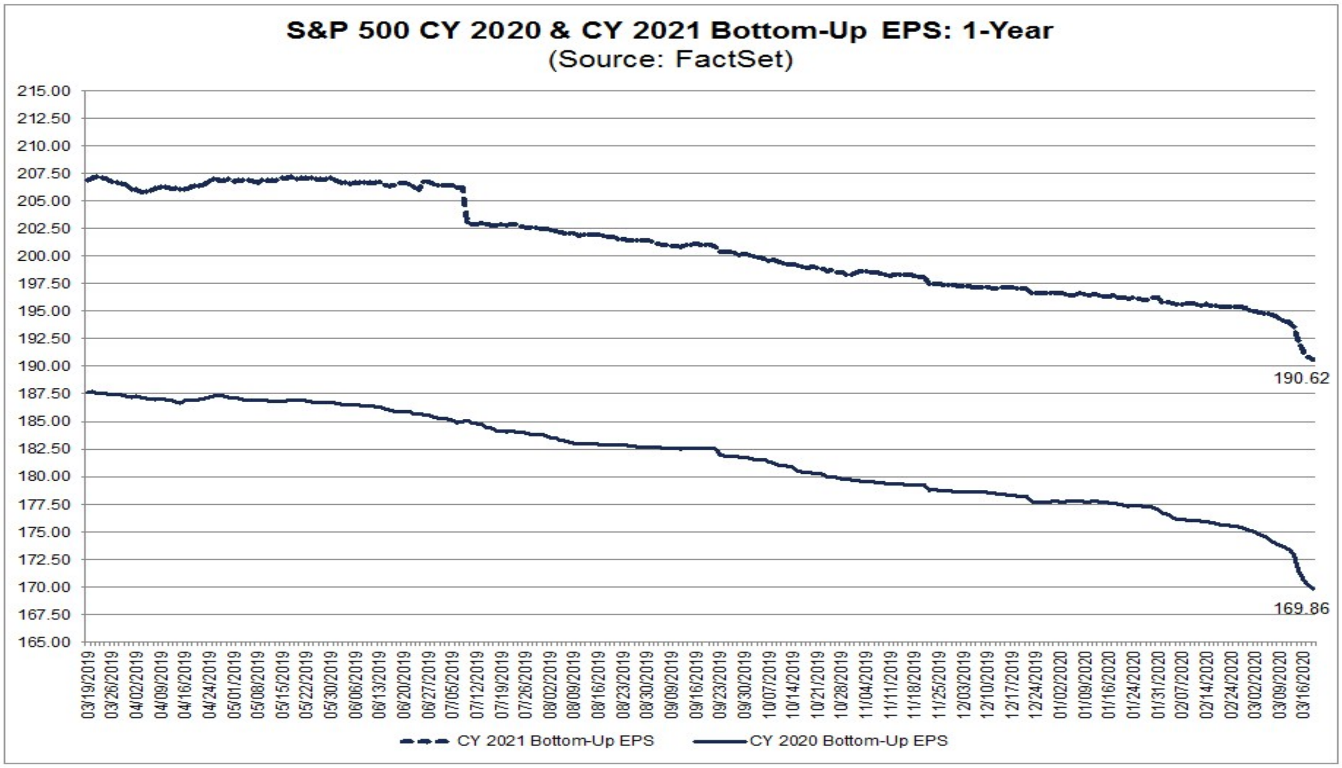
Geographic Revenue Exposure

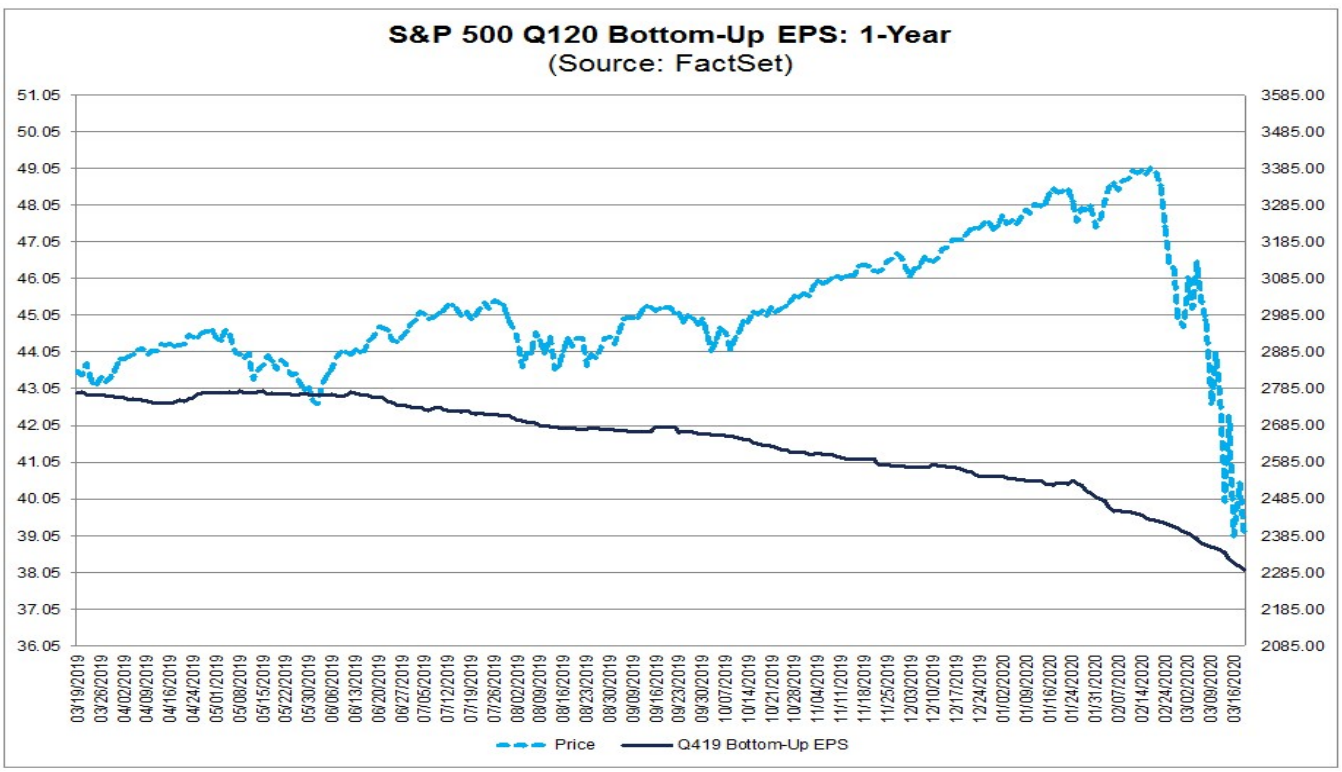




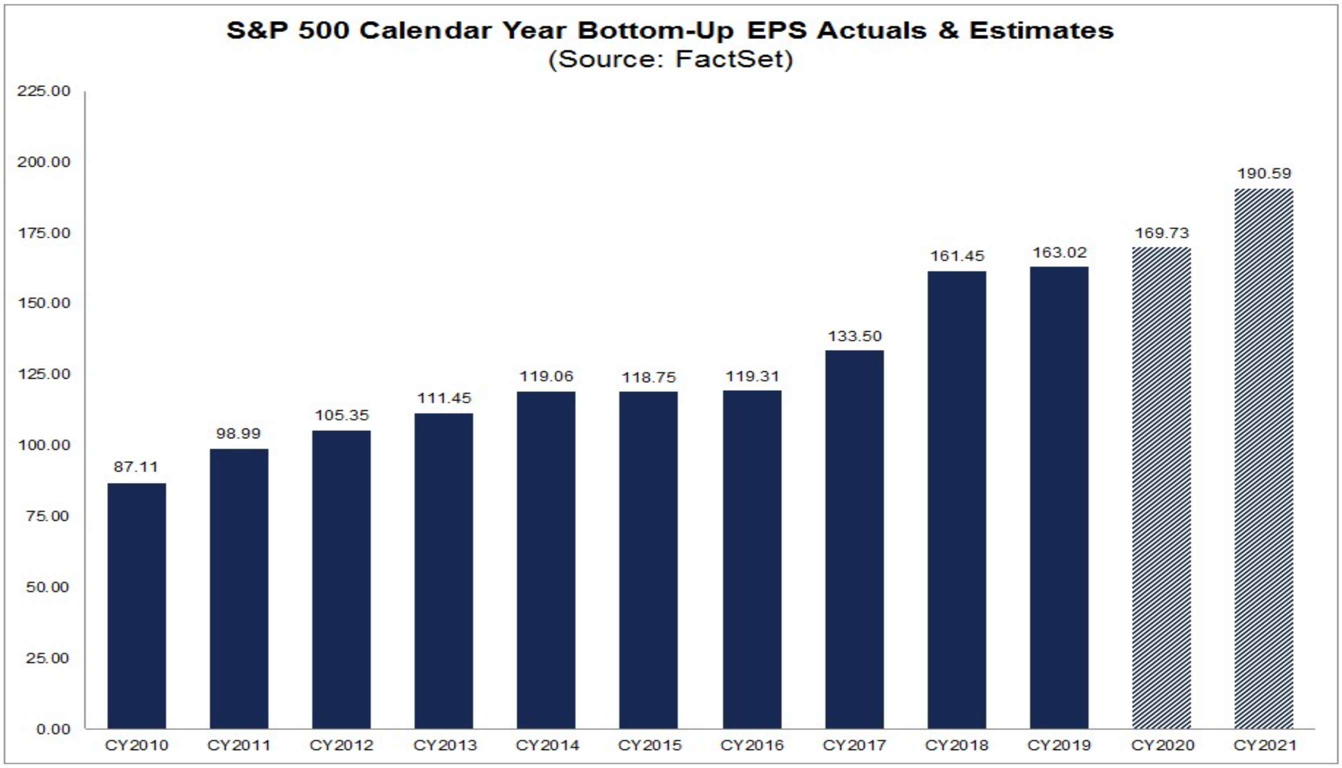
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Materials	Info. Technology
International	2%	15%	22%	31%	34%	37%	39%	40%	45%	56%	56%
United States	98%	85%	78%	69%	66%	63%	61%	60%	55%	44%	44%

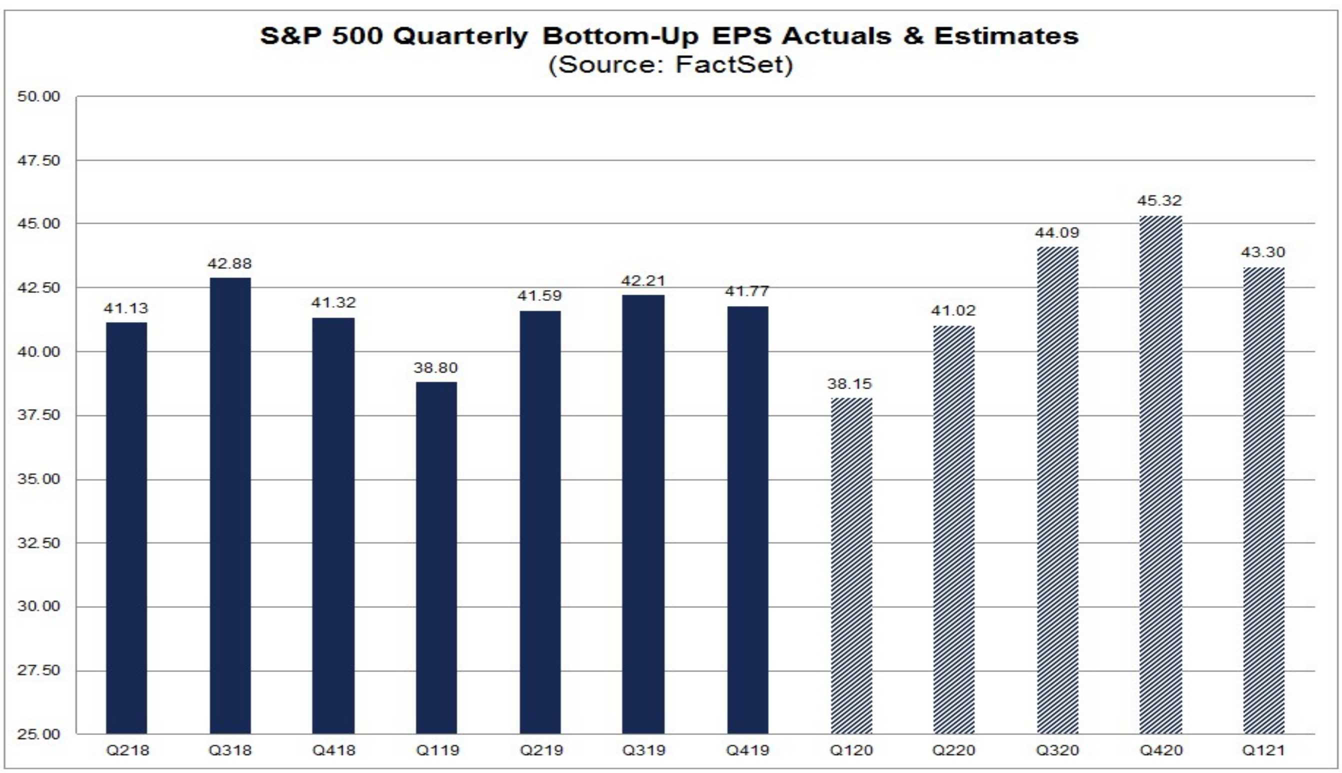
Bottom-up EPS Estimates: Revisions



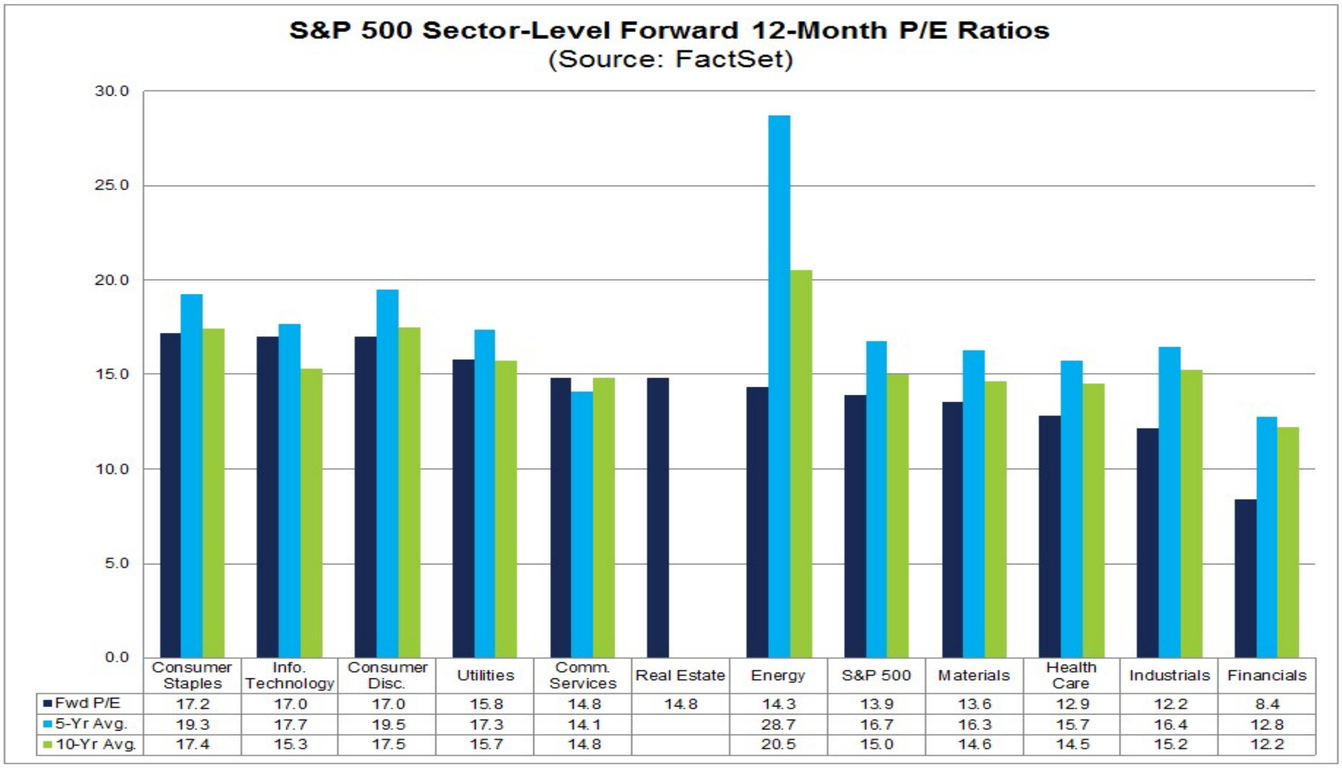


Bottom-up EPS Estimates: Current & Historical

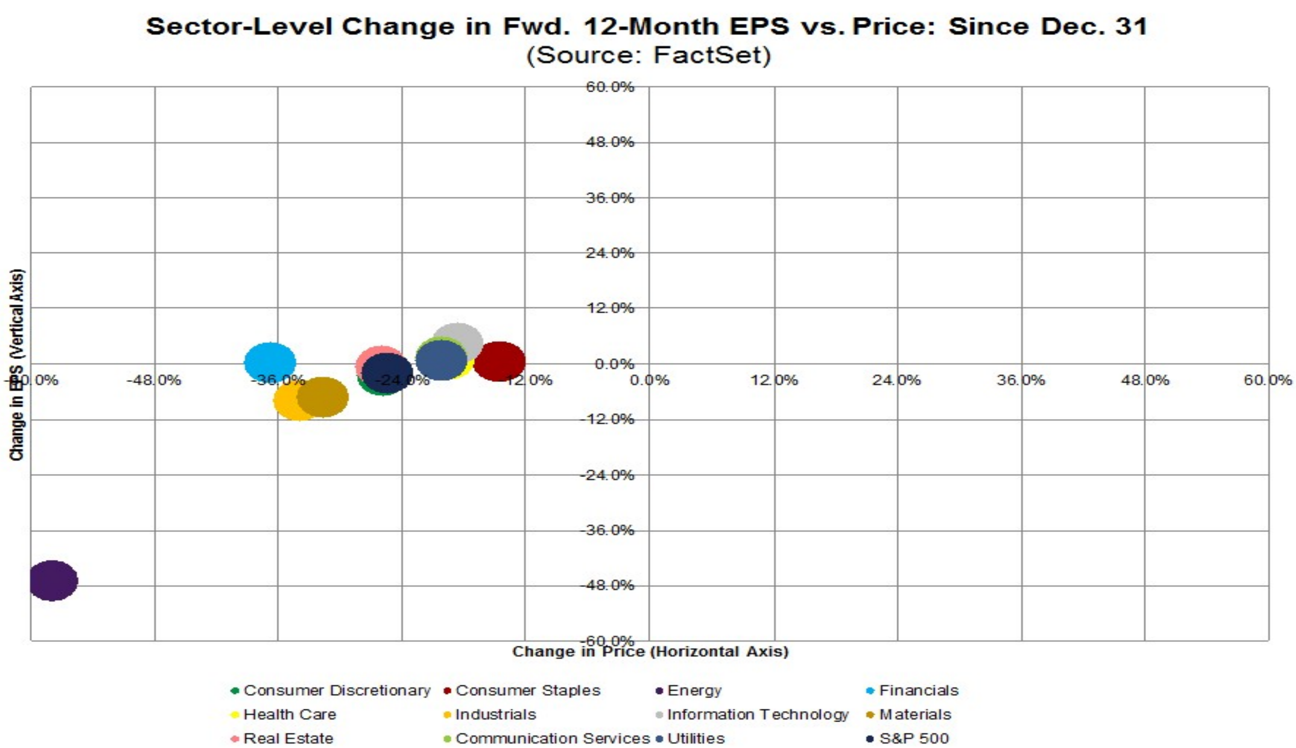




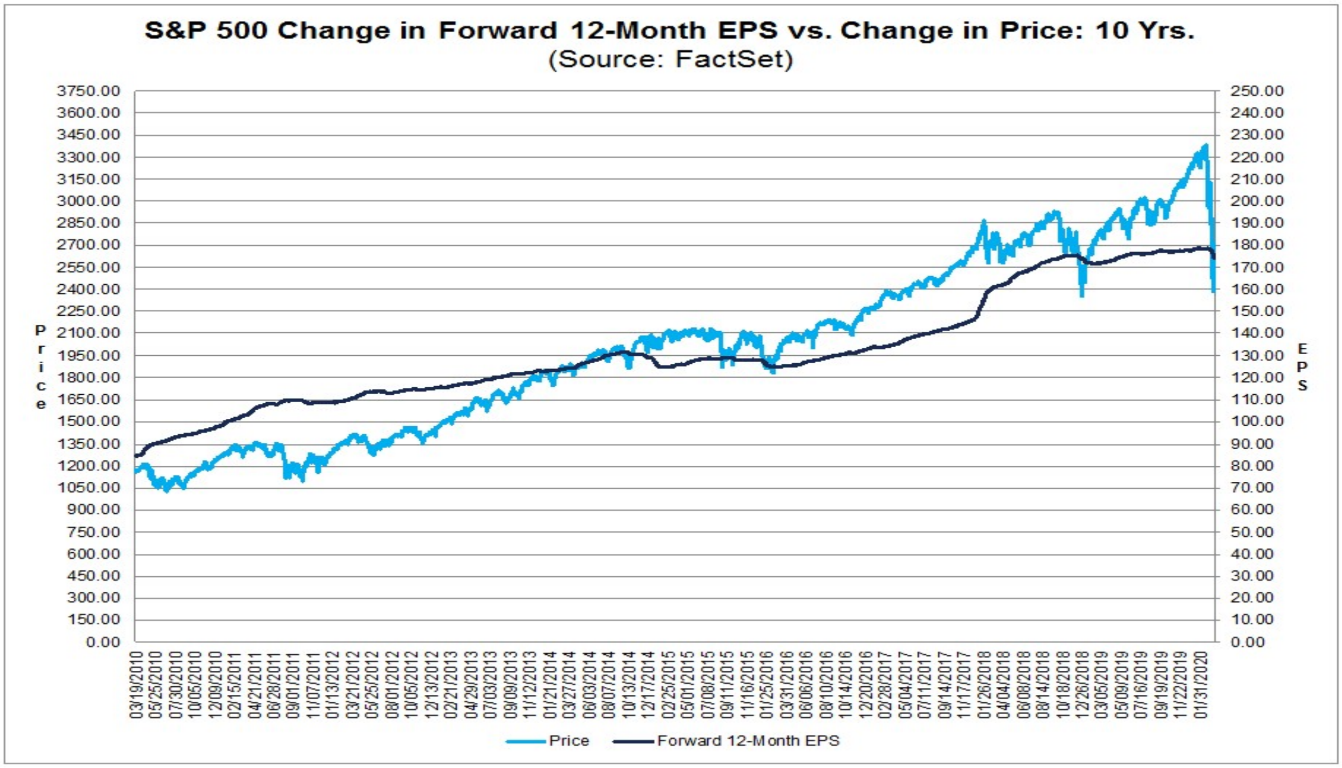
Forward 12M P/E Ratio: Sector Level

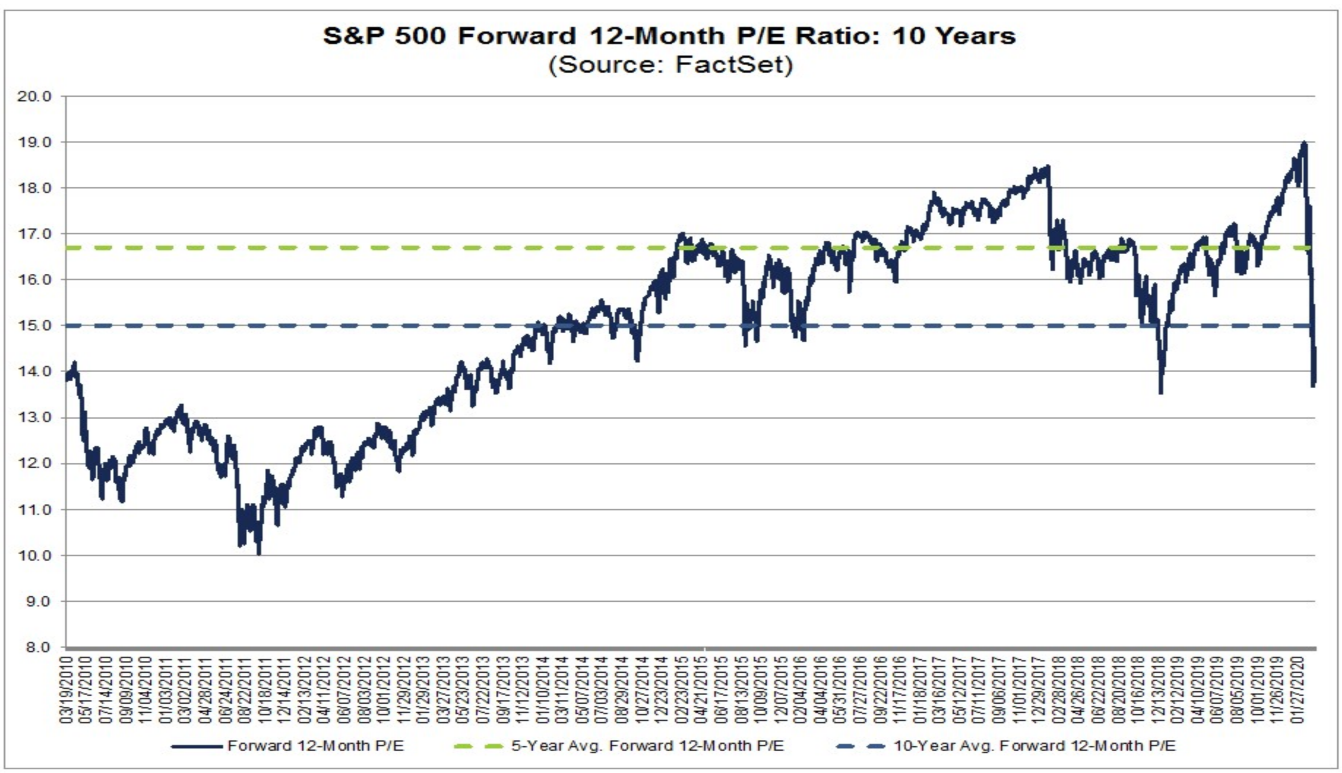


	Consumer Staples	Info. Technology	Consumer Disc.	Utilities	Comm. Services	Real Estate	Energy	S&P 500	Materials	Health Care	Industrials	Financials
Fwd P/E	17.2	17.0	17.0	15.8	14.8	14.8	14.3	13.9	13.6	12.9	12.2	8.4
5-Yr Avg.	19.3	17.7	19.5	17.3	14.1		28.7	16.7	16.3	15.7	16.4	12.8
10-Yr Avg.	17.4	15.3	17.5	15.7	14.8		20.5	15.0	14.6	14.5	15.2	12.2

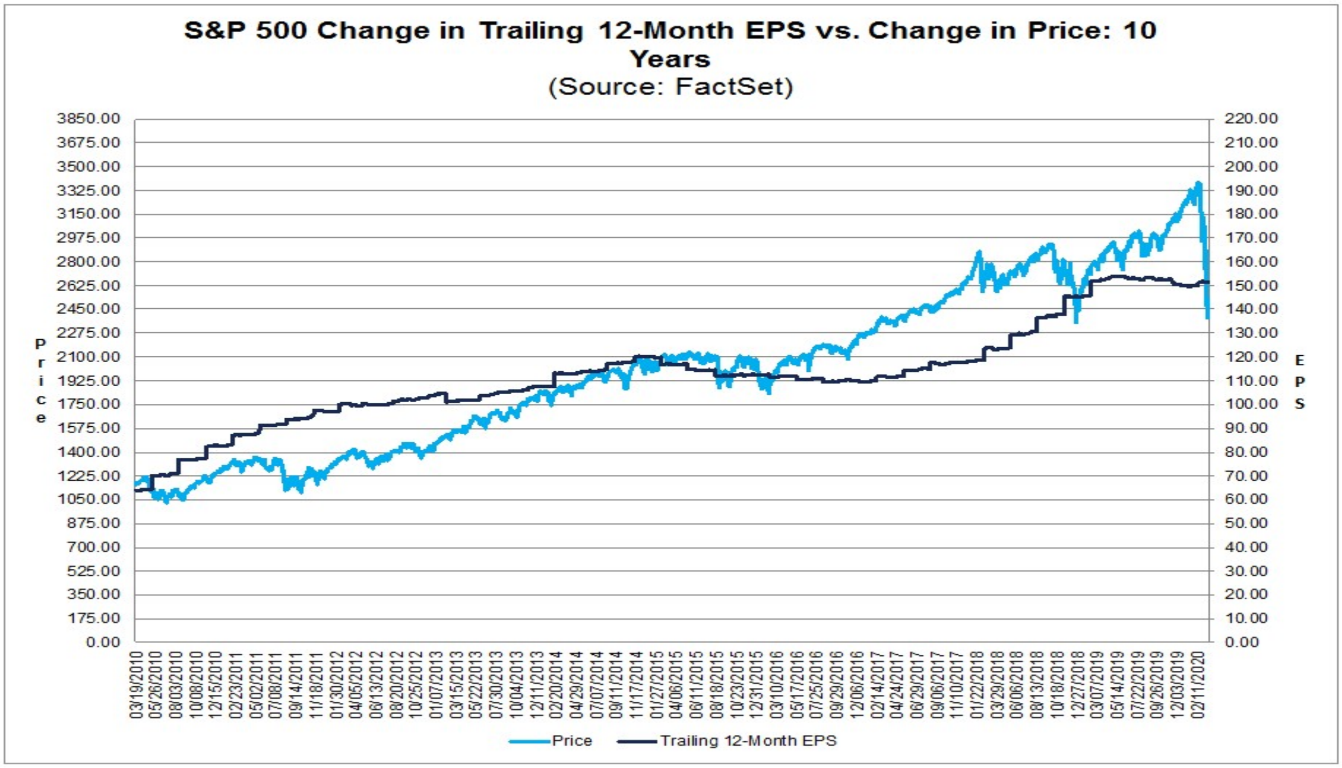


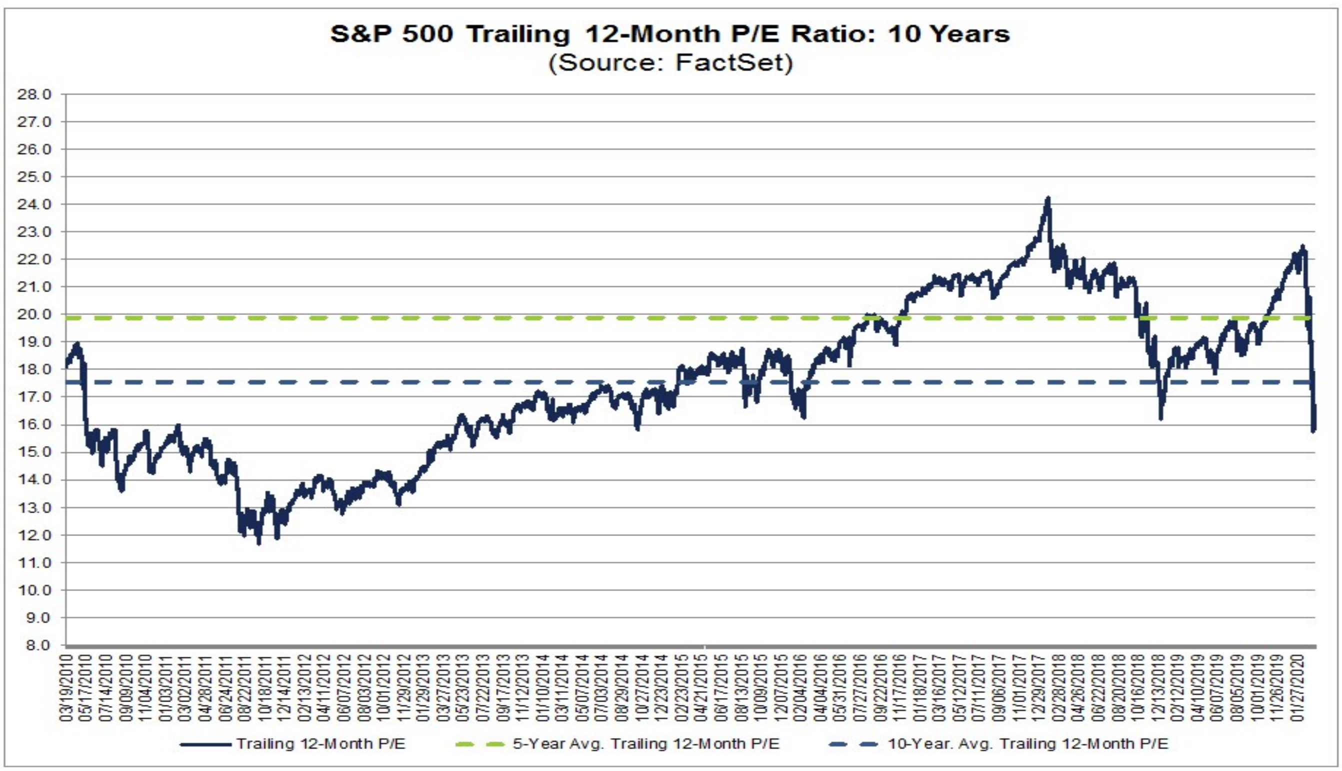
Forward 12M P/E Ratio: 10-Years



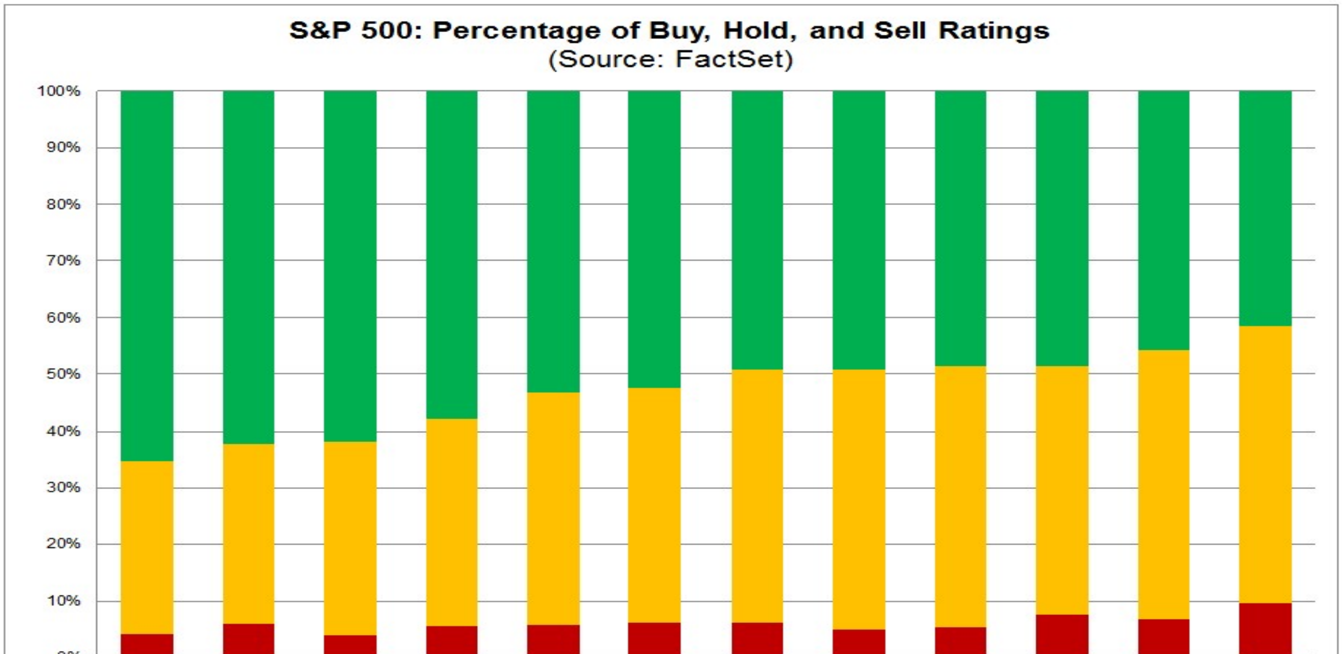


Trailing 12M P/E Ratio: 10-Years

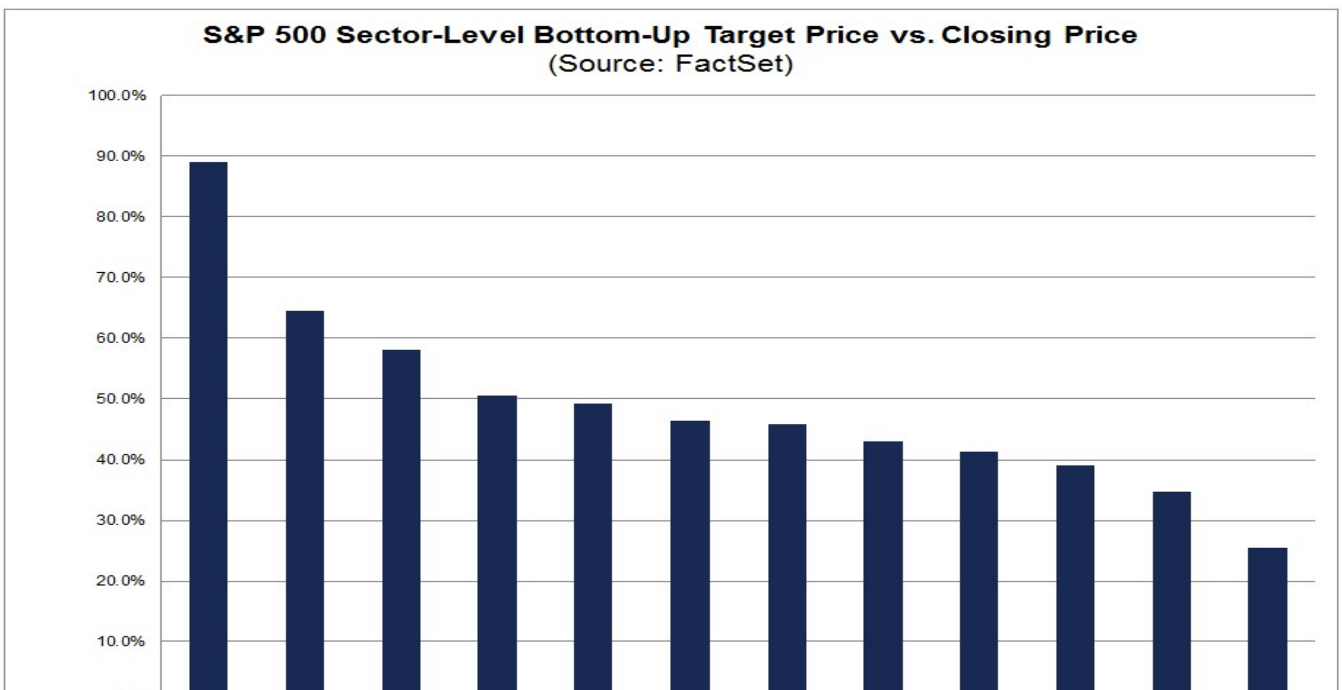




Targets & Ratings



	Energy	Comm. Services	Health Care	Info. Tech.	S&P 500	Materials	Industrials	Consumer Disc.	Real Estate	Utilities	Financials	Consumer Staples
Buy	65%	62%	62%	58%	53%	53%	49%	49%	49%	49%	46%	42%
Hold	31%	32%	34%	37%	41%	41%	44%	46%	46%	44%	47%	49%
Sell	4%	6%	4%	5%	6%	6%	6%	5%	5%	8%	7%	10%



	Energy	Financials	Industrials	Consumer Disc.	Materials	Real Estate	S&P 500	Comm. Services	Info. Tech.	Health Care	Utilities	Consumer Staples
Target/Close	89.0%	64.5%	58.1%	50.4%	49.4%	46.5%	45.9%	43.2%	41.3%	39.1%	34.7%	25.6%

Appendix 1: “Coronavirus” Citations on Quarterly Earnings Calls

Too Early or Difficult to Quantify Impact or Impact Not Reflected in Guidance on Earnings Call (76)

“So first off, we haven't – it's too soon to see any impact.” -American Airlines Group (Jan. 22)

“Before I hand it back to the operator, the growing coronavirus outbreak is a concern on multiple fronts. First, our thoughts and prayers go out to those impacted…That said, we have not embedded any financial impact in our first quarter or full year guidance.” -PerkinElmer (Jan. 27)

“I think it's too early to really know what the impact is going to be on it… Certainly, the reduction in people traveling, being able to go out to eat, being able to shop at the grocery stores is not a positive for business. We can't really quantify it right now. We certainly think that more facts will come out over the coming days really and we'll see – we'll have – we'll be better able to understand what the real business impact is.” -McCormick & Co. (Jan. 28)

“We introduced our 2020 EPS guidance this morning with the range of between $2.40 and $2.50 per share, a 10% increase at the midpoint compared with last year. Our 2020 EPS guidance excludes any potential impact to our businesses from the developing coronavirus originating in China.”-A. O. Smith Corporation (Jan. 28)

“Really too early to get into details about coronavirus.” -Stryker (Jan. 28)

“Now before I close, I know there are a lot of questions on the impact of the coronavirus on Corning. The safety and well-being of our people is our number one priority…At the same time, we have not factored any meaningful operational or financial impact in our guidance. The situation remains fluid and as more information becomes available, we will update you accordingly.” -Corning (Jan. 29)

“With respect to the coronavirus, it doesn't help. There's no doubt about that. We've talked to our customers about that and the level of impact that they're anticipating is unknown at this point.” -Norfolk Southern (Jan. 29)

“To your specific question around the impact of the coronavirus, here's what I'd tell you. It's early days. Fortunately, a decent portion of our inbound and outbound cross-border from China is e-comm-related so it provides some level of a hedge and we will continue to monitor the environment. It's too early to tell at this point in time how this thing plays out.” -Mastercard (Jan. 29)

“Now let me turn to our view for the full year 2020. As I just described, the situation in China surrounding the novel coronavirus is very fluid. While our Q1 outlook includes our best view of how the coronavirus will impact our business in the first quarter, it is very difficult to predict and forecast the longer term impact. Therefore, we are providing you with our best view of 2020 prior to the novel coronavirus outbreak so that you can use it as a baseline from which to build your models for the year.” -Align Technology (Jan. 29)

“As it relates to the virus, we're not seeing anything yet. Good news is our priority is to make sure we're doing everything to protect and support our employees and customers during this time….I think from a business perspective, it's too early to call.” -Varian Medical Systems (Jan. 29)

“Was that – because I largely talked about the economies that we see around the world, but maybe it's also good that I comment a little bit on China and the coronavirus situation for us…We do believe there will be an impact on our Q1 revenue, but it's really too early to quantify for us at this point. We are monitoring the situation closely and we'll update you if in case there is something that we need to report.” -Mondelez International (Jan. 29)

“For calendar 2020, assuming no material impact from coronavirus on our full year outlook, our view calls for WFE spend in the mid to high $50 billion range supported by sustained strong spending in foundry and logic, and significantly for Lam, improved spending in memory led first by NAND.” -Lam Research (Jan. 29)

“In terms of the coronavirus, I'll say first and foremost our thoughts are with the families and communities that are impacted by the virus….In terms of the financial impact of that, it's too early to call the financial impact either in Q1 or for the year. And as we get more clarity as this plays out, we'll certainly communicate transparently with investors.” - Illumina (Jan. 29)

"Specific to the coronavirus situation, obviously, it's a very challenging situation to get a clear handle on in terms of what its overall impact is. We have not seen any specific impact to this point on our business, but that was before everyone left for the New Year. And as you know, certain provinces are extending the Chinese New Year at this point, and that's obviously a little bit of a wild card here in the first quarter. So, losing potentially an extra week could have an impact on both sales in the supply chain. But, given that it's early in the quarter, we'll be working to offset that, certainly, here in the first quarter and see some impact moving to the second that we'd continue to work to offset. So, we haven't incorporated any of that into any guidance, but it's just too early to tell. We're hoping for the best." -Danaher (Jan. 30)

"So, it's way too early to tell what the impact in the short term is. And I think ultimately, in the long run, it will rebalance." -Coca-Cola (Jan. 30)

"It's also worth noting that our guidance does not include any potential impact from the coronavirus outbreak. It is too early to gauge the impact." -Thermo Fisher Scientific (Jan. 30)

"But it's just too early to see that as to whether there's going to be any impact on our business, Asia or otherwise. We'll just have to see how this plays out in the coming weeks." -Marsh & McLennan (Jan. 30)

"Clearly, the coronavirus would be the one unknown that really, we didn't have visibility to at the time and we are tracking that carefully. We do anticipate that will have an impact on our business in China, but as you know we are a predominantly North American based company. So, not as big an impact as we may see from some others. And we are carefully tracking and always do kind of what happens with Snap. At this point in time, we have not built in nor anticipate something significant there. But we'll keep a close eye on that." -Hershey (Jan. 30)

"At this point in time, the impact to us in ADM is very difficult to assess so early on." -Archer-Daniels-Midland (Jan. 30)

"I think ex the coronavirus we see what you just mentioned, improving conditions both on demand and on the economics. The virus issue is obviously a fluid situation and it's kind of early to tell." -International Paper (Jan. 30)

"Our customers, our suppliers, haven't seen to this point any negative impact. And we'll continue to monitor that closely. I think it's just too early to see." -Sherwin Williams (Jan. 30)

"Helped by the extra day in a leap year, second quarter net revenue growth rates are expected to be in the low double digits and modestly better than the first quarter. Our second quarter revenue outlook does not reflect the potential effects of the recent coronavirus outbreak in China. It is too early to assess this impact." -Visa (Jan. 30)

"And so, we are also assessing the supply side to have a pulse on what's happening with our supply. There could be some supply chain disruptions. To-date, it's been minimal. What I would say, it is a fluid situation and that we're monitoring it very closely. At this stage, Deane, it's hard to assess, difficult to assess." -Johnson Controls (Jan. 31)

"So, as I said in our outlook statement, our outlook statement does not include the impact of the coronavirus. I think we can all agree it's a little too early to call what those impacts are going to be." -Eastman Chemical (Jan. 31)

"But in terms of the coronavirus, as context, China for IDEXX is a little less than 2.5% of our overall revenues, all of our revenues in China, so we have a relatively smaller exposure to that market…We have seen limited impact to-date. We are monitoring it, of course, but have not factored a specific kind of impact into our outlook at this point." -IDEXX Laboratories (Jan. 31)

"We have not estimated a material impact if the coronavirus becomes more significant which is already impacting aviation, in particular flight hours, and could also have a broader negative impact on supply chains in the economy as was experienced with the SARS outbreak." -Honeywell (Jan. 31)

"Just a quick word as it relates to the coronavirus situation in China, we're obviously in the same position as everyone else. At this point, we've baked into our guidance a last week of production assuming that we all return to work in China on February 10. But obviously it's too early to tell and we'll continue to monitor the situation closely." -Illinois Tool Works (Jan. 31)

"We don't know how long this is going to last or what the impact is…But quite frankly, it's just too early to call until we see how this further develops." -Celanese (Jan. 31)

“At this point, it seems certain that there will be a negative impact from the coronavirus on our businesses in China and the total company for at least the first quarter. While we expect it to be temporary, it is still too early to quantify the impact. And therefore, this has not been included in our guidance.” -Colgate-Palmolive (Jan. 31)

“I think it's still early. I mean, we are seeing I think some impact on diesel demand, diesel cracks, jet cracks. I think we are starting to see some impact on freight rates. It's really early. It's a little bit speculative to say that, but I think we are getting some indication of impact already. It's really hard to measure and I think it's going to be difficult to determine the depth and the duration of this event. So, I think there's still a huge amount of uncertainty out there... But I think, Paul, we're still dealing with a lot of uncertainty as to the impact on the coronavirus.” -Phillips 66 (Jan. 31)

“In 2020, our initial view on China coming into the year is to expect stable end-market conditions relative to 2019, driven by cautious but steady pharma and industrial spending, moderate academic spending, and stabilization in the food market. That said, we are closely monitoring the coronavirus outbreak and it's too early to understand what impact this rapidly-evolving situation will have on our business. Therefore, no impact is included in our 2020 guidance.” -Water Corporation (Feb. 4)

“Finally, we know impacts from the coronavirus, are top-of-mind for many of you, and we're closely monitoring global developments. Our current 2020 guidance does not include possible impacts from the virus. It's still too early to develop reasonable quantitative data related to the impact.” -Leggett & Platt (Feb. 4)

“At this early stage, our guidance does not include potential impact from the coronavirus outbreak, given the dynamic nature of the situation. However, we are monitoring developments closely and will be transparent about the expected impact, providing updates if needed.” -Ralph Lauren (Feb. 4)

“Taking all this into account, if you turn to slide 5 you will see our guidance for 2020. As a reminder, and as Richard mentioned, there remains too many variables and uncertainties to reasonably estimate the overall financial impact relating to the Wuhan Coronavirus outbreak. As such, our guidance and key metrics for the full year and the first quarter do not include any financial impact that relates to this very fluid situation…We have included $744 million of fuel expense for the year and we are 54% hedged. Based on current fuel prices, currency exchange, and interest rates, and excluding the impact from the Coronavirus, we expect another record-breaking year with earnings per share between $10.40 and $10.70…All these issues make for a tough first quarter in terms of revenue growth. Net cruise costs, excluding fuel, are expected to be up approximately 3% for the quarter. Taking all this into account and excluding any impacts from Coronavirus, we expect adjusted earnings to be in the range of $0.80 to $0.85 per share.” -Royal Caribbean Cruises (Feb. 4)

“This slide lays out our second quarter 2020 guidance. The underlying sales outlook for the quarter is flat, reflecting continued headwinds in North American upstream and global discrete markets. Note that this outlook does not include any potential impact of the coronavirus.” -Emerson Electric (Feb. 4)

“Now, let me briefly talk about what we are seeing and doing relative to the coronavirus…Thus, my strong instinct is to want to tell you what the impact of this virus may be on our business and our guidance for this year. However, it's simply too early. China is only now starting to come back from an extended New Year holiday. Many companies, including Ford, are currently hoping to resume large parts of their industrial operations next week. The net is most experts are already saying, and we agree, that it will take weeks to begin to understand the implications of the outbreak. In the meantime, we will describe our expectations for the business excluding the possible effects of the coronavirus.” -Ford Motor (Feb. 4)

“And from a business perspective, as you know, the situation is very fluid and difficult to quantify.” -AMETEK (Feb. 5)

“Right now, you look at coronavirus, for example, and it's too early to tell how that's going to impact, but that could impact supply chain and add to some delays.” -CDW (Feb. 6)

“And just something that is in the air just now, I mean, this whole issue around the coronavirus. We have no problem today, but clearly if that continues there may be some impact on travel and the duty free. And in terms of supply chain, I think we're in pretty good shape for a few weeks. But if that persists for a very long period of time, like everybody else, we may have some issues with device supplies. Now that's not – a continuation of this, like in any company – is not baked into our guidance.” -Philip Morris International (Feb. 6)

“We're closely monitoring news of the coronavirus. We're actively assessing what this outbreak may mean for us, for our global business, and preparing for the possibility of any impact. In China, we've been working with the government and have successfully restarted some of our operations. The financial impact is unknown at this time. I would like to remind you that Q2 is normally a weaker quarter for us and we have seen a slower-than-expected start in January. For Q2 fiscal year 2020, we are expecting lower earnings than Q1 driven by continued weak market conditions in Chicken, higher raw material costs, and some residual ERP impacts in Prepared Foods and normal seasonal cyclicality in Beef and Pork. When combined with the overall availability of protein, a continuation of these factors will likely result in our earnings being lower than the same quarter last year. This is before any potential impacts to our business from coronavirus.” -Tyson Foods (Feb. 6)

“The impact to our business to-date is small, but it's challenging to quantify the potential magnitude at this time, as it will depend on how long it takes to contain the outbreak.” -Hasbro (Feb. 11)

“For full year 2020, unaffected by the coronavirus, our RevPAR growth expectations for the Asia Pacific region would be in line with our system-wide guidance, with the benefit from the Summer Olympics in Tokyo offsetting continued weakness in China. As the coronavirus situation continues to play out, we will try to give you more specific details of its effect on regional performance. But for now, we'll stick to giving you our preliminary enterprise-wide thoughts based on the assumptions that Chris laid out earlier. Moving to guidance for full year 2020 on an unaffected basis, we expect RevPAR growth of 0% to 1% and adjusted EBITDA of $2.42 billion to $2.47 billion. We forecast diluted EPS, adjusted for special items, of $4.08 to $4.21. For the first quarter, on an unaffected basis, we expect system-wide RevPAR growth to be roughly flat. We expect adjusted EBITDA of $520 million to $540 million and diluted EPS, adjusted for special items, of $0.85 to $0.91.” -Hilton Worldwide Holdings (Feb. 11)

“And of course, Asia is a little bit of a wildcard. I would note that Greater China is less than 2% of our combined revenues as a company. There will be some impact on the business from the coronavirus outbreak across the region. A little early to tell how much of an impact that will be, but given the relatively small size of that, given Global Payments as a whole, we certainly think we'll be able to absorb that and move through.” -Global Payments (Feb. 12)

“Our guidance does not reflect any potential disruptions in our global supply chain that could result from the coronavirus. We will continue to monitor the situation closely.” -Cisco Systems (Feb. 12)

“As we look into calendar year 2020, we expect certain headwinds which we believe are unpredictable within a reasonable range of accuracy. We're currently navigating an extremely fluid environment with the coronavirus, which we are taking very seriously….In addition to Far East, baccarat market here in Las Vegas had a difficult year in 2019. And as such, we are cautiously not expecting a material recovery in the near term. And so given the current environment, we have decided to remove our 2020 financial target.” -MGM Resorts (Feb. 12)

“Listen, our Q4 revenue guide does not include any disruption to our supply chain from the coronavirus.” -NetApp (Feb. 12)

“But I think you touched on an important point: how could that spill over to Europe and North America? I think that's a big unknown. And the longer there is production disruption in China, the more risk it poses on OE production across the globe. So there's a lot of uncertainty around that at the moment and we'll continue to monitor this day-to-day and week-to-week. But that type of production disruption, because of the uncertainty, is not embedded in our guidance at the moment; just the disruptions we've seen to date.” -BorgWarner (Feb. 13)

“As everyone is watching, the coronavirus is obviously emerging very quickly in the sense of certainly the news overnight. As we look at our business right now, it's probably too early to tell exactly what the impact will be, but let me talk a little bit about some of the risks that we're watching.” -Zoetis (Feb. 13)

“Finally, our guidance for Q1 does not reflect any impact from the ongoing coronavirus outbreak in China. While we do not have a significant direct manufacturing footprint in China, there may be some indirect supply chain impacts. We will look to monitor and attempt to mitigate these as the situation unfolds.” -Arista Networks (Feb. 13)

“Well, first of all, from a business standpoint, to be clear, our guide does not contemplate any impact from the coronavirus.” -Advanced Auto Parts (Feb. 18)

“While China is a relatively small percentage of our overall revenue base, we are expecting some shipment deferrals from the first quarter into Q2 and the balance of the year. As of right now, it is important to note that our guidance does not include any total year impact.” -Ingersoll Rand (Feb. 18)

“We are raising our fiscal year 2020 EPS guidance to a range of $5.63 to $5.65, up from $5.57 to $5.63 and reflecting our third quarter bottom line outperformance. For the fourth quarter, we expect $1.62 to $1.64. As mentioned upfront, all of the guidance I just gave excludes the impact of the coronavirus. Because the situation is so fluid, it is difficult to truly quantify the impact just a few weeks into our quarter. And for that reason, we plan to provide an update for you later this quarter.” -Medtronic (Feb. 18)

“Net, even with the challenging backdrop, we feel well-positioned and are forecasting continued strong cash flow and double-digit adjusted EPS for the year at the midpoint of our range. This includes a negative $0.08 from pension and a negative $0.04 from FX for the year. It also includes a $0.05 hit in the first quarter from coronavirus, but does not include any potential impact in Q2 through Q4, because at this point, it's impossible to estimate.” -Ecolab (Feb. 18)

“Now I would like to detail our annual guidance for 2020. Please note that the guidance assumes that scrap prices and foreign exchange rates hold at current levels and the annual effective tax rate is 27.5%. Additionally, the guidance assumes no material disruptions associated with the United Kingdom's exit from the European Union, the coronavirus outbreak or any escalation in trade wars or tariffs.” -LKQ Corporation (Feb. 20)

“Looking at expectations for the full-year 2020 on slide 13, we are providing guidance excluding direct and indirect impacts from COVID-19. Adjusted EPS is expected to be in the range of $5.40 to $5.60…The virus situation is extremely fluid. And while we expect additional direct and indirect impacts, it is simply too early to quantify potential broader headwinds to the business resulting from softer global demand for travel and tourism.” -Norwegian Cruise Line Holdings (Feb. 20)

“2020 non-GAAP diluted EPS from continuing operations attributable to Henry Schein is expected to be $3.65 to $3.75, reflecting a growth of 4% to 7% compared with the 2019 non-GAAP diluted EPS from continuing operations which was $3.51. I think it's important to note that our guidance assumes that there is no significant supply chain disruption related to the Novel Coronavirus for certain infection control products.” -Henry Schein (Feb. 20)

“Before reviewing the components of our guidance, it's worth noting that we are monitoring the coronavirus situation and working closely with the Chinese provincial authorities primarily focused on the well-being of our employees and a safe return to production. In terms of overall exposure, the biggest potential impact to Deere is in relation to the supply base that serves our international operations. The situation remains fluid, and we are working closely with our suppliers and logistics providers…Maybe just to summarize, we certainly feel good about the performance in the first quarter, but there's a few moving pieces for the rest of the year and it's too early for us to change our range at this point.” -Deere & Co. (Feb. 21)

“With respect to the possible impact of the coronavirus, we are carefully monitoring the situation to assess implications to our colleagues, tourism sales, and supply chain. While still too early to estimate, we anticipate that there could be a small impact on first quarter sales from international tourism. With respect to the supply chain, we are working with our vendor partners to minimize any possible disruption. As we have said before, less than 50% of our private brand goods come out of China. Our vendor partners source a sizable amount from there, too. As with tourism, it's too early to size any possible impact, but we'll keep you aware of any changes that could materially impact our business. At this time, we have not factored in any potential negative impact from the coronavirus into our 2020 guidance.” -Macy’s (Feb. 25)

“As Ernie mentioned, we are monitoring the coronavirus outbreak closely, but, at this time, we have not included any potential financial impact in our fiscal 2021 guidance.” -TJX Companies (Feb. 26)

“As far as the coronavirus, like everybody else I think any commentary that I would give at this point would be purely speculative. It's impossible to know what the impact will be specifically in the first quarter, but we're certainly prepared. Our hospitals are prepared as best as they can be if the coronavirus becomes more widespread, but I think virtually impossible to predict a financial impact.” -Universal Health Services (Feb. 27)

“Given the uncertainty surrounding the length and severity of the coronavirus situation, we cannot fully estimate the financial impact to our business at this time. So in our press release and our remarks today, we are providing a base case first quarter and full year 2020 outlook that does not reflect any impact from the outbreak.” -Marriott International (Feb. 27)

“Our business exposure in China specifically is limited. However, given the global nature of our supply chain operations and businesses, our results could potentially be impacted. The guidance we disclosed today does not include any anticipated impact from coronavirus. However, we will continue monitoring the situation very closely from a business perspective.” -Mylan (Feb. 27)

“We also manufacture finished goods through third-party bottlers and co-packers in China. The coronavirus outbreak could adversely affect our business and cause disruptions internationally, due to the closure or suspension of activities at such third-party manufacturers, as well as within China at our co-packing facilities and our China office. Ingredient sourcing delays could also interfere with and/or delayed production of certain of our products internationally. In addition, the outbreak together within the accompanying special government measures could adversely affect the growth of our business in China and affect demand for our products. However, it's too early to determine what impact it will have on our global supply chain and our operations.” -Monster Beverage (Feb. 27)

“Turning to guidance, as you saw in the release, our 2020 annual earnings guidance is $4.20 to $4.60 per share. This does not incorporate any potential negative impact from risks related to the coronavirus.” -Kohl’s (Mar. 3)

“We see no indications at this point in time of any demand destruction as a result of coronavirus. But just like we said with the supply chain, it's an incredibly, incredibly fluid situation. I think the next couple of weeks to a month are going to be critical to see what actually happens. We don't have good insights into that.” -Autozone (Mar. 3)

“Now, let's discuss our outlook for 2020. As noted in our press release, our guidance does not reflect the potential unknown impact from the evolving coronavirus outbreak. While we're closely monitoring the situation, there remains a high level of uncertainty over supply chain disruptions in China. In addition, it is unclear how a further possible spread of the coronavirus could negatively impact US consumer demand.” -Ross Stores (Mar. 3)

“Our 2020 guidance does not include the potential impact of coronavirus.” -Nordstrom (Mar. 3)

“However, there is still considerable uncertainty in the short-term due to the unknown potential impacts from the coronavirus, so we're not in a position to provide a second quarter outlook.” -Hewlett Packard Enterprise (Mar. 3)

“Our initial outlook for fiscal 2020 includes the following assumptions. Our outlook does not include any potential impact related to the supply chain or other aspects of the company's business for the COVID-19 coronavirus.” -Dollar Tree (Mar. 4)

“Before we invite your questions, I'd like to say a few words about the coronavirus. From a financial standpoint, it is too early to tell the effect on our business. It is not included in our guidance, and while it is obviously very early for this public health event in the United States, we are not seeing anything so far that would cause us to change our guidance.” -Kroger (Mar. 5)

“Now turning to the coronavirus and all the issues and impact surrounding it. Like everyone, we are keeping a close eye on the developments around the coronavirus including the impact on operations, the health and safety of our members and employees, and of course our supply chain...At this point, it's hard to quantify what the financial impact will be for our future results – to our future results. Again, the first week-and- half of this fiscal quarter, it's been – the last week-and-half has been quite good with the sales, but we'll see what tomorrow brings.” -Costco (Mar. 5)

“So now let's talk about the impact of COVID-19 on that outlook. As I sit here today, I have not yet seen a meaningful impact on bookings, and certainly, the fundamentals of the business remain very much intact. However, there is no doubt COVID-19 has created a high level of uncertainty which we can't help but think it's going to have an impact on our semiconductor business, in particular, in the second half of the fiscal year. But frankly, visibility is bad and confidence continue to erode. So, as a result, we believe it is only prudent that we withdraw our annual guidance until such time that visibility returns to pre-COVID-19 levels.” -Broadcom (Mar. 12)

"Now turning to our outlook for 2020. Providing guidance at this stage is a bit tricky. Given where we are in the evolution of the coronavirus impact and the inability to adequately quantify the impact on the business particularly for the US, we are providing guidance largely excluding the impact of coronavirus. For the first quarter, we have included the expected impact in our China, Japan and Europe businesses only where we have a better basis to estimate the impact. Our outlook does not incorporate the potential unknown impacts from the evolving coronavirus outbreak, including possible further spread in other regions, meaningful deterioration from current trends or potential disruption from any supply chain impacts. Given that, on a reported basis, we expect earnings per share to be in the range of $1.23 to $1.35. Excluding costs associated with our Gap fleet restructuring plans, we expect earnings per share to be in the range of $1.80 to $1.92, which includes a detriment of about $0.10 related to the estimated Q1 impact of coronavirus in our China, Japan, and European businesses." -Gap (Mar. 12)

"Finally, I would note again that our guidance for 2020 does not include assumptions for any impact related to coronavirus. The situation is dynamic, and it's very difficult to predict or quantify the impact of any potential disruption to our supply chain, changes in consumer demand or any other actions that may become necessary as events unfold." -Ulta Beauty (Mar. 12)

"As stated in today's press release, given the high degree of uncertainty around potential impacts presented by COVID-19, we are not providing full-year 2020 guidance at this time. Depending on how the situation unfolds, we hope to be in a position to provide additional guidance details during our first quarter earnings call currently scheduled for April 30." -Baxter International (Mar. 17)

"We are suspending our fiscal 2020 earnings forecast for our consolidated and segment results due to the great uncertainty caused by the coronavirus pandemic. While we cannot currently predict how long the economic impact of the pandemic will last, we do remain confident in our long-term strategy and our ability to adjust to market conditions." - FedEx (Mar. 17)

Guidance on Earnings Call Includes Impact or Modified Due to Impact (58)

"In terms of the Coronavirus, as I mentioned earlier, first and foremost, our thoughts are with all of those that are affected across the region, and as I mentioned, we're donating to groups that are working to contain the outbreak…As Luca had mentioned, we have a wider than usual revenue range for the second quarter due to the greater uncertainty." -Apple (Jan. 28)

"Given the strength of our Q1 results, we had intended to raise certain aspects of our full year financial outlook for fiscal 2020. However, due to the dynamic situation unfolding with the coronavirus, we are not revising guidance at this time and as we get more clarity on the situation, we will transparently communicate with investors." -Starbucks (Jan. 28)

"Finally, while the coronavirus situation in China is very fluid and it's early days to assess its full impact, we've factored in up to a $0.05 headwind to our EPS guidance, reflecting the mandated delays and starting back up following Lunar New Year that impacting many regions in China in which we operate." -Avery Dennison (Jan. 29)

"Given the increased uncertainty and disruption to our employees, doctors' practices, their patients and consumers, we believe it is prudent to reduce our outlook for Q1 to reflect the increased risk. Therefore, for Q1 our outlook reflects approximately 20,000 to 25,000 less Invisalign cases and $30 million to $35 million less revenues for Invisalign and iTero products sold in China. In addition, we are also absorbing $3 million to $4 million in idle China manufacturing plant and treatment planning capacity, which results in approximately 0.5% gross margin impact." -Align Technology (Jan. 29)

"This coronavirus concerns and first, our thoughts are with those affected in the region but we've been revisiting our outlook based on those concerns. We're comfortable with our forecast and feel that we've adjusted for what we perceive now as some risk. But we've been keeping a close eye on the situation, including extensive checks on the supply chain. To date, we've seen no material impact to our supply chain or with demand signals. However, the situation is evolving so we've reflected some added risk, as I mentioned, to our March guide including, as you'll notice, a wider range of outcomes. So, to your question, likewise, we're thinking about potential effects into the June quarter and even though our channels are lean, we are concerned about how this plays out because we just don't know. As it stands now, we would estimate the June quarter to be between $750 million to $800 million of revenue but, again, it's early." -Qorvo (Jan. 29)

"And then, given the uncertainties of the coronavirus and the fact the Chinese government has extended Chinese New Year by one week, we actually had our Asia team just within the last 48 hours redo the second half forecast on what they thought. And their latest thinking which is obviously very fluid given what's going on there is now reflected in this new guide. And ironically, it came in about the same as what we had before. We were minus 11.5 before we were minus 12." -Parker-Hannifin (Jan. 30)

"Given this heightened level of uncertainty regarding COVID-19, our full-year guidance that Kofi will cover in a few minutes reflects a wider range for sales, profit, and EPS than we would typically carry with just one quarter remaining in the year." -General Mills (Mar. 18)

"However, the recent closure of our parks in both Shanghai and Hong Kong, due to the ongoing coronavirus situation, will negatively impact second quarter and full year results. The current closure is taking place during the quarter in which we typically see strong attendance and occupancy levels due to the timing of the Chinese New Year holiday. The precise magnitude of the financial impact is highly dependent on the duration of the closures and how quickly we can resume normal operations. At Shanghai Disney Resort, we currently estimate the closure of the park could have an adverse impact to second quarter operating income of approximately $135 million, assuming the park is closed for two months during Q2. At Hong Kong Disneyland, we currently estimate the closure of the park could have an additional adverse impact to operating income of about $40 million for the second quarter. As I discussed last quarter, we were already seeing a significant decrease in visitation to Hong Kong Disneyland from China and other parts of Asia. So, in aggregate, we estimate these two factors could result in a decline in Hong Kong Disneyland's operating income of about $145 million for the second quarter. Again, this assumes the resort is closed for two months." -Walt Disney (Feb. 4)

"As Rick mentioned, the range of guidance has been widened to reflect this quarter's uncertainty in our current estimate of potential disruption. We expect total revenue to be in the range of $1.325 billion to $1.525 billion in the March quarter. This revenue guidance would have approximately been 3% to 5% higher at the midpoint without the adjustments for the coronavirus impact." -KLA Corporation (Feb. 4)

"Now, I turn to guidance for March quarter, the backlog from March quarter that started out quite strong continued to fill in during the month of January. Taking all these factors into consideration and after rolling up revenue expectations from sales regions as well as business units, we expect GAAP net sales based on sell-in revenue recognition for our products to be up between 2% to 9% sequentially in the March 2020 quarter. The midpoint of our guidance for the March 2020 quarter reflects what we believe our business can deliver assuming no extraordinary events. However, the wider-than-normal guidance range is to help account for the uncertainty associated with the evolving coronavirus situation. We are still in the early days of how this situation is playing out. We have no way to model how the rest of the quarter will play out for the coronavirus situation and what the consequent business impact may be. But we believe that our guidance range incorporates our best judgment for the possible scenarios." -Microchip Technology (Feb. 4)

"Looking ahead to our outlook for the March quarter. As the coronavirus outbreak continues, we have made our first priority the health and well-being of our employees and partners. We are also working with our suppliers to meet customer demand and mitigate risk to production, while we currently do not expect any material financial impact in the March quarter, there is still a lot of uncertainty, and therefore, we are widening our revenue and EPS guidance ranges." -Seagate Technology (Feb. 4)

"But in first quarter, the combination of some of those pricing pressures we're seeing in DES combined with the coronavirus issue that Dan outlined and really moving through that BTG integration, that was the guidance of the 6% to 7.5% pre-coronavirus and we estimate the impact, as mentioned, $10 million to $40 million from China, which brings our first quarter guidance down to 5% to 7%." -Boston Scientific (Feb. 5)

"Before reviewing brand highlights for the third quarter, I would like to share some of our thoughts on the coronavirus global health emergency and its impact on our outlook for the fourth quarter…Given the extraordinary and appropriate efforts taken to contain the virus, our trading results in Greater China and certain other parts of the Asia region have been materially impacted. Currently, approximately 150 of our 225 stores in Mainland China are closed. Additionally, for those stores remaining open, both traffic and sales have been severely reduced. Based on our current visibility into the situation in China, we are reducing revenue by approximately $100 million and earnings per share by $0.40 to $0.45 for the fourth quarter and full year… Now, I would like to summarize our outlook for the year. Prior to the situation in China, our earnings per share expectations were largely on track with our initial guidance for fiscal 2020. We now anticipate fiscal 2020 revenue of approximately $5.64 billion and earnings per share of approximately $4.45 to $4.50." -Capri Holdings (Feb. 5)

"As Akash will share with you, we have considered the impact of the coronavirus in our forward guidance based on the limited information we have at this time…Now, let me walk you through our financial guidance. For our second fiscal quarter guidance, we are estimating revenues to be in the range of $4.9 billion to $5.7 billion, and non-GAAP earnings per share of $0.80 to $0.95. There is significant uncertainty around the impact from the coronavirus on handset demand and supply chain. Based on the information we have at this time, we are widening and reducing the low end of our guidance range. We remain in active contact with our employees, customers and suppliers as we continue to monitor the situation." -QUALCOMM (Feb. 5)

"Based on our new guidance for FY 2020, we now expect revenue growth in the second quarter to be approximately 2% and EPS to be between $2.40 and $2.50. This includes an approximately $20 million to $30 million headwind from coronavirus within the quarter. This impact is contemplated within our full year guidance range." -Becton, Dickinson, and Company (Feb. 6)

"However, as it pertains to 2020, first, that the lap of the 53rd week represents a $24 million headwind, or just over 1%. Additionally, there are a few matters adding uncertainty to the outlook for the full year, most importantly, the impact of the coronavirus in China and the potential for it to impact surrounding areas in Asia and other parts of the world. Given the fluid nature of these issues, specific forecasts for impacts are challenging at the moment. However, we believe it prudent to plan our business to account for these risks. As such, we are currently basing our 2020 plan on the assumption that we will likely be below our long-term algorithm on a 52-week equivalent basis. We will update you as the year progresses and we have more information." -Yum! Brands (Feb. 6)

"However, the escalating coronavirus outbreak in China is now impacting our business, resulting in both significant traffic declines and the closure of the majority of our stores on the Mainland. As a result, we now expect that the second half of our fiscal year could be impacted by approximately $200 million to $250 million in sales and $0.35 to $0.45 in earnings per diluted share, given the current trends in China. If the situation further deteriorates or the outbreak further affects demand outside of the country, this impact could be worse." -Tapestry (Feb. 6)

"Although we anticipated this continued softness as we exited the year, since then events in China have further tempered our short-term outlook. The impact of the coronavirus has, for the time being, essentially halted deliveries within China, which is our second largest and fastest-growing market and it's slowing trade in Asia, more generally. As of today, our best view is that the first quarter impact of the coronavirus to the company is likely to be approximately 1 to 2 points of revenue in the quarter and $0.03 to $0.04 of EPS. It's obviously a dynamic situation and we are monitoring it very closely." -Xylem (Feb. 6)

"For the second half, net sales are expected to increase approximately 1% to 2% in constant currency. Currency translation is expected to negatively impact growth by 1 percentage point and the inclusion of Have & Be is expected to add 2 percentage points. In terms of cadence throughout the second half, we have anticipated the greatest negative sales impact from the coronavirus to be in the third quarter followed by a gradual recovery in the fourth quarter…EPS is forecast between $1.86 and $1.91 [$1.82 and $1.91] before restructuring charges. This includes approximately $0.03 dilution from currency and $0.17 dilution from Have & Be, which includes some impact from the coronavirus outbreak, purchase accounting and interest expense on the debt issuance as I mentioned previously." -Estee Lauder Companies (Feb. 6)

"Now let me make some comments on Q1. Based on market conditions today, we expect local currency sales growth to be approximately 0% to 1%. We recognize this is not a level you were expecting, so let me walk you through a few factors that are impacting our Q1 sales growth. First, Q1 will be our toughest sales growth comparison for the year as we had 7% growth in the first quarter of last year. Second, we expect Food Retail to be down double-digits in the quarter, which impacts sales growth by approximately 1%. And third, as Olivier mentioned earlier, we expect the coronavirus to have an impact on our sales in the quarter, but not for the full year. In Q1, we would expect sales in China to be down mid- to high-single-digits, which impacts our sales growth in the quarter by approximately 2%." -Mettler-Toledo International (Feb. 6)

"We are also initiating our first quarter adjusted diluted net EPS guidance of $0.70 to $0.74, representing year-over-year growth of 1% to 7%. This includes assumptions of low-single-digit core revenue decline and an effective tax rate of approximately 15%. Our first quarter guidance also anticipates a $0.02 headwind from the disruption we have seen so far associated with the coronavirus outbreak in China. This is a very fluid situation and we are monitoring it very closely." -Fortive (Feb. 6)

"Yeah. And I'd also add, you look at the – the guidance across the board related to the sequential decline from Q4 to Q1. We do look back the last couple of years in terms of the fall off that we've had from Q4 to Q1. Feels like that the E&P budgeting process both within North America and the international markets is getting a little bit more prolonged and certainly gets amplified when you add in a pullback in commodity prices and the fears related to the coronavirus. So, that is certainly factored into an extent into the Q1 guidance." -National Oilwell Varco (Feb. 7)

"Turning back to the year at hand and our outlook for 2020, I'd first like to take a minute to provide our thoughts on the rapidly evolving situation related to the coronavirus outbreak in China…With respect to what we have factored into today's initial 2020 outlook, with almost 600 monobranded Under Armour doors in China currently closed, we're estimating a first quarter revenue impact to the APAC region of about $50 million to $60 million, which is a little more than a 1 point of growth for Under Armour globally this year. Given the ongoing uncertainty, it is possible that this

situation could have a significant material impact both financially and operationally on our full year, including the potential for additional top-line contraction for total UA. But to reiterate, at this point, we're only contemplating a first quarter APAC revenue impact. As we gain better clarity and additional events unfold, we will provide updates as appropriate. Turning to our full year 2020 outlook, including a little more than a 1 point due to the coronavirus, we are expecting global revenue to be down at a low single-digit rate." -Under Armour (Feb. 11)

"In addition, our financial guidance includes our best assessment of potential coronavirus impacts which our guidance assumes will primarily affect our R&D Solutions segment. You can appreciate that this is evolving in real-time, but we can already see disruptions to our sites which are mostly hospitals in China. We are currently assuming and hoping for a short-term resolution to this outbreak and have therefore assumed an impact to first quarter of $25 million with heavy drop-through and have carried these impacts to our full year guidance." -IQVIA Holdings (Feb. 12)

"So display we still see as a very attractive adjacent market for the company. If you look at the growth that we've seen over the last few years, it's up significantly. I think we were around $0.5 billion. The business was up over $2 billion, down a little bit this year, but still a very, very attractive market. And certainly, our near-term guidance is impacted also because of the coronavirus. Some of our customers are in areas that are impacted, and so that reduced our guidance in terms of Q2." -Applied Materials (Feb. 12)

"Any impact of the coronavirus that we could quantify at this time is in our guidance." -Cadence Design Systems (Feb. 12)

"For the first quarter, we are estimating EPS in the range of $1.86 to $1.94, or an increase of 11% to 16%, excluding a 1% currency headwind. This range assumes normal seasonality in addition to headwinds in our Chinese merchant and package volumes due to the coronavirus outbreak. While it's still too early to assess the overall effect of the virus, this range incorporates the most recent estimate of our customers' impact." -Linde (Feb. 13)

"We enter 2020 with a higher-than-expected order backlog and solid pipeline of opportunities. Our contract manufacturers and other areas of our supply chain in China have experienced delays as worker returned from the new year later than usual due to the coronavirus outbreak. Our outlook incorporates our best view of the coronavirus impact." -Zebra Technologies (Feb. 13)

"But based upon everything that we know today and based upon the guidance that we've provided, we believe that it covers what we foresee could happen based upon today's knowledge of the coronavirus." -Laboratory Corporation of America (Feb. 13)

"And just so you understand what's in our guidance, I mean, our guidance effectively reflects the production disruptions we've seen to-date, both through end of January and into the first couple weeks of February." -Borg-Warner (Feb. 13)

"For the first quarter of 2020, IPG expects revenue of $220 million to $250 million. Company expects the first quarter tax rate to be approximately 26%. IPG anticipates delivering earnings per diluted share in the range of $0.00 to $0.30, with 52.9 million basic common shares outstanding and 53.6 million diluted common shares outstanding. This guidance assumes approximately $45 million in reduced revenue and $0.45 lower EPS from business disruption related to the novel coronavirus outbreak. This estimate is based upon the facts and understandings we have at this time." -IPG Photonics (Feb. 13)

"Very little to add there except specifically we didn't quantify on the coronavirus because it's too early. It's just too early to tell and understand it. But what we did do was widen the ranges and we can come back at some point subsequent in the year as we know more." -International Flavors & Fragrances (Feb. 13)

"Before we get to the numbers, let me comment on the impact of the coronavirus. While it is still early and the ultimate effect is difficult to estimate, we have reduced our Q1 revenue outlook by $100 million to account for the potential impact. We expect revenue to be $3 billion, plus or minus 2%." -NVIDIA (Feb. 13)

“Now, looking at Q1 specifically, we expect adjusted EBITDA to be down substantially. Vrbo losses will be significantly higher due to the usual seasonal trends as we invest to drive growth that will come later in the year. Cloud costs continue to ramp, and will have some carryover effect from the operational headwinds that we experienced late in 2019. Each of these is magnified in the first quarter, as a reminder, given our seasonally low adjusted EBITDA base. In addition, the coronavirus outbreak is adding further pressure on the top and bottom line in Q1. Based on the current trends, we expect approximately $30 million to $40 million impact to adjusted EBITDA in Q1, and we expect some impact beyond Q1 in 2020 as well.” -Expedia Group (Feb. 13)

“While we do not have any significant third-party suppliers in the Wuhan area, our suppliers are experiencing some disruption from slower start-up in the factories after the Chinese New Year break and more restricted travel in the country. Our current outlook for the first quarter assumes about a 1% headwind on top line from these issues, mostly impacting the Appliances & Cookware and Outdoor & Recreation businesses. Our guidance assumes the impact is temporary and contained to the first quarter.” -Newell Brands (Feb. 14)

“As is typical for us, we are expecting Q1 to be comparatively lighter than the remaining quarters of 2020. And this year will be a bit more exacerbated by the coronavirus. As such, we expect Q1 to deliver slightly less than 20% of full-year profitability.” -Ingersoll Rand (Feb. 18)

“And just – hey, just one more on the coronavirus, our guidance has everything that we know about coronavirus into the guidance now as well. So, that does account for anything that we would have anticipated with the impact in China.” -Flowserve (Feb. 18)

“First quarter adjusted diluted earnings per share are expected to be in the $1.05 to $1.13 range, up 2% to 10%, including an estimated unfavorable $0.05 per share impact from the coronavirus outbreak.” -Ecolab (Feb. 18)

“Now let's turn to our non-GAAP financial guidance for Q2. We are anticipating revenues in the range of $1.28 billion to $1.32 billion in the second quarter. This range is larger than we've traditionally provided, as we have attempted to estimate an impact of the coronavirus on our business in the second quarter. As this is a fluid situation, we thought it would be helpful to detail out our assumptions, particularly as we see an impact across both Q1 and Q2. Our guidance contemplates a $25 million to $50 million impact in our first half of our fiscal year, which translates to roughly to a 1.5 to 3-week impact on China revenues. Of this, we saw $10 million in Q1, and we are estimating a net $15 million to $40 million incremental impact in Q2.” -Agilent Technologies (Feb. 18)

“So looking ahead at Q2, revenue is expected to be $1.35 billion, plus or minus $50 million. This includes an approximately $70 million revenue reduction due to the near-term risks associated with the coronavirus. And as I said earlier, we expect to reduce channel inventory again, but to a much lesser degree than in the first quarter.” -Analog Devices (Feb. 19)

“Lastly, our guidance assumes a revenue headwind in China from the coronavirus of $5 million to $10 million or approximately 5% to 10% of our full-year China business. This projection assumes that life in China returns to normal at the beginning of April. However, given the fluidity of the situation, this estimate may change as we learn more…And finally, we are factoring in between a $0.05 and $0.10 headwind associated with the coronavirus.” -Teleflex (Feb. 20)

“Due in part to the impact from the coronavirus on global logistics on each of our businesses and lower lithium volumes while our customers make inventory adjustments, the first half adjusted EBITDA is estimated to be 15% to 20% below the first half of 2019. And Q1 could be down as much as 20% to 25% year over year.” -Albemarle Corporation (Feb. 20)

“We do expect a very difficult second quarter for international, primarily due to the impact of the coronavirus. However, if the outbreak is contained soon, the second half of the year could be more favorable as we refill the sales pipeline and get our plants back to running at full speed. Taking all these factors into account, we are maintaining our full-year earnings guidance at $1.69 to $1.83 per share and our sales guidance at $9.5 billion to $10.3 billion.” -Hormel Foods (Feb. 20)

“Now, turning to our outlook and guidance, we expect second quarter 2020 revenue to be in the range of $1.138 billion to $1.178 billion. For the first half of 2020, the midpoint of our guidance reflects 7% revenue growth or 6% core growth. This guidance incorporates our current assessment of the coronavirus impact.” -Keysight Technologies (Feb. 24)

"With regards to the financial impact from the coronavirus, we are factoring in our best assumptions at this time, recognizing that the situation remains highly dynamic. In Q2, we expect a negative impact to our top line, bottom line and free cash flow, although we view the impact as temporary with limited impact to our second half. In total, net of mitigations, we have factored in an $0.08 EPS impact into our Q2 guidance. We are also expecting to have a significant impact to free cash flow in Q2, with negative impacts to working capital due to delayed production and manufacturing timing and back-end loaded revenue linearity. Again, this should be temporary and not materially impact the full year…Taking these considerations into account, we are providing the following outlook. We are raising our full-year fiscal 2020 non-GAAP diluted net earnings per share to be in the range of $2.33 to $2.43 and our full-year fiscal 2020 GAAP diluted net earnings per share to be in the range of $2.03 to $2.13. We expect Q2 2020 non-GAAP diluted net earnings per share to be in the range of $0.49 to $0.53, inclusive of our best estimates of coronavirus, and Q2 2020 GAAP diluted net earnings per share to be in the range of $0.46 to $0.50." -HPQ (Feb. 24)

"As you all know, it's not possible to predict where and to what degree outbreaks of the coronavirus will disrupt travel patterns. While the incidents of infections have slowed in China, in the last week alone, new outbreaks have occurred in South Korea, Iran and Italy. We've been able to measure the impacts on our business so far in Asia, and we've seen a recent impact of room night bookings in Europe, following the outbreak in Italy. As a result, we're providing only a near-term outlook with a wider guidance range to account for the possibility there will be a growing travel disruption in Europe. Based on where we are in the quarter and considering the continued impact of the coronavirus, we're forecasting Q1 booked room nights to be down 5% to 10% versus the prior year. Clearly, we're dealing with a very fluid situation and it's extremely difficult to predict where Q1 will come out, but this is our best estimate based upon the data we have available now. We forecast total gross bookings to decline 8% to 13% on a constant-currency basis and about 200 basis points more in US dollars. Our Q1 forecast assumes that constant-currency ADRs for the company will be down about 4%." -Booking Holdings (Feb. 26)

"As discussed last quarter, in our medium-term framework, we are focused on realizing identified operational efficiencies and driving continued margin expansion at Connect over time. In addition, we've adjusted the low end of our guidance range to incorporate our current assessment of risks related to the coronavirus." -Niesen Holdings (Feb. 27)

"For Onshore/Offshore guidance, we see revenue in a range of $7.5 billion to $7.8 billion and adjusted EBITDA margin of at least 10%, reflecting a lower contribution from Yamal LNG and an increasing contribution from projects in early stages. This guidance includes the impacts that we can estimate at this time for the coronavirus." -TechnipFMC (Feb. 27)

"Before I turn the call over to Matt, I want to note that we are closely monitoring the developments related to the coronavirus, and our thoughts are with all of those who have been affected. We remain focused on supporting our people and vendor partners during this time. As you all know, this is a very fluid situation that is changing daily, and thus it is very difficult to determine exact financial impacts. Our guidance ranges for both Q1 and the full year reflect our best estimates at this time. Based on what we know today, we have assumed the majority of the impacts occur in the first half of the year. Therefore, we view this as a relatively short-term disruption that does not impact our long-term strategy and initiatives." -Best Buy (Feb. 27)

"Second, the recent outbreak of the coronavirus is bringing new challenges to China and to other countries in the region. The outbreak could potentially delay some deals originally planned in the first half of 2020 to the second half of the year. This has an insignificant impact on our annual outlook and is factored into our Q1 guidance." -ANSYS, Inc. (Feb. 27)

"Advisory Services fee revenue was expected to increase in the mid-single-digit range, driven by growth of a similar range in both leasing and capital market. This outlook reflects the tough comparisons we will face in the first half of the year and the activity we've seen so far in 2020. It also reflects a subdued set of expectations for the APAC region, primarily China, as a result of the impact from coronavirus." -CBRE Group (Feb. 27)

“We estimate that in the first quarter of 2020, we have an exposure of approximately $60 million to $70 million in sales stemming from coronavirus. Assuming activities get back to normal in April, we estimate a non-GAAP EPS impact of $0.10 to $0.12. We acknowledge it is more difficult to forecast accurately in the current environment and this explains the wider than usual EPS guidance range we are providing today. With that said, these are the key elements of our guidance for fiscal 2020. We expect 3% to 4% internal revenue growth. However, accounting for the potential impact of coronavirus in the first quarter, we believe growth will likely be towards the bottom end of the range.” -DENTSPLY SIRONA (Mar. 2)

“Also, we do feel it is prudent to revise our fiscal year 2020 free cash flow outlook from $1.9 billion to $2.1 billion to $1.6 billion to $1.8 billion given that we expect some impact on cash conversion cycles driven by the ongoing recovery from supply constraints and impact of the coronavirus.” -Hewlett Packard Enterprise (Mar. 3)

“Now, turning to my final topic this morning, an update on our fiscal 2020 full-year outlook. There are really two sets of factors weighing on our outlook, which I will describe in turn, that has led us to revising our full-year underlying net sales growth from 5% to 7% to low-single digits...Now turning to the second factor weighing on our outlook. The uncertainty and unpredictability, the effect the coronavirus may have on our business globally, including the current most effective areas Travel Retail in Asia, most notably China. Included in our outlook is an estimate of some additional deterioration that is likely if this continues to evolve globally.” -Brown-Forman (Mar. 4)

“For revenues, as Al mentioned, we anticipate a roughly negative $15 million impact from the coronavirus in Q2, but both businesses expect to make that up in Q3 and Q4. Therefore, we're holding our revenue guidance unchanged with consolidated revenue guidance for fiscal 2020 remaining $2.767 billion to $2.817 billion.” -Cooper Companies (Mar. 5)

“Now, before turning to guidance, I need to say a few words about the impact of the COVID-19 virus. Over the last few weeks, we've observed the growing public concern. We're largely conducting business as usual with some modifications such as using videoconferencing and asking our employees to postpone nonessential travel. Likewise, we're seeing other companies take precautionary actions. It's not yet clear what the effect of the virus will have on our customers and suppliers, and as a result, what the impact will be on our business in Q4…Given the uncertainty in the current business climate, I'm going to provide a much wider range in my estimate for total revenue.” -Oracle (Mar. 12)

“Now turning to our outlook for 2020. Providing guidance at this stage is a bit tricky. Given where we are in the evolution of the coronavirus impact and the inability to adequately quantify the impact on the business particularly for the US, we are providing guidance largely excluding the impact of coronavirus. For the first quarter, we have included the expected impact in our China, Japan and Europe businesses only where we have a better basis to estimate the impact. Our outlook does not incorporate the potential unknown impacts from the evolving coronavirus outbreak, including possible further spread in other regions, meaningful deterioration from current trends or potential disruption from any supply chain impacts. Given that, on a reported basis, we expect earnings per share to be in the range of $1.23 to $1.35. Excluding costs associated with our Gap fleet restructuring plans, we expect earnings per share to be in the range of $1.80 to $1.92, which includes a detriment of about $0.10 related to the estimated Q1 impact of coronavirus in our China, Japan, and European businesses.” -Gap (Mar. 12)

“Turning to our financial targets, I'd like to review two areas as you think about modeling the rest of our fiscal year…The second area is the consideration of business impact we could see because of COVID-19. We have factored into our Q2 targets the expected impact of the global uncertainty caused by the COVID-19 situation as we understand it to date. While our revenue and earnings are relatively predictable as a result of our subscription-based business model, we do expect to be impacted in the following areas: enterprises deferring bookings decisions; delaying consulting services implementations and reducing marketing spend; consumers reducing spending in countries more adversely impacted by the COVID-19 situation; and software license revenue driven by channel partners. These impacts are expected to be more prominent in countries and industries most affected by the crisis.” -Adobe (Mar. 12)

“Given this heightened level of uncertainty regarding COVID-19, our full-year guidance that Kofi will cover in a few minutes reflects a wider range for sales, profit, and EPS than we would typically carry with just one quarter remaining in the year.” -General Mills (Mar. 18)

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 content, analytics, and flexible technology to help more than 126,000 users see and seize opportunity sooner. We give investment professionals the edge to outperform with informed insights, workflow solutions across the portfolio lifecycle, and industry-leading support from 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.