John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

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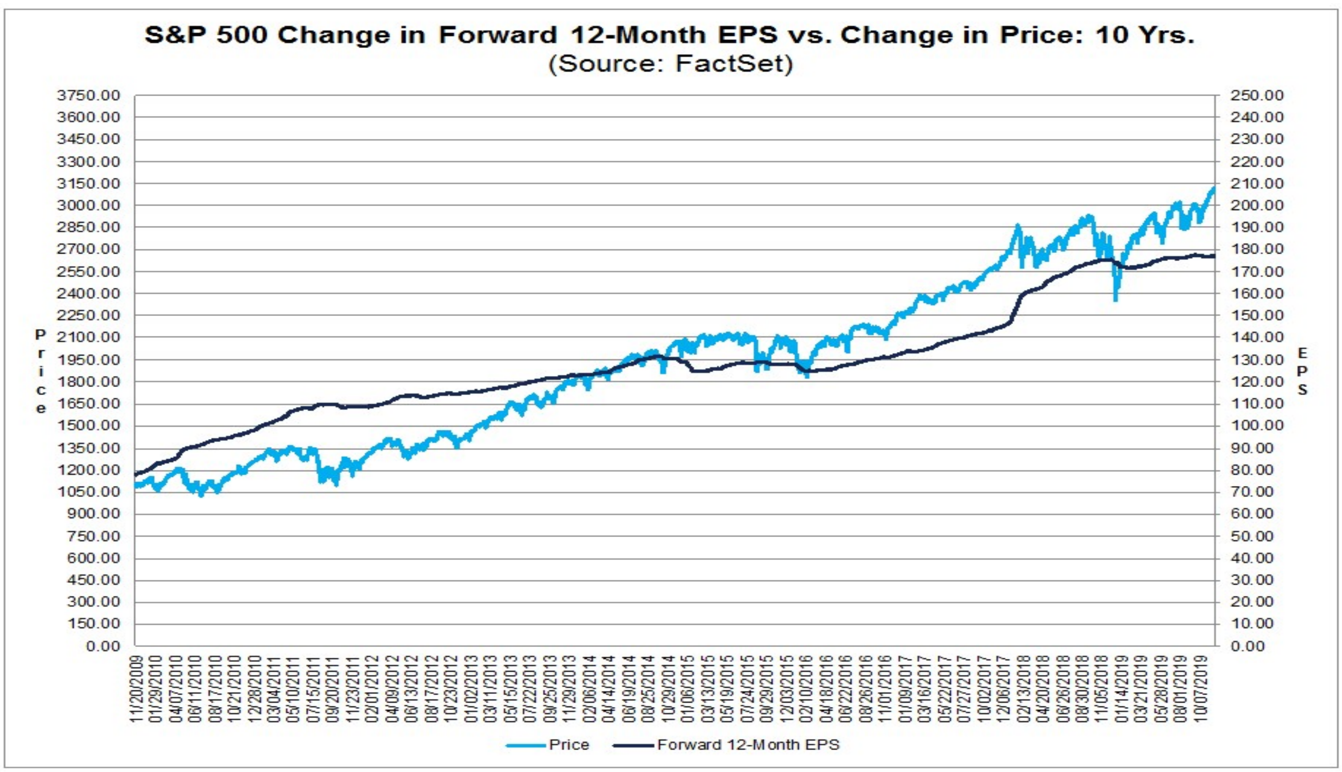
Author's Note: ***Due to the author being out of the office, we will not be publishing the FactSet Earnings Insight report on November 29. The next edition of the report is scheduled to be published on December 6.***

Key Metrics

- **Earnings Scorecard:** For Q3 2019 (with 96% of the companies in the S&P 500 reporting actual results), 75% of S&P 500 companies have reported a positive EPS surprise and 59% of S&P 500 companies have reported a positive revenue surprise.
- **Earnings Growth:** For Q3 2019, the blended earnings decline for the S&P 500 is -2.2%. If -2.2% is the actual decline for the quarter, it will mark the first time the index has reported three straight quarters of year-over-year earnings declines since Q4 2015 through Q2 2016.
- **Earnings Guidance:** For Q4 2019, 65 S&P 500 companies have issued negative EPS guidance and 27 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 17.6. This P/E ratio is above the 5-year average (16.6) and above the 10-year average (14.9).



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Topic of the Week:

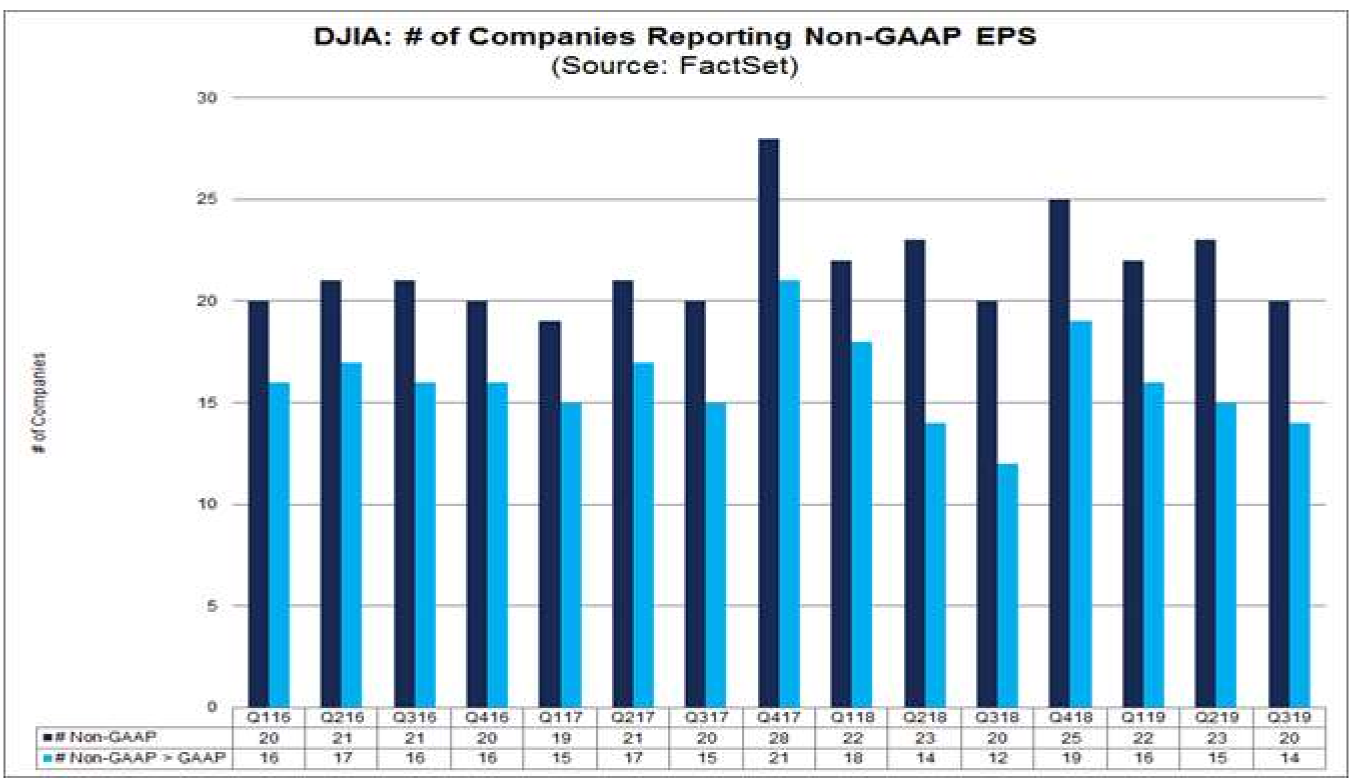
How Much Did Non-GAAP EPS Exceed GAAP EPS for the Dow 30 in Q3?

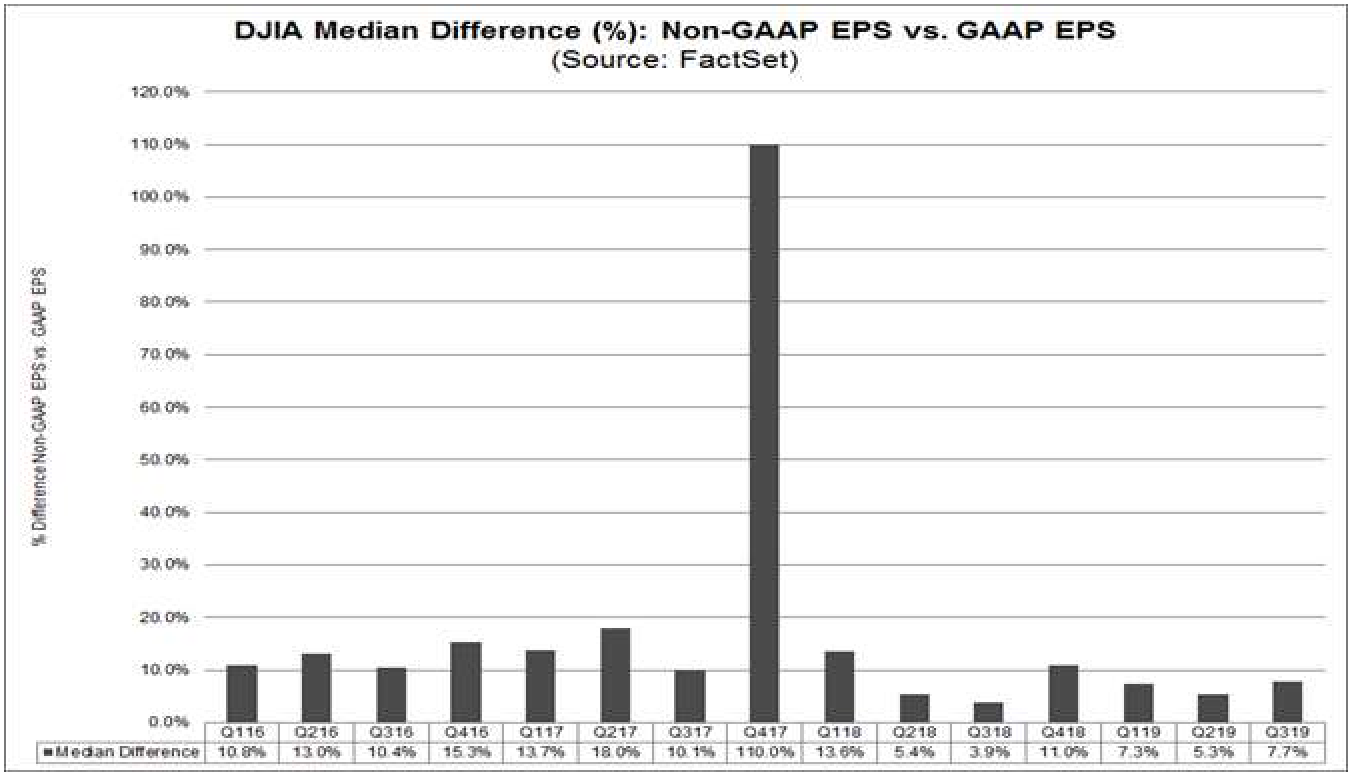
While all publicly traded U.S companies report EPS on a GAAP (generally accepted accounting principles) basis, many U.S. companies also choose to report EPS on a non-GAAP basis. There are mixed opinions in the market about the use of non-GAAP EPS. Supporters of the practice argue that it provides the market with a more accurate picture of earnings from the day-to-day operations of companies, as items that companies deem to be one-time events or non-operating in nature are typically excluded from the non-GAAP EPS numbers. Critics of the practice argue that there is no industry-standard definition of non-GAAP EPS, and companies can take advantage of the lack of standards to exclude items that (more often than not) have a negative impact on earnings to boost non-GAAP EPS.

As of today, all of the companies in the Dow Jones Industrial Average (DJIA) have reported actual EPS for Q3 2019. What percentage of these companies reported non-GAAP EPS for Q3 2019? What was the median difference between non-GAAP EPS and GAAP EPS for companies in the DJIA for Q3 2019? How did these differences compare to recent quarters?

For Q3 2019, 20 (or 67%) of the 30 companies in the DJIA reported non-GAAP EPS in addition to GAAP EPS for the third quarter. Since 2016, 73% of companies in the DJIA have reported non-GAAP EPS in addition to GAAP EPS on average. Of these 20 companies, 14 (or 70%) reported non-GAAP EPS that exceeded GAAP EPS. Since 2016, 75% of companies in the DJIA reported non-GAAP EPS that exceeded GAAP EPS on average. The median difference between non-GAAP EPS and GAAP EPS for all 20 companies was 7.7%. Since 2016, the median difference between non-GAAP EPS and GAAP EPS has been 10.9%.

Thus, the number of companies in the DJIA reporting non-GAAP EPS, the number of companies reporting non-GAAP EPS exceeding GAAP EPS, and the median difference between non-GAAP EPS and GAAP EPS for Q3 2019 were all slightly below the average (or median) quarterly numbers since 2016.





DJIA: Top 5 Non-GAAP EPS > GAAP EPS for Q3 2019

Company	Ticker	Non-GAAP EPS	GAAP EPS	Difference (%)
Walt Disney Company	DIS	1.07	0.43	148.8%
Merck & Co., Inc.	MRK	1.51	0.74	104.1%
Dow, Inc.	DOW	0.91	0.45	102.2%
Walgreens Boots Alliance Inc	WBA	1.43	0.75	90.7%
United Technologies Corporation	UTX	2.21	1.33	66.2%

Q3 Earnings Season: By The Numbers

Overview

To date, 96% of the companies in the S&P 500 have reported actual results for Q3 2019. In terms of earnings, the percentage of companies reporting actual EPS above estimates (75%) is above the 5-year average. In aggregate, companies are reporting earnings that are 3.9% above the estimates, which is below the 5-year average. In terms of sales, the percentage of companies (59%) reporting actual sales above estimates is equal to the 5-year average. In aggregate, companies are reporting sales that are 0.7% above estimates, which is also equal to the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings decline for the third quarter is -2.2%, which is slightly smaller than the earnings decline of -2.3% last week. Positive earnings surprises reported by companies in the Consumer Discretionary sector were mainly responsible for the small decrease in the overall earnings decline during the week. If -2.2% is the actual decline for the quarter, it will mark the first time the index has reported three straight quarters of year-over-year declines in earnings since Q4 2015 through Q2 2016. It will also mark the largest year-over-year decline in earnings reported by the index since Q2 2016 (-3.2%). Six sectors are reporting (or have reported) year-over-year growth in earnings, led by the Utilities and Health Care sectors. Five sectors are reporting (or have reported) a year-over-year decline in earnings, led by the Energy, Materials, and Information Technology sectors.

The blended revenue growth rate for the third quarter is 3.1%, which is equal to the revenue growth rate of 3.1% last week. If 3.1% is the actual growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q3 2016 (2.7%). Eight sectors are reporting (or have reported) year-over-year growth in revenues, led by the Health Care sector. Three sectors are reporting (or have reported) a year-over-year decline in revenues, led by the Materials sector.

Looking ahead, analysts see a decline in earnings in the fourth quarter followed by 5% to 7% earnings growth for Q1 2020 and Q2 2020.

The forward 12-month P/E ratio is 17.6, which is above the 5-year average and above the 10-year average.

During the upcoming week, 12 S&P 500 companies are scheduled to report results for the third quarter.

Scorecard: More Companies Beating EPS Estimates, But By Smaller Margins

Percentage of Companies Beating EPS Estimates (75%) is Above 5-Year Average

Overall, 96% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 75% have reported actual EPS above the mean EPS estimate, 6% have reported actual EPS equal to the mean EPS estimate, and 19% have reported actual EPS below the mean EPS estimate. The percentage of companies reporting EPS above the mean EPS estimate is above the 1-year (74%) average and above the 5-year (72%) average.

At the sector level, the Consumer Staples (90%), Health Care (87%), and Information Technology (85%) sectors have the highest percentages of companies reporting earnings above estimates, while the Materials (54%) and Energy (54%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+3.9%) is Below 5-Year Average

In aggregate, companies are reporting earnings that are 3.9% above expectations. This surprise percentage is below the 1-year (+5.2%) average and below the 5-year (+4.9%) average.

The Information Technology sector (+6.9%) is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Gartner ($0.70 vs. $0.43) and Intuit ($0.41 vs, $0.26) have reported the largest positive EPS surprises.

The Health Care sector (+6.6%) is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, WellCare Health Plans ($5.50 vs. $3.86), Illumina ($1.93 vs. $1.40), and Incyte ($0.59 vs. $0.44) have reported the largest positive EPS surprises.

On the other hand, the Energy sector (+0.2%) reported the smallest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, TechnipFMC ($0.12 vs. $0.51) and Occidental Petroleum ($0.11 vs. $12.32) reported the largest negative EPS surprises.

The Communication Services sector (+0.4%) reported the second smallest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, News Corporation ($0.04 vs. $0.05), Alphabet ($10.12 vs. $12.32), TripAdvisor ($0.58 vs. $0.69), and Twitter ($0.17 vs. $0.20) reported the largest negative EPS surprises.

Market Rewarding Earnings Beats

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

Companies that have reported positive earnings surprises for Q3 2019 have seen an average price increase of +2.2% two days before the earnings release through two days after the earnings. This percentage increase is well above the 5-year average price increase of +1.0% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q3 2019 have seen an average price decrease of -1.7% two days before the earnings release through two days after the earnings. This percentage decrease is smaller than the 5-year average price decrease of -2.6% during this same window for companies reporting negative earnings surprises.

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

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

At the sector level, the Health Care (83%) and Financials (80%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (18%) and Materials (29%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+0.7%) is Equal to 5-Year Average

In aggregate, companies are reporting revenues that are 0.7% above expectations. This surprise percentage is below the 1-year (+0.9%) average but equal to the 5-year (+0.7%) average.

At the sector level, the Financials (+2.8%) sector reported the largest positive (aggregate) difference between actual revenues and estimated revenues, while the Utilities (-6.1%) sector reported the largest negative (aggregate) difference between actual revenue and estimated revenues.

Revisions: Decrease in Blended Earnings Decline this Week Due to Consumer Discretionary

Decrease in Blended Earnings Decline This Week Due to Consumer Discretionary

The blended (year-over-year) earnings decline for the third quarter is -2.2%, which is smaller than the earnings decline of -2.3% last week. Positive earnings surprises reported by companies in the Consumer Discretionary sector were mainly responsible for the decrease in the overall earnings decline during the week.

No Change in Blended Revenue Growth This Week

The blended (year-over-year) revenue growth rate for the third quarter is 3.1%, which is equal to the revenue growth rate of 3.1% last week.

Year-Over-Year Earnings Decline: -2.2%

The blended (year-over-year) earnings decline for Q3 2019 is -2.2%, which is below the 5-year average earnings growth rate of 6.9%. If -2.2% is the actual decline for the quarter, it will mark the first time the index has reported three straight quarters of year-over-year declines in earnings since Q4 2015 through Q2 2016. It will also mark the largest year-over-year decline in earnings reported by the index since Q2 2016 (-3.2%).

S&P 500 companies with more international revenue exposure are reporting a much larger decline in earnings relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended earnings decline is -7.4%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended earnings growth rate is 0.6%.

Six sectors are reporting (or have reported) year-over-year earnings growth, led by the Utilities and Health Care sectors. Five sectors are reporting (or have reported) a year-over-year decline in earnings, led by the Energy, Materials, and Information Technology sectors.

Utilities: Four Industries Reported Year-Over-Year Growth Above 10%

The Utilities sector reported the highest (year-over-year) earnings growth of all eleven sectors at 10.1%. At the industry level, all five industries in this sector reported growth in earnings. Four of these five industries reported double-digit earnings growth: Independent Power and Renewable Electricity Producers (33%), Gas Utilities (27%), Multi-Utilities (11%), and Water Utilities (11%).

Health Care: Providers & Services Industry Leads Year-Over-Year Growth

The Health Care sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 8.8%. At the industry level, five of the six industries in this sector are reporting (or have reported) growth in earnings. Three of these five industries are reporting (or have reported) double-digit earnings growth: Health Care Providers & Services (20%), Health Care Equipment & Suppliers (11%), and Life Sciences Tools & Services (10%).

Energy: 4 of 6 Sub-Industries Reported Year-Over-Year Decline

The Energy sector reported the largest (year-over-year) decline in earnings of all eleven sectors at -39.7%. Lower oil prices helped to drive the decline in earnings for the sector, as the average price of oil in Q3 2019 ($56.44) was 19% lower than the average price of oil in Q3 2018 ($69.43). At the sub-industry level, four of the six sub-industries in the sector reported a decline in earnings for the quarter: Integrated Oil & Gas (-54%), Oil & Gas Exploration & Production (-49%), Oil & Gas Equipment & Services (-11%), and Oil & Gas Refining & Marketing (-3%). On the other hand, the other two sub-industries in the sector reported growth in earnings for the quarter: Oil & Gas Drilling (101%) and Oil & Gas Storage & Transportation (10%).

Materials: Metals & Mining Industry Led Year-Over-Year Decline

The Materials sector reported the second largest (year-over-year) earnings decline of all eleven sectors at -9.6%. At the industry level, two of the four industries in this sector reported a decline in earnings: Metals & Mining (-61%) and Containers & Packaging (-12%). On the other hand, the other two industries in this sector reported earnings growth: Construction Materials (29%) and Chemicals (2%).

At the company level, Freeport-McMoRan and Nucor were the largest contributors to the (year-over-year) decline in earnings for the sector. Freeport-McMoRan reported actual EPS of -$0.01 for Q3 2019, compared to year-ago EPS of $0.35. Nucor reported actual EPS of $0.90 for Q3 2019, compared to year-ago EPS of $2.33. If these two companies were excluded, the blended earnings growth rate for the sector would improve to 1.5% from -9.6%.

Information Technology: Micron Technology Leads Year-Over-Year Decline

The Information Technology sector is reporting the third largest (year-over-year) earnings decline of all eleven sectors at -5.2%. At the industry level, three of the six industries in this sector are reporting a decline in earnings: Semiconductors & Semiconductor Equipment (-25%), Technology Hardware, Storage, & Peripherals (-10%), and Electronic Equipment, Instruments & Components (-5%). On the other hand, the other three industries in this sector are reporting (or have reported) earnings growth: Software (16%), IT Services (7%), and Communication Equipment (4%).

At the company level, Micron Technology is the largest contributor to the (year-over-year) decline in earnings for the sector. The company reported actual EPS of $0.56 in Q3 2019, compared to year-ago EPS of $3.53. If Micron Technology were excluded, the blended earnings decline for the sector would improve to -0.4% from -5.2%.

Year-Over-Year Revenue Growth: 3.1%

The blended (year-over-year) revenue growth rate for Q3 2019 is 3.1%, which is below the 5-year average revenue growth rate of 3.5%. If 3.1% is the actual growth rate for the quarter, it will mark the lowest revenue growth rate for the index since Q3 2016 (2.7%).

S&P 500 companies with more international revenue exposure are reporting a much larger decline in revenues relative to S&P 500 companies with less international revenue exposure. For S&P 500 companies that generate more than 50% of revenue outside the U.S., the blended revenue decline is -2.1%. For S&P 500 companies that generate more than 50% of revenue inside the U.S., the blended revenue growth rate is 5.1%.

Eight sectors are reporting (or have reported) year-over-year growth in revenues, led by the Health Care sector. Three sectors are reporting (or have reported) a year-over-year decline in revenues, led by the Materials sector.

Health Care: Cigna and CVS Lead Growth on Easy Comparisons to Year-Ago Pre-Merger Revenues

The Health Care sector is reporting the highest (year-over-year) revenue growth of all eleven sectors at 15.1%. At the industry level, all six industries in this sector are reporting (or have reported) revenue growth for the quarter. However, the Health Care Providers & Services is the only industry that reported double-digit revenue growth (20%).

At the company level, Cigna and CVS Health are the largest contributors to (year-over-year) revenue growth for the sector. However, the revenue growth rates for both companies are being boosted by apples-to-oranges comparisons of post-merger revenues to pre-merger revenues. For Cigna, the actual revenue for Q3 2019 ($35.83 billion) reflects the combined revenues of Cigna and Express Scripts, while the actual revenue for Q3 2018 ($11.46 billion) reflects the standalone revenue for Cigna. For CVS Health, the actual revenue for Q3 2019 ($64.81 billion) reflects the combined revenues of CVS Health and Aetna, while the actual revenue for Q3 2018 ($47.27 billion) reflects the standalone revenue for CVS. These apples-to-oranges comparisons are the main reason Cigna and CVS Health are the largest contributors to revenue growth for the sector. If these companies were excluded, the blended revenue growth rate for the sector would fall to 7.3% from 15.1%.

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

The Materials sector reported the highest (year-over-year) decline in revenue of all eleven sectors at -14.7%. At the industry level, two of the four industries in this sector reported a decline in revenue for the quarter: Chemicals (-21%) and Metals & Mining (-14%).

At the company level, DuPont was the largest contributor to the (year-over-year) decline in revenue for the sector. However, the revenue decline was boosted by an apples-to-oranges comparison of post-split revenues to pre-split revenues. The actual revenue for Q3 2019 ($5.43 billion) reflected the standalone revenue for DuPont, while the actual revenue for Q3 2018 ($20.12 billion) reflected the combined revenue for DowDuPont (DuPont, Dow, and Corteva). This apples-to-oranges comparison was the main reason DuPont was the largest contributor to the revenue decline for the sector. If this company were excluded, the blended revenue decline for the sector would improve to 1.6% from -14.7%.

Looking Ahead: Forward Estimates and Valuation

Guidance: Negative Guidance for Q4 is Slightly Above 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, 92 companies in the index have issued EPS guidance for Q4 2019. Of these 92 companies, 65 have issued negative EPS guidance and 27 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 71% (65 out of 92), which is slightly above the 5-year average of 70%.

Earnings: Near Flat Earnings Projected for 2019

For the third quarter, S&P 500 companies are reporting a decline in earnings of -2.2% and growth in revenues of 3.1%. Analysts see a decline in earnings in the fourth quarter followed by earnings growth of 5% to 7% in Q1 2020 and Q2 2020.

For Q4 2019, analysts are projecting a decline in earnings of -1.4% and revenue growth of 2.5%.

For CY 2019, analysts are projecting earnings growth of 0.1% and revenue growth of 3.8%.

For Q1 2020, analysts are projecting earnings growth of 5.3% and revenue growth of 4.4%.

For Q2 2020, analysts are projecting earnings growth of 6.7% and revenue growth of 4.9%.

For CY 2020, analysts are projecting earnings growth of 9.9% and revenue growth of 5.5%.

Valuation: Forward P/E Ratio is 17.6, Above the 10-Year Average (14.9)

The forward 12-month P/E ratio is 17.6. This P/E ratio is above the 5-year average of 16.6 and above the 10-year average of 14.9. It is also above the forward 12-month P/E ratio of 16.8 recorded at the end of the third quarter (September 30). Since the end of the third quarter (September 30), the price of the index has increased by 4.3%, while the forward 12-month EPS estimate has decreased by 0.3%.

At the sector level, the Consumer Discretionary (21.3) and Information Technology (20.7) sectors have the highest forward 12-month P/E ratios, while the Financials (12.9) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 9% Increase in Price Over Next 12 Months

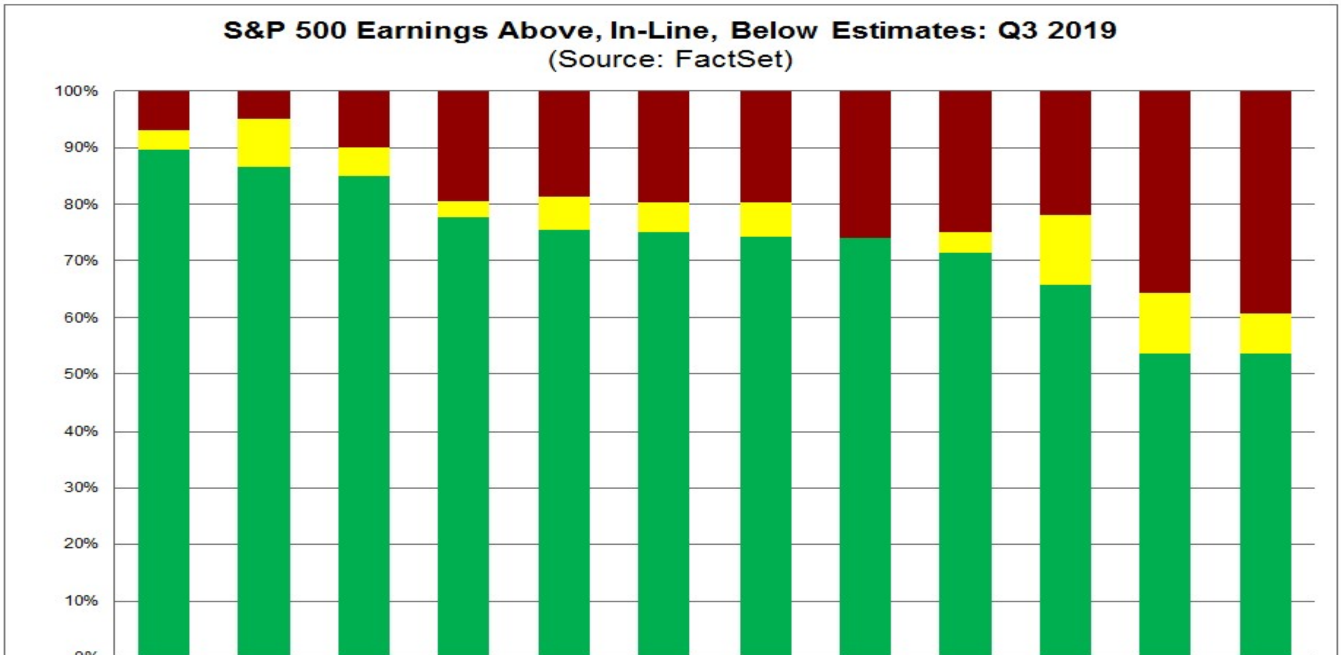
The bottom-up target price for the S&P 500 is 3387.98, which is 9.2% above the closing price of 3103.54. At the sector level, the Energy (+16.4%) and Consumer Discretionary (+16.3%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Financials (+3.8%) sector is expected to see the smallest price increase, as this sector has the smallest upside difference between the bottom-up target price and the closing price for this sector.

Overall, there are 10,048 ratings on stocks in the S&P 500. Of these 10,048 ratings, 50.1% are Buy ratings, 42.9% are Hold ratings, and 6.9% are Sell ratings. At the sector level, the Energy (66%) sector has the highest percentage of Buy ratings, while the Consumer Staples (39%) and Utilities (40%) sectors have the lowest percentages of Buy ratings.

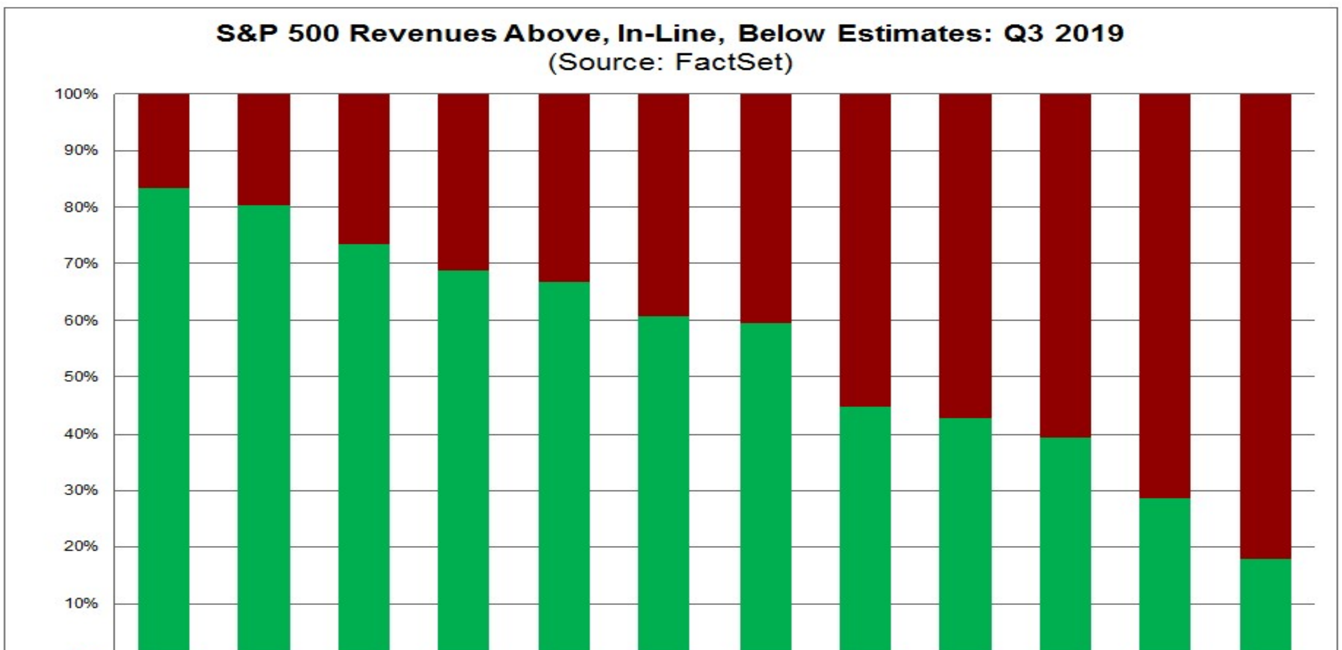
Companies Reporting Next Week: 12

During the upcoming week, 12 S&P 500 companies are scheduled to report results for the third quarter.

Q3 2019: Scorecard

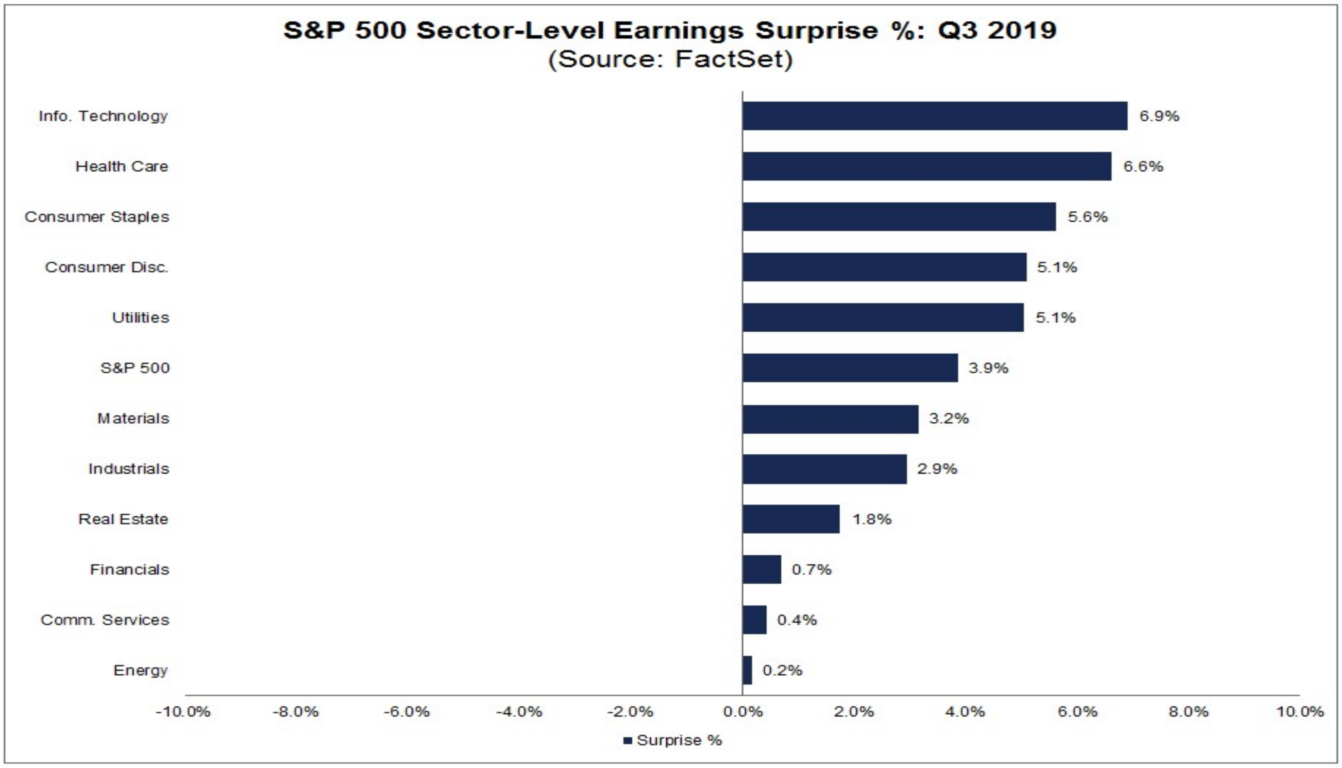


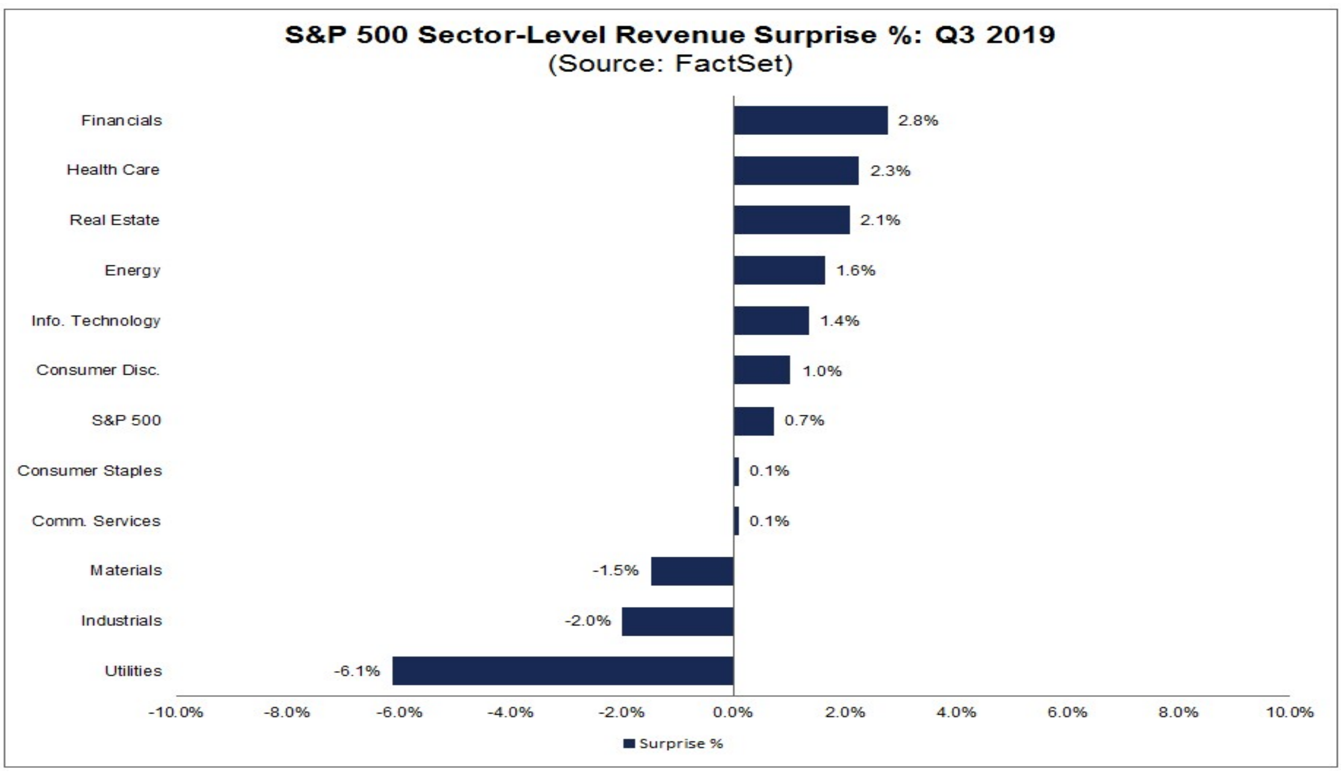
	Consumer Staples	Health Care	Info. Technology	Financials	S&P 500	Consumer Disc.	Industrials	Comm. Services	Utilities	Real Estate	Energy	Materials
Below	7%	5%	10%	19%	19%	20%	20%	26%	25%	22%	36%	39%
In-Line	3%	8%	5%	3%	6%	5%	6%	0%	4%	13%	11%	7%
Above	90%	87%	85%	78%	75%	75%	74%	74%	71%	66%	54%	54%



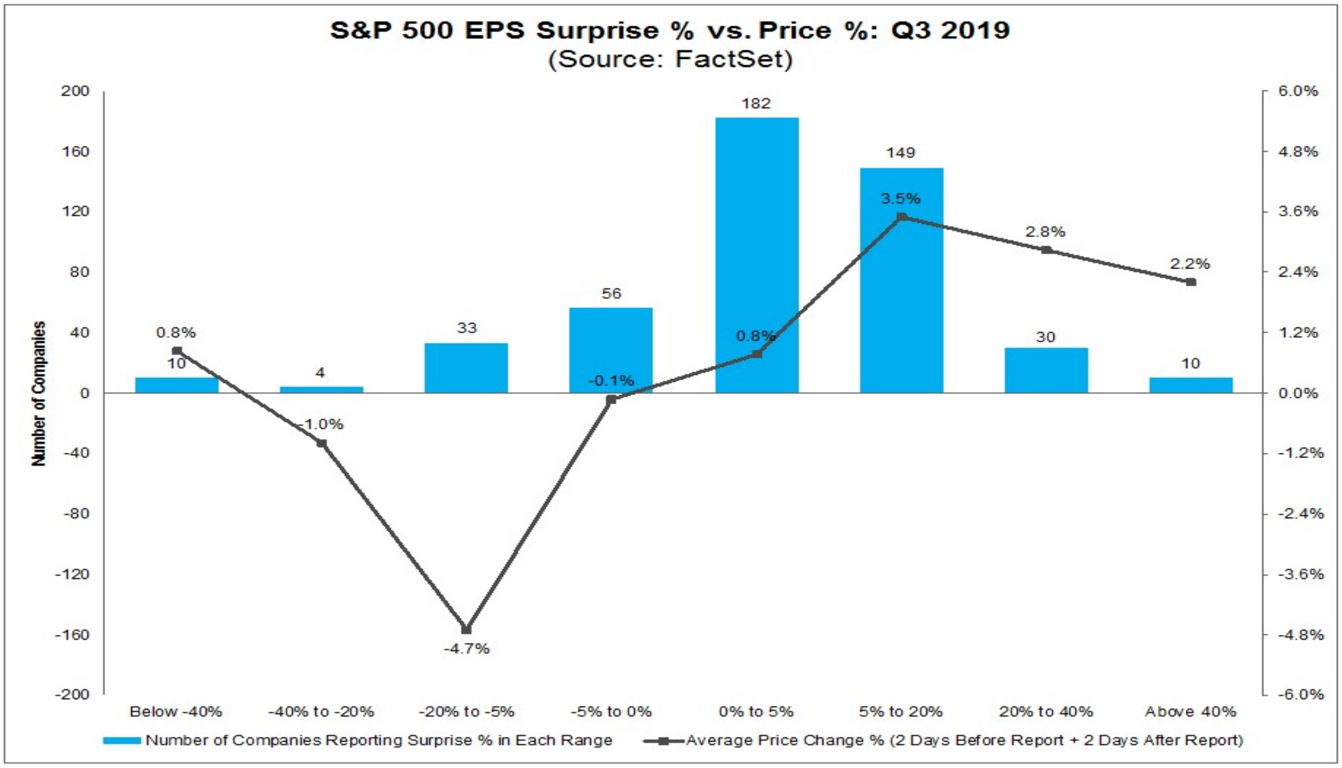
	Health Care	Financials	Info. Technology	Real Estate	Comm. Services	Consumer Disc.	S&P 500	Consumer Staples	Energy	Industrials	Materials	Utilities
Below	17%	20%	27%	31%	33%	39%	41%	55%	57%	61%	71%	82%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	83%	80%	73%	69%	67%	61%	59%	45%	43%	39%	29%	18%

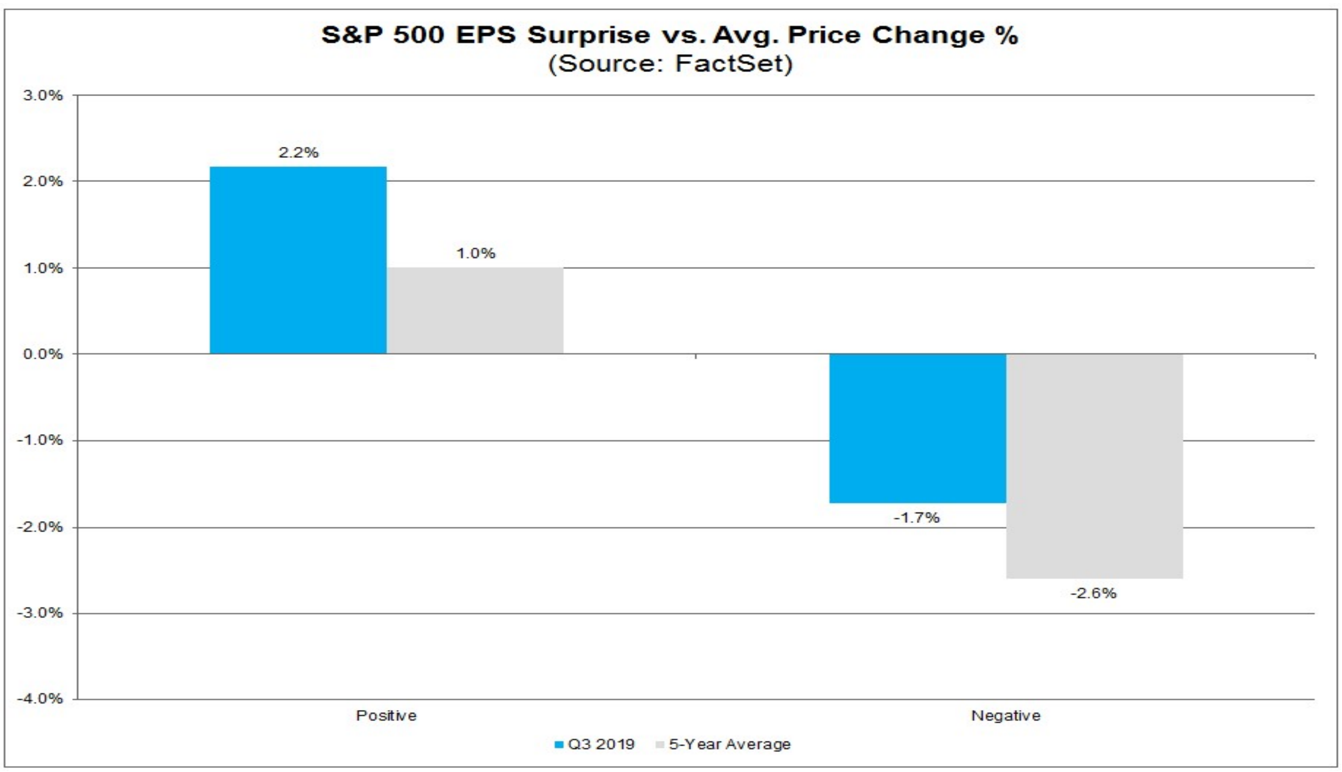
Q3 2019: Scorecard



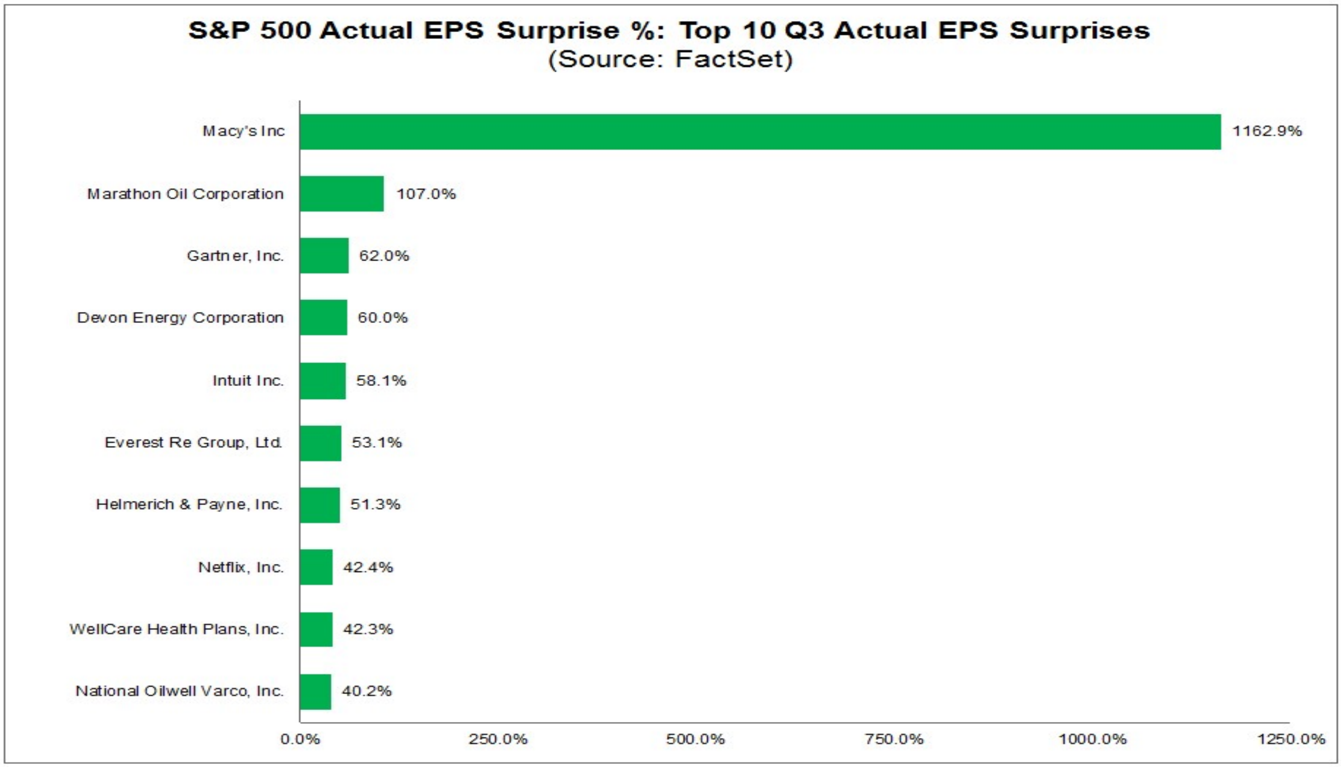


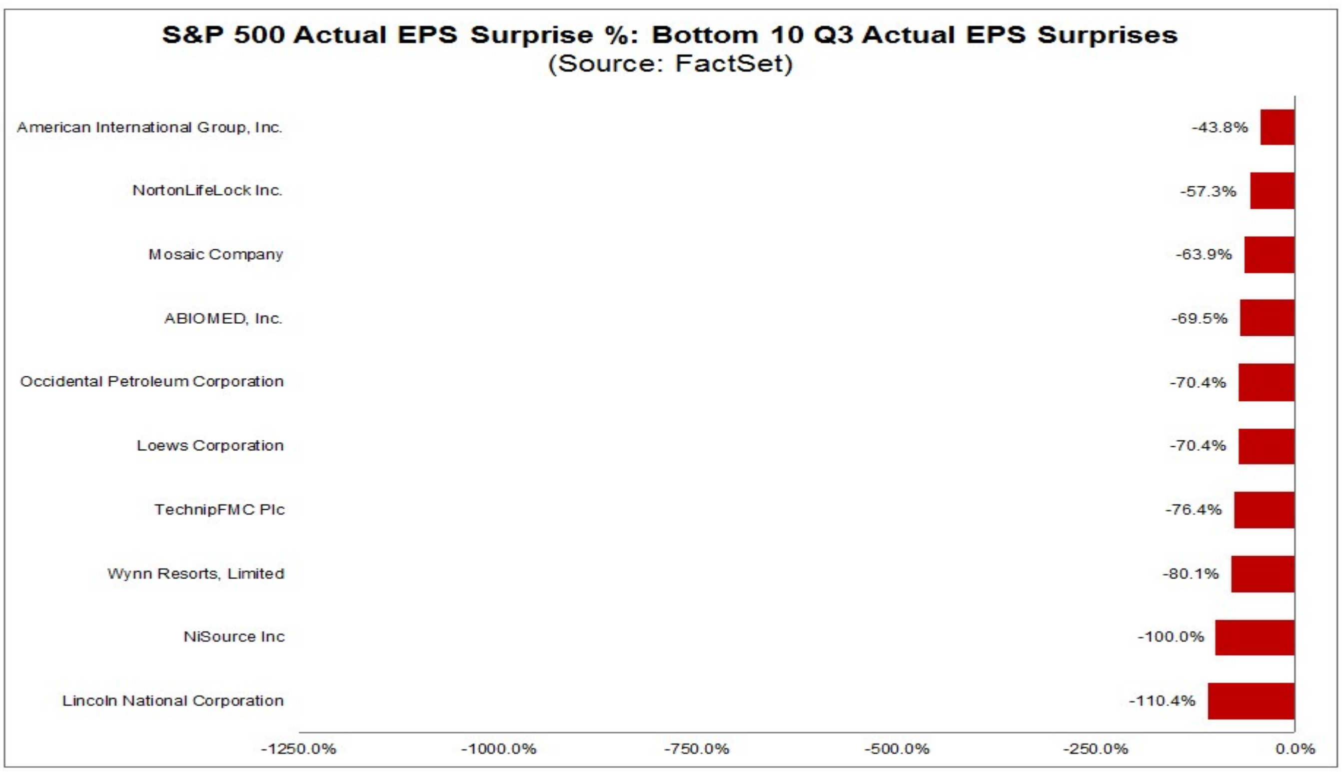
Q3 2019: Scorecard



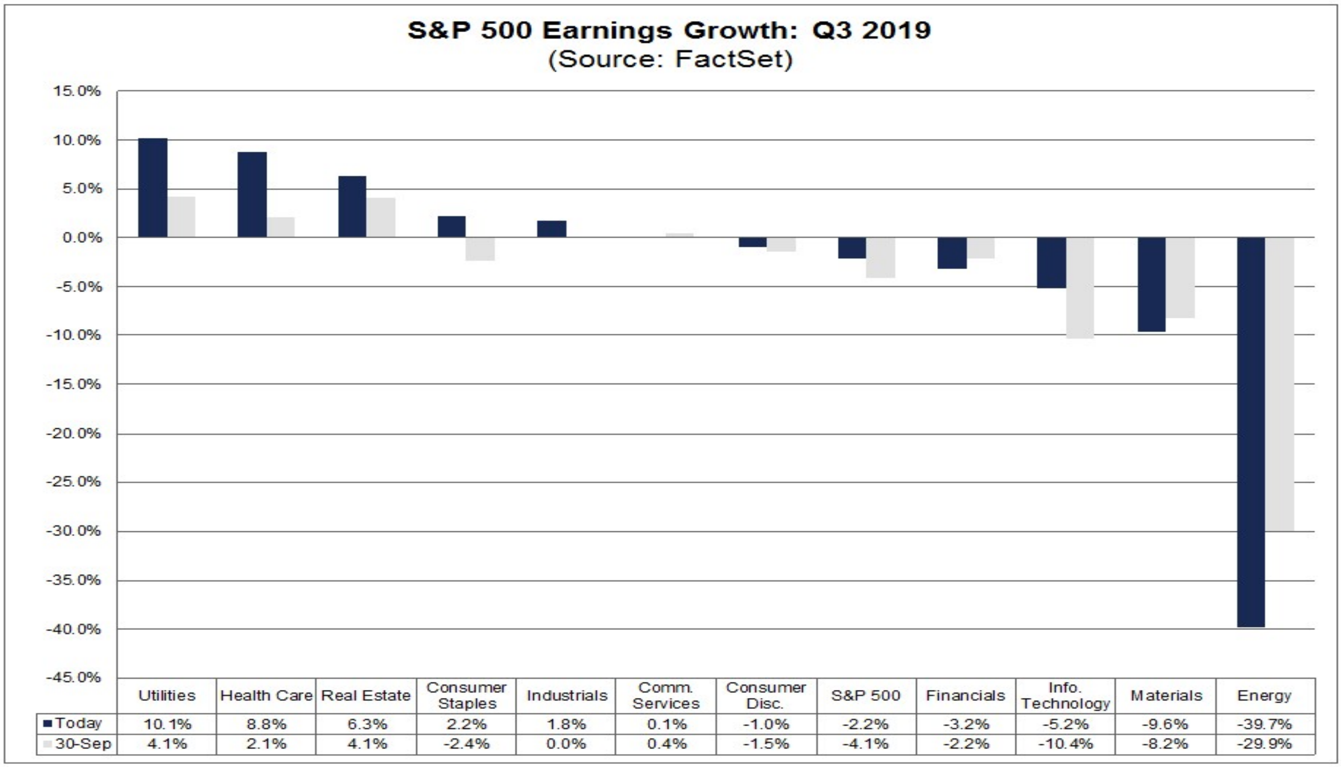


Q3 2019: Scorecard

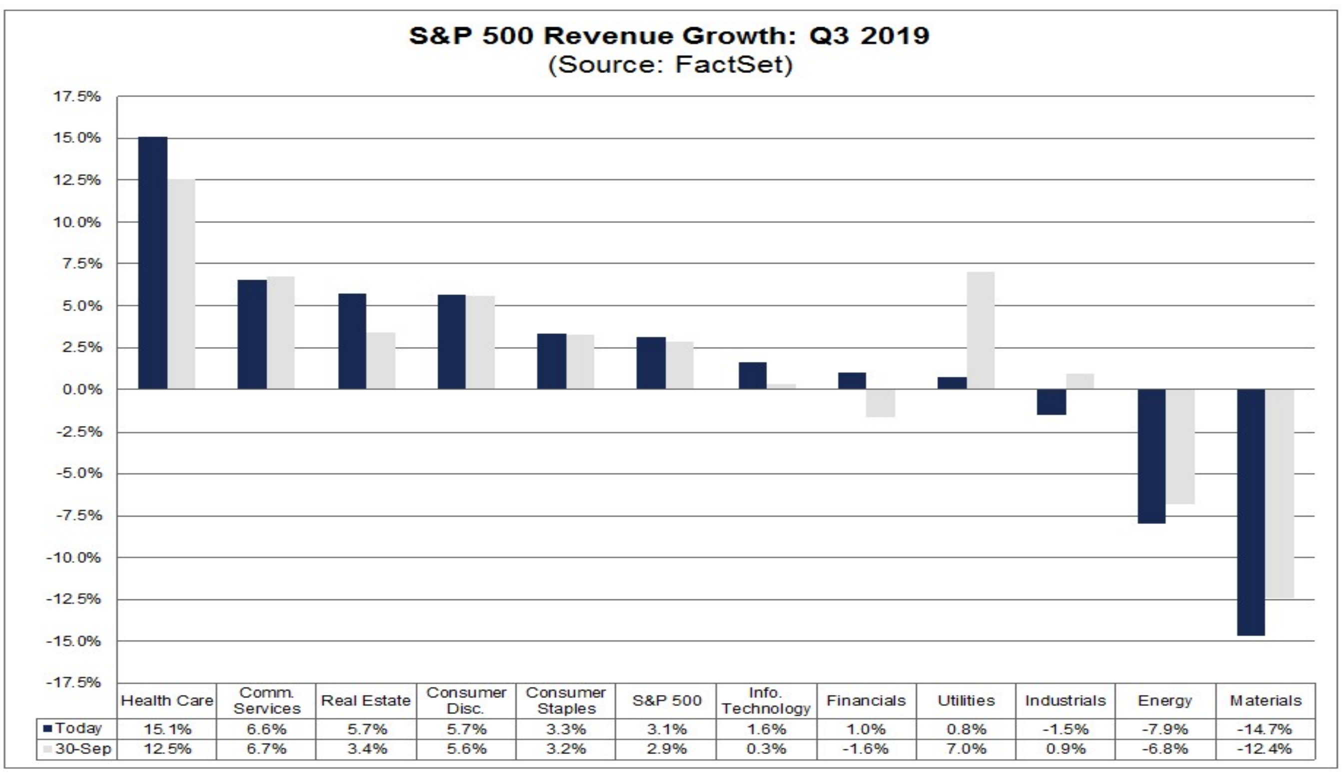




Q3 2019: Growth

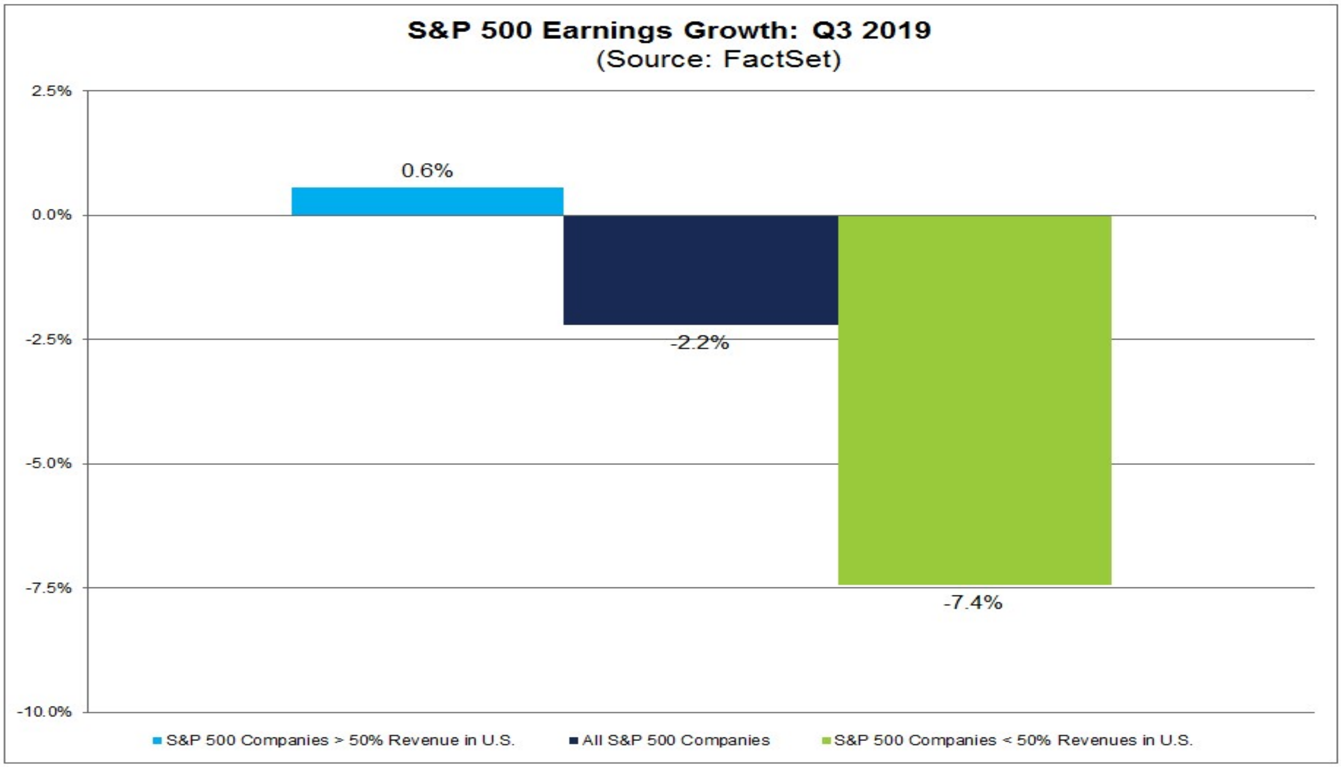


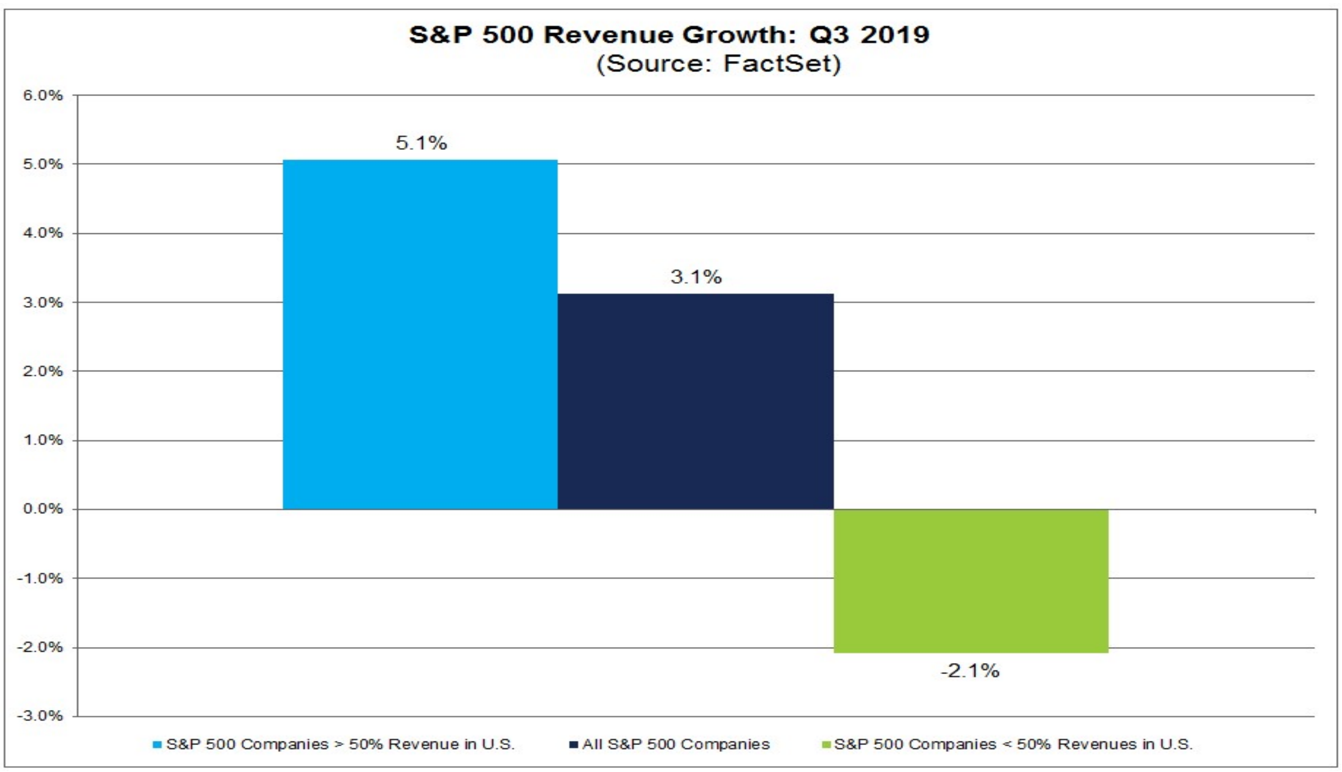
	Utilities	Health Care	Real Estate	Consumer Staples	Industrials	Comm. Services	Consumer Disc.	S&P 500	Financials	Info. Technology	Materials	Energy
Today	10.1%	8.8%	6.3%	2.2%	1.8%	0.1%	-1.0%	-2.2%	-3.2%	-5.2%	-9.6%	-39.7%
30-Sep	4.1%	2.1%	4.1%	-2.4%	0.0%	0.4%	-1.5%	-4.1%	-2.2%	-10.4%	-8.2%	-29.9%



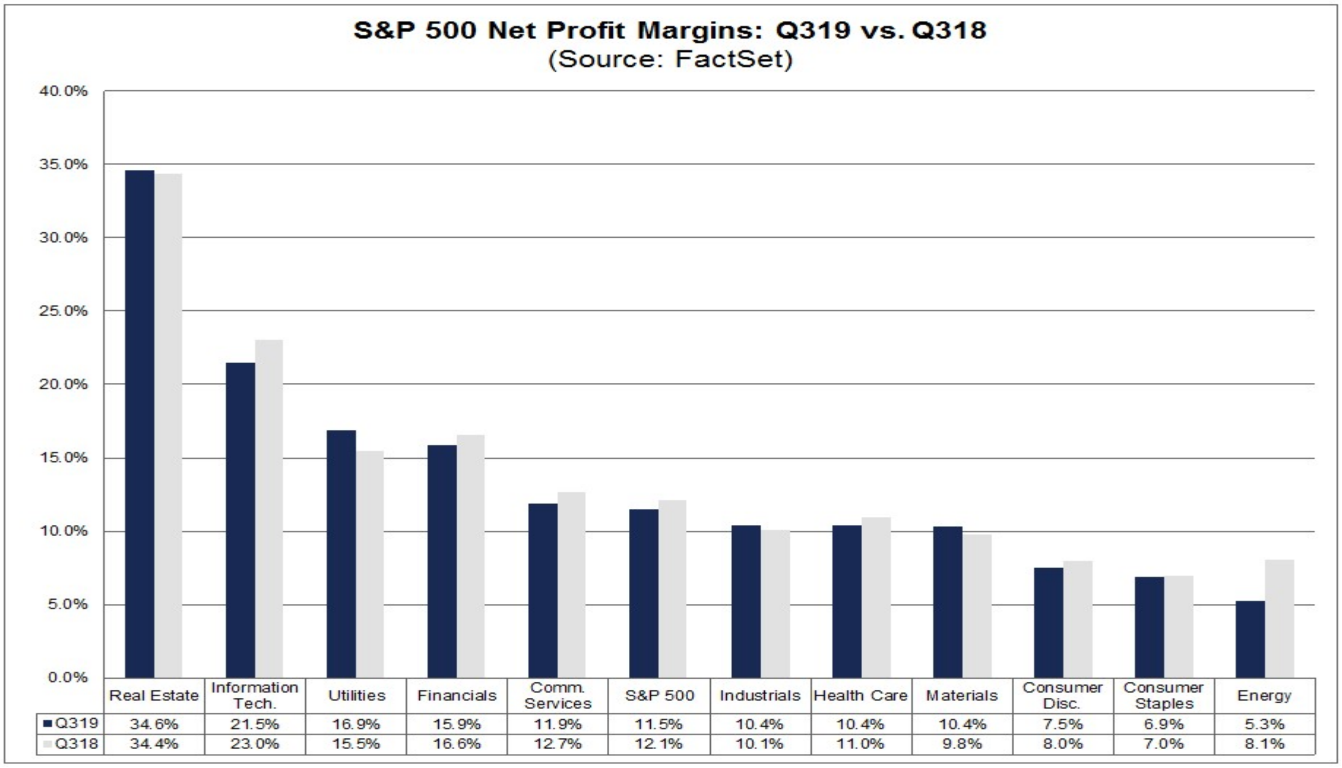
	Health Care	Comm. Services	Real Estate	Consumer Disc.	Consumer Staples	S&P 500	Info. Technology	Financials	Utilities	Industrials	Energy	Materials
Today	15.1%	6.6%	5.7%	5.7%	3.3%	3.1%	1.6%	1.0%	0.8%	-1.5%	-7.9%	-14.7%
30-Sep	12.5%	6.7%	3.4%	5.6%	3.2%	2.9%	0.3%	-1.6%	7.0%	0.9%	-6.8%	-12.4%

Q3 2019: Growth

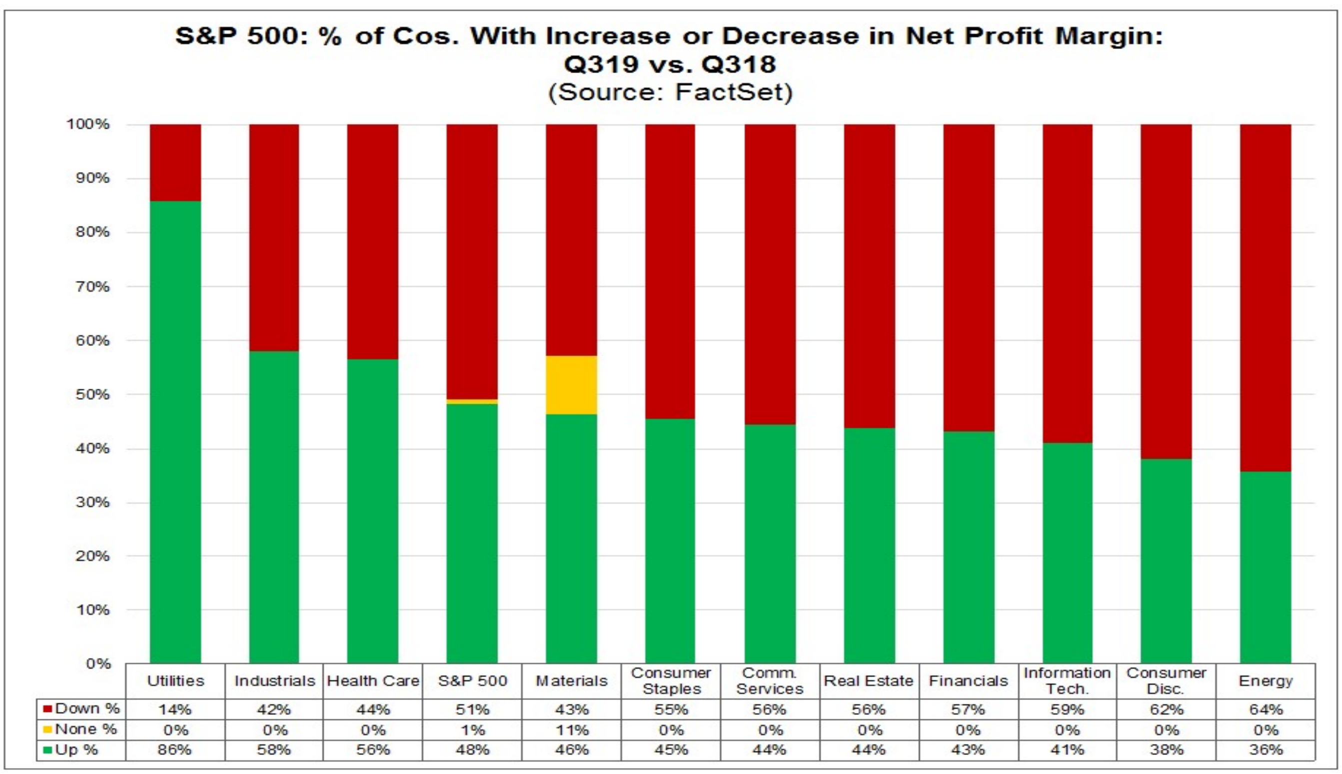




Q3 2019: Net Profit Margin

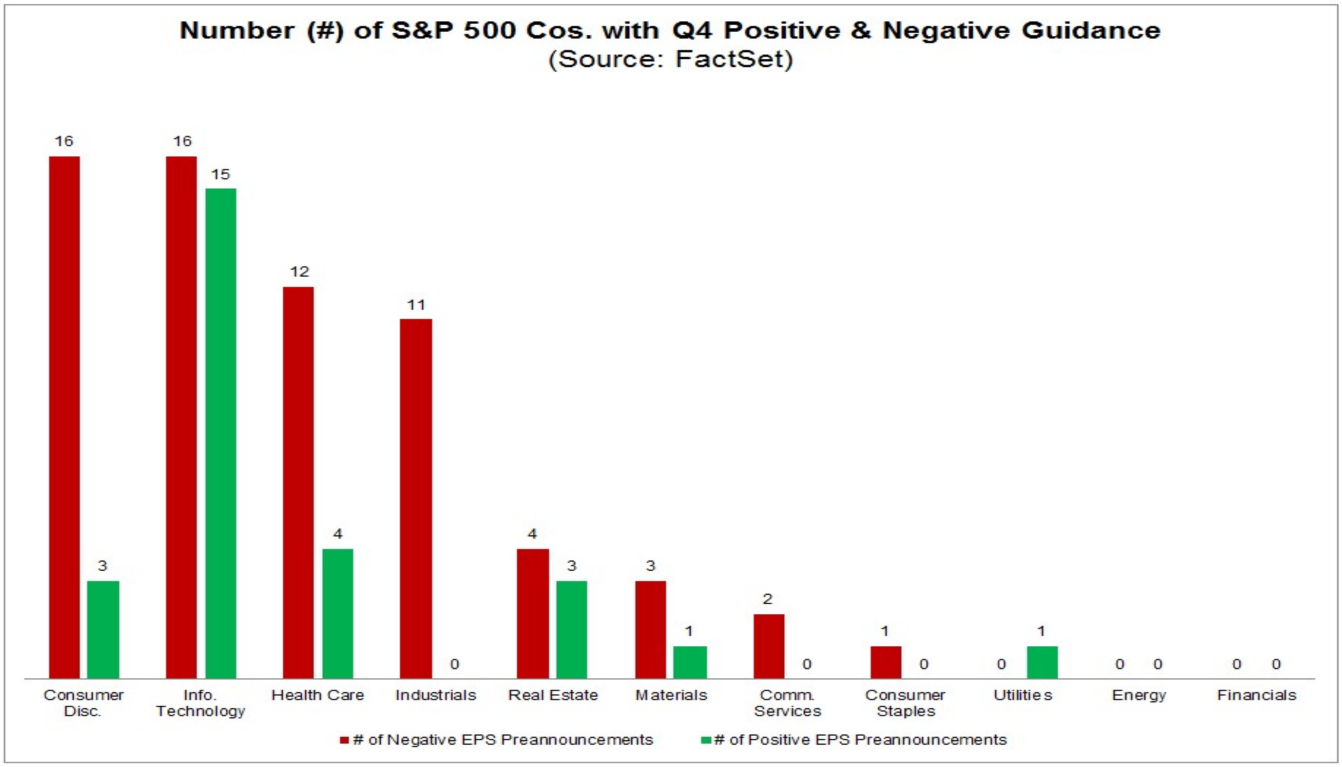


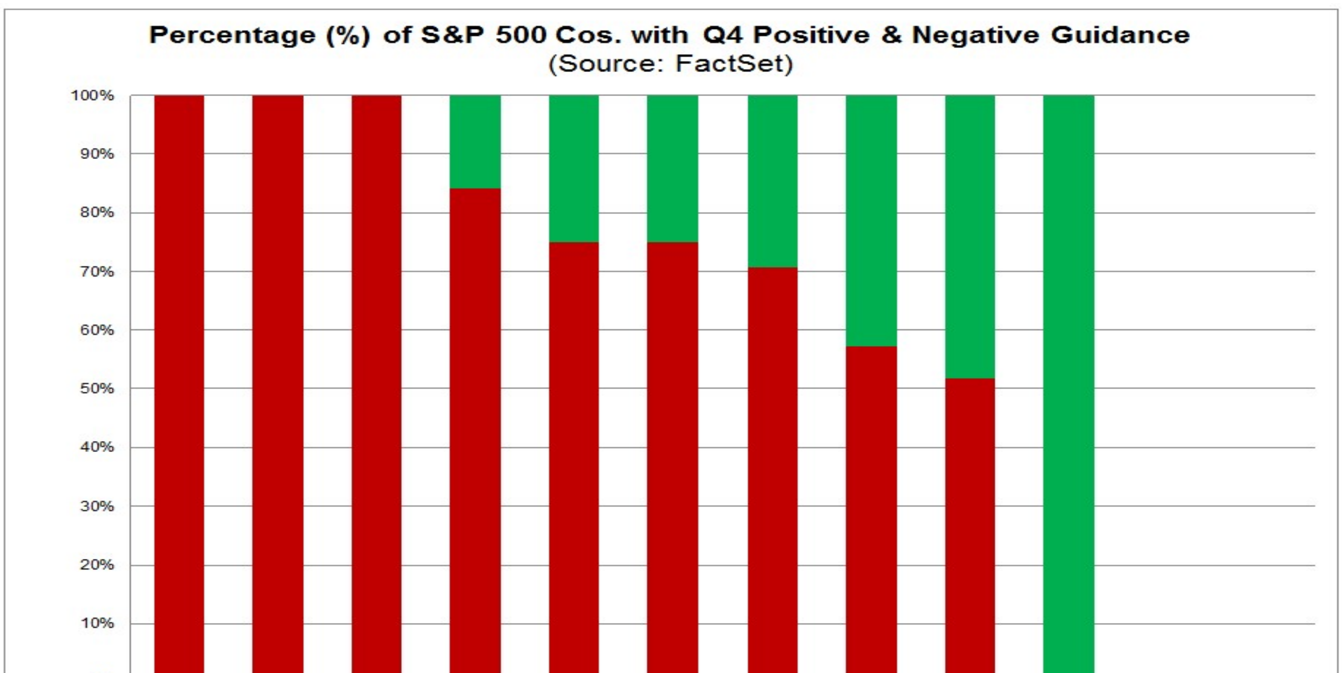
	Real Estate	Information Tech.	Utilities	Financials	Comm. Services	S&P 500	Industrials	Health Care	Materials	Consumer Disc.	Consumer Staples	Energy
Q319	34.6%	21.5%	16.9%	15.9%	11.9%	11.5%	10.4%	10.4%	10.4%	7.5%	6.9%	5.3%
Q318	34.4%	23.0%	15.5%	16.6%	12.7%	12.1%	10.1%	11.0%	9.8%	8.0%	7.0%	8.1%



	Utilities	Industrials	Health Care	S&P 500	Materials	Consumer Staples	Comm. Services	Real Estate	Financials	Information Tech.	Consumer Disc.	Energy
Down %	14%	42%	44%	51%	43%	55%	56%	56%	57%	59%	62%	64%
None %	0%	0%	0%	1%	11%	0%	0%	0%	0%	0%	0%	0%
Up %	86%	58%	56%	48%	46%	45%	44%	44%	43%	41%	38%	36%

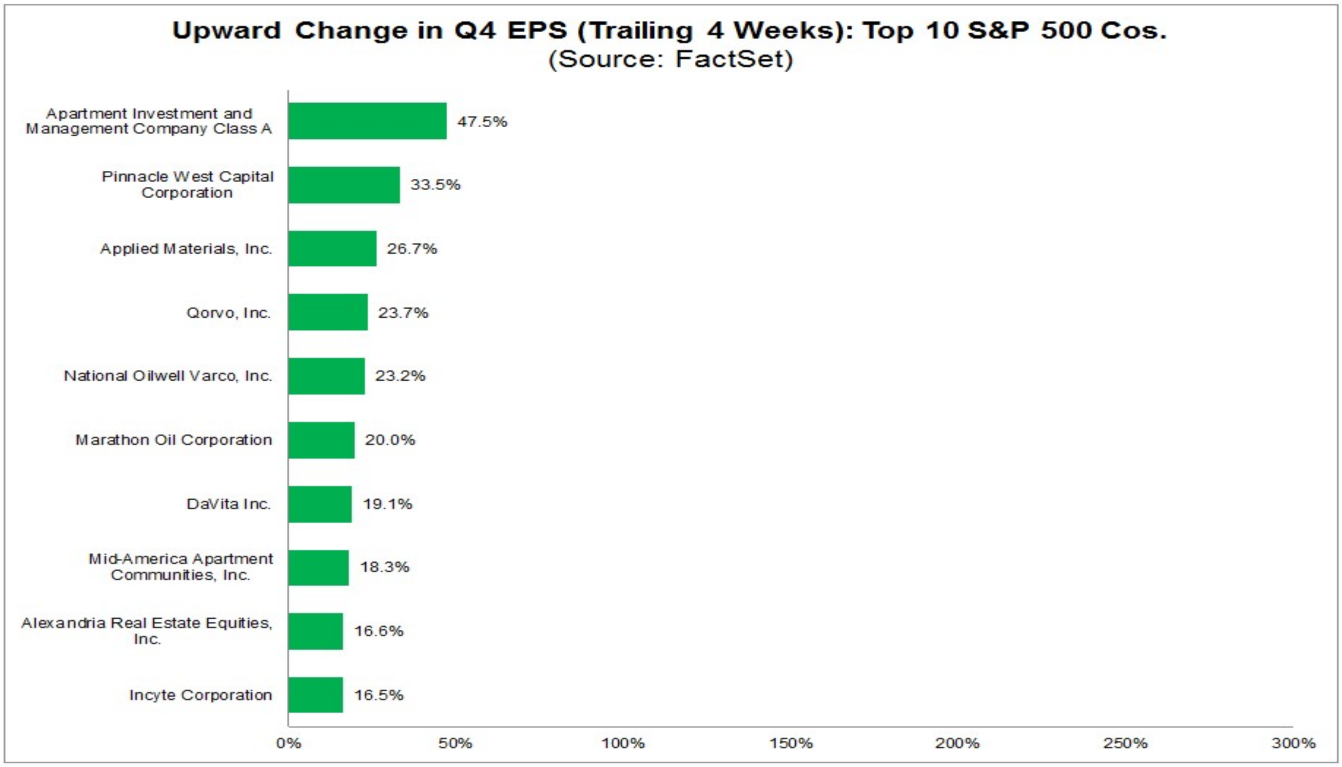
Q4 2019: EPS Guidance

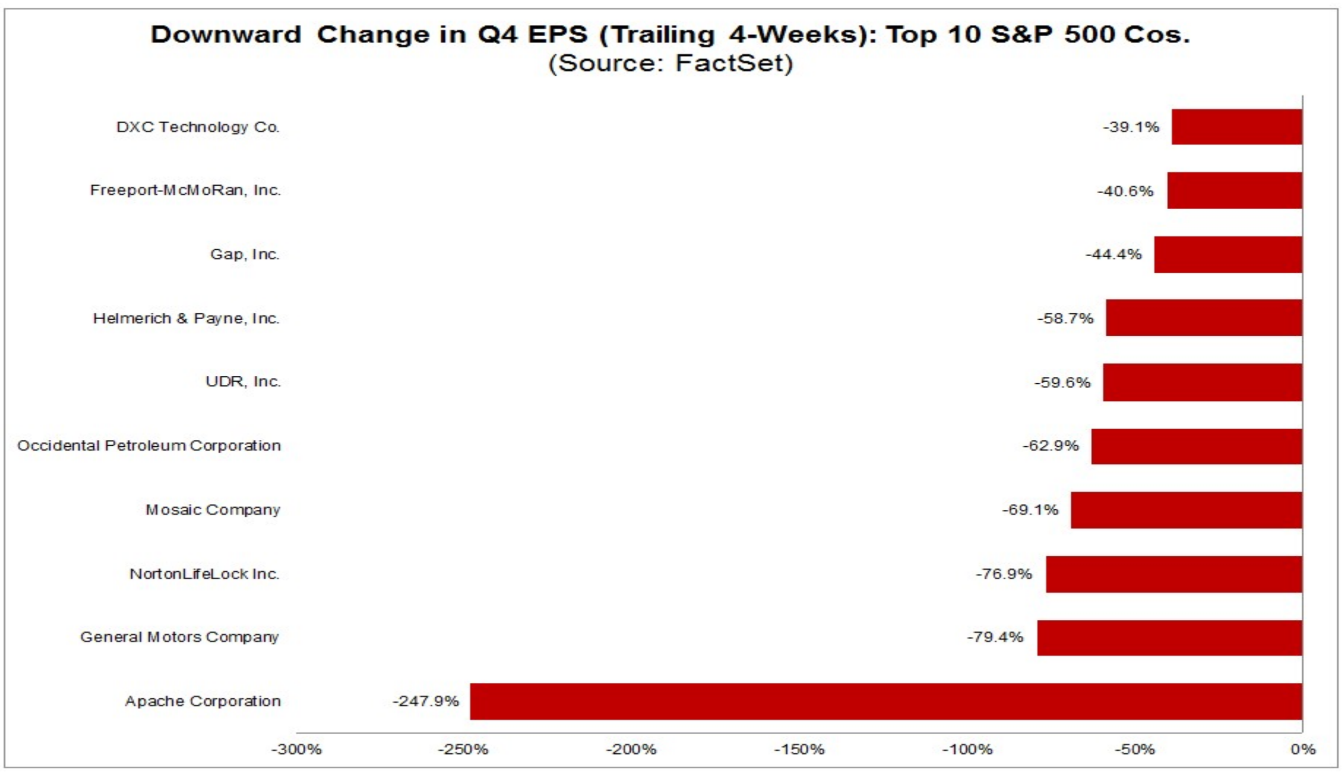




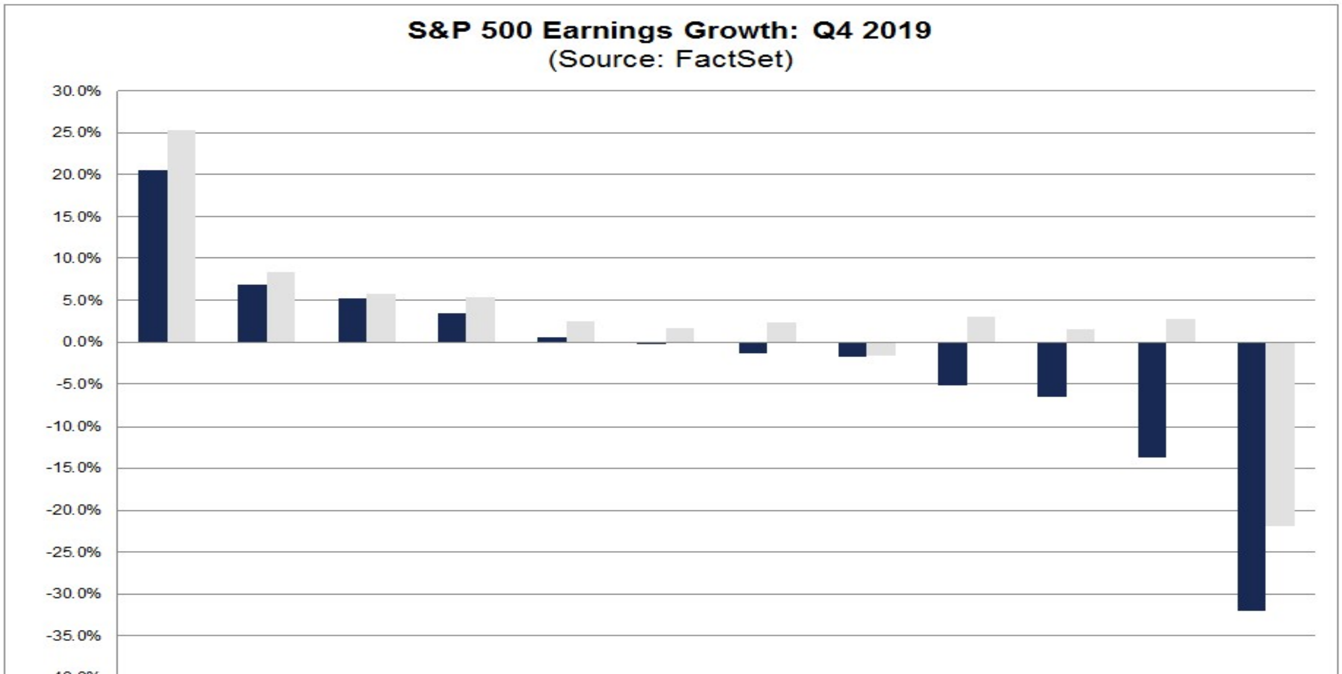
	Industrials	Comm. Services	Consumer Staples	Consumer Disc.	Health Care	Materials	S&P 500	Real Estate	Info. Technology	Utilities	Energy	Financials
Positive	0%	0%	0%	16%	25%	25%	29%	43%	48%	100%	0%	0%
Negative	100%	100%	100%	84%	75%	75%	71%	57%	52%	0%	0%	0%

Q4 2019: EPS Revisions

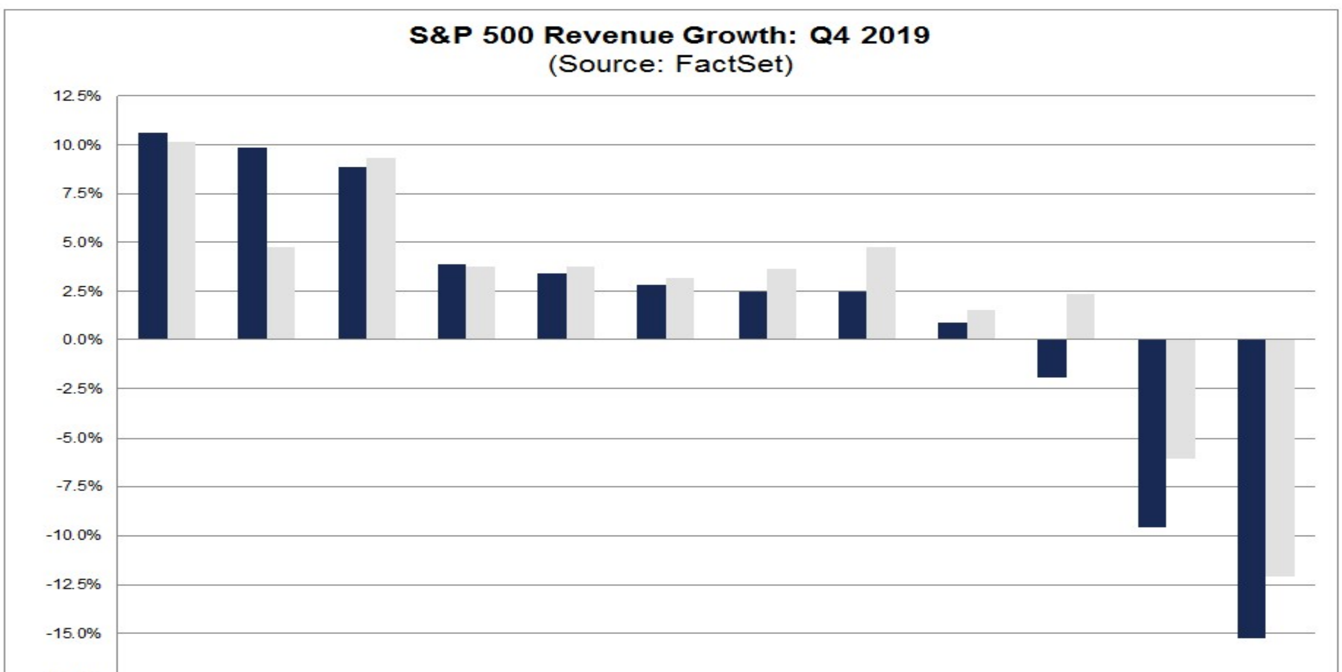




Q4 2019: Growth

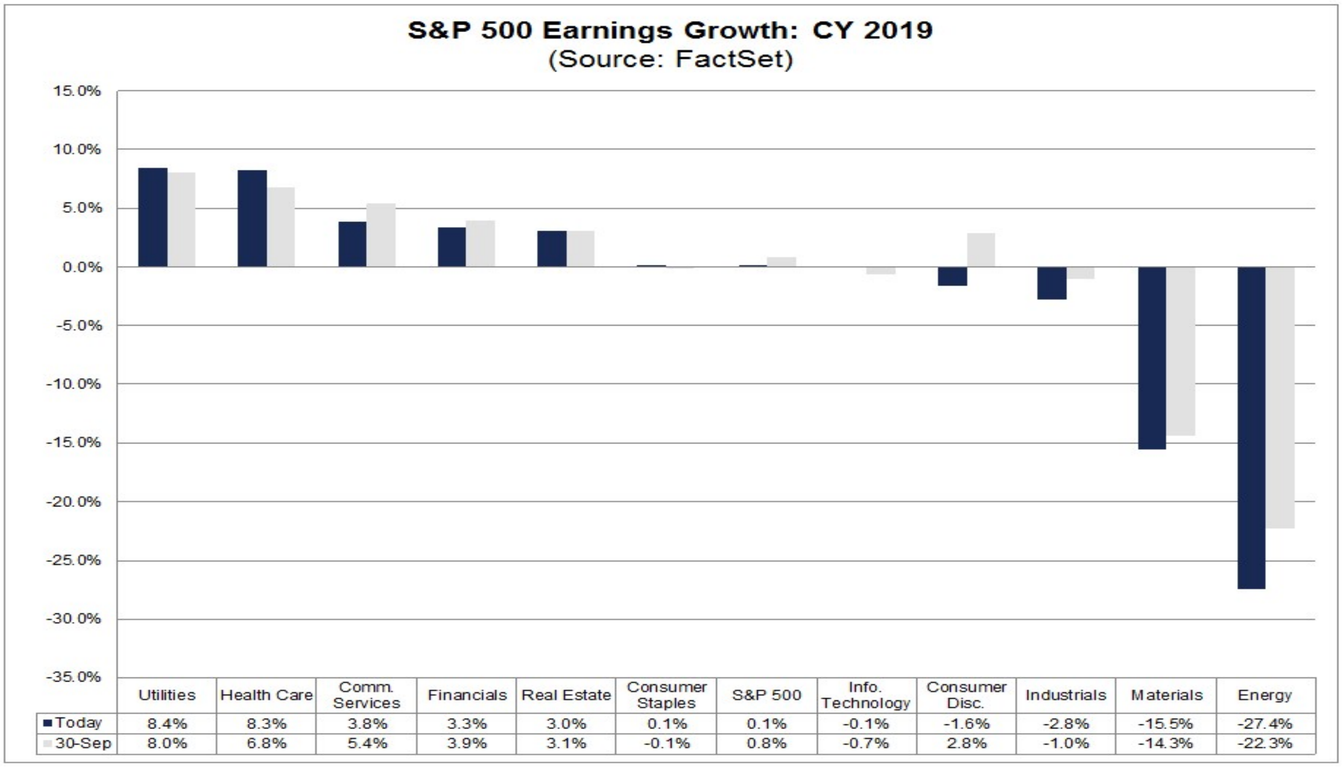


	Utilities	Financials	Health Care	Comm. Services	Real Estate	Consumer Staples	S&P 500	Info. Technology	Industrials	Materials	Consumer Disc.	Energy
Today	20.5%	6.8%	5.2%	3.4%	0.5%	-0.2%	-1.4%	-1.8%	-5.2%	-6.4%	-13.7%	-32.0%
30-Sep	25.3%	8.4%	5.7%	5.3%	2.5%	1.7%	2.3%	-1.7%	3.1%	1.5%	2.7%	-21.8%

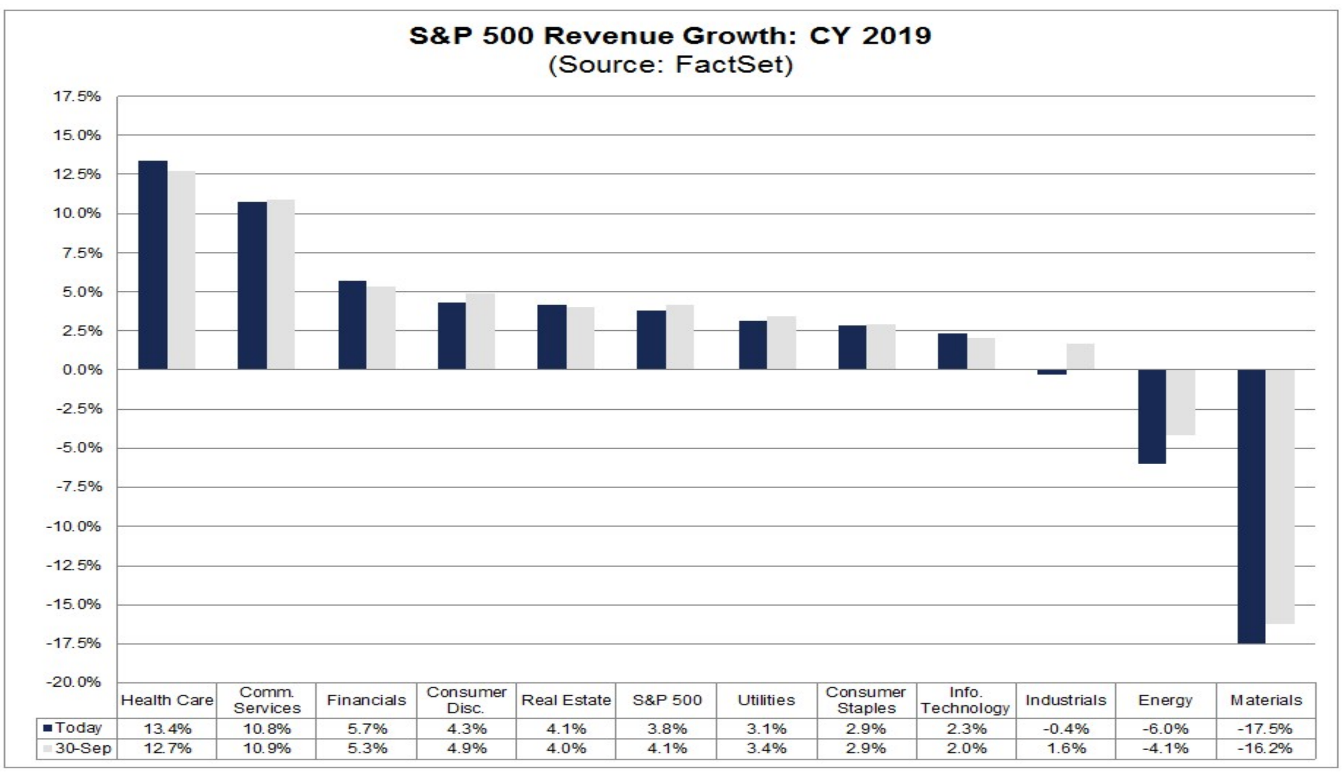


	Health Care	Utilities	Comm. Services	Info. Technology	Consumer Staples	Real Estate	S&P 500	Consumer Disc.	Financials	Industrials	Energy	Materials
Today	10.6%	9.9%	8.9%	3.8%	3.4%	2.8%	2.5%	2.5%	0.9%	-1.9%	-9.6%	-15.3%
30-Sep	10.1%	4.7%	9.3%	3.7%	3.7%	3.1%	3.6%	4.8%	1.5%	2.3%	-6.1%	-12.1%

CY 2019: Growth

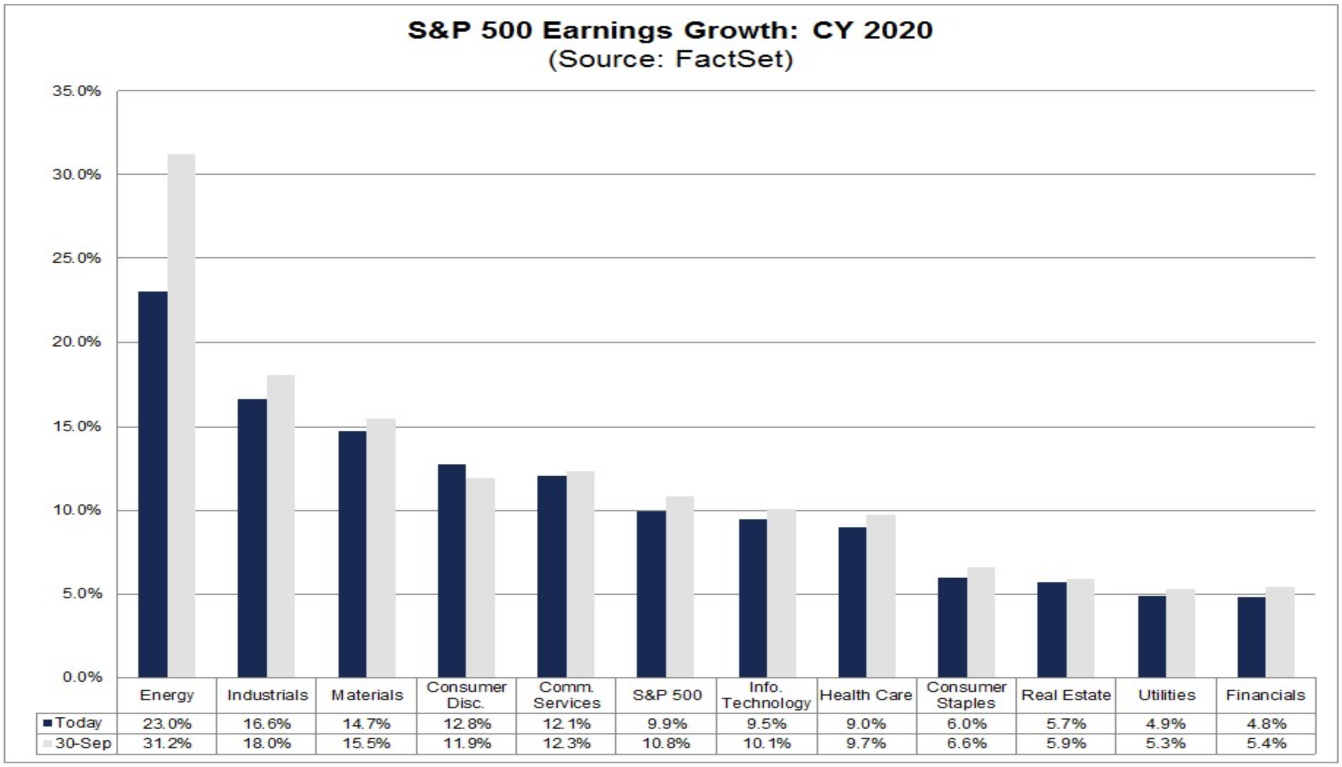


	Utilities	Health Care	Comm. Services	Financials	Real Estate	Consumer Staples	S&P 500	Info. Technology	Consumer Disc.	Industrials	Materials	Energy
Today	8.4%	8.3%	3.8%	3.3%	3.0%	0.1%	0.1%	-0.1%	-1.6%	-2.8%	-15.5%	-27.4%
30-Sep	8.0%	6.8%	5.4%	3.9%	3.1%	-0.1%	0.8%	-0.7%	2.8%	-1.0%	-14.3%	-22.3%

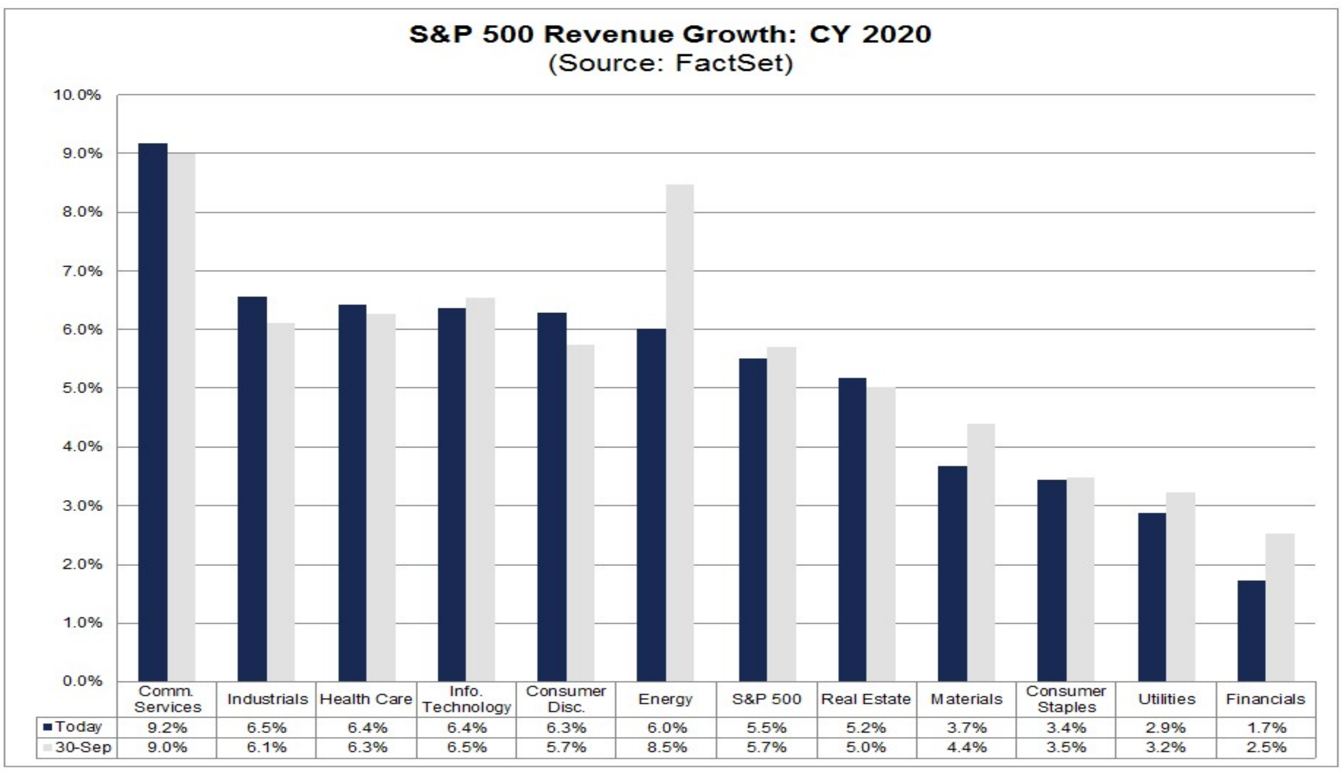


	Health Care	Comm. Services	Financials	Consumer Disc.	Real Estate	S&P 500	Utilities	Consumer Staples	Info. Technology	Industrials	Energy	Materials
Today	13.4%	10.8%	5.7%	4.3%	4.1%	3.8%	3.1%	2.9%	2.3%	-0.4%	-6.0%	-17.5%
30-Sep	12.7%	10.9%	5.3%	4.9%	4.0%	4.1%	3.4%	2.9%	2.0%	1.6%	-4.1%	-16.2%

CY 2020: Growth

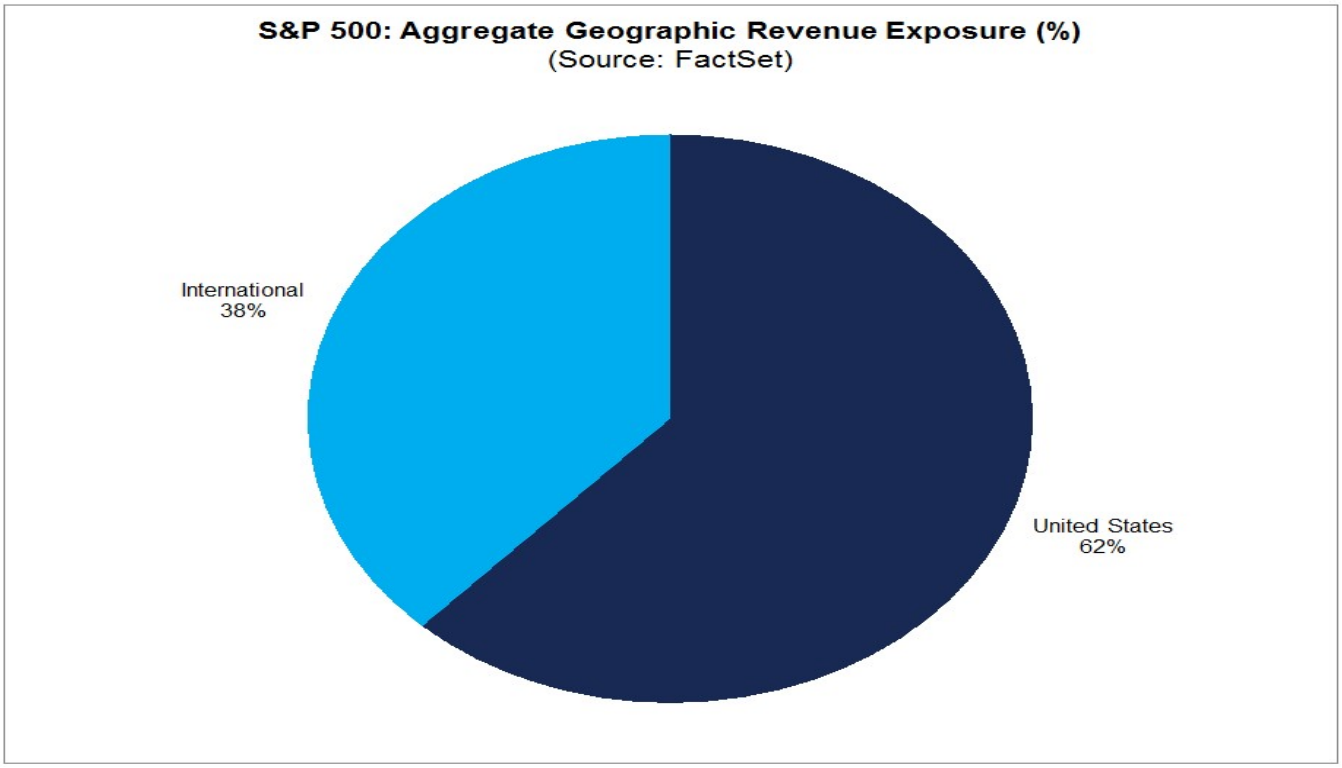


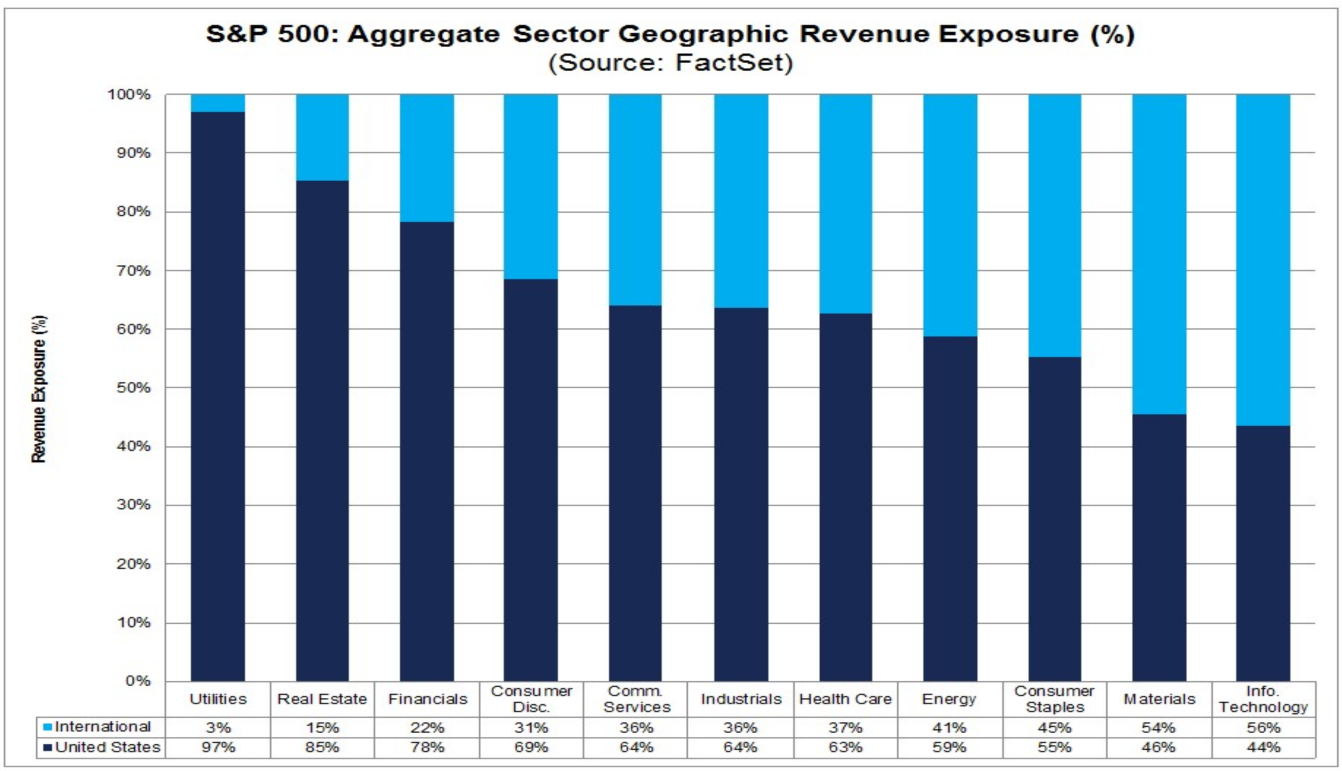
	Energy	Industrials	Materials	Consumer Disc.	Comm. Services	S&P 500	Info. Technology	Health Care	Consumer Staples	Real Estate	Utilities	Financials
Today	23.0%	16.6%	14.7%	12.8%	12.1%	9.9%	9.5%	9.0%	6.0%	5.7%	4.9%	4.8%
30-Sep	31.2%	18.0%	15.5%	11.9%	12.3%	10.8%	10.1%	9.7%	6.6%	5.9%	5.3%	5.4%



	Comm. Services	Industrials	Health Care	Info. Technology	Consumer Disc.	Energy	S&P 500	Real Estate	Materials	Consumer Staples	Utilities	Financials
Today	9.2%	6.5%	6.4%	6.4%	6.3%	6.0%	5.5%	5.2%	3.7%	3.4%	2.9%	1.7%
30-Sep	9.0%	6.1%	6.3%	6.5%	5.7%	8.5%	5.7%	5.0%	4.4%	3.5%	3.2%	2.5%

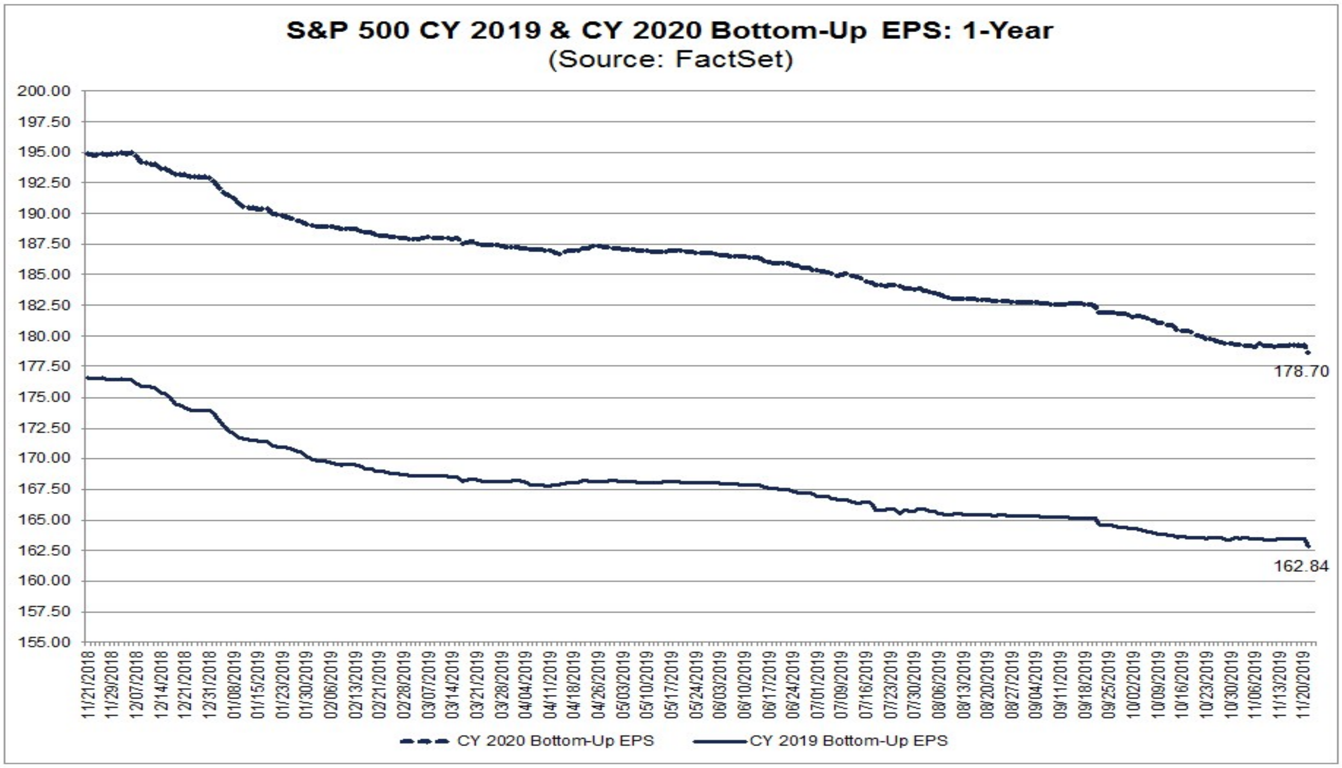
Geographic Revenue Exposure

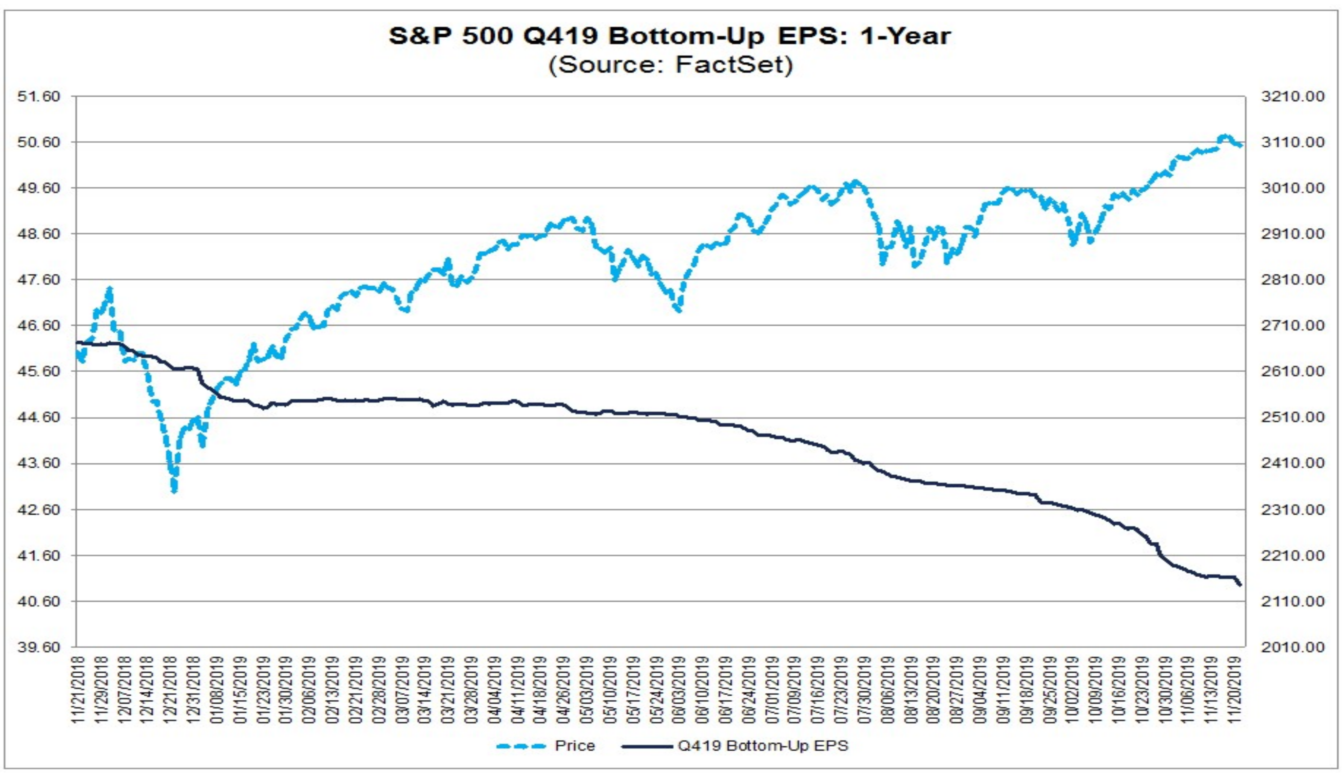




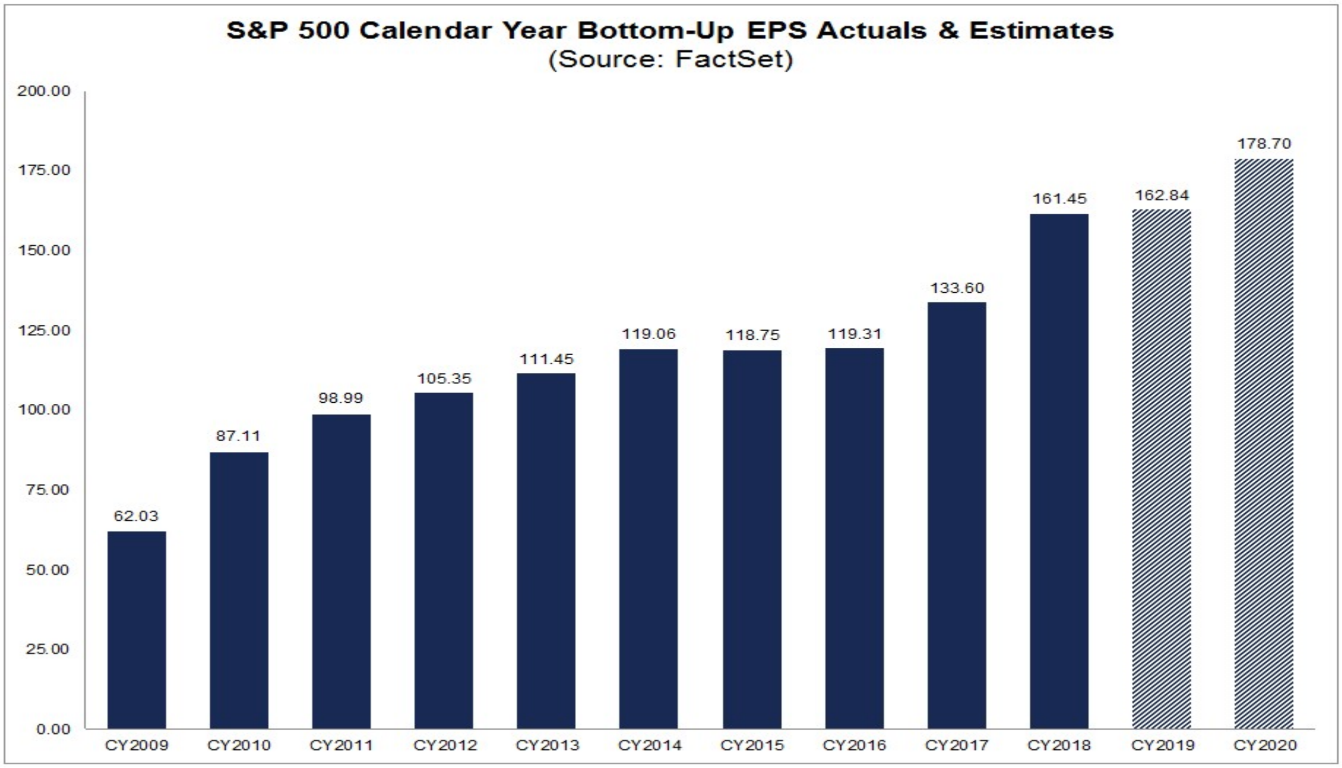
	Utilities	Real Estate	Financials	Consumer Disc.	Comm. Services	Industrials	Health Care	Energy	Consumer Staples	Materials	Info. Technology
International	3%	15%	22%	31%	36%	36%	37%	41%	45%	54%	56%
United States	97%	85%	78%	69%	64%	64%	63%	59%	55%	46%	44%

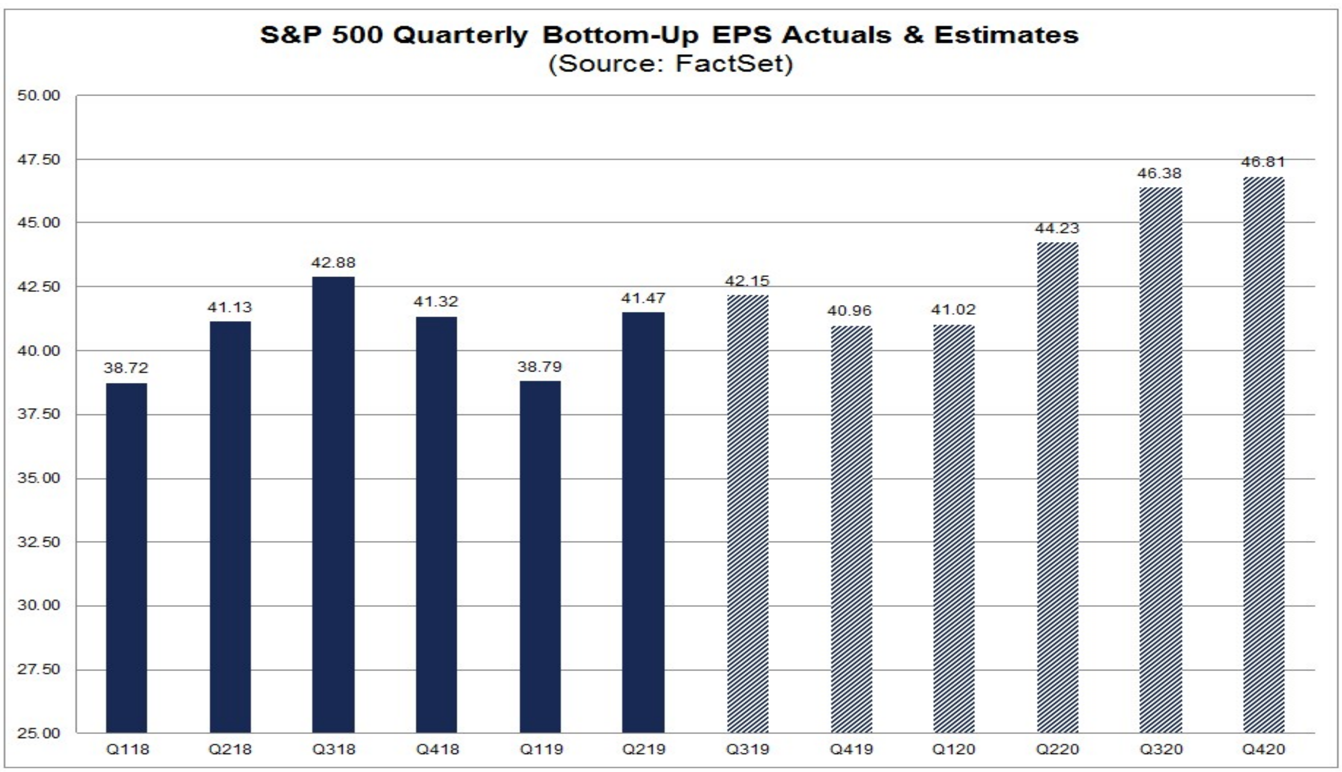
Bottom-up EPS Estimates: Revisions



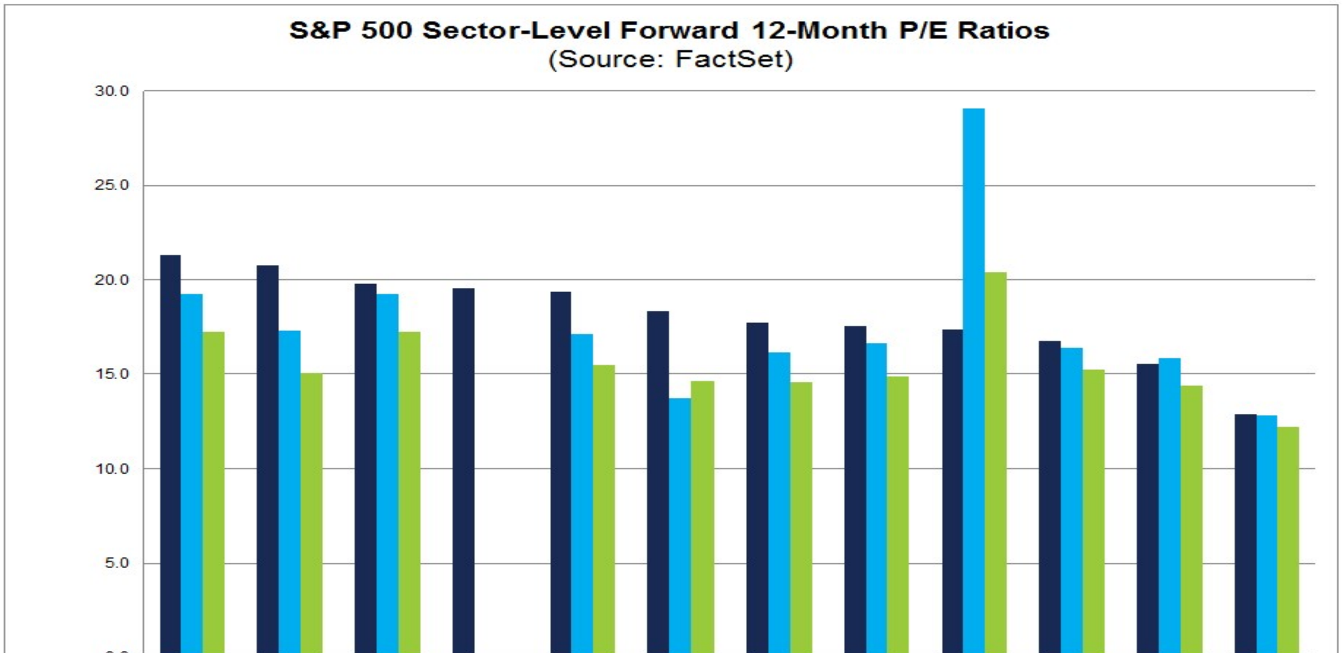


Bottom-up EPS Estimates: Current & Historical

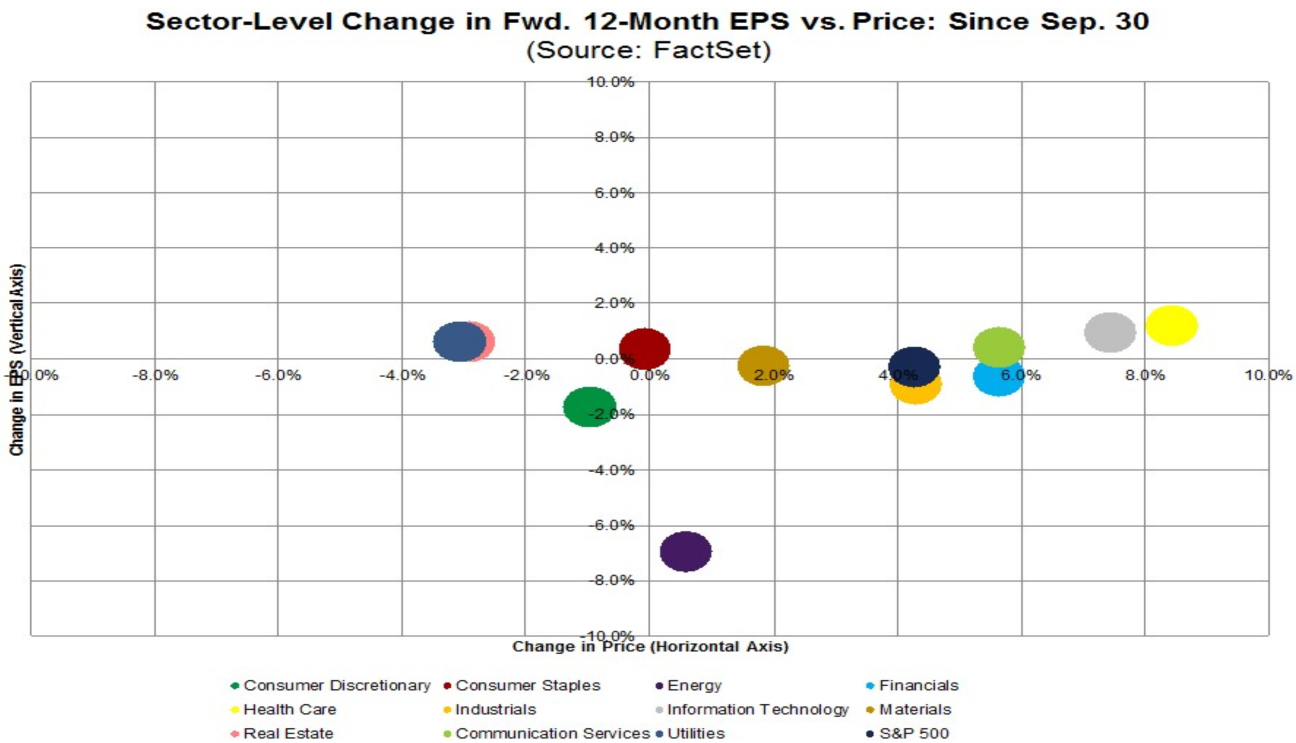




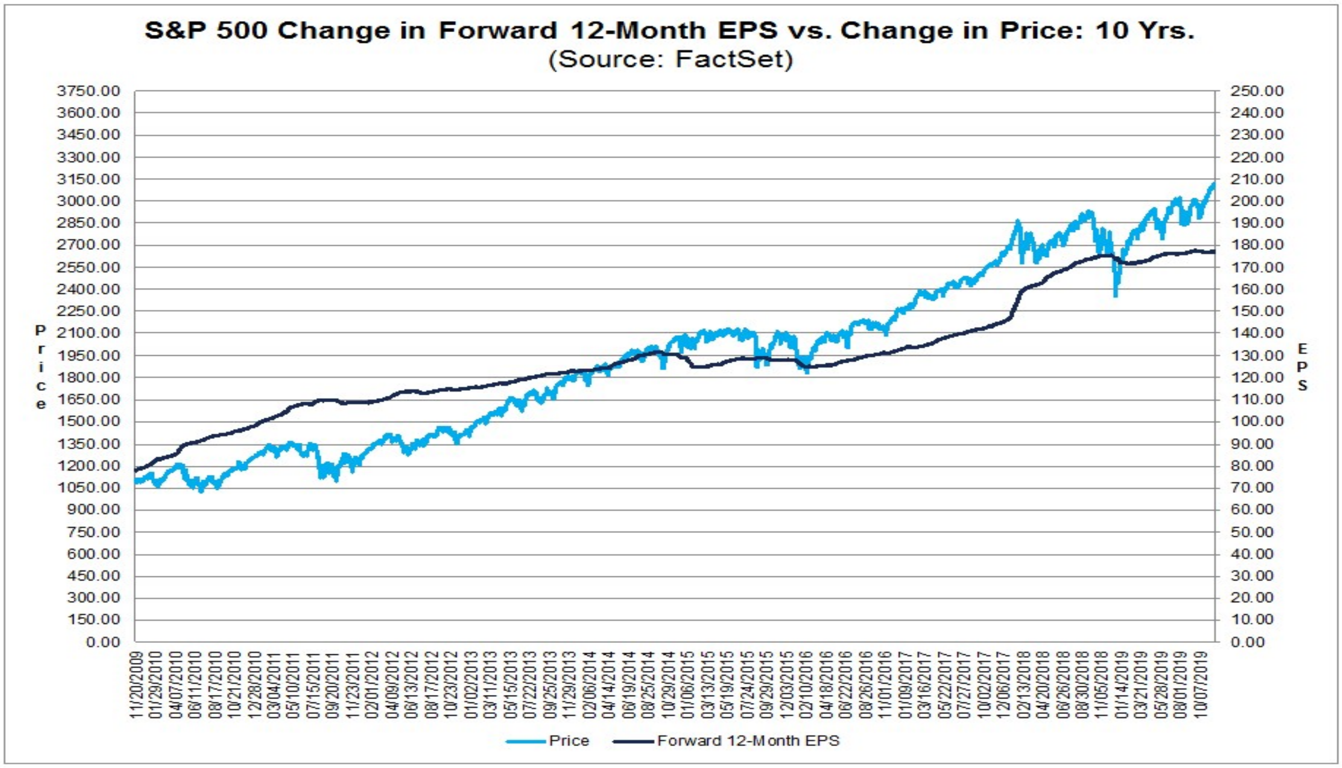
Forward 12M P/E Ratio: Sector Level

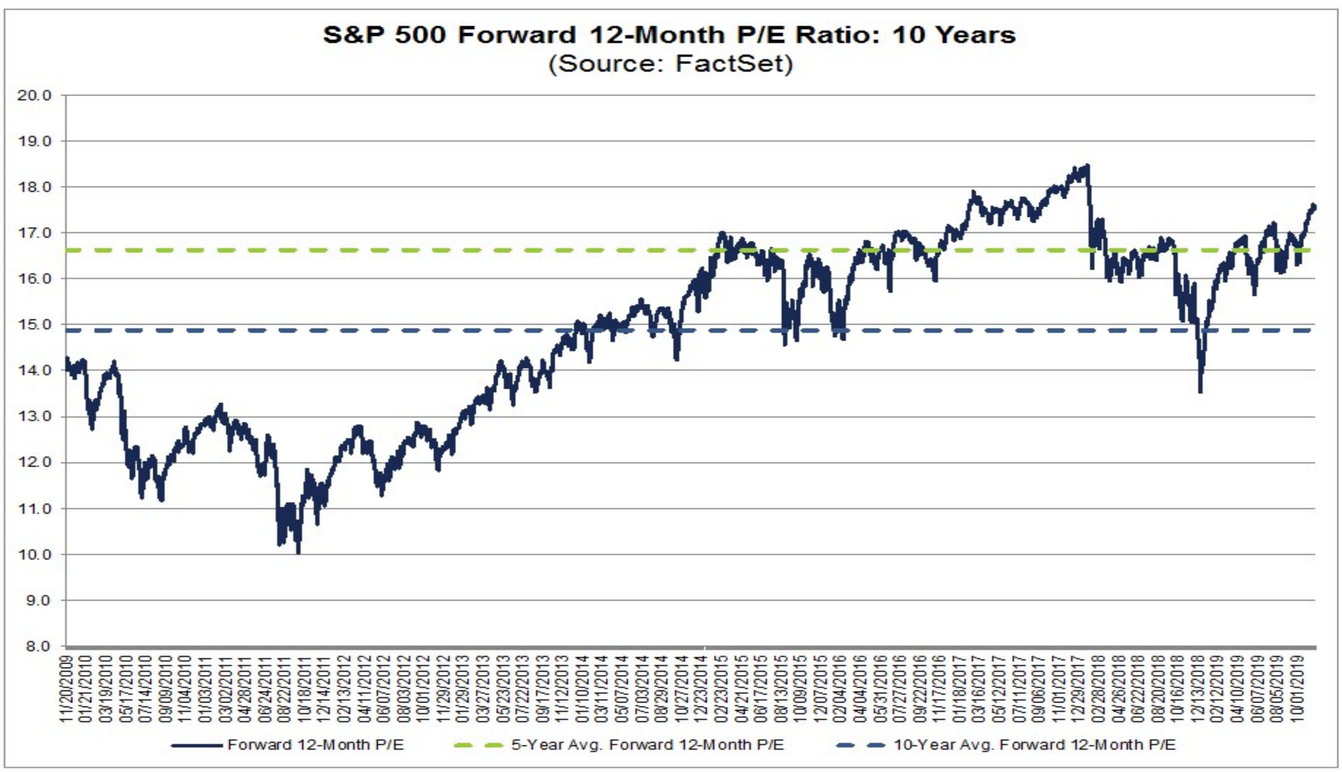


	Consumer Disc.	Info. Technology	Consumer Staples	Real Estate	Utilities	Comm. Services	Materials	S&P 500	Energy	Industrials	Health Care	Financials
Fwd P/E	21.3	20.7	19.8	19.5	19.4	18.3	17.7	17.6	17.3	16.8	15.5	12.9
5-Yr Avg.	19.3	17.3	19.2		17.1	13.8	16.1	16.6	29.1	16.4	15.8	12.9
10-Yr Avg.	17.2	15.1	17.2		15.5	14.6	14.6	14.9	20.4	15.2	14.4	12.3

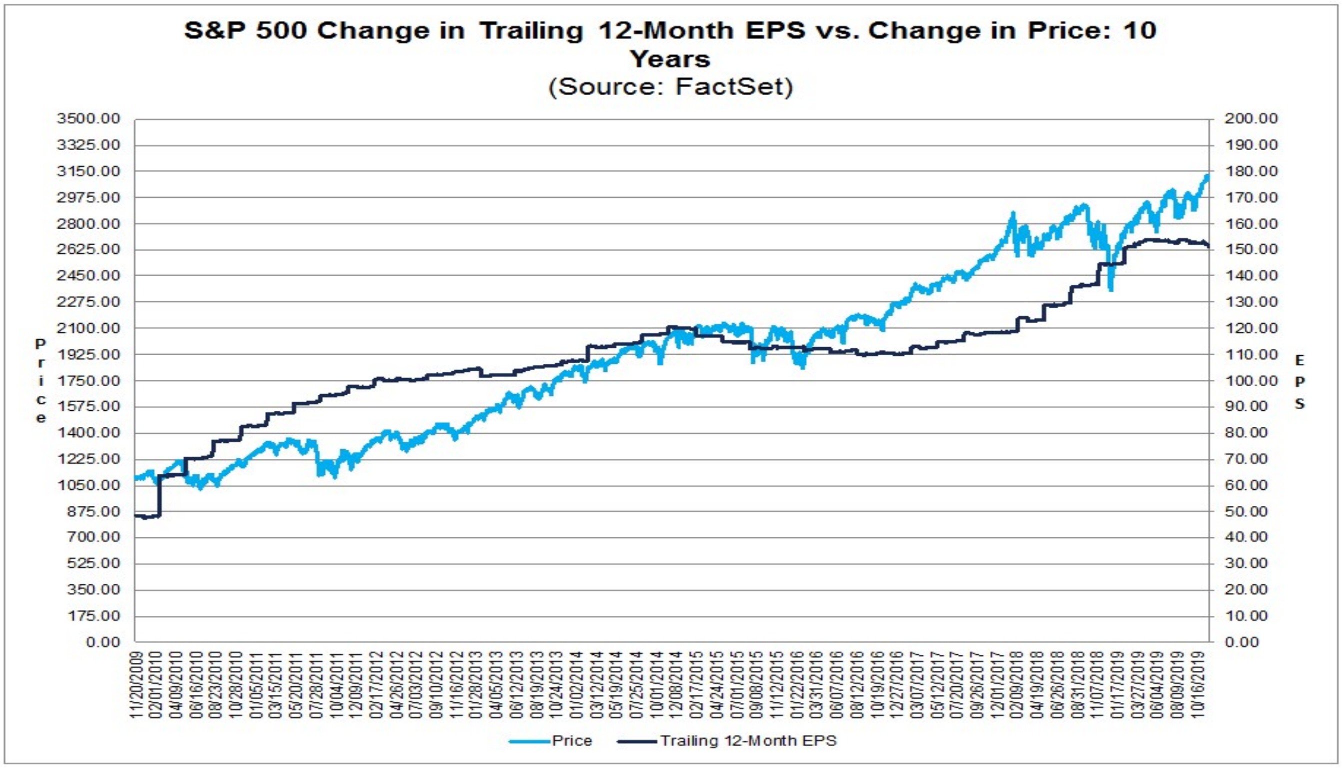


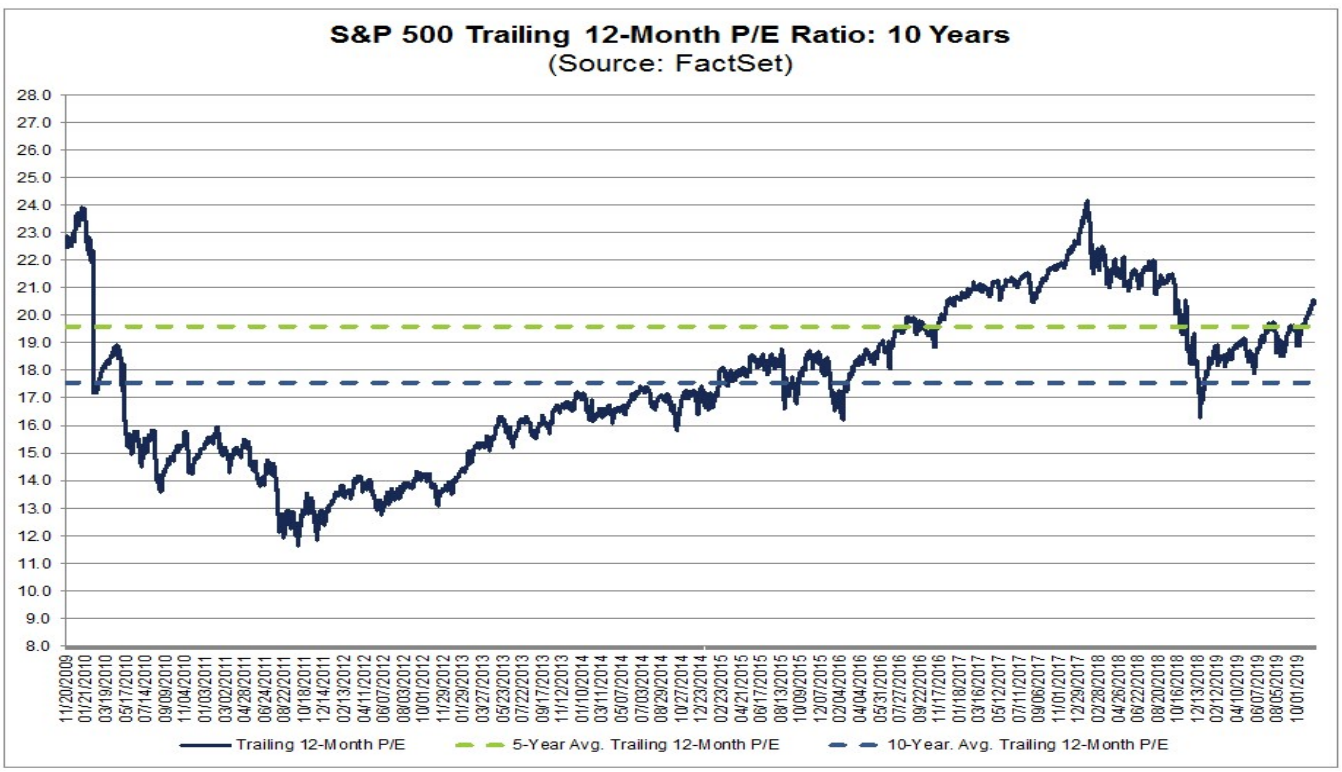
Forward 12M P/E Ratio: 10-Years



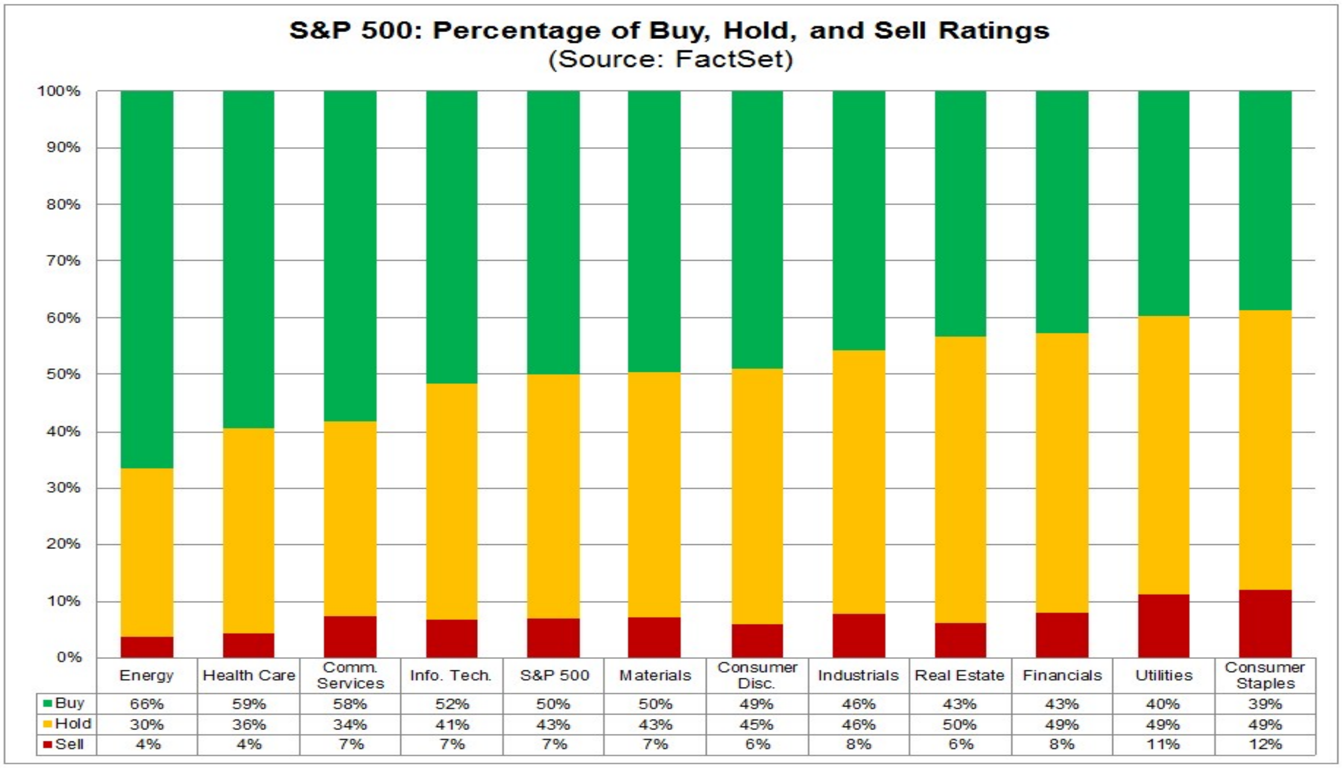


Trailing 12M P/E Ratio: 10-Years

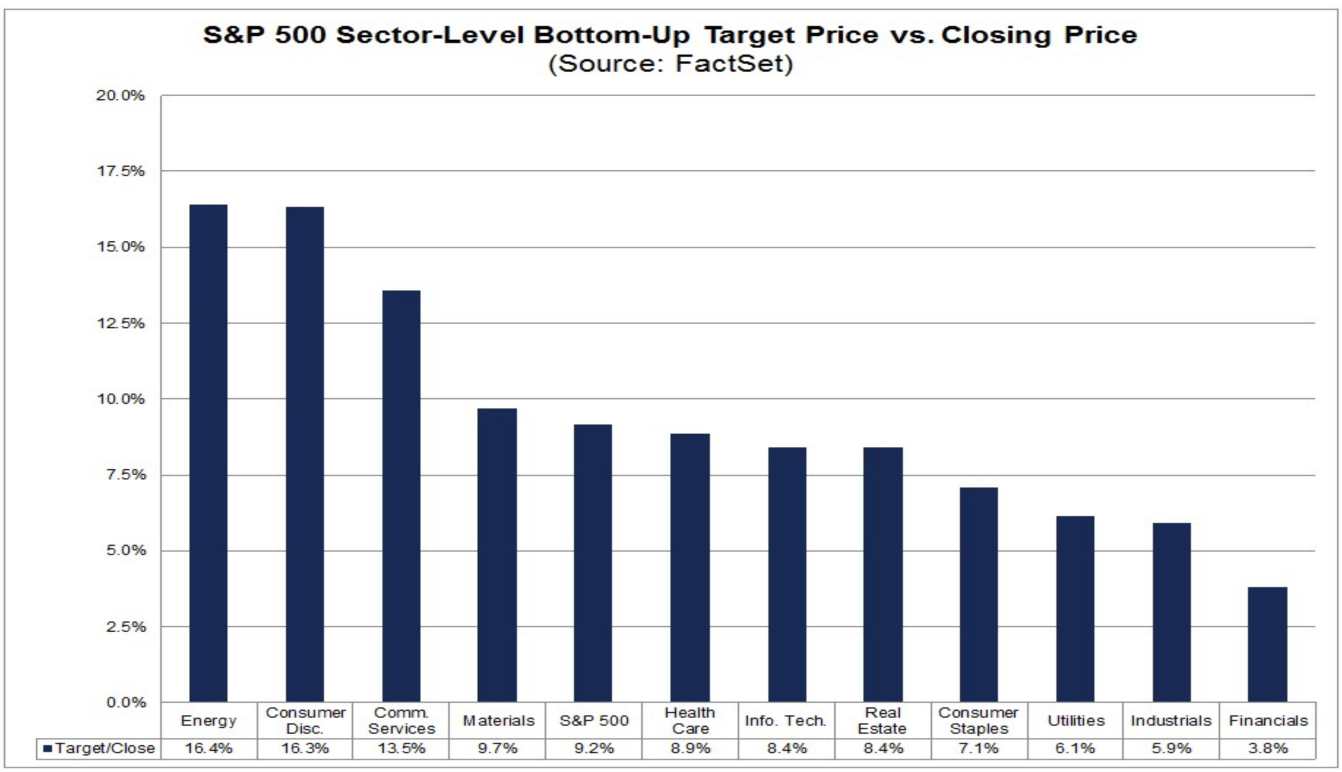




Targets & Ratings



	Energy	Health Care	Comm. Services	Info. Tech.	S&P 500	Materials	Consumer Disc.	Industrials	Real Estate	Financials	Utilities	Consumer Staples
Buy	66%	59%	58%	52%	50%	50%	49%	46%	43%	43%	40%	39%
Hold	30%	36%	34%	41%	43%	43%	45%	46%	50%	49%	49%	49%
Sell	4%	4%	7%	7%	7%	7%	6%	8%	6%	8%	11%	12%



	Energy	Consumer Disc.	Comm. Services	Materials	S&P 500	Health Care	Info. Tech.	Real Estate	Consumer Staples	Utilities	Industrials	Financials
Target/Close	16.4%	16.3%	13.5%	9.7%	9.2%	8.9%	8.4%	8.4%	7.1%	6.1%	5.9%	3.8%

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