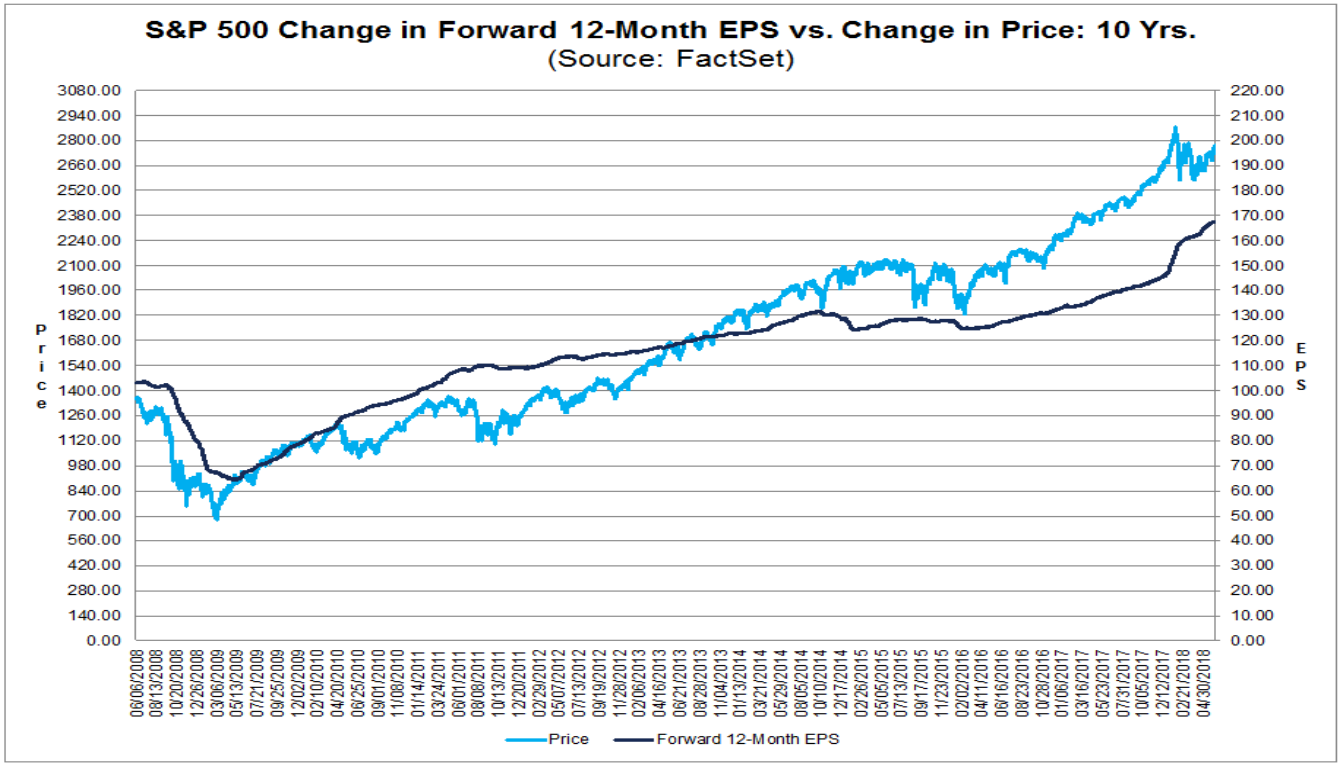
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

June 8, 2018

Key Metrics

- **Earnings Growth:** For Q2 2018, the estimated earnings growth rate for the S&P 500 is 19.0%. If 19.0% is the actual growth rate for the quarter, it will mark the second highest earnings growth since Q1 2011 (19.5%).
- **Earnings Revisions:** On March 31, the estimated earnings growth rate for Q2 2018 was 18.6%. Six sectors have higher growth rates today (compared to March 31) due to upward revisions to EPS estimates, led by the Energy sector.
- **Earnings Guidance:** For Q2 2018, 60 S&P 500 companies have issued negative EPS guidance and 47 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 16.6. This P/E ratio is above the 5-year average (16.2) and above the 10-year average (14.4).
- **Earnings Scorecard:** For Q1 2018 (with 99% of the companies in the S&P 500 reporting actual results for the quarter), 77% of S&P 500 companies have reported a positive EPS surprise and 77% have reported a positive sales surprise.



To receive this report via e-mail, please go to www.factset.com/data/news_research/researchdesk

To view other market stories with FactSet content, please go to www.factset.com/insight

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

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Topic of the Week:

Will S&P 500 Companies With Higher Global Exposure See Lower Earnings Growth in Q2?

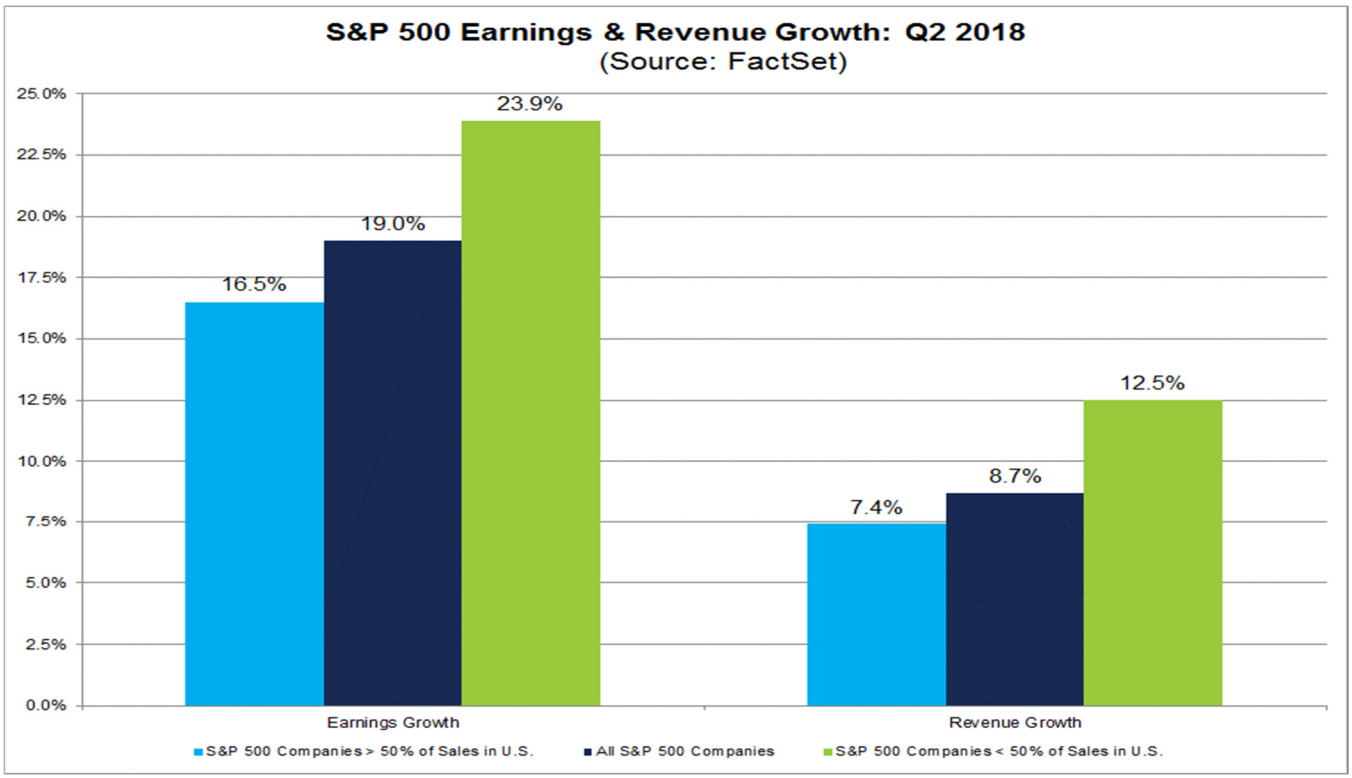
With about a month to go before the start of the Q2 earnings season, there are concerns in the market about the impact of a rising U.S. dollar and slower global economic growth on companies in the S&P 500 with higher international revenue exposure. Based on current estimates, are S&P 500 companies with higher global revenue exposure expected to underperform S&P 500 companies with lower global revenue exposure in terms of earnings and sales growth for Q2 2018?

The answer is no. FactSet Geographic Revenue Exposure data (based on the most recently reported fiscal year data for each company in the index) can be used to answer this question. For this particular analysis, the index was divided into two groups: companies that generate more than 50% of sales inside the U.S. (less global exposure) and companies that generate less than 50% of sales inside the U.S. (more global exposure). Aggregate earnings and revenue growth rates were then calculated based on these two groups.

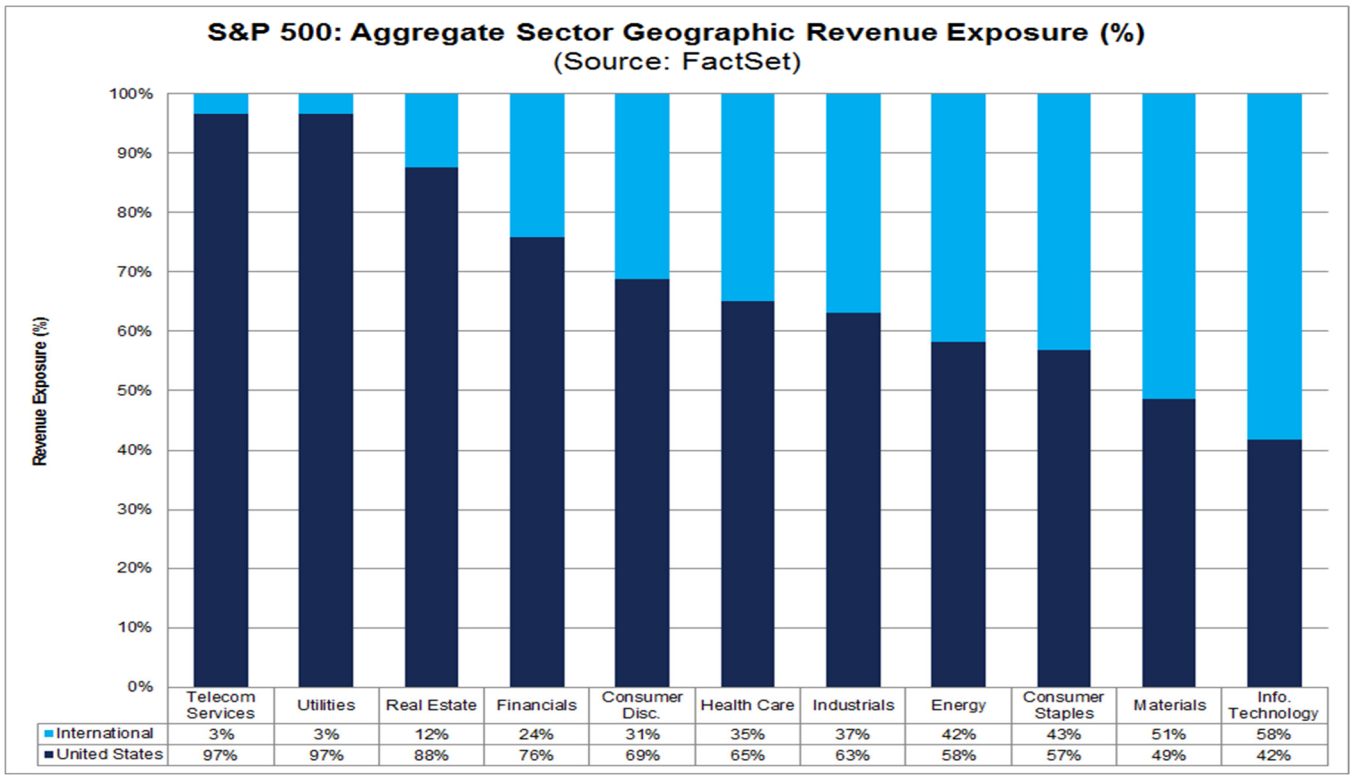
The estimated earnings growth rate for the S&P 500 for Q2 2018 is 19.0%. For companies that generate more than 50% of sales inside the U.S., the earnings growth rate is 16.5%. For companies that generate less than 50% of sales inside the U.S., the earnings growth rate is 23.9%.

The estimated sales growth rate for the S&P 500 for Q1 2018 is 8.7%. For companies that generate more than 50% of sales inside the U.S., the sales growth rate is 7.4%. For companies that generate less than 50% of sales inside the U.S., the sales growth rate is 12.5%.

What is driving the expected outperformance of S&P 500 companies with higher global revenue exposure? At the sector level, the Information Technology, Energy, and Materials sectors are projected to be the largest contributors to earnings and revenue growth in Q2 for S&P 500 companies with more global exposure. Overall, these three sectors are expected to report the highest earnings and revenue growth rates of all eleven sectors in Q2. These three sectors also rank first (Information Technology), second (Materials), and fourth (Energy) for highest international revenue exposures of all eleven sectors in the index.



Copyright © 2018 FactSet Research Systems Inc. All rights reserved.



	Telecom Services	Utilities	Real Estate	Financials	Consumer Disc.	Health Care	Industrials	Energy	Consumer Staples	Materials	Info. Technology
International	3%	3%	12%	24%	31%	35%	37%	42%	43%	51%	58%
United States	97%	97%	88%	76%	69%	65%	63%	58%	57%	49%	42%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q2 Earnings Season: By The Numbers

Overview

In terms of estimate revisions for companies in the S&P 500, analysts have slightly increased earnings estimates in aggregate for Q2 2018 to date. On a per-share basis, estimated earnings for the second quarter have increased by 0.1% since March 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings estimates have fallen by 2.7% on average during the first two months of a quarter. Over the past ten years, (40 quarters), earnings estimates have fallen by 3.7% on average during the first two months of a quarter. Over the past fifteen years, (60 quarters), earnings expectations have fallen by 2.9% on average during a quarter.

In addition, a smaller percentage of S&P 500 companies have lowered the bar for earnings for Q2 2018 relative to recent averages. Of the 107 companies that have issued EPS guidance for the second quarter, 60 have issued negative EPS guidance and 47 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 56% (60 out of 107), which is well below the 5-year average of 72%.

Because of the upward revisions to earnings estimates, the estimated year-over-year earnings growth rate for Q2 2018 has increased from 18.6% on March 31 to 19.0% today. All eleven sectors are predicted to report year-over-year earnings growth. Seven sectors are projected to report double-digit earnings growth for the quarter, led by the Energy, Materials, and Information Technology sectors.

Because of the upward revisions to sales estimates, the estimated year-over-year sales growth rate for Q2 2018 has increased from 7.9% on March 31 to 8.7% today. All eleven sectors are projected to report year-over-year growth in revenues. Four sectors are predicted to reported double-digit growth in revenues: Energy, Materials, Information Technology, and Real Estate.

Looking at future quarters, analysts currently project earnings growth to continue at double-digit levels through the remainder 2018.

The forward 12-month P/E ratio is 16.6, which is above the 5-year average and above the 10-year average.

During the upcoming week, 1 S&P 500 company is scheduled to report results for the first quarter and 1 S&P 500 company is scheduled to report results for the second quarter.

Earnings Revisions: Energy Sector Has Recorded Largest Increase in Earnings Estimates

Small Increase in Estimated Earnings Growth Rate for Q2 This Week

The estimated earnings growth rate for the second quarter is 19.0% this week, which is slightly above the estimated earnings growth rate of 18.9% last week.

Overall, the estimated earnings growth rate for Q2 2018 of 19.0% today is above the estimated earnings growth rate of 18.6% at the start of the quarter (March 31). Six sectors have recorded an increase in expected earnings growth since the beginning of the quarter due to upward revisions to earnings estimates, led by the Energy and Materials sectors. On the other hand, five sectors have a recorded a decrease in expected earnings growth due to downward revisions to earnings estimates, led by the Consumer Staples and Industrials sectors.

Energy: Chevron Leads Increase in Expected Earnings

The Energy sector has recorded the largest increase in expected earnings growth since the start of the quarter (to 139.2% from 115.7%). This sector has also witnessed the largest increase in price since March 31 at 13.6%. Overall, 22 of the 31 companies (71%) in the Energy sector have seen an increase in their mean EPS estimate during this time. Of these 22 companies, 11 have recorded an increase in their mean EPS estimate of more than 10%, led by Helmerich & Payne (to $0.03 from $0.01), Occidental Petroleum (to $1.16 from $0.70), and Anadarko Petroleum (to $0.53 from $0.33). However, the increase in the mean EPS estimates for Chevron (to $2.06 from $1.67), Occidental Petroleum, and ConocoPhillips (to $0.96 from $0.70) have been the largest contributors to the increase in expected earnings for this sector since March 31. The stock prices for all three companies have increased by more than 10% since the start of the quarter.

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Materials: DowDuPont Leads Increase in Estimated Earnings

The Materials sector has recorded the second largest increase in expected earnings growth since the start of the quarter (to 48.0% from 45.1%). This sector has witnessed an increase in price of 6.3% during this same period. Overall, 11 of the 24 companies (46%) in the Materials sector have seen an increase in their mean EPS estimate during this time, led by FMC Corporation (to $1.72 from $1.39). However, the increase in the mean EPS estimate for DowDuPont (to $1.29 from $1.23) has been the largest contributor to the increase in expected earnings for this sector since March 31. The stock price for DowDuPont has increased by 7.7% since the start of the quarter.

Consumer Staples: 85% of Companies Have Seen Decline in Earnings Expectations

The Consumer Staples sector has recorded the largest decrease in expected earnings growth since the start of the quarter (to 8.2% from 11.1%). This sector has also witnessed the largest decrease in price since March 31 at -5.2%. Overall, 28 of the 33 companies (85%) in the Consumer Staples sector have seen a decrease in their mean EPS estimate during this time. Of these 28 companies, two have recorded a decrease in their mean EPS estimate of more than 10%: Campbell Soup (to $0.25 from $0.58) and Coty (to $0.14 from $0.17). Companies that have been significant contributors to the decrease in earnings for this sector since March 31 include Campbell Soup, Philip Morris International (to $1.25 from $1.31), Kraft Heinz (to $0.94 from $1.01), Coca-Cola Company (to $0.61 from $0.63), and PepsiCo (to $1.53 from $1.58).

Industrials: GE Leads Decrease in Estimated Earnings

The Industrials sector has recorded the second largest decrease in expected earnings growth since the start of the quarter (to 12.4% from 14.9%). This sector has witnessed an increase in price of 2.1% during this same period. Overall, 43 of the 70 companies (61%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 43 companies, 9 have recorded a decrease in their mean EPS estimate of more than 10%, led by Pentair (to $0.69 from $1.13). However, the decrease in the mean EPS estimates for General Electric (to $0.17 from $0.22), American Airlines Group (to $1.70 from $2.14), Southwest Airlines (to $1.27 from $1.56), and Delta Airlines (to $1.80 from $1.98) have been the largest contributors to the decrease in expected earnings for this sector since March 31. While the stock prices for all three airlines have declined over this period, the stock price for General Electric is up 2.9% since the start of the quarter.

Index-Level (Bottom-Up) EPS Estimate: Up 0.1%

The Q2 bottom-up EPS estimate (which is an aggregation of the median earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) has increased by 0.1% (to $39.01 from $38.98) since March 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings estimates have fallen by 2.7% on average during the first two months of a quarter. Over the past ten years, (40 quarters), earnings estimates have fallen by 3.7% on average during the first two months of a quarter. Over the past fifteen years, (60 quarters), earnings expectations have fallen by 2.9% on average during a quarter.

Earnings Guidance: Negative EPS Guidance For Q2 2018 is Below Average

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

At this point in time, 107 companies in the index have issued EPS guidance for Q2 2018. Of these 107 companies, 60 have issued negative EPS guidance and 47 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 56% (60 out of 107), which is well below the 5-year average of 72%.

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Second-Highest Earnings Growth (19.0%) Since Q1 2011

The estimated (year-over-year) earnings growth rate for Q2 2018 is 19.0%. If 19.0% is the final growth rate for the quarter, it will mark the second highest earnings growth reported by the index since Q1 2011 (19.5%), trailing only the previous quarter (24.6%). It will also mark the fourth straight quarter in which the index has reported double-digit earnings growth. All eleven sectors are expected to report year-over-year growth in earnings. Seven sectors are expected to report double-digit earnings growth, led by the Energy, Materials, and Information Technology sectors.

Energy: Highest Earnings Growth On Easy Comparison to Low Year-Ago Earnings

The Energy sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 139.2%. At the sub-industry level, all six sub-industries in the sector are predicted to report earnings growth for the quarter: Oil & Gas Exploration & Production (N/A due to year-ago loss), Oil & Gas Drilling (N/A due to year-ago loss), Integrated Oil & Gas (96%), Oil & Gas Equipment & Services (75%), Oil & Gas Storage & Transportation (75%), and Oil & Gas Refining & Marketing (72%).

The unusually high growth rate for the sector is mainly due to a combination of a year-over-year increase in oil prices and a comparison to unusually low earnings in the year-ago quarter. The average price of oil in Q2 2018 ($67.87) to date is 41% higher than the average price of oil in Q2 2017 ($48.15). On a dollar-level basis, the Energy sector is projected to report earnings of $19.2 billion in Q2 2018, compared to earnings of $8.0 billion in Q2 2017. The Energy sector has the lowest dollar-level earnings in the year-ago quarter of all eleven sectors.

Materials: DowDuPont Leads Growth On Easy Comparison to Standalone EPS for Dow Chemical

The Materials sector is expected to report the second highest (year-over-year) earnings growth of all eleven sectors at 48.0%. At the industry level, all four industries in the sector are predicted to report double-digit earnings growth: Metals & Mining (82%), Chemicals (45%), Containers & Packaging (41%), and Construction Materials (38%). At the company level, DowDuPont is predicted to be the largest contributor to earnings growth for the sector. However, the estimated (dollar-level) earnings for Q2 2018 ($3.0 billion) reflect the combined DowDuPont company, while the actual earnings for Q2 2017 ($1.3 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to earnings growth for the sector. If this company were excluded, the estimated earnings growth rate for the sector would fall to 30.4% from 48.0%.

Information Technology: 4 of 7 Industries Expected to Report Double-Digit Earnings Growth

The Information Technology sector is expected to report the third highest (year-over-year) earnings growth of all eleven sectors at 23.3%. At the industry level, six of the seven industries in this sector are predicted to report earnings growth. Four of these six industries are predicted to report double-digit earnings growth: Internet Software & Services (58%), Semiconductor & Semiconductor Equipment (33%), Technology Hardware, Storage, & Peripherals (23%), and IT Services (16%).

Highest Revenue Growth (8.7%) Since Q3 2011

The estimated (year-over-year) revenue growth rate for Q2 2018 is 8.7%. If 8.7% is the final growth rate for the quarter, it will mark the highest revenue growth reported by the index since Q3 2011 (12.5%). All eleven sectors are expected to report year-over-year growth in revenues. Four sectors are predicted to report double-digit growth in revenues: Materials, Energy, Information Technology, and Real Estate.

Materials: DowDuPont Leads Growth On Easy Comparison to Standalone Revenue for Dow Chemical

The Materials sector is expected to report the highest (year-over-year) revenue growth of all eleven sectors at 23.7%. At the industry level, all four industries in this sector are expected to report revenue growth, led by the Chemicals (31%) and Metals & Mining (22%) industries. At the company level, DowDuPont is predicted to be the largest contributor to revenue growth for the sector. However, the estimated revenues for Q2 2018 ($23.6 billion) reflect the combined DowDuPont company, while the actual revenues for Q2 2017 ($13.8 billion) reflect the standalone Dow Chemical company. This apple-to-orange comparison is the main reason DowDuPont is projected to be the largest contributor to revenue growth for the sector. If this company were excluded, the estimated revenue growth rate for the sector would fall to 13.2% from 23.7%.

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Energy: All 6 Sub-Industries Expected to Report Double-Digit Growth

The Energy sector is expected to report the second highest (year-over-year) revenue growth of all eleven sectors at 23.0%. At the sub-industry level, all six sub-industries in the sector are predicted to report double-digit revenue growth: Oil & Gas Refining & Marketing (25%), Oil & Gas Drilling (24%), Integrated Oil & Gas (23%), Oil & Gas Equipment & Services (23%), Oil & Gas Exploration & Production (18%), and Oil & Gas Storage & Transportation (15%).

Information Technology: 4 of 7 Industries Expected to Report Double-Digit Growth

The Information Technology sector is expected to report the third highest (year-over-year) revenue growth of all eleven sectors at 13.1%. At the industry level, all seven industries in this sector are predicted to report revenue growth. Four of these seven industries are projected to report double-digit revenue growth: Internet Software & Services (25%), Semiconductor & Semiconductor Equipment (16%), Software (12%), and Technology Hardware, Storage, & Peripherals (10%).

Real Estate: CBRE Group Leads Growth

The Real Estate sector is expected to report the fourth highest (year-over-year) revenue growth of all eleven sectors at 10.5%. At the company level, CBRE Group is predicted to be the largest contributor to revenue growth for the sector. The revenue estimate for Q2 2018 is $4.6 billion, compared to year-ago revenues of $3.3 billion. If this company were excluded, the estimated revenue growth rate for the sector would fall to 5.9% from 10.5%.

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Looking Ahead: Forward Estimates and Valuation

Double-Digit Earnings Growth Expected For All of 2018

For the second quarter, companies are expected to report earnings growth of 19.0% and revenue growth of 8.7%. Analysts also currently expect earnings to grow at double-digit levels for the remainder 2018.

For Q3 2018, analysts are projecting earnings growth of 21.2% and revenue growth of 7.6%.

For Q4 2018, analysts are projecting earnings growth of 17.0% and revenue growth of 5.8%.

For all of 2018, analysts are projecting earnings growth of 19.7% and revenue growth of 7.6%.

Valuation: Forward P/E Ratio is 16.6, above the 10-Year Average (14.4)

The forward 12-month P/E ratio is 16.6. This P/E ratio is above the 5-year average of 16.2 and above the 10-year average of 14.4. It is also above the forward 12-month P/E ratio of 16.4 recorded at the start of the second quarter (March 31). Since the start of the second quarter, the price of the index has increased by 4.9%, while the forward 12-month EPS estimate has increased by 3.6%.

At the sector level, the Consumer Discretionary (20.5) sector has the highest forward 12-month P/E ratio, while the Telecom Services (10.4) and Financials (12.9) sectors have the lowest forward 12-month P/E ratios. Eight sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Information Technology (18.9 vs. 14.5) sector. Two sectors have forward 12-month P/E ratios that are below their 10-year averages: Telecom Services (10.4 vs. 14.0) and Energy (18.7 vs. 19.6).

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

The bottom-up target price for the S&P 500 is 3089.86, which is 11.5% above the closing price of 2770.37. At the sector level, the Consumer Staples (+13.3%) and Health Care (+13.1%) 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 Real Estate (+8.1%) 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.

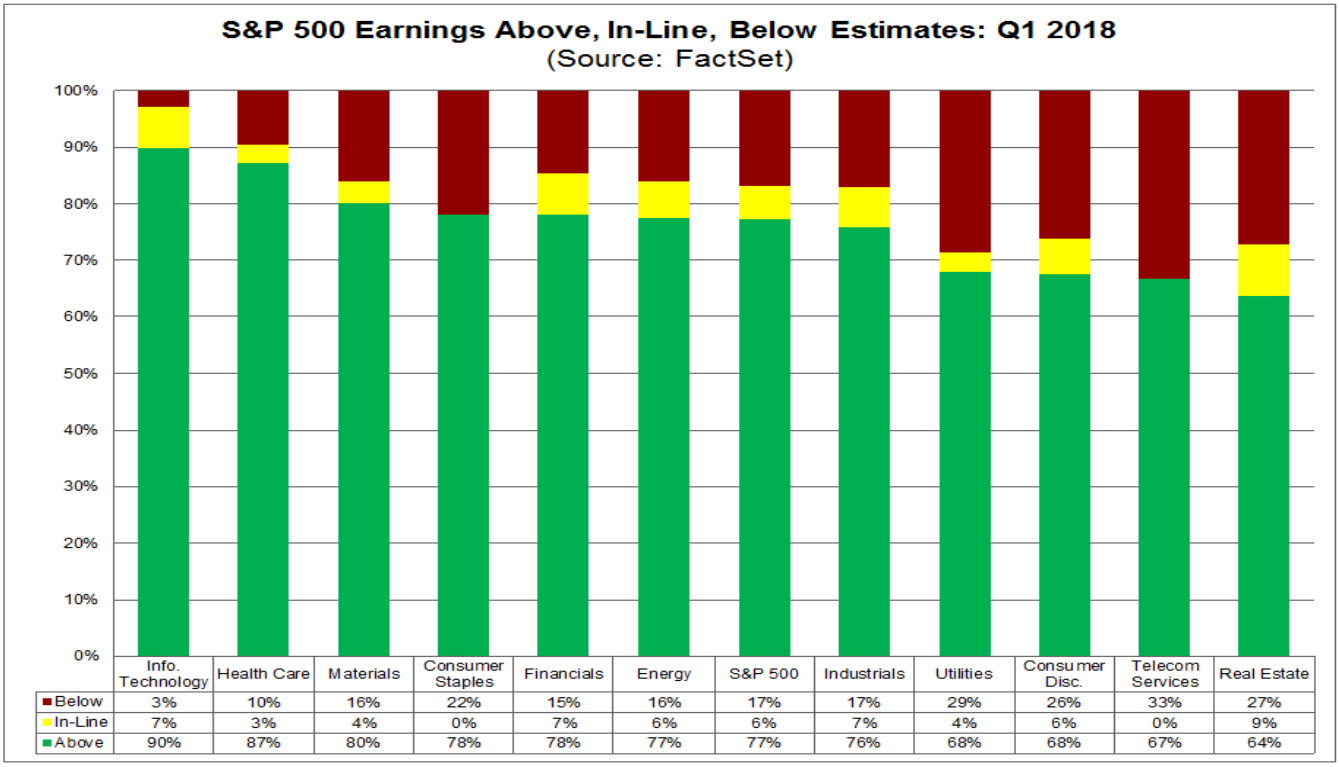
Overall, there are 10,932 ratings on stocks in the S&P 500. Of these 10,932 ratings, 53.4% are Buy ratings, 42.0% are Hold ratings, and 4.6% are Sell ratings. At the sector level, the Health Care (60%), Information Technology (60%), and Energy (59%) sectors have the highest percentages of Buy ratings, while the Telecom Services (36%) sector has the lowest percentage of Buy ratings.

Companies Reporting Next Week: 2

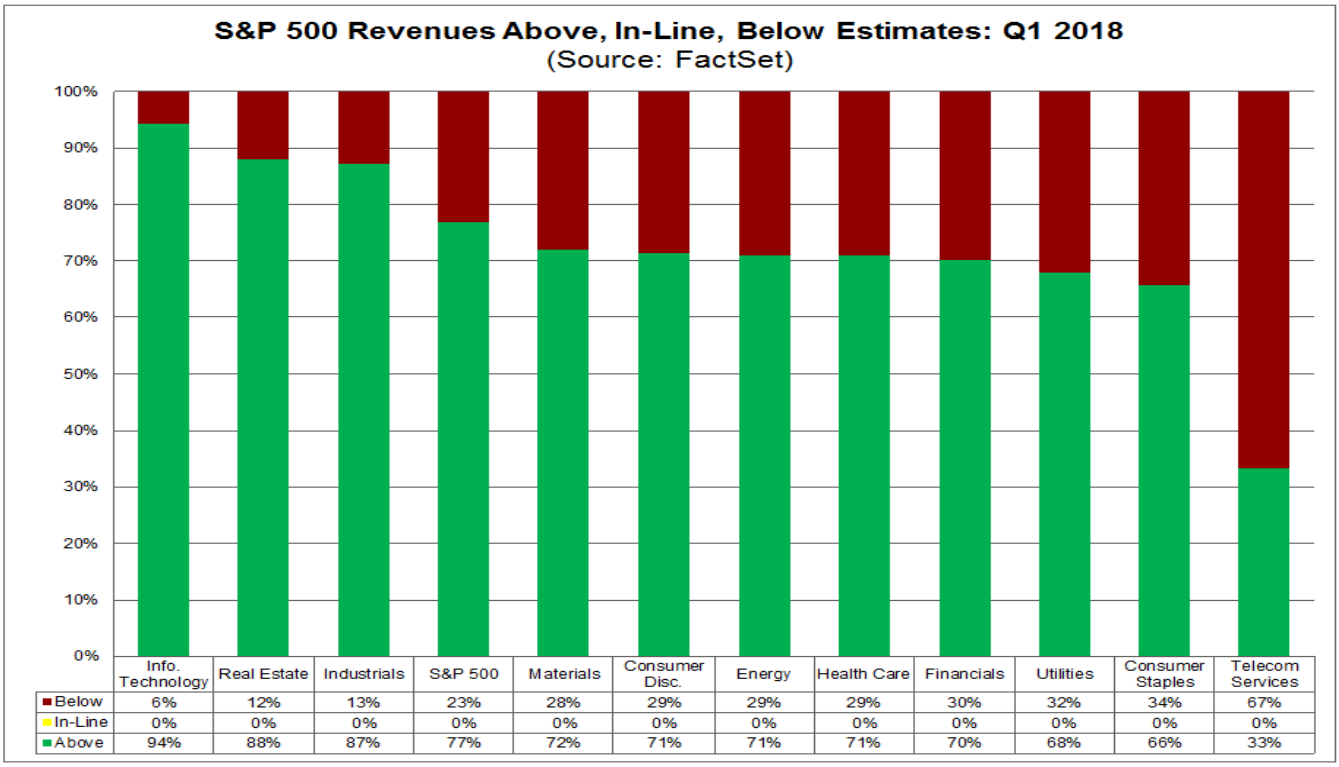
During the upcoming week, 1 S&P 500 company is scheduled to report results for the first quarter and 1 S&P 500 company is scheduled to report results for the second quarter.

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q1 2018: Scorecard



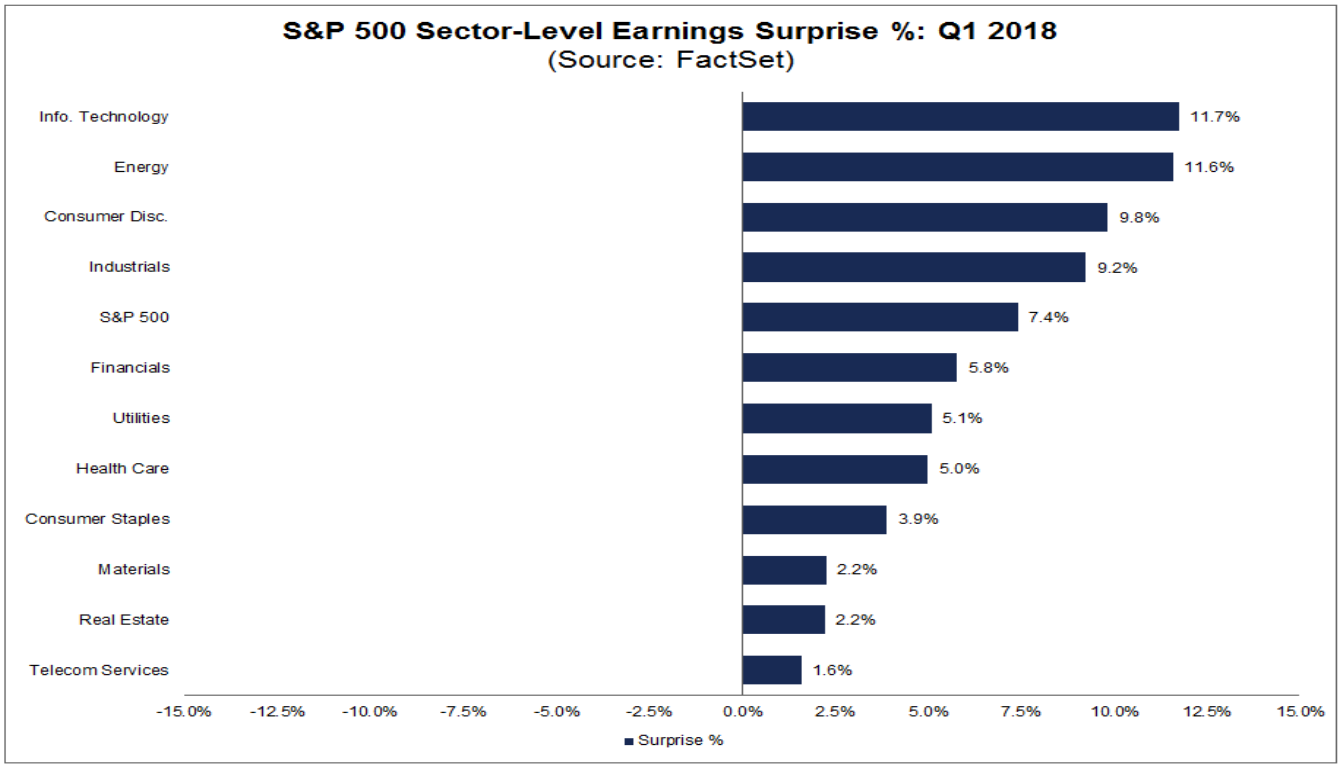
	Info. Technology	Health Care	Materials	Consumer Staples	Financials	Energy	S&P 500	Industrials	Utilities	Consumer Disc.	Telecom Services	Real Estate
Below	3%	10%	16%	22%	15%	16%	17%	17%	29%	26%	33%	27%
In-Line	7%	3%	4%	0%	7%	6%	6%	7%	4%	6%	0%	9%
Above	90%	87%	80%	78%	78%	77%	77%	76%	68%	68%	67%	64%

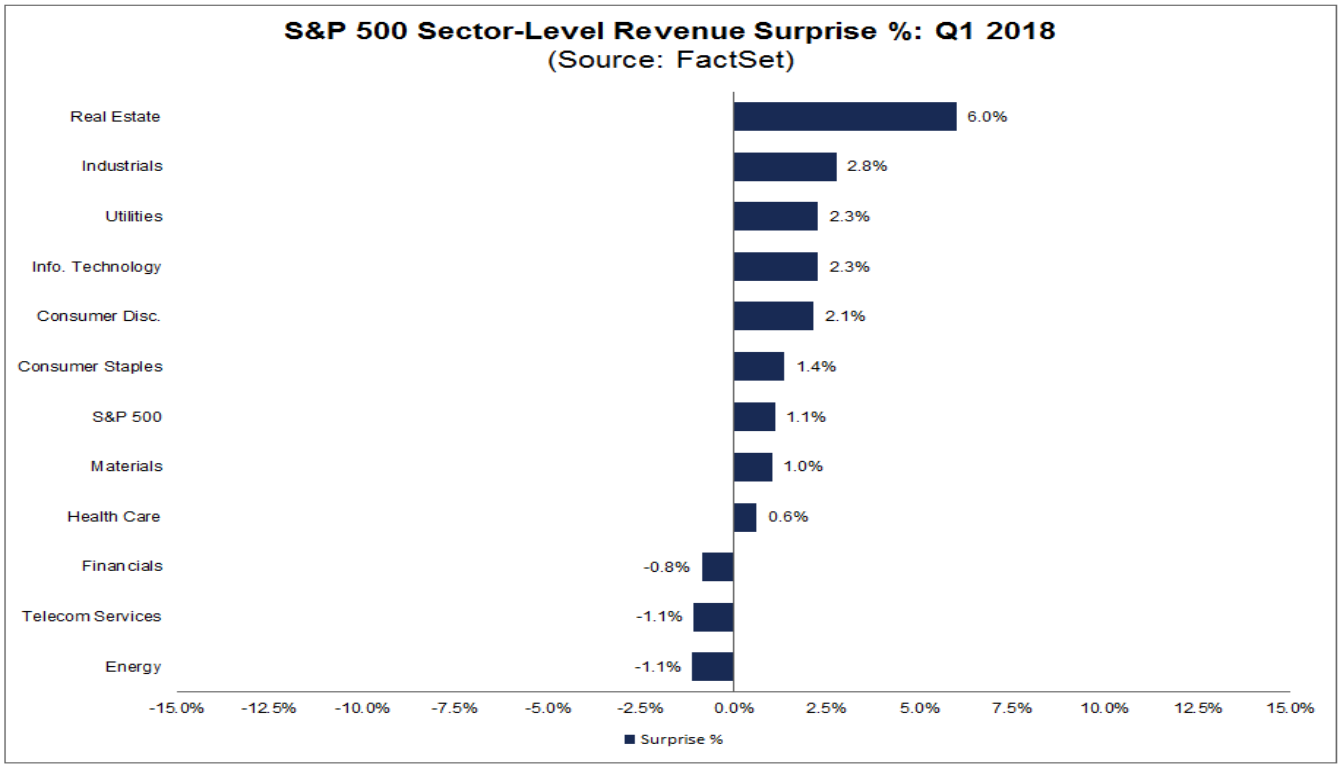


	Info. Technology	Real Estate	Industrials	S&P 500	Materials	Consumer Disc.	Energy	Health Care	Financials	Utilities	Consumer Staples	Telecom Services
Below	6%	12%	13%	23%	28%	29%	29%	29%	30%	32%	34%	67%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	94%	88%	87%	77%	72%	71%	71%	71%	70%	68%	66%	33%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

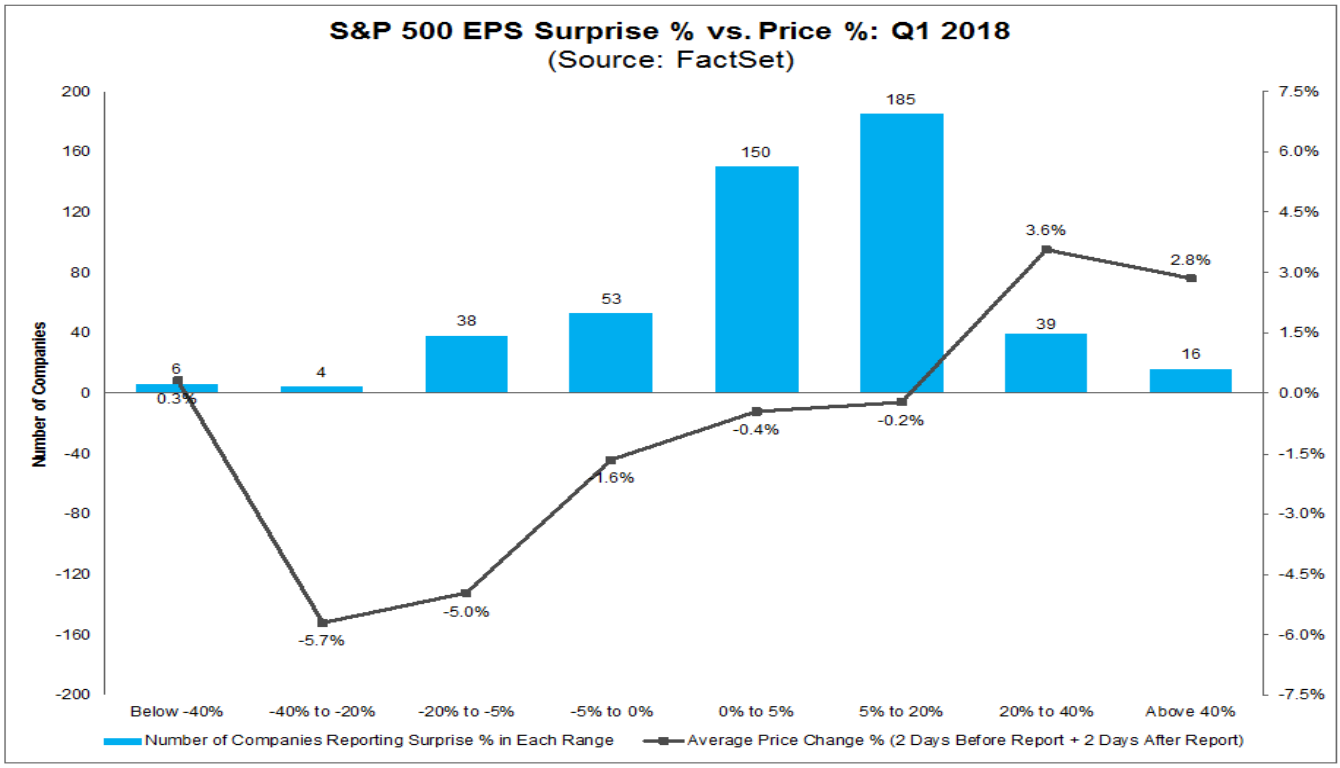
Q1 2018: Scorecard

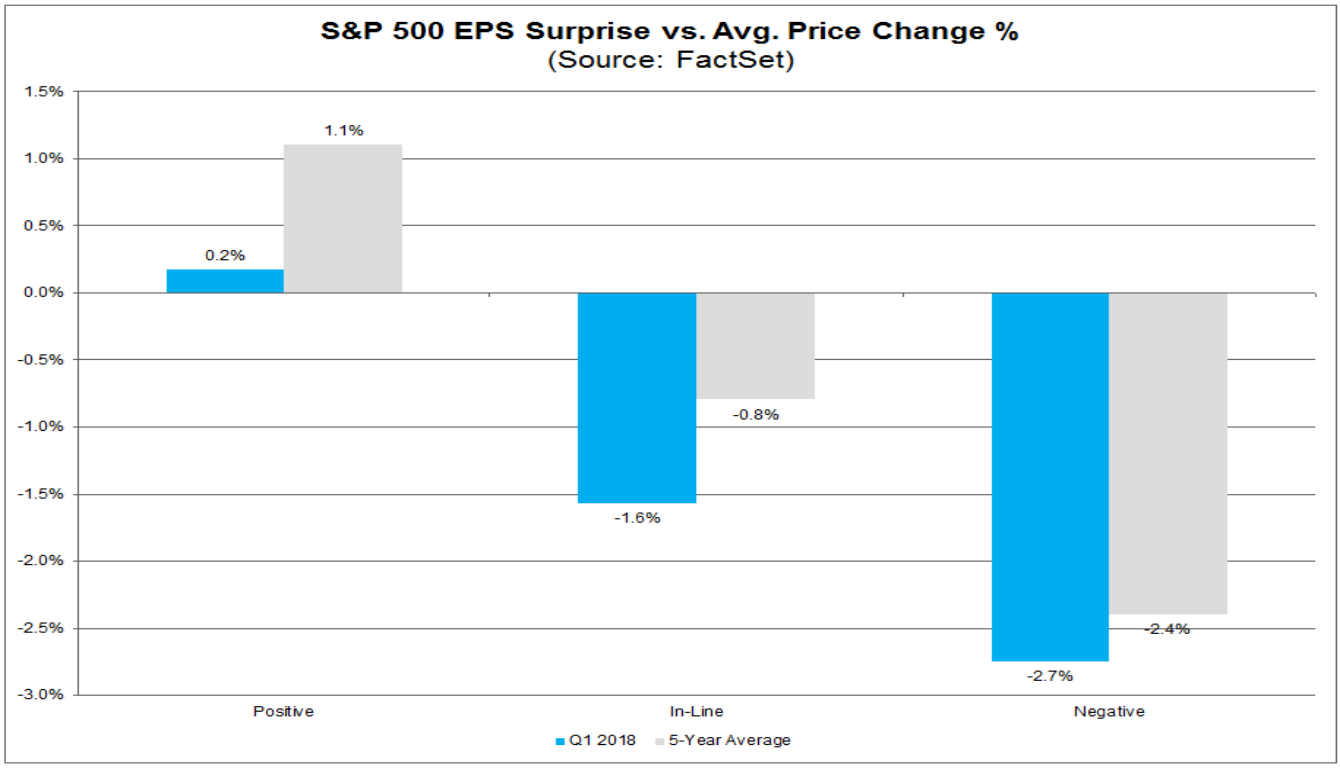




Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

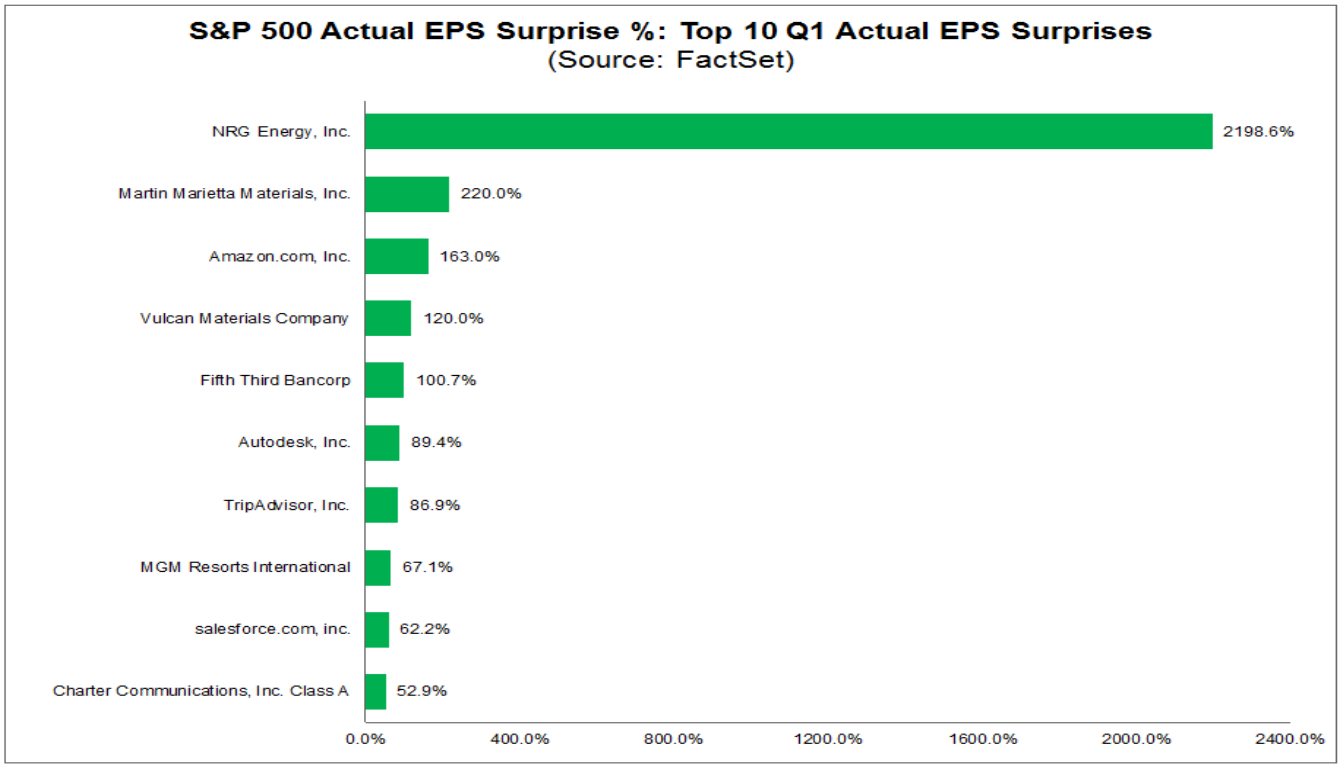
Q1 2018: Scorecard

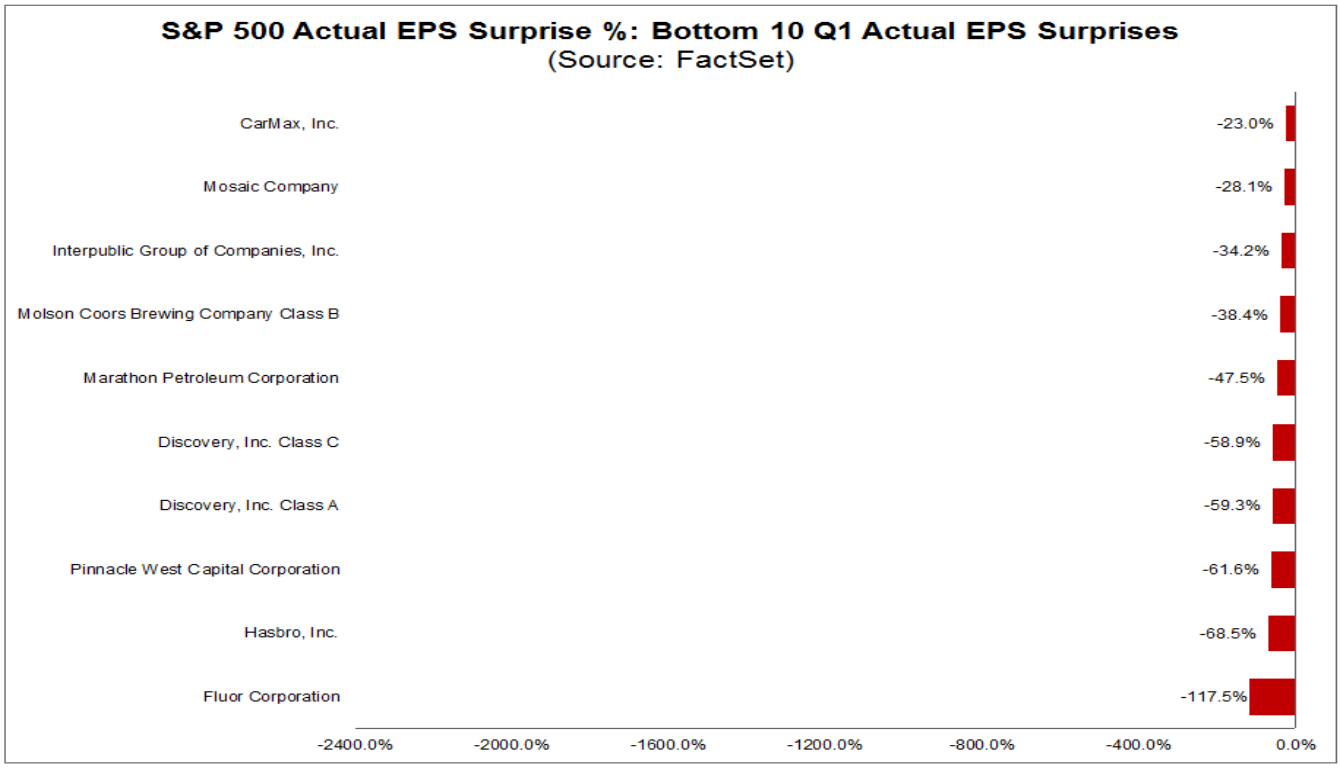




Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

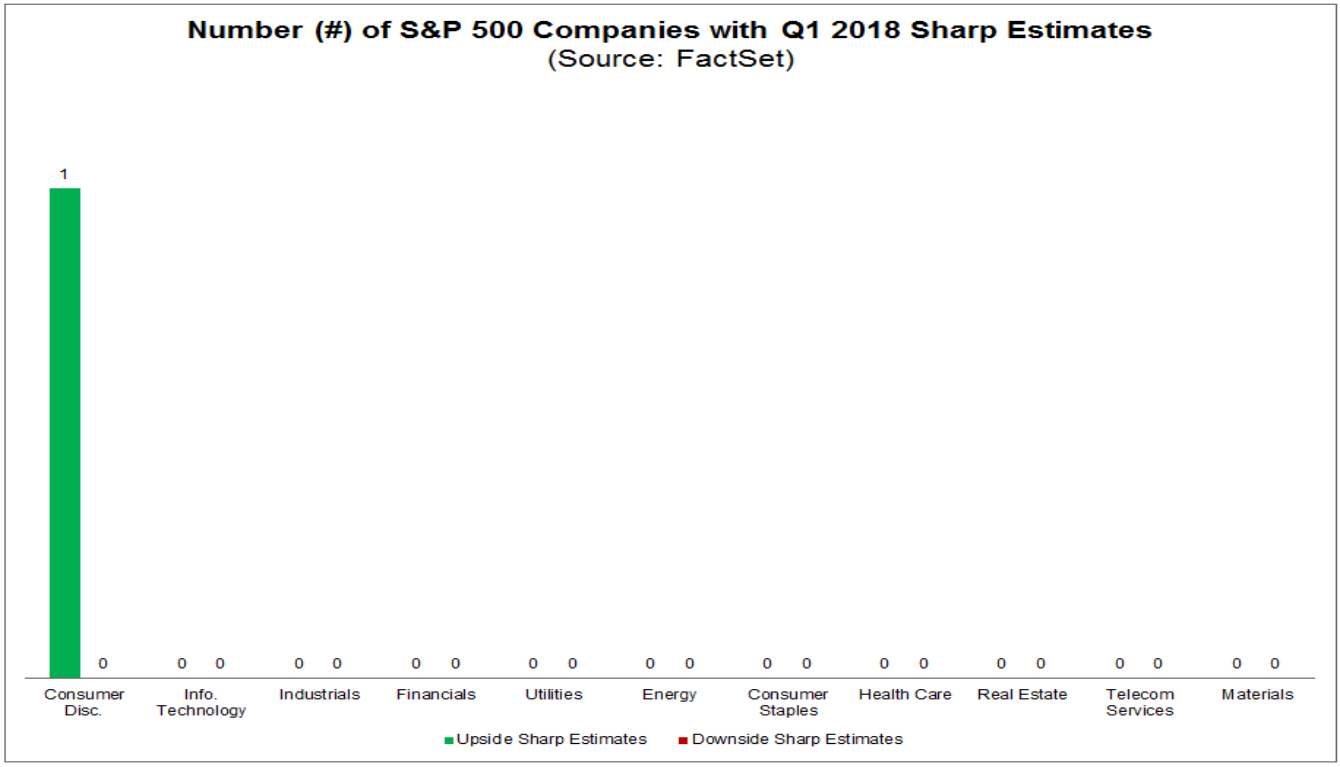
Q1 2018: Scorecard

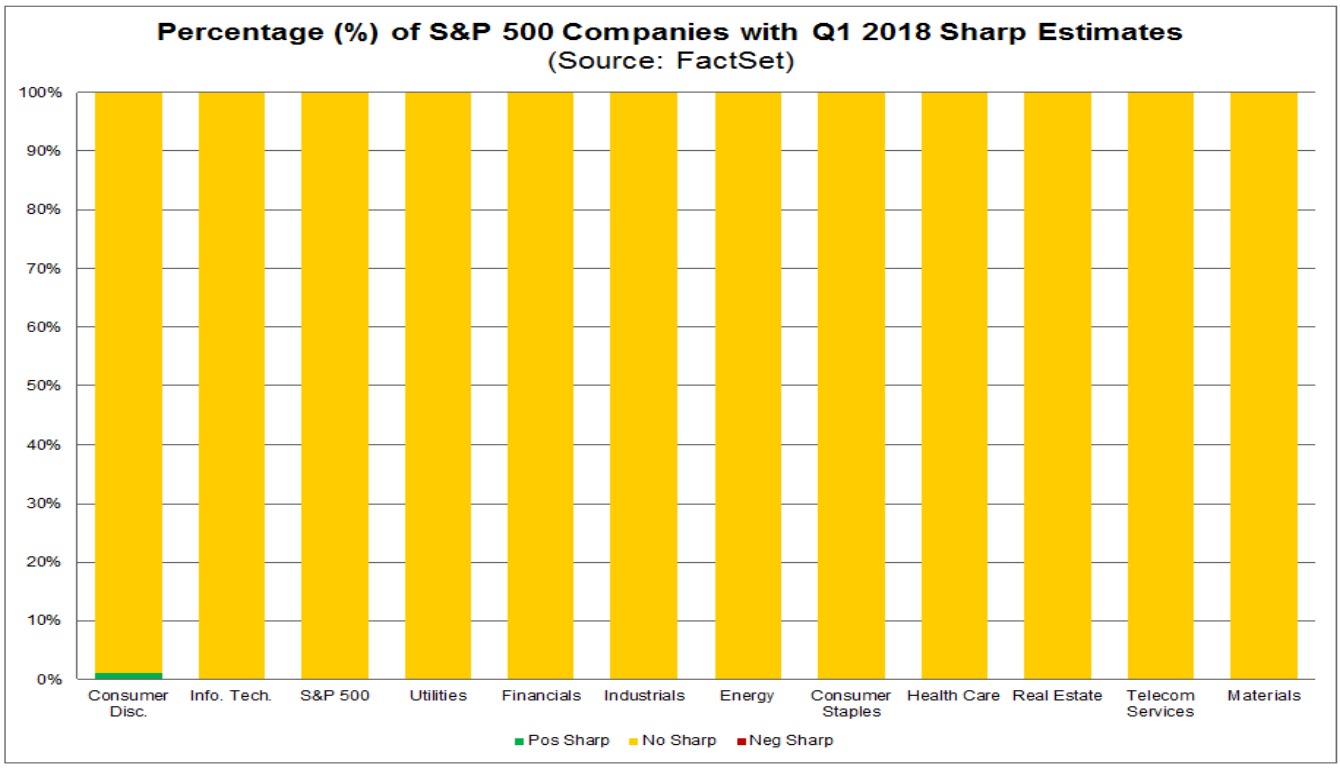




Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

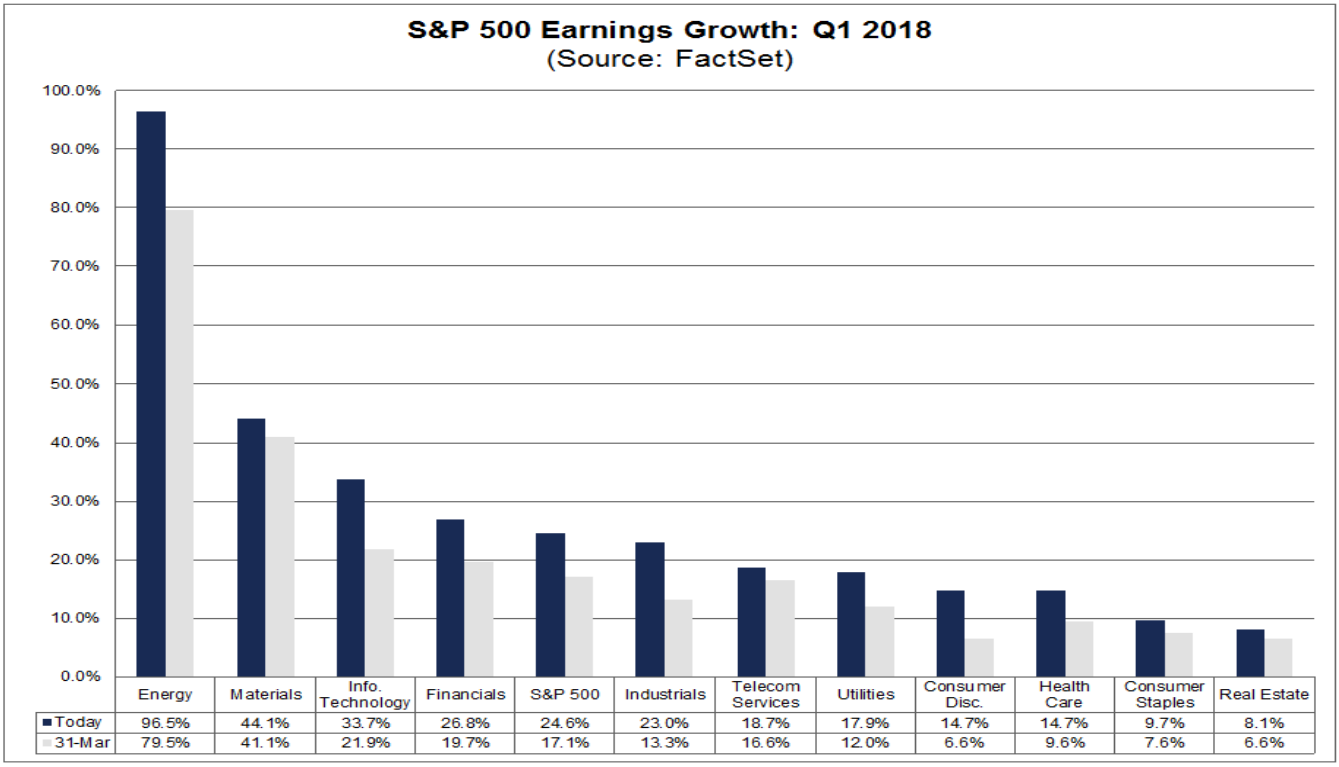
Q1 2018: Projected EPS Surprises (Sharp Estimates)



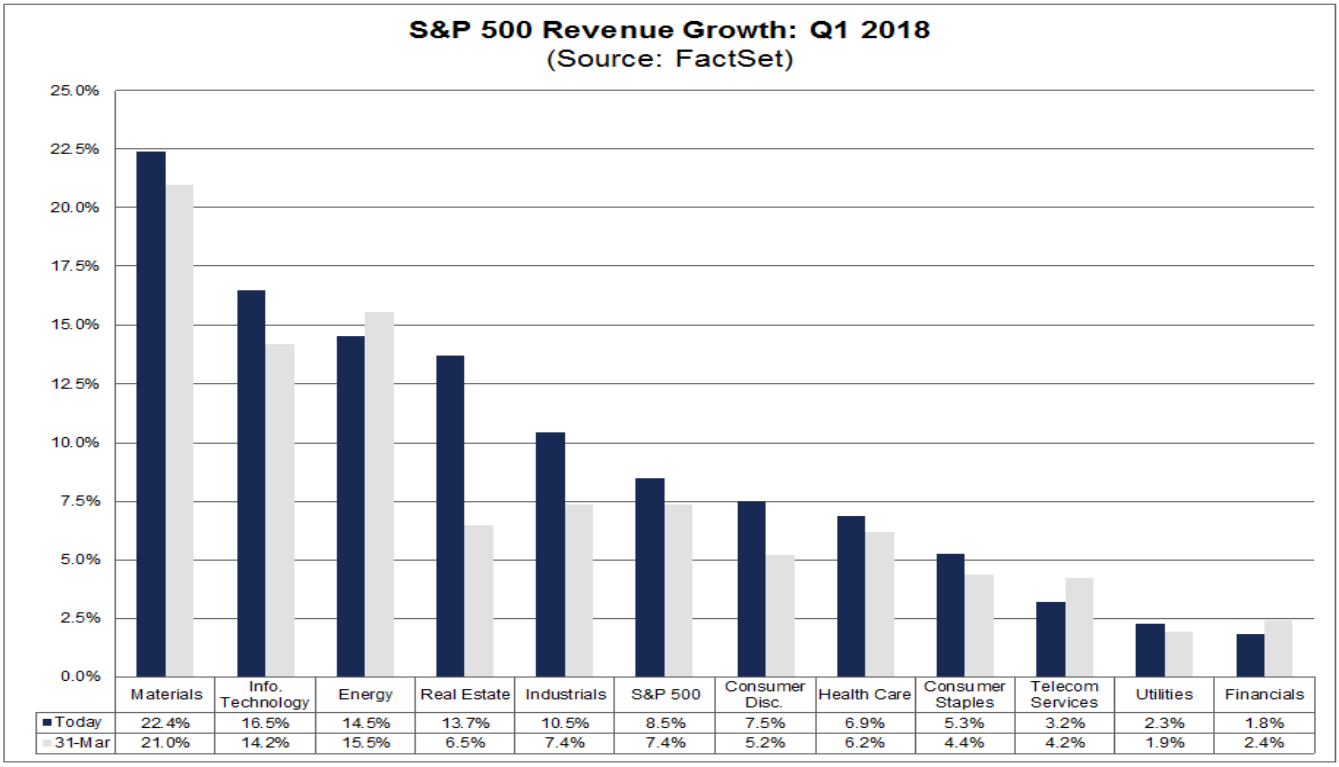


Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q1 2018: Growth



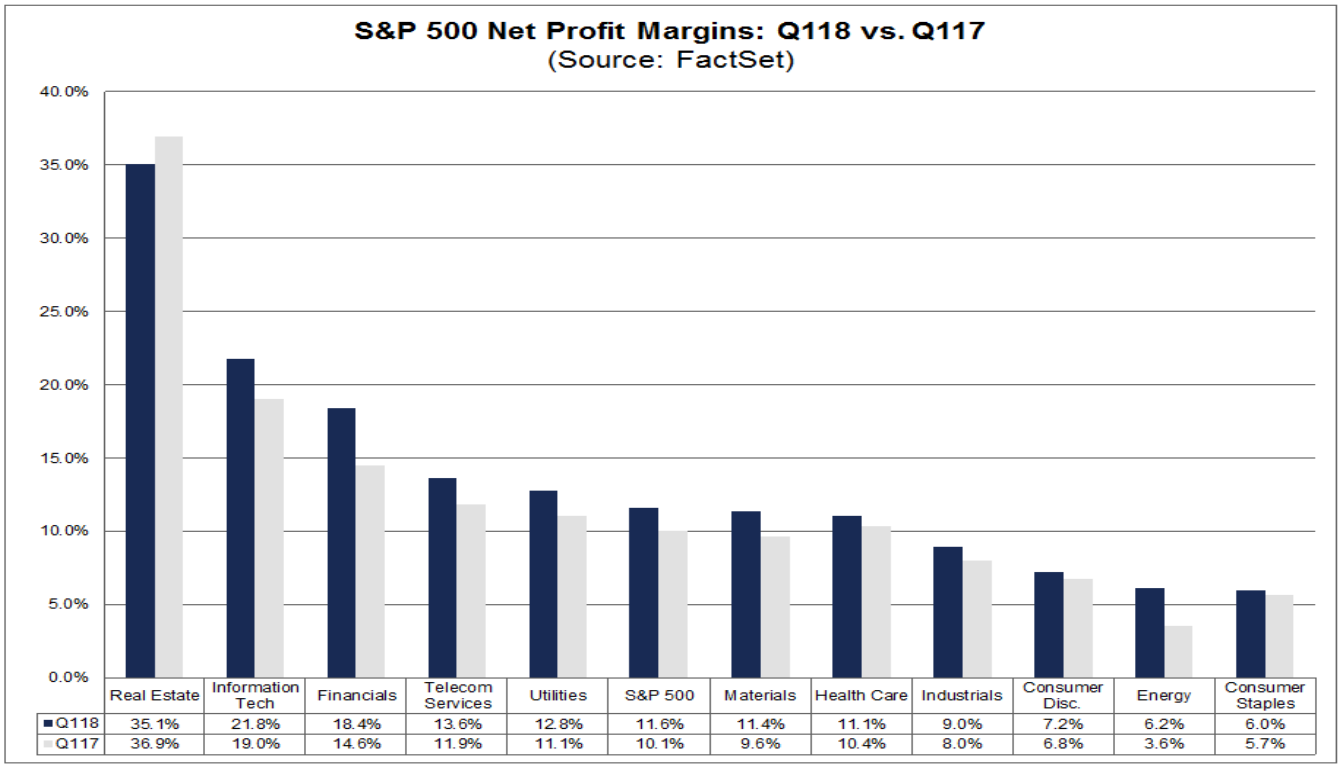
	Energy	Materials	Info. Technology	Financials	S&P 500	Industrials	Telecom Services	Utilities	Consumer Disc.	Health Care	Consumer Staples	Real Estate
Today	96.5%	44.1%	33.7%	26.8%	24.6%	23.0%	18.7%	17.9%	14.7%	14.7%	9.7%	8.1%
31-Mar	79.5%	41.1%	21.9%	19.7%	17.1%	13.3%	16.6%	12.0%	6.6%	9.6%	7.6%	6.6%



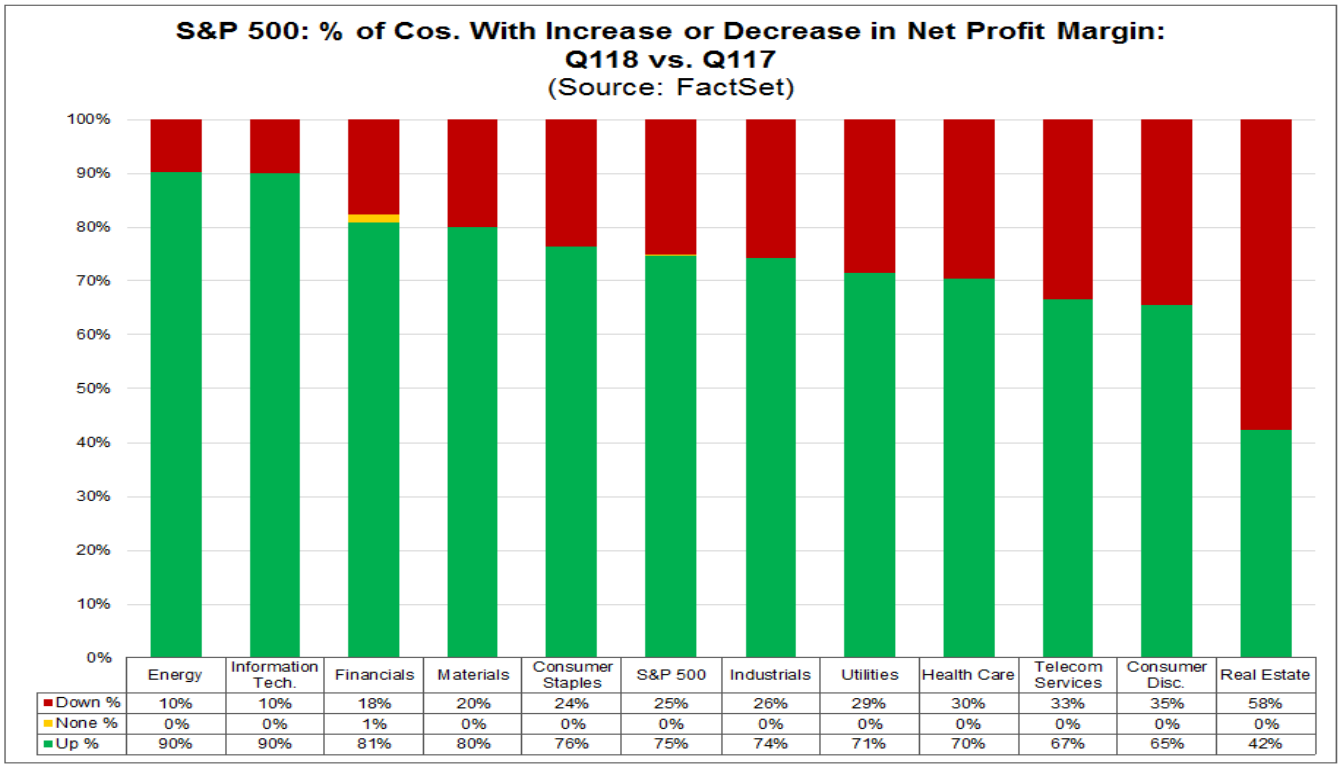
	Materials	Info. Technology	Energy	Real Estate	Industrials	S&P 500	Consumer Disc.	Health Care	Consumer Staples	Telecom Services	Utilities	Financials
Today	22.4%	16.5%	14.5%	13.7%	10.5%	8.5%	7.5%	6.9%	5.3%	3.2%	2.3%	1.8%
31-Mar	21.0%	14.2%	15.5%	6.5%	7.4%	7.4%	5.2%	6.2%	4.4%	4.2%	1.9%	2.4%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q1 2018: Net Profit Margin



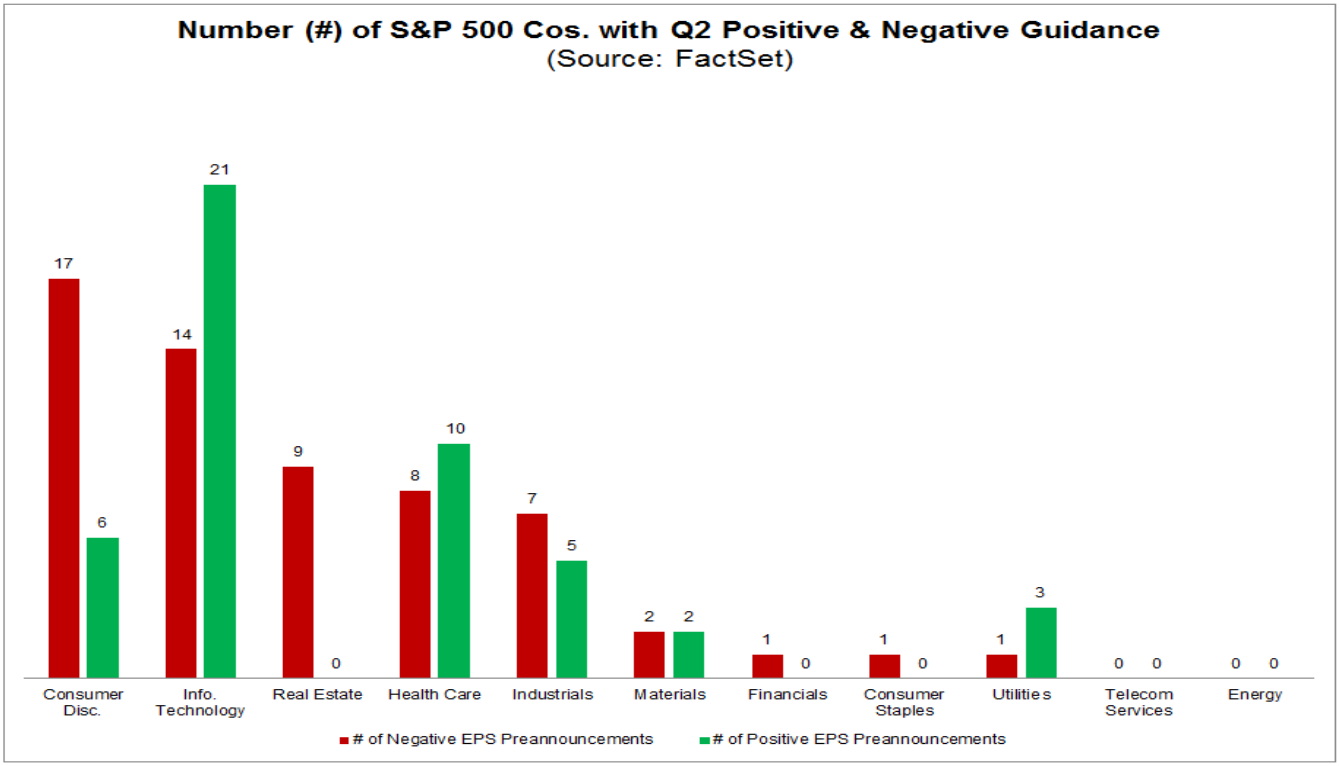
	Real Estate	Information Tech	Financials	Telecom Services	Utilities	S&P 500	Materials	Health Care	Industrials	Consumer Disc.	Energy	Consumer Staples
Q118	35.1%	21.8%	18.4%	13.6%	12.8%	11.6%	11.4%	11.1%	9.0%	7.2%	6.2%	6.0%
Q117	36.9%	19.0%	14.6%	11.9%	11.1%	10.1%	9.6%	10.4%	8.0%	6.8%	3.6%	5.7%

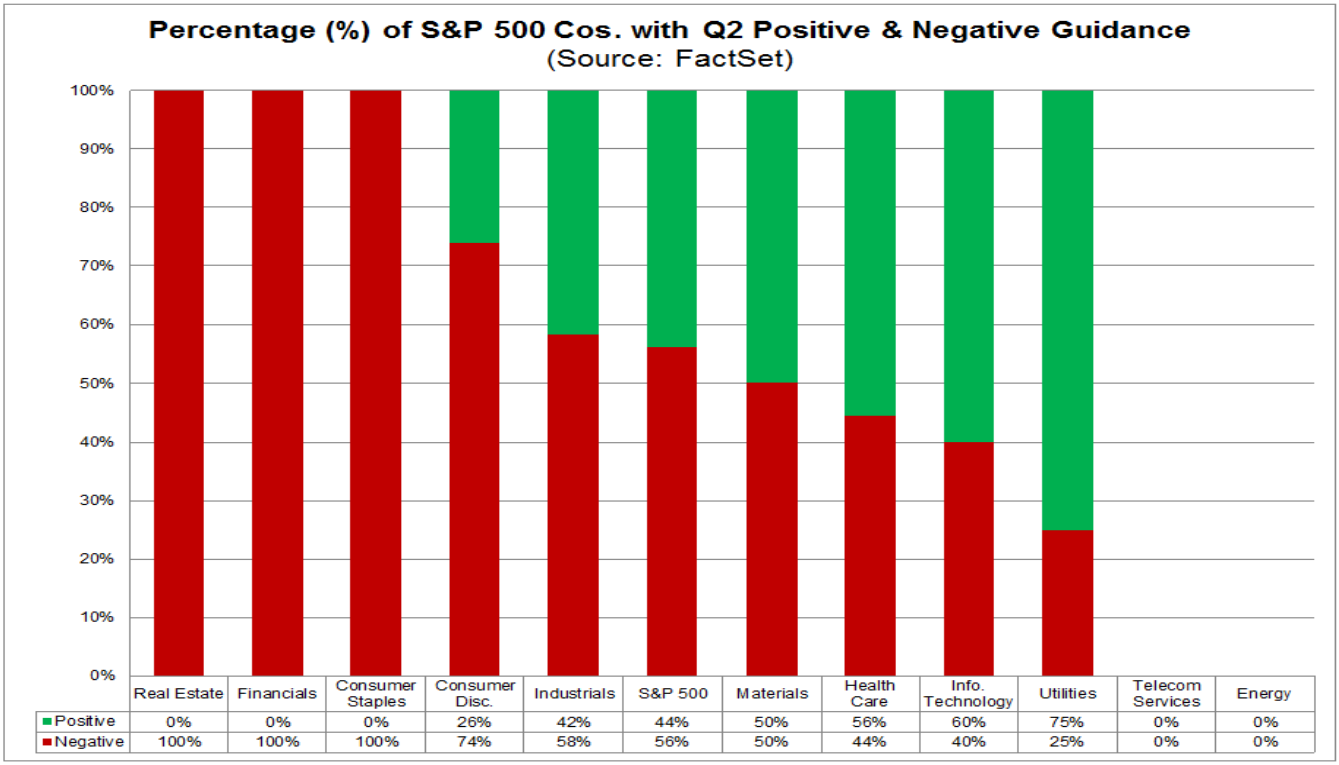


	Energy	Information Tech.	Financials	Materials	Consumer Staples	S&P 500	Industrials	Utilities	Health Care	Telecom Services	Consumer Disc.	Real Estate
Down %	10%	10%	18%	20%	24%	25%	26%	29%	30%	33%	35%	58%
None %	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	90%	90%	81%	80%	76%	75%	74%	71%	70%	67%	65%	42%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q2 2018: Guidance

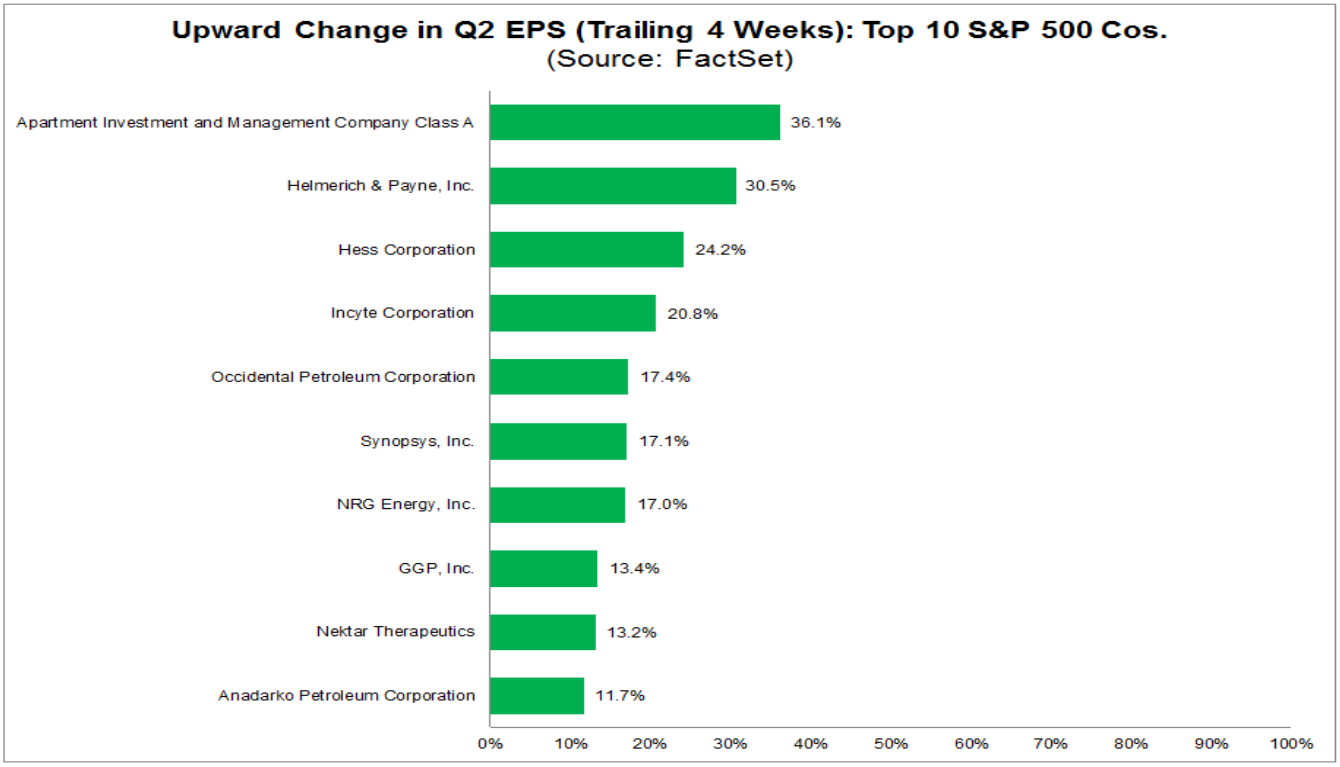


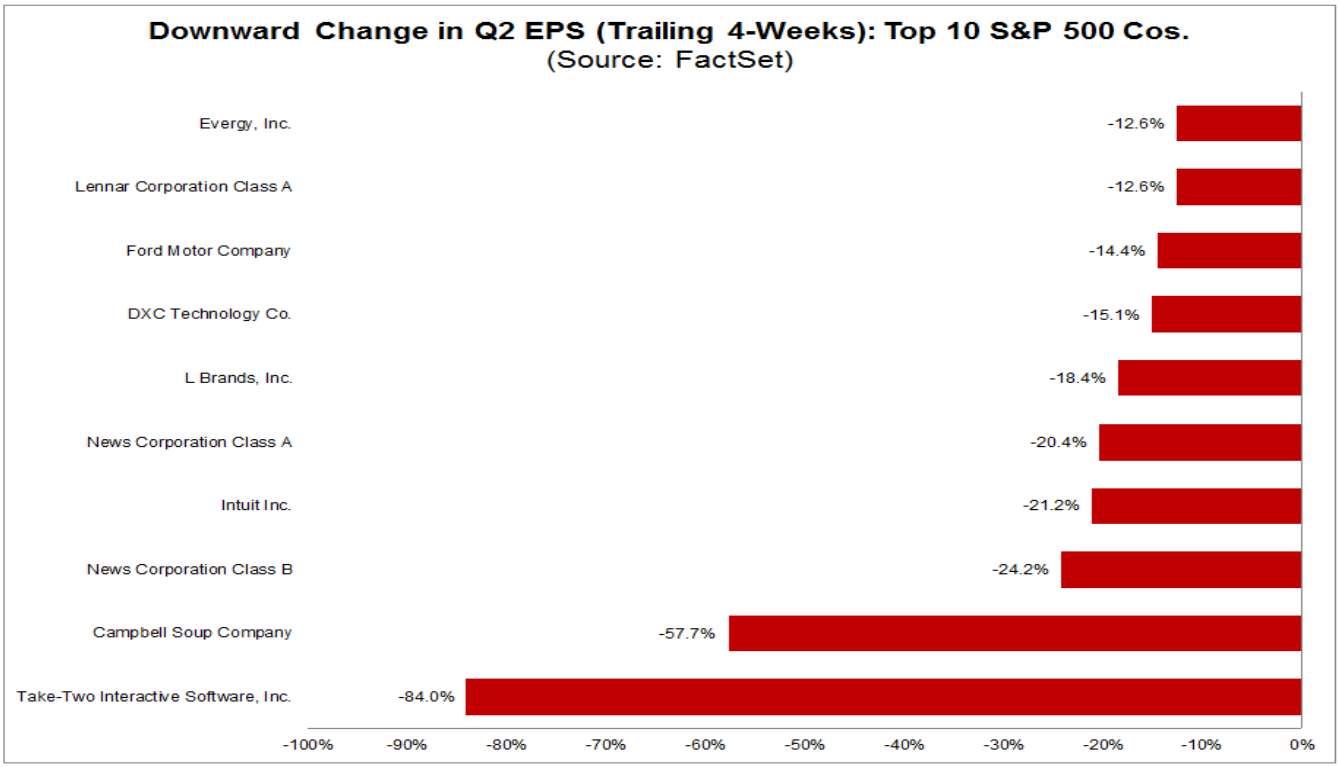


	Real Estate	Financials	Consumer Staples	Consumer Disc.	Industrials	S&P 500	Materials	Health Care	Info. Technology	Utilities	Telecom Services	Energy
Positive	0%	0%	0%	26%	42%	44%	50%	56%	60%	75%	0%	0%
Negative	100%	100%	100%	74%	58%	56%	50%	44%	40%	25%	0%	0%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

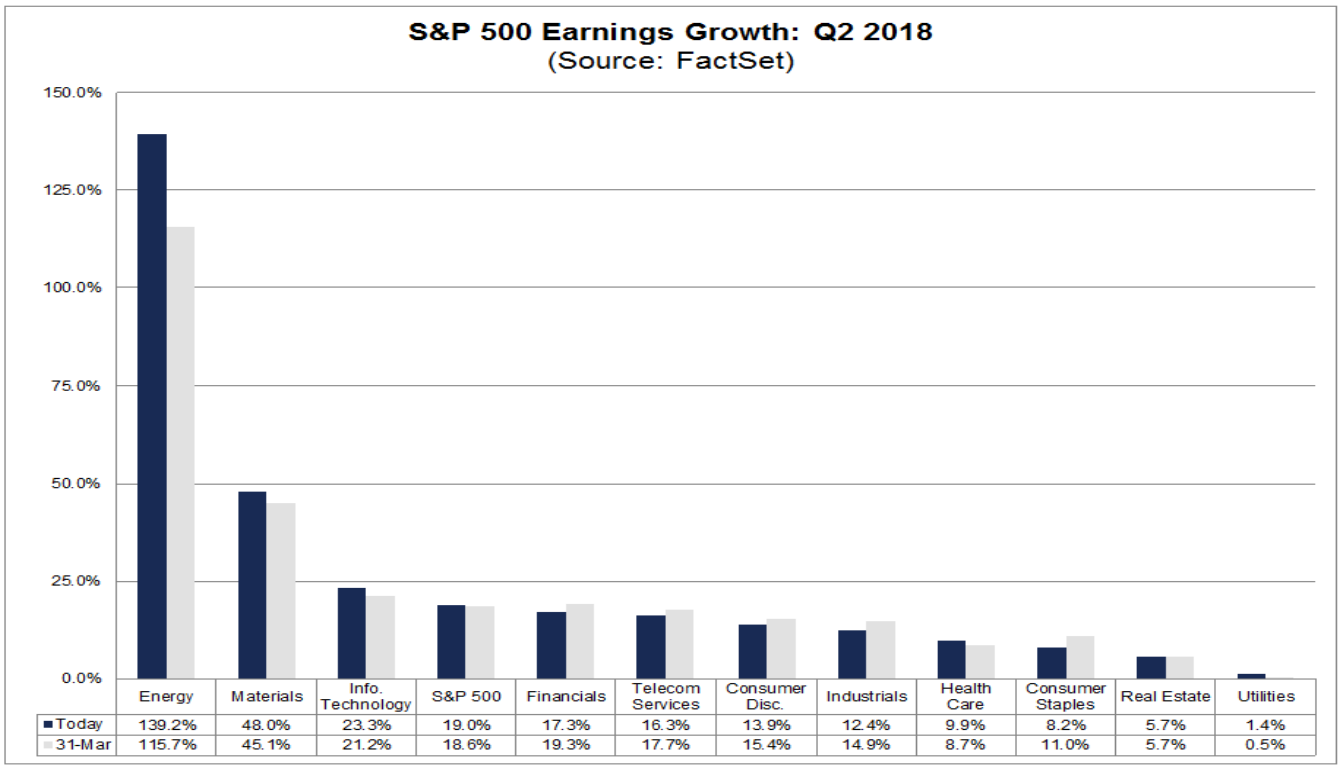
Q2 2018: EPS Revisions



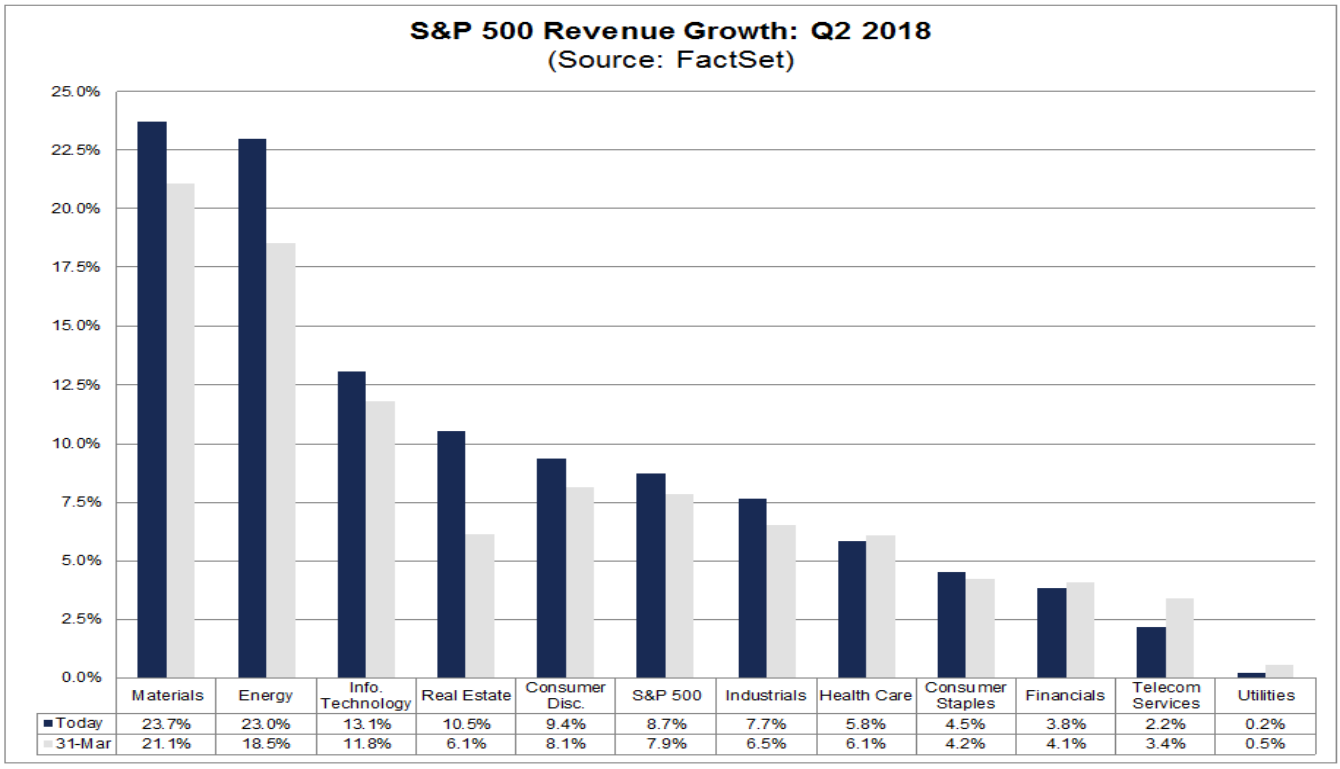


Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Q2 2018: Growth



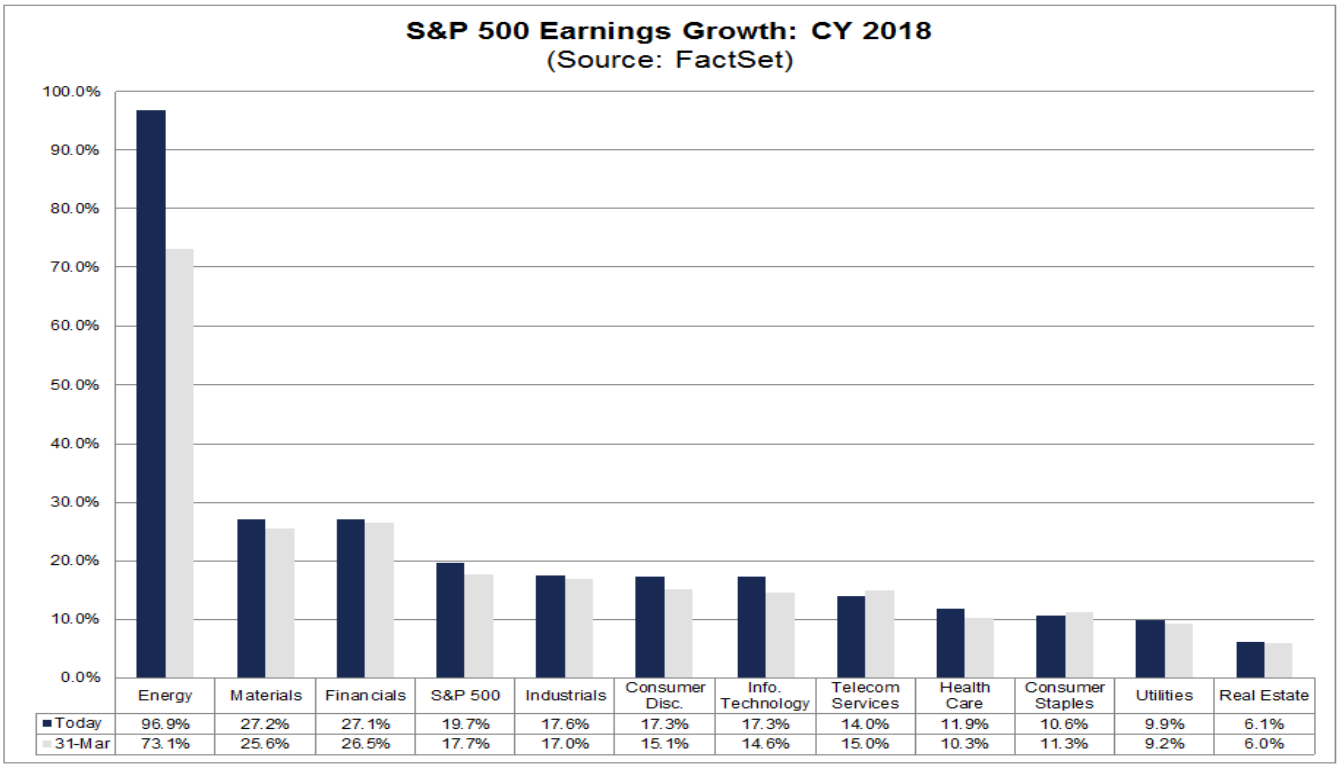
	Energy	Materials	Info. Technology	S&P 500	Financials	Telecom Services	Consumer Disc.	Industrials	Health Care	Consumer Staples	Real Estate	Utilities
Today	139.2%	48.0%	23.3%	19.0%	17.3%	16.3%	13.9%	12.4%	9.9%	8.2%	5.7%	1.4%
31-Mar	115.7%	45.1%	21.2%	18.6%	19.3%	17.7%	15.4%	14.9%	8.7%	11.0%	5.7%	0.5%



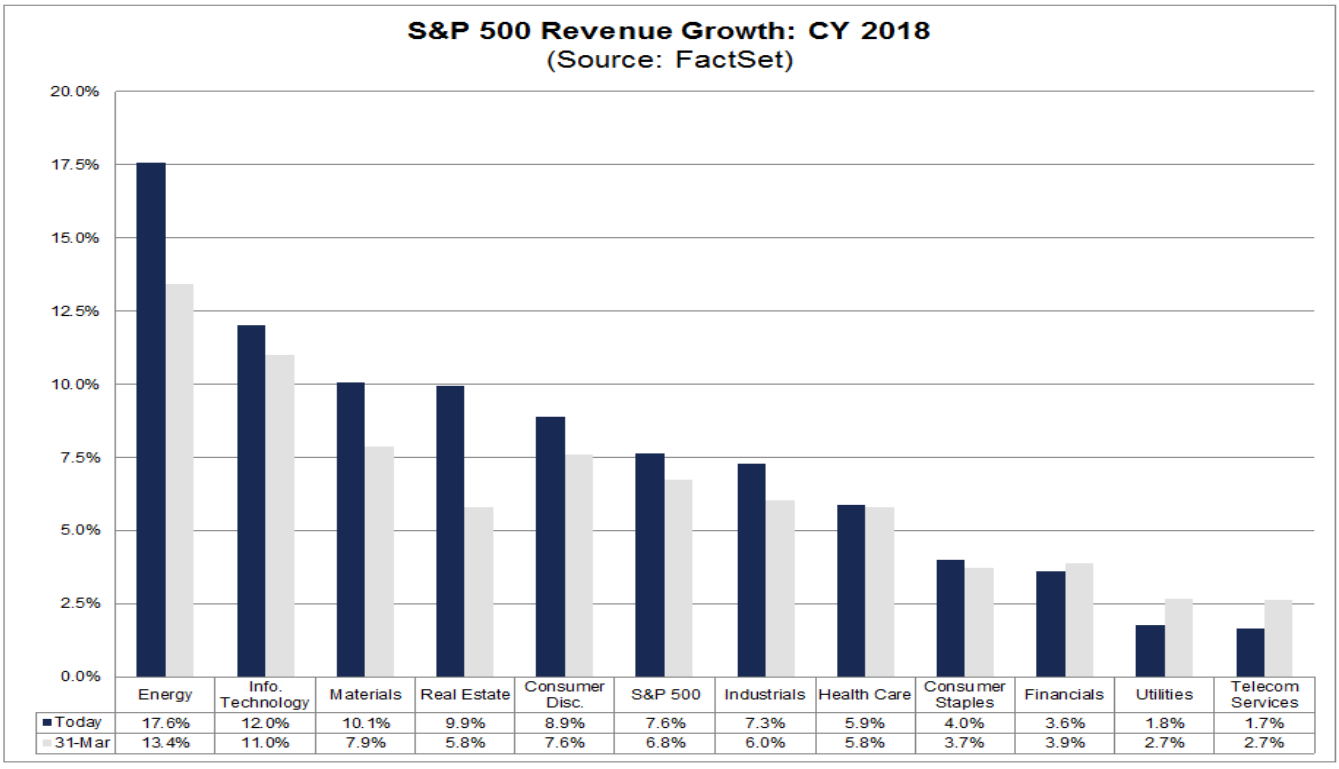
	Materials	Energy	Info. Technology	Real Estate	Consumer Disc.	S&P 500	Industrials	Health Care	Consumer Staples	Financials	Telecom Services	Utilities
Today	23.7%	23.0%	13.1%	10.5%	9.4%	8.7%	7.7%	5.8%	4.5%	3.8%	2.2%	0.2%
31-Mar	21.1%	18.5%	11.8%	6.1%	8.1%	7.9%	6.5%	6.1%	4.2%	4.1%	3.4%	0.5%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

CY 2018: Growth



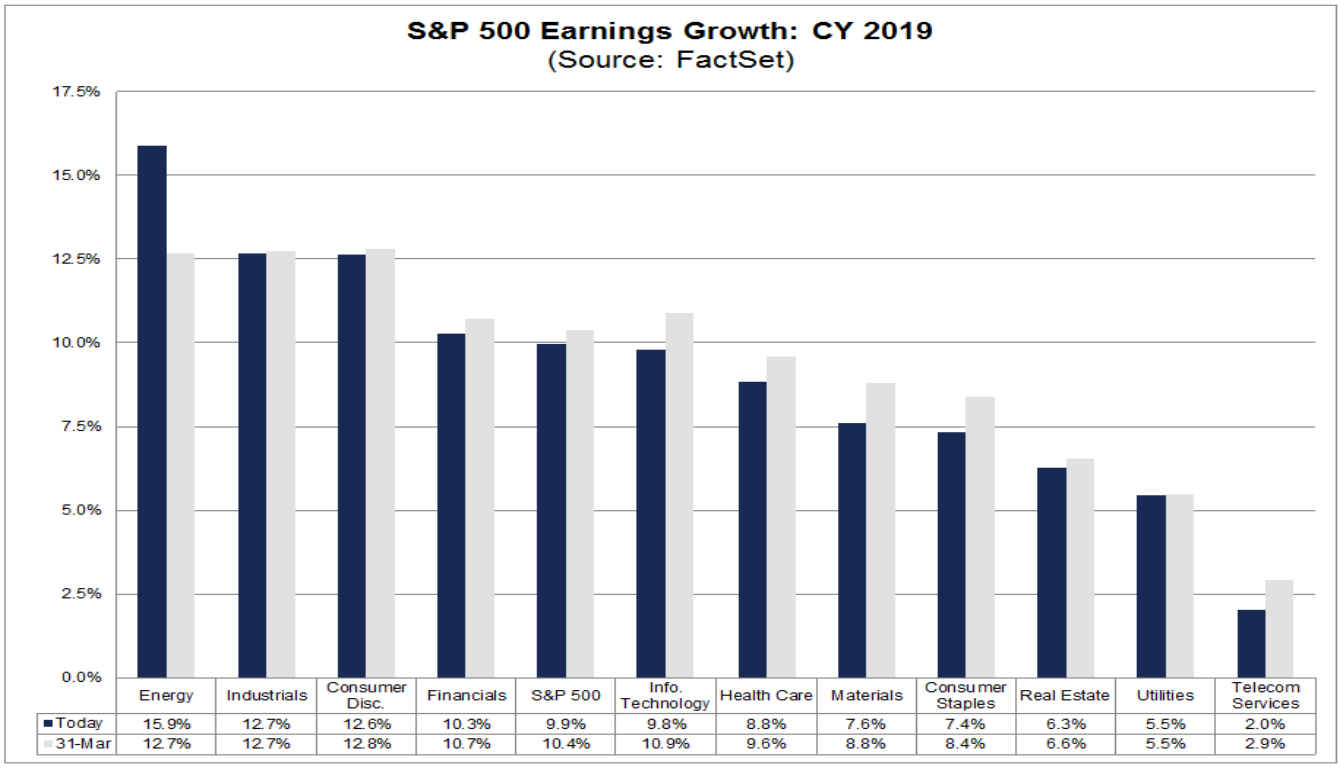
	Energy	Materials	Financials	S&P 500	Industrials	Consumer Disc.	Info. Technology	Telecom Services	Health Care	Consumer Staples	Utilities	Real Estate
Today	96.9%	27.2%	27.1%	19.7%	17.6%	17.3%	17.3%	14.0%	11.9%	10.6%	9.9%	6.1%
31-Mar	73.1%	25.6%	26.5%	17.7%	17.0%	15.1%	14.6%	15.0%	10.3%	11.3%	9.2%	6.0%



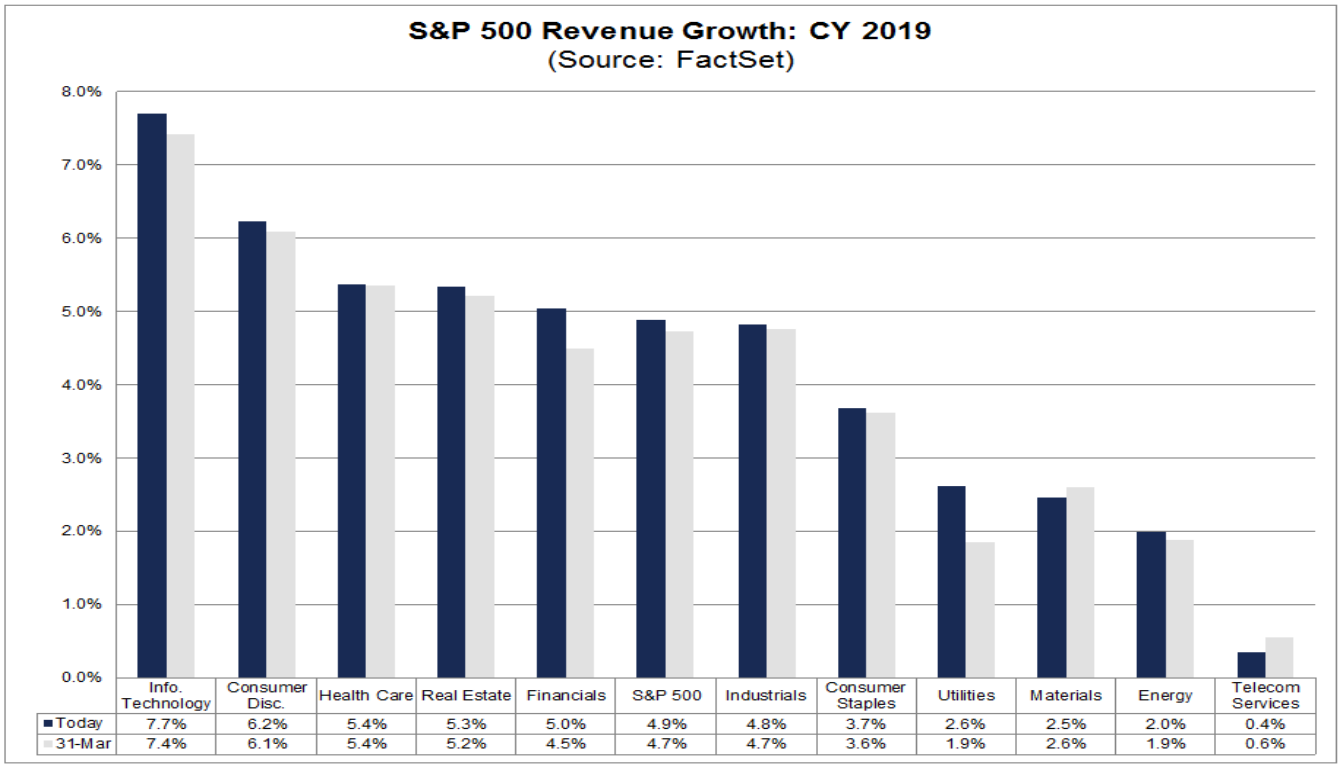
	Energy	Info. Technology	Materials	Real Estate	Consumer Disc.	S&P 500	Industrials	Health Care	Consumer Staples	Financials	Utilities	Telecom Services
Today	17.6%	12.0%	10.1%	9.9%	8.9%	7.6%	7.3%	5.9%	4.0%	3.6%	1.8%	1.7%
31-Mar	13.4%	11.0%	7.9%	5.8%	7.6%	6.8%	6.0%	5.8%	3.7%	3.9%	2.7%	2.7%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

CY 2019: Growth



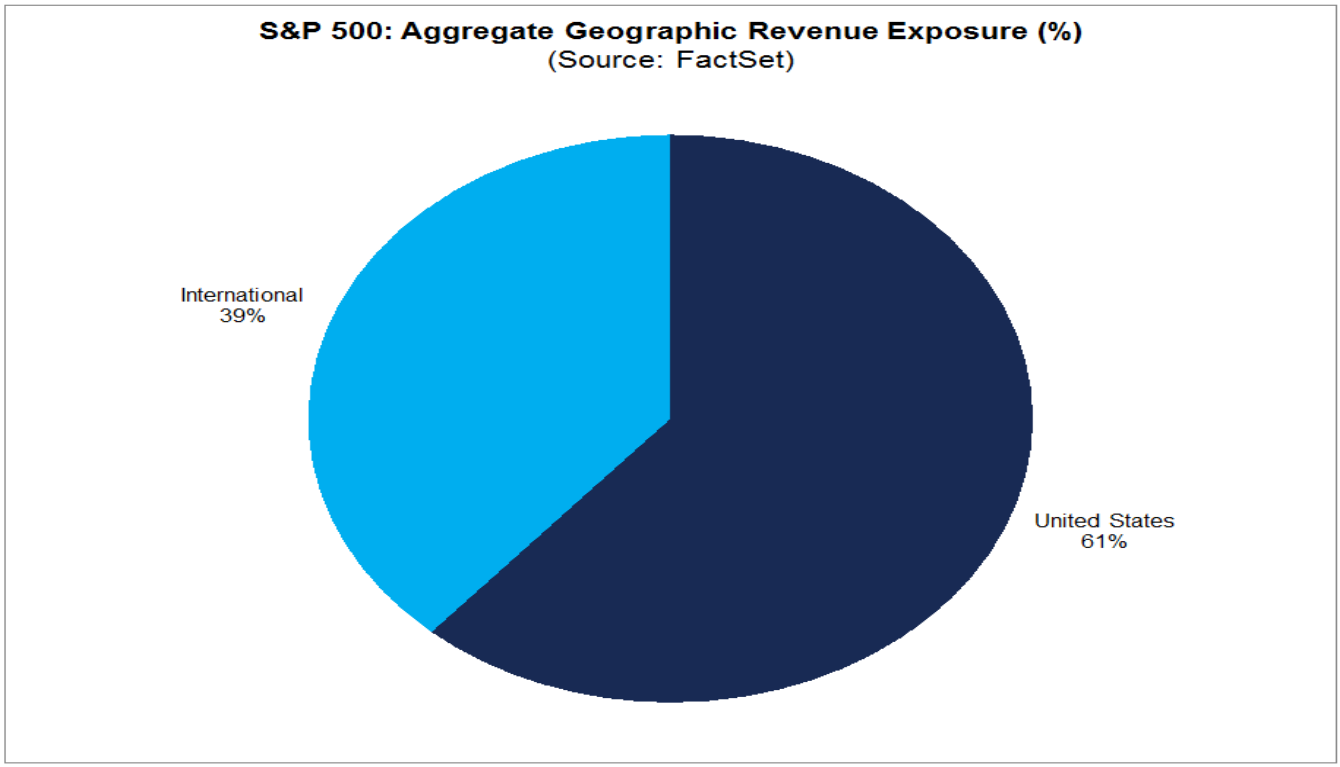
	Energy	Industrials	Consumer Disc.	Financials	S&P 500	Info. Technology	Health Care	Materials	Consumer Staples	Real Estate	Utilities	Telecom Services
Today	15.9%	12.7%	12.6%	10.3%	9.9%	9.8%	8.8%	7.6%	7.4%	6.3%	5.5%	2.0%
31-Mar	12.7%	12.7%	12.8%	10.7%	10.4%	10.9%	9.6%	8.8%	8.4%	6.6%	5.5%	2.9%

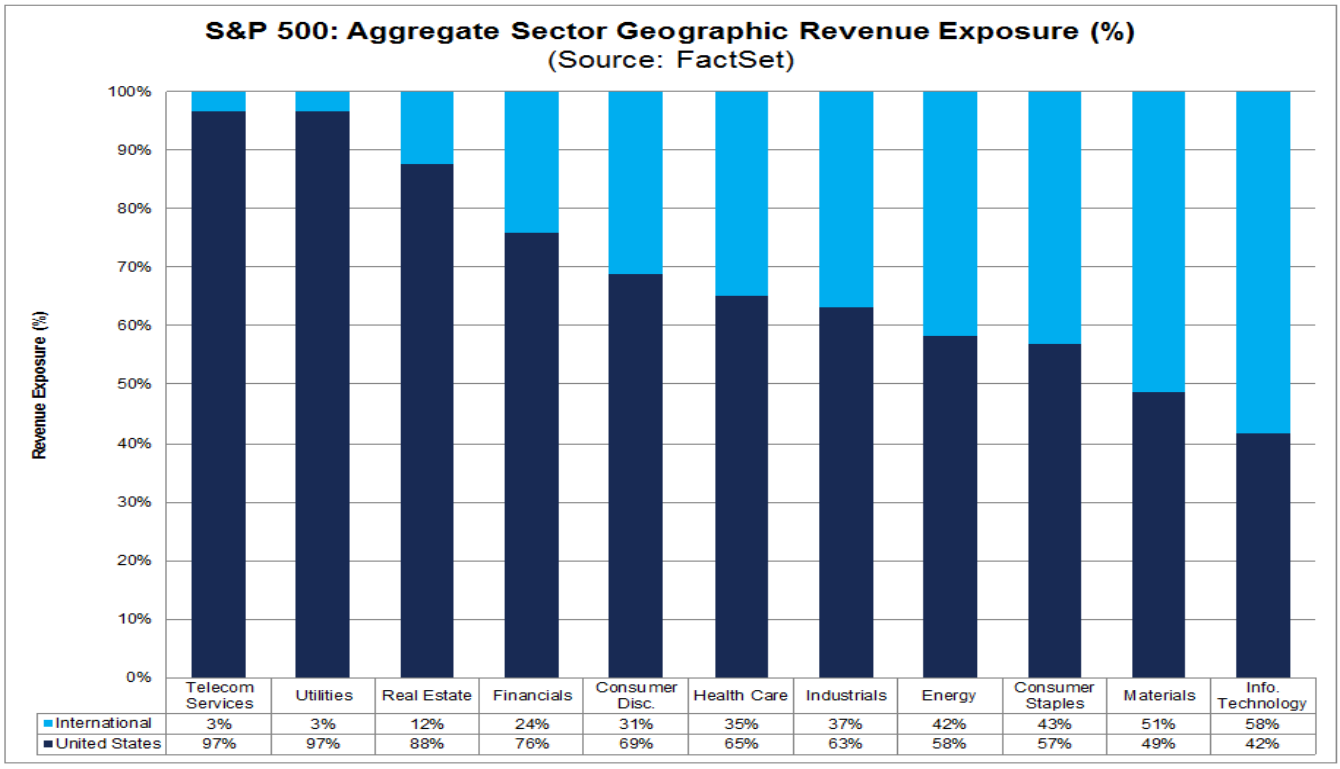


	Info. Technology	Consumer Disc.	Health Care	Real Estate	Financials	S&P 500	Industrials	Consumer Staples	Utilities	Materials	Energy	Telecom Services
Today	7.7%	6.2%	5.4%	5.3%	5.0%	4.9%	4.8%	3.7%	2.6%	2.5%	2.0%	0.4%
31-Mar	7.4%	6.1%	5.4%	5.2%	4.5%	4.7%	4.7%	3.6%	1.9%	2.6%	1.9%	0.6%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Geographic Revenue Exposure

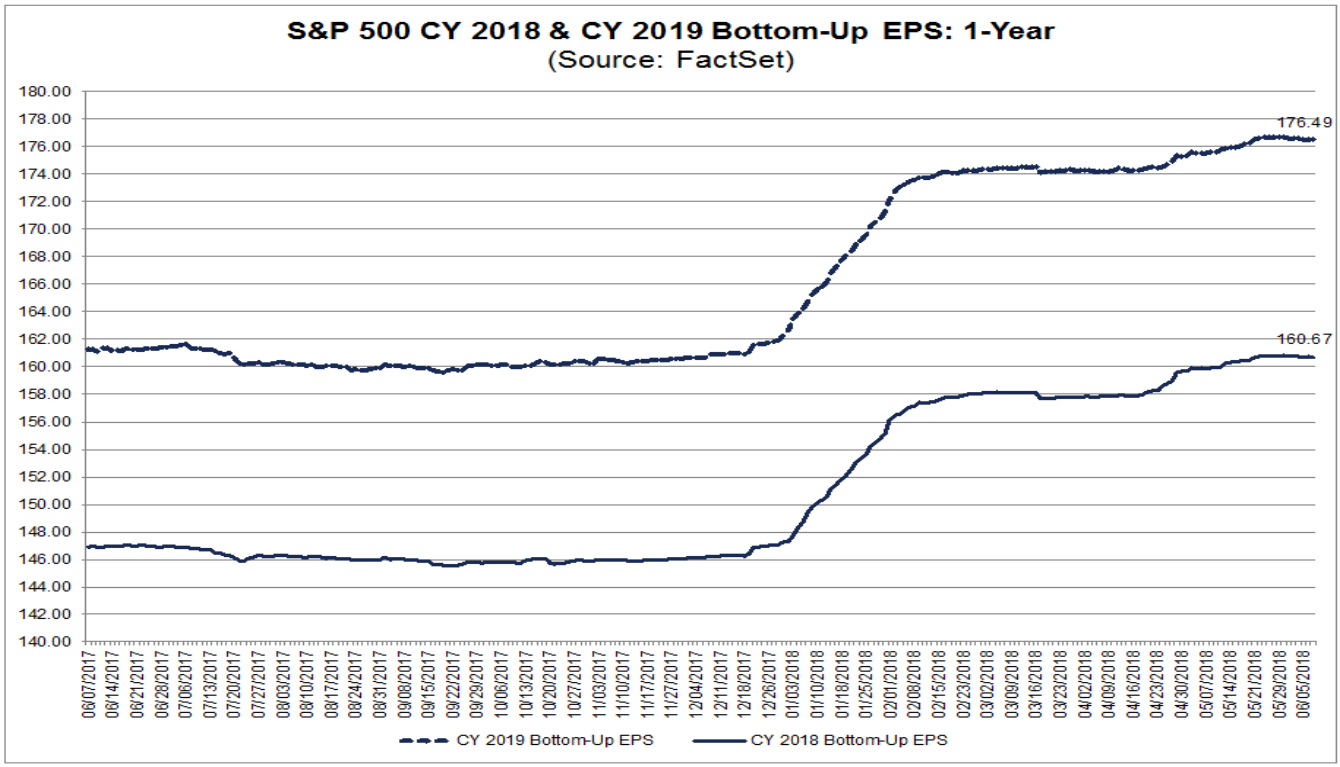


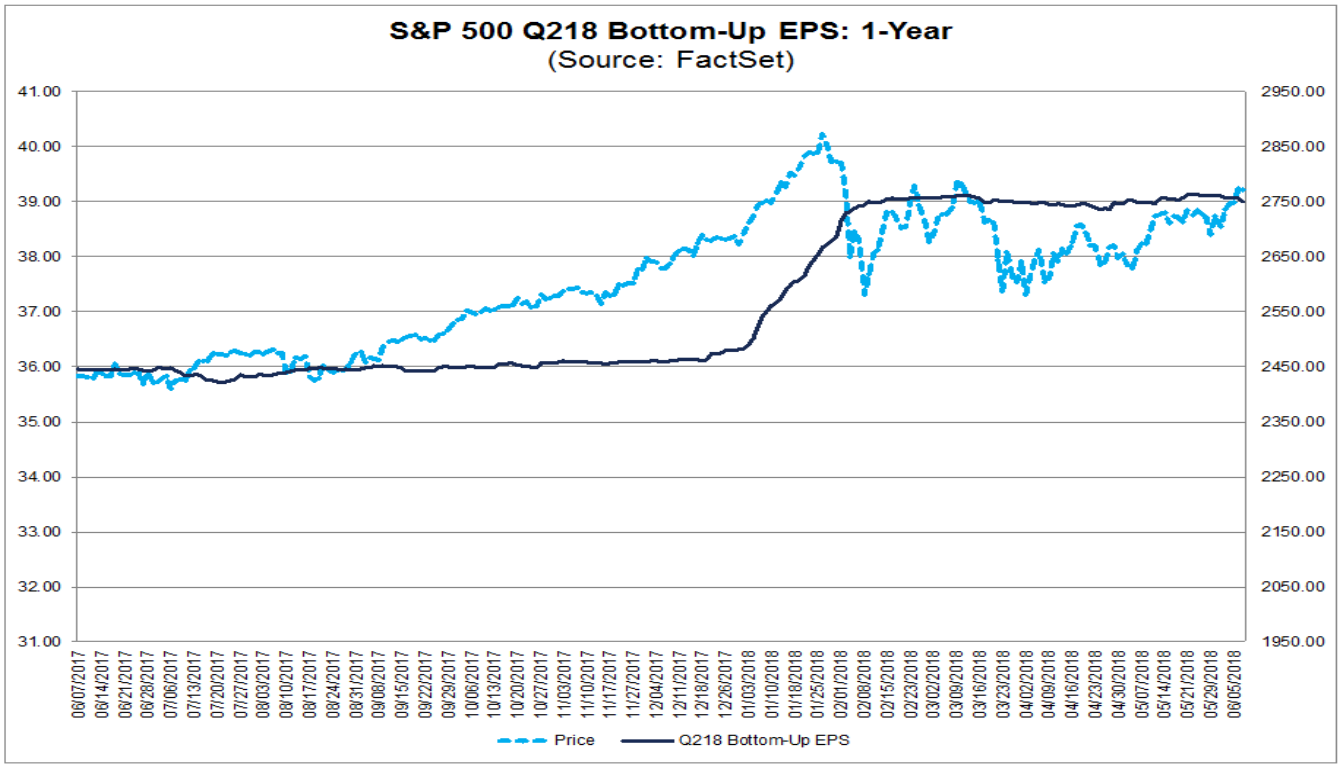


	Telecom Services	Utilities	Real Estate	Financials	Consumer Disc.	Health Care	Industrials	Energy	Consumer Staples	Materials	Info. Technology
International	3%	3%	12%	24%	31%	35%	37%	42%	43%	51%	58%
United States	97%	97%	88%	76%	69%	65%	63%	58%	57%	49%	42%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

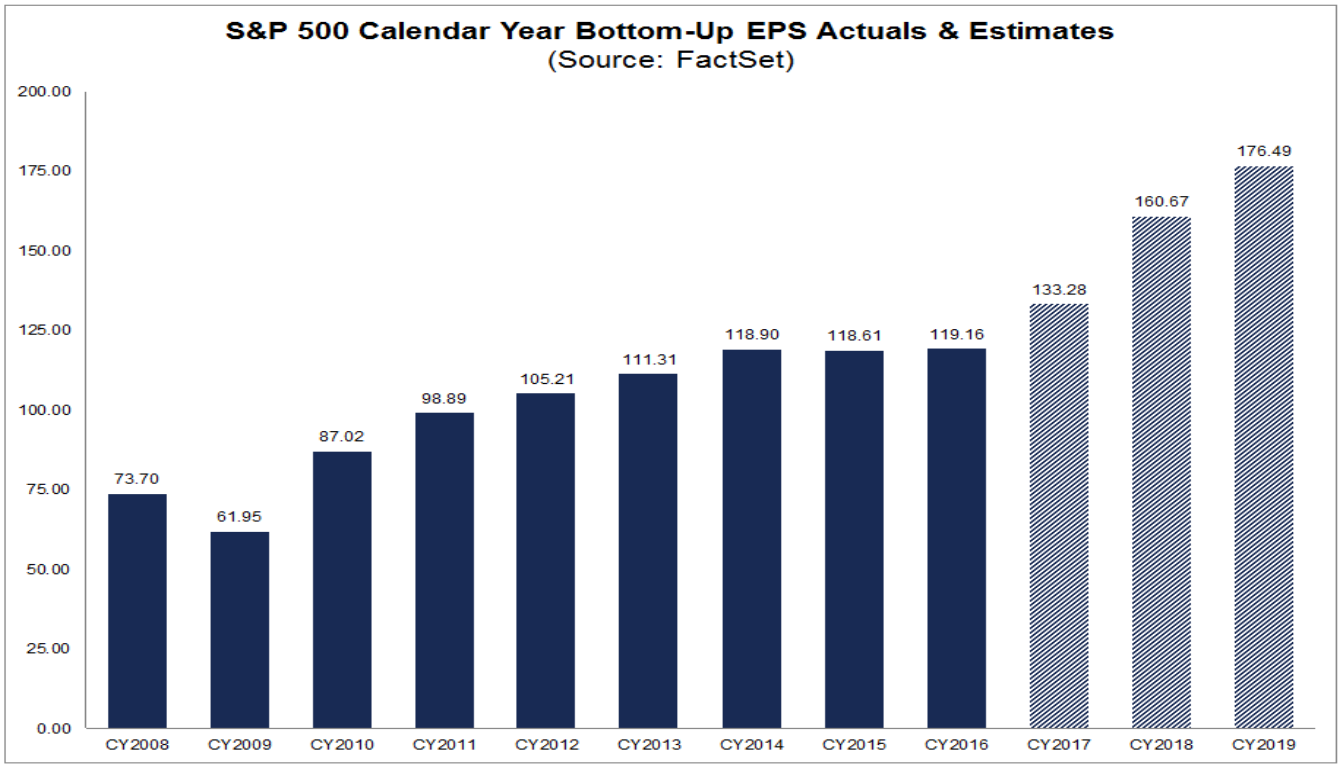
Bottom-up EPS Estimates: Revisions

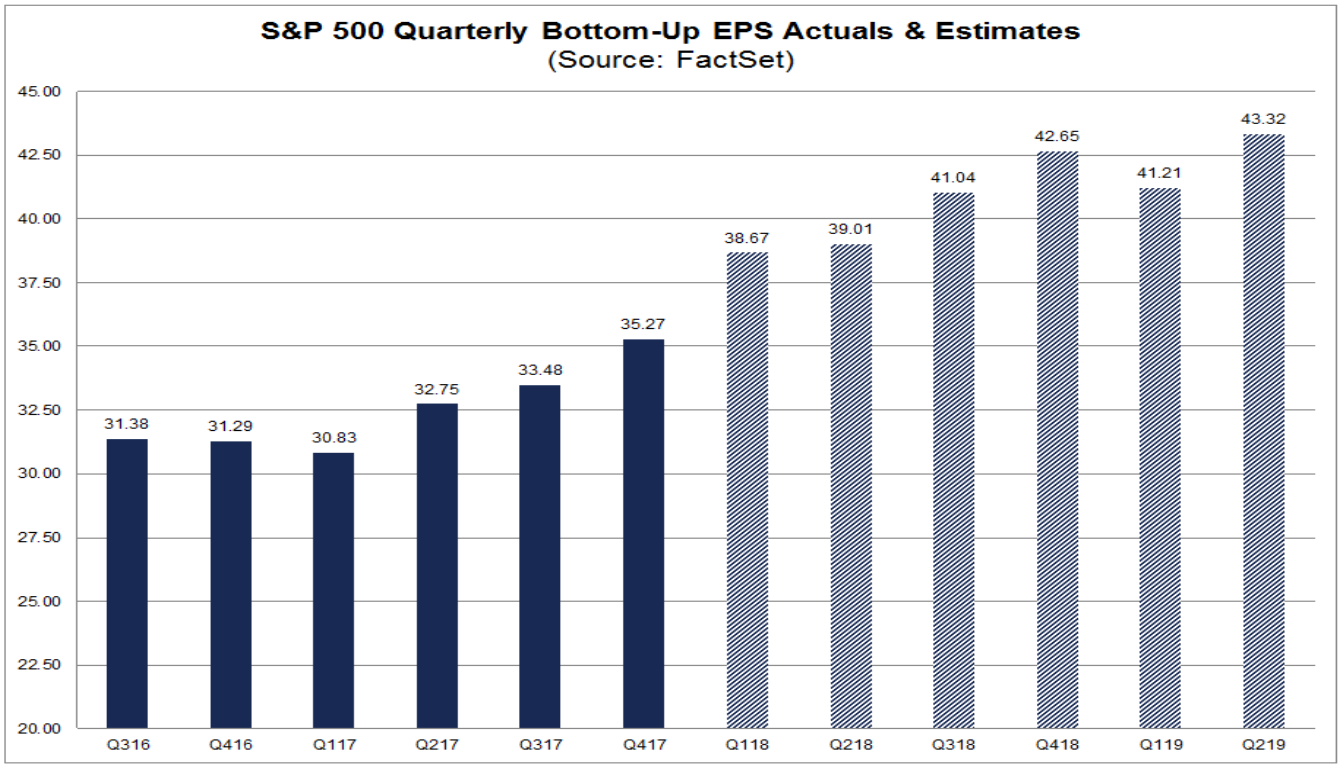




Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

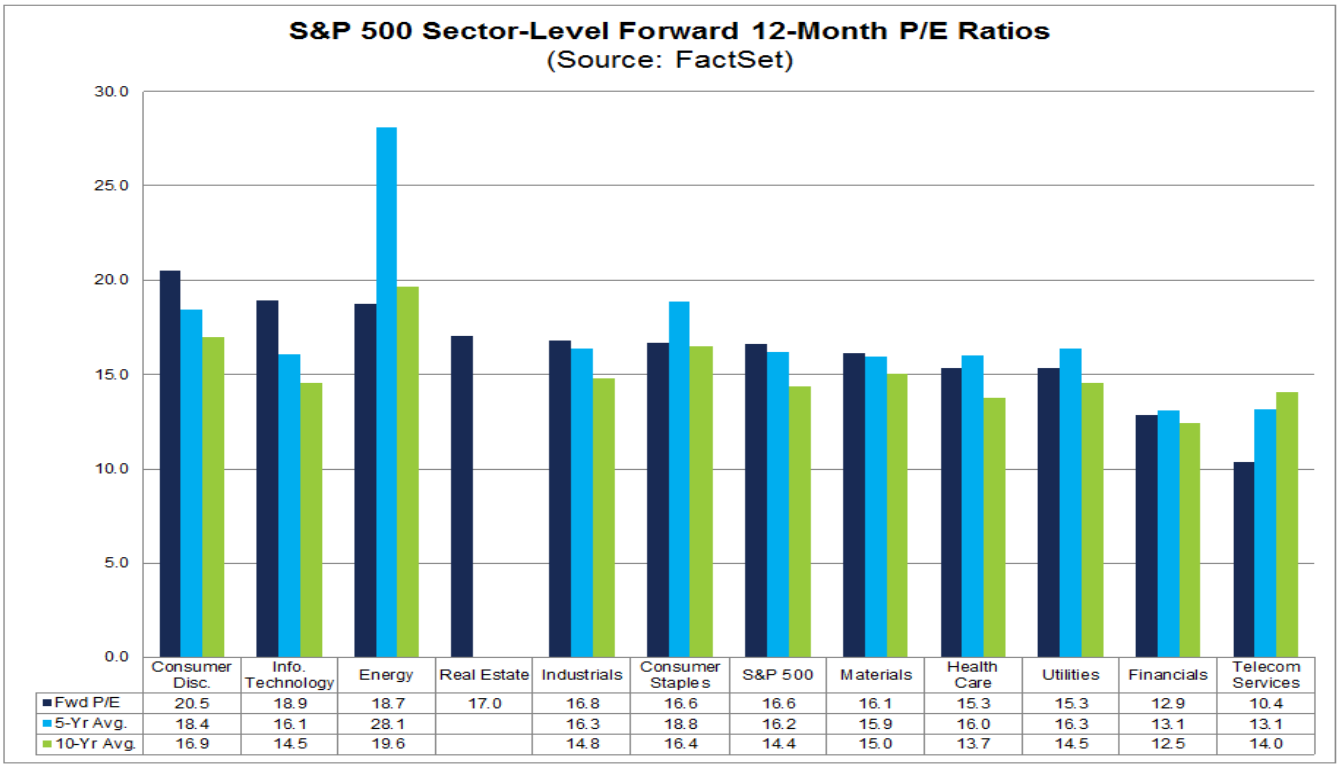
Bottom-up EPS Estimates: Current & Historical



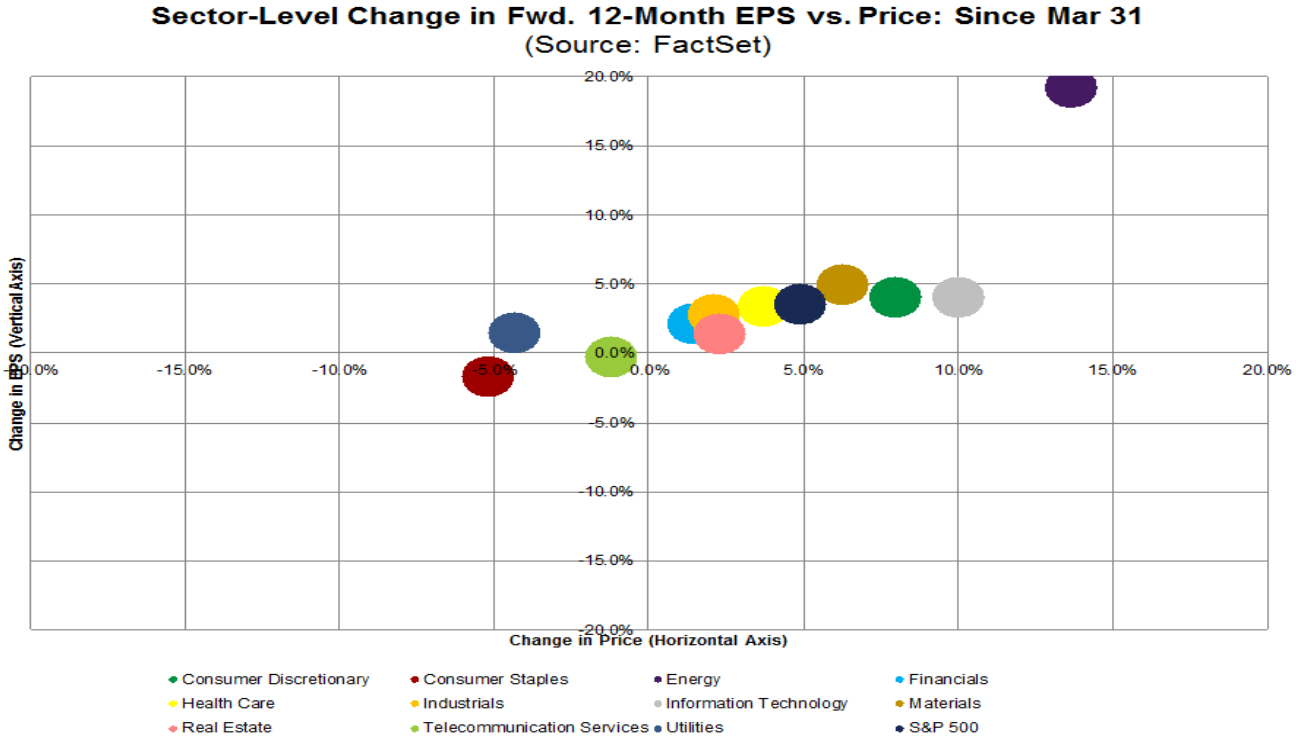


Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Forward 12M P/E Ratio: Sector Level

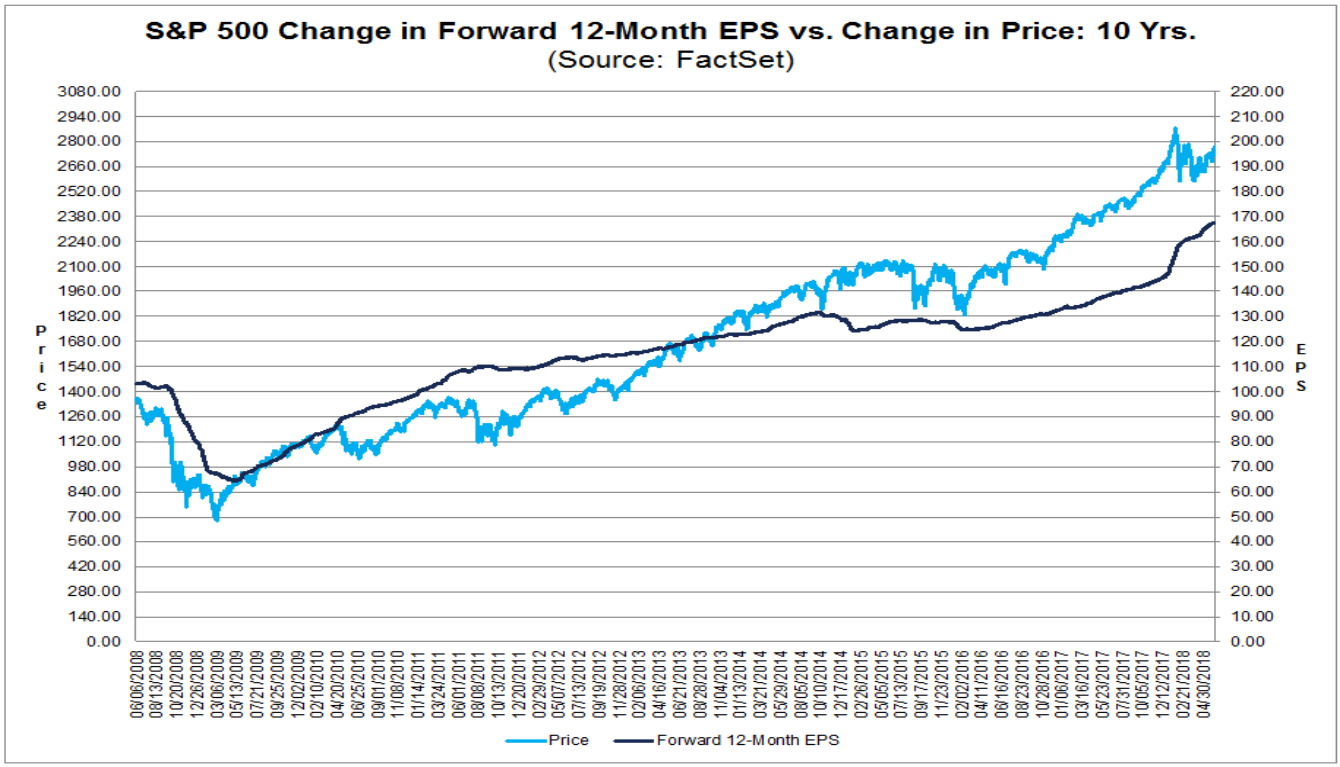


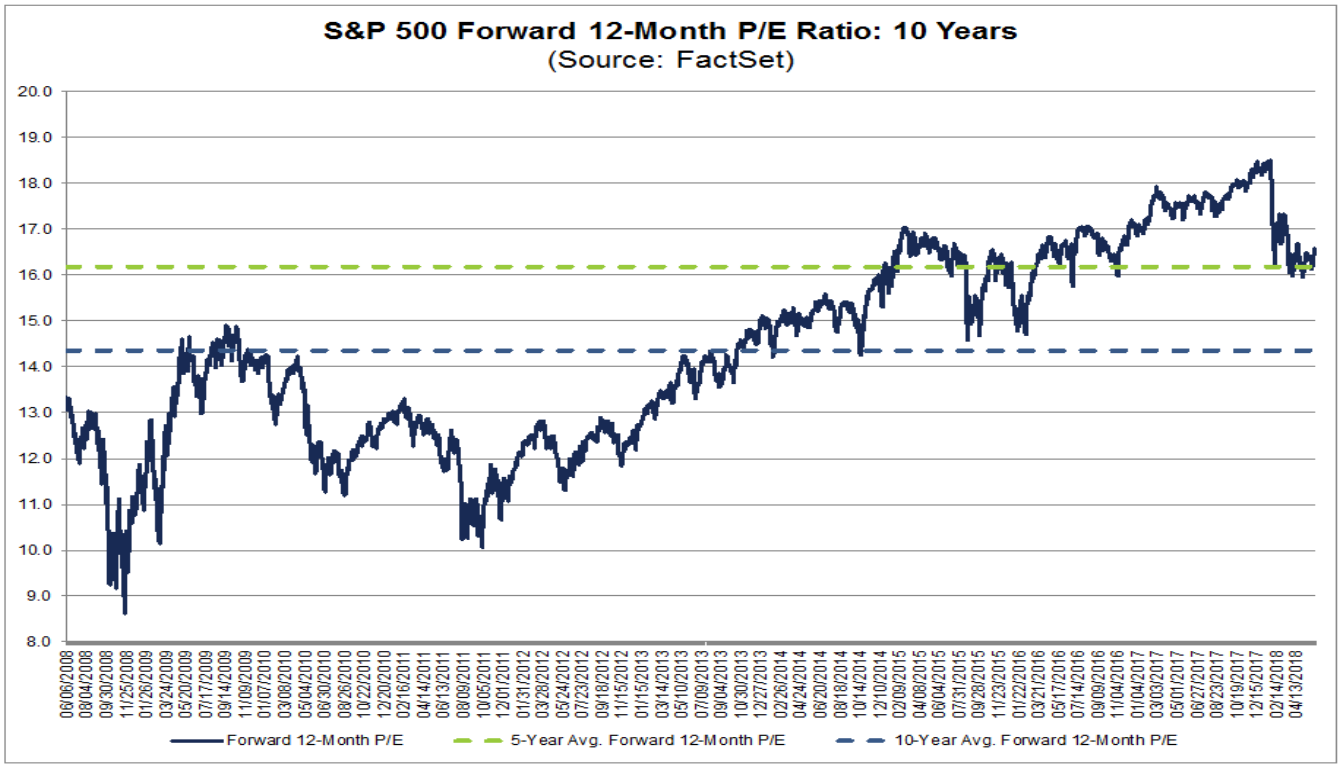
	Consumer Disc.	Info. Technology	Energy	Real Estate	Industrials	Consumer Staples	S&P 500	Materials	Health Care	Utilities	Financials	Telecom Services
Fwd P/E	20.5	18.9	18.7	17.0	16.8	16.6	16.6	16.1	15.3	15.3	12.9	10.4
5-Yr Avg.	18.4	16.1	28.1		16.3	18.8	16.2	15.9	16.0	16.3	13.1	13.1
10-Yr Avg.	16.9	14.5	19.6		14.8	16.4	14.4	15.0	13.7	14.5	12.5	14.0



Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

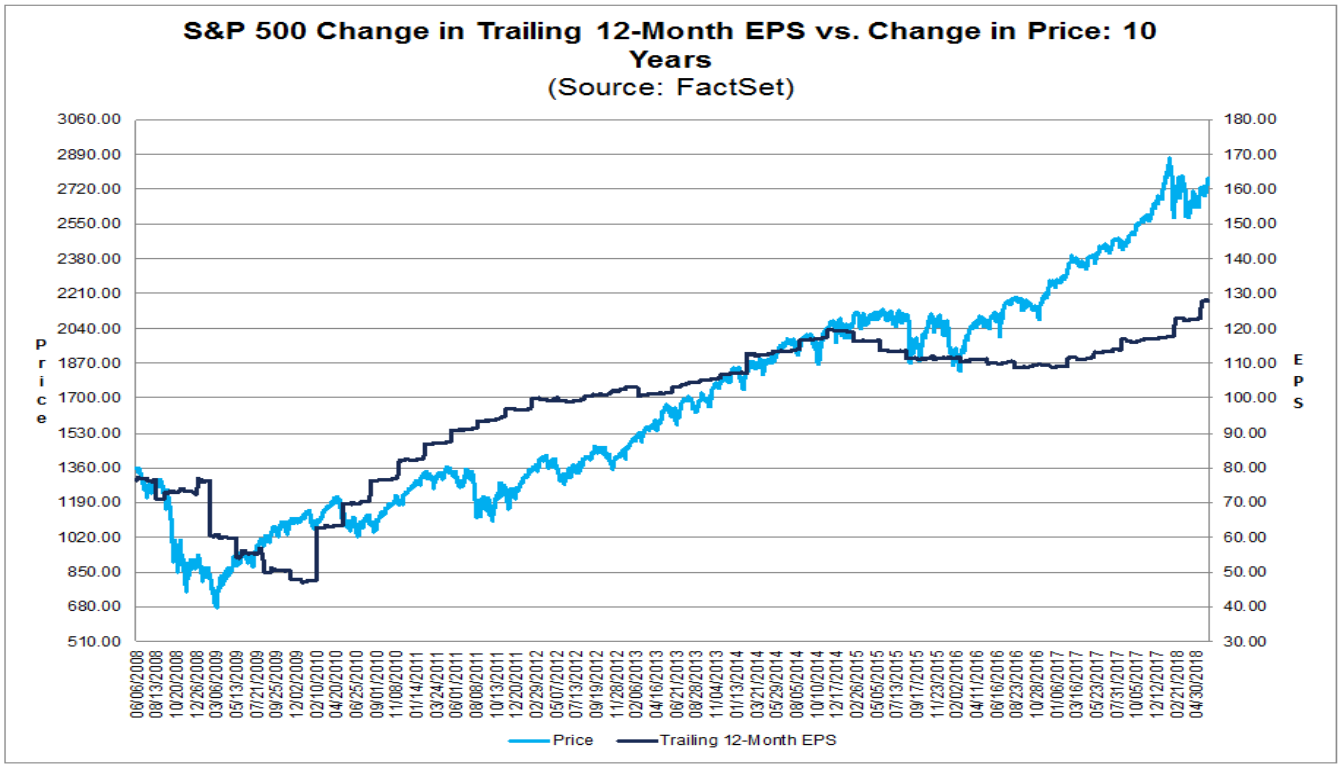
Forward 12M P/E Ratio: Long-Term Averages

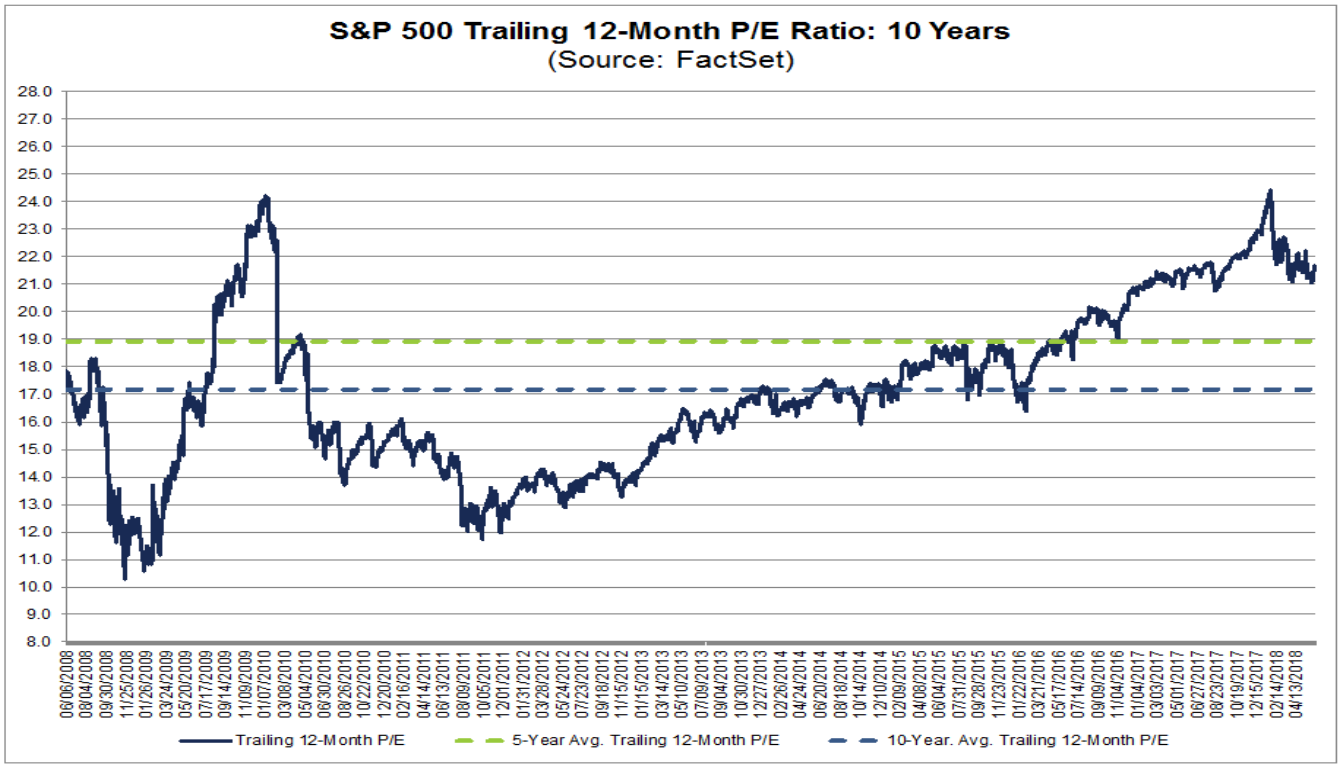




Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

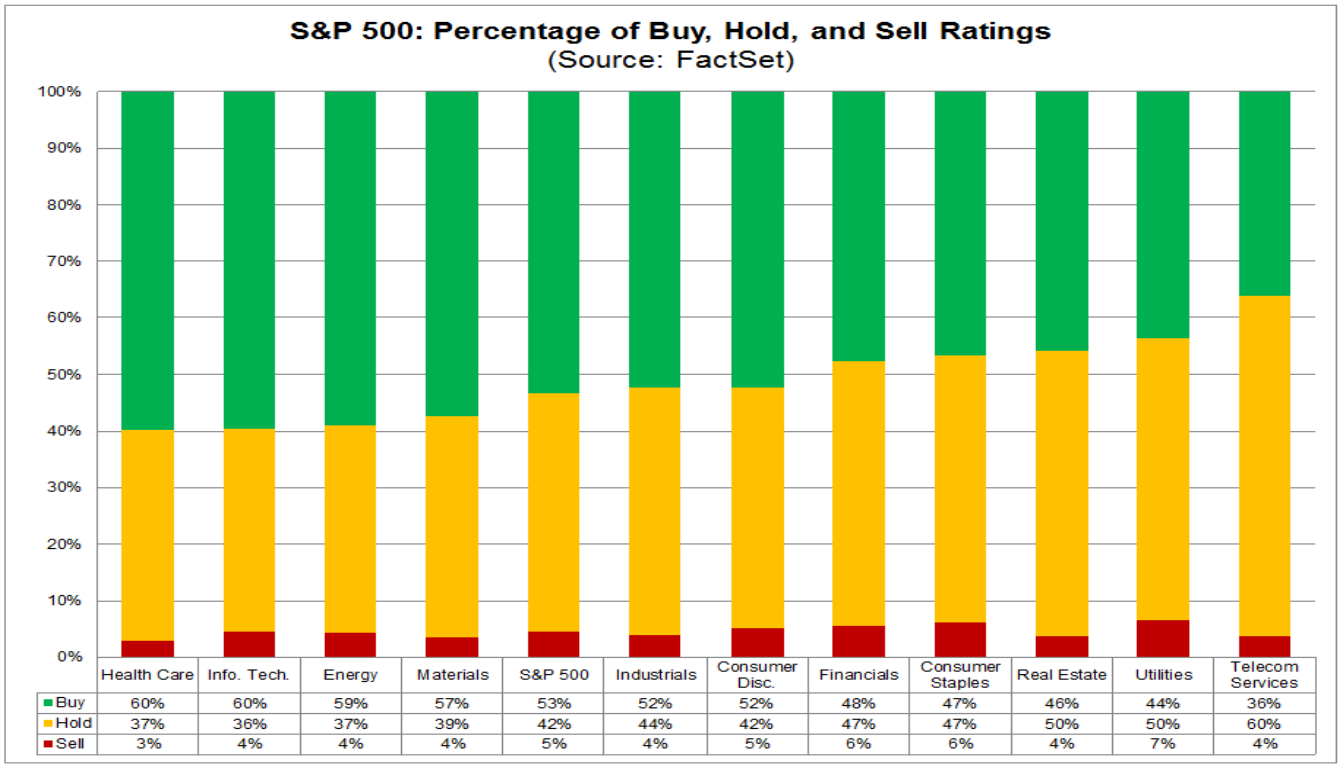
Trailing 12M P/E Ratio: Long-Term Averages



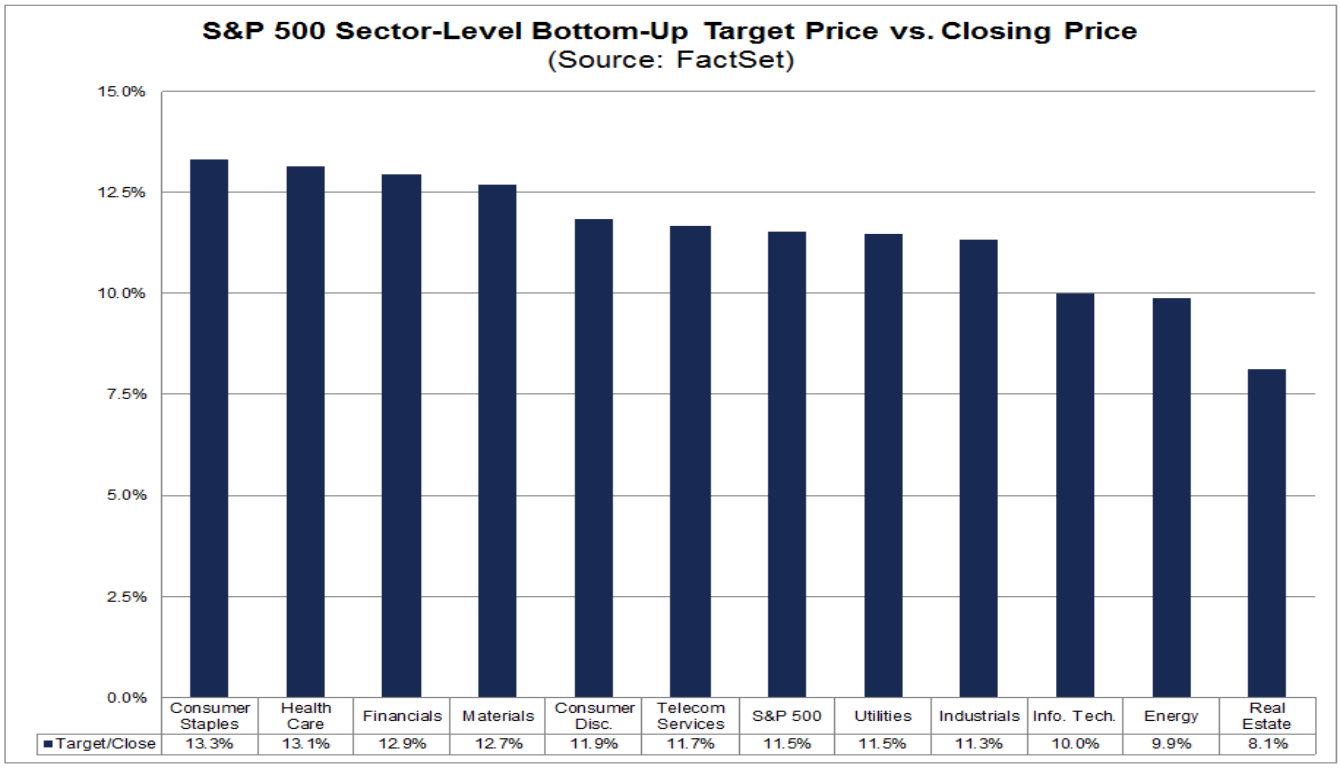


Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Targets & Ratings



	Health Care	Info. Tech.	Energy	Materials	S&P 500	Industrials	Consumer Disc.	Financials	Consumer Staples	Real Estate	Utilities	Telecom Services
Buy	60%	60%	59%	57%	53%	52%	52%	48%	47%	46%	44%	36%
Hold	37%	36%	37%	39%	42%	44%	42%	47%	47%	50%	50%	60%
Sell	3%	4%	4%	4%	5%	4%	5%	6%	6%	4%	7%	4%



	Consumer Staples	Health Care	Financials	Materials	Consumer Disc.	Telecom Services	S&P 500	Utilities	Industrials	Info. Tech.	Energy	Real Estate
Target/Close	13.3%	13.1%	12.9%	12.7%	11.9%	11.7%	11.5%	11.5%	11.3%	10.0%	9.9%	8.1%

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.

Important Notice

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

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

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

About FactSet

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

Copyright © 2018 FactSet Research Systems Inc. All rights reserved.