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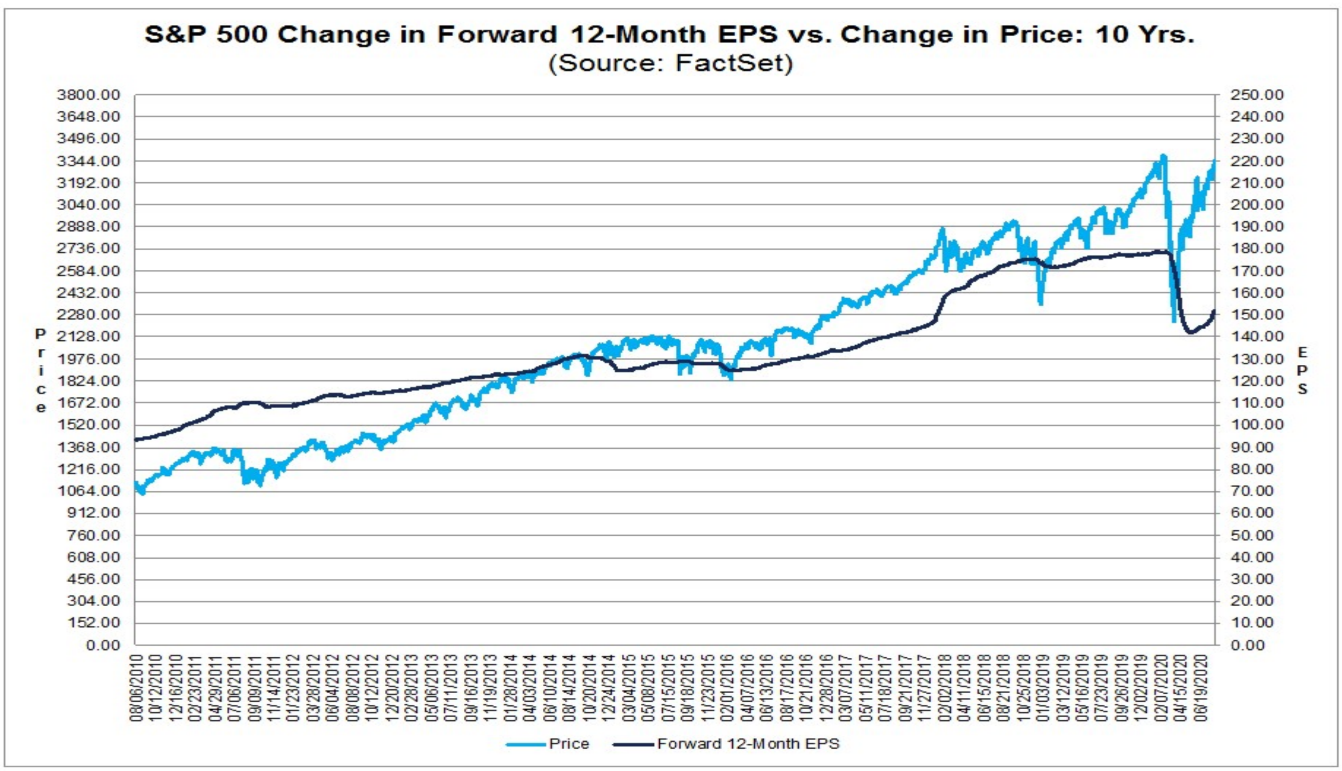
Author's Note: ***Due to the author being out of the office, the FactSet Earnings Insight report will not be published on August 14 or August 21. The next edition of the report will be published on August 28.***

Key Metrics

- **Earnings Scorecard:** For Q2 2020 (with 89% of the companies in the S&P 500 reporting actual results), 83% of S&P 500 companies have reported a positive EPS surprise and 64% have reported a positive revenue surprise. If 83% is the final percentage, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008.
- **Earnings Growth:** For Q2 2020, the blended earnings decline for the S&P 500 is -33.8%. If -33.8% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q1 2009 (-35.4%).
- **Earnings Guidance:** For Q3 2020, 11 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 22.3. This P/E ratio is above the 5-year average (17.0) and above the 10-year average (15.3).



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Topic of the Week:

Analysts Are Raising S&P 500 EPS Estimates for 2020 and 2021

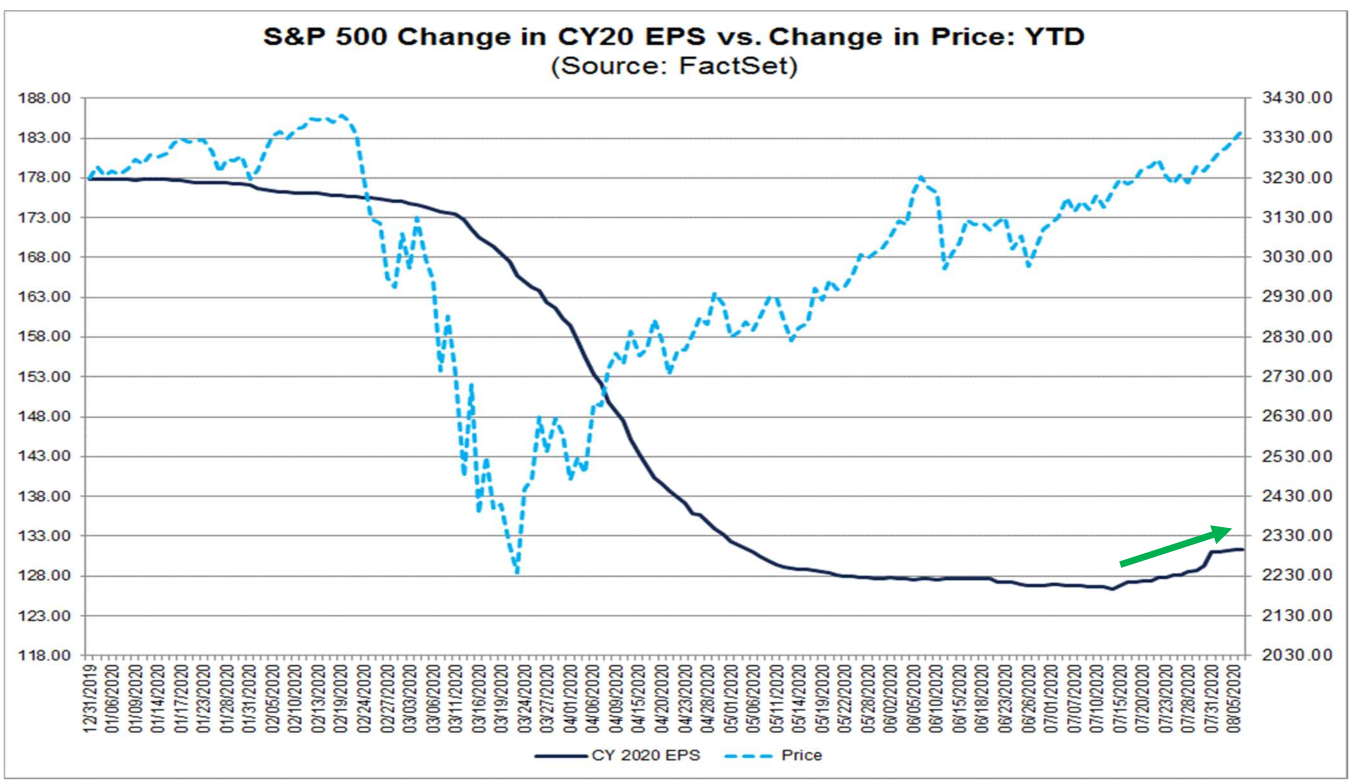
During the first six months of CY 2020, analysts lowered earnings estimates for companies in the S&P 500 for the year. The CY 2020 bottom-up EPS estimate (which is an aggregation of the median 2020 EPS estimates for all the companies in the index) declined by 28.7% (to $126.86 from $177.81) during this period. This marked the largest decrease in the annual EPS estimate for the index over the first six months of the year since FactSet began tracking the annual bottom-up EPS estimate in 1996. Given the record-level cuts to EPS estimates during the first half of the year, have analysts continued to cut annual EPS estimates for the S&P 500 in the second-half of the year?

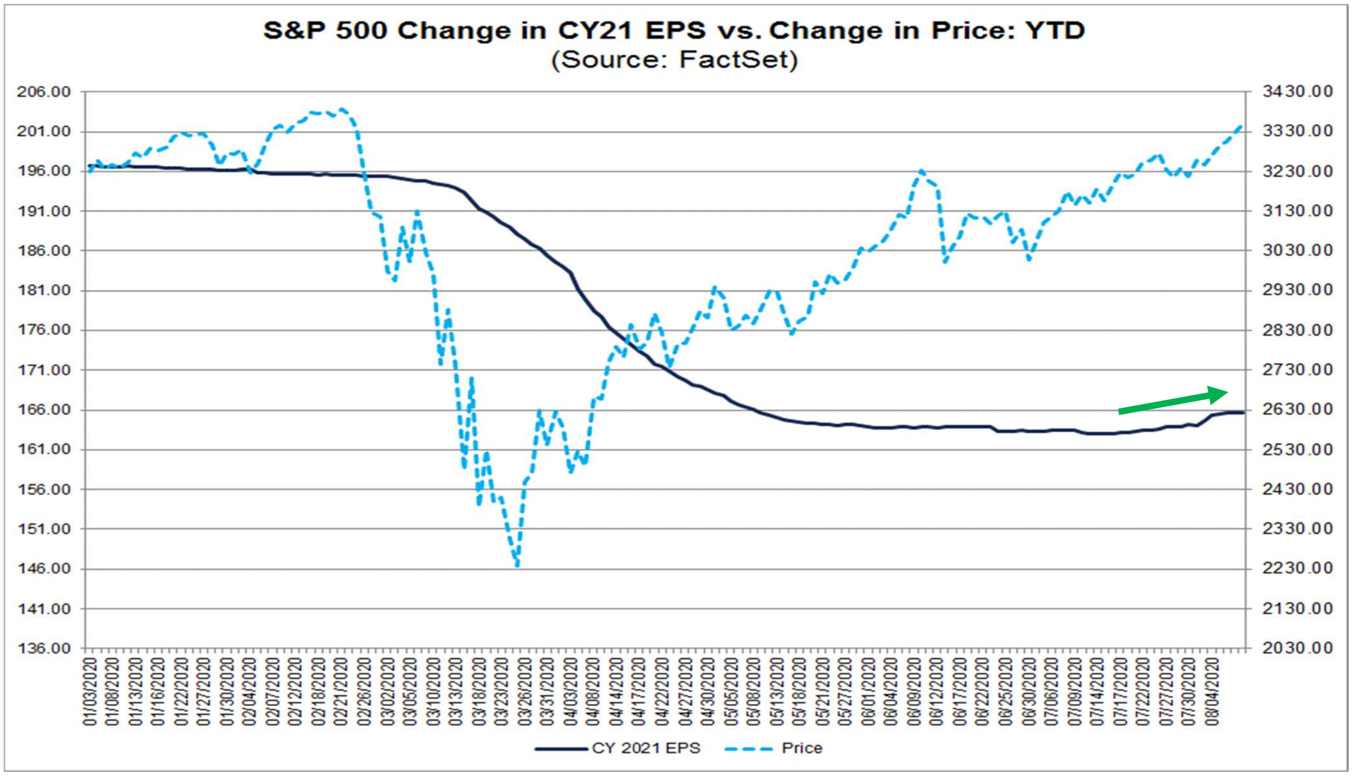
The answer is no. Analyst have actually increased earnings estimates for the full year to start the second-half of 2020. Since June 30, the CY 2020 bottom-up EPS estimate has increased by 3.5% (to $131.30 from $126.86).

At the sector level, nine of the eleven sectors have recorded an increase in their bottom-up EPS estimate for 2020 since June 30, led by the Energy (to -$0.61 from -$1.14) and Consumer Discretionary (to $21.43 from $17.34) sectors. On the other hand, two sectors have recorded a decrease in their bottom-up EPS estimate for 2020 during this period, led by the Industrials (to $17.14 from $17.88) sector.

As the bottom-up EPS estimate for the index increased over the past month, the value of the S&P 500 also increased during this same period. From June 30 through August 6, the value of the index has increased by 8.0% (to 3349.16 from 3100.29).

It is interesting to note that analysts are also raising their annual EPS estimates for 2021 as well. During the first six months of the year, the CY 2021 bottom-up EPS estimate (which is an aggregation of the median 2021 EPS estimates for all the companies in the index) declined by 16.9% (to $163.38 from $196.70). Since June 30, the CY 20201 bottom-up EPS estimate has increased by 1.4% (to $165.68 from $163.38).




S&P 500 Change in CY21 EPS vs. Change in Price: YTD
(Source: FactSet)
206.00
201.00
196.00
191.00
186.00
181.00
176.00
171.00
166.00
161.00
156.00
151.00
146.00
141.00
136.00
3430.00
3330.00
3230.00
3130.00
3030.00
2930.00
2830.00
2730.00
2630.00
2530.00
2430.00
2330.00
2230.00
2130.00
2030.00
CY 2021 EPS
Price

Q2 Earnings Season: By The Numbers

Overview

To date, 89% of the companies in the S&P 500 have reported actual results for Q2 2020. In terms of earnings, the percentage of companies reporting actual EPS above estimates (83%) is above the 5-year average. If 83% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008. In aggregate, companies are reporting earnings that are 22.4% above the estimates, which is also above the 5-year average. If 22.4% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008. In terms of sales, the percentage of companies reporting actual sales above estimates (64%) is above the 5-year average. In aggregate, companies are reporting sales that are 1.6% above estimates, which is also above the 5-year average.

The blended (combines actual results for companies that have reported and estimated results for companies that have yet to report) earnings decline for the second quarter is -33.8%, which is smaller than the earnings decline of -35.7% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Health Care and Communication Services sectors) were responsible for the decrease in the overall earnings decline during the week. If -33.8% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings reported by the index since Q1 2009 (-35.4%). It will also mark the fifth time in the past six quarters in which the index has reported a year-over-year decline in earnings. Three sectors are reporting year-over-year growth in earnings, led by the Utilities and Health Care sectors. Eight sectors are reporting a year-over-year decline in earnings, led by the Energy, Industrials, Consumer Discretionary and Financials sectors.

The blended revenue decline for the second quarter is -9.8%, which is slightly larger than the revenue decline of -9.7% last week. Negative revenue surprises reported by companies in the Energy sector were mainly responsible for the slight increase in the overall revenue decline during the week. If -9.8% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue reported by the index since Q3 2009 (-11.5%). Two sectors are reporting year-over-year growth in revenues: Information Technology and Health Care. Nine sectors are reporting a year-over-year decline in revenues, led by the Energy and Industrials sectors.

Looking ahead, analysts predict a (year-over-year) decline in earnings in the third quarter (-22.9%) and the fourth quarter (-12.8%) of 2020. However, they also project a return to earnings growth in Q1 2021 (12.9%).

The forward 12-month P/E ratio is 22.3, which is above the 5-year average and above the 10-year average.

During the upcoming week, 11 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the second quarter.

Scorecard: Record-High Performance for Actual EPS vs. Estimated EPS

Percentage of Companies Beating EPS Estimates (83%) is at a Record-High Level

Overall, 89% of the companies in the S&P 500 have reported earnings to date for the second quarter. Of these companies, 83% have reported actual EPS above the mean EPS estimate, 2% have reported actual EPS equal to the mean EPS estimate, and 14% 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 (71%) average and above the 5-year (72%) average.

If 83% is the final percentage for the quarter, it will mark the highest percentage of S&P 500 companies reporting a positive EPS surprise since FactSet began tracking this metric in 2008. The current record is 81%, which occurred in Q2 2018.

At the sector level, the Information Technology (93%), Materials (92%), Industrials (92%), and Health Care (92%) sectors have the highest percentages of companies reporting earnings above estimates, while the Real Estate (60%) and Energy (68%) sectors have the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+22.4%) is at Record-High Level

In aggregate, companies are reporting earnings that are 22.4% above expectations. This surprise percentage is above the 1-year (+3.7%) average and above the 5-year (+4.7%) average.

If 22.4% is the final percentage for the quarter, it will mark the largest earnings surprise percentage reported by the index since FactSet began tracking this metric in 2008. The current record is 14.7%, which occurred in Q1 2010.

The Consumer Discretionary sector (+103.9%) sector is reporting the largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Hanesbrands ($0.60 vs. -$0.02), Amazon.com ($10.30 vs. $1.48), LKQ Corporation ($0.53 vs. $0.16), Garmin ($0.91 vs. $0.38), and Whirlpool ($2.15 vs. $0.96) have reported the largest positive EPS surprises.

The Industrials sector (+75.4%) sector is reporting the second largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Textron ($0.13 vs. -$0.08), Raytheon Technologies ($0.40 vs. $0.13), United Rentals ($3.68 vs. $1.81), Cummins ($1.86 vs. $0.93), Howmet Aerospace ($0.12 vs. $0.06), and UPS ($2.13 vs. $1.07) have reported the largest positive EPS surprises.

The Health Care sector (+22.3%) sector is reporting the third largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, HCA Healthcare ($3.23 vs. -$0.19), Universal Health Services ($2.93 vs. $0.73), ABIOMED ($0.98 vs. $0.33), Incyte Corporation ($1.32 vs. $0.48), and Laboratory Corporation of America Holdings ($2.57 vs. $1.01) have reported the largest positive EPS surprises.

The Materials sector (+19.1%) sector is reporting the fourth largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Mosaic ($0.11 vs. -$0.01), Nucor ($0.36 vs. $0.09), Freeport-McMoRan ($0.03 vs. -$0.03), International Paper ($0.77 vs. $0.39), and WestRock Company ($0.76 vs. $0.44) have reported the largest positive EPS surprises.

The Communication Services sector (+18.7%) sector is reporting the fifth largest positive (aggregate) difference between actual earnings and estimated earnings. Within this sector, Walt Disney ($0.08 vs. -$0.64), Electronic Arts ($1.38 vs. $0.82) and Take-Two Interactive ($2.30 vs. $1.53) have reported the largest positive EPS surprises.

Market Rewarding Positive Earnings Surprises More Than Average

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 Q2 2020 have seen an average price increase of +1.1% two days before the earnings release through two days after the earnings. This percentage increase is above the 5-year average price increase of +0.9% during this same window for companies reporting positive earnings surprises.

Companies that have reported negative earnings surprises for Q2 2020 have seen an average price decrease of -1.9% 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 (64%) is Above 5-Year Average

In terms of revenues, 64% of companies have reported actual sales above estimated sales and 36% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is above the 1-year average (59%) and above the 5-year average (60%).

At the sector level, the Consumer Staples (83%) and Information Technology (82%) sectors have the highest percentages of companies reporting revenues above estimates, while the Utilities (16%) and Energy (16%) sectors have the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.6%) is Above 5-Year Average

In aggregate, companies are reporting revenues that are 1.6% above expectations. This surprise percentage is above the 1-year (+0.7%) average and above the 5-year (+0.7%) average.

If 1.6% is the final percentage for the quarter, it will mark the largest revenue surprise percentage reported by the index since Q1 2018 (+1.9%).

At the sector level, the Consumer Discretionary (+7.6%) and Information Technology (+5.4%) sectors are reporting the largest positive (aggregate) differences between actual revenues and estimated revenues, while the Energy (-19.3%) and Utilities (-6.6%) sectors are reporting the largest negative (aggregate) differences between actual revenues and estimated revenues.

Revisions: Decrease in Blended Earnings Decline this Week

Decrease in Blended Earnings Decline This Week Led By Communication Services and Health Care

The blended (year-over-year) earnings decline for the second quarter is -33.8%, which is smaller than the earnings decline of -35.7% last week. Positive earnings surprises reported by companies in multiple sectors (led by the Health Care and Communication Services sectors) were responsible for the decrease in the overall earnings decline during the week.

In the Health Care sector, the positive EPS surprises reported by CVS Health ($2.64 vs. $1.92), Bristol-Myers Squibb ($1.63 vs. $1.48), Humana ($12.56 vs. $10.27), and Incyte Corporation ($1.32 vs. $0.48) were significant contributors to the decrease in the earnings decline for the index during the week. As a result, the blended earnings growth rate for the Health Care sector increased to 7.1% from 2.5%.over this period.

In the Communication Services sector, the positive EPS surprises reported by Walt Disney ($0.08 vs. -$0.64), Activision Blizzard ($0.98 vs. $0.69), and ViacomCBS ($1.25 vs. $0.95) were significant contributors to the decrease in the earnings decline for the index during the week. As a result, the blended earnings decline for the Communication Services sector decreased to -18.2% from -23.5%.over this period.

Increase in Blended Revenue Decline This Week Led By Energy

The blended (year-over-year) revenue decline for the second quarter is -9.8%, which is slightly larger than the revenue decline of -9.7% last week. Negative revenue surprises reported by companies in the Energy sector were mainly responsible for the small increase in the overall revenue decline during the week.

Consumer Discretionary and Health Care Sectors Have Seen Largest Increases in Earnings since June 30

The blended (year-over-year) earnings decline for Q2 2020 of -33.8% is smaller than the estimate of -44.1% at the end of the second quarter (June 30). Nine sectors have recorded a decrease in their earnings decline or an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and positive earnings surprises, led by the Consumer Discretionary (to -79.4% from -118.6%) and Health Care (to 7.1% from -14.0%) sectors. Two sectors have recorded an increase in their earnings decline during this time due to downward revisions to earnings estimates and negative earnings surprises, led by the Energy (to -163.4% from -148.9%) sector.

Information Technology Sector Has Seen Largest Increase in Revenues since June 30

The blended (year-over-year) revenue decline for Q2 2020 of -9.8% is smaller than the estimate of -11.0% at the end of the second quarter (June 30). Nine sectors have recorded a decrease in their revenue decline or an increase in revenue growth since the end of the quarter due to upward revisions to revenue estimates and positive revenue surprises, led by the Information Technology (to 3.9% from -1.1%) sector. Two sectors have an increase in their revenue decline during this time due to downward revisions to revenue estimates and negative revenue surprises, led by the Energy (to -54.0% from -41.6%) sector.

Earnings Decline: -33.8%

The blended (year-over-year) earnings decline for Q2 2020 is -33.8%, which is below the 5-year average earnings growth rate of 5.5%. If -33.8% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the index since Q1 2009 (-35.4%). It will also mark the fifth time in the past six quarters in which the index has reported a year-over-year decline in earnings. Three sectors are reporting year-over-year earnings growth, led by the Utilities and Health Care sectors. Eight sectors are reporting a year-over-year decline in earnings, led by the Energy, Industrials, Consumer Discretionary, and Financials sectors.

Utilities: 4 of 5 Industries Reporting Year-Over-Year Growth

The Utilities sector is the reporting the largest (year-over-year) earnings growth of all eleven sectors at 8.9%. At the industry level, four of the five industries in this sector are reporting year-over-year growth in earnings: Multi-Utilities (24%), Gas Utilities (21%), Electric Utilities (4%), and Water Utilities (1%). On the other hand, the Independent Power & Renewable Energy Producers (-4%) is the only industry reporting a decline in earnings for the quarter.

Health Care: UnitedHealth Group Leads Year-Over-Year Growth

The Health Care sector is the reporting the second largest (year-over-year) earnings growth of all eleven sectors at 7.1%. At the industry level, three of the six industries in this sector are reporting year-over-year growth in earnings: Health Care Providers & Services (58%), Life Sciences, Tools, & Services (6%), and Biotechnology (5%). On the other hand, the other three industries are reporting year-over-year declines in earnings: Health Care Equipment & Supplies (-45%), Health Care Technology (-11%), and Pharmaceuticals (-1%).

At the company level, UnitedHealth Group is the largest contributor to year-over-year earnings growth for the sector. The company reported actual EPS of $7.12 for Q2 2020, compared to year-ago EPS of $3.60. If UnitedHealth Group were excluded, the blended earnings growth rate for the sector would fall to 1.1% from 7.1%.

Energy: 3 of 5 Sub-Industries Reporting Year-Over-Year Decline of More Than 145%

The Energy sector is reporting the largest (year-over-year) decline in earnings of all eleven sectors at -163.4%. If -163.4% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Energy sector since FactSet began tracking this data in Q3 2008. The current record is -107.2%, which occurred in Q1 2016. At the sub-industry level, all five sub-industries in the sector are reporting a decline in earnings. Three of these five sub-industries are reporting a decline in earnings of more than 145%: Integrated Oil & Gas (-198%), Oil & Gas Exploration & Production (-169%), and Oil & Gas Refining & Marketing (-149%).

Industrials: Airlines Industry Leads Year-Over-Year Decline

The Industrials sector is reporting the second largest (year-over-year) earnings decline of all eleven sectors at -84.4%. If -84.4% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Industrials sector since FactSet began tracking this data in Q3 2008. The current record is -41.3%, which occurred in Q3 2009. At the industry level, eleven of the twelve industries in this sector are reporting a decline in earnings. Three of these eleven industries are reporting a decline in earnings of 50% or more: Airlines (-358%), Industrial Conglomerates (-80%), and Machinery (-50%). On the other hand, the only industry reporting earnings growth in this sector is the Construction & Engineering (+13%) industry.

The Airlines industry is the largest contributor to the year-over-year decline in earnings for the sector. If the five companies in this industry were excluded, the blended earnings decline for the sector would improve to -38.4% from -84.4%.

Consumer Discretionary: 4 of 11 Industries Reporting Year-Over-Year Decline of More Than 150%

The Consumer Discretionary sector is reporting the third largest (year-over-year) earnings decline of all eleven sectors at -79.4%. If -79.4% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Consumer Discretionary sector since Q1 2009 (-95.0%). At the industry level, nine of the eleven industries in this sector are reporting a decline in earnings. Four of these nine industries are reporting a decline in earnings of more than 150%: Hotels, Restaurants, & Leisure (-201%), Textiles, Apparel, & Luxury Goods (-181%), Automobiles (-161%), and Auto Components (-159%). On the other hand, the only two industries reporting earnings growth are the Internet & Direct Marketing Retail (11%) and Diversified Consumer Services (N/A) industries.

Financials: 3 of 5 Industries Reporting Year-Over-Year Decline of More Than 30%

The Financials sector is reporting the fourth largest (year-over-year) earnings decline of all eleven sectors at -52.5%. If -52.5% is the actual decline for the quarter, it will mark the largest year-over-year decline in earnings for the Financials sector since Q4 2008. At the industry level, four of the five industries in this sector are reporting a decline in earnings. Three of these five industries are reporting a decline in earnings of more than 30%: Consumer Finance (-118%), Banks (-77%), and Insurance (-35%). On the other hand, the Capital Markets (10%) industry is the only industry reporting year-over-year earnings growth in this sector.

Revenue Decline: -9.8%

The blended (year-over-year) revenue decline for Q2 2020 is -9.8%, which is below the 5-year average revenue growth rate of 3.7%. If -9.8% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the index since Q3 2009 (-11.5%). Two sectors are reporting year-over-year growth in revenues: Information Technology and Health Care. Nine sectors are reporting a year-over-year decline in revenues, led by the Energy and Industrials sectors.

Information Technology: 4 of 6 Industries Reporting Year-Over-Year Growth

The Information Technology sector is reporting the largest (year-over-year) revenue growth of all eleven sectors at 3.9%. At the industry level, four of the six industries in this sector are reporting year-over-year growth in revenues: Semiconductors & Semiconductor Equipment (12%), Software (9%), Technology Hardware, Storage, and Peripherals (4%), and IT Services (<1%).

Health Care: 3 of 6 Industries Reporting Year-Over-Year Growth

The Health Care sector is the reporting the second largest (year-over-year) earnings growth of all eleven sectors at 3.1%. At the industry level, three of the six industries in this sector are reporting year-over-year growth in revenues: Biotechnology (11%), Health Care Providers & Services (6%), and Life Sciences, Tools, & Services (<1%).

Energy: 3 of 5 Sub-Industries Reporting Year-Over-Year Decline of More Than 55%

The Energy sector is reporting the largest (year-over-year) decline in revenue of all eleven sectors at -54.0%. If -54.0% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the Energy sector since FactSet began tracking this data in Q3 2008. The current record is -45.3%, which occurred in Q2 2009. At the sub-industry level, all five sub-industries in the sector are reporting a year-over-year decline in revenue. Three of these five sub-industries are reporting a decline in revenue of more than 55%: Oil & Gas Exploration & Production (-60%), Oil & Gas Refining & Marketing (-59%), and Integrated Oil & Gas (-56%).

Industrials: 6 of 12 Industries Reporting Year-Over-Year Decline of More Than 20%

The Industrials sector is reporting the second largest (year-over-year) revenue decline of all eleven sectors at -24.9%. If -24.9% is the actual decline for the quarter, it will mark the largest year-over-year decline in revenue for the Industrials sector since FactSet began tracking this data in Q3 2008. The current record is -15.6%, which occurred in Q2 2009. At the industry level, eleven of the twelve industries in this sector are reporting a decline in revenues. Six of these eleven industries are reporting a decline in revenues of more than 20%: Airlines (-86%), Industrial Conglomerates (-29%), Machinery (-28%), Electrical Equipment (-23%), Road & Rail (-22%), and Building Products (-21%).

Looking Ahead: Forward Estimates and Valuation

Guidance: More S&P 500 Companies Issuing Positive EPS Guidance for Q3 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, 45 companies in the index have issued EPS guidance for Q3 2020. Of these 45 companies, 11 have issued negative EPS guidance and 34 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 24% (11 out of 45), which is well below the 5-year average of 69%.

Earnings: Analysts Expect Earnings Decline of -19.0% for CY 2020

For the second quarter, S&P 500 companies are reporting a decline in earnings of -33.8% and a decline in revenues of -9.8%. Analysts expect an earnings decline of -19.0% and a revenue decline of -3.2% for CY 2020.

For Q3 2020, analysts are projecting an earnings decline of -22.9% and a revenue decline of -4.4%.

For Q4 2020, analysts are projecting an earnings decline of -12.8% and a revenue decline of -1.4%.

For CY 2020, analysts are projecting an earnings decline of -19.0% and a revenue decline of -3.2%.

For Q1 2021, analysts are projecting earnings growth of 12.9% and revenue growth of 3.1%.

For CY 2021, analysts are projecting earnings growth of 26.5% and revenue growth of 8.4%.

Valuation: Forward P/E Ratio is 22.3, Above the 10-Year Average (15.3)

The forward 12-month P/E ratio is 22.3. This P/E ratio is above the 5-year average of 17.0 and above the 10-year average of 15.3. It is also above the forward 12-month P/E ratio of 21.7 recorded at the end of the second quarter (June 30). Since the end of the second quarter (June 30), the price of the index has increased by 8.0%, while the forward 12-month EPS estimate has increased by 4.7%.

At the sector level, the Consumer Discretionary (40.4) sector has the highest forward 12-month P/E ratio, while the Financials (14.3) sector has the lowest forward 12-month P/E ratio.

Targets & Ratings: Analysts Project 8% Increase in Price Over Next 12 Months

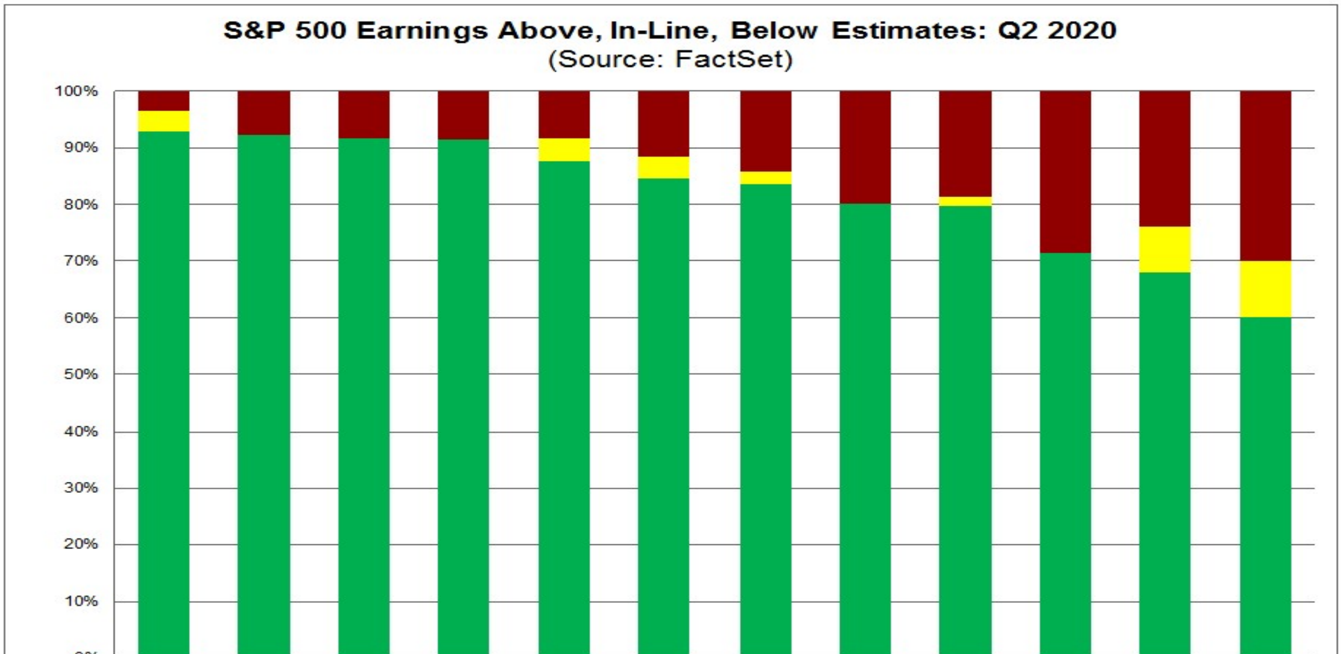
The bottom-up target price for the S&P 500 is 3626.09, which is 8.3% above the closing price of 3349.16. At the sector level, the Energy (+16.9%) sector is expected to see the largest price increase, as this sector has the largest upside difference between the bottom-up target price and the closing price. On the other hand, the Information Technology (+3.5%) 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 10,254 ratings on stocks in the S&P 500. Of these 10,254 ratings, 52.4% are Buy ratings, 41.1% are Hold ratings, and 6.5% are Sell ratings. At the sector level, the Energy (61%) and Health Care (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (45%) and Financials (46%) sectors have the lowest percentages of Buy ratings.

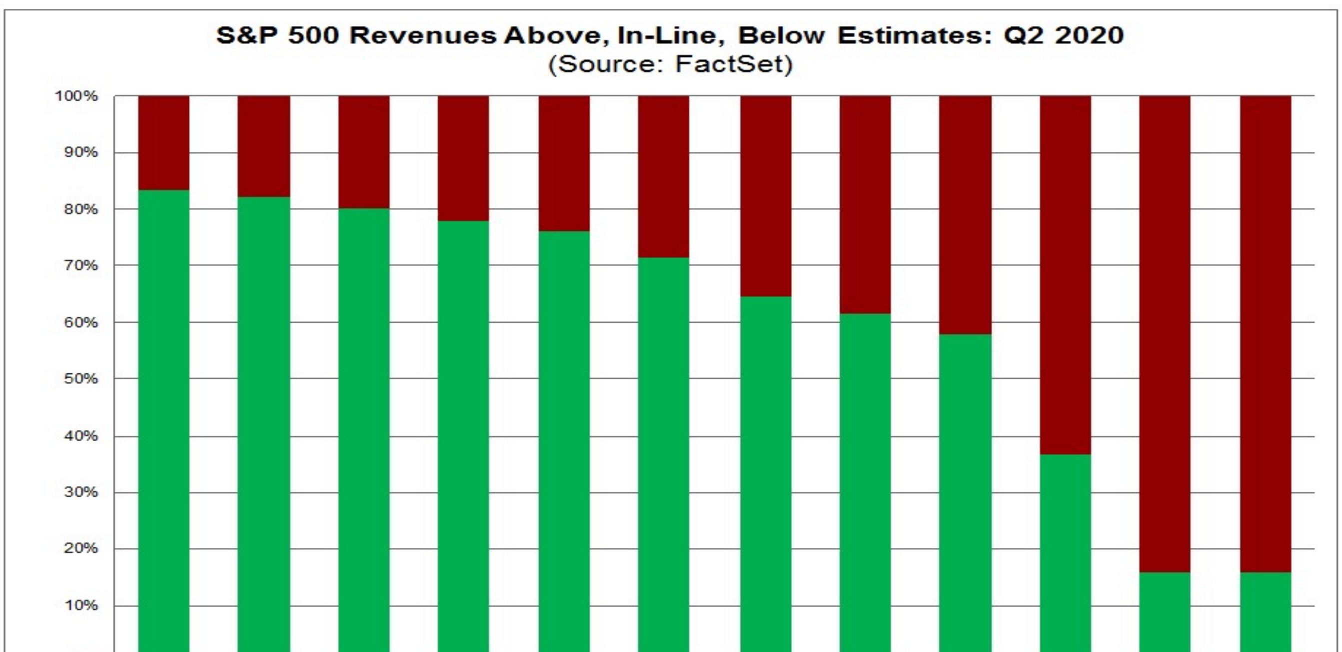
Companies Reporting Next Week: 11

During the upcoming week, 11 S&P 500 companies (including 1 Dow 30 component) are scheduled to report results for the second quarter.

Q2 2020: Scorecard

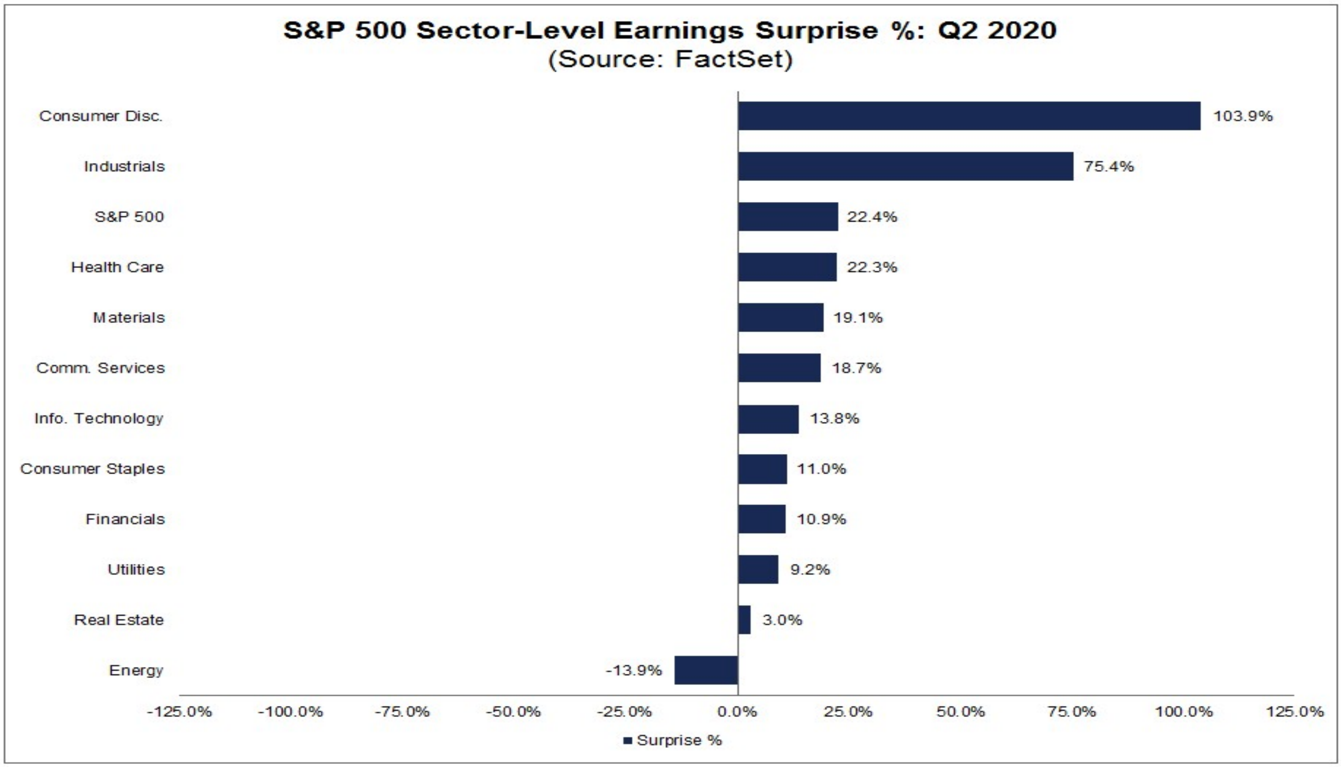


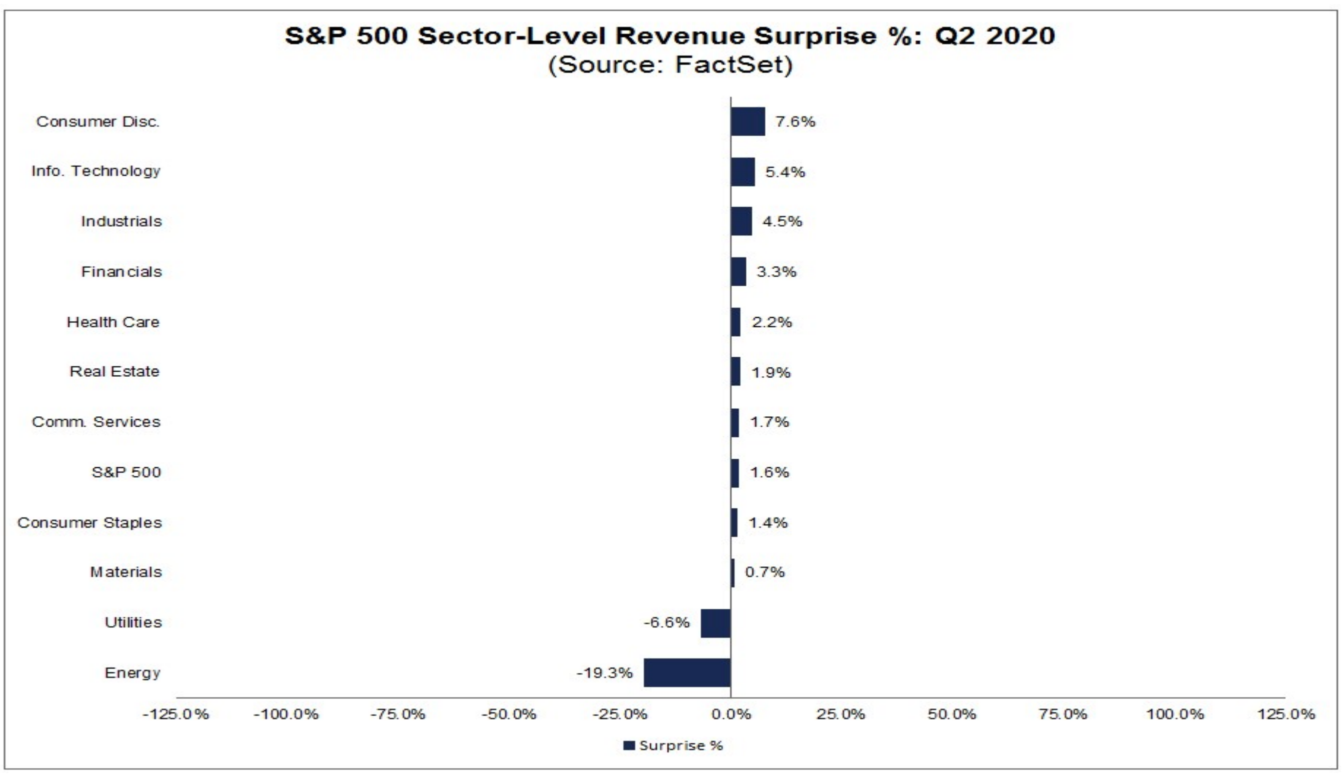
	Info. Technology	Materials	Industrials	Health Care	Consumer Staples	Utilities	S&P 500	Comm. Services	Financials	Consumer Disc.	Energy	Real Estate
Below	4%	8%	8%	8%	8%	12%	14%	20%	19%	29%	24%	30%
In-Line	4%	0%	0%	0%	4%	4%	2%	0%	2%	0%	8%	10%
Above	93%	92%	92%	92%	88%	85%	83%	80%	80%	71%	68%	60%



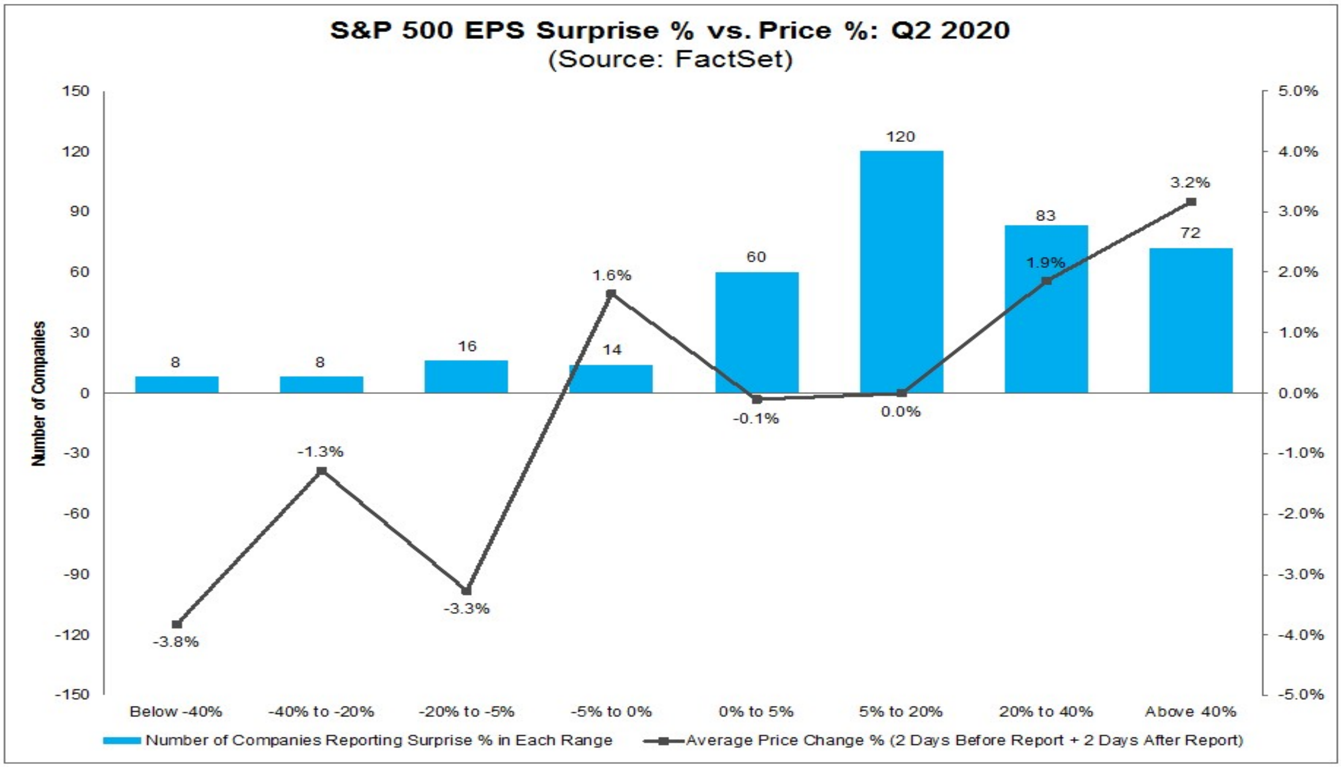
	Consumer Staples	Info. Technology	Comm. Services	Health Care	Industrials	Consumer Disc.	S&P 500	Materials	Financials	Real Estate	Energy	Utilities
Below	17%	18%	20%	22%	24%	29%	36%	38%	42%	63%	84%	84%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	83%	82%	80%	78%	76%	71%	64%	62%	58%	37%	16%	16%

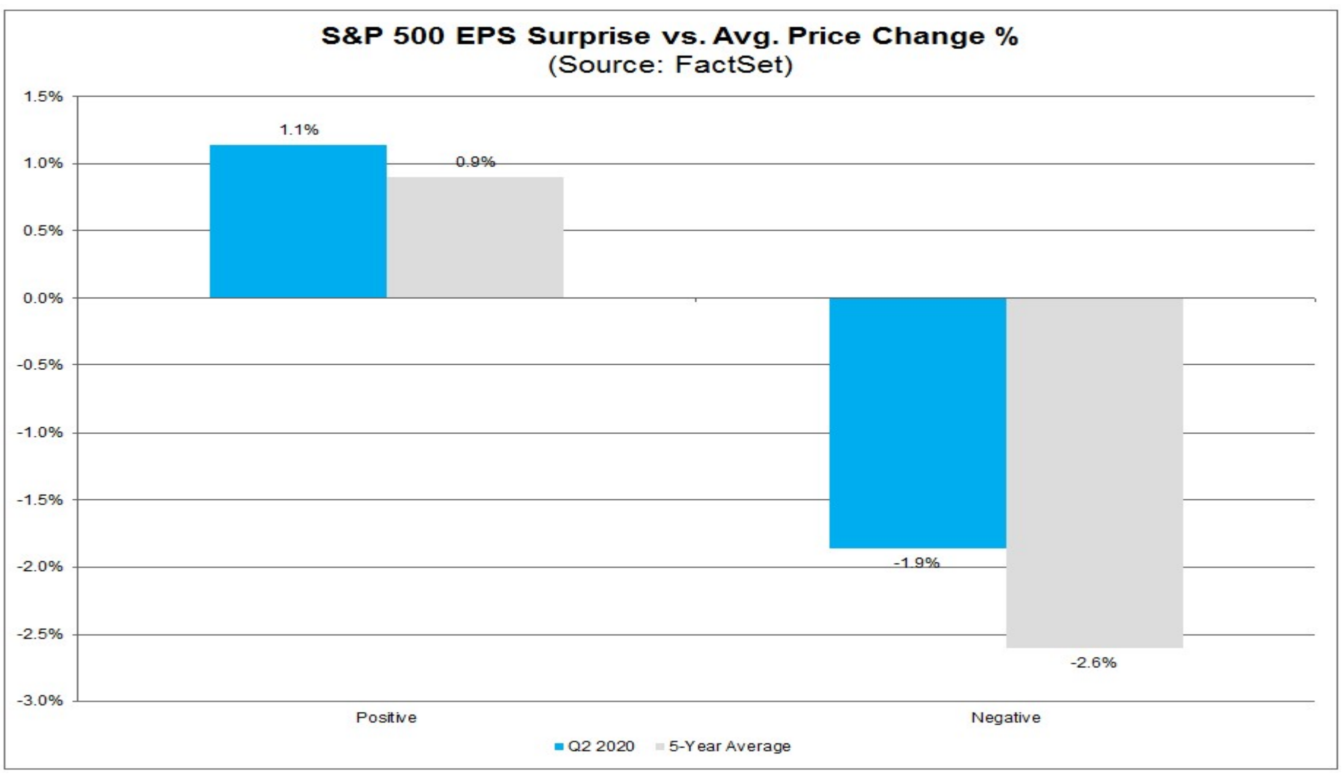
Q2 2020: Scorecard



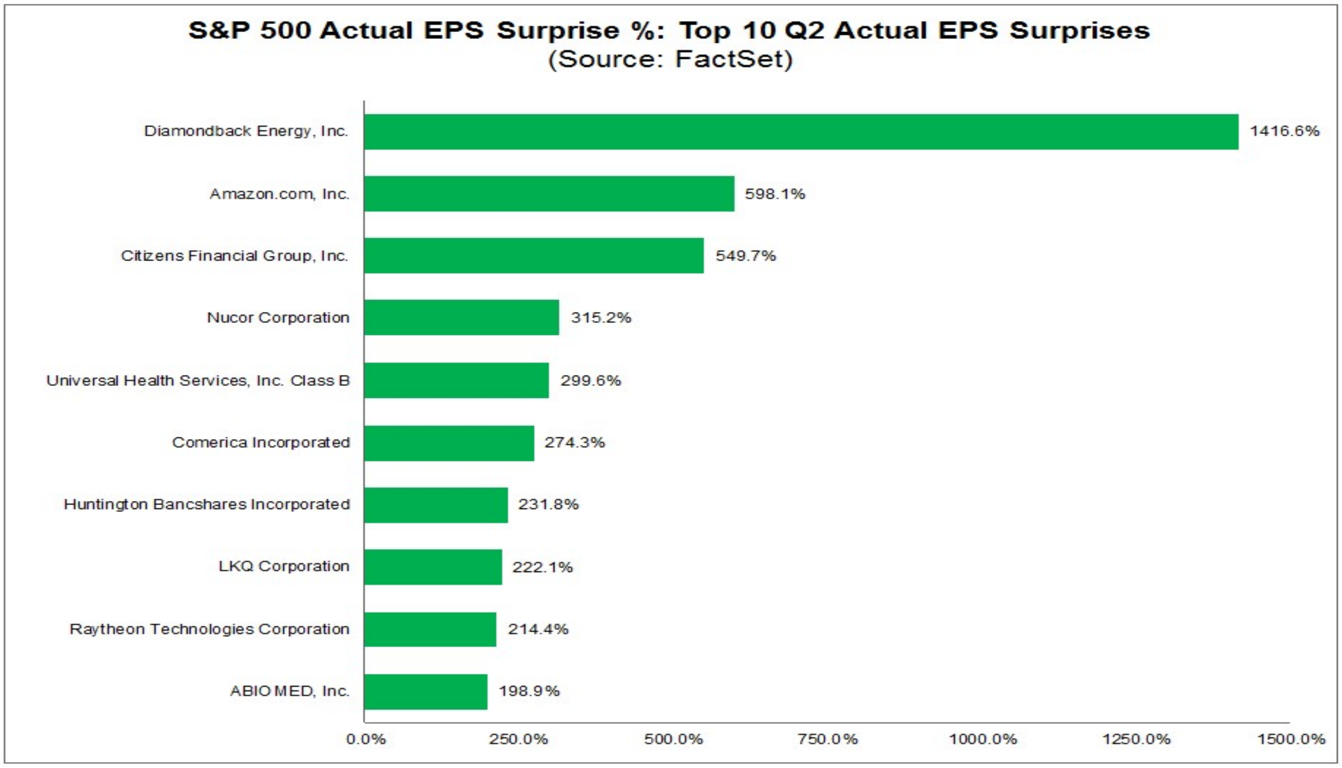


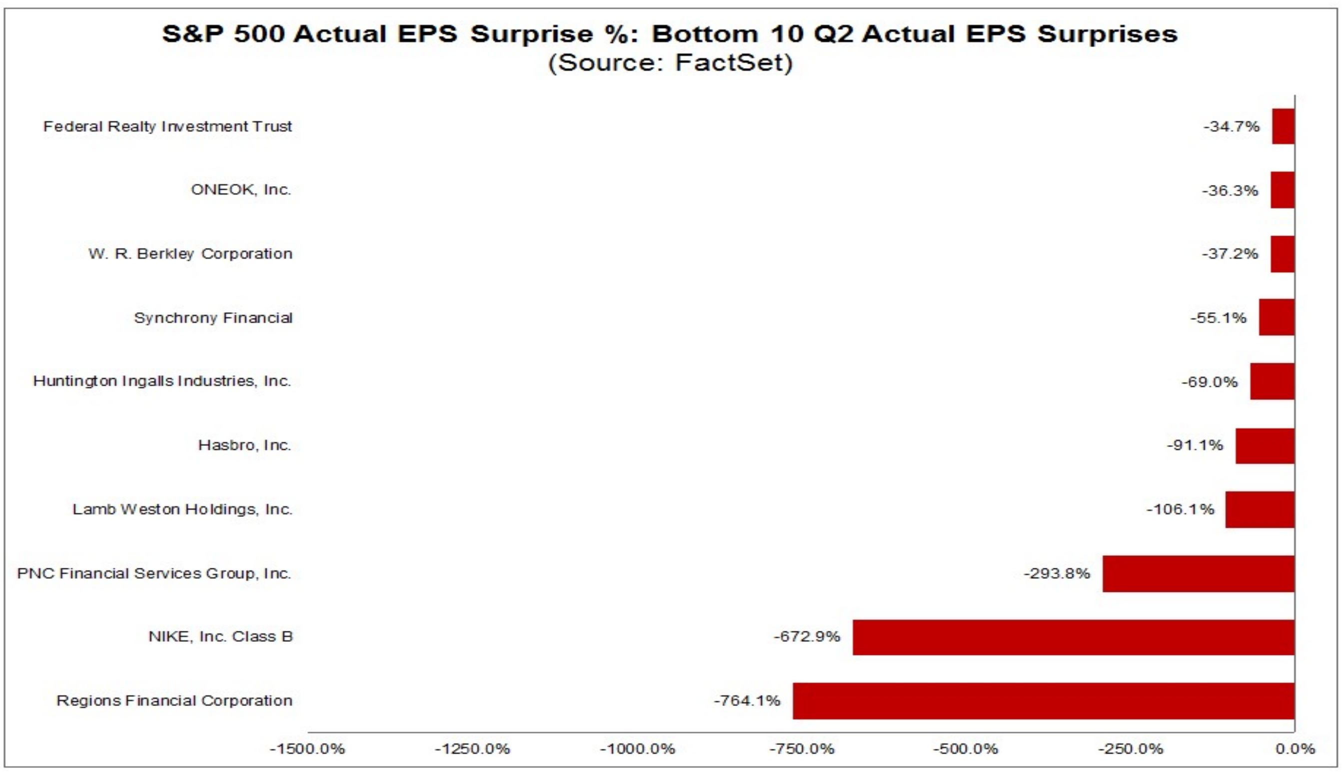
Q2 2020: Scorecard



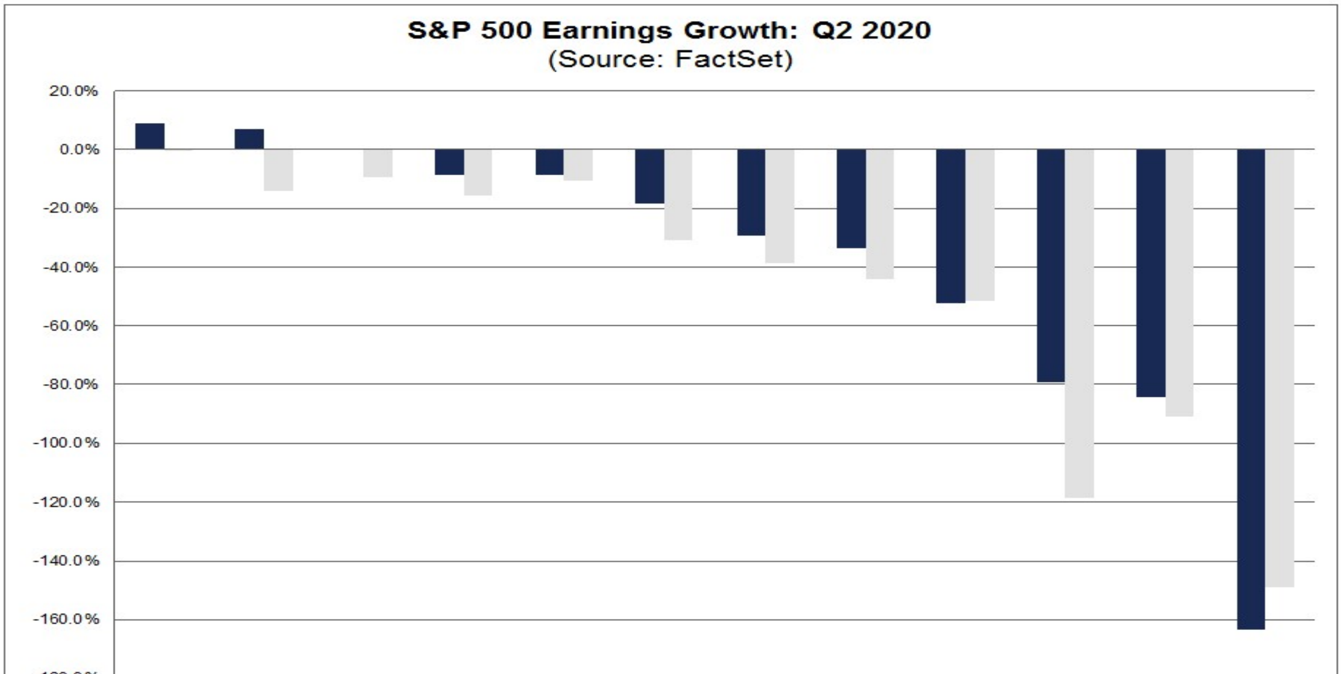


Q2 2020: Scorecard

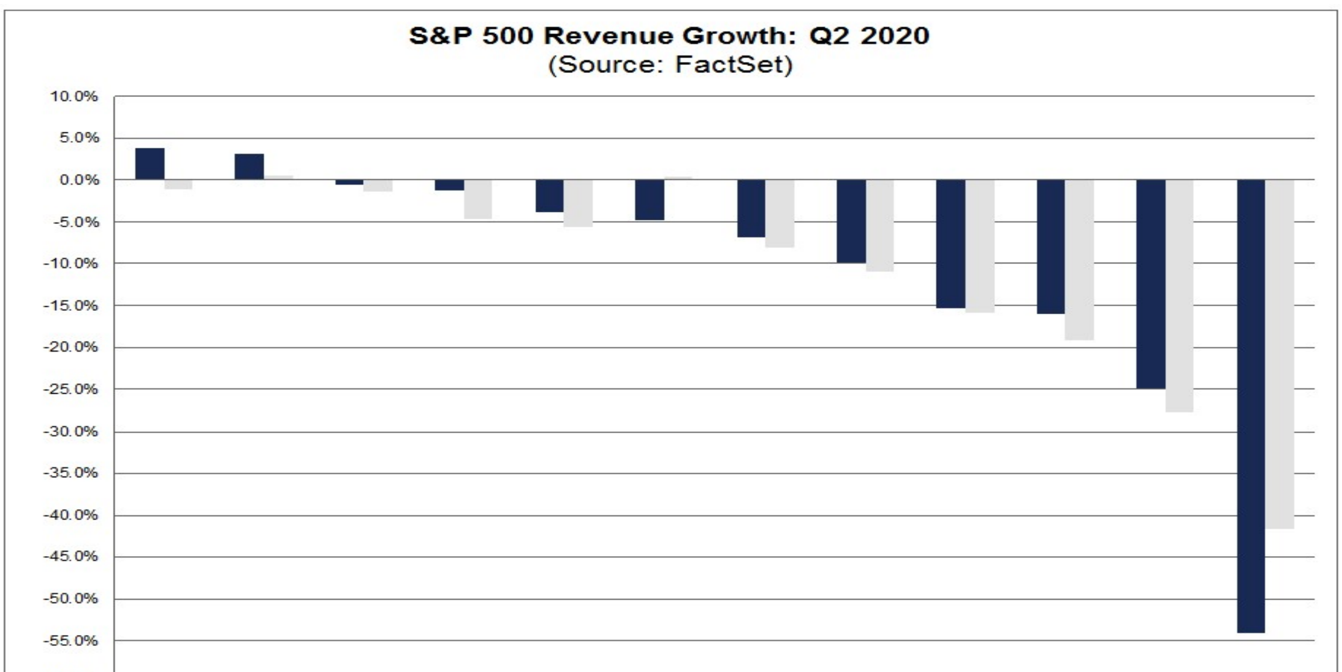




Q2 2020: Growth

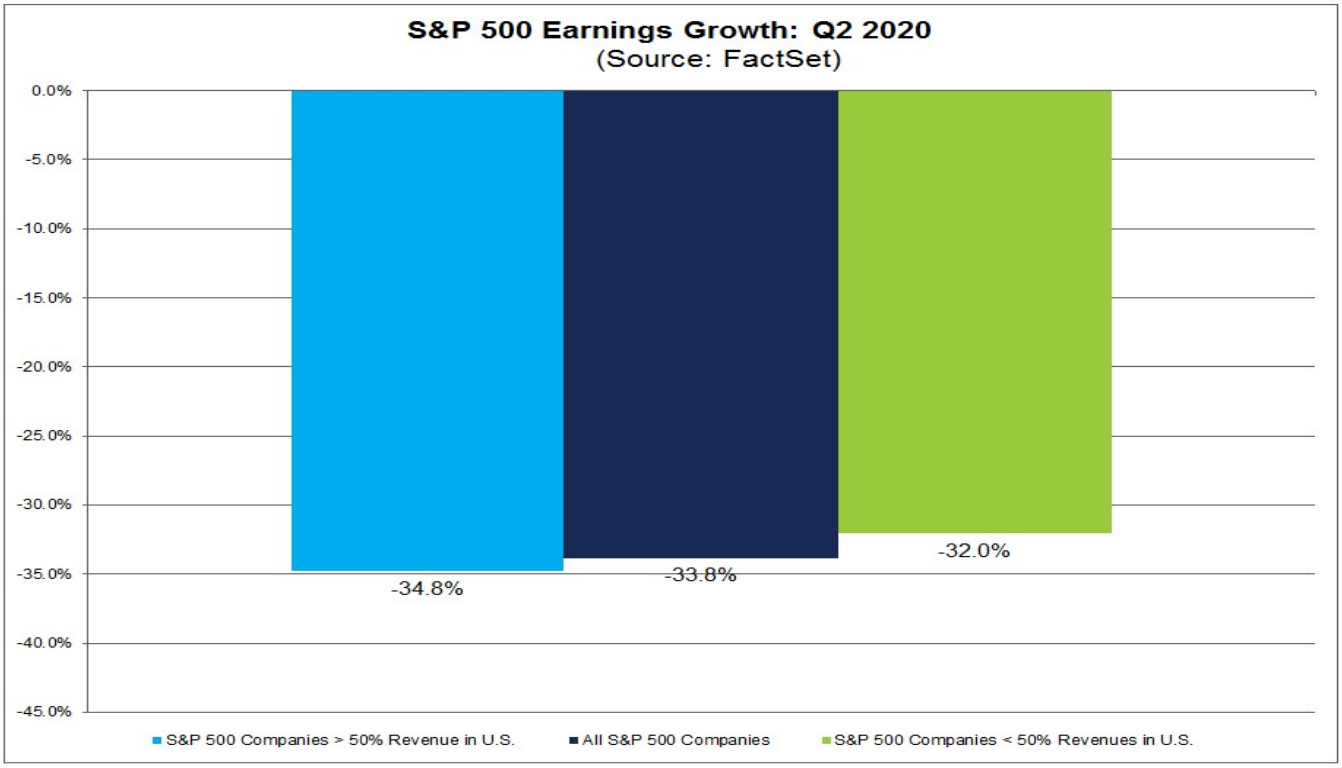


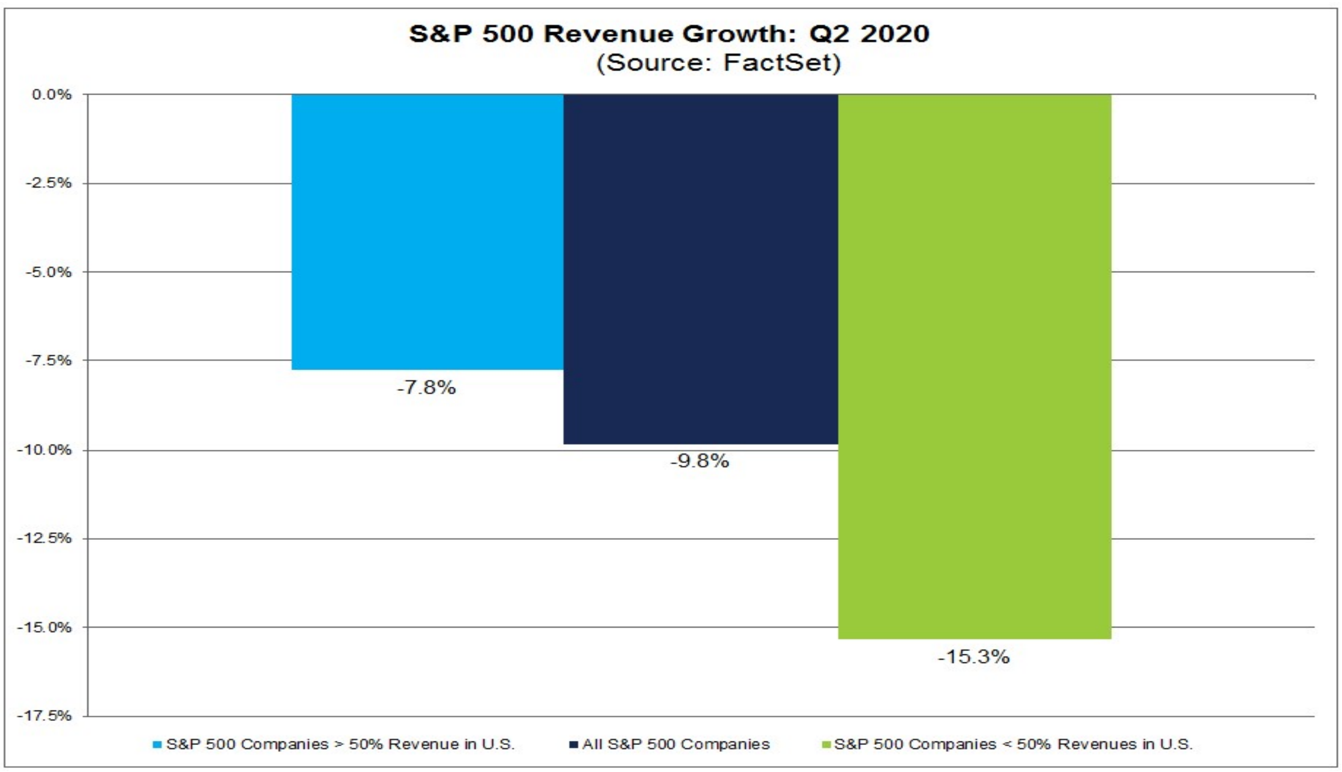
	Utilities	Health Care	Info. Technology	Consumer Staples	Real Estate	Comm. Services	Materials	S&P 500	Financials	Consumer Disc.	Industrials	Energy
Today	8.9%	7.1%	0.1%	-8.6%	-8.7%	-18.2%	-29.5%	-33.8%	-52.5%	-79.4%	-84.4%	-163.4%
30-Jun	-0.4%	-14.0%	-9.5%	-15.8%	-10.6%	-30.9%	-38.7%	-44.1%	-51.7%	-118.6%	-90.5%	-148.9%



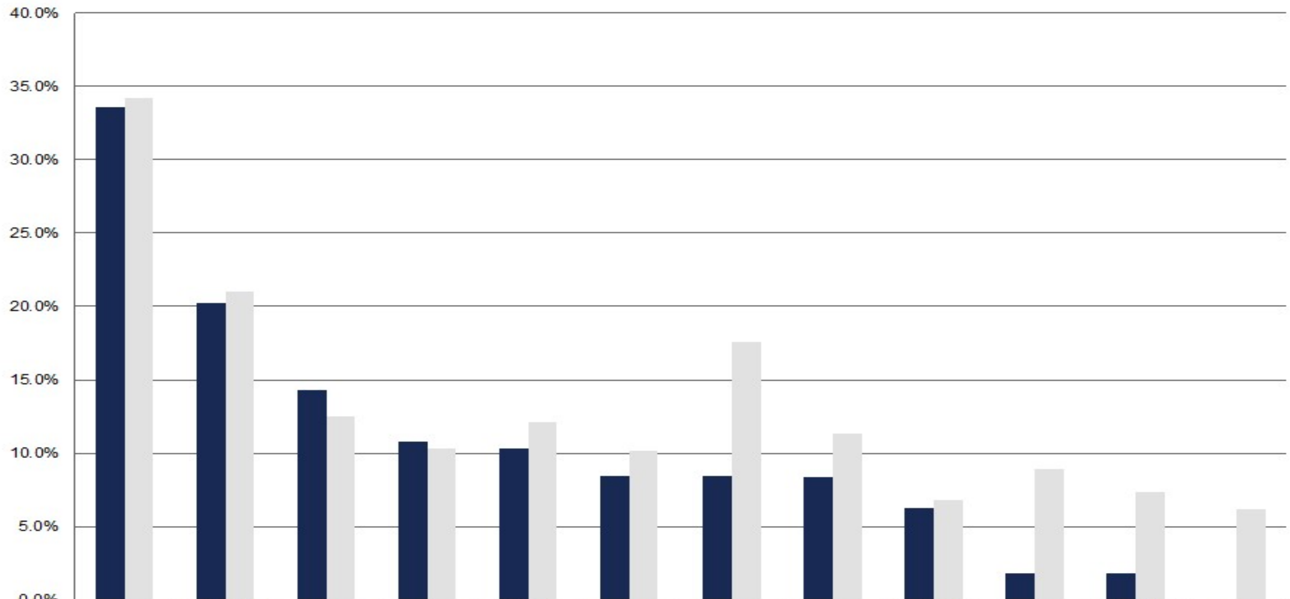
	Info. Technology	Health Care	Consumer Staples	Financials	Comm. Services	Utilities	Real Estate	S&P 500	Materials	Consumer Disc.	Industrials	Energy
Today	3.9%	3.1%	-0.6%	-1.3%	-3.9%	-4.9%	-6.9%	-9.8%	-15.3%	-16.0%	-24.9%	-54.0%
30-Jun	-1.1%	0.6%	-1.4%	-4.6%	-5.7%	0.4%	-8.1%	-11.0%	-15.9%	-19.2%	-27.7%	-41.6%

Q2 2020: Growth

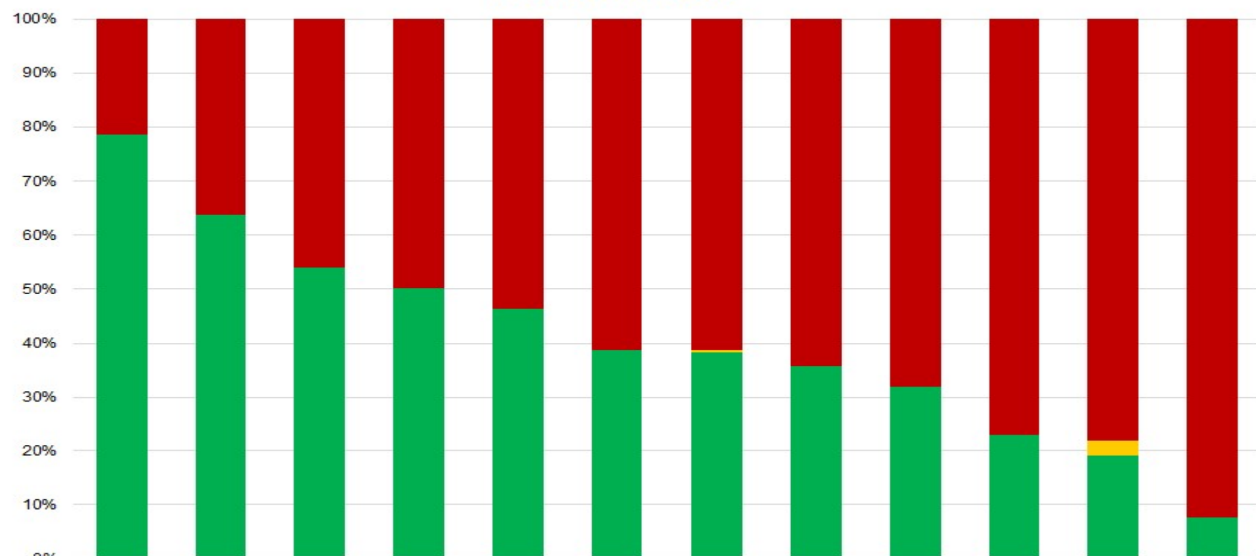




Q2 2020: Net Profit Margin

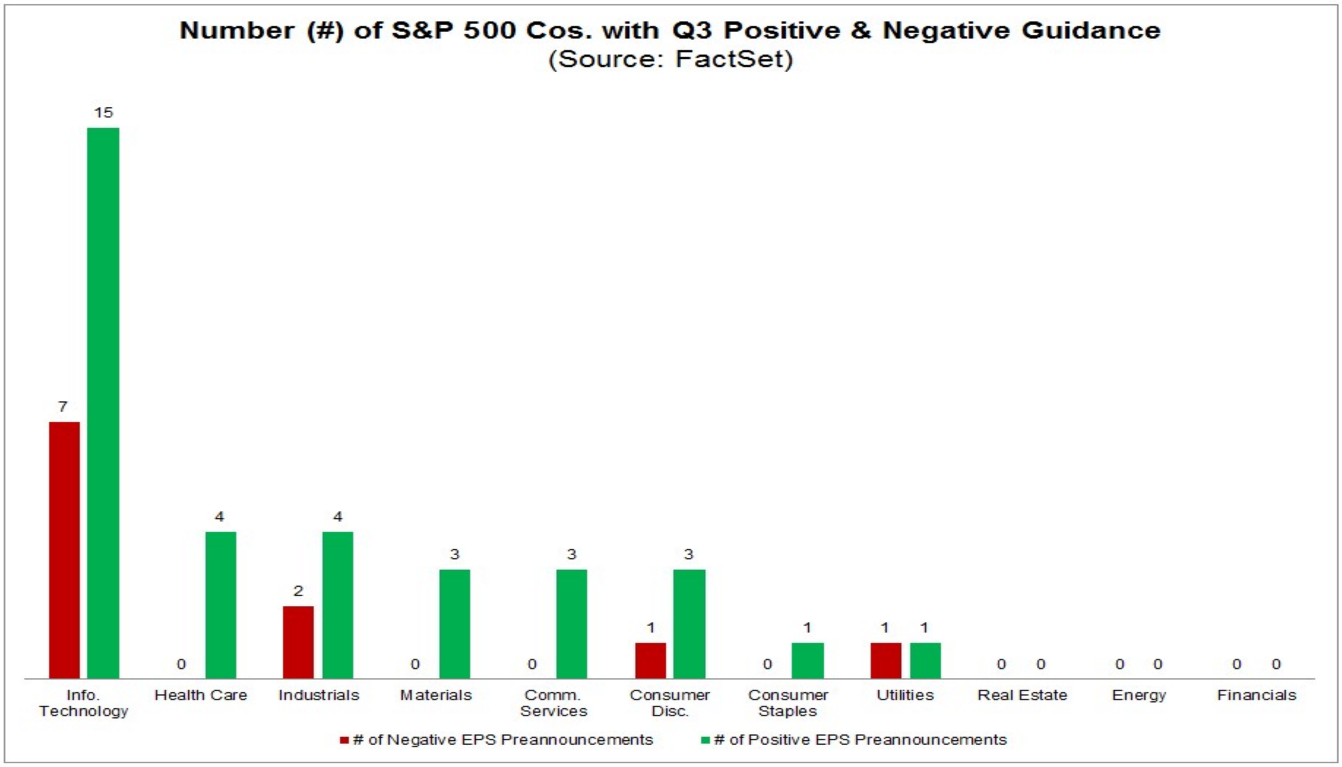


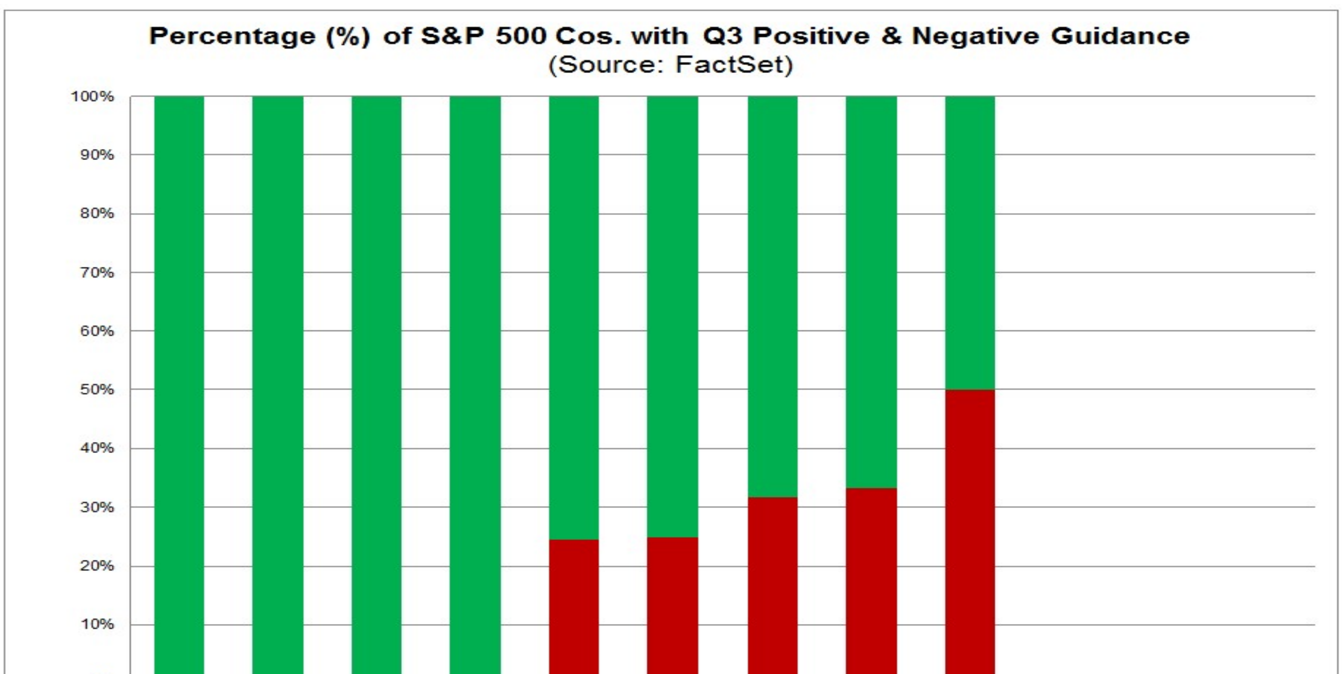
	Real Estate	Information Tech.	Utilities	Health Care	Comm. Services	Materials	Financials	S&P 500	Consumer Staples	Industrials	Consumer Disc.	Energy
Q220	33.5%	20.2%	14.4%	10.8%	10.3%	8.5%	8.5%	8.4%	6.3%	1.9%	1.8%	
Q219	34.2%	21.0%	12.6%	10.4%	12.2%	10.2%	17.6%	11.4%	6.8%	9.0%	7.4%	6.2%



	Utilities	Consumer Staples	Comm. Services	Health Care	Information Tech.	Real Estate	S&P 500	Materials	Financials	Consumer Disc.	Industrials	Energy
Down %	21%	36%	46%	50%	54%	61%	61%	64%	68%	77%	78%	92%
None %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%
Up %	79%	64%	54%	50%	46%	39%	38%	36%	32%	23%	19%	8%

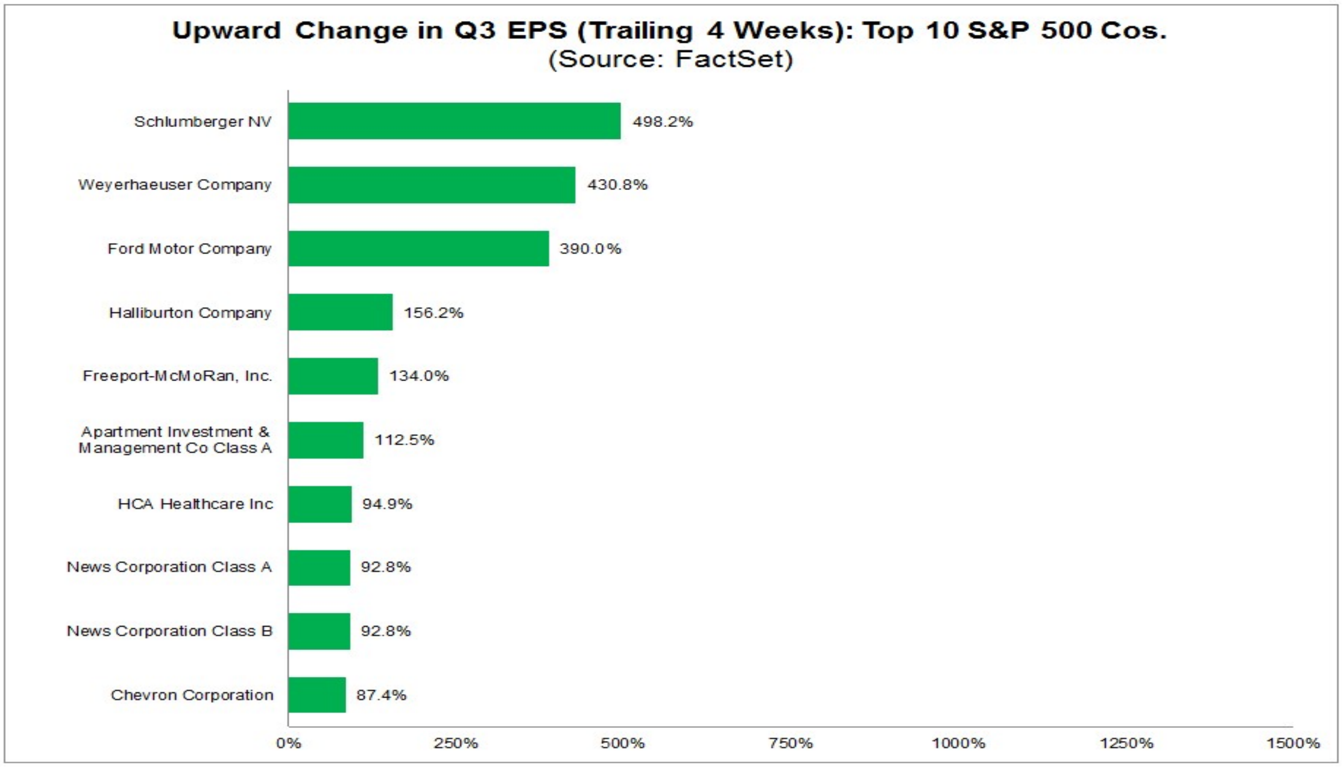
Q3 2020: EPS Guidance

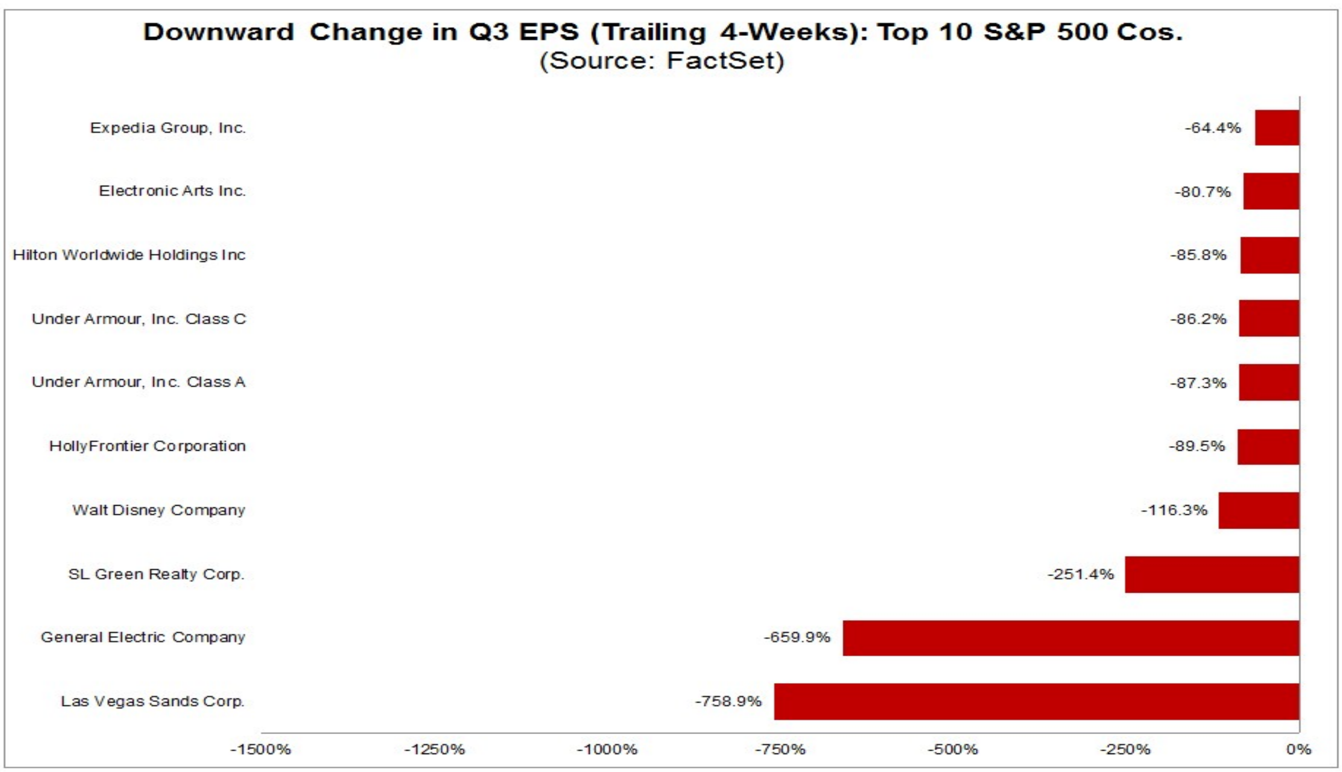




	Health Care	Materials	Comm. Services	Consumer Staples	S&P 500	Consumer Disc.	Info. Technology	Industrials	Utilities	Real Estate	Energy	Financials
Positive	100%	100%	100%	100%	76%	75%	68%	67%	50%	0%	0%	0%
Negative	0%	0%	0%	0%	24%	25%	32%	33%	50%	0%	0%	0%

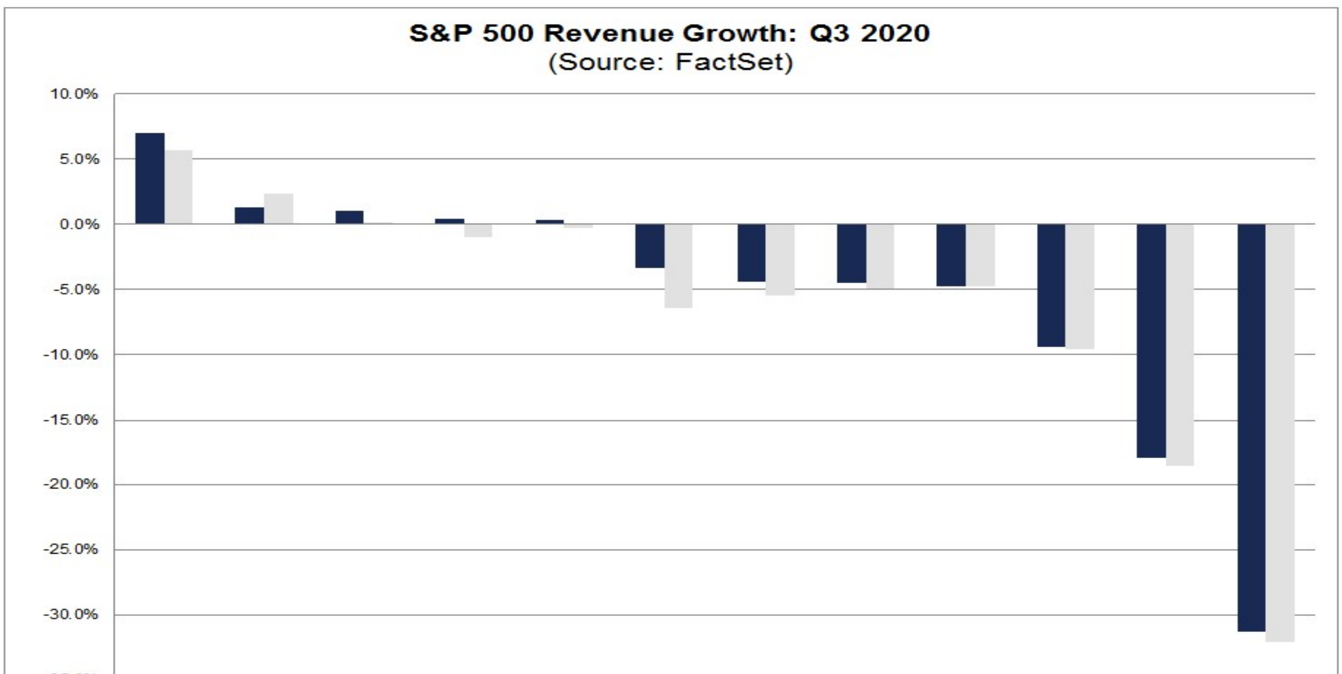
Q3 2020: EPS Revisions





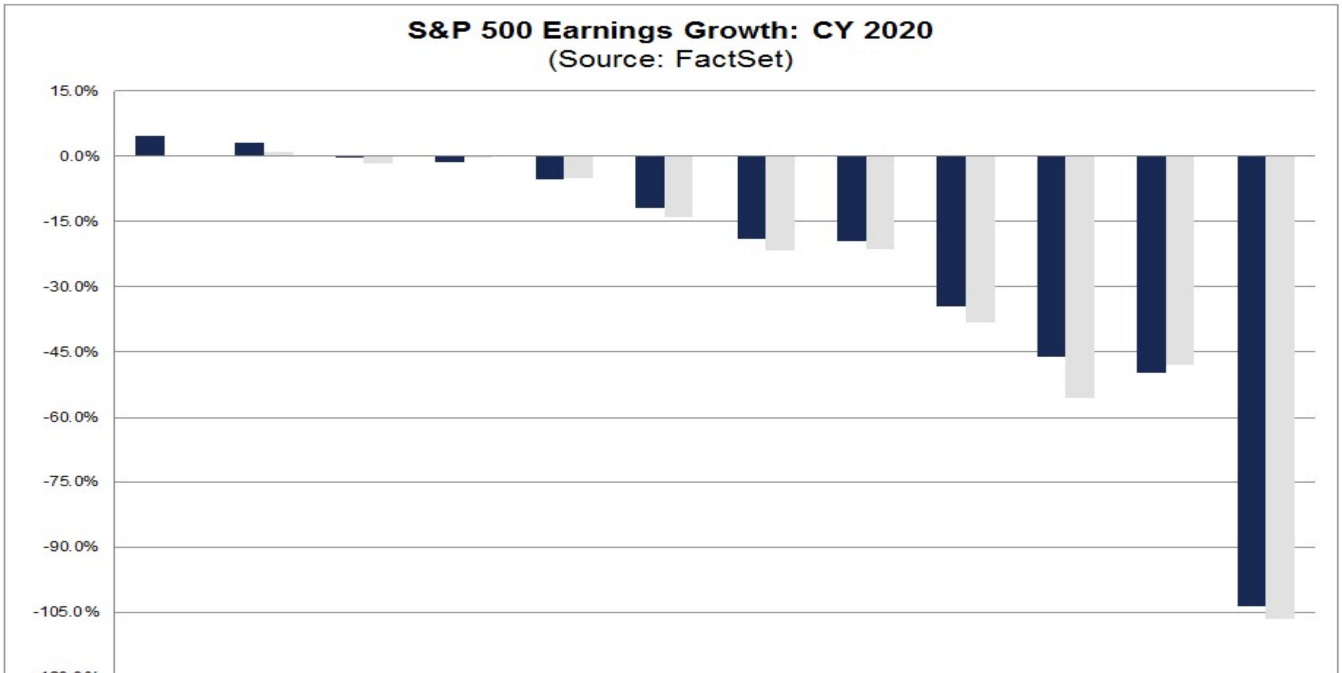
Q3 2020: Growth

	Health Care	Utilities	Info. Technology	Consumer Staples	Real Estate	Comm. Services	S&P 500	Materials	Financials	Consumer Disc.	Industrials	Energy
Today	-0.6%	-2.7%	-4.1%	-6.9%	-8.4%	-20.7%	-22.9%	-23.1%	-26.3%	-45.2%	-63.2%	-106.2%
30-Jun	-2.2%	-0.3%	-5.7%	-5.1%	-8.4%	-20.9%	-25.5%	-25.2%	-34.5%	-52.7%	-59.2%	-119.6%

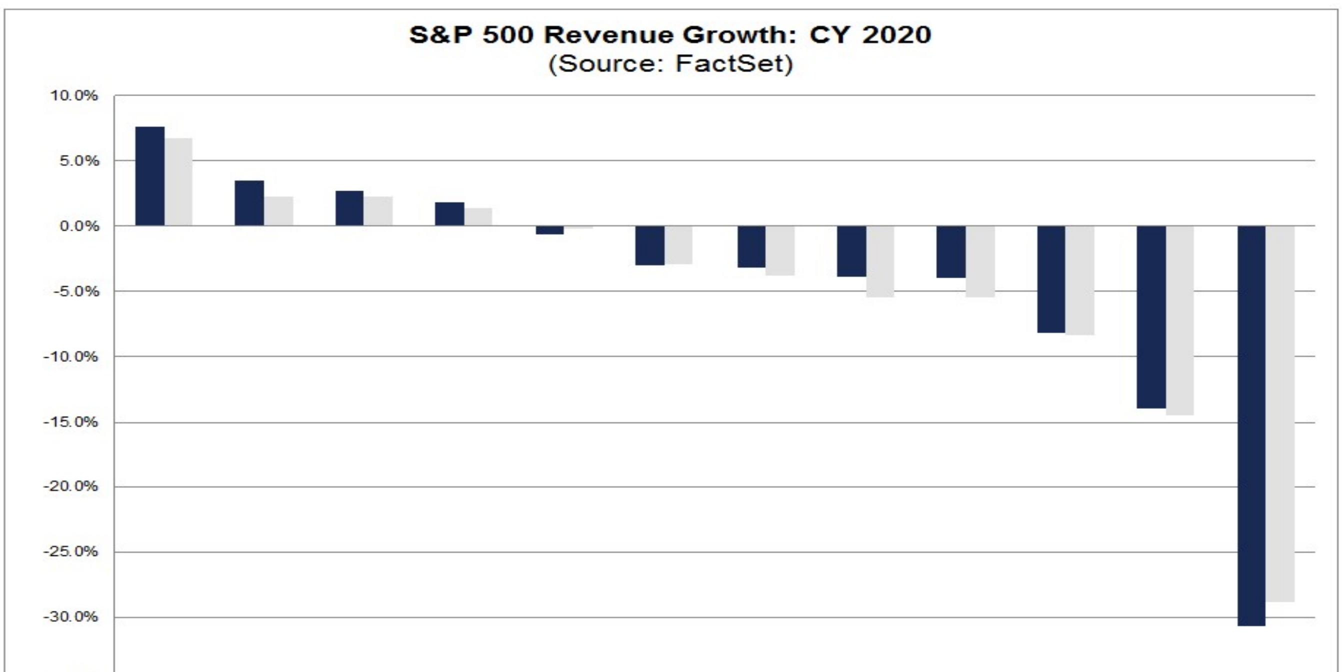


	Health Care	Utilities	Consumer Staples	Info. Technology	Comm. Services	Consumer Disc.	S&P 500	Real Estate	Financials	Materials	Industrials	Energy
Today	7.0%	1.3%	1.0%	0.4%	0.3%	-3.4%	-4.4%	-4.6%	-4.8%	-9.5%	-17.9%	-31.3%
30-Jun	5.7%	2.3%	0.1%	-1.1%	-0.3%	-6.4%	-5.5%	-4.9%	-4.8%	-9.6%	-18.6%	-32.1%

CY 2020: Growth



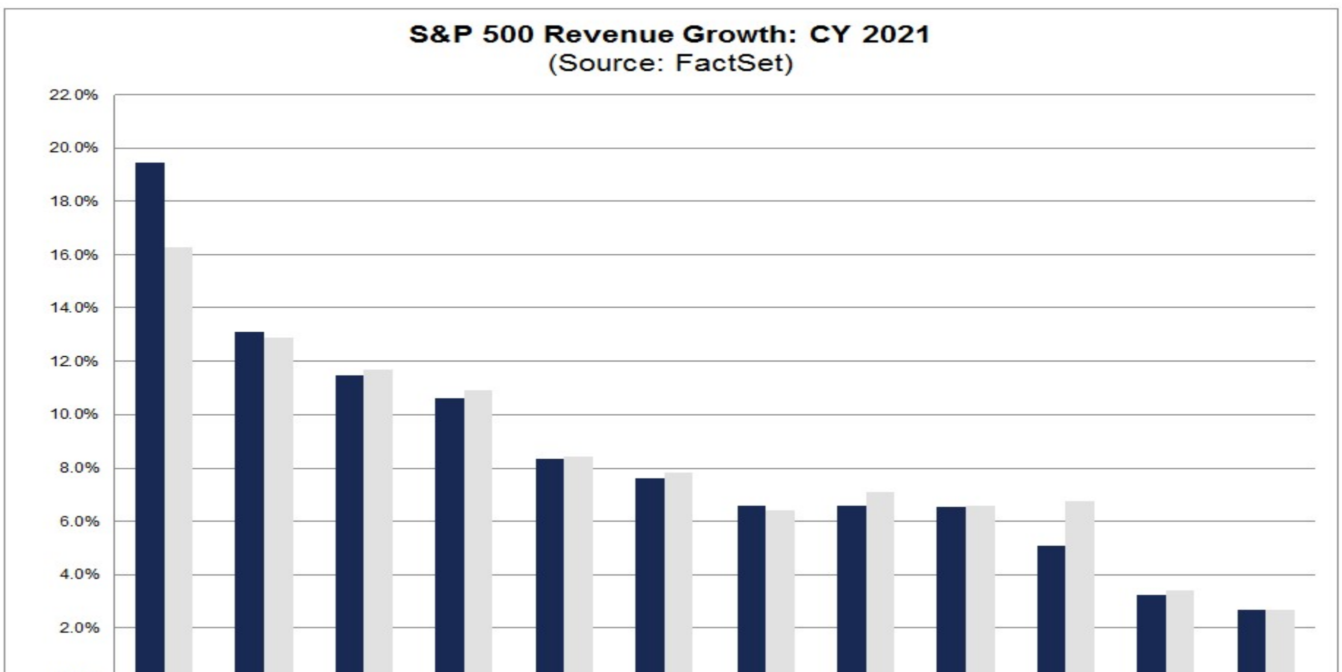
	Health Care	Info. Technology	Consumer Staples	Utilities	Real Estate	Comm. Services	S&P 500	Materials	Financials	Consumer Disc.	Industrials	Energy
Today	4.6%	3.0%	-0.3%	-1.5%	-5.4%	-11.9%	-19.0%	-19.6%	-34.8%	-46.3%	-50.0%	-103.5%
30-Jun	0.3%	1.0%	-1.6%	-0.1%	-5.1%	-14.0%	-21.8%	-21.6%	-38.4%	-55.7%	-48.1%	-106.4%



	Health Care	Info. Technology	Consumer Staples	Comm. Services	Utilities	Real Estate	S&P 500	Consumer Disc.	Financials	Materials	Industrials	Energy
Today	7.6%	3.5%	2.7%	1.8%	-0.7%	-3.0%	-3.2%	-3.9%	-4.0%	-8.2%	-14.0%	-30.7%
30-Jun	6.7%	2.3%	2.2%	1.3%	-0.2%	-3.0%	-3.8%	-5.5%	-5.5%	-8.4%	-14.5%	-28.8%

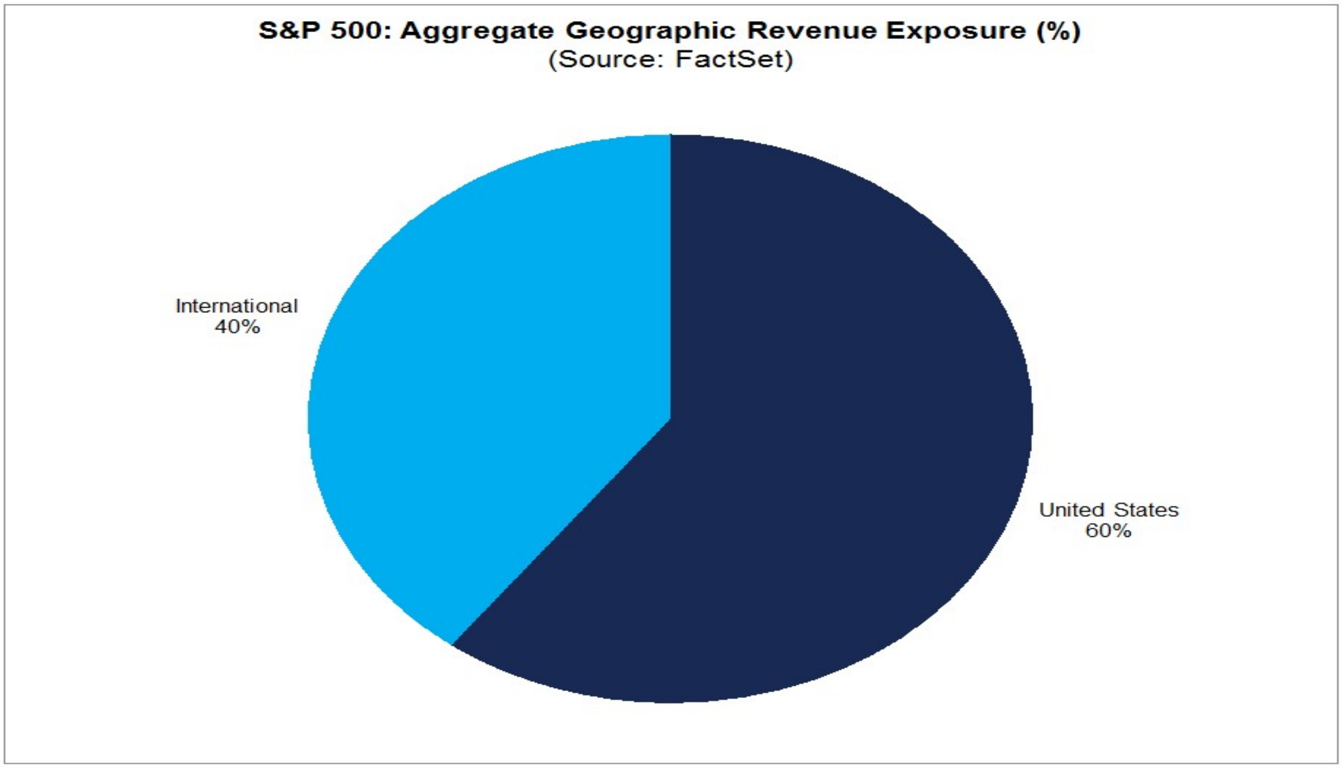
CY 2021: Growth

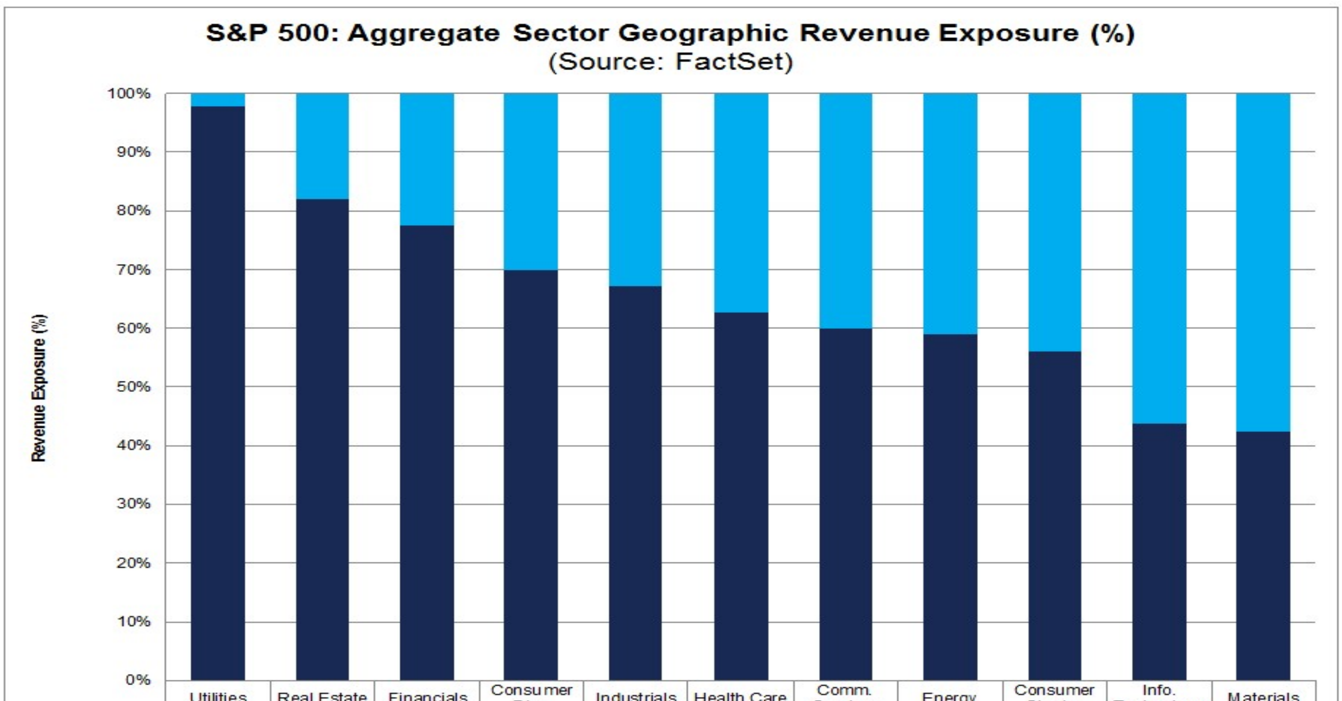
	Energy	Industrials	Consumer Disc.	Financials	S&P 500	Materials	Comm. Services	Info. Technology	Health Care	Real Estate	Consumer Staples	Utilities
Today		85.6%	84.4%	31.1%	28.6%	26.5%	21.0%	14.1%	13.7%	7.9%	7.8%	5.8%
30-Jun		77.8%	111.2%	39.6%	29.6%	29.0%	22.9%	14.9%	16.4%	8.4%	7.9%	5.9%



	Energy	Consumer Disc.	Comm. Services	Industrials	S&P 500	Info. Technology	Materials	Real Estate	Health Care	Financials	Utilities	Consumer Staples
Today	19.4%	13.1%	11.5%	10.6%	8.4%	7.6%	6.6%	6.6%	6.6%	5.1%	3.3%	2.7%
30-Jun	16.3%	12.9%	11.7%	10.9%	8.4%	7.8%	6.4%	7.1%	6.6%	6.8%	3.4%	2.7%

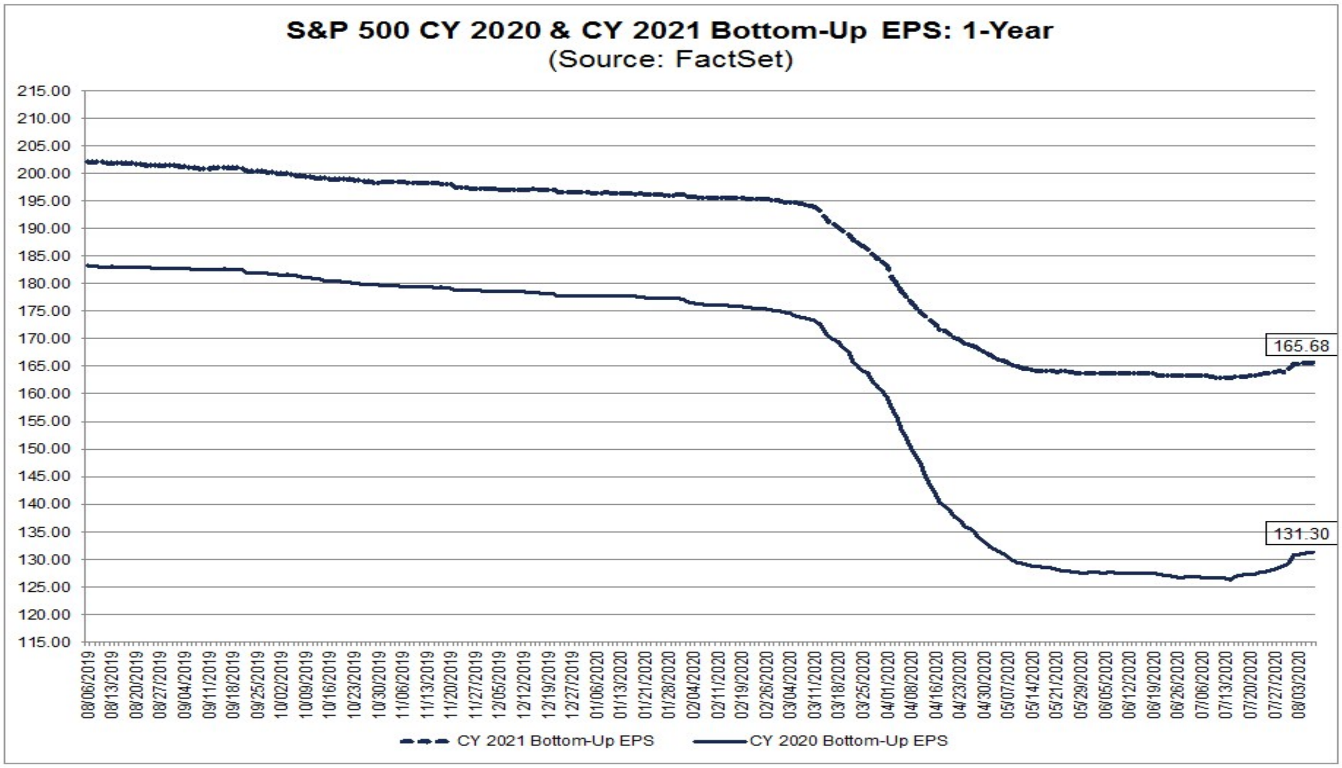
Geographic Revenue Exposure

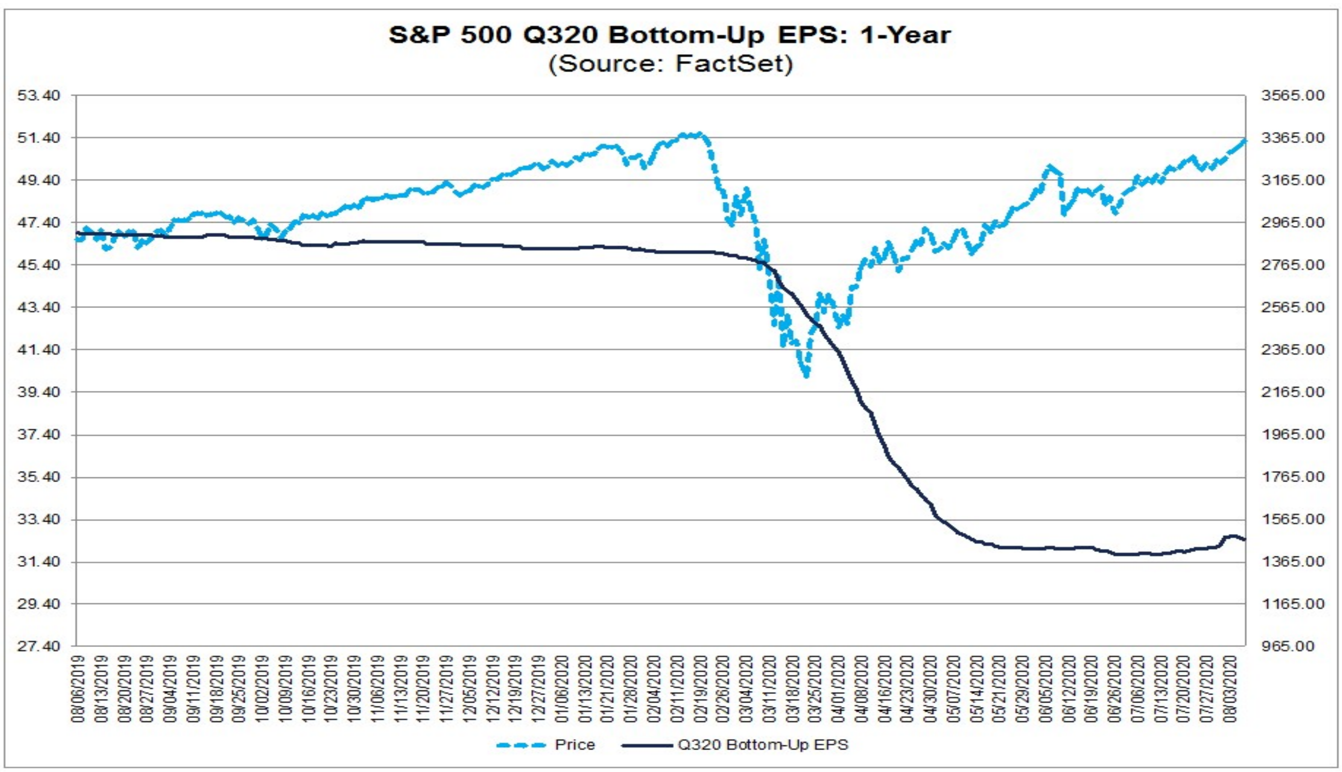




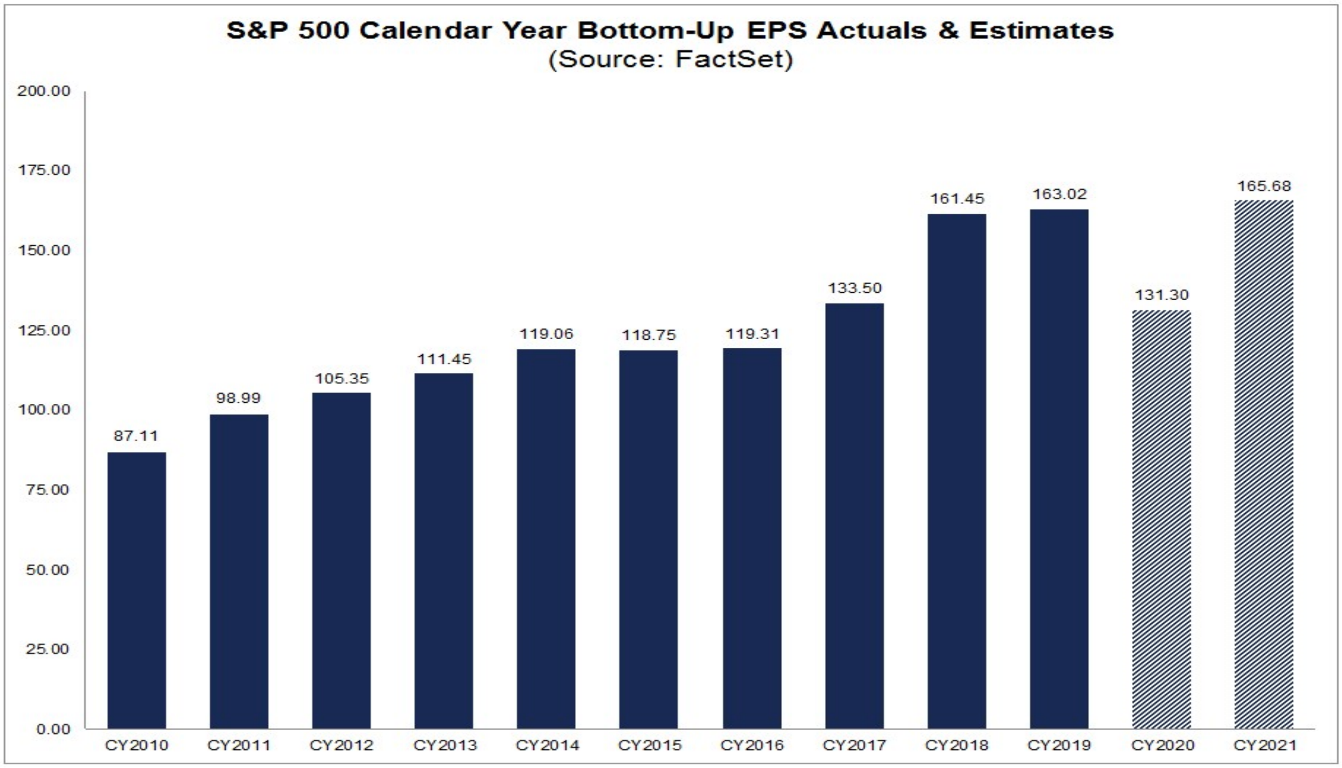
	Utilities	Real Estate	Financials	Consumer Disc.	Industrials	Health Care	Comm. Services	Energy	Consumer Staples	Info. Technology	Materials
International	2%	18%	23%	30%	33%	37%	40%	41%	44%	56%	58%
United States	98%	82%	77%	70%	67%	63%	60%	59%	56%	44%	42%

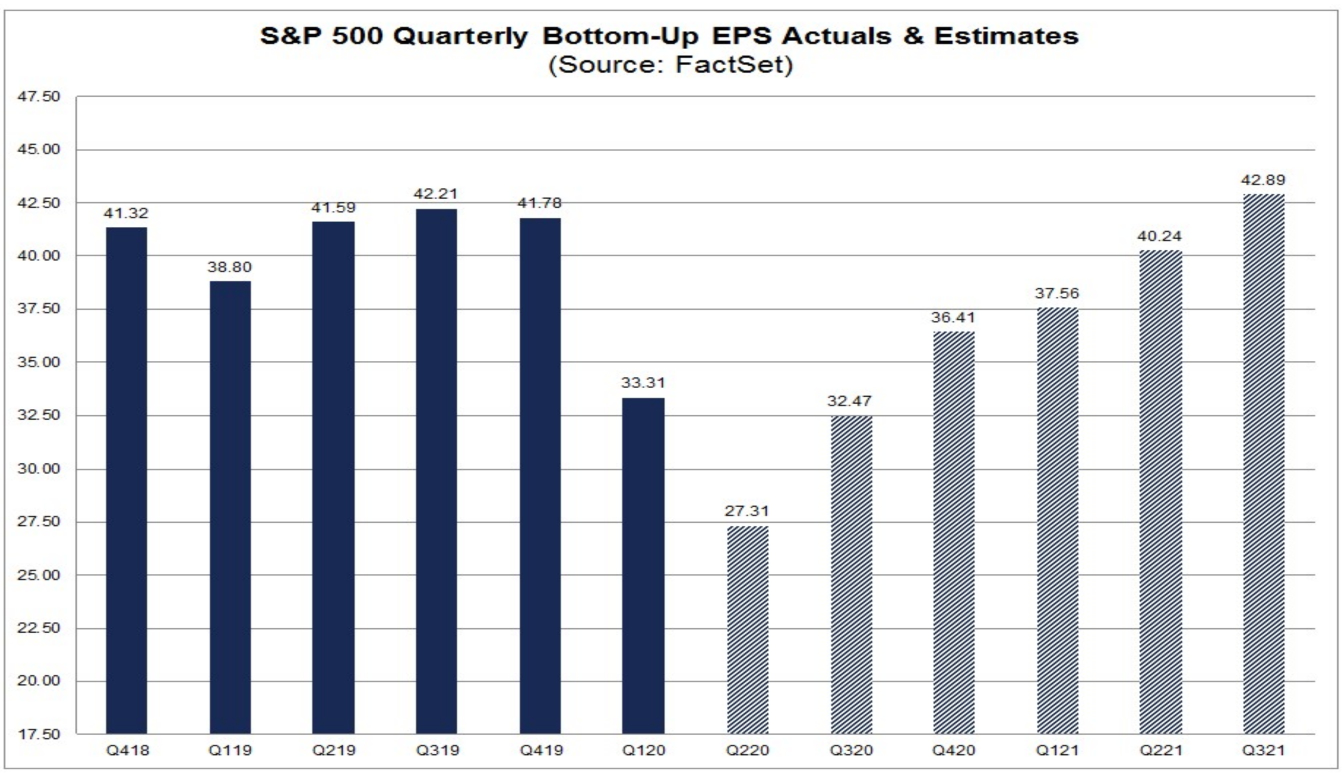
Bottom-up EPS Estimates: Revisions



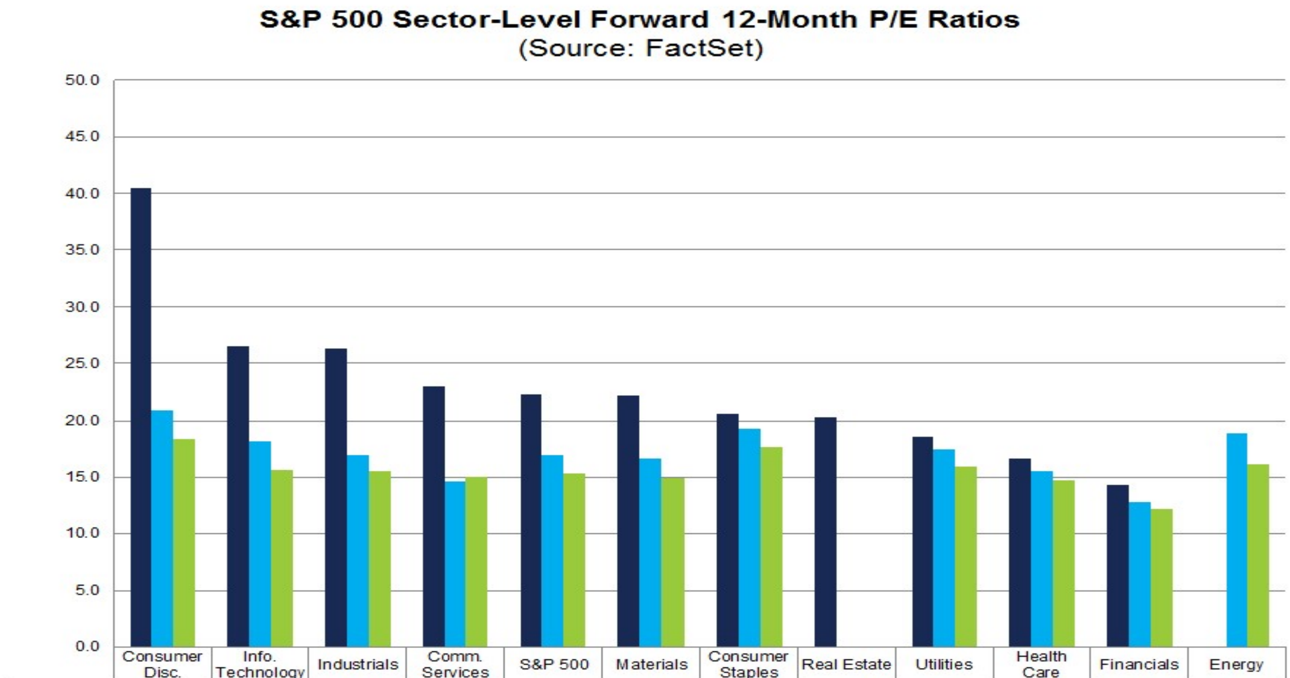


Bottom-up EPS Estimates: Current & Historical

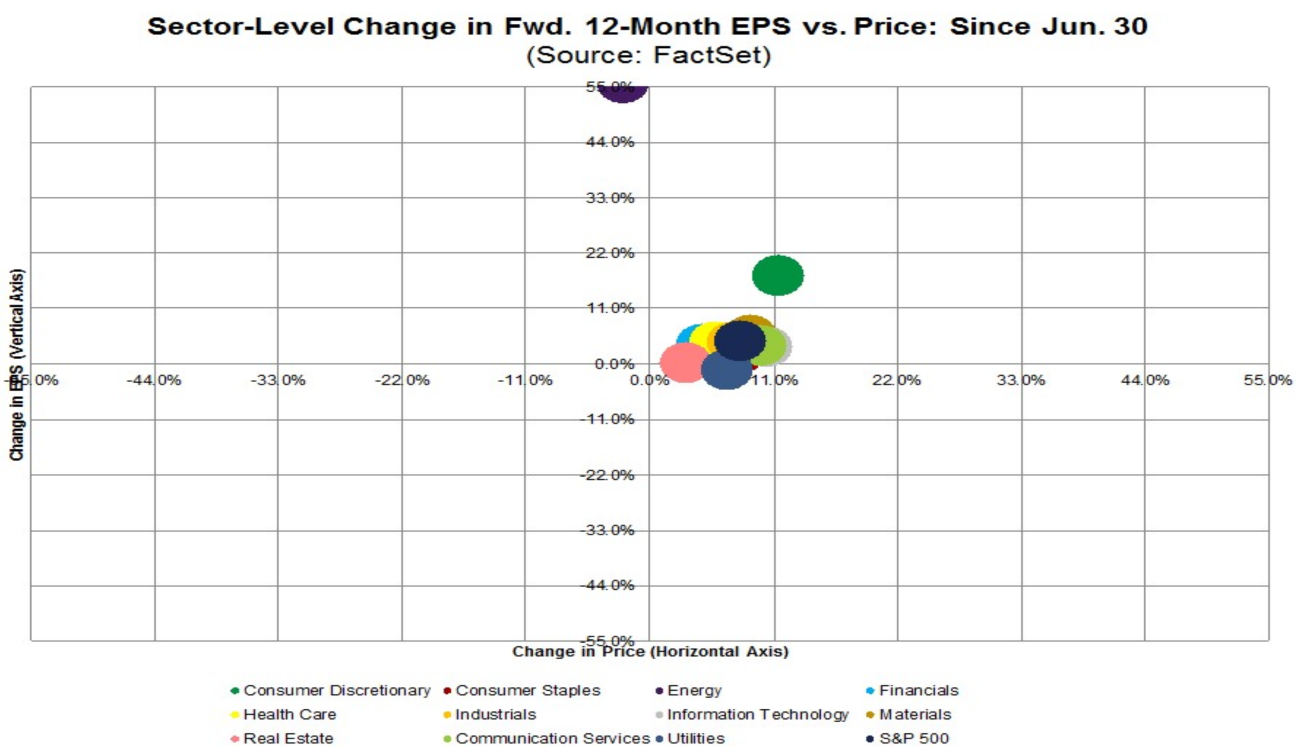




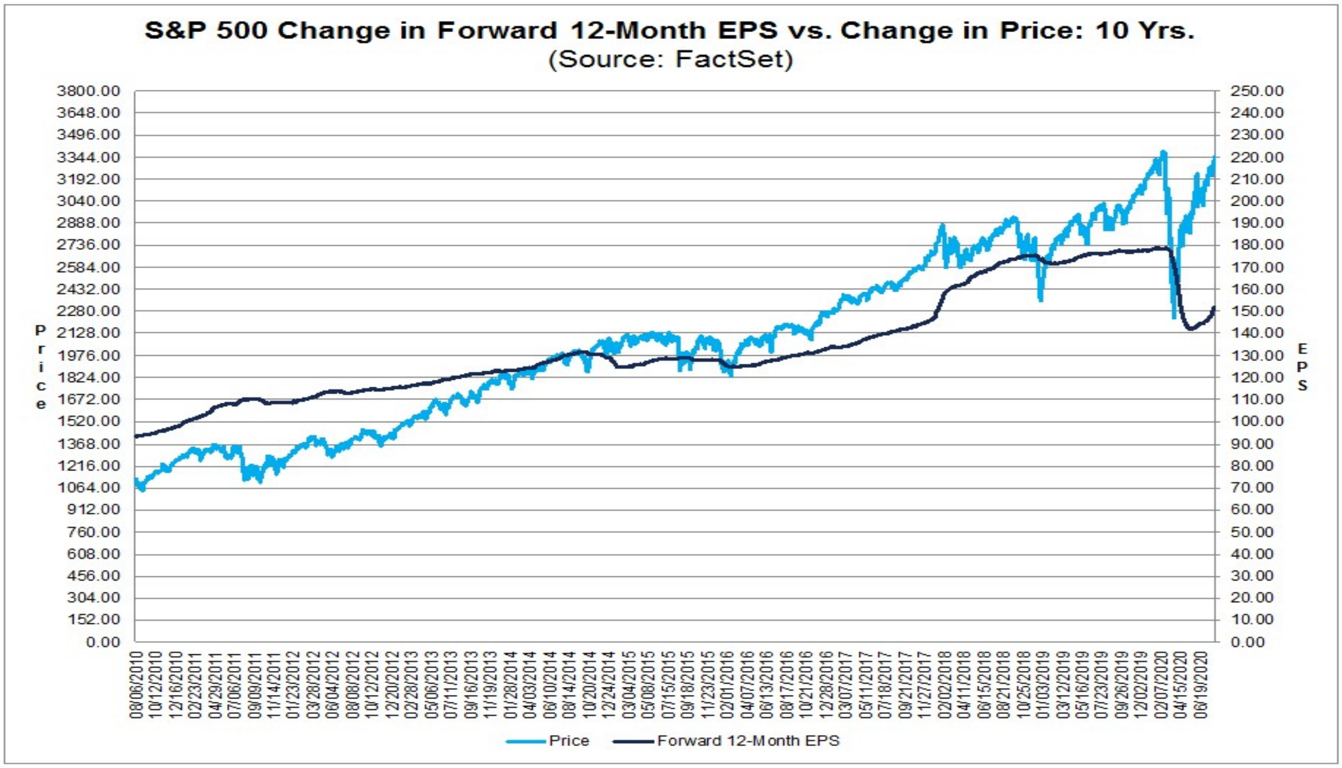
Forward 12M P/E Ratio: Sector Level

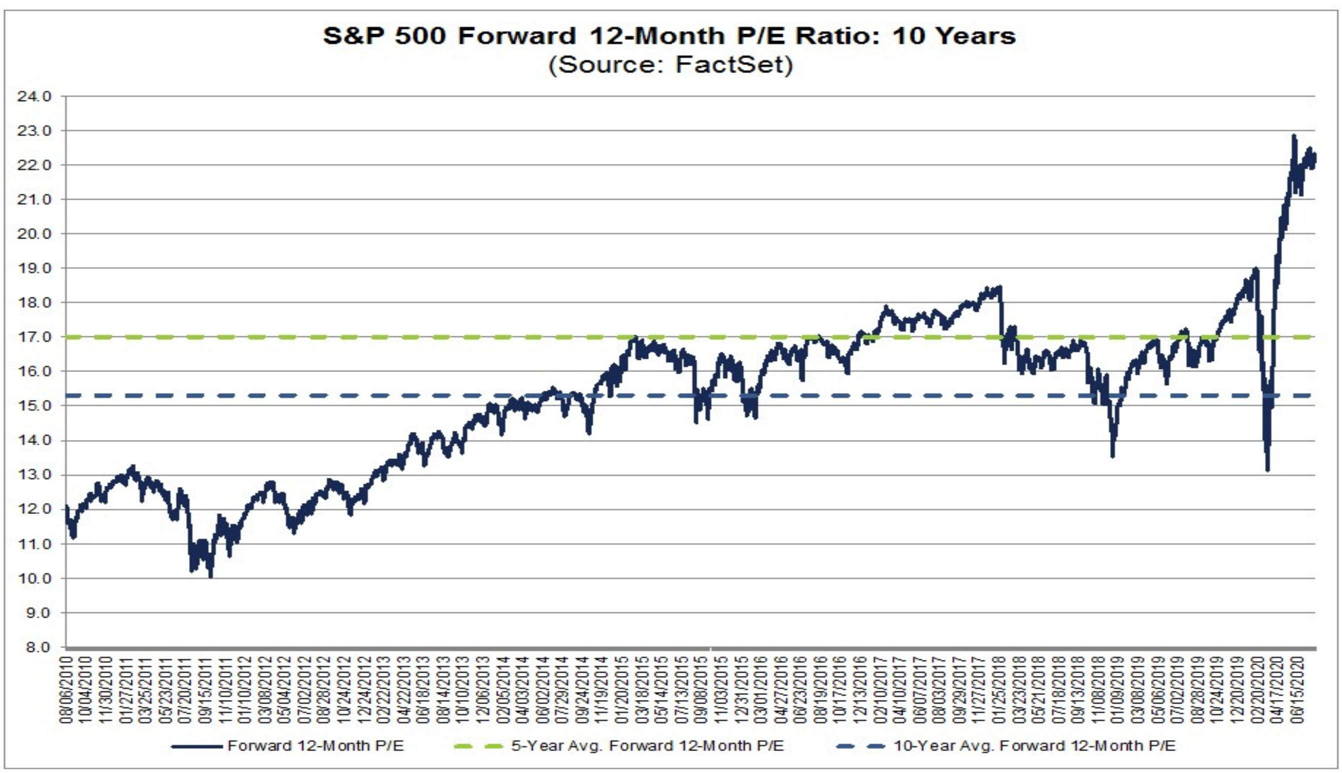


	Consumer Disc.	Info. Technology	Industrials	Comm. Services	S&P 500	Materials	Consumer Staples	Real Estate	Utilities	Health Care	Financials	Energy
Fwd P/E	40.4	26.5	26.2	23.0	22.3	22.2	20.6	20.3	18.6	16.6	14.3	
5-Yr Avg.	20.9	18.2	17.0	14.6	17.0	16.7	19.2		17.5	15.6	12.8	18.9
10-Yr Avg.	18.4	15.6	15.5	15.0	15.3	14.9	17.7		15.9	14.7	12.3	16.2

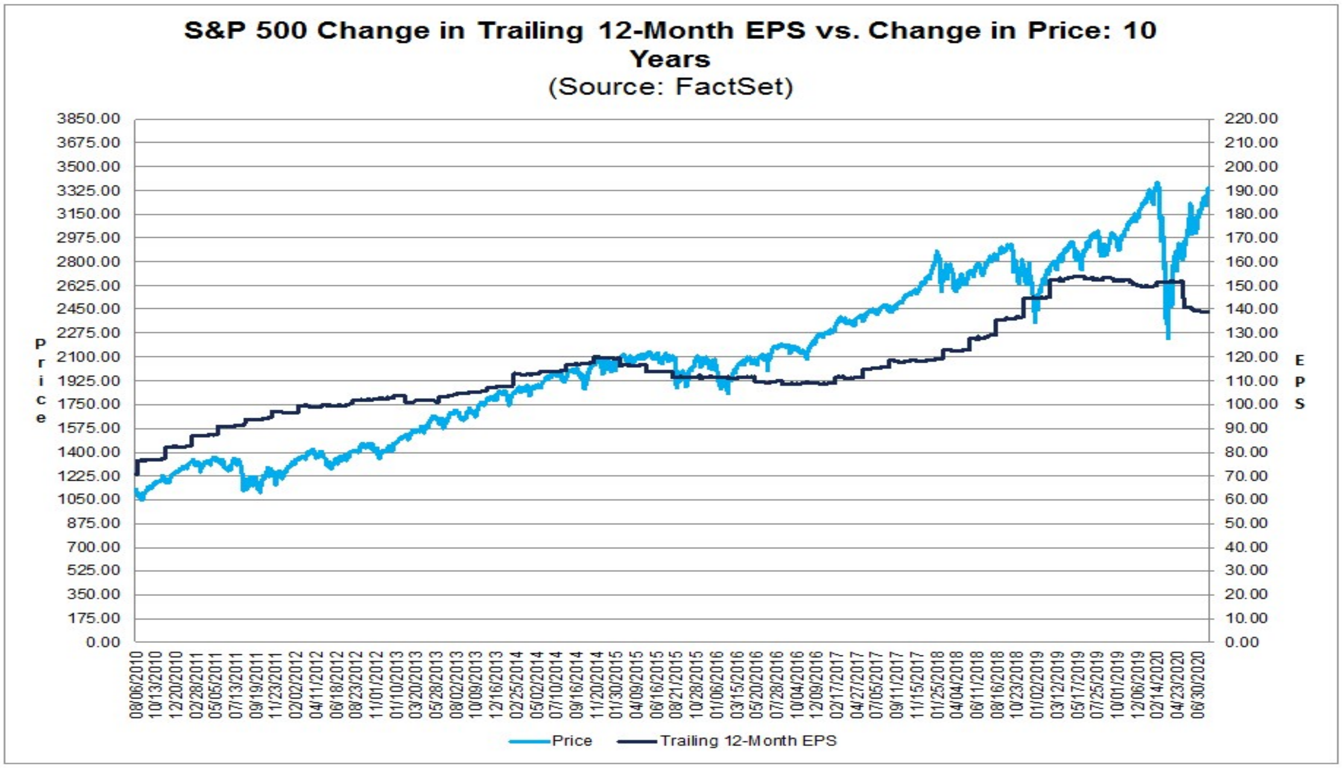


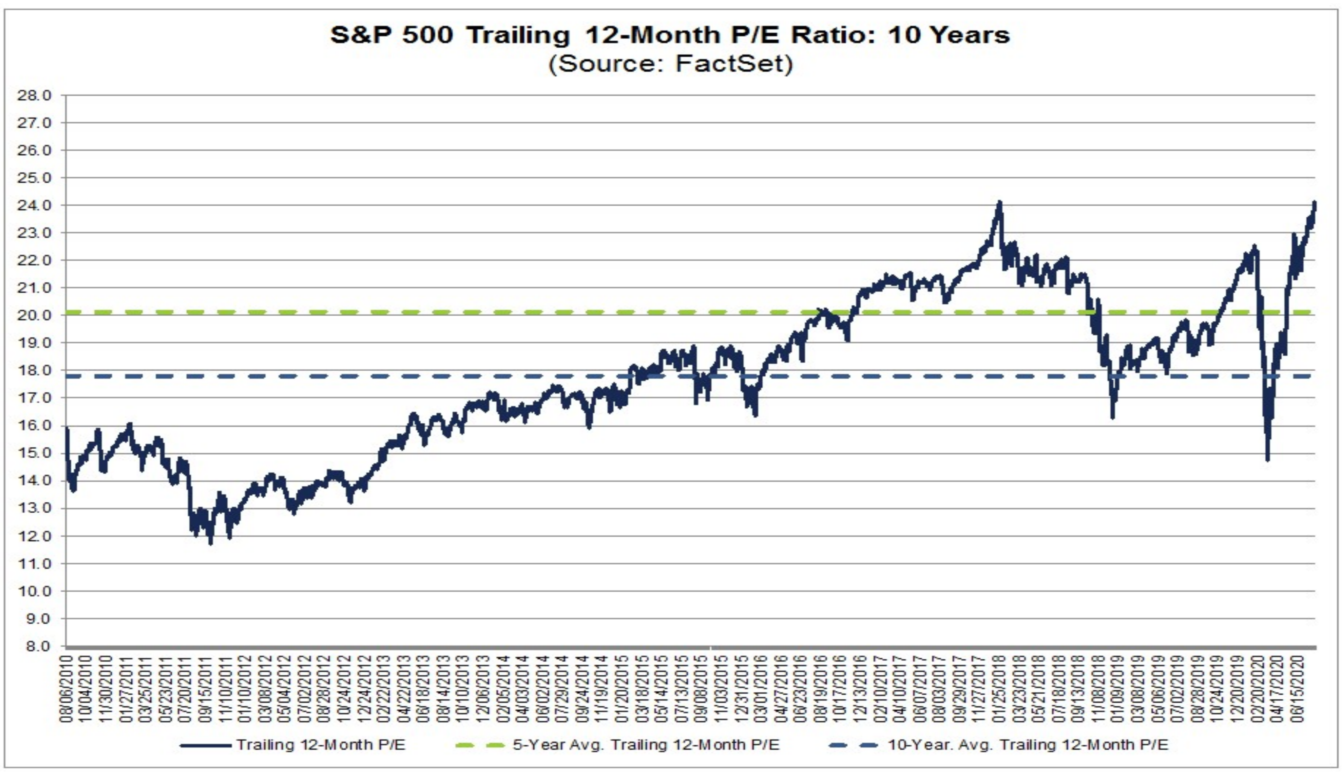
Forward 12M P/E Ratio: 10-Years





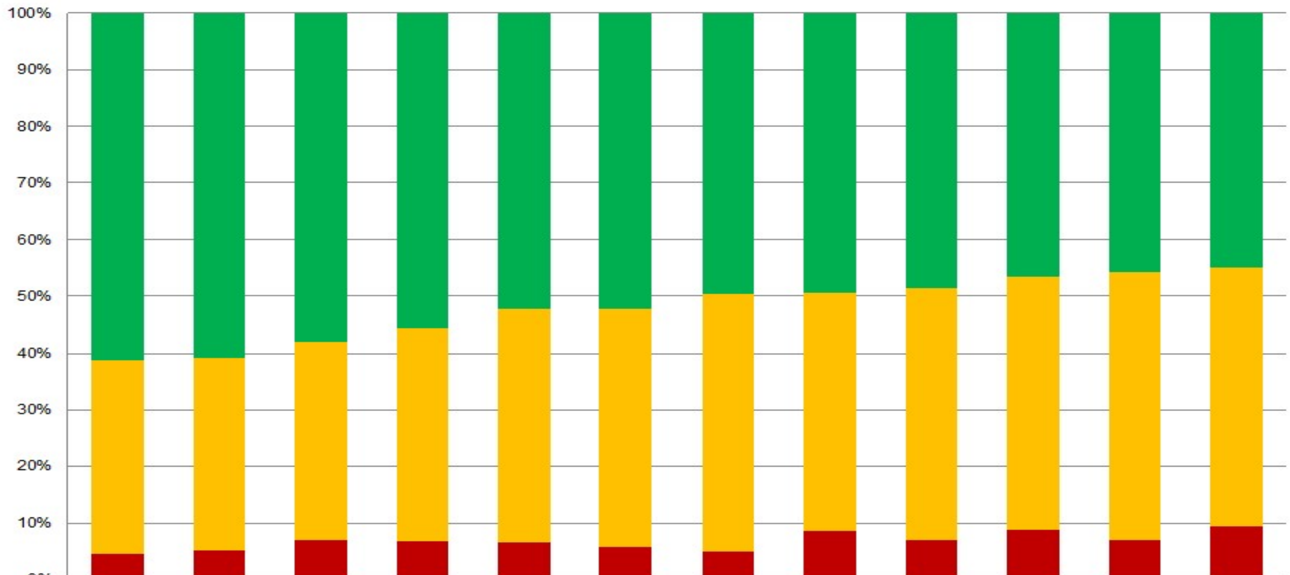
Trailing 12M P/E Ratio: 10-Years





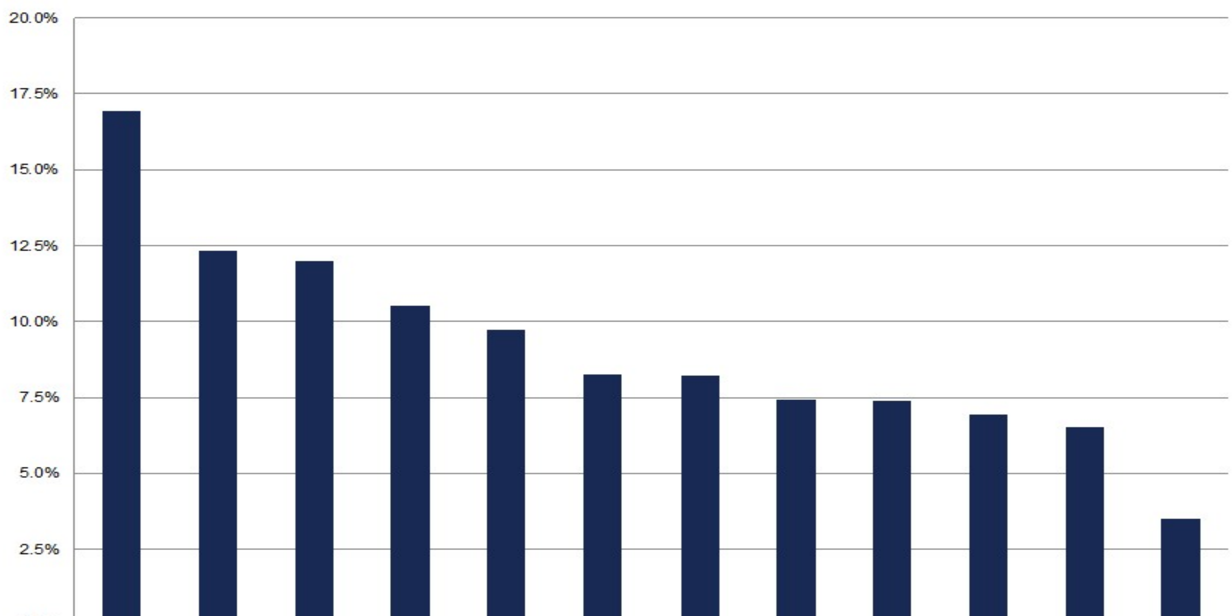
Targets & Ratings

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



	Energy	Health Care	Comm. Services	Info. Tech.	S&P 500	Materials	Consumer Disc.	Utilities	Industrials	Real Estate	Financials	Consumer Staples
Buy	61%	61%	58%	56%	52%	52%	50%	49%	49%	47%	46%	45%
Hold	34%	34%	35%	38%	41%	42%	45%	42%	44%	45%	47%	46%
Sell	4%	5%	7%	7%	7%	6%	5%	9%	7%	9%	7%	10%

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



	Energy	Health Care	Financials	Comm. Services	Consumer Disc.	S&P 500	Materials	Consumer Staples	Real Estate	Industrials	Utilities	Info. Tech.
Target/Close	16.9%	12.3%	12.0%	10.5%	9.8%	8.3%	8.2%	7.5%	7.4%	7.0%	6.5%	3.5%

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