

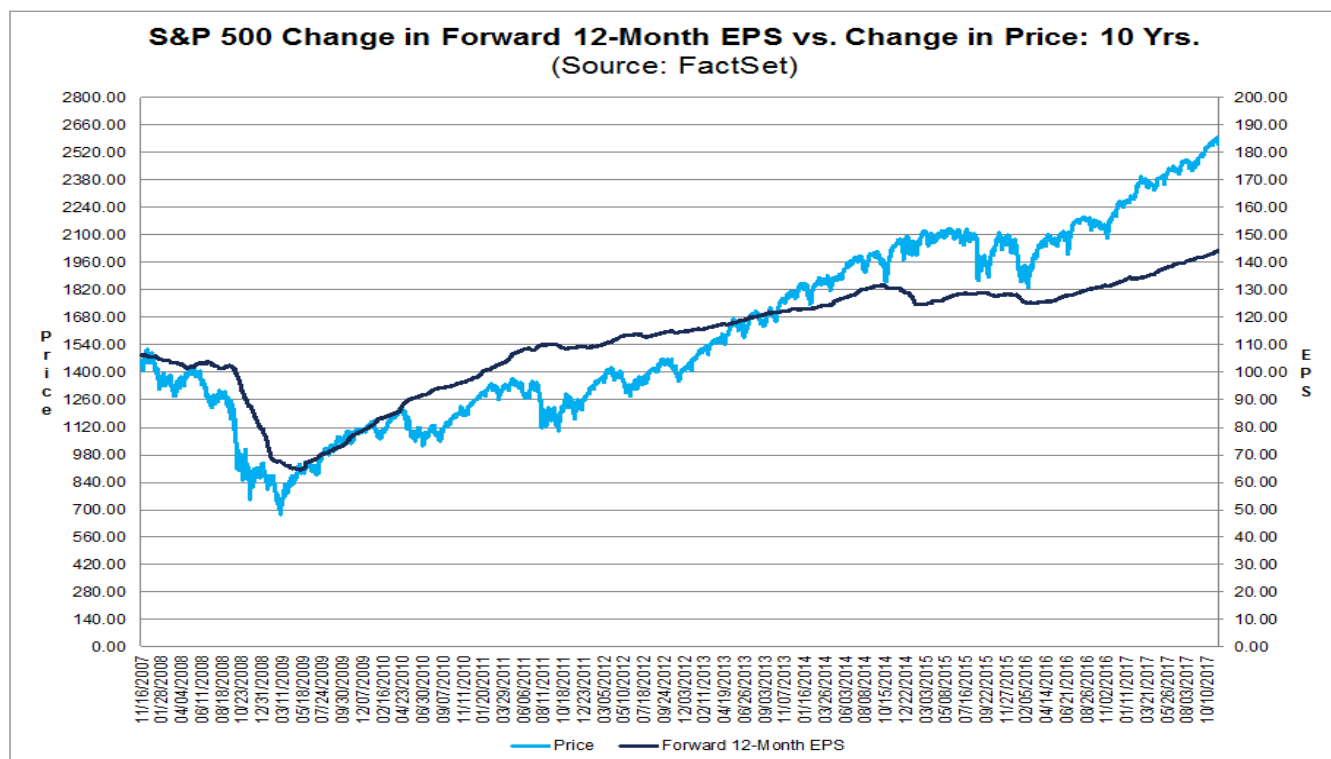
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November 17, 2017

Key Metrics

- **Earnings Scorecard:** For Q3 2017 (with 95% of the companies in the S&P 500 reporting actual results for the quarter), 74% of S&P 500 companies have reported positive EPS surprises and 66% have reported positive sales surprises.
- **Earnings Growth:** For Q3 2017, the blended earnings growth rate for the S&P 500 is 6.2%. Seven sectors are reporting or have reported earnings growth for the quarter, led by the Energy sector.
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q3 2017 was 3.1%. Eight sectors have higher growth rates today (compared to September 30) due to upward revisions to earnings estimates and upside earnings surprises, led by the Energy, Information Technology, and Materials sectors.
- **Earnings Guidance:** For Q4 2017, 61 S&P 500 companies have issued negative EPS guidance and 32 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.0. This P/E ratio is above the 5-year average (15.7) and above the 10-year average (14.1).



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Topic of the Week: 1

How Much Did Non-GAAP EPS Exceed GAAP EPS for DJIA Companies 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 2017. What percentage of these companies reported non-GAAP EPS for Q3 2017? What was the average difference and median difference between non-GAAP EPS and GAAP EPS for companies in the DJIA for Q3 2017? How did these differences compare to recent quarters?

For Q3 2017, 21 (or 70%) of the 30 companies in the DJIA reported non-GAAP EPS in addition to GAAP EPS for the third quarter. Of these 21 companies, 16 (or 76%) reported non-GAAP EPS that exceeded GAAP EPS. Over the past six quarters (Q1 2016 – Q2 2017) 68% of the companies in the DJIA reported non-GAAP EPS in addition to GAAP EPS and 80% of these companies reported non-GAAP EPS that exceeded GAAP EPS.

Thus, slightly more companies in the DJIA reported non-GAAP EPS in Q3 2017 relative to the average of the past six quarters, while slightly fewer companies in the DJIA reported non-GAAP EPS above GAAP EPS in Q3 2017 relative to the average over the past six quarters.

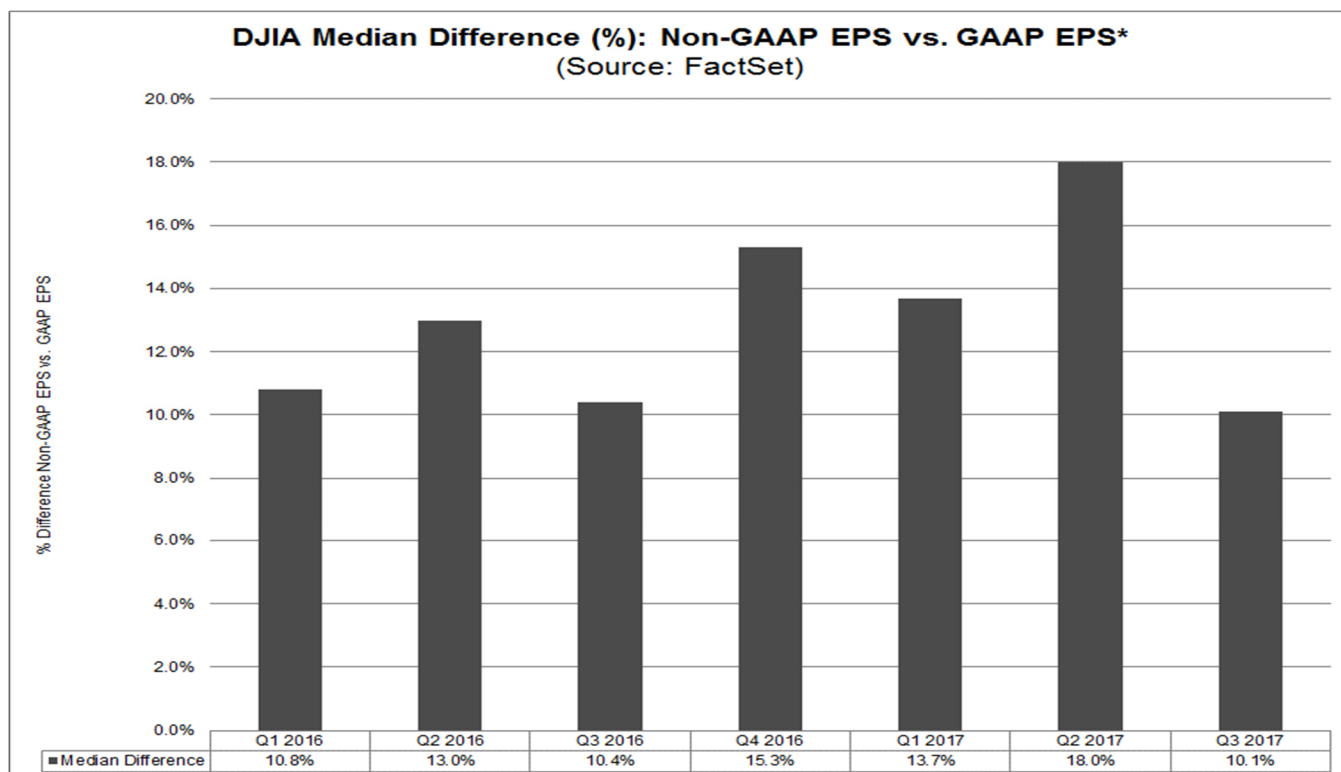
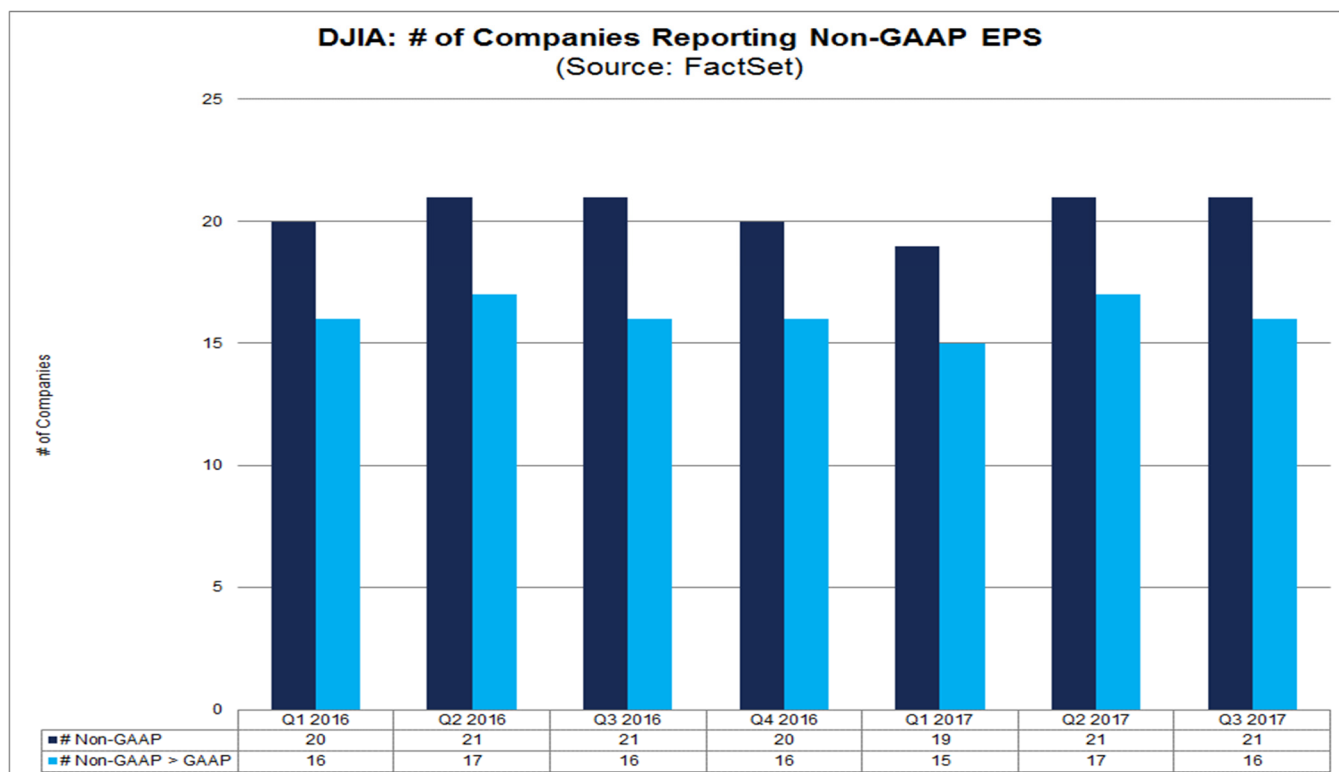
For Q3 2017, the average difference between non-GAAP EPS and GAAP EPS for all 21 companies was 284.1%, while the median difference between non-GAAP EPS and GAAP EPS for all 21 companies was 10.1%. The average difference between non-GAAP EPS and GAAP EPS for the DJIA was unusually large in the third quarter because of Merck. The company reported non-GAAP EPS of \$1.11 and GAAP EPS of -\$0.02 for the quarter. Thus, the percentage difference between non-GAAP EPS and GAAP EPS for Merck for Q3 exceeded 5000% (on an absolute basis). Excluding Merck, the average difference between non-GAAP EPS and GAAP EPS for the remaining 20 DJIA companies was 15.8%. Over the past six quarters, the average difference between non-GAAP EPS and GAAP EPS for companies in the DJIA was 72.8%, while the median difference between non-GAAP EPS and GAAP EPS was 13.4%.

Thus, the average difference between non-GAAP and GAAP EPS for Q3 2017 was above the average of the past six quarters due to Merck. Excluding Merck, the average difference between non-GAAP EPS and GAAP EPS for the third quarter was below the average of the past six quarters. The median difference between non-GAAP and GAAP EPS in Q3 2017 was also below the median of the past six quarters.

DJIA: Top 5 Non-GAAP EPS > GAAP EPS* for Q3 2017

Company	Ticker	Non-GAAP EPS	GAAP EPS	Difference (%)
Merck & Co., Inc.	MRK	1.11	-0.02	5650.0%
Wal-Mart Stores, Inc.	WMT	1.00	0.58	72.4%
DowDuPont Inc.	DWDP	0.55	0.33	66.7%
Coca-Cola Company	KO	0.50	0.33	51.5%
Pfizer Inc.	PFE	0.67	0.47	42.6%

*Non-GAAP EPS and GAAP EPS from continuing operations were used when provided



*Non-GAAP EPS and GAAP EPS from continuing operations were used when provided

Topic of the Week: 2

Highest Number of DJIA Companies Reported Revenue Growth in Europe since 2014

"Global economic acceleration continues, led by the ongoing strength of the consumer across most major economies. The United States is maintaining its trajectory in line with what we have seen for many quarters. The positive change we see is the greater-than-expected performance in the euro area." –DowDuPont (November 2)

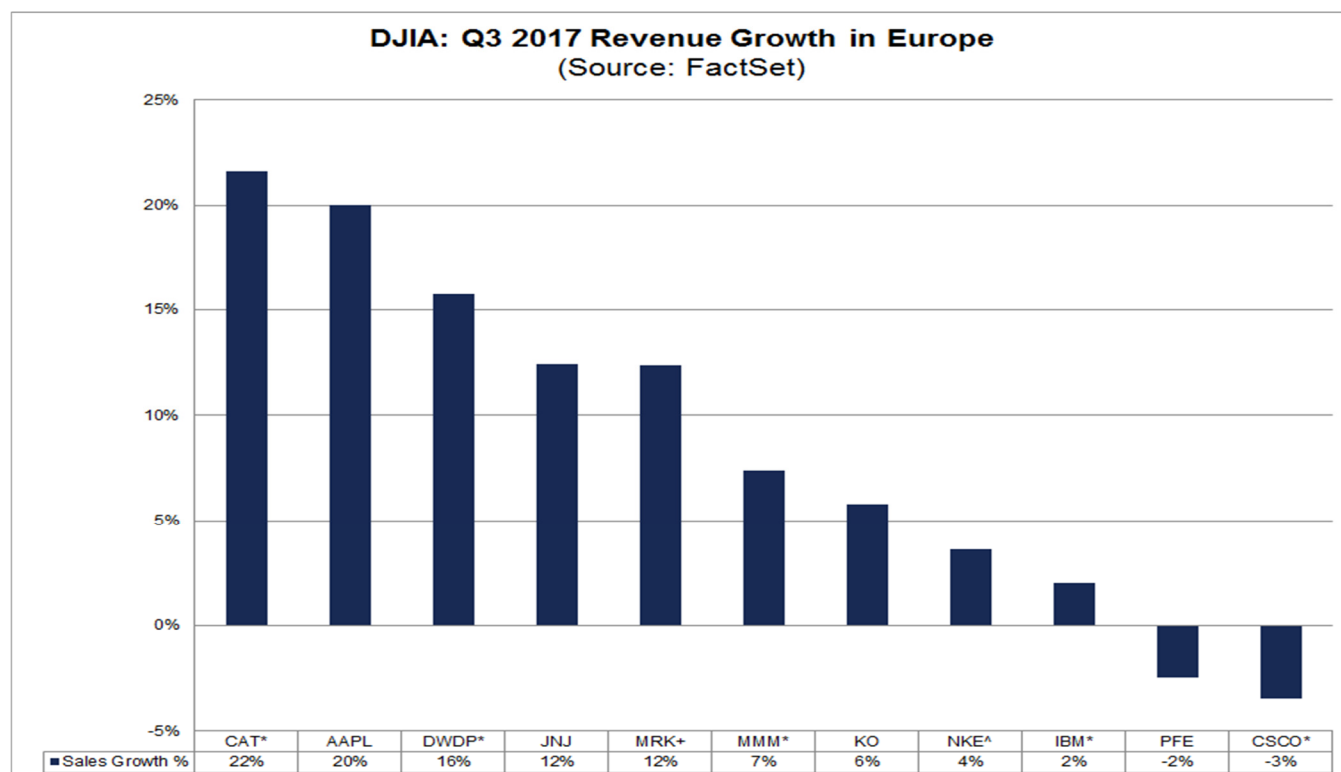
On Tuesday, Eurostat reported that GDP growth for the third quarter in the "euro area" increased by 0.6% on a sequential basis and 2.5% on a year-over-year basis. With the final DJIA components reporting results for Q3 this past week, how did companies in the DJIA perform in the third quarter in Europe in terms of sales?

Overall, 11 of the 30 companies in the DJIA provided revenue growth numbers for Europe for the third quarter. Of these eleven companies, nine reported year-over-year growth in revenues. This number was the highest number of Dow 30 companies (based on the current constituents of the Dow 30) to report revenue growth in Europe on a quarterly basis since Q2 2014 (also 9). Of these nine companies, five reported double-digit revenue growth in Europe for the third quarter.

For NIKE, the third quarter marked the seventh straight quarter of year-over-year revenue growth in Europe for the company. For Apple, the third quarter marked the fifth straight quarter of year-over-year revenue growth in Europe for the company. For specific company comments on Europe, please see page 5.

What is driving the strong performance of these Dow 30 companies in Europe? A combination of improving economic growth in Europe (as seen in the GDP numbers from Eurostat) and the weakness of the U.S. dollar relative to the euro are both contributing to this revenue growth for Dow 30 companies.

For more details on these factors and an overall economic outlook for Europe, please our Insight article to be published on Tuesday (November 24) on <https://insight.factset.com/>



*EMEA (Europe, Middle East, & Africa) ^ Western Europe + Pharmaceutical Sales

"As we closed the books on a very successful fiscal 2017, I have to say I couldn't be more excited about Apple's future. This was our biggest year ever in most parts of the world with all-time record revenue in the United States, Western Europe, Japan, Korea, the Middle East, Africa, Central and Eastern Europe and Asia." –Apple (Nov. 2)

"From a geography perspective, we saw particularly strength in Asia Pacific which was up double digits and from Europe, Middle East and Africa driven by the continued ramp-up of the Sadara assets, strength in consumer demand as well as in industrial, semiconductor and consumer electronics markets." –DowDuPont (Nov. 2)

"EMEA revenue performance improved 3 points from last quarter to down 1% [constant currency] in the third. We had year-to-year growth in Germany, France, Italy, and Spain, mitigated by declines in the UK. We recently signed large services engagements to provide cloud and digital services to clients in the UK, Germany, and Spain." IBM (Oct. 17)

"I think, in Western Europe, we've had a very good start to the creation of CCEP. Yes, it was a little bouncy in the third quarter with some localized poor weather that offset the better weather that was in Q2. If you look past those blips I think you see momentum in Western Europe coming back in and good growth." –Coca-Cola (Oct. 25)

"Comparable sales for the International Lead market segment were up 5.7%, led by continued strong momentum in the UK and Canada and positive performance across the rest of the segment. High Growth segment comp sales increased 6.2%, with China continuing its strong performance as the most significant contributor and the segment's European markets delivering strong comps as well." –McDonald's (Oct. 24)

"At the end of the first year post-acquisition, Visa Europe is well ahead of our revenue projection, below our cost projection with a lower effective tax rate." –Visa (Oct. 25)

Q3 2017 Earnings Season: By the Numbers

Overview

To date, 95% of the companies in the S&P 500 have reported actual results for Q3 2017. In terms of earnings, more companies (74%) are reporting actual EPS above estimates compared to the 5-year average. In aggregate, companies are reporting earnings that are 4.5% above the estimates, which is also above the 5-year average. In terms of sales, more companies (66%) are reporting actual sales above estimates compared to the 5-year average. In aggregate, companies are reporting sales that are 1.1% 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 growth rate for the third quarter is 6.2% today, which is slightly higher than the earnings growth rate of 6.1% last week. Upside earnings surprises reported by companies in the Consumer Staples, Information Technology, and Consumer Discretionary sectors were mainly responsible for the small increase in the earnings growth rate for the index during the past week. Overall, seven sectors are reporting or have reported earnings growth, led by the Energy, Information Technology, and Materials sectors. One sector (Consumer Discretionary) is reporting flat year-over-year earnings (0%). Three sectors are reporting or have reported a year-over-year decline in earnings, led by the Financials sector.

The blended sales growth rate for the third quarter is 5.9% today, which is slightly higher than the sales growth rate of 5.8% last week. Upside sales surprises reported by companies in the Consumer Staples sector were mainly responsible for the small increase in the sales growth rate for the index during the past week. Overall, nine sectors are reporting or have reported year-over-year growth in revenues, led by the Energy, Materials, and Information Technology sectors. The Utilities and Telecom Services sectors are the only two sectors that reported a year-over-year decline in revenues.

During the upcoming week, 15 S&P 500 companies are scheduled to report results for the third quarter.

For Q4 2017, 61 S&P 500 companies have issued negative EPS guidance and 32 S&P 500 companies have issued positive EPS guidance.

The forward 12-month P/E ratio is 18.0, which is above the 5-year average and the 10-year average.

Scorecard: More Companies Beating EPS and Revenue Estimates than Average

Percentage of Companies Beating EPS Estimates (74%) is Above 5-Year Average

Overall, 95% of the companies in the S&P 500 have reported earnings to date for the third quarter. Of these companies, 74% have reported actual EPS above the mean EPS estimate, 8% have reported actual EPS equal to the mean EPS estimate, and 18% 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 average (71%) and above the 5-year average (69%).

At the sector level, the Information Technology (90%) has the highest percentage of companies reporting earnings above estimates, while the Telecom Services (33%) and Utilities (50%) sectors had the lowest percentages of companies reporting earnings above estimates.

Earnings Surprise Percentage (+4.5%) is Above 5-Year Average

In aggregate, companies are reporting earnings that are 4.5% above expectations. This surprise percentage is below the 1-year average (+5.1%) but above the 5-year average (+4.2%).

The Materials (+12.6%) and Information Technology (+11.3%) sectors are reporting the largest upside aggregate differences between actual earnings and estimated earnings. On the other hand, the Industrials (-2.7%) sector is reporting the largest downside aggregate difference between actual earnings and estimated earnings.

Market Not Rewarding Earnings Beats and Punishing Earnings Misses

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

Companies that have reported upside earnings surprises for Q3 2017 have seen an average price increase of +0.6% two days before the earnings release through two days after the earnings. This percentage increase is below the 5-year average price increase of +1.2% during this same window for companies reporting upside earnings surprises.

Companies that have reported downside earnings surprises for Q3 2017 have seen an average price decrease of -3.5% two days before the earnings release through two days after the earnings. This percentage decrease is larger than the 5-year average price decrease of -2.4% during this same window for companies reporting downside earnings surprises.

Percentage of Companies Beating Revenue Estimates (66%) is Above 5-Year Average

In terms of revenues, 66% of companies have reported actual sales above estimated sales and 34% have reported actual sales below estimated sales. The percentage of companies reporting sales above estimates is above the 1-year average (61%) and above the 5-year average (55%).

At the sector level, the Information Technology (84%) sector has the highest percentage of companies reporting revenues above estimates, while the Utilities (21%) and Telecom Service (25%) sectors had the lowest percentages of companies reporting revenues above estimates.

Revenue Surprise Percentage (+1.1%) is Above 5-Year Average

In aggregate, companies are reporting sales that are 1.1% above expectations. This surprise percentage is above the 1-year average (+0.6%) and above the 5-year average (+0.5%).

The Information Technology (+2.6%), Materials (+2.5%), and Energy (+2.4%) sectors are reporting the largest upside aggregate differences between actual sales and estimated sales, while the Utilities (-3.5%) sector reported the largest downside aggregate difference between actual sales and estimated sales.

Increase in Blended Earnings Growth This Week Due To Upside EPS Surprises

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Increase in Blended Revenue Growth This Week Due to Upside Sales Surprises

The blended sales growth rate for the third quarter is 5.9% today, which is slightly higher than the sales growth rate of 5.8% last week. Upside sales surprises reported by companies in the Consumer Staples sector were mainly responsible for the small increase in the sales growth rate for the index during the past week.

Energy, Tech, and Materials Sectors Have Seen Largest Increases in Earnings Growth since September 30

The blended earnings growth rate for Q3 2017 of 6.2% is larger than the estimate of 3.1% at the end of the third quarter (September 30). Eight sectors have recorded an increase in earnings growth since the end of the quarter due to upward revisions to earnings estimates and upside earnings surprises, led by the Energy (to 135.1% from 109.6%), Information Technology (to 19.7% from 8.8%), and Materials (to 10.7% from 0.5%) sectors. Three sectors have recorded a decrease in earnings growth during this time due to downward revisions to earnings estimates and downside earnings surprises: Financials (to -8.3% from -5.2%), Industrials (to -0.2% from 2.5%), and Utilities (to -4.0% from -2.4%).

Materials, Energy, and Tech Sectors Have Seen Largest Increases in Revenue Growth since September 30

The blended sales growth rate for Q3 2017 of 5.9% is larger than the estimate of 4.9% at the end of the third quarter (September 30). Eight sectors have recorded an increase in sales growth since the end of the quarter due to upward revisions to revenue estimates and upside revenue surprises, led by the Materials (to 15.3% from 12.5%), Energy (to 19.8% from 17.1%), and Information Technology (to 10.5% from 8.1%) sectors. Three sectors have recorded a

decrease in sales growth during this time due to downward revisions to revenue estimates and downside revenue surprises, led by the Utilities (to -2.8% from 3.9%) sector.

Earnings Growth: 6.2%

The blended (year-over-year) earnings growth rate for Q3 2017 is 6.2%. Seven sectors are reporting or have reported year-over-year growth in earnings, led by the Energy, Information Technology, and Materials sectors. One sector (Consumer Discretionary) is reporting flat year-over-year earnings (0%). Three sectors are reporting or have reported a year-over-year decline in earnings, led by the Financials sector.

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

The Energy sector reported the highest (year-over-year) earnings growth of all eleven sectors at 135.1%. At the sub-industry level, all six sub-industries in the sector reported 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), Oil & Gas Equipment & Services (244%), Oil & Gas Refining & Marketing (90%), Integrated Oil & Gas (46%), and Oil & Gas Storage & Transportation (9%).

The unusually high growth rate for the sector was mainly due to unusually low earnings in the year-ago quarter. On a dollar-level basis, the Energy sector reported earnings of \$10.7 billion in Q3 2017, compared to earnings of \$4.6 billion in Q3 2016. This sector is also the second largest contributor to earnings growth for the S&P 500 for the quarter. If the Energy sector were excluded, the blended earnings growth rate for the remaining ten sectors would fall to 4.1% from 6.2%.

Information Technology: Semiconductor Industry Leads Growth

The Information Technology sector is reporting the second highest (year-over-year) earnings growth of all eleven sectors at 19.7%. At the industry level, six of the seven industries in this sector are reporting or have reported earnings growth. Five of these six industries are reporting or have reported double-digit earnings growth: Semiconductor & Semiconductor Equipment (46%), Internet Software & Services (18%), Technology Hardware, Storage, & Peripherals (16%), IT Services (14%), and Software (13%). The Semiconductor & Semiconductor Equipment industry is also the largest contributor to earnings growth for the sector. If this industry were excluded, the blended earnings growth rate for the Information Technology sector would fall to 13.5% from 19.7%.

This sector is also the largest contributor to earnings growth for the S&P 500. If the Information Technology sector were excluded, the blended earnings growth rate for the remaining ten sectors would fall to 2.8% from 6.2%.

Materials: Freeport-McMoRan Led Growth

The Materials sector reported the third highest (year-over-year) earnings growth of all eleven sectors at 10.7%. At the industry level, three of the four industries reported earnings growth, led by the Metals & Mining (42%) industry. At the company level, Freeport-McMoRan was the largest contributor to earnings growth for the sector. The company reported actual EPS of \$0.34 for Q3 2017, compared to year-ago EPS of \$0.13. If Freeport-McMoRan were excluded, the blended earnings growth rate for the Materials sector would fall to 6.1% from 10.7%.

Financials: Insurance Industry Led Decline

The Financials sector reported the highest (year-over-year) earnings decline of all eleven sectors at -8.3%. At the industry level, two of the five industries in this sector reported a decline in earnings, led by the Insurance industry (-63%). This industry was also the largest contributor to the earnings decline for the sector. If the Insurance industry were excluded, the blended earnings growth rate for the Financials sector would increase to 6.0% from -8.3%.

This sector is also the top detractor to earnings growth for the entire S&P 500. If the Financials sector were excluded, the blended earnings growth rate for the remaining ten sectors would rise to 9.5% from 6.2%.

Revenue Growth: 5.9%

The blended (year-over-year) revenue growth rate for Q3 2017 is 5.9%. Nine sectors are reporting or have reported year-over-year growth in revenues, led by the Energy, Materials, and Information Technology sectors. The Utilities and Telecom Services sectors are the only two sectors that reported a decline in revenues for the quarter.

Energy: Highest Revenue Growth

The Energy sector reported the highest (year-over-year) revenue growth of all eleven sectors at 19.8%. At the sub-industry level, all six sub-industries in the sector reported revenue growth: Oil & Gas Drilling (60%), Oil & Gas Equipment & Services (55%), Oil & Gas Refining & Marketing (23%), Integrated Oil & Gas (15%), Oil & Gas Exploration & Production (10%), and Oil & Gas Storage & Transportation (6%).

This sector is the largest contributor to revenue growth for the S&P 500. If the Energy sector were excluded, the blended revenue growth rate for the index would fall to 4.8% from 5.9%.

Materials: DowDuPont Led Growth on Easy Comparison to Standalone Revenue for Dow Chemical

The Materials sector reported the second highest (year-over-year) revenue growth of all eleven sectors at 15.3%. At the industry level, all four industries in this sector are reported revenue growth, led by the Chemicals (20%) and Metals & Mining (14%) industries. At the company level, DowDuPont was the largest contributor to revenue growth for the sector. However, the actual revenues for Q3 2017 (\$18.3 billion) reflect the combined DowDuPont company, while the actual revenues for Q3 2016 (\$12.5 billion) reflect the standalone Dow Chemical company (DowDuPont did provide pro-forma year-ago revenue numbers in the company's earnings release). This apples-to-oranges comparison is the main reason DowDuPont was the largest contributor to revenue growth for the sector. If this company were excluded, the blended revenue growth rate for the sector would fall to 8.9% from 15.3%.

Information Technology: Internet Software & Services Leads Growth

The Information Technology sector is reporting the third highest (year-over-year) revenue growth of all eleven sectors at 10.5%. At the industry level, six of the seven industries in this sector are reporting or have reported revenue growth. Four of these six industries are reporting or have reported double-digit revenue growth: Internet Software & Services (25%), Semiconductor & Semiconductor Equipment (17%), IT Services (13%), and Software (10%).

Utilities: Highest Revenue Decline

The Utilities sector reported the highest (year-over-year) revenue decline of all eleven sectors at -2.8%. At the industry level, two of the four industries in this sector reported a revenue decline, led by the Independent Power & Renewable Electricity Producers (-12%) industry.

Telecom Services: CenturyLink and AT&T Led Decline

The Telecom Services sector reported the second highest (year-over-year) decline in revenues at -1.0%. CenturyLink (-8%) and AT&T (-3%) were the two companies in the sector that reported a decline in revenues for the quarter.

Looking Ahead: Forward Estimates and Valuation

Earnings Guidance: Negative EPS Guidance Below Average For Q4 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, 93 companies in the index have issued EPS guidance for Q4 2017. Of these 93 companies, 61 have issued negative EPS guidance and 32 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 66% (61 out of 93), which is below the 5-year average of 74%.

Growth Expected to Rebound to Double-Digit Levels after Q3

For the third quarter, companies are reporting earnings growth of 6.2% and revenue growth of 5.9%. Analysts currently expect earnings to rebound to double-digit levels over the next few quarters.

For Q4 2017, analysts are projecting earnings growth of 10.0% and revenue growth of 6.4%.

For Q1 2018, analysts are projecting earnings growth of 10.5% and revenue growth of 6.6%.

For Q2 2018, analysts are projecting earnings growth of 10.1% and revenue growth of 6.4%.

For all of 2017, analysts are projecting earnings growth of 9.5% and revenue growth of 6.3%.

Valuation: Forward P/E Ratio is 18.0, above the 10-Year Average (14.1)

The forward 12-month P/E ratio is 18.0. This P/E ratio is above the 5-year average of 15.7 and above the 10-year average of 14.1. It is also above the forward 12-month P/E ratio of 17.8 recorded at the start of the fourth quarter (September 30). Since the start of the fourth quarter, the price of the index has increased by 2.6%, while the forward 12-month EPS estimate has increased by 1.5%.

At the sector level, the Energy (26.4) sector has the highest forward 12-month P/E ratio, while the Telecom Services (11.6) sector has the lowest forward 12-month P/E ratio. Nine sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Energy (26.4 vs. 19.0) and Information Technology (19.3 vs. 14.4) sectors. One sector (Telecom Services) has a forward 12-month P/E ratio that is below the 10-year average (11.6 vs. 14.2). Historical averages are not available for the Real Estate sector.

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

The bottom-up target price for the S&P 500 is 2820.72, which is 9.1% above the closing price of 2585.64. At the sector level, the Telecom Services (+13.0%) and Energy (+11.6%) sectors have the largest upside differences between the bottom-up target price and the closing price, while the Utilities (+0.5%) sector has the smallest upside difference between the bottom-up target price and the closing price.

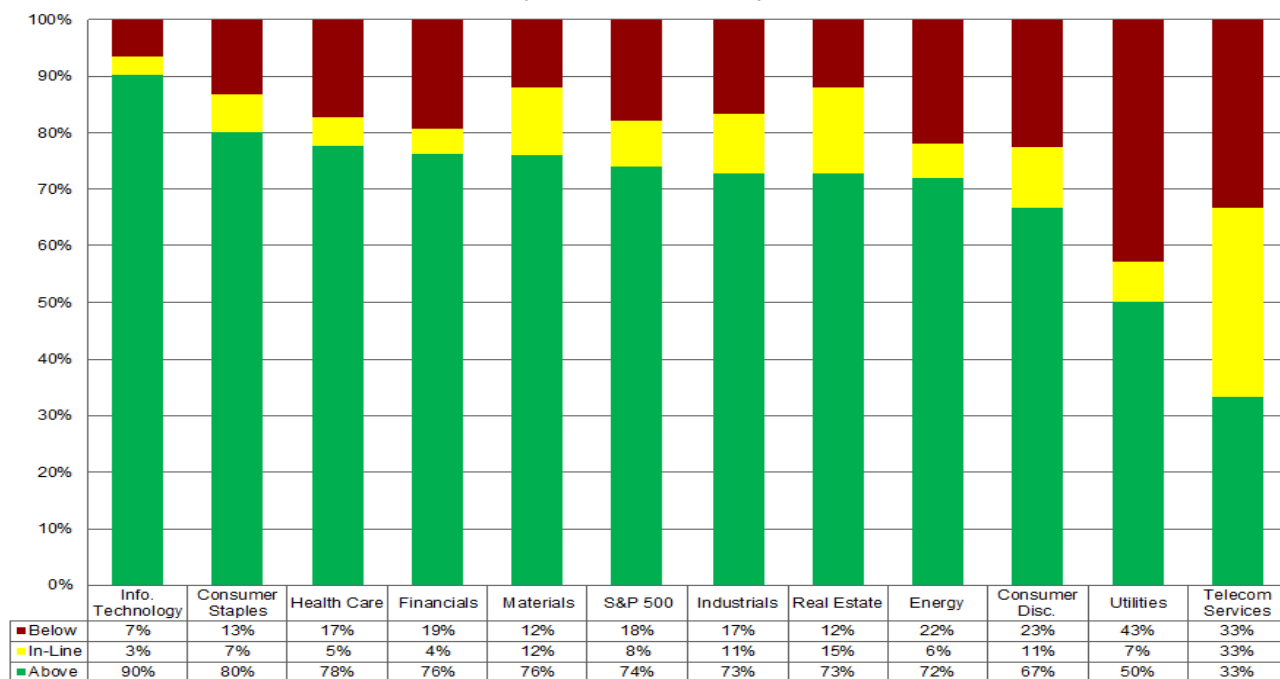
Overall, there are 11,035 ratings on stocks in the S&P 500. Of these 11,035 ratings, 49.1% are Buy ratings, 45.6% are Hold ratings, and 5.2% are Sell ratings. At the sector level, the Information Technology (58%), Health Care (56%), and Energy (55%) sectors have the highest percentages of Buy ratings, while the Telecom Services (30%) and Utilities (36%) sectors have the lowest percentages of Buy ratings.

Companies Reporting Next Week: 15

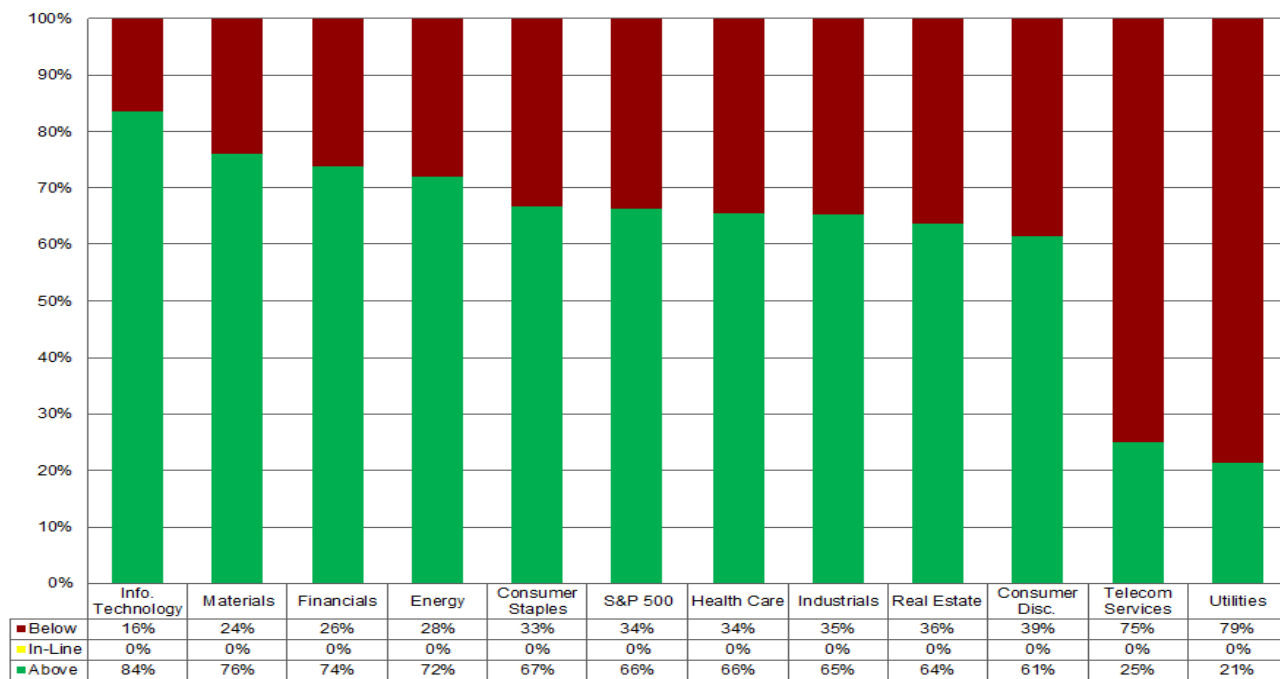
During the upcoming week, 15 S&P 500 companies are scheduled to report results for the third quarter.

Q3 2017: Scorecard

S&P 500 Earnings Above, In-Line, Below Estimates: Q3 2017
(Source: FactSet)

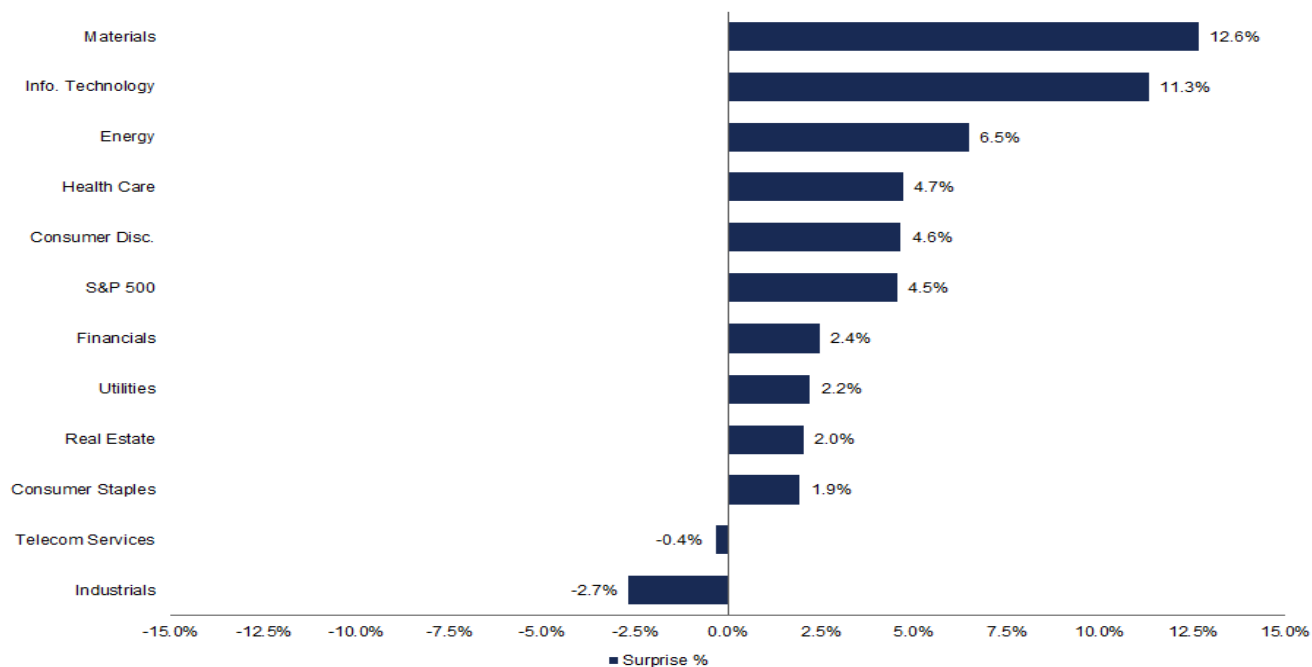


S&P 500 Revenues Above, In-Line, Below Estimates: Q3 2017
(Source: FactSet)

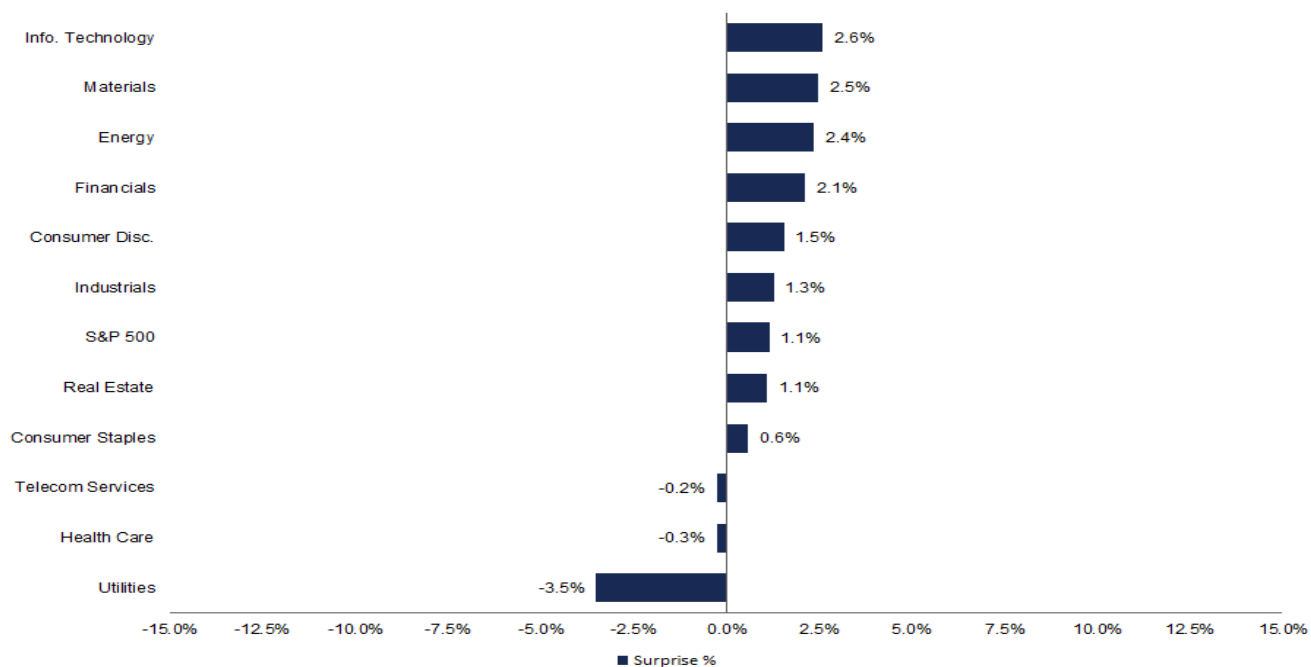


Q3 2017: Scorecard

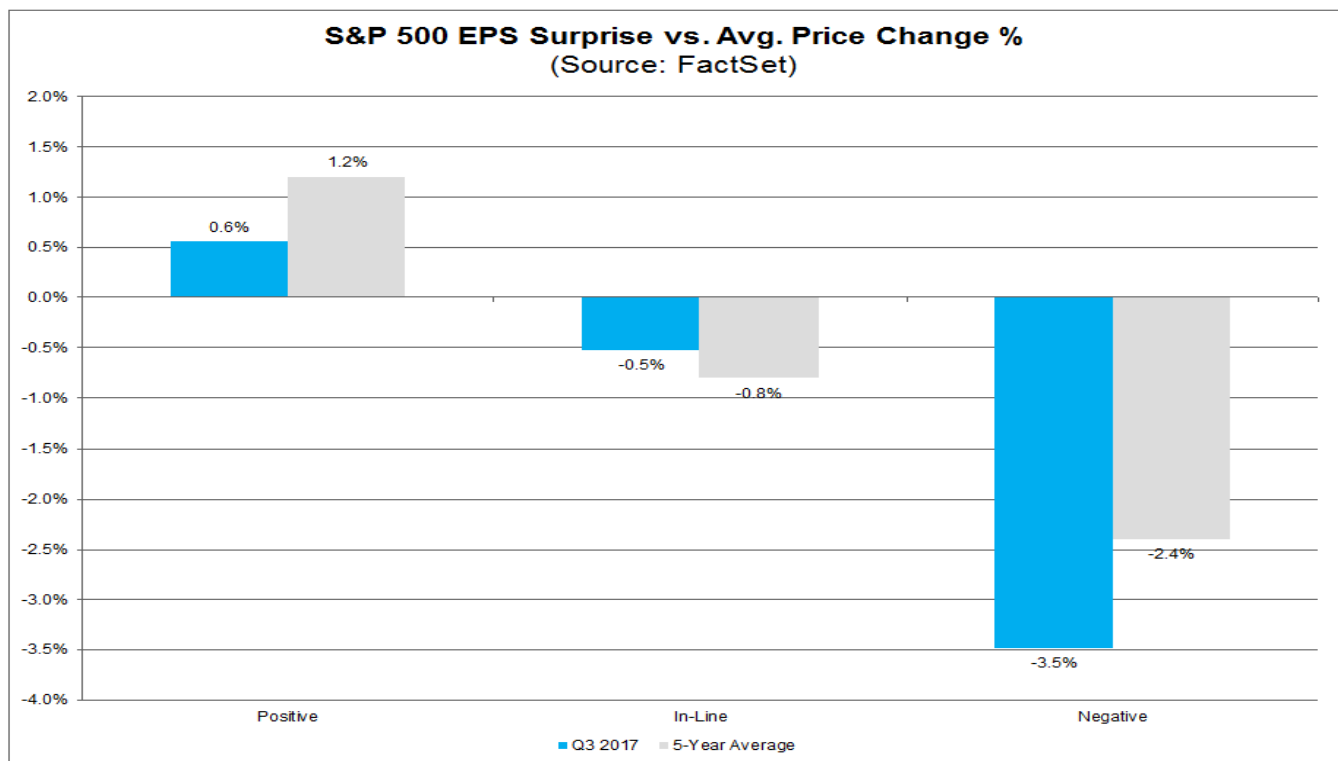
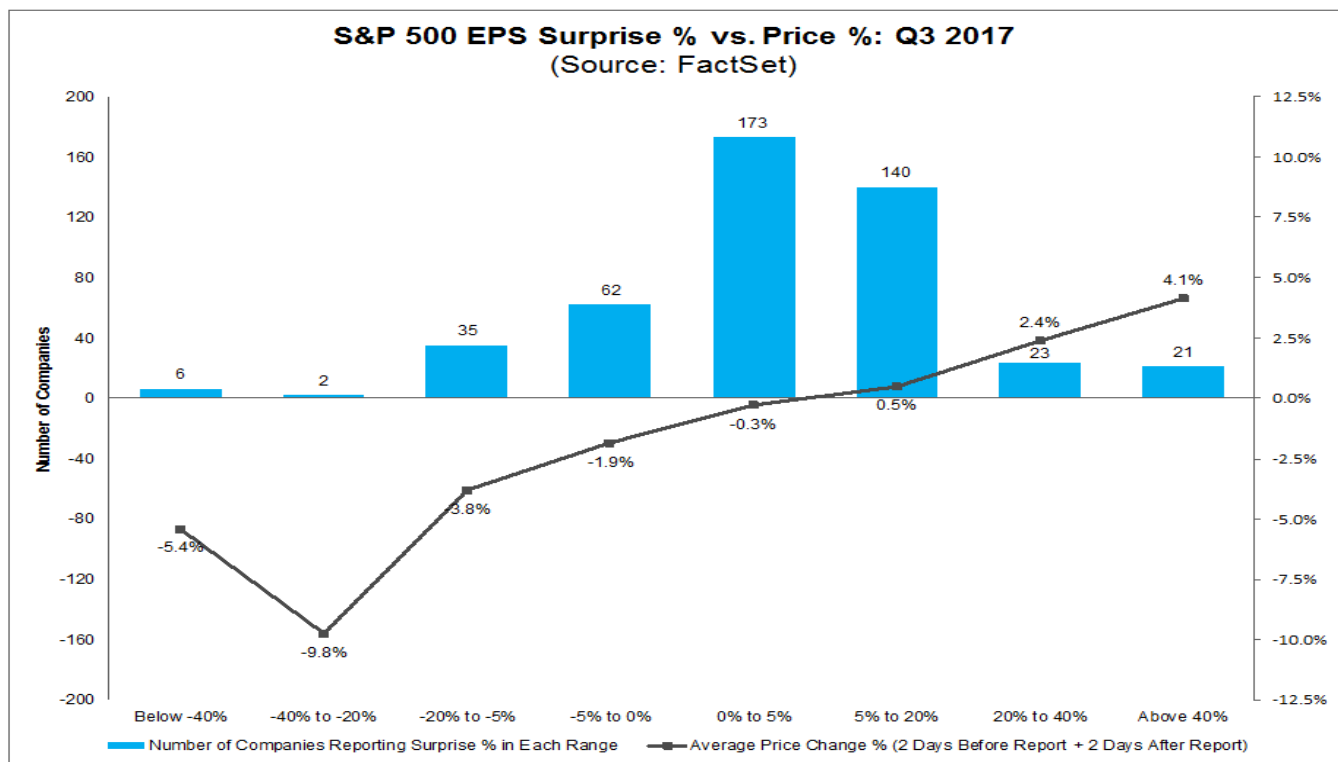
S&P 500 Sector-Level Earnings Surprise %: Q3 2017
(Source: FactSet)



S&P 500 Sector-Level Revenue Surprise %: Q3 2017
(Source: FactSet)

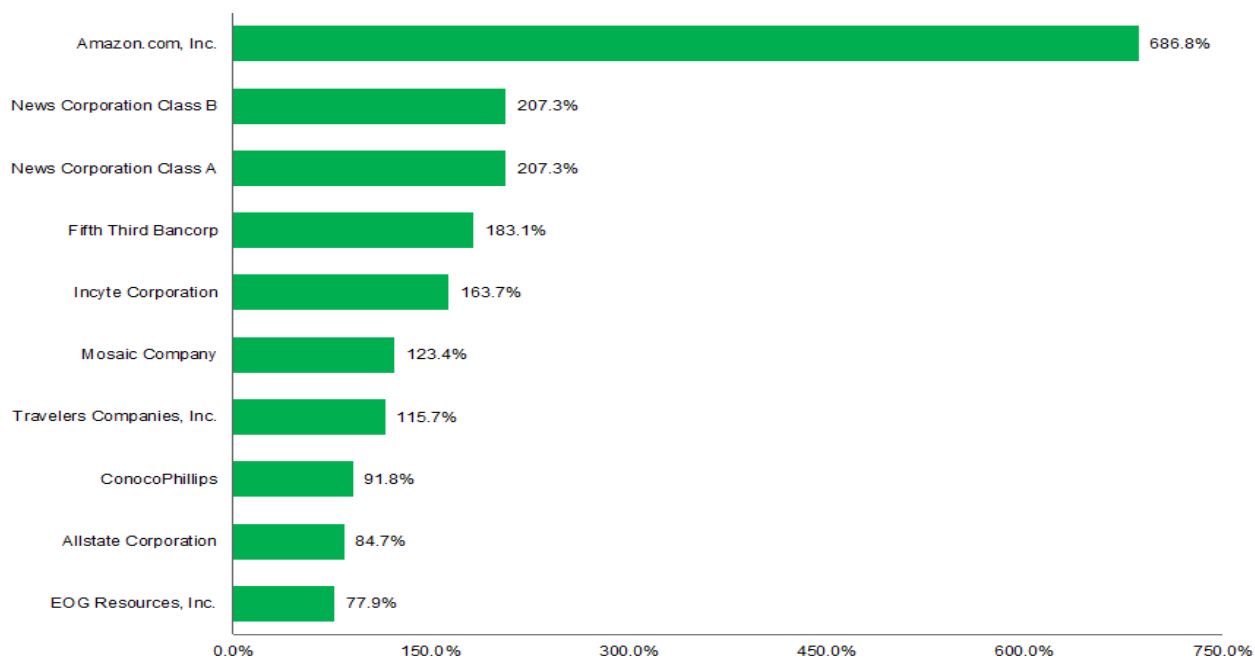


Q3 2017: Scorecard

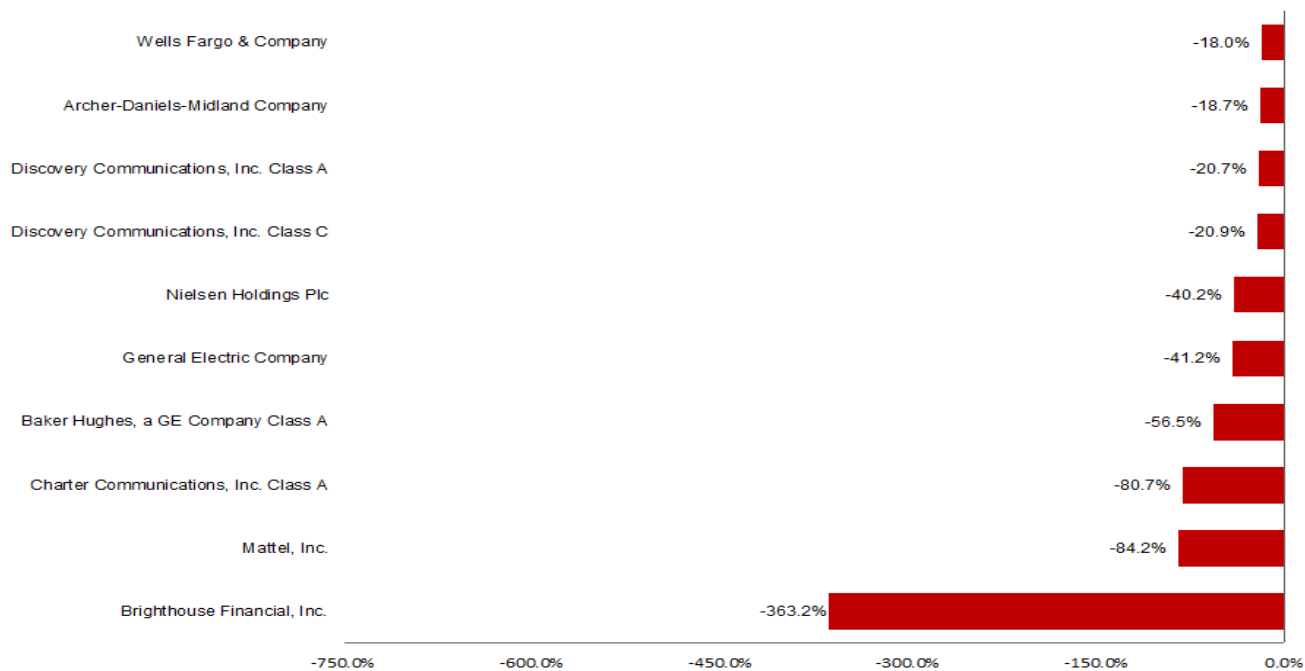


Q3 2017: Scorecard

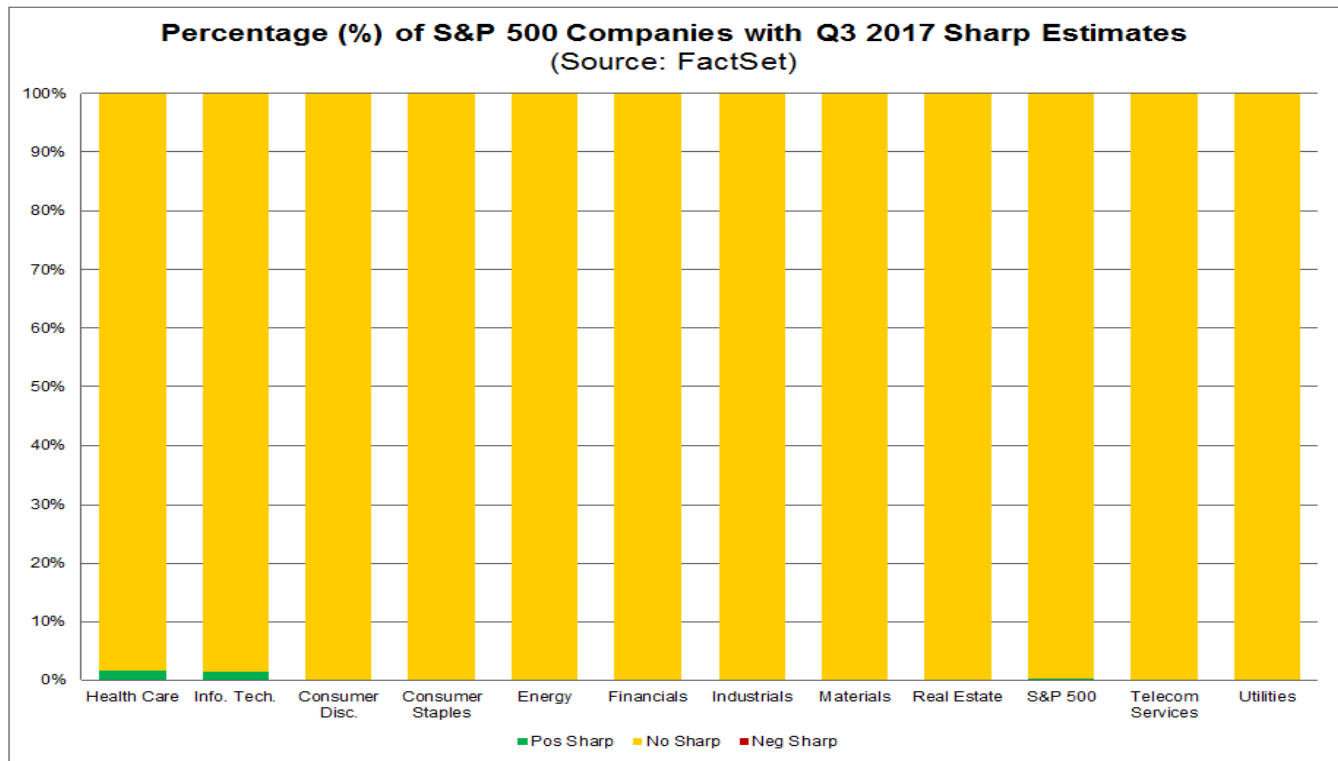
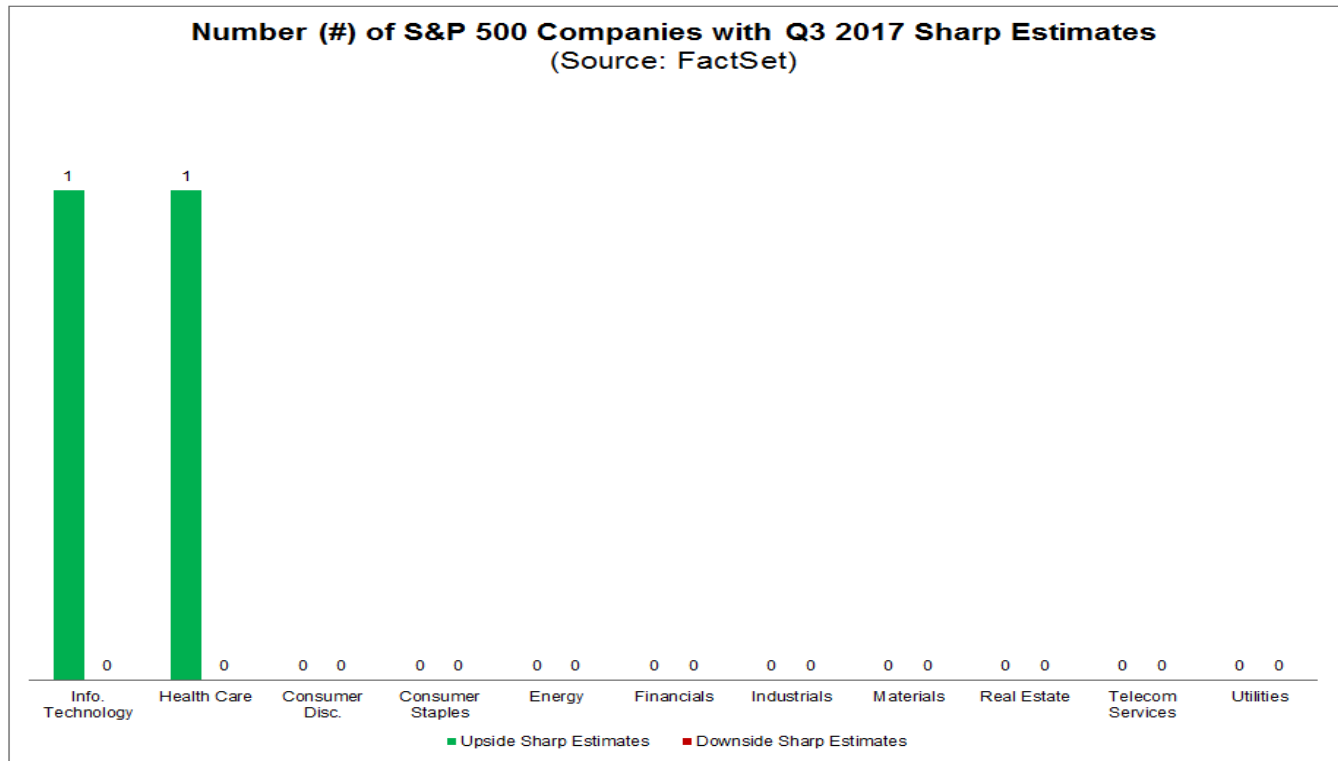
S&P 500 Actual EPS Surprise %: Top 10 Q3 Actual EPS Surprises
(Source: FactSet)



S&P 500 Actual EPS Surprise %: Bottom 10 Q3 Actual EPS Surprises
(Source: FactSet)

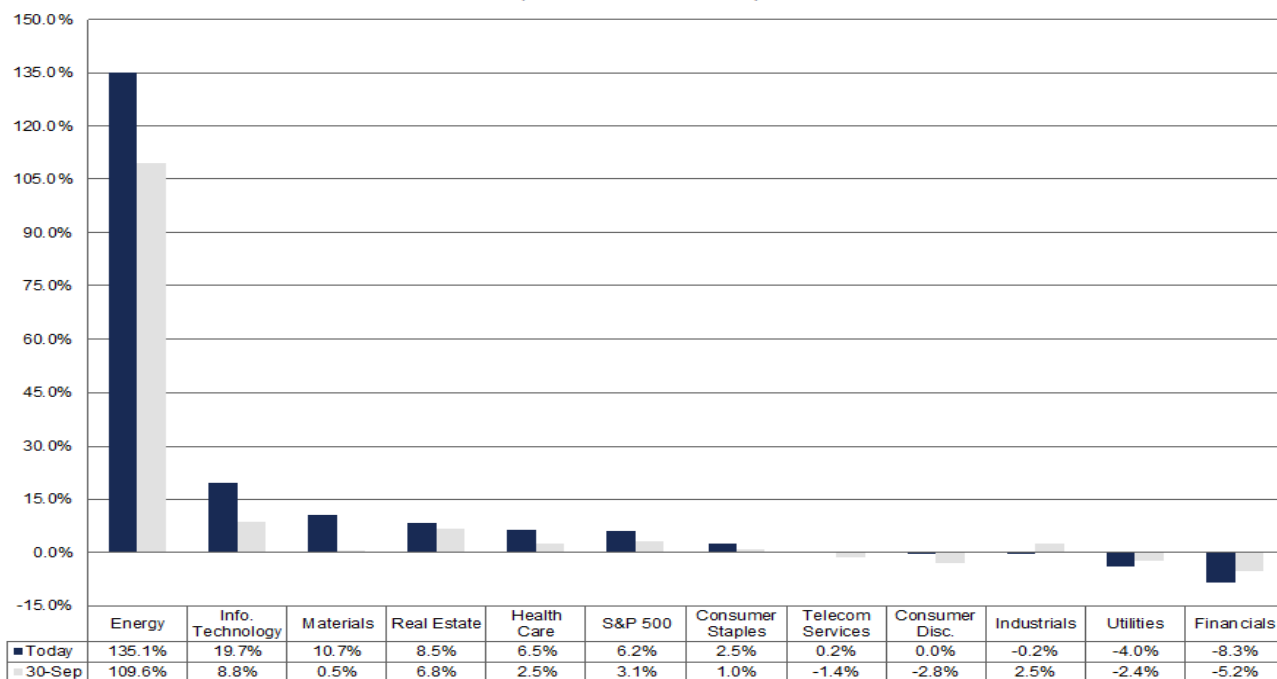


Q3 2017: Projected EPS Surprises (Sharp Estimates)

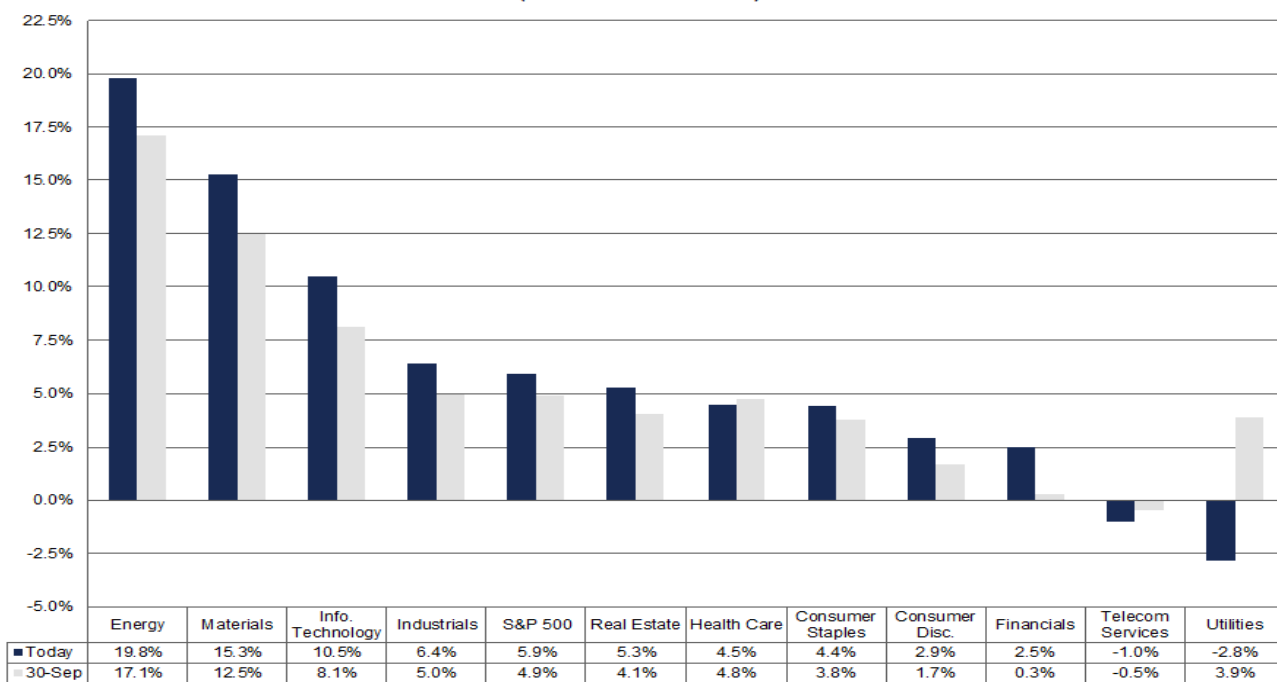


Q3 2017: Growth

S&P 500 Earnings Growth: Q3 2017
(Source: FactSet)



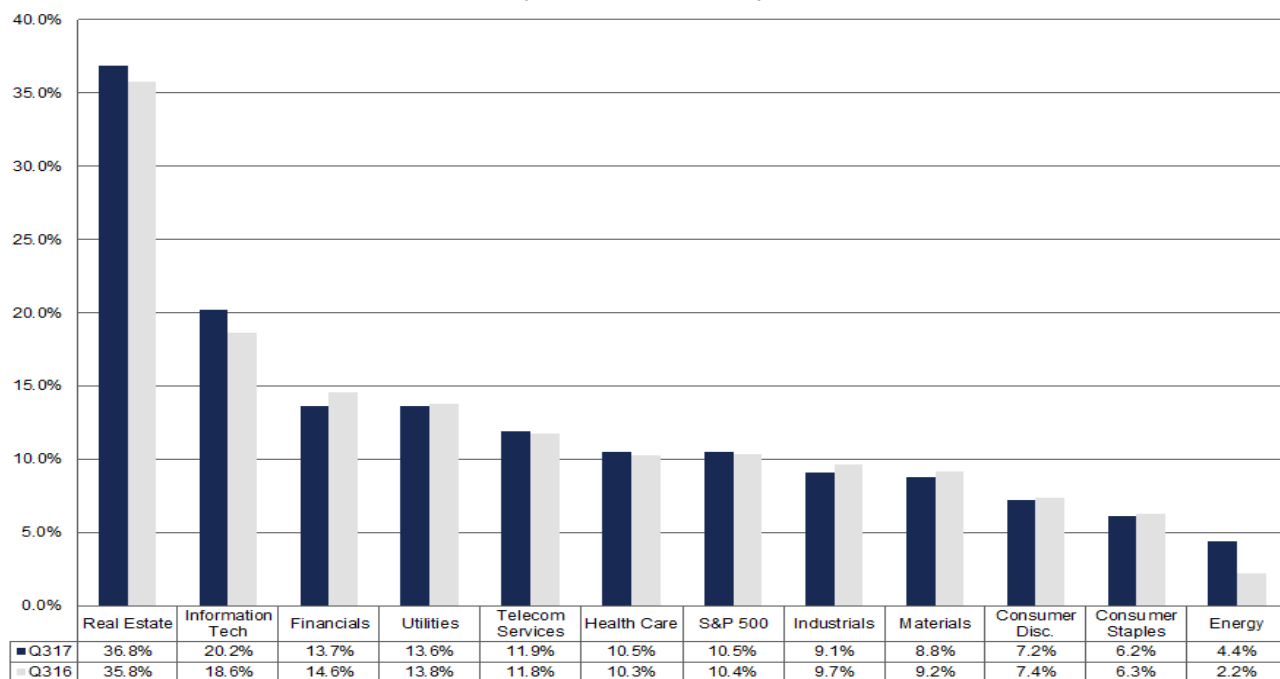
S&P 500 Revenue Growth: Q3 2017
(Source: FactSet)



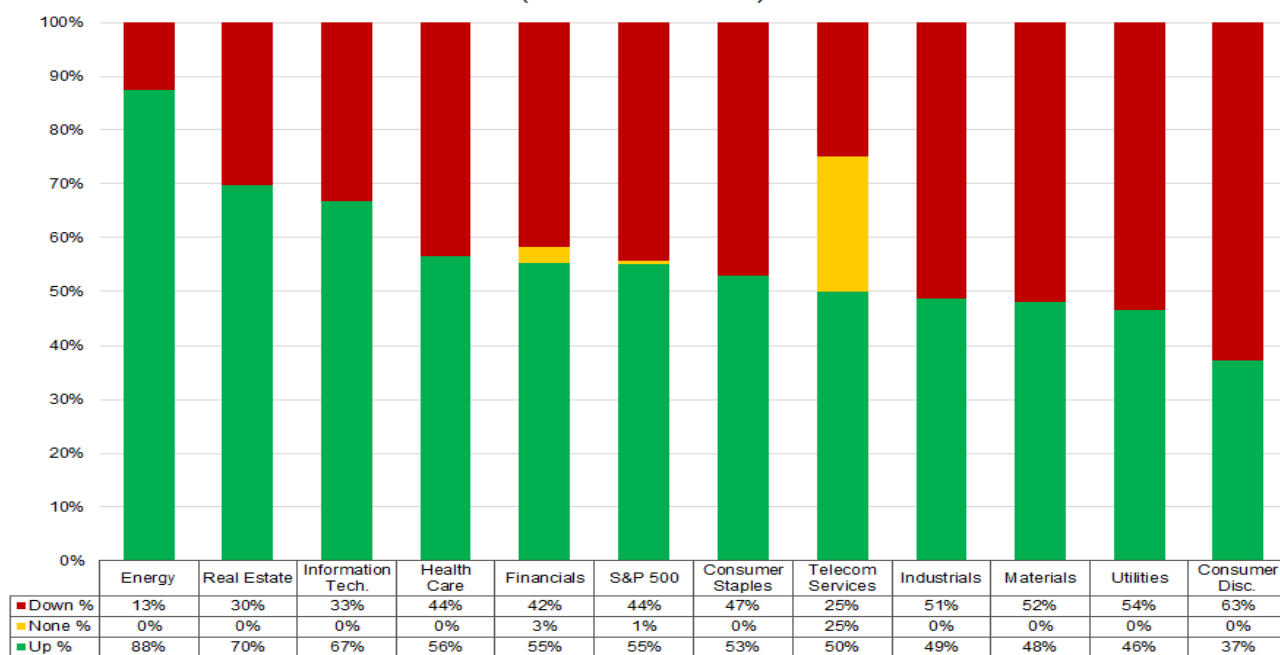
Q3 2017: Net Profit Margin

S&P 500 Net Profit Margins: Q317 vs. Q316

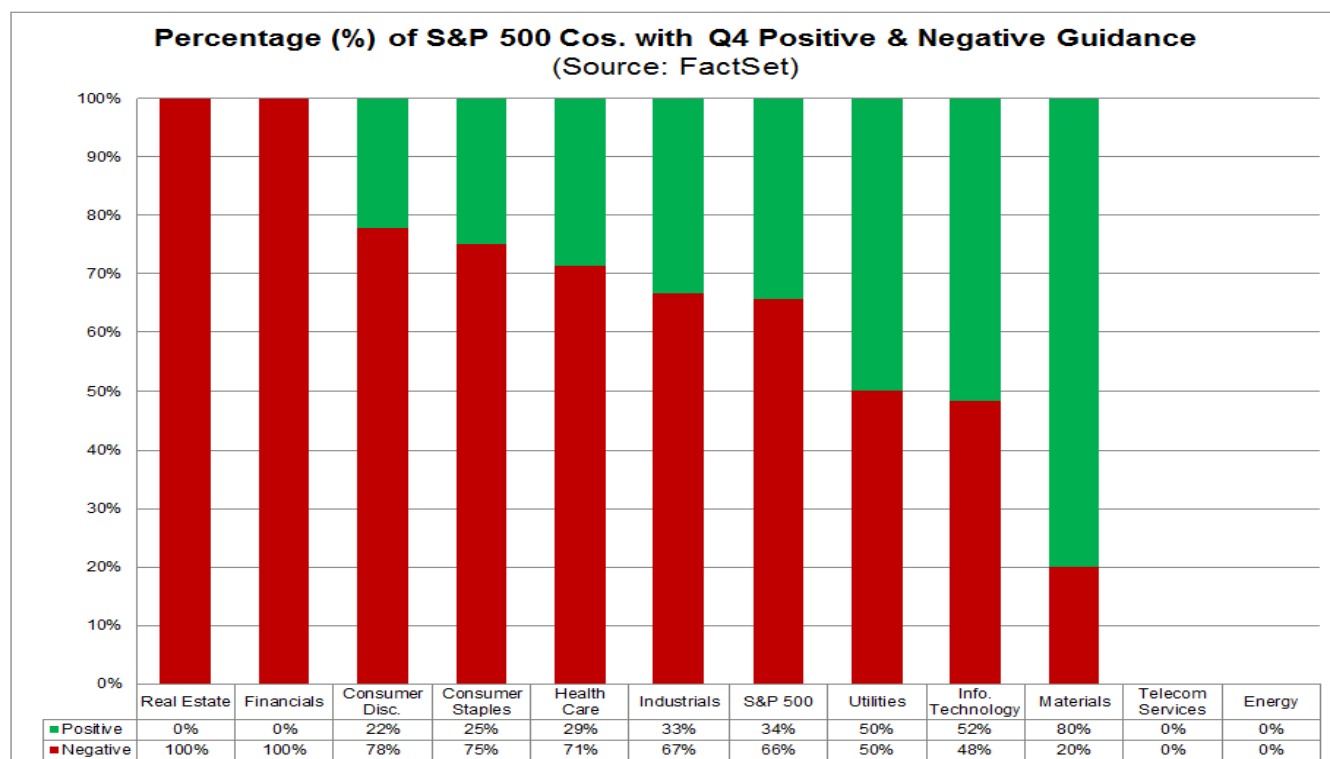
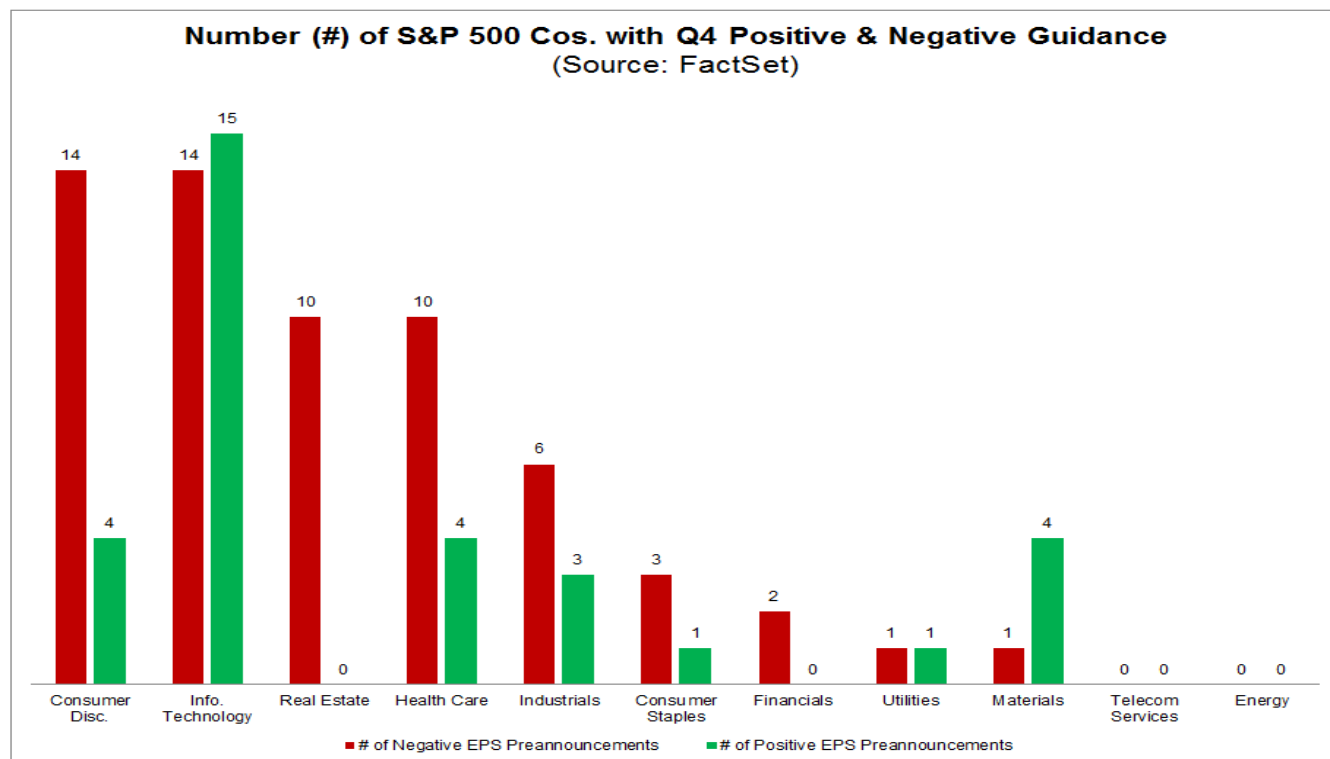
(Source: FactSet)

**S&P 500: % of Cos. With Increase or Decrease in Net Profit Margin:****Q317 vs. Q316**

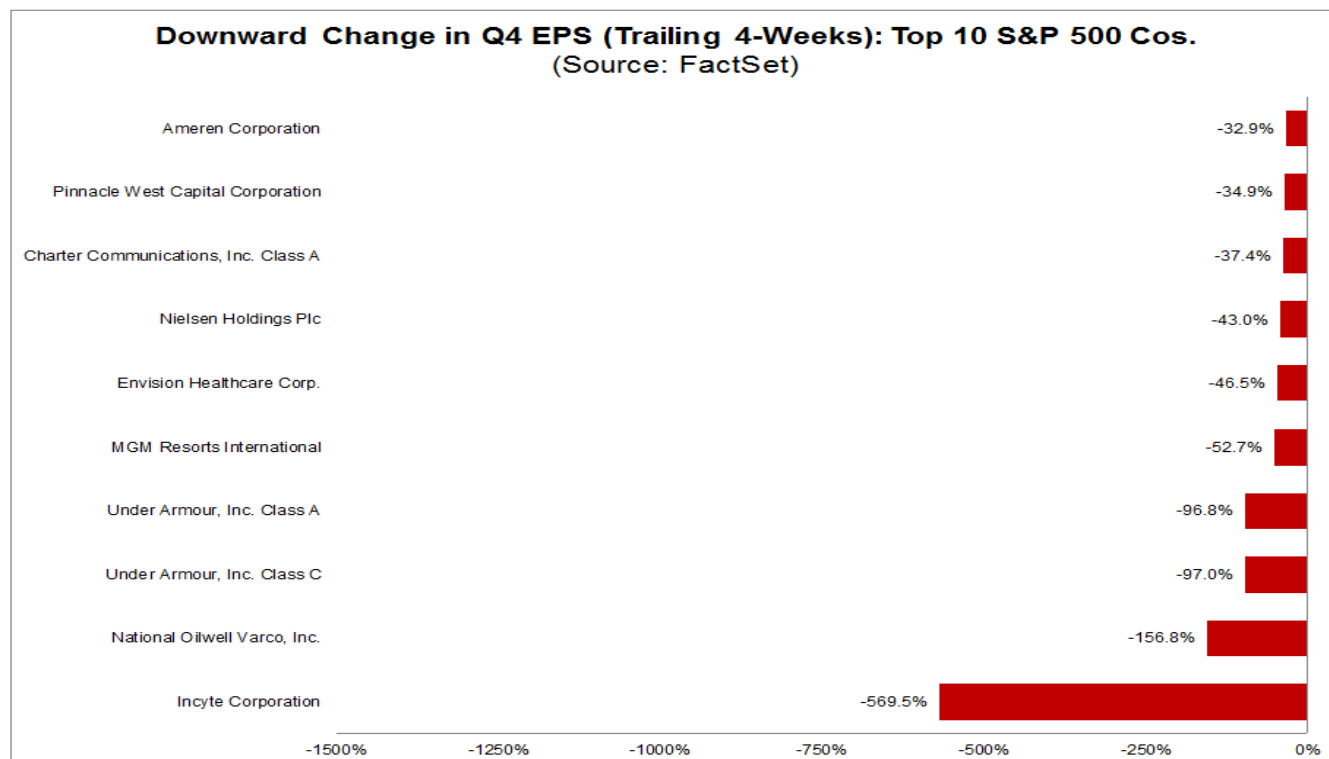
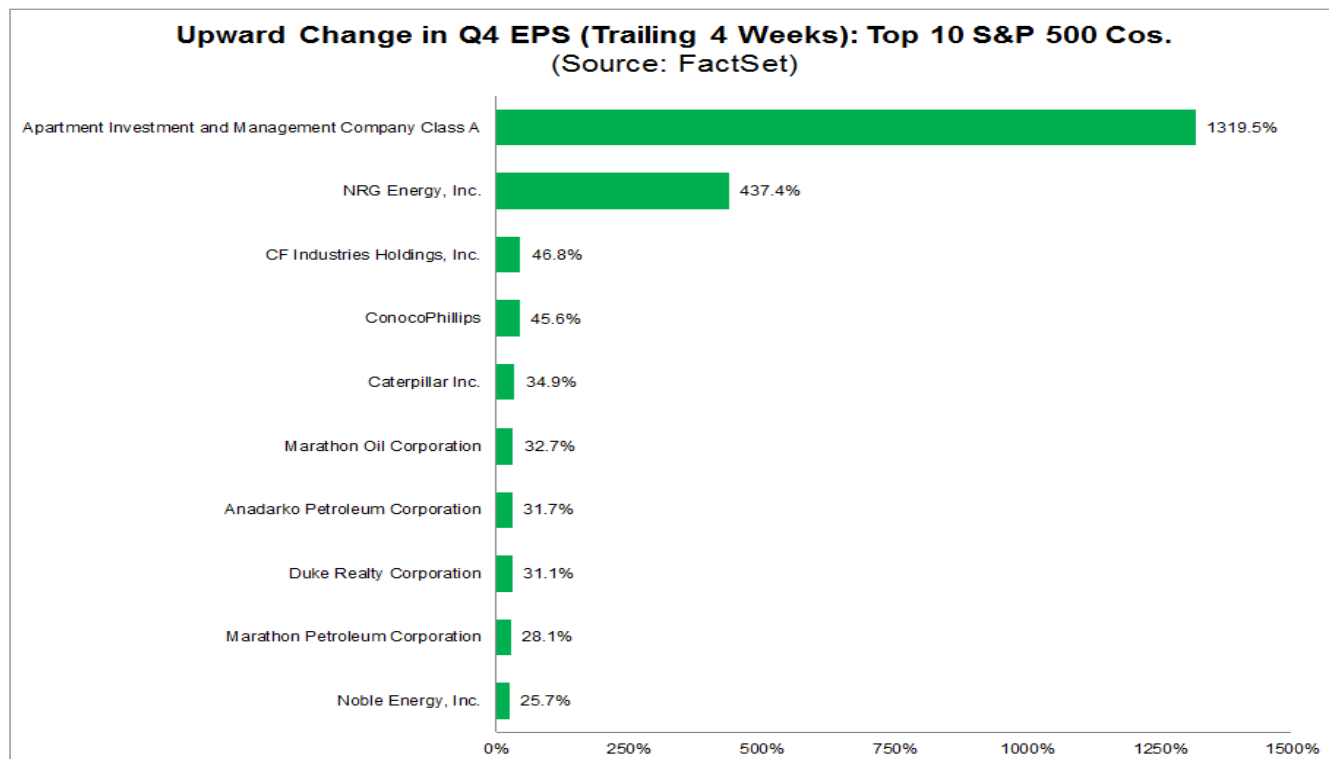
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Q4 2017: Guidance

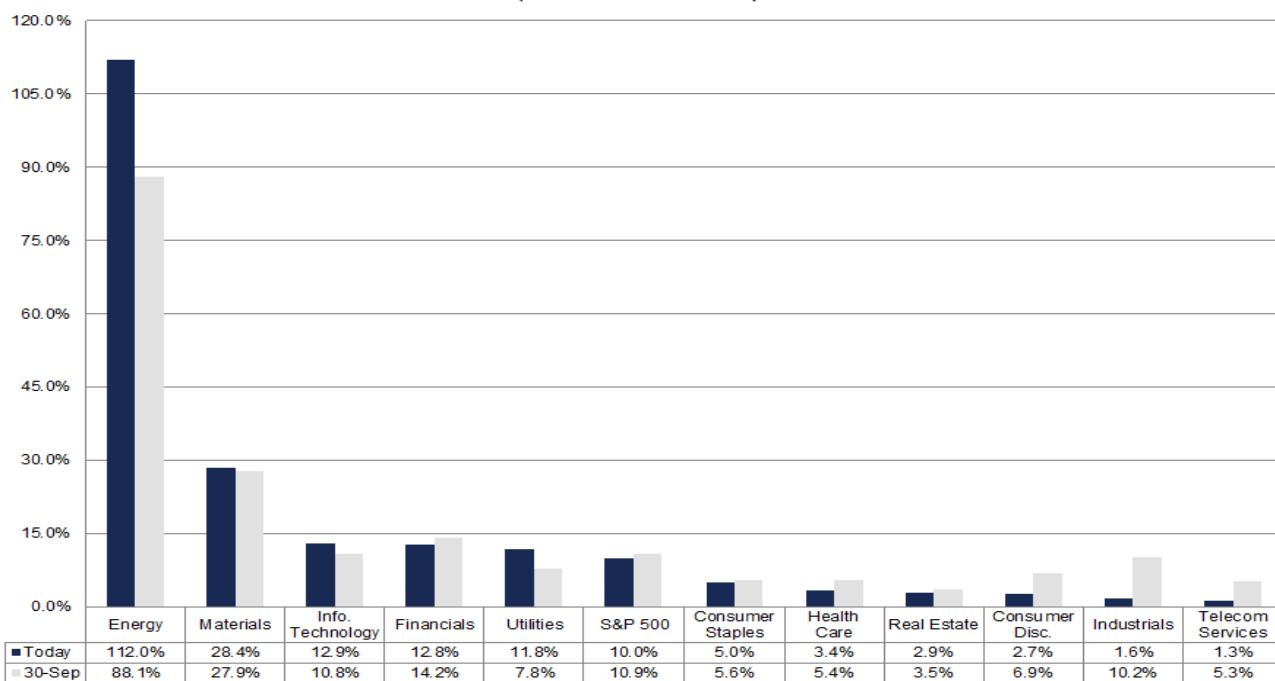


Q4 2017: EPS Revisions

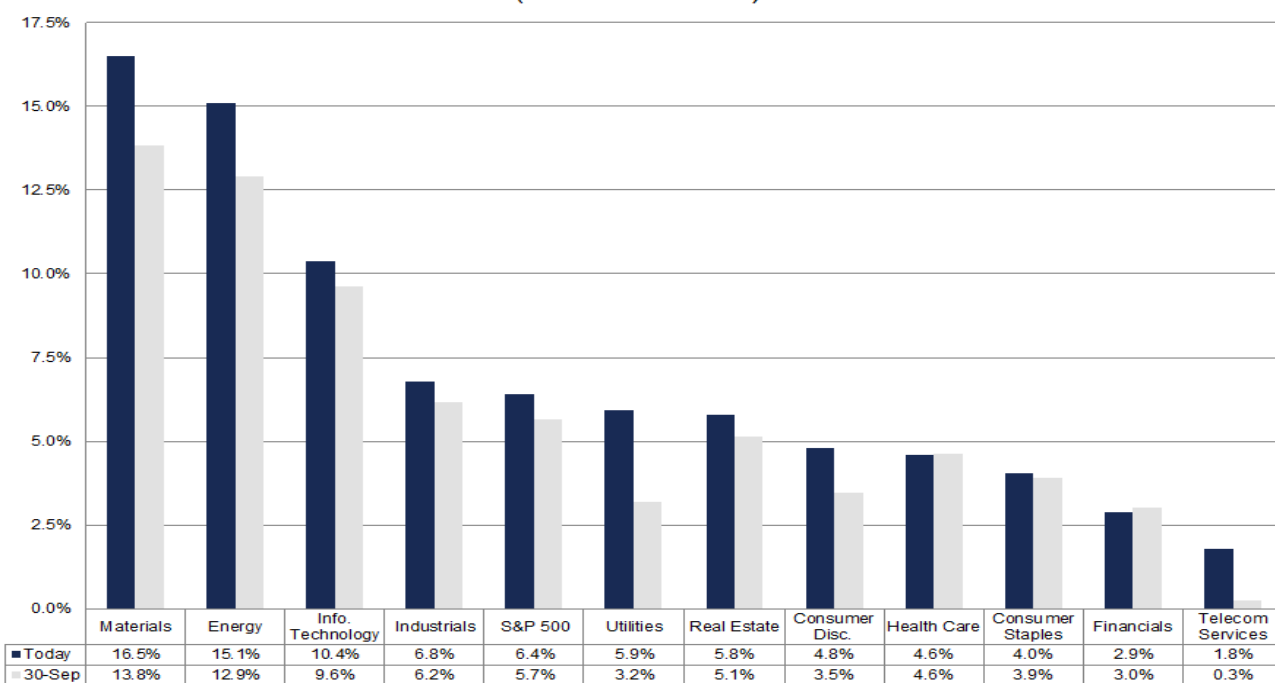


Q4 2017: Growth

S&P 500 Earnings Growth: Q4 2017
(Source: FactSet)

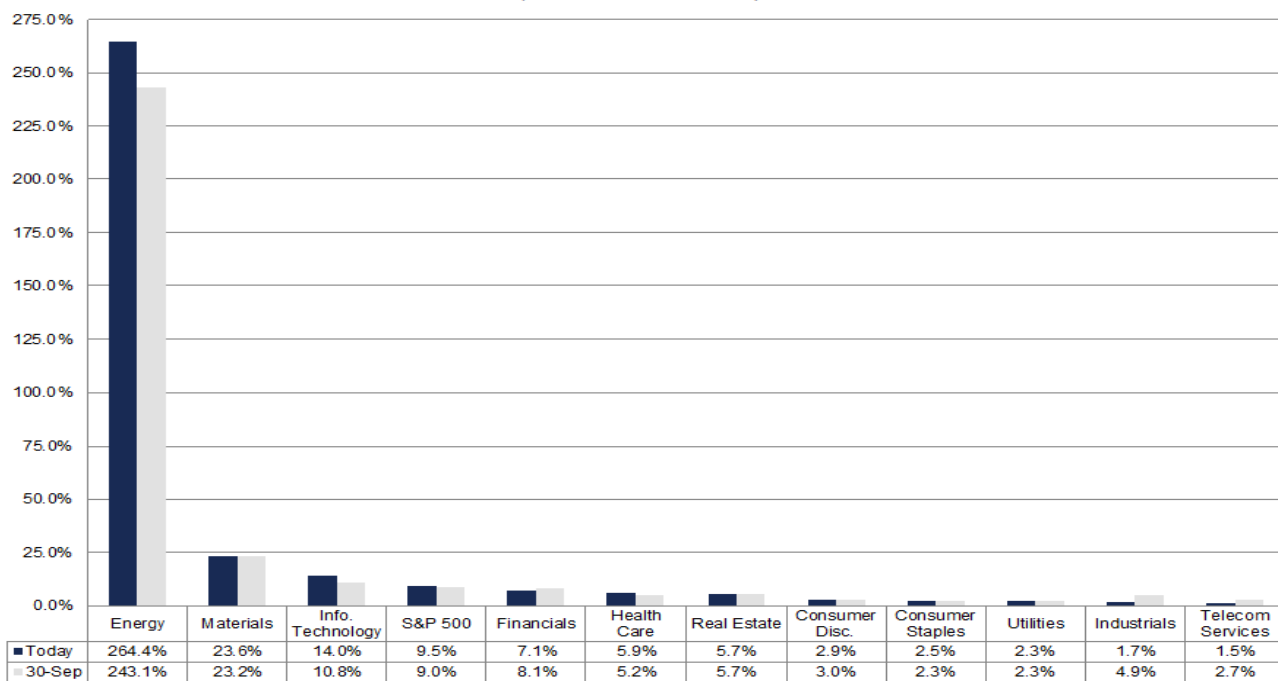


S&P 500 Revenue Growth: Q4 2017
(Source: FactSet)

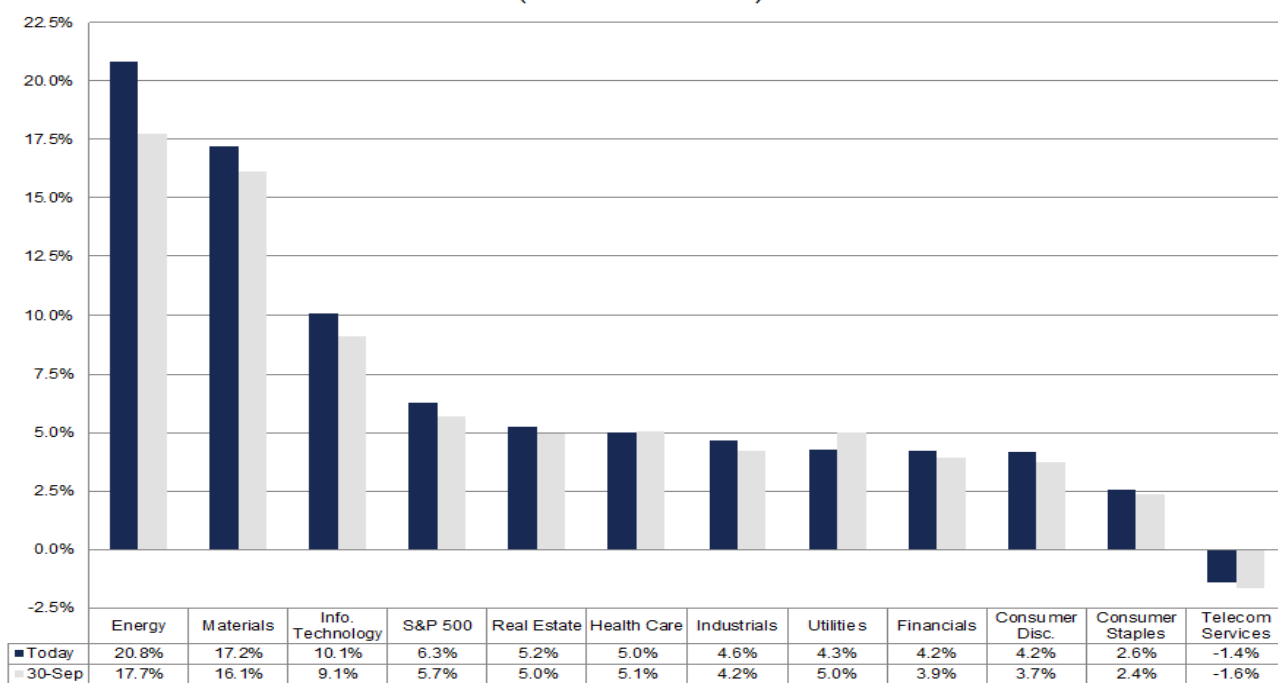


CY 2017: Growth

S&P 500 Earnings Growth: CY 2017
(Source: FactSet)

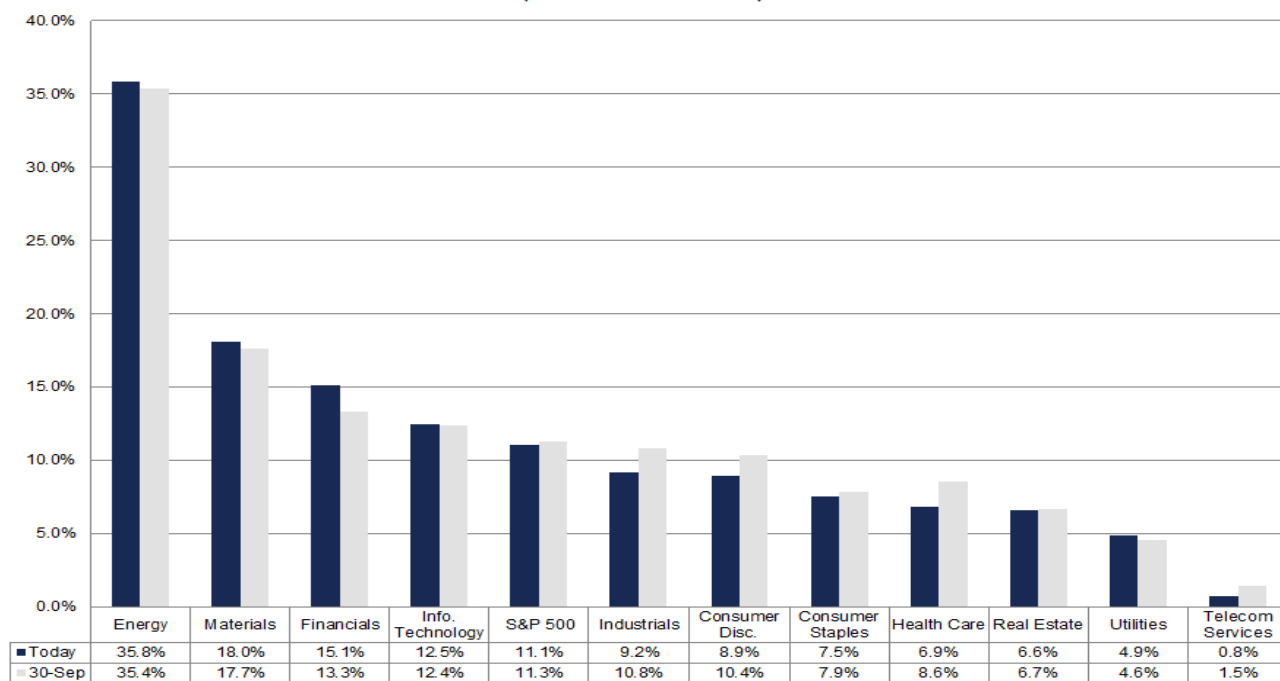


S&P 500 Revenue Growth: CY 2017
(Source: FactSet)

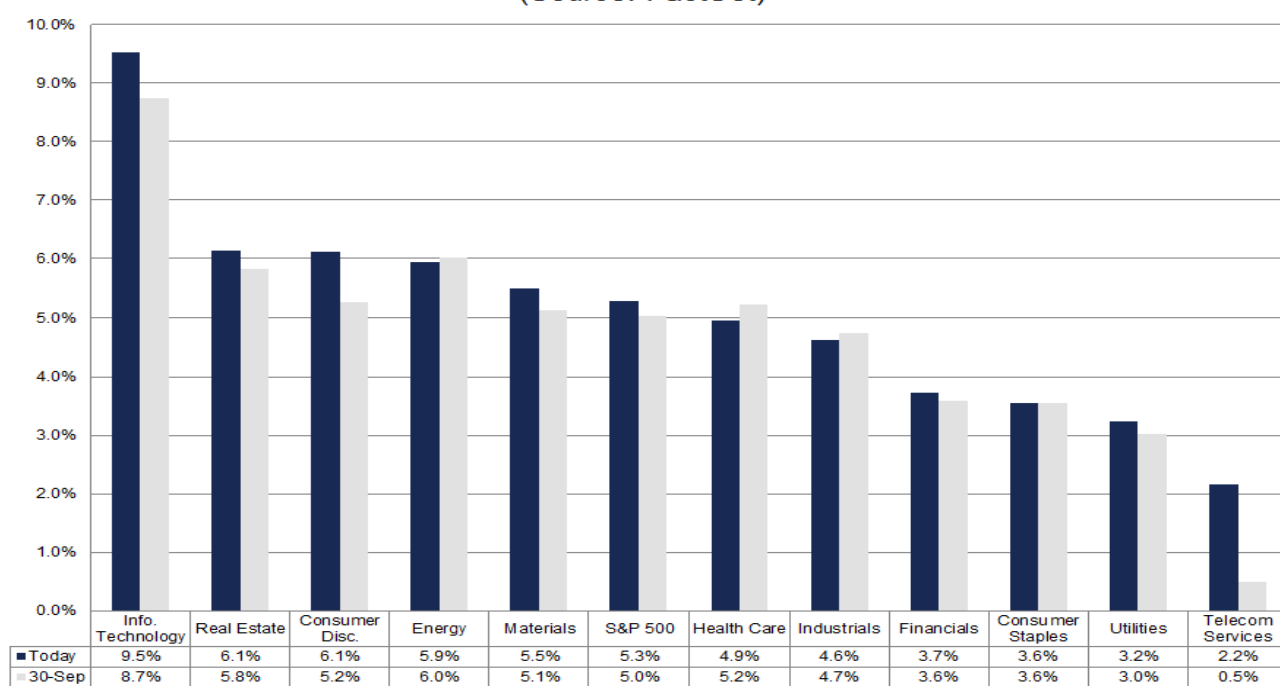


CY 2018: Growth

S&P 500 Earnings Growth: CY 2018
(Source: FactSet)

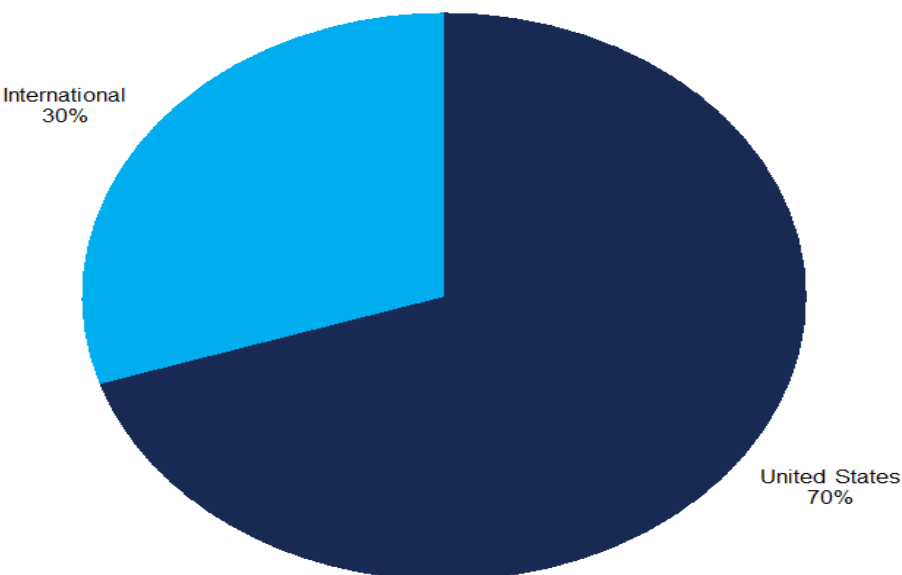


S&P 500 Revenue Growth: CY 2018
(Source: FactSet)

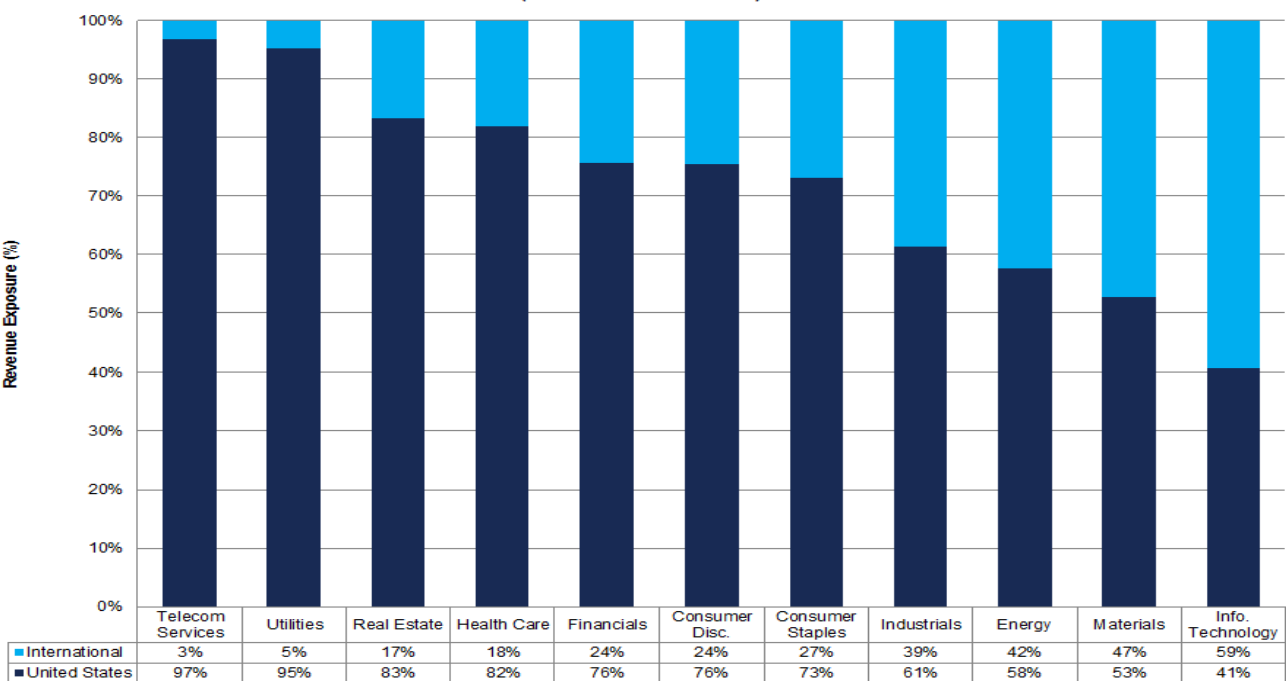


Geographic Revenue Exposure

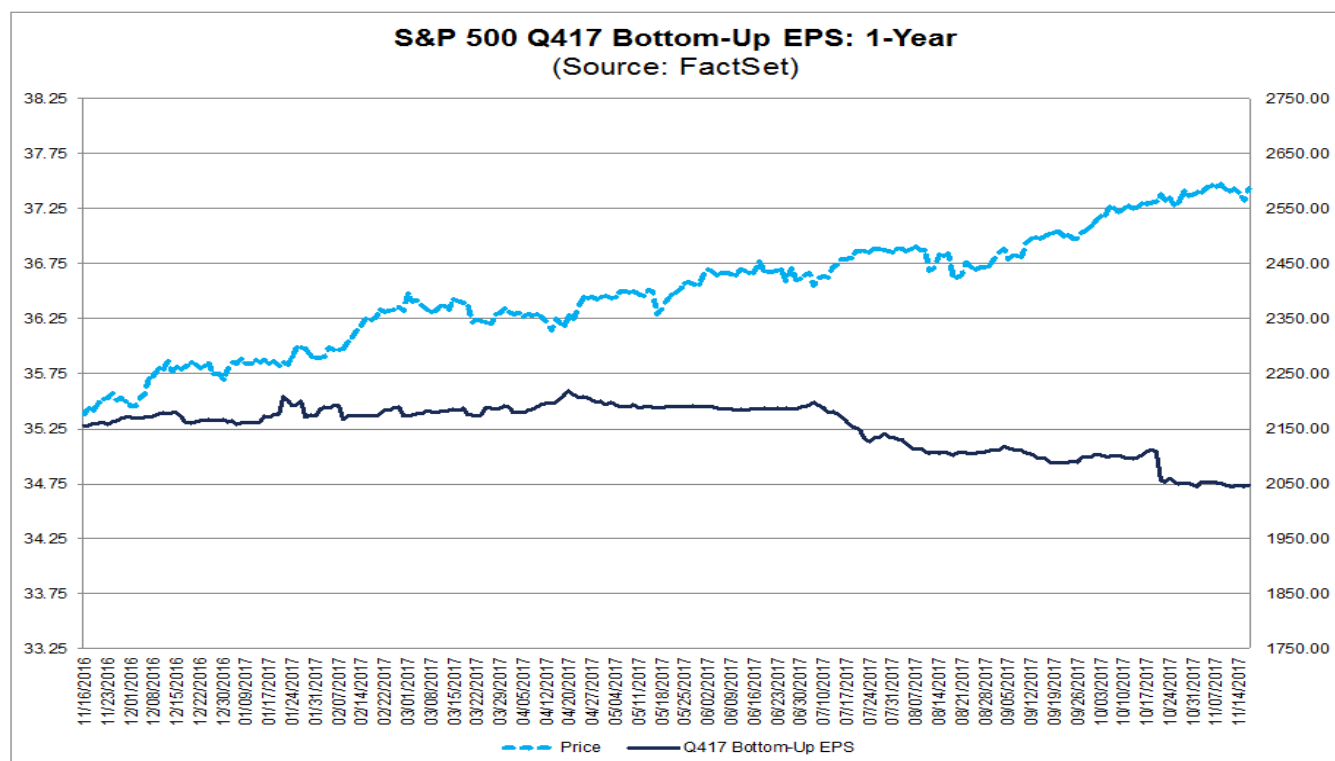
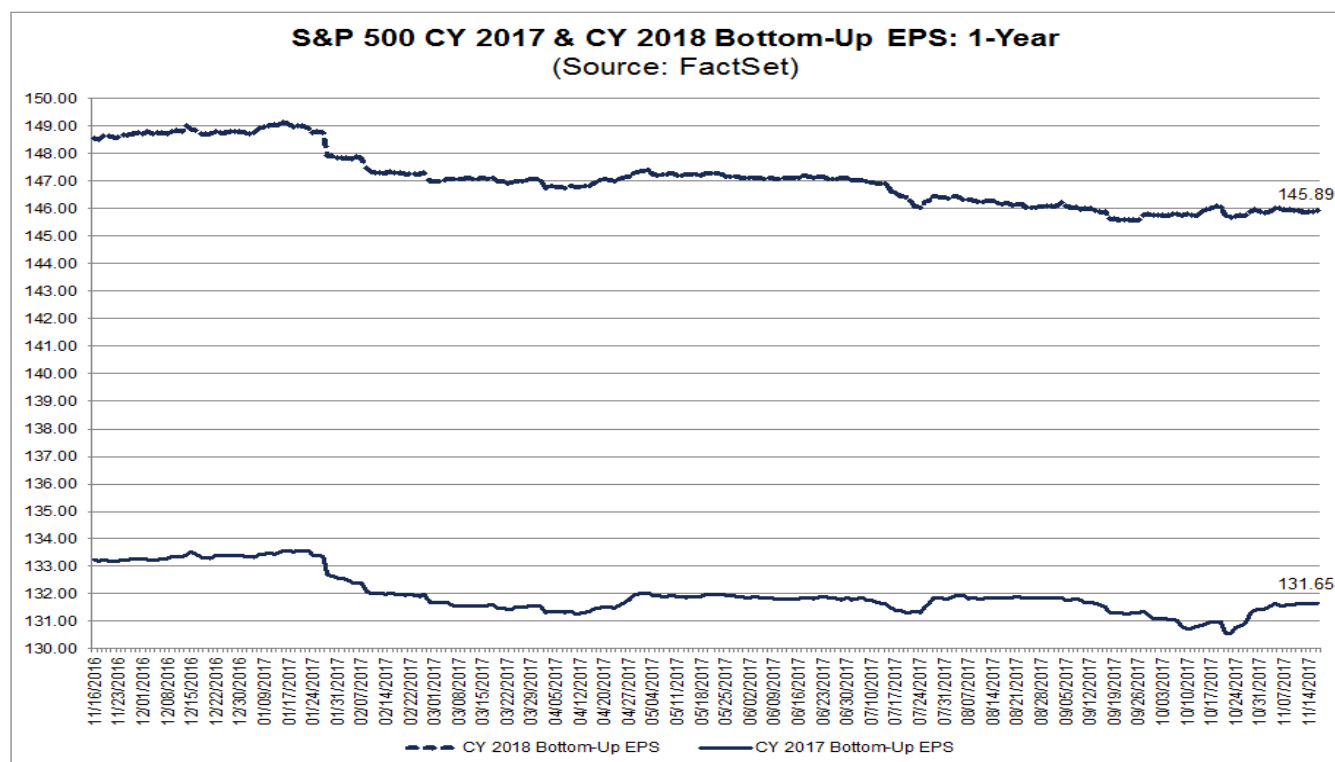
S&P 500: Aggregate Geographic Revenue Exposure (%)
(Source: FactSet)



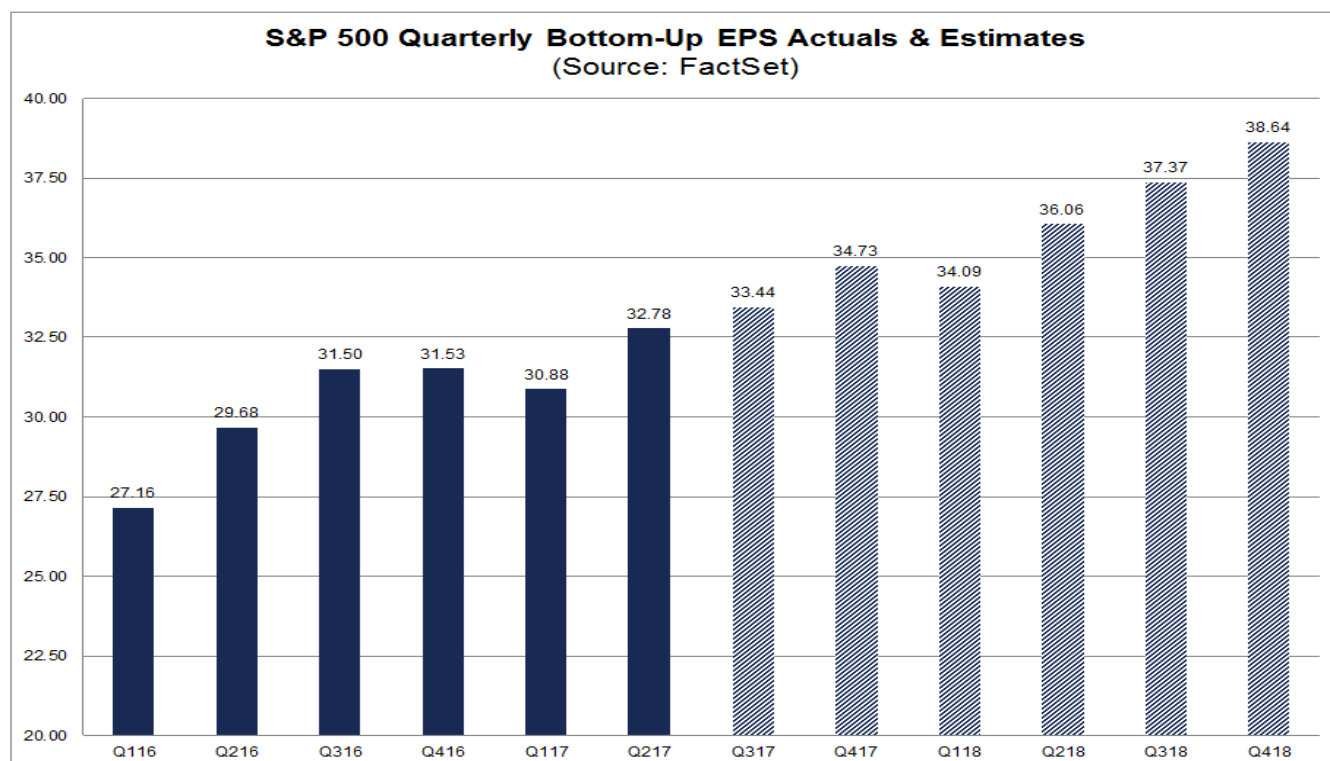
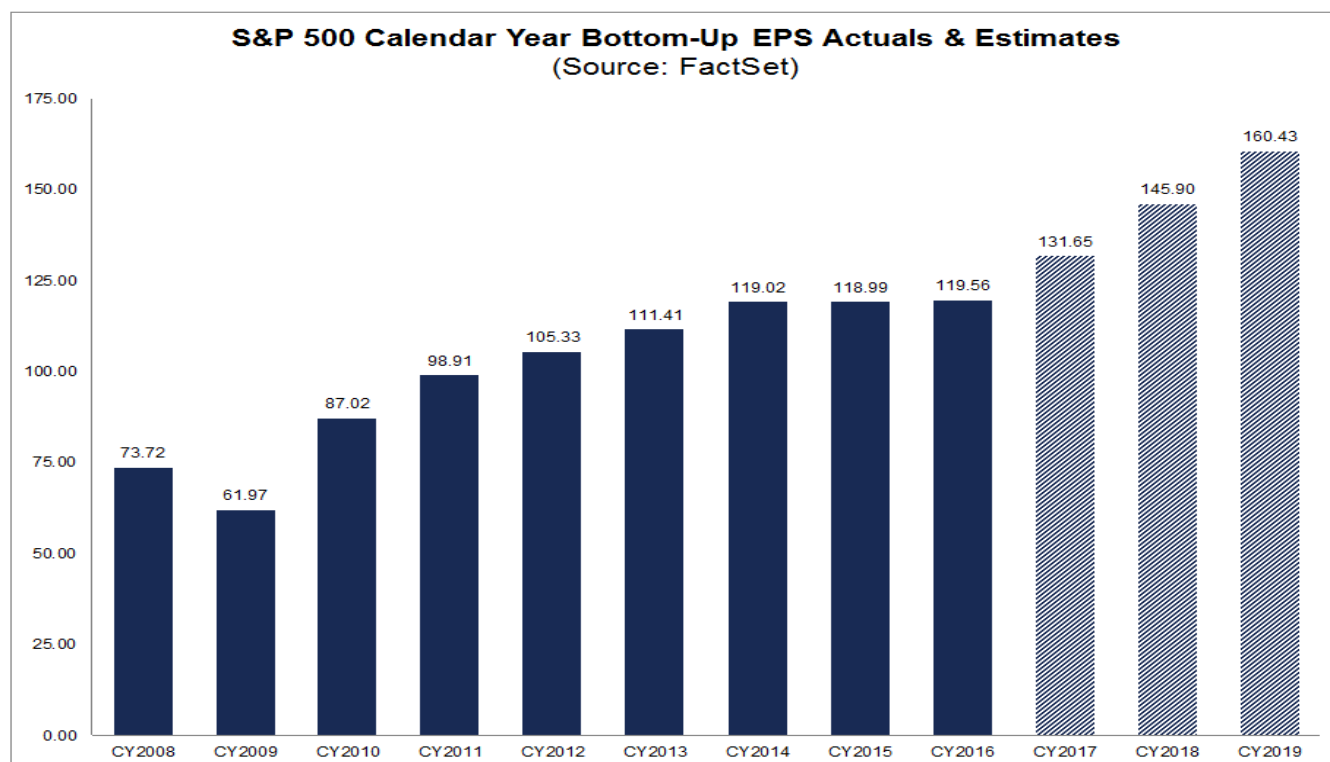
S&P 500: Aggregate Sector Geographic Revenue Exposure (%)
(Source: FactSet)



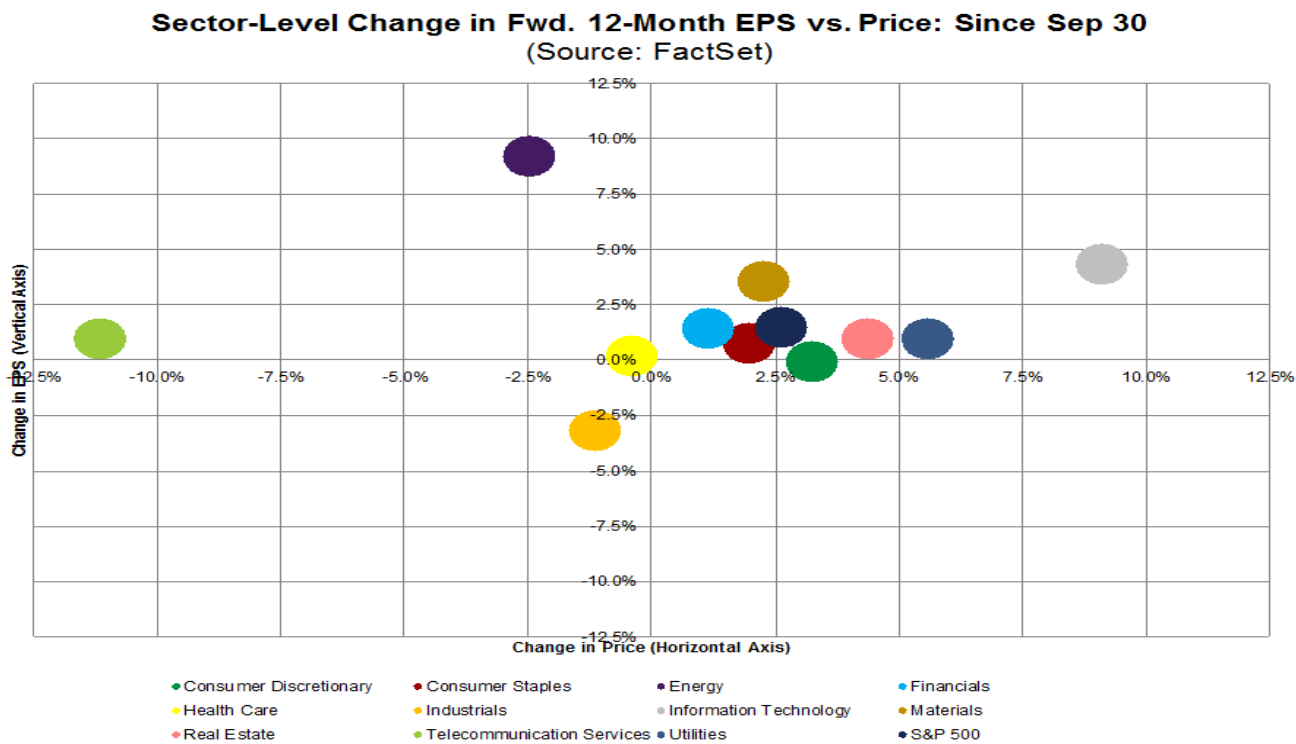
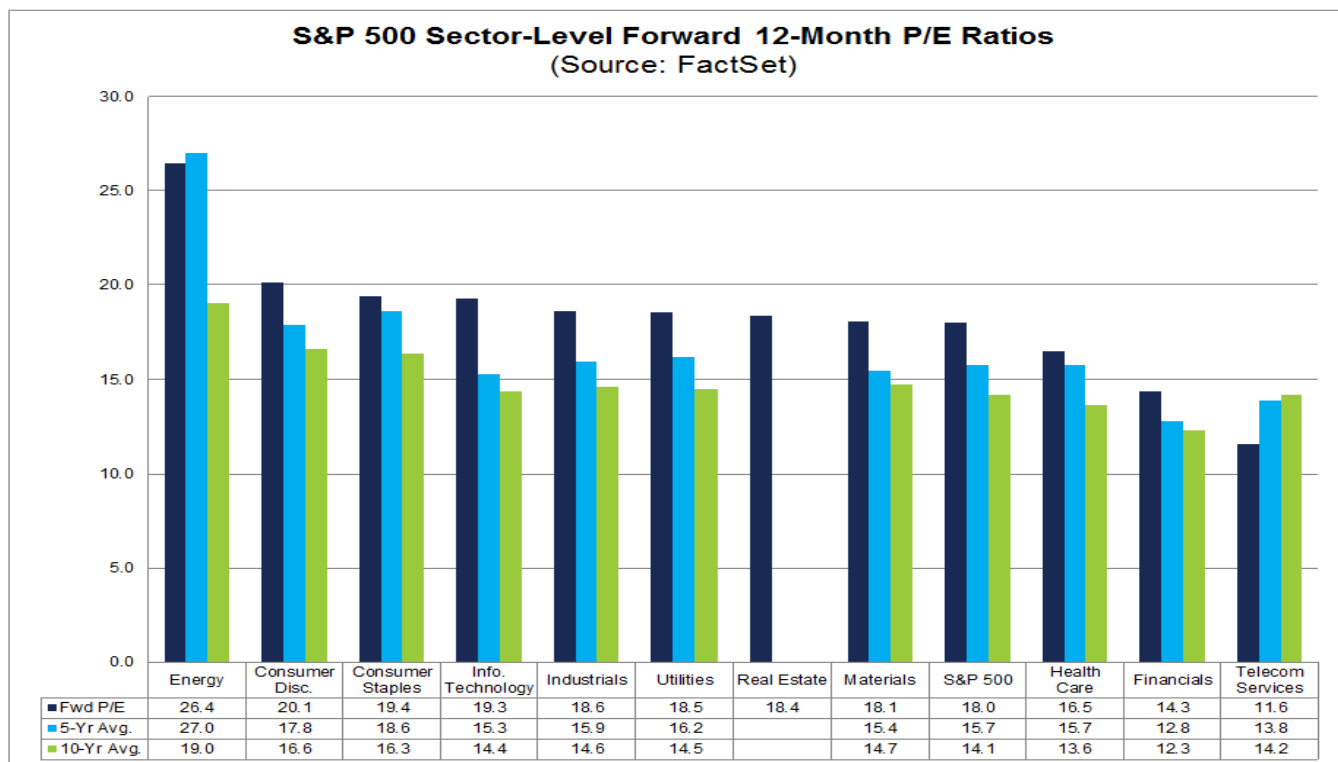
Bottom-up EPS Estimates: Revisions



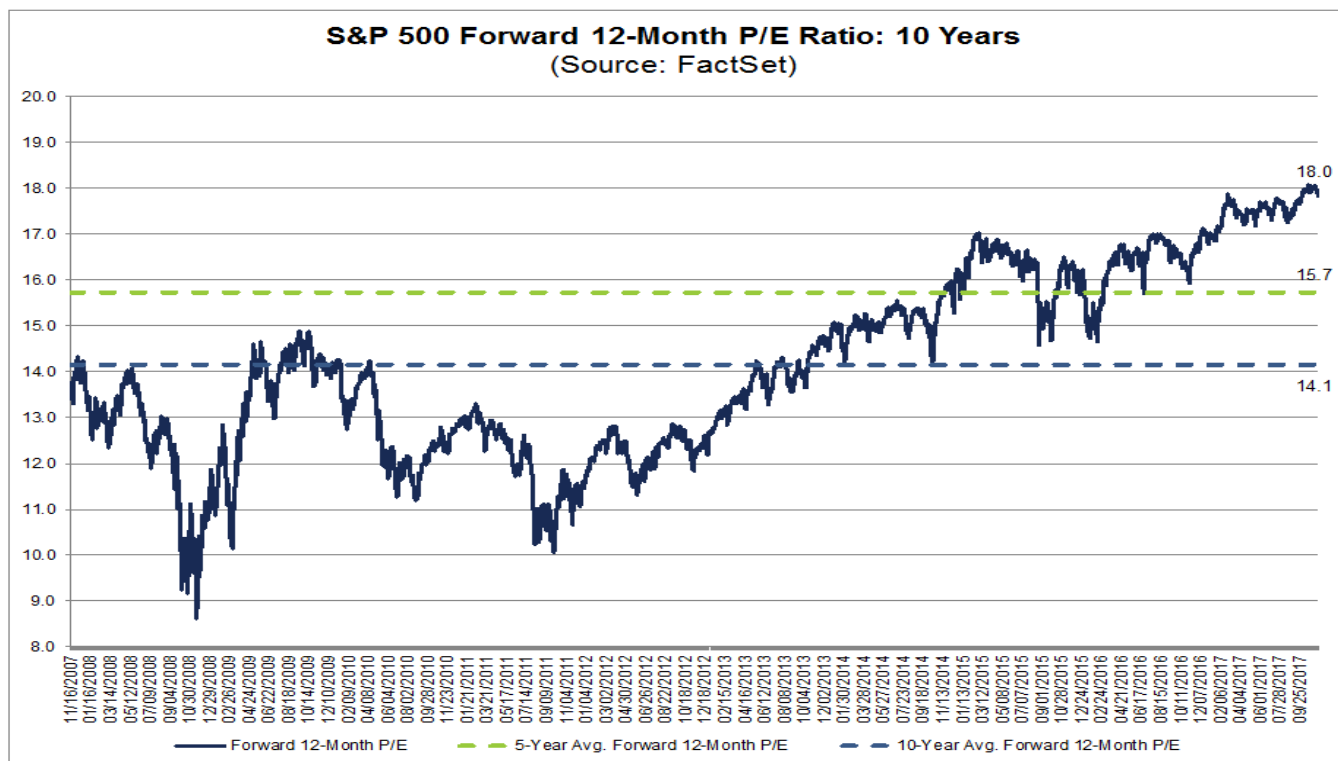
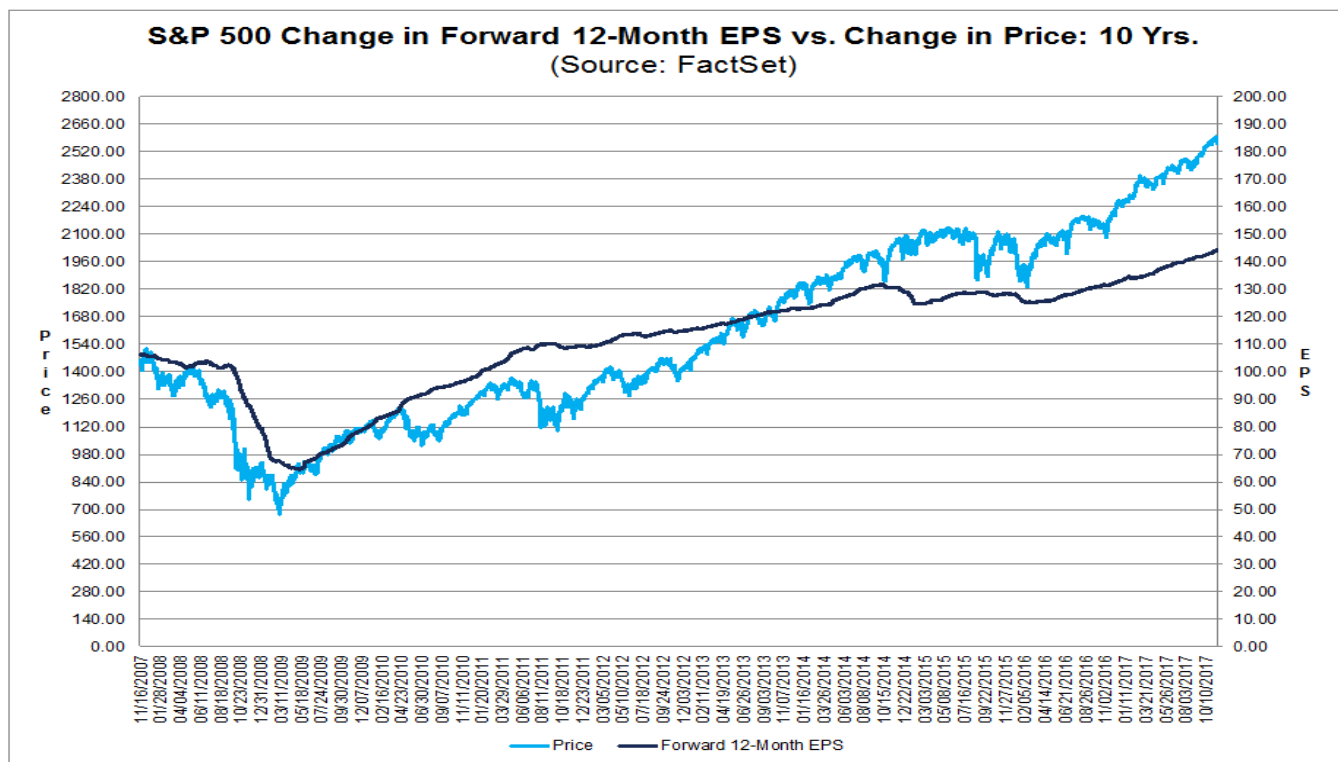
Bottom-up EPS Estimates: Current & Historical



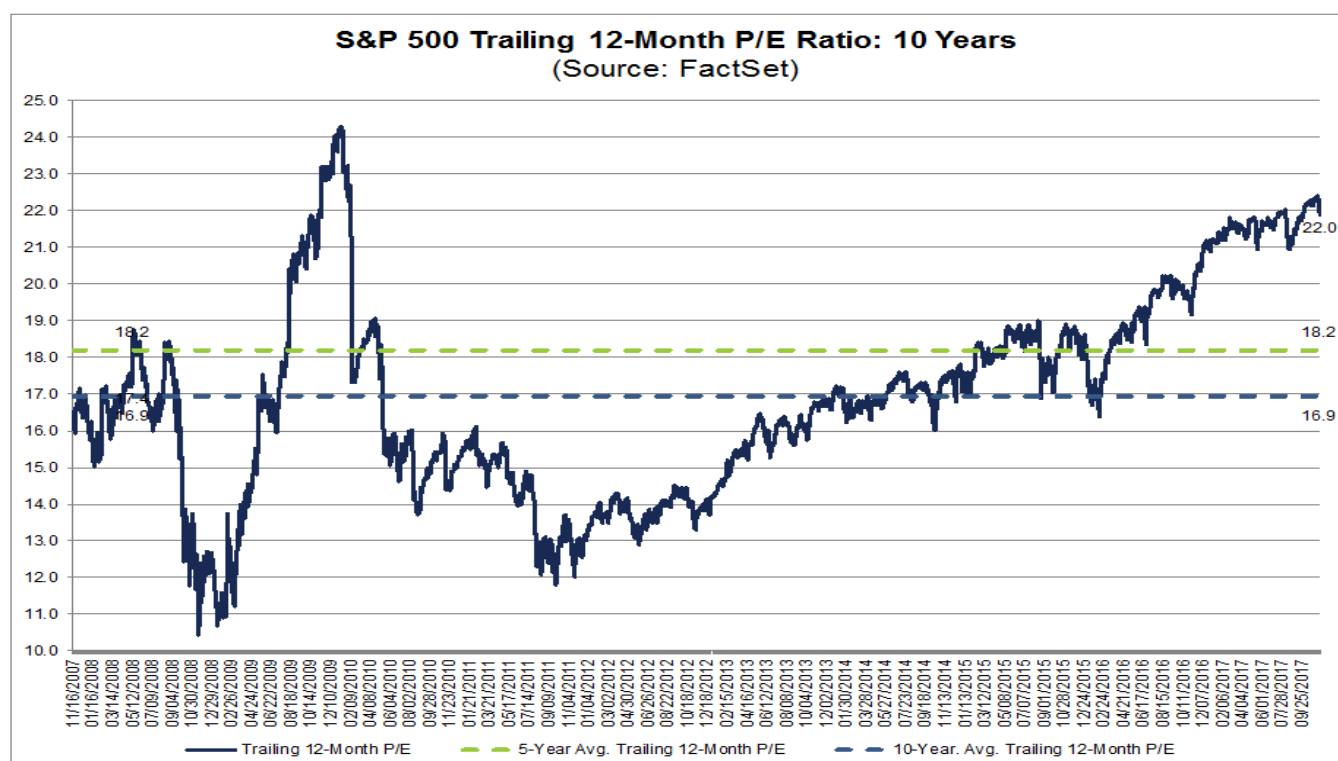
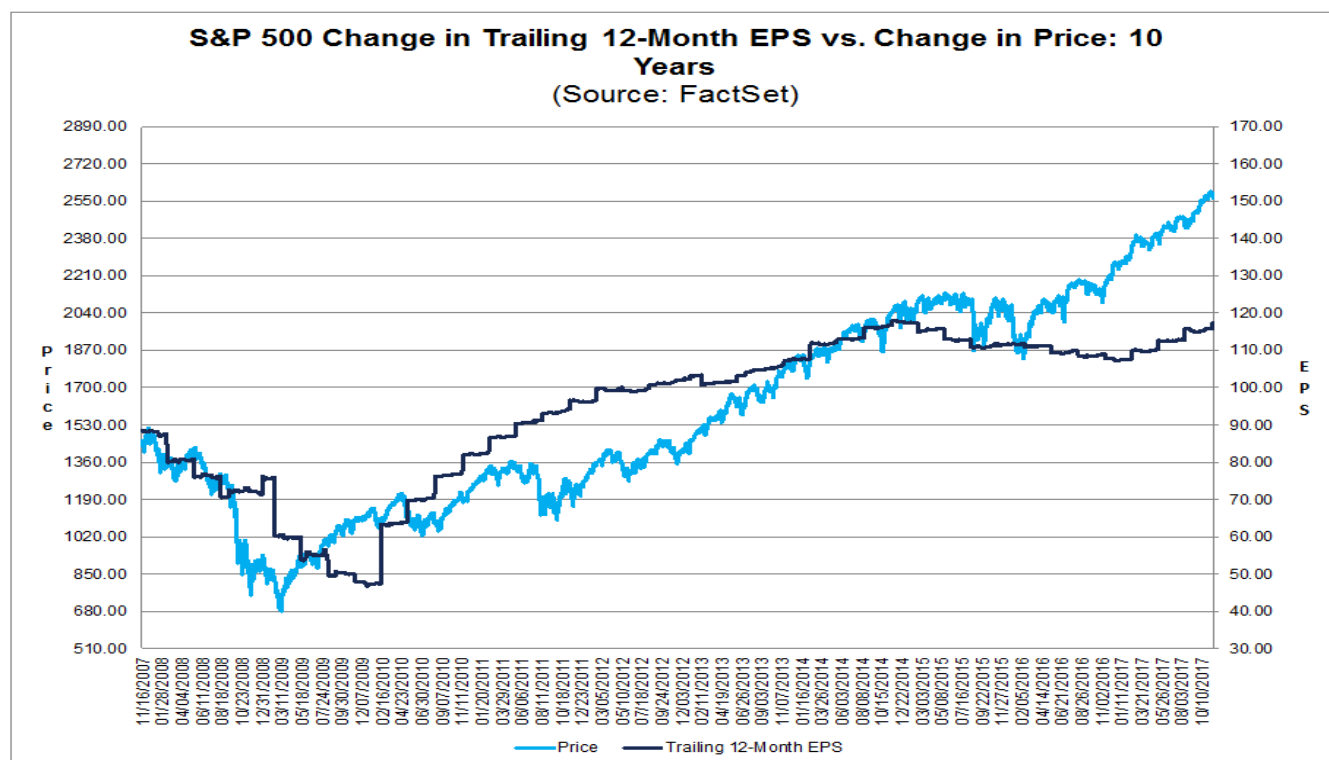
Forward 12M P/E Ratio: Sector Level



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



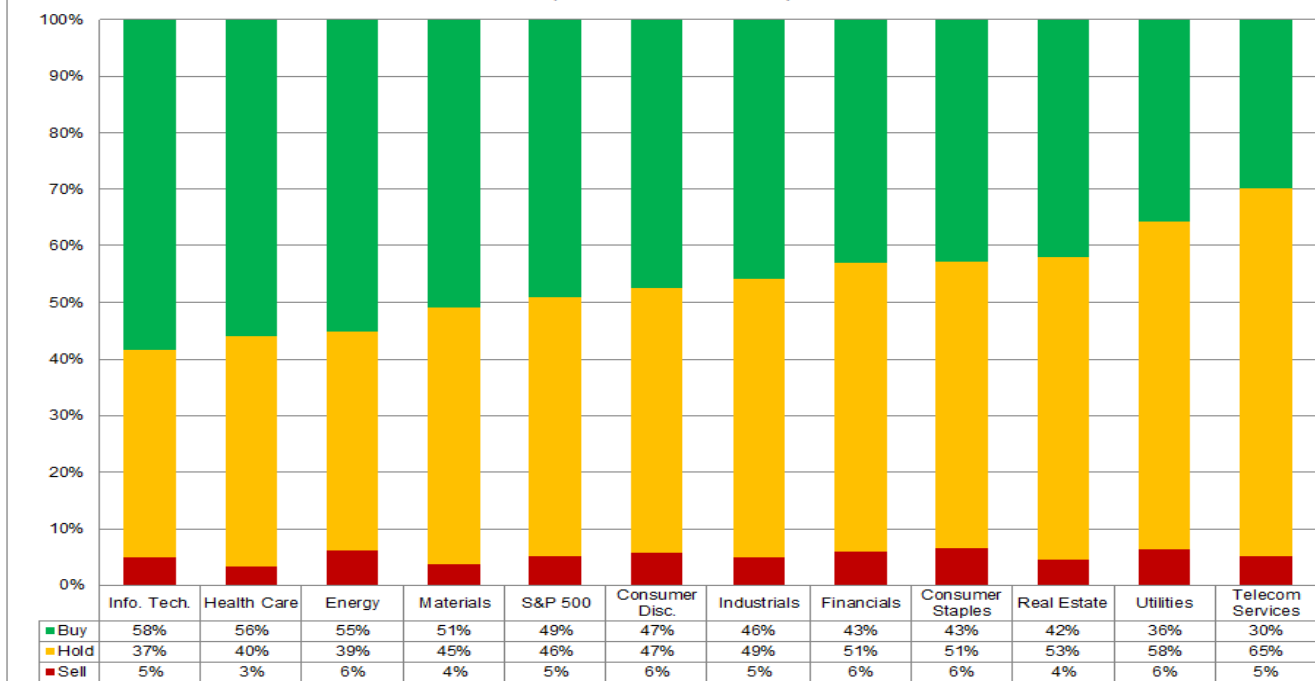
Trailing 12M P/E Ratio: Long-Term Averages



Targets & Ratings

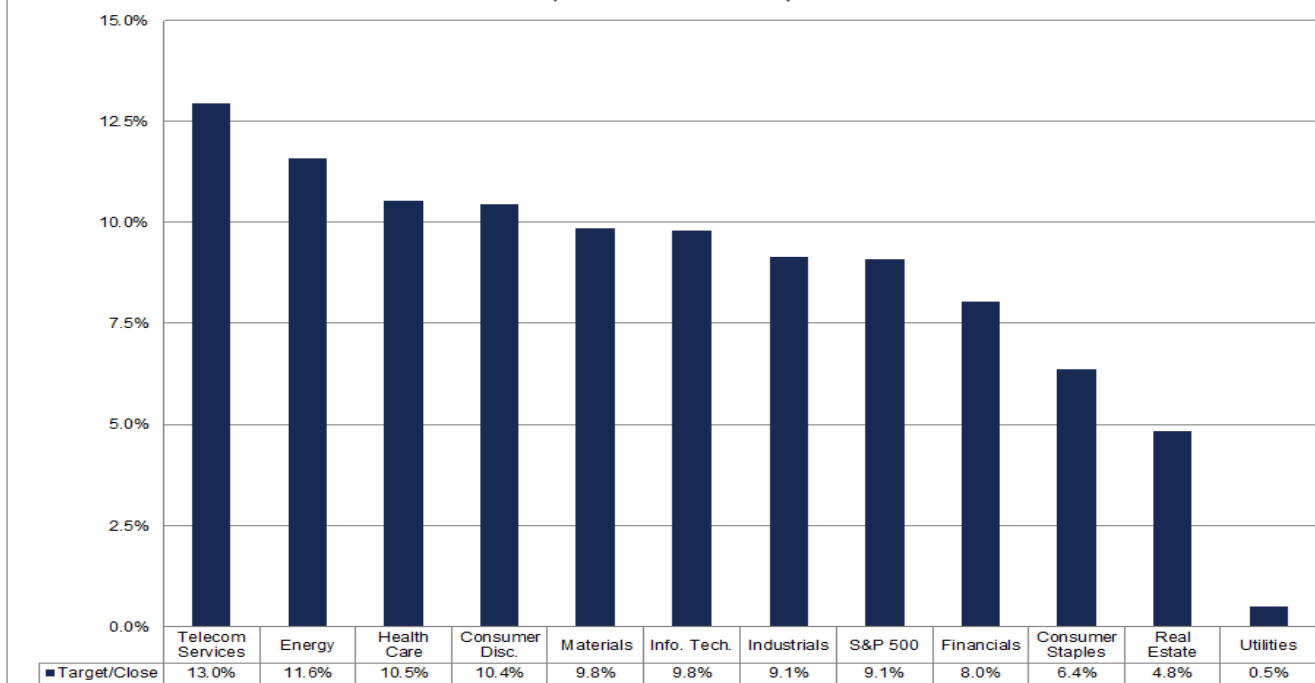
S&P 500: Percentage of Buy, Hold, and Sell Ratings

(Source: FactSet)



S&P 500 Sector-Level Bottom-Up Target Price vs. Closing Price

(Source: FactSet)



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