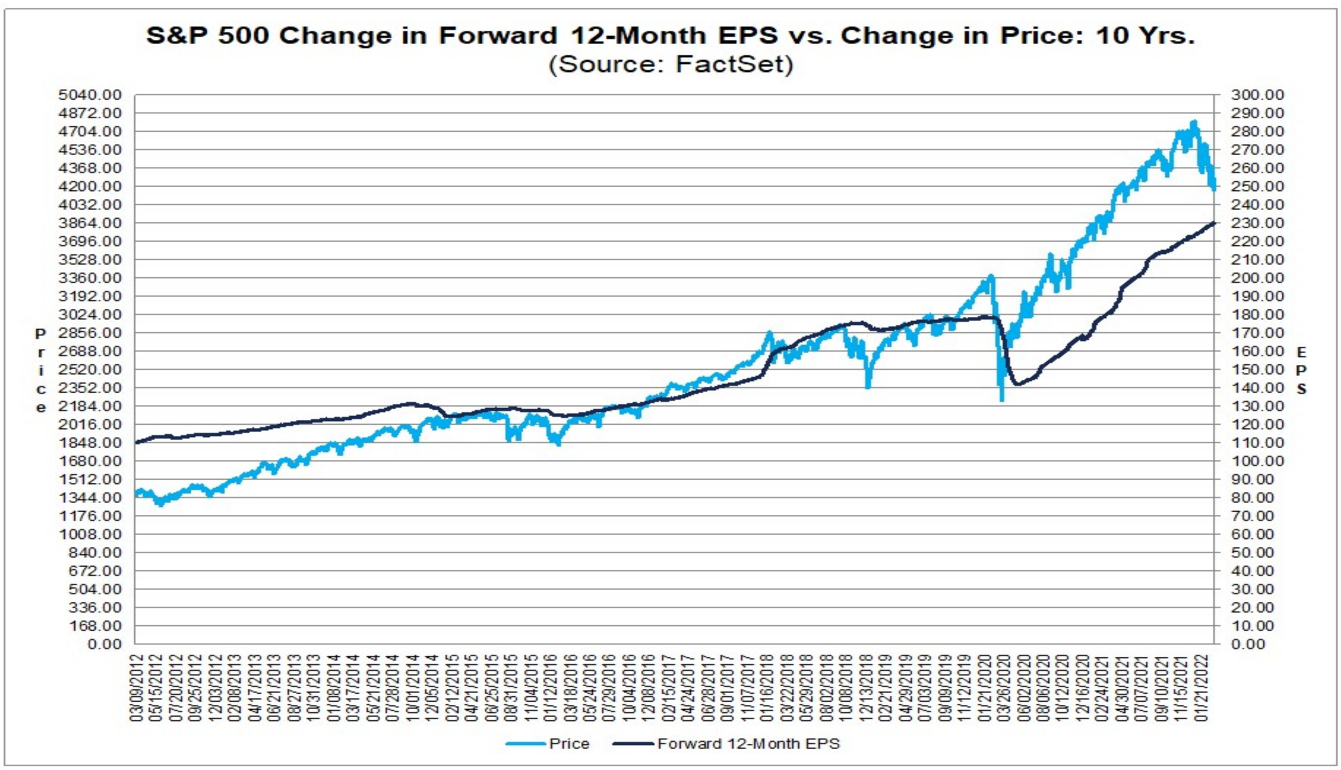
John Butters, Senior Earnings Analyst
jbutters@factset.com

Media Questions/Requests
media_request@factset.com

March 11, 2022

Key Metrics

- **Earnings Growth:** For Q1 2022, the estimated earnings growth rate for the S&P 500 is 4.8%. If 4.8% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate for the index since Q4 2020 (3.8%).
- **Earnings Revisions:** On December 31, the estimated earnings growth rate for Q1 2022 was 5.8%. Seven sectors are expected to report lower earnings today (compared to December 31) due to downward revisions to EPS estimates.
- **Earnings Guidance:** For Q1 2022, 65 S&P 500 companies have issued negative EPS guidance and 29 S&P 500 companies have issued positive EPS guidance.
- **Valuation:** The forward 12-month P/E ratio for the S&P 500 is 18.5. This P/E ratio is below the 5-year average (18.6) but above the 10-year average (16.8).
- **Earnings Scorecard:** For Q1 2022 (with 3 S&P 500 companies reporting actual results), 2 S&P 500 companies have reported a positive EPS surprise and 3 S&P 500 companies have reported a positive revenue surprise.



To receive this report via e-mail or view other articles with FactSet content, please go to: https://insight.factset.com/

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

Topic of the Week: 1

Highest Number of S&P 500 Companies Citing "Inflation" on Q4 Earnings Calls in Over 10 Years

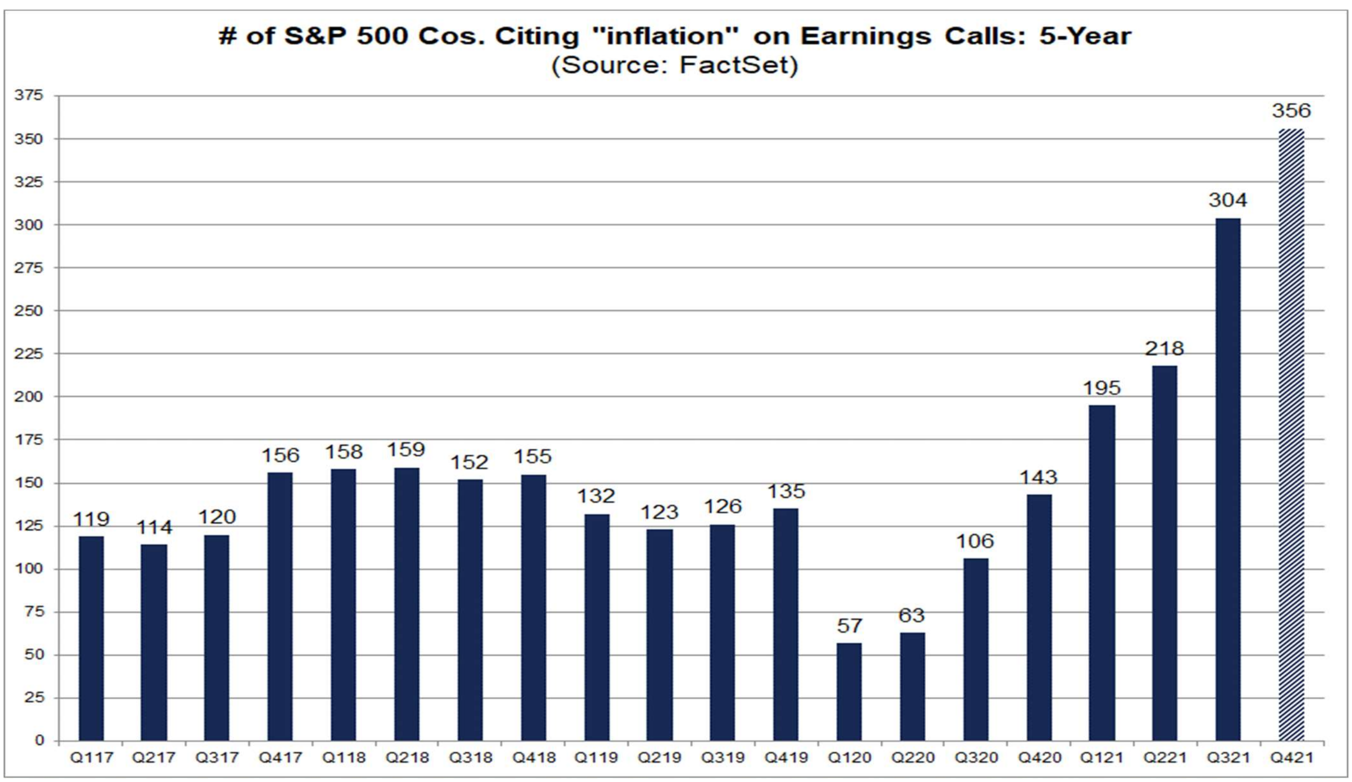
The market continues to be concerned about higher inflation. Consumer prices increased by 7.9% in February, which was the largest year-over-year increase since 1982. In light of recent high inflation numbers, have more S&P 500 companies than normal commented on inflation during their earnings conference calls for the fourth quarter?

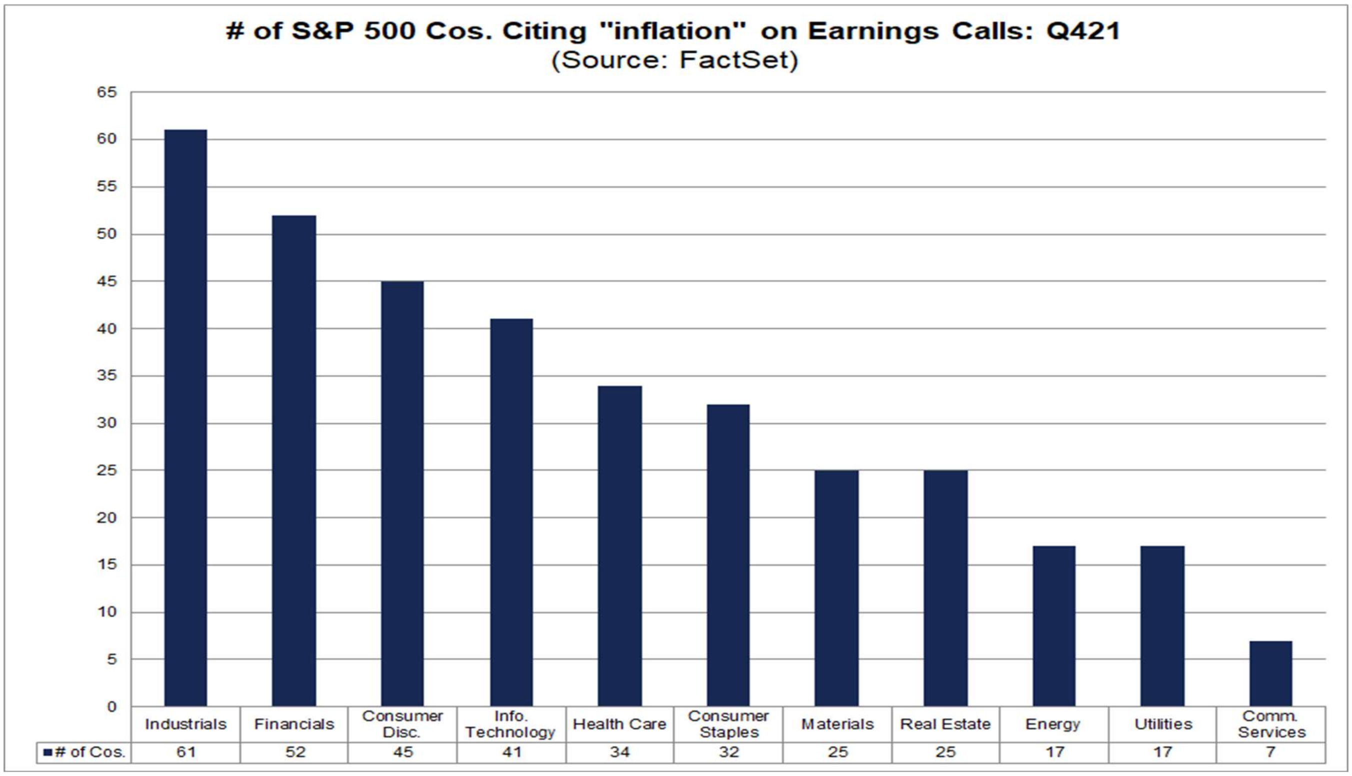
FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term "inflation" in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from December 15 through March 11.

Of these companies, 356 cited the term "inflation" during their earnings calls for the fourth quarter, which is well above the 5-year average of 144. In fact, this is the highest number of S&P 500 companies citing "inflation" on earnings calls going back to at least 2010 (using current index constituents going back in time). The previous record was 304, which occurred in the previous quarter (Q3 2021). In addition, the fourth quarter marked the highest percentage of S&P 500 companies citing "inflation" on quarterly earnings calls going back to at least 2010 at 74% (356 out of 482).

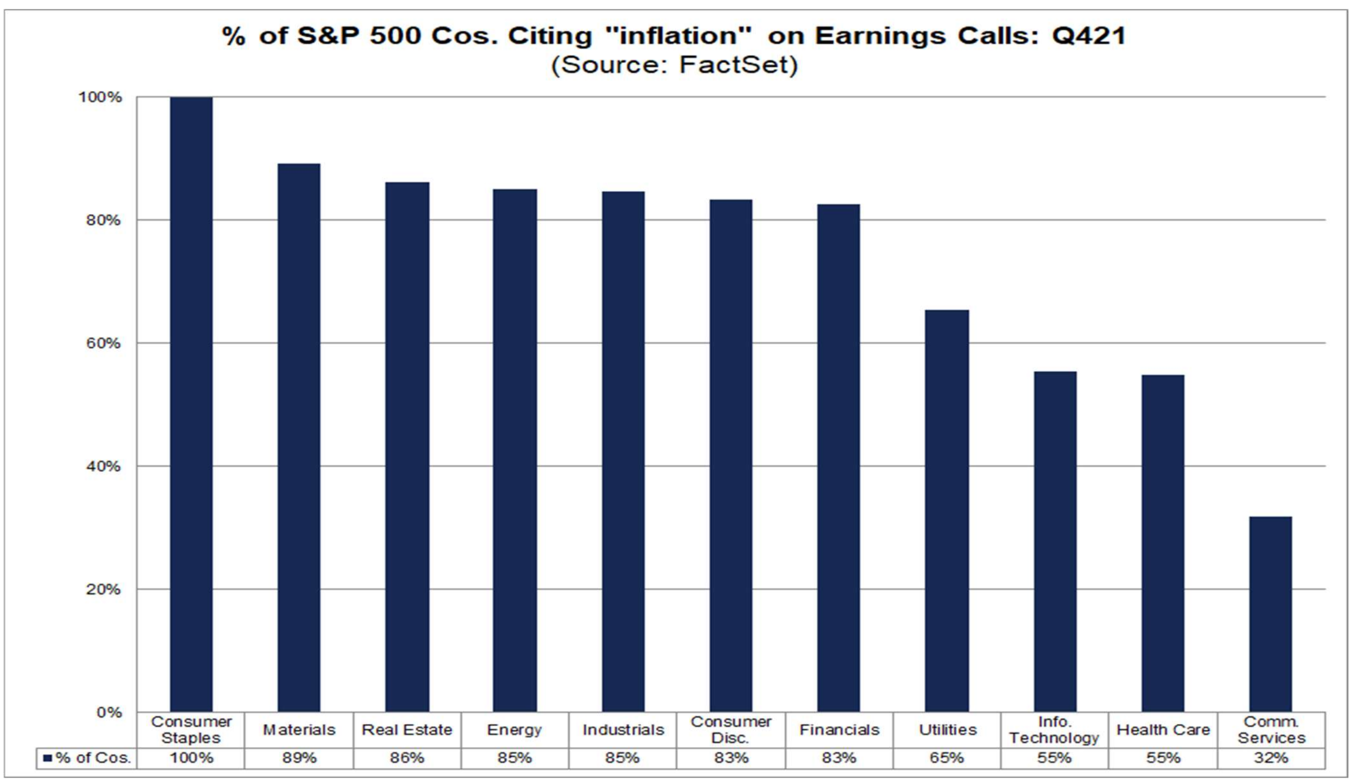
At the sector level, the Industrials (61) and Financials (52) sectors have the highest number of companies that cited "inflation" on earnings calls for Q4. On the other hand, the Consumer Staples (100%) and Materials (89%) sectors have the highest percentages of companies that cited "inflation" on their Q4 earnings calls during this period.

Given the high number of S&P 500 companies that have cited "inflation" on Q4 earnings calls, have net profit margin expectations for Q1 been revised? The estimated net profit margin for the S&P 500 for Q1 is 12.2%, which is below the estimate of 12.4% recorded on December 31. Eight sectors have seen a decrease in their Q1 net profit margin estimates since December 31, led by the Industrials (to 7.9% from 8.8%) sector.

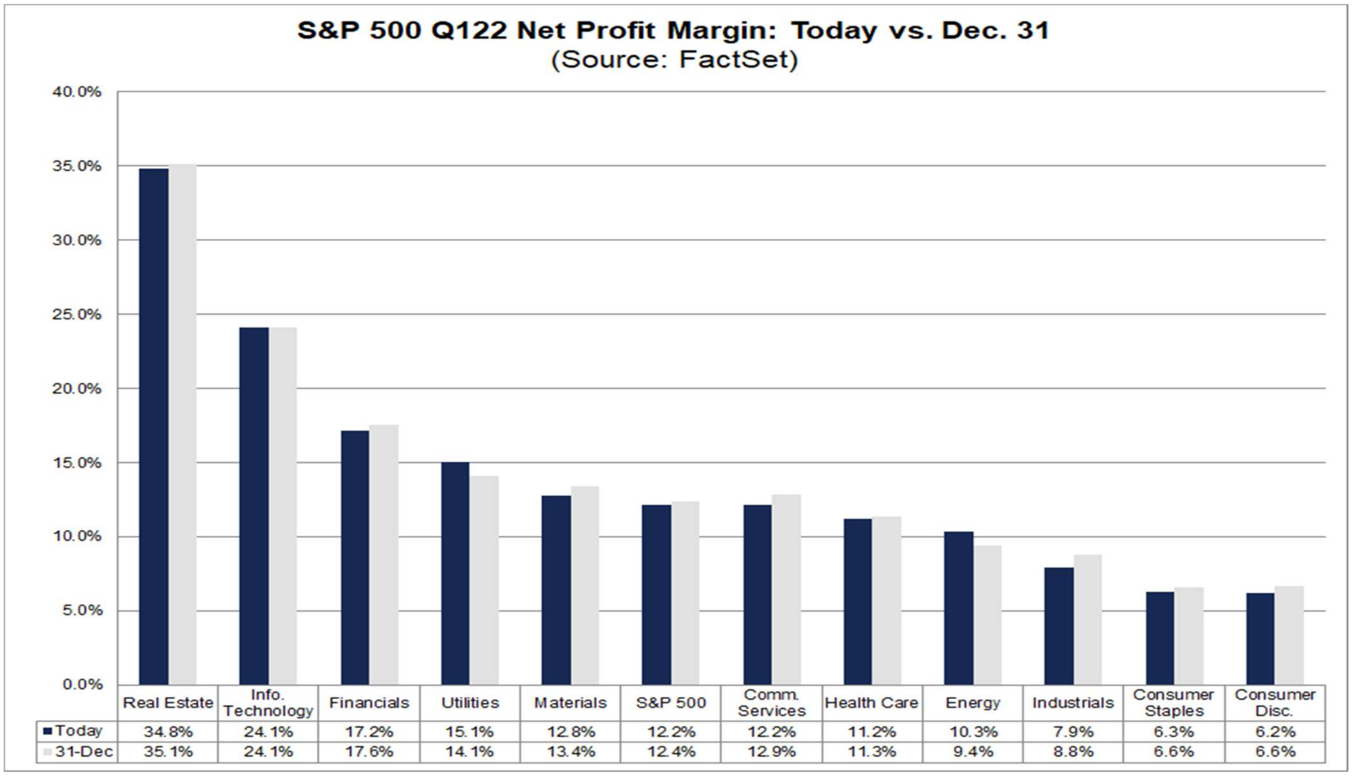




# of S&P 500 Cos. Citing "inflation" on Earnings Calls: Q421
(Source: FactSet)
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Industrials
Financials
Consumer Disc.
Info. Technology
Health Care
Consumer Staples
Materials
Real Estate
Energy
Utilities
Comm. Services
# of Cos.
61
52
45
41
34
32
25
25
17
17
7



% of S&P 500 Cos. Citing "inflation" on Earnings Calls: Q421
(Source: FactSet)
100%
80%
60%
40%
20%
0%
Consumer Staples
Materials
Real Estate
Energy
Industrials
Consumer Disc.
Financials
Utilities
Info. Technology
Health Care
Comm. Services
% of Cos.
100%
89%
86%
85%
85%
83%
83%
65%
55%
55%
32%



	Real Estate	Info. Technology	Financials	Utilities	Materials	S&P 500	Comm. Services	Health Care	Energy	Industrials	Consumer Staples	Consumer Disc.
Today	34.8%	24.1%	17.2%	15.1%	12.8%	12.2%	12.2%	11.2%	10.3%	7.9%	6.3%	6.2%
31-Dec	35.1%	24.1%	17.6%	14.1%	13.4%	12.4%	12.9%	11.3%	9.4%	8.8%	6.6%	6.6%

Topic of the Week: 2

What Are S&P 500 Companies Saying About The Crisis in Ukraine on Q4 Earnings Calls?

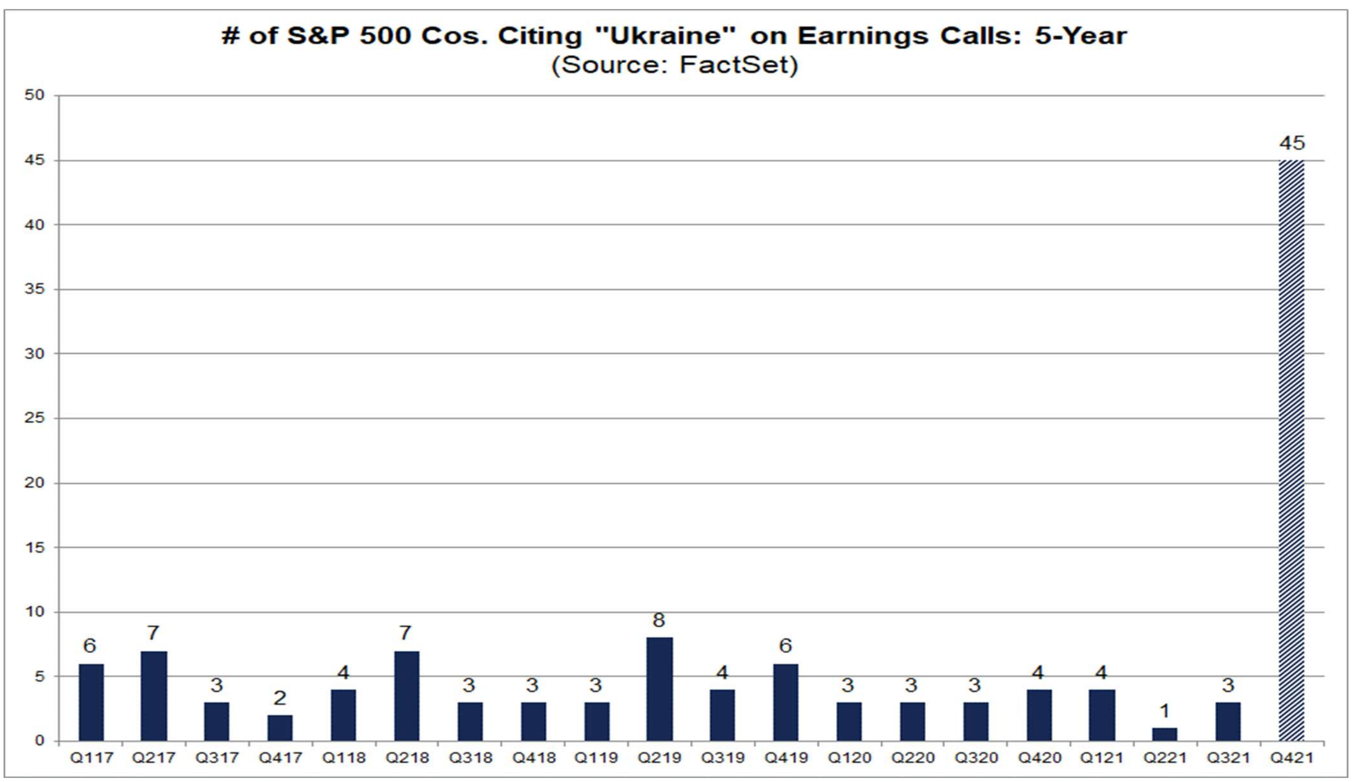
Given the escalation of the military conflict in Ukraine in recent weeks, have S&P 500 companies commented on the situation in Ukraine on their earnings calls for the fourth quarter?

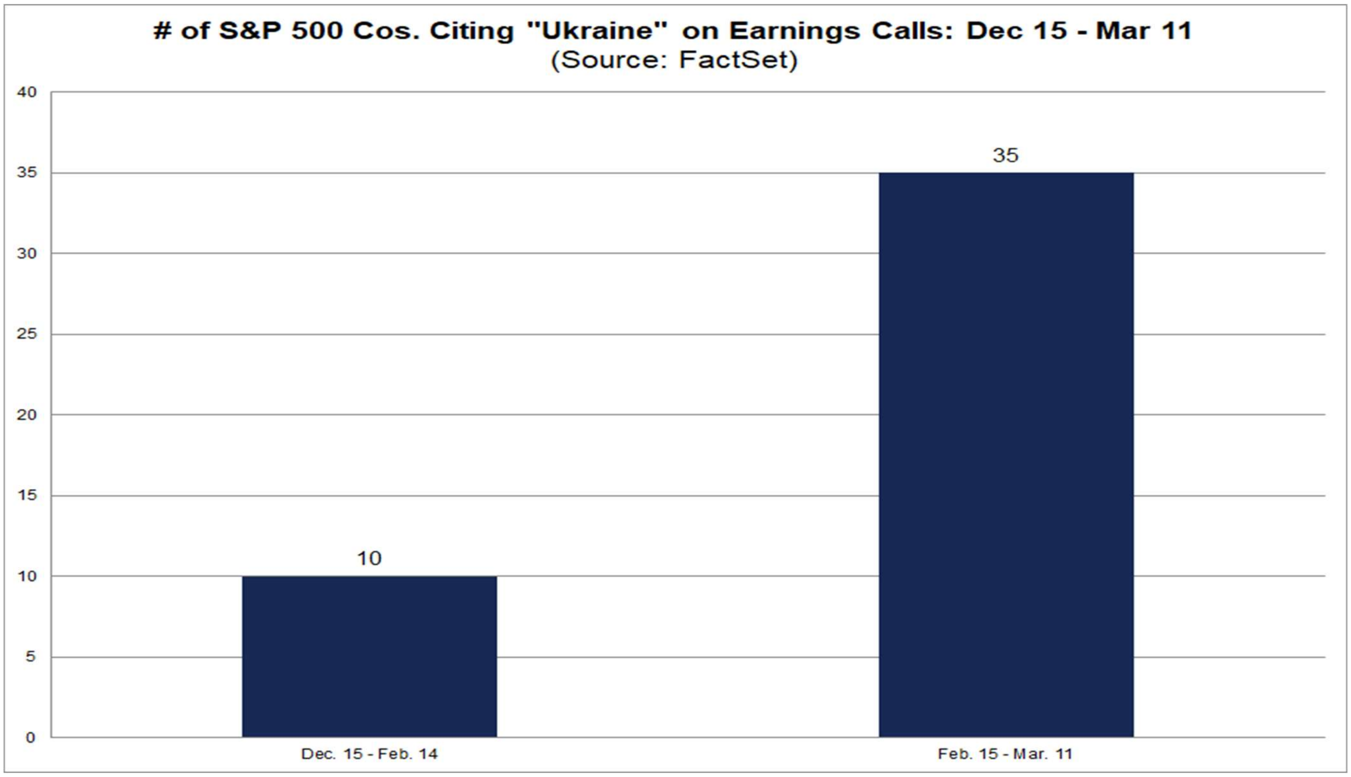
FactSet Document Search (which allows users to search for key words or phrases across multiple document types) was used to answer this question. Through Document Search, FactSet searched for the term “Ukraine” in the conference call transcripts of all the S&P 500 companies that conducted earnings conference calls from December 15 through March 11.

Of these companies, 45 have cited the term “Ukraine” on their earnings calls for the fourth quarter, which is well above the five-year average of four. In fact, this is the highest number of S&P 500 companies citing “Ukraine” on earnings calls going back to at least 2010 (using current index constituents going back in time). The previous record was 40, which occurred in Q1 2014.

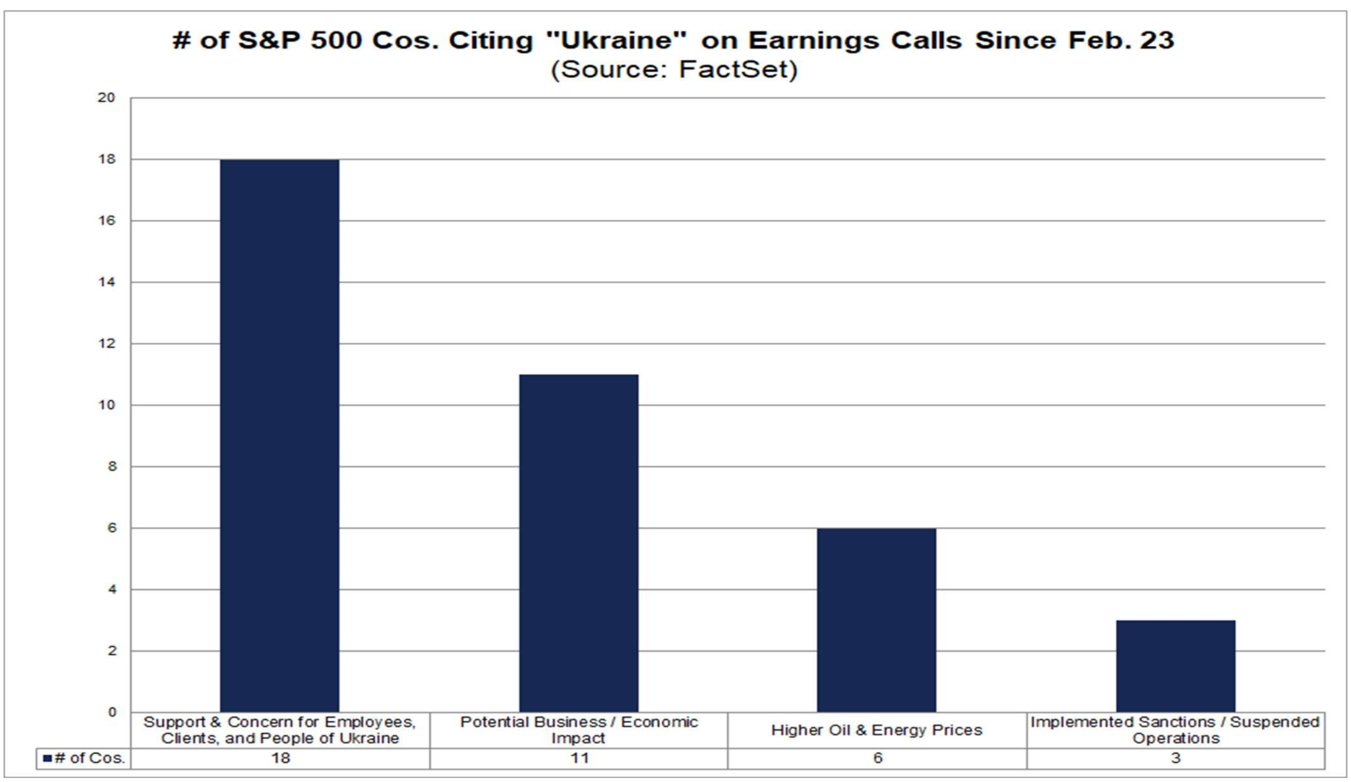
In terms of timing, there was a substantial increase in the number of S&P 500 companies citing “Ukraine” on earnings calls starting the week of February 14. From December 15 through February 14, only 10 S&P 500 companies cited “Ukraine” on their earnings calls for the fourth quarter. From February 15 through March 11, 35 S&P 500 companies cited “Ukraine” on their earnings calls for the fourth quarter.

Since the escalation of the military conflict on February 23, 25 S&P 500 companies have cited “Ukraine” on earnings calls for the fourth quarter. Of these 25 companies, 18 expressed support and concern for their employees and clients in Ukraine (and more broadly for the people of Ukraine). Eleven companies discussed the potential business or economic impact of the conflict. Six companies also discussed higher oil and energy prices in conjunction with their comments on Ukraine. These numbers do not add to 25, as some companies commented on multiple topics. The comments from the 25 companies that have cited “Ukraine” on their earnings calls since February 23 can be found in Appendix 1 on pages 33 to 35.





# of S&P 500 Cos. Citing "Ukraine" on Earnings Calls: Dec 15 - Mar 11
(Source: FactSet)



# of S&P 500 Cos. Citing "Ukraine" on Earnings Calls Since Feb. 23
(Source: FactSet)

Q1 Earnings Season: By The Numbers

Overview

Analysts and companies have been more pessimistic compared to recent quarters in their earnings estimate revisions and earnings outlooks for the first quarter to date. As a result, expected earnings for the S&P 500 for the first quarter are lower today compared to expectations at the start of the quarter. The index is expected to report single-digit earnings growth for the first quarter for the first time since Q4 2020.

In terms of earnings estimate revisions for companies in the S&P 500, analysts have decreased earnings estimates in aggregate for Q1 2022. On a per-share basis, estimated earnings for the first quarter have decreased by 0.8% since December 31. Over the past four quarters, analysts increased EPS estimates by 4.2% on average during the quarter. However, over longer time periods, analysts have usually reduced earnings estimates during the quarter. Over the past five years (20 quarters), earnings estimates have fallen by 2.5% on average during a quarter. Over the past ten years, (40 quarters), earnings estimates have fallen by 3.4% on average during a quarter. Over the past fifteen years, (60 quarters), earnings estimates have fallen by 4.8% on average during a quarter.

More S&P 500 companies have issued negative EPS guidance for Q1 2022 compared to recent quarters as well. At this point in time, 94 companies in the index have issued EPS guidance for Q1 2022, Of these 94 companies, 65 have issued negative EPS guidance and 29 have issued positive EPS guidance. Over the past four quarters, 45 S&P 500 companies issued negative EPS guidance on average for the quarter. The percentage of companies issuing negative EPS guidance for Q1 2022 is 69% (65 out of 94), which is above the 5-year average of 60%.

Because of the higher number of companies issuing negative EPS guidance and the net downward revisions to earnings estimates, the estimated (year-over-year) earnings growth rate for Q1 2022 is lower now relative to the start of the first quarter. As of today, the S&P 500 is expected to report (year-over-year) earnings growth of 4.8%, compared to the estimated (year-over-year) earnings growth rate of 5.8% on December 31.

If 4.8% is the actual growth rate for the quarter, it will mark the lowest earnings growth rate reported by the index since Q4 2020 (3.8%). Seven of the eleven sectors are projected to report year-over-year earnings growth, led by the Energy, Industrials, and Materials sectors. Four sectors are predicted to report a year-over-year decline in earnings, led by the Financials and Consumer Discretionary sectors.

In terms of revenues, analysts have continued to be more optimistic than normal in their revenue estimate revisions. Because of the net upward revisions to revenue estimates, the estimated (year-over-year) revenue growth rate for Q1 2022 is higher now relative to the start of the first quarter. As of today, the S&P 500 is expected to report (year-over-year) revenue growth of 10.7%, compared to the estimated (year-over-year) revenue growth rate of 9.7% on December 31.

If 10.7% is the actual growth rate for the quarter, it will mark the fifth-straight quarter of year-over-year revenue growth above 10% for the index. Ten of the eleven sectors are projected to report year-over-year growth in revenues, led by the Energy and Materials sectors.

The forward 12-month P/E ratio is 18.5, which is below the 5-year average (18.6) but above the 10-year average (16.8). It is also below the forward P/E ratio of 21.3 recorded at the end of the fourth quarter (December 31), as prices have decreased while the forward 12-month EPS estimate has increased since December 31.

During the upcoming week, one S&P 500 company is scheduled to report results for the fourth quarter and three S&P 500 companies are scheduled to report results for the first quarter.

Earnings Revisions: Industrials Sector Sees Largest Estimate Decreases

Small Increase in Estimated Earnings Growth Rate for Q1 This Week

During the past week, the estimated earnings growth rate for the S&P 500 for Q1 2022 increased slightly to 4.8% from 4.7%. Upward revisions to EPS estimates for companies in the Energy sector were mainly responsible for the small increased in the overall earnings growth rate for the index during the week.

The estimated earnings growth rate for the S&P 500 for Q1 2021 of 4.8% today is below the estimate of 5.8% at the start of the quarter (December 31), as estimated earnings for the index of $450.6 billion today are 0.9% below the estimate of $454.7 billion at the start of the quarter. Seven sectors have recorded a decrease in expected (dollar-level) earnings due to downward revisions to earnings estimates, led by the Industrials, Consumer Discretionary, and Communication Services sectors. On the other hand, four sectors have recorded an increase in expected (dollar-level) earnings due to upward revisions to earnings estimates, led by the Energy sector.

Industrials: Airlines Lead Earnings Decrease Since December 31

The Industrials sector has recorded the largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -11.9% (to $27.9 billion from $31.6 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has fallen to 32.1% from 50.0% during this time. This sector has also witnessed a decrease in price of 7.0% since December 31. Overall, 52 of the 72 companies (72%) in the Industrials sector have seen a decrease in their mean EPS estimate during this time. Of these 52 companies, 13 have recorded a decrease in their mean EPS estimate of more than 10%, led by Alaska Air Group (to -$1.67 from -$0.55), Southwest Airlines (to -$0.60 from -$0.22), Delta Air Lines (to -$1.46 from -$0.68), Boeing (to -$0.04 from $0.45), American Airlines Group (to -$2.53 from -$1.35), and United Airlines Holdings (to -$3.91 from -$2.35). American Airlines Group, United Airlines Holdings, and Delta Air Lines have also been the largest contributors to the decrease in expected (dollar-level) earnings for this sector since December 31.

Consumer Discretionary: Amazon.com Leads Earnings Decrease Since December 31

The Consumer Discretionary sector has recorded the second-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -8.7% (to $29.4 billion from $32.2 billion). As a result, the estimated (year-over-year) earnings decline for this sector has increased to -11.5% from -3.1% during this time. This sector has also witnessed the largest decrease in price (-16.8%) of all eleven sectors since December 31. Overall, 43 of the 59 companies (73%) in the Consumer Discretionary sector have seen a decrease in their mean EPS estimate during this time. Of these 43 companies, 22 have recorded a decrease in their mean EPS estimate of more than 10%, led by Las Vegas Sands (to -$0.20 from -$0.01), Caesars Entertainment (to -$2.04 from -$0.31), MGM Resorts (to -$0.10 from $0.06), and Wynn Resorts (to -$1.06 from -$0.49). However, Amazon.com (to $8.52 from $10.35) has been the largest contributor to the decrease in expected (dollar-level) earnings for this sector since December 31.

Communication Services: Meta Platforms Leads Earnings Decrease Since December 31

The Communication Services sector has recorded the third-largest percentage decrease in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at -4.9% (to $45.8 billion from $48.2 billion). As a result, the estimated (year-over-year) earnings decline for this sector has increased to -5.3% from -0.5% during this time. This sector has also witnessed the second-largest decrease in price (-16.3%) of all eleven sectors since December 31. Overall, 19 of the 23 companies (83%) in the Communication Services sector have seen a decrease in their mean EPS estimate during this time. Of these 19 companies, 7 have recorded a decrease in their mean EPS estimate of more than 10%, led by Live Nation Entertainment (to -$0.68 from -$0.21), Twitter (to $0.05 from $0.16), Paramount Global (to $0.54 from $1.14), and T-Mobile (to $0.54 from $1.80). However, Meta Platforms (to $2.59 from $3.07) has been the largest contributor to the decrease in expected (dollar-level) earnings for this sector since December 31.

Energy: Exxon Mobil and Chevron Lead Earnings Increase Since December 31

The Energy sector has recorded the largest percentage increase in estimated (dollar-level) earnings of all eleven sectors since the start of the quarter at 21.1% (to $31.0 billion from $25.6 billion). As a result, the estimated (year-over-year) earnings growth rate for this sector has increased to 221.0% from 165.2% during this time. This sector has also witnessed the largest increase in price (+38.5%) of all eleven sectors since December 31. Rising oil prices are helping to drive the increase in expected earnings for this sector, as the price of oil has increased by 41% since December 31 (to $106.02 from $75.21). Overall, 16 of the 21 companies (76%) in the Energy sector have seen an increase in their mean EPS estimate during this time. Of these 16 companies, 11 have recorded an increase in their mean EPS estimate of more than 10%, led by Marathon Petroleum (to $1.07 from $0.28), Occidental Petroleum (to $1.40 from $0.86), Valero Energy (to $1.58 from $1.03), and Phillips 66 (to $1.79 from $1.26). However, Exxon Mobil (to $2.04 from $1.59) and Chevron (to $3.21 from $2.60) have been the largest contributors to the increase in estimated (dollar-level) earnings for this sector since December 31.

Index-Level EPS Estimate: 0.8% Decrease Since December 31

The Q1 bottom-up EPS estimate (which is an aggregation of the median Q1 earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings of the index) has decreased by 0.8% (to $51.79 from $52.21) since December 31. In a typical quarter, analysts usually reduce earnings estimates. Over the past five years (20 quarters), earnings expectations have fallen by 2.5% on average during a quarter. Over the past ten years, (40 quarters), earnings expectations have fallen by 3.4% on average during a quarter. Over the past fifteen years (60 quarters), earnings expectations have fallen by 4.8% on average during a quarter.

Guidance: % of S&P 500 Companies Issuing Negative EPS Guidance for Q1 is Above Average

At this point in time, 94 companies in the index have issued EPS guidance for Q1 2022. Of these 94 companies, 65 have issued negative EPS guidance and 29 have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 69% (65 out of 94), which is above the 5-year average of 60%.

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.

Earnings Growth: 4.8%

The estimated (year-over-year) earnings growth rate for Q1 2021 is 4.8%, which is below the 5-year average earnings growth rate of 13.7%. If 4.8% is the actual growth rate for the quarter, it will mark the lowest (year-over-year) earnings growth rate reported by the index since Q4 2020 (3.8%). Seven of the eleven sectors are expected to report (year-over-year) earnings growth, led by the Energy, Industrials, and Materials sectors. On the other hand, four sectors are expected to report a (year-over-year) decline in earnings, led by the Financials and Consumer Discretionary sectors.

Energy: 3 of 5 Sub-Industries Expected to Report Year-Over-Year Growth Above 80%

The Energy sector is expected to report the highest (year-over-year) earnings growth of all eleven sectors at 221.0%. Higher year-over-year oil prices are contributing to the year-over-year improvement in earnings for this sector, as the average price of oil to date in Q1 2022 ($91.40) is 57% above the average price for oil in Q1 2021 ($58.14). At the sub-industry level, four of the five sub-industries in the sector are expected to report a (year-over-year) increase in earnings. A growth rate is not being calculated for the Oil & Gas Refining & Marketing sub-industry due to the loss reported by the sub-industry in the year-ago quarter. However, this sub-industry is projected to report a profit in Q1 2022 ($2.1 billion) compared to a loss in Q1 2021 (-$1.3 billion). The other three sub-industries that are projected to report (year-over-year) earnings growth are the Integrated Oil & Gas (272%), Oil & Gas Exploration & Production (161%), and Oil & Gas Equipment & Services (83%) sub-industries. On the other hand, the Oil & Gas Storage & Transportation (-33%) sub-industry is the only sub-industry predicted to report a (year-over-year) loss in the sector.

Industrials: Boeing and Airlines Industry Are Largest Contributors to Year-Over-Year Growth

The Industrials sector is expected to report the second-highest (year-over-year) earnings growth rate of all eleven sectors at 32.1%. At the industry level, 10 of the 12 industries in the sector are projected to report a (year-over-year) increase in earnings. A growth rate is not being calculated for the Airlines industry due to the loss reported by the industry in the year-ago quarter. However, this industry is predicted to report a smaller loss in Q1 2022 (-$4.4 billion) compared to Q1 2021 (-$8.9 billion). Six of the remaining nine industries are expected to report earnings growth above 10%: Construction & Engineering (68%), Trading Companies & Distributors (32%), Road & Rail (20%), Aerospace & Defense (15%), Air Freight & Logistics (14%), and Electrical Equipment (11%). On the other hand, two industries are predicted to report a (year-over-year) decline in earnings, led by the Industrial Conglomerates (-6%) industry. Boeing and the five companies in the Airlines industry are the largest contributors to earnings growth for the sector. If these six companies were excluded, the estimated earnings growth rate for the Industrials sector would fall to 4.6% from 32.1%.

Materials: Metals & Mining Industry Leads Year-over-Year Growth

The Materials sector is expected to report the third-highest (year-over-year) earnings growth rate of all eleven sectors at 30.8%. At the industry level, three of the four industries in this sector are projected to report (year-over-year) earnings growth above 10%: Metals & Mining (70%), Chemicals (24%), and Containers & Packaging (12%). On the other hand, the Construction Materials industry (-3%) is the only industry predicted to report a (year-over-year) decline in earnings.

Financials: Banks Industry Leads Year-Over-Year Decline

The Financials sector is expected to report the largest (year-over-year) earnings decline of all eleven sectors at -22.8%. At the industry level, all five industries in this sector are projected to report a (year-over-year) earnings decline. Four of these five industries are predicted to report a (year-over-year) decrease in earnings of 10% or more: Banks (-32%), Consumer Finance (-24%), Capital Markets (-16%), and Insurance (-10%).

Consumer Discretionary: Amazon and Ford Are Largest Contributors to Year-Over-Year Decline

The Consumer Discretionary sector is expected to report the second-largest (year-over-year) earnings decline of all eleven sectors at -11.5%. At the industry level, 7 of the 10 industries in the sector are expected to report a (year-over-year) decrease in earnings. Five of these seven industries are projected to report a double-digit decline in earnings: Internet & Direct Marketing Retail (-43%), Leisure Products (-35%), Auto Components (-29%), Automobiles (-17%), and Multiline Retail (-13%). On the other hand, three sectors are projected to report (year-over-year) earnings growth. A growth rate is not being calculated for the Hotels, Restaurants, & Leisure industry due to the loss reported in the year-ago quarter. This industry is expected to report a profit in Q1 2022 ($150 million) compared to a loss in Q1 2021 (-$2.4 billion). The other two industries predicted to report earnings growth are the Distributors (5%) and Household Durables (2%) industries. At the company level, Amazon.com and Ford Motor are the largest contributors to the decline in earnings for the sector. If these two companies were excluded, the Consumer Discretionary sector would be expected to report earnings growth of 7.8% rather than an earnings decline of 11.5%.

Revenue Growth: 10.7%

The estimated (year-over-year) revenue growth rate for Q1 2022 is 10.7%, which is above the 5-year average revenue growth rate of 6.5%. If 10.4% is the actual growth rate for the quarter, it will mark the fifth-straight quarter of (year-over-year) revenue growth above 10%. Ten of the eleven sectors are expected to report (year-over-year) growth in revenues, led by the Energy and Materials sectors.

Energy: 4 of 5 Sub-Industries Expected to Report Year-Over-Year Growth Above 35%

The Energy sector is expected to report the highest (year-over-year) revenue growth rate of all eleven sectors at 42.1%. Higher year-over-year oil prices are contributing to the year-over-year improvement in revenues for this sector, as the average price of oil to date in Q1 2022 ($91.40) is 57% above the average price for oil in Q1 2021 ($58.14). At the sub-industry level, four of five sub-industries in the sector are projected to report double-digit (year-over-year) growth in revenues: Oil & Gas Exploration & Production (61%), Integrated Oil & Gas (49%), Oil & Gas Refining & Marketing (38%), and Oil & Gas Equipment & Services (14%). On the other hand, the Oil & Gas Storage & Transportation (-1%) sub-industry is the only sub-industry predicted to report a (year-over-year) decline in revenues.

Materials: Metals & Mining Industry Leads Year-Over-Year Growth

The Materials sector is expected to report the second-highest (year-over-year) revenue growth of all eleven sectors at 20.1%. At the industry level, all four industries in this sector are projected to report (year-over-year) growth in revenues. Three of these four industries are predicted to report revenue growth above 20%: Metals & Mining (34%), Construction Materials (28%), and Chemicals (21%).

Net Profit Margin: 12.2%

The estimated net profit margin for the S&P 500 for Q1 2022 is 12.2%, which is above the 5-year average of 11.0%, but below the year-ago net profit margin of 12.8% and the previous quarter’s net profit margin of 12.4%.

At the sector level, seven sectors are projected to report a (year-over-year) decrease in their net profit margins in Q1 2022 compared to Q1 2021, led by the Financials (17.2% vs. 22.7%) sector. On the other hand, four sectors are projected to report a (year-over-year) increase in their net profit margins, led by the Energy (to 10.3% vs. 4.6%) sector. Seven sectors are projected to report net profit margins in Q1 2022 that are above their 5-year averages, led by the Energy (10.3% vs. 5.3%) sector. On the other hand, four sectors are projected to report net profit margins in Q1 2022 that are below their 5-year averages, led by the Consumer Discretionary (to 6.2% from 6.6%) sector.

Looking Ahead: Forward Estimates and Valuation

Earnings: S&P 500 Reporting Earnings Growth of 48% for CY 2021

For the fourth quarter, S&P 500 companies are reporting earnings growth of 31.2% and revenue growth of 16.1%. For the full year, the index is reporting earnings growth of 47.7% and revenue growth of 16.5%

For Q1 2022, analysts are projecting earnings growth of 4.8% and revenue growth of 10.7%.

For Q2 2022, analysts are projecting earnings growth of 5.2% and revenue growth of 9.5%.

For CY 2022, analysts are projecting earnings growth of 9.1% and revenue growth of 8.9%.

Valuation: Forward P/E Ratio is 18.5, Above the 10-Year Average (16.8)

The forward 12-month P/E ratio is 18.5. This P/E ratio is below the 5-year average of 18.6 but above the 10-year average of 16.8. It is also below the forward 12-month P/E ratio of 21.3 recorded at the end of the fourth quarter (December 31). Since the end of the fourth quarter (December 31), the price of the index has decreased by 10.6%, while the forward 12-month EPS estimate has increased by 3.1%. At the sector level, the Consumer Discretionary (25.3) and Information Technology (22.6) sectors have the highest forward 12-month P/E ratios, while the Energy (13.3) and Financials (13.7) sectors have the lowest forward 12-month P/E ratios.

The trailing 12-month P/E ratio is 20.8, which is below the 5-year average of 23.1 but above the 10-year average of 20.1.

Targets & Ratings: Analysts Project 24% Increase in Price Over Next 12 Months

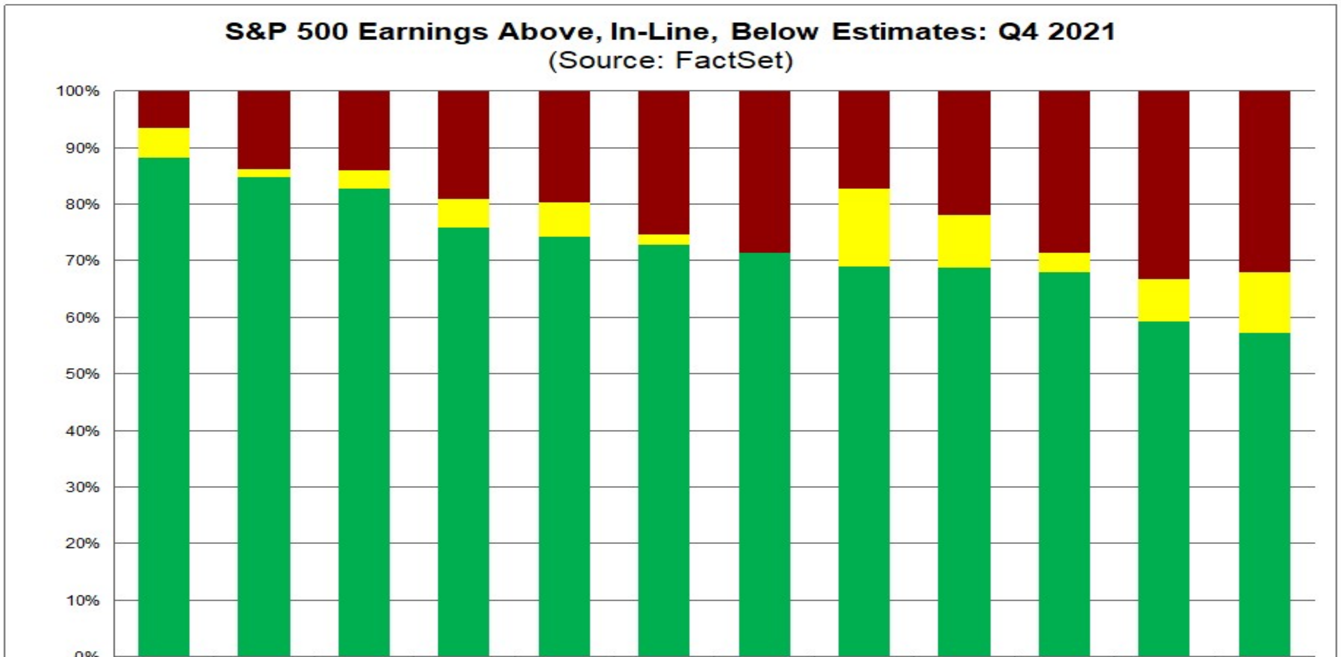
The bottom-up target price for the S&P 500 is 5292.10, which is 24.2% above the closing price of 4259.52. At the sector level, the Communication Services (+35.8%), Consumer Discretionary (+32.5%), and Information Technology (+31.1%) sectors are expected to see the largest price increases, as these sectors have the largest upside differences between the bottom-up target price and the closing price. On the other hand, the Energy (+1.7%) and Utilities (+6.7%) sectors are expected to see the smallest price increases, as these sectors have the smallest upside differences between the bottom-up target price and the closing price.

Overall, there are 10,872 ratings on stocks in the S&P 500. Of these 10,872 ratings, 57.5% are Buy ratings, 37.1% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Energy (65%) and Information Technology (64%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (42%) sector has the lowest percentage of Buy ratings.

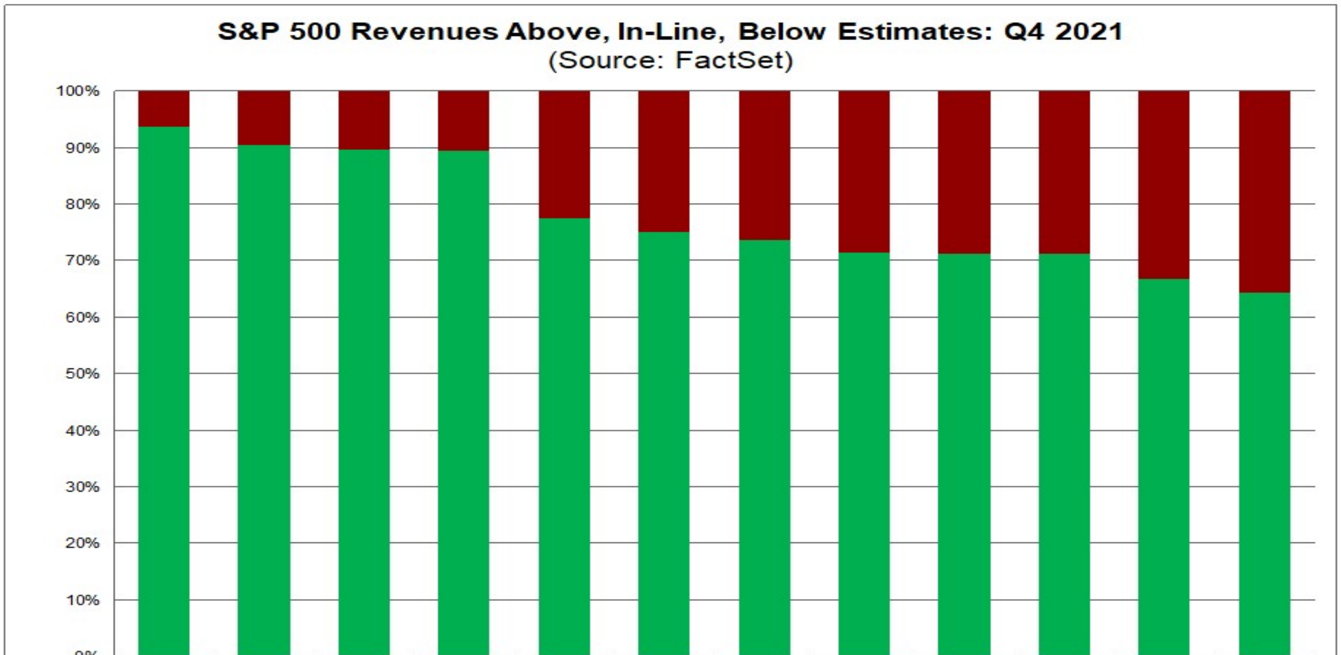
Companies Reporting Next Week: 4

During the upcoming week, one S&P 500 company is scheduled to report results for the fourth quarter and three S&P 500 companies are scheduled to report results for the first quarter.

Q4 2021: Scorecard

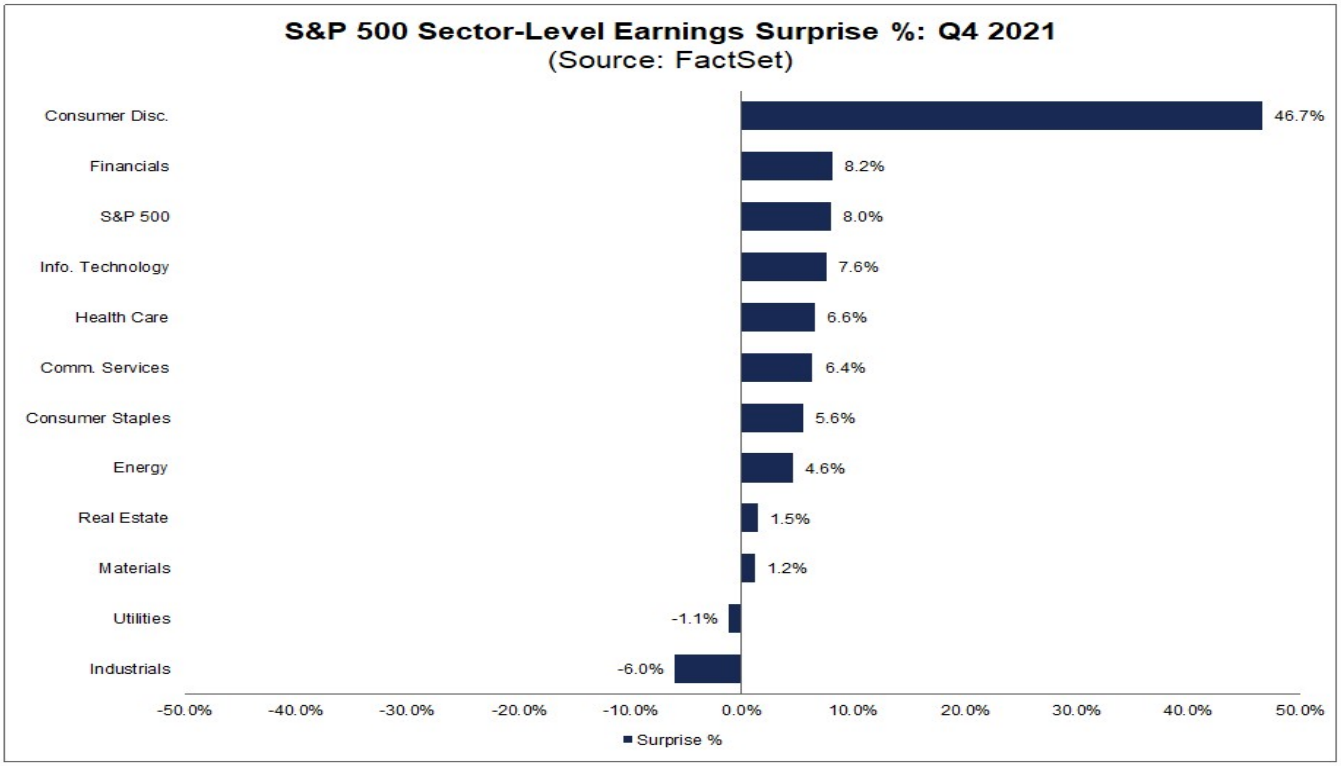


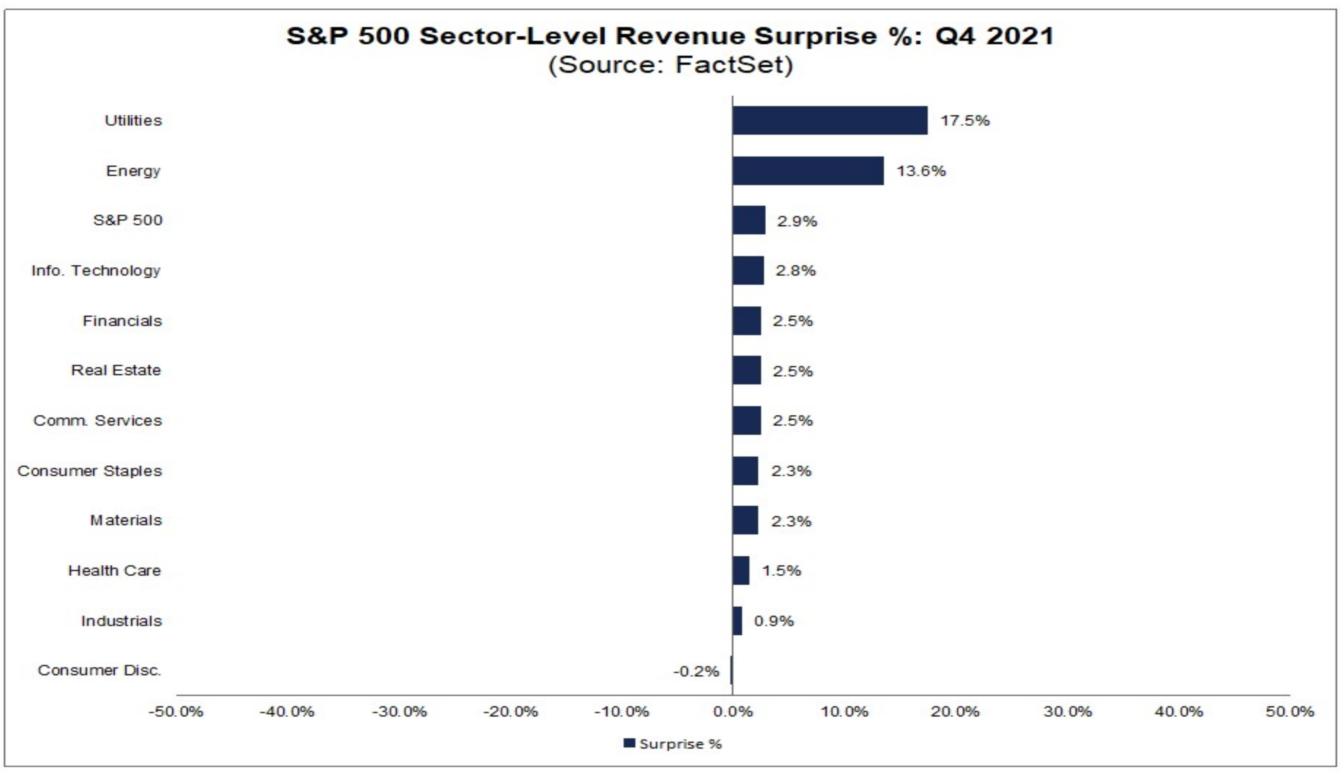
	Info. Technology	Industrials	Health Care	S&P 500	Financials	Consumer Disc.	Energy	Real Estate	Consumer Staples	Utilities	Comm. Services	Materials
Below	7%	14%	14%	19%	20%	25%	29%	17%	22%	29%	33%	32%
In-Line	5%	1%	3%	5%	6%	2%	0%	14%	9%	4%	7%	11%
Above	88%	85%	83%	76%	74%	73%	71%	69%	69%	68%	59%	57%



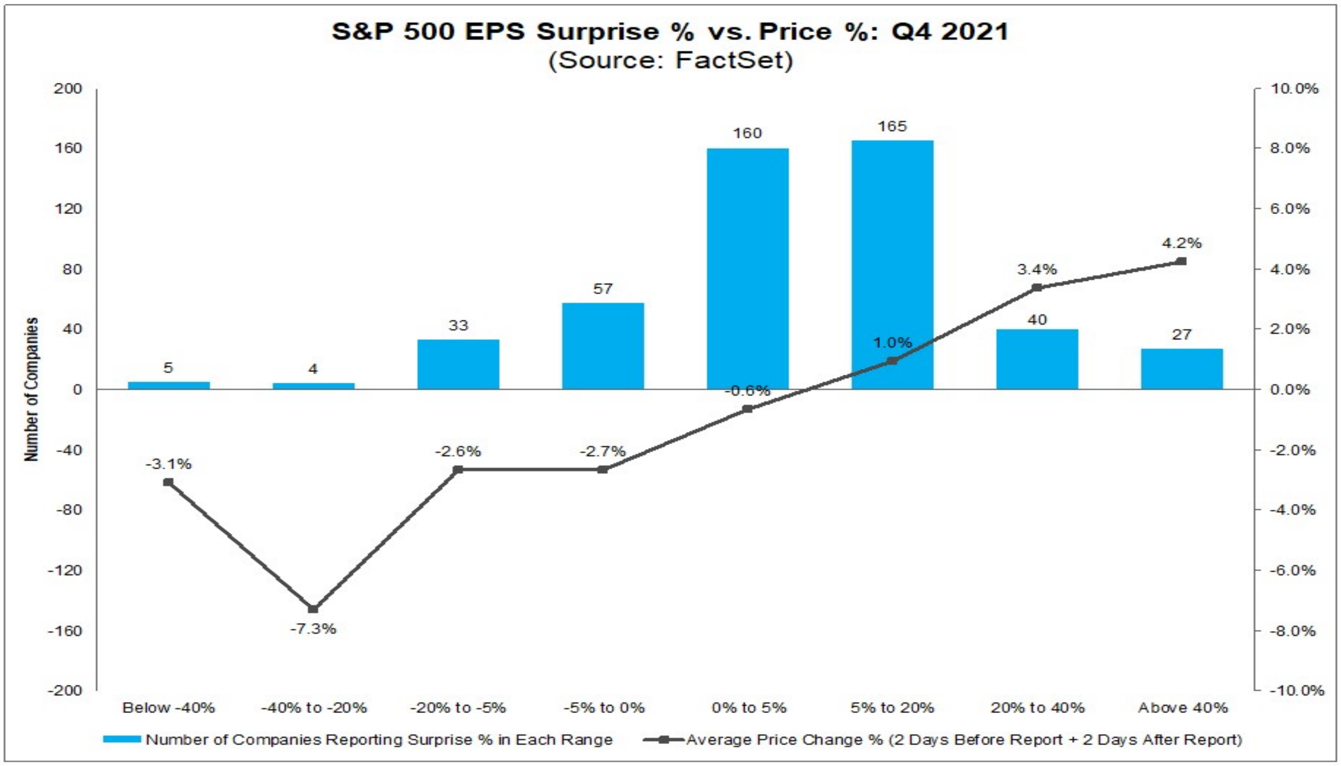
	Consumer Staples	Energy	Real Estate	Info. Technology	S&P 500	Health Care	Industrials	Materials	Financials	Consumer Disc.	Comm. Services	Utilities
Below	6%	10%	10%	11%	23%	25%	26%	29%	29%	29%	33%	36%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	94%	90%	90%	89%	77%	75%	74%	71%	71%	71%	67%	64%

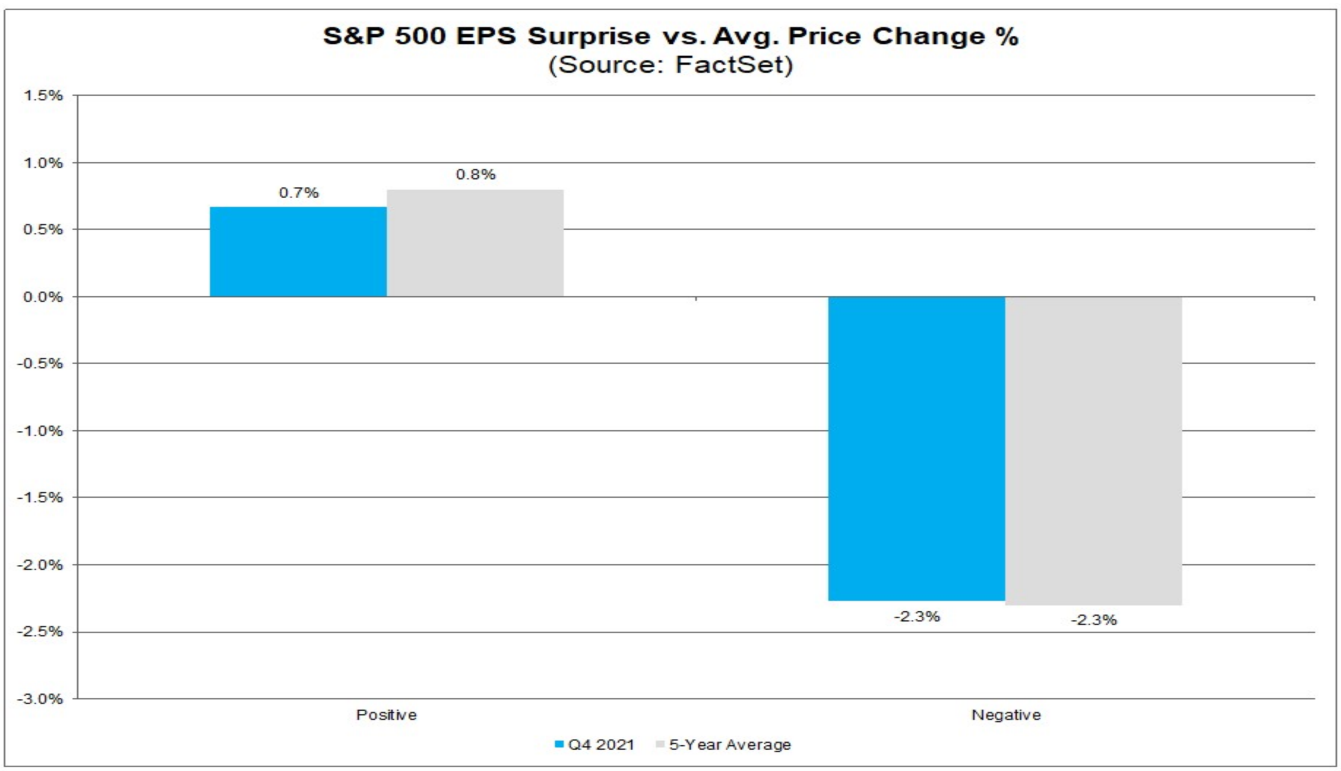
Q4 2021: Scorecard



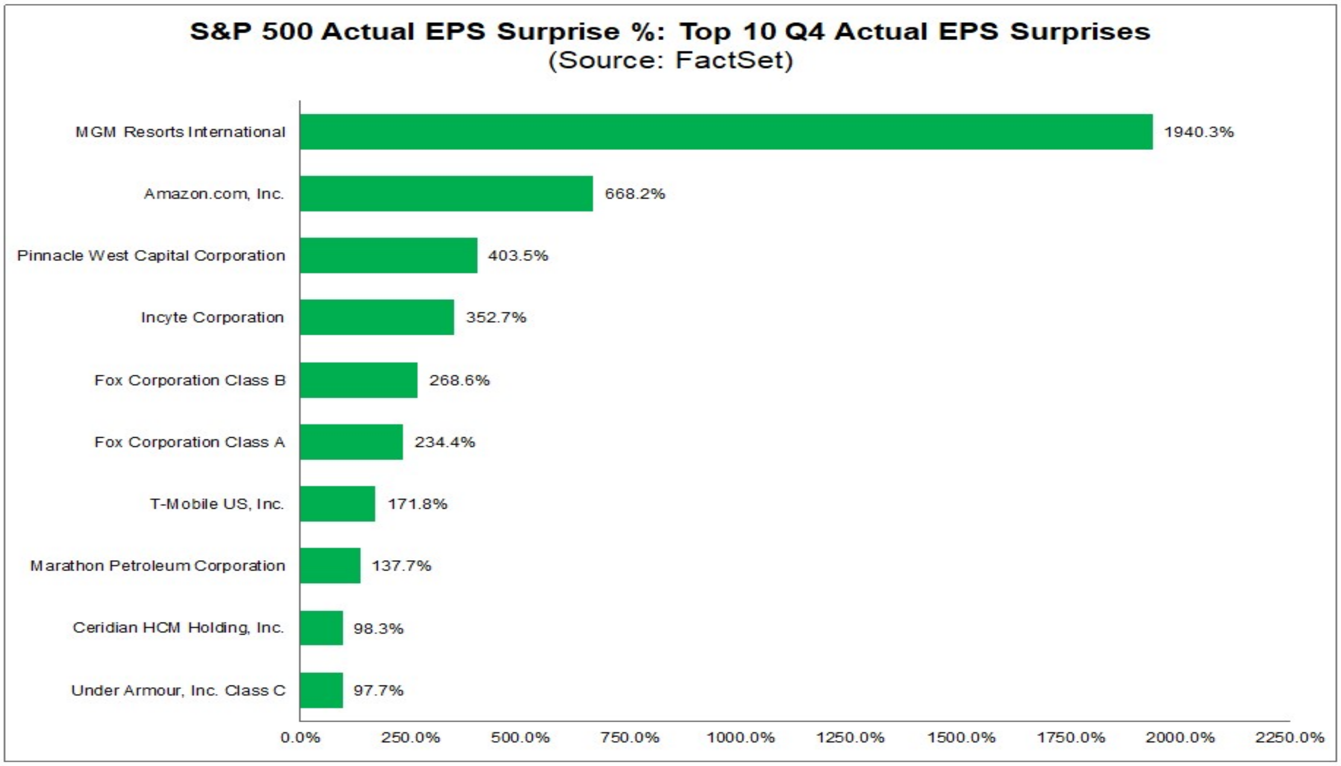


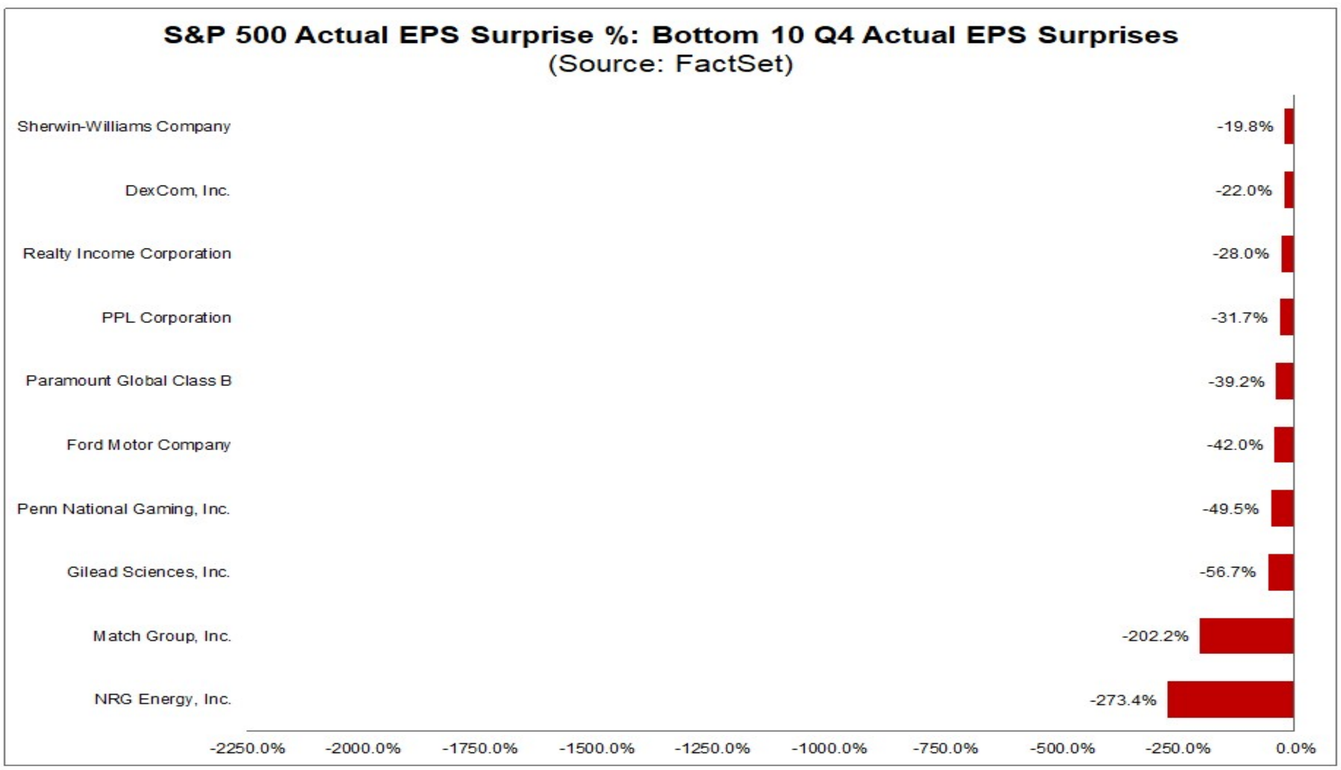
Q4 2021: Scorecard



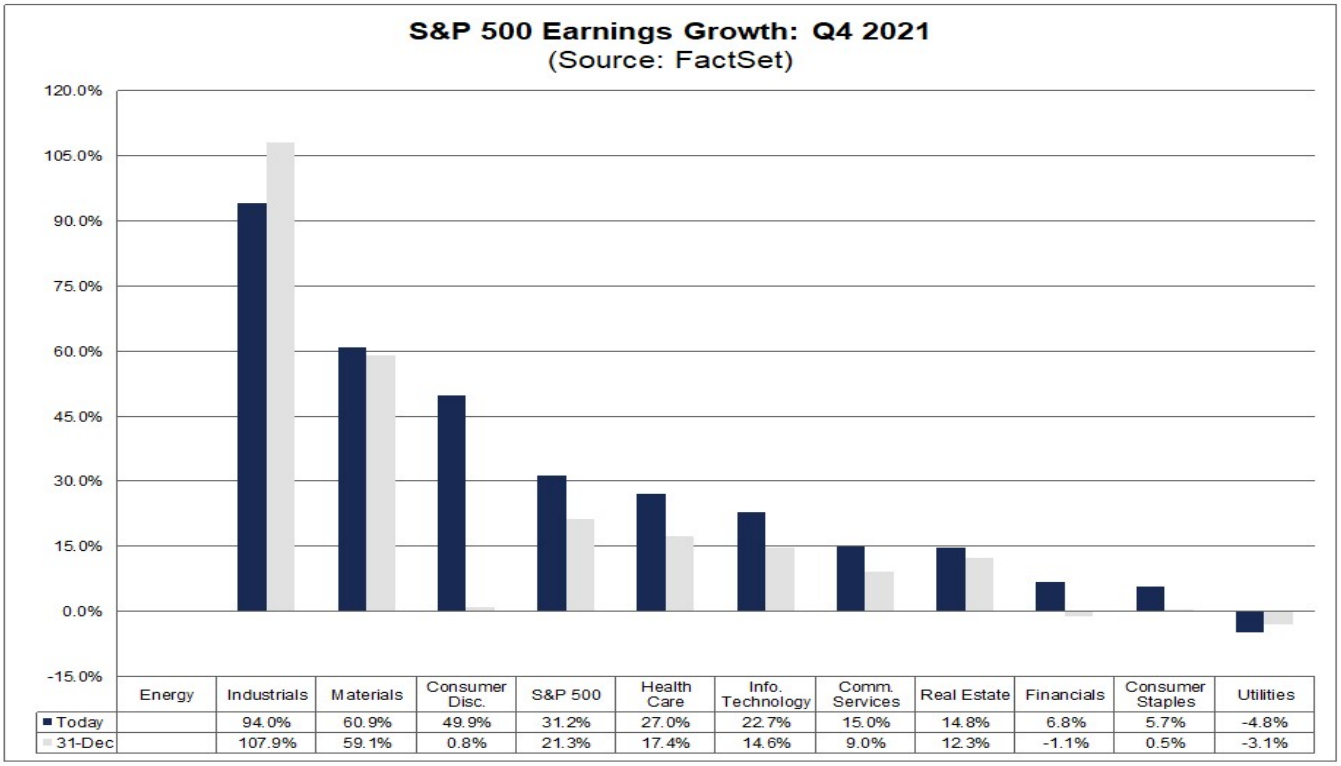


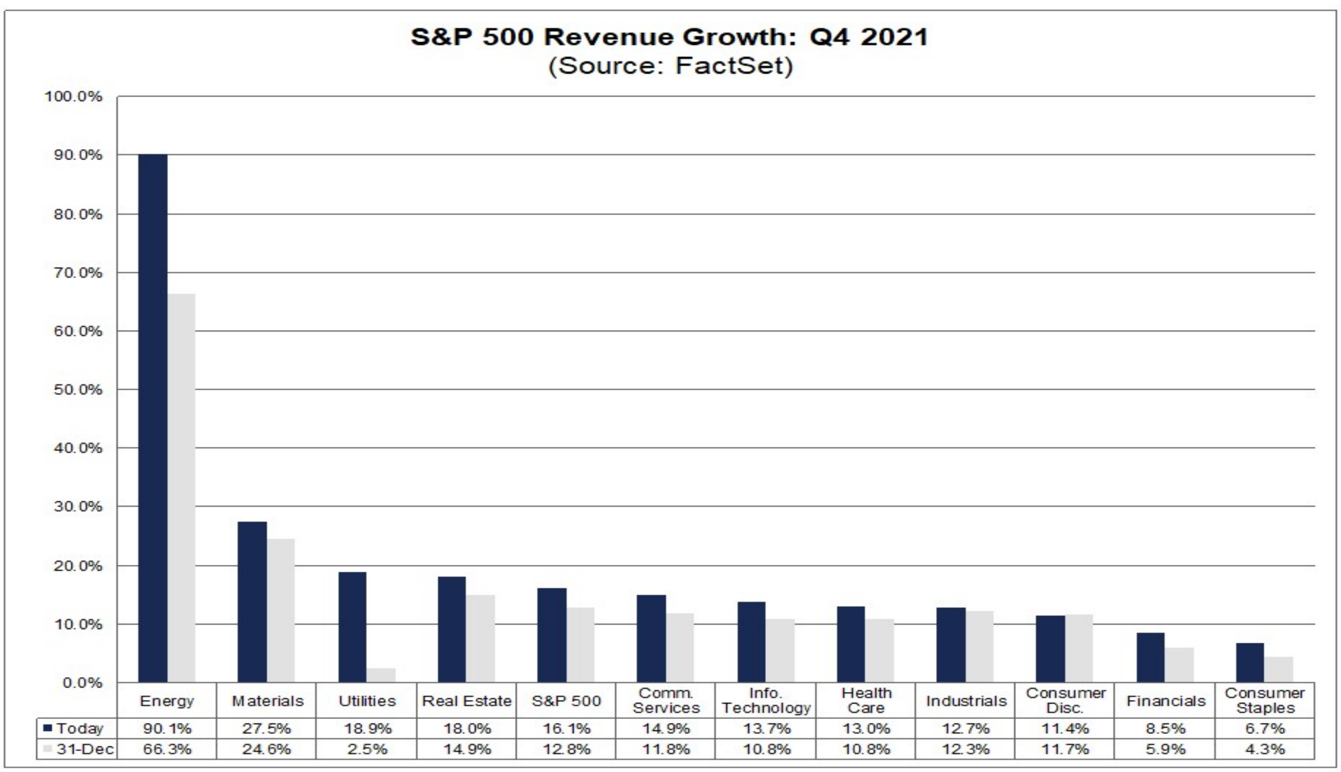
Q4 2021: Scorecard



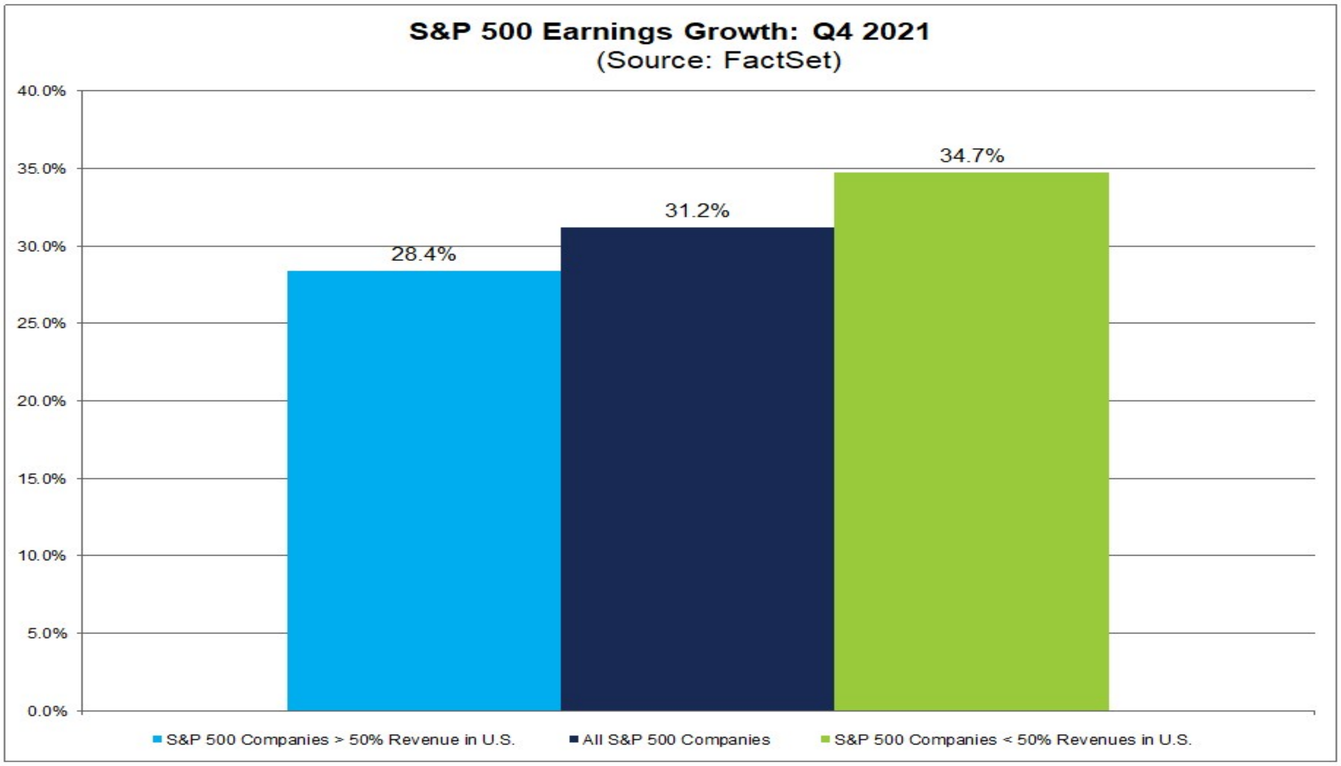


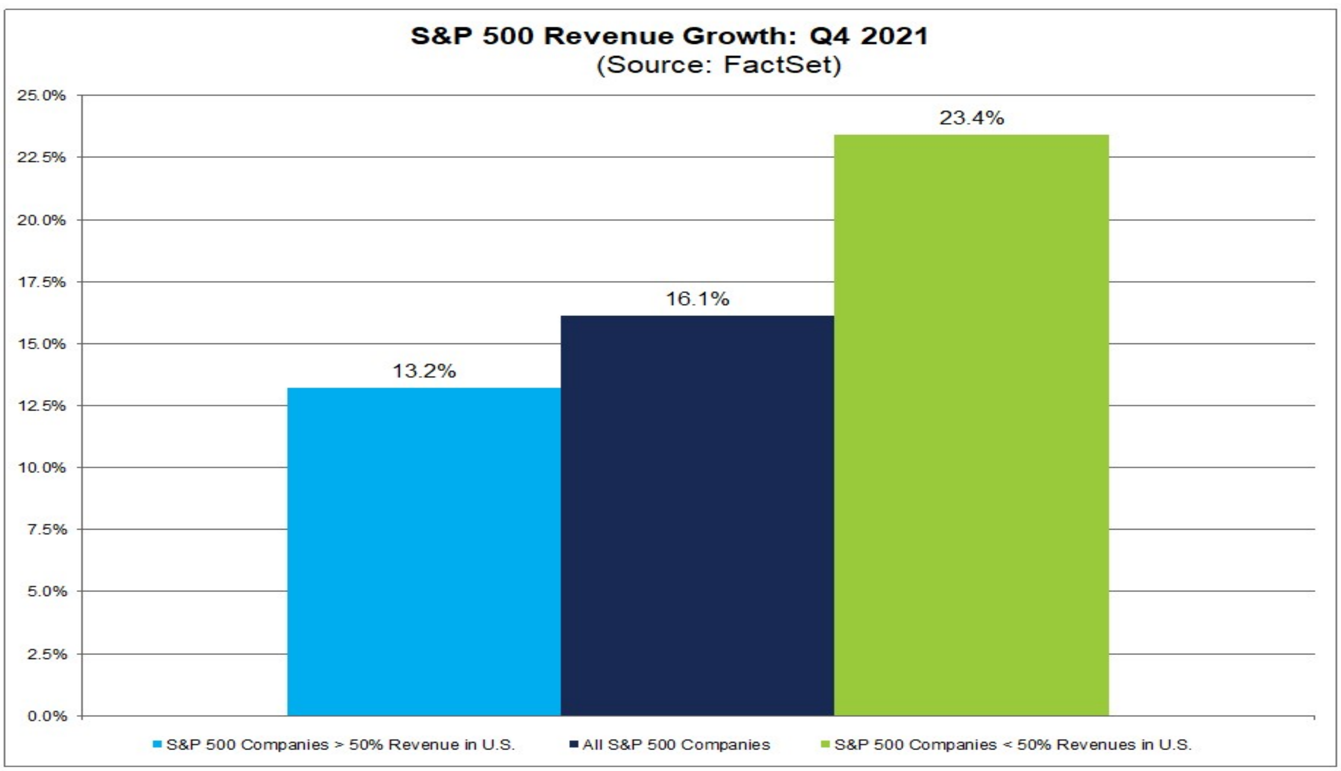
Q4 2021: Growth



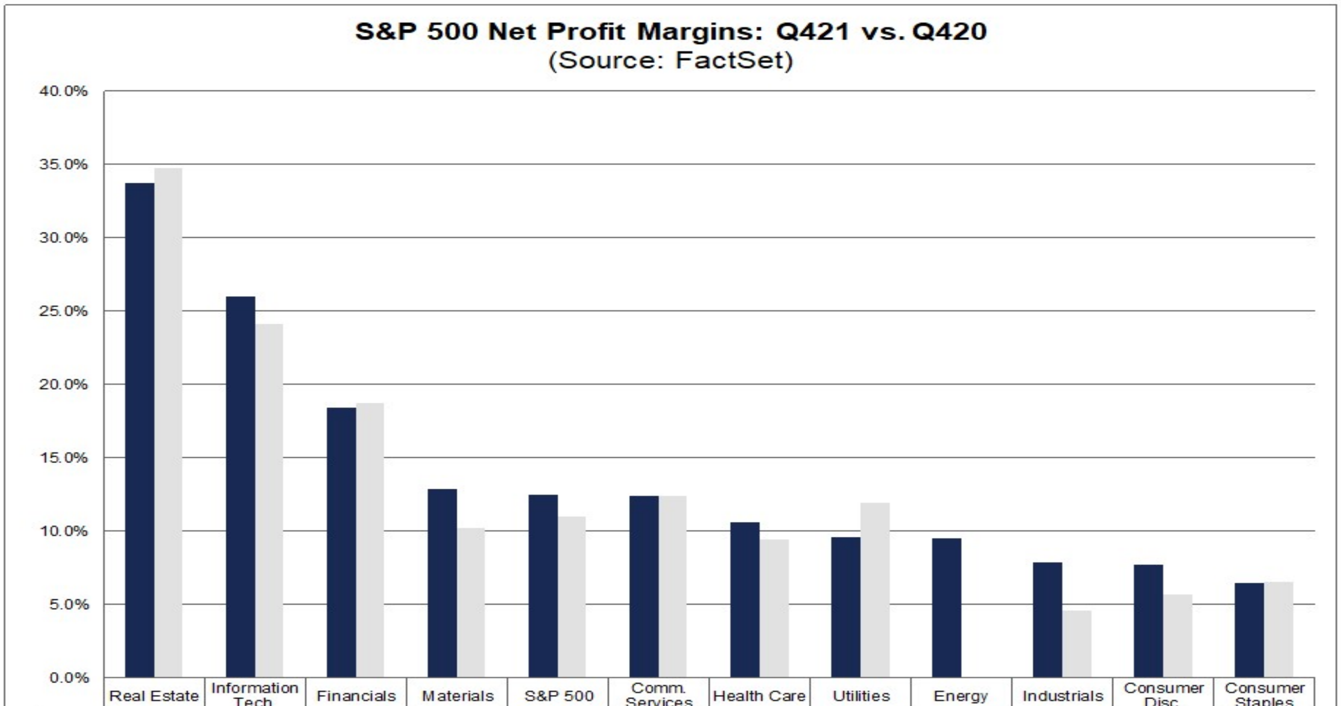


Q4 2021: Growth

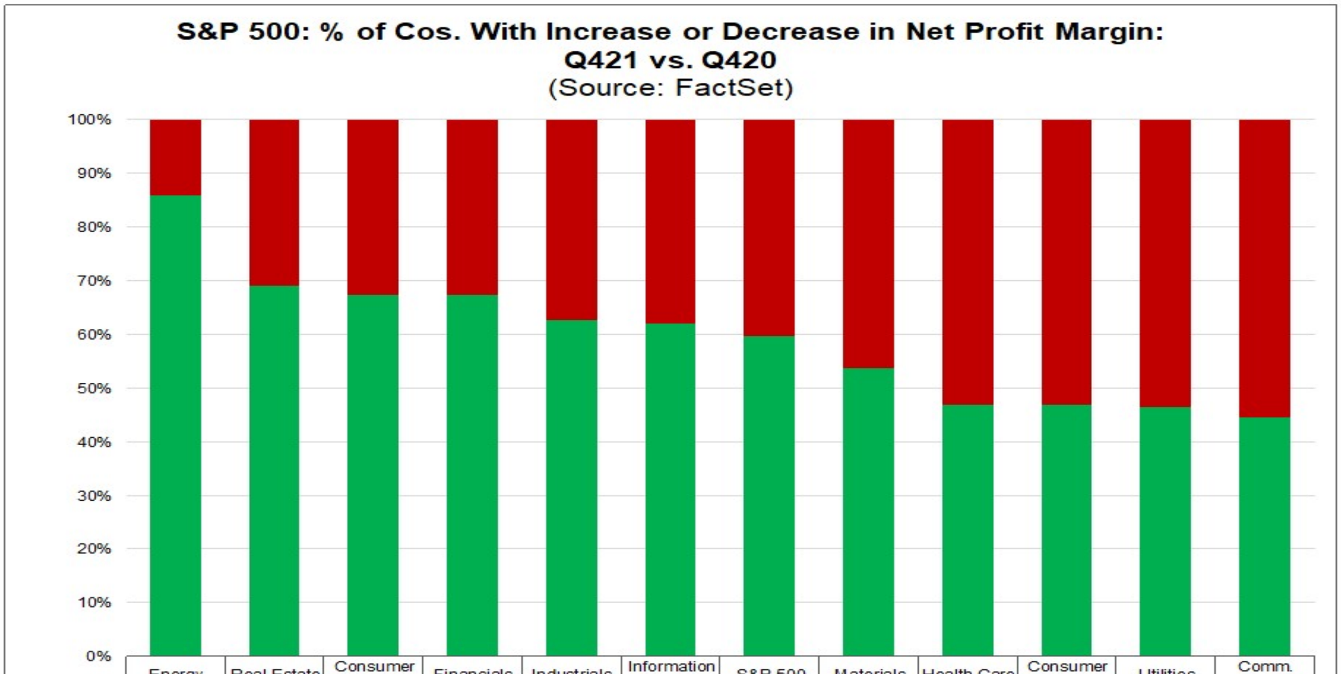




Q4 2021: Net Profit Margin

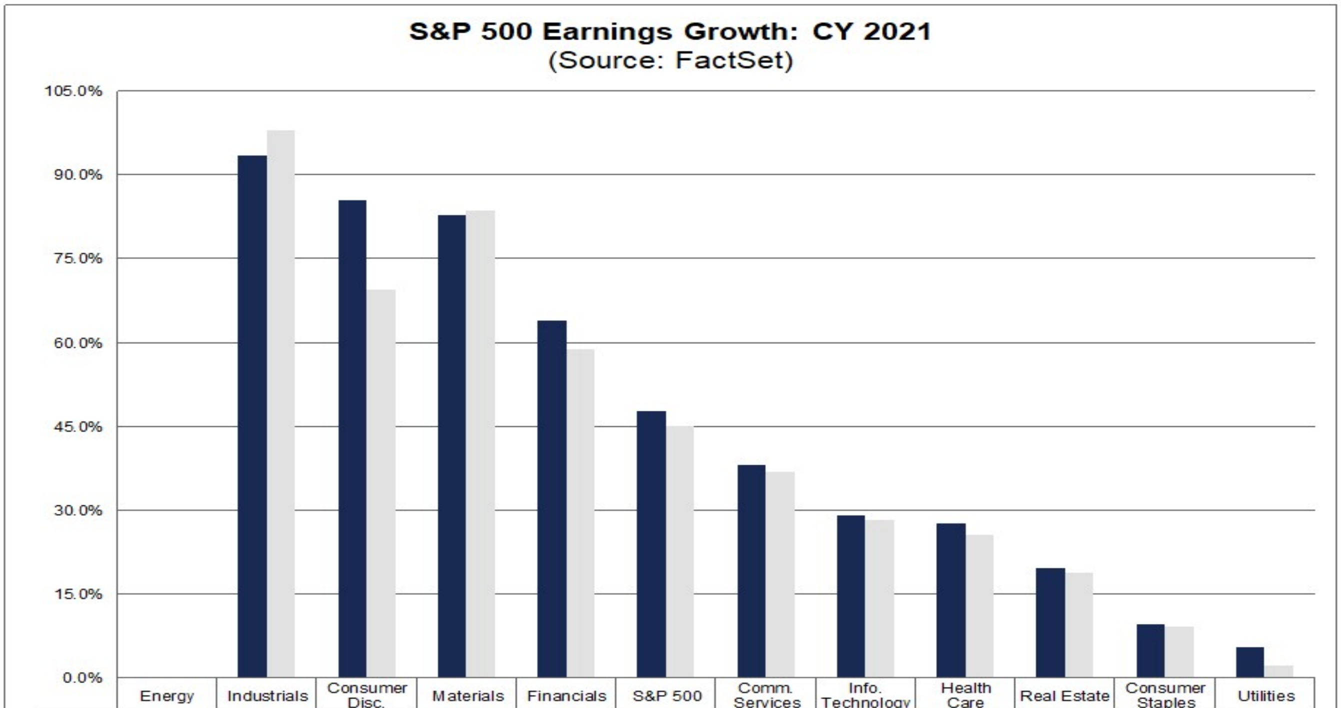


	Real Estate	Information Tech.	Financials	Materials	S&P 500	Comm. Services	Health Care	Utilities	Energy	Industrials	Consumer Disc.	Consumer Staples
Q421	33.8%	26.0%	18.4%	12.8%	12.4%	12.4%	10.6%	9.6%	9.5%	7.8%	7.7%	6.5%
Q420	34.7%	24.1%	18.7%	10.2%	11.0%	12.4%	9.4%	11.9%		4.5%	5.7%	6.5%

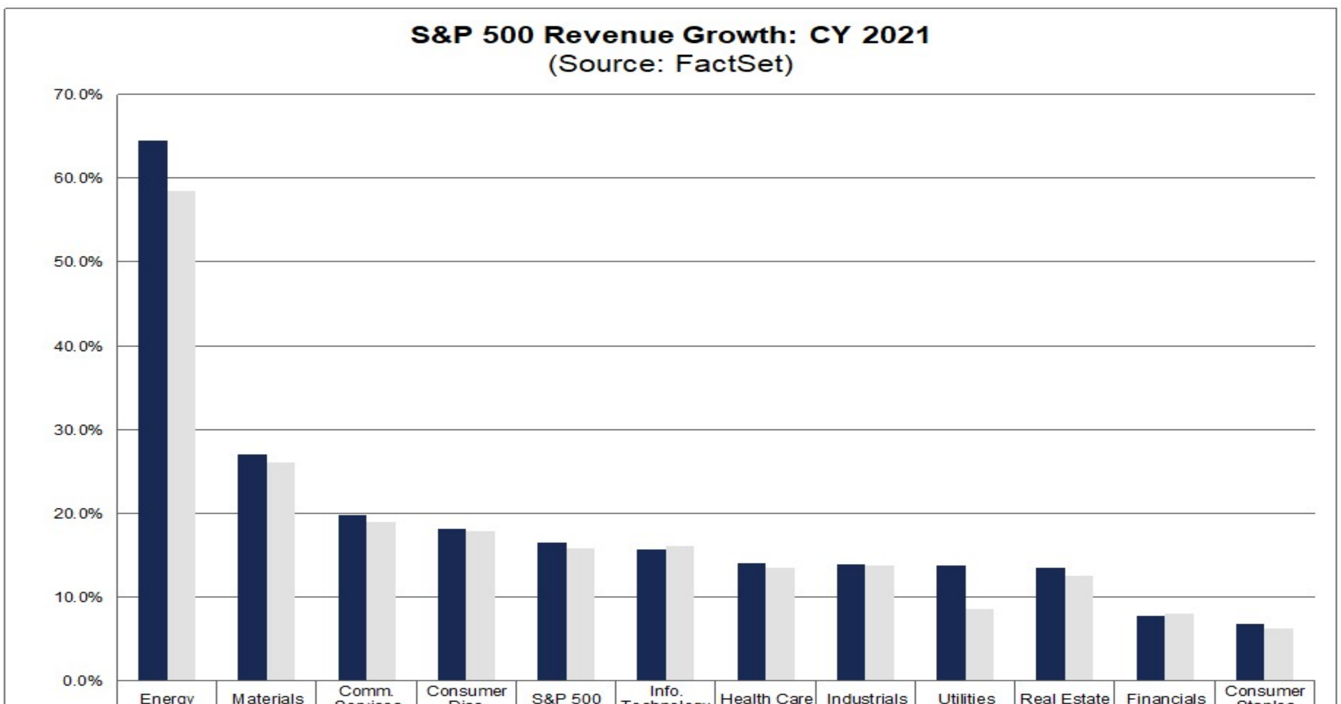


	Energy	Real Estate	Consumer Disc.	Financials	Industrials	Information Tech.	S&P 500	Materials	Health Care	Consumer Staples	Utilities	Comm. Services
Down %	14%	31%	33%	33%	38%	38%	40%	46%	53%	53%	54%	56%
None %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Up %	86%	69%	67%	67%	63%	62%	60%	54%	47%	47%	46%	44%

CY 2021: Growth

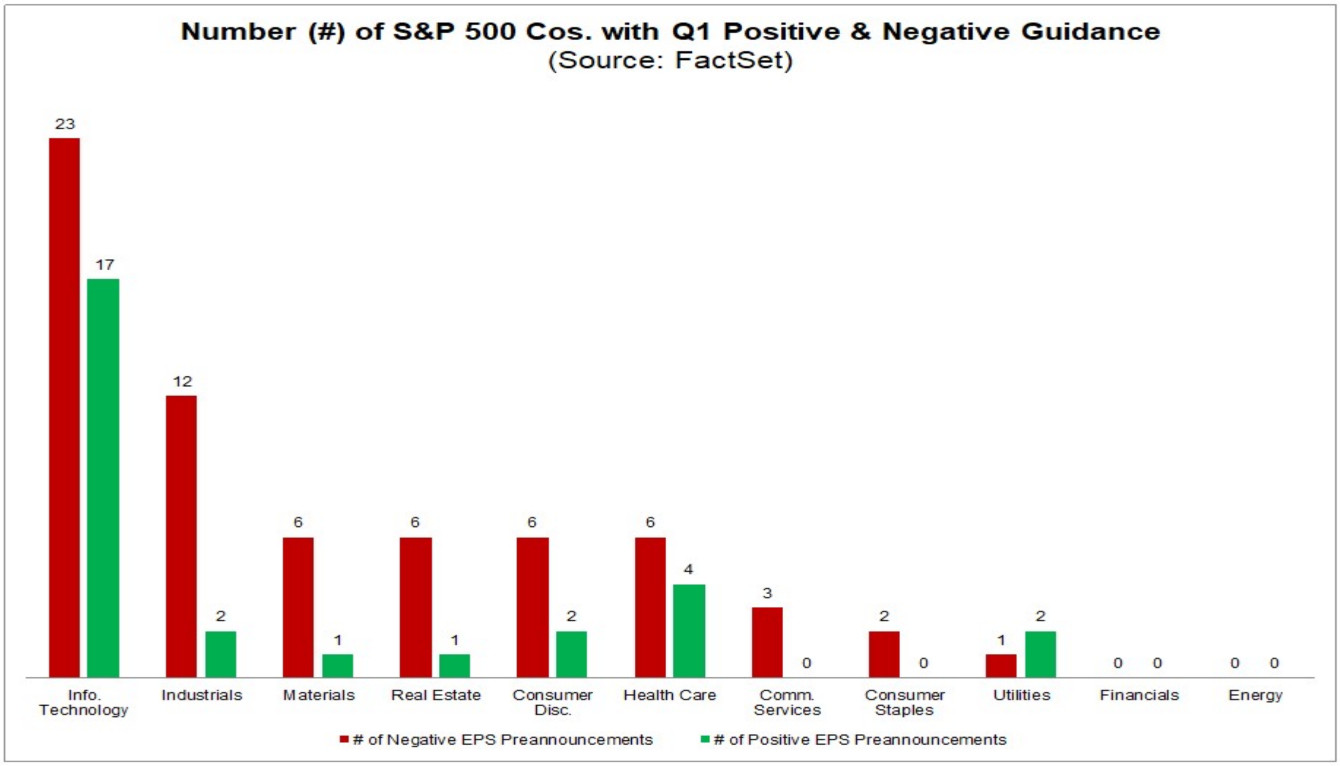


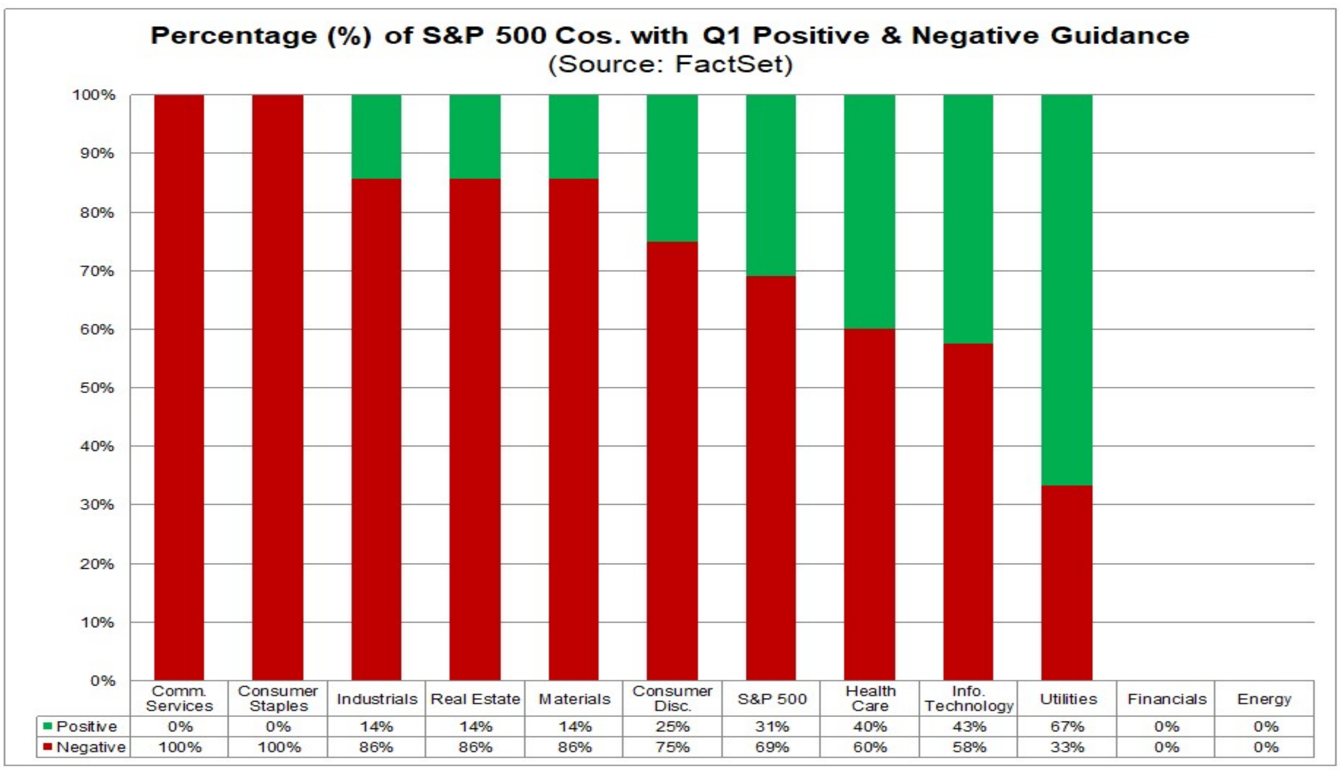
	Energy	Industrials	Consumer Disc.	Materials	Financials	S&P 500	Comm. Services	Info. Technology	Health Care	Real Estate	Consumer Staples	Utilities
Today		93.5%	85.4%	82.8%	63.9%	47.7%	38.1%	29.0%	27.5%	19.7%	9.5%	5.4%
31-Dec		98.0%	69.4%	83.7%	58.8%	45.0%	36.9%	28.2%	25.6%	18.8%	9.1%	2.1%



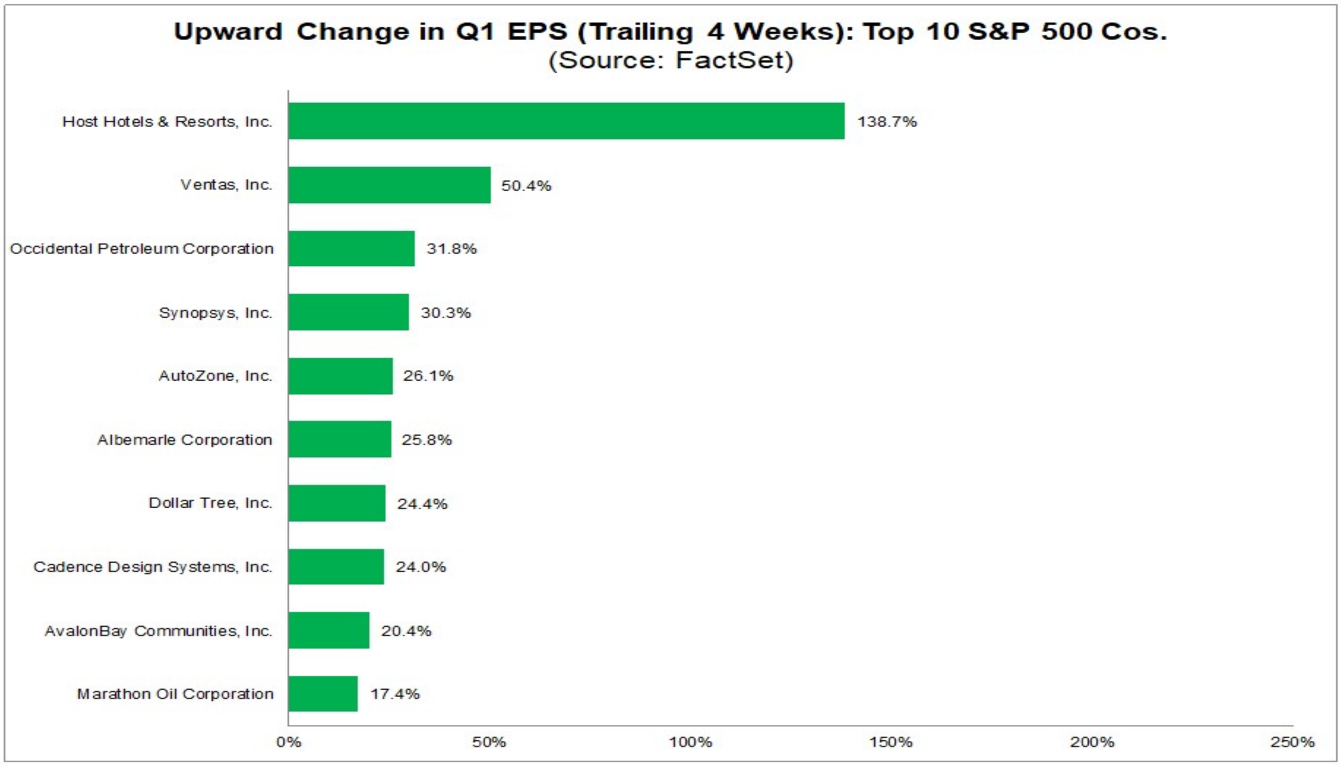
	Energy	Materials	Comm. Services	Consumer Disc.	S&P 500	Info. Technology	Health Care	Industrials	Utilities	Real Estate	Financials	Consumer Staples
Today	64.5%	27.0%	19.7%	18.1%	16.5%	15.7%	14.0%	13.8%	13.7%	13.4%	7.7%	6.7%
31-Dec	58.5%	26.0%	18.9%	17.9%	15.9%	16.1%	13.5%	13.8%	8.6%	12.5%	8.0%	6.2%

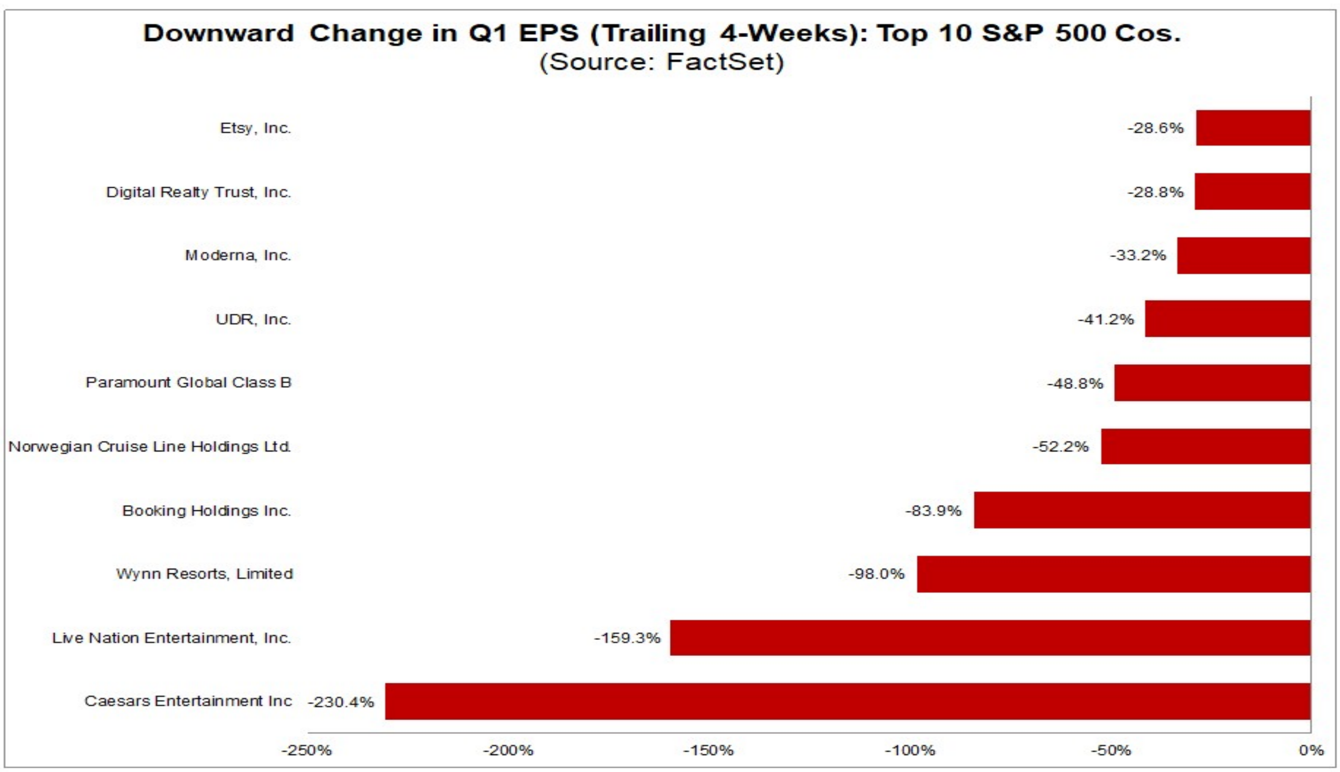
Q1 2022: EPS Guidance





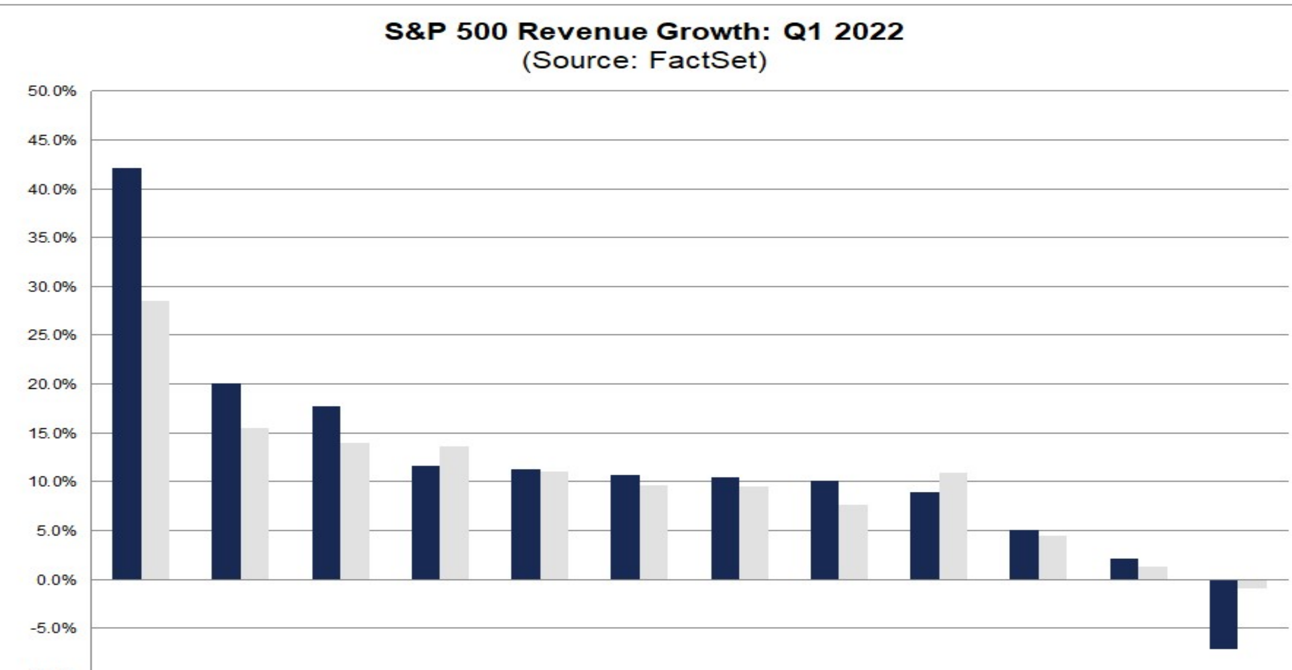
Q1 2022: EPS Revisions





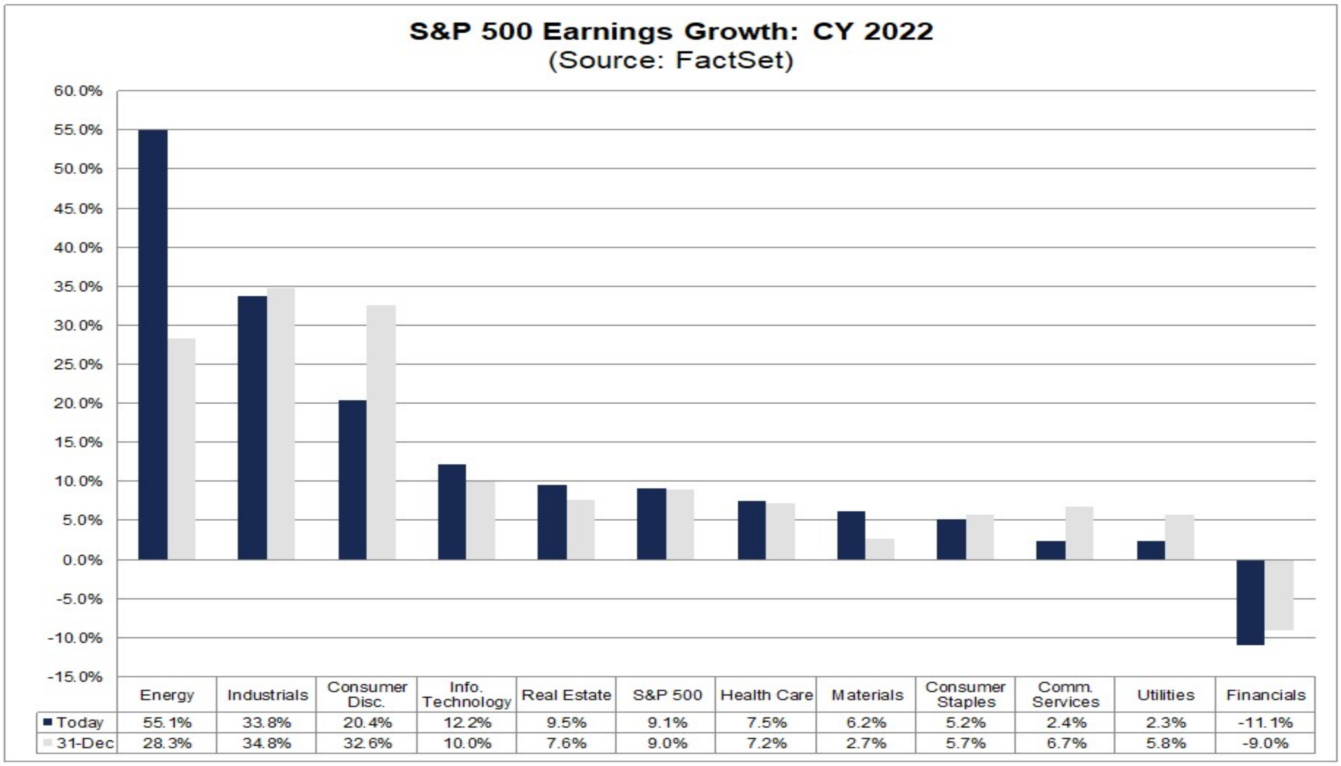
Q1 2022: Growth

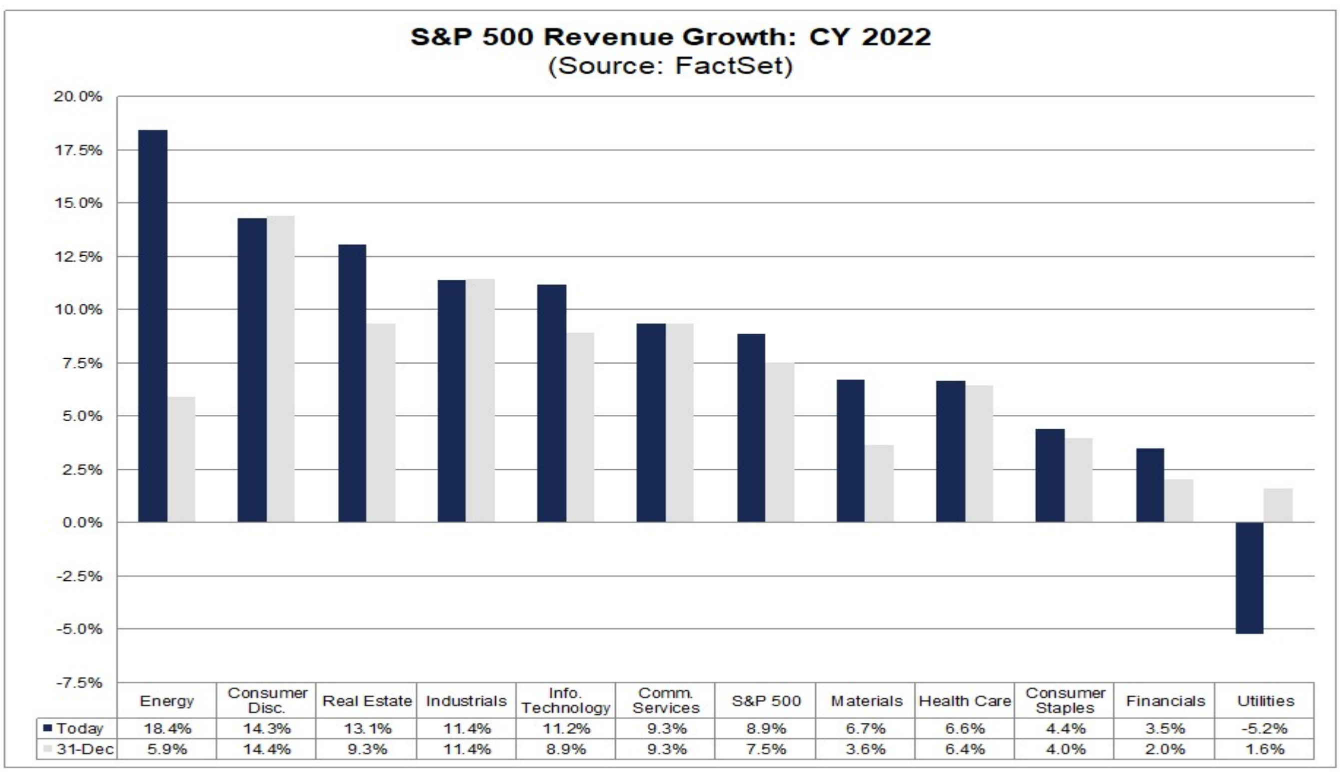
	Energy	Industrials	Materials	Real Estate	Health Care	Info. Technology	Utilities	S&P 500	Consumer Staples	Comm. Services	Consumer Disc.	Financials
Today	221.0%	32.1%	30.8%	15.4%	8.9%	8.2%	7.9%	4.8%	-1.1%	-5.3%	-11.5%	-22.8%
31-Dec	165.2%	50.0%	32.1%	12.6%	9.9%	5.8%	7.7%	5.8%	3.1%	-0.5%	-3.1%	-21.6%



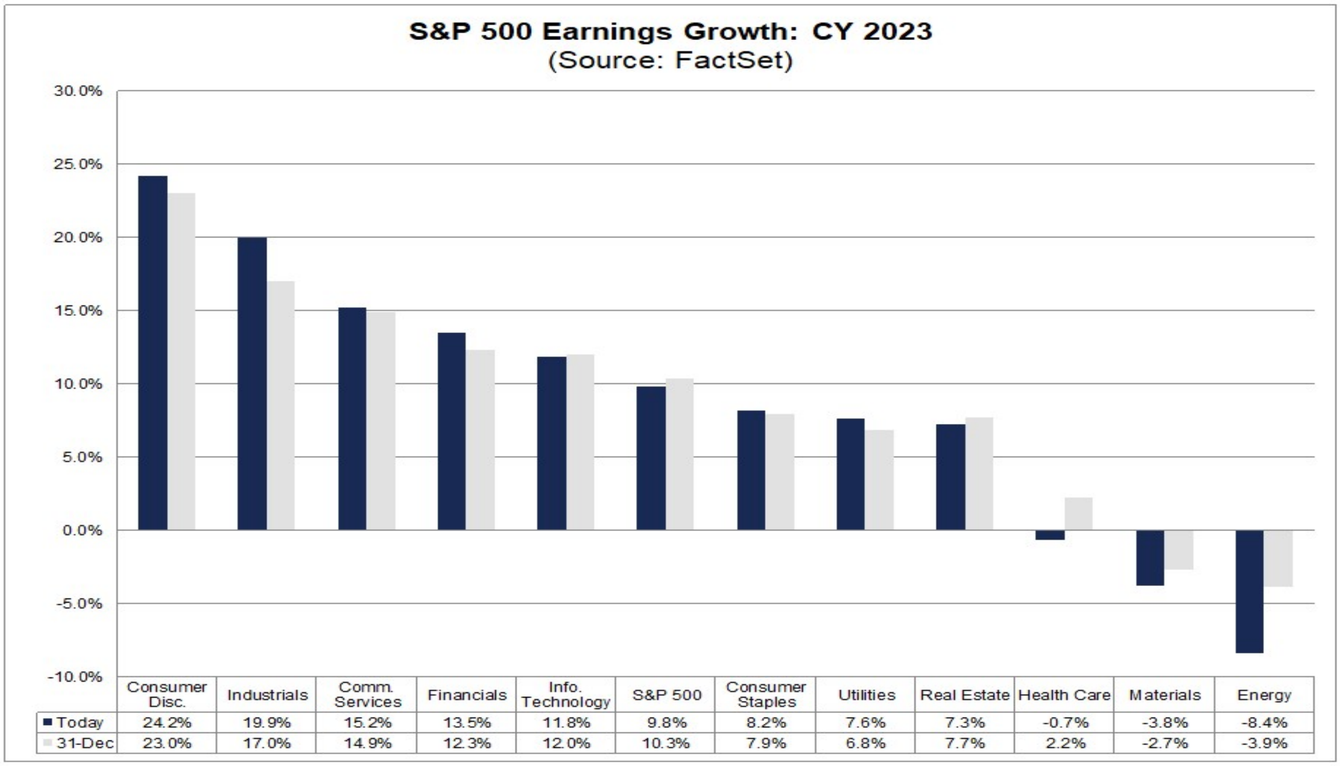
	Energy	Materials	Real Estate	Industrials	Health Care	S&P 500	Comm. Services	Info. Technology	Consumer Disc.	Consumer Staples	Financials	Utilities
Today	42.1%	20.1%	17.7%	11.6%	11.3%	10.7%	10.4%	10.1%	8.9%	5.1%	2.1%	-7.1%
31-Dec	28.5%	15.5%	14.0%	13.6%	11.1%	9.7%	9.6%	7.6%	11.0%	4.4%	1.3%	-0.9%

CY 2022: Growth

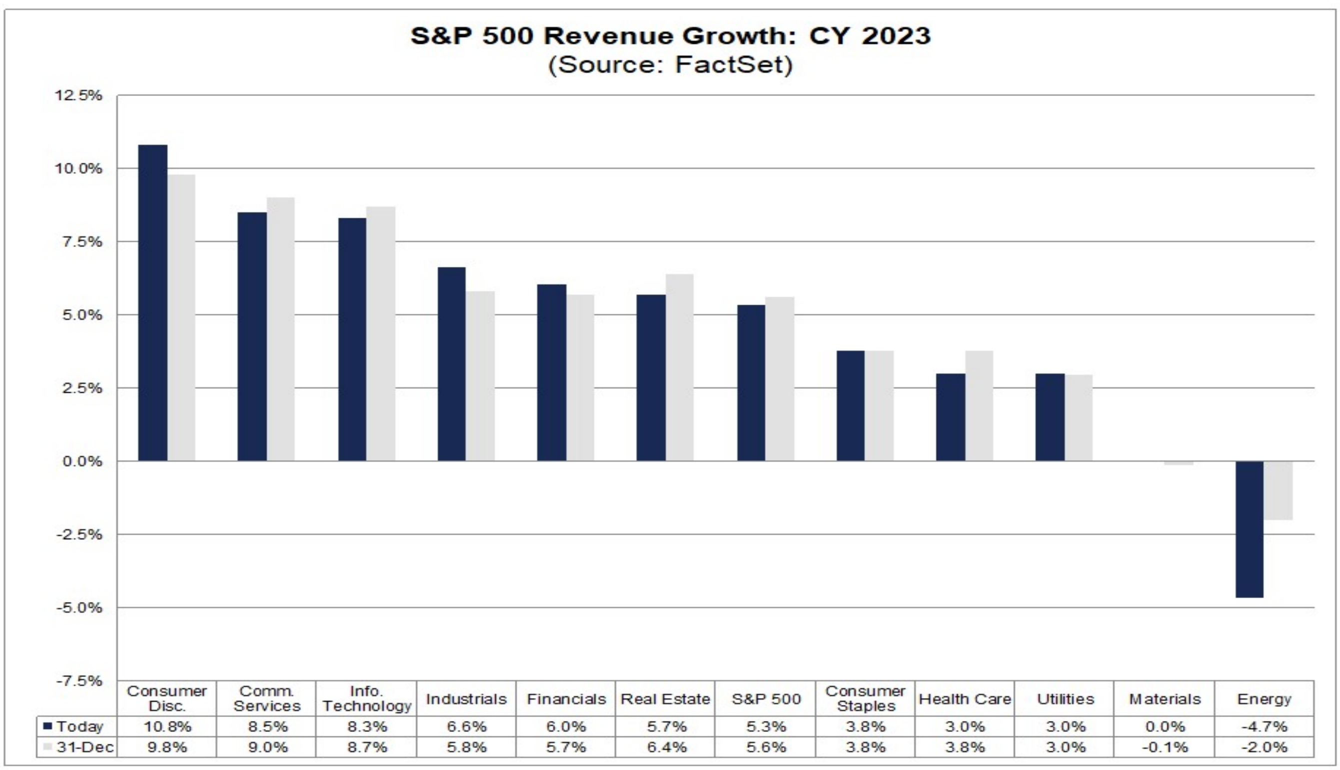




CY 2023: Growth

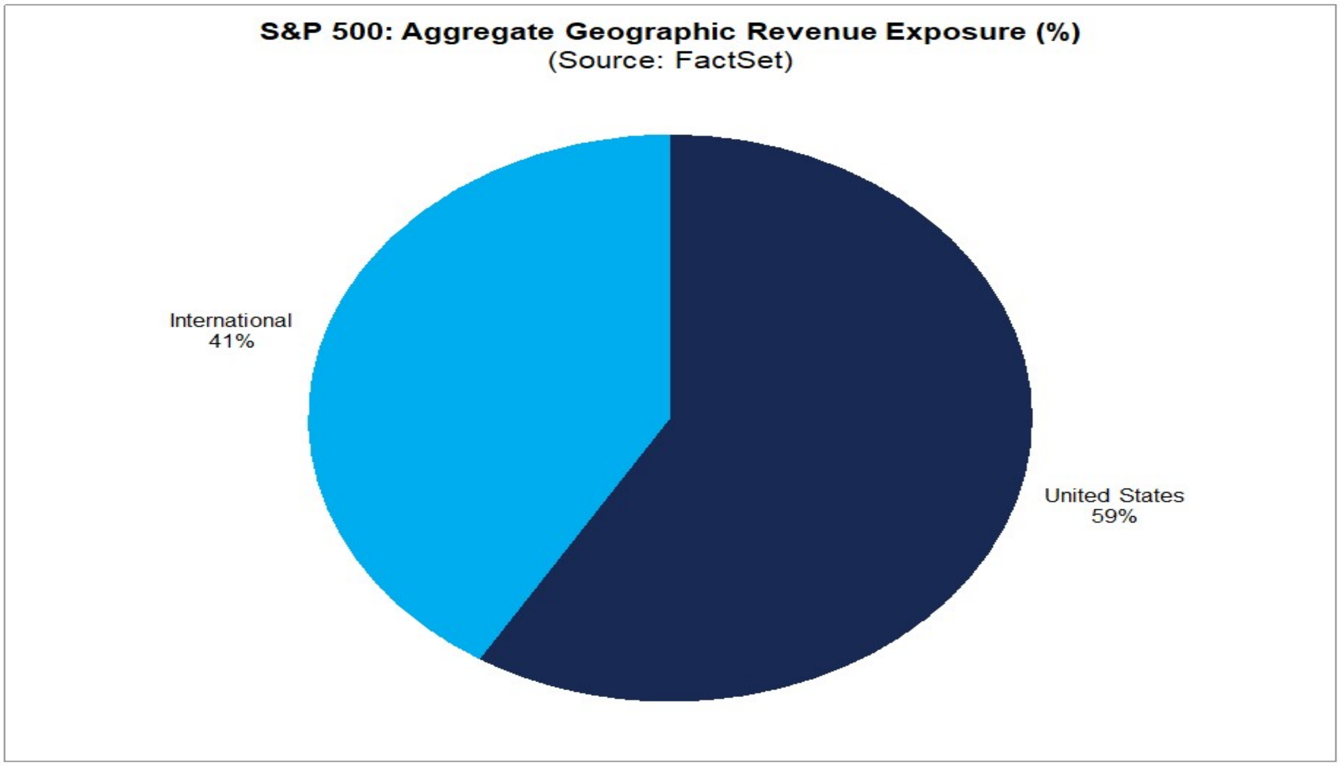


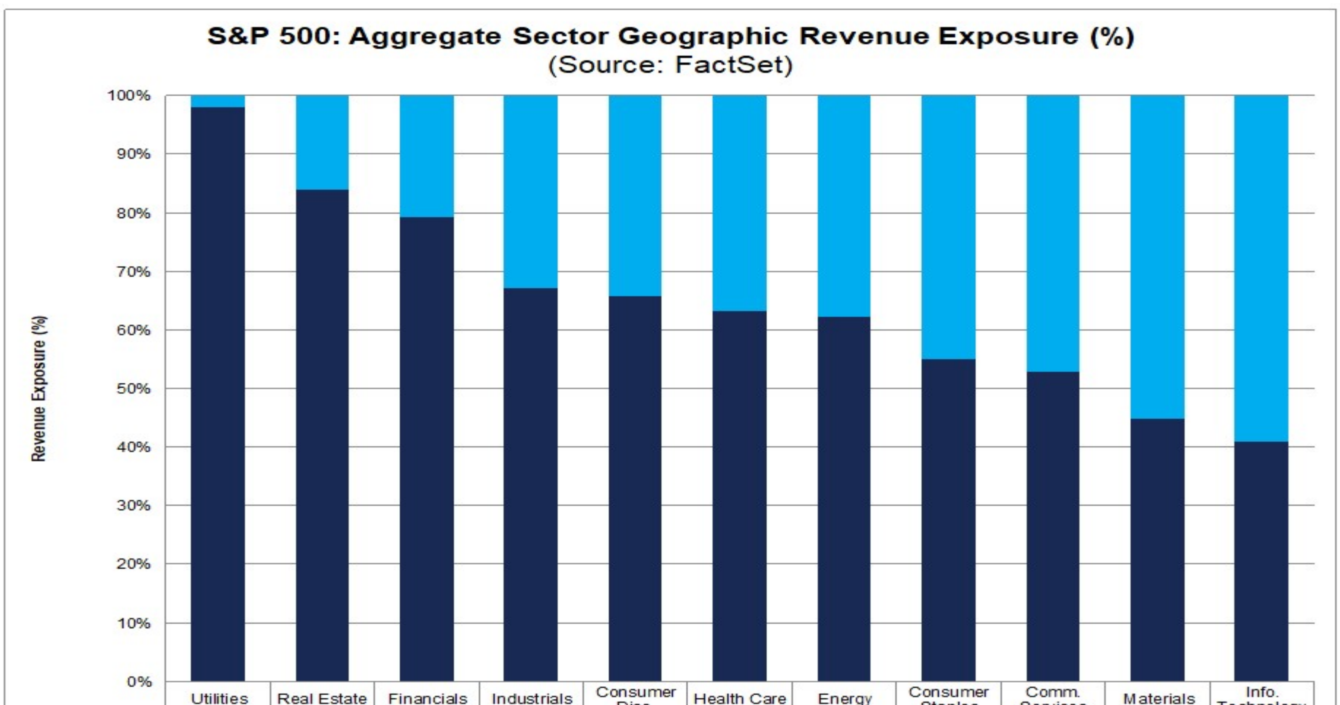
	Consumer Disc.	Industrials	Comm. Services	Financials	Info. Technology	S&P 500	Consumer Staples	Utilities	Real Estate	Health Care	Materials	Energy
Today	24.2%	19.9%	15.2%	13.5%	11.8%	9.8%	8.2%	7.6%	7.3%	-0.7%	-3.8%	-8.4%
31-Dec	23.0%	17.0%	14.9%	12.3%	12.0%	10.3%	7.9%	6.8%	7.7%	2.2%	-2.7%	-3.9%



	Consumer Disc.	Comm. Services	Info. Technology	Industrials	Financials	Real Estate	S&P 500	Consumer Staples	Health Care	Utilities	Materials	Energy
Today	10.8%	8.5%	8.3%	6.6%	6.0%	5.7%	5.3%	3.8%	3.0%	3.0%	0.0%	-4.7%
31-Dec	9.8%	9.0%	8.7%	5.8%	5.7%	6.4%	5.6%	3.8%	3.8%	3.0%	-0.1%	-2.0%

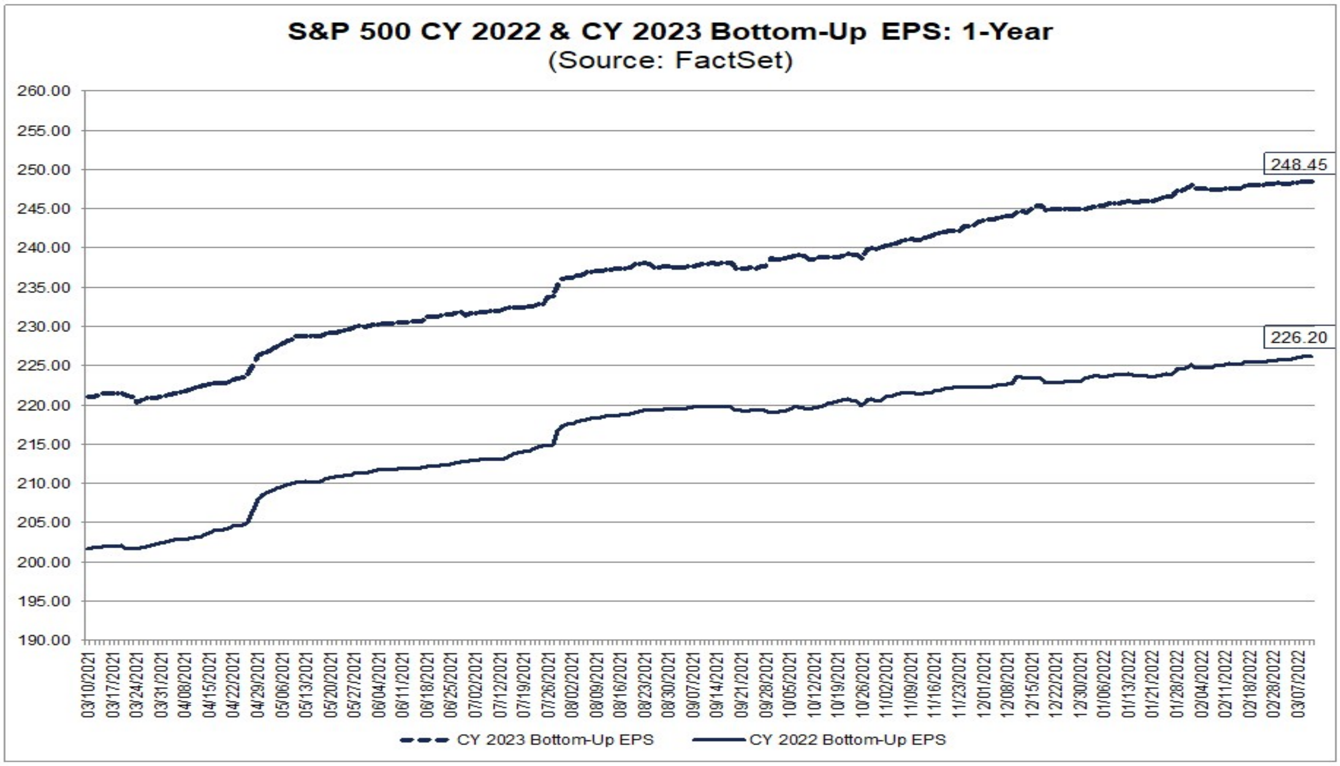
Geographic Revenue Exposure

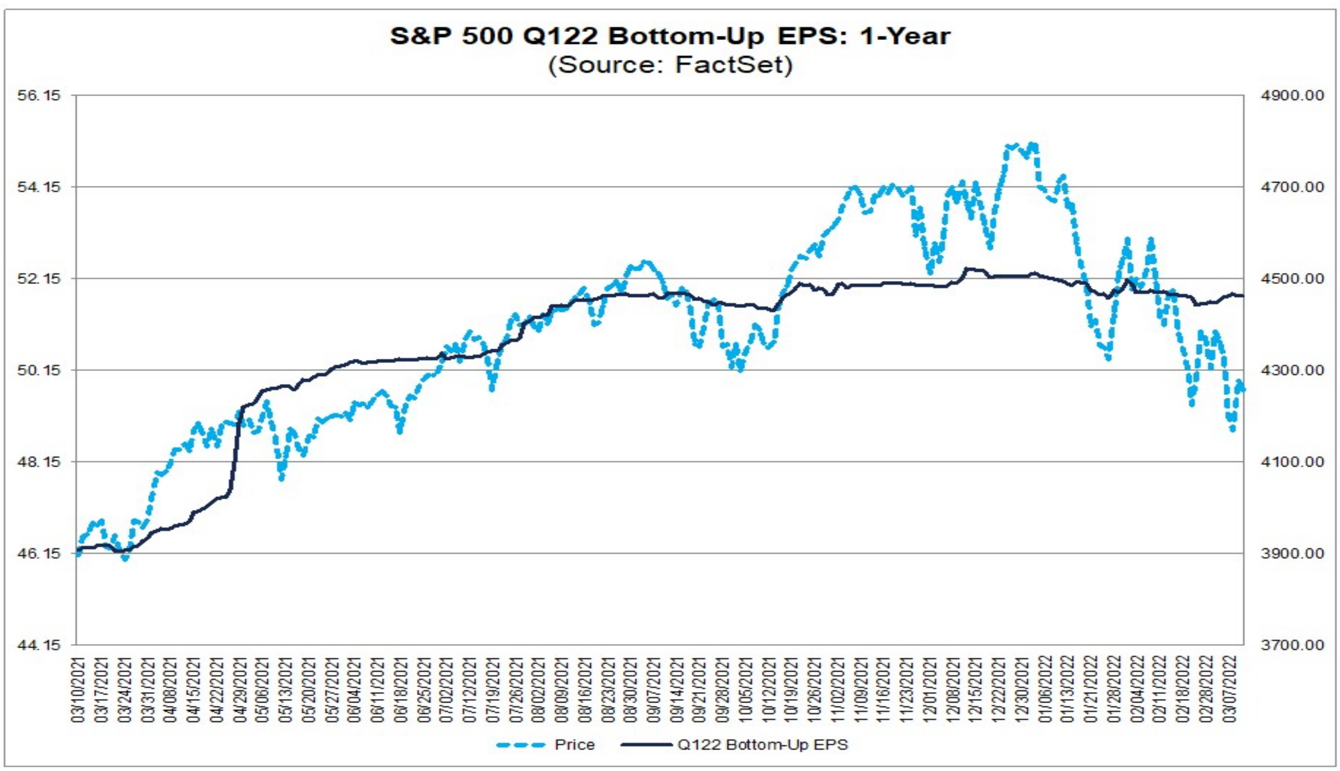




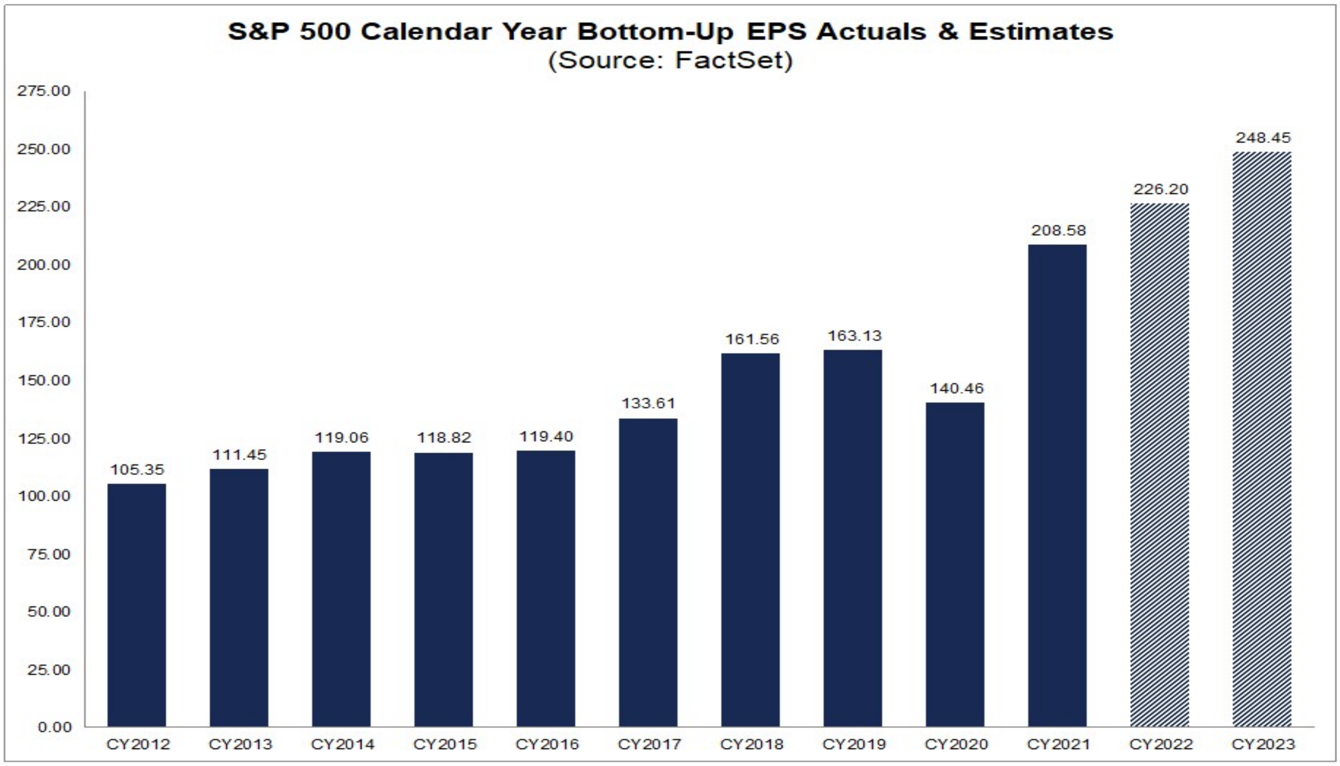
	Utilities	Real Estate	Financials	Industrials	Consumer Disc.	Health Care	Energy	Consumer Staples	Comm. Services	Materials	Info. Technology
International	2%	16%	21%	33%	34%	37%	38%	45%	47%	55%	59%
United States	98%	84%	79%	67%	66%	63%	62%	55%	53%	45%	41%

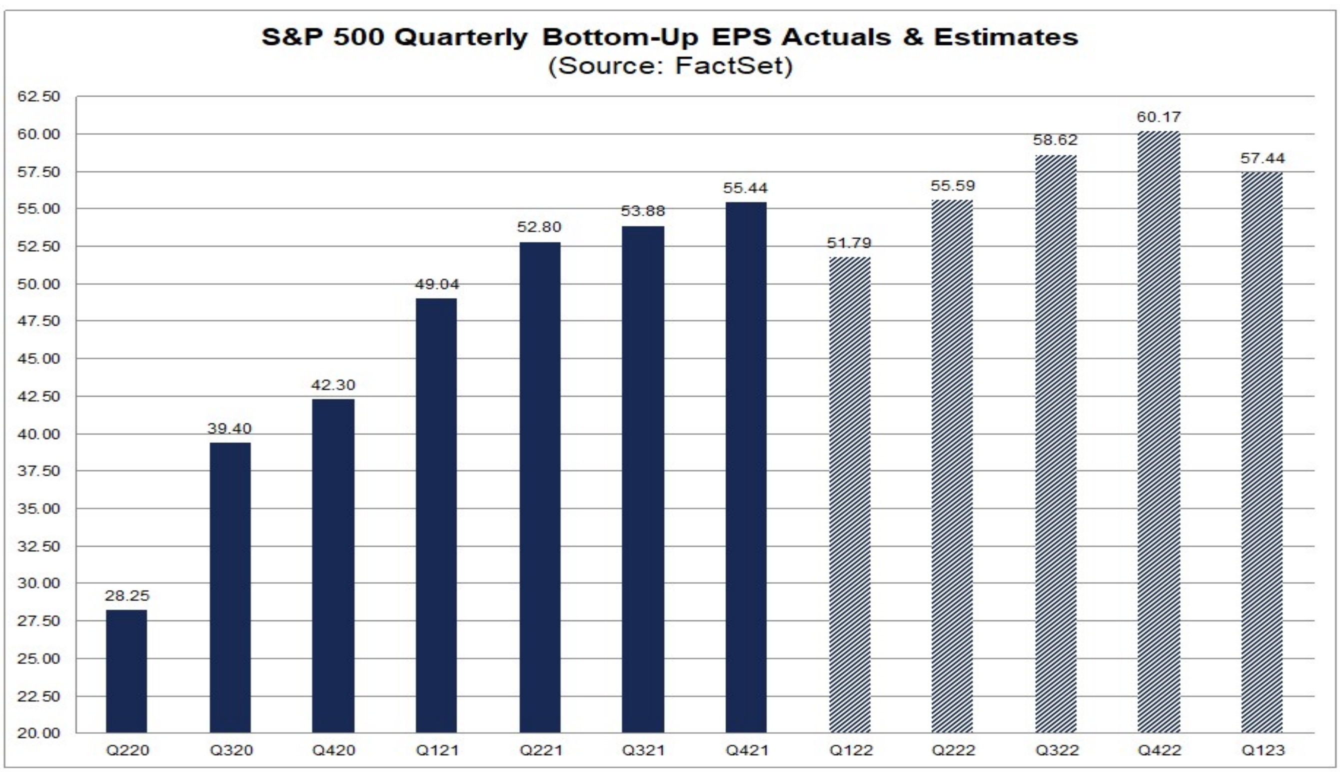
Bottom-up EPS Estimates: Revisions



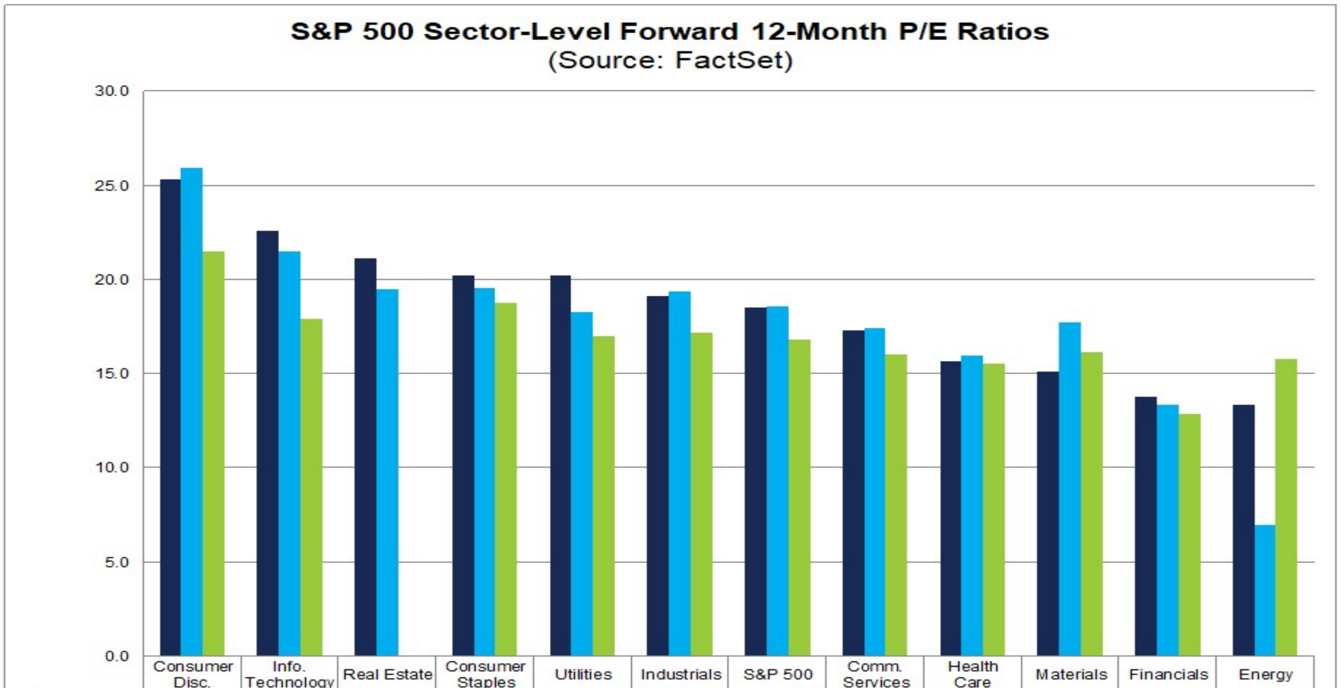


Bottom-up EPS Estimates: Current & Historical

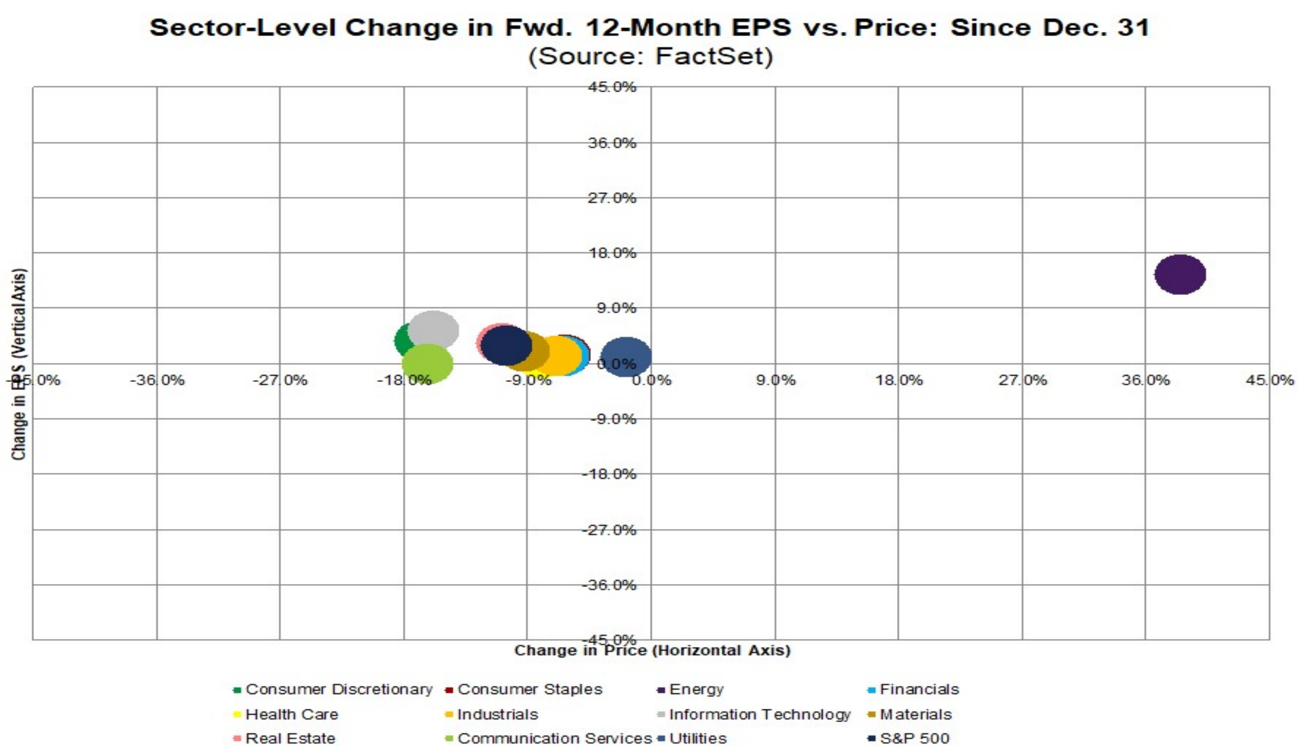




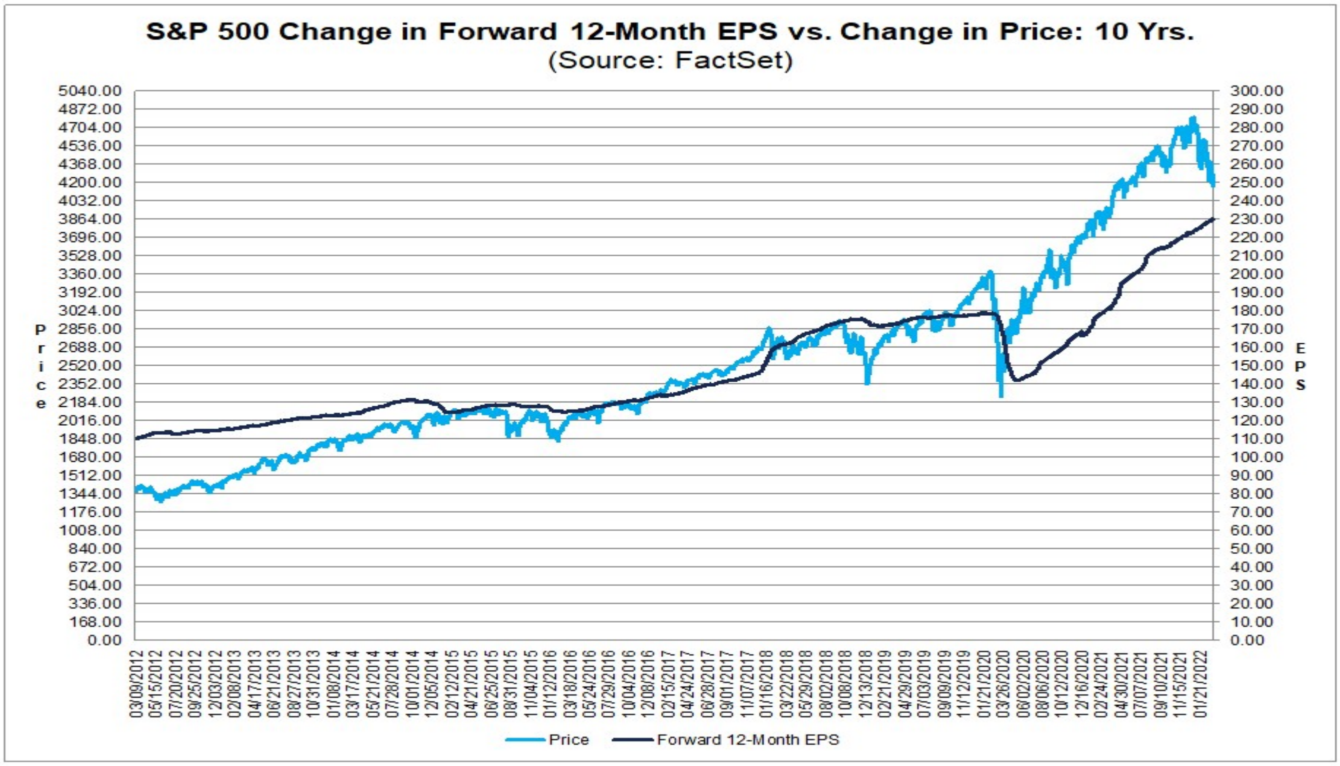
Forward 12M P/E Ratio: Sector Level

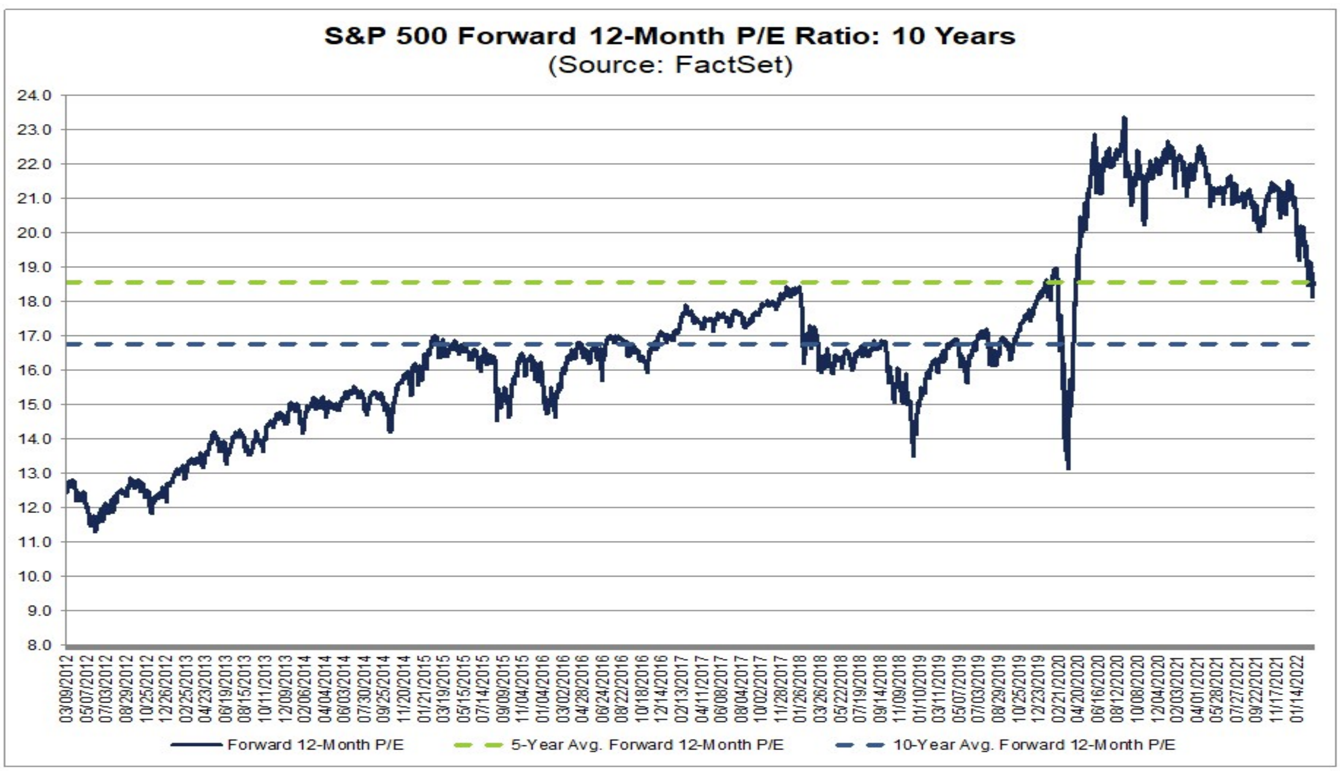


	Consumer Disc.	Info. Technology	Real Estate	Consumer Staples	Utilities	Industrials	S&P 500	Comm. Services	Health Care	Materials	Financials	Energy
Fwd P/E	25.3	22.6	21.1	20.2	20.2	19.1	18.5	17.3	15.6	15.1	13.7	13.3
5-Yr Avg.	25.9	21.5	19.5	19.5	18.3	19.3	18.6	17.4	16.0	17.7	13.3	7.0
10-Yr Avg.	21.5	17.9		18.7	17.0	17.2	16.8	16.0	15.5	16.1	12.9	15.8

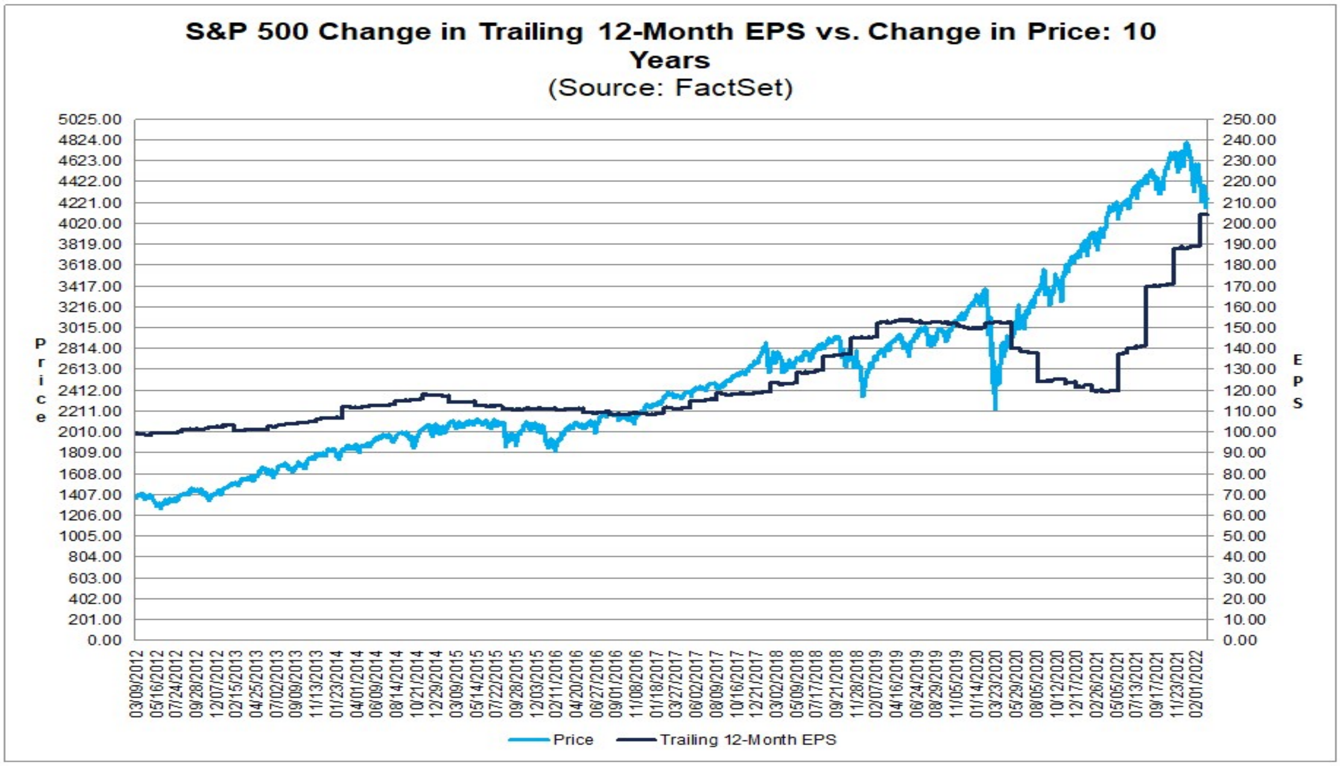


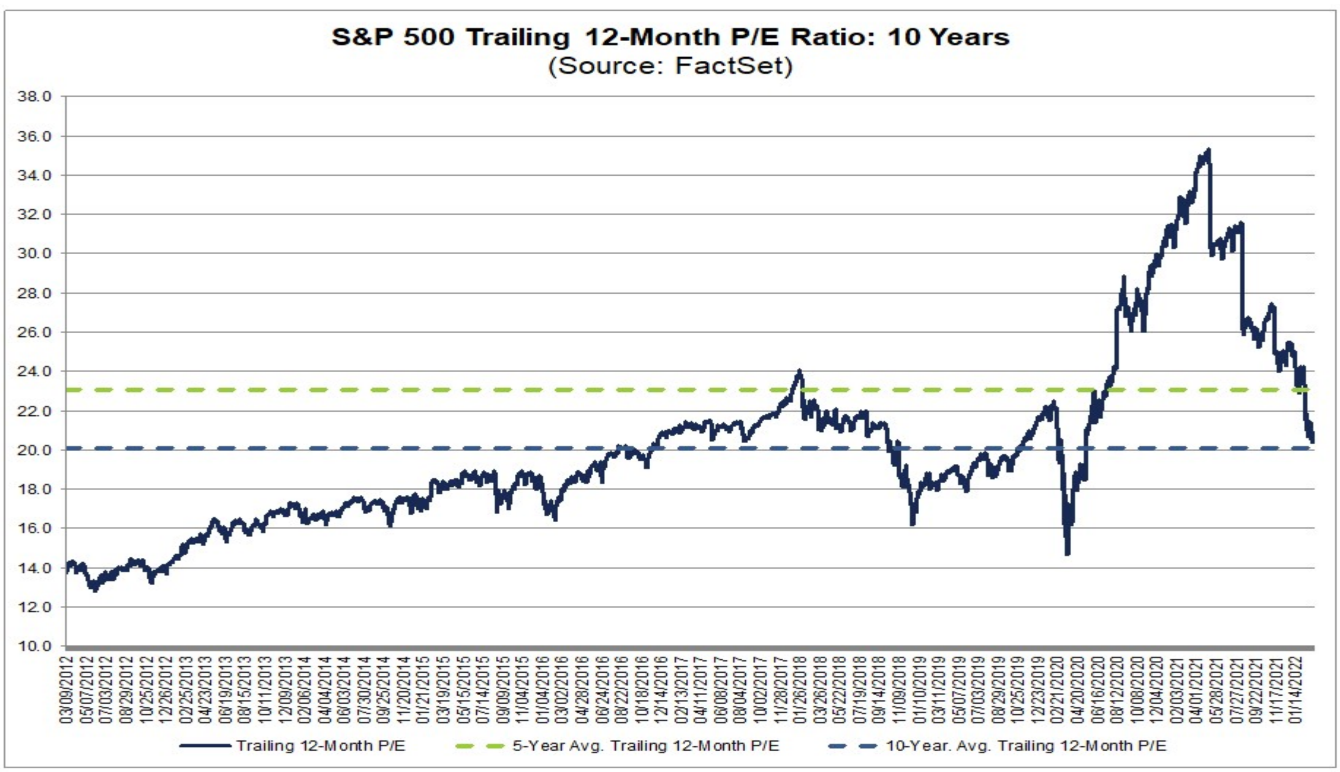
Forward 12M P/E Ratio: 10-Years



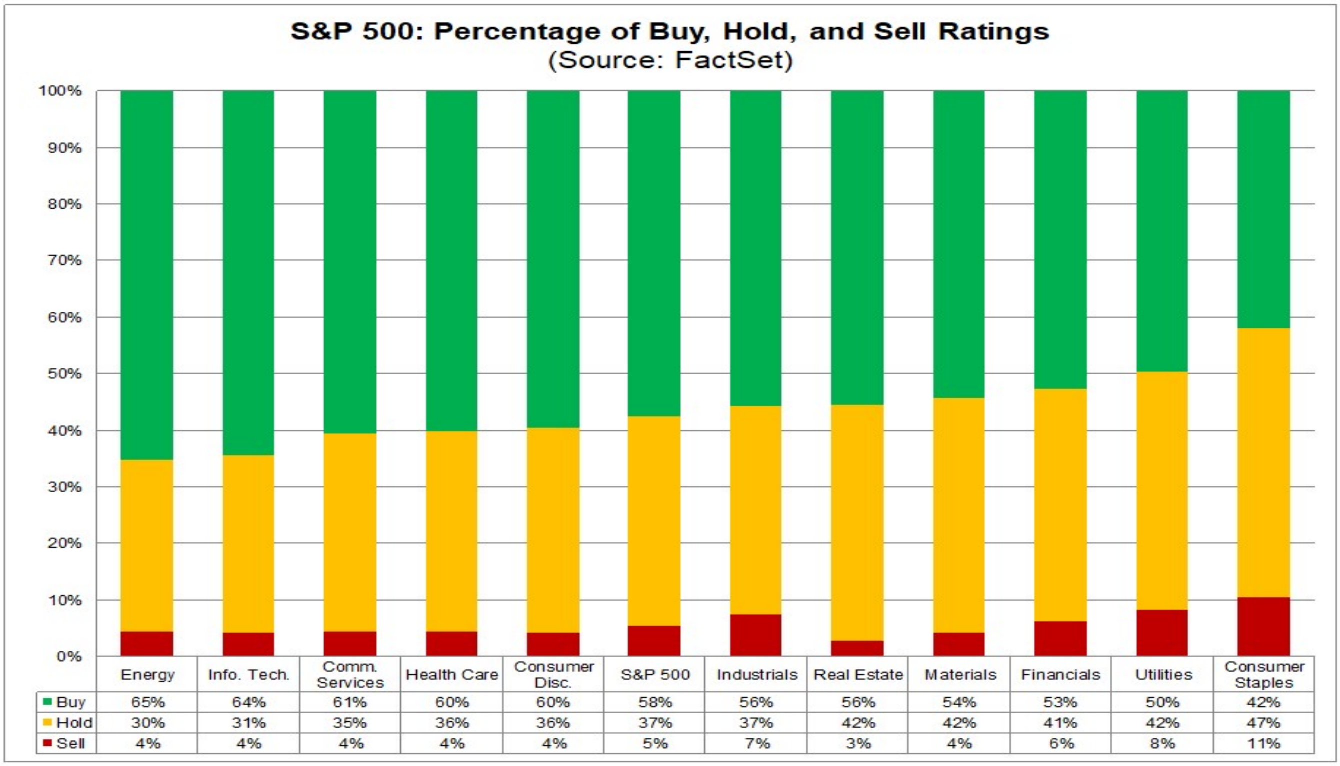


Trailing 12M P/E Ratio: 10-Years

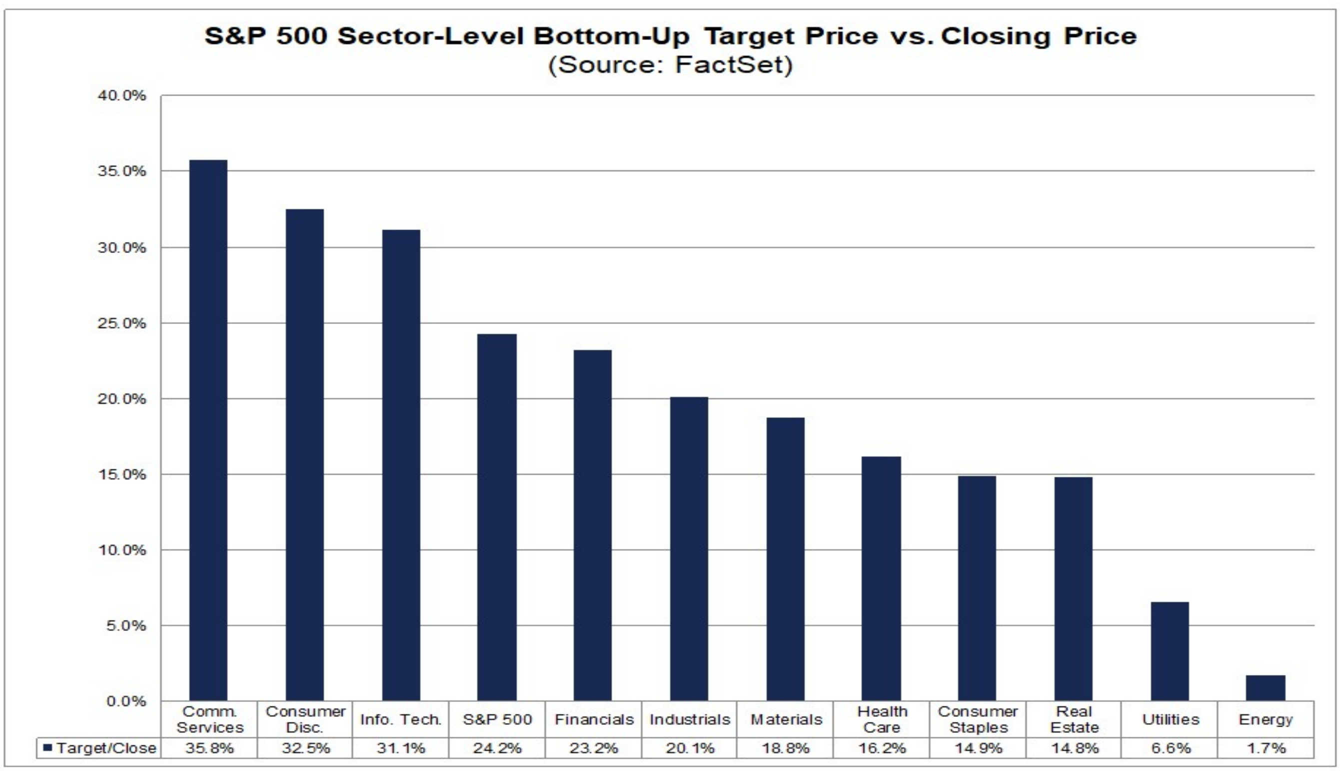




Targets & Ratings



	Energy	Info. Tech.	Comm. Services	Health Care	Consumer Disc.	S&P 500	Industrials	Real Estate	Materials	Financials	Utilities	Consumer Staples
Buy	65%	64%	61%	60%	60%	58%	56%	56%	54%	53%	50%	42%
Hold	30%	31%	35%	36%	36%	37%	37%	42%	42%	41%	42%	47%
Sell	4%	4%	4%	4%	4%	5%	7%	3%	4%	6%	8%	11%



	Comm. Services	Consumer Disc.	Info. Tech.	S&P 500	Financials	Industrials	Materials	Health Care	Consumer Staples	Real Estate	Utilities	Energy
Target/Close	35.8%	32.5%	31.1%	24.2%	23.2%	20.1%	18.8%	16.2%	14.9%	14.8%	6.6%	1.7%

Appendix 1

“Ukraine” Citations On Earnings Calls Since Feb. 23 (25)

I'd like to start by acknowledging the tragic events unfolding in Eastern Europe, as a result of the Russian invasion of Ukraine. We are working incredibly hard to help our Ukrainian employees and support our customers and partners. We have suspended all Oracle operations in Russia and we did so well over a week ago. -Oracle (Mar. 10)

I also want to take a moment to express our concern for the people of Ukraine. Our sympathies and support go out to them during this crisis…And although we have no direct exposure to Ukraine and Russia, we are monitoring any broader economic impact from the current crisis, especially on commodities. -Campbell Soup (Mar. 9)

Let me say something about Ukraine and Russia first, just to get it – not to get it out of the way, but know that it's hard to talk business these days when so much of this is hanging over. So, just a couple of things. One, obviously, we are most concerned with our people that are over there. We do know they're all safe right now, but it is certainly a very, very difficult and volatile situation. It's scary, it's sad, it's exhausting for the employees and we're trying to do what we can from here. We're committing financial assistance not only to our employees, but to some of the big organizations that are trying to help out…The other part of this that I might as well get out of the way now is just on the business side of things. It does feel awkward to talk about the business in Ukraine is, obviously, shut down. But in Russia, we want to make sure that people don't overestimate the size of our Russian business. It's a top-10 market. I mean, it's 10th – or it was in fiscal 2021. And we disclosed last year, it was 1% of our business worldwide. So important, it's been a growing market for us, which – that's obviously going to be greatly disrupted. But as I think you all would know or those that have been following us closely, we've been building to have our own route-to-market organization there. We've got about 80-some-odd employees now. We were hiring a lot more than that with the intent to go live in July. We've stalled that or paused it. We've paused on the recruiting there. And at this point, we're just waiting to see. We're going to have to evaluate the situation. It's only been a week. So, we don't really have a lot more information to share on it right now, but know that we're doing everything we can. -Brown-Forman (Mar. 4)

Before I turn to our business, let me say the escalation of the devastating crisis in Ukraine is top of mind. The event has caused great concern for everyone in that region, including our employees, partners, and their families. Our thoughts are with everyone who is being affected and we certainly hope peace prevails soon… We had some good trends going the – the situation with Russia and the Ukraine and how that impacts Europe is a little bit of a question mark right now. And then the impact to currency, I mean, we're at a situation here where basically the dollar has strengthened against all currencies across the board. So, that's obviously taken a bite out of our earnings and out of our revenue. So we'll see how that plays out. -Cooper Companies (Mar. 3)

As America's grocer, Kroger is taking action to show our support and solidarity with Ukraine. Today, we are sending an emergency food assistance to support refugees through a grant from The Kroger Co. Zero Hunger/Zero Waste Foundation to the UN World Food Program Ukraine Emergency Fund. We will match all gifts made by our associates and customers up to $250,000. -Kroger (Mar. 3)

And before I speak about the quarter and the year, I just want to send out our best wishes and prayers to our team members and their families in Ukraine. -Domino’s Pizza (Mar. 1)

Before I discuss our results, I would like to address the evolving situation in Ukraine and how we are responding. Our first priority in the region is the safety of our team members, our contingent workers and their immediate families. We are conducting regular proactive outreach to our workforce in Ukraine to offer emergency assistance, making our security team available 24/7 to help. The HP Foundation has established a special giving campaign for our team members to support humanitarian efforts in Ukraine, which has already raised $150,000 in just over 24 hours. And we are expanding the time off we offer team members to volunteer, so those in the regions can care for their families and participate in humanitarian relief activities. From the business perspective, we have suspended all shipments into Russia at this time and will continue to adhere to all relevant sanctions and export controls. -Hewlett-Packard Enterprises (Mar. 1)

It's so hard to say because there's so many moving parts, constantly. So where we would think, okay, we're coming in February, the weather's going to be nicer, places are opening up, but then you have the invasion of Ukraine. So, what happens with fuel prices? -Progressive Corporation (Mar. 1)

But looking back and looking at my family now in the Ukraine, my heart is really breaking for them, and this senseless pain, the suffering. It's just unbelievably difficult to see what is going on in the world. And while we really don't have employees or do business in the Ukraine or Russia of any consequence, I would say that we do have employees and families like mine and with loved ones there and deep connections to the region and this part of the world, and our heart is continuing to break. And we have provided ways that we provide humanitarian care. I just provided some response through World Central Kitchen, which I highly endorse, José Andrés and someone who I worked with for many years. And as we find more ways to provide humanitarian care, we will. This is very important to us and who we are in our core values at Salesforce. -salesforce.com (Mar. 1)

Across the entire company, our thoughts are also with the people and our colleagues in Ukraine. We have a great team there, and we will continue to support them however possible…Our local sales in Russia and Ukraine represented about 3% of total company revenue in 2021. Given the fluidity of the situation, it is hard to measure the potential impact of the ongoing conflict on our financials. We will continue to monitor and assess options available to minimize the impact to our 2022 outlook. -DENTSPLY SIRONA (Feb. 28)

Before I discuss the quarter, I want to briefly address the unfolding situation in Ukraine. The well-being of our people, their families, and our customers and partners is our top concern. We are doing everything we can to keep them safe. We want nothing more than to see peace and stability restored to the region. We have an experienced cross-functional team in place focused on business continuation. The environment is very fluid, and we are preparing for a range of scenarios. And in the meantime, in compliance with administrations' recently approved sanctions, we have suspended shipments to Russia… With regard to the financial impact of the unfolding situation in Ukraine, including the current sanctions on Russia, we are factoring in our best assumptions at this time, recognizing that the situation remains fluid and highly uncertain. -HP (Feb. 28)

I'd like to start by saying that we are deeply concerned about the evolving situation in Ukraine. We are focused on the safety of our 107 employees and their families there. We've mobilized a team to help them navigate through this challenging time. -Nielsen Holdings (Feb. 28)

Before discussing our 2021 results and future plans, I want to state that we do not see any significant impact on our portfolio from the outbreak of hostilities in the Ukraine. Nonetheless, our thoughts and prayers go out to the Ukrainian people and government, and we hope for a speedy return to peace. -AES Corporation (Feb. 25)

Before we go, I'd like to say that we stand in firm condemnation of the insane and inhumane actions taken by Putin and Russia to invade Ukraine. Our thoughts and prayers go out to all the people of Ukraine. -Occidental Petroleum (Feb. 25)

Yeah, Sunil, I think you had been seeing some reluctance on the European utilities to really go out on long-dated contracts. I think a lot of that was driven by uncertainty around the taxonomy as well as carbon tax related questions. So I think some of that overhang is still there. But I will say we're seeing a significant uptick in interest, particularly given some of the things that we've described – as Jeff described, in the global markets, the forwards clearly currently affected by what's happening in Ukraine. But we are still seeing significant interest in the 10 million tonnes that I'm talking about marketing in Europe and Asia, all of it on a 20-year basis. -Sempra Energy (Feb. 25)

I'll cover Russia and the Ukraine. Just to be explicit, Russia and the Ukraine, they represented a bit less than 2 percentage points of our total revenue in fiscal 2022 and we have similar assumptions in our fiscal 2023 rollup. Obviously, events are unfolding live. It's a very fluid situation. It's a coincidence that our earnings call is today so we haven't baked anything, any potential risk that might occur there into our guidance. We're going to be watching things closely because at this point, we don't know if there's any impact at all. We don't know if there is impact, if it would be localized to Russia and the Ukraine specifically or whether or not it becomes a broader impact across Europe and beyond. It's just too early for us to tell. -Autodesk (Feb. 24)

Well, in fact, the matter is, Jade, some of the biggest news related to Russia and Ukraine has unfolded over the last 24 hours. And everybody's watching that and concerned about that and everybody is concerned about what the impact might be on the global economy. When I say everybody, everybody in our sector. But everybody pretty much in every sector. The thing that shouldn't be lost in all of these though and we talked a lot about it here today, and we talked about it the last few quarters, we have built a business that is really well diversified across those four dimensions, asset type, client type, service type and geography…So, I think there's real risk out there geopolitically, but I think we're well-positioned to withstand whatever the economy brings in our direction. -CBRE Group (Feb. 24)

And here we are, waking up this morning with a war and CNN is going to multiple correspondents and journalists risking their lives in Ukraine, in Poland, in Russia on the ground. And there's no organization – news organization in the world that looks like CNN, that can do what CNN does. -Discovery (Feb. 24)

Before I dive in, I want to start with saying that our thoughts are with the people of the Ukraine and our team members. We have a small development shop there, and so this really hits close to home and we wish them obviously safety and good health. -DISH Network (Feb. 24)

Those were pre-recorded remarks we recorded a couple of days ago, and so I just need to start by acknowledging the events that are happening in the Ukraine today. The invasion of the Ukraine obviously weighs heavily on all of us, so we're reporting our results as usual, but today is certainly anything but a usual day and wanted to acknowledge our hearts go out to our buyers and sellers and community in Ukraine and Eastern Europe, as well as our global community that's impacted by these events. -Etsy (Feb. 24)

I mean I would tell you that – I'll say, first of all, our thoughts and prayers go to the people of Ukraine and the Eastern Europe. I mean obviously dark days indeed. I could tell you that from our side, our revenue in the Ukraine and Russia I will say is fairly immaterial and nominal. In terms of kind of the overall impact, yes, I mean I expect that gas prices will continue to rise based on what we're seeing in Europe. They're already very high. I will say that what we have seen in ourselves, in our internal factories and potentially this kind of correlates to others as well and we're seeing it, is that in many cases our teams are accelerating the projects to reduce the cost of energy, so cost energy efficiency. -Ingersoll-Rand (Feb. 24)

Speaking about our Mountaineers, I wish to begin my remarks by stating that we are all saddened by the overnight events in the Ukraine. Our thoughts and prayers are with our customers there and our fellow 60 Mountaineers and their families living and working in the Ukraine. -Iron Mountain (Feb. 24)

Well, those countries, including Belarus and Kazakhstan, which really work within that region, account for about 10% of our sales in our EMEA sales. So we have a nice business in Russia, which – we have to see what happens there, and we have a reasonable business in Ukraine. We have staff and we have people in those countries. And it's really concerning as to – we don't know what will happen, and it's really concerning, frankly. -Monster Beverage (Feb. 24)

In terms of both particularly – there's probably two factors associated with what's happening in the Ukraine at the moment. We're certainly seeing oil prices go up, the diesel price were up, and natural gas prices are going up and natural gas is used to make ammonia, which is then used to make explosives ammonium nitrate. But our energy costs make up around 15% of our operating costs, so operating costs are much more dominated by labor at 50% and materials and consumables that's about 30%. So it's only 15% of our cost base. -Newmont Mining (Feb. 24)

Before going into my main commentary, I'd like to address the recent geopolitical issue, which escalated last night. The tense situation in Ukraine is regrettable, and our hopes are that the conflict ends quickly with minimal impact to the safety and welfare of those in the region. We are following the situation carefully as it impacts our voyages in the area. We have no vessels in the region until late May and we will be updating guests on our plans and about affected itineraries as needed. -Norwegian Cruise Line Holdings (Feb. 24)

Important Notice

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

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

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

About FactSet

FactSet (NYSE:FDS | NASDAQ:FDS) delivers superior content, analytics, and flexible technology to help more than 162,000 users see and seize opportunity sooner. We give investment professionals the edge to outperform with informed insights, workflow solutions across the portfolio lifecycle, and industry-leading support from dedicated specialists.

We're proud to have been recognized with multiple awards for our analytical and data-driven solutions and repeatedly scored 100 by the Human Rights Campaign® Corporate Equality Index for our LGBTQ+ inclusive policies and practices. Subscribe to our thought leadership blog to get fresh insight delivered daily at insight.factset.com. Learn more at www.factset.com and follow us on Twitter: www.twitter.com/factset.