

# S&P 500 Stock Buybacks Up 19% in 2013

Fourth quarter up 1% over the third quarter

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NEW YORK, March 26, 2014 /PRNewswire/ -- S&P Dow Jones Indices announced today that preliminary results show that S&P 500® stock buybacks, or share repurchases, increased 1.0% to \$129.4 billion during the fourth quarter of 2013, up from the \$128.2 billion spent on share repurchases during the third quarter of 2013. For fiscal year 2013, S&P 500 issues increased their buyback expenditures by 19.2% to \$475.6 billion from the \$398.9 billion posted in 2012. The high mark was reached in 2007, when companies spent \$589.1 billion. The recession low point was \$137.6 billion, recorded in 2009.

"Although there are headlines of record setting buybacks programs, the 19.2% increase in buyback expenditures for 2013 only matched the 19.2% average daily stock price increase," says Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. "The average stock price for Q1 2014 is running 21.0% higher than Q1 2013, meaning that a 21% increase in current expenditures is necessary to purchase the same number of shares as last year."

S&P Dow Jones Indices' data show that 276 issues reduced, and 185 increased, their diluted share count in Q4 versus 263 decreases and 188 increases in Q3. For 2013, 272 issues reduced their share count while 200 increased.

Significant changes (generally considered 1% or greater for the quarter) favored reductions as 112 issues reduced their count by at least 1% and 24 issues increased by at least 1% in Q4. For all of 2013, significant changes (of at least 4% for the year) came in at 83 decreases and 39 increases.

"It's not just what you buy, but what you issue. And while companies (in aggregate) are not materially increasing the number of shares they are buying back, they appear to be issuing fewer shares. The result is greater Share Count Reduction (SCR) by companies, which increases earnings-per-share and reduces P/E - and that's the market takeaway," explains Silverblatt.

Silverblatt also comments that companies continue to increase their shareholders' returns through SCR and regular cash dividends. Buyback and dividend expenditures combined reached \$214.4 billion in the quarter, second only to the record fourth quarter of 2007 when \$233.2 billion on SCR was spent. Of the 401 issues which reported buybacks over the past year, 339 companies paid a cash dividend, with 196 of them spending more on buybacks than dividends.

Buyback program authorizations have substantially increased in 2013, and have continued into 2014, notes Silverblatt. "Keeping up with the current bull market means that companies have to pay more for the same number of shares. The true test however is SCR, and we are seeing more companies achieve share count reduction as they increase their EPS."

On a sector basis, Information Technology maintained its dominance of buybacks, accounting for 26.7% of all buybacks in Q4 (up from 25.9% in Q3) – International Business Machines led the index with \$5.8 billion in buybacks (up from \$1.9 billion in Q3), followed by Apple, which spent \$5 billion during the quarter (up from \$4.9 in Q3).

For the year, the top five spenders are – Apple (\$25.9 billion), Exxon-Mobil (\$16.0 billion), International Business Machines (\$13.9 billion), AT&T (\$13.0 billion) and Pfizer (\$13.0 billion).

Historical S&P 500 buyback data can be found at: [www.spindices.com/indices/equity/sp-500](http://www.spindices.com/indices/equity/sp-500)

## S&P Dow Jones Indices

S&P 500, \$ U.S. BILLIONS, preliminary values in bold

PERIOD	MARKET VALUE \$ BILLIONS	OPERATING EARNINGS \$ BILLIONS	GAS REPORTED EARNINGS \$ BILLIONS	DIVIDENDS \$ BILLIONS	BUYBACKS \$ BILLIONS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
12/31/2013 Prelim.	\$16,495	\$252.01	\$236.58	\$84.98	\$129.41	1.89%	2.88%	4.77%
9/30/2013	\$14,960	\$239.50	\$219.13	\$79.26	\$128.16	2.05%	2.98%	5.03%
6/30/2013	\$14,310	\$234.84	\$221.56	\$76.67	\$118.05	2.07%	2.94%	5.02%
3/31/2013	\$13,979	\$229.57	\$215.76	\$70.86	\$98.97	2.06%	2.97%	5.02%

12/31/2012	\$12,142	\$200.84	\$184.30	\$19.83	\$99.13	2.20%	3.13%	3.33%
9/30/2012	\$12,881	\$214.58	\$189.64	\$69.48	\$103.72	2.07%	3.01%	5.08%
6/30/2012	\$12,303	\$229.69	\$195.27	\$67.31	\$111.75	2.08%	3.27%	5.35%
3/31/2012	\$12,730	\$219.09	\$208.15	\$64.07	\$84.29	1.95%	3.14%	5.09%
12/31/2011	\$11,385	\$214.83	\$186.85	\$65.89	\$87.59	2.11%	3.56%	5.67%
09/30/2011	\$10,303	\$230.30	\$206.08	\$59.20	\$118.41	2.22%	3.92%	6.14%
6/30/2011	\$12,021	\$226.29	\$202.44	\$59.03	\$109.24	1.84%	3.04%	4.88%
3/31/2011	\$12,068	\$205.34	\$195.15	\$56.08	\$89.84	1.76%	2.76%	4.52%
12/31/2010	\$11,430	\$199.40	\$187.67	\$54.85	\$86.36	1.80%	2.61%	4.42%
09/30/2010	\$10,336	\$195.28	\$176.80	\$51.26	\$79.56	1.94%	2.52%	4.45%
06/30/2010	\$9,323	\$189.04	\$178.00	\$50.44	\$77.64	2.10%	2.31%	4.41%
03/31/2010	\$10,560	\$175.00	\$157.85	\$49.28	\$55.26	1.83%	1.54%	3.36%
12/31/2009	\$9,928	\$152.77	\$135.14	\$49.04	\$47.82	1.97%	1.39%	3.36%
09/30/2009	\$9,337	\$139.37	\$130.37	\$47.21	\$34.85	2.24%	1.48%	3.71%
06/30/2009	\$8,045	\$120.85	\$118.22	\$47.63	\$24.20	2.77%	2.40%	5.17%
03/31/2009	\$6,928	\$87.78	\$65.29	\$51.73	\$30.78	3.43%	3.70%	7.13%
12/31/2008	\$7,852	-\$0.78	-\$202.11	\$62.19	\$48.12	3.15%	4.33%	7.48%
09/30/2008	\$10,181	\$142.90	\$86.16	\$61.44	\$89.71	2.48%	4.26%	6.73%
06/30/2008	\$11,163	\$148.43	\$112.15	\$61.94	\$87.91	2.26%	4.62%	6.88%
03/30/2008	\$11,511	\$144.63	\$135.24	\$61.72	\$113.90	2.17%	5.08%	7.25%
12/31/2007	\$12,868	\$133.38	\$68.53	\$67.09	\$141.71	1.92%	4.58%	6.49%

#### S&P Dow Jones Indices

#### S&P 500 20 LARGEST Q4 2013 BUYBACKS, \$ MILLIONS

Company	SECTOR	Q4,'13	2013	2012	5-YEARS
International Business Machines	Information Technology	\$5,797	\$13,859	\$11,995	\$63,704
Apple	Information Technology	\$5,029	\$25,939	\$1,950	\$27,889
Pfizer	Healthcare	\$4,647	\$13,027	\$8,228	\$28,645
Cisco Systems	Information Technology	\$3,805	\$8,235	\$3,262	\$30,620
Exxon Mobil	Energy	\$3,302	\$15,998	\$21,068	\$91,917
Oracle Corporation	Information Technology	\$2,833	\$10,750	\$10,130	\$26,458
General Electric	Industrials	\$2,820	\$10,316	\$5,242	\$19,907
Express Scripts Holding	Healthcare	\$2,503	\$4,055	\$0	\$7,847
Microsoft Corporation	Information Technology	\$2,113	\$6,371	\$5,343	\$37,554
The Home Depot	Consumer Discretionary	\$2,100	\$8,546	\$3,984	\$18,706
AT&T	Telecommunication Services	\$1,894	\$13,028	\$12,752	\$25,780
Walt Disney	Consumer Discretionary	\$1,718	\$4,761	\$3,259	\$16,516
CVS Caremark	Consumer Staples	\$1,704	\$3,976	\$4,330	\$14,836
3M	Industrials	\$1,674	\$5,212	\$2,204	\$10,988
Seagate Technology Public	Information Technology	\$1,520	\$1,846	\$3,745	\$7,188
Procter & Gamble	Consumer Staples	\$1,502	\$6,006	\$6,244	\$27,666
Philip Morris International	Consumer Staples	\$1,447	\$5,963	\$6,525	\$28,515
Goldman Sachs Group	Financials	\$1,400	\$6,175	\$4,640	\$21,048
Wells Fargo	Financials	\$1,378	\$5,356	\$3,918	\$12,001
Bank of America	Financials	\$1,351	\$3,220	\$0	\$3,220
<b>Top 20</b>		<b>\$50,537</b>	<b>\$172,639</b>	<b>\$118,819</b>	<b>\$521,005</b>
<b>S&amp;P 500</b>		<b>\$129,411</b>	<b>\$475,587</b>	<b>\$398,910</b>	<b>\$1,716,039</b>
<b>Top 20 % of S&amp;P 500</b>		<b>39.05%</b>	<b>36.30%</b>	<b>29.79%</b>	<b>30.36%</b>

#### S&P Dow Jones Indices

#### S&P 500 SECTOR BUYBACKS

SECTOR \$ MILLIONS	Q4,'13	2013	2012	5-YEARS
<b>Consumer Discretionary</b>	\$18,080	\$70,226	\$65,076	\$265,908
<b>Consumer Staples</b>	\$11,309	\$42,822	\$47,867	\$216,079
<b>Energy</b>	\$12,236	\$40,950	\$35,721	\$163,320
<b>Financials</b>	\$16,077	\$58,547	\$52,333	\$186,266

<b>Healthcare</b>	\$14,525	\$61,959	\$69,581	\$259,511
<b>Industrials</b>	\$16,230	\$53,735	\$32,257	\$156,808
<b>Information Technology</b>	\$34,528	\$121,448	\$76,682	\$400,136
<b>Materials</b>	\$3,899	\$10,306	\$4,428	\$29,129
<b>Telecommunication Services</b>	\$2,228	\$14,866	\$12,829	\$29,022
<b>Utilities</b>	\$300	\$728	\$2,135	\$9,859
<b>TOTAL</b>	<b>\$129,411</b>	<b>\$475,587</b>	<b>\$398,910</b>	<b>\$1,716,039</b>

<b>SECTOR BUYBACK MAKEUP %</b>	<b>Q4,'13</b>	<b>2013</b>	<b>2012</b>	<b>5-YEARS</b>
<b>Consumer Discretionary</b>	13.97%	14.77%	16.31%	15.50%
<b>Consumer Staples</b>	8.74%	9.00%	12.00%	12.59%
<b>Energy</b>	9.45%	8.61%	8.95%	9.52%
<b>Financials</b>	12.42%	12.31%	13.12%	10.85%
<b>Healthcare</b>	11.22%	13.03%	17.44%	15.12%
<b>Industrials</b>	12.54%	11.30%	8.09%	9.14%
<b>Information Technology</b>	26.68%	25.54%	19.22%	23.32%
<b>Materials</b>	3.01%	2.17%	1.11%	1.70%
<b>Telecommunication Services</b>	1.72%	3.13%	3.22%	1.69%
<b>Utilities</b>	0.23%	0.15%	0.54%	0.57%
<b>TOTAL</b>	100.00%	100.00%	100.00%	100.00%

### About S&P Dow Jones Indices

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