

S&P 500 Q3 2018 Buybacks Surpass \$200 Billion Mark for the First Time Ever

- Q3 share repurchases increase 57.7% year over year to a record \$203.8 billion
- This is the third consecutive quarterly record, up 6.9% from Q2 2018
- Q1 to Q3 year-to-date expenditures are only 1% shy of the annual record set in 2007
- 12-month shareholder return up 25.2% to a record \$1.17 trillion
- QUALCOMM led in buybacks, spending \$21.2 billion in Q3 2018, ranking third highest in S&P 500 history

NEW YORK, Dec. 18, 2018 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") announced today that preliminary **Q3 2018 S&P 500® stock buybacks**, or share repurchases, surpassed the \$200 billion mark for the first time to set a **record \$203.8 billion**. This is the third consecutive record, **displacing the prior quarterly record of \$190.6 billion, set during Q2 2018** and a 57.7% increase from the \$129.2 billion reported for Q3 2017. For the first three quarters of 2018, buybacks are up 52.6% to \$583.4 billion from the prior year's \$382.4 billion, and stand 1% away from the annual record, set in 2007, of \$589.1 billion with a full quarter yet to report.

For the **12-month period ending September 2018**, S&P 500 issues spent a record **\$720.4 billion on buybacks**, up 39.1% from \$517.7 billion for the corresponding 2017 period.

Historical data on S&P 500 buybacks are available at www.spdji.com/indices/equity/sp-500.

Key Takeaways:

- The percentage of issues with substantially reduced share counts of at least 4% year-over-year rose to 17.7%, up from the prior quarter's 15.4%. This is the highest since the 19.4% posted in Q4 2016.
- For Q3 2018, 88 issues experienced substantially reduced share counts, up from 79 for Q2 2018 and 70 for Q3 2017.
- Total shareholder return of buybacks and dividends for the quarter set a record of \$319.5 billion, up 36.2% from the \$234.6 billion reported for Q3 2017.
- S&P 500 dividends totaled \$115.7 billion, a new record, up 3.7% from the \$111.6 billion in Q2 2018.
- Total shareholder return for the 12-month period ending September 2018 set a record at \$1.166 trillion, surpassing Q2's record \$1.081 trillion, and up 25.2% from \$931.9 billion for the corresponding 2017 period.
- 286 S&P 500 issues reduced their share count during Q3 2018, compared to 305 during Q2 2018 and 274 during Q3 2017.

"Companies have used their tax savings to push up discretionary buybacks and boost earnings through significantly reduced share counts," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "Adding to the impact, Q4 average issue prices have declined 3.3% which would increase the number of shares a company can buy with the same expenditure and further increase the EPS tailwind."

"The buying, while broad, continued to be top heavy, with the top 20 issues accounting for 54.3% of all S&P 500 buybacks, a level not seen since Q1 2010, when it was at 59.8%."

Q2 2018 GICS® Sector Analysis:

Information Technology expenditures increased 15.1%, after Q2's 12.8% gain, to \$82.3 billion – compared to \$71.5 billion for Q2 2018 and \$27.9 billion for Q3 2017. The sector represents 40.4% of the index's buybacks, up from 21.6% for Q3 2017.

Energy expenditures increased 71.1% to \$7.3 billion compared to \$4.3 billion for Q2 2018 and were up 216% from their \$2.3 billion posted in Q3 2017, but remained at 61.2% of their \$112.0 billion Q3 2013 expenditure 5-years ago.

Consumer sectors split, as Consumer Discretionary buybacks decreased their expenditure 13.1% to \$19.7 billion, down from \$22.7 billion for Q2 2018. **Consumer Staples** increased 52.4% to \$10.0 billion, up from \$6.6 billion for Q2 2018.

Issues:

The five issues with the highest total buybacks for Q2 2018 are:

- **QUALCOMM (QCOM)** led in buybacks, spending \$21.2 billion in Q3 2018, ranking third on the top 20 S&P 500 historical list, up from \$1.1 billion spent for Q2 2018
- **Apple (AAPL)** reported \$19.4 billion in Q3 2018, down from \$21.9 billion spent for Q2 2018, as the quarter ranked fifth highest historically; Apple holds seven of the top eight positions for buybacks historically, spending \$224.2 billion over the past five-years.
- **Oracle (ORCL)**: \$10.3 billion for Q3 2018, up from \$5.0 billion for Q2 2018 and \$0.8 billion for Q3 2017.
- **Wells Fargo (WFC)**: \$7.4 billion for Q3 2018, up from \$2.9 billion for Q2 2018 and up from \$2.6 billion for Q3 2017.
- **Cisco Systems (CSCO)**: \$5.4 billion for Q3 2018, down from \$6.1 billion for Q2 2018 and \$2.0 billion for Q3 2017.

Total Shareholder Return:

Silverblatt determined that total shareholder return, through regular cash dividends and buybacks, **increased 5.7% to \$319.5 billion**, up from \$302.2 billion for Q2 2018 and up 26.2% from the \$234.6 billion for Q3 2017.

For the 12-month period ending September 2018, shareholder return totaled \$1.166 trillion, up 25.2% from \$931.9 billion for the 12-month period ending September 2017.

S&P 500 dividends posted a new record payment for Q3 2018, at \$115.7 billion, and was up 9.7% from its \$105.4 billion Q3 2017 payment. Dividend payments totaled a record \$446.0 billion for the 12-month period ending September 2018, up 7.7% from \$414.1 billion for the 12-month period ending September 2017.

"Shareholder return for the first three quarters of 2018 has increased significantly, with Q4 appearing to continue the trend, as companies give some of their tax savings back to shareholders directly through dividends, and indirectly through stock repurchases, as both buybacks and dividends are set to post new annual records," said Silverblatt.

"Buybacks continue to be a high corporate priority, and favorite, as they support stock price via more purchases and increase EPS through lower share counts.

"One strong takeaway is the trend in dividends where more issues continue to increase with greater average size increases. Dividends, unlike buybacks, are a pure cash-flow item, so when they are increased, companies are usually very confident of their future earnings flow," said Silverblatt.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

S&P Dow Jones Indices S&P 500, \$ U.S. BILLIONS

PERIOD	MARKET VALUE	OPERATING EARNINGS	(preliminary in bold) AS REPORTED EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD	DIVIDENDS & BUYBACKS
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	BILLIONS				\$ BILLION

12 Months Sep 2018	\$24,579.28	\$1,276.68	\$1,106.65	\$445.96	\$720.40	1.81%	2.93%	4.75%	\$1,166.36
2017	\$21,578.98	\$1,017.18	\$918.66	\$414.13	\$517.72	1.92%	2.40%	4.32%	\$931.85
2017	\$22,821.24	\$1,066.00	\$940.86	\$419.77	\$519.40	1.84%	2.28%	4.12%	\$939.17
2016	\$19,267.93	\$919.85	\$818.55	\$397.21	\$536.38	2.06%	2.78%	4.85%	\$933.60
2015	\$17,899.56	\$885.38	\$762.74	\$382.32	\$572.16	2.14%	3.20%	5.33%	\$954.47
9/30/2018 Prelim.	\$24,579	\$348.95	\$306.70	\$115.72	\$203.76	1.81%	2.93%	4.75%	\$319.47
6/30/2018	\$23,036	\$327.53	\$288.55	\$111.60	\$190.62	1.89%	2.80%	4.69%	\$302.22
3/29/2018	\$22,496	\$311.26	\$281.28	\$109.18	\$189.05	1.90%	2.56%	4.46%	\$298.23
12/29/2017	\$22,821	\$288.93	\$230.12	\$109.46	\$136.97	1.84%	2.28%	4.12%	\$246.43
9/29/2017	\$21,579	\$268.35	\$243.68	\$105.45	\$129.17	1.92%	2.40%	4.32%	\$234.61
6/30/2017	\$20,762	\$261.39	\$231.40	\$104.01	\$120.11	1.96%	2.41%	4.37%	\$224.12
3/31/2017	\$20,276	\$247.32	\$235.65	\$100.86	\$133.15	1.98%	2.51%	4.49%	\$234.01
12/31/2016	\$19,268	\$240.11	\$207.93	\$103.82	\$135.29	2.06%	2.78%	4.85%	\$239.11
9/30/2016	\$18,742	\$247.98	\$219.46	\$98.43	\$112.20	2.10%	2.92%	5.01%	\$210.63
6/30/2016	\$18,193	\$222.77	\$201.79	\$98.30	\$127.50	2.14%	3.22%	5.36%	\$225.81
3/31/2016	\$17,958	\$208.99	\$189.37	\$96.67	\$161.39	2.15%	3.28%	5.43%	\$258.05
12/31/2015	\$17,900	\$201.95	\$163.76	\$99.39	\$145.88	2.14%	3.20%	5.33%	\$245.27
9/30/2015	\$16,917	\$224.14	\$204.58	\$95.07	\$150.58	2.22%	3.30%	5.52%	\$245.66
6/30/2015	\$18,219	\$230.84	\$201.35	\$94.45	\$131.56	2.03%	3.04%	5.07%	\$226.01
3/31/2015	\$18,303	\$228.45	\$193.05	\$93.41	\$144.13	1.98%	2.94%	4.92%	\$237.54
12/30/2014	\$18,245	\$237.14	\$202.31	\$92.80	\$132.63	1.92%	3.03%	4.95%	\$225.43
9/30/2014	\$17,519	\$262.92	\$244.00	\$89.02	\$145.19	1.96%	3.14%	5.10%	\$234.22
6/30/2014	\$17,404	\$260.50	\$240.96	\$86.65	\$116.17	1.91%	3.06%	4.98%	\$202.82
3/31/2014	\$16,700	\$243.67	\$221.82	\$81.96	\$159.28	1.93%	3.20%	5.14%	\$241.24
12/31/2013	\$16,495	\$252.10	\$236.31	\$84.98	\$129.41	1.89%	2.88%	4.77%	\$214.40
9/30/2013	\$14,960	\$239.50	\$219.13	\$79.26	\$128.16	2.05%	2.98%	5.03%	\$207.42
6/30/2013	\$14,310	\$234.84	\$221.56	\$76.67	\$118.05	2.07%	2.94%	5.02%	\$194.72
3/31/2013	\$13,979	\$229.57	\$215.76	\$70.86	\$99.97	2.06%	2.97%	5.02%	\$170.82

S&P Dow Jones Indices
S&P 500 SECTOR BUYBACKS
SECTOR \$ MILLIONS

	Q3,'18	Q2,'18	Q3,'17	12MoSep','18	12MoSep','17	5-YEARS
Consumer Discretionary	\$19,688	\$22,656	\$24,242	\$81,798	\$83,398	\$425,986
Consumer Staples	\$10,025	\$6,580	\$15,578	\$34,351	\$51,957	\$216,679
Energy	\$7,330	\$4,285	\$2,320	\$26,932	\$8,513	\$108,642
Financials	\$40,643	\$29,968	\$34,252	\$138,316	\$117,336	\$519,274
Healthcare	\$14,482	\$27,241	\$9,523	\$93,170	\$78,066	\$374,840
Industrials	\$15,159	\$23,426	\$13,087	\$66,775	\$56,771	\$348,001
Information Technology	\$82,293	\$71,511	\$27,926	\$253,044	\$111,762	\$795,091
Materials	\$3,014	\$3,237	\$1,412	\$10,601	\$6,287	\$70,385
Real Estate	\$520	\$884	\$806	\$3,602	\$2,833	\$6,891
Communication Services	\$10,092	\$419	\$3	\$10,690	\$545	\$22,412
Utilities	\$509	\$413	\$22	\$1,119	\$250	\$5,850
TOTAL	\$203,756	\$190,621	\$129,170	\$720,397	\$517,720	\$2,894,052

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S&P 500 20 LARGEST Q3 2018 BUYBACKS, \$ MILLIONS
Company **Ticker** **Sector**

			Q3,'18 Buybacks \$ Million	12MO Sep,'18 Buybacks \$ Million	12MO Sep,'17 Buybacks \$ Million	5-Year Buybacks \$ Million	10-Year Buybacks \$ Million
QUALCOMM	QCOM	Information Technology	\$21,162	\$22,860	\$1,610	\$44,188	\$51,466
Apple	AAPL	Information Technology	\$19,364	\$75,265	\$34,774	\$224,241	\$250,335
Oracle	ORCL	Information Technology	\$10,346	\$21,366	\$2,505	\$51,518	\$76,987
Wells Fargo	WFC	Financials	\$7,393	\$16,518	\$9,481	\$52,056	\$63,140
Cisco Systems	CSCO	Information Technology	\$5,394	\$21,616	\$4,908	\$44,899	\$72,315
Citigroup	C	Financials	\$5,166	\$15,800	\$13,599	\$42,718	\$45,553
Facebook	FB	Communication Services	\$5,161	\$13,886	\$3,378	\$17,526	\$21,095
Bank of America	BAC	Financials	\$5,040	\$19,732	\$9,275	\$38,189	\$40,058
JPMorgan Chase	JPM	Financials	\$4,416	\$18,863	\$12,853	\$49,222	\$67,227
Microsoft	MSFT	Information Technology	\$3,744	\$11,895	\$9,996	\$61,793	\$100,054
Starbucks	SBUX	Consumer Discretionary	\$3,074	\$7,196	\$2,125	\$13,771	\$15,944
Walgreens Boots Alliance	WBA	Consumer Staples	\$2,703	\$5,228	\$5,220	\$13,531	\$19,400
Intel	INTC	Information Technology	\$2,684	\$8,956	\$4,134	\$30,686	\$55,533
Boeing	BA	Industrials	\$2,461	\$10,412	\$8,128	\$39,075	\$40,400
Home Depot	HD	Consumer Discretionary	\$2,397	\$7,451	\$8,412	\$36,498	\$53,104
Walmart	WMT	Consumer Staples	\$2,317	\$5,801	\$8,700	\$26,759	\$61,643
Booking Holdings	BKNG	Consumer Discretionary	\$2,205	\$4,815	\$1,380	\$10,790	\$12,240
Alphabet	GOOG	Communication Services	\$2,200	\$8,526	\$2,745	\$16,744	\$17,662
Lam Research	LRCX	Information Technology	\$1,736	\$4,234	\$965	\$6,073	\$8,423
Amgen	AMGN	Health Care	\$1,729	\$16,650	\$3,614	\$24,652	\$46,126
Top 20			\$110,692	\$317,070	\$147,803	\$844,928	\$1,118,705
S&P 500			\$203,756	\$720,397	\$517,720	\$2,894,053	\$4,528,798
Top 20 % of S&P 500			54.33%	44.01%	28.55%	29.20%	24.70%

Gross values are not adjusted for float

Uses full values (unadjusted for float)
Dividends based on indicated; buybacks based on the last 12-months ending Q3'18

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