

S&P 500 Q3 2017 Buybacks Increase 7.5% to \$129.2 Billion

- Buybacks fall 5.3% for the 12-month year-over-year period
- EPS support via discretionary share count reductions stabilize at lower level
- Cash reserves jump, set another record

NEW YORK, Dec. 13, 2017 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") today announced preliminary results indicating that **S&P 500® stock buybacks**, or share repurchases, **totaled \$129.2 billion for Q3 2017. This is a 7.5% increase from the \$120.1 billion reported for Q2 2017 and a 15.2% increase from the \$112.2 billion reported for Q3 2016.**

For the 12-month period ending September 2017, S&P 500 issues spent **\$517.7 billion on buybacks**, down 5.3% from \$547.0 billion for the 12-month period ending September 2016.

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

Key Takeaways:

- The number of S&P 500 issues substantially reducing their year-over-year share count slightly increased to 14.2% for Q3 2017, compared to 14.0% for Q2 2017 and 23.7% for Q3 2016.
- Total shareholder return totaled \$234.6 billion, up 4.7% from \$224.1 billion for Q2 2017.
- S&P 500 dividends set a new record payment, at \$105.4 billion, compared to \$104.0 billion for Q2 2017.
- For the 12-month period ending September 2017, total shareholder return was \$931.9 billion, down 0.8% from \$939.8 billion for the 12-month period ending September 2016.
- 274 S&P 500 issues reduced their share count for Q3 2017, compared to 268 for Q2 2017 and 257 for Q3 2016.
- Year-over-year share count reductions of at least 4%, which are seen as affecting EPS, increased to 70 issues for Q3 2017, compared to 66 for Q2 2017 and 117 for Q3 2016.

"Buyback expenditures for Q3 2017 increased slightly more than share prices, even though the EPS tailwind remains weaker than recent history," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**.

"For the last two years, more than 20% of S&P 500 issues provided at least a 4% tailwind to EPS via significantly-reduced share counts. For 2017, that rate has stabilized closer to 14%. Earnings, which set a record in Q3 2017, are expected to rise again during Q4 and appear stable due to improvements in both profit margins and sales."

Buyback concentration increased for the quarter. The top 20 issues accounted for 45.5% (\$58.8 billion) of all share repurchases, up from 38.6% (\$46.4 billion) for Q2 2017 and 42.3% (\$47.5 billion) for Q3 2016.

GICS® Sector Analysis:

Consumer Staples buybacks surged 51.3% to \$15.6 billion, up from \$10.3 billion for Q2 2017.

Financials posted a strong 27.7% increase to \$34.3 billion, spending the most of any sector and representing 26.5% of all buybacks. The sector appears committed to fulfilling their share repurchase programs.

Information Technology expenditures rose 1.1% to \$27.9 billion, compared to \$27.6 billion for Q2 2017. The sector represents 21.6% of all buybacks but has 46% of the index's cash reserves.

Issues:

Apple (AAPL) spent \$7.8 billion for Q3 2017, up from \$7.1 billion for Q2 2017 and \$6.0 billion for Q3 2016; the issue spent the most of any issue for the quarter.

Citigroup (C) was second, with \$5.4 billion, up from \$1.8 billion for Q2 2017 and \$2.5 billion for Q3 2016.

J. P. Morgan (JPM) was third, with \$4.8 billion, up from \$3.0 billion for Q2 2017 and \$2.3 billion for Q3 2016.

Walgreens Boots Alliance (WBA) came in fourth, with \$3.8 billion, up from \$1.0 billion for Q2 2017 and none for Q3 2016.

Charter Communications (CHTR) rounded out the top five, at \$3.5 billion, up from \$3.3 billion in Q2 2017 and \$0.3 billion for Q3 2016.

Total Shareholder Return:

Silverblatt determined that **total shareholder return**, through regular cash dividends and buybacks, **increased 4.7% to \$234.6 billion** for Q3 2017, up from \$224.1 billion for Q2 2017. For the 12-month period ending September 2017, shareholder return totaled \$931.9 billion, down 0.8% from \$939.8 billion for the 12-month period ending September 2016.

Dividends posted a 1.4% increase for Q3 2017, to a record \$105.4 billion, up from \$104.0 billion for Q2 2017. Payments totaled \$414.1 billion for the 12-month period ending September 2017, up 5.3% from \$392.8 billion for the 12-month period ending September 2016. With Q4 2017 nearing its end, the quarter is expected to post another record for cash dividend payments, even as **General Electric** (GE) reduced its annual rate by 50% (\$4.2 billion).

According to Silverblatt, preliminary **cash reserves increased from Q2 2017**. S&P 500 Industrial (Old), which consists of the S&P 500 less Financials, Transportations, Real Estate and Utilities, available cash and equivalent surpassed \$1.6 trillion for the first time, standing at \$1.630 trillion. Available cash stood at \$1.534 trillion for Q2 2017 and \$1.487 trillion for Q3 2016.

"While the current quarter ticked up, the pace of both buyback and dividend growth has been waning," said Silverblatt.

"Record-level cash reserves could reach shareholders, with the current belief being that buybacks would benefit more than dividends. Dividends are a pure cash-flow item and are considered longer-term events than buybacks; once increased, a dividend cut usually solicits a negative

market reaction."

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 \$ BILLIONS | OPERATING EARNINGS \$ BILLIONS | (preliminary in bold) AS REPORTED EARNINGS \$ BILLIONS | DIVIDENDS \$ BILLIONS | BUYBACKS \$ BILLIONS | DIVIDEND YIELD | BUYBACK YIELD | DIVIDEND & BUYBACK YIELD |
|-------------------------------|---|---|---|----------------------------------|---------------------------------|---------------------------|--------------------------|---|
| 12 Months Sep 2017 | \$21,579 | \$1,017.52 | \$918.75 | \$414.13 | \$517.72 | 1.92% | 2.40% | 4.32% |
| 12 Months Sep 2016 | \$18,742 | \$881.68 | \$774.38 | \$392.79 | \$546.97 | 2.10% | 2.92% | 5.01% |
| 2016 | \$19,268 | \$919.85 | \$818.55 | \$397.21 | \$536.38 | 2.06% | 2.78% | 4.85% |
| 2015 | \$17,900 | \$885.38 | \$762.74 | \$382.32 | \$572.16 | 2.14% | 3.20% | 5.33% |
| 2014 | \$18,245 | \$1,004.22 | \$909.09 | \$350.43 | \$553.28 | 1.92% | 3.03% | 4.95% |
| 9/29/2017 | | | | | | | | |
| Prelim. | \$21,579 | \$268.69 | \$243.77 | \$105.45 | \$129.17 | 1.92% | 2.40% | 4.32% |
| 6/30/2017 | \$20,762 | \$261.39 | \$231.40 | \$104.01 | \$120.11 | 1.96% | 2.41% | 4.37% |
| 3/31/2017 | \$20,276 | \$247.32 | \$235.65 | \$100.86 | \$133.15 | 1.98% | 2.51% | 4.49% |
| 12/31/2016 | \$19,268 | \$240.11 | \$207.93 | \$103.82 | \$135.29 | 2.06% | 2.78% | 4.85% |
| 9/30/2016 | \$18,742 | \$247.98 | \$219.46 | \$98.43 | \$112.20 | 2.10% | 2.92% | 5.01% |
| 6/30/2016 | \$18,193 | \$222.77 | \$201.79 | \$98.30 | \$127.50 | 2.14% | 3.22% | 5.36% |
| 3/31/2016 | \$17,958 | \$208.99 | \$189.37 | \$96.67 | \$161.39 | 2.15% | 3.28% | 5.43% |
| 12/31/2015 | \$17,900 | \$201.95 | \$163.76 | \$99.39 | \$145.88 | 2.14% | 3.20% | 5.33% |
| 9/30/2015 | \$16,917 | \$224.14 | \$204.58 | \$95.07 | \$150.58 | 2.22% | 3.30% | 5.52% |
| 6/30/2015 | \$18,219 | \$230.84 | \$201.35 | \$94.45 | \$131.56 | 2.03% | 3.04% | 5.07% |
| 3/31/2015 | \$18,303 | \$228.45 | \$193.05 | \$93.41 | \$144.13 | 1.98% | 2.94% | 4.92% |
| 12/30/2014 | \$18,245 | \$237.14 | \$202.31 | \$92.80 | \$132.63 | 1.92% | 3.03% | 4.95% |
| 9/30/2014 | \$17,519 | \$262.92 | \$244.00 | \$89.02 | \$145.19 | 1.96% | 3.14% | 5.10% |
| 6/30/2014 | \$17,404 | \$260.50 | \$240.96 | \$86.65 | \$116.17 | 1.91% | 3.06% | 4.98% |
| 3/31/2014 | \$16,700 | \$243.67 | \$221.82 | \$81.96 | \$159.28 | 1.93% | 3.20% | 5.14% |
| 12/31/2013 | \$16,495 | \$252.10 | \$236.31 | \$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 | \$99.97 | 2.06% | 2.97% | 5.02% |
| 12/31/2012 | \$12,742 | \$206.84 | \$184.50 | \$79.83 | \$99.15 | 2.20% | 3.13% | 5.33% |
| 9/30/2012 | \$12,881 | \$214.58 | \$189.64 | \$69.48 | \$103.72 | 2.07% | 3.01% | 5.08% |

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

| | Q3,'17 | Q2,'17 | Q3,'16 | 12MO SEP,'17 | 12MO SEP,'16 | 5-YEARS |
|-----------------------------------|------------------|------------------|------------------|---------------------|---------------------|--------------------|
| Consumer Discretionary | \$24,242 | \$22,357 | \$21,970 | \$83,398 | \$91,873 | \$411,266 |
| Consumer Staples | \$15,578 | \$10,296 | \$8,397 | \$51,957 | \$48,219 | \$226,089 |
| Energy | \$2,320 | \$3,107 | \$1,344 | \$8,513 | \$7,369 | \$118,850 |
| Financials | \$34,252 | \$26,815 | \$25,213 | \$117,336 | \$102,603 | \$434,418 |
| Healthcare | \$9,523 | \$12,636 | \$13,089 | \$78,066 | \$75,146 | \$340,717 |
| Industrials | \$13,087 | \$14,799 | \$13,267 | \$56,771 | \$81,220 | \$330,327 |
| Information Technology | \$27,926 | \$27,628 | \$25,978 | \$111,762 | \$126,243 | \$651,789 |
| Materials | \$1,412 | \$1,020 | \$2,228 | \$6,287 | \$12,232 | \$67,469 |
| Real Estate | \$806 | \$1,150 | \$456 | \$2,833 | \$456 | \$3,289 |
| Telecommunication Services | \$3 | \$282 | \$247 | \$545 | \$1,007 | \$28,756 |
| Utilities | \$22 | \$20 | \$15 | \$250 | \$602 | \$6,008 |
| TOTAL | \$129,170 | \$120,109 | \$112,203 | \$517,720 | \$546,970 | \$2,618,978 |

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S&P 500 20 LARGEST Q3 2017 BUYBACKS, \$ MILLIONS

| Company | Ticker | Sector | Q3,'17 Buybacks \$ Million | 12MO Sep,'17 Buybacks \$ Million | 12MO Sep,'16 Buybacks \$ Million | 5-Year Buybacks \$ Million | 10-year Buybacks \$ Million | Indicated Dividend \$ Million |
|------------------------|---------------|------------------------|---|---|---|---|--|--|
| Apple | AAPL | Information Technology | \$7,795 | \$32,900 | \$29,722 | \$165,735 | \$165,735 | \$13,139 |
| Citigroup | C | Financials | \$5,437 | \$13,599 | \$7,135 | \$27,989 | \$29,760 | \$0 |
| JPMorgan | JPM | Financials | \$4,763 | \$12,853 | \$8,050 | \$34,849 | \$48,583 | \$7,958 |
| Walgreens | WBA | Consumer Staples | \$3,763 | \$5,220 | \$1,152 | \$8,918 | \$14,466 | \$4,256 |
| Charter Communications | CHTR | Consumer Discretionary | \$3,525 | \$8,862 | \$462 | \$9,389 | \$10,132 | \$3,428 |
| Walt Disney | DIS | Consumer Discretionary | \$3,424 | \$9,368 | \$7,499 | \$33,576 | \$48,844 | \$2,467 |
| Bank of America | BAC | Financials | \$2,981 | \$9,275 | \$4,581 | \$20,326 | \$20,470 | \$1,185 |
| Wells Fargo | WFC | Financials | \$2,609 | \$9,473 | \$8,542 | \$40,829 | \$50,429 | \$7,796 |
| Microsoft | MSFT | Information Technology | \$2,570 | \$9,996 | \$15,574 | \$55,814 | \$104,255 | \$6,150 |
| Procter & Gamble | PG | Consumer Staples | \$2,502 | \$5,203 | \$4,004 | \$22,369 | \$55,321 | \$4,777 |
| Boeing | BA | Industrials | \$2,500 | \$8,000 | \$7,251 | \$29,054 | \$32,999 | \$9,051 |
| Wal-Mart Stores | WMT | Consumer Staples | \$2,209 | \$8,700 | \$8,646 | \$29,707 | \$61,775 | \$3,524 |

| | | | | | | | | |
|--|-------|------------------------|------------------|------------------|------------------|--------------------|--------------------|------------------|
| Home Depot | HD | Consumer Discretionary | \$2,176 | \$8,632 | \$6,480 | \$28,527 | \$46,524 | \$12,019 |
| McDonald's | MCD | Consumer Discretionary | \$2,082 | \$5,446 | \$11,207 | \$26,565 | \$42,974 | \$0 |
| Cisco Systems | CSCO | Information Technology | \$2,028 | \$4,908 | \$4,298 | \$28,184 | \$59,149 | \$5,133 |
| Comcast | CMCSA | Consumer Discretionary | \$1,736 | \$5,450 | \$5,041 | \$23,262 | \$33,668 | \$5,637 |
| Visa | V | Information Technology | \$1,724 | \$6,967 | \$7,249 | \$26,867 | \$46,693 | \$2,982 |
| General Motors (GM) | GM | Consumer Discretionary | \$1,498 | \$2,497 | \$2,133 | \$18,331 | \$19,793 | \$1,181 |
| American Express | AXP | Financials | \$1,320 | \$4,041 | \$4,692 | \$21,434 | \$27,535 | \$5,800 |
| Top 20 | | | \$58,786 | \$177,801 | \$149,910 | \$687,869 | \$964,899 | \$97,726 |
| S&P 500 | | | \$129,170 | \$517,720 | \$546,970 | \$2,618,978 | \$4,241,640 | \$438,849 |
| Top 20 % of S&P 500 | | | 45.51% | 34.34% | 27.41% | 26.26% | 22.75% | 22.27% |
| Gross values are not adjusted for float | | | | | | | | |

S&P Dow Jones Indices

S&P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q3 2017, no issues added for Q3 2017

| \$ MILLIONS | QUARTER | COMPANY | SECTOR | |
|------------------|----------------|---------------------------------|------------------------|----|
| \$17,971 | Q1 2014 | Apple | Information Technology | 1 |
| \$17,000 | Q3 2014 | Apple | Information Technology | 2 |
| \$16,000 | Q2 2013 | Apple | Information Technology | 3 |
| \$15,707 | Q2 2007 | International Business Machines | Information Technology | 4 |
| \$13,253 | Q3 2015 | Apple | Information Technology | 5 |
| \$12,852 | Q2 2012 | Johnson & Johnson | Healthcare | 6 |
| \$12,318 | Q4 2016 | Allergan plc (AGN) | Healthcare | 7 |
| \$12,183 | Q3 2012 | Johnson & Johnson | Healthcare | 8 |
| \$10,851 | Q4 2016 | Apple | Information Technology | 9 |
| \$10,723 | Q3 2007 | Home Depot | Consumer Discretionary | 10 |
| \$10,166 | Q2 2016 | Apple | Information Technology | 11 |
| \$10,000 | Q2 2015 | Apple | Information Technology | 12 |
| \$9,859 | Q4 2007 | Transocean | Energy | 13 |
| \$9,179 | Q4 2006 | Exxon Mobil | Energy | 14 |
| \$9,465 | Q1 2008 | Exxon Mobil | Energy | 15 |
| \$8,845 | Q4 2008 | Exxon Mobil | Energy | 16 |
| \$8,761 | Q2 2008 | Exxon Mobil | Energy | 17 |
| \$8,663 | Q3 2008 | Exxon Mobil | Energy | 18 |
| \$8,463 | Q3 2007 | Exxon Mobil | Energy | 19 |
| \$8,166 | Q1 2014 | International Business Machines | Information Technology | 20 |
| \$230,425 | | TOP 20 | | |
| \$7,795 | Q3 2017 | Apple | Information Technology | 27 |
| \$5,437 | Q3 2017 | Citigroup | Financials | 49 |

S&P Dow Jones Indices

S&P 500 Q3 2017 Buyback Report

| SECTOR | DIVIDEND YIELD | BUYBACK YIELD | COMBINED YIELD |
|-----------------------------------|-------------------|------------------|-------------------|
| Consumer Discretionary | 1.44% | 3.08% | 4.52% |
| Consumer Staples | 3.05% | 2.84% | 5.88% |
| Energy | 2.89% | 0.65% | 3.54% |
| Financials | 1.77% | 3.44% | 5.20% |
| HealthCare | 1.67% | 2.56% | 4.24% |
| Industrials | 1.91% | 2.53% | 4.44% |
| Information Technology | 1.40% | 2.21% | 3.61% |
| Materials | 1.96% | 0.99% | 2.95% |
| Real Estate | 3.41% | 0.48% | 3.89% |
| Telecommunication Services | 5.25% | 0.13% | 5.38% |
| Utilities | 3.40% | 0.04% | 3.44% |
| S&P 500 | 1.99% | 2.35% | 4.35% |

Uses full values (unadjusted for float)

Dividends based on indicated; buybacks based on the last 12-months ending Q3,'17

ABOUT S&P DOW JONES INDICES

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