S&P 500 buybacks up 3.2% in Q4 2019; Full Year 2019 down 9.6% from record 2018, as companies brace for a more volatile 2020

- Q4 2019 share repurchases reached \$181.6 billion 3.2% higher than Q3 2019, and 18.6% lower than the record Q4 2018.
- Apple continued to lead, spending \$22.1 billion up from last quarter's \$17.6 billion, and ranking as the 3rd highest expenditure historically.
- Buybacks remained top heavy with the top 20 companies accounting for 55.0% of the total, up from Q3 2019's 50.4%, and the highest since the 59.8% in O1 2010.
- Buybacks for the full year 2019 were \$728.7 billion down 9.6% from the record \$806.4 billion set in 2018.
- Buyback impact remained broad as 20.8% of companies reduced their share count by at least four percent and increased their EPS.
- 2020 has started to feel the COVID-19 impact on buybacks and dividends painting a different picture going forward.

NEW YORK, March 24, 2020 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") announced today that preliminary Q4 2019 S&P 500. stock buybacks, or share repurchases, were \$181.6 billion - a 3.2% increase over Q3 2019's \$175.9 billion, but down 18.6% from Q4 2018's \$223.0 billion record.

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

Key Takeaways:

- Companies posted their second consecutive quarter of increased buyback expenditures after two quarters of declines from the record Q4 2018 expenditures. For the quarter, S&P 500 companies spent \$181.6 billion on buybacks, up 3.2% from their Q3 2019 \$175.9 billion mark, but down 18.6% from last year's record Q4 2018 expenditure of \$223.0 billion.
- For the full year 2019, companies spent \$728.7 billion, down 9.6% from the record 2018 \$806.4 billion (\$519.4 billion in 2017), and ranking second highest in index history. The cumulative rolling four quarters of repurchases continued to impact EPS, as 20.8% of the issues reduced share counts by at least 4% year-overyear, down from Q3 2019's 22.8%, but up from the 18.7% of Q4 2018.
- S&P 500 Q4 2019 dividends set a quarterly record, increasing to \$126.4 billion, up 5.5% from Q4 2018's \$119.8 billion; for 2019, dividends set a record with \$485.5 billion, up 6.4% from the prior record, set in 2018, at \$456.3 billion.
- Total shareholder return of buybacks and dividends for the quarter came in at \$307.9 billion, up 3.0% from the Q3 2019 period expenditure of \$299.0 billion and down 10.2% from the record \$342.8 billion reported for Q4 2018.
- Total shareholder return for 2019 declined to \$1.214 trillion from 2018's record \$1.263 trillion.
- Buybacks continued to be top heavy, with the top 20 issues accounting for 55% of the expenditures, up from last quarter's 50.4% and the largest since the 59.8% in O1 2010. The ten-year average is 44.9%.

"After lowering expenditures in the first half of 2019 from their tax-inspired record-setting buying spree of 2018, companies increased their share repurchases in Q3 by 6.3% and in Q4 by 3.2%," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. "While the levels are still shy of the 2018 record, they are significantly higher than the pre-2018 levels, and continued to surpass the hoped for \$170 billion mark, which was seen as the level needed to support stocks and continue reduced share count EPS growth."

2020 Outlook:

"COVID-19 has significantly changed the 2020 landscape, as dividends are under pressure and buybacks appear to be gasping for air," said Silverblatt, who pointed out that buybacks must now compete with other corporate priorities as uncertainty over liquidity is at its highest since the 2008 financial crisis. For 2020:

- · Buybacks appear to have moved to the backburner for most issues as companies appear to have reordered their short-term priorities:
 - · Controlling liquidity.
 - o Maintaining business operations and retaining employees.
 - · Uncertainty over the length of virus and depth of the economic impact.
- Pre-COVID-19 estimates predicted 2020 buybacks would come close to or exceed the \$806 billion record set in 2018. Today:
 - Q1,'20 buybacks are expected to be down significantly.
 - Q2,'20 is expected to be dismal, with corporate participation light.
 - For 2020, buybacks may see a complete reversal of the 2018 buyback bonanza.
- · Once the market believes we have hit bottom, buybacks may be slow to come back as companies set their catch-up priorities and may stringently control expenditures amidst:
 - Potential restrictions on buybacks through government programs.
 - · Public image of buybacks when the economy is still recovering.

Q4 2019 GICS® Sector Analysis:

Information Technology buybacks reversed its prior two quarters of expenditure declines, spending \$52.4 billion for the quarter, up 6.5% from the prior quarters \$47.8 billion, but down 14.5% from the Q4 2018 \$61.3 billion level. On a percentage basis, the sector represented 28.9% of all buybacks, up from the prior quarters 28.0%. For the year, the group spent \$224.8 billion, representing 30.9% of the buybacks, down 19.3% from the 2018 \$278.5 billion expenditure, which represented

Financials remained right behind Information Technology as they increased expenditures 5.1% to \$50.2 billion, up from last quarter's \$47.8 billion, representing 27.6% of all buybacks, up from 27.2% in Q3 2019. For the year, the group spent \$178.7 billion, representing 24.5% of all buybacks, up 19.1% from their 2018 expenditure of \$150.1 billion, which represented 18.6% of the buybacks.

Health Care buybacks increased 25.2% to \$20.0 billion from last guarter's 16.0 billion, as the full year declined 22.8% to \$83.9 billion from \$108.7 billion in 2018.

<u>lssues:</u>

PERIOD

The five issues with the highest total buybacks for Q4 2019 are:

VALUE

\$ BILLIONS

- Apple (AAPL) continued to lead, spending \$22.1 billion in Q4 2019, ranking 3rd in S&P 500 history, as the level was up 25.2% from their Q3 2019 \$17.6 billion expenditure and over double the Q4 2018 \$10.1 billion. For the year, Apple has spent \$81.7 billion on buybacks, up from 2018's \$74.2 billion. Over the five-year period, they have spent \$264.3 billion and \$342.0 billion over the ten-year period.
- Bank of America (BAC): \$7.7 billion for Q4 2019, up from \$7.6 billion for Q3 2019; in 2019 they spent \$28.1 billion, up from \$20.1 billion in 2018.
- Oracle (ORCL): \$5.0 billion for Q4 2019, down from \$5.5 billion in Q3 2019; 2019 was \$26.9 billion down from \$29.3 billion in 2018.
- Wells Fargo (WFC): \$7.4 billion for Q4 2019, down from their \$7.5 billion Q3 2019 expenditure; 2019 was \$24.8 billion, up from \$21.0 billion for 2018.
- JP Morgan (JPM): \$6.8 billion for Q4 2019, down from the \$6.9 billion spent in Q3 2019; 2019 was \$24.0 billion, up from \$20.0 billion for 2018.

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

EARNINGS

\$ BILLIONS

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

(preliminary and estimates in bold) MARKET **OPERATING AS REPORTED**

EARNINGS DIVIDENDS BUYBACKS DIVIDEND \$ BILLIONS \$ BILLIONS

BUYBACK YIELD YIELD **DIVIDEND & BUYBACK YIELD**

2018 2017 2016 2015	\$26,758.98 \$22,821.24 \$19,267.93 \$17,899.56	\$1,304.59 \$1,066.00 \$919.85 \$885.38	\$ 1,158,73 \$940.86 \$818.55 \$762.74	\$485.48 \$419.77 \$397.21 \$382.32	\$72 8.71 \$80 6.41 \$519.40 \$536.38 \$572.16	1.84% 1.84% 2.06% 2.14%	2.72% 2.28% 2.78% 3.20%	4 :5 1 % 4.12% 4.85% 5.33%
12/31/2019 9/30/2019 6/28/2019 3/29/2019 12/31/2018 9/30/2018 3/29/2018 12/29/2017 9/29/2017 9/29/2017 3/31/2016 9/30/2016 6/30/2016 3/31/2016	\$26,760 \$24,707 \$24,423 \$23,619 \$21,027 \$24,579 \$23,036 \$22,496 \$22,821 \$21,579 \$20,762 \$20,276 \$19,268 \$18,742 \$18,193 \$17,958	\$324.35 \$330.42 \$333.26 \$316.56 \$293.82 \$349.04 \$327.53 \$311.26 \$288.93 \$268.35 \$261.39 \$247.32 \$247.32 \$247.98	\$294.78 \$282.12 \$290.00 \$291.82 \$242.91 \$306.70 \$288.55 \$281.28 \$230.12 \$243.68 \$231.40 \$235.65 \$207.93 \$219.46 \$201.79 \$189.37	\$126.35 \$123.12 \$118.68 \$117.33 \$119.81 \$115.72 \$111.60 \$109.18 \$109.46 \$105.45 \$104.01 \$100.86 \$103.82 \$98.43 \$98.30 \$96.67	\$181.58 \$175.89 \$165.46 \$205.81 \$222.98 \$203.76 \$190.62 \$189.05 \$136.97 \$129.17 \$120.11 \$133.15 \$135.29 \$112.20 \$127.50 \$161.39	1.81% 1.94% 1.93% 1.97% 2.17% 1.81% 1.89% 1.90% 1.84% 1.92% 1.96% 2.06% 2.10% 2.115%	2.72% 3.12% 3.27% 3.49% 3.84% 2.93% 2.56% 2.28% 2.40% 2.41% 2.51% 2.78% 2.92% 3.22% 3.22%	4.54% 5.06% 5.20% 5.45% 6.01% 4.75% 4.69% 4.12% 4.32% 4.37% 4.49% 4.85% 5.01% 5.36% 5.43%

S&P Dow Jones Indices S&P 500 SECTOR BUYBACKS

SECTOR \$ MILLIONS Q4,'19 Q3,'19 Q4,'18 12MoDec,'19 12MoDec,'18 5-YEARS 10-YEARS Q4,'18 (high) (recent local (high) (recent local (high)) Consumer Discretionary \$16,620 \$18,372 \$25,652 \$68,476 \$86,674 \$420,287 \$754,092 \$25,652 \$2,31 Consumer Staples \$9,429 \$7,509 \$9,588 \$33,838 \$33,449 \$206,448 \$440,320 \$9,588 \$4,00 Energy \$5,025 \$4,880 \$8,698 \$18,750 \$30,427 \$82,926 \$266,702 \$8,698 \$5,33 Financials \$50,232 \$47,789 \$45,641 \$178,685 \$150,054 \$652,120 \$906,749 \$45,641 \$1,11 Healthcare \$20,041 \$16,007 \$31,336 \$83,864 \$108,692 \$415,445 \$711,672 \$31,336 \$4,661 Information Technology \$52,432 \$49,241 \$61,298 \$224,847 \$278,529 \$892,006 \$1,410,197 \$61,298 \$4,75 Materials \$3,117 \$5,400	6 w) 60 13 43 70 99 81 67 69
Consumer Staples \$9,429 \$7,509 \$9,588 \$33,838 \$33,449 \$206,448 \$440,320 \$9,588 \$4,03 Energy \$5,025 \$4,880 \$8,698 \$18,750 \$30,427 \$82,926 \$266,702 \$8,698 \$5,73 Financials \$50,232 \$47,789 \$45,641 \$178,685 \$150,054 \$652,120 \$906,749 \$45,641 \$1,17 Healthcare \$20,041 \$16,007 \$31,336 \$83,864 \$108,692 \$415,445 \$711,672 \$31,336 \$4,60 Industrials \$10,218 \$14,181 \$23,026 \$60,792 \$78,239 \$348,870 \$563,488 \$23,026 \$1,60 Information Technology \$52,432 \$49,241 \$61,298 \$224,847 \$278,526 \$892,006 \$1,410,197 \$61,298 \$4,73 Real Estate \$57,3 \$694 \$1,480 \$2,230 \$3,768 \$10,601 \$1,480 \$5,857 \$15,709 \$14,391 \$59,874 \$116,194 \$5,857 \$15	13 70 99 31 57 59
Energy \$5,025 \$4,880 \$8,698 \$18,750 \$30,427 \$82,926 \$266,702 \$6,698 \$5,345 \$10,005 \$10	13 70 99 31 57 59
Financials \$50,232 \$47,789 \$45,641 \$178,685 \$150,054 \$652,120 \$906,749 \$45,641 \$1,17 Healthcare \$20,041 \$16,007 \$31,336 \$83,864 \$108,692 \$415,445 \$711,672 \$31,336 \$4,661 Industrials \$10,218 \$14,181 \$23,026 \$60,792 \$78,239 \$348,870 \$563,488 \$23,026 \$1,661 Information Technology \$52,432 \$49,241 \$61,298 \$224,847 \$278,526 \$892,006 \$1,410,197 \$61,298 \$4,75 Materials \$3,117 \$5,400 \$5,857 \$15,709 \$14,391 \$59,874 \$116,194 \$5,857 \$15 Real Estate \$573 \$694 \$1,480 \$2,230 \$3,768 \$10,601 \$10,601 \$1,480 Communication Services \$13,687 \$11,028 \$9,556 \$38,192 \$20,237 \$65,665 \$96,656 \$9,556 \$1 Utilities \$211 \$784 \$850 \$3,355 \$1,952	70 99 31 57 59
Healthcare \$20,041 \$16,007 \$31,336 \$83,864 \$108,692 \$415,445 \$711,672 \$31,336 \$4,692 Industrials \$10,218 \$14,181 \$23,026 \$60,792 \$78,239 \$348,870 \$563,488 \$23,026 \$1,661 Information Technology \$52,432 \$49,241 \$61,298 \$224,847 \$278,526 \$892,006 \$1,410,197 \$61,298 \$4,75 Materials \$3,117 \$5,400 \$5,857 \$15,709 \$14,391 \$59,874 \$116,194 \$5,857 \$15 Real Estate \$573 \$694 \$1,480 \$2,230 \$3,768 \$10,601 \$10,601 \$1,480 Communication Services \$13,687 \$11,028 \$9,556 \$38,192 \$20,237 \$65,665 \$96,656 \$9,556 \$3 Utilities \$211 \$784 \$850 \$3,355 \$1,952 \$8,843 \$18,082 \$850 \$3 TOTAL \$181,583 \$175,886 \$222,980 \$728,738 \$806,408 \$3,1	99 31 57 59 .3
Industrials	31 57 59 .3
Information Technology	57 59 .3 .0
Materials \$3,117 \$5,400 \$5,857 \$15,709 \$14,391 \$59,874 \$116,194 \$5,857 \$15,886 \$1,480 \$2,230 \$3,768 \$10,601 \$10,601 \$1,480 \$2,230 \$3,768 \$10,601 \$10,601 \$1,480	.3 .0
Real Estate \$573 \$694 \$1,480 \$2,230 \$3,768 \$10,601 \$10,601 \$1,480 Communication Services \$13,687 \$11,028 \$9,556 \$38,192 \$20,237 \$65,665 \$96,656 \$9,556 \$1 Utilities \$211 \$784 \$850 \$3,355 \$1,952 \$8,843 \$18,082 \$850 \$5 TOTAL \$181,583 \$175,886 \$222,980 \$728,738 \$806,408 \$3,163,084 \$5,294,754 \$222,980 \$24,19	.3 .0
Communication Services \$13,687 \$11,028 \$9,556 \$38,192 \$20,237 \$65,665 \$96,656 \$9,556 \$1,028 \$1,028 \$9,556 \$1,028 <th>.0</th>	.0
Utilities \$211 \$784 \$850 \$3,355 \$1,952 \$8,843 \$18,082 \$850 \$1 TOTAL \$181,583 \$175,886 \$222,980 \$728,738 \$806,408 \$3,163,084 \$5,294,754 \$222,980 \$24,19	.0
TOTAL \$181,583 \$175,886 \$222,980 \$728,738 \$806,408 \$3,163,084 \$5,294,754 \$222,980 \$24,19	
SECTOR BUYBACK MAKEUP % Q4,'19 Q3,'19 Q4,'18 12MoDec,'19 12MoDec,'18 5-YEARS 10-YEARS Q4,'18 Q2,	5
	09
Consumer Discretionary 9.15% 10.45% 11.50% 9.40% 10.75% 13.29% 14.24% 11.50% 9.7	
Consumer Staples 5.19% 4.27% 4.30% 4.64% 4.15% 6.53% 8.32% 4.30% 16.5	9%
Energy 2.77% 2.77% 3.90% 2.57% 3.77% 2.62% 5.04% 3.90% 22.0	
Financials 27.66% 27.17% 20.47% 24.52% 18.61% 20.62% 17.13% 20.47% 4.8	
Healthcare 11.04% 9.10% 14.05% 11.51% 13.48% 13.13% 13.44% 14.05% 19.4	
	5%
Information Technology 28.88% 28.00% 27.49% 30.85% 34.54% 28.20% 26.63% 27.49% 19.6	
	6%
	0%
Telecommunication Services 7.54% 6.27% 4.29% 5.24% 2.51% 2.08% 1.83% 4.29% 0.0	5%
Utilities 0.12% 0.45% 0.38% 0.46% 0.24% 0.28% 0.34% 0.38% 0.0 TOTAL 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00% 100.00%	4%

S&P Dow Jones Indices S&P 500 20 LARGEST Q4 2019 BUYBACKS, \$ MILLIONS

Company		Sector	Q4 2019 Buybacks	12-Months Dec,'19	12-Months Dec, 18	5-Year Buybacks	10-Year Buybacks	Indicated Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$22,085	\$81,685	\$74,246	\$264,340	\$342,031	\$14,559
Bank of America	BAC	Financials	\$7.748	\$28,144	\$20,094	\$68,538	\$73,433	\$7,196
Wells Fargo	WFC	Financials	\$7,386	\$24,835	\$20,964	\$73,407	\$94,602	\$9,481
Bristol-Myers Squibb	BMY	Health Care	\$7,000	\$7,300	\$320	\$10,320	\$14,958	\$4,220
JPMorgan	JPM	Financials	\$6,751	\$24,001	\$19,983	\$74,092	\$97,156	\$11,291
Alphabet	GOOGL	Communication Services	\$6,098	\$18,396	\$9,075	\$37,790	\$38,708	\$0
Microsoft	MSFT	Information Technology	\$5,206	\$19,504	\$16,300	\$77,549	\$117,704	\$15,563
Citigroup	С	Financials	\$5,127	\$17,982	\$10,327	\$58,741	\$63,012	\$4,454
Oracle	ORCL	Information Technology	\$5,036	\$26,857	\$29,306	\$77,431	\$109,871	\$4,775
Intel	INTC	Information Technology	\$3,523	\$13,623	\$10,730	\$34,418	\$69,168	\$5,742
Procter & Gamble	PG	Consumer Staples	\$3,504	\$9,504	\$4,754	\$25,719	\$56,097	\$7,432
Home Depot	HD	Consumer Discretionary	\$3,056	\$6,965	\$9,963	\$38,808	\$64,416	\$6,545
Visa	V	Information Technology	\$2,517	\$8,741	\$7,914	\$34,852	\$48,690	\$2,054
Charter Communications	CHTR	Communication Services	\$2,305	\$6,873	\$4,399	\$24,587	\$25,371	\$0
U.S. Bancorp	USB	Financials	\$2,293	\$4,525	\$2,822	\$14,724	\$21,576	\$2,883
Goldman Sachs Group	GS	Financials	\$2,166	\$6,080	\$4,412	\$30,828	\$57,343	\$1,967
Biogen	BIIB	Health Care	\$2,093	\$5,868	\$4,353	\$17,586	\$22,434	\$0
Berkshire Hathaway	BRK.B	Financials	\$2,043	\$4,850	\$1,346	\$6,196	\$6,263	\$0
AT&T	T	Communication Services	\$2,008	\$2,417	\$609	\$4,270	\$31,667	\$15,194
Facebook	FB	Communication Services	\$1,923	\$6,539	\$16,087	\$27,854	\$31,679	\$0
Top 20			\$99,868	\$324,689	\$268,004	\$1,002,050	\$1,386,179	\$113,356
S&P 500			\$181,583	\$728,738	\$806,408	\$3,163,084	\$5,294,754	\$553,760
Top 20 % of S&P 500		-	55.00%	44.55%	33.23%	31.68%	26.18%	20.47%
Gross values are not	adiusted	for float						

Gross values are not adjusted for float

S&P Dow Jones Indices
S&P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q4 2019; Apple added at #3
\$ MILLIONS QUARTER COMPANY SECTOR

\$23,811 \$22,908 **\$22,085** \$21,860 Q1 2019 Q1 2018 **Q4 2019** Q2 2018 Apple Apple Apple Apple

1 2 Information Technology Information Technology
Information Technology
Information Technology 3 4

\$21,162 \$19,364 \$18,154 \$18,036 \$17,635 \$17,319 \$16,413 \$15,707	Q2 2006 Q3 2018 Q2 2019 Q1 2014 Q3 2019 Q3 2014 Q2 2013 Q3 2007	QUALCOMM Apple Apple Apple Apple Apple International Business Machines	Information Technology	5 6 7 8 9 10 11
\$13,420	Q3 2015	Apple	Information Technology	13
\$12,852	Q4 2013	Johnson & Johnson	Healthcare	14
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	15
\$12,183	Q2 2012	Johnson & Johnson	Healthcare	16
\$11,480	Q4 2016	Apple	Information Technology	17
\$11,133	Q4 2017	Apple	Information Technology	18
\$10,776	Q2 2016	Apple	Information Technology	19
\$10,724	Q2 2015	Apple	Information Technology	20

S&P Dow Jones Indices S&P 500 Q4 2019 Buyback Report

SECTOR	DIVIDEND YIELD	BUYBACK YIELD	COMBINED YIELD
Consumer Discretionary	2.01%	3.21%	5.22%
Consumer Staples	4.03%	1.95%	5.98%
Energy	7.36%	3.07%	10.43%
Financials	3.22%	6.90%	10.11%
HealthCare	2.02%	2.50%	4.52%
Industrials	2.68%	3.26%	5.95%
Information Technology	1.53%	3.95%	5.49%
Materials	3.02%	2.97%	5.99%
Real Estate	3.60%	0.31%	3.91%
Communications Services	1.77%	1.88%	3.65%
Utilities	3.63%	0.43%	4.05%
S&P 500	2.51%	3.30%	5.81%

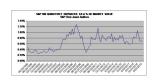
Uses full values (unadjusted for float)

Dividends based on indicated; buybacks based on the last 12-months ending Q4,'19

Share Count Changes (Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q4 2019	7.68%	20.81%
Q3 2019	8.62%	22.85%
Q2 2019	7.98%	24.15%
Q1 2019	8.03%	24.90%
Q4 2018	8.45%	18.71%
Q3 2018	6.43%	17.67%
Q2 2018	6.20%	15.60%
Q1 2018	7.01%	13.63%
Q4 2017	6.83%	15.06%
Q3 2017	8.62%	14.23%
Q2 2017	10.00%	14.00%
Q1 2017	12.00%	14.80%
Q4 2016	10.48%	19.35%

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.





S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit: www.spdji.com.

SOURCE S&P Dow Jones Indices

For further information: S&P DJI MEDIA CONTACT: Ray McConville, Communications Manager - Americas, (+1) 212 438 1678 raymond.mcconville@spglobal.com; INDEX INVESTMENT STRATEGY: Howard Silverblatt, Senior Index Analyst, (+1) 212 438 3916 howard.silverblatt@spglobal.com

https://press.spglobal.com/2020-03-24-S-P-500-buybacks-up-3-2-in-Q4-2019-Full-Year-2019-down-9-6-from-record-2018-as-companies-brace-for-a-more-volatile-2020