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S&P 500 Buybacks Rebound 14.8% in Q3 2020; Remain 42.1% Lower than Q3 2019

- Q3 2020 share repurchases were $101.8 billion, rebounding 14.8% from Q2 2020's $88.7 billion expenditure - the lowest level since March 2012.
- Buybacks remain 42.1% lower than Q3 2020's $175.9 billion.
- 190 issues reported buybacks of at least $5 million for the quarter, up from 170 in Q2 2020, and down from 332 in Q3 2019.
- Buybacks remained top heavy with the top 20 issues accounting for 77.4% of the Q3 2020 buybacks, down from the record 87.2% in Q2 2020 and up from the historical average of 46.2%.

NEW YORK, Dec. 17, 2020 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") announced today that preliminary Q3 2020 S&P 500® stock buybacks, or share repurchases, were $101.8 billion, a 14.8% increase from Q2 2020's $88.7 billion and down 42.1% from Q3 2019's $175.9 billion.

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

Key Takeaways:

- In Q3 2020, 38% of S&P 500 companies did significant buybacks (of at least $5 million), compared to 34% in Q2 2020, 66% in Q3 2019, and 84% for all of 2019.
- Q3 2020 buybacks were $101.8 billion, up 14.8% from $88.7 billion in Q2 2020 and down 42.1% from $175.9 billion in Q3 2019.
- For Q4 2020, buybacks are expected to continue to rebound as more issues venture in to cover employee options; expenditures likely to remain top heavy.
- For the 12-month September 2020 period, companies spent $570.8 billion, down 25.9% from their 12-month September 2019 expenditure of $770.1 billion. The record 12-month high is $823.2 billion in March 2019.
- The cumulative rolling four quarters of repurchases continued to impact EPS but declined significantly as companies shied away from excess buybacks, with many issuing shares to improve liquidity. For Q3 2020, 9.6% of issues reduced share counts by at least 4% year-over-year, down from Q2 2019's 17.8% and 22.8% in Q3 2019; for Q4 2020 the rate is expected to decline further.
- S&P 500 Q3 2020 dividends decreased 2.9% to $115.5 billion, from Q2 2020's $119.0 billion, and decreasing 6.2% from the Q3 2019 payment of $123.1 billion. For the 12-month period, dividends were $487.9 billion, up 1.9% from the corresponding 2019 period's $478.9 billion. S&P 500 2020 payments are expected to post a 1% decline over 2019.
- Total shareholder return of buybacks and dividends for the quarter came in at $217.3 billion, up 4.6% from the Q2 2020 period expenditure of $207.7 billion and down 27.3% from the $299.0 billion reported for Q3 2019.
- Total shareholder return for the 12-month September 2020 period declined to $1.059 trillion from September 2019's $1.249 trillion.
- The top 20 issues dominated the buybacks, accounting for 77.4% of all buybacks, down from the record Q2 2020's 87.2% and up from the historical 46.2% average.

"After pulling back on buybacks in Q2 2020, some companies have tiptoed back into the market as they sought shares to cover employee options being exercised and prevent dilution," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.** "The current COVID view is that longer-term treatment will beat out shorter-term spread and closures, as Q4 2020 expenditures will further rebound, but remain relatively low."

"Looking into 2021 remains contingent on the economy, which is contingent on the COVID-19 recovery," Silverblatt continued. "As vaccinations expand in the first half, the hope is for a second half return of full consumer spending which combined with low interest rates, could trigger higher enterprise spending. This should lead to an increase in buybacks – first for wider option coverage in the first half, and then, potentially, for discretionary buying in the second half. Getting back to the 2018 $800 billion record level however will take at least until 2022 if everything goes well."

Q2 2020 GICS® Sector Analysis:

Information Technology continued to lead and dominate in buybacks, as purchases approached the 50% mark of all S&P 500 expenditures. For the quarter, the sector spent $49.7 billion, up 34.8% from the prior quarter's $36.9 billion, and up 1.0% from the Q3 2019 $49.2 billion level. On a percentage basis, the sector increased its expenditure representation to 48.9% of all buybacks, the highest level of any sector historically, up from the prior quarter's 41.6%. For the 12-month September 2020 period, the group spent $198.2 billion, representing 34.7% of the buybacks, down from the corresponding 2019 period's $233.7 billion expenditure, which represented 30.3% of the buybacks.

Financial buybacks, which were slightly trailing Information Technology pre-COVID, increased 45.0% for the quarter, after declining 82.1% last quarter, to $12.1 billion from the Q2 2020 $8.3 billion expenditure, and $47.8 billion spent for Q3 2019. Q3 2020 expenditure represented 11.9% of all buybacks, up from 9.4% in Q2 2019. For the one-year period, the group spent $117.3 billion, representing 20.6% of all buybacks, down 32.6% from their 2019 expenditure of $174.1 billion, which represented 22.6% of the buybacks. For Q4 2020, minimal expenditures are expected, as big-banks have suspended their buybacks for that period. There has been some positive commentary regarding 2021 buybacks, but the Fed will have more of a say about that than the companies. Of note, Warren Buffett's Berkshire Hathaway, spent $9.0 billion on buybacks in Q3, up from $5.0 billion in Q2 and up from $0.7 billion in Q3 2019.

Communication Services, the only sector to increase expenditures last quarter (helped by T-Mobile's $17.1 billion SoftBank Monetization expenditure), reduced them this quarter, by 37.1%. For Q3 2020 the sector spent $17.3 billion, down from Q2 2020's $27.5 billion, as it represented 17.0% of the Q3 2020 buybacks.

Of sector Note: Energy increased 10.2% from Q2 2020, as it remained down 98.6% year-over-year. Consumer Discretionary increased 146.5% and Consumer Staples increased 179.6%, as they remain down 82.3% and down 43.7% year-over-year.

Issues:

The five issues with the highest total buybacks for Q3 2020 are:

- **Apple (AAPL)** continued to lead, spending $17.59 billion in Q3 2020, ranking 11th in S&P 500 history, as the level was up a tick up (0.2%) from their Q2 2020 $17.56 billion expenditure and down a tick (-0.3%) from their Q3 2019 $17.64 billion. For the 12-month period, Apple has spent $76.0 billion on buybacks, up from 2019's $69.7 billion. Over the five-year period, they have spent $287.0 billion and $395.6 billion over the ten-year period.
- **Berkshire Hathaway (BRK)**, was next (dare we dream of a dividend) $9.0 billion for Q3 2020, up from $5.0 billion for Q2 2020; for the 12-months ending in September 2020 they spent $17.8 billion versus $3.2 billion.
- **Intel (INTC)**: $8.0 billion for Q3 20120, up from none for Q2 2020; for the 12-months ending in September 2020 they spent $15.8 billion versus $12.4 billion.
- **Alphabet (GOOG/L):** $7.9 billion for Q3 2020, up from $6.9 billion in Q2 2020; for the 12-months ending in September 2020 they spent $29.3 billion versus $14.9 billion.
- **Microsoft (MSFT)**: $6.7 billion for Q3 2020, up from the $5.8 billion spent in Q2 2020; for the 12-months ending in SeptembeAr 2020 they spent $24.8 billion versus $20.7 billion.

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 **(estimates in bold)**

PERIOD	MARKET VALUE $ BILLIONS	OPERATING EARNINGS $ BILLIONS	AS REPORTED EARNINGS $ BILLIONS	DIVIDENDS $ BILLIONS	BUYBACKS $ BILLIONS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
12 Mo Sep,'20	$27,868	**$1,022.50**	**$813.41**	$487.91	**$570.75**	1.75%	**2.05%**	**3.80%**

12 Mo Sep,19	$24,707	$1,274.07	$1,106.84	$478.94	$770.14	1.94%	3.12%	5.06%
2019	$26,760	$1,304.76	$1,158.22	$485.48	$728.74	1.81%	2.72%	4.54%
2018	$21,027	$1,281.66	$1,119.43	$456.31	$806.41	2.17%	3.84%	6.01%
2017	$22,821	$1,066.00	$940.86	$419.77	$519.40	1.84%	2.28%	4.12%
2016	$19,268	$919.85	$818.55	$397.21	$536.38	2.06%	2.78%	4.85%
9/30/2020 Prelim.	$27,868	**$314.81**	**$273.21**	$115.54	**$101.79**	1.75%	**2.05%**	**3.80%**
6/30/2020	$25,637	$221.12	$146.78	$119.04	$88.66	1.93%	2.52%	4.45%
3/31/2020	$21,424	$161.64	$98.48	$126.98	$198.72	2.31%	3.37%	5.68%
12/31/2019	$26,760	$324.52	$294.29	$126.35	$181.58	1.81%	2.72%	4.54%
9/30/2019	$24,707	$330.42	$282.12	$123.12	$175.89	1.94%	3.12%	5.06%
6/28/2019	$24,423	$333.26	$290.00	$118.68	$165.46	1.93%	3.27%	5.20%
3/29/2019	$23,619	$316.56	$291.82	$117.33	$205.81	1.97%	3.49%	5.45%
12/31/2018	$21,027	$293.82	$242.91	$119.81	$222.98	2.17%	3.84%	6.01%
9/30/2018	$24,579	$349.04	$306.70	$115.72	$203.76	1.81%	2.93%	4.75%
6/30/2018	$23,036	$327.53	$288.55	$111.60	$190.62	1.89%	2.80%	4.69%
3/29/2018	$22,496	$311.26	$281.28	$109.18	$189.05	1.90%	2.56%	4.46%
12/29/2017	$22,821	$288.93	$230.12	$109.46	$136.97	1.84%	2.28%	4.12%
9/29/2017	$21,579	$268.35	$243.68	$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%

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

SECTOR $ MILLIONS	**Q3,'20**	**Q2,'20**	**Q3,'19**	**12MoSep,'20**	**12MoSep,'19**	**5-YEARS**	**10-YEARS**	**Q4,'18 (high)**	**Q2,'09 (low)**
Consumer Discretionary	$3,247	$1,317	$18,372	$37,270	$77,509	$371,848	$743,817	$25,652	$2,350
Consumer Staples	$4,231	$1,514	$7,509	$20,452	$33,997	$188,975	$412,087	$9,588	$4,013
Energy	$66	$60	$4,880	$9,012	$22,423	$74,249	$259,491	$8,698	$5,343
Financials	$12,101	$8,346	$47,789	$117,316	$174,094	$649,666	$958,019	$45,641	$1,170
Healthcare	$7,551	$10,706	$16,007	$59,105	$95,158	$400,646	$715,923	$31,336	$4,699
Industrials	$3,442	$1,816	$14,181	$36,212	$73,600	$314,578	$574,373	$23,026	$1,681
Information Technology	$49,728	$36,900	$49,241	$198,198	$233,713	$922,960	$1,495,839	$61,298	$4,757
Materials	$785	$184	$5,400	$8,637	$18,449	$56,206	$119,270	$5,857	$159
Real Estate	$406	$204	$694	$2,502	$3,138	$12,531	$12,531	$1,480	
Communication Services	$17,316	$27,548	$11,028	$78,552	$34,061	$124,855	$161,155	$9,556	$13
Utilities	$2,914	$67	$784	$3,496	$3,994	$9,461	$18,962	$850	$10
TOTAL	**$101,786**	**$88,661**	**$175,886**	**$570,753**	**$770,135**	**$3,125,976**	**$5,471,468**	**$222,980**	**$24,195**

SECTOR BUYBACK MAKEUP %	**Q3,'20**	**Q2,'20**	**Q3,'19**	**12MoSep,'20**	**12MoSep,'19**	**5-YEARS**	**10-YEARS**	**Q4,'18**	**Q2,'09**
Consumer Discretionary	3.19%	1.49%	10.45%	6.53%	10.06%	11.90%	13.59%	11.50%	9.71%
Consumer Staples	4.16%	1.71%	4.27%	3.58%	4.41%	6.05%	7.53%	4.30%	16.59%
Energy	0.06%	0.07%	2.77%	1.58%	2.91%	2.38%	4.74%	3.90%	22.08%
Financials	11.89%	9.41%	27.17%	20.55%	22.61%	20.78%	17.51%	20.47%	4.84%
Healthcare	7.42%	12.07%	9.10%	10.36%	12.36%	12.82%	13.08%	14.05%	19.42%
Industrials	3.38%	2.05%	8.06%	6.34%	9.56%	10.06%	10.50%	10.33%	6.95%
Information Technology	48.85%	41.62%	28.00%	34.73%	30.35%	29.53%	27.34%	27.49%	19.66%
Materials	0.77%	0.21%	3.07%	1.51%	2.40%	1.80%	2.18%	2.63%	0.66%
Real Estate	0.40%	0.23%	0.39%	0.44%	0.41%	0.40%	0.23%	0.66%	0.00%
Communication Services	17.01%	31.07%	6.27%	13.76%	4.42%	3.99%	2.95%	4.29%	0.05%
Utilities	2.86%	0.08%	0.45%	0.61%	0.52%	0.30%	0.35%	0.38%	0.04%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

S&P Dow Jones Indices
S&P 500 20 LARGEST Q3 2020 BUYBACKS, $ MILLIONS

Company	**Ticker**	**Sector**	**Q3 2020 Buybacks $ Million**	**Q2 2020 Buybacks $ Million**	**Q3 2019 Buybacks $ Million**	**12-Months Sep,'20 $ Million**	**12-Months Sep,'19 $ Million**	**5-Year Buybacks $ Million**	**10-Year Buybacks $ Million**	**Indicated Dividend $ Million**
Apple	AAPL	Information Technology	$17,587	$17,559	$17,635	$75,992	$69,714	$282,870	$378,070	$15,124
Berkshire Hathaway	BRK.b	Financials	$8,973	$4,998	$674	$17,755	$3,225	$19,414	$19,585	$0
Intel	INTC	Information Technology	$8,000	$0	$4,521	$15,752	$12,366	$53,138	$53,255	$0
Alphabet	GOOGL	Communication Services	$7,897	$6,852	$5,696	$29,343	$14,948	$80,989	$124,692	$15,470
Microsoft	MSFT	Information Technology	$6,743	$5,791	$4,912	$24,799	$20,711	$7,170	$7,857	$0
Oracle	ORCL	Information Technology	$5,423	$5,346	$5,519	$19,809	$31,816	$82,774	$118,725	$4,587
Charter Communications	CHTR	Communication Services	$3,361	$1,155	$2,767	$9,173	$5,753	$12,935	$13,002	$0
Facebook	FB	Communication Services	$2,725	$2,122	$1,739	$8,710	$8,661	$22,573	$25,853	$0
T-Mobile US	TMUS	Communication Services	$2,618	$17,128	$4	$19,935	$165	$31,916	$35,741	$0
Dominion Energy	D	Utilities	$2,385	$0	$0	$2,385	$0	$28,071	$28,878	$0
Mastercard	MA	Information Technology	$2,064	$10	$1,803	$4,582	$6,553	$9,154	$17,213	$2,240
Procter & Gamble	PG	Consumer Staples	$2,000	$0	$3,000	$6,405	$6,751	$36,953	$52,671	$2,025
Visa	V	Information Technology	$1,544	$1,072	$2,132	$8,274	$8,718	$9,302	$31,843	$1,001
HP Inc	HPQ	Information Technology	$1,340	$953	$461	$3,107	$2,405	$10,917	$14,717	$0
Biogen	BIIB	Health Care	$1,250	$2,809	$718	$8,372	$5,128	$16,688	$28,684	$3,304
L3Harris Technologies	LHX	Industrials	$1,152	$0	$750	$1,853	$774	$32,564	$62,574	$10,644
Cigna	CI	Health Care	$1,028	$368	$674	$2,799	$1,572	$13,574	$25,476	$2,038
Allstate	ALL	Financials	$916	$407	$604	$2,536	$2,177	$6,603	$9,966	$0
Dollar General	DG	Consumer Discretionary	$902	$602	$400	$1,982	$1,145	$5,008	$8,022	$362
Cisco Systems	CSCO	Information Technology	$889	$208	$978	$3,297	$17,163	$14,578	$32,099	$5,675
Top 20			**$78,797**	**$67,379**	**$54,987**	**$266,860**	**$219,745**	**$777,192**	**$1,088,923**	**$62,470**
S&P 500			**$101,786**	**$88,661**	**$570,753**	**$644,604**	**$770,135**	**$3,125,976**	**$5,471,468**	**$511,963**
Top 20 % of S&P 500			**77.41%**	**76.00%**	**9.63%**	**41.40%**	**28.53%**	**24.86%**	**19.90%**	**12.20%**

Gross values are not adjusted for float

S&P Dow Jones Indices
S&P 500 20 Largest Quarterly Buybacks, $ Millions, as of Q3 2020; Apple added at #11

$ MILLIONS	QUARTER	COMPANY	SECTOR	
$23,811	Q1 2019	Apple	Information Technology	1
$22,908	Q1 2018	Apple	Information Technology	2
$22,085	Q4 2019	Apple	Information Technology	3
$21,860	Q2 2018	Apple	Information Technology	4
$21,162	Q2 2006	QUALCOMM	Information Technology	5
$19,364	Q3 2018	Apple	Information Technology	6
$18,761	Q1 2020	Apple	Information Technology	7
$18,154	Q2 2019	Apple	Information Technology	8
$18,036	Q1 2014	Apple	Information Technology	9
$17,635	Q3 2019	Apple	Information Technology	10
$17,587	**Q3,2020**	**Apple**	**Information Technology**	**11**
$17,559	Q2 2020	Apple	Information Technology	12
$17,319	**Q3 2014**	**Apple**	**Information Technology**	**13**
$17,128	Q2 2020	T-Mobile	Communication Services	14
$16,413	Q2 2013	Apple	Information Technology	15
$15,707	Q3 2007	International Business Machines	Information Technology	16
$13,420	Q3 2015	Apple	Information Technology	17
$12,852	Q4 2013	Johnson & Johnson	Healthcare	18
$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	19
$12,183	Q2 2012	Johnson & Johnson	Healthcare	20

S&P Dow Jones Indices
S&P 500 Q3 2020 Buyback Report

SECTOR	DIVIDEND YIELD	BUYBACK YIELD	COMBINED YIELD
Consumer Discretionary	**0.72%**	**1.11%**	**1.83%**
Consumer Staples	**3.41%**	**1.02%**	**4.43%**
Energy	**5.51%**	**1.19%**	**6.70%**
Financials	**2.22%**	**3.47%**	**5.69%**
HealthCare	**1.67%**	**1.41%**	**3.08%**
Industrials	**1.62%**	**1.36%**	**2.98%**
Information Technology	**1.04%**	**2.33%**	**3.38%**
Materials	**2.01%**	**1.05%**	**3.06%**
Real Estate	**3.15%**	**0.33%**	**3.48%**
Communications Services	**1.15%**	**2.74%**	**3.88%**
Utilities	**3.23%**	**0.40%**	**3.63%**
S&P 500	**1.70%**	**1.88%**	**3.58%**

Uses full values (unadjusted for float)
Dividends based on indicated; buybacks based on the last 12-months ending Q3,'20

Share Count Changes

(Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q3 2020	**8.62%**	**9.62%**
Q2 2020	**8.60%**	**17.80%**
Q1 2020	**8.00%**	**19.60%**
Q4 2019	**7.63%**	**20.68%**
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%**

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