

S&P 500 Buybacks Decline 4.0% but Energy Buybacks increase 64.5%; Proforma Buyback Tax Would Have Reduced Operating Earnings by 0.46%

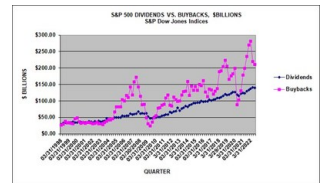
- S&P 500 Q3 2022 buybacks were \$210.8 billion, down 4.0% from Q2 2022's \$219.6 billion, as participation declined
- Financials increased 8.5% from Q2, but remained down 62.8% from Q3 2021, as Energy went up 64.5% from Q2 and up 640% from Q3 2021
- On a proforma basis, the new net buyback 1% excise tax, which starts in 2023, would have reduced Q3 2022 operating earnings by 0.46%

NEW YORK, Dec. 19, 2022 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI") announced today preliminary [S&P 500®](#) stock buybacks, or share repurchases, data for Q3 2022.

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

Key Takeaways:

- **Q3 2022 share repurchases were \$210.8 billion**, down 4.0% from Q2 2022's \$219.6 billion expenditure and down 10.1% from Q3 2021's \$234.6 billion.
- **319 companies reported buybacks of at least \$5 million for the quarter**, down from 331 in Q2 2022 and up from 309 in Q3 2021; 384 companies did some buybacks for the quarter, the same as in Q2 2022 and up from 371 in Q3 2021; 441 companies did some buybacks for the 12-months ending September 2022, up from 424 in the prior 2021 period.
- **Buybacks remained top heavy with the top 20 companies accounting for 49.0% of Q3 2022 buybacks**, an increase from Q2 2022's 46.8%, but down from the 53.8% in Q3 2021, and up from the pre-COVID historical average of 44.5%.
- **For the 12-months ending September 2022, buybacks were \$981.6 billion**, down from the record \$1.005 trillion posted for the June 2022 period, and up from the \$742.2 billion spent in the September 2021 time period.
- **21.2% of companies reduced share counts used for earnings-per-share (EPS) by at least 4% year-over-year**, up from Q2 2022's 19.8% and Q3 2021's 7.4%, and down from the pre-COVID Q3 2019 rate of 22.8%.
- **S&P 500 Q3 2022 dividends decreased 0.2% to \$140.3 billion** from Q2 2022's record \$140.6 billion and were 7.9% greater than the \$130.0 billion in Q3 2021. For the 12-months ending September 2022, dividends were a record \$552.4 billion, up 10.7% on an aggregate basis from the 12-month's September 2021's \$498.9 billion.
- **Total shareholders return of buybacks and dividends declined to \$351.2 billion in Q3 2022**, down 2.5% from Q2 2022's \$360.2 billion and down 3.7% from Q3 2021's \$364.7 billion.
- **Total shareholder returns for the 12-months ending September 2022 increased to a record \$1.534 trillion** from the September 2021 \$1.241 trillion.
- **On a proforma basis, the new 1% excise tax on net buybacks, which will start in 2023, would have reduced the Q3 2022 S&P 500 operating earnings by 0.46% and as reported GAAP earnings by 0.52%; for 2021 it would have reduced operating by 0.45% and as reported GAAP by 0.47%.**



"Companies, led by Financials, continued to pull back from their Q1 record-breaking buyback expenditures. However, energy has reentered the market at a time when the sector's shares are up substantially for the year," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "The math of lower stock prices has resulted in more shares repurchased with 21.2% of the companies in the S&P 500 increasing their earnings-per-share by at least 4% thanks to their newly lowered share counts. The impact is expected to increase in Q4 2022 as companies appear to have accelerated their buybacks from Q1 2023 to Q4 2022 to avoid the new buyback tax."

1% Buyback Excise Tax for 2023:

On a proforma basis, the new 1% excise tax on net buybacks would have reduced Q3 2022 operating earnings by 0.46%, down from the proforma 0.48% for Q3 2021, with as reported GAAP earnings being reduced by 0.52%, up from the proforma 0.50% for Q3 2021. For the proforma 12-months period ending in September 2022, the tax would have cost S&P 500 companies \$9.0 billion, and would have reduced operating earnings by 0.53% and as reported GAAP earnings by 0.57%.

Silverblatt added: "While going from zero to anything is the biggest increase, the 1% tax is an additional cost, but it is still not significant enough to impact overall buybacks at this point. However, some buybacks planned for 2023 appear to have been moved into Q4 2022. The buyback tax had bipartisan support, so there is a good possibility that the 1% level is only the opening rate, which if increased enough could shift some of the shareholder returns to dividends."

Q3 2022 GICS® Sector Analysis:

Information Technology continued to lead in buybacks, as its percentage of buybacks and aggregate expenditures decreased. In Q3 2022, IT's share decreased to 28.8% of all S&P 500 buybacks compared to Q2 2022's 32.8% and Q3 2021's 28.2%, as expenditures decreased (15.5%) to \$60.8 billion from the prior quarter's \$72.0 billion and were 8.0% lower than the Q3 2021 expenditure of \$66.1 billion. For the 12-months ending September 2022, the sector spent \$279.2 billion, representing 28.4% of all S&P buybacks, compared to the 2021 12-month \$241.3 billion expenditure, which represented 32.5% of all buybacks. For the 10-years, the sector spent \$1.857 trillion, representing 29.0% of the expenditures.

Financials increased their buybacks after last quarter's significant pull back, as their Q3 2022 expenditures increased 8.5% to \$23.0 billion, representing 10.9% of the buybacks, from the Q2 2022 \$21.2 billion, which represented 9.7% of all buybacks, but was 62.8% less than their Q3 2021 expenditure of \$61.9 billion.

Energy continued to increase their buybacks, as they increased their expenditures by 64.5% for the quarter, to \$22.0 billion (on a sector basis, second only to its Q4 2007 \$25.3 billion expenditure), from the prior quarter's \$13.4 billion and were up 640% from the Q3 2021 \$3.0 billion. For

the 12-months, buybacks were \$51.6 billion compared to the prior period's \$5.4 billion, an 853% increase.

Health Care buybacks increased 17.2% (after decreasing 58.2% last quarter), spending \$20.2 billion in Q3 2022, representing 9.6% of all buybacks, up from the Q2 2022 \$17.2 billion, which accounted for 7.8% of the buybacks, and were 24.6% higher than the Q3 2021 expenditure of \$16.2 billion.

Issues:

The five issues with the highest total buybacks for Q3 2022 are:

- **Apple (AAPL)**: continued to be the poster child for buybacks as it once again spent the most of any issue, with its Q3 2022 expenditure ranking as the third highest in S&P 500 history. For the quarter, the company spent \$24.7 billion, up 0.7% from Q2 2022's \$24.6 billion. Apple holds 18 of the top 20 record quarters (Meta Platforms holds #11 and QUALCOMM holds #12). For the 12-months ending September 2022, Apple spent \$95.6 billion on buybacks, up from the prior 12-month's \$92.5 billion. Over the five-year period, they have spent \$409.1 billion and \$582.0 billion over the ten-year period.
- **Alphabet (GOOG/L)**: was next with \$15.4 billion for Q3 2022, up from \$15.2 billion in Q2 2022; the 12-month September 2022 expenditure was \$57.4 billion versus the 12-month September 2021 expenditure of \$44.7 billion.
- **Meta Platforms (META)**: \$7.4 billion for Q3 2022, up from \$6.2 billion in Q2 2022; the 12-month September 2022 expenditure was \$45.6 billion versus \$31.5 billion.
- **Microsoft (MSFT)**: \$5.6 billion for Q3 2022, down from \$8.8 billion in Q2 2022; the 12-month September 2022 expenditure was \$30.6 billion versus \$28.3 billion.
- **Exxon Mobile (XOM)**: returning to the top five for the first time since Q3 2014, the former poster child of buybacks spent \$4.5 billion in Q3 2022, up from \$3.9 billion in Q2 2022 and nothing in Q3 2021; the 12-month September 2022 expenditure was \$10.6 billion versus \$0.1 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 PERIOD

| | MARKET VALUE \$ BILLIONS | OPERATING EARNINGS \$ BILLIONS | (preliminary in bold) AS REPORTED | | DIVIDENDS \$ BILLIONS | BUYBACKS \$ BILLIONS | DIVIDEND YIELD | BUYBACK YIELD | DIVIDEND & BUYBACK YIELD |
|-----------------------|--------------------------------|--------------------------------------|--------------------------------------|--|--------------------------|-------------------------|-------------------|------------------|--------------------------------|
| | | | EARNINGS \$ BILLIONS | | | | | | |
| 12 Mo Sep,'22 Prelim. | \$30,119 | \$1,716.39 | \$1,577.81 | | \$552.40 | \$981.59 | 1.83 % | 3.26 % | 5.09 % |
| 12 Mo Sep,'21 | \$36,538 | \$1,604.21 | \$1,483.50 | | \$498.95 | \$742.21 | 1.37 % | 2.03 % | 3.40 % |
| 2021 | \$40,356 | \$1,738.62 | \$1,652.78 | | \$511.23 | \$881.72 | 1.27 % | 2.18 % | 3.45 % |
| 2020 | \$31,659 | \$1,019.04 | \$784.21 | | \$483.18 | \$519.76 | 1.53 % | 1.64 % | 3.17 % |
| 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 % |
| 9/30/2022 Prelim. | \$30,119 | \$423.86 | \$372.20 | | \$140.34 | \$210.84 | 1.83 % | 3.26 % | 5.09 % |
| 6/30/2022 | \$31,903 | \$395.02 | \$360.21 | | \$140.56 | \$219.64 | 1.70 % | 3.15 % | 4.85 % |
| 3/31/2022 | \$38,288 | \$417.16 | \$388.68 | | \$137.60 | \$281.01 | 1.37 % | 2.57 % | 3.94 % |
| 12/31/2021 | \$40,356 | \$480.35 | \$456.72 | | \$133.90 | \$270.10 | 1.27 % | 2.18 % | 3.45 % |
| 9/30/2021 | \$36,538 | \$441.26 | \$420.64 | | \$130.04 | \$234.64 | 1.37 % | 2.03 % | 3.40 % |
| 6/30/2021 | \$36,325 | \$439.95 | \$409.02 | | \$123.38 | \$198.84 | 1.33 % | 1.68 % | 3.01 % |
| 3/31/2021 | \$33,619 | \$401.19 | \$388.84 | | \$123.91 | \$178.13 | 1.43 % | 1.48 % | 2.91 % |
| 12/31/2020 | \$31,659 | \$321.81 | \$265.00 | | \$121.62 | \$130.59 | 1.53 % | 1.64 % | 3.17 % |
| 9/30/2020 | \$27,868 | \$314.06 | \$273.29 | | \$115.54 | \$101.79 | 1.75 % | 2.05 % | 3.80 % |
| 6/30/2020 | \$25,637 | \$221.53 | \$147.44 | | \$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 % |

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

| SECTOR \$ MILLIONS | Q3,'22 | Q2,'22 | Q3,'21 | 12MoSep,'22 | 12MoSep,'21 | 5-YEARS | 10-YEARS |
|------------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| Consumer Discretionary | \$19,542 | \$27,639 | \$20,553 | \$106,308 | \$64,528 | \$367,413 | \$778,679 |
| Consumer Staples | \$11,316 | \$10,662 | \$8,337 | \$43,213 | \$35,599 | \$167,612 | \$393,701 |
| Energy | \$22,014 | \$13,383 | \$2,974 | \$51,563 | \$5,410 | \$115,340 | \$234,190 |
| Financials | \$23,027 | \$21,216 | \$61,927 | \$150,447 | \$152,693 | \$732,867 | \$1,167,286 |
| Healthcare | \$20,152 | \$17,201 | \$16,170 | \$100,327 | \$69,336 | \$417,096 | \$757,813 |
| Industrials | \$17,113 | \$17,834 | \$17,567 | \$75,960 | \$53,241 | \$305,788 | \$636,115 |
| Information Technology | \$60,771 | \$71,956 | \$66,060 | \$279,174 | \$241,262 | \$1,205,391 | \$1,857,180 |
| Materials | \$5,678 | \$8,726 | \$5,252 | \$31,082 | \$16,534 | \$85,303 | \$152,772 |
| Real Estate | \$793 | \$1,127 | \$272 | \$3,696 | \$1,473 | \$14,411 | \$17,700 |
| Communication Services | \$30,297 | \$29,441 | \$35,230 | \$137,113 | \$100,860 | \$361,276 | \$390,032 |
| Utilities | \$140 | \$453 | \$299 | \$2,710 | \$1,272 | \$12,590 | \$18,598 |
| TOTAL | \$210,843 | \$219,637 | \$234,640 | \$981,593 | \$742,209 | \$3,785,087 | \$6,404,065 |

| SECTOR BUYBACK MAKEUP % | Q3,'22 | Q2,'22 | Q3,'21 | 12MoSep,'22 | 12MoSep,'21 | 5-YEARS | 10-YEARS |
|-------------------------|---------|---------|---------|-------------|-------------|---------|----------|
| Consumer Discretionary | 9.27 % | 12.58 % | 8.76 % | 10.83 % | 8.69 % | 9.71 % | 12.16 % |
| Consumer Staples | 5.37 % | 4.85 % | 3.55 % | 4.40 % | 4.80 % | 4.43 % | 6.15 % |
| Energy | 10.44 % | 6.09 % | 1.27 % | 5.25 % | 0.73 % | 3.05 % | 3.66 % |
| Financials | 10.92 % | 9.66 % | 26.39 % | 15.33 % | 20.57 % | 19.36 % | 18.23 % |
| Healthcare | 9.56 % | 7.83 % | 6.89 % | 10.22 % | 9.34 % | 11.02 % | 11.83 % |
| Industrials | 8.12 % | 8.12 % | 7.49 % | 7.74 % | 7.17 % | 8.08 % | 9.93 % |
| Information Technology | 28.82 % | 32.76 % | 28.15 % | 28.44 % | 32.51 % | 31.85 % | 29.00 % |
| Materials | 2.69 % | 3.97 % | 2.24 % | 3.17 % | 2.23 % | 2.25 % | 2.39 % |

| | | | | | | | |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Real Estate | 0.38 % | 0.51 % | 0.12 % | 0.38 % | 0.20 % | 0.38 % | 0.28 % |
| Communication Services | 14.37 % | 13.40 % | 15.01 % | 13.97 % | 13.59 % | 9.54 % | 6.09 % |
| Utilities | 0.07 % | 0.21 % | 0.13 % | 0.28 % | 0.17 % | 0.33 % | 0.29 % |
| TOTAL | 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 2022 BUYBACKS, \$ MILLIONS

| Company | Ticker | Sector | Q3 2022 Buybacks \$ Million | Q2 2021 Buybacks \$ Million | Q3 2022 Buybacks \$ Million | 12-Months Sep,'22 \$ Million | 12-Months Sep,'21 \$ Million | 5-Year Buybacks \$ Million | 10-Year Buybacks \$ Million | Indicated Dividend \$ Million |
|--|--------|------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|----------------------------|-----------------------------|-------------------------------|
| Apple | AAPL | Information Technology | \$24,736 | \$24,562 | \$20,449 | \$95,625 | \$92,527 | \$409,123 | \$582,041 | \$13,898 |
| Alphabet | GOOGL | Services | \$15,392 | \$15,197 | \$12,610 | \$57,362 | \$44,705 | \$154,884 | \$163,102 | \$0 |
| Meta Platforms | META | Communication Services | \$7,365 | \$6,235 | \$15,033 | \$45,600 | \$31,532 | \$108,389 | \$115,597 | \$0 |
| Microsoft | MSFT | Information Technology | \$5,573 | \$8,757 | \$7,684 | \$30,585 | \$28,326 | \$116,316 | \$172,130 | \$20,285 |
| Exxon Mobil | XOM | Energy | \$4,494 | \$3,919 | \$0 | \$10,634 | \$101 | \$12,492 | \$52,459 | \$15,170 |
| Procter & Gamble | PG | Consumer Staples | \$4,000 | \$1,250 | \$2,750 | \$11,253 | \$11,759 | \$41,922 | \$64,291 | \$8,722 |
| Lowe's | LOW | Consumer Discretionary | \$3,999 | \$4,091 | \$2,825 | \$16,140 | \$12,442 | \$37,598 | \$56,537 | \$2,684 |
| Marathon Petroleum | MPC | Energy | \$3,908 | \$0 | \$928 | \$9,496 | \$1,912 | \$16,395 | \$24,603 | \$1,496 |
| NVIDIA | NVDA | Information Technology | \$3,779 | \$3,650 | \$439 | \$10,579 | \$1,508 | \$16,000 | \$20,789 | \$401 |
| Chevron | CVX | Energy | \$3,697 | \$1,689 | \$618 | \$5,386 | \$618 | \$12,124 | \$22,210 | \$10,229 |
| Comcast | CMCSA | Services | \$3,525 | \$3,065 | \$1,660 | \$11,868 | \$2,722 | \$22,066 | \$45,381 | \$4,756 |
| Cigna | CI | Health Care | \$3,500 | \$1,006 | \$2,611 | \$7,295 | \$8,011 | \$20,751 | \$26,260 | \$1,367 |
| Walmart | WMT | Consumer Staples | \$2,961 | \$3,339 | \$2,168 | \$11,127 | \$8,807 | \$35,887 | \$65,594 | \$3,193 |
| ConocoPhillips | COP | Energy | \$2,804 | \$2,300 | \$1,243 | \$7,928 | \$2,390 | \$18,500 | \$20,690 | \$2,597 |
| Morgan Stanley | MS | Financials | \$2,608 | \$2,837 | \$3,628 | \$11,973 | \$9,278 | \$35,895 | \$47,763 | \$4,151 |
| S&P Global | SPGI | Financials | \$2,512 | \$1,508 | \$10 | \$11,091 | \$60 | \$15,557 | \$19,970 | \$1,158 |
| Charter | CHTR | Communication Services | \$2,225 | \$3,687 | \$3,666 | \$13,842 | \$15,183 | \$51,132 | \$60,521 | \$0 |
| Johnson & Johnson | JNJ | Health Care | \$2,165 | \$973 | \$391 | \$5,711 | \$2,781 | \$24,821 | \$55,373 | \$11,884 |
| Visa | V | Information Technology | \$2,106 | \$2,434 | \$2,969 | \$11,709 | \$8,820 | \$44,807 | \$71,674 | \$2,943 |
| Union Pacific | UNP | Industrials | \$2,024 | \$290 | \$1,361 | \$6,942 | \$6,595 | \$31,653 | \$46,843 | \$3,247 |
| Top 20 S&P 500 | | | \$103,373 | \$90,789 | \$83,043 | \$392,146 | \$290,077 | \$1,226,312 | \$1,733,828 | \$108,182 |
| Top 20 % of S&P 500 | | | \$210,843 | \$219,637 | \$234,640 | \$981,593 | \$742,209 | \$3,785,087 | \$6,404,065 | \$568,648 |
| Gross values are not adjusted for float | | | 49.03 % | 41.34 % | 35.39 % | 39.95 % | 39.08 % | 32.40 % | 27.07 % | 19.02 % |

S&P Dow Jones Indices
S&P 500 Q3 2022 Buyback Report

| SECTOR | DIVIDEND YIELD | BUYBACK YIELD | COMBINED YIELD |
|-------------------------|----------------|---------------|----------------|
| Consumer Discretionary | 1.03 % | 3.17 % | 4.20 % |
| Consumer Staples | 2.56 % | 1.87 % | 4.43 % |
| Energy | 3.66 % | 3.26 % | 6.92 % |
| Financials | 2.14 % | 4.00 % | 6.14 % |
| HealthCare | 1.60 % | 1.93 % | 3.53 % |
| Industrials | 1.69 % | 2.70 % | 4.39 % |
| Information Technology | 1.12 % | 3.20 % | 4.32 % |
| Materials | 2.06 % | 3.46 % | 5.52 % |
| Real Estate | 3.38 % | 0.41 % | 3.79 % |
| Communications Services | 1.40 % | 7.01 % | 8.41 % |
| Utilities | 3.00 % | 0.27 % | 3.27 % |
| S&P 500 | 1.75 % | 3.02 % | 4.76 % |

Uses full values (unadjusted for float)
Dividends based on indicated; buybacks based on the last 12-months ending Q3,'22

Share Count Changes
(Y/Y diluted shares used for EPS) >=4% <=-4%

| | | |
|----------------|----------------|----------------|
| Q3 2022 | 8.41 % | 19.34 % |
| Q1 2022 | 7.62 % | 17.64 % |
| Q4 2021 | 10.06 % | 14.89 % |
| Q3 2021 | 10.22 % | 7.41 % |
| Q2 2021 | 11.02 % | 5.41 % |
| Q1 2021 | 10.40 % | 5.80 % |
| Q4 2020 | 9.02 % | 6.01 % |
| 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 % |

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 Dow Jones Indices has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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