

# S&P 500 Q4 2023 Buybacks Increase 18.0% Compared to Q3, Full Year 2023 Shows Decline of 13.8% from 2022 Levels, Earnings Per Share Impact Continues to Decline; Buybacks Tax Reduced Q4 Operating Earnings by 0.44% and 2023 by 0.40%

- S&P 500 Q4 2023 buybacks were \$219.1 billion, up 18.0% from Q3 2023's \$185.6 billion and up 3.7% from Q4 2022's \$211.2 billion
- The 2023 expenditure of \$795.2 billion was down 13.8% from the 2022 expenditure of \$922.7
- Consumer Discretionary and Consumer Staples significantly increased their spending for the quarter, 52.7% and 80.3% respectively, as their 2023 expenditures declined, 11.4% and 34.3%; Information Technology increased 15.9% for the quarter and was down 24.5% for the year, as Energy ticked down 1.1% for the quarter and increased 9.5% for the year
- The 2023 net buyback 1% tax reduced Q4 2023 operating earnings by 0.44% (0.40% for 2023) and As Reported GAAP by 0.50% (0.45%)

NEW YORK, March 18, 2024 /PRNewswire/ -- S&P Dow Jones Indices (S&P DJI) today announced the preliminary [S&P 500®](#) stock buybacks or share repurchases data for Q4 2023 and year-end 2023.

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

## Key Takeaways:

- Q4 2023 share repurchases were \$219.1 billion, up 18.0% from Q3 2023's \$185.6 billion expenditure, and up 3.7% from Q4 2022's \$211.1 billion.
- For 2023, buybacks were \$795.1 billion, down from \$922.7 billion for 2022; the 12-month peak was in June 2022 with \$1.005 trillion.
- 313 companies reported buybacks of at least \$5 million for the quarter, up from 281 in Q3 2023 and down from 318 in Q4 2022; 373 companies did some buybacks for the quarter, up from 362 in Q3 2023 and down from 385 in Q4 2022; 429 companies did some buybacks in 2023, down from 439 in 2022.
- Buybacks remained top heavy with the top 20 S&P 500 companies accounting for 54.1% of Q4 2023 buybacks, up from Q3 2023's 50.9%, above the historical average of 47.4%, and above the pre-COVID historical average of 44.5%.
- 12.3% of companies reduced share counts used for earnings per share (EPS) by at least 4% year-over-year, down from Q3 2023's 13.8% and down from Q4 2022's 19.4%; for Q4 2023 145 issues increased their shares used for EPS over Q3 2023 and 295 reduced them.
- S&P 500 Q4 2023 dividends increased 0.7% to a record \$154.1 billion from the prior Q3 2023's \$144.2 billion and were 5.5% greater than the \$146.1 billion in Q4 2022. For 2023, dividends set a record \$588.2 billion payment, up 4.2% on an aggregate basis from 2022's \$564.6 billion.
- Total shareholders return of buybacks and dividends increased to \$373.2 billion in Q4 2023, up 13.2% from Q3 2023's \$329.8 billion and up 4.5% from Q4 2022's \$357.3 billion. Total shareholder returns for 2023 decreased to \$1.383 trillion from 2022's \$1.487 trillion.
- The 1% tax on net buybacks, which started in 2023, reduced the Q4 2023 S&P 500 operating earnings by 0.44% and As Reported GAAP earnings by 0.50% and for 2023 they reduced earnings 0.40% for operating and 0.45% for As Reported; the proforma for full year 2022 was a 0.51% reduction for operating and a 0.58% reduction for as reported.

"The share count impact on EPS decreased for the fifth consecutive quarter, even as companies increased their overall buyback expenditure by 18% to counter the impact of both share issuance and employee options being exercised. While buybacks supported share price, only 12.3% of the issues saw a significant increase (of at least 4%) in their EPS due to share count reduction, compared to 19.4% in Q4 2022. More issues did buybacks and spent more, but the higher cost of shares reduced the number of shares they received and reduced the impact on share-count-reduction. Companies with strong cashflows continued to aggressively do buybacks, as the top 20 issues accounted for over 54.1% of the buybacks in Q4 2023," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**.

"Given the market's expectations for interest rates to decline later in the year, even as higher-for-longer interest rates continue, companies may be shy of financing buybacks going forward, as discretionary buybacks, which reduce share count, may need to be financed from ongoing operations. Top-tier cash-flow issues however are seen as continuing their buybacks and positively impacting their EPS."

## 1% Buyback Excise Tax for 2023:

The 1% excise tax on net buybacks reduced Q4 2023 operating earnings by 0.44%, up from Q3 2023's 0.39% and down from the proforma 0.46% for Q4 2022, as the 2023 impact was 0.40%, down from the proforma 2022 of 0.51%. The tax on As Reported GAAP earnings increased to 0.50%, up from the Q3 2023 0.42% and was down from the proforma Q4 2022 0.58%, as 2023 was 0.45%, down from the proforma 2022 rate of 0.58%.

Silverblatt added: "The 1% tax remains an expense but has not impacted overall buybacks at this point. However, given the initial 1% buyback tax had bipartisan support and remains an attractive cash generator for the government, there is an expectation that some increase or potential change to the type of buybacks that are taxed will remain on the table for the current budget process. Given the current corporate sensitivity to costs, a buyback tax rate of 2%-to-2.5% was seen as impacting both buybacks and the EPS impact of share-count-reduction (which is already in decline due to high prices), as some of the expenditures may shift from buybacks to dividends. However, any shift would not be on a-dollar-for-dollar basis as dividends remain a long-term pure cash-flow item which must be incorporated into corporate budgets."

## Q4 2023 GICS® Sector Analysis:

**Information Technology** maintained its lead in buybacks. For Q4 2023, the sector increased their expenditure 15.9% to \$56.3 billion, representing 25.7% of all S&P 500 buybacks. This compared to the \$48.6 billion spent in Q3 2023, which represented 26.2% of all buybacks. For 2023, the sector spent \$197.9 billion, down 24.5% from 2022's \$262.0 billion.

**Financials** ticked up 0.4% for Q4 2023 as they spent \$29.4 billion on buybacks, accounting for 13.4% of all S&P 500 buybacks. This was up compared to the Q3 2023 expenditure of \$29.3 billion and up from Q4 2022's \$22.5 billion. For 2023, Financials spent \$138.4 billion, up from \$121.4 billion for 2022.

**Energy** slightly decreased their buybacks for the fifth consecutive quarter after significantly increasing them in the prior periods. For Q4 2023, Energy expenditures declined 1.1% to \$16.1 billion, representing 7.3% of the buybacks compared to the prior quarter's \$16.2 billion, and were 19.0% lower than Q4 2022's \$19.8 billion. For 2023, Energy spent \$69.8 billion on buybacks, up 9.5% from the prior period's \$63.8 billion, but up significantly compared to 2021's \$12.7 billion expenditure.

**Industrials** increased 89.8% for the quarter, spending \$27.1 billion in Q4 2023. This represented 12.4% of all buybacks compared to \$14.3 billion in Q3 2023 and \$22.4 billion in Q4 2022. For 2023, the sector spent \$68.2 billion, down 16.9% from 2022's \$82.1 billion.

## Issues:

The five issues with the highest total buybacks for Q4 2023 were:

- **Apple (AAPL):** continued to dominate the issue level buybacks, as it again spent the most of any issue with its Q4 2023 expenditure ranking as the 9<sup>th</sup> highest in S&P 500 history. For the quarter, the company spent \$22.7 billion, up from Q3 2023's \$21.3 billion (the 13<sup>th</sup> largest in index history). Apple holds 18 of the top 20 record quarters (Meta Platforms holds #13 and QUALCOMM holds #15). For 2023, Apple spent \$83.9 billion on buybacks, down from 2022's \$94.1 billion. Over the five-year period Apple has spent \$429 billion, and \$658 billion over the ten-year period.
- **Alphabet (GOOG/L):** \$16.2 billion for Q4 2023, up from the \$15.8 billion in Q3 2023; the 2023 expenditure was \$61.5 billion versus 2022's expenditure of \$59.3 billion.
- **RTX Corporation (RTX):** \$10.3 billion for Q4 2023, up from \$1.4 billion in Q3 2023; the 2023 expenditure was \$12.9 billion versus 2022's \$2.8 billion.
- **General Motors (GM):** \$10.0 billion for Q4 2023, up from \$0.3 billion in Q3 2023; the 2023 expenditure was \$11.1 billion versus 2022's \$2.5 billion.
- **Broadcom (AVGO):** \$8.3 billion for Q4 2023, up from \$0.6 billion in Q3 2023; the 2023 expenditure was \$14.5 billion versus 2022's \$6.9 billion.

For more information about S&P Dow Jones Indices, please visit <https://www.spglobal.com/spdji/en/>.

#### S&P Dow Jones Indices

##### S&P 500 proforma net buyback tax impact

	TAX \$ BILLIONS	TAX % OF OPERATING	TAX % OF AS REPORTED
Q4 2023	\$2.02	0.44 %	0.50 %
Q3 2023	\$1.70	0.39 %	0.42 %
Q2 2023	\$1.55	0.34 %	0.38 %
Q1 2023	\$1.98	0.45 %	0.49 %
2023	\$7.47	0.40 %	0.45 %
2022 proforma	\$8.47	0.51 %	0.58 %
2021 proforma	\$7.93	0.45 %	0.47 %

#### 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	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
2023 Prelim.	\$40,039	<b>\$1,789.88</b>	<b>\$1,615.60</b>	\$588.23	<b>\$795.16</b>	1.47 %	<b>1.99 %</b>	<b>3.46 %</b>
2022	\$32,133	\$1,656.66	\$1,453.43	\$564.57	\$922.68	1.76 %	2.87 %	4.63 %
2021	\$40,356	\$1,762.75	\$1,675.22	\$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 %
12/31/2023 Prelim.	\$40,039	<b>\$454.96</b>	<b>\$406.02</b>	\$154.10	<b>\$219.09</b>	1.47 %	<b>1.99 %</b>	<b>3.46 %</b>
9/30/2023	\$35,938	\$437.90	\$399.35	\$144.18	\$185.62	1.61 %	2.19 %	3.81 %
6/30/2023	\$37,162	\$457.93	\$405.66	\$143.20	\$174.92	1.55 %	2.19 %	3.74 %
3/31/2023	\$34,342	\$439.08	\$404.57	\$146.76	\$215.53	1.67 %	2.50 %	4.17 %
12/31/2022	\$32,133	\$421.55	\$331.50	\$146.07	\$211.19	1.76 %	2.87 %	4.63 %
9/30/2022	\$30,119	\$422.94	\$373.04	\$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 %

#### S&P Dow Jones Indices

##### S&P 500 SECTOR BUYBACKS

SECTOR \$ MILLIONS	Q4,'23	Q3,'23	Q4,'22	12MoDec,'23	12MoDec,'22	5-YEARS	10-YEARS
Consumer Discretionary	\$28,716	\$18,809	\$18,819	\$83,490	\$94,238	\$362,272	\$795,830
Consumer Staples	\$9,042	\$5,014	\$7,033	\$24,604	\$37,429	\$155,310	\$370,268
Energy	\$16,060	\$16,233	\$19,833	\$69,850	\$63,782	\$169,393	\$274,497
Financials	\$29,418	\$29,303	\$22,497	\$138,354	\$121,431	\$709,761	\$1,258,599
Healthcare	\$13,188	\$14,960	\$24,394	\$64,750	\$102,881	\$381,734	\$773,384
Industrials	\$27,112	\$14,286	\$22,403	\$68,222	\$82,095	\$306,613	\$661,409
Information Technology	\$56,283	\$48,554	\$57,654	\$197,893	\$261,960	\$1,146,595	\$1,968,457
Materials	\$2,963	\$5,278	\$6,548	\$15,168	\$28,386	\$90,561	\$162,904
Real Estate	\$243	\$853	\$728	\$1,693	\$3,779	\$11,750	\$20,121
Communication Services	\$34,715	\$32,020	\$31,155	\$127,903	\$124,963	\$500,087	\$529,828
Utilities	\$1,353	\$306	\$126	\$3,237	\$1,737	\$13,985	\$20,385
<b>TOTAL</b>	<b>\$219,091</b>	<b>\$185,615</b>	<b>\$211,189</b>	<b>\$795,163</b>	<b>\$922,680</b>	<b>\$3,848,061</b>	<b>\$6,835,682</b>

SECTOR BUYBACK MAKEUP %	Q4,'23	Q3,'23	Q4,'22	12MoDec,'23	12MoDec,'22	5-YEARS	10-YEARS
Consumer Discretionary	13.11 %	10.13 %	8.91 %	10.50 %	10.21 %	9.41 %	11.64 %
Consumer Staples	4.13 %	2.70 %	3.33 %	3.09 %	4.06 %	4.04 %	5.42 %
Energy	7.33 %	8.75 %	9.39 %	8.78 %	6.91 %	4.40 %	4.02 %
Financials	13.43 %	15.79 %	10.65 %	17.40 %	13.16 %	18.44 %	18.41 %
Healthcare	6.02 %	8.06 %	11.55 %	8.14 %	11.15 %	9.92 %	11.31 %
Industrials	12.37 %	7.70 %	10.61 %	8.58 %	8.90 %	7.97 %	9.68 %
Information Technology	25.69 %	26.16 %	27.30 %	24.89 %	28.39 %	29.80 %	28.80 %
Materials	1.35 %	2.84 %	3.10 %	1.91 %	3.08 %	2.35 %	2.38 %
Real Estate	0.11 %	0.46 %	0.34 %	0.21 %	0.41 %	0.31 %	0.29 %

Communication Services	15.85 %	17.25 %	14.75 %	16.09 %	13.54 %	13.00 %	7.75 %
Utilities	0.62 %	0.16 %	0.06 %	0.41 %	0.19 %	0.36 %	0.30 %
TOTAL	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

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Indices  
S&P 500 20 LARGEST Q4 2023 BUYBACKS, \$  
MILLIONS

Company	Ticker	Sector	Q4 2023 Buybacks	Q3 2023 Buybacks	Q4 2022 Buybacks	12-Months Dec,'23	12-Months Dec,'22	5-Year Buybacks	10-Year Buybacks	Indicated Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$22,730	\$21,315	\$21,791	\$83,920	\$94,050	\$429,455	\$658,416	\$14,035
Alphabet	GOOGL	Communication Services	\$16,191	\$15,787	\$15,407	\$61,504	\$59,296	\$220,619	\$240,013	\$0
RTX	RTX	Industrials	\$10,283	\$1,429	\$408	\$12,870	\$2,803	\$18,162	\$32,934	\$3,393
General Motors	GM	Consumer Discretionary	\$9,996	\$250	\$1,000	\$11,115	\$2,500	\$13,615	\$27,594	\$657
Broadcom	AVGO	Information Technology	\$8,290	\$577	\$1,521	\$14,454	\$6,877	\$29,388	\$40,215	\$9,218
Meta Platforms	META	Communication Services	\$8,165	\$5,657	\$7,520	\$26,786	\$31,551	\$124,764	\$146,152	\$4,439
Exxon Mobil	XOM	Energy	\$4,656	\$4,412	\$4,675	\$17,748	\$15,155	\$34,057	\$53,630	\$15,222
Microsoft	MSFT	Information Technology	\$4,000	\$4,831	\$5,459	\$20,044	\$28,611	\$123,511	\$189,604	\$22,297
Visa	V	Financials	\$3,752	\$3,756	\$3,227	\$12,756	\$10,719	\$51,010	\$81,060	\$3,316
Comcast	CMCSA	Communication Services	\$3,521	\$3,543	\$3,515	\$11,291	\$13,328	\$30,329	\$57,437	\$4,979
NVIDIA	NVDA	Information Technology	\$3,500	\$4,570	\$1,557	\$12,316	\$11,514	\$27,227	\$33,675	\$395
Chevron	CVX	Energy	\$3,397	\$3,334	\$3,417	\$14,678	\$8,803	\$28,607	\$34,631	\$11,447
Lockheed Martin	LMT	Industrials	\$3,000	\$1,750	\$4,206	\$6,000	\$7,900	\$20,202	\$28,532	\$2,782
Caterpillar I	CAT	Industrials	\$2,790	\$380	\$921	\$4,999	\$4,232	\$17,077	\$27,139	\$2,653
Marathon Petroleum	MPC	Energy	\$2,505	\$2,819	\$0	\$11,572	\$6,754	\$23,930	\$32,882	\$1,253
Netflix	NFLX	Communication Services	\$2,500	\$2,500	\$0	\$6,045	\$0	\$6,870	\$6,870	\$0
Booking Holdings	BKNG	Consumer Discretionary	\$2,488	\$2,640	\$2,343	\$10,377	\$6,621	\$26,651	\$39,301	\$1,221
Wells Fargo	WFC	Financials	\$2,350	\$1,480	\$6	\$11,851	\$6,033	\$61,434	\$119,420	\$5,084
JPMorgan	JPM	Financials	\$2,275	\$2,382	\$0	\$9,824	\$3,162	\$61,912	\$116,763	\$12,142
T-Mobile US	TMUS	Communication Services	\$2,213	\$2,691	\$2,461	\$13,371	\$3,243	\$37,061	\$39,221	\$1,323
Top 20			\$118,602	\$86,103	\$79,434	\$373,521	\$323,152	\$1,385,881	\$2,005,489	\$115,856
S&P 500			\$219,091	\$185,615	\$211,189	\$795,163	\$922,680	\$3,848,061	\$6,835,682	\$607,554
Top 20 % of S&P 500			54.13 %	46.39 %	37.61 %	46.97 %	35.02 %	36.02 %	29.34 %	19.07 %
Gross values are not adjusted for float										

S&P Dow Jones Indices  
S&P 500 Q4 2023 Buyback Report

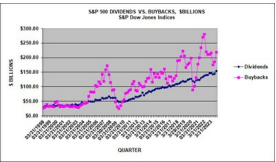
SECTOR	DIVIDEND YIELD	BUYBACK YIELD	COMBINED YIELD
Consumer Discretionary	0.80 %	1.92 %	2.71 %
Consumer Staples	2.60 %	0.95 %	3.56 %
Energy	3.31 %	4.31 %	7.62 %
Financials	1.68 %	2.48 %	4.17 %
HealthCare	1.62 %	1.19 %	2.81 %
Industrials	1.47 %	1.85 %	3.31 %
Information Technology	0.71 %	1.51 %	2.22 %
Materials	1.84 %	1.49 %	3.33 %
Real Estate	3.51 %	0.17 %	3.68 %
Communications Services	1.06 %	4.09 %	5.15 %
Utilities	3.63 %	0.35 %	3.98 %
S&P 500	1.43 %	1.87 %	3.30 %

Uses full values (unadjusted for float)  
Dividends based on indicated; buybacks based on the last 12-months ending Q4,'23

Share Count Changes (Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q4 2024	3.85 %	12.35 %
Q3 2023	4.60 %	13.80 %
Q2 2023	4.22 %	16.27 %
Q1 2023	4.02 %	18.47 %
Q4 2022	5.01 %	19.44 %
Q3 2022	7.21 %	21.24 %
Q2 2022	8.42 %	19.84 %
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 %

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