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Figure 1.

S&P 500 PROFIT MARGIN (percent, quarterly)

Operating (12.3)
Reported (10.6)

Source: Standard & Poor’s Corporation (revenues and reported EPS) and Thomson Reuters I/B/E/S (operating EPS).

Figure 2.

S&P 500 PROFIT MARGIN (percent, trailing four-quarter average)

Operating (11.5)
Reported (9.6)

Source: Standard & Poor’s Corporation (revenues and reported EPS) and Thomson Reuters I/B/E/S (operating EPS).
Figure 3. S&P 500 OPERATING PROFIT MARGIN (percent)

- Quarterly (12.3)
- Trailing four-quarter average (11.5)

Source: Standard & Poor's Corporation.

Figure 4. S&P 500 REPORTED PROFIT MARGIN (percent)

- Quarterly (10.6)
- Trailing four-quarter average (9.6)

Source: Standard & Poor's Corporation and Thomson Reuters I/B/E/S and Bureau of Economic Analysis.
Figure 5.

S&P 500 PROFIT MARGIN
(percent, using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual
- 52-week forward*

* Time-weighted average of the consensus estimates for current year and next year. Monthly through December 2005, then weekly.
Source: Thomson Reuters I/B/E/S.

Figure 6.

S&P 500 PROFIT MARGIN MEASURES
(percent)

S&P 500 Operating Profit Margins
- Forward*
- Actual (trailing 4Q average)

* Forward earnings divided by forward revenues.
Source: Thomson Reuters I/B/E/S and Standard & Poor’s.
S&P 500 Profit Margin

Figure 7.

S&P 500 & PROFIT MARGIN

S&P 500 index (2906.0)

Operating trailing 4-quarter profit margin (11.6)

Source: Standard & Poor’s Corporation and Thomson Reuters I/B/E/S.

Figure 8.

S&P 500 & FORWARD PROFIT MARGIN

S&P 500 index (2906.0)

Forward profit margin (12.3)


Source: Standard & Poor’s Corporation and Thomson Reuters I/B/E/S.
Figure 9. S&P 500 Sectors Operating Profit Margins

**CONSUMER DISCRETIONARY**
- Q2: (7.8)

**INDUSTRIALS**
- Q2: (9.7)

**CONSUMER STAPLES**
- Q2: (7.0)

**INFORMATION TECHNOLOGY**
- Q2: (22.0)

**ENERGY**
- Q2: (5.2)

**MATERIALS**
- Q2: (10.1)

**FINANCIALS**
- Includes Real Estate through Q2-2016
- Q2: (14.7)

**TELECOMMUNICATION SERVICES**
- Q2: (11.5)

**HEALTH CARE**
- Q2: (8.7)

**UTILITIES**
- Q2: (12.1)

* Operating margin in percent and based on trailing 4-quarter EPS and sales.
Source: Standard & Poor’s.
Figure 10.

S&P 500 Sectors Forecasted & Actual Profit Margins

* Actual from S&P based on trailing 4-quarter EPS and sales. Forecast implied from Thomson Reuters I/B/E/S consensus forward EPS and sales, and pushed one year ahead.
Source: Standard & Poor's Corporation (trailing 4-quarter margin) and Thomson Reuters I/B/E/S (forward margin).
Figure 11.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

Consumer Discretionary Sector (7.8)
Advertising (7.4)
Automobile Manufacturers (4.9)
Auto Parts & Equipment (9.2)
Publishing (2.6)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 12.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

Consumer Discretionary Sector (7.8)
Hotels, Resorts & Cruise Lines (10.9)
Casinos & Gaming (8.4)
Restaurants (14.9)
Movies & Entertainment (15.1)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Consumer Discretionary

Figure 13.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 14.

S&P 500 OPERATING PROFIT MARGINS: CONSUMER DISCRETIONARY
(trailing 4-quarter EPS, percent)

Margins capped at -2% due to extreme values.

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Consumer Staples

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Energy

Figure 17.

S&P 500 OPERATING PROFIT MARGINS: ENERGY
(trailing 4-quarter EPS, percent)

- Energy Sector (5.2)
- Integrated Oil & Gas (5.4)
- Oil & Gas Refining & Marketing (2.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 18.

S&P 500 OPERATING PROFIT MARGINS: ENERGY
(trailing 4-quarter EPS, percent)

- Energy Sector (5.2)
- Oil & Gas Drilling (2.2)
- Oil & Gas Equipment & Services (2.6)
- Oil & Gas Exploration & Production (-2.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Health Care

Figure 19.

S&P 500 OPERATING PROFIT MARGINS: HEALTH CARE
(trailing 4-quarter EPS, percent)

Health Care Sector (8.7)
Biotechnology (37.3)
Health Care Equipment (18.2)
Managed Health Care (4.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 20.

S&P 500 OPERATING PROFIT MARGINS: HEALTH CARE
(trailing 4-quarter EPS, percent)

Health Care Sector (6.7)
Pharmaceuticals (25.8)
Health Care Facilities (6.7)
Health Care Distributors (1.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 21.

S&P 500 OPERATING PROFIT MARGINS: INDUSTRIALS
(trailing 4-quarter EPS, percent)

Industrials Sector (9.7)
Construction Machinery & Heavy Trucks (6.8)
Industrial Conglomerates (13.2)
Industrial Machinery (10.4)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 22.

S&P 500 OPERATING PROFIT MARGINS: INDUSTRIALS
(trailing 4-quarter EPS, percent)

Industrials Sector (9.7)
Aerospace & Defense (7.9)
Electrical Components & Equipment (11.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Information Technology

Figure 23.

S&P 500 OPERATING PROFIT MARGINS: INFORMATION TECHNOLOGY
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 24.

S&P 500 OPERATING PROFIT MARGINS: INFORMATION TECHNOLOGY
(trailing 4-quarter EPS, percent)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Materials

Figure 25.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)

Materials Sector (10.1)
Aluminum (2.8)
Paper Products (6.5)
Steel (6.1)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 26.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)

Materials Sector (10.1)
Diversified Chemicals (10.2)
Fertilizers & Agricultural Chemicals (9.9)
Industrial Gases (15.8)
Specialty Chemicals (10.9)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.
Figure 27.

S&P 500 OPERATING PROFIT MARGINS: MATERIALS
(trailing 4-quarter EPS, percent)
- Materials Sector (10.1)
- Gold (8.4)
- Metal & Glass Containers (5.5)
- Diversified Metals & Mining (3.8)
- Paper Packaging (6.0)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.

Figure 28.

S&P 500 OPERATING PROFIT MARGINS: TELECOMMUNICATION SERVICES
(trailing 4-quarter EPS, percent)
- Telecommunication Services Sector (11.5)
- Integrated Telecommunication (11.1)

Source: Standard & Poor’s, Thomson Reuters I/B/E/S, and Haver Analytics.