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Figure 1.

S&P 500 INFORMATION TECHNOLOGY STOCK PRICE INDEX

- 200-day moving average.
- Ratio scale.

Source: Standard & Poor’s and Haver Analytics.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Monthly through December 1990, then weekly. Monthly data an average of Communication Equipment, Hardware, Instrumentation, Semiconductor, and Software industry ratios.

Source: Standard & Poor’s Corporation.

Figure 2.

S&P 500 INFORMATION TECHNOLOGY (as a ratio of S&P 500)

- Ratio scale.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research. Monthly through December 1990, then weekly. Monthly data an average of Communication Equipment, Hardware, Instrumentation, Semiconductor, and Software industry ratios.

Source: Standard & Poor’s Corporation.
Figure 3.

S&P 500 INFORMATION TECHNOLOGY

S&P 500 ELECTRONIC EQUIPMENT & INSTRUMENTS (FLIR)

S&P 500 APPLICATION SOFTWARE (ADBE ADSK CDNS CRM CTXS INTU)

S&P 500 ELECTRONIC MANUFACTURING SERVICES (TEL)

S&P 500 COMMUNICATIONS EQUIPMENT (CSCO FFIV HRS JNPR MSI)

S&P 500 HOME ENTERTAINMENT SOFTWARE (ATVI EA)

S&P 500 DATA PROCESSING & OUTSOURCED SERVICES (ADP ADS FIS FISV GPN MA PAYX TSS V WU XRX)

S&P 500 INTERNET SOFTWARE & SERVICES (AKAM EBAY FB GOOG GOOGL VRSN YHOO)

200-day moving average

Source: Standard & Poor’s Corporation.
Figure 4.

**S&P 500 IT CONSULTING & OTHER SERVICES**
(ACN CSRA CTSH IBM TDC)

**S&P 500 SYSTEMS SOFTWARE**
(CA MSFT ORCL RHT SYMC)

**S&P 500 SEMICONDUCTORS**
(ADI AVGO FSLR INTC MCHP MU NVDA QCOM QRVO SWKS TXN XLNX)

**S&P 500 TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS**
(AAPL EMC HPE HPQ NTAP STX WDC)

**S&P 500 SEMICONDUCTOR EQUIPMENT**
(AMAT KLAC LRCX)

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200-day moving average

Source: Standard & Poor’s Corporation.
Figure 5. S&P 500/400/600 Information Technology YTD

Source: Standard & Poor's.
Figure 6. S&P 500/400/600 Information Technology YTD

Source: Standard & Poor's.
Earnings

Figure 7.

S&P 500 INFORMATION TECHNOLOGY OPERATING EARNINGS PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward earnings*

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

Figure 8.

S&P 500 INFORMATION TECHNOLOGY NET EARNINGS REVISIONS*

* Three-month moving average of the number of forward earnings estimates up less number of estimates down, expressed as a percentage of the total number of forward earnings estimates.
Source: I/B/E/S data by Refinitiv.
Revenues & Margins

Figure 9.
S&P 500 INFORMATION TECHNOLOGY REVENUES PER SHARE
(analysts’ average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

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

Figure 10.
S&P 500 INFORMATION TECHNOLOGY PROJECTED PROFIT MARGIN
(using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (21.8)

* Time-weighted average of the consensus estimates for current year and next year. Monthly through December 2005, weekly thereafter.
Source: I/B/E/S data by Refinitiv.
**Earnings Growth & Valuation**

**Figure 11.**

S&P 500 INFORMATION TECHNOLOGY LTEG VS STEG

(Percent)

- LTEG* (12.0)
- STEG* (7.6)

* STEG: 12-month (52-week) forward consensus expected earnings growth. LTEG: 5-year forward consensus expected earnings growth. Monthly data through 2005, then weekly.

Source: I/B/E/S data by Refinitiv.

**Figure 12.**

S&P 500 INFORMATION TECHNOLOGY VALUATION

- Forward P/E* (19.7)
- Relative P/E** (1.2)
- PEG Ratio*** (1.6)

* Price divided by 12-month forward consensus expected operating earnings per share.

** Sector or industry forward P/E relative to S&P 500 forward P/E.

*** Sector or industry forward P/E relative to sector or industry consensus 5-year LTEG forecast.

Source: I/B/E/S data by Refinitiv.