S&P 500 Industry Briefing: Aerospace & Defense

Yardeni Research, Inc.

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Dr. Ed Yardeni
516-972-7683
eyardeni@yardeni.com

Joe Abbott
732-497-5306
jabbott@yardeni.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com

thinking outside the box
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**Figure 1.**

*S&P 500 AEROSPACE & DEFENSE STOCK PRICE INDEX*

(ARNC BA GD HII HRS LLL LMT NOC RTN TDG TXT UTX)

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200-day moving average.

* Ratio scale.

Source: Standard & Poor’s and Haver Analytics.

**Figure 2.**

*S&P 500 AEROSPACE & DEFENSE INDEX, FORWARD EARNINGS, & VALUATION*

Aerospace & Defense Index

09/20/19

Blue Angels Implied Price Index*

09/12/19

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* Implied price index calculated using forward earnings times forward P/Es.

Source: Standard & Poor’s and I/B/E/S data by Refinitiv.
Figure 3.

**S&P 500 AEROSPACE & DEFENSE 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 4.

**S&P 500 AEROSPACE & DEFENSE 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.
S&P 500 AEROSPACE & DEFENSE ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

Latest data thru 09/12/19

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

S&P 500 AEROSPACE & DEFENSE ANNUAL EARNINGS GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.
Margins & NERI

Figure 7.
S&P 500 AEROSPACE & DEFENSE PROJECTED PROFIT MARGIN
(using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (9.7)


Figure 8.
S&P 500 AEROSPACE & DEFENSE 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.
* STEG is year-ahead forward consensus expected short-term earnings growth. STRG is year-ahead forward consensus expected short-term revenue growth. LTEG is five-year consensus expected long-term earnings growth.

Monthly data through 2005, weekly thereafter.

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

* 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.