S&P 500 Industry Briefing: Soft Drinks

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Figure 1.

S&P 500 SOFT DRINKS STOCK PRICE INDEX*
(KO MNST PEP)

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* Ratio scale.
Source: Standard & Poor’s and Haver Analytics.

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Figure 2.

S&P 500 SOFT DRINKS INDEX, FORWARD EARNINGS, & VALUATION

Soft Drinks Index
03/12/20

Blue Angels Implied Price Index*
03/05/20

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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.
* 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 3.
S&P 500 SOFT DRINKS REVENUES PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

Figure 4.
S&P 500 SOFT DRINKS OPERATING EPS
(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.
Annual Growth Squiggles

Figure 5.

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

Latest data thru 03/05/20

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

Figure 6.

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

Latest data thru 03/05/20

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

Figure 7.

S&P 500 SOFT DRINKS PROJECTED PROFIT MARGIN
(using analysts' average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (16.6)

* 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.

Figure 8.

S&P 500 SOFT DRINKS 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.

Figure 9.

<table>
<thead>
<tr>
<th>Year</th>
<th>LTEG*</th>
<th>STEG*</th>
<th>STRG*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>7.6</td>
<td>7.2</td>
<td>4.4</td>
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</tbody>
</table>

* 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.

Figure 10.

<table>
<thead>
<tr>
<th>Year</th>
<th>Forward P/E*</th>
<th>Relative P/E**</th>
<th>PEG Ratio***</th>
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<tbody>
<tr>
<td>1995</td>
<td>24.9</td>
<td>1.4</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Relative P/E and PEG capped at 2.5