S&P 500 Industry Briefing: Construction & Engineering

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thinking outside the box
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**Figure 1.**

S&P 500 CONSTRUCTION & ENGINEERING STOCK PRICE INDEX* (FLR JEC PWR)

- 200-day moving average.
- Ratio scale.
- Source: Standard & Poor’s and Haver Analytics.

**Figure 2.**

S&P 500 CONSTRUCTION & ENGINEERING INDEX, FORWARD EARNINGS, & VALUATION

- Construction & Engineering Index
  09/20/19
- Blue Angels Implied Price Index*
  09/12/19

* 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 CONSTRUCTION & ENGINEERING 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 CONSTRUCTION & ENGINEERING 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.
### Annual Growth Squiggles

**Figure 5.**

**S&P 500 Engineering & Construction 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.

**Figure 6.**

**S&P 500 Engineering & Construction 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.
Figure 7.

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

Consensus Forecasts
- Annual estimates
- Forward profit margin* (4.9)

* 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 CONSTRUCTION & ENGINEERING 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.
**Figure 9.** S&P 500 Construction & Engineering STRG, STEG, & LTEG (percent)

- LTEG* (14.5)
- STEG* (15.2)
- STRG* (6.3)

STEAG capped at 30%

* 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 10.** S&P 500 Construction & Engineering Valuation

- Forward P/E* (13.7)
- Relative P/E** (0.8)
- PEG Ratio*** (0.9)

* 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.