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S&P 500 Semiconductor Equipment

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Stock Price Index

Figure 1.

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

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

Figure 2.

*S&P 500 SEMICONDUCTOR EQUIPMENT INDEX, FORWARD EARNINGS, & VALUATION*

- Semiconductor Equipment Index
  12/17/19
- Blue Angels Implied Price Index*
  12/05/19

* Implied price index calculated using forward earnings times forward P/Es.
  Source: Standard & Poor’s Corporation and I/B/E/S data by Refinitiv.
**Figure 3.**

**S&P 500 SEMICONDUCTOR EQUIPMENT REVENUES PER SHARE**
(Analysts' average forecasts, ratio scale)

**Consensus Forecasts**
- Red: Annual estimates
- Blue: 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 SEMICONDUCTOR EQUIPMENT OPERATING EARNINGS PER SHARE**
(Analysts' average forecasts, ratio scale)

**Consensus Forecasts**
- Red: Annual estimates
- Blue: 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 5.**

S&P 500 SEMICONDUCTOR EQUIPMENT ANNUAL REVENUE GROWTH FORECASTS

(based on analysts' consensus estimates, percent, weekly)

- 2011 (14.9)
- 2012 (-11.7)
- 2013 (-4.2)
- 2014 (19.1)
- 2015 (6.8)
- 2016 (11.1)
- 2017 (32.2)
- 2018 (24.3)
- 2019 (-10.9)
- 2020 (11.0)

Latest data thru 12/05/19

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

**Figure 6.**

S&P 500 SEMICONDUCTOR EQUIPMENT ANNUAL EARNINGS GROWTH FORECASTS

(based on analysts' consensus estimates, percent, weekly)

- 2011 (34.7)
- 2012 (-35.7)
- 2013 (-19.5)
- 2014 (60.4)
- 2015 (6.0)
- 2016 (42.1)
- 2017 (65.7)
- 2018 (48.1)
- 2019 (-21.5)
- 2020 (15.7)

Latest data thru 12/05/19

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

Figure 7.

S&P 500 SEMICONDUCTOR EQUIPMENT PROJECTED PROFIT MARGIN
(using analysts’ average earnings and revenues forecasts)

Consensus Forecasts
- Annual estimates
- Forward profit margin* (23.3)

* 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 SEMICONDUCTOR EQUIPMENT 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 SEMICONDUCTOR EQUIPMENT STRG, STEG, & LTEG
(percent)

-60 -40 -20 0 20 40 60

96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21

LTEG* (11.3)
STEG* (17.4)
STRG* (10.5)

STEG capped at -50% and 50%.

* 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 SEMICONDUCTOR EQUIPMENT VALUATION

P/E capped at 5 and 60.

Forward P/E* (15.0)

Relative P/E and PEG capped at 0.5 and 3.0

Relative P/E** (0.9)
PEG Ratio*** (1.3)

* 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.