S&P 500 Industry Briefing: Health Care Technology

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thinking outside the box
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**Figure 1.**

S&P 500 HEALTH CARE TECHNOLOGY STOCK PRICE INDEX*

(CERN)

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* 200-day moving average.

* Ratio scale.

Source: Standard & Poor’s and Haver Analytics.

**Figure 2.**

S&P 500 HEALTH CARE TECHNOLOGY INDEX, FORWARD EARNINGS, & VALUATION

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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.
S&P 500 HEALTH CARE 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 3.

S&P 500 HEALTH CARE 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 4.
S&P 500 HEALTH CARE TECHNOLOGY ANNUAL REVENUE GROWTH FORECASTS*  
(based on analysts' consensus estimates, percent, weekly)

- 2011 (17.1)
- 2012 (20.2)
- 2013 (9.3)
- 2014 (16.0)
- 2015 (30.0)
- 2016 (8.4)
- 2017 (7.5)
- 2018 (4.8)
- 2019 (6.6)
- 2020 (6.3)

Latest data thru 09/12/19

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

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

- 2011 (24.4)
- 2012 (26.0)
- 2013 (17.9)
- 2014 (16.9)
- 2015 (25.6)
- 2016 (9.2)
- 2017 (5.2)
- 2018 (3.3)
- 2019 (9.2)
- 2020 (18.9)

Latest data thru 09/12/19

Source: I/B/E/S data by Refinitiv.
Figure 7.

S&P 500 HEALTH CARE TECHNOLOGY 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 HEALTH CARE 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.
Figure 9.
S&P 500 HEALTH CARE TECHNOLOGY STRG, STEG, & LTEG
(percentage)

- LTEG* (14.2)
- STEG* (16.6)
- STRG* (6.4)

* 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 HEALTH CARE TECHNOLOGY VALUATION

- Forward P/E* (22.4)
- Relative P/E** (1.3)
- 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.
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