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Figure 1.

S&P 500 INDUSTRIAL CONGLOMERATES STOCK PRICE INDEX*
(GE HON MMM ROP)

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

Figure 2.

S&P 500 INDUSTRIAL CONGLOMERATES INDEX, FORWARD EARNINGS, & VALUATION

- Industrial Conglomerates 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.
S&P 500 INDUSTRIAL CONGLOMERATES REVENUES PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward revenues*

*S 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 INDUSTRIAL CONGLOMERATES OPERATING EARNINGS PER SHARE
(analysts' average forecasts, ratio scale)

Consensus Forecasts
- Annual estimates
- Forward earnings*

*S 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 INDUSTRIAL CONGLOMERATES ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts’ consensus estimates, percent, weekly)

- 2011 (1.5)
- 2012 (1.1)
- 2013 (0.2)
- 2014 (2.2)
- 2015 (-16.1)
- 2016 (4.0)
- 2017 (1.0)
- 2018 (1.2)
- 2019 (-4.6)
- 2020 (2.0)

Latest data thru 09/12/19

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

S&P 500 INDUSTRIAL CONGLOMERATES ANNUAL EARNINGS GROWTH FORECASTS*
(based on analysts’ consensus estimates, percent, weekly)

- 2011 (16.1)
- 2012 (10.1)
- 2013 (7.6)
- 2014 (3.7)
- 2015 (-12.1)
- 2016 (16.1)
- 2017 (-10.9)
- 2018 (-8.9)
- 2019 (-3.6)
- 2020 (12.3)

Latest data thru 09/12/19

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

Figure 7.

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

Consensus Forecasts
- Annual estimates
- Forward profit margin* (10.1)

* 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 INDUSTRIAL CONGLOMERATES 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.
**Forward Growth & Valuation**

**Figure 9.**

S&P 500 INDUSTRIAL CONGLOMERATES STRG, STEG, & LTEG

(percentage)

- LTEG* (6.7)
- STEG* (8.2)
- STRG* (0.3)

* 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 INDUSTRIAL CONGLOMERATES VALUATION

- Forward P/E* (17.2)
- Relative P/E** (1.0)
- PEG Ratio*** (2.5)

* 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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