S&P 500 Industry Briefing: Pharmaceuticals

Yardeni Research, Inc.

March 12, 2020

Dr. Ed Yardeni
516-972-7683
eyardeni@yardeni.com

Joe Abbott
732-497-5306
jabbott@yardeni.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com

thinking outside the box
## Table Of Contents

**S&P 500 Pharmaceuticals**
- Stock Price Index: 1
- Forward Revenues & Earnings with Annual Squiggles: 2
- Annual Growth Squiggles: 3
- Margins & NERI: 4
- Forward Growth & Valuation: 5
Figure 1.

S&P 500 PHARMACEUTICALS STOCK PRICE INDEX*
(AGN BMY JNJ LLY MRK MYL PFE PRGO ZTS)

---

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

Figure 2.

S&P 500 PHARMACEUTICALS INDEX, FORWARD EARNINGS, & VALUATION
Pharmaceuticals Index
03/12/20
Blue Angels Implied Price Index*
03/05/20

---

* 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 5.
S&P 500 PHARMACEUTICALS ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts’ consensus estimates, percent, weekly)

Figure 6.
S&P 500 PHARMACEUTICALS ANNUAL EARNINGS GROWTH FORECASTS*
(based on analysts’ consensus estimates, percent, weekly)

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

**Figure 7.**

**S&P 500 PHARMACEUTICALS PROJECTED PROFIT MARGIN**
(Using analysts’ average earnings and revenues forecasts)

* Consensus Forecasts
  - **Annual estimates**
  - **Forward profit margin** *(29.9)*

* 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 PHARMACEUTICALS 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.

** 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.