Table Of Contents

S&P 500 Systems Software
  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 SYSTEMS SOFTWARE STOCK PRICE INDEX*
(FTNT MSFT ORCL SYMC)

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Figure 2.

S&P 500 SYSTEMS SOFTWARE INDEX, FORWARD EARNINGS, & VALUATION

- Systems Software Index
  09/20/19
- Blue Angels Implied Price Index*
  09/12/19

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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.
Figure 3.

S&P 500 SYSTEMS SOFTWARE 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 SYSTEMS SOFTWARE 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 5.

S&P 500 SYSTEMS SOFTWARE ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts' consensus estimates, percent, weekly)

2011 (9.5) 2012 (4.2) 2013 (4.4) 2014 (8.3) 2015 (3.4) 2016 (-0.4) 2017 (5.9) 2018 (10.4) 2019 (11.2) 2020 (9.3)

Latest data thru 09/12/19

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

Figure 6.

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

2011 (19.6) 2012 (4.3) 2013 (1.6) 2014 (-0.1) 2015 (-7.0) 2016 (9.0) 2017 (15.8) 2018 (14.8) 2019 (19.5) 2020 (9.7)

Latest data thru 09/12/19

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

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

*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.

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Figure 8.

**S&P 500 SYSTEMS SOFTWARE 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 SYSTEMS SOFTWARE STRG, STEG, & LTEG (percent)

- LTEG* (13.6)
- STEG* (10.7)
- STRG* (9.3)

* 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 SYSTEMS SOFTWARE VALUATION

- Forward P/E* (22.9)
- Relative P/E** (1.3)
- PEG Ratio*** (1.7)

* 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.