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Figure 1.

S&P 500 COMMUNICATIONS EQUIPMENT STOCK PRICE INDEX*
(CSCO, FFIV, JNPR, MSI)

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

Figure 2.

S&P 500 COMMUNICATIONS EQUIPMENT INDEX, FORWARD EARNINGS, & VALUATION

Communications Equipment 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.
**Forward Revenues & Earnings with Annual Squiggles**

**Figure 3.**

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

* 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 COMMUNICATIONS EQUIPMENT OPERATING EARNINGS PER SHARE*  
(Analysts' average forecasts, ratio scale)

* 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 COMMUNICATIONS EQUIPMENT ANNUAL REVENUE GROWTH FORECASTS*
(based on analysts’ consensus estimates, percent, weekly)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>(0.6)</td>
</tr>
<tr>
<td>2012</td>
<td>(8.8)</td>
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<tr>
<td>2013</td>
<td>(9.9)</td>
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<tr>
<td>2014</td>
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<tr>
<td>2015</td>
<td>(1.2)</td>
</tr>
<tr>
<td>2016</td>
<td>(4.5)</td>
</tr>
<tr>
<td>2017</td>
<td>(-1.3)</td>
</tr>
<tr>
<td>2018</td>
<td>(3.7)</td>
</tr>
<tr>
<td>2019</td>
<td>(4.9)</td>
</tr>
<tr>
<td>2020</td>
<td>(-0.7)</td>
</tr>
</tbody>
</table>

Latest data thru 03/05/20

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

Figure 6.

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

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<td>(4.3)</td>
</tr>
<tr>
<td>2021</td>
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</tr>
</tbody>
</table>

Latest data thru 03/05/20

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

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

Consensus Forecasts
- Annual estimates
- Forward profit margin* (25.3)

*yardeni.com

* 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 COMMUNICATIONS 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.
### Forward Growth & Valuation

**Figure 9.**

**S&P 500 Communications Equipment STRG, STEG, & LTEG (percent)**

- LTEG* (6.4)
- STEG* (4.6)
- STRG* (1.8)

STEG capped at 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 Communications Equipment Valuation**

- Forward P/E* (13.4)
- Relative P/E** (0.8)
- PEG Ratio*** (2.1)

P/E not available during 2001-2002 because forward earnings were negative. P/E capped at 10.

Relative P/E and PEG capped at 0.5 and 3.0

* 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.