

Quant Briefing: Revenues, Earnings, & Margins

Yardeni Research, Inc.

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Dr. Edward 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

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S&P 500 Sectors' Revenues, Earnings, & Margins

Figure A: S&P 500 Projected Sales, Earnings, & Profit Margin (as of February 7, 2019)

	Y/Y Sales Growth (%)					1-month % change in Sales Forecast			
	2018A	2019E	2020E	2021E	12-Month	2019E	2020E	2021E	FW
S&P 500	8.7	5.1	5.4	4.7	5.2	-0.8	-0.3	-0.7	-0.7
Communication Services	11.6	9.7	7.0	6.5	9.2	0.1	0.2	0.7	0.1
Consumer Discretionary	7.6	5.0	5.7	6.1	5.1	-0.2	-0.4	-0.6	-0.2
Consumer Staples	4.3	3.4	3.6	3.7	3.5	0.0	0.1	0.1	0.0
Energy	17.5	1.4	10.2	2.1	2.9	-5.3	-0.6	-4.9	-4.5
Financials	5.9	1.8	3.8	3.5	2.2	-0.2	-0.1	-2.1	-0.2
Health Care	7.4	12.6	5.8	5.8	11.2	-0.1	0.2	0.6	0.0
Industrials	8.3	4.3	4.2	3.4	4.4	-0.2	-0.5	-0.9	-0.3
Information Technology	10.5	1.5	5.6	5.9	3.0	-1.3	-1.5	-1.2	-1.4
Materials	15.9	1.6	4.0	3.9	1.9	-1.9	-2.0	-0.9	-1.9
Real Estate	12.7	4.0	4.6	5.6	4.1	-0.2	-0.2	0.0	-0.2
Utilities	2.4	3.9	1.7	2.8	3.5	0.3	0.6	2.7	0.4
S&P 500 ex-Energy	7.8	5.5	4.9	-0.1	5.5	-0.3	-0.3	-0.3	-0.3
S&P 500 ex-Financials	9.1	5.6	5.6	1.2	5.7	-0.9	-0.4	-0.6	-0.8

	Y/Y Earnings Growth (%)					1-month % change in EPS Forecast			
	2018A	2019E	2020E	2021E	12-Month	2019E	2020E	2021E	FW
S&P 500	24.0	4.6	11.2	9.9	6.2	-1.4	-1.2	-2.1	-1.4
Communication Services	23.3	4.1	10.7	11.6	5.4	-0.5	-0.3	-0.3	-0.5
Consumer Discretionary	19.8	9.0	13.3	15.6	9.6	0.1	-0.2	0.5	0.0
Consumer Staples	10.9	3.8	7.3	8.2	4.5	-0.5	-0.5	-0.9	-0.5
Energy	96.1	-8.3	28.0	8.1	-2.7	-7.6	-5.8	-9.3	-7.2
Financials	29.7	8.9	9.6	6.6	9.0	-0.6	-0.2	-3.4	-0.5
Health Care	16.3	6.3	10.0	10.2	7.0	-0.7	-0.7	-1.1	-0.7
Industrials	20.1	9.7	11.2	9.9	10.2	-0.2	-0.4	-1.0	-0.2
Information Technology	25.9	1.1	10.8	11.3	4.9	-2.5	-2.3	-2.0	-2.5
Materials	25.3	-0.2	13.1	10.9	2.1	-6.0	-4.4	-9.2	-5.7
Real Estate	1.0	-13.9	9.3	8.4	-10.5	-0.8	-0.2	1.0	-0.7
Utilities	7.6	5.0	5.8	5.5	5.1	-0.7	-0.2	-0.6	-0.6
S&P 500 ex-Energy	21.3	5.3	10.3	6.5	6.7	-1.0	-0.9	-1.6	-1.0
S&P 500 ex-Financials	22.8	3.6	11.6	8.4	5.5	-1.6	-1.4	-1.9	-1.6

	Operating Profit Margin (%)				
	2018A	2019E	2020E	2021E	12-Month
S&P 500	12.0	12.0	12.6	13.6	12.1
Communication Services	15.5	14.7	15.2	15.9	14.8
Consumer Discretionary	7.2	7.5	8.0	8.9	7.5
Consumer Staples	7.4	7.4	7.7	8.0	7.5
Energy	7.2	6.5	7.6	8.8	6.7
Financials	17.6	18.8	19.8	23.3	18.9
Health Care	11.1	10.5	10.9	11.3	10.5
Industrials	9.7	10.2	10.9	11.7	10.3
Information Technology	21.9	21.8	22.9	24.1	22.2
Materials	10.7	10.5	11.4	12.2	10.7
Real Estate	18.5	15.3	16.0	17.1	15.4
Utilities	12.7	12.8	13.3	13.7	12.9
S&P 500 ex-Energy	12.5	12.5	13.2	14.0	12.7
S&P 500 ex-Financials	11.2	11.0	11.7	12.5	11.2

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

S&P 500 Sectors' Contribution to S&P 500

Figure B: S&P 500 Sectors % Contribution to Sales & Earnings (as of February 7, 2019)

	% of S&P 500 Sales				
	2018A	2019E	2020E	2021E	12-Month
S&P 500	100.0	100.0	100.0	100.0	100.0
Communication Services	7.5	7.9	8.0	8.6	7.9
Consumer Discretionary	13.1	13.1	13.2	13.1	13.1
Consumer Staples	10.7	10.5	10.4	10.9	10.5
Energy	9.6	9.3	9.7	8.8	9.3
Financials	12.5	12.1	11.9	9.8	12.0
Health Care	16.7	17.9	18.0	19.1	17.9
Industrials	12.1	12.0	11.9	12.1	12.0
Information Technology	10.7	10.3	10.3	10.9	10.4
Materials	3.3	3.2	3.2	3.3	3.2
Real Estate	0.9	0.9	0.9	0.8	0.9
Utilities	2.8	2.8	2.7	2.8	2.7

	% of S&P 500 Earnings				
	2018A	2019E	2020E	2021E	12-Month
S&P 500	100.0	100.0	100.0	100.0	100.00
Communication Services	9.7	9.6	9.6	10.1	9.62
Consumer Discretionary	7.9	8.2	8.3	8.5	8.15
Consumer Staples	6.6	6.5	6.3	6.3	6.52
Energy	5.8	5.1	5.8	5.9	5.18
Financials	18.3	19.0	18.7	17.3	18.88
Health Care	15.4	15.6	15.5	15.9	15.54
Industrials	9.7	10.2	10.2	10.1	10.16
Information Technology	19.4	18.8	18.7	19.3	19.03
Materials	3.0	2.8	2.9	2.9	2.84
Real Estate	1.4	1.2	1.2	1.0	1.17
Utilities	2.9	2.9	2.8	2.8	2.91

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

Figure C: S&P 500 Sectors \$ Contribution to Sales & Earnings (as of February 7, 2019)

	\$ Contribution to S&P 500 Sales				
	2018A	2019E	2020E	2021E	12-Month
S&P 500	1325.37	1392.83	1468.47	1513.95	1407.86
Communication Services	99.86	109.53	117.14	130.08	110.98
Consumer Discretionary	174.12	182.77	193.24	197.69	184.22
Consumer Staples	141.96	146.83	152.16	164.52	148.43
Energy	127.45	129.28	142.50	133.33	131.49
Financials	165.23	168.22	174.68	148.09	169.31
Health Care	221.56	249.38	263.86	289.86	252.09
Industrials	160.25	167.08	174.08	182.60	168.25
Information Technology	141.46	143.62	151.65	164.65	146.43
Materials	3.33	3.53	3.73	4.24	3.57
Real Estate	12.35	12.84	13.44	12.02	12.94
Utilities	36.91	38.35	39.00	41.79	38.46

	\$ Contribution to S&P 500 Earnings				
	2018A	2019E	2020E	2021E	12-Month
S&P 500	159.38	166.64	185.36	205.78	170.45
Communication Services	15.45	16.08	17.80	20.69	16.39
Consumer Discretionary	12.51	13.64	15.46	17.59	13.89
Consumer Staples	10.50	10.90	11.70	13.01	11.11
Energy	9.19	8.43	10.79	12.16	8.83
Financials	29.09	31.66	34.69	35.60	32.17
Health Care	24.52	26.06	28.66	32.79	26.50
Industrials	15.47	16.97	18.88	20.68	17.32
Information Technology	30.95	31.30	34.69	39.63	32.44
Materials	0.46	0.46	0.51	0.59	0.47
Real Estate	2.28	1.97	2.15	2.07	2.00
Utilities	4.67	4.90	5.19	5.70	4.95

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

S&P 500 Sectors' & Industries Annual Revenue Growth

Figure D: Consensus Expected Revenue Growth (pct. change, as of February 7, 2019)

Sector/Industry Group	2018A	2019E	2020E	2021E	Forward	Sector/Industry Group	2018A	2019E	2020E	2021E	Forward
S&P 500	8.7	5.1	5.4	4.7	5.2	Health Care	7.4	12.6	5.8	5.8	11.2
Consumer Discretionary	7.6	5.0	5.7	6.1	5.1	Biotechnology	6.3	2.3	5.6	5.5	2.9
Apparel Retail	6.2	4.5	5.0	5.8	4.5	Health Care Distributors	5.4	4.7	4.1	4.4	4.3
Apparel, Accessories & Luxury Goods	9.7	4.9	4.1	4.8	5.0	Health Care Equipment	9.7	5.5	6.3	6.0	5.5
Auto Parts & Equipment	9.9	3.4	5.8	6.7	3.8	Health Care Facilities	6.1	7.9	5.0	4.9	7.4
Automobile Manufacturers	1.4	-1.1	0.5	1.1	-0.8	Health Care Services	5.3	51.7	5.1	5.6	40.8
Automotive Retail	5.0	5.1	4.5	3.1	4.7	Health Care Supplies	10.7	7.2	9.1	8.7	7.6
Casinos & Gaming	7.8	7.7	6.8	3.4	7.6	Health Care Technology	4.4	7.1	7.2	8.6	7.1
Computer & Electronics Retail	1.5	1.4	1.5	-0.9	1.4	Life Sciences Tools & Services	17.0	4.6	6.4	5.5	4.9
Consumer Electronics	7.3	3.4	2.3	na	3.2	Managed Health Care	11.2	11.0	9.0	7.9	10.6
Department Stores	1.3	0.9	0.5	-1.2	0.9	Pharmaceuticals	4.9	1.1	3.8	4.8	1.6
Distributors	17.4	6.1	3.6	2.6	5.6	Industrials	8.3	4.3	4.2	3.4	4.4
Footwear	7.8	7.8	7.6	7.9	7.8	Aerospace & Defense	9.0	9.3	5.5	4.5	8.6
General Merchandise Stores	5.3	4.3	4.1	3.4	4.3	Agricultural & Farm Machinery	28.8	7.4	3.9	2.1	6.2
Home Furnishings	6.2	8.7	3.3	2.9	7.7	Air Freight & Logistics	9.4	5.1	4.7	5.2	5.4
Home Improvement Retail	6.0	2.8	4.1	4.2	2.9	Airlines	6.7	4.9	5.1	3.7	4.9
Homebuilding	33.6	5.0	4.8	6.5	4.9	Building Products	5.6	-12.6	3.8	2.7	-6.3
Hotels, Resorts & Cruise Lines	1.0	6.6	6.6	7.4	6.7	Construction & Engineering	14.3	6.6	5.7	-16.8	5.7
Household Appliances	-1.0	-3.0	0.3	0.2	-2.5	Construction Machinery & Heavy Trucks	19.8	3.6	-1.3	1.8	2.8
Housewares & Specialties	-40.9	0.9	1.8	5.5	1.0	Diversified Support Services	9.9	6.9	6.7	9.6	6.9
Internet & Direct Marketing Retail	27.9	16.5	16.7	15.2	16.6	Electrical Components & Equipment	9.2	5.8	3.8	3.0	5.2
Leisure Products	-8.5	5.3	2.6	na	4.9	Environmental & Facilities Services	2.0	4.8	4.2	4.1	4.7
Motorcycle Manufacturers	1.1	-4.0	0.5	2.6	-3.3	Human Resource & Employment Services	10.1	6.5	5.5	1.6	6.3
Restaurants	1.8	3.5	5.1	6.0	4.0	Industrial Conglomerates	1.2	-3.0	3.3	3.5	-1.9
Specialized Consumer Services	-2.7	0.7	2.0	na	0.1	Industrial Machinery	4.1	3.6	3.3	2.7	3.6
Specialty Stores	10.2	7.6	7.5	7.4	7.6	Railroads	7.6	3.8	4.1	3.6	3.8
Tires & Rubber	1.5	2.3	2.5	0.0	2.4	Research & Consulting Services	4.0	4.2	4.7	4.7	4.2
Financials	5.9	1.8	3.8	3.5	2.2	Trading Companies & Distributors	13.5	10.4	5.0	3.5	9.4
Asset Management & Custody Banks	6.1	-2.1	4.7	2.6	-0.9	Trucking	19.8	11.1	7.6	6.3	10.4
Consumer Finance	10.6	5.7	5.3	3.4	5.6	Information Technology	10.5	1.5	5.6	5.9	3.0
Diversified Banks	3.0	1.8	2.7	2.3	2.0	Application Software	18.9	17.9	15.1	13.9	17.1
Financial Exchanges & Data	8.3	8.5	6.2	4.8	8.1	Communications Equipment	3.7	4.4	3.9	3.9	3.9
Insurance Brokers	2.3	6.3	6.5	11.4	6.3	Data Processing & Outsourced Services	9.1	8.8	9.6	10.5	9.1
Investment Banking & Brokerage	11.5	2.0	3.8	2.0	2.4	Electronic Components	11.8	4.9	5.5	5.8	5.0
Life & Health Insurance	6.9	-1.7	2.8	0.4	-1.0	Electronic Equipment & Instruments	12.9	6.5	7.0	8.6	6.5
Multi-line Insurance	1.6	5.3	3.2	0.7	5.0	Electronic Manufacturing Services	6.4	-1.8	4.8	6.3	0.8
Multi-Sector Holdings	4.8	0.2	4.1	na	0.8	Internet Services & Infrastructure	7.0	6.1	6.6	9.3	6.2
Property & Casualty Insurance	12.6	2.2	5.8	10.2	2.8	IT Consulting & Other Services	2.2	2.0	3.3	3.8	1.9
Regional Banks	4.3	5.1	3.7	3.4	4.8	Semiconductor Equipment	24.3	-10.7	7.4	4.8	-3.4
Reinsurance	16.8	9.2	6.2	na	8.7	Semiconductors	16.2	-2.2	5.7	5.8	0.2
Communication Services	11.6	9.7	7.0	6.5	9.2	Systems Software	10.4	10.4	9.0	9.3	9.3
Advertising	0.4	3.4	2.8	1.7	3.3	Technology Hardware, Storage & Peripherals	11.2	-3.4	2.7	2.9	-0.6
Alternative Carriers	32.8	-2.4	-2.0	-1.1	-2.4	Consumer Staples	4.3	3.4	3.6	3.7	3.5
Broadcasting	22.7	6.9	3.8	1.7	6.4	Agricultural Products	5.8	3.8	2.2	1.5	3.6
Cable & Satellite	8.2	12.8	4.5	3.3	11.3	Brewers	-0.9	-0.5	-0.1	-0.7	-0.4
Interactive Home Entertainment	6.0	-0.6	7.4	10.0	0.5	Distillers & Vintners	5.6	6.2	6.0	8.0	6.1
Integrated Telecommunication Services	5.2	4.9	0.8	0.8	4.1	Drug Retail	11.3	4.5	3.1	3.5	3.8
Interactive Media & Services	27.1	20.6	18.6	16.3	20.2	Food Distributors	6.1	3.1	3.9	4.2	3.6
Movies & Entertainment	9.3	5.7	8.0	7.3	6.8	Food Retail	-0.8	2.0	2.9	6.1	2.1
Publishing	10.9	14.2	1.1	0.4	5.1	Household Products	2.4	0.5	2.9	3.0	1.7
Energy	17.5	1.4	10.2	2.1	2.9	Hypermarkets & Super Centers	5.2	4.6	4.8	3.5	4.5
Integrated Oil & Gas	18.8	-0.2	7.7	-8.2	1.1	Packaged Foods & Meats	5.5	3.3	2.1	2.8	3.3
Oil & Gas Drilling	37.8	16.5	7.8	7.0	12.5	Personal Products	17.7	2.7	5.3	5.2	4.4
Oil & Gas Equipment & Services	5.9	2.2	10.7	9.8	3.6	Soft Drinks	-1.7	3.7	4.0	4.5	3.7
Oil & Gas Exploration & Production	18.3	-1.5	16.2	0.6	1.4	Tobacco	2.1	2.1	4.0	4.2	2.4
Oil & Gas Refining & Marketing	20.3	4.1	11.8	18.9	5.5	Real Estate	12.7	4.0	4.6	5.6	4.1
Oil & Gas Storage & Transportation	5.8	4.6	6.5	11.8	5.0	Health Care REITs	4.8	4.1	2.8	na	3.9
Materials	15.9	1.6	4.0	3.9	1.9	Hotel & Resort REITs	2.6	-0.3	0.9	na	-0.1
Commodity Chemicals	13.1	0.5	6.0	2.3	1.4	Industrial REITs	-4.0	16.9	4.5	1.0	14.6
Construction Materials	10.7	9.4	7.2	na	9.0	Office REITs	7.3	0.9	4.8	4.1	1.6
Copper	13.6	-19.6	6.6	18.6	-16.0	Real Estate Services	47.8	6.2	5.4	10.6	6.0
Diversified Chemicals	7.9	-0.3	5.0	2.5	0.6	Residential REITs	3.4	3.0	3.8	5.0	3.2
Fertilizers & Agricultural Chemicals	29.2	4.7	2.9	2.1	4.4	Retail REITs	0.8	4.9	3.6	2.3	4.7
Gold	-3.3	8.4	-6.9	0.6	5.7	Specialized REITs	11.8	2.9	5.8	4.5	3.4
Industrial Gases	91.9	2.9	6.2	6.6	3.6	Utilities	2.4	3.9	1.7	2.8	3.5
Metal & Glass Containers	5.9	0.8	4.3	4.0	1.4	Electric Utilities	1.4	2.4	1.3	1.2	2.2
Paper Packaging	8.1	6.0	1.9	1.8	4.4	Indep Power Producers & Energy Traders	1.2	-2.3	-0.8	7.0	-2.0
Specialty Chemicals	10.4	5.8	4.8	5.2	5.6	Multi-Utilities	4.9	8.1	2.8	4.7	7.2
Steel	23.8	-1.8	-1.6	1.8	-1.8	Water Utilities	2.0	5.5	5.4	4.6	5.5

na = not available.

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

S&P 500 Sectors' & Industries Annual Earnings Growth

Figure E: Consensus Expected Earnings Growth (pct. change, as of February 7, 2019)

Sector/Industry Group	2018A	2019E	2020E	2021E	Forward	Sector/Industry Group	2018A	2019E	2020E	2021E	Forward
S&P 500	24.0	4.6	11.2	9.9	6.2	Health Care	16.3	6.3	10.0	10.2	7.0
Consumer Discretionary	19.8	9.0	13.3	15.6	9.6	Biotechnology	14.1	6.9	9.4	8.3	7.4
Apparel Retail	17.4	5.9	7.6	11.2	6.0	Health Care Distributors	4.3	4.1	8.0	9.2	5.5
Apparel, Accessories & Luxury Goods	12.6	7.5	11.2	11.8	8.6	Health Care Equipment	13.5	8.2	11.1	10.5	8.9
Auto Parts & Equipment	12.8	3.4	11.2	11.8	4.7	Health Care Facilities	38.6	3.4	10.0	9.6	4.5
Automobile Manufacturers	-12.7	-2.7	3.2	15.0	-1.7	Health Care Services	22.3	9.8	11.2	10.0	10.0
Automotive Retail	25.3	12.6	9.8	13.4	10.7	Health Care Supplies	0.7	4.6	20.0	15.1	8.1
Casinos & Gaming	17.4	2.8	28.3	11.6	7.1	Health Care Technology	2.9	6.8	9.8	9.3	7.3
Computer & Electronics Retail	17.2	5.9	7.0	6.5	6.0	Life Sciences Tools & Services	19.2	10.6	12.0	12.4	10.9
Consumer Electronics	17.7	1.7	4.6	na	2.2	Managed Health Care	29.2	16.3	13.7	13.8	15.8
Department Stores	16.8	-6.2	-1.2	0.9	-5.8	Pharmaceuticals	14.7	1.3	7.9	9.8	2.5
Distributors	19.7	9.0	6.2	10.3	8.5	Industrials	20.1	9.7	11.2	9.9	10.2
Footwear	10.9	18.4	16.0	21.6	16.7	Aerospace & Defense	34.9	9.9	14.5	11.4	10.7
General Merchandise Stores	18.2	6.5	7.7	6.3	6.6	Agricultural & Farm Machinery	40.6	22.1	12.0	8.2	18.3
Home Furnishings	-6.5	-3.3	11.2	7.1	-1.0	Air Freight & Logistics	15.4	7.5	8.6	8.6	7.2
Home Improvement Retail	27.0	8.3	11.0	9.5	8.6	Airlines	10.4	24.9	5.7	11.7	21.0
Homebuilding	50.1	5.1	8.2	2.5	5.8	Building Products	11.2	-17.0	22.2	11.8	-2.8
Hotels, Resorts & Cruise Lines	24.0	9.8	12.7	14.4	10.2	Construction & Engineering	32.4	24.6	16.9	1.7	22.6
Household Appliances	10.3	-3.2	15.5	0.3	-0.2	Construction Machinery & Heavy Trucks	51.1	9.6	1.6	6.4	8.1
Housewares & Specialties	-4.2	-18.9	8.3	40.3	-15.1	Diversified Support Services	27.3	16.2	14.0	23.2	15.6
Internet & Direct Marketing Retail	96.1	25.4	32.6	31.8	26.9	Electrical Components & Equipment	21.7	10.6	8.8	6.7	10.4
Leisure Products	-63.8	527.5	33.6	na	252.6	Environmental & Facilities Services	27.9	7.3	10.3	8.2	7.8
Motorcycle Manufacturers	-3.8	12.4	2.6	8.5	10.6	Human Resource & Employment Services	38.8	11.0	6.9	1.6	10.3
Restaurants	17.5	8.3	9.9	9.8	8.8	Industrial Conglomerates	-8.8	3.7	14.9	10.4	5.6
Specialized Consumer Services	-34.9	5.2	7.5	na	-4.2	Industrial Machinery	12.3	9.8	8.5	7.5	9.2
Specialty Stores	24.6	10.9	13.0	12.3	11.2	Railroads	43.4	12.1	12.5	10.7	12.2
Tires & Rubber	-22.3	12.9	26.5	0.0	15.4	Research & Consulting Services	-13.6	9.7	12.7	11.1	10.3
Financials	29.7	8.9	9.6	6.6	9.0	Trading Companies & Distributors	46.6	12.1	10.4	9.2	11.8
Asset Management & Custody Banks	16.0	-5.0	10.3	6.5	-2.0	Trucking	58.9	10.2	10.8	11.7	10.3
Consumer Finance	37.8	7.9	8.7	7.2	8.1	Information Technology	25.9	1.1	10.8	11.3	4.9
Diversified Banks	25.6	12.0	11.0	6.3	11.8	Application Software	42.7	24.3	21.8	18.3	23.0
Financial Exchanges & Data	28.3	7.5	10.6	8.8	8.1	Communications Equipment	10.2	14.5	9.4	5.8	10.9
Insurance Brokers	16.1	10.3	10.7	10.5	10.4	Data Processing & Outsourced Services	28.5	14.4	15.4	16.6	14.3
Investment Banking & Brokerage	33.2	2.8	9.7	6.6	4.0	Electronic Components	7.6	9.8	10.4	9.2	9.9
Life & Health Insurance	24.7	4.6	9.0	7.2	5.4	Electronic Equipment & Instruments	24.2	13.3	11.7	9.4	12.6
Multi-line Insurance	14.9	60.1	11.4	10.7	48.3	Electronic Manufacturing Services	14.2	-3.2	11.1	12.8	2.1
Multi-Sector Holdings	71.2	0.7	6.0	na	1.5	Internet Services & Infrastructure	31.7	7.7	11.2	12.2	8.3
Property & Casualty Insurance	37.4	12.2	6.5	4.7	11.1	IT Consulting & Other Services	5.3	2.8	5.7	5.8	3.3
Regional Banks	32.5	8.2	7.8	5.6	8.2	Semiconductor Equipment	48.1	-19.8	18.3	12.5	-5.7
Reinsurance	-49.6	419.5	7.0	3.2	209.3	Semiconductors	39.4	-7.8	7.5	8.7	-3.4
Communication Services	23.3	4.1	10.7	11.6	5.4	Systems Software	15.0	12.6	11.6	12.5	12.1
Advertising	14.7	2.6	7.5	10.4	3.5	Technology Hardware, Storage & Peripherals	29.5	-7.0	10.7	12.0	1.2
Alternative Carriers	-29.3	6.0	4.4	-6.7	5.7	Consumer Staples	10.9	3.8	7.3	8.2	4.5
Broadcasting	16.8	30.1	15.1	13.2	27.0	Agricultural Products	44.0	1.4	5.6	9.2	2.1
Cable & Satellite	28.4	9.4	17.5	14.6	10.9	Brewers	11.5	-0.5	3.4	na	0.1
Interactive Home Entertainment	5.3	2.1	13.0	12.7	3.0	Distillers & Vintners	6.9	5.3	12.4	21.3	5.4
Integrated Telecommunication Services	19.7	0.5	2.0	1.1	0.8	Drug Retail	18.0	8.2	8.3	8.5	8.3
Interactive Media & Services	31.3	4.4	16.9	18.7	6.6	Food Distributors	26.6	9.0	9.9	8.5	9.6
Movies & Entertainment	21.5	4.5	10.2	13.9	6.9	Food Retail	4.9	5.6	9.2	20.3	5.9
Publishing	22.2	-11.5	17.3	13.4	6.9	Household Products	7.4	3.2	6.7	6.3	4.4
Energy	96.1	-8.3	28.0	8.1	-2.7	Hypermarkets & Super Centers	13.0	1.0	6.4	6.2	1.6
Integrated Oil & Gas	70.7	-12.1	18.5	-1.0	-7.6	Packaged Foods & Meats	7.0	1.7	6.1	8.8	2.6
Oil & Gas Drilling	+/	+/	52.5	4.1	161.8	Personal Products	24.4	7.4	11.8	10.4	10.4
Oil & Gas Equipment & Services	+/	0.1	50.0	36.8	8.4	Soft Drinks	9.4	5.5	7.6	8.8	5.9
Oil & Gas Exploration & Production	+/	-13.5	39.0	20.2	-5.7	Tobacco	12.5	4.6	8.2	6.9	5.2
Oil & Gas Refining & Marketing	78.3	-1.0	38.4	2.4	5.5	Real Estate	1.0	-13.9	9.3	8.4	-10.5
Oil & Gas Storage & Transportation	20.1	16.7	11.4	11.4	15.7	Health Care REITs	-29.4	-13.3	4.1	na	-10.7
Materials	25.3	-0.2	13.1	10.9	2.1	Hotel & Resort REITs	57.2	-34.1	-2.4	22.4	-30.4
Commodity Chemicals	10.2	-6.2	14.0	5.4	-3.0	Industrial REITs	-38.5	-50.7	5.2	10.9	-45.6
Construction Materials	20.9	19.6	16.4	na	19.0	Office REITs	64.5	-21.8	12.4	5.0	-17.2
Copper	29.9	-66.0	85.3	103.0	-56.4	Real Estate Services	17.8	5.9	7.8	6.8	6.3
Diversified Chemicals	20.6	-0.1	17.2	14.1	2.8	Residential REITs	15.1	-38.6	9.4	8.7	-33.3
Fertilizers & Agricultural Chemicals	163.5	22.8	13.8	7.1	21.1	Retail REITs	17.9	-3.1	5.1	-2.0	-1.8
Gold	-20.8	7.0	1.3	5.1	6.0	Specialized REITs	4.8	10.0	14.9	12.8	10.9
Industrial Gases	7.4	12.1	12.6	4.2	12.5	Utilities	7.6	5.0	5.8	5.5	5.1
Metal & Glass Containers	7.8	21.2	14.6	11.1	19.9	Electric Utilities	5.2	3.3	4.8	4.6	3.6
Paper Packaging	44.7	2.7	3.4	0.1	2.9	Indep Power Producers & Energy Traders	50.0	39.6	3.7	16.8	31.7
Specialty Chemicals	17.6	7.5	12.1	10.9	8.3	Multi-Utilities	8.8	4.1	8.0	5.5	4.7
Steel	114.6	-19.5	-7.4	-9.7	-17.8	Water Utilities	8.5	8.3	8.3	9.3	8.3

+/- = a loss is expected, -/+ = forecasted loss is larger, neg = forecasted loss is smaller, -/+ = forecasted earnings are now positive, na = not available.
Source: I/B/E/S data by Refinitiv.

S&P 500 Sectors' & Industries Annual Profit Margin

Figure F: Consensus Expected Profit Margin (percent, as of February 7, 2019)

Sector/Industry Group	2018A	2019E	2020E	2021E	Forward	Sector/Industry Group	2018A	2019E	2020E	2021E	Forward
S&P 500	12.0	12.0	12.6	13.6	12.1	Health Care	11.1	10.5	10.9	11.3	10.5
Consumer Discretionary	7.2	7.5	8.0	8.9	7.5	Biotechnology	38.0	39.7	41.1	42.2	40.0
Apparel Retail	7.7	7.8	8.0	8.7	7.8	Health Care Distributors	1.2	1.2	1.2	1.3	1.2
Apparel, Accessories & Luxury Goods	9.1	9.3	9.9	10.6	9.4	Health Care Equipment	19.2	19.7	20.6	21.5	19.8
Auto Parts & Equipment	9.2	9.2	9.7	10.1	9.3	Health Care Facilities	7.3	7.0	7.3	7.6	7.0
Automobile Manufacturers	4.8	4.7	4.8	5.5	4.7	Health Care Services	6.3	4.5	4.8	4.9	4.6
Automotive Retail	8.0	8.6	9.0	13.0	8.7	Health Care Supplies	16.4	16.1	17.7	18.7	16.4
Casinos & Gaming	7.1	6.7	8.1	8.7	7.0	Health Care Technology	15.0	15.0	15.4	15.5	15.1
Computer & Electronics Retail	3.3	3.4	3.6	3.9	3.4	Life Sciences Tools & Services	17.6	18.6	19.6	20.9	18.8
Consumer Electronics	19.7	19.4	19.8	na	19.5	Managed Health Care	4.5	4.7	4.9	5.2	4.8
Department Stores	4.6	4.3	4.2	3.9	4.3	Pharmaceuticals	28.0	28.1	29.2	30.6	28.3
Distributors	5.0	5.1	5.3	6.8	5.2	Industrials	9.7	10.2	10.9	11.7	10.3
Footwear	8.6	9.5	10.2	11.5	9.3	Aerospace & Defense	9.6	9.6	10.4	11.1	9.8
General Merchandise Stores	4.6	4.7	4.9	5.0	4.7	Agricultural & Farm Machinery	9.1	10.3	11.1	11.8	10.6
Home Furnishings	8.6	7.7	8.3	8.6	7.8	Air Freight & Logistics	6.3	6.4	6.6	6.8	6.4
Home Improvement Retail	8.4	8.9	9.5	10.0	9.0	Airlines	7.1	8.5	8.5	9.2	8.5
Homebuilding	8.3	8.3	8.6	8.3	8.4	Building Products	9.1	8.6	10.2	11.4	9.2
Hotels, Resorts & Cruise Lines	12.5	12.9	13.6	14.5	13.0	Construction & Engineering	2.8	3.3	3.6	5.6	3.4
Household Appliances	4.6	4.6	5.3	5.3	4.7	Construction Machinery & Heavy Trucks	10.9	11.5	11.9	12.4	11.6
Housewares & Specialties	14.1	11.4	12.1	16.1	11.5	Diversified Support Services	13.8	15.0	16.1	29.1	15.2
Internet & Direct Marketing Retail	6.6	7.1	8.1	9.3	7.3	Electrical Components & Equipment	12.3	12.8	13.4	13.9	13.0
Leisure Products	1.1	6.4	8.3	na	6.7	Environmental & Facilities Services	11.3	11.6	12.3	6.4	11.7
Motorcycle Manufacturers	10.8	12.7	12.9	13.7	12.7	Human Resource & Employment Services	7.6	7.9	8.0	8.0	7.9
Restaurants	17.1	17.9	18.8	21.0	18.1	Industrial Conglomerates	9.4	10.0	11.2	11.9	10.2
Specialized Consumer Services	13.0	13.6	14.3	na	13.5	Industrial Machinery	11.3	12.0	12.6	13.0	12.2
Specialty Stores	9.0	9.3	9.8	10.2	9.4	Railroads	24.9	26.9	29.1	31.1	27.3
Tires & Rubber	3.6	4.0	4.9	na	4.2	Research & Consulting Services	15.9	16.7	18.0	16.8	17.0
Financials	17.5	18.8	19.8	23.3	18.9	Trading Companies & Distributors	12.8	13.0	13.7	14.4	13.1
Asset Management & Custody Banks	24.9	24.2	25.5	26.5	24.5	Trucking	7.2	7.2	7.4	7.7	7.2
Consumer Finance	17.9	18.3	18.9	19.6	18.4	Information Technology	21.9	21.8	22.9	24.1	22.2
Diversified Banks	25.5	28.0	30.2	31.4	28.4	Application Software	21.7	22.9	24.2	25.1	23.2
Financial Exchanges & Data	39.5	39.2	40.8	42.4	39.5	Communications Equipment	22.3	24.5	25.8	26.3	25.2
Insurance Brokers	15.4	16.0	16.6	16.5	16.1	Data Processing & Outsourced Services	25.6	26.9	28.3	30.6	27.4
Investment Banking & Brokerage	23.7	23.9	25.3	26.4	24.1	Electronic Components	13.1	13.7	14.3	14.8	13.8
Life & Health Insurance	9.5	10.1	10.8	11.6	10.3	Electronic Equipment & Instruments	16.0	17.0	17.8	17.9	17.3
Multi-line Insurance	5.2	7.9	8.5	10.0	8.0	Electronic Manufacturing Services	14.6	14.4	15.3	16.2	14.8
Multi-Sector Holdings	9.6	9.7	9.9	na	9.7	Internet Services & Infrastructure	29.6	30.0	31.3	32.2	30.3
Property & Casualty Insurance	9.7	10.6	10.7	9.8	10.6	IT Consulting & Other Services	13.8	13.9	14.2	14.5	13.9
Regional Banks	28.1	29.0	30.1	30.8	29.2	Semiconductor Equipment	25.9	23.2	25.6	27.5	24.2
Reinsurance	2.7	12.8	12.9	na	12.8	Semiconductors	31.9	30.1	30.6	31.4	30.0
Communication Services	15.5	14.7	15.2	15.9	14.8	Systems Software	27.4	27.9	28.6	29.7	28.2
Advertising	8.3	8.2	8.6	9.4	8.3	Technology Hardware, Storage & Peripherals	17.2	16.6	17.9	19.4	17.1
Alternative Carriers	5.2	5.6	6.0	5.7	5.7	Consumer Staples	7.4	7.4	7.7	8.0	7.5
Broadcasting	11.4	13.9	15.4	17.1	14.1	Agricultural Products	3.0	3.0	3.1	3.3	3.0
Cable & Satellite	9.3	9.0	10.2	11.3	9.2	Brewers	9.6	9.6	10.0	na	9.7
Interactive Home Entertainment	24.6	25.2	26.5	27.2	25.3	Distillers & Vintners	18.4	18.2	19.3	23.4	18.2
Integrated Telecommunication Services	14.9	14.3	14.5	14.6	14.4	Drug Retail	4.3	4.5	4.7	4.9	4.6
Interactive Media & Services	24.2	21.0	20.7	21.1	20.9	Food Distributors	2.8	2.9	3.1	3.2	3.1
Movies & Entertainment	14.3	14.1	14.4	15.3	14.2	Food Retail	1.4	1.5	1.5	1.7	1.5
Publishing	1.9	1.5	1.7	1.9	1.6	Household Products	15.1	15.5	16.0	16.6	15.8
Energy	7.2	6.5	7.6	8.8	6.7	Hypermarkets & Super Centers	2.5	2.5	2.5	2.6	2.5
Integrated Oil & Gas	8.3	7.3	8.0	8.6	7.4	Packaged Foods & Meats	10.2	10.0	10.4	11.0	10.0
Oil & Gas Drilling	0.6	5.9	8.3	8.1	6.9	Personal Products	6.7	7.0	7.5	7.9	7.3
Oil & Gas Equipment & Services	4.7	4.7	6.3	7.9	5.0	Soft Drinks	17.4	17.7	18.3	19.0	17.8
Oil & Gas Exploration & Production	13.8	12.1	14.5	17.5	12.6	Tobacco	31.3	32.1	33.4	34.3	32.3
Oil & Gas Refining & Marketing	3.7	3.5	4.4	3.8	3.7	Real Estate	18.5	15.3	16.0	17.1	15.4
Oil & Gas Storage & Transportation	11.1	12.4	12.9	12.9	12.5	Health Care REITs	16.2	13.5	13.7	na	13.5
Materials	10.7	10.5	11.4	12.2	10.7	Hotel & Resort REITs	16.0	10.6	10.2	na	10.5
Commodity Chemicals	11.1	10.4	11.1	11.5	10.5	Industrial REITs	69.0	29.1	29.3	32.2	29.2
Construction Materials	12.2	13.4	14.5	na	13.6	Office REITs	20.9	16.2	17.3	18.5	16.4
Copper	11.8	5.0	8.7	14.9	5.6	Real Estate Services	5.2	5.2	5.3	5.1	5.2
Diversified Chemicals	11.0	11.0	12.3	13.7	11.2	Residential REITs	30.9	18.4	19.4	22.8	18.6
Fertilizers & Agricultural Chemicals	10.2	12.0	13.3	13.9	12.2	Retail REITs	35.5	32.8	33.3	33.3	32.9
Gold	8.7	8.6	9.3	9.7	8.7	Specialized REITs	13.7	14.6	15.9	16.1	14.8
Industrial Gases	13.1	14.3	15.2	14.9	14.6	Utilities	12.7	12.8	13.3	13.7	12.9
Metal & Glass Containers	6.4	7.7	8.5	9.0	7.8	Electric Utilities	13.2	13.3	13.7	14.2	13.4
Paper Packaging	8.3	8.1	8.2	8.0	8.1	Indep Power Producers & Energy Traders	6.8	9.7	10.1	11.1	9.8
Specialty Chemicals	12.0	12.2	13.1	14.0	12.4	Multi-Utilities	12.8	12.4	13.0	13.1	12.5
Steel	9.6	7.9	7.4	6.6	7.8	Water Utilities	17.5	17.9	18.4	19.2	18.0

na = not available.

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

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