Industry Indicators:
FANGs

August 8, 2020

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
**FANG Performance & Share of S&P 500**

**Figure 1.**
MARKET CAP: FANG PERFORMANCE RELATIVE TO S&P 500 EX-FANG*  
(ratio scale, indexed to 100 on 12/21/2012, when all FANG issues were trading)

- **FANG** (867.3)
- **S&P 500** (216.3)
- **S&P 500 ex-FANG** (194.6)

* FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).  
Market cap includes both classes of Alphabet.  
Source: Standard & Poor’s and Yardeni Research Inc.

**Figure 2.**
FANG STOCKS % SHARE OF S&P 500 MARKET CAP AND FORWARD EARNINGS & REVENUES  
(percent)

- **Share of S&P 500**
  - **Capitalization** (12.9)
  - **Earnings** (4.6)
  - **Revenues** (0.5)

* FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).  
Market cap includes both classes of Alphabet.  
Source: I/B/E/S data by Refinitiv.
S&P 500 Ex-FANG Valuation

Figure 3.

FORWARD P/E RATIO: S&P 500 and S&P 500 EX-FANG*

- S&P 500 (22.2)
- S&P 500 ex-FANG (20.2)

P/E Difference Attributable
To FANG (2.0)

* Price divided by consensus forward earnings forecast.
FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).
Source: I/B/E/S data by Refinitiv.

Figure 4.

FORWARD P/S RATIO: S&P 500 and S&P 500 EX-FANG*

- S&P 500 (2.34)
- S&P 500 ex-FANG (2.17)

P/S Difference Attributable
To FANG (0.17)

* Price divided by consensus forward sales forecast.
FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).
Source: I/B/E/S data by Refinitiv.
FANG Valuation

Figure 5.

FANG STOCKS, FORWARD EARNINGS, & VALUATION

- FANG Stocks*
  08/07/20
- Blue Angels Implied Market Cap Index (billion $)**

Latest Forward P/E (61.1)

* FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).
  Market cap includes both classes of Alphabet.

** Implied price index calculated using forward earnings times forward P/Es.
Source: I/B/E/S data by Refinitiv.

Figure 6.

FANG STOCKS FORWARD VALUATION*

Forward P/E** (61.1)
Forward P/S*** (4.9)

* FANG stocks include Facebook, Amazon, Netflix, and Google (Alphabet).

** Market cap divided by aggregate forward consensus expected operating earnings per share.

*** Market cap divided by aggregate forward consensus expected revenue per share.
Source: I/B/E/S data by Refinitiv.
Figure 7.

FANG STOCKS FORWARD P/E*

* Price divided by 12-month forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv.

Figure 8.

FANG STOCKS FORWARD P/S*

* Price divided by 12-month forward consensus expected sales per share.
Source: I/B/E/S data by Refinitiv.
**FACEBOOK FORWARD EARNINGS, & VALUATION**

Latest Forward P/E (28.6)

**AMAZON FORWARD EARNINGS, & VALUATION**

Latest Forward P/E (79.0)

---

**Implied price index calculated using forward earnings times forward P/Es.**

Source: Standard & Poor’s Corporation and I/B/E/S data by Refinitiv.
**NETFLIX FORWARD EARNINGS, & VALUATION**

- Price Index: Netflix 08/07/20
- Blue Angels Implied Price Index**

Latest Forward P/E (62.4)

** Implied price index calculated using forward earnings times forward P/Es.
Source: Standard & Poor’s Corporation and I/B/E/S data by Refinitiv.

**ALPHABET (GOOGLE) FORWARD EARNINGS, & VALUATION**

- Price Index: Alphabet (Google) 08/07/20
- Blue Angels Implied Price Index**

Latest Forward P/E (28.6)

** Implied price index calculated using forward earnings times forward P/Es.
Source: Standard & Poor’s Corporation and I/B/E/S data by Refinitiv.
**Relative Forward Earnings and Revenues**

* Figure 13.

S&P 500 AND FANG RELATIVE FORWARD EARNINGS PERFORMANCE*  
(indexed to 100 on 12/21/2012)

- FANG (792.6)  
- S&P 500 (131.0)

* Price divided by 12-month forward consensus expected operating earnings per share.  
Source: I/B/E/S data by Refinitiv.

* Figure 14.

S&P 500 AND FANG RELATIVE FORWARD REVENUES PERFORMANCE*  
(indexed to 100 on 12/21/2012)

- FANG (516)  
- S&P 500 (124)

* Price divided by 12-month forward consensus expected revenues per share.  
Source: I/B/E/S data by Refinitiv.
FANG Portfolio Contribution Analysis

**Figure 15.**

**FANG STOCKS: FORWARD EARNINGS SHARE OF FANG PORTFOLIO**
(figures add up to 100% at each point in time)

- Facebook (38.2)
- Amazon (29.1)
- Netflix (5.9)
- Google (Alphabet) (26.8)

* Price divided by 12-month forward consensus expected operating earnings per share.
Source: I/B/E/S data by Refinitiv.

**Figure 16.**

**FANG STOCKS: FORWARD REVENUES SHARE OF FANG PORTFOLIO**
(figures add up to 100% at each point in time)

- Facebook (12.7)
- Amazon (56.4)
- Netflix (3.8)
- Google (Alphabet) (27.1)

* Price divided by 12-month forward consensus expected sales per share.
Source: I/B/E/S data by Refinitiv.
FANG Portfolio Contribution Analysis

**FANG STOCKS: MARKET CAP SHARE OF FANG PORTFOLIO**
(figures add up to 100% at each point in time)

- Facebook (21.3)
- Amazon (44.2)
- Netflix (6.1)
- Google (Alphabet) (28.4)

Source: I/B/E/S data by Refinitiv.
FAANGM: MARKET CAP SHARE OF S&P 500 (percent)

FAANGM Market Cap Share of S&P 500 (25.6)

* FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included.

Source: Standard & Poor’s and I/B/E/S data by Refinitiv.

FORWARD P/E RATIOS* OF S&P 500 WITH & WITHOUT FAANGM**

S&P 500 (22.2)
S&P 500 ex-FAANGM (19.2)

P/E Difference Attributable To FAANGM (3.0)

* Price divided by consensus forward earnings forecast.
** FAANGM stocks include Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. Both classes of Alphabet are included.

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