

S&P 500 Q4 2018 Buybacks Set 4th Consecutive Quarterly Record at \$223 Billion; 2018 Sets Record \$806 Billion

- Q4 share repurchases increased 62.8% year-over-year to a record \$223.0 billion
- This is the fourth consecutive quarterly record – longest streak in the 20 years SPDJI has tracked
- Total 2018 buybacks set record \$806.4 billion, up 55.3% year-over-year, and up 36.9% from the record \$589.1 billion set in 2007
- Almost every S&P 500 constituent – 444 – repurchased shares in 2018, up from 424 in 2017
- Apple spent the most in 2018 buybacks at \$74.2 billion

NEW YORK, March 25, 2018: S&P Dow Jones Indices (“S&P DJI”) announced today that preliminary **Q4 2018 S&P 500[®] stock buybacks**, or share repurchases, set a fourth consecutive record of **\$223.0 billion**. This displaces the previous record of \$203.8 billion, set during Q3 2018 and is a 62.8% increase from the \$137.0 billion reported for Q4 2017.

For the year 2018, buybacks set an annual (and 12-month) record of \$806.4 billion, up 55.3% from the prior year’s \$519.4 billion, and up 36.9% from the prior annual record set in 2007, of \$589.1 billion.

Historical data on S&P 500 buybacks are available at www.spdji.com/indices/equity/sp-500.

Key Takeaways:

- The record buybacks came as Q4 2018 stock prices declined an average 5.3%, which increased the number of shares that companies could repurchase for the same amount of capital.
- As a result, the percentage of companies that substantially reduced share counts of at least 4% year-over-year rose to 18.8% (90 total issues), up from the prior quarter’s 17.7% (88 total issues) and Q4 2017’s 15.1% (70 total issues), giving EPS a stronger tailwind.
- S&P 500 Q4 2018 dividends totaled \$119.8 billion, a new record, up 3.5% from the \$115.7 billion in Q3 2018.
- Total shareholder return of buybacks and dividends for the quarter set a record of \$342.8 billion, up 39.1% from the \$246.4 billion reported for Q4 2017.
- Total shareholder return for 2018 set a record at \$1.263 trillion, surpassing Q3’s 12-month record of \$1.166 trillion, and up 34.5% from \$931.9 billion from 2017.

“Buybacks were again favored over dividends in both the rate of growth and aggregate dollars spent,” said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. “Companies continued to spend more of their tax savings on these share repurchases as they boosted earnings through significantly reduced share counts. Adding to the share reduction, and therefore the EPS impact, was Q4’s stock price decline, which permitted companies to buy even more shares for their dollars and reduce share count more efficiently.”

Silverblatt added “buybacks broadened out in Q4, as the top 20 issues accounted for 44.4% of all S&P 500 buybacks, near the recent historical average of 43.7%, down from Q3’s 54.3%, Q2’s 49.7% and Q1’s 49.5%. For the year, however, the top 20 accounted for 42.2% of the buybacks, substantially up from 2017’s 32.3%.”

Q4 2018 GICS® Sector Analysis:

Information Technology buybacks declined 25.5% to \$61.3 billion compared to \$82.3 billion for Q3 2018, as 2018 expenditures were up 134.4% to \$278.5 billion from \$118.8 billion in 2017. The sector represents 27.5% of the index’s buybacks for the quarter and 34.5% for all of 2018.

Health Care expenditures increased 116.4% to \$31.3 billion compared to \$14.5 billion for Q3 2018, as 2018 amounted to \$108.7 billion, up 67.3% from the 2017 \$65.0 billion expenditure.

Consumer sectors split (again), as Consumer Discretionary buybacks increased their expenditure 30.3% to \$25.7 billion, up from \$19.7 billion for Q3 2018; 2018 was \$86.7 billion, up 3.7% from \$83.6 billion. **Consumer Staples** decreased 4.4% to \$9.6 billion, down from \$10.0 billion for Q3 2018; 2018 was down 34.2% to \$33.4 billion from \$50.8 billion.

Issues:

The five issues with the highest total buybacks for Q4 2018 are:

- **Apple** (AAPL) led in buybacks, spending \$10.1 billion in Q4 2018, down from \$19.4 billion spent for Q3 2018. Its Q4 2018 expenditure ranked 19th highest historically; for the year, Apple spent \$74.2 billion on buybacks, up from 2017’s \$34.4 billion; over the five-year period the company spent \$229.0 billion, and \$260.4 billion over the 10-year period.
- **Oracle** (ORCL): \$10.0 billion for Q4 2018, down from \$10.3 billion for Q3 2018; 2018 was \$29.3 billion, up \$4.0 billion in 2017.
- **Wells Fargo** (WFC): \$7.3 billion for Q4 2018, slightly down from the \$7.4 billion spent in Q3 2018; 2018 was \$21.0 billion, up from \$10.3 billion in 2017.
- **Microsoft** (MSFT): \$6.4 billion for Q4 2018, up from \$3.7 billion for Q3 2018; 2018 was \$16.3 billion, up from \$8.4 billion in 2017.
- **Merck** (MRK): \$5.9 billion for Q4 2018, up from \$1.0 billion for Q3 2018; 2018 was \$9.1 billion, up from \$4.0 billion in 2017.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

S&P Dow Jones Indices								
S&P 500, \$ U.S. BILLIONS								
(preliminary in bold)								
PERIOD	MARKET VALUE	OPERATING EARNINGS	AS REPORTED EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	YIELD	YIELD	YIELD
2018 Prelim.	\$21,033.30	\$1,281.83	\$1,116.83	\$456.31	\$806.41	2.17%	3.83%	6.00%
2017	\$22,821.24	\$1,066.00	\$940.86	\$419.77	\$519.40	1.84%	2.28%	4.12%
2016	\$19,267.93	\$919.85	\$818.55	\$397.21	\$536.38	2.06%	2.78%	4.85%
2015	\$17,899.56	\$885.38	\$762.74	\$382.32	\$572.16	2.14%	3.20%	5.33%
2014	\$18,245.16	\$1,004.22	\$909.09	\$350.43	\$553.28	1.92%	3.03%	4.95%
5YR Total (mkt avg)	\$19,853.44	\$5,157.28	\$4,548.07	\$2,006.05	\$2,987.62	10.10%	15.05%	25.15%
10YR Total (mkt avg)	\$16,124.68	\$9,119.73	\$8,158.26	\$3,240.14	\$4,703.66	20.09%	29.17%	49.26%
12/31/2018 Prelim.	\$21,033	\$293.99	\$240.31	\$119.81	\$222.98	2.17%	3.83%	6.00%
9/30/2018	\$24,579	\$349.04	\$306.70	\$115.72	\$203.76	1.81%	2.93%	4.75%
6/30/2018	\$23,036	\$327.53	\$288.55	\$111.60	\$190.62	1.89%	2.80%	4.69%
3/29/2018	\$22,496	\$311.26	\$281.28	\$109.18	\$189.05	1.90%	2.56%	4.46%
12/29/2017	\$22,821	\$288.93	\$230.12	\$109.46	\$136.97	1.84%	2.28%	4.12%
9/29/2017	\$21,579	\$268.35	\$243.68	\$105.45	\$129.17	1.92%	2.40%	4.32%
6/30/2017	\$20,762	\$261.39	\$231.40	\$104.01	\$120.11	1.96%	2.41%	4.37%
3/31/2017	\$20,276	\$247.32	\$235.65	\$100.86	\$133.15	1.98%	2.51%	4.49%
12/31/2016	\$19,268	\$240.11	\$207.93	\$103.82	\$135.29	2.06%	2.78%	4.85%
9/30/2016	\$18,742	\$247.98	\$219.46	\$98.43	\$112.20	2.10%	2.92%	5.01%
6/30/2016	\$18,193	\$222.77	\$201.79	\$98.30	\$127.50	2.14%	3.22%	5.36%
3/31/2016	\$17,958	\$208.99	\$189.37	\$96.67	\$161.39	2.15%	3.28%	5.43%
12/31/2015	\$17,900	\$201.95	\$163.76	\$99.39	\$145.88	2.14%	3.20%	5.33%
9/30/2015	\$16,917	\$224.14	\$204.58	\$95.07	\$150.58	2.22%	3.30%	5.52%
6/30/2015	\$18,219	\$230.84	\$201.35	\$94.45	\$131.56	2.03%	3.04%	5.07%
3/31/2015	\$18,303	\$228.45	\$193.05	\$93.41	\$144.13	1.98%	2.94%	4.92%
12/30/2014	\$18,245	\$237.14	\$202.31	\$92.80	\$132.63	1.92%	3.03%	4.95%

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S&P Dow Jones Indices							
S&P 500 SECTOR BUYBACKS							
SECTOR \$ MILLIONS	Q4, '18	Q3, '18	Q4, '17	2018	2017	5-YEARS	10-YEARS
Consumer Discretionary	\$25,652	\$19,688	\$20,775	\$86,674	\$83,570	\$433,558	\$699,466
Consumer Staples	\$9,588	\$10,025	\$10,490	\$33,449	\$50,832	\$214,958	\$431,037
Energy	\$8,698	\$7,330	\$5,203	\$30,427	\$12,736	\$105,104	\$268,424
Financials	\$45,641	\$40,643	\$33,903	\$150,054	\$124,467	\$548,839	\$735,105
Healthcare	\$31,336	\$14,482	\$15,814	\$108,692	\$64,982	\$391,651	\$651,162
Industrials	\$23,026	\$15,159	\$11,561	\$78,239	\$53,560	\$354,796	\$511,604
Information Technology	\$61,298	\$82,293	\$35,817	\$278,526	\$118,848	\$821,862	\$1,221,998
Materials	\$5,857	\$3,014	\$2,067	\$14,391	\$5,857	\$72,344	\$101,473
Real Estate	\$1,480	\$520	\$1,314	\$3,768	\$3,844	\$8,371	\$8,371
Communication Services	\$9,556	\$10,092	\$9	\$20,237	\$485	\$29,740	\$58,762
Utilities	\$850	\$509	\$17	\$1,952	\$216	\$6,400	\$16,259
TOTAL	\$222,980	\$203,756	\$136,969	\$806,408	\$519,397	\$2,987,621	\$4,703,661

S&P Dow Jones Indices								
S&P 500 20 LARGEST Q4 2018 BUYBACKS, \$ MILLIONS								
Company	Ticker	Sector	Q4 2018 Buybacks \$ Million	2018 Buybacks \$ Million	2017 Buybacks \$ Million	5-Year Buybacks \$ Million	10-Year Buybacks \$ Million	Indicated Dividend \$ Million
Apple	AAPL	Information Technology	\$10,114	\$74,246	\$34,427	\$228,961	\$260,449	\$13,769
Oracle	ORCL	Information Technology	\$9,995	\$29,306	\$3,975	\$58,680	\$88,482	\$3,445
Wells Fargo	WFC	Financials	\$7,308	\$20,964	\$10,301	\$57,986	\$71,610	\$8,189
Microsoft	MSFT	Information Technology	\$6,413	\$16,300	\$8,405	\$66,093	\$118,506	\$14,117
Merck	MRK	Health Care	\$5,933	\$9,091	\$4,014	\$28,428	\$43,774	\$5,679
JPMorgan	JPM	Financials	\$5,928	\$19,983	\$15,410	\$54,851	\$73,155	\$10,478
Bank of America	BAC	Financials	\$5,231	\$20,094	\$12,814	\$42,069	\$45,307	\$5,795
Cisco Systems	CSCO	Information Technology	\$5,182	\$22,936	\$7,771	\$46,276	\$81,820	\$6,163
Starbucks	SBUX	Consumer Discretionary	\$5,170	\$10,709	\$3,306	\$18,828	\$21,114	\$1,791
Pfizer	PFE	Health Care	\$5,030	\$12,198	\$5,000	\$32,035	\$64,476	\$7,995
Home Depot	HD	Consumer Discretionary	\$4,445	\$9,963	\$8,000	\$38,843	\$57,619	\$6,145
Citigroup	C	Financials	\$4,206	\$14,533	\$14,946	\$46,705	\$50,090	\$4,233
Facebook	FB	Communication Services	\$4,045	\$16,087	\$5,222	\$21,388	\$25,140	\$0
Johnson & Johnson	JNJ	Health Care	\$3,808	\$5,868	\$6,358	\$33,697	\$62,014	\$9,587
Broadcom	AVGO	Information Technology	\$3,513	\$10,771	\$0	\$10,771	\$11,090	\$4,199
Walmart	WMT	Consumer Staples	\$3,249	\$7,410	\$8,296	\$29,131	\$68,413	\$6,159
Alphabet	GOOG/L	Communication Services	\$2,650	\$9,075	\$4,846	\$19,394	\$20,312	\$0
Visa	V	Information Technology	\$2,494	\$7,914	\$6,880	\$30,050	\$56,589	\$1,750
Amgen	AMGN	Health Care	\$2,250	\$17,920	\$3,351	\$26,902	\$49,944	\$3,609
Internat'l Bus Machines	IBM	Information Technology	\$2,073	\$4,614	\$4,533	\$28,206	\$98,936	\$5,588
Top 20			\$99,037	\$339,982	\$167,855	\$919,294	\$1,368,840	\$118,690
S&P 500			\$222,980	\$806,408	\$519,397	\$2,987,621	\$4,703,661	\$490,570
Top 20 % of S&P 500			44.42%	42.16%	32.32%	30.77%	29.10%	24.19%
Gross values are not adjusted for float								

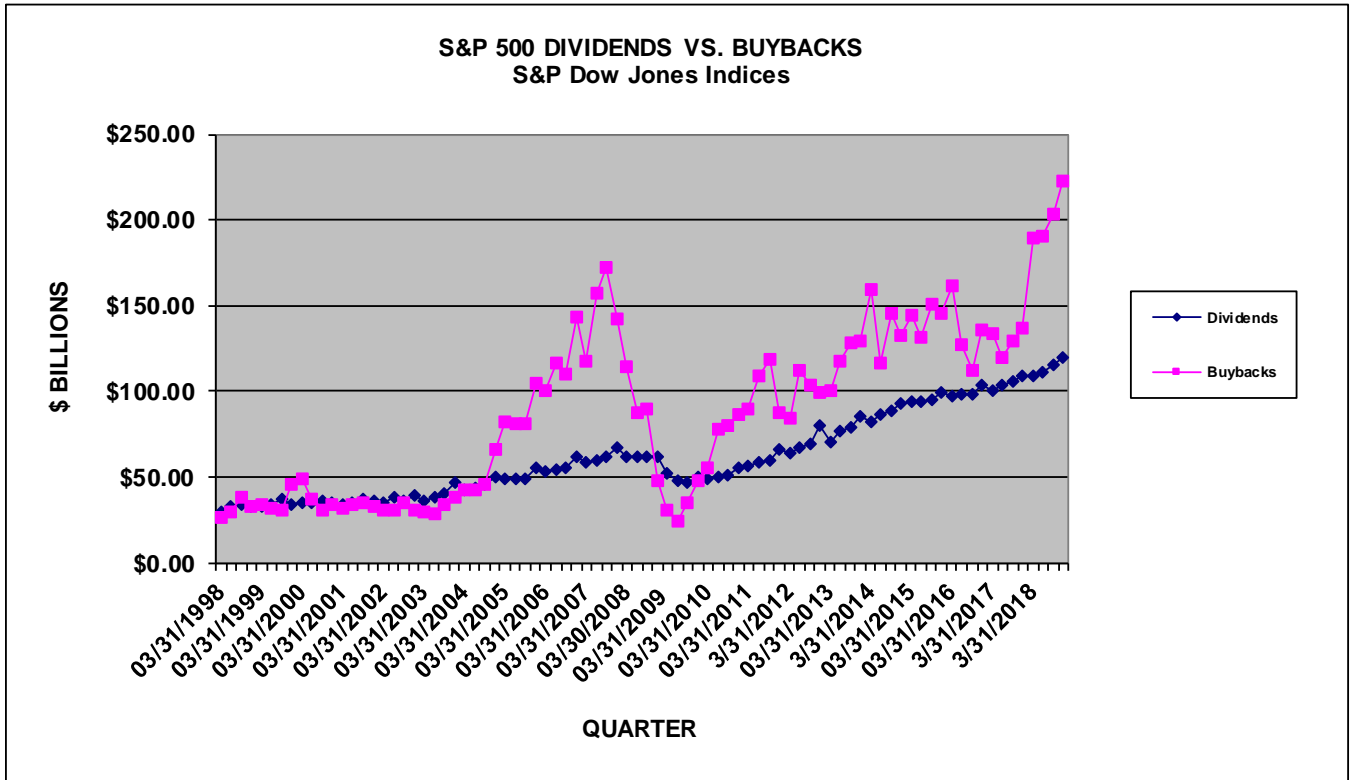
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S&P Dow Jones Indices				
S&P 500 20 Largest Quarterly Buybacks, \$ Millions, as of Q4 2018 with 1 added				
\$ MILLIONS	QUARTER	COMPANY	SECTOR	
\$22,756	Q1 2018	Apple	Information Technology	1
\$21,860	Q2 2018	Apple	Information Technology	2
\$21,162	Q3 2018	QUALCOMM	Information Technology	3
\$20,783	Q2 2018	Apple	Information Technology	4
\$19,364	Q3 2018	Apple	Information Technology	5
\$17,971	Q1 2014	Apple	Information Technology	6
\$17,000	Q3 2014	Apple	Information Technology	7
\$16,000	Q2 2013	Apple	Information Technology	8
\$15,707	Q2 2007	Internat'l Bus Machines	Information Technology	9
\$13,253	Q3 2015	Apple	Information Technology	10
\$12,852	Q2 2012	Johnson & Johnson	Healthcare	11
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	12
\$12,183	Q3 2012	Johnson & Johnson	Healthcare	13
\$10,851	Q4 2016	Apple	Information Technology	14
\$10,723	Q3 2007	Home Depot	Consumer Discretionary	15
\$10,697	Q1 2018	Amgen	Healthcare	16
\$10,346	Q3 2018	Oracle	Information Technology	17
\$10,166	Q2 2016	Apple	Information Technology	18
\$10,114	Q4 2018	Apple	Information Technology	19
\$10,095	Q4 2017	Apple	Information Technology	20

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S&P Dow Jones Indices			
S&P 500 Q4 2018 Buyback Report			
SECTOR	DIVIDEND	BUYBACK	COMBINED
	YIELD	YIELD	YIELD
Consumer Discretionary	1.32%	3.14%	4.46%
Consumer Staples	2.96%	1.85%	4.80%
Energy	3.32%	2.30%	5.63%
Financials	2.32%	4.94%	7.26%
HealthCare	1.72%	3.07%	4.79%
Industrials	1.98%	3.41%	5.38%
Information Technology	1.55%	5.27%	6.83%
Materials	2.22%	2.40%	4.63%
Real Estate	3.31%	0.53%	3.84%
Communications Services	1.73%	2.03%	3.75%
Utilities	3.40%	0.20%	3.61%
S&P 500	2.05%	3.40%	5.45%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q4'18			

Share Count Reduction (SCR)	SCR	SCR
(YY diluted shares used for EPS)	>=4%	<=-4%
Q4 2018	8.48%	18.79%
Q3 2018	6.43%	17.67%
Q2 2018	6.20%	15.60%
Q1 2018	7.01%	13.63%
Q4 2017	6.83%	15.06%
Q3 2017	8.62%	14.23%
Q2 2017	10.00%	14.00%
Q1 2017	12.00%	14.80%
Q4 2016	10.48%	19.35%
Q3 2016	9.94%	23.73%
Q2 2016	10.48%	26.61%
Q1 2016	10.06%	28.17%
Q4 2015	9.48%	25.81%
Q3 2015	9.64%	22.69%
Q2 2015	9.04%	21.08%
Q1 2015	7.62%	21.04%
Q4 2014	6.04%	21.33%



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