

S&P 500 Buybacks Increase 28.2% in Q4 2020 from Q3 2020; Full Year 2020 down 28.7% from 2019

NEW YORK, March 24, 2021: S&P Dow Jones Indices (“S&P DJI”) announced today that preliminary Q4 2020 [S&P 500®](#) stock buybacks, or share repurchases, were \$130.5 billion, a 28.2% increase from Q3 2020’s \$101.8 billion, but a year-over-year 28.1% decrease from Q4 2019’s \$181.6 billion. Full year 2020 buybacks were \$519.7 billion, down 28.7% from 2019’s \$728.7 billion, and down 35.6% from 2018’s record 806.4 billion level.

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

Key Takeaways:

- **Q4 2020 share repurchases were \$130.5 billion**, rebounding 28.2% from Q3 2020’s \$101.8 billion expenditure, up 47.2% from the Q2 2020 recent low of \$88.7 billion, but down 28.1% year-over-year from the pre-COVID Q4 2019’s \$181.6 billion.
- **244 companies reported buybacks of at least \$5 million for the quarter**, up from 190 in Q3 2020 and down from 320 in Q4 2019.
- **Buybacks remained top heavy, with the top 20 issues accounting for 66.3% of Q4 2020 buybacks**, down from 77.4% in Q3 2020, 87.2% in Q2 2020, but still up from the historical pre-COVID average of 44.5%.
- **Full year 2020 buybacks were \$519.7 billion**, a 28.7% decrease from 2019’s 728.7 billion, and 35.6% less than the record \$806.4 billion in 2018.
- **Buybacks are expected to significantly increase in 2021**, as big banks, via Fed approval for Q1 2021, have returned to the buyback market and more companies continue to look to negate stock options.
- **6.4% of companies reduced share counts by at least 4% year-over-year**, down from Q3 2020’s 9.6%, and down significantly from Q4 2019’s 20.7% (the recent high was in Q1 2016, at 28.2%).
- **S&P 500 Q4 2020 dividends increased 2.9% to \$118.8 billion** from Q3 2020’s \$115.5 billion but decreased 5.9% from Q4 2019’s \$126.4 billion. For 2020, dividends were \$480.4 billion, down 1.0% on an aggregate basis from 2019’s \$485.5 billion.
- **Total shareholder return of buybacks and dividends in Q4 2020 was \$249.4 billion**, up 14.7% from Q3 2020’s \$217.3 billion and down 19.0% from Q4 2019’s \$307.9 billion (Q4 2018 holds the record, at \$342.8 billion).
- **Total shareholder return in 2020 declined to \$1.00 trillion from 2019’s \$1.214 trillion.**

“More companies ventured back into the buyback market as they sought shares to cover employee options being exercised and prevent dilution. That, combined with buying from cash-flow strong companies, resulted in a buyback rebound in the fourth quarter,” said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.**

2021 Outlook:

Silverblatt added, “More companies are expected to venture back into the buyback market – initially to cover stock options, and then, depending on cash-flow, to reduce share count and

increase earnings-per-share. Big-banks, which received Fed Q1 2021 approval to resume buybacks, are expected to significantly increase their 2020 expenditure of \$80.7 billion, most of which – \$46.6 billion – was done in the pre-COVID Q1 2020 period, subject to Fed approval.”

Q4 2020 GICS® Sector Analysis:

Information Technology continued to lead and dominate in buybacks, even as their share declined to 42.9% of all S&P 500 buybacks from Q3 2020's 48.9%, partially due to a higher buyback participation rate in the S&P 500. For the quarter, the sector spent \$56.1 billion, up 12.8% from the prior quarter's \$49.7 billion, and up 7.0% from the Q4 2019 \$52.4 billion level. For 2020, the group spent \$201.9 billion, representing 38.8% of the buybacks, down from 2019's \$224.9 billion expenditure, which represented 30.9% of the buybacks.

Financial buybacks, which were slightly trailing Information Technology pre-COVID, slightly increased to \$13.6 billion, or 10.4% of the buybacks, from the Q3 2020 \$12.1 billion, and were significantly down from the Q4 2019 \$50.2 billion. For 2020, the group spent \$80.7 billion, representing 15.5% of all buybacks, down 54.8% from their 2019 expenditure of \$178.7 billion, which represented 24.5% of the buybacks. For 2021, big-banks are expected to return to the buyback market, and significantly increase their expenditures. Of note, Warren Buffett's Berkshire Hathaway, spent \$9.0 billion on buybacks in Q4, the same as it did in Q3, as it spent \$24.7 billion for the year, compared to \$4.9 billion in 2019.

Health Care returned to spend \$15.0 billion for the quarter, representing 11.5% of the buybacks, up 98.9% from their Q3 2020 \$7.6 billion expenditure. For 2020, the sector spent \$54.1 billion, representing 10.4% of the buybacks, down from the \$83.9 billion spent in 2019, when it represented 11.5% of the buybacks.

Issues:

The five issues with the highest total buybacks for Q4 2020 are:

- **Apple (AAPL)** continued to be the poster-child for buybacks, spending \$27.6 billion in Q4 2020, setting a new record for any company in S&P 500 history, as the level was up from their Q3 2020 \$17.6 billion expenditure and their Q4 2019 \$22.1 billion level. For 2020, Apple has spent \$81.5 billion on buybacks, down a tick from 2019's \$81.7 billion. Over the five-year period, they have spent \$307.2 billion and \$423.0 billion over the ten-year period.
- **Berkshire Hathaway (BRK)**, was next (permitting some to dare to dream of a dividend): \$9.0 billion for Q4 2020, the same level as Q3 2020; for 2020 they spent \$24.7 billion versus \$4.9 billion.
- **Alphabet (GOOG/L)**: \$7.9 billion for Q4 2020, also the same as their Q3 2020 expenditure; for 2020 they spent \$31.1 billion versus \$18.4 billion.
- **Microsoft (MSFT)**: \$6.5 billion for Q4 2020, down from the \$6.7 billion spent in Q3 2020; for 2020 they spent \$26.1 billion versus \$19.5 billion.
- **Charter Communications (CHTR)**: \$4.4 billion for Q4 2020, up from \$3.4 billion in Q3 2020; for 2020 they spent \$11.2 billion versus \$6.9 billion.

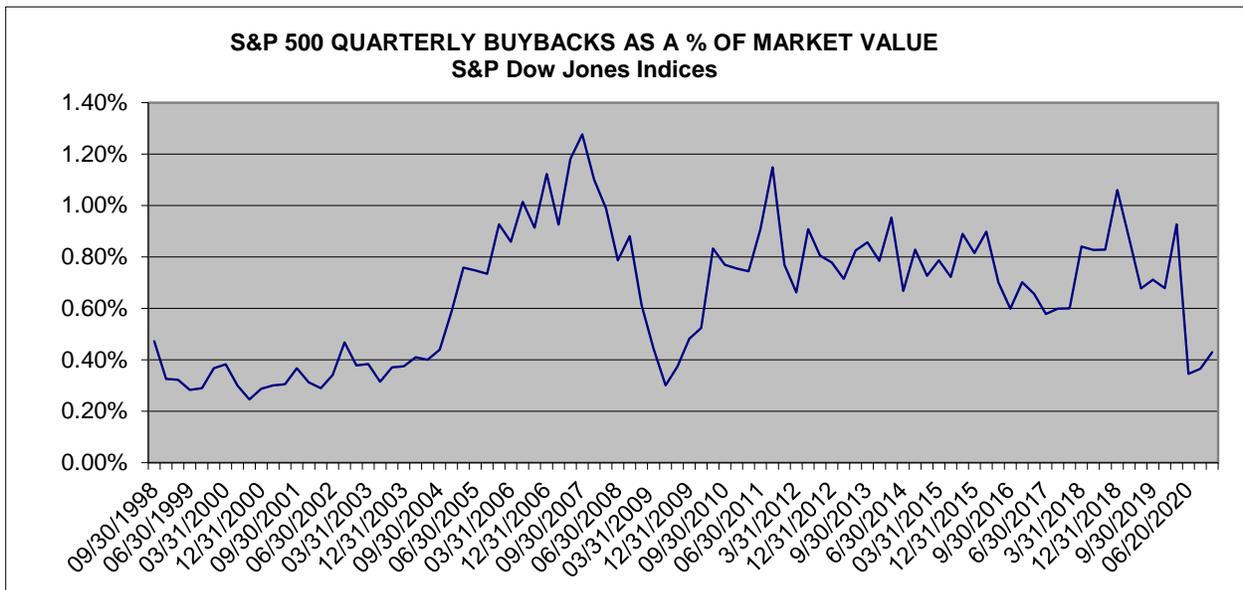
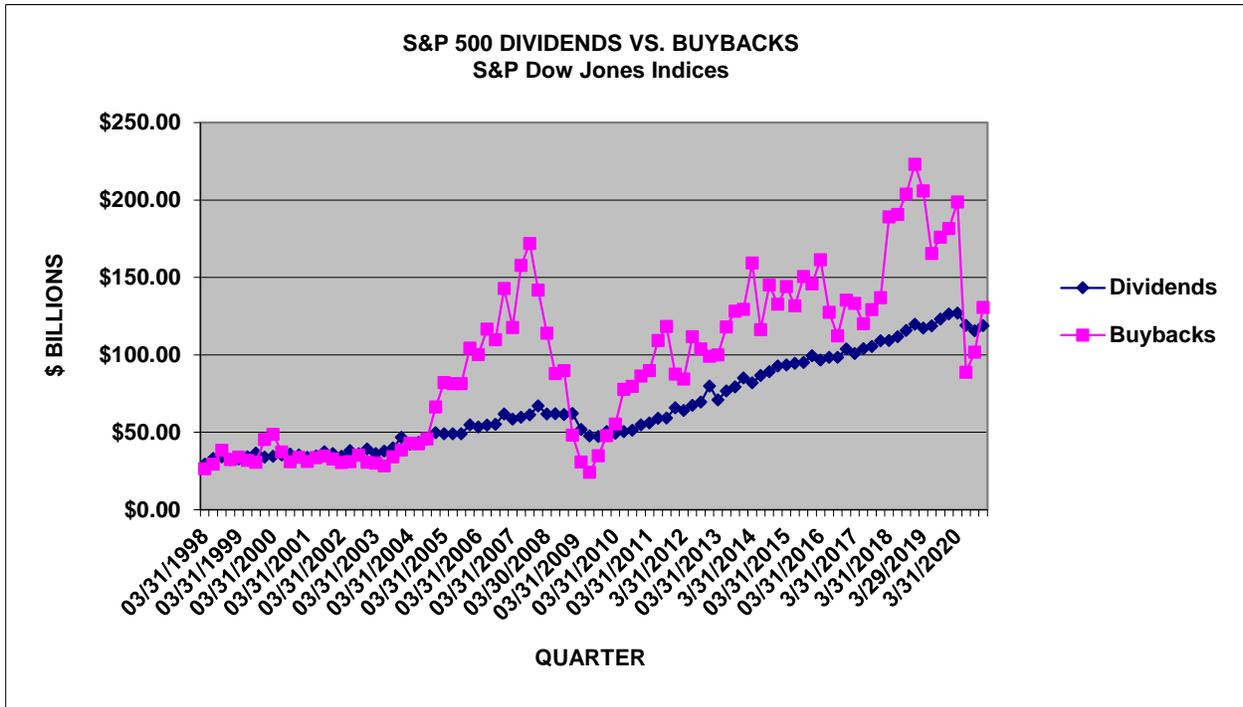
For more information about S&P Dow Jones Indices, please visit www.spdji.com.

S&P Dow Jones Indices										
S&P 500 20 LARGEST Q4 2020 BUYBACKS, \$ MILLIONS										
Company	Ticker	Sector	Q4 2020	Q3 2020	Q4 2019	12-Months	12-Months	5-Year	10-Year	Indicated
			Buybacks	Buybacks	Buybacks	2020	2019	Buybacks	Buybacks	Dividend
			\$ Million	\$ Million	\$ Million					
Apple	AAPL	Information Technology	\$27,636	\$17,587	\$22,085	\$81,543	\$81,685	\$307,213	\$423,038	\$14,831
Berkshire Hathaway	BRK.b	Financials	\$8,994	\$8,973	\$2,043	\$24,706	\$4,850	\$30,902	\$30,969	\$0
Alphabet	GOOGL	Communication Services	\$7,904	\$7,897	\$6,098	\$31,149	\$18,396	\$67,159	\$69,055	\$0
Microsoft	MSFT	Information Technology	\$6,535	\$6,743	\$5,206	\$26,128	\$19,504	\$85,832	\$128,519	\$16,936
Charter Communications	CHTR	Communication Services	\$4,349	\$3,361	\$2,305	\$11,217	\$6,873	\$35,766	\$36,582	\$0
Oracle	ORCL	Information Technology	\$4,059	\$5,423	\$5,036	\$18,832	\$26,857	\$85,921	\$127,703	\$6,117
Lowe's	LOW	Consumer Discretionary	\$3,443	\$562	\$664	\$4,971	\$4,313	\$19,108	\$37,978	\$1,759
Facebook	FB	Communication Services	\$3,049	\$2,725	\$1,923	\$9,836	\$6,539	\$37,690	\$41,515	\$0
Procter & Gamble	PG	Consumer Staples	\$3,008	\$2,000	\$3,504	\$5,909	\$9,504	\$29,124	\$54,406	\$7,836
Intel	INTC	Information Technology	\$2,000	\$8,000	\$3,523	\$14,229	\$13,623	\$45,204	\$81,661	\$5,696
Visa	V	Information Technology	\$1,930	\$1,544	\$2,517	\$7,687	\$8,741	\$38,328	\$55,503	\$2,170
Humana	HUM	Health Care	\$1,790	\$5	\$60	\$1,820	\$1,070	\$7,451	\$10,338	\$371
UnitedHealth Group	UNH	Health Care	\$1,709	\$850	\$399	\$4,250	\$5,500	\$17,030	\$31,486	\$4,744
Cigna	CI	Health Care	\$1,690	\$1,028	\$447	\$4,042	\$1,987	\$9,235	\$12,954	\$1,445
Honeywell International	HON	Industrials	\$1,565	\$164	\$750	\$3,714	\$4,400	\$17,082	\$21,860	\$2,610
Bristol-Myers Squibb	BMJ	Health Care	\$1,465	\$0	\$7,000	\$1,546	\$7,300	\$11,866	\$15,928	\$4,429
Walmart	WMT	Consumer Staples	\$1,439	\$463	\$888	\$2,625	\$5,717	\$32,346	\$54,986	\$12,703
HP	HPQ	Information Technology	\$1,378	\$1,340	\$691	\$3,794	\$2,376	\$11,223	\$28,308	\$1,071
Anthem	ANTM	Health Care	\$1,374	\$759	\$307	\$2,828	\$1,785	\$8,489	\$19,042	\$1,124
Amgen	AMGN	Health Care	\$1,205	\$765	\$1,094	\$3,486	\$7,702	\$35,684	\$51,844	\$4,098
Top 20			\$86,522	\$70,189	\$66,540	\$264,312	\$238,722	\$932,653	\$1,333,675	\$87,941
S&P 500			\$130,525	\$101,786	\$181,583	\$519,694	\$728,738	\$3,110,620	\$5,515,629	\$532,003
Top 20 % of S&P 500			66.29%	68.96%	36.64%	50.86%	32.76%	29.98%	24.18%	16.53%
Gross values are not adjusted for float										

S&P Dow Jones Indices				
S&P 500 20 Largest Quarterly Buybacks, \$ Millions; Apple set a new index record				
\$ MILLIONS	QUARTER	COMPANY	SECTOR	
\$27,636	Q4 2020	Apple	Information Technology	1
\$23,811	Q1 2019	Apple	Information Technology	2
\$22,908	Q1 2018	Apple	Information Technology	3
\$22,085	Q4 2019	Apple	Information Technology	4
\$21,860	Q2 2018	Apple	Information Technology	5
\$21,162	Q2 2006	QUALCOMM	Information Technology	6
\$19,364	Q3 2018	Apple	Information Technology	7
\$18,761	Q1 2020	Apple	Information Technology	8
\$18,154	Q2 2019	Apple	Information Technology	9
\$18,036	Q1 2014	Apple	Information Technology	10
\$17,635	Q3 2019	Apple	Information Technology	11
\$17,587	Q3,2020	Apple	Information Technology	12
\$17,559	Q2 2020	Apple	Information Technology	13
\$17,319	Q3 2014	Apple	Information Technology	14
\$17,128	Q2 2020	T-Mobile	Communication Services	15
\$16,413	Q2 2013	Apple	Information Technology	16
\$15,707	Q3 2007	Internatl Bus Machines	Information Technology	17
\$13,420	Q3 2015	Apple	Information Technology	18
\$12,852	Q4 2013	Johnson & Johnson	Healthcare	19
\$12,318	Q4 2016	Allergan plc (AGN)	Healthcare	20

S&P Dow Jones Indices			
S&P 500 Q4 2020 Buyback Report			
SECTOR	DIVIDEND	BUYBACK	COMBINED
	YIELD	YIELD	YIELD
Consumer Discretionary	0.66%	0.71%	1.37%
Consumer Staples	3.52%	1.00%	4.52%
Energy	4.31%	0.42%	4.73%
Financials	1.97%	2.09%	4.06%
HealthCare	1.76%	1.26%	3.02%
Industrials	1.53%	1.14%	2.67%
Information Technology	1.01%	2.25%	3.26%
Materials	1.96%	0.90%	2.86%
Real Estate	2.93%	0.32%	3.25%
Communications Services	1.07%	2.62%	3.69%
Utilities	3.34%	0.48%	3.82%
S&P 500	1.62%	1.58%	3.20%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q4,'20			

Share Count Changes		
(Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q4 2020	8.62%	6.41%
Q3 2020	8.62%	9.62%
Q2 2020	8.60%	17.80%
Q1 2020	8.00%	19.60%
Q4 2019	7.63%	20.68%
Q3 2019	8.62%	22.85%
Q2 2019	7.98%	24.15%
Q1 2019	8.03%	24.90%
Q4 2018	8.45%	18.71%
Q3 2018	6.43%	17.67%
Q2 2018	6.20%	15.60%
Q1 2018	7.01%	13.63%
Q4 2017	6.83%	15.06%



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