

S&P 500 Q4 2022 Buybacks Tick up, As 2022 Sets A Record; Proforma Buyback Tax Would Have Reduced Operating Earnings by 0.51% for 2022

- **S&P 500 Q4 2022 buybacks were \$211.2 billion, up 0.2% from Q3 2022's \$210.8 billion, as 2022 sets an annual record at \$922.7 billion, up from 2021's \$881.7 billion**
- **Financials continued their pullback, which started in Q2, with Q4 2022 down 56.3% from Q4 2021, as 2022 was down 36.3%; Energy went up 403% in 2022**
- **On a proforma basis, the new net buyback 1% excise tax, which started in 2023, would have reduced 2022 operating earnings by 0.51%**

NEW YORK, March 21, 2023: S&P Dow Jones Indices ("S&P DJI") announced today preliminary [S&P 500®](#) stock buybacks, or share repurchases, data for Q4 2022.

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

Key Takeaways:

- **Q4 2022 share repurchases were \$211.2 billion**, up 0.2% from Q3 2022's \$210.8 billion expenditure and down 21.8% from Q4 2021's \$270.1 billion.
- **318 companies reported buybacks of at least \$5 million for the quarter**, down from 319 in Q3 2022 and down from 325 in Q4 2021; 385 companies did some buybacks for the quarter, up from 384 in Q3 2022 and up from 383 in Q4 2021; 439 companies did some buybacks for the 12-months ending December 2022, up from 422 in the prior 2021 period.
- **Buybacks remained top heavy with the top 20 companies accounting for 45.7% of Q4 2022 buybacks**, which was below the historical average of 47.1%, and below the 49.0% level reported for Q3 2022; the pre-COVID historical average of 44.5%.
- **For the 12-months ending December 2022, buybacks were \$922.7 billion, setting a new annual record, and up 4.6% from 2021's \$881.7 billion, but down from the 12-month September \$981.6 billion and down from the record \$1.005 trillion posted for the June 2022 period.**
- **19.2% of companies reduced share counts used for earnings-per-share (EPS) by at least 4% year-over-year**, down from Q3 2022's 21.2% and up from Q4 2021's 14.9%; for Q4 2022 152 issues increased their shares used for EPS over Q3 2022, and 291 reduced them.
- **S&P 500 Q4 2022 dividends increased 4.1% to a record \$146.1 billion** from Q3 2022's \$140.3 billion and were 9.1% greater than the \$133.9 billion in Q4 2021. For

2022, dividends set a record \$564.6 billion payment, up 10.4% on an aggregate basis from 2021's \$511.2 billion.

- **Total shareholders return of buybacks and dividends increased to \$357.3 billion in Q4 2022**, up 1.7% from Q3 2022's \$351.2 billion and down 11.6% from Q4 2021's \$404.0 billion.
- **Total shareholder returns for 2022 increased to \$1.487 trillion** from the 2021 \$1.393 trillion.
- **On a proforma basis, the new 1% excise tax on net buybacks, which started in 2023, would have reduced the Q4 2022 S&P 500 operating earnings by 0.46% and as reported GAAP earnings by 0.58%, the proforma for 2022 was a 0.51% reduction for operating and a 0.58% reduction for as reported.**

"Companies, led by Financials, continued to pull back from their Q1 2022 record-breaking buyback expenditures, as energy remains the outlier, increasing its buybacks, as it set record profits," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "Share count reduction continues, as almost one-in-five issues increased their year-over-year EPS by at least 4% due to buybacks. The impact is expected to continue into 2023, even as economic indicators remain unclear at this point."

1% Buyback Excise Tax for 2023:

On a proforma basis, the new 1% excise tax on net buybacks would have reduced Q4 2022 operating earnings by 0.46%, the same as the proforma 0.46% for Q3 2022, with as reported GAAP earnings being reduced by 0.58%, up from the proforma 0.52% for Q3 2022. For the proforma 2022 period, the tax would have cost S&P 500 companies \$8.5 billion, and would have reduced operating earnings by 0.51% and as reported GAAP earnings by 0.58%.

Silverblatt added: "The 1% tax is an additional cost, but it is still not significant enough to impact the overall buybacks at this point. In his proposed fiscal 2024 budget, President Biden quantified increasing the tax to 4%. Given the initial 1% buyback tax had bipartisan support, there is an expectation that some increase, and potential for change to the type of buybacks that are taxed, which could be incorporated into the fiscal budget. An increase to the 2.5% area could start to impact buybacks and the EPS impact of share-count-reduction due to some of the expenditures shifting from buybacks to dividends. Any shift however would not be on a-dollar-for-dollar basis, as dividends remain a long-term pure cash-flow item which must be incorporated in corporate budgets."

Q4 2022 and 2022 GICS® Sector Analysis:

Information Technology continued to lead in buybacks as its percentage of buybacks and aggregate expenditures decreased for the quarter. In Q4 2022, IT's share decreased to 27.3% of all S&P 500 buybacks compared to Q3 2022's 28.8% and was down from Q4 2021's 27.7%. Expenditures for Q4 2022 decreased (5.1%) to \$57.7 billion from the prior quarter's \$60.8 billion and were 23.0% lower than the Q4 2021 expenditure of \$74.9 billion. For 2022, the sector spent \$262.0 billion, representing 28.4% of all S&P buybacks, compared to the 2021 \$260.0 billion expenditure, which represented 29.5% of all buybacks. Over the 10-year period, the sector spent \$1.892 trillion, representing 29.0% of the expenditures.

Financials decreased their buybacks as their Q4 2022 expenditures decreased 2.3% to \$22.5 billion, representing 10.7% of the buybacks, from the Q3 2022 \$23.0 billion. As for Q4 2021 the sector spent \$51.5 billion. The pullback was attributed to large-backs protecting their dividends with respect to the Fed's bank stress test. For 2022 the sector spent \$121.4 billion, down 36.3% from 2021's 190.6 billion. Expenditures were expected to increase in Q1 2023. Of note however is the recent banking circumstances, which may reduce buybacks as companies focus more on dividends and liquidity.

Energy decreased their buybacks as their expenditure declined 9.9% for the quarter to \$19.8 billion, representing 9.4% of the buybacks compared to the prior quarter's \$22.0 billion. However, this quarter was still an increase of 160% from Q4 2021 \$7.6 billion level. For the year, Energy spent \$63.8 billion on buybacks, up 403% from 2021's \$12.7 billion.

Health Care buybacks increased 21.0% for the quarter, spending \$24.4 billion in Q4 2022, representing 11.6% of all buybacks, up from the Q3 2022 \$20.2 billion. This accounted for 9.6% of the buybacks, which were 11.7% higher than the Q4 2021 expenditure of \$21.8 billion. For 2022, the sector spent \$102.9 billion, up 35.1% from 2021's \$76.2 billion.

Issues:

The five issues with the highest total buybacks for Q4 2022 are:

- **Apple (AAPL):** continued to be the poster child for buybacks as it once again spent the most of any issue, with its Q4 2022 expenditure ranking as the eleventh highest in S&P 500 history. For the quarter, the company spent \$21.8 billion, down from Q3 2022's \$24.7 billion (the third largest in index history). Apple holds 18 of the top 20 record quarters (Meta Platforms holds #12 and QUALCOMM holds #13). For 2022, Apple spent \$94.1 billion on buybacks, up from the prior year's \$88.3 billion. Over the five-year period, they have spent \$419.8 billion and \$601.3 billion over the ten-year period.
- **Alphabet (GOOG/L):** was next with \$15.41 billion for Q4 2022, a tick up from the \$15.39 billion in Q3 2022; the 2022 expenditure was \$59.3 billion versus the 2021 expenditure of \$50.3 billion.
- **Meta Platforms (META):** \$7.5 billion for Q4 2022, up from \$7.4 billion in Q3 2022; the 2022 expenditure was \$31.6 billion versus \$50.1 billion.
- **Microsoft (MSFT):** \$5.5 billion for Q4 2022, down from \$5.6 billion in Q3 2022; the 2022 expenditure was \$28.6 billion versus \$29.2 billion.
- **Exxon Mobile (XOM):** \$4.7 billion in Q4 2022, up from \$4.5 billion in Q3 2022 and \$0.2 billion in Q4 2021; the 2022 expenditure was \$15.2 billion versus \$0.2 billion.

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

S&P Dow Jones Indices			
S&P 500 proforma net buyback tax impact			
	TAX	TAX % OF	TAX % OF
	\$ BILLIONS	OPERATING	AS REPORTED
2022	\$8.47	0.51%	0.58%
2021	\$7.93	0.45%	0.47%

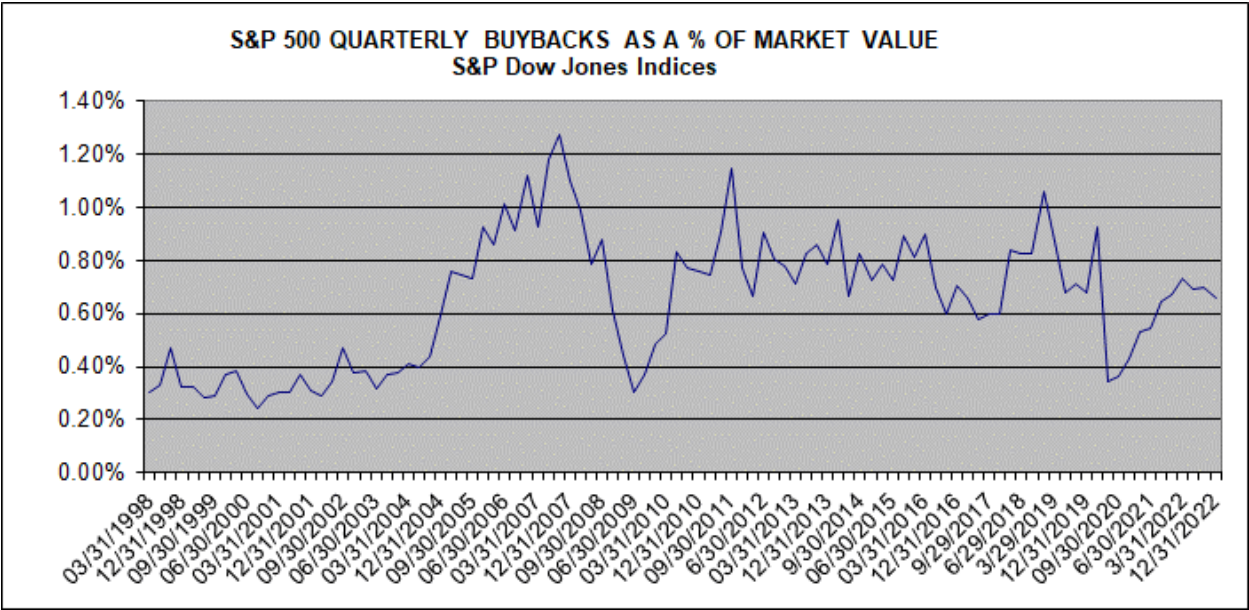
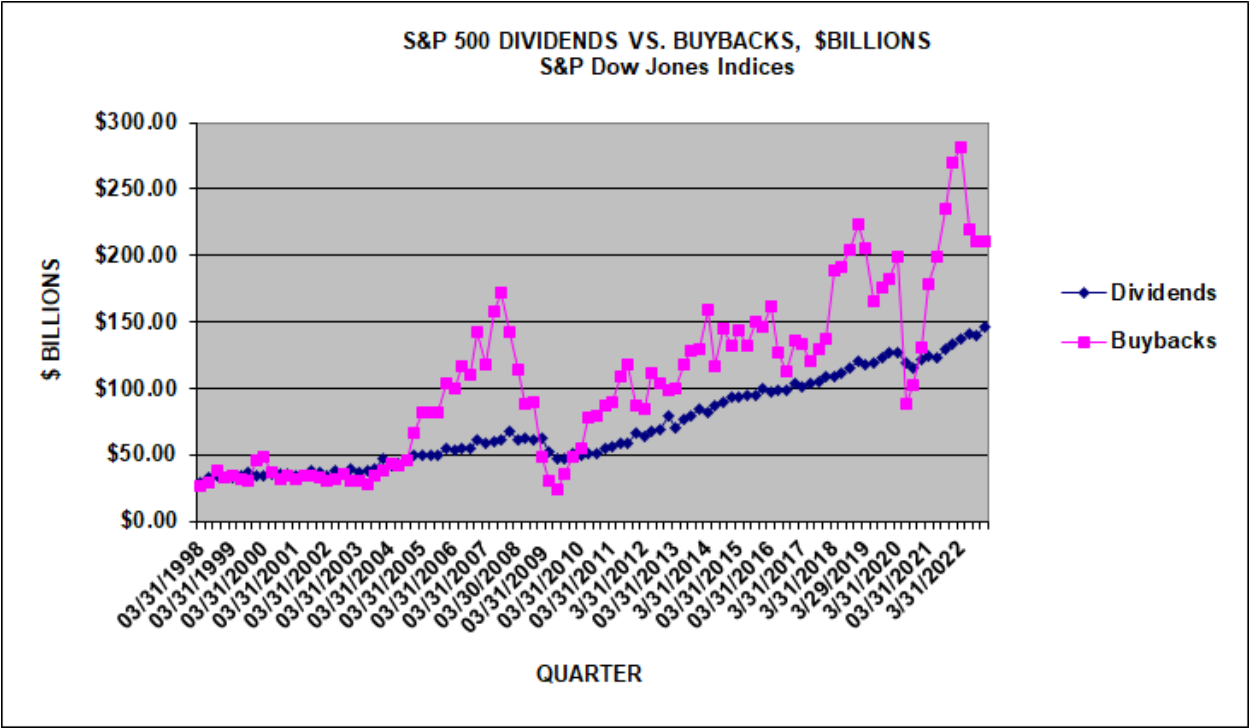
S&P Dow Jones Indices								
S&P 500, \$ U.S. BILLIONS		(preliminary in bold)						
PERIOD	MARKET	OPERATING	AS REPORTED					DIVIDEND &
	VALUE	EARNINGS	EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND	BUYBACK	BUYBACK
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	YIELD	YIELD	YIELD
2022 Prelim.	\$32,133	\$1,655.58	\$1,453.34	\$564.57	\$922.68	1.76%	2.87%	4.63%
2021	\$40,356	\$1,762.75	\$1,675.22	\$511.23	\$881.72	1.27%	2.18%	3.45%
2020	\$31,659	\$1,019.04	\$784.21	\$483.18	\$519.76	1.53%	1.64%	3.17%
2019	\$26,760	\$1,304.76	\$1,158.22	\$485.48	\$728.74	1.81%	2.72%	4.54%
2018	\$21,027	\$1,281.66	\$1,119.43	\$456.31	\$806.41	2.17%	3.84%	6.01%
12/31/2022 Prelim.	\$32,133	\$420.46	\$331.41	\$146.07	\$211.19	1.76%	2.87%	4.63%
9/30/2022	\$30,119	\$422.94	\$373.04	\$140.34	\$210.84	1.83%	3.26%	5.09%
6/30/2022	\$31,903	\$395.02	\$360.21	\$140.56	\$219.64	1.70%	3.15%	4.85%
3/31/2022	\$38,288	\$417.16	\$388.68	\$137.60	\$281.01	1.37%	2.57%	3.94%
12/31/2021	\$40,356	\$480.35	\$456.72	\$133.90	\$270.10	1.27%	2.18%	3.45%
9/30/2021	\$36,538	\$441.26	\$420.64	\$130.04	\$234.64	1.37%	2.03%	3.40%
6/30/2021	\$36,325	\$439.95	\$409.02	\$123.38	\$198.84	1.33%	1.68%	3.01%
3/31/2021	\$33,619	\$401.19	\$388.84	\$123.91	\$178.13	1.43%	1.48%	2.91%
12/31/2020	\$31,659	\$321.81	\$265.00	\$121.62	\$130.59	1.53%	1.64%	3.17%
9/30/2020	\$27,868	\$314.06	\$273.29	\$115.54	\$101.79	1.75%	2.05%	3.80%
6/30/2020	\$25,637	\$221.53	\$147.44	\$119.04	\$88.66	1.93%	2.52%	4.45%
3/31/2020	\$21,424	\$161.64	\$98.48	\$126.98	\$198.72	2.31%	3.37%	5.68%
12/31/2019	\$26,760	\$324.52	\$294.29	\$126.35	\$181.58	1.81%	2.72%	4.54%
9/30/2019	\$24,707	\$330.42	\$282.12	\$123.12	\$175.89	1.94%	3.12%	5.06%
6/28/2019	\$24,423	\$333.26	\$290.00	\$118.68	\$165.46	1.93%	3.27%	5.20%
3/29/2019	\$23,619	\$316.56	\$291.82	\$117.33	\$205.81	1.97%	3.49%	5.45%
12/31/2018	\$21,027	\$293.82	\$242.91	\$119.81	\$222.98	2.17%	3.84%	6.01%

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S&P Dow Jones Indices										
S&P 500 20 LARGEST Q4 2022 BUYBACKS, \$ MILLIONS										
Company	Ticker	Sector	Q4 2022	Q3 2021	Q4 2021	12-Months	12-Months	5-Year	10-Year	Indicated
			Buybacks	Buybacks	Buybacks	Dec. '22	Dec. '21	Buybacks	Buybacks	Dividend
			\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
Apple	AAPL	Information Technology	\$21,791	\$24,736	\$23,366	\$94,050	\$88,257	\$419,781	\$601,348	\$13,757
Alphabet	GOOGL	Communication Services	\$15,407	\$15,392	\$13,473	\$59,296	\$50,274	\$168,190	\$178,509	\$0
Meta Platforms	META	Communication Services	\$7,520	\$7,365	\$21,569	\$31,551	\$50,052	\$114,065	\$120,255	\$0
Microsoft	MSFT	Information Technology	\$5,459	\$5,573	\$7,433	\$28,611	\$29,224	\$119,767	\$175,931	\$20,276
Exxon Mobil	XOM	Energy	\$4,675	\$4,494	\$154	\$15,155	\$155	\$16,935	\$51,880	\$14,991
Lockheed Martin	LMT	Industrials	\$4,206	\$1,338	\$2,087	\$7,900	\$4,087	\$15,694	\$24,294	\$2,799
Comcast	CMCSA	Communication Services	\$3,515	\$3,525	\$2,055	\$13,328	\$4,672	\$24,358	\$48,146	\$5,004
Chevron	CVX	Energy	\$3,417	\$0	\$0	\$8,803	\$618	\$15,541	\$24,447	\$10,745
DuPont de Nemours	DD	Materials	\$3,252	\$252	\$500	\$4,402	\$2,169	\$12,663	\$20,409	\$715
Visa	V	Information Technology	\$3,227	\$2,106	\$4,217	\$10,719	\$11,107	\$46,168	\$73,584	\$2,943
Marathon Petroleum	MPC	Energy	\$2,794	\$3,908	\$2,742	\$9,548	\$4,654	\$18,439	\$26,897	\$1,406
ConocoPhillips	COP	Energy	\$2,746	\$2,804	\$1,399	\$9,275	\$3,623	\$20,291	\$23,436	\$2,542
Berkshire Hathaway	BRK.B	Financials	\$2,608	\$1,055	\$6,869	\$7,854	\$27,061	\$65,817	\$65,817	\$0
T-Mobile US	TMUS	Communication Services	\$2,461	\$567	\$8	\$3,243	\$316	\$24,907	\$25,850	\$0
Mastercard	MA	Information Technology	\$2,418	\$1,552	\$1,279	\$8,894	\$6,037	\$31,225	\$47,943	\$1,935
Bristol-Myers Squibb	BMJ	Health Care	\$2,416	\$585	\$2,751	\$8,001	\$6,287	\$23,454	\$26,587	\$4,848
Booking Holdings	BKNG	Consumer Discretionary	\$2,343	\$1,990	\$4	\$6,621	\$163	\$22,245	\$29,808	\$0
Salesforce	CRM	Information Technology	\$2,323	\$1,677	\$0	\$4,000	\$0	\$4,000	\$4,000	\$0
McKesson	MCK	Health Care	\$2,016	\$484	\$714	\$5,030	\$2,228	\$12,109	\$17,768	\$306
Procter & Gamble	PG	Consumer Staples	\$2,002	\$4,000	\$4,754	\$8,501	\$13,505	\$42,173	\$64,893	\$8,649
Top 20			\$96,596	\$83,403	\$95,374	\$344,782	\$304,489	\$1,217,822	\$1,651,802	\$90,917
S&P 500			\$211,189	\$210,843	\$270,102	\$922,680	\$881,718	\$3,859,307	\$6,516,107	\$575,523
Top 20 % of S&P 500			45.74%	39.56%	35.31%	37.37%	34.53%	31.56%	25.35%	15.80%
Gross values are not adjusted for float										

S&P Dow Jones Indices			
S&P 500 Q4 2022 Buyback Report			
SECTOR	DIVIDEND	BUYBACK	COMBINED
	YIELD	YIELD	YIELD
Consumer Discretionary	1.02%	2.69%	3.72%
Consumer Staples	2.70%	1.70%	4.40%
Energy	4.05%	4.32%	8.37%
Financials	2.35%	3.50%	5.84%
HealthCare	1.76%	2.14%	3.91%
Industrials	1.78%	2.97%	4.74%
Information Technology	0.99%	2.75%	3.74%
Materials	2.16%	3.43%	5.60%
Real Estate	3.72%	0.44%	4.15%
Communications Services	1.22%	5.71%	6.93%
Utilities	3.27%	0.18%	3.44%
S&P 500	1.76%	2.83%	4.59%
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q4,'22			

Share Count Changes		
(Y/Y diluted shares used for EPS)	>=4%	<=-4%
Q4 2022	5.01%	19.24%
Q3 2022	7.21%	21.24%
Q2 2022	8.42%	19.84%
Q1 2022	7.62%	17.64%
Q4 2021	10.06%	14.89%
Q3 2021	10.22%	7.41%
Q2 2021	11.02%	5.41%
Q1 2021	10.40%	5.80%
Q4 2020	9.02%	6.01%
Q3 2020	8.62%	9.62%
Q2 2020	8.60%	17.80%
Q1 2020	8.00%	19.60%
Q4 2019	7.63%	20.68%



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