

S&P 500[®] 2018: Global Sales

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YEAR IN REVIEW

- In 2018, the percentage of [S&P 500](#) sales from foreign countries decreased, after slightly increasing last year, and declining the prior two years. The overall rate for 2018 was 42.90%, down from 2017's 43.62% and 2016's 43.16%. The recent high mark was 2014's 47.82%, and the recent low mark was 2003's 41.84%. S&P 500 foreign sales represent products and services produced and sold outside of the U.S.
- Sales in Asia slightly declined, while technically remaining the highest of any region, with the use of six-digit precision. Asia accounted for 8.24% of all S&P 500 sales, down from 8.26% in 2017 and 8.46% in 2016, but up from 2015's 6.77% and 2014's 7.80%.
- European sales posted their fifth consecutive year of gains, at just a tick lower than Asia. For 2018, European sales increased to 8.24% of all sales, up from 2017's 8.14%, 2016's 8.13%, 2015's 7.79%, and 7.46% in 2014. The UK (which is part of European sales) increased to 1.49% in 2018 from 2017's 1.12% and 2016's 1.10%.
- Japanese sales again decreased in 2018, to 1.14% from 2017's 1.51% and 2016's 1.52%. African sales inched down as well, to 3.82% from 2017's 3.90% and 2016's 3.97%. Sales in Canada declined to 1.98% from 2017's 2.16% and 2016's 2.67%.
- Information Technology continued to have the most foreign exposure of any sector, increasing to 58.19% in 2018 from 56.85% in 2017 and 57.15% in 2016. Energy, which was the sector leader in 2016, with 58.88%, declined to 51.28% in 2018 from 54.06% in 2017.
- Pro forma tabulations for Communication Services (formerly Telecommunication Services) showed that 44.74% of sales were foreign.
- Given the ongoing debate and legislative actions on sales, tariffs, and jobs, the level of specific data disclosed by companies continues to be disappointing.

Source: Compiled by S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of each issue's 2018, 2017, 2016, 2015, 2014, and 2013 fiscal year-end, based on publicly available filings or press releases. Data is provided for illustrative purposes. Please see General Disclaimer at the end of the document for more information.

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OVERVIEW

In 2002, we removed foreign issues from the S&P 500. However, being an American company (or defined as an American company) doesn't mean you're not global. While globalization is apparent in almost all company reports, exact sales and export levels remain difficult to obtain. Many companies tend to categorize sales by regions or markets, while others segregate government sales. Additionally, intracompany sales—and hence, profits—are sometimes structured to take advantage of trade, tariffs, taxes, and regulatory policies. Changes in domicile, inspired by tax savings and nationalistic policies, have also changed the technical classification of what is considered foreign. Therefore, the resulting reported data available to shareholders is significantly less substantial and less revealing than the data that would be necessary to complete a truly comprehensive analysis. However, using the data that is publicly available, we do offer an annual report on foreign sales, which is designed to be a starting point that provides a unique glimpse into global sales composition, but it should not be considered a statement of exact values.

Reporting of global sales again improved somewhat in 2018, but once more it was a slight improvement and the overall quantifiable reporting remained poor. While measured messages from senior management abound, tabular charts—not generally required under Generally Accepted Accounting Principles (GAAP)—are reported by only one-half of issuers. Market participants may need to be careful when determining what data and statistics to use. To illustrate this point, based on the current 2018 reports, foreign sales appear to account for 28.3% of total S&P 500 sales (27.2% in 2017, 26.7% in 2016, 28.4% in 2015, and 31.0% in 2014). However, if we use only the companies that reported foreign sales, the rate increases to 39.7% (38.5% in 2017, 38.9% in 2016, 40.5% in 2015, and 44.5% in 2014). If we eliminate some of the “stranger” values, such as companies reporting at 100% (due to domicile) or reporting a zero rate due to where (and how) the sales were booked (having a zero foreign rate and several foreign plants and outlets leaves some reason for doubt), the rate calculates to 42.9%, down from 2017's 43.6%, 2016's 43.2%, 2015's 44.4%, and 2014's 47.8% (see Exhibit 1). This adjusted rate, 42.9%, is the rate we use for guidance and as a “holding spot” for the actual value of higher-level index and sector attribution.

The overall 2018 results show that foreign sales as a percentage of total S&P 500 sales decreased to 42.90% from 43.62% in 2017 (2016 was 43.16%, 2015 was 44.35%, and 2014 was 47.82%). On a pro forma basis, looking only at current issues in the index that declared foreign sales and their current history (as compared with the actual time series, which is based on the historical membership), the decreased figure of 42.90% for 2018 becomes a statistical tie with the 2017 pro forma 42.91% (the actual was 43.62%).

On the tax front, which continues to be a hot political and board room issue (the Tax Cuts and Jobs Act of 2017 addressed some of the global competitiveness of tax rates, as well as repatriation), Exhibit 3 shows us that more taxes continue to be paid to Washington on both an aggregate and percentage basis than to foreign sovereigns, but with a lower portion going to the U.S. In 2005, S&P 500 companies sent 60.6% of their income tax payments to Washington (USD 141.5 billion) and 39.4% abroad (USD 91.8 billion). The Washington percentage declined to 45.3% in 2011, but it then posted four years of significant increases in 2015, as 66.8% of the payments went to Washington (USD 184.4 billion) and 33.2% went abroad (USD 91.4 billion). For 2016, the percentage of taxes paid to Washington declined for the first time since 2010, to 65.2% of all income taxes. Issues paid USD 160.5 billion to Washington in 2016, a 13.0% decline, equating to a USD 23.9 billion reduction, while they paid

USD 85.6 billion to foreign governments, a 6.3% decline, equating to USD 5.8 billion in lower payments. In 2017, taxes paid rebounded from their 2016 drop and increased from 2015 to post their highest level since at least 2003 (when my records start). Specifically, S&P 500 issues paid USD 104.5 billion in income taxes to foreign governments in 2017, a 22.1% increase from their 2016 USD 85.6 billion payment, as they paid the U.S. government USD 207.2 billion, up 29.1% from the USD 160.5 billion payment seen in 2016. On a percentage basis, U.S. payments accounted for 66.5% of all income tax payments, up from 65.2% in 2016, but down from 2015's 66.8% (which was the highest rate since at least 2003, when my data begins). The Tax Cuts and Jobs Act of 2017, which was implemented in January 2018, significantly changed the U.S. taxing structure and rates. For S&P 500 companies, the overall 2018 effective income tax rate was 17.72%, down from 2017's 24.37% and 2016's 26.44%. For 2018, S&P 500 issues paid USD 109.7 billion in income taxes to foreign governments, a 4.9% increase from the 2017 USD 104.5 billion payment, as they paid the U.S. government USD 168.2 billion, down 18.8% from the USD 207.2 billion payment seen in 2017. On a percentage basis, U.S. payments accounted for 60.5% of all income tax payments in 2018, down from 66.5% in 2017, the lowest rate since 2013's 54.9%. Foreign countries received 39.5% of the payments, up from 33.5% in 2017, the highest rate since 2013's 45.1%.

The Information Technology sector retained its first place standing for having the largest foreign exposure (taking it from Energy in 2016), as its exposure increased to 58.2% in 2018 from 56.8% in 2017 and 57.2% in 2016 (57.8% in 2015 and 59.4% in 2014). The Energy sector's share of foreign sales declined again, falling to 51.3% in 2018 from 54.1% in 2017 and 58.9% in 2016 (2015 was 57.9%, and 2014 was 56.2%). The foreign sales rate among Financials companies decreased to 30.1% in 2018, from 2017's 31.2% and 2016's 30.8% (31.1% in 2015 and 31.2% in 2014). Real Estate, which was created in September 2016 (spun off from Financials), had limited information, as most issues did not report foreign sales, with the few that did report coming in at 39.4%, down from 2017's 41.7%. Pro forma results for Communication Services, which was reorganized from Telecommunication Services, posted a 44.7% rate.

In Exhibit 2, regional data show that European sales continued to increase, representing 8.24% of all S&P 500 sales in 2018, up from 8.14% in 2017 and 8.13% in 2016 (2015 was 7.79% and 2014 was 7.46%). UK sales represented 1.49%, up from 1.12% in 2017 and 1.10% in 2016. European sales excluding the UK increased to 6.75% in 2018, down from 7.02% in 2017 and 7.03% in 2016. Asian sales decreased again, to 8.24% (a virtual tie with Europe) from 2017's 8.26% and 8.46% in 2016. Within Asia, Japanese sales declined to 1.14% of all S&P 500 sales from 2017's 1.51% and 1.52% in 2016. African sales decreased to 3.82% from 3.90% in 2017 and 3.97% in 2016. Sales to Canada declined to 1.98% in 2018 from 2.16% in 2017 and 2.67% in 2016. The largest "region" declared unfortunately continues to be a generalized area, which we classify as "foreign countries," meaning that no further country or regional breakdown was given. For 2018, 42.97% of the issues that reported foreign sales used this category and did not break down their regional sales, down from 43.39% in 2017 and 40.58% in 2016. The "foreign sales" category represented 18.4% of all S&P 500 sales, down from 18.9% in 2017 (17.5% in 2016). The lack of specifics in reporting remains a roadblock to analysis.

As I have noted in several prior reports, it would be helpful if there were current legislative or policy proposals to require detailed reporting, but there are not. Even as trade and tariffs have become a major issue in policy and the market, comprehensive data remains unavailable, with the market often reacting to events (or potential policy changes) as they occur. Compounding the issue, companies often prefer not to report the actual values. From an investor perspective, it would be beneficial to be

able to create a matrix based on production and sales that accounts for parts made in China, assembled in Europe, and sold in the UK, with profits translated into U.S. dollars. Investors could then fill in the currency rates and see the income impact.

The bottom line, however, is that we use what we have, and for now, we are using 42.90% as a holding position for foreign sales as a percentage of total S&P 500 sales, down from 2017's 43.62% and 2016's 43.16%. Our working number for Asia is 8.24% (down from 8.26%), with the same working number for Europe, 8.24% (up from 8.14%), with 1.49% coming from the UK (1.12%).

GLOBAL SALES

[Note: Sales are calculated on each issue's fiscal basis, since quarterly reporting is materially less than annual, and therefore does not match official quarterly values. Foreign sales represent products and services produced and sold outside of the U.S.]

Market participants can point to record levels in the post-recessionary stock market (even though the pace of growth has slowed) with gains in stock prices (continuing into 2019, as the S&P 500 bull run [since March 2009] was posting an annualized 17.97% return as of the end of July 2019), earnings (with the second half of 2019 estimates from Wall Street pointing to an operating earnings record, helped by lower tax rates and record sales), dividends (which set a record for Q2 2019, with another record expected for Q3 2019), and cash levels near a record. On an actual aggregate basis, based on quarterly membership, calendar-year 2018 sales for the S&P 500 increased 9.05% to USD 11.35 trillion from USD 10.54 trillion in 2017, and 2016's USD 9.89 trillion; initial 12-month June 2019 sales were up 6.43% (to USD 11.45 trillion) over the June 2018 period.

The slow upturn in sales for 2018 and into 2019 reflects uncertainty over trade and growth, though stronger fundamentals from consumers support them. However, concern and uncertainty still appear to be major issues, as spending habits can change quickly (often reacting to events). Companies have continued their cost cutting, including layoffs, even as the economy continues to improve. Trade and tariff issues have complicated the situation, making long-term commitments more difficult, even as the S&P 500 Capital Expenditures posted a 16.34% increase in 2018 (to USD 638.38 billion). Consumers have maintained a watchful eye on their expenditures. Earnings have picked up from their 2015 slowdown, with cash flow remaining strong, as low interest costs (with the FOMC reducing the rate in July 2019 and expected to do so again later this year), cost-cutting measures, and buybacks have aided earnings-per-share growth (note that recent data released for the S&P 500 showed record buyback levels, spurred by reduced tax rates).

Our methodology to determine the rate of foreign sales has two steps. First, we calculated the reported foreign sales as a percentage of total sales, regardless of whether the company reported foreign sales (meaning we put in a zero for foreign sales when no value was given). Using this calculation, foreign sales increased to 28.25% in 2018 from 27.17% in 2017 (28.27% for 2017 using the annual 2018 membership) and 26.70% in 2016. It is imperative to note that these values include issues that have not fully reported their foreign data and therefore, may underestimate the actual values. We then calculated the values using only the subset of issues that reported full information. These issues paint a different picture, as foreign sales declined to 42.90% from 43.62% for 2017 (42.91% using the annual 2018 membership), 43.16% in 2016, 44.35% in 2015, and 47.82% in 2014.

Exhibit 1: Foreign Sales as a Percentage of Total Sales

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
42.90%	43.62%	43.16%	44.35%	47.82%	46.29%	46.59%	46.14%	46.29%	46.57%	47.94%

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 2: Foreign Sales by Region

REGION	2018 FOREIGN SALES (%)	2017 FOREIGN SALES (%)	2016 FOREIGN SALES (%)	2015 FOREIGN SALES (%)	2014 FOREIGN SALES (%)
Africa	3.82	3.90	3.97	3.16	4.09
Asia	8.24	8.26	8.46	6.77	7.80
Australia	0.02	0.07	0.07	0.08	0.09
Europe	8.24	8.14	8.13	7.79	7.46
North America (Ex-U.S.)	2.55	2.79	3.34	1.82	3.94
South America	1.59	1.54	1.68	2.91	2.23
Foreign Countries	18.43	18.93	17.51	21.82	22.20
Total	42.90	43.62	43.16	44.35	47.82

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

INCOME TAXES

While revenues posted a 9.0% gain in 2018 (7.0% gain in 2017), operating and as-reported (GAAP) earnings posted 37.9% and 23.6%, respectively, after increasing 22.8% and 23.3%, respectively, in 2017. Tax payments—for companies that revealed their domestic and foreign income tax payments—were volatile historically, as different trends have developed over the past few years. In 2008, U.S. companies paid more in income tax payments to foreign entities than to the U.S. government (USD 135.1 billion versus USD 107.2 billion). In 2009, foreign sales declined more than their domestic counterparts, as U.S. issues bucked the trend, sending slightly more to Washington than to foreign countries (USD 92.7 billion versus USD 91.9 billion). In 2010, the turnaround was again significant, with companies sending USD 101.7 billion to Washington and USD 117.3 billion abroad—a 27.7% jump in foreign payments compared with a 9.7% increase in domestic ones. In 2011, the trend in payments continued, with S&P 500 issues sending USD 141.6 billion to foreign entities for income taxes and USD 117.3 billion to Washington. The resulting mix was 54.7% paid abroad and 45.3% paid domestically. As shown in Exhibit 3a, in 2012, as the U.S. recovery outpaced most of the world markets, taxes paid to Washington rose by 24.2% to USD 145.8 billion, a USD 28.4 billion increase, while income taxes paid abroad slightly decreased to USD 139.1 billion, a USD 2.5 billion decline. The result was that S&P 500 issues sent more to Washington (51.2%) in 2012 than they sent abroad (48.8%) for the first time since 2009 (50.2%). In 2013, the trend continued, as USD 129.5 billion was sent abroad, 45.1%, and USD 157.7 billion went to Washington, 54.9%. The change for 2014 was significant, as the portion of income tax dollars sent to Washington increased to 61.8% from the prior year's 54.9%. This came to an aggregate USD 185.2 billion (from USD 157.7 billion), with foreign payments declining to 38.2% from the prior year's 45.1% (a decline to USD 114.2 billion from the USD 129.5 billion sent in 2013). For 2015, the continued economic slowdown outside the U.S. and the relatively slow uptick within the U.S. combined with currency changes, tax strategies, and lower earnings to continue the increase in payments to the U.S. Accordingly, USD 91.4 billion was sent abroad for 2015, representing a 19.9% decrease in payments (off 35.4% from 2011's USD 141.6 billion payment), as U.S. payments decreased a minor 0.4% to USD 184.4 billion from 2014's 185.2 billion (and up 57.1% from the 2011

level of USD 117.3 billion). For 2016, taxes paid to Washington and foreign governments continued to decline, though the decline rate between the two closed somewhat. The percentage of taxes paid to Washington declined for the first time since 2010, to 65.2% of all income taxes from 2015's 66.8%. For 2016, S&P 500 issues paid USD 160.5 billion to Washington, a 13.0% decline, equating to a USD 23.9 billion reduction, and they paid USD 85.6 billion to foreign governments, a 6.3% decline, equating to USD 5.8 billion in lower payments. With increased earnings, 2017 reversed the 2016 payment decline, as total income tax payments posted a 26.7% gain, to USD 311.7 billion from USD 246.1 billion paid in 2016 and USD 275.8 billion paid in 2015. Taxes paid to foreign governments increased 22.1% to USD 104.5 billion from USD 85.6 billion, as payments to Washington increased 29.1% to USD 207.2 billion, from USD 160.5 billion. The U.S. portion of paid income taxes increased to 66.5% (from 65.2% in 2016 and 45.3% in 2011), as foreign tax payments represented 33.5% (down from 34.8% in 2016 and 54.7% in 2011). For 2018, as reduced U.S. corporate taxes were implemented, S&P 500 tax rates reflected the change, with payments to Washington declining 18.8% to USD 168.2 billion and payments abroad increasing 4.9% to USD 109.7 billion. As a percent of total income taxes paid, 39.5% went abroad (from 2017's 33.5%), while 60.5% went to Washington (down from 2017's 66.5%). Of note, the total 2018 effective income tax rate for the S&P 500 was 17.72%, down from 2017's 24.37% and 2016's 26.44%.

Exhibit 3a: S&P 500 Income Taxes Paid

CATEGORY	2018	2017	2016	2015	2014	2013	2012
Foreign (USD Millions)	109,700	104,549	85,648	91,440	114,227	129,533	139,132
U.S. (USD Millions)	168,157	207,206	160,451	184,393	185,169	157,670	145,765
Foreign % Change	4.93	22.07	-6.33	-19.95	-11.82	-6.90	-1.77
U.S. % Change	-18.85	29.14	-12.98	-0.42	17.44	8.17	24.23
Foreign Change (USD Millions)	5,151	18,901	-5,793	-22,787	-15,306	-9,599	-2,507
U.S. Change (USD Millions)	-39,049	46,754	-23,942	-776	27,499	11,905	28,428
Foreign % of Total	39.5	33.5	34.8	33.2	38.2	45.1	48.8
U.S. % of Total	60.5	66.5	65.2	66.8	61.8	54.9	51.2

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 3b: S&P 500 Effective Income Tax Rates

YEAR	QUARTER	QUARTERLY TAX RATES (%)	ANNUAL TAX RATES (%)
2019	Q1	19.29	-
	Q4	13.22	-
2018	Q3	18.38	17.72
	Q2	19.58	
	Q1	18.81	
2017	Q4	20.38	24.37
	Q3	25.44	
	Q2	25.89	
	Q1	25.44	
2016	Q4	24.29	26.44
	Q3	26.93	
	Q2	26.70	
	Q1	27.89	

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Due to incomplete reporting, the aggregate data does not permit simple foreign representation or sector analysis. For the purposes of this report, we have therefore reduced the S&P 500 pool to issues that have reported full foreign sales, for which foreign sales represent between 15% and 85% of total sales. At this stage of reporting, we still believe (unfortunately) that this is the best approximation of the true aggregate values, although we eagerly look forward to a time when the full group can be analyzed without restraints.

Quantifiable data for the 2018 report was slightly better than what was available in 2017, which was slightly better than that used for the 2016 and 2015 analyses. As shown in Exhibit 4, we were able to utilize 264 issues with complete and compatible data for 2018, up from 261 in 2017, 257 in 2016, 255 in 2015, and 246 in 2014. Given the public debate on foreign trade, taxes, and jobs, the hope has been that more issues would divulge data this year, which has been the hope for the past six years—hopes that have largely failed to materialize. The relative stability of included issues over the past several years speaks to the lack of progress in disclosure and detailed reporting in this matter, which would permit better comparison.

Exhibit 4: S&P 500 Selected Issues

CATEGORY	2018	2017	2016	2015	2014	2013
Foreign Sales Between 15% and 85%	264	261	257	255	246	239
Issues With no Foreign Sales or Incomplete Issues	169	173	188	190	186	194
Issues Under 15%	42	42	42	42	46	46
Issues Over 85%	25	24	12	12	22	22
Issues at 100% (Included in Over 85% Level)	6	6	7	7	9	10

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Using the subset of issues that reported sufficient data, 42.90% of sales were produced and sold outside the U.S., a decrease from the 43.62% reported in 2017 (42.91% using the 2018 membership), and the 43.16% reported in 2016.

SELECTED SECTOR SALES

Information Technology was again the leading sector for foreign exposure (it was also the largest sector in the index), even as its overall sales declined. For 2018, the group reported that 58.19% of its sales were foreign in nature, up from 2017's 56.85%, 2016's 57.15%, and 2015's 57.78%. Materials trailed right behind Information Technology, reporting 56.82% in foreign sales, up from 52.71% in 2017. Industrials broke under 44% to 43.75%, after posting 44.57% in 2017, 44.89% in 2016, and 44.86% in 2015. On a pro forma basis, Communication Services, which was reorganized in 2018 from the former Telecommunication Services, posted 44.74% of its revenue from foreign sources. Neither Real Estate nor Utilities had sufficient reporting to draw a summary, as both are seen as mostly domestic.

Exhibit 5: Foreign Sales as a Percentage of Total Sector Sales

SECTOR	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Consumer Discretionary	34.00	34.07	35.05	37.43	41.36	40.96
Consumer Staples	32.65	32.53	33.67	34.95	39.14	39.79
Energy	51.28	54.06	58.88	57.88	56.23	54.64
Financials	30.08	31.20	30.81	31.13	31.21	32.31
Health Care	38.52	38.16	37.41	37.42	50.25	51.28
Industrials	43.75	44.57	44.89	44.86	46.17	45.91
Information Technology	58.19	56.85	57.15	57.78	59.39	56.60
Materials	56.82	52.71	53.03	53.47	54.54	54.45
Real Estate	-	-	-	-	-	-
Communication Services	44.74	-	-	-	-	-
Utilities	-	-	-	-	-	-
Total Non-U.S. (15%-85%)	42.90	42.65	43.16	44.35	47.82	46.29

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 6: Sector Sales as a Percentage of Total Foreign Sales

SECTOR	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Consumer Discretionary	12.28	14.77	15.79	12.78	13.10	17.36
Consumer Staples	17.47	18.55	18.49	14.08	13.05	19.17
Energy	12.00	10.94	9.66	15.46	21.54	12.39
Financials	5.89	5.93	6.19	4.69	4.43	8.07
Health Care	11.80	12.23	11.81	8.91	7.37	7.52
Industrials	14.68	15.48	16.21	16.04	15.63	14.57
Information Technology	14.51	17.27	16.48	21.93	18.34	14.82
Materials	5.36	3.80	4.14	5.46	5.90	5.36
Real Estate	0.65	0.57	0.55	-	-	-
Communication Services	4.94	0.00	0.14	0.06	0.00	0.00
Utilities	0.43	0.47	0.54	0.60	0.62	0.74
Total Non-U.S. (15%-85%)	100.00	100.00	100.00	100.00	100.00	100.00

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

ISSUE-LEVEL DATA

Exhibit 7: Top 25 Regional Sales by Segment

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2018 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
EXXON MOBIL CORP	XOM	Energy	Canada	279,332	182,402	65.30	78,126	42.83	27.97
APPLE INC	AAPL	Information Technology	Europe	265,359	153,502	57.85	62,420	40.66	23.52
APPLE INC	AAPL	Information Technology	Asia	265,359	153,502	57.85	51,942	33.84	19.57
INTEL CORP	INTC	Information Technology	Asia	70,848	56,545	79.81	44,879	79.37	63.35
APPLE INC	AAPL	Information Technology	Japan	265,359	153,502	57.85	39,140	25.50	14.75
EXXON MOBIL CORP	XOM	Energy	Europe	279,332	182,402	65.30	29,060	15.93	10.40
AMAZON.COM INC	AMZN	Consumer Discretionary	Great Britain	232,887	72,741	31.23	28,353	38.98	12.17
GENERAL ELECTRIC CO	GE	Industrials	Africa	121,615	74,900	61.59	28,100	37.52	23.11
BOEING CO	BA	Industrials	Asia	101,127	56,451	55.82	25,905	45.89	25.62
DUPONT DE NEMOURS INC	DD	Materials	Africa	85,977	56,241	65.41	24,371	43.33	28.35
GENERAL ELECTRIC CO	GE	Industrials	Europe	121,615	74,900	61.59	23,900	31.91	19.65
GENERAL ELECTRIC CO	GE	Industrials	Asia	121,615	74,900	61.59	22,900	30.57	18.83
CHUBB LTD	CB	Financials	North America	32,622	30,064	92.16	21,045	70.00	64.51
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	141,576	39,290	27.75	20,689	52.66	14.61
MICRON TECHNOLOGY INC	MU	Information Technology	Asia	30,391	26,767	88.08	20,155	75.30	66.32
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	232,887	72,741	31.23	19,881	27.33	8.54
ACCENTURE PLC	ACN	Information Technology	North America	41,603	26,754	64.31	18,776	70.18	45.13
JOHNSON & JOHNSON	JNJ	Health Care	Europe	81,581	39,697	48.66	18,753	47.24	22.99
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	39,004	37,954	97.31	18,671	49.19	47.87
QUALCOMM INC	QCOM	Information Technology	Asia	22,132	22,129	99.99	18,324	82.81	82.79
DOW INC	DOW	Materials	Africa	60,278	40,270	66.81	18,148	45.07	30.11
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	160,338	62,792	39.16	17,597	28.02	10.97
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Europe	131,537	33,145	25.20	17,594	53.08	13.38
BOEING CO	BA	Industrials	Middle East	101,127	56,451	55.82	17,570	31.12	17.37
VALERO ENERGY CORP	VLO	Energy	Europe	111,407	34,041	30.56	15,208	44.68	13.65

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 8: Top 25 Sales in “Foreign Countries” Region, by Segment

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2018 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
WALMART INC	WMT	Consumer Staples	Foreign Countries	511,729	122,140	23.87	122,140	100.00	23.87
CHEVRON CORP	CVX	Energy	Foreign Countries	158,902	107,939	67.93	107,939	100.00	67.93
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	279,332	182,402	65.30	75,216	41.24	26.93
ALPHABET INC	GOOGL	Communication Services	Foreign Countries	136,819	73,550	53.76	73,550	100.00	53.76
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	110,360	54,434	49.32	54,434	100.00	49.32
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Foreign Countries	79,591	50,513	63.47	42,024	83.19	52.80
PROCTER & GAMBLE CO	PG	Consumer Staples	Foreign Countries	66,832	39,500	59.10	39,500	100.00	59.10
MCKESSON CORP	MCK	Health Care	Foreign Countries	214,319	38,023	17.74	38,023	100.00	17.74
HP INC	HPQ	Information Technology	Foreign Countries	58,472	37,870	64.77	37,870	100.00	64.77
FORD MOTOR CO	F	Consumer Discretionary	Foreign Countries	160,338	62,792	39.16	34,654	55.19	21.61
CATERPILLAR INC	CAT	Industrials	Foreign Countries	54,722	32,032	58.54	32,032	100.00	58.54
DUPONT DE NEMOURS INC	DD	Materials	Foreign Countries	85,977	56,241	65.41	31,870	56.67	37.07
GENERAL MOTORS CO	GM	Consumer Discretionary	Foreign Countries	147,049	30,467	20.72	30,467	100.00	20.72
AMAZON.COM INC	AMZN	Consumer Discretionary	Foreign Countries	232,887	72,741	31.23	24,507	33.69	10.52
PRUDENTIAL FINANCIAL INC	PRU	Financials	Foreign Countries	62,998	22,389	35.54	22,389	100.00	35.54
DOW INC	DOW	Materials	Foreign Countries	60,278	40,270	66.81	22,122	54.93	36.70
HEWLETT PACKARD ENTERPRISE	HPE	Information Technology	Foreign Countries	30,852	20,660	66.96	20,660	100.00	66.96
COCA-COLA CO	KO	Consumer Staples	Foreign Countries	31,856	20,512	64.39	20,512	100.00	64.39
PFIZER INC	PFE	Health Care	Foreign Countries	53,647	28,318	52.79	19,202	67.81	35.79
COSTCO WHOLESALE CORP	COST	Consumer Staples	Foreign Countries	141,576	39,290	27.75	18,601	47.34	13.14
AMERICAN INTERNATIONAL GROUP	AIG	Financials	Foreign Countries	47,560	16,386	34.45	16,386	100.00	34.45
BAKER HUGHES A GE CO	BHGE	Energy	Foreign Countries	22,877	16,301	71.25	16,301	100.00	71.25
UNITED PARCEL SERVICE INC	UPS	Industrials	Foreign Countries	71,861	15,746	21.91	15,746	100.00	21.91
DEERE & CO	DE	Industrials	Foreign Countries	36,578	14,971	40.93	14,971	100.00	40.93
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	Foreign Countries	64,341	35,615	55.35	14,801	41.56	23.00

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 9: Top Foreign Sales by Region

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2018 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
GENERAL ELECTRIC CO	GE	Industrials	Africa	121,615	74,900	61.59	28,100	37.52	23.11
DUPONT DE NEMOURS INC	DD	Materials	Africa	85,977	56,241	65.41	24,371	43.33	28.35
DOW INC	DOW	Materials	Africa	60,278	40,270	66.81	18,148	45.07	30.11
JOHNSON & JOHNSON	JNJ	Health Care	Africa	81,581	39,697	48.66	14,831	37.36	18.18
CISCO SYSTEMS INC	CSCO	Information Technology	Africa	49,330	20,260	41.07	12,425	61.33	25.19
APPLE INC	AAPL	Information Technology	Asia	265,359	153,502	57.85	51,942	33.84	19.57
INTEL CORP	INTC	Information Technology	Asia	70,848	56,545	79.81	44,879	79.37	63.35
BOEING CO	BA	Industrials	Asia	101,127	56,451	55.82	25,905	45.89	25.62
GENERAL ELECTRIC CO	GE	Industrials	Asia	121,615	74,900	61.59	22,900	30.57	18.83
MICRON TECHNOLOGY INC	MU	Information Technology	Asia	30,391	26,767	88.08	20,155	75.30	66.32
CAMPBELL SOUP CO	CPB	Consumer Staples	Australia	8,685	1,653	19.03	622	37.63	7.16
TJX COS INC (THE)	TJX	Consumer Discretionary	Australia	38,973	9,354	24.00	390	4.17	1.00
EQUIFAX INC	EFX	Industrials	Australia	3,412	1,007	29.51	321	31.90	9.41
ARTHUR J GALLAGHER & CO	AJG	Financials	Australia	6,924	1,556	22.48	291	18.67	4.20
BROWN FORMAN CORP	BF.B	Consumer Staples	Australia	3,324	1,750	52.65	164	9.37	4.93
MOSAIC CO	MOS	Materials	Brazil	9,587	6,616	69.00	3,728	56.35	38.88
LINDE PLC	LIN	Materials	Brazil	14,900	8,958	60.12	2,967	33.12	19.91
TECHNIPFMC PLC	FTI	Energy	Brazil	12,553	12,111	96.48	1,479	12.21	11.78
BALL CORP	BLL	Materials	Brazil	11,635	5,852	50.30	1,380	23.58	11.86
AMERICAN TOWER CORP	AMT	Real Estate	Brazil	7,106	3,159	44.45	596	18.85	8.38
EXXON MOBIL CORP	XOM	Energy	Canada	279,332	182,402	65.30	78,126	42.83	27.97
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	141,576	39,290	27.75	20,689	52.66	14.61
FORD MOTOR CO	F	Consumer Discretionary	Canada	160,338	62,792	39.16	10,541	16.79	6.57
VALERO ENERGY CORP	VLO	Energy	Canada	111,407	34,041	30.56	9,211	27.06	8.27
SYSCO CORP	SYU	Consumer Staples	Canada	58,727	11,915	20.29	4,662	39.12	7.94
WALMART INC	WMT	Consumer Staples	Domestic	511,729	122,140	23.87	392,265	321.16	76.65
MCKESSON CORP	MCK	Health Care	Domestic	214,319	38,023	17.74	176,296	463.66	82.26
AMAZON.COM INC	AMZN	Consumer Discretionary	Domestic	232,887	72,741	31.23	160,146	220.16	68.77
AT&T INC	T	Communication Services	Domestic	170,805	15,961	9.34	154,795	969.83	90.63
CARDINAL HEALTH INC	CAH	Health Care	Domestic	136,809	4,283	3.13	132,526	3,094.23	96.87

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 9: Top Foreign Sales by Region (cont.)

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2018 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
APPLE INC	AAPL	Information Technology	Europe	265,359	153,502	57.85	62,420	40.66	23.52
EXXON MOBIL CORP	XOM	Energy	Europe	279,332	182,402	65.30	29,060	15.93	10.40
GENERAL ELECTRIC CO	GE	Industrials	Europe	121,615	74,900	61.59	23,900	31.91	19.65
JOHNSON & JOHNSON	JNJ	Health Care	Europe	81,581	39,697	48.66	18,753	47.24	22.99
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Europe	131,537	33,145	25.20	17,594	53.08	13.38
WALMART INC	WMT	Consumer Staples	Foreign Countries	511,729	122,140	23.87	122,140	100.00	23.87
CHEVRON CORP	CVX	Energy	Foreign Countries	158,902	107,939	67.93	107,939	100.00	67.93
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	279,332	182,402	65.30	75,216	41.24	26.93
ALPHABET INC	GOOGL	Communication Services	Foreign Countries	136,819	73,550	53.76	73,550	100.00	53.76
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	110,360	54,434	49.32	54,434	100.00	49.32
ARCONIC INC	ARNC	Industrials	France	14,052	4,877	34.71	936	19.19	6.66
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	232,887	72,741	31.23	19,881	27.33	8.54
PHILLIPS 66	PSX	Energy	Germany	111,461	25,060	22.48	4,352	17.37	3.90
BORGWARNER INC	BWA	Consumer Discretionary	Germany	10,530	8,136	77.27	3,119	38.34	29.63
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Germany	39,004	37,954	97.31	2,949	7.77	7.56
CELANESE CORP	CE	Materials	Germany	7,155	5,386	75.28	2,335	43.35	32.63
DANAHER CORP	DHR	Health Care	Germany	19,893	12,519	62.93	2,166	17.30	10.89
AMAZON.COM INC	AMZN	Consumer Discretionary	Great Britain	232,887	72,741	31.23	28,353	38.98	12.17
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	160,338	62,792	39.16	17,597	28.02	10.97
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Great Britain	131,537	33,145	25.20	13,297	40.12	10.11
PHILLIPS 66	PSX	Energy	Great Britain	111,461	25,060	22.48	11,054	44.11	9.92
CONOCOPHILLIPS	COP	Energy	Great Britain	36,417	13,677	37.56	7,723	56.47	21.21
APPLE INC	AAPL	Information Technology	Japan	265,359	153,502	57.85	39,140	25.50	14.75
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Japan	79,591	50,513	63.47	8,489	16.81	10.67
METLIFE INC	MET	Financials	Japan	67,957	15,144	22.28	6,435	42.49	9.47
ABBVIE INC	ABBV	Health Care	Japan	32,753	11,229	34.28	5,601	49.88	17.10
FREEMPORT-MCMORAN INC	FCX	Materials	Japan	18,628	12,838	68.92	4,792	37.33	25.72
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Mexico	39,004	37,954	97.31	8,794	23.17	22.55
PEPSICO INC	PEP	Consumer Staples	Mexico	64,661	27,513	42.55	3,878	14.10	6.00
AT&T INC	T	Communication Services	Mexico	170,805	15,961	9.34	3,100	19.42	1.81
AMERICAN TOWER CORP	AMT	Real Estate	Mexico	7,106	3,159	44.45	1,357	42.95	19.09
KANSAS CITY SOUTHERN	KSU	Industrials	Mexico	2,714	1,289	47.50	1,289	100.00	47.50

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 9: Top Foreign Sales by Region (cont.)

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2018 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
BOEING CO	BA	Industrials	Middle East	101,127	56,451	55.82	17,570	31.12	17.37
OCCIDENTAL PETROLEUM CORP	OXY	Energy	Middle East	17,824	5,403	30.31	4,389	81.23	24.62
AIR PRODUCTS & CHEMICALS INC	APD	Materials	Middle East	8,930	5,781	64.73	2,293	39.66	25.67
NATIONAL OILWELL VARCO INC	NOV	Energy	Middle East	8,453	4,973	58.83	2,086	41.95	24.68
ANSYS INC	ANSS	Information Technology	Middle East	1,294	787	60.86	193	24.55	14.94
CHUBB LTD	CB	Financials	North America	32,622	30,064	92.16	21,045	70.00	64.51
ACCENTURE PLC	ACN	Information Technology	North America	41,603	26,754	64.31	18,776	70.18	45.13
MYLAN NV	MYL	Health Care	North America	11,434	7,250	63.40	4,208	58.05	36.80
JACOBS ENGINEERING GROUP INC	JEC	Industrials	Pacific	14,985	5,466	36.47	1,833	33.54	12.23
AT&T INC	T	Communication Services	South America	170,805	15,961	9.34	8,788	55.06	5.15
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	South America	64,341	35,615	55.35	7,903	22.19	12.28
AMERICAN AIRLINES GROUP INC	AAL	Industrials	South America	44,541	11,103	24.93	5,125	46.16	11.51
AES CORP (THE)	AES	Utilities	South America	10,736	7,274	67.75	5,092	70.00	47.43
SCHLUMBERGER LTD	SLB	Energy	South America	32,815	20,446	62.31	3,745	18.32	11.41
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	39,004	37,954	97.31	18,671	49.19	47.87
JOHNSON CONTROLS INTL PLC	JCI	Industrials	United States	31,400	28,395	90.43	14,625	51.51	46.58
EATON CORP PLC	ETN	Industrials	United States	21,609	17,056	78.93	12,034	70.56	55.69
ROYAL CARIBBEAN CRUISES LTD	RCL	Consumer Discretionary	United States	9,494	9,494	100.00	5,791	61.00	61.00
APTIV PLC	APTV	Consumer Discretionary	United States	14,435	9,746	67.52	5,390	55.30	37.34

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