

A Snapshot Of Top-Line Growth Projections

S&P 500/Sector Index Revenue Growth Rate Estimates (Y-0-Y)

Index	2021 Est.	2022 Est.	2023 Est.
S&P 500	14.8%	7.1%	5.2%
Communication Services	13.5%	8.5%	7.3%
Consumer Discretionary	17.7%	17.1%	8.6%
Consumer Staples	7.1%	3.1%	3.6%
Energy	47.9%	4.5%	-1.7%
Financials	8.3%	1.9%	5.3%
Health Care	11.4%	5.3%	4.5%
Industrials	15.9%	10.2%	5.6%
Information Technology	17.6%	8.3%	6.8%
Materials	24.2%	2.0%	0.9%
Real Estate	9.3%	6.6%	5.0%
Utilities	7.4%	2.2%	3.0%

Source: Bloomberg. Data as of 9/3/21.

View from the Observation Deck

1. On 9/3/21, the S&P 500 Index closed the trading session 0.03% below its all-time high of 4,536.95 (9/2/21), according to Bloomberg.
2. For the market to trend higher, we believe that corporate earnings will need to grow, and perhaps the best catalyst for growing earnings is to increase revenues.
3. As indicated in the table, Bloomberg's 2021, 2022 and 2023 consensus year-over-year revenue growth rate estimates for the S&P 500 Index were 14.8%, 7.1% and 5.2%, respectively, as of 9/3/21.
4. Revenue growth appears poised to rebound robustly in 2021 following the COVID-induced hit to the business/economic climate in 2020, which is why we wanted to include projections through 2023. Growth rates of 5.0% or better sit comfortably above the S&P 500 Index's 15-year average (2006-2020) of 3.3%, according to data from Bloomberg.
5. All 11 major sectors reflect y-o-y revenue growth rate estimates of 5.0% or more for 2021, compared to six for both 2022 and 2023.
6. Four sectors (Communication Services, Consumer Discretionary, Industrials and Information Technology) stand out the most in 2022 and 2023.
7. The outlook for S&P 500 Index earnings looks optimistic as well. Bloomberg's consensus earnings growth rate estimates for the index for 2021, 2022 and 2023 were 44.9%, 9.0% and 9.6%, respectively, as of 9/3/21.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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