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S&P 500[®] 2017: Global Sales

YEAR IN REVIEW

- In 2017, the percentage of S&P 500 sales from foreign countries increased slightly, after two years of measured decreases. The overall rate for 2017 was 43.6%, up from 43.2% in 2016, but down from 44.3% in 2015 and 47.8% in 2014, which was at least an 11-year record high. S&P 500 foreign sales represent products and services produced and sold outside of the U.S.
- Sales in Asia declined, but they remained the highest of any region. Asia accounted for 8.26% of all S&P 500 sales, down from 8.46% in 2016, but up from 2015's 6.77% and 2014's 7.80%.
- European sales ticked up for 2017, but they remained lower than Asia. For 2017, European sales increased to 8.14% of all sales, up from 8.13% in 2016, 7.79% in 2015 and 7.46% in 2014. The UK (which is part of European sales) increased to 1.12% from 2016's 1.10%, after 2015's increase to 1.86%.
- Japanese sales decreased to 1.51% of all S&P 500 sales from 1.52% in 2016, and African sales inched down to 3.90% from 3.97% in 2017. Sales in Canada declined to 2.16% from 2.67% in 2016, after declining significantly to 1.17% in 2015 from 3.51% in 2014 (oil-related sales were seen as a contributing factor).
- Information technology had the most foreign exposure of any sector, even though it declined to 56.95% from 2016's 57.15%. Energy, which was last year's lead sector, declined to 54.06% from 58.88% in 2016.
- 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 2017, 2016, 2015, 2014, 2013, and 2012 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, tax, and regulatory policies. Changes in domicile, inspired by tax savings, 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 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 2017, 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 2017 reports, foreign sales appear to account for 27.2% of total S&P 500 sales (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 38.5% (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 43.6%, up from 2016's 43.2%, which was down from the 44.3% posted in 2015, and significantly down from the 47.8% reported in 2014 (see Exhibit 1). This adjusted rate, 43.6%, 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 2017 results show that foreign sales as a percentage of total S&P 500 sales slightly increased to 43.62% from 43.16% in 2016 (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 slightly increased figure for 2017 becomes a tick lower than the pro forma 2016 rate of 43.65%, which from a statistical view is flat (more a result of membership and reporting). Both views support that there was little change for 2017 over 2016, after the declines in 2015 and 2014.

On the tax front, which continues to be a hot political and board room issue (as recent tax changes 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. 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 38.2% 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. For 2016, issues paid USD 160.5 billion to Washington, 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, for 2017, S&P 500 issues paid USD 104.5 billion in income taxes to foreign governments, 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 energy sector's share of foreign sales posted its first decline after six years of increasing, falling to 54.1% from 2016's 58.9% (2015 was 57.9%, 2014 56.2%, and 2013 54.6%), as oil prices and related services and equipment sales increased in 2017, with the domestic component increasing more. The sector had the largest proportion of reported foreign sales for the second year in a row. Several items point to a potential change in energy's position going forward. For the first half of 2018, oil prices and energy equity prices increased, as initial first half 2018 sales increased 26.7% (S&P 500 energy sector) year-over-year, with the U.S. now producing more energy-related products (oil and gas) and permitted to export some of it. The information technology sector, which had lost its first place setting for having the largest foreign exposure to energy last year, regained the title, even as its exposure declined to 56.8% in 2017 from 2016's 57.2% (57.8% in 2015 and 59.49% in 2014). The foreign sales rate among financials companies increased to 31.2% from 2016's 30.8%, which was a decline from 31.1% in 2015 and 31.2% in 2014. The sector's rate has remained relatively flat over the past five years. 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 41.7%.

In Exhibit 2, regional data show that European sales continued to increase, if only by a tick this year, representing 8.14% of S&P 500 sales in 2017, up from 8.13% in 2016, which was up from 7.79% in 2015, 7.46% in 2014, and 6.80% in 2013, which had declined significantly from the 9.69% reported in 2012, 11.08% in 2011, and 13.48% reported in 2010. UK sales represented 1.12%, up from 1.10% in 2016, and down from 1.86% in 2015, which was up from 0.89% in 2014. European sales excluding the UK increased to 7.02% in 2017, virtually flat from 7.03% in 2016; 2015 was 5.93% and 2014 was 6.58%. Asian sales decreased to 8.26% from 8.46% in 2016, which was up from 2015's 6.77%, as it continued to hold the title for the most regional foreign sales, which it had taken from Europe last year. Within Asia, Japanese sales declined to 1.51% of S&P 500 sales from 1.52% in 2016, which was up from 2015's 1.15% and the 0.50% rate from 2014. African sales decreased to 3.90% in 2017 from 3.97% in 2016 and from 2.61% in 2015. Sales to Canada declined to 2.16% from 2016's 2.67%, after declining significantly to 1.17% in 2015 from 3.51% in 2014 (oil-related sales were seen as a contributing factor). 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 2017, 43.39% of the issues that reported foreign sales used this category and did not break down their regional sales, up from 40.58% in 2016, but down from 49.19% in 2015 (46.43% in 2014). The "foreign sales" category represented 18.5% of all S&P 500 sales, up from 17.5% in 2016, but still down from the 21.8% representation in 2015 (22.2% in 2014). 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, 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 43.62% as a holding position for foreign sales as a percentage of total S&P 500 sales, up from 2016's 43.16%, which was a decline from 2015's 44.35% and 47.82% in 2014. Our working number for Asia is 8.26% (down from 8.46%), and the working number for Europe is 8.14% (up from 8.13%), with 1.12% coming from the UK (1.10%).

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.]

While market participants can point to substantial growth in the post-recessionary stock market (even though the pace of growth has slowed) with gains in stock prices (continuing into 2018, as the S&P 500 is posting an annualized double-digit return), earnings (with Q2 2018 estimates from Wall Street pointing to an operating earnings record, helped by lower tax rates and higher sales), dividends (which set a record for Q2 2018, with another record expected for Q3 2018), and cash levels near a record. On an actual aggregate basis, based on quarterly membership, calendar-year 2017 sales for the S&P 500 increased 5.84% to USD 10.54 trillion from USD 9.96 trillion in 2016, after 2016's mild 0.30% gain over 2015's USD 9.93 trillion and the decline of 3.91% in 2015 (from the USD 10.34 trillion posted in 2014); initial 12-month June 2018 sales were up 800% (to USD 11.0 trillion) over the June 2017 period. Corporations addressed the slower sales via cost reductions, maintaining margins at near-record levels, as well as M&A to increase their market share in a slower growing economy. For 2017 (and into 2018), sales recovered, as personal wealth, the market, and low unemployment have encouraged spending. For 2018, notable gains in sales have been noted to date, as initial (but still inconclusive) data point to lower income tax rates as a contributor (the issue is also political).

The upturn in sales for 2017, and into 2018, reflects less uncertainty of markets, as stronger fundamentals support them. Concern and uncertainty, however, 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 also complicated the situation, making long-term commitments more difficult. 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, cost-cutting measures, and buybacks have aided earnings-per-share growth (note that recent data released for the S&P 500 showed record buybacks for Q1 2018, and a potential record for Q2 2018 based on the current filings).

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 27.17% from 26.70% in 2016, which was a decrease from 28.39% in 2015 and 31.13% in 2014 (2013 was 26.00% and 2012 reported 28.71%). 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, but they still show an increase in foreign sales to 43.62% for 2017 from 43.16% in 2016, down from 44.35% in 2015 and 47.82% in 2014, which was up from the 46.29% reported in 2013 and the 46.59% posted in 2012 (up until 2014, the rate had stayed at the 46% level since 2008, when it stood at 47.94%).

Exhibit 1: Foreign Sales as a Percentage of Total Sales

2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
43.62%	43.16%	44.35%	47.82%	46.29%	46.59%	46.14%	46.29%	46.57%	47.94%	45.84%

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 2: Foreign Sales by Region

REGION	2017 FOREIGN SALES (%)	2016 FOREIGN SALES (%)	2015 FOREIGN SALES (%)	2014 FOREIGN SALES (%)	2013 FOREIGN SALES (%)
Africa	3.90	3.97	3.16	4.09	3.55
Asia	8.26	8.46	6.77	7.80	7.71
Australia	0.07	0.07	0.08	0.09	0.11
Europe	8.14	8.13	7.79	7.46	6.80
North America (Ex-U.S.)	2.79	3.34	1.82	3.94	2.72
South America	1.54	1.68	2.91	2.23	2.60
Foreign Countries	18.93	17.51	21.82	22.20	22.80
Total	43.62	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 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

INCOME TAXES

While revenues posted a 7.0% gain in 2017, operating and as-reported (GAAP) earnings posted 17.2% and 16.2%, respectively, after increasing 5.8% and 9.3%, respectively, in 2016. 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 to a 9.7% increase in domestic ones. As shown in Exhibit 3, 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. For 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 91.5 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, as 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).

Related, but not part of this report, are the new tax regulations, reducing U.S. corporate tax rates and requiring repatriation of foreign earnings.

Exhibit 3: S&P 500 Income Taxes Paid							
CATEGORY	2017	2016	2015	2014	2013	2012	2011
Foreign (USD Millions)	104,549	85,648	91,440	114,227	129,533	139,132	141,639
U.S. (USD Millions)	207,206	160,451	184,393	185,169	157,670	145,765	117,337
Foreign % Change	22.07	-6.33	-19.95	-11.82	-6.90	-1.77	20.71
U.S. % Change	29.14	-12.98	-0.42	17.44	8.17	24.23	15.42
Foreign Change (USD Millions)	18,901	-5,793	-22,787	-15,306	-9,599	-2,507	24,299
U.S. Change (USD Millions)	46,754	-23,942	-776	27,499	11,905	28,428	15,675
Foreign % of Total	33.5	34.8	33.2	38.2	45.1	48.8	54.7
U.S. % of Total	66.5	65.2	66.8	61.8	54.9	51.2	45.3

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. 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 2017 report was slightly better than what was available in 2016, which was slightly better than that used for the 2015 analysis. As shown in Exhibit 4, for 2017, we were able to utilize 261 issues with complete and comparable data, up from the 257 we utilized in 2016, 255 in 2015, and 246 in 2014. Given the public debate on foreign trade, taxes, and jobs, the hope was that more issues would divulge data this year, which has been the hope for the past five 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, but should permit better comparison.

Exhibit 4: S&P 500 Selected Issues						
CATEGORY	2017	2016	2015	2014	2013	2012
Foreign Sales Between 15% and 85%	261	257	255	246	239	264
Issues With no Foreign Sales or Incomplete Issues	173	188	190	186	194	170
Issues Under 15%	42	42	42	46	46	48
Issues Over 85%	24	12	12	22	22	18
Issues at 100% (Included in Over 85% Level)	6	7	7	9	10	8

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Using the subset of issues that reported sufficient data, 43.62% of sales were produced and sold outside of the U.S., an increase from the 43.16% reported in 2016, but less than the 44.35% reported in 2015.

SELECTED SECTOR SALES

Information technology was the leading sector for foreign exposure (it was also the largest sector in the index), even as its overall sales declined. For 2017, the group reported that 56.85% of its sales were foreign in nature, down from 57.15% in 2016 (57.78% in 2015). Energy trailed right behind information technology, reporting 54.06% in foreign sales, down from 58.88% in 2016 (when it overtook information technology as the leading sector). Health care increased to 38.16% from 37.41% in 2016 (52.42% in 2011), while financials increased to 31.20% from 30.82% in 2016, as it posted the lowest rate of the sectors calculated. Neither real estate nor telecommunication services 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	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)
Consumer Discretionary	34.07	35.05	37.43	41.36	40.96	42.45	42.28
Consumer Staples	32.53	33.67	34.95	39.14	39.79	38.90	46.99
Energy	54.06	58.88	57.88	56.23	54.64	52.57	39.29
Financials	31.20	30.81	31.13	31.21	32.31	29.98	34.67
Health Care	38.16	37.41	37.42	50.25	51.28	50.23	52.42
Industrials	44.57	44.89	44.86	46.17	45.91	47.41	47.96
Information Technology	56.85	57.15	57.78	59.39	56.60	58.32	56.52
Materials	52.71	53.03	53.47	54.54	54.45	50.70	53.71
Real Estate	-	-	-	-	-	-	-
Telecommunication Services	-	17.43	19.14	N/M	N/M	N/M	N/M
Utilities	41.26	46.29	48.19	N/M	N/M	N/M	N/M
Total Non-U.S. (15%-85%)	43.62	43.16	44.35	47.82	46.29	46.59	46.14

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. 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	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)
Consumer Discretionary	14.77	15.79	12.78	13.10	17.36	13.33	12.10
Consumer Staples	18.55	18.49	14.08	13.05	19.17	14.74	11.03
Energy	10.94	9.66	15.46	21.54	12.39	20.61	20.57
Financials	5.93	6.19	4.69	4.43	8.07	4.96	4.64
Health Care	12.23	11.81	8.91	7.37	7.52	7.89	8.47
Industrials	15.48	16.21	16.04	15.63	14.57	15.09	16.98
Information Technology	17.27	16.48	21.93	18.34	14.82	16.17	18.98
Materials	3.80	4.14	5.46	5.90	5.36	6.54	7.14
Real Estate	0.57	0.55	-	-	-	-	-
Telecommunication Services	0.00	0.14	0.06	0.00	0.00	0.00	0.00
Utilities	0.47	0.54	0.60	0.62	0.74	0.68	0.08
Total Non-U.S. (15%-85%)	100.00	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 2018. 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 2017 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
EXXON MOBIL CORP	XOM	Energy	Canada	237,162	155,083	65.39	68,035	43.87	28.69
APPLE INC	AAPL	Information Technology	Europe	229,234	132,634	57.86	54,938	41.42	23.97
APPLE INC	AAPL	Information Technology	Asia	229,234	132,634	57.86	44,764	33.75	19.53
INTEL CORP	INTC	Information Technology	Asia	62,761	50,218	80.01	39,599	78.85	63.09
APPLE INC	AAPL	Information Technology	Japan	229,234	132,634	57.86	32,932	24.83	14.37
GENERAL ELECTRIC CO	GE	Industrials	Africa	120,468	75,800	62.92	30,900	40.77	25.65
EXXON MOBIL CORP	XOM	Energy	Europe	237,162	155,083	65.39	25,109	16.19	10.59
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	177,866	57,380	32.26	23,279	40.57	13.09
GENERAL ELECTRIC CO	GE	Industrials	Europe	120,468	75,800	62.92	22,600	29.82	18.76
GENERAL ELECTRIC CO	GE	Industrials	Asia	120,468	75,800	62.92	22,300	29.42	18.51
BOEING CO	BA	Industrials	Asia	93,392	51,061	54.67	20,810	40.76	22.28
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	129,025	35,136	27.23	18,775	53.44	14.55
DOWDUPONT INC	DWDP	Materials	Africa	62,484	41,274	66.06	18,069	43.78	28.92
BOEING CO	BA	Industrials	Europe	93,392	51,061	54.67	17,964	35.18	19.24
JOHNSON & JOHNSON	JNJ	Health Care	Europe	76,450	36,587	47.86	17,126	46.81	22.40
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	177,866	57,380	32.26	16,951	29.54	9.53
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	156,776	62,932	40.14	16,884	26.83	10.77
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	34,484	33,415	96.90	16,618	49.73	48.19
JOHNSON & JOHNSON	JNJ	Health Care	Africa	76,450	36,587	47.86	13,420	36.68	17.55
BOEING CO	BA	Industrials	Middle East	93,392	51,061	54.67	12,287	24.06	13.16
FORD MOTOR CO	F	Consumer Discretionary	Canada	156,776	62,932	40.14	10,580	16.81	6.75
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Japan	79,139	49,380	62.40	8,239	16.68	10.41
JOHNSON & JOHNSON	JNJ	Health Care	Europe	76,450	36,587	47.86	6,041	16.51	7.90
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Mexico	34,484	33,415	96.90	5,231	15.65	15.17
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Germany	34,484	33,415	96.90	2,746	8.22	7.96

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. 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 2017 (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	496,785	119,763	24.11	119,763	100.00	24.11
CHEVRON CORP	CVX	Energy	Foreign Countries	127,485	90,101	70.68	90,101	100.00	70.68
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	237,162	155,083	65.39	61,939	39.94	26.12
ALPHABET INC	GOOGL	Information Technology	Foreign Countries	110,855	58,406	52.69	58,406	100.00	52.69
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	89,950	44,702	49.70	44,702	100.00	49.70
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Foreign Countries	79,139	49,380	62.40	41,141	83.32	51.99
MCKESSON CORP	MCK	Health Care	Foreign Countries	208,357	38,414	18.44	38,414	100.00	18.44
PROCTER & GAMBLE CO	PG	Consumer Staples	Foreign Countries	65,058	37,800	58.10	37,800	100.00	58.10
FORD MOTOR CO	F	Consumer Discretionary	Foreign Countries	156,776	62,932	40.14	35,468	56.36	22.62
GENERAL MOTORS CO	GM	Consumer Discretionary	Foreign Countries	145,588	34,425	23.65	34,425	100.00	23.65
HP INC	HPQ	Information Technology	Foreign Countries	52,056	32,735	62.88	32,735	100.00	62.88
CATERPILLAR INC	CAT	Industrials	Foreign Countries	45,462	26,910	59.19	26,910	100.00	59.19
DOWDUPONT INC	DWDP	Materials	Foreign Countries	62,484	41,274	66.06	23,205	56.22	37.14
PRUDENTIAL FINANCIAL INC	PRU	Financials	Foreign Countries	59,727	23,116	38.70	23,116	100.00	38.70
FACEBOOK INC	FB	Information Technology	Foreign Countries	40,653	22,919	56.38	22,919	100.00	56.38
COCA-COLA CO	KO	Consumer Staples	Foreign Countries	35,410	20,683	58.41	20,683	100.00	58.41
HEWLETT PACKARD ENTERPRISE	HPE	Information Technology	Foreign Countries	28,871	18,958	65.66	18,958	100.00	65.66
PFIZER INC	PFE	Health Care	Foreign Countries	52,546	26,519	50.47	18,011	67.92	34.28
AMAZON.COM INC	AMZN	Consumer Discretionary	Foreign Countries	177,866	57,380	32.26	17,150	29.89	9.64
COSTCO WHOLESALE CORP	COST	Consumer Staples	Foreign Countries	129,025	35,136	27.23	16,361	46.56	12.68
AMERICAN INTERNATIONAL GROUP	AIG	Financials	Foreign Countries	49,004	15,371	31.37	15,371	100.00	31.37
ORACLE CORP	ORCL	Information Technology	Foreign Countries	39,831	20,754	52.11	14,371	69.24	36.08
PEPSICO INC	PEP	Consumer Staples	Foreign Countries	63,525	26,979	42.47	14,329	53.11	22.56
MEDTRONIC PLC	MDT	Health Care	Foreign Countries	29,953	14,078	47.00	13,993	99.40	46.72
UNITED PARCEL SERVICE INC	UPS	Industrials	Foreign Countries	65,872	13,936	21.16	13,936	100.00	21.16

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of July 2018. 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	SALES 2017 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
GENERAL ELECTRIC CO	GE	Industrials	Africa	120,468	75,800	62.92	30,900	40.77	25.65
DOWDUPONT INC	DWDP	Materials	Africa	62,484	41,274	66.06	18,069	43.78	28.92
JOHNSON & JOHNSON	JNJ	Health Care	Africa	76,450	36,587	47.86	13,420	36.68	17.55
CISCO SYSTEMS INC	CSCO	Information Technology	Africa	48,005	19,654	40.94	12,004	61.08	25.01
MERCK & CO	MRK	Health Care	Africa	40,122	22,698	56.57	11,478	50.57	28.61
APPLE INC	AAPL	Information Technology	Asia	229,234	132,634	57.86	44,764	33.75	19.53
INTEL CORP	INTC	Information Technology	Asia	62,761	50,218	80.01	39,599	78.85	63.09
GENERAL ELECTRIC CO	GE	Industrials	Asia	120,468	75,800	62.92	22,300	29.42	18.51
BOEING CO	BA	Industrials	Asia	93,392	51,061	54.67	20,810	40.76	22.28
QUALCOMM INC	QCOM	Information Technology	Asia	23,231	21,778	93.75	18,117	83.19	77.99
NEWMONT MINING CORP	NEM	Materials	Australia	7,348	4,555	61.99	2,204	48.39	29.99
AT&T INC	T	Telecommunication Services	Brazil	160,789	10,705	6.66	2,948	27.54	1.83
MOSAIC CO	MOS	Materials	Brazil	7,409	4,728	63.82	2,199	46.51	29.68
BALL CORP	BLL	Materials	Brazil	10,983	5,487	49.96	1,427	26.01	12.99
PRAXAIR INC	PX	Materials	Brazil	11,437	6,464	56.52	1,179	18.24	10.31
EXXON MOBIL CORP	XOM	Energy	Canada	237,162	155,083	65.39	68,035	43.87	28.69
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	129,025	35,136	27.23	18,775	53.44	14.55
FORD MOTOR CO	F	Consumer Discretionary	Canada	156,776	62,932	40.14	10,580	16.81	6.75
VALERO ENERGY CORP	VLO	Energy	Canada	88,407	27,366	30.95	7,039	25.72	7.96
SYSCO CORP	SY	Consumer Staples	Canada	55,371	10,975	19.82	4,347	39.61	7.85
WALMART INC	WMT	Consumer Staples	Domestic	496,785	119,763	24.11	380,580	317.78	76.61
MCKESSON CORP	MCK	Health Care	Domestic	208,357	38,414	18.44	169,943	442.40	81.56
AT&T INC	T	Telecommunication Services	Domestic	160,789	10,705	6.66	149,841	1399.73	93.19
CARDINAL HEALTH INC	CAH	Health Care	Domestic	129,976	4,970	3.82	125,006	2515.21	96.18
AMAZON.COM INC	AMZN	Consumer Discretionary	Domestic	177,866	57,380	32.26	120,486	209.98	67.74
APPLE INC	AAPL	Information Technology	Europe	229,234	132,634	57.86	54,938	41.42	23.97
EXXON MOBIL CORP	XOM	Energy	Europe	237,162	155,083	65.39	25,109	16.19	10.59
GENERAL ELECTRIC CO	GE	Industrials	Europe	120,468	75,800	62.92	22,600	29.82	18.76
BOEING CO	BA	Industrials	Europe	93,392	51,061	54.67	17,964	35.18	19.24
JOHNSON & JOHNSON	JNJ	Health Care	Europe	76,450	36,587	47.86	17,126	46.81	22.40

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

COMPANY	TICKER	SECTOR	REGION	SALES 2017 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
WALMART INC	WMT	Consumer Staples	Foreign Countries	496,785	119,763	24.11	119,763	100.00	24.11
CHEVRON CORP	CVX	Energy	Foreign Countries	127,485	90,101	70.68	90,101	100.00	70.68
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	237,162	155,083	65.39	61,939	39.94	26.12
ALPHABET INC	GOOGL	Information Technology	Foreign Countries	110,855	58,406	52.69	58,406	100.00	52.69
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	89,950	44,702	49.70	44,702	100.00	49.70
HANESBRANDS INC	HBI	Consumer Discretionary	France	6,471	2,054	31.73	1,006	49.00	15.55
ARCONIC INC	ARNC	Industrials	France	12,960	4,793	36.98	965	20.13	7.45
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	177,866	57,380	32.26	16,951	29.54	9.53
PHILLIPS 66	PSX	Energy	Germany	89,300	26,670	29.87	6,692	25.09	7.49
ABBVIE INC	ABBV	Health Care	Germany	28,216	9,965	35.32	4,527	45.43	16.04
BORGWARNER INC	BWA	Consumer Discretionary	Germany	9,799	7,519	76.73	2,999	39.88	30.60
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Germany	34,484	33,415	96.90	2,746	8.22	7.96
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	156,776	62,932	40.14	16,884	26.83	10.77
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Great Britain	118,214	30,912	26.15	12,552	40.61	10.62
PHILLIPS 66	PSX	Energy	Great Britain	89,300	26,670	29.87	10,626	39.84	11.90
DXC TECHNOLOGY COMPANY	DXC	Information Technology	Great Britain	24,556	13,718	55.86	3,392	24.73	13.81
SYSCO CORP	SYT	Consumer Staples	Great Britain	55,371	10,975	19.82	2,974	27.10	5.37
APPLE INC	AAPL	Information Technology	Japan	229,234	132,634	57.86	32,932	24.83	14.37
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	177,866	57,380	32.26	23,279	40.57	13.09
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Japan	79,139	49,380	62.40	8,239	16.68	10.41
MERCK & CO	MRK	Health Care	Japan	40,122	22,698	56.57	6,883	30.32	17.16
METLIFE INC	MET	Financials	Japan	62,412	14,872	23.83	6,444	43.33	10.32
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	Mexico	34,484	33,415	96.90	5,231	15.65	15.17
PEPSICO INC	PEP	Consumer Staples	Mexico	63,525	26,979	42.47	3,650	13.53	5.75
AT&T INC	T	Telecommunication Services	Mexico	160,789	10,705	6.66	2,913	27.21	1.81
KANSAS CITY SOUTHERN	KSU	Industrials	Mexico	2,583	1,223	47.37	1,223	100.00	47.37
SEMPRA ENERGY	SRE	Utilities	Mexico	11,207	2,660	23.74	1,093	41.09	9.75
BOEING CO	BA	Industrials	Middle East	93,392	51,061	54.67	12,287	24.06	13.16
OCCIDENTAL PETROLEUM CORP	OXY	Energy	Middle East	12,508	4,423	35.36	3,599	81.37	28.77
AIR PRODUCTS & CHEMICALS INC	APD	Materials	Middle East	8,188	5,301	64.74	2,479	46.76	30.27
NATIONAL OILWELL VARCO INC	NOV	Energy	Middle East	7,304	4,544	62.21	1,891	41.62	25.89

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

COMPANY	TICKER	SECTOR	REGION	SALES 2017 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
CHUBB LTD	CB	Financials	North America	32,207	29,034	90.15	20,324	70.00	63.10
ACCENTURE PLC	ACN	Information Technology	North America	36,765	24,210	65.85	17,255	71.27	46.93
MYLAN NV	MYL	Health Care	North America	11,908	7,913	66.45	5,056	63.90	42.46
AES CORP	AES	Utilities	Philippines	10,530	7,290	69.23	2,188	30.01	20.78
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	South America	60,828	32,934	54.14	6,279	19.07	10.32
AMERICAN AIRLINES GROUP INC	AAL	Industrials	South America	42,207	12,595	29.84	5,422	43.05	12.85
AT&T INC	T	Telecommunication Services	South America	160,789	10,705	6.66	4,844	45.25	3.01
AES CORP	AES	Utilities	South America	10,530	7,290	69.23	4,561	62.57	43.31
SCHLUMBERGER LTD	SLB	Energy	South America	30,440	20,442	67.16	3,976	19.45	13.06
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	34,484	33,415	96.90	16,618	49.73	48.19
JOHNSON CONTROLS INTL PLC	JCI	Industrials	United States	30,172	27,312	90.52	14,495	53.07	48.04
EATON CORP PLC	ETN	Industrials	United States	20,404	16,010	78.47	11,222	70.09	55.00
APTIV PLC	APTIV	Consumer Discretionary	United States	12,884	8,806	68.35	4,652	52.83	36.11
TE CONNECTIVITY LTD	TEL	Information Technology	United States	13,113	10,097	77.00	4,063	40.24	30.98

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