

Corporate Results Roundup Q3 2023

Deterioration continues and revenues disappoint

Gareth Williams

London
Head of Corporate Credit Research
gareth.williams@spglobal.com

Gregg Lemos-Stein

New York
Chief Analytical Officer, Corporate Ratings
gregg.lemos-stein@spglobal.com

Nov. 16, 2023 (updated from Nov. 8 edition)



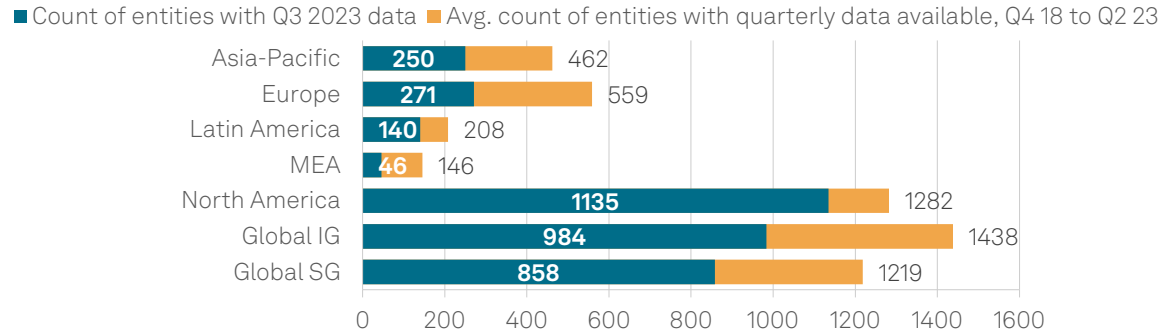
Corporate Results Q3 2023 | Key Takeaways From Results So Far

- **The global Q3 2023 results season for rated nonfinancial corporates is now 69% complete**, with 68% of results in for investment-grade (IG) and 70% for speculative-grade (SG). North America accounts for 62% of results at this stage, Europe 15%, and Asia-Pacific 13%.
- **Revenue growth has stalled, and EBITDA continues to decline.** Measured at annual rate, revenues are near-flat (+0.1%) and EBITDA is down 4.6%. Revenues are down 1.9% versus the same quarter a year ago, and EBITDA down 1.2%. Measured relative to market consensus expectations, revenue “misses” of 7.5% or more account for 8% of results versus 7% for “beats” of a similar magnitude. EBITDA continues to exceed consensus expectations.
- **Revenues are still growing if resource companies – oil and gas, metals and mining – are excluded**, up 2.6% at annual rate, but the rate of increase continues to slow. EBITDA is still falling ex resources, down 2.0% annually.
- **Industry patterns continue to show good performance from some consumer sectors – media, leisure, and retail – and deterioration for heavy industries, resources, transportation (principally shipping), and technology.**
- **The pressure from surging cash interest payments continues to grow, rising 21% annually overall** and 25% for SG based on results so far. Leverage is drifting higher and interest-cover continues to ebb (for more on this see [“Interest-cover risks are growing for vulnerable corporate credit”](#), Oct. 26, 2023). Margin pressures continue to be felt with almost two-thirds of industries seeing annual margins decline.
- **There are signs that companies are reacting to the deteriorating growth environment.** Share buybacks continue to be reduced and annual dividend growth has dropped to 1% from 13.5% in Q1. Capex has been resilient, but there are some signs of change here too, with annual North America capex growth slowing to +11.2% from +15.4% in Q2.

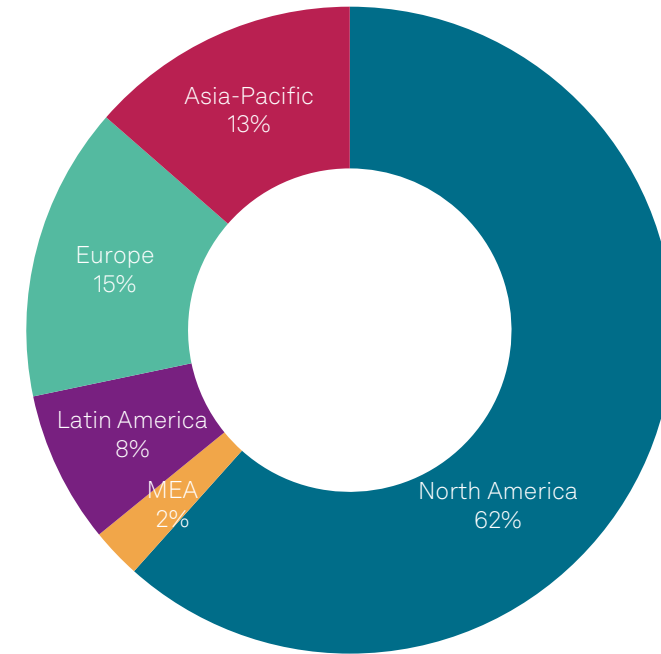
Global

Rated Nonfinancial Corporates | Number of companies reported so far by geography and ratings group, Q3 2023

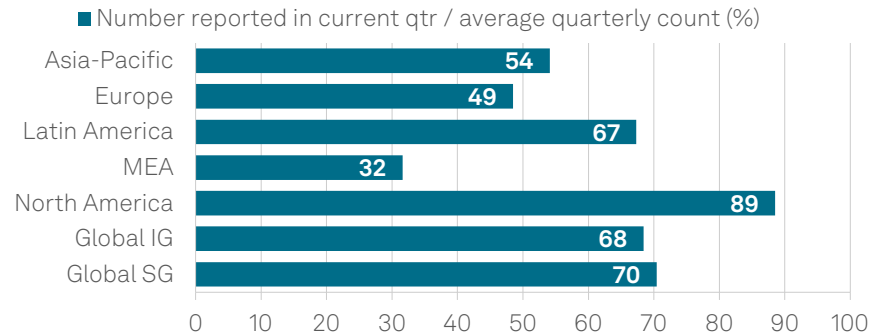
Number of reported results by geography



Geographic share of reported results



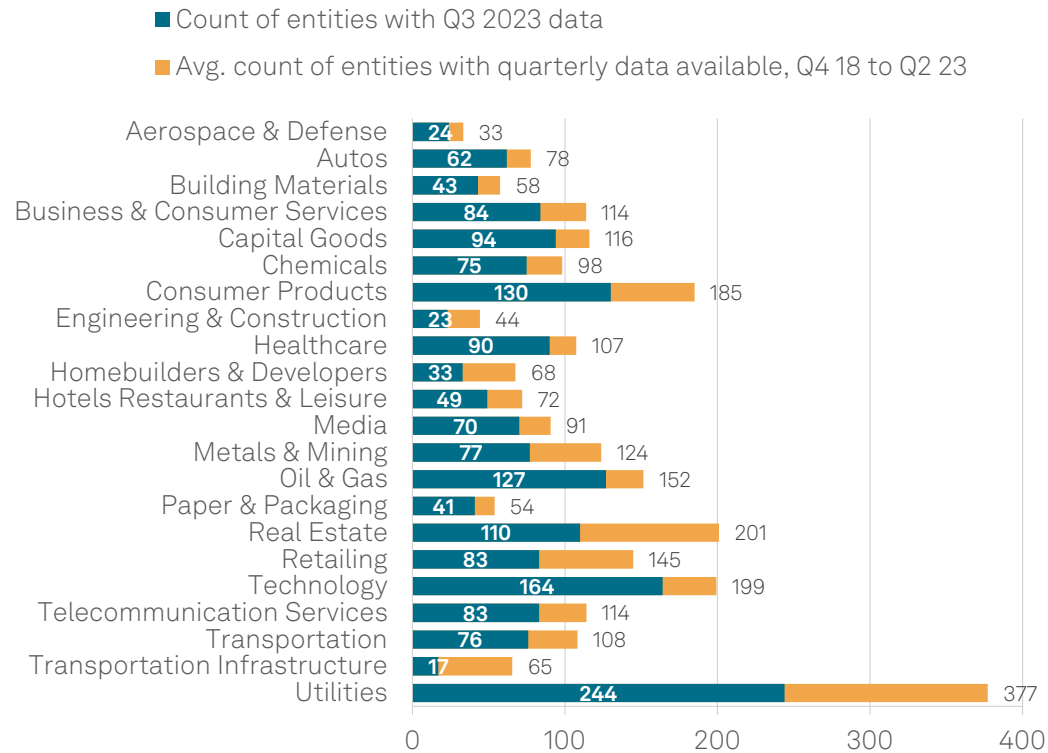
Reported results as percent of total



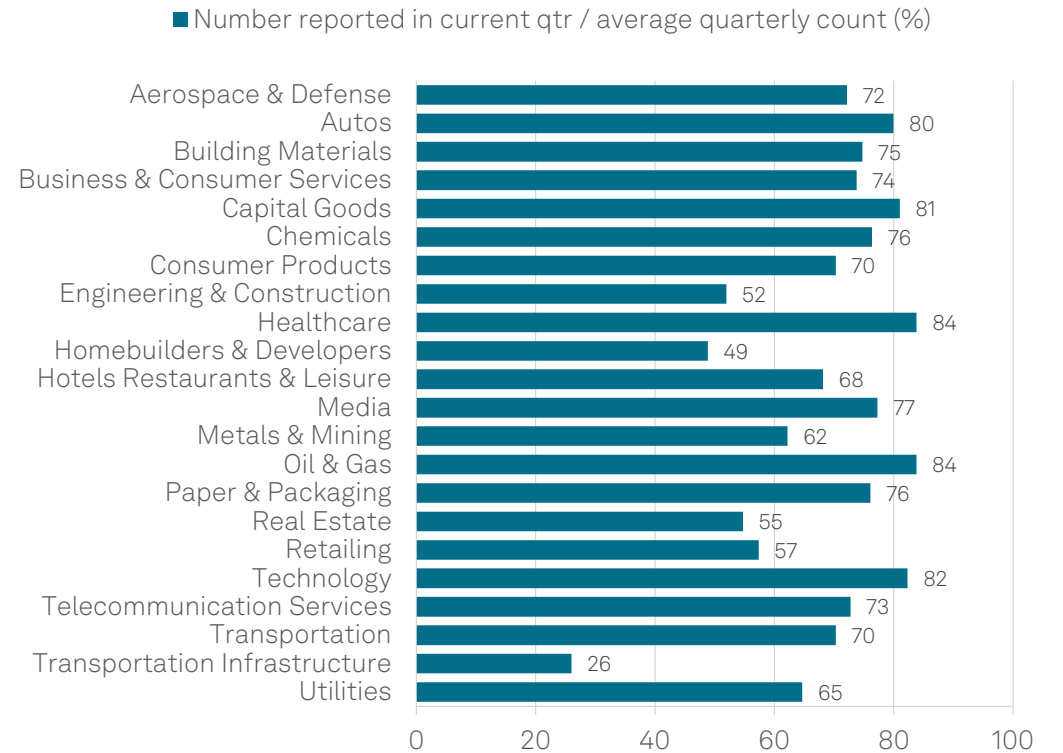
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Average quarterly count measured from Q3 2018 to Q1 2023.

Rated Nonfinancial Corporates | Number of companies reported so far by industry, Q3 2023

Number of reported results by industry



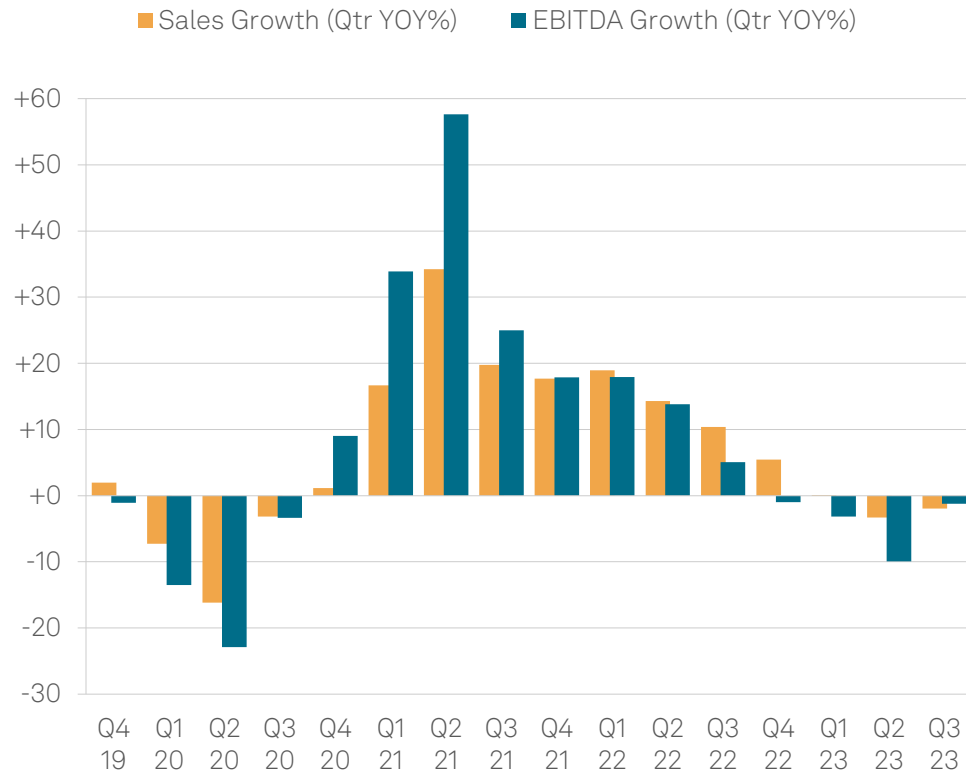
Reported results by industry as percent of average total



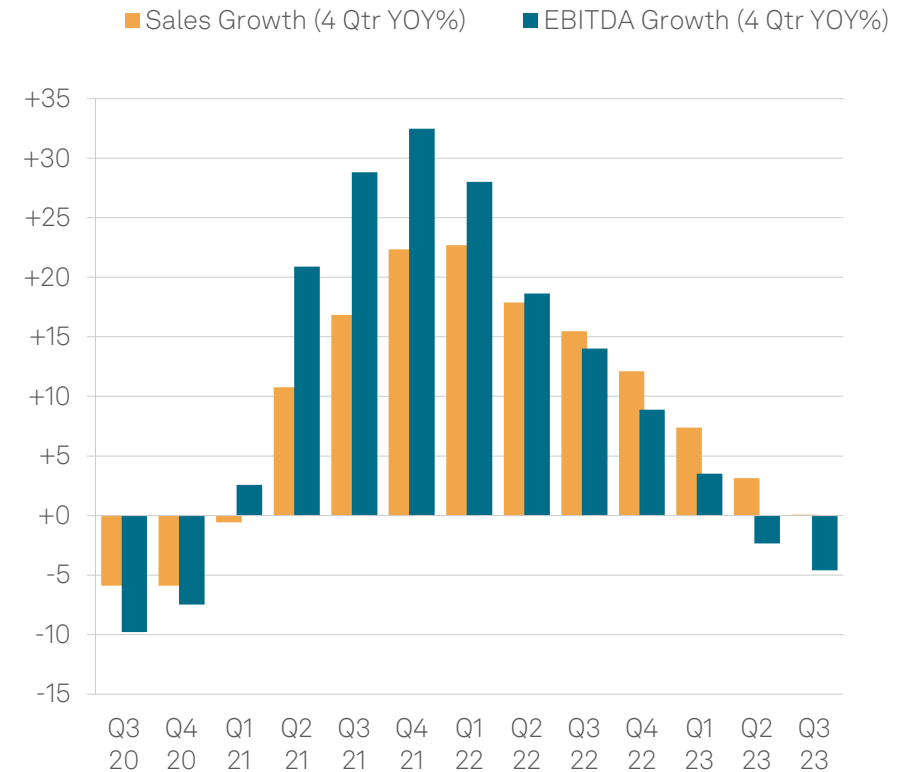
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Average quarterly count measured from Q3 2018 to Q1 2023.

Rated Nonfinancial Corporates | Sales and EBITDA Growth*

Global | Quarterly, Year-Over-Year



Global | Trailing 4 Quarter, Year-Over-Year

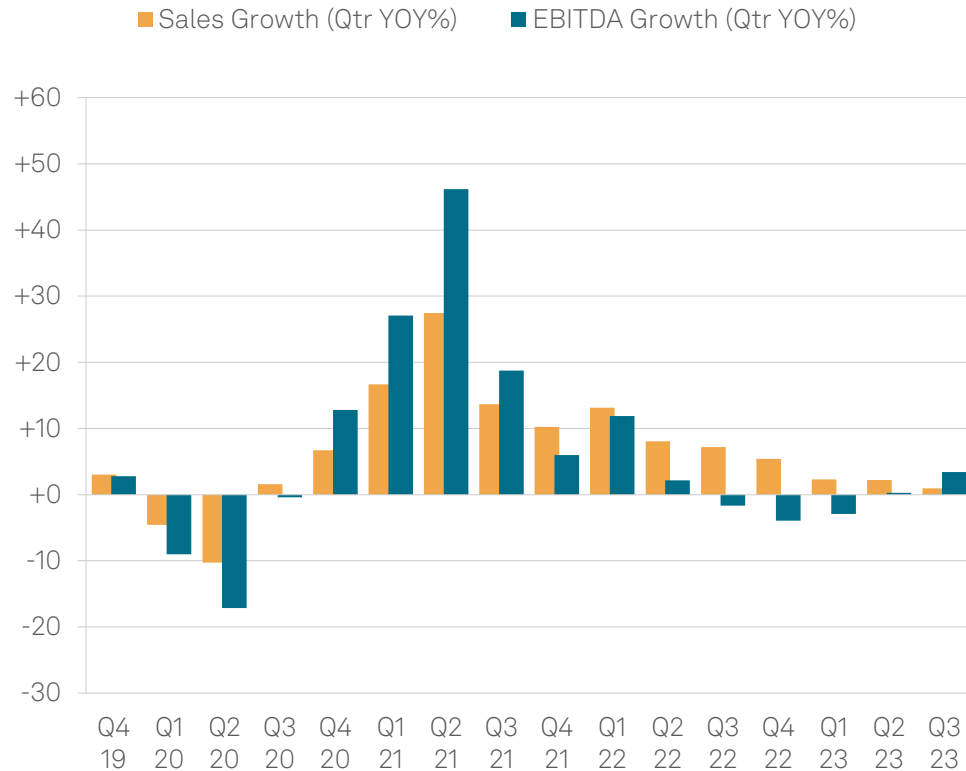


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

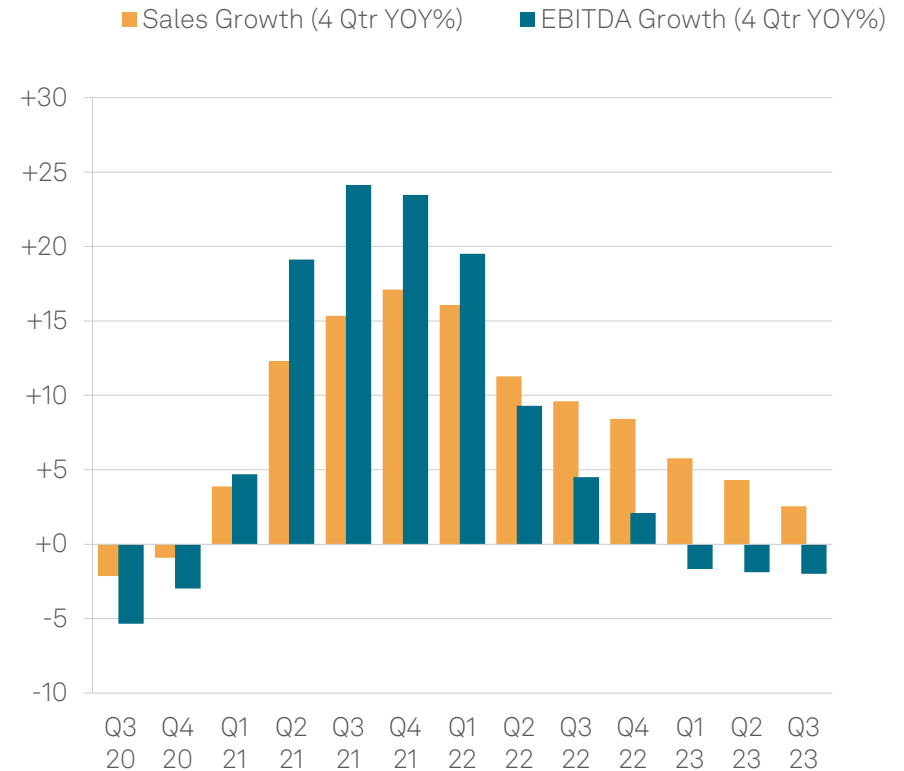
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Sales and EBITDA Growth*

Global Ex Oil and Mining | Quarterly, Year-Over-Year



Global Ex Oil and Mining | Trailing 4 Qtr, Year-Over-Year

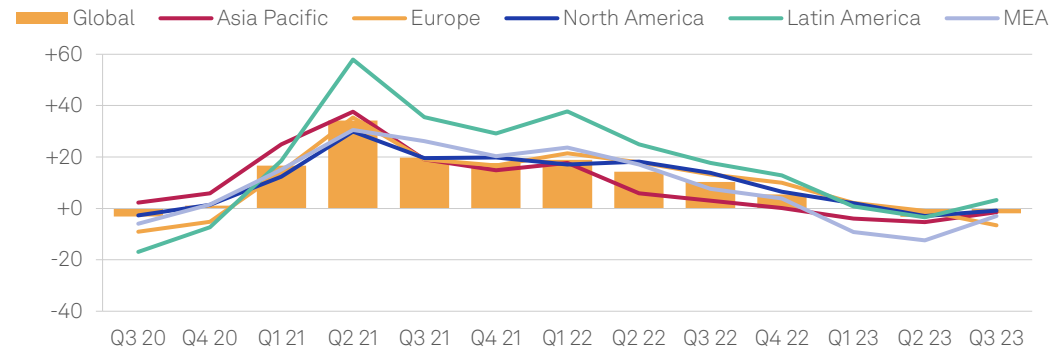


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

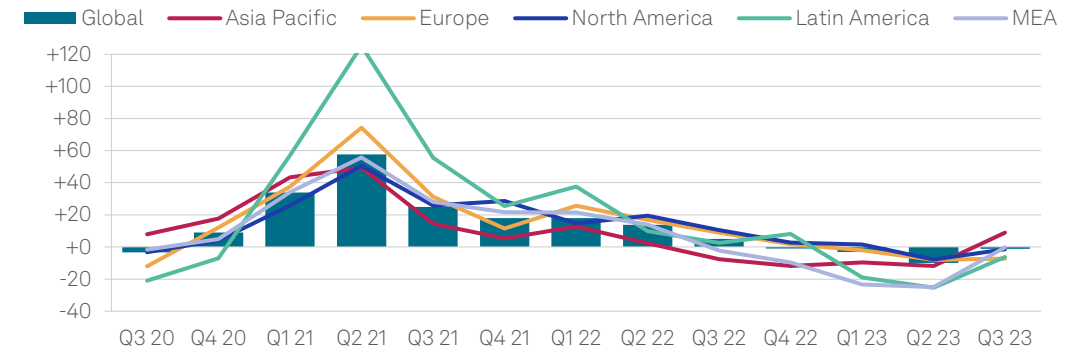
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Sales And EBITDA Growth By Region*

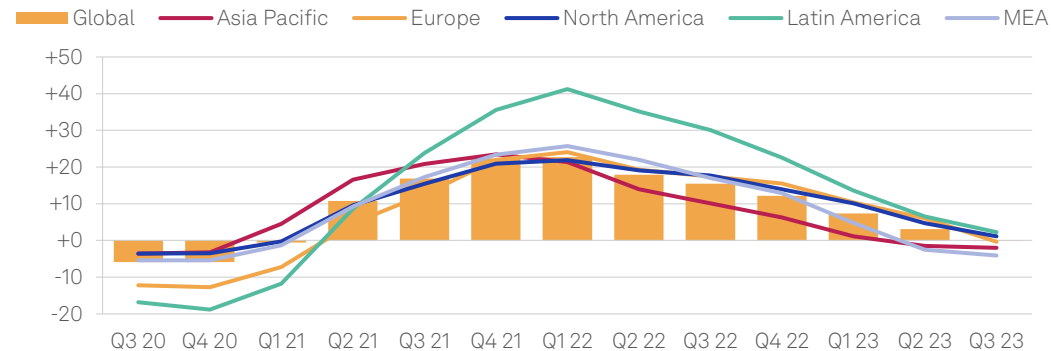
Sales Growth | Quarterly, Year-Over-Year



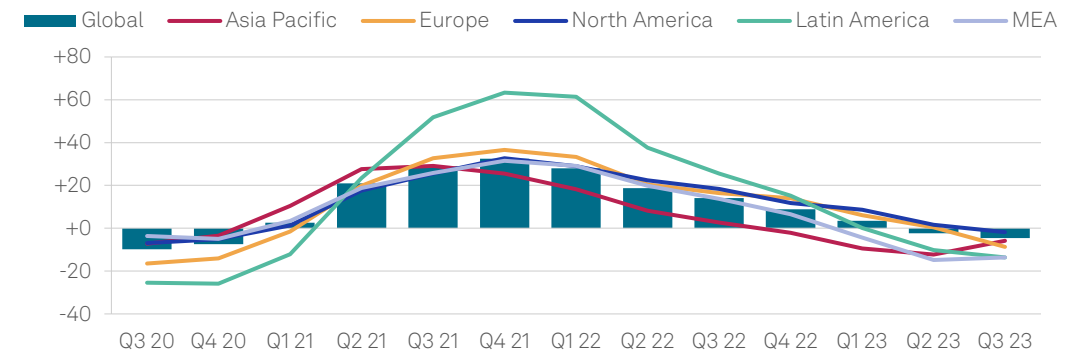
EBITDA Growth | Quarterly, Year-Over-Year



Sales Growth | Trailing 4 Quarter, Year-Over-Year



EBITDA Growth | Trailing 4 Quarter, Year-Over-Year

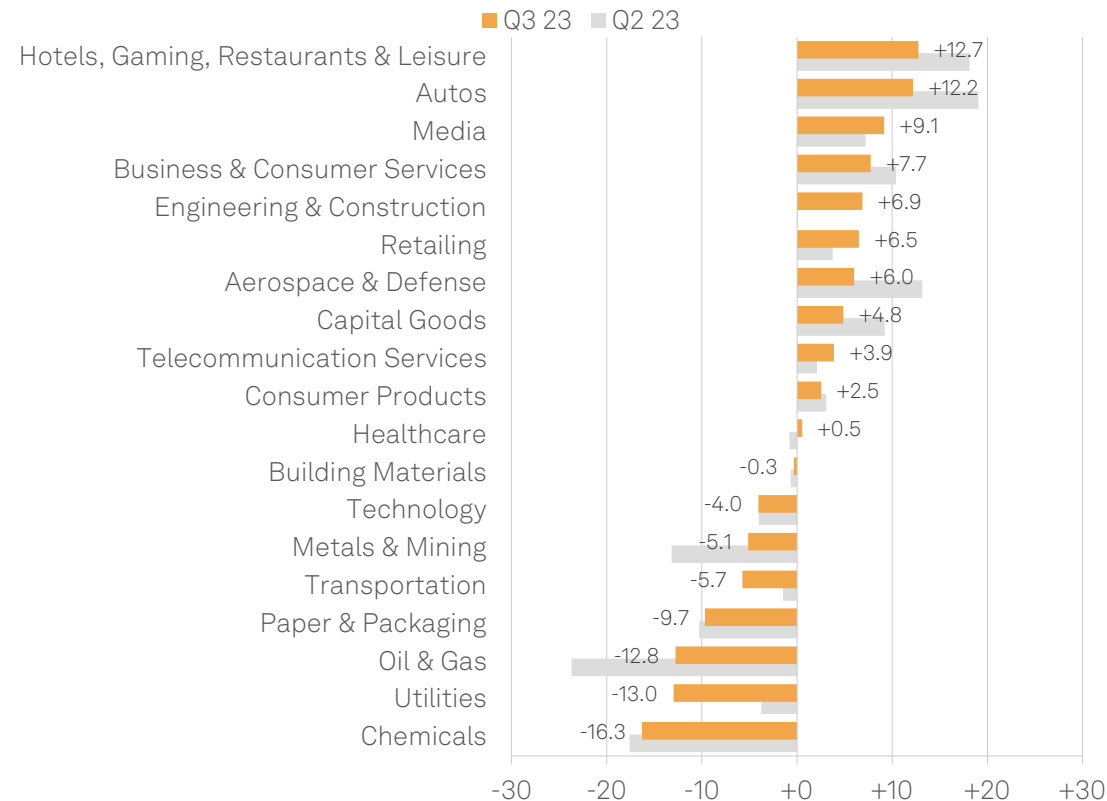


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

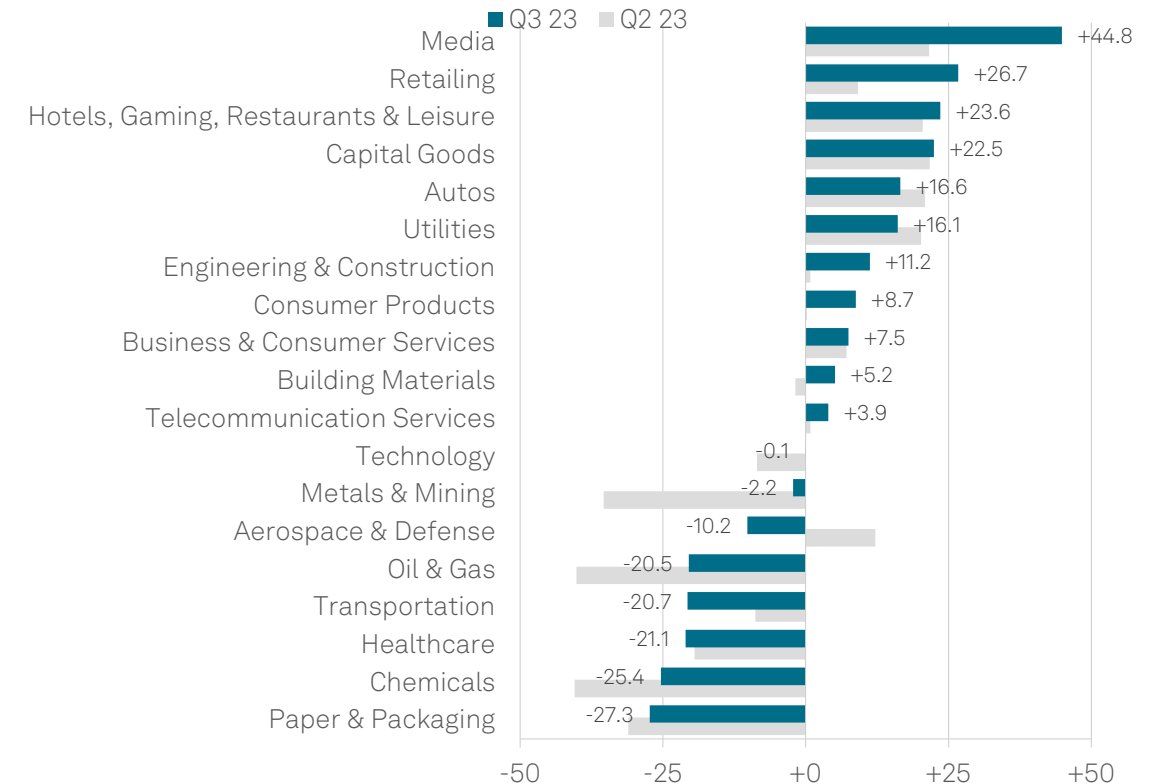
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Global Industry Growth*

Sales Growth | Quarterly, Year-Over-Year



EBITDA Growth | Quarterly, Year-Over-Year

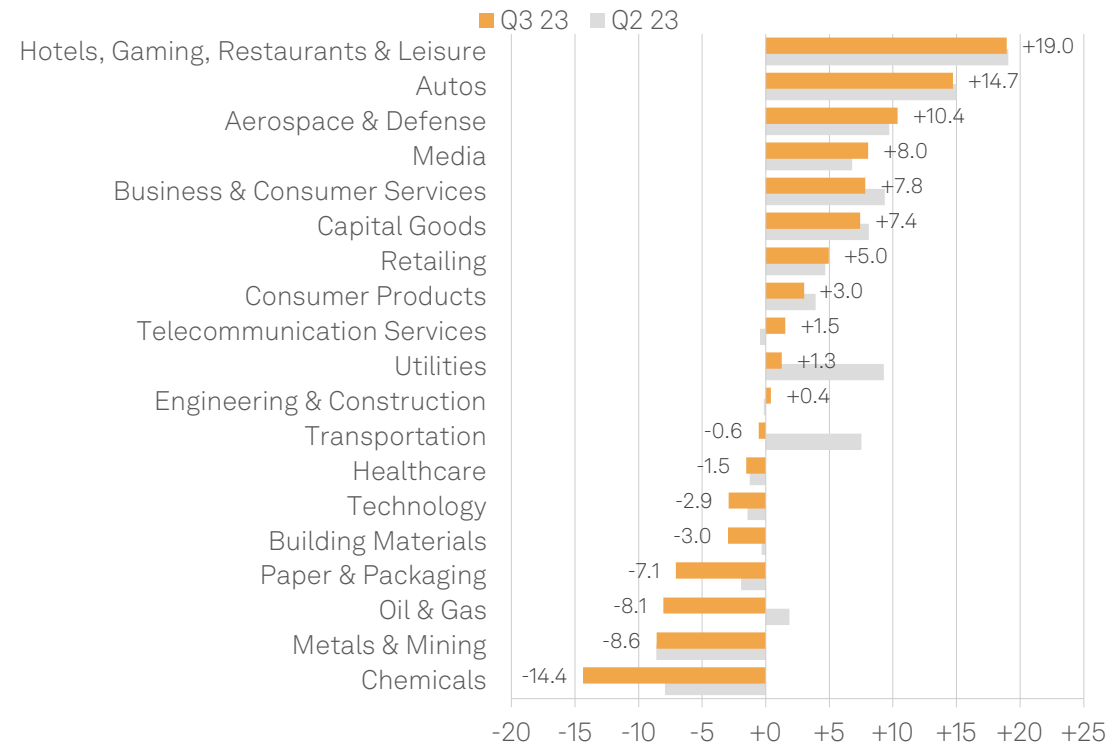


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

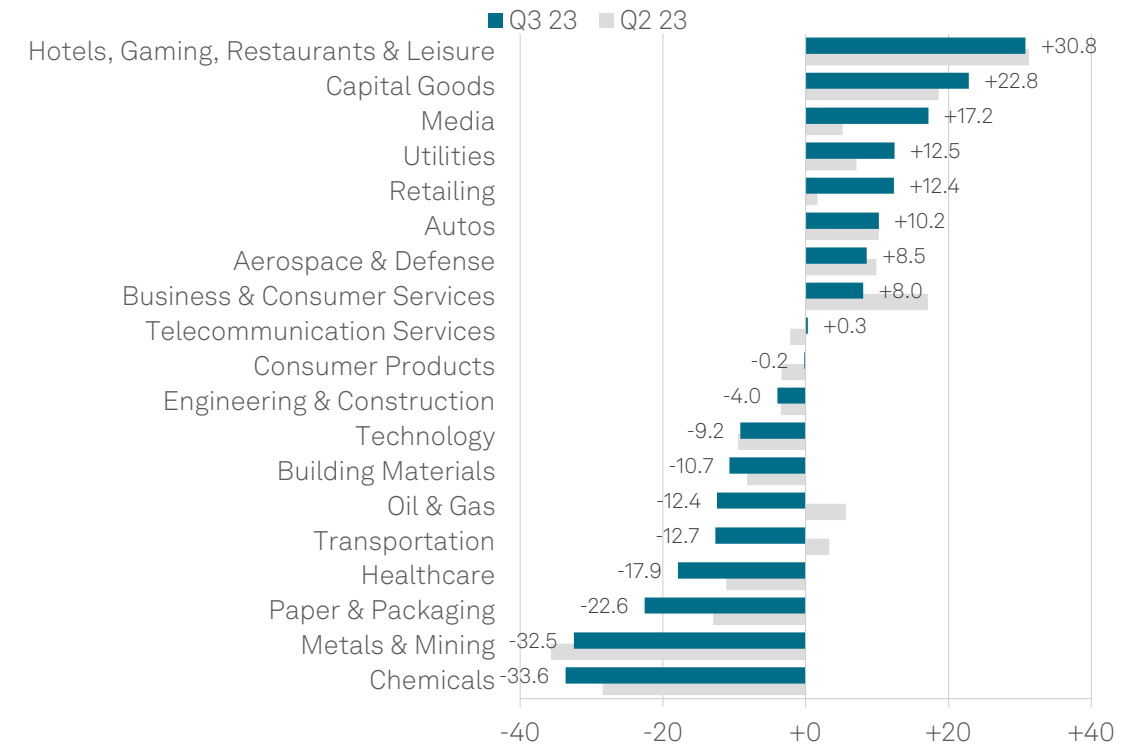
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated Nonfinancial Corporates | Global Industry Growth*

Sales Growth | Trailing 4 Quarter, Year-Over-Year



EBITDA Growth | Trailing 4 Quarter, Year-Over-Year

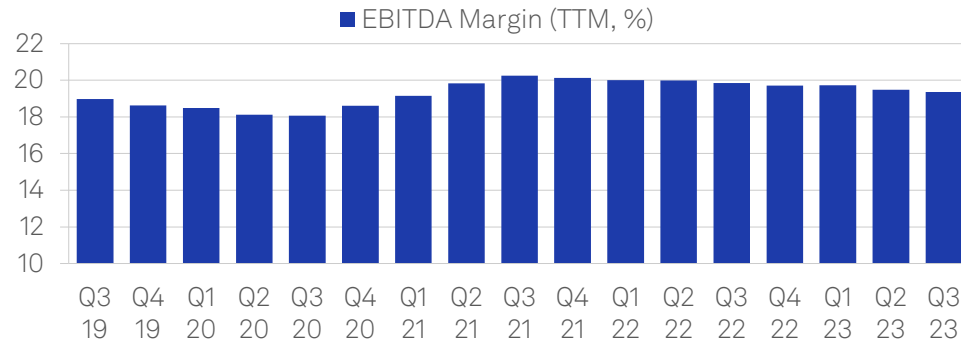


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

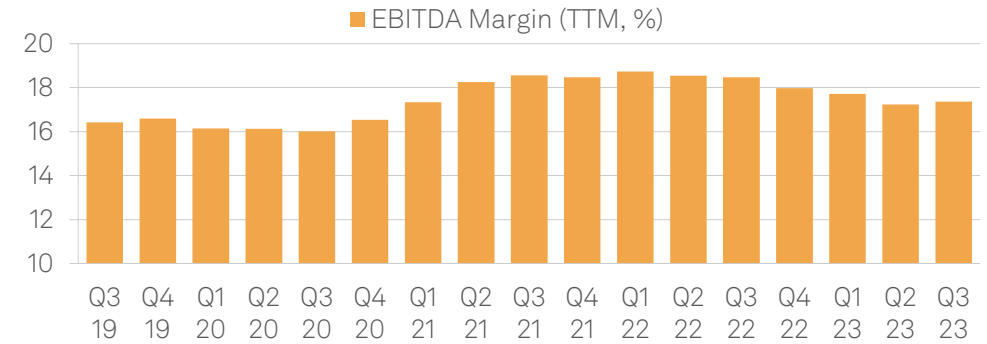
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated Nonfinancial Corporates | EBITDA Margin By Region*

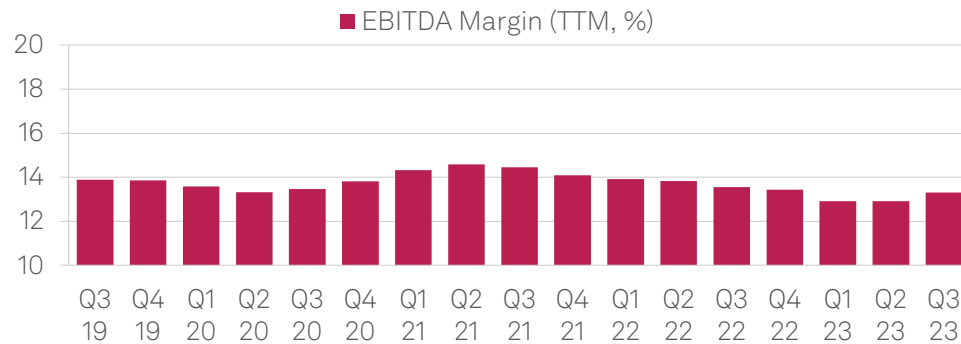
North America | EBITDA Margin Trailing 12 Month



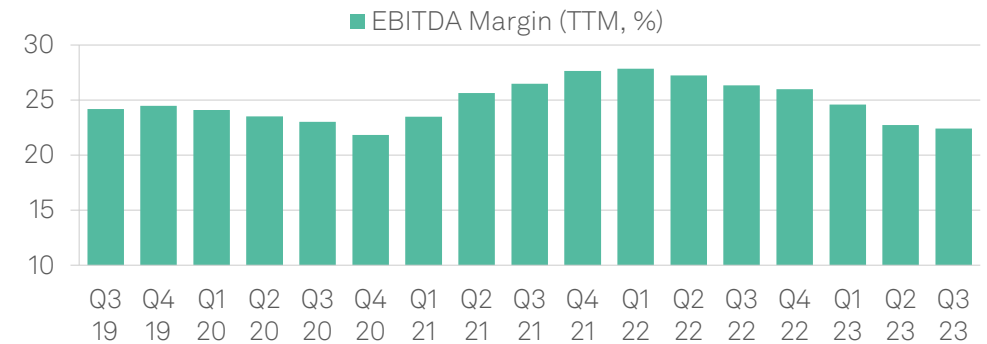
Europe | EBITDA Margin Trailing 12 Month



Asia Pacific | EBITDA Margin Trailing 12 Month



Latin America | EBITDA Margin Trailing 12 Month

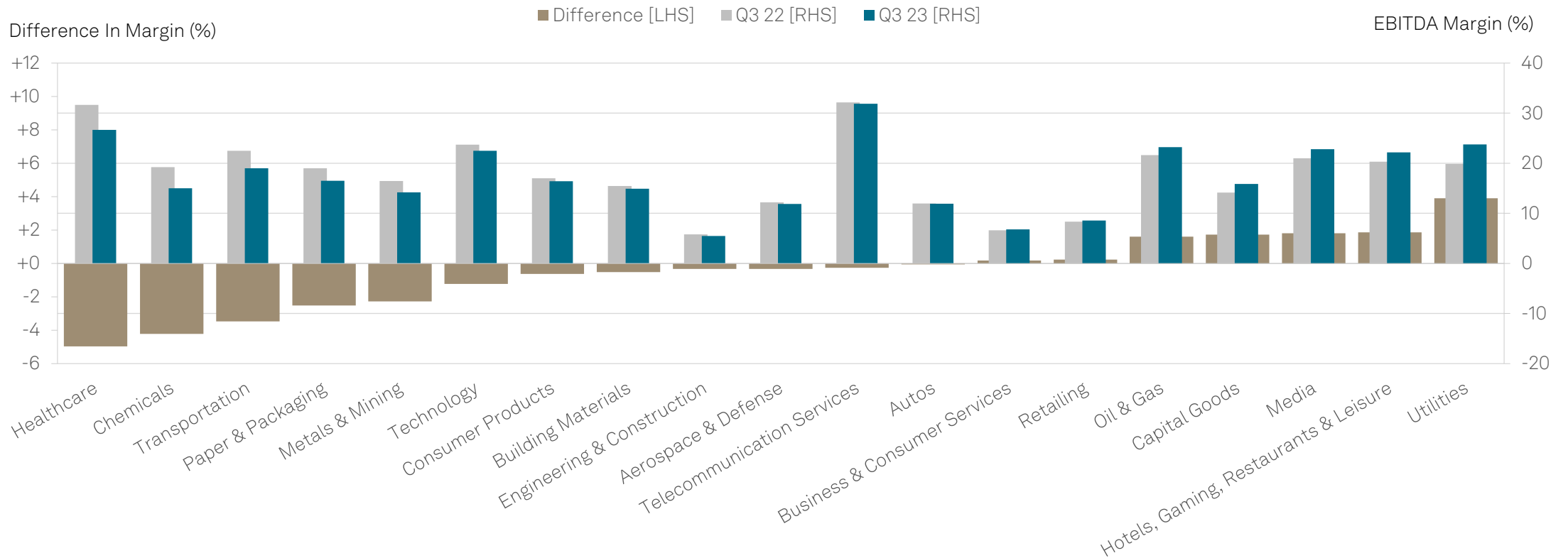


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | EBITDA Margin By Industry*

EBITDA Margin Trailing 12 Month – Q3 2023 versus Q3 2022

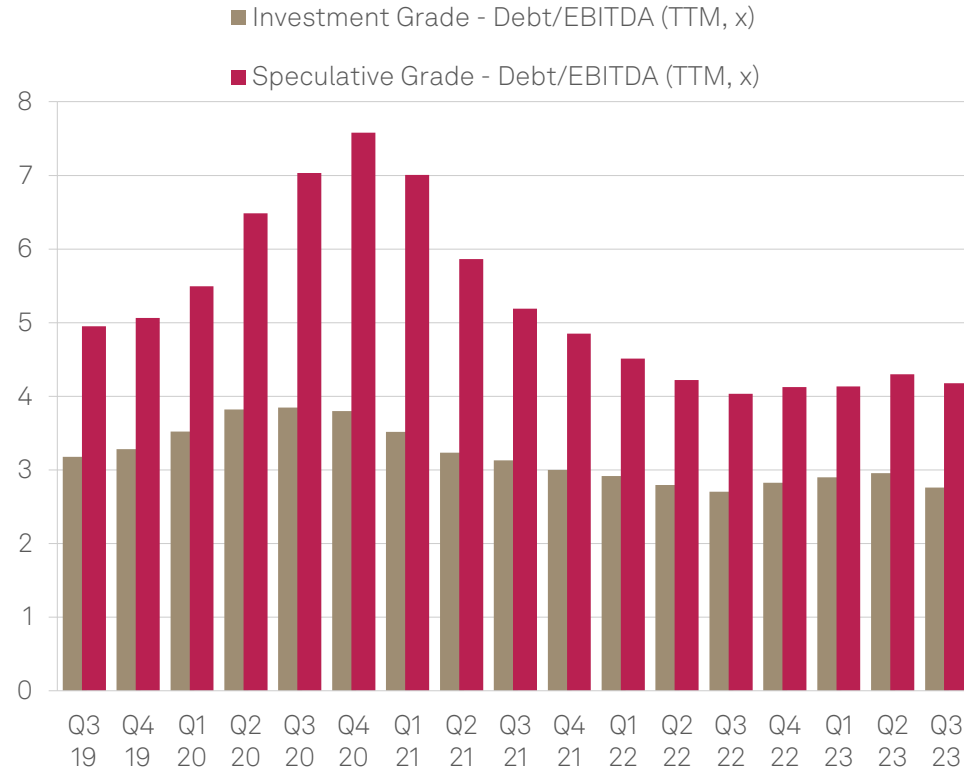


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

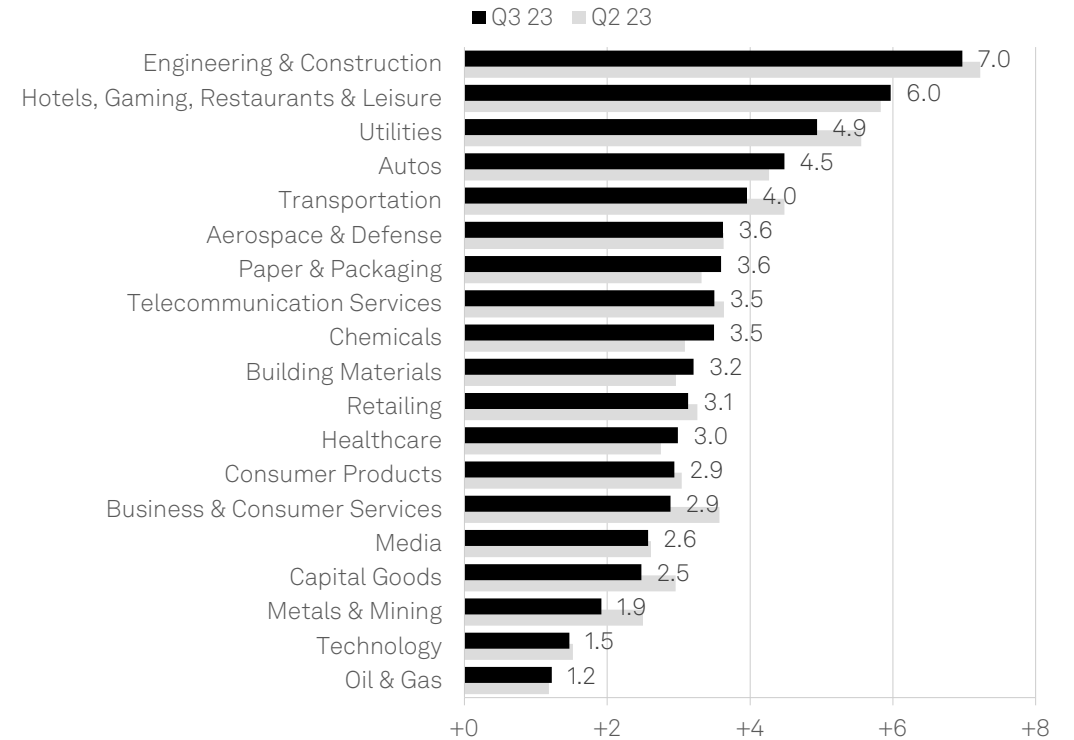
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Debt/EBITDA*

Global Debt/EBITDA | Trailing 12 Month



Global Industry Debt/EBITDA | Trailing 12 Month

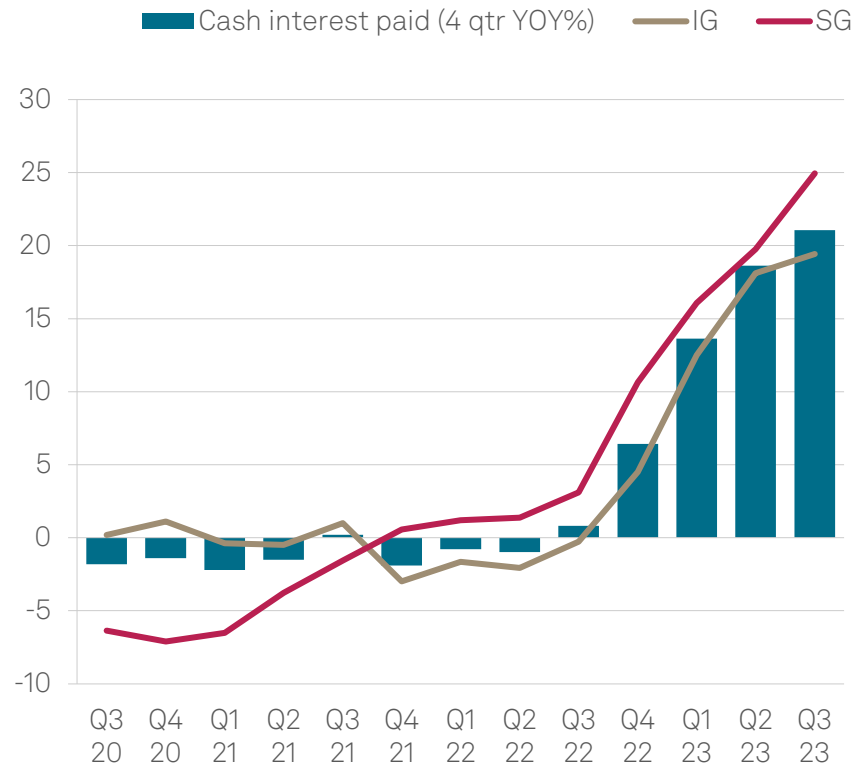


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

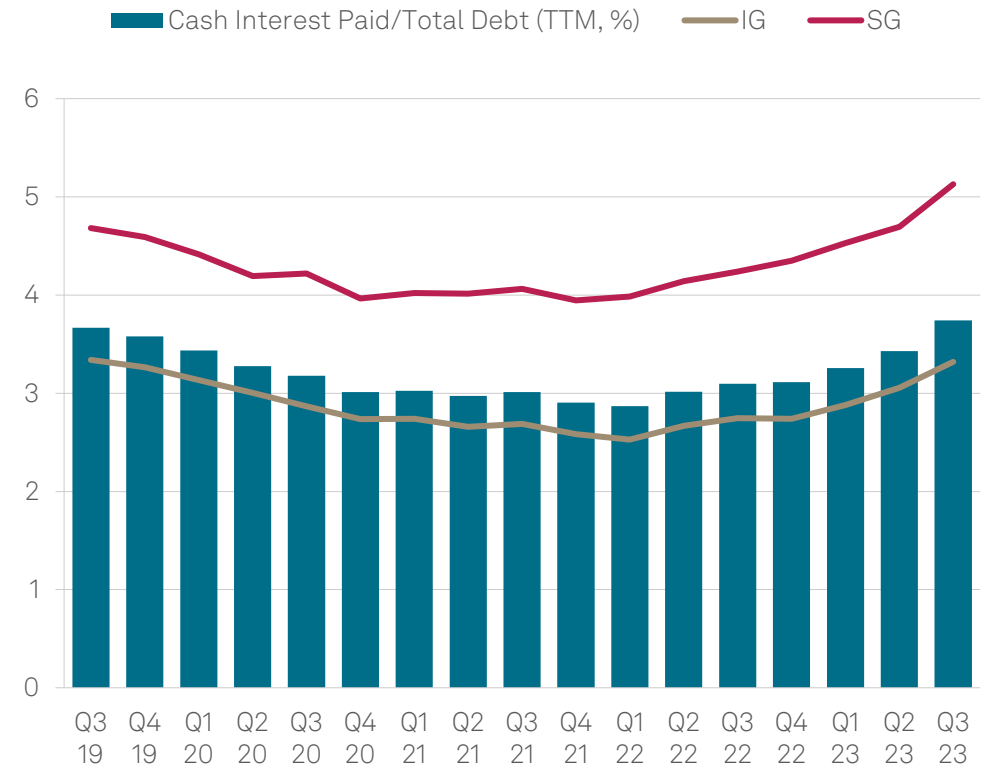
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Cash Interest Paid*

Global | Cash Interest Paid, Trailing 4 Quarter, YOY



Global | Cash Interest Paid/Total Debt, Trailing 12 Month

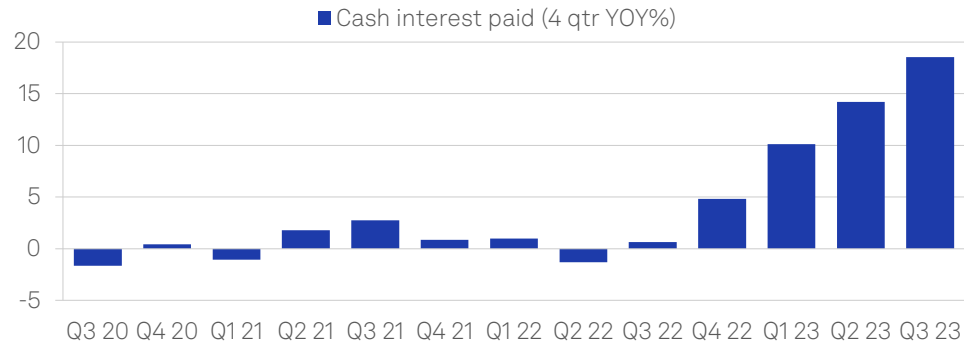


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

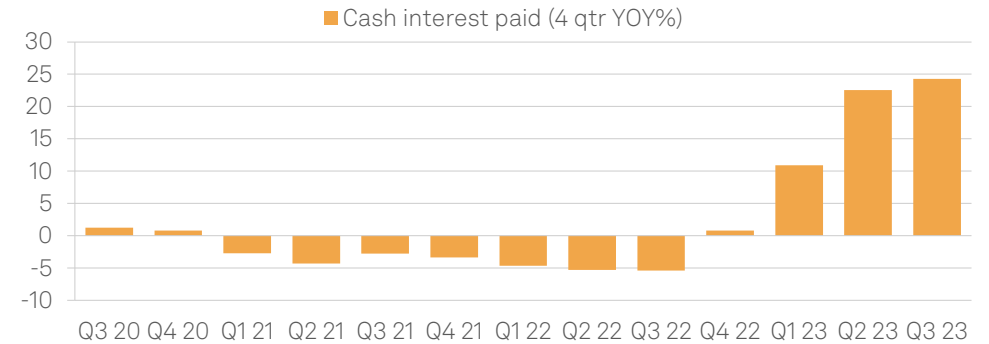
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter growth rates only include companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Cash Interest Paid *

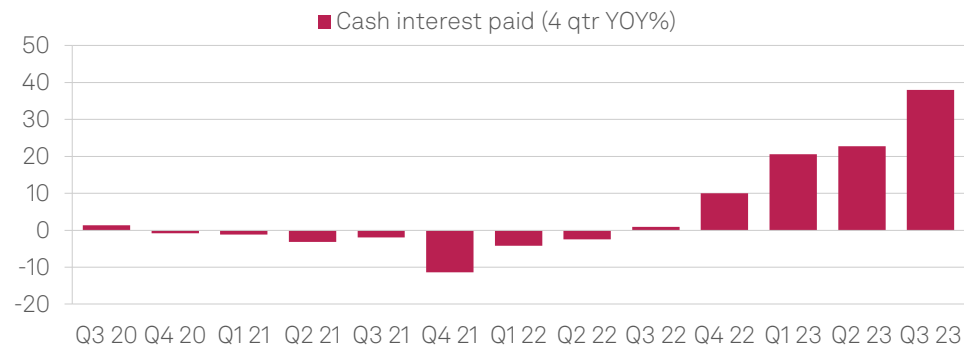
North America | Cash Interest Paid, Trailing 4 Quarter, YOY



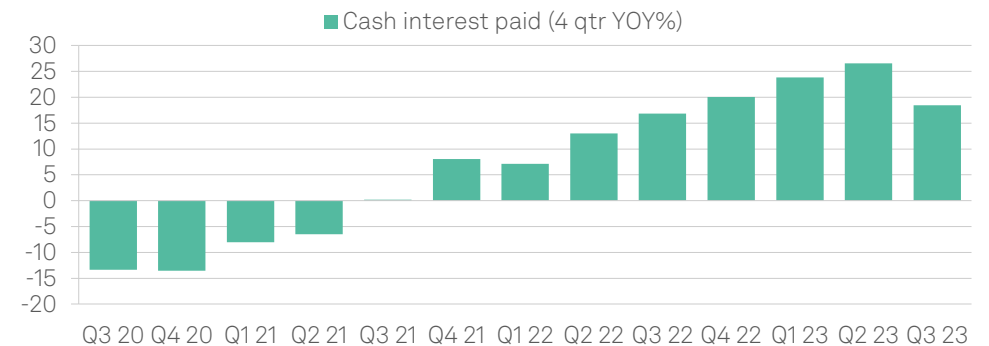
Europe | Cash Interest Paid, Trailing 4 Quarter, YOY



Asia Pacific | Cash Interest Paid, Trailing 4 Quarter, YOY



Latin America | Cash Interest Paid, Trailing 4 Quarter, YOY

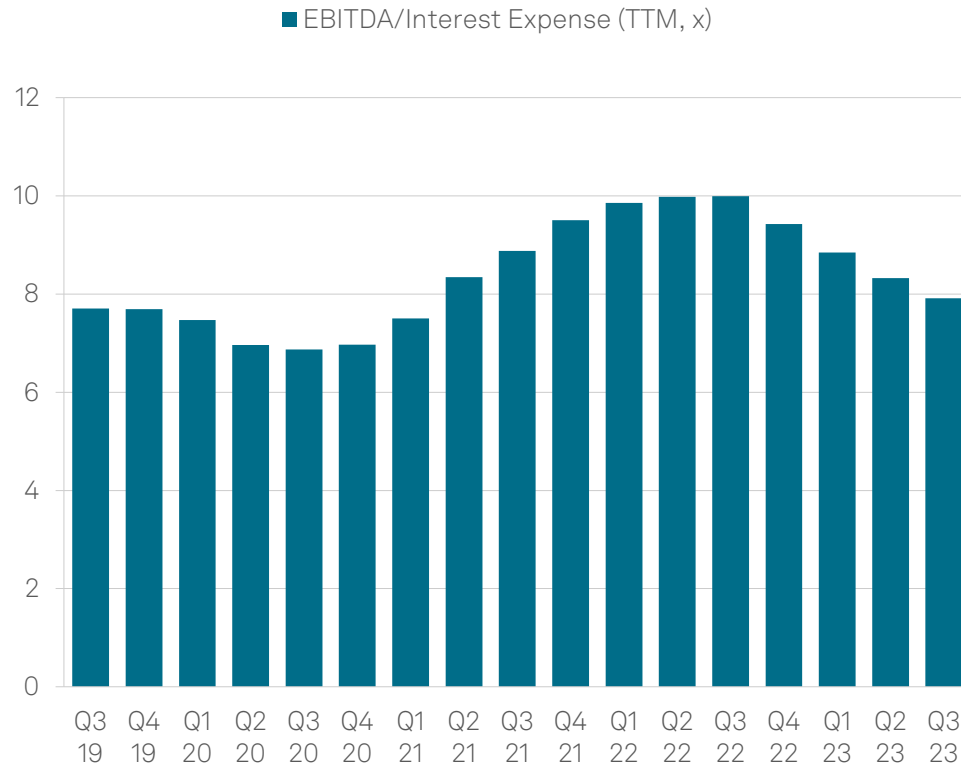


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

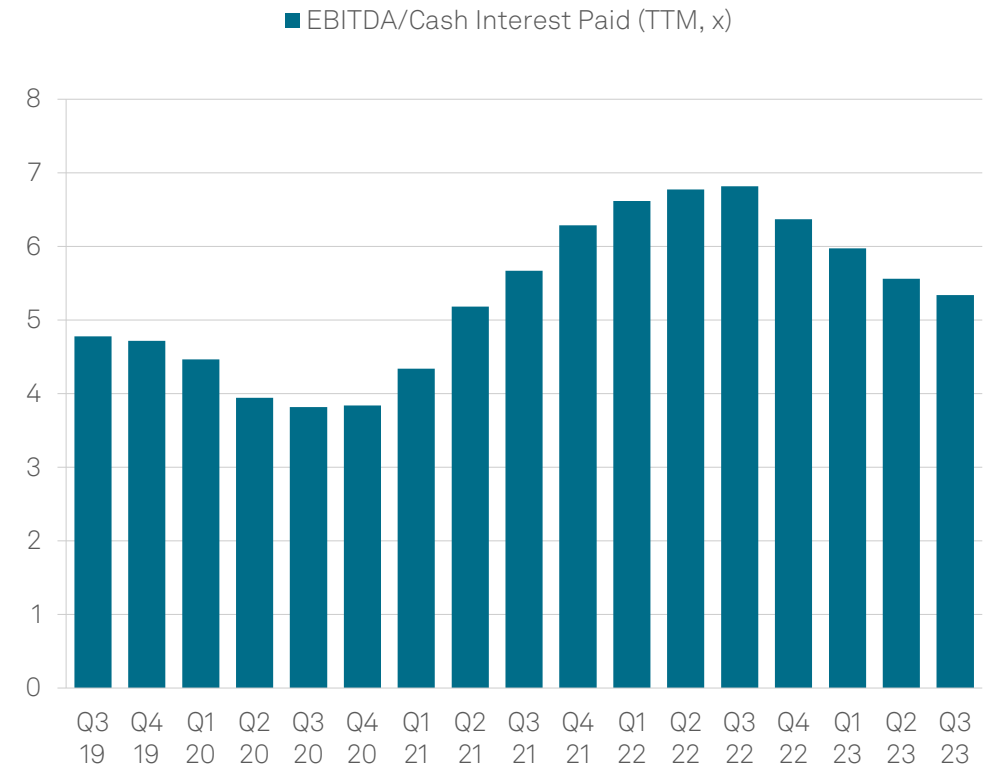
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Interest Cover*

Global | EBITDA/Interest Expense, Trailing 12 Month



Global | EBITDA/Cash Interest Paid, Trailing 12 Month

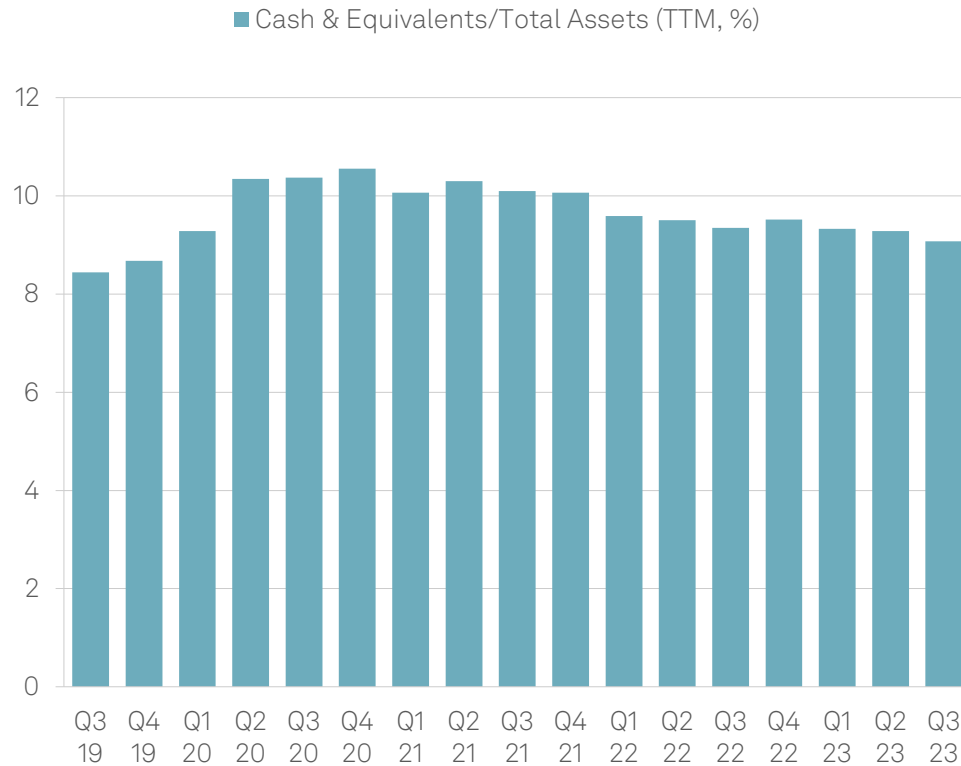


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

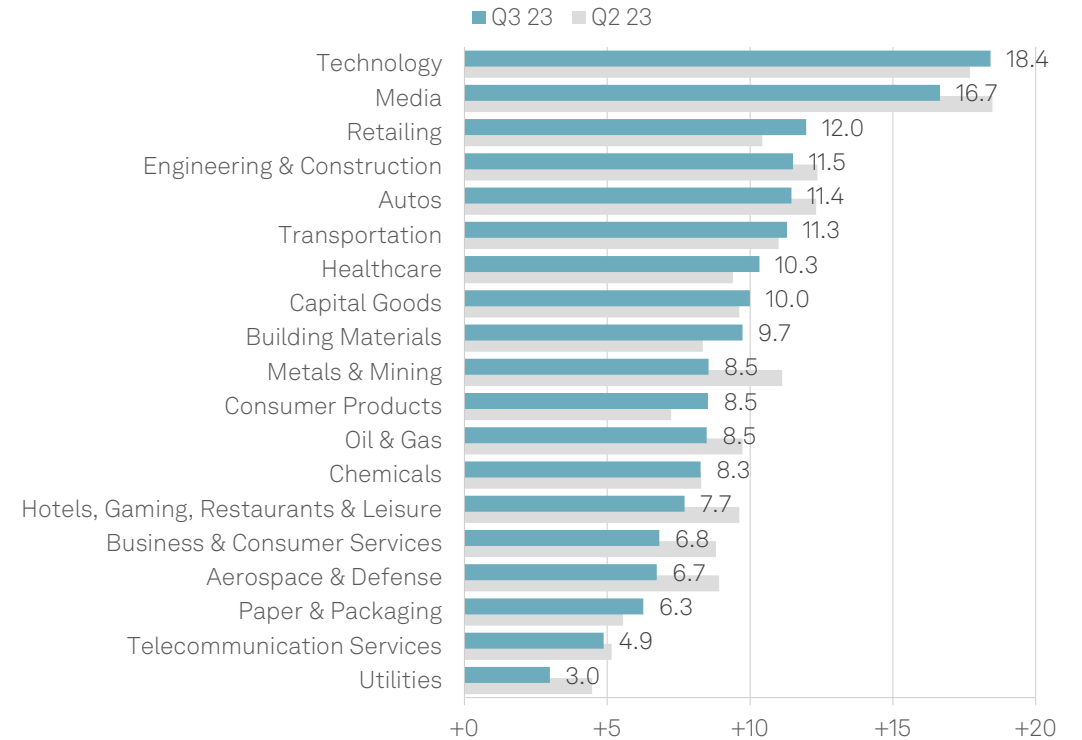
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Cash And Equivalents/Total Assets*

Global Cash/Assets | Trailing 12 Month



Global Industry Cash/Assets | Trailing 12 Month

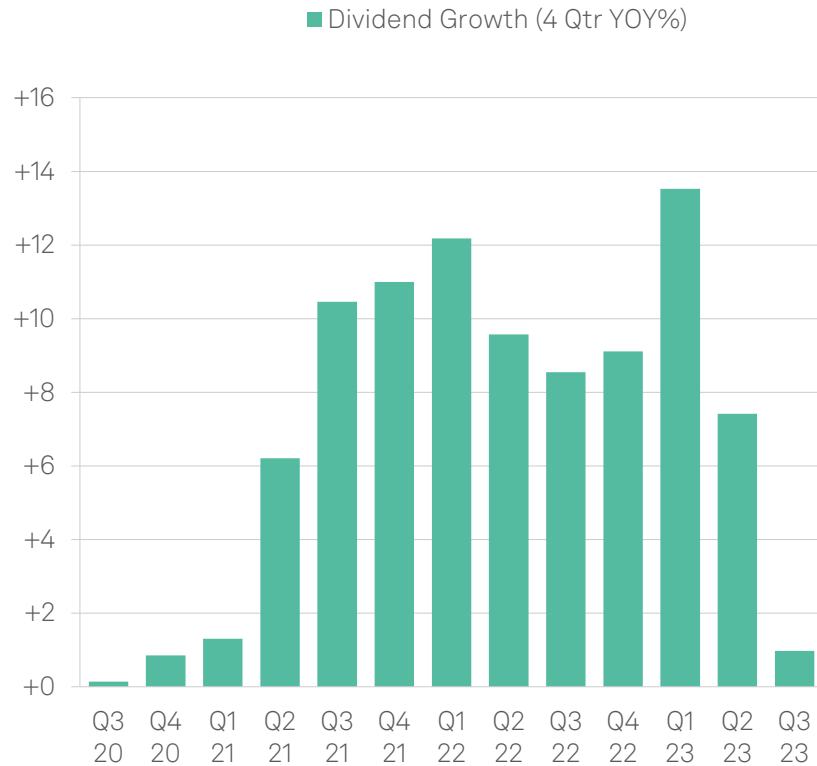


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

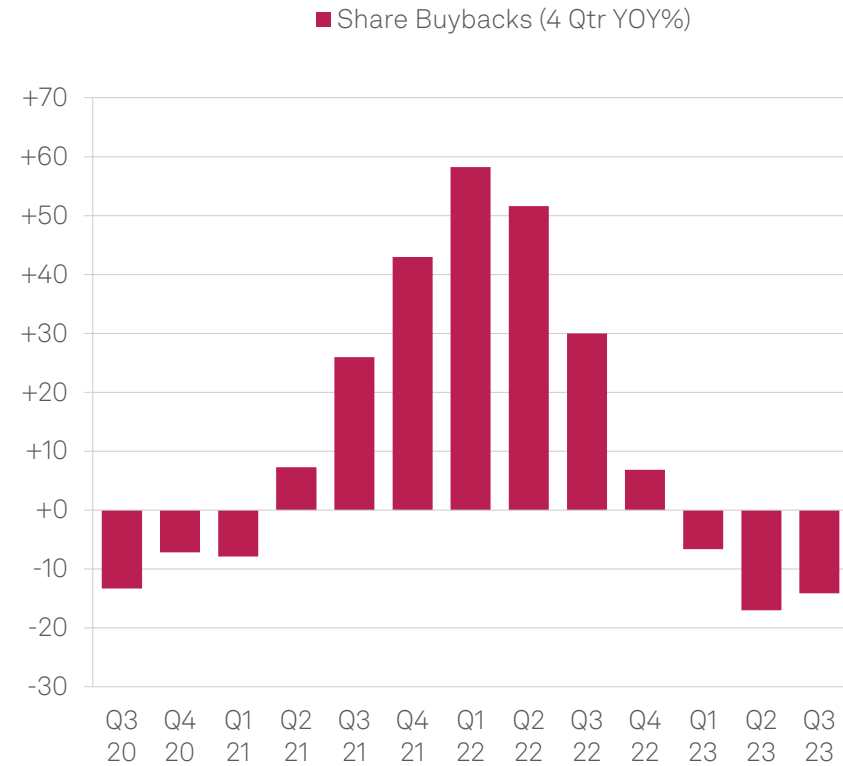
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Shareholder Returns*

Global Dividend Growth | Trailing 4 Quarter, YOY



Global Share Buyback Growth | Trailing 4 Quarter, YOY

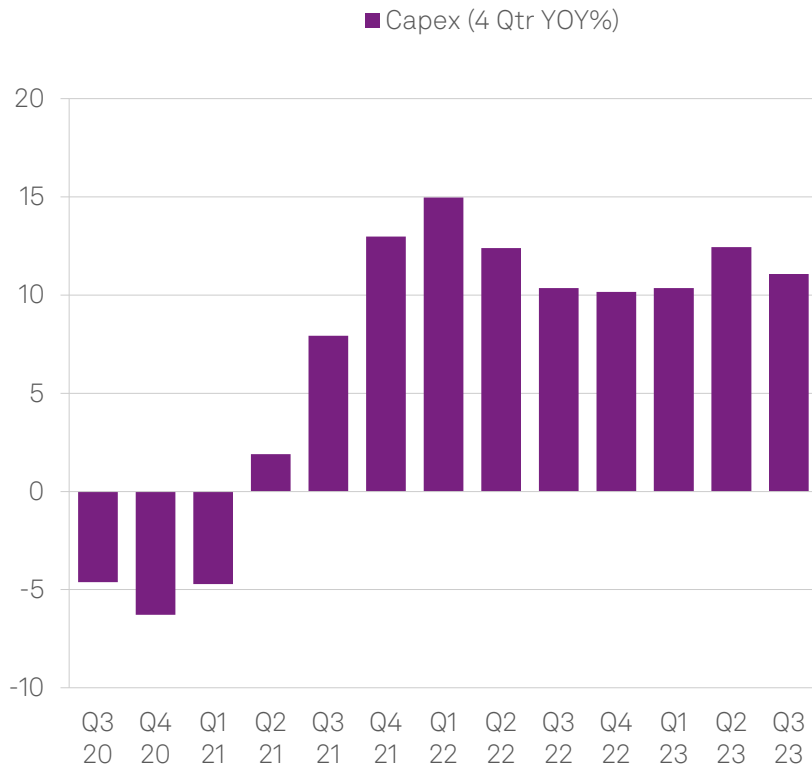


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

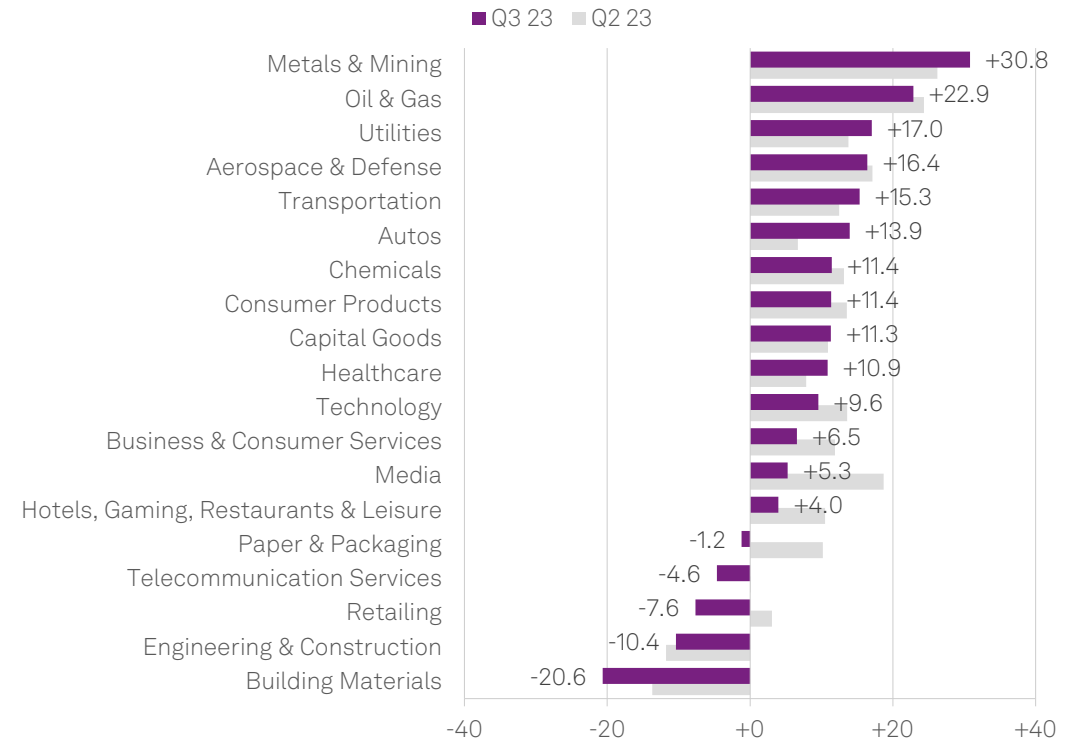
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Capital Expenditure Growth*

Global Capex Growth | Trailing 4 Quarter, Year-Over-Year



Global Industry Capex Growth | Trailing 4 Quarter, YOY

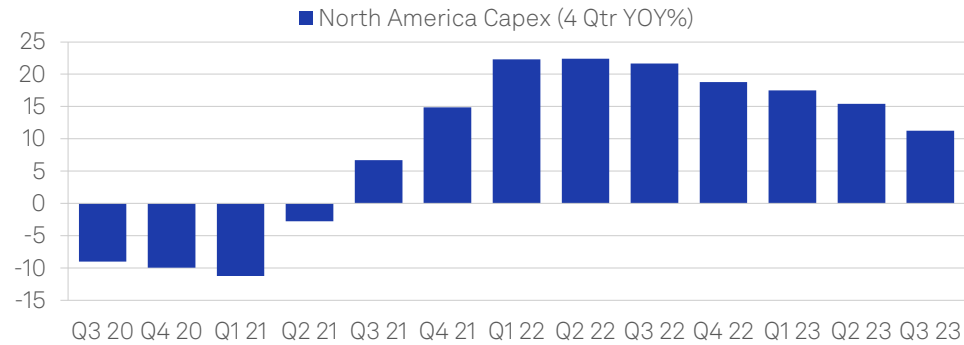


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

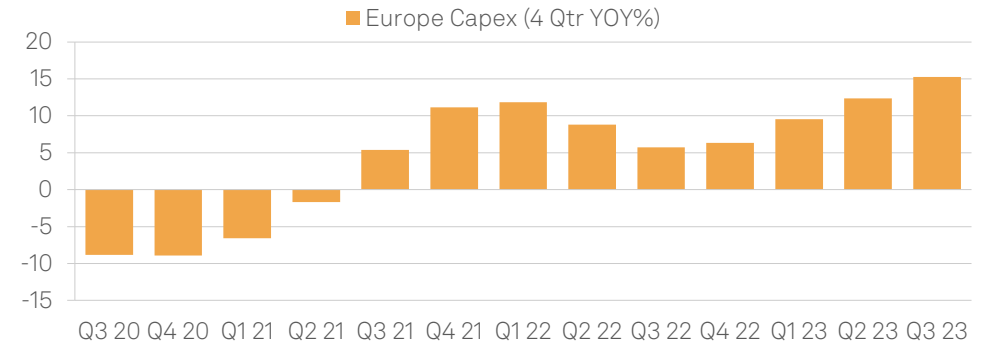
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Capital Expenditure Growth By Region*

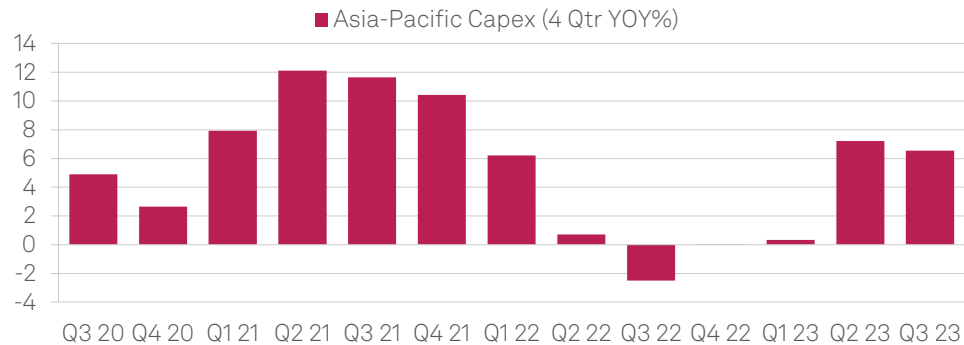
North America | Capex Growth, 4 Qtr YOY%



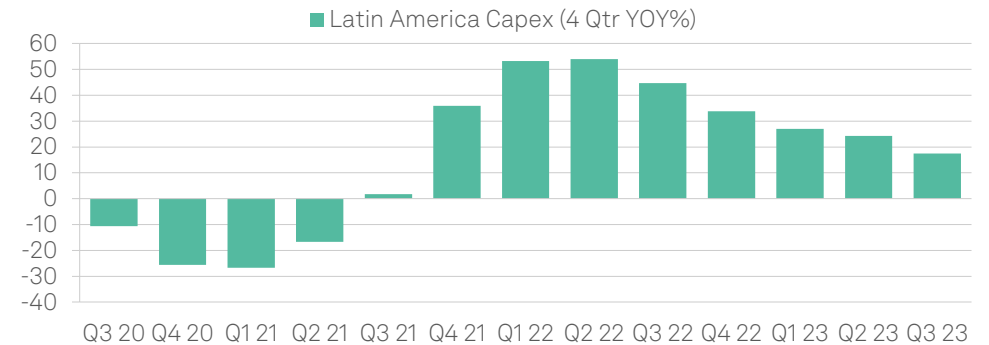
Europe | Capex Growth, 4 Qtr YOY%



Asia Pacific | Capex Growth, 4 Qtr YOY%



Latin America | Capex Growth, 4 Qtr YOY%

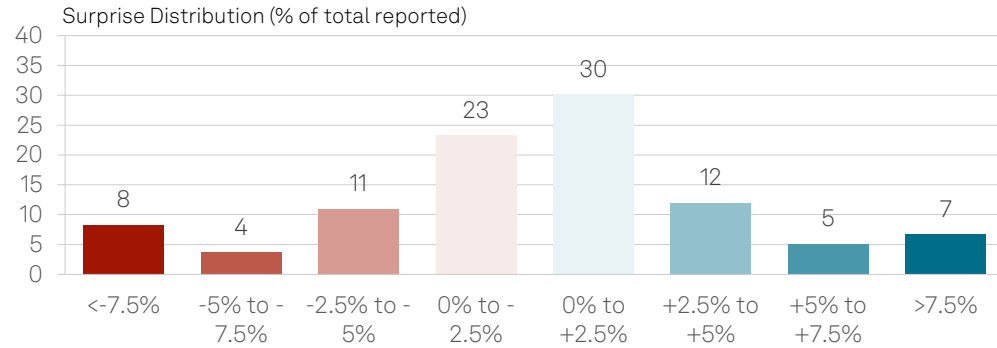


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

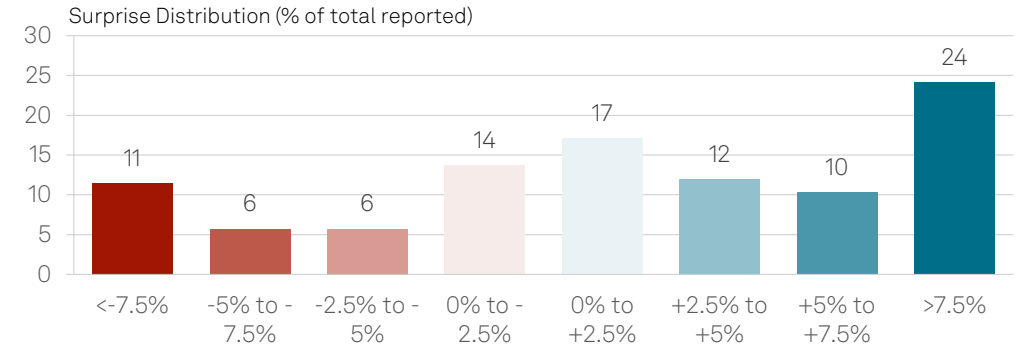
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated Nonfinancial Corporates | Results Versus Market Expectations

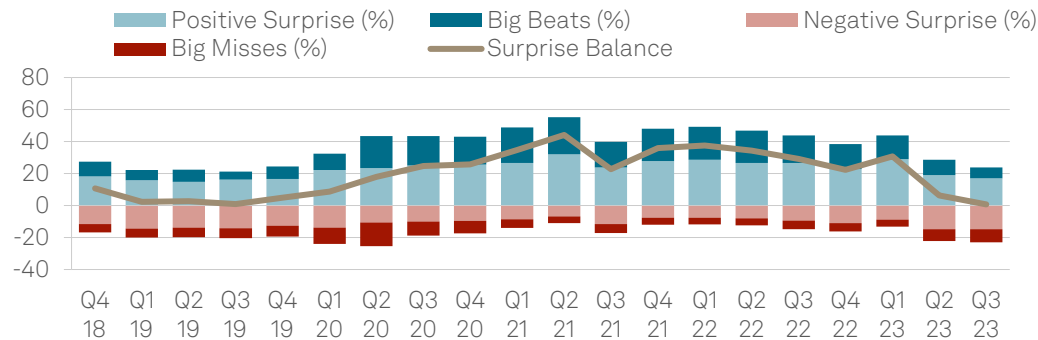
“Surprise” versus consensus - Sales, Q3 2023



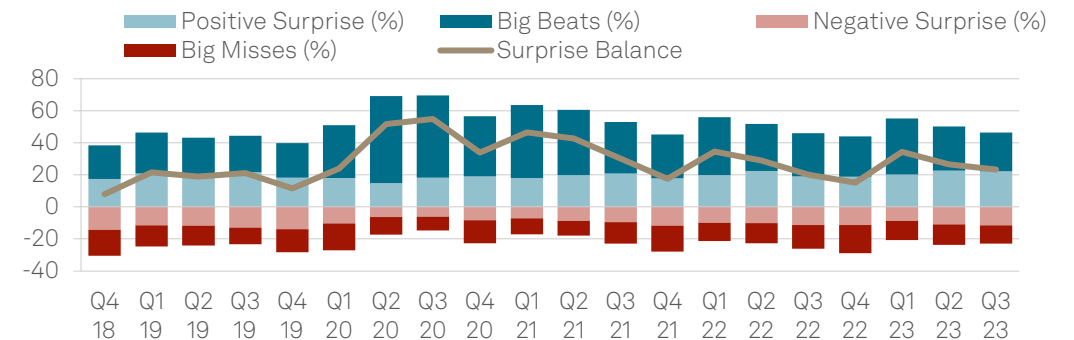
“Surprise” versus consensus - EBITDA, Q3 2023



Evolution of "surprise" versus consensus - Sales



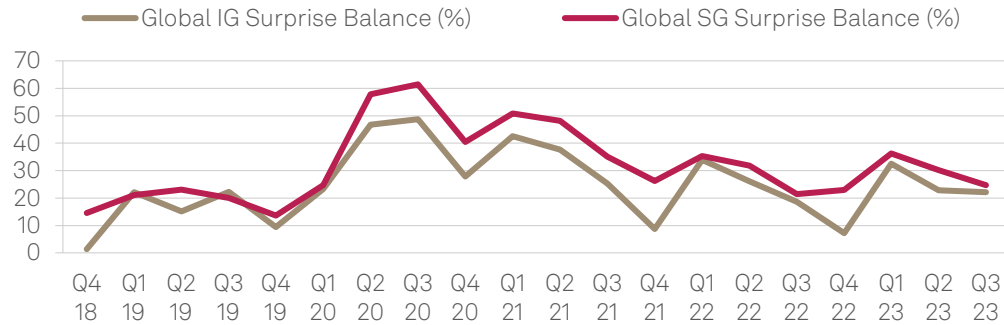
Evolution of "surprise" versus consensus - EBITDA



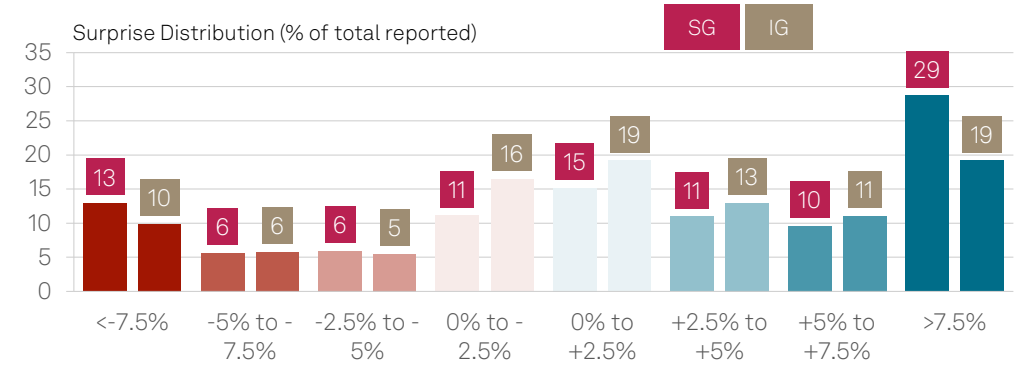
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. "Surprise" measures the percentage difference between actual results and the Capital IQ consensus estimate prior to reporting. "Surprise Balance" refers to difference between percentage of entities reporting results more than 2.5% better than the S&P Capital IQ market consensus less the percentage reporting results more than 2.5% worse than the consensus. Big beats or misses are those where the percentage difference to consensus exceeds 7.5%.

Rated Nonfinancial Corporates | Results Versus Market Expectations By Ratings Category

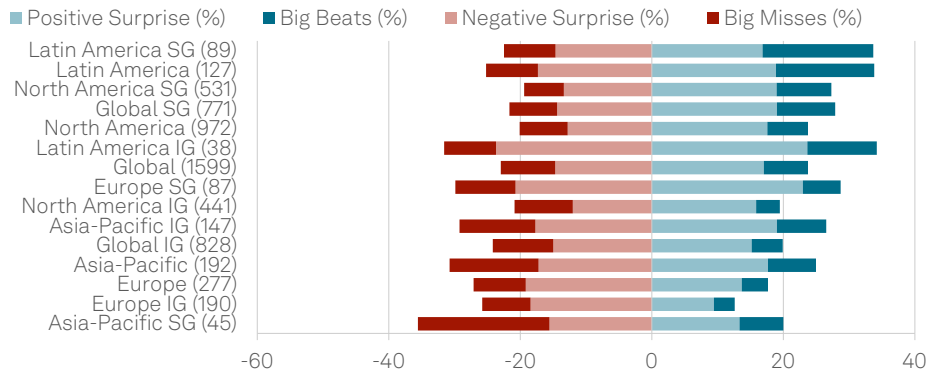
Evolution of "surprise" versus consensus - EBITDA



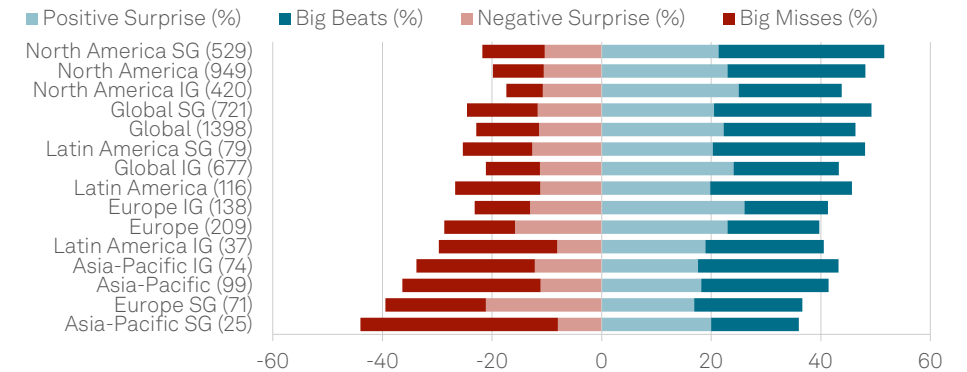
"Surprise" versus consensus - EBITDA, Q3 2023



"Surprise" by region and ratings category - Sales (Ranked)



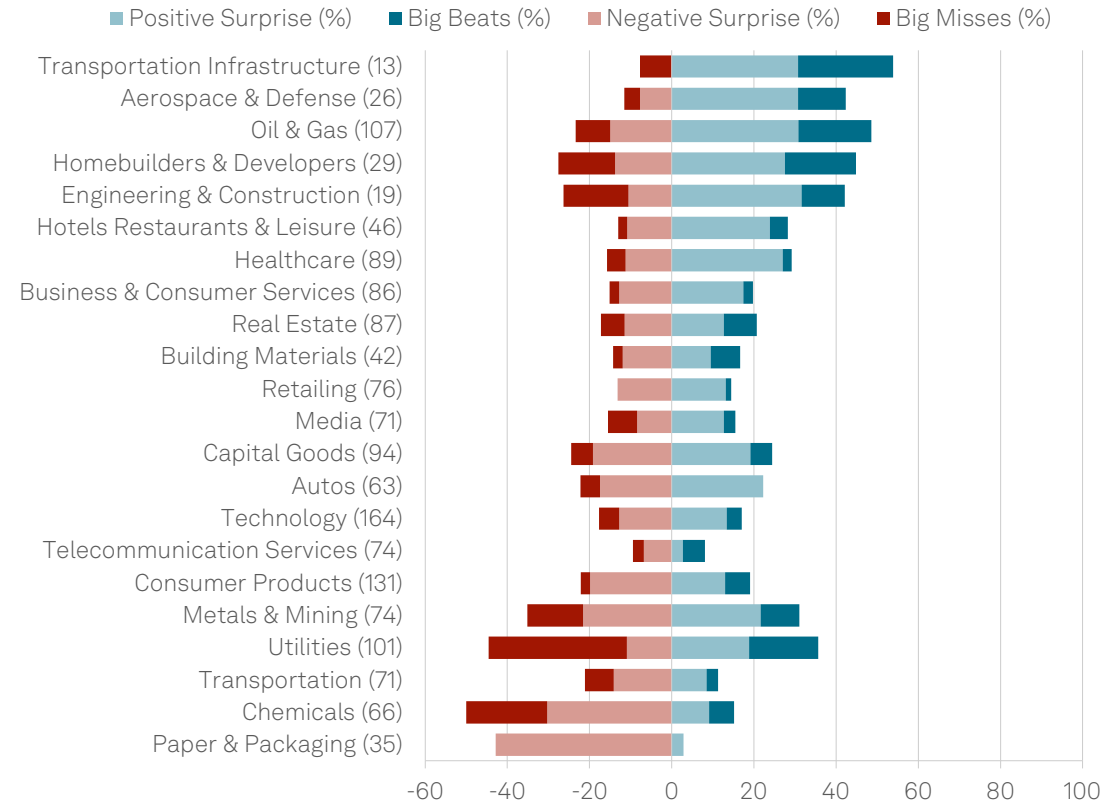
"Surprise" by region and ratings category - EBITDA (Ranked)



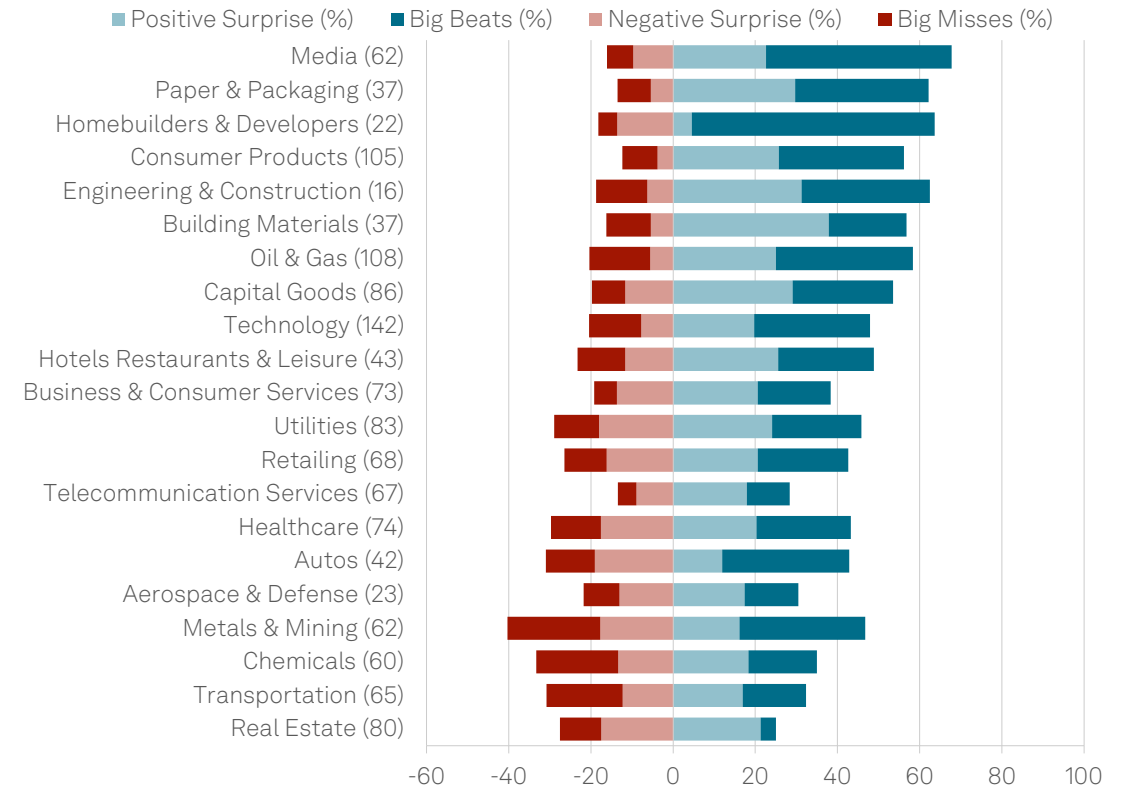
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Figures in parenthesis show how many entities with Q3 2023 results reported have surprise data available. "Surprise" measures the percentage difference between actual results and the Capital IQ consensus estimate prior to reporting. "Surprise Balance" refers to difference between percentage of entities reporting results more than 2.5% better than the S&P Capital IQ market consensus less the percentage reporting results more than 2.5% worse than the consensus. Big beats or misses are those where the percentage difference to consensus exceeds 7.5%.

Rated Nonfinancial Corporates | Results Versus Market Expectations By Industry

"Surprise" by industry - Sales (Ranked)



"Surprise" by industry - EBITDA (Ranked)

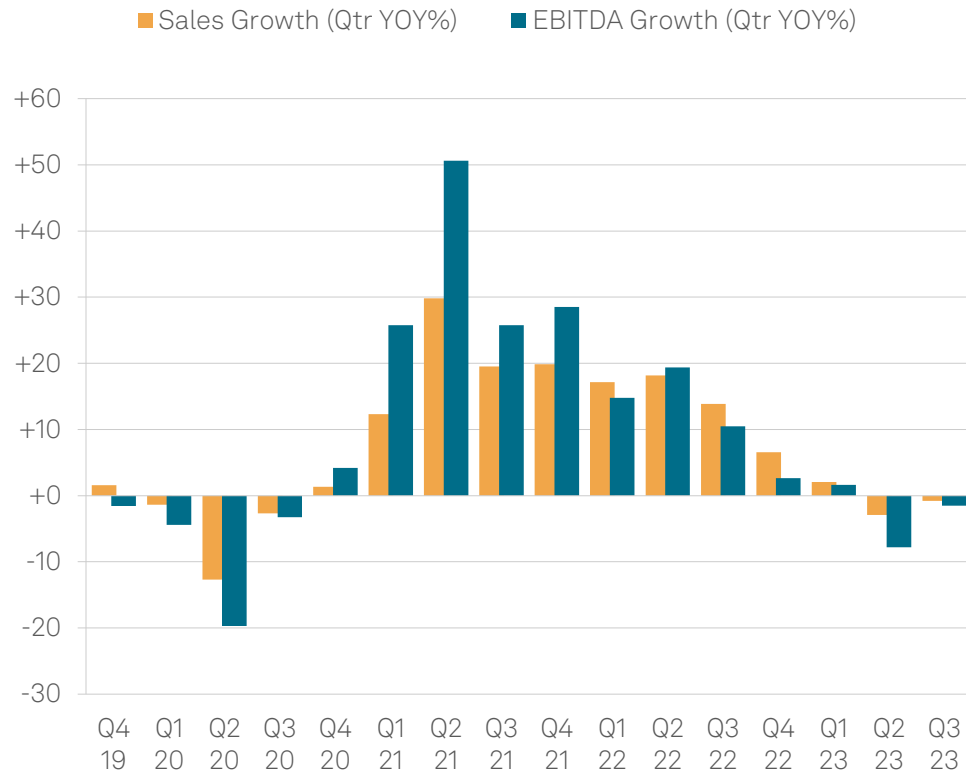


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Figures in parenthesis show how many entities with Q3 2023 results reported have surprise data available. "Surprise" measures the percentage difference between actual results and the Capital IQ consensus estimate prior to reporting. "Surprise Balance" refers to difference between percentage of entities reporting results more than 2.5% better than the S&P Capital IQ market consensus less the percentage reporting results more than 2.5% worse than the consensus. Big beats or misses are those where the percentage difference to consensus exceeds 7.5%.

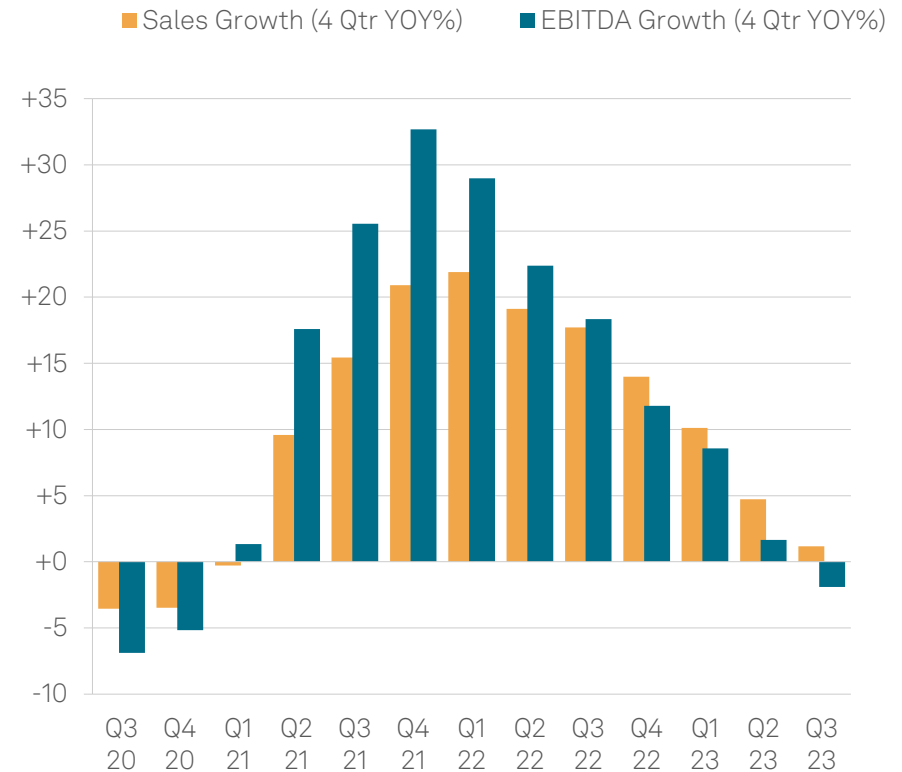
North America

Rated North American Nonfinancial Corporates | Sales and EBITDA Growth*

North America | Quarterly, Year-Over-Year



North America | Trailing 4 Quarter, Year-Over-Year

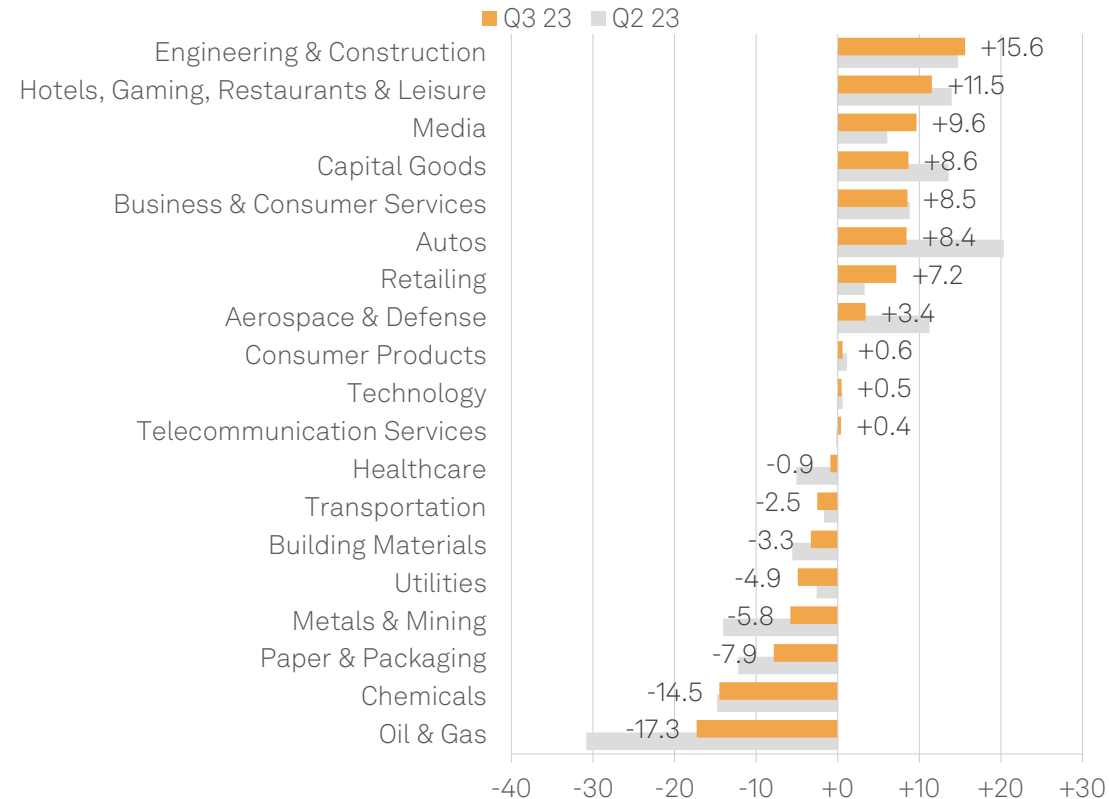


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

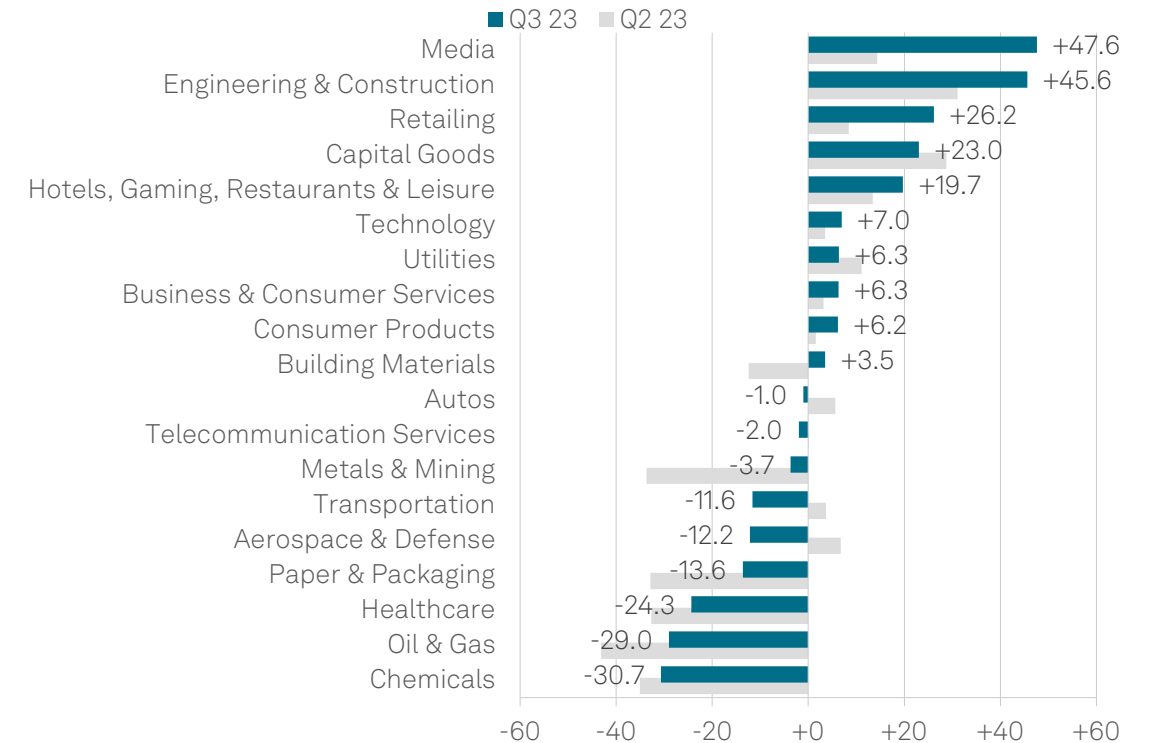
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated North America Nonfinancial Corporates | Industry Growth*

Sales Growth | Quarterly, Year-Over-Year



EBITDA Growth | Quarterly, Year-Over-Year

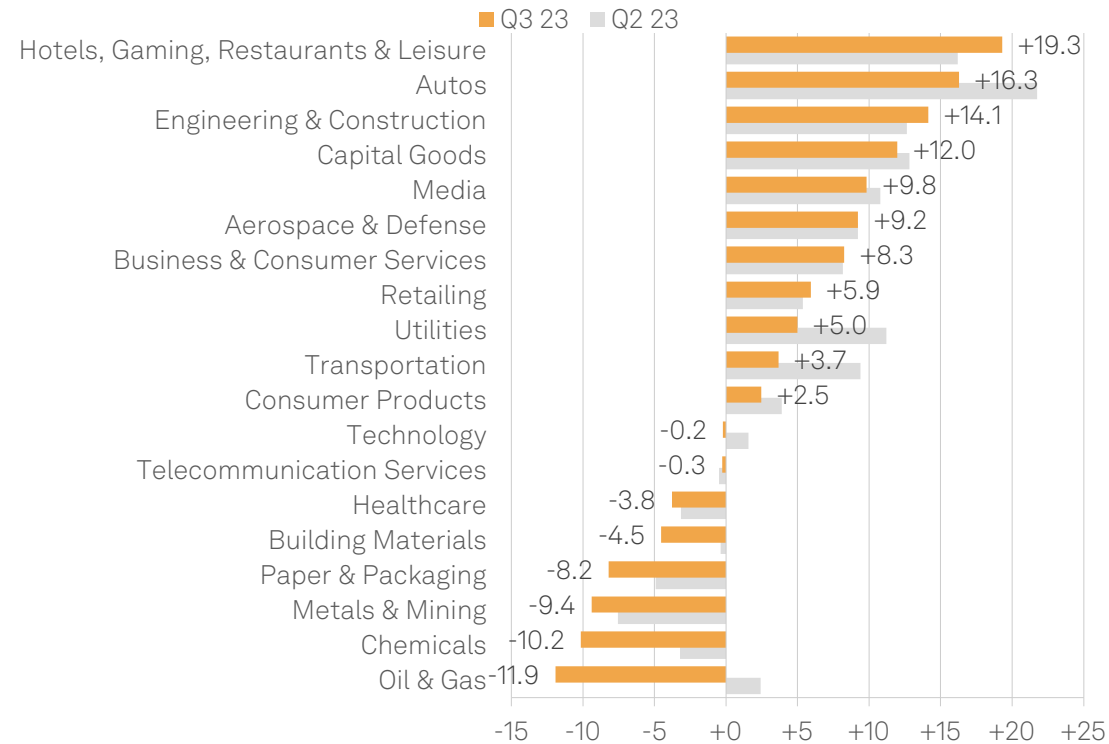


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

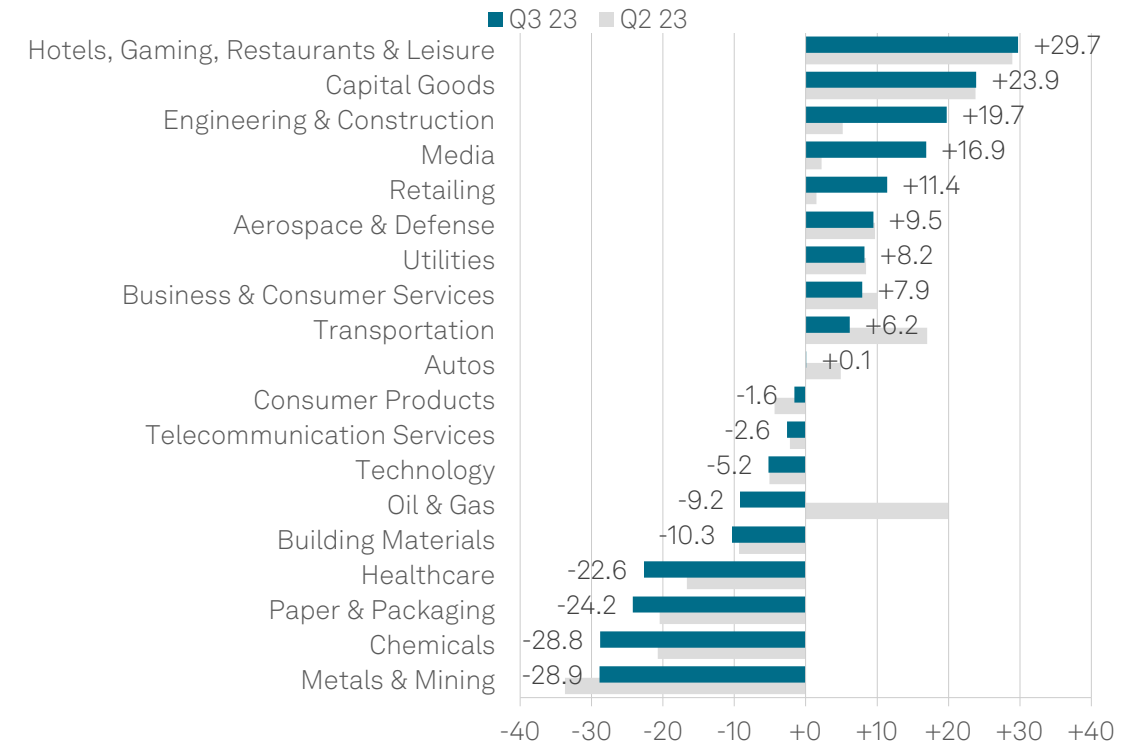
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated North America Nonfinancial Corporates | Industry Growth*

Sales Growth | Trailing 4 Quarter, Year-Over-Year



EBITDA Growth | Trailing 4 Quarter, Year-Over-Year

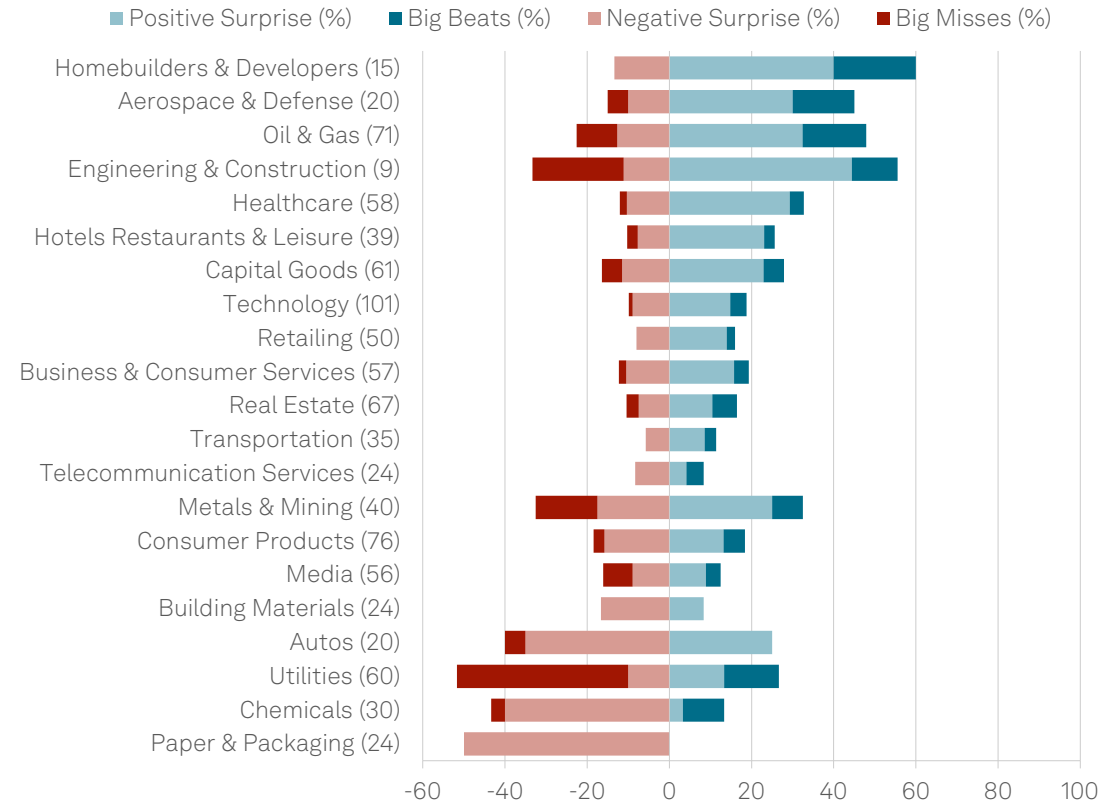


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

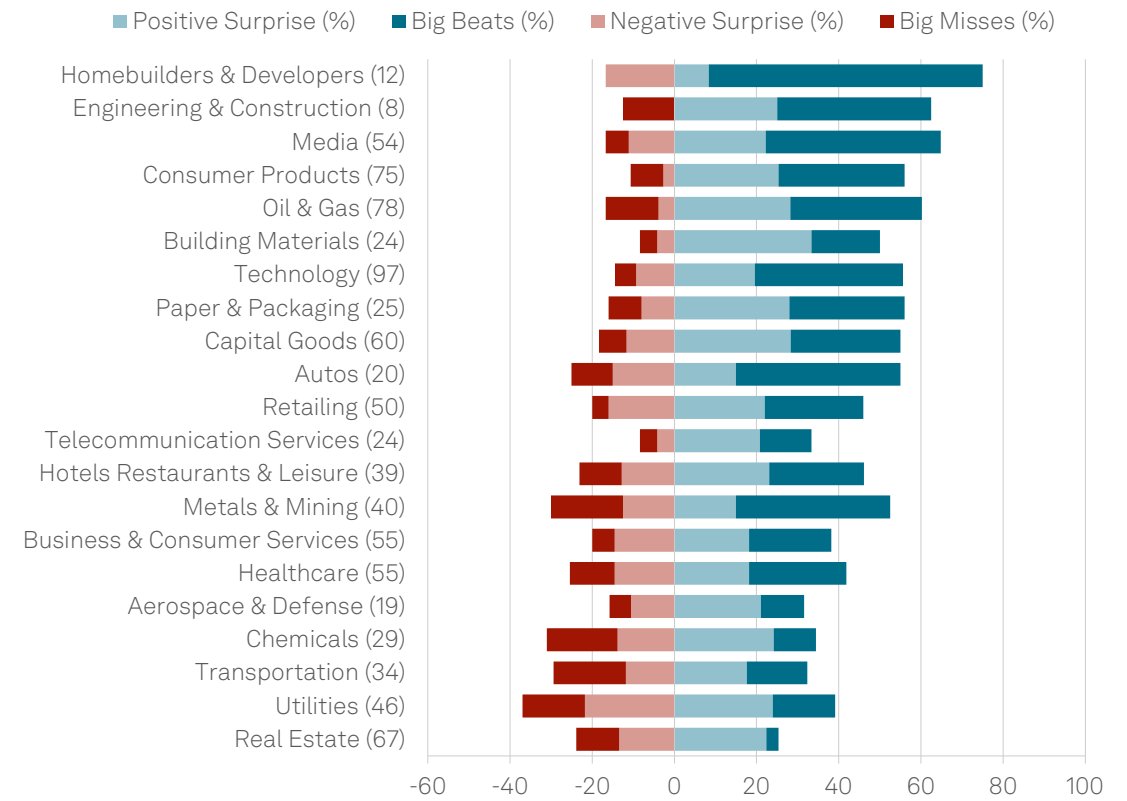
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated North American Nonfinancial Corporates | Results Versus Market Expectations By Industry

"Surprise" by industry - Sales (Ranked)



"Surprise" by industry - EBITDA (Ranked)

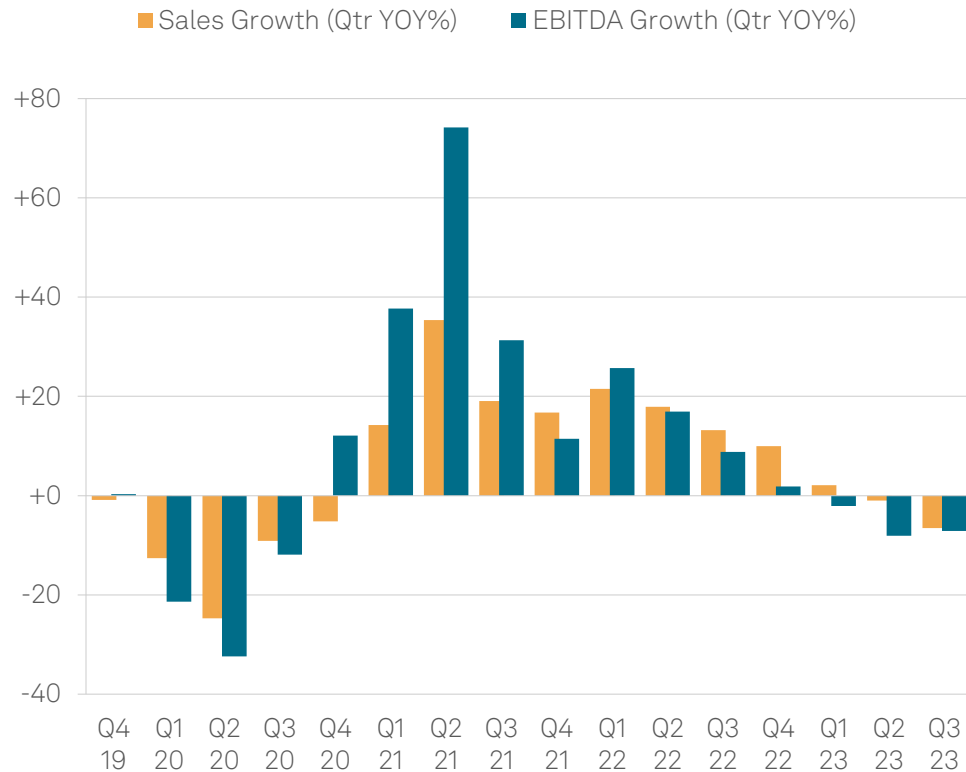


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Figures in parenthesis show how many entities with Q3 2023 results reported have surprise data available. "Surprise" measures the percentage difference between actual results and the Capital IQ consensus estimate prior to reporting. "Surprise Balance" refers to difference between percentage of entities reporting results more than 2.5% better than the S&P Capital IQ market consensus less the percentage reporting results more than 2.5% worse than the consensus. Big beats or misses are those where the percentage difference to consensus exceeds 7.5%.

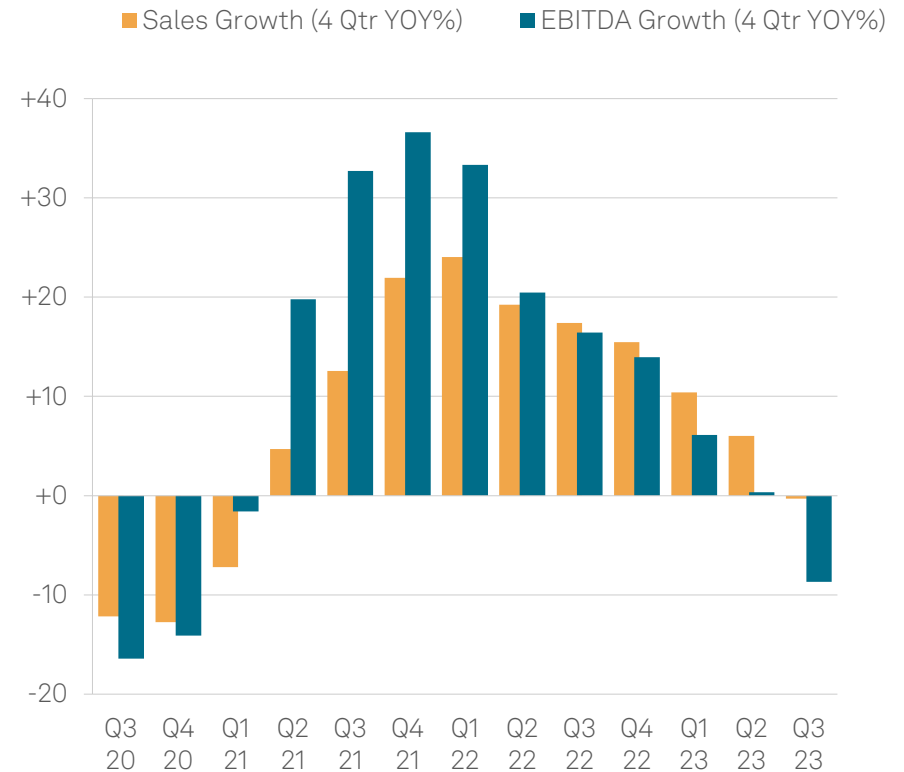
Europe

Rated European Nonfinancial Corporates | Sales and EBITDA Growth*

Europe | Quarterly, Year-Over-Year



Europe | Trailing 4 Quarter, Year-Over-Year

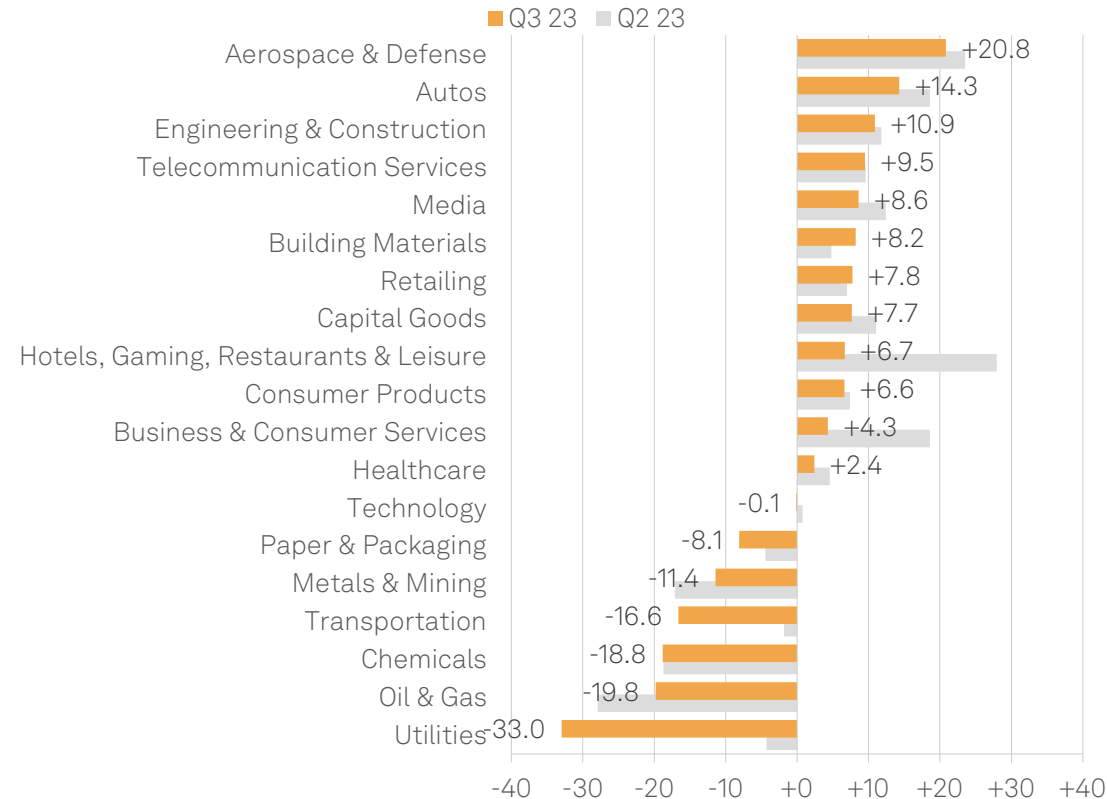


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

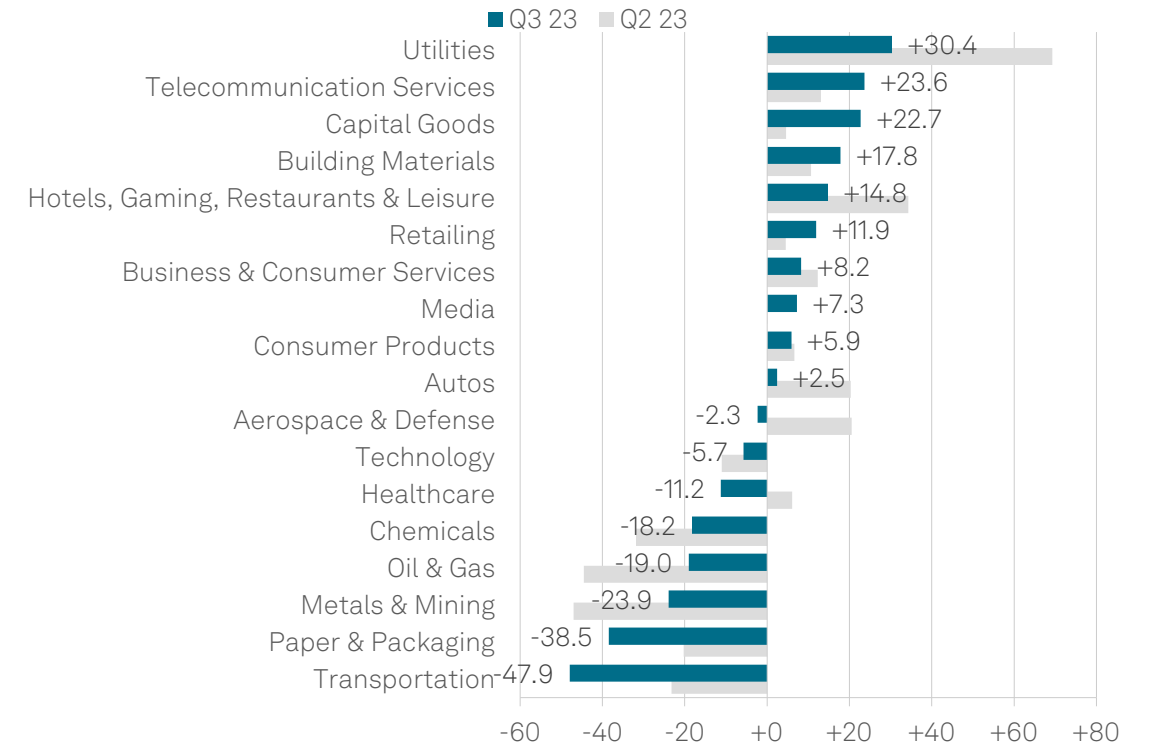
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Rated European Nonfinancial Corporates | Industry Growth*

Sales Growth | Quarterly, Year-Over-Year



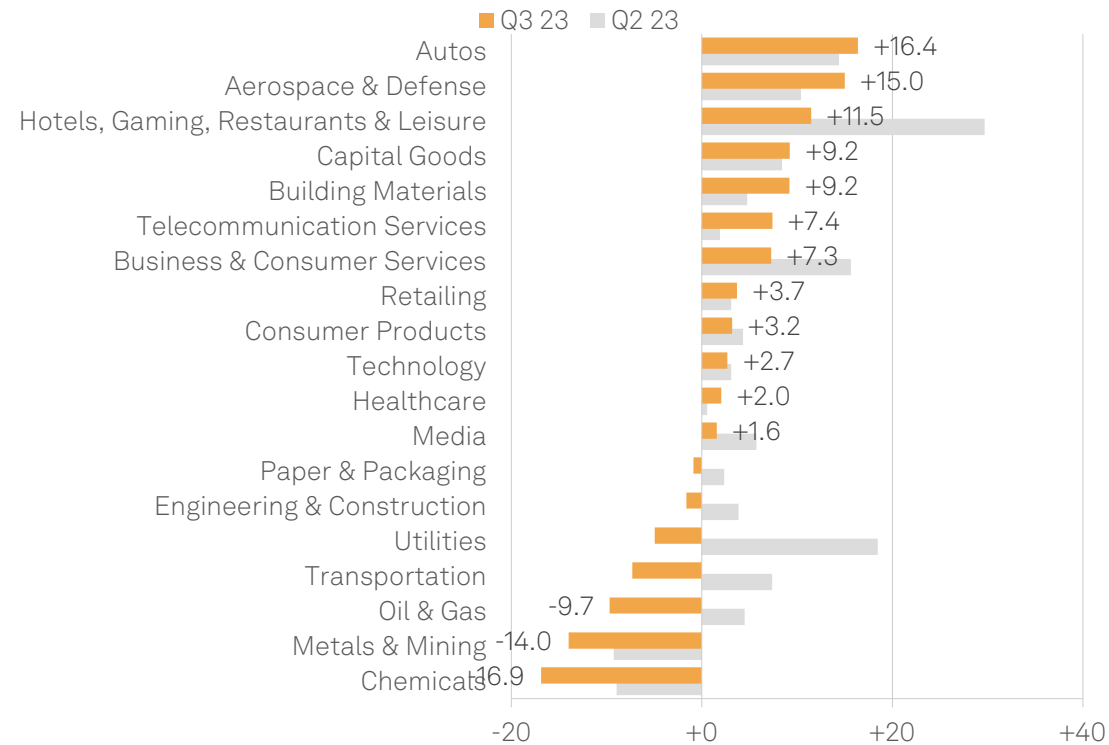
EBITDA Growth | Quarterly, Year-Over-Year



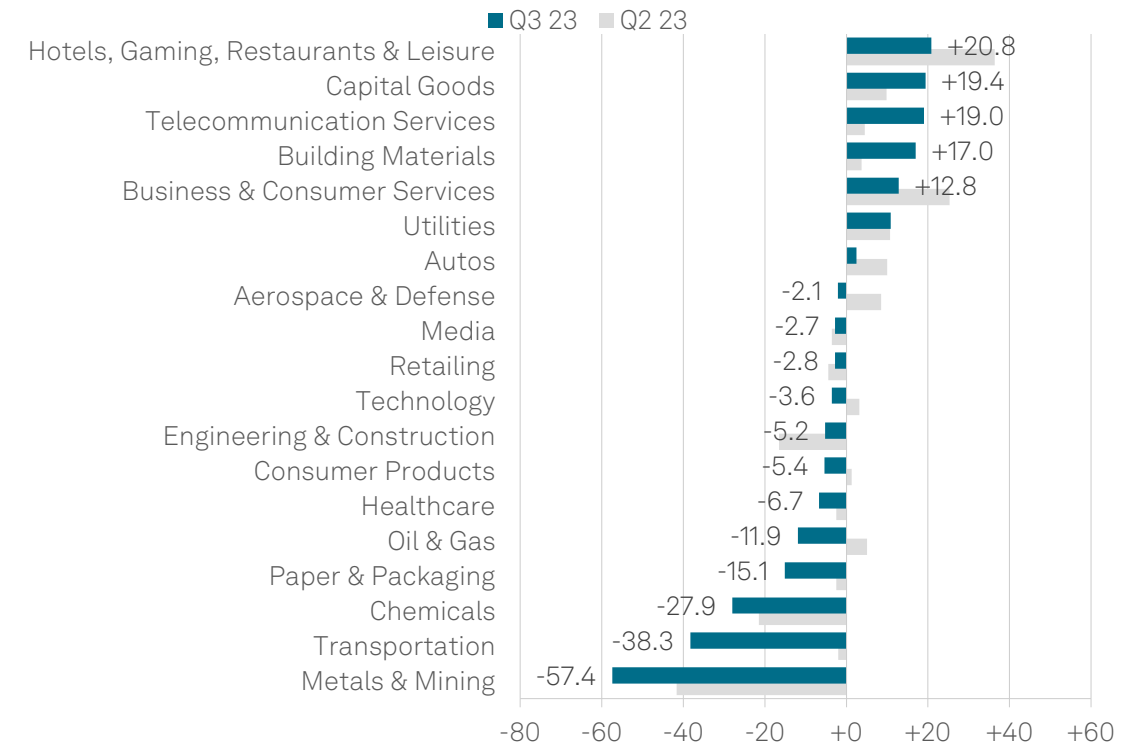
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Note that reported quarterly revenues for some rated utility companies have seen significant volatility.
 * Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated European Nonfinancial Corporates | Industry Growth*

Sales Growth | Trailing 4 Quarter, Year-Over-Year



EBITDA Growth | Trailing 4 Quarter, Year-Over-Year

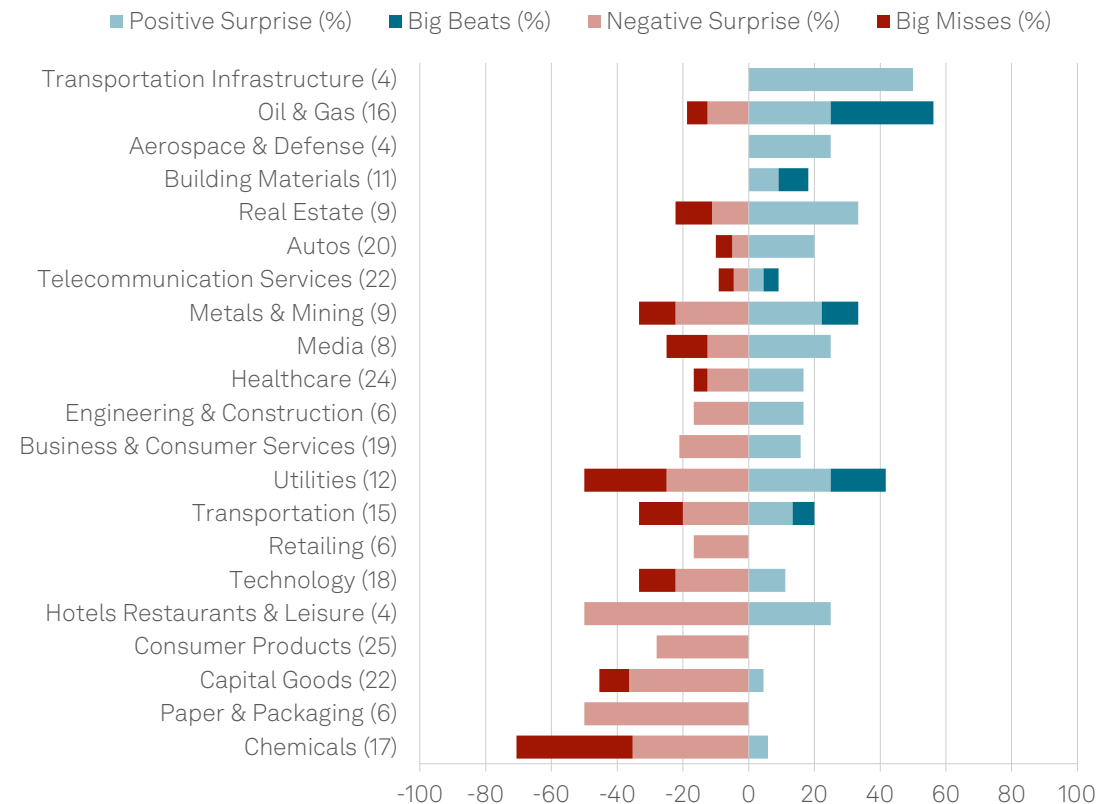


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

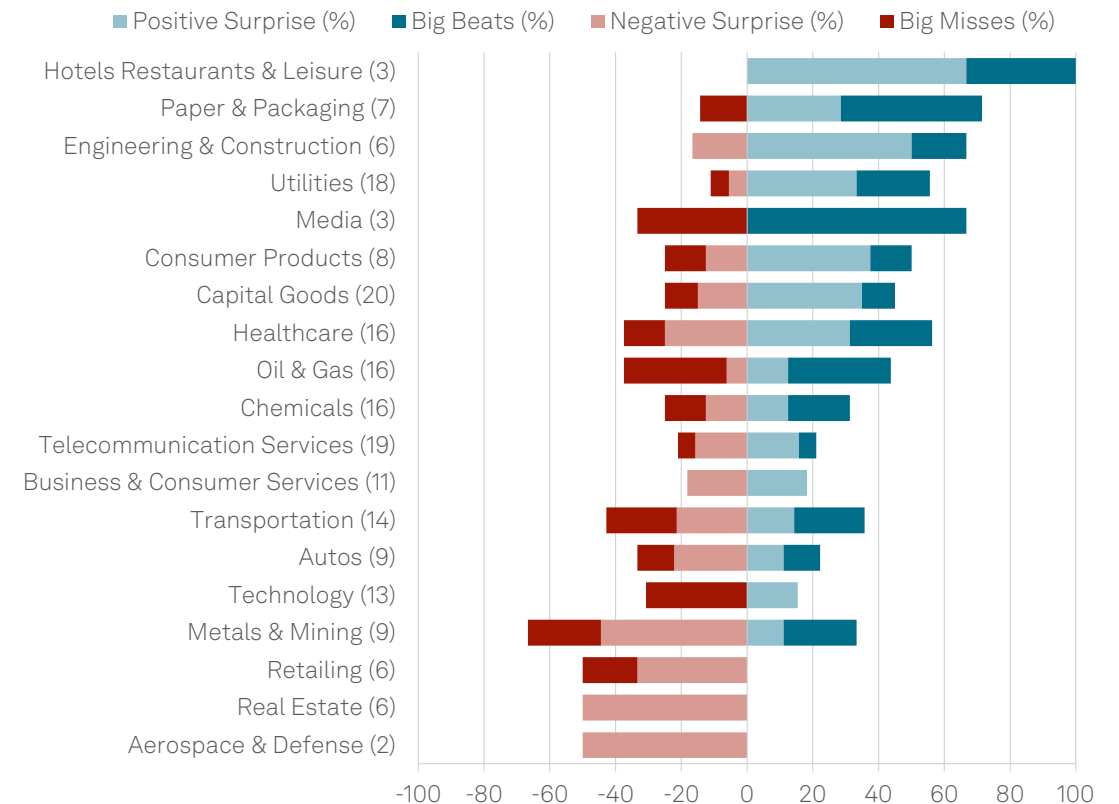
* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results,

Rated European Nonfinancial Corporates | Results Versus Market Expectations By Industry

"Surprise" by industry - Sales (Ranked)



"Surprise" by industry - EBITDA (Ranked)

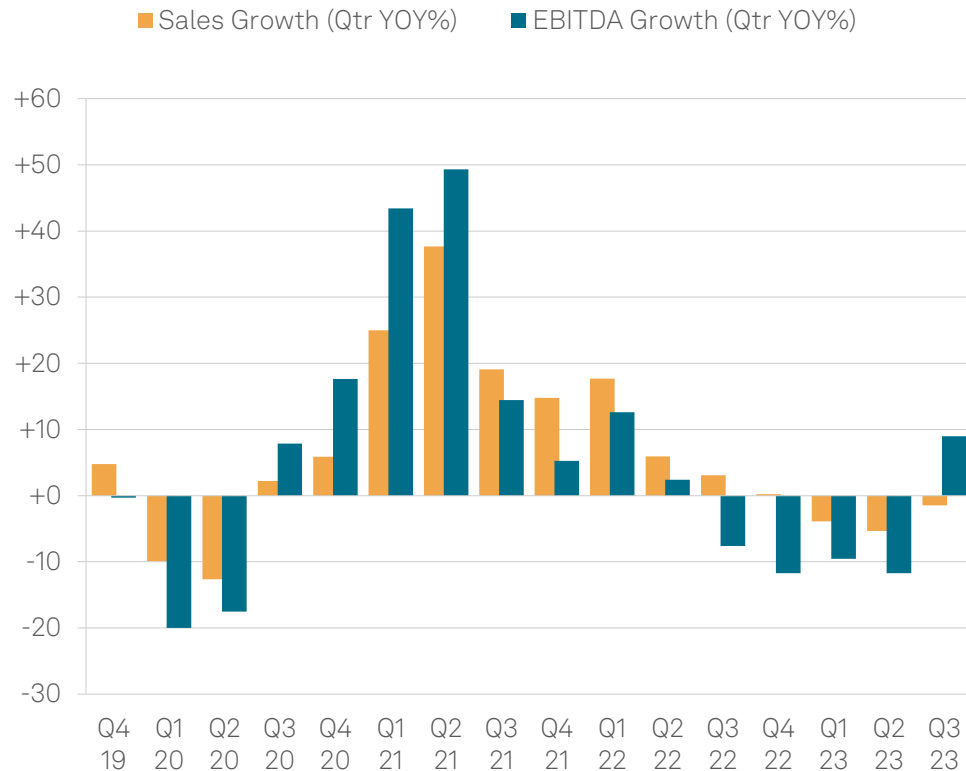


Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023. Figures in parenthesis show how many entities with Q3 2023 results reported have surprise data available. "Surprise" measures the percentage difference between actual results and the Capital IQ consensus estimate prior to reporting. "Surprise Balance" refers to difference between percentage of entities reporting results more than 2.5% better than the S&P Capital IQ market consensus less the percentage reporting results more than 2.5% worse than the consensus. Big beats or misses are those where the percentage difference to consensus exceeds 7.5%.

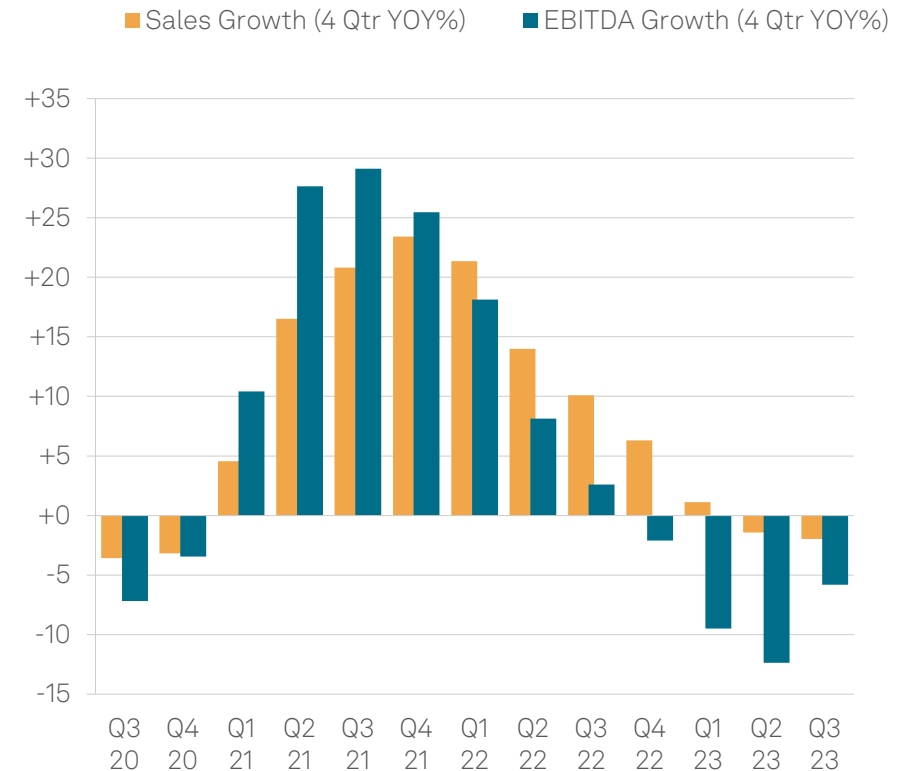
Asia-Pacific

Rated Asia-Pacific Nonfinancial Corporates | Sales and EBITDA Growth*

Asia-Pacific | Quarterly, Year-Over-Year



Asia-Pacific | Trailing 4 Quarter, Year-Over-Year



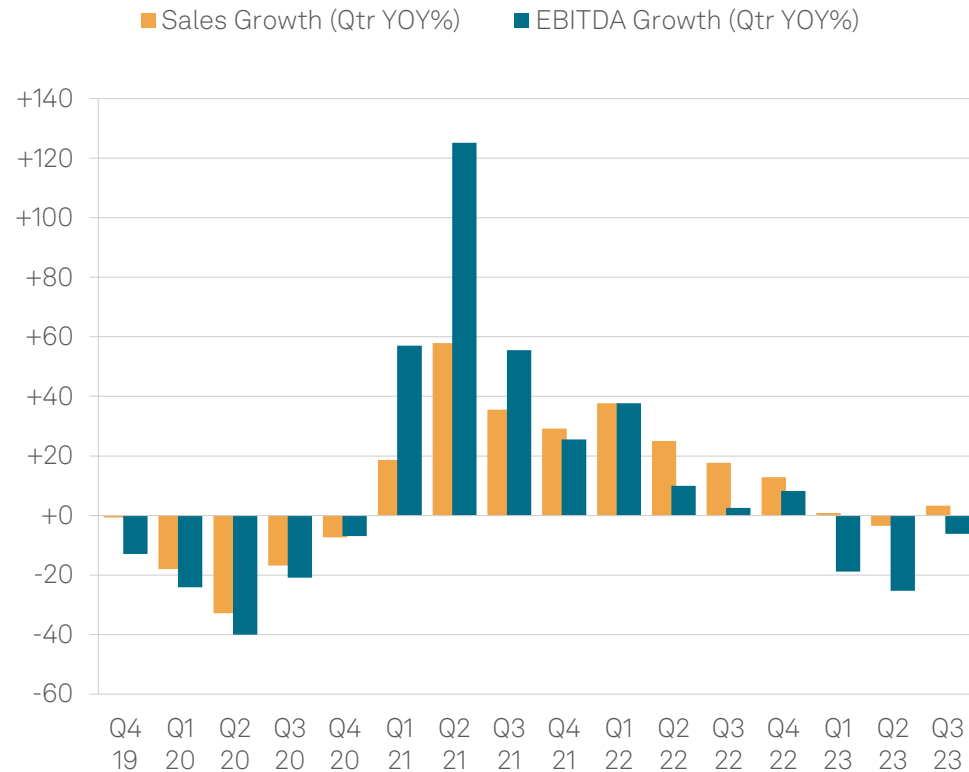
Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

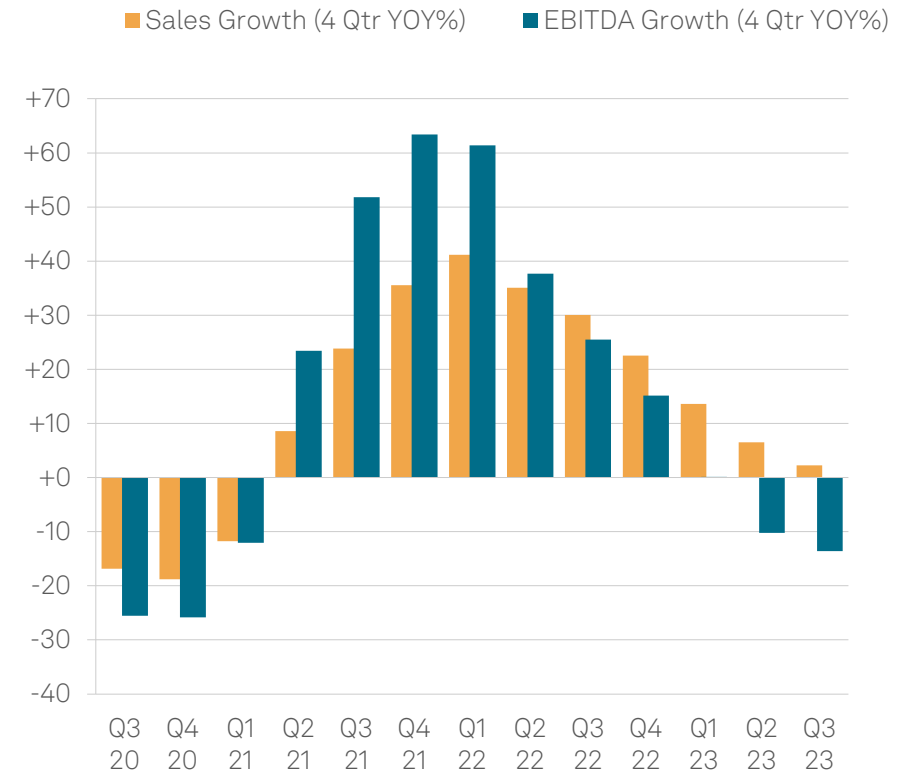
Latin America

Rated Latin America Nonfinancial Corporates | Sales and EBITDA Growth*

Latin America | Quarterly, Year-Over-Year



Latin America | Trailing 4 Quarter, Year-Over-Year



Source: S&P Capital IQ, S&P Global Ratings. Data to Nov. 16, 2023.

* Measured in U.S. Dollars, at historic rates. Only includes companies reporting quarterly. Latest quarter only includes companies that have reported Q3 2023 results.

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge) and www.ratingsdirect.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/ratings/usratingsfees.

Australia: S&P Global Ratings Australia Pty Ltd holds Australian financial services license number 337565 under the Corporations Act 2001. S&P Global Ratings' credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

spglobal.com/ratings

S&P Global
Ratings