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S&P 500[®] 2016: Global Sales

YEAR IN REVIEW

- In 2016, the percentage of S&P 500 sales from foreign countries decreased for the second year in a row, after increasing for three consecutive years. The overall rate for 2016 was 43.2%, down from 44.3% in 2015 and 47.8% in 2014, which was at least an 11-year record high; the 43.2% rate in 2016 was the lowest since the 41.8% posted in 2003. S&P 500 foreign sales represent products and services produced and sold outside of the U.S.
- Sales in Asia increased after their 2015 decline, as Asia became the dominant region, accounting for 8.46% of all S&P 500 sales, up from 2015's 6.77% and 2014's 7.80%.
- European sales continued to increase, but their gain was outpaced by Asia, as it fell to second place for the highest regional sales. For 2016, European sales increased to 8.13% from 2015's 7.79% and 2014's 7.46%. The UK (which is part of European sales) declined to 1.10% after last year's increase to 1.86%; sales in the region were at 0.89% in 2014, 1.12% in 2013, 1.73% in 2012, and 2.39% in 2011.
- Japanese sales increased to 1.52% of all S&P 500 sales from 2015's 1.15%, and Mexican sales declined to 0.12% from 0.26% in 2015. Sales to Canada rebounded to 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.
- Energy maintained the title it took last year of leader in exposure to foreign sales, as its domestic sales fell. The sector reported 58.88% of its sales as foreign, up from 2015's 57.88% and 2014's 56.23%. Information technology's exposure declined to 57.15% in 2016 from the previous year's 57.78%, both of which were a tick below energy's; in 2014 the sector posted 59.39% in foreign sales. In terms of its sector-level representation of total sales, consumer staples represented 18.49% of all foreign sales, up from 14.08% in 2015, as it overtook information technology, which accounted for 16.48% of all sales, down from 2015's leading position of 21.93%.

- In 2016, S&P 500 companies continued to send more payments to Washington for income taxes than they did to foreign governments; however, the percentage going to the U.S. declined for the first time since 2011. For 2016, S&P 500 companies sent 65.2% of their declared income tax payments to Washington, down from 66.8% in 2015, 61.8% in 2014, 54.9% in 2013, and 51.2% in 2012. Meanwhile, 34.8% of taxes were sent to foreign governments in 2016, up from 33.2% in 2015, which was down from 38.2% in 2014, 45.1% in 2013, and 48.8% in 2012. Actual payments to Washington decreased 13.0% in 2016 to USD 160.5 billion, down from USD 184.4 billion in 2015 and USD 185.2 billion in 2014. Payments abroad declined at a slower rate, down 6.3% to USD 85.6 billion from USD 91.4 billion in 2015, when it declined 19.9% from 2014's 114.2 billion (and down 11.8% to USD 114.2 billion for 2013).
- In 2016, the quantifiable data released with respect to foreign sales by issues again slightly improved, but remained disappointing. Just over one-half of S&P 500—257 issues—reported sufficient information to facilitate producing a report on global sales for 2016, up from 255 issues in 2015 and 246 issues in 2014. Of the issues that did declare some foreign sales quantifiable data, 40.6% of them used a term similar to “foreign country,” giving little breakdown of the area or country of the sales.
- Given the ongoing and expected Congressional debate and discussion of corporate domestic and foreign tax rates and policies, as well as inversions, 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 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 provide a unique glimpse into global sales composition, but should not be considered statements of exact values.

Reporting of global sales again improved somewhat in 2016, 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 2016 reports, foreign sales appear to account for 26.7% of total S&P 500 sales (28.4% in 2015 and 31.0% in 2014). However, if we use only the companies that reported foreign sales, the rate increases to 38.9% (40.5% in 2015 and 44.5% in 2014). If we eliminate some of the “stranger” values, such as companies reporting at 100% 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 43.2%, down from the 44.3% posted in 2015, which was a gain from the 47.8% reported in 2014 (see Exhibit 1). This adjusted rate, 43.2%, 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 2016 results show that foreign sales as a percentage of total S&P 500 sales decreased to 43.16% from 2015's 44.35% and 2014's 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 to the actual time series, which is based on the historical membership), the decreased figure for 2016 is a tick more than the original from 2015 (which was restated up to 44.37% from 2014's 44.35%), with the larger drop being from the 2014 proforma rate of 46.38%, from 2013's rate of 47.82%. Both views support a change for 2016 and confirm the 2015 decline (which was reported in last year's report).

On the tax front, which continues to be a hot political and board room issue (and is expected to increase in importance if tax reform progresses in Congress), 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 from 60.6% in 2005, but it then posted its fourth year 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 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, as they paid USD 85.6 billion to foreign governments, a 6.3% decline, equating to USD 5.8 billion in lower payments.

The energy sector's share of foreign sales posted its sixth annual increase, to 58.9% from 2015's 57.9%, 2014's 56.2%, and 2013's 54.6%, as oil prices and related services and equipment sales increased in 2016, with earnings improving but remaining in the red. The sector has 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 2017, oil prices and energy equity prices have declined, as initial Q1 2017 sales have increased 5.9% (S&P 500 energy sector), with the U.S. now producing more energy-related products (oil and gas), as new legislation has permitted some of it to be exported. The information technology sector, which previously had the largest proportion of foreign sales, reported a decline to 57.2% from 2015's 57.8% and 2014's 59.4%. The foreign sales rate among financials companies continued to slightly decrease, with 30.8% reported for 2016, down from 31.1% in 2015 and 31.2% in 2014; the sector's rate remained relatively flat over the past five years. Real estate, which was created in September 2016 (spun off from financials), had an incomplete record. On a purely proforma basis (for real estate), quantifiable data appeared to be less than that of the full index, with one-third of the issues reporting foreign sales at a rate of 27.0%. On a segment base, the UK was its largest area, accounting for 20.4% of its foreign sales and 5.5% of total sales. An initial look at the two-thirds that did not report appears to indicate that their operations were more domestic.

In Exhibit 2, regional data show that European sales continued to increase, representing 8.46% of S&P 500 sales in 2016, 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 1.10%, down from 1.86% in 2015, which was up from 0.89% in 2014. European sales excluding the UK increased to 7.03% in 2016 from 5.93% in 2015 and 2014's 6.58%. Asian sales increased to 8.46% from 2015's 6.77%, as it reclaimed the title for the most regional foreign sales from Europe, which had taken it from Asia the previous year. Within Asia, Japanese sales increased to 1.52% of S&P 500 sales, up from the 2015's 1.15% and the 0.50% rate from 2014. African sales increased to 3.97% in 2016 from 3.16% in 2015 and 4.09% in 2014. Sales to Canada rebounded to 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. 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, although reporting in this area did improve. For 2016, 40.58% of the issues that reported foreign sales used this category and did not break down their regional sales, down from 49.19% in 2015 and 46.43% in 2014. The "foreign sales" category represented 17.5% of all S&P 500 sales, down from the 21.8% representation in 2015 and 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. 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 43.16% as a holding position for foreign sales as a percentage of total S&P 500 sales, down from last year's 44.35% and 47.82% in 2014. Our working number for Asia is 8.46%, and the working number for Europe is 8.13%, with 1.10% coming from the UK.

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 as the pace of growth has slowed), with gains in stock prices (continuing into 2017, as the S&P 500 has set 24 new closing highs), earnings (with Q2 2017 estimates from Wall Street pointing to an operating earnings record), dividends (which set a record for Q2 2017), and cash levels (which stood at record levels at the end of Q1 2017), sales gains have remained disappointing. On an actual aggregate basis, based on quarterly membership, calendar-year 2016 sales for the S&P 500 increased 0.30% to USD 9.96 trillion, after declining 3.91% to USD 9.93 trillion in 2015 from the USD 10.34 trillion posted in 2014. Corporations have addressed the slower sales via cost reductions, maintaining margins at near-record levels (which have now declined, but stayed historically high), as well as M&A to increase their market share in a slower growing economy. Relative to U.S. domestic sales, foreign sales slowed in 2016, as non-U.S. economic growth has slowed and currencies have negatively affected foreign sales.

The overall slower rate of the recovery in sales over the past years reflects the uncertainty of markets, as corporations viewed spending as soft, and therefore made few forward commitments to production increases that could assist in job creation (domestically or not). Alternatively, companies have continued and expanded cost cutting, including layoffs. Consumers have maintained a watchful eye on their expenditures (also due to their perceived economic instability), which has compounded the nervousness of corporate planners, as they have reallocated 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 show a slowdown in buybacks for Q1 2017). The net result is that both operating and as-reported margins remain high, but under pressure, while sales growth remains elusive.

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 is given). Using this calculation, foreign sales decreased to 26.70% for 2016 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 a decrease in foreign sales to 43.16% in 2016 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

2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
43.16%	44.35%	47.82%	46.29%	46.59%	46.14%	46.29%	46.57%	47.94%	45.84%	43.55%
PRO FORMA BASED ON CURRENT MEMBERSHIP (%)										
43.16%	44.37%	46.38%	-	-	-	-	-	-	-	-

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

REGION	2016 FOREIGN SALES (%)	2015 FOREIGN SALES (%)	2014 FOREIGN SALES (%)	2013 FOREIGN SALES (%)	2012 FOREIGN SALES (%)
Africa	3.97	3.16	4.09	3.55	3.55
Asia	8.46	6.77	7.80	7.71	7.46
Australia	0.07	0.08	0.09	0.11	0.14
Europe	8.13	7.79	7.46	6.80	9.69
Europe (Ex-UK)	7.03	5.93	6.58	5.69	7.97
North America (Ex-U.S.)	3.34	1.82	3.94	2.72	4.59
South America	1.68	2.91	2.23	2.60	2.65
Foreign Countries	17.51	21.82	22.20	22.80	18.51
Total	43.16	44.35	47.82	46.29	46.59

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

INCOME TAXES

While revenue gains were statistically flat in 2016 (up 0.3%), operating and as-reported (GAAP) earnings rebounded 5.8% and 9.3%, respectively, after declining 11.1% and 15.4%, respectively, in 2015. 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). As shown in Exhibit 3, 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. 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.

Related, but not part of this report, is the current debate on companies' foreign operations, along with their domestic and foreign employment levels. Additionally, tax policies and repatriation are on the current agenda to be discussed in Congress.

Exhibit 3: S&P 500 2015 Income Taxes Paid

CATEGORY	2016	2015	2014	2013	2012	2011	2010
Foreign (USD Millions)	85,648	91,440	114,227	129,533	139,132	141,639	117,341
U.S. (USD Millions)	160,451	184,393	185,169	157,670	145,765	117,337	101,662
Foreign % Change	-6.33	-19.95	-11.82	-6.90	-1.77	20.71	27.72
U.S. % Change	-12.98	-0.42	17.44	8.17	24.23	15.42	9.71
Foreign Change (USD Millions)	-5,793	-22,787	-15,306	-9,599	-2,507	24,299	25,464
U.S. Change (USD Millions)	-23,942	-776	27,499	11,905	28,428	15,675	8,995
Foreign % of Total	34.8	33.2	38.2	45.1	48.8	54.7	53.6
U.S. % of Total	65.2	66.8	61.8	54.9	51.2	45.3	46.4

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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 2016 report is slightly better than what was available in 2015, which was slightly better than that used for the 2014 analysis. As shown in Exhibit 4, for 2016, we were able to utilize 257 issues with complete and comparable data, up from the 255 we utilized last year and 246 the year before that. Given the public debate on foreign jobs and taxes, the hope was that more issues would divulge data this year, which has been the hope the last four 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	2016	2015	2014	2013	2012	2011
Foreign Sales Between 15% and 85%	257	255	246	239	264	252
Issues With no Foreign Sales or Incomplete Issues	188	190	186	194	170	177
Issues Under 15%	42	42	46	46	48	53
Issues Over 85%	12	12	22	22	18	18
Issues at 100% (Included in Over 85% Level)	7	7	9	10	8	-

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Using the subset of issues that reported sufficient data, 43.16% of sales were produced and sold outside of the U.S., a decrease from the 44.35% reported in 2015 and the 47.82% reported in 2014.

SELECTED SECTOR SALES

Energy was the leading sector, as its overall sales continued to fall along with oil and its related services and equipment (S&P 500 2016 energy sales were USD 273 billion, down from 2015's 343 billion and 2014's 540 billion), with the belief that U.S.-based sales declined more. The energy issues that reported posted 58.88% in foreign sales, up from 57.88% in 2015, 56.23% in 2014, and 54.64% in 2013. Information technology issues trailed right behind, as they did last year, with 57.15% in foreign sales, down from 57.78% in 2015 and 59.39% in 2014 (it was 56.6% in 2013, which was the highest since 2009), representing 16.48% of all declared foreign sales, down from 21.93% in 2015; energy's representation declined to 9.66% for 2016 from 15.46% in 2015 and 21.54% reported in 2014. Health care reported 37.41% of its sales were foreign, statistically flat from the 37.42% reported in 2015, but down from the 50.25% reported in 2014.

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

SECTOR	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Consumer Discretionary	35.05	37.43	41.36	40.96	42.45	42.28	42.98
Consumer Staples	33.67	34.95	39.14	39.79	38.90	46.99	45.61
Energy	58.88	57.88	56.23	54.64	52.57	39.29	38.86
Financials	30.81	31.13	31.21	32.31	29.98	34.67	37.05
Health Care	37.41	37.42	50.25	51.28	50.23	52.42	49.82
Industrials	44.89	44.86	46.17	45.91	47.41	47.96	45.06
Information Technology	57.15	57.78	59.39	56.60	58.32	56.52	56.30
Materials	53.03	53.47	54.54	54.45	50.70	53.71	52.46
Real Estate	N/M	-	-	-	-	-	-
Telecommunication Services	17.43	19.14	N/M	N/M	N/M	N/M	N/M
Utilities	46.29	48.19	N/M	N/M	N/M	N/M	N/M
Total Non-U.S. (15%-85%)	43.16	44.35	47.82	46.29	46.59	46.14	46.29

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Consumer Discretionary	15.79	12.78	13.10	17.36	13.33	12.10	14.12
Consumer Staples	18.49	14.08	13.05	19.17	14.74	11.03	7.84
Energy	9.66	15.46	21.54	12.39	20.61	20.57	7.84
Financials	6.19	4.69	4.43	8.07	4.96	4.64	7.45
Health Care	11.81	8.91	7.37	7.52	7.89	8.47	12.55
Industrials	16.21	16.04	15.63	14.57	15.09	16.98	17.25
Information Technology	16.48	21.93	18.34	14.82	16.17	18.98	22.35
Materials	4.14	5.46	5.90	5.36	6.54	7.14	9.80
Real Estate	0.55	-	-	-	-	-	-
Telecommunication Services	0.14	0.06	0.00	0.00	0.00	0.00	0.39
Utilities	0.54	0.60	0.62	0.74	0.68	0.08	0.39
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 June 2017. 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 2016 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
EXXON MOBIL CORP	XOM	Energy	Canada	197,518	145,127	73.48	69,191	47.68	35.03
APPLE INC	AAPL	Information Technology	Europe	215,091	129,026	59.99	49,952	38.71	23.22
APPLE INC	AAPL	Information Technology	Asia	215,091	129,026	59.99	48,492	37.58	22.54
INTEL CORP	INTC	Information Technology	Asia	59,387	46,430	78.18	36,710	79.07	61.81
APPLE INC	AAPL	Information Technology	Japan	215,091	129,026	59.99	30,582	23.70	14.22
GENERAL ELECTRIC CO	GE	Industrials	Africa	119,688	70,300	58.74	28,300	40.26	23.64
EXXON MOBIL CORP	XOM	Energy	Europe	197,518	145,127	73.48	23,399	16.12	11.85
GENERAL ELECTRIC CO	GE	Industrials	Europe	119,688	70,300	58.74	21,600	30.73	18.05
BOEING CO	BA	Industrials	Middle East	94,571	55,806	59.01	21,151	37.90	22.37
BOEING CO	BA	Industrials	Asia	94,571	55,806	59.01	20,865	37.39	22.06
GENERAL ELECTRIC CO	GE	Industrials	Asia	119,688	70,300	58.74	20,400	29.02	17.04
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	135,987	45,638	33.56	20,344	44.58	14.96
QUALCOMM INC	QCOM	Information Technology	Asia	23,554	23,168	98.36	20,267	87.48	86.04
CHUBB LTD	CB	Financials	North America	31,587	28,749	91.02	20,124	70.00	63.71
FORD MOTOR CO	F	Consumer Discretionary	Canada	151,800	58,367	38.45	17,350	29.73	11.43
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	118,719	32,140	27.07	17,028	52.98	14.34
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Europe	117,351	33,549	28.59	16,793	50.06	14.31
ACCENTURE PLC	ACN	Information Technology	North America	34,798	22,714	65.27	16,624	73.19	47.77
JOHNSON & JOHNSON	JNJ	Health Care	Europe	71,890	34,079	47.40	15,770	46.27	21.94
DOW CHEMICAL	DOW	Materials	Africa	48,158	31,521	65.45	14,667	46.53	30.46
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	135,987	45,638	33.56	14,148	31.00	10.40
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Great Britain	117,351	33,549	28.59	14,081	41.97	12.00
BOEING CO	BA	Industrials	Europe	94,571	55,806	59.01	13,790	24.71	14.58
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	Europe	62,346	32,927	52.81	13,413	40.74	21.51
JOHNSON & JOHNSON	JNJ	Health Care	Africa	71,890	34,079	47.40	12,575	36.90	17.49

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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 2016 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
WAL-MART STORES INC	WMT	Consumer Staples	Foreign Countries	482,154	118,089	24.49	118,089	100.00	24.49
CHEVRON CORP	CVX	Energy	Foreign Countries	103,310	72,843	70.51	72,843	100.00	70.51
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	197,518	145,127	73.48	52,537	36.20	26.60
GENERAL MOTORS CO	GM	Consumer Discretionary	Foreign Countries	166,380	48,070	28.89	48,070	100.00	28.89
ALPHABET INC	GOOGL	Information Technology	Foreign Countries	90,272	47,491	52.61	47,491	100.00	52.61
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	85,320	44,742	52.44	44,742	100.00	52.44
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Foreign Countries	79,920	49,725	62.22	41,386	83.23	51.78
PROCTER & GAMBLE CO	PG	Consumer Staples	Foreign Countries	65,299	38,300	58.65	38,300	100.00	58.65
MCKESSON CORP	MCK	Health Care	Foreign Countries	198,533	34,105	17.18	34,105	100.00	17.18
FORD MOTOR CO	F	Consumer Discretionary	Foreign Countries	151,800	58,367	38.45	30,976	53.07	20.41
HP INC	HPQ	Information Technology	Foreign Countries	48,238	30,196	62.60	30,196	100.00	62.60
HEWLETT PACKARD ENTERPRISE	HPE	Information Technology	Foreign Countries	50,123	30,542	60.93	25,468	83.39	50.81
PRUDENTIAL FINANCIAL INC	PRU	Financials	Foreign Countries	58,884	22,700	38.55	22,700	100.00	38.55
CATERPILLAR INC	CAT	Industrials	Foreign Countries	38,537	22,581	58.60	22,581	100.00	58.60
COCA-COLA CO	KO	Consumer Staples	Foreign Countries	41,863	21,964	52.47	21,964	100.00	52.47
PFIZER INC	PFE	Health Care	Foreign Countries	52,824	26,455	50.08	17,149	64.82	32.46
DOW CHEMICAL	DOW	Materials	Foreign Countries	48,158	31,521	65.45	16,854	53.47	35.00
COSTCO WHOLESALE CORP	COST	Consumer Staples	Foreign Countries	118,719	32,140	27.07	15,112	47.02	12.73
FACEBOOK INC	FB	Information Technology	Foreign Countries	27,638	15,059	54.49	15,059	100.00	54.49
PEPSICO INC	PEP	Consumer Staples	Foreign Countries	62,799	26,067	41.51	14,254	54.68	22.70
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	Foreign Countries	62,346	32,927	52.81	13,556	41.17	21.74
UNITED PARCEL SERVICE INC	UPS	Industrials	Foreign Countries	60,906	12,893	21.17	12,893	100.00	21.17
AMAZON.COM INC	AMZN	Consumer Discretionary	Foreign Countries	135,987	45,638	33.56	11,146	24.42	8.20
INTEL CORP	INTC	Information Technology	Foreign Countries	59,387	46,430	78.18	9,720	20.93	16.37
DEERE & CO	DE	Industrials	Foreign Countries	26,006	9,339	35.91	9,339	100.00	35.91

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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 2016 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
GENERAL ELECTRIC CO	GE	Industrials	Africa	119,688.00	70,300.00	58.74	28,300	40.26	23.64
DOW CHEMICAL	DOW	Materials	Africa	48,158.00	31,521.00	65.45	14,667	46.53	30.46
JOHNSON & JOHNSON	JNJ	Health Care	Africa	71,890.00	34,079.00	47.40	12,575	36.90	17.49
CISCO SYSTEMS INC	CSCO	Information Technology	Africa	49,247.00	19,836.00	40.28	12,281	61.91	24.94
MERCK & CO	MRK	Health Care	Africa	39,807.00	21,329.00	53.58	10,953	51.35	27.52
APPLE INC	AAPL	Information Technology	Asia	215,091.00	129,026.00	59.99	48,492	37.58	22.54
INTEL CORP	INTC	Information Technology	Asia	59,387.00	46,430.00	78.18	36,710	79.07	61.81
BOEING CO	BA	Industrials	Asia	94,571.00	55,806.00	59.01	20,865	37.39	22.06
GENERAL ELECTRIC CO	GE	Industrials	Asia	119,688.00	70,300.00	58.74	20,400	29.02	17.04
QUALCOMM INC	QCOM	Information Technology	Asia	23,554.00	23,168.00	98.36	20,267	87.48	86.04
NEWMONT MINING CORP	NEM	Materials	Australia	6,711.00	4,094.00	61.00	2,148	52.47	32.01
HANESBRANDS INC	HBI	Consumer Discretionary	Australia	6,028.20	1,538.61	25.52	912	59.29	15.13
CAMPBELL SOUP CO	CPB	Consumer Staples	Australia	7,961.00	1,524.00	19.14	590	38.71	7.41
EQUIFAX INC	EFX	Industrials	Australia	3,144.90	854.00	27.16	349	40.82	11.08
ARTHUR J GALLAGHER & CO	AJG	Financials	Australia	5,594.80	1,322.20	23.63	246	18.57	4.39
AES CORP	AES	Utilities	Brazil	13,586.00	10,097.00	74.32	3,755	37.19	27.64
AT&T INC	T	Telecommunicatio n Services	Brazil	163,763.00	9,747.00	5.95	2,797	28.70	1.71
MOSAIC CO	MOS	Materials	Brazil	7,162.80	4,485.10	62.62	2,127	47.42	29.70
MONSANTO CO	MON	Materials	Brazil	13,502.00	5,494.00	40.69	1,437	26.16	10.64
PRAXAIR INC	PX	Materials	Brazil	10,534.00	5,911.00	56.11	1,091	18.46	10.36
EXXON MOBIL CORP	XOM	Energy	Canada	197,518.00	145,127.00	73.48	69,191	47.68	35.03
FORD MOTOR CO	F	Consumer Discretionary	Canada	151,800.00	58,367.00	38.45	17,350	29.73	11.43
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	118,719.00	32,140.00	27.07	17,028	52.98	14.34
PEPSICO INC	PEP	Consumer Staples	Canada	62,799.00	26,067.00	41.51	8,382	32.16	13.35
HOME DEPOT INC	HD	Consumer Discretionary	Canada	94,595.00	8,000.00	8.46	8,000	100.00	8.46
WAL-MART STORES INC	WMT	Consumer Staples	Domestic	482,154.00	118,089.00	24.49	367,784	311.45	76.28
CVS HEALTH CORP	CVS	Consumer Staples	Domestic	177,526.00	-	-	177,526	-	100.00
MCKESSON CORP	MCK	Health Care	Domestic	198,533.00	34,105.00	17.18	164,428	482.12	82.82
AT&T INC	T	Telecommunicatio n Services	Domestic	163,763.00	9,747.00	5.95	154,039	1580.37	94.06
VERIZON COMMUNICATIONS INC	VZ	Telecommunicatio n Services	Domestic	125,980.00	0.00	0.00	125,980	-	100.00

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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	SALES 2016 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
APPLE INC	AAPL	Information Technology	Europe	215,091	129,026	59.99	49,952	38.71	23.22
EXXON MOBIL CORP	XOM	Energy	Europe	197,518	145,127	73.48	23,399	16.12	11.85
GENERAL ELECTRIC CO	GE	Industrials	Europe	119,688	70,300	58.74	21,600	30.73	18.05
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Europe	117,351	33,549	28.59	16,793	50.06	14.31
JOHNSON & JOHNSON	JNJ	Health Care	Europe	71,890	34,079	47.40	15,770	46.27	21.94
WAL-MART STORES INC	WMT	Consumer Staples	Foreign Countries	482,154	118,089	24.49	118,089	100.00	24.49
CHEVRON CORP	CVX	Energy	Foreign Countries	103,310	72,843	70.51	72,843	100.00	70.51
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	197,518	145,127	73.48	52,537	36.20	26.60
GENERAL MOTORS CO	GM	Consumer Discretionary	Foreign Countries	166,380	48,070	28.89	48,070	100.00	28.89
HANESBRANDS INC	HBI	Consumer Discretionary	France	6,028	1,539	25.52	291	18.89	4.82
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	135,987	45,638	33.56	14,148	31.00	10.40
JOHNSON CONTROLS INTL PLC	JCI	Industrials	Germany	37,674	21,460	56.96	7,230	33.69	19.19
PHILLIPS 66	PSX	Energy	Germany	70,898	24,537	34.61	6,128	24.97	8.64
ABBVIE INC	ABBV	Health Care	Germany	25,638	9,691	37.80	4,342	44.80	16.94
THERMO FISHER SCIENTIFIC INC	TMO	Health Care	Germany	18,274	9,189	50.28	2,475	26.94	13.55
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Great Britain	117,351	33,549	28.59	14,081	41.97	12.00
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	151,800	58,367	38.45	10,041	17.20	6.61
PHILLIPS 66	PSX	Energy	Great Britain	70,898	24,537	34.61	9,895	40.33	13.96
CONOCOPHILLIPS	COP	Energy	Great Britain	23,693	9,293	39.22	5,095	54.83	21.50
HEWLETT PACKARD ENTERPRISE	HPE	Information Technology	Great Britain	50,123	30,542	60.93	5,074	16.61	10.12
APPLE INC	AAPL	Information Technology	Japan	215,091	129,026	59.99	30,582	23.70	14.22
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	135,987	45,638	33.56	20,344	44.58	14.96
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Japan	79,920	49,725	62.22	8,339	16.77	10.43
METLIFE INC	MET	Financials	Japan	63,110	15,223	24.12	7,088	46.56	11.23
MERCK & CO	MRK	Health Care	Japan	39,807	21,329	53.58	6,458	30.28	16.22
PEPSICO INC	PEP	Consumer Staples	Mexico	62,799	26,067	41.51	3,431	13.16	5.46
AT&T INC	T	Telecommunication Services	Mexico	163,763	9,747	5.95	2,472	25.36	1.51
KANSAS CITY SOUTHERN	KSU	Industrials	Mexico	2,334	1,123	48.13	1,123	100.00	48.13
SEMPRA ENERGY	SRE	Utilities	Mexico	10,183	2,179	21.40	623	28.59	6.12
RYDER SYSTEM INC	R	Industrials	Mexico	6,787	895	13.18	167	18.72	2.47

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2017. 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	SALES 2016 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
BOEING CO	BA	Industrials	Middle East	94,571	55,806	59.01	21,151	37.90	22.37
OCCIDENTAL PETROLEUM CORP	OXY	Energy	Middle East	10,090	3,800	37.66	2,971	78.18	29.44
NATIONAL OILWELL VARCO INC	NOV	Energy	Middle East	7,251	5,290	72.96	1,689	31.93	23.29
INTEL CORP	INTC	Information Technology	Middle East	59,387	46,430	78.18	0	0.00	0.00
CHUBB LTD	CB	Financials	North America	31,587	28,749	91.02	20,124	70.00	63.71
ACCENTURE PLC	ACN	Information Technology	North America	34,798	22,714	65.27	16,624	73.19	47.77
MYLAN NV	MYL	Health Care	North America	11,077	8,111	73.22	5,718	70.50	51.62
ARCHER-DANIELS- MIDLAND CO	ADM	Consumer Staples	South America	62,346	32,927	52.81	5,958	18.09	9.56
AMERICAN AIRLINES GROUP INC	AAL	Industrials	South America	40,180	11,560	28.77	4,995	43.21	12.43
AT&T INC	T	Telecommunication Services	South America	163,763	9,747	5.95	4,478	45.94	2.73
SCHLUMBERGER LTDSLB		Energy	South America	27,810	20,867	75.03	4,230	20.27	15.21
AES CORP	AES	Utilities	South America	13,586	10,097	74.32	4,030	39.91	29.66
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	32,735	31,879	97.39	16,101	50.51	49.19
EATON CORP PLC	ETN	Industrials	United States	20,855	16,476	79.00	11,396	69.17	54.64
DELPHI AUTOMOTIVE PLC	DLPH	Consumer Discretionary	United States	15,165	10,724	70.72	5,536	51.62	36.51
MYLAN NV	MYL	Health Care	United States	9,429	9,296	98.59	4,849	52.16	51.42
TYCO INTERNATIONAL PLC	TYC	Industrials	United States	9,902	9,902	100.00	4,822	48.70	48.70

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