



29 March 2016

SHARE REPURCHASE MONTHLY INVESTMENT BANKING

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REPURCHASE MARKET UPDATE: February 2016

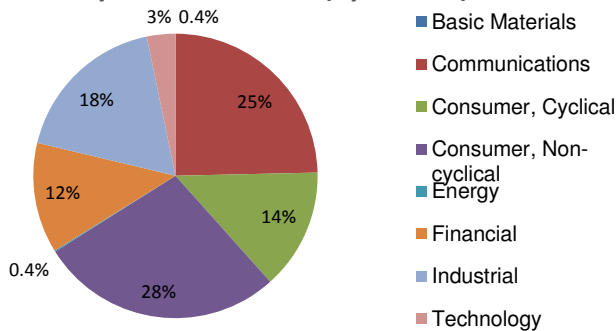
SHARE REPURCHASE:

On the back of a busy earnings calendar, February brought a flurry of share repurchase announcement activity. We saw the highest number of announcements in the past two years and heightened levels of volumes. However, the average announcement size was only \$675MM, below recent averages.

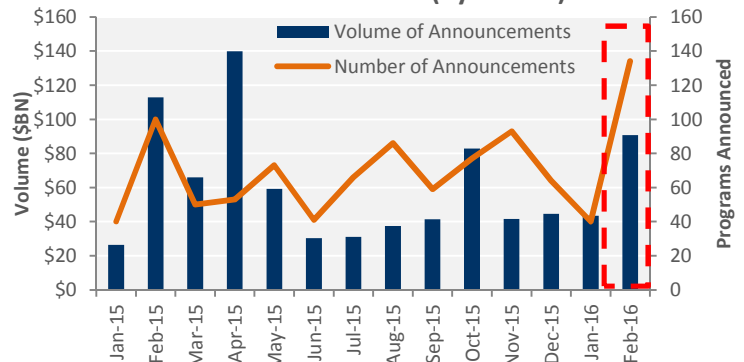
- 16 announcements of \$1BN+, seven \$2BN+, and five \$5BN+.
- 134 companies announced share repurchase plans greater than \$25MM in February, representing ~\$90BN in announcements.
- New share repurchase authorizations for February were led by Cisco (\$15BN), followed by Gilead (\$15BN) and 3M (\$10BN).
- Consumer sectors (cyclical and non-cyclical) were the most active in volume of announcements, representing nearly 42% in February.

FEBRUARY ANNOUNCEMENTS AND VOLUME

February Announcements (by volume):



Volume and Announcements (by month):



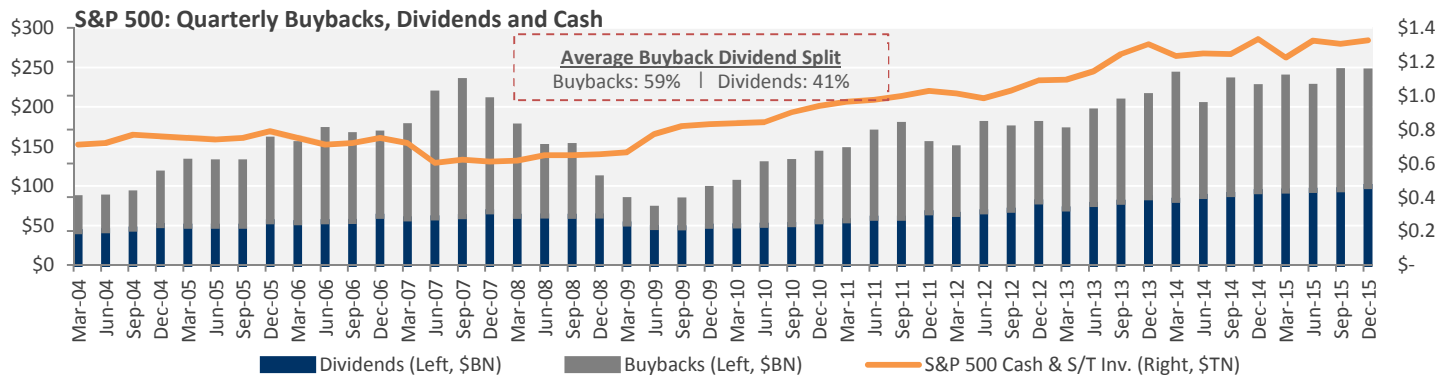
FEBRUARY TOP SHARE REPURCHASE ANNOUNCEMENTS

| Ann Date | Company | Ann Amt (\$MM) | Mkt Cap (\$MM) | % of Mkt Cap Ann'd | Mult of 30d ADTV | % Px chg +1 day | % Px chg +5 days |
|---------------|----------------------------------|----------------|-----------------|--------------------|------------------|-----------------|------------------|
| 2/10/16 | Cisco Systems Inc | \$15,000 | \$114,263 | 13.1% | 26.0x | 10.2% | 13.1% |
| 2/2/16 | Gilead Sciences Inc | \$15,000 | \$119,193 | 12.6% | 15.1x | 4.2% | 8.3% |
| 2/2/16 | 3M Co | \$10,000 | \$91,045 | 11.0% | 31.5x | 3.9% | 8.5% |
| 2/10/16 | Amazon.com Inc | \$5,000 | \$230,939 | 2.2% | 2.2x | 5.8% | 5.4% |
| 2/11/16 | American International Group Inc | \$5,000 | \$62,494 | 8.0% | 11.6x | 0.4% | -5.3% |
| 2/4/16 | Tyson Foods Inc | \$2,598 | \$20,565 | 12.6% | 13.1x | 9.6% | 17.8% |
| 2/24/16 | Eaton Corp PLC | \$2,500 | \$26,066 | 9.6% | 13.6x | -0.3% | -0.9% |
| 2/25/16 | Monster Beverage Corp | \$1,750 | \$27,180 | 6.4% | 9.1x | -2.2% | -6.3% |
| 2/11/16 | Kellogg Co | \$1,500 | \$26,116 | 5.7% | 9.8x | 5.1% | 3.0% |
| 2/26/16 | Macy's Inc | \$1,500 | \$13,653 | 11.0% | 7.9x | 0.6% | 0.3% |
| Mean | | \$5,985 | \$73,151 | 9.2% | 14.0x | 3.7% | 4.4% |
| Median | | \$3,799 | \$44,837 | 10.3% | 12.3x | 4.1% | 4.2% |

A REVIEW OF Q4 2015 SHARE REPURCHASES

Repurchase activity in Q4 increased 10% Y-o-Y and was the 5th highest quarter in history. The Information Technology sector continues to be the most active sector with 24% of all repurchase activity, driven by the likes of Apple, Microsoft and Oracle.

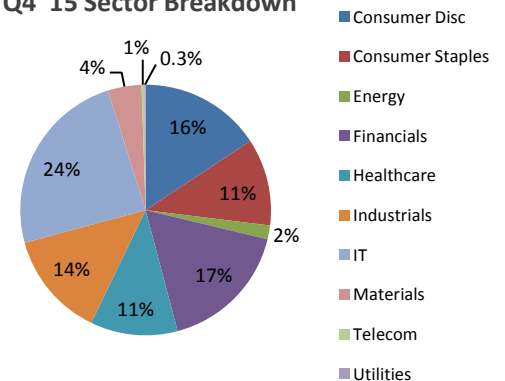
Setting a 12-month record in total shareholder return (buybacks and dividends), 2015 ended with total year share repurchases of \$572BN, a 3.4% increase over 2014's \$553BN.



Q4 '15 Buybacks:

- In Q4'15, total shareholder return (buybacks and dividends) in the S&P 500 set a 12-month record with \$954.6BN in 2015.
- The average split between buybacks and dividends for the quarter was 59% to 41%, in line with historical averages.
- Most sectors saw a decrease in quarterly buybacks; however, the Consumer Staples and Materials sectors saw an increase of 66% and 164% over Q3, respectively.
- The largest buyback of the quarter was again from AAPL (\$6.9BN), followed by UTX (\$6.0BN) and MSFT (\$3.7BN).

Q4' 15 Sector Breakdown



Largest S&P 500 Q4'15 Buybacks:

| Company | Sector | Q4'15 | 2015 | 5-YEAR | 10-YEAR |
|------------------------------|------------------------|----------------|----------------|------------------|------------------|
| Apple | Information Technology | \$6.9 | \$37.1 | \$110.0 | \$110.0 |
| United Technologies | Industrials | \$6.0 | \$10.0 | \$14.1 | \$24.3 |
| Microsoft | Information Technology | \$3.7 | \$17.8 | \$42.7 | \$116.8 |
| Oracle | Information Technology | \$3.4 | \$10.3 | \$41.8 | \$54.9 |
| American International Group | Financials | \$3.2 | \$10.7 | \$29.3 | \$36.3 |
| Gilead Sciences | Healthcare | \$3.1 | \$9.1 | \$18.1 | \$26.1 |
| Monsanto | Materials | \$3.0 | \$3.5 | \$12.3 | \$13.7 |
| Wal-Mart Stores | Consumer Staples | \$2.4 | \$4.1 | \$22.6 | \$52.3 |
| Walt Disney | Consumer Discretionary | \$2.4 | \$7.1 | \$26.3 | \$44.1 |
| Visa | Information Technology | \$2.1 | \$4.2 | \$17.2 | \$34.6 |
| QUALCOMM | Information Technology | \$2.1 | \$11.6 | \$23.5 | \$29.8 |
| Biogen | Healthcare | \$2.0 | \$5.0 | \$7.8 | \$14.6 |
| Procter & Gamble | Consumer Staples | \$2.0 | \$2.9 | \$25.6 | \$62.9 |
| Wells Fargo | Financials | \$2.0 | \$8.7 | \$29.8 | \$40.5 |
| Home Depot | Consumer Discretionary | \$2.0 | \$7.0 | \$30.0 | \$49.7 |
| Johnson & Johnson | Healthcare | \$1.9 | \$5.3 | \$31.4 | \$52.7 |
| Pepsico | Consumer Staples | \$1.8 | \$5.0 | \$18.7 | \$35.1 |
| Alphabet | Information Technology | \$1.8 | \$1.8 | \$1.9 | \$2.7 |
| General Electric | Industrials | \$1.7 | \$1.7 | \$19.8 | \$47.7 |
| Citigroup | Financials | \$1.7 | \$5.9 | \$9.3 | \$16.3 |
| Top 20 | | \$54.9 | \$168.9 | \$532.2 | \$865.0 |
| S&P 500 | | \$145.9 | \$572.2 | \$2,405.0 | \$4,202.1 |

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