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# Tracking the Earnings Made by Zacks Consumer Discretionary Industries

Part One: **Spending Fundamentals Over the Last 10 Years**

Part Two: **Revenue Growth and F12M Earnings Trends**

Part Three: **Key Balance Sheet Ratio Trends**

Presented by:

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Zacks Chief Equity Strategist and Economist

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# Part One: The Major Consumer Discretionary Industries Spending Fundamentals Over the Last 10 Years

*What broad current conditions should traders and investors be made aware of?*

# Macro-Economic Charts - 1

# Lots of Consumer Spending Going On, Still

Consumer Confidence & Consumer Credit (Top)

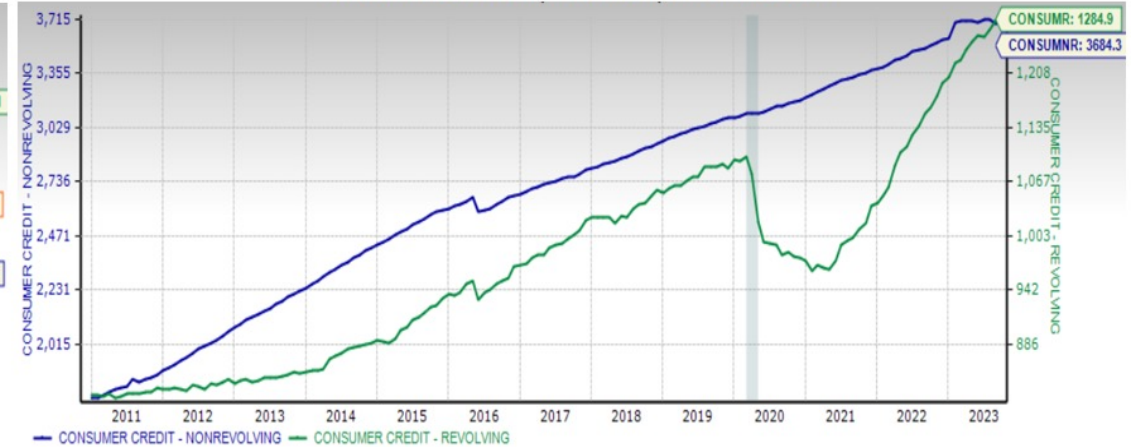
Personal Consumption Expenditures and Real GDP - PCE (Bottom)

**Macro-Economic Charts for Consumer Confidence & Consumer Credit (at Top), Personal Consumption Expenditure and Real GDP (at Bottom)**

Consumer Confidence : Expectations, Present Situation and Total Index Chart



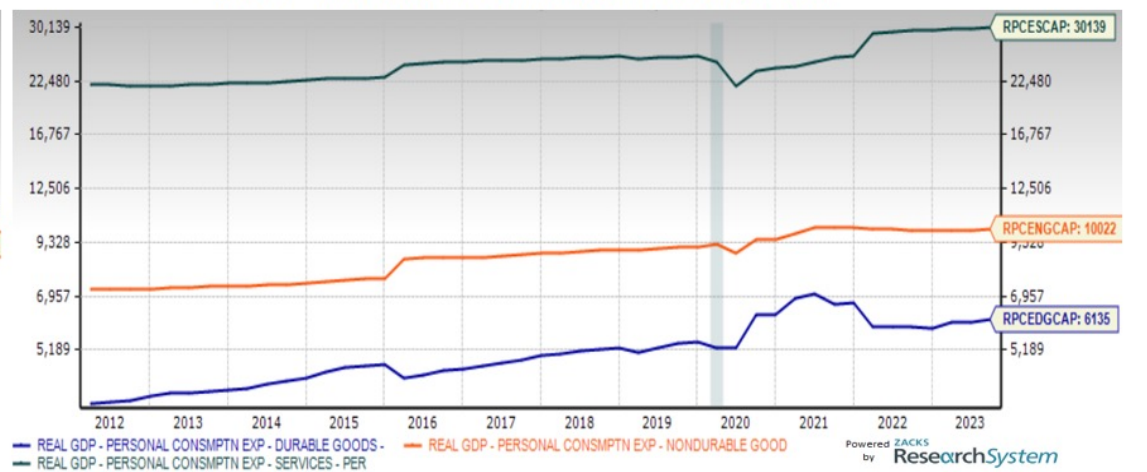
Consumer Credit : Non-Revolving and Revolving Chart



Personal Consumption Expenditure - Clothing & Shoes, Food, Furniture & Household Equipment



Real GDP - PCE : Durable Goods, Non-Durable Goods and Services



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# Macro-Economic Charts – 2 The Spending Story, Told By Prices and Jobs

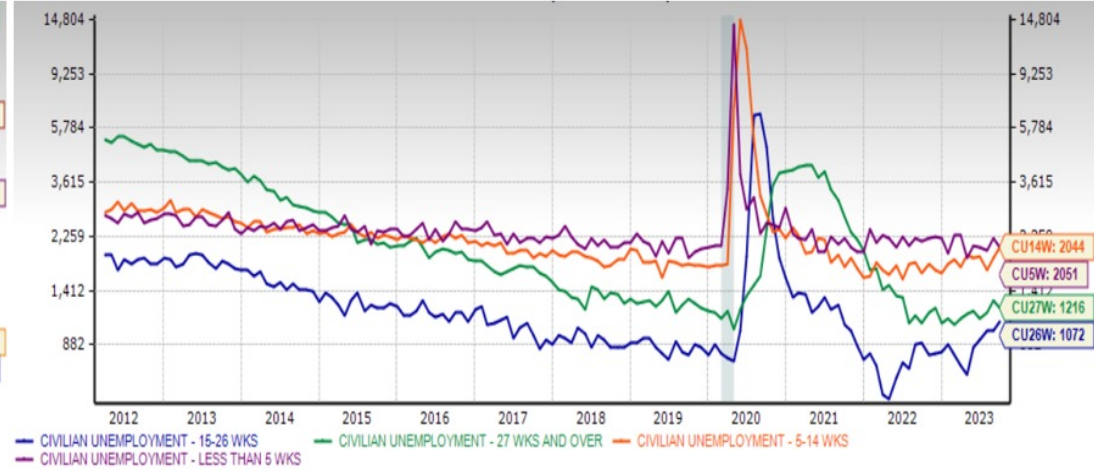
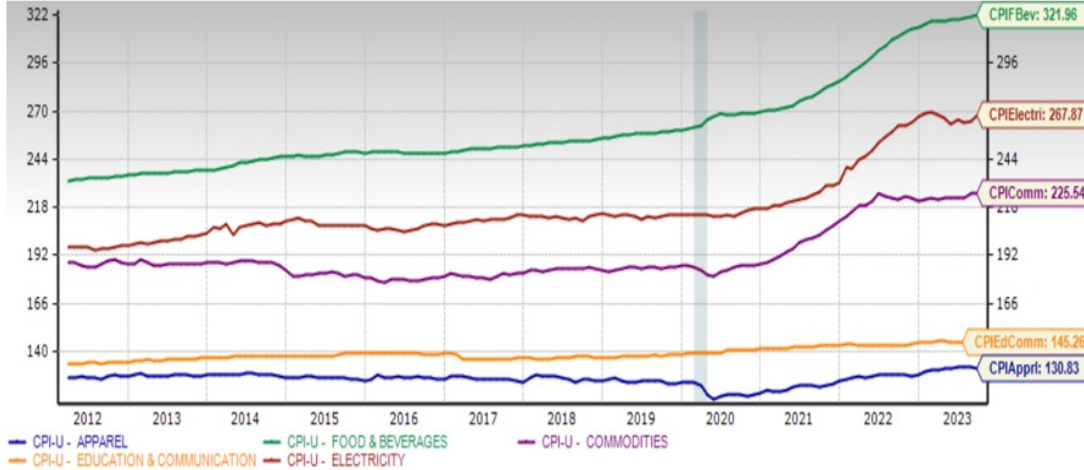
CPI and Civilian Unemployment Rate in Weeks (Top)

Civilian Employment Level (Bottom)

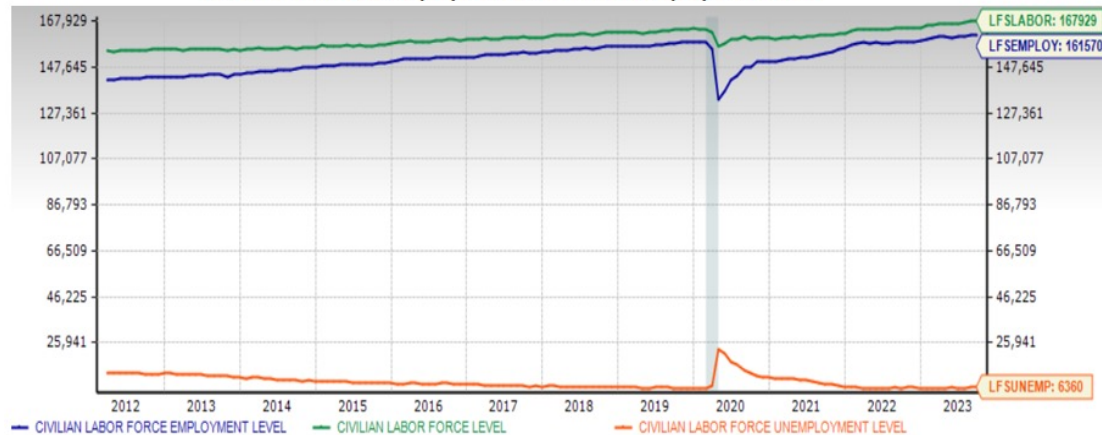
Macro-Economic Charts for Consumer Price Index & Civilian Unemployment in Weeks (at Top), Civilian Labour Employment Level (at Bottom)

Consumer Price Index : Apparel, Food&Beverages, Commodities, Edu.,& Communication and Electricity

Civilian Unemployment Levels : 15 - 26 Weeks, 27 Weeks & over, 5 - 14 Weeks and Less than 5 Wks



Civilian Labor Force Employment Levels and Unemployment Levels



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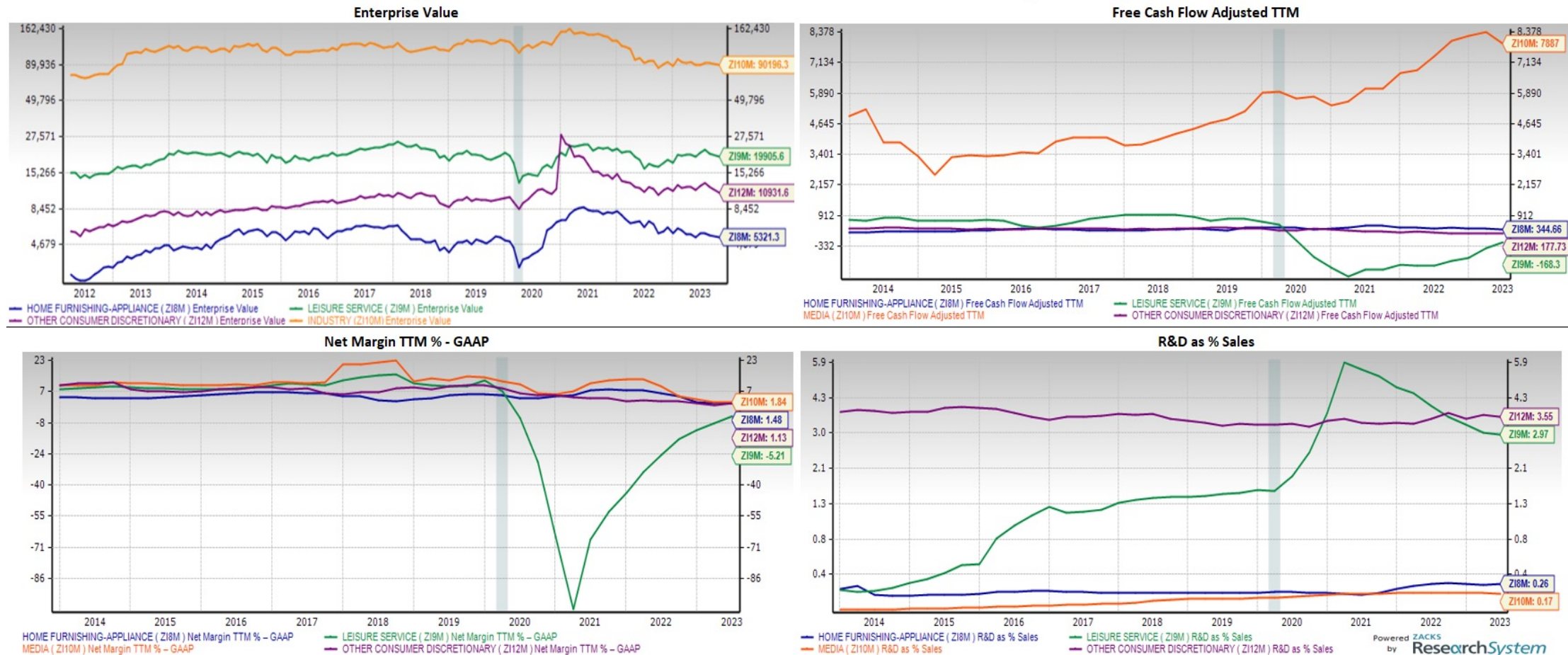
# Consumer Discretionary -1

# Industry Share Metrics the Last 10 Years

Enterprise Value, Free Cash Flow Adjusted TTM (Top)

Net Margin TTM %, and R&D as % of Sales (Bottom)

Enterprise Value, Free Cash Flow Adjusted TTM, Net Margin TTM % and R&D as % Sales Charts for "Consumer Discretionary" Industry Groups : Home Furnishing - Appliance, Leisure Service, Media and Other Consumer Discretionary over 10 years





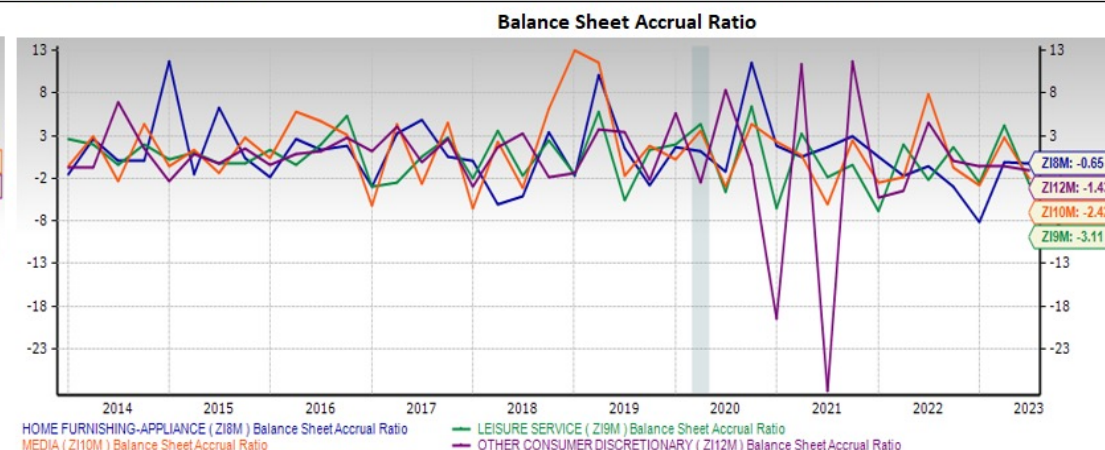
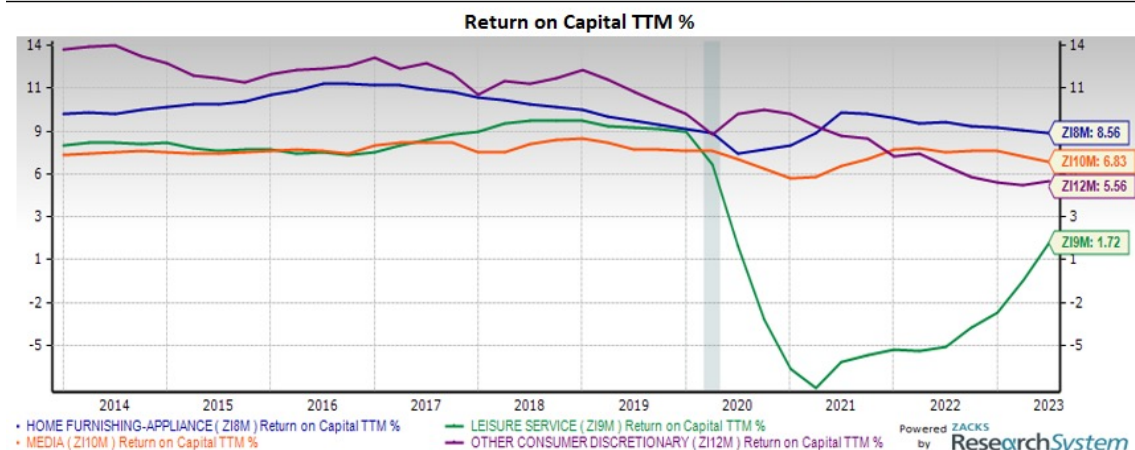
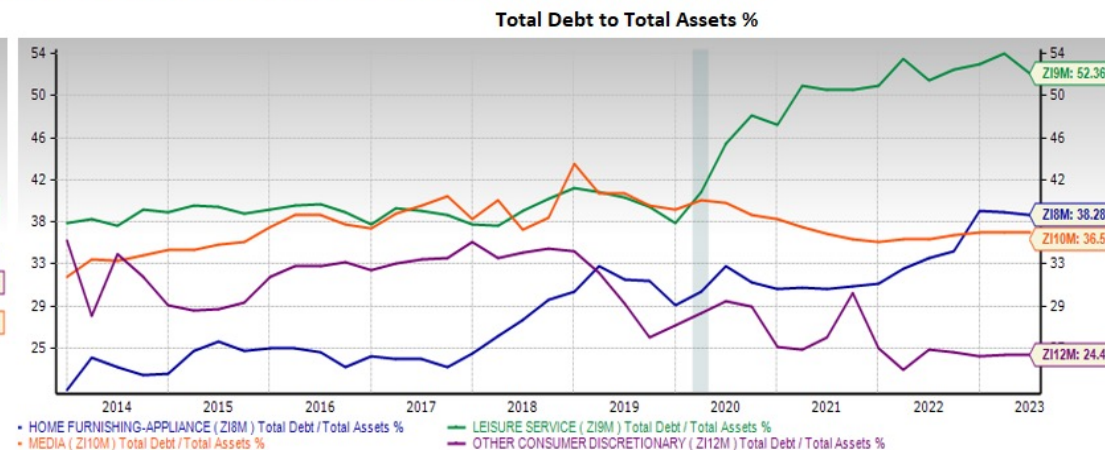
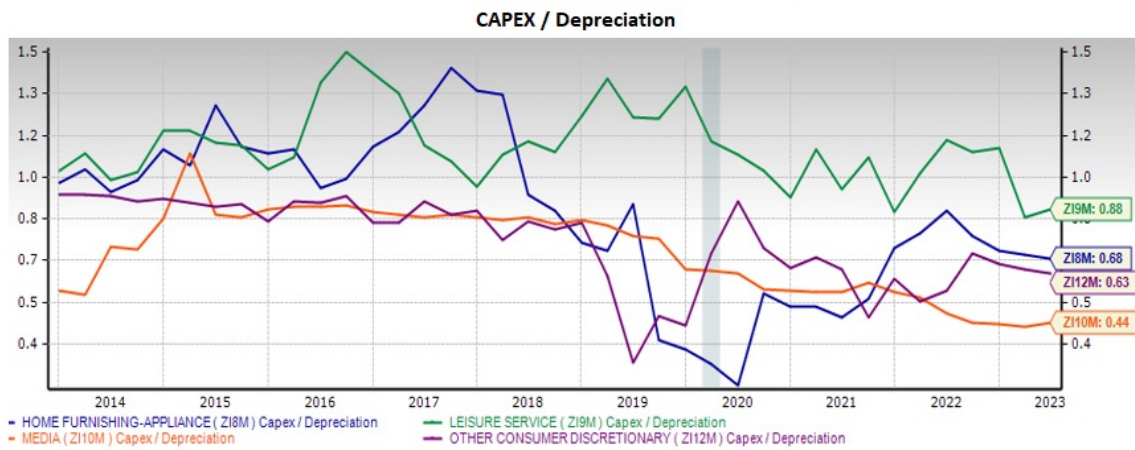
# Consumer Discretionary -2

# Industry Share Metrics the Last 10 Years

Capex to Depreciation, Total Debt to Total Assets % (Top)

Return on Capital TTM %, and Balance Sheet Accrual Ratio (Bottom)

**CAPEX to Depreciation, Total Debt to Total Assets %, Return on Capital TTM % and Balance Sheet Accrual Ratio Charts for "Consumer Discretionary" Industry**  
**Groups : Home Furnishing - Appliance, Leisure Service, Media and Other Consumer Discretionary over 10 years**



# Part Two: Consumer Discretionary Sub-Industries

## Revenue Growth and Earnings Trends

*What broad current conditions should traders and investors be made aware of?*

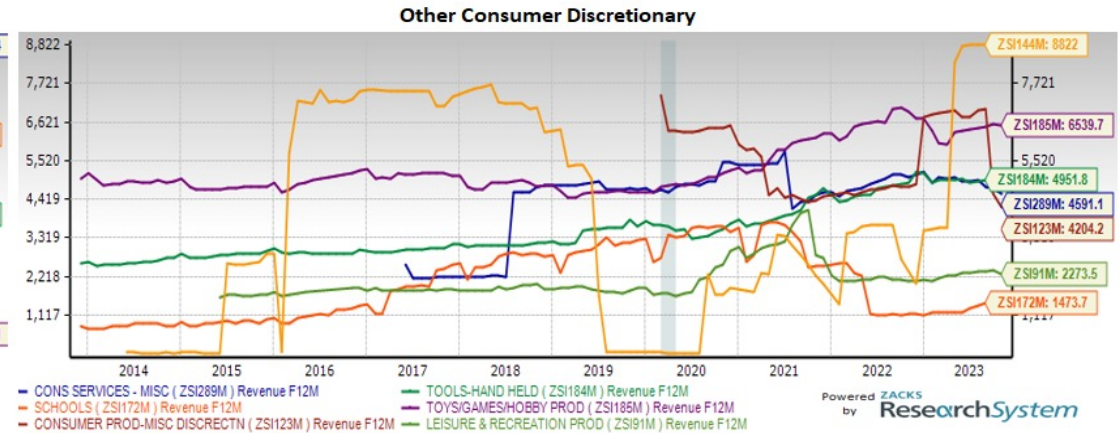
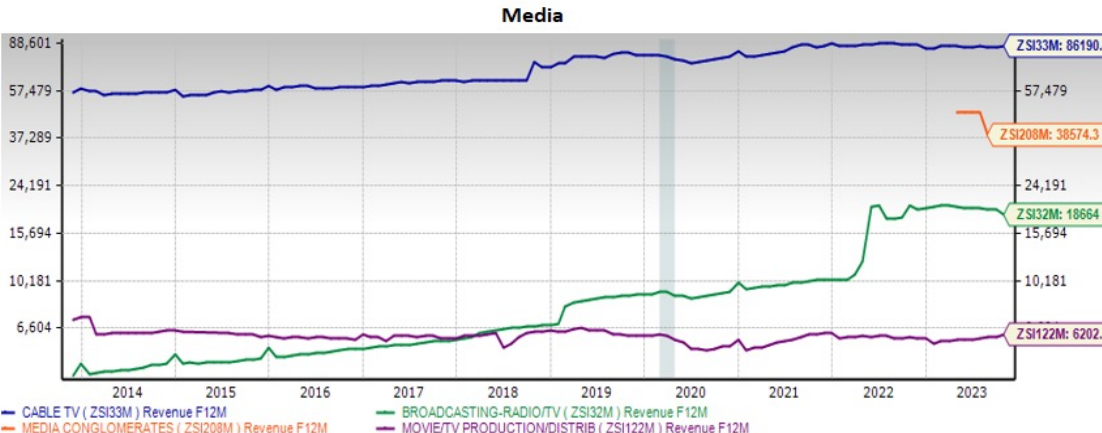
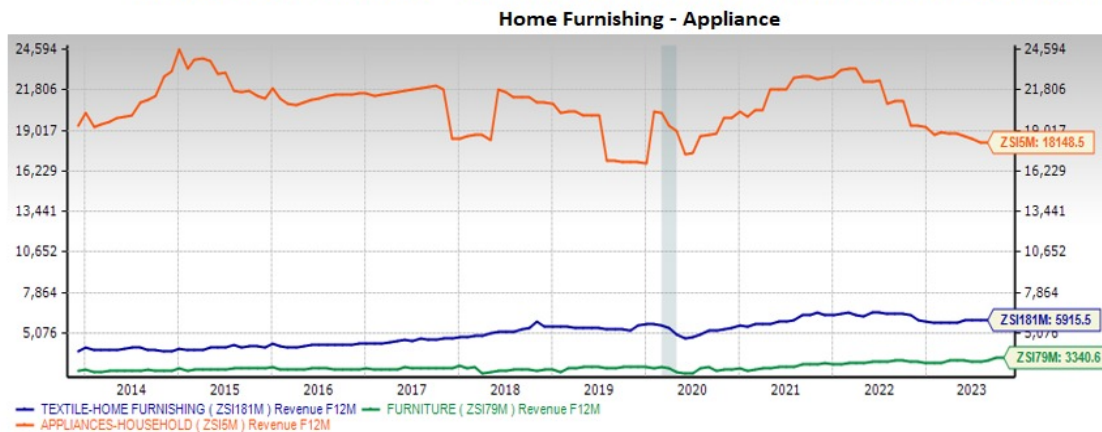


# Revenue F12M Charts for Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Revenue F12M Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



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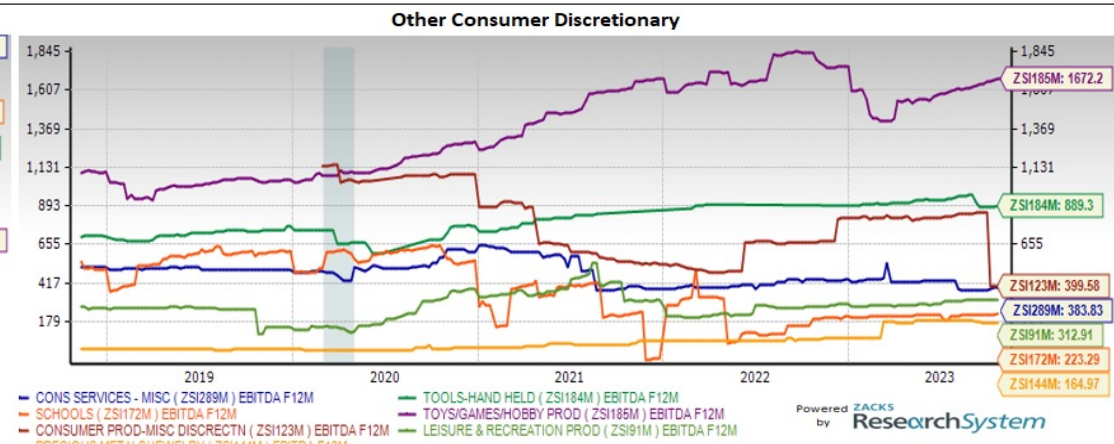
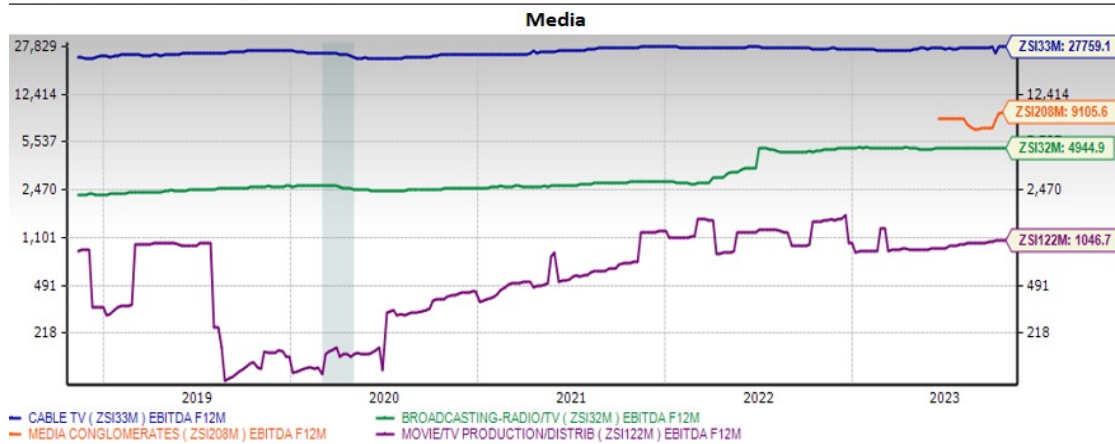
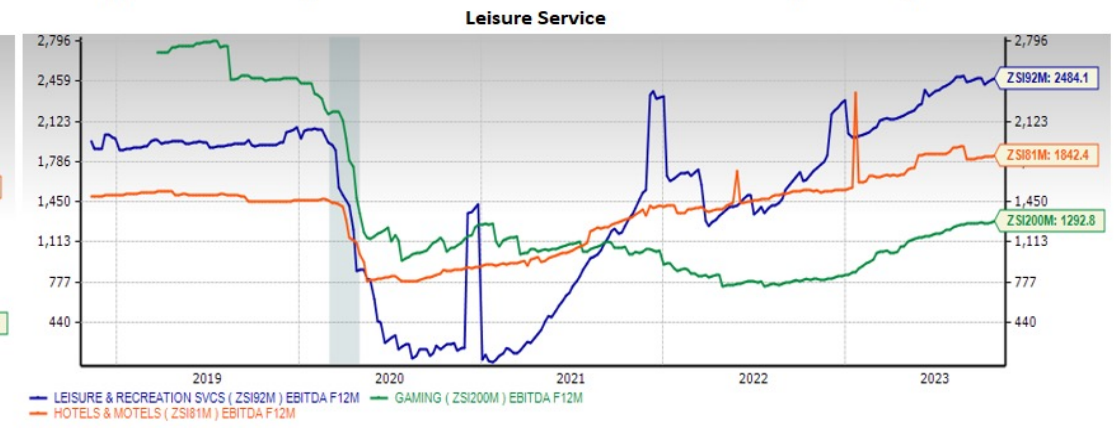
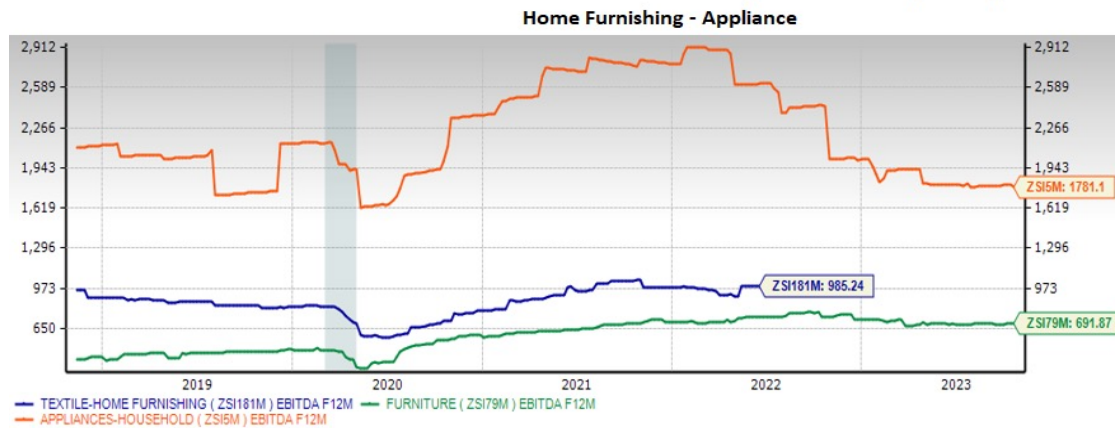
# EBITDA F12M Charts

## From Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

EBITDA F12M Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



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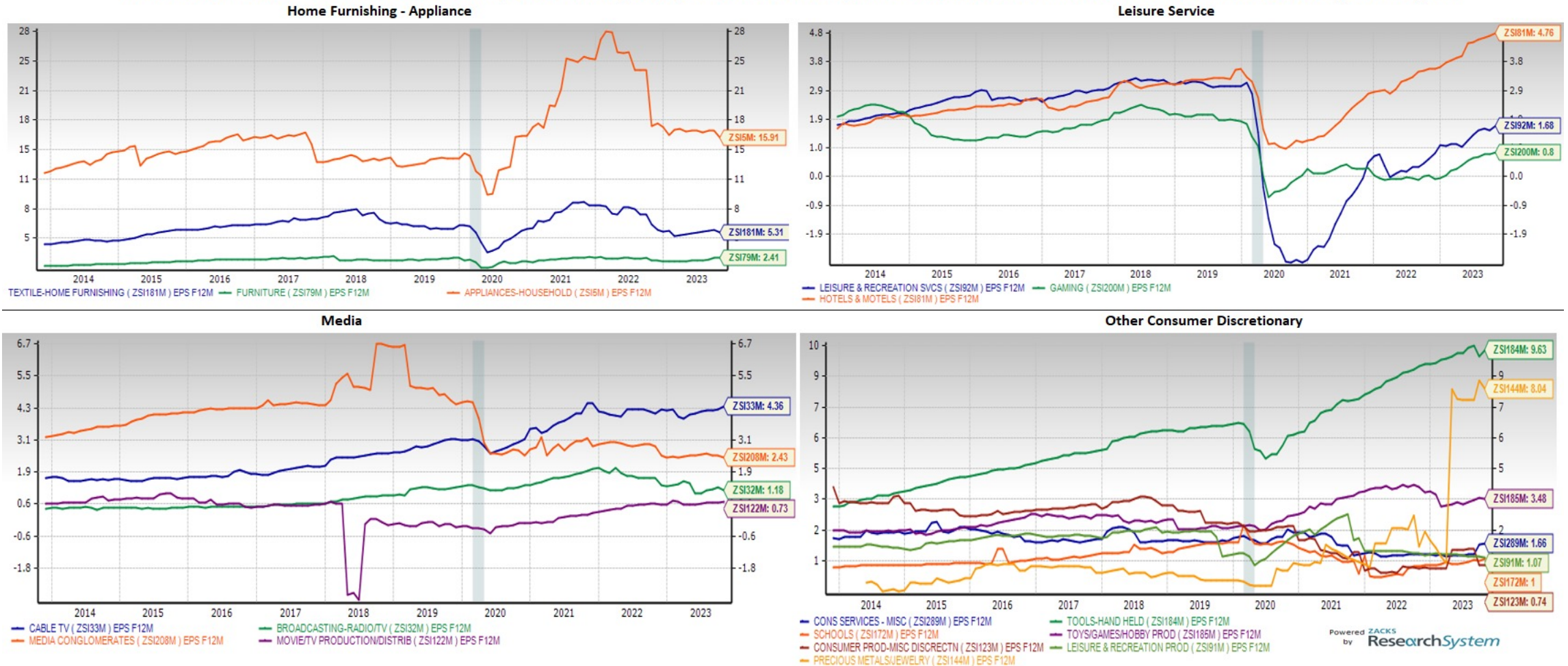


# EPS F12M Charts From Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

EPS F12M Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



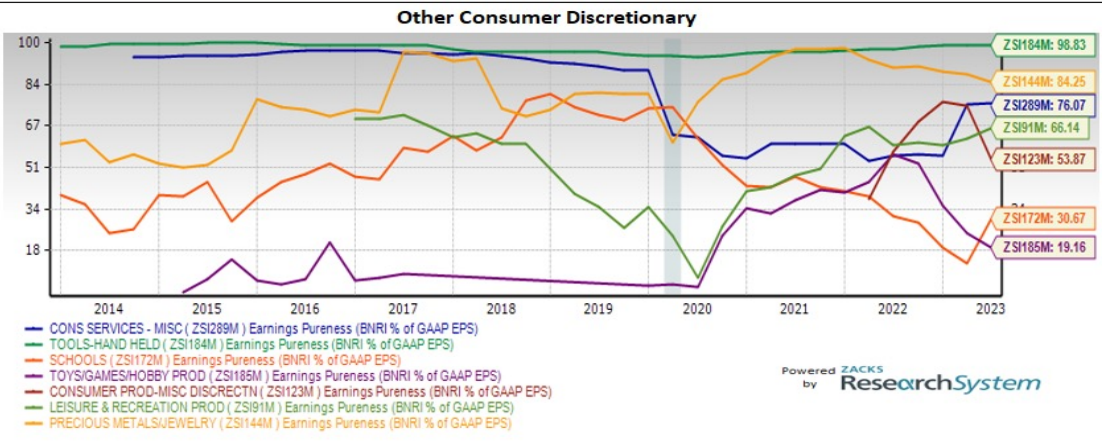
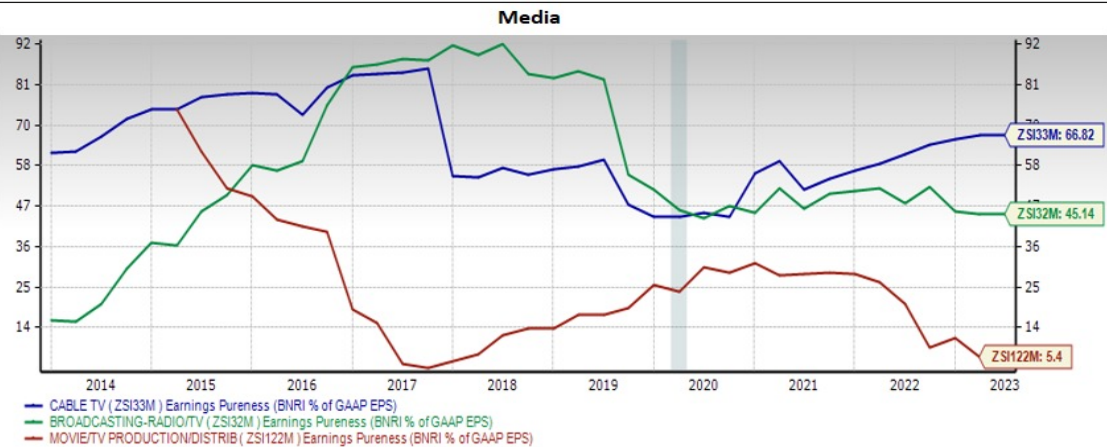
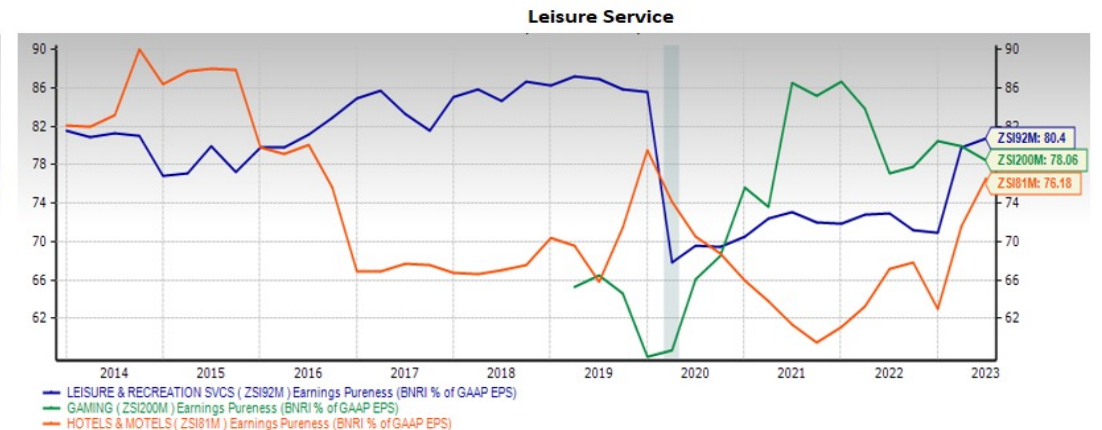
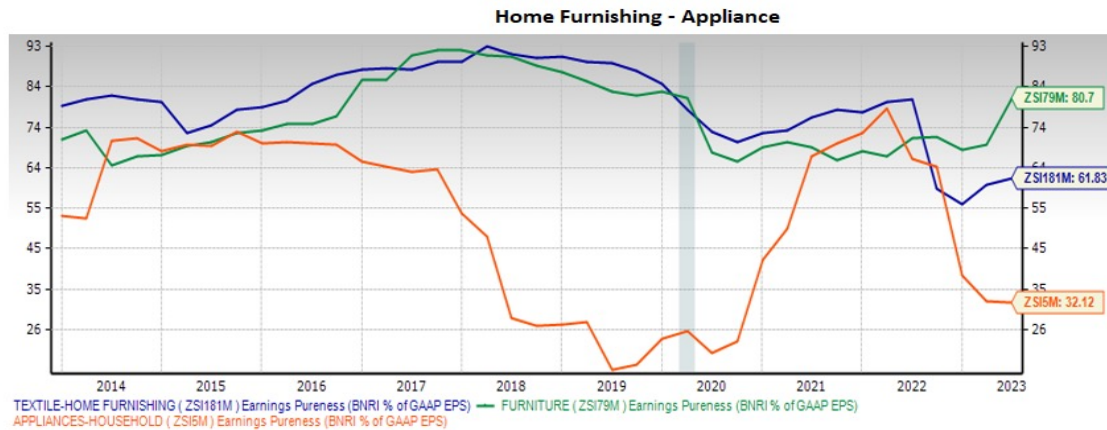


# Earnings Pureness Charts for Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Earnings Pureness Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



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# Cash Flow Charts

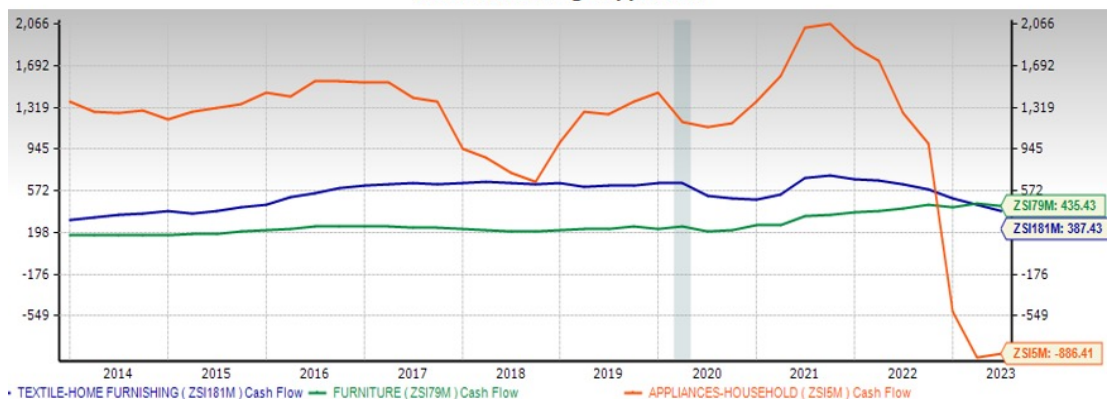
## From Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

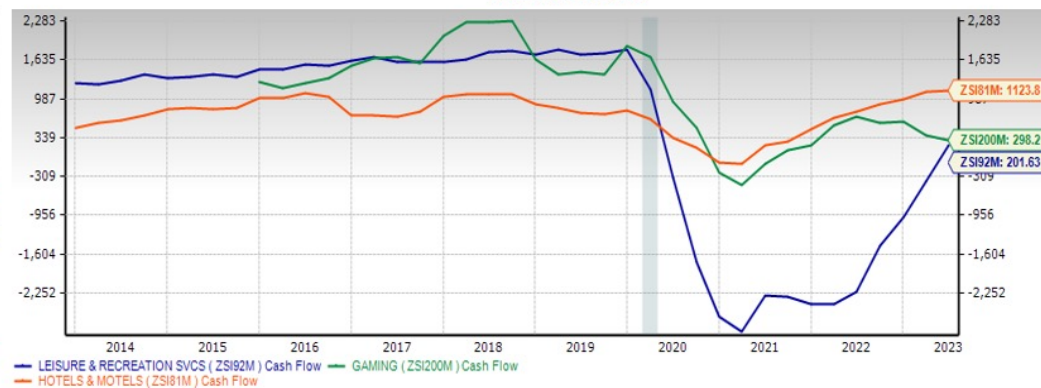
Media, and Other Consumer Discretionary (Bottom)

Cash Flow charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years

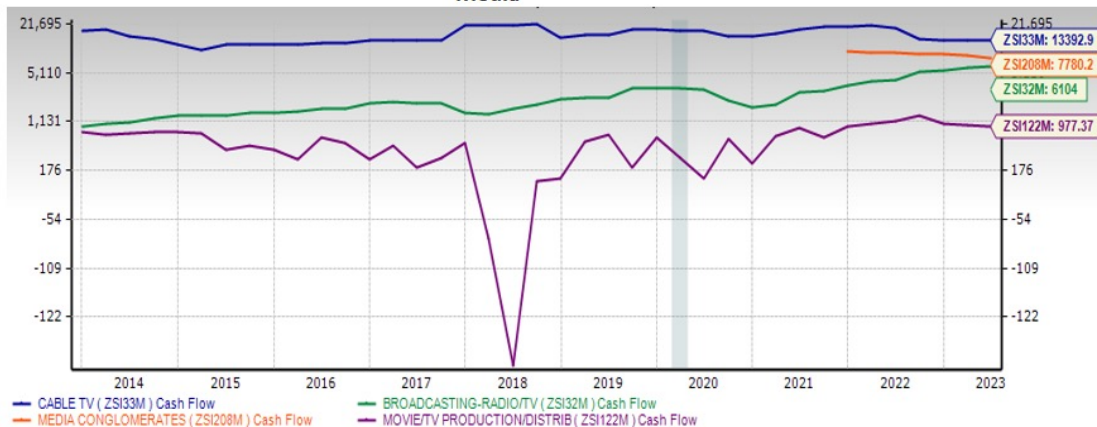
Home Furnishing - Appliance



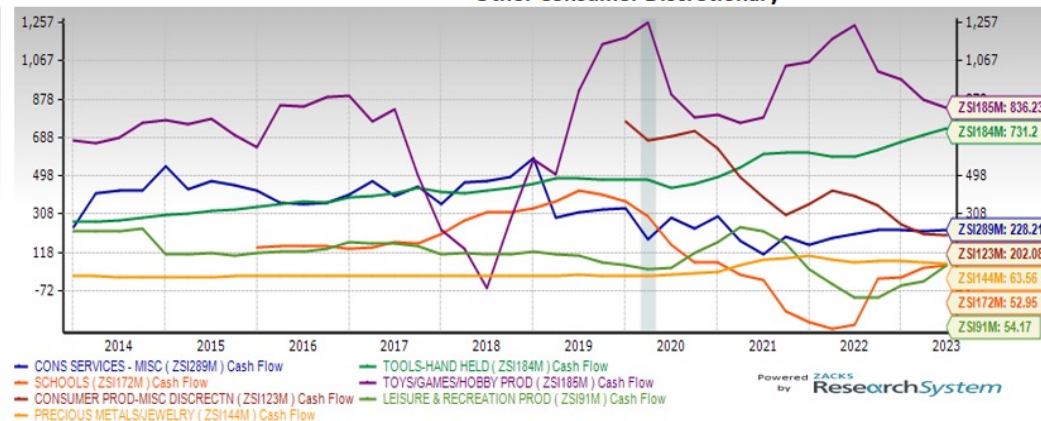
Leisure Service



Media



Other Consumer Discretionary



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# Reinvestment Rate Charts

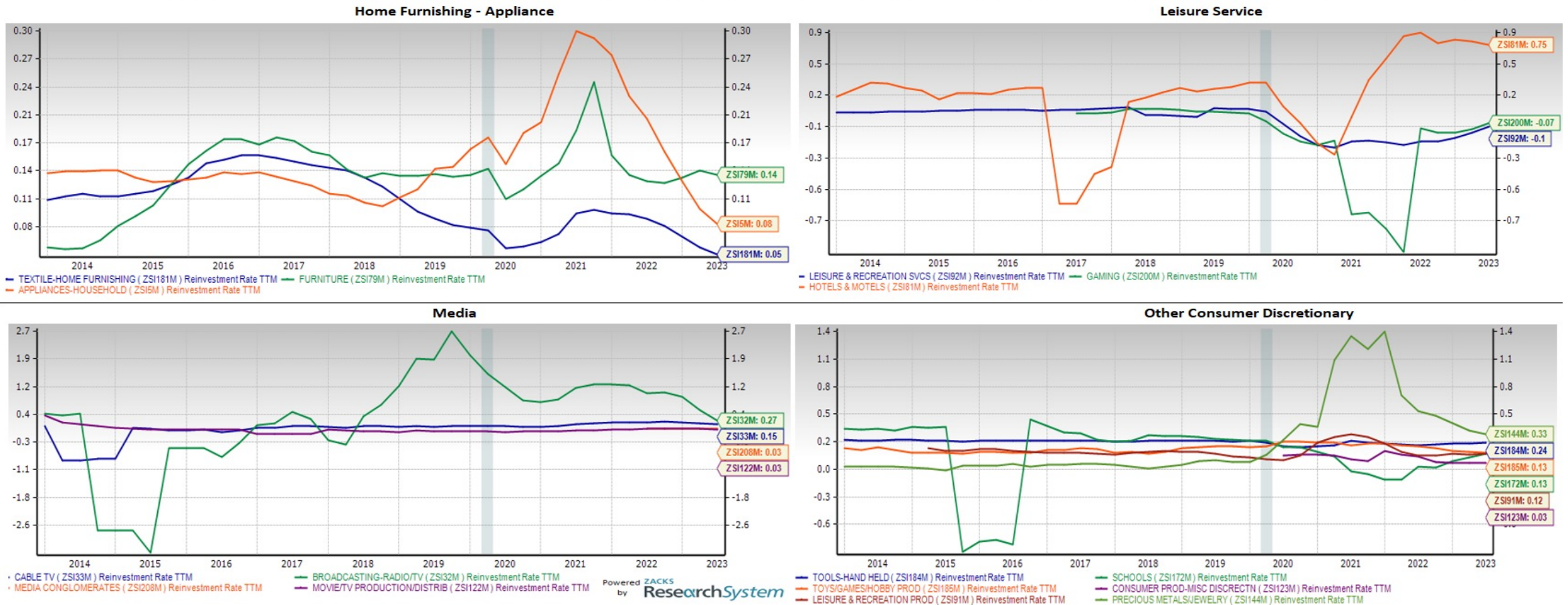
## From Consumer Discretionary Sub-Industry Groups

The **reinvestment rate** is the return an investor expects to make after reinvesting the cash flows earned from a previous investment. The reinvestment rate is expressed as a percentage and represents the amount of interest that can be earned on a fixed-income investment.

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Reinvestment Rate Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years





# Part Three: Consumer Discretionary Sub-Industries

## Key Balance Sheet Ratio Trends

*What differences should traders and investors be made aware of?*

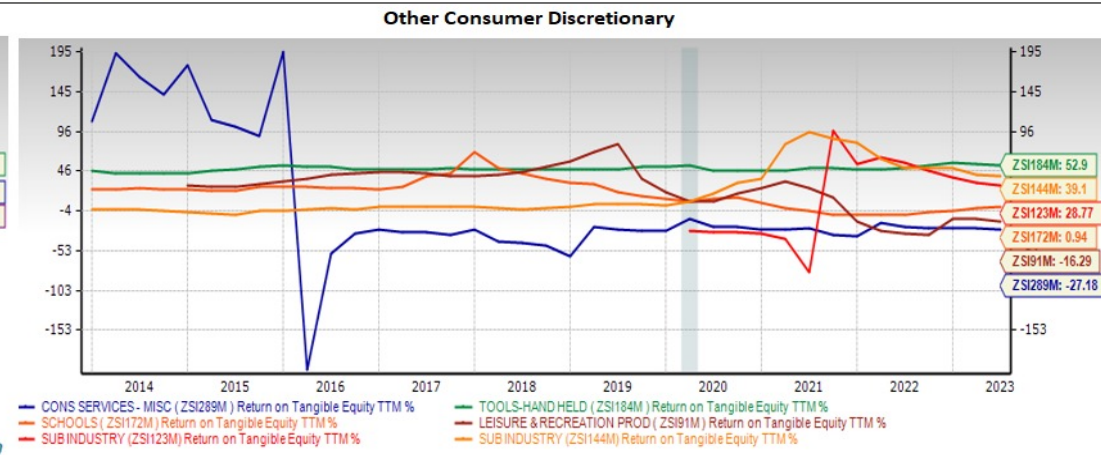
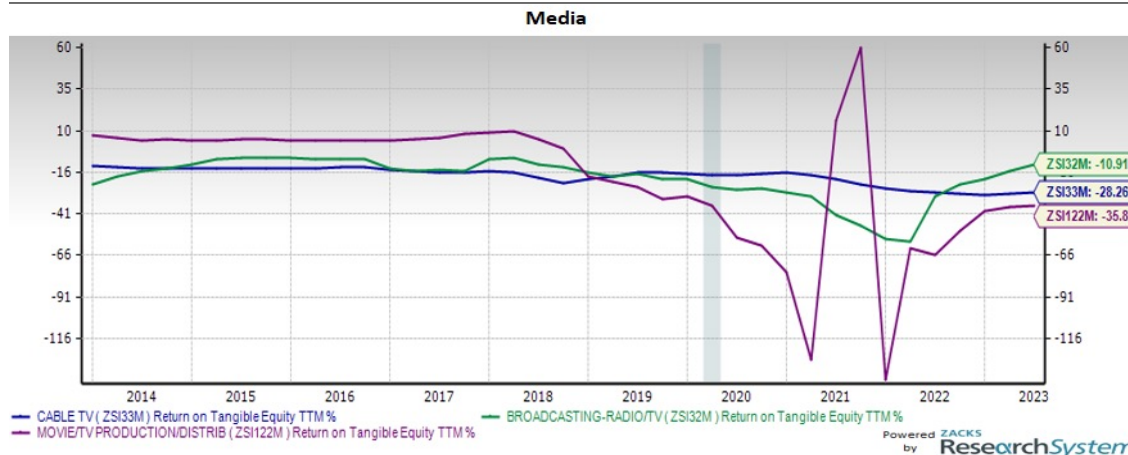
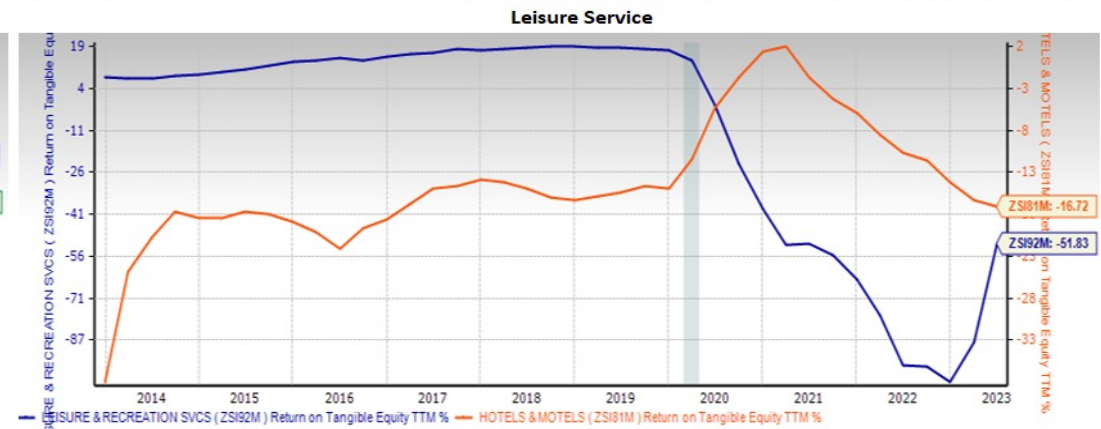
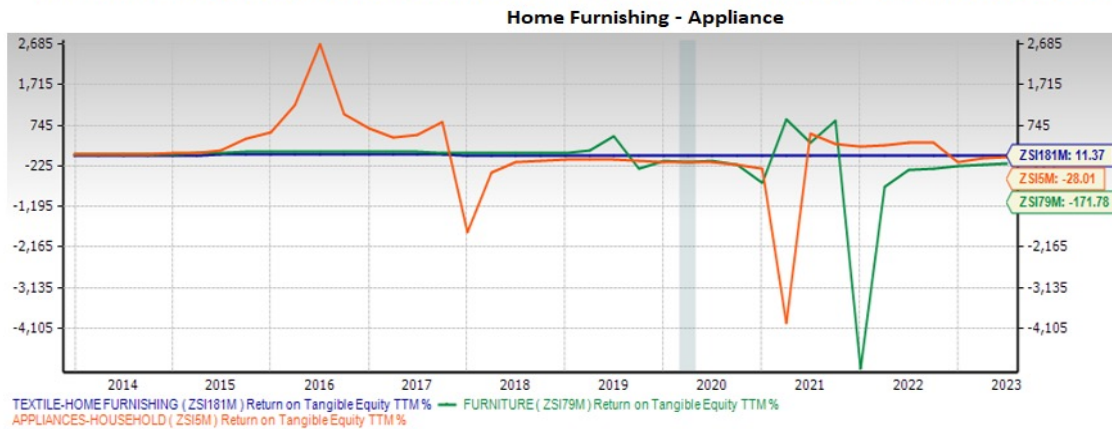
# Return on Tangible Equity TTM Charts for Consumer Discretionary Sub-Industry Groups

The calculation of **return on tangible equity (ROTE)** consists of dividing a company's net income (the "bottom line") by its average shareholders' equity, net of any intangible assets such as goodwill.

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Return on Tangible Equity TTM % Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



# Return on Invested Capital for Consumer Discretionary Sub-Industry Groups

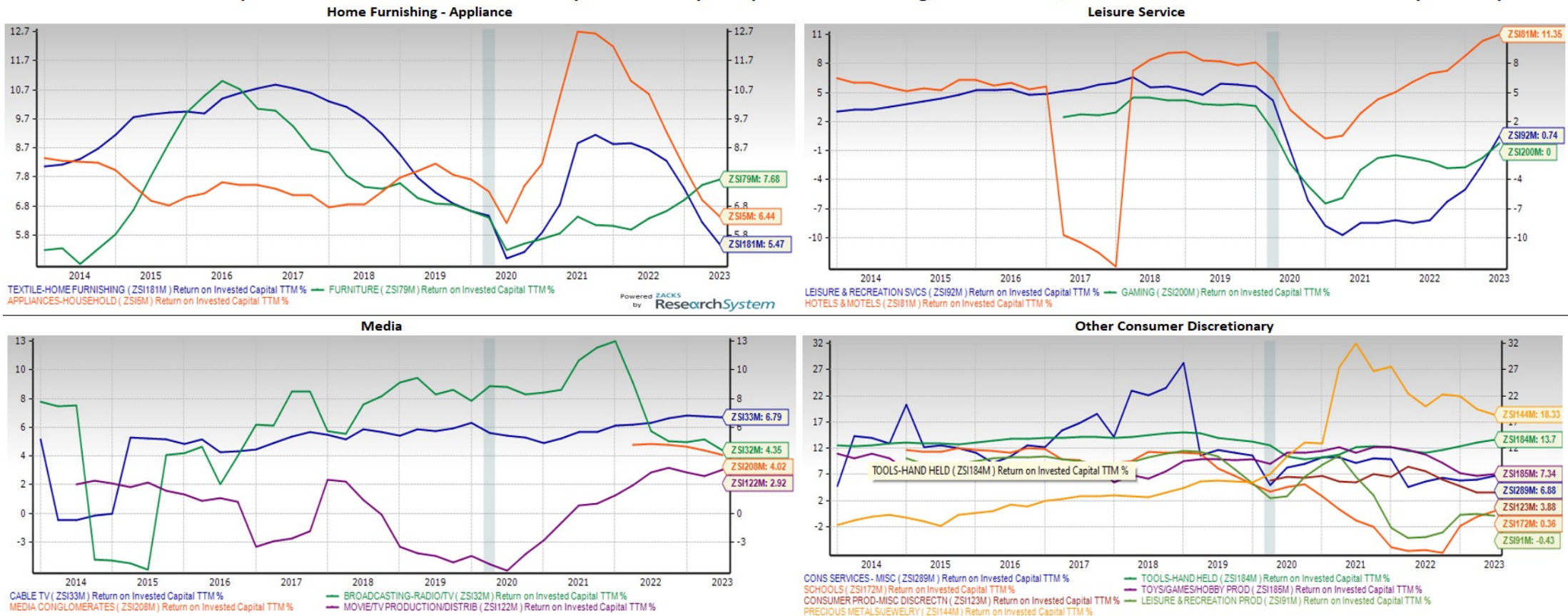
**Return on invested capital (ROIC)** assesses a company's efficiency in allocating capital to profitable investments. It is calculated by dividing net operating profit after tax (NOPAT) by invested capital.

**ROIC** gives a sense of how well a company is using its capital to generate profits.

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Return on Invested Capital charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years





# Asset Turnover for Consumer Discretionary Sub-Industry Groups

Asset turnover is the ratio of total sales or revenue to average assets.

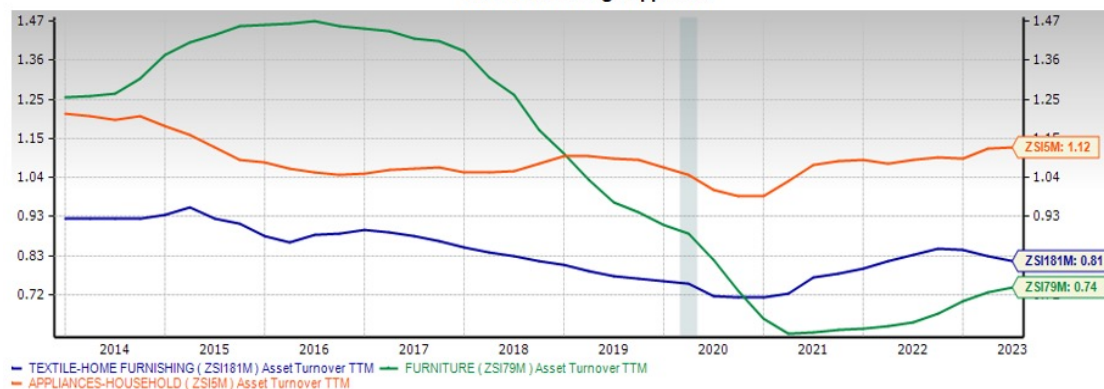
This metric helps investors understand how effectively companies are using their assets to generate sales. Investors use the asset turnover ratio to compare similar companies in the same sector or group.

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Asset Turnover Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years

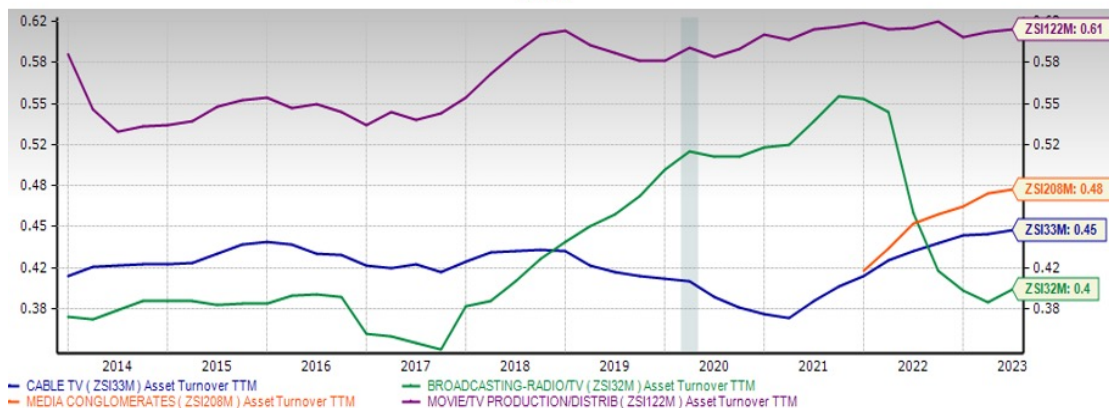
Home Furnishing - Appliance



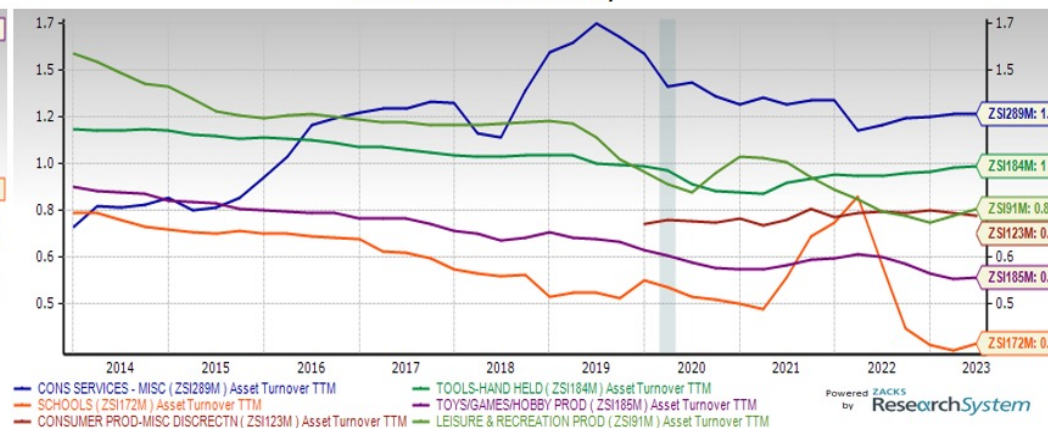
Leisure Service



Media



Other Consumer Discretionary



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# Inventory Turnover for Consumer Discretionary Sub-Industry Groups

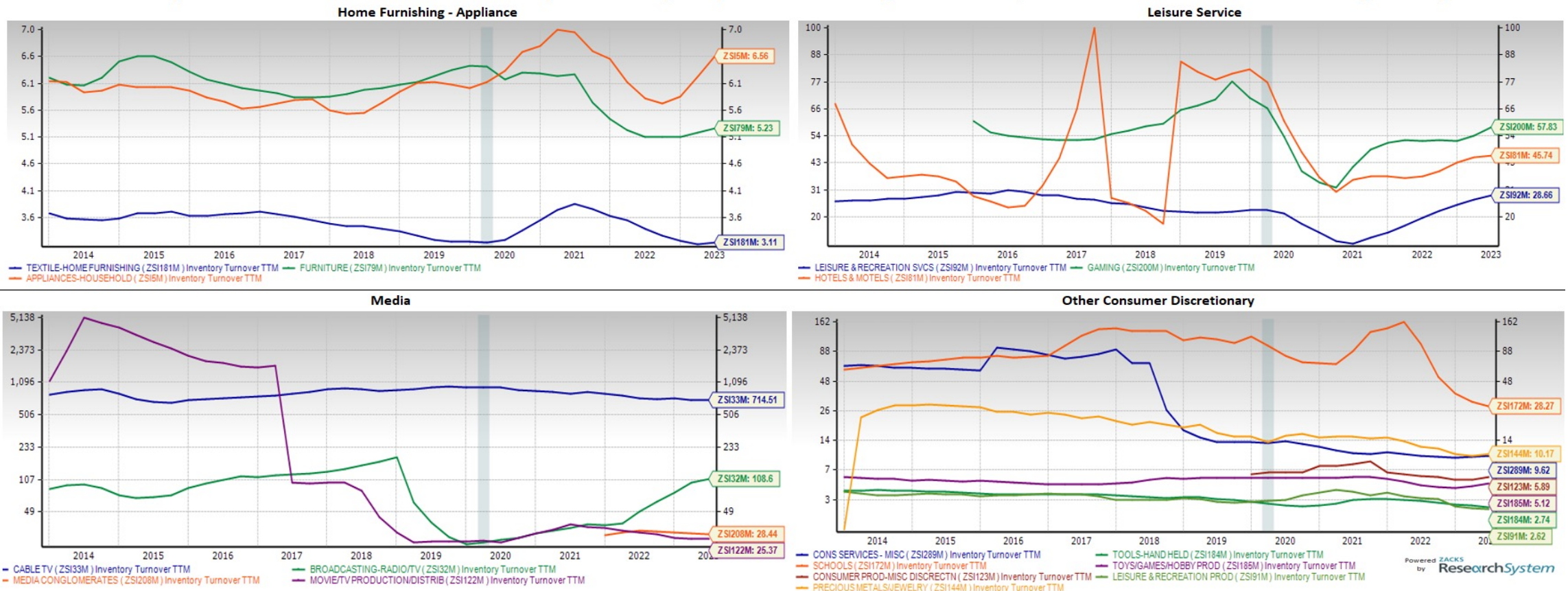
**Inventory turnover** is the rate that inventory stock is sold, or used, and replaced.

The inventory turnover ratio is calculated by dividing the cost of goods by average inventory for the same period. A higher ratio tends to point to strong sales and a lower one to weak sales.

*Home Furnishing, Leisure Services (Top)*

*Media, and Other Consumer Discretionary (Bottom)*

Inventory Turnover charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years





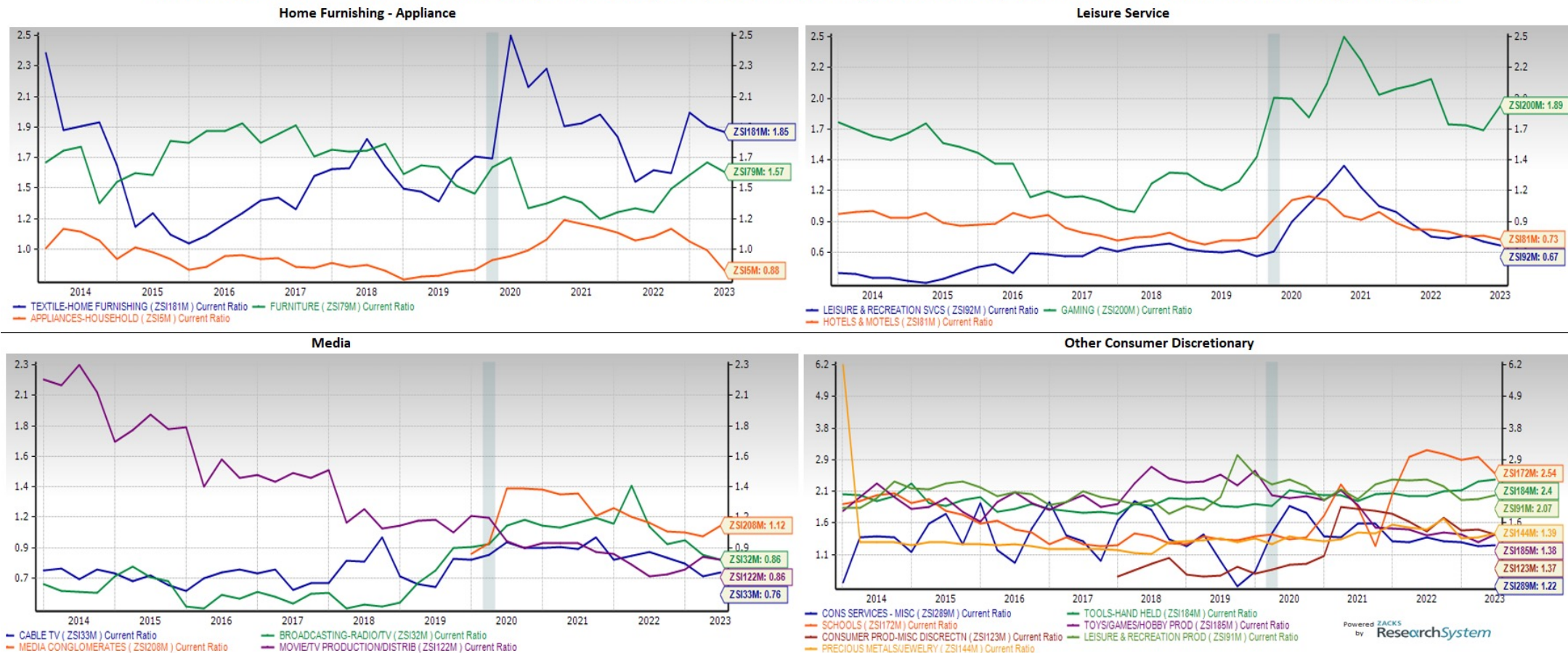
# Current Ratio Charts for Consumer Discretionary Sub-Industry Groups

The **current ratio** is a liquidity ratio that measures a company's ability to cover its short-term obligations with its current assets.

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Current Ratio Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



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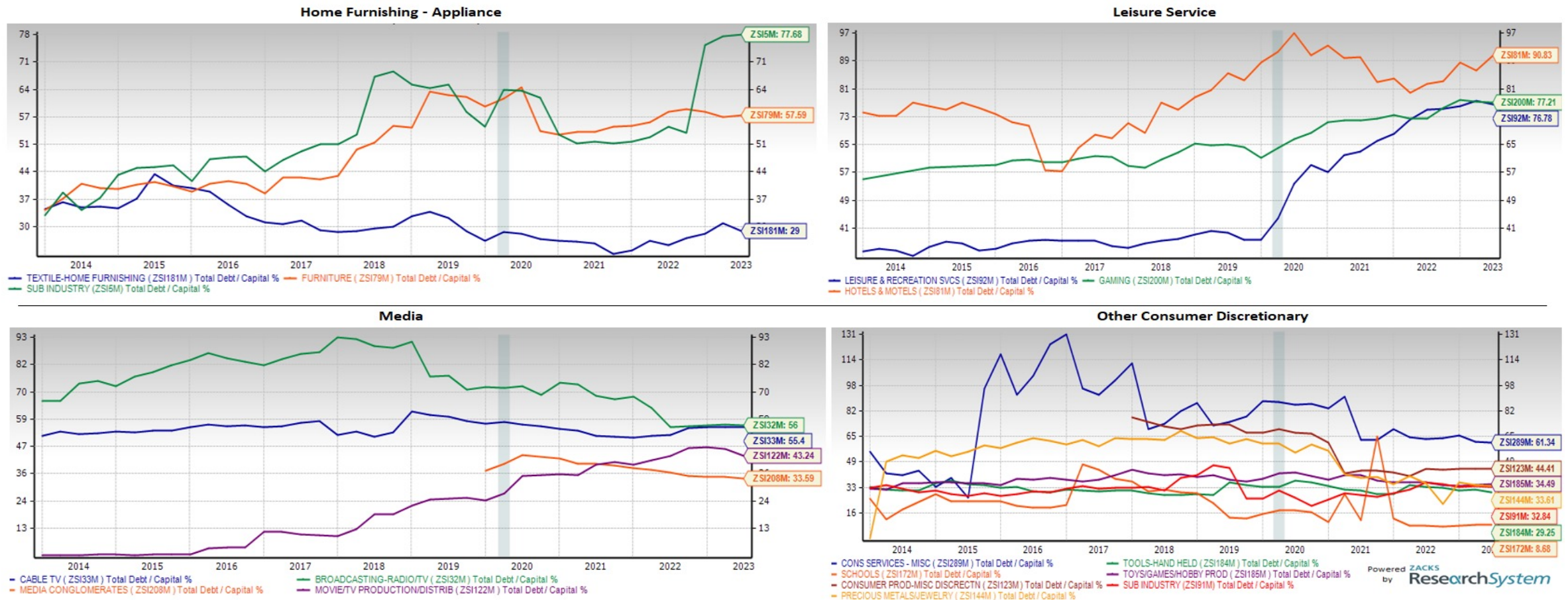


# Total Debt to Capital % Charts for Consumer Discretionary Sub-Industry Groups

Home Furnishing, Leisure Services (Top)

Media, and Other Consumer Discretionary (Bottom)

Total Debt to Capital % Charts for "Consumer Discretionary" Sub-Industry Groups : Home Furnishing, Leisure Service, Media and Other Consumer Discretionary over 10 years



# Thank You for Attending!

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