

2020 Second Quarter Early Look at Net Income

XBRL Elements: us-gaap: NetIncomeLoss

As at July 29, 2020

Introduction

The second quarter has finished, and some companies have reported with some or all of the quarter during these crazy times. How much has the shutdown cost the S&P 500 so far?

The method

We are looking at the Net Income numbers for companies that reported a quarter of 99 days or less ending between April 1 and June 30, 2020.

Overall

Out of a possible 500, we produced 112 results by July 27, and 139 by July 29. At this point we have at least one company reporting in all the eleven sectors. By June 27 we had \$40.97 billion in losses, by July 29 this had risen to \$47 billion of Pandemic Adjusted Earnings (PAE).

Individual highlights

The best improvement was National Oilwell Varco, which came in with a better loss, if that is considered a good thing. Its \$93 million loss was a vast improvement to its \$5.39 billion loss in the same period last year. This result alone was enough to move the Energy index from one that declined to one that improved. Many of the winners were expected, such as Netflix, Lowes and Dominos, as we sit at home, eat pizza and watch movies during worktime.

On the other side, Delta Airlines has the largest fall so far, dropping from a profit of \$1.4 billion to a loss of \$5.7 billion, a change of \$7.1 billion. The bottom five companies experienced a combined drop of \$20 billion.

By Sector

We now have four sectors to see improvement, with the best improvement coming from the energy sector. However, it is still in a loss position, just a smaller one. This improvement is entirely the result of National Oilwell Varco improving its loss position.

The largest losses are now seen in the Industrials sector, which includes airlines such as American, United, Southwest and Delta. While 20 of the 27 industrials reported a profit, only six of these were an improvement from the same period last year.

GICS Sector	2020 Q2	2019 Q2	change
Communication Services	\$5,395,996,000	\$4,585,350,000	\$810,646,000
Consumer Discretionary	(\$4,593,671,000)	\$11,953,703,000	(\$16,547,374,000)
Consumer Staples	\$11,451,435,000	\$15,487,869,000	(\$4,036,434,000)
Energy	(\$2,652,599,000)	(\$4,959,683,000)	\$2,307,084,000
Financials	\$2,979,554,000	\$6,177,405,000	(\$3,197,851,000)
Health Care	\$9,883,865,000	\$12,641,412,000	(\$2,757,547,000)
Industrials	(\$8,362,385,000)	\$13,973,568,000	(\$22,335,953,000)
Information Technology	\$18,216,485,000	\$18,855,325,000	(\$638,840,000)
Materials	\$1,237,031,000	\$2,063,983,000	(\$826,952,000)
Real Estate	\$635,827,000	\$464,043,000	\$171,784,000
Utilities	\$1,870,000,000	\$1,808,000,000	\$62,000,000
Grand Total	\$36,061,538,000	\$83,050,975,000	(\$46,989,437,000)