



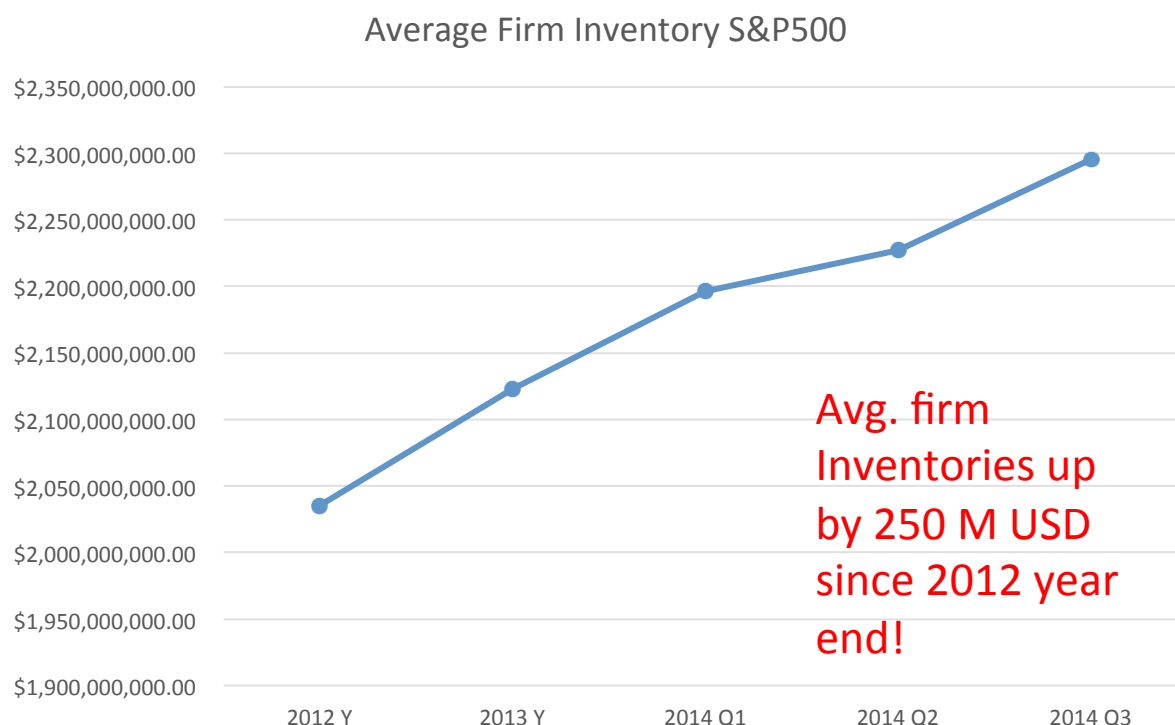
S&P 500 Inventory Analysis

Technology enables access to data in ways that were not possible prior.

Calcbench is designed to help finance leaders collect and analyze hard-to-find competitor, customer, and supplier financial data in near real-time to help them make more informed decisions.

With many economists calling for US GDP growth of 3% or more this year, Calcbench thought it would be appropriate to examine replenishment of corporate inventories as a source for growth.

What can our data tell you about Inventory levels going into 2015?



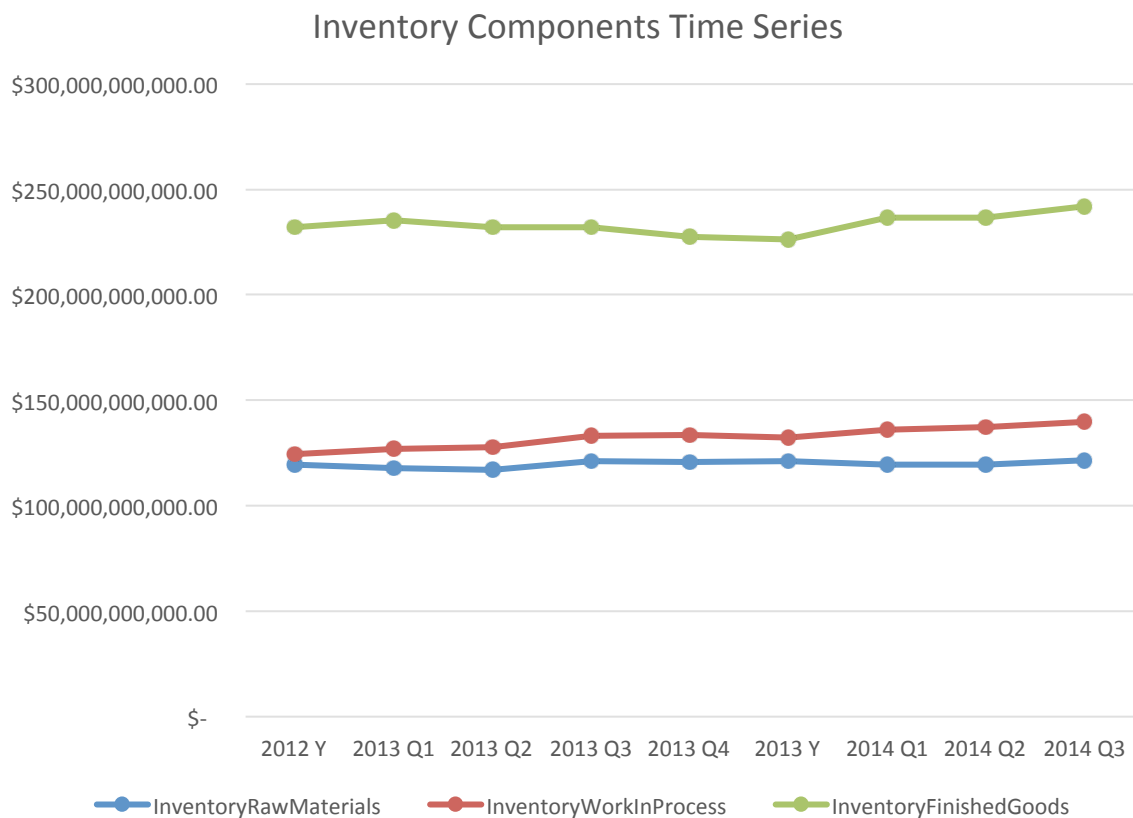


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Examining further

- Look for firms with footnote detail on Inventory levels
- Over same period firms that report footnotes with inventory components show little change!





Increased Inventories at the FIRM level

Firms with the highest increases in inventory from end of 2013. (These firms do not break out components of Inventory)



Wal Mart Stores Inc
Lennar Corp /NEW/
Boeing Co
Sysco Corp
Phillips 66
Target Corp
Macys, Inc.

- Firms with largest inventory increases that broke out components of inventory are below. Labeled is the largest component of inventory *increase*.

| | <u>Component</u> | <u>Increase</u> |
|---------------------|------------------|--------------------|
| General Electric Co | Finished Goods | \$1,290,000,000.00 |
| Ford Motor Co | Finished Goods | \$1,045,000,000.00 |
| Mosaic Co | Work in Process | \$55,100,000.00 |
| General Motors Co | Finished Goods | \$871,000,000.00 |
| Textron Inc | Finished Goods | \$370,000,000.00 |



Decreased Inventories at the FIRM level

Firms with this highest REDUCTIONS in inventory from end of 2013. (Some of these firms break out inventory details)



Archer Daniels Midland Co
Philip Morris International Inc.
Walgreen Co
Dupont E I De Nemours & Co
Deere & Co

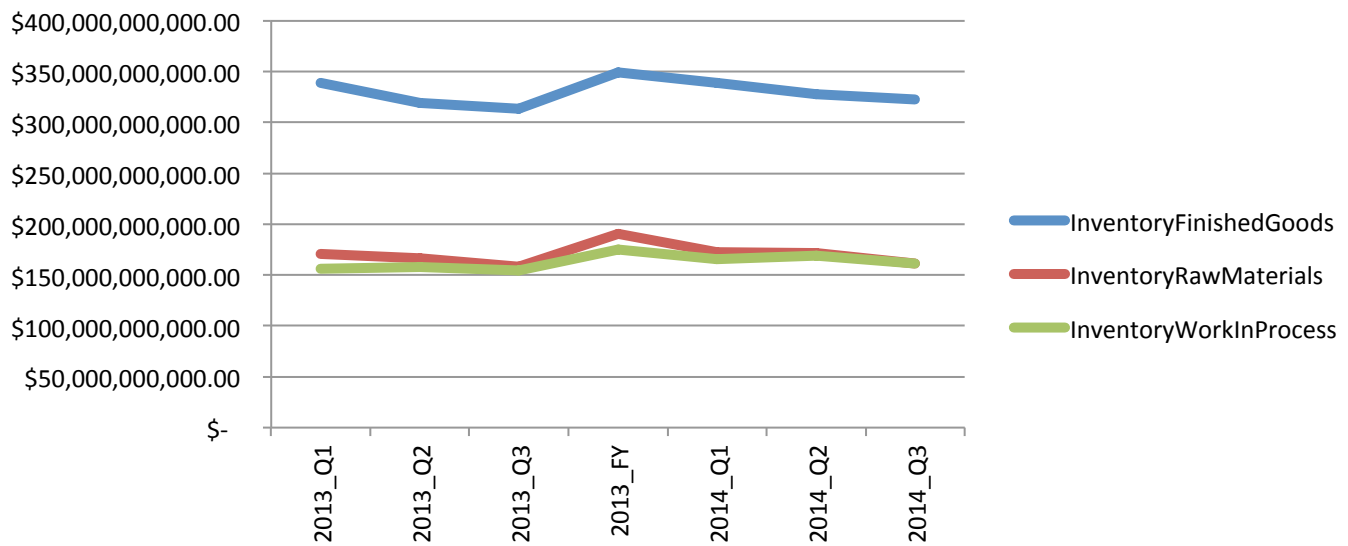
- Firms with largest inventory decreases that broke out components of inventory are below. Labeled is the largest component of inventory *decrease*.

| | <u>Component</u> | <u>Decrease</u> |
|----------------------------------|------------------|---------------------|
| Archer Daniels Midland Co | Raw Materials | -\$530,000,000.00 |
| Philip Morris International Inc. | Finished Goods | -\$1,627,000,000.00 |
| Dupont E I De Nemours & Co | Finished Goods | -\$495,000,000.00 |
| Deere & Co | Finished Goods | -\$397,000,000.00 |
| United States Steel Corp | Raw Materials | -\$403,000,000.00 |
| Merck & Co. Inc. | Raw Materials | -\$544,000,000.00 |



Conclusion

- **The case for inventories being wound down seems a bit strong to us at this point in time.**
- **The US dollar is relatively strong likely leading to less exports**
- **Inventories and components are fairly stable through time**
 - Chart 1 – Overall inventories are climbing in value!
 - Raw Materials and Finished goods stable for those that report it! (Below)
- **If companies don't take write-downs on inventory, it is unlikely that you will see a big boost in corporate production, which in turn means that GDP growth cannot count on corporate inventories as a significant contributor**





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ABOUT THIS REPORT: This report was created using data analyzed via Calcbench's Premium Suite, an online interactive platform that helps finance leaders access and analyze financial data thoroughly and efficiently.

Our accessible and intuitive platform can aid in better understanding competitor financials, identifying potential risk areas, analyzing trends across industry sectors, or conducting more effective due diligence.

Sign up for a 2 week free trial at www.calcbench.com/trial

or contact us at us@calcbench.com or via www.calcbench.com

The screenshot displays the Calcbench Premium Suite interface. On the left, a balance sheet for a company is shown for the year 2013. The balance sheet includes categories such as Assets, Liabilities and Non-Minority Equity, and Current Liabilities. On the right, a 'Query Footnotes' table lists various companies with their respective financial metrics like Revenue, Operating Income, and Earnings Per Share (EPS). The table includes columns for Company, Add Data, Fiscal Year, Revenue, Operating Income, and EPS. The companies listed include ANHEIUS BEV, BECK'S BEV, BOSTON BEER CO, BROWN-BROUWER, CHAMPAGNE, COCA-COLA, CORNING, CRAFT BREW ALLIANCE, DINE FOODS INTERNATIONAL, and FORT BEEF.

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