September 2023

2023 Top 250 Report

FW COOK

2023 TOP 250 REPORT

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EXECUTIVE SUMMARY

Persisting economic uncertainties are challenging companies' ability to establish long-term business forecasts and causing some to reassess long-term incentive plan designs. Stock prices remain volatile in certain industries despite the rebound in the U.S. stock market since the pandemic-related crash in 2020. New challenges have emerged including global supply chain disruptions, persistent inflation, Federal Reserve policy changes, evolving labor markets, and an increasing investor focus on efficiency.

This Top 250 Report details executive long-term incentive practices at the 250 largest companies by market capitalization, with special focus on design trends that have emerged since the COVID-19 pandemic (i.e., pre-2020 to current).

- The prevalence and grant value mix of award vehicles remain consistent with pre-pandemic practices, with performance-based awards continuing to be emphasized by most companies.
- Goal-setting uncertainty is influencing companies' performance-based award structures, as evidenced by emerging practices in performance metric selection, goal-setting, and performance periods.

Key findings include:

Prevalence of total shareholder return ("TSR") metrics has increased 7 percentage points since 2019, with most companies combining market-based metrics with at least one other financial performance metric…

- Increased use of TSR metrics is driven by pressure to better align long-term incentive payouts with shareholder outcomes, despite program participants' limited control over external factors that influence stock price movement.
- Most companies use TSR with at least one other performance metric (85% prevalence), and the prevalence of using it as a modifier of payouts based on other metrics has grown by 50% since the start of the pandemic (38% prevalence now, up from 25% in 2019).

Non-TSR financial goal ranges have widened to account for goal-setting difficulties, while relative TSR award designs have become more rigorous…

- Wider ranges between threshold and maximum goals for non-TSR financial metrics make it more likely to earn at least some portion of the award while making an above-target earnout more challenging.
- For relative TSR, more companies are setting above-median target goals (30% prevalence now, up from 24% in 2019) and implementing caps on payouts if absolute TSR is negative (34% prevalence now, up from 26% in 2019).

Performance measurement using multiple, discrete annual goals has increased in prevalence…

- 12% of companies measure long-term incentives in annual increments, double the rate in 2019, which is most common in the Communication Services (29% prevalence), Information Technology (24%), and Health Care (19%) sectors.
- However, proxy advisors and investors often express concern that annual goals do not incentivize long-term performance and continue to prefer multi-year end-to-end measurement periods, which remain much more prevalent.
- Setting annual performance goals year-by-year (vs. all-at-once at grant) further deleverages performance risk and has increased by 30% in prevalence (46% prevalence now, up from 36% in 2019), despite being subject to more external scrutiny than upfront goal-setting.

INTRODUCTION

Overview and Background

Since 1973, FW Cook has published annual reports on long-term incentive grant practices for executives. This report, our 51st edition, presents information on long-term incentives granted to executives at the 250 largest U.S. companies in the S&P 500 Index. It is intended to inform boards of directors and compensation professionals in designing and implementing long-term incentive programs that promote company success by supporting strategic objectives and aligning pay delivery with performance.

Scope of Study

The report covers the following topics:

- **Long-term incentive grant type prevalence and mix**, with a focus on CEO awards.
- **Key performance-based award characteristics**, including performance metrics, absolute vs. relative performance measurement, comparator groups for relative measurement, performance goal ranges, total performance and vesting period length, and cumulative vs. annual performance measurement.
- The Appendix includes information on time-based award vesting, additional performance-based award detail, and statistics by industry.

Historical comparisons primarily focus on a one- and four-year lookback, depending on the topic. The one-year lookback (vs. 2022) is provided to identify any emerging developments, and the four-year perspective (vs. 2019) is to highlight the evolution of design trends since the start of the pandemic.

Source of Data

All information was obtained from public documents filed with the Securities and Exchange Commission ("SEC"), including proxy statements and Form 10-K and 8-K filings.

Top 250 Company Selection

The Top 250 companies are selected annually based on market capitalization (share price multiplied by common shares outstanding). The sample consists of the 250 U.S.-listed companies in the S&P 500 with the largest market capitalizations as of April 30, 2023, limited to those granting long-term incentives. See the Appendix for the list of companies reviewed. Thirteen of the 250 companies (5%) are new to this 2023 report (i.e., not in the 2022 Top 250 sample), with the majority of changes due to fluctuations in market capitalization between April 30, 2022 and April 30, 2023 (the dates used to determine the 2022 and 2023 Top 250 company lists, respectively).

The following table displays the industry sectors represented in the Top 250 for 2023, defined by the Global Industry Classification System ("GICS").

INTRODUCTION

$ values in billions **Industry Sector** (# of companies)	Percent of 2023 Top 250	Median Market Data					
					TSR[1]		
		Net Sales	Net Income	Market Capitalization as of 6/30/23	Year-to-Date	1-Year	5-Year CAGR[2]
Health Care (39)	16%	$26.32	$3.32	$79.58	+0%	+4%	+15%
Industrials (35)	14%	$19.63	$2.95	$51.66	+11%	+22%	+15%
Financials (35)	14%	$22.24	$3.25	$63.81	+1%	+12%	+10%
Information Technology (34)	14%	$17.42	$2.52	$92.02	+32%	+34%	+19%
Consumer Staples (24)	10%	$31.63	$2.50	$55.58	+1%	+3%	+12%
Consumer Discretionary (20)	8%	$20.94	$2.74	$56.94	+14%	+34%	+14%
Energy (16)	6%	$28.85	$7.80	$46.10	-6%	+13%	+6%
Utilities (14)	6%	$17.20	$1.77	$37.50	-5%	-2%	+8%
Real Estate (12)	5%	$4.98	$0.99	$40.23	+4%	+1%	+9%
Materials (11)	4%	$17.65	$2.26	$40.73	+9%	+23%	+9%
Communication Services (10)	4%	$81.15	$3.82	$159.74	+7%	-1%	+1%
Total Top 250 - Median	**—**	**$20.67**	**$2.64**	**$57.26**	**+5%**	**+15%**	**+11%**

Source: S&P Capital IQ; note that net sales and net income figures represent 10-K results; all other data measured as of 6/30/23.
[1] TSR = Total Shareholder Return, a measure of stock price and dividend performance; calculated through 6/30/23.
[2] CAGR = Compounded Annual Growth Rate.

Definition of Long-Term Incentive

This report presents the most recently disclosed long-term incentive grant types in use at the Top 250 companies as of mid-2023. A grant type is considered in use at a company if grants were made in the current or prior year and there is no evidence the grant practice has been discontinued, or if the company indicates the grant type will be awarded in the future.

To be considered a long-term incentive for the purposes of this report, a grant must reward performance and/or continued service for a period of one year or more and cannot be limited by both scope and frequency.

- A grant with limited scope is awarded to only one executive or select executives.
- A grant with limited frequency is not part of a company's regular grant practice. For example, a grant made as a hiring incentive, replacement of compensation forfeited at a prior employer, or a promotion award is not considered in this report.
- A grant with limited scope but without limited frequency (e.g., annual grants made only to the CEO) may be considered, and vice versa (e.g., one-time grants made to all executives).

INTRODUCTION

Definitions

Award vehicles: long-term incentive award vehicles include, but are not limited to, the following:

- Stock options and Stock Appreciation Rights ("SARs"), which are derivative securities with value dependent upon stock price appreciation; stock options are rights to purchase company stock at a specified exercise price during a stated term; SARs are rights to receive the increase between the grant price and the market price of a share of stock at exercise.
- Restricted stock, which includes actual shares or share units that are earned for continued employment and are often referred to as time-based awards.
- Performance-based awards, which consist of stock-denominated shares or share units ("performance shares") and grants of cash or dollar-denominated units ("performance units") earned based on performance against predetermined objectives over a period of more than one year, including long-term incentives with one-year performance periods that have additional time-vesting requirements.

Types of Metrics: Performance metric categories include, but are not limited to, the following:

- Total Shareholder Return (relative or absolute stock price appreciation plus dividends)
- Profit (EPS, Net Income, EBIT, EBITDA, Operating/Pretax Profit)
- Capital Efficiency (Return on Equity, Return on Assets, Return on Capital)
- Revenue (Sales, Net Revenue)
- Cash Flow (Free Cash Flow, Operating Cash Flow)
- Other (e.g., Safety, Quality Assurance, New Business, Individual Performance)

EXECUTIVE LONG-TERM INCENTIVE GRANT TYPES AND PREVALENCE

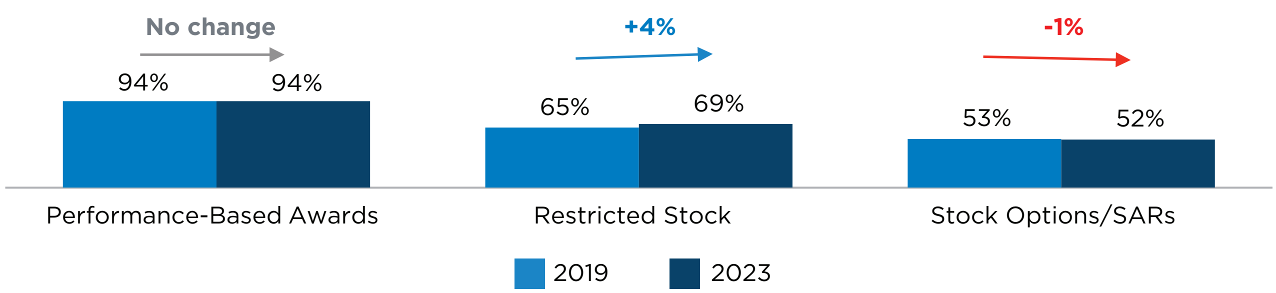
Which Long-Term Incentive Vehicles Remain in Favor?

Most companies continue to utilize a portfolio approach of multiple long-term incentive grant types, with performance-based awards emphasized in both prevalence and overall grant value mix.

In 2023, 86% of companies granted multiple long-term incentive vehicles, consistent with rates observed since 2019. The prevalence of each grant type in 2023 is generally similar to recent years:

- Performance-based awards used by nearly all companies (94%), flat vs. 2019;
- Restricted stock used by approximately two-thirds of companies (69%), up four percentage points; and
- Stock options/SARs used by approximately half of companies (52%), down one percentage point.

Executive Long-Term Incentive Grant Type Prevalence

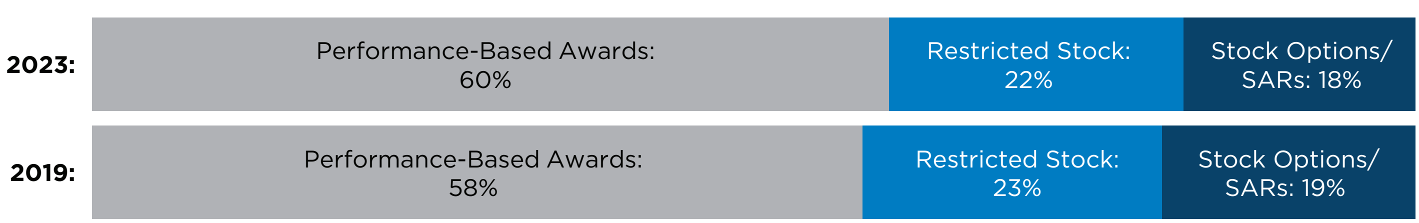


Restricted stock and stock option/SAR awards most commonly vest over three years on a ratable schedule (vs. cliff-vesting all at once at the end of the period). This has been the case for a while, and even more restricted stock awards now have a three-year vesting schedule than in 2019 (69% now, up from 61% in 2019). Prevalence of ratable vesting schedules rather than cliff-vesting for restricted stock has also continued to tick up (67% now, up from 63% in 2019). Using a three-year ratable vesting schedule instead of four-year or cliff vesting can enhance the perceived value of grants for recipients without increasing the actual grant value of the award. See page 13 for further detail on time-based award vesting.

Performance-based awards comprise the majority of the average CEO's grant value mix (60%), with the remaining value granted as time-based restricted stock for retention or stock options/SARs to incentivize absolute stock price growth.

- General industry use of stock options/SARs has declined over the last decade, partly due to the elevated emphasis on pay-for-performance combined with the proxy advisor view that stock options are not sufficiently performance-based absent a premium exercise price or performance-vesting condition.
- Companies of earlier business maturity (generally not reflected in the Top 250 sample) or in certain industries (e.g., healthcare) rely more heavily on stock options/SARs. However, most Top 250 companies de-emphasize stock options in favor of restricted stock and performance-based awards, which have greater retentive value in flat or negative stock price environments, more efficiently use stock plan reserves, and in the case of performance-based awards, can target specific performance goals other than absolute stock price appreciation.

Average Top 250 CEO Long-Term Incentive Mix



PERFORMANCE-BASED AWARD DESIGN

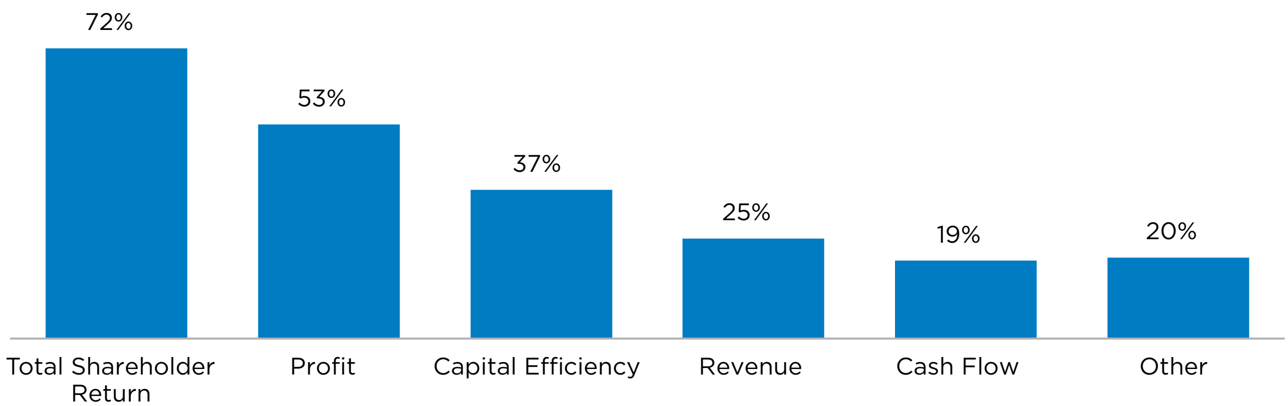
What Metrics Are Used to Measure Performance?

Most companies continue to utilize one or two performance metrics. Total shareholder return ("TSR"), a market-based metric, combined with at least one other financial metric continues to be the most common approach, with an increasing number of companies using TSR as a modifier rather than a standalone, weighted metric.

In 2023, TSR continues to be the most prevalent metric, used by nearly three-quarters of companies granting performance-based awards (consistent with last year, and +7 percentage points since 2019).

- Profit and Capital Efficiency measures are the next most common performance metrics, used by 53% and 37% of companies, respectively.

Performance Metric Prevalence



While more companies have adopted TSR metrics, a decreasing proportion are using it as the sole performance metric.

- 85% of companies combine the metric with at least one other performance metric (+5 percentage points since 2022 and +7 percentage points since 2019).
- 38% of companies use TSR as a modifier of payouts determined by other metrics, as opposed to a separately weighted metric (e.g., TSR results can modify final payout by +/-20% vs. TSR is weighted 50% of final payout), +3 and +13 percentage points since 2022 and 2019, respectively.

It is not surprising that although TSR prevalence is increasing, companies may look to de-emphasize its weighting on overall payouts.

- Proxy advisors and investors typically favor TSR, creating pressure for companies to use TSR to better align participant payouts with shareholder outcomes.
- Relative TSR goals do not require multi-year goal-setting, which may be an attractive alternative to absolute financial goals in times of uncertain operating forecasts.
- However, award participants may have limited line-of-sight to stock price outcomes, particularly when measured on a relative basis.

PERFORMANCE-BASED AWARD DESIGN

How is Performance Measured?

Absolute vs. Relative Performance Measurement

The vast majority of awards with TSR goals continue to be measured relative to an index or other comparator group of companies. Relative measurement of other financial metrics has increased in prevalence, likely due to macroeconomic volatility, but remains a minority practice.

Relative performance measurement is an attractive approach when it is difficult to confidently forecast multi-year financial performance and set appropriate goals. As a result, TSR is typically measured on a relative basis due to stock prices' macroeconomic sensitivity and participants' limited control over external factors that influence stock price movement.

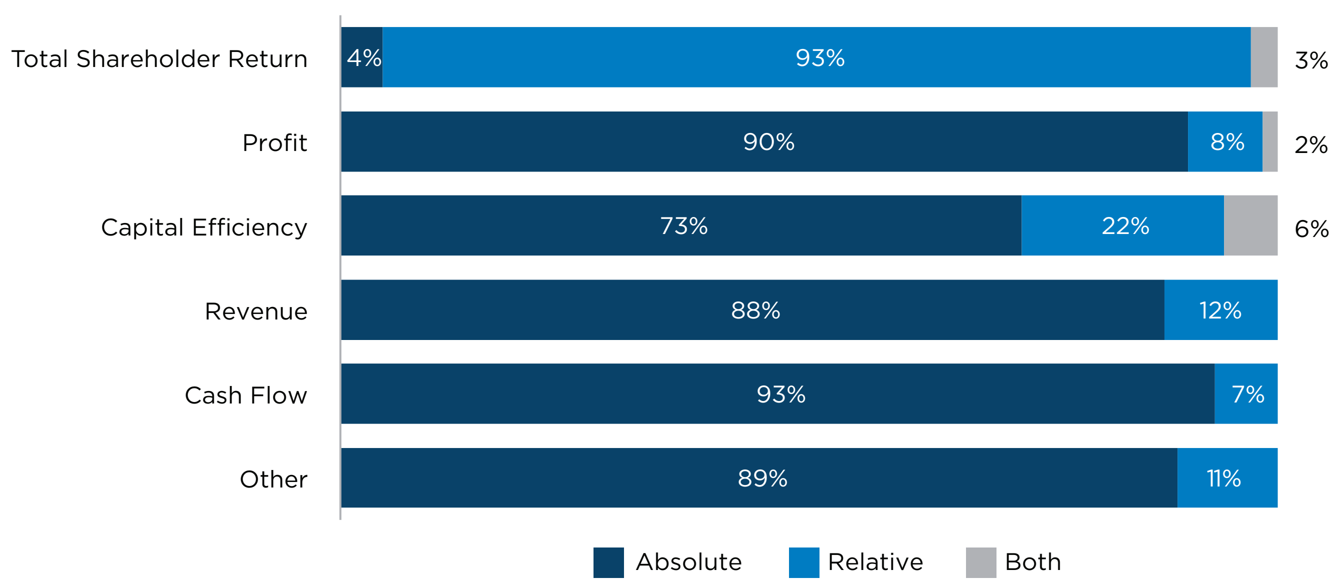
- 96% of companies that use TSR measure it on a relative basis (including 3% that measure both absolute and relative TSR), consistent with recent years.

Most non-TSR financial goals continue to be measured on an absolute basis. While use of relative measurement for non-TSR financial goals has increased, it can be administratively challenging for companies to compare financial operating data due to M&A and other extraordinary activity, differing fiscal years and timing of financial disclosures, and varying adjustments for non-GAAP definitions. In contrast, stock price data driving TSR are directly comparable and reported in real-time.

Non-TSR goals are measured on a relative basis 7% to 22% of the time (range varies by measure type), which is up from 5% to 15% immediately prior to the pandemic.

- In particular, relative measurement of capital efficiency measures has increased by 50% (22% now, up from 14% in 2019).
- Relative measurement of non-TSR goals is highest in the Financials (34%) and Energy (31%) industries, where cyclical and macroeconomic factors can make long-term absolute goal-setting particularly difficult.

Performance Metric Measurement Approach



PERFORMANCE-BASED AWARD DESIGN

Relative Performance Comparator Group Types and Prevalence

Slightly over half of Top 250 companies with relative performance goals use indices (e.g., broad like the S&P 500 or industry-focused like the Dow Jones U.S. Health Care Index) as comparator groups, with remaining practice split between compensation or custom peer groups, or a combination approach.

Considerations in comparator group selection include the following:

- Smaller comparator groups may be subject to volatility in relative performance due to unplanned changes to constituents (e.g., M&A activity).
- Companies similar in industry and financial/growth profile are more likely to be subject to the same macro-economic factors.
- Proxy advisors and investors are often agnostic on comparator group selection, although there is potential for criticism for "cherry-picking" companies to improve payouts.
- Index use may be viewed favorably by investors in certain instances (e.g., in underperforming industries that compete for investor capital against broader, higher-performing companies).

Relative Performance Comparator Group Use

Custom Group

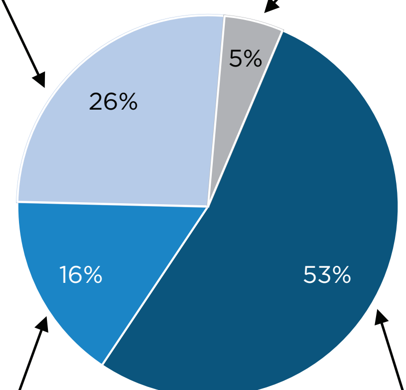
✔ Reflects most relevant companies in terms of industry, cyclicality, and performance, regardless of size

✗ Potential criticism for "cherry-picking" peers

✗ Not the same group of companies used to establish magnitude of pay opportunity

Combination

? Subject to advantages and disadvantages of the other approaches



Compensation Peer Group

✔ Typically composed of companies similar in industry and size

✗ May exclude relevant business comparators that are significantly smaller or larger due to size criteria used to comply with proxy advisor and investor expectations around compensation peer group size

✗ Compared to comparator groups with larger sample sizes, compensation peer groups (often ~12 to ~25 companies) may be subject to greater volatility in relative performance and payouts due to unplanned changes to constituents (e.g., M&A activity)

Index (Broad or Sector)

✔ Broad indices' larger sample sizes may mitigate volatility in performance and payouts due to unplanned changes to constituents (e.g., M&A activity)

✔ In certain instances, broad indices can be viewed favorably by investors

✗ May include companies in vastly different industries and/or ones with significantly different financial/growth profiles

PERFORMANCE-BASED AWARD DESIGN

How Wide Are Typical Performance Goal Ranges?

Performance goal-setting is often informed by company-specific factors including company budget, internal and investor performance expectations, historical performance, and compensation philosophy. Industry-specific or broader market volatility and macroeconomic challenges can also be influential, and meaningful trends are emerging regarding the difficulty of relative TSR goals and the width between threshold and maximum performance goals for non-TSR financial metrics.

TSR Goal-Setting

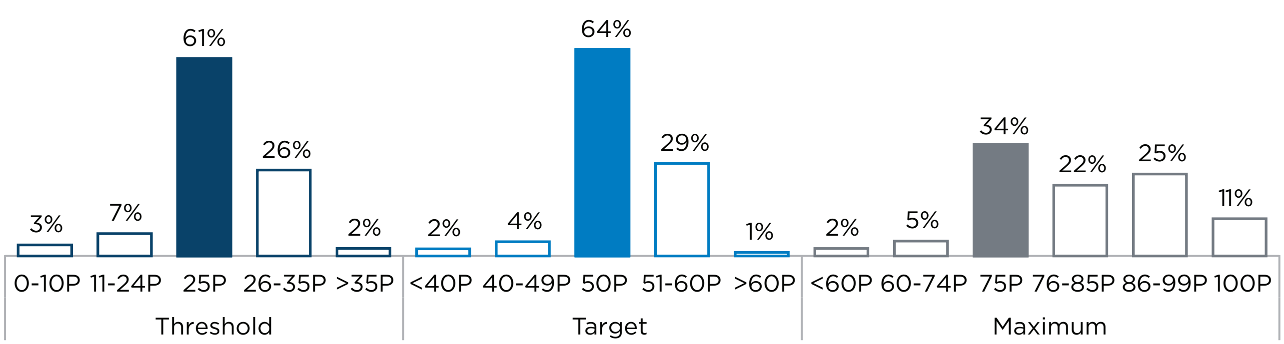
The most prevalent relative TSR performance levels continue to be 25th percentile performance for a threshold payout, median (i.e., 50th percentile) performance for a target payout, and greater than 75th percentile performance for a maximum payout. However, more rigorous performance goals at threshold and target levels are gaining prevalence:

- For threshold and target payouts, ~30% of companies set goals up to ten percentile points above the 25th percentile and median, respectively. Above-median target-setting in particular has grown in prevalence (+6 percentage points since 2019), partly due to proxy advisors and certain investors expressing skepticism over whether target payouts are appropriate for median performance achievement (i.e., simply keeping up with the market).
- For maximum payouts, ~60% of companies require >75th percentile performance, consistent with recent years. Relevant considerations include payout leverage (e.g., a maximum payout at 150% of target may have a lower performance requirement than an award with a 200% of target payout opportunity), compensation philosophy, selection of comparator group, etc.

In times of volatility, it is possible for relative TSR performance to exceed target goals while absolute TSR is negative (i.e., stock price depreciation). Absolute TSR thresholds, typically limiting maximum payouts to 100% of target if absolute TSR is negative, have grown in prevalence in recent years.

- 34% of companies with relative TSR goals have an absolute TSR payout cap (+4 percentage points since last year and +8 percentage points since 2019).
- There are differing views on this topic. Some may argue that high relative performance in a depressed stock price environment is still indicative of performance that justifies above-target payouts, while others (proxy advisors included) may view above-target payouts as inconsistent with negative absolute shareholder returns.

Relative TSR Goal Ranges



PERFORMANCE-BASED AWARD DESIGN

Non-TSR Financial Goal Width

Performance goal width is the range between threshold and maximum performance goals, where:

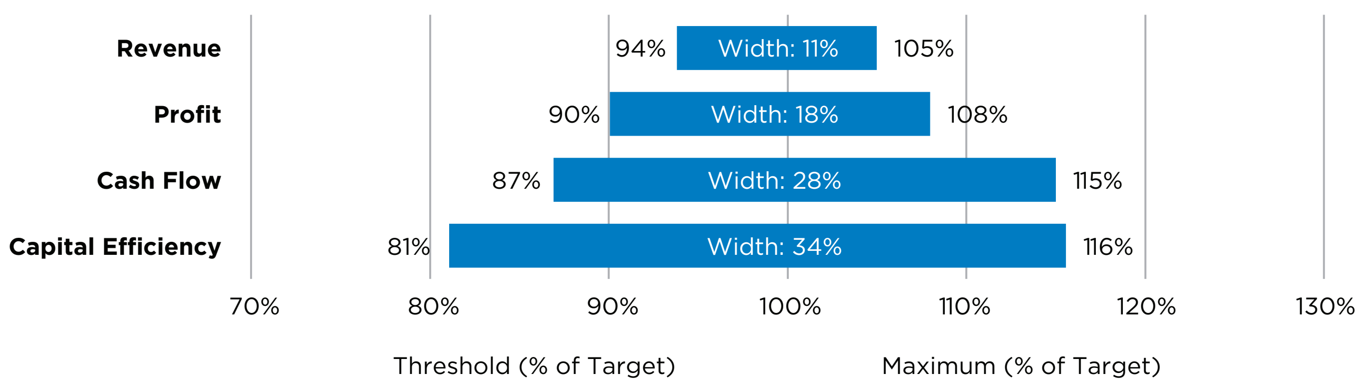
- Threshold is the minimum performance to warrant any payout at all, and maximum is the performance required to achieve the highest possible payout.
- For consistent comparisons across companies, performance goal width is calculated as the difference between threshold and maximum goals as a percent of target (e.g., if threshold, target, and maximum are $9.5B, $10.0B, and $10.5B in revenue, respectively, then threshold is 95% of target, maximum is 105% of target, and the goal width is 10% of target).

The goal width between threshold and maximum is typically narrowest for revenue metrics and becomes progressively wider for profit, cash flow, and capital efficiency metrics.

- Revenue is generally the most predictable financial measure, resulting in the narrowest goal width.
- Profit measures are determined by two types of inputs (e.g., revenue and various costs), typically resulting in a wider goal range.
- Cash flow and capital efficiency goal widths tend to be even wider due to the additional variable inputs that impact their results (e.g., return on assets is calculated by dividing profit by total assets).

Median Performance Metric Goal Width

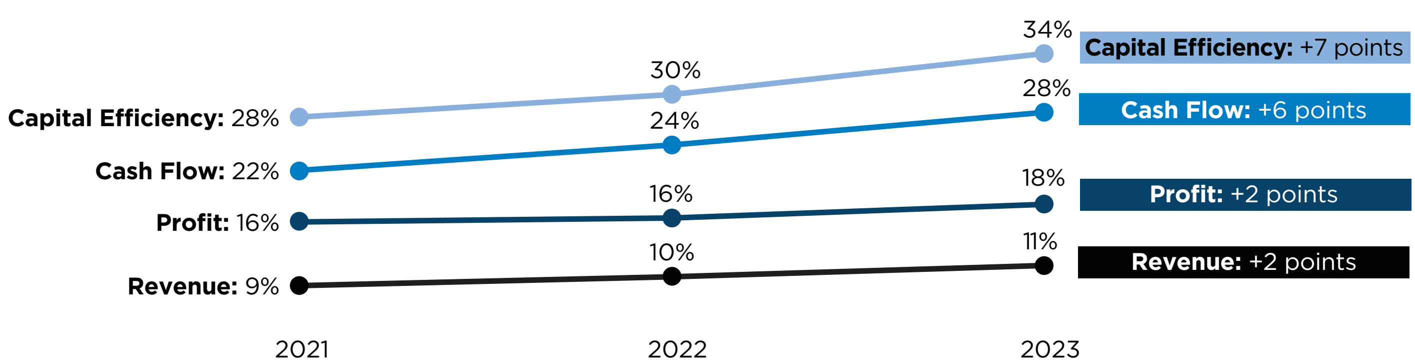
(Threshold to Maximum, as a % of Target)



Performance goal widths have expanded in recent years due to continued market uncertainty and challenging operating environments. Since 2021 (the first year that FW Cook began collecting comprehensive data on this), goal widths have increased by 2 to 7 percentage points, depending on the measure.

Change in Median Performance Metric Goal Width from 2021 to 2023

(Threshold to Maximum, as a % of Target)

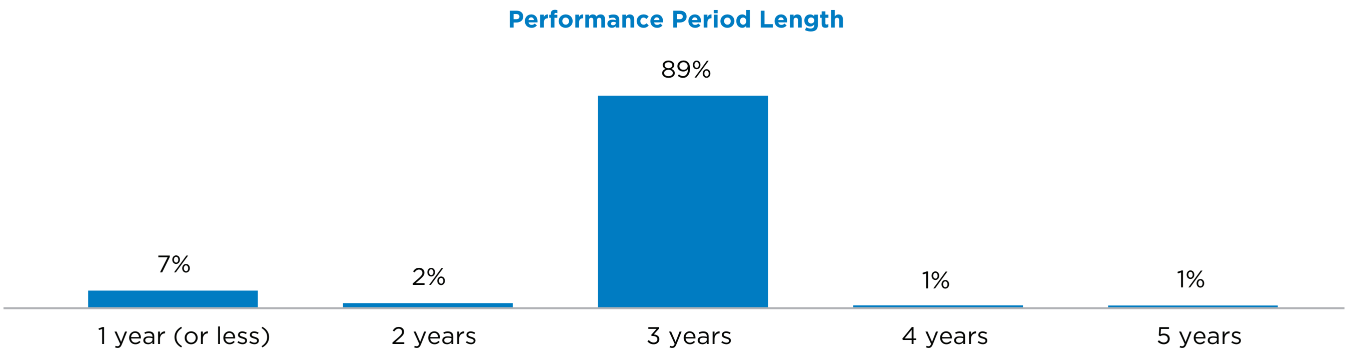


PERFORMANCE-BASED AWARD DESIGN

How Are Performance Periods Defined?

Overall Performance Measurement Period Length

Most performance-based awards continue to be measured over a three-year period (89%), aligning with common expectations that performance-based awards generally have an overall performance period of at least three years. Companies that measure performance in annual increments (e.g., annual goals over a three-year period) are included in this statistic, with the use of cumulative vs. annual performance measurement discussed on page 12.



Additional Time Vesting Tails

Performance-based awards with short performance periods (e.g., less than three years) typically require additional time vesting "tails" that bring overall award vesting to at least three years.

- Of awards with one- and two-year performance periods, 95% and 83%, respectively, have overall vesting periods of at least three years with the additional time vesting tail.
- Additional time vesting tails are rare for awards with three-year or longer performance periods.

		Performance Period Length				
		≤1 year	2 years	3 years	4 years	5 years
Additional Time Vesting Tail	0 years	5%	17%	94%	100%	100%
	1 year	—	67%	3%	—	—
	2 years	75%	17%	3%	—	—
	3 years	15%	—	—	—	—
	4 years	5%	—	—	—	—

Blue = Total vesting ≥3 years (performance period + additional time vesting tail)

PERFORMANCE-BASED AWARD DESIGN

Annual vs. Cumulative Performance Measurement

While measuring performance in annual increments (i.e., using multiple discrete, one-year goals) has increased in prevalence since the pandemic, cumulative performance measurement remains by far the most common approach. The uptick in annual measurement is likely not a permanent trend, but is indicative of how companies are addressing recent uncertainty.

In 2023, 12% of companies use annual performance periods, which is double the rate observed immediately prior to the pandemic (6% of companies in 2019).

- Annual performance measurement is more common in certain industries, with a 20% to 30% prevalence among the Communication Services, Information Technology, and Health Care sectors.

Cumulative measurement continues to be preferred by proxy advisors and investors. There is concern that multiple annual goals do not incentivize long-term thinking depending on the design.

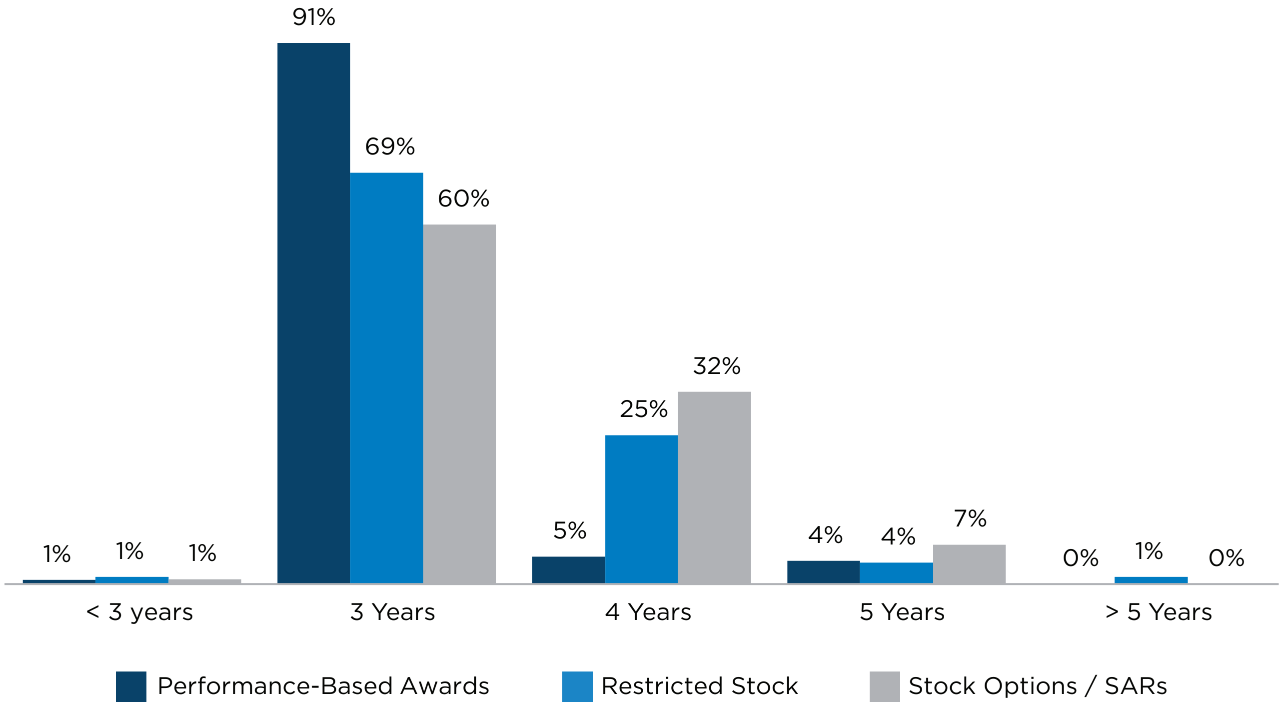
- Setting goals at each annual tranche (including awards that apply a fixed growth goal to each prior year's actual performance) as opposed to all-at-once at grant has increased 30% in prevalence (46% in 2023 vs. 36% in 2019). While setting goals year-by-year further deleverages performance risk, it is subject to more external scrutiny than upfront goal setting.
- For awards where goals are set year-by-year, the grant value will be split between multiple years of proxy statement Grants of Plan Based Awards Tables.

Similarly, companies may find that annual performance measurement has unique goal-setting complexities, including when to set annual goals, how to weight each annual period in the overall payout, whether to include a cumulatively measured metric to incentivize long-term thinking, etc.

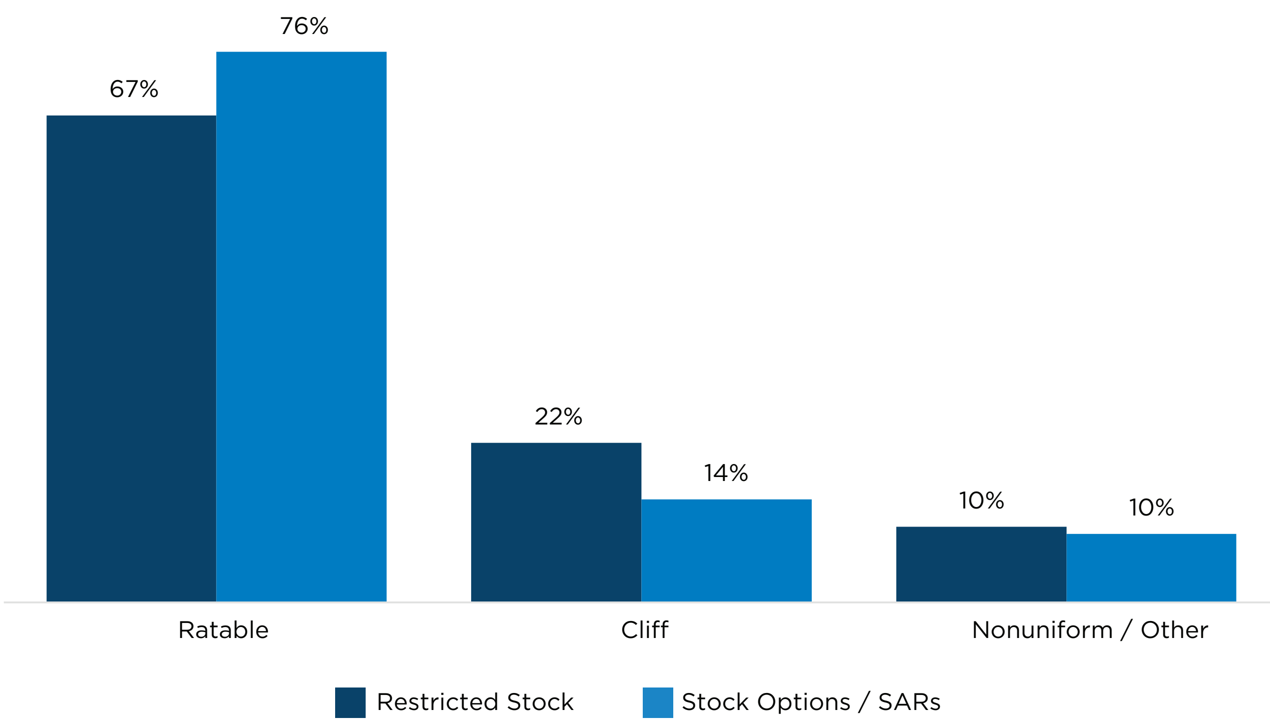
Industry	2023 Performance Measurement Prevalence: Cumulative	Annual	Other	Δ in Annual Measurement Since 2019
Communication Services	71%	29%		+29 pts
Information Technology	72%	24%	3%	+5 pts
Health Care	78%	19%	3%	+10 pts
Financials	83%	17%		+12 pts
Utilities	86%	14%		+14 pts
Consumer Discretionary	88%	12%		+12 pts
Materials	91%	9%		+9 pts
Consumer Staples	96%	4%		+4 pts
Real Estate	100%			-8 pts
Energy	100%			-15 pts
Industrials	97%		3%	-6 pts

APPENDIX – SUPPLEMENTAL DETAIL

Vesting Period of Award Types

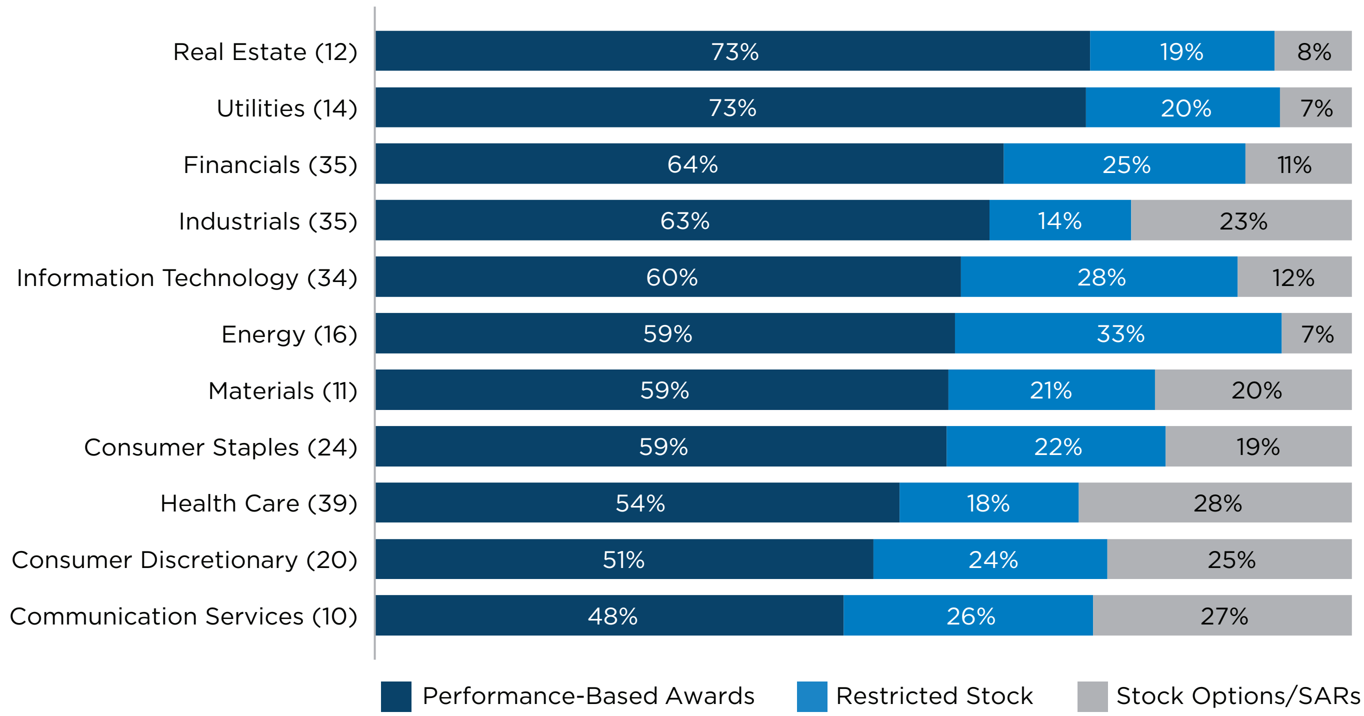


Time-Based Long-Term Incentives Vesting Schedule

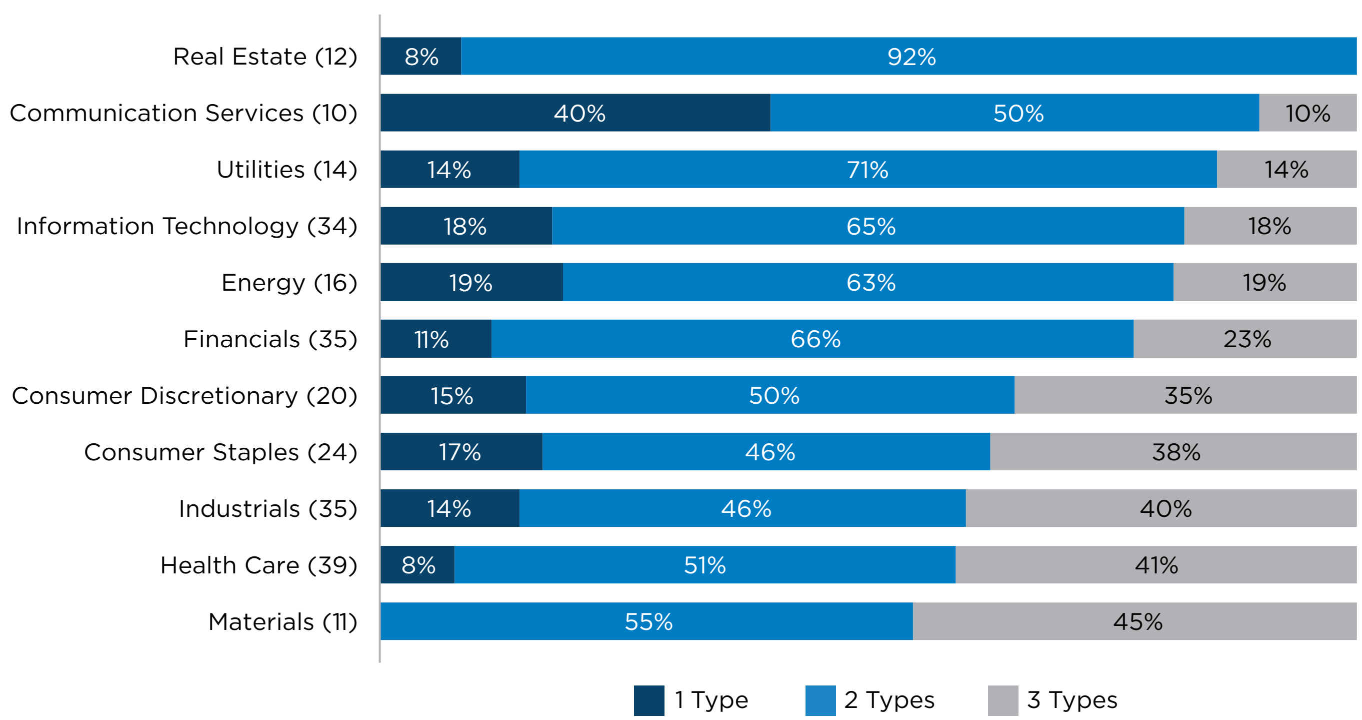


APPENDIX – SUPPLEMENTAL DETAIL

Average CEO Long-Term Incentive Mix by Industry

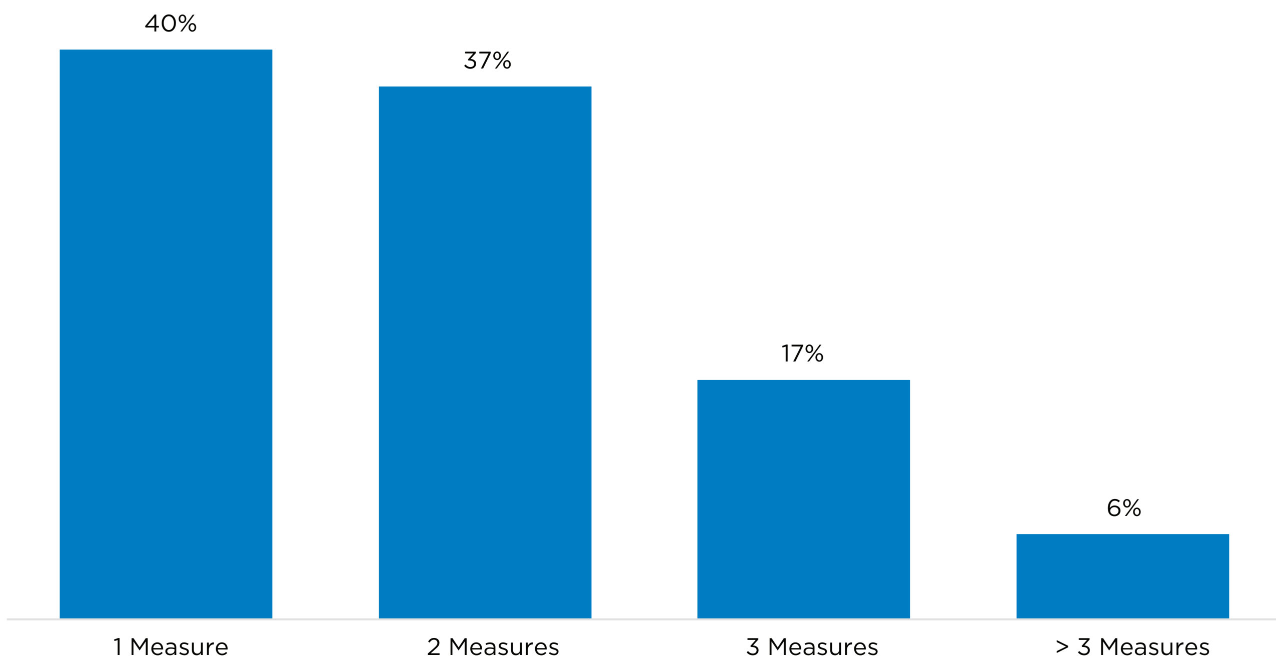


Number of Grant Types by Industry

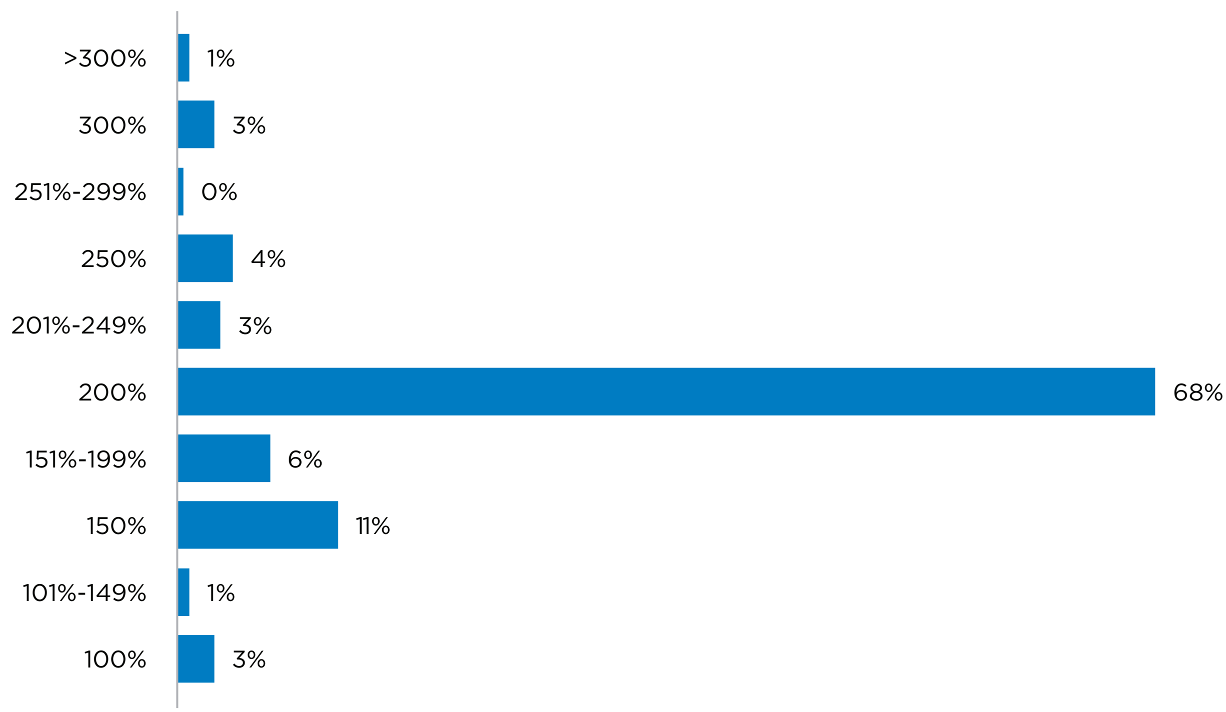


APPENDIX – SUPPLEMENTAL DETAIL

Number of Performance Metrics Used

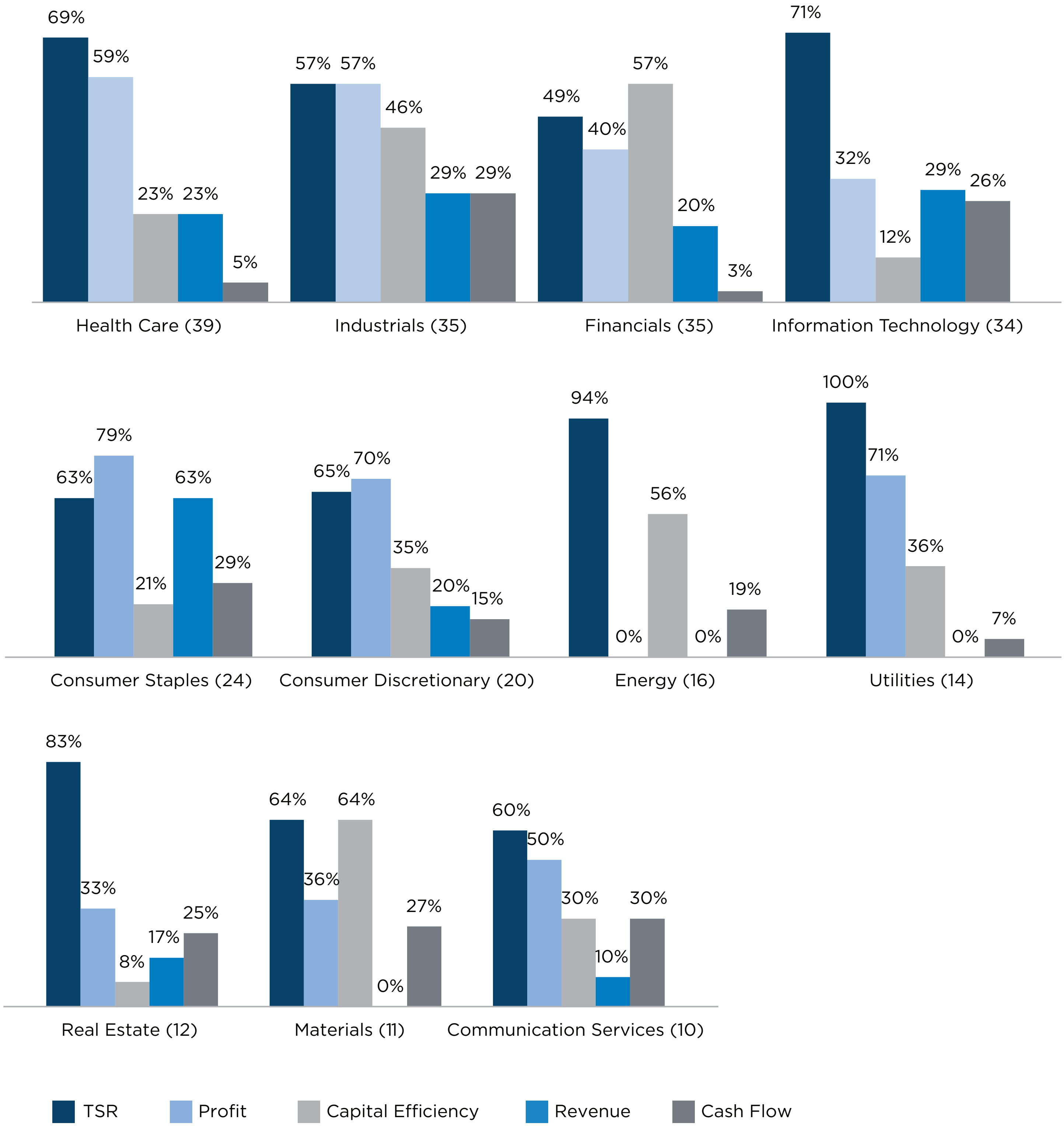


Performance Award Maximum Payouts (As a % of Target)



APPENDIX – SUPPLEMENTAL DETAIL

Performance Metric Prevalence by Industry



APPENDIX – COMPANIES STUDIED

Communication Services (10 Companies)

AT&T Inc.
Charter Communications, Inc.
Comcast Corp.
Electronic Arts Inc.
Meta Platforms, Inc.
Netflix, Inc.
The Walt Disney Co.
T-Mobile US, Inc.
Verizon Communications Inc.
Warner Bros. Discovery, Inc.

Consumer Discretionary (20 Companies)

AutoZone, Inc.
Booking Holdings Inc.
Chipotle Mexican Grill, Inc.
D.R. Horton, Inc.*
Ford Motor Co.
General Motors Co.
Hilton Worldwide Holdings Inc.
Las Vegas Sands Corp.
Lennar Corp.*
Lowe's Companies, Inc.
Marriott International, Inc.
McDonald's Corp.
NIKE, Inc.
O'Reilly Automotive, Inc.
Ross Stores, Inc.
Starbucks Corp.
The Home Depot, Inc.
The TJX Companies, Inc.
Ulta Beauty, Inc.*
Yum! Brands, Inc.

Consumer Staples (24 Companies)

Altria Group, Inc.
Archer-Daniels-Midland Co.
Brown-Forman Corp.
Colgate-Palmolive Co.
Constellation Brands, Inc.*
Costco Wholesale Corp.
Dollar General Corp.
Dollar Tree, Inc.
General Mills, Inc.
Keurig Dr Pepper Inc.*
Kimberly-Clark Corp.
Mondelez International, Inc.
Monster Beverage Corp.
PepsiCo, Inc.
Philip Morris International Inc.
Sysco Corp.
Target Corp.
The Coca-Cola Co.
The Estée Lauder Companies Inc.
The Hershey Co.
The Kroger Co.
The Procter & Gamble Co.
Walgreens Boots Alliance, Inc.
Walmart Inc.

Energy (16 Companies)

Baker Hughes Co.
Chevron Corp.
ConocoPhillips
Devon Energy Corp.
EOG Resources, Inc.
Exxon Mobil Corp.
Halliburton Co.
Hess Corp.
Marathon Petroleum Corp.
Occidental Petroleum Corp.
ONEOK, Inc.
Phillips 66
Pioneer Natural Resources Co.
Schlumberger Limited
The Williams Companies, Inc.
Valero Energy Corp.

*(*Denotes new company in 2023 Top 250)*

APPENDIX – COMPANIES STUDIED

Financials (35 Companies)

Aflac Inc.
American Express Co.
American International Group, Inc.
Ameriprise Financial, Inc.
Arthur J. Gallagher & Co.
Bank of America Corp.
BlackRock, Inc.
Capital One Financial Corp.
Citigroup Inc.
CME Group Inc.
Fidelity National Information Services, Inc.
Fiserv, Inc.
Global Payments Inc.
Intercontinental Exchange, Inc.
JPMorgan Chase & Co.
Marsh & McLennan Companies, Inc.
Mastercard Inc.
MetLife, Inc.
Moody's Corp.
Morgan Stanley
MSCI Inc.
PayPal Holdings, Inc.
Prudential Financial, Inc.
S&P Global Inc.
The Allstate Corp.
The Bank of New York Mellon Corp.
The Charles Schwab Corp.
The Goldman Sachs Group, Inc.
The PNC Financial Services Group, Inc.
The Progressive Corp.
The Travelers Companies, Inc.
Truist Financial Corp.
U.S. Bancorp
Visa Inc.
Wells Fargo & Co.

Health Care (39 Companies)

Abbott Laboratories
AbbVie Inc.
Agilent Technologies, Inc.
AmerisourceBergen Corp.
Amgen Inc.
Becton, Dickinson and Co.
Biogen Inc.
Boston Scientific Corp.
Bristol-Myers Squibb Co.
Centene Corp.
CVS Health Corp.
Danaher Corp.
DexCom, Inc.
Edwards Lifesciences Corp.
Elevance Health, Inc.
Eli Lilly and Co.
GE HealthCare Technologies Inc.*
Gilead Sciences, Inc.
HCA Healthcare, Inc.
Humana Inc.
IDEXX Laboratories, Inc.
Illumina, Inc.
Intuitive Surgical, Inc.
IQVIA Holdings Inc.
Johnson & Johnson
McKesson Corp.
Merck & Co., Inc.
Mettler-Toledo International Inc.
Moderna, Inc.
Pfizer Inc.
Regeneron Pharmaceuticals, Inc.
ResMed Inc.
Stryker Corp.
The Cigna Group
Thermo Fisher Scientific Inc.
UnitedHealth Group Inc.
Vertex Pharmaceuticals Inc.
Zimmer Biomet Holdings, Inc.*
Zoetis Inc.

Industrials (35 Companies)

3M Co.
AMETEK, Inc.
Automatic Data Processing, Inc.
Carrier Global Corp.
Caterpillar Inc.
Cintas Corp.
CSX Corp.
Cummins Inc.
Deere & Co.
Emerson Electric Co.
Fastenal Co.
FedEx Corp.
General Dynamics Corp.
General Electric Co.
Honeywell International Inc.
Illinois Tool Works Inc.
L3Harris Technologies, Inc.
Lockheed Martin Corp.
Norfolk Southern Corp.
Northrop Grumman Corp.
Old Dominion Freight Line, Inc.
Otis Worldwide Corp.
PACCAR Inc
Parker-Hannifin Corp.
Paychex, Inc.
Raytheon Technologies Corp.
Republic Services, Inc.
Rockwell Automation, Inc.
The Boeing Co.
TransDigm Group Inc.
Union Pacific Corp.
United Parcel Service, Inc.
Verisk Analytics, Inc.
W.W. Grainger, Inc.*
Waste Management, Inc.

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APPENDIX – COMPANIES STUDIED

Information Technology (34 Companies)

Adobe Inc.
Advanced Micro Devices, Inc.
Amphenol Corp.
Analog Devices, Inc.
ANSYS, Inc.*
Apple Inc.
Applied Materials, Inc.
Arista Networks, Inc.
Autodesk, Inc.
Broadcom Inc.
Cadence Design Systems, Inc.
Cisco Systems, Inc.
Cognizant Technology Solutions Corp.
Corning Inc.
Fortinet, Inc.
HP Inc.
Intel Corp.
International Business Machines Corp.
Intuit Inc.
KLA Corp.
Lam Research Corp.
Microchip Technology Inc.
Micron Technology, Inc.
Microsoft Corp.
Motorola Solutions, Inc.
NVIDIA Corp.
ON Semiconductor Corp.*
Oracle Corp.
QUALCOMM Inc.
Roper Technologies, Inc.
Salesforce, Inc.
ServiceNow, Inc.
Synopsys, Inc.
Texas Instruments Inc.

Materials (11 Companies)

Air Products and Chemicals, Inc.
Corteva, Inc.
Dow Inc.
DuPont de Nemours, Inc.
Ecolab Inc.
Freeport-McMoRan Inc.
LyondellBasell Industries N.V.
Newmont Corp.
Nucor Corp.
PPG Industries, Inc.
The Sherwin-Williams Co.

Real Estate (12 Companies)

American Tower Corp.
CoStar Group, Inc.*
Crown Castle Inc.
Digital Realty Trust, Inc.
Equinix, Inc.
Prologis, Inc.
Public Storage
Realty Income Corp.
SBA Communications Corp.
Simon Property Group, Inc.
VICI Properties Inc.*
Welltower Inc.

Utilities (14 Companies)

American Electric Power Co., Inc.
American Water Works Co., Inc.
Consolidated Edison, Inc.
Dominion Energy, Inc.
Duke Energy Corp.
Edison International
Exelon Corp.
NextEra Energy, Inc.
PG&E Corp.*
Public Service Enterprise Group Inc.
Sempra Energy
The Southern Co.
WEC Energy Group, Inc.
Xcel Energy Inc.

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FW COOK PROFILE

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